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First Quarter 2016

# INVESTMENT PERFORMANCE ANALYSIS

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Town of Palm Beach Health Insurance Trust

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# Market Environment

Sequential economic data, annualized, released in the first quarter of 2016 showed the U.S. economy grew 1.4% during the fourth quarter of 2015, a slowdown from the previously reported 2.0%. Compared to the prior period's growth rate, China decelerated to 6.6% while Japan's growth rate fell to -1.1%. Europe (+1.3%) was fairly steady, with similar gains experienced across France (+1.3%), Belgium (+1.3%), Austria (+1.2%), and Germany (+1.1%). Strong growth in Spain (+3.3%) and Ireland (+11.5%) was offset by Italy and Greece, which posted disappointed growth rates of 0.5% or less. Elsewhere, sharp gains were registered in Philippines (+8.2%) and Peru (+8.0%), but Venezuela (-8.4%), Brazil (-5.7%), and Russia (-3.8%) lagged.

The Federal Reserve met twice during the quarter and held policy rates steady. Economic projections were somewhat downgraded and meeting minutes show the Fed began to more clearly highlight the global risks facing the economy. As a result, Federal Open Market Committee (FOMC) members lowered expectations for rate hikes in 2016 from four to two. Japan introduced negative deposit rates in January on excess balances held with the Bank of Japan (BoJ), but a number of exemptions were implemented in the final two months of the quarter. Though a comprehensive package was widely anticipated, the European Central Bank (ECB) surprised markets with a number of rate cuts. Policy rates were lowered 5 bps to 0.0% and deposit rates shifted deeper into negative territory with a 10 bps cut to -0.4%. The quantitative easing program was increased by €20 billion/month, raising total bond purchases to a run rate of €80 billion/month. Also, the ECB will now include corporates in its list of eligible securities for purchase.

Inflation across Organisation for Economic Co-operation and Development (OECD) countries was a modest 1.0% over the 12-month period ended February 2016. The euro area remained particularly low at -0.2%, with declines in Spain (-0.8%), Italy (-0.3%), and France (-0.2%) and a flat print in Germany. The highest inflation reading pressure occurred in Brazil (+10.4%), Russia (+8.1%), Colombia (+7.6%), and South Africa (+7.0%). U.S. Bureau of Labor Statistics data for this time period reflected the dramatic decline in energy prices, with headline CPI up 1.0% over the 12-month period. Excluding food and energy, U.S. prices were up 2.3%.

Unemployment across OECD countries was 6.5% at the end of February 2016. The euro area remained elevated at 10.3%, with Spain (20.4%), Portugal (12.3%), and Italy (11.7%) showing improvements, but remaining elevated. The lowest unemployment rates were generally outside of the euro area and included the U.S. (4.9%), Korea (4.1%), Mexico (4.2%), Japan (3.3%), and Iceland (3.1%). U.S. job creation continued to trend upward and many economists point to the economy nearing full employment with very little slack in the system. The labor participation rate, while still at low levels, has shown signs of improvement in recent months.

The U.S. Federal Housing Finance Agency (FHFA) reported its seasonally adjusted Purchase-Only House Price Index rose 1.4% during the fourth quarter of 2015, the 18th consecutive increase. Over the past year, home prices rose 5.8% with gains in every state and in the District of Columbia. The FHFA stated that financial market volatility did not lead to a drag in home price appreciation and that Q4 increases were in line with steady improvements over the past several years.

West Texas Intermediate (WTI) crude prices gained 3.5% to end the quarter at \$38.34 per barrel. Brent crude rose 8.2% to \$40.33 by the end of March. As a result, the spread between WTI and Brent widened from \$0.24 at the end of 2015, to \$1.99. Natural gas prices were weak, ending the quarter down 15.4%, to \$1.93.

Gold prices rose 16.4% to end the quarter at \$1,234.20 per ounce. Gold received a strong bid as investors sought safety against weakness in the U.S. dollar (USD) and ongoing trends in unconventional central bank policy.

The Dollar Spot Index (DXY) fell 4.1% as strength in five of the six constituents—Canadian dollar (+7.4%), Japanese yen (+7.0%), euro (+4.9%), Swiss franc (+4.5%), and Swedish krona (+4.0%)—offset weakness in the British pound (-2.5%). The dollar traded mostly lower against other developed and emerging markets currencies.

# Historical Returns

First Quarter 2016

Equity Index Returns							Fixed Income Index Returns							Illiquid Partnerships						
	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
S&P 500	1.3	1.8	7.1	11.8	11.6	7.0	LIBOR US 3m	0.2	0.4	0.3	0.3	0.3	1.5	<b>Private Real Assets (as of 12/31/2015)</b>						
CRSP US Total Market	0.9	-0.4	5.7	11.1	10.9	7.1	Citigroup 3m T-Bill	0.1	0.1	0.1	0.0	0.1	1.1	NCREIF Property Index	2.9	13.3	12.6	12.0	12.2	7.8
Russell 3000 (Broad Market)	1.0	-0.3	5.8	11.1	11.0	6.9	BOA ML 1-3 Yr Treasury	0.9	0.9	1.0	0.8	0.9	2.5	Apartment	2.7	12.0	11.1	10.9	11.9	7.3
Russell 1000 (Large Cap)	1.2	0.5	6.4	11.5	11.4	7.1	Barclays 3-10 Yr Treasury	3.3	3.1	4.2	2.1	3.8	5.2	Industrial	3.2	14.9	14.1	13.5	13.2	7.8
Russell Midcap	2.2	-4.0	4.4	10.4	10.3	7.4	Barclays 5-10 Yr Treasury	4.1	3.6	5.3	2.4	4.8	5.8	Office	2.6	12.5	12.0	11.3	11.4	7.5
Russell 2000 (Small Cap)	-1.5	-9.8	-1.2	6.8	7.2	5.3	Barclays Long-Term Treasury	8.2	2.8	11.7	6.1	9.7	8.0	Retail	3.5	15.3	14.2	13.8	13.3	8.7
MSCI ACWI (USD)	0.2	-4.3	0.4	5.5	5.2	4.1	Barclays Credit	3.9	0.9	3.8	2.9	5.0	5.7	NCREIF Timber Index	1.9	5.0	7.7	8.4	6.8	6.9
MSCI ACWI (Local)	-1.4	-4.4	4.5	8.6	8.1	4.7	Barclays Gov't/Credit	3.5	1.7	3.8	2.4	4.0	4.9	<b>Private Equity (as of 09/30/2015)</b>						
MSCI ACWI ex-U.S. (USD)	-0.4	-9.2	-5.2	0.3	0.3	1.9	Barclays Aggregate	3.0	2.0	3.8	2.5	3.8	4.9	VC: Early Stage	0.1	30.6	26.1	23.2	19.6	11.3
MSCI ACWI ex-U.S. (Local)	-3.9	-9.9	2.2	5.7	5.1	2.8	Barclays Municipal	1.7	4.0	5.3	3.6	5.6	4.9	VC: Late/Expansion Stage	-0.6	11.9	10.5	16.7	14.8	12.8
MSCI EAFE (USD)	-3.0	-8.3	-4.7	2.2	2.3	1.8	Barclays High Yield	3.4	-3.7	-0.9	1.8	4.9	7.0	VC: Multi - Stage	-0.9	18.9	16.7	19.5	16.1	10.3
MSCI EAFE (Local)	-6.5	-11.2	2.3	6.5	6.2	1.7	JPM Global Bond	6.7	5.8	0.9	0.9	1.5	4.5	Growth Equity	-3.0	6.5	6.7	13.5	12.8	11.7
MSCI EM (USD)	5.7	-12.0	-6.0	-4.5	-4.1	3.0	JPM Non-U.S. Bond	9.1	8.2	-1.0	0.1	0.3	4.2	Buyout: Small Cap	0.2	7.1	5.2	11.0	13.6	17.3
MSCI EM (Local)	2.7	-7.7	1.2	1.9	1.3	5.3	JPM Global Bond-Hedged	3.9	3.2	5.8	4.2	4.8	4.8	Buyout: Mid Cap	-0.4	7.1	5.6	10.6	11.0	13.4
S&P Developed ex-U.S. (Small Cap)	0.5	2.0	-0.4	6.7	4.7	4.2	JPM Non-U.S. Bond-Hedged	4.3	3.7	6.7	5.3	5.5	4.9	Buyout: Large Cap	-0.9	5.0	3.1	12.3	13.0	13.1
London - FTSE 100*	0.1	-5.2	0.4	2.4	4.6	4.1	JPM EMBI+	5.9	5.9	5.2	2.8	6.1	7.1	Buyout: Mega Cap	-0.6	10.5	6.9	15.9	14.8	10.3
Japan - Nikkei 225*	-11.2	-11.0	8.1	12.4	13.5	--	JPM GBI-EM Global Div Bond	11.0	-1.6	-6.5	-6.7	-2.0	5.0							
Hong Kong - Hang Seng*	-4.7	-13.5	0.6	1.4	1.1	6.3	JPM GBI-EM Global Div Bond-Hedged	3.8	0.5	2.0	0.1	2.8	4.3							
China - Shanghai Composite*	-15.1	-19.7	21.4	10.3	0.5	8.7														
40% R 3000/40% EAFE/20% EM	0.3	-5.8	-0.7	4.4	4.5	4.3														

MSCI ACWI Sector							Hedge Fund Index Returns							Real Assets and Inflation						
	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Consumer Discretionary	-0.3	-1.4	4.9	10.8	11.3	7.5	<b>HFRI Fund Weighted Composite</b>	-0.8	-4.1	-0.1	2.1	1.8	3.4	<b>REITs</b>						
Consumer Staples	4.8	8.1	8.4	8.0	11.7	10.5	<b>Absolute Return</b>							FTSE EPRA/NAREIT Dev'd	5.4	1.3	8.4	6.3	8.5	4.6
Energy	6.4	-13.7	-15.2	-7.1	-6.0	0.7	HFRI Event Driven (Total)	-1.0	-6.3	-2.7	1.5	2.0	3.7	<b>Commodities</b>						
Financials	-4.9	-10.4	-3.5	2.5	3.0	-1.0	HFRI Relative Value (Total)	0.0	-2.0	0.7	2.5	3.7	5.2	Bloomberg Commodity	0.4	-19.6	-23.4	-16.9	-14.1	-6.2
Health Care	-6.5	-7.8	5.8	12.3	14.9	8.8	HFRI RV: FI-Convertible Arbitrage	-0.6	-0.7	0.3	2.6	2.2	4.5	S&P GSCI	-2.5	-28.7	-34.8	-24.5	-17.4	-10.7
Industrials	3.6	-1.3	0.8	7.0	5.5	5.0	HFRI EH: Equity Market Neutral	0.6	3.3	3.4	4.1	2.7	2.3	<b>Natural Resources</b>						
Information Technology	1.6	2.4	9.1	14.0	11.0	7.3	<b>Directional Hedge</b>							S&P NA Natural Resources	6.3	-18.3	-15.9	-7.6	-6.6	1.2
Materials	6.0	-11.9	-9.3	-4.6	-6.6	1.7	HFRI Equity Hedge (Total)	-1.7	-4.5	-1.0	2.6	1.8	2.7	<b>Inflation-Protected Bonds</b>						
Telecom	7.0	3.6	3.1	7.4	6.1	7.1	HFRI Macro (Total)	1.2	-3.3	2.9	1.2	0.2	3.3	Barclays U.S. TIPS	4.5	1.5	2.3	-0.7	3.0	4.6
Utilities	8.8	5.7	3.4	6.8	4.8	4.8	HFRI Emerging Markets (Total)	0.8	-3.5	-2.2	-0.8	-1.2	2.8	<b>Inflation</b>						
							HFRI EH: Short Bias	7.0	7.6	1.3	-4.4	-6.2	-5.5	U.S. CPI	0.4	0.5	0.2	0.7	1.2	1.7
							<b>Fund of Funds</b>							U.S. CPI Plus 5%	1.6	5.6	5.2	5.7	6.3	6.8
							HFRI FOF Strategic	-3.8	-6.8	-1.0	1.6	1.2	1.3							
							HFRI FOF Diversified	-2.0	-4.5	0.4	2.3	1.7	1.7							
							HFRI FOF Conservative	-2.2	-3.7	-0.0	2.0	1.6	1.4							

\*Returns in local currency.



Note: All returns as of 3/31/2016, unless otherwise noted.

# Key Metrics

First Quarter 2016

Option-Adjusted Spreads		
	Current QTR	1 Year Ago
U.S. High Yield	656	466
U.S. Corporate	163	129
U.S. IG Financials	155	118
CDX IG 5-Yr	79	64
CDX HY 5-Yr	439	343
Agency MBS	22	20
CMBS	125	95
ABS - Fixed Rate	74	62
ABS - Floating Rate	121	81
TED <sup>1</sup>	42	25
Emerging Markets (External)	382	354

<sup>1</sup> 3 month US LIBOR minus 3 Month US T Bills

U.S. Economy		
	Current QTR	1 Year Ago
Unemployment Rate	5.00%	5.50%
Quarterly GDP <sup>2</sup>	1.40%	2.20%
Current Account Deficit <sup>2</sup>	\$125.30	\$113.50
Annualized Current Account Deficit/GDP <sup>2</sup>	2.80%	2.60%

<sup>2</sup> Statistics as of one quarter prior

Central Bank Activity		
	Current QTR	1 Year Ago
Fed Funds Rate	0.50%	0-0.25%
Bank of Japan Target Rate	-0.10%	0.10%
European Central Bank Policy Rate	0.00%	0.05%
European Central Bank Deposit Facility Rate	-0.40%	-0.20%
Bank of England Official Bank Rate	0.50%	0.50%

Inflation Forecast		
	Current QTR	1 Year Ago
10-Year Treasury Yield	1.77%	1.92%
10-Year Breakeven <sup>4</sup>	1.63%	1.78%
5-Year Treasury Yield	1.21%	1.37%
5-Year Breakeven <sup>4</sup>	1.51%	1.58%

<sup>4</sup> Breakeven rates calculated by Bloomberg

	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	16.6x	2.3%	16.9x	16.8x	1.9%
Russell 1000 Index	17.3x	16.8x	2.2%	17.1x	17.2x	1.9%
Russell Midcap Index	18.6x	17.9x	2.0%	19.8x	18.8x	1.5%
Russell 2000 Index	17.9x	21.9x	2.0%	19.9x	24.0x	1.6%
Russell 3000 Index	17.3x	17.0x	2.2%	17.3x	17.5x	1.8%
Russell 3000 Growth Index	19.4x	18.4x	1.6%	19.8x	19.2x	1.4%
Russell 3000 Value Index	15.5x	15.8x	2.9%	15.3x	16.0x	2.3%
MSCI ACWI Index	16.2x	15.3x	2.8%	16.0x	16.0x	2.4%
MSCI ACWI ex-U.S. Index	14.7x	13.9x	3.4%	14.9x	14.9x	2.9%
MSCI EAFE Index	15.6x	14.4x	3.6%	15.7x	15.9x	3.0%
MSCI EM Index	12.0x	12.1x	3.0%	12.4x	12.0x	2.7%
MSCI Frontier Markets Index	10.7x	9.6x	4.4%	11.6x	10.0x	4.3%
London - FTSE 100*	14.0x	13.2x	3.7%	16.2x	15.9x	2.6%
Japan - Nikkei 225*	16.6x	15.7x	2.0%	21.4x	18.5x	1.4%
Hong Kong - Hang Seng*	10.3x	10.6x	4.1%	10.6x	11.8x	3.5%
China - Shanghai Composite*	10.7x	10.5x	2.9%	15.4x	13.1x	2.2%

<sup>3</sup> 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%	0.14%	0.56%	1.37%	1.92%	2.54%	1.36%
Current Quarter	0.21%	0.39%	0.72%	1.21%	1.77%	2.61%	1.05%

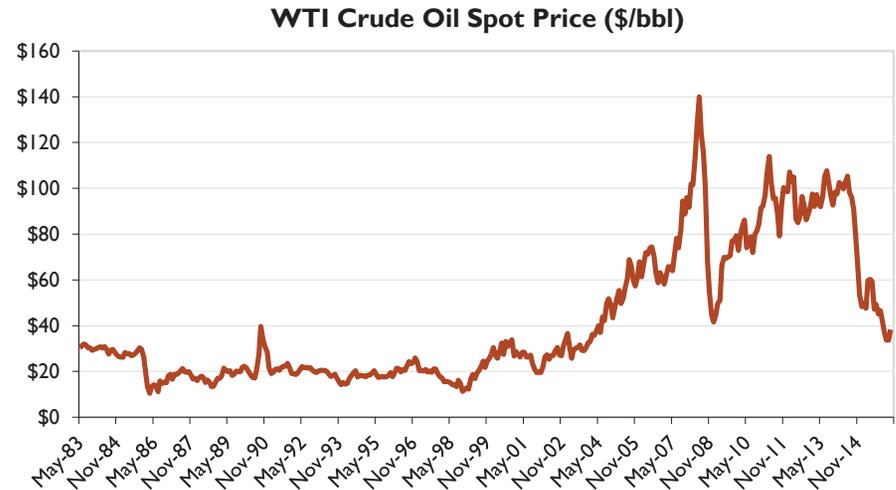
Currency Rates (per U.S. Dollar) (%)							
	QTD	YTD	1 Year	2 Year*	3 Year*	5 Year*	Spot Rate
U.S. Dollar Spot (DXY)**	-4.1	-4.1	-3.8	8.7	4.5	4.5	94.628
Canadian Dollar	7.4	7.4	-2.1	-7.6	-7.7	-5.5	1.293
Japanese Yen	7.0	7.0	6.7	-4.3	-5.8	-5.9	112.395
British Pound	-2.5	-2.5	-3.2	-7.1	-1.8	-2.2	0.696
Euro	4.9	4.9	6.1	-9.1	-3.9	-4.3	0.878
Swiss Franc	4.5	4.5	1.4	-4.0	-0.4	-0.9	0.958
Australian Dollar	5.7	5.7	0.7	-8.9	-9.6	-5.7	1.300
Brazilian Real	11.6	11.6	-9.8	-20.2	-17.1	-14.4	3.544
Chinese Renminbi	0.4	0.4	-4.1	-1.9	-1.3	0.2	6.468
GBP/Euro	-7.0	-7.0	-8.7	2.1	2.2	2.2	0.793
Yen/Euro	2.0	2.0	0.6	5.3	-2.0	-1.7	128.080

\*Annualized Price Change

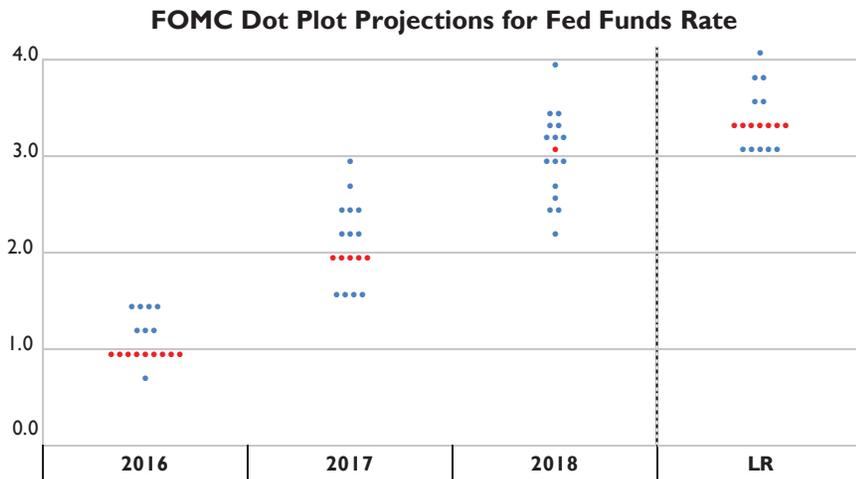
\*\*Index measures value of USD relative to basket of foreign currencies.



The Trade-Weighted U.S. Dollar Index reversed its upward move during the quarter. The prospects of a patient Fed implies fewer potential rate hikes this year. The dollar traded lower against a majority of its developed market counterparts aside from gains against the British sterling. EM currencies generally rallied against the greenback.



Oil prices traded higher during the quarter. WTI rose 3.5% to end the quarter at \$38.34. Rig count declines portend production cuts and heavy short-covering occurred during the quarter, both of which caused oil to rise.



Compared to the last dot plot release, FOMC projections now call for potentially two rate hikes in 2016 compared to four as expected in December.



Source: Bloomberg

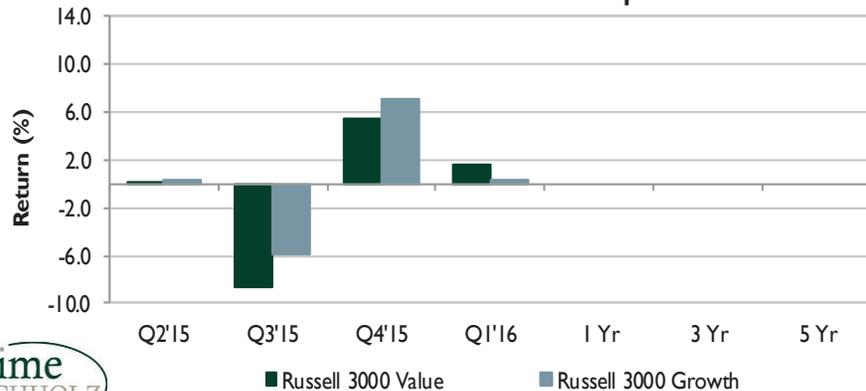
U.S. real GDP increased at an annual rate of 1.4% in the fourth quarter. Market expectations call for a rebound during 2016, although recent data suggests an extremely weak first quarter followed by better growth in the remaining three quarters.

The Russell 3000 Index gained 1.0% during the first quarter. The modest increase masked highly volatile performance, with the Index declining nearly 10% through mid-February before recovering in the second half of the quarter. Earlier in the quarter, investors were concerned about falling oil prices and a potential slowdown in the U.S. economy. These concerns were alleviated by the bounce back in oil prices, stronger than expected economic data, and dovish signaling from the Fed later in the quarter.

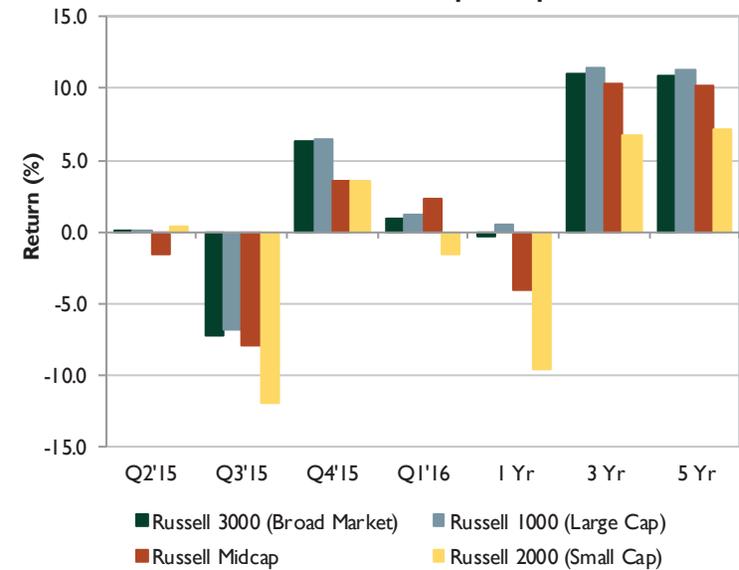
Eight of the 10 economic sectors in the Russell 3000 Index finished with gains. The segments that declined were health care (-7.0%), the third largest sector in the Index, and financials (-3.7%), the second largest sector. Within health care, biotech stocks (-16.8%) led the sector down as investors became concerned about valuations in light of greater potential political scrutiny into drug pricing. Within financials, banks (-11.6%) and capital markets (-10.0%) were the largest detractors. Banks were hurt by the flattening of the yield curve and concerns about energy loan books, while the capital markets segment came under pressure in the wake of recent market weakness and the ongoing shift from active to passive management. However, REIT stocks, which many investors view as bond proxies, gained 5.9% as yields fell. Utility (+15.3%) and telecom (+15.0%), which is generally considered defensive sectors, were the best performing segments of the market.

From a style perspective, quality-related factors posted positive results, while risk- and sentiment-related factors had drawdowns. With investors in risk-off mode, large and mid cap stocks outperformed their small cap counterparts. The Russell 1000 and Mid Cap Indexes posted gains of 1.2% and 2.2%, respectively, while the Russell 2000 Index declined 1.5%. The Russell 3000 Value Index (+1.6%) outpaced the Russell 3000 Growth Index (+0.3%) thanks in part to lower weighting in health care and higher weighting in utilities. However, over the trailing one, three, and five years, growth stocks continued to lead their value counterparts.

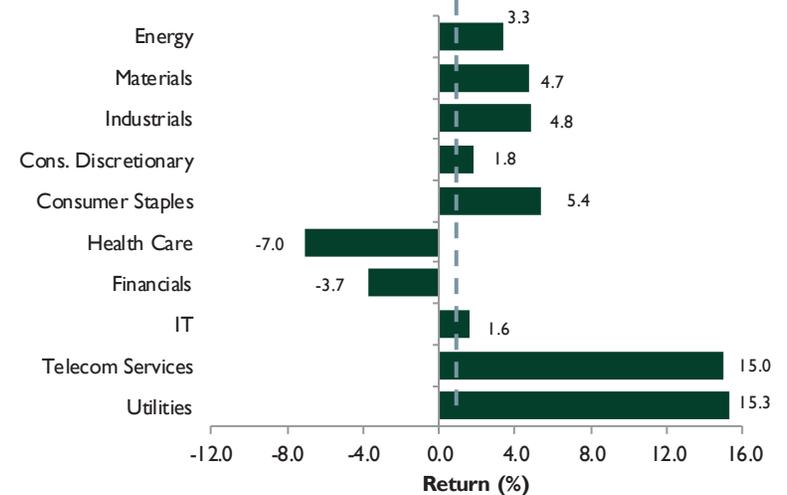
**U.S. Growth vs. Value Comparison**



**U.S. Market Cap Comparison**



**Q1 '16 U.S. Sector Returns\***



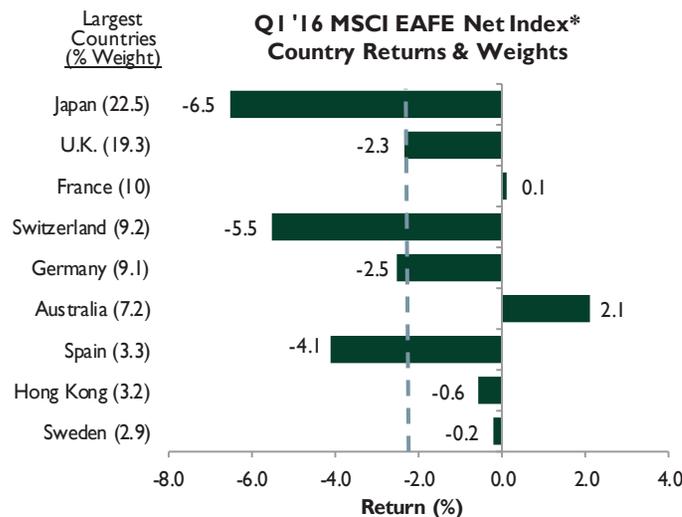
\*Dotted line indicates total Russell 3000 Index return  
Sources: InvestmentMetrics, FactSet, Bloomberg

The first quarter proved difficult for foreign equities as the MSCI EAFE Index declined 3.0%. Concerns over slowing global growth served as a headwind to start 2016 and country-specific concerns in Japan and the U.K. weighed on broad performance. Currency movements were beneficial for U.S.-based investors as major foreign currencies such as the euro and yen gained on the USD. In local terms, the MSCI EAFE Index fell 6.5% over the quarter.

- The U.K. (-2.3% USD, +0.2% local) was home to one of the few currencies that fell relative to the USD. The British pound (-2.5% vs. USD) reached multi-year lows against the dollar, driven in part by concerns over a potential British exit from the European Union.
- Equity returns across continental Europe were broadly disappointing. Weak industrial production and manufacturing data weighed on countries such as Germany (-2.5% USD, -7.1% local). European banks also fell sharply early in the year, hurt by concerns over global growth, low interest rates, and exposure to the troubled oil and gas companies.
- Japanese (-6.5% USD, -12.7% local) equities struggled over the quarter. A rally in the yen (+7.0% vs. USD) hindered the competitiveness of globally oriented companies and weighed on the country's export-driven economy.

In a reversal from calendar year 2015, EM equities outpaced both U.S. and developed non-U.S. equities in the first quarter. The MSCI EM Index gained 5.7% over the period due largely to a rally in March in which EM equities rose 13.2%. Currency movements served as a tailwind for U.S.-based investors, reversing what had been a prolonged period of strength for the greenback against most EM currencies. The MSCI EM Index gained only 2.7% in local terms.

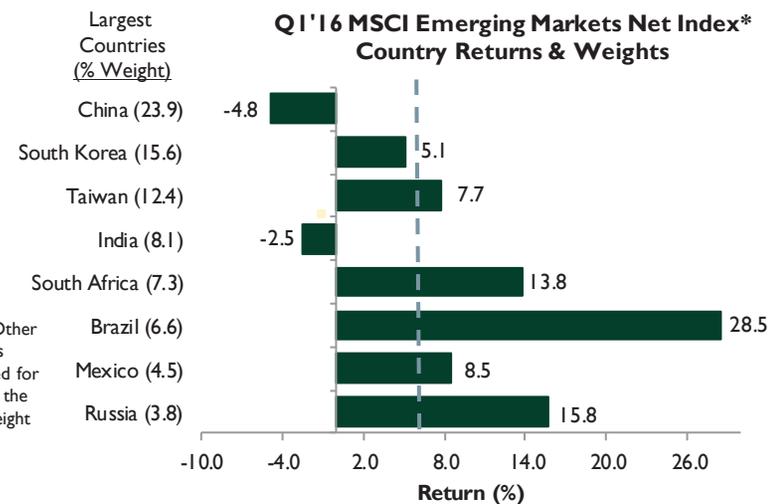
- Following a year in which both the equity market and its currency fell significantly, Brazil (+28.5% USD, +15.1% local) rebounded in the first quarter despite continued macro headwinds. Brazil rallied in March on the back of a rise in oil prices and the prospect of a change in leadership as the impeachment case against President Dilma Rousseff continued.
- China (-4.8% USD, -4.7% local) fell sharply in the first weeks of the new year before recovering in March. Despite weak market performance and broad investor fears, the economic picture in China has held up reasonably well. GDP growth has been stable in early 2016 and both domestic and external demand displayed signs of improvement in March.
- India (-2.5% USD, -2.4% local) pulled back as investor sentiment was hampered by concerns over Prime Minister Narendra Modi's ability to pass much needed reform through government.



\*Note: Other countries accounted for 13.4% 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 17.9% of the Index weight

\*Dotted line indicates total index return.

During the first quarter, most developed market sovereign bond yields declined amid increased equity market volatility, ongoing central bank purchases, and muted global economic growth and inflation. U.S. Treasury yields declined across the curve, which experienced a bull flattening, with yield declines most pronounced at the long end of the curve. The 10-year yield declined 49 bps to end the quarter at 1.78%. The yield on the 2-year note fell 33 bps during the quarter, and the spread between the 2- and 10-year yield came in 16 bps, to end the quarter at 1.05%. In aggregate, the U.S. Treasury market advanced 3.2% in total return terms.

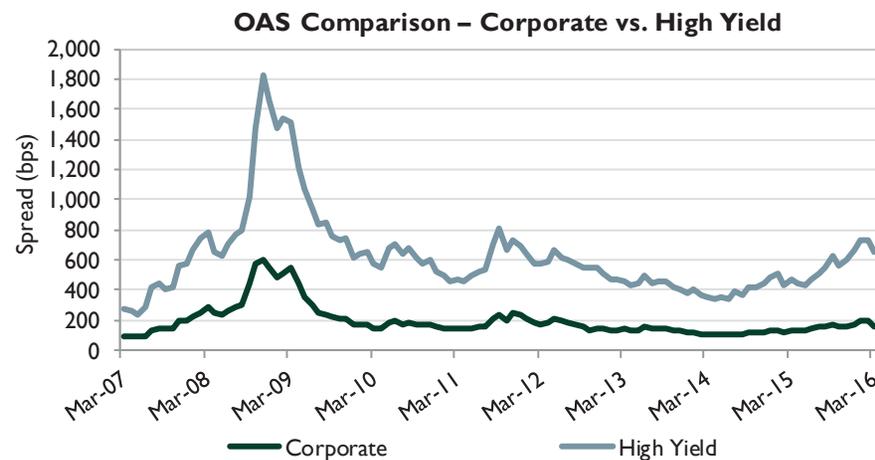
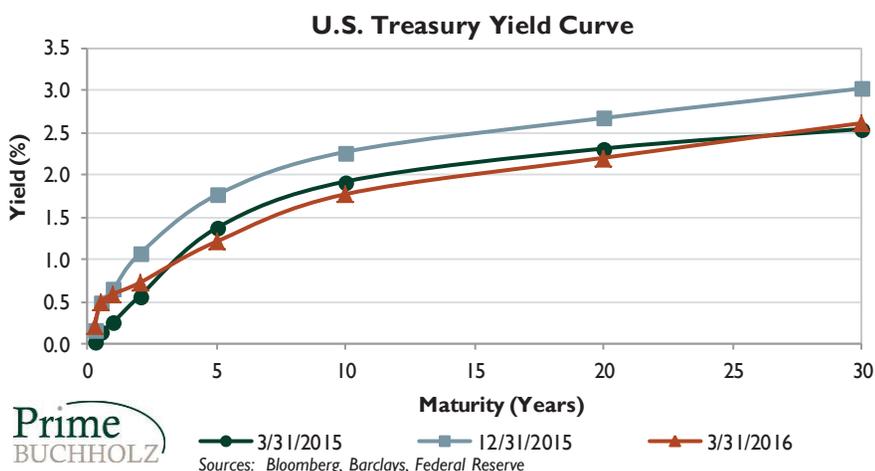
Following an increase in the federal funds rate range to 0.25–0.50% at the December 2015 meeting, the FOMC took a more dovish stance in the first quarter of 2016. The Committee left the federal funds target rate unchanged and reduced the number of projected rate hikes for 2016 from four to two. The Fed also revised down its 2017, 2018, and long-run estimates of future federal funds target rates. The FOMC cited global growth concerns and below-target inflation as the primary drivers of the revisions.

The Barclays Aggregate Index gained 3.0% during the quarter. The positive return for the quarter was driven primarily by declining yields. Credit spreads also generally tightened, which boosted spread sectors. With rate declines more pronounced at the long end of the curve, longer-term securities generally outperformed shorter maturities as the curve flattened. Lower-rated securities generally fared better, with AAA-rated securities adding 2.7% compared to BBB-rated securities, which gained 4.3%.

The U.S. corporate sector returned 4.0%. Investment-grade corporate option-adjusted spreads (OAS) widened through the first half of the quarter before rallying to end the quarter. Corporate OAS tightened 2 bps and ended the quarter at 163 bps. Industrials (+4.7%) generally outperformed financials (+2.3%). In terms of quality, BBB-rated industrials (+5.0%) were among the top performers, while higher-rated industrials and financials generally lagged. Investment-grade corporate issuance remained strong (\$360.1 billion according to SIFMA) and outpaced the \$348.5 billion worth of issuance through the first quarter of last year.

Securitized bonds returned 2.1% but trailed the broad market. Agency mortgage-backed securities (MBS) returned 2.0% as spreads tightened slightly. Commercial MBS spreads also tightened modestly, resulting in a return of 3.6%. Asset-backed securities (ABS) gained 1.4%, with auto and credit card ABS adding 1.0% and 1.6%, respectively. Non-agency residential MBS performed well as credit fundamentals remained solid and the sector benefited from a strong technical environment.

High yield bonds rose 3.4%. At the index level, spreads only tightened 4 bps, but certain industries experienced dramatic tightening, including metals and mining (–406 bps), independent energy (–305 bps), and railroads (–128 bps). Energy and metals and mining were driven by gains in commodity markets and lowered default expectations, but stress remains heightened in these industries. Credit quality was barbelled with strong returns in CC-rated debt (+4.7%) and BB-rated debt (+3.9%), both of which outpaced B-rated (+2.5%) and CCC-rated (+3.7%).



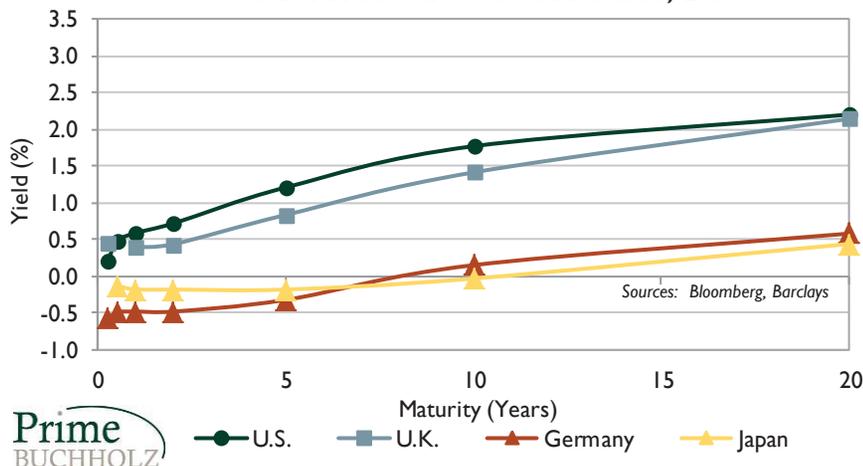
The Fed held rates steady at both meetings during the quarter. While it remains data-dependent, dot plots now project only two rate hikes in 2016 compared to four projected last December. The BoJ surprised markets in late-January by moving to a negative deposit rate. The ECB made a number of changes, including a 5 bps cut to its policy rate (to 0.0%), a 10 bps cut in deposit rate (to -0.40%) and a €20 billion per month increase in quantitative easing (to €80 billion per month), which will now include corporate bonds in the list of eligible investments. Sweden implemented a 15 bps cut to its repo rate, lowering it to -0.5%. Mexico surprised markets with a 50 bps hike in an attempt to punish currency speculators by raising the cost of carry to short the peso.

The DXY fell 4.1% during the first quarter. The British pound (-2.5%) fell as fears of a Brexit from the European Union and weak macro data continued to put downward pressure on sentiment. Other DXY constituents—Canadian dollar (+7.4%), Japanese yen (+7.0%), euro (+4.9%), Swiss franc (+4.5%), and Swedish krona (+4.0%)—all rose against the USD. Other developed market currency strength occurred in Norway (+7.0%) and Australia (+5.7%), while emerging markets currencies such as the Brazilian real (+11.6%), Malaysian ringgit (+10.1%), Russian ruble (+9.2%), South African rand (+5.4%), and Polish zloty (+6.1%) rallied sharply versus the greenback. Argentina removed currency controls; as a result the peso fell 11.1% against the USD. Ukraine still faces economic challenges and a dysfunctional government, causing the hryvnia to fall 8.3%.

The Barclays Global Treasury ex-U.S. Index rose 8.9% in unhedged USD terms and 4.0% on a hedged basis. In local terms, Japan's 4.6% gain accounted for 45% of the Index returns. Strong performance across the euro area—along with additional ECB stimulus—led to the region contributing 34% to Index returns. The strongest contributors were France (+4.3%), Germany (+4.0%), Italy (+2.8%), and Spain (+2.9%). The 5.1% local return in the U.K. was another solid contributor to returns. Other countries such as Canada (+1.1%), South Korea (+1.9%), and Malaysia (+1.8%) all rose in absolute terms but trailed the broad index on a relative basis.

The Barclays EM Local Currency GBI gained 8.6% in unhedged USD terms and 3.2% on a hedged basis, as currency provided a significant tailwind. Using hedged returns as a proxy for local market returns, EM Americas (+4.7%) outperformed EM Europe, Middle East, and Africa (EMEA) (+2.1%), and EM Asia (+3.0%). Local market strength in Brazil (+8.6%) offset more modest gains in Mexico and Chile. Within EM EMEA, Hungary, South Africa, and Turkey all rose by more than 3%, outpacing Poland (+1.6%) and Russia (+2.4%). EM Asia returns were driven by Indonesia (+6.3%) and Thailand (+6.6%), which outperformed South Korea (+1.9%) and Malaysia (+1.8%). Regional performance on an unhedged basis included EM Americas (+12.3%), EM EMEA (+8.6%), and EM Asia (7.3%).

**Global Yield Curves as of March 31, 2016**



**OAS Comparison - Global Corporate vs. Global High Yield**



North American private equity raised \$83 billion from 112 funds during the fourth quarter of 2015, representing 47% of funds closed and 64% of total capital raised globally. This was a 32% increase in the number of funds and a 35% increase in capital from the prior quarter. In 2015, middle market leveraged buyouts (\$50 million in EBITDA or less) experienced an increase in purchase multiples and flat debt multiples. The reported average purchase multiple for 2015 was 10.6x EBITDA, which was a full turn above the 9.6x reported in 2014. This increase occurred despite a reduction in activity (according to deal prices) in the fourth quarter. The average debt multiple of 5.3x in 2015 was in line with multiples reported in the prior year.

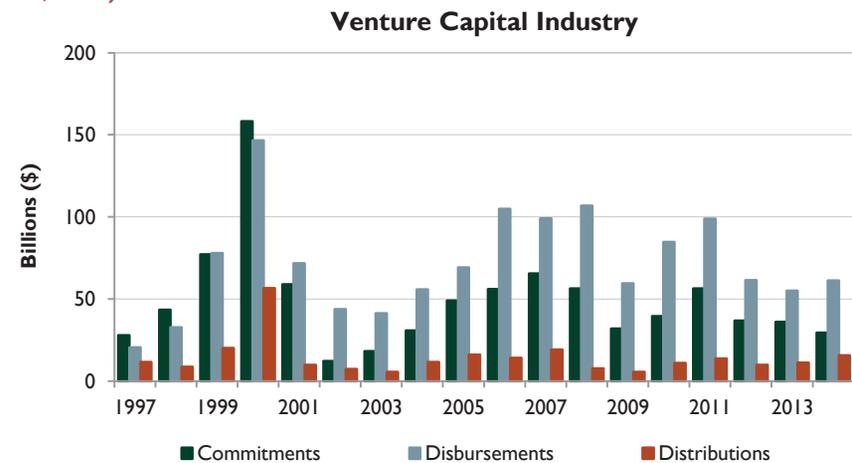
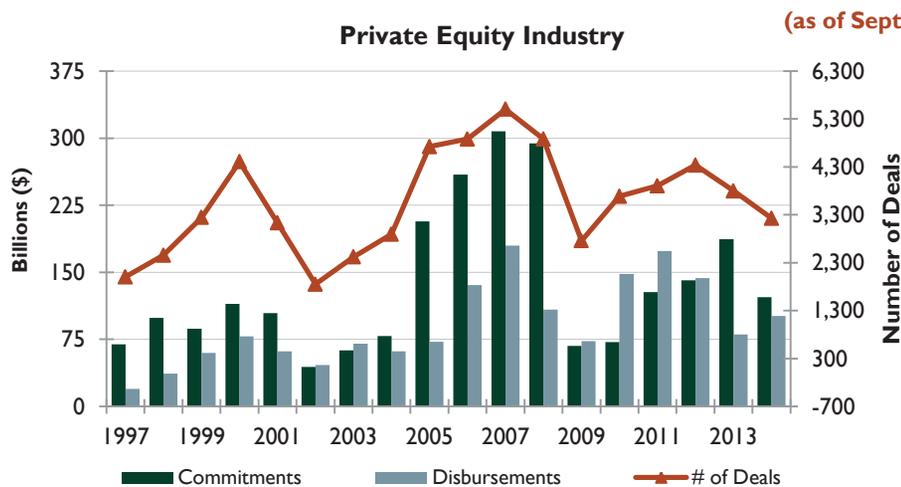
North American private equity buyout deals totaled \$255 billion of value in the entire year of 2015, representing 62% of global private equity buyout activity. There was a 35% increase in aggregate deal value in 2015 compared to the prior year. In North America, private equity firms exited more than \$321 billion across 1,132 completed sales in 2015—a year-over-year increase of 10% in exit value and a 2.4% decrease in exit volume.

Strategic acquisitions remained the primary exit route, accounting for more than 54% of all private equity-backed sales. Total value exited through strategic acquisitions increased by 31% from the previous year. There were 39 initial public offerings (IPOs) in 2015, accounting for just 3% of all exits and representing the lowest amount since 2008.

As of year-end, there was \$30.7 billion in face value of leveraged loans in default or bankruptcy, increasing from \$29.5 billion in the third quarter. Elevated levels of default and bankruptcy are primarily the result of TXU filing. Defaulted/bankrupt issues remained at 3.5% of outstanding leveraged loans flat from the prior quarter. Given looser credit conditions and strong market appetite, many companies have been able to extend or reprice debt, reducing their near-term leverage burden. This has kept defaults relatively low for the time being.

Forty-six U.S. venture capital funds raised \$4.9 billion during the fourth quarter, a 10% increase in dollar commitments from the previous quarter. Commitments were allocated to 26 follow-on funds and 20 new funds. North America saw 4,307 venture capital deals take place in 2015, accounting for 47% of global venture capital deals—a 23% decrease from the previous year's activity. The calendar year marks the slowest year for venture capital deal-making since 2010.

In the U.S., 854 venture-backed exits were completed at an aggregate \$81 billion in 2015, putting 2015 volume on par with 2012 levels, second only to 2014 in aggregate exited value. It was not a great year for IPOs, with only 73 IPOs totaling \$8.0 billion of value in 2015, compared to 122 IPOs at \$10.7 billion the prior year.



Sources: Dow Jones Private Equity Analyst, National Venture Capital Association, Thomson Financial, S&P LCD, Emerging Markets Private Equity Association, Dealogic, Preqin, Pitchbook

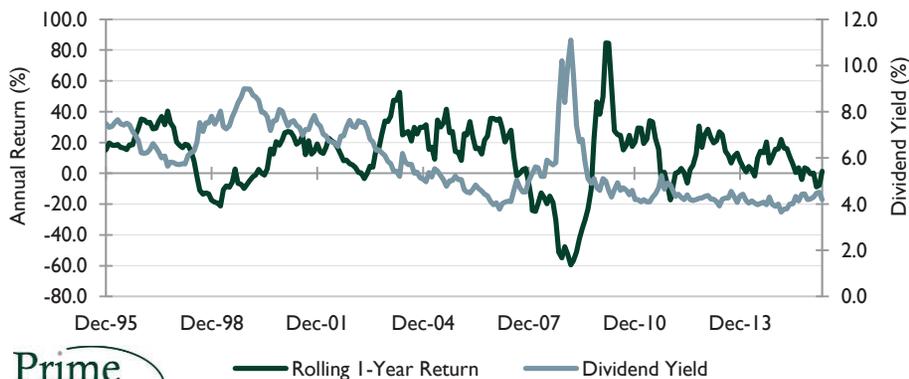
Global real estate securities rallied 5.4% during the first quarter, as measured by the FTSE EPRA/NAREIT Developed Index. North American securities led the advance, rallying 5.6% on improvements in credit markets and expectations that U.S. policy rate hikes would remain gradual. The net lease sub-sector, which offers attractive relative yields to other REIT sub-sectors and some fixed income securities, returned a notable 15.4%. Assets in this sector have bond-like revenue streams, with long-term leases to single corporate tenants. Asian REITs posted a 5.4% return in USD terms due in part to weakness in the dollar (-4.1%) relative to local currencies. Japanese REITs advanced 10.6% (in local terms) on the country's negative interest rate policy and expectations of further Bank of Japan REIT purchases. Currency also had a significant impact in Europe, as REITs moved 2.2% higher in USD terms but fell 2.6% in local terms due largely to negative returns in the U.K., where security prices fell on lower private market valuations and concerns around a possible Brexit.

The Bloomberg Commodity Index returned 0.4% during the quarter, masking dispersion across commodity sub-sectors. Gold advanced 16.4% on dovish economic comments from the Fed and concerns around negative interest rates in Europe. Within energy, WTI and Brent crude oil prices rallied 3.5% and 8.2%, respectively, on declines in U.S production and speculation that OPEC and other large oil producers would freeze production. Despite strength in oil, the energy sector was down materially (-9.3%) as prices for other fuels fell, particularly natural gas (-15.4%), which declined on an unusually warm winter and elevated inventory levels. Elsewhere, industrial metals (+2.3%), agriculture (+0.7%), and livestock (+1.2%), remained relatively flat.

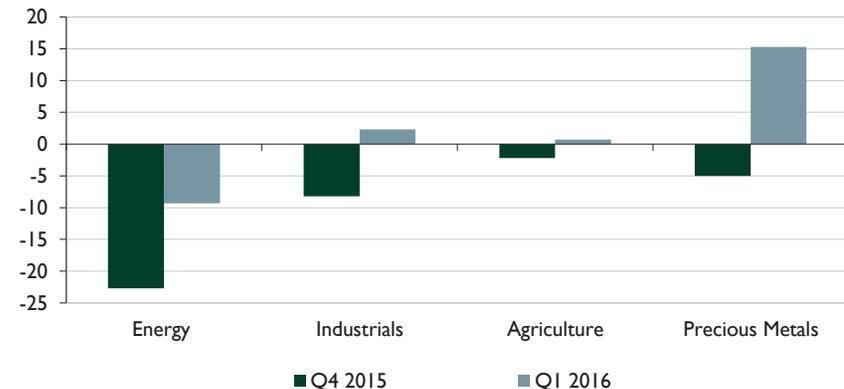
The NCREIF Property Index returned 3.1% during the third quarter, extending its streak of consecutive positive quarterly returns to 23. The Index is comprised of domestic cash-flowing, core-like assets owned by tax-exempt investors. During the quarter, all five property types posted positive returns, led by industrial (+3.7%), hotel (+3.5%), and retail (3.1%). Valuations—particularly for core assets in primary markets, as well as select secondary markets—continued to increase. Investor demand for yield in the current low interest rate environment, combined with low cost and widely available debt capital, have pushed valuations to record highs in some markets. The perceived safe haven offered by U.S. real estate, along with the country's consistent economic growth, continued to attract significant foreign investment. Values have also been pushed higher as a result of improving real estate fundamentals and the related growth in asset cash flows.

U.S. TIPS rose 4.5% during the first quarter as inflation expectations over the next five years increased by 18 bps to 1.49% and over the next 10 years by 7 bps to 1.61%. Real yields declined across the term structure due to falling nominal Treasury yields and widening inflation expectations, but the curve steepened as declines were larger at the front-end compared to the back-end. However, the performance impact of falling yields was stronger for longer-dated TIPS due to their heightened sensitivity to interest rates. TIPS maturing in the next 0–5 years rose 1.8%, trailing those maturing in the next 1–10 years (+3.6%) and those maturing in 10 years or longer (+7.8%).

**Public Real Estate**



**Bloomberg Commodities Sector Performance**



Results were generally negative across hedge fund strategies in the quarter. The HFRI Fund Weighted Composite lost 0.8%. Major index performance for absolute return strategies ranged from flat to down 1.3%. Relative value protected capital, while distressed/restructuring and event-driven strategies traded off by 1.3% and 1.0%, respectively. It was also a difficult quarter for many long/short equity managers. The HFRI Equity Hedge Index fell 1.7% compared to 1.3% gain in the S&P 500 Index.

Long/short equity managers who entered 2016 with lower levels of net and gross exposure were able to mitigate losses in January and February, but could not capture March's sharp market rally. There was a reversal among growth-oriented health care and technology names, which were the strongest performers in 2015. For example, Amazon fell 12% after gaining 100% in 2015. Netflix also suffered during the quarter, shedding 10%. In an environment ripe for fundamental and event-driven investing, health care struggled during a broad sell-off over the last two years—caused by uncertainty in the U.S. political landscape and the global regulatory environment. A widely publicized investigation into Valeant Pharmaceuticals led to pricing pressure among all generic pharma manufacturers. Broadly held drug companies such as Endo International (-54%) and Teva (-18%) were dragged lower with the market; however, many long/short equity managers believe these names continue to trade at attractive valuations and, as such, retained the investments. Valeant fell 74% and announced it is looking for a new CEO and has faced significant issues related to its accounting practices and sizable debt load. Ownership among hedge funds has fallen in recent months, but remained a large holding for a small group of activist managers.

Long/short equity funds struggled on the short side in March as the market rallied in the mining and energy industries—an area where many hedge funds have short exposure. In addition to the rally (primarily in lower-quality companies), there was short covering and an unwind of various momentum-driven factors utilized by quantitative hedge funds, which led to losses.

Earlier in the quarter, credit funds were hurt by poor performance in high-yield, particularly in transportation, industrial, and energy. Lower-quality credit spreads tightened in March, which helped recoup losses. The high-yield rebound was most pronounced in energy. Approval by the Icelandic government for Icelandic banks to make distributions to creditors created positive attribution in the quarter. In late February, Argentina announced a tentative settlement with holdout creditors from its 2001 default. The holdout creditors agreed to a deal that settles the ongoing dispute, leading to significant returns for this small group of funds. It also paves the way for Argentina to resume payments on all of its debt and to further access the credit markets. Hedge funds own a variety of Argentine securities, but it is generally believed that this settlement is positive for all creditors.

Outside of credit, merger-arbitrage was a bright spot for many managers in the first quarter. Large deals such as BG/Shell closed successfully, and spreads on deals narrowed, including EMC/Dell and Time Warner Cable/Comcast, which led to attractive rates of return. Merger allocations remain elevated at many event-driven and multi-strategy managers due to the attractive spread levels. While mergers were positive overall, the Allergan/Pfizer deal was a drag due to the decline in Allergan's share price.

### Goldman Sachs Hedge Fund VIP Basket\*

#### Top 5 Q1 2016 Performers

Company	Q1
Tyson Foods Inc	25.3%
Realty Income Corp	22.3%
Kinder Morgan Inc/DE	20.7%
Verizon Communications Inc	18.5%
AT&T Inc	15.4%
S&P 500 Index	1.4%

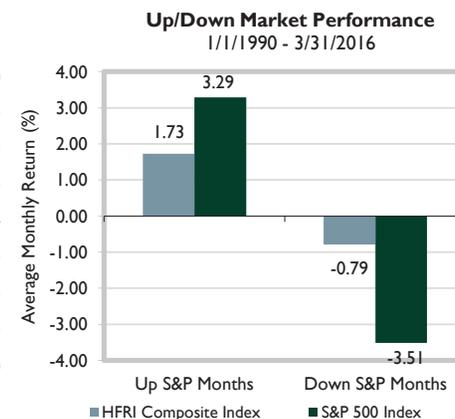
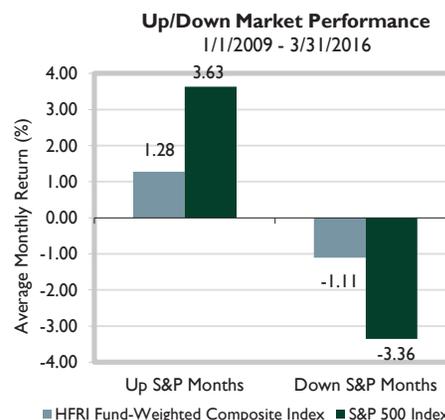
#### Bottom 5 Q1 2016 Performers

Company	Q1
Regeneron Pharmaceuticals	-33.6%
Express Scripts Holding Co	-21.4%
ConocoPhillips	-13.1%
Boeing Co/The	-11.4%
Wells Fargo & Co	-10.3%
S&P 500 Index	1.4%



\* 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



## Total Fund Review

# Total Fund Highlights

- The Town of Palm Beach Health Insurance Trust ended the first quarter with a flat return, trailing the Target Index by 70 bps. During the quarter, the real asset segment was the top performer, gaining 5.9%. The fixed income segment increased 2.1%, finishing slightly behind the composite index of 2.3%. Results within global equities were mixed. International equities fell 3.7%, underperforming the MSCI AC World ex US Index return of -0.4%. Domestic equities increased 1.4%, ahead of the Russell 3000 Index return of 1.0%. This quarter was a challenging environment for flexible capital managers as this segment detracted the most from overall portfolio performance. Flexible capital managers lost 3.9% during the quarter, trailing the composite index return of -2.8%.
- The portfolio finished the quarter valued at approximately \$25.2 million and while all asset classes are in line with policy ranges, domestic equities is nearing its upper policy range and real assets is close to its lower end.

Recent Actions Taken	Upcoming Agenda Items
<p><b>Fourth Quarter 2015</b></p> <ul style="list-style-type: none"> <li>• No significant activity occurred.</li> </ul> <p><b>Third Quarter 2015</b></p> <ul style="list-style-type: none"> <li>• \$750,000 was contributed to the portfolio and redeployed according to policy targets.</li> </ul> <p><b>Second Quarter 2015</b></p> <ul style="list-style-type: none"> <li>• No significant activity occurred.</li> </ul>	<ul style="list-style-type: none"> <li>• 1Q16 Performance Review</li> </ul>

# Segment Performance

**Benchmark Dependent Metrics relative to S&P 500 Index  
As of March 31, 2016**

	<b>1 Quarter Return</b>	<b>1 Year Return</b>	<b>2 Years Return</b>	<b>3 Years Return</b>	<b>5 Years Return</b>	<b>7 Years Return</b>	<b>Since Inception Return</b>	<b>Since Inception Standard Deviation</b>	<b>Since Inception Beta</b>	<b>Since Inception Actual Correlation</b>	<b>Inception Date</b>
<b>Total Fund</b>	<b>0.0</b>	<b>-6.0</b>	<b>-1.8</b>	<b>2.8</b>	<b>3.5</b>	<b>8.1</b>	<b>2.1</b>	<b>10.0</b>	<b>0.6</b>	<b>0.9</b>	<b>Jul-07</b>
Target Index	0.7	-4.2	-0.9	2.7	3.5	8.1	2.5	9.5	0.6	0.9	Jul-07
Actual Index	0.5	-3.8	-0.3	3.5	4.0	8.0	2.8	9.0	0.5	0.9	Jul-07
Consumer Price Index	0.7	0.9	0.4	0.8	1.3	1.6	1.5	1.5	0.0	0.1	Jul-07
<b>Domestic Equity</b>	<b>1.4</b>	<b>-1.3</b>	<b>4.4</b>	<b>10.0</b>	<b>9.3</b>	<b>15.1</b>	<b>4.0</b>	<b>16.9</b>	<b>1.0</b>	<b>1.0</b>	<b>Jul-07</b>
Russell 3000 Index	1.0	-0.3	5.8	11.1	11.0	17.1	5.9	16.6	1.0	1.0	Jul-07
<b>International Equity</b>	<b>-3.7</b>	<b>-14.7</b>	<b>-6.1</b>	<b>2.1</b>	<b>3.1</b>	<b>11.2</b>	<b>0.3</b>	<b>20.4</b>	<b>1.2</b>	<b>0.9</b>	<b>Jul-07</b>
MSCI AC World ex USA (Net)	-0.4	-9.2	-5.2	0.3	0.3	9.2	-0.8	20.1	1.1	0.9	Jul-07
MSCI EAFE (Net)	-3.0	-8.3	-4.7	2.2	2.3	9.7	-0.8	19.5	1.1	0.9	Jul-07
<b>Total Flexible Capital</b>	<b>-3.9</b>	<b>-7.8</b>	<b>-3.0</b>	<b>0.9</b>	<b>2.3</b>	<b>4.8</b>	<b>2.4</b>	<b>5.5</b>	<b>0.2</b>	<b>0.7</b>	<b>Jul-07</b>
HFRI Fund of Funds Composite Index	-3.1	-5.7	-0.3	1.8	1.3	3.4	0.2	5.6	0.2	0.7	Jul-07
<b>Total Fixed Income</b>	<b>2.1</b>	<b>1.7</b>	<b>2.4</b>	<b>1.4</b>	<b>2.0</b>	<b>5.5</b>	<b>3.2</b>	<b>5.4</b>	<b>0.2</b>	<b>0.7</b>	<b>Jul-07</b>
Fixed Income Composite Index	2.3	1.8	2.8	1.8	1.7	4.5	3.7	4.5	0.2	0.6	Jul-07
<b>Total Real Assets</b>	<b>5.9</b>	<b>-16.3</b>	<b>-17.0</b>	<b>-11.6</b>	<b>-7.5</b>	<b>-2.1</b>	<b>-7.1</b>	<b>15.4</b>	<b>0.2</b>	<b>0.2</b>	<b>Jul-07</b>
Real Assets Composite Index	3.9	-12.4	-14.0	-8.8	-5.1	0.9	-2.0	12.3	0.2	0.3	Jul-07

# Segment Performance

(% Rate of Return)

As of March 31, 2016

	Year To Date	2015	2014	2013	2012	2011	2010	2009	2008	Since Inception Return	Inception Date
<b>Total Fund</b>	<b>0.0</b>	<b>-4.5</b>	<b>2.4</b>	<b>16.7</b>	<b>11.5</b>	<b>-2.7</b>	<b>12.2</b>	<b>16.7</b>	<b>-27.3</b>	<b>2.1</b>	<b>Jul-07</b>
Target Index	0.7	-3.3	2.4	14.1	9.4	-1.1	11.9	16.6	-24.2	2.5	Jul-07
Actual Index	0.5	-2.6	3.0	15.6	9.6	-1.4	12.1	14.7	-23.0	2.8	Jul-07
Consumer Price Index	0.7	0.7	0.8	1.5	1.7	3.0	1.5	2.7	0.1	1.5	Jul-07
<b>Domestic Equity</b>	<b>1.4</b>	<b>-1.0</b>	<b>10.8</b>	<b>32.4</b>	<b>16.3</b>	<b>-2.9</b>	<b>17.3</b>	<b>25.2</b>	<b>-41.4</b>	<b>4.0</b>	<b>Jul-07</b>
Russell 3000 Index	1.0	0.5	12.6	33.6	16.4	1.0	16.9	28.3	-37.3	5.9	Jul-07
<b>International Equity</b>	<b>-3.7</b>	<b>-7.7</b>	<b>-0.3</b>	<b>25.9</b>	<b>23.5</b>	<b>-13.4</b>	<b>10.9</b>	<b>35.4</b>	<b>-43.5</b>	<b>0.3</b>	<b>Jul-07</b>
MSCI AC World ex USA (Net)	-0.4	-5.7	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	-0.8	Jul-07
MSCI EAFE (Net)	-3.0	-0.8	-4.9	22.8	17.3	-12.1	7.8	31.8	-43.4	-0.8	Jul-07
<b>Total Flexible Capital</b>	<b>-3.9</b>	<b>-2.9</b>	<b>2.0</b>	<b>13.0</b>	<b>9.1</b>	<b>-2.5</b>	<b>6.5</b>	<b>16.8</b>	<b>-16.6</b>	<b>2.4</b>	<b>Jul-07</b>
HFRI Fund of Funds Composite Index	-3.1	-0.3	3.4	9.0	4.8	-5.7	5.7	11.5	-21.4	0.2	Jul-07
<b>Total Fixed Income</b>	<b>2.1</b>	<b>0.6</b>	<b>3.0</b>	<b>-1.2</b>	<b>4.9</b>	<b>3.0</b>	<b>6.8</b>	<b>20.0</b>	<b>-11.0</b>	<b>3.2</b>	<b>Jul-07</b>
Fixed Income Composite Index	2.3	0.7	3.5	-1.1	2.5	2.7	7.1	16.8	-5.3	3.7	Jul-07
<b>Total Real Assets</b>	<b>5.9</b>	<b>-21.7</b>	<b>-13.8</b>	<b>-2.5</b>	<b>3.0</b>	<b>1.4</b>	<b>20.6</b>	<b>-17.2</b>	<b>-28.4</b>	<b>-7.1</b>	<b>Jul-07</b>
Real Assets Composite Index	3.9	-17.4	-10.6	1.2	2.4	2.0	20.8	-3.3	-14.4	-2.0	Jul-07

# Executive Summary

## Town of Palm Beach

### Health Insurance Trust

Preliminary as of March 31, 2016

Market Value	% of Portfolio		QTR Ended Jun-15	QTR Ended Sep-15	QTR Ended Dec-15	QTR Ended Mar-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$25,266,546	100.0	<b>Total Fund</b>	-0.3	-7.2	1.5	0.0	0.0	-6.0	-1.8	2.8	3.5	8.1	2.1	Jul-07
		Target Index	0.0	-6.6	1.9	0.7	0.7	-4.2	-0.9	2.7	3.5	8.1	2.5	Jul-07
		Actual Index	0.0	-6.4	2.2	0.5	0.5	-3.8	-0.3	3.5	4.0	8.0	2.8	Jul-07
		Consumer Price Index	1.1	-0.3	-0.6	0.7	0.7	0.9	0.4	0.8	1.3	1.6	1.5	Jul-07
\$12,659,961	50.1	<b>Global Equity</b>	-0.3	-9.8	4.5	-0.5	-0.5	-6.4	0.4	7.0	6.9	13.6	2.6	Jul-07
\$8,144,573	32.2	<b>Domestic Equity</b>	-0.2	-7.1	5.0	1.4	1.4	-1.3	4.4	10.0	9.3	15.1	4.0	Jul-07
		Russell 3000 Index	0.1	-7.2	6.3	1.0	1.0	-0.3	5.8	11.1	11.0	17.1	5.9	
\$5,762,656	22.8	Fidelity Spartan Total Market Index Advisor Fund	0.1	-7.3	6.3	0.9	0.9	-0.4	5.7	11.0	10.9	17.1	6.0	Jul-07
		Wilshire 5000 Index	0.0	-7.4	5.9	0.8	0.8	-1.2	5.2	10.7	10.7	17.0	6.0	
\$1,140,470	4.5	FPA Crescent Fund	-0.1	-4.7	2.8	-0.2	-0.2	-2.4	1.1	5.8	NA	NA	7.1	Apr-12
		S&P 500 Index	0.3	-6.4	7.0	1.3	1.3	1.8	7.1	11.8	11.6	17.0	12.4	
		60% Russell 2500 / 40% BC Global Credit	-0.5	-6.6	1.7	2.1	2.1	-3.5	1.0	5.7	6.8	13.7	7.6	
		HFRI Equity Hedge (Total) Index	1.8	-6.3	1.7	-1.7	-1.7	-4.6	-1.0	2.6	1.7	6.3	3.3	
\$1,241,448	4.9	FMI Common Stock Fund	-1.6	-8.4	1.0	5.4	5.4	-4.0	1.4	7.8	NA	NA	8.4	Apr-12
		Russell 2500 Index	-0.3	-10.3	3.3	0.4	0.4	-7.3	1.0	8.2	8.6	17.8	10.5	
\$4,515,388	17.9	<b>International Equity</b>	-0.4	-14.3	3.7	-3.7	-3.7	-14.7	-6.1	2.1	3.1	11.2	0.3	Jul-07
		MSCI AC World ex USA (Net)	0.5	-12.2	3.2	-0.4	-0.4	-9.2	-5.2	0.3	0.3	9.2	-0.8	
		MSCI EAFE (Net)	0.6	-10.2	4.7	-3.0	-3.0	-8.3	-4.7	2.2	2.3	9.7	-0.8	
\$2,305,369	9.1	Dodge & Cox International Stock Fund	-0.3	-15.4	0.8	-3.8	-3.8	-18.1	-8.8	1.3	1.4	11.3	-0.3	Jul-07
		MSCI AC World ex USA (Net)	0.5	-12.2	3.2	-0.4	-0.4	-9.2	-5.2	0.3	0.3	9.2	-0.8	
\$2,210,019	8.7	Artisan International Institutional Fund	-0.4	-13.2	6.9	-3.6	-3.6	-10.9	-3.1	2.9	NA	NA	5.2	Jul-11
		MSCI EAFE (Net)	0.6	-10.2	4.7	-3.0	-3.0	-8.3	-4.7	2.2	2.3	9.7	2.1	

# Executive Summary

## Town of Palm Beach

### Health Insurance Trust

Preliminary as of March 31, 2016

Market Value	% of Portfolio		QTR Ended Jun-15	QTR Ended Sep-15	QTR Ended Dec-15	QTR Ended Mar-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$4,653,256	18.4	<b>Total Flexible Capital</b>	-0.1	-4.2	0.3	-3.9	-3.9	-7.8	-3.0	0.9	2.3	4.8	2.4	Jul-07
		<b>HFRI Fund of Funds Composite Index</b>	0.2	-3.6	0.7	-3.1	-3.1	-5.7	-0.3	1.8	1.3	3.4	0.2	
\$2,005,698	7.9	Forester Offshore A2, Ltd.	0.3	-4.4	2.7	-5.8	-5.8	-7.3	-0.1	3.1	3.8	5.3	3.8	Jul-07
		<b>HFRI FOF: Strategic Index</b>	1.2	-5.7	1.5	-4.3	-4.3	-7.2	-1.3	1.5	1.1	3.6	-0.1	
\$2,647,558	10.5	Archstone Absolute Return Strategies Fund, Ltd. Class A	-0.5	-4.1	-1.5	-2.4	-2.4	-8.3	-5.0	-0.7	1.2	4.7	1.2	Jul-07
		<b>HFRI FOF: Conservative Index</b>	0.3	-1.8	0.0	-2.0	-2.0	-3.5	0.1	2.0	1.7	3.3	0.3	
\$5,321,272	21.1	<b>Total Fixed Income</b>	-0.7	1.0	-0.7	2.1	2.1	1.7	2.4	1.4	2.0	5.5	3.2	Jul-07
		<b>Fixed Income Composite Index</b>	-0.8	1.0	-0.6	2.3	2.3	1.8	2.8	1.8	1.7	4.5	3.7	
\$2,972,554	11.8	JP Morgan Core Bond Select Fund	-1.3	1.4	-0.9	2.8	2.8	2.0	NA	NA	NA	NA	2.8	Jan-15
		<b>Barclays U.S. Aggregate</b>	-1.7	1.2	-0.6	3.0	3.0	2.0	3.8	2.5	3.8	4.5	2.9	
\$2,348,719	9.3	Vanguard Short Term US Treasury Admiral Fund	0.1	0.5	-0.6	1.3	1.3	1.3	1.2	0.8	NA	NA	0.8	Dec-11
		<b>Barclays U.S. Treasury: 1-5 Year</b>	0.0	0.7	-0.7	1.6	1.6	1.6	1.7	1.1	1.6	1.7	1.1	
\$2,467,384	9.8	<b>Total Real Assets</b>	0.0	-16.2	-5.7	5.9	5.9	-16.3	-17.0	-11.6	-7.5	-2.1	-7.1	Jul-07
		<b>Real Assets Composite Index</b>	0.0	-12.9	-3.1	3.9	3.9	-12.4	-14.0	-8.8	-5.1	0.9	-2.0	
\$779,986	3.1	Vanguard Short-Term Inflation Protected Securities Adm. Fund	0.5	-0.6	-0.4	1.8	1.8	1.3	0.1	NA	NA	NA	-0.1	Mar-14
		<b>Barclays U.S. Treasury: 0-5 Year TIPS Index</b>	0.5	-0.7	-0.5	2.2	2.2	1.5	0.3	-0.4	0.7	2.1	0.1	
\$454,495	1.8	Nuveen Gresham Diversified Commodities Fund	4.1	-14.8	-10.9	-0.4	-0.4	-21.3	NA	NA	NA	NA	-21.4	Jan-15
		<b>Bloomberg Commodity Index</b>	4.7	-14.5	-10.5	0.4	0.4	-19.6	-23.4	-16.9	-14.1	-4.5	-20.0	
\$1,232,903	4.9	Van Eck Global Hard Assets I Fund	-2.5	-27.2	-6.8	11.3	11.3	-26.3	-23.1	-13.3	NA	NA	-10.4	Apr-12
		<b>S&amp;P North American Natural Res Sector Index (TR)</b>	-2.7	-19.5	-1.8	6.3	6.3	-18.3	-15.9	-7.6	-6.6	5.6	-4.6	

# Executive Summary

## Town of Palm Beach

### Health Insurance Trust

Preliminary as of March 31, 2016

Market Value	% of Portfolio		QTR Ended Jun-15	QTR Ended Sep-15	QTR Ended Dec-15	QTR Ended Mar-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$164,672	0.7	Total Liquid Capital	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.5	Jul-07
\$164,672	0.7	Government Stif 15	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.5	Jul-07
		Citigroup 3 Month T-Bill	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.5	

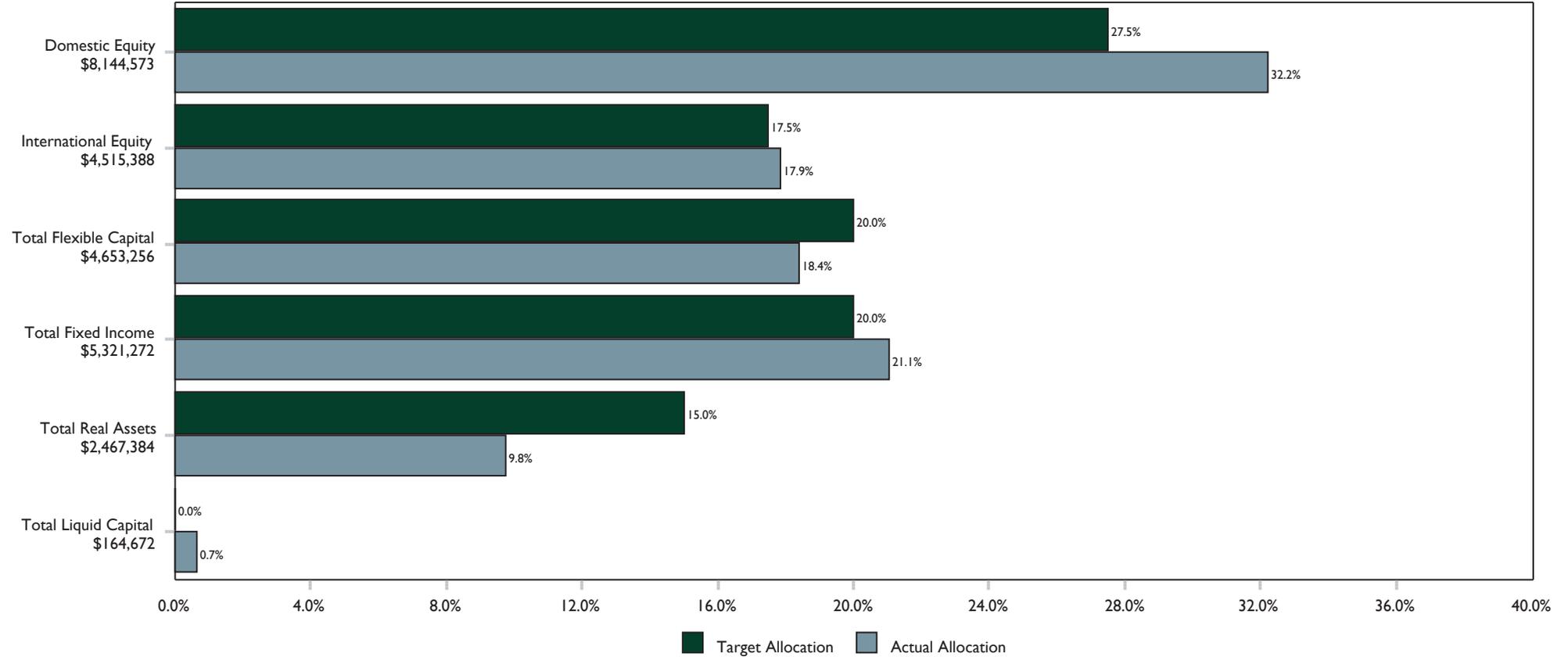
#### Please Note:

- Periods greater than one year are annualized
- Returns are net of investment management fees and gross of consulting fees unless otherwise stated
- Segment returns include performance of terminated managers 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% Real Assets 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% Real Assets Composite Index
- Target Index reflects the policy limitations regarding international constraints
- Real Assets 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
- Government Stif 15: Client specific cash performance not available. Citigroup Treasury Bill 3 Month Index is being reported

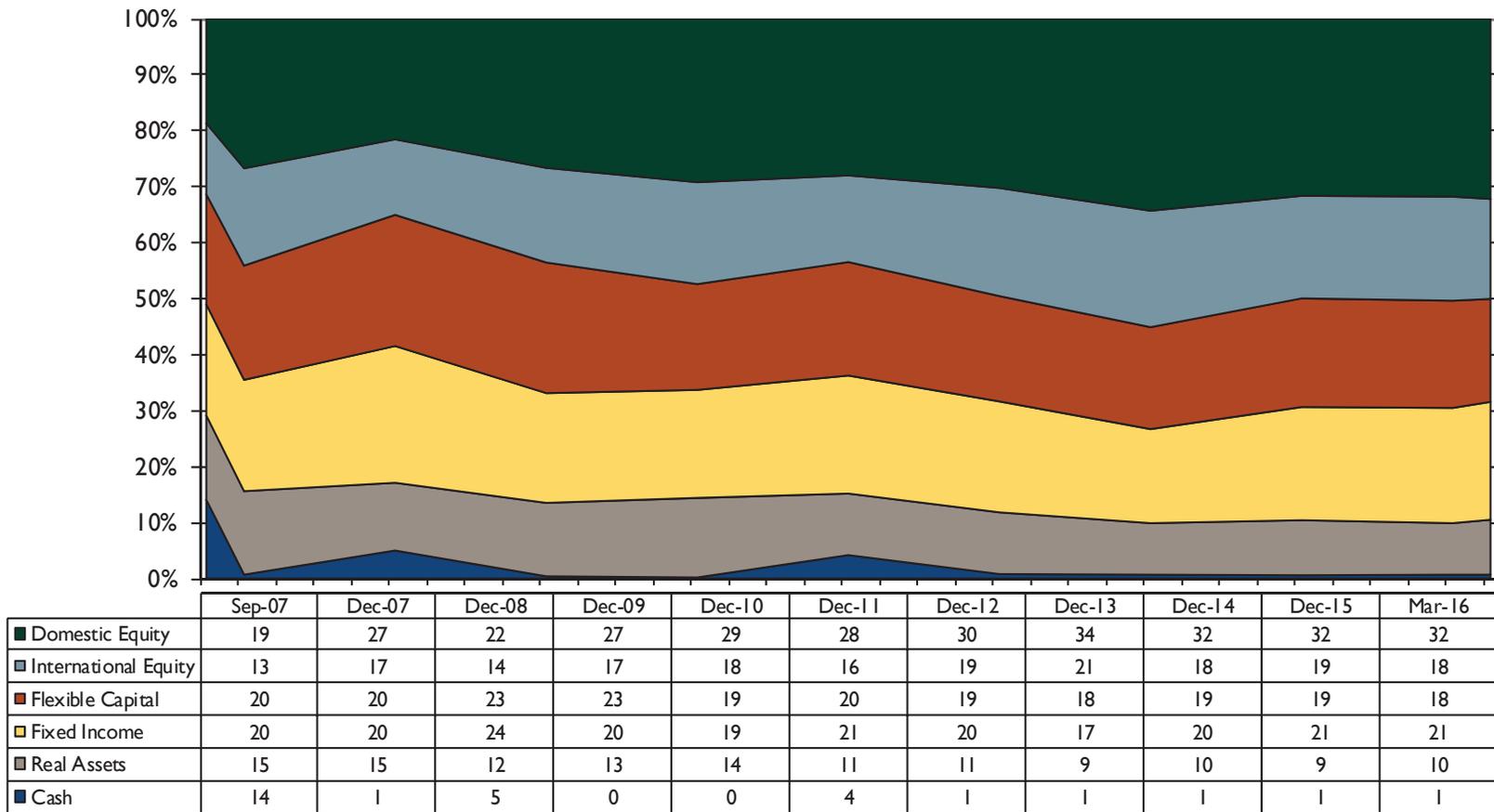
# Asset Allocation - Current

As of March 31, 2016

	Asset Allocation (%)	Lower (%)	Target (%)	Upper (%)	Difference (%)
Total Fund	100.0	-	100.0	-	0.0
Domestic Equity	32.2	22.5	27.5	32.5	4.7
International Equity	17.9	15.0	17.5	20.0	0.4
Total Flexible Capital	18.4	15.0	20.0	25.0	-1.6
Total Fixed Income	21.1	15.0	20.0	25.0	1.1
Total Real Assets	9.8	10.0	15.0	20.0	-5.2
Total Liquid Capital	0.7	0.0	0.0	1.0	0.7



# Asset Allocation – Historical



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

# Asset Allocation - Performance Comparison

As of March 31, 2016

## 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	0.0	-6.0	-1.8	2.8	3.5	2.1	9.0	7.5	7.5	8.6	10.0	Jul-07
Target Index	0.7	-4.2	-0.9	2.7	3.5	2.5	9.0	7.4	7.2	8.0	9.5	
Actual Index	0.5	-3.8	-0.3	3.5	4.0	2.8	9.0	7.5	7.4	8.0	9.0	
Domestic Index	1.7	0.6	5.4	8.6	9.0	5.9	10.0	8.4	8.0	8.7	11.7	
Global Index	2.0	-1.5	0.6	4.2	4.4	3.0	11.1	9.0	8.9	10.1	13.4	
Consumer Price Index	0.7	0.9	0.4	0.8	1.3	1.5	0.9	1.1	1.1	1.1	1.5	

## Inflation Adjusted Nominal Portfolio Statistics

Statistical Output (%)	Target Index	Actual Index	Domestic Index	Global Index
Expected Return (Arithmetic)	7.3	7.2	7.2	7.3
Expected Standard Deviation	11.0	11.1	12.6	13.0
Expected Return (Geometric)	6.7	6.6	6.4	6.5
Sharpe Ratio	0.4	0.4	0.4	0.4
Historical Return (Arithmetic)	9.3	9.0	9.4	8.3
Historical Standard Deviation	10.4	10.4	11.8	12.5
Historical Return (Geometric)	8.8	8.5	8.8	7.6
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
<b>Probability of Returns Exceeding 5%</b>				
10 Years	69.2	68.0	64.2	64.5

## 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	-27.3%	-12.2%	-7.7%	-9.2%	+1.5%	-1.9%	+5.7%
Actual Index	-27.3%	-13.0%	-9.5%	-9.7%	+1.4%	-2.5%	+5.5%
Domestic Index	-32.5%	-16.9%	-11.9%	-11.3%	-0.8%	-9.6%	+5.5%
Global Index	-32.0%	-13.4%	-14.2%	-11.5%	-0.1%	-8.8%	+5.0%

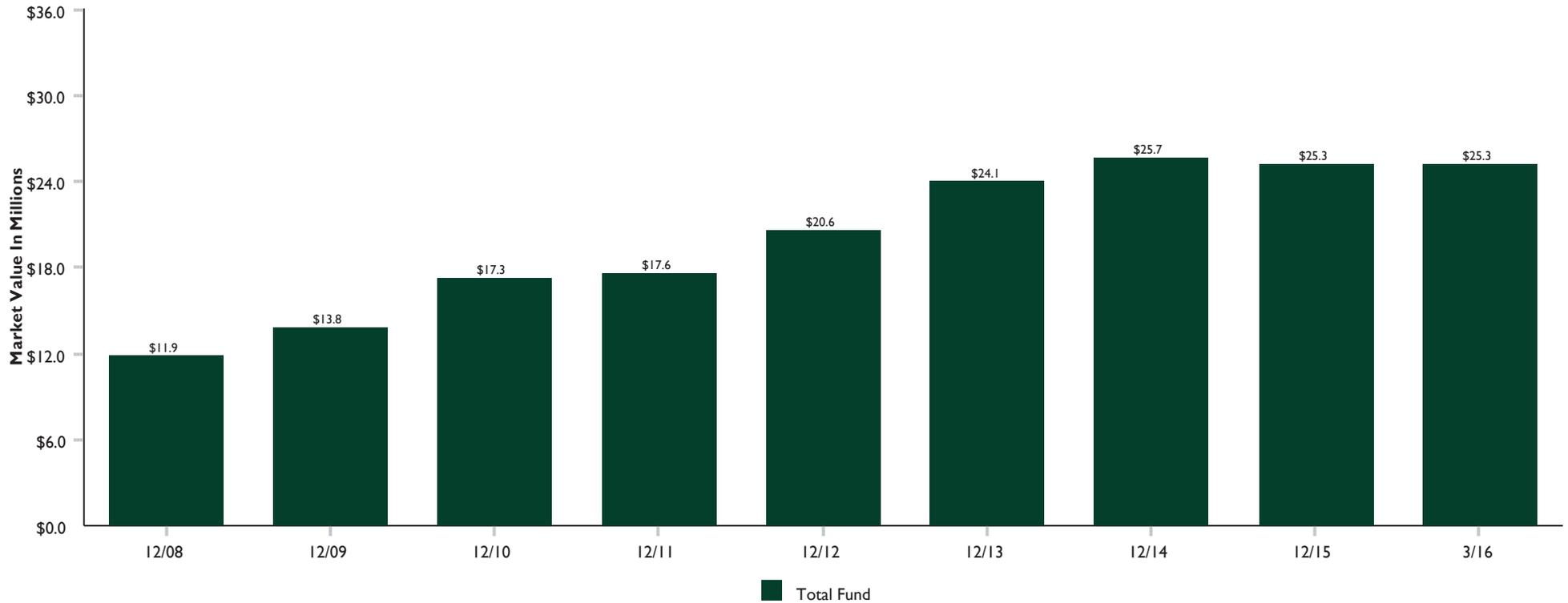
**Notes:** - Domestic Index: 70% Russell 3000 Index/30% Barclays Aggregate Index; Global Index: 70% MSCI AC World Index/30% Barclays Global Aggregate Index  
 - Expected return/risk using 10-15 year Prime Buchholz capital market assumptions  
 - Historical data based on index returns from 1/1/1988 through 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 March 31, 2016

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
2015	\$25,680,859	\$750,000	-\$1,166,999	\$25,263,860
To 03/2016	\$25,263,860	0	\$2,686	\$25,266,546
	<b>\$16,305,625</b>	<b>\$5,056,315</b>	<b>\$3,904,606</b>	<b>\$25,266,546</b>



# Liquidity Schedule

As of March 31, 2016

Redemption Terms						
Daily			\$20,613,290			81.6
Semi Liquid			\$4,653,256			18.4
<b>Total</b>			<b>\$25,266,546</b>			<b>100.0</b>
Investments	Inception	Subscriptions	Market Value	Daily	Semi Liquid	Notes
<b>Global Equity</b>						
Fidelity Spartan Total Market Index Advisor Fund	Jun-07	Daily	\$5,762,656	\$5,762,656		
FPA Crescent Fund	Mar-12	Daily	\$1,140,470	\$1,140,470		
FMI Common Stock Fund	Mar-12	Daily	\$1,241,448	\$1,241,448		
Dodge & Cox International Stock Fund	Jun-07	Daily	\$2,305,369	\$2,305,369		
Artisan International Institutional Fund	Jun-11	Daily	\$2,210,019	\$2,210,019		
<b>Flexible Capital</b>						
Total Flexible Capital	Jul-07	Various	\$4,653,256		\$4,653,256	See additional report
<b>Fixed Income</b>						
JP Morgan Core Bond Select Fund	Dec-14	Daily	\$2,972,554	\$2,972,554		
Vanguard Short Term US Treasury Admiral Fund	Nov-11	Daily	\$2,348,719	\$2,348,719		
<b>Real Assets</b>						
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Feb-14	Daily	\$779,986	\$779,986		
Nuveen Gresham Diversified Commodities Fund	Dec-14	Daily	\$454,495	\$454,495		
Van Eck Global Hard Assets I Fund	Mar-12	Daily	\$1,232,903	\$1,232,903		
<b>Liquid Capital</b>						
Government Stif I5	Jun-07	Daily	\$164,672	\$164,672		
<b>Total (\$)</b>			<b>\$25,266,546</b>	<b>\$20,613,290</b>	<b>\$4,653,256</b>	
<b>Total (%)</b>			<b>100.0</b>	<b>81.6</b>	<b>18.4</b>	

**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	\$2,004,764	Annual	60 days	05/01/17	06/30/17	Two years - expired	Reds: available annually on anniversary
Archstone Absolute Return Strategies Fund, Ltd.	A-PB	Monthly	07/01/07	\$2,647,558	Semi-annual	90 days	10/01/16	12/31/16	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	9/30/2015	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	2/28/2015	PricewaterhouseCoopers LLP	Fidelity Legal Department	BNY Mellon	Fidelity Management & Research Company	High
FMI Common Stock Fund	Pooled	9/30/2015	PricewaterhouseCoopers LLP	Foley & Lardner LLP	U.S. Bank, N.A.	U.S. Bancorp Fund Services, LLC	High
Forester Offshore A2, Ltd.	Pooled	6/30/2015	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	9/30/2015	PricewaterhouseCoopers LLP	Dechert LLP	State Street Bank & Trust Company	Nuveen Gresham	High
JP Morgan Core Bond Select Fund	Pooled	2/28/2015	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	9/30/2015	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 March 31, 2016**  
**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	\$5,762,656	\$2,881	0.05%
FPA Crescent Fund	1.09% of NAV	\$1,140,470	\$12,431	1.09%
FMI Common Stock Fund	1.07% of NAV	\$1,241,448	\$13,283	1.07%
Dodge & Cox International Stock Fund	0.64% of NAV	\$2,305,369	\$14,754	0.64%
Artisan International Institutional Fund	0.95% of NAV	\$2,210,019	\$20,995	0.95%
Forester Offshore A2, Ltd.	1.00% on assets managed	\$2,005,698	\$20,057	1.00% *
Archstone Absolute Return Strategies Fund, Ltd. Class A	1.14% on assets managed **	\$2,647,558	\$30,182	1.14% *
JP Morgan Core Bond Select Fund	0.59% of NAV	\$2,972,554	\$17,538	0.59%
Vanguard Short Term US Treasury Admiral Fund	0.10% of NAV	\$2,348,719	\$2,349	0.10%
Vanguard Short-Term Inflation Protected Securities Adm Fund	0.08% of NAV	\$779,986	\$624	0.08%
Nuveen Gresham Diversified Commodities Fund	1.06% of NAV	\$454,495	\$4,818	1.06%
Van Eck Global Hard Assets I Fund	1.00% of NAV	\$1,232,903	\$12,329	1.00%
Total Liquid Capital	--	\$164,672	--	--
<b>Total Investment Management Fees</b>		<b>\$25,266,546</b>	<b>\$152,242</b>	<b>0.60%</b>

# Fee Schedule

**As of March 31, 2016**  
**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	\$25,266,546	\$3,790	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	
<b>Estimated Total SSB&amp;T Fee:</b>		<b>\$25,266,546</b>	<b>\$11,790</b>	<b>0.05%</b>
PBA Fees				
	0.25% on first \$20 million	\$25,266,546	\$60,000	0.24%
	0.10% on next \$50 million			
	0.05% over \$70 million			
	\$60,000 minimum			
<b>Total Fees</b>		<b>\$25,266,546</b>	<b>\$224,032</b>	<b>0.89%</b>

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 March 31, 2016

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2015 Return	2014 Return	2013 Return	2012 Return
Fidelity Spartan Total Market Index Advisor Fund	-0.4 (17)	11.0 (27)	10.9 (20)	12.6	1.0	1.0	0.9 (39)	0.5 (25)	12.5 (30)	33.4 (55)	16.4 (36)
<b>Wilshire 5000 Total Market Index</b>	<b>-1.2 (26)</b>	<b>10.7 (33)</b>	<b>10.7 (24)</b>	<b>12.5</b>	<b>1.0</b>	<b>1.0</b>	<b>0.8 (41)</b>	<b>-0.2 (37)</b>	<b>12.1 (34)</b>	<b>34.0 (50)</b>	<b>16.1 (41)</b>
<i>IM U.S. Multi-Cap Core Equity (MF) Median</i>	<i>-3.5</i>	<i>9.7</i>	<i>9.4</i>	<i>13.1</i>	<i>1.0</i>	<i>1.0</i>	<i>0.3</i>	<i>-1.4</i>	<i>10.8</i>	<i>33.8</i>	<i>15.6</i>
FPA Crescent Fund	-2.4 (31)	5.8 (11)	6.7 (12)	8.4	0.7	1.0	-0.2 (72)	-2.1 (33)	6.6 (22)	21.9 (11)	10.3 (59)
<b>S&amp;P 500 Index</b>	<b>1.8 (5)</b>	<b>11.8 (1)</b>	<b>11.6 (1)</b>	<b>12.1</b>	<b>1.0</b>	<b>1.0</b>	<b>1.3 (44)</b>	<b>1.4 (10)</b>	<b>13.7 (3)</b>	<b>32.4 (4)</b>	<b>16.0 (13)</b>
<b>60% Russell 2500 / 40% BC Global Credit</b>	<b>-3.5 (41)</b>	<b>5.7 (11)</b>	<b>6.8 (11)</b>	<b>10.5</b>	<b>0.8</b>	<b>0.9</b>	<b>2.1 (32)</b>	<b>-2.9 (41)</b>	<b>5.3 (31)</b>	<b>21.4 (12)</b>	<b>15.6 (16)</b>
<b>HFRI Equity Hedge (Total) Index</b>	<b>-4.6 (53)</b>	<b>2.6 (51)</b>	<b>1.7 (83)</b>	<b>7.5</b>	<b>0.6</b>	<b>0.9</b>	<b>-1.7 (92)</b>	<b>-1.0 (23)</b>	<b>1.8 (69)</b>	<b>14.3 (37)</b>	<b>7.4 (82)</b>
<i>IM Flexible Portfolio (MF) Median</i>	<i>-4.3</i>	<i>2.6</i>	<i>3.7</i>	<i>8.6</i>	<i>0.6</i>	<i>0.9</i>	<i>0.8</i>	<i>-3.6</i>	<i>3.5</i>	<i>10.7</i>	<i>11.3</i>
FMI Common Stock Fund	-4.0 (31)	7.8 (59)	8.3 (43)	12.6	0.8	1.0	5.4 (4)	-6.8 (74)	6.5 (72)	32.0 (75)	10.2 (87)
<b>Russell 2500 Index</b>	<b>-7.3 (58)</b>	<b>8.2 (53)</b>	<b>8.6 (37)</b>	<b>15.4</b>	<b>1.0</b>	<b>1.0</b>	<b>0.4 (68)</b>	<b>-2.9 (38)</b>	<b>7.1 (66)</b>	<b>36.8 (26)</b>	<b>17.9 (21)</b>
<i>IM U.S. Mid Cap Core Equity (MF) Median</i>	<i>-5.7</i>	<i>8.4</i>	<i>7.9</i>	<i>14.3</i>	<i>0.9</i>	<i>1.0</i>	<i>1.2</i>	<i>-3.8</i>	<i>9.3</i>	<i>34.5</i>	<i>16.0</i>
Dodge & Cox International Stock Fund	-18.1 (100)	1.3 (37)	1.4 (39)	17.0	1.1	1.0	-3.8 (81)	-11.4 (91)	0.1 (7)	26.3 (1)	21.0 (12)
<b>MSCI AC World ex USA (Net)</b>	<b>-9.2 (31)</b>	<b>0.3 (62)</b>	<b>0.3 (72)</b>	<b>15.5</b>	<b>1.0</b>	<b>1.0</b>	<b>-0.4 (19)</b>	<b>-5.7 (86)</b>	<b>-3.9 (17)</b>	<b>15.3 (71)</b>	<b>16.8 (50)</b>
<i>IM International Large Cap Core Equity (MF) Median</i>	<i>-10.3</i>	<i>0.7</i>	<i>0.9</i>	<i>15.0</i>	<i>0.9</i>	<i>1.0</i>	<i>-2.8</i>	<i>-2.4</i>	<i>-6.1</i>	<i>18.9</i>	<i>16.8</i>
Artisan International Institutional Fund	-10.9 (75)	2.9 (19)	6.1 (1)	16.0	1.0	0.9	-3.6 (69)	-3.6 (83)	-0.7 (10)	25.5 (2)	25.6 (2)
<b>MSCI EAFE (Net)</b>	<b>-8.3 (42)</b>	<b>2.2 (33)</b>	<b>2.3 (28)</b>	<b>15.4</b>	<b>1.0</b>	<b>1.0</b>	<b>-3.0 (61)</b>	<b>-0.8 (35)</b>	<b>-4.9 (35)</b>	<b>22.8 (12)</b>	<b>17.3 (55)</b>
<i>IM International Large Cap Equity (MF) Median</i>	<i>-8.7</i>	<i>1.4</i>	<i>1.3</i>	<i>15.1</i>	<i>1.0</i>	<i>1.0</i>	<i>-2.5</i>	<i>-1.8</i>	<i>-5.8</i>	<i>19.4</i>	<i>17.8</i>
JP Morgan Core Bond Select Fund	2.0 (11)	2.2 (33)	3.7 (40)	2.5	0.9	1.0	2.8 (39)	0.7 (15)	5.2 (65)	-1.8 (41)	5.1 (71)
<b>Barclays U.S. Aggregate</b>	<b>2.0 (11)</b>	<b>2.5 (15)</b>	<b>3.8 (34)</b>	<b>2.7</b>	<b>1.0</b>	<b>1.0</b>	<b>3.0 (20)</b>	<b>0.5 (20)</b>	<b>6.0 (28)</b>	<b>-2.0 (54)</b>	<b>4.2 (81)</b>
<i>IM U.S. Broad Market Core Fixed Income (MF) Median</i>	<i>1.1</i>	<i>2.0</i>	<i>3.6</i>	<i>2.8</i>	<i>0.9</i>	<i>0.9</i>	<i>2.7</i>	<i>0.0</i>	<i>5.5</i>	<i>-2.0</i>	<i>6.0</i>

# Peer Performance Comparison

As of March 31, 2016

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2015 Return	2014 Return	2013 Return	2012 Return
Nuveen Gresham Diversified Commodities Fund	-21.3 (73)	-16.9 (44)	NA	NA	NA	NA	-0.4 (76)	-25.7 (64)	-17.3 (45)	-7.8 (38)	NA
<b>Bloomberg Commodity Index</b>	<b>-19.6 (53)</b>	<b>-16.9 (44)</b>	<b>-14.1 (52)</b>	<b>14.5</b>	<b>1.0</b>	<b>1.0</b>	<b>0.4 (64)</b>	<b>-24.7 (47)</b>	<b>-17.0 (41)</b>	<b>-9.5 (53)</b>	<b>-1.1 (45)</b>
<i>IM Commodities General (MF) Median</i>	<i>-19.5</i>	<i>-17.3</i>	<i>-14.1</i>	<i>15.1</i>	<i>1.0</i>	<i>0.9</i>	<i>0.7</i>	<i>-24.8</i>	<i>-17.7</i>	<i>-9.2</i>	<i>-1.5</i>
Van Eck Global Hard Assets I Fund	-26.3 (83)	-13.3 (72)	-11.9 (58)	23.4	1.1	1.0	11.3 (7)	-33.2 (86)	-19.1 (70)	11.2 (48)	2.9 (42)
<b>S&amp;P North American Natural Res Sector Index (TR)</b>	<b>-18.3 (41)</b>	<b>-7.6 (34)</b>	<b>-6.6 (21)</b>	<b>20.9</b>	<b>1.0</b>	<b>1.0</b>	<b>6.3 (30)</b>	<b>-24.3 (50)</b>	<b>-9.8 (18)</b>	<b>16.5 (26)</b>	<b>2.2 (46)</b>
<i>IM Global Natural Resources (MF) Median</i>	<i>-20.2</i>	<i>-10.5</i>	<i>-10.9</i>	<i>21.6</i>	<i>1.0</i>	<i>1.0</i>	<i>4.8</i>	<i>-24.3</i>	<i>-13.0</i>	<i>10.6</i>	<i>1.4</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.

## Exposures and Characteristics

# Portfolio Comparison

As of March 31, 2016

	Fidelity Spartan Total Market Index	FPA Crescent Fund	FMI Common Stock	Domestic Equity	Russell 3000
<b>Composition</b>					
# of Holdings	3,416	47	43	3,438	2,979
% Top 15 Holdings	20.5	64.6	51.7	18.6	19.6
% Top 25 Holdings	27.7	83.0	73.1	25.9	27.1
<b>Characteristics</b>					
Wtd Avg Mkt Cap (\$B)	114.2	104.0	3.7	95.9	114.8
Forecast P/E	17.4	16.2	16.5	17.1	17.3
Price/Book ratio	3.1	2.6	2.4	2.9	3.1
Historical EPS Growth - 5 Year	7.6	1.2	8.9	7.0	7.9
Forecast EPS Growth - Long-Term	11.0	9.4	10.5	10.7	10.9
Current Yield	2.1	2.1	1.2	1.9	2.1
<b>GICS Sectors (%)</b>					
Energy	6.1	4.6	0.0	5.0	6.1
Materials	3.2	5.8	7.7	4.2	3.2
Industrials	10.7	14.2	38.0	15.4	10.9
Consumer Discretionary	13.6	5.8	10.5	12.0	13.6
Consumer Staples	9.2	7.1	0.0	7.5	9.2
Health Care	13.7	2.2	3.5	10.5	13.7
Financials	17.4	24.2	11.4	17.4	17.2
Information Technology	20.1	30.0	22.4	21.8	20.0
Telecommunication Services	2.5	0.0	0.0	1.8	2.5
Utilities	3.5	0.0	0.0	2.5	3.5
Cash	0.0	0.0	4.9	0.7	0.0
Other	0.0	6.0	1.5	1.1	0.0
<b>Market Capitalization (%)</b>					
Mega (Above \$60B)	46.0	45.4	0.0	38.9	46.4
Large (\$15B - \$60B)	27.7	28.6	0.0	23.6	27.7
Mid (\$5B - \$15B)	14.4	14.0	33.6	17.2	14.3
Small/Mid (\$2.5B - \$5B)	5.8	3.8	28.2	9.0	5.6
Small (\$0 - \$2.5B)	6.1	2.1	31.7	9.5	5.9
Cash	0.0	0.0	4.9	0.7	0.0
Other	0.0	6.0	1.5	1.1	0.0

# Portfolio Comparison

As of March 31, 2016

	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE	Global Equity	MSCI AC World
<b>Composition</b>							
# of Holdings	83	65	139	1,856	928	3,559	2,482
% Top 15 Holdings	39.3	47.4	30.3	11.5	15.4	15.0	12.1
% Top 25 Holdings	56.0	64.4	42.8	16.7	22.0	21.4	16.9
<b>Characteristics</b>							
Wtd Avg Mkt Cap (\$B)	54.8	58.9	56.8	49.5	53.3	82.0	92.7
Forecast P/E	12.7	17.1	14.5	14.0	14.5	16.1	15.6
Price/Book ratio	2.0	2.7	2.3	2.2	2.2	2.7	2.7
Historical EPS Growth - 5 Year	1.7	10.6	6.5	6.5	6.0	6.8	6.9
Forecast EPS Growth - Long-Term	9.8	12.8	11.2	9.8	8.7	10.9	10.3
Current Yield	2.8	1.9	2.4	3.3	3.4	2.1	2.7
<b>GICS Sectors (%)</b>							
Energy	7.8	0.0	4.0	6.4	4.7	4.6	6.5
Materials	6.3	6.0	6.2	6.9	6.7	4.9	4.8
Industrials	9.3	7.5	8.4	11.5	13.3	12.9	10.5
Consumer Discretionary	18.6	16.4	17.5	12.0	13.1	14.0	12.9
Consumer Staples	0.5	21.1	10.6	11.2	12.6	8.6	10.7
Health Care	11.4	19.5	15.4	8.8	11.5	12.3	11.7
Financials	26.5	13.5	20.1	25.8	23.8	18.4	20.4
Information Technology	15.7	8.1	12.0	8.4	5.4	18.3	15.0
Telecommunication Services	3.8	3.4	3.6	5.3	5.1	2.4	4.0
Utilities	0.0	0.0	0.0	3.6	3.9	1.6	3.5
Cash	0.1	4.4	2.2	0.0	0.0	1.3	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.7	0.0
<b>Market Capitalization (%)</b>							
Mega (Above \$60B)	32.0	35.9	33.9	26.9	30.2	37.1	41.0
Large (\$15B - \$60B)	52.3	42.4	47.5	40.2	42.7	32.1	35.7
Mid (\$5B - \$15B)	11.0	15.2	13.1	24.7	22.0	15.8	19.1
Small/Mid (\$2.5B - \$5B)	3.2	2.1	2.6	6.6	4.8	6.7	3.4
Small (\$0 - \$2.5B)	1.4	0.0	0.7	1.6	0.4	6.3	0.8
Cash	0.1	4.4	2.2	0.0	0.0	1.3	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.7	0.0

# Regional Exposure

As of March 31, 2016

## Regional Allocation (%)

	Global Equity	MSCI AC World	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE
Canada	0.5	3.1	1.2	1.3	1.2	6.6	0.0
United States	65.4	52.3	10.1	18.6	14.2	0.0	0.0
Pacific ex Japan	1.1	4.9	1.4	3.2	2.3	10.0	12.0
Japan	4.1	7.5	12.2	10.7	11.5	16.1	22.4
Europe ex UK	16.2	15.9	39.5	42.2	40.8	32.5	45.5
United Kingdom	4.6	6.5	8.2	15.1	11.6	13.9	19.3
Middle East	0.0	0.2	0.0	0.0	0.0	0.5	0.8
<b>Developed Markets</b>	<b>91.9</b>	<b>90.5</b>	<b>72.5</b>	<b>91.2</b>	<b>81.6</b>	<b>79.6</b>	<b>100.0</b>
EM Asia	3.0	6.5	12.8	3.4	8.2	13.8	0.0
EM Europe	0.5	0.8	1.4	0.0	0.7	1.7	0.0
EM Latin America	1.5	1.3	7.2	1.0	4.2	2.9	0.0
EM Mid East+Africa	1.1	1.0	6.0	0.0	3.1	2.0	0.0
<b>Emerging Markets</b>	<b>6.1</b>	<b>9.5</b>	<b>27.4</b>	<b>4.4</b>	<b>16.1</b>	<b>20.4</b>	<b>0.0</b>
Cash	1.3	0.0	0.1	4.4	2.2	0.0	0.0
Other	0.7	0.0	0.0	0.0	0.0	0.0	0.0

## Regional Allocation (%)

	Global Equity	MSCI AC World
United States	65.4	52.3
<b>Non-US Developed</b>	<b>26.5</b>	<b>38.2</b>
<b>Emerging Markets</b>	<b>6.1</b>	<b>9.5</b>
Cash	1.3	0.0
Other	0.7	0.0

# Flexible Capital

As of March 31, 2016

	Forester Offshore Fund, Ltd.	Archstone Absolute Return Strategies Fund, Ltd. Class A	Total Flexible Capital	FPA Crescent Fund	Total Leveraged Portfolio
Market Value	\$2,006	\$2,648	\$4,653	\$1,140	\$5,794
% of Total Managed Portfolio (\$25,267)	7.9	10.5	18.4	4.5	22.9
<b>Market Exposure (%)</b>					
Gross Long %	89.0	105.1	98.2	66.3	91.9
Gross Short %	58.0	69.8	64.7	3.3	52.6
Net %	31.0	35.3	33.4	63.0	39.3
Total Gross	147.0	174.9	162.9	69.6	144.5
<b>Strategy Weights (%)</b>					
L/S Equity	100.0	22.6	56.0	57.6	56.3
L/S Credit	0.0	27.7	15.8	5.8	13.8
Event-Driven	0.0	9.1	5.2	0.0	4.2
Distressed	0.0	15.7	8.9	0.0	7.2
Special Situations	0.0	3.7	2.1	0.0	1.7
Relative Value	0.0	3.9	2.2	0.0	1.8
Macro	0.0	0.0	0.0	0.0	0.0
Other/Cash	0.0	17.3	9.8	36.6	15.1
<b>Geography (%)</b>					
U.S. & Canada	69.4	64.7	66.7	74.8	68.3
Dev Europe	21.1	17.9	19.3	21.6	19.7
Asia	5.4	8.0	6.9	0.5	5.6
Emerging Mkts	4.1	0.0	1.8	3.1	2.0
Other	0.0	9.4	5.3	0.0	4.3

## 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	ELLIOT INTL	13.2	ORACLE	5.1
VIKING GLOBAL	7.0	FARALLON	12.5	AON	3.8
SAMLYN CAPITAL	6.0	DAVIDSON KEMPNER	12.1	UNITED TECH	3.3
LANSDOWNE	5.0	SILVER POINT	11.8	AIG	3.0
COATUE	4.0	FIR TREE	10.7	ALCOA	2.7
HENGISTBURY	4.0	KING STREET	10.1	CITIGROUP	2.7
PENNANT CAPITAL	4.0	OZ OVERSEAS	10.0	NASPERS	2.7
FALCON EDGE	3.0	DW CATALYST	9.1	CISCO	2.6
TIGER GLOBAL	3.0	SERENGETI	7.6	MICROSOFT	2.6
STEADFAST	3.0	YORK CREDIT	2.8	TE CONNECTIVITY	2.1

- FPA Crescent Fund market and geographic exposure exclude cash.

# Flexible Capital Underlying Manager Exposure

Data as of 12/31/2015	1,142,677	2,129,469	2,712,189	5,984,335	25,263,860	
			Archstone Absolute Return Strategies Fund, Ltd.	% weighting within FlexCap	% weighting within Total Fund	\$ weighting within Total Fund
Product/Investment	FPA Crescent Fund	Forester Offshore A2, Ltd.				
FPA Contrarian Value	100.0%			19.1%	4.5%	1,142,677
Elliott Associates			12.0%	5.4%	1.3%	325,463
Och-Ziff			12.0%	5.4%	1.3%	325,463
Davidson Kempner			11.0%	5.0%	1.2%	298,341
Farallon Capital			11.0%	5.0%	1.2%	298,341
Silver Point Capital			11.0%	5.0%	1.2%	298,341
Fir Tree Capital Opportunity Fund			10.0%	4.5%	1.1%	271,219
York Credit Opportunities			10.0%	4.5%	1.1%	271,219
DW Catalyst Fund			9.0%	4.1%	1.0%	244,097
King Street Capital			9.0%	4.1%	1.0%	244,097
Serengeti Opportunities Fund			8.0%	3.6%	0.9%	216,975
Kensico Partners		10.0%		3.6%	0.8%	212,947
Viking Global Equities		8.0%		2.8%	0.7%	170,358
Samlyn Capital		6.0%		2.1%	0.5%	127,768
Lansdowne Developed Markets Long Only Fund		5.0%		1.8%	0.4%	106,473
Coatue Qualified Partners		4.0%		1.4%	0.3%	85,179
Falcon Edge Capital		4.0%		1.4%	0.3%	85,179
Hengistbury Fund, Ltd		4.0%		1.4%	0.3%	85,179
Pennant Windward		4.0%		1.4%	0.3%	85,179
Tiger Global		4.0%		1.4%	0.3%	85,179
Abrams Capital		3.0%		1.1%	0.3%	63,884
Castine Capital		3.0%		1.1%	0.3%	63,884
Steadfast		3.0%		1.1%	0.3%	63,884
The Children's Investment Fund Mgmt UK LLP		3.0%		1.1%	0.3%	63,884

- Content is current as of the date indicated.

- Gray cells represent overlap within the Flexible Capital composite.

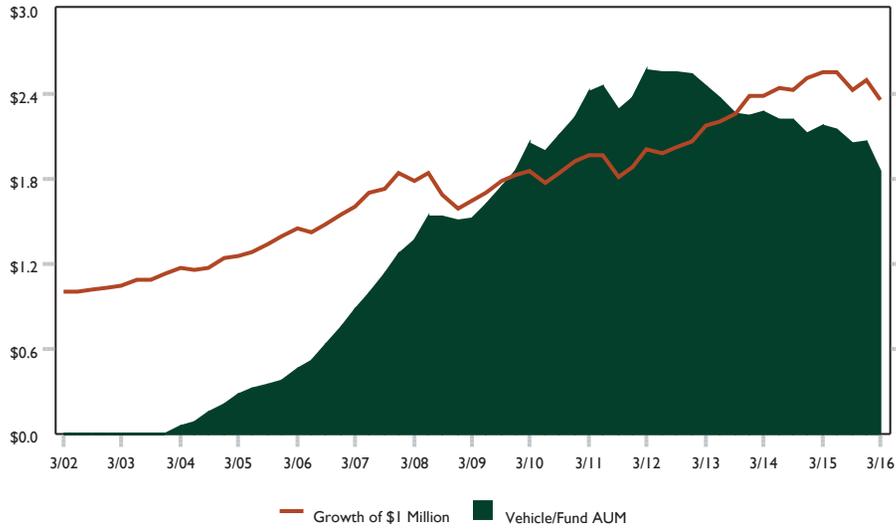
- Analysis includes only the top 20 underlying funds for each fund of funds.

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

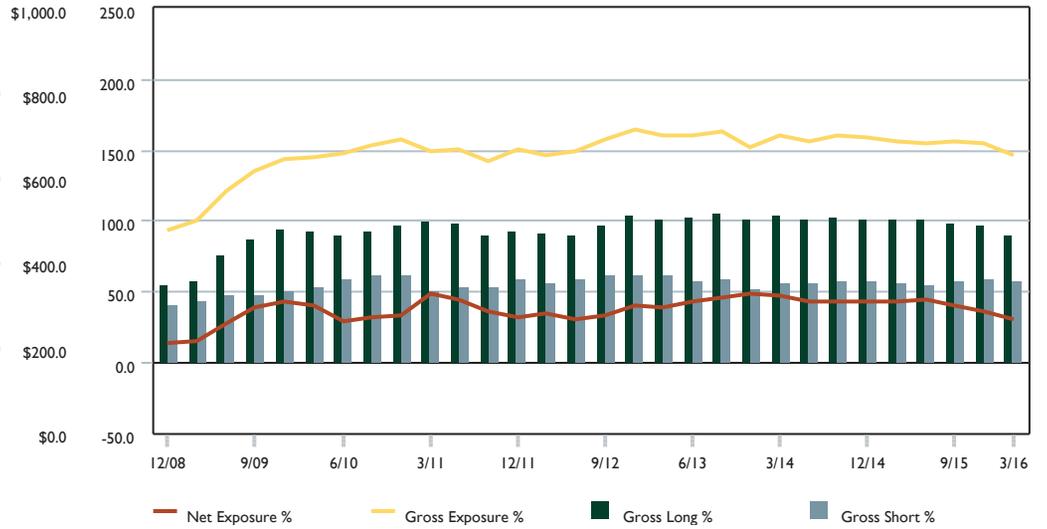
# Flexible Capital Strategies

**Forester Offshore, Ltd.**  
As of March 31, 2016

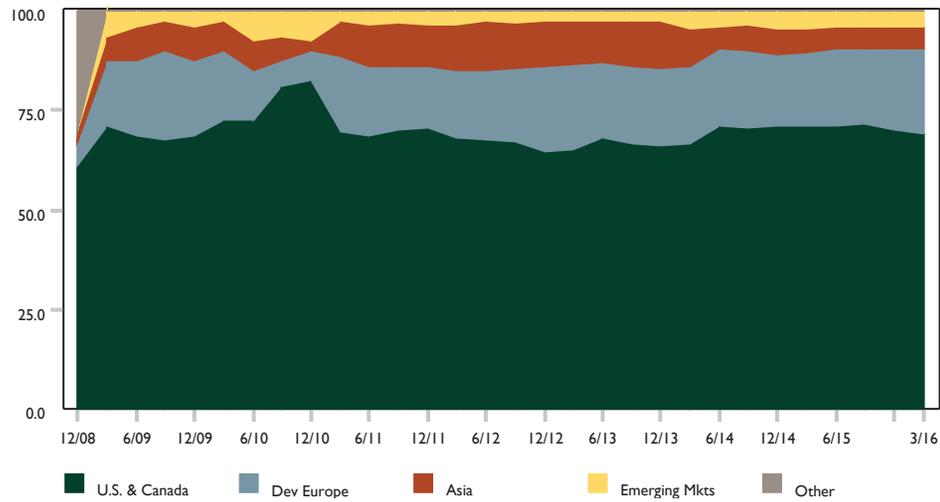
**Asset Growth**



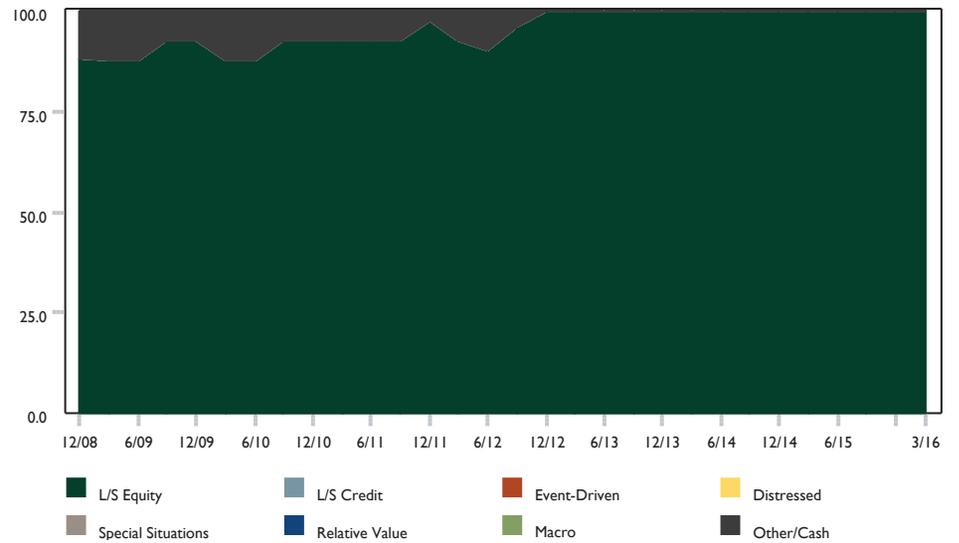
**Market Exposure**



**Geographic Exposure**



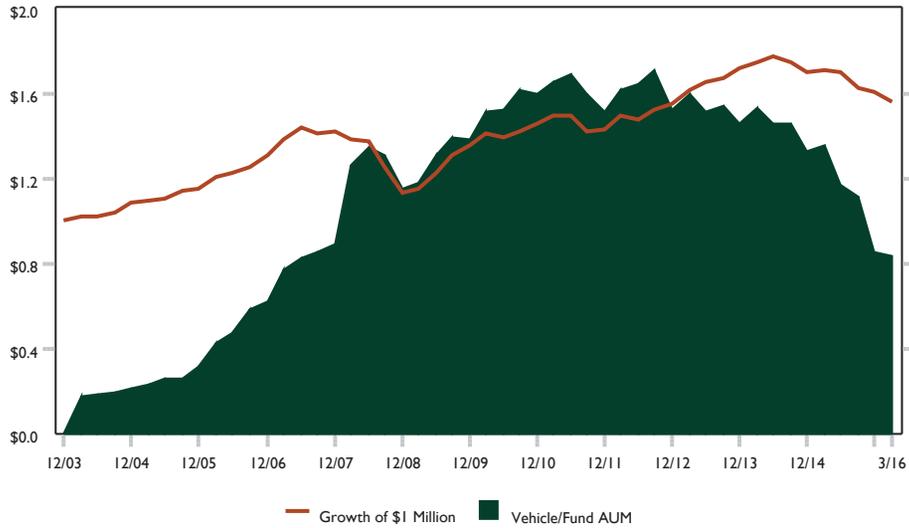
**Strategy Weights**



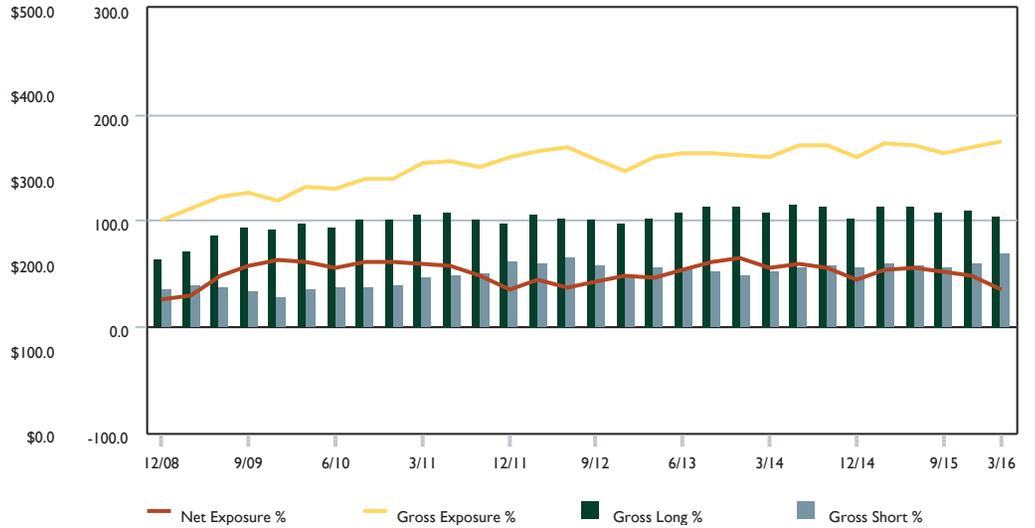
# Flexible Capital Strategies

## Archstone Absolute Return Strategies Fund, Ltd. As of March 31, 2016

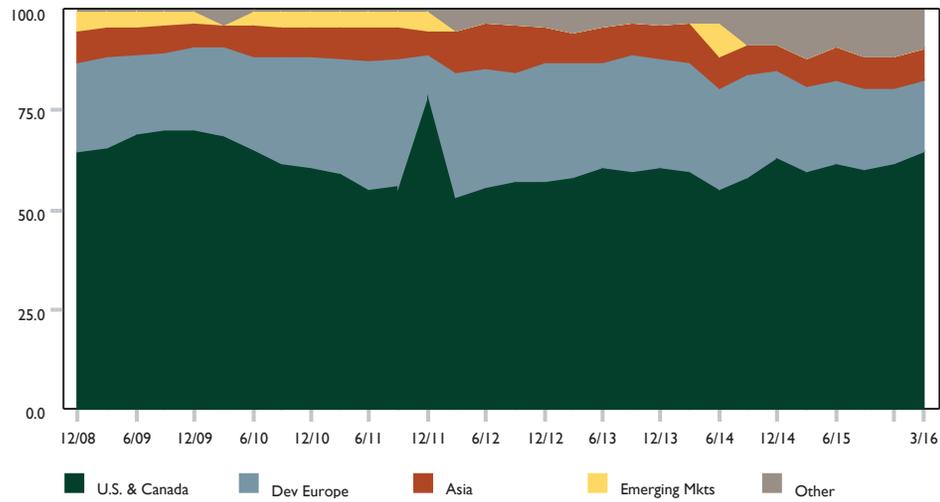
Asset Growth



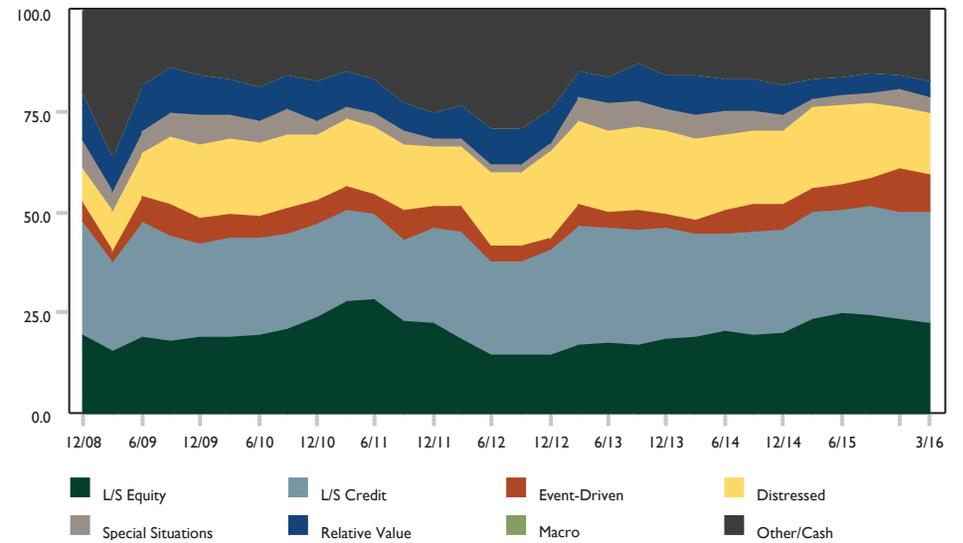
Market Exposure



Geographic Exposure



Strategy Weights

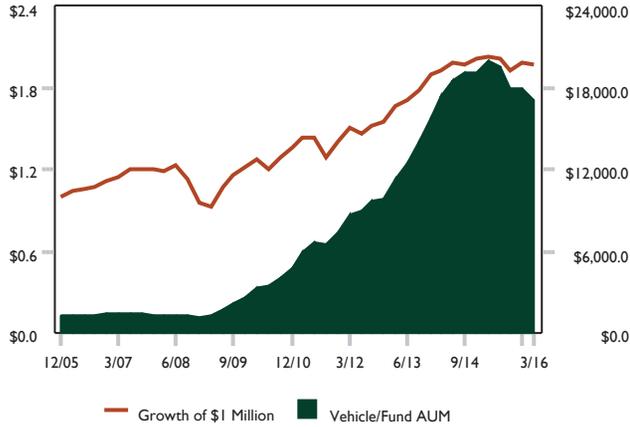


# Flexible Capital Strategies

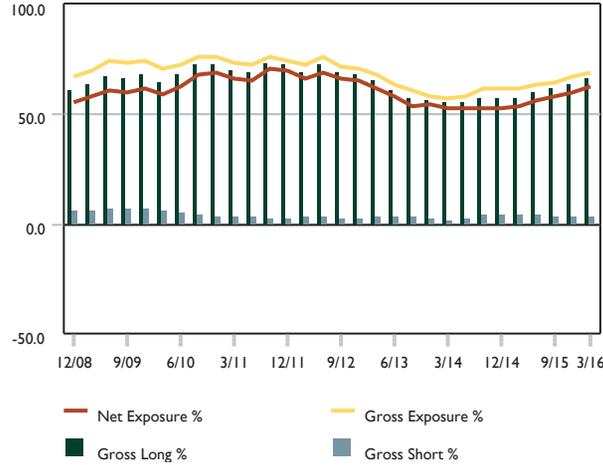
## FPA Crescent Fund

As of March 31, 2016

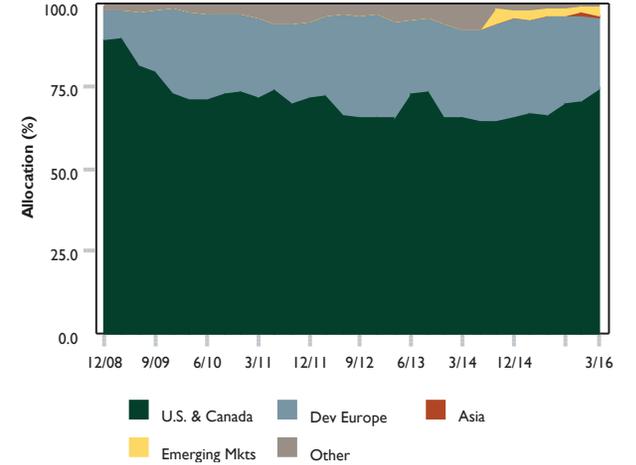
Asset Growth



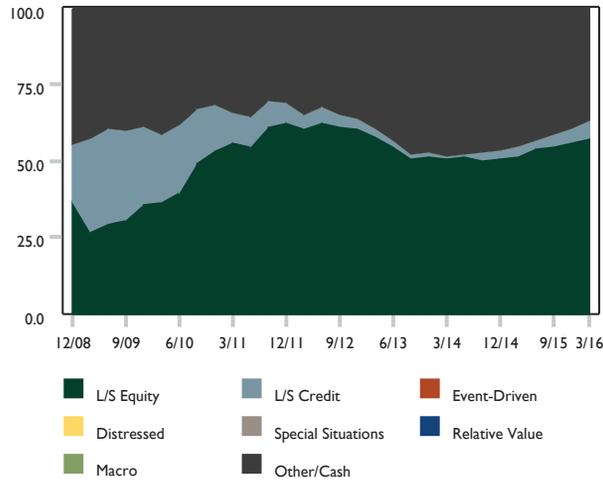
Market Exposure



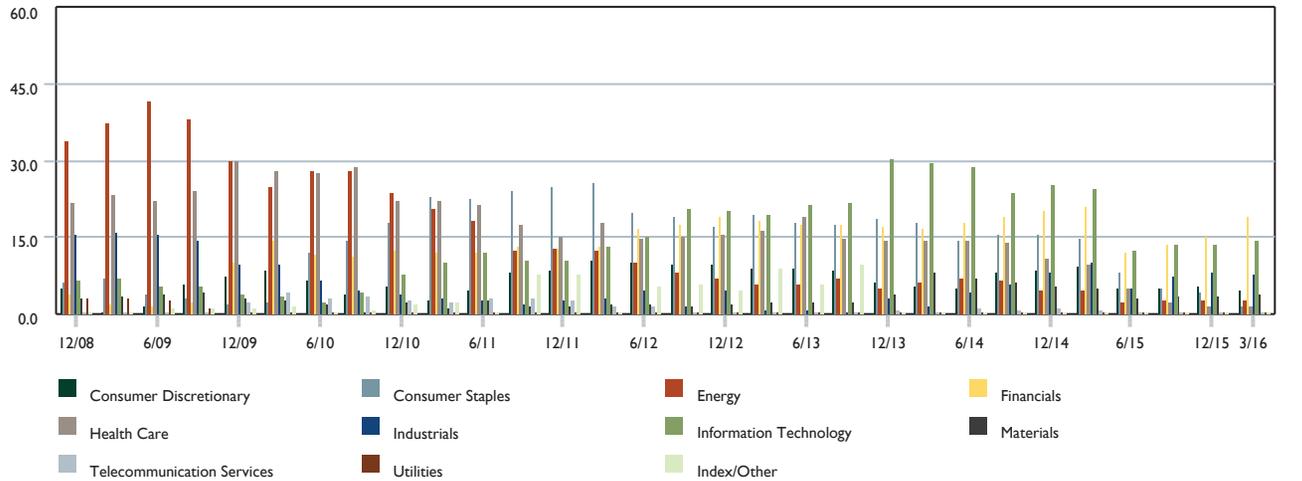
Geographic Exposure



Strategy Weights



Sector Breakdown



# Fixed Income

As of March 31, 2016

	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
<b>Portfolio Characteristics</b>					
Yield	2.7	2.2	0.8	0.9	1.9
Average Maturity	6.5	7.8	2.3	2.9	4.6
Duration	5.0	5.5	2.3	2.8	3.8
<b>Quality Breakdown</b>					
U.S. Treasury	25.4	36.6	99.8	100.0	58.3
U.S. Govt/Agency	3.0	2.7	0.0	0.0	1.7
Agency MBS	26.6	28.2	2.0	0.0	15.7
Non-U.S. Sov/Agency	0.0	3.9	0.0	0.0	0.0
AAA	13.6	4.1	0.0	0.0	7.6
AA	4.4	2.5	0.0	0.0	2.5
A	9.9	10.5	0.0	0.0	5.5
BBB	10.6	11.6	0.0	0.0	5.9
BB and Below	1.4	0.0	0.0	0.0	0.8
NR/Other	5.0	0.0	-1.8	0.0	2.0
<b>Sector Breakdown</b>					
U.S. Treasury	25.4	36.6	99.8	100.0	58.3
U.S. Government Related	3.0	2.7	0.0	0.0	1.7
Non-U.S. Sovereign/Agency	0.0	3.9	0.0	0.0	0.0
Investment Grade Corporate	18.7	24.7	0.0	0.0	10.4
Industrials	9.7	15.2	0.0	0.0	5.4
Utility	1.3	1.9	0.0	0.0	0.7
Financials	7.6	7.6	0.0	0.0	4.3
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	31.1	28.2	2.0	0.0	18.2
MBS-Agency	26.6	28.2	2.0	0.0	15.7
MBS-NonAgency	4.5	0.0	0.0	0.0	2.5
CMBS	5.6	1.8	0.0	0.0	3.1
ABS	9.4	0.5	0.0	0.0	5.3
Municipals	0.0	0.0	0.0	0.0	0.0
Cash	5.5	0.0	0.0	0.0	3.0
Other	1.4	1.7	-1.8	0.0	0.0

- JP Morgan Core Bond Select statistics are as of December 31, 2015.

- 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.

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

# Inflation Hedging

As of March 31, 2016

## Vanguard Short-Term Inflation Protected Securities Adm. Fund

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

### Portfolio Characteristics

Yield	1.0	0.7
Average Maturity	2.5	2.5
Duration	2.5	1.3

### Quality Breakdown

U.S. Treasury	100.0	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	0.0	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	100.0	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	0.0	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.

# Real Assets

As of March 31, 2016

Sector Breakdown	Nuveen Gresham Diversified Commodities Fund	Bloomberg Commodity Index
Energy	29.9	31.0
Industrial Metals	19.0	16.9
Precious Metals	12.7	16.5
Agriculture/Livestock	38.4	35.5
Other	0.0	0.0

- Nuveen Sector breakout Agriculture/Livestock includes Food & Fibers. Statistics are as of December 31, 2015.

# Portfolio Comparison

As of March 31, 2016

	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
<b>Composition</b>		
# of Holdings	45	130
% Top 15 Holdings	62.7	52.3
% Top 25 Holdings	84.5	64.4
<b>Characteristics</b>		
Wtd Avg Mkt Cap (\$B)	17.7	61.9
Forecast P/E	30.2	24.2
Price/Book ratio	2.0	1.8
Historical EPS Growth - 5 Year	-6.0	-7.7
Forecast EPS Growth - Long-Term	9.1	3.5
Current Yield	1.6	2.7
<b>GICS Industries (%)</b>		
Oil & Gas Drilling	2.3	1.8
Oil & Gas Equipment & Services	11.9	14.2
Integrated Oil & Gas	0.0	22.5
Oil & Gas Exploration & Production	37.5	25.5
Oil & Gas Refining & Marketing	3.6	8.4
Oil & Gas Storage & Transportation	3.8	8.9
Coal & Consumable Fuels	1.8	0.6
Fertilizers & Agricultural Chemicals	4.8	0.0
Construction Materials	0.0	2.0
Metal & Glass Containers	0.0	2.3
Paper Packaging	0.0	4.5
Aluminum	0.0	0.9
Diversified Metals & Mining	7.8	1.6
Gold	15.7	5.6
Precious Metals & Minerals	0.4	0.2
Silver	0.0	0.6
Steel	3.4	0.0
Forest Products	2.6	0.2
Paper Products	0.0	0.3
Electrical Components & Equipment	0.2	0.0
Railroads	1.1	0.0
Semiconductor Equipment	0.2	0.0
Cash	2.9	0.0
<b>Market Capitalization (%)</b>		
Mega (Above \$60B)	5.9	21.5
Large (\$15B - \$60B)	27.6	39.8
Mid (\$5B - \$15B)	38.5	27.6
Small/Mid (\$2.5B - \$5B)	11.7	7.9
Small (\$0 - \$2.5B)	13.4	3.1
Cash	2.9	0.0

# Real Assets

As of March 31, 2016

Country/Region Allocation (%)	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Canada	17.0	15.1
United States	71.5	83.5
Europe ex UK	0.0	1.3
United Kingdom	8.0	0.2
Middle East	0.2	0.0
<b>Developed Markets</b>	<b>96.7</b>	<b>100.0</b>
Cash	2.9	0.0
Other	0.4	0.0

## Investment Details

# Performance Highlights

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## Equity

- FPA Crescent declined 0.2% in the quarter, lagging the S&P 500 but outperforming many long/short equity hedge funds. FPA's overweight to financials was a drag. The Fund held equity positions in Citigroup, AIG, and Bank of America that were negative. Investor concerns related to interest rates and exposure to the struggling energy sector within bank loan books drove losses. FPA used the weakness in the quarter to add to its bank exposure. The other notable loser in the quarter was Esterline Technologies, a supplier of parts to the aerospace and defense sectors. Esterline reported very weak earnings in February that led to a sharp decline. On the positive side, FPA's technology exposure was positive, with gains from Oracle and Cisco. The Fund's Yahoo/Alibaba pair trade also buoyed returns. Outside of technology, the Firm profited from insurer Aon and industrial company United Technologies. FPA's net equity exposure remained elevated, at 58% at quarter-end. Corporate bond exposure grew to roughly 5%.
- The FMI Small/Mid Cap Equity Fund (FMI) advanced 5.4% during the quarter and outpaced the 0.4% Russell 2500 Index gain. Style exposures, sector positioning, and stock selection all boosted performance. FMI's quality and value biases were beneficial, as high-quality stocks beat their low-quality counterparts and value outpaced growth during the quarter. The strategy's modest exposure to health care—the worst-performing sector of the Index with a drawdown of 14%—also drove returns. The team's picks within information technology and financial sectors added value. Electronic equipment makers Arrow Electronics (+19%), FLIR Systems (+18%), and ScanSource (+25%) all posted solid returns. Within financials, pawn store operators Cash America (+29%) and First Cash Financial (+23%) were pockets of strength. Partly offsetting these gains was the lack of exposure to utilities—the best-performing sector in the Index with a gain of 13%.

# Performance Highlights

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## Equity (cont'd)

- The Dodge & Cox International Stock Fund declined 3.8% during the quarter, lagging the 3.0% loss for the MSCI EAFE index and the 0.4% fall of the MSCI All Country World ex-U.S. Index. While the Fund benefited from stock selection in consumer staples, industrials, and IT, gains were not enough to offset underperformance in consumer discretionary, financials, and health care. Dodge & Cox tends to have meaningful exposure in the health care and financials sectors, and the first quarter of 2016 was no exception. The two sectors were the worst performers in the Index during the quarter. Financial holdings Unicredit (-35%), Credit Suisse Group (-34%), and Barclays (-32%) were some of the biggest laggards. Regionally, stock selection in the U.K. and Europe detracted, as did selection in Japan and the Pacific region ex-Japan. The portfolio's exposure to emerging markets was additive given strength in the region and the MSCI EAFE Index's lack of exposure. Brazilian names BR Malls (+49%), Itau Unibanco (+36%), and Petroleo Brasileiro (+36%) were among the top performers for the period. The International Stock Fund remained closed to new investors.
- The Artisan International Fund fell 3.6% in the quarter and trailed the MSCI EAFE Index's 3.0% decline. The portfolio saw poor relative returns from consumer discretionary and industrials, most notably aerospace and airline names. Zodiac Aerospace (France) and International Consolidated Airlines Group (U.K.) posted double-digit losses. In the consumer space, media and cable names such as Liberty Global and Telenet Group faltered. Conversely, a sizable underweight and positive stock selection in financials (and area of strength) boosted the portfolio. Artisan held little exposure to European banks, which fell sharply during the quarter, and the team's insurance positions held up relatively well. Regional positioning modestly lifted returns. A sizable underweight to Japan—a longstanding underweight given its challenged demographics and sub-par corporate governance—was beneficial. The portfolio's emerging markets allocation was also a tailwind, as developing markets names rebounded in the first quarter.

# Performance Highlights

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## Alternative Strategies

- Forester Offshore declined 5.9% in the quarter, trailing the S&P 500 Index and many of its fund-of-funds peers. The quarter was difficult for long/short equity managers; January saw a sharp sell-off in technology (which had led the market in 2015), and there was a short covering rally late in the quarter. This dynamic led to negative alpha on both sides of manager portfolios. Forester's manager roster was materially impacted by this headwind. The Fund experienced double-digit losses from a small group of managers that dragged down returns. Tiger Global lost more than 20% in the quarter after generating strong returns in 2015. Tiger Global was hurt by a reversal in technology and consumer companies, including Amazon, Netflix, and JD.com, which all saw double-digit retreats. Viking (-8% in the quarter) was also exposed to Amazon and experienced further losses in health-care names such as Valeant, Allergan, and Endo. Financials-focused Bay Pond shed more than 20%. Financials lagged in the quarter, and Bay Pond was hurt further by a complete write-down of its private position in Powa Technologies. Powa filed for bankruptcy in the quarter. On the positive side, Forester made a tactical allocation to credit manager Aurelius, as it believed, given its portfolio composition, that the manager offered equity-like returns. Aurelius had a strong quarter due to its exposure to Argentina. The country agreed to a deal with holdout creditors—which included Aurelius—and its existing bonds traded up on the news.
- Archstone Absolute Return declined 2.4% in the quarter. Performance was mixed across Archstone's manager lineup, with modestly positive returns from Elliott and Davidson Kempner (DK) offset by losses elsewhere. Elliott gained more than 2% in the quarter. The multi-strategy manager successfully negotiated a settlement with Argentina regarding previously defaulted bonds. Elliott is the largest owner of the holdout bonds, which were marked up after the settlement was announced. Payment from Argentina is expected in the second quarter of 2016, which could lead to further gains. DK also profited from the Argentina settlement. The manager was up less than 1%, with gains coming from credit and merger-arbitrage investments. Performance across the rest of the portfolio was negative. Multi-strategy manager Farallon lost 1%, while Och-Ziff shed more than 3% due to losses within its long/short equity portfolio. Dedicated credit managers York and DW declined 5% and 4%, respectively. Event-driven manager Serengeti experienced credit and equity losses to finish the quarter down 5%.

# Performance Highlights

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## Fixed Income

- The JP Morgan Core Bond Select appreciated 2.8% but underperformed the 3.0% return of the Barclays U.S. Aggregate Index by 20 bps. Positive security selection across structured products such as collateralized mortgage obligations (CMOs) and CMBS boosted performance. In addition, the Fund held longer-dated U.S. Treasuries, which rallied as rates fell. However, the Fund maintained an overall short-duration stance versus the Index, and this was a headwind. An underweight to corporate credit hurt relative results as credit spreads narrowed. There were no shifts in positioning. The team continues to emphasize structured product and corporate credit over Treasuries. Mortgage securities, both commercial and residential, continued to play a prime role in the portfolio. Residential MBS included overweights to CMOs and multi-family, as well as an underweight to agency MBS. ABS played a prominent role, with holdings diversified across nonperforming and reperforming, subprime auto, and consumer loans. Duration remained short to the benchmark, and the Fund kept its allocations to Treasuries and cash as a liquidity buffer.
- As previously reported, Chief Investment Officer of U.S. Value Driven Doug Swanson began a leave of absence on September 30, 2015. In early March 2016, JPMorgan announced that Co-Portfolio Manager (PM) Chris Nauseda will retire from the industry. Lastly, in early April, two other PMs announced plans to leave the Firm. Going forward, Core Bond will be co-managed by Barb Miller, Swanson's replacement as CIO, and Rich Figuly, who also serves as a PM on the Short Duration Bond mutual fund. We will continue to monitor these transitions and will provide additional information as appropriate.
- The Vanguard Short-Term Treasury Fund appreciated 1.3% but underperformed the return of the Barclays 1–5 Year Treasury Index by 30 bps. In order to maintain Vanguard's target duration of 2.25 years for all short-term strategies, the Fund tends to make modest term structure bets. As a result, it held a barbelled approach, with an 11% weight in Treasury bills that returned virtually nothing during the quarter and a 2.6% weight in Treasuries in the five- to 10-year range that gained 4.1%. The large weight in Treasury bills more than offset the benefit of the longer-dated Treasuries in the portfolio. In addition, the Fund's significant underweight (19.9% vs. 41.6%) to Treasuries maturing in 3–5 years (+ 2.5%) weighed on results. Entering the second quarter of 2016, the Fund's duration of 2.3 years was 0.5 years shorter than the Index and at 0.9%, the Fund was under-yielding the Index by 6 bps.

# Performance Highlights

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## Real Assets

- The Nuveen Gresham Diversified Commodities Fund dipped 0.4% in the quarter and was beat by the Bloomberg Commodity Index's 0.4% gain. Commodities saw some dispersion of returns after more widespread declines in 2015. Energy commodities slumped—the Index sub-group declining 9.4%—while precious metals (led by gold's resurgence) gained 15.2%. Gold appreciated 16.4% and was the strongest individual commodity in the Index. Natural gas, on the heels of a historically warm winter, declined 21.8% and was the worst underperformer. The 70 bps underperformance of the TAP Fund resulted from a combination of fee drag and some category over- and underweights. TAP's underweights to gold and silver cost the portfolio 68 bps. However, losses were partially offset by an underweight to natural gas that contributed 48 bps. A Brent crude overweight and the duration of contracts in oil, combined, detracted 29 bps.
- The Van Eck Global Hard Assets Fund advanced 11.3% during the quarter and bested the 6.3% return of S&P North American Natural Resources Index. Allocations to gold and metals and mining sub-sectors drove outperformance. Selection in diversified metals and mining—particularly Glencore (69.6%)—provided relative strength as the stock benefited from deleveraging that began in late 2015, as well as an uptick in metals prices. Relative to the Index, an overweight to gold was additive, as the sector benefited from negative interest and continued negative sentiment toward central bank policy. Four of the portfolio's top five contributors were gold miners, including Randgold Resources (47.7%), Goldcorp (42.2%), Agnico Eagle Mines (37.9%), and Barrick Gold (35.1%), which rose on continued restructuring and cost reductions. The portfolio's substantial underweight to energy and bias to exploration and production (E&P) companies (at the expense of integrations) boosted results. The team's belief that oil prices should recover as supply and demand balance in 2016 led it to maintain exposure to upstream E&P companies close to the asset. The team also believes the portfolio is biased to E&P companies that are low-cost producers with strong balance sheets. Lastly, the Fund's exposures to the refining and fertilizers and chemicals sub-sectors were detrimental.

**Firm Information: First Pacific Advisors**

<b>Total Assets (\$M):</b>	\$28,908
<b>Style:</b>	Long/Short Equity
<b>Assets in Style (\$M):</b>	\$17,100
<b>Year Founded:</b>	1953
<b>Location:</b>	Los Angeles, CA
<b>Ownership:</b>	100% Employee Owned. Romick is largest owner at ~25%
<b>Registration:</b>	SEC (2006)
<b>GP Capital:</b>	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 product.

**Vehicle Information**

<b>Inception:</b>	June 1993
<b>Assets (\$M):</b>	\$17,100
<b>Minimum Account Size:</b>	\$1,500
<b>Management Fee:</b>	1.11%, 2.0% redemption < 90 days
<b>Profit Allocation:</b>	None
<b>Highwater Mark:</b>	None
<b>Hurdle Rate:</b>	None
<b>UBTI:</b>	N/A
<b>Additional Expenses:</b>	Short sale dividend expense, custody, transfer agent, etc.
<b>Additional Vehicles:</b>	N/A

<b>3c1/3c7:</b>	None
<b>Subscriptions:</b>	Daily
<b>Redemptions (notice):</b>	Daily (2% redemption fee < 90 days)
<b>Lock-up:</b>	None
<b>ERISA Capacity:</b>	N/A
<b>Prime Broker:</b>	N/A
<b>Administrator:</b>	State Street Bank & Trust Company
<b>Auditor:</b>	Deloitte & Touche LLP
<b>Legal Counsel:</b>	Dechert LLP

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**Firm Information: Forester Capital**

**Total Assets (\$M):** \$3,400  
**Style:** Directional Hedge FOF  
**Assets in Style (\$M):** \$1,400  
**Year Founded:** 1999  
**Location:** Greenwich, CT  
**Ownership:** 100% Trent Carmichael and family.  
**Registration:** SEC  
**GP Capital:** \$28.5 million across funds

**Key Investment Professionals:**

Trent Carmichael - Prior to founding Forester Capital, Carmichael was with Tiger Management from 1996 to 1999, Nelson Capital Management from 1991-1994 and Donaldson, Lufkin and Jenrette from 1988-1990. Carmichael has a Master's degree in Management from the Kellogg School and a BA in Economics from Duke University. He holds the Chartered Financial Analyst designation.  
 - Carmichael is joined by Keith Morris and Tom Cote on the Firm's Investment Committee.

**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.

Fritz Fortmiller, who was a partner at Forester and a member of the Investment Committee, left the Firm in Oct. 2015. Fortmiller had been with Forester since 2006 and worked alongside Carmichael in managing the various Forester funds. Carmichael continues to be supported by Keith Morris and Tom Cote on the Investment Committee. We will closely monitor any changes to the portfolio or structure of the investment team that may occur as a result of Fortmiller's departure.

\*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-1 products are subject to slot availability. This is a Prime Buchholz recommended product.

**Sample Portfolio Characteristics**

<i>Underlying Funds (12/31/2015)</i>	<i>Alloc %</i>	<i>Strategy</i>
Kensico Offshore Fund, Ltd.	10	Long/Short Equity
Viking Global Equities III, Ltd.	8	Long/Short Equity
Samlyn Offshore Fund, Ltd.	6	Long/Short Equity
Lansdowne Developed Markets Long Only Fund Limited USD Shares	5	Global Long/Short
Pennant Windward Fund, Ltd.	4	Long/Short Equity
Hengistbury Fund, Ltd	4	European Equity
Tiger Global, Ltd.	4	Long/Short Equity
Falcon Edge Global, Ltd	4	Global L/S Equity
Coatue Offshore Fund, Ltd.	4	Long/Short Equity
Steadfast International Ltd.	3	Long/Short Equity
Castine Offshore Fund, Ltd	3	US Low Net Sector
Abrams Bison Offshore Fund, Ltd.	3	Long/Short Equity
The Children's Investment Fund Mgmt UK LLP	3	Long/Short Equity
Hirzel Capital	2	Long/Short Equity
Aurelius Capital International, Ltd.	2	Absolute Return
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  
**Assets (\$M):** \$620  
**Minimum Account Size:** \$2,000,000  
**Management Fee:** 1.0%, underlying manager fees  
**Profit Allocation:** A: 3%, B: None  
**Highwater Mark:** Yes  
**Hurdle Rate:** NA  
**UBTI:** No  
**Additional Expenses:** Admin, Legal, and Operating (5-15 bps)  
**Additional Vehicles:** Onshore 3c1 and 3c7

**3c1/3c7:** 3c7  
**Subscriptions:** Quarterly  
**Redemptions (notice):** A: Annual (anniversary) B: Three-year liquidity (95 days)  
**Lock-up:** A: Two years B: Three years  
**ERISA Capacity:** No  
**Prime Broker:** N/A  
**Administrator:** International Fund Services LLC  
**Auditor:** Ernst & Young LLP  
**Legal Counsel:** Ogier

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**Firm Information: Archstone Partners**

<b>Total Assets (\$M):</b>	\$2,389	<b>Key Investment Professionals:</b>	
<b>Style:</b>	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.	
<b>Assets in Style (\$M):</b>	\$210	- 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.	
<b>Year Founded:</b>	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.	
<b>Location:</b>	New York, NY	Other investment professionals include Mark Smith, Barbara Barlick, Kevin Jornlin & Edgar Smith.	
<b>Ownership:</b>	Alfred Shuman 80%; Balance in declining order: Stanley Shuman; Richard Nye; Steven Kotler; Stephanie Shuman; Joseph Pignatelli; David Parker; John Marshall		
<b>Registration:</b>	SEC		
<b>GP Capital:</b>	\$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.

\*Management fee reflects discount of 0.36-0.39% for Prime Buchholz clients. This is a Prime Buchholz recommended product.

**Sample Portfolio Characteristics**

<i>Underlying Funds (12/31/2015)</i>	<i>Alloc %</i>	<i>Strategy</i>
Och Ziff Overseas Fund, Ltd.	12	Absolute Return - Event Driven
Elliott International, Ltd	12	Multi-strategy Hedge
Farallon Capital Offshore Investors, Inc.	11	Absolute Return - Event-Driven
Davidson Kempner International, Ltd.	11	Absolute Return Multi-Strategy
Silver Point Capital Offshore Fund, Ltd.	11	Absolute Return
Fir Tree Capital Opportunity Fund II, Ltd.	10	Absolute Return
York Credit Opportunities Unit Trust	10	Credit and distressed debt
King Street Capital Ltd.	9	Distressed Debt/Credit
DW Catalyst Offshore Fund, LTD.	9	Absolute Return - Relative Value
Serengeti Opportunities Fund	8	Event Driven

**Vehicle Information**

<b>Inception:</b>	January 2002	<b>3c1/3c7:</b>	3c7
<b>Assets (\$M):</b>	\$210	<b>Subscriptions:</b>	Monthly (1mm min for PBA)
<b>Minimum Account Size:</b>	\$2,500,000	<b>Redemptions (notice):</b>	Semiannual (6/30, 12/31) with 90 days notice
<b>Management Fee:</b>	1.11%-1.14% flat fee or 0.61-0.64% & 5% incentive; Underlying Manager Fees	<b>Lock-up:</b>	One year
<b>Profit Allocation:</b>	0% for flat fee/5% for incentive fee structure	<b>ERISA Capacity:</b>	Yes
<b>Highwater Mark:</b>	Yes, for incentive fee structure	<b>Prime Broker:</b>	N/A
<b>Hurdle Rate:</b>	NA	<b>Administrator:</b>	SS&C Technologies, Inc.
<b>UBTI:</b>	No	<b>Auditor:</b>	Ernst & Young LLP
<b>Additional Expenses:</b>	Payroll and all operating expenses (capped at 0.60% excl. interest expense)	<b>Legal Counsel:</b>	Walkers SPV Limited (Cayman); Willkie Farr & Gallagher LLP (US)
<b>Additional Vehicles:</b>	NA		

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**Firm Information: Vanguard Group, Inc.**

<b>Total Assets (\$M):</b>	\$3,274,634
<b>Style:</b>	Domestic Fixed Sector Index
<b>Assets in Style (\$M):</b>	\$14,200
<b>Year Founded:</b>	1975
<b>Product Inception:</b>	December 2012
<b>Location:</b>	Valley Forge, PA
<b>Ownership:</b>	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. This is a Prime Buchholz recommended product.

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

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

<b>Securities Lending:</b>	Yes
<b>Assets in Composite:</b>	N/A
<b>GIPS Compliant (per Manager):</b>	No
<b>Last Audited Financials:</b>	9/30/2015
<b>Accountant/Auditor:</b>	PricewaterhouseCoopers LLP
<b>Custodian:</b>	JPMorgan Chase & Co.
<b>Administrator:</b>	The Vanguard Group

**Vehicle Information**

<b>Vehicle Name (Ticker)</b>	<b>Minimum</b>	<b>Assets (\$M)</b>	<b>Fee</b>	<b>Type</b>
Vanguard Short-Term Infl-Prot Secs ETF (VTIP)	\$0	\$2,200.0	0.08%	MF
Vanguard Shrt-Term Infl-Prot Sec Idx Adm (VTAPX)	\$10,000	\$2,800.0	0.08%	MF
Vanguard Shrt-Term Infl-Prot Sec Idx Ins (VTSPX)	\$5,000,000	\$4,600.0	0.05%	MF

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**Firm Information: Gresham Investment Management, LLC**

<b>Total Assets (\$M):</b>	\$11,500
<b>Style:</b>	Commodities Direct Active
<b>Assets in Style (\$M):</b>	\$1,500
<b>Year Founded:</b>	1992
<b>Product Inception:</b>	December 1987
<b>Location:</b>	New York, NY
<b>Ownership:</b>	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 it's 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. 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 product.

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

<b>Security Constraints:</b>	Strategic Portfolios
<b>Sector Constraints:</b>	no 2 sectors may total >60%
<b>Avg # of Securities:</b>	25
<b>Turnover:</b>	Continuous
<b>Assets in Composite:</b>	NA

<b>Securities Lending:</b>	N/A
<b>GIPS Compliant (per Manager):</b>	
<b>Last Audited Financials:</b>	12/31/2014
<b>Accountant/Auditor:</b>	KPMG LLP
<b>Custodian:</b>	JP Morgan Chase Bank
<b>Administrator:</b>	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	\$82.0	1.07%	MF
The TAP Fund LTD	\$250,000	\$740.0	< \$5 mil 100 bps; \$5 to \$10 mil 90bps; >\$10 mil 70 bps	3c7
The TAP Fund, LLC	\$250,000	\$400.0	< \$5 mil 100 bps; \$5 to \$10 mil 90bps; >\$10 mil 70 bps	3c7

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**Firm Information: Van Eck**

<b>Total Assets (\$M):</b>	\$25,111
<b>Style:</b>	Public Real Direct Natural Resources
<b>Assets in Style (\$M):</b>	\$4,293
<b>Year Founded:</b>	1955
<b>Product Inception:</b>	November 1994
<b>Location:</b>	New York
<b>Ownership:</b>	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 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 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, and other natural resource sub-sectors. 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**

**Attributes:**

Van Eck is an investment manager with a long term track record of successful investing. The co-portfolio managers overseeing the strategy average over 15 years of experience in the industry. 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 is actively managed but maintains diversified exposures by both natural resource sector and by security (approximately 60 in more recent periods).

**Risks:** Tracking risk--the strategy's benchmark--the S&P North American Natural Resources Index, is heavily weighted toward the energy sector (approximately 85%) and is dominated by large and mega cap oil and gas companies. Given the strategy's diversified exposure by sector and negative bias towards large integrated oil and gas companies, tracking risk may be significant in certain market environments. This is a Prime Buchholz recommended product.

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

<b>Security Constraints:</b>	5% cap
<b>Sector Constraints:</b>	Energy between 30% - 65%, the remaining between 0% - 25%
<b>Avg # of Securities:</b>	~70
<b>Turnover:</b>	40%
<b>Assets in Composite:</b>	97%

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

**Vehicle Information**

<b>Vehicle Name (Ticker)</b>	<b>Minimum</b>	<b>Assets (\$M)</b>	<b>Fee</b>	<b>Type</b>
Van Eck Global Hard Assets I (GHAIX)	\$1,000,000	\$1,600.0	1.00%	MF
Van Eck Global Hard Assets Y (GHAYX)	\$1,000	\$270.8	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. Investment manager information is confidential. By receiving such information you hereby agree not to disclose or make available such information to any other individual or entity. 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 March 31, 2016

	1 Quarter Return	Previous Quarter Return	1 Year Return	1 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	0.9	6.3	-0.4	9.6	11.0	8.3	10.9	13.0	17.1	14.9	7.0	16.8
<b>Wilshire 5000 Total Market Index</b>	<b>0.8</b>	<b>5.9</b>	<b>-1.2</b>	<b>9.5</b>	<b>10.7</b>	<b>8.4</b>	<b>10.7</b>	<b>13.0</b>	<b>17.0</b>	<b>14.9</b>	<b>7.0</b>	<b>16.8</b>
FPA Crescent Fund	-0.2	2.8	-2.4	5.4	5.8	5.5	6.7	8.4	11.4	9.9	6.5	10.9
<b>S&amp;P 500 Index</b>	<b>1.3</b>	<b>7.0</b>	<b>1.8</b>	<b>9.6</b>	<b>11.8</b>	<b>8.1</b>	<b>11.6</b>	<b>12.4</b>	<b>17.0</b>	<b>14.2</b>	<b>7.0</b>	<b>16.3</b>
<b>60% Russell 2500 / 40% BC Global Credit</b>	<b>2.1</b>	<b>1.7</b>	<b>-3.5</b>	<b>6.9</b>	<b>5.7</b>	<b>7.3</b>	<b>6.8</b>	<b>10.8</b>	<b>13.7</b>	<b>12.9</b>	<b>6.3</b>	<b>13.7</b>
<b>HFRI Equity Hedge (Total) Index</b>	<b>-1.7</b>	<b>1.7</b>	<b>-4.6</b>	<b>6.6</b>	<b>2.6</b>	<b>5.6</b>	<b>1.7</b>	<b>8.1</b>	<b>6.3</b>	<b>9.2</b>	<b>2.7</b>	<b>10.4</b>
FMI Common Stock Fund	5.4	1.0	-4.0	10.1	7.8	10.1	8.3	14.3	16.2	16.6	8.1	17.2
<b>Russell 2500 Index</b>	<b>0.4</b>	<b>3.3</b>	<b>-7.3</b>	<b>10.2</b>	<b>8.2</b>	<b>10.7</b>	<b>8.6</b>	<b>16.3</b>	<b>17.8</b>	<b>18.2</b>	<b>6.5</b>	<b>19.6</b>
Dodge & Cox International Stock Fund	-3.8	0.8	-18.1	12.8	1.3	13.1	1.4	16.6	11.3	22.1	2.5	22.7
<b>MSCI AC World ex USA (Net)</b>	<b>-0.4</b>	<b>3.2</b>	<b>-9.2</b>	<b>11.8</b>	<b>0.3</b>	<b>11.2</b>	<b>0.3</b>	<b>14.6</b>	<b>9.2</b>	<b>19.0</b>	<b>1.9</b>	<b>20.3</b>
Artisan International Institutional Fund	-3.6	6.9	-10.9	14.4	2.9	12.3	6.1	16.3	12.6	19.1	4.2	20.5
<b>MSCI EAFE (Net)</b>	<b>-3.0</b>	<b>4.7</b>	<b>-8.3</b>	<b>11.0</b>	<b>2.2</b>	<b>11.3</b>	<b>2.3</b>	<b>14.4</b>	<b>9.7</b>	<b>18.5</b>	<b>1.8</b>	<b>19.6</b>
Forester Offshore A2, Ltd.	-5.8	2.7	-7.3	6.9	3.1	6.1	3.8	7.1	5.3	6.9	5.0	7.5
<b>HFRI FOF: Strategic Index</b>	<b>-4.3</b>	<b>1.5</b>	<b>-7.2</b>	<b>6.4</b>	<b>1.5</b>	<b>5.3</b>	<b>1.1</b>	<b>6.1</b>	<b>3.6</b>	<b>6.3</b>	<b>1.3</b>	<b>8.4</b>
Archstone Absolute Return Strategies Fund, Ltd. Class A	-2.4	-1.5	-8.3	2.7	-0.7	4.3	1.2	5.1	4.7	5.7	2.8	7.1
<b>HFRI FOF: Conservative Index</b>	<b>-2.0</b>	<b>0.0</b>	<b>-3.5</b>	<b>2.1</b>	<b>2.0</b>	<b>2.6</b>	<b>1.7</b>	<b>3.4</b>	<b>3.3</b>	<b>3.6</b>	<b>1.4</b>	<b>6.0</b>
JP Morgan Core Bond Select Fund	2.8	-0.9	2.0	3.4	2.2	2.8	3.7	2.7	4.8	2.9	5.2	3.0
<b>Barclays U.S. Aggregate</b>	<b>3.0</b>	<b>-0.6</b>	<b>2.0</b>	<b>3.6</b>	<b>2.5</b>	<b>3.1</b>	<b>3.8</b>	<b>2.9</b>	<b>4.5</b>	<b>3.1</b>	<b>4.9</b>	<b>3.2</b>
Vanguard Short Term US Treasury Admiral Fund	1.3	-0.6	1.3	1.3	0.8	0.9	1.2	0.9	1.3	1.0	2.8	2.0
<b>Barclays U.S. Treasury: 1-5 Year</b>	<b>1.6</b>	<b>-0.7</b>	<b>1.6</b>	<b>1.7</b>	<b>1.1</b>	<b>1.2</b>	<b>1.6</b>	<b>1.2</b>	<b>1.7</b>	<b>1.5</b>	<b>3.2</b>	<b>2.5</b>
Vanguard Short-Term Inflation Protected Securities Adm. Fund	1.8	-0.4	1.3	1.9	-0.5	2.4	NA	NA	NA	NA	NA	NA
<b>Barclays U.S. Treasury: 0-5 Year TIPS Index</b>	<b>2.2</b>	<b>-0.5</b>	<b>1.5</b>	<b>2.3</b>	<b>-0.4</b>	<b>2.5</b>	<b>0.7</b>	<b>2.2</b>	<b>2.1</b>	<b>2.2</b>	<b>3.0</b>	<b>3.5</b>

# Historical Performance

## Return and Risk Summary

As of March 31, 2016

	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	-0.4	-10.9	-21.3	15.3	-16.9	13.8	NA	NA	NA	NA	NA	NA
<b>Bloomberg Commodity Index</b>	<b>0.4</b>	<b>-10.5</b>	<b>-19.6</b>	<b>15.6</b>	<b>-16.9</b>	<b>14.0</b>	<b>-14.1</b>	<b>13.4</b>	<b>-4.5</b>	<b>16.1</b>	<b>-6.2</b>	<b>20.1</b>
Van Eck Global Hard Assets I Fund	11.3	-6.8	-26.3	27.6	-13.3	23.9	-11.9	23.5	1.4	26.1	NA	NA
<b>S&amp;P North American Natural Res Sector Index (TR)</b>	<b>6.3</b>	<b>-1.8</b>	<b>-18.3</b>	<b>18.8</b>	<b>-7.6</b>	<b>18.4</b>	<b>-6.6</b>	<b>20.6</b>	<b>5.6</b>	<b>22.6</b>	<b>1.2</b>	<b>25.1</b>

# Historical Performance

## Return Summary

As of March 31, 2016

	Year To Date	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fidelity Spartan Total Market Index Advisor Fund	0.9	0.5	12.5	33.4	16.4	1.0	17.4	28.4	-37.2	5.6	15.8
<b>Wilshire 5000 Total Market Index</b>	<b>0.8</b>	<b>-0.2</b>	<b>12.1</b>	<b>34.0</b>	<b>16.1</b>	<b>0.6</b>	<b>18.1</b>	<b>29.4</b>	<b>-37.3</b>	<b>5.7</b>	<b>15.9</b>
FPA Crescent Fund	-0.2	-2.1	6.6	21.9	10.3	3.0	12.0	28.4	-20.6	6.8	12.4
<b>S&amp;P 500 Index</b>	<b>1.3</b>	<b>1.4</b>	<b>13.7</b>	<b>32.4</b>	<b>16.0</b>	<b>2.1</b>	<b>15.1</b>	<b>26.5</b>	<b>-37.0</b>	<b>5.5</b>	<b>15.8</b>
<b>60% Russell 2500 / 40% BC Global Credit</b>	<b>2.1</b>	<b>-2.9</b>	<b>5.3</b>	<b>21.4</b>	<b>15.6</b>	<b>0.5</b>	<b>18.9</b>	<b>29.6</b>	<b>-26.5</b>	<b>3.6</b>	<b>13.1</b>
<b>HFRI Equity Hedge (Total) Index</b>	<b>-1.7</b>	<b>-1.0</b>	<b>1.8</b>	<b>14.3</b>	<b>7.4</b>	<b>-8.4</b>	<b>10.5</b>	<b>24.6</b>	<b>-26.7</b>	<b>10.5</b>	<b>11.7</b>
FMI Common Stock Fund	5.4	-6.8	6.5	32.0	10.2	4.5	22.2	33.9	-20.4	-2.0	17.1
<b>Russell 2500 Index</b>	<b>0.4</b>	<b>-2.9</b>	<b>7.1</b>	<b>36.8</b>	<b>17.9</b>	<b>-2.5</b>	<b>26.7</b>	<b>34.4</b>	<b>-36.8</b>	<b>1.4</b>	<b>16.2</b>
Dodge & Cox International Stock Fund	-3.8	-11.4	0.1	26.3	21.0	-16.0	13.7	47.5	-46.7	11.7	28.0
<b>MSCI AC World ex USA (Net)</b>	<b>-0.4</b>	<b>-5.7</b>	<b>-3.9</b>	<b>15.3</b>	<b>16.8</b>	<b>-13.7</b>	<b>11.2</b>	<b>41.4</b>	<b>-45.5</b>	<b>16.7</b>	<b>26.7</b>
Artisan International Institutional Fund	-3.6	-3.6	-0.7	25.5	25.6	-4.1	6.2	40.0	-46.8	20.0	25.9
<b>MSCI EAFE (Net)</b>	<b>-3.0</b>	<b>-0.8</b>	<b>-4.9</b>	<b>22.8</b>	<b>17.3</b>	<b>-12.1</b>	<b>7.8</b>	<b>31.8</b>	<b>-43.4</b>	<b>11.2</b>	<b>26.3</b>
Forester Offshore A2, Ltd.	-5.8	0.3	5.8	15.2	9.3	-2.5	5.2	14.6	-13.0	18.5	11.5
<b>HFRI FOF: Strategic Index</b>	<b>-4.3</b>	<b>-0.5</b>	<b>3.1</b>	<b>10.5</b>	<b>5.8</b>	<b>-7.3</b>	<b>6.3</b>	<b>13.2</b>	<b>-25.2</b>	<b>12.8</b>	<b>11.8</b>
Archstone Absolute Return Strategies Fund, Ltd. Class A	-2.4	-5.3	-0.6	11.2	9.0	-2.3	8.1	19.4	-20.5	8.3	13.8
<b>HFRI FOF: Conservative Index</b>	<b>-2.0</b>	<b>0.4</b>	<b>3.1</b>	<b>7.7</b>	<b>4.2</b>	<b>-3.6</b>	<b>5.1</b>	<b>9.6</b>	<b>-19.9</b>	<b>7.7</b>	<b>9.2</b>
JP Morgan Core Bond Select Fund	2.8	0.7	5.2	-1.8	5.1	7.3	7.3	9.7	4.0	7.0	4.0
<b>Barclays U.S. Aggregate</b>	<b>3.0</b>	<b>0.5</b>	<b>6.0</b>	<b>-2.0</b>	<b>4.2</b>	<b>7.8</b>	<b>6.5</b>	<b>5.9</b>	<b>5.2</b>	<b>7.0</b>	<b>4.3</b>
Vanguard Short Term US Treasury Admiral Fund	1.3	0.6	0.8	0.0	0.8	2.4	2.8	1.5	6.8	8.0	3.9
<b>Barclays U.S. Treasury: 1-5 Year</b>	<b>1.6</b>	<b>0.9</b>	<b>1.2</b>	<b>-0.1</b>	<b>0.9</b>	<b>3.4</b>	<b>3.7</b>	<b>0.2</b>	<b>8.8</b>	<b>8.2</b>	<b>3.8</b>
Vanguard Short-Term Inflation Protected Securities Adm. Fund	1.8	-0.2	-1.2	-1.5	NA	NA	NA	NA	NA	NA	NA
<b>Barclays U.S. Treasury: 0-5 Year TIPS Index</b>	<b>2.2</b>	<b>-0.3</b>	<b>-1.1</b>	<b>-1.6</b>	<b>2.4</b>	<b>4.5</b>	<b>3.3</b>	<b>10.7</b>	<b>-2.0</b>	<b>9.8</b>	<b>2.6</b>

# Historical Performance

## Return Summary

As of March 31, 2016

	Year To Date	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Nuveen Gresham Diversified Commodities Fund	-0.4	-25.7	-17.3	-7.8	NA	NA	NA	NA	NA	NA	NA
<b>Bloomberg Commodity Index</b>	<b>0.4</b>	<b>-24.7</b>	<b>-17.0</b>	<b>-9.5</b>	<b>-1.1</b>	<b>-13.3</b>	<b>16.8</b>	<b>18.9</b>	<b>-35.6</b>	<b>16.2</b>	<b>2.1</b>
Van Eck Global Hard Assets I Fund	11.3	-33.2	-19.1	11.2	2.9	-16.3	28.9	53.2	-44.5	43.2	NA
<b>S&amp;P North American Natural Res Sector Index (TR)</b>	<b>6.3</b>	<b>-24.3</b>	<b>-9.8</b>	<b>16.5</b>	<b>2.2</b>	<b>-7.4</b>	<b>23.9</b>	<b>37.5</b>	<b>-42.6</b>	<b>34.4</b>	<b>16.8</b>

**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.

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**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.

**HFRF 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.

**HFRF 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.

**HFRX 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.

**HFRX 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.

**HFRX 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.

**HFRX 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.

**HFRX 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.

**HFRX 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.

**HFRX 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.

**HFRX 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.

**HFRX 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 through December 20, 2015; FTSE Developed All Cap ex US Transition Index thereafter.

**Spliced Emerging Markets Index** reflects performance of the Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition 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.

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**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, 2016. 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.*





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