

Town of Palm Beach Health Insurance Trust

Investment Performance Analysis

Period Ended September 30, 2015

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Tab I

Economic data released during the third quarter showed the U.S. grew 3.9%, a sharp rebound from the 0.2% decline in the second quarter. Compared to the previous quarter, China's 7.0% growth rate accelerated but Japan's 1.2% decline represented a significant reversal. Within the euro area, Germany's 1.8% increase anchored the currency union's 1.4% growth rate. Stronger growth in Spain (+4.1%) and Greece (+3.7%) helped offset weakness in France (0.0%) and a decline in Austria (-2.6%). India's 7.0% growth was a bright spot among emerging markets, while Brazil (-7.2%), Ukraine (-4.0%), and South Africa (-1.3%) were notable laggards.

Monetary policy divergence continued, with a number of banks cutting rates during the quarter, while several attempted to stave off inflation through rate hikes. Investors eagerly awaited the Fed's decision at its mid-September meeting and while the general consensus was that no action was the most likely outcome, many market participants believed a rate hike could occur. The Fed elected to hold policy rates steady, citing concerns related to the fragile global economy, most notably in China. Further, the dovish economic projections and press conference commentary that accompanied the policy decision caused traders to push out their expectations for when the first rate hike will occur. In a surprise move, the People's Bank of China cut rates and devalued the yuan over several days in an effort to stimulate the economy and stem growing concerns that the country would face a hard landing.

Across Organisation for Economic Co-operation and Development (OECD) countries, inflation was a modest 0.6% over the 12-month period ended August 2015. The euro area remains exceptionally low at 0.1% as Germany (+0.2%), Italy (+0.2%), and France (0.0%) were offset by Greece (-1.5%), Spain (-0.4%), and Finland (-0.2%). The highest inflationary pressure occurred in Russia (+15.8%), Brazil (+9.5%), Indonesia (+7.2%), and Turkey (+7.1%). U.S. Bureau of Labor Statistics data for this 12-month period reflected the dramatic decline in energy prices, as headline CPI was up only 0.2%. Excluding food and energy, U.S. prices were 1.8% higher in the trailing year through August.

At the end of August, the unemployment rate in OECD countries was 6.8%, but the euro area remained stubbornly high at 10.9%. While Spain (22.2%), Portugal (12.1%), and Italy (12.0%) showed improvement, rates remained elevated. In general, the lowest unemployment rates were found outside the euro area, including Japan (3.3%), Korea (3.7%), Mexico (4.4%), Iceland (4.1%), and the U.S. (5.1%). Job creation in the U.S. continues to trend upward, but data from August was mixed. In the U.S., job growth and a declining labor force participation rate have each contributed to the decline in the level of unemployment.

The seasonally-adjusted Purchase-Only House Price Index rose 1.2% during the second quarter of 2015, which represents the 16th consecutive positive quarter. The Federal Housing Finance Agency noted that home prices continued to outpace overall inflation, despite a drift higher in mortgage rates. Over the trailing 12 months ended June 2015, home prices rose 5.4%.

Oil prices sharply retraced gains made in the previous quarter as West Texas Intermediate (WTI) fell 24.2% during the quarter, ending September at \$45.09. Brent crude declined 23.9% and ended the quarter trading at \$48.37. The spread between WTI and Brent narrowed from \$4.12 to \$3.28 from the previous quarter. Natural gas prices fell 11.8%, ending the quarter at \$2.47.

The tepid inflation environment and growing expectations of a rate hike by the Fed caused the price of gold to drop 4.8%, ending the third quarter at \$1,115.50 per ounce. Despite macroeconomic concerns, geopolitical tensions, and weak equity market returns, gold has not received a safe-haven bid like other safe assets such as the yen and U.S. Treasuries.

Aside from a modest gain in the euro and a rise in the yen, the U.S. dollar (USD) rallied against most other developed and developing market currencies. The Dollar Index Spot, which measures the performance of the USD against a basket of currencies, rose 0.8% as the decline of the Canadian dollar (-6.9%), Swiss franc (-4.4%), and British pound (-3.7%), more than offset gains by the yen (+2.2%) and the euro (+0.2%).

Historical Returns

Third Quarter 2015

Equity Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
S&P 500	-6.4	-0.6	9.1	12.4	13.3	6.8
CRSP US Total Market	-7.3	-0.6	8.2	12.5	13.2	7.2
Russell 3000 (Broad Market)	-7.2	-0.5	8.2	12.5	13.3	6.9
Russell 1000 (Large Cap)	-6.8	-0.6	8.8	12.7	13.4	7.0
Russell Midcap	-8.0	-0.2	7.5	13.9	13.4	7.9
Russell 2000 (Small Cap)	-11.9	1.2	2.6	11.0	11.7	6.5
MSCI ACWI (USD)	-9.4	-6.7	1.9	7.0	6.8	4.6
MSCI ACWI (Local)	-8.1	-0.9	6.8	11.3	9.6	5.4
MSCI ACWI ex-U.S. (USD)	-12.2	-12.2	-4.1	2.3	1.8	3.0
MSCI ACWI ex-U.S. (Local)	-9.5	-1.3	4.8	10.1	6.5	4.3
MSCI EAFE (USD)	-10.2	-8.7	-2.4	5.6	4.0	3.0
MSCI EAFE (Local)	-9.0	0.8	5.6	12.7	7.7	3.3
MSCI EM (USD)	-17.9	-19.3	-8.2	-5.3	-3.6	4.3
MSCI EM (Local)	-12.1	-7.1	0.3	2.1	1.7	6.6
S&P Developed ex-U.S. (Small Cap)	-7.8	-1.9	1.4	8.8	6.7	5.5
London - FTSE 100*	-6.1	-5.1	0.4	5.5	5.5	4.8
Japan - Nikkei 225*	-13.4	9.3	11.5	27.2	--	--
Hong Kong - Hang Seng*	-19.8	-5.9	-0.9	3.7	2.2	6.6
China - Shanghai Composite*	-28.6	29.1	18.5	13.5	12.8	--
40% R 3000/40% EAFE/20% EM	-10.6	-7.6	0.6	6.2	6.2	5.0

MSCI ACWI Sector	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr
Consumer Discretionary	-6.9	5.2	5.6	14.4	13.0	12.8
Consumer Staples	-1.9	3.1	6.1	8.8	10.8	10.2
Energy	-18.8	-33.2	-14.8	-8.3	-1.8	-1.5
Financials	-11.1	-7.2	0.7	8.1	5.2	2.6
Health Care	-9.3	2.9	13.6	17.7	16.8	12.8
Industrials	-9.5	-7.2	0.3	8.4	7.0	6.9
Information Technology	-6.5	-0.8	10.8	11.1	11.6	11.0
Materials	-19.5	-23.1	-11.3	-7.4	-5.1	-0.2
Telecom	-9.7	-8.0	0.5	4.0	5.8	6.6
Utilities	-1.7	-5.4	3.6	5.2	3.5	2.3

Fixed Income Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
LIBOR US 3m	0.1	0.3	0.3	0.3	0.3	1.7
Citigroup 3m T-Bill	0.0	0.0	0.0	0.0	0.1	1.3
BOA ML 1-3 Yr Treasury	0.3	1.2	0.8	0.7	0.8	2.5
Barclays 3-10 Yr Treasury	1.9	4.6	3.1	1.4	2.8	4.9
Barclays 5-10 Yr Treasury	2.6	5.6	4.0	1.5	3.4	5.4
Barclays Long-Term Treasury	5.1	8.8	10.2	2.8	6.2	7.0
Barclays Credit	0.5	1.5	4.0	2.0	4.1	5.3
Barclays Gov't/Credit	1.2	2.7	3.4	1.6	3.1	4.6
Barclays Aggregate	1.2	2.9	3.4	1.7	3.1	4.6
Barclays Municipal	1.7	3.2	5.5	2.9	4.1	4.6
Barclays High Yield	-4.9	-3.4	1.7	3.5	6.1	7.3
JPM Global Bond	2.0	-2.4	-1.0	-2.4	0.2	3.7
JPM Non-U.S. Bond	2.1	-6.4	-3.8	-4.6	-1.2	3.1
JPM Global Bond-Hedged	2.0	4.2	4.8	3.3	3.5	4.4
JPM Non-U.S. Bond-Hedged	2.1	4.3	5.6	4.4	3.9	4.4
JPM EMBI+	-0.9	-0.9	3.4	0.2	4.2	6.7
JPM GBI-EM Global Div Bond	-10.5	-19.8	-11.1	-8.7	-3.6	4.5
JPM GBI-EM Global Div Bond-Hedged	-1.9	-1.4	0.0	-0.3	1.7	4.2

Hedge Fund Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
HFRI Fund Weighted Composite	-3.8	-1.2	2.5	4.0	3.3	4.2
Absolute Return						
HFRI Event Driven (Total)	-5.5	-4.6	0.8	4.4	4.0	4.6
HFRI Relative Value (Total)	-2.5	-0.9	3.2	4.5	4.9	5.9
HFRI RV: FI-Convertible Arbitrage	-1.2	1.6	2.6	4.5	3.8	5.2
HFRI EH: Equity Market Neutral	1.1	4.4	4.4	4.5	3.1	2.5
Directional Hedge						
HFRI Equity Hedge (Total)	-5.8	-2.2	2.1	5.0	3.6	3.6
HFRI Macro (Total)	-0.3	1.6	3.4	1.2	0.9	3.8
HFRI Emerging Markets (Total)	-10.0	-9.5	-2.4	0.6	-0.8	3.9
HFRI EH: Short Bias	2.3	-3.3	-4.8	-9.6	-10.1	-6.4
Fund of Funds						
HFRI FOF Strategic	-5.2	-0.6	2.7	4.4	2.8	2.5
HFRI FOF Diversified	-3.1	0.2	3.3	4.3	2.9	2.5
HFRI FOF Conservative	-0.9	1.5	3.6	4.6	3.0	2.2

Illiquid Partnerships	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Private Real Assets (as of 6/30/2015)						
NCREIF Property Index	3.1	13.0	12.1	11.6	12.7	8.2
Apartment	3.0	11.6	10.8	10.7	13.3	7.8
Industrial	3.8	14.8	13.7	12.7	13.0	8.0
Office	3.1	12.9	11.6	10.9	11.7	8.0
Retail	3.0	13.6	13.5	13.3	13.7	9.1
NCREIF Timber Index	0.5	10.0	10.0	9.8	6.1	8.0
Private Equity (as of 03/31/2015)						
VC: Early Stage	4.3	25.4	28.5	19.9	18.5	10.8
VC: Late/Expansion Stage	3.9	8.7	21.3	13.9	16.7	13.2
VC: Multi - Stage	3.2	20.6	25.0	17.6	15.3	10.6
Growth Equity	3.1	10.8	16.0	13.0	13.6	12.8
Buyout: Small Cap	0.4	5.0	10.6	9.8	13.5	17.3
Buyout: Mid Cap	-0.3	6.6	10.8	10.2	11.5	14.3
Buyout: Large Cap	-0.3	5.4	12.4	11.6	13.8	13.8
Buyout: Mega Cap	2.5	9.2	16.0	15.3	15.4	11.2

Real Assets and Inflation	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
REITs						
FTSE EPRA/NAREIT Dev'd	-1.4	3.6	5.1	7.0	8.3	5.4
Commodities						
Bloomberg Commodity	-14.5	-26.0	-16.8	-16.0	-8.9	-5.7
S&P GSCI	-19.3	-41.7	-26.7	-19.8	-9.8	-10.0
Natural Resources						
S&P NA Natural Resources	-19.5	-33.6	-14.4	-7.7	-1.4	1.4
Inflation-Protected Bonds						
Barclays U.S. TIPS	-1.1	-0.8	0.4	-1.8	2.5	4.0
Inflation						
U.S. CPI	-0.2	0.1	0.9	1.0	1.7	1.8
U.S. CPI Plus 5%	1.0	5.1	5.9	6.0	6.8	6.9

*Returns in local currency.

Note: All returns as of 9/30/2015, unless otherwise noted.

Option-Adjusted Spreads		
	Current QTR	1 Year Ago
U.S. High Yield	630	424
U.S. Corporate	169	112
U.S. IG Financials	145	107
CDX IG 5-Yr	93	64
CDX HY 5-Yr	503	356
Agency MBS	31	30
CMBS	108	99
ABS - Fixed Rate	69	56
ABS - Floating Rate	92	85
TED ¹	33	22
Emerging Markets (External)	437	305

¹ 3 month US LIBOR minus 3 Month US T Bills

U.S. Economy		
	Current QTR	1 Year Ago
Unemployment Rate	5.10%	5.90%
Quarterly GDP ²	3.90%	4.60%
Current Account Deficit ²	\$109.70	\$97.90
Annualized Current Account Deficit/GDP ²	2.50%	2.30%

² Statistics as of one quarter prior

Central Bank Activity		
	Current QTR	1 Year Ago
Fed Funds Rate	0-0.25%	0-0.25%
Bank of Japan Target Rate	0.01%	0.10%
European Central Bank Policy Rate	0.05%	0.05%
European Central Bank Deposit Facility Rate	-0.20%	-0.20%
Bank of England Official Bank Rate	0.50%	0.50%

Inflation Forecast		
	Current QTR	1 Year Ago
10-Year Treasury Yield	2.04%	2.49%
10-Year Breakeven ⁴	1.43%	1.97%
5-Year Treasury Yield	1.36%	1.76%
5-Year Breakeven ⁴	1.08%	1.64%

⁴ Breakeven rates calculated by Bloomberg

Equity Market Valuations	Current QTR			1-Year Ago		
	Trailing P/E	Forward P/E	Div. Yield	Trailing P/E	Forward P/E	Div. Yield
S&P 500 Index	16.2x	15.1x	2.2%	16.5x	15.3x	2.0%
Russell 1000 Index	16.3x	15.4x	2.1%	16.8x	15.5x	1.9%
Russell Midcap Index	17.5x	16.6x	1.8%	18.7x	17.0x	1.6%
Russell 2000 Index	17.5x	21.2x	1.8%	18.5x	19.9x	1.6%
Russell 3000 Index	16.4x	15.7x	2.1%	16.9x	15.8x	1.9%
Russell 3000 Growth Index	19.0x	17.6x	1.6%	20.4x	17.8x	1.5%
Russell 3000 Value Index	14.4x	14.1x	2.7%	14.4x	14.1x	2.3%
MSCI ACWI Index	14.8x	14.2x	2.7%	14.8x	14.2x	2.5%
MSCI ACWI ex-U.S. Index	13.3x	13.0x	3.3%	13.3x	13.2x	3.1%
MSCI EAFE Index	14.3x	13.7x	3.4%	13.8x	13.9x	3.2%
MSCI EM Index	9.4x	10.0x	2.9%	10.6x	10.6x	2.7%
MSCI Frontier Markets Index	11.0x	9.1x	4.6%	13.5x	10.7x	4.1%
London - FTSE 100*	14.4x	13.2x	3.3%	12.1x	12.9x	3.3%
Japan - Nikkei 225*	17.3x	15.7x	1.7%	19.5x	17.1x	1.6%
Hong Kong - Hang Seng*	9.9x	10.0x	3.8%	9.9x	9.9x	3.7%
China - Shanghai Composite*	10.8x	10.1x	2.6%	9.7x	8.0x	3.3%

³ Returns in local currency

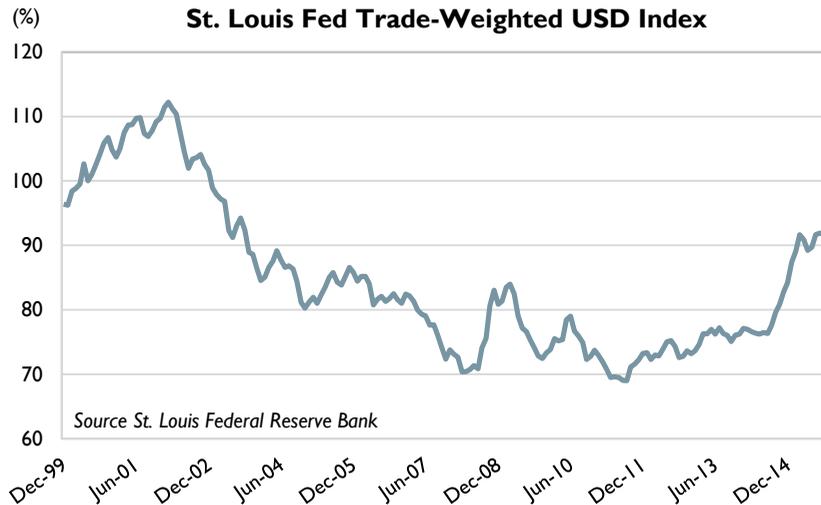
P/E excludes companies with negative earnings

U.S. Treasury Yields								Curve Steepness
Date	3-Mo T-Bill	6-Mo T-Bill	2-Yr Note	5-Yr Note	10-Yr Note	30-Yr Note	10-Yr - 2-Yr	
1 Year Ago	0.02%	0.04%	0.57%	1.76%	2.49%	3.20%	1.92%	
Current Quarter	0.02%	0.08%	0.63%	1.36%	2.04%	2.86%	1.41%	

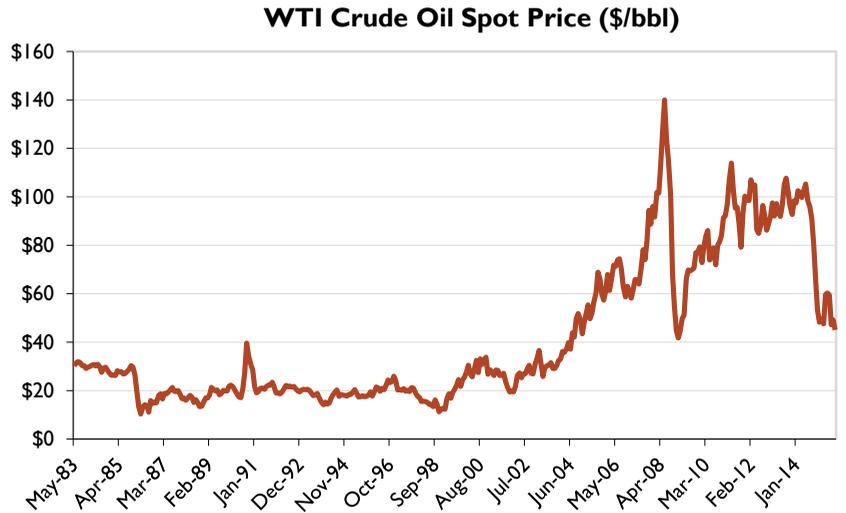
Currency Rates (per U.S. Dollar) (%)								
	MTD	QTD	YTD	1 Year	2 Year*	3 Year*	5 Year*	Current Spot Rate
U.S. Dollar Spot (DXY)**	0.4	0.8	6.7	12.1	9.6	6.4	4.1	96.282
Canadian Dollar	-0.8	-6.9	-13.6	-16.6	-12.4	-9.8	-5.2	1.341
Japanese Yen	1.2	2.2	0.1	-8.4	-9.5	-13.4	-7.0	119.765
British Pound	-1.5	-3.7	-2.9	-6.6	-3.3	-2.1	-0.8	0.660
Euro	-0.4	0.2	-7.8	-11.6	-9.2	-4.6	-3.9	0.896
Swiss Franc	-1.0	-4.4	1.7	-2.2	-3.8	-1.3	0.0	0.977
Australian Dollar	-0.9	-8.6	-14.2	-19.7	-13.3	-12.3	-6.2	1.424
Brazilian Real	-8.5	-22.0	-33.2	-38.5	-25.2	-20.1	-15.7	3.982
China Yuan/Renminbi	0.3	-2.5	-2.4	-3.4	-1.9	-0.4	1.0	6.357
GBP/Euro	-1.1	-3.9	5.3	5.7	6.5	2.6	3.3	0.737
Yen/Euro	1.6	2.0	8.5	3.7	-0.3	-9.2	-3.1	133.688

*Annualized Price Change

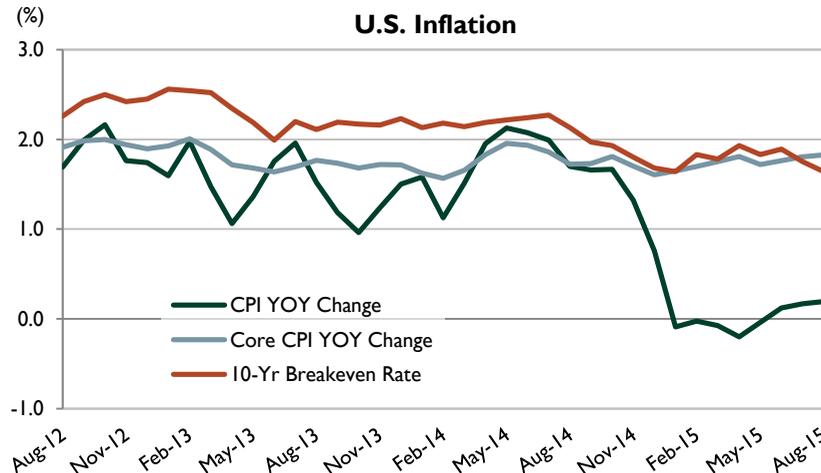
**Index measures value of USD relative to basket of foreign currencies.



The Trade-Weighted U.S. Dollar Index moved up modestly during the quarter and surpassed recent highs achieved earlier in the year. The Index reached a high in August before pulling back slightly in September.



Oil prices backtracked from gains made during the second quarter, with WTI falling 24% to \$45.09. The spread between WTI and Brent narrowed from \$4.12 at the end of the second quarter to \$3.28 at the end of the third quarter.



CPI increases remained muted during the quarter, with headline inflation only slightly higher year-over-year. Lower energy prices continued to contain inflation despite modestly higher food prices. Core CPI increased 1.8% on a year-over-year basis through August, but remained below the Federal Reserve's target level.



U.S. real GDP increased at an annual rate of 3.9% in the second quarter, rebounding from the modest first quarter rate of 0.6% and exceeding economist expectations. Despite the stronger growth, expectations for the remainder of the year have moved modestly lower.

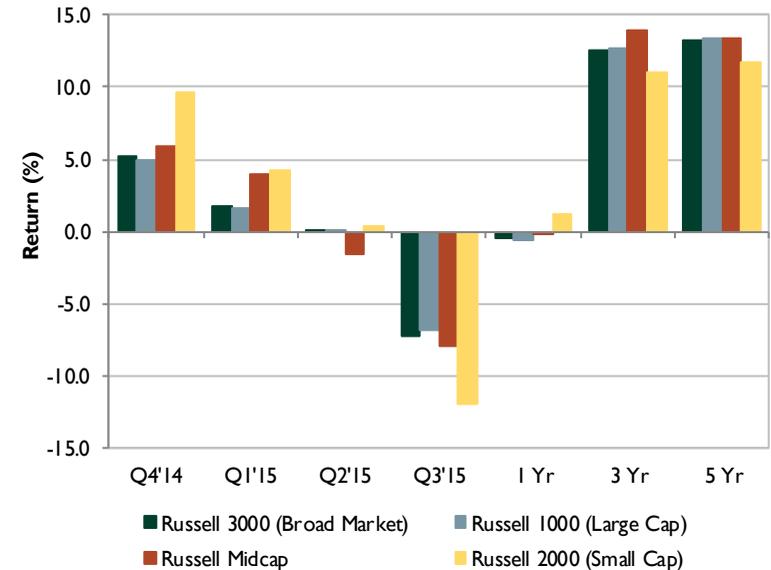
The Russell 3000 Index, a broad proxy for domestic equities, declined 7.2% for the quarter. After a gain in July, the Index came under pressure in August and September, as investors became nervous about the risk of a hard landing in China and the prospect of a global economic slowdown. In August, the Index experienced its first correction (defined as a decline of 10% or more) since October 2011. Volatility rose as the VIX Index, a measure of the implied volatility of the S&P 500 Index, started the quarter at 18.2 and spiked above 40 in August—a level not seen since 2011—before moderating to end the quarter at 24.5.

Nine of the 10 economic sectors posted declines during the quarter, with utilities (+4.2%) the only segment to finish in positive territory. In recent quarters, many investors seemed to treat utilities as substitutes for bonds and their price movements were negatively correlated with bond yields, which fell in the third quarter. Energy (-18.9%) was the worst performing sector of the market, followed closely by materials (-17.2%). Both segments were negatively affected by the decline in commodity prices and expectations for future demand. Health care stocks (-11.8%) also came under pressure after media and politicians questioned the high prices of drugs in the market.

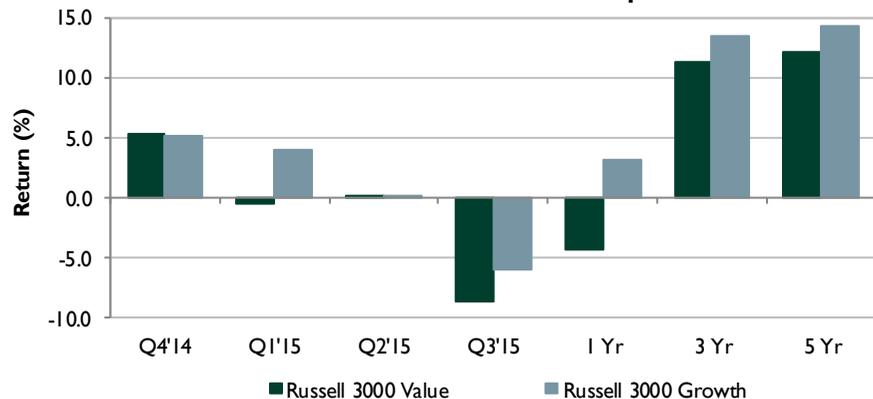
Higher beta small cap stocks significantly underperformed their large cap counterparts, with the Russell 2000 Index falling 11.9% versus a 6.8% decline for the Russell 1000 Index. Mid cap stocks ended the quarter in between large and small caps, down 8.0%.

The Russell 3000 Growth Index (-5.9%) finished the quarter ahead of the Russell 3000 Value Index (-8.6%), buoyed in part by the lower energy weighting. The growth index is ahead of the value index for the trailing one-, three-, and five-year periods.

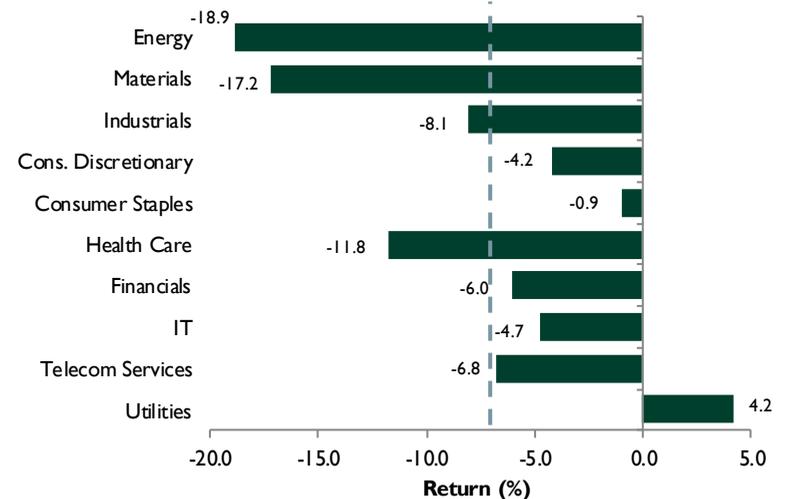
U.S. Market Cap Comparison



U.S. Growth vs. Value Comparison



Q3'15 U.S. Sector Returns*



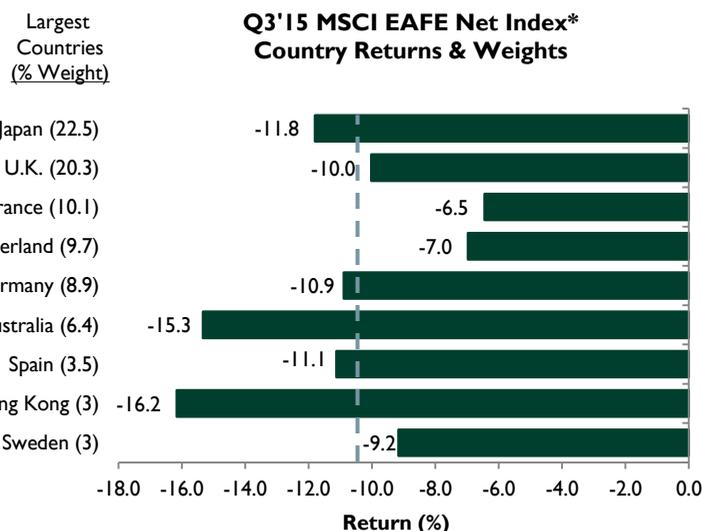
*Dotted line indicates total Russell 3000 Index return

Developed foreign equities suffered their largest quarterly loss in four years during the third quarter, falling 10.2%. All developed countries posted losses over the period; however, dispersion across country returns was high, with a 17% differential between the best (Denmark) and worst (Singapore) performing countries. The overall currency impact was modestly negative at the index level for U.S.-based investors as developed markets lost 9.0% in local terms.

- Japan (-11.8% USD, -13.7% local) was a notable laggard after reaching multi-year highs in June. The Japanese economy struggled amidst weak domestic consumption data and slowing demand for exports from China.
- Elsewhere in the Asia-Pacific region, Australia (-15.3% USD, -7.3% local) was hurt by weak commodity prices and an 8.6% fall in the Aussie dollar. Singapore (-19.5% USD, -15.1% local) was the worst performing developed market, as it was hindered by slowing growth in China and disappointing industrial production.
- With the exception of consumer staples (+0.2%), all major economic sectors within the MSCI EAFE Index were negative for the quarter. Materials (-9.0%) and energy (-7.5%) experienced large declines as commodity prices resumed downward momentum.

Emerging markets (EM) equities fell 17.9% in the third quarter. Like their developed market counterparts, this represented the largest quarterly loss since the third quarter of 2011. EM currencies fell sharply relative to the USD, as the benchmark lost only 12.1% in local terms. On the whole, EM currencies, as measured by the MSCI EM Currency Index, reached a six-year low relative to the USD at the end of September.

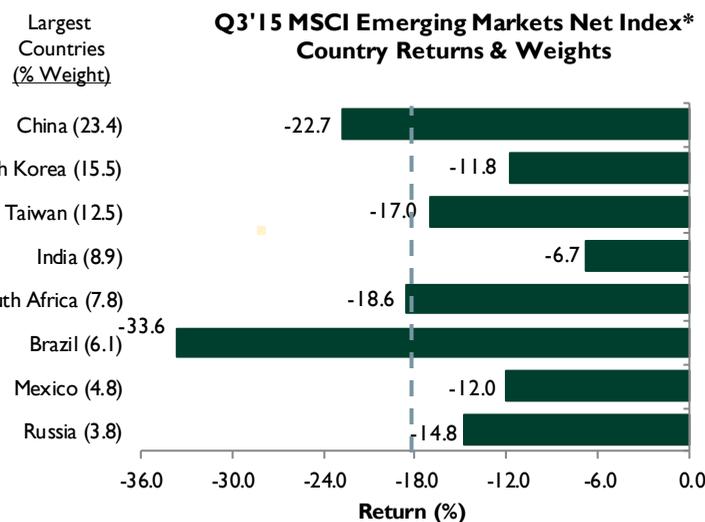
- The correction in the Chinese equity market (-22.7% USD) began in June and carried into the third quarter. The country continued to make headlines as weak manufacturing data and waning demand for imported goods exacerbated concerns over slowing growth.
- Currency impacts were most pronounced in countries that relied on commodity exports and/or were more susceptible to the prospect of rising U.S. interest rates. Against the USD, the Brazilian real (-22.0%), Russian ruble (-15.1%), South African rand (-12.2%), and Turkish lira (-11.5%) were all adversely impacted.
- India (-6.7% USD, -3.9% local) was the strongest performer within Asia. The country has been helped by low commodity prices, which has helped keep inflation low. The equity markets also responded positively to the central bank's decision to cut rates at month-end.



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

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

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



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

*Dotted line indicates total index return.

The U.S. Treasury yield curve flattened during the quarter as yields declined across the intermediate and long portions of the curve and remained relatively stable at the short end of the curve (0–2 years). The 10-year yield declined 32 bps to 2.04%, resulting in a year-to-date decline of 15 bps. The 2-year yield remained unchanged. The spread between the 2- and 10-year yield fell 29 bps to end the quarter at 1.42%. In aggregate, the U.S. Treasury market returned 1.8%, resulting in a year-to-date gain of 1.8%.

The Federal Open Market Committee (FOMC) held the federal funds target rate steady during its September meeting, citing concerns over the global economic outlook. The statements following the FOMC meeting still indicate an initial hike is possible by year-end; however, market expectations are increasingly pointing to an initial hike in 2016. Fed estimates of future policy rate levels continued to point toward a gradual hiking cycle and lower terminal federal funds target rate relative to previous hiking cycles.

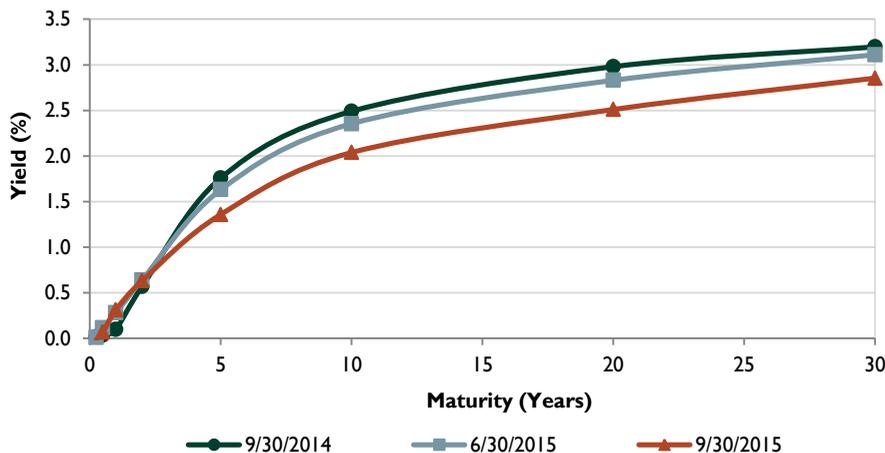
The Barclays Aggregate Index returned 1.2% during the quarter, lifting year-to-date results to 0.7%. Gains were driven by the U.S. Treasury sector, which returned 1.8%. As the curve flattened, longer-term securities generally outperformed shorter maturities. In terms of quality, higher-rated securities also rebounded and outperformed lower-rated securities, as AAA-rated securities gained 1.5% vs. a 0.7% loss for BBB-rated issues.

Despite widening spreads, the U.S. corporate sector gained 0.8% as yields declined. Investment-grade corporate option-adjusted spreads widened by 24 bps, representing the second consecutive quarter increase, and ended at 169 bps. Financials (+1.5%) outperformed industrials (+0.3%), which was weighed down by weakness in metals and mining. In terms of quality, BBB-rated securities generally underperformed, falling 1.1%. Corporate issuance slowed during the quarter (\$1.2 trillion year-to-date), but remained on track to surpass last year's record issuance of \$1.4 trillion.

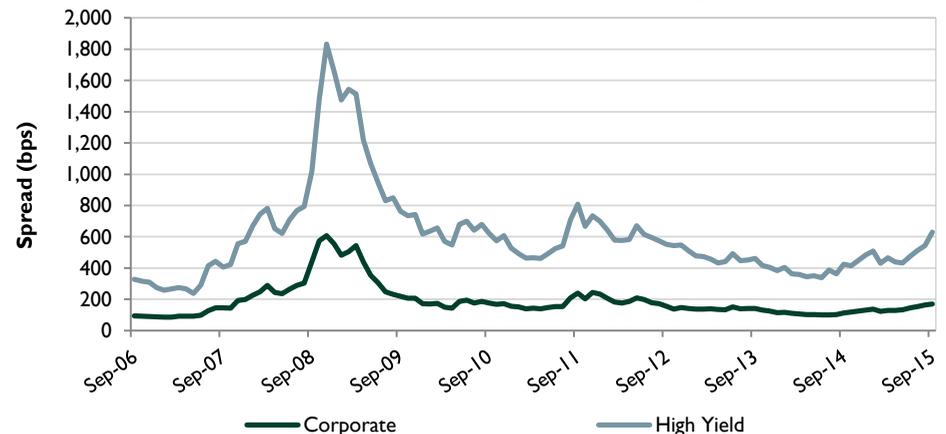
The securitized sector generated a 1.3% gain and slightly outperformed the broad market. Agency mortgage-backed securities (MBS) returned 1.3%. The sector underperformed U.S. Treasuries as elevated supply weighed on returns. Commercial MBS returned 1.5% as spread tightening was limited. Asset-backed securities (ABS) added 0.7%, with auto and credit card ABS returning 0.4% and 1.0%, respectively.

High yield bonds fell 4.9%, while loans declined 1.5%. Within bonds, industrials (-5.4%) underperformed utilities (-3.7%) and financials (-1.2%) due to extremely poor performance in basic materials (-11.3%) and energy (-15.9%). In loans, industrials (-1.1%) and financials (-1.0%) performed similarly, while utilities (-10.5%) were the weakest area of the loan market. In terms of quality, BB-rated instruments among high yield bonds and floating rate loans outperformed their lower-rated counterparts.

U.S. Treasury Yield Curve



OAS Comparison – Corporate vs. High Yield



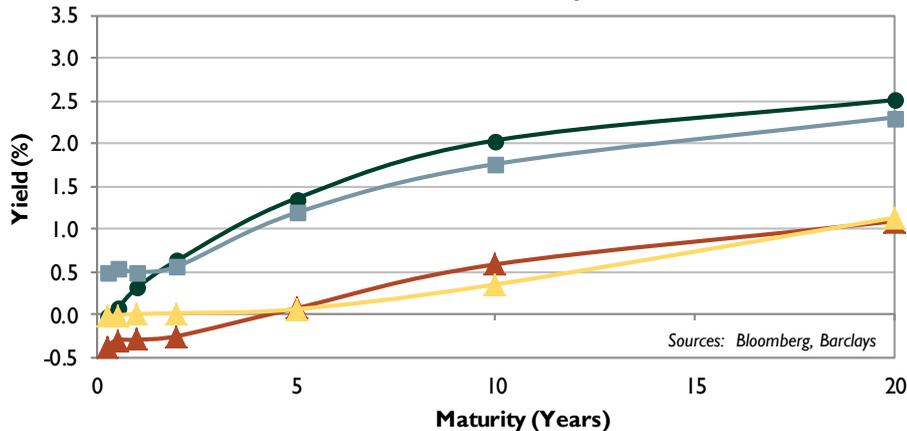
G3 central banks remained on hold, with the Fed, ECB, and BoJ all electing to not make policy adjustments. Both the ECB and BoJ have maintained the pace of quantitative easing, but neither decided to increase stimulus in the face of weakening outlooks for growth and inflation. During 38 central bank meetings held during the quarter, 18 resulted in rate hikes and 20 in rate cuts*. Major central banks in Canada, Sweden, New Zealand, and Norway lowered rates. China made a number of surprising moves that involved a mix of rate cuts, currency devaluation, and equity market support. While Ukraine reduced rates by a cumulative 800 bps, Brazil was forced to hike policy rates as it faced runaway inflationary pressure.

The Dollar Spot Index rose 0.8% as weakness in the Canadian dollar (-6.9%), Swiss franc (-4.4%), British pound (-3.7%), and Swedish krona (-1.1%) were only modestly offset by a strong yen (+2.2%) and euro (+0.2%). The most significant currency weakness occurred in the Brazilian real (-22.0%), the Colombian peso (-15.8%), the Russian ruble (-15.1%), the Malaysian ringgit (-14.2%), the South African rand (-12.2%), and the Turkish lira (-11.5%). China intentionally devalued the yuan by 2.5%, allowing market forces to have a larger role in setting its value. This stoked fears that China's economy was weaker than investors previously thought which put downward pressure on currencies around the globe. In addition to growth challenges, some countries also faced a host of difficulties, including political scandals and high inflation.

The USD was mixed against developed market currencies. It weakened against the yen and euro, but largely rallied against other developed market currencies. Given the weight of Japan and the euro area in the Barclays Global Treasury ex-U.S. Index, gains in these currencies skewed the comparison between unhedged and hedged returns. The 1.4% gain of the Index in unhedged USD terms underperformed the 1.9% return on a USD-hedged basis. The euro area was a key source of strength, rising 2.6% on a hedged basis. Gains were strongest in Italy (+4.1%) and Spain (+2.8%), but overall solid returns were achieved across both core and peripheral euro area markets. The U.K. rallied during the quarter, gaining 3.3%, and Australia's 2.7% return contributed as well. All markets aside from Malaysia, which fell 1.1% on a hedged basis, delivered positive absolute returns during the quarter.

The Barclays EM Local Currency Government Bond Index dropped 8.3% in unhedged USD terms, but fell only 0.3% on a hedged basis. Using hedged returns as a proxy for local market returns, EM Americas (-3.2%) underperformed EM EMEA (-1.1%) and EM Asia (+0.7%) as a result of significant declines in Brazil (-6.4%), Peru (-6.6%), and Colombia (-2.8%), which more than offset modest strength in Mexico (+0.8%). Within EM EMEA, Turkey (-6.1%) was a meaningful detractor but the loss was somewhat offset by gains in the Czech Republic (+3.1%), Hungary (+3.0%), and Poland (+1.9%). EM Asia was mixed, with strength in Korea (+2.5%) and Thailand (+1.5%) masking weakness in Indonesia (-7.8%) and Malaysia (-1.2%).

Global Yield Curves as of September 30, 2015



Sources: Bloomberg, Barclays



—●— U.S. —■— U.K. —▲— Germany —▲— Japan

*Based on data provided by cbrates.com

OAS Comparison – Global Corporate vs. Global High Yield



North American private equity raised \$67.8 billion from 124 funds during the second quarter, representing 56% of funds closed and 65% of total capital raised globally. This was also a 32% increase in the number of funds and an 8% increase in capital from the prior quarter. The 765 private equity-backed buyout deals announced during the second quarter resulted in the second consecutive quarterly decrease in total deals and the lowest number since the first quarter of 2010. However, the aggregate value of second quarter deals was nearly \$100 billion—the highest total since 2007.

During the second quarter, U.S. buyout merger and acquisition (M&A) total dollar volume increased 72% quarter-over-quarter, while transaction count declined 2%. The middle market experienced 19% and 13% increases in transaction value and transaction count, respectively, from the previous quarter. Middle-market transaction volume also declined 12% and transaction count fell 1% from one year ago.

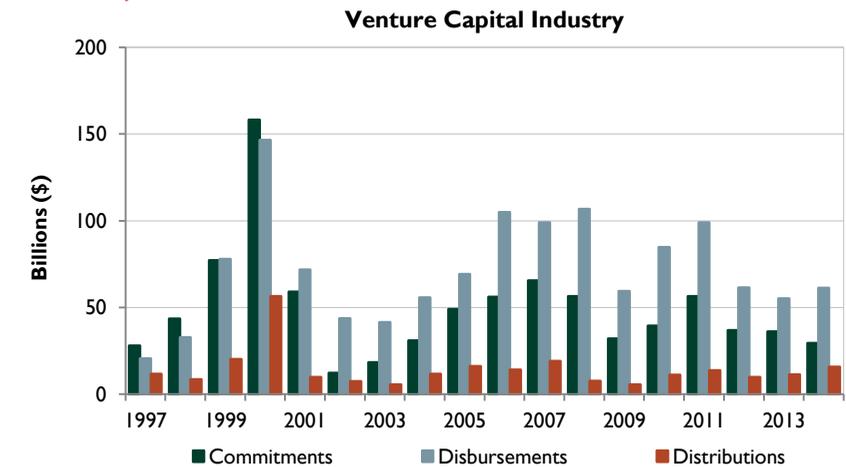
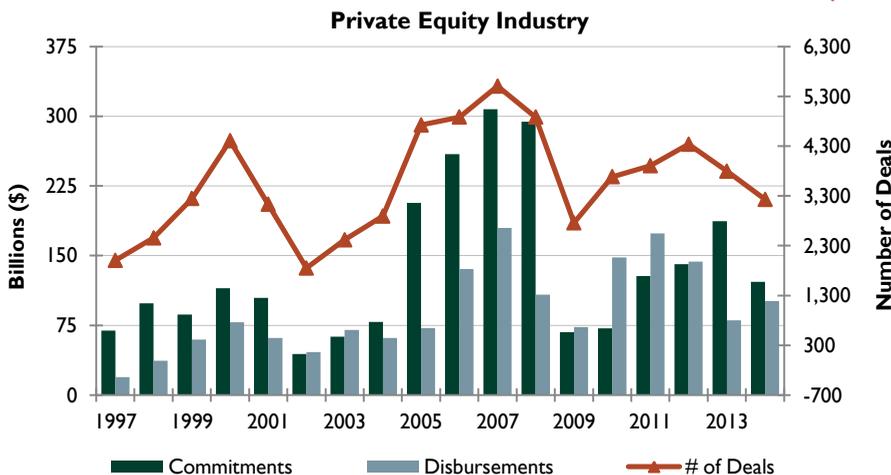
Leveraged loan issuance increased 44% from the first quarter, driven by increased accessibility to repricings and dividend financing. However, the \$135.1 billion total represented a 15% decline year-over-year, which saw nearly \$160 billion of new loans. M&A-related issuance declined 5% quarter-over-quarter to \$57 billion, largely driven by an 8.5% decline in leveraged buyout-related issuance.

Seventy-four U.S. venture capital funds raised \$10.3 billion during the second quarter, a 10% increase from the first quarter. Commitments were allocated to 43 follow-on funds and 31 new funds, with 1.4x new capital committed to follow-on funds. There were 992 venture capital deals in North America in the second quarter, accounting for 53% of global venture capital deals and representing a 4% decrease from the last quarter. There were 27 venture-backed IPOs during the quarter, which were valued at \$3.4 billion. This represented a 59% increase in the number of deals from the first quarter and over a 200% increase in the dollar amount.

U.S. startups are raising more private capital in growth rounds and delaying their exits through the public market or M&A channels. In the first half of 2015, \$18.5 billion was invested through growth rounds in the U.S., compared to only \$3.5 billion raised through public offerings.

The number of unicorn venture capital companies (those valued above \$1 billion) continued to increase. One overlooked element of these financings is how venture managers are structuring these financing rounds—writing term sheets that provide a significant level of downside protection. Most notably, managers are seeking liquidation preferences, IPO conversation provisions, and antidilution adjustments.

(as of March 31, 2015)



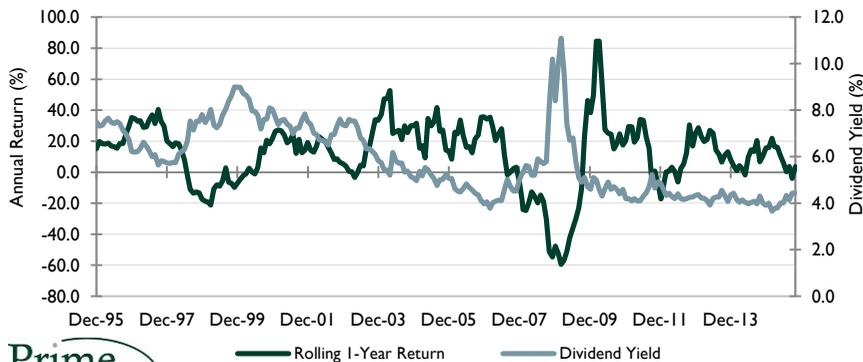
Global real estate securities declined 1.4% during the third quarter, lowering year-to-date performance to -4.2%, as measured by the FTSE EPRA/NAREIT Developed Index. A double-digit decline in Asia (-10.8%) more than offset positive performance from North America (+2.2%) and Europe (+3.8%). The sharp decline in Asia centered around concerns about growth in China, which was fueled by weaker-than-expected GDP data, a sell-off in Chinese stock markets, and the devaluation of the country's currency. Hong Kong- and Singapore-domiciled securities fell hardest due to their direct exposures to Chinese assets, as well as the negative impact slowing Chinese growth could have on real estate space demand. Europe advanced on expectations for further ECB monetary stimulus, the relatively attractive yields offered by European real estate versus fixed income instruments, and generally improving real estate fundamentals. North American securities were driven higher during the third quarter due, in part, to falling interest rates.

The Bloomberg Commodity Index fell 14.5% during the third quarter. The energy sub-sector led the decline (-22.3%), with crude oil (WTI) stumbling 24.2%. Industrial metals also declined by double digits (-11.1%), with copper falling 10.7% and nickel dropping 13.5%. Heightened concerns around global and Chinese growth, the potential impact on global demand for crude and industrial metals, and oversupply helped drive the sell-off in these sub-sectors. Elsewhere, agricultural commodities (-12.6%) moved sharply lower as wheat (-17.5%) and corn (-10.7%) fell on expectations for higher crop yields due to favorable growing weather. Prices were also hurt by the strong U.S. dollar, which has negatively impacted U.S. exports.

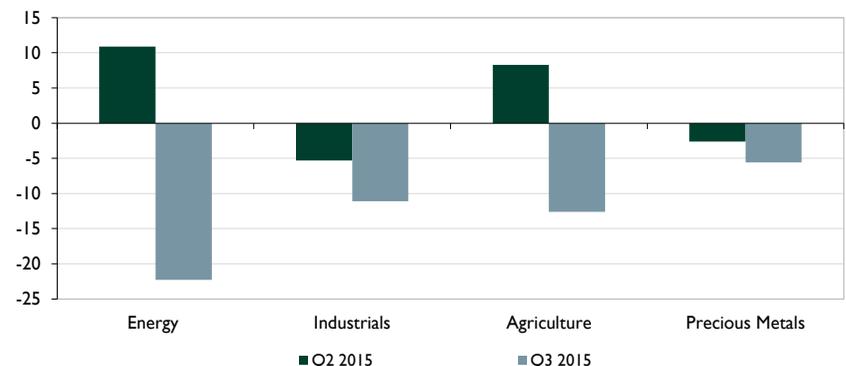
The NCREIF Property Index returned 3.1% during the second quarter, extending its streak of consecutive positive quarterly returns to 22. The Index is comprised of domestic cash-flowing, core-like assets owned by tax-exempt investors. During the quarter, all five property types posted positive returns, led by industrial (+3.8%), hotel (+3.6%), office (+3.1%), and retail (3.0%). Valuations—particularly for core assets in primary markets, as well as select secondary markets—have been steadily rising since the financial crisis. Continued investor demand for yield in a low interest rate environment and the perceived safe haven offered by U.S. real estate have played key roles. Values and cash flows have also been pushed higher due to improving real estate fundamentals and widely available and inexpensive debt capital.

U.S. TIPS slipped 1.1% for the quarter. Real yields rose across all tenors, and for the first time in several years, yields across the entire maturity spectrum were positive. Despite a flattening in the real yield curve, longer-dated TIPS underperformed their shorter-dated counterparts. TIPS maturing over the next 1–5 years fell 0.7%, while those in the 5–10 year range dipped 1.0% and 10 years or longer fell 2.1%. Inflation expectations declined meaningfully with the 5-year breakeven inflation rate falling from 1.6% to 1.1% and the 10-year breakeven rate declining from 1.9% to 1.4%. As a result of falling inflation expectations, nominal U.S. Treasuries outperformed U.S. TIPS across the entire maturity spectrum.

Public Real Estate



Bloomberg Commodity Sector Performance



During the third quarter, the HFRI Fund-Weighted Composite Index fell 3.8%. The event-driven and equity hedge strategy indices were two of the worst performers, losing 5.5% and 5.8%, respectively, while the macro and market neutral strategies protected capital better. The volatility in the global market created opportunities for long/short equity hedge funds to protect downside performance. However, alpha generated from the short side generally did not make up for poor long performance. Market exposure added to the performance spread as gross long exposure for many funds significantly outweighs short exposure. Funds with short exposure to the energy, basic materials, and industrials sectors tended to fare well due to continued volatility in those market segments. Managers with overweight exposure to these sectors on the long side suffered severe declines in names such as SunEdison (-76%) and CONSOL Energy (-54%).

Overall, managers with more of a value bias suffered during the first half, as many of these companies were out of favor. Managers with more of a growth orientation generated solid gains earlier in the year, as numerous funds benefited from the upward draft in health care and the consolidation in the industry. This trend reversed during the third quarter due to political uncertainty, which led to a broad sell-off. Widely held hedge fund names such as Allergan (-10%), and Endo International (-13%) led to losses. Valeant finished the quarter in positive territory, but fell almost 23% in September. Some funds experienced slight gains from long exposure to one-off companies that investors considered to have limited commodity risk. For instance, consumer beverage company Constellation Brands rose almost 8%, following two accretive acquisitions. Within technology, Google (18%), Netflix (10%), and Facebook (5%) were strong performers.

Goldman Sachs Hedge Fund VIP Basket*

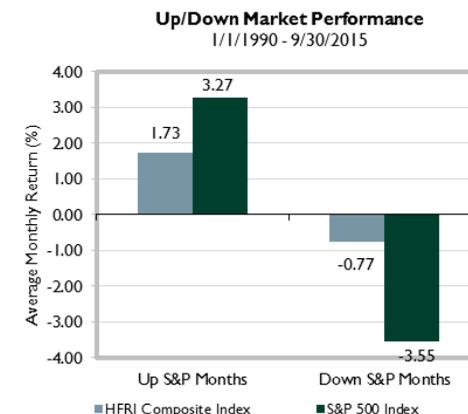
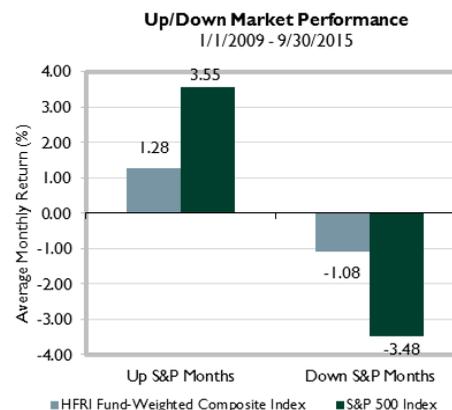
Top 5 Q3 2015 Performers		Bottom 5 Q3 2015 Performers	
Company		Company	
Google Inc	18.2%	Williams Co Inc	-34.9%
Amazon.com Inc	17.9%	Cheniere Energy Inc	-30.3%
Netflix Inc	10.0%	Yahoo! Inc	-26.4%
Delta Air Lines Inc	9.5%	JD.com Inc	-23.6%
Constellation Brands Inc	8.2%	NorthStar Realty Fin Corp	-20.3%
S&P 500 Index	-6.4%	S&P 500 Index	-6.4%

* 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

It was a difficult quarter for event-driven and credit-oriented managers due to a lack of positive catalysts for widely held, event-oriented positions. This caused some investors to sell these positions in an effort to derisk during a period of heightened volatility. Similar to their long/short brethren, many event-driven managers maintained meaningful exposure to health care given myriad investable opportunities. Pharmaceutical companies such as Valeant and Allergan made multiple acquisitions and managers were optimistic on the post-deal synergies. There was also consolidation in the hospital space, while generic drugmakers Teva, Mylan, and Perrigo were embroiled in a contentious consolidation process. However, when sentiment shifted negative late in the quarter, many investors were quick to sell—even without material changes in the underlying fundamentals of companies. An increase in overall market volatility also led to widening deal spreads for several announced M&As, particularly instances when significant debt was involved or investors were concerned about anti-trust issues.

Energy continued to be an issue for many investors, with solar companies hit hard amid lower fossil fuel prices. These companies have been heavily reliant on debt markets to finance growth, and the availability of credit became constrained during the summer. This caused investors to question the financing models of these companies. Energy also weighed on distressed and relative value credit managers that initiated investments in energy credit after a sell-off earlier in the year. Stressed companies in the oil exploration and coal industries issued debt earlier this year, which has fallen dramatically and weighed on the returns of early movers in the space.



Tab II

Total Fund Highlights

- The Town of Palm Beach Health Insurance Trust portfolio declined 7.2% during the third quarter of 2015. Over the trailing 1-year, the Total Fund returned -6.3%, slightly trailing its Target Index (-5.9%).
- Overall the global equity segment declined 9.8%, with the domestic equity segment declining 7.1%, finishing in line with its benchmark the Russell 3000 Index (-7.2%). The international equity segment (-14.3%) detracted from relative performance and trailed its benchmark the MSCI AC World ex USA Index (-12.2%) by 210 bps. The total flexible capital segment declined 4.2%, trailing its benchmark the HFRI FOF Composite Index (-3.5%) by 70 bps. The total fixed income segment gained 1.0% and finished in line with its benchmark the Fixed Income Composite Index (+1.0%). The total inflation hedging segment declined 16.2%, negatively impacting absolute performance and trailing its benchmark the Inflation Hedging Composite Index (-12.9%).
- At quarter-end, total fund assets are valued at approximately \$24.9 million.

Recent Actions Taken	Upcoming Agenda Items
<p>Third Quarter 2015</p> <ul style="list-style-type: none"> • \$750,000 was contributed to the portfolio and redeployed according to policy targets. <p>Second Quarter 2015</p> <ul style="list-style-type: none"> • No significant activity occurred. <p>First Quarter 2015</p> <ul style="list-style-type: none"> • No significant activity occurred. <p>Fourth Quarter 2014</p> <ul style="list-style-type: none"> • Replaced PIMCO CommoditiesPlus with Nuveen Gresham Diversified Commodities. • Replaced PIMCO Total Return II with JP Morgan Core Bond Select Fund. 	<ul style="list-style-type: none"> • 3Q15 Performance Review

Segment Performance

**Benchmark Dependent Metrics relative to S&P 500 Index
As of September 30, 2015**

	1 Quarter Return	1 Year Return	2 Years Return	3 Years Return	5 Years Return	Since Inception Return	Since Inception Standard Deviation	Since Inception Beta	Since Inception Actual Correlation	Inception Date
Total Fund	-7.2	-6.3	0.8	4.7	5.5	2.1	10.0	0.6	0.9	Jul-07
Target Index	-6.6	-5.9	0.8	3.9	4.9	2.3	9.4	0.6	0.9	Jul-07
Actual Index	-6.4	-4.9	1.6	4.7	5.4	2.6	8.9	0.5	0.9	Jul-07
Consumer Price Index	-0.3	0.0	0.8	0.9	1.7	1.6	1.5	0.0	0.1	Jul-07
Domestic Equity	-7.1	-1.2	7.0	11.7	12.0	3.4	17.0	1.0	1.0	Jul-07
Russell 3000 Index	-7.2	-0.5	8.2	12.5	13.3	5.4	16.6	1.0	1.0	Jul-07
International Equity	-14.3	-12.8	-2.2	6.2	5.1	0.3	20.4	1.2	0.9	Jul-07
MSCI AC World ex USA (Net)	-12.2	-12.2	-4.1	2.3	1.8	-1.2	20.2	1.1	0.9	Jul-07
MSCI EAFE (Net)	-10.2	-8.7	-2.4	5.6	4.0	-1.0	19.6	1.1	0.9	Jul-07
Total Flexible Capital	-4.2	-3.3	1.2	4.4	4.2	3.0	5.5	0.2	0.7	Jul-07
HFRI Fund of Funds Composite Index	-3.5	0.0	3.0	4.2	2.7	0.5	5.6	0.3	0.7	Jul-07
Total Fixed Income	1.0	2.5	2.1	1.2	2.3	3.2	5.5	0.2	0.7	Jul-07
Fixed Income Composite Index	1.0	2.5	2.4	1.3	2.1	3.7	4.6	0.2	0.6	Jul-07
Total Inflation Hedging	-16.2	-29.5	-15.3	-11.8	-4.5	-7.5	15.4	0.2	0.2	Jul-07
Inflation Hedging Composite Index	-12.9	-25.6	-12.0	-9.2	-2.7	-2.2	12.1	0.2	0.2	Jul-07

Executive Summary

Town of Palm Beach Health Insurance Trust Preliminary as of September 30, 2015

Market Value	% of Portfolio		QTR Ended Dec-14	QTR Ended Mar-15	QTR Ended Jun-15	QTR Ended Sep-15	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	Return Since	Inception Date
\$24,882,385	100.0	Total Fund	-0.5	1.7	-0.3	-7.2	-5.9	-6.3	0.8	4.7	5.5	2.1	Jul-07
		Target Index	-0.8	1.6	0.0	-6.6	-5.1	-5.9	0.8	3.9	4.9	2.3	Jul-07
		Actual Index	-0.2	1.8	0.0	-6.4	-4.7	-4.9	1.6	4.7	5.4	2.6	Jul-07
		Consumer Price Index	-1.4	0.6	1.1	-0.3	1.3	0.0	0.8	0.9	1.7	1.6	Jul-07
\$12,170,881	48.9	Global Equity	2.1	2.6	-0.3	-9.8	-7.7	-5.7	3.4	9.6	9.3	2.3	Jul-07
\$7,650,710	30.7	Domestic Equity	4.8	1.7	-0.2	-7.1	-5.7	-1.2	7.0	11.7	12.0	3.4	Jul-07
		Russell 3000 Index	5.2	1.8	0.1	-7.2	-5.4	-0.5	8.2	12.5	13.3	5.4	
\$5,373,965	21.6	Fidelity Spartan Total Market Index Advisor Fund Wilshire 5000 Index	5.2	1.8	0.1	-7.3	-5.5	-0.5	8.2	12.4	13.2	5.5	Jul-07
\$1,111,507	4.5	FPA Crescent Fund S&P 500 Index	2.5	0.1	-0.1	-4.7	-4.7	-2.3	4.0	8.1	NA	7.3	Apr-12
		60% Russell 2500 / 40% BC Global Credit	4.9	1.0	0.3	-6.4	-5.3	-0.6	9.1	12.4	13.3	11.6	
		HFRI Equity Hedge (Total) Index	3.8	2.7	-0.5	-6.6	-4.5	-0.9	3.2	7.9	9.0	7.6	
\$1,165,238	4.7	FMI Common Stock Fund Russell 2500 Index	0.0	2.0	1.8	-6.0	-2.4	-2.4	2.0	5.0	3.6	3.8	
			4.8	2.4	-1.6	-8.4	-7.8	-3.4	3.3	10.6	NA	7.7	Apr-12
			6.8	5.2	-0.3	-10.3	-6.0	0.4	4.6	12.4	12.7	10.9	
\$4,520,171	18.2	International Equity	-2.1	4.2	-0.4	-14.3	-11.0	-12.8	-2.2	6.2	5.1	0.3	Jul-07
		MSCI AC World ex USA (Net)	-3.9	3.5	0.5	-12.2	-8.6	-12.2	-4.1	2.3	1.8	-1.2	
		MSCI EAFE (Net)	-3.6	4.9	0.6	-10.2	-5.3	-8.7	-2.4	5.6	4.0	-1.0	
\$2,375,508	9.5	Dodge & Cox International Stock Fund MSCI AC World ex USA (Net)	-4.7	4.2	-0.3	-15.4	-12.1	-16.2	-2.6	6.6	4.1	0.1	Jul-07
			-3.9	3.5	0.5	-12.2	-8.6	-12.2	-4.1	2.3	1.8	-1.2	
\$2,144,663	8.6	Artisan International Institutional Fund MSCI EAFE (Net)	0.5	4.3	-0.4	-13.2	-9.8	-9.3	-1.9	5.9	NA	5.0	Jul-11
			-3.6	4.9	0.6	-10.2	-5.3	-8.7	-2.4	5.6	4.0	2.0	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of September 30, 2015

Market Value	% of Portfolio		QTR Ended Dec-14	QTR Ended Mar-15	QTR Ended Jun-15	QTR Ended Sep-15	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	Return Since	Inception Date
\$4,827,469	19.4	Total Flexible Capital	0.0	1.2	-0.1	-4.2	-3.2	-3.3	1.2	4.4	4.2	3.0	Jul-07
		HFRI Fund of Funds Composite Index	0.9	2.5	0.2	-3.5	-0.9	0.0	3.0	4.2	2.7	0.5	
\$2,074,066	8.3	Forester Offshore A2, Ltd.	3.8	1.8	0.3	-4.4	-2.4	1.3	4.2	6.7	5.8	4.5	Jul-07
		HFRI FOF: Strategic Index	0.9	2.6	1.2	-5.8	-2.1	-1.2	2.4	4.2	2.7	0.2	
\$2,753,403	11.1	Archstone Absolute Return Strategies Fund, Ltd. Class A	-2.7	0.7	-0.5	-4.1	-3.9	-6.5	-1.0	2.8	3.1	1.7	Jul-07
		HFRI FOF: Conservative Index	0.3	1.9	0.3	-1.8	0.4	0.7	3.1	4.3	2.8	0.5	
\$5,249,480	21.1	Total Fixed Income	1.1	1.1	-0.7	1.0	1.4	2.5	2.1	1.2	2.3	3.2	Jul-07
		Fixed Income Composite Index	1.1	1.2	-0.8	1.0	1.4	2.5	2.4	1.3	2.1	3.7	
\$2,916,507	11.7	JP Morgan Core Bond Select Fund	NA	1.5	-1.3	1.4	1.6	NA	NA	NA	NA	1.6	Jan-15
		Barclays U.S. Aggregate	1.8	1.6	-1.7	1.2	1.1	2.9	3.4	1.7	3.1	1.1	
\$2,332,973	9.4	Vanguard Short Term US Treasury Admiral Fund	0.3	0.5	0.1	0.5	1.1	1.5	0.9	0.7	NA	0.8	Dec-11
		Barclays U.S. Treasury: 1-5 Year	0.4	0.9	0.0	0.7	1.6	2.1	1.3	0.9	1.2	1.0	
\$2,469,950	9.9	Total Inflation Hedging	-15.0	-0.9	0.0	-16.2	-17.0	-29.5	-15.3	-11.8	-4.5	-7.5	Jul-07
		Inflation Hedging Composite Index	-12.7	-2.0	0.0	-12.9	-14.7	-25.6	-12.0	-9.2	-2.7	-2.2	
\$769,210	3.1	Vanguard Short-Term Inflation Protected Securities Adm. Fund	-1.5	0.3	0.5	-0.6	0.2	-1.2	NA	NA	NA	-0.9	Mar-14
		Barclays U.S. Treasury: 0-5 Year TIPS Index	-1.5	0.4	0.5	-0.7	0.2	-1.3	-0.6	-0.7	1.0	-0.9	
\$512,248	2.1	Nuveen Gresham Diversified Commodities Fund	NA	-5.9	4.1	-14.8	-16.6	NA	NA	NA	NA	-16.6	Jan-15
		Bloomberg Commodity Index	-12.1	-5.9	4.7	-14.5	-15.8	-26.0	-16.8	-16.0	-8.9	-15.8	
\$1,188,491	4.8	Van Eck Global Hard Assets I Fund	-20.4	0.9	-2.5	-27.2	-28.3	-42.9	-22.5	-13.7	NA	-12.7	Apr-12
		S&P North American Natural Res Sector Index (TR)	-13.9	-1.5	-2.7	-19.5	-22.9	-33.6	-14.4	-7.7	-1.4	-6.4	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of September 30, 2015

Market Value	% of Portfolio		QTR Ended Dec-14	QTR Ended Mar-15	QTR Ended Jun-15	QTR Ended Sep-15	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	Return Since	Inception Date
\$164,606	0.7	Total Liquid Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.5	Jul-07
\$164,606	0.7	Government Stif 15	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.5	Jul-07
		Citigroup 3 Month T-Bill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.5	

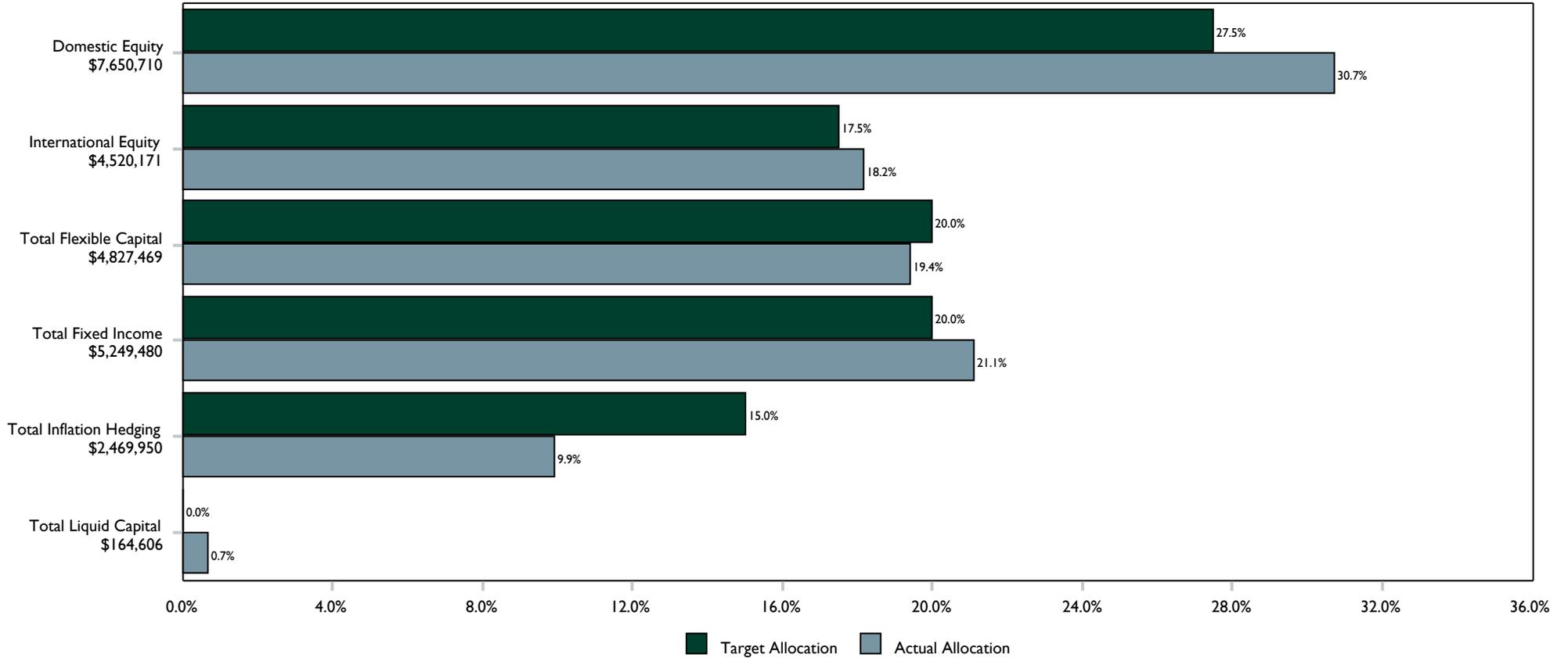
Please Note:

- 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% Inflation Hedging Composite Index
- Target Index (as of 12/01/2011): 27.5% Russell 3000 Index/ 17.5% MSCI EAFE Net Index/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Inflation Hedging Composite Index
- Target Index reflects the policy limitations regarding international constraints
- Inflation Hedging Composite Index reflects manager allocations and index returns. Components have changed over time
- Fixed Income Composite Index effective 12/01/2011: 50% Barclays U.S. Aggregate Index / 50% Barclays US Treasury: 1-5 Year Index
- Fixed Income Composite Index (prior to 11/30/2011): 50% Barclays Aggregate Index / 50% BOA Conv. Bond US Inv. Gr. Index
- Government Stif 15: Client specific cash performance not available. Citigroup Treasury Bill 3 Month Index is being reported

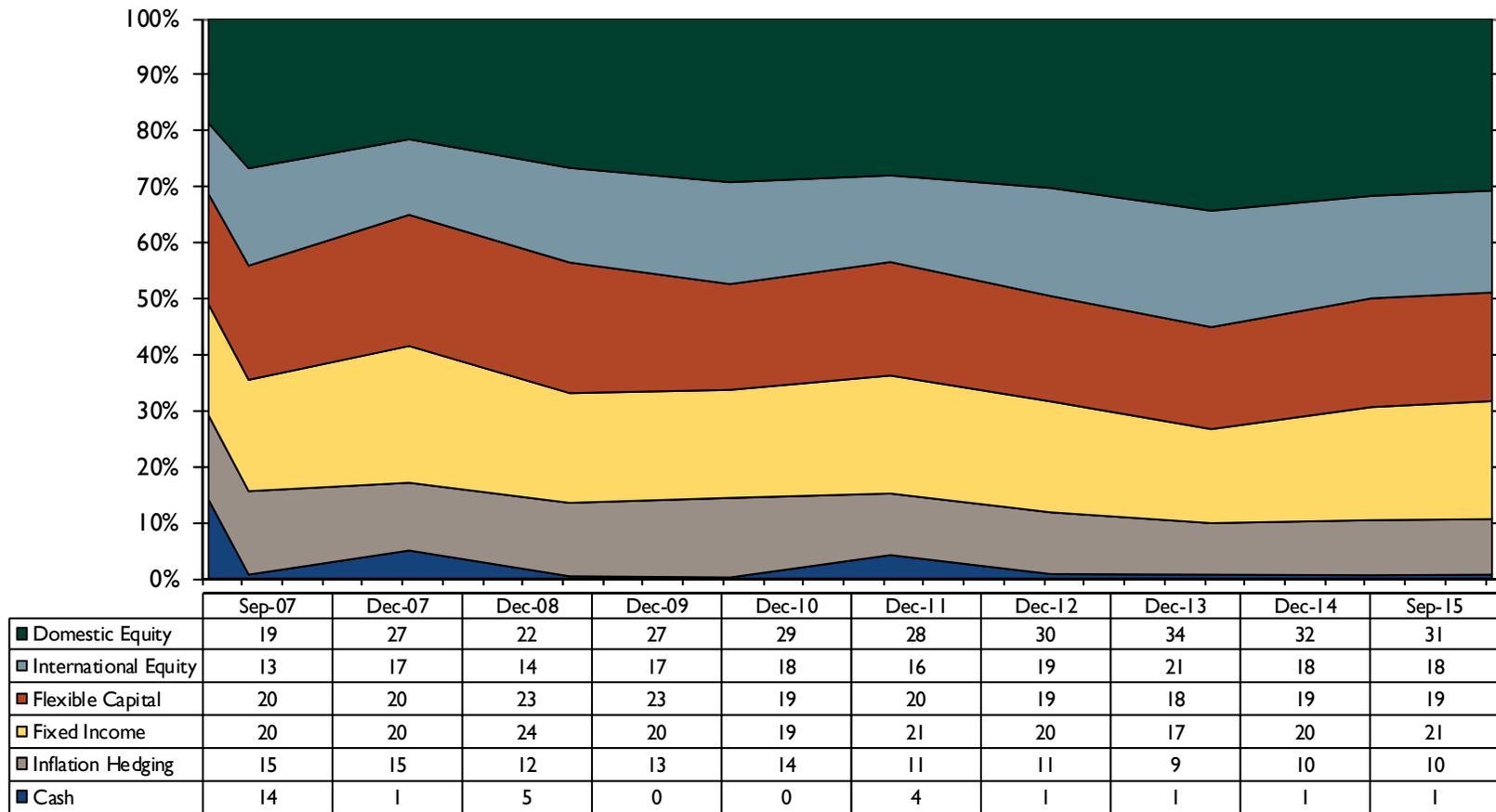
Asset Allocation - Current

As of September 30, 2015

	Asset Allocation (%)	Lower (%)	Target (%)	Upper (%)	Difference (%)
Total Fund	100.0	-	100.0	-	0.0
Domestic Equity	30.7	22.5	27.5	32.5	3.2
International Equity	18.2	15.0	17.5	20.0	0.7
Total Flexible Capital	19.4	15.0	20.0	25.0	-0.6
Total Fixed Income	21.1	15.0	20.0	25.0	1.1
Total Inflation Hedging	9.9	10.0	15.0	20.0	-5.1
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 September 30, 2015

Total Fund Performance

	1 Quarter Return	1 Year Return	2 Years Return	3 Years Return	5 Years Return	Since Inception Return	1 Year Standard Deviation	2 Years Standard Deviation	3 Years Standard Deviation	5 Years Standard Deviation	Since Inception Standard Deviation	Inception Date
Total Fund	-7.2	-6.3	0.8	4.7	5.5	2.1	6.1	6.5	6.5	8.2	10.0	Jul-07
Target Index	-6.6	-5.9	0.8	3.9	4.9	2.3	6.0	6.2	6.1	7.6	9.4	
Actual Index	-6.4	-4.9	1.6	4.7	5.4	2.6	6.1	6.4	6.3	7.6	8.9	
Domestic Index	-4.7	0.7	6.9	9.3	10.3	5.6	7.2	7.0	6.9	8.2	11.7	
Global Index	-6.4	-5.5	1.1	4.4	5.1	2.5	7.5	7.4	7.4	9.7	13.5	
Consumer Price Index	-0.3	0.0	0.8	0.9	1.7	1.6	1.4	1.2	1.2	1.2	1.5	

Inflation Adjusted Nominal Portfolio Statistics

Statistical Output (%)	Target Index	Actual Index	Domestic Index	Global Index
Expected Return (Arithmetic)	7.4	7.4	7.2	7.4
Expected Standard Deviation	12.2	12.4	14.0	13.8
Expected Return (Geometric)	6.7	6.6	6.3	6.5
Sharpe Ratio	0.4	0.4	0.3	0.4
Historical Return (Arithmetic)	9.5	9.3	10.0	8.9
Historical Standard Deviation	11.0	11.1	12.1	12.7
Historical Return (Geometric)	8.9	8.8	9.4	8.1
Beta (to S&P 500 Index)	0.6	0.6	0.7	0.7
Correlation (to S&P 500 Index)	0.9	0.9	1.0	0.9
Probability of Returns Exceeding 5%				
10 Years	67.6	66.6	61.4	63.7

Historical Stress Test

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

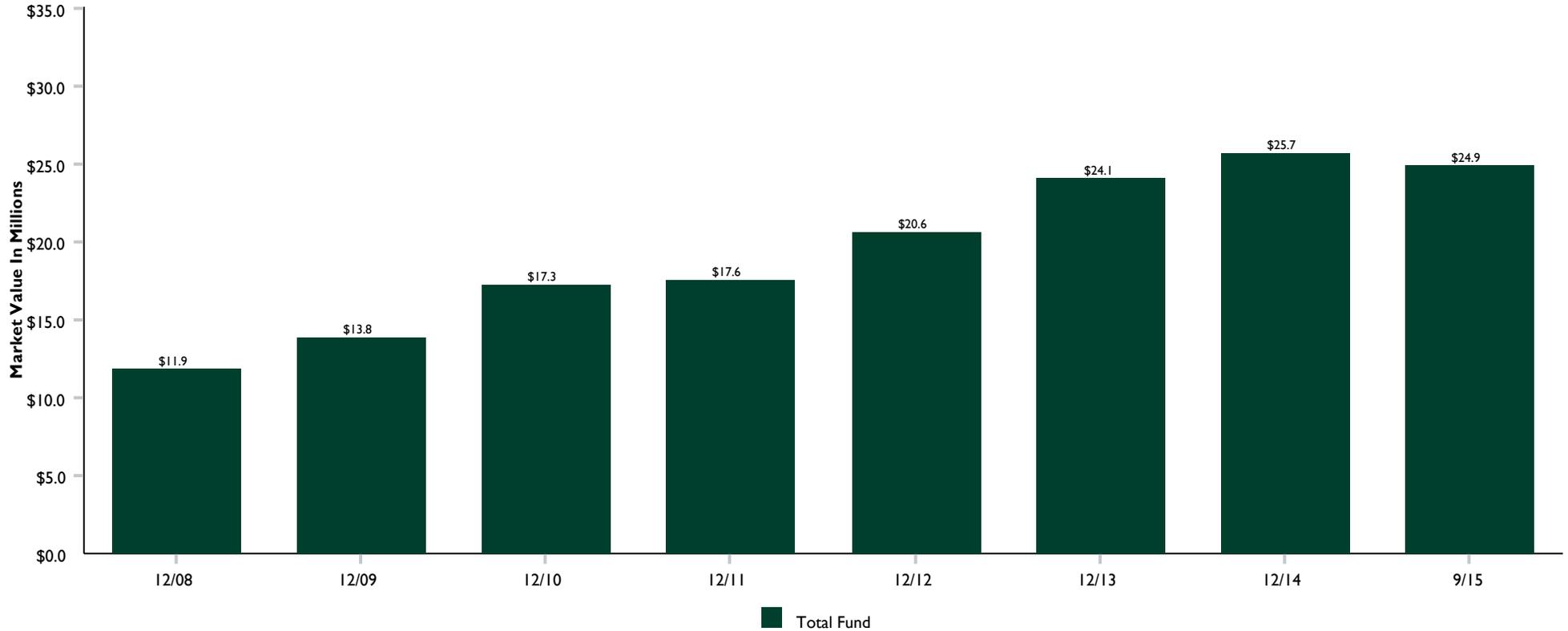
Notes: - Domestic Index: 70% Russell 3000 Index/30% Barclays Aggregate Index; Global Index: 70% MSCI AC World Index/30% Barclays Global Aggregate Index
 - Expected return/risk using 10-15 year Prime Buchholz capital market assumptions
 - Historical data based on index returns from 1/1/1988 through 6/30/2014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

Schedule of Investable Assets

Total Fund

January 1, 2008 To September 30, 2015

Periods Ending	Beginning Market Value	Net Cash Flow	Investment Performance	Ending Market Value
2008	\$16,305,625	\$8,989	-\$4,447,739	\$11,866,875
2009	\$11,866,875	0	\$1,976,750	\$13,843,625
2010	\$13,843,625	\$1,506,198	\$1,904,937	\$17,254,761
2011	\$17,254,761	\$792,031	-\$489,399	\$17,557,392
2012	\$17,557,392	\$999,098	\$2,078,366	\$20,634,856
2013	\$20,634,856	0	\$3,450,029	\$24,084,884
2014	\$24,084,884	\$1,000,000	\$595,975	\$25,680,859
To 09/2015	\$25,680,859	\$750,000	-\$1,548,474	\$24,882,385
	\$16,305,625	\$5,056,315	\$3,520,445	\$24,882,385



Liquidity Schedule

As of September 30, 2015

Redemption Terms						
Daily			\$20,054,916			80.6
Semi Liquid			\$4,827,469			19.4
Total			\$24,882,385			100.0
Investments	Inception	Subscriptions	Market Value	Daily	Semi Liquid	Notes
Global Equity						
Fidelity Spartan Total Market Index Advisor Fund	Jun-07	Daily	\$5,373,965	\$5,373,965		
FPA Crescent Fund	Mar-12	Daily	\$1,111,507	\$1,111,507		
FMI Common Stock Fund	Mar-12	Daily	\$1,165,238	\$1,165,238		
Dodge & Cox International Stock Fund	Jun-07	Daily	\$2,375,508	\$2,375,508		
Artisan International Institutional Fund	Jun-11	Daily	\$2,144,663	\$2,144,663		
Flexible Capital						
Total Flexible Capital	Jul-07	Various	\$4,827,469		\$4,827,469	See additional report
Fixed Income						
JP Morgan Core Bond Select Fund	Dec-14	Daily	\$2,916,507	\$2,916,507		
Vanguard Short Term US Treasury Admiral Fund	Nov-11	Daily	\$2,332,973	\$2,332,973		
Inflation Hedging						
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Feb-14	Daily	\$769,210	\$769,210		
Nuveen Gresham Diversified Commodities Fund	Dec-14	Daily	\$512,248	\$512,248		
Van Eck Global Hard Assets I Fund	Mar-12	Daily	\$1,188,491	\$1,188,491		
Liquid Capital						
Government Stif 15	Jun-07	Daily	\$164,606	\$164,606		
Total (\$)			\$24,882,385	\$20,054,916	\$4,827,469	
Total (%)			100.0	80.6	19.4	

Definitions:

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

Flexible Capital Detail

Investment	Tranche	Subscription Frequency	Subscription Date	Market Value	Redemption Frequency	Notice Period	Redemption Notice Deadline	Next Possible Redemption Date	Lock	Notes
Forester Offshore, Ltd.	Series A2 Sub-series 07/10	Quarterly	07/01/07	\$2,074,066	Annual	60 days	05/01/16	06/30/16	Two years - expired	Reds: available annually on anniversary
Archstone Absolute Return Strategies Fund, Ltd.	A-PB	Monthly	07/01/07	\$2,753,403	Semi-annual	90 days	04/01/16	06/30/16	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	9/30/2014	Ernst & Young LLP	Ropes & Gray LLP	State Street Bank & Trust Company	Artisan Partners LP	High
Dodge & Cox Intl Stock Fund	Pooled	12/31/2015	PricewaterhouseCoopers LLP	Dechert LLP	State Street Bank & Trust Company	Dodge & Cox	High
Fidelity Spartan Total Market Index Adv Fund	Pooled	2/28/2015	PricewaterhouseCoopers LLP	Fidelity Legal Department	BNY Mellon	Fidelity Management & Research Company	High
FMI Common Stock Fund	Pooled	9/30/2014	PricewaterhouseCoopers LLP	Foley & Lardner LLP	U.S. Bank, N.A.	U.S. Bancorp Fund Services, LLC	High
Forester Offshore A2, Ltd.	Pooled	6/30/2014	Ernst & Young LLP	Ogier	State Street Bank and Trust Company	International Fund Services LLC	High
FPA Crescent Fund	Pooled	12/31/2015	Deloitte & Touche LLP	K&L Gates LLP	State Street Bank & Trust Company	First Pacific Advisors, LLC	High
Nuveen Gresham Diversified Commodities Fund	Pooled	9/30/2014	PricewaterhouseCoopers LLP	Dechert LLP	State Street Bank & Trust Company	Nuveen Gresham	High
JP Morgan Core Bond Select Fund	Pooled	2/28/2015	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	9/30/2014	PriceWaterhouseCoopers LLP	Internal Legal Department	JPMorgan Chase & Co.	The Vanguard Group	High

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

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

Medium Transparency: partial disclosure of underlying holdings/components.

High Transparency: access to underlying portfolio holdings/components.

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

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

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

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

Fee Schedule

As of September 30, 2015

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
Fidelity Spartan Total Market Index Advisor Fund	0.05% of NAV	\$5,373,965	\$2,687	0.05%
FPA Crescent Fund	1.11% of NAV	\$1,111,507	\$12,338	1.11%
FMI Common Stock Fund	1.18% of NAV	\$1,165,238	\$13,750	1.18%
Dodge & Cox International Stock Fund	0.64% of NAV	\$2,375,508	\$15,203	0.64%
Artisan International Institutional Fund	0.95% of NAV	\$2,144,663	\$20,374	0.95%
Forester Offshore A2, Ltd.	1.00% on assets managed	\$2,074,066	\$20,741	1.00% *
Archstone Absolute Return Strategies Fund, Ltd. Class A	1.14% on assets managed **	\$2,753,403	\$31,389	1.14% *
JP Morgan Core Bond Select Fund	0.59% of NAV	\$2,916,507	\$17,207	0.59%
Vanguard Short Term US Treasury Admiral Fund	0.10% of NAV	\$2,332,973	\$2,333	0.10%
Vanguard Short-Term Inflation Protected Securities Adm Fund	0.10% of NAV	\$769,210	\$769	0.10%
Nuveen Gresham Diversified Commodities Fund	1.07% of NAV	\$512,248	\$5,481	1.07%
Van Eck Global Hard Assets I Fund	1.00% of NAV	\$1,188,491	\$11,885	1.00%
Total Liquid Capital	--	\$164,606	--	--
Total Investment Management Fees		\$24,882,385	\$154,157	0.62%

Fee Schedule

As of September 30, 2015

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
State Street Bank & Trust Co.				
-Custody Fees	0.015% on assets custodied	\$24,882,385	\$3,732	0.015%
-Accounting Fees				
Separate Domestic Equity Accounts	\$4,000 each (0)		--	
Separate Fixed Income Accounts	\$2,500 each (0)		--	
Multiple Line Item Portfolios	\$1,500 each (1)		\$1,500	
Commingled/Mutual Funds	\$500 each (13)		\$6,500	

Estimated Total SSB&T Fee:		\$24,882,385	\$11,732	0.05%
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PBA Fees	0.25% on first \$20 million 0.10% on next \$50 million 0.05% over \$70 million \$60,000 minimum	\$24,882,385	\$60,000	0.24%
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Total Fees		\$24,882,385	\$225,889	0.91%
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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 September 30, 2015

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2014 Return	2013 Return	2012 Return	2011 Return
Fidelity Spartan Total Market Index Advisor Fund	-0.5 (31)	12.4 (45)	13.2 (22)	13.6	1.0	1.0	-5.5 (40)	12.5 (29)	33.4 (54)	16.4 (36)	1.0 (20)
Wilshire 5000 Total Market Index	-1.2 (41)	12.4 (47)	13.1 (28)	13.6	1.0	1.0	-5.8 (49)	12.1 (33)	34.0 (49)	16.1 (40)	0.6 (25)
<i>IM U.S. Multi-Cap Core Equity (MF) Median</i>	<i>-1.8</i>	<i>12.3</i>	<i>11.9</i>	<i>14.5</i>	<i>1.0</i>	<i>1.0</i>	<i>-5.9</i>	<i>10.8</i>	<i>33.7</i>	<i>15.5</i>	<i>-1.5</i>
FPA Crescent Fund	-2.3 (28)	8.1 (9)	8.4 (15)	8.7	0.7	1.0	-4.7 (47)	6.6 (22)	21.9 (12)	10.3 (60)	3.0 (18)
S&P 500 Index	-0.6 (18)	12.4 (2)	13.3 (2)	12.8	1.0	1.0	-5.3 (54)	13.7 (4)	32.4 (4)	16.0 (15)	2.1 (23)
60% Russell 2500 / 40% BC Global Credit	-0.9 (19)	7.9 (10)	9.0 (11)	11.3	0.8	0.9	-4.5 (45)	5.3 (31)	21.4 (12)	15.6 (17)	0.5 (33)
HFRI Equity Hedge (Total) Index	-2.4 (29)	5.0 (35)	3.6 (79)	8.4	0.6	0.9	-2.4 (19)	1.8 (68)	14.3 (38)	7.4 (83)	-8.4 (92)
<i>IM Flexible Portfolio (MF) Median</i>	<i>-4.6</i>	<i>3.8</i>	<i>5.3</i>	<i>9.3</i>	<i>0.6</i>	<i>0.9</i>	<i>-5.0</i>	<i>3.4</i>	<i>11.0</i>	<i>11.5</i>	<i>-1.5</i>
FMI Common Stock Fund	-3.4 (70)	10.6 (77)	11.0 (60)	15.1	0.8	1.0	-7.8 (68)	6.5 (71)	32.0 (75)	10.2 (87)	4.5 (4)
Russell 2500 Index	0.4 (27)	12.4 (47)	12.7 (26)	17.3	1.0	1.0	-6.0 (46)	7.1 (66)	36.8 (26)	17.9 (24)	-2.5 (41)
<i>IM U.S. Mid Cap Core Equity (MF) Median</i>	<i>-1.4</i>	<i>12.2</i>	<i>11.4</i>	<i>16.4</i>	<i>0.9</i>	<i>1.0</i>	<i>-6.2</i>	<i>9.4</i>	<i>34.4</i>	<i>16.1</i>	<i>-3.5</i>
Dodge & Cox International Stock Fund	-16.2 (91)	6.6 (7)	4.1 (19)	16.8	1.1	1.0	-12.1 (92)	0.1 (7)	26.3 (1)	21.0 (12)	-16.0 (89)
MSCI AC World ex USA (Net)	-12.2 (83)	2.3 (87)	1.8 (81)	14.9	1.0	1.0	-8.6 (88)	-3.9 (17)	15.3 (72)	16.8 (50)	-13.7 (68)
<i>IM International Large Cap Core Equity (MF) Median</i>	<i>-8.6</i>	<i>3.9</i>	<i>3.2</i>	<i>15.2</i>	<i>1.0</i>	<i>1.0</i>	<i>-5.3</i>	<i>-6.1</i>	<i>19.1</i>	<i>16.8</i>	<i>-12.5</i>
Artisan International Institutional Fund	-9.3 (68)	5.9 (15)	7.6 (1)	16.1	1.1	1.0	-9.8 (94)	-0.7 (10)	25.5 (2)	25.6 (2)	-4.1 (4)
MSCI EAFE (Net)	-8.7 (57)	5.6 (22)	4.0 (31)	14.5	1.0	1.0	-5.3 (57)	-4.9 (35)	22.8 (11)	17.3 (54)	-12.1 (38)
<i>IM International Large Cap Equity (MF) Median</i>	<i>-8.3</i>	<i>4.4</i>	<i>3.3</i>	<i>15.1</i>	<i>1.0</i>	<i>1.0</i>	<i>-5.0</i>	<i>-5.8</i>	<i>19.5</i>	<i>17.8</i>	<i>-13.2</i>
JP Morgan Core Bond Select Fund	3.2 (4)	1.7 (33)	3.3 (39)	2.5	0.9	1.0	1.6 (7)	5.2 (64)	-1.8 (42)	5.1 (70)	7.3 (29)
Barclays U.S. Aggregate	2.9 (8)	1.7 (35)	3.1 (47)	2.9	1.0	1.0	1.1 (18)	6.0 (27)	-2.0 (54)	4.2 (80)	7.8 (11)
<i>IM U.S. Broad Market Core Fixed Income (MF) Median</i>	<i>1.9</i>	<i>1.5</i>	<i>3.0</i>	<i>2.8</i>	<i>0.9</i>	<i>0.9</i>	<i>0.6</i>	<i>5.5</i>	<i>-2.0</i>	<i>6.0</i>	<i>6.7</i>

Peer Performance Comparison

As of September 30, 2015

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2014 Return	2013 Return	2012 Return	2011 Return
Nuveen Gresham Diversified Commodities Fund	-27.4 (51)	-15.6 (29)	NA	NA	NA	NA	-16.6 (54)	-17.3 (47)	-7.8 (40)	NA	NA
Bloomberg Commodity Index	-26.0 (35)	-16.0 (37)	-8.9 (49)	15.6	1.0	1.0	-15.8 (39)	-17.0 (42)	-9.5 (54)	-1.1 (44)	-13.3 (85)
<i>IM Commodities General (MF) Median</i>	<i>-27.4</i>	<i>-16.4</i>	<i>-9.0</i>	<i>17.8</i>	<i>1.1</i>	<i>0.9</i>	<i>-16.4</i>	<i>-17.6</i>	<i>-9.1</i>	<i>-1.6</i>	<i>-7.8</i>
Van Eck Global Hard Assets I Fund	-42.9 (75)	-13.7 (71)	-7.3 (67)	25.7	1.1	1.0	-28.3 (78)	-19.1 (70)	11.2 (46)	2.9 (42)	-16.3 (50)
S&P North American Natural Res Sector Index (TR)	-33.6 (52)	-7.7 (26)	-1.4 (17)	23.3	1.0	1.0	-22.9 (51)	-9.8 (16)	16.5 (26)	2.2 (46)	-7.4 (10)
<i>IM Global Natural Resources (MF) Median</i>	<i>-33.4</i>	<i>-10.1</i>	<i>-5.9</i>	<i>23.7</i>	<i>1.0</i>	<i>1.0</i>	<i>-22.8</i>	<i>-13.1</i>	<i>10.2</i>	<i>1.5</i>	<i>-16.3</i>

Please Note:

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

Tab III

Portfolio Comparison

As of September 30, 2015

	Fidelity Spartan Total Market Index	FPA Crescent Fund	FMI Common Stock	Domestic Equity	Russell 3000
Composition					
# of Holdings	3,473	52	43	3,496	2,986
% Top 15 Holdings	18.3	62.9	54.8	18.5	18.4
% Top 25 Holdings	25.8	81.4	74.7	25.8	25.8
Characteristics					
Wtd Avg Mkt Cap (\$B)	102.9	91.6	3.3	86.1	103.4
Forecast P/E	16.4	14.7	16.1	16.1	16.5
Price/Book ratio	2.9	2.7	2.3	2.7	2.9
Historical EPS Growth - 5 Year	11.4	8.7	14.0	11.5	11.6
Forecast EPS Growth - Long-Term	11.6	9.7	10.7	11.2	11.7
Current Yield	2.2	2.0	1.2	2.0	2.1
GICS Sectors (%)					
Energy	6.3	4.3	0.0	5.1	6.3
Materials	3.1	5.5	8.3	4.2	3.1
Industrials	10.7	12.9	32.9	14.4	10.7
Consumer Discretionary	13.6	8.5	10.9	12.4	13.7
Consumer Staples	8.3	8.6	0.0	7.1	8.7
Health Care	14.3	3.1	3.0	10.9	14.3
Financials	18.3	23.1	11.6	18.0	18.2
Information Technology	19.4	28.2	22.2	21.1	19.5
Telecommunication Services	2.0	0.4	0.0	1.5	2.2
Utilities	3.2	0.0	0.0	2.2	3.2
Cash	0.8	0.0	11.1	2.3	0.0
Other	0.0	5.3	0.0	0.8	0.0
Market Capitalization (%)					
Mega (Above \$50B)	47.8	52.2	0.0	41.2	48.1
Large (\$12B - \$50B)	27.3	27.4	0.0	23.2	27.7
Mid (\$4B - \$12B)	13.7	10.6	36.1	16.7	13.8
Small/Mid (\$2B - \$4B)	5.3	4.0	27.1	8.4	5.3
Small (\$0 - \$2B)	5.1	0.5	25.7	7.6	5.2
Cash	0.8	0.0	11.1	2.3	0.0
Other	0.0	5.3	0.0	0.8	0.0

Portfolio Comparison

As of September 30, 2015

	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE	Global Equity	MSCI AC World
Composition							
# of Holdings	84	71	141	1,843	913	3,621	2,480
% Top 15 Holdings	38.9	46.5	31.4	12.1	16.3	15.6	11.5
% Top 25 Holdings	54.9	64.0	44.5	17.1	22.6	22.0	16.4
Characteristics							
Wtd Avg Mkt Cap (\$B)	61.3	63.1	62.1	49.9	55.2	77.2	86.5
Forecast P/E	12.7	16.7	14.4	13.5	14.1	15.4	14.9
Price/Book ratio	2.2	2.8	2.5	2.2	2.2	2.7	2.6
Historical EPS Growth - 5 Year	3.5	12.5	7.7	9.3	8.9	10.2	10.4
Forecast EPS Growth - Long-Term	12.4	14.2	13.3	10.6	9.8	12.0	11.1
Current Yield	2.8	1.8	2.3	3.4	3.4	2.1	2.8
GICS Sectors (%)							
Energy	6.4	0.0	3.3	6.3	4.7	4.4	6.6
Materials	4.9	8.3	6.5	6.7	6.6	5.1	4.7
Industrials	7.7	10.3	8.9	11.1	12.5	12.4	10.3
Consumer Discretionary	15.4	22.1	18.6	12.0	13.1	14.7	13.0
Consumer Staples	3.6	10.4	6.8	10.9	12.0	7.0	10.3
Health Care	14.1	20.0	16.9	9.6	11.8	13.2	12.3
Financials	24.2	12.7	18.7	27.3	25.8	18.3	21.6
Information Technology	15.5	13.0	14.3	7.4	4.8	18.6	14.2
Telecommunication Services	6.0	3.2	4.7	5.2	4.9	2.7	3.8
Utilities	0.0	0.1	0.0	3.6	3.8	1.4	3.3
Cash	2.1	0.0	1.1	0.0	0.0	1.8	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.5	0.0
Market Capitalization (%)							
Mega (Above \$50B)	39.2	36.5	37.9	33.8	38.6	39.9	45.5
Large (\$12B - \$50B)	48.9	46.5	47.7	38.7	39.8	32.3	35.2
Mid (\$4B - \$12B)	7.9	15.9	11.7	21.9	18.4	14.8	16.4
Small/Mid (\$2B - \$4B)	1.5	1.0	1.2	4.6	3.1	5.7	2.3
Small (\$0 - \$2B)	0.5	0.1	0.3	1.0	0.1	4.9	0.5
Cash	2.1	0.0	1.1	0.0	0.0	1.8	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.5	0.0

Regional Exposure

As of September 30, 2015

Regional Allocation (%)

	Global Equity	MSCI AC World	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE
Canada	0.1	3.1	0.2	0.0	0.1	6.4	0.0
United States	62.0	52.0	7.6	14.3	10.8	0.0	0.0
Pacific ex Japan	1.3	4.6	2.3	3.8	3.0	9.5	10.9
Japan	4.0	7.8	13.1	7.9	10.7	16.4	22.5
Europe ex UK	18.0	16.4	42.3	46.2	44.1	33.3	45.6
United Kingdom	5.5	7.1	12.2	14.8	13.5	14.9	20.4
Middle East	0.0	0.2	0.0	0.0	0.0	0.5	0.6
Developed Markets	90.9	91.1	77.8	87.1	82.2	81.1	100.0
EM Asia	3.7	6.0	9.4	10.2	9.8	12.7	0.0
EM Europe	0.4	0.7	1.2	0.0	0.6	1.5	0.0
EM Latin America	1.2	1.3	3.9	2.7	3.4	2.7	0.0
EM Mid East+Africa	1.4	1.0	5.5	0.0	2.9	2.1	0.0
Emerging Markets	6.8	8.9	20.0	12.9	16.7	18.9	0.0
Cash	1.8	0.0	2.1	0.0	1.1	0.0	0.0
Other	0.5	0.0	0.0	0.0	0.0	0.0	0.0

Regional Allocation (%)

	Global Equity	MSCI AC World
United States	62.0	52.0
Non-US Developed	28.9	39.1
Emerging Markets	6.8	8.9
Cash	1.8	0.0
Other	0.5	0.0

Flexible Capital

As of September 30, 2015

	Forester Offshore Fund, Ltd.	Archstone Absolute Return Strategies Fund, Ltd. Class A	Total Flexible Capital	FPA Crescent Fund	Total Leveraged Portfolio
Market Value	\$2,074	\$2,753	\$4,827	\$1,112	\$5,939
% of Total Managed Portfolio (\$24,882)	8.3	11.1	19.4	4.5	23.9
Market Exposure (%)					
Gross Long %	100.0	114.5	108.3	61.8	99.6
Gross Short %	55.0	57.4	56.4	3.1	46.4
Net %	45.0	57.1	51.9	58.7	53.2
Total Gross	155.0	171.9	164.6	65.0	146.0
Strategy Weights (%)					
L/S Equity	100.0	25.3	57.4	35.8	53.3
L/S Credit	0.0	25.5	14.5	23.7	16.3
Event-Driven	0.0	6.5	3.7	0.0	3.0
Distressed	0.0	19.4	11.1	0.0	9.0
Special Situations	0.0	2.6	1.5	0.0	1.2
Relative Value	0.0	4.5	2.6	0.0	2.1
Macro	0.0	0.0	0.0	0.0	0.0
Other/Cash	0.0	16.2	9.2	40.5	15.1
Geography (%)					
U.S. & Canada	71.0	61.9	65.8	70.4	66.7
Dev Europe	19.4	20.7	20.1	26.3	21.3
Asia	5.8	8.4	7.3	0.0	5.9
Emerging Mkts	3.8	0.0	1.6	2.4	1.8
Other	0.0	9.0	5.1	0.9	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	FARALLON	12.2	ORACLE	4.1
VIKING GLOBAL	9.0	ELLIOT INTL	11.3	MICROSOFT	3.6
SAMLYN CAPITAL	7.0	FIR TREE	10.6	AON	3.3
PENNANT CAPITAL	4.0	YORK CREDIT	10.5	CITI GROUP	2.7
LANSDOWNE	4.0	DW CATALYST	10.3	UNITED TECH	2.6
STEADFAST	4.0	SILVER POINT	9.9	AIG	2.5
TIGER GLOBAL	4.0	DAVIDSON KEMPNER	9.6	NASPERS	2.3
FALCON EDGE	3.0	OZ OVERSEAS	9.2	ALCOA	2.2
COATUE	3.0	KING STREET	8.6	TE CONNECTIVITY	2.1
CASTINE	3.0	SERENGETI	7.9	CISCO	2.1

-Forester Offshore, Ltd. 9/30/2015 statistics as of 6/30/2015.

-Archstone Absolute Return Strategies Fund, Ltd 9/30/2015 statistics as of 6/30/2015.

-FPA Crescent Fund market and geographic exposure exclude cash. Region classification "Other" includes Pacific Basin.

Flexible Capital Underlying Manager Exposure

Data as of 6/30/2015						
	1,166,706	2,169,351	2,872,232	6,208,289	26,032,981	
Product/Investment	FPA Crescent Fund	Forester Offshore A2, Ltd.	Archstone Absolute Return Strategies Fund, Ltd.	% weighting within FlexCap	% weighting within Total Fund	\$ weighting within Total Fund
FPA Contrarian Value	100.0%			18.8%	4.5%	1,166,706
Farallon Capital			12.0%	5.6%	1.3%	344,668
Elliott Associates			11.0%	5.1%	1.2%	315,946
Fir Tree Capital Opportunity Fund			11.0%	5.1%	1.2%	315,946
York Credit Opportunities			11.0%	5.1%	1.2%	315,946
Davidson Kempner			10.0%	4.6%	1.1%	287,223
DW Catalyst Fund			10.0%	4.6%	1.1%	287,223
Silver Point Capital			10.0%	4.6%	1.1%	287,223
King Street Capital			9.0%	4.2%	1.0%	258,501
Och-Ziff			9.0%	4.2%	1.0%	258,501
Serengeti Opportunities Fund			8.0%	3.7%	0.9%	229,779
Kensico Partners		9.0%		3.1%	0.7%	195,242
Viking Global Equities		9.0%		3.1%	0.7%	195,242
Samlyn Capital		7.0%		2.4%	0.6%	151,855
Lansdowne Developed Markets Long Only Fund		4.0%		1.4%	0.3%	86,774
Pennant Windward		4.0%		1.4%	0.3%	86,774
Steadfast		4.0%		1.4%	0.3%	86,774
Tiger Global		4.0%		1.4%	0.3%	86,774
Abrams Capital		3.0%		1.0%	0.2%	65,081
Castine Capital		3.0%		1.0%	0.2%	65,081
Coatue Qualified Partners		3.0%		1.0%	0.2%	65,081
Falcon Edge Capital		3.0%		1.0%	0.2%	65,081
Hengistbury Fund, Ltd		3.0%		1.0%	0.2%	65,081
The Children's Investment Fund		3.0%		1.0%	0.2%	65,081
Wellington Management Company		3.0%		1.0%	0.2%	65,081

- 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.

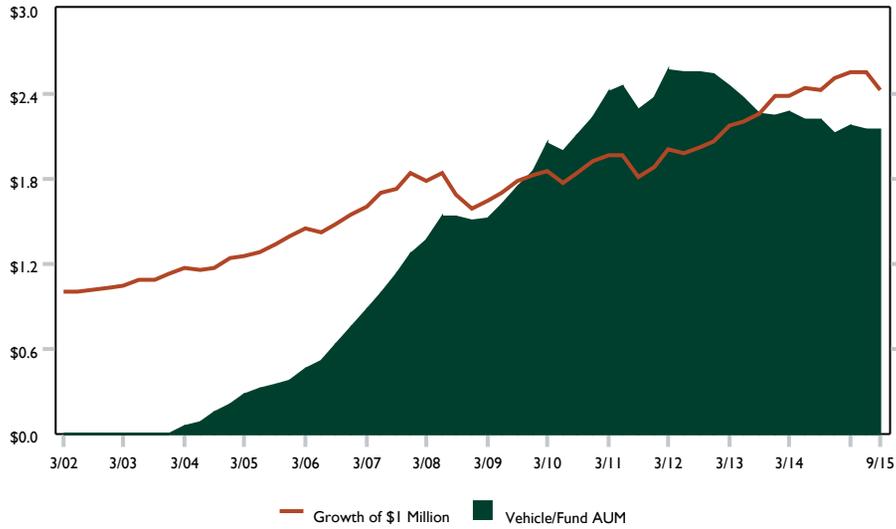
- 6 top 20 underlying funds have exposures of less than 1% of the total Flexible Capital composite and have been excluded from the above table.

Flexible Capital Strategies

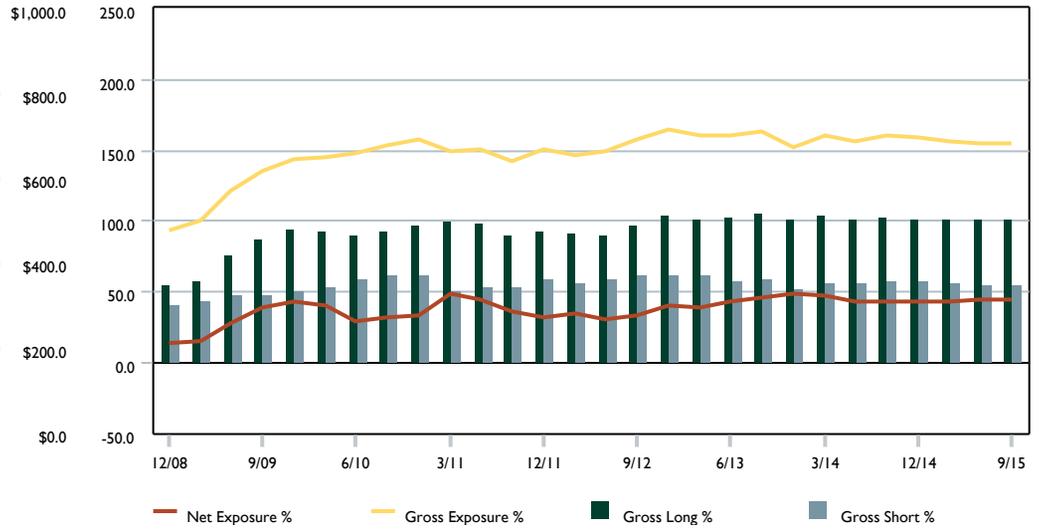
Forester Offshore, Ltd.

As of September 30, 2015

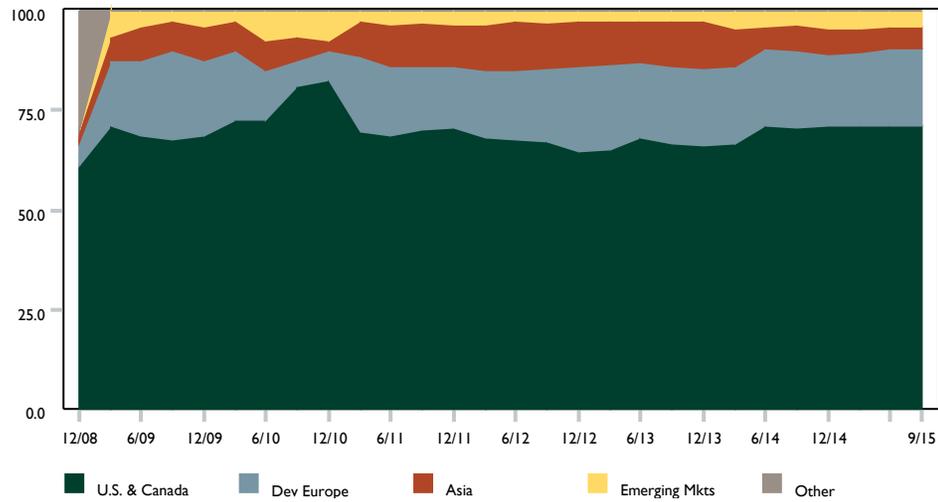
Asset Growth



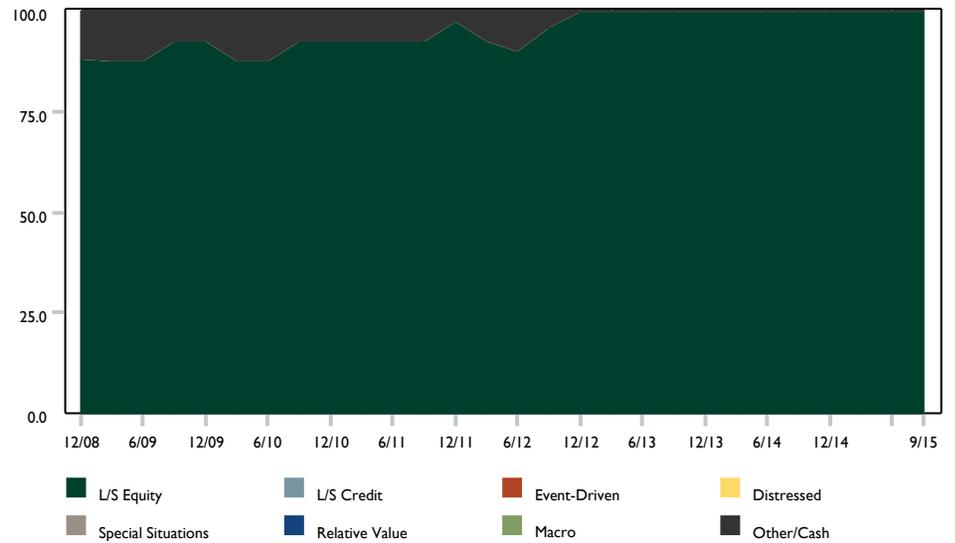
Market Exposure



Geographic Exposure



Strategy Weights

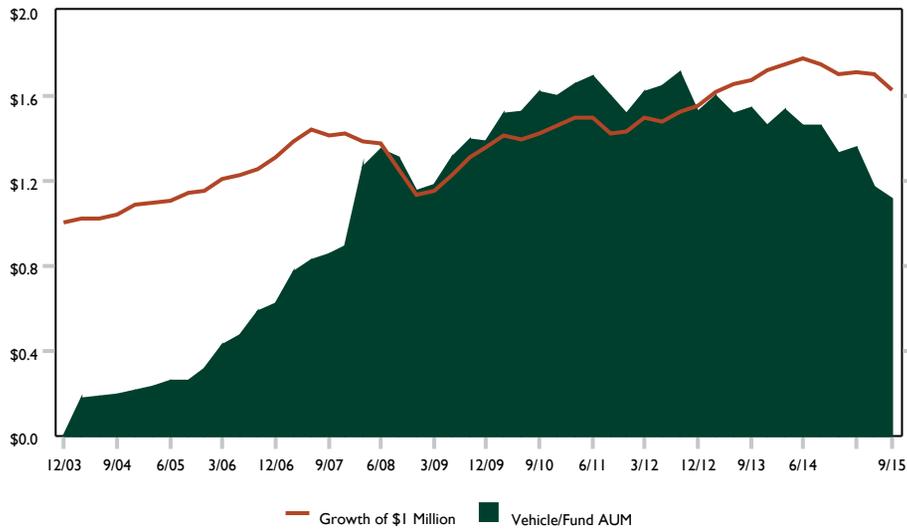


-9/30/2015 statistics as of 6/30/2015. Current assets unavailable.

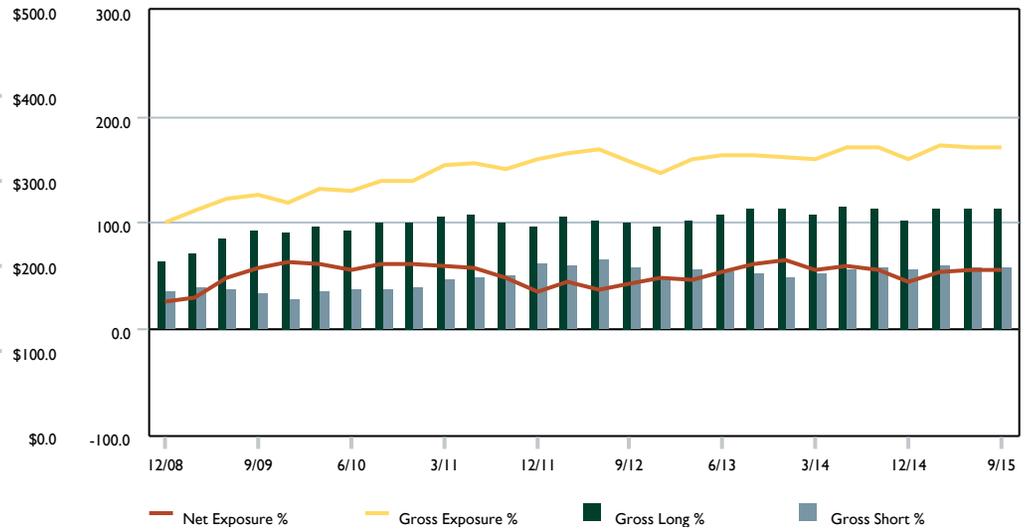
Flexible Capital Strategies

Archstone Absolute Return Strategies Fund, Ltd. As of September 30, 2015

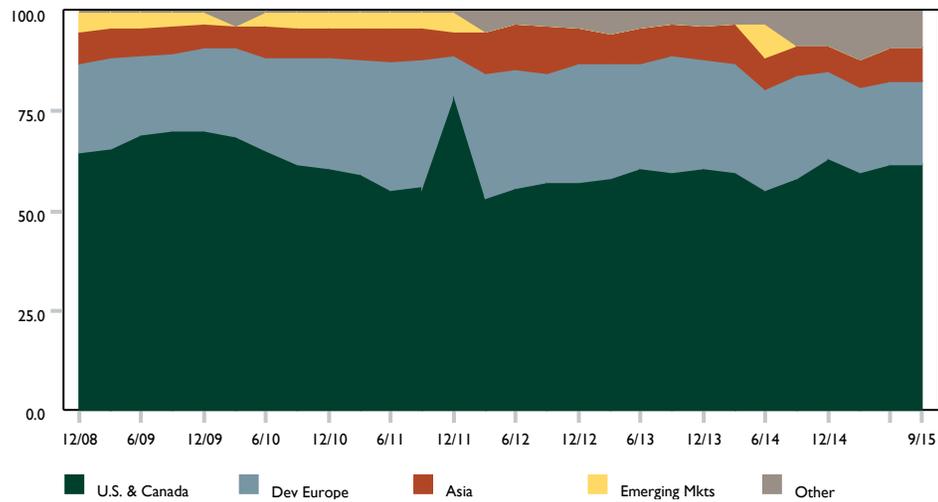
Asset Growth



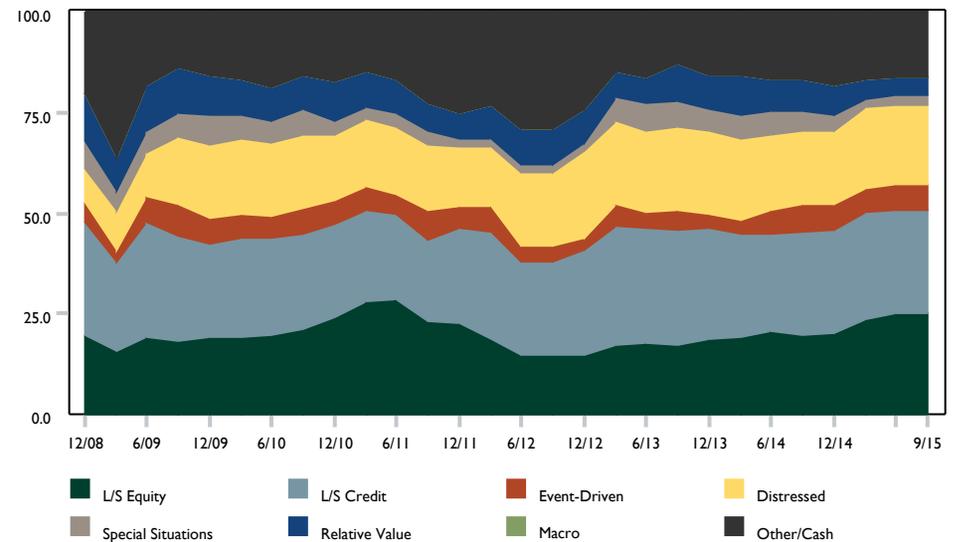
Market Exposure



Geographic Exposure



Strategy Weights



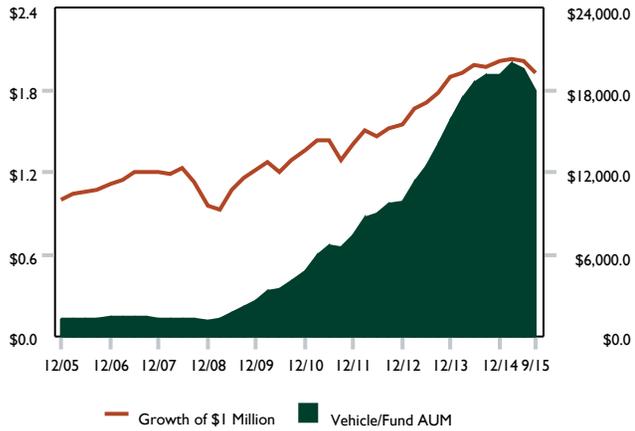
-9/30/2015 statistics as of 6/30/2015.

Flexible Capital Strategies

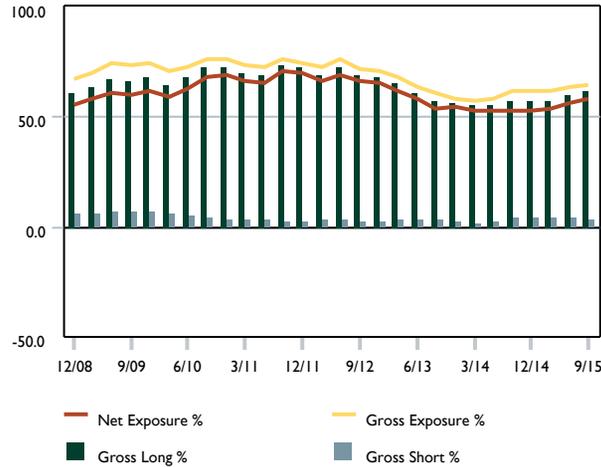
FPA Crescent Fund

As of September 30, 2015

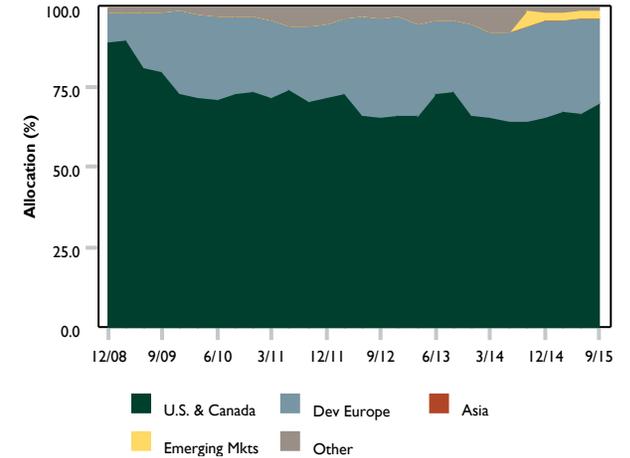
Asset Growth



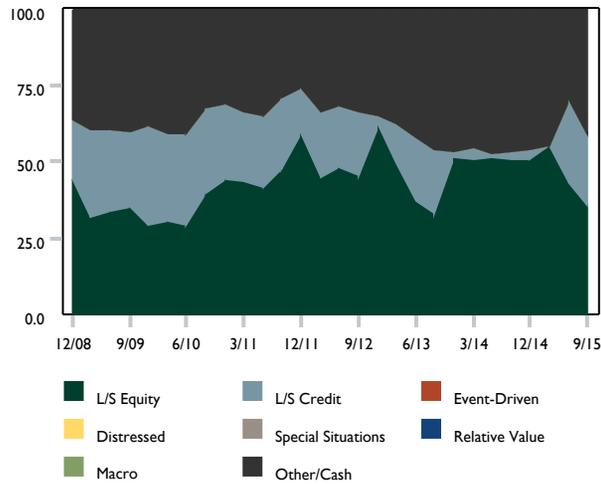
Market Exposure



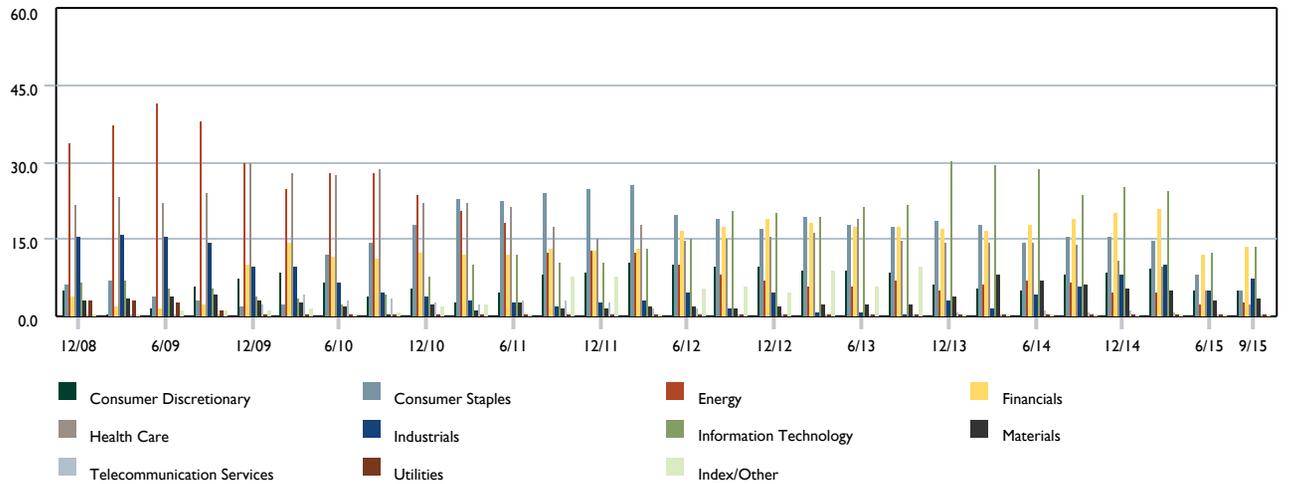
Geographic Exposure



Strategy Weights



Sector Breakdown



Market and geographic exposure exclude cash.

Fixed Income

As of September 30, 2015

	JP Morgan Core Bond Select Fund	Barclays U.S. Aggregate	Vanguard Short Term US Treasury Admiral Fund	Barclays U.S. Treasury: 1-5 Year	Total Fixed Income
Portfolio Characteristics					
Yield	2.4	2.3	0.8	0.9	1.6
Average Maturity	6.6	7.9	2.3	2.8	4.7
Duration	5.1	5.6	2.2	2.7	3.8
Quality Breakdown					
U.S. Treasury	26.4	36.5	97.7	100.0	58.1
U.S. Govt/Agency	3.0	3.0	0.0	0.0	1.6
Agency MBS	27.3	28.4	2.0	0.0	16.1
Non-U.S. Sov/Agency	0.0	4.1	0.0	0.0	0.0
AAA	11.9	3.9	0.0	0.0	6.6
AA	4.4	2.3	0.0	0.0	2.5
A	10.9	11.0	0.0	0.0	6.0
BBB	9.7	10.9	0.0	0.0	5.4
BB and Below	1.4	0.0	0.0	0.0	0.8
NR/Other	5.0	0.0	0.3	0.0	2.9
Sector Breakdown					
U.S. Treasury	26.4	36.5	97.7	100.0	45.0
U.S. Government Related	3.0	3.0	0.0	0.0	1.3
Non-U.S. Sovereign/Agency	0.0	4.1	0.0	0.0	0.0
Investment Grade Corporate	18.6	24.0	0.0	0.0	8.0
Industrials	9.4	14.4	0.0	0.0	4.0
Utility	1.3	1.8	0.0	0.0	0.6
Financials	7.9	7.8	0.0	0.0	3.4
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	32.1	28.4	2.0	0.0	14.5
MBS-Agency	27.3	28.4	2.0	0.0	12.5
MBS-NonAgency	4.8	0.0	0.0	0.0	2.1
CMBS	6.5	1.9	0.0	0.0	2.8
ABS	8.7	0.6	0.0	0.0	3.7
Municipals	0.0	0.0	0.0	0.0	0.0
Cash	3.4	0.0	0.0	0.0	1.5
Other	1.4	1.7	0.3	0.0	0.7

- 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 September 30, 2015

Vanguard Short-Term Inflation Protected Securities Adm. Fund

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

Portfolio Characteristics

Yield	1.0	1.2
Average Maturity	2.6	2.6
Duration	2.6	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.

Inflation Hedging

As of September 30, 2015

Sector Breakdown	Nuveen Gresham Diversified Commodities Fund	Bloomberg Commodity Index
Energy	37.6	32.6
Industrial Metals	17.3	15.5
Precious Metals	11.7	16.6
Agriculture/Livestock	33.4	35.3
Other	0.0	0.0

- Nuveen Sector breakout Agriculture/Livestock includes Food & Fibers. Statistics are as of June 30, 2015.

Portfolio Comparison

As of September 30, 2015

	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Composition		
# of Holdings	62	139
% Top 15 Holdings	54.2	54.6
% Top 25 Holdings	71.7	66.6
Characteristics		
Wtd Avg Mkt Cap (\$B)	17.2	60.4
Forecast P/E	20.1	19.3
Price/Book ratio	1.8	1.8
Historical EPS Growth - 5 Year	8.5	2.6
Forecast EPS Growth - Long-Term	13.8	5.3
Current Yield	1.9	3.2
GICS Industries (%)		
Oil & Gas Drilling	2.4	1.9
Oil & Gas Equipment & Services	12.9	14.6
Integrated Oil & Gas	0.0	23.6
Oil & Gas Exploration & Production	36.5	25.1
Oil & Gas Refining & Marketing	6.3	8.9
Oil & Gas Storage & Transportation	5.3	10.0
Coal & Consumable Fuels	1.8	0.5
Fertilizers & Agricultural Chemicals	3.7	0.0
Construction Materials	0.0	1.9
Metal & Glass Containers	0.0	2.1
Paper Packaging	0.0	3.4
Aluminum	0.0	0.9
Diversified Metals & Mining	5.0	1.3
Gold	9.9	3.6
Precious Metals & Minerals	0.4	0.2
Silver	0.0	0.4
Steel	3.3	0.0
Forest Products	2.2	0.1
Paper Products	0.0	1.4
Building Products	0.9	0.0
Construction & Farm Machinery & Heavy Trucks	2.1	0.0
Railroads	1.2	0.0
Semiconductor Equipment	1.2	0.0
Cash	4.7	0.0
Market Capitalization (%)		
Mega (Above \$50B)	7.7	34.2
Large (\$12B - \$50B)	30.3	35.1
Mid (\$4B - \$12B)	27.6	21.7
Small/Mid (\$2B - \$4B)	18.8	6.2
Small (\$0 - \$2B)	10.8	2.7
Cash	4.7	0.0

Inflation Hedging

As of September 30, 2015

Country/Region Allocation (%)

	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Canada	10.5	11.6
United States	78.4	86.8
Europe ex UK	0.2	1.3
United Kingdom	5.4	0.2
Middle East	0.2	0.0
Developed Markets	94.7	100.0
Cash	4.7	0.0
Other	0.6	0.0

Tab IV

Performance Highlights

Equity

- FPA Crescent shed 4.7% in the quarter and in the year-to-date period. The portfolio underperformed its net equity market exposure during the third quarter, which ended the period at 55%. The underperformance was varied across sectors and driven by a combination of company-specific and macro factors. Among the largest quarterly detractors was Joy Global, which provides equipment to the mining industry. Joy derives meaningful revenues from the coal industry, which faced considerable headwinds and the closure of mines, dragging down Joy's already depressed share price. Positions in the financials sector were also a drag, with Aon and Citigroup both falling after the Federal Reserve decided not to raise rates in August. The technology sector was mixed, as strong returns from Google and Microsoft were offset by a loss from Oracle. Results in the technology space were largely been driven by earnings, and FPA continues to view many of the larger companies in the space as high-quality compounders. While it was a difficult quarter overall, FPA added distressed credit positions in Glencore and Bombardier, with the Bombardier position appreciating after FPA's purchase. Cash remained elevated at 40%, but FPA was active in putting capital to work during the volatile August and September markets.
- The FMI Common Stock Fund (Small Cap) declined 8.4% during the quarter, versus a 10.3% drawdown for the Russell 2500 Index. As investor sentiment shifted toward negative and markets sold off, higher quality stocks outperformed their lower quality counterparts. As a result, FMI's quality bias aided the portfolio performance. In addition, the Fund's cash position, which stood at 11% at quarter-end, buoyed the performance in a sharp down market. Stock selection also made a positive impact on relative performance. The Fund's top two holdings—IT services providers Broadridge Financial (+11%) and Genpact Ltd. (+11%)—were also the two largest contributors after reporting solid operating results and beating the consensus earnings estimates.
- Earlier this month, the Wayne County Employees' Retirement System filed an action against Fiduciary Management, Inc. (FMI) in the U.S. District Court for the Eastern District of Wisconsin. The lawsuit, brought under the Investment Company Act of 1940, alleges FMI has charged excessive advisory fees to the FMI Large Cap Fund. The lawsuit contends that as the Fund grew over time, FMI should have shared the economies of scale with the Fund investors; instead, the advisory fee has remained unchanged. While the FMI Large Cap Fund does not have an institutional share class or an institutional version of the Fund, the lawsuit alleges that fee breaks are provided in three sub-advisory relationships that FMI has with other mutual funds. Our analysis shows that the Fund's expense ratio of 94 bps puts it in the 68th percentile of the eVestment Alliance Large Cap Core mutual fund peer group. While we have not performed full due diligence on the FMI Large Cap Fund, FMI's Common Stock Fund (Small Cap) is a Prime Buchholz-recommended strategy. FMI indicated it believes the litigation is without merit and intends to defend itself vigorously. We will continue to monitor the situation and provide additional information as appropriate.

Performance Highlights

Equity (cont'd)

- The Dodge & Cox International Stock Fund declined 15.2% and lagged the 10.2% loss of the MSCI EAFE Index. Year-to-date, the strategy was down 12.1% versus a 5.3% fall for the benchmark. The portfolio posted negative returns across all economic sectors for the quarter, with consumer staples being the most modest. Within staples, Imperial Tobacco Group (+8%) had a strong quarter. The portfolio's average underweight position in the metals and mining industry, a weaker area of the market, helped results. The Fund's emerging markets holdings were down 23% and hindered performance. Dodge & Cox has favored emerging markets since the inception of the strategy. Within the emerging markets financial sector, BR Malls (-44%), Siam Commercial Bank (-36%), and Itau Unibanco (-33%) were leading detractors. Weak performance from media holdings in emerging markets also hurt results. Grupo Televisa (-33%) and Naspers (-20%) detracted. Recent volatility in emerging markets has not changed the team's view, and the Firm continues to look for valuation opportunities. The team reported that it views downward valuation moves in Chinese internet stocks as an opportunity in the long term. Exposure to Baidu and Naspers returned -31% and -20% respectively for the quarter. Dodge & Cox initiated a position in Hyundai Motor, a South Korean automotive manufacturer, during the quarter. The team believes the company is well-positioned to compete globally and that it was trading at an attractive valuation. The International Stock Fund remains closed to new investors.
- Artisan's International Fund trailed the MSCI EAFE Index, falling 13.3% while the benchmark declined 10.2%. Relative underperformance was driven entirely by poor stock selection. The consumer discretionary sector, a significant overweight in the portfolio, was a particular area of weakness, as a number of Artisan's European auto and online retail names posted sizable losses. Stock selection within financials was also disappointing due to poor performance across Asian-domiciled insurance and asset management holdings. Favorable sector allocation helped offset some the losses from stock selection, most notably a sizable overweight to health care, where the investment team focused on pharmaceutical companies with strong pipelines, such Roche and Bayer. A lack of exposure to energy was beneficial. Artisan has long been underweight energy companies due to a lack of pricing power and their susceptibility to commodity prices. Regionally, the portfolio's emerging markets exposure served as a headwind. Direct emerging markets exposure stood at 13.3% at quarter-end, the majority of which was focused on China; this pulled back sharply as concerns over slowing growth escalated. Artisan announced that it will begin the process of closing the International strategy to new investors in 2016. The strategy will close to most new retail and intermediary investors effective February 1, 2016 and then to most new institutional investors and employee benefits plans effective October 1, 2016. The strategy will remain open to existing investors for the foreseeable future.

Performance Highlights

Alternative Strategies

- Forester Offshore declined 4.6% in the quarter, bringing year-to-date returns into negative territory, at -3.0%. Forester was hurt by equity manager losses during the quarter. However, a handful of managers added meaningful value on the short side and helped to offset difficulties on the long side. Several managers that have performed well for Forester over the long term underperformed in the quarter, including Steadfast (-8%) and Samlyn (-7%) on the equity side. Steadfast was hurt by its exposure to energy, which included traditional companies such as Williams and alternative producers such as SunEdison. Steadfast also held positions in pharmaceutical companies Allergan and Valeant, which came under pressure late in the quarter regarding their drug pricing methodologies. Samlyn is also a sizable holder of Allergan and was further hurt by exposure to the financials sector, which weighed on results for many managers after the Federal Reserve delayed an interest rate hike. While a weak quarter overall, managers such as Viking and Coatue proved to be more defensive and added significant value on the short side. Coatue generated a modest gain in the quarter.
- Archstone Absolute Return declined 4.2% in the quarter, and the Fund is down 4.1% for the year-to-date period. Archstone's manager line-up struggled to provide protection during a highly volatile quarter. Several of the Fund's multi-strategy managers had increased equity allocations in recent periods, which led to the increased downside capture during the market sell-off. Farallon and Och-Ziff were down 4% and 5%, respectively, and the losses were largely equity-related. Positions in the energy and health care space, along with financials, were a source of weakness for managers with higher equity allocations. The volatility also led to modest spread widening among merger-arbitrage strategies. Results among credit-focused managers were more mixed, with DW Catalyst and York underperforming Silver Point and King Street. DW increased its exposure to energy earlier in the year and York's top position was TXU, which was also hurt by the weakness in the energy market. Silver Point has not materially increased its exposure to energy, which worked to its benefit. The top performers in the quarter were Elliott and Davidson Kempner, both of which were essentially flat. Neither manager has considerable equity exposure, and Elliott's hedging book was additive during a volatile period.

Performance Highlights

Fixed Income

- JPMorgan Core Bond Select gained 1.4% and beat the 1.2% return of the Barclays U.S. Aggregate Index. Key drivers of outperformance included underweights to corporate credit and non-corporate credit. Corporates delivered a positive return but underperformed the Index on a relative basis, as spreads modestly widened. Non-corporate credit comprises U.S. dollar-denominated sovereigns and foreign agencies that underperformed their U.S. counterparts. Underweights to these sectors helped fund overweights to securitized areas, the performance of which was mixed. The Fund's MBS holdings were another source of outperformance, particularly the allocation to Fannie Mae delegated underwriting and servicing and to collateralized mortgage obligation (CMOs)s. Some of this was offset by weaker performance in ABS holdings, as the team prefers auto paper over credit card receivables. Autos traded lower as a result of robust issuance. Another detractor was an underweight to U.S. Treasuries that delivered stronger returns than credit sectors. Entering the fourth quarter, the team continued to emphasize structured product and corporate credit over Treasuries. Mortgage securities maintained their prime role in the portfolio, with a mix of CMOs, multi-family, and agency MBS. ABS played a prominent role, with holdings diversified across nonperforming loan/reperforming loan, subprime auto, and consumer loans. Duration remained short the benchmark, and the Fund maintained its allocation to Treasuries and cash as a liquidity buffer.
- JPMorgan announced in mid-September that Doug Swanson, CIO of U.S. Value Driven, the Columbus, OH fixed-income platform, will take a leave of absence for an unknown period of time. Barb Miller, a 17-year veteran of the team, has been named CIO and Portfolio Manager (PM) on the Core Bond mutual fund. Rich Figuly, a PM on the Short Duration Bond mutual fund, has also been named a PM on the Core Bond fund. If and when Swanson returns, he will do so in a senior investment capacity and will not resume the CIO role. We continue to evaluate this transition and will update clients as appropriate.
- Vanguard Short-Term Treasury returned 0.5% and underperformed the 0.7% gain of the Barclays 1–5 Year Treasury Index; underperformance resulted from term structure exposure. Compared to the Index, the Fund held an overweight in the 1–3 year maturity range and a corresponding underweight in the 3–5 year maturity range. Treasuries maturing within the next 1–3 year years gained 0.3% compared to a 1.3% return for Treasuries in the 3–5 year segment. Entering the fourth quarter of 2015, the Fund's 2.2 year duration was roughly 0.5 years shorter than the duration of the Index. The below-benchmark duration caused the Fund's 0.8% yield to be 9 bps lower than the Index yield.

Performance Highlights

Inflation Hedging

- The Gresham TAP Strategy and the Nuveen Diversified Commodity Fund depreciated 14.8% and lagged the 14.5% retreat of the Bloomberg Commodity Index. Energy (-22%) and agricultural commodities (-14.3%) drove the decline. Within energy, crude fell sharply (-24.2%, as measured by WTI) as heightened concerns around global and Chinese growth and consistent oversupply spurred a sell-off. In relative terms, the portfolio's underweight to WTI was additive; however, gains were partially offset by an overweight to Brent and out-of-benchmark exposure to unleaded gas crude. Agriculture commodities moved sharply lower. This was attributable to a decrease in wheat and corn prices based on higher crop-yield expectations that were driven by favorable growing conditions, as well as a strong dollar, which has historically hurt U.S. exports. The portfolio's contract selection within corn and wheat continued to drag on results, but an underweight to the sector was beneficial. Industrial metals declined by double-digits amid concerns regarding Chinese demand (as it shifts to a more consumer-based economy) and continued supply overhang. The portfolio added relative value within industrials as a result of contract selection within aluminum and copper.
- The Van Eck Global Hard Assets Fund's overweight to the broad diversified metals and mining sector—compared to its benchmark—was a key driver of underperformance (-200 bps), as that sector fell 29.5% during the period. The base metal equity subsector fell more than 40%. Metals and mining stocks moved sharply lower on deepening concern around slowing growth in China (the world's largest consumer of many metals and raw materials) and data showing that Chinese manufacturing activity continued to contract. Investors worried that supply/demand imbalances and persistently low prices (e.g., copper traded at near six-year lows) were increasing stress in the sector and adding to the already-bearish sentiment. Stock selection within the metals and mining sector detracted (-300 bps), as the Fund's largest holdings in the space, First Quantum and Glencore, fell 65.7% and 71.8%, respectively. Despite the news coverage around Glencore and First Quantum, the team believes both are positioned to remain solvent and cash flow positive—even if prices should decline from current levels. The Fund's out-of-benchmark allocation to SunEdison detracted 200 bps from relative performance. SunEdison, a yield co (comparable to a renewable energy master limited partnership), sold off sharply on interest rate concerns and market sentiment that the company needs open capital markets to grow its business and dividends. Van Eck observed that any business perceived to require relatively open capital markets to grow sold off sharply during the period. The Fund's underweight to integrated energy companies (0% vs. 22% for the Index) detracted approximately 200 bps. The market viewed integrations as safe havens during a risk-off period in the energy markets due to their large balance sheets and diversified businesses. Van Eck believes these companies should continue to experience long-term declines in revenues/margins and an inability to adequately replace their low-cost reserves. The Fund's stock selection within the exploration and production sub-sector contributed more than 200 bps. Its allocation to precious metals was a detractor, but its stock selection was additive; net/net precious metal exposure was marginally positive. Lastly, the Fund's allocation to cash (ranging from 6% to 9%) during the quarter contributed to results.

Performance Highlights

Inflation Hedging (cont'd)

- Vanguard Inflation-Protected Securities fell 0.9% but outpaced the 1.2% decline of the Barclays U.S. Treasury Inflation Protected Securities Index. An overweight at the long end of the real yield curve detracted from performance, as TIPS maturing in 10 years or longer fell 2.1% during the quarter. Losses were offset by the positive impact of holding very short-dated TIPS. In addition, the Fund held a modest position in nominal U.S. Treasuries. Nominal Treasuries outperformed similar-maturity TIPS as a result of falling breakeven inflation expectations. Entering the fourth quarter, the Fund's eight-year duration and 1.9% adjusted yield to maturity matched the characteristics of the Index. The Fund held a majority of its assets in U.S. TIPS but maintained a modest non-Index position in nominal U.S. Treasuries.

Firm Information: First Pacific Advisors

Total Assets (\$M):	\$30,740
Style:	Long/Short Equity
Assets in Style (\$M):	\$18,100
Year Founded:	1953
Location:	Los Angeles, CA
Ownership:	100% Employee Owned. Romick is largest owner at ~25%
Registration:	SEC (2006)
GP Capital:	N/A

Key Investment Professionals:

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

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

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

Investment Objective and Philosophy/Process

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

Assessment

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

This is a Prime Buchholz recommended strategy.

Vehicle Information

Inception:	June 1993
Assets (\$M):	\$18,100
Minimum Account Size:	\$1,500
Management Fee:	1.11%, 2.0% redemption < 90 days
Profit Allocation:	None
Highwater Mark:	None
Hurdle Rate:	None
UBTI:	N/A
Additional Expenses:	Short sale dividend expense, custody, transfer agent, etc.
Additional Vehicles:	N/A

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

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Firm Information: Forester Capital

Total Assets (\$M): \$3,700
Style: Directional Hedge FOF
Assets in Style (\$M): \$1,550
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. This is a Prime Buchholz recommended strategy.

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-I products are subject to slot availability.

Sample Portfolio Characteristics

<i>Underlying Funds (6/30/2015)</i>	<i>Alloc %</i>	<i>Strategy</i>
Kensico Offshore Fund, Ltd.	9	Long/Short Equity
Viking Global Equities III, Ltd.	9	Long/Short Equity
Samlyn Offshore Fund, Ltd.	7	Long/Short Equity
Pennant Windward Fund, Ltd.	4	Long/Short Equity
Lansdowne Developed Markets Long Only Fund Limited USD Shares	4	Global Long/Short
Steadfast International Ltd.	4	Long/Short Equity
Tiger Global, Ltd.	4	Long/Short Equity
Falcon Edge Global, Ltd	3	Global L/S Equity
Coatue Offshore Fund, Ltd.	3	Long/Short Equity
Castine Offshore Fund, Ltd	3	US Low Net Sector
Hengistbury Fund, Ltd	3	European Equity
Abrams Bison Offshore Fund, Ltd.	3	Long/Short Equity
Bay Pond Partners, Ltd.	3	Long/Short Equity
The Children's Investment Fund	3	Global Value Activist 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): \$685
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

Total Assets (\$M):	\$2,968	Key Investment Professionals:
Style:	Absolute Return - Market Neutral	- Alfred Shuman - Founder. BA from Harvard ('61) and MBA from Harvard Business School ('63). Serves as Trustee of various non-profit and educational organizations.
Assets in Style (\$M):	\$279	- Joe Pignatelli - President of Archstone Funds. Over 15 years experience in investment management. Oversees all manager analysis, asset allocation, and coordination of legal/financial issues. Bachelors from Pace University and Masters from Baruch College.
Year Founded:	1991	- David Parker - COO and Chief Compliance Officer. BS from University of Texas and MBA from Harvard Business School. Duties include all management-related issues, strategy, planning, and governance.
Location:	New York, NY	Other investment professionals include Mark Smith, Barbara Barlick, Kevin Jornlin & Edgar Smith.
Ownership:	Alfred Shuman 80%; Balance in declining order: Stanley Shuman; Richard Nye; Steven Kodler; Stephanie Shuman; Joseph Pignatelli; David Parker; John Marshall	
Registration:	SEC	
GP Capital:	\$6.8 Million	

Investment Objective, Philosophy/Process, and Assessment

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

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

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

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

Sample Portfolio Characteristics

<i>Underlying Funds (6/30/2015)</i>	<i>Alloc %</i>	<i>Strategy</i>
Farallon Capital Offshore Investors, Inc.	12	Absolute Return - Event-Driven
Elliott International, Ltd	11	Multi-strategy Hedge
York Credit Opportunities Unit Trust	11	Credit and distressed debt
Fir Tree Capital Opportunity Fund II, Ltd.	11	Absolute Return
DW Catalyst Offshore Fund, LTD.	10	Absolute Return - Relative Value
Silver Point Capital Offshore Fund, Ltd.	10	Absolute Return
Davidson Kempner International, Ltd.	10	Absolute Return Multi-Strategy
Och Ziff Overseas Fund, Ltd.	9	Absolute Return - Event Driven
King Street Capital Ltd.	9	Distressed Debt/Credit
Serengeti Opportunities Fund	8	Event Driven

Vehicle Information

Inception:	January 2002	3c1/3c7:	3c7
Assets (\$M):	\$279	Subscriptions:	Monthly (1mm min for PBA)
Minimum Account Size:	\$2,500,000	Redemptions (notice):	Semiannual (6/30, 12/31) with 90 days notice
Management Fee:	1.11%-1.14% flat fee or 1% & 5% incentive; Underlying Manager Fees	Lock-up:	One year
Profit Allocation:	0% for flat fee/5% for incentive fee structure	ERISA Capacity:	Yes
Highwater Mark:	Yes, for incentive fee structure	Prime Broker:	N/A
Hurdle Rate:	NA	Administrator:	SS&C Technologies, Inc.
UBTI:	No	Auditor:	Ernst & Young LLP
Additional Expenses:	Payroll and all operating expenses (capped at 0.60% excl. interest expense)	Legal Counsel:	Walkers SPV Limited (Cayman); Willkie Farr & Gallagher LLP (US)
Additional Vehicles:	NA		

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Firm Information: Vanguard Group, Inc.

Total Assets (\$M):	\$3,240,998
Style:	Domestic Fixed Sector Index
Assets in Style (\$M):	\$12,300
Year Founded:	1975
Product Inception:	December 2012
Location:	Valley Forge, PA
Ownership:	The Firm is owned by fund shareholders.

Key Investment Professionals:

- Greg Davis - Davis is Head of Fixed Income Portfolio Management and has been with Vanguard since 1999. He earned a B.S. from Pennsylvania State University and an M.B.A. from the University of Pennsylvania.

- Joshua Barrickman, CFA - Barrickman was promoted to Head of Vanguard's Bond Index Group in 2013 and he joined the firm in 1999. He earned a B.S. from Ohio Northern University and an M.B.A. from Lehigh University.

- Gemma Wright-Casparius. Wright-Casparius joined Vanguard in 2011 from GIC, Singapore's SWF. She has more than 30 years of experience and obtained a B.B.A. degree in Economics and Finance and an M.B.A. degree from Bernard M. Baruch College of The City University of New York.

Investment Objective and Philosophy/Process

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

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

Assessment

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

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

Quality/Avg. Quality:	AAA/AAA	Securities Lending:	Yes
Duration:	Index-like	Assets in Composite:	N/A
% Non-Investment Grade:	0%	GIPS Compliant:	No
% Foreign:	0%	Last Audited Financials:	9/30/2014
Security Constraints:	80% of its assets in inflation-indexed securities	Accountant/Auditor:	PricewaterhouseCoopers LLP
Sector Constraints:	80% of its assets in inflation-indexed securities	Custodian:	JPMorgan Chase
Avg # of Securities:	~15	Administrator:	Vanguard
Turnover:	N/A		

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Vanguard Short-Term Infl-Prot Secs ETF (VTIP)	\$0	\$1,800.0	0.10%	MF
Vanguard Shrt-Term Infl-Prot Sec Idx Adm (VTAPX)	\$10,000	\$2,100.0	0.10%	MF
Vanguard Shrt-Term Infl-Prot Sec Idx Ins (VTSPX)	\$5,000,000	\$3,800.0	0.07%	MF

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Firm Information: Gresham Investment Management, LLC

Total Assets (\$M):	\$11,500
Style:	Commodities Direct Active
Assets in Style (\$M):	\$1,500
Year Founded:	1992
Product Inception:	December 1987
Location:	New York, NY
Ownership:	40% Gresham/ 60% TIAA-CREF

Key Investment Professionals:
 Jonathan S. Spencer, President of Gresham Investment Management LLC, is responsible for the day-to-day investment and operational activities of Gresham.
 Robert J. Reeves, CFO. Reeves joined Gresham Investment Management, LLC in July 2009.
 Susan Wager, Managing Director of Gresham LLC-- Senior Trader for Gresham NTA since March 2005. She is responsible for Gresham's Long/Short Strategy as well as all option-related strategies, and she assists with implementation of Gresham's long-only strategies, including TAP®
 Randy Migdal, Managing Director of Gresham LLC and Head Trader for Gresham NTA (since June 2006). He is responsible for Gresham's Near Term Active Implementation strategies, including TAP®, and he assists with the implementation of Gresham's Long/Short Strategy.

Investment Objective and Philosophy/Process

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

Assessment

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

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

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

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

This is a Prime Buchholz recommended strategy.

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

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

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Nuveen Gresham Diversified Commodity Strategy I Fund	\$100,000	\$248.8	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

Total Assets (\$M):	\$25,416
Style:	Public Real Direct Natural Resources
Assets in Style (\$M):	\$4,186
Year Founded:	1955
Product Inception:	November 1994
Location:	New York
Ownership:	Family Owned - Jan F. Van Eck and Family Trusts (50% - 75%)John C. Van Eck (10% - 25%)Deborah Van Eck and Family Trusts (5% - 10%)

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

Investment Objective and Philosophy/Process

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

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

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

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

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

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Van Eck Global Hard Assets I (GHAIX)	\$1,000,000	\$1,500.0	1.00%	MF
Van Eck Global Hard Assets Y (GHAYX)	\$1,000	\$315.1	1.13%	MF

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Historical Performance

Return and Risk Summary

As of September 30, 2015

	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	-7.3	0.1	-0.5	9.1	12.4	9.4	13.2	13.6	9.9	18.7	NA	NA
Wilshire 5000 Total Market Index	-7.4	0.0	-1.2	9.1	12.4	9.5	13.1	13.6	10.0	18.6	7.1	16.8
FPA Crescent Fund	-4.7	-0.1	-2.3	5.2	8.1	6.2	8.4	8.7	7.9	12.2	6.9	11.0
S&P 500 Index	-6.4	0.3	-0.6	8.2	12.4	9.0	13.3	12.8	9.8	18.0	6.8	16.2
60% Russell 2500 / 40% BC Global Credit	-6.6	-0.5	-0.9	8.1	7.9	7.9	9.0	11.3	8.9	15.5	6.6	13.8
HFRI Equity Hedge (Total) Index	-6.0	1.8	-2.4	6.5	5.0	5.7	3.6	8.4	4.3	10.6	3.6	10.5
FMI Common Stock Fund	-8.4	-1.6	-3.4	10.0	10.6	11.0	11.0	15.1	10.1	19.4	8.7	17.3
Russell 2500 Index	-10.3	-0.3	0.4	13.4	12.4	12.2	12.7	17.3	10.3	22.2	7.4	19.8
Dodge & Cox International Stock Fund	-15.4	-0.3	-16.2	14.5	6.6	13.6	4.1	16.8	4.9	25.2	4.2	22.8
MSCI AC World ex USA (Net)	-12.2	0.5	-12.2	11.8	2.3	11.6	1.8	14.9	3.2	21.6	3.0	20.4
Artisan International Institutional Fund	-13.2	-0.4	-9.3	13.1	5.9	12.1	7.6	16.1	6.6	21.6	5.5	20.6
MSCI EAFE (Net)	-10.2	0.6	-8.7	11.2	5.6	11.6	4.0	14.5	3.8	21.1	3.0	19.8
Forester Offshore A2, Ltd.	-4.4	0.3	1.3	6.0	6.7	5.0	5.8	6.5	5.4	6.8	6.1	7.2
HFRI FOF: Strategic Index	-5.8	1.2	-1.2	6.5	4.2	4.9	2.7	5.9	2.4	7.4	2.5	8.5
Archstone Absolute Return Strategies Fund, Ltd. Class A	-4.1	-0.5	-6.5	3.8	2.8	4.7	3.1	5.0	4.0	6.8	3.8	7.1
HFRI FOF: Conservative Index	-1.8	0.3	0.7	2.6	4.3	2.4	2.8	3.3	1.9	5.7	2.1	6.0
JP Morgan Core Bond Select Fund	1.4	-1.3	3.2	2.4	1.7	2.3	3.3	2.5	5.4	2.9	4.9	3.0
Barclays U.S. Aggregate	1.2	-1.7	2.9	2.8	1.7	2.7	3.1	2.9	4.8	3.2	4.6	3.2
Vanguard Short Term US Treasury Admiral Fund	0.5	0.1	1.5	0.3	0.7	0.6	0.9	0.8	1.7	1.3	2.9	2.0
Barclays U.S. Treasury: 1-5 Year	0.7	0.0	2.1	0.7	0.9	0.8	1.2	1.1	2.2	2.0	3.2	2.5
Vanguard Short-Term Inflation Protected Securities Adm. Fund	-0.6	0.5	-1.2	1.6	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Treasury: 0-5 Year TIPS Index	-0.7	0.5	-1.3	1.7	-0.7	2.1	1.0	2.2	1.8	3.5	2.8	3.5

Historical Performance

Return and Risk Summary

As of September 30, 2015

	I Quarter Return	Previous Quarter Return	I Year Return	I Year Standard Deviation	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Nuveen Gresham Diversified Commodities Fund	-14.8	4.1	-27.4	14.8	-15.6	13.2	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	-14.5	4.7	-26.0	14.8	-16.0	13.4	-8.9	15.6	-8.7	19.2	-5.7	19.9
Van Eck Global Hard Assets I Fund	-27.2	-2.5	-42.9	23.6	-13.7	22.6	-7.3	25.7	-3.7	28.1	NA	NA
S&P North American Natural Res Sector Index (TR)	-19.5	-2.7	-33.6	15.2	-7.7	18.5	-1.4	23.3	-1.1	25.4	1.4	25.2

Historical Performance

Return Summary

As of September 30, 2015

	Year To Date	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fidelity Spartan Total Market Index Advisor Fund	-5.5	12.5	33.4	16.4	1.0	17.4	28.4	-37.2	5.6	15.8	NA
Wilshire 5000 Total Market Index	-5.8	12.1	34.0	16.1	0.6	18.1	29.4	-37.3	5.7	15.9	6.3
FPA Crescent Fund	-4.7	6.6	21.9	10.3	3.0	12.0	28.4	-20.6	6.8	12.4	10.8
S&P 500 Index	-5.3	13.7	32.4	16.0	2.1	15.1	26.5	-37.0	5.5	15.8	4.9
60% Russell 2500 / 40% BC Global Credit	-4.5	5.3	21.4	15.6	0.5	18.9	29.6	-26.5	3.6	13.1	4.2
HFRI Equity Hedge (Total) Index	-2.4	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
FMI Common Stock Fund	-7.8	6.5	32.0	10.2	4.5	22.2	33.9	-20.4	-2.0	17.1	9.5
Russell 2500 Index	-6.0	7.1	36.8	17.9	-2.5	26.7	34.4	-36.8	1.4	16.2	8.1
Dodge & Cox International Stock Fund	-12.1	0.1	26.3	21.0	-16.0	13.7	47.5	-46.7	11.7	28.0	16.7
MSCI AC World ex USA (Net)	-8.6	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6
Artisan International Institutional Fund	-9.8	-0.7	25.5	25.6	-4.1	6.2	40.0	-46.8	20.0	25.9	16.5
MSCI EAFE (Net)	-5.3	-4.9	22.8	17.3	-12.1	7.8	31.8	-43.4	11.2	26.3	13.5
Forester Offshore A2, Ltd.	-2.4	5.8	15.2	9.3	-2.5	5.2	14.6	-13.0	18.5	11.5	12.0
HFRI FOF: Strategic Index	-2.1	3.1	10.5	5.8	-7.3	6.3	13.2	-25.2	12.8	11.8	10.3
Archstone Absolute Return Strategies Fund, Ltd. Class A	-3.9	-0.6	11.2	9.0	-2.3	8.1	19.4	-20.5	8.3	13.8	6.2
HFRI FOF: Conservative Index	0.4	3.1	7.7	4.2	-3.6	5.1	9.6	-19.9	7.7	9.2	5.1
JP Morgan Core Bond Select Fund	1.6	5.2	-1.8	5.1	7.3	7.3	9.7	4.0	7.0	4.0	2.3
Barclays U.S. Aggregate	1.1	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
Vanguard Short Term US Treasury Admiral Fund	1.1	0.8	0.0	0.8	2.4	2.8	1.5	6.8	8.0	3.9	1.9
Barclays U.S. Treasury: 1-5 Year	1.6	1.2	-0.1	0.9	3.4	3.7	0.2	8.8	8.2	3.8	1.3
Vanguard Short-Term Inflation Protected Securities Adm. Fund	0.2	-1.2	-1.5	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Treasury: 0-5 Year TIPS Index	0.2	-1.1	-1.6	2.4	4.5	3.3	10.7	-2.0	9.8	2.6	1.6

Historical Performance

Return Summary As of September 30, 2015

	Year To Date	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Nuveen Gresham Diversified Commodities Fund	-16.6	-17.3	-7.8	NA	NA	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	-15.8	-17.0	-9.5	-1.1	-13.3	16.8	18.9	-35.6	16.2	2.1	21.4
Van Eck Global Hard Assets I Fund	-28.3	-19.1	11.2	2.9	-16.3	28.9	53.2	-44.5	43.2	NA	NA
S&P North American Natural Res Sector Index (TR)	-22.9	-9.8	16.5	2.2	-7.4	23.9	37.5	-42.6	34.4	16.8	36.6

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

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

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

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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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MSCI ACWI ex-U.S. Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Spliced Global Real Estate Index is the S&P Developed Property Index (net) through July 31, 2014; FTSE EPRA/NAREIT Developed 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, 2015. All rights reserved. Calculations are based on quarterly periods unless noted otherwise.

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

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

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

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

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

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

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

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

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



Tab V

Fund: Van Eck Global Hard Assets Fund (the “Fund”)
Firm: Van Eck Global (“Van Eck” or the “Firm”)
Fund AUM: \$2.3 billion
Firm AUM: \$25.4 billion

Notes from an October 13, 2015 call with Van Eck Co-Portfolio Managers Charles Cameron and Shawn Reynolds, and Fund Commodities Strategist Roland Morris.

FIRM UPDATE

Van Eck Global had \$25.4 in assets under management at the end of the third quarter, including \$2.3 billion in the Van Eck Global Hard Assets Fund. Net capital flows to the Fund exceeded \$30 million for the quarter.

There were no changes to the Firm or team reported.

PERFORMANCE UPDATE AS OF SEPTEMBER 30, 2015

The Van Eck Global Hard Assets Fund fell 27.2% during the third quarter, sharply underperforming the 18.9% decline of the large cap- and energy-dominated S&P North American Natural Resources Index.

Metals and mining

The Fund’s overweight to the broad diversified metals and mining sector—compared to the index—was a key driver of underperformance (–200 bps), as that sector fell 29.5% during the period. The base metal equity subsector fell more than 40%. Metals and mining stocks moved sharply lower on deepening concern around slowing growth in China, which is the world’s largest consumer of many metals and raw materials, and data showing that Chinese manufacturing activity continued to contract. Investors worried that supply/demand imbalances and persistently low prices (e.g., copper traded at near six-year lows) were increasing stress in the sector, adding to the already bearish sentiment.

Stock selection within the metals and mining sector detracted (–300 bps) as its largest holdings in the space, First Quantum and Glencore, fell 65.7% and 71.8%, respectively, during the period. In addition to general sector issues/concerns, Glencore fell on concerns related to its balance sheet, which the market feared would impact its credit rating, and therefore, its ability to operate its trading unit. Some investors utilized short positions in Glencore as a leveraged short on China. Van Eck believes the company has the sector’s best management team, is proactively implementing restructuring, and that the company is positioned to remain solvent and cash flow positive even if prices should decline from current levels. Using current spot commodity prices, Van Eck estimated that free cash flow would be around \$2 billion for the company in fiscal year 2016. Glencore’s proactive stance in debt reduction includes asset sales, working capital reductions, capital expenditure reductions, and a \$4.9 billion dividend cut. The team believes the market does not understand the Glencore business model, as the trading business does not take directional commodity bets, and the company’s mining assets are believed to be solid and expected to generate positive EBITDA and cash flow in 2016.

In addition to general sector issues, First Quantum fell on concerns about its balance sheet and debt load. It was also impacted by concerns that a Zambian power outage, which impacted its mines and production in the country, could hamper its ability to repay debt. Investors also utilized short positions in the company as a leveraged short on China. Despite the news coverage around the power outage, Van Eck believes First Quantum continues to have solid operating performance, future growth potential, significant flexibility in its balance sheet and ability to deploy capital for operations/mines.

Energy

The Fund's 2% (on average) out-of-benchmark allocation to Sun Edison detracted 200 bps from relative performance. Sun Edison, a yieldco (comparable to a renewable energy master limited partnership), sold-off sharply (-75.9%) on interest rate concerns and market sentiment that the company needs open capital markets to grow their business and dividends. The capital markets remain largely closed to the energy industry given the recent dislocation in prices. Van Eck stated that any business that is perceived to require relatively open capital markets to grow, sold-off sharply during the period. The team believes Sun Edison is one of the strongest alternative energy growth stories and has multiple financing options available.

The underweight to integrated energy firms (0% vs. 22% for the Index) detracted approximately 200 bps. The market viewed integrations as safe havens during a risk-off period in the energy markets due to their large balance sheets and diversified businesses. Despite outperforming the exploration and production (E&P) sector during the sharp decline in oil and gas prices over the last 12 months (-26.4% vs. -51.7%), Van Eck believes integrations will continue to experience long-term declines in revenues/margins and an inability to adequately replace their low cost reserves.

Stock selection within the E&P sub-sector contributed more than 200 bps, approximately 150 bps of which was produced by top five contributors Cimarex, Newfield, Devon, Pioneer, and Concho. The team believes its oil and gas E&P sub-portfolio contains low cost, quality names that have sustainable competitive advantages and value potential. This should be generated through their early acquisition of assets (particularly in the Permian), innovative and efficient management teams, and lower leverage profiles than other E&Ps.

The approximately 4% underweight to marketing and refining detracted 65 bps. Underweight to storage and transportation (about 4%) was negative but positive stock selection in the space offset the impact. The Fund's approximately 3% underweight to the oil and gas services sub-sector was additive. However, poor stock selection in the space resulted in net negative performance.

Gold mining

The Fund's 6% overweight to gold detracted from performance, costing 30 bps in relative performance. However, stock selection added 55 bps, so net/net precious metal exposure was marginally positive. The team believes Agnico-Eagle and Goldcorp have been able to combine the deflation in development costs and better engineering/capital deployment to build projects that are better positioned than other companies in the space. The Firm believes management's focus on cost discipline is translating to improving cash flow.

POSITIONING

During the quarter, the team added to gold mining companies, select E&P companies, and reduced cash. The Fund's allocation to metals and mining decreased due to sharp underperformance from the sector.

Trailing 1-Year Sub-Sector Allocation	2014				2015								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep
Energy	66.6	67.3	63.6	59.3	59.5	59.2	63.0	63.8	61.4	61.0	58.9	61.6	62.8
Oil & gas exploration & production	32.3	32.6	30.8	31.1	31.7	31.0	34.6	35.5	33.2	33.2	31.6	34.5	37.2
Oil & gas equipment & services	16.2	16.1	15.9	12.8	11.5	11.3	11.6	12.1	11.7	11.6	10.8	10.8	11.9
Oil & gas refining & marketing	6.8	7.3	6.3	4.0	4.2	4.5	4.7	4.1	4.4	4.8	5.7	5.5	3.4
Oil & gas drilling	4.9	4.7	3.3	1.9	2.3	2.4	2.5	2.8	2.7	2.7	2.2	2.3	2.2
Coal & consumable fuels	4.9	5.2	5.9	5.1	4.4	4.7	3.8	4.0	3.6	2.8	2.36	2.3	1.7
Oil & gas storage & transportation	1.5	1.5	1.5	4.5	5.3	5.3	5.8	5.5	5.9	6.0	6.3	5.7	6.3
Materials	25.6	24.8	29.6	28.5	27.8	29.4	27.6	27.6	29.3	28.9	25.9	24.4	26.5
Diversified metals & mining	10.6	10.2	11.9	10.9	8.3	10.0	9.5	10.3	10.6	10.6	8.5	6.4	5.4
Gold	9.6	7.9	9.3	9.4	11.1	11.3	9.9	9.6	9.8	9.2	7.6	7.7	11.5
Steel	2.8	3.6	3.8	3.4	3.1	3.0	3.3	3.2	3.3	3.2	3.5	3.6	3.3
Forest products	1.2	1.5	1.7	1.9	1.9	1.8	1.8	1.6	2.0	1.9	3.8	2.2	3.7
Fertilizers & agricultural chemicals	1.3	1.6	2.9	3.0	3.5	3.4	3.2	3.0	3.3	3.5	1.9	4.0	2.2
Precious metals & minerals	--	--	--	--	--	--	--	--	0.4	0.5	0.6	0.5	0.4
Industrials	1.7	2.1	2.2	3.6	3.6	3.5	3.5	3.3	3.4	3.4	3.9	4.3	4.6
Construction machinery & heavy trucks	1.5	1.8	2.0	2.0	2.0	1.9	1.9	1.7	1.8	1.8	2.0	2.0	2.0
Trading companies & distributors	0.2	0.3	0.3	--	--	--	--	--	--	--	--	--	--
Construction & engineering	--	--	--	--	--	--	--	--	--	--	--	--	--
Building products	--	--	--	0.5	0.6	0.6	0.7	0.6	0.7	0.7	0.8	0.8	0.9
Railroads	--	--	--	1.0	1.0	1.0	0.9	1.0	1.0	1.0	1.1	1.0	1.2
Information technology	--	--	--	1.0	2.0	2.2	2.6	2.5	3.2	3.3	3.0	1.5	1.2
Consumer staples	0.8	--	--	--	--	--	--	--	--	--	--	--	--
Cash	5.4	5.9	4.6	7.6	7.2	5.8	3.4	2.8	2.8	3.4	8.4	8.3	5.0

MARKET OUTLOOK

Van Eck continues to believe that, broadly speaking, commodities markets are in a multi-year bottoming process and that a significant supply response is underway. The team believes the China-driven ongoing concerns around global growth will likely keep market volatility elevated in the near term.

Oil – the team believes the current supply response and continued growth in demand will drive a price rebound, likely in 2016. The entire supply growth over the last five years has been driven by North American production. Rig counts have now fallen 50% in the last year and production is down 3% from its peak in June. The Firm continues to believe production will decline as current prices are well below breakeven costs for many domestic shale plays. The team believes capital expenditures cuts for U.S E&P companies will continue and may increase. The team estimates that longer duration international and deepwater project cancellations and delays have pushed 6 million barrels of expected daily production out to after at least 2020. Meanwhile, demand for crude is expected to increase, as it has consistently for the last 20 years. The International Energy Agency estimates that demand growth will increase by approximately 1.5 million barrel per day during 2015/2016. The team believes the E&P companies in the portfolio will exhibit favorable relative operating performance and can generate adequate returns in the current price

environment, but would benefit substantially from a rebalancing of the market. Van Eck noted that balance sheet strength and flexibility are critical for companies to survive and grow.

Metals and mining – The team expects industry-wide restructuring, which began in 2013, to not only continue but also deepen. Production response to lower price, cost-cutting, and reduced spending is becoming more visible, according to Van Eck. The team believes copper and some other markets have the potential to tighten quicker than expected due to a lack of new investment, declining commodity quality at existing mines, and the long lead time in developing new assets (eight to 10 years). The team noted that prices are below the all-in cost of production and that fears of a strong slowdown in Chinese demand are fueling risk-off for mining stocks. Although there is data showing near-term demand has slowed the team believes medium and long-term demand should be stable as China is upgrading its electricity grid and undertaking other massive infrastructure projects, which will require massive amounts of copper and other metals over time. Some miners are facing stress and distress, while others have been proactive in aggressively reducing debt and shoring up their balance sheets. The team believes Glencore and First Quantum fall into the latter category and that they will be well positioned to capitalize when prices and sentiment recover.

Gold mining – The team believes there are signs of a potential reversal in gold prices in the near-term, as the latest peak-to-trough performance is one of the worst bear markets for gold in history. The Firm noted that the U.S. dollar has peaked at a 12-year high, and demand in Asia for the metal remains strong. The team also indicated that there are several catalysts that could return gold's safe haven status, including the potential for the Fed's indecision on beginning to unwind its massive stimulus and changing growth expectations to diminish market confidence. Also, investors may become more concerned with debt levels and the perceived strength of the economy to withstand rate increase in question.

The team believes that historically low valuations create opportunities and gold companies continue to implement changes to address mistakes of the past. The sector has taken austerity measures and improved project planning and the industry currently generates positive cash flow.

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