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Fourth Quarter 2016

INVESTMENT PERFORMANCE ANALYSIS

Town of Palm Beach Health Insurance Trust

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Market Environment

Data released during the fourth quarter showed U.S. economic growth strongly rebounded in the third quarter (+3.5%) after gaining 1.4% the previous quarter. China's 7.4% growth rate in the third quarter represented an increase from the 6.7% posted for the second quarter. Japan's economic growth accelerated from 0.7% to 1.3% while Europe rose from 1.2% to 1.4%, with results in Greece (+3.1%), the Netherlands (+3.1%), Spain (+2.9%), and Italy (+1.0%) offsetting a slowdown in Germany (+0.8%) relative to the second quarter. France's rise from -0.4% to 1.0% was a significant contributor to improvements in the euro area and the U.K. (+2.3%) remained resilient. Singapore (+9.1%), India (+8.3%), and Mexico (+4.0%) posted gains, while Venezuela (-6.2%) lagged and Australia (-1.9%) posted its first decline in 25 years.

After implementing changes late in the third quarter, both the Bank of England (BoE) and Bank of Japan (BoJ) did not adjust policy during the fourth quarter. Similarly, the European Central Bank (ECB) made small tweaks to its asset purchase program in December as a way to smooth implementation rather than increase stimulus measures. As the markets anticipated, the Fed raised the target range from 25–50 bps to 50–75 bps. However, despite making no significant updates to its economic assessment, the Federal Open Market Committee's (FOMC) widely watched dot plot built in three rate hikes in 2017—one more than previously expected. During the post-meeting press conference, Fed Chair Janet Yellen indicated she did not see the need for fiscal stimulus to bring the economy back to full employment given recent improvements in labor markets. Her comments portend a possible monetary policy offset to fiscal measures from the incoming Trump administration.

Inflation across the Organisation for Economic Co-operation and Development (OECD) countries trended higher, to 1.4% over the 12-month period ended November 2016. The euro area remained low at 0.6%, but moved higher as deflationary forces in Spain and Italy eased. Inflation remained high in Brazil (7.0%), Turkey (7.0%), Colombia (6.0%), and Russia (5.8%), but upward pressure has eased in recent months. U.S. Bureau of Labor Statistics data reflected rising energy prices and higher services inflation. Headline CPI rose 1.7% over the 12-month period and core CPI (excluding food and energy) increased 2.1%.

Unemployment across OECD countries was 6.2% at the end of October. The euro area remained elevated at 9.8%, but improved over the past few months, with progress in Spain (19.2%), Portugal (10.8%), Austria (5.9%), and the Netherlands (5.6%). The lowest unemployment rates generally were outside of the euro area and included Iceland (2.9%), Japan (3.0%), Mexico (3.6%), South Korea (3.7%), and the U.S. (4.9%). U.S. job creation missed market projections, but continued to trend higher. Many believe this is due to the economy nearing full unemployment with very little slack in the system. While still low, the labor participation rate has shown signs of stabilization.

The Federal Housing Finance Agency (FHFA) seasonally adjusted, Purchase-Only House Price Index rose 1.5% during the third quarter, the 21st consecutive quarterly increase. Over the past year, home prices advanced 6.1%, with gains in every state except Delaware and the District of Columbia. The FHFA stated price growth in select markets has slowed, but overall it does not see evidence of a pervasive slowdown.

West Texas Intermediate (WTI) crude prices rose 11.4% to end the quarter at \$53.72. For the year, WTI crude rallied 45.0%, but trailed the 52.4% gain in Brent crude, which ended the year at \$56.82 per barrel. As a result, the spread widened from \$1.95 at the end of the third quarter to \$3.10. Natural gas prices rallied sharply, ending the quarter up 29.6%, to \$3.68.

Gold prices fell 12.4%, ending the year at \$1,150 per ounce despite markets pricing in expectations of higher inflation over the next five to 10 years. The ongoing rally in the U.S. dollar (USD) served as a headwind for gold prices. In addition, the Fed's Summary of Economic Projections released in December revealed expectations for an additional rate hike in 2017, as well as guidance that future monetary policy decisions will continue to be based on incoming data.

A reflation trade took hold following the U.S. elections, stoking expectations for stimulative fiscal measures as well as a monetary policy offset via higher U.S. rates. This pressured the Japanese yen (-13.2%) and euro (-6.1%). Uncertainty about the structure of Brexit fostered continued weakness in the sterling (-4.8%). The USD rallied sharply against the majority of developed and developing market currencies.

Historical Returns

Fourth Quarter 2016

Equity Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
S&P 500	3.8	12.0	6.5	8.9	14.7	6.9
CRSP US Total Market	4.1	12.7	6.4	8.4	14.6	7.3
Russell 3000 (Broad Market)	4.2	12.7	6.4	8.4	14.7	7.1
Russell 1000 (Large Cap)	3.8	12.1	6.3	8.6	14.7	7.1
Russell Midcap	3.2	13.8	5.4	7.9	14.7	7.9
Russell 2000 (Small Cap)	8.8	21.3	7.7	6.7	14.5	7.1
MSCI ACWI (USD)	1.2	7.9	2.6	3.1	9.4	3.6
MSCI ACWI (Local)	4.2	9.7	5.7	7.1	12.5	4.8
MSCI ACWI ex-U.S. (USD)	-1.3	4.5	-0.7	-1.8	5.0	1.0
MSCI ACWI ex-U.S. (Local)	5.0	7.5	4.9	5.4	10.6	3.0
MSCI EAFE (USD)	-0.7	1.0	0.1	-1.6	6.5	0.7
MSCI EAFE (Local)	7.1	5.3	5.3	5.5	11.8	2.2
MSCI EM (USD)	-4.2	11.2	-2.7	-2.6	1.3	1.8
MSCI EM (Local)	-1.4	9.7	1.7	2.8	5.6	4.4
S&P Developed ex-U.S. (Small Cap)	-3.1	3.8	4.8	2.0	9.7	3.0
London - FTSE 100* (GBP)	4.3	19.0	8.4	5.8	9.1	5.2
Japan - Nikkei 225* (JPY)	16.4	2.4	6.6	3.7	19.8	--
Hong Kong - Hang Seng* (HKD)	-5.3	4.3	0.1	1.9	7.5	4.5
China - Shanghai Composite* (CNY)	3.3	-12.3	-2.0	13.6	7.1	1.5
40% R 3000/40% EAFE/20% EM	0.6	7.8	2.2	2.3	8.8	3.7

Fixed Income Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
LIBOR US 3m	0.2	0.7	0.5	0.4	0.4	1.1
Citigroup 3m T-Bill	0.1	0.3	0.1	0.1	0.1	0.7
BOA ML 1-3 Yr Treasury	-0.4	0.9	0.7	0.7	0.6	2.1
Bloomberg Barclays 3-10 Yr Treasury	-3.3	1.3	1.5	2.4	1.4	4.5
Bloomberg Barclays 5-10 Yr Treasury	-4.6	1.2	1.5	3.1	1.6	5.0
Bloomberg Barclays Long-Term Treasury	-11.7	1.3	0.0	7.8	2.5	6.7
Bloomberg Barclays Credit	-3.0	5.6	2.4	4.1	3.8	5.3
Bloomberg Barclays Gov't/Credit	-3.4	3.0	1.6	3.0	2.3	4.4
Bloomberg Barclays Aggregate	-3.0	2.6	1.6	3.0	2.2	4.3
Bloomberg Barclays Municipal	-3.6	0.2	1.8	4.1	3.3	4.2
Bloomberg Barclays High Yield	1.8	17.1	5.8	4.7	7.4	7.5
JPM Global Bond	-8.3	1.6	-0.5	-0.1	-0.7	3.3
JPM Non-U.S. Bond	-11.0	1.9	-1.6	-1.9	-2.0	2.8
JPM Global Bond-Hedged	-2.9	3.7	2.5	4.5	3.4	4.4
JPM Non-U.S. Bond-Hedged	-2.2	5.5	3.6	5.6	4.7	4.7
JPM EMBI+	-5.3	9.6	5.7	5.8	5.1	6.6
JPM GBI-EM Global Div Bond	-6.1	9.9	-3.3	-4.1	-1.3	3.8
JPM GBI-EM Global Div Bond-Hedged	-2.4	4.7	1.2	1.8	2.0	3.8

Private Capital	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
<i>(as of 6/30/2016)</i>						
Private Real Estate	1.5	8.0	10.7	12.3	10.7	4.3
Private Energy & Natural Resources	7.2	-13.0	-15.0	-5.4	-0.3	6.7
Private Capital	2.1	3.7	6.5	10.9	10.6	10.2
VC: Early Stage	0.5	0.1	16.0	21.2	14.9	10.7
VC: Late/Expansion Stage	-0.4	-1.2	6.0	13.2	9.5	11.4
VC: Multi - Stage	0.0	-0.2	10.8	17.2	12.5	9.5
Growth Equity	1.6	1.8	7.1	12.9	10.1	11.3
Buyout: Small Cap	2.0	4.5	5.2	10.6	9.5	14.2
Buyout: Mid Cap	3.0	6.5	6.7	10.5	9.0	11.3
Buyout: Large Cap	2.2	6.0	5.8	12.0	9.9	11.2
Buyout: Mega Cap	3.2	6.5	7.9	14.2	11.8	9.5

MSCI ACWI Sector	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Consumer Discretionary	0.9	3.3	4.0	3.9	13.7	6.4
Consumer Staples	-5.9	2.1	3.9	4.8	9.6	8.5
Energy	7.6	28.5	0.4	-4.2	0.7	1.7
Financials	12.3	13.0	3.6	3.7	12.1	-0.7
Health Care	-5.4	-6.3	0.0	5.9	13.9	8.1
Industrials	1.8	12.5	4.7	3.3	10.8	4.9
Information Technology	-0.8	12.7	8.0	10.5	14.7	7.9
Materials	3.1	24.1	2.3	-1.0	1.6	1.7
Telecom	-2.2	5.8	2.2	1.1	7.0	4.5
Utilities	-3.3	6.6	-0.7	4.2	5.4	2.0

Hedge Fund Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
HFRI Fund Weighted Composite	1.3	5.6	2.2	2.4	4.5	3.4
Absolute Return						
HFRI Event Driven (Total)	3.2	10.2	3.1	2.4	5.7	4.0
HFRI Relative Value (Total)	2.0	7.8	3.7	3.8	5.8	5.2
HFRI RV: FI-Convertible Arbitrage	1.5	7.5	4.7	3.6	5.5	4.6
HFRI EH: Equity Market Neutral	0.9	1.6	2.9	3.0	3.7	1.9
Directional Hedge						
HFRI Equity Hedge (Total)	1.3	5.5	2.2	2.1	5.5	2.9
HFRI Macro (Total)	-0.2	1.5	0.1	1.9	1.0	2.9
HFRI Emerging Markets (Total)	-0.9	7.1	1.8	0.3	3.3	2.2
HFRI EH: Short Bias	-2.2	0.4	-0.6	-1.7	-8.5	-6.0
Fund of Funds						
HFRI FOF Strategic	0.4	0.1	-0.2	0.9	3.7	1.2
HFRI FOF Diversified	0.8	0.2	-0.0	1.1	3.4	1.4
HFRI FOF Conservative	2.0	2.3	1.3	1.9	3.5	1.3

Real Assets and Inflation	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
REITs						
FTSE EPRA/NAREIT Dev'd	-5.4	5.0	2.5	6.8	10.3	2.2
Commodities						
Bloomberg Commodity	2.7	11.7	-8.2	-11.3	-9.0	-5.6
S&P GSCI	5.8	11.4	-13.5	-20.6	-13.1	-8.1
Natural Resources						
S&P NA Natural Resources	5.0	30.9	-0.4	-3.7	1.3	2.6
Inflation-Protected Bonds						
Bloomberg Barclays U.S. TIPS	-2.4	4.7	1.6	2.3	0.9	4.4
Inflation						
U.S. CPI	-0.0	2.0	1.4	1.2	1.3	1.8
U.S. CPI Plus 5%	1.2	7.1	6.4	6.2	6.4	6.9

*Returns in local currency.



Note: All returns as of 12/31/2016, unless otherwise noted.

Key Metrics

Fourth Quarter 2016

Option-Adjusted Spreads		
	Current QTR	1 Year Ago
U.S. High Yield	409	660
U.S. Corporate	123	165
U.S. IG Financials	120	134
CDX IG 5-Yr	68	88
CDX HY 5-Yr	359	471
Agency MBS	15	24
CMBS	92	131
ABS - Fixed Rate	59	72
ABS - Floating Rate	94	103
TED ¹	50	44
Emerging Markets (External)	288	389

¹ 3 month US LIBOR minus 3 Month US T Bills

U.S. Economy		
	Current QTR	1 Year Ago
Unemployment Rate	4.70%	5.00%
Quarterly GDP ¹	3.50%	2.00%
Current Account Deficit ²	\$113.00	\$124.10
Annualized Current Account Deficit/GDP ²	2.40%	2.70%

² Statistics as of one quarter prior

Central Bank Activity		
	Current QTR	1 Year Ago
Fed Funds Rate	0.50-0.75%	0.25-0.50%
Bank of Japan Target Rate	-0.10%	0.10%
European Central Bank Policy Rate	0.00%	0.05%
European Central Bank Deposit Facility Rate	-0.40%	-0.30%
Bank of England Official Bank Rate	0.25%	0.50%

Inflation Forecast		
	Current QTR	1 Year Ago
10-Year Treasury Yield	2.44%	2.27%
10-Year Breakeven	1.93%	1.58%
5-Year Treasury Yield	1.92%	1.76%
5-Year Breakeven	1.81%	1.28%

	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	18.6x	16.9x	2.1%	17.3x	16.1x	2.2%
Russell 1000 Index	18.8x	17.1x	2.0%	17.3x	16.3x	2.1%
Russell Midcap Index	19.9x	18.1x	1.8%	18.1x	17.3x	1.8%
Russell 2000 Index	20.7x	23.5x	1.7%	17.8x	21.9x	1.9%
Russell 3000 Index	18.9x	17.5x	2.0%	17.3x	18.2x	2.1%
Russell 3000 Growth Index	21.3x	18.7x	1.5%	20.1x	18.5x	1.5%
Russell 3000 Value Index	17.x	16.5x	2.5%	15.2x	17.9x	2.7%
MSCI ACWI Index	17.x	15.5x	2.5%	15.7x	15.1x	2.6%
MSCI ACWI ex-U.S. Index	15.1x	14.x	3.0%	14.1x	13.9x	3.2%
MSCI EAFE Index	16.1x	14.7x	3.2%	15.3x	14.8x	3.3%
MSCI EM Index	12.3x	11.8x	2.5%	10.9x	11.3x	2.9%
MSCI Frontier Markets Index	12.6x	10.6x	3.8%	11.x	9.2x	4.4%
London - FTSE 100*	14.3x	14.5x	3.2%	14.6x	13.9x	3.3%
Japan - Nikkei 225*	20.1x	17.5x	1.7%	18.1x	17.x	1.7%
Hong Kong - Hang Seng*	12.x	11.1x	3.6%	10.2x	10.5x	3.6%
China - Shanghai Composite*	11.6x	10.7x	2.5%	12.5x	12.x	2.3%

³ Returns in local currency

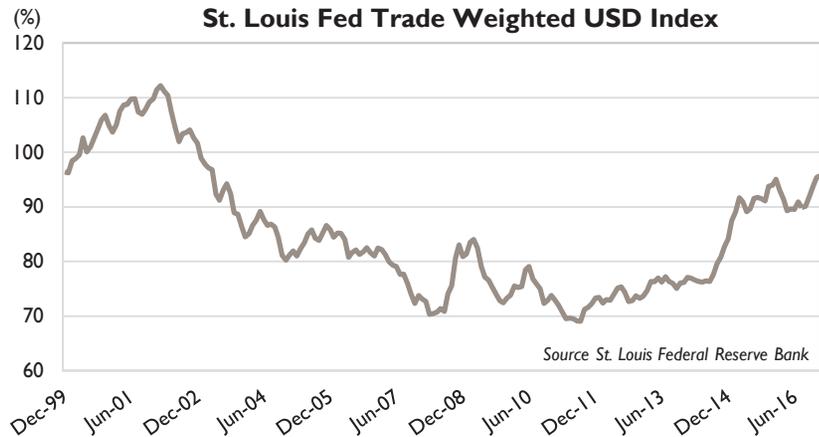
P/E excludes companies with negative earnings

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	0.17%	0.48%	1.06%	1.76%	2.27%	3.02%	1.21%
Current Quarter	0.50%	0.62%	1.20%	1.92%	2.44%	3.07%	1.24%

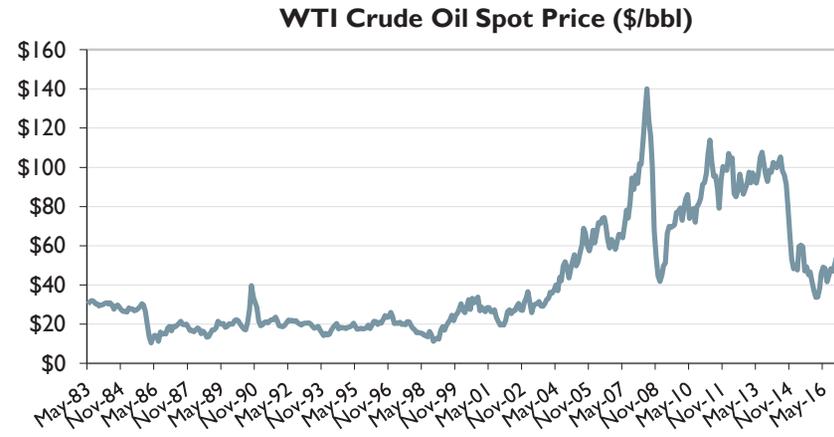
Currency Rates (per U.S. Dollar) (%)							
	QTD	YTD	1 Year	2 Year*	3 Year*	5 Year*	Spot Rate
U.S. Dollar Spot (DXY)**	7.1	3.6	3.6	6.4	8.5	5.0	102.210
Canadian Dollar	-2.0	3.6	3.6	-7.1	-7.5	-5.4	1.341
Japanese Yen	-13.2	3.1	3.1	1.4	-3.4	-8.0	116.635
British Pound	-4.9	-16.2	-16.2	-11.0	-9.3	-4.5	0.809
Euro	-6.1	-2.9	-2.9	-6.6	-8.5	-4.1	0.948
Swiss Franc	-4.6	-1.5	-1.5	-1.1	-4.4	-1.7	1.016
Australian Dollar	-5.4	-0.5	-0.5	-5.9	-6.8	-6.7	1.381
Brazilian Real	-0.2	21.6	21.6	-9.6	-10.2	-10.5	3.255
Chinese Renminbi	-4.0	-6.6	-6.6	-5.5	-4.5	-2.0	6.950
GBP/Euro	1.4	-13.7	-13.7	-4.7	-0.9	-0.4	0.854
Yen/Euro	-7.5	6.2	6.2	8.6	5.6	-4.1	123.021

*Annualized Price Change

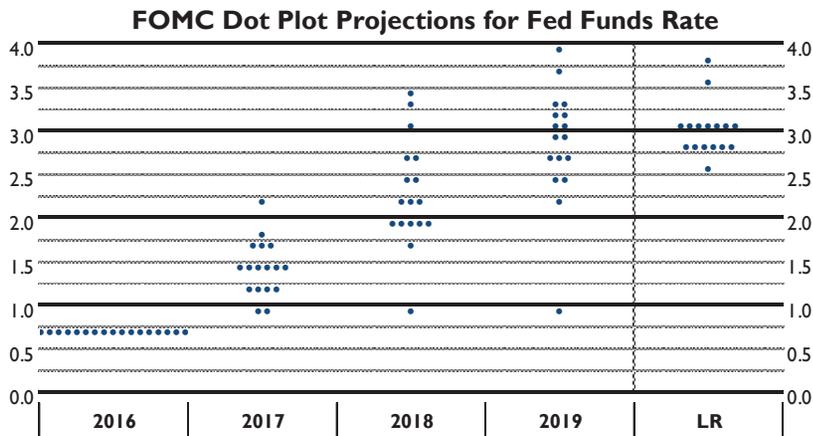
**Index measures value of USD relative to basket of foreign currencies.



The Trade-Weighted USD Index rose during the quarter as markets embraced the prospects for fiscal stimulus under the incoming Trump administration. In addition, the FOMC projected an additional rate hike in 2017, raising rate hikes expectations from two to three.



WTI rose 11.4% during the fourth quarter and ended 2016 in the low 50s. OPEC reached an agreement on production cuts, surprising markets and pushing crude prices higher.



Despite not making meaningful changes to economic growth and inflation projections, the dot plot released in December 2016 called for three rate hikes in 2017 compared to two in previous Summary of Economic Projection releases.



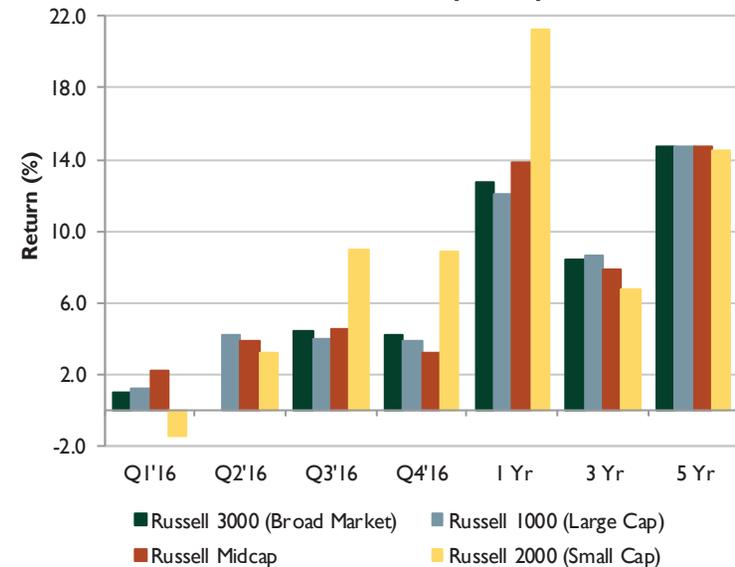
U.S. real GDP increased at an annual rate of 3.5% in the third quarter, much stronger than the first two quarters of the year. Estimates call for a slower pace in the fourth quarter and 2.3–2.5% increases in the first three quarters of 2017.

The Russell 3000 Index, a broad proxy for domestic equities, returned 4.2% during the fourth quarter. The Index posted gains for the fifth consecutive quarter and for the 17th time in the past 18 quarters. The benchmark fell 2.2% in October amid uncertainty heading into the U.S. election. Following the elections, the Index rallied sharply on optimism that Donald Trump's surprise victory would lift economic growth.

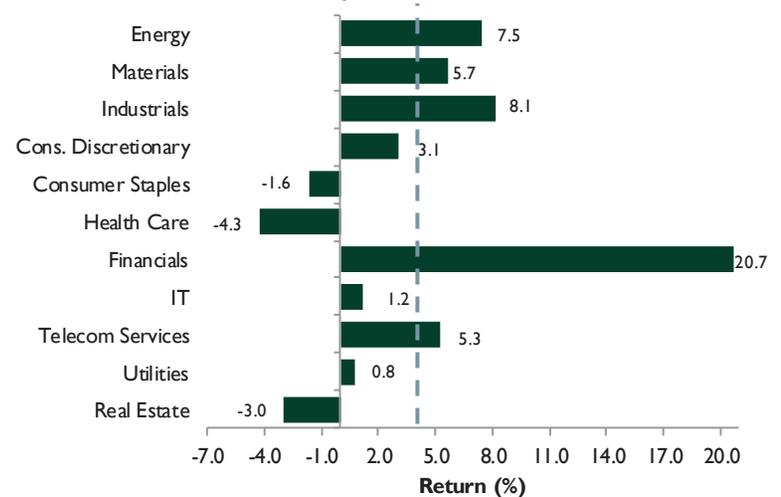
Eight of the 11 sectors in the Index posted positive performance during the quarter. Financials were by far the top performing sector, gaining 20.7% on expectations of a steepening yield curve, higher short-term rates, and regulatory relief from the new administration. Money center banks were notable winners, with Bank of America (+42%), JPMorgan Chase (+31%), Wells Fargo (+26%), and Citigroup (+26%) all posting sharp gains. Industrials (+8.1%) was the second best performing sector, rising in anticipation of an increase in infrastructure spending. They were followed by energy (+7.4%), which rallied on the news that OPEC agreed to reduce oil production. Health care (-4.3%) was the worst performing sector, selling off due to fears of policy reform. Real estate (-3.0%) and consumer staples (-1.6%)—defensive sectors that investors have used as bond proxies—also posted drawdowns.

Small cap stocks, which tend to be more domestically oriented and have higher betas, handily outperformed their mid and large counterparts. The Russell 2000 Index advanced 8.8% versus 3.2% for Russell Mid Cap and 3.8% for Russell 1000 Indexes. The Russell 3000 Value Index (+7.2%) beat the Russell 3000 Growth Index (+1.2%), primarily due to the higher weight of financials stocks in the value benchmark. The recent outperformance of value stocks also put value ahead of growth stocks over three- and five-year trailing periods.

U.S. Market Cap Comparison

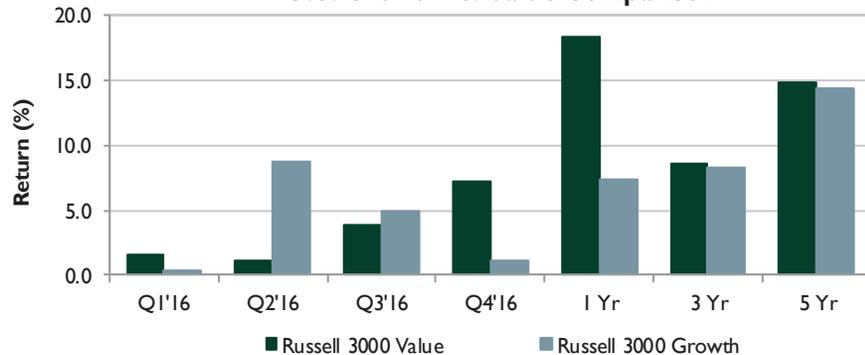


Q4'16 U.S. Sector Returns*



*Dotted line indicates total Russell 3000 Index return. Real Estate added as a sector September 1, 2016.

U.S. Growth vs. Value Comparison

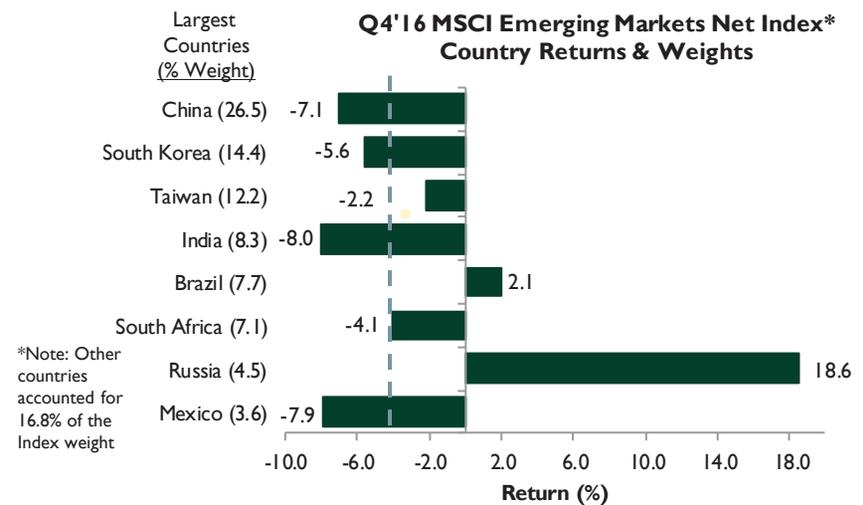
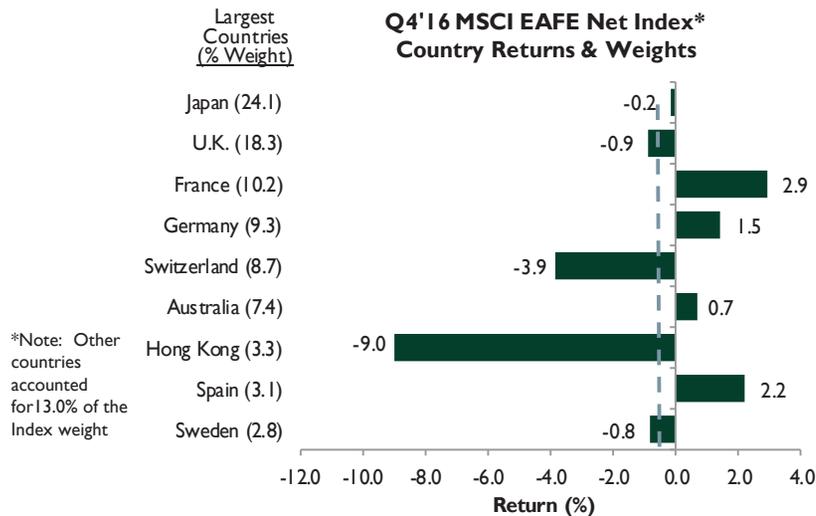


Developed foreign equities posted a strong fourth quarter return in local terms, rising 7.1%. However, over the period, USD strength relative to other major foreign currencies erased this gain for U.S.-based investors, as the MSCI EAFE Index declined 0.7% in USD terms. The Dollar Spot Index rose 7.1% during the quarter and reached a 14-year high near year-end.

- The Japanese equity market was down 0.2% in USD terms, which masked strong local market gains (+15.0%). The currency fell 13.2% with much of the weakness coming post-election. Globally diversified Japanese companies benefited from the weakness in the yen.
- Despite ongoing Brexit turmoil, the U.K. (-0.9% USD, +4.2% local) closed the year on a strong note. However, local gains were again offset by currency weakness as the pound fell 4.9% versus the USD.
- Within Europe, both Italy (+10.8% USD, +18.0% local) and Spain (+2.2% USD, +8.9% local) recovered in the quarter. Spain rallied after months of political uncertainty came to an end, while Italy's much maligned banking sector showed signs of improvement.

The 2016 emerging markets (EM) equities rally came to a halt following Trump's election victory. The MSCI EM Index entered the election up over 15% YTD. The Index fell nearly 7.0% in the week prior to the election as EM sentiment shifted sharply on concerns over the president-elect's campaign stance on trade policy and immigration, as well as the prospect of faster interest rate rises in the U.S. and USD strength. For the full quarter EM equities fell 4.2% in USD terms. A number of EM currencies faced headwinds post-election as well, which is reflected in the stronger return (-1.4%) in local terms.

- Mexico (-7.9% USD, -1.9% local) declined meaningfully after the election. Returns to U.S. investors were weighed down heavily by currency movements. The peso fell over 6% against the USD due to uncertainty regarding future trade relations with the U.S.
- India (-8.0% USD, -6.2% local) was also a notable laggard, though its issues were primarily domestically driven. Indian equities struggled following Prime Minister Narendra Modi's sudden and surprising decision to demonetize India's largest currency notes.
- Russia (+18.6% USD, +15.6% local) was one of the few countries that received a boost from the U.S. election outcome.



U.S. Treasury yields continued their upward trajectory and yields ended the year only modestly higher from where they began. The yield curve steepened amid growing potential for expanded fiscal policies and rising inflation expectations. The 10-year yield increased 85 bps to end the year at 2.45%, while the 2-year rose 43 bps. The spread between the 2- and 10-year yields widened 42 bps, to end the period at 1.25%. In total return terms, the U.S. Treasury market fell 3.8%; however, the return for the full year remained positive at 1.0%.

As was widely anticipated, the FOMC unanimously voted in December to increase the target fed funds rate from 25–50 bps to 50–75 bps. This marks the Fed’s second rate hike in a decade, following the hike in December 2015. The Fed’s statement following the December meeting cited increased confidence for U.S. growth, an improving labor market, and an uptick in the inflation rate. The Fed also signaled the fed funds rate would increase at a faster pace than previously communicated, calling for three additional rate hikes in 2017—an increase from past guidance.

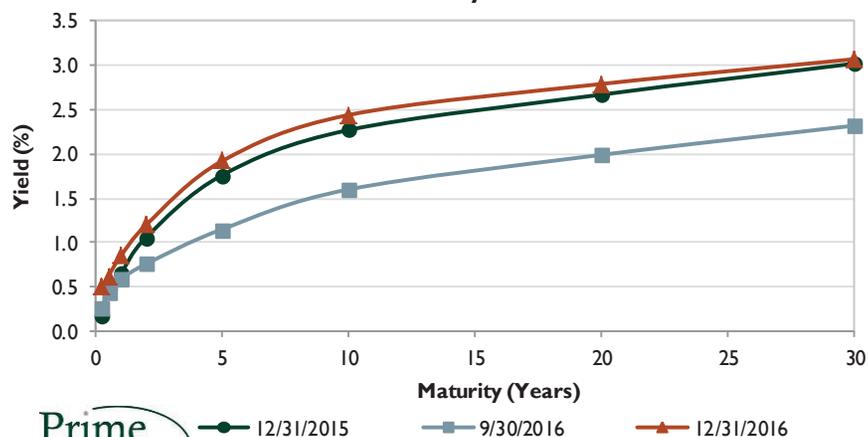
The Bloomberg Barclays Aggregate Index declined 3.0% in the quarter, resulting in a 2.7% gain for the year. The securitized sector (–2.0%) fared the best given the shorter duration of the sector. As rates rose and the curve steepened, longer-term securities underperformed their shorter-term counterparts. Lower-rated securities continued to outperform during the quarter, further widening the dispersion between BBB-rated and AAA-rated securities for the year.

U.S. corporates lost 2.8% during the quarter, but ended the year up 6.1%. Corporate option-adjusted spreads tightened 15 bps and ended the quarter at 123 bps. Financials (–1.9%) outperformed industrials (–3.1%) as higher yields boosted the sector. Lower-rated securities generally outperformed; BBB-rated issues were once again the top performers. Investment-grade corporate issuance remained strong at \$205.1 billion, according to SIFMA, and full year issuance came in at a record \$1.3 trillion.

Securitized bonds lost 2.0% for the quarter and gained 1.8% for the year. During the quarter, agency mortgage-backed securities (MBS) declined 2.0% and underperformed similar maturity U.S. Treasury securities as durations extended and the sector sold off. Commercial MBS fell 3.0% amid heavy issuance during the quarter. Despite solid credit fundamentals, auto and credit card asset-backed securities both posted modest losses, and the broad sector declined 0.7%.

High yield gained 1.8% in the quarter and 17.1% in 2016. Higher energy prices and expectations for fiscal stimulus following the November election boosted the energy sector (+5.8%). The election also helped propel pro-cyclical industries like metals and mining (+3.1%), construction (+3.0%), and aerospace/defense (+3.4%), while it hurt defensive industries such as utilities (–0.7%), health care (–1.1%), and pharmaceuticals (–6.6%). CCC-rated debt rose 4.7% during the quarter compared to 2.0% and 0.4% gains, respectively, in BB-rated and B-rated credits.

U.S. Treasury Yield Curve



OAS Comparison – Corporate vs. High Yield

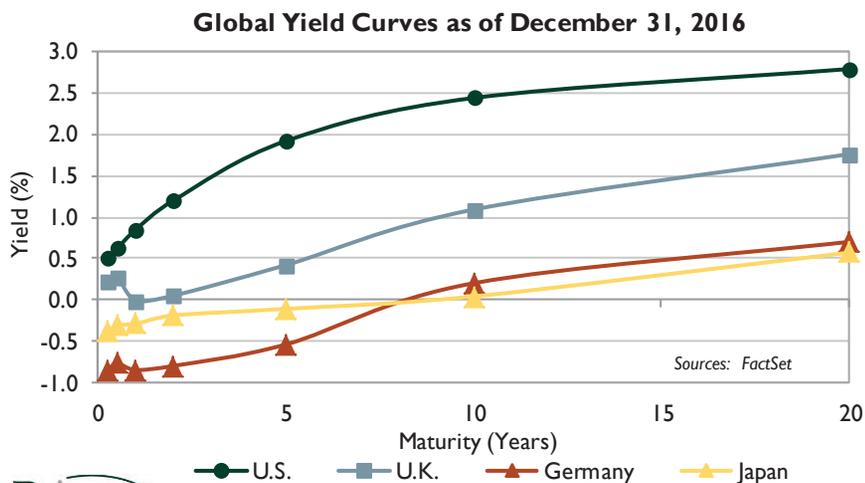


As previously noted, the Fed raised rates at its December meeting and the Summary of Economic Projections implied three rate hikes in 2017, rather than two. The ECB, BoJ, and BoE made no policy adjustments during the quarter. In an effort to support the peso, Mexico surprised markets with two 50 bps rate hikes. Similarly, Turkey sought to dampen inflation pressure and support the lira through a 50 bps hike. Of the 27 central bank meetings held during the fourth quarter, six resulted in rate hikes. However, 21 resulted in rate cuts, including Brazil, Argentina, Kazakhstan, and Kyrgyzstan.

During the quarter, the Dollar Spot Index rose 7.1% as all constituents fell against the USD: Japanese yen (-13.2%), euro (-6.1%), Swedish krona (-5.7%), British pound (-4.8%), Swiss franc (-4.6%), and Canadian dollar (-2.0%). Other developed market currencies that dropped included the Norwegian krone (-7.1%) and Australian dollar (-5.4%). Outside of the Russian ruble (+3.2%) and South African rand (+0.6%), EM was weak with declines in the Polish zloty (-8.3%), Mexican peso (-6.1%), Korean won (-8.8%), Malaysian ringgit (-7.8%), and Turkish lira (-14.7%). The Chinese yuan fell 4.0% against the dollar and 6.6% for the full year. A small number of currencies appreciated, including the Canadian dollar (+3.6%), Japanese yen (+3.1%), Brazilian real (+21.6%), Russian ruble (+19.6%), and South African rand (+13.3%).

In local terms, the Bloomberg Barclays Global Treasury ex-U.S. Index decreased 2.6%, driven lower by a 3.0% decline in the euro area and weakness in markets like the U.K. (-3.5%), Australia (-4.1%), and Mexico (-5.5%). The only country to report a positive local market return in the quarter was South Africa, which rose a modest 0.2%. In Japan, the USD had a profound impact on performance, and as a result, the Index fell 11.3% on an unhedged USD basis. Double-digit declines in Japan (-14.6%), South Korea (-12.1%), Mexico (-11.2%), and Malaysia (-10.2%) were significant contributors to negative returns. Other large markets such as the U.K. (-8.2%) and the euro area (-9.0%) were sources of weakness, but their currencies held up better than their peers on a relative basis.

The Bloomberg Barclays EM Local Currency GBI fell 2.1% in local terms, with gains in Brazil (+3.4%), Russia (+1.8%), and Colombia (+1.2%) being more than offset by drops in Mexico (-5.5%), South Korea (-3.6%), Turkey (-3.4%), and the Philippines (-6.2%). Currency had a significant impact in USD unhedged terms as the Index fell 7.5%. The biggest detractors were Turkey (-17.6%), South Korea (-12.1%), Mexico (-11.2%), Malaysia (-10.2%), and Poland (-10.0%). The only countries that produced positive USD returns were Brazil (+3.2%), Russia (+5.0%), and South Africa (+0.8%).



North American private equity raised \$35.7 billion across 104 funds during the third quarter, representing 61% of funds closed and 58% of total capital raised globally—a 41% decrease in the capital raised from the prior quarter. The third quarter saw \$171 billion invested across 662 private equity transactions. While volume dropped more than 26%, the aggregate transaction value represents a nearly 10% jump over the second quarter.

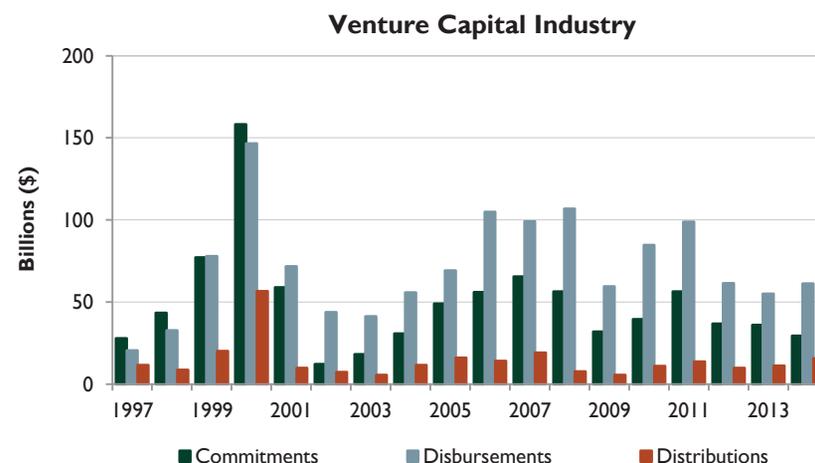
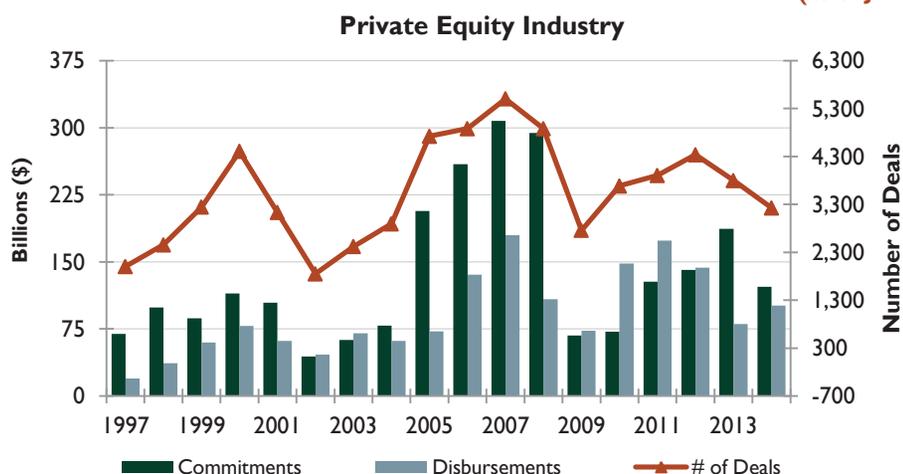
In a more competitive deal environment, private equity firms continued to look lower down the value spectrum to find opportunities, as multiples remain historically high. Despite the drop in deal count, transactions valued under \$100 million represented the largest proportion of completed deals since 2009. Year-to-date, an aggregate of 1,750 deals were closed with an enterprise value of under \$100 million, comprising more than 70% of all completed deals.

Given the slowdown in the number of companies ready to come to market, exits continued to move considerably lower in 2016. Year-to-date, \$229 billion was exited (747 transactions), representing a 42% decline in total exit value compared to 2015. In what has been a very slow year for IPOs, the number of exits via IPOs has dampened. As of September 30th, only 20 private equity-backed companies held an IPO, compared to 34 at the same point in 2015.

Through the third quarter, the median debt percentage on private equity and merger and acquisitions transactions was 48.4% of enterprise value. The trend in the market is to use more equity to complete deals. While low compared to enterprise value, median debt usage is at 5.4x EBITDA, which is down from 2013 to 2015, but remains relatively high on a historical basis.

Fifty-six U.S. venture capital funds raised \$9 billion during the third quarter, a 27% decrease in dollar commitments from the second quarter of 2016. Despite the quarterly decline in commitments, 2016 is on pace to be the largest amount raised since the dot-com era, with \$32.4 billion raised year-to-date. However, that sum of capital is concentrated in fewer financings, with annual deal flow set to decline by 22% relative to the height of 2015. Venture capital firms are holding companies longer and investing more capital in later rounds. The decline in U.S. venture capital-backed exit activity continued in the third quarter, which saw 162 completed exits with a total value of \$14.6 billion. This represented a decline of 2.3% in number of deals and a 12.4% decline in volume.

(as of June 30, 2016)



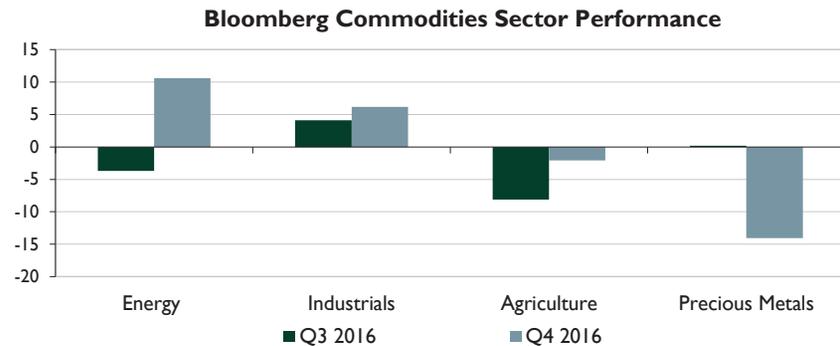
Global marketable real estate securities declined by 5.0% in the fourth quarter, but advanced 5.0% for the year. During the quarter, all three regions declined, with Europe (-8.9%) leading the retreat as investors reacted to an increase in interest rates in key EU economies. Currency also hurt USD returns from the region, as the euro (-16.2%) and pound (-2.9%) each declined versus the dollar. Asia retreated 7.4%, led by Singapore, where share prices fell on rising bond yields and weaker property fundamentals. Japanese REITs also declined as bond yields ticked up, making REITs less attractive to yield-focused investors. Lastly, North American REITs (-3.5%) fell on higher bond yields and expectations that the Fed would hike interest rates in December. The triple net lease (-12.9%) and health care (-10.8%) sectors declined the most, as they have long duration, bond-like cash flows that are sensitive to higher rates.

The Bloomberg Commodity Index gained 2.7% during the quarter, and finished the calendar year up 11.7%. Energy (+10.6%), industrial metals (+6.0%), and livestock (+20.1%) sectors all advanced during the quarter. Energy, which represents the largest weighting in the Index (38.8%), advanced on higher crude oil and natural gas prices. Crude prices were propelled higher as OPEC finalized its agreement to make production cuts of 1.2 million barrels per day. Natural gas prices rallied on colder temperatures and declining inventories. In contrast, precious metals (-14.1%) declined due to the stronger dollar, rising bond yields, and expectations for additional interest rate hikes in 2017. Agricultural softs also fell 11.3%, but still finished the year up 12.8%.

The NCREIF Property Index returned 1.8% during the third quarter, extending its streak of consecutive positive quarterly returns to 26. The Index is comprised of domestic cash-flowing, core-like assets owned by tax-exempt investors. All five property types posted positive returns, led by industrial (+2.9%), retail (+1.9%), and apartments (+1.7%). Core asset valuations continued to increase, particularly those located in primary markets. Significant investor demand for yield in the current low interest rate environment, combined with inexpensive debt capital, continued to push pricing to new highs. While fundamentals across the diverse U.S. real estate market remained strong, recent data indicates limited pockets of weakness in certain markets, including hotels in New York City and Chicago, and apartments in San Francisco.

U.S. TIPS fell 2.4%, but rose 4.7% for the year. The real yield curve steepened with a 20 bps rise in TIPS in the 1-5 year range, and a 40 bps rise in the next 5-10 years and those maturing in 10+ years. As a result, TIPS maturing in 10+ years fell 5.8%, while those in the 5-10 range declined 2.5% and 1-5 years dropped 0.3% in total return terms.

Inflation expectations increased with the 5-year breakeven inflation rate rising 37 bps to 1.8%, while the 10-year breakeven rate gained 34 bps to 1.9%. Due to widening breakeven levels, TIPS outperformed their nominal Treasury counterparts across the entire term structure during the quarter. In the 1-5 year and 5-10 year maturity ranges, TIPS returned -0.3% and -2.5%, respectively, compared to -1.2% and -2.5%, respectively, for Treasuries.



Hedge funds produced positive returns in the fourth quarter, capturing more than one-third of the broad equity markets return. The HFRI Fund Weighted Composite Index rose 1.3% relative to the 3.8% rise of the S&P 500. For the year, hedge funds captured almost 50% of the market upside (5.6% HFRI Fund Weighted vs. 12.0% S&P), which was more than recent years.

Long/short equity managers followed a similar return pattern, with the HFRI Equity Hedge Index rising 1.3% in the quarter and 5.5% for the year. The equity market rally in the fourth quarter post-election was led more by value-oriented defensive companies, while growth-oriented sectors were down. This was challenging for many long/short managers focused on growth-oriented companies. One area of consensus among long/short managers is that the change of the U.S. political administration created opportunities for companies that were sold down as others rallied. Managers believe the potential changes to tax and fiscal policy under a Trump presidency will benefit more domestically oriented businesses. This has led to a number of new long and short ideas and repositioning of portfolios.

Financials rallied sharply as the sector posted double-digit gains. Companies such as Citigroup (+26%), Bank of America (+41%), Goldman Sachs (+48%), and Citizens Financial (+44%) were notable winners. Telecom and materials were also did well. Martin Marietta Materials and MSCI Industrials Direct rose 24% and 26%, respectively. There was a sell-off in more growth-oriented sectors, particularly those with international exposure. Constellation Brands was a long-time driver of positive performance for many funds, but fell nearly 8% in the quarter. Amazon and Facebook also each shed approximately 10%. According to a report by Morgan Stanley Prime Brokerage Group, hedge funds saw reductions of both gross and net exposure at year-end, and this ticked up slightly in the first week of 2017.

Goldman Sachs Hedge Fund VIP Basket*

Top 5 Q4 2016 Performers

Company	Q4
Bank of America Corporation	41.7%
United Continental Holdings, Inc.	38.9%
JPMorgan Chase & Co.	30.3%
Citigroup Inc	26.2%
Delta Air Lines, Inc.	25.5%
S&P 500 Index	3.8%

Bottom 5 Q4 2016 Performers

Company	Q4
Alibaba Group Holding Ltd.	-17.0%
Amazon.com, Inc.	-10.4%
Facebook, Inc. Class A	-10.3%
Yahoo! Inc.	-10.3%
Kinder Morgan Inc Class P	-9.9%
S&P 500 Index	3.8%

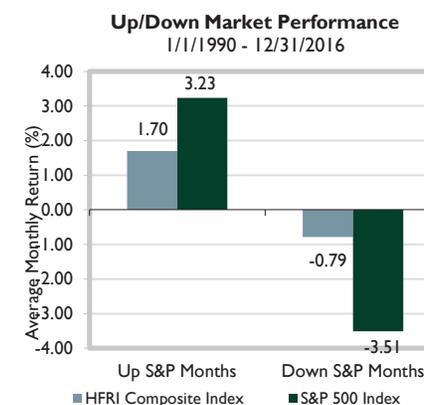
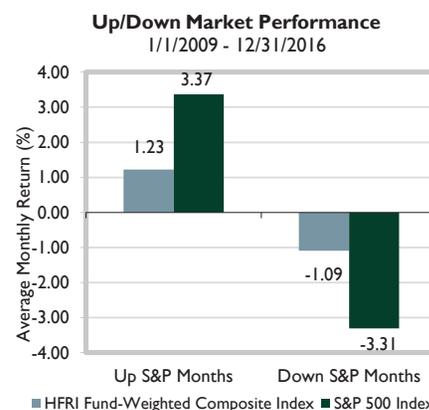
* 50 companies that "matter most" to hedge funds; positions that appear most frequently as top ten holdings of hedge funds with 10-200 total holdings. Performance based on price change.



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

Absolute return managers generally performed well in both the quarter and calendar year. The HFRI Event-Driven Index gained 3.2% in the quarter and 10.2% in the year. Distressed credit accounted for a significant portion of returns. The HFRI Event-Driven: Distressed/Restructuring Index advanced 4.9% and 14.3% over the quarter and year, respectively. Energy credit continued to provide a tailwind for distressed managers, as oil prices rose and many companies restructured their balance sheets in the second half of the year. Other notable distressed positions—such as Lehman Brothers, Caesars, and Icelandic banks—also experienced creditor-friendly events in the fourth quarter. Among the more notable contributors were equity positions in Fannie Mae and Freddie Mac. The government-sponsored entities appreciated following the election based on comments from economic advisors to Donald Trump about the government potentially cutting its involvement in the mortgage companies. A lack of new distressed opportunities led many hedge funds to limit inflows in order to prevent cash from building.

Merger-arbitrage remained a profit source, although manager allocations generally declined following the successful completion of large deals such as SAB Miller/AB InBev early in the quarter. St. Jude/Abbott and NXP Semiconductors/Qualcomm were widely held arbitrage positions, while most managers took a wait-and-see approach to the AT&T/Time Warner deal due to regulatory concerns. Macro manager results varied greatly during the quarter. Sharp moves in currencies and commodities were troubling for trend-following and systematic trading strategies. However, many discretionary traders profited from the volatility in rates and currencies.



Total Fund Review

Total Fund Highlights

- The surprise election of Donald Trump on November 8th made waves throughout the global financial markets, largely impacting fourth quarter investment results. The election results sparked a rally in U.S. stocks and the dollar along with spikes in U.S. interest rates and inflation expectations. As a result, emerging market equities suffered with the MSCI EM Index losing 4.2% in dollar terms, but still finished the year up 11.2%. Fixed income also retreated as the Bloomberg Barclays Aggregate Index fell 3.0% and the Citigroup World Government Bond Index dropped 8.5%. U.S. equities pushed higher with the Russell 3000 Index ending the quarter up 4.2%, led by an 8.8% gain in small cap stocks. Non-U.S. developed equities were able to recover most of the post-election losses with a strong December, but were down 0.7% for the quarter as measured by the MSCI EAFE. Hedge funds were largely positive for the quarter with the HFRI FOF: Composite Index gaining 1.1% and ending the year in positive territory. Real asset results were mixed during the quarter. Oil, natural resources, and commodities generated gains while yield oriented real assets including TIPS and real estate posted losses.
- The Town of Palm Beach Health Insurance Trust gained 1.3% during the quarter, leading the Target Index by 10 bps. The domestic equity segment added 4.8%, outpacing the 4.2% return of the Russell 3000 Index. International equities struggled as strong results by Dodge & Cox were offset by Artisan's underperformance. The segment lost 2.2% and trailed the 1.3% loss of the MSCI AC World ex USA Index. Flexible capital earned 1.6%, outperforming the 1.1% return of the HFRI FOF: Composite Index. Fixed income dropped 2.0% as yields rose and the yield curve flattened. The real asset segment gained 2.6%, bringing its return to 23.8% for the year.
- The portfolio finished the quarter valued at approximately \$26.9 million. Domestic equities ended the quarter just outside the upper policy range while the real asset segment was close to its lower end. Flexible capital was well below the lower end of its range due to year-end redemption of Archstone. This resulted in a corresponding overweight to liquid capital.

Recent Actions Taken	Upcoming Agenda Items
<p>Third Quarter 2016</p> <ul style="list-style-type: none"> • No significant activity occurred. <p>Second Quarter 2016</p> <ul style="list-style-type: none"> • A year-end full redemption was submitted for Archstone Absolute Return Strategies Fund. • Replaced JP Morgan Core Bond Select Fund with Vanguard Total Bond Market Index Fund. <p>First Quarter 2016</p> <ul style="list-style-type: none"> • No significant activity occurred. 	<ul style="list-style-type: none"> • 4Q16 Performance Review

Segment Performance

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

	1 Quarter Return	1 Year Return	2 Years Return	3 Years Return	5 Years Return	7 Years Return	Since Inception Return	Since Inception Standard Deviation	Since Inception Beta	Since Inception Actual Correlation	Inception Date
Total Fund	1.3	6.9	1.1	1.5	6.4	5.8	2.7	9.6	0.6	0.9	Jul-07
Target Index	1.2	7.6	2.0	2.1	5.9	5.7	3.0	9.2	0.6	0.9	Jul-07
Actual Index	1.6	7.5	2.3	2.6	6.4	6.1	3.3	8.7	0.5	0.9	Jul-07
Consumer Price Index	0.0	2.1	1.4	1.2	1.4	1.6	1.6	1.4	0.0	0.1	Jul-07
Domestic Equity	4.8	13.4	5.9	7.5	13.9	11.8	4.9	16.4	1.0	1.0	Jul-07
Russell 3000 Index	4.2	12.7	6.4	8.4	14.7	12.9	6.7	16.1	1.0	1.0	Jul-07
International Equity	-2.2	-0.4	-4.1	-2.8	7.3	4.6	0.6	19.7	1.2	0.9	Jul-07
MSCI AC World ex USA (Net)	-1.3	4.5	-0.7	-1.8	5.0	2.9	-0.2	19.5	1.1	0.9	Jul-07
MSCI EAFE (Net)	-0.7	1.0	0.1	-1.6	6.5	3.8	-0.3	18.9	1.1	0.9	Jul-07
Total Flexible Capital	1.6	0.9	-1.0	0.0	4.3	3.6	2.7	5.3	0.2	0.7	Jul-07
HFRI Fund of Funds Composite Index	1.1	0.7	0.2	1.3	3.5	2.4	0.6	5.4	0.3	0.7	Jul-07
Total Fixed Income	-2.0	1.7	1.2	1.8	1.8	2.6	2.9	5.2	0.2	0.6	Jul-07
Fixed Income Composite Index	-2.1	1.8	1.3	2.0	1.5	2.5	3.3	4.4	0.2	0.6	Jul-07
Total Real Assets	2.6	23.8	-1.6	-5.8	-3.4	0.4	-5.0	15.4	0.2	0.2	Jul-07
Real Assets Composite Index	3.1	18.5	-1.0	-4.3	-1.9	1.6	-0.5	12.3	0.2	0.3	Jul-07

Segment Performance

(% Rate of Return)

As of December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Fund	6.9	-4.5	2.4	16.7	11.5	-2.7	12.2	16.7	-27.3
Target Index	7.6	-3.3	2.4	14.1	9.4	-1.1	11.9	16.6	-24.2
Actual Index	7.5	-2.6	3.0	15.6	9.6	-1.4	12.1	14.7	-23.0
Consumer Price Index	2.1	0.7	0.8	1.5	1.7	3.0	1.5	2.7	0.1
Domestic Equity	13.4	-1.0	10.8	32.4	16.3	-2.9	17.3	25.2	-41.4
Russell 3000 Index	12.7	0.5	12.6	33.6	16.4	1.0	16.9	28.3	-37.3
International Equity	-0.4	-7.7	-0.3	25.9	23.5	-13.4	10.9	35.4	-43.5
MSCI AC World ex USA (Net)	4.5	-5.7	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5
MSCI EAFE (Net)	1.0	-0.8	-4.9	22.8	17.3	-12.1	7.8	31.8	-43.4
Total Flexible Capital	0.9	-2.9	2.0	13.0	9.1	-2.5	6.5	16.8	-16.6
HFRI Fund of Funds Composite Index	0.7	-0.3	3.4	9.0	4.8	-5.7	5.7	11.5	-21.4
Total Fixed Income	1.7	0.6	3.0	-1.2	4.9	3.0	6.8	20.0	-11.0
Fixed Income Composite Index	1.8	0.7	3.5	-1.1	2.5	2.7	7.1	16.8	-5.3
Total Real Assets	23.8	-21.7	-13.8	-2.5	3.0	1.4	20.6	-17.2	-28.4
Real Assets Composite Index	18.5	-17.4	-10.6	1.2	2.4	2.0	20.8	-3.3	-14.4

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of December 31, 2016

Market Value	% of Portfolio		QTR Ended Mar-16	QTR Ended Jun-16	QTR Ended Sep-16	QTR Ended Dec-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$26,872,758	100.0	Total Fund	0.0	1.9	3.6	1.3	6.9	6.9	1.1	1.5	6.4	5.8	2.7	Jul-07
		Target Index	0.7	2.4	3.1	1.2	7.6	7.6	2.0	2.1	5.9	5.7	3.0	Jul-07
		Actual Index	0.5	2.0	3.2	1.6	7.5	7.5	2.3	2.6	6.4	6.1	3.3	Jul-07
		60% MSCI AC World Index/ 40% Blbg BC Global Aggregate Index	2.6	1.8	3.5	-2.2	5.7	5.7	1.5	1.9	5.8	5.2	3.3	Jul-07
		55% Russell 3000 Index/ 15% MSCI EAFE Index/ 30% Blbg BC Global Aggregate Index	1.9	2.1	3.6	0.0	7.9	7.9	3.5	4.4	9.1	8.3	4.9	Jul-07
		Consumer Price Index	0.7	1.2	0.2	0.0	2.1	2.1	1.4	1.2	1.4	1.6	1.6	Jul-07
\$13,777,678	51.3	Global Equity	-0.5	0.9	5.5	2.3	8.3	8.3	2.2	3.6	11.4	9.1	3.3	Jul-07
\$9,108,296	33.9	Domestic Equity	1.4	2.0	4.6	4.8	13.4	13.4	5.9	7.5	13.9	11.8	4.9	Jul-07
		Russell 3000 Index	1.0	2.6	4.4	4.2	12.7	12.7	6.4	8.4	14.7	12.9	6.7	
\$6,433,219	23.9	Fidelity Total Market Index Fund Premium Class Wilshire 5000 Index	0.9 0.8	2.6 2.8	4.4 4.5	4.2 4.3	12.7 13.0	12.7 13.0	6.4 6.2	8.4 8.1	14.6 14.5	12.9 12.9	6.7 6.8	Jul-07
\$1,259,825	4.7	FPA Crescent Fund S&P 500 Index	-0.2 1.3	0.4 2.5	5.3 3.9	4.5 3.8	10.3 12.0	10.3 12.0	3.9 6.5	4.8 8.9	NA 14.7	NA 12.8	8.2 12.6	Apr-12
		60% Russell 2500 / 40% Blbg BC Global Credit HFRI Equity Hedge (Total) Index	2.1 -1.8	3.1 1.4	4.9 4.6	2.2 1.3	12.9 5.5	12.9 5.5	4.7 2.2	4.9 2.1	10.1 5.5	9.9 4.1	8.6 4.3	
\$1,415,252	5.3	FMI Common Stock Fund Russell 2500 Index	5.4 0.4	0.7 3.6	5.0 6.6	7.9 6.1	20.2 17.6	20.2 17.6	5.8 6.9	6.0 6.9	NA 14.5	NA 13.6	10.0 12.4	Apr-12
\$4,669,382	17.4	International Equity	-3.7	-1.2	7.0	-2.2	-0.4	-0.4	-4.1	-2.8	7.3	4.6	0.6	Jul-07
		MSCI AC World ex USA (Net)	-0.4	-0.6	6.9	-1.3	4.5	4.5	-0.7	-1.8	5.0	2.9	-0.2	
		MSCI EAFE (Net)	-3.0	-1.5	6.4	-0.7	1.0	1.0	0.1	-1.6	6.5	3.8	-0.3	
\$2,593,246	9.7	Dodge & Cox International Stock Fund MSCI AC World ex USA (Net)	-3.8 -0.4	-1.2 -0.6	10.1 6.9	3.4 -1.3	8.3 4.5	8.3 4.5	-2.0 -0.7	-1.3 -1.8	8.0 5.0	5.0 2.9	1.0 -0.2	Jul-07
\$2,076,136	7.7	Artisan International Institutional Fund MSCI EAFE (Net)	-3.6 -3.0	-1.2 -1.5	3.8 6.4	-8.4 -0.7	-9.4 1.0	-9.4 1.0	-6.6 0.1	-4.7 -1.6	6.4 6.5	NA 3.8	3.3 2.5	Jul-11

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of December 31, 2016

Market Value	% of Portfolio		QTR Ended Mar-16	QTR Ended Jun-16	QTR Ended Sep-16	QTR Ended Dec-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$2,097,829	7.8	Total Flexible Capital	-3.9	0.7	2.6	1.6	0.9	0.9	-1.0	0.0	4.3	3.6	2.7	Jul-07
		HFRI Fund of Funds Composite Index	-3.1	0.6	2.3	1.1	0.7	0.7	0.2	1.3	3.5	2.4	0.6	
\$2,097,829	7.8	Forester Offshore A2, Ltd.	-5.8	0.1	3.3	1.2	-1.5	-1.5	-0.6	1.5	5.7	4.4	4.0	Jul-07
		HFRI FOF: Strategic Index	-4.3	0.8	3.4	0.2	-0.1	-0.1	-0.3	0.8	3.7	2.4	0.4	
\$5,297,937	19.7	Total Fixed Income	2.1	1.5	0.1	-2.0	1.7	1.7	1.2	1.8	1.8	2.6	2.9	Jul-07
		Fixed Income Composite Index	2.3	1.5	0.1	-2.1	1.8	1.8	1.3	2.0	1.5	2.5	3.3	
\$2,950,948	11.0	Vanguard Total Bond Market Index Fund Adm	NA	NA	NA	-3.2	NA	NA	NA	NA	NA	NA	-3.2	Oct-16
		Bibg Barc U.S. Aggregate	3.0	2.2	0.5	-3.0	2.6	2.6	1.6	3.0	2.2	3.6	-3.0	
\$2,346,989	8.7	Vanguard Short Term US Treasury Admiral Fund	1.3	0.6	-0.1	-0.6	1.2	1.2	0.9	0.9	0.7	NA	0.7	Dec-11
		Bibg Barc U.S. Treasury: 1-5 Year	1.6	0.8	-0.2	-1.2	1.0	1.0	1.0	1.0	0.8	1.6	0.8	
\$2,884,951	10.7	Total Real Assets	5.9	10.3	3.4	2.6	23.8	23.8	-1.6	-5.8	-3.4	0.4	-5.0	Jul-07
		Real Assets Composite Index	3.9	8.9	1.6	3.1	18.5	18.5	-1.0	-4.3	-1.9	1.6	-0.5	
\$786,873	2.9	Vanguard Short-Term Inflation Protected Securities Adm. Fund	1.8	0.9	0.2	-0.2	2.7	2.7	1.3	NA	NA	NA	0.3	Mar-14
		Bloomberg Barclays U.S. Treasury: 0-5 Year TIPS	2.2	0.9	0.3	-0.3	3.1	3.1	1.4	0.6	0.5	1.5	0.4	
\$505,971	1.9	Nuveen Gresham Diversified Commodities Fund	-0.4	11.5	-4.1	4.1	10.9	10.9	-9.2	NA	NA	NA	-9.2	Jan-15
		Bloomberg Commodity Index	0.4	12.8	-3.9	2.7	11.7	11.7	-8.2	-11.3	-9.0	-6.3	-8.2	
\$1,592,107	5.9	Van Eck Global Hard Assets I Fund	11.3	15.8	7.7	3.5	43.7	43.7	-2.0	-8.1	NA	NA	-3.8	Apr-12
		S&P North American Natural Res Sector Index (TR)	6.3	12.5	4.2	5.0	30.9	30.9	-0.4	-3.7	1.3	2.9	0.4	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of December 31, 2016

Market Value	% of Portfolio		QTR Ended Mar-16	QTR Ended Jun-16	QTR Ended Sep-16	QTR Ended Dec-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$2,814,364	10.5	Total Liquid Capital	0.1	0.1	0.1	0.1	0.3	0.3	0.1	0.1	0.1	0.1	0.5	Jul-07
\$164,950	0.6	Government Stif 15	0.1	0.1	0.1	0.1	0.3	0.3	0.1	0.1	0.1	0.1	0.5	Jul-07
		Citigroup 3 Month T-Bill	0.1	0.1	0.1	0.1	0.3	0.3	0.1	0.1	0.1	0.1	0.5	
\$2,649,414	9.9	Cash in Transit												
\$139,443	0.5	Archstone Holdback												

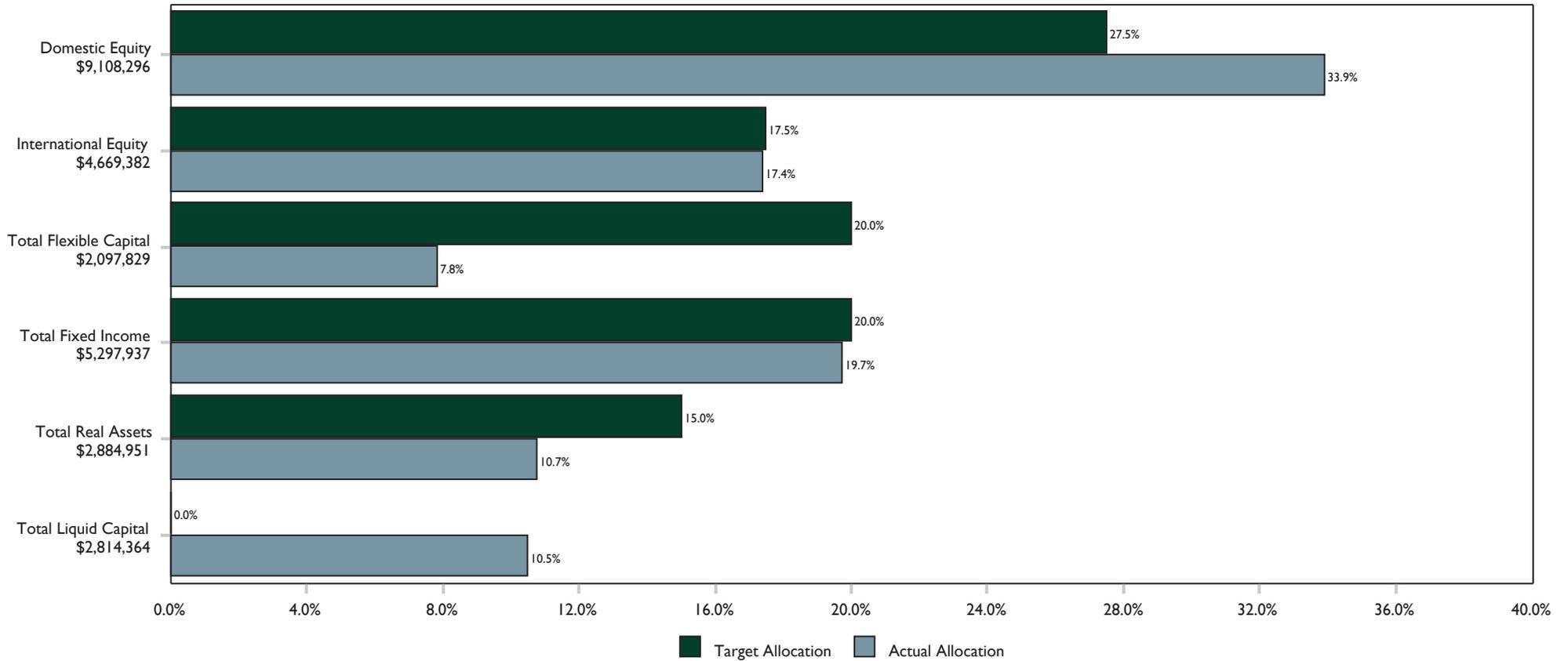
Please Note:

- Periods greater than one year are annualized
- Returns are net of investment management fees and gross of consulting fees unless otherwise stated
- Segment returns include performance of terminated managers unless otherwise stated
- Since inception returns are calculated from the first full month
- Actual Index calculated using manager allocations and index returns
- Performance and market values are subject to change based on statement availability from the investment manager/custodian
- Target Index (as of 9/01/2013): 27.5% Russell 3000 Index/ 17.5% MSCI ACWI ex USA/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Real Assets Composite Index
- Target Index (prior to 8/31/2011): 27.5% Russell 3000 Index/ 17.5% MSCI EAFE Net Index/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Real Assets Composite Index
- Target Index reflects the policy limitations regarding international constraints
- Real Assets Composite Index reflects manager allocations and index returns. Components have changed over time
- Fixed Income Composite Index (as of 12/01/2011): 50% Blbg BC U.S. Aggregate Index / 50% Blbg BC US Treasury: 1-5 Year Index
- Fixed Income Composite Index (prior to 11/30/2011): 50% Blbg BC 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
- Archstone Holdback is not included in total fund market value or performance; proceeds expected in June 2017
- Cash in Transit: Market value reflects proceeds from full liquidation of Archstone

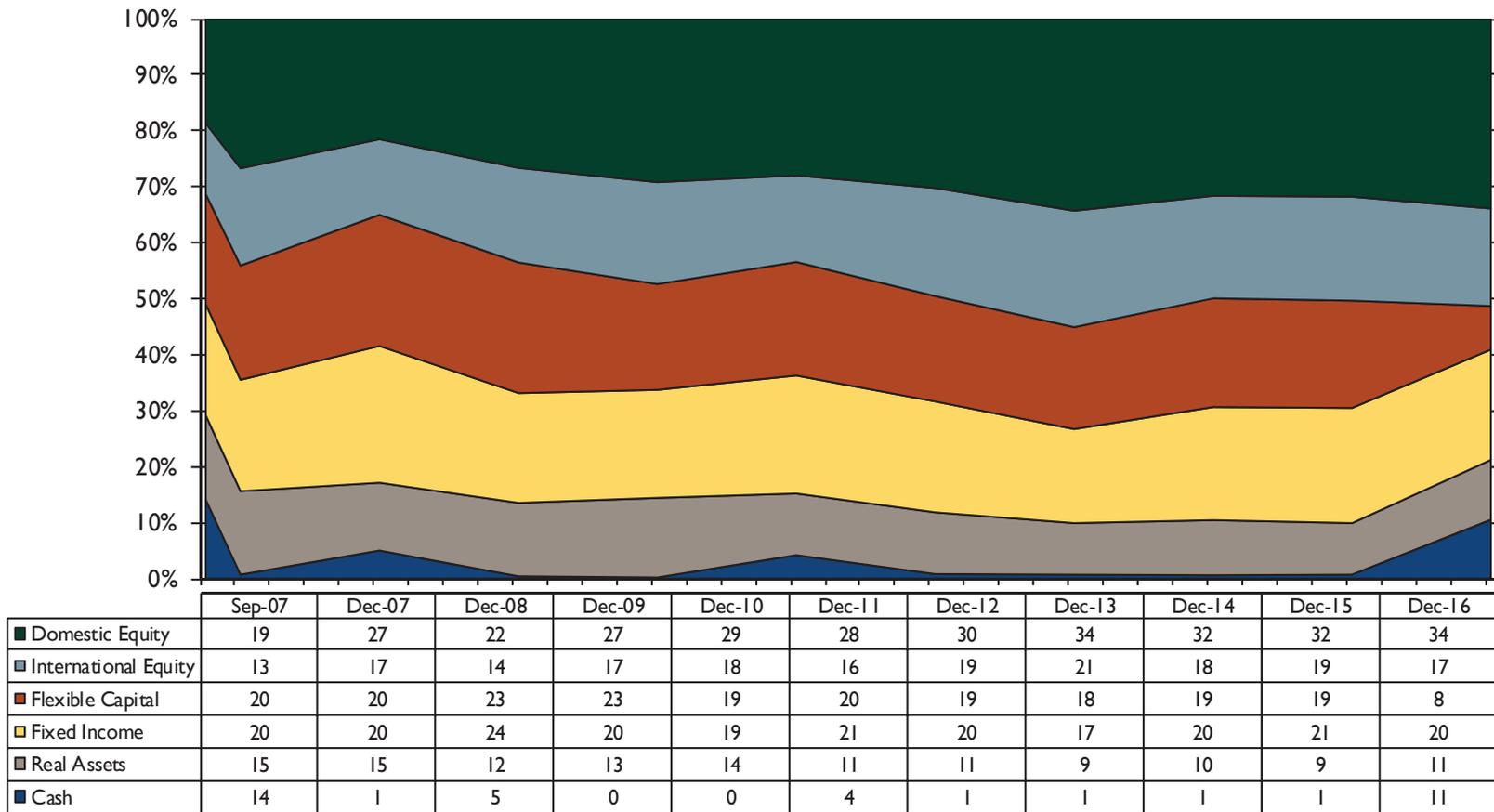
Asset Allocation - Current

As of December 31, 2016

	Asset Allocation (%)	Lower (%)	Target (%)	Upper (%)	Difference (%)
Total Fund	100.0	-	100.0	-	0.0
Domestic Equity	33.9	22.5	27.5	32.5	6.4
International Equity	17.4	15.0	17.5	20.0	-0.1
Total Flexible Capital	7.8	15.0	20.0	25.0	-12.2
Total Fixed Income	19.7	15.0	20.0	25.0	-0.3
Total Real Assets	10.7	10.0	15.0	20.0	-4.3
Total Liquid Capital	10.5	0.0	0.0	1.0	10.5



Asset Allocation – Historical



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

Asset Allocation - Performance Comparison

As of December 31, 2016

Total Fund Performance

	1 Quarter Return	1 Year Return	2 Years Return	3 Years Return	5 Years Return	Since Inception Return	1 Year Standard Deviation	2 Years Standard Deviation	3 Years Standard Deviation	5 Years Standard Deviation	Since Inception Standard Deviation	Inception Date
Total Fund	1.3	6.9	1.1	1.5	6.4	2.7	6.6	7.4	6.9	7.0	9.6	Jul-07
Target Index	1.2	7.6	2.0	2.1	5.9	3.0	6.5	7.3	6.8	6.8	9.2	
Actual Index	1.6	7.5	2.3	2.6	6.4	3.3	6.5	7.3	6.8	6.9	8.7	
Domestic Index	2.1	9.8	5.1	6.9	10.9	6.3	7.3	8.2	7.6	7.3	11.3	
Global Index	-1.3	6.3	1.8	2.3	6.7	3.2	8.2	8.9	8.2	8.5	13.0	
Consumer Price Index	0.0	2.1	1.4	1.2	1.4	1.6	0.7	1.0	1.1	1.1	1.4	

Inflation Adjusted Nominal Portfolio Statistics

Statistical Output (%)	Target Index	Actual Index	Domestic Index	Global Index
Expected Return (Arithmetic)	7.3	7.3	7.2	7.3
Expected Standard Deviation	11.3	11.5	12.6	13.0
Expected Return (Geometric)	6.7	6.6	6.4	6.5
Sharpe Ratio	0.4	0.4	0.4	0.4
Historical Return (Arithmetic)	8.8	8.6	9.2	8.0
Historical Standard Deviation	10.7	10.9	11.7	12.3
Historical Return (Geometric)	8.2	8.1	8.5	7.3
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	68.7	67.7	64.2	64.5

Historical Stress Test

	Deflation: Fall '08 to S&P Trough Sep-08 to Mar-09	Corporate Scandals May-02 to Jul-02	Tech Bubble Collapse Mar-00 to Mar-01	Russian Debt/LTCM Collapse Jul-98 to Oct-98	Rising Rates Jan-94 to Dec-94	Shock Inflation Jan-73 to Dec-73	High Inflation Jan-73 to Dec-81
Target Index	-27.3%	-12.2%	-7.7%	-9.2%	+1.5%	-1.9%	+5.7%
Actual Index	-27.6%	-13.2%	-9.7%	-9.8%	+1.4%	-1.9%	+5.5%
Domestic Index	-32.5%	-16.9%	-11.9%	-11.3%	-0.8%	-9.6%	+5.5%
Global Index	-32.0%	-13.4%	-14.2%	-11.5%	-0.1%	-8.8%	+5.0%

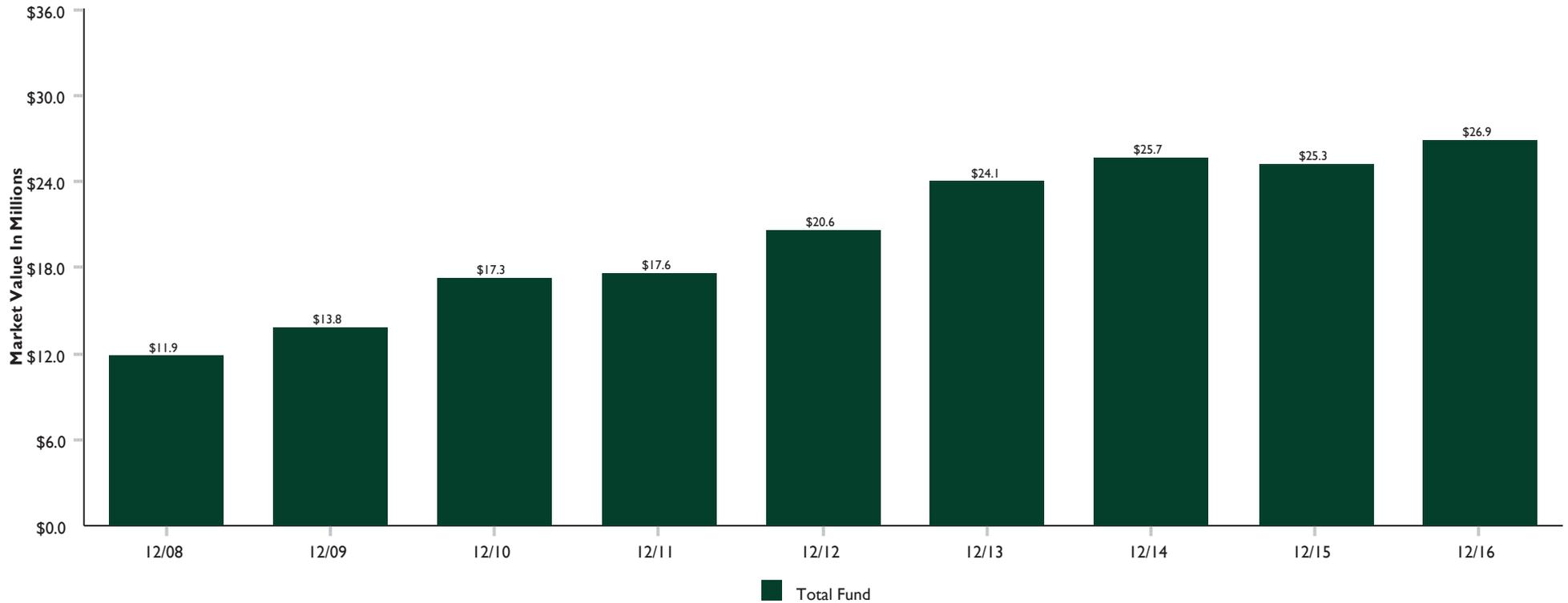
Notes: - Domestic Index: 70% Russell 3000 Index/30% Barclays Aggregate Index; Global Index: 70% MSCI AC World Index/30% Barclays Global Aggregate Index
 - Expected return/risk using 10-15 year Prime Buchholz capital market assumptions
 - Historical data based on index returns from 1/1/1988 through 6/30/2014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

Schedule of Investable Assets

Total Fund

January 1, 2008 To December 31, 2016

Periods Ending	Beginning Market Value	Net Cash Flow	Investment Performance	Ending Market Value
2008	\$16,305,625	\$8,989	-\$4,447,739	\$11,866,875
2009	\$11,866,875	0	\$1,976,750	\$13,843,625
2010	\$13,843,625	\$1,506,198	\$1,904,937	\$17,254,761
2011	\$17,254,761	\$792,031	-\$489,399	\$17,557,392
2012	\$17,557,392	\$999,098	\$2,078,366	\$20,634,856
2013	\$20,634,856	0	\$3,450,029	\$24,084,884
2014	\$24,084,884	\$1,000,000	\$595,975	\$25,680,859
2015	\$25,680,859	\$750,000	-\$1,166,999	\$25,263,860
2016	\$25,263,860	-\$139,443	\$1,748,341	\$26,872,758
	\$16,305,625	\$4,916,872	\$5,650,261	\$26,872,758



Liquidity Schedule

As of December 31, 2016

Redemption Terms						
Daily			\$22,125,515			91.3
Semi Liquid			\$2,097,829			8.7
Total			\$24,223,344			100.0
Investments	Inception	Subscriptions	Market Value	Daily	Semi Liquid	Notes
Global Equity						
Fidelity Total Market Index Fund Premium Class	Jun-07	Daily	\$6,433,219	\$6,433,219		
FPA Crescent Fund	Mar-12	Daily	\$1,259,825	\$1,259,825		
FMI Common Stock Fund	Mar-12	Daily	\$1,415,252	\$1,415,252		
Dodge & Cox International Stock Fund	Jun-07	Daily	\$2,593,246	\$2,593,246		
Artisan International Institutional Fund	Jun-11	Daily	\$2,076,136	\$2,076,136		
Flexible Capital						
Total Flexible Capital	Jul-07	Various	\$2,097,829		\$2,097,829	See additional report
Fixed Income						
Vanguard Total Bond Market Index Fund Adm	Sep-16	Daily	\$2,950,948	\$2,950,948		
Vanguard Short Term US Treasury Admiral Fund	Nov-11	Daily	\$2,346,989	\$2,346,989		
Real Assets						
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Feb-14	Daily	\$786,873	\$786,873		
Nuveen Gresham Diversified Commodities Fund	Dec-14	Daily	\$505,971	\$505,971		
Van Eck Global Hard Assets I Fund	Mar-12	Daily	\$1,592,107	\$1,592,107		
Liquid Capital						
Government Stif I5	Jun-07	Daily	\$164,950	\$164,950		
Total (\$)			\$24,223,344	\$22,125,515	\$2,097,829	
Total (%)			100.0	91.3	8.7	

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	\$2,097,829	Annual	60 days	05/01/17	06/30/17	Two years - expired	Reds: available annually on anniversary

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); Willkie Farr & Gallagher LLP (US)	BNY Mellon	SS&C Technologies, Inc.	High
Artisan International Instl Fd	Pooled	9/30/2016	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 Total Market Index Fund Premium Class	Pooled	2/29/2016	PricewaterhouseCoopers LLP	Fidelity Legal Department	BNY Mellon	Fidelity Management & Research Company	High
FMI Common Stock Fund	Pooled	9/30/2016	PricewaterhouseCoopers LLP	Foley & Lardner LLP	U.S. Bank, N.A.	U.S. Bancorp Fund Services, LLC	High
Forester Offshore A2, Ltd.	Pooled	6/30/2016	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	Dechert LLP	State Street Bank & Trust Company	State Street Bank & Trust Company	High
Nuveen Gresham Diversified Commodities Fund	Pooled	9/30/2016	PricewaterhouseCoopers LLP	Chapman & Cutler LLP	State Street Bank & Trust Company	Brown Brothers Harriman	High
Vanguard Total Bond Market Index Fund Adm	Pooled	12/31/2015	PricewaterhouseCoopers LLP	Internal Legal Department	JPMorgan Chase & Co.	The Vanguard Group	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	1/31/2016	PricewaterhouseCoopers LLP	Internal Legal Department	BNY Mellon	The Vanguard Group	High
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Pooled	9/30/2016	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 December 31, 2016

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
Fidelity Total Market Index Fund Premium Class	0.05% of NAV	\$6,433,219	\$3,217	0.05%
FPA Crescent Fund	1.09% of NAV	\$1,259,825	\$13,732	1.09%
FMI Common Stock Fund	1.07% of NAV	\$1,415,252	\$15,143	1.07%
Dodge & Cox International Stock Fund	0.64% of NAV	\$2,593,246	\$16,597	0.64%
Artisan International Institutional Fund	0.95% of NAV	\$2,076,136	\$19,723	0.95%
Forester Offshore A2, Ltd.	0.95% on assets managed *	\$2,097,829	\$19,929	0.95%
	Underlying Mgrs (Wtd Avg) Est. Mgmt 1.50%		\$31,467	1.50%
	<i>Total Fee</i>		\$51,397	2.45%
Vanguard Total Bond Market Index Fund Adm	0.06% of NAV	\$2,950,948	\$1,771	0.06%
Vanguard Short Term US Treasury Admiral Fund	0.10% of NAV	\$2,346,989	\$2,347	0.10%
Vanguard Short-Term Inflation Protected Securities Adm Fund	0.07% of NAV	\$786,873	\$551	0.07%
Nuveen Gresham Diversified Commodities Fund	1.06% of NAV	\$505,971	\$5,363	1.06%
Van Eck Global Hard Assets I Fund	1.00% of NAV	\$1,592,107	\$15,921	1.00%
Total Liquid Capital	--	\$2,814,364	--	--
Total Investment Management Fees		\$26,872,758	\$145,762	0.54%

Fee Schedule

As of December 31, 2016

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
State Street Bank & Trust Co.				
-Custody Fees	0.015% on assets custodied	\$26,872,758	\$4,031	0.015%
-Accounting Fees				
Separate Domestic Equity Accounts	\$4,000 each (0)		--	
Separate Fixed Income Accounts	\$2,500 each (0)		--	
Multiple Line Item Portfolios	\$1,500 each (1)		\$1,500	
Commingled/Mutual Funds	\$500 each (13)		\$6,500	
Estimated Total SSB&T Fee:		\$26,872,758	\$12,031	0.04%
PBA Fees				
	0.25% on first \$20 million	\$26,872,758	\$60,000	0.22%
	0.10% on next \$50 million			
	0.05% over \$70 million			
	\$60,000 minimum			
Total Fees		\$26,872,758	\$217,792	0.81%

Please Note:

- * Underlying manager management fees are estimated and do not include incentive fees. Actual fees may vary from projected amounts shown above.
- Estimated State Street Bank & Trust Co. custody fee does not include trading/transaction fees.
- Fee Schedule does not include Cash in Transit and Archstone Holdback.

Peer Performance Comparison

As of December 31, 2016

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Actual Correlation	7 Years Return	10 Years Return	2016 Return
Fidelity Total Market Index Fund Premium Class	12.7 (27)	8.4 (12)	14.6 (19)	9.2	1.0	12.9 (13)	7.2 (21)	12.7 (27)
Wilshire 5000 Total Market Index	13.0 (22)	8.1 (16)	14.5 (22)	9.2	1.0	12.9 (15)	7.2 (20)	13.0 (22)
<i>IM U.S. Multi-Cap Core Equity (MF) Median</i>	<i>9.7</i>	<i>6.5</i>	<i>13.4</i>	<i>10.0</i>	<i>0.9</i>	<i>11.3</i>	<i>6.1</i>	<i>9.7</i>
FPA Crescent Fund	10.3 (17)	4.8 (16)	9.2 (11)	6.2	0.9	8.7 (12)	6.9 (2)	10.3 (17)
S&P 500 Index	12.0 (12)	8.9 (1)	14.7 (1)	8.9	1.0	12.8 (1)	6.9 (1)	12.0 (12)
60% Russell 2500 / 40% Blbg BC Global Credit	12.9 (11)	4.9 (15)	10.1 (5)	7.5	0.8	9.9 (4)	6.7 (3)	12.9 (11)
HFRI Equity Hedge (Total) Index	5.5 (60)	2.1 (52)	5.5 (62)	6.2	0.8	4.1 (89)	2.9 (78)	5.5 (60)
<i>IM Flexible Portfolio (MF) Median</i>	<i>6.2</i>	<i>2.1</i>	<i>6.1</i>	<i>6.7</i>	<i>0.8</i>	<i>6.0</i>	<i>4.2</i>	<i>6.2</i>
FMI Common Stock Fund	20.2 (13)	6.0 (58)	11.6 (87)	10.2	0.9	12.0 (47)	8.7 (11)	20.2 (13)
Russell 2500 Index	17.6 (26)	6.9 (40)	14.5 (21)	11.2	1.0	13.6 (10)	7.7 (23)	17.6 (26)
<i>IM U.S. Mid Cap Core Equity (MF) Median</i>	<i>14.5</i>	<i>6.3</i>	<i>13.1</i>	<i>10.5</i>	<i>0.9</i>	<i>12.0</i>	<i>6.7</i>	<i>14.5</i>
Dodge & Cox International Stock Fund	8.3 (1)	-1.3 (19)	8.0 (5)	13.6	0.9	5.0 (5)	2.1 (9)	8.3 (1)
MSCI AC World ex USA (Net)	4.5 (16)	-1.8 (28)	5.0 (53)	11.6	1.0	2.9 (37)	1.0 (22)	4.5 (16)
<i>IM International Large Cap Core Equity (MF) Median</i>	<i>1.4</i>	<i>-2.9</i>	<i>5.1</i>	<i>11.4</i>	<i>1.0</i>	<i>2.6</i>	<i>0.3</i>	<i>1.4</i>
Artisan International Institutional Fund	-9.4 (99)	-4.7 (95)	6.4 (25)	13.2	0.9	4.8 (10)	2.2 (19)	-9.4 (99)
MSCI EAFE (Net)	1.0 (42)	-1.6 (35)	6.5 (22)	11.5	1.0	3.8 (32)	0.7 (51)	1.0 (42)
<i>IM International Large Cap Equity (MF) Median</i>	<i>0.4</i>	<i>-2.4</i>	<i>5.5</i>	<i>11.5</i>	<i>1.0</i>	<i>3.1</i>	<i>0.8</i>	<i>0.4</i>
Vanguard Total Bond Market Index Fund Adm	2.6 (62)	2.9 (39)	2.1 (64)	3.2	1.0	3.5 (60)	4.3 (40)	2.6 (62)
Blbg Barc U.S. Aggregate	2.6 (60)	3.0 (30)	2.2 (59)	3.1	1.0	3.6 (56)	4.3 (38)	2.6 (60)
<i>IM U.S. Broad Market Core Fixed Income (MF) Median</i>	<i>2.8</i>	<i>2.8</i>	<i>2.4</i>	<i>3.2</i>	<i>1.0</i>	<i>3.7</i>	<i>4.1</i>	<i>2.8</i>

Peer Performance Comparison

As of December 31, 2016

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Actual Correlation	7 Years Return	10 Years Return	2016 Return
Nuveen Gresham Diversified Commodities Fund	10.9 (72)	-12.0 (61)	NA	NA	NA	NA	NA	10.9 (72)
Bloomberg Commodity Index	11.7 (60)	-11.3 (41)	-9.0 (53)	14.6	1.0	-6.3 (44)	-5.6 (57)	11.7 (60)
<i>IM Commodities General (MF) Median</i>	<i>12.2</i>	<i>-11.6</i>	<i>-8.9</i>	<i>14.8</i>	<i>1.0</i>	<i>-6.9</i>	<i>-4.6</i>	<i>12.2</i>
Van Eck Global Hard Assets I Fund	43.7 (7)	-8.1 (58)	-2.3 (50)	22.4	1.0	-0.6 (31)	1.6 (14)	43.7 (7)
S&P North American Natural Res Sector Index (TR)	30.9 (29)	-3.7 (23)	1.3 (22)	17.6	1.0	2.9 (10)	2.6 (3)	30.9 (29)
<i>IM Global Natural Resources (MF) Median</i>	<i>24.7</i>	<i>-7.0</i>	<i>-2.3</i>	<i>17.9</i>	<i>0.9</i>	<i>-2.0</i>	<i>-0.6</i>	<i>24.7</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.

Peer Performance Comparison

As of December 31, 2016

	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return	2008 Return	2007 Return	2006 Return	2005 Return	2004 Return	2003 Return	2002 Return	2001 Return
Fidelity Total Market Index Fund Premium Class	0.5 (26)	12.5 (33)	33.4 (53)	16.4 (34)	1.0 (22)	17.4 (28)	28.4 (61)	-37.2 (33)	5.6 (56)	15.8 (25)	NA	NA	NA	NA	NA
Wilshire 5000 Total Market Index	-0.2 (38)	12.1 (36)	34.0 (48)	16.1 (39)	0.6 (26)	18.1 (25)	29.4 (55)	-37.3 (35)	5.7 (54)	15.9 (24)	6.3 (55)	12.6 (36)	31.6 (32)	-20.9 (46)	-11.0 (50)
<i>IM U.S. Multi-Cap Core Equity (MF) Median</i>	<i>-1.3</i>	<i>10.9</i>	<i>33.6</i>	<i>15.4</i>	<i>-1.4</i>	<i>14.7</i>	<i>30.0</i>	<i>-39.1</i>	<i>6.1</i>	<i>13.6</i>	<i>6.6</i>	<i>11.4</i>	<i>29.1</i>	<i>-21.4</i>	<i>-11.1</i>
FPA Crescent Fund	-2.1 (33)	6.6 (22)	21.9 (12)	10.3 (61)	3.0 (18)	12.0 (52)	28.4 (46)	-20.6 (15)	6.8 (48)	12.4 (43)	10.8 (10)	10.2 (38)	26.1 (42)	3.7 (14)	36.1 (1)
S&P 500 Index	1.4 (10)	13.7 (3)	32.4 (4)	16.0 (13)	2.1 (23)	15.1 (22)	26.5 (50)	-37.0 (87)	5.5 (56)	15.8 (17)	4.9 (50)	10.9 (35)	28.7 (23)	-22.1 (94)	-11.9 (83)
60% Russell 2500 / 40% Blbg BC Global Credit	-2.9 (41)	5.3 (31)	21.4 (13)	15.6 (16)	0.5 (33)	18.9 (5)	29.6 (41)	-26.5 (41)	3.6 (72)	13.1 (38)	4.2 (59)	15.0 (8)	33.6 (13)	-5.9 (30)	2.7 (19)
HFRI Equity Hedge (Total) Index	-1.0 (22)	1.8 (70)	14.3 (38)	7.4 (82)	-8.4 (92)	10.5 (73)	24.6 (56)	-26.7 (42)	10.5 (19)	11.7 (51)	10.6 (10)	7.7 (75)	20.5 (68)	-4.7 (27)	0.4 (34)
<i>IM Flexible Portfolio (MF) Median</i>	<i>-3.6</i>	<i>3.5</i>	<i>11.0</i>	<i>11.4</i>	<i>-1.5</i>	<i>12.1</i>	<i>25.6</i>	<i>-28.7</i>	<i>6.6</i>	<i>11.9</i>	<i>4.8</i>	<i>9.2</i>	<i>24.5</i>	<i>-11.0</i>	<i>-5.0</i>
FMI Common Stock Fund	-6.8 (78)	6.5 (74)	32.0 (75)	10.2 (88)	4.5 (3)	22.2 (59)	33.9 (45)	-20.4 (1)	-2.0 (85)	17.1 (15)	9.5 (54)	18.8 (28)	24.1 (99)	-5.7 (3)	18.6 (6)
Russell 2500 Index	-2.9 (41)	7.1 (70)	36.8 (28)	17.9 (20)	-2.5 (42)	26.7 (11)	34.4 (40)	-36.8 (34)	1.4 (72)	16.2 (20)	8.1 (65)	18.3 (32)	45.5 (9)	-17.8 (58)	1.2 (35)
<i>IM U.S. Mid Cap Core Equity (MF) Median</i>	<i>-3.6</i>	<i>9.0</i>	<i>34.5</i>	<i>15.8</i>	<i>-3.1</i>	<i>23.0</i>	<i>33.2</i>	<i>-38.8</i>	<i>5.1</i>	<i>13.4</i>	<i>9.9</i>	<i>16.1</i>	<i>34.3</i>	<i>-15.9</i>	<i>-2.5</i>
Dodge & Cox International Stock Fund	-11.4 (91)	0.1 (7)	26.3 (3)	21.0 (12)	-16.0 (85)	13.7 (5)	47.5 (2)	-46.7 (83)	11.7 (50)	28.0 (17)	16.7 (13)	32.5 (1)	49.4 (1)	-13.1 (22)	NA
MSCI AC World ex USA (Net)	-5.7 (85)	-3.9 (19)	15.3 (73)	16.8 (52)	-13.7 (60)	11.2 (15)	41.4 (11)	-45.5 (72)	16.7 (16)	26.7 (28)	16.6 (15)	20.9 (11)	40.8 (8)	-14.9 (35)	-19.7 (40)
<i>IM International Large Cap Core Equity (MF) Median</i>	<i>-2.4</i>	<i>-6.1</i>	<i>19.4</i>	<i>17.0</i>	<i>-13.2</i>	<i>7.6</i>	<i>30.1</i>	<i>-42.7</i>	<i>11.6</i>	<i>25.0</i>	<i>13.7</i>	<i>17.3</i>	<i>32.0</i>	<i>-16.7</i>	<i>-22.2</i>
Artisan International Institutional Fund	-3.6 (82)	-0.7 (10)	25.5 (2)	25.6 (3)	-4.1 (4)	6.2 (72)	40.0 (12)	-46.8 (77)	20.0 (9)	25.9 (36)	16.5 (28)	18.0 (46)	29.4 (76)	-18.7 (71)	-15.7 (17)
MSCI EAFE (Net)	-0.8 (36)	-4.9 (35)	22.8 (12)	17.3 (55)	-12.1 (37)	7.8 (56)	31.8 (41)	-43.4 (53)	11.2 (60)	26.3 (30)	13.5 (56)	20.2 (23)	38.6 (16)	-15.9 (40)	-21.4 (49)
<i>IM International Large Cap Equity (MF) Median</i>	<i>-1.7</i>	<i>-5.7</i>	<i>19.4</i>	<i>17.8</i>	<i>-13.3</i>	<i>8.3</i>	<i>30.4</i>	<i>-43.0</i>	<i>12.2</i>	<i>24.7</i>	<i>13.9</i>	<i>17.5</i>	<i>32.4</i>	<i>-17.2</i>	<i>-21.5</i>
Vanguard Total Bond Market Index Fund Adm	0.4 (28)	5.9 (31)	-2.1 (57)	4.2 (81)	7.7 (14)	6.5 (69)	6.0 (89)	5.1 (12)	7.0 (8)	4.4 (27)	2.5 (12)	4.3 (30)	4.0 (57)	8.3 (59)	NA
Blbg Barc U.S. Aggregate	0.5 (18)	6.0 (26)	-2.0 (52)	4.2 (79)	7.8 (11)	6.5 (68)	5.9 (90)	5.2 (11)	7.0 (9)	4.3 (28)	2.4 (14)	4.3 (29)	4.1 (54)	10.3 (10)	8.4 (23)
<i>IM U.S. Broad Market Core Fixed Income (MF) Median</i>	<i>0.0</i>	<i>5.5</i>	<i>-2.0</i>	<i>6.0</i>	<i>6.7</i>	<i>7.2</i>	<i>12.0</i>	<i>-3.4</i>	<i>5.3</i>	<i>3.9</i>	<i>1.8</i>	<i>3.9</i>	<i>4.2</i>	<i>8.6</i>	<i>7.7</i>

Peer Performance Comparison

As of December 31, 2016

	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return	2008 Return	2007 Return	2006 Return	2005 Return	2004 Return	2003 Return	2002 Return	2001 Return
Nuveen Gresham Diversified Commodities Fund	-25.7 (64)	-17.3 (45)	-7.8 (38)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	-24.7 (47)	-17.0 (41)	-9.5 (52)	-1.1 (45)	-13.3 (85)	16.8 (31)	18.9 (48)	-35.6 (7)	16.2 (88)	2.1 (1)	21.4 (38)	9.1 (100)	23.9 (54)	25.9	-19.5
<i>IM Commodities General (MF) Median</i>	<i>-24.8</i>	<i>-17.7</i>	<i>-9.3</i>	<i>-1.5</i>	<i>-7.9</i>	<i>15.3</i>	<i>18.3</i>	<i>-45.9</i>	<i>30.0</i>	<i>-3.5</i>	<i>20.2</i>	<i>16.4</i>	<i>25.6</i>	<i>NA</i>	<i>NA</i>
Van Eck Global Hard Assets I Fund	-33.2 (86)	-19.1 (70)	11.2 (48)	2.9 (42)	-16.3 (51)	28.9 (9)	53.2 (36)	-44.5 (16)	43.2 (24)	NA	NA	NA	NA	NA	NA
S&P North American Natural Res Sector Index (TR)	-24.3 (50)	-9.8 (18)	16.5 (26)	2.2 (46)	-7.4 (10)	23.9 (23)	37.5 (66)	-42.6 (7)	34.4 (72)	16.8 (61)	36.6 (71)	24.6 (91)	34.4 (56)	-13.0 (98)	-15.6 (96)
<i>IM Global Natural Resources (MF) Median</i>	<i>-24.3</i>	<i>-13.0</i>	<i>10.6</i>	<i>1.4</i>	<i>-16.3</i>	<i>16.6</i>	<i>45.3</i>	<i>-51.2</i>	<i>39.7</i>	<i>18.9</i>	<i>47.9</i>	<i>28.0</i>	<i>36.0</i>	<i>3.5</i>	<i>-8.7</i>

Please Note:

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

Exposures and Characteristics

Portfolio Comparison

As of December 31, 2016

	Fidelity Total Market Index	FPA Crescent Fund	FMI Common Stock	Domestic Equity	Russell 3000
Composition					
# of Holdings	3,408	43	38	3,423	2,977
% Top 15 Holdings	24.4	64.6	60.2	23.4	20.0
% Top 25 Holdings	31.8	84.0	81.8	30.7	27.7
Characteristics					
Wtd Avg Mkt Cap (\$B)	114.2	89.5	3.6	93.6	123.5
Forecast P/E	18.4	13.2	18.2	17.5	18.5
Price/Book ratio	3.0	2.9	2.4	2.9	3.0
Historical EPS Growth - 5 Year	9.9	1.0	8.1	8.4	10.0
Forecast EPS Growth - Long-Term	10.9	11.3	10.5	10.9	10.9
Current Yield	2.0	1.7	1.1	1.8	2.0
GICS Sectors (%)					
Energy	6.5	2.2	0.0	4.9	7.0
Materials	3.1	3.2	6.1	3.6	3.4
Industrials	10.2	13.1	32.5	14.1	10.9
Consumer Discretionary	11.6	6.3	11.9	10.9	12.5
Consumer Staples	7.7	1.2	0.0	5.6	8.3
Health Care	12.2	1.4	3.5	9.3	13.0
Financials	14.3	34.7	9.2	16.4	15.5
Information Technology	18.7	25.1	18.6	19.5	19.9
Telecommunication Services	2.3	0.0	0.0	1.6	2.4
Utilities	2.9	0.0	0.0	2.1	3.1
Real Estate	3.7	0.0	1.3	2.8	4.0
Cash	6.8	8.7	0.0	6.0	0.0
Other	0.0	4.0	16.8	3.2	0.0
Market Capitalization (%)					
Mega (Above \$60B)	44.3	43.8	0.0	37.4	47.9
Large (\$15B - \$60B)	25.1	19.6	0.0	20.4	26.9
Mid (\$5B - \$15B)	13.2	13.6	26.2	15.3	14.0
Small/Mid (\$2.5B - \$5B)	5.2	8.0	30.8	9.6	5.5
Small (\$0 - \$2.5B)	5.4	1.5	26.1	8.1	5.6
Cash	6.8	8.7	0.0	6.0	0.0
Other	0.0	4.8	16.8	3.3	0.0

Portfolio Comparison

As of December 31, 2016

	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE	Global Equity	MSCI AC World
Composition							
# of Holdings	76	66	133	1,856	930	3,535	2,486
% Top 15 Holdings	41.4	48.9	28.9	11.9	15.6	17.8	12.2
% Top 25 Holdings	58.2	68.2	42.2	17.0	21.9	24.1	17.1
Characteristics							
Wtd Avg Mkt Cap (\$B)	57.4	64.5	60.6	51.6	53.7	82.4	99.4
Forecast P/E	12.9	17.7	14.6	15.0	15.9	16.4	16.7
Price/Book ratio	1.9	2.8	2.3	2.2	2.2	2.7	2.7
Historical EPS Growth - 5 Year	-1.0	9.3	4.1	5.3	4.0	7.0	7.6
Forecast EPS Growth - Long-Term	4.9	13.9	8.7	10.1	9.2	10.1	10.6
Current Yield	2.6	2.0	2.4	3.0	3.2	2.0	2.5
GICS Sectors (%)							
Energy	8.2	0.0	4.5	7.3	5.5	4.8	7.4
Materials	5.1	4.4	4.7	8.0	7.9	4.0	5.3
Industrials	9.4	10.6	9.9	11.7	14.0	12.7	10.6
Consumer Discretionary	18.4	9.8	14.6	11.5	12.5	12.2	12.1
Consumer Staples	0.3	25.8	11.6	9.8	11.2	7.6	9.5
Health Care	11.3	11.6	11.4	8.1	10.7	10.0	11.1
Financials	27.9	16.8	23.0	23.4	21.2	18.6	18.7
Information Technology	14.8	9.1	12.3	9.3	5.5	17.1	15.5
Telecommunication Services	3.2	8.5	5.6	4.7	4.5	2.9	3.6
Utilities	0.0	0.0	0.0	3.2	3.4	1.4	3.2
Real Estate	1.4	1.5	1.4	3.3	3.7	2.4	3.1
Cash	0.1	2.0	0.9	0.0	0.0	4.3	0.0
Other	0.0	0.0	0.0	0.0	0.0	2.1	0.0
Market Capitalization (%)							
Mega (Above \$60B)	35.0	39.2	36.9	27.5	29.9	37.2	42.4
Large (\$15B - \$60B)	51.6	42.7	47.6	40.1	42.3	29.6	35.3
Mid (\$5B - \$15B)	8.1	9.4	8.6	23.7	22.3	13.0	18.1
Small/Mid (\$2.5B - \$5B)	2.6	2.3	2.5	6.7	4.8	7.2	3.3
Small (\$0 - \$2.5B)	0.2	0.0	0.1	1.2	0.1	5.4	0.6
Cash	0.1	2.0	0.9	0.0	0.0	4.3	0.0
Other	2.3	4.5	3.3	0.8	0.5	3.3	0.4

Regional Exposure

As of December 31, 2016

Regional Allocation (%)

	Global Equity	MSCI AC World	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE
Canada	0.8	3.3	1.7	3.1	2.3	7.1	0.0
United States	62.2	53.0	9.7	18.6	13.6	0.1	0.0
Pacific ex Japan	1.3	4.8	1.6	4.9	3.1	9.8	12.1
Japan	4.5	7.8	14.1	12.2	13.3	17.0	24.1
Europe ex UK	14.8	15.1	38.2	44.1	40.8	31.4	44.7
United Kingdom	3.9	6.0	10.6	9.9	10.3	12.9	18.4
Middle East	0.0	0.2	0.0	0.0	0.0	0.5	0.7
Developed Markets	87.4	90.2	75.9	92.7	83.4	78.8	100.0
EM Asia	3.2	6.7	11.9	5.3	9.0	14.5	0.0
EM Europe	0.4	0.8	0.5	0.0	0.3	1.7	0.0
EM Latin America	1.2	1.4	6.5	0.0	3.6	3.0	0.0
EM Mid East+Africa	1.4	0.9	5.2	0.0	2.9	2.0	0.0
Emerging Markets	6.2	9.8	24.0	5.3	15.7	21.2	0.0
Frontier Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash	4.3	0.0	0.1	2.0	0.9	0.0	0.0
Other	2.1	0.0	0.0	0.0	0.0	0.0	0.0

Regional Allocation (%)

	Global Equity	MSCI AC World
United States	62.2	53.0
Non-US Developed	25.3	37.2
Emerging Markets	6.2	9.8
Frontier Markets	0.0	0.0
Cash	4.3	0.0
Other	2.1	0.0

Flexible Capital

As of December 31, 2016

	Forester Offshore Fund, Ltd.	Total Flexible Capital	FPA Crescent Fund	Total Leveraged Portfolio
Market Value	\$2,098	\$2,098	\$1,260	\$3,358
% of Total Managed Portfolio (\$26,873)	7.8	7.8	4.7	12.5
Market Exposure (%)				
Gross Long %	94.0	94.0	68.6	84.5
Gross Short %	58.0	58.0	4.5	37.9
Net %	36.0	36.0	64.1	46.5
Total Gross	152.0	152.0	73.1	122.4
Strategy Weights (%)				
L/S Equity	100.0	100.0	57.4	84.0
L/S Credit	0.0	0.0	6.7	2.5
Event-Driven	0.0	0.0	0.0	0.0
Distressed	0.0	0.0	0.0	0.0
Special Situations	0.0	0.0	0.0	0.0
Relative Value	0.0	0.0	0.0	0.0
Macro	0.0	0.0	0.0	0.0
Other/Cash	0.0	0.0	35.9	13.5
Geography (%)				
U.S. & Canada	69.7	69.7	78.1	72.9
Dev Europe	21.1	21.1	17.7	19.8
Asia	5.3	5.3	0.6	3.5
Emerging Mkts	3.9	3.9	3.6	3.8
Other	0.0	0.0	0.0	0.0

Top 10 Long Holdings/Managers

Forester Offshore Fund, Ltd.		FPA Crescent Fund	
Company	%	Company	%
KENSICO	10.0	ORACLE	3.8
VIKING GLOBAL	7.0	NASPERS	3.5
SAMLYN	6.0	AIG	3.1
LANSDOWNE	5.0	UNITED TECH	3.1
HENGISTBURY	5.0	CITIGROUP	3.0
COATUE	4.0	AON	2.9
PENNANT CAPITAL	4.0	ALCOA	2.8
TIGER GLOBAL	4.0	CIT GROUP	2.7
CASTINE	3.0	CISCO	2.5
STEADFAST	3.0	MICROSOFT	2.4

- Forester Offshore, Ltd. 12/31/2016 statistics as of 9/30/2016.

- FPA Crescent Fund market and geographic exposure exclude cash. 12/31/2016 statistics as of 9/30/2016.

Flexible Capital Underlying Manager Exposure

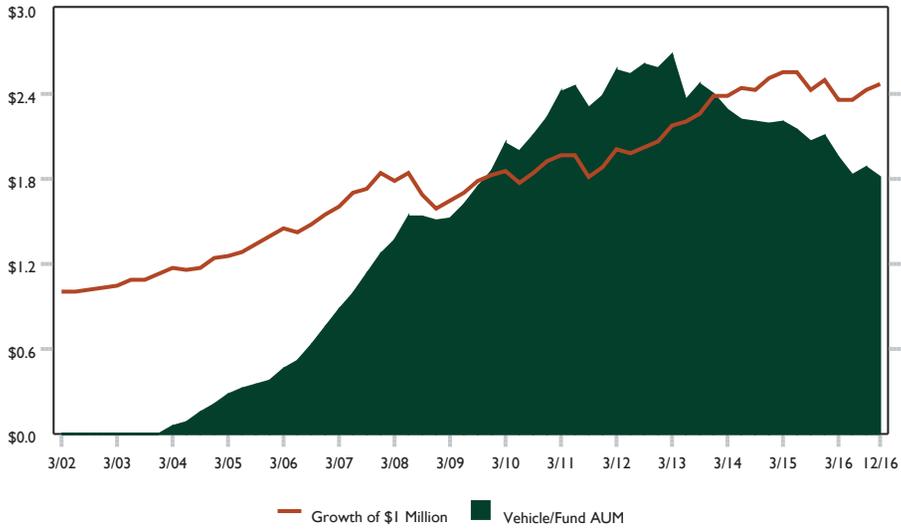
Data as of 9/30/2016	1,205,480	2,073,439	2,737,931	6,016,850	26,665,141	
Product/Investment	FPA Crescent Fund	Forester Offshore A2, Ltd.	Archstone Absolute Return Strategies Fund, Ltd.	% weighting within FlexCap	% weighting within Total Fund	\$ weighting within Total Fund
FPA Contrarian Value	100.0%			20.0%	4.5%	1,205,480
Fir Tree Capital Opportunity Fund			17.0%	7.7%	1.7%	465,448
Davidson Kempner			13.0%	5.9%	1.3%	355,931
Elliott Associates			13.0%	5.9%	1.3%	355,931
Silver Point Capital			12.0%	5.5%	1.2%	328,552
Farallon Capital			11.0%	5.0%	1.1%	301,172
King Street Capital			10.0%	4.6%	1.0%	273,793
Och-Ziff			8.0%	3.6%	0.8%	219,034
Kensico Partners		10.0%		3.4%	0.8%	207,344
DW Catalyst Fund			7.0%	3.2%	0.7%	191,655
Serengeti Opportunities Fund			7.0%	3.2%	0.7%	191,655
Viking Global Equities		7.0%		2.4%	0.5%	145,141
Samlyn Capital		6.0%		2.1%	0.5%	124,406
Hengistbury Investment Partners LLP		5.0%		1.7%	0.4%	103,672
Lansdowne Developed Markets Long Only Fund		5.0%		1.7%	0.4%	103,672
Coatue Qualified Partners		4.0%		1.4%	0.3%	82,938
Pennant Windward		4.0%		1.4%	0.3%	82,938
Tiger Global		4.0%		1.4%	0.3%	82,938
Abrams Capital		3.0%		1.0%	0.2%	62,203
Castine Capital		3.0%		1.0%	0.2%	62,203
Impala		3.0%		1.0%	0.2%	62,203
Newtyn Partners		3.0%		1.0%	0.2%	62,203
Nokota Master Fund, LP		3.0%		1.0%	0.2%	62,203
Park Presidio Capital Partners		3.0%		1.0%	0.2%	62,203
Steadfast		3.0%		1.0%	0.2%	62,203

- Content is current as of the date indicated.
- Gray cells represent overlap within the Flexible Capital composite.
- Analysis includes only the top 20 underlying funds for each fund of funds.
- 5 top 20 underlying funds have exposures of less than 1% of the total Flexible Capital composite and have been excluded from the above table.

Flexible Capital Strategies

Forester Offshore, Ltd. As of December 31, 2016

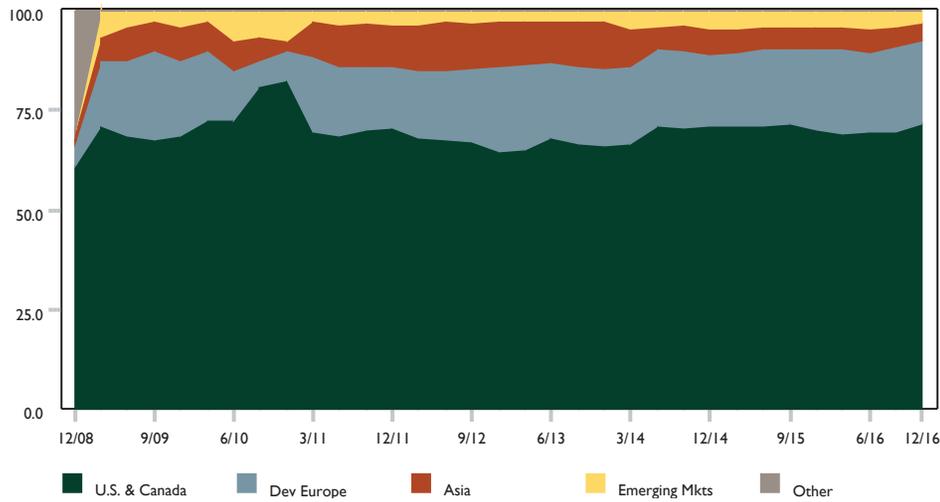
Asset Growth



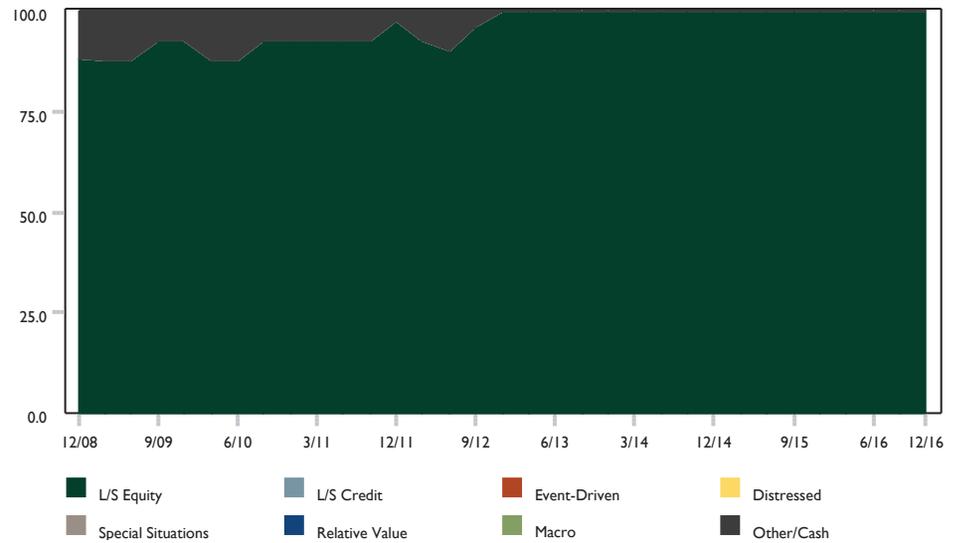
Market Exposure



Geographic Exposure



Strategy Weights

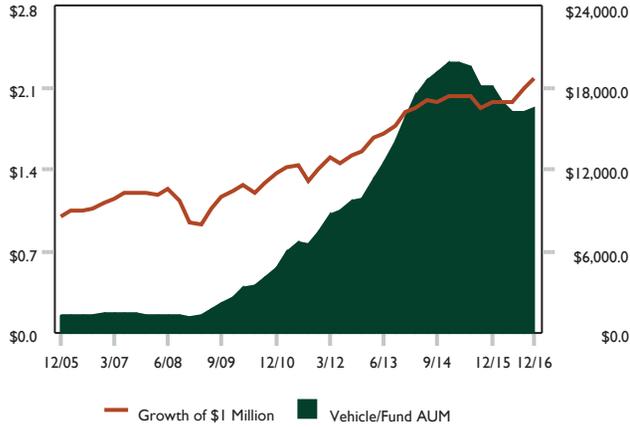


Flexible Capital Strategies

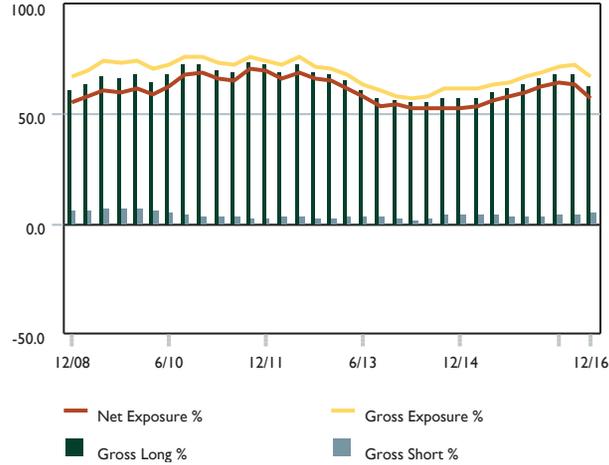
FPA Crescent Fund

As of December 31, 2016

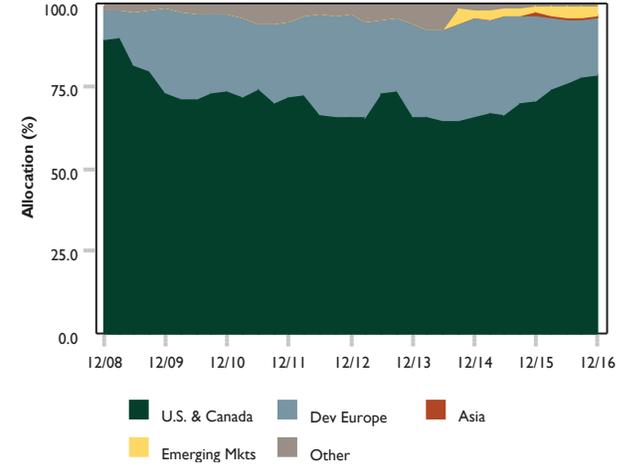
Asset Growth



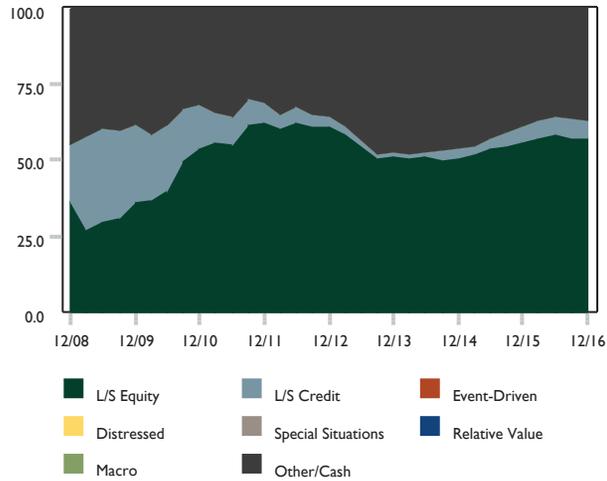
Market Exposure



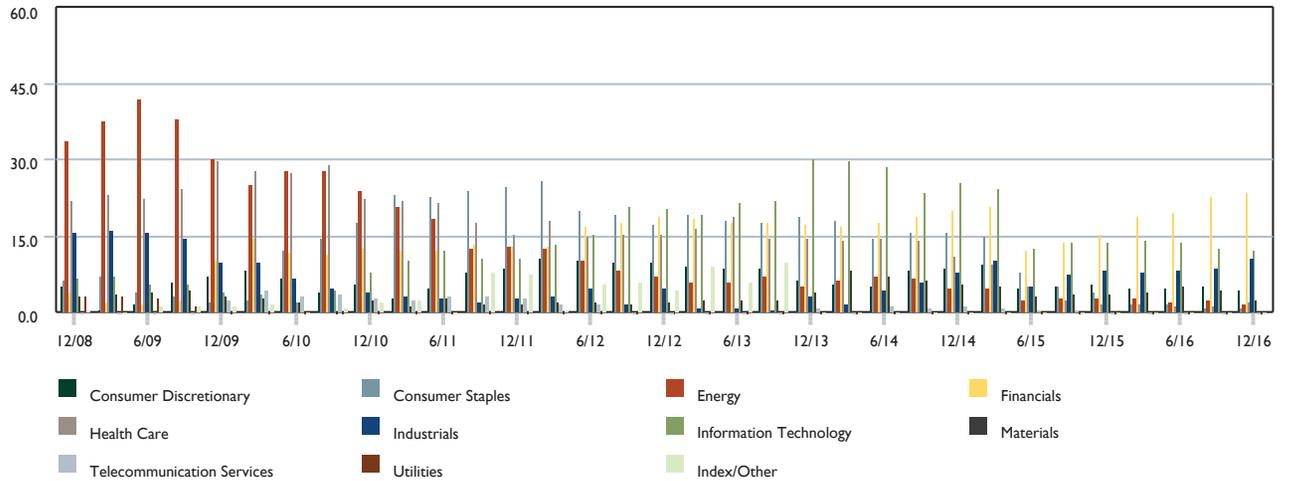
Geographic Exposure



Strategy Weights



Sector Breakdown



Fixed Income

As of December 31, 2016

	Vanguard Total Bond Market Index Fund Adm	Bibg BC U.S. Aggregate	Vanguard Short Term US Treasury Admiral Fund	Bibg Barc U.S. Treasury: 1-5 Year	Total Fixed Income
Portfolio Characteristics					
Yield	2.6	2.6	1.3	1.4	2.0
Average Maturity	8.3	8.2	2.4	2.9	5.7
Duration	6.0	5.9	2.3	2.8	4.4
Quality Breakdown					
U.S. Treasury	39.8	36.2	92.9	100.0	63.3
U.S. Govt/Agency	2.4	2.3	0.0	0.0	1.3
Agency MBS	21.0	28.1	1.4	0.0	12.3
Non-U.S. Sov/Agency	0.0	3.8	0.0	0.0	0.0
AAA	5.5	4.1	0.0	0.0	3.1
AA	4.5	3.0	0.0	0.0	2.5
A	11.9	10.2	0.0	0.0	6.6
BBB	14.9	12.3	0.0	0.0	8.3
BB and Below	0.0	0.0	0.0	0.0	0.0
NR/Other	0.0	0.0	5.7	0.0	2.5
Sector Breakdown					
U.S. Treasury	39.8	36.2	92.9	100.0	63.3
U.S. Government Related	2.4	2.3	0.0	0.0	1.3
Non-U.S. Sovereign/Agency	5.8	3.8	0.0	0.0	3.2
Investment Grade Corporate	28.6	25.8	0.0	0.0	15.9
Industrials	17.4	15.7	0.0	0.0	9.7
Utility	2.2	2.0	0.0	0.0	1.2
Financials	9.0	8.1	0.0	0.0	5.0
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	21.0	28.1	1.4	0.0	12.3
MBS-Agency	21.0	28.1	1.4	0.0	12.3
MBS-NonAgency	0.0	0.0	0.0	0.0	0.0
CMBS	1.7	1.7	0.0	0.0	0.9
ABS	0.4	0.5	0.0	0.0	0.2
Municipals	0.0	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0	0.0
Other	0.3	1.7	5.7	0.0	2.7

- Vanguard Bond Market Index Fund Duration shown is Average Duration. Maturity is Average Effective Maturity.

- Bloomberg 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.

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

Inflation Hedging

As of December 31, 2016

Vanguard Short-Term Inflation Protected Securities Adm. Fund

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

Portfolio Characteristics

Yield	1.1	1.1
Average Maturity	2.5	2.5
Duration	2.5	1.6

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.

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

Real Assets

As of December 31, 2016

Nuveen Gresham Diversified Commodities Fund

Bloomberg Commodity Index

Sector Breakdown		
Energy	39.6	38.8
Industrial Metals	17.5	17.0
Precious Metals	11.8	13.3
Agriculture/Livestock	31.1	31.0
Other	0.0	0.0

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

Portfolio Comparison

As of December 31, 2016

	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Composition		
# of Holdings	46	128
% Top 15 Holdings	59.7	52.6
% Top 25 Holdings	82.3	66.4
Characteristics		
Wtd Avg Mkt Cap (\$B)	19.3	75.3
Forecast P/E	34.7	32.8
Price/Book ratio	2.3	2.3
Historical EPS Growth - 5 Year	-9.4	-6.0
Forecast EPS Growth - Long-Term	9.2	5.6
Current Yield	0.7	2.1
GICS Industries (%)		
Oil & Gas Drilling	6.4	1.8
Oil & Gas Equipment & Services	9.7	13.6
Integrated Oil & Gas	0.0	22.4
Oil & Gas Exploration & Production	39.5	28.2
Oil & Gas Refining & Marketing	1.3	6.9
Oil & Gas Storage & Transportation	0.9	11.5
Coal & Consumable Fuels	2.2	0.4
Fertilizers & Agricultural Chemicals	4.0	0.0
Construction Materials	0.0	2.0
Metal & Glass Containers	0.0	2.1
Paper Packaging	0.0	4.0
Aluminum	0.0	0.2
Diversified Metals & Mining	8.3	0.9
Copper	4.5	0.0
Gold	11.6	4.9
Precious Metals & Minerals	0.7	0.0
Silver	0.0	0.6
Steel	2.0	0.0
Forest Products	1.7	0.2
Paper Products	0.0	0.2
Electrical Components & Equipment	0.3	0.0
Railroads	1.1	0.0
Cash	5.7	0.0
Market Capitalization (%)		
Mega (Above \$60B)	4.6	25.7
Large (\$15B - \$60B)	28.3	44.7
Mid (\$5B - \$15B)	34.9	21.0
Small/Mid (\$2.5B - \$5B)	22.2	7.0
Small (\$0 - \$2.5B)	4.3	1.5
Cash	5.7	0.0

Real Assets

As of December 31, 2016

Country/Region Allocation (%)	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Canada	16.3	16.5
United States	70.5	82.3
Europe ex UK	0.0	1.0
United Kingdom	7.2	0.2
Developed Markets	94.1	100.0
Cash	5.7	0.0
Other	0.2	0.0

Investment Detail

Performance Highlights

Equity

- FPA Crescent climbed 4.5% in the quarter and 10.3% in the calendar year. FPA outperformed the S&P 500 Index in the fourth quarter and captured more than 85% of the Index's appreciation for the year. FPA's gains are notable, as the manager maintained net equity exposure of 55–60% during 2016. Exposure to financials drove FPA's strength in the quarter. FPA viewed large banks as one of the few areas in the market that offered value; it overweighted the sector for much of the year. The prospect of rising interest rates and lower regulatory burden for the banks sent shares higher in the sector. FPA's positions in Citigroup, AIG, Bank of America, and Leucadia boosted quarterly returns. FPA had winners outside of financials, too—most notably TE Connectivity and United Technologies, both of which outperformed the market post-election. On the negative side, technology was a net drag on returns in the quarter. Oracle, the Fund's largest position, slipped more than 2%, and Cisco Systems fell nearly 5%. Health-care company Thermo Fisher Scientific was also a modest drag. FPA slightly increased its short book in the fourth quarter, but it remained a small allocation at 5.1% gross.
- The FMI Small/Mid Cap Equity Fund (FMI) climbed 7.9% and finished the quarter ahead of the 6.1% advance of the Russell 2500 Index. Sector positioning and stock selection boosted results. The Fund's significant overweight to industrials and underweights to health care and real estate were particularly beneficial. Industrial stocks ticked up in anticipation of a boost in economic activity such as infrastructure spending; the health-care sector sold off on fears of policy reform; and real estate came under pressure due to higher bond yields. Staffing agencies Manpower Group (+24%) and Robert Half International (+29%) were notable contributors, rising in anticipation of higher labor demand. Industrial distributors Applied Industrial Technologies (+28%) and MSC Industrial Direct (+27%) also posted strong gains. The two largest detractors from performance were health-care holdings Allscripts Healthcare (IT provider, -22%) and Varian Medical Systems (medical-imaging equipment manufacturer, -10%).

Performance Highlights

Equity (cont'd)

- The Dodge & Cox International Stock Fund gained 3.4% during the quarter, finishing ahead of the 70 bps loss for the MSCI EAFE Index and the 1.3% decline for the MSCI All Country World ex-U.S. Index. For the calendar year, the Fund climbed 8.3% and beat the 1.0% and 4.5% respective returns for the EAFE and All Country World ex-U.S. indices. The Fund's strong 2016 performance was achieved with largely the same portfolio that delivered weak results in 2015. During the quarter, the strategy benefited from stock selection in financials, namely in Europe and the U.K., where AEGON (+44%), Societe Generale (+43%), and Bloomberg Barclays (+27%) were particularly strong. An underweight to consumer staples also helped, as it was one of the weaker sectors in both benchmarks. Additional contributors included Mitsubishi Electric (+10%) and Schlumberger (+7%). Among the detractors was the Fund's overweight to media, where Grupo Televisa (-19%), Naspers (-15%), and Liberty Global (-10%) struggled. The underweight to materials also served as a detractor, given that the sector was a strong performer in the market.
- The Artisan International Fund faltered during the last quarter of the year. The Fund dropped 8.4%, lagging well behind the MSCI EAFE Index's 0.7% decline. Artisan also lagged meaningfully in the calendar year (-9.4% vs. +1.0%), with underperformance generated entirely in the last six months. Stock selection and portfolio allocation drove fourth-quarter underperformance. The portfolio entered October with a significant overweight to consumer staples, the worst-performing sector during the quarter. The investment team aggressively sold down its staples exposure over the period, but much of the depreciation of these names had already occurred. Proceeds of these sales were used to purchase more cyclical companies. Much of this activity occurred following the U.S. election, with the investment team targeting areas it believed could potentially benefit from a Trump presidency; these included financials, materials, and industrials. While these sectors all performed relatively well during the quarter, Artisan failed to fully participate in the strength of these companies given the timing of purchase activity. Financials saw the most significant purchase activity in the portfolio, with exposure nearly doubling during the quarter and closing the year a sizable overweight relative to the benchmark. Purchases were focused in European bank and insurance names. In addition to consumer staples, health care served as a source of funds. The portfolio entered the quarter overweight, and exposure came down with the sale of Bayer, which had underperformed following news of its efforts to purchase Monsanto. The consumer discretionary sector was another area of weakness. This was driven by the continued underperformance of Liberty Global (media), a top portfolio position and a notable detractor over both the quarter and calendar-year periods. Recent underperformance, as well as sharp changes in sector positioning over the course of the year, led to increased conversations with Artisan and key members of the investment team. We continue to monitor the performance and positioning of the Artisan International portfolio.

Performance Highlights

Alternative Strategies

- Forester Partners gained 1.2% in the quarter but finished the year with a loss of 1.5%. Forester reported gains but did not fully participate in the fourth-quarter equity rally. A handful of equity managers with outsized exposures to technology and certain segments of the health-care sector dragged on results. Among the largest detractors in the quarter was Viking, which was a 7% allocation in the portfolio. Viking fell 3.6% in the quarter and finished the year down 4%. Large positions in Facebook and Amazon weighed on Viking's results in the quarter. Similarly, Lone Pine shed 4% on weakness in Amazon and eBay. Lone Pine also had a sizable position in FleetCor Technologies, which dove more than 18% in the quarter. Other notable detractors included health-care specialist Shearwater and Coatue. On the positive side, Wellington's financials hedge fund, Bay Pond, bounced back from a difficult start to the year, gaining 11% in the fourth quarter as bank stocks rallied. The strength in financials also aided Lakewood, which was up 6% in the quarter, and financials specialist Castine. Kensico, the Fund's largest allocation at 10% of assets, moved into positive territory for the year with a 3.2% gain in the quarter. Microsoft and AIG helped drive Kensico's returns.
- Archstone Absolute Return gained 1.9% in the quarter, bringing calendar-year returns to 2.8%. Archstone had a strong quarter, profiting from ongoing strength in the credit markets and continued merger activity. Fir Tree was the top contributor, gaining more than 4%. Fir Tree's exposure to energy was highly profitable, as the manager engaged in a number of successful debt restructurings in the second half of the year. Elliott was also a top performer, gaining more than 3%. Elliott generated positive returns through its credit, merger-arbitrage, and equity portfolios. An activist equity position in Hess was a top contributor to its results. Farallon gained 2.5%, driven in large part by its merger-arbitrage book. Farallon sized up its merger book and profited from the successful closure of the SAB Miller/ABInBev deal and spread compression across a number of other mergers. Additionally, DW Catalyst, a smaller position in the Fund, was up roughly 5%. DW is more hedged than many managers, and the gains represented strong alpha from security selection, primarily in the energy and commercial real estate sectors. King Street's significant cash position was a headwind, limiting the manager to a quarterly gain of 1.7%.
- Archstone experienced significant redemptions at year-end and was managing roughly \$100 million as of January 1. The Firm stated it has sufficient liquidity among its managers to meet further redemptions.

Performance Highlights

Fixed Income

- During the quarter, Vanguard Short-Term Treasury dipped 0.6% but outperformed the 1.2% loss of the Bloomberg Barclays 1–5 Year Treasury Index. For the calendar year, the Fund returned 1.2% and finished ahead of the Index (+1.0%). Vanguard manages all short-term strategies in an effort to meet a duration target of 2.3 years. In order to accomplish this, modest term-structure positions are maintained. The Fund held exposure to securities maturing in less than one year at quarter-end. These are not held in the benchmark and produced stronger returns than Treasuries maturing in 1–5 years. Entering 2017, the Fund's duration of 2.3 years was 0.5 years shorter than that of the Index. At 1.3%, the Fund was under-yielding the 1.4% yield of the Index. It maintained exposure to securities with maturities that fall outside of the one- to five-year part of the yield curve.

Performance Highlights

Real Assets

- The TAP Fund advanced by 4.1% and finished the quarter 1.4% ahead of the Bloomberg Commodity Index's 2.7% gain. The livestock sector soared 20.1% and drove returns. Energy was also additive. The sector rose 10.5% on OPEC's agreement to cut crude production in 2017 and on colder-than-expected weather in the United States. For TAP, the largest relative contributors during the period were underweight to gold and silver within precious metals. Gold and silver fell by 12.8% and 17.3%, respectively, on December interest-rate hikes by the Federal Reserve and expectations for more hikes. The Fund's strong overweight to livestock (9.7% versus 4.2%) detracted during the first three quarters of the year but contributed positively in the fourth quarter, adding more than 50 bps to relative performance. Commodity selection within agricultural softs contributed 17 bps, particularly an underweight to sugar, which dropped 15.2% during the quarter.
- The Van Eck Global Hard Assets Fund advanced 3.5% but underperformed the S&P North American Natural Resources Sector's 5.0% return during the quarter. For the calendar year, the Fund led the Index by 1,280 bps, climbing 43.7% versus 30.9%. During the quarter, natural resource equities led the modest advance, with energy equities increasing more than 5.0% and metals and mining equities appreciating 4.2%. Energy equities rallied on continued sentiment that the global crude market was on a path to rebalancing. The sector also moved higher following OPEC's finalization and approval of an agreement to cut aggregate production by more than 1.2 million barrels/day. Metals and mining equities moved higher on better demand from China (which continued to be supported by stimulus measures) and on expectations of generally pro-growth economic policies by the incoming Donald Trump administration. Infrastructure equities (as measured by the S&P Global Infrastructure Index) rallied sharply following Trump's election in November but declined 5.7% overall during the quarter.

Firm Information: First Pacific Advisors

Total Assets (\$M):	\$29,475
Style:	Long/Short Equity
Assets in Style (\$M):	\$16,555
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. Selmo 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, he served as Portfolio Manager at both Kinney Asset Management and Arrow Investments, Inc. Landecker 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. This is a Prime Buchholz recommended product.

Vehicle Information

Inception:	July 1993
Assets (\$M):	\$16,555
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:	State Street Bank & Trust Company
Auditor:	Deloitte & Touche LLP
Legal Counsel:	Dechert LLP

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Firm Information: Forester Capital

Total Assets (\$M): \$3,100
Style: Directional Hedge FOF
Assets in Style (\$M): \$1,245
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 Morriss and Tom Cote on the Firm's Investment Committee.

Investment Objective, Philosophy/Process, and Assessment

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

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

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

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

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

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

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

*Allocations to 3c-1 products are subject to slot availability.

**Management fees below effective January 1, 2017. This is a Prime Buchholz recommended product.

Sample Portfolio Characteristics

<i>Underlying Funds (9/30/2016)</i>	<i>Alloc %</i>	<i>Strategy</i>
Kensico Offshore Fund, Ltd.	10	Long/Short Equity
Viking Global Equities III, Ltd.	7	Long/Short Equity
Samlyn Offshore Fund, Ltd.	6	Long/Short Equity
Lansdowne Developed Markets Long Only Fund Limited USD A Shares	5	Global Long/Short
Hengistbury Investment Partners LLP	5	Europe Long/Short
Coatue Offshore Fund, Ltd.	4	Long/Short Equity
Pennant Windward Fund, Ltd.	4	Long/Short Equity
Tiger Global, Ltd.	4	Long/Short Equity
Castine Offshore Fund, Ltd	3	US Low Net Sector
Steadfast International Ltd.	3	Long/Short Equity
Abrams Bison Offshore Fund, Ltd.	3	Long/Short Equity
Impala Fund, Ltd.	3	Long/Short Equity
Nokota Capital Offshore Fund, Ltd	3	Global Long/Short
Park Presidio Capital Partners, LP	3	Long/Short Equity
Newtyn Partners, LP	3	Long/Short Equity
Bridger Management, L.L.C.	2	Long/Short US Equity
Cyrus Capital Partners, LP	2	Absolute Return
Glenhill Capital Overseas Partners, Ltd.	2	Long/Short Equity
HHR Atlas Ltd.	2	Long/Short Equity
Lakewood Capital Offshore Fund, Ltd	2	Long/Short Equity

Vehicle Information

Inception: January 2004
Assets (\$M): \$565
Minimum Account Size: \$2,000,000
Management Fee: A: 0.95% B: 0.75%; 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): A2: Annual (anniversary), A3: 25% quarterly, B2: Rolling 3-year, B3: 1/3 annually following 2-year lock (95 days)
Lock-up: A2: 2-year, A3: 1-year, B2: 3-year, B3: 2-year
ERISA Capacity: No
Prime Broker: N/A
Administrator: International Fund Services (Ireland) Limited
Auditor: Ernst & Young Ltd
Legal Counsel: Seward & Kissel LLP (US); Ogier (Cayman)

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Firm Information: Vanguard Group, Inc.

Total Assets (\$M):	\$3,884,758
Style:	Domestic Fixed Sector Index
Assets in Style (\$M):	\$17,600
Year Founded:	1975
Product Inception:	December 2012
Location:	Valley Forge, PA
Ownership:	The Firm is owned by fund shareholders.

Key Investment Professionals:

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

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

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

Investment Objective and Philosophy/Process

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

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

Assessment

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

Product Information and Sample Operational Detail (Vanguard Short-Term Infl-Prot Sec Index Instl)

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

Securities Lending:	Yes
Assets in Composite:	N/A
GIPS Compliant (per Manager):	No
Last Audited Financials:	9/30/2016
Accountant/Auditor:	PricewaterhouseCoopers LLP
Custodian:	Brown Brothers Harriman & Co; JPMorgan Chase Bank; State Street Bank and Trust Company
Administrator:	The Vanguard Group

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Vanguard Short-Term Infl-Prot Sec Index Adm (VTAPX)	\$10,000	\$3,700.0	0.07%	MF
Vanguard Short-Term Infl-Prot Sec Index ETF (VTIP)	\$0	\$2,900.0	0.07%	ETF
Vanguard Short-Term Infl-Prot Sec Index Instl (VTSPX)	\$5,000,000	\$5,700.0	0.04%	MF

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Firm Information: Gresham Investment Management, LLC

Total Assets (\$M):	\$8,300
Style:	Commodities Direct Active
Assets in Style (\$M):	\$1,300
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 it's Tangible Asset Program® (TAP) investment strategy which combines a strict rules based methodology with market driven active management oversight. Prime Buchholz recommends the TAP Fund as an appropriate vehicle to access the attributes of investment in a diversified commodities portfolio.

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

Tracking Error For Mutual Fund: Gresham attempts to manage the mutual fund in an identical manner as the TAP commingled fund. However, at lower AUM levels for the mutual fund, futures contract sizes may be too large for the mutual fund's allocation to an individual commodity, resulting in overweights or under-weights to certain commodities and therefore variations in performance relative to the TAP product. Nuveen Investments, which has a 60% equity stake in Gresham, was acquired by TIAA-CREF. Nuveen Investments was previously owned by the private equity firm Madison Dearborn. Gresham has been operating under an independent operating agreement under Nuveen and will continue to operate independently under TIAA-CREF. This is a Prime Buchholz recommended product.

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

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

Securities Lending:	N/A
GIPS Compliant (per Manager):	
Last Audited Financials:	12/31/2015
Accountant/Auditor:	KPMG LLP
Custodian:	State Street Global Services; SG Americas Securities, LLC
Administrator:	Citco Fund Services (Curacao) B.V.

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Nuveen Gresham Diversified Commodity Strategy I Fund	\$100,000	\$106.7	106.00%	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):	\$38,343
Style:	Public Real Direct Natural Resources
Assets in Style (\$M):	\$4,741
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 earned a B.A. from Boston University and an M.B.A. from NYU.

Shawn Reynolds - He has over 15 years of experience and was previously employed by Goldman Sachs, Lehman Brothers, and C.S. First Boston prior to joining Van Eck in 2005. He earned an engineering degree from Cornell, a masters from University of Texas, and an M.B.A. from Columbia Business School.

Investment Objective and Philosophy/Process

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

Assessment

Attributes:

Van Eck is an investment manager with a long term track record of successful investing. The co-portfolio managers overseeing the strategy average over 15 years of experience in the industry. The Firm has an evolved research process that provides insights into the relative value of resource assets, as well as thoughtful stock analysis, portfolio construction, and diversification. Global Hard Assets is actively managed but maintains diversified exposures by both natural resource sector and by security (approximately 60 in more recent periods).

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

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

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 (per Manager):	No
Last Audited Financials:	12/31/2015
Accountant/Auditor:	Ernst & Young LLP
Custodian:	State Street Bank & Trust Company
Administrator:	Van Eck Associates Corporation

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Van Eck Global Hard Assets I (GHAIX)	\$1,000,000	\$2,030.8	1.00%	MF
Van Eck Global Hard Assets Y (GHAYX)	\$1,000	\$331.7	1.13%	MF

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Historical Performance

Return and Risk Summary

As of December 31, 2016

	1 Quarter Return	Previous Quarter Return	1 Year Return	1 Year Standard Deviation	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Fidelity Total Market Index Fund Premium Class	4.2	4.4	12.7	2.8	8.4	6.9	14.6	9.2	12.9	13.2	7.2	16.7
Wilshire 5000 Total Market Index	4.3	4.5	13.0	2.9	8.1	6.9	14.5	9.2	12.9	13.2	7.2	16.7
FPA Crescent Fund	4.5	5.3	10.3	4.9	4.8	5.2	9.2	6.2	8.7	8.4	6.9	11.0
S&P 500 Index	3.8	3.9	12.0	2.1	8.9	6.5	14.7	8.9	12.8	12.7	6.9	16.2
60% Russell 2500 / 40% Blbg BC Global Credit	2.2	4.9	12.9	2.2	4.9	6.5	10.1	7.5	9.9	10.7	6.7	13.6
HFRI Equity Hedge (Total) Index	1.3	4.6	5.5	4.5	2.1	5.2	5.5	6.2	4.1	7.9	2.9	10.3
FMI Common Stock Fund	7.9	5.0	20.2	5.1	6.0	9.0	11.6	10.2	12.0	14.0	8.7	17.1
Russell 2500 Index	6.1	6.6	17.6	4.9	6.9	9.8	14.5	11.2	13.6	16.1	7.7	19.5
Dodge & Cox International Stock Fund	3.4	10.1	8.3	10.6	-1.3	12.2	8.0	13.6	5.0	17.1	2.1	22.7
MSCI AC World ex USA (Net)	-1.3	6.9	4.5	6.7	-1.8	9.8	5.0	11.6	2.9	15.0	1.0	20.1
Artisan International Institutional Fund	-8.4	3.8	-9.4	8.7	-4.7	11.2	6.4	13.2	4.8	16.5	2.2	20.5
MSCI EAFE (Net)	-0.7	6.4	1.0	7.3	-1.6	9.4	6.5	11.5	3.8	15.0	0.7	19.5
Forester Offshore A2, Ltd.	1.2	3.3	-1.5	6.8	1.5	5.6	5.7	5.8	4.4	6.7	4.8	7.3
HFRI FOF: Strategic Index	0.2	3.4	-0.1	5.6	0.8	5.1	3.7	5.3	2.4	5.8	1.2	8.2
Vanguard Total Bond Market Index Fund Adm	-3.2	0.4	2.6	4.8	2.9	3.5	2.1	3.2	3.5	3.4	4.3	3.5
Bibg Barc U.S. Aggregate	-3.0	0.5	2.6	4.6	3.0	3.4	2.2	3.1	3.6	3.3	4.3	3.4
Vanguard Short Term US Treasury Admiral Fund	-0.6	-0.1	1.2	1.4	0.9	1.0	0.7	0.9	1.2	1.1	2.4	2.0
Bibg Barc U.S. Treasury: 1-5 Year	-1.2	-0.2	1.0	2.1	1.0	1.4	0.8	1.2	1.6	1.5	2.8	2.5
Vanguard Short-Term Inflation Protected Securities Adm. Fund	-0.2	0.2	2.7	1.5	0.4	1.9	NA	NA	NA	NA	NA	NA
Bloomberg Barclays U.S. Treasury: 0-5 Year TIPS	-0.3	0.3	3.1	1.8	0.6	2.1	0.5	2.1	1.5	2.1	2.8	3.5
Nuveen Gresham Diversified Commodities Fund	4.1	-4.1	10.9	11.6	-12.0	16.1	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	2.7	-3.9	11.7	12.2	-11.3	16.5	-9.0	14.6	-6.3	15.7	-5.6	20.3
Van Eck Global Hard Assets I Fund	3.5	7.7	43.7	9.0	-8.1	25.1	-2.3	22.4	-0.6	25.1	1.6	28.5
S&P North American Natural Res Sector Index (TR)	5.0	4.2	30.9	6.5	-3.7	19.2	1.3	17.6	2.9	21.3	2.6	25.1

Historical Performance

Return Summary

As of December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fidelity Total Market Index Fund Premium Class	12.7	0.5	12.5	33.4	16.4	1.0	17.4	28.4	-37.2	5.6	15.8
Wilshire 5000 Total Market Index	13.0	-0.2	12.1	34.0	16.1	0.6	18.1	29.4	-37.3	5.7	15.9
FPA Crescent Fund	10.3	-2.1	6.6	21.9	10.3	3.0	12.0	28.4	-20.6	6.8	12.4
S&P 500 Index	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5	-37.0	5.5	15.8
60% Russell 2500 / 40% Blbg BC Global Credit	12.9	-2.9	5.3	21.4	15.6	0.5	18.9	29.6	-26.5	3.6	13.1
HFRI Equity Hedge (Total) Index	5.5	-1.0	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7
FMI Common Stock Fund	20.2	-6.8	6.5	32.0	10.2	4.5	22.2	33.9	-20.4	-2.0	17.1
Russell 2500 Index	17.6	-2.9	7.1	36.8	17.9	-2.5	26.7	34.4	-36.8	1.4	16.2
Dodge & Cox International Stock Fund	8.3	-11.4	0.1	26.3	21.0	-16.0	13.7	47.5	-46.7	11.7	28.0
MSCI AC World ex USA (Net)	4.5	-5.7	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7
Artisan International Institutional Fund	-9.4	-3.6	-0.7	25.5	25.6	-4.1	6.2	40.0	-46.8	20.0	25.9
MSCI EAFE (Net)	1.0	-0.8	-4.9	22.8	17.3	-12.1	7.8	31.8	-43.4	11.2	26.3
Forester Offshore A2, Ltd.	-1.5	0.3	5.8	15.2	9.3	-2.5	5.2	14.6	-13.0	18.5	11.5
HFRI FOF: Strategic Index	-0.1	-0.5	3.1	10.5	5.8	-7.3	6.3	13.2	-25.2	12.8	11.8
Vanguard Total Bond Market Index Fund Adm	2.6	0.4	5.9	-2.1	4.2	7.7	6.5	6.0	5.1	7.0	4.4
Blbg Barc U.S. Aggregate	2.6	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3
Vanguard Short Term US Treasury Admiral Fund	1.2	0.6	0.8	0.0	0.8	2.4	2.8	1.5	6.8	8.0	3.9
Blbg Barc U.S. Treasury: 1-5 Year	1.0	0.9	1.2	-0.1	0.9	3.4	3.7	0.2	8.8	8.2	3.8
Vanguard Short-Term Inflation Protected Securities Adm. Fund	2.7	-0.2	-1.2	-1.5	NA	NA	NA	NA	NA	NA	NA
Bloomberg Barclays U.S. Treasury: 0-5 Year TIPS	3.1	-0.3	-1.1	-1.6	2.4	4.5	3.3	10.7	-2.0	9.8	2.6
Nuveen Gresham Diversified Commodities Fund	10.9	-25.7	-17.3	-7.8	NA	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	11.7	-24.7	-17.0	-9.5	-1.1	-13.3	16.8	18.9	-35.6	16.2	2.1
Van Eck Global Hard Assets I Fund	43.7	-33.2	-19.1	11.2	2.9	-16.3	28.9	53.2	-44.5	43.2	NA
S&P North American Natural Res Sector Index (TR)	30.9	-24.3	-9.8	16.5	2.2	-7.4	23.9	37.5	-42.6	34.4	16.8

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

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

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs). It is calculated using a float-adjusted, capitalization-weighted methodology and is disseminated on a price-return basis and on a total-return basis. *Alerian MLP Index, Alerian MLP Total Return Index, AMZ, and AMZX* are trademarks of Alerian and their use is granted under a license from Alerian.

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

Bloomberg 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.

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

Bloomberg 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.

Bloomberg 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.

Bloomberg 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.

Bloomberg 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.

Bloomberg 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+.

Bloomberg 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.

Bloomberg 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.

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

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

Bloomberg 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.

Bloomberg 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.

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

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

Bloomberg 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.

Bloomberg 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).

Bloomberg 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Spliced Developed Ex-North America Index is the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index thereafter.

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

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

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

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

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

Spliced Intermediate Term Bond Index is the Bloomberg Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg 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 Bloomberg Barclays U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg 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 Bloomberg Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg 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 Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; Bloomberg 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% Bloomberg 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% Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg 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% HSBloomberg Barclays 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% Bloomberg Barclays US TIPS 1-10 Year / 2% Bloomberg 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% Bloomberg 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% Bloomberg 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. By receiving such information you hereby agree not to disclose or make available such information to any other individual or entity.

Periods greater than one year are annualized.

Peer groups, performance, risk and equity analytics are provided by InvestmentMetrics, 2017. 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.

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





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