NEPC, LLC

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City of Hartford Municipal Employees' Retirement Fund

Third Quarter 2015
Investment Performance Analysis

November, 2015

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Executive Summary

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NEPC Update

NEPC Updates

September 30, 2015

Highlights of Third Quarter Happenings at NEPC

NEPC Recognitions

- Two of NEPC's Partners were named on the *Chief Investment Officer* magazine's (*CIO*) annual ranking of the world's most influential investment consultants. NEPC's Chief Investment Officer, **Tim McCusker, was named *the* most influential general consultant on the 2015** list of Knowledge Brokers. **KC Connors**, Head of NEPC's Philanthropic Practice Team, **ranked 10th on the 2015 Knowledge Brokers – Specialist list.** The lists are *CIO*'s annual rankings of the most influential investment consultants worldwide[1].

NEPC Client Recognitions

- Two of our clients were recognized for their work in the healthcare industry by *Institutional Investor* on October 7th. Mary O'Reilly, Director, Treasury and Investments at Rochester Health, received the II Investor Intelligence Award for Asset Allocation, and Joshua Rabuck, Executive Director, Investments at Indiana University Health, was accorded the II Investor Intelligence Award for Risk Management.

NEPC Research

Recent White Papers

- *Best Practices: Managing Risk in Corporate VEBA and SERP Plans* (October 2015) - Mike Valchine, CAIA, CIPM, Senior Consultant
- *NEPC's 2015 Defined Contribution Plan & Fee Survey: What a Difference a Decade Makes* (October 2015) – Ross Bremen, CFA, Partner
- *Market Chatter – Has the China Bubble Burst?* (July 2015)
- *Market Chatter – China's Devaluation of the Yuan* (August 2015)
- *2015 Third Quarter Market Thoughts*

Upcoming/Recent Events

- **Healthcare Defined Contribution Fee Survey Results** - Tuesday, November 3, 2015, 3:00 to 4:00 p.m. (EST)
- **NEPC's 2015 Defined Benefit Plan Trends Webinar -** Wednesday, October 21, 2015, 2:00 - 3:00 p.m. (EST)
- NEPC, Newton Capital Management, and the Centre for Endowment Asset Management are hosting a special event that delves into the influence of British economist John Maynard Keynes on the U.S. Endowment Model on October 15, 2015 in Boston, MA.

[1]*CIO Magazine* interviews pension and non-profit CIOs, asset managers and former consultants, to approximate what it calls "the hierarchy of today's institutional consultant industry." The results should not be considered a recommendation of any specific firm or individual consultant. For more information, please visit *CIO Magazine's* web site at http://www.ai-cio.com/2015-knowledge-brokers/. Past performance is no guarantee of future results

Market Environment

Third Quarter 2015 Market Observations

- **A wave of volatility spread across global markets during the quarter**
  - Concerns of an economic slowdown in China sparked a rapid decline in global risk assets with commodities and emerging markets suffering the most
  - A severe global growth downturn remains a low probability tail-risk for capital markets

- **US economy continues to expand albeit at a slow pace**
  - Overall conditions are supportive for growth but strong US dollar is an impediment
  - Benefits of low oil prices slowly compound for US consumers

- **Fed Funds rate increase…**
  - Timing is less relevant, of importance is the path of Fed policy tightening relative to expectations and long-term policy (L-T policy rate of 2% or 4%)
  - Current Fed willingness to tighten monetary policy balanced between disruptive effects of a stronger dollar and inflation conditions of US economy

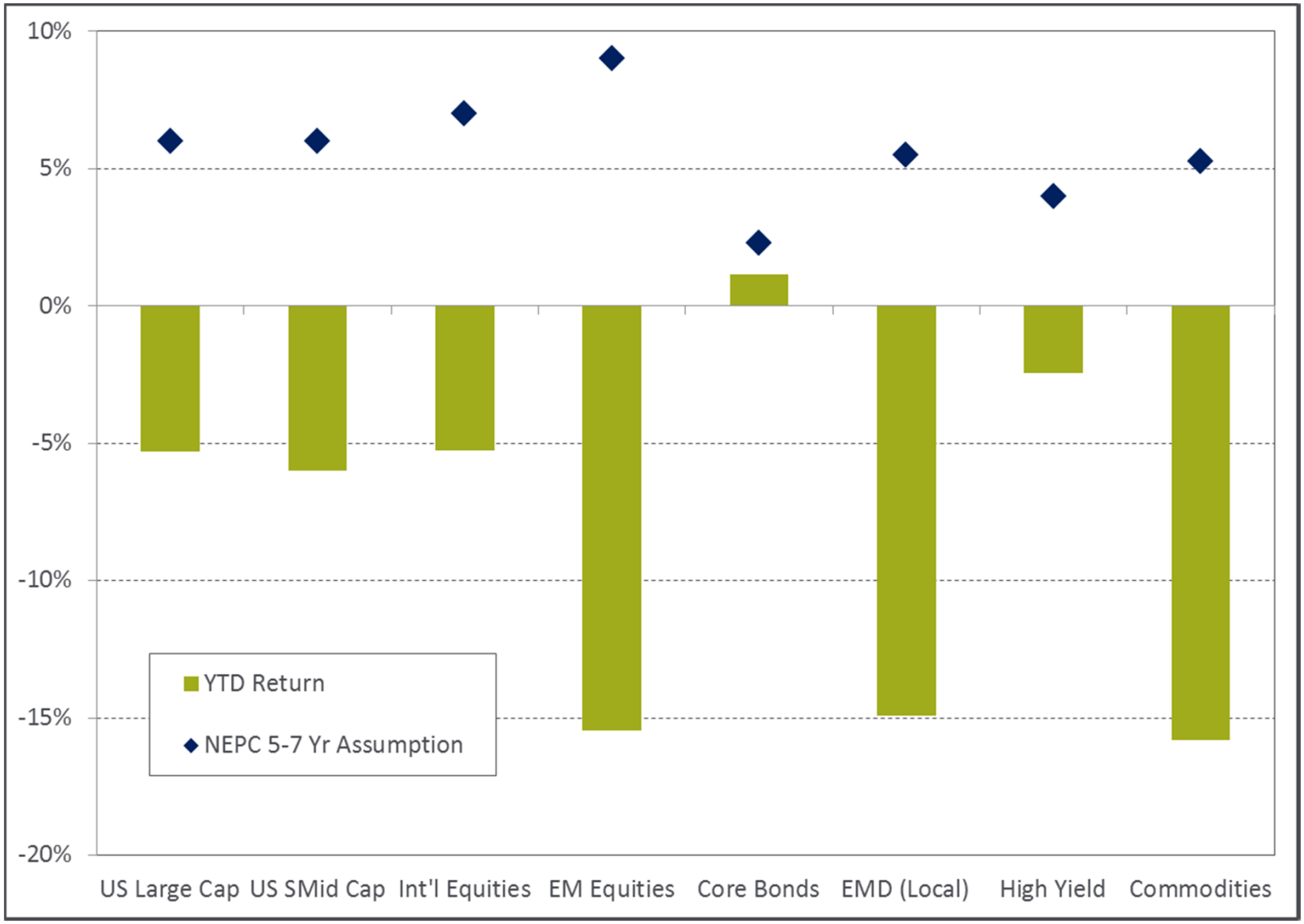
- **Accommodative global monetary policies flow through to markets**
  - QE continues to support for improved economic conditions in Europe and Japan
  - China policy responses broadly simulative with plenty of dry powder for further easing

- **Cyclical weak growth is not a financial crisis for the Emerging Markets**
  - Negative returns in EM reflect the economic rebalances and adjustments necessary to generate sustainable growth and economic success
  - Political and economic reform initiatives drive the outlook for improved economic and earnings growth for countries willing to reform

Third Quarter 2015 Market Actions

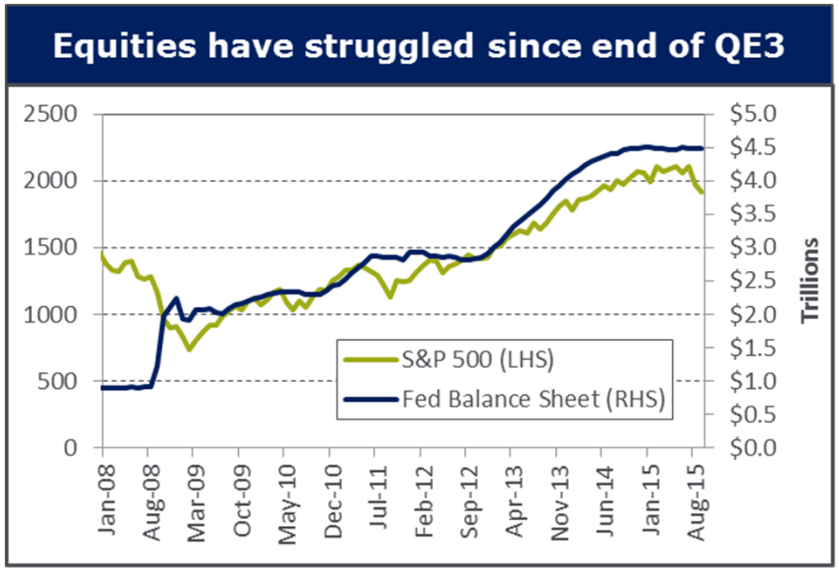
- **Risk-return profile of US high yield is attractive relative to US equities**
  - High yield credit spreads now exceed long-term averages with yields near 2012 levels
  - Make use of dynamic credit strategies as disruptions in credit markets move rapidly
  - Dollar strength is a headwind for equity earnings growth and profit margin expansion
- **Recommend an overweight exposure to developed market equities**
  - Suggest investors opportunistically exploit potential volatility to add to the overweight
  - Long-term opportunity remains as earnings improve off cyclical lows in Europe/Japan
  - Offers a more favorable return outlook with superior valuations relative to US equities
- **Recommend at minimum a market weight exposure to EM equities**
  - Reasonable equity valuations, depressed currencies, and the attractiveness of long-term fundamentals represent a solid investment foundation
  - Volatility likely to continue as falling commodity prices, trade linkages to China, and external debt levels pose idiosyncratic country risks
  - Encourage the use of benchmark agnostic strategies with a bias towards small-cap and consumer focused strategies
- **Inflation expectations at historical lows but value opportunities can be found in inflation-sensitive assets**
  - Encourage patience as volatility and opportunities evolve in commodity markets
  - Private strategies are evolving but provide compelling return opportunities

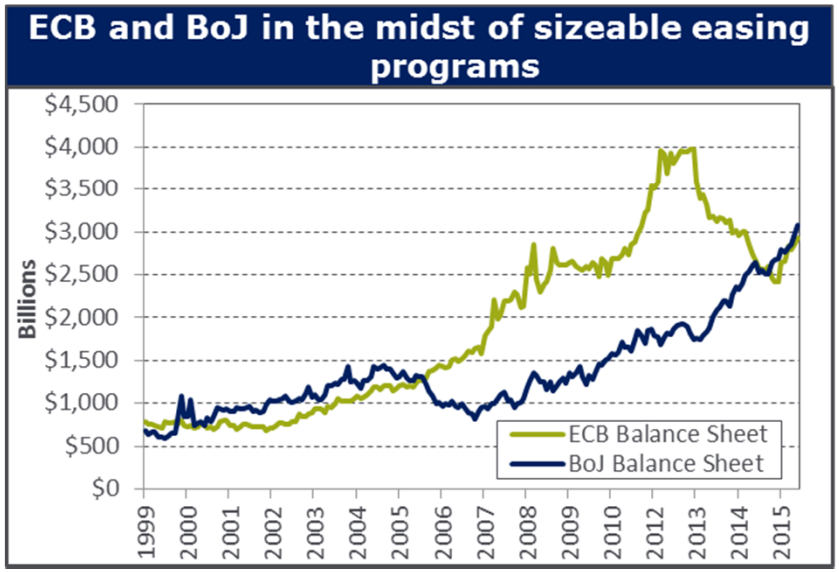
Year to Date Performance – Few Places to Hide

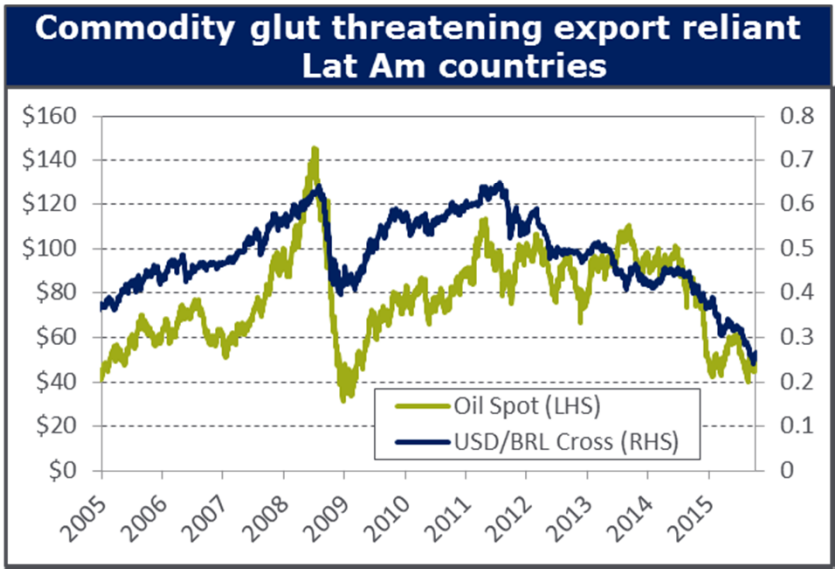


Source: Morningstar Direct, NEPC

Global Risks are Diverse and Unique

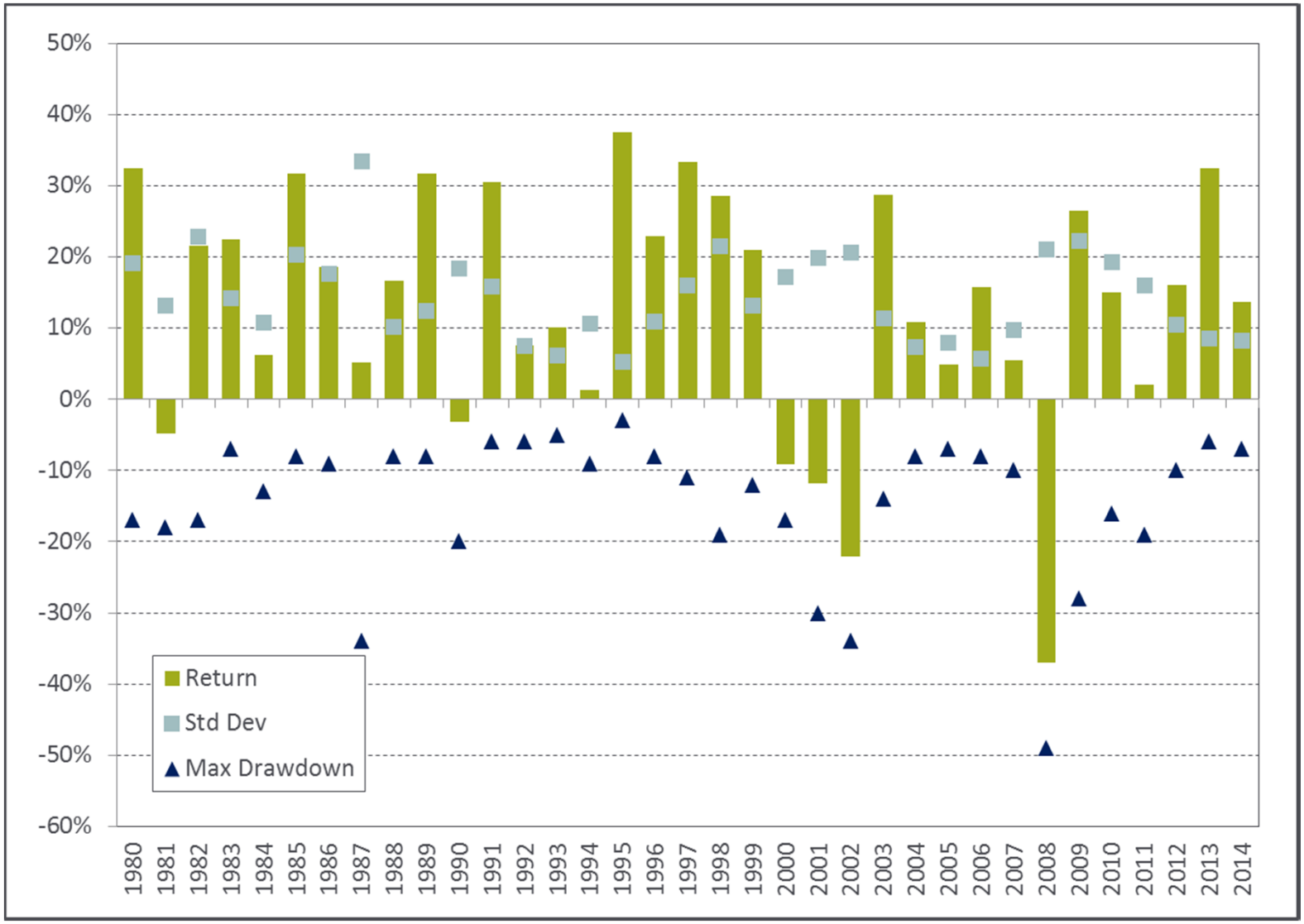






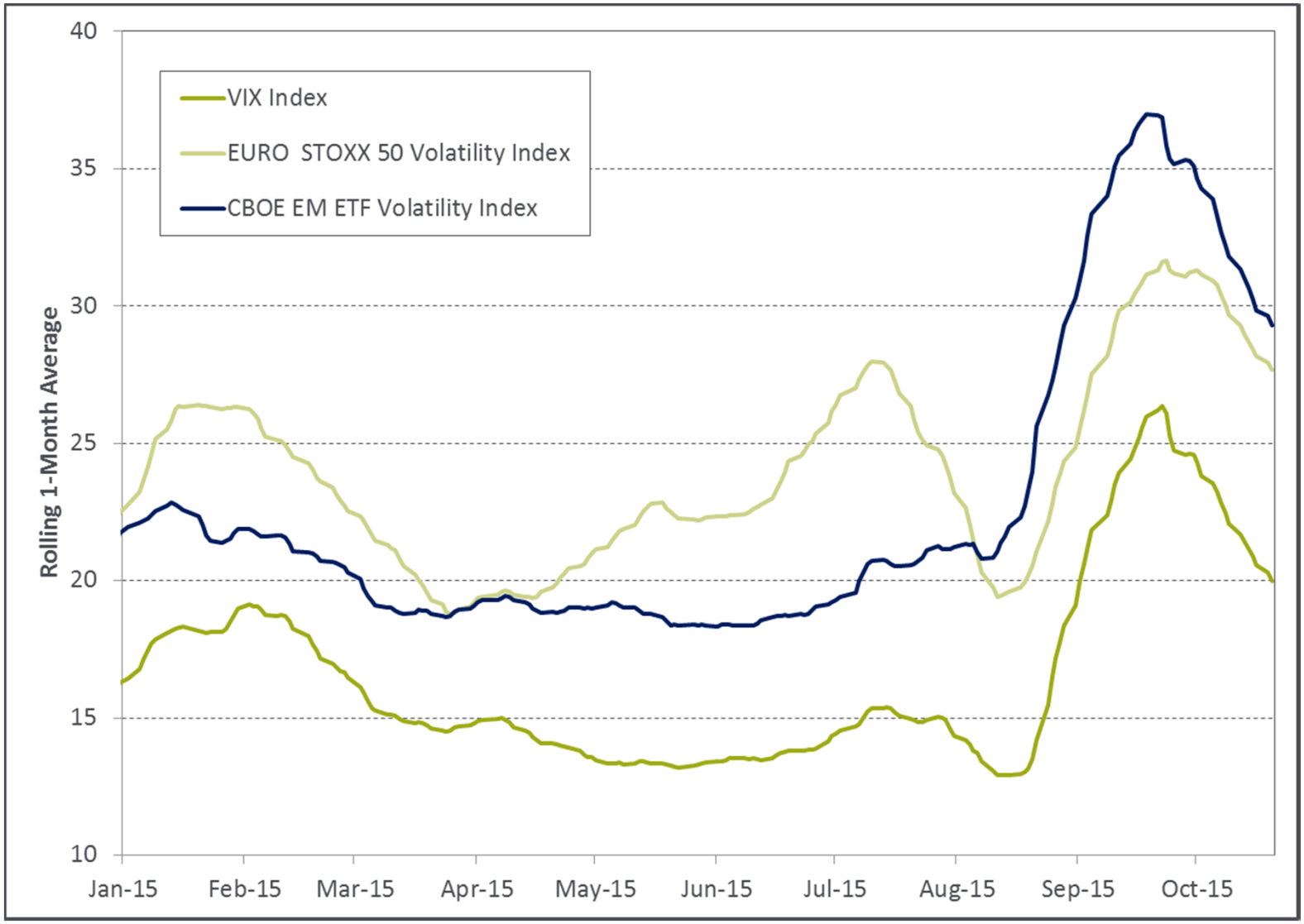
Sources: Standard & Poors, The Federal Reserve, ECB, BoJ, Bloomberg Energy, Bloomberg

S&P 500 Intra-Year Drawdowns of Current Magnitude Relatively Common



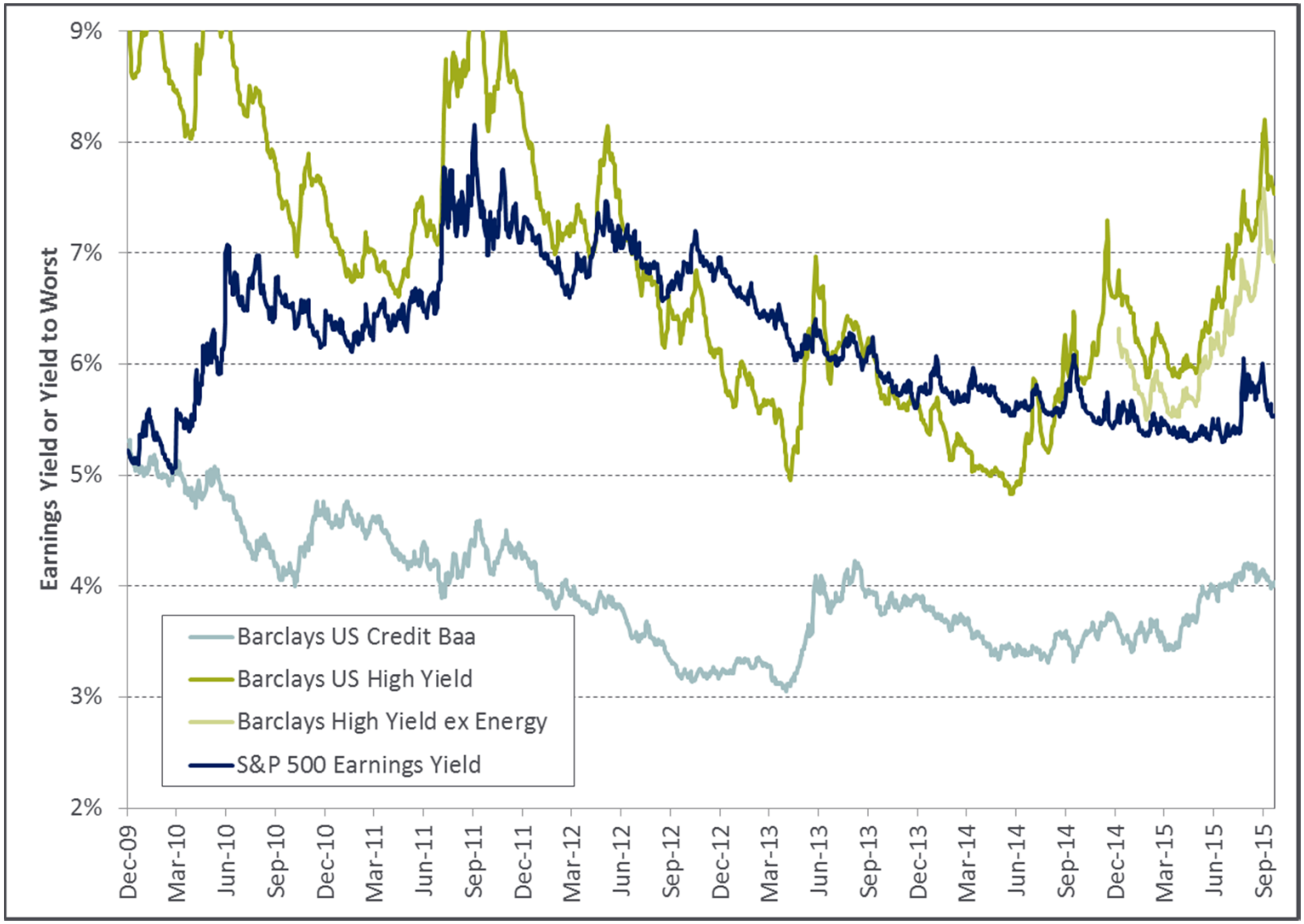
Source: Standard & Poors, Bloomberg

Increase in Global Volatility Finally Caught Up with Equities



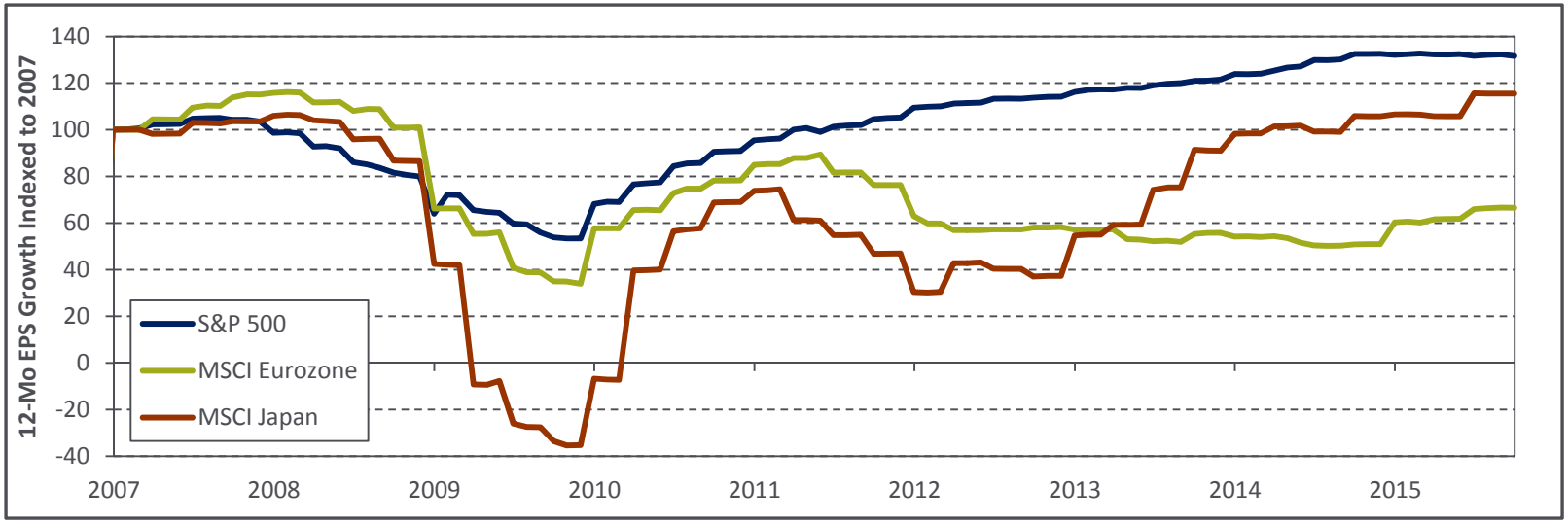
Source: Deutsche Borse, Goldman Sachs, CBOE, Bloomberg

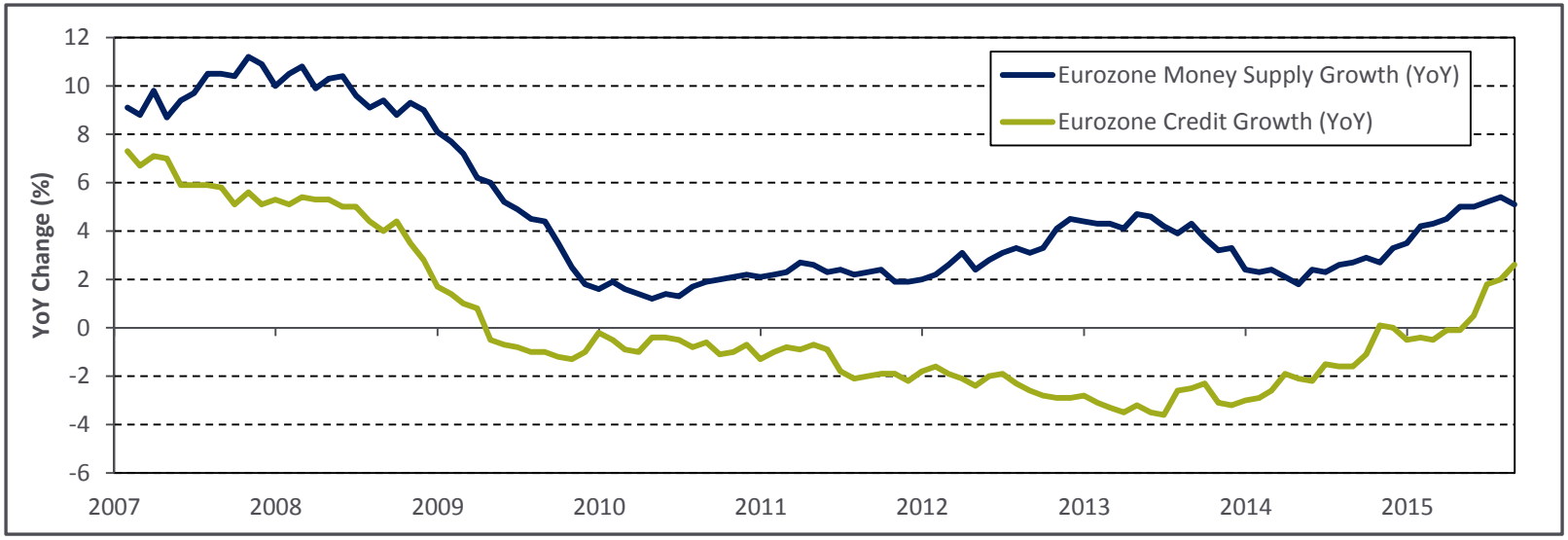
High Yield Issues Now Yielding >7% in Otherwise Low Yield World



Source: Barclays, Standard & Poors, Bloomberg

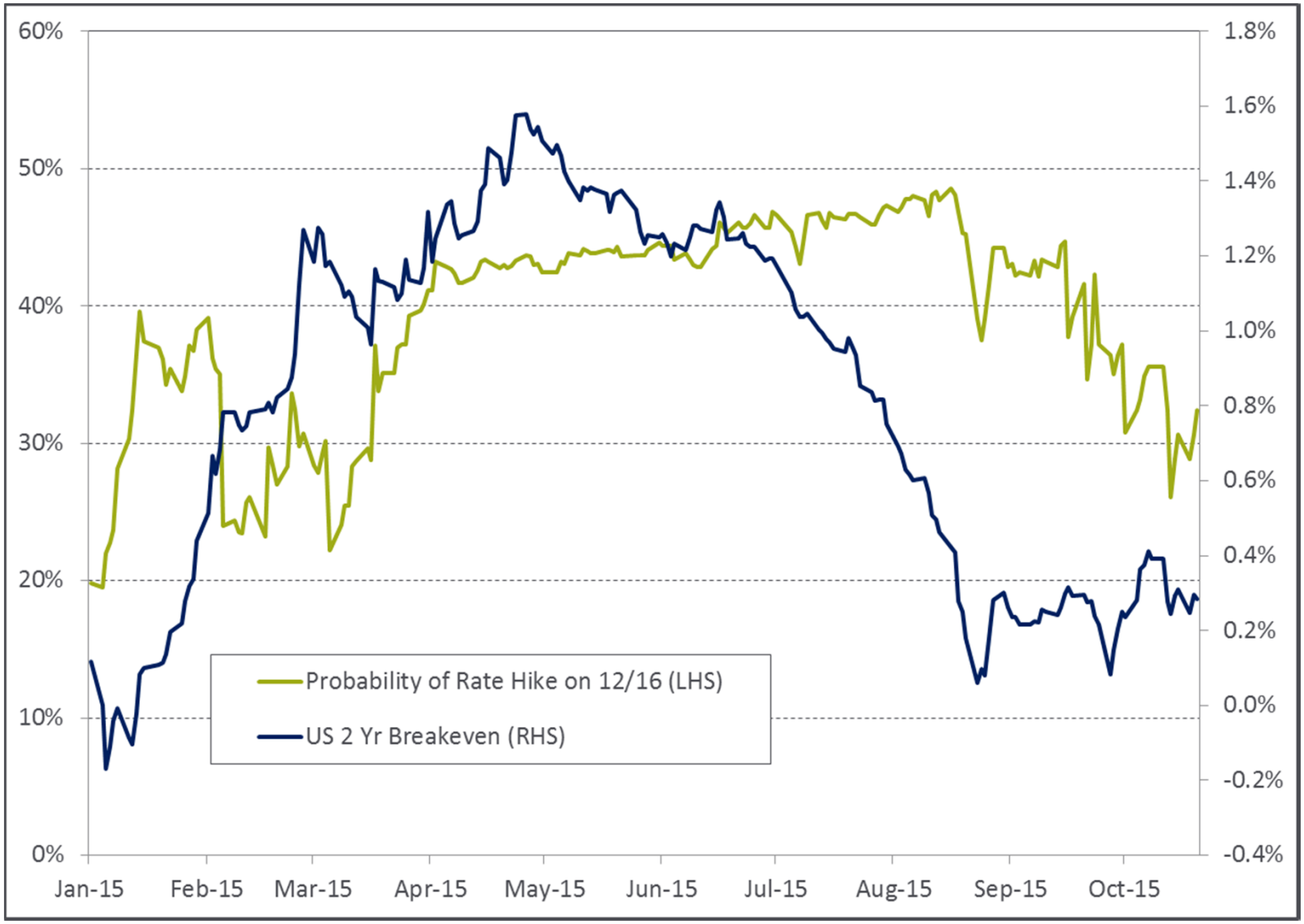
Japan Earnings Recovery is Well Underway, Conditions Supportive for Improvement in Europe





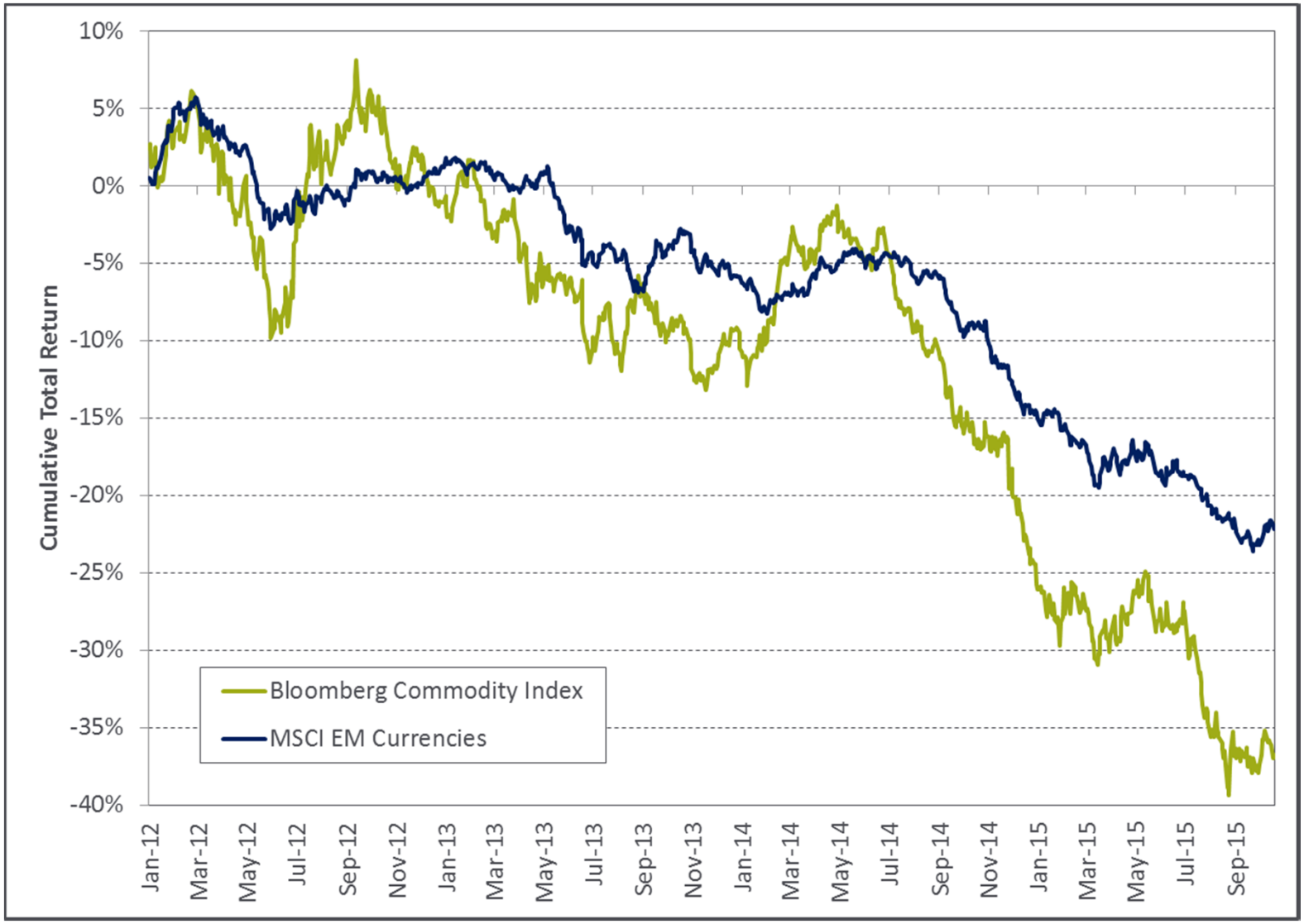
Sources: Standard & Poors, MSCI, Bloomberg

Near Term Inflation Expectations Have Declined as a Rate Hike Has Been Pushed Further Out



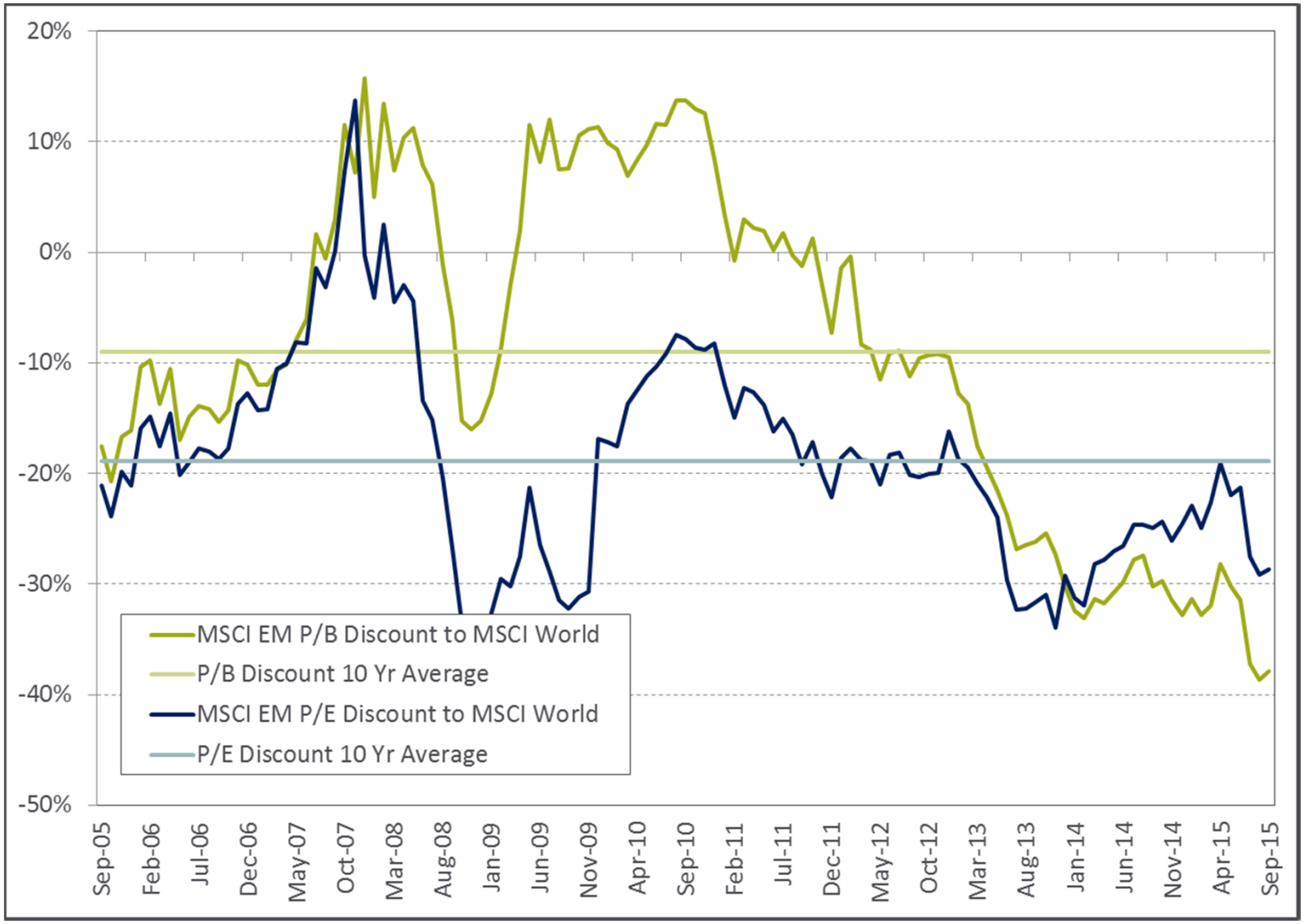
Source: Bloomberg

Commodity Price Weakness Has Been Challenging for EM Currencies



Source: MSCI, Bloomberg

EM Equities Trading at Large Discounts Relative to Developed Equities



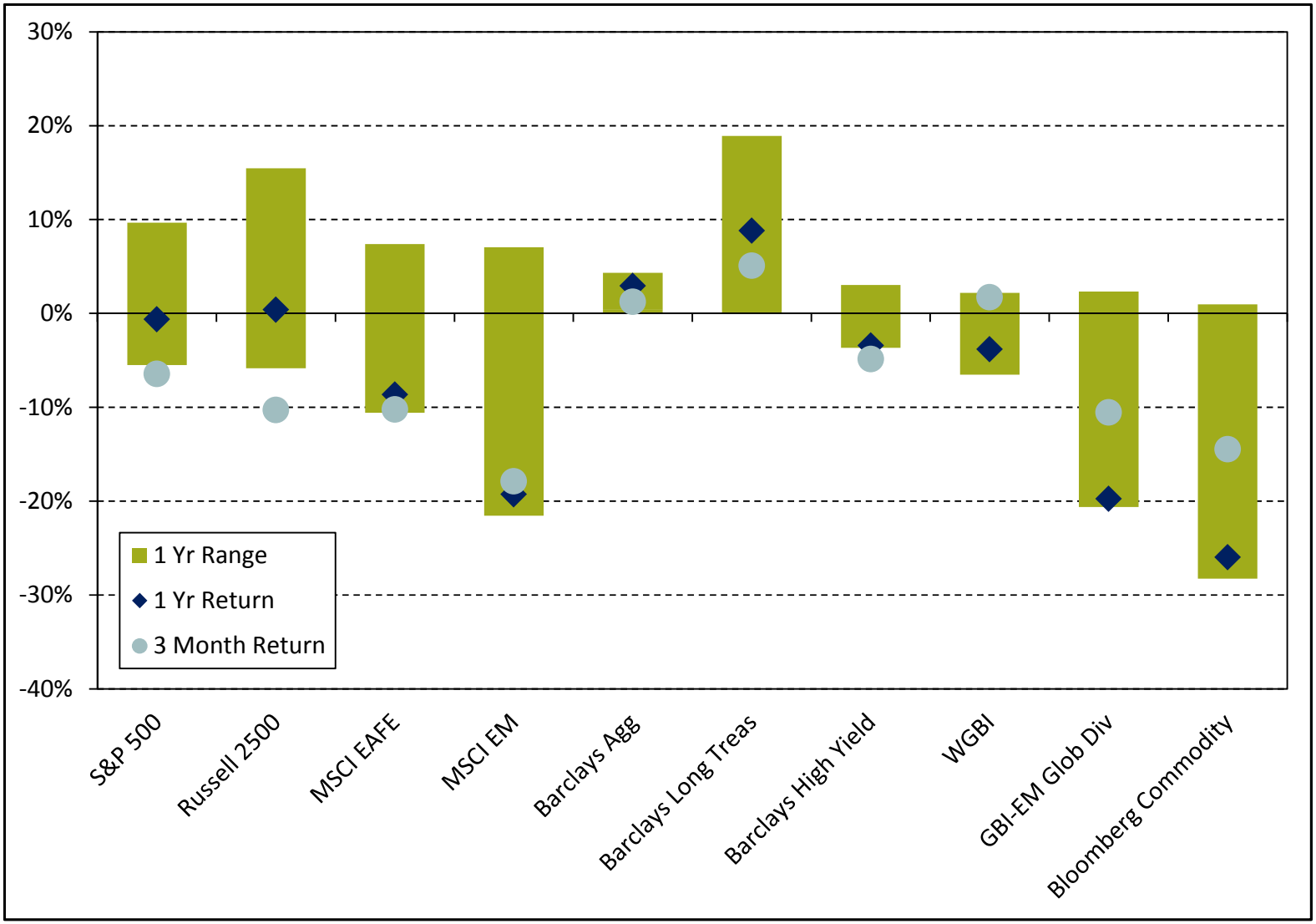
Source: MSCI, Bloomberg

Index Performance Summary as of 9/30/2015

	2008	2009	2010	2011	2012	2013	2014	Q1	Q2	JUL	AUG	SEPT	Q3	YTD
Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	1.0%	-0.9%	0.7%	0.2%	0.7%	1.7%	1.8%
Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	4.1%	1.3%	-0.7%	0.5%	0.0%	0.7%	1.1%	1.7%
Credit Suisse Lev Loan	-28.8%	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	2.1%	0.8%	0.1%	-0.7%	-0.7%	-1.2%	1.6%
Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	1.6%	-1.7%	0.7%	-0.1%	0.7%	1.2%	1.1%
Barclays US Gov/Cred 1-3Yr	5.0%	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.6%	0.1%	0.1%	-0.1%	0.3%	0.3%	1.0%
Credit Suisse Hedge Fund	-19.1%	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	2.5%	-0.5%	0.9%	-2.0%	N/A	N/A	0.8%
JPM EMBI Glob Div	-12.0%	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	2.0%	-0.3%	0.5%	-0.9%	-1.3%	-1.7%	-0.1%
Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-2.5%	-1.5%	0.5%	0.5%	0.8%	1.7%	-2.4%
Barclays US Gov/Cred Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	3.4%	-7.6%	2.2%	-0.8%	0.8%	2.2%	-2.4%
Barclays US Corp High Yield	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	2.5%	0.0%	-0.6%	-1.7%	-2.6%	-4.9%	-2.5%
Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	5.5%	-14.3%	5.9%	0.1%	1.5%	7.6%	-2.7%
FTSE NAREIT Equity REITs	-37.7%	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	4.8%	-10.0%	5.6%	-6.2%	2.9%	2.0%	-3.8%
Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	3.1%	-7.3%	1.5%	-1.3%	0.4%	0.5%	-3.9%
Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	1.6%	0.1%	1.9%	-6.0%	-2.7%	-6.8%	-5.2%
MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	4.9%	0.6%	2.1%	-7.4%	-5.1%	-10.2%	-5.3%
S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.0%	0.3%	2.1%	-6.0%	-2.5%	-6.4%	-5.3%
Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	5.2%	-0.3%	-0.2%	-5.9%	-4.5%	-10.3%	-6.0%
MSCI ACWI	-42.2%	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	2.3%	0.3%	0.9%	-6.9%	-3.6%	-9.5%	-7.0%
Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	4.3%	0.4%	-1.2%	-6.3%	-4.9%	-11.9%	-7.7%
JPM GBI-EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-4.0%	-1.0%	-2.6%	-5.4%	-3.0%	-10.5%	-14.9%
MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	2.2%	0.7%	-6.9%	-9.0%	-3.0%	-17.9%	-15.5%
Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-5.9%	4.7%	-10.6%	-0.9%	-3.4%	-14.5%	-15.8%
Alerian MLP	-36.9%	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-5.2%	-6.1%	-3.2%	-5.0%	-15.3%	-22.1%	-30.7%

Source: Morningstar Direct

Broad Market Performance Summary as of 9/30/2015



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan
**1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago*

Executive Summary

Investment Summary

Portfolio Commentary

- **Goals & Objectives**
  - The portfolios investment objective is to achieve a rate of return consistent with that of the set asset allocation, while maintaining a long term investment horizon for the Fund.
  - As of September 30, 2015 the long term target allocation of the fund is 32% equities, 30.5% fixed income, 7% GAA, 29% alternatives, and 1.5% to cash.
- **Recent Decisions and Ongoing Activities**
  - NEPC will assist Staff in reviewing and evaluating the overlay within the PIMCO Long Duration portfolio
  - NEPC will assist Staff in implementing a blended approach within the emerging market debt mandate
- **Total Fund Performance**
  - The Fund returned -4.3% for the Quarter, which ranked in the 21st percentile in the IF Public DB Fund Universe.
  - Active management was additive to performance in the quarter as the fund's international equity managers collectively outperformed its benchmark by 170 basis points in the quarter
- **Total Fund Asset Allocation**
  - Currently, the Fund is overweight to Domestic Equity, Core Fixed Income, High Yield, TIPS, Emerging Market Debt, Private Equity and cash. The fund is underweight to international Equity, Emerging Market Equity, Long Government/Credit, Unconstrained Fixed Income, GAA, Private Debt, Hedge Funds, and Real Assets relative to long term targets

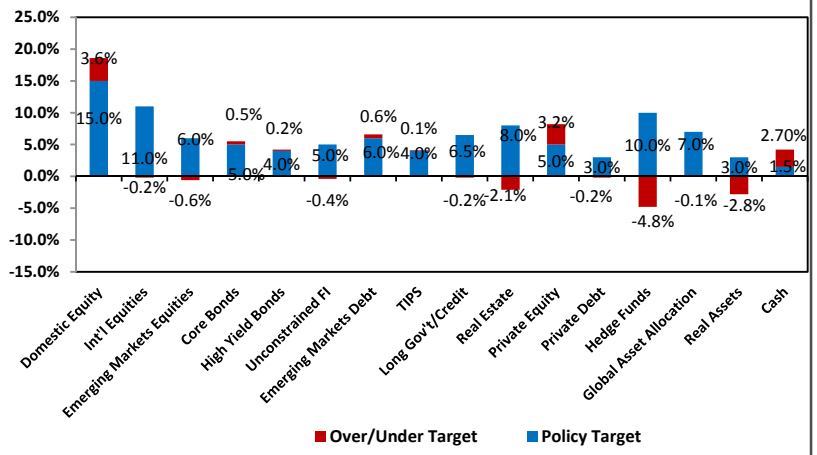
Total Return

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Total Composite	-4.3	-1.2	5.1	6.4
Rank	21	62	86	82
Median Public Funds	-5.1	-0.6	6.8	7.5
Policy Index	-4.5	-2.9	4.1	5.9

Periods longer than one year are annualized

*Rankings versus total Public Fund s1=best, 100=worst.

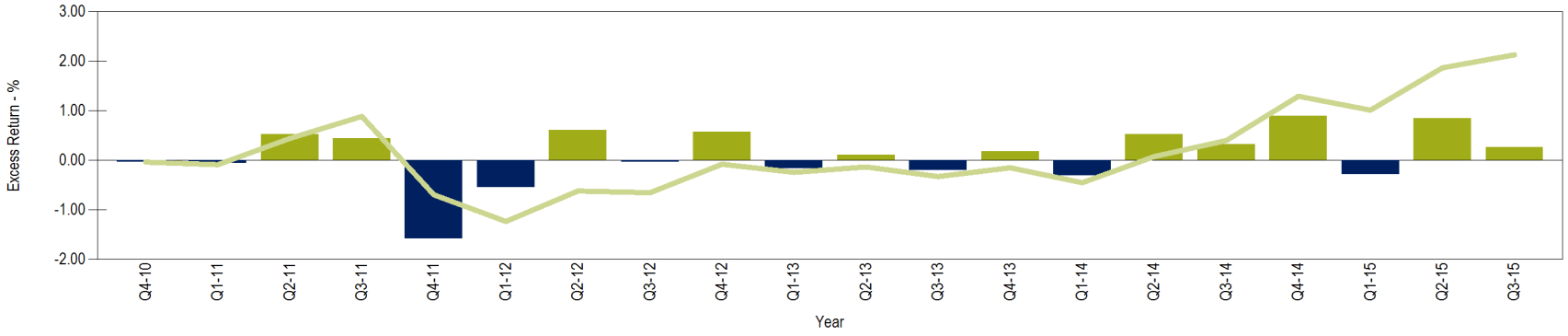
Current Allocation Total Composite vs. Long Term Policy Targets



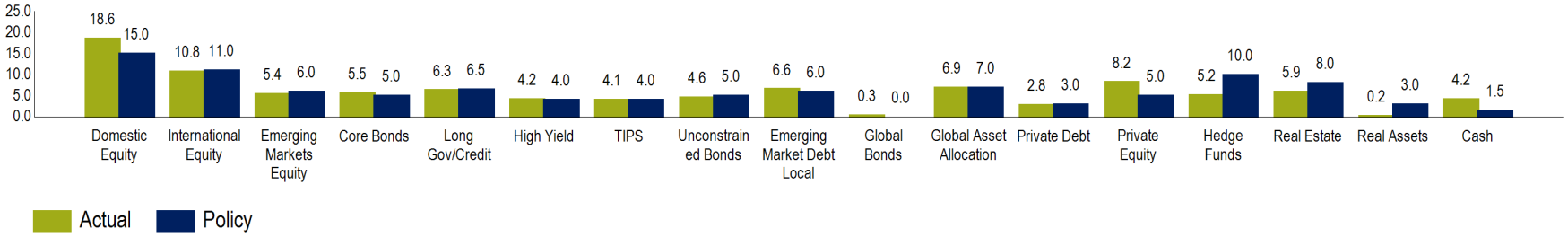
Total Fund Performance Summary

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Composite	**$967,111,265**	**-4.3%**	**21**	**-2.0%**	**27**	**-1.2%**	**63**	**5.1%**	**86**	**6.4%**	**82**
Policy Index		*-4.5%*	*32*	*-2.8%*	*56*	*-2.9%*	*87*	*4.1%*	*91*	*5.9%*	*91*
Allocation Index		*-5.3%*	*61*	*-3.3%*	*71*	*-2.2%*	*80*	*5.2%*	*84*	*6.1%*	*88*
InvestorForce Public DB Gross Median		*-5.0%*		*-2.6%*		*-0.6%*		*6.9%*		*7.5%*	

Quarterly and Cumulative Excess Performance

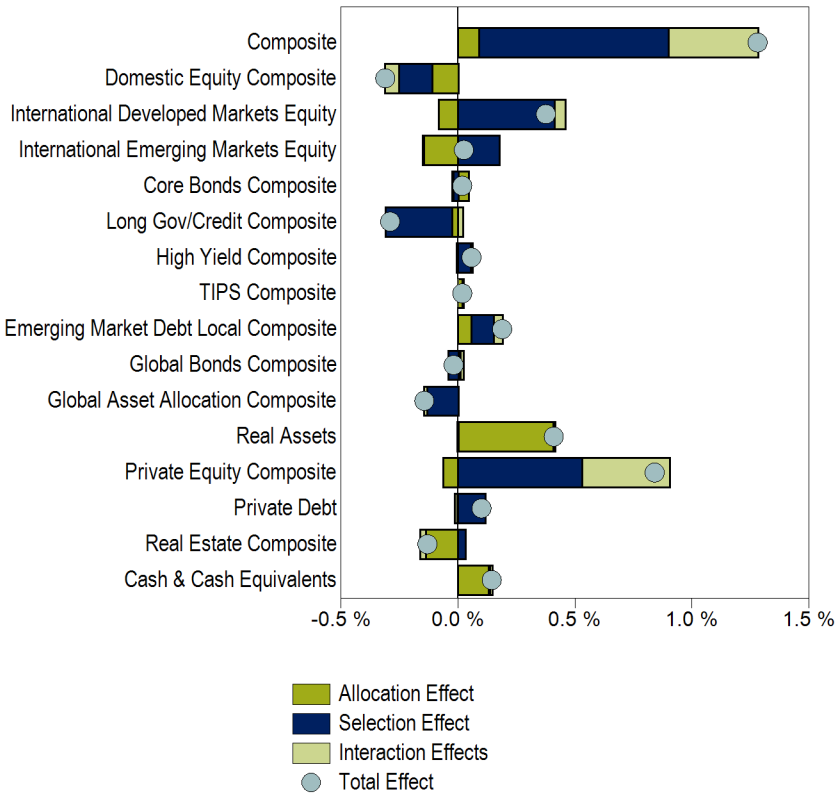


Actual vs Target Allocation (%)



Total Fund Attribution Analysis

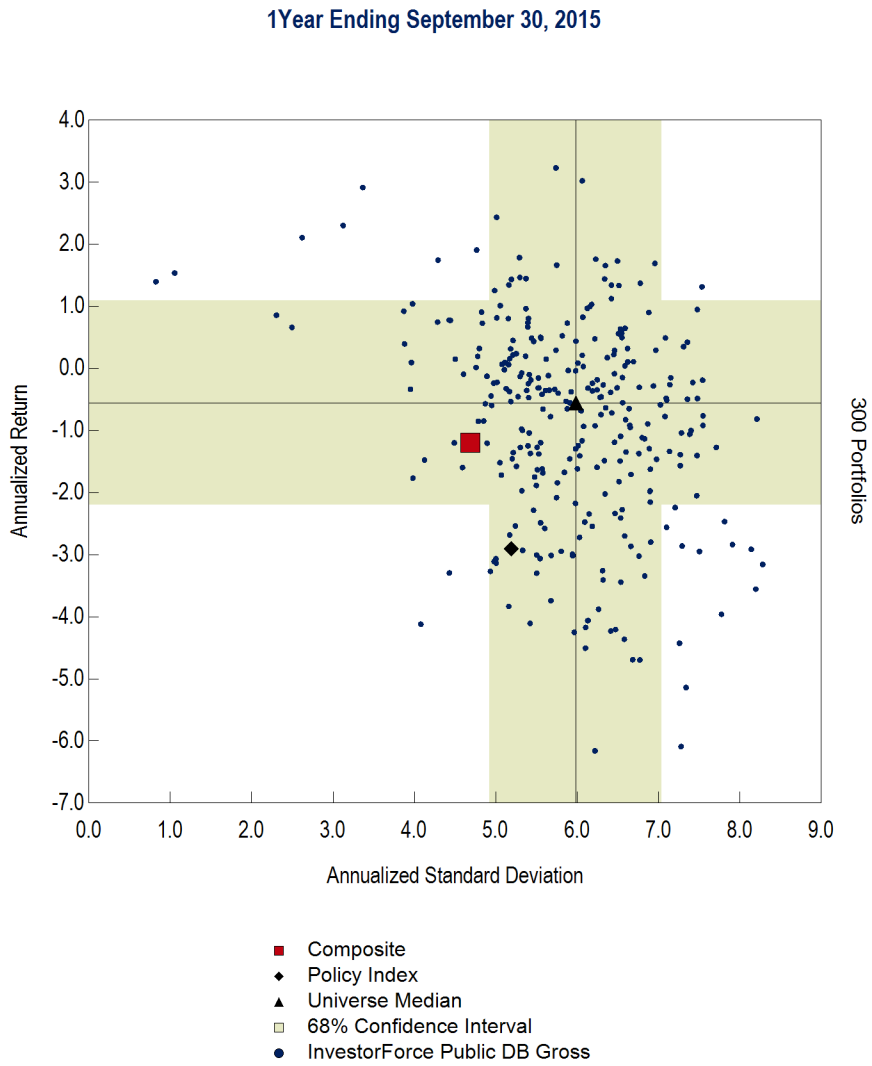
Attribution Effects Relative to Policy Index
3 Months Ending September 30, 2015



Attribution Summary
3 Months Ending September 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	-8.2%	-7.2%	-0.9%	-0.1%	-0.1%	-0.1%	-0.3%
International Developed Markets Equity	-8.8%	-12.5%	3.7%	0.4%	-0.1%	0.0%	0.4%
International Emerging Markets Equity	-16.3%	-17.9%	1.5%	0.2%	-0.1%	0.0%	0.0%
Core Bonds Composite	0.8%	1.2%	-0.4%	0.0%	0.0%	0.0%	0.0%
Long Gov/Credit Composite	-1.8%	2.2%	-3.9%	-0.3%	0.0%	0.0%	-0.3%
High Yield Composite	-4.2%	-5.6%	1.4%	0.1%	0.0%	0.0%	0.1%
TIPS Composite	-1.1%	-1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt Local Composite	-0.4%	-2.0%	1.7%	0.1%	0.1%	0.0%	0.2%
Global Bonds Composite	0.1%	0.9%	-0.8%	0.0%	0.0%	0.0%	0.0%
Global Asset Allocation Composite	-6.3%	-4.4%	-1.9%	-0.1%	0.0%	0.0%	-0.1%
Real Assets	-19.2%	-19.3%	0.1%	0.0%	0.4%	0.0%	0.4%
Private Equity Composite	4.5%	-6.5%	11.0%	0.5%	-0.1%	0.4%	0.8%
Private Debt	2.8%	-1.2%	4.0%	0.1%	0.0%	0.0%	0.1%
Real Estate Composite	3.5%	3.1%	0.4%	0.0%	-0.1%	0.0%	-0.1%
Cash & Cash Equivalents	0.4%	0.0%	0.3%	0.0%	0.1%	0.0%	0.1%
Total	**-4.4%**	**-5.0%**	**0.6%**	**0.8%**	**0.1%**	**0.4%**	**1.3%**

Total Fund Risk/Return - 1 Years



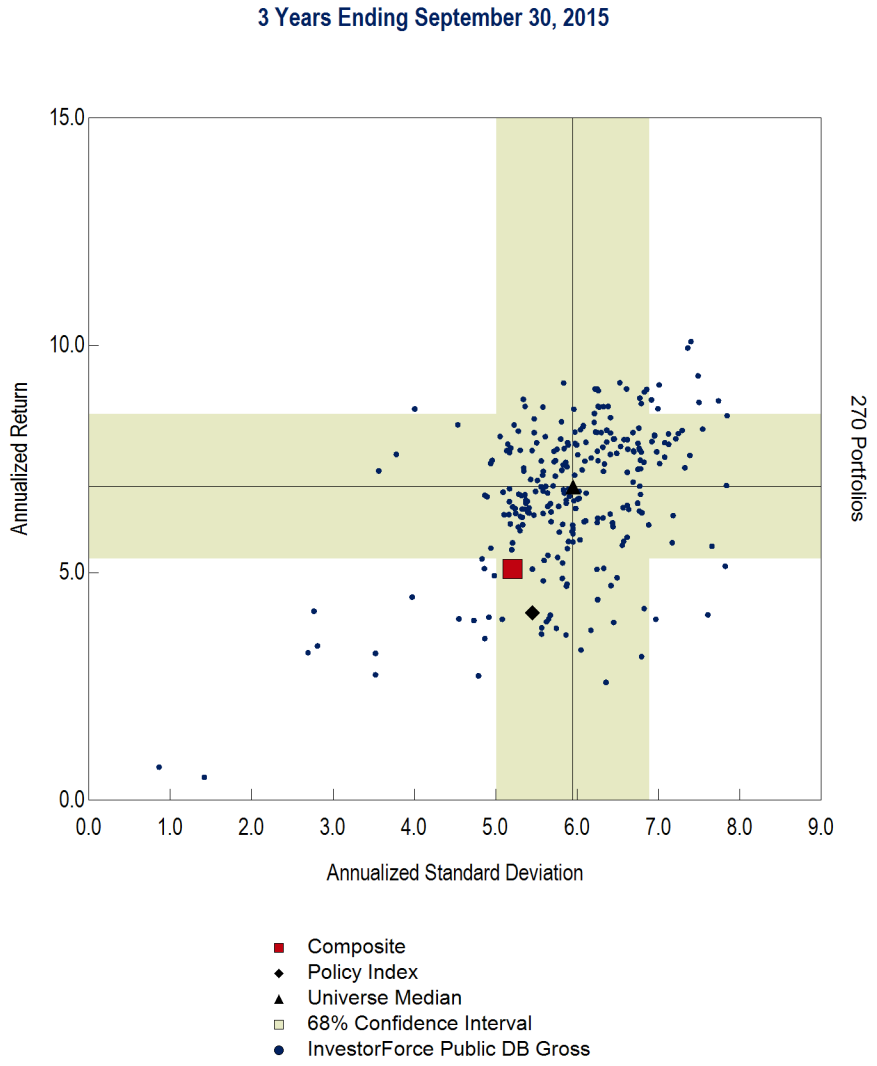
1 Years Ending September 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Composite	-1.20%	63	4.69%	8
Policy Index	-2.90%	87	5.19%	22
Allocation Index	-2.20%	80	5.82%	45

1 Years Ending September 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Composite	-0.26	71	-0.41	78
Policy Index	-0.56	92	-0.82	95
Allocation Index	-0.38	82	-0.48	81

Total Fund Risk/Return - 3 Years



3 Years Ending September 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Composite	5.08%	86	5.20%	15
Policy Index	4.12%	91	5.45%	26
Allocation Index	5.22%	84	6.19%	60

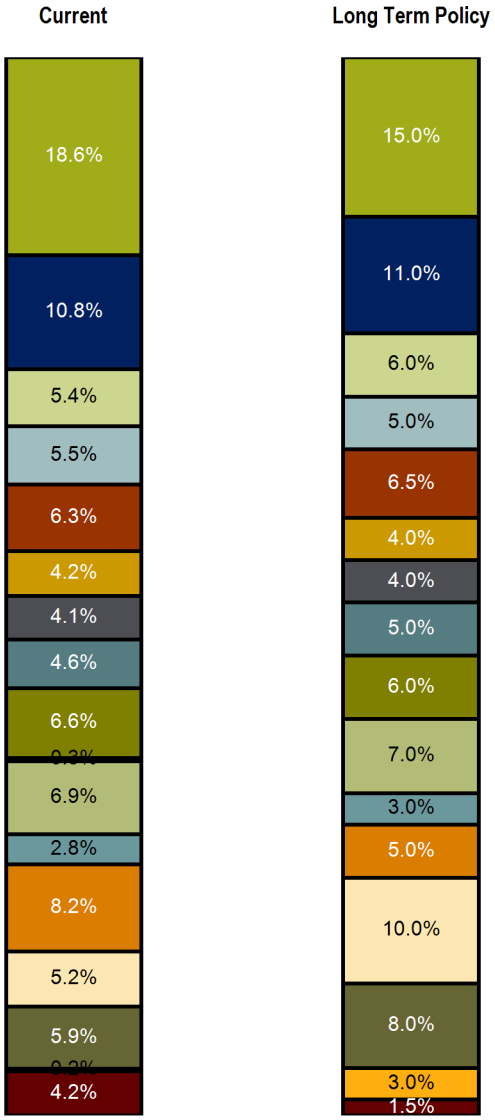
3 Years Ending September 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Composite	0.97	78	1.92	58
Policy Index	0.75	92	1.37	87
Allocation Index	0.84	88	1.38	87

Asset Allocation

City of Hartford Municipal Employees Retirement Fund

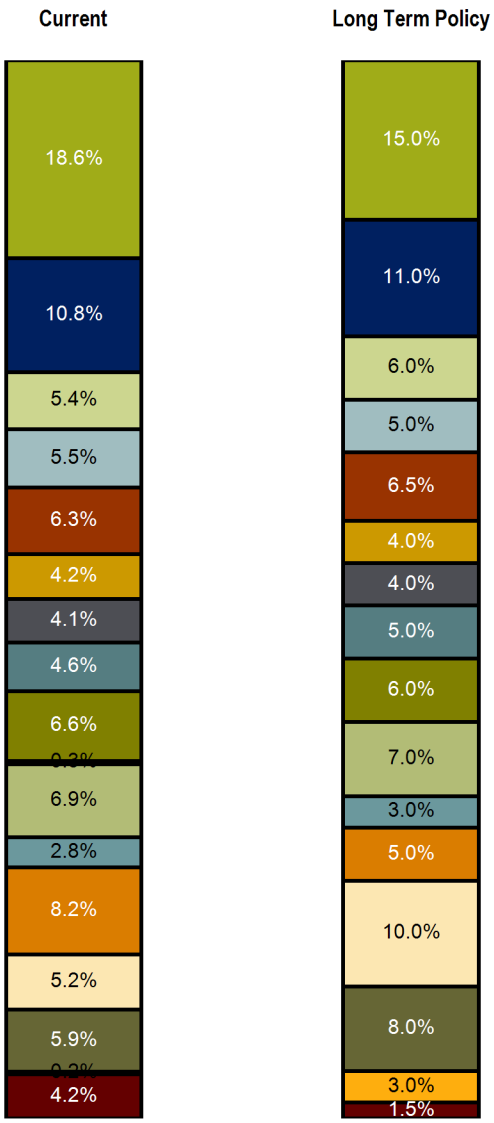
Total Fund Asset Allocation vs. Policy Targets



Asset Allocation vs. Target

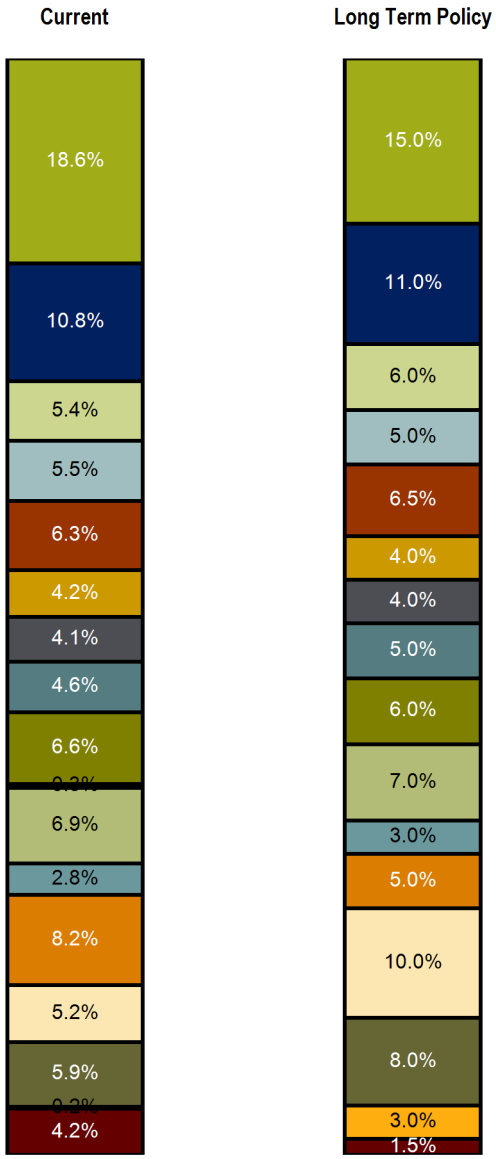
	Current	Current	Long Term Policy	Long Term Policy Range	Within Range
Domestic Equity	$180,231,438	18.6%	15.0%	10.0% - 16.0%	No
Atlanta Capital Large Growth	$56,287,951	5.8%			
Eagle Capital Large Value	$56,606,665	5.9%			
Southernsun SMID Value	$28,992,118	3.0%			
Voya	$21,375,376	2.2%			
SSgA Russell 3000 Index	$16,969,329	1.8%			
International Equity	$104,108,021	10.8%	11.0%	8.0% - 12.0%	Yes
SSgA Daily MSCI CAD Index	$580,535	0.1%			
Walter Scott Large Growth	$51,373,065	5.3%			
First Eagle All Cap Value	$45,554,669	4.7%			
SSgA EAFE Index	$6,599,752	0.7%			
Emerging Markets Equity	$52,250,665	5.4%	6.0%	1.0% - 11.0%	Yes
Parametric Emerging Markets	$21,651,737	2.2%			
Mondrian Emerging Markets	$23,992,455	2.5%			
SSgA Daily MSCI EM Index	$6,606,447	0.7%			
SSgA Emerging Markets	$26	0.0%			
Core Bonds	$53,414,402	5.5%	5.0%	3.5% - 6.5%	Yes
Hartford Investment Core Plus Fixed	$42,767,629	4.4%			
Columbia Core Plus Fixed	$745,635	0.1%			
SSgA Barclays Aggregate Index	$9,901,138	1.0%			
Long Gov/Credit	$61,124,113	6.3%	6.5%	6.5% - 10.5%	No
Aetna GICS	$420,780	0.0%			
PIMCO Long Duration Fixed	$55,074,613	5.7%			
SSgA Long US Gov't Credit	$5,628,720	0.6%			
High Yield	$40,926,331	4.2%	4.0%	3.5% - 5.5%	Yes
Shenkman Capital High Yield Fixed	$38,329,883	4.0%			
SSgA High Yield Bond	$2,596,448	0.3%			

Total Fund Asset Allocation vs. Policy Targets



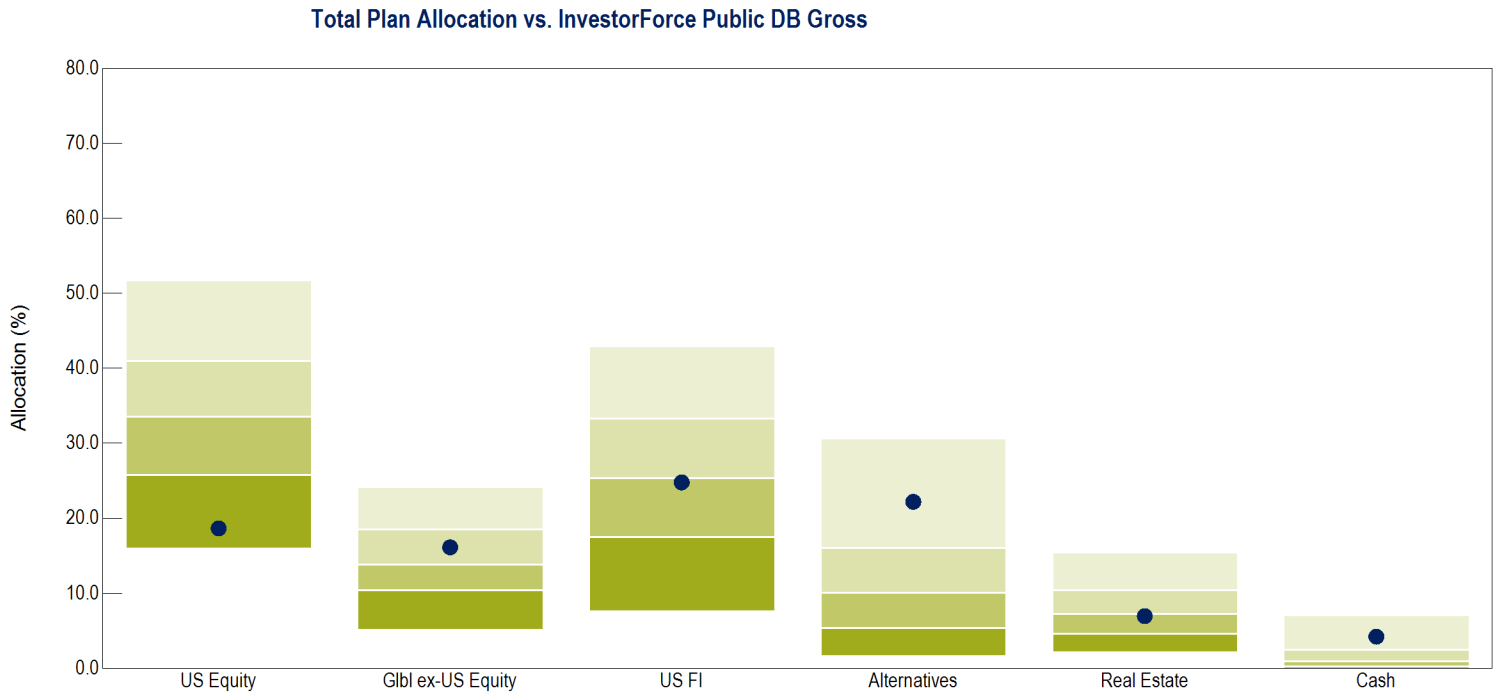
	Current	Current	Long Term Policy	Long Term Policy Range	Within Range
TIPS	$39,658,208	4.1%	4.0%	2.5% - 5.5%	**Yes**
Brown Bros-Harriman Global TIPS	$37,017,263	3.8%			
SSgA US TIPS Index	$2,640,944	0.3%			
Unconstrained Bonds	$44,418,637	4.6%	5.0%	3.0% - 8.0%	**Yes**
LS Strategic Alpha	$44,418,637	4.6%			
Emerging Market Debt Local	$63,816,516	6.6%	6.0%	4.0% - 8.0%	**Yes**
Prudential Emerging Mkt Debt	$59,871,285	6.2%			
SSgA Passive EM Local Currency	$3,945,231	0.4%			
Global Bonds	$2,974,177	0.3%	--	--	**No**
SSgA Passive World Gov't	$2,974,177	0.3%			
Global Asset Allocation	$67,093,715	6.9%	7.0%	5.0% - 9.0%	**Yes**
Blackrock Global Allocation	$34,065,328	3.5%			
Wellington Opportunistic	$33,028,387	3.4%			
Private Debt	$27,456,878	2.8%	3.0%	1.0% - 5.0%	**Yes**
Smith Whiley & Co Pelham III Fund	$1,593,948	0.2%			
Monroe Direct Lending Fund	$9,068,551	0.9%			
Brightwood	$7,353,283	0.8%			
Alcentra	$9,441,096	1.0%			
Private Equity	$79,778,315	8.2%	5.0%	3.0% - 8.0%	**No**
MERF - Ares Fund II	$1,114,002	0.1%			
Lexington Capital Partners	$992,664	0.1%			
Landmark Equity Partners XI	$866,437	0.1%			
Ares Corporate Opportunity Fund	$515,322	0.1%			
Parish Capital	$2,811,895	0.3%			
Lexington Capital Partners VI-B	$3,779,634	0.4%			
Landmark Equity Partners XIII	$3,630,013	0.4%			
Parish Capital II	$10,550,182	1.1%			

Total Fund Asset Allocation vs. Policy Targets



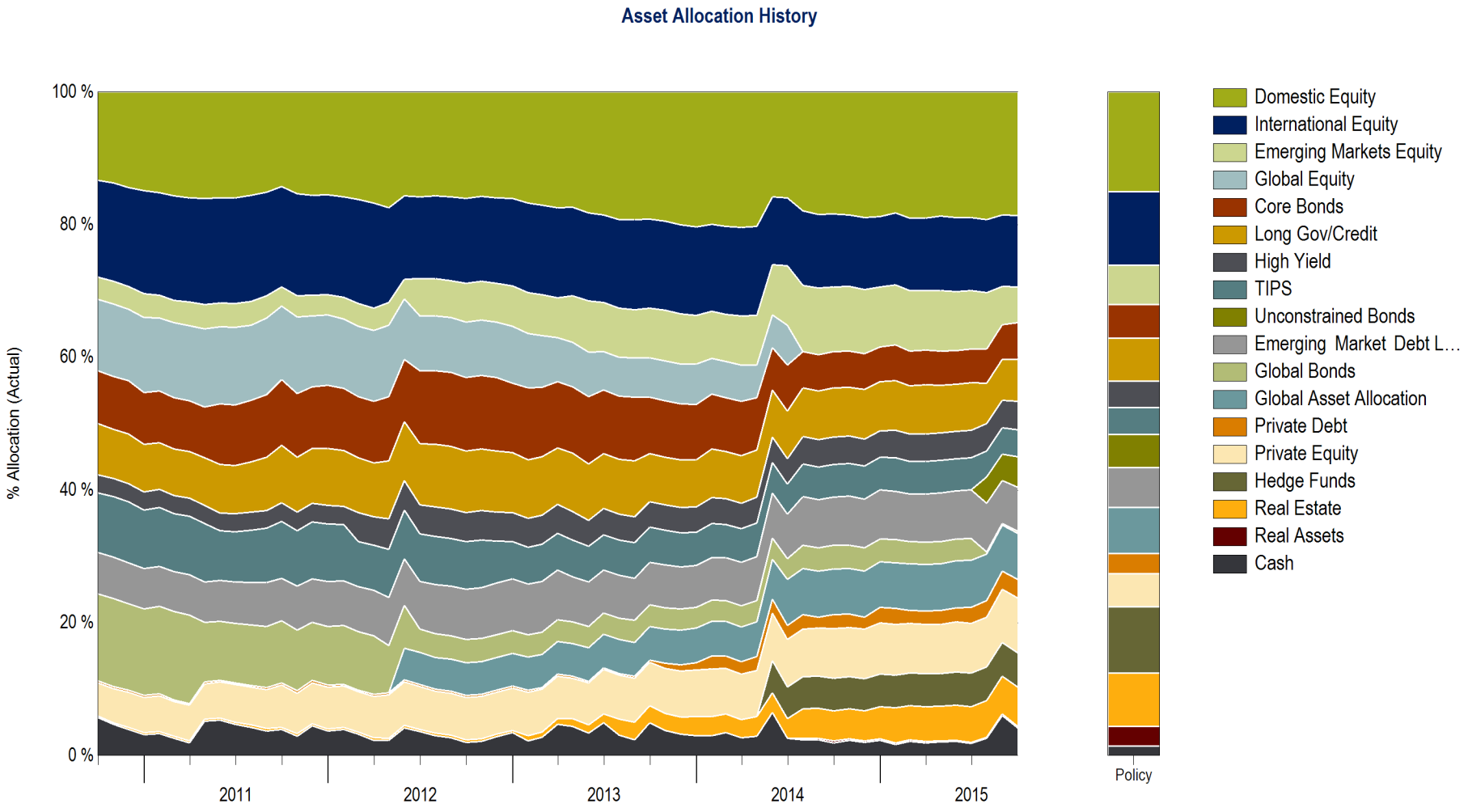
	Current	Current	Long Term Policy	Long Term Policy Range	Within Range
Fairview Ventures III	$11,694,394	1.2%			
Ares Corporate Opportunity Fund III	$7,614,447	0.8%			
Landmark Equity Partners Fund XIV	$5,570,012	0.6%			
Lexington Capital Partners VII	$5,658,851	0.6%			
Vista Equity Partners IV	$10,177,258	1.1%			
Ares Corporate Opportunity Fund IV	$5,798,174	0.6%			
Pegasus Capital	$3,595,911	0.4%			
Landmark Equity XV	$2,230,337	0.2%			
Vista Equity Partners V	$3,178,781	0.3%			
Hedge Funds	$49,981,481	5.2%	10.0%	8.0% - 12.0%	No
Grosvenor	$49,981,481	5.2%			
Real Estate	$57,305,529	5.9%	8.0%	5.0% - 11.0%	Yes
Real Estate - Land	$190,000	0.0%			
New Boston Urban Strategy Amer Fund	$3,813,204	0.4%			
Heitman America Realty Fund	$15,816,613	1.6%			
TA Realty	$6,262,734	0.6%			
Tristan European Property	$5,424,618	0.6%			
Oaktree Real Estate Debt Fund	$769,027	0.1%			
SSgA US REIT Index	$5,290,383	0.5%			
Cornerstone	$19,738,950	2.0%			
Real Assets	$1,960,049	0.2%	3.0%	2.0% - 4.0%	No
SSgA S&P GSCI NL QP CTF	$1,960,049	0.2%			
Cash	$40,612,793	4.2%	1.5%	0.0% - 3.0%	No
Cash	$23,523,381	2.4%			
Benefits Payment Fund	$17,085,251	1.8%			
COH Transition Account - BP Fund	$4,161	0.0%			
Total	**$967,111,265**	**100.0%**	**100.0%**		

Total Fund Allocations vs. Peer Universe

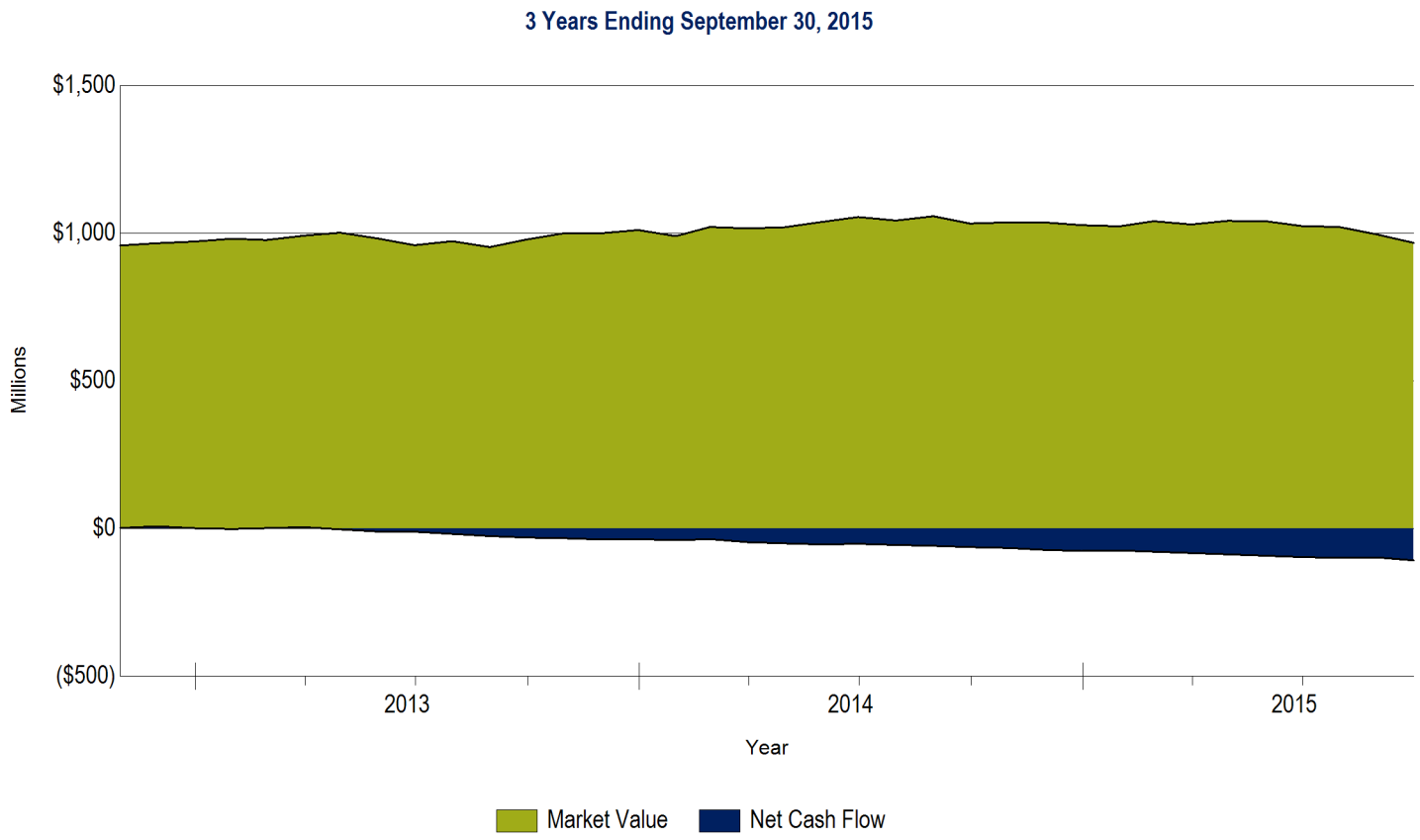


	Allocation (Rank)											
5th Percentile	51.7		24.1		42.9		30.6		15.4		7.1	
25th Percentile	41.0		18.6		33.4		16.2		10.5		2.5	
Median	33.6		13.9		25.4		10.1		7.4		1.0	
75th Percentile	25.8		10.5		17.6		5.4		4.7		0.3	
95th Percentile	16.0		5.2		7.7		1.7		2.2		0.0	
# of Portfolios	271		264		225		156		192		252	
● **Composite**	18.6	(93)	16.1	(38)	24.8	(53)	22.2	(15)	6.9	(54)	4.2	(12)

Total Fund Asset Allocation History



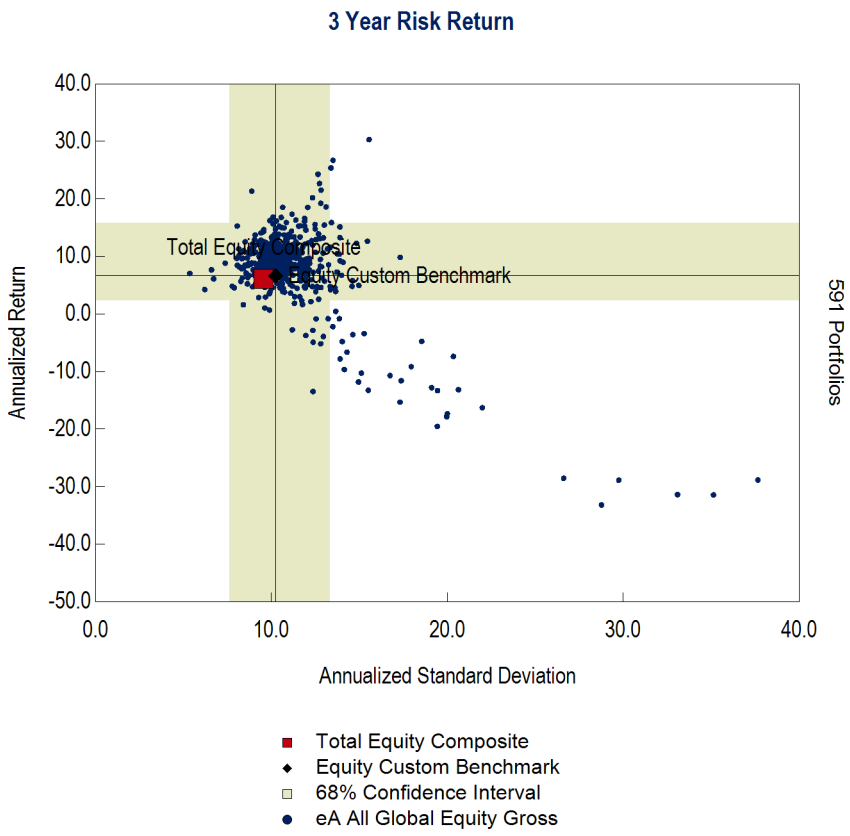
Total Fund Asset Growth Summary

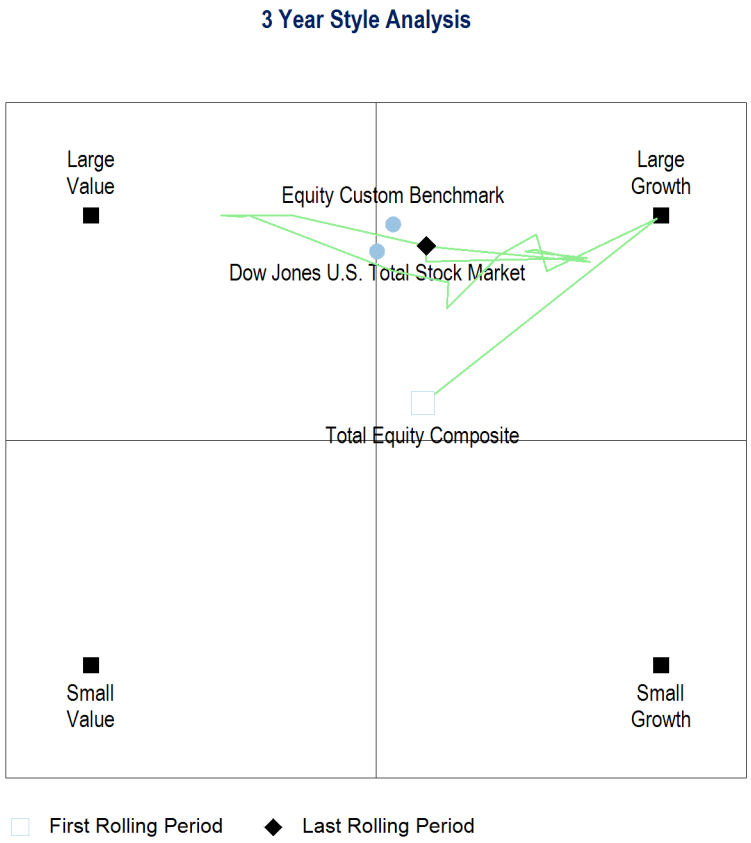


Sources of Portfolio Growth	Last Three Months	Year-To-Date	One Year	Three Years
Beginning Market Value	$1,024,052,820	$1,020,541,103	$1,032,471,350	$957,581,931
Net Additions/Withdrawals	-$10,020,484	-$28,208,835	-$40,919,618	-$116,326,749
Investment Earnings	-$46,921,072	-$25,221,003	-$24,440,468	$125,856,083
Ending Market Value	$967,111,265	$967,111,265	$967,111,265	$967,111,265

Manager Pages

Total Equity Composite





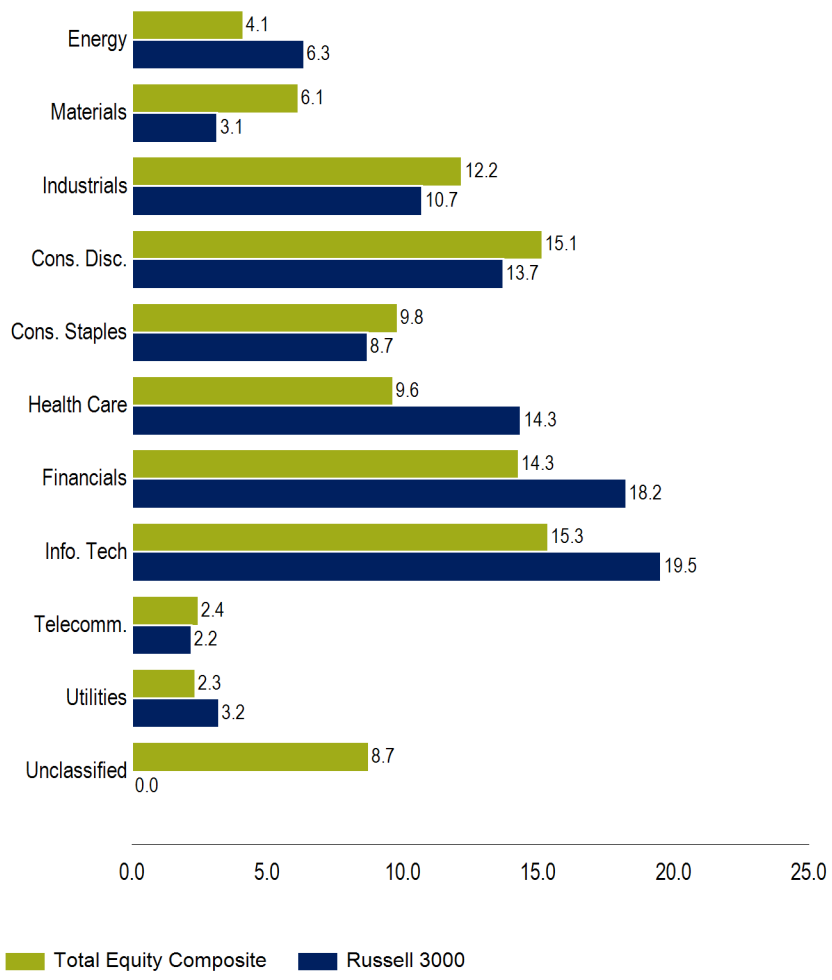
Style Map: Analytic is based on historical returns

Total Equity Composite

Characteristics

	Portfolio	Russell 3000
Number of Holdings	5,669	2,984
Weighted Avg. Market Cap. ($B)	55.7	97.4
Median Market Cap. ($B)	1.3	1.4
Price To Earnings	20.7	21.5
Price To Book	4.2	3.6
Price To Sales	3.2	3.1
Return on Equity (%)	18.7	16.7
Yield (%)	2.2	2.1
Beta	0.9	1.0
R-Squared	0.8	1.0

Equity Sector Allocation



Cash is included in the unclassified sector allocation

Total Equity Composite

Top Ten Holdings

CASH - USD	5.8%
DAILY MSCI EAFE INDX NL FUND ZV31NON	2.0%
Google Ord Shs Class C	1.6%
LIBERTY GLOBAL SR.C	1.2%
BERKSHIRE HATHAWAY 'B'	1.1%
ECOLAB	1.1%
ORACLE	1.0%
MICROSOFT	1.0%
CITIGROUP	0.9%
APPLE	0.9%

Top Positive Contributors

	Relative Contribution %	Return %
ALPHABET 'C'	0.2%	16.9%
AMAZON.COM	0.1%	17.9%
BROADRIDGE FINL.SLTN.	0.0%	11.3%
ALPHABET 'A'	0.0%	18.2%
CONSTELLATION BRANDS 'A'	0.0%	8.2%
CAMERON INTERNATIONAL	0.0%	17.1%
STARBUCKS	0.0%	6.3%
COCA COLA	0.0%	3.2%
ITALCEMENTI FABBRICHE RIUNITE	0.0%	67.8%
PRICELINE GROUP	0.0%	7.4%

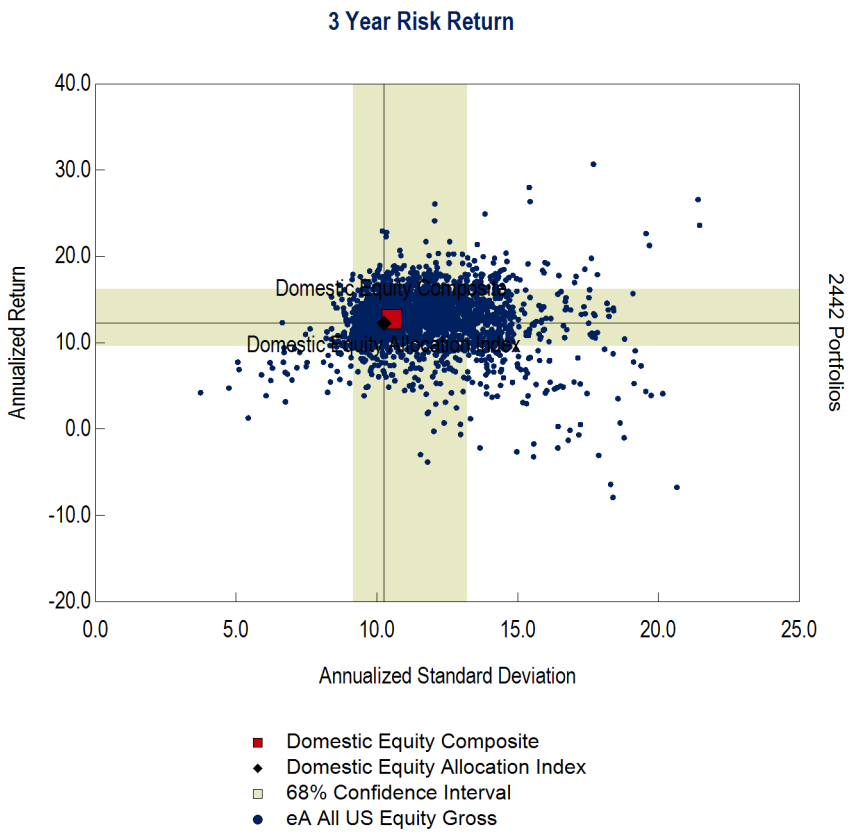
Top Negative Contributors

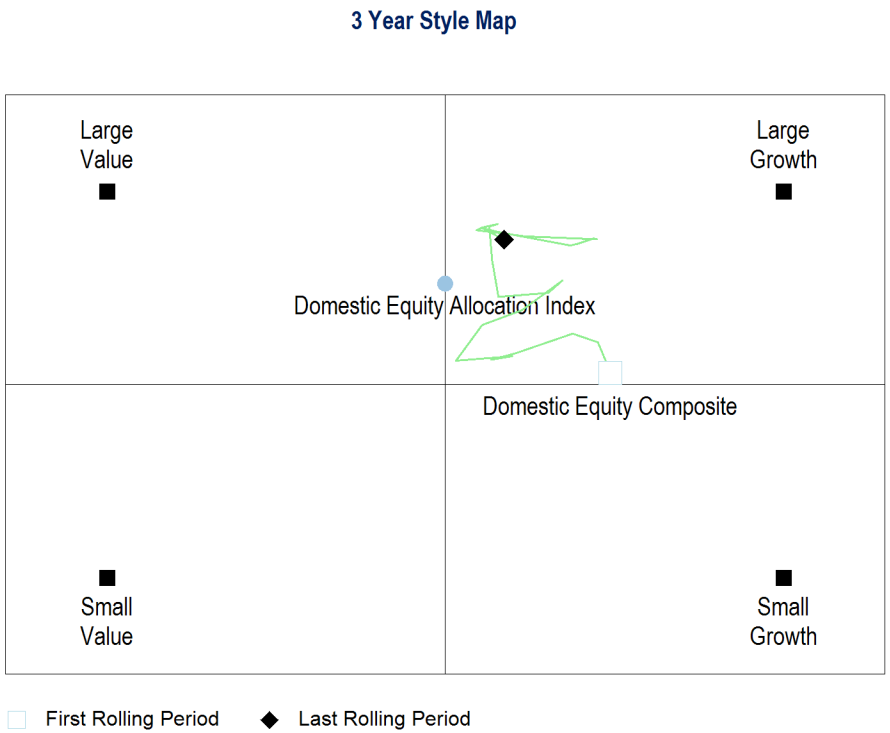
	Relative Contribution %	Return %
LIBERTY GLOBAL SR.C	-0.2%	-13.0%
FANUC	-0.1%	-25.4%
CENTENE	-0.1%	-32.5%
NOBLE ENERGY	-0.1%	-28.9%
GRUPO TELEVISA SPN.ADR 1:5	-0.1%	-33.0%
ORACLE	-0.1%	-10.0%
TIDEWATER	-0.1%	-41.3%
KEYENCE	-0.1%	-17.7%
DARLING INGREDIENTS	-0.1%	-22.8%
MEDIATEK	-0.1%	-42.7%

Equity Sector Attribution

	Attribution Effects								Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects		Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.1%		0.1%		0.2%		-0.1%		-19.9%	-18.9%	5.5%	7.3%
Materials	-0.1%		0.2%		-0.3%		0.0%		-14.1%	-17.2%	6.3%	3.4%
Industrials	-0.9%		-0.6%		0.0%		-0.3%		-15.3%	-8.1%	12.7%	10.9%
Cons. Disc.	-0.5%		-0.4%		0.1%		-0.2%		-8.0%	-4.2%	14.9%	13.3%
Cons. Staples	-0.1%		0.0%		0.1%		-0.2%		-2.8%	-1.0%	9.8%	8.0%
Health Care	0.3%		0.2%		0.2%		-0.2%		-11.5%	-11.8%	9.9%	15.1%
Financials	-0.9%		-0.8%		0.0%		-0.1%		-12.0%	-6.0%	15.0%	18.1%
Info. Tech	-0.3%		-0.1%		-0.1%		-0.1%		-6.1%	-4.7%	13.7%	19.1%
Telecomm.	-0.2%		-0.1%		0.0%		-0.1%		-13.2%	-6.8%	3.0%	2.0%
Utilities	-0.5%		-0.5%		0.0%		-0.1%		-14.8%	4.3%	2.8%	2.9%
Cash	0.4%		0.0%		0.4%		0.0%		0.0%	--	5.5%	0.0%
Portfolio	**-2.8%**	**=**	**-1.9%**	**+**	**0.5%**	**+**	**-1.4%**		**-10.0%**	**-7.3%**	**99.2%**	**100.0%**

Domestic Equity Composite





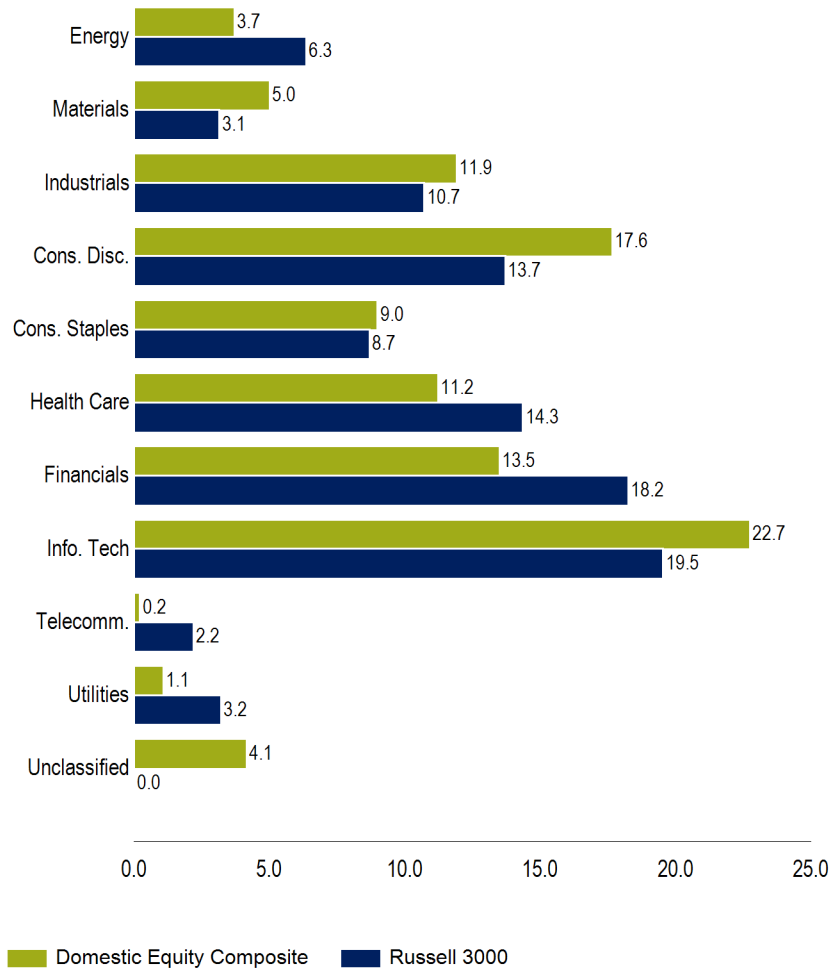
Style Map: Analytic is based on historical returns

Domestic Equity Composite

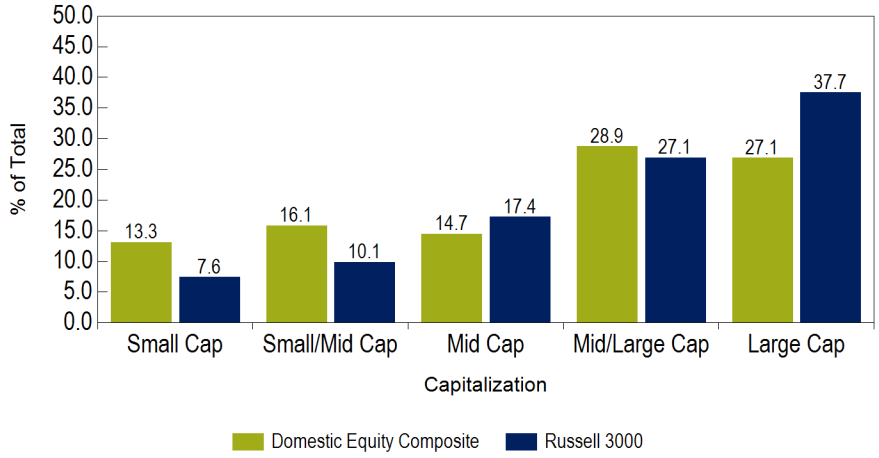
Characteristics

	Portfolio	Russell 3000
Number of Holdings	2,662	2,984
Weighted Avg. Market Cap. ($B)	73.3	97.4
Median Market Cap. ($B)	1.8	1.4
Price To Earnings	22.7	21.5
Price To Book	4.8	3.6
Price To Sales	3.3	3.1
Return on Equity (%)	19.5	16.7
Yield (%)	1.5	2.1
Beta	1.0	1.0
R-Squared	1.0	1.0

Equity Sector Allocation



Market Capitalization
As of September 30, 2015



Cash is included in the unclassified sector allocation

Domestic Equity Composite

Top Ten Holdings

CASH - USD	4.0%
Google Ord Shs Class C	3.0%
BERKSHIRE HATHAWAY 'B'	2.0%
ECOLAB	2.0%
LIBERTY GLOBAL SR.C	2.0%
ORACLE	1.9%
MICROSOFT	1.9%
CITIGROUP	1.7%
APPLE	1.6%
PEPSICO	1.6%

Top Positive Contributors

	Relative Contribution %	Return %
ALPHABET 'C'	0.3%	16.9%
APPLE	0.2%	-11.7%
BROADRIDGE FINL.SLTN.	0.1%	11.3%
JP MORGAN CHASE & CO.	0.1%	-9.4%
CONSTELLATION BRANDS 'A'	0.1%	8.2%
CAMERON INTERNATIONAL	0.1%	17.1%
IPC HEALTHCARE	0.0%	40.3%
AMAZON.COM	0.0%	17.9%
STARBUCKS	0.0%	6.3%
COCA COLA	0.0%	3.2%

Top Negative Contributors

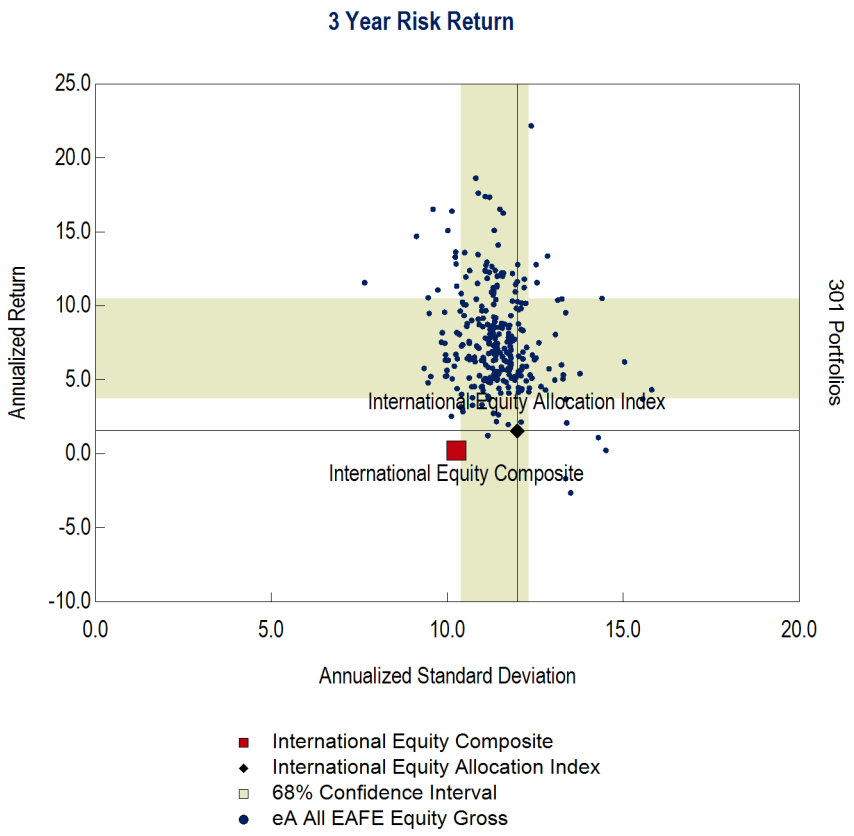
	Relative Contribution %	Return %
LIBERTY GLOBAL SR.C	-0.3%	-13.0%
CENTENE	-0.3%	-32.5%
NOBLE ENERGY	-0.2%	-28.9%
TIDEWATER	-0.2%	-41.3%
DARLING INGREDIENTS	-0.2%	-22.8%
VALEANT PHARMS. (NYS) INTL.	-0.2%	-19.7%
ALIBABA GROUP HLDG.SPN. ADR 1:1	-0.2%	-28.3%
TWENTY-FIRST CENTURY FOX CL.B	-0.2%	-15.5%
FLOWSERVE	-0.2%	-21.5%
AGCO	-0.2%	-17.7%

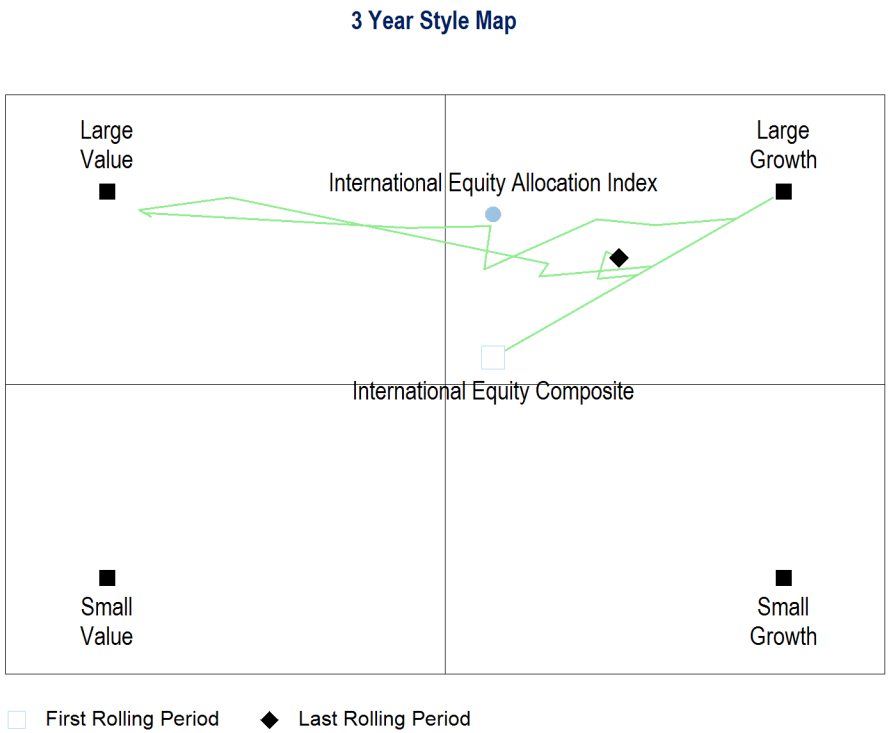
Equity Sector Attribution

	Attribution Effects						Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.2%		-0.2%		0.3%		0.1%	-21.1%	-18.9%	4.6%	7.3%
Materials	0.1%		0.2%		-0.1%		0.1%	-11.7%	-17.2%	4.6%	3.4%
Industrials	-0.8%		-0.7%		0.0%		-0.1%	-14.9%	-8.1%	12.0%	10.9%
Cons. Disc.	-0.3%		-0.3%		0.1%		-0.1%	-6.7%	-4.2%	17.4%	13.3%
Cons. Staples	0.0%		0.0%		0.1%		0.0%	-1.7%	-1.0%	9.6%	8.0%
Health Care	-0.2%		-0.4%		0.1%		0.1%	-14.1%	-11.8%	12.6%	15.1%
Financials	-0.4%		-0.5%		-0.1%		0.1%	-8.5%	-6.0%	13.3%	18.1%
Info. Tech	0.6%		0.5%		0.0%		0.0%	-2.0%	-4.7%	20.3%	19.1%
Telecomm.	0.0%		--		0.0%		--	--	-6.8%	0.0%	2.0%
Utilities	-0.3%		-0.2%		-0.2%		0.2%	-3.4%	4.3%	0.8%	2.9%
Cash	0.3%		0.0%		0.3%		0.0%	0.0%	--	4.8%	0.0%
Unclassified	0.0%		0.0%		0.0%		0.0%	-13.0%	--	0.1%	0.0%
Portfolio	**-0.8%**	**=**	**-1.6%**	**+**	**0.6%**	**+**	**0.3%**	**-8.0%**	**-7.3%**	**100.0%**	**100.0%**

Attribution calculation is based on quarterly buy and hold methodology which does not take into account portfolio turnover and can differ from actual performance.

International Equity Composite





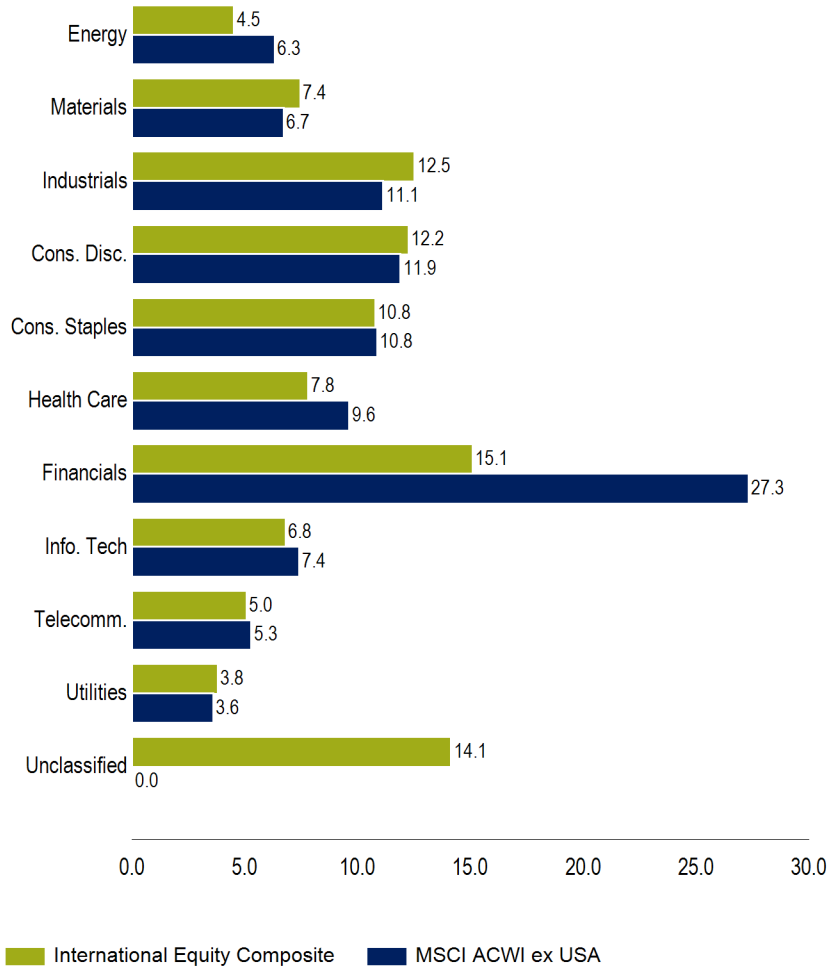
Style Map: Analytic is based on historical returns

International Equity Composite

Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	2,930	1,843
Weighted Avg. Market Cap. ($B)	34.0	47.5
Median Market Cap. ($B)	0.9	6.2
Price To Earnings	18.3	18.0
Price To Book	3.4	2.3
Price To Sales	3.1	2.2
Return on Equity (%)	17.8	15.2
Yield (%)	3.0	3.2
Beta	0.9	1.0
R-Squared	0.9	1.0

Equity Sector Allocation



Cash is included in the unclassified sector allocation

International Equity Composite

Top Ten Holdings

CASH - USD	7.9%
DAILY MSCI EAFE INDX NL FUND ZV31NON	4.3%
SPDR GOLD SHARES	1.6%
CHINA MOBILE	1.4%
NESTLE 'R'	1.3%
DANONE	1.2%
KEYENCE	1.2%
FANUC	1.1%
DIAGEO	1.0%
RECKITT BENCKISER GROUP	0.9%

Top Positive Contributors

	Relative Contribution %	Return %
CHINA CON.BANK 'H'	0.1%	-27.2%
DAIMLER	0.1%	-20.7%
BANK OF CHINA 'H'	0.1%	-33.9%
INDL.& COML.BK.OF CHINA 'H'	0.1%	-27.6%
TENCENT HOLDINGS	0.1%	-16.4%
ITALCEMENTI FABBRICHE RIUNITE	0.1%	67.8%
PING AN INSURANCE 'H'	0.0%	-25.8%
NOVARTIS 'R'	0.0%	-7.2%
INFOSYS ADR 1:1	0.0%	20.4%
CHINA LIFE INSURANCE 'H'	0.0%	-20.6%

Top Negative Contributors

	Relative Contribution %	Return %
FANUC	-0.2%	-25.4%
GRUPO TELEVISA SPN.ADR 1:5	-0.2%	-33.0%
KEYENCE	-0.2%	-17.7%
MEDIATEK	-0.2%	-42.7%
HANG LUNG PROPERTIES	-0.2%	-23.9%
CMPH.COCS. RODOVIARIAS ON	-0.2%	-36.3%
AMMB HOLDINGS	-0.1%	-32.8%
CIELO ON	-0.1%	-34.2%
DAIKIN INDUSTRIES	-0.1%	-21.9%
CHINA RES.POWER HDG.	-0.1%	-17.8%

Equity Sector Attribution

	Attribution Effects						Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.1%		0.0%		0.0%		0.1%	-19.1%	-19.8%	6.2%	7.0%
Materials	0.4%		0.3%		0.0%		0.0%	-15.4%	-20.4%	7.9%	7.5%
Industrials	-0.6%		-0.3%		0.0%		-0.3%	-15.6%	-11.7%	13.4%	11.0%
Cons. Disc.	0.2%		0.3%		0.0%		-0.1%	-9.5%	-11.4%	12.7%	11.8%
Cons. Staples	-0.1%		0.0%		0.0%		-0.1%	-3.8%	-3.1%	10.0%	9.9%
Health Care	-0.1%		0.0%		-0.1%		0.0%	-7.3%	-6.2%	7.5%	9.0%
Financials	0.4%		-0.2%		0.2%		0.5%	-14.5%	-14.0%	16.5%	27.8%
Info. Tech	-0.2%		-0.1%		0.0%		-0.1%	-15.8%	-12.8%	7.8%	7.5%
Telecomm.	-0.1%		0.0%		0.0%		-0.1%	-13.2%	-11.2%	5.8%	5.2%
Utilities	-0.4%		-0.3%		0.1%		-0.2%	-16.7%	-6.9%	4.7%	3.4%
Cash	0.6%		0.0%		0.6%		0.0%	0.0%	--	6.3%	0.0%
Unclassified	0.1%		0.0%		0.1%		0.0%	-4.9%	--	1.4%	0.0%
Portfolio	**0.2%**	**=**	**-0.4%**	**+**	**0.8%**	**+**	**-0.2%**	**-11.9%**	**-12.1%**	**100.0%**	**100.0%**

Attribution calculation is based on quarterly buy and hold methodology which does not take into account portfolio turnover and can differ from actual performance. MSCI ACWI ex USA used for attribution.

International Equity Composite

Country Allocation
Versus MSCI ACWI ex USA - Quarter Ending September 30, 2015

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Argentina**	0.1%	0.0%	-8.2%	-26.7%
Brazil*	3.0%	1.7%	-35.5%	-33.6%
Canada	1.6%	6.6%	-17.9%	-14.0%
Chile*	1.2%	0.3%	-13.2%	-13.6%
Colombia*	0.4%	0.1%	-24.2%	-23.2%
Mexico*	3.2%	1.0%	-16.9%	-11.9%
Peru*	0.2%	0.1%	-26.6%	-21.5%
United States	3.0%	0.0%	-12.5%	-6.9%
Total-Americas	**12.7%**	**9.7%**	**-20.4%**	**-17.3%**
AsiaPacific				
Australia	1.4%	4.9%	-7.5%	-15.3%
Bangladesh**	0.2%	0.0%	7.6%	-1.5%
China*	1.9%	5.4%	-23.7%	-22.0%
Hong Kong	7.8%	2.3%	-15.2%	-16.2%
India*	3.9%	1.7%	-7.2%	-6.6%
Indonesia*	1.6%	0.5%	-28.7%	-24.2%
Japan	12.3%	16.4%	-14.9%	-11.8%
Korea*	4.1%	3.1%	-4.8%	-11.4%
Malaysia*	2.1%	0.7%	-20.5%	-18.2%
New Zealand	0.0%	0.1%	--	-6.9%
Pakistan**	0.2%	0.0%	-8.5%	-13.3%
Philippines*	1.3%	0.3%	-17.3%	-10.2%
Singapore	1.8%	1.0%	-17.2%	-19.5%
Sri Lanka**	0.2%	0.0%	-6.6%	-8.1%
Taiwan*	5.2%	2.8%	-15.1%	-16.5%
Thailand*	1.2%	0.5%	-15.7%	-17.5%
Vietnam**	0.0%	0.0%	--	--
Total-AsiaPacific	**45.3%**	**39.7%**	**-14.3%**	**-14.5%**

Country Allocation
Versus MSCI ACWI ex USA - Quarter Ending September 30, 2015

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Europe				
Austria	0.1%	0.1%	11.7%	-8.9%
Belgium	0.1%	0.9%	-3.2%	-7.9%
Czech Republic*	0.3%	0.0%	-3.9%	-6.6%
Denmark	0.9%	1.2%	-1.3%	-2.4%
Finland	0.6%	0.6%	-6.4%	-5.5%
France	5.9%	6.9%	-4.5%	-6.4%
Germany	2.0%	6.4%	-3.4%	-11.4%
Greece*	0.4%	0.1%	-9.9%	-35.7%
Hungary*	0.3%	0.0%	-3.1%	-3.3%
Italy	0.2%	1.7%	46.4%	-4.3%
Luxembourg	0.0%	0.0%	-15.8%	-12.1%
Netherlands	0.3%	2.0%	-2.3%	-8.8%
Norway	0.1%	0.5%	-5.7%	-19.1%
Poland*	0.8%	0.3%	-6.4%	-10.5%
Russia*	1.7%	0.8%	-15.8%	-14.2%
Spain	0.6%	2.5%	2.8%	-11.1%
Sweden	0.9%	2.1%	-6.3%	-9.1%
Switzerland	5.0%	6.6%	-6.2%	-6.7%
United Kingdom	6.7%	14.5%	-9.6%	-10.0%
Total-Europe	**27.0%**	**47.7%**	**-6.2%**	**-8.8%**
Totals				
Developed	51.6%	78.1%	-10.5%	-10.5%
Emerging*	38.7%	21.9%	-15.9%	-17.6%
Frontier**	3.5%	0.0%	-8.2%	--
Cash	6.3%		0.0%	

*Emerging Market
**Developing Market

International Equity Composite

International Equity Performance Attribution

	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Europe									
Austria	11.7%	-8.9%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	-3.2%	-7.9%	0.1%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	-3.9%	-6.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Denmark	-1.3%	-2.4%	0.9%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Finland	-6.4%	-5.5%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
France	-4.5%	-6.4%	5.9%	6.9%	0.1%	0.0%	0.0%	0.0%	0.1%
Germany	-3.4%	-11.4%	2.0%	6.4%	0.5%	0.1%	0.0%	-0.4%	0.2%
Greece*	-9.9%	-35.7%	0.4%	0.1%	0.0%	-0.1%	0.0%	0.1%	0.0%
Hungary*	-3.1%	-3.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland	--	-3.1%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Italy	46.4%	-4.3%	0.2%	1.7%	0.9%	-0.1%	0.0%	-0.8%	0.0%
Luxembourg	-15.8%	-12.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	-2.3%	-8.8%	0.3%	2.0%	0.1%	0.0%	0.0%	-0.1%	0.0%
Norway	-5.7%	-19.1%	0.1%	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%
Poland*	-6.4%	-10.5%	0.8%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	--	-11.4%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	-15.8%	-14.2%	1.7%	0.8%	-0.1%	0.1%	0.0%	-0.1%	-0.1%
Spain	2.8%	-11.1%	0.6%	2.5%	0.3%	0.0%	0.0%	-0.3%	0.1%
Sweden	-6.3%	-9.1%	0.9%	2.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Switzerland	-6.2%	-6.7%	5.0%	6.6%	0.0%	-0.1%	0.1%	0.0%	0.0%
United Kingdom	-9.6%	-10.0%	6.7%	14.5%	0.1%	-0.2%	0.2%	-0.1%	0.1%
Americas									
Argentina**	-8.2%	-26.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Brazil*	-35.5%	-33.6%	3.0%	1.7%	-0.1%	-0.1%	-0.1%	-0.1%	-0.4%
Canada	-17.9%	-14.0%	1.6%	6.6%	-0.5%	-0.1%	0.4%	0.3%	0.2%
Chile*	-13.2%	-13.6%	1.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	-24.2%	-23.2%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	-16.9%	-11.9%	3.2%	1.0%	-0.1%	0.1%	-0.1%	-0.2%	-0.2%
Peru*	-26.6%	-21.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	-12.5%	-6.9%	3.0%	0.0%	0.0%	0.1%	0.0%	-0.2%	-0.1%

International Equity Performance Attribution

	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
AsiaPacific									
Australia	-7.5%	-15.3%	1.4%	4.9%	0.4%	-0.1%	0.3%	-0.3%	0.3%
Bangladesh**	7.6%	-1.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	-23.7%	-22.0%	1.9%	5.4%	-0.1%	0.4%	0.0%	0.1%	0.4%
Hong Kong	-15.2%	-16.2%	7.8%	2.3%	0.0%	-0.4%	0.0%	0.1%	-0.3%
India*	-7.2%	-6.6%	3.9%	1.7%	0.0%	0.1%	-0.1%	0.0%	0.0%
Indonesia*	-28.7%	-24.2%	1.6%	0.5%	0.0%	-0.1%	-0.1%	-0.1%	-0.2%
Japan	-14.9%	-11.8%	12.3%	16.4%	-0.5%	0.2%	-0.1%	0.1%	-0.3%
Korea*	-4.8%	-11.4%	4.1%	3.1%	0.2%	0.0%	-0.1%	0.1%	0.2%
Malaysia*	-20.5%	-18.2%	2.1%	0.7%	0.0%	0.1%	-0.2%	0.0%	-0.2%
New Zealand	--	-6.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Pakistan**	-8.5%	-13.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	-17.3%	-10.2%	1.3%	0.3%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Singapore	-17.2%	-19.5%	1.8%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sri Lanka**	-6.6%	-8.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	-15.1%	-16.5%	5.2%	2.8%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Thailand*	-15.7%	-17.5%	1.2%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%

*Emerging Market
**Developing Market

International Equity Composite

International Equity Performance Attribution

	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Other									
Bahrain**	-9.4%	-13.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bulgaria**	-12.8%	-13.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Croatia**	-3.5%	-6.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Egypt*	-12.0%	-13.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estonia**	3.0%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Israel	-26.1%	-5.4%	0.1%	0.4%	-0.1%	0.0%	0.0%	0.1%	0.0%
Jordan**	-1.8%	-0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kazakhstan**	-36.0%	-36.9%	0.2%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Kenya**	-14.0%	-12.8%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kuwait**	-8.3%	-8.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lebanon**	-7.3%	-6.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mauritius**	-7.5%	-5.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Morocco**	-3.5%	-2.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Nigeria**	-7.6%	-6.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Oman**	-12.5%	-7.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Qatar*	-5.7%	-6.6%	0.8%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	0.5%	-0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Slovenia**	-7.0%	-7.7%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	-17.1%	-18.6%	2.4%	1.7%	0.0%	0.0%	-0.1%	0.0%	0.0%
Tunisia**	-10.6%	-2.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	-17.3%	-19.5%	1.5%	0.3%	0.0%	0.0%	-0.1%	0.0%	-0.1%
United Arab Emirates*	-8.6%	-10.3%	0.9%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%

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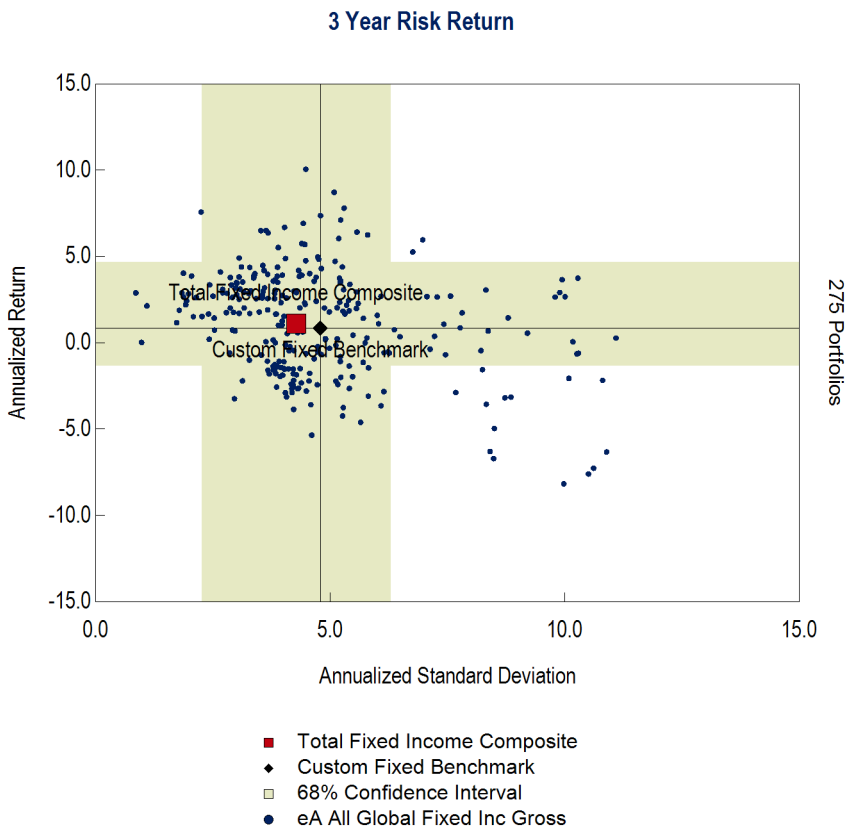
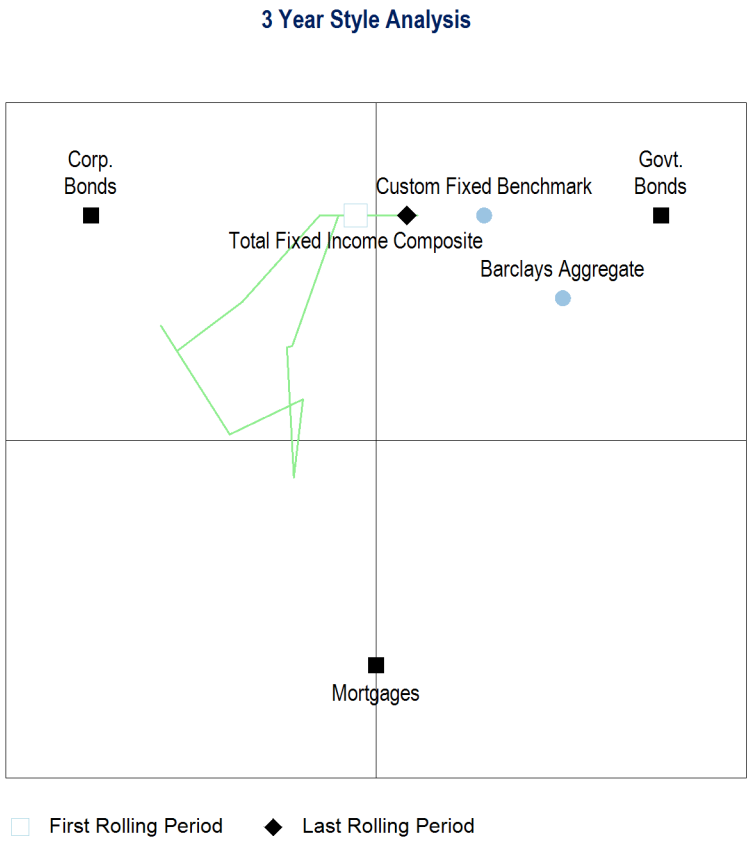
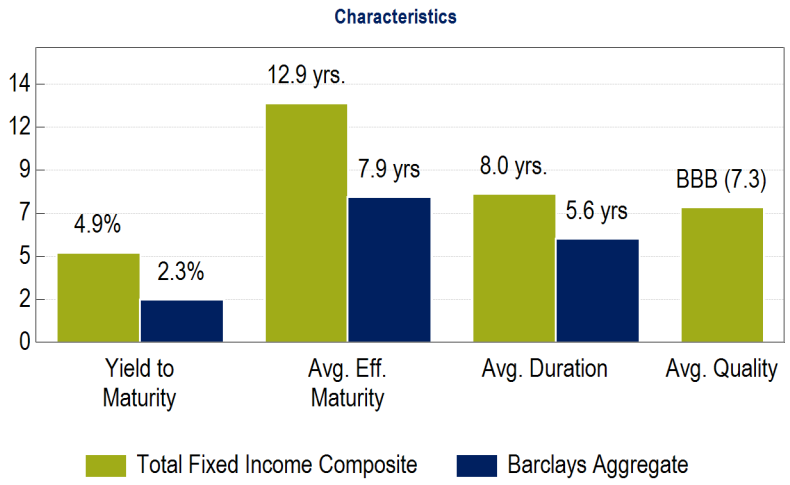
Total Fixed Income Composite

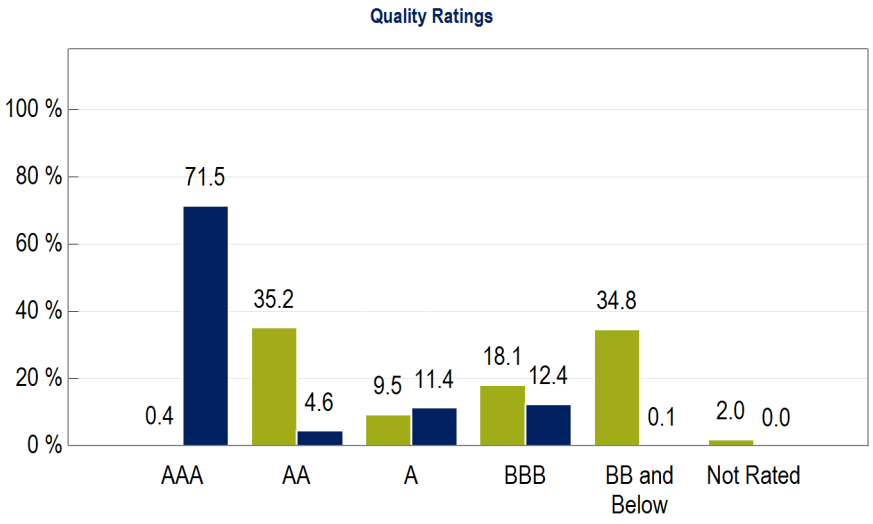


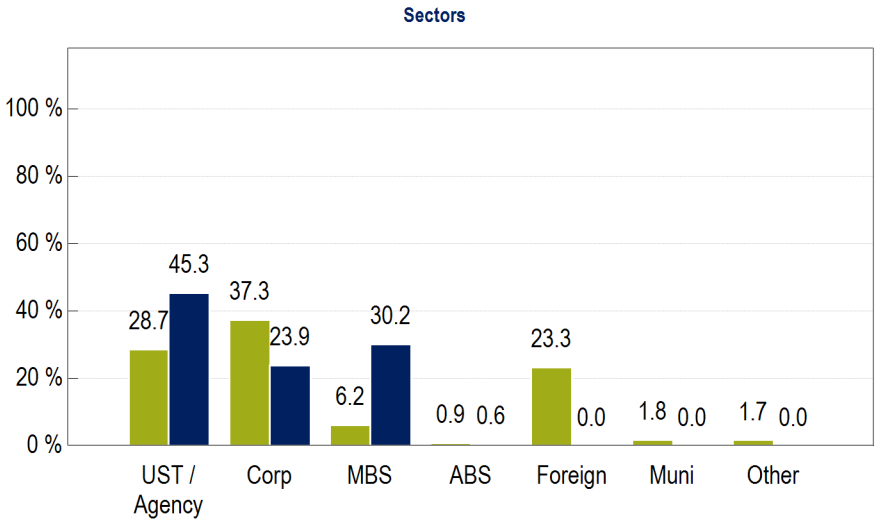


Style Map: Analytic is based on historical returns

Total Fixed Income Composite







Characteristic, Quality, and Sector information not available for the Custom Fixed Income benchmark

Appendix

It is important to note the following characteristics of many non-traditional investment strategies including hedge funds and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment
2. Leverage and other speculative practices may increase the risk of loss
3. Past performance may be revised due to the revaluation of investments
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value
6. These funds are not subject to the same regulatory requirements as registered investment vehicles
7. Managers are not required to provide periodic pricing or valuation information to investors
8. These funds may have complex tax structures and delays in distributing important tax information
9. These funds often charge high fees
10. Limited partnership agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy

Glossary of Terms

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:
(Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return – Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared – Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:
*Calculation Average (X-Y)/Downside Deviation (X-Y) * 2*
Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:
(Annualized Return of Portfolio – Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:
*Tracking Error = Standard Deviation (X-Y) * √(# of periods per year)*
Where X = periods portfolio return and Y = the period's benchmark return
For monthly returns, the periods per year = 12
For quarterly returns, the periods per year = 4

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:
(Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0

DownsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Benchmark <0

Data Source: InvestorForce

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