

March 31, 2016



## Utah Permanent State School & Institutional Trust Funds

Investment Measurement Service  
Quarterly Review

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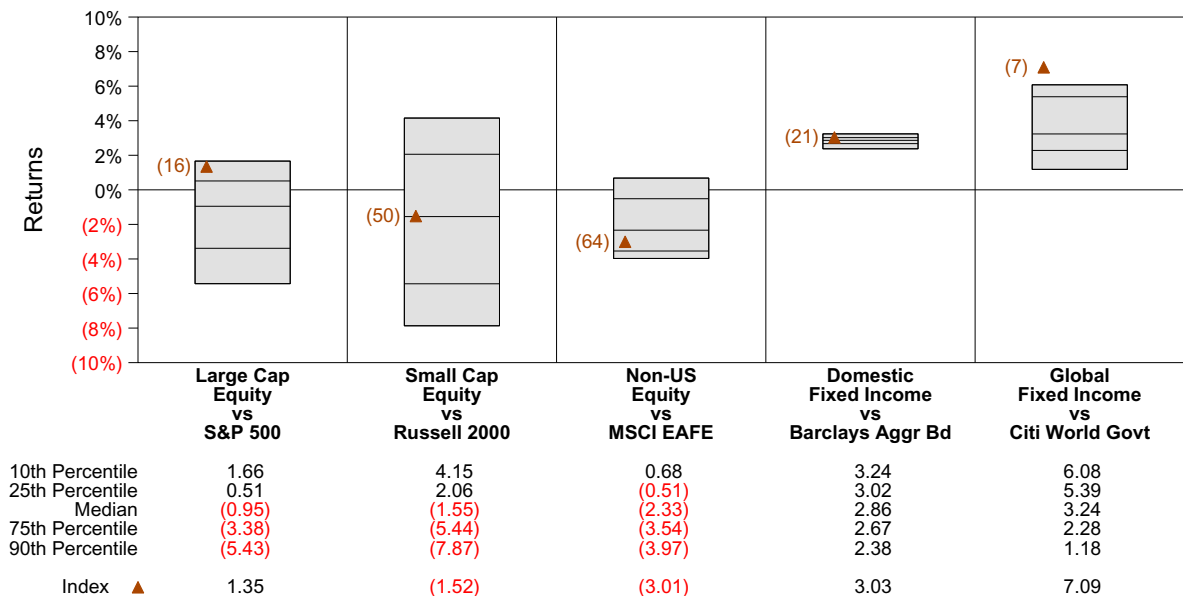
## Market Overview

### Active Management vs Index Returns

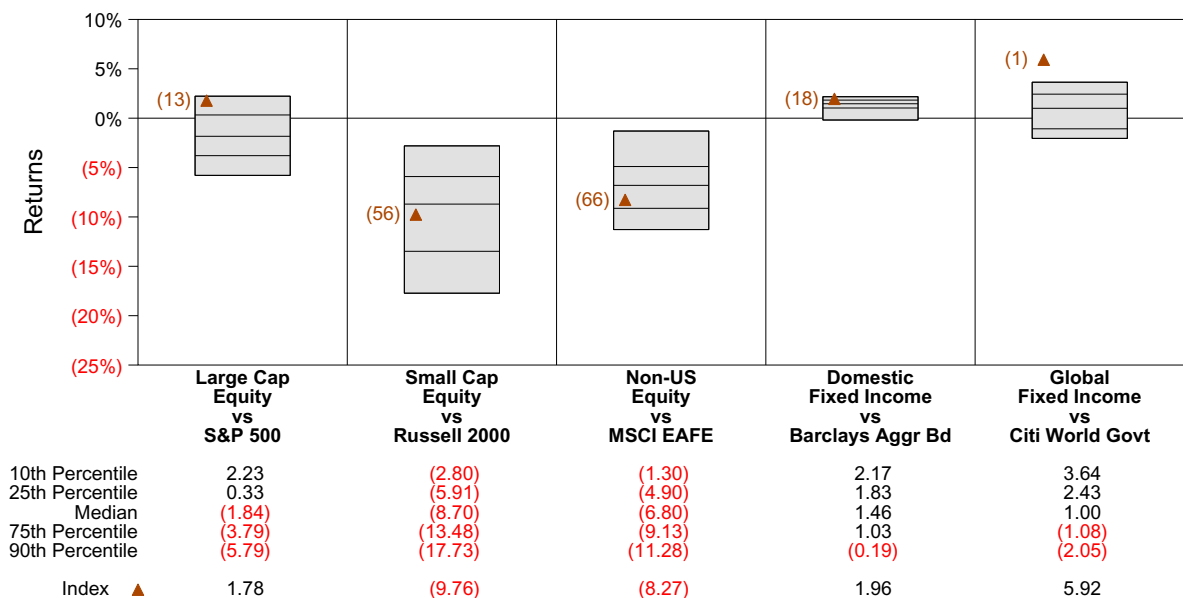
#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the Large Cap Equity manager database.

#### Range of Mutual Fund Returns by Asset Class One Quarter Ended March 31, 2016



#### Range of Mutual Fund Returns by Asset Class One Year Ended March 31, 2016





## Don't Believe the Hype (or the Markets)

### ECONOMY

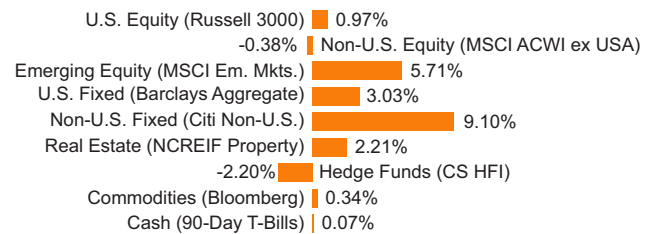
**2** The U.S. economy's expansion is now entering its seventh year. However, you'd hardly know it if you looked at the capital markets' reaction over the past nine months. First quarter GDP growth came in at a weak 0.5%, down from 1.4% the prior quarter.

## Progress Discounted

### FUND SPONSOR

**4** Global financial markets made little progress in the first quarter. Corporate funds beat other fund types, due in part to their high U.S. fixed income exposure. Endowments/foundations trailed due to more exposure to non-U.S. equity and less to U.S. fixed income.

## Broad Market Quarterly Returns



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

## Tale of Two Halves

### U.S. EQUITY

**6** The first quarter of 2016 was a tale of two halves. The **S&P 500 Index** declined in the first half only to reverse course and post a positive quarterly return (+1.35%). Large capitalization companies held their lead over small cap, but in a trend of reversals, value overtook growth across capitalizations.

## Mr. Draghi's Wild Ride

### NON-U.S. EQUITY

**9** Non-U.S. equity markets endured a rocky January and February, but managed to rally in March to finish at a modest loss (**MSCI ACWI ex USA Index**: -0.38%). The **MSCI Emerging Markets Index** (+5.71%) bounced much higher than its developed counterpart (**MSCI World ex USA**: -1.95%).

## More T-Bills, Please

### U.S. FIXED INCOME

**12** Yields plummeted during a volatile first quarter. A dovish Fed fostered uncertainty over global economic growth. The **Barclays Aggregate Index** gained 3.03% and the **Barclays Corporate High Yield Index** was up 3.35%.

## A Dole of Doves

### NON-U.S. FIXED INCOME

**15** Sovereign debt surged in the first quarter, driven by risk-on sentiment and the U.S. dollar's relative weakness. The **Citi Non-U.S. World Government Bond Index** jumped 9.10%. The hard currency **JPM EMBI Global Diversified Index** rose 5.04% while the local currency **JPM GBI-EM Global Diversified** soared 11.02%.

## Slow and Low

### REAL ESTATE

**17** The **NCREIF Property Index** advanced 2.21% and the **NCREIF Open End Diversified Core Equity Index** earned 2.18%, the lowest quarterly return since 2010. Capital flows to core funds continued to decline, as more investors reached their allocation targets.

## Drip, Drip, Drip

### PRIVATE EQUITY

**19** Liquidity in the private equity market declined notably. Fundraising and company investments held relatively steady. Venture capital fundraising was surprisingly strong given the drop-off in IPO activity due to zig-zagging public equity markets.

## Market Tremors Panic Hedge Funds

### HEDGE FUNDS

**20** Investor pessimism over softening global growth slammed stocks and commodities. The **Credit Suisse Hedge Fund Index** sank 2.20% and the median manager in the **Callan Hedge Fund-of-Funds Database** fell 2.99%.

## Strong Quarter Can't Save 2015

### DEFINED CONTRIBUTION

**21** The Callan DC Index™ finished 2015 with a strong 3.50% gain in the fourth quarter. Nonetheless, the DC Index turned out a negative 2015 calendar year return: -0.34%, the weakest annual return since 2011.

# Don't Believe the Hype (or the Markets)

ECONOMY | Jay Kloepfer

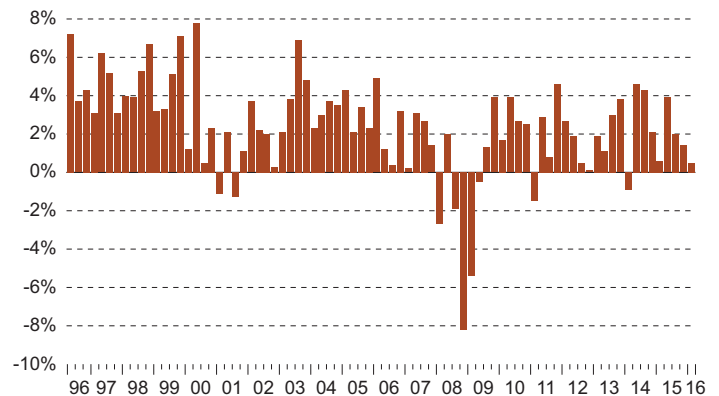
The U.S. economy's expansion—while subpar relative to past expansions in the 1980s and 1990s—has been slowly building strength and is now entering its seventh year. However, you'd hardly know it if you looked at the capital markets' reaction over the past nine months. Concerns about China, a slowing global recovery, political uncertainty in more than a few countries, and an unclear path as to future interest rates have all spurred investors to swing wildly from lows to highs and back again, all while the broad underlying economic data remain solid.

The National Bureau of Economic Research tracks four monthly indicators in order to identify turning points in the economic cycles. Only one of those—industrial production—is declining, and that decline began back in 2014, when the collapse in oil prices hit the mining sector and the U.S. dollar began to rally, hampering U.S. manufacturing and exports. The other three indicators show no signs of a slowdown, let alone a decline: employment, personal incomes, and real business sales. Adding to this incongruity is the first report on GDP growth for the first quarter of 2016. It came in at a weak 0.5%, down from 1.4% in the fourth quarter of 2015. Almost all economic indicators have been more upbeat than GDP over the past year or two, suggesting that the sum has been less than the parts, that we are misrepresenting economic growth with our GDP calculation, or that we are misreading the headwinds to aggregate growth.

Real GDP growth has continued a familiar pattern, showing anemic first-quarter growth in five of the past six years. Such a pattern is a recent development in U.S. economic history, and suggests (to us) that part of this weakness may in fact be a problematic seasonal-adjustment process within the data calculation. Consumer spending grew 1.9% in the quarter, with the bulk of that growth occurring in services (2.7% gain). The brightest spot was a 14.8% jump in housing, which contributed almost 0.5% to total GDP growth. The residential housing market has finally turned the corner after the plunge that began in late 2005, and several markets on the coasts and in a few other

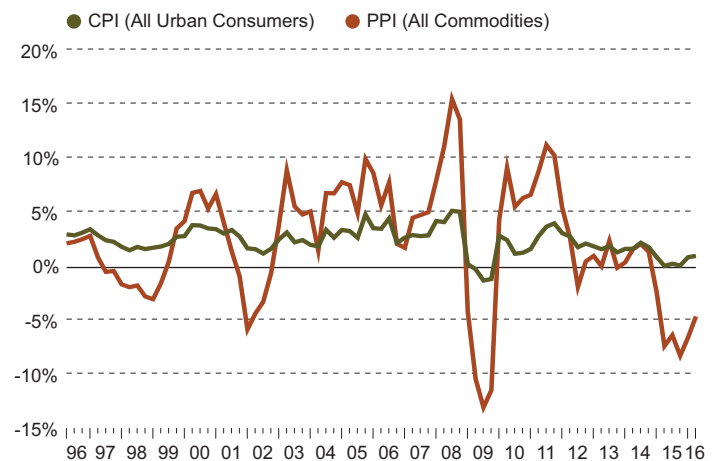
## Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

## Inflation Year-Over-Year



Source: Bureau of Labor Statistics

large metro areas are seeing substantial gains in existing home prices and sales. However, housing was the only bright spot in private domestic investment as non-residential sectors suffered declines, led by a 10.7% drop in structures.

The plunge in oil prices early in 2016 triggered another sharp decline in energy-sector capital spending, a trend that has hampered the sector since the initial oil price collapse in 2014. The cause of the drop in equipment spending is less

clear, but may be traced to corporate caution following the stock market turmoil that began last summer and reappeared with a vengeance this past January and February.

The continuing drag from inventories was larger than expected in the first quarter, but on the plus side, it appears that the bulk of the inventory adjustment is now behind us. The rebound in energy prices in March may spell the end of the rout in the energy sector. These factors, combined with signs of continuing economic growth, give businesses confidence and are likely to limit the decline in business fixed investment. The forward-looking Institute for Supply Management activity indices, which measure sentiment for business investment in manufacturing and non-manufacturing areas, are both back above 50, the dividing line between expansion and contraction, and are at levels consistent with GDP growth in excess of 2%.

Concerns about China's growth and its role in restraining confidence elsewhere in the global economy have fueled negative investor sentiment and subsequent capital market volatility. China adopted a new Five-Year Plan with a goal of GDP growth averaging at least 6.5% during 2016-2020. History suggests that goal may be ambitious for an economy that has reached China's level of current development. Official figures stated growth averaging 7.8% per year from 2011-2015, but economists from Capital Economics, a research consultancy based in London, and other forecasters estimate that growth has been closer to 6.5%. A more reasonable estimate for China's economy for the next five years may be closer to 5%; however, a figure that far below the official target could spur further stimulus from the Chinese government, increasing the medium-term risks to growth.

**Recent Quarterly Indicators**

Economic Indicators	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14
Employment Cost–Total Compensation Growth	1.9%	2.0%	2.0%	2.0%	2.6%	2.2%	2.2%	2.0%
Nonfarm Business–Productivity Growth	-0.3%*	-2.2%	2.0%	3.1%	-0.8%	-1.7%	3.1%	2.4%
GDP Growth	0.5%	1.4%	2.0%	3.9%	0.6%	2.1%	4.3%	4.6%
Manufacturing Capacity Utilization	75.4%	75.4%	75.6%	75.5%	75.5%	76.0%	75.7%	75.1%
Consumer Sentiment Index (1966=100)	91.5	91.3	90.8	94.2	95.5	89.8	83.0	82.8

\*Estimate.

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

**The Long-Term View**

Index	2016 1st Qtr	Periods ended December 31, 2015			
		Year	5 Yrs	10 Yrs	25 Yrs
<b>U.S. Equity</b>					
Russell 3000	0.97	0.48	12.18	7.35	10.03
S&P 500	1.35	1.38	12.57	7.31	9.82
Russell 2000	-1.52	-4.41	9.19	6.80	10.50
<b>Non-U.S. Equity</b>					
MSCI EAFE	-3.01	-0.81	3.60	3.03	5.40
MSCI Emerging Markets	5.71	-14.92	-4.80	3.61	–
S&P ex-U.S. Small Cap	0.52	5.92	5.51	5.33	6.80
<b>Fixed Income</b>					
Barclays Aggregate	3.03	0.55	3.25	4.51	6.15
90-Day T-Bill	0.07	0.05	0.07	1.24	2.93
Barclays Long G/C	7.30	-3.30	6.98	6.45	8.08
Citi Non-U.S. Govt	9.10	-5.54	-1.30	3.05	5.37
<b>Real Estate</b>					
NCREIF Property	2.21	13.33	12.18	7.76	8.05
FTSE NAREIT Equity	6.00	3.20	11.96	7.41	12.13
<b>Alternatives</b>					
CS Hedge Fund	-2.20	-0.71	3.55	4.97	–
Cambridge PE*	–	8.66	14.70	11.80	15.74
Bloomberg Commodity	0.42	-24.66	-13.47	-6.43	–
Gold Spot Price	16.54	-10.46	-5.70	7.41	4.02
<b>Inflation – CPI-U</b>	0.68	0.73	1.53	1.86	2.30

\*Private equity data are time-weighted returns for periods ended September 30, 2015.

Sources: Barclays, Bloomberg, Citigroup, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge, Bureau of Economic Analysis.

The strong dollar has been a significant drag on U.S. exports and manufacturing. It has also certainly lowered the cost of imports, particularly energy. The dollar reached its most recent peak in January, but has since declined sharply. The rebound in commodity prices and a scaling back of expectations for the Fed to raise rates will continue to dictate the dollar's course over the next two years.

# Progress Discounted

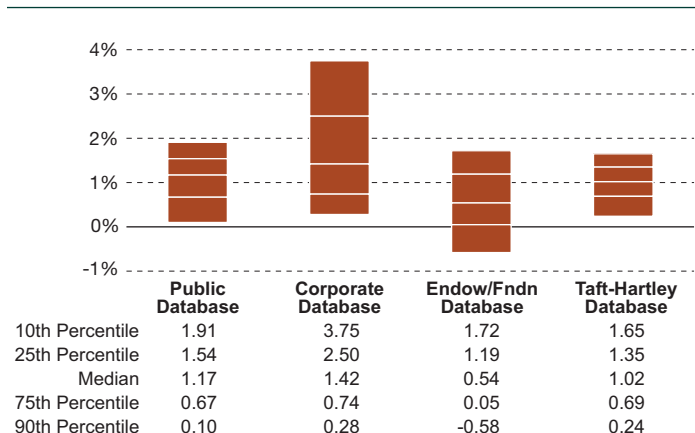
FUND SPONSOR | Rufash Lama

Global financial markets made little progress in the first quarter, as concerns over sluggish economic growth and falling oil prices led to sharp declines through mid-February. However, U.S. equity and fixed income markets staged a strong rally to end the quarter in the black. Non-U.S. equity markets (**MSCI ACWI ex USA Index: -0.38%**) lagged U.S. equity markets (**S&P 500 Index: +1.35%**) amid concerns over economic growth. The Federal Reserve's decision to delay rate hikes supported U.S. bonds (**Barclays Aggregate: +3.03%**), which nonetheless trailed the non-U.S. fixed income markets (**Citi Non-U.S. World Government Bond Index: +9.10%**).

The funded status of corporate plans deteriorated over the quarter as liabilities outgrew assets. The median and average funded status of U.S. corporate defined benefit plans fell to 80.0% and 79.9%, respectively, based on a peer group\* of seven different funded ratio measures. While assets grew for the quarter, liabilities rose faster due to a fall in discount rates.

Looking at the Callan Fund Sponsor Quarterly Returns table, we see corporate funds outperformed other fund types at the median and across percentiles. Performance dispersion was highest in the 10th percentile: corporate funds gained 3.75%,

## Callan Fund Sponsor Returns for the Quarter



Source: Callan

due in part to their high U.S. fixed income exposure, while at the low end of the spectrum Taft-Hartley funds ended the quarter at +1.65%. Endowments/foundations trailed significantly in the 90th percentile at -0.58%. Overall, endowments/foundations performed the worst due to a relatively high exposure to non-U.S. equity and low exposure to U.S. fixed income. Public funds were buoyed by greater exposure to non-U.S. fixed income as accommodative central bank policies helped fixed income markets stage a strong rally. The Barclays Global Aggregate Index gained 5.90% for the quarter.

## Callan Database Median and Index Returns\*\* for Periods ended March 31, 2016

Fund Sponsor	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Public Database	1.17	-1.03	6.02	6.41	5.39	6.09
Corporate Database	1.42	-1.91	5.47	6.41	5.54	6.17
Endowments/Foundations Database	0.54	-2.72	4.79	5.48	5.11	5.85
Taft-Hartley Database	1.02	-0.13	6.56	6.73	5.27	5.76
Diversified Manager	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Asset Allocator Style	0.76	-2.12	6.00	6.41	5.72	6.48
U.S. Balanced Database	1.46	-1.59	5.78	6.33	5.57	6.12
Global Balanced Database	0.45	-4.20	3.11	4.60	5.08	7.30
60% Russell 3000 + 40% Barclays Agg	1.79	0.73	7.73	8.35	6.53	6.27
60% MSCI World + 40% Barclays Gbl Agg	2.15	-0.11	4.51	4.77	4.58	5.38

\* The peer group includes funded ratio measures provided by large, institutional investment and actuarial consultants, as well as investment management firms.

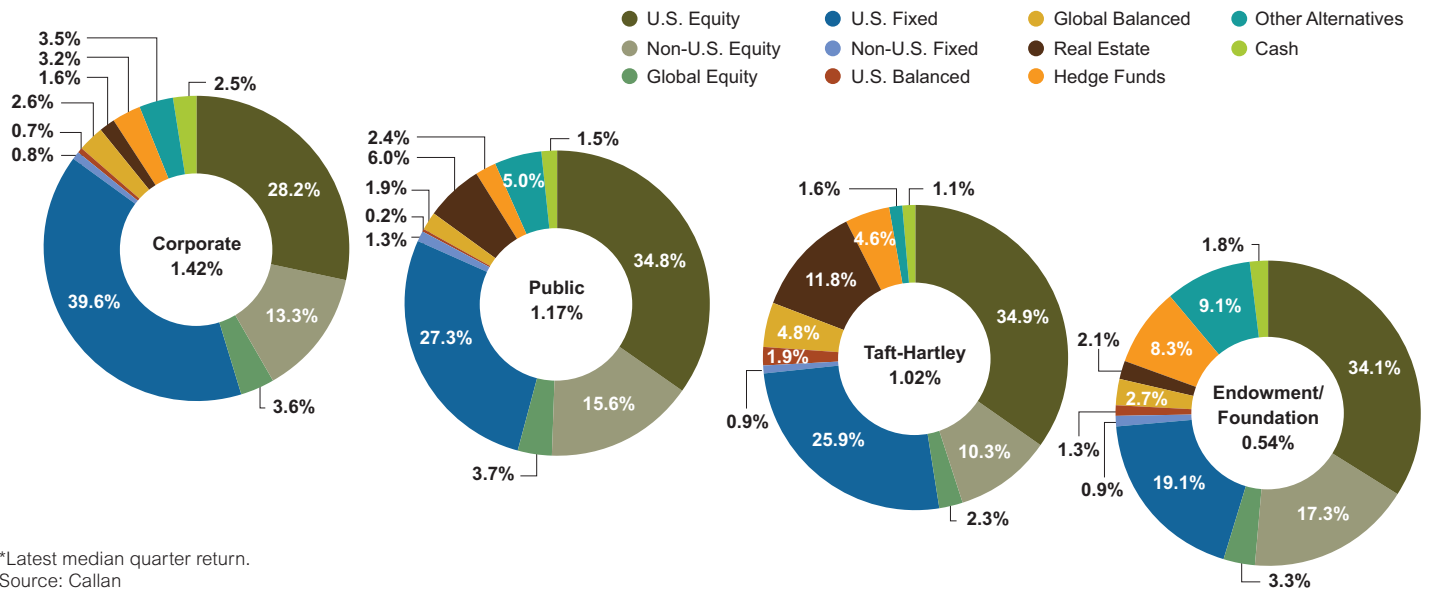
\*\*Returns less than one year are not annualized.

Sources: Callan, Barclays, MSCI, Russell Investment Group.

While one-year returns were consistently in the red, all fund types maintained performance in the +5% – +7% range for longer time periods. Taft-Hartley funds kept their lead over other fund types during three- and five-year periods, and corporate funds boasted the top returns over longer periods (10 and 15 years). Although the blended 60% Russell 3000 + 40% Barclays

Aggregate Index (+1.79%) trailed the 60% MSCI World + 40% Barclays Global Aggregate Index (+2.15%) for the quarter, the U.S.-based benchmark continues to outperform over longer time periods. Callan's U.S. Balanced Database group maintained its edge over the Global Balanced Database group across all but the longest time periods shown in the table.

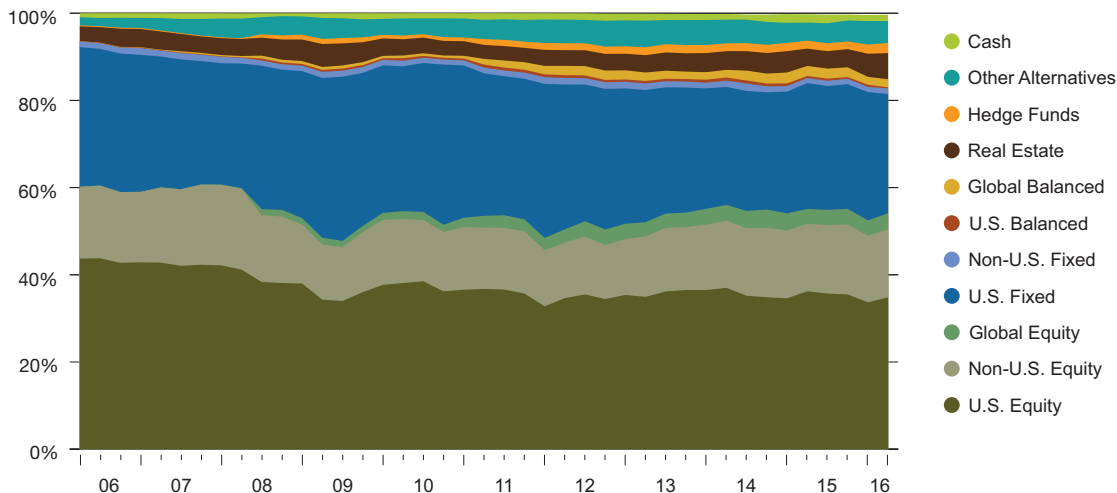
Callan Fund Sponsor Average Asset Allocation



\*Latest median quarter return. Source: Callan

Callan Public Fund Database Average Asset Allocation

(10 Years)



Source: Callan

# Tale of Two Halves

U.S. EQUITY | Lauren Mathias, CFA

The first quarter of 2016 was a tale of two halves: the **S&P 500 Index** declined in the first half only to reverse course and post a positive quarterly return (+1.35%). Large cap companies held their lead over small cap, but in the trend of reversals, value overtook growth in all capitalizations. (**Russell 1000 Index**: +1.17% and **Russell 2000 Index**: -1.52%; **Russell 1000 Value Index**: +1.64% and **Russell 1000 Growth Index**: +0.74%).

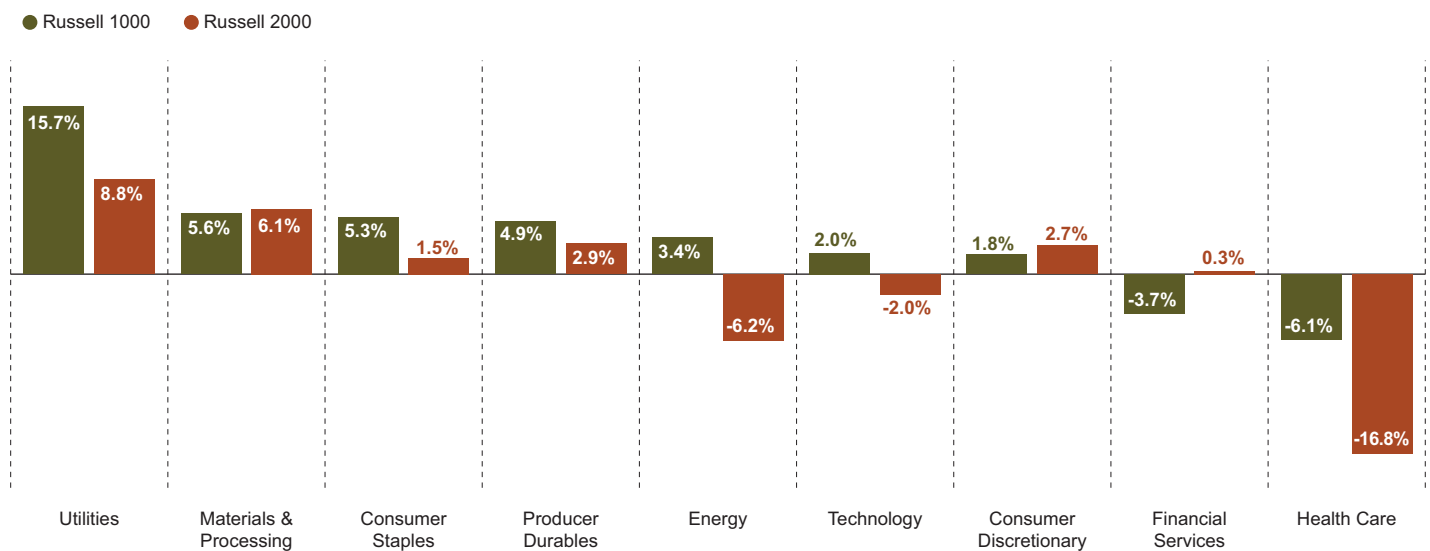
Though the S&P 500 Index ended in positive territory, during the quarter performance dipped 10%. This is the first time since the Great Depression that the S&P fell to this depth only to rebound and end in the black. January was a disappointing month as economic concerns lingered from 2015. But in February and March, U.S. manufacturing activity grew, fourth-quarter 2015 GDP was revised to 1.4% from 1.0%, the labor force participation rate expanded to 63% (from 62.4%), and the U.S. economy added 215,000 jobs in March alone. Global concerns around

the price of oil abated as the crude oil spot price ended the quarter at \$38/barrel after bottoming at \$26/barrel in mid-February. Investor sentiment rose in tandem with these positive developments. Despite some improvement, the U.S. Federal Reserve stated that global economic and financial developments continued to pose risks, and thus maintained the target range for the federal funds rate at 0.25%–0.50%.

Growth lost its lead over value. The difference was most significant within small cap (**Russell 2000 Growth Index**: -4.68% and **Russell 2000 Value Index**: +1.70). Micro and small cap companies declined while mid and large cap advanced (**Russell Microcap Index**: -5.43%, **Russell 2000 Index**: -1.52%, and **Russell Midcap Index**: +2.24%, **Russell 1000 Index**: +1.17%).

Sector performance over the quarter also revealed reversals. Cyclical areas like Energy, Industrials, and Materials added

## Economic Sector Quarterly Performance



Source: Russell Investment Group

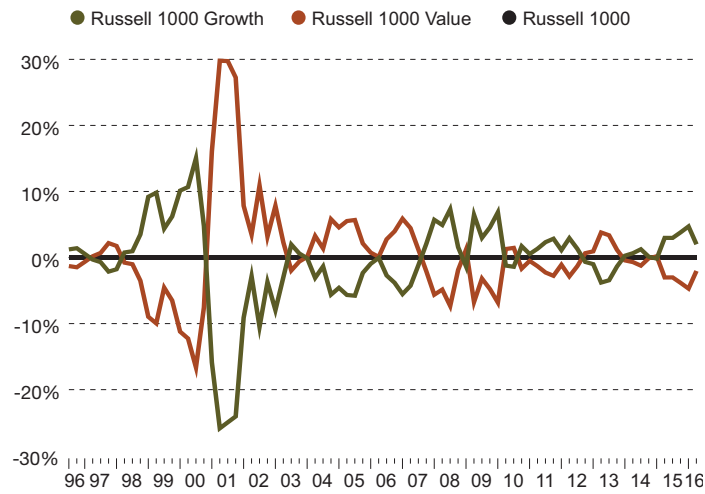
Note: As of the fourth quarter of 2015, the Capital Markets Review reports sector-specific returns using the Russell Global Sectors (RGS) classification system rather than the Global Industry Classification Standard (GICS) system. RGS uses a three-tier classification system containing nine sectors; GICS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

value, and the interest rate-sensitive Utilities sector expanded, but typically defensive Health Care trailed. Not only did sectors turnabout, so did factors—valuation metrics such as price/book and yield outpaced growth metrics such as projected EPS growth and price momentum. Volatility of stocks, as measured by the daily VIX, increased during February’s pullback, ending the quarter near average levels. Correlations remained well above long-term averages and spreads between stock returns

were below average (both based on the S&P 500 universe)—a difficult environment for stock-picking strategies.

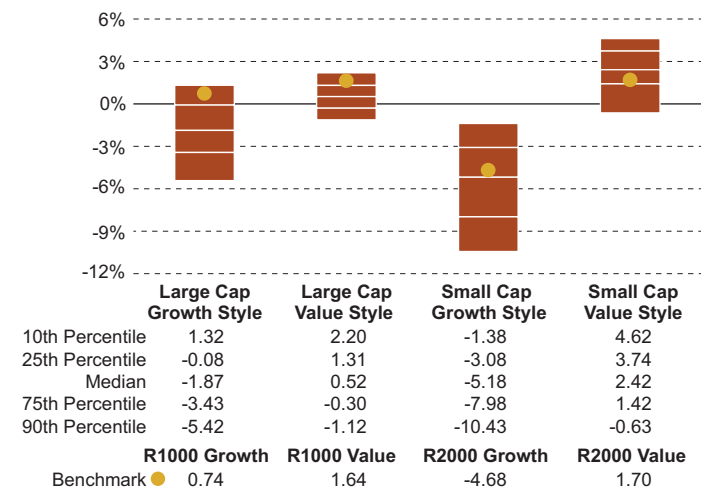
The U.S. equity market had a tumultuous start to the year, but found itself in positive territory by quarter end. This tale of two halves made it challenging for active management, with just 19% of large cap funds outperforming the S&P 500 Index during the quarter.

**Rolling One-Year Relative Returns** (vs. Russell 1000)



Source: Russell Investment Group

**Callan Style Group Quarterly Returns**



Sources: Callan, Russell Investment Group

**U.S. Equity Index Characteristics as of March 31, 2016**

	S&P 500	Rus 3000	Rus 1000	Rus Midcap	Rus 2500	Rus 2000
Cap Range Min (\$mm)	1,401	5	147	147	5	5
Cap Range Max (\$bn)	604.30	627.89	627.89	20.34	5.97	3.77
Number of Issues	504	2,978	1,017	818	2,468	1,957
% of Russell 3000	82%	100%	92%	27%	17%	7%
Wtd Avg Mkt Cap (\$bn)	128.89	107.53	116.14	12.43	4.13	1.90
Price/Book Ratio	2.7	2.6	2.6	2.4	2.1	1.9
Forward P/E Ratio	16.7	17.0	16.8	18.4	18.5	18.8
Dividend Yield	2.2%	2.1%	2.1%	1.8%	1.7%	1.6%
5-Yr Earnings (forecasted)	10.3%	10.7%	10.5%	9.4%	11.5%	13.1%

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

## U.S. EQUITY (Continued)

### Callan Style Median and Index Returns\* for Periods ended March 31, 2016

<b>Large Cap Equity</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Large Cap Core Style</b>	<b>-0.12</b>	<b>-0.84</b>	<b>11.55</b>	<b>11.43</b>	<b>7.32</b>	<b>6.67</b>
<b>Large Cap Growth Style</b>	<b>-1.87</b>	<b>0.44</b>	<b>13.05</b>	<b>11.51</b>	<b>8.10</b>	<b>6.14</b>
<b>Large Cap Value Style</b>	<b>0.52</b>	<b>-2.37</b>	<b>9.67</b>	<b>10.25</b>	<b>6.40</b>	<b>7.20</b>
<b>Aggressive Growth Style</b>	<b>-3.86</b>	<b>-1.09</b>	<b>11.81</b>	<b>9.50</b>	<b>7.24</b>	<b>6.65</b>
<b>Contrarian Style</b>	<b>0.34</b>	<b>-4.94</b>	<b>9.21</b>	<b>9.77</b>	<b>6.14</b>	<b>7.33</b>
<b>Yield-Oriented Style</b>	<b>2.30</b>	<b>-0.92</b>	<b>9.16</b>	<b>9.88</b>	<b>6.97</b>	<b>7.63</b>
Russell 3000	0.97	-0.34	11.15	11.01	6.90	6.38
Russell 1000	1.17	0.50	11.52	11.35	7.06	6.28
Russell 1000 Growth	0.74	2.52	13.61	12.38	8.28	6.03
Russell 1000 Value	1.64	-1.54	9.38	10.25	5.72	6.41
S&P Composite 1500	1.57	1.18	11.53	11.34	7.05	6.37
S&P 500	1.35	1.78	11.82	11.58	7.01	5.99
NYSE	1.33	-3.91	6.67	8.39	5.70	6.31
Dow Jones Industrials	2.20	2.08	9.29	10.27	7.54	6.55
<b>Mid Cap Equity</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Mid Cap Core Style</b>	<b>1.04</b>	<b>-3.68</b>	<b>10.56</b>	<b>10.37</b>	<b>7.71</b>	<b>9.87</b>
<b>Mid Cap Growth Style</b>	<b>-2.14</b>	<b>-7.69</b>	<b>9.55</b>	<b>8.50</b>	<b>7.47</b>	<b>8.31</b>
<b>Mid Cap Value Style</b>	<b>2.03</b>	<b>-4.34</b>	<b>9.72</b>	<b>10.02</b>	<b>7.85</b>	<b>10.16</b>
Russell Midcap	2.24	-4.04	10.45	10.30	7.45	9.11
S&P MidCap 400	3.79	-3.60	9.46	9.52	7.78	9.42
<b>Small Cap Equity</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Small Cap Core Style</b>	<b>-0.20</b>	<b>-6.50</b>	<b>9.29</b>	<b>9.75</b>	<b>7.07</b>	<b>10.28</b>
<b>Small Cap Growth Style</b>	<b>-5.18</b>	<b>-13.12</b>	<b>7.24</b>	<b>7.69</b>	<b>6.31</b>	<b>8.07</b>
<b>Small Cap Value Style</b>	<b>2.42</b>	<b>-4.93</b>	<b>8.92</b>	<b>9.09</b>	<b>6.92</b>	<b>10.77</b>
Russell 2000	-1.52	-9.76	6.84	7.20	5.26	7.65
S&P SmallCap 600	2.66	-3.20	10.39	10.41	6.99	9.60
NASDAQ	-2.43	0.55	15.63	13.28	8.78	7.67
<b>Smid Cap Equity</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Smid Cap Broad Style</b>	<b>0.09</b>	<b>-7.42</b>	<b>8.93</b>	<b>8.73</b>	<b>7.57</b>	<b>9.73</b>
<b>Smid Cap Growth Style</b>	<b>-3.51</b>	<b>-9.97</b>	<b>8.27</b>	<b>8.34</b>	<b>6.78</b>	<b>8.92</b>
<b>Smid Cap Value Style</b>	<b>3.00</b>	<b>-5.56</b>	<b>8.32</b>	<b>8.43</b>	<b>7.42</b>	<b>10.79</b>
Russell 2500	0.39	-7.31	8.16	8.58	6.47	8.76
S&P 1000	3.45	-3.47	9.75	9.80	7.51	9.46
<b>Russell 3000 Sectors</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Consumer Discretionary	1.88	2.43	13.87	15.59	9.79	-
Consumer Staples	5.22	12.19	13.98	15.64	12.35	-
Energy	3.13	-18.92	-6.73	-3.91	2.57	-
Financial Services	-3.30	-2.34	10.03	9.91	0.69	-
Health Care	-7.05	-7.62	15.51	17.25	10.20	-
Materials & Processing	5.70	-4.62	6.38	5.70	5.56	-
Producer Durables	4.76	0.59	11.59	10.27	6.42	-
Technology	1.73	4.51	15.91	11.85	8.91	-
Utilities	15.23	15.78	10.78	11.98	8.16	-

\*Returns less than one year are not annualized.

Sources: Callan, Dow Jones & Company, Russell Investment Group, Standard & Poor's, The NASDAQ Stock Market.

# Mr. Draghi's Wild Ride

NON-U.S. EQUITY | Kevin Nagy

Non-U.S. equity markets endured a rocky January and February but rallied in March to finish at a modest loss (**MSCI ACWI ex USA Index: -0.38%**). Emerging markets (**MSCI Emerging Markets Index: +5.71%**) did better than their developed counterparts (**MSCI World ex USA: -1.95%**).

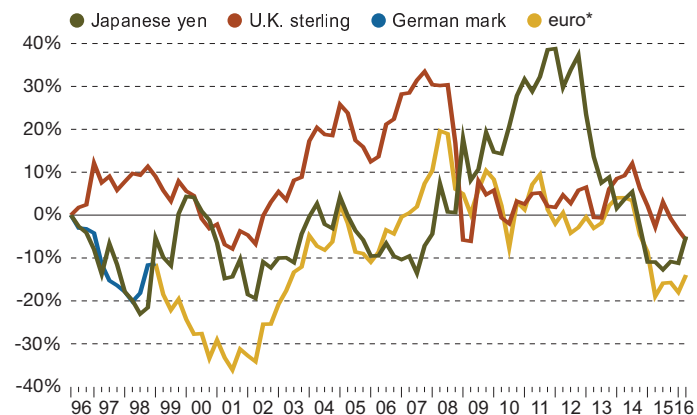
Falling oil prices, concerns about global economic growth, and declining corporate profits prompted a January sell-off, as many investors switched to a "risk-off" footing. Announcements of further European Central Bank (ECB) monetary stimulus and a modest rebound in commodity prices helped kick-start a comeback in February and March, but were not enough to drive the broader non-U.S. indices into the black.

The MSCI Emerging Markets Index (+5.71%) handily surpassed the MSCI World ex USA Index (-1.95%). Small cap stocks rode the rally further than large cap and posted a slight positive return, due to strong performance in the Utilities sector (**MSCI ACWI ex USA Small Cap Index: +0.68%**). Sector results were mixed: Energy (+9.81%) and Materials (+7.20%) were strongest while Health Care and Financials retreated (-7.50% and -4.96%, respectively).

European stocks were unable to complete their rebound despite further rate cuts and bond purchases by the ECB (**MSCI Europe Index: -2.51%**). The banking sector was hurt by slashed interest rates. Health Care also struggled, dropping 7.45% amid renewed political tension over rising drug prices. The Netherlands (+3.35%) was the top performer in Europe due to strong domestic performance from Energy (+15.73%) and Consumer Discretionary (+12.32%). Italy (-11.66%) was the worst performer; its Financial sector lost 25.84% due to Italian banks carrying massive amounts of non-performing loans on their balance sheets.

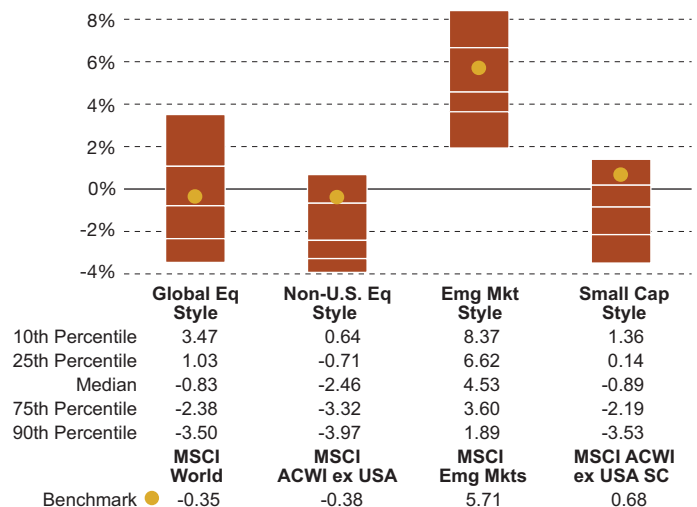
Southeast Asia and the Pacific (**MSCI Pacific Index: -3.79%**) underperformed Europe and other broad benchmarks. Japan

## Major Currencies' Cumulative Returns (vs. U.S. Dollar)



\*euro returns from 1Q99  
Source: MSCI

## Callan Style Group Quarterly Returns



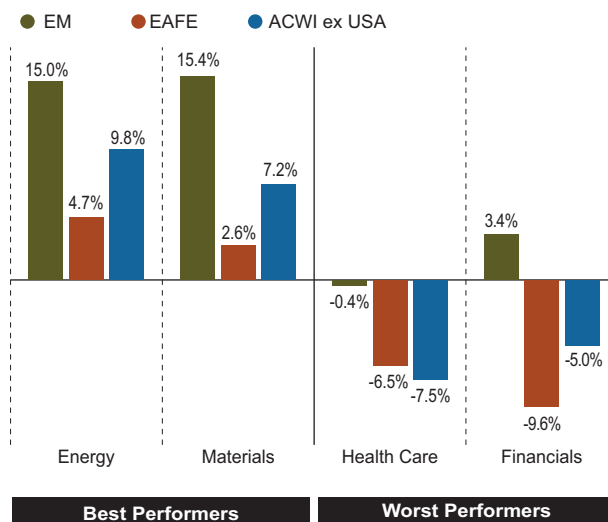
Sources: Callan, MSCI

(-6.52%) battled with tepid economic growth and large losses in the banking sector. The Financial sector was hit especially hard, losing 13.58%. Exporters also struggled due to the strengthening yen. Things were less gloomy in the rest of the region with New Zealand (+11.60%), Singapore (+5.05%), and Australia (+2.10%) benefitting from a commodities rally.

## NON-U.S. EQUITY (Continued)

China (-4.80%) continued to struggle due to concerns over slowing growth and ineffective monetary policy. In an effort to sustain the economy's growth, Chinese authorities implemented selective capital controls to slow asset withdrawals and cut the required reserve ratio. Consumer Discretionary (-10.75%), Financials (-9.68%), and Health Care (-6.65%) were three significant detractors. In keeping with the rest of the world, surging commodity prices buoyed Energy (+6.75%) and Materials (+7.26%). Latin America was the big winner of the first quarter as Brazil, Colombia, Chile, and Peru (+28.58%, +22.49%, +13.25%, and +27.02%) made the **MSCI Latin America Index** the top-performing regional index at +19.23%. The real appreciated 12% against the dollar on the back of the commodities rally and the prospect of political change.

## Quarterly Returns: Strong and Struggling Sectors



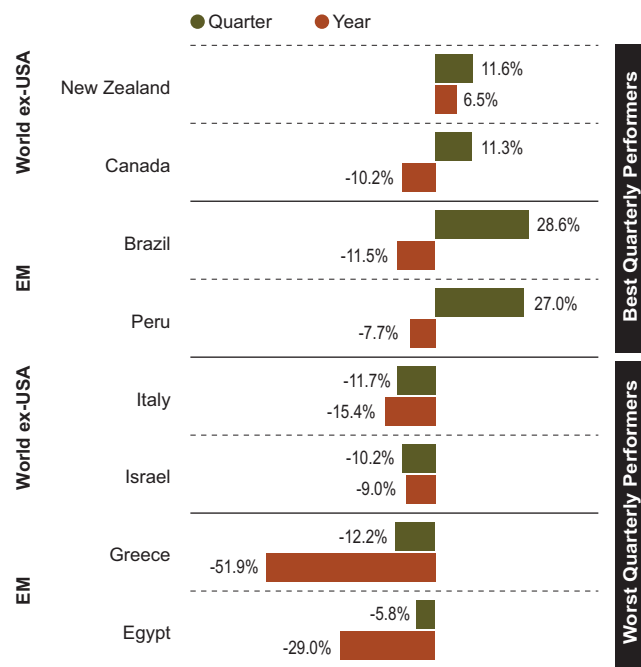
Source: MSCI

## Quarterly and Annual Country Performance Snapshot

### Quarterly Return Attribution for EAFE (U.S. Dollar)

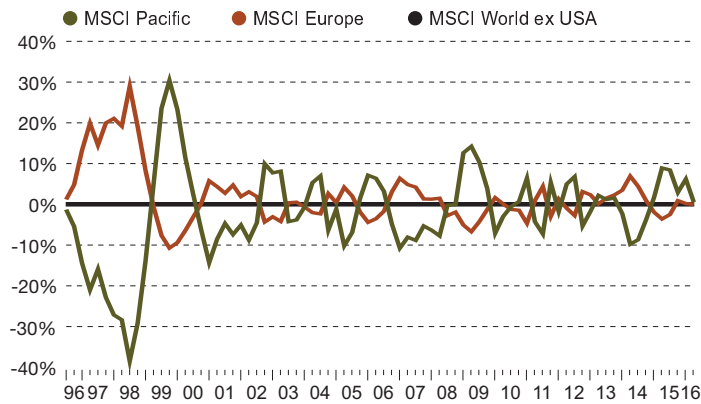
Country	Total	Local	Currency	Wtg
Australia	2.10%	-3.44%	5.73%	7.16%
Austria	-0.52%	-5.17%	4.90%	0.18%
Belgium	-2.43%	-6.99%	4.90%	1.45%
Denmark	-0.96%	-5.75%	5.08%	1.99%
Finland	-5.19%	-9.62%	4.90%	1.01%
France	0.12%	-4.56%	4.90%	9.98%
Germany	-2.50%	-7.06%	4.90%	9.17%
Hong Kong	-0.55%	-0.47%	-0.08%	3.31%
Ireland	-4.15%	-8.63%	4.90%	0.50%
Israel	-10.16%	-12.84%	3.50%	0.71%
Italy	-11.66%	-15.79%	4.90%	2.18%
Japan	-6.52%	-12.66%	7.03%	22.48%
Netherlands	3.35%	-1.30%	4.90%	3.08%
New Zealand	11.60%	10.04%	1.42%	0.18%
Norway	1.72%	-4.94%	7.01%	0.58%
Portugal	3.24%	-1.59%	4.90%	0.17%
Singapore	5.05%	-0.20%	5.35%	1.36%
Spain	-4.09%	-8.57%	4.90%	3.15%
Sweden	-0.22%	-4.05%	4.00%	2.94%
Switzerland	-5.51%	-9.60%	4.53%	9.12%
U.K.	-2.34%	0.15%	-2.48%	19.30%

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



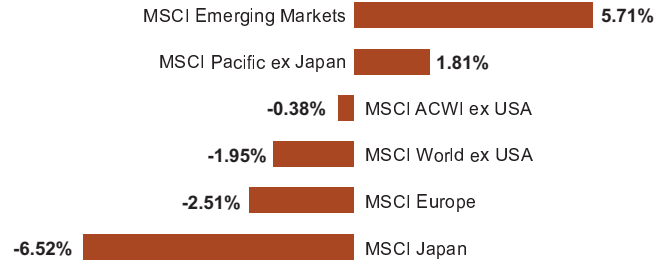
Source: MSCI

Rolling One-year Relative Returns (vs. MSCI World ex USA)



Source: MSCI

Regional Quarterly Performance (U.S. Dollar)



Source: MSCI

Style Median and Index Returns\* for Periods ended March 31, 2016

Non-U.S. Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
<b>Non-U.S. Equity Style</b>	<b>-2.46</b>	<b>-6.23</b>	<b>3.54</b>	<b>3.45</b>	<b>3.00</b>	<b>6.32</b>
MSCI EAFE	-3.01	-8.27	2.23	2.29	1.80	4.35
MSCI EAFE (local)	-6.52	-11.17	6.47	6.20	1.72	2.76
MSCI ACWI ex USA	-0.38	-9.19	0.32	0.31	1.94	4.99
MSCI ACWI ex USA Growth	-0.34	-6.08	1.92	1.61	2.72	4.88
MSCI ACWI ex USA Value	-0.42	-12.31	-1.34	-1.03	1.11	5.03
<b>Global Equity</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Global Equity Style</b>	<b>-0.83</b>	<b>-3.45</b>	<b>7.27</b>	<b>7.11</b>	<b>5.15</b>	<b>6.48</b>
MSCI World	-0.35	-3.45	6.82	6.51	4.27	4.97
MSCI World (local)	-1.96	-4.56	8.86	8.38	4.12	4.19
MSCI ACWI	0.24	-4.34	5.53	5.22	4.08	5.10
<b>Regional Equity</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
MSCI Europe	-2.51	-8.44	2.71	2.07	2.05	4.46
MSCI Europe (local)	-4.92	-10.63	5.87	5.42	2.56	2.97
MSCI Japan	-6.52	-7.06	3.84	4.03	-0.42	2.27
MSCI Japan (local)	-12.66	-12.90	10.21	10.57	-0.91	1.53
MSCI Pacific ex Japan	1.81	-9.65	-2.95	0.68	5.60	9.18
MSCI Pacific ex Japan (local)	-2.11	-10.23	3.69	4.53	4.67	6.72
<b>Emerging/Frontier Markets</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Emerging Market Style</b>	<b>4.53</b>	<b>-10.27</b>	<b>-3.47</b>	<b>-2.64</b>	<b>4.08</b>	<b>10.96</b>
MSCI Emerging Markets	5.71	-12.03	-4.50	-4.13	3.02	9.35
MSCI Emerging Markets (local)	2.73	-7.70	1.91	1.33	5.33	10.24
MSCI Frontier Markets	-0.94	-12.54	1.75	1.30	-0.78	--
<b>Non-U.S. Small Cap Equity</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Non-U.S. Small Cap Style</b>	<b>-0.89</b>	<b>2.36</b>	<b>7.94</b>	<b>7.23</b>	<b>5.28</b>	<b>10.34</b>
MSCI World ex USA Small Cap	0.60	1.99	5.54	3.84	3.09	8.66
MSCI ACWI ex USA Small Cap	0.68	-0.60	3.67	2.39	3.87	8.91
MSCI Emerging Market Small Cap	0.97	-9.20	-2.69	-2.56	5.07	10.96

\*Returns less than one year are not annualized.  
Sources: Callan, MSCI.

# More T-Bills, Please

U.S. FIXED INCOME | Irina Sushch

Yields plummeted during a volatile first quarter. A dovish Fed fostered uncertainty over global economic growth. **The Barclays Aggregate Index** gained 3.03% and the **Barclays Corporate High Yield Index** was up 3.35%.

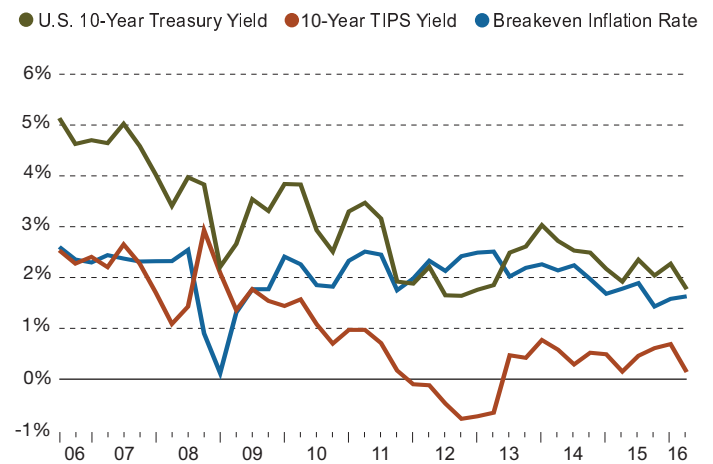
Yields fell nearly 50 bps during a volatile first quarter. The yield curve flattened further in markets abundant with uncertainty over global economic growth. Investment grade credit, mortgage-backed (MBS), commercial mortgage-backed (CMBS), and high yield spreads all tightened, while asset-backed spreads widened.

Following December's federal funds rate hike, the Federal Reserve took on a neutral outlook. The Fed stated that financial and economic conditions are less favorable than they had been in December. The U.S. economy experienced modest growth despite improving employment and housing numbers. Fed chair Janet Yellen stated that the U.S. economy would have to get much worse before the Fed would consider the use of negative interest rates (six other central banks have implemented negative interest rates). The 10-year U.S. Treasury yield tumbled to

1.77%. The breakeven inflation rate (the difference between nominal and real yields) on 10-year Treasuries ticked up 1.63% as TIPS fell 55 bps, in line with their nominal counterparts.

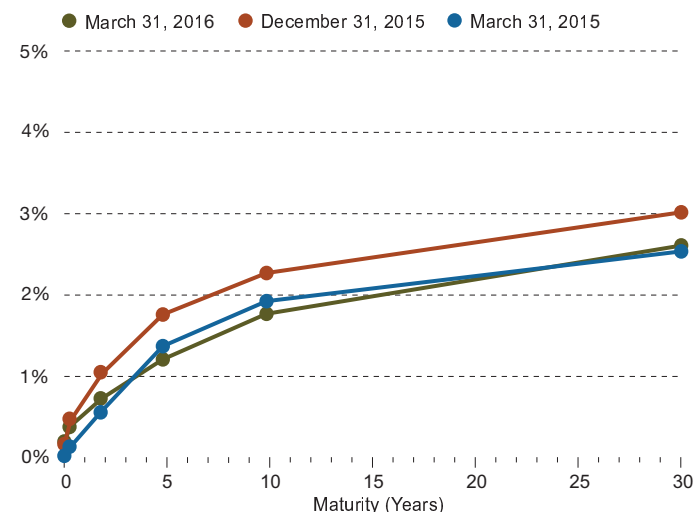
Sectors in the Barclays Aggregate posted positive returns across the board. CMBS outperformed like-duration Treasuries by 0.58% and rose 3.61% for the quarter. Credit was the highest returning sector (+3.92%), but only beat like-duration Treasuries

## Historical 10-Year Yields



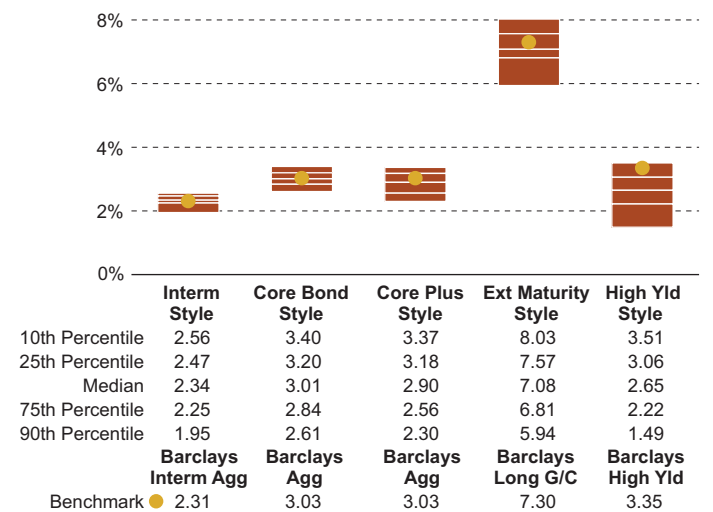
Source: Bloomberg

## U.S. Treasury Yield Curves



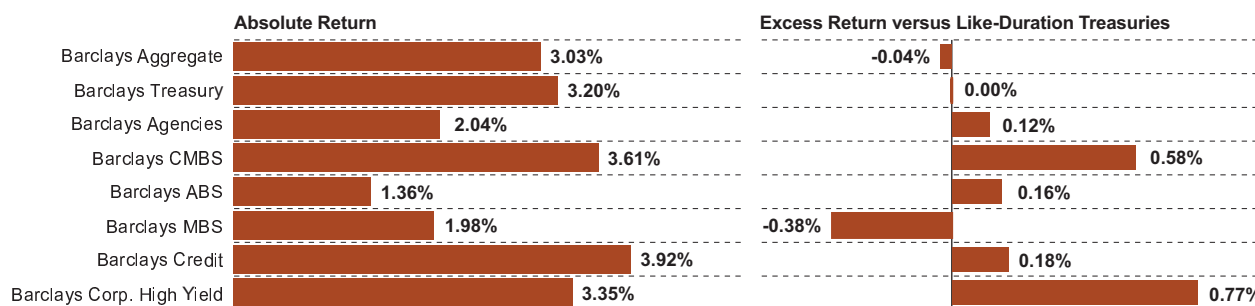
Source: Bloomberg

## Callan Style Group Quarterly Returns



Sources: Barclays, Callan

Fixed Income Index Quarterly Returns

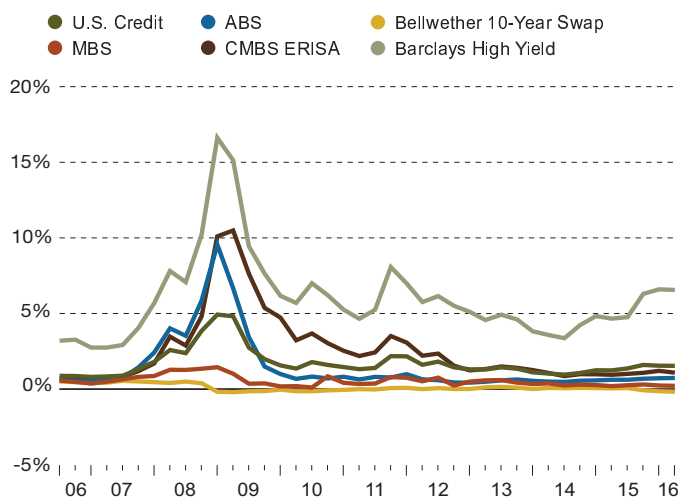


Source: Barclays

by 0.18%. MBS was the only sector to trail like-duration Treasuries (down by 0.38%), yet still rose 1.98%. Investment grade Financials, hurt by worries over persistent low or negative interest rates, underperformed like-duration Treasuries by nearly 100 bps; Industrials, buoyed by a rebound in commodity prices, outperformed by 70 bps.

High yield corporate bonds rebounded from severe underperformance in January and early February (down 5% through February 11) to finish in the black. The Barclays Corporate High Yield Index was up 3.35%, outpacing Treasuries by 77 bps. Including an upsurge in issuance in the last few weeks of the quarter, new high yield issuance was \$35.9 billion—60% lower than one year ago.

Effective Yield Over Treasuries



Source: Barclays

U.S. Fixed Income Index Characteristics as of March 31, 2016

Barclays Indices	Yield to Worst	Mod Adj Duration	Avg Maturity	% of Barclays G/C	% of Barclays Agg
Barclays Aggregate	2.16	5.47	7.79		100.00
Barclays Govt/Credit	2.09	6.48	8.73	100.00	69.44
Intermediate	1.63	4.04	4.39	78.18	54.29
Long-Term	3.74	15.22	24.30	21.82	15.15
Barclays Govt	1.31	5.96	7.29	56.54	39.26
Barclays Credit	3.10	7.15	10.61	43.46	30.18
Barclays MBS	2.35	3.06	5.70		28.21
Barclays ABS	1.57	2.31	2.47		0.50
Barclays CMBS	2.43	5.23	5.87		1.76
Barclays Corp High Yield	8.18	4.22	6.25		

Source: Barclays

## U.S. FIXED INCOME (Continued)

### Callan Style Median and Index Returns\* for Periods ended March 31, 2016

<b>Broad Fixed Income</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Core Bond Style</b>	<b>3.01</b>	<b>2.11</b>	<b>2.76</b>	<b>4.22</b>	<b>5.35</b>	<b>5.41</b>
<b>Core Bond Plus Style</b>	<b>2.90</b>	<b>1.35</b>	<b>2.65</b>	<b>4.47</b>	<b>5.76</b>	<b>5.97</b>
Barclays Aggregate	3.03	1.96	2.50	3.78	4.90	4.97
Barclays Govt/Credit	3.47	1.75	2.42	4.04	4.93	5.03
Barclays Govt	3.12	2.37	2.11	3.42	4.52	4.57
Barclays Credit	3.92	0.93	2.86	5.00	5.70	5.79
Citi Broad Investment Grade	3.04	1.93	2.49	3.78	4.98	5.04
<b>Long-Term</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Extended Maturity Style</b>	<b>7.08</b>	<b>0.36</b>	<b>4.95</b>	<b>8.90</b>	<b>8.14</b>	<b>7.74</b>
Barclays Long Govt/Credit	7.30	0.39	4.81	8.51	7.57	7.38
Barclays Long Govt	8.06	2.80	6.04	9.52	7.88	7.43
Barclays Long Credit	6.82	-1.08	4.10	7.77	7.25	7.40
Citi Pension Discount Curve	9.21	1.02	7.27	11.67	9.36	9.74
<b>Intermediate-Term</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Intermediate Style</b>	<b>2.34</b>	<b>2.11</b>	<b>2.00</b>	<b>3.30</b>	<b>4.82</b>	<b>4.86</b>
Barclays Intermediate Aggregate	2.31	2.20	2.14	3.11	4.53	4.62
Barclays Intermediate Govt/Credit	2.45	2.06	1.83	3.01	4.34	4.46
Barclays Intermediate Govt	2.28	2.21	1.52	2.48	3.97	4.03
Barclays Intermediate Credit	2.70	1.82	2.36	3.98	5.16	5.26
<b>Short-Term</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Defensive Style</b>	<b>1.01</b>	<b>1.26</b>	<b>1.16</b>	<b>1.59</b>	<b>3.13</b>	<b>3.28</b>
<b>Active Duration Style</b>	<b>2.78</b>	<b>2.22</b>	<b>2.23</b>	<b>3.83</b>	<b>4.84</b>	<b>5.05</b>
Money Market Funds (net of fees)	0.01	0.02	0.01	0.01	1.07	1.32
ML Treasury 1–3-Year	0.90	0.92	0.77	0.87	2.48	2.71
90-Day Treasury Bills	0.07	0.12	0.07	0.08	1.15	1.51
<b>High Yield</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>High Yield Style</b>	<b>2.65</b>	<b>-2.87</b>	<b>2.37</b>	<b>5.17</b>	<b>6.87</b>	<b>7.59</b>
Barclays Corporate High Yield	3.35	-3.69	1.84	4.93	7.01	7.38
ML High Yield Master	3.23	-3.90	1.76	4.71	6.78	7.20
<b>Mortgage/Asset-Backed</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
<b>Mortgage Style</b>	<b>1.91</b>	<b>2.40</b>	<b>2.94</b>	<b>3.77</b>	<b>5.14</b>	<b>5.29</b>
Barclays MBS	1.98	2.43	2.70	3.24	4.85	4.85
Barclays ABS	1.36	1.71	1.39	2.46	3.40	3.87
Barclays CMBS	3.61	2.80	2.84	4.41	5.63	5.82
<b>Municipal</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Barclays Muni	1.67	3.98	3.63	5.59	4.86	4.97
Barclays Muni 1–10-Year	1.24	2.86	2.50	3.68	4.21	4.17
Barclays Muni 3-Year	0.77	1.54	1.31	1.80	3.07	3.11
<b>TIPS</b>	<b>Quarter</b>	<b>Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Barclays TIPS Full Duration	4.46	1.51	-0.71	3.02	4.62	5.49
Barclays TIPS 1-10 Year	3.60	1.84	-0.72	1.88	4.00	4.78

\*Returns for less than one year are not annualized.

Sources: Barclays, Callan, Citigroup, Merrill Lynch.

# A Dole of Doves

NON-U.S. FIXED INCOME | Kyle Fekete

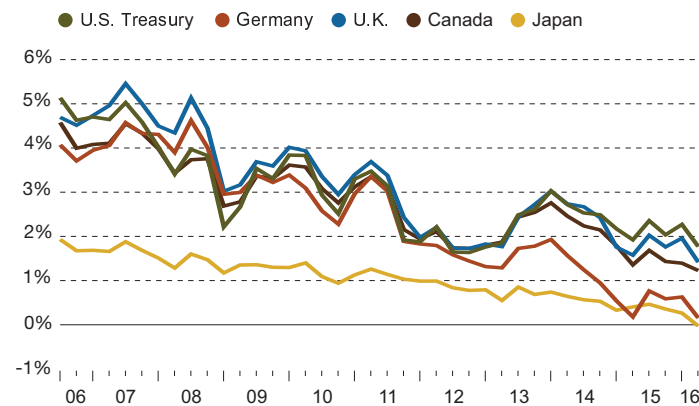
Sovereign debt rallied in the first quarter, driven by risk-on sentiment and the impact of the U.S. dollar's relative weakness. The **Citi Non-U.S. World Government Bond Index** jumped 9.10% (+4.16% on a hedged basis). The hard currency **JPM EMBI Global Diversified Index** rose 5.04% while the local currency **JPM GBI-EM Global Diversified** soared 11.02%.

The U.S. dollar weakened versus most currencies during the quarter, providing a tailwind to unhedged foreign bond returns. The yen gained 7% versus the dollar as investors sought its safe-haven status amid market turbulence in China and concerns over the health of the European banking sector. The euro was also stronger versus the dollar (+5%). In March, the ECB continued its accommodative stance, slashing interest rates and increasing asset purchases. For the first time, the ECB included

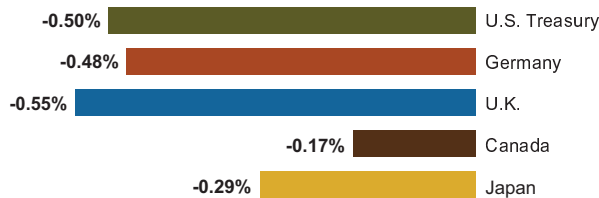
non-bank investment grade corporate bonds in its asset purchase program. Interest rates fell across developed markets, further bolstering returns. The **Barclays Global Aggregate** rose 5.90% (+3.28% hedged).

On an unhedged basis, returns approached 10% for many countries, including Japan, which was up 12% on the back of falling rates combined with yen strength. Yield on the Japanese 10-year bond reached negative territory after a surprise move by the Bank of Japan (BoJ) in January to adopt a negative interest rate policy, indicating bond investors would have to pay-to-own before adjusting for inflation. The BoJ owns approximately one-third of outstanding Japanese bonds as a result of its

## 10-Year Global Government Bond Yields



## Change in 10-Year Yields from 4Q15 to 1Q16



Source: Bloomberg

## Quarterly Return Attribution for Non-U.S. Gov't Indices (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	8.29%	2.42%	5.73%	2.11%
Austria	8.73%	3.64%	4.90%	1.79%
Belgium	9.93%	4.79%	4.90%	2.98%
Canada	8.60%	1.12%	7.39%	2.30%
Denmark	9.88%	4.57%	5.08%	0.79%
Finland	8.12%	3.07%	4.90%	0.76%
France	9.18%	4.08%	4.90%	11.62%
Germany	8.88%	3.79%	4.90%	8.66%
Ireland	7.62%	2.59%	4.90%	0.95%
Italy	7.60%	2.57%	4.90%	11.44%
Japan	12.05%	4.69%	7.03%	33.67%
Malaysia	12.49%	2.22%	10.05%	0.53%
Mexico	3.48%	2.68%	0.78%	1.14%
Netherlands	8.98%	3.88%	4.90%	2.88%
Norway	8.84%	1.71%	7.01%	0.36%
Poland	7.82%	1.62%	6.10%	0.73%
Singapore	10.26%	4.66%	5.35%	0.45%
South Africa	12.34%	6.63%	5.35%	0.50%
Spain	7.64%	2.61%	4.90%	6.45%
Sweden	7.02%	2.90%	4.00%	0.58%
Switzerland	5.75%	1.17%	4.53%	0.34%
U.K.	2.66%	5.28%	-2.48%	8.96%

Source: Citigroup

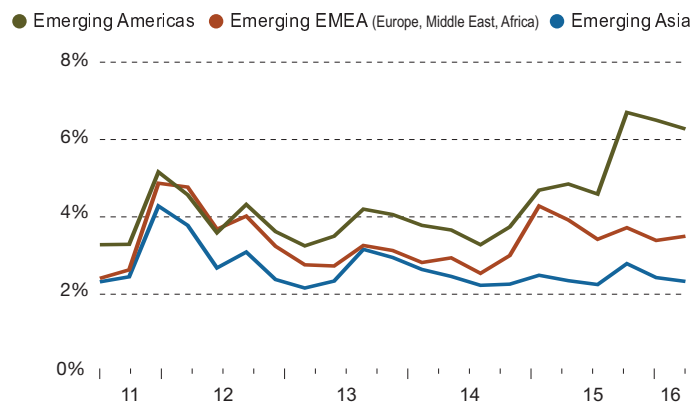
## NON-U.S. FIXED INCOME (Continued)

quantitative easing program. Regulations require the nation's banks, insurers, and pension funds to carry Japanese bonds on their balance sheets.

The unhedged U.K. gilt advanced 2.66%, hampered by the pound's 3% fall. Worries over a potential Brexit put pressure on the currency. Yield on the 10-year U.K. gilt declined more than 50 bps, hitting an all-time low early in the quarter. The Bank of England elected to maintain its relaxed monetary policy for the seventh straight year, citing weak growth and global market turmoil.

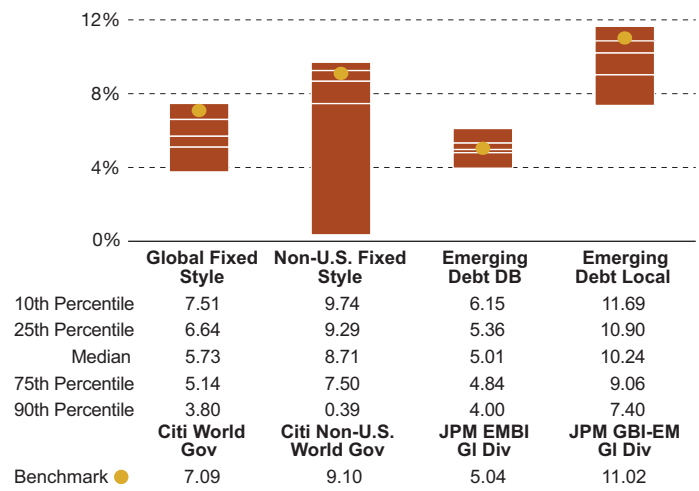
Emerging market bonds rebounded. In late February and March, commodity prices stabilized, risk appetite returned, and confidence in the Chinese renminbi stabilized. The hard currency **JPM EMBI Global Diversified Index** rose 5.04% while the local currency **JPM GBI-EM Global Diversified** soared 11.02%, bolstered by the dollar's relative weakness. Brazil led both indices as investors cheered the prospect of an impeachment of President Dilma Rousseff, hoping a new government could bring better days for the beleaguered country.

### Emerging Spreads Over Developed (By Region)



Source: Barclays

### Callan Style Group Quarterly Returns



Sources: Callan, Citigroup, JPMorgan Chase

### Callan Style Median and Index Returns\* for Periods ended March 31, 2016

Global Fixed Income	Quarter	Year	3 Years	5 Years	10 Years	15 Years
<b>Global Style</b>	<b>5.73</b>	<b>3.39</b>	<b>0.90</b>	<b>2.15</b>	<b>4.98</b>	<b>5.98</b>
Citi World Govt	7.09	5.92	0.49	1.16	4.19	5.28
Citi World Govt (Local)	3.68	2.84	4.20	4.88	4.27	4.19
Barclays Global Aggregate	5.90	4.57	0.87	1.81	4.35	5.25
Non-U.S. Fixed	Quarter	Year	3 Years	5 Years	10 Years	15 Years
<b>Non-U.S. Style</b>	<b>8.71</b>	<b>5.38</b>	<b>0.01</b>	<b>1.22</b>	<b>4.69</b>	<b>6.27</b>
Citi Non-U.S. World Govt	9.10	7.74	-0.16	0.24	3.97	5.39
Citi Non-U.S. World Govt (Local)	3.95	3.10	5.11	5.48	4.29	4.14
European Fixed	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Citi Euro Govt Bond	8.50	6.95	2.45	2.49	4.57	7.15
Citi Euro Govt Bond (Local)	3.43	0.79	5.97	6.71	5.01	5.22
Emerging Markets Fixed	Quarter	Year	3 Years	5 Years	10 Years	15 Years
JPM EMBI Global Diversified	5.04	4.19	3.45	6.22	7.20	9.12
JPM GBI-EM Global Diversified	11.02	-1.65	-6.72	-2.00	4.95	--

\*Returns less than one year are not annualized.

Sources: Callan, Citigroup, JPMorgan Chase.

# Slow and Low

REAL ESTATE | Avery Robinson

The **NCREIF Property Index** advanced 2.21%, recording a 1.17% income return and a 1.04% appreciation return during the quarter. Industrial (+2.96%) and Retail (+2.96%) led property sector performance for the quarter while Hotels (+1.16%) lagged. Regionally, the West bested other areas with a 2.75% return and the East brought up the rear with 1.66%.

During the quarter there were 184 asset trades representing \$7.5 billion of overall transactional volume. This marks a considerable decline from the fourth quarter of 2015's \$11.3 billion, but it is still above the five-year quarterly transaction average of \$6.4 billion. During the first quarter of 2016, appraisal capitalization rates decreased from 4.59% to 4.54%, setting an all-time low.

The **NCREIF Open End Diversified Core Equity Index** earned 2.18%, comprising a 1.11% income return and a 1.07% appreciation return. This marks the lowest quarterly return for the Index since 2010. Capital flows to core funds continued to decline, as a growing number of institutional investors are reaching or surpassing their real estate allocation targets. As a result, entry queues have also declined by more than 40% for the ODCE funds over the past six months.

In the listed real estate market, the **FTSE EPRA/NAREIT Developed REIT Index (USD)** gained 5.43% and U.S. REITs tracked by the **FTSE NAREIT Equity REITs Index** advanced 6.00%.

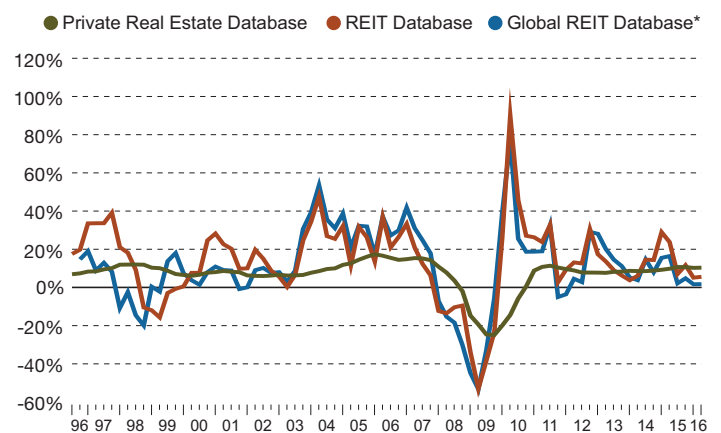
In the U.S., volatility continued as REIT sectors rebounded sharply in March to generate positive returns for the quarter. Sector performance was led once again by Self-Storage (+10.85%), followed by Retail (+8.21%), Residential (+8.38%), and Industrial (+6.49%). The only negative was single family homes (-1.03%). As of March 31, U.S. REITs were trading at a 3% premium to net asset value. This marked the first time REITs have traded at a premium over the past 10 months. U.S.

REITs raised \$15.1 billion, despite no IPO activity for the quarter. There were 24 secondary equity offerings and 14 secondary debt offerings.

In Europe, the momentum in core markets was put on pause during the first quarter as a result of the uncertainty surrounding a potential "Brexit." According to Lambert Smith Hampton, investment volume in central London offices totaled £2.2 billion—31% below the 10-year average and less than half of the £4.6 billion recorded in the previous quarter. Optimism remains strong for the medium and long term, however, as capital raising remains robust and investors continue to see value on the continent. Despite continued concerns about the economic growth outlook for China, Asian real estate funds are still attracting new capital flows, with 2015 totals surpassing 2014.

CMBS issuance reached \$19.3 billion, significantly down from the first quarter of 2015 (\$27.0 billion). This decline was widely credited to the instability in the broader financial market.

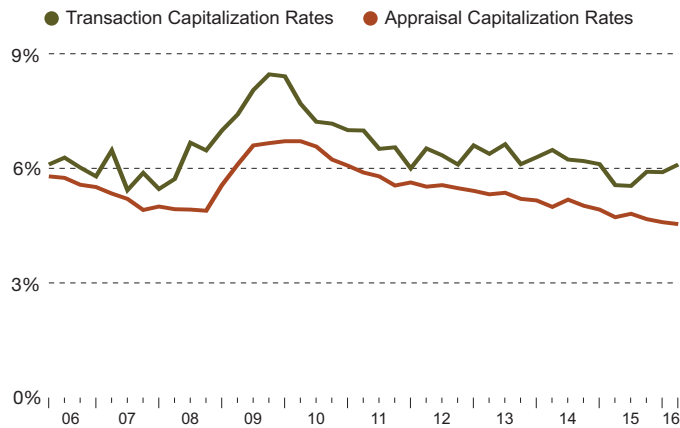
## Rolling One-Year Returns



\*Global REIT returns from 3Q96  
Source: Callan

## REAL ESTATE (Continued)

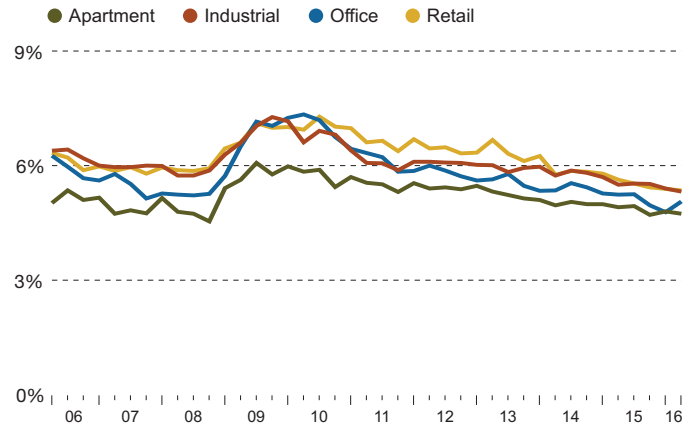
### NCREIF Transaction and Appraisal Capitalization Rates



Source: NCREIF

Note: Transaction capitalization rate is equal-weighted.

### NCREIF Capitalization Rates by Property Type



Source: NCREIF

Note: Capitalization rates are appraisal-based.

### Callan Database Median and Index Returns\* for Periods ended March 31, 2016

	Quarter	Year	3 Years	5 Years	10 Years	15 Years
<b>Private Real Estate</b>						
Real Estate Database (net of fees)	2.42	13.40	13.11	12.66	5.23	7.44
NCREIF Property	2.21	11.84	11.91	11.93	7.61	8.95
NFI-ODCE (value wtd. net)	1.95	12.62	12.59	12.20	5.38	6.93
<b>Public Real Estate</b>						
REIT Database	5.33	4.87	11.57	12.46	7.36	12.70
FTSE NAREIT Equity	6.00	4.43	10.47	11.89	6.56	11.57
<b>Global Real Estate</b>						
Global REIT Database	4.80	1.69	7.32	9.28	5.18	10.60
FTSE EPRA/NAREIT Developed REIT	5.43	1.27	6.31	8.47	4.58	9.97

\*Returns for less than one year are not annualized.

All REIT returns are reported gross in USD.

Sources: Callan, NAREIT, NCREIF, The FTSE Group. NCREIF statistics are the product of direct queries and may fluctuate over time.

# Drip, Drip, Drip

PRIVATE EQUITY | Gary Robertson

In fundraising, *Private Equity Analyst* reports that new first-quarter commitments totaled \$53.1 billion with 177 new partnerships formed. This represents a moderate start to the year. The number of funds raised increased 20% from 147 in the first quarter of 2015, but the dollar volume dropped 5% from \$56.2 billion. According to the National Venture Capital Association (NVCA), venture capital had the strongest fundraising quarter in 10 years.

According to *Buyouts* newsletter, the investment pace by funds into companies totaled 329 transactions, a 32% fall from 484 deals in the first quarter of 2015. The announced aggregate dollar volume was \$57.9 billion, up 56% from \$37.1 billion a year ago. The \$14.2 billion take-private of Keurig Green Mountain helped boost the announced value. Twelve deals with announced values of \$1 billion or more closed in the quarter.

According to the NVCA, new investments in venture capital companies totaled \$12.1 billion in 969 rounds of financing. The dollar volume and number of rounds decreased compared to the first quarter of 2015's \$13.6 billion and 1,063 rounds.

Regarding exits, *Buyouts* reports that steep declines occurred in the first quarter of 2016. There were 107 private M&A exits of buyout-backed companies, with 31 deals disclosing values totaling

## Funds Closed January 1 to March 31, 2016

Strategy	No. of Funds	Amt (\$mm)	Percent
Venture Capital	94	8,881	17%
Buyouts	60	38,237	72%
Subordinated Debt	1	158	0%
Distressed Debt	6	2,265	4%
Secondary and Other	1	94	0%
Fund-of-funds	15	3,513	7%
<b>Totals</b>	<b>177</b>	<b>53,147</b>	<b>100%</b>

Source: Private Equity Analyst

\$14.6 billion. The M&A exits count was down 27% year-over-year from 147, and the announced value declined 53% from \$30.9 billion. There were no buyout-backed IPOs in the first quarter.

Venture-backed M&A exits totaled 79 transactions, with 20 disclosing a total dollar volume of \$4.8 billion. The number of exits declined but the announced dollar volume increased from the first quarter of 2015, which had 97 sales with 18 announcing dollar values totaling \$2.8 billion. There were six VC-backed IPOs in the first quarter with a combined float of \$575 million. For comparison, the first quarter of 2015 had 17 IPOs and total issuance of \$1.4 billion.

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

## Private Equity Performance Database (%)

(Pooled Horizon IRRs through Sept. 30, 2015\*)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	2.1	24.2	15.2	14.9	9.8	9.5	27.4
Growth Equity	1.8	20.1	14.9	15.1	13.5	13.0	15.0
All Buyouts	-0.8	15.1	15.3	15.5	14.0	11.8	13.4
Mezzanine	2.6	12.5	13.1	12.1	11.0	8.3	10.2
Distressed	0.5	13.1	16.0	13.9	11.4	11.7	11.8
<b>All Private Equity</b>	<b>0.2</b>	<b>16.7</b>	<b>15.3</b>	<b>15.1</b>	<b>12.8</b>	<b>11.4</b>	<b>14.6</b>
S&P 500 Index	1.1	19.7	23.0	15.7	8.1	4.9	9.6

Private equity returns are net of fees.

Sources: Standard & Poor's, Thomson/Cambridge.

\*Most recent data available at time of publication.

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

# Market Tremors Panic Hedge Funds

HEDGE FUNDS | Jim McKee

Investor pessimism over softening global growth slammed stocks and commodities at the opening of 2016. The 10-Year Treasury yield fell 50 bps during the quarter as investors fled to the sidelines. Despite foreign central bankers pushing their funding rates into the negative, the dollar unexpectedly lost ground to the euro (+4.90%) and yen (+7.03%). After oil fell to new cyclical lows in February, talk of production freeze excited oil buyers. Similarly, chatter of China reopening the credit spigot to jumpstart its sagging growth revved markets. After initially falling 10% or more, stocks around the globe—particularly emerging markets—rebounded to finish mostly positive.

Illustrating performance of an unmanaged hedge fund universe, the **Credit Suisse Hedge Fund Index (CS HFI)** sank 2.20%, gross of implementation costs. Representing actual hedge fund portfolios, the median manager in the **Callan Hedge Fund-of-Funds Database** fell 2.99%, net of all fees.

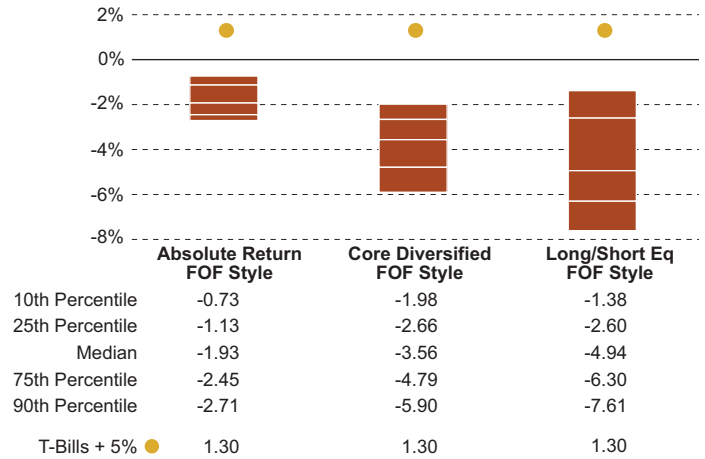
Within the CS HFI, *Managed Futures* (+4.35%) topped other strategies thanks to trend-following factors. Given the highly unusual incidence of crowded trades and related short squeezes in a de-risking market, *Event-Driven Multi-Strategy* (-5.58%) and *Long/Short Equity* (-3.85%) performed worst.

## Callan Database Median and Index Returns\* for Periods ended March 31, 2016

	Quarter	Year	3 Years	5 Years	10 Years	15 Years
<b>Hedge Fund-of-Funds Database</b>	<b>-2.99</b>	<b>-6.38</b>	<b>2.22</b>	<b>2.53</b>	<b>3.27</b>	<b>4.73</b>
CS Hedge Fund Index	-2.20	-5.25	2.33	2.65	4.19	5.80
CS Equity Market Neutral	-0.36	3.88	2.79	2.19	-1.82	1.10
CS Convertible Arbitrage	-0.39	-0.05	0.65	1.79	3.82	4.48
CS Fixed Income Arbitrage	-1.22	-0.49	1.76	4.11	3.51	4.26
CS Multi-Strategy	-0.58	0.24	5.72	5.77	5.53	6.71
CS Distressed	-1.95	-7.39	1.71	2.86	4.16	7.22
CS Risk Arbitrage	2.12	1.85	1.90	1.47	3.44	3.54
CS Event-Driven Multi-Strategy	-5.58	-13.72	-0.63	-0.71	4.00	5.85
CS Long/Short Equity	-3.85	-2.23	5.59	3.94	4.69	6.06
CS Dedicated Short Bias	-0.90	5.97	-7.71	-8.79	-8.43	-7.89
CS Global Macro	-2.23	-6.25	1.03	3.10	5.96	8.37
CS Managed Futures	4.35	-3.67	4.77	2.30	4.23	5.35
CS Emerging Markets	-1.23	-2.77	1.37	1.96	4.15	7.97

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

## Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Market exposures did not seem to help in the first quarter within Callan's Hedge Fund-of-Funds Database. Despite mildly positive equity tailwinds, the median *Callan Long/Short Equity FOF* (-4.94%) trailed the *Callan Absolute Return FOF* (-1.93%). With diversifying exposures to both non-directional and directional styles, the *Core Diversified FOF* dropped 3.56%.

# Strong Quarter Can't Save 2015

DEFINED CONTRIBUTION | Tom Szkwarla

The Callan DC Index™ finished the year with a strong 3.50% gain in the fourth quarter. The rebound helped offset third-quarter losses, which were among the worst ever in the Index's 10-year history. This strong finish did not keep the DC Index out of negative territory for the year; a 2015 calendar year return of -0.34% is the weakest since 2011. 2016 marks the 10th anniversary of the Callan DC Index. Since inception, the Index's annualized return is 5.18%, compared to the Age 45 Target Date return of 5.25%.

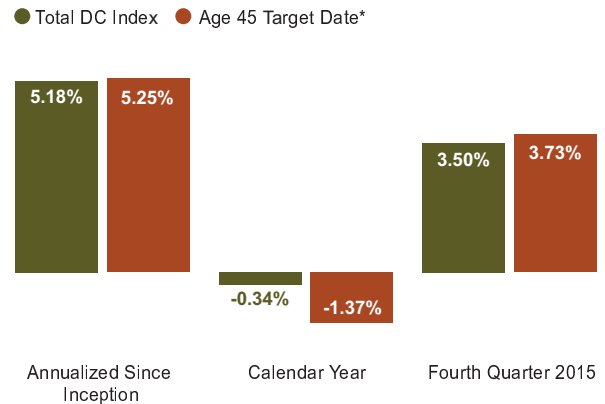
The Age 45 Target Date Fund—the average of target date funds that would be selected by participants age 45 and retiring at age 65—beat the DC Index for the quarter, but underperformed it by 1.03% for the year. Both results were driven by the fact that the Age 45 Target Date Fund has a higher allocation to equities than the average DC plan: 74% for the Age 45 Target Date Fund versus 66% for the average DC plan.

The year was noteworthy for target date funds, which overtook large cap equity as the single-largest holding in the typical DC plan. As usual, target date funds absorbed a majority of cash flows during the quarter, taking in more than 80 cents of every dollar. Stable value funds continued net inflows for the third consecutive quarter. In contrast, many asset classes saw net outflows—U.S. equity (both large and small/mid cap) and company stock in particular.

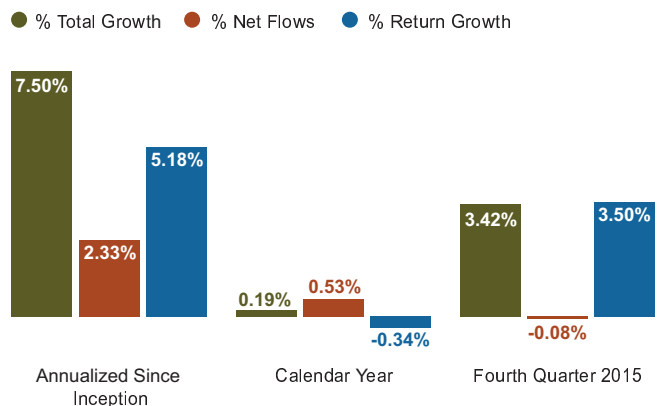
Fourth quarter turnover (i.e., net transfer activity) in the DC Index was 0.46%. Turnover has been steadily increasing since the beginning of the year, but remains below the historical average of 0.65%.

*The Callan DC Index is an equally weighted index tracking the cash flows and performance of nearly 90 plans, representing more than one million DC participants and over \$135 billion in assets. The Index is updated quarterly and is available on Callan's website, as is the quarterly DC Observer newsletter.*

## Investment Performance\*



## Growth Sources\*



## Net Cash Flow Analysis (Fourth Quarter 2015)\*

(Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
Target Date Funds	81.15%
Stable Value	7.15%
U.S./Global Balanced	-16.88%
U.S. Large Cap	-28.91%
<b>Total Turnover**</b>	<b>0.46%</b>

Source: Callan DC Index

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

\* DC Index inception date is January 2006. DB plan performance is gross of fees.

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



## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
School Fund	\$2,053,619,254	95.58%	\$1,862,424	\$18,743,499	\$2,033,013,331	95.56%
Utah State University	\$2,876,687	0.13%	\$(8,104)	\$24,726	\$2,860,065	0.13%
Deaf School Fund	\$2,039,254	0.09%	\$(5,572)	\$15,979	\$2,028,847	0.10%
Institute For The Blind	\$19,270,058	0.90%	\$(86,992)	\$172,688	\$19,184,362	0.90%
State Industrial School	\$1,129,418	0.05%	\$(3,213)	\$9,951	\$1,122,680	0.05%
Normal School	\$4,401,234	0.20%	\$(12,463)	\$38,381	\$4,375,316	0.21%
Reservoirs Fund	\$6,318,254	0.29%	\$(17,879)	\$54,890	\$6,281,244	0.30%
Utah State Hospital	\$2,594,374	0.12%	\$(7,428)	\$23,209	\$2,578,592	0.12%
School of Mines	\$3,297,680	0.15%	\$(9,440)	\$29,493	\$3,277,627	0.15%
University of Utah	\$4,316,709	0.20%	\$(12,119)	\$37,162	\$4,291,665	0.20%
Miners Hospital	\$48,825,491	2.27%	\$(228,864)	\$495,471	\$48,558,885	2.28%
State of Utah PS & ITF - Total	\$2,148,688,412	100.0%	\$1,470,351	\$19,645,449	\$2,127,572,613	100.0%

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2016. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended March 31, 2016

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>School Fund</b>	<b>0.92%</b>	<b>0.49%</b>	<b>8.30%</b>	<b>8.32%</b>	<b>6.16%</b>
School Fund Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>Utah State University</b>	<b>0.88%</b>	<b>0.14%</b>	<b>7.89%</b>	<b>8.22%</b>	<b>5.72%</b>
Utah State University Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>Deaf School Fund</b>	<b>0.80%</b>	<b>0.11%</b>	<b>7.94%</b>	<b>8.21%</b>	<b>5.79%</b>
Deaf School Fund Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>Institute For The Blind</b>	<b>0.92%</b>	<b>0.57%</b>	<b>8.67%</b>	<b>8.68%</b>	<b>6.32%</b>
Institute For The Blind Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>State Industrial School</b>	<b>0.90%</b>	<b>0.14%</b>	<b>8.10%</b>	<b>8.35%</b>	<b>5.75%</b>
State Industrial School Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>Normal School</b>	<b>0.89%</b>	<b>0.08%</b>	<b>7.94%</b>	<b>8.18%</b>	<b>5.81%</b>
Normal School Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>Reservoirs Fund</b>	<b>0.89%</b>	<b>0.11%</b>	<b>7.97%</b>	<b>8.21%</b>	<b>5.98%</b>
Reservoirs Fund Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>Utah State Hospital</b>	<b>0.91%</b>	<b>0.14%</b>	<b>8.09%</b>	<b>8.32%</b>	<b>6.03%</b>
Utah State Hospital Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>School of Mines</b>	<b>0.91%</b>	<b>0.14%</b>	<b>8.09%</b>	<b>8.31%</b>	<b>5.99%</b>
School of Mines Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>University of Utah</b>	<b>0.88%</b>	<b>(0.04%)</b>	<b>7.74%</b>	<b>8.09%</b>	<b>5.73%</b>
University of Utah Policy Index	1.39%	0.18%	7.51%	7.76%	5.74%
<b>Miners Hospital</b>	<b>1.04%</b>	<b>0.69%</b>	<b>8.70%</b>	<b>8.65%</b>	<b>6.43%</b>
Miners Hospital Policy Index	1.67%	0.29%	7.86%	7.97%	5.52%
<b>State of Utah PS &amp; ITF - Total</b>	<b>0.92%</b>	<b>0.49%</b>	<b>8.31%</b>	<b>8.33%</b>	<b>6.17%</b>
State of Utah PS & ITF Policy Index*	1.39%	0.18%	7.51%	7.76%	5.74%

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2015- 3/2016	2015	2014	2013	2012
<b>School Fund</b>	<b>0.92%</b>	<b>2.16%</b>	<b>8.74%</b>	<b>20.22%</b>	<b>13.54%</b>
School Fund Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>Utah State University</b>	<b>0.88%</b>	<b>1.73%</b>	<b>8.16%</b>	<b>20.62%</b>	<b>13.76%</b>
Utah State University Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>Deaf School Fund</b>	<b>0.80%</b>	<b>1.72%</b>	<b>8.03%</b>	<b>21.11%</b>	<b>14.10%</b>
Deaf School Fund Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>Institute For The Blind</b>	<b>0.92%</b>	<b>2.30%</b>	<b>9.31%</b>	<b>21.25%</b>	<b>13.84%</b>
Institute For The Blind Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>State Industrial School</b>	<b>0.90%</b>	<b>1.72%</b>	<b>8.35%</b>	<b>21.30%</b>	<b>14.14%</b>
State Industrial School Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>Normal School</b>	<b>0.89%</b>	<b>1.64%</b>	<b>8.08%</b>	<b>20.63%</b>	<b>13.80%</b>
Normal School Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>Reservoirs Fund</b>	<b>0.89%</b>	<b>1.69%</b>	<b>8.12%</b>	<b>20.83%</b>	<b>14.08%</b>
Reservoirs Fund Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>Utah State Hospital</b>	<b>0.91%</b>	<b>1.72%</b>	<b>8.39%</b>	<b>21.05%</b>	<b>13.99%</b>
Utah State Hospital Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>School of Mines</b>	<b>0.91%</b>	<b>1.72%</b>	<b>8.40%</b>	<b>21.03%</b>	<b>13.98%</b>
School of Mines Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>University of Utah</b>	<b>0.88%</b>	<b>1.44%</b>	<b>8.00%</b>	<b>20.72%</b>	<b>14.10%</b>
University of Utah Policy Index	1.39%	1.10%	7.50%	19.70%	13.23%
<b>Miners Hospital</b>	<b>1.04%</b>	<b>2.38%</b>	<b>9.52%</b>	<b>20.64%</b>	<b>13.80%</b>
Miners Hospital Policy Index	1.67%	1.12%	8.20%	19.73%	13.23%
<b>State of Utah PS &amp; ITF - Total</b>	<b>0.92%</b>	<b>2.16%</b>	<b>8.75%</b>	<b>20.25%</b>	<b>13.56%</b>
State of Utah PS & ITF Policy Index*	1.39%	1.10%	7.50%	19.70%	13.23%

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.



## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Utah State University</b>						
<b>Domestic Equity</b>	<b>\$1,258,151</b>	<b>43.74%</b>	<b>\$(65,692)</b>	<b>\$3,819</b>	<b>\$1,320,025</b>	<b>46.15%</b>
Vanguard Structured Large Cap	620,760	21.58%	(37,112)	7,661	650,211	22.73%
Vanguard Structured Broad Market	485,046	16.86%	(23,936)	(4,114)	513,096	17.94%
Vanguard Strategic Equity	152,346	5.30%	(4,644)	272	156,718	5.48%
<b>International Equity</b>	<b>\$566,727</b>	<b>19.70%</b>	<b>\$(1,856)</b>	<b>\$(846)</b>	<b>\$569,429</b>	<b>19.91%</b>
Vanguard Intl Stock Index	566,727	19.70%	(1,856)	(846)	569,429	19.91%
<b>Fixed Income</b>	<b>\$674,664</b>	<b>23.45%</b>	<b>\$(3,981)</b>	<b>\$15,174</b>	<b>\$663,471</b>	<b>23.20%</b>
Vanguard Short-Term Inv Grade	476,522	16.56%	(2,526)	8,321	470,727	16.46%
Vanguard Inter-Term Inv Grade	198,142	6.89%	(1,455)	6,853	192,744	6.74%
<b>Real Estate</b>	<b>\$311,453</b>	<b>10.83%</b>	<b>\$(2,213)</b>	<b>\$6,526</b>	<b>\$307,141</b>	<b>10.74%</b>
UBS Trumbull Property Fund	149,473	5.20%	(1,026)	2,666	147,833	5.17%
UBS Trumbull Property Income Fund	161,980	5.63%	(1,187)	3,860	159,308	5.57%
<b>Cash</b>	<b>\$65,692</b>	<b>2.28%</b>	<b>\$65,639</b>	<b>\$54</b>	<b>-</b>	<b>-</b>
Public Treasurer's Investment Fund	65,692	2.28%	65,639	54	-	-
<b>Total - Utah State University</b>	<b>\$2,876,687</b>	<b>100.0%</b>	<b>\$(8,104)</b>	<b>\$24,726</b>	<b>\$2,860,065</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Deaf School Fund</b>						
<b>Domestic Equity</b>	<b>\$892,326</b>	<b>43.76%</b>	<b>\$(46,543)</b>	<b>\$2,712</b>	<b>\$936,157</b>	<b>46.14%</b>
Vanguard Structured Large Cap	440,265	21.59%	(26,297)	5,435	461,127	22.73%
Vanguard Structured Broad Market	344,012	16.87%	(16,957)	(2,916)	363,886	17.94%
Vanguard Strategic Equity	108,049	5.30%	(3,288)	193	111,144	5.48%
<b>International Equity</b>	<b>\$401,921</b>	<b>19.71%</b>	<b>\$(1,316)</b>	<b>\$(600)</b>	<b>\$403,837</b>	<b>19.90%</b>
Vanguard Intl Stock Index	401,921	19.71%	(1,316)	(600)	403,837	19.90%
<b>Fixed Income</b>	<b>\$468,389</b>	<b>22.97%</b>	<b>\$(2,586)</b>	<b>\$9,042</b>	<b>\$461,933</b>	<b>22.77%</b>
Vanguard Short-Term Inv Grade	417,997	20.50%	(2,216)	7,299	412,914	20.35%
Vanguard Inter-Term Inv Grade	50,392	2.47%	(370)	1,743	49,019	2.42%
<b>Real Estate</b>	<b>\$230,076</b>	<b>11.28%</b>	<b>\$(1,632)</b>	<b>\$4,788</b>	<b>\$226,921</b>	<b>11.18%</b>
UBS Trumbull Property Fund	115,879	5.68%	(795)	2,067	114,608	5.65%
UBS Trumbull Property Income Fund	114,197	5.60%	(837)	2,721	112,313	5.54%
<b>Cash</b>	<b>\$46,543</b>	<b>2.28%</b>	<b>\$46,506</b>	<b>\$37</b>	<b>-</b>	<b>-</b>
Public Treasurer's Investment Fund	46,543	2.28%	46,506	37	-	-
<b>Total - Deaf School Fund</b>	<b>\$2,039,254</b>	<b>100.0%</b>	<b>\$(5,572)</b>	<b>\$15,979</b>	<b>\$2,028,847</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Institute For The Blind</b>						
<b>Domestic Equity</b>	<b>\$8,432,536</b>	<b>43.76%</b>	<b>\$(447,953)</b>	<b>\$25,085</b>	<b>\$8,855,404</b>	<b>46.16%</b>
Vanguard Structured Large Cap	4,160,552	21.59%	(252,522)	51,127	4,361,947	22.74%
Vanguard Structured Broad Market	3,250,915	16.87%	(163,405)	(27,791)	3,442,112	17.94%
Vanguard Strategic Equity	1,021,069	5.30%	(32,026)	1,750	1,051,345	5.48%
<b>International Equity</b>	<b>\$3,801,893</b>	<b>19.73%</b>	<b>\$(12,451)</b>	<b>\$(5,674)</b>	<b>\$3,820,018</b>	<b>19.91%</b>
Vanguard Intl Stock Index	3,801,893	19.73%	(12,451)	(5,674)	3,820,018	19.91%
<b>Fixed Income</b>	<b>\$3,987,285</b>	<b>20.69%</b>	<b>\$(24,591)</b>	<b>\$98,622</b>	<b>\$3,913,254</b>	<b>20.40%</b>
Vanguard Short-Term Inv Grade	2,293,988	11.90%	(12,160)	40,057	2,266,091	11.81%
Vanguard Inter-Term Inv Grade	1,693,298	8.79%	(12,430)	58,565	1,647,164	8.59%
<b>Real Estate</b>	<b>\$2,645,273</b>	<b>13.73%</b>	<b>\$(4,748)</b>	<b>\$54,336</b>	<b>\$2,595,685</b>	<b>13.53%</b>
UBS Trumbull Property Fund	489,931	2.54%	(3,363)	8,737	484,556	2.53%
UBS Trumbull Property Income Fund	486,136	2.52%	(3,563)	11,584	478,116	2.49%
LaSalle Income & Growth V	47,848	0.25%	(33,265)	(778)	81,891	0.43%
Fidelity Real Estate Growth Fund III	40,060	0.21%	(2,732)	1,208	41,584	0.22%
Colony Realty Partners III (preliminary)	239,204	1.24%	(3,121)	5,188	237,136	1.24%
Long Wharf Real Estate Partners IV	444,080	2.30%	0	1,741	442,339	2.31%
Long Wharf Real Estate Partners V	56,081	0.29%	46,555	(539)	10,065	0.05%
Colony Realty Partners IV (preliminary)	450,934	2.34%	(5,260)	9,777	446,416	2.33%
LaSalle Income & Growth VI	391,000	2.03%	0	17,417	373,583	1.95%
<b>Cash</b>	<b>\$403,070</b>	<b>2.09%</b>	<b>\$402,751</b>	<b>\$318</b>	<b>-</b>	<b>-</b>
Public Treasurer's Investment Fund	403,070	2.09%	402,751	318	-	-
<b>Total - Institute For The Blind</b>	<b>\$19,270,058</b>	<b>100.0%</b>	<b>\$(86,992)</b>	<b>\$172,688</b>	<b>\$19,184,362</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>State Industrial School</b>						
<b>Domestic Equity</b>	<b>\$493,883</b>	<b>43.73%</b>	<b>\$(25,768)</b>	<b>\$1,500</b>	<b>\$518,151</b>	<b>46.15%</b>
Vanguard Structured Large Cap	243,677	21.58%	(14,559)	3,008	255,228	22.73%
Vanguard Structured Broad Market	190,403	16.86%	(9,389)	(1,614)	201,406	17.94%
Vanguard Strategic Equity	59,803	5.30%	(1,821)	107	61,517	5.48%
<b>International Equity</b>	<b>\$222,458</b>	<b>19.70%</b>	<b>\$(729)</b>	<b>\$(332)</b>	<b>\$223,518</b>	<b>19.91%</b>
Vanguard Intl Stock Index	222,458	19.70%	(729)	(332)	223,518	19.91%
<b>Fixed Income</b>	<b>\$263,588</b>	<b>23.34%</b>	<b>\$(1,586)</b>	<b>\$6,188</b>	<b>\$258,986</b>	<b>23.07%</b>
Vanguard Short-Term Inv Grade	171,018	15.14%	(907)	2,986	168,939	15.05%
Vanguard Inter-Term Inv Grade	92,570	8.20%	(680)	3,202	90,048	8.02%
<b>Real Estate</b>	<b>\$123,721</b>	<b>10.95%</b>	<b>\$(878)</b>	<b>\$2,574</b>	<b>\$122,025</b>	<b>10.87%</b>
UBS Trumbull Property Fund	62,328	5.52%	(428)	1,112	61,644	5.49%
UBS Trumbull Property Income Fund	61,394	5.44%	(450)	1,463	60,381	5.38%
<b>Cash</b>	<b>\$25,768</b>	<b>2.28%</b>	<b>\$25,748</b>	<b>\$21</b>	<b>-</b>	<b>-</b>
Public Treasurer's Investment Fund	25,768	2.28%	25,748	21	-	-
<b>Total - State Industrial School</b>	<b>\$1,129,418</b>	<b>100.0%</b>	<b>\$(3,213)</b>	<b>\$9,951</b>	<b>\$1,122,680</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Normal School</b>						
<b>Domestic Equity</b>	<b>\$1,924,773</b>	<b>43.73%</b>	<b>\$(100,491)</b>	<b>\$5,842</b>	<b>\$2,019,422</b>	<b>46.15%</b>
Vanguard Structured Large Cap	949,664	21.58%	(56,772)	11,720	994,716	22.73%
Vanguard Structured Broad Market	742,044	16.86%	(36,615)	(6,294)	784,953	17.94%
Vanguard Strategic Equity	233,065	5.30%	(7,104)	416	239,753	5.48%
<b>International Equity</b>	<b>\$866,999</b>	<b>19.70%</b>	<b>\$(2,839)</b>	<b>\$(1,294)</b>	<b>\$871,132</b>	<b>19.91%</b>
Vanguard Intl Stock Index	866,999	19.70%	(2,839)	(1,294)	871,132	19.91%
<b>Fixed Income</b>	<b>\$1,034,009</b>	<b>23.49%</b>	<b>\$(6,174)</b>	<b>\$23,871</b>	<b>\$1,016,312</b>	<b>23.23%</b>
Vanguard Short-Term Inv Grade	694,417	15.78%	(3,681)	12,126	685,972	15.68%
Vanguard Inter-Term Inv Grade	339,592	7.72%	(2,493)	11,745	330,340	7.55%
<b>Real Estate</b>	<b>\$474,962</b>	<b>10.79%</b>	<b>\$(3,370)</b>	<b>\$9,881</b>	<b>\$468,450</b>	<b>10.71%</b>
UBS Trumbull Property Fund	239,599	5.44%	(1,645)	4,273	236,971	5.42%
UBS Trumbull Property Income Fund	235,362	5.35%	(1,725)	5,608	231,479	5.29%
<b>Cash</b>	<b>\$100,491</b>	<b>2.28%</b>	<b>\$100,411</b>	<b>\$80</b>	<b>-</b>	<b>-</b>
Public Treasurer's Investment Fund	100,491	2.28%	100,411	80	-	-
<b>Total - Normal School</b>	<b>\$4,401,234</b>	<b>100.0%</b>	<b>\$(12,463)</b>	<b>\$38,381</b>	<b>\$4,375,316</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Reservoirs Fund</b>						
<b>Domestic Equity</b>	<b>\$2,763,026</b>	<b>43.73%</b>	<b>\$(143,579)</b>	<b>\$8,432</b>	<b>\$2,898,173</b>	<b>46.14%</b>
Vanguard Structured Large Cap	1,363,248	21.58%	(81,162)	16,844	1,427,566	22.73%
Vanguard Structured Broad Market	1,065,211	16.86%	(52,299)	(9,015)	1,126,525	17.93%
Vanguard Strategic Equity	334,567	5.30%	(10,118)	603	344,082	5.48%
<b>International Equity</b>	<b>\$1,244,274</b>	<b>19.69%</b>	<b>\$(4,075)</b>	<b>\$(1,857)</b>	<b>\$1,250,205</b>	<b>19.90%</b>
Vanguard Intl Stock Index	1,244,274	19.69%	(4,075)	(1,857)	1,250,205	19.90%
<b>Fixed Income</b>	<b>\$1,470,566</b>	<b>23.27%</b>	<b>\$(8,755)</b>	<b>\$33,731</b>	<b>\$1,445,590</b>	<b>23.01%</b>
Vanguard Short-Term Inv Grade	1,000,357	15.83%	(5,303)	17,468	988,191	15.73%
Vanguard Interm-Term Inv Grade	470,209	7.44%	(3,452)	16,263	457,398	7.28%
<b>Real Estate</b>	<b>\$695,263</b>	<b>11.00%</b>	<b>\$(4,933)</b>	<b>\$14,468</b>	<b>\$685,728</b>	<b>10.92%</b>
UBS Trumbull Property Fund	350,256	5.54%	(2,404)	6,246	346,414	5.52%
UBS Trumbull Property Income Fund	345,006	5.46%	(2,529)	8,221	339,314	5.40%
<b>Cash</b>	<b>\$145,126</b>	<b>2.30%</b>	<b>\$143,462</b>	<b>\$117</b>	<b>\$1,547</b>	<b>0.02%</b>
Public Treasurer's Investment Fund	145,126	2.30%	143,462	117	1,547	0.02%
<b>Total - Reservoirs Fund</b>	<b>\$6,318,254</b>	<b>100.0%</b>	<b>\$(17,879)</b>	<b>\$54,890</b>	<b>\$6,281,244</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Utah State Hospital</b>						
<b>Domestic Equity</b>	<b>\$1,134,364</b>	<b>43.72%</b>	<b>\$(59,147)</b>	<b>\$3,448</b>	<b>\$1,190,063</b>	<b>46.15%</b>
Vanguard Structured Large Cap	559,684	21.57%	(33,420)	6,909	586,195	22.73%
Vanguard Structured Broad Market	437,323	16.86%	(21,549)	(3,707)	462,580	17.94%
Vanguard Strategic Equity	137,357	5.29%	(4,178)	246	141,289	5.48%
<b>International Equity</b>	<b>\$510,930</b>	<b>19.69%</b>	<b>\$(1,673)</b>	<b>\$(763)</b>	<b>\$513,366</b>	<b>19.91%</b>
Vanguard Intl Stock Index	510,930	19.69%	(1,673)	(763)	513,366	19.91%
<b>Fixed Income</b>	<b>\$601,873</b>	<b>23.20%</b>	<b>\$(3,664)</b>	<b>\$14,482</b>	<b>\$591,055</b>	<b>22.92%</b>
Vanguard Short-Term Inv Grade	369,897	14.26%	(1,961)	6,459	365,399	14.17%
Vanguard Inter-Term Inv Grade	231,976	8.94%	(1,703)	8,023	225,656	8.75%
<b>Real Estate</b>	<b>\$288,059</b>	<b>11.10%</b>	<b>\$(2,044)</b>	<b>\$5,994</b>	<b>\$284,109</b>	<b>11.02%</b>
UBS Trumbull Property Fund	145,119	5.59%	(996)	2,588	143,527	5.57%
UBS Trumbull Property Income Fund	142,940	5.51%	(1,048)	3,406	140,582	5.45%
<b>Cash</b>	<b>\$59,147</b>	<b>2.28%</b>	<b>\$59,100</b>	<b>\$47</b>	<b>-</b>	<b>-</b>
Public Treasurer's Investment Fund	59,147	2.28%	59,100	47	-	-
<b>Total - Utah State Hospital</b>	<b>\$2,594,374</b>	<b>100.0%</b>	<b>\$(7,428)</b>	<b>\$23,209</b>	<b>\$2,578,592</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>School of Mines</b>						
<b>Domestic Equity</b>	<b>\$1,441,882</b>	<b>43.72%</b>	<b>\$(75,183)</b>	<b>\$4,383</b>	<b>\$1,512,682</b>	<b>46.15%</b>
Vanguard Structured Large Cap	711,410	21.57%	(42,481)	8,783	745,109	22.73%
Vanguard Structured Broad Market	555,878	16.86%	(27,392)	(4,712)	587,982	17.94%
Vanguard Strategic Equity	174,593	5.29%	(5,310)	312	179,591	5.48%
<b>International Equity</b>	<b>\$649,440</b>	<b>19.69%</b>	<b>\$(2,127)</b>	<b>\$(969)</b>	<b>\$652,536</b>	<b>19.91%</b>
Vanguard Intl Stock Index	649,440	19.69%	(2,127)	(969)	652,536	19.91%
<b>Fixed Income</b>	<b>\$765,244</b>	<b>23.21%</b>	<b>\$(4,657)</b>	<b>\$18,405</b>	<b>\$751,496</b>	<b>22.93%</b>
Vanguard Short-Term Inv Grade	470,793	14.28%	(2,496)	8,221	465,068	14.19%
Vanguard Interm-Term Inv Grade	294,451	8.93%	(2,162)	10,184	286,428	8.74%
<b>Real Estate</b>	<b>\$365,931</b>	<b>11.10%</b>	<b>\$(2,596)</b>	<b>\$7,615</b>	<b>\$360,913</b>	<b>11.01%</b>
UBS Trumbull Property Fund	184,350	5.59%	(1,265)	3,288	182,328	5.56%
UBS Trumbull Property Income Fund	181,581	5.51%	(1,331)	4,327	178,585	5.45%
<b>Cash</b>	<b>\$75,183</b>	<b>2.28%</b>	<b>\$75,123</b>	<b>\$60</b>	-	-
Public Treasurer's Investment Fund	75,183	2.28%	75,123	60	-	-
<b>Total - School of Mines</b>	<b>\$3,297,680</b>	<b>100.0%</b>	<b>\$(9,440)</b>	<b>\$29,493</b>	<b>\$3,277,627</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>University of Utah</b>						
<b>Domestic Equity</b>	<b>\$1,888,113</b>	<b>43.74%</b>	<b>\$(98,861)</b>	<b>\$5,712</b>	<b>\$1,981,262</b>	<b>46.17%</b>
Vanguard Structured Large Cap	931,577	21.58%	(55,831)	11,489	975,919	22.74%
Vanguard Structured Broad Market	727,910	16.86%	(36,028)	(6,182)	770,120	17.94%
Vanguard Strategic Equity	228,626	5.30%	(7,002)	405	235,223	5.48%
<b>International Equity</b>	<b>\$850,616</b>	<b>19.71%</b>	<b>\$(2,786)</b>	<b>\$(1,269)</b>	<b>\$854,671</b>	<b>19.91%</b>
Vanguard Intl Stock Index	850,616	19.71%	(2,786)	(1,269)	854,671	19.91%
<b>Fixed Income</b>	<b>\$1,045,706</b>	<b>24.22%</b>	<b>\$(6,173)</b>	<b>\$23,544</b>	<b>\$1,028,334</b>	<b>23.96%</b>
Vanguard Short-Term Inv Grade	737,130	17.08%	(3,907)	12,872	728,165	16.97%
Vanguard Inter-Term Inv Grade	308,576	7.15%	(2,265)	10,672	300,169	6.99%
<b>Real Estate</b>	<b>\$433,413</b>	<b>10.04%</b>	<b>\$(3,081)</b>	<b>\$9,097</b>	<b>\$427,398</b>	<b>9.96%</b>
UBS Trumbull Property Fund	205,378	4.76%	(1,410)	3,663	203,125	4.73%
UBS Trumbull Property Income Fund	228,035	5.28%	(1,672)	5,434	224,273	5.23%
<b>Cash</b>	<b>\$98,861</b>	<b>2.29%</b>	<b>\$98,782</b>	<b>\$79</b>	<b>-</b>	<b>-</b>
Public Treasurer's Investment Fund	98,861	2.29%	98,782	79	-	-
<b>Total - University of Utah</b>	<b>\$4,316,709</b>	<b>100.0%</b>	<b>\$(12,119)</b>	<b>\$37,162</b>	<b>\$4,291,665</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Miners Hospital</b>						
<b>Domestic Equity</b>	<b>\$21,352,730</b>	<b>43.73%</b>	<b>\$(1,134,081)</b>	<b>\$63,535</b>	<b>\$22,423,277</b>	<b>46.18%</b>
Vanguard Structured Large Cap	10,535,281	21.58%	(639,324)	129,468	11,045,136	22.75%
Vanguard Structured Broad Market	8,231,914	16.86%	(413,688)	(70,366)	8,715,968	17.95%
Vanguard Strategic Equity	2,585,535	5.30%	(81,070)	4,433	2,662,172	5.48%
<b>International Equity</b>	<b>\$9,626,992</b>	<b>19.72%</b>	<b>\$(31,528)</b>	<b>\$(14,367)</b>	<b>\$9,672,887</b>	<b>19.92%</b>
Vanguard Intl Stock Index	9,626,992	19.72%	(31,528)	(14,367)	9,672,887	19.92%
<b>Fixed Income</b>	<b>\$9,135,689</b>	<b>18.71%</b>	<b>\$(65,947)</b>	<b>\$306,588</b>	<b>\$8,895,049</b>	<b>18.32%</b>
Vanguard Short-Term Inv Grade	547,824	1.12%	(2,904)	9,566	541,162	1.11%
Vanguard Inter-Term Inv Grade	8,587,865	17.59%	(63,043)	297,022	8,353,887	17.20%
<b>Real Estate</b>	<b>\$7,270,848</b>	<b>14.89%</b>	<b>\$(36,932)</b>	<b>\$138,368</b>	<b>\$7,169,411</b>	<b>14.76%</b>
UBS Trumbull Property Fund	922,796	1.89%	(6,334)	16,457	912,672	1.88%
UBS Trumbull Property Income Fund	962,713	1.97%	(7,057)	22,940	946,830	1.95%
LaSalle Income & Growth V	108,255	0.22%	(75,261)	(1,759)	185,275	0.38%
Fidelity Real Estate Growth Fund III	90,633	0.19%	(6,181)	2,733	94,081	0.19%
Colony Realty Partners III (preliminary)	541,188	1.11%	(7,060)	11,738	536,510	1.10%
Long Wharf Real Estate Partners IV	1,110,199	2.27%	0	4,353	1,105,846	2.28%
Long Wharf Real Estate Partners V	112,162	0.23%	93,110	(1,078)	20,129	0.04%
Colony Realty Partners IV (preliminary)	1,127,333	2.31%	(13,149)	24,443	1,116,040	2.30%
LaSalle Income & Growth VI	977,500	2.00%	0	43,542	933,958	1.92%
Coral Canyon Town Center	1,318,069	2.70%	(15,000)	15,000	1,318,069	2.71%
<b>Cash</b>	<b>\$1,439,232</b>	<b>2.95%</b>	<b>\$1,039,624</b>	<b>\$1,347</b>	<b>\$398,260</b>	<b>0.82%</b>
Public Treasurer's Investment Fund	1,439,232	2.95%	1,039,624	1,347	398,260	0.82%
<b>Total - Miners Hospital</b>	<b>\$48,825,491</b>	<b>100.0%</b>	<b>\$(228,864)</b>	<b>\$495,471</b>	<b>\$48,558,885</b>	<b>100.0%</b>



## Investment Manager Asset Allocation

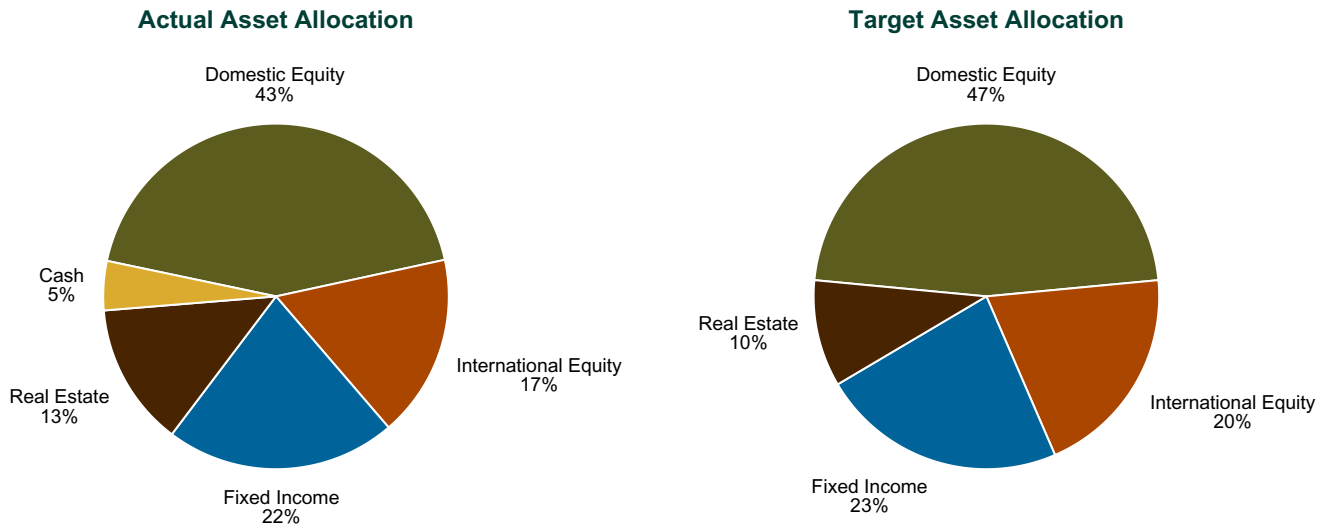
The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2016, with the distribution as of December 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	March 31, 2016		Net New Inv.	Inv. Return	December 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>School Fund</b>						
<b>Domestic Equity</b>	<b>\$889,537,843</b>	<b>43.32%</b>	<b>\$(54,034,703)</b>	<b>\$2,484,668</b>	<b>\$941,087,878</b>	<b>46.29%</b>
Vanguard Structured LC	438,473,696	21.35%	(22,278,523)	5,806,207	454,946,011	22.38%
Vanguard Structured Broad Market	343,720,204	16.74%	(26,324,741)	(3,383,363)	373,428,308	18.37%
Vanguard Strategic Equity	107,343,943	5.23%	(5,431,439)	61,824	112,713,558	5.54%
<b>International Equity</b>	<b>\$351,169,353</b>	<b>17.10%</b>	<b>\$(1,150,062)</b>	<b>\$(524,079)</b>	<b>\$352,843,495</b>	<b>17.36%</b>
Vanguard Intl Stock Index	351,169,353	17.10%	(1,150,062)	(524,079)	352,843,495	17.36%
<b>Fixed Income</b>	<b>\$443,017,917</b>	<b>21.57%</b>	<b>\$(2,726,332)</b>	<b>\$10,908,275</b>	<b>\$434,835,974</b>	<b>21.39%</b>
Vanguard Short-Term Inv Grade	257,762,682	12.55%	(1,366,377)	4,501,002	254,628,056	12.52%
Vanguard Inter-Term Inv Grade	185,255,235	9.02%	(1,359,956)	6,407,273	180,207,918	8.86%
<b>Real Estate</b>	<b>\$274,793,123</b>	<b>13.38%</b>	<b>\$784,746</b>	<b>\$5,767,644</b>	<b>\$268,240,733</b>	<b>13.19%</b>
UBS Trumbull Property Fund	50,737,499	2.47%	(348,254)	904,857	50,180,896	2.47%
UBS Trumbull Property Income Fund	75,073,422	3.66%	(550,293)	1,788,909	73,834,807	3.63%
LaSalle Income & Growth V	2,843,897	0.14%	(1,977,129)	(46,216)	4,867,242	0.24%
Fidelity Real Estate Growth Fund III	2,380,981	0.12%	(162,381)	71,804	2,471,558	0.12%
Colony Realty Partners III (preliminary)	14,217,239	0.69%	(185,471)	308,356	14,094,354	0.69%
Long Wharf Real Estate Partners IV	42,853,681	2.09%	0	168,008	42,685,673	2.10%
Long Wharf Real Estate Partners V	5,439,832	0.26%	4,515,829	(52,265)	976,268	0.05%
Colony Realty Partners IV (preliminary)	43,515,071	2.12%	(507,554)	943,482	43,079,144	2.12%
LaSalle Income & Growth VI	37,731,500	1.84%	0	1,680,709	36,050,791	1.77%
<b>Cash</b>	<b>\$95,101,018</b>	<b>4.63%</b>	<b>\$58,988,776</b>	<b>\$106,991</b>	<b>\$36,005,251</b>	<b>1.77%</b>
Public Treasurer's Investment Fund	95,101,018	4.63%	58,988,776	106,991	36,005,251	1.77%
<b>Total - School Fund</b>	<b>\$2,053,619,254</b>	<b>100.0%</b>	<b>\$1,862,424</b>	<b>\$18,743,499</b>	<b>\$2,033,013,331</b>	<b>100.0%</b>

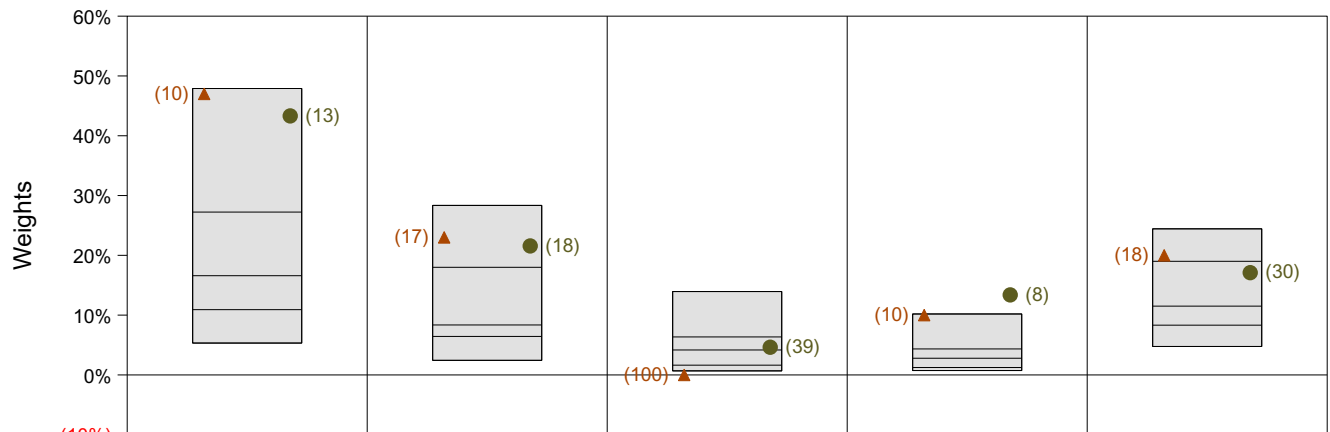
## Actual vs Target Asset Allocation As of March 31, 2016

The top left chart shows the Fund's asset allocation as of March 31, 2016. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Endow-Fdn - Large (>1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	889,538	43.3%	47.0%	(3.7%)	(75,663)
International Equity	351,169	17.1%	20.0%	(2.9%)	(59,555)
Fixed Income	443,018	21.6%	23.0%	(1.4%)	(29,315)
Real Estate	274,793	13.4%	10.0%	3.4%	69,431
Cash	95,101	4.6%	0.0%	4.6%	95,101
<b>Total</b>	<b>2,053,619</b>	<b>100.0%</b>	<b>100.0%</b>		

### Asset Class Weights vs Endow-Fdn - Large (>1B)



	Domestic Equity	Fixed Income	Cash	Real Estate	International Equity
10th Percentile	47.90	28.35	13.94	10.19	24.44
25th Percentile	27.23	18.00	6.35	4.35	19.00
Median	16.59	8.36	4.17	2.79	11.50
75th Percentile	10.92	6.44	1.63	1.24	8.32
90th Percentile	5.33	2.44	0.68	0.74	4.76
<b>Fund</b> ●	43.32	21.57	4.63	13.38	17.10
<b>Target</b> ▲	47.00	23.00	0.00	10.00	20.00
% Group Invested	100.00%	90.91%	81.82%	63.64%	90.91%

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2016. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended March 31, 2016

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b>	<b>0.63%</b>	<b>0.51%</b>	<b>12.69%</b>	<b>12.74%</b>	<b>7.29%</b>
Domestic Equity Benchmark (1)	1.20%	0.10%	11.35%	11.14%	7.04%
Vanguard Structured LC	1.61%	2.67%	12.88%	13.05%	-
S&P 500 Index	1.35%	1.78%	11.82%	11.58%	7.01%
Vanguard Structured Broad Market	(0.49%)	(0.06%)	12.68%	12.70%	-
Russell 3000 Index	0.97%	(0.34%)	11.15%	11.01%	6.90%
Vanguard Strategic Equity	0.42%	(5.85%)	11.87%	11.59%	-
US Small+Mid 2200	1.31%	(5.19%)	9.99%	9.66%	7.10%
<b>International Equity</b>	<b>(0.14%)</b>	<b>(8.11%)</b>	<b>0.86%</b>	<b>0.73%</b>	<b>1.94%</b>
Vanguard Intl Stock Index (2)	(0.14%)	(8.11%)	0.86%	0.73%	1.94%
Vanguard Intl Stock Idx Benchmark (3)	(0.29%)	(7.94%)	1.01%	0.73%	1.97%
<b>Fixed Income</b>	<b>2.51%</b>	<b>2.30%</b>	<b>3.05%</b>	<b>4.10%</b>	<b>5.05%</b>
Fixed Income Benchmark (4)	2.90%	1.88%	3.03%	4.14%	5.08%
Vanguard Short-Term Inv Grade	1.77%	1.90%	-	-	-
Barclays Credit 1-5	1.73%	1.65%	1.81%	2.73%	4.24%
Vang Interm-Term Inv Grade	3.57%	2.90%	-	-	-
Barclays Credit 5-10 Inde	4.07%	2.08%	3.16%	5.57%	6.32%
<b>Real Estate</b>	<b>2.15%</b>	<b>12.35%</b>	<b>13.73%</b>	<b>12.67%</b>	<b>-</b>
Real Estate Benchmark (5)	2.22%	12.48%	12.26%	12.07%	-
UBS Trumbull Property Fund (6)	1.82%	10.80%	10.59%	10.17%	-
UBS Trumbull Property Income Fund	2.44%	10.60%	10.12%	10.22%	-
NFI-ODCE Equal Weight Net	2.22%	13.12%	12.60%	12.22%	5.17%
LaSalle Income & Growth V	(1.24%)	(1.20%)	18.90%	16.84%	-
Fidelity Real Estate Growth Fund III	2.91%	21.93%	26.72%	21.33%	-
Colony Realty Partners III (preliminary)	2.21%	6.58%	7.36%	10.27%	-
Long Wharf Real Estate Partners IV	0.39%	10.77%	23.44%	-	-
Long Wharf Real Estate Partners V	(1.49%)	-	-	-	-
Colony Realty Partners IV (preliminary)	2.21%	17.21%	23.66%	-	-
LaSalle Income & Growth VI	4.66%	18.63%	-	-	-
NCREIF Total Index	2.21%	11.84%	11.91%	11.93%	7.61%
Coral Canyon Town Center (7)	1.15%	3.48%	-	-	-
NFI-ODCE Equal Weight Net	2.22%	13.12%	12.60%	12.22%	5.17%
<b>Cash</b>	<b>0.17%</b>	<b>0.65%</b>	<b>0.50%</b>	<b>0.53%</b>	<b>1.72%</b>
Public Treasurer's Investment Fund	0.17%	0.65%	0.50%	0.53%	1.72%
3-month Treasury Bill	0.07%	0.12%	0.07%	0.08%	1.15%
<b>Total - School Fund</b>	<b>0.92%</b>	<b>0.49%</b>	<b>8.30%</b>	<b>8.32%</b>	<b>6.16%</b>
Policy Index*	1.39%	0.18%	7.51%	7.76%	5.74%

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

(1) Domestic Equity Benchmark is 50% S&P 500 Idx & 50% Wilshire 5000 Idx through April 22, 2005; 50% S&P 500 Idx & 50% US Broad Mkt Idx through June 30, 2007; and 49% S&P 500 Idx, 39% Russell 3000 Idx & 12% US Small+Mid 2200 Idx thereafter

(2) Switched from Investor Shares class to Institutional + Shares class December 2010

(3) Vanguard Intl Stock Idx Benchmark is Vang Total Intl Composite Idx through August 31, 2006; MSCI EAFE + EMF Idx to December 15, 2010; MSCI ACWI ex-US IMI Idx to June 2, 2013; and FTSE Global All Cap ex US Idx thereafter

(4) Fixed Income Benchmark is BC Agg Idx through December 31, 2009; BC Agg Float Adjusted through March 31, 2013;

Barclays Credit Bond 1-5 Yrs Idx through June 30, 2013; and 50% Barclays Credit Bond 1-5 Yrs Idx & 50% Barclays Credit 5-10 Idx thereafter

(5) Real Estate Benchmark is 50% NFI-ODCE Equal Weight Net & 50% NCREIF Property Index

(6) Switched from Separate Account to Commingled fund March 2008

(7) Coral Canyon Town Center is in the Miners Hospital Plan only

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2015- 3/2016	2015	2014	2013	2012
<b>Domestic Equity</b>	<b>0.63%</b>	<b>2.21%</b>	<b>15.24%</b>	<b>35.06%</b>	<b>17.80%</b>
Domestic Equity Benchmark (1)	1.20%	0.63%	12.86%	33.45%	16.28%
Vanguard Structured LC	1.61%	2.46%	15.86%	32.27%	17.82%
S&P 500 Index	1.35%	1.38%	13.69%	32.39%	16.00%
Vanguard Structured Broad Market	(0.49%)	3.02%	14.97%	36.45%	17.28%
Russell 3000 Index	0.97%	0.48%	12.56%	33.55%	16.42%
Vanguard Strategic Equity	0.42%	(1.40%)	13.68%	41.49%	18.90%
US Small+Mid 2200	1.31%	(2.03%)	10.35%	37.47%	16.91%
<b>International Equity</b>	<b>(0.14%)</b>	<b>(4.24%)</b>	<b>(4.13%)</b>	<b>15.19%</b>	<b>18.30%</b>
Vanguard Intl Stock Index (2)	(0.14%)	(4.24%)	(4.13%)	15.19%	18.30%
Vanguard Intl Stock Idx Benchmark (3)	(0.29%)	(4.28%)	(3.40%)	15.78%	17.04%
<b>Fixed Income</b>	<b>2.51%</b>	<b>1.37%</b>	<b>3.78%</b>	<b>1.26%</b>	<b>4.19%</b>
Fixed Income Benchmark (4)	2.90%	0.88%	4.64%	0.58%	4.32%
Vanguard Short-Term Inv Grade	1.77%	1.17%	1.89%	-	-
Barclays Credit 1-5 Index	1.73%	1.06%	1.95%	1.24%	5.51%
Vang Interm-Term Inv Grade	3.57%	1.63%	5.92%	-	-
Barclays Credit 5-10 Index	4.07%	0.69%	7.38%	(2.05%)	11.26%
<b>Real Estate</b>	<b>2.15%</b>	<b>13.63%</b>	<b>15.44%</b>	<b>11.65%</b>	<b>9.44%</b>
Real Estate Benchmark (5)	2.22%	13.76%	11.62%	11.67%	10.24%
UBS Trumbull Property Fund (6)	1.82%	11.80%	10.24%	9.27%	8.99%
UBS Trumbull Property Income Fund	2.44%	10.30%	10.18%	8.52%	10.35%
NFI-ODCE Equal Weight Net	2.22%	14.18%	11.42%	12.36%	9.93%
LaSalle Income & Growth V	(1.24%)	8.79%	36.18%	18.26%	9.30%
Fidelity Real Estate Growth Fund III	2.91%	34.09%	26.81%	20.08%	10.53%
Colony Realty Partners III (preliminary)	2.21%	6.29%	9.70%	7.57%	12.18%
Long Wharf Real Estate Partners IV	0.39%	14.96%	20.94%	32.98%	-
Long Wharf Real Estate Partners V	(1.49%)	-	-	-	-
Colony Realty Partners IV (preliminary)	2.21%	21.49%	18.91%	31.65%	-
LaSalle Income & Growth VI	4.66%	14.70%	19.89%	-	-
NCREIF Total Index	2.21%	13.33%	11.82%	10.98%	10.54%
Coral Canyon Town Center (7)	1.15%	3.45%	4.86%	-	-
NFI-ODCE Equal Weight Net	2.22%	14.18%	11.42%	12.36%	9.93%
<b>Cash</b>	<b>0.17%</b>	<b>0.58%</b>	<b>0.40%</b>	<b>0.48%</b>	<b>0.62%</b>
Public Treasurer's Investment Fund	0.17%	0.58%	0.40%	0.48%	0.62%
3-month Treasury Bill	0.07%	0.05%	0.03%	0.07%	0.11%
<b>Total - School Fund</b>	<b>0.92%</b>	<b>2.16%</b>	<b>8.74%</b>	<b>20.22%</b>	<b>13.54%</b>
Policy Index*	1.39%	1.10%	7.50%	19.70%	13.23%

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

(1) Domestic Equity Benchmark is 50% S&P 500 Idx & 50% Wilshire 5000 Idx through April 22, 2005; 50% S&P 500 Idx & 50% US Broad Mkt Idx through June 30, 2007; and 49% S&P 500 Idx, 39% Russell 3000 Idx & 12% US Small+Mid 2200 Idx thereafter

(2) Switched from Investor Shares class to Institutional + Shares class December 2010

(3) Vanguard Intl Stock Idx Benchmark is Vang Total Intl Composite Idx through August 31, 2006; MSCI EAFE + EMF Idx through December 15, 2010; MSCI ACWI ex-US IMI Idx to June 2, 2013; and FTSE Global All Cap ex US Idx thereafter

(4) Fixed Income Benchmark is BC Agg Idx through December 31, 2009; BC Agg Float Adjusted through March 31, 2013; Barclays Credit Bond 1-5 Yrs Idx through June 30, 2013; and 50% Barclays Credit Bond 1-5 Yrs Idx & 50% Barclays Credit 5-10 Idx thereafter

(5) Real Estate Benchmark is 50% NFI-ODCE Equal Weight Net & 50% NCREIF Property Index

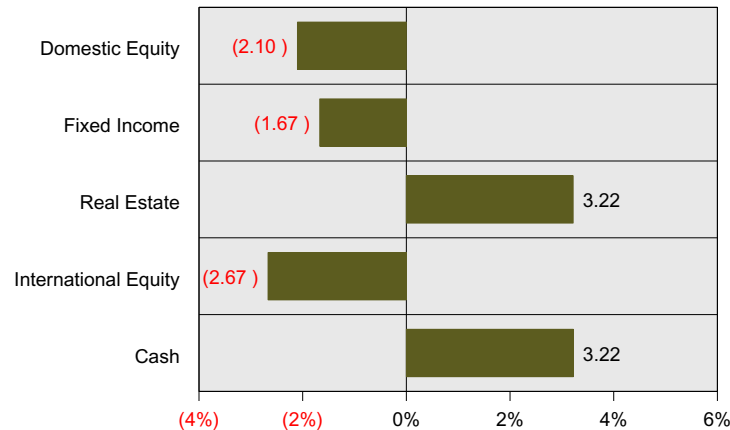
(6) Switched from Separate Account to Commingled fund March 2008

(7) Coral Canyon Town Center is in the Miners Hospital Plan only

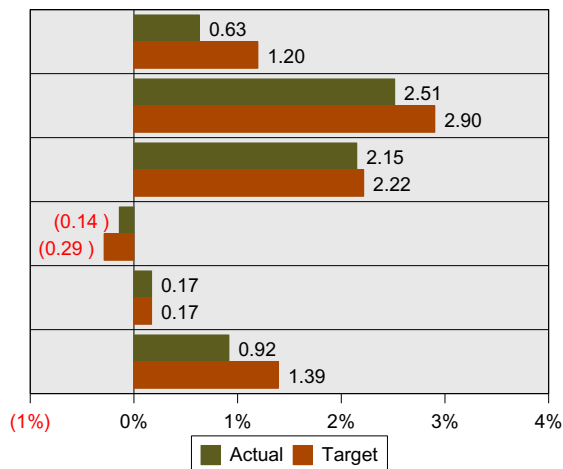
## Quarterly Total Fund Relative Attribution - March 31, 2016

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

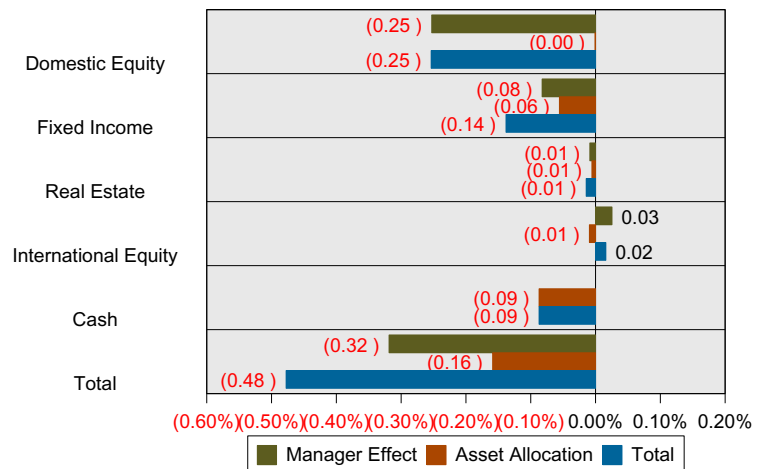
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended March 31, 2016

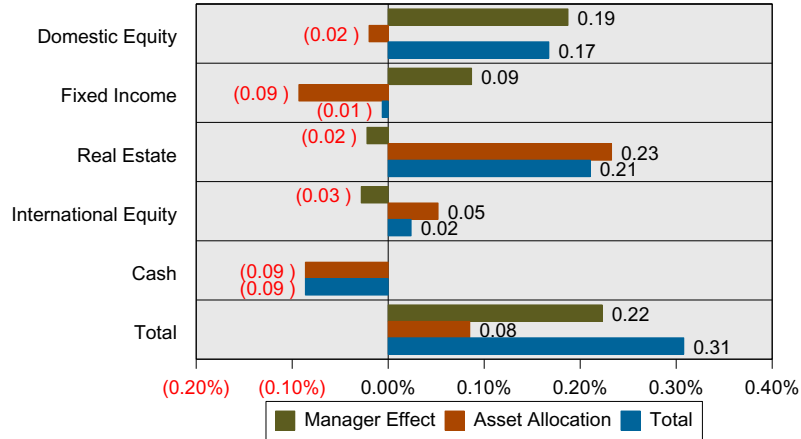
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	45%	47%	0.63%	1.20%	(0.25%)	(0.00%)	(0.25%)
Fixed Income	21%	23%	2.51%	2.90%	(0.08%)	(0.06%)	(0.14%)
Real Estate	13%	10%	2.15%	2.22%	(0.01%)	(0.01%)	(0.01%)
International Equity	17%	20%	(0.14%)	(0.29%)	0.03%	(0.01%)	0.02%
Cash	3%	0%	0.17%	0.17%	0.00%	(0.09%)	(0.09%)
<b>Total</b>			<b>0.92%</b>	<b>1.39%</b>	<b>(0.32%)</b>	<b>(0.16%)</b>	<b>(0.48%)</b>

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

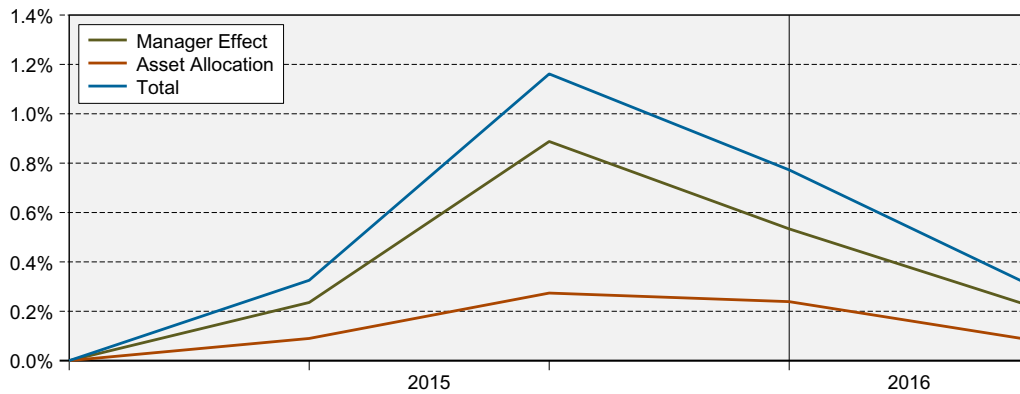
## Cumulative Total Fund Relative Attribution - March 31, 2016

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

### One Year Relative Attribution Effects



### Cumulative Relative Attribution Effects



### One Year Relative Attribution Effects

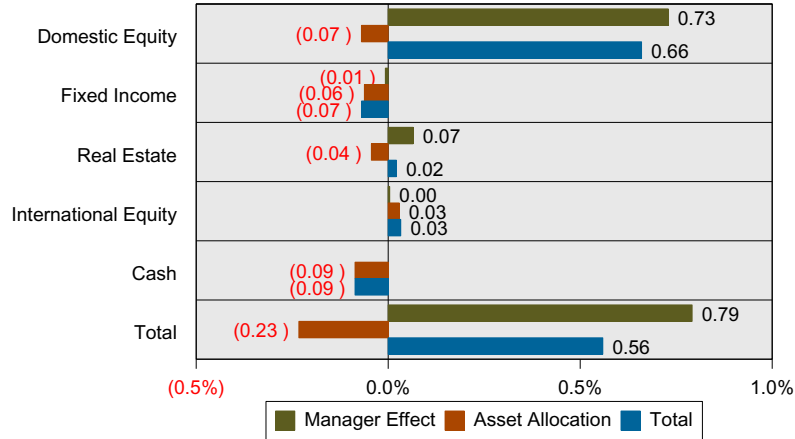
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	46%	47%	0.51%	0.10%	0.19%	(0.02%)	0.17%
Fixed Income	21%	23%	2.30%	1.88%	0.09%	(0.09%)	(0.01%)
Real Estate	13%	10%	12.35%	12.48%	(0.02%)	0.23%	0.21%
International Equity	18%	20%	(8.11%)	(7.94%)	(0.03%)	0.05%	0.02%
Cash	2%	0%	0.65%	0.65%	0.00%	(0.09%)	(0.09%)
<b>Total</b>			<b>0.49%</b>		<b>0.18%</b>	<b>0.22%</b>	<b>0.31%</b>

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

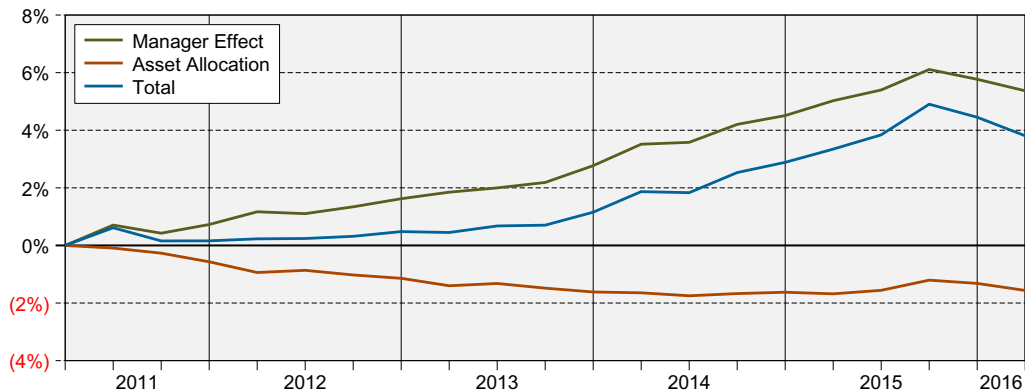
## Cumulative Total Fund Relative Attribution - March 31, 2016

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

### Five Year Annualized Relative Attribution Effects



### Cumulative Relative Attribution Effects



### Five Year Annualized Relative Attribution Effects

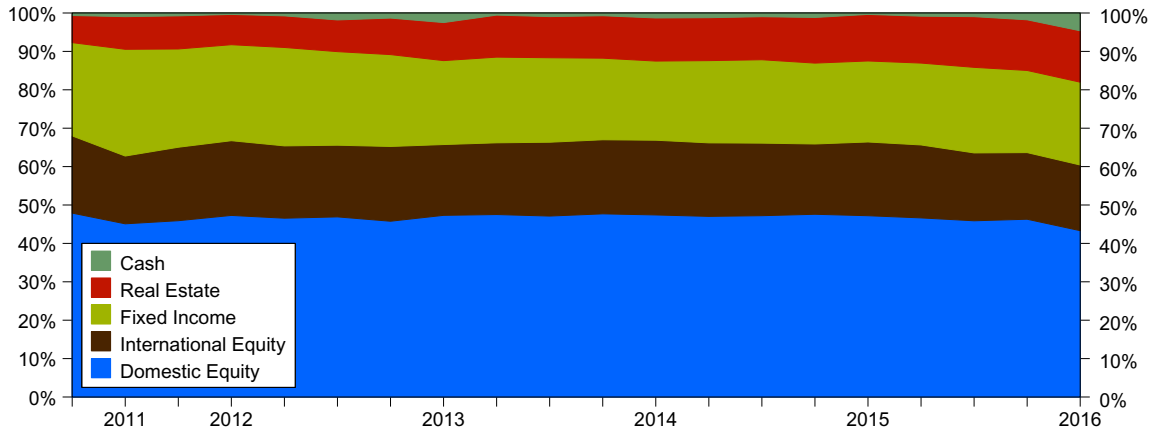
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	47%	47%	12.74%	11.14%	0.73%	(0.07%)	0.66%
Fixed Income	23%	23%	4.10%	4.14%	(0.01%)	(0.06%)	(0.07%)
Real Estate	10%	10%	12.67%	12.07%	0.07%	(0.04%)	0.02%
International Equity	19%	20%	0.73%	0.73%	0.00%	0.03%	0.03%
Cash	1%	0%	0.53%	0.53%	0.00%	(0.09%)	(0.09%)
<b>Total</b>			<b>8.32%</b>	<b>7.76%</b>	<b>+ 0.79%</b>	<b>+ (0.23%)</b>	<b>0.56%</b>

\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

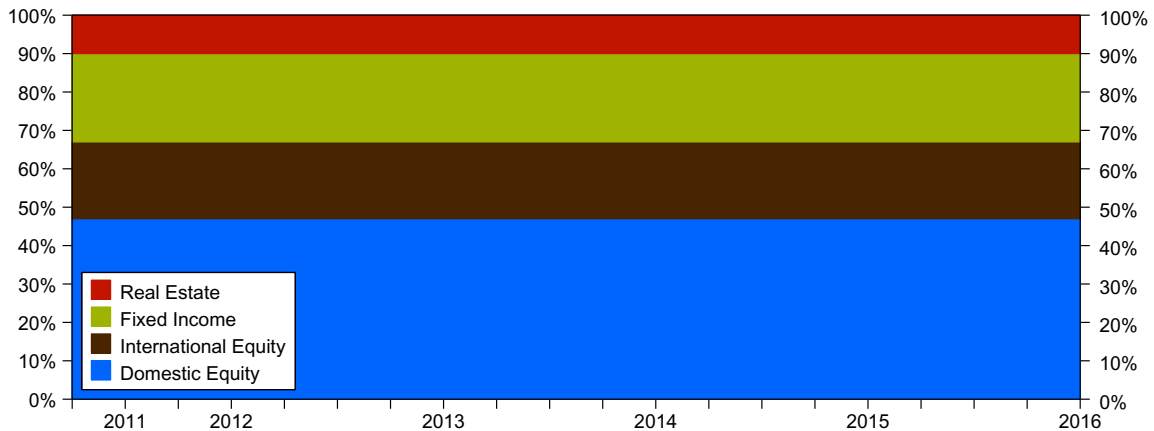
## Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, the fund's historical target asset allocation, and the historical asset allocation of the average fund in the Endow-Fdn - Large (>1B).

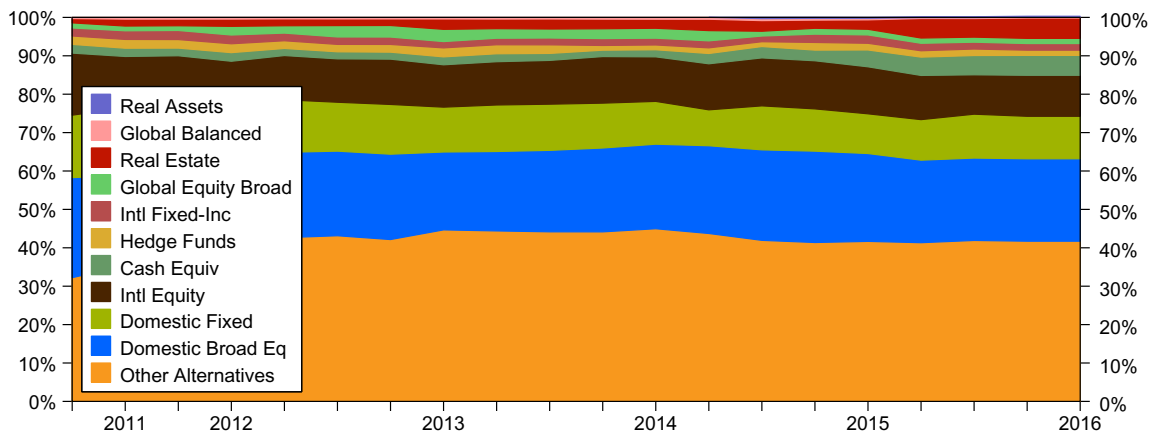
### Actual Historical Asset Allocation



### Target Historical Asset Allocation



### Average Endow-Fdn - Large (>1B) Historical Asset Allocation

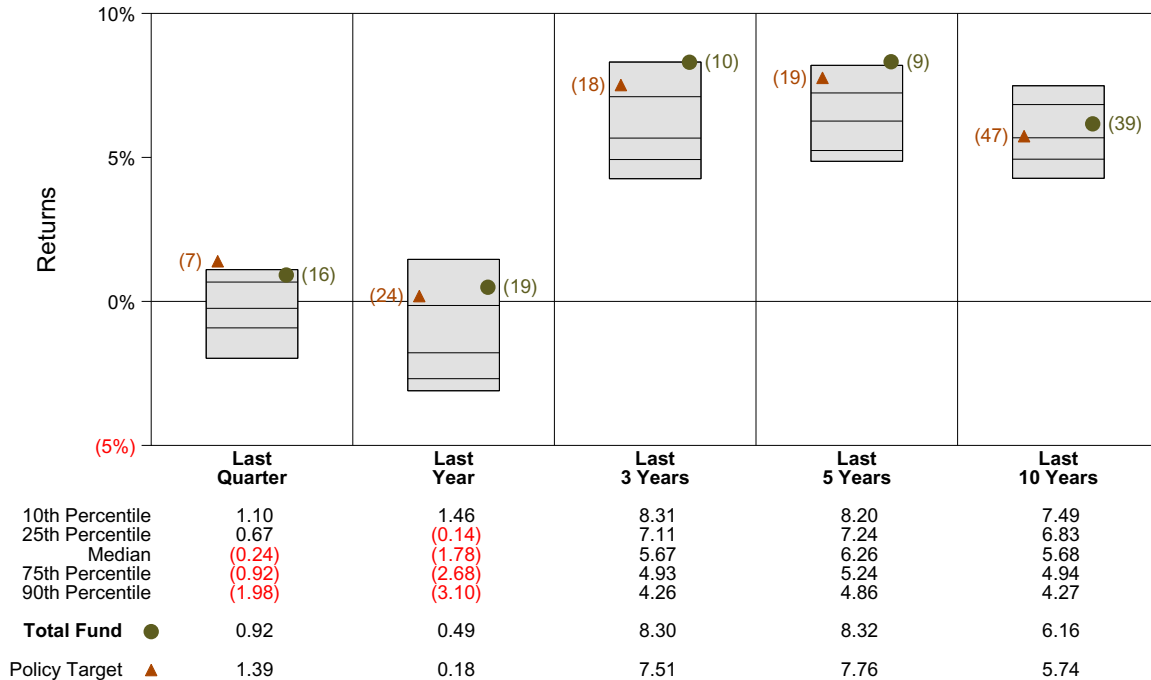


\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

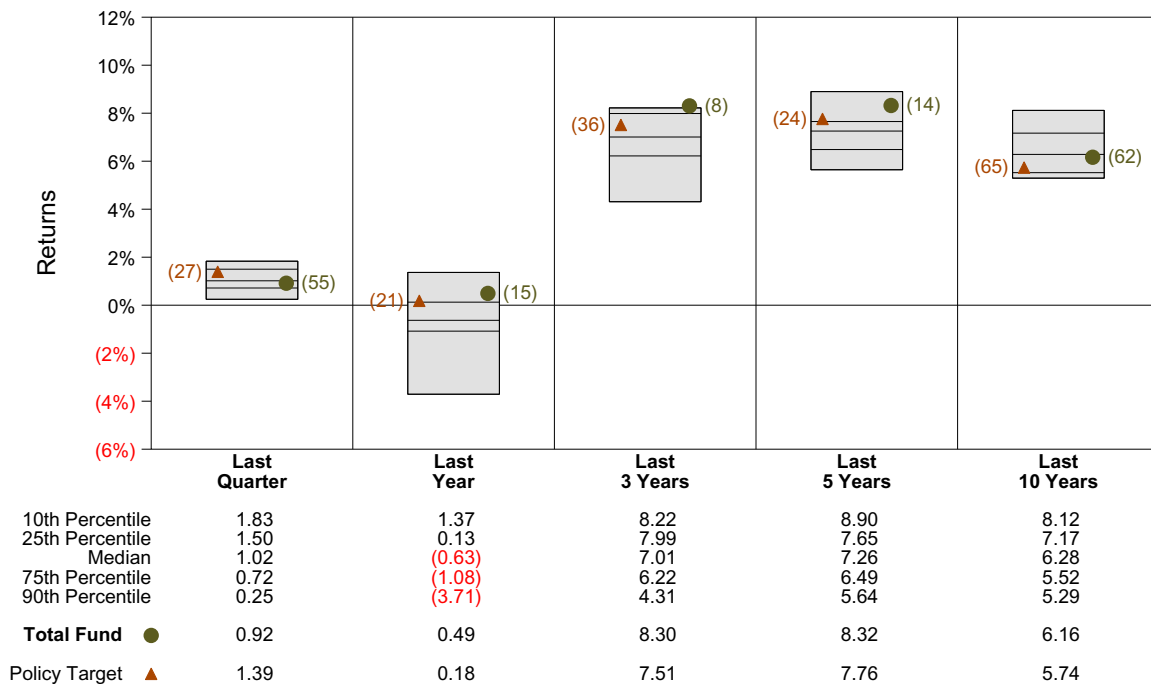
## Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Endow-Fdn - Large (>1B) for periods ended March 31, 2016. The first chart is a standard unadjusted ranking. In the second chart each fund in the database is adjusted to have the same historical asset allocation as that of the Total Fund.

### Endow-Fdn - Large (>1B)



### Asset Allocation Adjusted Ranking



\* Current Quarter Target = 23.0% S&P 500 Index, 20.0% GI All Cap ex US Index, 18.3% Russell 3000 Index, 11.5% Barclays Credit 1-5, 11.5% Barclays Credit 5-10 Inde, 5.6% MSCI US SMID 2200, 5.0% NCREIF Total Index and 5.0% NFI-ODCE Equal Weight Net.

# School Fund

## Period Ended March 31, 2016

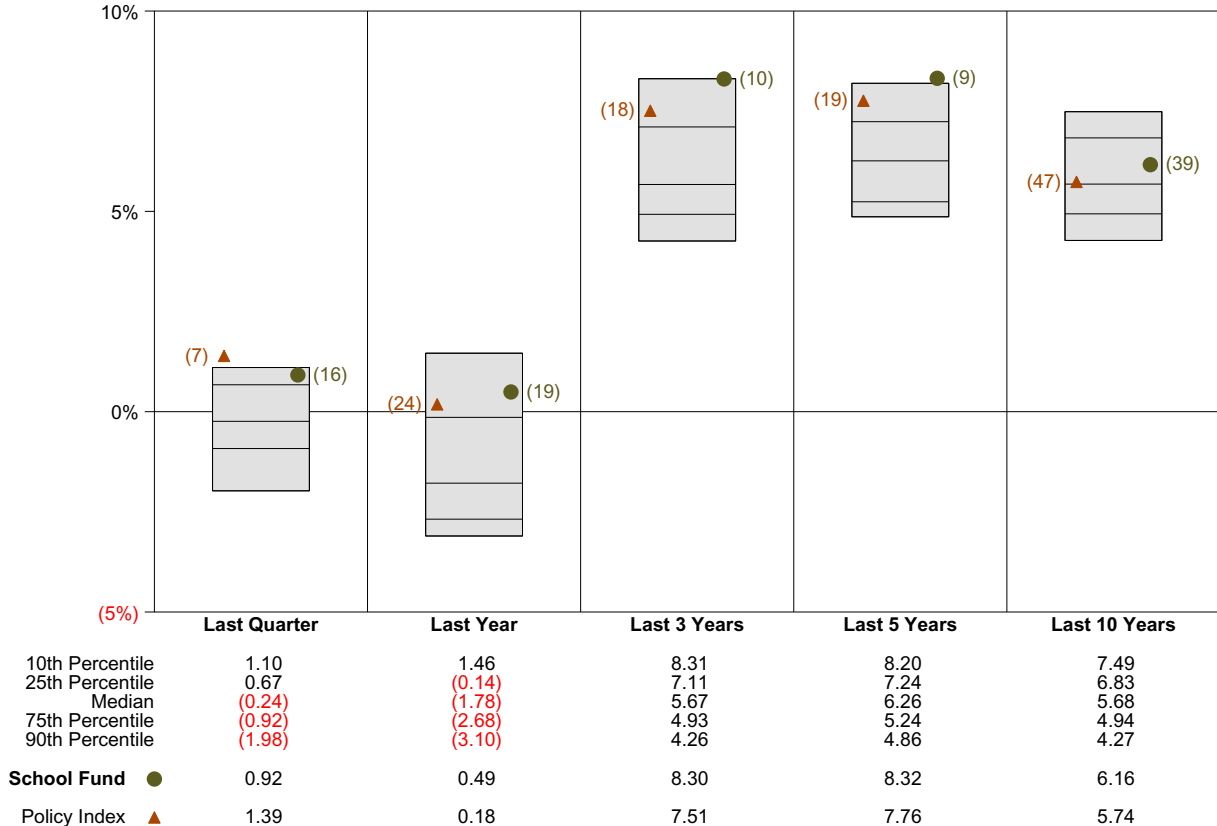
### Quarterly Summary and Highlights

- School Fund's portfolio posted a 0.92% return for the quarter placing it in the 16 percentile of the Endow-Fdn - Large (>1B) group for the quarter and in the 19 percentile for the last year.
- School Fund's portfolio underperformed the Policy Index by 0.48% for the quarter and outperformed the Policy Index for the year by 0.31%.

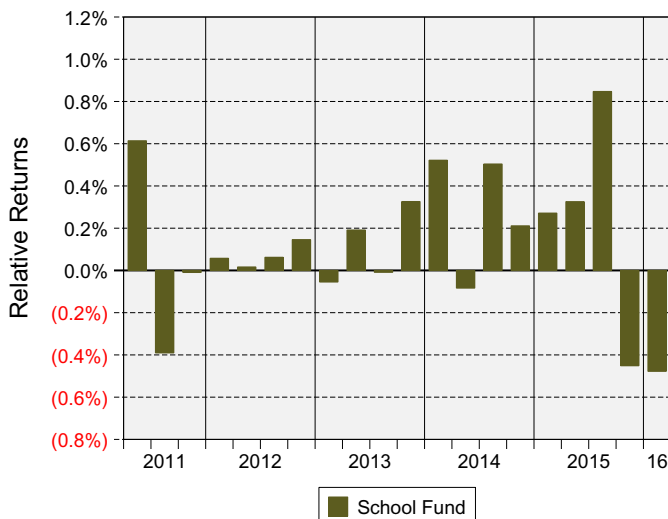
### Quarterly Asset Growth

Beginning Market Value	\$2,033,013,331
Net New Investment	\$1,862,424
Investment Gains/(Losses)	\$18,743,499
Ending Market Value	\$2,053,619,254

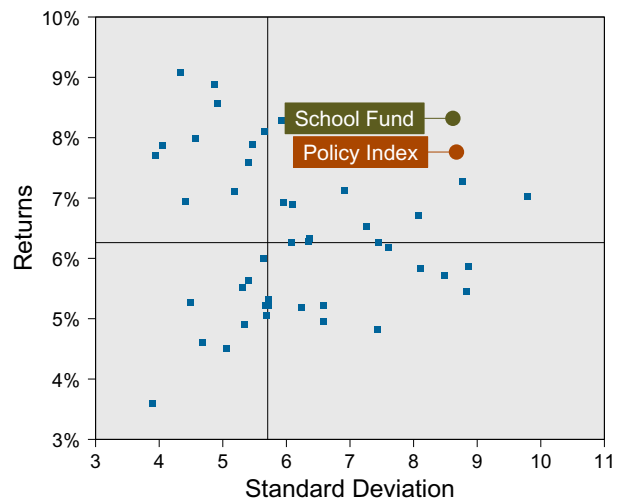
### Performance vs Endow-Fdn - Large (>1B) (Gross)



### Relative Return vs Policy Index



### Endow-Fdn - Large (>1B) (Gross) Annualized Five Year Risk vs Return

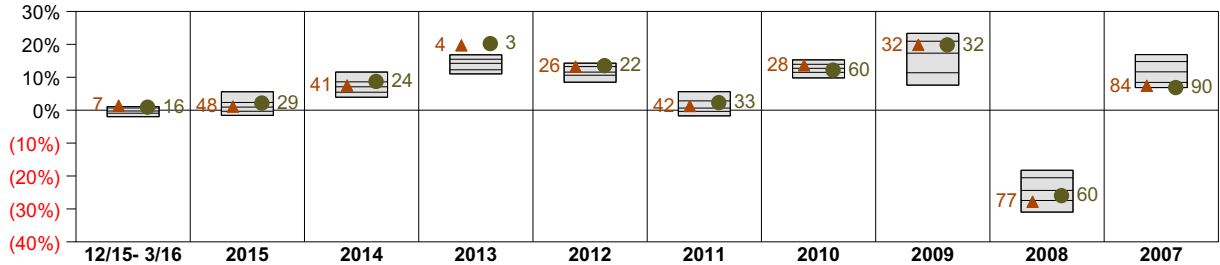


# School Fund Return Analysis Summary

## Return Analysis

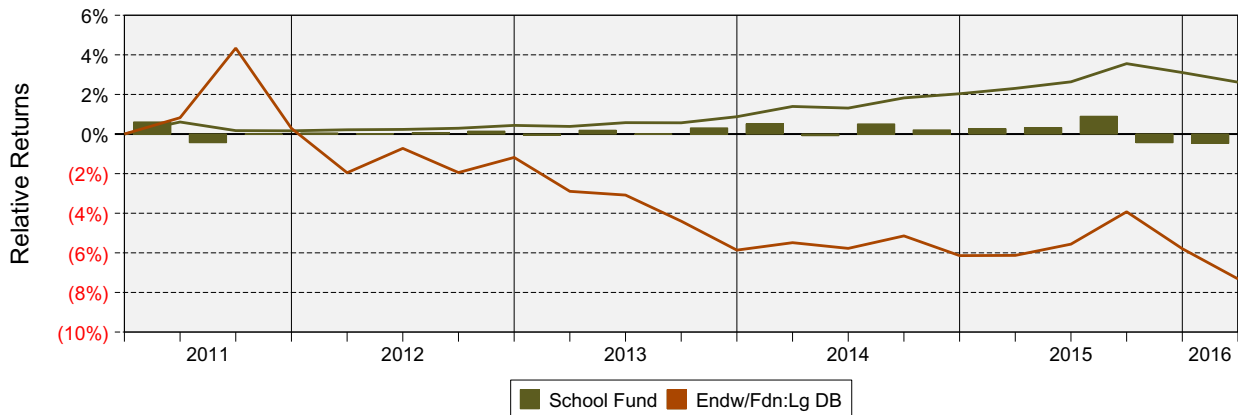
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate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

### Performance vs Endow-Fdn - Large (>1B) (Gross)

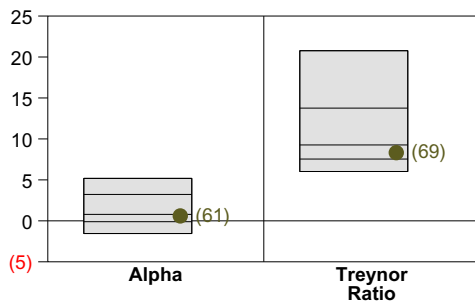


10th Percentile	1.10	5.60	11.58	16.82	14.28	5.62	15.28	23.35	(18.26)	16.88
25th Percentile	0.67	2.35	8.61	15.47	13.25	2.83	13.94	20.95	(20.53)	14.77
Median	(0.24)	0.94	7.10	14.24	11.57	0.64	12.72	17.32	(24.38)	11.65
75th Percentile	(0.92)	(0.33)	5.46	12.27	10.62	(0.36)	11.50	11.38	(27.43)	8.44
90th Percentile	(1.98)	(1.57)	3.94	11.02	8.49	(1.73)	9.81	7.61	(30.96)	6.86
<b>School Fund</b>	0.92	2.16	8.74	20.22	13.54	2.29	12.19	19.83	(25.96)	6.87
<b>Policy Index</b>	1.39	1.10	7.50	19.70	13.23	1.29	13.64	19.86	(27.80)	7.42

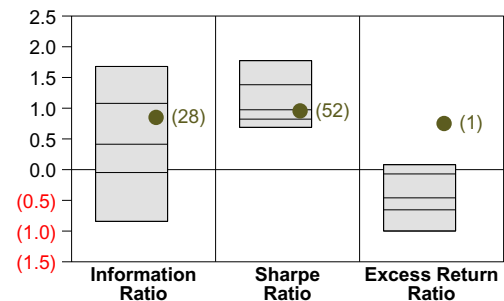
### Cumulative and Quarterly Relative Return vs Policy Index



### Risk Adjusted Return Measures vs Policy Index Rankings Against Endow-Fdn - Large (>1B) (Gross) Five Years Ended March 31, 2016



10th Percentile	5.18	20.77
25th Percentile	3.22	13.76
Median	0.79	9.26
75th Percentile	(0.10)	7.54
90th Percentile	(1.55)	6.02
<b>School Fund</b>	0.60	8.32



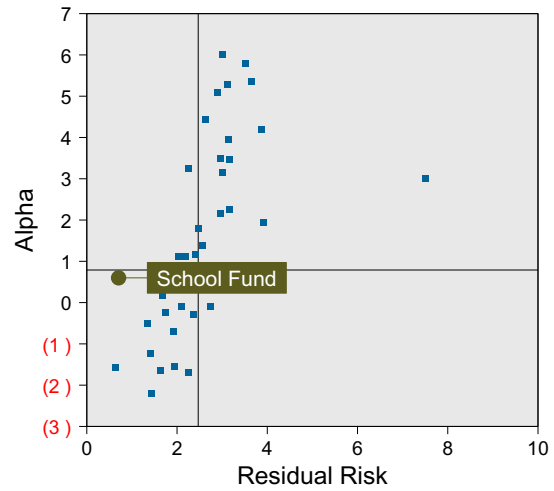
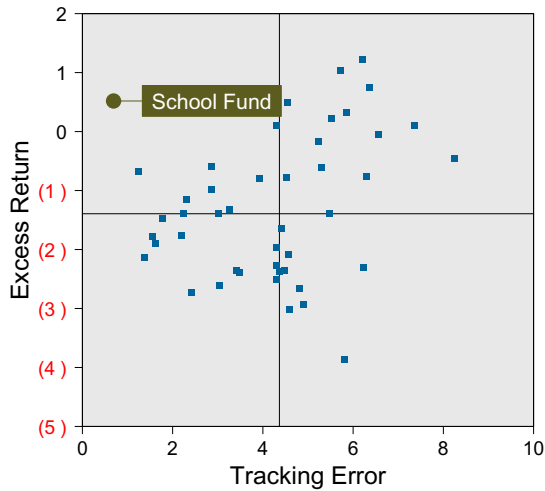
10th Percentile	1.68	1.77	0.08
25th Percentile	1.08	1.38	(0.07)
Median	0.41	0.97	(0.46)
75th Percentile	(0.05)	0.82	(0.65)
90th Percentile	(0.84)	0.69	(1.00)
<b>School Fund</b>	0.85	0.96	0.75

# School Fund Risk Analysis Summary

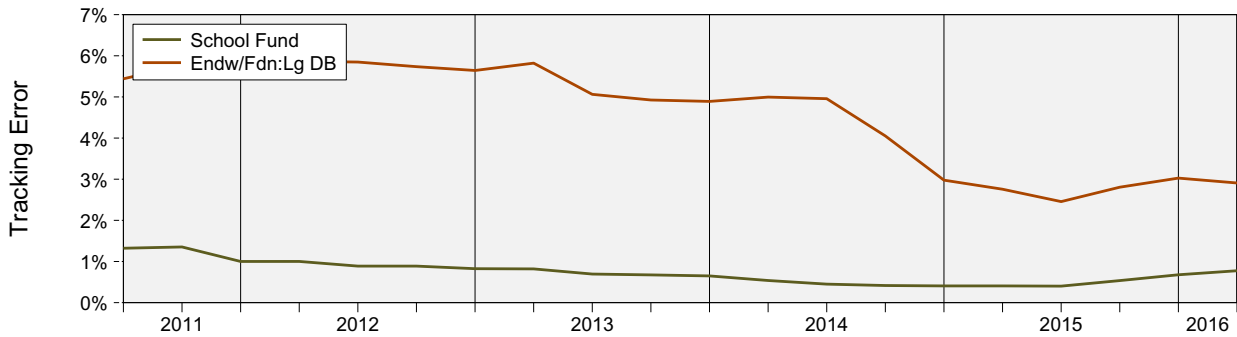
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

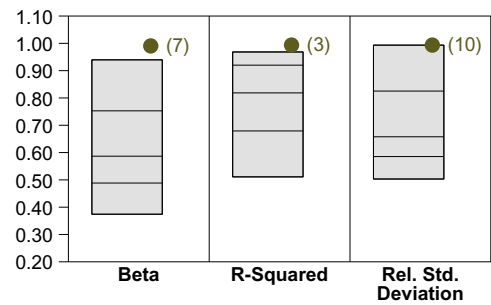
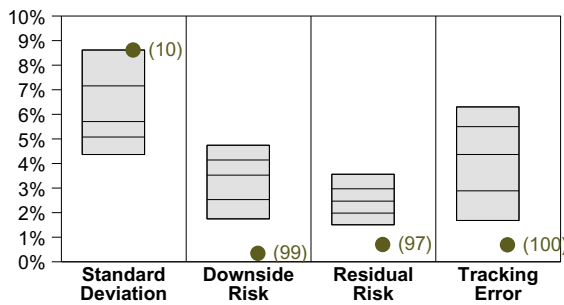
### Risk Analysis vs Endow-Fdn - Large (>1B) (Gross) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs Policy Index



### Risk Statistics Rankings vs Policy Index Rankings Against Endow-Fdn - Large (>1B) (Gross) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	8.62	4.74	3.56	6.30
25th Percentile	7.16	4.14	2.97	5.50
Median	5.71	3.53	2.47	4.37
75th Percentile	5.08	2.53	1.98	2.89
90th Percentile	4.36	1.75	1.51	1.68

School Fund ● 8.62 0.34 0.70 0.69

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	0.94	0.97	0.99
25th Percentile	0.75	0.92	0.83
Median	0.59	0.82	0.66
75th Percentile	0.49	0.68	0.59
90th Percentile	0.37	0.51	0.50

School Fund ● 0.99 0.99 0.99



# Vanguard Structured Large Cap Equity Period Ended March 31, 2016

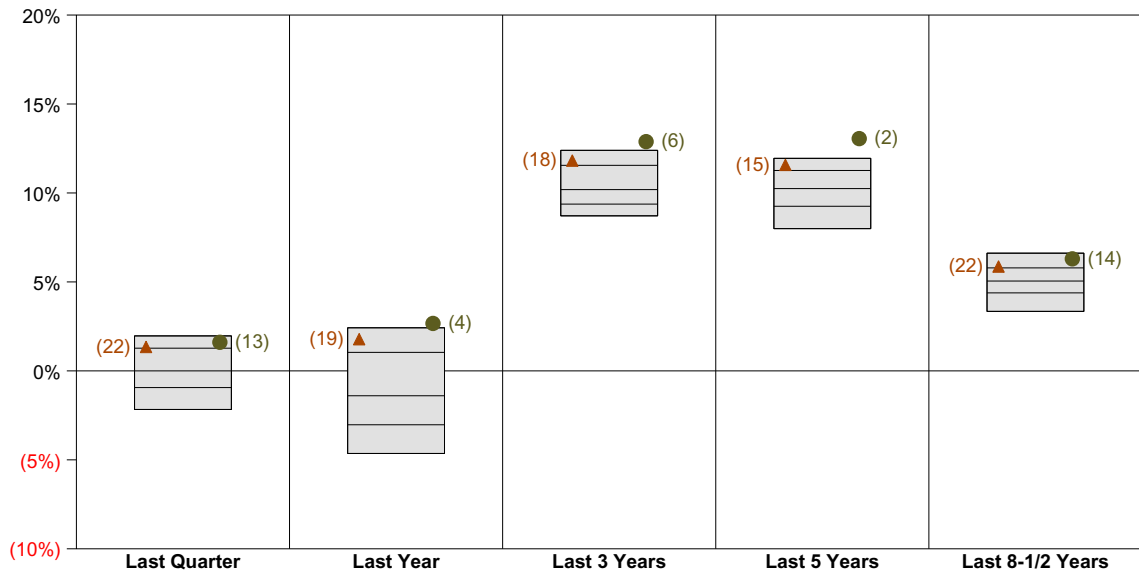
## Investment Philosophy

Vanguard Structured Large-Cap Equity Trust is an actively managed, structured equity portfolio benchmarked to the S&P 500. It is designed to achieve consistent excess returns relative to its benchmark while strictly controlling risk.

## Quarterly Summary and Highlights

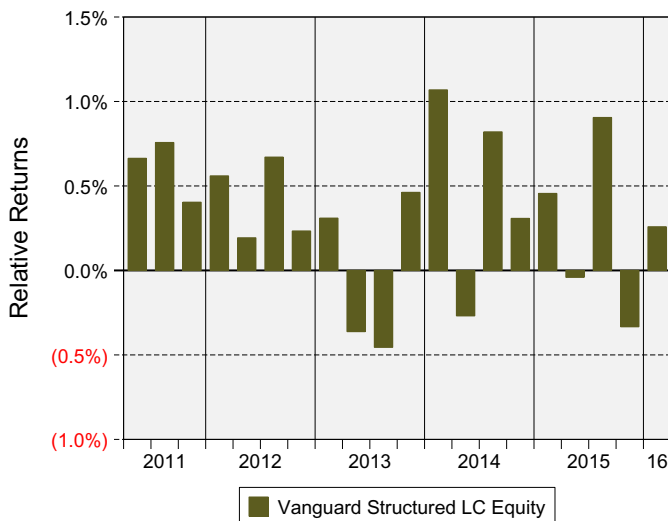
- Vanguard Structured LC Equity's portfolio posted a 1.61% return for the quarter placing it in the 13 percentile of the CAI MF - Core Equity Style group for the quarter and in the 4 percentile for the last year.
- Vanguard Structured LC Equity's portfolio outperformed the S&P 500 Index by 0.26% for the quarter and outperformed the S&P 500 Index for the year by 0.88%.

## Performance vs CAI MF - Core Equity Style (Net)

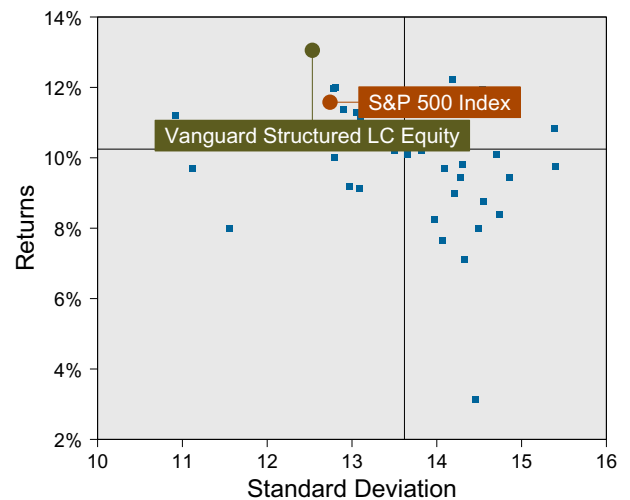


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 8-1/2 Years
10th Percentile	1.97	2.42	12.39	11.95	6.62
25th Percentile	1.28	1.04	11.55	11.26	5.79
Median	0.00	(1.40)	10.19	10.25	5.05
75th Percentile	(0.94)	(3.03)	9.37	9.25	4.38
90th Percentile	(2.17)	(4.64)	8.71	7.99	3.34
<b>Vanguard Structured LC Equity</b>	● 1.61	2.67	12.88	13.05	6.30
S&P 500 Index	▲ 1.35	1.78	11.82	11.58	5.87

## Relative Return vs S&P 500 Index



## CAI MF - Core Equity Style (Net) Annualized Five Year Risk vs Return

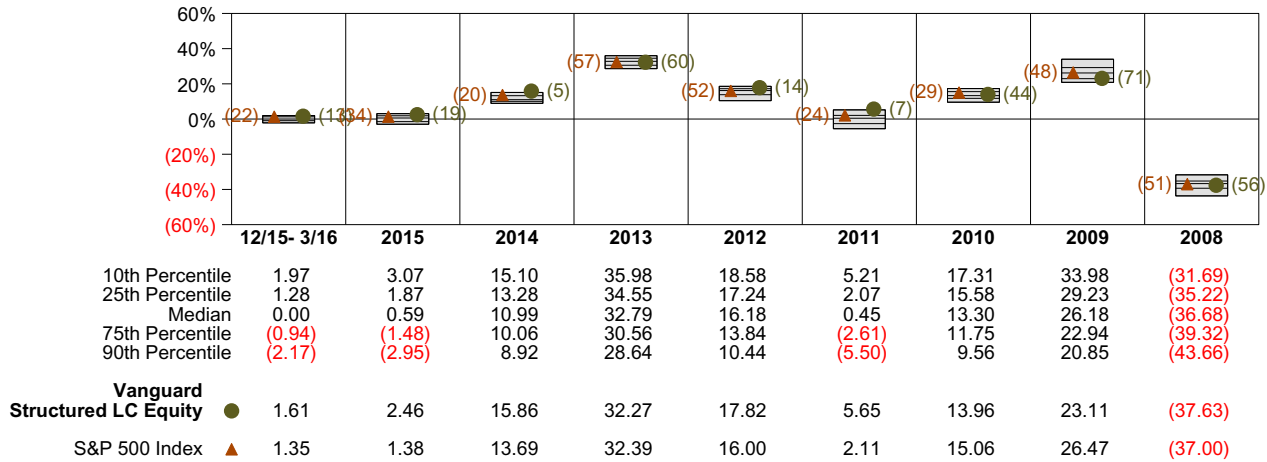


# Vanguard Structured Large Cap Equity Return Analysis Summary

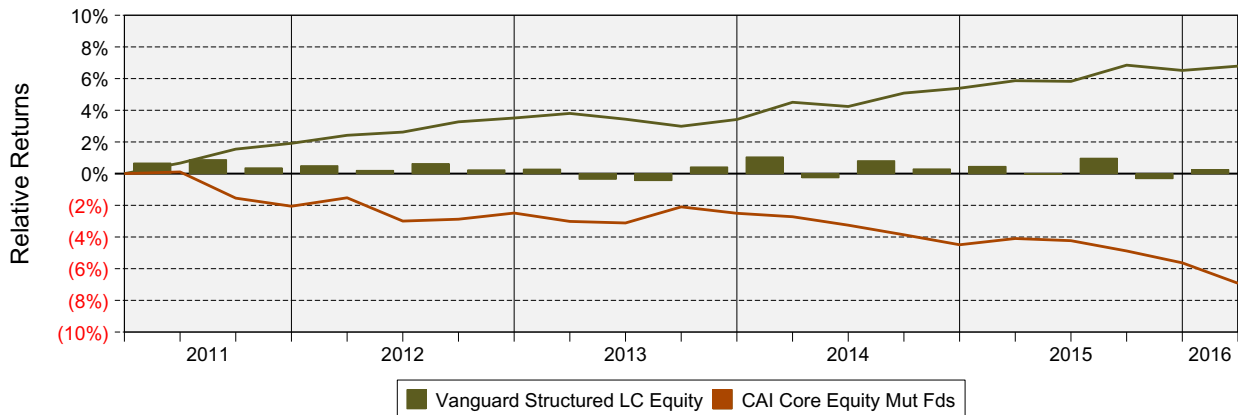
## Return Analysis

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

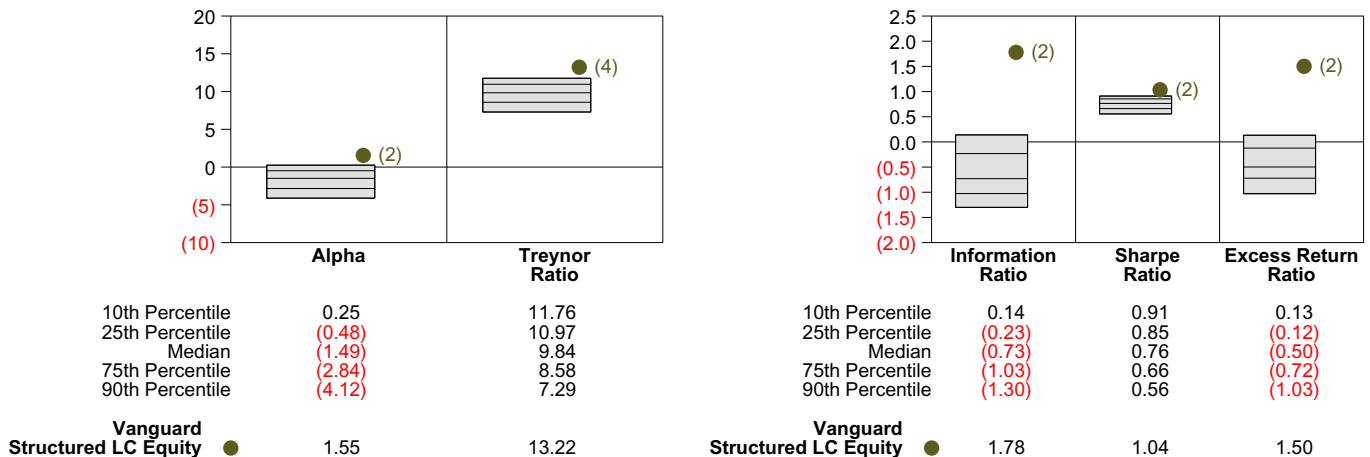
### Performance vs CAI MF - Core Equity Style (Net)



### Cumulative and Quarterly Relative Return vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI MF - Core Equity Style (Net) Five Years Ended March 31, 2016

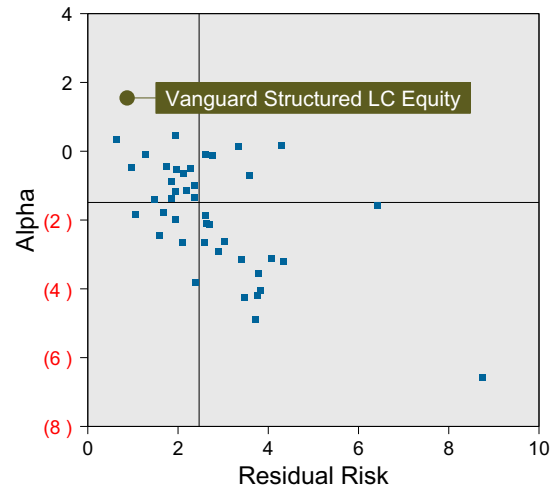
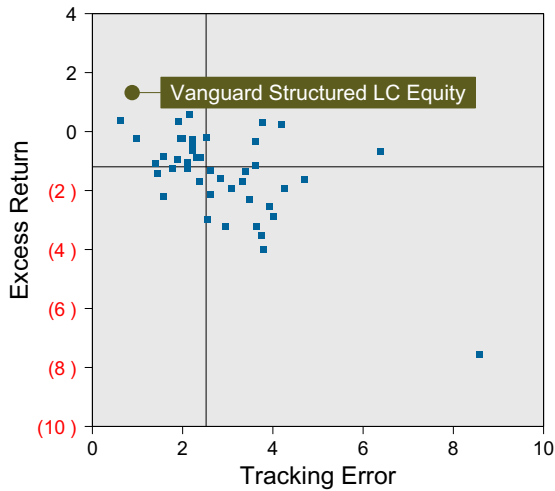


# Vanguard Structured Large Cap Equity Risk Analysis Summary

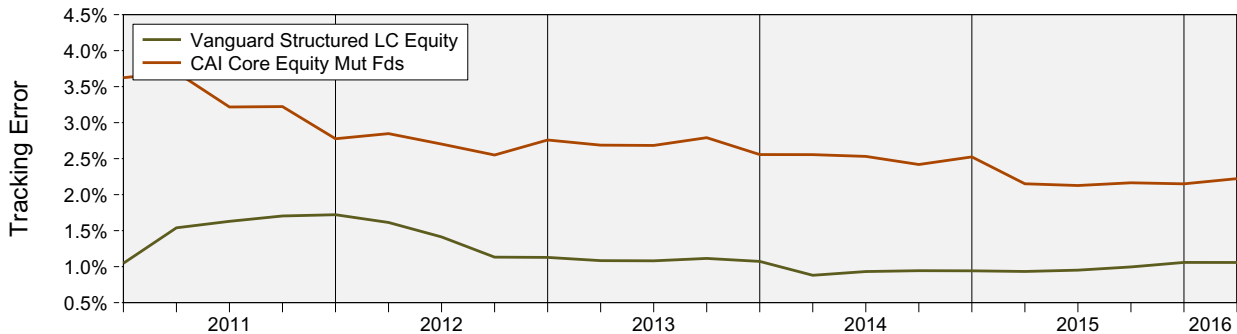
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

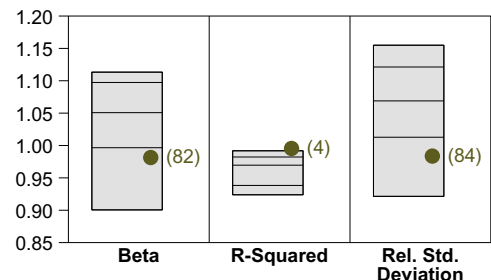
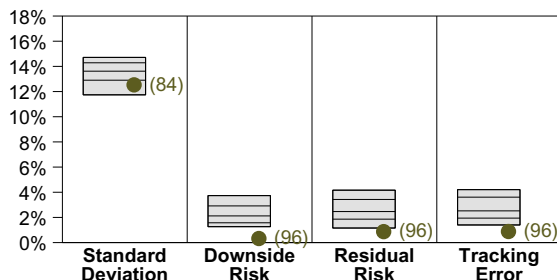
### Risk Analysis vs CAI MF - Core Equity Style (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs S&P 500 Index



### Risk Statistics Rankings vs S&P 500 Index Rankings Against CAI MF - Core Equity Style (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	14.71	3.73	4.17	4.21
25th Percentile	14.29	2.92	3.43	3.61
Median	13.62	2.12	2.47	2.52
75th Percentile	12.90	1.57	1.86	1.95
90th Percentile	11.74	1.27	1.16	1.40

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.11	0.99	1.15
25th Percentile	1.10	0.98	1.12
Median	1.05	0.97	1.07
75th Percentile	1.00	0.94	1.01
90th Percentile	0.90	0.92	0.92

**Vanguard Structured LC Equity** ● 12.53    0.32    0.87    0.88

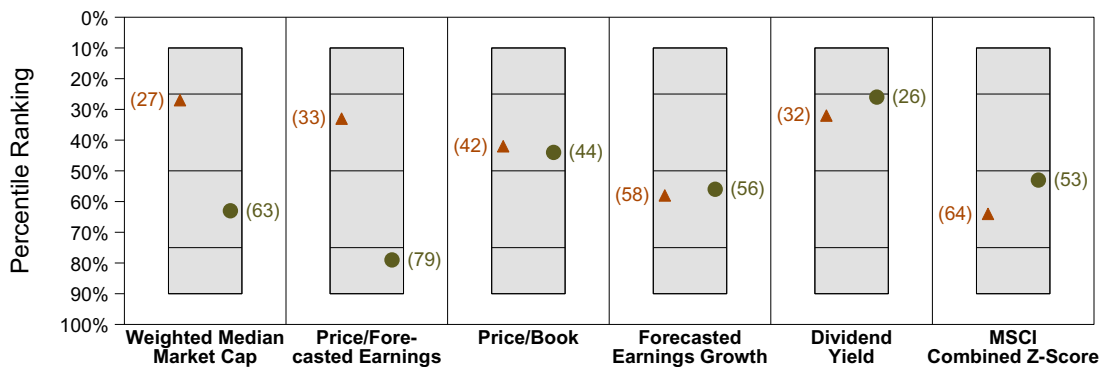
**Vanguard Structured LC Equity** ● 0.98    1.00    0.98

# Vanguard Structured Large Cap Equity Equity Characteristics Analysis Summary

## Portfolio Characteristics

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

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Core Equity Style as of March 31, 2016

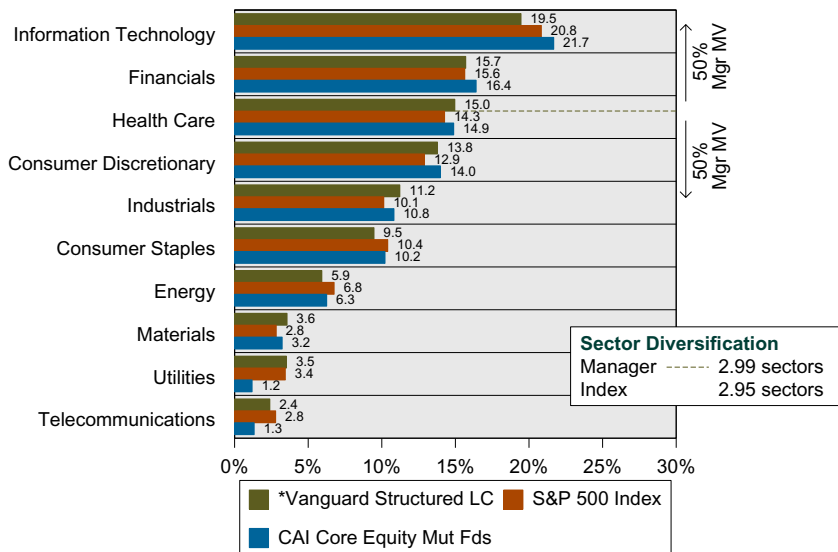


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	112.86	18.78	3.16	12.53	2.65	0.52
25th Percentile	80.30	17.09	2.86	11.61	2.20	0.19
Median	65.54	16.34	2.65	10.59	2.03	(0.00)
75th Percentile	52.53	15.50	2.29	9.35	1.77	(0.11)
90th Percentile	39.17	14.89	2.14	8.75	1.54	(0.31)
<b>*Vanguard Structured LC</b>	58.58	15.20	2.67	10.39	2.20	(0.01)
S&P 500 Index	76.98	16.80	2.70	10.32	2.17	(0.04)

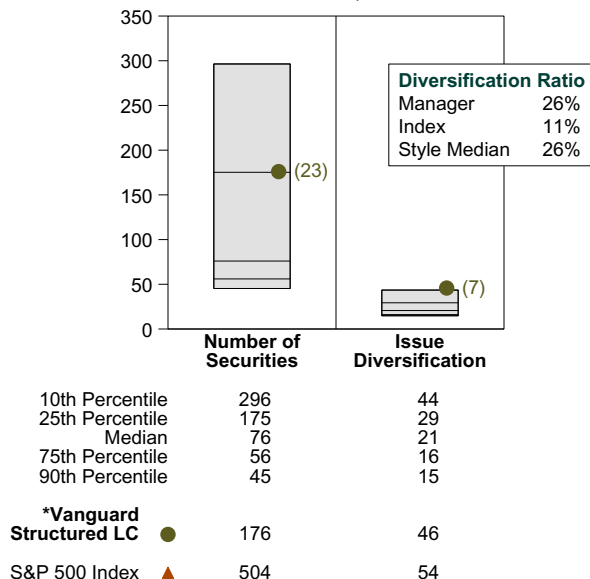
## Sector Weights

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

### Sector Allocation March 31, 2016



### Diversification March 31, 2016



\*3/31/16 portfolio characteristics generated using most recently available holdings (12/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

# Vanguard Structured Broad Market Period Ended March 31, 2016

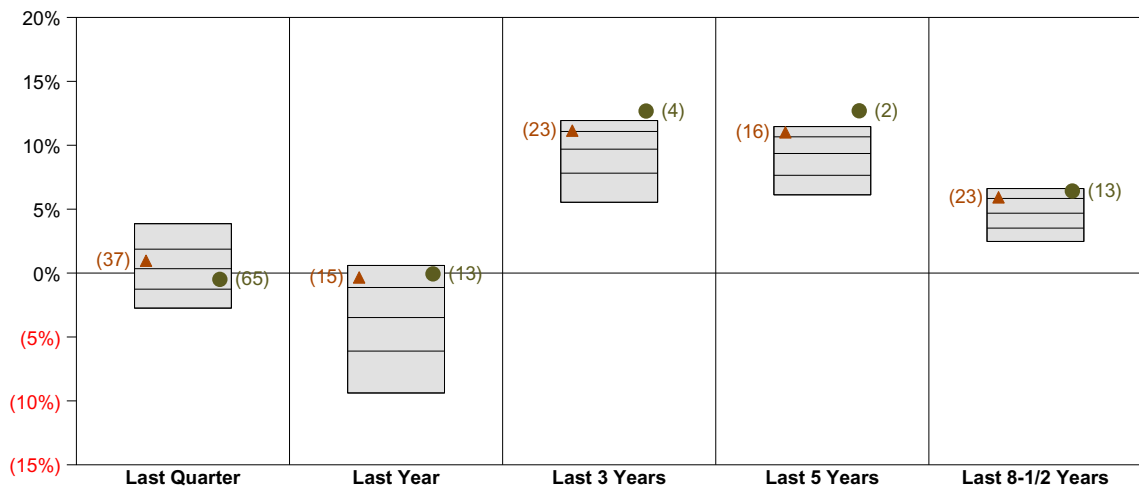
## Investment Philosophy

The investment seeks to provide long-term capital appreciation. The fund invests in domestic stocks that span the capitalization of the overall market based on the advisor's assessment of the relative return potential of the securities. The advisor selects securities that it believes offer a good balance between reasonable valuations and attractive growth prospects relative to their industry peers. It does this by using quantitative models to evaluate all of the securities in the fund's benchmark, the Russell 3000 Index, while maintaining a risk profile similar to that of the index.

## Quarterly Summary and Highlights

- Vanguard Structured Broad Market's portfolio posted a (0.49)% return for the quarter placing it in the 65 percentile of the MF - All Cap Core Obj group for the quarter and in the 13 percentile for the last year.
- Vanguard Structured Broad Market's portfolio underperformed the Russell 3000 Index by 1.46% for the quarter and outperformed the Russell 3000 Index for the year by 0.28%.

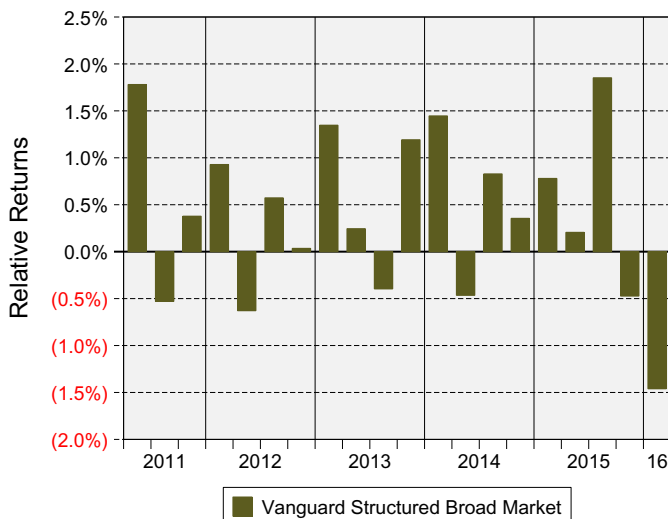
## Performance vs MF - All Cap Core Obj (Net)



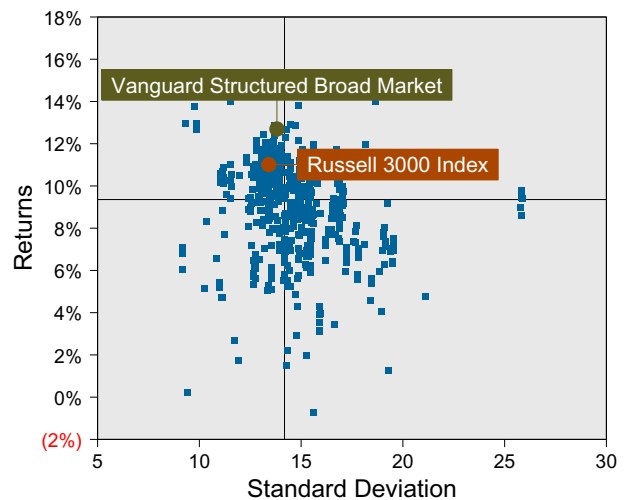
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 8-1/2 Years
10th Percentile	3.87	0.59	11.93	11.46	6.61
25th Percentile	1.87	(1.13)	11.08	10.66	5.84
Median	0.34	(3.48)	9.69	9.36	4.68
75th Percentile	(1.26)	(6.10)	7.82	7.65	3.52
90th Percentile	(2.74)	(9.38)	5.54	6.12	2.47

<b>Vanguard Structured Broad Market</b>	●	(0.49)	(0.06)	12.68	12.70	6.42
Russell 3000 Index	▲	0.97	(0.34)	11.15	11.01	5.92

## Relative Return vs Russell 3000 Index



## MF - All Cap Core Obj (Net) Annualized Five Year Risk vs Return

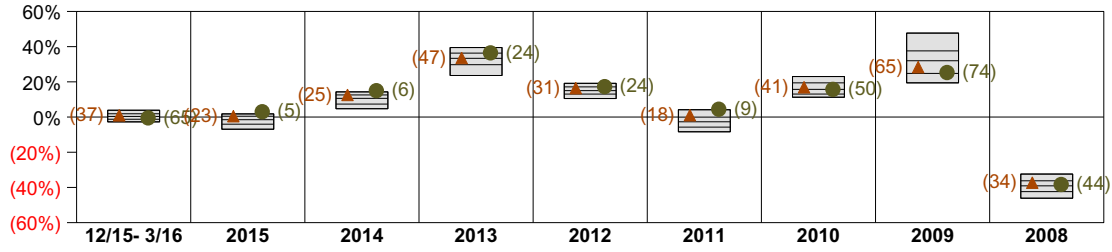


# Vanguard Structured Broad Market Return Analysis Summary

## Return Analysis

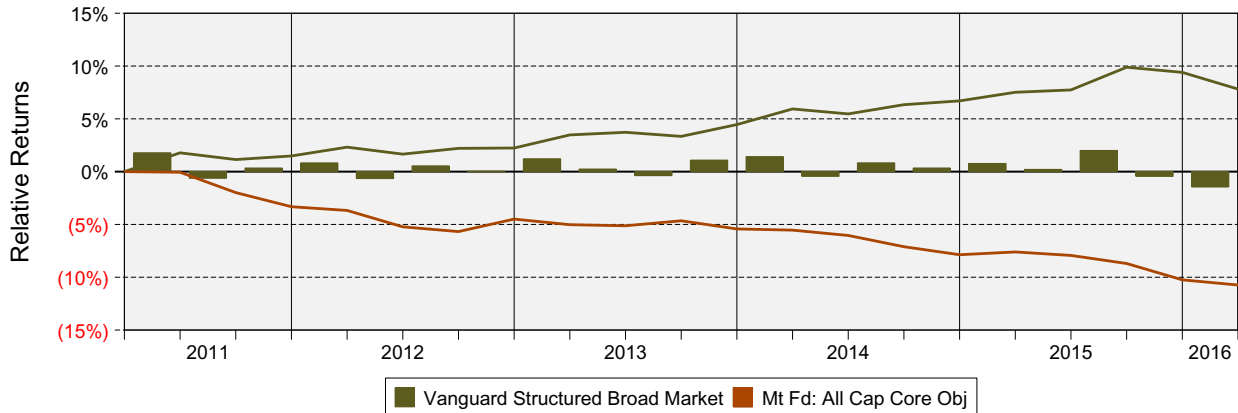
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate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

### Performance vs MF - All Cap Core Obj (Net)

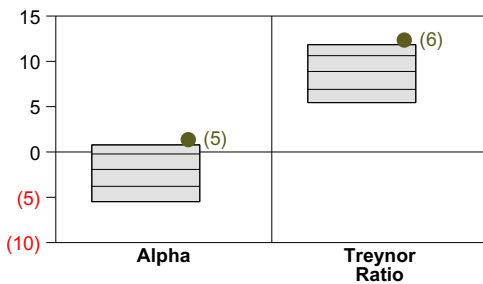


	12/15- 3/16	2015	2014	2013	2012	2011	2010	2009	2008
10th Percentile	3.87	1.78	14.30	39.49	19.15	4.15	23.01	47.70	(32.40)
25th Percentile	1.87	0.45	12.56	36.32	17.14	(0.05)	19.43	37.60	(36.23)
Median	0.34	(1.52)	10.62	33.36	15.00	(2.70)	15.72	31.98	(39.09)
75th Percentile	(1.26)	(4.07)	7.37	29.74	13.05	(5.73)	13.07	24.79	(42.38)
90th Percentile	(2.74)	(6.92)	4.73	23.60	10.52	(8.38)	11.26	19.43	(46.12)
<b>Vanguard Structured Broad Market</b>	● (0.49)	3.02	14.97	36.45	17.28	4.45	15.71	25.29	(38.33)
Russell 3000 Index	▲ 0.97	0.48	12.56	33.55	16.42	1.03	16.93	28.34	(37.31)

### Cumulative and Quarterly Relative Return vs Russell 3000 Index

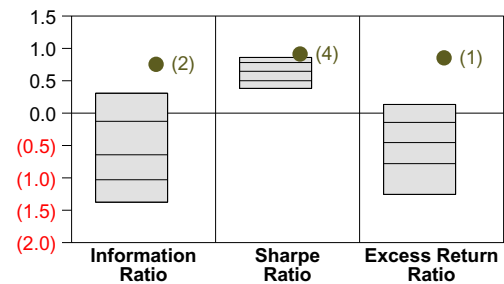


### Risk Adjusted Return Measures vs Russell 3000 Index Rankings Against MF - All Cap Core Obj (Net) Five Years Ended March 31, 2016



	Alpha	Treynor Ratio
10th Percentile	0.78	11.84
25th Percentile	(0.22)	10.63
Median	(1.93)	8.88
75th Percentile	(3.79)	6.91
90th Percentile	(5.48)	5.44

Vanguard Structured Broad Market ● 1.36 12.35



	Information Ratio	Sharpe Ratio	Excess Return Ratio
10th Percentile	0.31	0.86	0.13
25th Percentile	(0.13)	0.78	(0.14)
Median	(0.64)	0.65	(0.45)
75th Percentile	(1.03)	0.50	(0.78)
90th Percentile	(1.38)	0.38	(1.26)

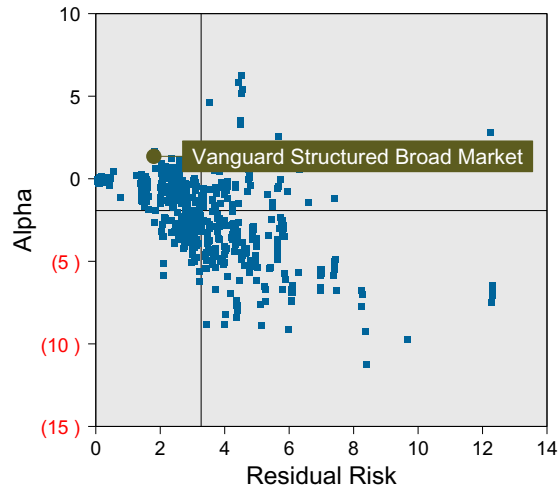
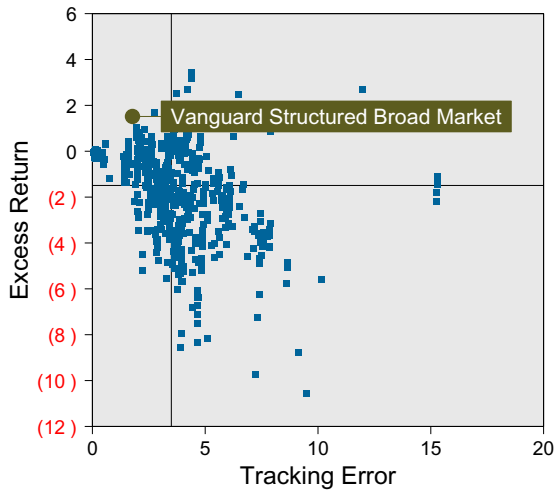
Vanguard Structured Broad Market ● 0.75 0.91 0.85

# Vanguard Structured Broad Market Risk Analysis Summary

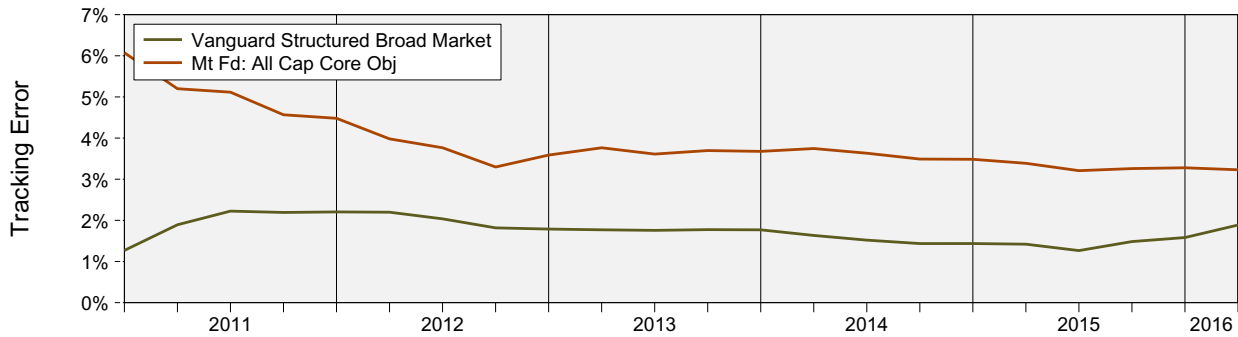
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

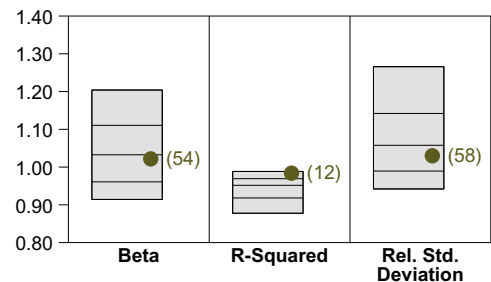
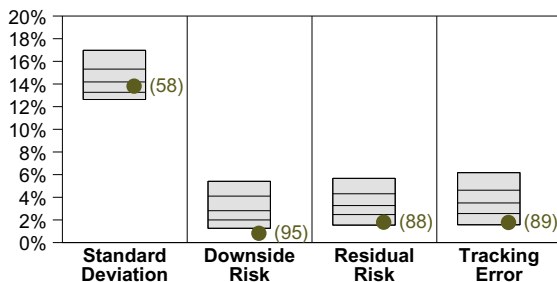
### Risk Analysis vs MF - All Cap Core Obj (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs Russell 3000 Index



### Risk Statistics Rankings vs Russell 3000 Index Rankings Against MF - All Cap Core Obj (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	16.98	5.41	5.67	6.17
25th Percentile	15.31	4.10	4.31	4.63
Median	14.18	2.81	3.27	3.50
75th Percentile	13.27	2.00	2.47	2.56
90th Percentile	12.63	1.26	1.54	1.57

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.20	0.99	1.27
25th Percentile	1.11	0.97	1.14
Median	1.03	0.95	1.06
75th Percentile	0.96	0.92	0.99
90th Percentile	0.91	0.88	0.94

Vanguard Structured Broad Market ● 13.81    0.82    1.80    1.78

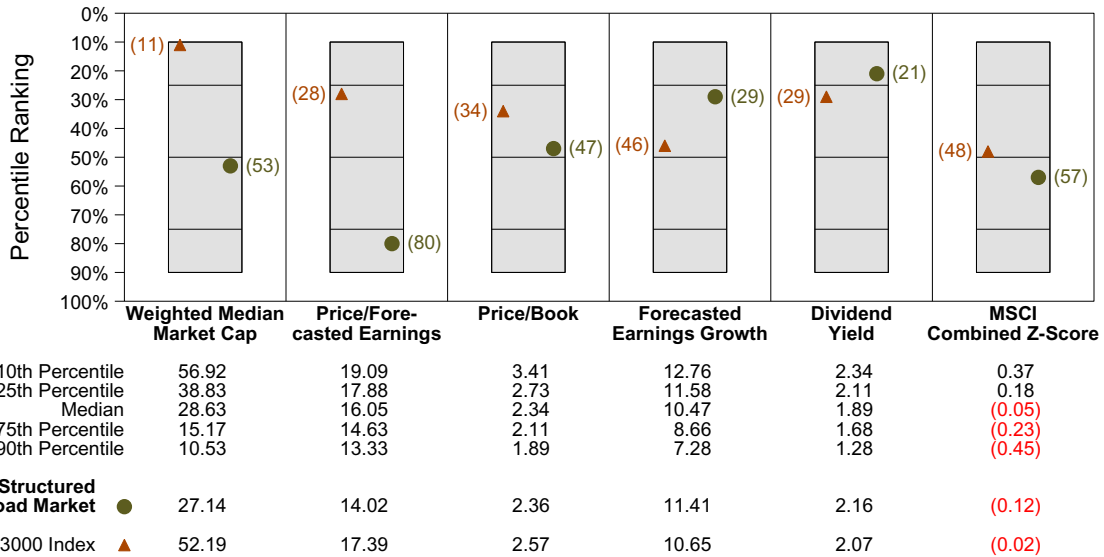
Vanguard Structured Broad Market ● 1.02    0.98    1.03

# Vanguard Structured Broad Market Equity Characteristics Analysis Summary

## Portfolio Characteristics

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

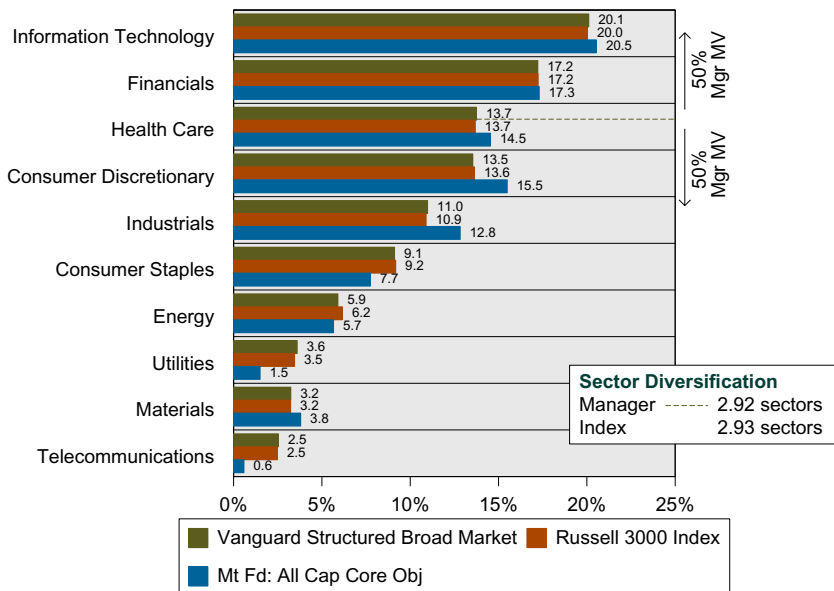
## Portfolio Characteristics Percentile Rankings Rankings Against MF - All Cap Core Obj as of March 31, 2016



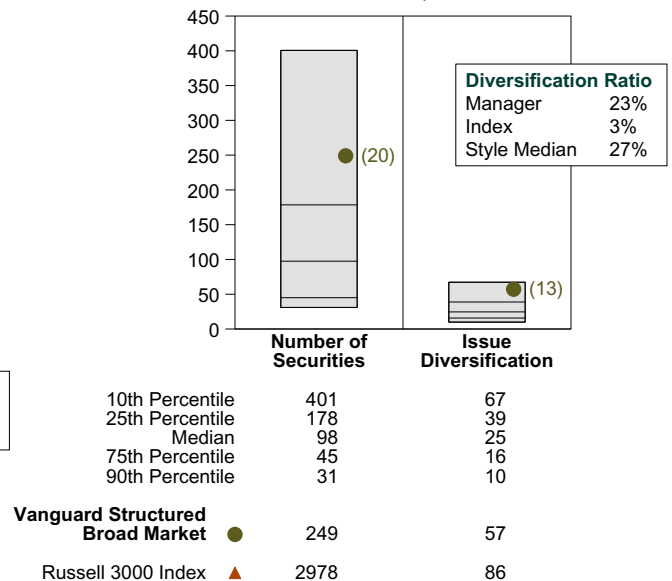
## Sector Weights

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

### Sector Allocation March 31, 2016



### Diversification March 31, 2016



# Vanguard Strategic Equity Period Ended March 31, 2016

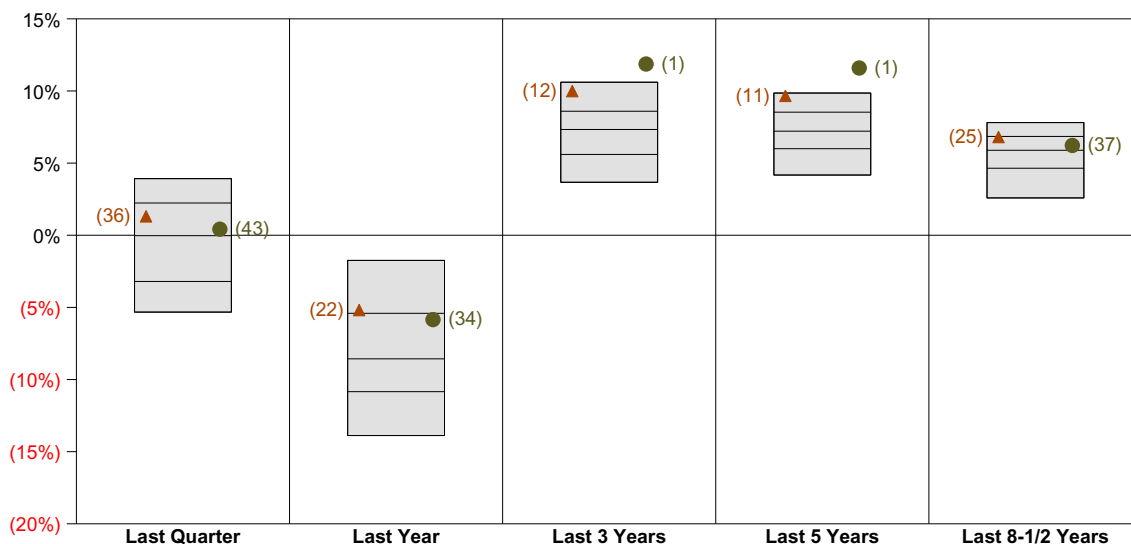
## Investment Philosophy

Vanguard Quantitative Equity Group manages the fund using an active quantitative equity process that attempts to provide a long-term return higher than that of the MSCI U.S. Small & Mid Cap 2200 Index (a broad index of mid- and small-capitalization equities) while controlling risk relative to the benchmark.

## Quarterly Summary and Highlights

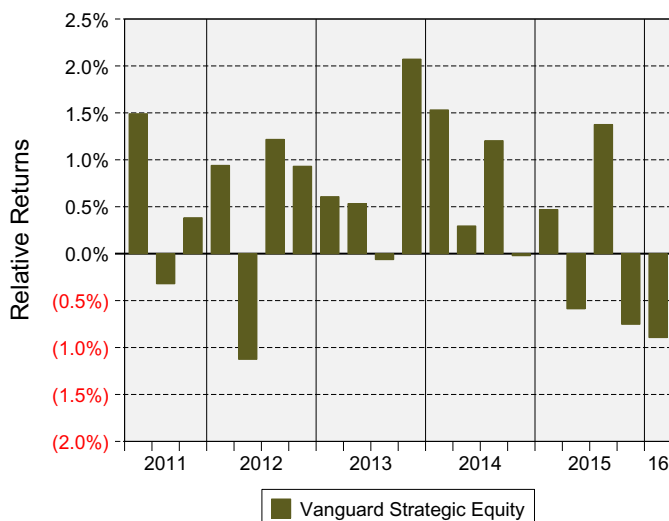
- Vanguard Strategic Equity's portfolio posted a 0.42% return for the quarter placing it in the 43 percentile of the CAI MF Small-Mid Cap Broad Style group for the quarter and in the 34 percentile for the last year.
- Vanguard Strategic Equity's portfolio underperformed the MSCI US SMID 2200 by 0.89% for the quarter and underperformed the MSCI US SMID 2200 for the year by 0.66%.

## Performance vs CAI MF Small-Mid Cap Broad Style (Net)

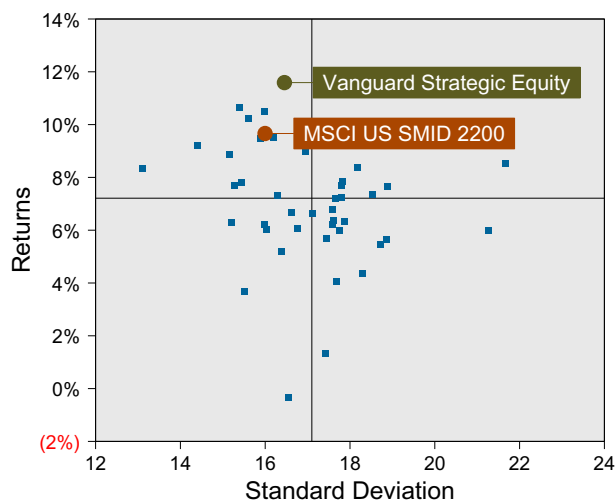


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 8-1/2 Years
10th Percentile	3.93	(1.74)	10.61	9.86	7.81
25th Percentile	2.23	(5.41)	8.59	8.53	6.85
Median	(0.03)	(8.57)	7.33	7.21	5.89
75th Percentile	(3.20)	(10.84)	5.60	6.00	4.65
90th Percentile	(5.33)	(13.88)	3.67	4.17	2.59
<b>Vanguard Strategic Equity</b>	● 0.42	(5.85)	11.87	11.59	6.22
<b>MSCI US SMID 2200</b>	▲ 1.31	(5.19)	9.99	9.66	6.81

## Relative Return vs MSCI US SMID 2200



## CAI MF Small-Mid Cap Broad Style (Net) Annualized Five Year Risk vs Return

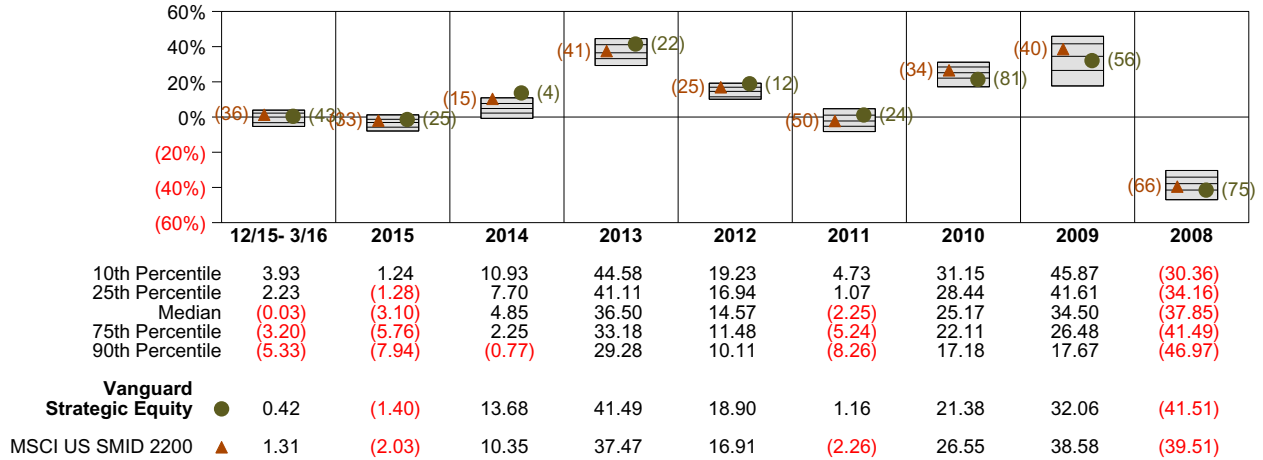


# Vanguard Strategic Equity Return Analysis Summary

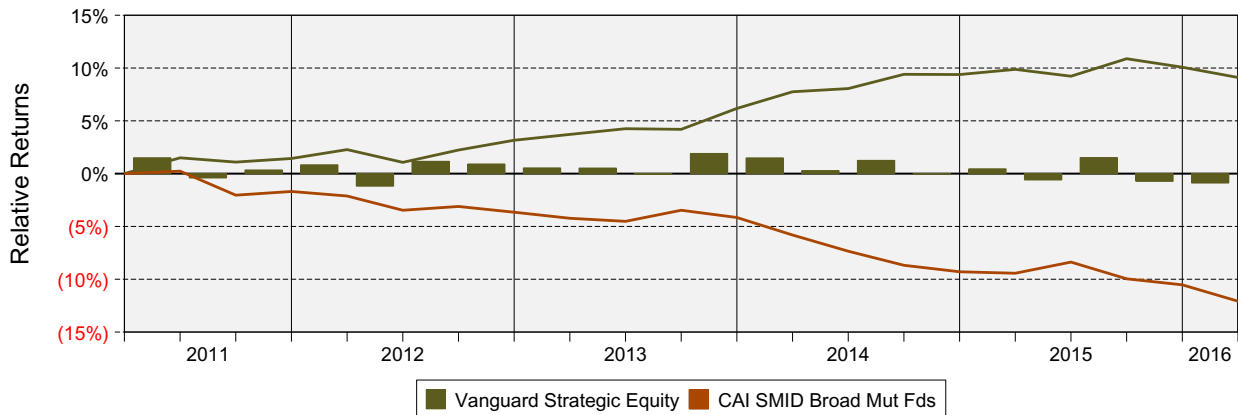
## Return Analysis

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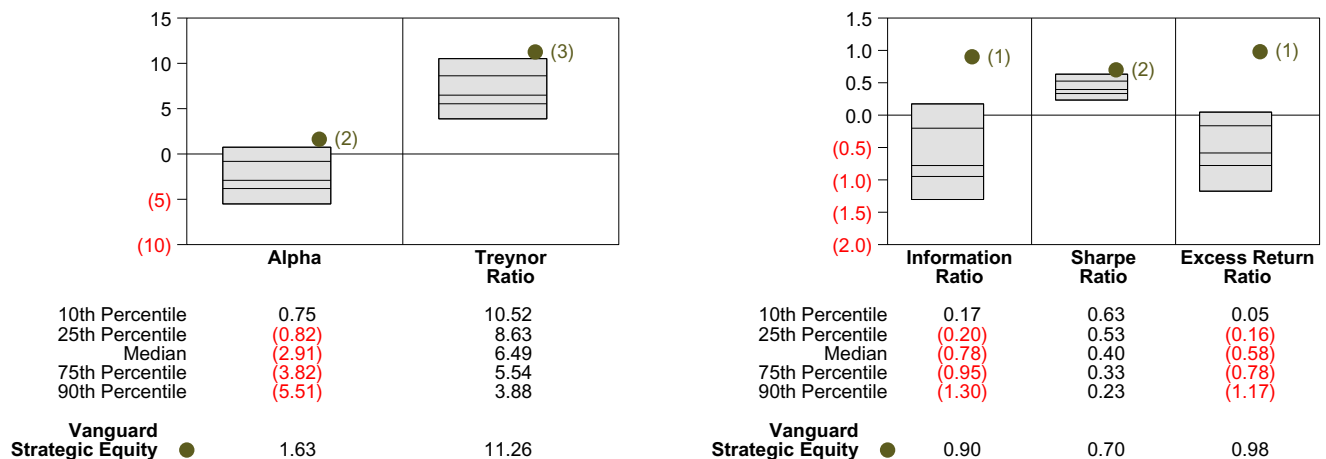
### Performance vs CAI MF Small-Mid Cap Broad Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI US SMID 2200



### Risk Adjusted Return Measures vs MSCI US SMID 2200 Rankings Against CAI MF Small-Mid Cap Broad Style (Net) Five Years Ended March 31, 2016

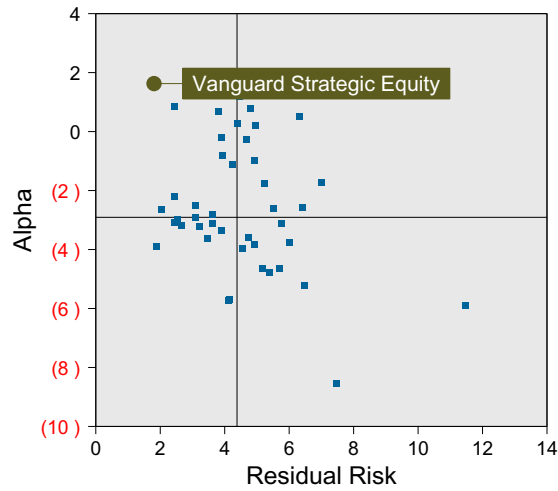
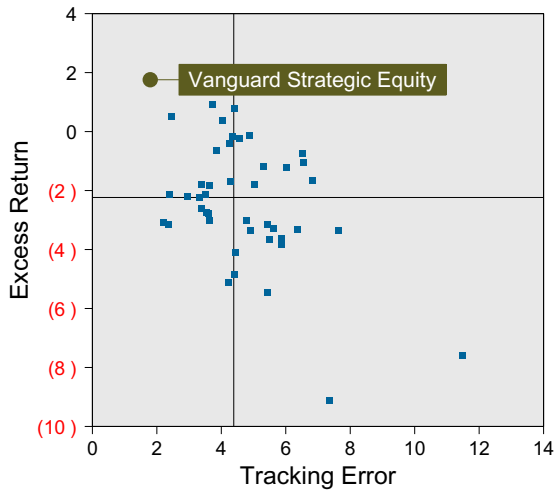


# Vanguard Strategic Equity Risk Analysis Summary

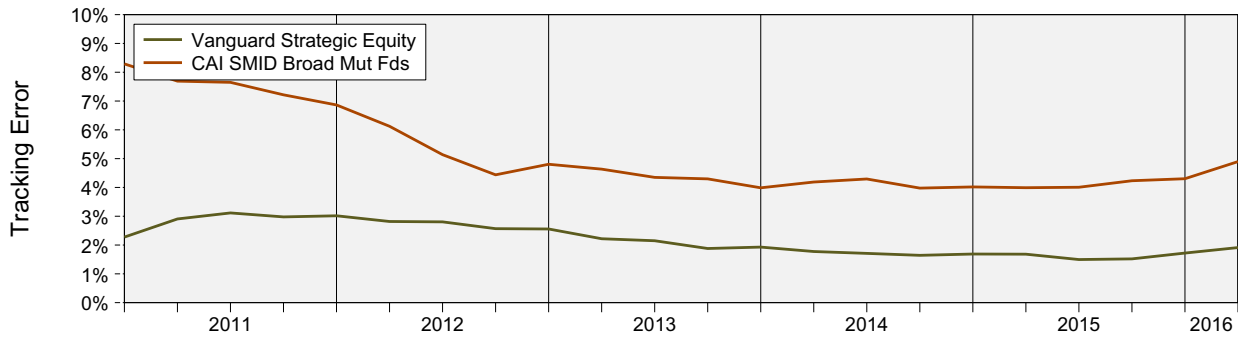
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

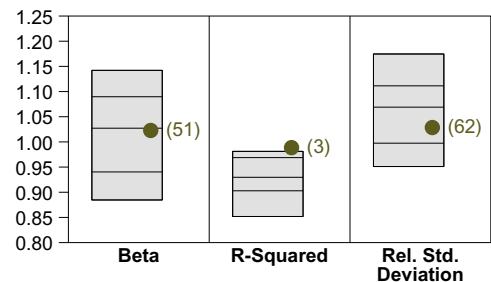
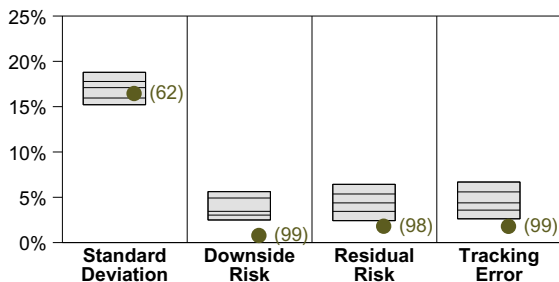
### Risk Analysis vs CAI MF Small-Mid Cap Broad Style (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs MSCI US SMID Index (USD Gross Div)



### Risk Statistics Rankings vs MSCI US SMID Index (USD Gross Div) Rankings Against CAI MF Small-Mid Cap Broad Style (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	18.79	5.62	6.43	6.69
25th Percentile	17.78	4.92	5.36	5.59
Median	17.10	3.45	4.38	4.39
75th Percentile	15.96	3.03	3.45	3.58
90th Percentile	15.21	2.50	2.42	2.63

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.14	0.98	1.17
25th Percentile	1.09	0.97	1.11
Median	1.03	0.93	1.07
75th Percentile	0.94	0.90	1.00
90th Percentile	0.88	0.85	0.95

**Vanguard Strategic Equity** ● 16.45    0.78    1.81    1.79

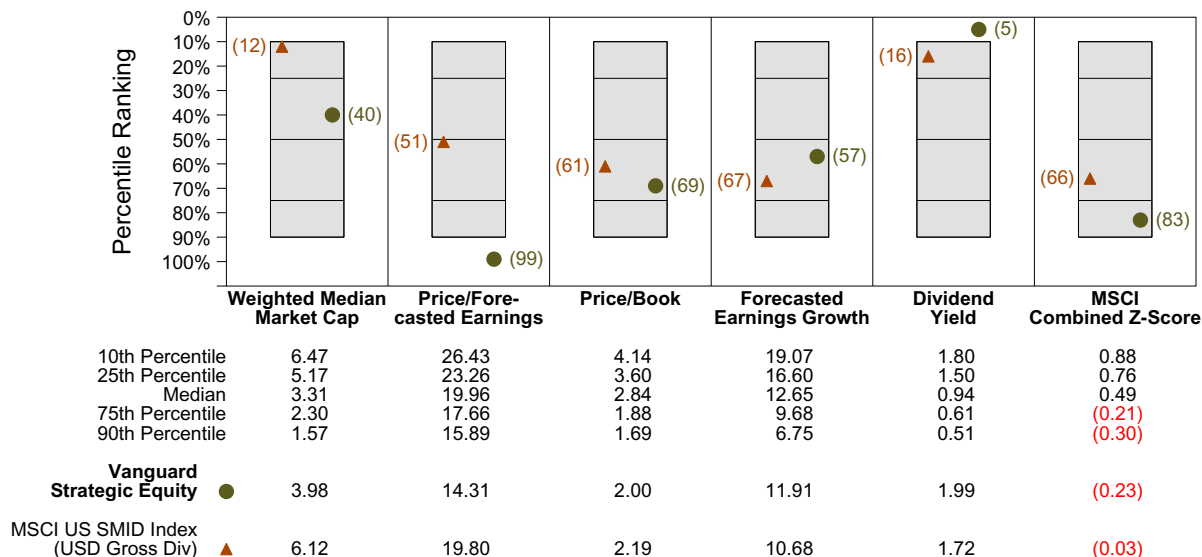
**Vanguard Strategic Equity** ● 1.02    0.99    1.03

# Vanguard Strategic Equity Equity Characteristics Analysis Summary

## Portfolio Characteristics

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

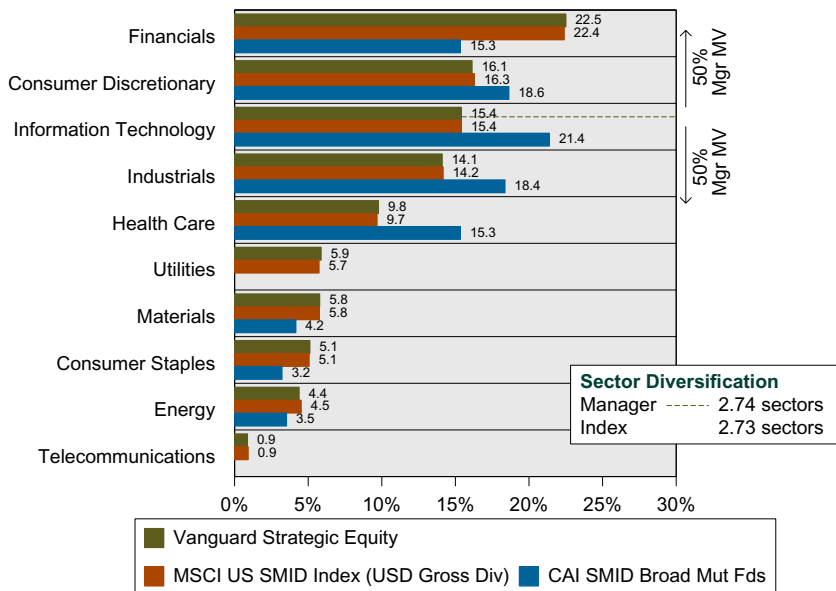
## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF Small-Mid Cap Broad Style as of March 31, 2016



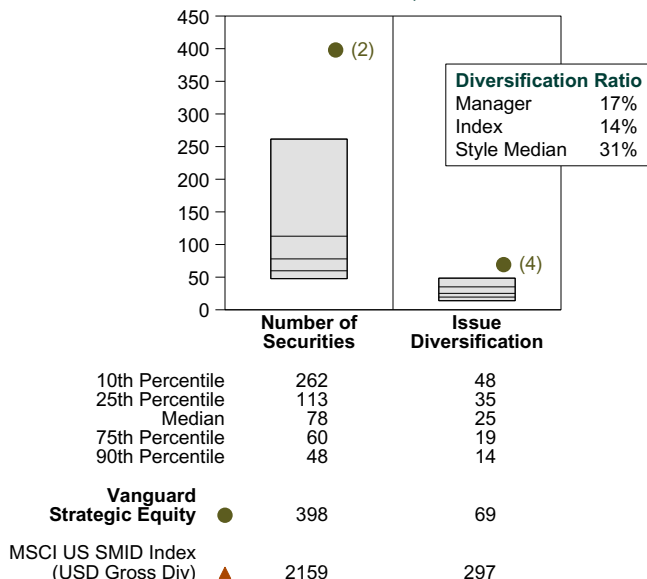
## Sector Weights

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

### Sector Allocation March 31, 2016



### Diversification March 31, 2016





# Vanguard Intl Stock Index Period Ended March 31, 2016

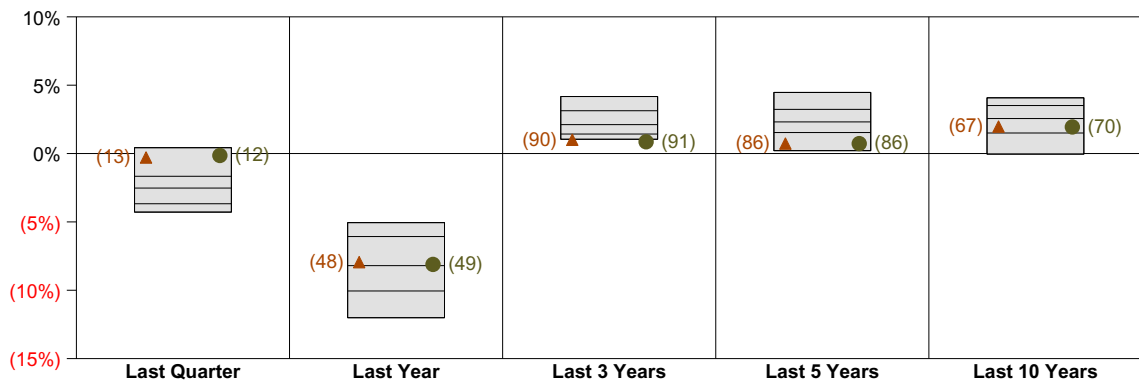
## Investment Philosophy

Vanguard's Total International Stock Index Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes more than 5,300 stocks of companies located in 46 countries. The fund invests substantially all of its assets in the common stocks included in its target index. The fund is managed by Vanguard's Quantitative Equity Group. The fund switched from Investor Shares class to Institutional + Shares class December 2010. Vanguard Intl Stock Idx Benchmark is Vang Total Intl Composite Idx through August 31, 2006; MSCI EAFE + EMF Idx to December 15, 2010; MSCI ACWI ex-US IMI Idx to June 2, 2013; and FTSE Global All Cap ex US Idx thereafter

## Quarterly Summary and Highlights

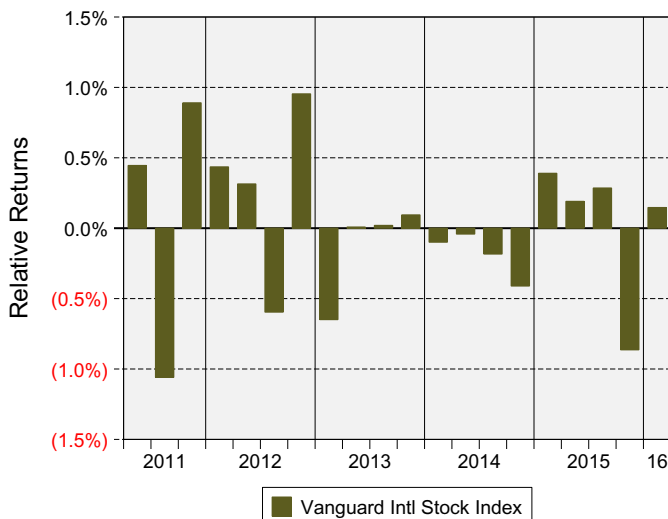
- Vanguard Intl Stock Index's portfolio posted a (0.14)% return for the quarter placing it in the 12 percentile of the CAI MF - Intl Core Equity Style group for the quarter and in the 49 percentile for the last year.
- Vanguard Intl Stock Index's portfolio outperformed the Vanguard Intl Stock Idx Benchmark by 0.15% for the quarter and underperformed the Vanguard Intl Stock Idx Benchmark for the year by 0.16%.

## Performance vs CAI MF - Intl Core Equity Style (Net)

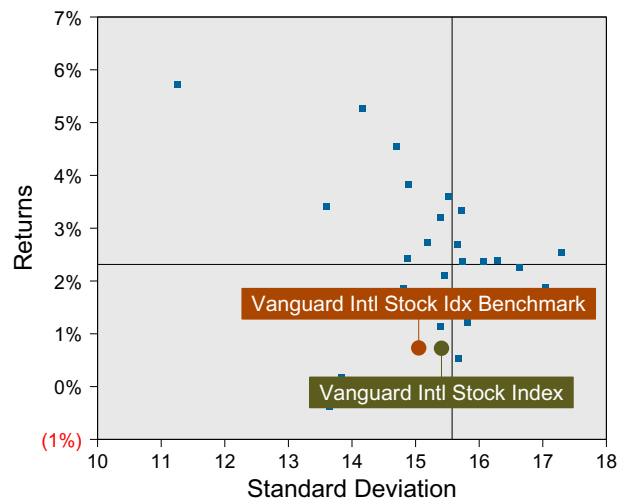


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	0.43	(5.05)	4.17	4.47	4.08
25th Percentile	(1.66)	(6.07)	3.13	3.23	3.51
Median	(2.53)	(8.20)	2.12	2.31	2.56
75th Percentile	(3.67)	(10.05)	1.43	1.54	1.50
90th Percentile	(4.28)	(12.01)	1.04	0.21	(0.04)
<b>Vanguard Intl Stock Index</b>	<b>● (0.14)</b>	<b>(8.11)</b>	<b>0.86</b>	<b>0.73</b>	<b>1.94</b>
Vanguard Intl Stock Idx Benchmark	<b>▲ (0.29)</b>	<b>(7.94)</b>	<b>1.01</b>	<b>0.73</b>	<b>1.97</b>

## Relative Returns vs Vanguard Intl Stock Idx Benchmark



## CAI MF - Intl Core Equity Style (Net) Annualized Five Year Risk vs Return

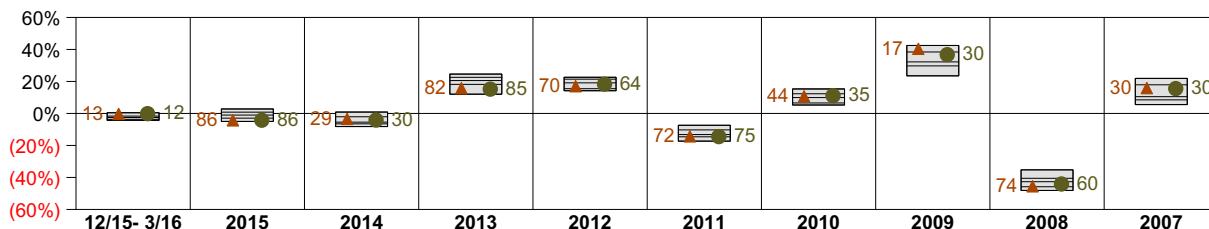


# Vanguard Intl Stock Index Return Analysis Summary

## Return Analysis

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

### Performance vs CAI MF - Intl Core Equity Style (Net)



10th Percentile	0.43	2.80	0.87	24.60	22.59	(7.40)	15.30	42.49	(35.26)	21.90
25th Percentile	(1.66)	0.80	(2.09)	22.56	21.41	(10.28)	12.29	38.42	(40.53)	17.90
Median	(2.53)	(1.01)	(5.45)	20.56	19.11	(13.20)	9.91	32.22	(42.66)	10.48
75th Percentile	(3.67)	(2.95)	(6.51)	18.16	15.46	(14.60)	6.55	29.72	(45.82)	8.49
90th Percentile	(4.28)	(5.00)	(8.21)	12.03	14.20	(17.32)	5.26	23.50	(48.13)	5.53

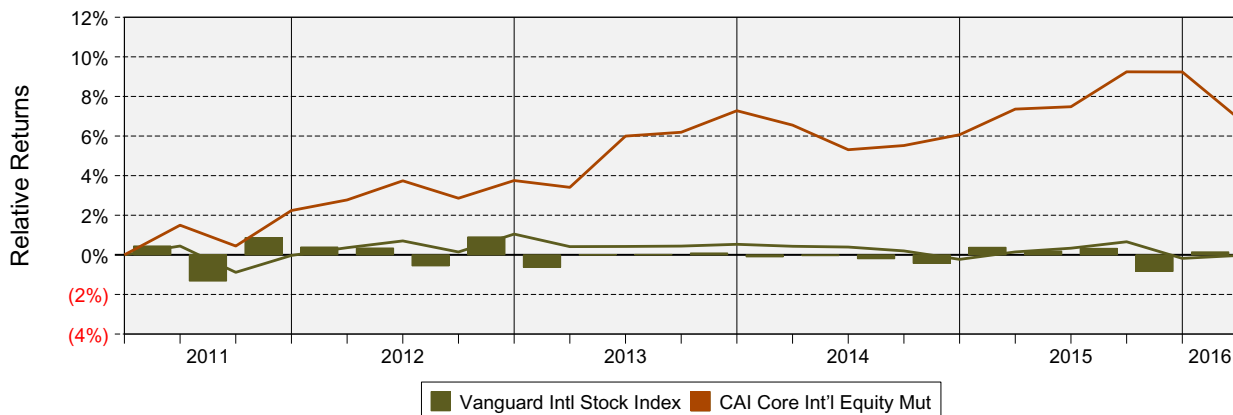
#### Vanguard Intl Stock Index

● (0.14) (4.24) (4.13) 15.19 18.30 (14.49) 11.09 36.73 (44.10) 15.53

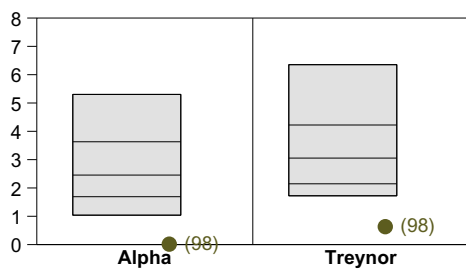
#### Vanguard Intl Stock Idx Benchmark

▲ (0.29) (4.28) (3.40) 15.78 17.04 (14.31) 10.70 40.44 (45.52) 15.85

### Cumulative and Quarterly Relative Return vs Vanguard Intl Stock Idx Benchmark



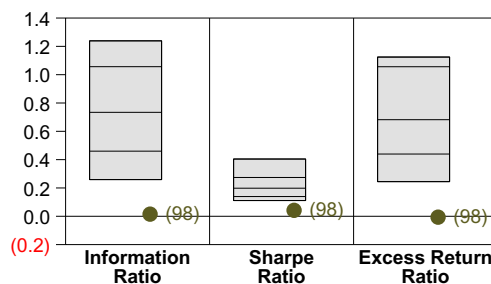
### Risk Adjusted Return Measures vs Vanguard Intl Stock Idx Benchmark Rankings Against CAI MF - Intl Core Equity Style (Net) Five Years Ended March 31, 2016



10th Percentile	5.30	6.35
25th Percentile	3.63	4.22
Median	2.45	3.05
75th Percentile	1.69	2.15
90th Percentile	1.04	1.72

#### Vanguard Intl Stock Index

● 0.02 0.63



10th Percentile	1.24	0.40	1.12
25th Percentile	1.06	0.27	1.06
Median	0.73	0.20	0.68
75th Percentile	0.46	0.14	0.44
90th Percentile	0.26	0.11	0.24

#### Vanguard Intl Stock Index

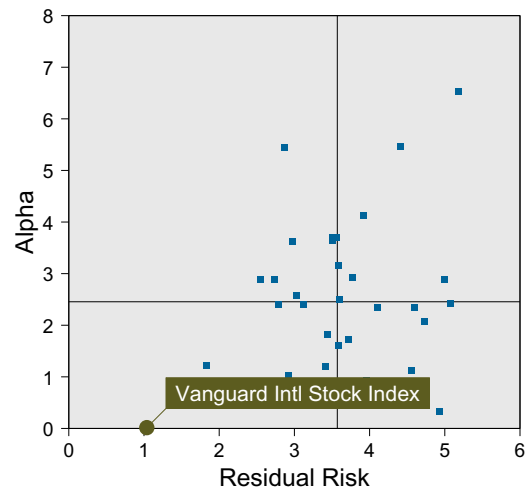
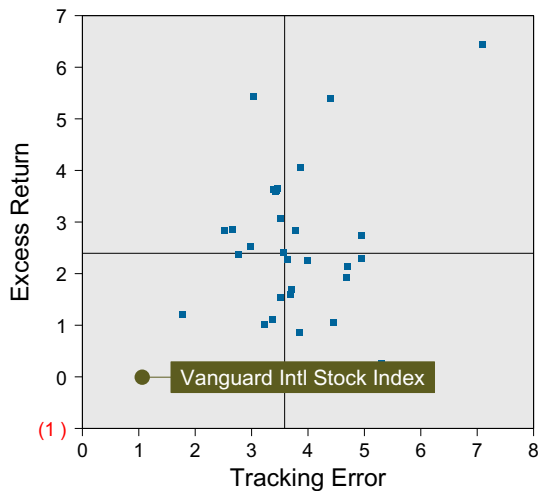
● 0.02 0.04 (0.01)

# Vanguard Intl Stock Index Risk Analysis Summary

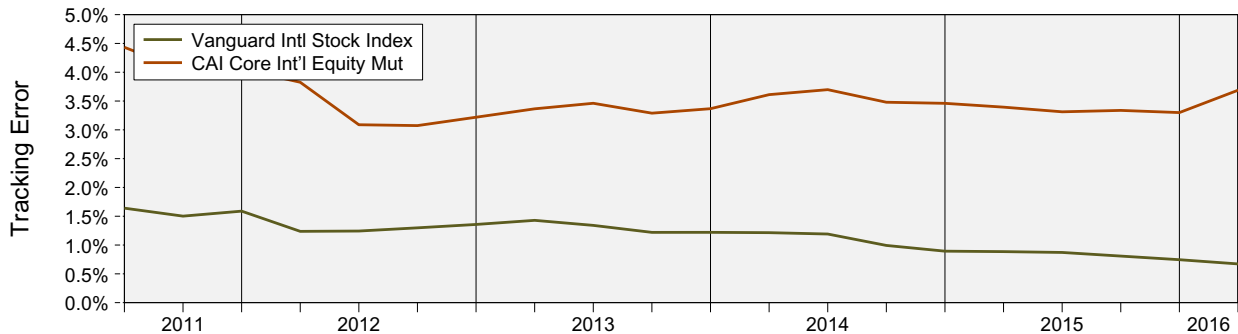
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

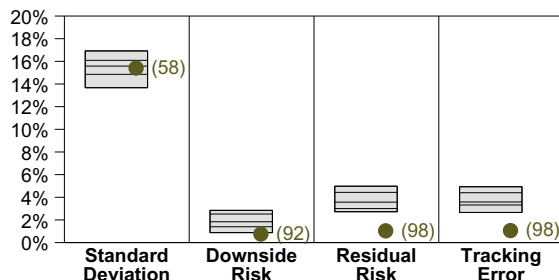
### Risk Analysis vs CAI MF - Intl Core Equity Style (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs Vanguard Intl Stock Idx Benchmark

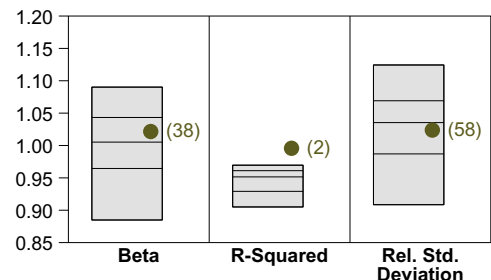


### Risk Statistics Rankings vs Vanguard Intl Stock Idx Benchmark Rankings Against CAI MF - Intl Core Equity Style (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	16.92	2.85	4.98	4.93
25th Percentile	16.09	2.52	4.43	4.40
Median	15.58	1.84	3.57	3.59
75th Percentile	14.85	1.40	3.00	3.32
90th Percentile	13.67	0.88	2.73	2.66

Vanguard Intl Stock Index ● 15.41    0.76    1.04    1.06



	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.09	0.97	1.12
25th Percentile	1.04	0.96	1.07
Median	1.01	0.95	1.04
75th Percentile	0.96	0.93	0.99
90th Percentile	0.88	0.91	0.91

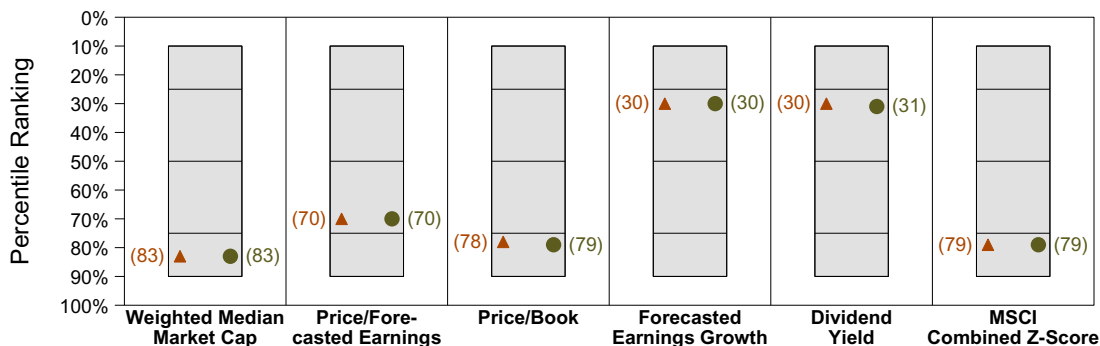
Vanguard Intl Stock Index ● 1.02    1.00    1.02

# Vanguard Intl Stock Index Equity Characteristics Analysis Summary

## Portfolio Characteristics

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

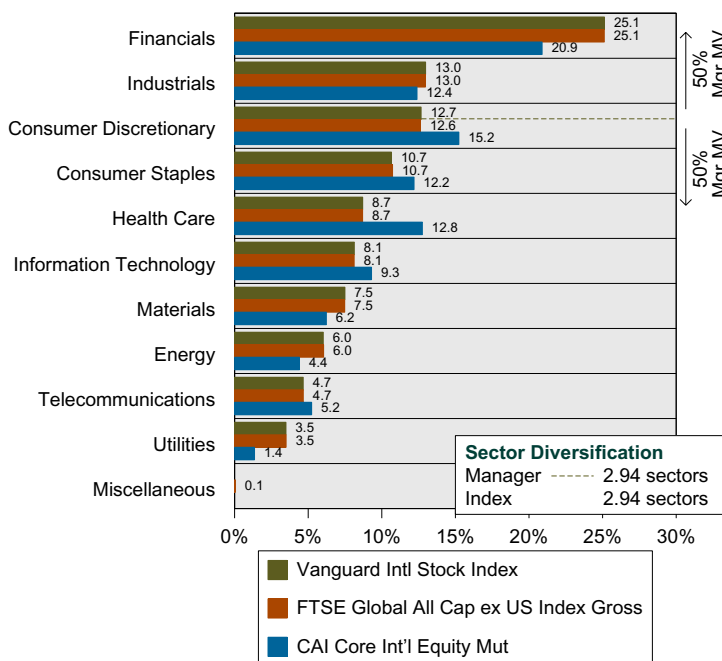
## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Intl Core Equity Style as of March 31, 2016



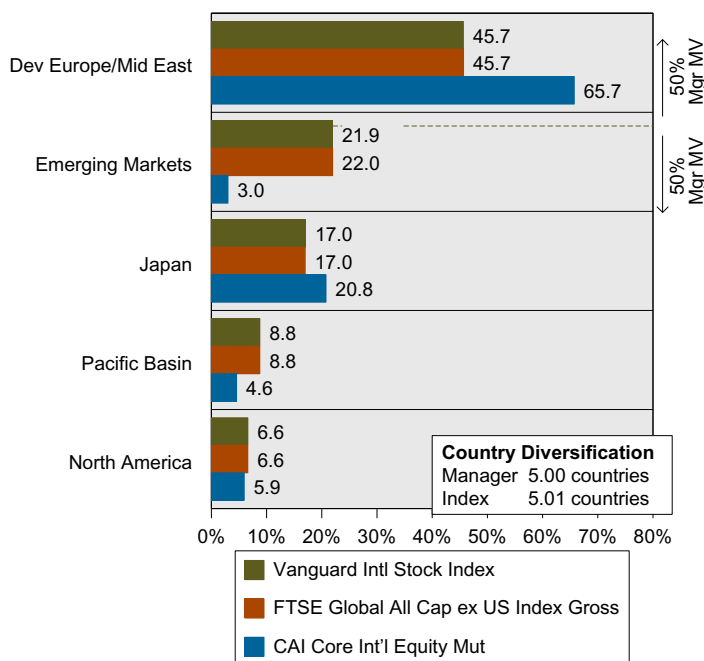
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.

### Sector Allocation March 31, 2016



### Regional Allocation March 31, 2016



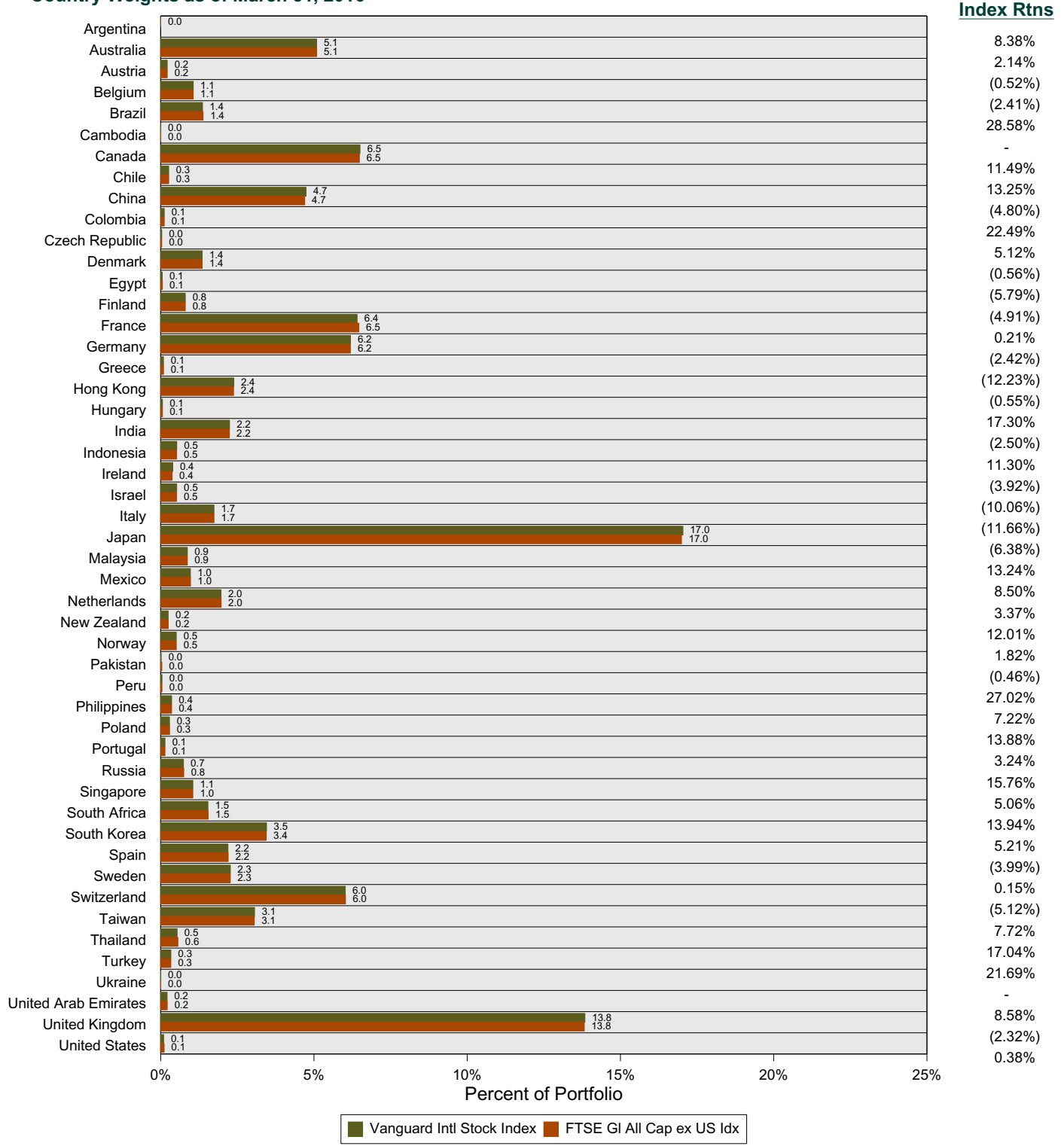
# Country Allocation

## Vanguard Intl Stock Index VS FTSE Global All Cap ex US Index Gross

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2016. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2016





# Vanguard Short-Term Inv Grade Period Ended March 31, 2016

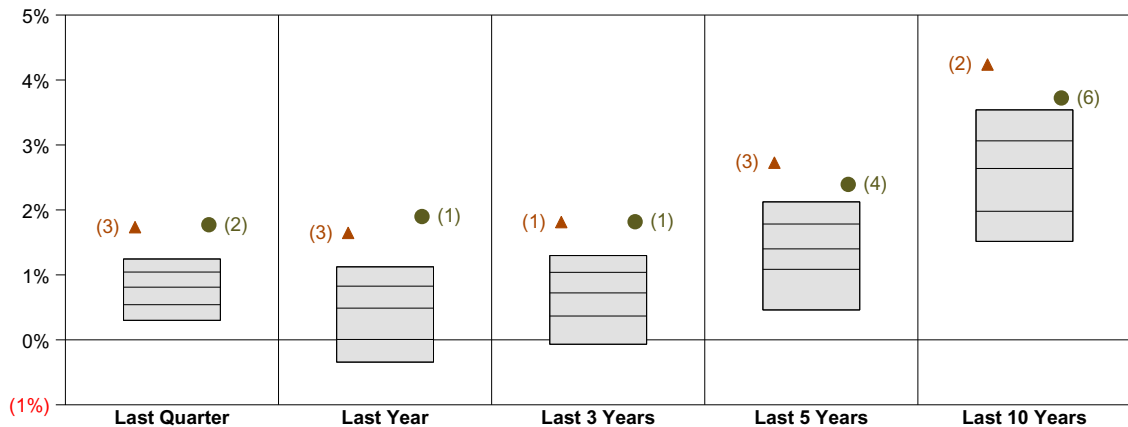
## Investment Philosophy

The investment seeks to provide current income while maintaining limited price volatility. The fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities, at least 80% of which will be short- and intermediate-term investment-grade securities. High-quality fixed income securities are those rated the equivalent of A3 or better; medium-quality fixed income securities are those rated the equivalent of Baa1, Baa2, or Baa3. It is expected to maintain a dollar-weighted average maturity of 1 to 4 years. Vanguard Short-Term Investment Grade was funded in April of 2013. Performance is represented by MF composite (ticker: VFSIX) through 6/30/13 and Callan calculated performance thereafter.

## Quarterly Summary and Highlights

- Vanguard Short-Term Inv Grade's portfolio posted a 1.77% return for the quarter placing it in the 2 percentile of the MF - Short Inv Grade Bond group for the quarter and in the 1 percentile for the last year.
- Vanguard Short-Term Inv Grade's portfolio outperformed the Barclays Credit 1-5 by 0.04% for the quarter and outperformed the Barclays Credit 1-5 for the year by 0.25%.

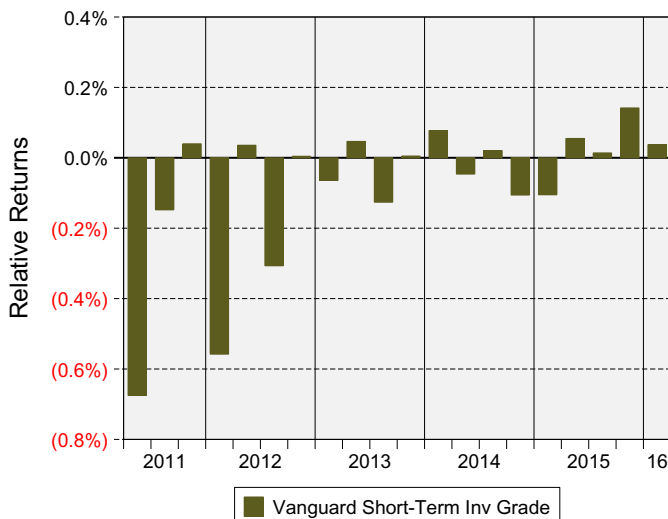
## Performance vs MF - Short Inv Grade Bond (Net)



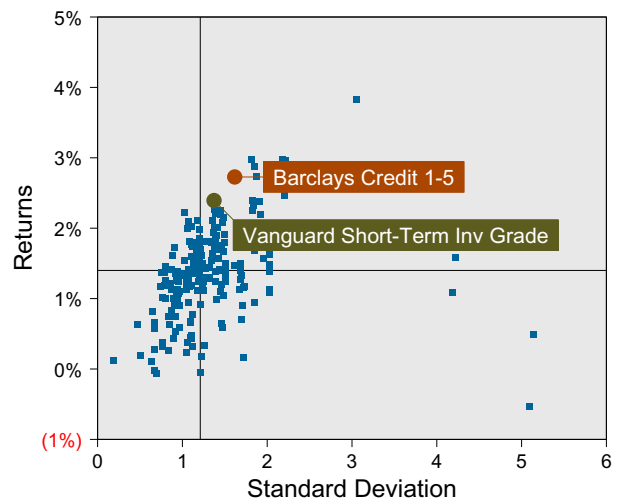
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	1.24	1.12	1.30	2.12	3.54
25th Percentile	1.04	0.83	1.04	1.78	3.06
Median	0.81	0.49	0.72	1.40	2.64
75th Percentile	0.54	0.01	0.37	1.09	1.98
90th Percentile	0.30	(0.34)	(0.07)	0.46	1.52

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Vanguard Short-Term Inv Grade</b> ●	1.77	1.90	1.82	2.39	3.72
Barclays Credit 1-5 ▲	1.73	1.65	1.81	2.73	4.24

## Relative Return vs Barclays Credit 1-5



## MF - Short Inv Grade Bond (Net) Annualized Five Year Risk vs Return

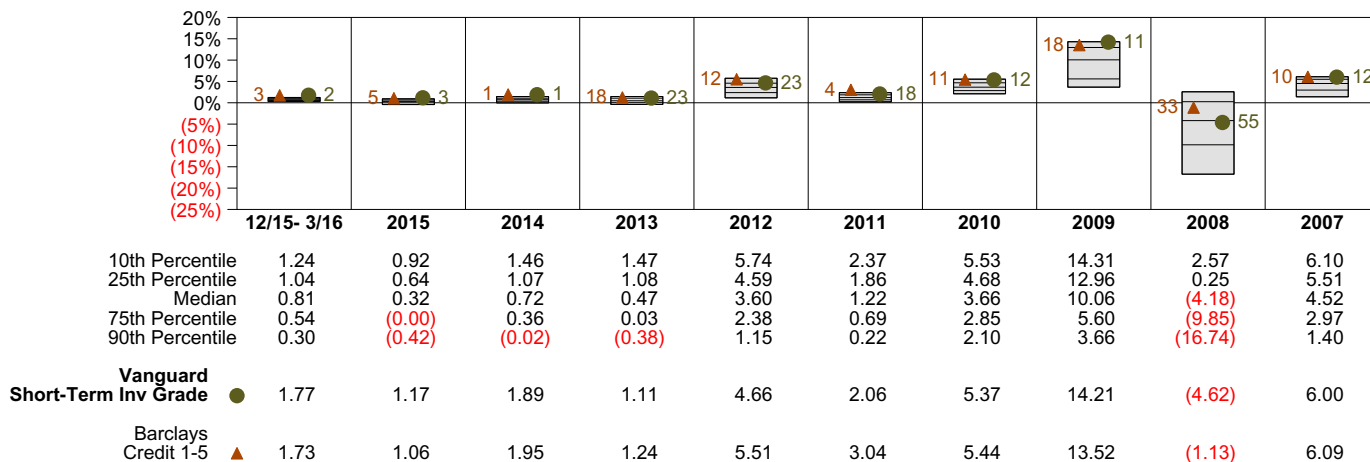


# Vanguard Short-Term Inv Grade Return Analysis Summary

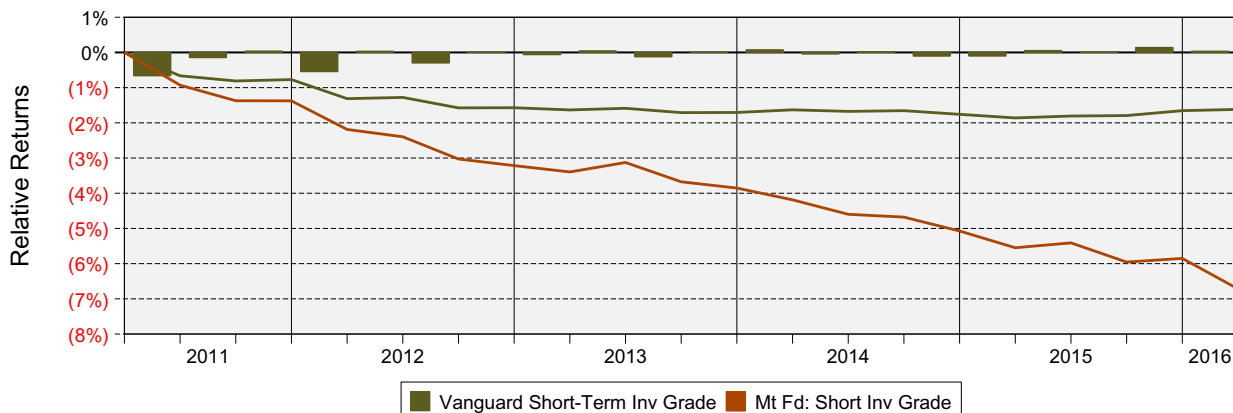
## Return Analysis

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

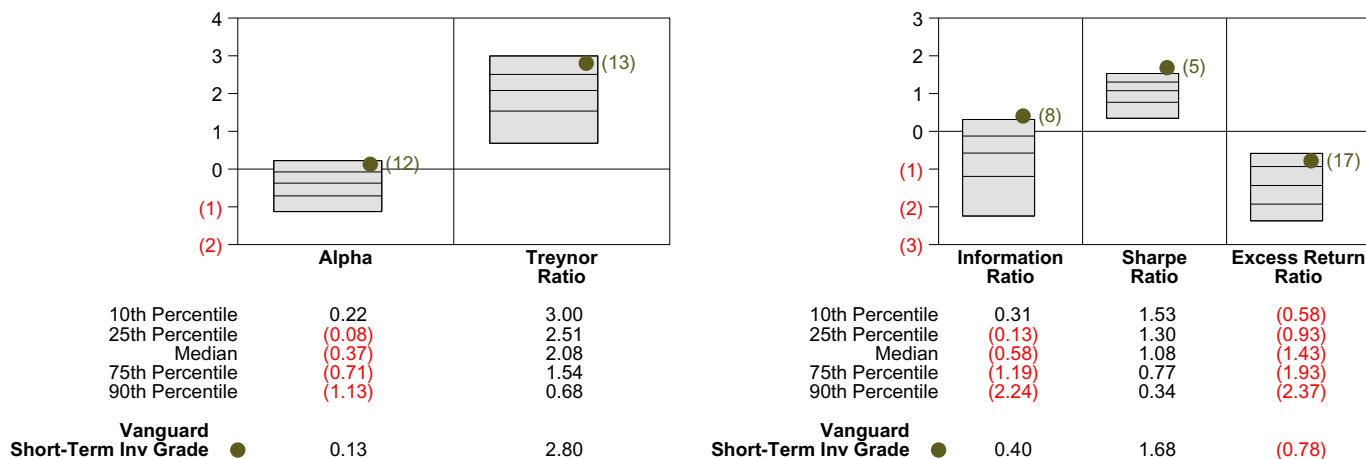
### Performance vs MF - Short Inv Grade Bond (Net)



### Cumulative and Quarterly Relative Return vs Barclays Credit 1-5



### Risk Adjusted Return Measures vs Barclays Credit 1-5 Rankings Against MF - Short Inv Grade Bond (Net) Five Years Ended March 31, 2016

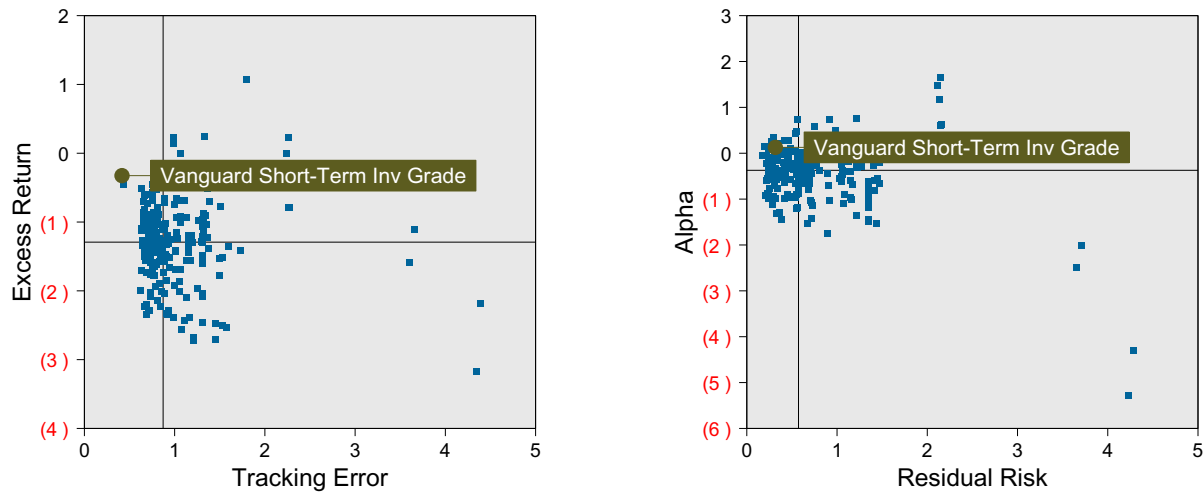


# Vanguard Short-Term Inv Grade Risk Analysis Summary

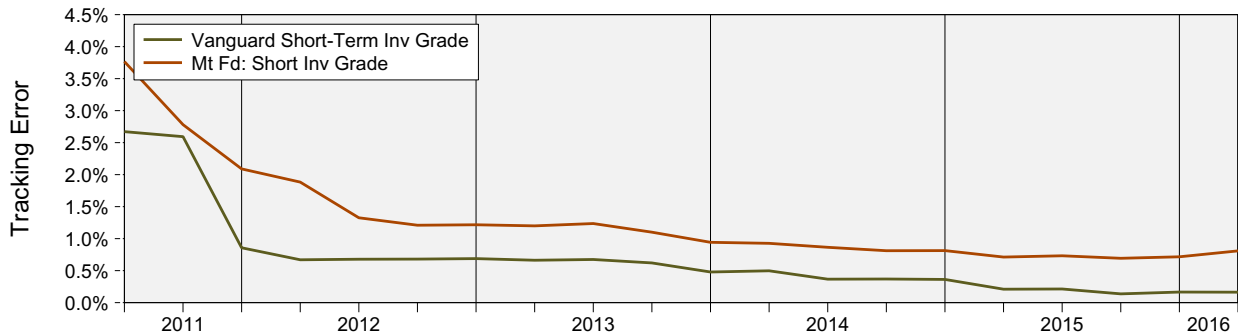
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

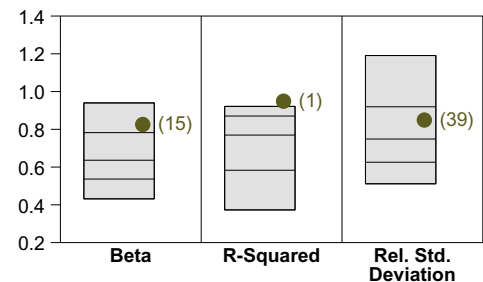
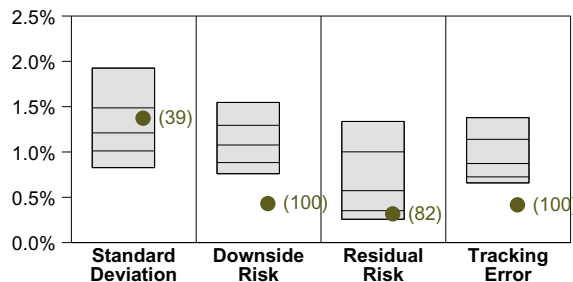
### Risk Analysis vs MF - Short Inv Grade Bond (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs Barclays Credit Bond 1-5 Yrs Index



### Risk Statistics Rankings vs Barclays Credit Bond 1-5 Yrs Index Rankings Against MF - Short Inv Grade Bond (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	1.93	1.55	1.34	1.38
25th Percentile	1.49	1.29	1.00	1.14
Median	1.21	1.08	0.57	0.87
75th Percentile	1.01	0.88	0.35	0.73
90th Percentile	0.83	0.76	0.26	0.66

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	0.94	0.92	1.19
25th Percentile	0.78	0.87	0.92
Median	0.64	0.77	0.75
75th Percentile	0.54	0.58	0.63
90th Percentile	0.43	0.37	0.51

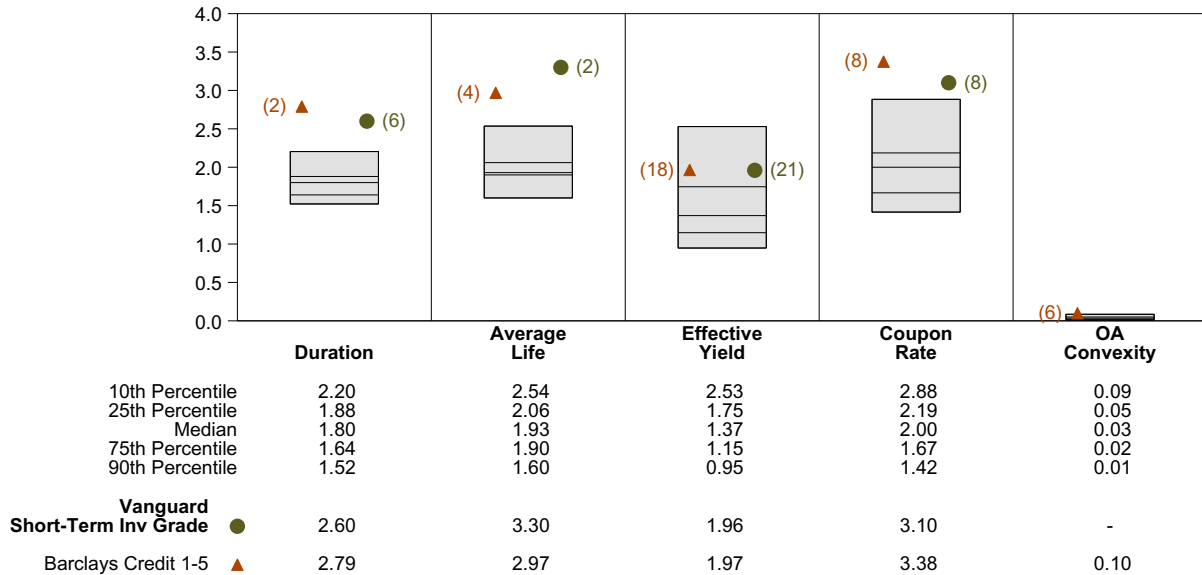
<b>Vanguard Short-Term Inv Grade</b>	●	1.37	0.43	0.32	0.42	<b>Vanguard Short-Term Inv Grade</b>	●	0.83	0.95	0.85
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# Vanguard Short-Term Inv Grade Bond Characteristics Analysis Summary

## Portfolio Characteristics

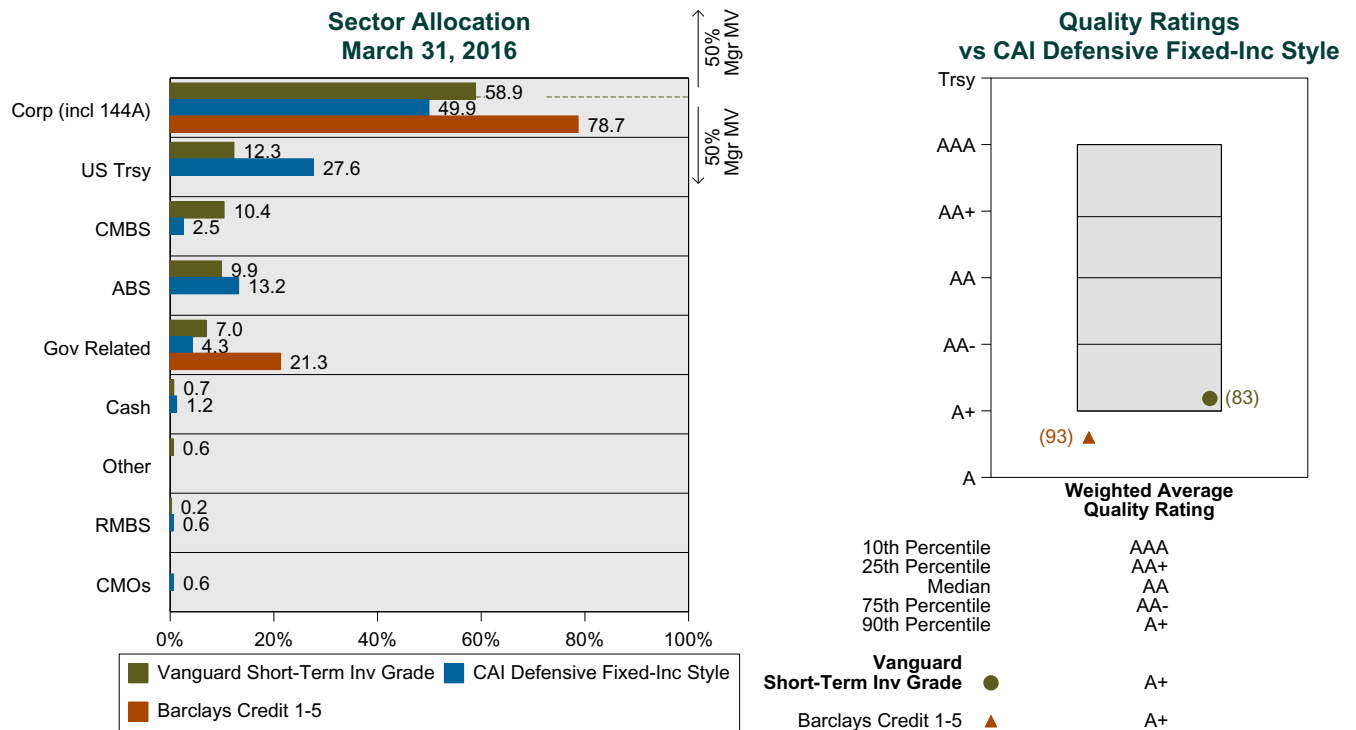
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against CAI Defensive Fixed-Inc Style as of March 31, 2016



## Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



# Vanguard Interm-Term Inv Grade Period Ended March 31, 2016

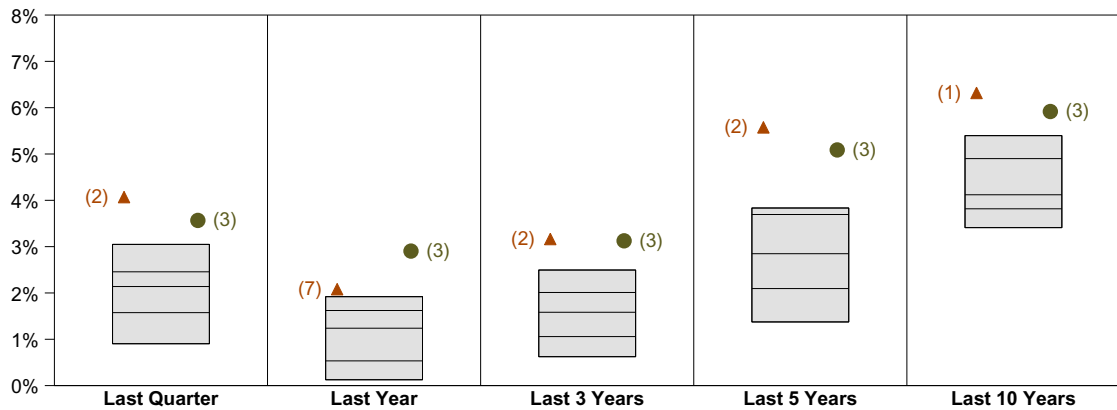
## Investment Philosophy

Vanguard Intermediate-Term Corporate Bond Index Fund seeks to track the performance of a market-weighted corporate bond index with an intermediate-term dollar-weighted average maturity. The fund invests by sampling the index, meaning that it holds a range of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. All of the funds' investments will be selected through the sampling process and at least 80% of the funds' assets will be invested in bonds included in the index. The fund maintains a dollar-weighted average maturity consistent with that of the index. Vanguard Interm-Term Inv Grade was funded in June of 2013. Performance is represented by MF composite (ticker: VFIDX) through 9/30/13 and Callan calculated performance thereafter.

## Quarterly Summary and Highlights

- Vanguard Interm-Term Inv Grade's portfolio posted a 3.57% return for the quarter placing it in the 3 percentile of the CAI MF - Intermediate Style group for the quarter and in the 3 percentile for the last year.
- Vanguard Interm-Term Inv Grade's portfolio underperformed the Barclays Credit 5-10 Index by 0.50% for the quarter and outperformed the Barclays Credit 5-10 Index for the year by 0.82%.

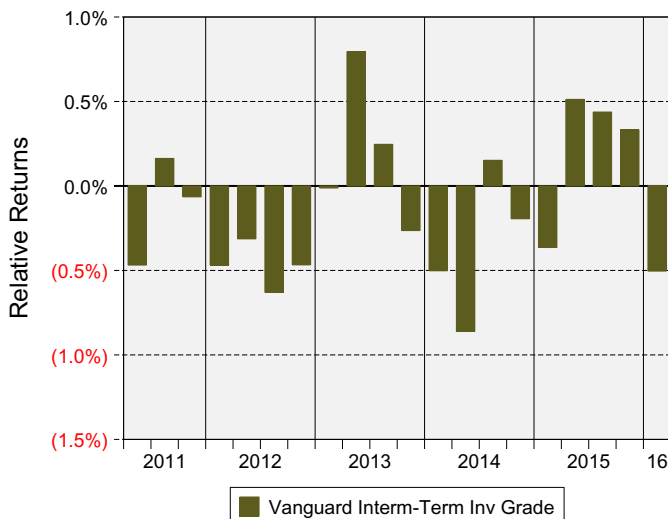
## Performance vs CAI MF - Intermediate Style (Net)



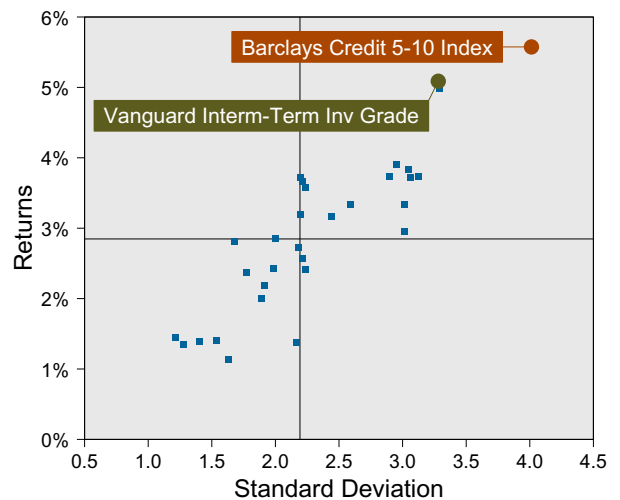
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	3.05	1.92	2.50	3.83	5.40
25th Percentile	2.46	1.62	2.01	3.69	4.90
Median	2.14	1.24	1.58	2.85	4.12
75th Percentile	1.58	0.53	1.06	2.10	3.82
90th Percentile	0.90	0.13	0.62	1.37	3.41

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Vanguard Interm-Term Inv Grade</b> ●	3.57	2.90	3.13	5.09	5.92
Barclays Credit 5-10 Index ▲	4.07	2.08	3.16	5.57	6.32

## Relative Return vs Barclays Credit 5-10 Index



## CAI MF - Intermediate Style (Net) Annualized Five Year Risk vs Return

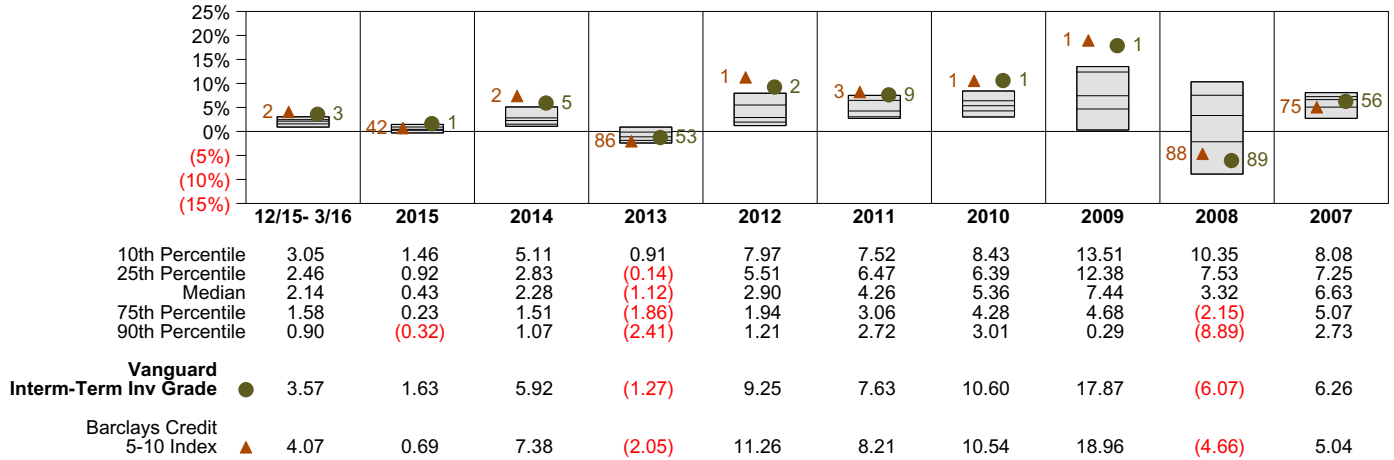


# Vanguard Interm-Term Inv Grade Return Analysis Summary

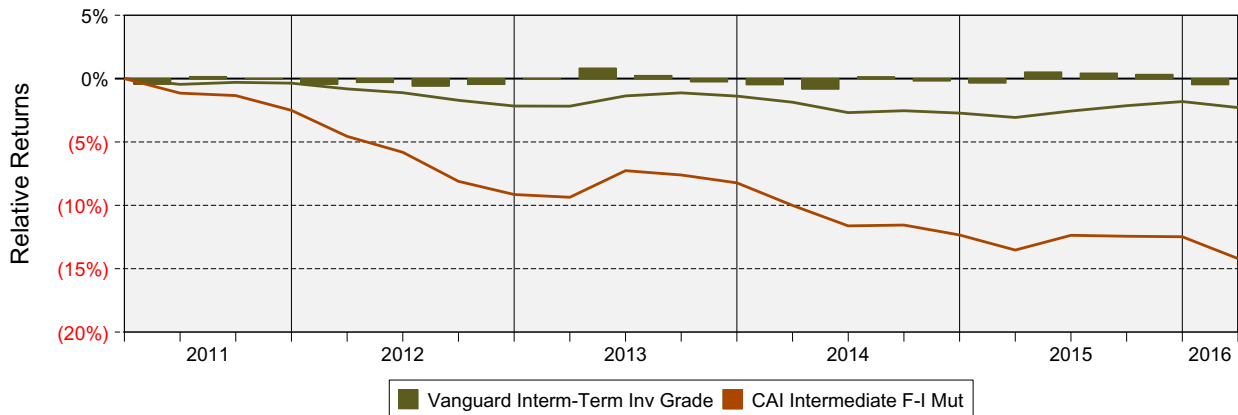
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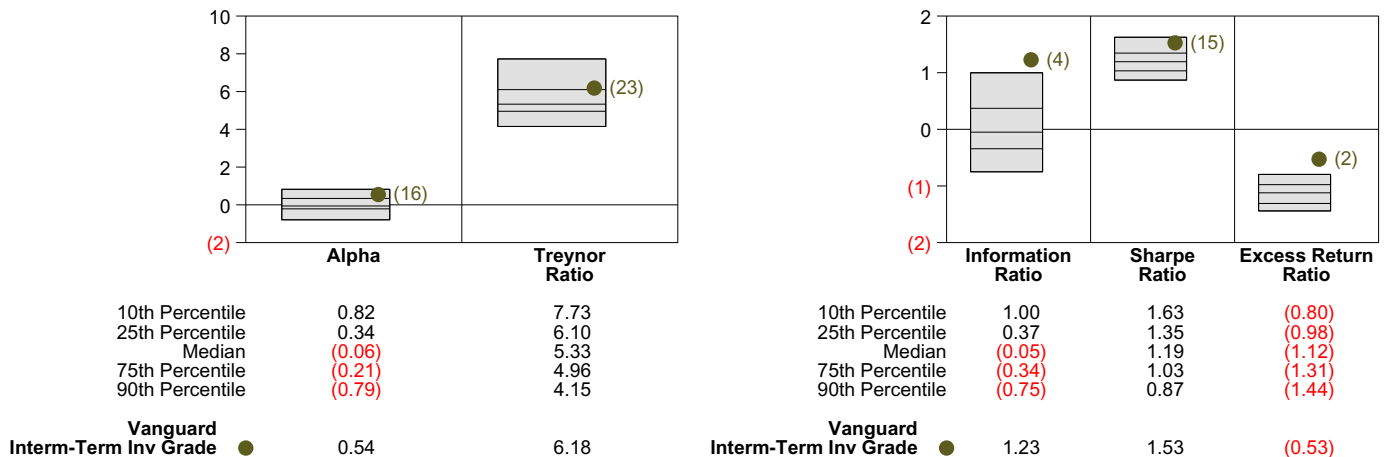
### Performance vs CAI MF - Intermediate Style (Net)



### Cumulative and Quarterly Relative Return vs Barclays Credit 5-10 Index



### Risk Adjusted Return Measures vs Barclays Credit 5-10 Index Rankings Against CAI MF - Intermediate Style (Net) Five Years Ended March 31, 2016

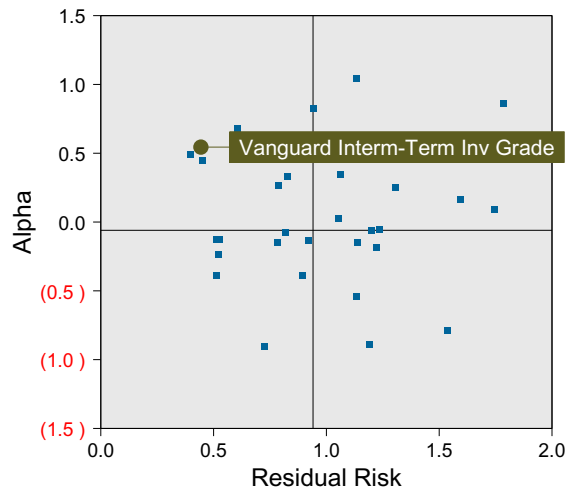
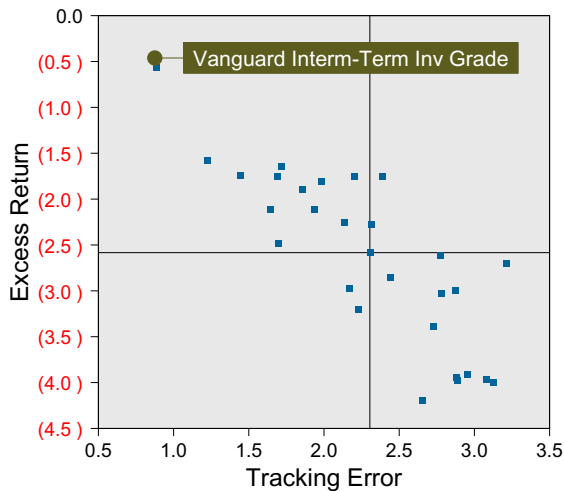


# Vanguard Interm-Term Inv Grade Risk Analysis Summary

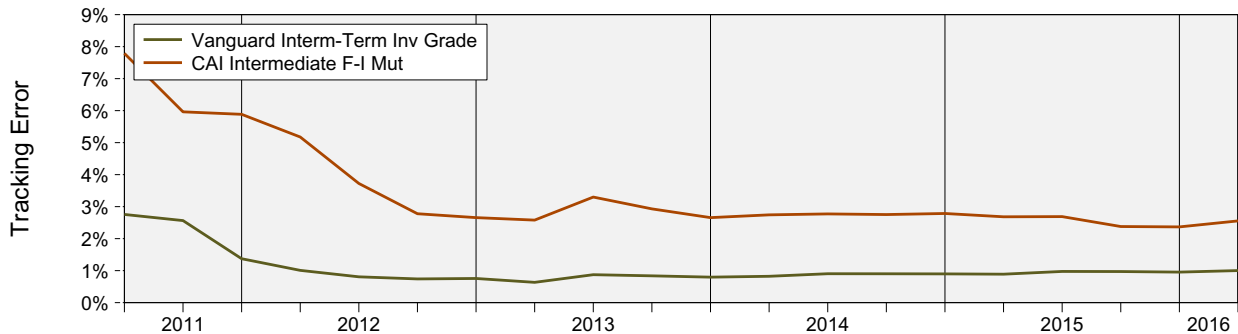
## Risk Analysis

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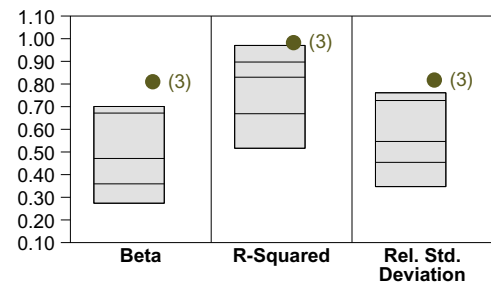
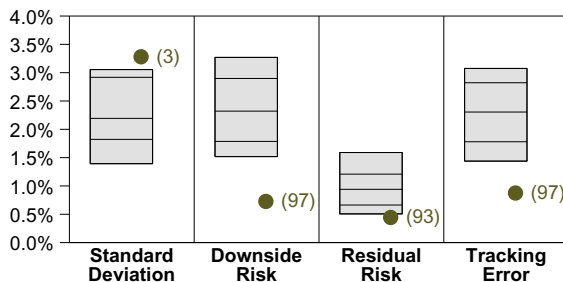
### Risk Analysis vs CAI MF - Intermediate Style (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs Barclays Credit 5-10 Index



### Risk Statistics Rankings vs Barclays Credit 5-10 Index Rankings Against CAI MF - Intermediate Style (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	3.06	3.27	1.59	3.08
25th Percentile	2.92	2.90	1.21	2.82
Median	2.19	2.32	0.94	2.31
75th Percentile	1.82	1.79	0.66	1.78
90th Percentile	1.39	1.52	0.51	1.44

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	0.70	0.97	0.76
25th Percentile	0.67	0.90	0.73
Median	0.47	0.83	0.55
75th Percentile	0.36	0.67	0.45
90th Percentile	0.27	0.52	0.35

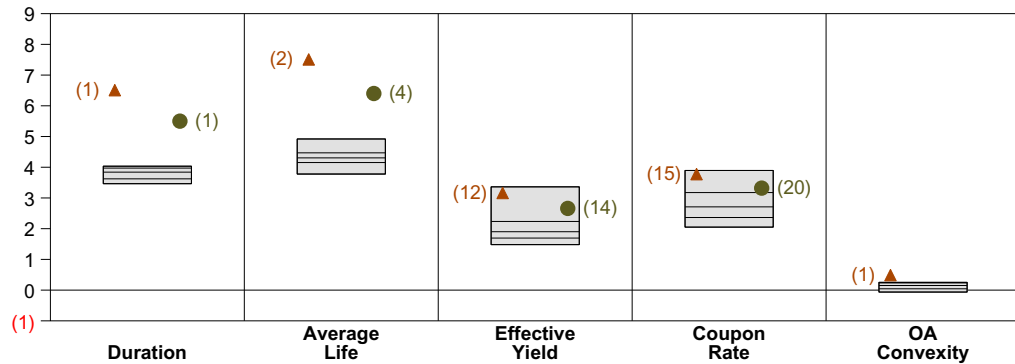
	Standard Deviation	Downside Risk	Residual Risk	Tracking Error	Beta	R-Squared	Rel. Std. Deviation
<b>Vanguard Interm-Term Inv Grade</b>	<b>3.28</b>	<b>0.73</b>	<b>0.44</b>	<b>0.88</b>	<b>0.81</b>	<b>0.98</b>	<b>0.82</b>

# Vanguard Interm-Term Inv Grade Bond Characteristics Analysis Summary

## Portfolio Characteristics

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

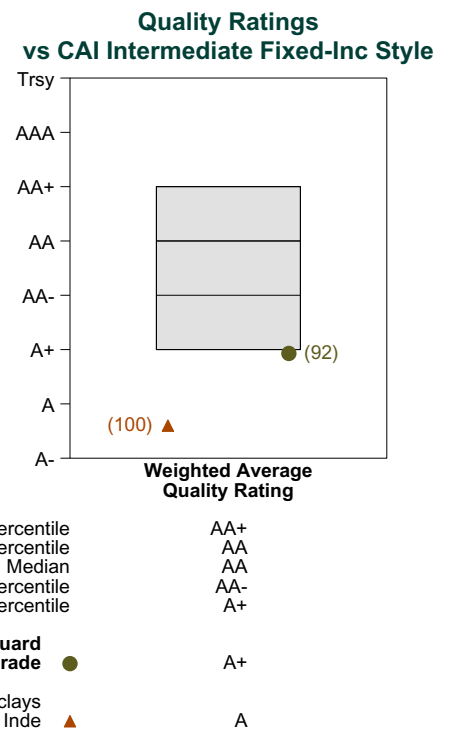
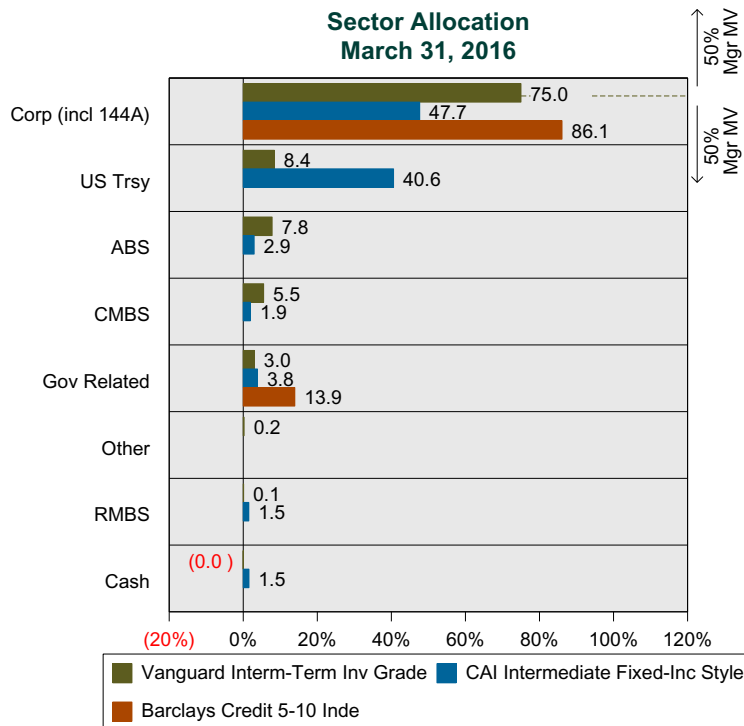
## Fixed Income Portfolio Characteristics Rankings Against CAI Intermediate Fixed-Inc Style as of March 31, 2016



	Duration	Average Life	Effective Yield	Coupon Rate	OA Convexity
10th Percentile	4.03	4.92	3.36	3.89	0.25
25th Percentile	3.97	4.47	2.24	3.17	0.23
Median	3.84	4.31	1.90	2.71	0.15
75th Percentile	3.62	4.15	1.69	2.36	0.04
90th Percentile	3.46	3.78	1.48	2.05	(0.06)
<b>Vanguard Interm-Term Inv Grade</b>	5.50	6.40	2.66	3.32	-
Barclays Credit 5-10 Inde	6.51	7.51	3.16	3.78	0.49

## Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.





# UBS Trumbull Property Fund Period Ended March 31, 2016

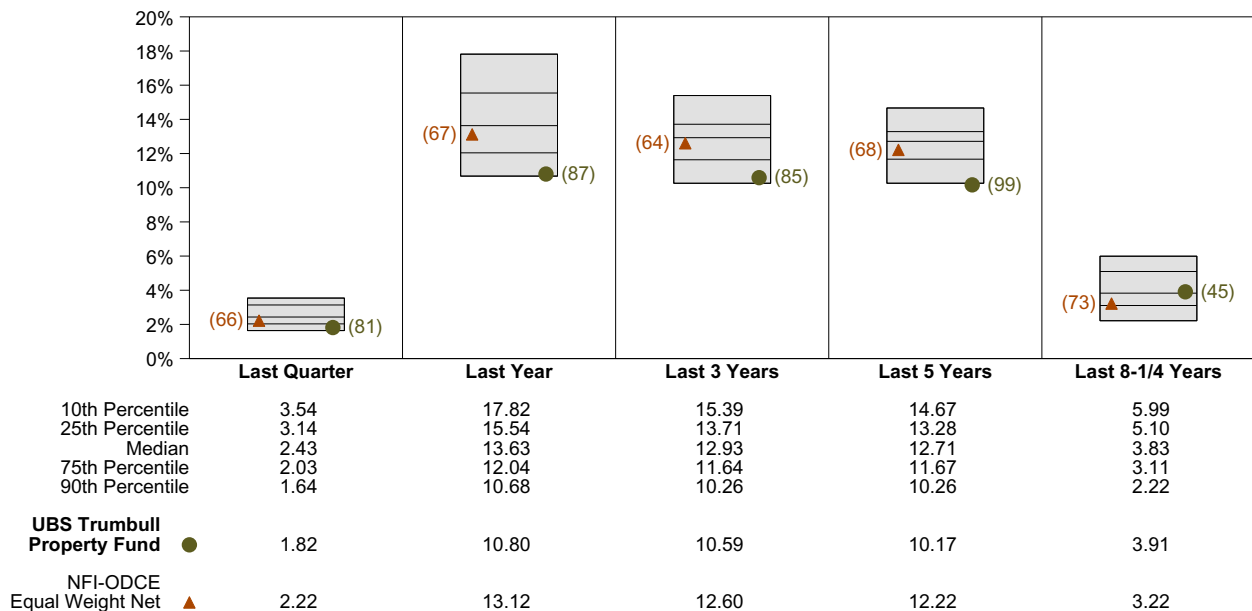
## Investment Philosophy

The ongoing, long-term strategy for UBS-TPF is to continue to provide broad diversification to maximize portfolio returns while minimizing risk. To ensure reasonable diversification, the team employs an asset allocation strategy based on measurements of the investable universe of institutional real estate. Team members use the market weights to determine long-term ranges for TPFs target allocations. Their specific targets within those ranges depend on their outlook for that property type or region. Although the team does not strictly adhere to specific allocation targets, the analysis of the overall investable universe and development of target allocations provide a meaningful benchmark against which to judge acquisitions and sale opportunities and the efficiency of the accounts diversification. The fund switched from Separate Account to Commingled fund March 2008.

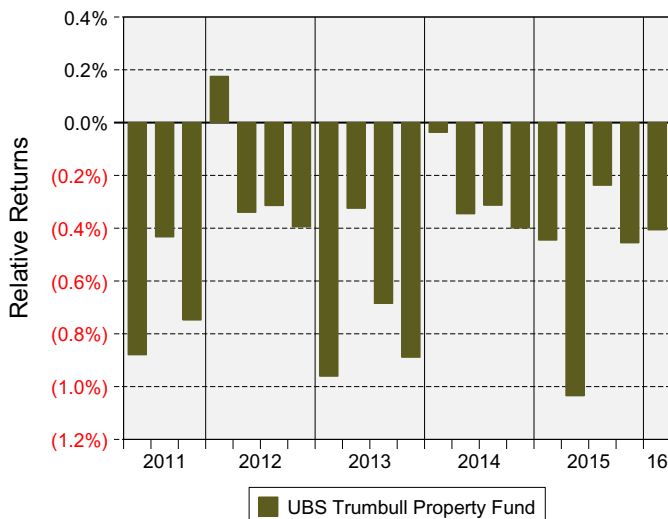
## Quarterly Summary and Highlights

- UBS Trumbull Property Fund's portfolio posted a 1.82% return for the quarter placing it in the 81 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 87 percentile for the last year.
- UBS Trumbull Property Fund's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.41% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 2.32%.

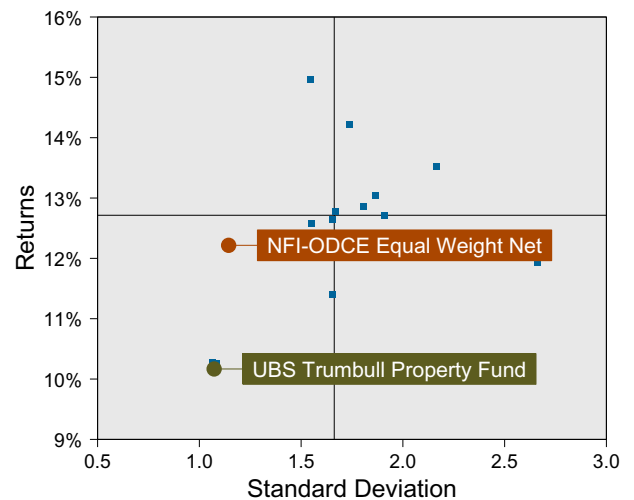
## Performance vs CAI Open-End Real Estate Funds (Net)



## Relative Returns vs NFI-ODCE Equal Weight Net



## CAI Open-End Real Estate Funds (Net) Annualized Five Year Risk vs Return

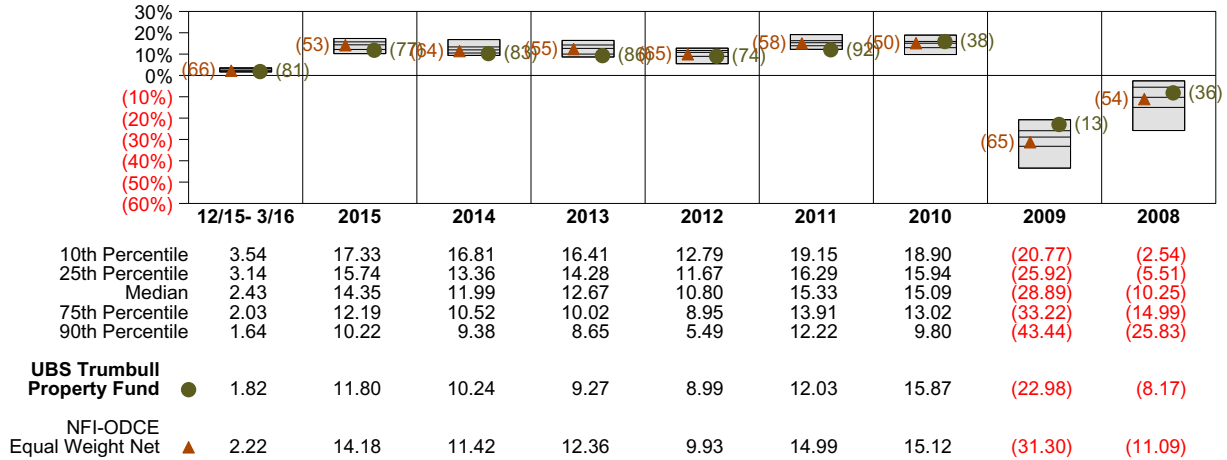


# UBS Trumbull Property Fund Return Analysis Summary

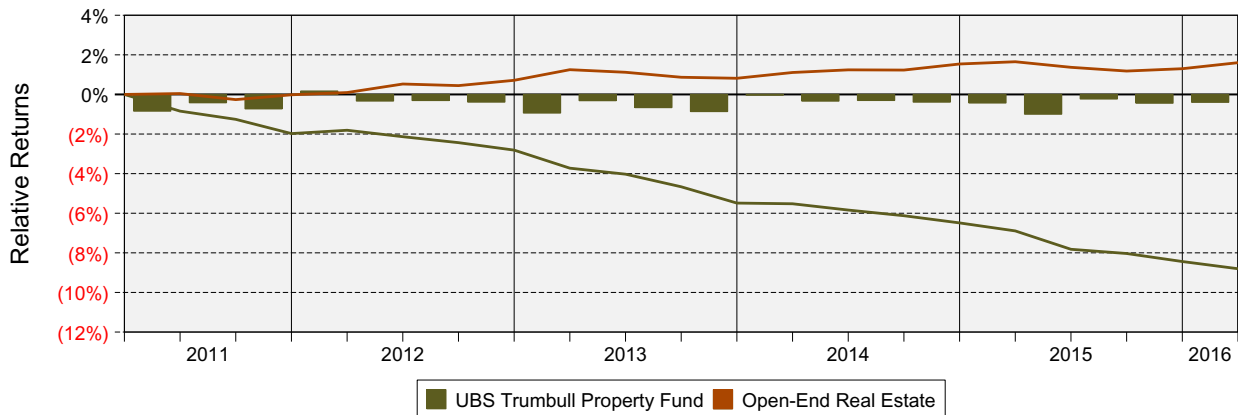
## Return Analysis

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

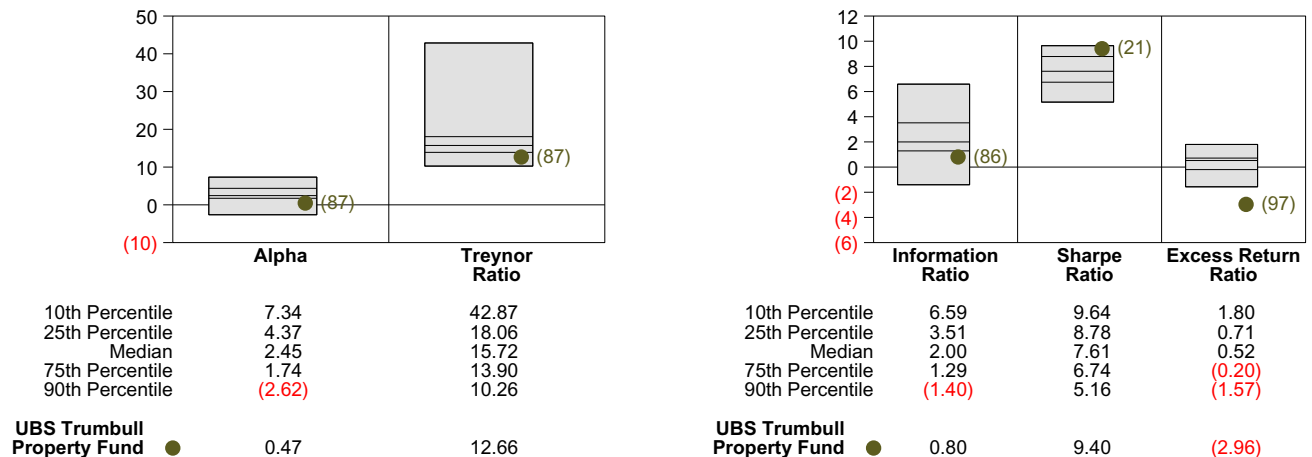
### Performance vs CAI Open-End Real Estate Funds (Net)



### Cumulative and Quarterly Relative Return vs NFI-ODCE Equal Weight Net



### Risk Adjusted Return Measures vs NFI-ODCE Equal Weight Net Rankings Against CAI Open-End Real Estate Funds (Net) Five Years Ended March 31, 2016

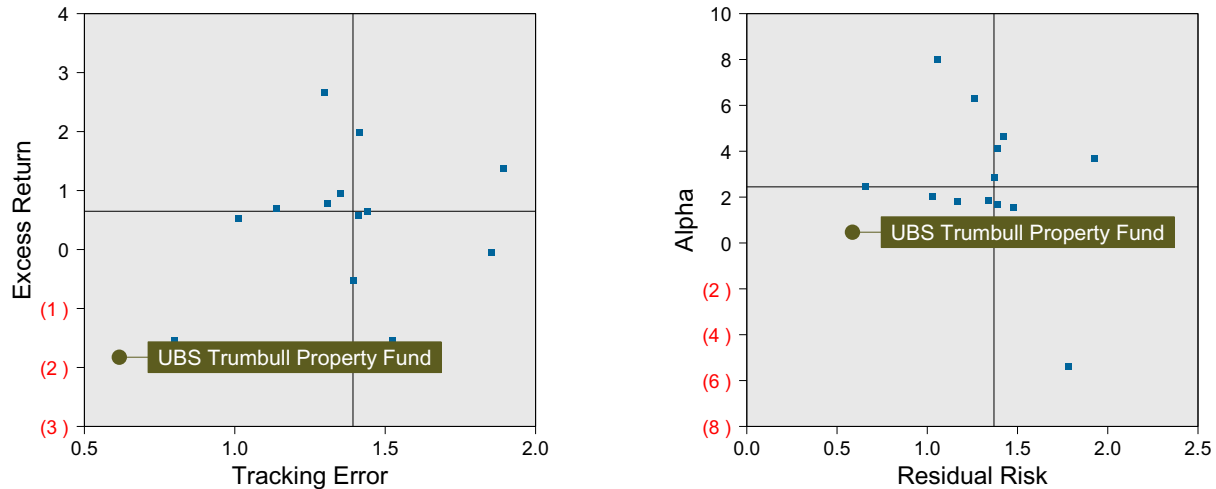


# UBS Trumbull Property Fund Risk Analysis Summary

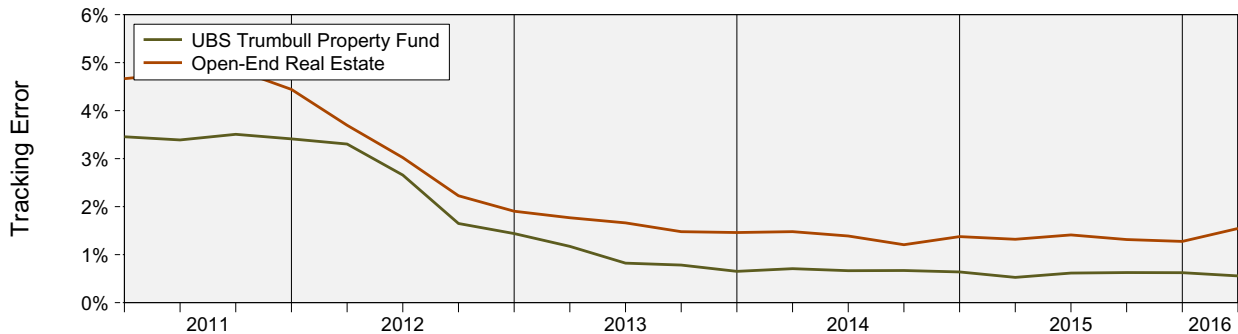
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

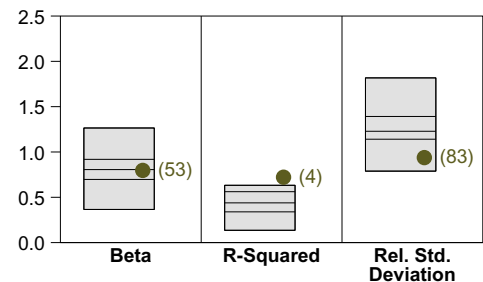
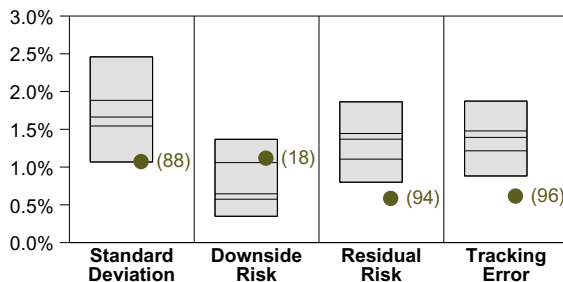
### Risk Analysis vs CAI Open-End Real Estate Funds (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs NFI-ODCE Equal Weight Net



### Risk Statistics Rankings vs NFI-ODCE Equal Weight Net Rankings Against CAI Open-End Real Estate Funds (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	2.46	1.37	1.86	1.87
25th Percentile	1.88	1.06	1.44	1.48
Median	1.66	0.65	1.37	1.39
75th Percentile	1.54	0.57	1.11	1.22
90th Percentile	1.07	0.35	0.80	0.88

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.26	0.63	1.82
25th Percentile	0.92	0.56	1.39
Median	0.81	0.44	1.23
75th Percentile	0.70	0.34	1.14
90th Percentile	0.37	0.14	0.79

UBS Trumbull Property Fund	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
●	1.07	1.12	0.59	0.62

UBS Trumbull Property Fund	Beta	R-Squared	Rel. Std. Deviation
●	0.80	0.72	0.94

# UBS Trumbull Property Income Fund

## Period Ended March 31, 2016

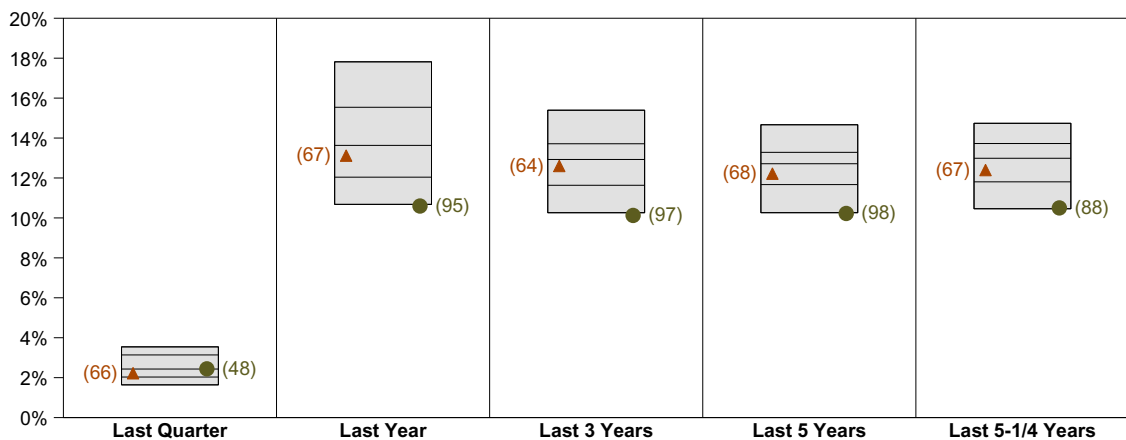
### Investment Philosophy

The Fund, established in 1981, is an actively managed core portfolio of mortgage and wholly owned real estate investments. The Fund's performance objective is to achieve at least a 5% real rate of return (return adjusted for inflation) before fees, over a three- to five-year period. The Fund, as a secondary performance objective, seeks to provide its income-oriented investors with a positive total return for each quarterly period regardless of market conditions. UBS Realty Investors LLC, the Funds advisor, aims to provide attractive risk-adjusted returns to investors by making new investments that have favorable risk-return tradeoffs and by aggressively managing every investment in the portfolio.

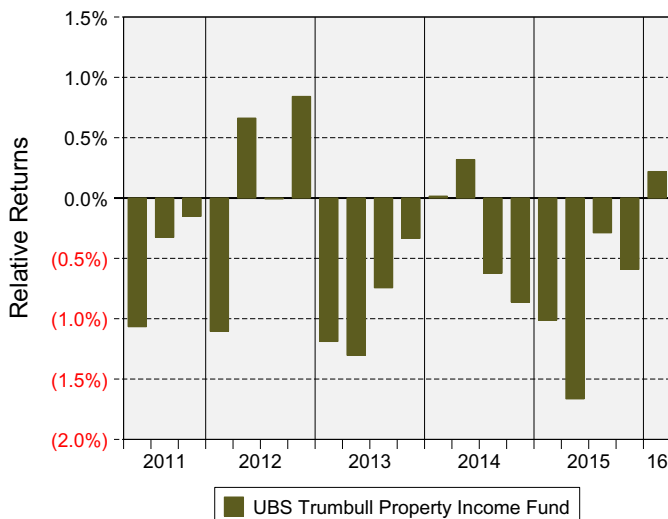
### Quarterly Summary and Highlights

- UBS Trumbull Property Income Fund's portfolio posted a 2.44% return for the quarter placing it in the 48 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 95 percentile for the last year.
- UBS Trumbull Property Income Fund's portfolio outperformed the NFI-ODCE Equal Weight Net by 0.22% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 2.52%.

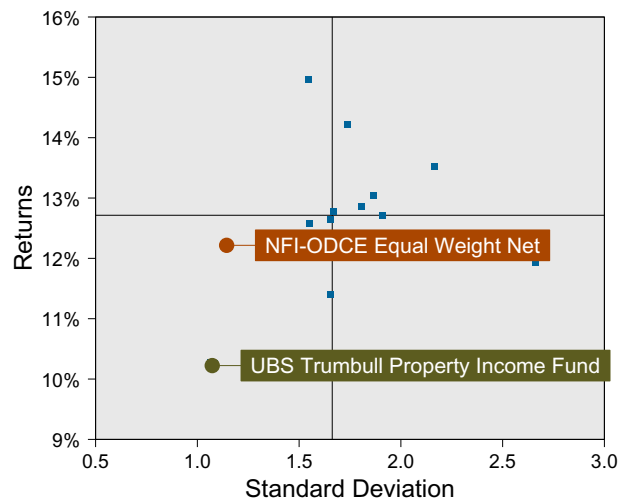
### Performance vs CAI Open-End Real Estate Funds (Net)



### Relative Returns vs NFI-ODCE Equal Weight Net



### CAI Open-End Real Estate Funds (Net) Annualized Five Year Risk vs Return

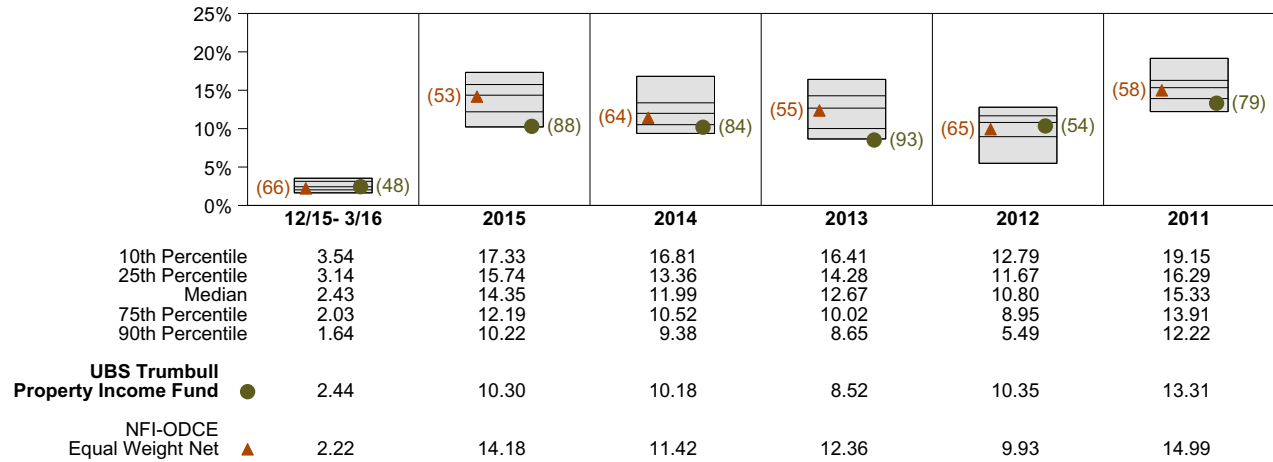


# UBS Trumbull Property Income Fund Return Analysis Summary

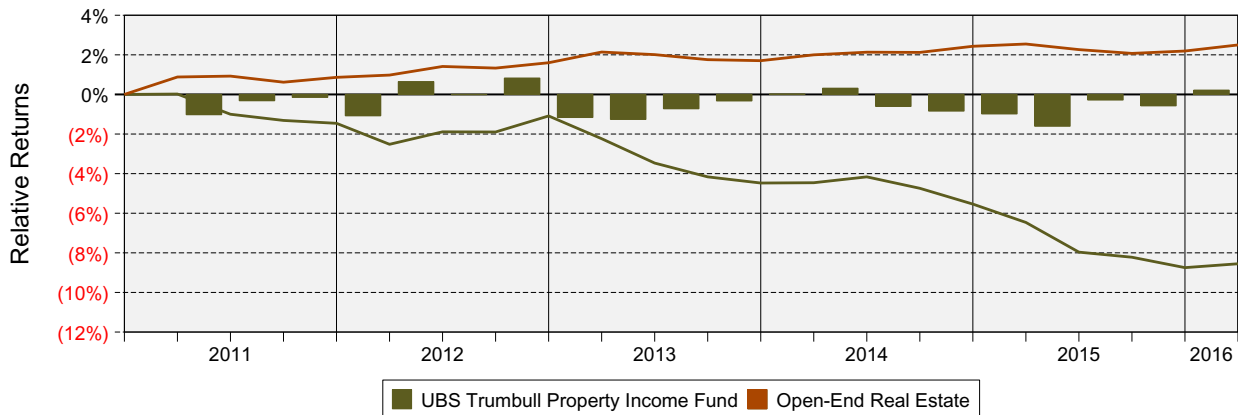
## Return Analysis

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

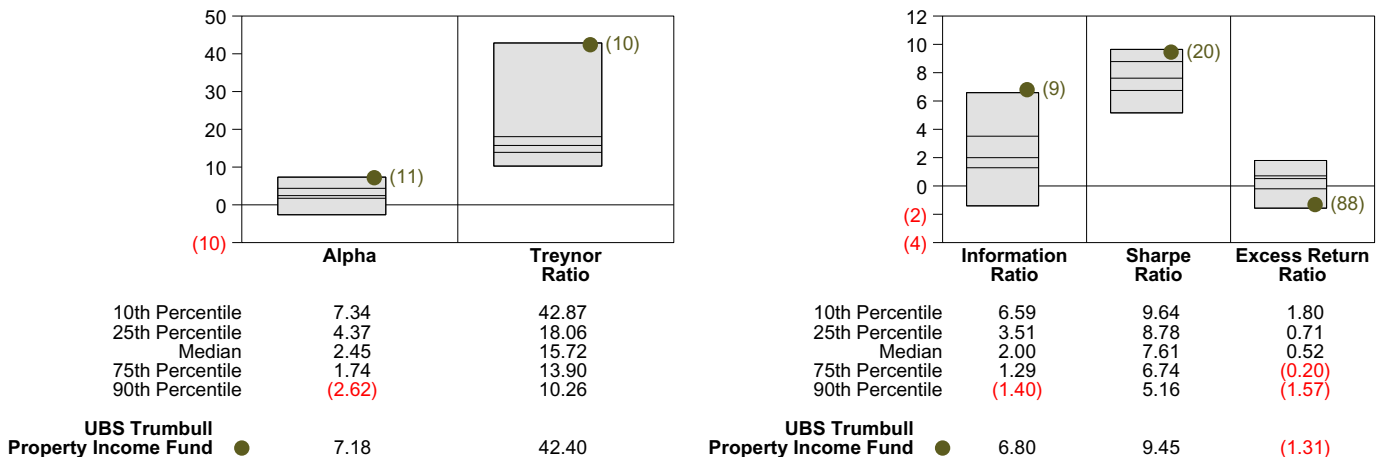
### Performance vs CAI Open-End Real Estate Funds (Net)



### Cumulative and Quarterly Relative Return vs NFI-ODCE Equal Weight Net



### Risk Adjusted Return Measures vs NFI-ODCE Equal Weight Net Rankings Against CAI Open-End Real Estate Funds (Net) Five Years Ended March 31, 2016

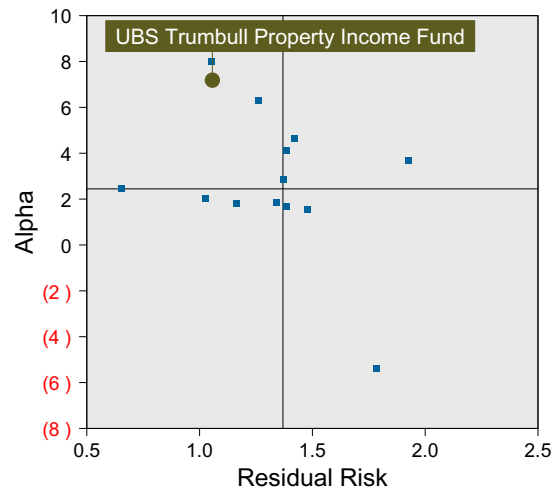
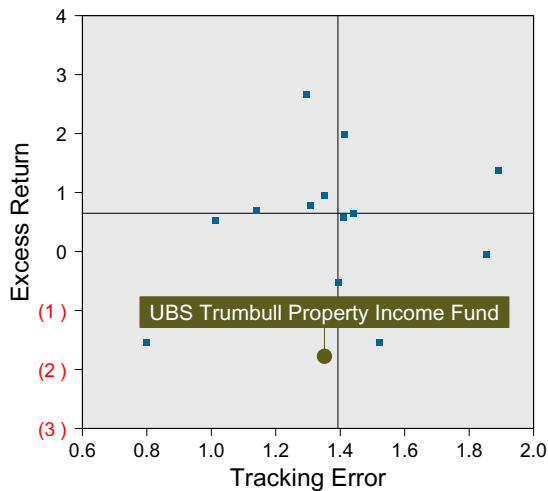


# UBS Trumbull Property Income Fund Risk Analysis Summary

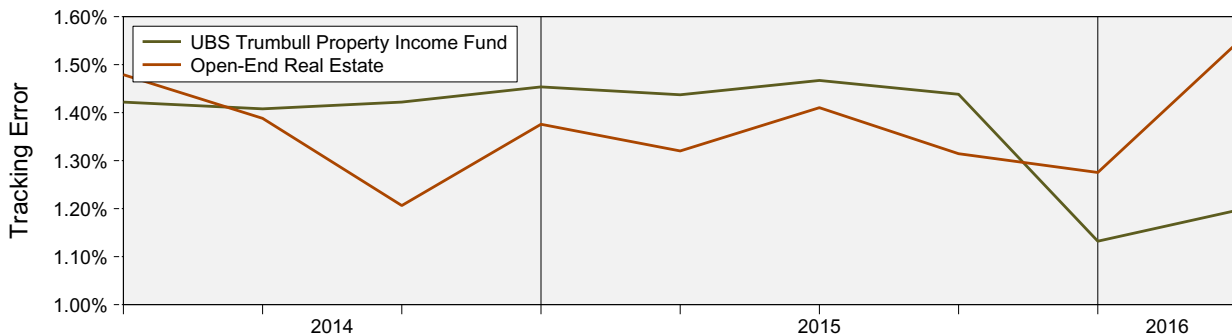
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

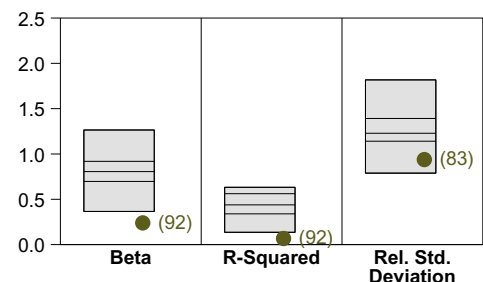
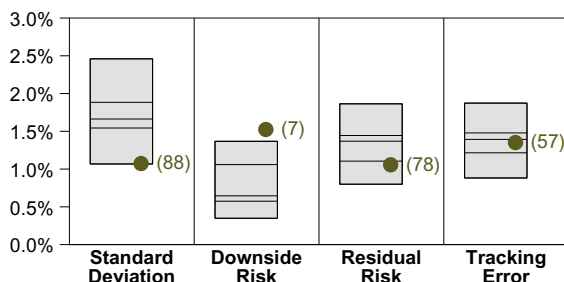
### Risk Analysis vs CAI Open-End Real Estate Funds (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs NFI-ODCE Equal Weight Net



### Risk Statistics Rankings vs NFI-ODCE Equal Weight Net Rankings Against CAI Open-End Real Estate Funds (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	2.46	1.37	1.86	1.87
25th Percentile	1.88	1.06	1.44	1.48
Median	1.66	0.65	1.37	1.39
75th Percentile	1.54	0.57	1.11	1.22
90th Percentile	1.07	0.35	0.80	0.88

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.26	0.63	1.82
25th Percentile	0.92	0.56	1.39
Median	0.81	0.44	1.23
75th Percentile	0.70	0.34	1.14
90th Percentile	0.37	0.14	0.79

UBS Trumbull Property Income Fund ●

1.07 1.52 1.06 1.35

UBS Trumbull Property Income Fund ●

0.24 0.07 0.94

# LaSalle Income & Growth V

## Period Ended March 31, 2016

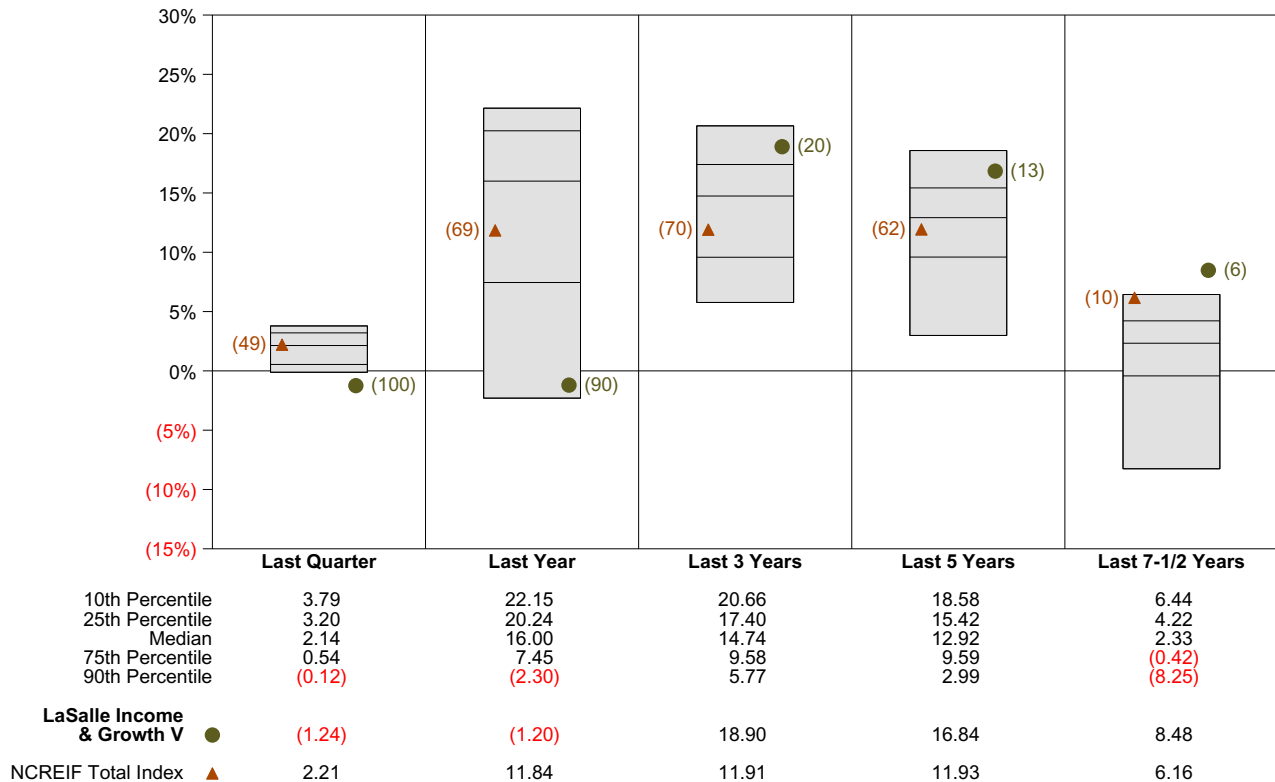
### Investment Philosophy

LaSalle Income & Growth Fund V is a closed-end, value-added commingled fund investing in the four major property types in the U.S. The Fund seeks to add value through renovation, redevelopment and repositioning of assets to core buyers.

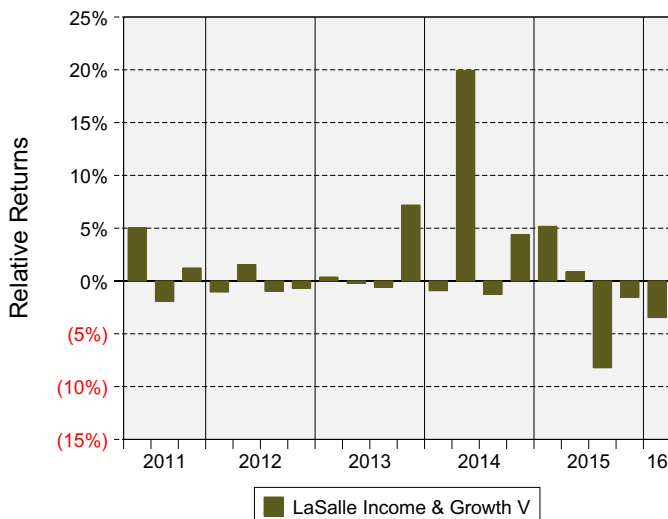
### Quarterly Summary and Highlights

- LaSalle Income & Growth V's portfolio posted a (1.24)% return for the quarter placing it in the 100 percentile of the Real Estate Value Added group for the quarter and in the 90 percentile for the last year.
- LaSalle Income & Growth V's portfolio underperformed the NCREIF Total Index by 3.45% for the quarter and underperformed the NCREIF Total Index for the year by 13.04%.

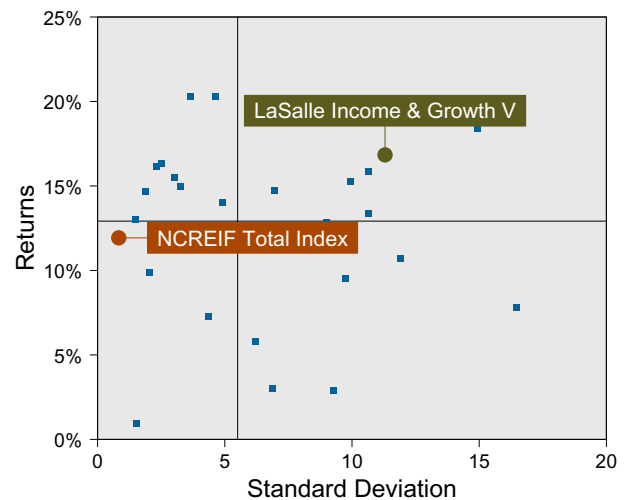
### Performance vs Real Estate Value Added (Net)



### Relative Return vs NCREIF Total Index



### Real Estate Value Added (Net) Annualized Five Year Risk vs Return

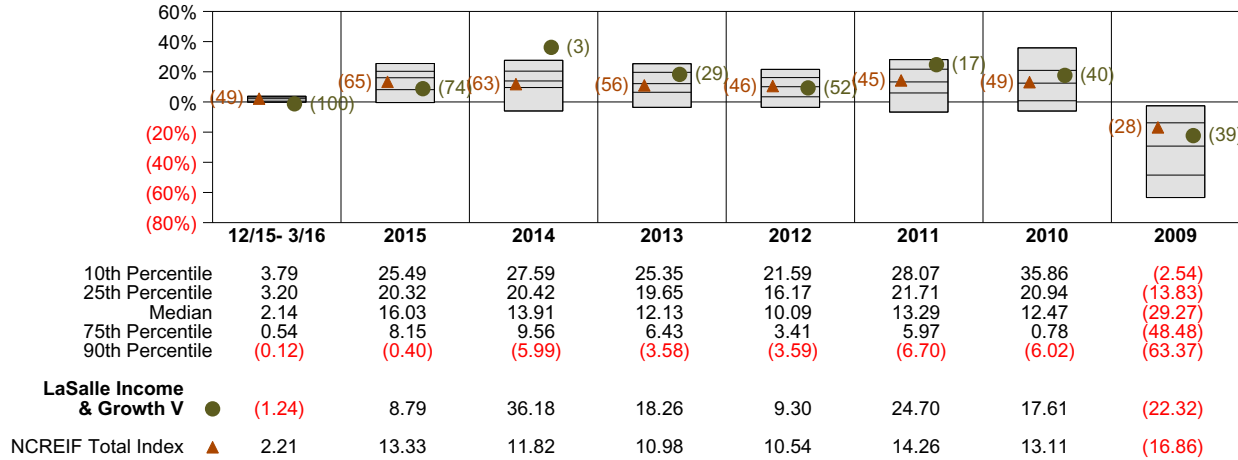


# LaSalle Income & Growth V Return Analysis Summary

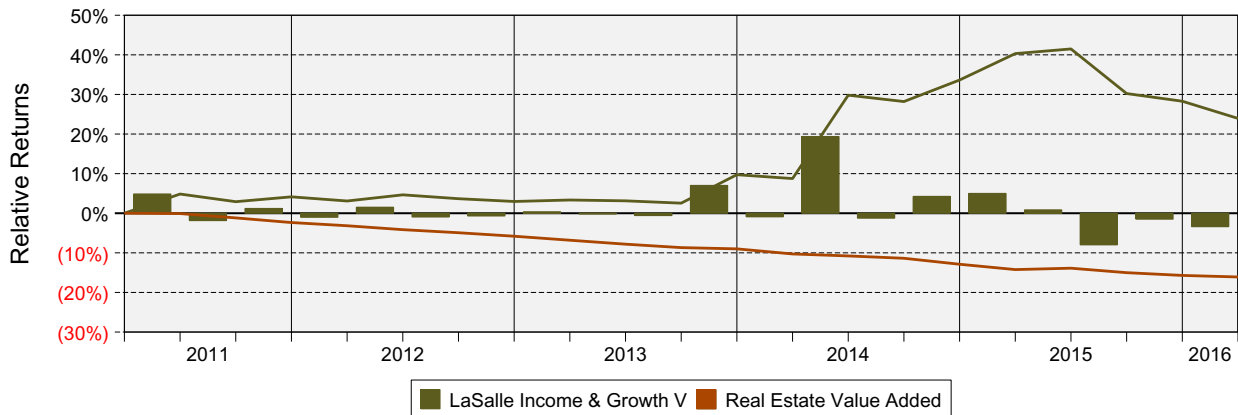
## Return Analysis

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

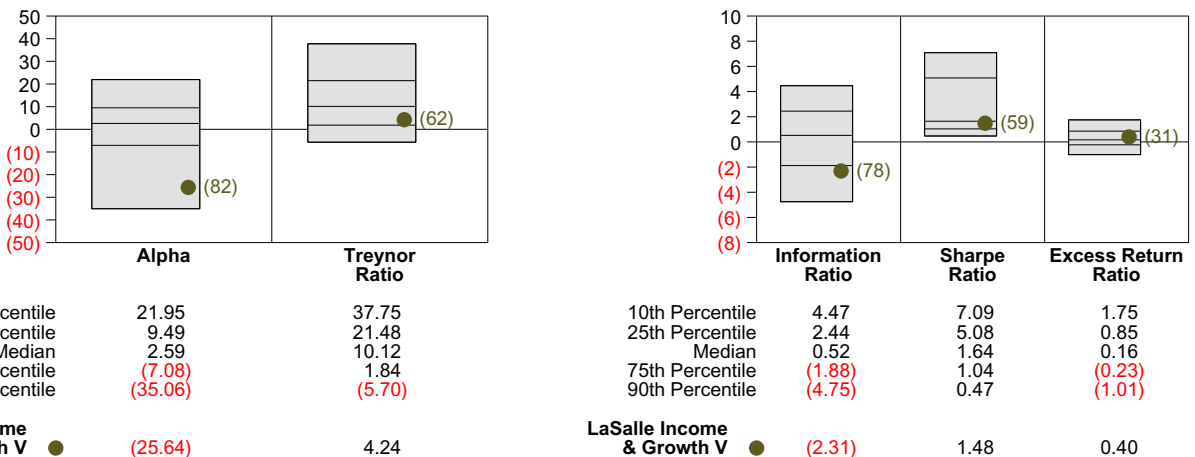
### Performance vs Real Estate Value Added (Net)



### Cumulative and Quarterly Relative Return vs NCREIF Total Index



### Risk Adjusted Return Measures vs NCREIF Total Index Rankings Against Real Estate Value Added (Net) Five Years Ended March 31, 2016

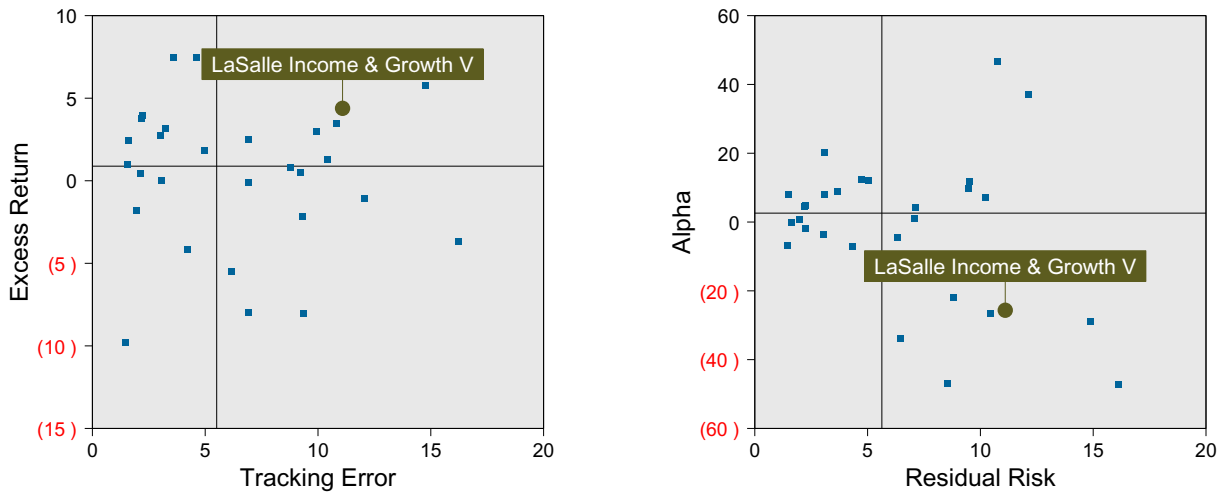


# LaSalle Income & Growth V Risk Analysis Summary

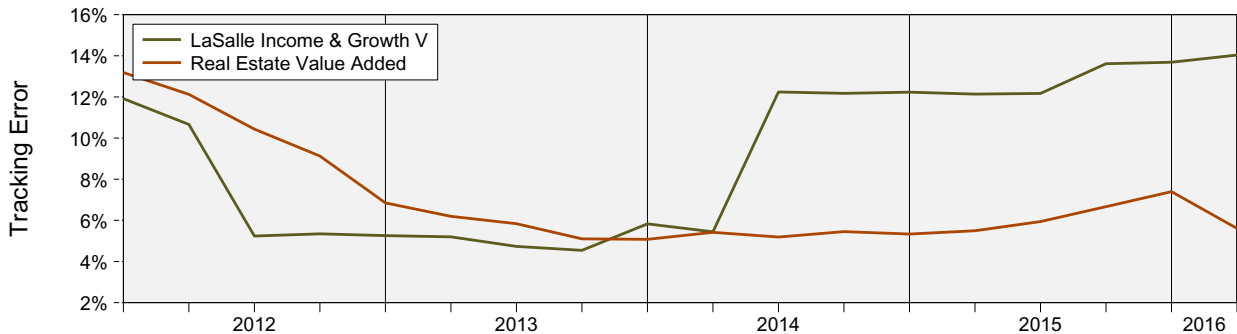
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

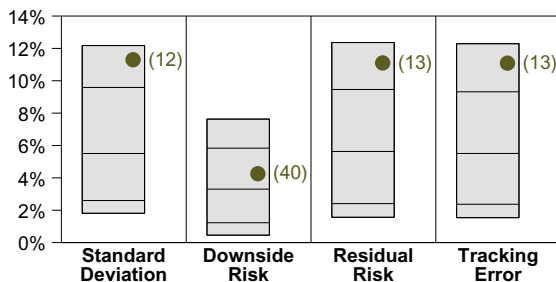
### Risk Analysis vs Real Estate Value Added (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs NCREIF Property Index

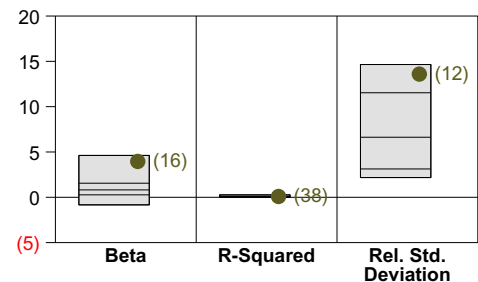


### Risk Statistics Rankings vs NCREIF Property Index Rankings Against Real Estate Value Added (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	12.18	7.63	12.36	12.29
25th Percentile	9.59	5.83	9.46	9.32
Median	5.51	3.30	5.63	5.51
75th Percentile	2.60	1.23	2.41	2.37
90th Percentile	1.81	0.46	1.56	1.54

LaSalle Income & Growth V ● 11.30    4.26    11.10    11.09



	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	4.62	0.27	14.65
25th Percentile	1.55	0.11	11.54
Median	0.82	0.06	6.62
75th Percentile	0.27	0.01	3.13
90th Percentile	0.84	0.00	2.18

LaSalle Income & Growth V ● 3.95    0.09    13.59

# Fidelity Real Estate Growth Fund III

## Period Ended March 31, 2016

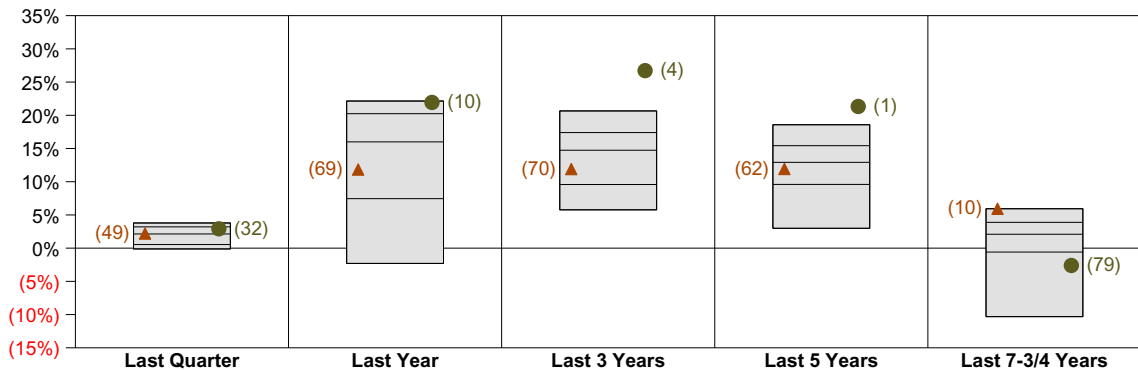
### Investment Philosophy

The group is experienced in executing a broad range of value-added strategies. The investments made since 1995 have been undertaken pursuant to the following investment strategies: (i) development - capitalizing on imbalances of supply and demand in local markets; (ii) rehabilitation - renovating functionally obsolete but well-located assets; (iii) management - applying aggressive management and leasing programs to neglected but well-located properties; (iv) capital - exploiting temporary mispricing's of risk or growth by the capital markets; and (v) distress - recapitalizing assets at discounted pricing due to financial but not operational distress. The opportunity to earn attractive risk-adjusted returns through the use of any of these strategies becomes more or less prevalent during the course of real estate, economic, and capital markets cycles. The group believes that its successful experience in executing each of these strategies will competitively position the fund to capitalize on the full range of opportunities that may present themselves over the fund's investment horizon.

### Quarterly Summary and Highlights

- Fidelity Real Estate Growth Fund III's portfolio posted a 2.91% return for the quarter placing it in the 32 percentile of the Real Estate Value Added group for the quarter and in the 10 percentile for the last year.
- Fidelity Real Estate Growth Fund III's portfolio outperformed the NCREIF Total Index by 0.70% for the quarter and outperformed the NCREIF Total Index for the year by 10.09%.

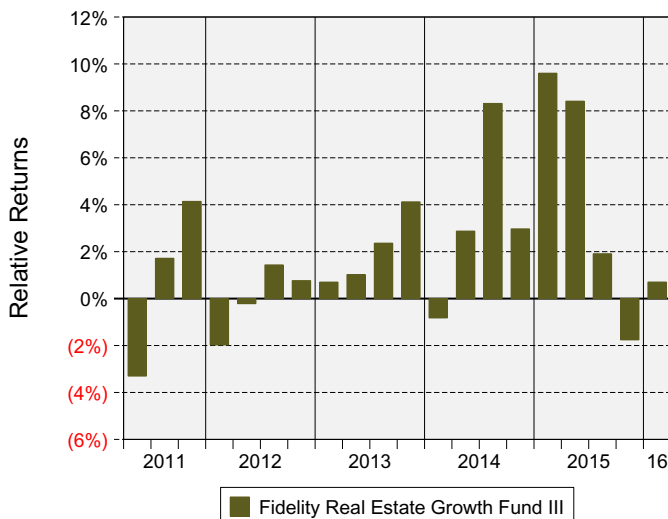
### Performance vs Real Estate Value Added (Net)



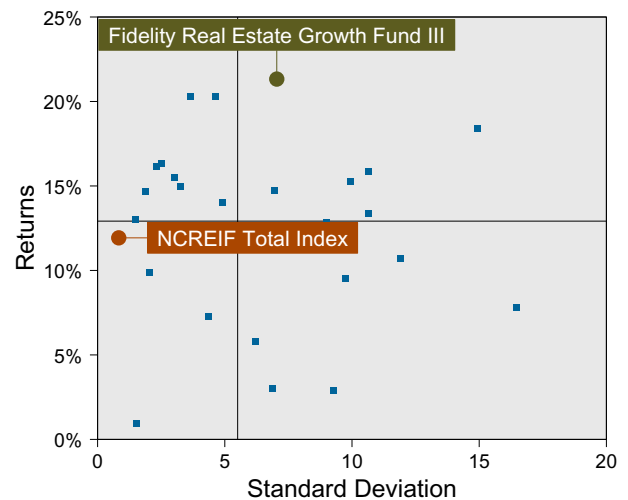
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7-3/4 Years
10th Percentile	3.79	22.15	20.66	18.58	5.93
25th Percentile	3.20	20.24	17.40	15.42	3.89
Median	2.14	16.00	14.74	12.92	2.09
75th Percentile	0.54	7.45	9.58	9.59	(0.59)
90th Percentile	(0.12)	(2.30)	5.77	2.99	(10.31)

<b>Fidelity Real Estate Growth Fund III</b> ●	2.91	21.93	26.72	21.33	(2.61)
NCREIF Total Index ▲	2.21	11.84	11.91	11.93	5.93

### Relative Return vs NCREIF Total Index



### Real Estate Value Added (Net) Annualized Five Year Risk vs Return



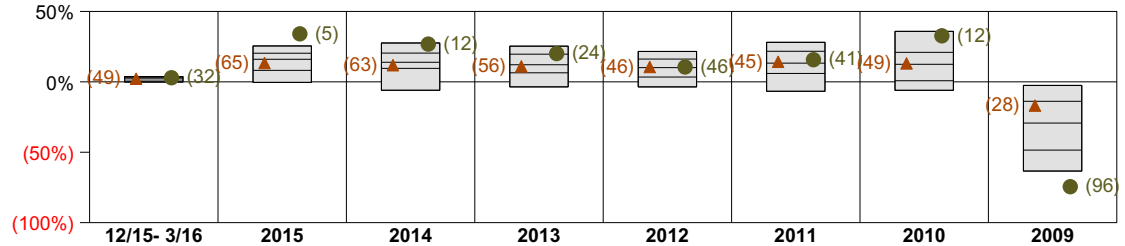
# Fidelity Real Estate Growth Fund III

## Return Analysis Summary

### Return Analysis

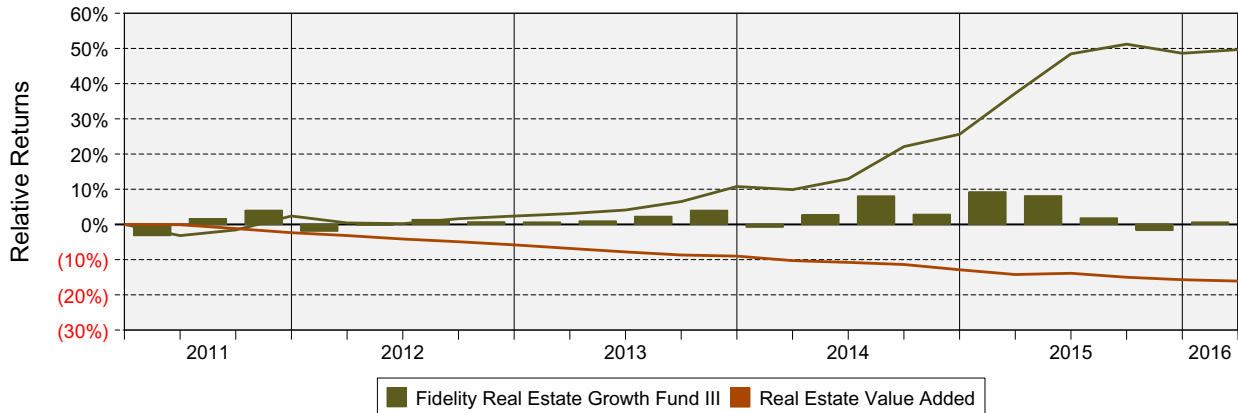
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate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

### Performance vs Real Estate Value Added (Net)

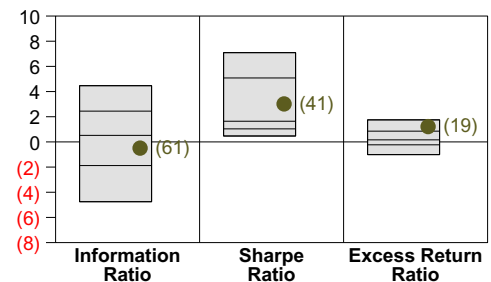
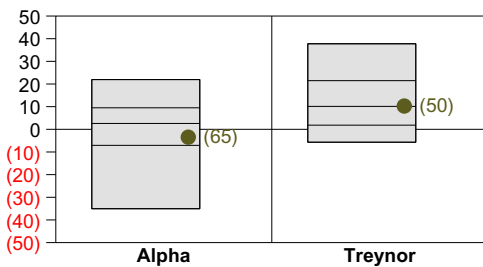


	12/15- 3/16	2015	2014	2013	2012	2011	2010	2009
10th Percentile	3.79	25.49	27.59	25.35	21.59	28.07	35.86	(2.54)
25th Percentile	3.20	20.32	20.42	19.65	16.17	21.71	20.94	(13.83)
Median	2.14	16.03	13.91	12.13	10.09	13.29	12.47	(29.27)
75th Percentile	0.54	8.15	9.56	6.43	3.41	5.97	0.78	(48.48)
90th Percentile	(0.12)	(0.40)	(5.99)	(3.58)	(3.59)	(6.70)	(6.02)	(63.37)
Fidelity Real Estate Growth Fund III	2.91	34.09	26.81	20.08	10.53	15.71	32.69	(74.48)
NCREIF Total Index	2.21	13.33	11.82	10.98	10.54	14.26	13.11	(16.86)

### Cumulative and Quarterly Relative Return vs NCREIF Total Index



### Risk Adjusted Return Measures vs NCREIF Total Index Rankings Against Real Estate Value Added (Net) Five Years Ended March 31, 2016



	Alpha	Treynor Ratio
10th Percentile	21.95	37.75
25th Percentile	9.49	21.48
Median	2.59	10.12
75th Percentile	(7.08)	1.84
90th Percentile	(35.06)	(5.70)
Fidelity Real Estate Growth Fund III	(3.47)	10.28

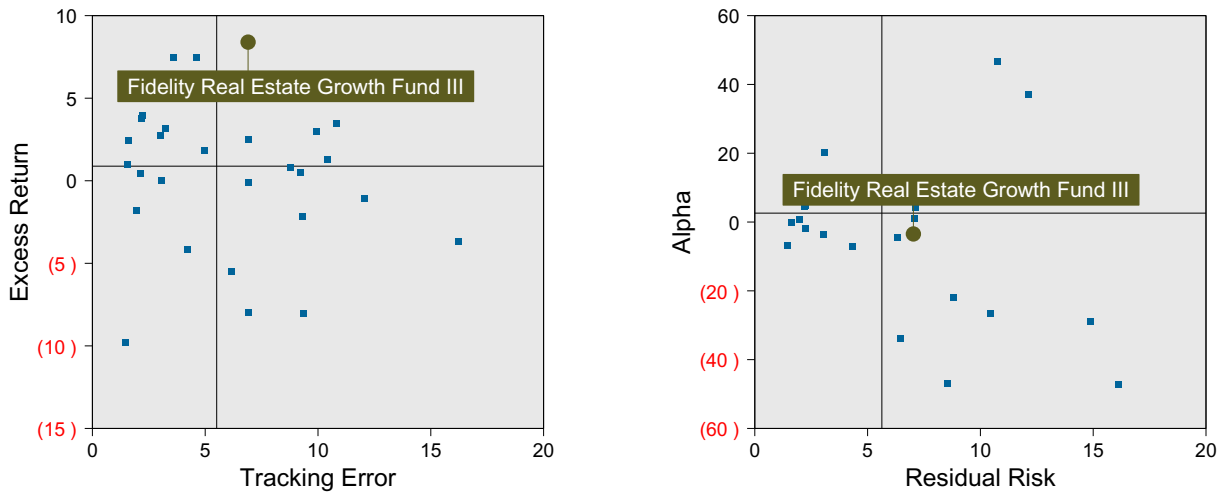
	Information Ratio	Sharpe Ratio	Excess Return Ratio
10th Percentile	4.47	7.09	1.75
25th Percentile	2.44	5.08	0.85
Median	0.52	1.64	0.16
75th Percentile	(1.88)	1.04	(0.23)
90th Percentile	(4.75)	0.47	(1.01)
Fidelity Real Estate Growth Fund III	(0.49)	3.02	1.22

# Fidelity Real Estate Growth Fund III Risk Analysis Summary

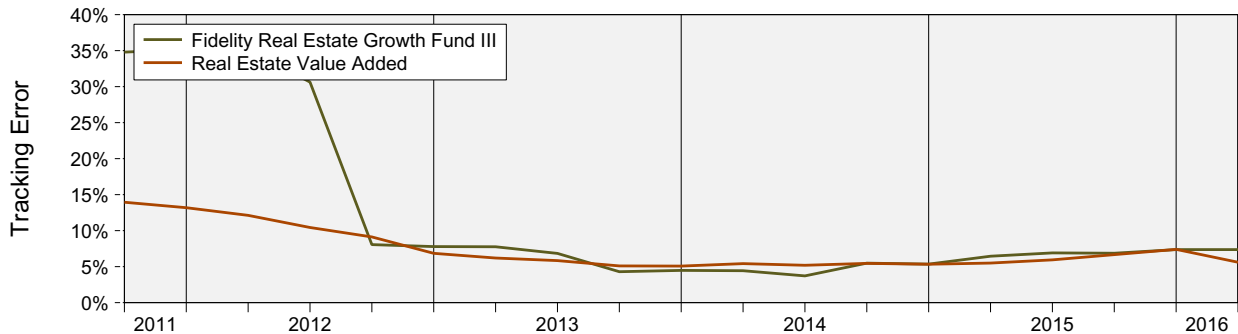
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

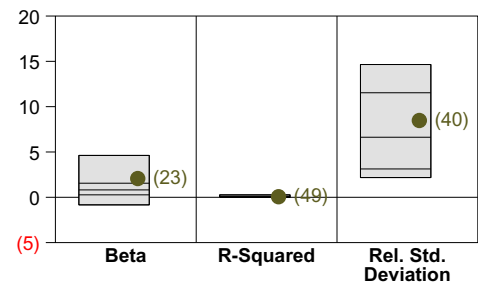
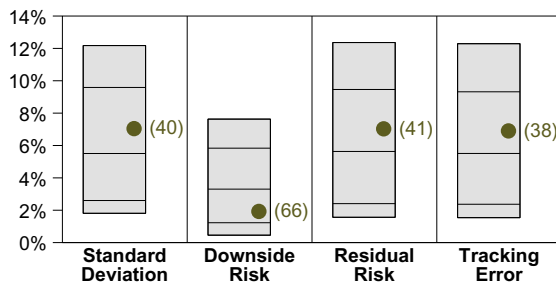
### Risk Analysis vs Real Estate Value Added (Net) Five Years Ended March 31, 2016



### Rolling 12 Quarter Tracking Error vs NCREIF Property Index



### Risk Statistics Rankings vs NCREIF Property Index Rankings Against Real Estate Value Added (Net) Five Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	12.18	7.63	12.36	12.29
25th Percentile	9.59	5.83	9.46	9.32
Median	5.51	3.30	5.63	5.51
75th Percentile	2.60	1.23	2.41	2.37
90th Percentile	1.81	0.46	1.56	1.54

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	4.62	0.27	14.65
25th Percentile	1.55	0.11	11.54
Median	0.82	0.06	6.62
75th Percentile	0.27	0.01	3.13
90th Percentile	0.84	0.00	2.18

Fidelity Real Estate Growth Fund III ● 7.04 1.93 7.03 6.90

Fidelity Real Estate Growth Fund III ● 2.07 0.06 8.47

# Colony Realty Partners III Period Ended March 31, 2016

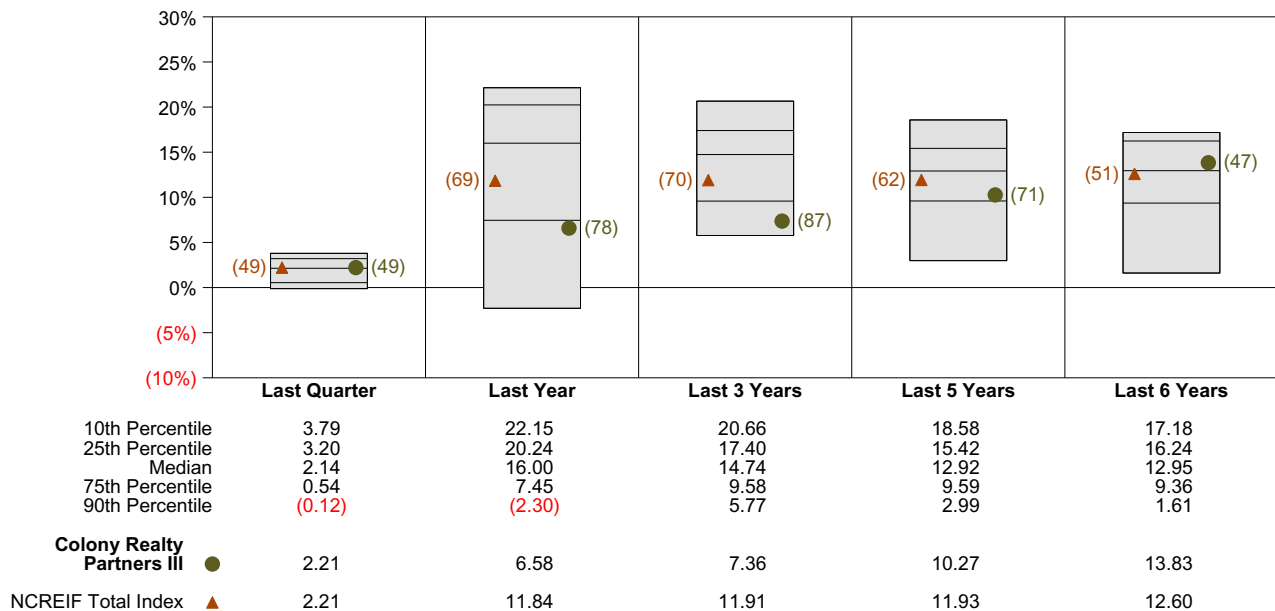
## Investment Philosophy

Colony Realty Partners' primary investment philosophy is to acquire a diverse portfolio of fee simple institutional-quality real estate assets in major US markets. The firm's focus is on small to mid-sized assets, with an average transaction size of \$30 million. This strategy is intended to protect the performance of the account by minimizing exposure to downturns in particular product types, industries, and regions. In addition, leases are managed with the objective of having no more than 20% of the portfolio expirations occurring in any given year. By having a large number of commercial tenants, the financial performance of the account should not be significantly affected by any one tenant or industry. Current quarter performance is preliminary - market value of the fund was adjusted to match NCREIF Property Index return. 4Q actual performance was -0.30% vs. NCREIF +2.91%.

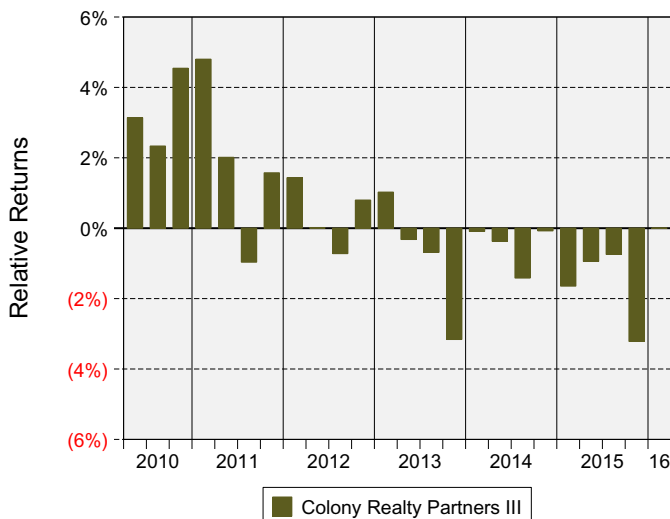
## Quarterly Summary and Highlights

- Colony Realty Partners III's portfolio posted a 2.21% return for the quarter placing it in the 49 percentile of the Real Estate Value Added group for the quarter and in the 78 percentile for the last year.
- Colony Realty Partners III's portfolio underperformed the NCREIF Total Index by 0.00% for the quarter and underperformed the NCREIF Total Index for the year by 5.26%.

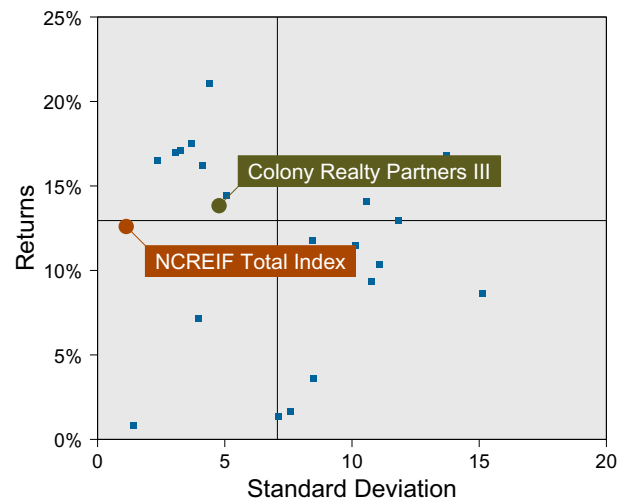
## Performance vs Real Estate Value Added (Net)



## Relative Return vs NCREIF Total Index



## Real Estate Value Added (Net) Annualized Six Year Risk vs Return

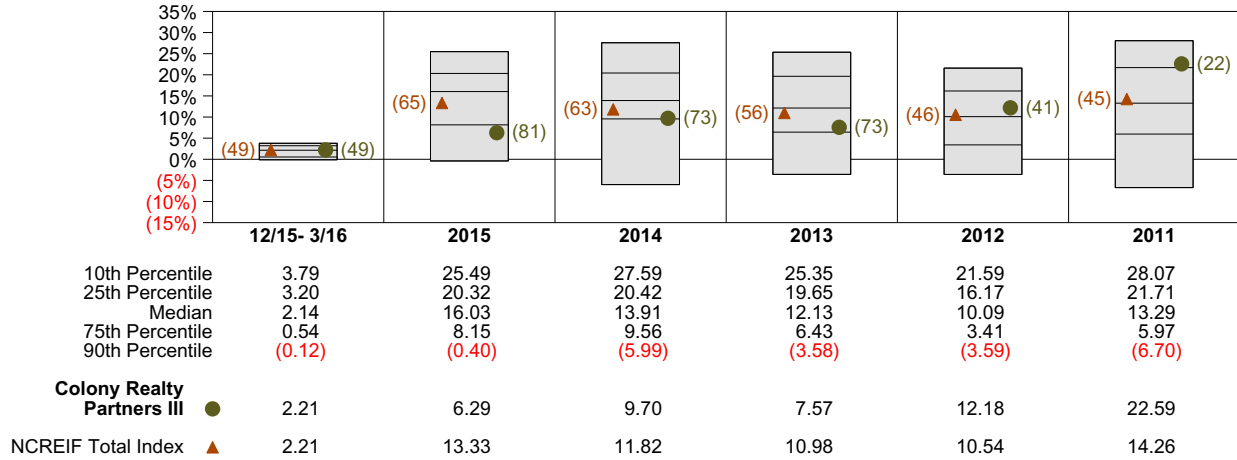


# Colony Realty Partners III Return Analysis Summary

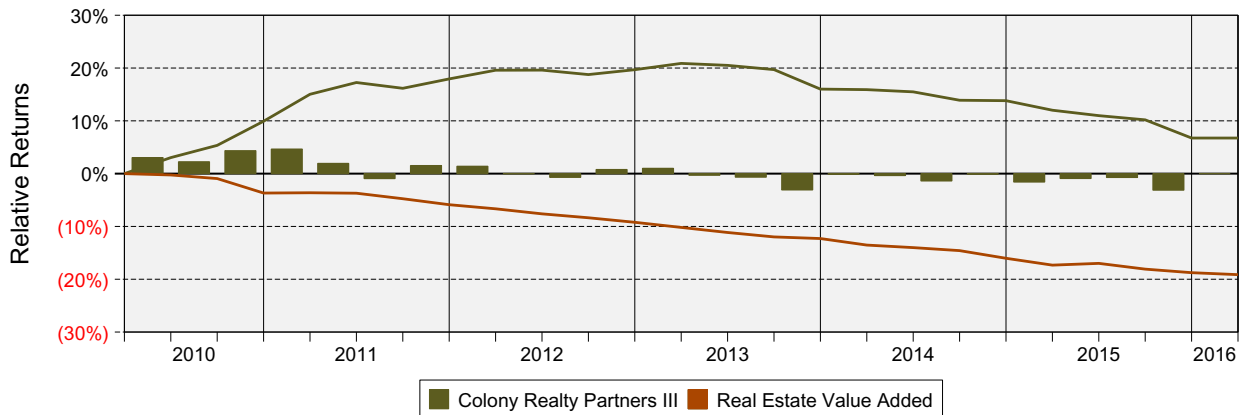
## Return Analysis

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

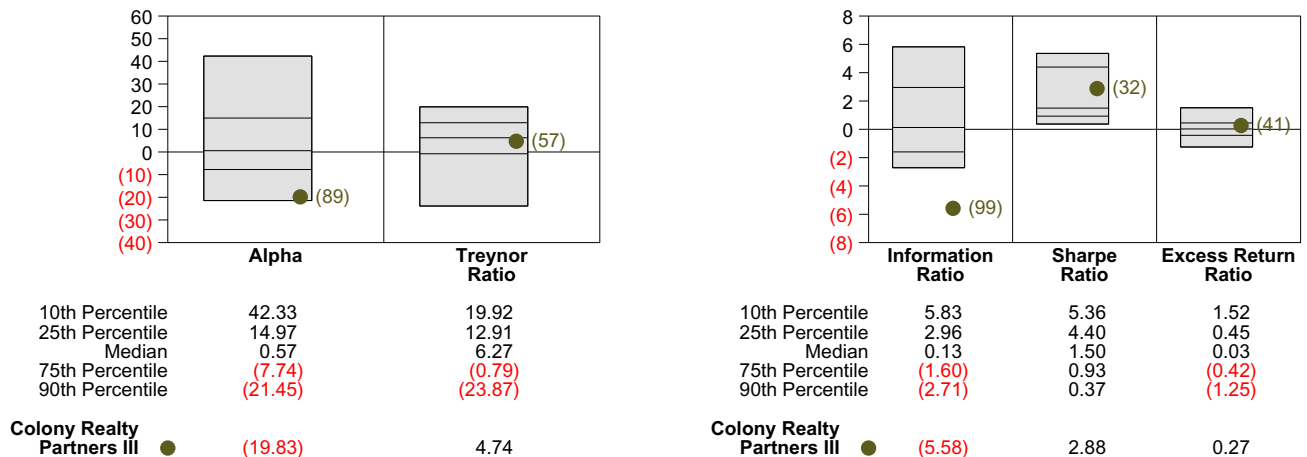
### Performance vs Real Estate Value Added (Net)



### Cumulative and Quarterly Relative Return vs NCREIF Total Index



### Risk Adjusted Return Measures vs NCREIF Total Index Rankings Against Real Estate Value Added (Net) Six Years Ended March 31, 2016

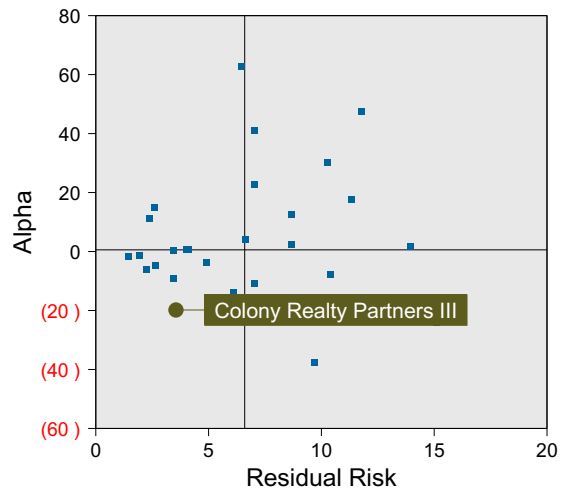
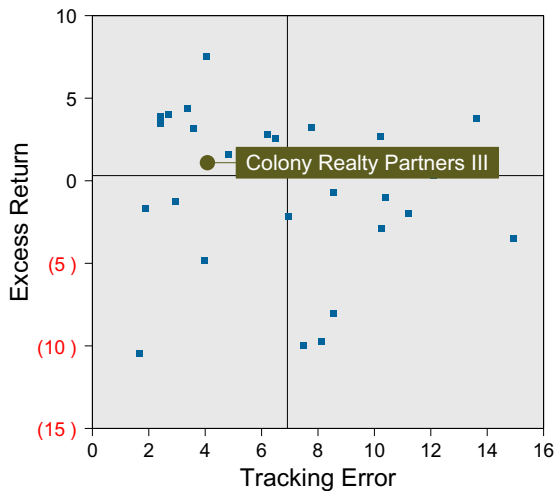


# Colony Realty Partners III Risk Analysis Summary

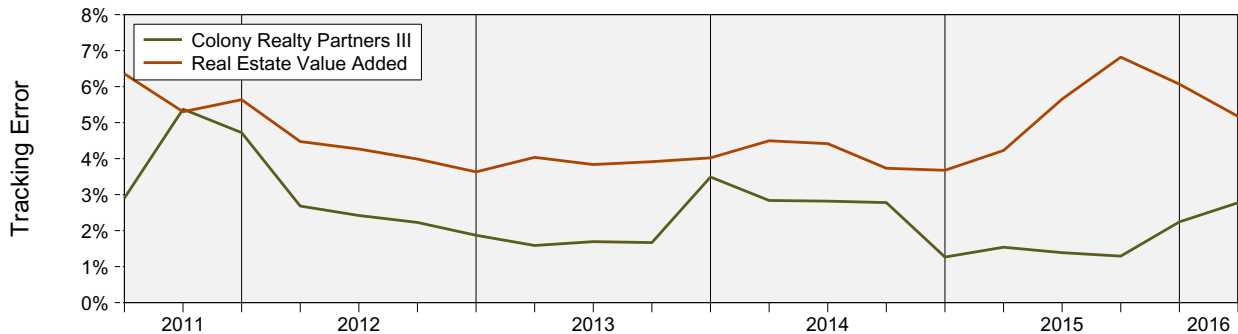
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

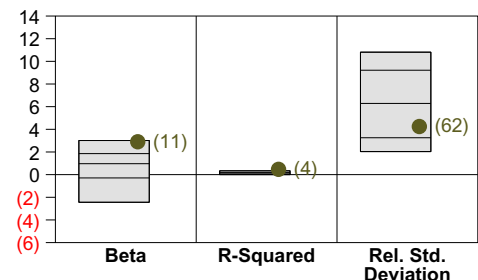
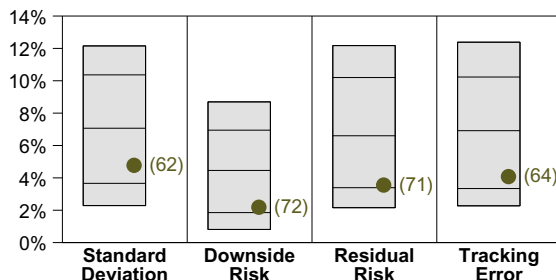
### Risk Analysis vs Real Estate Value Added (Net) Six Years Ended March 31, 2016



### Rolling 4 Quarter Tracking Error vs NCREIF Property Index



### Risk Statistics Rankings vs NCREIF Property Index Rankings Against Real Estate Value Added (Net) Six Years Ended March 31, 2016



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	12.15	8.70	12.17	12.38
25th Percentile	10.36	6.95	10.20	10.23
Median	7.07	4.46	6.60	6.92
75th Percentile	3.66	1.85	3.39	3.34
90th Percentile	2.29	0.81	2.16	2.27

Colony Realty Partners III ● 4.78      2.18      3.55      4.08

	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	3.01	0.34	10.81
25th Percentile	1.86	0.18	9.22
Median	0.97	0.07	6.28
75th Percentile	(0.29)	0.02	3.26
90th Percentile	(2.44)	0.00	2.03

Colony Realty Partners III ● 2.90      0.47      4.25

# Long Wharf Real Estate Partners IV Period Ended March 31, 2016

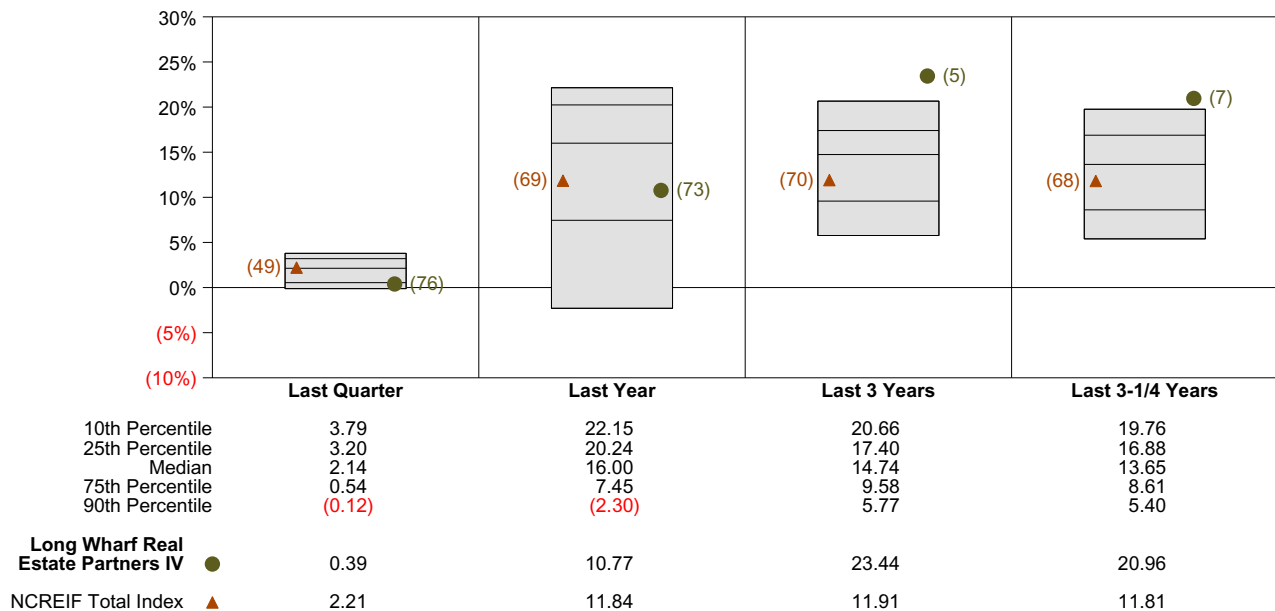
## Investment Philosophy

Long Wharf Real Estate Partners IV, LP will be managed pursuant to a diversified value-added strategy that will target opportunities across a wide array of markets and sectors. The fund will principally focus on acquiring assets at discounts to replacement cost and comparable sales in primary and secondary markets with positive fundamental trends that offer the opportunity to increase returns through the execution of a value-added strategy. In particular, the Fund will target opportunities that offer an attractive unlevered stabilized return on cost, where the potential total return is driven by stabilizing and improving a property's operations, as opposed to relying on trends in the broader capital markets. Accordingly, such investments are expected to benefit primarily from the completion of each plan for value-enhancement rather than depending principally on improving market conditions.

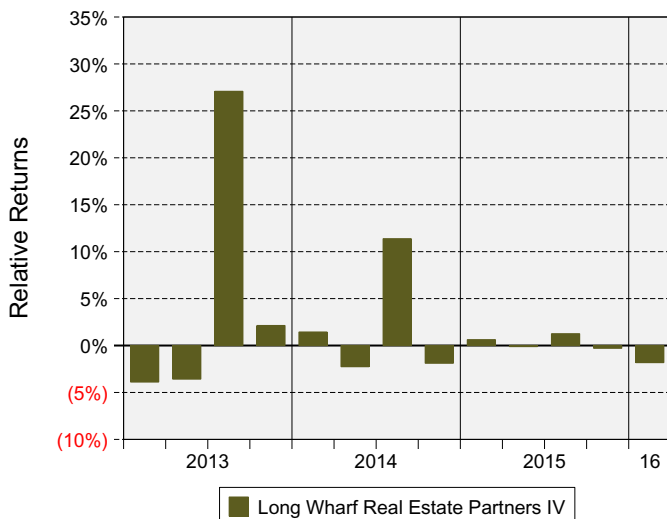
## Quarterly Summary and Highlights

- Long Wharf Real Estate Partners IV's portfolio posted a 0.39% return for the quarter placing it in the 76 percentile of the Real Estate Value Added group for the quarter and in the 73 percentile for the last year.
- Long Wharf Real Estate Partners IV's portfolio underperformed the NCREIF Total Index by 1.82% for the quarter and underperformed the NCREIF Total Index for the year by 1.08%.

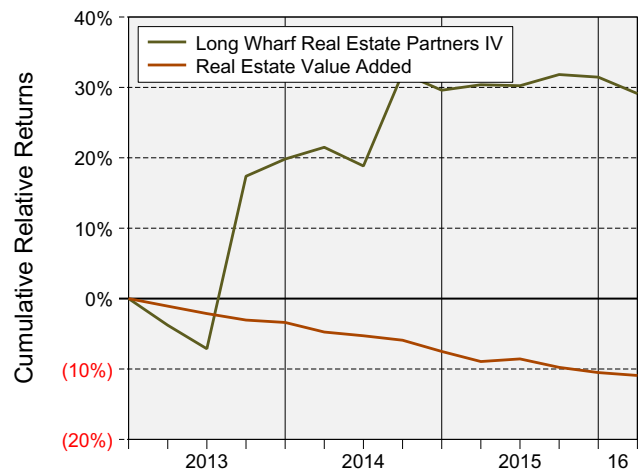
## Performance vs Real Estate Value Added (Net)



## Relative Return vs NCREIF Total Index



## Cumulative Returns vs NCREIF Total Index



# Colony Realty Partners IV Period Ended March 31, 2016

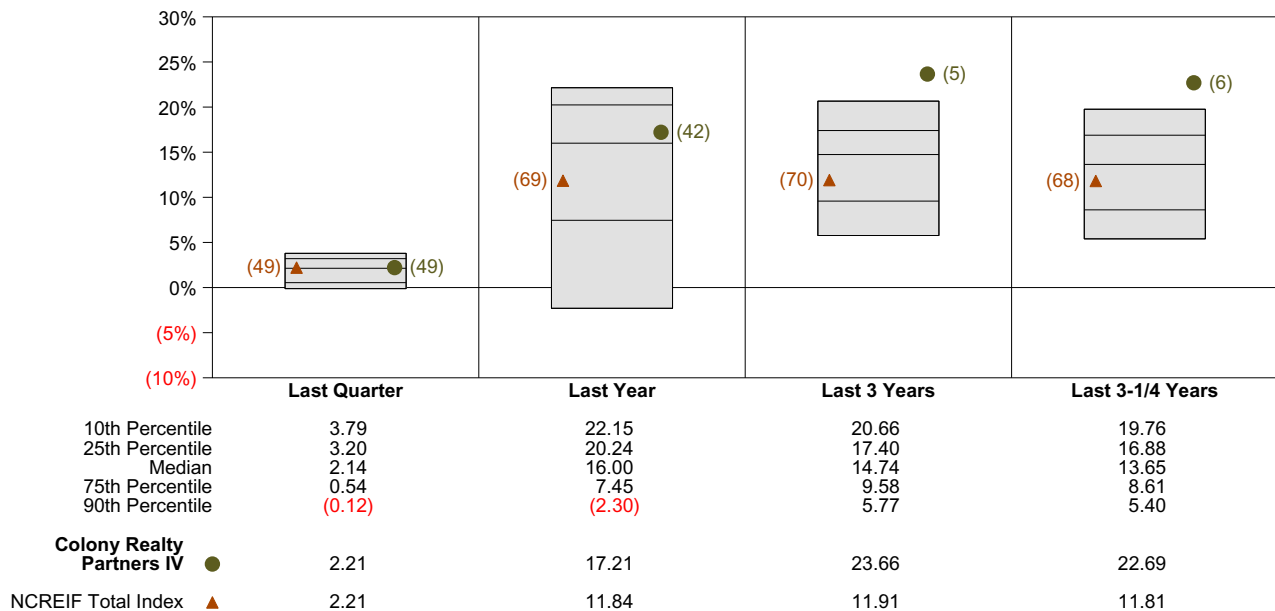
## Investment Philosophy

Colony Realty Partners' primary investment philosophy is to acquire a diverse portfolio of fee simple institutional-quality real estate assets in major US markets. The firm's focus is on small to mid-sized assets, with an average transaction size of \$30 million. This strategy is intended to protect the performance of the account by minimizing exposure to downturns in particular product types, industries, and regions. In addition, leases are managed with the objective of having no more than 20% of the portfolio expirations occurring in any given year. By having a large number of commercial tenants, the financial performance of the account should not be significantly affected by any one tenant or industry. Current quarter performance is preliminary - market value of the fund was adjusted to match NCREIF Property Index return. 4Q actual performance was +1.79% vs. NCREIF +2.91%.

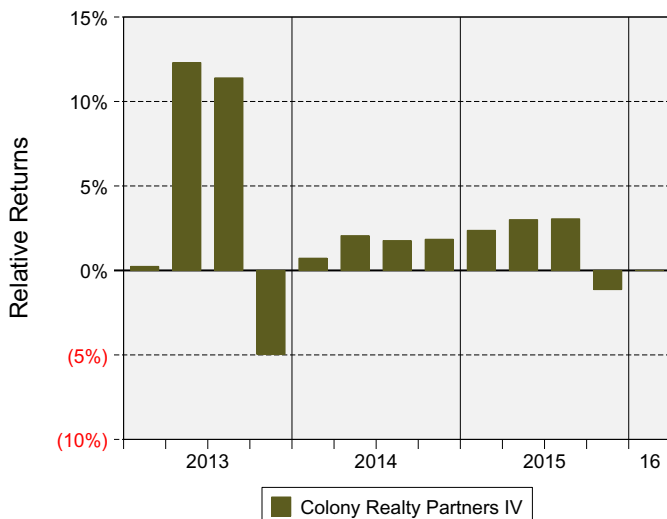
## Quarterly Summary and Highlights

- Colony Realty Partners IV's portfolio posted a 2.21% return for the quarter placing it in the 49 percentile of the Real Estate Value Added group for the quarter and in the 42 percentile for the last year.
- Colony Realty Partners IV's portfolio underperformed the NCREIF Total Index by 0.00% for the quarter and outperformed the NCREIF Total Index for the year by 5.36%.

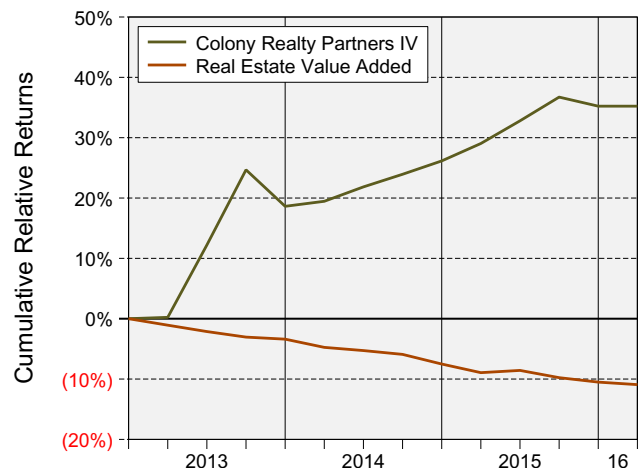
## Performance vs Real Estate Value Added (Net)



## Relative Return vs NCREIF Total Index



## Cumulative Returns vs NCREIF Total Index



# LaSalle Income & Growth VI Period Ended March 31, 2016

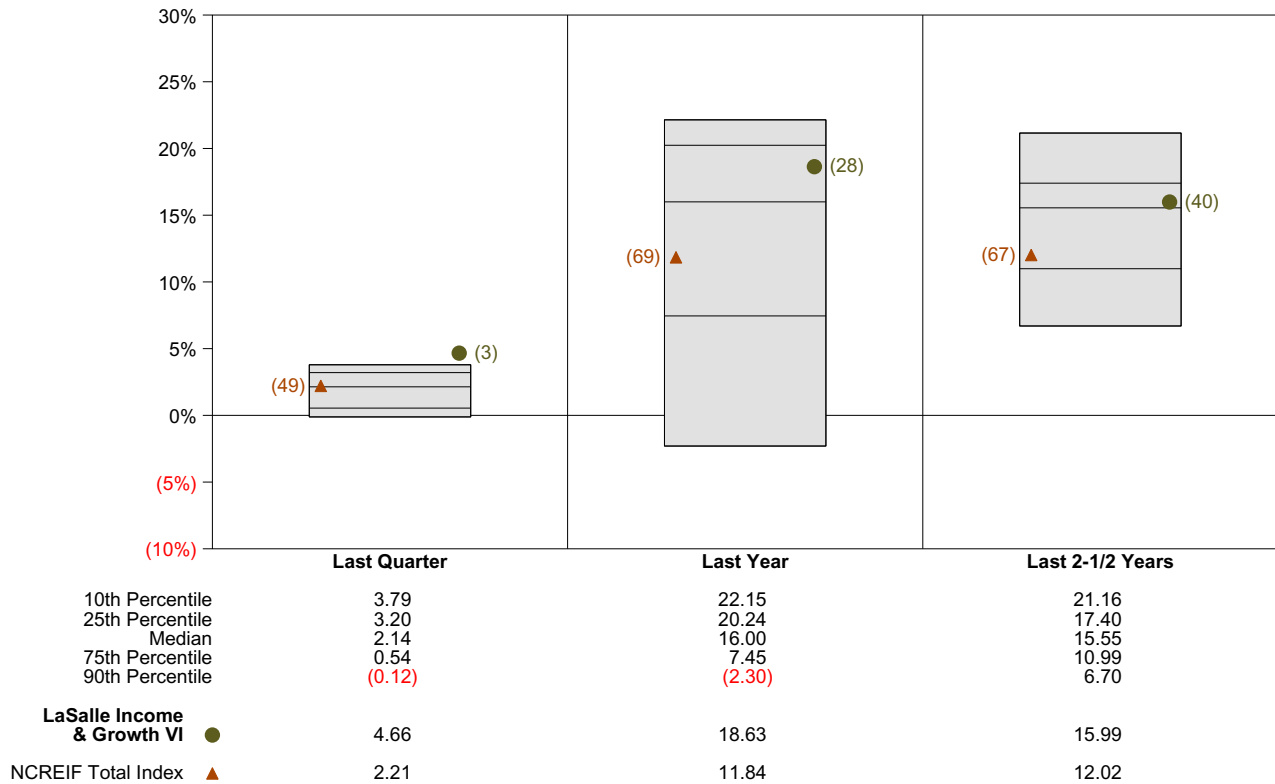
## Investment Philosophy

LaSalle Income & Growth Fund VI is a closed-end, value-added commingled fund investing in the four major property types in the U.S. The Fund seeks to add value through renovation, redevelopment and repositioning of assets to core buyers.

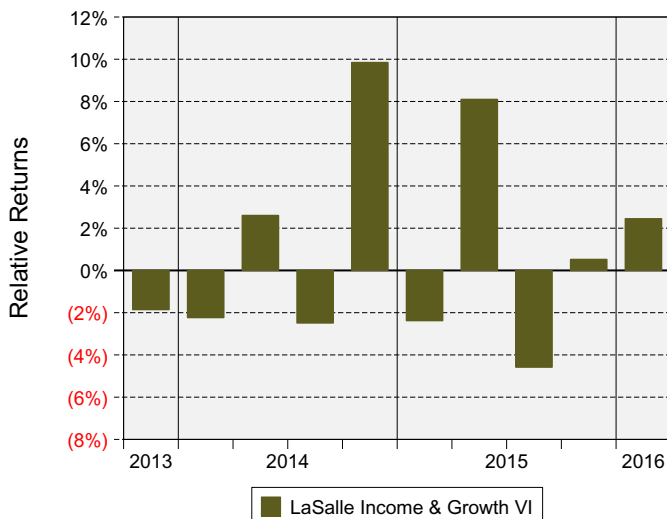
## Quarterly Summary and Highlights

- LaSalle Income & Growth VI's portfolio posted a 4.66% return for the quarter placing it in the 3 percentile of the Real Estate Value Added group for the quarter and in the 28 percentile for the last year.
- LaSalle Income & Growth VI's portfolio outperformed the NCREIF Total Index by 2.45% for the quarter and outperformed the NCREIF Total Index for the year by 6.79%.

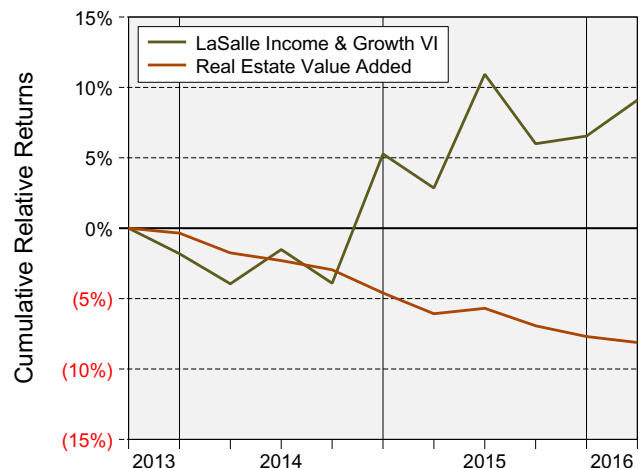
## Performance vs Real Estate Value Added (Net)



## Relative Return vs NCREIF Total Index



## Cumulative Returns vs NCREIF Total Index



# Coral Canyon Town Center Period Ended March 31, 2016

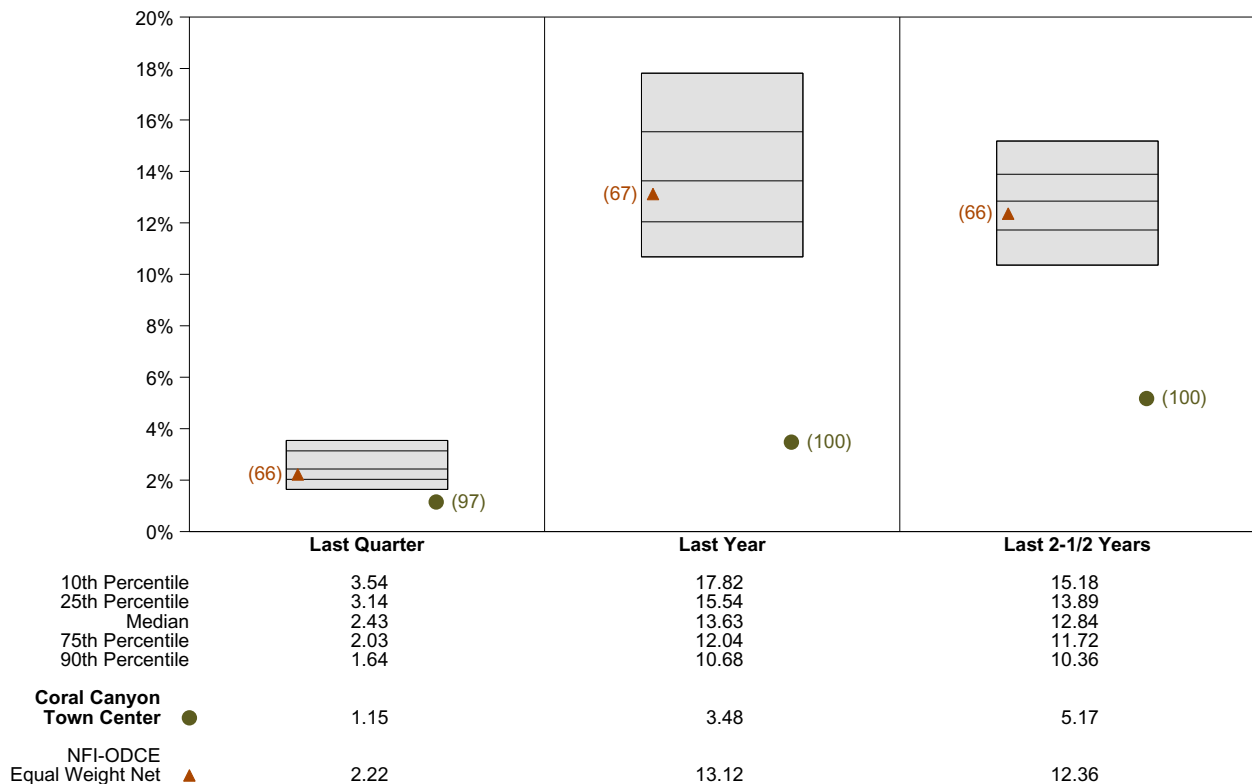
## Investment Philosophy

The Open-End Funds Database consists of all open-end commingled real estate funds. Coral Canyon Town Center is in the Miners Hospital Plan only.

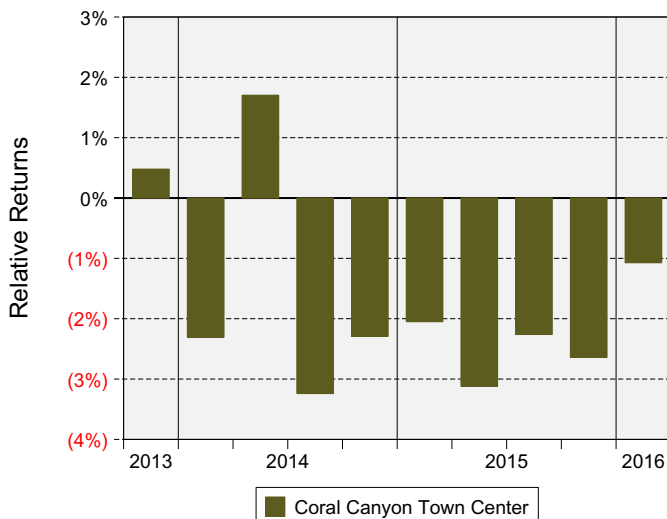
## Quarterly Summary and Highlights

- Coral Canyon Town Center's portfolio posted a 1.15% return for the quarter placing it in the 97 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 100 percentile for the last year.
- Coral Canyon Town Center's portfolio underperformed the NFI-ODCE Equal Weight Net by 1.07% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 9.64%.

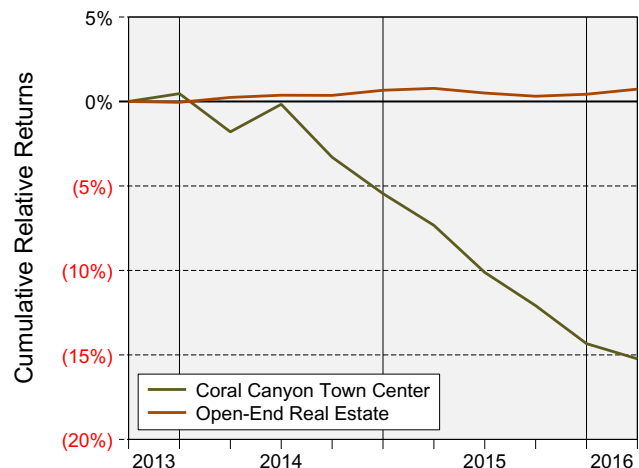
## Performance vs CAI Open-End Real Estate Funds (Net)



## Relative Returns vs NFI-ODCE Equal Weight Net



## Cumulative Returns vs NFI-ODCE Equal Weight Net





## **History of Changes by Asset Class:**

### **Domestic Equity**

- The Domestic Equity asset class consisted of the Vanguard Institutional Index and the Vanguard Total Stock Market fund through June 2007.
- In July 2007, the Vanguard Institutional Index and the Vanguard Total Stock Market funds were liquidated and the Vanguard Structured Large-Cap Index, Vanguard Structured Broad Market fund and Vanguard Strategic Equity fund were funded.

### **International Equity**

- Merrill Lynch International fund was liquidated on October 5, 2004. Since then, the Vanguard International Stock Index has been the standalone international equity option in the Plans.
- The Vanguard International Stock Index transitioned from the Investor share class to the Institutional Plus share class in November 2010.

### **Fixed Income**

- The Vanguard Total Bond Index transitioned from Institutional shares to the Institutional Plus share class in February of 2010.
- Vanguard Total Bond Index was liquidated in April 2013.
- Vanguard Short-Term Investment Grade was funded in April of 2013 in all Plans; the investment was liquidated in the Miners Hospital Plan only in September of 2013
- Vanguard Intermediate-Term Investment Grade was funded in June of 2013 in the Miners Hospital Plan only; and was funded in all Plans in August 2013.

### **Real Estate**

- UBS Trumbull Property Fund was funded in December of 2007 in all Plans; the investment was transitioned from a separate account to a commingled fund March 2008.
- LaSalle Income & Growth V was funded in August of 2008 in the School Fund, School for the Blind and Miners Hospital Plans.
- Fidelity Real Estate Growth Fund III was funded in January of 2008 in the School Fund, School for the Blind and Miners Hospital Plans.
- Colony Realty Partners III was funded in September of 2008 in the School Fund, School for the Blind and Miners Hospital Plans.
- UBS Trumbull Property Income Fund was funded in October of 2010 in all Plans.
- Long Wharf Real Estate Partners Fund IV was funded in November of 2012 in the School Fund, School for the Blind and Miners Hospital Plans.
- Colony Realty Partners IV was funded in December of 2012 in the School Fund, School for the Blind and Miners Hospital Plans.
- LaSalle Income & Growth VI was funded in July of 2013 in the School Fund, School for the Blind and Miners Hospital Plans.
- Coral Canyon Town Center was funded May of 2013 in the Miners Hospital Plan only.



## Research and Educational Programs

The Callan Investments Institute provides research that updates clients on the latest industry trends while helping them learn through carefully structured educational programs. Visit [www.callan.com/research](http://www.callan.com/research) to see all of our publications, or for more information contact Anna West at 415.974.5060 / [institute@callan.com](mailto:institute@callan.com).

### Recent Research



**2016 DC Survey & Key Findings** Callan's 2016 DC Trends Survey highlights plan sponsors' key themes from 2015 and expectations for 2016; the Key Findings summarize the Survey.

**Periodic Table & Periodic Table Collection** Depicts annual investment returns for 10 major asset classes, ranked from best to worst. The Collection includes 10 additional variations.

**Spotlight: Six Key Themes** Callan reflects on some of the ongoing trends within institutional investing and considers how they may develop in the coming year.

**Inside Callan's Database, 4th Quarter 2015** This report graphs performance and risk data from Callan's proprietary database alongside relevant market indices.

**Capital Market Review, 4th Quarter 2015** Insights on the economy and recent performance in equities, fixed income, alternatives, real estate, and more.

**Market Pulse Flipbook, 4th Quarter 2015** A quarterly reference guide covering investment and fund sponsor trends in the U.S. economy, the capital markets, and defined contribution.

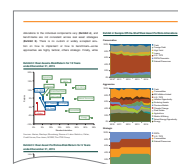
**October Regional Workshop Summary** We reviewed real assets and the implementation implications of building out a robust real assets allocation in portfolios.

**Capital Market Projections** This charticle summarizes key figures from Callan's 2016 capital market projections.

**Global Equity Benchmark Review** This annual report examines FTSE, MSCI, Russell, and S&P indices alongside Callan Active Manager Style Groups.

**Hedge Fund Monitor, 4th Quarter 2015** Our cover story, "David versus Goliath: Sizing Up the Odds," compares the respective advantages and challenges of smaller and larger hedge funds.

**The Renaissance of Stable Value** In this paper, we seek to answer questions about stable value funds, and how they have evolved since the financial crisis.



**Real Assets Reporter, Winter/Spring 2016** In this issue, we look at implementing diversified real asset portfolios, focusing on a process that helps evaluate financial and operational risks.

**U.S. Equity Benchmark Review** This annual report compares CRSP, Russell, and S&P index metrics alongside Callan Active Manager Style Groups.

**DC Observer, 4th Quarter 2015** Cover story: In-Plan Annuities: The Stuff That Dreams Are Made Of?

**The Costs of Closing: Nuclear Decommissioning Trusts** In this video, Julia Moriarty discusses hedging costs, the impact of license extension, and more.

**Private Markets Trends, Winter 2016** Gary Robertson summarizes the market environment, recent events, performance, and other issues involving private equity.

## Events

Miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: <https://www.callan.com/education/CII/>

Our next **Regional Workshop**, June 28 in Atlanta and June 29 in San Francisco, will consist of two separate one-hour presentations given by our specialists. This year, we look at the impact the Pension Protection Act has had on defined benefit and defined contribution retirement plans a decade after its enactment, and look ahead to the next 10 years.

Save the date for our fall **Regional Workshop**, October 25 in New York and October 26 in Chicago, and our **National Conference**, January 23–25, 2017, at the Palace Hotel in San Francisco.

For more information about events, please contact Barb Geraty: 415.974.5060 / [institute@callan.com](mailto:institute@callan.com)

## The Center for Investment Training Educational Sessions

The Center for Investment Training, better known as the “Callan College,” provides a foundation of knowledge for industry professionals who are involved in the investment decision-making process. It was founded in 1994 to provide clients and non-clients alike with basic- to intermediate-level instruction. Our next session is:

### Introduction to Investments

*San Francisco, CA, July 19–20, 2016*

*Chicago, IL, October 18–19, 2016*

This session familiarizes fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals who have less than two years of experience with asset-management oversight and/or support responsibilities. Tuition for the Introductory “Callan College” session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

### Customized Sessions

The “Callan College” is equipped to customize a curriculum to meet the training and educational needs of a specific organization. These tailored sessions range from basic to advanced and can take place anywhere—even at your office.

Learn more at <https://www.callan.com/education/college/> or contact Kathleen Cunnie: 415.274.3029 / [cunnie@callan.com](mailto:cunnie@callan.com)

## Education: By the Numbers

500

Attendees (on average) of the Institute's annual National Conference

50+

Unique pieces of research the Institute generates each year

3,300

Total attendees of the “Callan College” since 1994

1980

Year the Callan Investments Institute was founded



“We think the best way to learn something is to teach it. Entrusting client education to our consultants and specialists ensures that they have a total command of their subject matter. This is one reason why education and research have been cornerstones of our firm for more than 40 years.”

Ron Peyton, Chairman and CEO



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## Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

**Russell 3000 Index** is a composite of 3,000 of the largest U.S. companies by market capitalization. The smallest company's market capitalization is roughly \$20 million and the largest is \$72.5 billion. The index is capitalization-weighted.

**Standard & Poor's 500 Index** is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

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## Fixed Income Market Indicators

**90-Day U.S. Treasury Bills** provide a measure of riskless return. The rate of return is the average interest rate available on the beginning of each month for a Treasury Bill maturing in ninety days.

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## Real Estate Market Indicators

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

**NCREIF Total Index** is an index composed of existing, investment grade, wholly owned and joint venture investments that is limited to non-agricultural, income-producing properties including apartments, hotels, office, retail, R&D, and warehouses. The current quarter's index returns are subject to revision and therefore are considered preliminary until next quarter's returns are released.

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## Callan Associates Databases

In order to provide comparative investment results for use in evaluating a fund's performance, Callan Associates gathers rate of return data from investment managers. These data are then grouped by type of assets managed and by the type of investment manager. Except for mutual funds, the results are for tax-exempt fund assets. The databases, excluding mutual funds, represent investment managers who handle over 80% of all tax-exempt fund assets.

### Equity Funds

Equity funds concentrate their investments in common stocks and convertible securities. The funds included maintain well-diversified portfolios.

**Core Equity** - Mutual funds whose portfolio holdings and characteristics are similar to that of the broader market as represented by the Standard & Poor's 500 Index, with the objective of adding value over and above the index, typically from sector or issue selection. The core portfolio exhibits similar risk characteristics to the broad market as measured by low residual risk with Beta and R-Squared close to 1.00.

### Fixed Income Funds

Fixed Income funds concentrate their investments in bonds, preferred stocks, and money market securities. The funds included maintain well-diversified portfolios.

**Defensive** - Managers whose objective is to minimize interest rate risk by investing predominantly in short to intermediate term securities. The average portfolio duration is similar to the duration of the Merrill Lynch 1-3 Year Bond Index.

**Intermediate** - Managers whose objective is to lower interest rate risk while retaining reasonable yield levels by investing primarily in intermediate term securities. The average portfolio duration is similar to that of the duration of the Barclays Capital Intermediate Government/Credit Bond Index.

**Intermediate Fixed-Income Style Mutual Funds** - mutual funds whose objective is to lower interest rate risk by investing only in intermediate-term securities. The average portfolio maturity is typically five to seven years.

### Real Estate Funds

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

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

### Other Funds

**Endowment/Foundation - Large** - consists of return and asset allocation information for Endowment/Foundation Funds whose market value exceeds \$1 billion.



## List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

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

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please refer to Callan's ADV Part 2A for a more detailed description of the services and products that Callan makes available to investment manager clients through our Institutional Consulting Group, Independent Adviser Group and Fund Sponsor Consulting Group. Due to the complex corporate and organizational ownership structures of many investment management firms, parent and affiliate firm relationships are not indicated on our list.

Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance Department.

Manager Name
13D Management
1607 Capital Partners, LLC
Aberdeen Asset Management PLC
Acadian Asset Management LLC
AEGON USA Investment Management
Affiliated Managers Group, Inc.
AllianceBernstein
Allianz Global Investors
Allianz Life Insurance Company of North America
AlphaOne Investment Services
American Century Investment Management
Amundi Smith Breeden LLC
Analytic Investors
Angelo, Gordon & Co.
Apollo Global Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Artisan Holdings
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Babson Capital Management
Baillie Gifford Overseas Limited
Baird Advisors
Bank of America
Baring Asset Management
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock
BMO Asset Management, Corp.
BNP Paribas Investment Partners
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC

Manager Name
Brown Brothers Harriman & Company
Cambiar Investors, LLC
Capital Group
CastleArk Management, LLC
Causeway Capital Management
Charles Schwab Investment Management
Chartwell Investment Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Management Investment Advisers, LLC
Columbus Circle Investors
Corbin Capital Partners, L.P.
Cornerstone Capital Management
Cramer Rosenthal McGlynn, LLC
Crawford Investment Counsel, Inc.
Credit Suisse Asset Management
Crestline Investors, Inc.
DE Shaw Investment Management, LLC
Delaware Investments
DePrince, Race & Zollo, Inc.
Deutsche Asset Management
Diamond Hill Investments
Duff & Phelps Investment Mgmt. Co.
Eagle Asset Management, Inc.
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
Fiera Capital Global Asset Management
First Eagle Investment Management, LLC
First Hawaiian Bank
Fisher Investments
Fort Washington Investment Advisors, Inc.
Franklin Templeton Institutional
Fred Alger Management, Inc.

Manager Name
Fuller & Thaler Asset Management, Inc.
GAM (USA) Inc.
GE Asset Management
GMO
Goldman Sachs Asset Management
Grand-Jean Capital Management
Guggenheim Investments
Guggenheim Real Estate LLC
GW&K Investment Management
Harbor Capital Group Trust
Hartford Funds
Hartford Investment Management Co.
Henderson Global Investors
Hotchkis & Wiley Capital Management, LLC
HSBC Global Asset Management
Income Research + Management, Inc.
Insight Investment Management Limited
Institutional Capital LLC
INTECH Investment Management, LLC
Invesco
Investec Asset Management
Janus Capital Management, LLC
Jensen Investment Management
J.P. Morgan Asset Management
KeyCorp
Lazard Asset Management
Legal & General Investment Management America
Lincoln National Corporation
LMCG Investments, LLC
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MacKay Shields LLC
Man Investments Inc.
Manulife Asset Management
Martin Currie Inc.
Mellon Capital Management
MFS Investment Management
MidFirst Bank
Mondrian Investment Partners Limited
Montag & Caldwell, LLC
Morgan Stanley Investment Management
Mountain Lake Investment Management LLC
MUFG Union Bank, N.A.
Neuberger Berman
Newton Capital Management
Nicholas Investment Partners
Nikko Asset Management Co., Ltd.
Northern Trust Asset Management
Nuveen Investments, Inc.
OFI Global Asset Management
Old Mutual Asset Management

Manager Name
Opus Capital Management Inc.
Pacific Investment Management Company
Parametric Portfolio Associates
Peregrine Capital Management, Inc.
PGIM
PineBridge Investments
Pinnacle Asset Management L.P.
Pioneer Investments
PNC Capital Advisors, LLC
Polen Capital Management
Principal Global Investors
Private Advisors, LLC
Putnam Investments, LLC
QMA (Quantitative Management Associates)
RBC Global Asset Management
Regions Financial Corporation
RidgeWorth Capital Management, Inc.
Rockefeller & Co., Inc.
Rothschild Asset Management, Inc.
Russell Investments
Santander Global Facilities
Schroder Investment Management North America Inc.
Scout Investments
SEI Investments
Seminole Advisory Services, LLC
Smith, Graham & Co. Investment Advisors, L.P.
Smith Group Asset Management
Standard Life Investments Limited
Standish
State Street Global Advisors
Stone Harbor Investment Partners, L.P.
Systematic Financial Management
T. Rowe Price Associates, Inc.
Taplin, Canida & Habacht
The Boston Company Asset Management, LLC
The Hartford
The London Company
The TCW Group, Inc.
Tri-Star Trust Bank
UBS Asset Management
Van Eck Global
Versus Capital Group
Victory Capital Management Inc.
Vontobel Asset Management, Inc.
Voya Investment Management (fka ING)
Waddell & Reed Asset Management Group
WCM Investment Management
WEDGE Capital Management
Wellington Management Company, LLP
Wells Capital Management
Western Asset Management Company
William Blair & Company