

September 30, 2015



## **Mendocino County Employees' Retirement Association**

**Investment Measurement Service  
Quarterly Review**

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This “Preview” contains excerpts from the upcoming *Capital Market Review* (CMR) newsletter, which will be published at the end of the month.

## Nosedive

**U.S. EQUITY** | Lauren Mathias, CFA

The first negative quarter for U.S. equities since 2012 had a seemingly solid start, but took a nosedive through August and September. Macroeconomic issues drove the sullen results, including China’s weakening economy, the Fed’s delay of interest rate increases, and commodity price declines. The U.S. economy is exhibiting some vigor—consumer confidence remained high and fueled spending; employment showed strength with record-low jobless claims; and housing appeared solid with new home sales at healthy levels. Energy prices impacted the environment negatively and positively—commodity-related companies felt pain while consumers felt wealthier.

Continued on pg. 2

## Stumbling Dragon

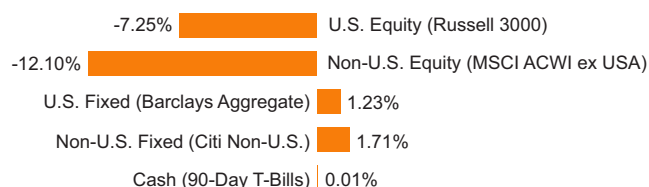
**NON-U.S. EQUITY** | Kevin Nagy

Non-U.S. markets were pummeled in the third quarter (**MSCI ACWI ex USA Index**: -12.10%), as concerns over China’s growth convinced many investors to take a “risk off” approach. Fears about China’s slowdown came to a head in August when Chinese monetary authorities unexpectedly devalued the renminbi. Attempts to dampen the ensuing volatility were not enough to prevent knock-on effects spreading throughout the world.

The pain was felt by both developed (**MSCI World ex USA Index**: -10.57%) and emerging markets (**MSCI Emerging**

Continued on pg. 3

## Broad Market Quarterly Returns



Sources: Barclays, Citigroup, Merrill Lynch, MSCI, Russell Investment Group

## A Little Longer to Liftoff

**U.S. FIXED INCOME** | Kevin Machiz, CFA, FRM

Interest rates moved lower in the third quarter amid a broad-based flight to quality—apprehension over China’s economy and commodity prices appeared to be the primary sources of concern. The yield curve flattened significantly as yield spreads widened across non-Treasury sectors and the **Barclays Aggregate Index** rose 1.23%.

Continued on pg. 4

## Red Scare

**NON-U.S. FIXED INCOME** | Kyle Fekete

Developed sovereign bonds performed well relative to U.S. bonds as interest rates fell due to mounting concerns over a slowing global economy. The **Citi Non-U.S. World Government Bond Index** earned 1.71% for the quarter, but is down 4.22% year-to-date. Hedged in U.S. dollars, the Index is up 2.01%, outperforming the unhedged investors primarily due to broad-based weakness against the U.S. dollar. The “safe-haven” German bund gained nearly 2% with the yield finishing at 0.58%. Energy-related currency weakness in Canada and Australia translated into disappointing returns on an unhedged basis (both down

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## U.S. Equity: Nosedive

*Continued from pg. 1*

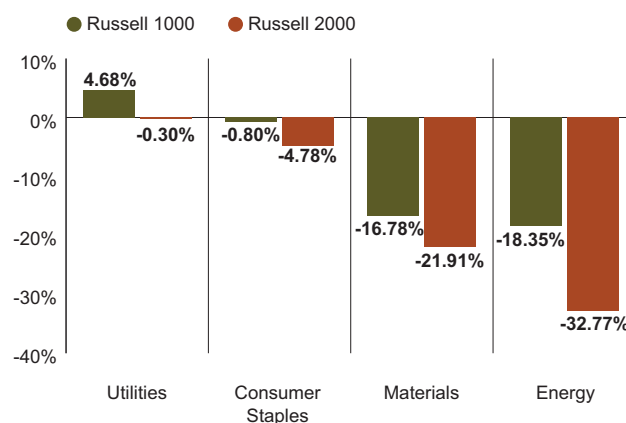
Underlying U.S. fundamentals were impacted by tough global markets. The strong U.S. dollar challenged domestic companies' ability to grow, negatively affecting earnings and expectations going forward. Volatility of stocks, as measured by the daily VIX, peaked for the year in August and remained elevated throughout the quarter. At the same time, stock correlations also increased to almost two times their long-term average, making it more challenging for active management to navigate the decline. Asset flows continued to show a preference for passive, which remains a sizable portion of U.S. equity assets under management.

Large and small cap stocks showed strong divergence in returns (**Russell 2000 Index**: -11.92% and **Russell 1000 Index**: -6.83%) while mid cap fell in between (**Russell Mid-Cap Index**: -8.01%). Growth maintained its lead over value in most capitalizations, but small cap stocks were an exception (**Russell 2000 Growth Index**: -13.07% and **Russell 2000 Value Index**: -10.73%). Micro caps fared the worst (**Russell Microcap Index**: -13.77%).

Underlying sector results varied and dictated which style ended up on top—large cap Materials and Energy sectors declined, and both small and large cap Health Care trailed. The magnitude of Health Care underperformance was stronger in small cap due to biotechnology, resulting in small cap growth trailing value; the opposite was true in large cap. In general, defensive areas of the market held up as investors shifted to a “risk-off” mentality. Commodity price declines and slow global growth were major factors behind Materials and Energy results. As is typical in high-volatility periods, large cap outperformed small and high quality beat low.

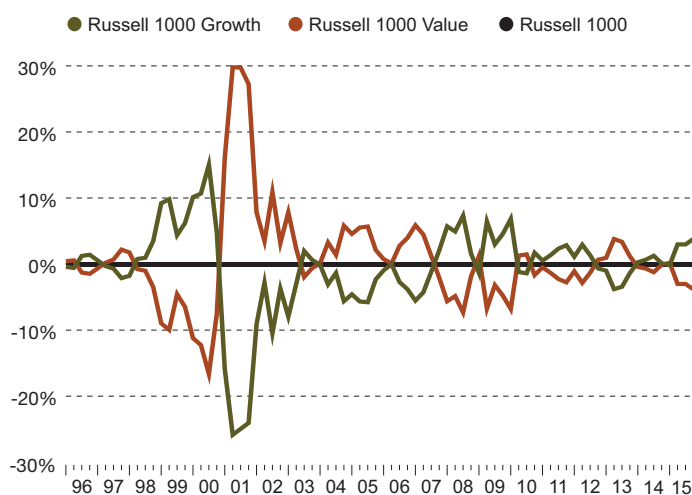
The U.S. equity market experienced an incredibly difficult quarter, but a few positive glimmers shone through: second-quarter GDP was revised up to 3.9%, consumer spending increased,

## Quarterly Performance of Select Sectors



Source: Russell Investment Group

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



Source: Russell Investment Group

and unemployment was at its lowest level since 2008. Though active management struggled versus the benchmarks, year-to-date results are favorable. U.S. equity continues to be the best house in the global economy's neighborhood.

## Non-U.S. Equity: Stumbling Dragon

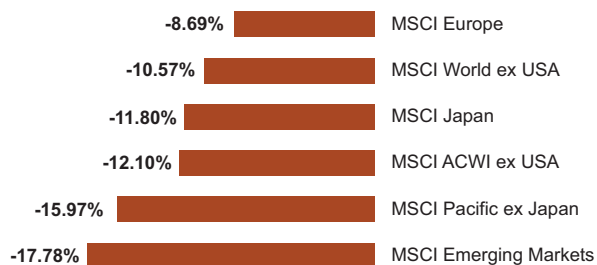
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**Markets Index:** -17.78%). Value lagged growth as the **MSCI ACWI ex USA Growth** (-10.77%) bested the **MSCI ACWI ex USA Value** (-13.60%). Small cap stocks rode the wave of volatility better than large cap due to less exposure to Energy, but were still deep in the red (**MSCI ACWI ex USA Small Cap Index:** -10.02%). In developed countries defensive sectors fared best, with Consumer Staples (-1.49%), Utilities (-4.23%), and Health Care (-5.26%) providing the most protection. Materials (-19.67%) and Energy (-16.83%), bludgeoned by falling commodity prices, were the worst performers.

European stocks regressed (**MSCI Europe Index:** -8.69%) as hand wringing over a possible “Grexit” abated only to be replaced by turmoil in China. Denmark (-2.41%) did best, due primarily to strong domestic performance from Consumer Discretionary (+8.54%). Nearby Norway was crippled by falling oil prices and posted the largest loss (-19.13%). European sectors mirrored the story in the rest of the developed world, with Energy and Materials (-15.80% and -19.91%, respectively) suffering the biggest losses.

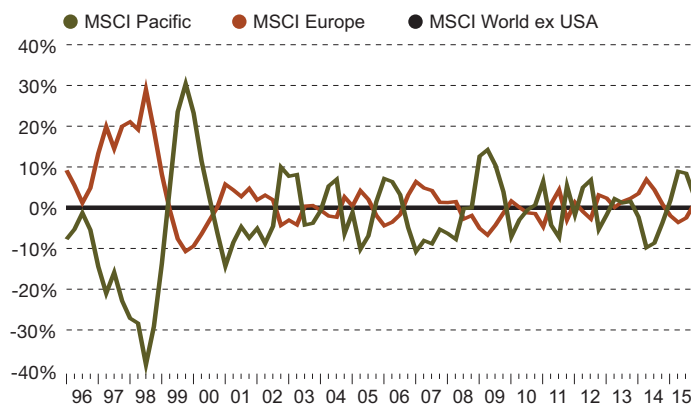
Southeast Asia and the Pacific (**MSCI Pacific Index ex Japan:** -15.97%) trailed Europe and rest of the world. Singapore (-19.48%), Australia (-15.33%), and Hong Kong (-15.33%) felt the full force of China’s volatility. Australian Energy firms were hit hard by falling oil prices and sagging demand in China. Japan’s economy shrunk by 1.2% on an annualized basis in the second quarter and inflation remained well below the Bank of Japan’s two percent target (**MSCI Japan:** -11.80%).

### Regional Quarterly Performance (U.S. Dollar)



Source: MSCI

### Rolling One-Year Relative Returns (vs. MSCI World ex USA U.S. Dollar)



Source: MSCI

Japanese carmakers were hurt by reports of slowing sales in China; a massive explosion at the port of Tianjin in August temporarily shut down Toyota’s largest Chinese production facility. Energy and Materials were laggard sectors in the Index (-28.24% and -19.35%, respectively). Financials (-17.73%) followed as Japanese banks were battered by large losses in their equity portfolios.

Emerging markets were hit hardest in this broad downturn, with the **MSCI Emerging Market Index** dropping 17.78%. China was the main story for much of the quarter after a surprise devaluation of the renminbi in August sparked fears that the slowdown in growth was worse than expected. China’s central bank tried to curb the ensuing market turbulence by cutting interest rates, but met limited success. Only the Telecomm (-9.20%) sector avoided double-digit losses; Energy (-31.19%), Materials (-27.11%), and Financials (-26.92%) all lost more than a quarter of their value. The ripple effects were felt throughout Asia: Indonesia (-24.19%), Malaysia (-18.23%), and Thailand (-17.51%) all declined sharply. A strong devaluation of local currencies contributed to the general slowdown, as the Malaysian ringgit and Indonesian rupiah both fell to their lowest levels versus the dollar in more than 15 years. Emerging countries outside of Asia were also affected by the strengthening U.S. dollar and falling commodity prices. Brazilian equities lost over 30% (**MSCI Brazil:** -33.56%) amid a corruption scandal involving the state-run energy company Petrobras, a 22% devaluation of the real, and a downgrade of the country’s credit rating to below investment grade by Standard & Poor’s.

## U.S. Fixed Income: A Little Longer to Liftoff

*Continued from pg. 1*

The U.S. economy expanded at a moderate pace with the support of fixed investment by businesses, household spending, and the jobs market. Inflation nevertheless remained below the Fed's two percent target.

While many market participants previously pointed to the Fed's September meeting as a likely date for interest rate hikes, the Fed once again pegged the federal funds and discount rates at 0.00%–0.25% and 0.75%, respectively. The Fed cited global economic and financial developments as a concern. The Fed mentioned, and Chair Yellen reiterated in a subsequent speech, that market-based measures of inflation expectations had declined.

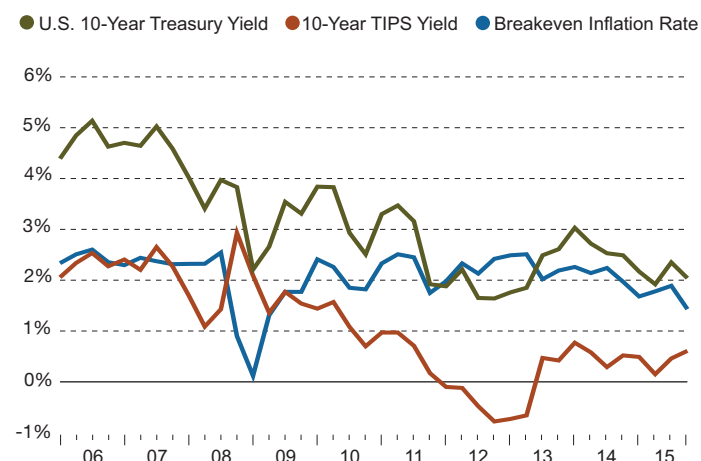
The 10-year U.S. Treasury yield decreased 32 bps. Yields on longer-term bonds decreased by a similar amount. The market's expectation for the first hike in the fed funds rate was pushed back to March 2016. The breakeven inflation rate (the difference between nominal and real yields) on the 10-year Treasury decreased significantly (47 bps) to 1.43%, as Treasury Inflation-Protected Securities underperformed nominal Treasuries.

Non-Treasury sectors broadly underperformed like-duration Treasuries. Credit was among the worst as Financials, Industrials, and Utilities lagged by 0.30%, 2.14%, and 1.01% respectively. Within Industrials, Energy and Metals & Mining companies were hit hardest, trailing like-duration Treasuries by 4.97% and 9.45% respectively. Mortgage-backed securities

(MBS) (-0.22%) and Commercial MBS (-0.05%) also struggled. Asset-backed securities were the lone outperformer, beating like-duration Treasuries by 0.16%.

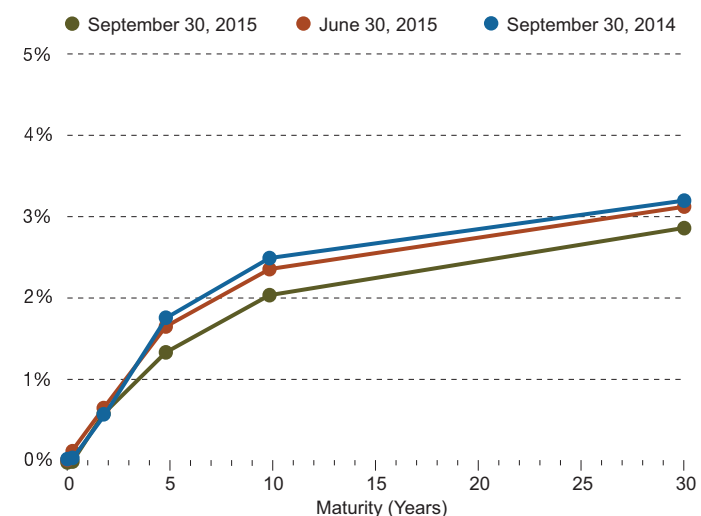
High yield corporate bonds also performed poorly. The **Barclays Corporate High Yield Index** ended in the red (-4.86%). New issue activity is on pace with the previous three calendar years. Year-to-date, there was approximately \$224 billion in new issuance of high yield bonds, down from \$246 billion over the same period in 2014.

### Historical 10-Year Yields



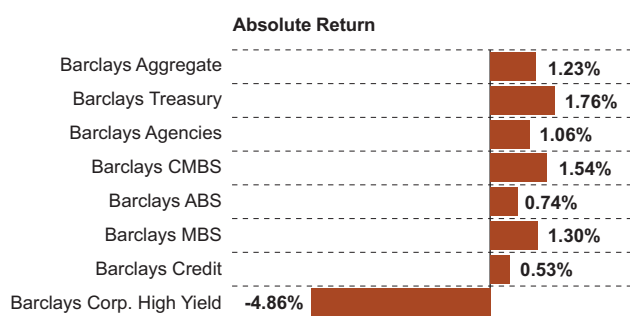
Source: Bloomberg

### U.S. Treasury Yield Curves



Source: Bloomberg

### Fixed Income Index Quarterly Returns



Source: Barclays



## Non-U.S. Fixed Income: Red Scare

*Continued from pg. 1*

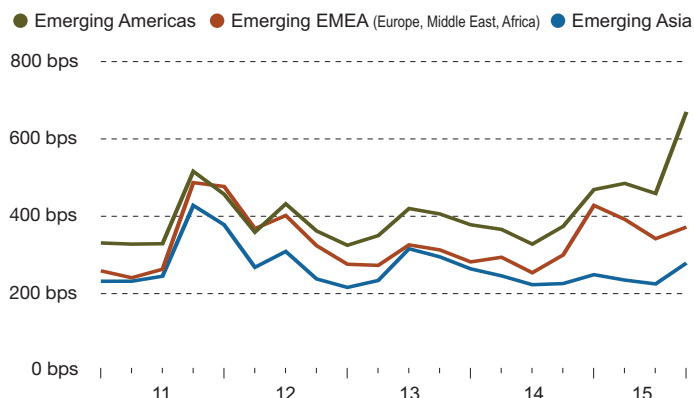
6%). The Canadian economy shrank for two straight quarters—officially a recession. Italy was the best performer in the Index, expanding more than 4% on both a hedged and unhedged basis.

In August, China's surprise change in exchange-rate policy heightened risk aversion and piled onto the already strong headwinds facing emerging market bonds. Slowing demand from China, falling commodity prices, capital outflows, and worries over a Fed hike all contributed to poor performance. The **JPM EMBI Global Diversified Index** slipped by 1.71%. Emerging market currencies were particularly hard hit, as the local currency-denominated **JPM GBI-EM Global Diversified Index** sank 10.54%—the worst quarterly performance since late 2011.

The emerging Americas exhibited the highest increase in yields. Brazil, suffering from the sharp drop in oil prices, as well as fiscal and political challenges, was downgraded by S&P to junk status; the country has seen its currency decline by roughly 40% over the past year. Brazil (-9.97%) was the most notable underperformer in the dollar-denominated Global Diversified Index. Ukraine surged +50.18% following an agreement with creditors whereby bondholders would take a 20% haircut in return for a portion of future GDP growth, subject to a set formula. Among local currency bonds, pain was widespread. Brazil (-24.66%), Colombia (-18.05%), Indonesia (-14.15%), Malaysia (-14.48%), Russia (-13.19%), and Turkey (-14.76%) all suffered double-digit declines. The yield on the GBI-EM Global Diversified Index was 7% as of quarter end, with Brazil at 15% and Russia and Turkey both over 10%.

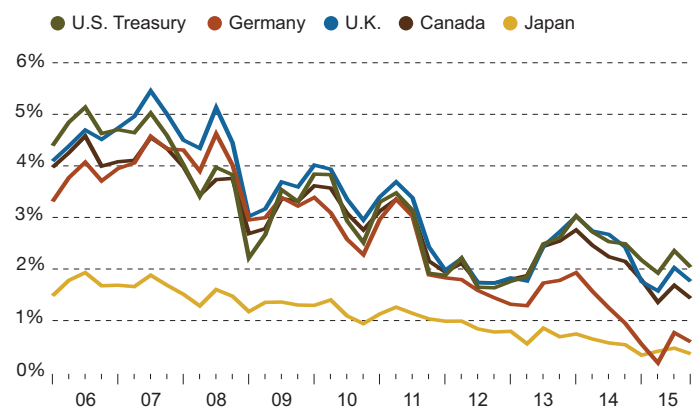
## Emerging Spreads Over Developed

(By Region)

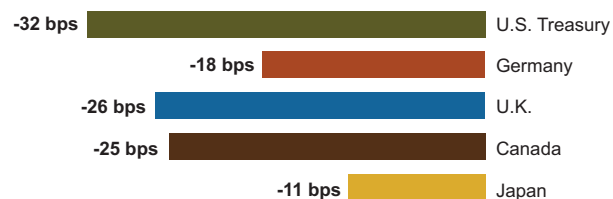


Source: Barclays

## 10-Year Global Government Bond Yields



## Change in 10-Year Yields from 1Q15 to 3Q15



Source: Bloomberg



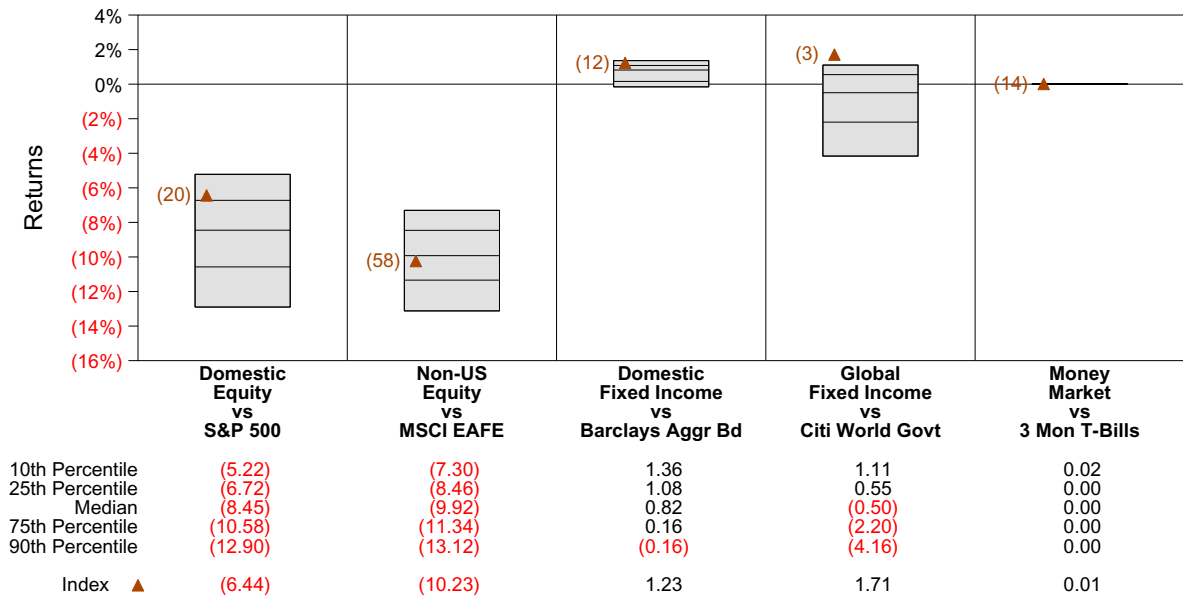
## Market Overview

### Active Management vs Index Returns

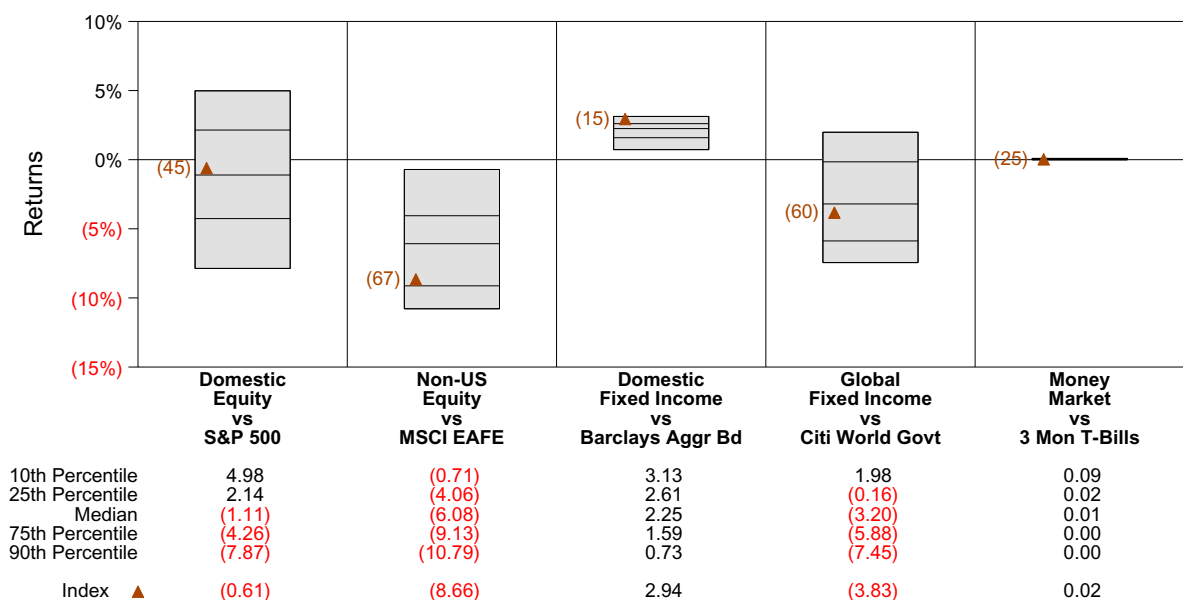
#### Market Overview

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 domestic equity manager database.

#### Range of Mutual Fund Returns by Asset Class One Quarter Ended September 30, 2015



#### Range of Mutual Fund Returns by Asset Class One Year Ended September 30, 2015



## Domestic Equity Active Management Overview

### Active vs. Index

The S&P 500 Index (-6.4%) suffered its worst quarterly performance in four years as a result of August's China-led market selloff. Consistent with the risk off sentiment evident in the 3rd quarter, defensive sectors within the Index fared best. Across the market cap spectrum, active management underperformed passive with the exception of small cap value, where the style group median outpaced the index by 32 basis points. The underperformance of active management was most pronounced within small cap growth; the median small growth fund lagged the S&P 600 Growth index by 489 basis.

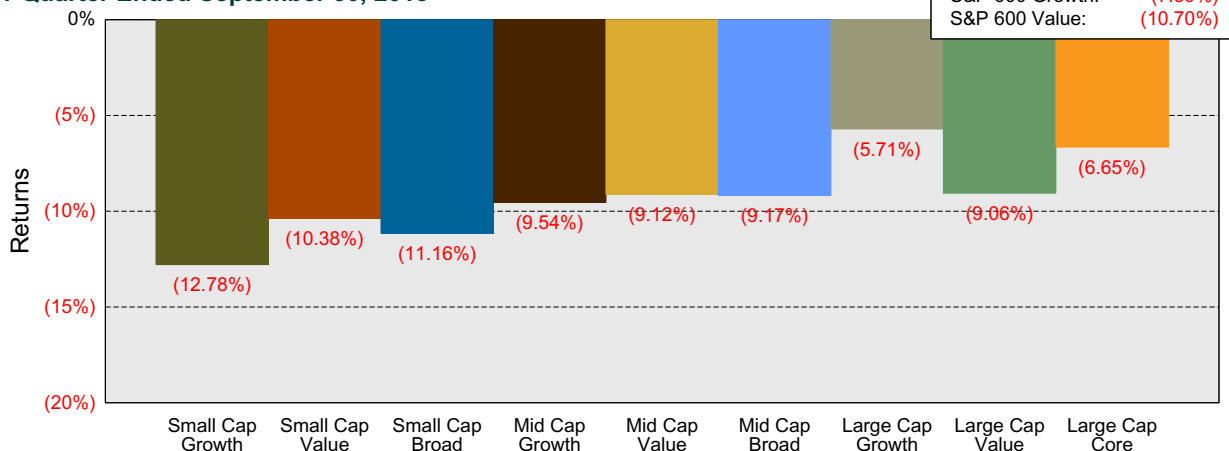
### Large Cap vs. Small Cap

Large cap outperformed small cap (S&P 500: -6.4%; S&P 600: -9.3%) for the 3rd quarter at both the index level and within active management. Following the defensive theme in the quarter, the S&P 500 High Quality Index (-3.7%) outperformed its Low Quality counterpart (-10.0%) and Mega Caps (-2.5%) outperformed Microcaps (-13.8%).

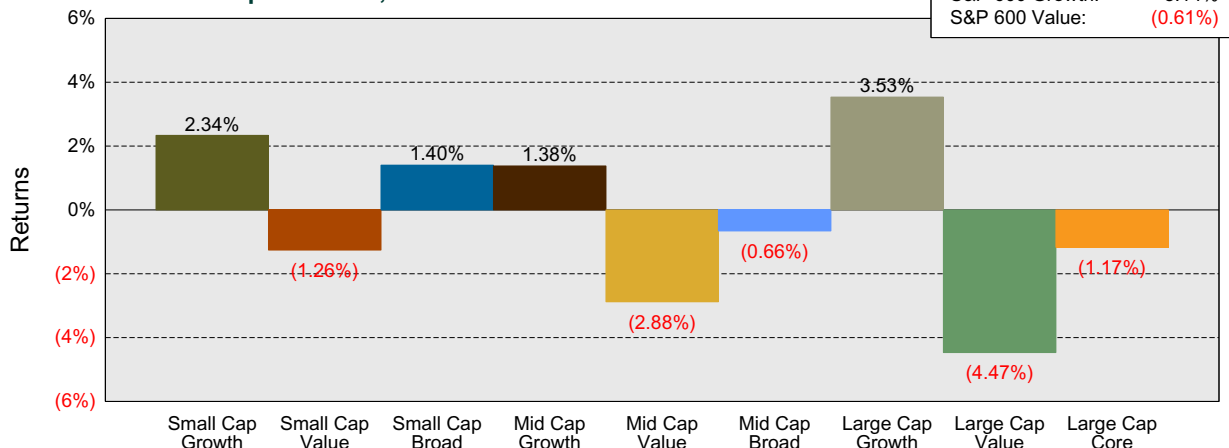
### Growth vs. Value

With respect to style, growth outperformed value within both large cap and small cap at the index level, however results were mixed for active management. Within large cap, the median large cap growth fund (-5.7%) outpaced the median large value fund (-9.1%), whereas the trend was reversed within small cap (small growth median -12.8% vs. small value median -10.4%).

### Mutual Fund Style Group Median Returns for Quarter Ended September 30, 2015



### Mutual Fund Style Group Median Returns for One Year Ended September 30, 2015



## International Equity Active Management Overview

### Active vs. Index

Outside of the US, the sputtering recovery in Europe lost some momentum as the global economic picture soured, and many non-US markets were down double digits. Major developed markets Japan (-11.8%) and the United Kingdom (-10%) performed in line with the broad international equity benchmarks, MSCI ACWI ex US (-12.1%) and EAFE (-10.2%). International Small Cap (-6.8%) was somewhat of an anomaly, posting a return well above other typically less volatile areas of the international markets. Active management performed within +/- 100 basis points of the respective indices across the non-US regions with no clear trend for the 3rd quarter.

### Europe

MSCI Europe Index (-8.7%) was among the better performing non-US developed indices for the 3rd quarter. The Europe mutual fund peer group median beat the Index with its -7.9% return.

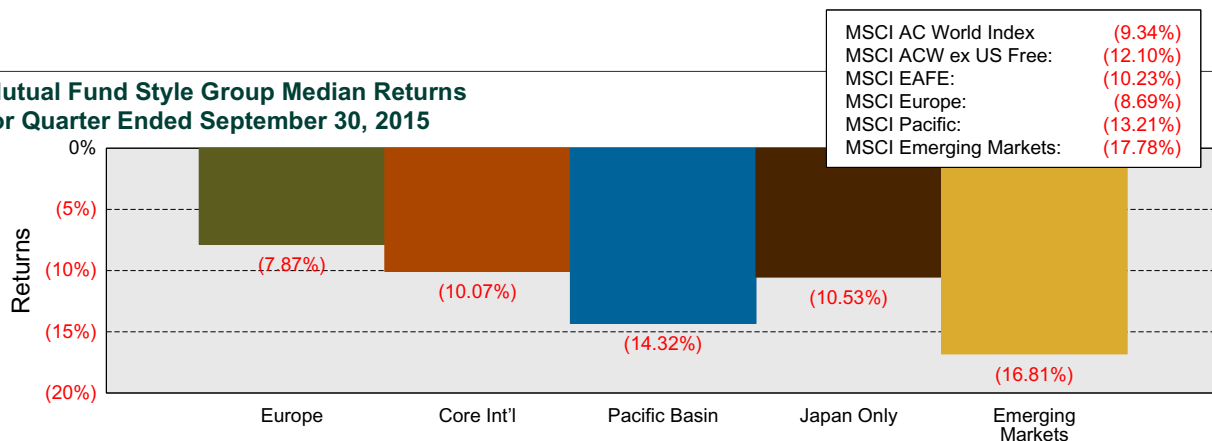
### Pacific

The MSCI Pacific Index declined 13.2% for the 3rd quarter, outpacing the 14.3% decline for the Pacific Basin mutual fund style median.

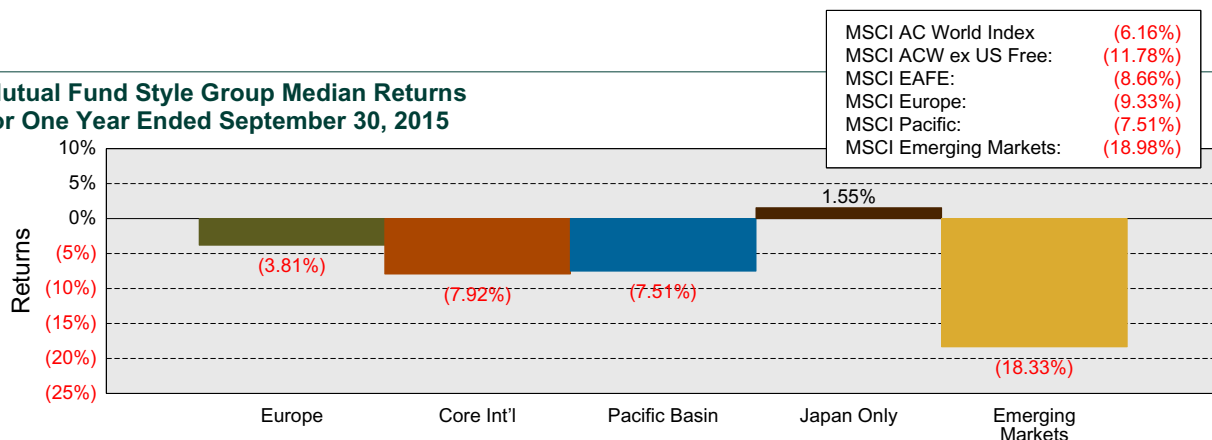
### Emerging Markets

Emerging markets were severely impacted by slowing growth, falling commodity prices and capital outflows with currencies hit especially hard (MSCI EM Index US\$: -17.8%; MSCI EM Local: -12.0%). Active management (EM style median -16.8%) edged out the MSCI EM Index (-17.8%) for the 3rd quarter. In July, China's stock market swoon and the resultant intervention by the government took investors by surprise. Angst continued in August; following China's announcement that manufacturing activity had slowed to a 6-year low, Black Monday (August 24th) ended with the Shanghai Composite Index down 8%. China (MSCI China \$: -22.7%) underperformed Russia (MSCI Russia \$: -14.4%; MSCI Russia Local: -2.6%) and India (MSCI India \$: -6.7%; MSCI India Local: -3.9%). However, Brazil was among the worst performers (MSCI Brazil \$: -33.6%, MSCI Brazil Local: -14.8%) as it suffered from the sharp drop in oil prices, a bloated fiscal program, and political challenges.

**Mutual Fund Style Group Median Returns  
for Quarter Ended September 30, 2015**



**Mutual Fund Style Group Median Returns  
for One Year Ended September 30, 2015**



## Domestic Fixed Income Active Management Overview

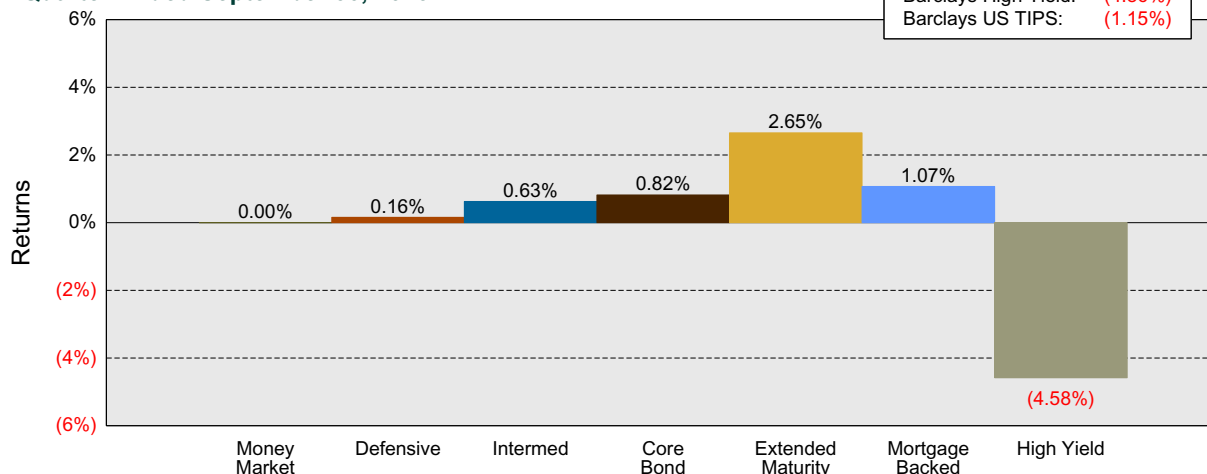
### Active vs. Index

"Risk off" sentiment prevailed in the 3rd quarter as worries over the slowdown in China and falling commodity prices mounted. The Fed put its widely anticipated first rate hike since 2006 on hold yet again, citing global macroeconomic concerns. In this environment, bonds performed well. The yield on the 10-year Treasury fell about 30 bps and the Treasury returned 2.9% for the quarter, fulfilling its flight-to-quality role. The Barclays Aggregate Index posted a 1.2% quarterly result, underperforming Treasuries as corporate spreads widened. For the quarter, corporates underperformed like-duration Treasuries by nearly 150 bps. High yield suffered even more; the Barclays High Yield Index sank 4.9%. TIPS were the other notable underperformers this quarter. These inflation-linked securities sharply underperformed nominal Treasuries as expectations for inflation over the next ten years shrank from 1.86% as of 6/30 to 1.41% as of 9/30. The Barclays TIPS Index returned -1.2% versus +1.8% for the US Treasury Index. In this environment, the median Core Bond fund underperformed the Barclays Aggregate and it trailed for the trailing 12-month period as well.

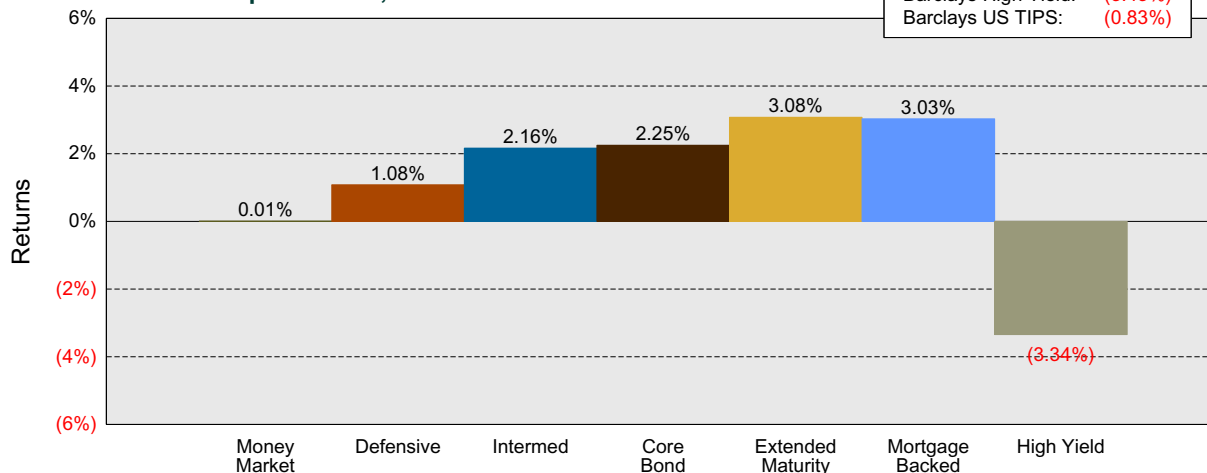
### Intermediate vs. Long

Longer duration funds significantly outperformed intermediate and short duration strategies in the 3rd quarter as rates dropped. The median Extended Maturity fund returned +2.7% while the median Intermediate fund was up only 0.6% and the median Defensive fund posted a barely positive 0.2% return.

**Mutual Fund Style Group Median Returns  
for Quarter Ended September 30, 2015**



**Mutual Fund Style Group Median Returns  
for One Year Ended September 30, 2015**





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## ASSET ALLOCATION AND PERFORMANCE

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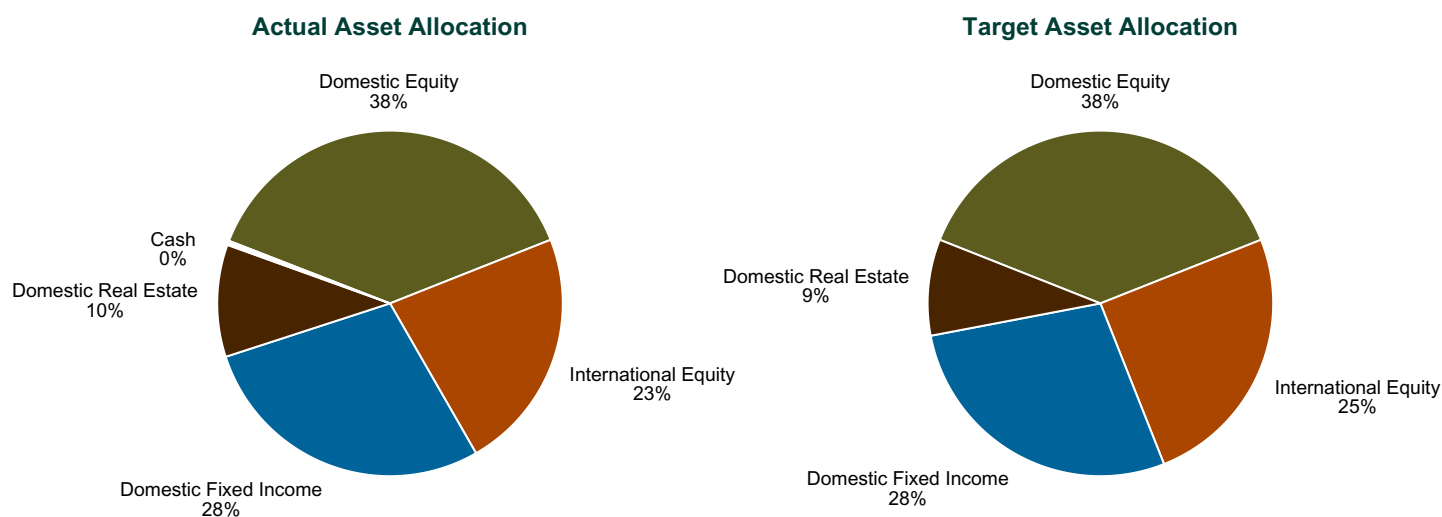
### **Asset Allocation and Performance**

This section begins with an overview of the fund's asset allocation at the broad asset class level. This is followed by a top down performance attribution analysis which analyzes the fund's performance relative to the performance of the fund's policy target asset allocation. The fund's historical performance is then examined relative to funds with similar objectives. Performance of each asset class is then shown relative to the asset class performance of other funds. Finally, a summary is presented of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.



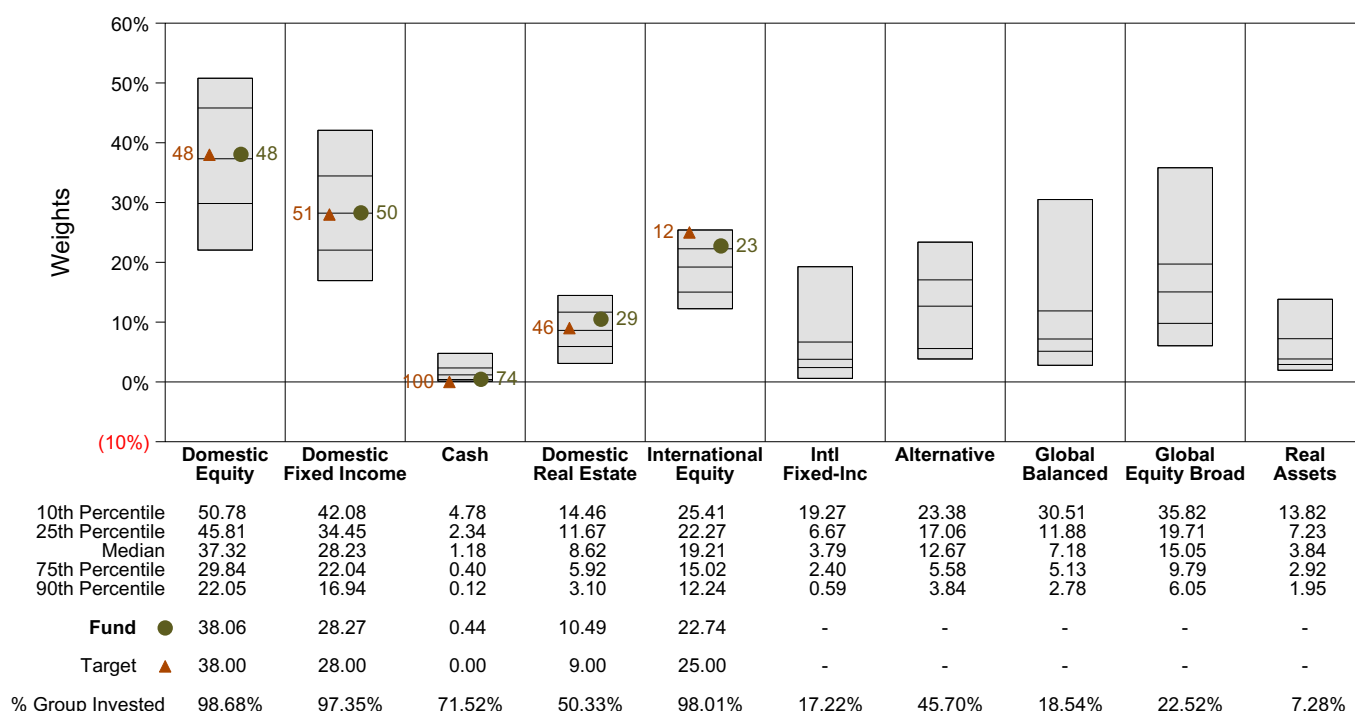
## Actual vs Target Asset Allocation As of September 30, 2015

The top left chart shows the Fund's asset allocation as of September 30, 2015. 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 Public Fund Sponsor Database.



| Asset Class           | \$000s Actual | Weight Actual | Target | Percent Difference | \$000s Difference |
|-----------------------|---------------|---------------|--------|--------------------|-------------------|
| Domestic Equity       | 156,499       | 38.1%         | 38.0%  | 0.1%               | 242               |
| International Equity  | 93,511        | 22.7%         | 25.0%  | (2.3%)             | (9,290)           |
| Domestic Fixed Income | 116,257       | 28.3%         | 28.0%  | 0.3%               | 1,120             |
| Domestic Real Estate  | 43,136        | 10.5%         | 9.0%   | 1.5%               | 6,127             |
| Cash                  | 1,800         | 0.4%          | 0.0%   | 0.4%               | 1,800             |
| Total                 | 411,203       | 100.0%        | 100.0% |                    |                   |

### Asset Class Weights vs Public Fund Sponsor Database



\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of September 30, 2015, with the distribution as of June 30, 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

|                               | September 30, 2015   |               |                      |                       | June 30, 2015        |               |
|-------------------------------|----------------------|---------------|----------------------|-----------------------|----------------------|---------------|
|                               | Market Value         | Weight        | Net New Inv.         | Inv. Return           | Market Value         | Weight        |
| <b>Domestic Equities</b>      | <b>\$156,499,195</b> | <b>38.06%</b> | <b>\$(4,466,241)</b> | <b>\$(14,538,857)</b> | <b>\$175,504,293</b> | <b>39.51%</b> |
| <b>Large Cap Equities</b>     | <b>\$107,413,883</b> | <b>26.12%</b> | <b>\$(4,466,241)</b> | <b>\$(8,556,259)</b>  | <b>\$120,436,383</b> | <b>27.12%</b> |
| Vanguard S&P 500 Index        | 20,525,894           | 4.99%         | (500,000)            | (1,442,893)           | 22,468,787           | 5.06%         |
| Dodge & Cox Stock             | 21,067,195           | 5.12%         | (66,241)             | (2,306,742)           | 23,440,178           | 5.28%         |
| Boston Partners               | 21,812,671           | 5.30%         | (900,000)            | (2,168,127)           | 24,880,798           | 5.60%         |
| Harbor Cap Appreciation       | 22,027,087           | 5.36%         | (1,850,000)          | (1,290,108)           | 25,167,194           | 5.67%         |
| Janus Research                | 21,981,037           | 5.35%         | (1,150,000)          | (1,348,389)           | 24,479,426           | 5.51%         |
| <b>Mid Cap Equities</b>       | <b>\$18,687,493</b>  | <b>4.54%</b>  | <b>\$0</b>           | <b>\$(1,692,268)</b>  | <b>\$20,379,761</b>  | <b>4.59%</b>  |
| Fidelity Low Priced Stock     | 4,914,863            | 1.20%         | 0                    | (325,100)             | 5,239,963            | 1.18%         |
| Royce Total Return            | 4,337,267            | 1.05%         | 0                    | (461,121)             | 4,798,388            | 1.08%         |
| Morgan Stanley                | 4,424,723            | 1.08%         | 0                    | (531,753)             | 4,956,476            | 1.12%         |
| Janus Enterprise              | 5,010,640            | 1.22%         | 0                    | (374,295)             | 5,384,934            | 1.21%         |
| <b>Small Cap Equities</b>     | <b>\$22,712,564</b>  | <b>5.52%</b>  | <b>\$0</b>           | <b>\$(3,192,165)</b>  | <b>\$25,904,729</b>  | <b>5.83%</b>  |
| Prudential Small Cap Value    | 11,426,342           | 2.78%         | 0                    | (1,412,552)           | 12,838,894           | 2.89%         |
| AB US Small Growth            | 6,161,495            | 1.50%         | 0                    | (1,038,110)           | 7,199,605            | 1.62%         |
| RS Investments                | 5,124,727            | 1.25%         | 0                    | (741,503)             | 5,866,230            | 1.32%         |
| <b>Micro Cap Equities</b>     | <b>\$7,685,255</b>   | <b>1.87%</b>  | <b>\$0</b>           | <b>\$(1,098,165)</b>  | <b>\$8,783,420</b>   | <b>1.98%</b>  |
| Managers Inst Micro Cap       | 7,685,255            | 1.87%         | 0                    | (1,098,165)           | 8,783,420            | 1.98%         |
| <b>International Equities</b> | <b>\$93,510,940</b>  | <b>22.74%</b> | <b>\$(729,911)</b>   | <b>\$(13,603,613)</b> | <b>\$107,844,465</b> | <b>24.28%</b> |
| EuroPacific                   | 21,626,087           | 5.26%         | 1,900,000            | (2,100,158)           | 21,826,245           | 4.91%         |
| Harbor International          | 21,288,137           | 5.18%         | 3,400,000            | (2,678,405)           | 20,566,543           | 4.63%         |
| Columbia Acorn Int'l          | 10,582,878           | 2.57%         | 500,000              | (1,113,596)           | 11,196,474           | 2.52%         |
| Janus Overseas                | 0                    | 0.00%         | (13,829,911)         | (3,253,807)           | 17,083,719           | 3.85%         |
| Oakmark International         | 21,227,412           | 5.16%         | 7,300,000            | (2,133,853)           | 16,061,266           | 3.62%         |
| Mondrian International        | 18,786,425           | 4.57%         | 0                    | (2,323,794)           | 21,110,219           | 4.75%         |
| <b>Domestic Fixed Income</b>  | <b>\$116,256,763</b> | <b>28.27%</b> | <b>\$(997,348)</b>   | <b>\$(525,281)</b>    | <b>\$117,779,392</b> | <b>26.52%</b> |
| Dodge & Cox Income            | 58,181,251           | 14.15%        | (434,513)            | (477,964)             | 59,093,728           | 13.30%        |
| PIMCO                         | 58,075,512           | 14.12%        | (562,835)            | (47,317)              | 58,685,664           | 13.21%        |
| <b>Real Estate</b>            | <b>\$43,135,736</b>  | <b>10.49%</b> | <b>\$(18,618)</b>    | <b>\$1,519,684</b>    | <b>\$41,634,671</b>  | <b>9.37%</b>  |
| RREEF Public Fund             | 8,227,645            | 2.00%         | 0                    | 259,647               | 7,967,998            | 1.79%         |
| RREEF Private Fund            | 19,629,880           | 4.77%         | 0                    | 715,214               | 18,914,666           | 4.26%         |
| Cornerstone Patriot Fund      | 14,414,211           | 3.51%         | 0                    | 526,204               | 13,888,006           | 3.13%         |
| 625 Kings Court               | 864,000              | 0.21%         | (18,618)             | 18,618                | 864,000              | 0.19%         |
| <b>Cash</b>                   | <b>\$1,800,246</b>   | <b>0.44%</b>  | <b>\$402,096</b>     | <b>\$0</b>            | <b>\$1,398,150</b>   | <b>0.31%</b>  |
| <b>Total Fund</b>             | <b>\$411,202,880</b> | <b>100.0%</b> | <b>\$(5,810,022)</b> | <b>\$(27,148,068)</b> | <b>\$444,160,970</b> | <b>100.0%</b> |

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2015. 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 September 30, 2015

|                                | Last<br>Quarter | Last<br>Year | Last<br>3<br>Years | Last<br>5<br>Years | Last<br>7<br>Years |
|--------------------------------|-----------------|--------------|--------------------|--------------------|--------------------|
| <b>Domestic Equities</b>       | <b>(8.40%)</b>  | <b>0.01%</b> | <b>13.41%</b>      | <b>13.07%</b>      | <b>10.65%</b>      |
| Russell 3000 Index             | (7.25%)         | (0.49%)      | 12.53%             | 13.28%             | 9.91%              |
| <b>Large Cap Equities</b>      |                 |              |                    |                    |                    |
| Vanguard S&P 500 Index         | (6.45%)         | (0.63%)      | -                  | -                  | -                  |
| S&P 500 Index                  | (6.44%)         | (0.61%)      | 12.40%             | 13.34%             | 9.75%              |
| Dodge & Cox Stock              | (9.84%)         | (6.62%)      | 13.39%             | 13.03%             | 9.56%              |
| Boston Partners                | (9.12%)         | (4.23%)      | 11.69%             | -                  | -                  |
| S&P 500 Index                  | (6.44%)         | (0.61%)      | 12.40%             | 13.34%             | 9.75%              |
| Russell 1000 Value Index       | (8.39%)         | (4.42%)      | 11.59%             | 12.29%             | 8.21%              |
| Harbor Cap Appreciation        | (5.44%)         | 6.03%        | 15.35%             | 15.06%             | 12.42%             |
| Janus Research (1)             | (5.70%)         | 5.09%        | 15.84%             | 13.99%             | 12.07%             |
| S&P 500 Index                  | (6.44%)         | (0.61%)      | 12.40%             | 13.34%             | 9.75%              |
| Russell 1000 Growth Index      | (5.29%)         | 3.17%        | 13.61%             | 14.47%             | 11.73%             |
| <b>Mid Cap Equities</b>        |                 |              |                    |                    |                    |
| Fidelity Low Priced Stock      | (6.20%)         | 1.94%        | 13.45%             | 13.20%             | 12.14%             |
| Royce Total Return (1)         | (9.61%)         | (3.84%)      | 8.43%              | 9.17%              | 7.52%              |
| Russell MidCap Value Idx       | (8.04%)         | (2.07%)      | 13.69%             | 13.15%             | 10.52%             |
| Morgan Stanley (2)             | (10.73%)        | (6.02%)      | 9.44%              | 7.87%              | 10.76%             |
| Janus Enterprise (1)           | (6.95%)         | 6.28%        | 15.05%             | 13.65%             | 11.56%             |
| Russell MidCap Growth Idx      | (7.99%)         | 1.45%        | 13.98%             | 13.58%             | 12.12%             |
| <b>Small Cap Equities</b>      |                 |              |                    |                    |                    |
| Prudential Small Cap Value (3) | (11.00%)        | (3.73%)      | 10.24%             | -                  | -                  |
| US Small Cap Value Idx         | (9.02%)         | (1.53%)      | 11.00%             | 11.40%             | 8.97%              |
| Russell 2000 Value Index       | (10.73%)        | (1.60%)      | 9.18%              | 10.17%             | 6.81%              |
| AB US Small Growth             | (14.57%)        | (2.91%)      | 10.41%             | 14.63%             | 13.11%             |
| RS Investments (1)             | (12.64%)        | 12.68%       | 16.28%             | 16.15%             | 14.52%             |
| Russell 2000 Growth Index      | (13.06%)        | 4.04%        | 12.85%             | 13.26%             | 10.44%             |
| <b>Micro Cap Equities</b>      |                 |              |                    |                    |                    |
| Managers Inst Micro Cap        | (12.50%)        | 3.26%        | 13.69%             | 13.85%             | 10.97%             |
| Russell Microcap Index         | (13.78%)        | 1.65%        | 11.34%             | 12.35%             | 8.50%              |
| Russell Micro Growth Idx       | (17.25%)        | 3.68%        | 12.37%             | 13.35%             | 10.16%             |

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

(3) Switched share class in September 2015.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2015. 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 September 30, 2015

|                                  | Last<br>Quarter | Last<br>Year    | Last<br>3<br>Years | Last<br>5<br>Years | Last<br>7<br>Years |
|----------------------------------|-----------------|-----------------|--------------------|--------------------|--------------------|
| <b>International Equities</b>    | <b>(12.66%)</b> | <b>(11.24%)</b> | <b>3.69%</b>       | <b>2.29%</b>       | <b>4.82%</b>       |
| MSCI ACWI ex-US Index            | (12.10%)        | (11.78%)        | 2.78%              | 2.27%              | 3.66%              |
| EuroPacific (1)                  | (9.81%)         | (4.93%)         | 6.35%              | 4.55%              | 5.57%              |
| Harbor International             | (12.97%)        | (10.29%)        | 3.15%              | 3.47%              | 4.13%              |
| Columbia Acorn Int'l (2)         | (10.01%)        | (7.76%)         | 4.97%              | 4.71%              | 7.60%              |
| Oakmark International            | (13.18%)        | (8.98%)         | 8.38%              | 5.98%              | 8.53%              |
| Mondrian International           | (11.18%)        | (12.24%)        | 2.92%              | -                  | -                  |
| MSCI EAFE Index                  | (10.23%)        | (8.66%)         | 5.63%              | 3.98%              | 3.77%              |
| MSCI ACWI ex-US Index            | (12.10%)        | (11.78%)        | 2.78%              | 2.27%              | 3.66%              |
| <b>Domestic Fixed Income</b>     | <b>(0.45%)</b>  | <b>0.86%</b>    | <b>1.73%</b>       | <b>3.37%</b>       | <b>5.90%</b>       |
| BC Aggregate Index               | 1.23%           | 2.94%           | 1.71%              | 3.10%              | 4.85%              |
| Dodge & Cox Income               | (0.81%)         | 0.16%           | 2.10%              | 3.57%              | 6.37%              |
| PIMCO                            | (0.09%)         | 1.57%           | 1.36%              | 3.23%              | -                  |
| BC Aggregate Index               | 1.23%           | 2.94%           | 1.71%              | 3.10%              | 4.85%              |
| <b>Real Estate</b>               | <b>3.65%</b>    | <b>12.76%</b>   | <b>11.65%</b>      | <b>12.09%</b>      | <b>4.73%</b>       |
| Real Estate Custom Benchmark (3) | 2.87%           | 12.63%          | 11.55%             | 12.53%             | 6.20%              |
| RREEF Public                     | 3.26%           | 10.94%          | 9.09%              | 11.86%             | 7.26%              |
| NAREIT                           | 0.73%           | 6.94%           | 8.17%              | 11.40%             | 7.33%              |
| RREEF Private                    | 3.78%           | 14.68%          | 13.80%             | 13.33%             | 3.96%              |
| Cornerstone Patriot Fund         | 3.79%           | 11.45%          | 9.98%              | -                  | -                  |
| NFI-ODCE Equal Weight Net        | 3.40%           | 13.82%          | 12.23%             | 12.86%             | 2.90%              |
| 625 Kings Court                  | 2.18%           | 9.62%           | 17.75%             | 8.11%              | 6.21%              |
| <b>Total Fund</b>                | <b>(6.11%)</b>  | <b>(1.38%)</b>  | <b>7.69%</b>       | <b>7.56%</b>       | <b>7.42%</b>       |
| Total Fund Benchmark*            | (5.18%)         | (1.19%)         | 7.06%              | 7.80%              | 6.85%              |

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

(3) Real Estate Custom Benchmark is 50% NAREIT Composite Index and 50% NFI-ODCE Equal Weight Net through 12/31/2011; and 20% NAREIT Composite Index and 80% NFI-ODCE Equal Weight Net thereafter.

## 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.

|                                | 12/2014-<br>9/2015 | 2014         | 2013          | 2012          | 2011           |
|--------------------------------|--------------------|--------------|---------------|---------------|----------------|
| <b>Domestic Equities</b>       | <b>(4.96%)</b>     | <b>9.59%</b> | <b>38.02%</b> | <b>17.10%</b> | <b>(1.96%)</b> |
| Russell 3000 Index             | (5.45%)            | 12.56%       | 33.55%        | 16.42%        | 1.03%          |
| <b>Large Cap Equities</b>      |                    |              |               |               |                |
| Vanguard S&P 500 Index         | (5.30%)            | 13.65%       | -             | -             | -              |
| Dodge & Cox Stock              | (8.64%)            | 10.40%       | 40.55%        | 22.01%        | (4.08%)        |
| Boston Partners                | (9.10%)            | 10.87%       | 36.43%        | 20.18%        | -              |
| S&P 500 Index                  | (5.29%)            | 13.69%       | 32.39%        | 16.00%        | 2.11%          |
| Russell 1000 Value Index       | (8.96%)            | 13.45%       | 32.53%        | 17.51%        | 0.39%          |
| Harbor Cap Appreciation        | 2.68%              | 9.93%        | 37.66%        | 15.69%        | 0.61%          |
| Janus Research (1)             | (1.23%)            | 14.10%       | 35.36%        | 16.78%        | (3.76%)        |
| S&P 500 Index                  | (5.29%)            | 13.69%       | 32.39%        | 16.00%        | 2.11%          |
| Russell 1000 Growth Index      | (1.54%)            | 13.05%       | 33.48%        | 15.26%        | 2.64%          |
| <b>Mid Cap Equities</b>        |                    |              |               |               |                |
| Fidelity Low Priced Stock      | (2.15%)            | 7.65%        | 34.31%        | 18.50%        | (0.06%)        |
| Royce Total Return (1)         | (8.87%)            | 1.51%        | 32.93%        | 14.48%        | (1.62%)        |
| Russell MidCap Value Idx       | (7.66%)            | 14.75%       | 33.46%        | 18.51%        | (1.38%)        |
| Morgan Stanley (2)             | (8.48%)            | 1.47%        | 38.35%        | 9.49%         | (6.89%)        |
| Janus Enterprise (1)           | (1.31%)            | 12.01%       | 30.86%        | 17.83%        | (1.65%)        |
| Russell MidCap Growth Idx      | (4.15%)            | 11.90%       | 35.74%        | 15.81%        | (1.65%)        |
| <b>Small Cap Equities</b>      |                    |              |               |               |                |
| Prudential Small Cap Value (3) | (10.24%)           | 5.89%        | 35.87%        | 14.14%        | -              |
| US Small Cap Value Idx         | (8.12%)            | 7.44%        | 33.71%        | 18.80%        | (4.04%)        |
| Russell 2000 Value Index       | (10.06%)           | 4.22%        | 34.52%        | 18.05%        | (5.50%)        |
| AB US Small Growth             | (5.72%)            | (1.24%)      | 46.72%        | 16.21%        | 5.42%          |
| RS Investments (1)             | (1.24%)            | 9.67%        | 49.64%        | 15.13%        | (2.04%)        |
| Russell 2000 Growth Index      | (5.47%)            | 5.60%        | 43.30%        | 14.59%        | (2.91%)        |
| <b>Micro Cap Equities</b>      |                    |              |               |               |                |
| Managers Inst Micro Cap        | (7.98%)            | 2.62%        | 56.34%        | 14.32%        | (3.91%)        |
| Russell Microcap Index         | (8.58%)            | 3.65%        | 45.62%        | 19.75%        | (9.27%)        |
| Russell Micro Growth Idx       | (8.17%)            | 4.30%        | 52.84%        | 15.17%        | (8.42%)        |

(1) Switched share class in December 2009.

(2) Switched share class in February 2014.

(3) Switched share class in September 2015.

## 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.

|                                  | 12/2014-<br>9/2015 | 2014           | 2013           | 2012          | 2011            |
|----------------------------------|--------------------|----------------|----------------|---------------|-----------------|
| <b>International Equities</b>    | <b>(7.61%)</b>     | <b>(5.73%)</b> | <b>19.25%</b>  | <b>18.78%</b> | <b>(15.34%)</b> |
| MSCI ACWI ex-US Index            | (8.28%)            | (3.44%)        | 15.78%         | 17.39%        | (13.33%)        |
| EuroPacific (1)                  | (3.36%)            | (2.29%)        | 20.58%         | 19.64%        | (13.31%)        |
| Harbor International             | (6.50%)            | (6.81%)        | 16.84%         | 20.87%        | (11.13%)        |
| Columbia Acorn Int'l (2)         | (5.29%)            | (4.23%)        | 22.33%         | 21.60%        | (14.06%)        |
| Oakmark International            | (8.57%)            | (5.41%)        | 29.34%         | 29.22%        | (14.07%)        |
| Mondrian International           | (8.20%)            | (2.06%)        | 16.69%         | 11.50%        | -               |
| MSCI EAFE Index                  | (5.28%)            | (4.90%)        | 22.78%         | 17.32%        | (12.14%)        |
| MSCI ACWI ex-US Index            | (8.28%)            | (3.44%)        | 15.78%         | 17.39%        | (13.33%)        |
| <b>Domestic Fixed Income</b>     | <b>(0.24%)</b>     | <b>5.09%</b>   | <b>(0.65%)</b> | <b>9.15%</b>  | <b>4.47%</b>    |
| BC Aggregate Index               | 1.13%              | 5.97%          | (2.02%)        | 4.21%         | 7.84%           |
| Dodge & Cox Income               | (0.72%)            | 5.49%          | 0.64%          | 7.94%         | 4.75%           |
| PIMCO                            | 0.25%              | 4.69%          | (1.92%)        | 10.36%        | 4.16%           |
| BC Aggregate Index               | 1.13%              | 5.97%          | (2.02%)        | 4.21%         | 7.84%           |
| <b>Real Estate</b>               | <b>7.64%</b>       | <b>14.50%</b>  | <b>10.21%</b>  | <b>10.73%</b> | <b>11.17%</b>   |
| Real Estate Custom Benchmark (3) | 7.52%              | 14.57%         | 10.40%         | 11.88%        | 11.74%          |
| RREEF Public                     | (3.77%)            | 31.88%         | (0.59%)        | 16.97%        | 9.41%           |
| NAREIT                           | (4.74%)            | 27.23%         | 2.34%          | 19.73%        | 7.30%           |
| RREEF Private                    | 11.72%             | 11.95%         | 14.50%         | 10.12%        | 13.86%          |
| Cornerstone Patriot Fund         | 9.65%              | 8.64%          | 9.82%          | 10.18%        | -               |
| NFI-ODCE Equal Weight Net        | 10.63%             | 11.42%         | 12.36%         | 9.93%         | 14.99%          |
| 625 Kings Court                  | 6.97%              | 12.15%         | 33.50%         | 3.64%         | (11.98%)        |
| <b>Total Fund</b>                | <b>(3.07%)</b>     | <b>4.72%</b>   | <b>19.72%</b>  | <b>14.53%</b> | <b>(2.53%)</b>  |
| Total Fund Benchmark*            | (3.10%)            | 6.80%          | 16.47%         | 12.99%        | 0.60%           |

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

(1) Switched share class December 2009.

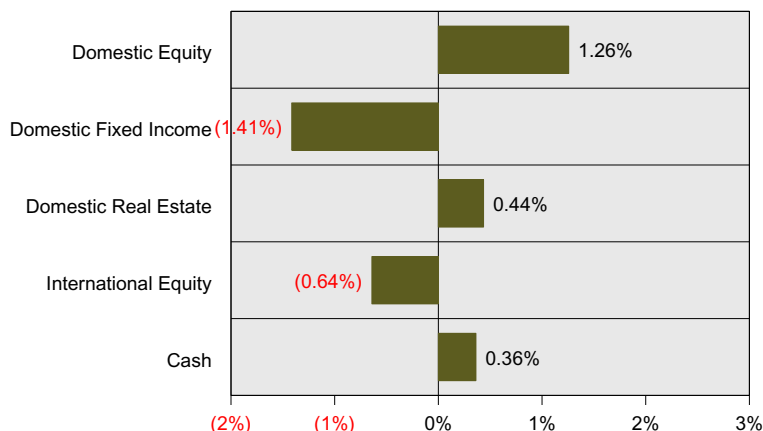
(2) Switched share class February 2014.

(3) Real Estate Custom Benchmark is 50% NAREIT Composite Index and 50% NFI-ODCE Equal Weight Net through 12/31/2011; and 20% NAREIT Composite Index and 80% NFI-ODCE Equal Weight Net thereafter.

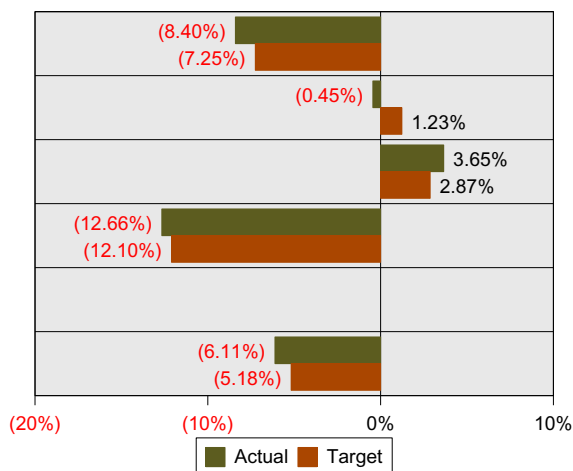
## Quarterly Total Fund Relative Attribution - September 30, 2015

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.

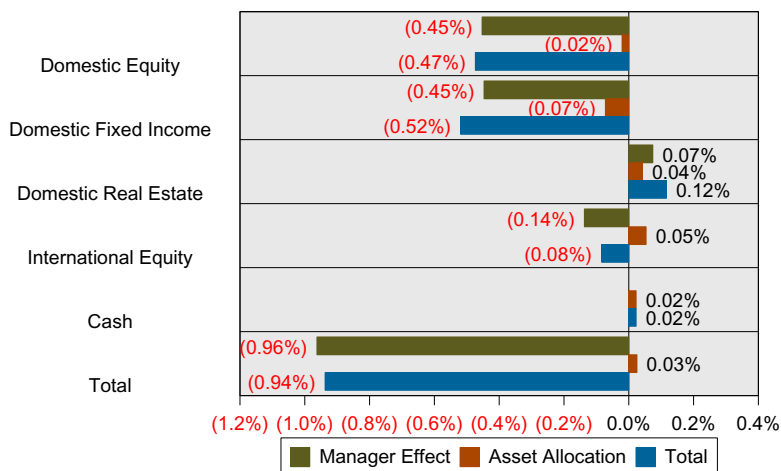
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended September 30, 2015

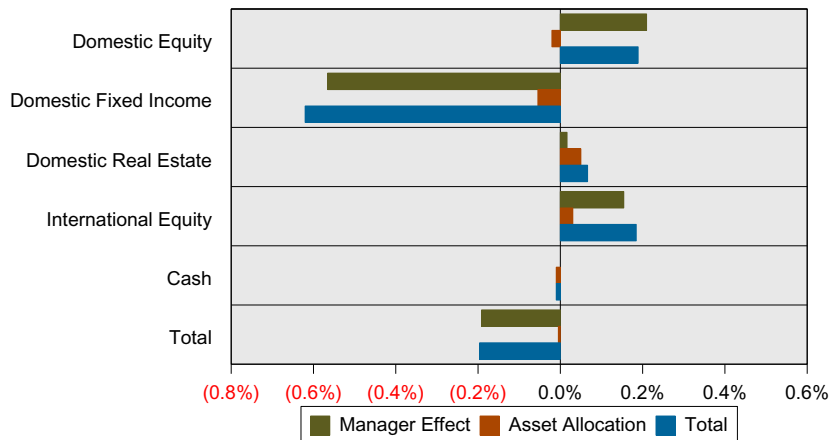
| Asset Class           | Effective Actual Weight | Effective Target Weight | Actual Return  | Target Return  | Manager Effect | Asset Allocation | Total Relative Return |
|-----------------------|-------------------------|-------------------------|----------------|----------------|----------------|------------------|-----------------------|
| Domestic Equity       | 39%                     | 38%                     | (8.40%)        | (7.25%)        | (0.45%)        | (0.02%)          | (0.47%)               |
| Domestic Fixed Income | 27%                     | 28%                     | (0.45%)        | 1.23%          | (0.45%)        | (0.07%)          | (0.52%)               |
| Domestic Real Estate  | 9%                      | 9%                      | 3.65%          | 2.87%          | 0.07%          | 0.04%            | 0.12%                 |
| International Equity  | 24%                     | 25%                     | (12.66%)       | (12.10%)       | (0.14%)        | 0.05%            | (0.08%)               |
| Cash                  | 0%                      | 0%                      | 0.00%          | 0.00%          | 0.00%          | 0.02%            | 0.02%                 |
| <b>Total</b>          |                         |                         | <b>(6.11%)</b> | <b>(5.18%)</b> | <b>(0.96%)</b> | <b>0.03%</b>     | <b>(0.94%)</b>        |

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

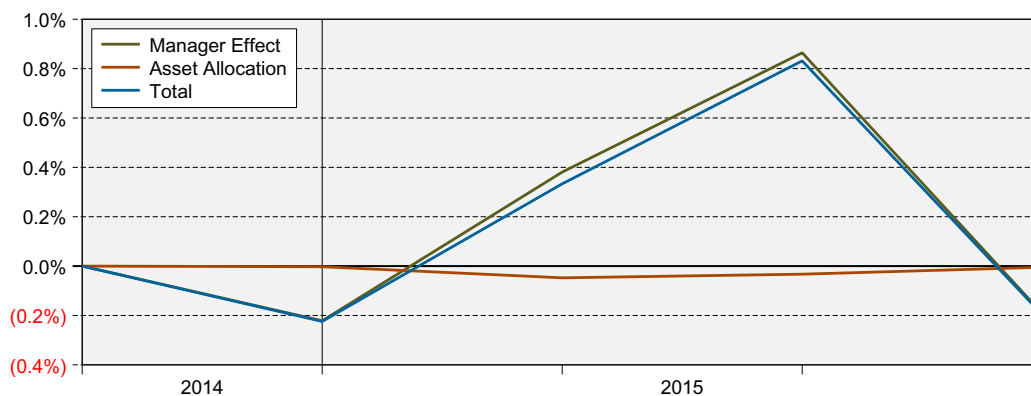
## Cumulative Total Fund Relative Attribution - September 30, 2015

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       | 39%                     | 38%                     | 0.01%          | (0.49%)        | 0.21%          | (0.02%)          | 0.19%                 |
| Domestic Fixed Income | 27%                     | 28%                     | 0.86%          | 2.94%          | (0.57%)        | (0.05%)          | (0.62%)               |
| Domestic Real Estate  | 9%                      | 9%                      | 12.76%         | 12.63%         | 0.02%          | 0.05%            | 0.07%                 |
| International Equity  | 24%                     | 25%                     | (11.24%)       | (11.78%)       | 0.15%          | 0.03%            | 0.18%                 |
| Cash                  | 1%                      | 0%                      | 0.00%          | 0.00%          | 0.00%          | (0.01%)          | (0.01%)               |
| <b>Total</b>          |                         |                         | <b>(1.38%)</b> | <b>(1.19%)</b> | <b>(0.19%)</b> | <b>(0.00%)</b>   | <b>(0.20%)</b>        |

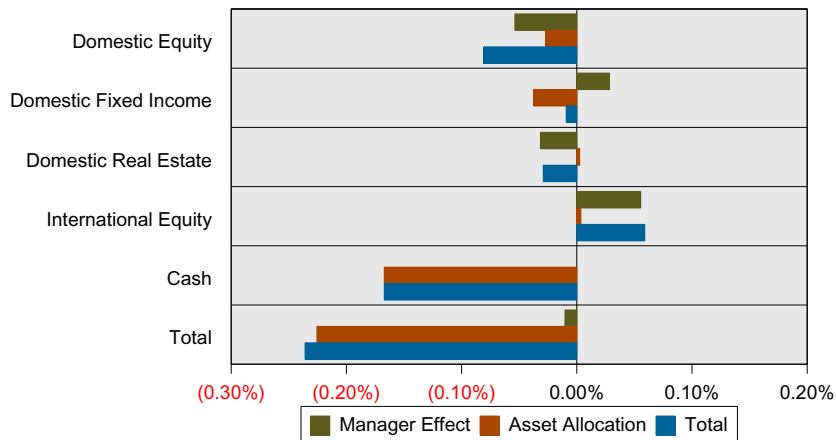
\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.



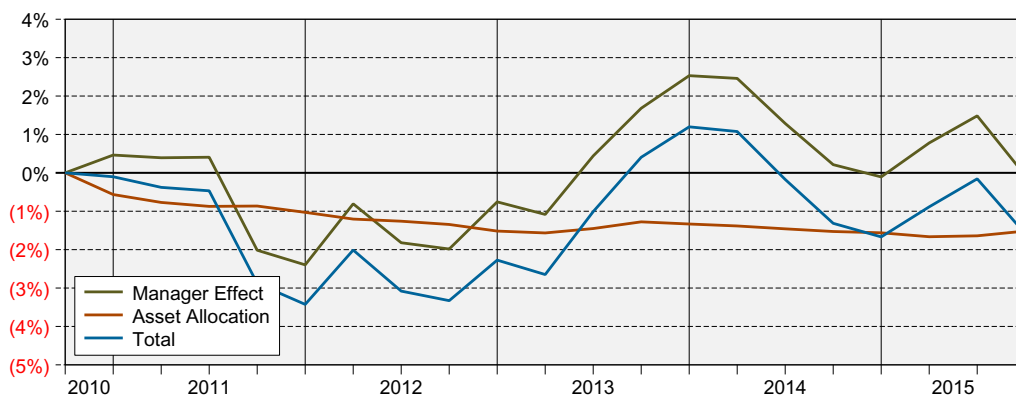
## Cumulative Total Fund Relative Attribution - September 30, 2015

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

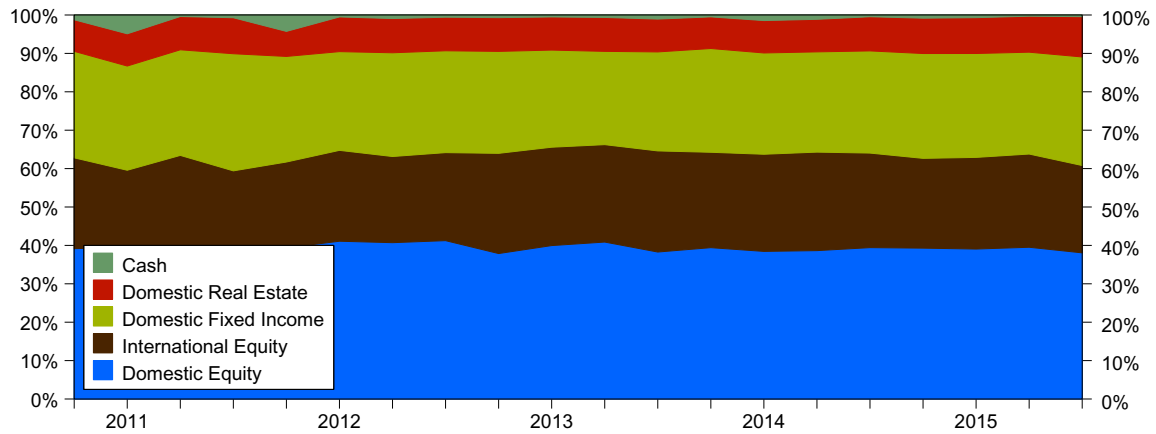
| Asset Class           | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|-----------------------|-------------------------|-------------------------|---------------|---------------|----------------|------------------|-----------------------|
| Domestic Equity       | 39%                     | 38%                     | 13.07%        | 13.28%        | (0.05%)        | (0.03%)          | (0.08%)               |
| Domestic Fixed Income | 27%                     | 28%                     | 3.37%         | 3.10%         | 0.03%          | (0.04%)          | (0.01%)               |
| Domestic Real Estate  | 9%                      | 9%                      | 12.09%        | 12.53%        | (0.03%)        | 0.00%            | (0.03%)               |
| International Equity  | 24%                     | 25%                     | 2.29%         | 2.15%         | 0.06%          | 0.00%            | 0.06%                 |
| Cash                  | 1%                      | 0%                      | 0.07%         | 0.07%         | 0.00%          | (0.17%)          | (0.17%)               |
| <b>Total</b>          |                         |                         | <b>7.56%</b>  | <b>7.80%</b>  | <b>(0.01%)</b> | <b>(0.23%)</b>   | <b>(0.24%)</b>        |

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

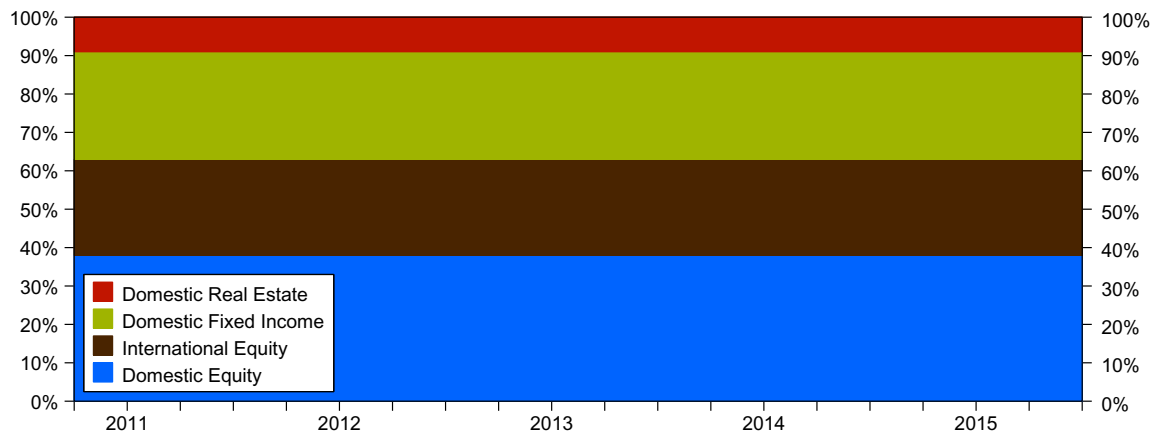
## Actual vs Target Historical Asset Allocation

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 Public Fund Sponsor Database.

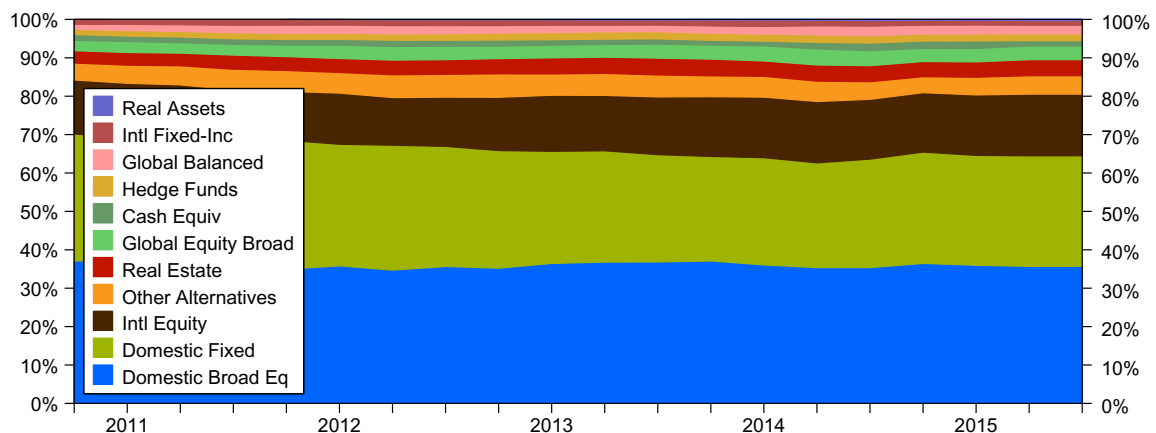
### Actual Historical Asset Allocation



### Target Historical Asset Allocation



### Average Public Fund Sponsor Database Historical Asset Allocation

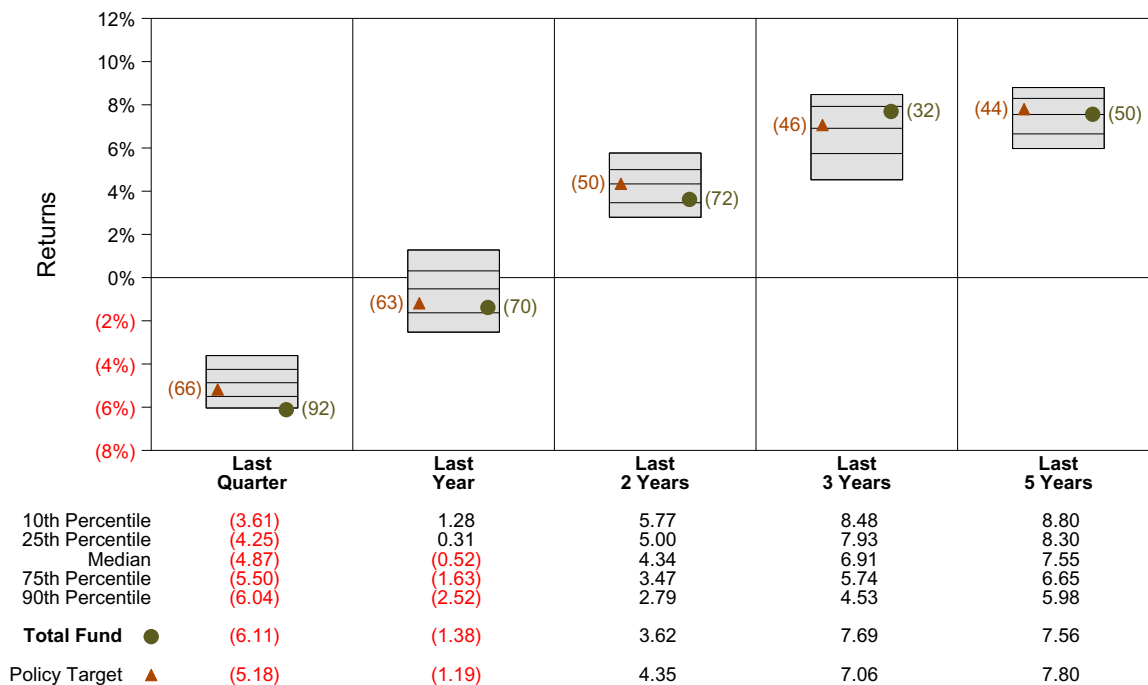


\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

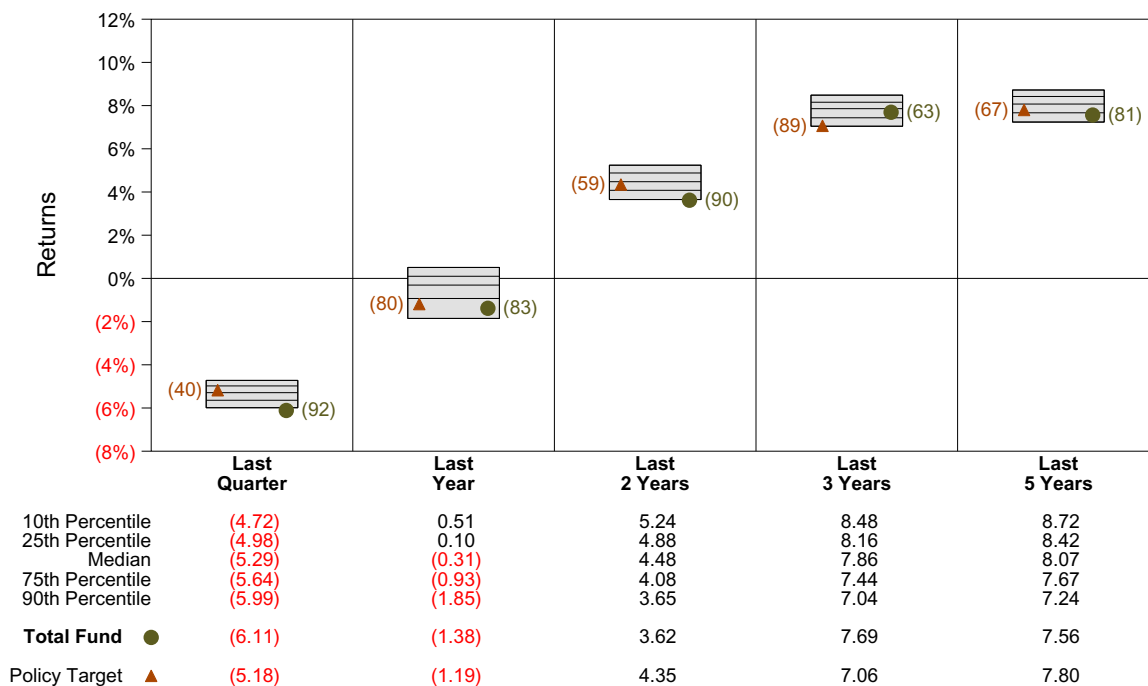
## Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Public Fund Sponsor Database for periods ended September 30, 2015. 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.

### Public Fund Sponsor Database



### Asset Allocation Adjusted Ranking



\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

## Total Fund Period Ended September 30, 2015

### Investment Philosophy

The Public Fund Sponsor Database consists of public employee pension total funds including both Callan Associates client and surveyed non-client funds.

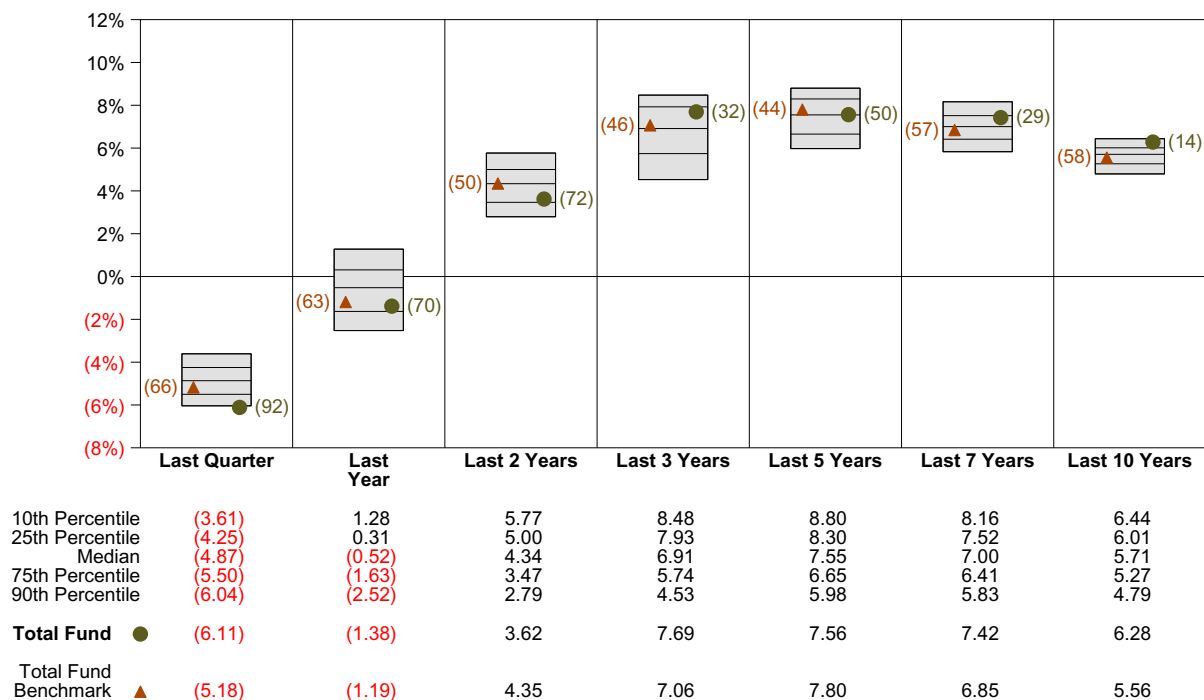
### Quarterly Summary and Highlights

- Total Fund's portfolio posted a (6.11)% return for the quarter placing it in the 92 percentile of the Public Fund Sponsor Database group for the quarter and in the 70 percentile for the last year.
- Total Fund's portfolio underperformed the Total Fund Benchmark by 0.94% for the quarter and underperformed the Total Fund Benchmark for the year by 0.20%.

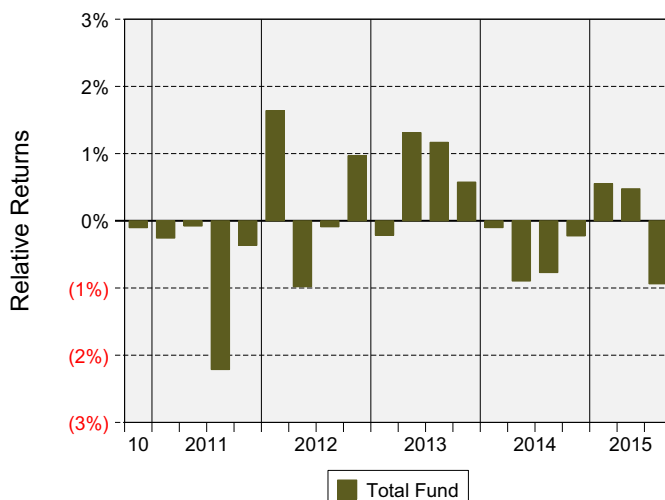
### Quarterly Asset Growth

|                           |               |
|---------------------------|---------------|
| Beginning Market Value    | \$444,160,970 |
| Net New Investment        | \$-5,810,022  |
| Investment Gains/(Losses) | \$-27,148,068 |
| Ending Market Value       | \$411,202,880 |

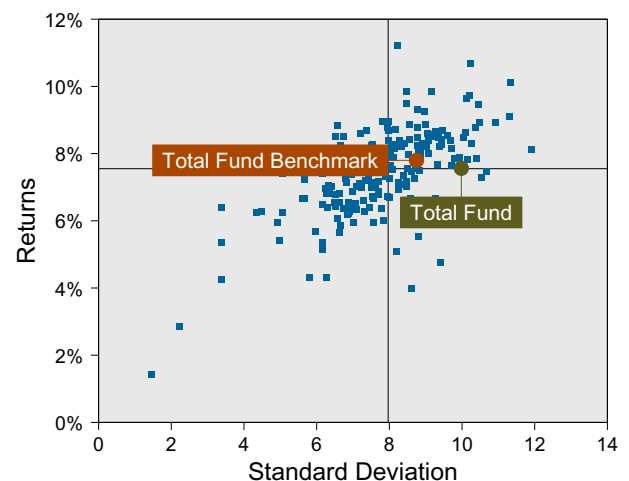
### Performance vs Public Fund Sponsor Database (Gross)



### Relative Return vs Total Fund Benchmark



### Public Fund Sponsor Database (Gross) Annualized Five Year Risk vs Return

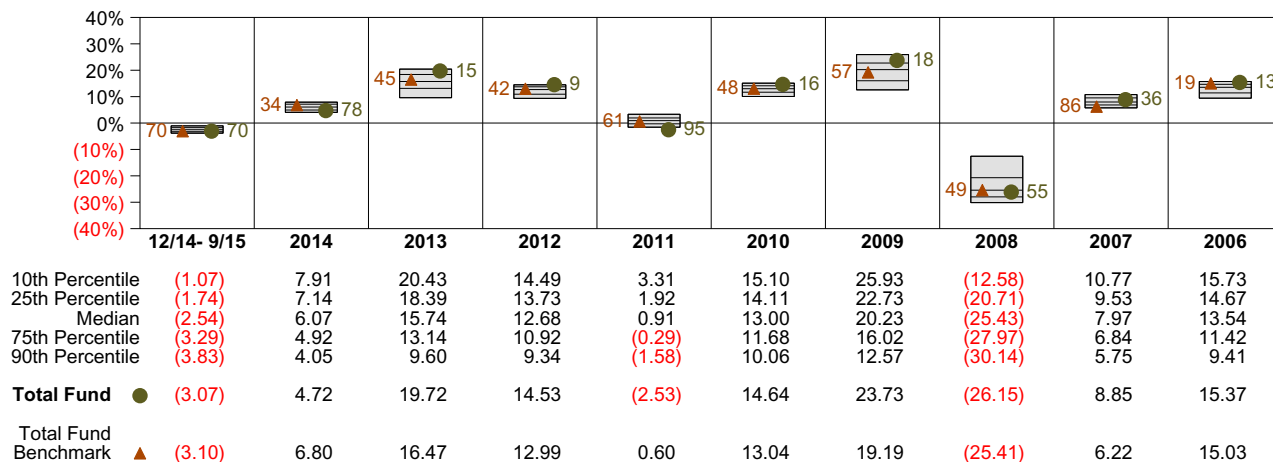


## Total Fund Return Analysis Summary

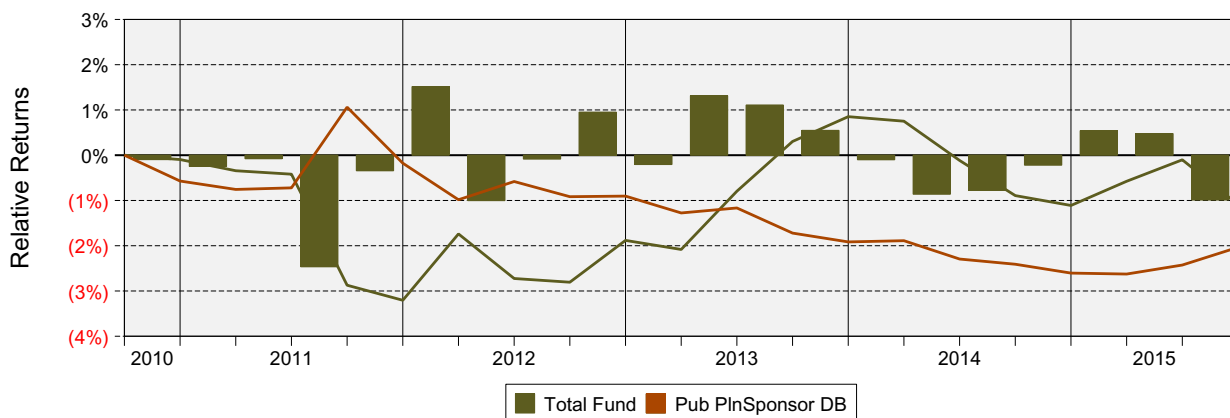
### Return Analysis

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.

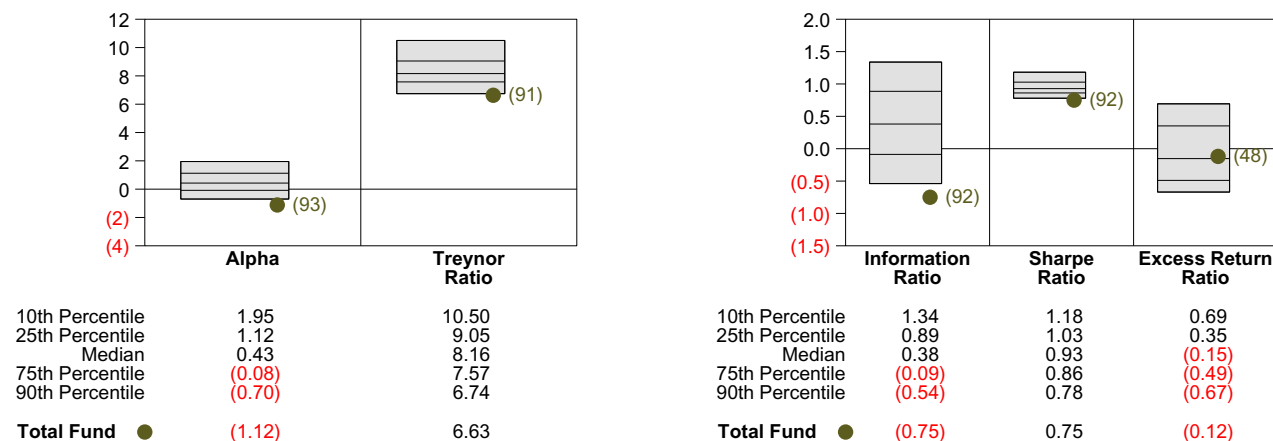
### Performance vs Public Fund Sponsor Database (Gross)



### Cumulative and Quarterly Relative Return vs Total Fund Benchmark



### Risk Adjusted Return Measures vs Total Fund Benchmark Rankings Against Public Fund Sponsor Database (Gross) Five Years Ended September 30, 2015



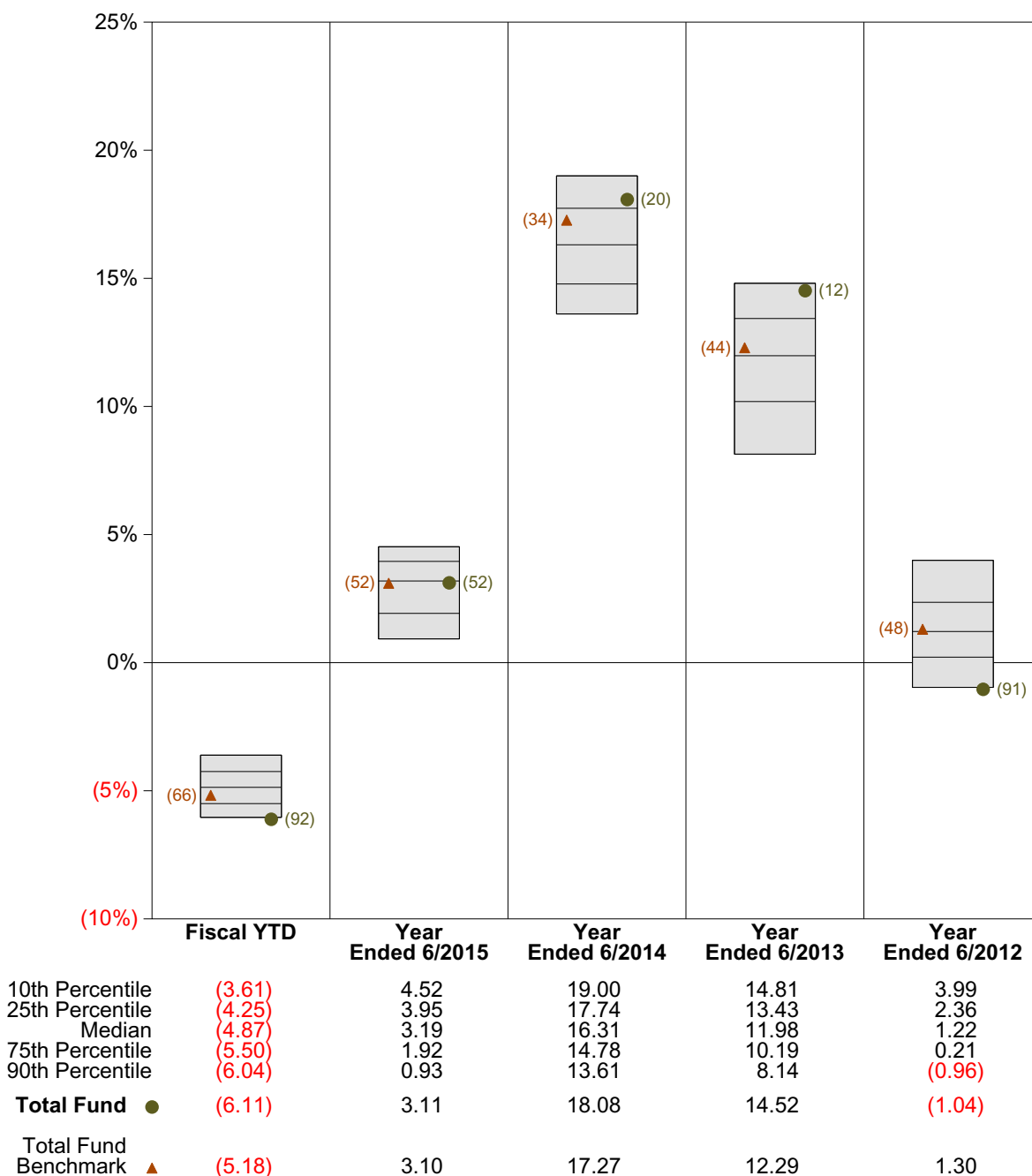
# Mendocino County Employees' Retirement Association

## Performance vs Public Fund Sponsor Database

### Periods Ended September 30, 2015

#### Return Ranking

The chart below illustrates fund rankings over various periods versus the Public Fund Sponsor Database. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Public Fund Sponsor Database. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.



\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.



## Domestic Equity Composite Period Ended September 30, 2015

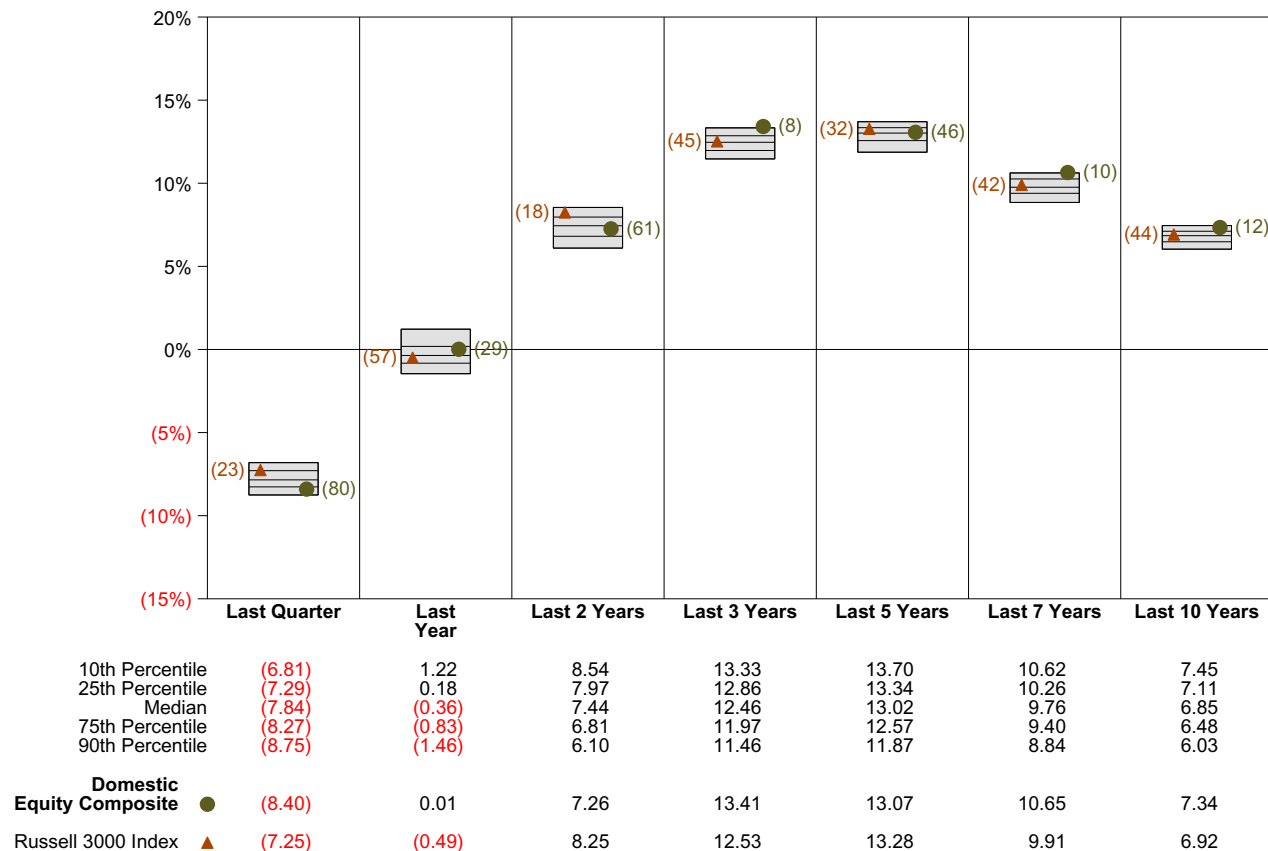
### Quarterly Summary and Highlights

- Domestic Equity Composite's portfolio posted a (8.40)% return for the quarter placing it in the 80 percentile of the Pub Pln- Domestic Equity group for the quarter and in the 29 percentile for the last year.
- Domestic Equity Composite's portfolio underperformed the Russell 3000 Index by 1.15% for the quarter and outperformed the Russell 3000 Index for the year by 0.51%.

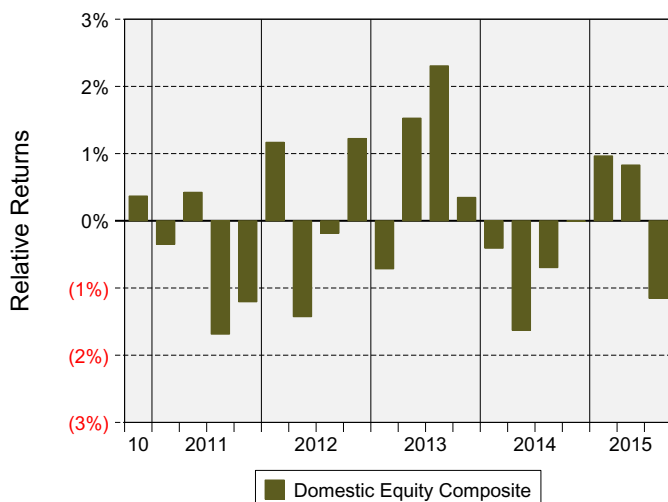
### Quarterly Asset Growth

|                           |               |
|---------------------------|---------------|
| Beginning Market Value    | \$175,504,293 |
| Net New Investment        | \$-4,466,241  |
| Investment Gains/(Losses) | \$-14,538,857 |
| Ending Market Value       | \$156,499,195 |

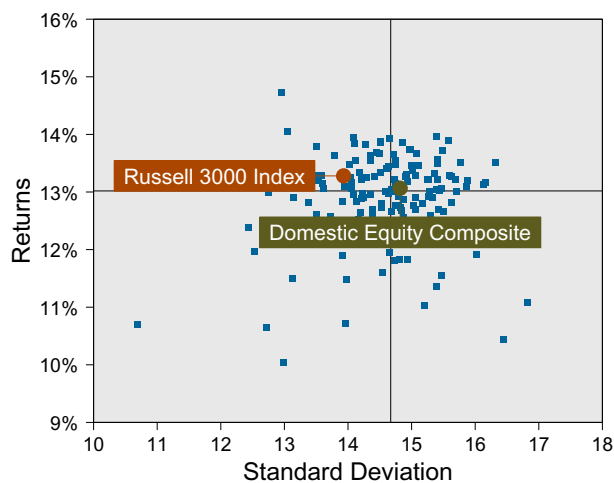
### Performance vs Pub Pln- Domestic Equity (Gross)



### Relative Return vs Russell 3000 Index



### Pub Pln- Domestic Equity (Gross) Annualized Five Year Risk vs Return



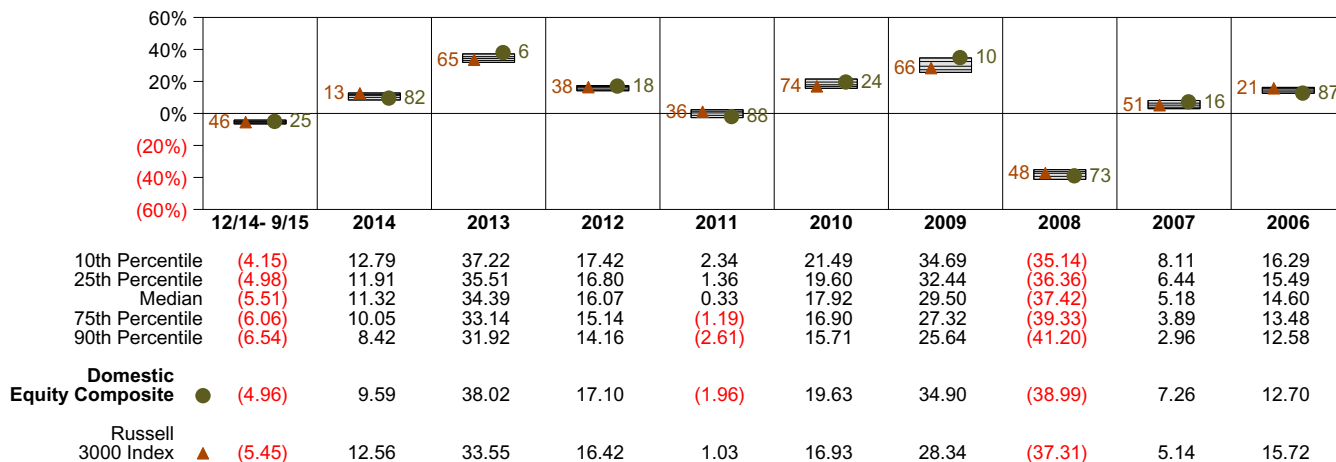


## Domestic Equity Composite Return Analysis Summary

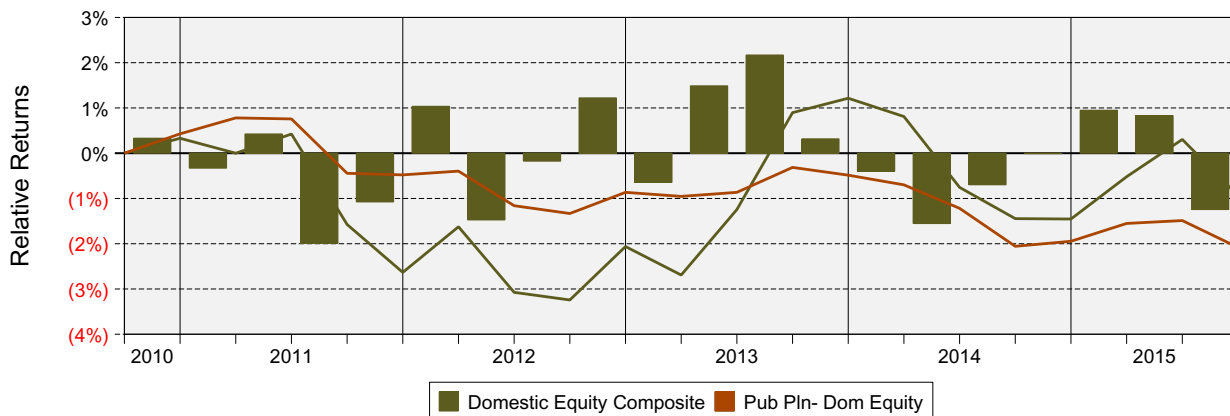
### Return Analysis

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.

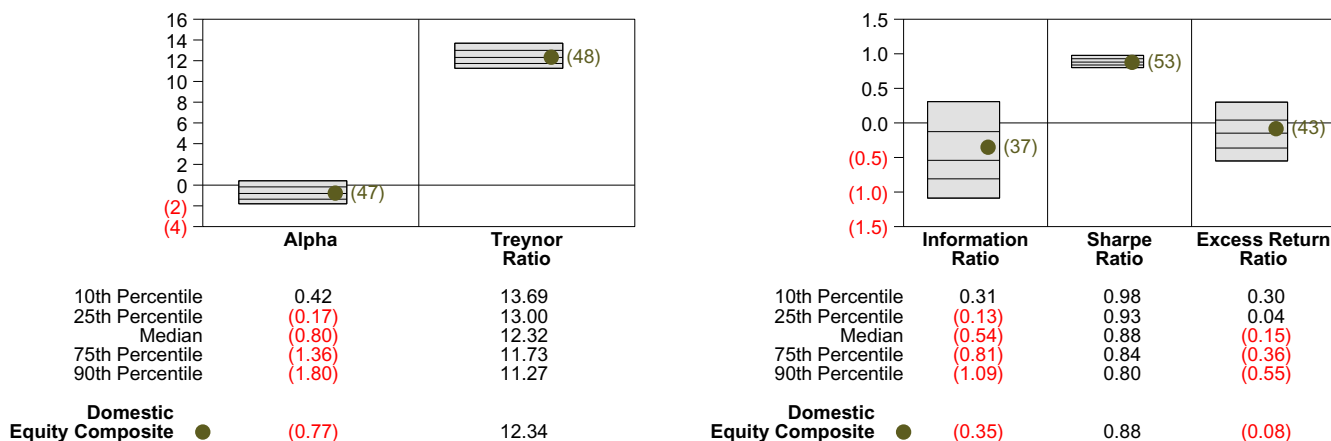
### Performance vs Pub Pln- Domestic Equity (Gross)



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



### Risk Adjusted Return Measures vs Russell 3000 Index Rankings Against Pub Pln- Domestic Equity (Gross) Five Years Ended September 30, 2015

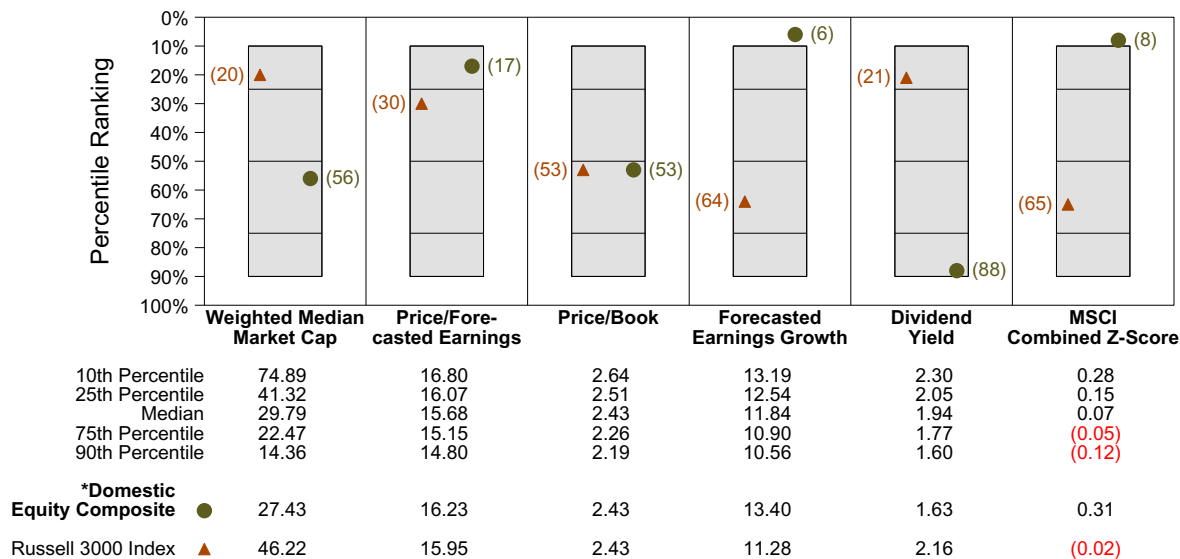


## Domestic Equity Composite Equity Characteristics Analysis Summary

### Portfolio Characteristics

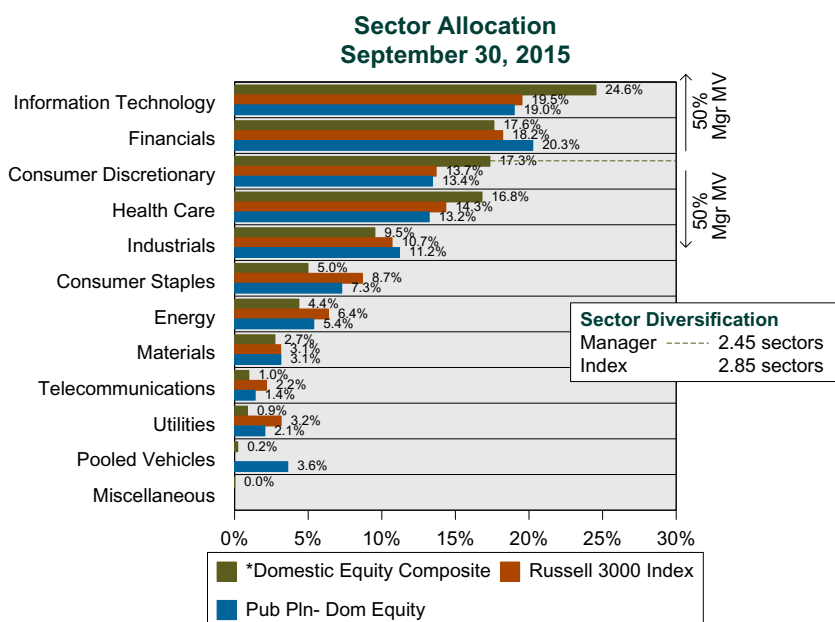
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against Pub Pln- Domestic Equity as of September 30, 2015

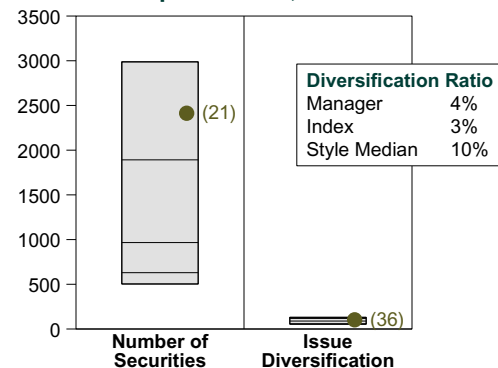


### Sector Weights

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.



### Diversification September 30, 2015



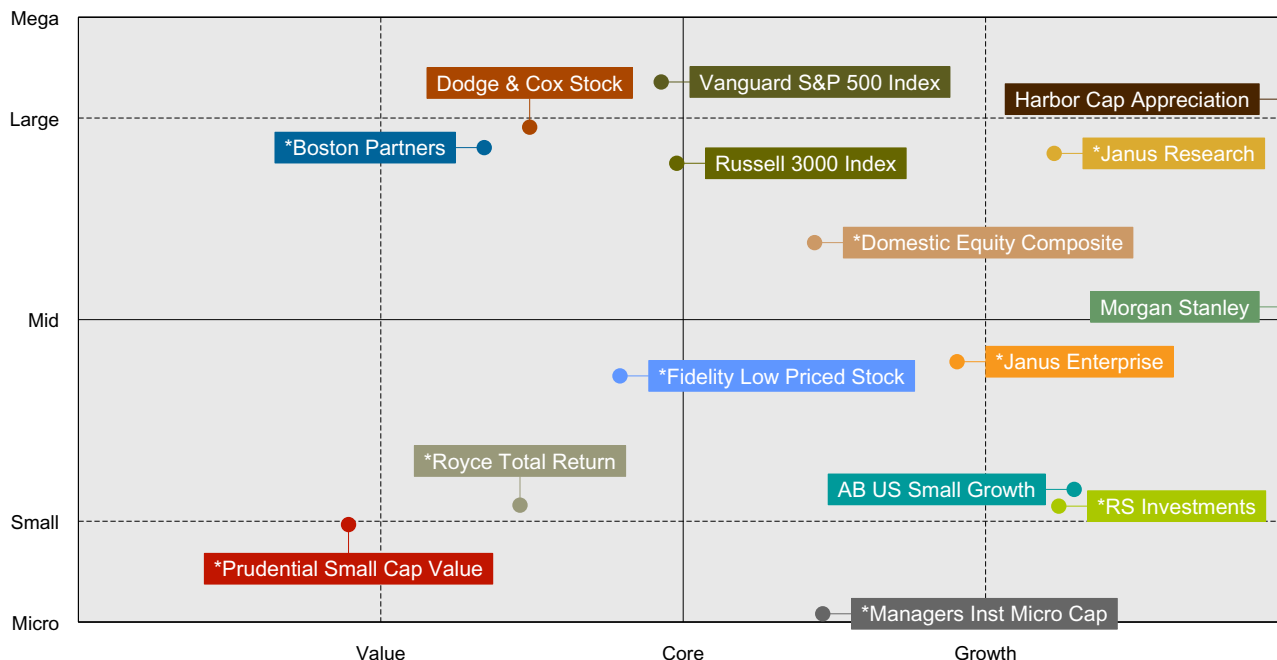
\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Holdings Based Style Analysis For One Quarter Ended September 30, 2015

This page analyzes and compares the investment styles of multiple portfolios using a detailed holdings-based style analysis methodology. The size component of style is measured by the weighted median market capitalization of the holdings. The value/core/growth style dimension is captured by the "Combined Z-Score" of the portfolio. This score is based on eight fundamental factors used in the MSCI stock style scoring system. The table below gives a more detailed breakdown of several relevant style metrics on the portfolios.

### Style Map

#### Holdings for One Quarter Ended September 30, 2015



|                             | Weight % | Wtd Median Mkt Cap | Combined Z-Score | Growth Z-Score | Value Z-Score | Number of Securities | Security Diversification |
|-----------------------------|----------|--------------------|------------------|----------------|---------------|----------------------|--------------------------|
| Vanguard S&P 500 Index      | 13.12%   | 74.82              | (0.05)           | (0.02)         | 0.03          | 504                  | 56.05                    |
| Dodge & Cox Stock           | 13.46%   | 54.77              | (0.36)           | (0.15)         | 0.21          | 65                   | 15.75                    |
| *Boston Partners            | 13.94%   | 49.93              | (0.46)           | (0.11)         | 0.35          | 90                   | 20.42                    |
| Harbor Cap Appreciation     | 14.07%   | 66.29              | 1.67             | 0.78           | (0.89)        | 59                   | 16.63                    |
| *Janus Research             | 14.05%   | 48.55              | 0.87             | 0.40           | (0.47)        | 107                  | 27.06                    |
| *Fidelity Low Priced Stock  | 3.14%    | 7.07               | (0.15)           | 0.02           | 0.16          | 905                  | 31.62                    |
| *Royce Total Return         | 2.77%    | 2.20               | (0.38)           | (0.15)         | 0.23          | 329                  | 68.02                    |
| Morgan Stanley              | 2.83%    | 12.21              | 1.70             | 0.68           | (1.02)        | 50                   | 12.24                    |
| *Janus Enterprise           | 3.20%    | 7.60               | 0.64             | 0.25           | (0.39)        | 83                   | 24.52                    |
| *Prudential Small Cap Value | 7.30%    | 1.56               | (0.78)           | (0.15)         | 0.63          | 411                  | 65.84                    |
| AB US Small Growth          | 3.94%    | 2.79               | 0.92             | 0.31           | (0.61)        | 102                  | 33.76                    |
| *RS Investments             | 3.27%    | 2.16               | 0.88             | 0.27           | (0.61)        | 85                   | 25.78                    |
| *Managers Inst Micro Cap    | 4.91%    | 0.59               | 0.33             | 0.05           | (0.27)        | 349                  | 76.68                    |
| *Domestic Equity Composite  | 100.00%  | 27.43              | 0.31             | 0.16           | (0.15)        | 2413                 | 102.68                   |
| Russell 3000 Index          | -        | 46.22              | (0.02)           | (0.00)         | 0.01          | 2981                 | 92.46                    |

\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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 S&P 500 Index Period Ended September 30, 2015

### Investment Philosophy

Vanguard's Institutional Index Fund is passively administered using a "full replication" approach. Under this method, the fund holds all of the 500 underlying securities in proportion to their weighting in the index. The fund remains fully invested in equities at all times and does not make judgement calls on the direction of the S&P 500 Index.

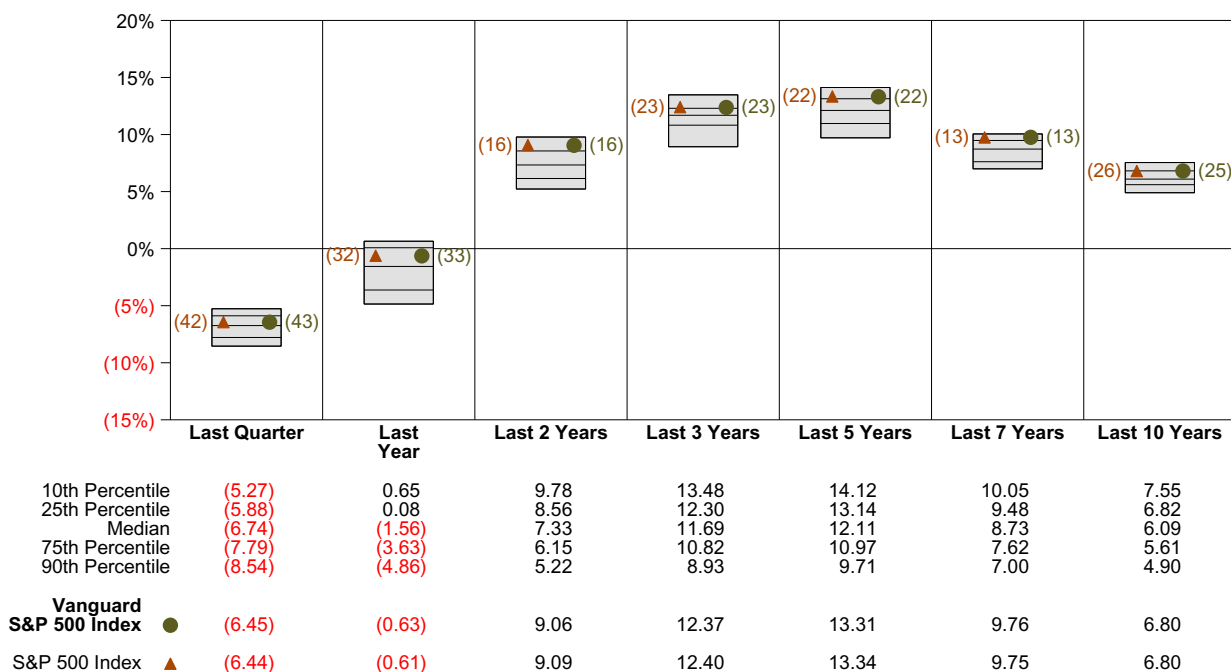
### Quarterly Summary and Highlights

- Vanguard S&P 500 Index's portfolio posted a (6.45)% return for the quarter placing it in the 43 percentile of the CAI MF - Core Equity Style group for the quarter and in the 33 percentile for the last year.
- Vanguard S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and underperformed the S&P 500 Index for the year by 0.02%.

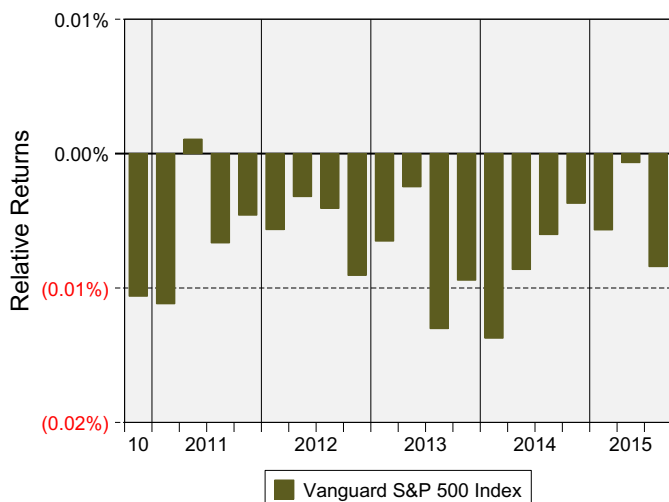
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$22,468,787 |
| Net New Investment        | \$-500,000   |
| Investment Gains/(Losses) | \$-1,442,893 |
| Ending Market Value       | \$20,525,894 |

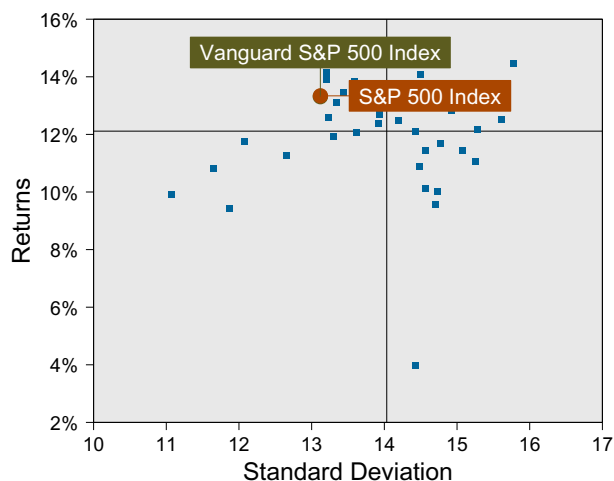
### Performance vs CAI MF - Core Equity Style (Net)



### Relative Return vs S&P 500 Index



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

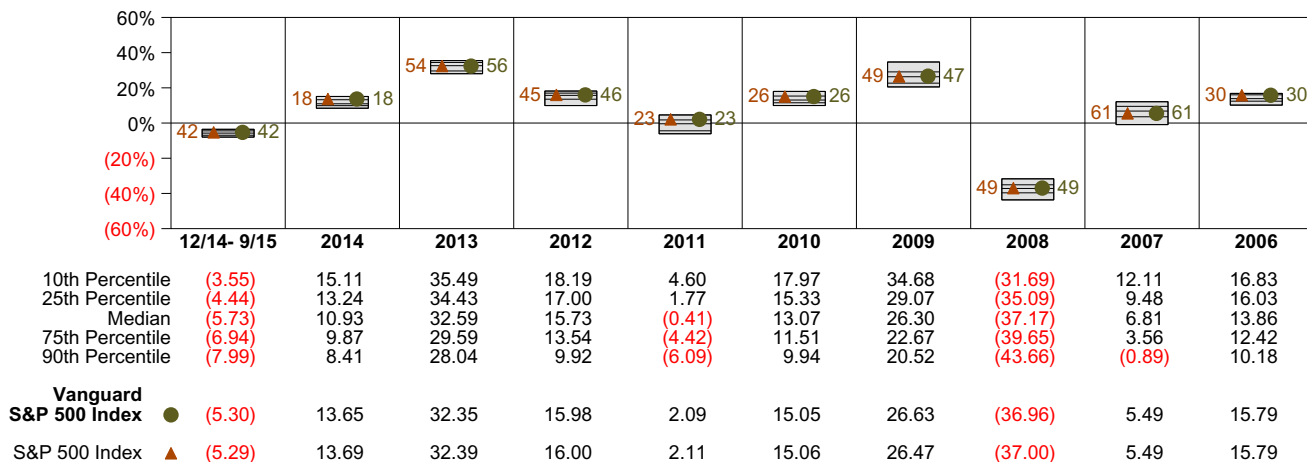


## Vanguard S&P 500 Index Return Analysis Summary

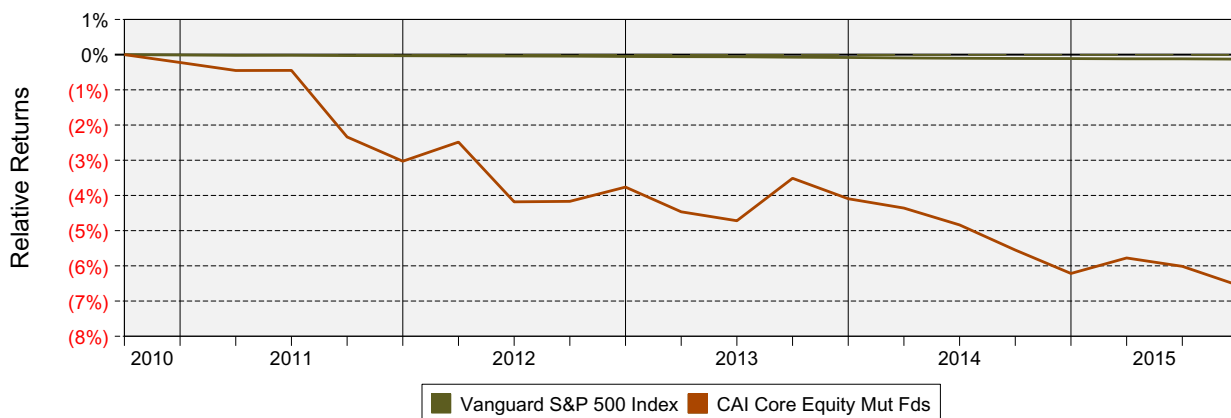
### Return Analysis

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.

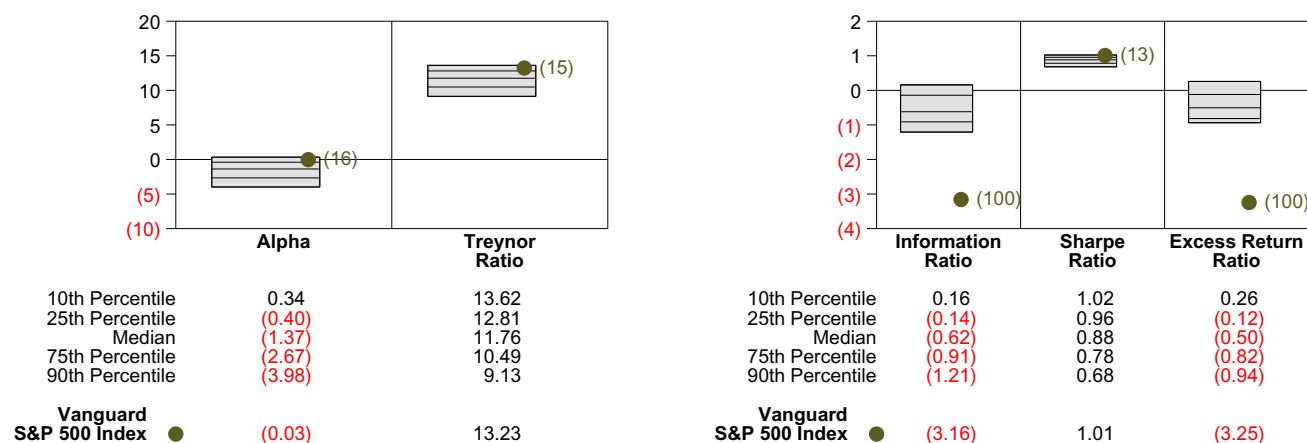
### Performance vs CAI MF - Core Equity Style (Net)



### 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 September 30, 2015

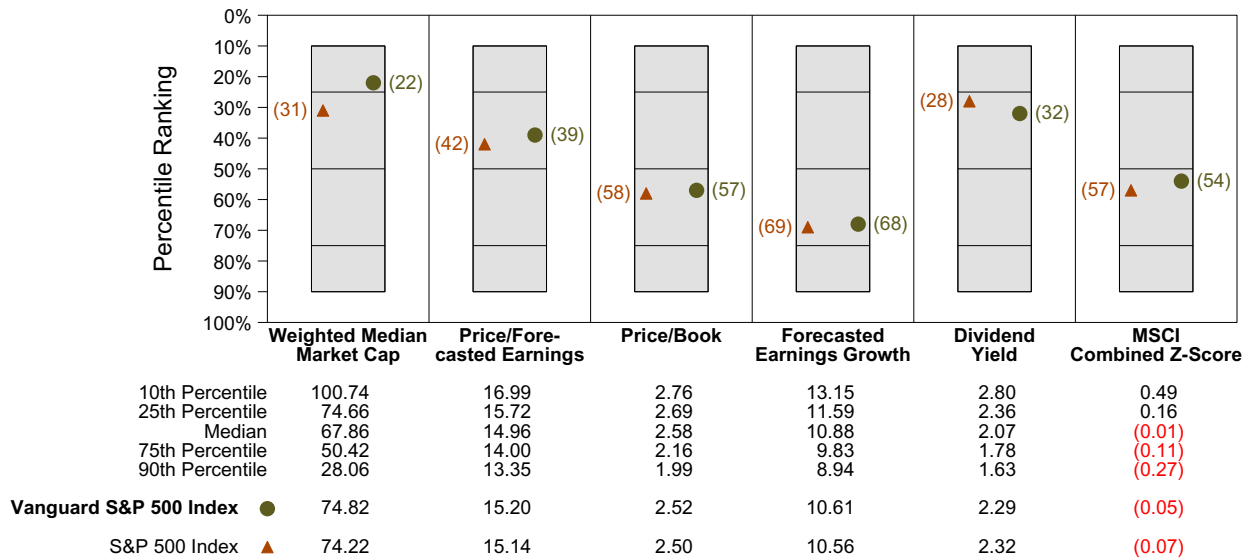


## Vanguard S&P 500 Index Equity Characteristics Analysis Summary

### Portfolio Characteristics

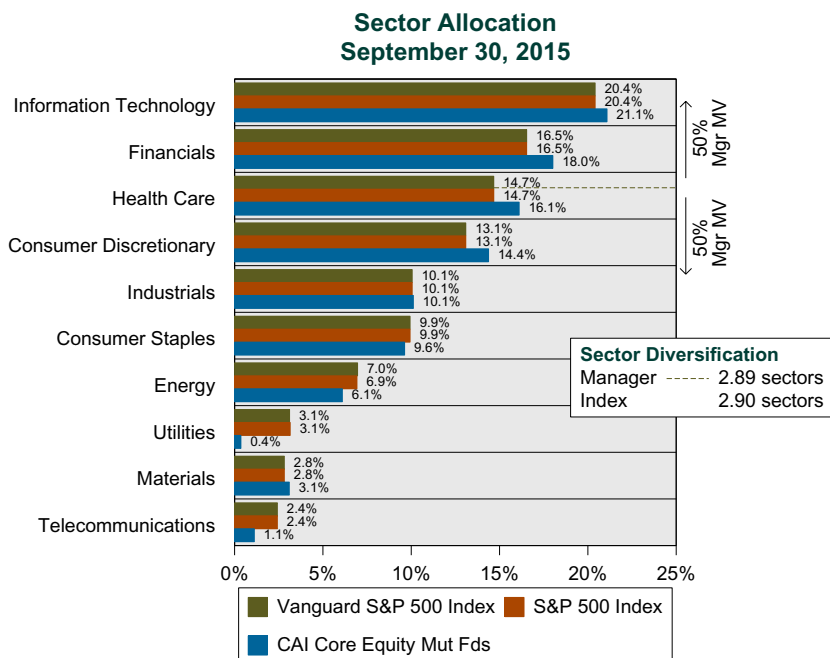
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Core Equity Style as of September 30, 2015

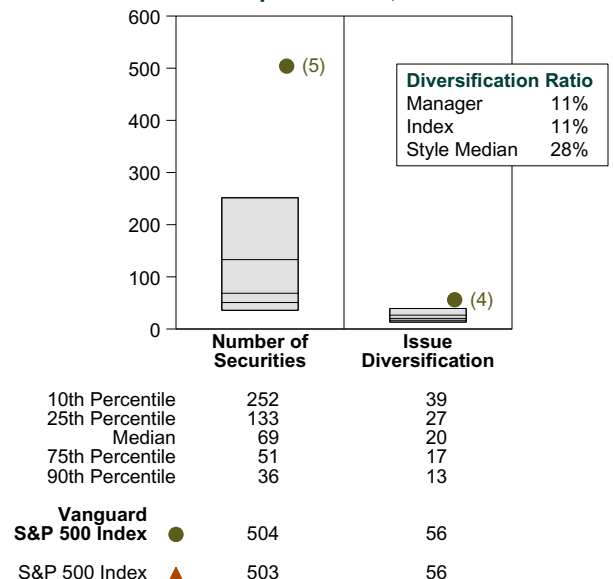


### Sector Weights

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.



### Diversification September 30, 2015



## Dodge & Cox Stock Period Ended September 30, 2015

### Investment Philosophy

Dodge & Cox seeks to build a portfolio of individual companies where the current market valuation does not adequately reflect the company's long-term profit opportunities. The firm maintains a long-term focus, conducts their own research, and employs a rigorous price discipline.

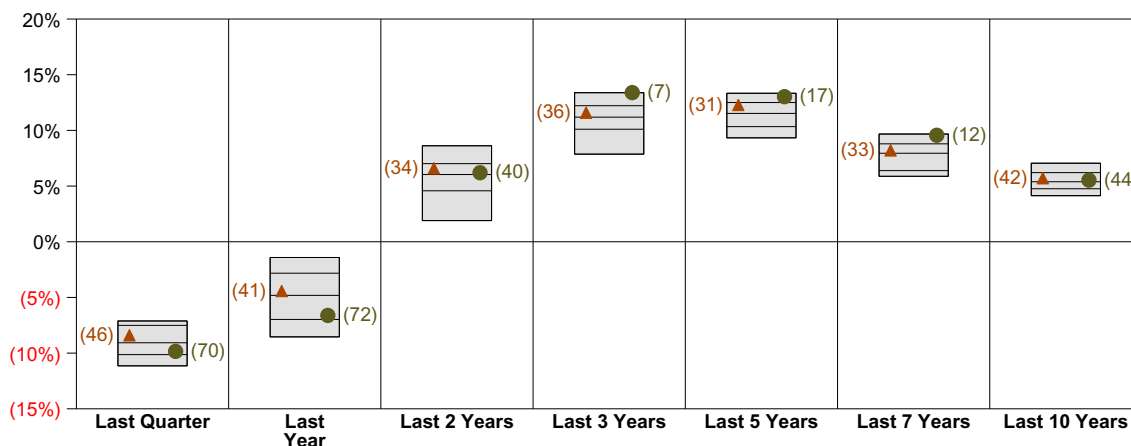
### Quarterly Summary and Highlights

- Dodge & Cox Stock's portfolio posted a (9.84)% return for the quarter placing it in the 70 percentile of the CAI MF - Large Cap Value Style group for the quarter and in the 72 percentile for the last year.
- Dodge & Cox Stock's portfolio underperformed the Russell 1000 Value Index by 1.45% for the quarter and underperformed the Russell 1000 Value Index for the year by 2.19%.

### Quarterly Asset Growth

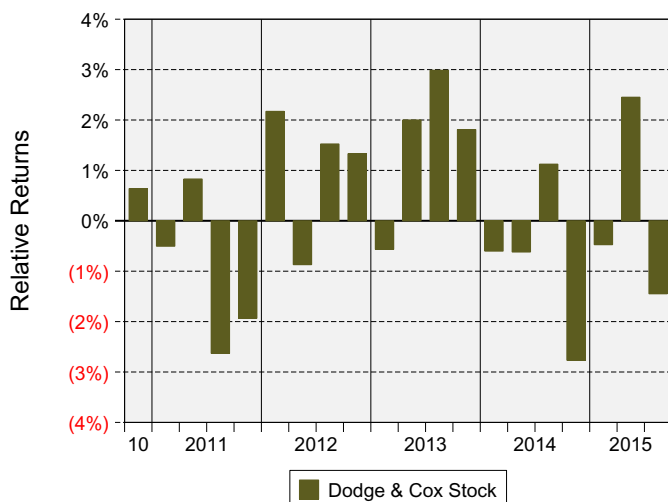
|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$23,440,178 |
| Net New Investment        | \$-66,241    |
| Investment Gains/(Losses) | \$-2,306,742 |
| Ending Market Value       | \$21,067,195 |

### Performance vs CAI MF - Large Cap Value Style (Net)

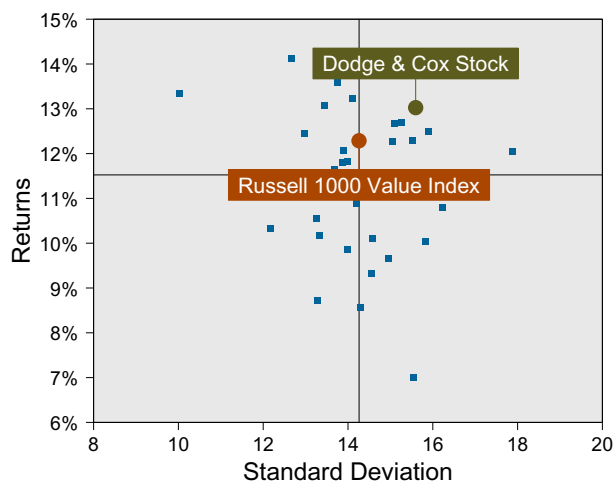


|                          |         |        |      |       |       |      |      |
|--------------------------|---------|--------|------|-------|-------|------|------|
| 10th Percentile          | (7.11)  | (1.41) | 8.62 | 13.39 | 13.33 | 9.67 | 7.05 |
| 25th Percentile          | (7.51)  | (2.82) | 7.01 | 12.22 | 12.50 | 8.79 | 6.21 |
| Median                   | (9.07)  | (4.81) | 6.04 | 11.19 | 11.52 | 7.95 | 5.39 |
| 75th Percentile          | (10.13) | (6.98) | 4.58 | 10.10 | 10.34 | 6.39 | 4.76 |
| 90th Percentile          | (11.14) | (8.54) | 1.90 | 7.87  | 9.33  | 5.88 | 4.14 |
| Dodge & Cox Stock        | (9.84)  | (6.62) | 6.20 | 13.39 | 13.03 | 9.56 | 5.53 |
| Russell 1000 Value Index | (8.39)  | (4.42) | 6.60 | 11.59 | 12.29 | 8.21 | 5.71 |

### Relative Return vs Russell 1000 Value Index



### CAI MF - Large Cap Value Style (Net) Annualized Five Year Risk vs Return

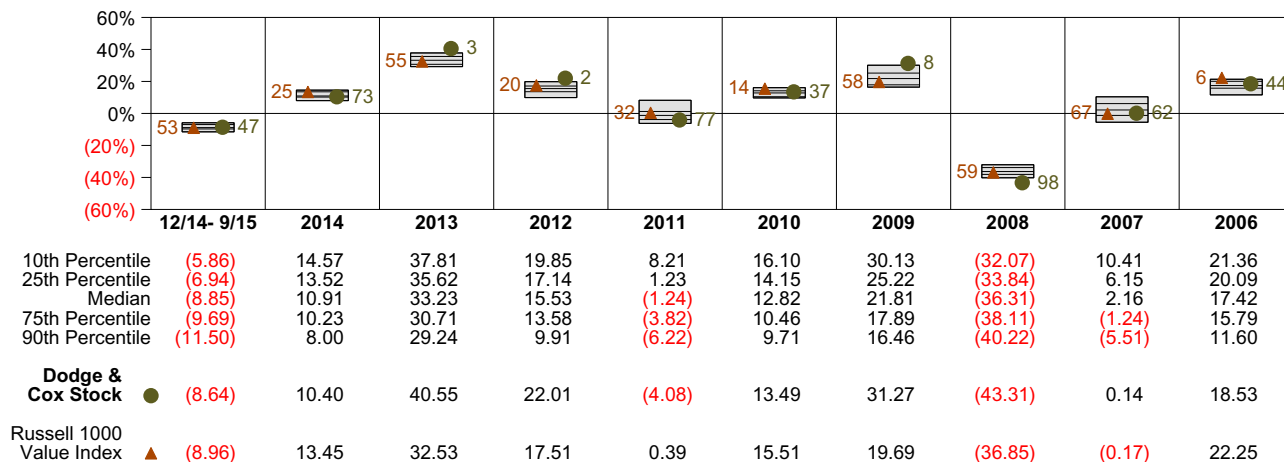


## Dodge & Cox Stock Return Analysis Summary

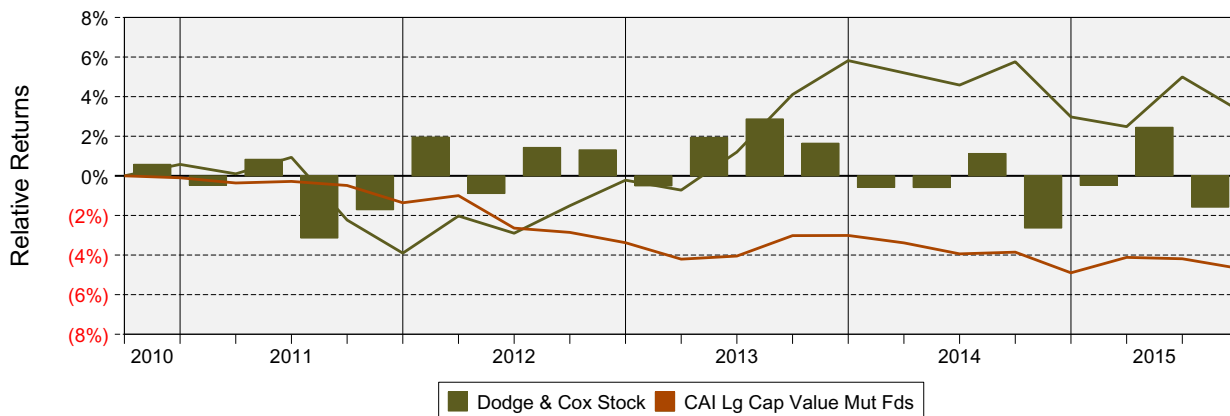
### Return Analysis

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.

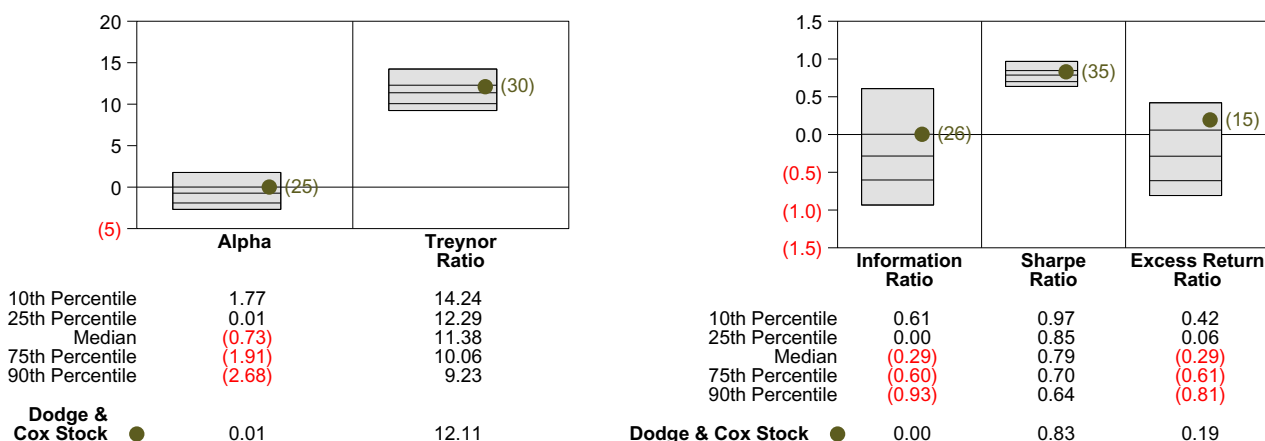
### Performance vs CAI MF - Large Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



### Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI MF - Large Cap Value Style (Net) Five Years Ended September 30, 2015



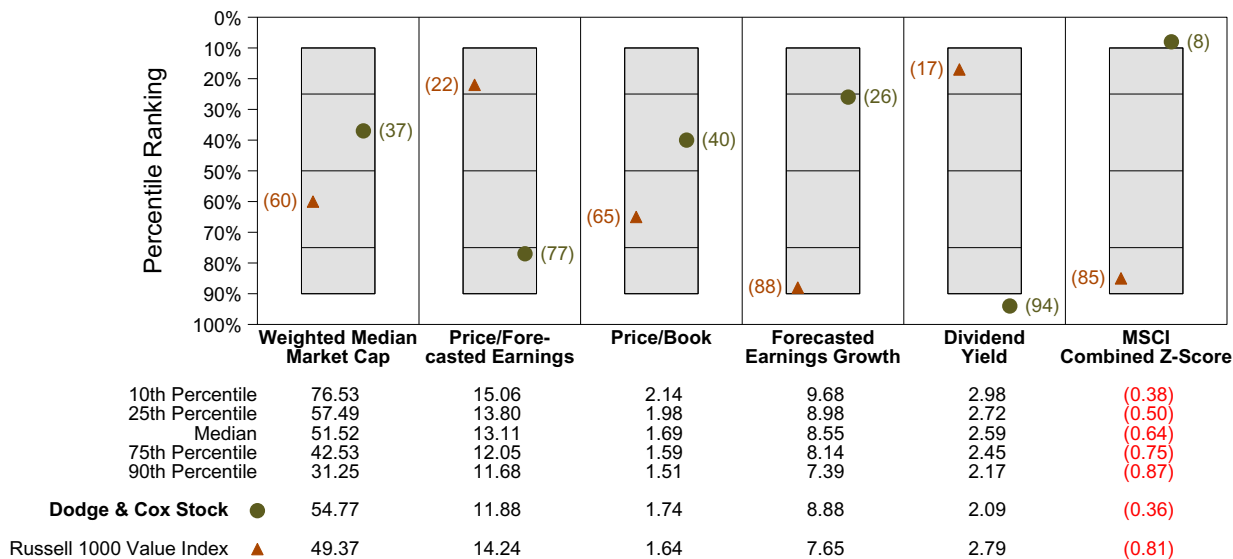


## Dodge & Cox Stock Equity Characteristics Analysis Summary

### Portfolio Characteristics

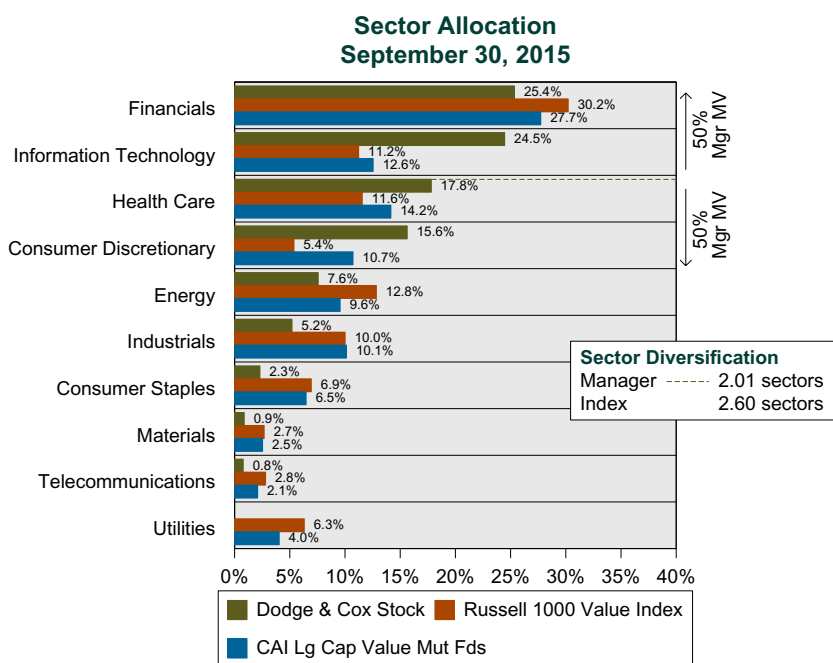
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Value Style as of September 30, 2015

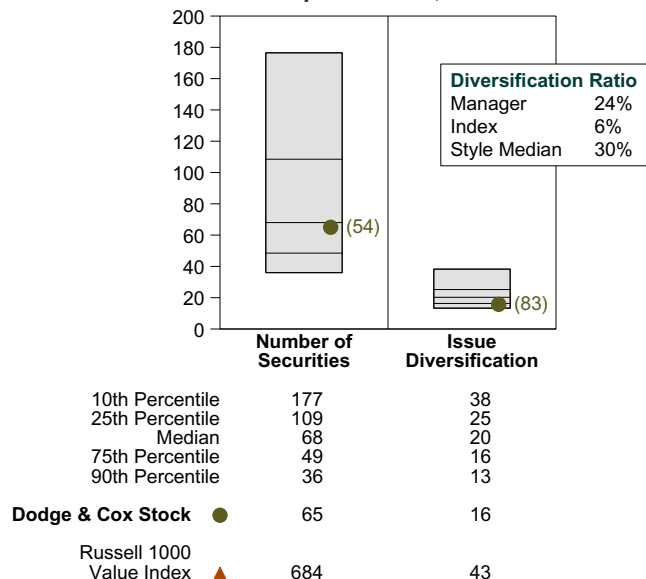


### Sector Weights

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.



### Diversification September 30, 2015



## Boston Partners Period Ended September 30, 2015

### Investment Philosophy

Boston Partners' investment philosophy is grounded in certain "fundamental truths" to investing, namely that low valuation stocks outperform high valuation stocks, companies with strong fundamentals, e.g. high and sustainable returns on invested capital, outperform companies with weak fundamentals, and stocks with positive business momentum, e.g. rising earnings estimates, outperform stocks with negative business momentum. The firm seeks to construct well-diversified portfolios that consistently possess these three characteristics, which hope to limit downside risk, preserve capital, and maximize the power of compounding. Boston Partner's management fee is 50 bps on all assets.

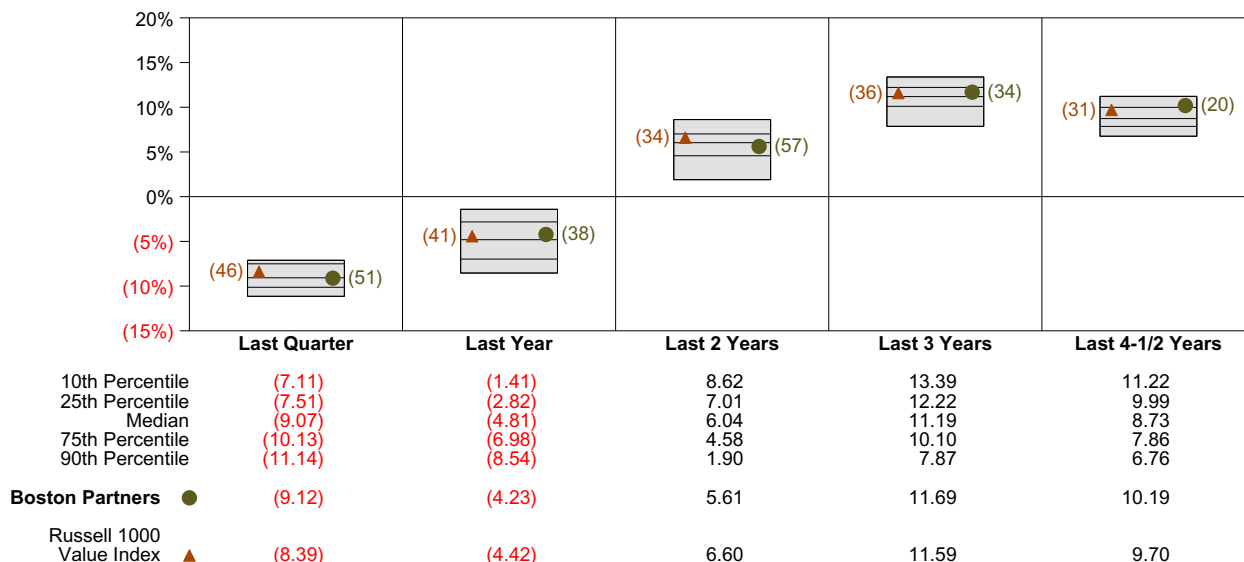
### Quarterly Summary and Highlights

- Boston Partners's portfolio posted a (9.12)% return for the quarter placing it in the 51 percentile of the CAI MF - Large Cap Value Style group for the quarter and in the 38 percentile for the last year.
- Boston Partners's portfolio underperformed the Russell 1000 Value Index by 0.72% for the quarter and outperformed the Russell 1000 Value Index for the year by 0.20%.

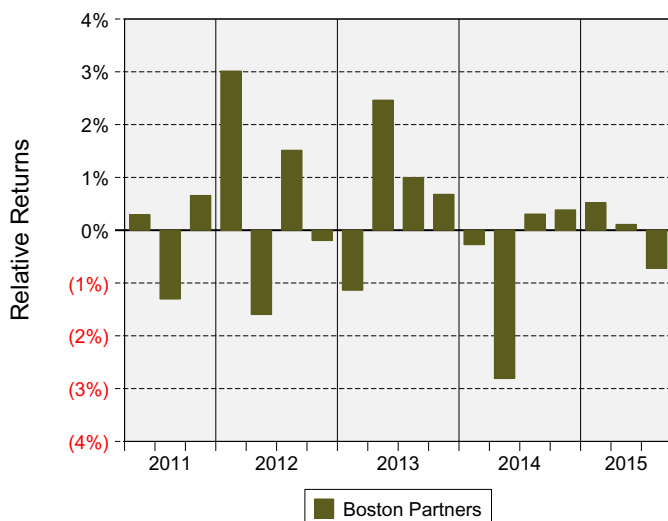
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$24,880,798 |
| Net New Investment        | \$-900,000   |
| Investment Gains/(Losses) | \$-2,168,127 |
| Ending Market Value       | \$21,812,671 |

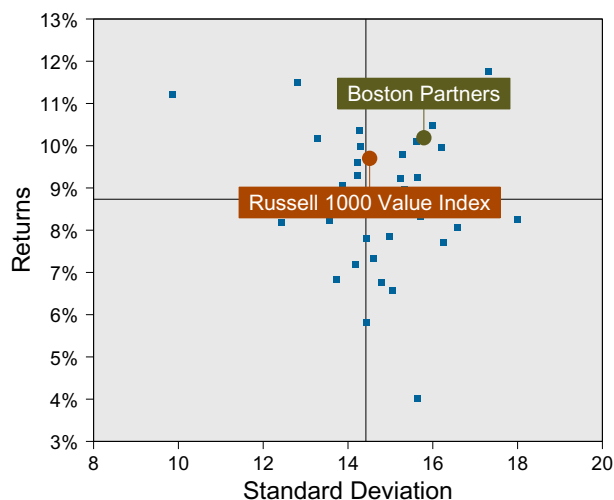
### Performance vs CAI MF - Large Cap Value Style (Net)



### Relative Return vs Russell 1000 Value Index



### CAI MF - Large Cap Value Style (Net) Annualized Four and One-Half Year Risk vs Return

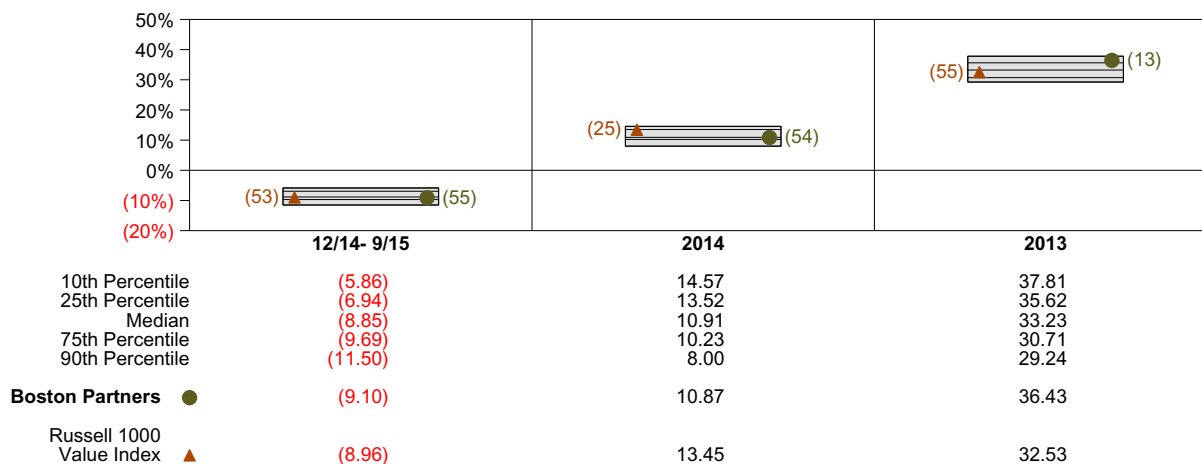


## Boston Partners Return Analysis Summary

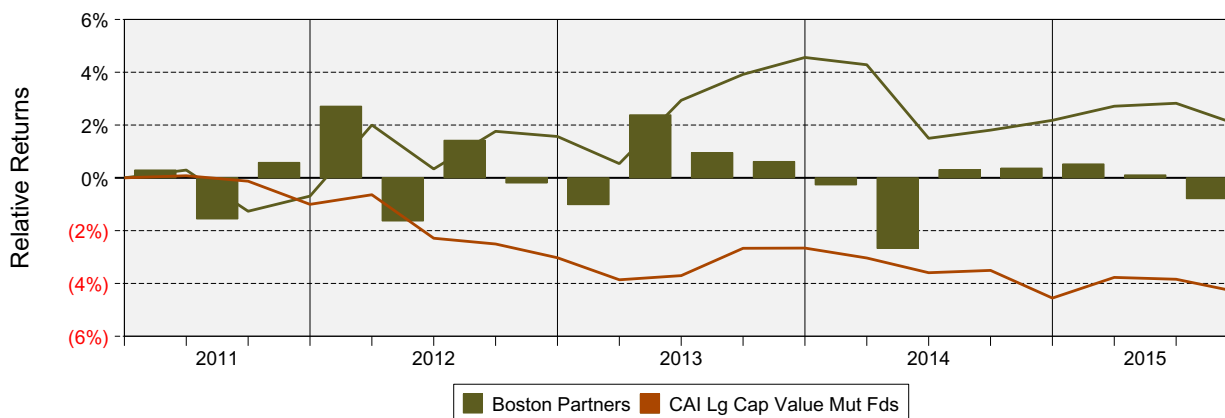
### Return Analysis

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.

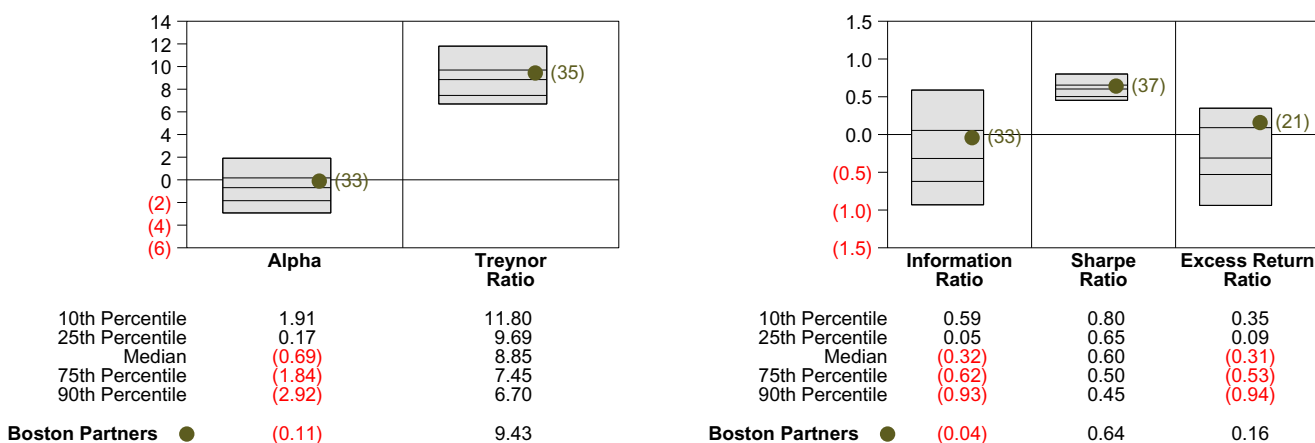
#### Performance vs CAI MF - Large Cap Value Style (Net)



#### Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



#### Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI MF - Large Cap Value Style (Net) Four and One-Half Years Ended September 30, 2015

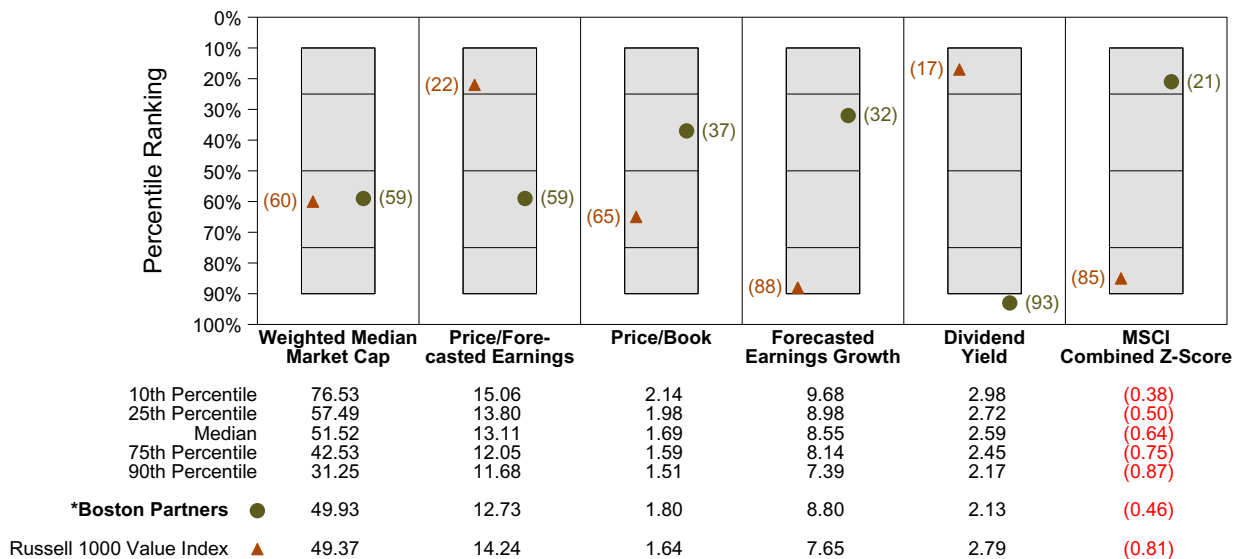


## Boston Partners Equity Characteristics Analysis Summary

### Portfolio Characteristics

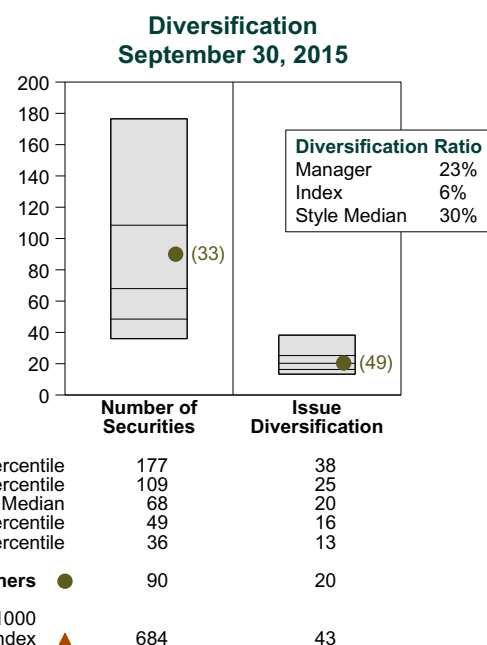
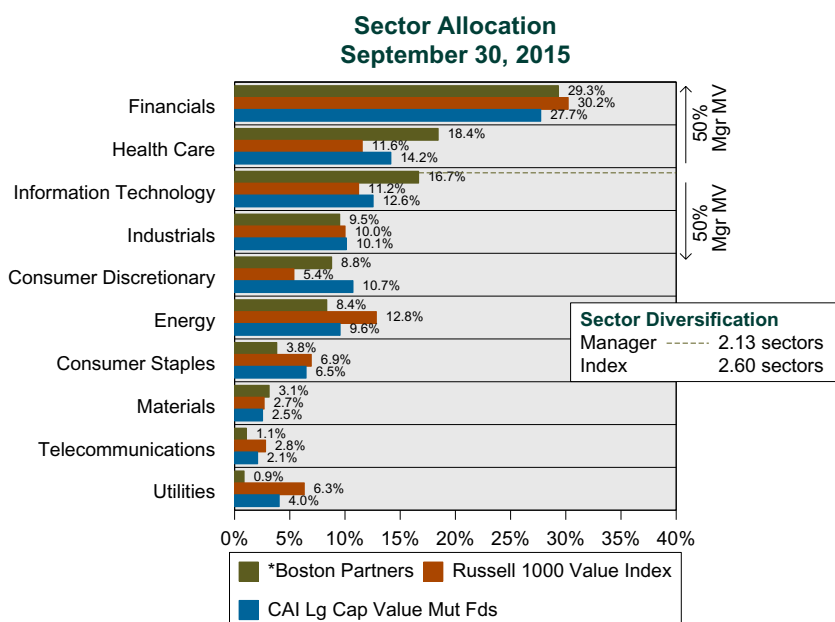
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Value Style as of September 30, 2015



### 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.



\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.

## Harbor Cap Appreciation Period Ended September 30, 2015

### Investment Philosophy

The Jennison Large Cap Growth team believes that a stock's value over time is driven by above-average growth in units, revenues, earnings, and cash flow. The strategy seeks to capture the inflection point in a company's growth rate before it is fully appreciated by the market or reflected in the stock price.

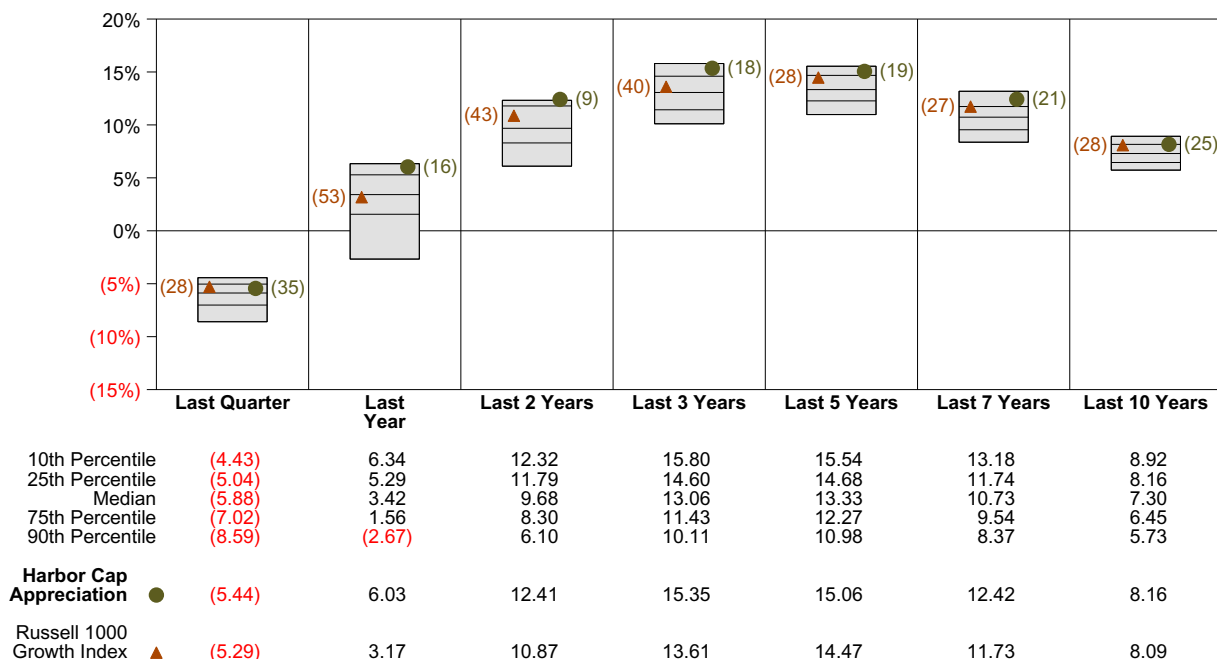
### Quarterly Summary and Highlights

- Harbor Cap Appreciation's portfolio posted a (5.44)% return for the quarter placing it in the 35 percentile of the CAI MF - Large Cap Growth Style group for the quarter and in the 16 percentile for the last year.
- Harbor Cap Appreciation's portfolio underperformed the Russell 1000 Growth Index by 0.15% for the quarter and outperformed the Russell 1000 Growth Index for the year by 2.86%.

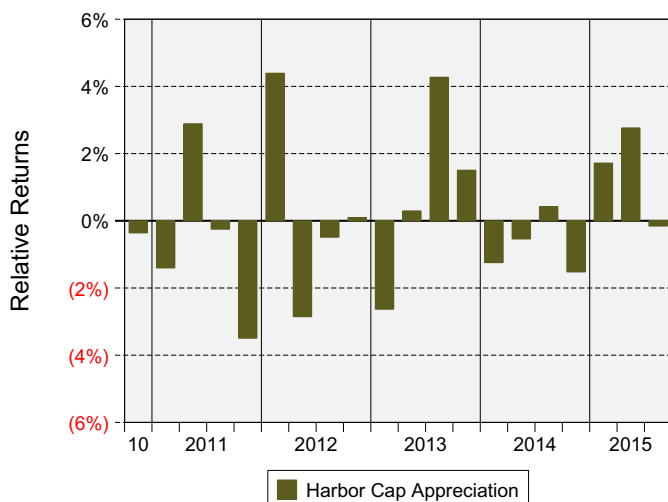
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$25,167,194 |
| Net New Investment        | \$-1,850,000 |
| Investment Gains/(Losses) | \$-1,290,108 |
| Ending Market Value       | \$22,027,087 |

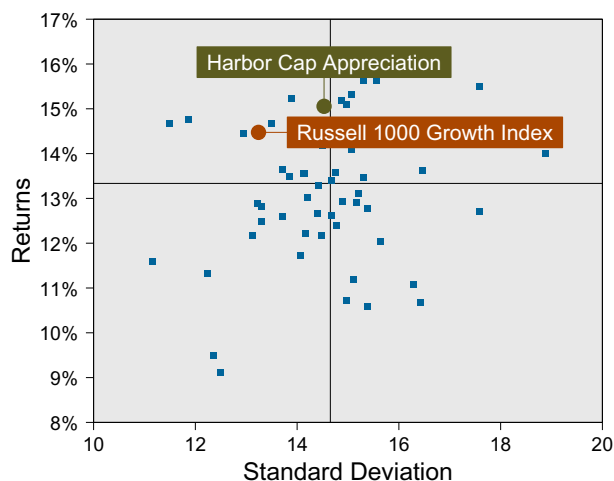
### Performance vs CAI MF - Large Cap Growth Style (Net)



### Relative Return vs Russell 1000 Growth Index



### CAI MF - Large Cap Growth Style (Net) Annualized Five Year Risk vs Return

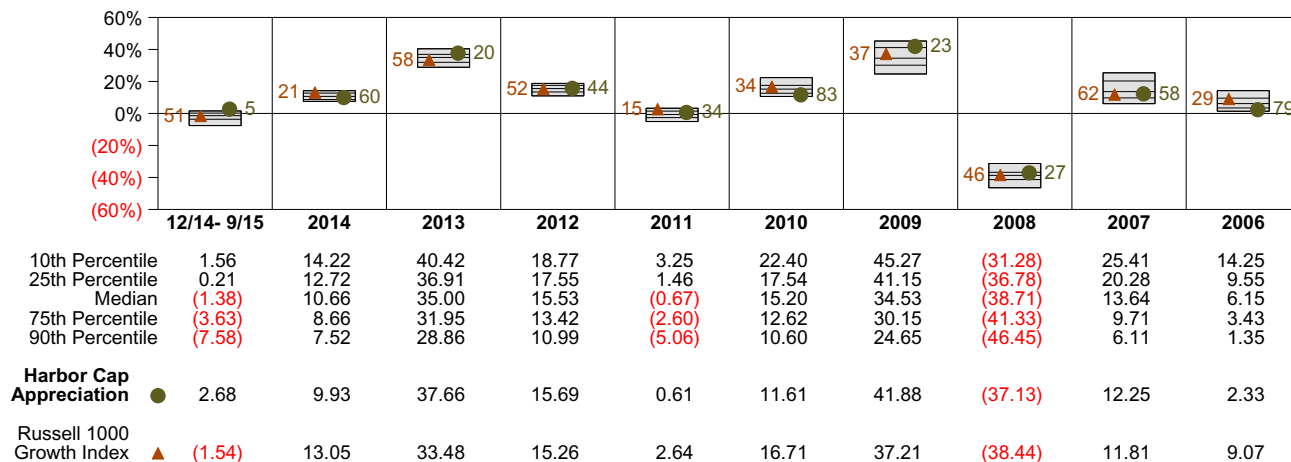


# Harbor Cap Appreciation Return Analysis Summary

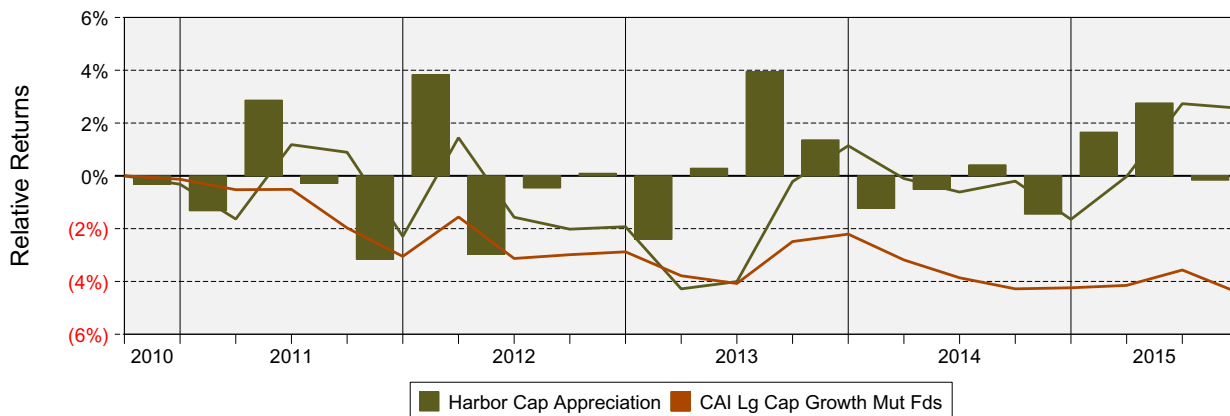
## Return Analysis

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.

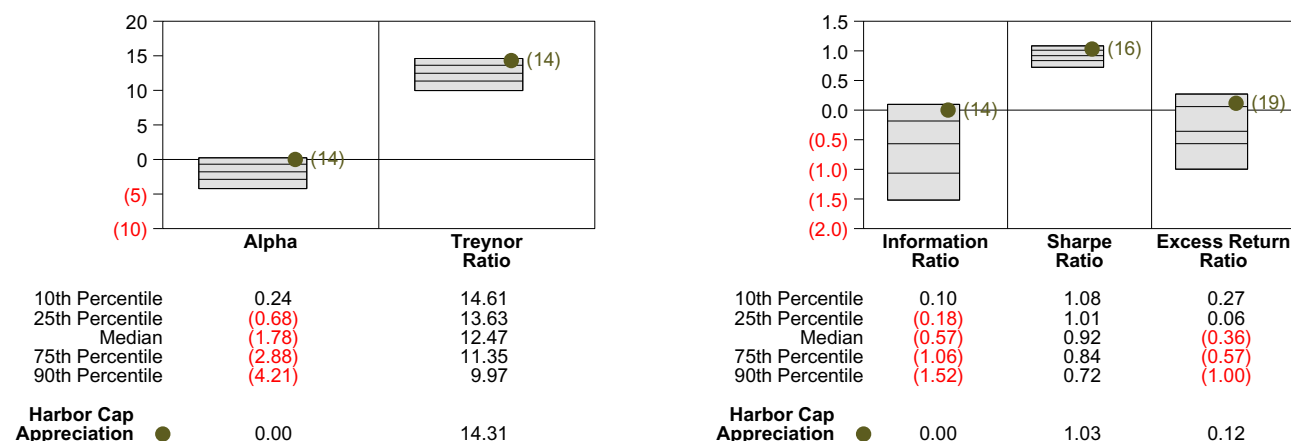
## Performance vs CAI MF - Large Cap Growth Style (Net)



## Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



## Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI MF - Large Cap Growth Style (Net) Five Years Ended September 30, 2015

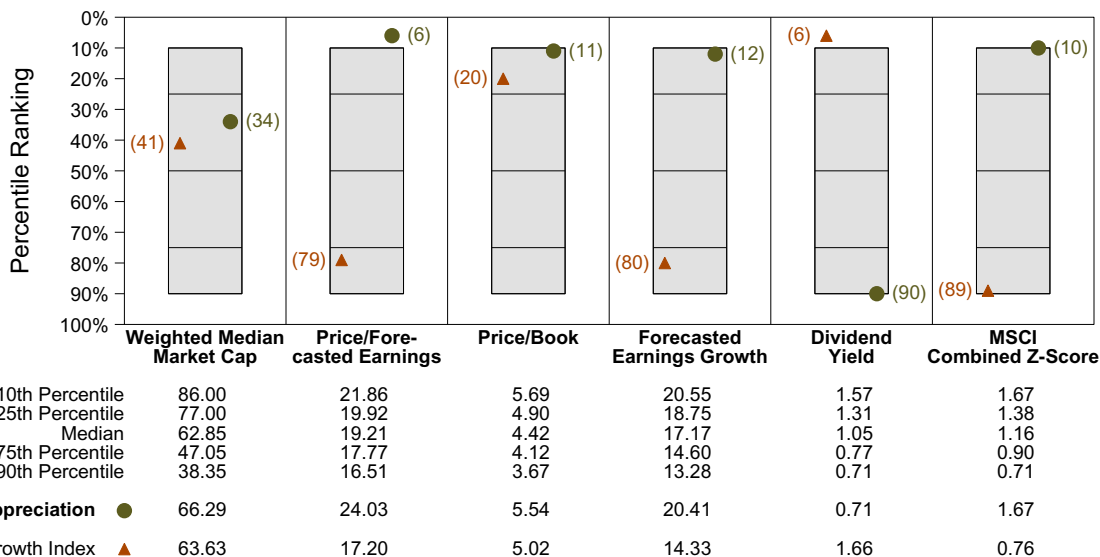


## Harbor Cap Appreciation Equity Characteristics Analysis Summary

### Portfolio Characteristics

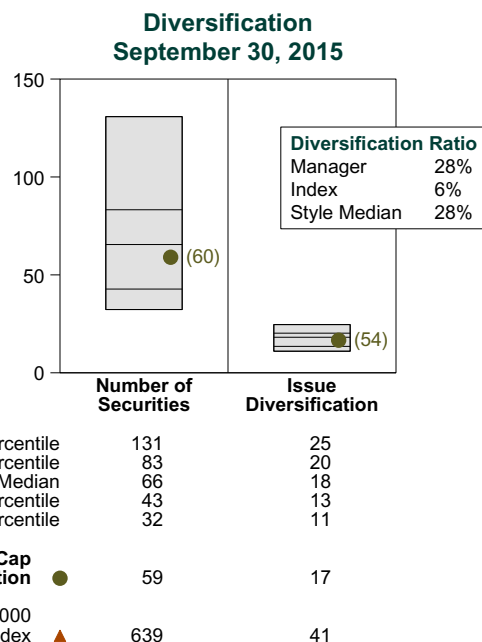
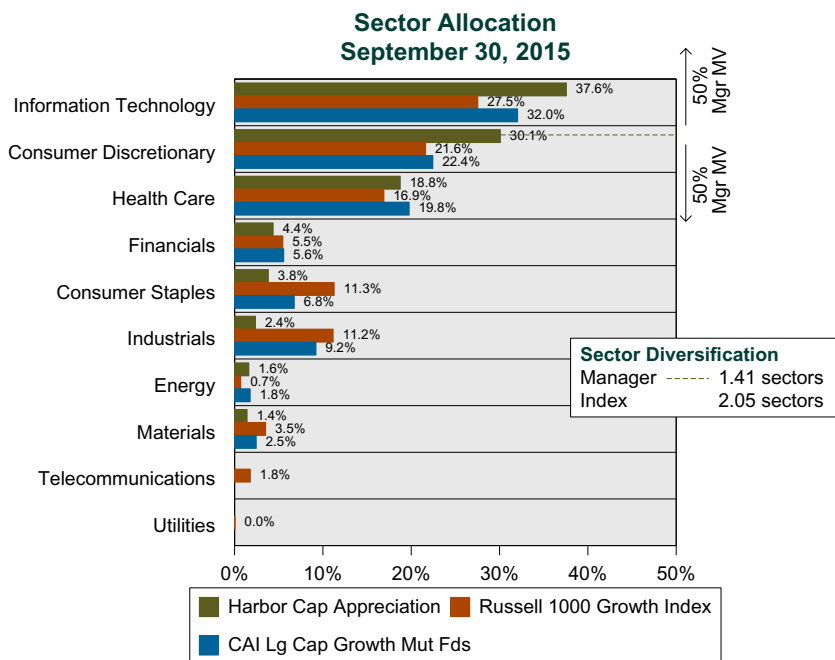
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Growth Style as of September 30, 2015



### 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.



## Janus Research Period Ended September 30, 2015

### Investment Philosophy

Growth Equity Style mutual funds invest mainly in large companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in stock selection. Switched from Class T Shares to Class I Shares in December 2009.

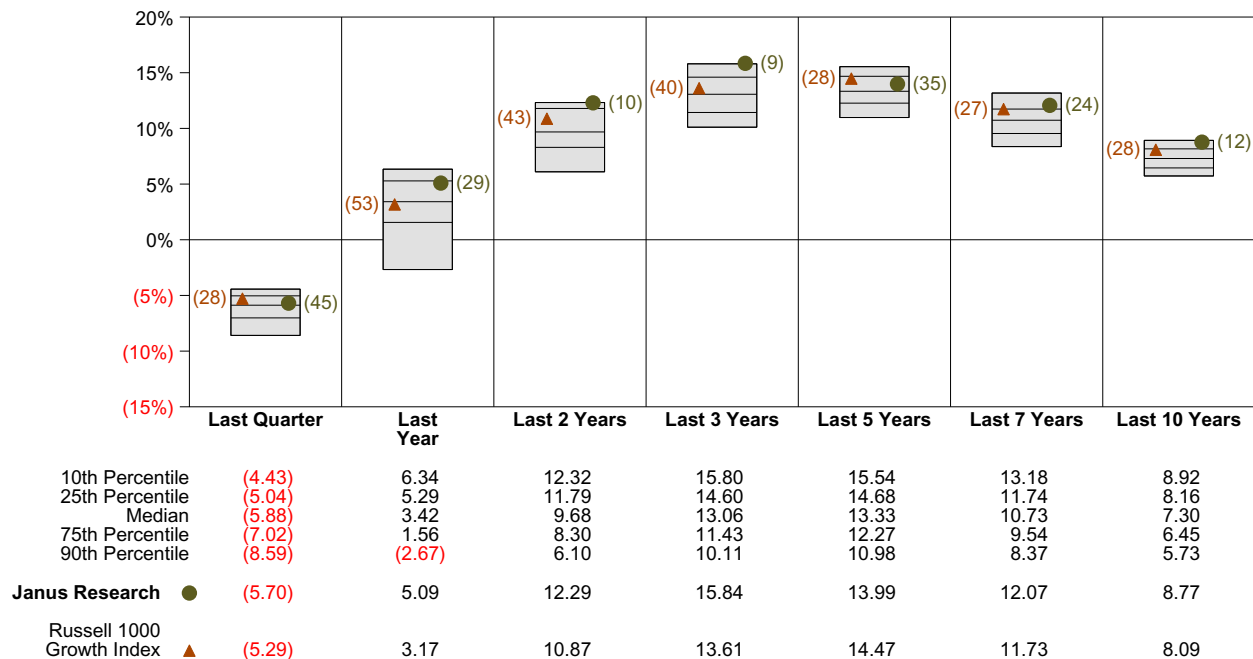
### Quarterly Summary and Highlights

- Janus Research's portfolio posted a (5.70)% return for the quarter placing it in the 45 percentile of the CAI MF - Large Cap Growth Style group for the quarter and in the 29 percentile for the last year.
- Janus Research's portfolio underperformed the Russell 1000 Growth Index by 0.41% for the quarter and outperformed the Russell 1000 Growth Index for the year by 1.91%.

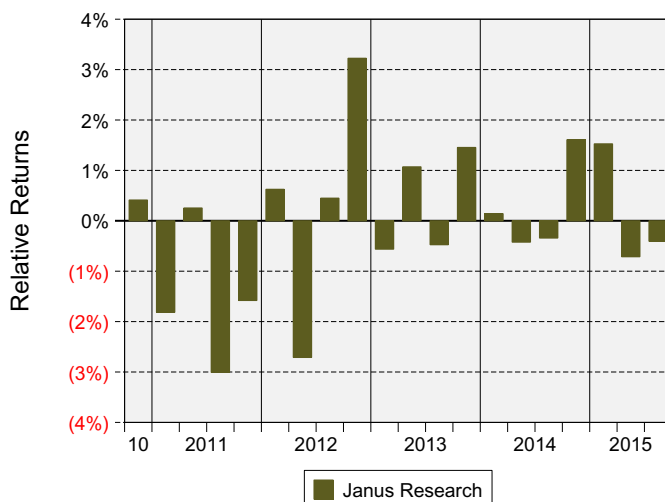
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$24,479,426 |
| Net New Investment        | \$-1,150,000 |
| Investment Gains/(Losses) | \$-1,348,389 |
| Ending Market Value       | \$21,981,037 |

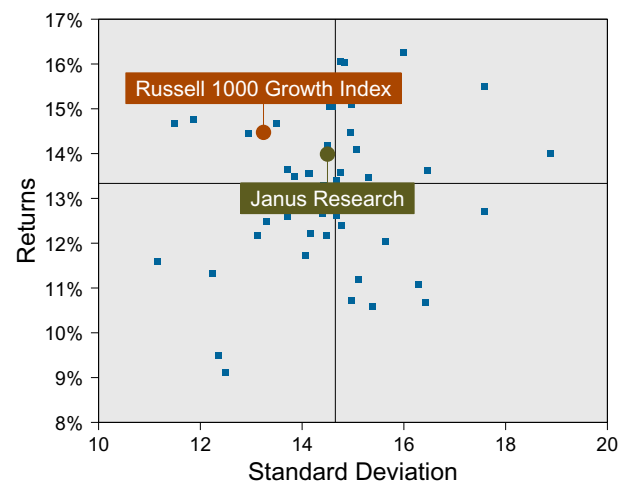
### Performance vs CAI MF - Large Cap Growth Style (Net)



### Relative Return vs Russell 1000 Growth Index



### CAI MF - Large Cap Growth Style (Net) Annualized Five Year Risk vs Return



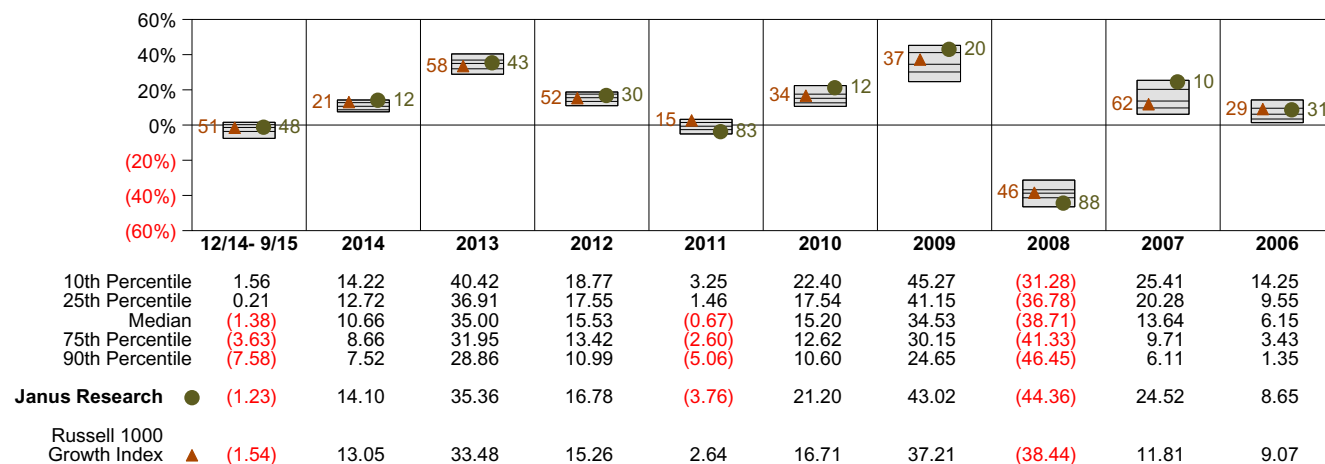


# Janus Research Return Analysis Summary

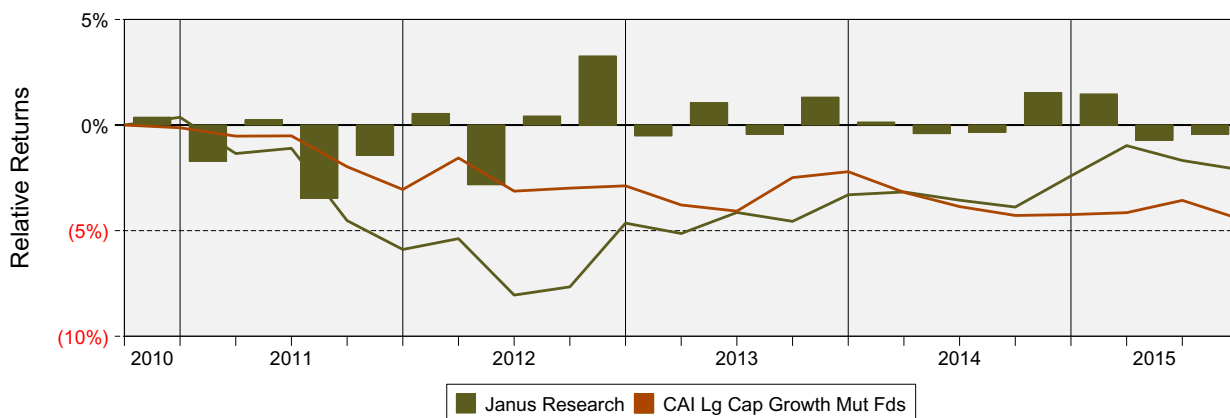
## Return Analysis

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.

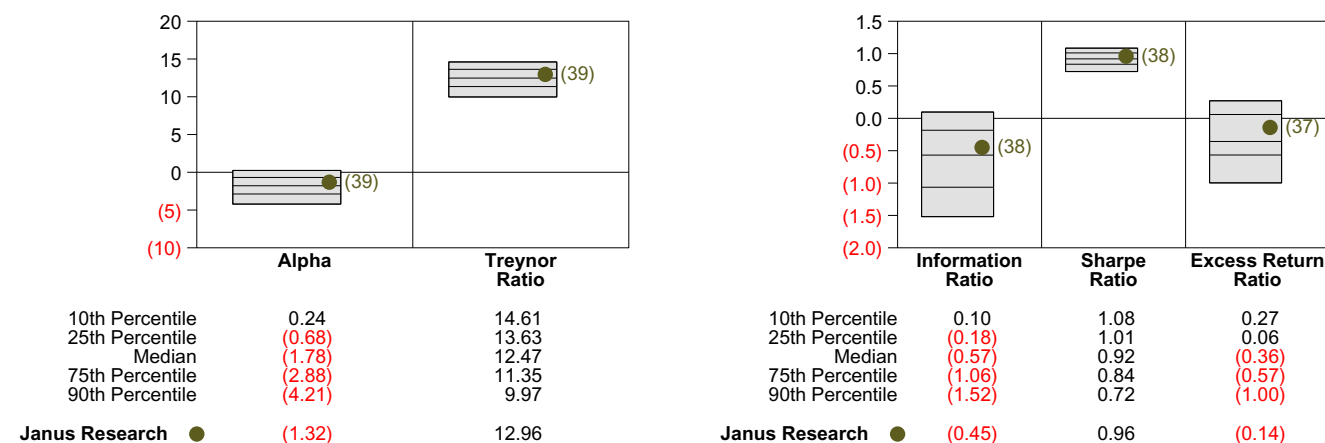
### Performance vs CAI MF - Large Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



### Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI MF - Large Cap Growth Style (Net) Five Years Ended September 30, 2015

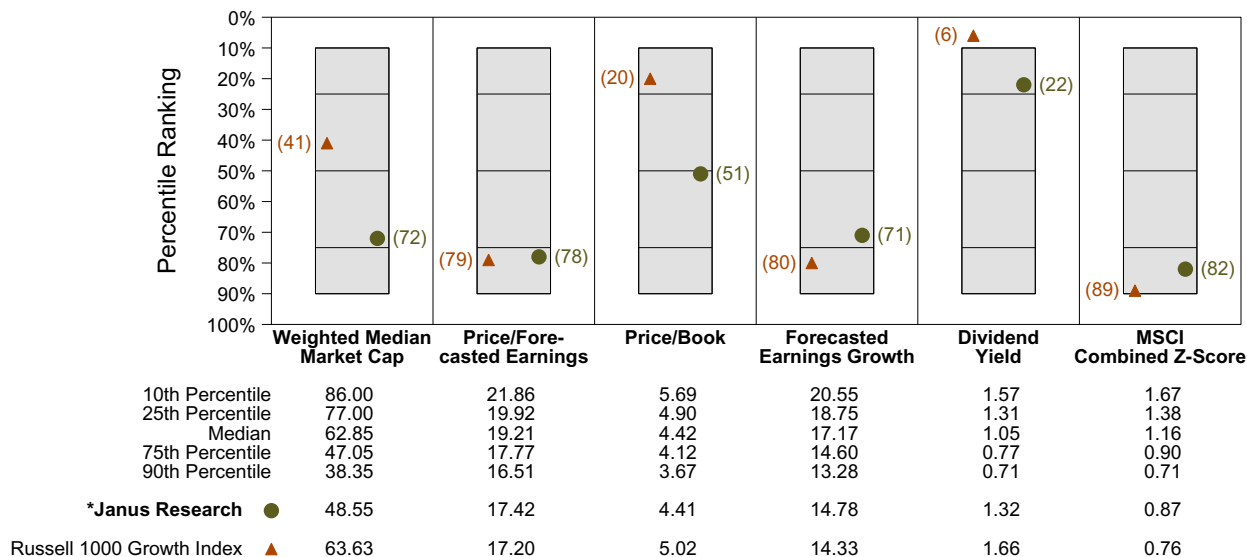


## Janus Research Equity Characteristics Analysis Summary

### Portfolio Characteristics

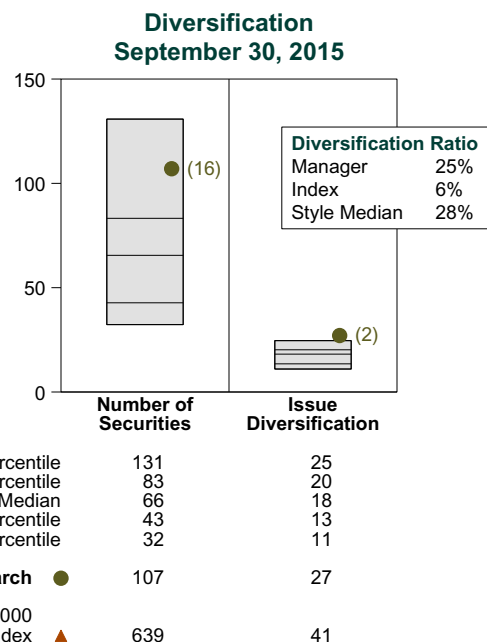
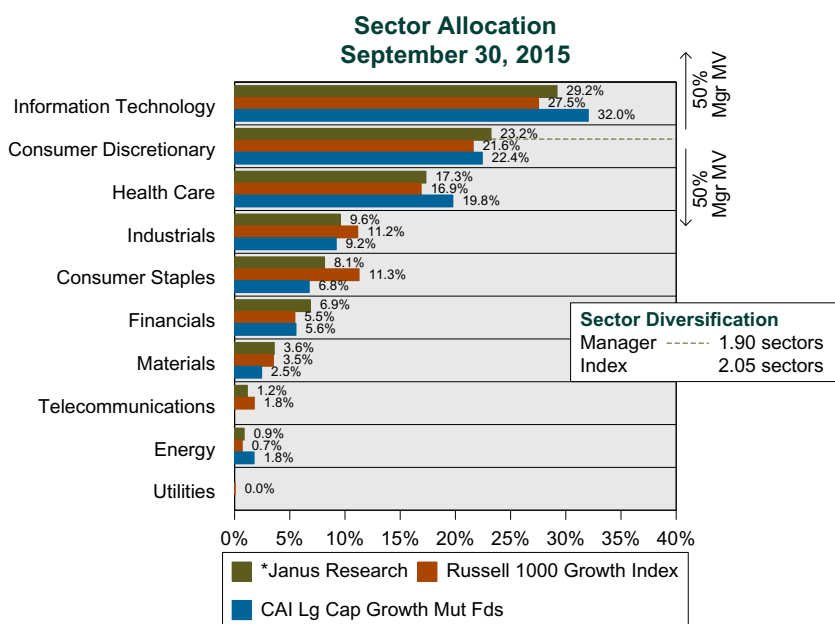
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Growth Style as of September 30, 2015



### 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.



\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.

## Fidelity Low Priced Stock Period Ended September 30, 2015

### Investment Philosophy

The Low Priced Stock team believes that many low priced, non-glamour, small companies are mispriced, providing opportunities, and seeks capital appreciation by investing mostly in common and preferred domestic stocks, but also international equities, convertible securities, and other fixed income securities.

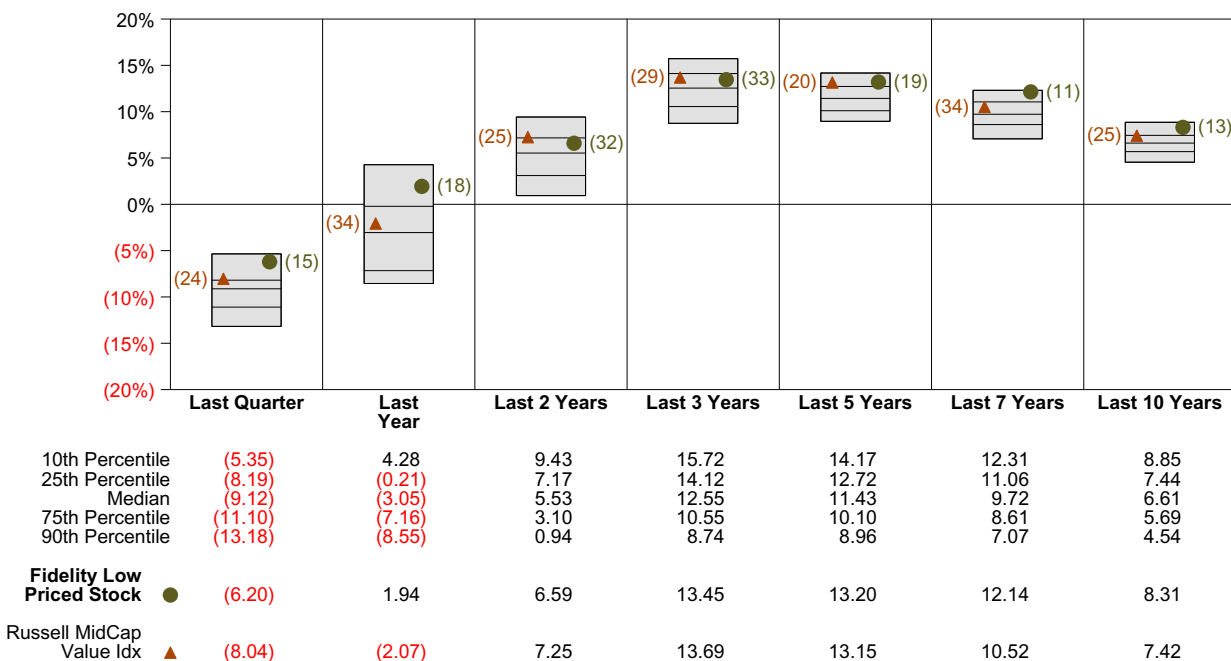
### Quarterly Summary and Highlights

- Fidelity Low Priced Stock's portfolio posted a (6.20)% return for the quarter placing it in the 15 percentile of the CAI MF - Mid Cap Value Style group for the quarter and in the 18 percentile for the last year.
- Fidelity Low Priced Stock's portfolio outperformed the Russell MidCap Value Idx by 1.83% for the quarter and outperformed the Russell MidCap Value Idx for the year by 4.01%.

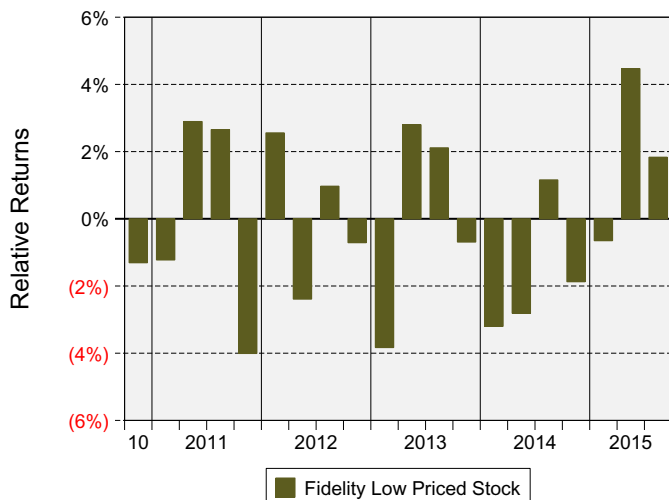
### Quarterly Asset Growth

|                           |             |
|---------------------------|-------------|
| Beginning Market Value    | \$5,239,963 |
| Net New Investment        | \$0         |
| Investment Gains/(Losses) | \$-325,100  |
| Ending Market Value       | \$4,914,863 |

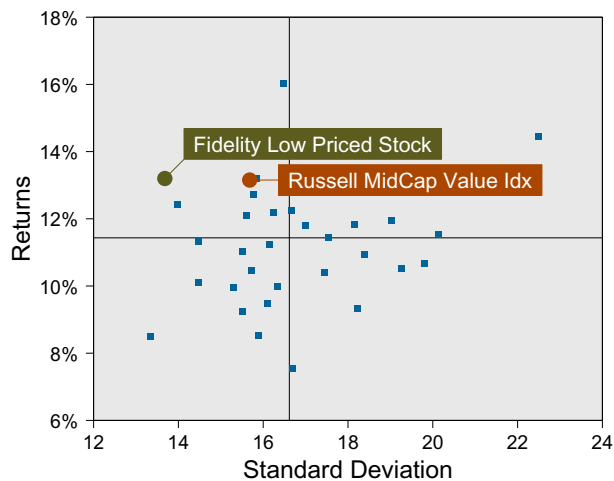
### Performance vs CAI MF - Mid Cap Value Style (Net)



### Relative Return vs Russell MidCap Value Idx



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

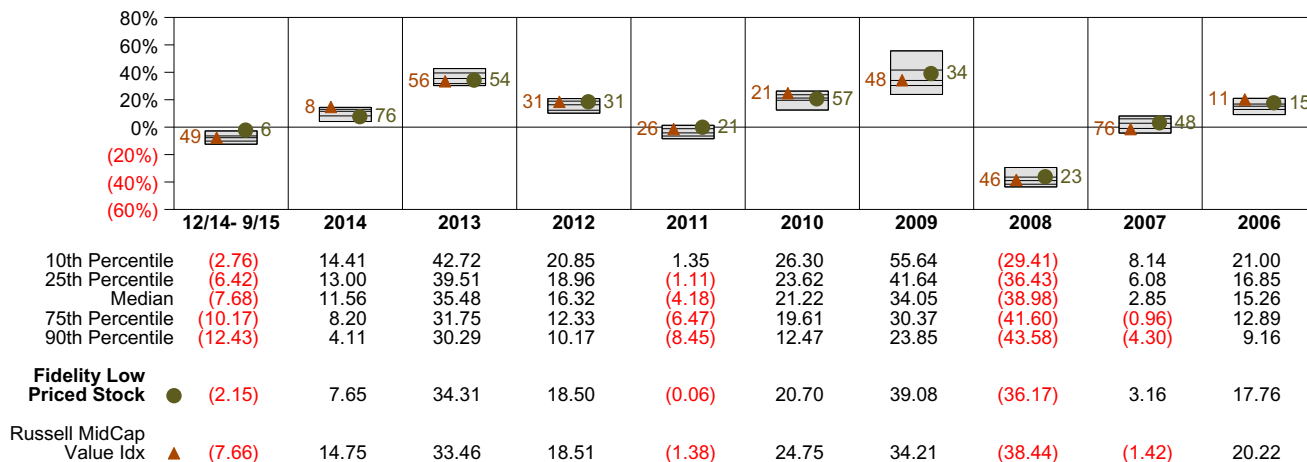


## Fidelity Low Priced Stock Return Analysis Summary

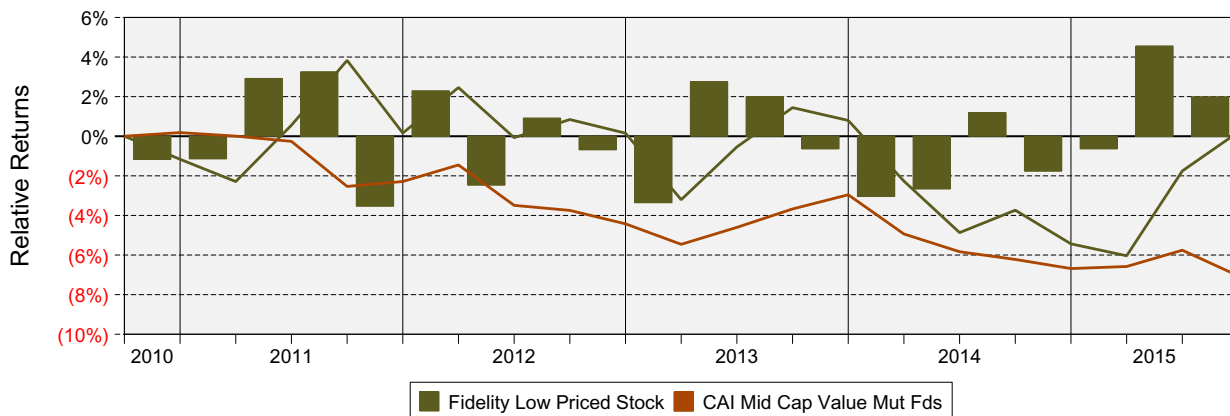
### Return Analysis

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.

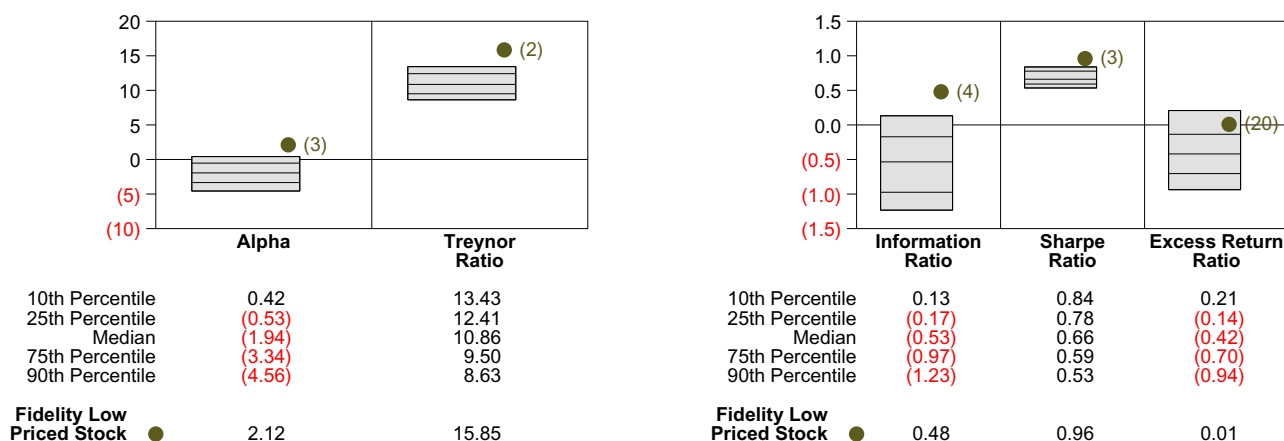
### Performance vs CAI MF - Mid Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



### Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI MF - Mid Cap Value Style (Net) Five Years Ended September 30, 2015

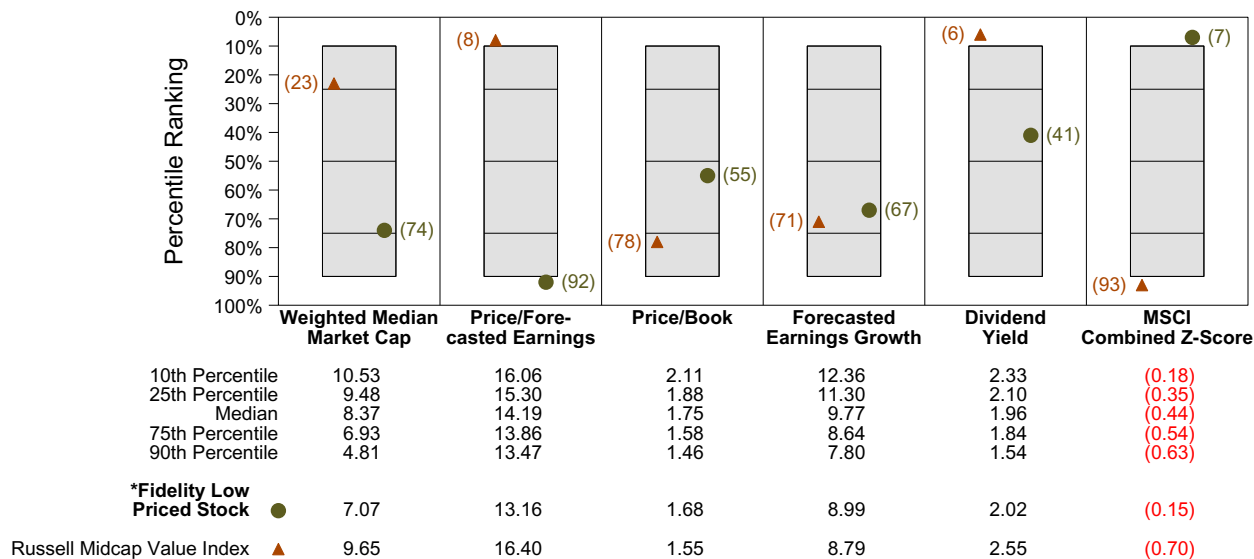


## Fidelity Low Priced Stock Equity Characteristics Analysis Summary

### Portfolio Characteristics

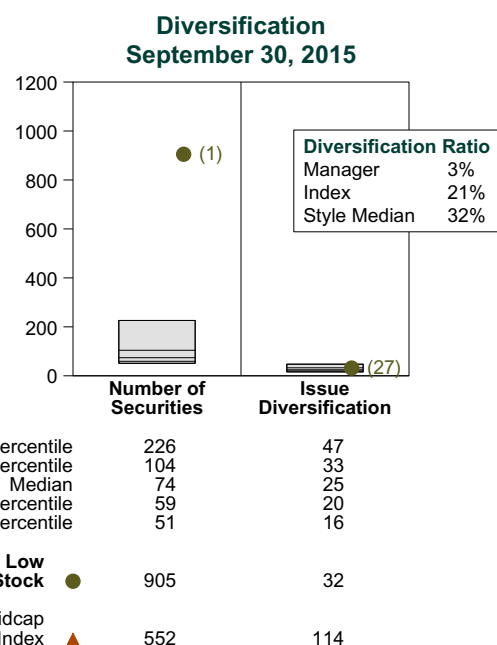
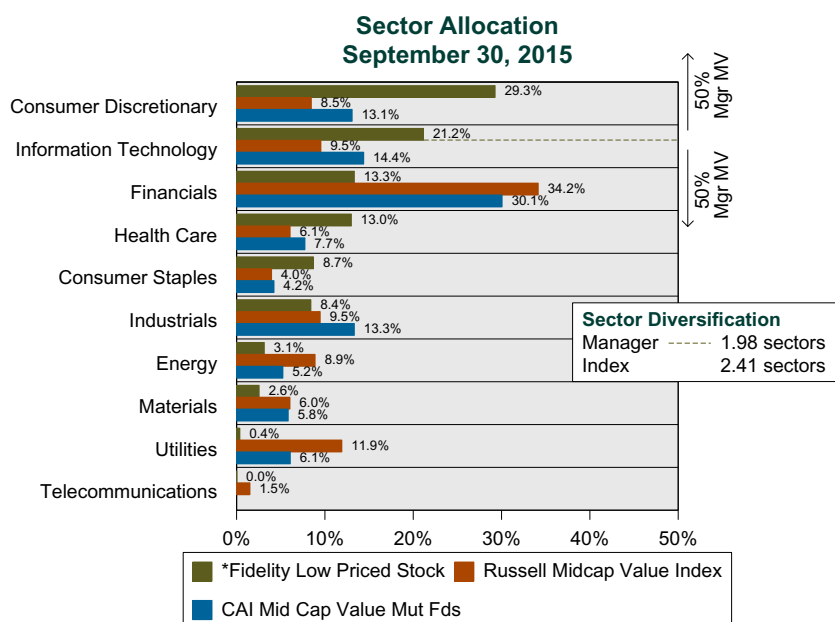
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Value Style as of September 30, 2015



### 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.



\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.

## Royce Total Return Period Ended September 30, 2015

### Investment Philosophy

The Royce Total Return Fund is managed with a disciplined value approach. The Fund's investment objectives are long-term growth and current income. Royce invests the Fund's assets primarily in dividend-paying small- and micro-cap companies. Switched from Investment Class Shares to Institutional Class Shares in December 2009.

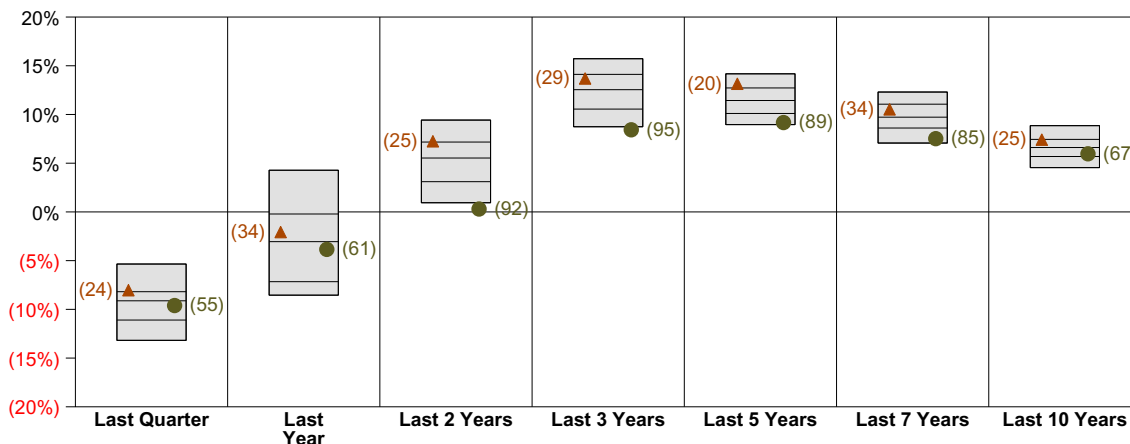
### Quarterly Summary and Highlights

- Royce Total Return's portfolio posted a (9.61)% return for the quarter placing it in the 55 percentile of the CAI MF - Mid Cap Value Style group for the quarter and in the 61 percentile for the last year.
- Royce Total Return's portfolio underperformed the Russell MidCap Value Idx by 1.57% for the quarter and underperformed the Russell MidCap Value Idx for the year by 1.78%.

### Quarterly Asset Growth

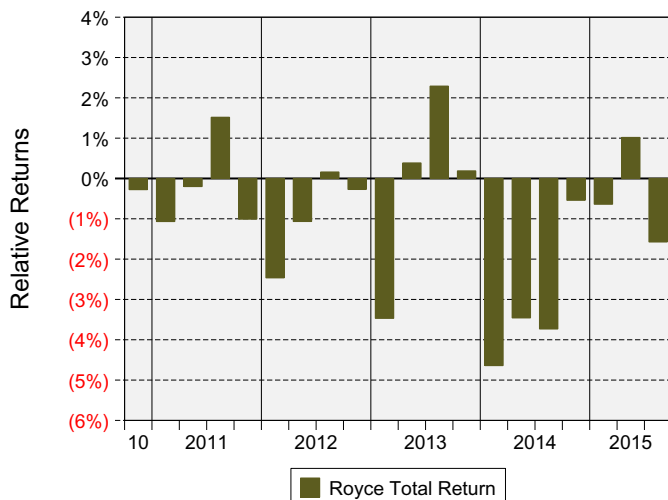
|                           |             |
|---------------------------|-------------|
| Beginning Market Value    | \$4,798,388 |
| Net New Investment        | \$0         |
| Investment Gains/(Losses) | \$-461,121  |
| Ending Market Value       | \$4,337,267 |

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

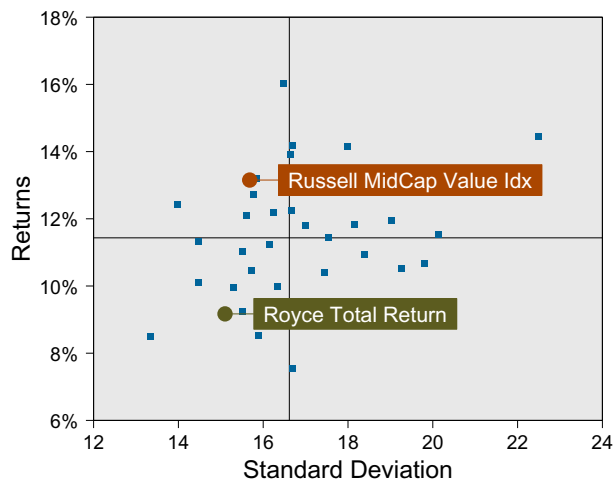


|                                 |               |               |             |              |              |              |             |
|---------------------------------|---------------|---------------|-------------|--------------|--------------|--------------|-------------|
| 10th Percentile                 | (5.35)        | 4.28          | 9.43        | 15.72        | 14.17        | 12.31        | 8.85        |
| 25th Percentile                 | (8.19)        | (0.21)        | 7.17        | 14.12        | 12.72        | 11.06        | 7.44        |
| Median                          | (9.12)        | (3.05)        | 5.53        | 12.55        | 11.43        | 9.72         | 6.61        |
| 75th Percentile                 | (11.10)       | (7.16)        | 3.10        | 10.55        | 10.10        | 8.61         | 5.69        |
| 90th Percentile                 | (13.18)       | (8.55)        | 0.94        | 8.74         | 8.96         | 7.07         | 4.54        |
| <b>Royce Total Return</b>       | <b>(9.61)</b> | <b>(3.84)</b> | <b>0.30</b> | <b>8.43</b>  | <b>9.17</b>  | <b>7.52</b>  | <b>5.96</b> |
| <b>Russell MidCap Value Idx</b> | <b>(8.04)</b> | <b>(2.07)</b> | <b>7.25</b> | <b>13.69</b> | <b>13.15</b> | <b>10.52</b> | <b>7.42</b> |

### Relative Return vs Russell MidCap Value Idx



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

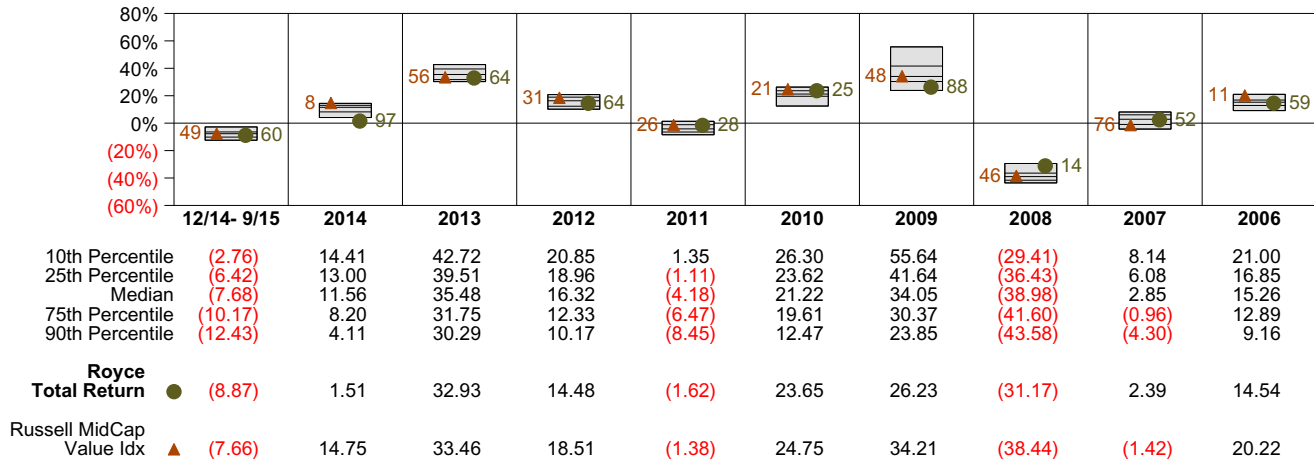


## Royce Total Return Return Analysis Summary

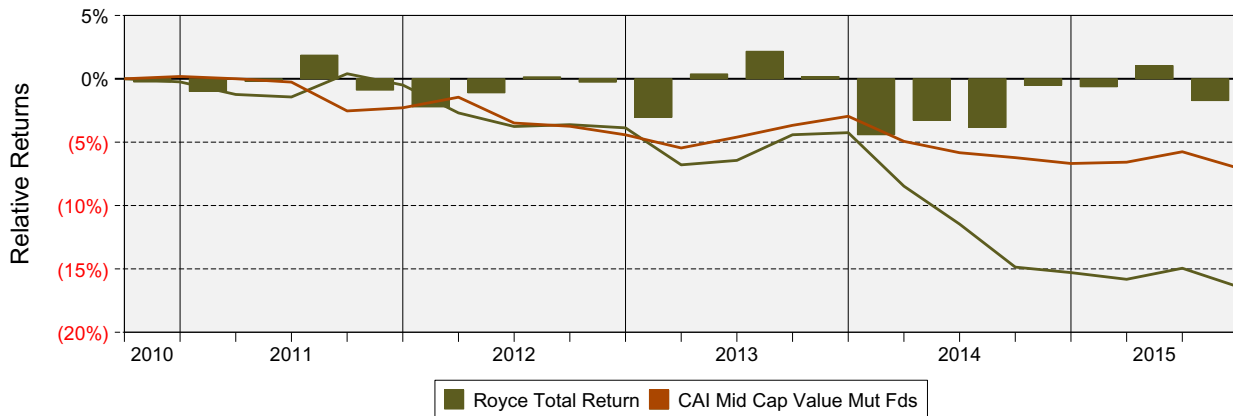
### Return Analysis

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.

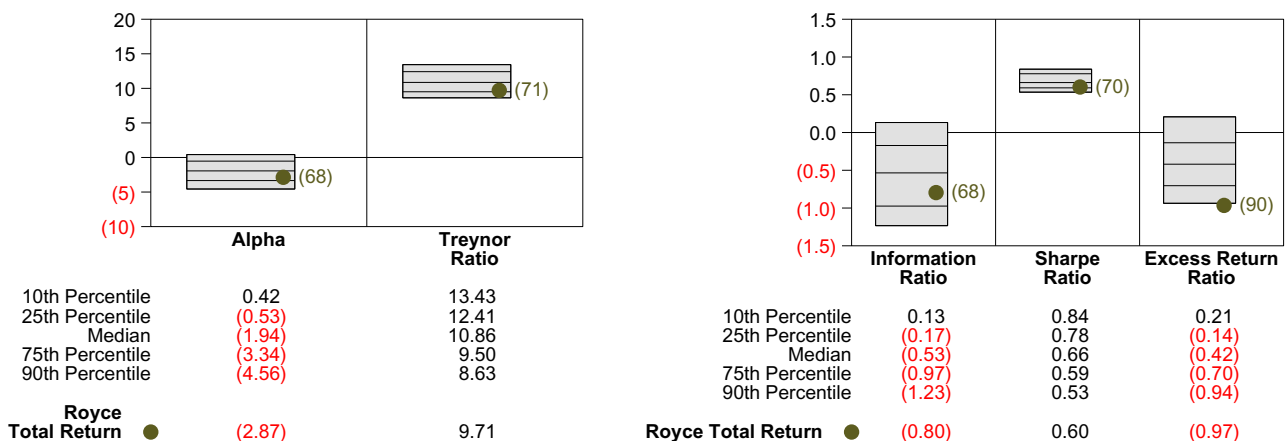
### Performance vs CAI MF - Mid Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



### Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI MF - Mid Cap Value Style (Net) Five Years Ended September 30, 2015

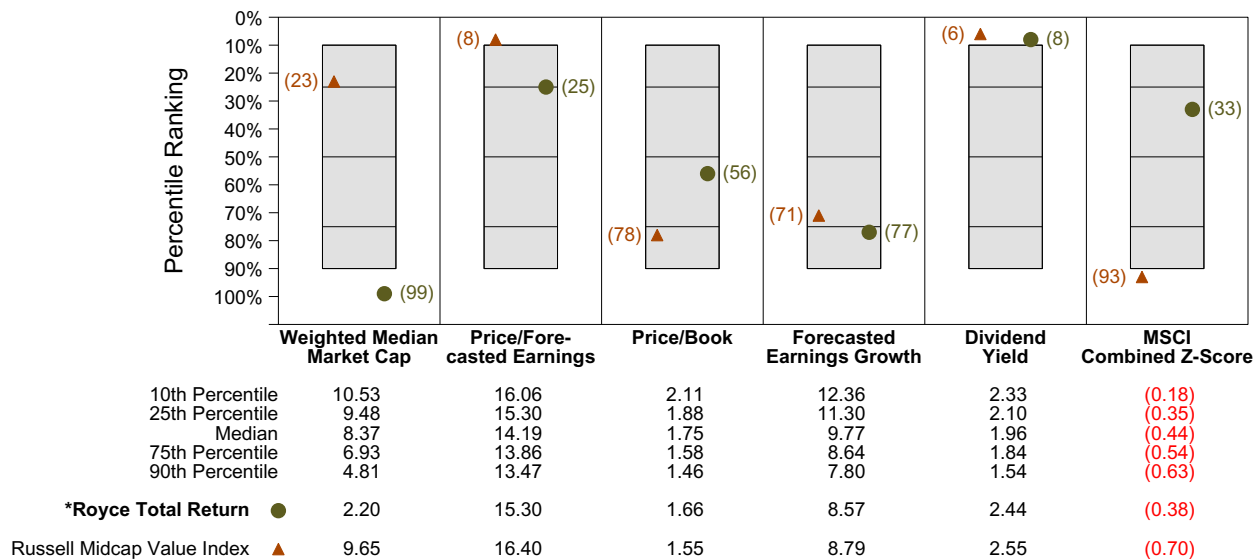


## Royce Total Return Equity Characteristics Analysis Summary

### Portfolio Characteristics

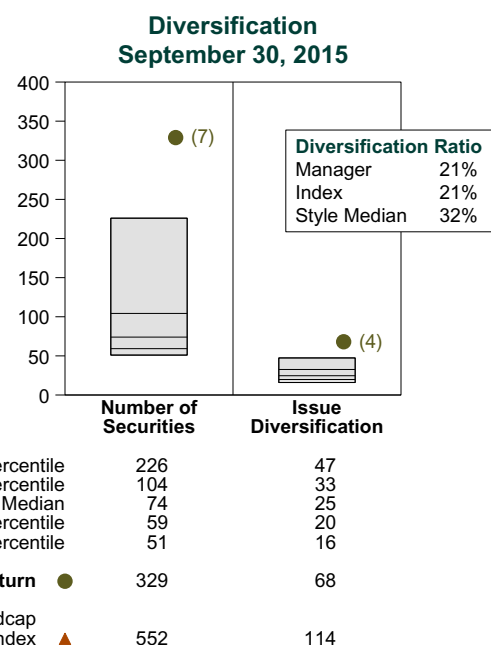
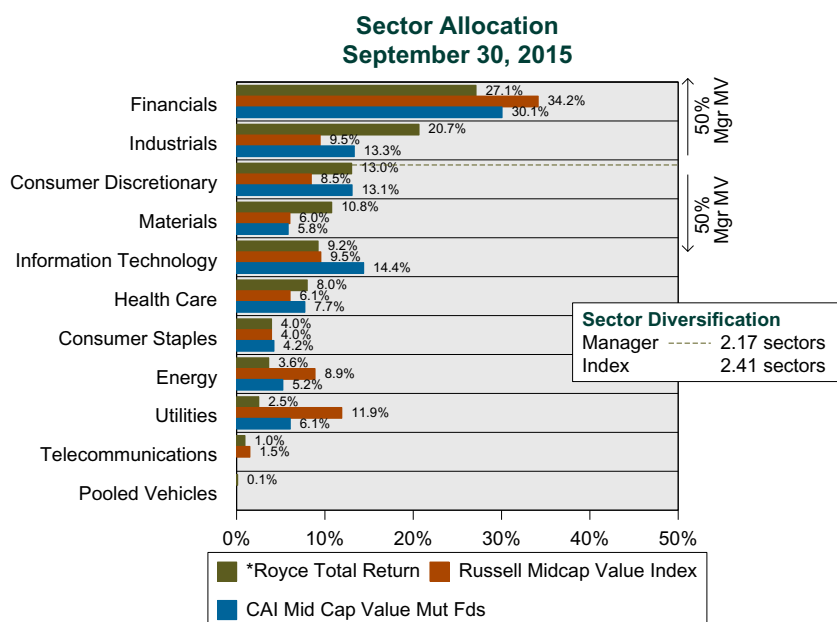
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Value Style as of September 30, 2015



### 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.



\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.



## Morgan Stanley Period Ended September 30, 2015

### Investment Philosophy

Morgan Stanley believes that sustainable growth that exceeds market expectations will produce superior investment results. Switched from Class I shares to Class IS shares in February 2014.

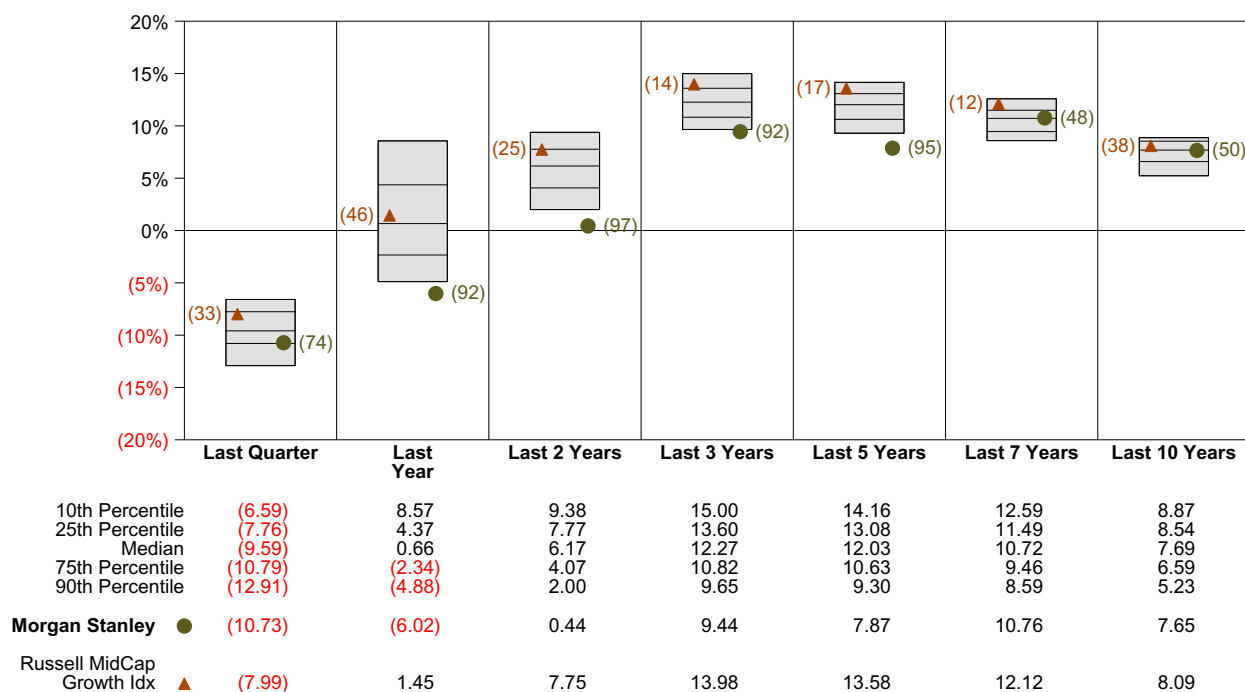
### Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a (10.73)% return for the quarter placing it in the 74 percentile of the CAI MF - Mid Cap Growth Style group for the quarter and in the 92 percentile for the last year.
- Morgan Stanley's portfolio underperformed the Russell MidCap Growth Idx by 2.74% for the quarter and underperformed the Russell MidCap Growth Idx for the year by 7.47%.

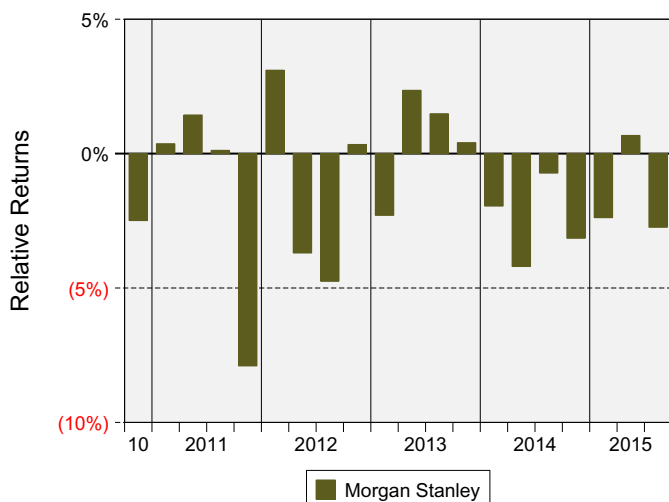
### Quarterly Asset Growth

|                           |             |
|---------------------------|-------------|
| Beginning Market Value    | \$4,956,476 |
| Net New Investment        | \$0         |
| Investment Gains/(Losses) | \$-531,753  |
| Ending Market Value       | \$4,424,723 |

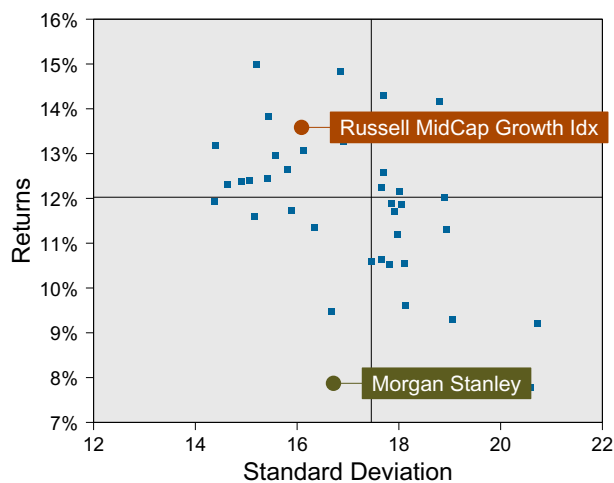
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Relative Return vs Russell MidCap Growth Idx



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

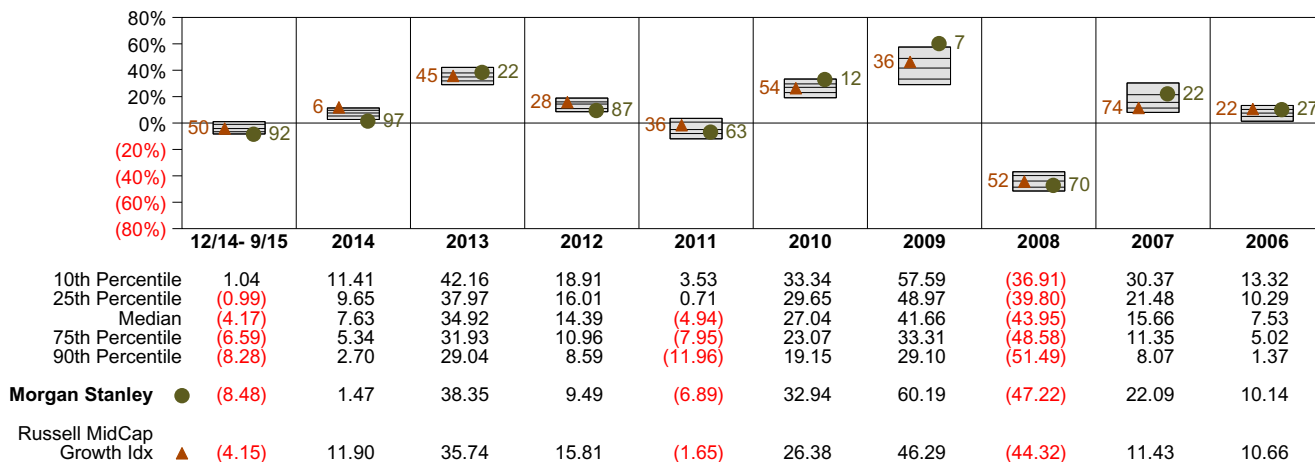


# Morgan Stanley Return Analysis Summary

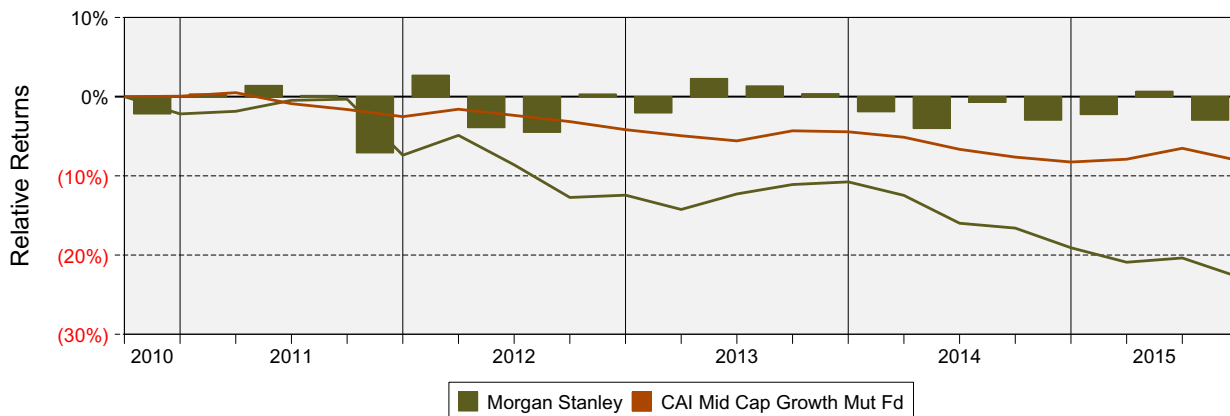
## Return Analysis

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.

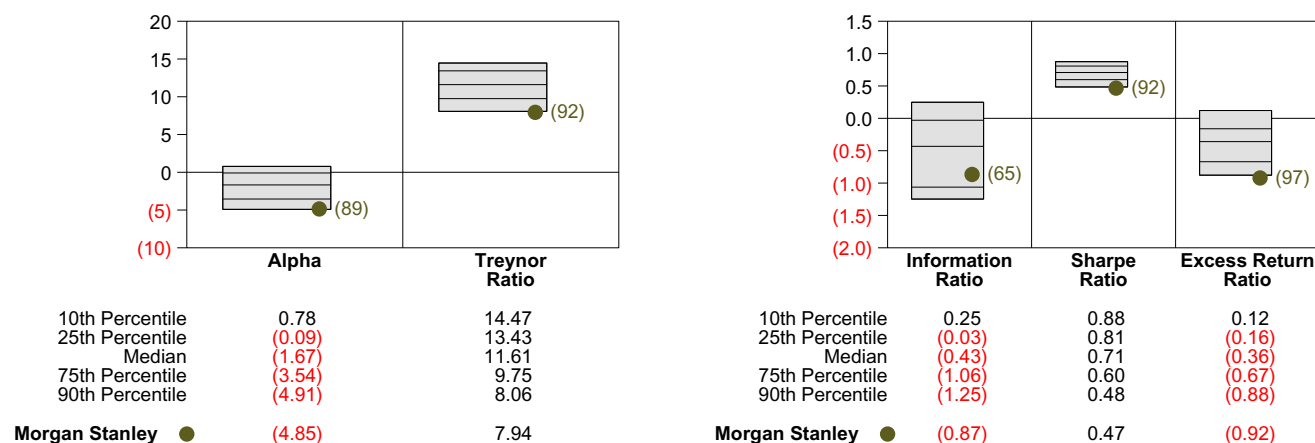
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



### Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI MF - Mid Cap Growth Style (Net) Five Years Ended September 30, 2015

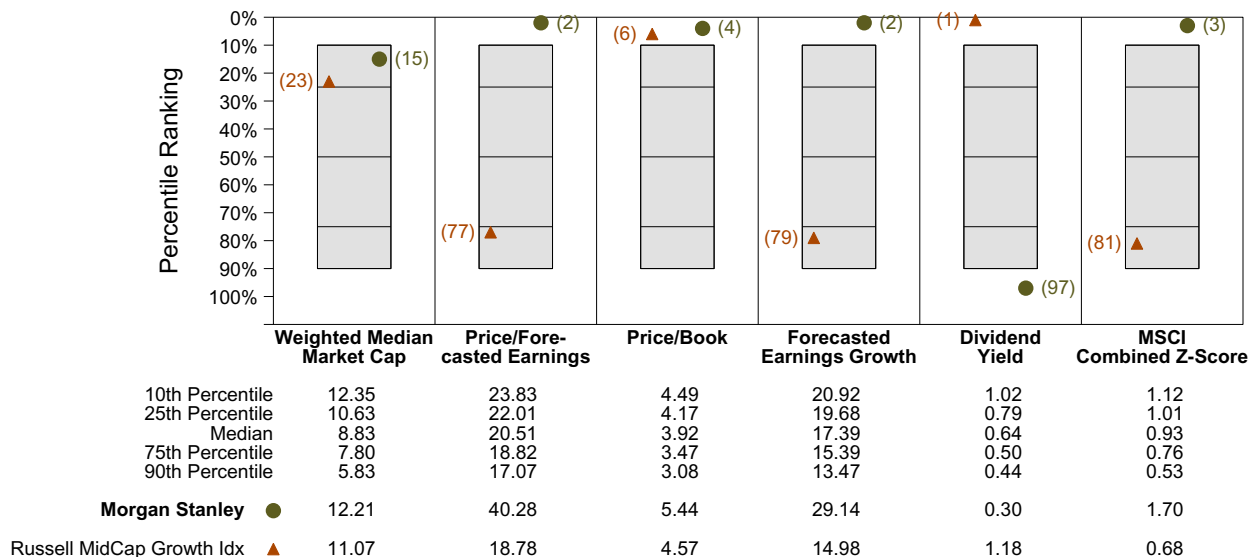


# Morgan Stanley Equity Characteristics Analysis Summary

## Portfolio Characteristics

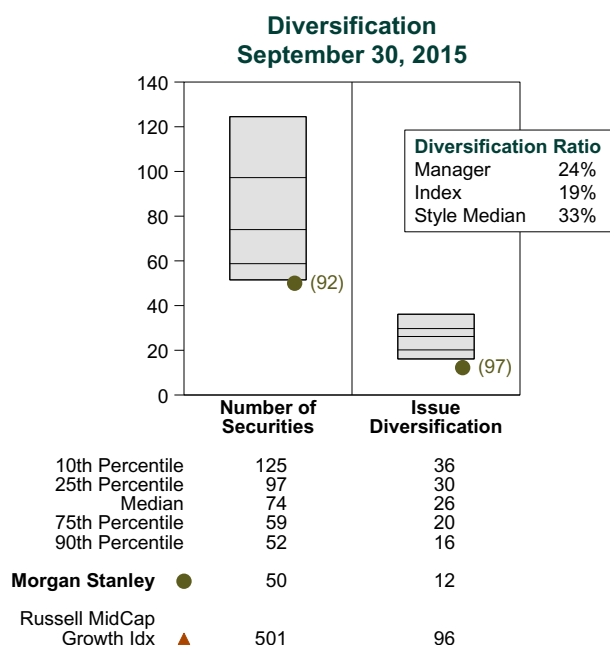
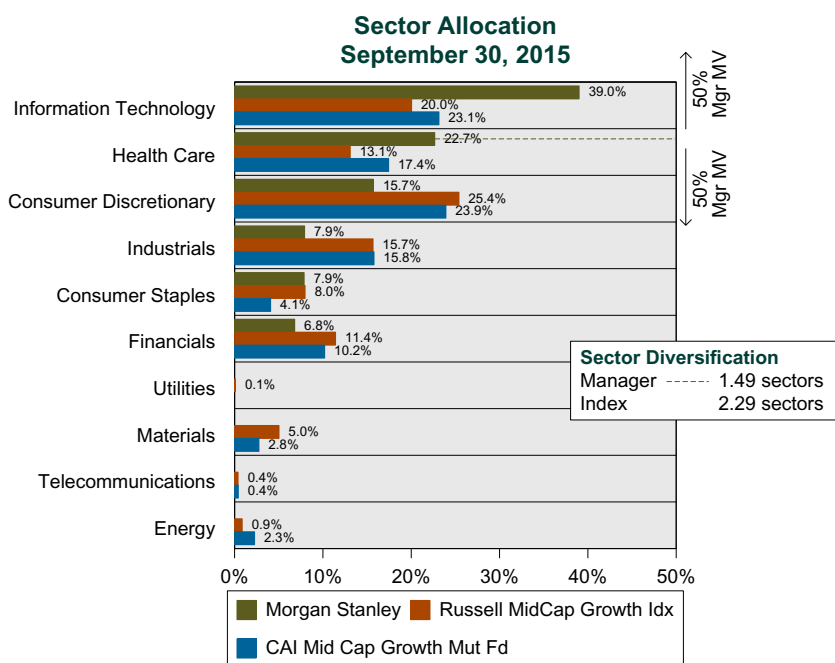
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Growth Style as of September 30, 2015



## 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.



## Janus Enterprise Period Ended September 30, 2015

### Investment Philosophy

Janus believes that investing in companies with sustainable growth and high return on invested capital can drive consistent returns with moderate risk. The team seeks to identify mid cap companies with high quality management teams that wisely allocate capital to drive growth over time. Switched from Class T Shares to Class I Shares in December 2009.

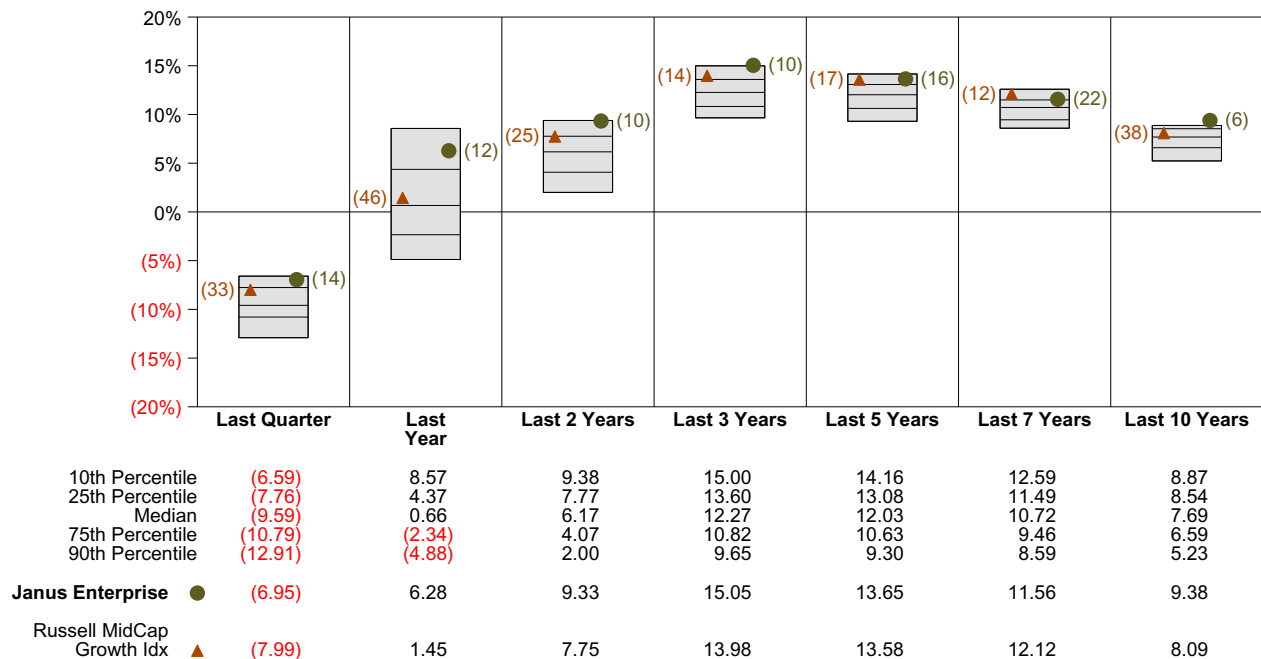
### Quarterly Summary and Highlights

- Janus Enterprise's portfolio posted a (6.95)% return for the quarter placing it in the 14 percentile of the CAI MF - Mid Cap Growth Style group for the quarter and in the 12 percentile for the last year.
- Janus Enterprise's portfolio outperformed the Russell MidCap Growth Idx by 1.04% for the quarter and outperformed the Russell MidCap Growth Idx for the year by 4.83%.

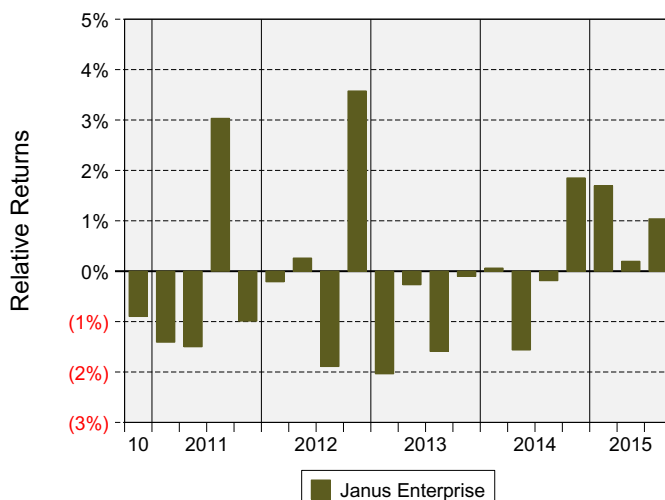
### Quarterly Asset Growth

|                           |             |
|---------------------------|-------------|
| Beginning Market Value    | \$5,384,934 |
| Net New Investment        | \$0         |
| Investment Gains/(Losses) | \$-374,295  |
| Ending Market Value       | \$5,010,640 |

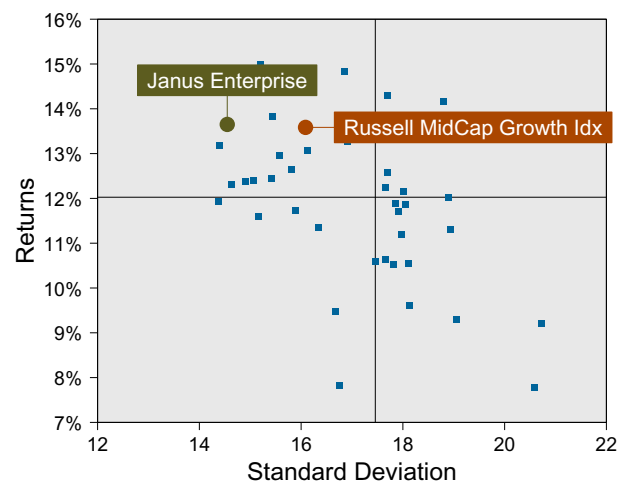
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Relative Return vs Russell MidCap Growth Idx



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

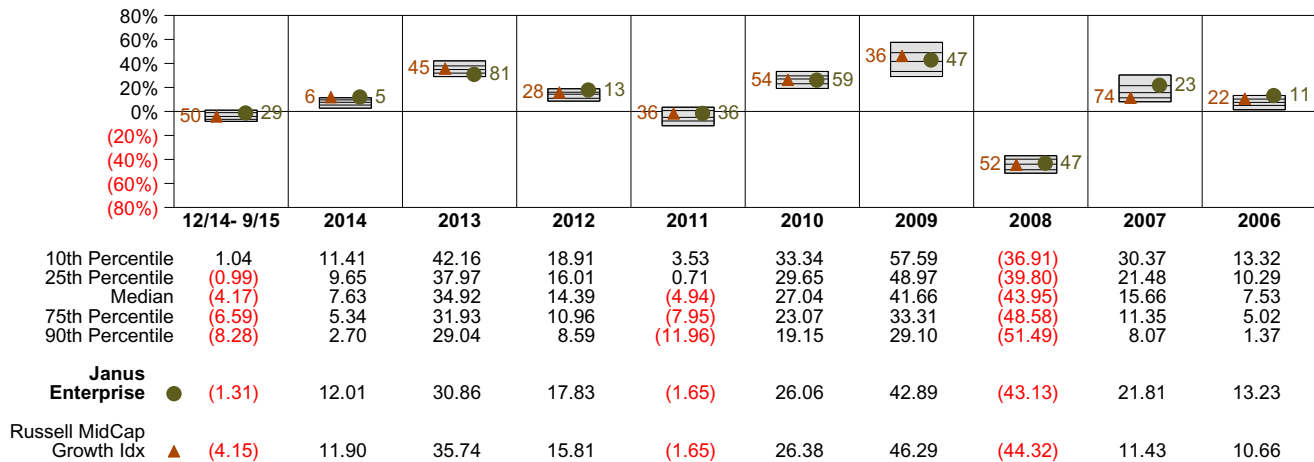


# Janus Enterprise Return Analysis Summary

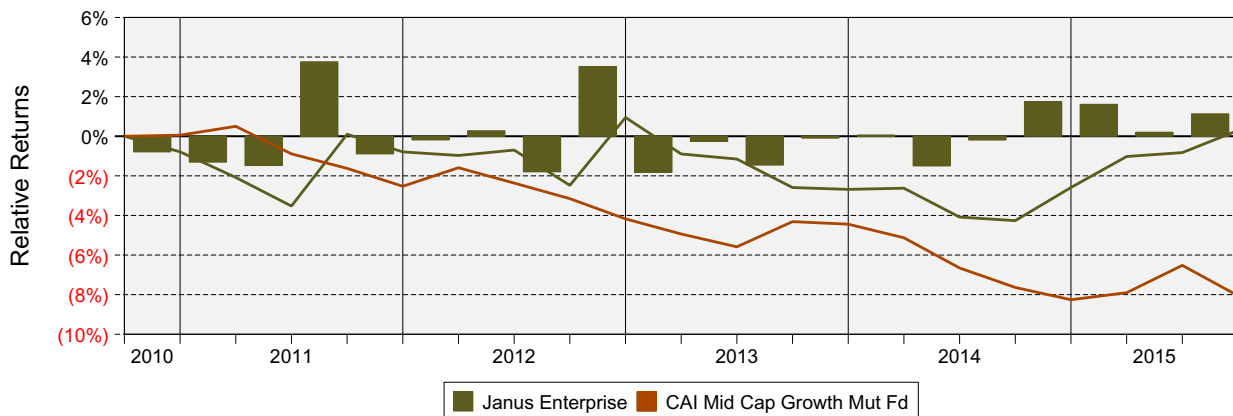
## Return Analysis

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.

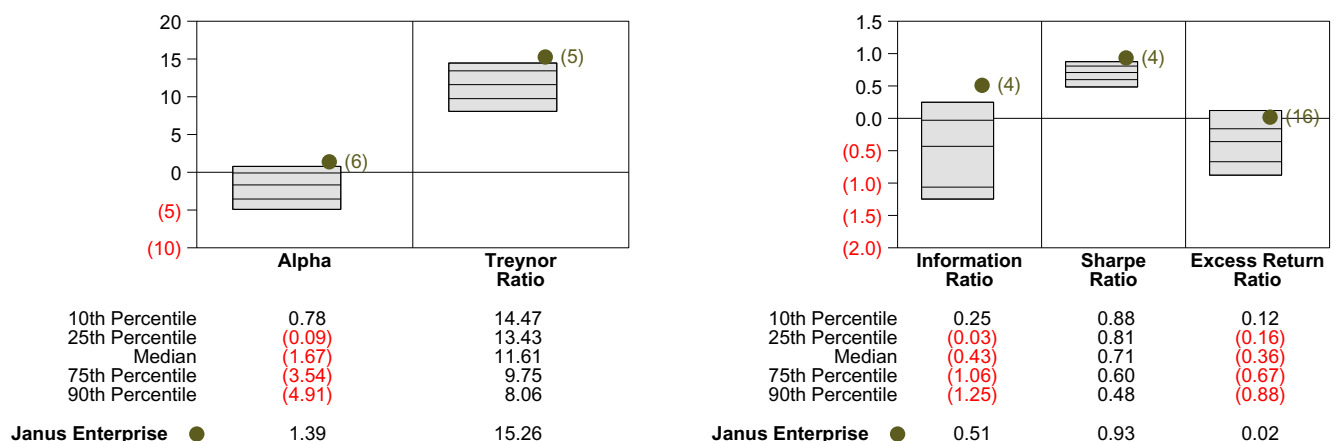
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



### Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI MF - Mid Cap Growth Style (Net) Five Years Ended September 30, 2015

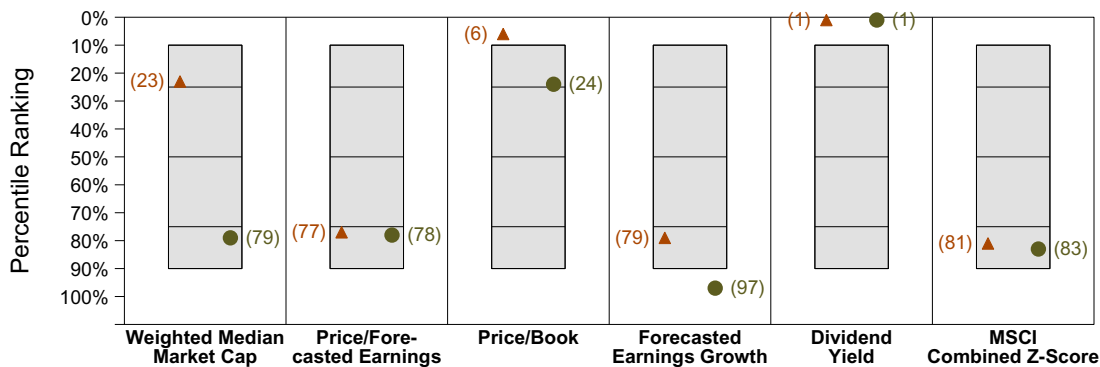


# Janus Enterprise Equity Characteristics Analysis Summary

## 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 - Mid Cap Growth Style as of September 30, 2015

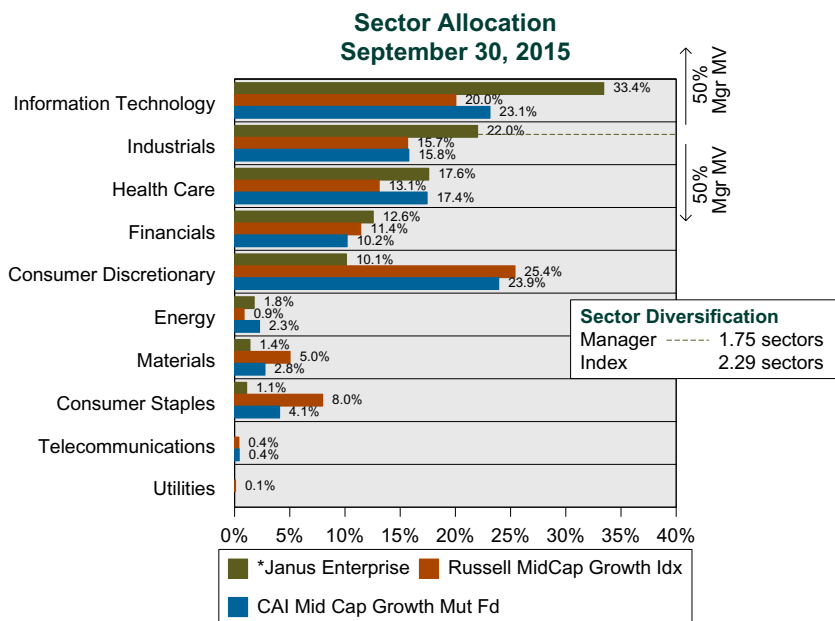


\*Janus Enterprise

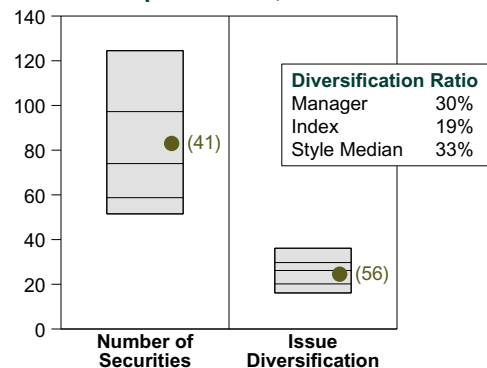
Russell MidCap Growth Idx

## 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.



## Diversification September 30, 2015



\*Janus Enterprise

Russell MidCap Growth Idx

\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.

## Prudential Small Cap Value Period Ended September 30, 2015

### Investment Philosophy

QMA believes a systematic approach that focuses on stocks with low valuations and confirming signals of attractiveness can outperform a small cap value benchmark. Its research shows that adapting to changing market conditions by dynamically shifting the weight on specific factors, while simultaneously maintaining a focus on value stocks, leads to better performance than using static factor exposures. Switched share class in September 2015.

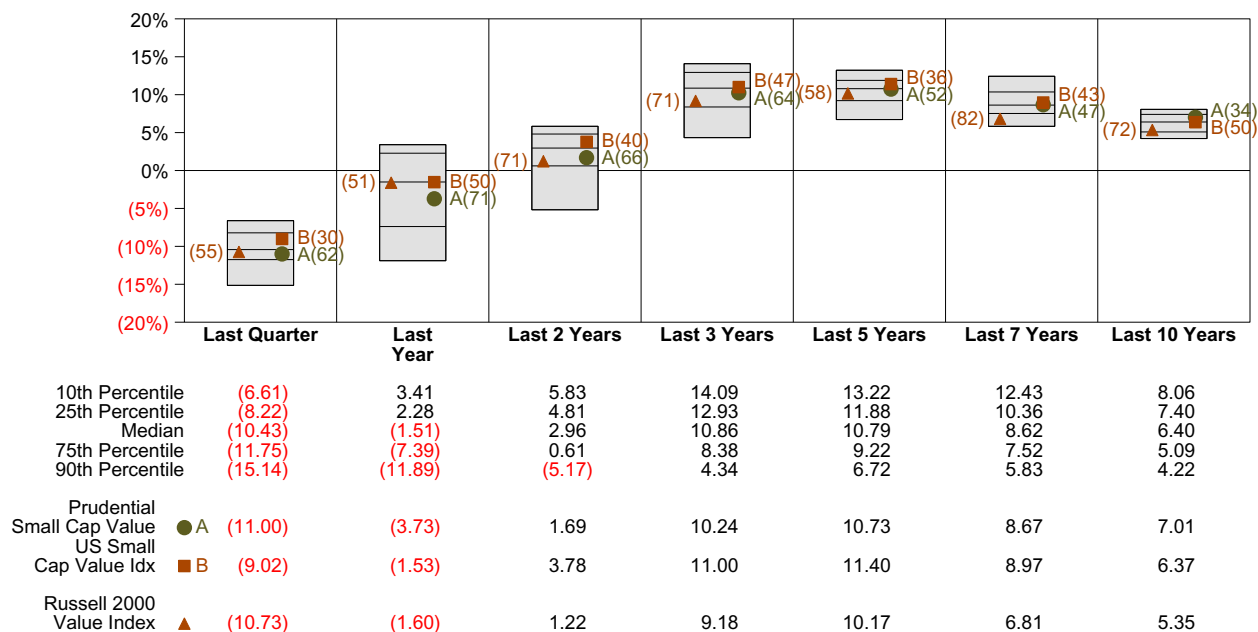
### Quarterly Summary and Highlights

- Prudential Small Cap Value's portfolio posted a (11.00)% return for the quarter placing it in the 62 percentile of the CAI MF - Small Cap Value Style group for the quarter and in the 71 percentile for the last year.
- Prudential Small Cap Value's portfolio underperformed the Russell 2000 Value Index by 0.27% for the quarter and underperformed the Russell 2000 Value Index for the year by 2.13%.

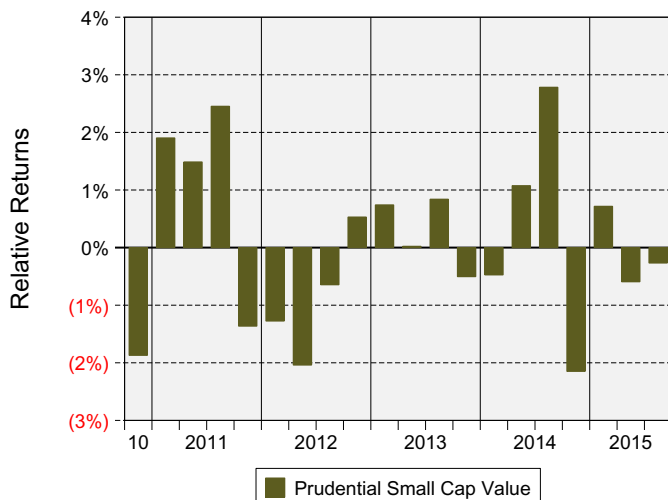
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$12,838,894 |
| Net New Investment        | \$0          |
| Investment Gains/(Losses) | \$-1,412,552 |
| Ending Market Value       | \$11,426,342 |

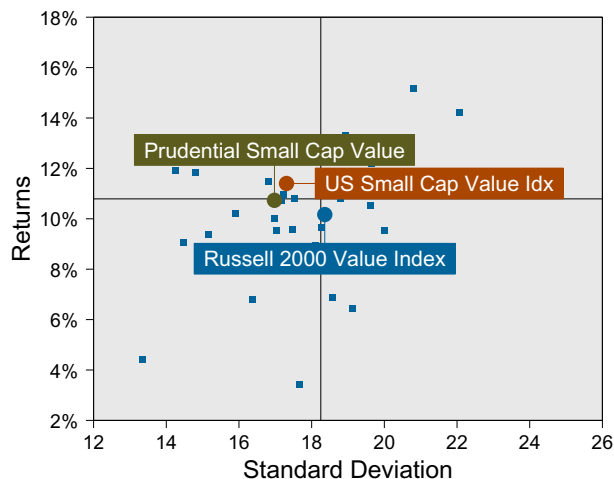
### Performance vs CAI MF - Small Cap Value Style (Net)



### Relative Return vs Russell 2000 Value Index



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

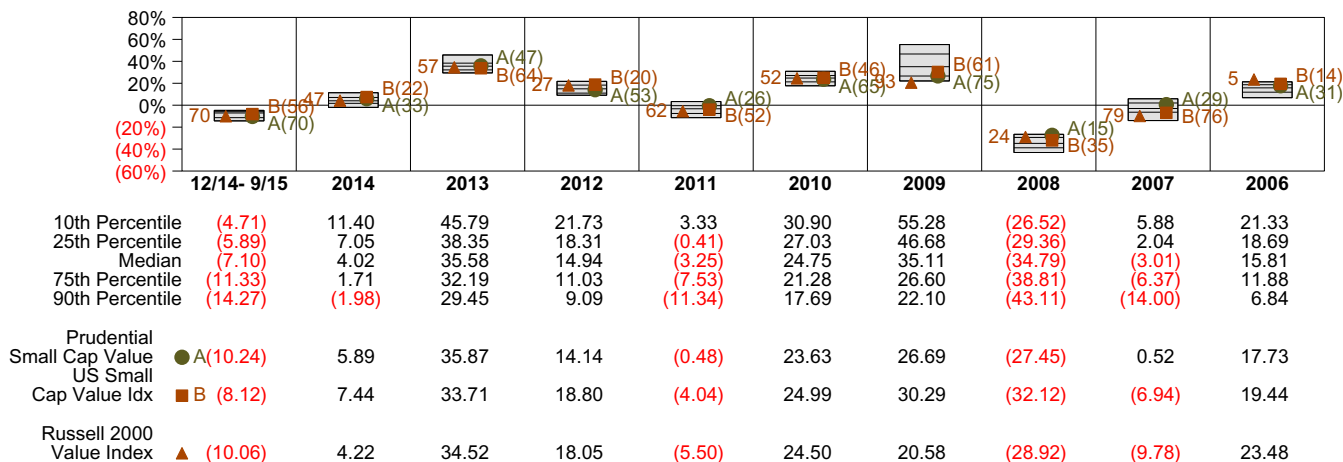


## Prudential Small Cap Value Return Analysis Summary

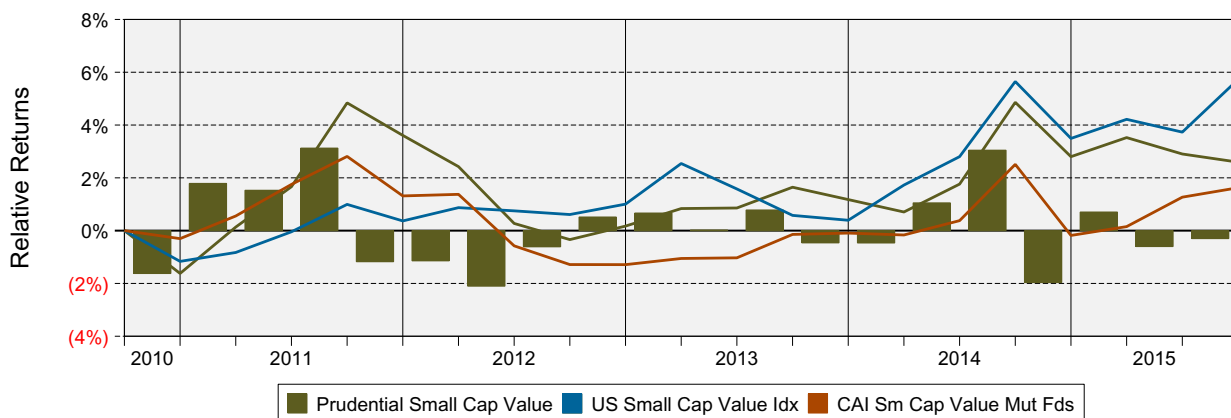
### Return Analysis

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.

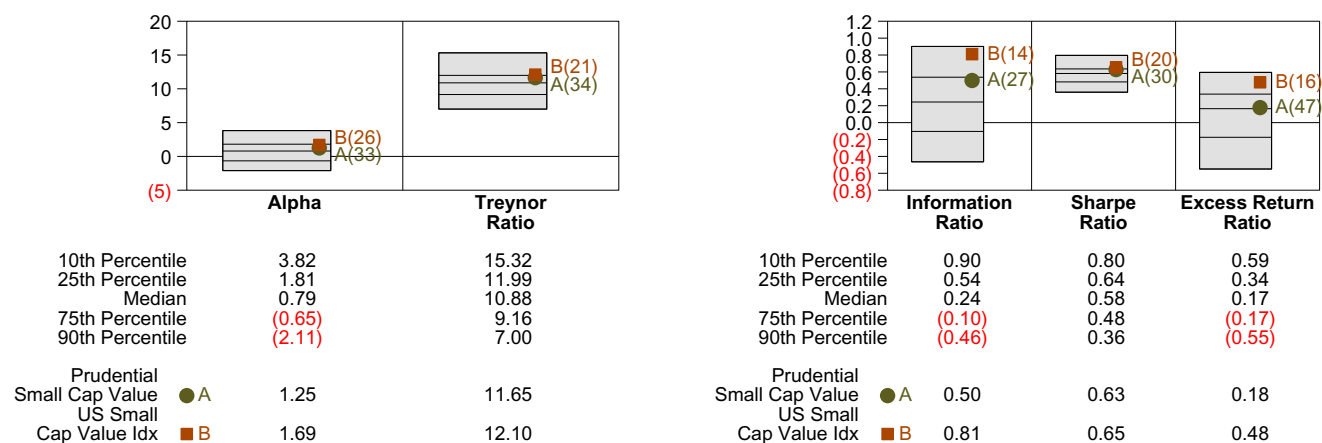
### Performance vs CAI MF - Small Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



### Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against CAI MF - Small Cap Value Style (Net) Five Years Ended September 30, 2015



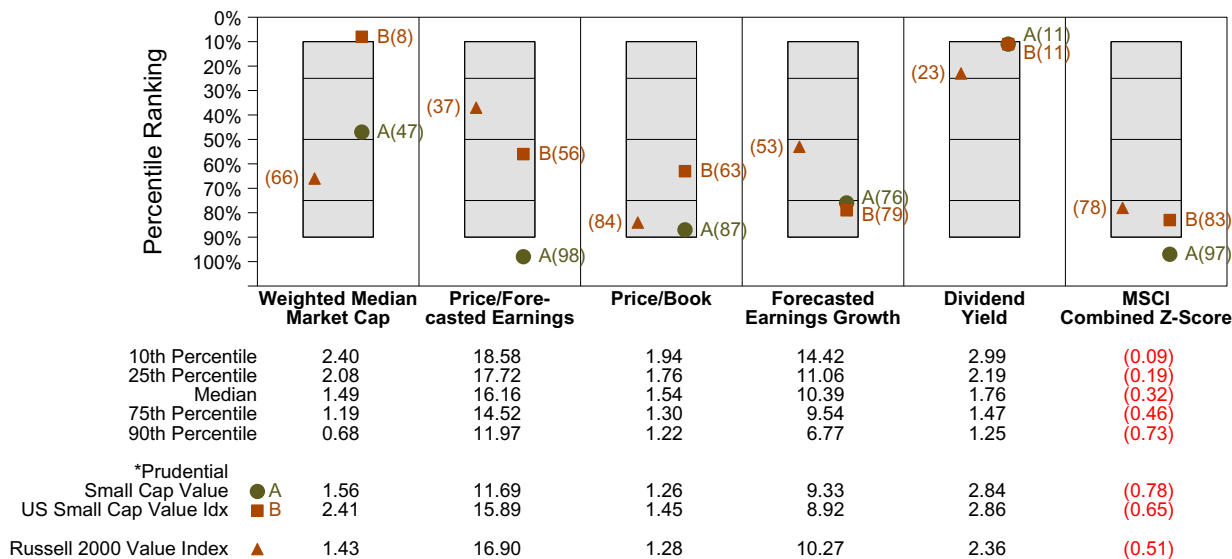


## Prudential Small Cap Value Equity Characteristics Analysis Summary

### Portfolio Characteristics

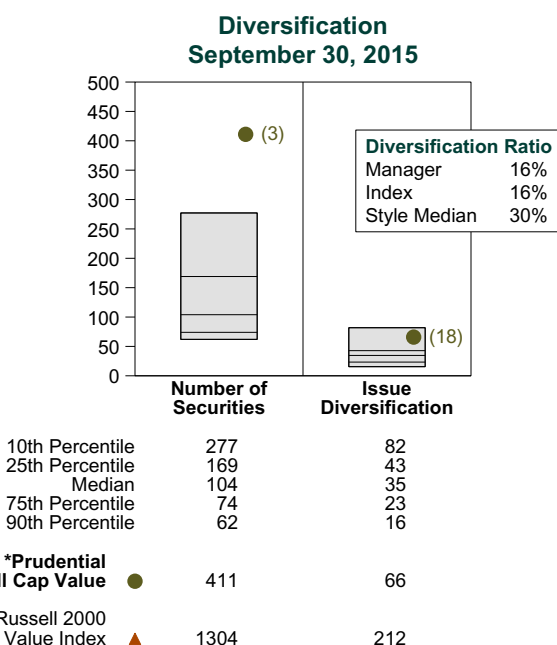
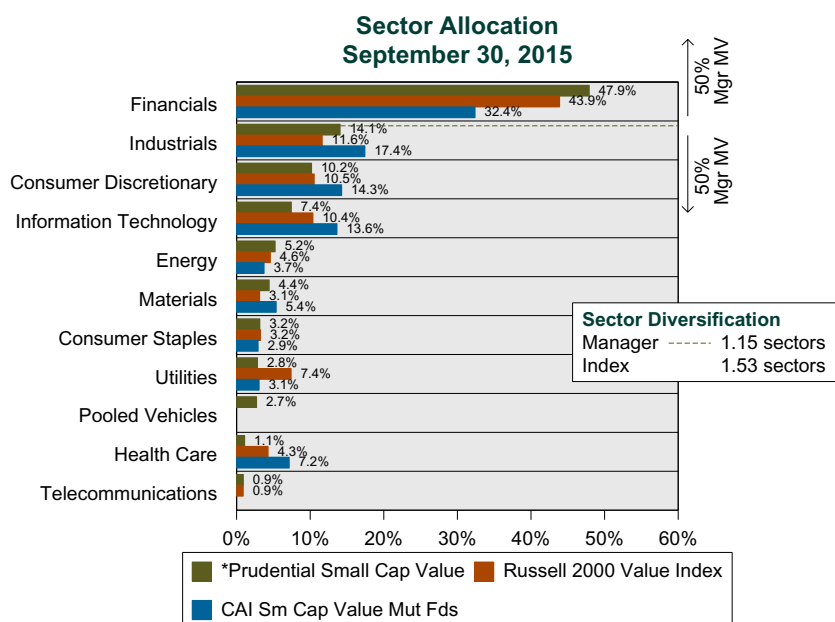
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Small Cap Value Style as of September 30, 2015



### 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.



\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.

## AB US Small Growth Period Ended September 30, 2015

### Investment Philosophy

AB's small cap growth investment process emphasizes in-house fundamental research and direct management contact in order to identify rapidly growing companies with accelerating earnings power and reasonable valuations. AB's management fee is 100 bps on all assets.

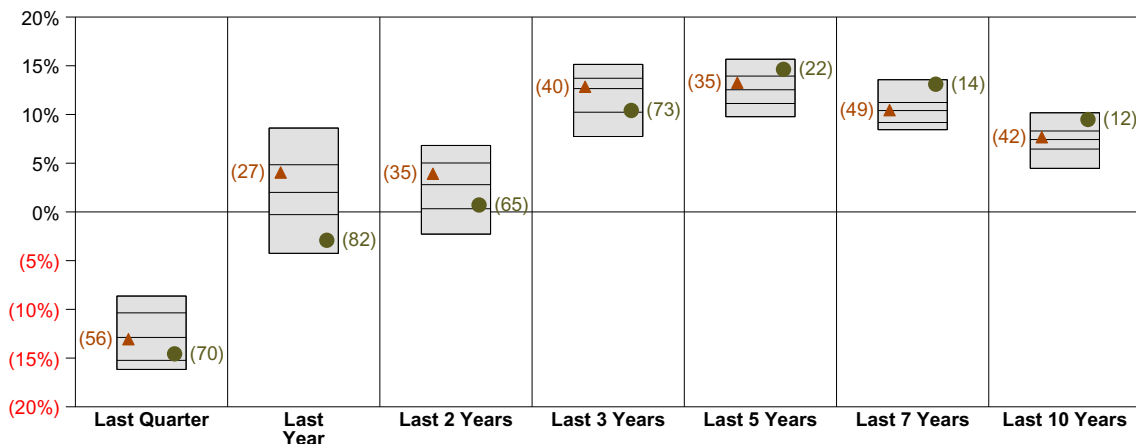
### Quarterly Summary and Highlights

- AB US Small Growth's portfolio posted a (14.57)% return for the quarter placing it in the 70 percentile of the CAI MF-Small Cap Growth Style group for the quarter and in the 82 percentile for the last year.
- AB US Small Growth's portfolio underperformed the Russell 2000 Growth Index by 1.51% for the quarter and underperformed the Russell 2000 Growth Index for the year by 6.95%.

### Quarterly Asset Growth

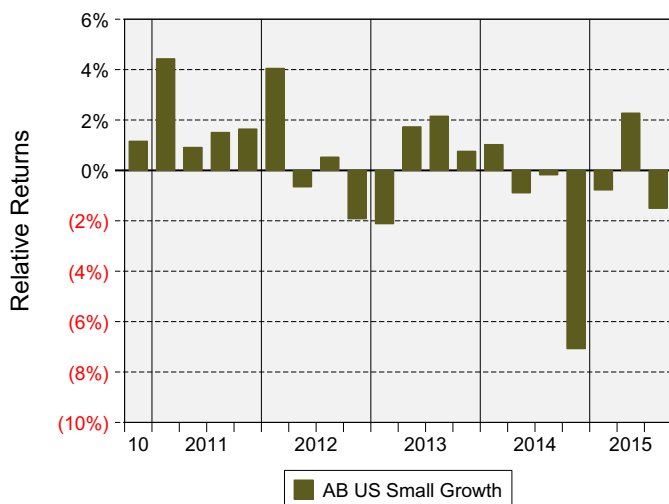
|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$7,199,605  |
| Net New Investment        | \$0          |
| Investment Gains/(Losses) | \$-1,038,110 |
| Ending Market Value       | \$6,161,495  |

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

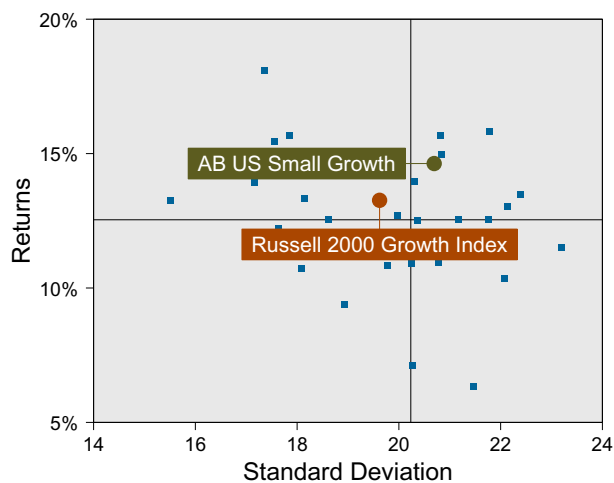


|                           |         |        |        |       |       |       |       |
|---------------------------|---------|--------|--------|-------|-------|-------|-------|
| 10th Percentile           | (8.63)  | 8.61   | 6.82   | 15.14 | 15.67 | 13.57 | 10.17 |
| 25th Percentile           | (10.36) | 4.84   | 5.02   | 13.72 | 13.94 | 11.23 | 8.31  |
| Median                    | (12.88) | 2.00   | 2.80   | 12.66 | 12.54 | 10.40 | 7.43  |
| 75th Percentile           | (15.24) | (0.28) | 0.33   | 10.23 | 11.13 | 9.18  | 6.45  |
| 90th Percentile           | (16.17) | (4.25) | (2.28) | 7.74  | 9.77  | 8.44  | 4.47  |
| AB US Small Growth        | (14.57) | (2.91) | 0.71   | 10.41 | 14.63 | 13.11 | 9.48  |
| Russell 2000 Growth Index | (13.06) | 4.04   | 3.92   | 12.85 | 13.26 | 10.44 | 7.67  |

### Relative Return vs Russell 2000 Growth Index



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

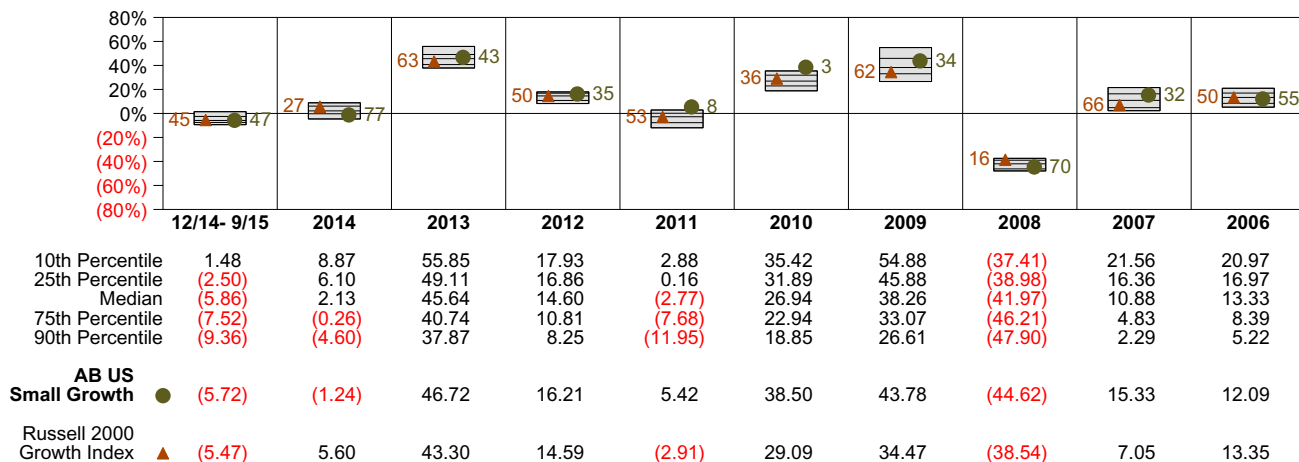


## AB US Small Growth Return Analysis Summary

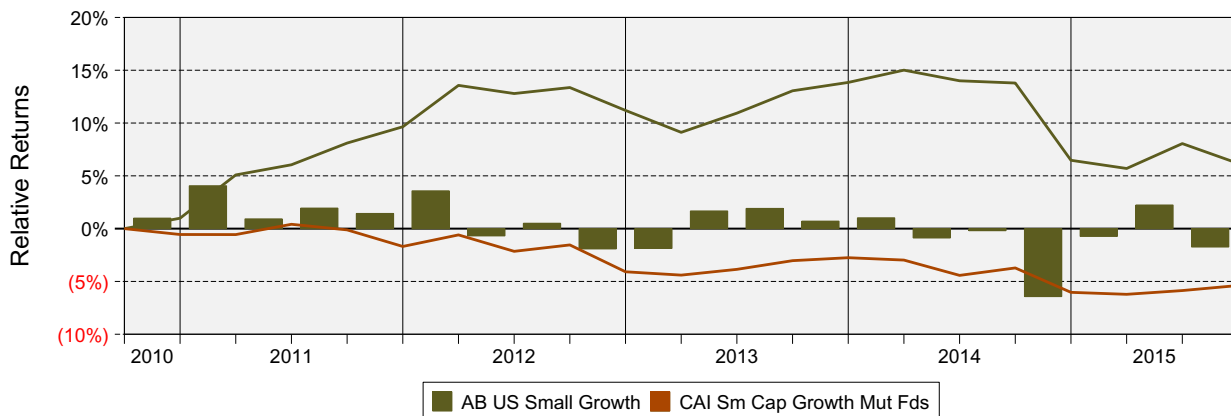
### Return Analysis

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.

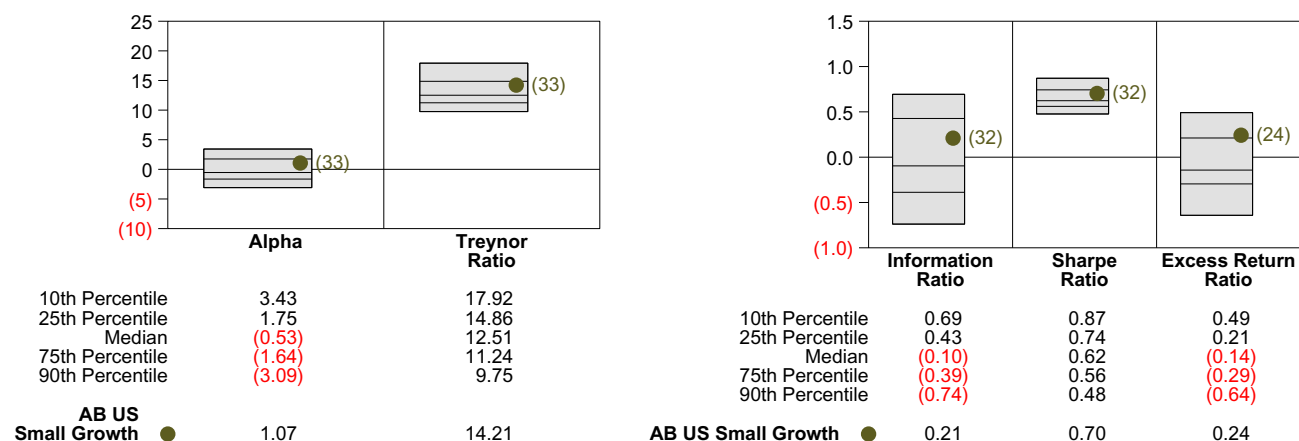
### Performance vs CAI MF- Small Cap Growth Style (Cheapest Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



### Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI MF- Small Cap Growth Style (Cheapest Net) Five Years Ended September 30, 2015

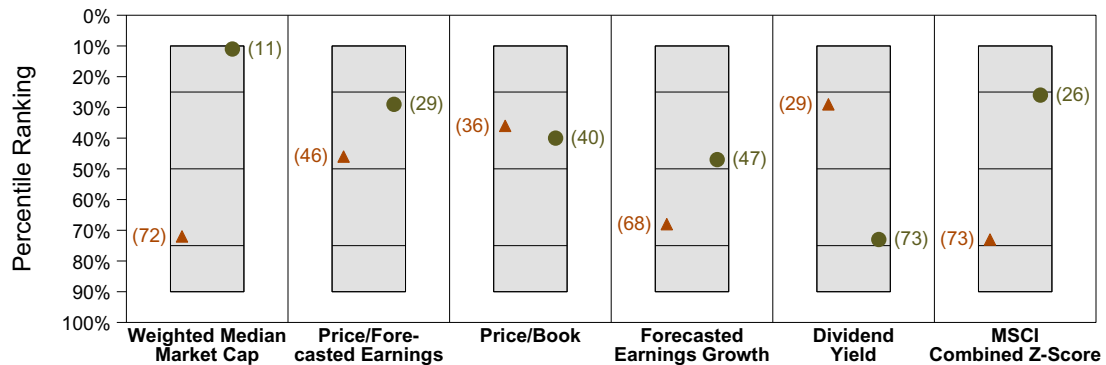


## AB US Small Growth Equity Characteristics Analysis Summary

### 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.

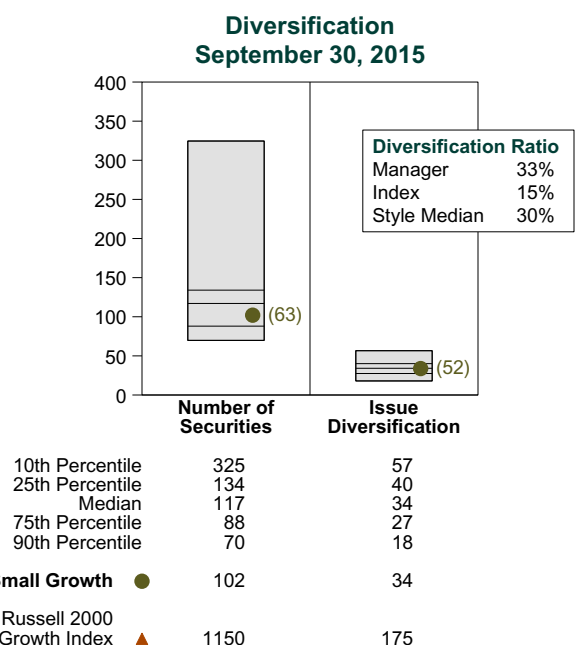
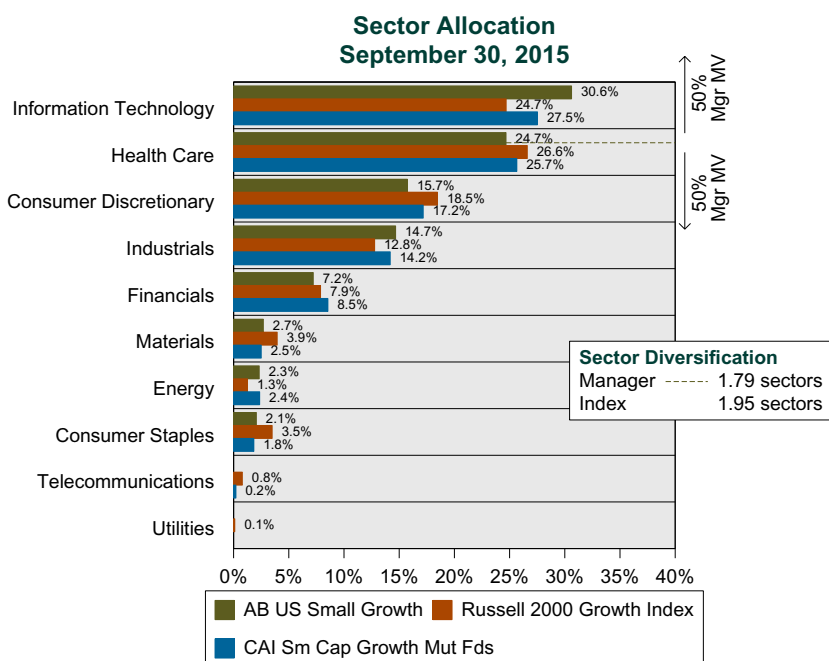
### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF- Small Cap Growth Style as of September 30, 2015



|                           | Weighted Median Market Cap | Price/Forecasted Earnings | Price/Book  | Forecasted Earnings Growth | Dividend Yield | MSCI Combined Z-Score |
|---------------------------|----------------------------|---------------------------|-------------|----------------------------|----------------|-----------------------|
| 10th Percentile           | 2.90                       | 47.95                     | 4.49        | 23.30                      | 0.91           | 1.15                  |
| 25th Percentile           | 2.31                       | 33.88                     | 3.84        | 21.09                      | 0.80           | 0.93                  |
| Median                    | 2.05                       | 27.81                     | 3.29        | 18.77                      | 0.58           | 0.74                  |
| 75th Percentile           | 1.77                       | 21.67                     | 2.89        | 16.79                      | 0.30           | 0.58                  |
| 90th Percentile           | 1.44                       | 19.02                     | 2.68        | 15.63                      | 0.16           | 0.43                  |
| <b>AB US Small Growth</b> | <b>2.79</b>                | <b>32.65</b>              | <b>3.57</b> | <b>19.18</b>               | <b>0.39</b>    | <b>0.92</b>           |
| Russell 2000 Growth Index | 1.79                       | 29.24                     | 3.66        | 17.40                      | 0.77           | 0.60                  |

### 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.



## RS Investments

### Period Ended September 30, 2015

#### Investment Philosophy

RS Growth Team's investment philosophy is based upon the belief that long term capital appreciation can be achieved by exploiting opportunities where an information gap exists. They believe that companies with developing or proven competitive advantages and strong fundamentals can be identified early in their growth cycle, through insightful fundamental research performed by experienced analysts and proprietary quantitative tools. Switched from Class A Shares to Class Y Shares in December 2009.

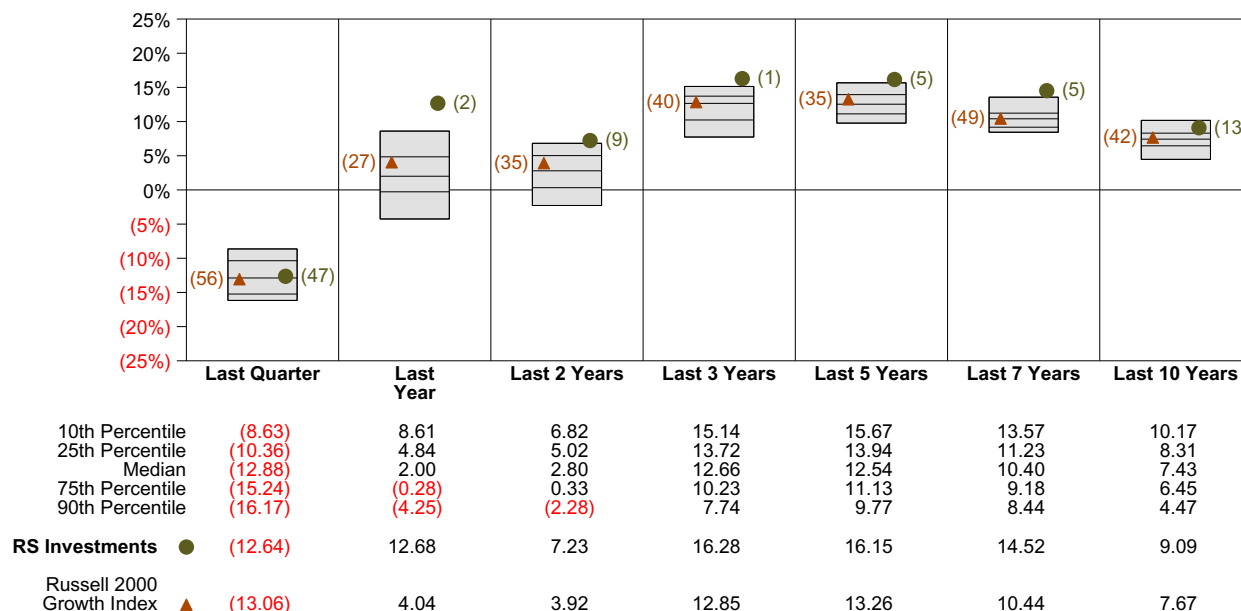
#### Quarterly Summary and Highlights

- RS Investments's portfolio posted a (12.64)% return for the quarter placing it in the 47 percentile of the CAI MF- Small Cap Growth Style group for the quarter and in the 2 percentile for the last year.
- RS Investments's portfolio outperformed the Russell 2000 Growth Index by 0.42% for the quarter and outperformed the Russell 2000 Growth Index for the year by 8.63%.

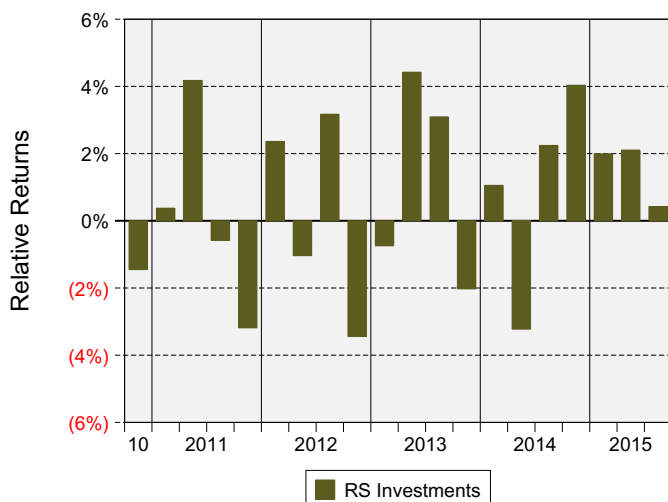
#### Quarterly Asset Growth

|                           |             |
|---------------------------|-------------|
| Beginning Market Value    | \$5,866,230 |
| Net New Investment        | \$0         |
| Investment Gains/(Losses) | \$-741,503  |
| Ending Market Value       | \$5,124,727 |

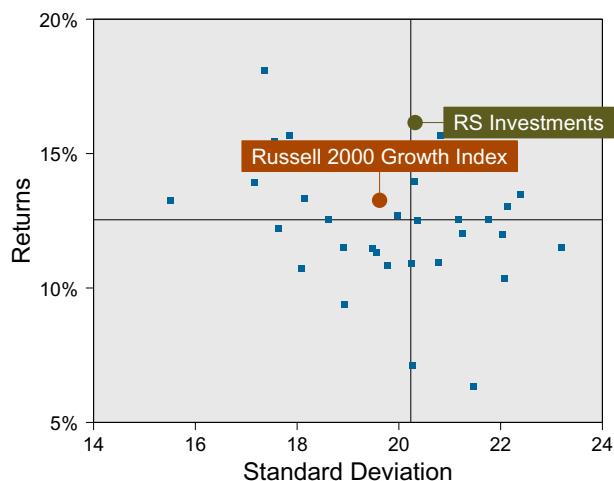
#### Performance vs CAI MF- Small Cap Growth Style (Net)



#### Relative Return vs Russell 2000 Growth Index



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

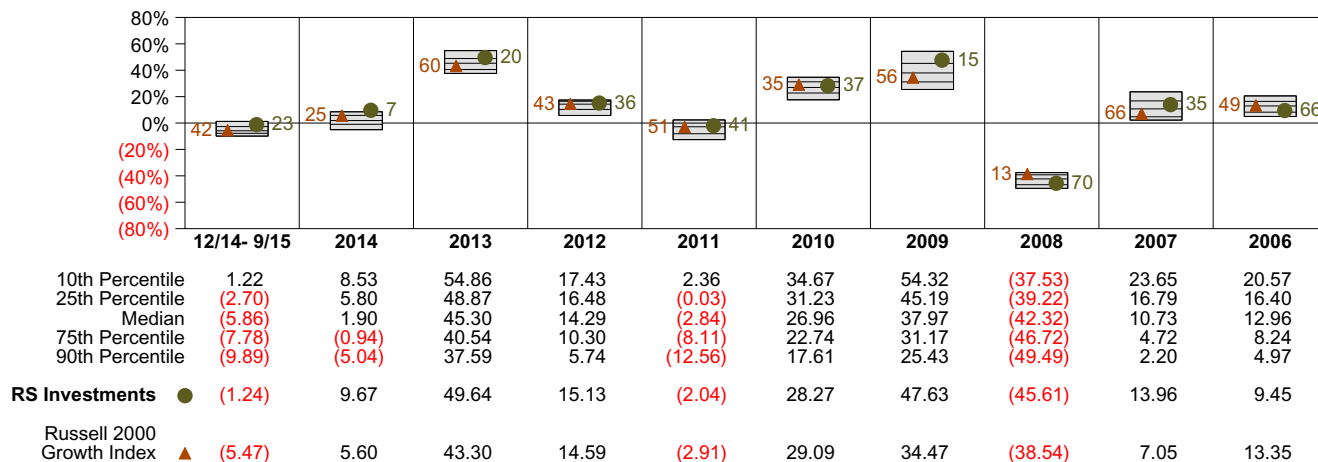


## RS Investments Return Analysis Summary

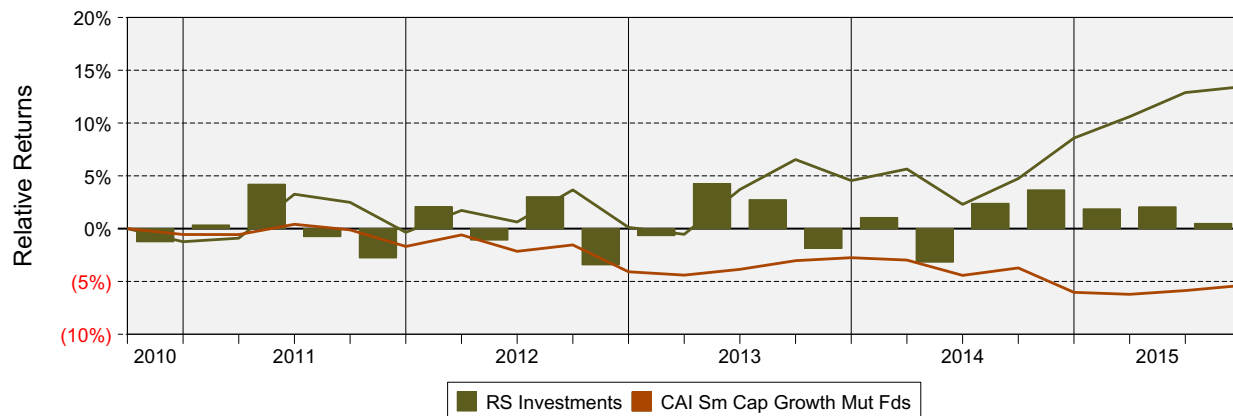
### Return Analysis

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.

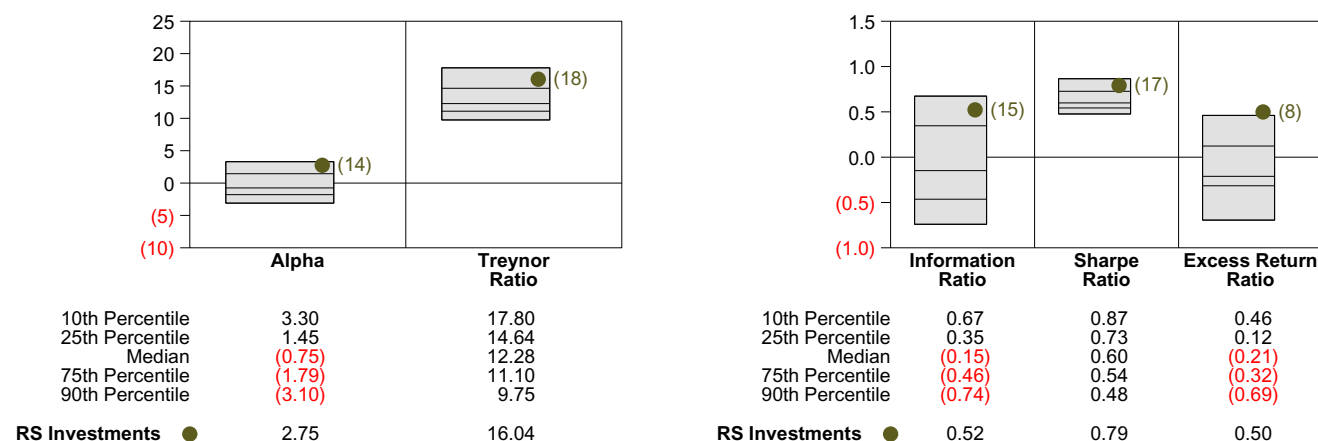
### Performance vs CAI MF- Small Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



### Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI MF- Small Cap Growth Style (Net) Five Years Ended September 30, 2015

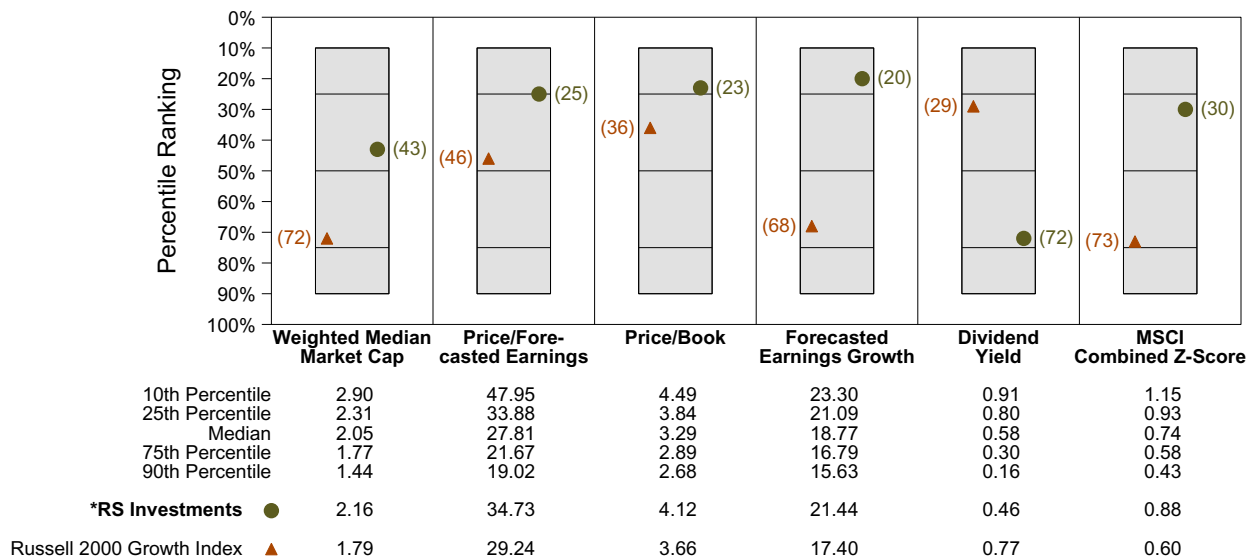


## RS Investments Equity Characteristics Analysis Summary

### Portfolio Characteristics

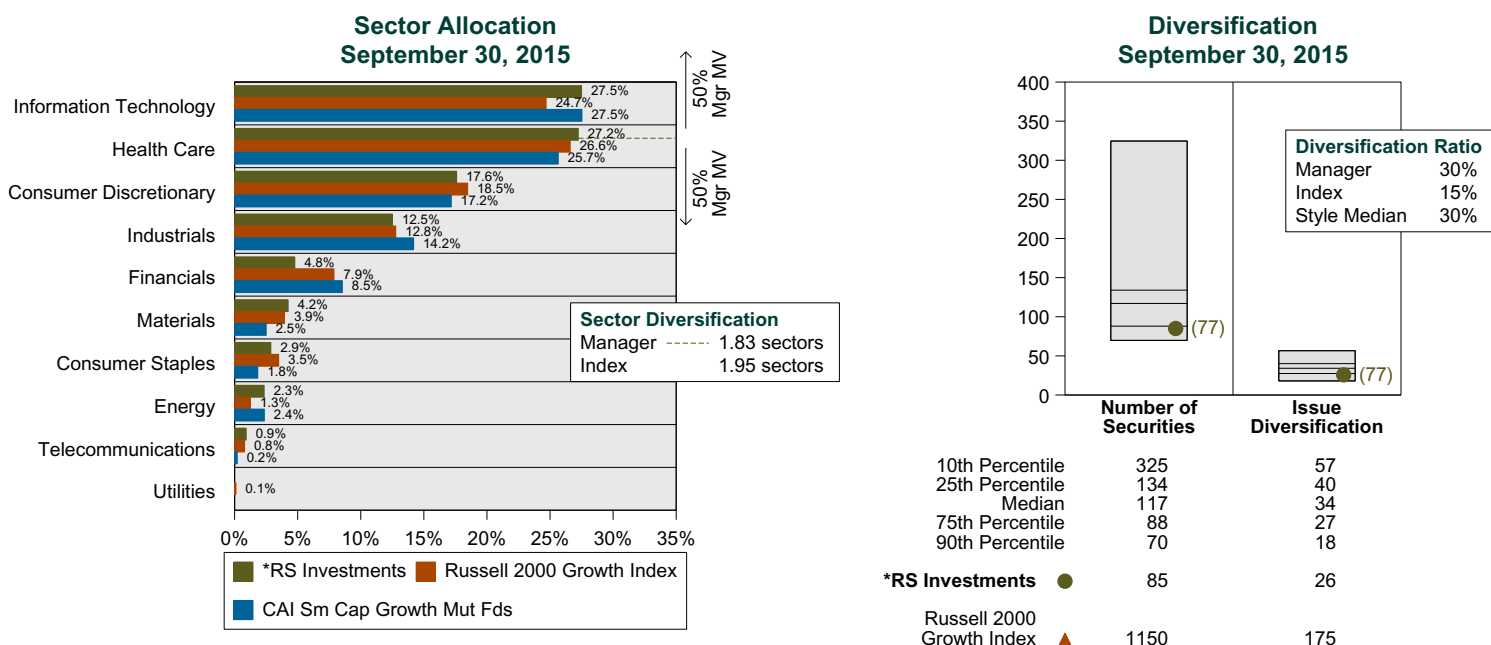
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF- Small Cap Growth Style as of September 30, 2015



### 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.



\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.

## Managers Inst Micro Cap Period Ended September 30, 2015

### Investment Philosophy

The Fund's objective is to achieve long term capital appreciation, through the investment of U.S. companies, which at the time of initial purchase have a market capitalization amongst the smallest 5% of companies listed on the U.S. stock markets

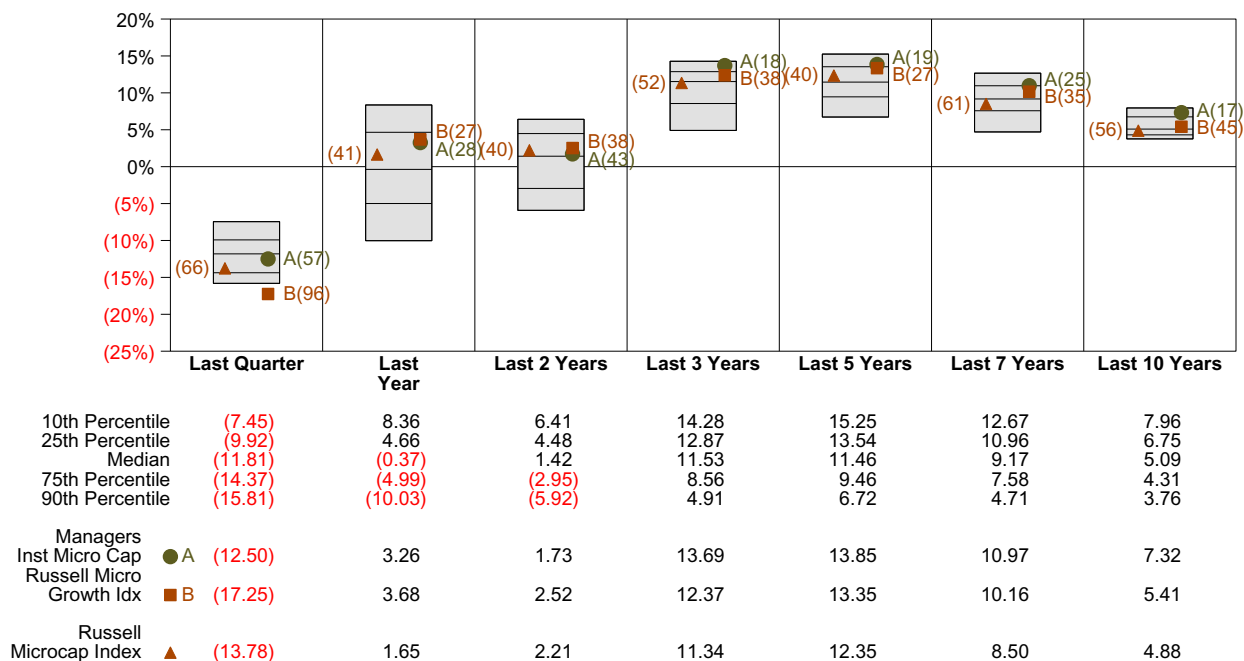
### Quarterly Summary and Highlights

- Managers Inst Micro Cap's portfolio posted a (12.50)% return for the quarter placing it in the 57 percentile of the MF - Micro Cap Obj group for the quarter and in the 28 percentile for the last year.
- Managers Inst Micro Cap's portfolio outperformed the Russell Microcap Index by 1.27% for the quarter and outperformed the Russell Microcap Index for the year by 1.61%.

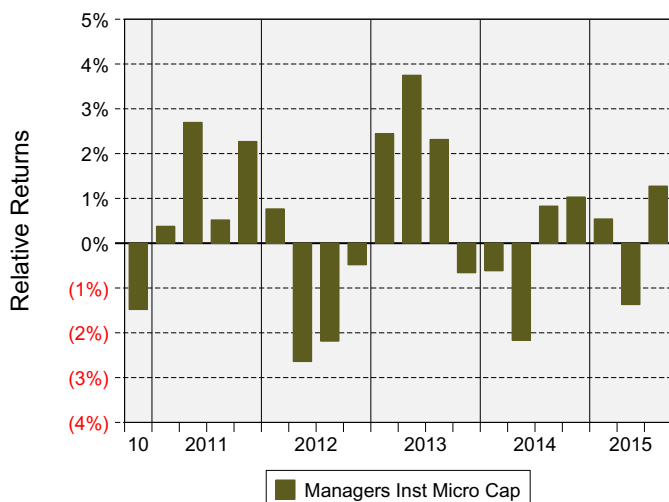
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$8,783,420  |
| Net New Investment        | \$0          |
| Investment Gains/(Losses) | \$-1,098,165 |
| Ending Market Value       | \$7,685,255  |

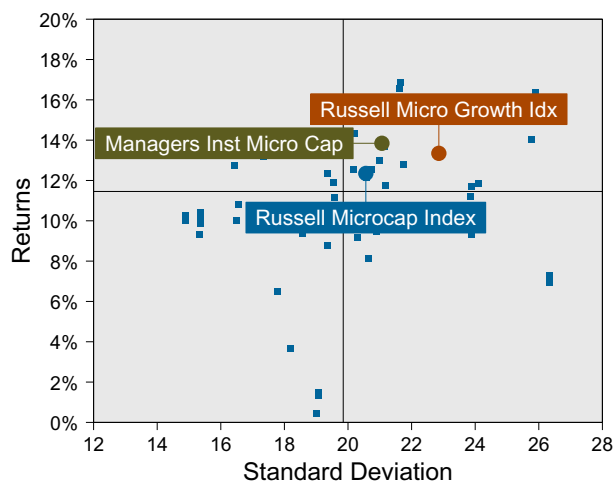
### Performance vs MF - Micro Cap Obj (Net)



### Relative Return vs Russell Microcap Index



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



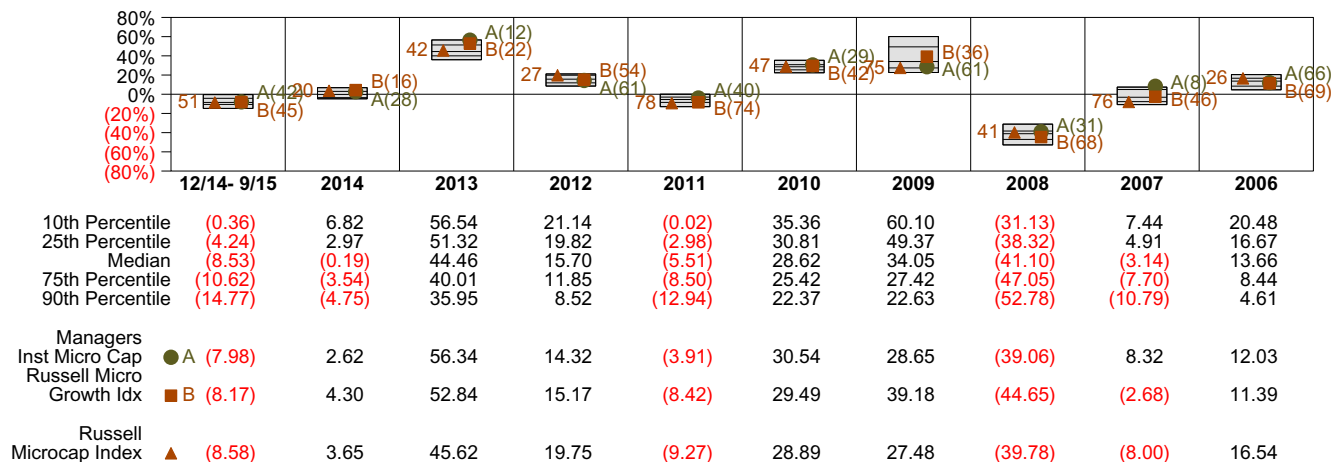


## Managers Inst Micro Cap Return Analysis Summary

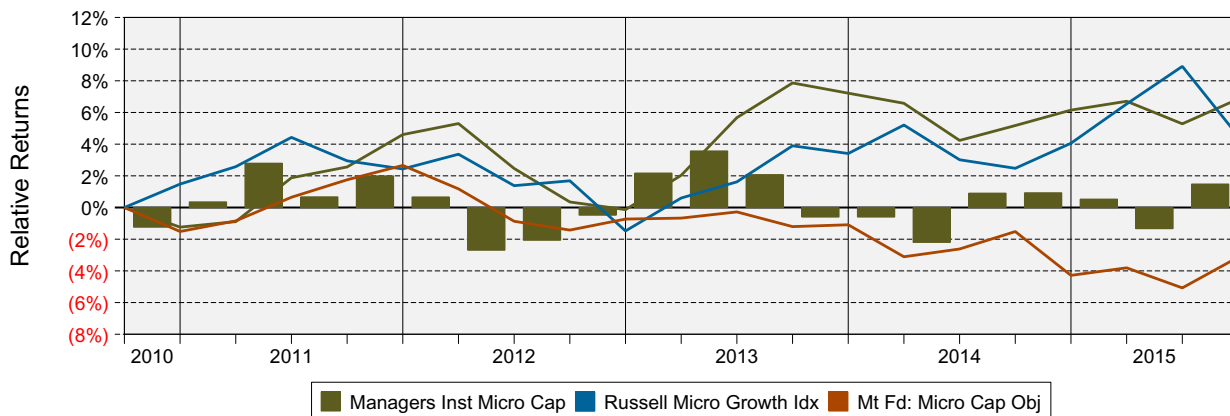
### Return Analysis

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 - Micro Cap Obj (Net)



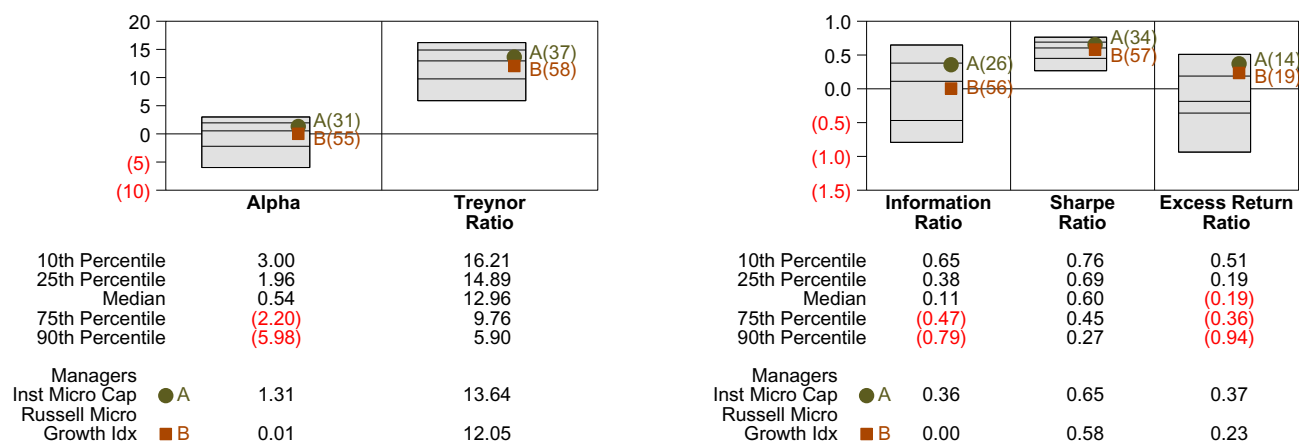
### Cumulative and Quarterly Relative Return vs Russell Microcap Index



### Risk Adjusted Return Measures vs Russell Microcap Index

#### Rankings Against MF - Micro Cap Obj (Net)

#### Five Years Ended September 30, 2015

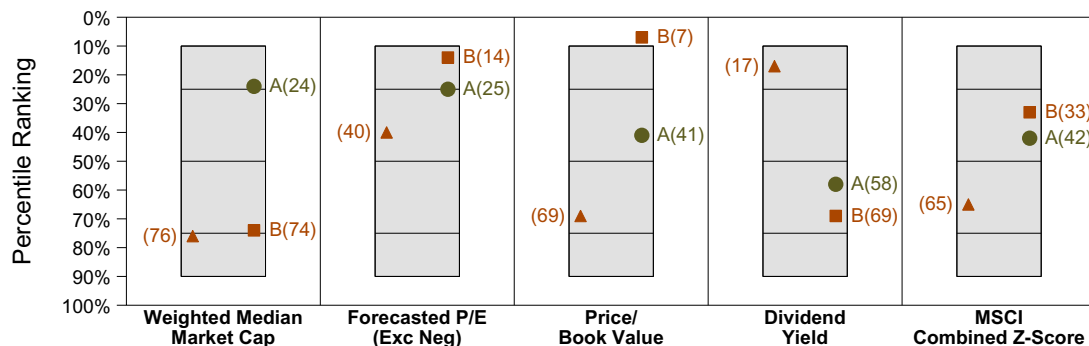


## Managers Inst Micro Cap Equity Characteristics Analysis Summary

### 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 - Micro Cap Obj as of September 30, 2015



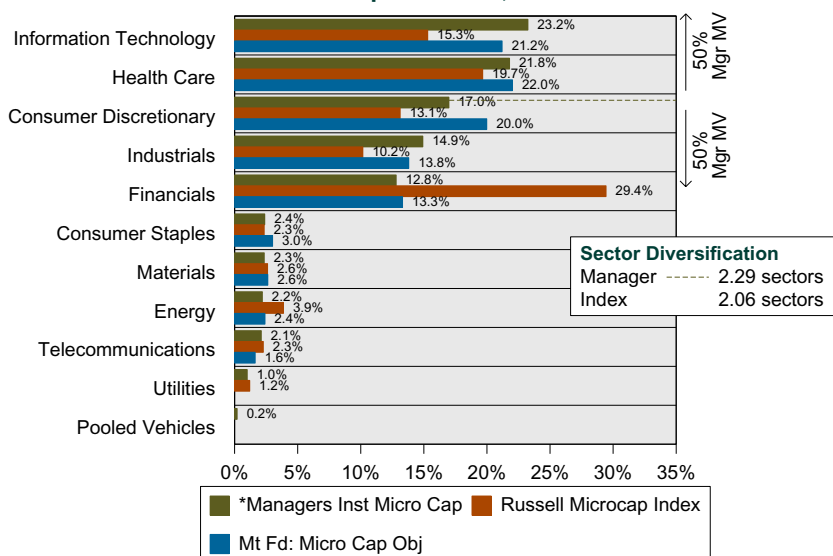
|                 |      |       |      |      |        |
|-----------------|------|-------|------|------|--------|
| 10th Percentile | 0.70 | 27.02 | 2.88 | 1.94 | 0.81   |
| 25th Percentile | 0.59 | 20.62 | 2.65 | 1.45 | 0.69   |
| Median          | 0.47 | 18.49 | 1.93 | 0.98 | 0.07   |
| 75th Percentile | 0.40 | 16.11 | 1.47 | 0.26 | (0.33) |
| 90th Percentile | 0.23 | 14.16 | 1.21 | 0.23 | (0.62) |

|                          |     |      |       |      |      |        |
|--------------------------|-----|------|-------|------|------|--------|
| *Managers Inst Micro Cap | ● A | 0.59 | 20.62 | 2.17 | 0.88 | 0.33   |
| Russell Micro Growth Idx | ■ B | 0.41 | 26.35 | 2.92 | 0.58 | 0.55   |
| Russell Microcap Index   | ▲   | 0.40 | 19.10 | 1.50 | 1.53 | (0.14) |

### Sector Weights

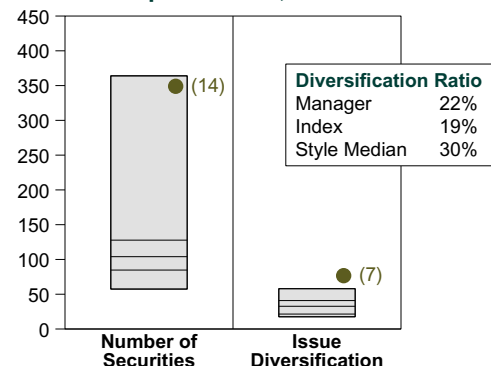
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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 September 30, 2015



|                               |              |
|-------------------------------|--------------|
| <b>Sector Diversification</b> |              |
| Manager                       | 2.29 sectors |
| Index                         | 2.06 sectors |

### Diversification September 30, 2015



|                              |     |
|------------------------------|-----|
| <b>Diversification Ratio</b> |     |
| Manager                      | 22% |
| Index                        | 19% |
| Style Median                 | 30% |

|                 |     |    |
|-----------------|-----|----|
| 10th Percentile | 364 | 58 |
| 25th Percentile | 128 | 41 |
| Median          | 104 | 33 |
| 75th Percentile | 85  | 21 |
| 90th Percentile | 57  | 18 |

|                          |   |      |     |
|--------------------------|---|------|-----|
| *Managers Inst Micro Cap | ● | 349  | 77  |
| Russell Microcap Index   | ▲ | 1640 | 306 |

\*9/30/15 portfolio characteristics generated using most recently available holdings (6/30/15) 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.



## International Equity Composite Period Ended September 30, 2015

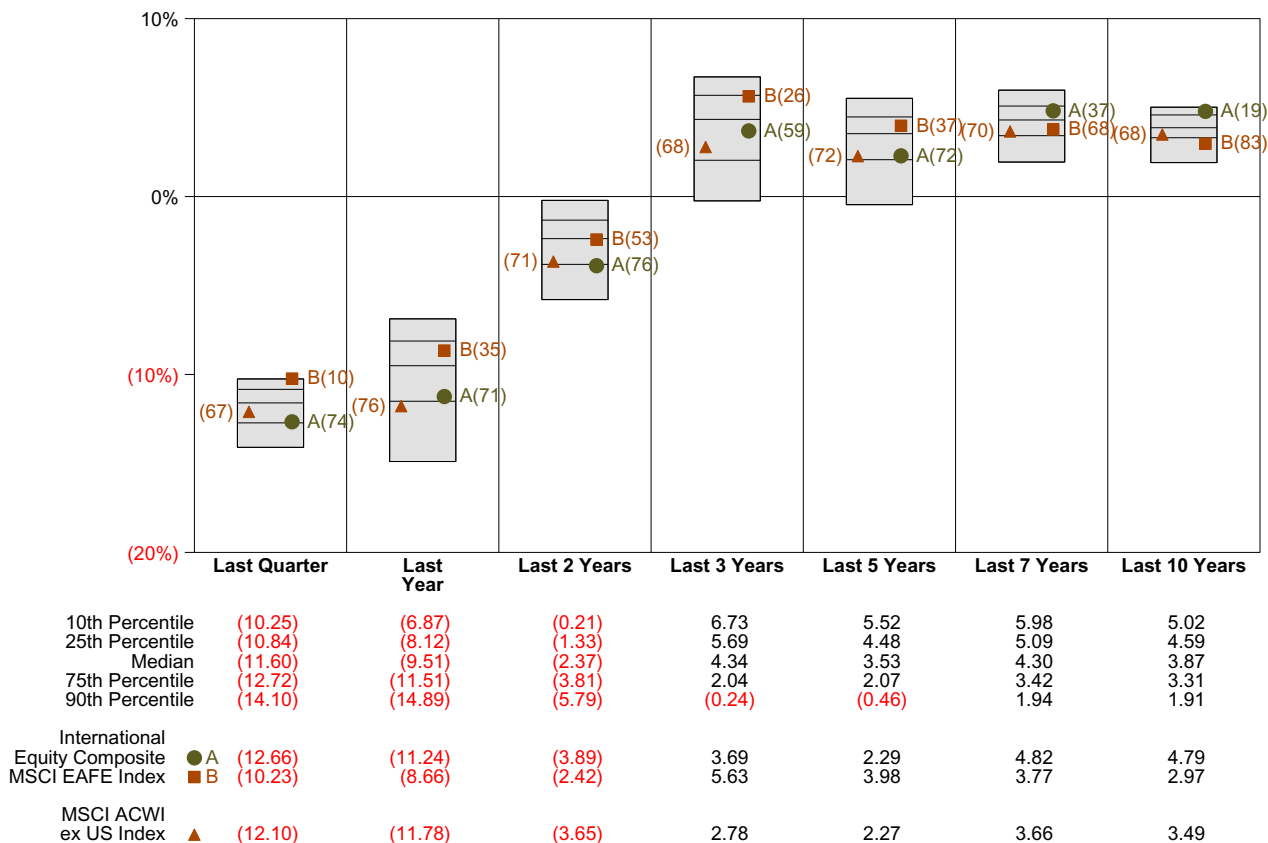
### Quarterly Summary and Highlights

- International Equity Composite's portfolio posted a (12.66)% return for the quarter placing it in the 74 percentile of the Pub Pln- International Equity group for the quarter and in the 71 percentile for the last year.
- International Equity Composite's portfolio underperformed the MSCI ACWI ex US Index by 0.56% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 0.54%.

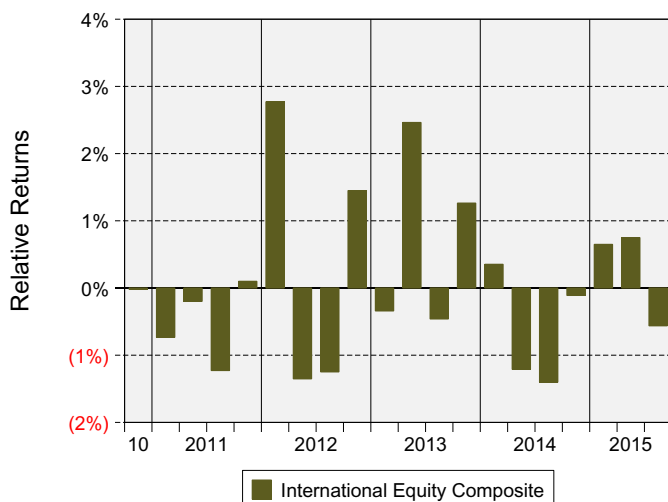
### Quarterly Asset Growth

|                           |               |
|---------------------------|---------------|
| Beginning Market Value    | \$107,844,465 |
| Net New Investment        | \$-729,911    |
| Investment Gains/(Losses) | \$-13,603,613 |
| Ending Market Value       | \$93,510,940  |

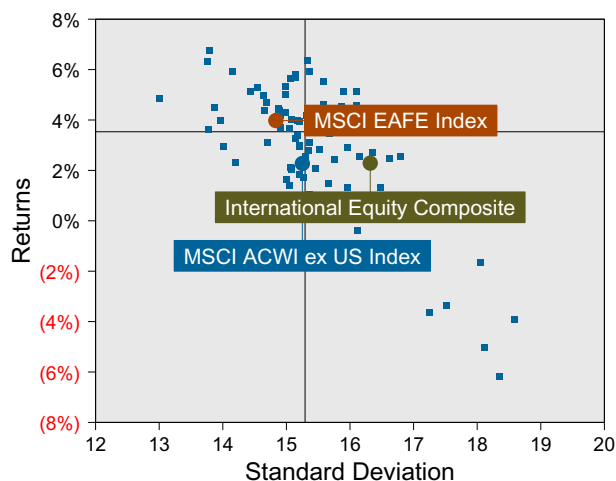
### Performance vs Pub Pln- International Equity (Gross)



### Relative Return vs MSCI ACWI ex US Index



### Pub Pln- International Equity (Gross) Annualized Five Year Risk vs Return

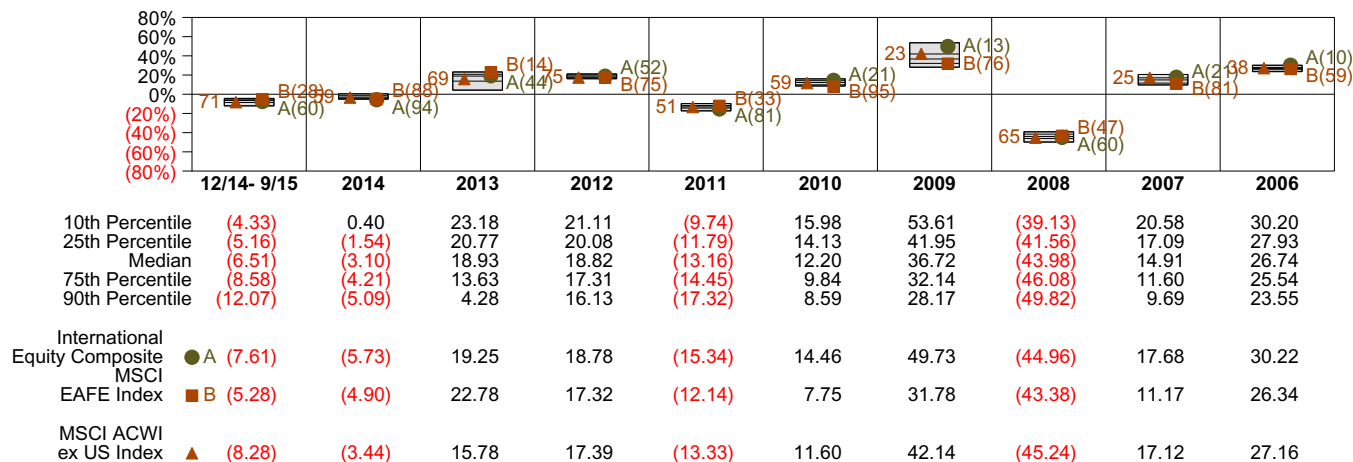


## International Equity Composite Return Analysis Summary

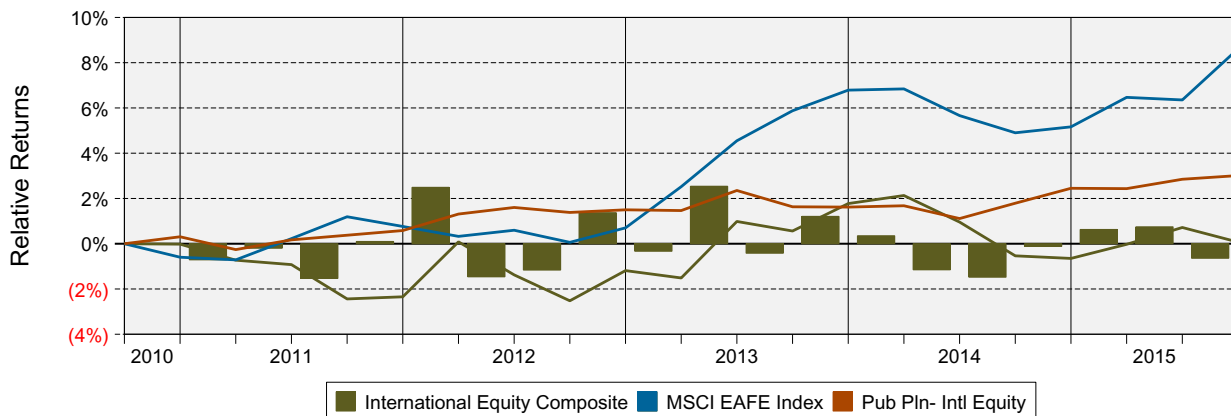
### Return Analysis

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.

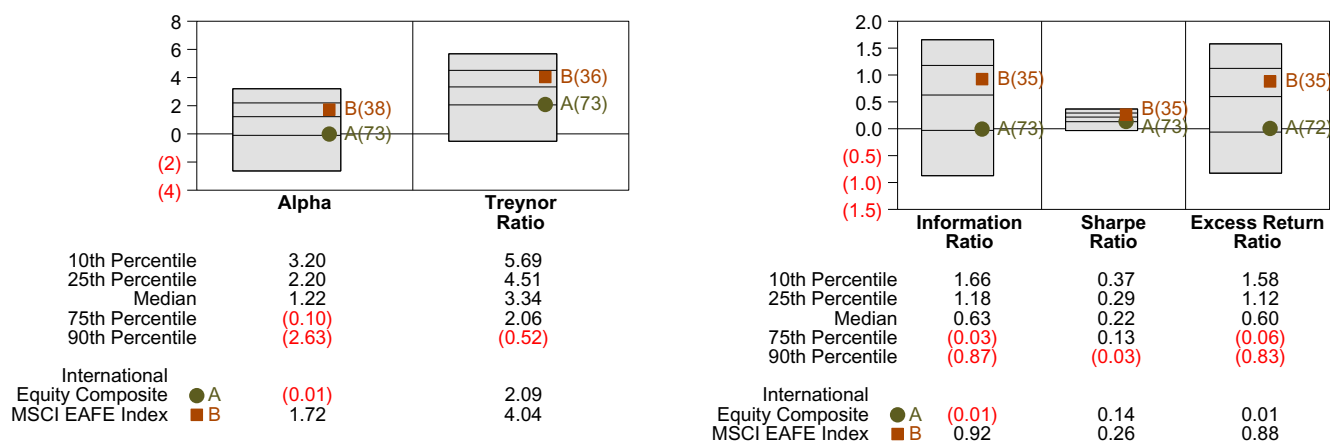
### Performance vs Pub Pln- International Equity (Gross)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against Pub Pln- International Equity (Gross) Five Years Ended September 30, 2015

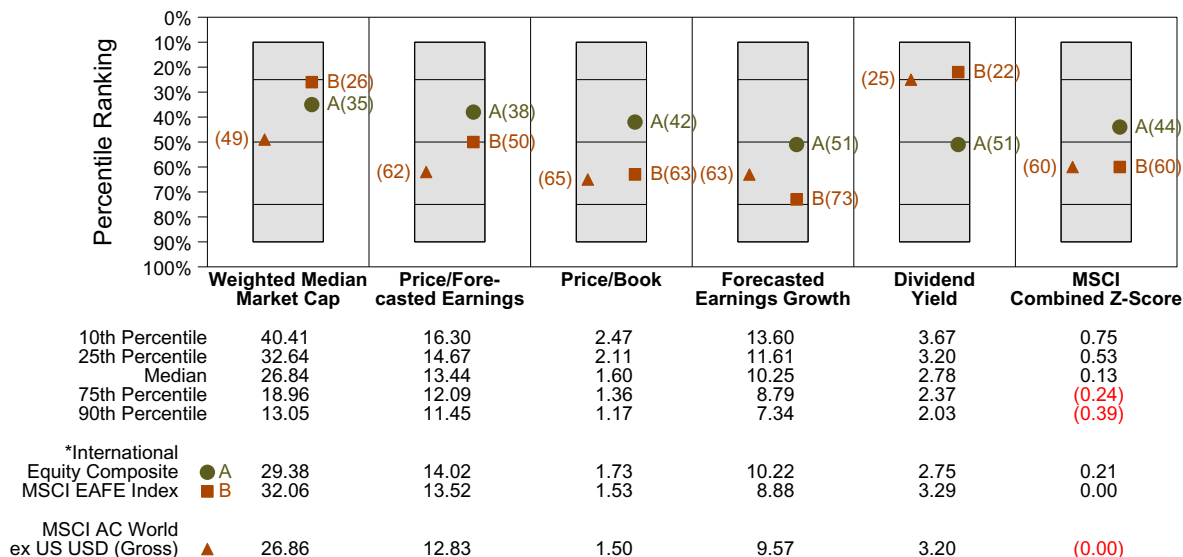


## International Equity Composite Equity Characteristics Analysis Summary

### Portfolio Characteristics

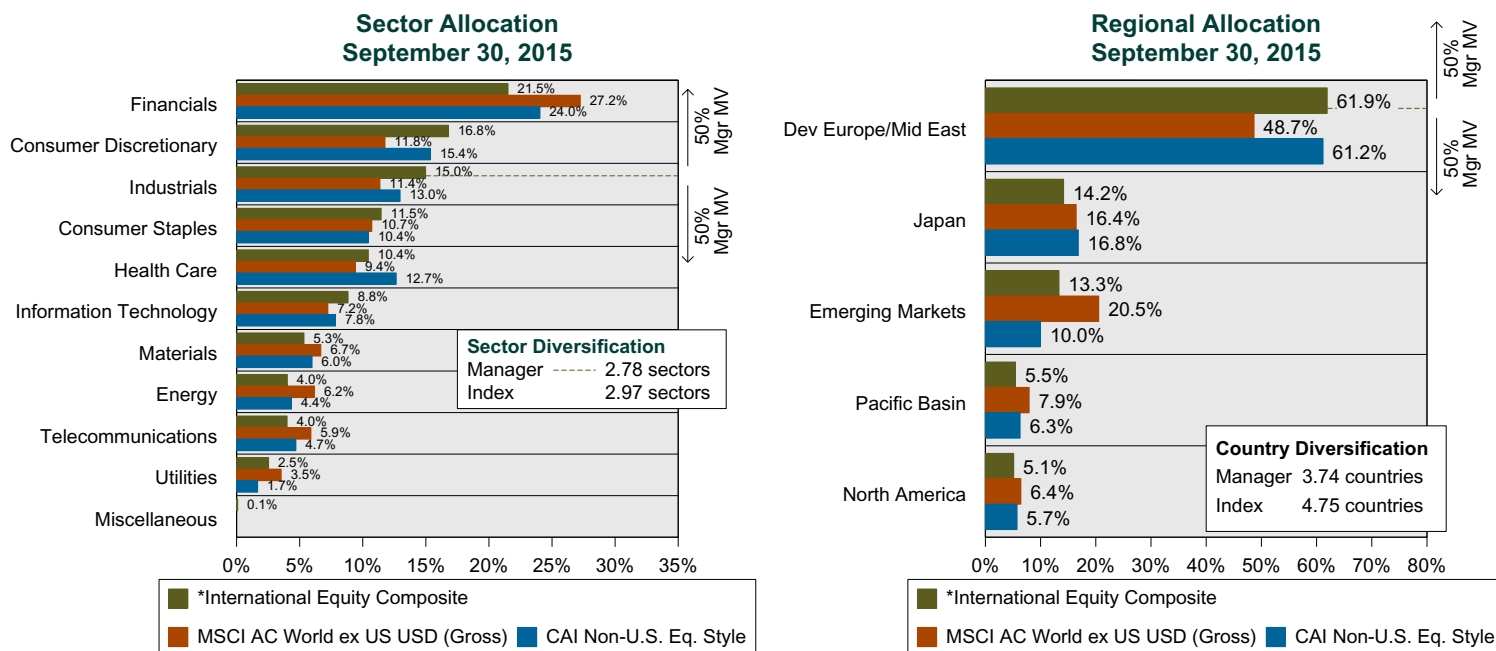
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of September 30, 2015



### 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.



\*9/30/15 portfolio characteristics generated using most recently available holdings (7/31/15) 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.

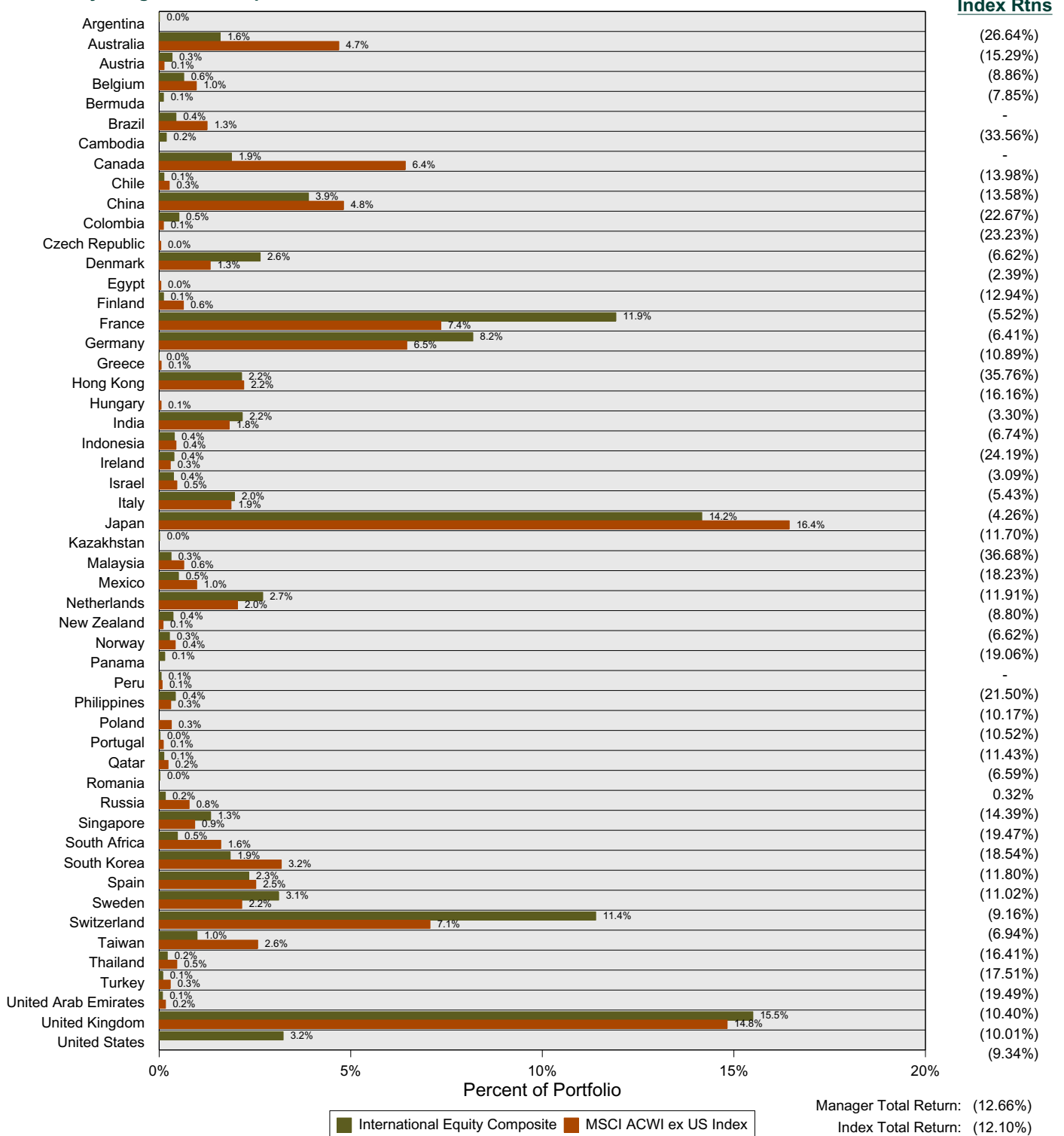
## Country Allocation

### International Equity Composite VS MSCI AC World ex US USD (Gross)

#### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2015. 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 September 30, 2015

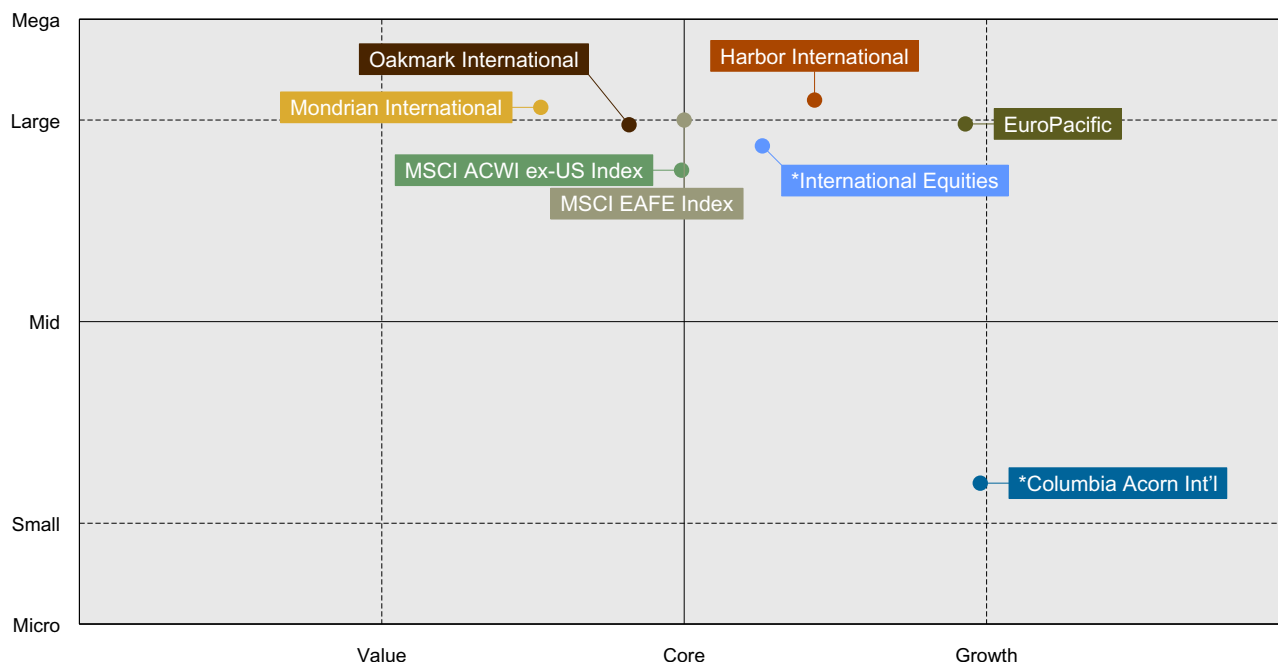


## International Holdings Based Style Analysis For One Quarter Ended September 30, 2015

This page analyzes and compares the investment styles of multiple portfolios using a detailed holdings-based style analysis methodology. The size component of style is measured by the weighted median market capitalization of the holdings. The value/core/growth style dimension is captured by the "Combined Z-Score" of the portfolio. This score is based on eight fundamental factors used in the MSCI stock style scoring system. The table below gives a more detailed breakdown of several relevant style metrics on the portfolios.

### Style Map

#### Holdings for One Quarter Ended September 30, 2015



|                         | Weight % | Wtd Median Mkt Cap | Combined Z-Score | Growth Z-Score | Value Z-Score | Number of Securities | Security Diversification |
|-------------------------|----------|--------------------|------------------|----------------|---------------|----------------------|--------------------------|
| EuroPacific             | 23.13%   | 31.66              | 0.76             | 0.38           | (0.38)        | 272                  | 34.18                    |
| Harbor International    | 22.77%   | 40.41              | 0.35             | 0.14           | (0.21)        | 69                   | 19.32                    |
| *Columbia Acorn Int'l   | 11.32%   | 3.71               | 0.80             | 0.24           | (0.56)        | 70                   | 20.92                    |
| Oakmark International   | 22.70%   | 31.57              | (0.15)           | 0.11           | 0.26          | 60                   | 14.71                    |
| Mondrian International  | 20.09%   | 37.37              | (0.40)           | (0.22)         | 0.18          | 132                  | 21.31                    |
| *International Equities | 100.00%  | 29.38              | 0.21             | 0.12           | (0.10)        | 505                  | 66.49                    |
| MSCI EAFE Index         | -        | 32.06              | 0.00             | 0.00           | (0.00)        | 912                  | 102.48                   |
| MSCI ACWI ex-US Index   | -        | 26.86              | (0.00)           | (0.00)         | 0.00          | 1841                 | 172.18                   |

\* 9/30/15 portfolio characteristics generated using most recently available holdings (7/31/15) 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.



## EuroPacific Period Ended September 30, 2015

### Investment Philosophy

Capital Group's approach to non-U.S. investing is research-driven. Their bottom-up fundamental approach is blended with macroeconomic and political judgments on the outlook for economies, industries, currencies and markets. The fund uses a "multiple manager" approach where individual portfolio managers, each with different styles, manage separate sleeves of the strategy independently. Sleeves are combined to form the fund. Individual managers are selected so that the aggregate fund adheres to its stated objective of capital appreciation. Switched from Class R-5 Shares to Class R-6 Shares in December 2009.

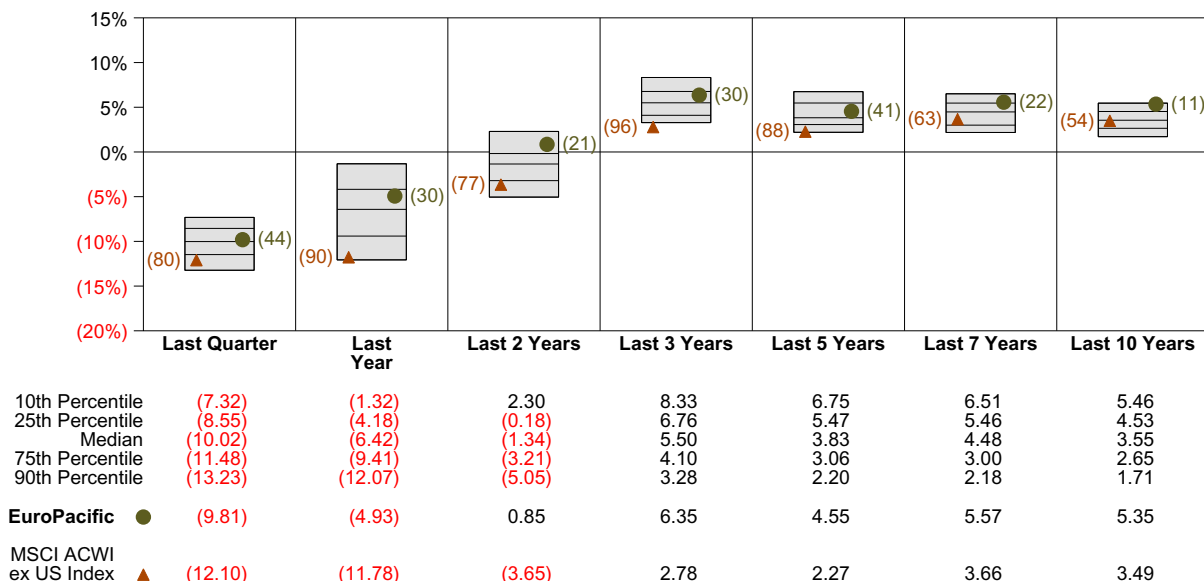
### Quarterly Summary and Highlights

- EuroPacific's portfolio posted a (9.81)% return for the quarter placing it in the 44 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 30 percentile for the last year.
- EuroPacific's portfolio outperformed the MSCI ACWI ex US Index by 2.29% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 6.85%.

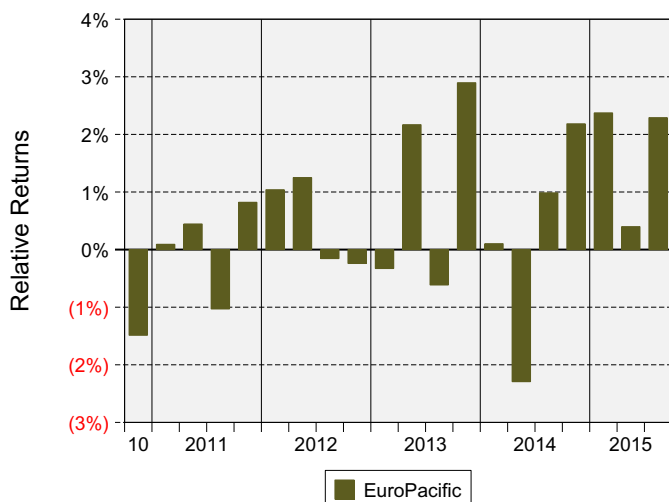
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$21,826,245 |
| Net New Investment        | \$1,900,000  |
| Investment Gains/(Losses) | \$-2,100,158 |
| Ending Market Value       | \$21,626,087 |

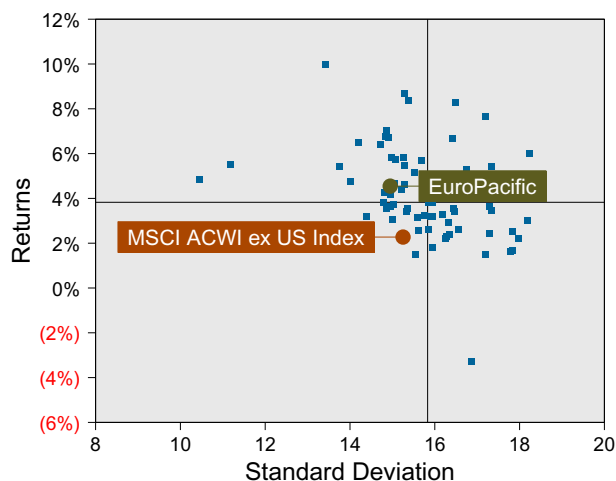
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



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

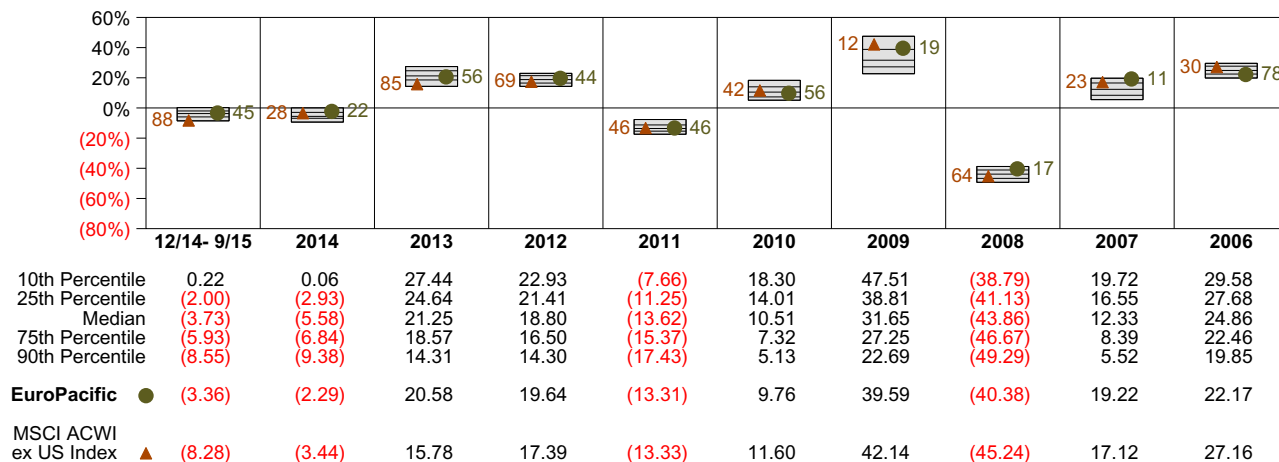


## EuroPacific Return Analysis Summary

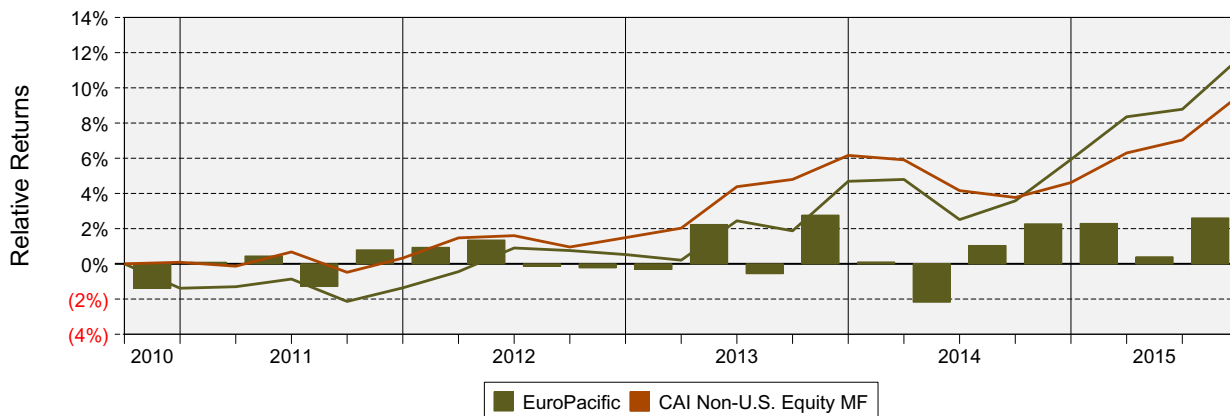
### Return Analysis

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.

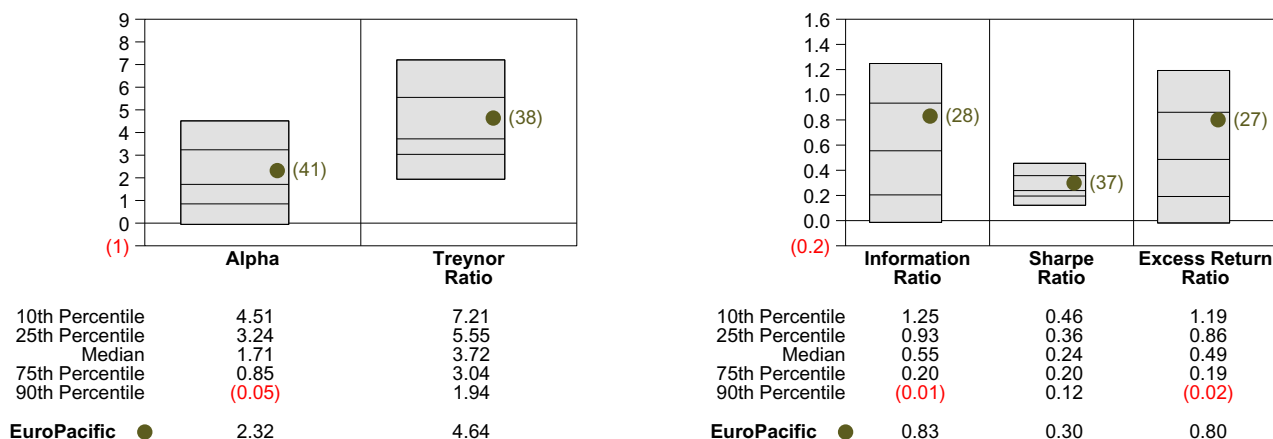
### Performance vs CAI MF - Non-US Equity Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended September 30, 2015

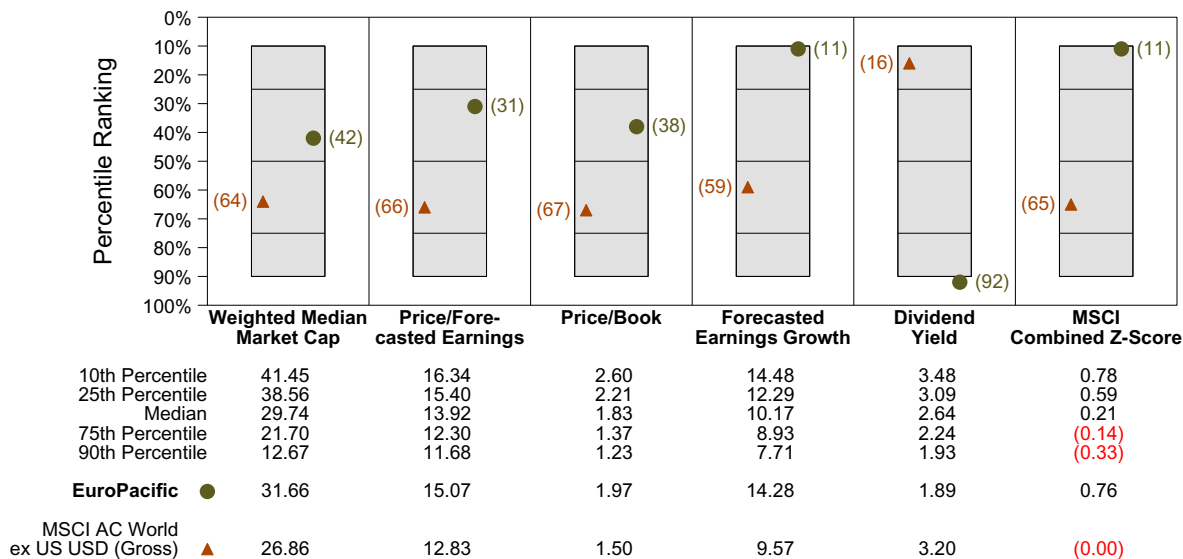


## EuroPacific Equity Characteristics Analysis Summary

### Portfolio Characteristics

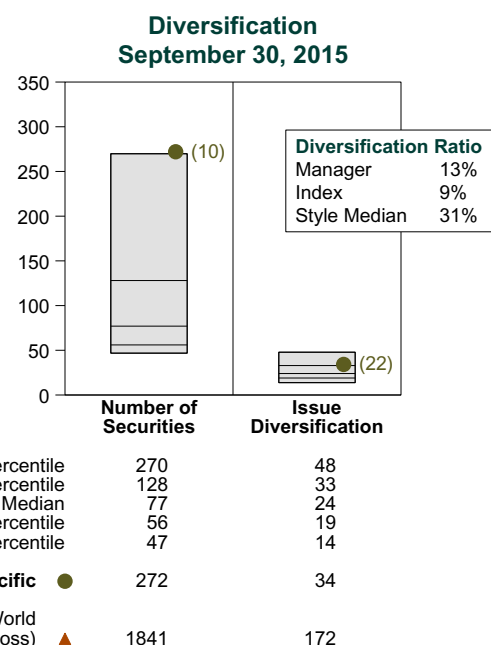
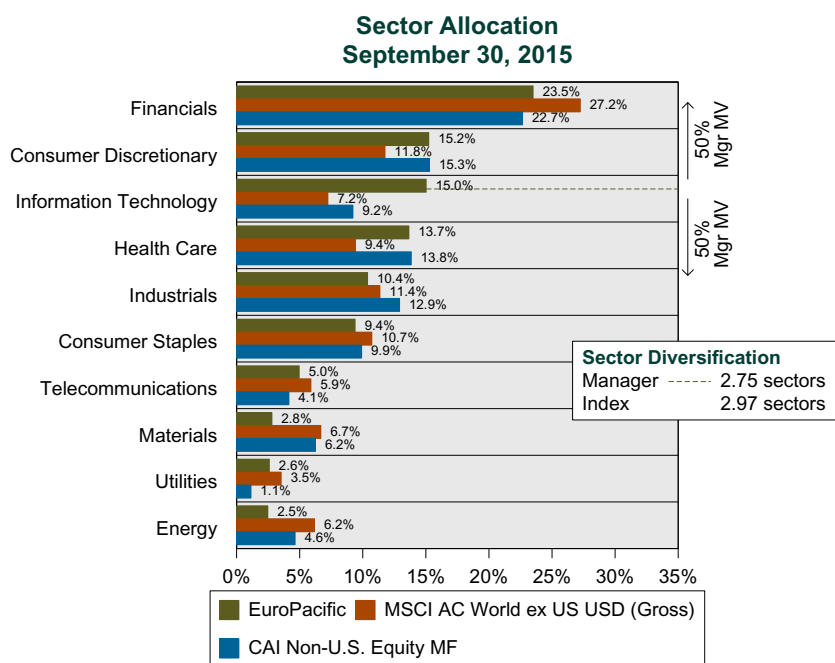
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of September 30, 2015



### Sector Weights

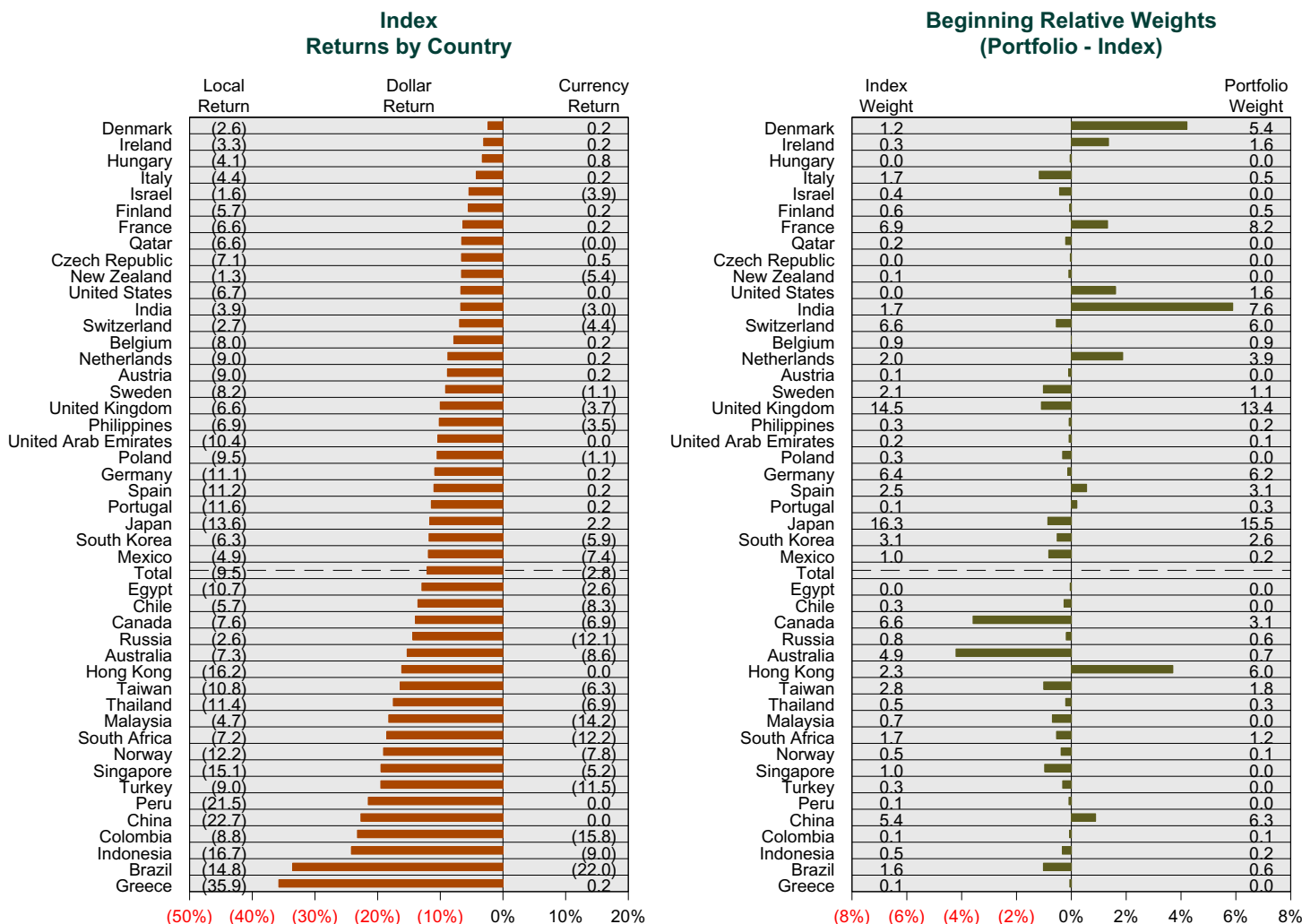
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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.



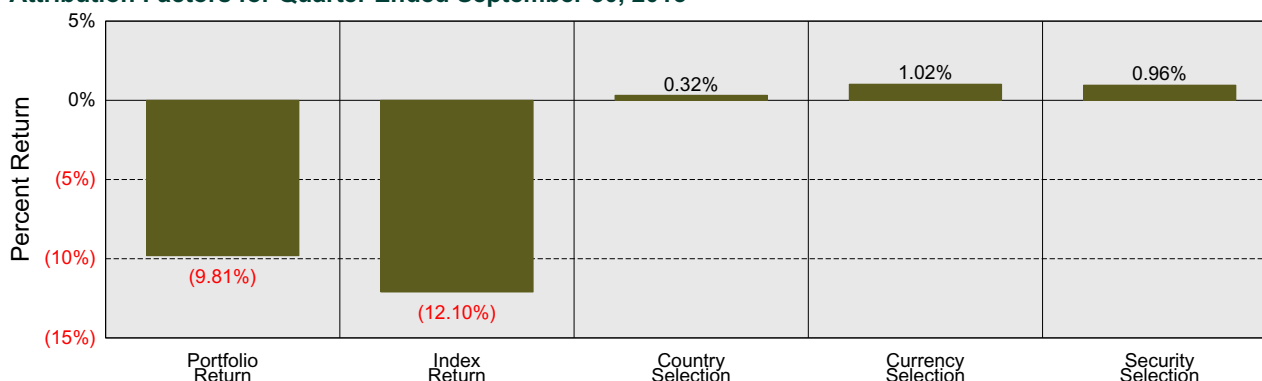
## EuroPacific vs MSCI ACWI ex US Index Attribution for Quarter Ended September 30, 2015

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended September 30, 2015



## Harbor International Period Ended September 30, 2015

### Investment Philosophy

The Harbor International Fund is sub-advised by Northern Cross, LLC. The investment philosophy focuses on companies with prospects of margin expansion and those that have strong franchise value or asset value. The fund takes a long-term view, expecting to hold a security for 7-10 years. Patient due diligence of companies, countries, and regions are of the utmost importance to the investment process. The team believes this due diligence, in combination with a top down investment theme, provides the best opportunity to invest in truly undervalued companies. The strategy has remained consistent in this philosophy over the past decades of international investment.

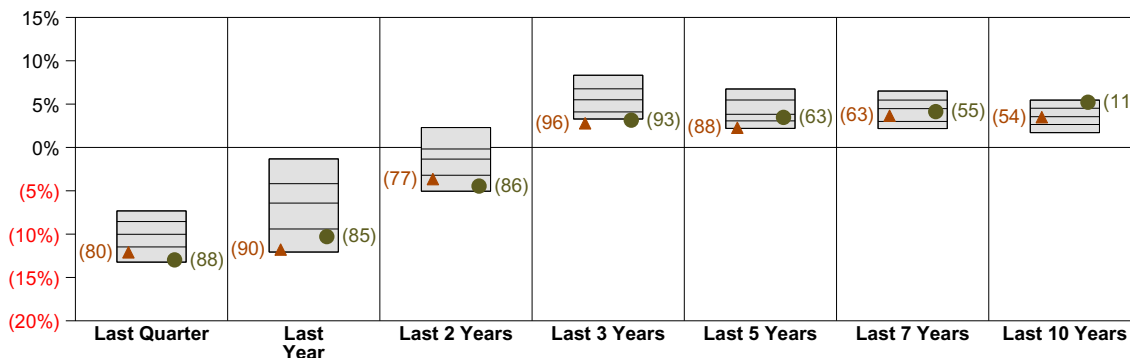
### Quarterly Summary and Highlights

- Harbor International's portfolio posted a (12.97)% return for the quarter placing it in the 88 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 85 percentile for the last year.
- Harbor International's portfolio underperformed the MSCI ACWI ex US Index by 0.87% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 1.49%.

### Quarterly Asset Growth

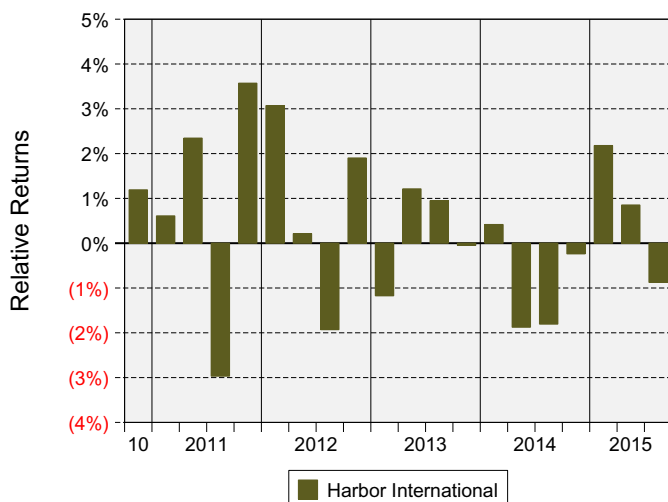
|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$20,566,543 |
| Net New Investment        | \$3,400,000  |
| Investment Gains/(Losses) | \$-2,678,405 |
| Ending Market Value       | \$21,288,137 |

### Performance vs CAI MF - Non-US Equity Style (Net)

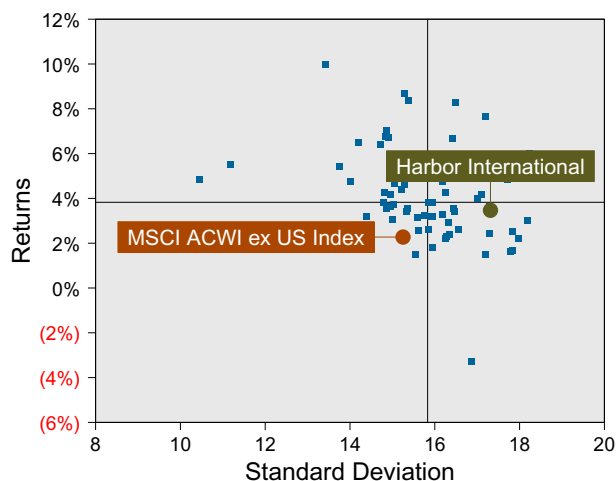


|                       |           |         |        |      |      |      |      |
|-----------------------|-----------|---------|--------|------|------|------|------|
| 10th Percentile       | (7.32)    | (1.32)  | 2.30   | 8.33 | 6.75 | 6.51 | 5.46 |
| 25th Percentile       | (8.55)    | (4.18)  | (0.18) | 6.76 | 5.47 | 5.46 | 4.53 |
| Median                | (10.02)   | (6.42)  | (1.34) | 5.50 | 3.83 | 4.48 | 3.55 |
| 75th Percentile       | (11.48)   | (9.41)  | (3.21) | 4.10 | 3.06 | 3.00 | 2.65 |
| 90th Percentile       | (13.23)   | (12.07) | (5.05) | 3.28 | 2.20 | 2.18 | 1.71 |
| Harbor International  | ● (12.97) | (10.29) | (4.46) | 3.15 | 3.47 | 4.13 | 5.22 |
| MSCI ACWI ex US Index | ▲ (12.10) | (11.78) | (3.65) | 2.78 | 2.27 | 3.66 | 3.49 |

### Relative Return vs MSCI ACWI ex US Index



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

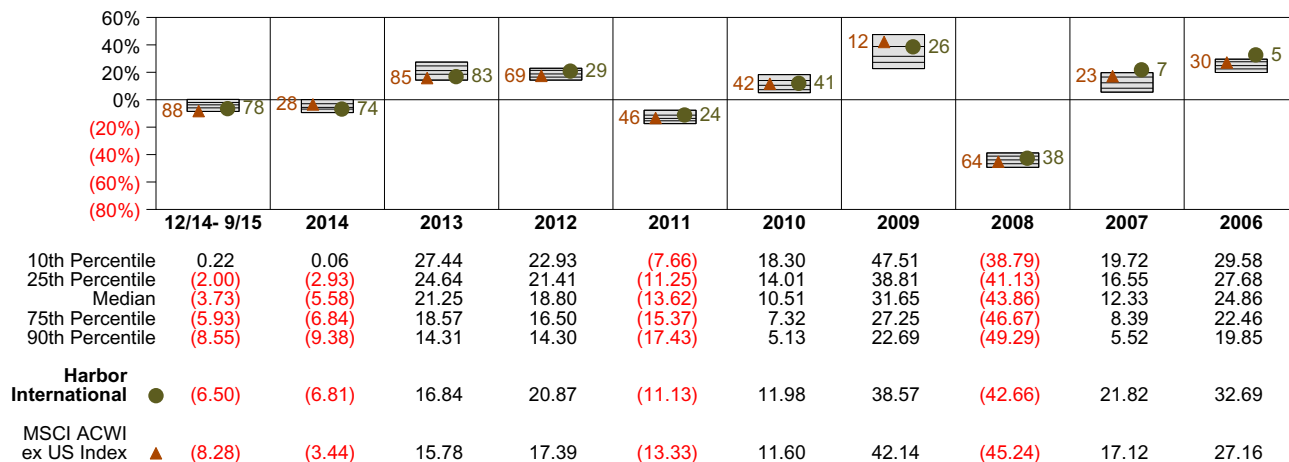


# Harbor International Return Analysis Summary

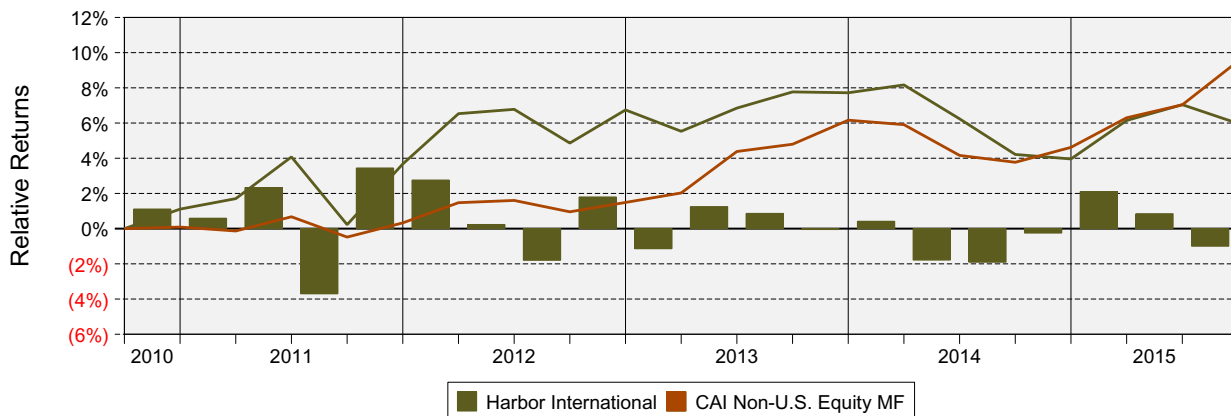
## Return Analysis

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.

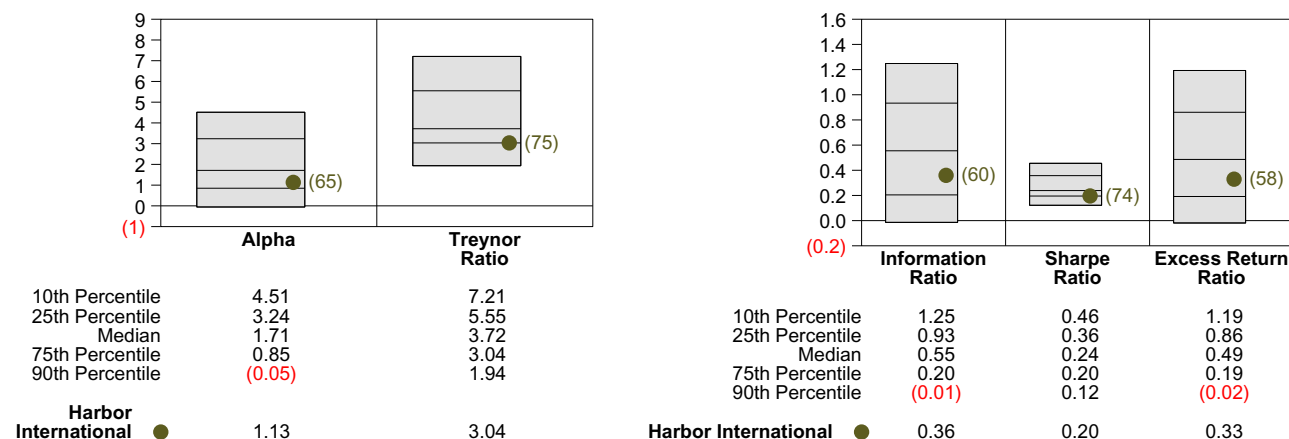
### Performance vs CAI MF - Non-US Equity Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended September 30, 2015

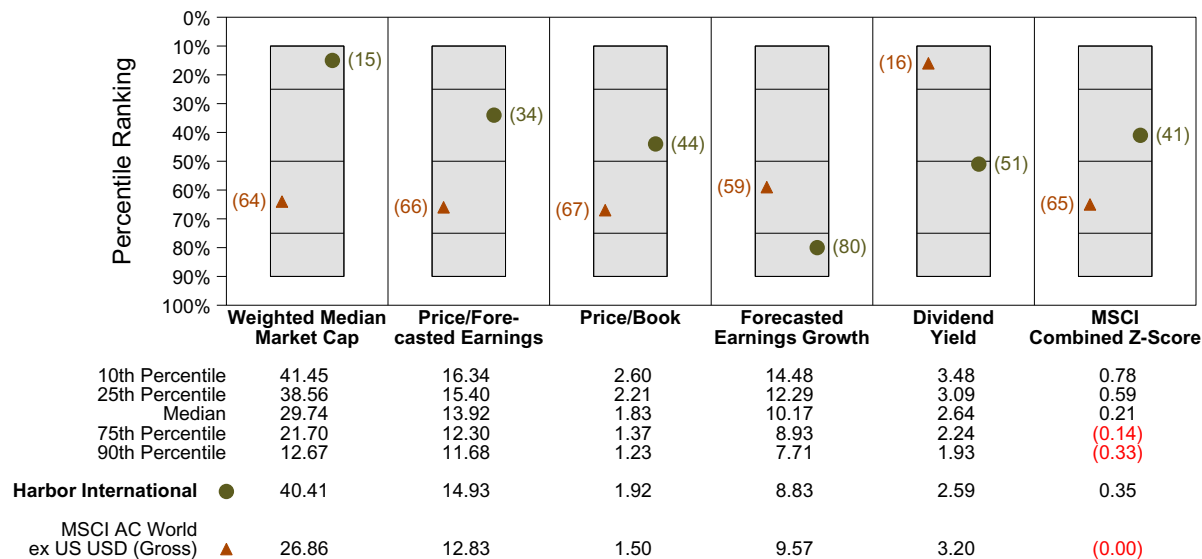


## Harbor International Equity Characteristics Analysis Summary

### Portfolio Characteristics

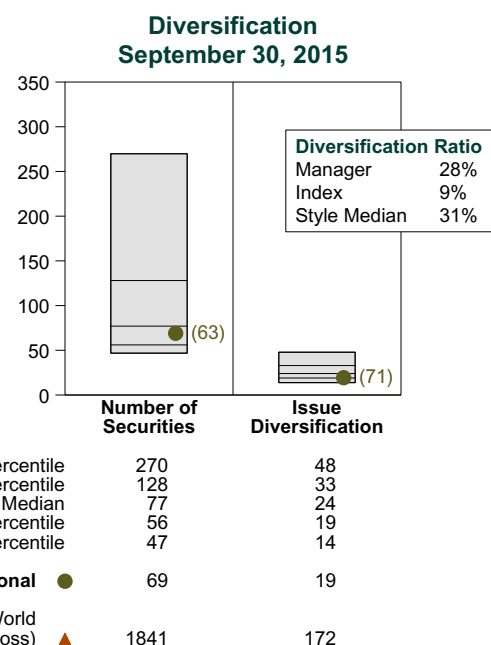
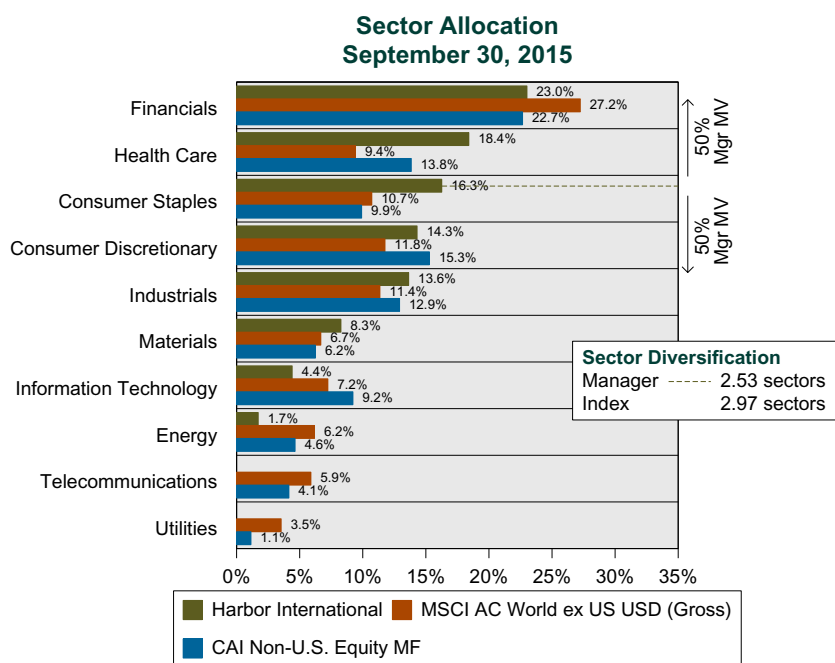
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of September 30, 2015



### Sector Weights

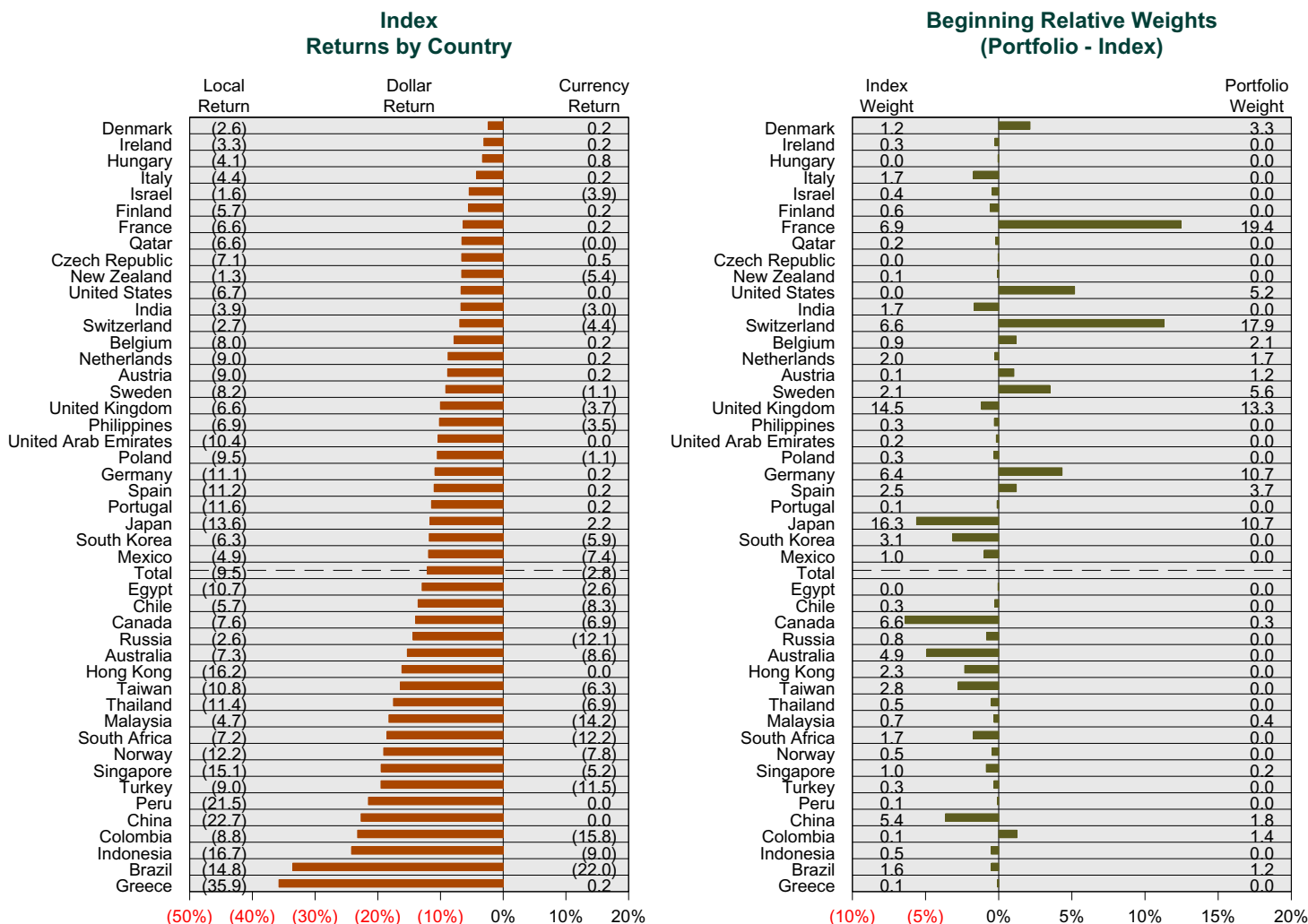
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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.



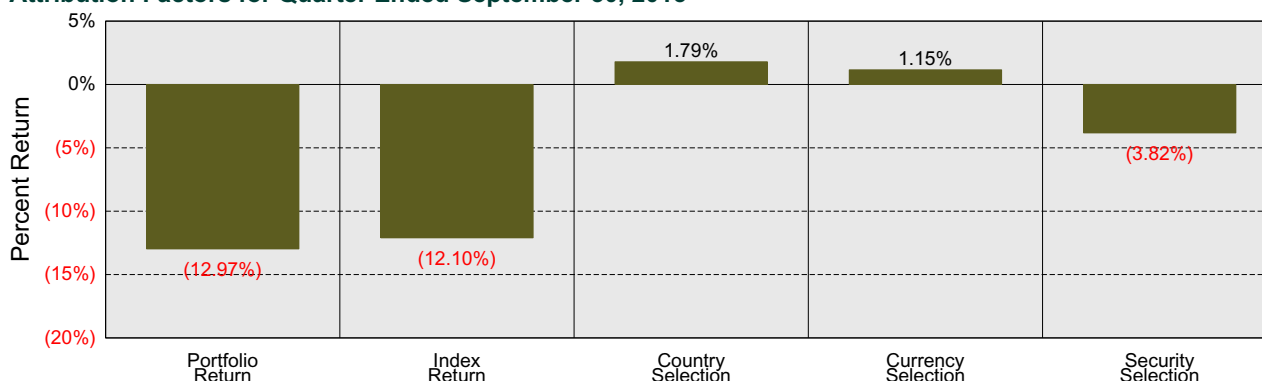
## Harbor International vs MSCI ACWI ex US Index Attribution for Quarter Ended September 30, 2015

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended September 30, 2015





## Columbia Acorn International Period Ended September 30, 2015

### Investment Philosophy

Non-U.S. Equity Style mutual funds invest in only non-U.S. equity securities. This style group excludes regional and index funds. Switched from Class Z shares to Class Y shares in February 2014.

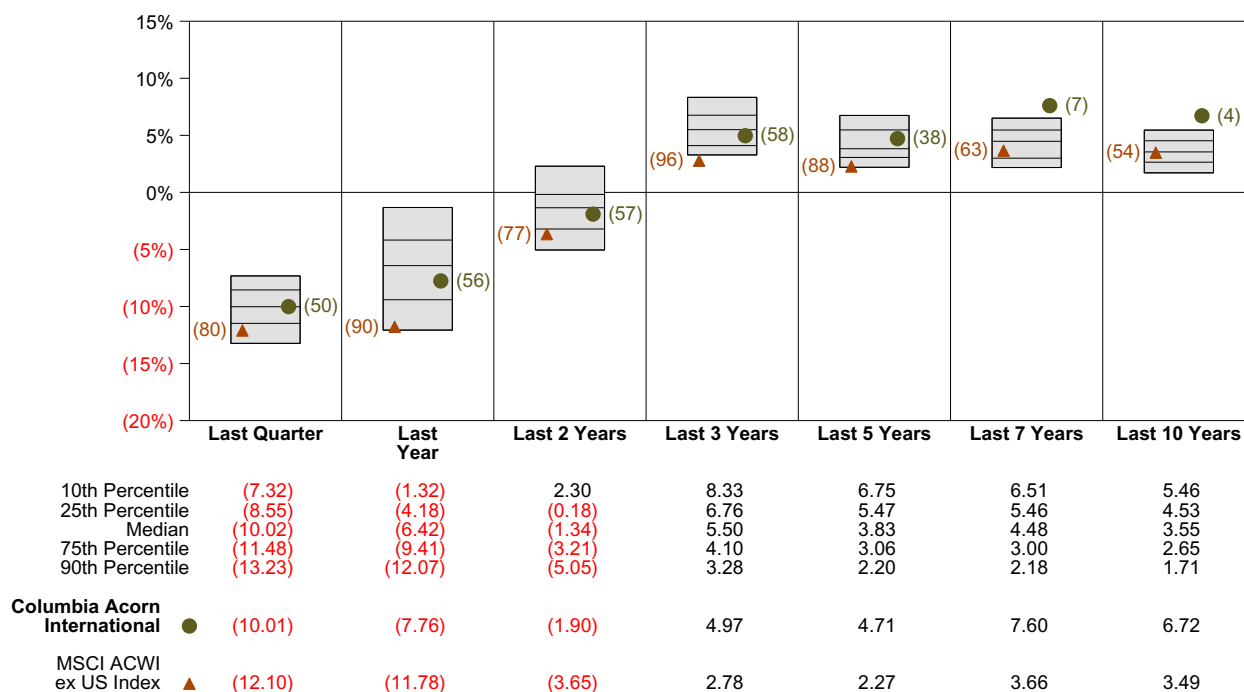
### Quarterly Summary and Highlights

- Columbia Acorn International's portfolio posted a (10.01)% return for the quarter placing it in the 50 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 56 percentile for the last year.
- Columbia Acorn International's portfolio outperformed the MSCI ACWI ex US Index by 2.09% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 4.02%.

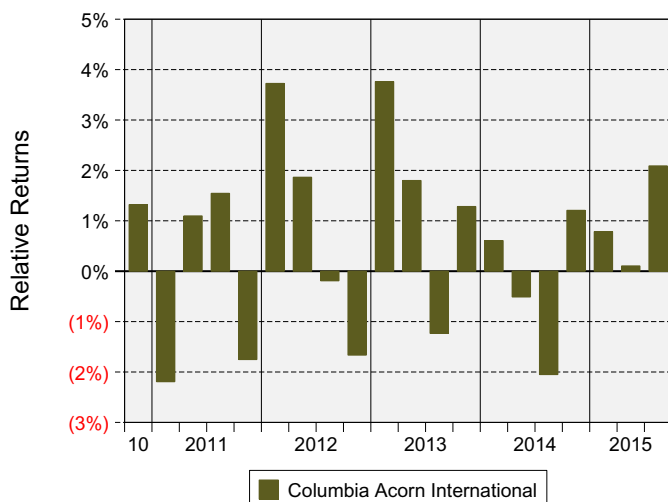
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$11,196,474 |
| Net New Investment        | \$500,000    |
| Investment Gains/(Losses) | \$-1,113,596 |
| Ending Market Value       | \$10,582,878 |

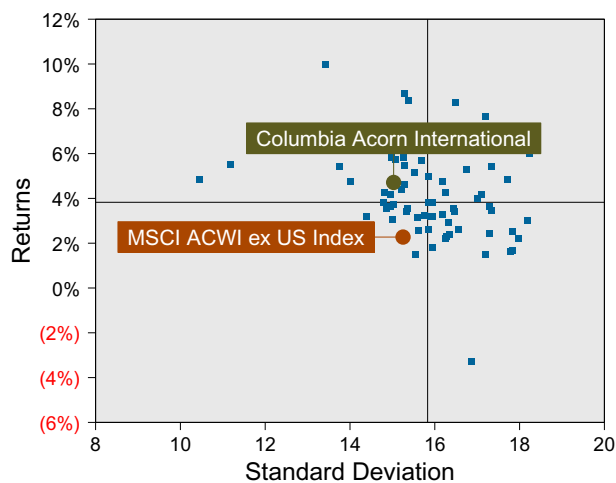
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



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

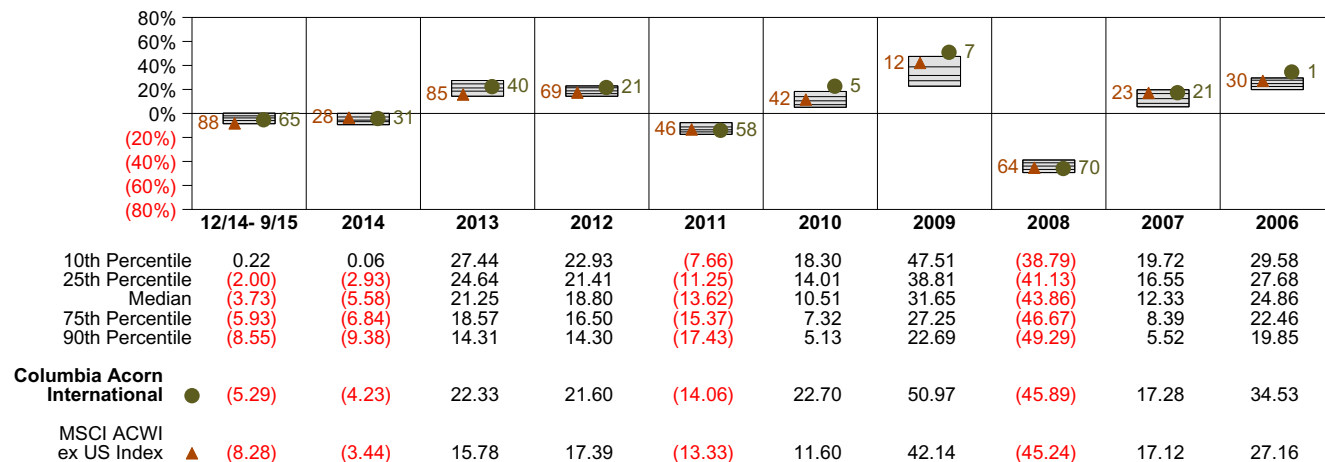


# Columbia Acorn International Return Analysis Summary

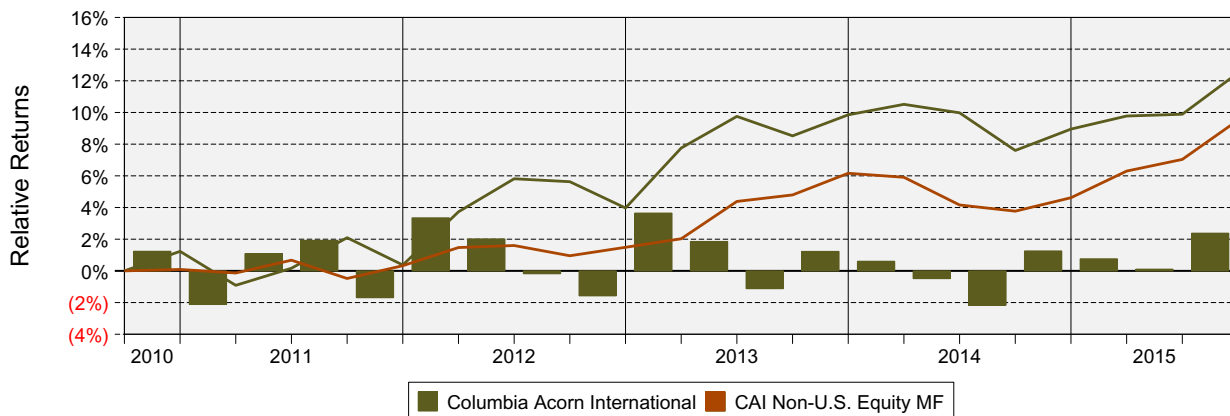
## Return Analysis

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.

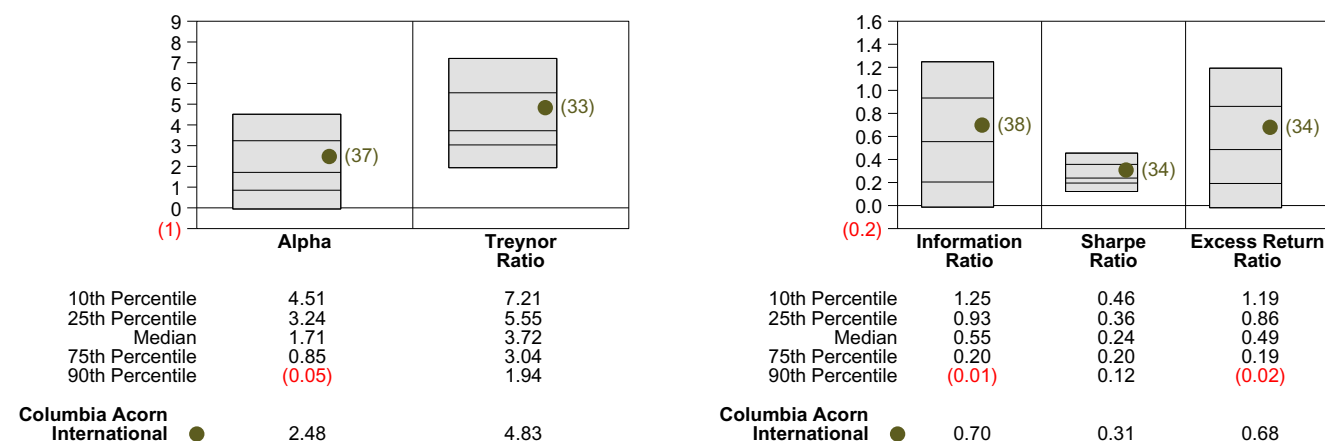
## Performance vs CAI MF - Non-US Equity Style (Net)



## Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



## Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended September 30, 2015



## Columbia Acorn International Equity Characteristics Analysis Summary

### Portfolio Characteristics

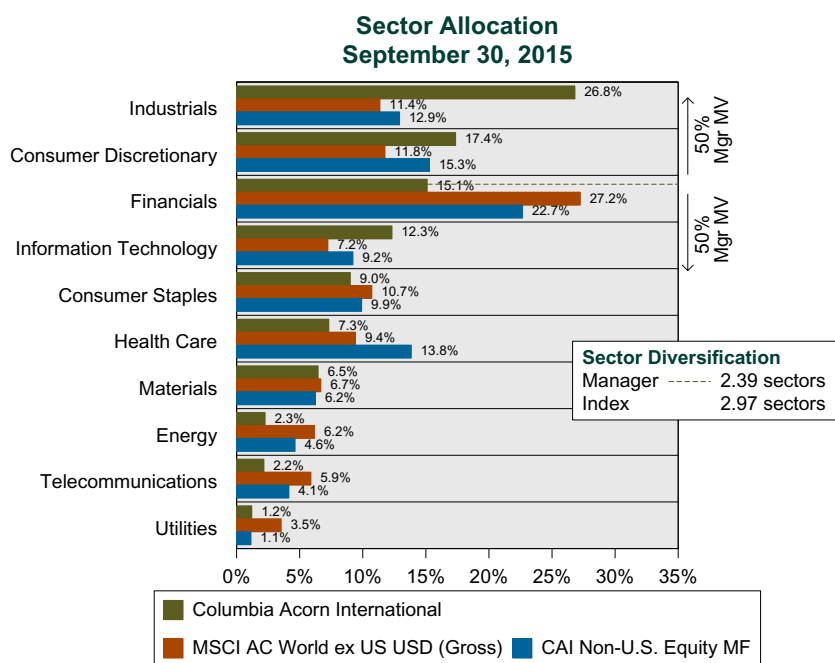
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of September 30, 2015

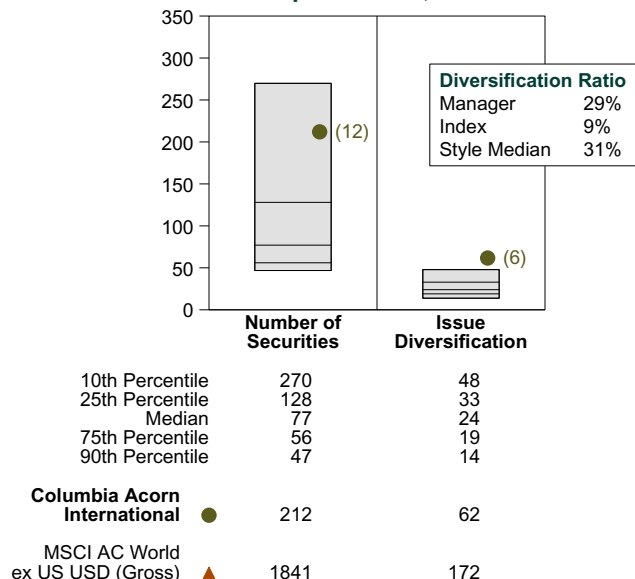


### Sector Weights

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.



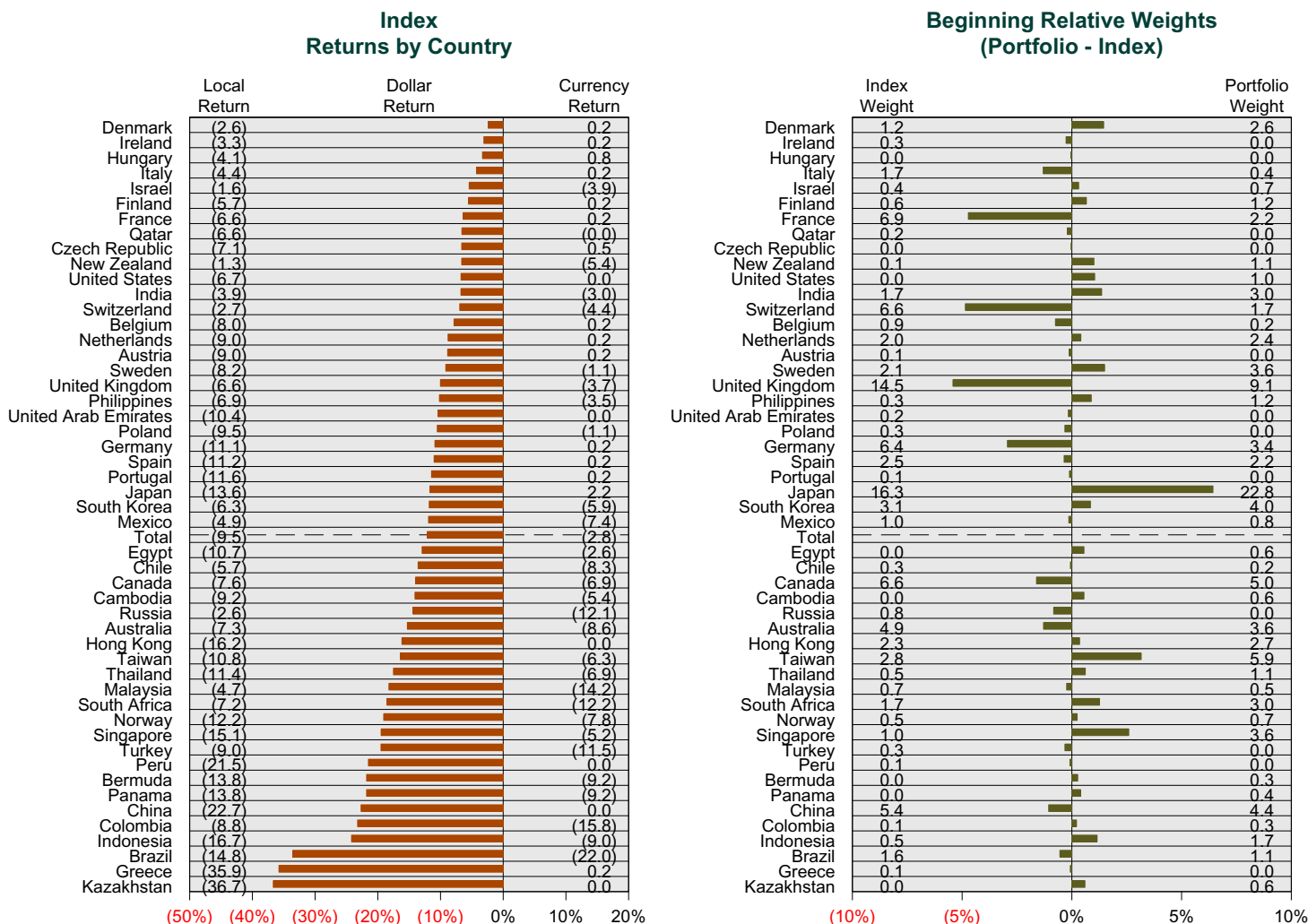
### Diversification September 30, 2015



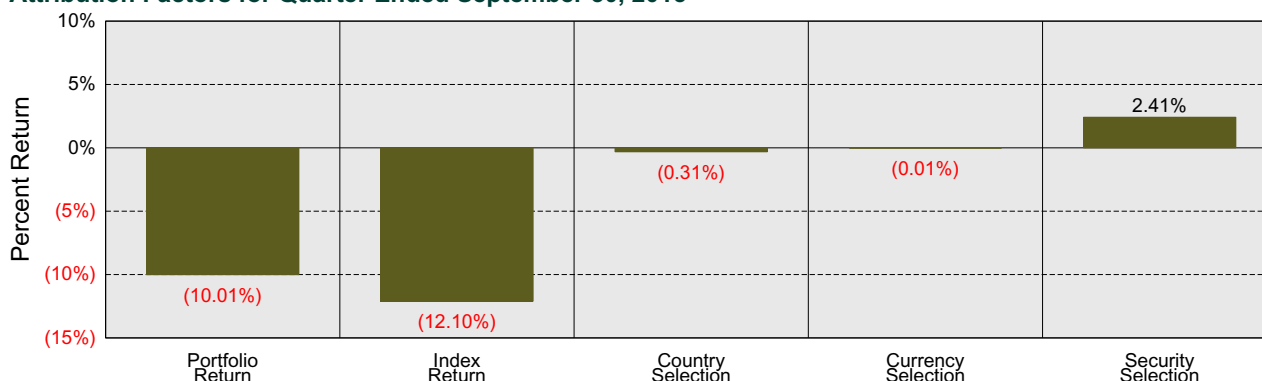
## Columbia Acorn International vs MSCI ACWI ex US Index Attribution for Quarter Ended September 30, 2015

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended September 30, 2015



## Oakmark International Period Ended September 30, 2015

### Investment Philosophy

Harris Associates are value investors. They seek to invest in companies that trade at a substantial discount to their underlying business values and run by managers who think and act as owners. They believe that purchasing a quality business at a discount to its underlying value minimizes risk while providing substantial profit potential. Over time, they believe the price of a stock will rise to reflect the company's underlying business value; in practice, their investment time horizon is generally three to five years. They are concentrated investors, building focused portfolios that provide diversification but are concentrated enough so that their best ideas can make a meaningful impact on investment performance. They believe they can add value through their stock selection capabilities and low correlation to international indices and peers. Harris believes their greatest competitive advantage is their long-term investment horizon, exploiting the mispricing of securities caused by what they believe is the short-term focus of many market participants.

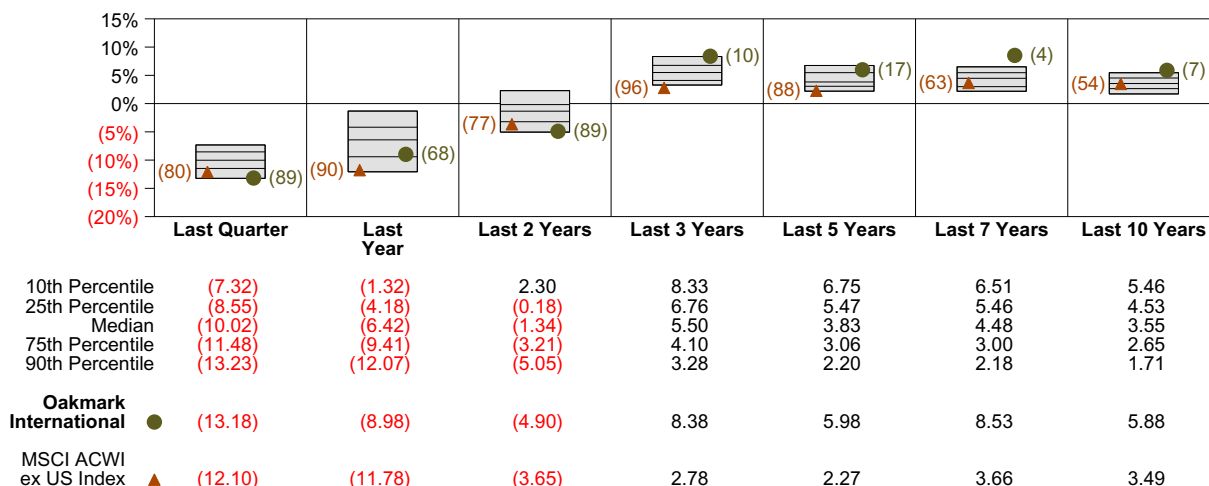
### Quarterly Summary and Highlights

- Oakmark International's portfolio posted a (13.18)% return for the quarter placing it in the 89 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 68 percentile for the last year.
- Oakmark International's portfolio underperformed the MSCI ACWI ex US Index by 1.08% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 2.79%.

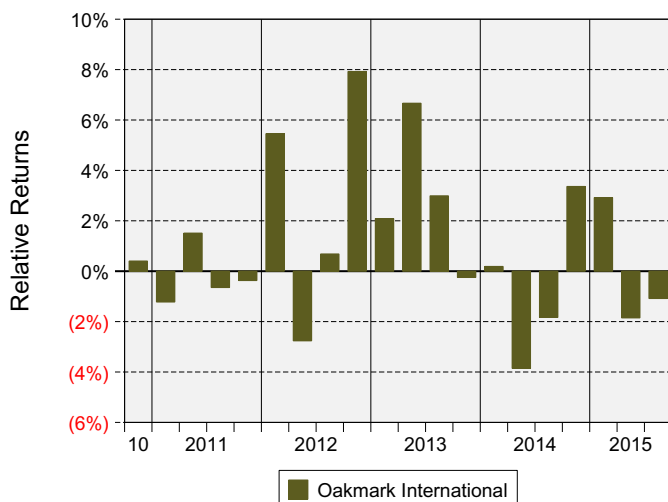
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$16,061,266 |
| Net New Investment        | \$7,300,000  |
| Investment Gains/(Losses) | \$-2,133,853 |
| Ending Market Value       | \$21,227,412 |

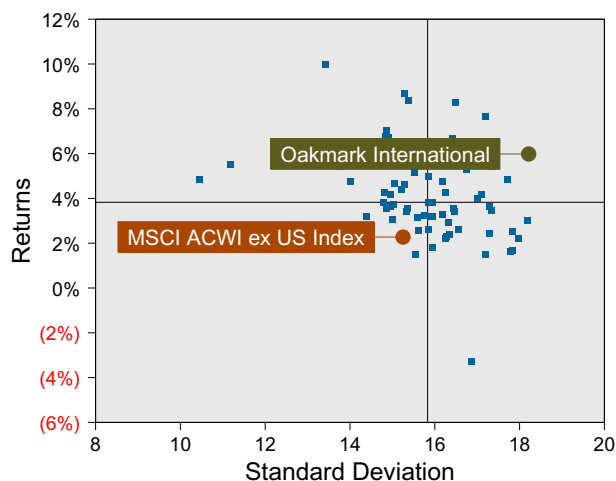
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



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

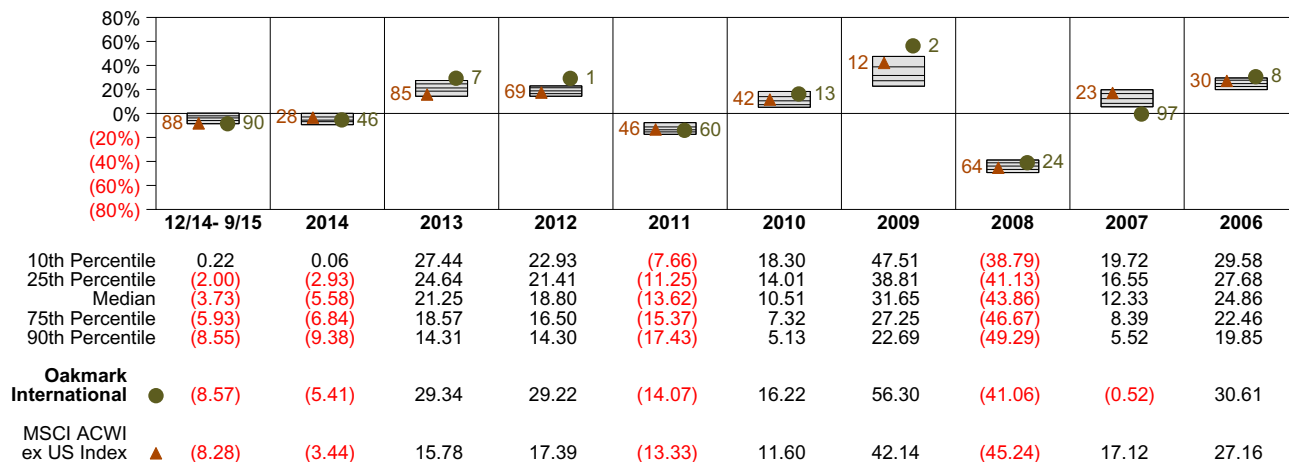


# Oakmark International Return Analysis Summary

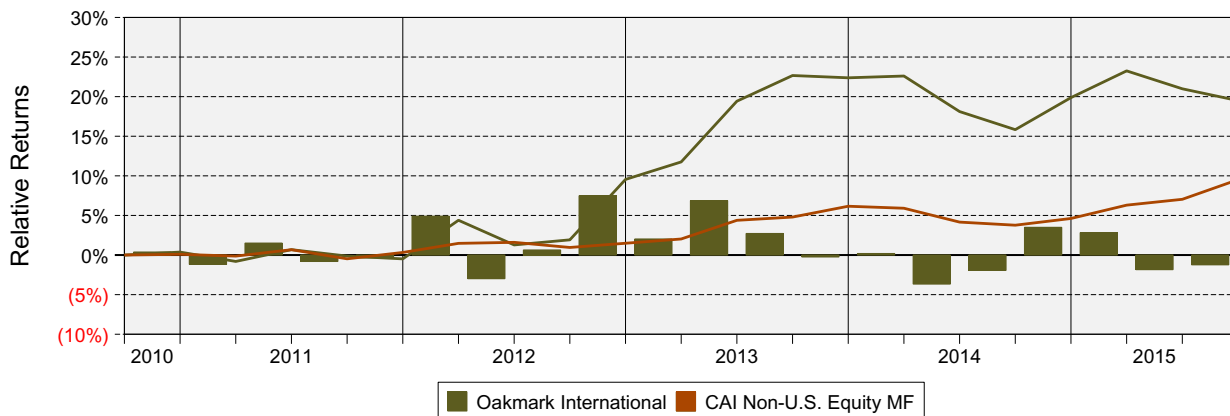
## Return Analysis

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.

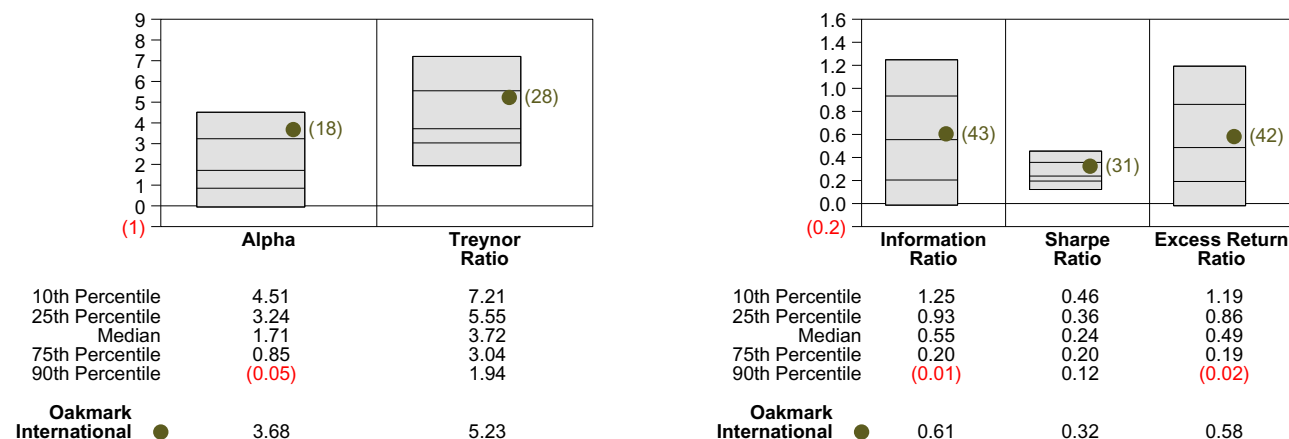
### Performance vs CAI MF - Non-US Equity Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended September 30, 2015

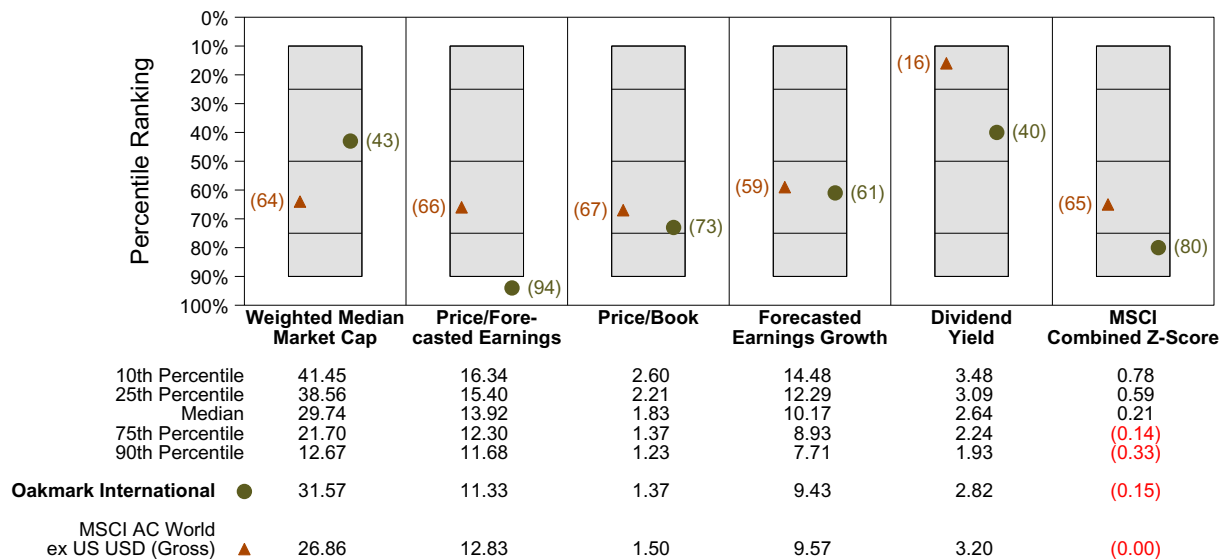


# Oakmark International Equity Characteristics Analysis Summary

## Portfolio Characteristics

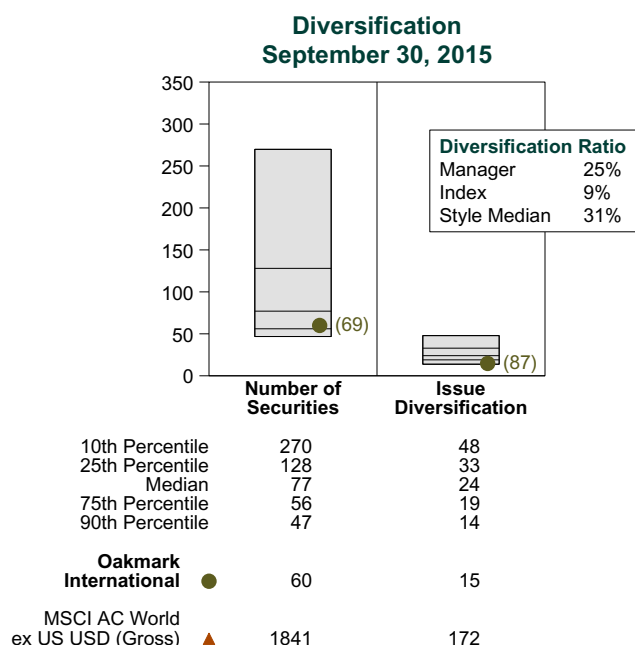
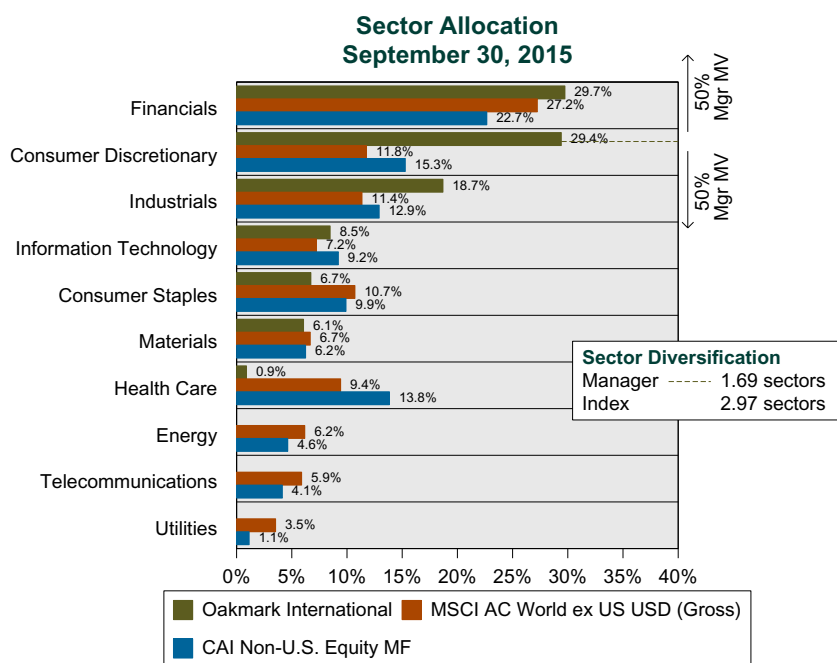
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of September 30, 2015



## Sector Weights

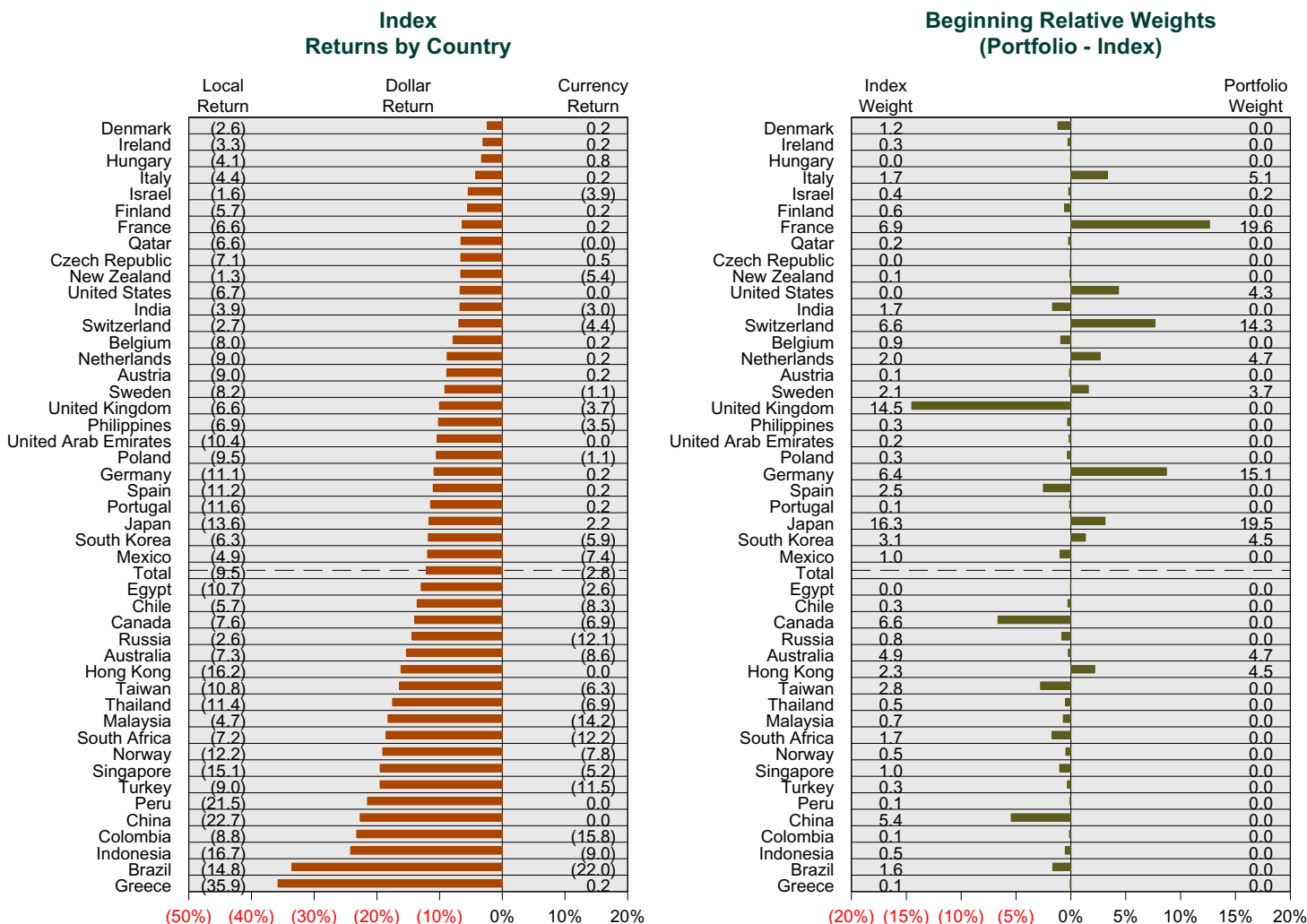
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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.



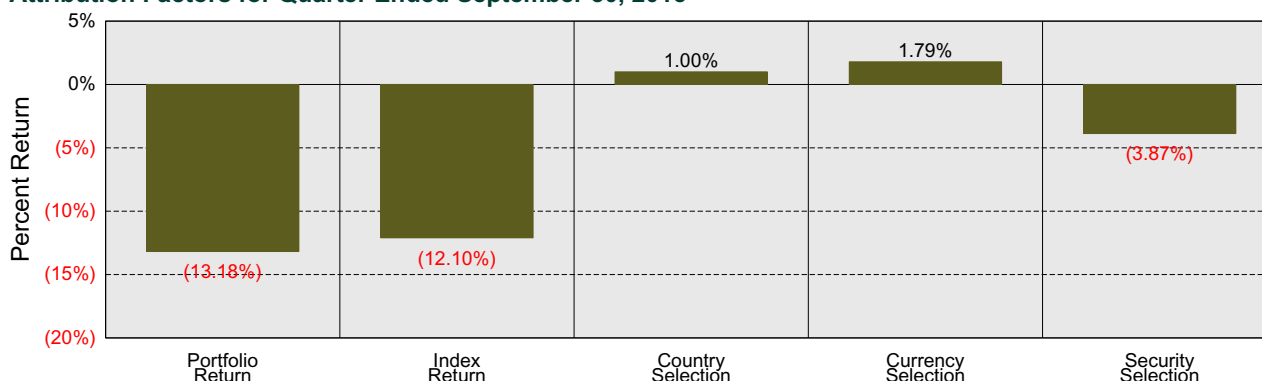
## Oakmark International vs MSCI ACWI ex US Index Attribution for Quarter Ended September 30, 2015

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended September 30, 2015





## Mondrian International Period Ended September 30, 2015

### Investment Philosophy

Mondrian's value driven investment philosophy is based on the belief that investments need to be evaluated in terms of their fundamental long-term value. In the management of international equity assets, they invest in securities where rigorous dividend discount analysis identifies value in terms of the long term flow of income. Mondrian's management fee is 77 bps on all assets.

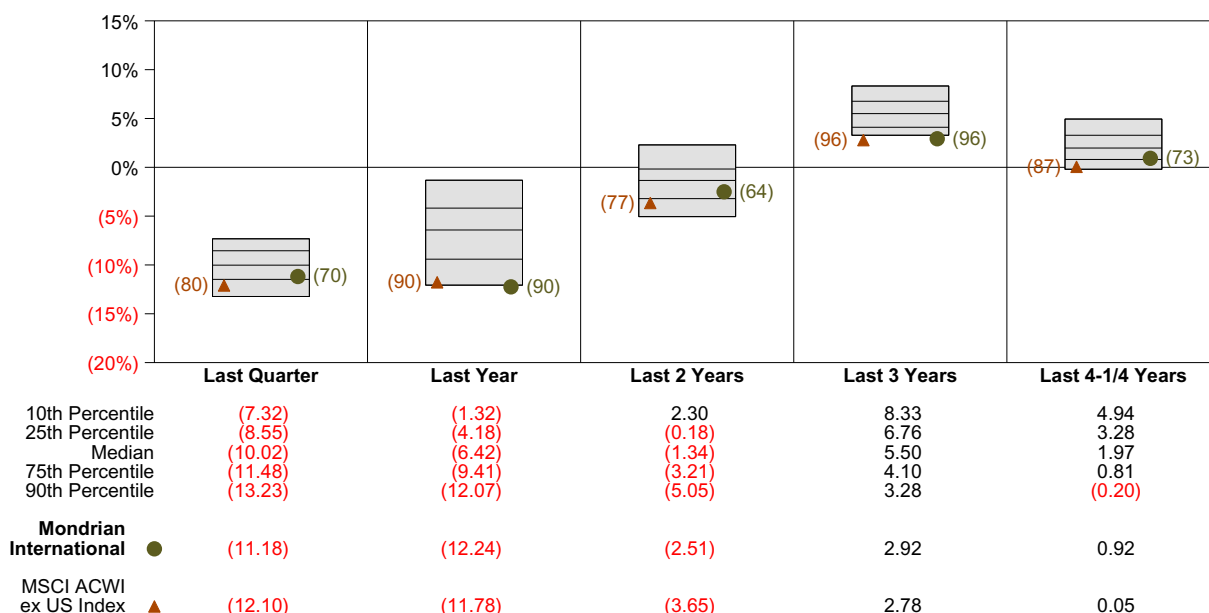
### Quarterly Summary and Highlights

- Mondrian International's portfolio posted a (11.18)% return for the quarter placing it in the 70 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 90 percentile for the last year.
- Mondrian International's portfolio outperformed the MSCI ACWI ex US Index by 0.92% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 0.46%.

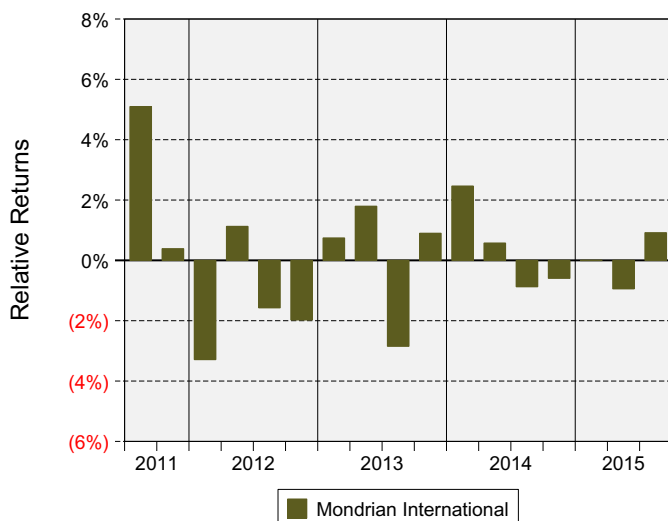
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$21,110,219 |
| Net New Investment        | \$0          |
| Investment Gains/(Losses) | \$-2,323,794 |
| Ending Market Value       | \$18,786,425 |

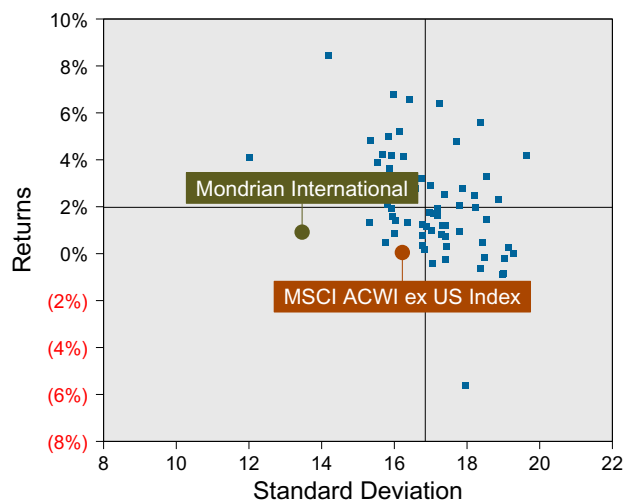
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



### CAI MF - Non-US Equity Style (Net) Annualized Four and One-Quarter Year Risk vs Return

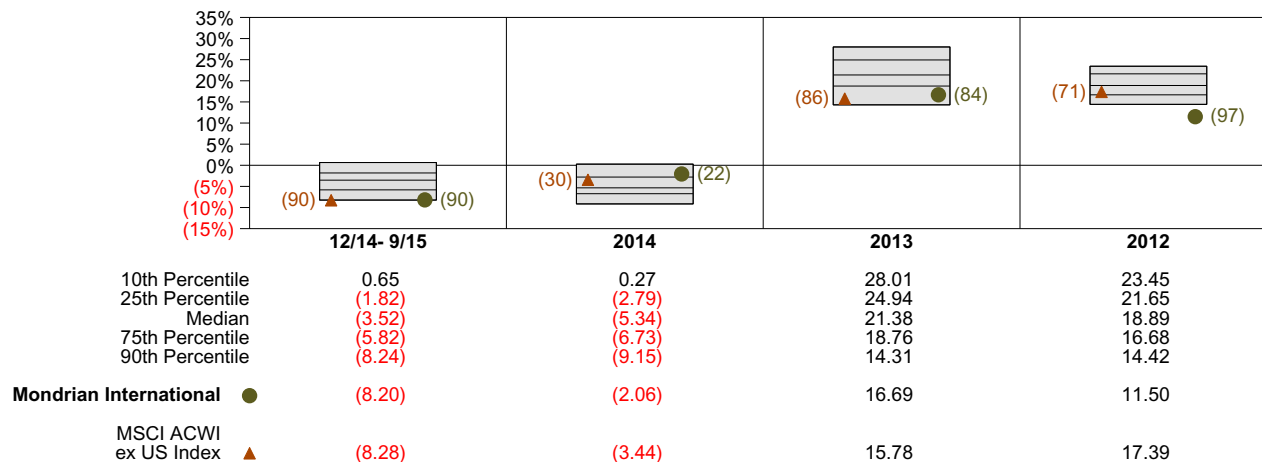


## Mondrian International Return Analysis Summary

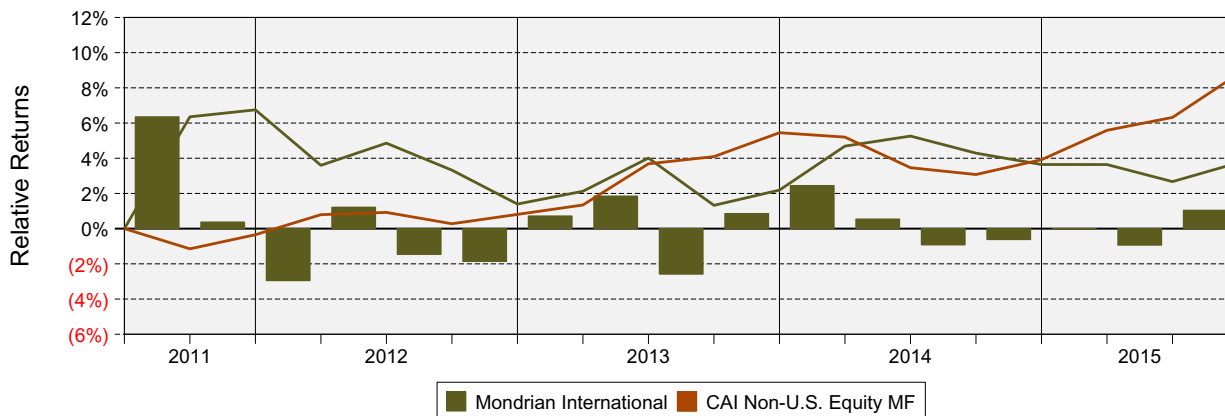
### Return Analysis

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.

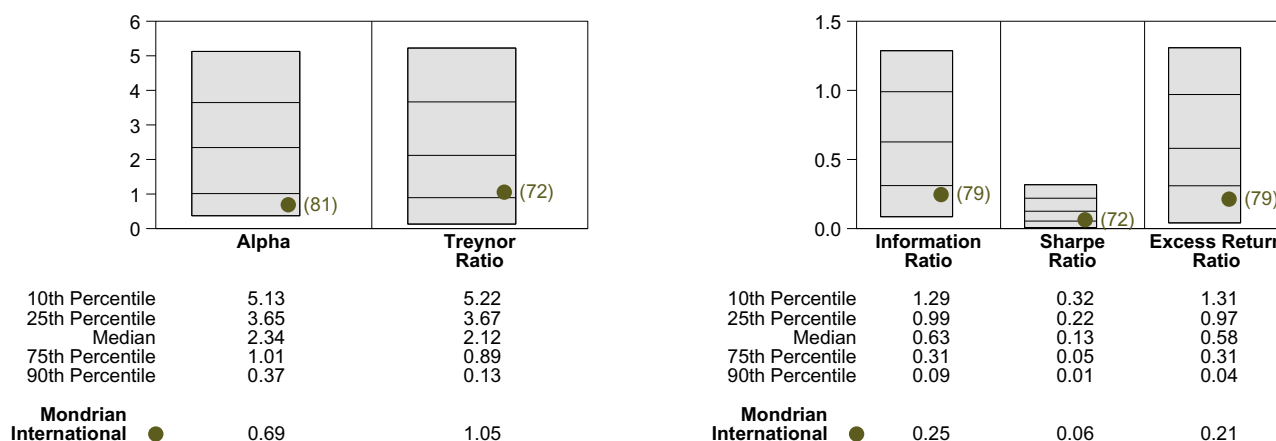
#### Performance vs CAI MF - Non-US Equity Style (Cheapest Net)



#### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



#### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Cheapest Net) Four and One-Quarter Years Ended September 30, 2015

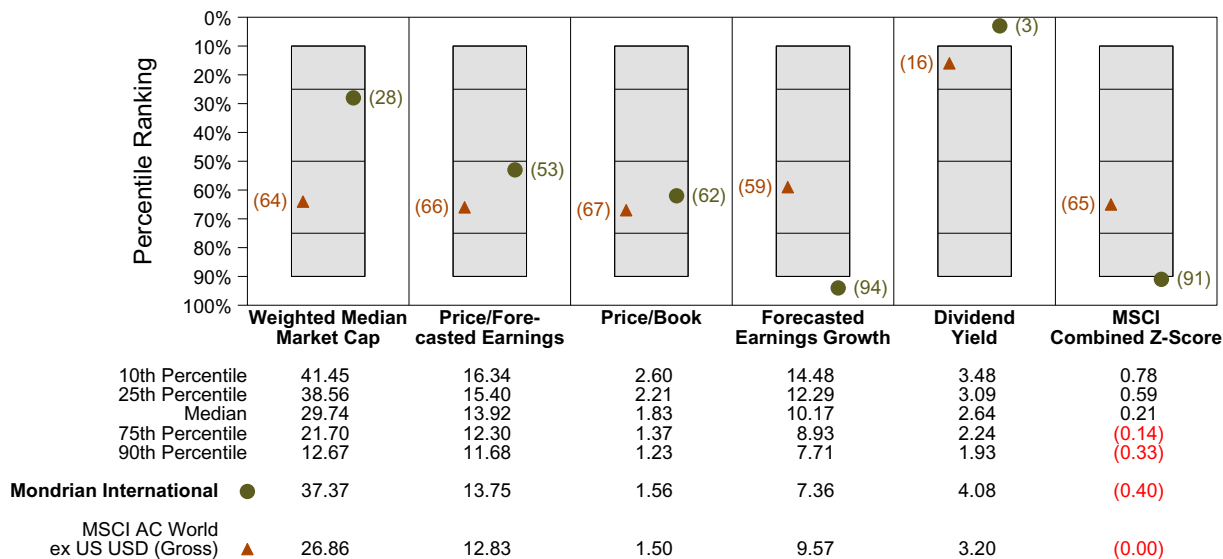


## Mondrian International Equity Characteristics Analysis Summary

### Portfolio Characteristics

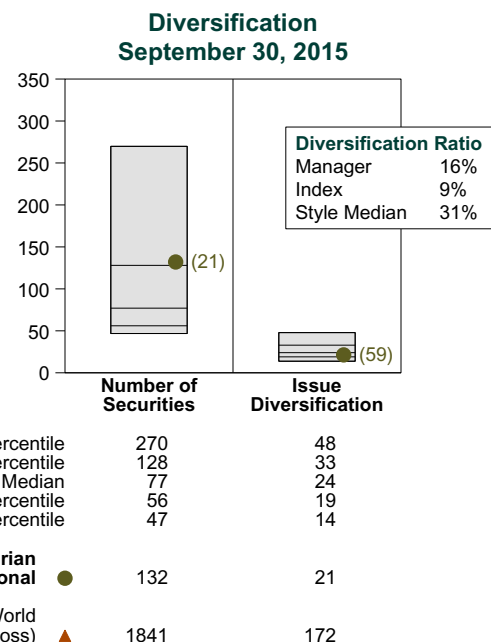
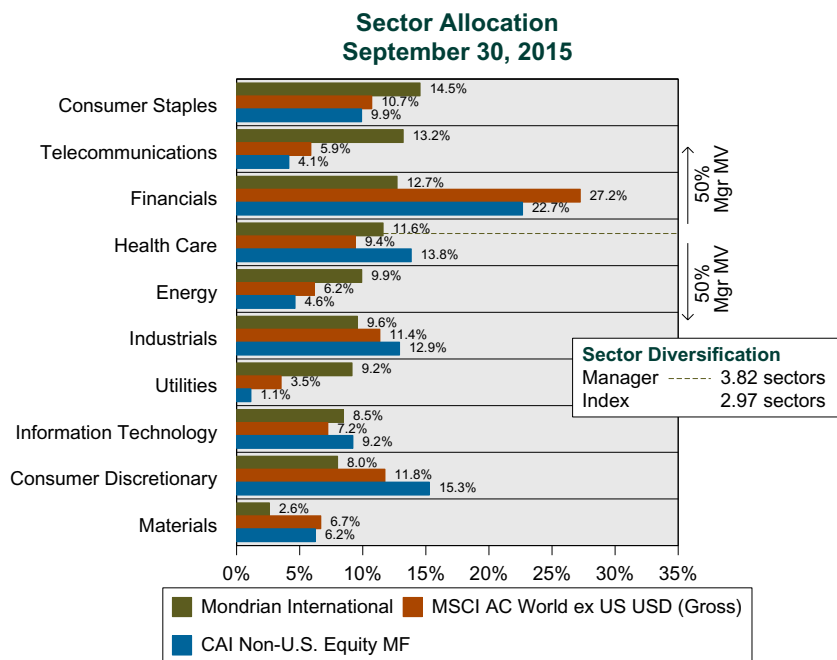
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of September 30, 2015



### Sector Weights

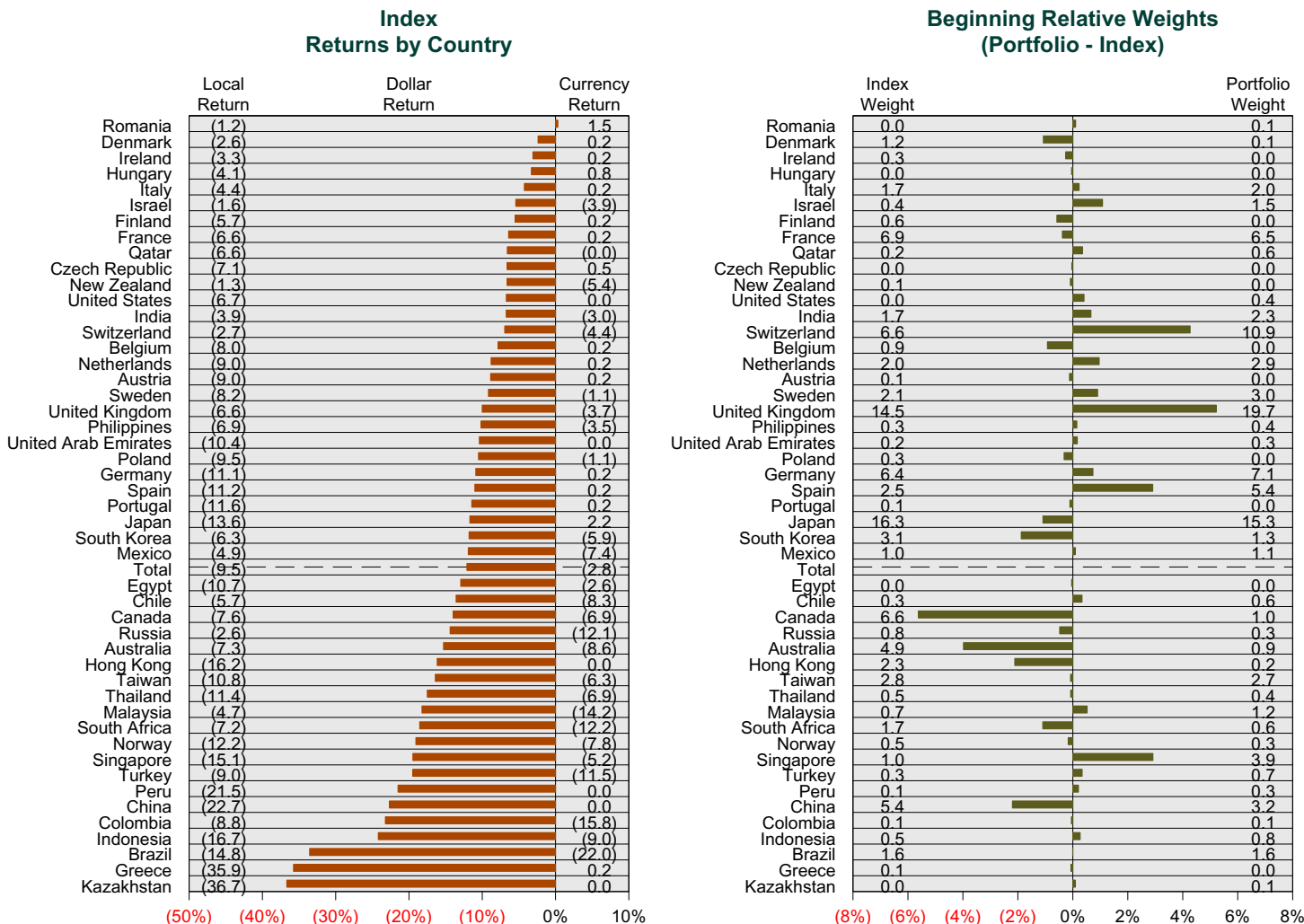
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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.



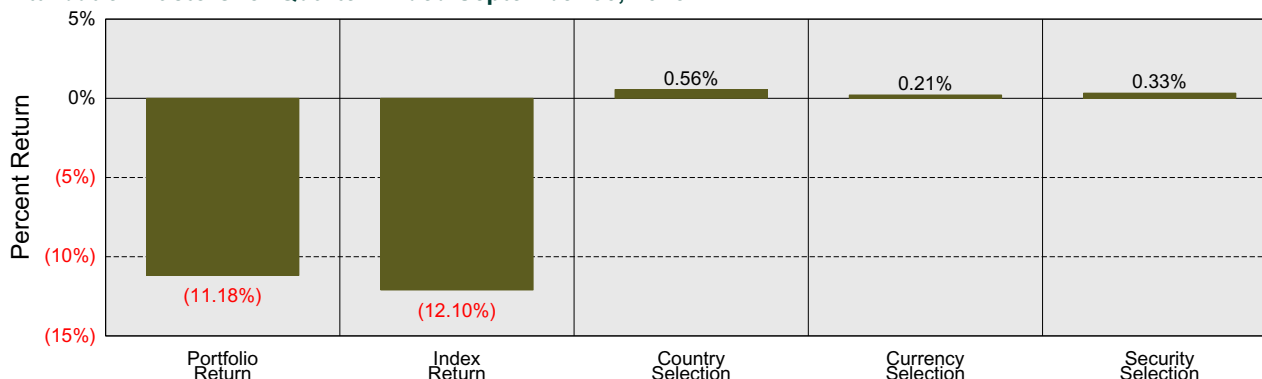
## Mondrian International vs MSCI ACWI ex US Index Attribution for Quarter Ended September 30, 2015

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended September 30, 2015





## Domestic Fixed Income Composite Period Ended September 30, 2015

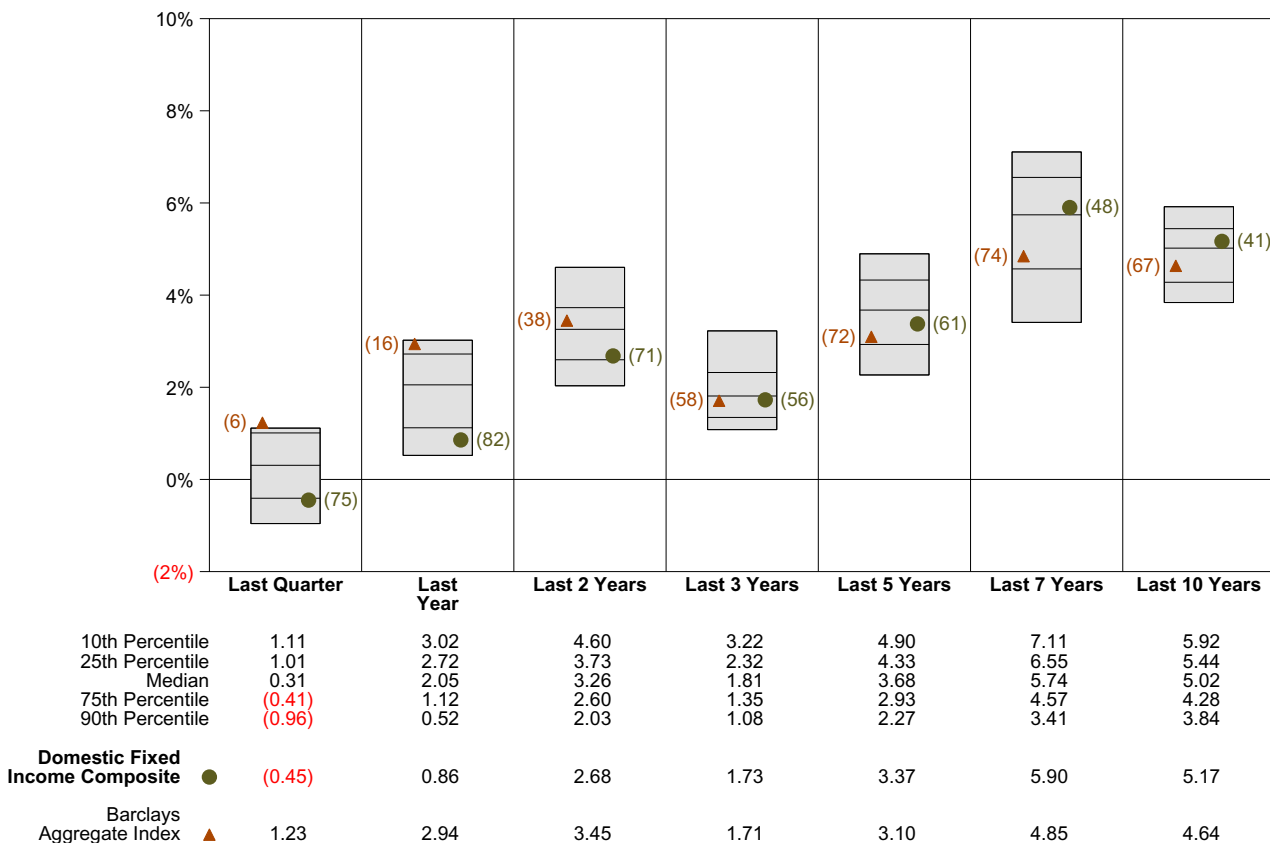
### Quarterly Summary and Highlights

- Domestic Fixed Income Composite's portfolio posted a (0.45)% return for the quarter placing it in the 75 percentile of the Pub Pln- Domestic Fixed group for the quarter and in the 82 percentile for the last year.
- Domestic Fixed Income Composite's portfolio underperformed the Barclays Aggregate Index by 1.68% for the quarter and underperformed the Barclays Aggregate Index for the year by 2.08%.

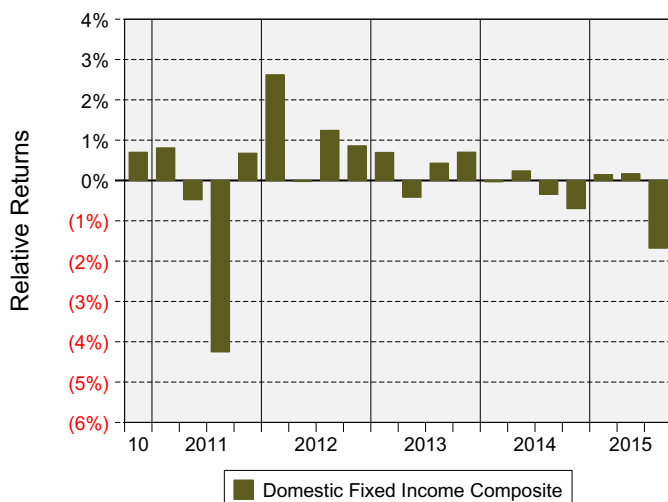
### Quarterly Asset Growth

|                           |               |
|---------------------------|---------------|
| Beginning Market Value    | \$117,779,392 |
| Net New Investment        | \$-997,348    |
| Investment Gains/(Losses) | \$-525,281    |
| Ending Market Value       | \$116,256,763 |

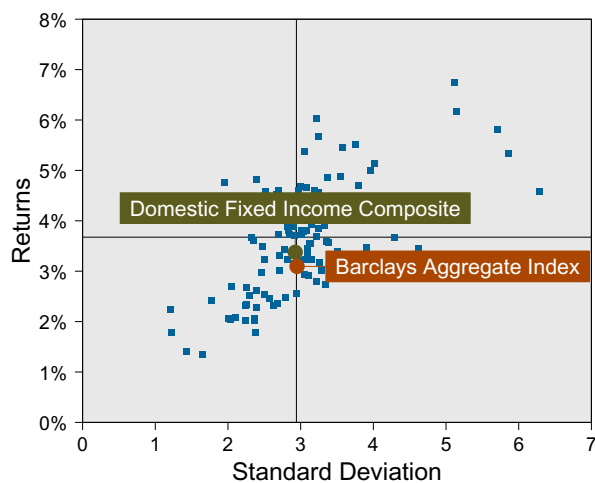
### Performance vs Pub Pln- Domestic Fixed (Gross)



### Relative Return vs Barclays Aggregate Index



### Pub Pln- Domestic Fixed (Gross) Annualized Five Year Risk vs Return

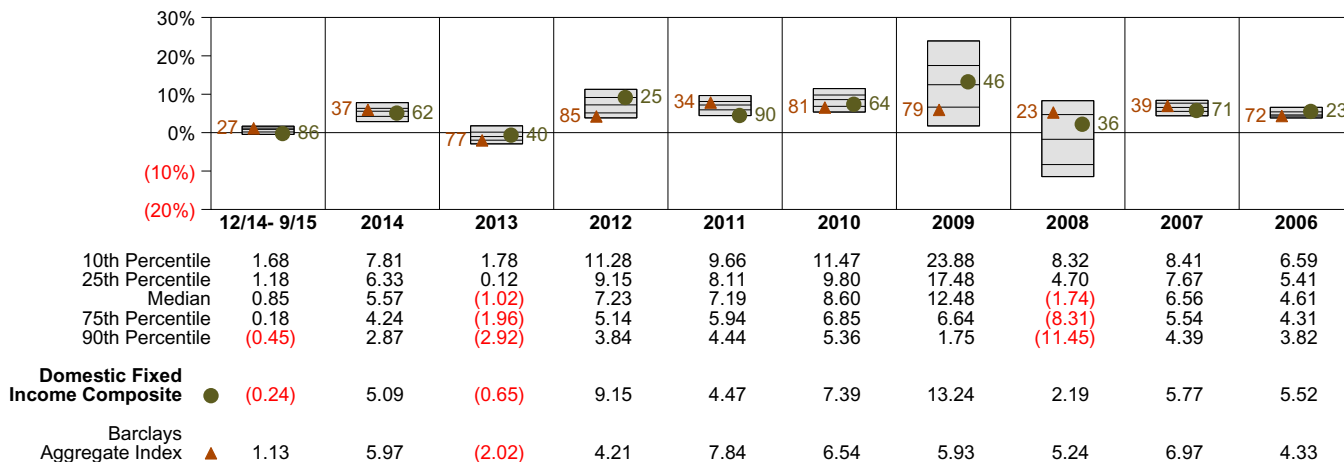


## Domestic Fixed Income Composite Return Analysis Summary

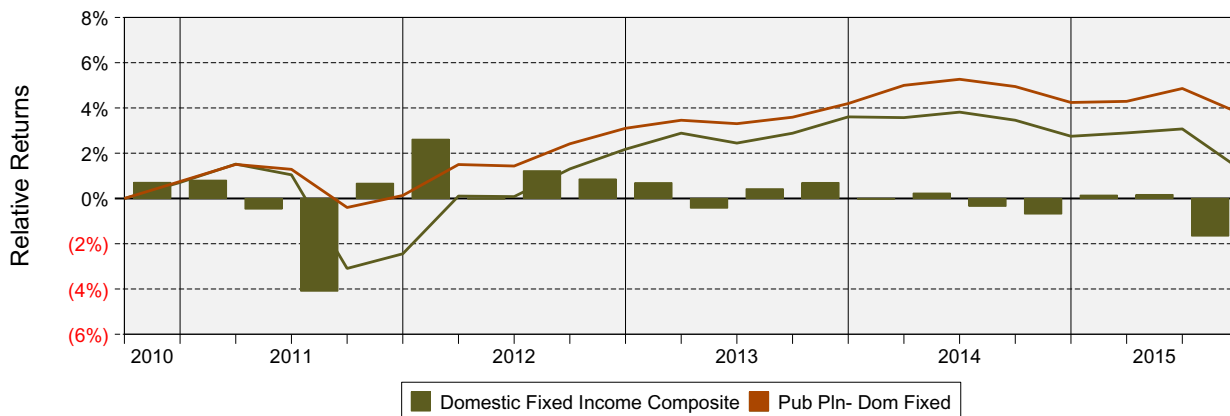
### Return Analysis

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.

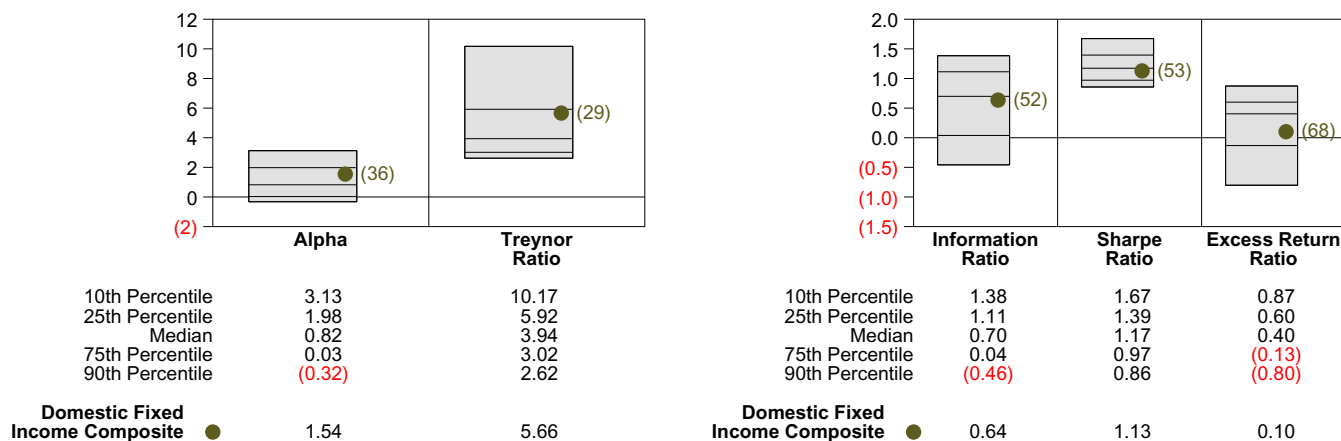
### Performance vs Pub Pln- Domestic Fixed (Gross)



### Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



### Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against Pub Pln- Domestic Fixed (Gross) Five Years Ended September 30, 2015

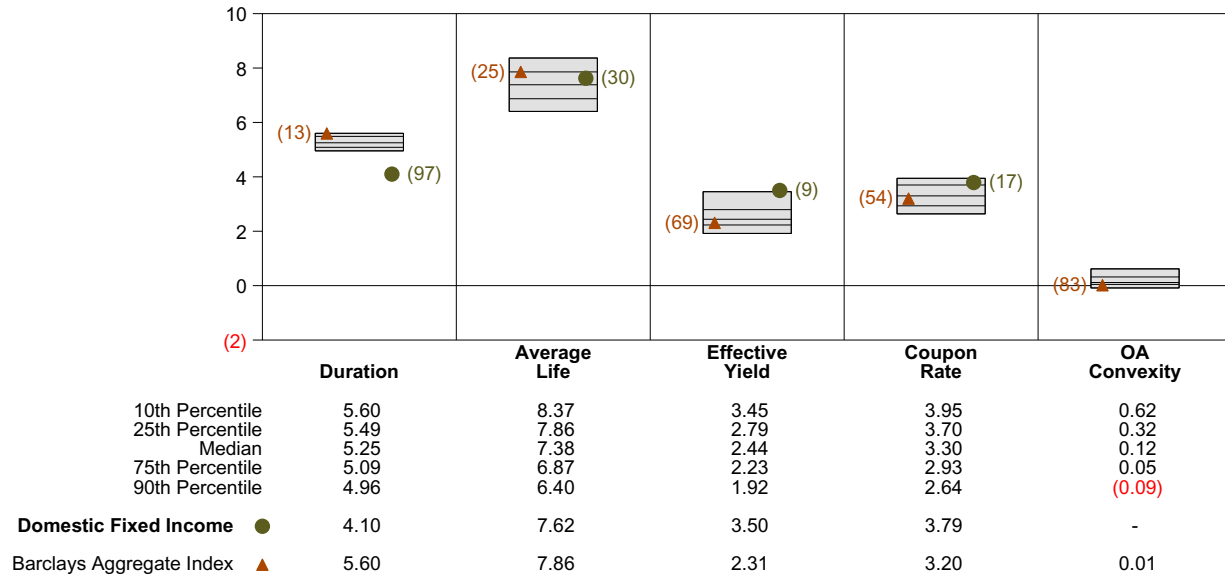


## Domestic Fixed Income Bond Characteristics Analysis Summary

### Portfolio Characteristics

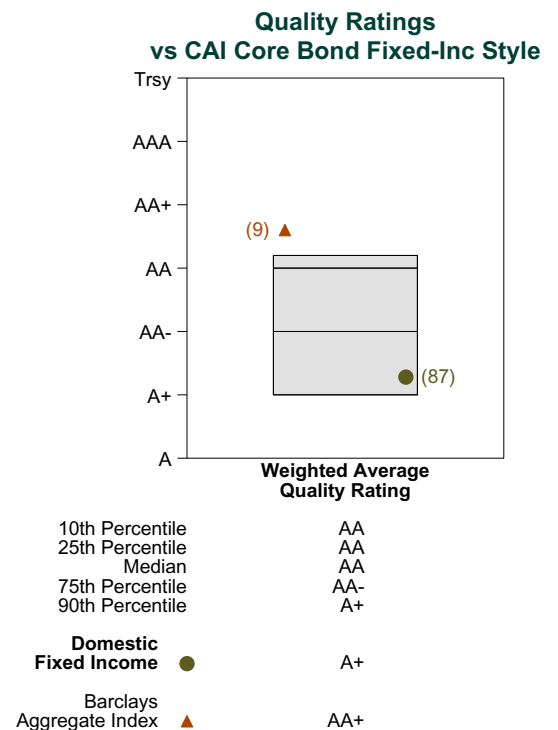
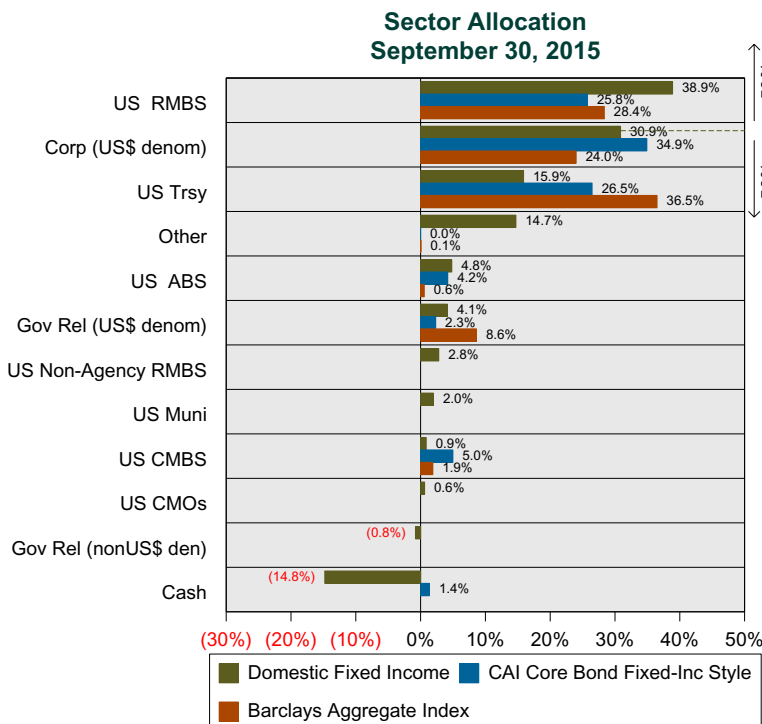
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed-Inc Style as of September 30, 2015



### 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.





## Dodge & Cox Income Period Ended September 30, 2015

### Investment Philosophy

Dodge & Cox's Fixed Income Philosophy is to construct and manage a high-quality and diversified portfolio of securities that is selected through bottom-up, fundamental analysis. They believe that by combining fundamental research with a long-term investment horizon, it is possible to uncover and act upon inefficiencies in the valuation of market sectors and individual securities. In their efforts to seek attractive returns, the team: 1) emphasizes market sector and individual security selection; 2) strives to build portfolios which have a higher yield than the composite yield of the broad bond market; and 3) analyzes portfolio and individual security risk. Their credit research focuses on analysis of the fundamental factors that impact an individual issuer's or market sector's credit risk. They also consider economic trends and special circumstances which may affect an industry or a specific issue or issuer.

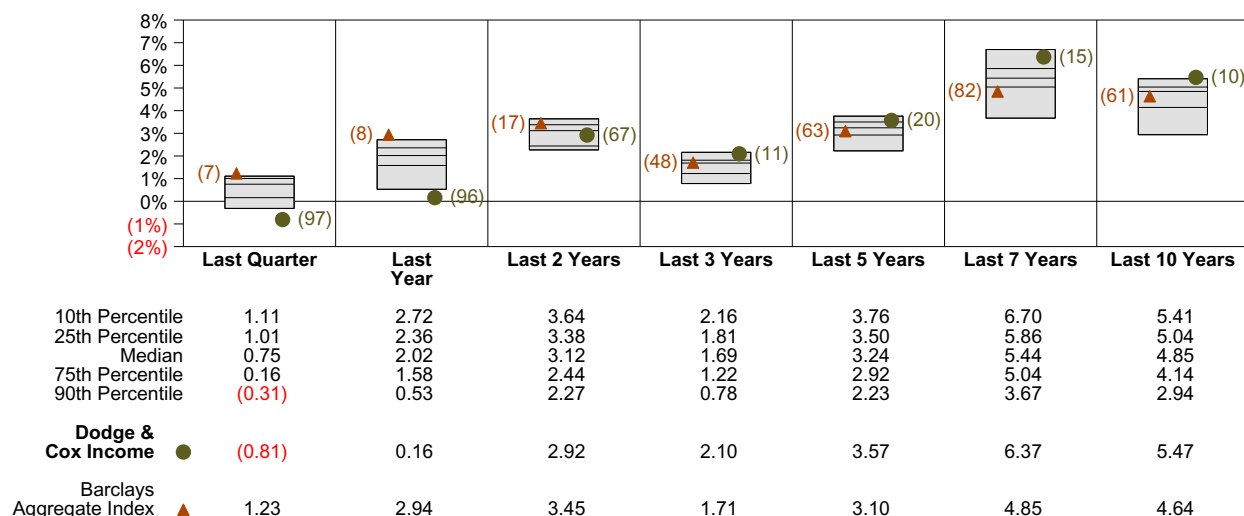
### Quarterly Summary and Highlights

- Dodge & Cox Income's portfolio posted a (0.81)% return for the quarter placing it in the 97 percentile of the CAI MF - Core Bond Style group for the quarter and in the 96 percentile for the last year.
- Dodge & Cox Income's portfolio underperformed the Barclays Aggregate Index by 2.04% for the quarter and underperformed the Barclays Aggregate Index for the year by 2.78%.

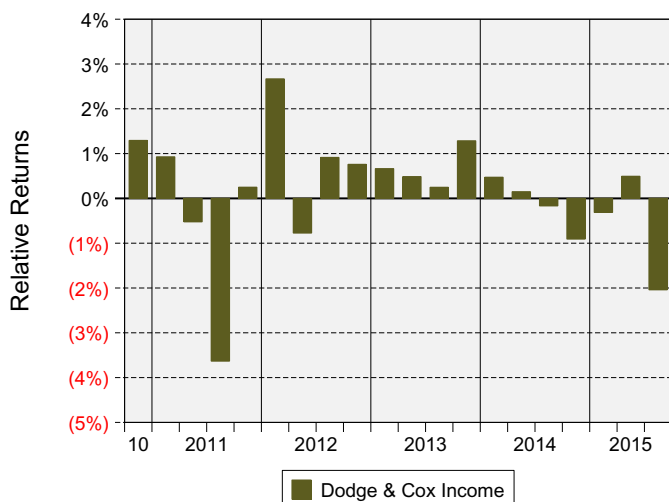
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$59,093,728 |
| Net New Investment        | \$-434,513   |
| Investment Gains/(Losses) | \$-477,964   |
| Ending Market Value       | \$58,181,251 |

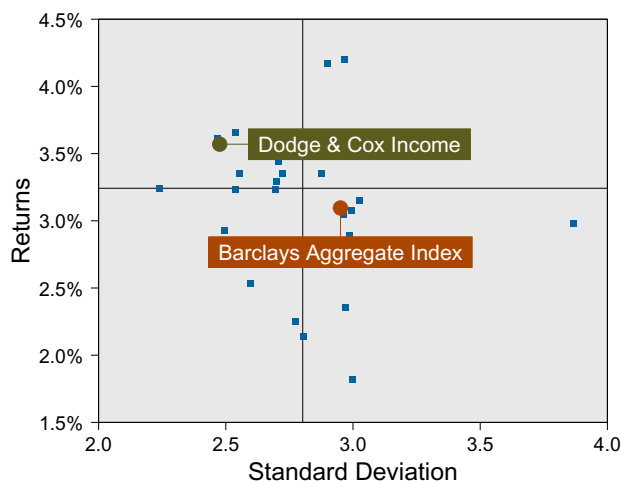
### Performance vs CAI MF - Core Bond Style (Net)



### Relative Return vs Barclays Aggregate Index



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

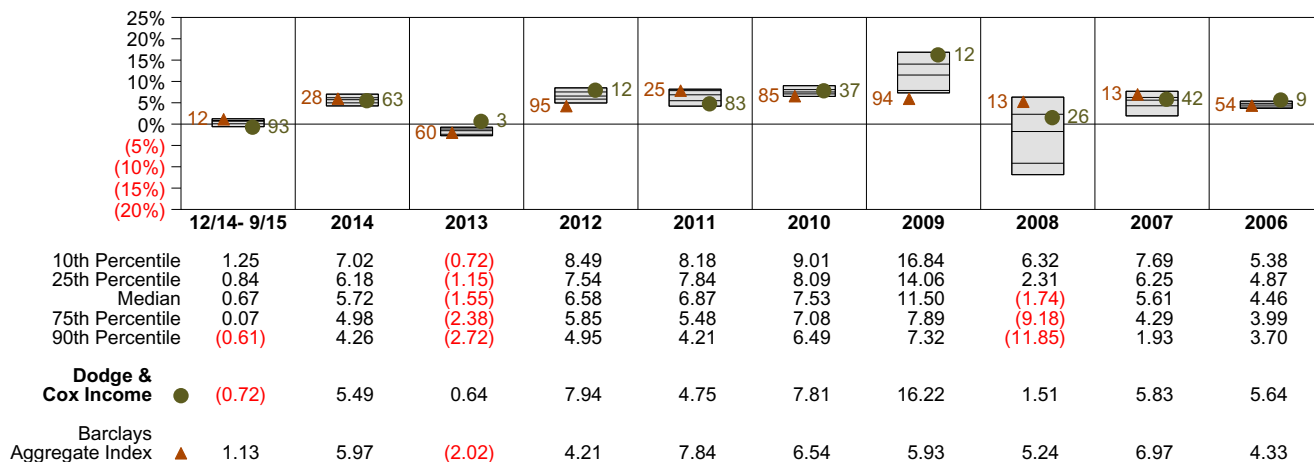


## Dodge & Cox Income Return Analysis Summary

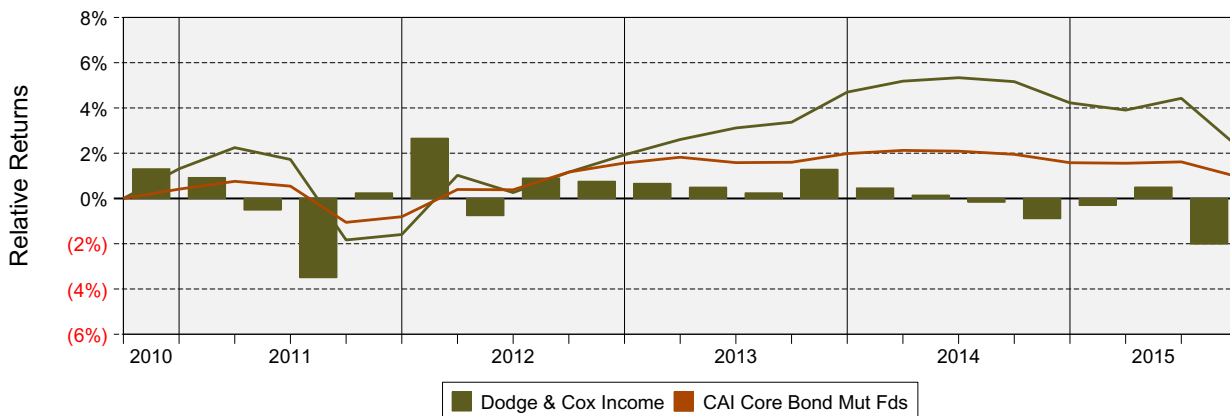
### Return Analysis

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.

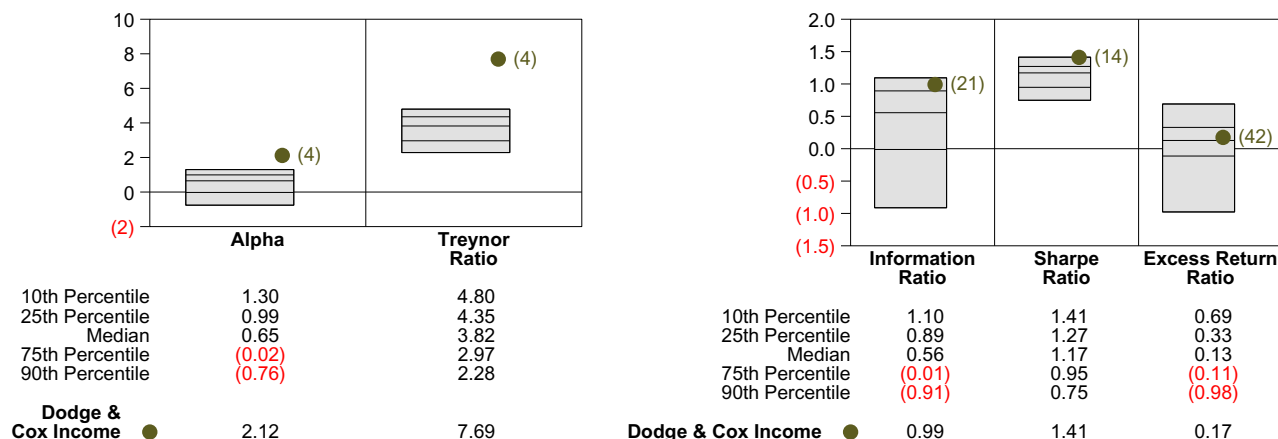
### Performance vs CAI MF - Core Bond Style (Net)



### Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



### Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against CAI MF - Core Bond Style (Net) Five Years Ended September 30, 2015

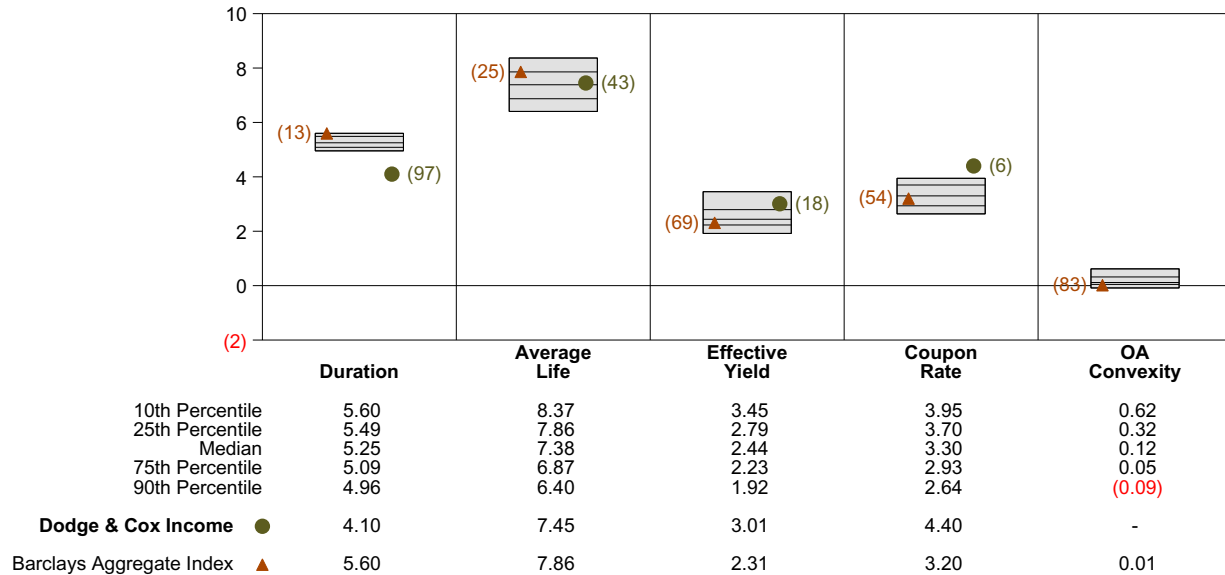


## Dodge & Cox Income Bond Characteristics Analysis Summary

### Portfolio Characteristics

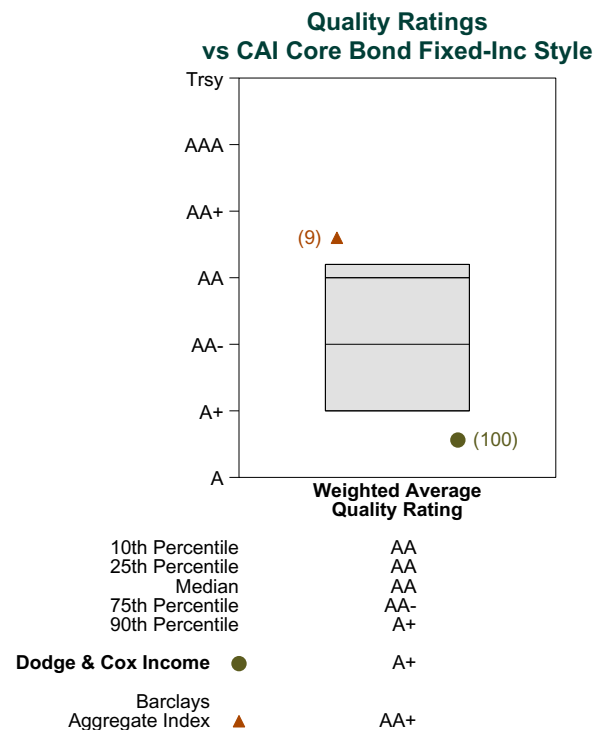
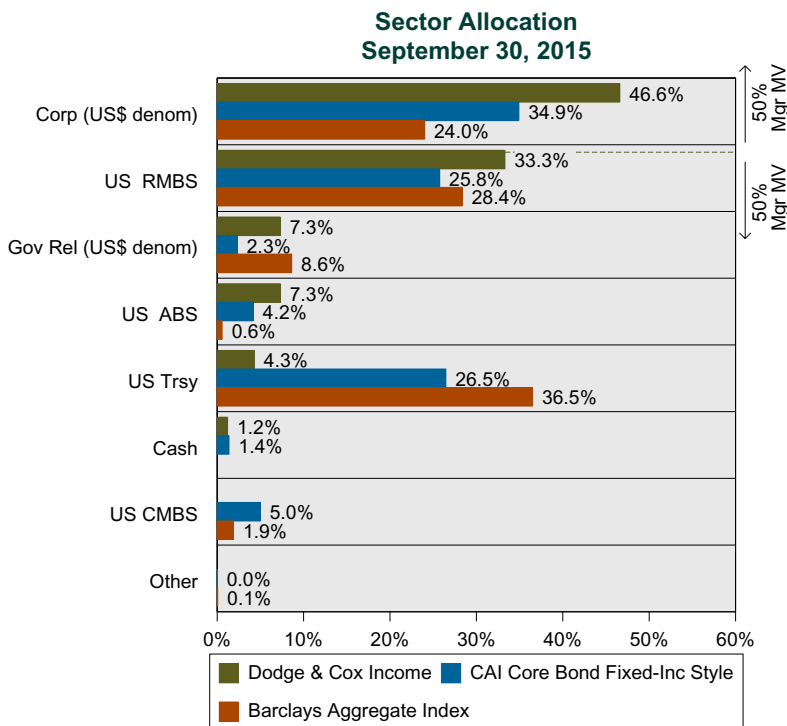
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed-Inc Style as of September 30, 2015



### 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.



# PIMCO

## Period Ended September 30, 2015

### Investment Philosophy

PIMCO emphasizes adding value by rotating through the major sectors of the domestic and international bond markets. They also seek to enhance returns through duration management.

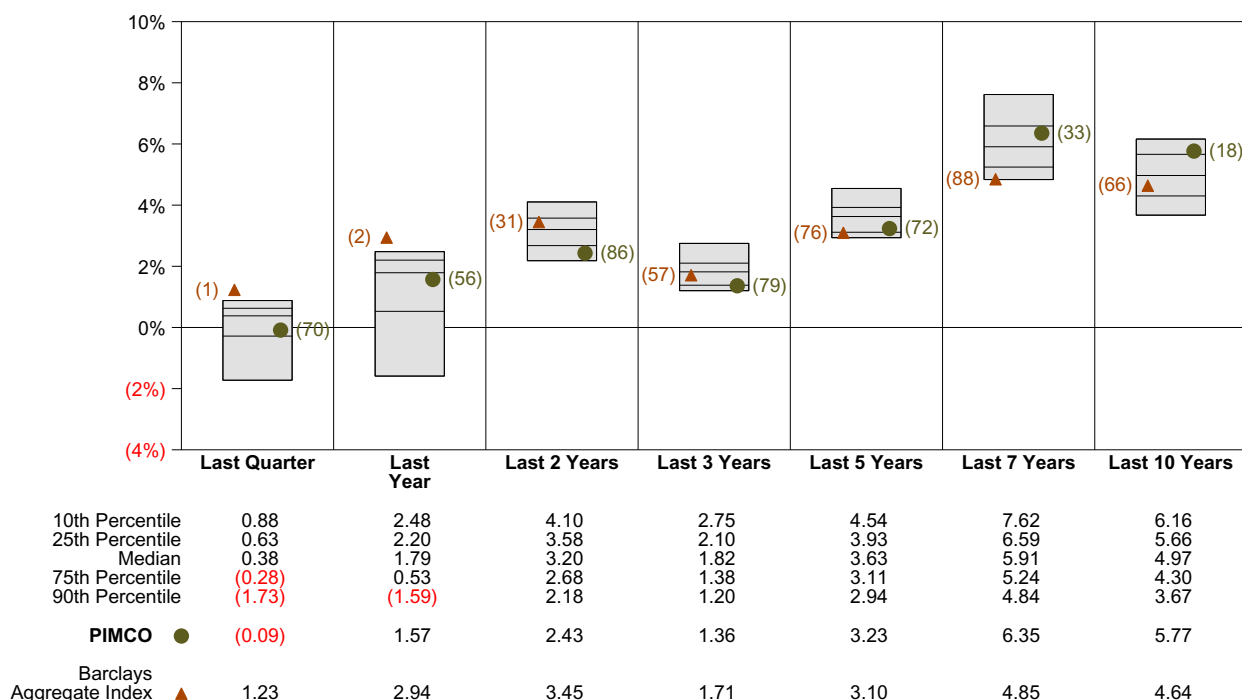
### Quarterly Summary and Highlights

- PIMCO's portfolio posted a (0.09)% return for the quarter placing it in the 70 percentile of the CAI MF - Core Plus Style group for the quarter and in the 56 percentile for the last year.
- PIMCO's portfolio underperformed the Barclays Aggregate Index by 1.32% for the quarter and underperformed the Barclays Aggregate Index for the year by 1.37%.

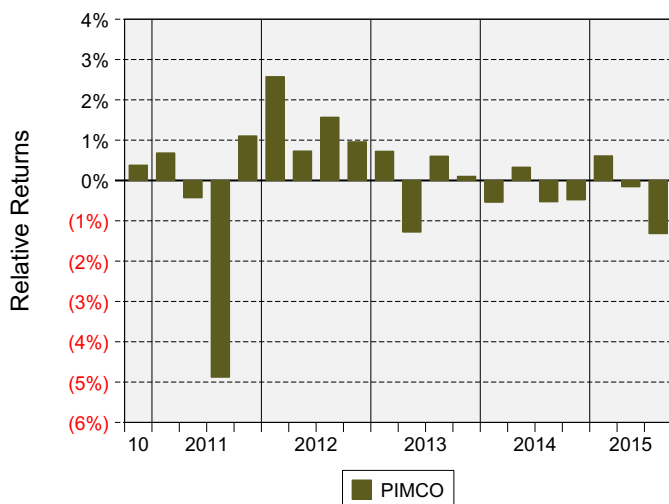
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$58,685,664 |
| Net New Investment        | \$-562,835   |
| Investment Gains/(Losses) | \$-47,317    |
| Ending Market Value       | \$58,075,512 |

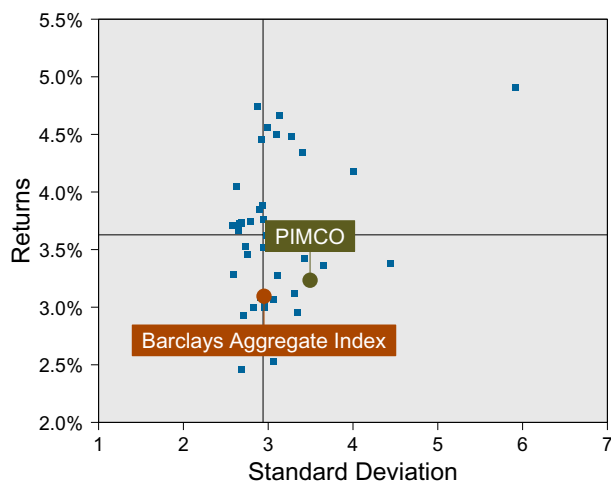
### Performance vs CAI MF - Core Plus Style (Net)



### Relative Return vs Barclays Aggregate Index



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



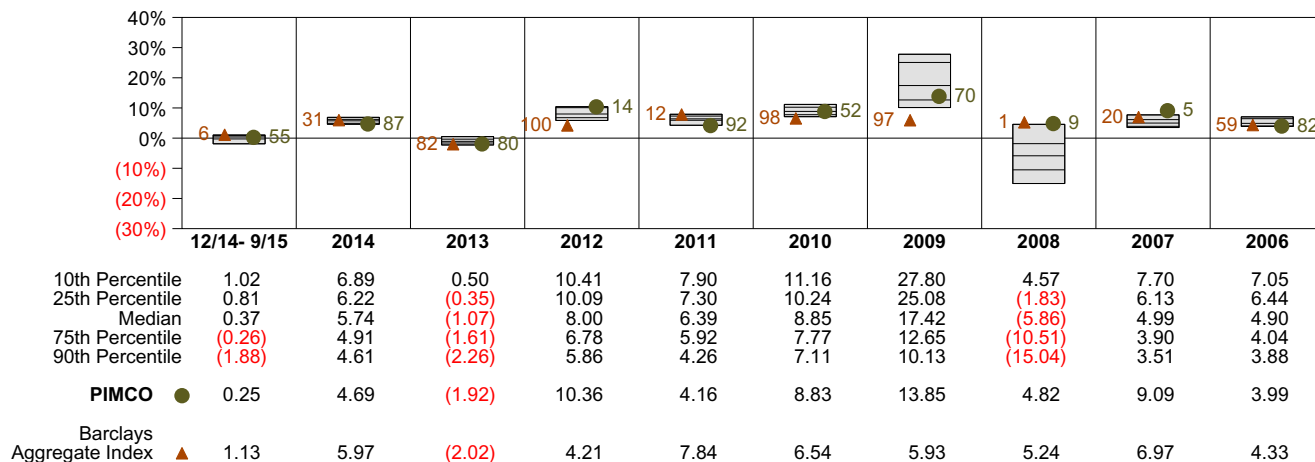
# PIMCO

## Return Analysis Summary

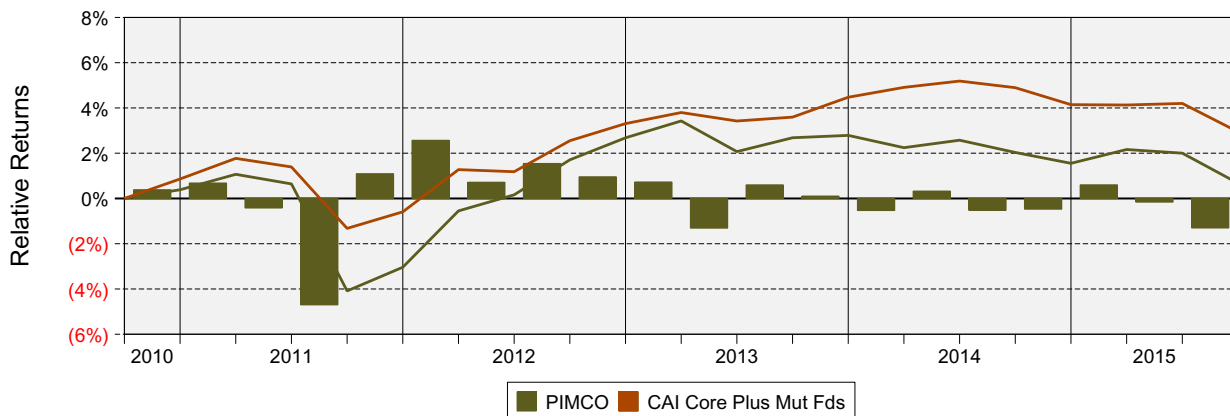
### Return Analysis

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 Plus Style (Net)



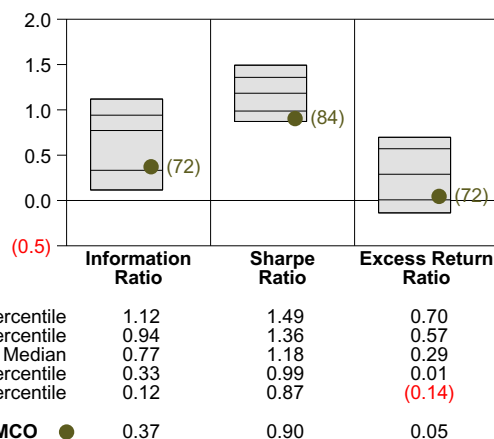
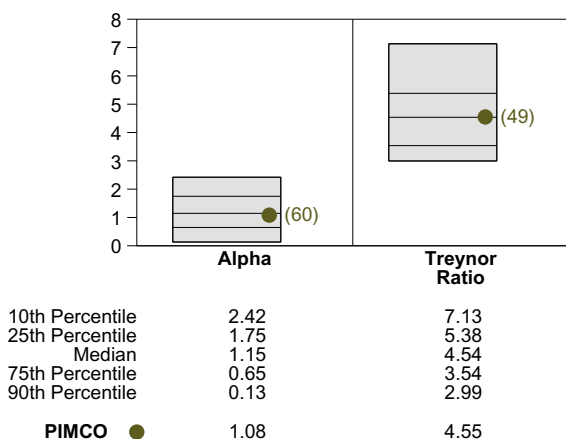
### Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



### Risk Adjusted Return Measures vs Barclays Aggregate Index

#### Rankings Against CAI MF - Core Plus Style (Net)

#### Five Years Ended September 30, 2015

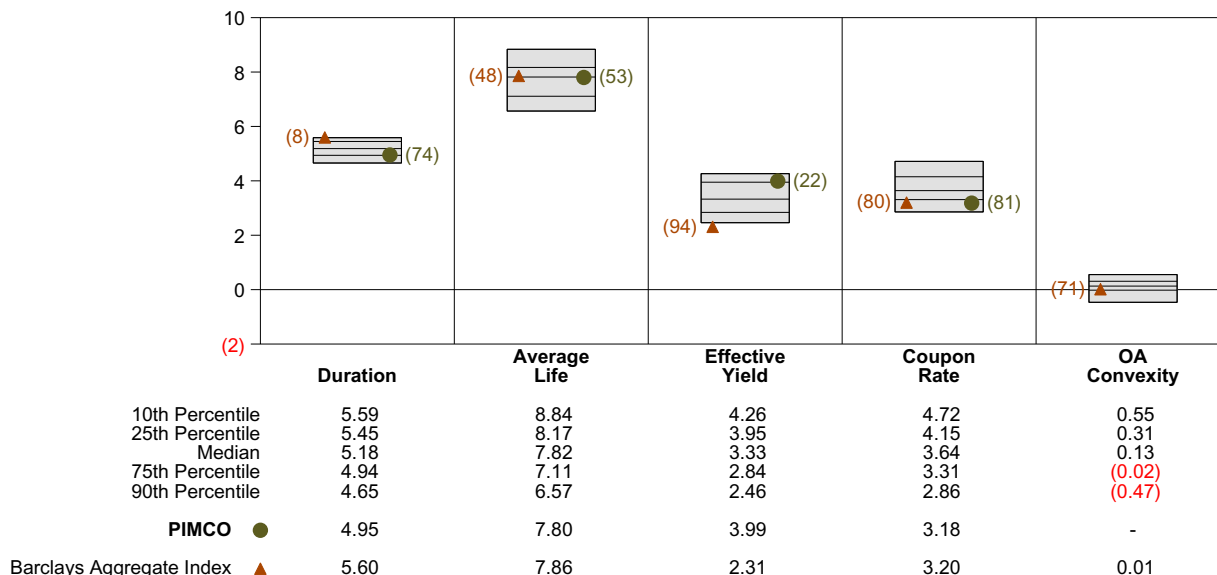


# PIMCO Bond Characteristics Analysis Summary

## Portfolio Characteristics

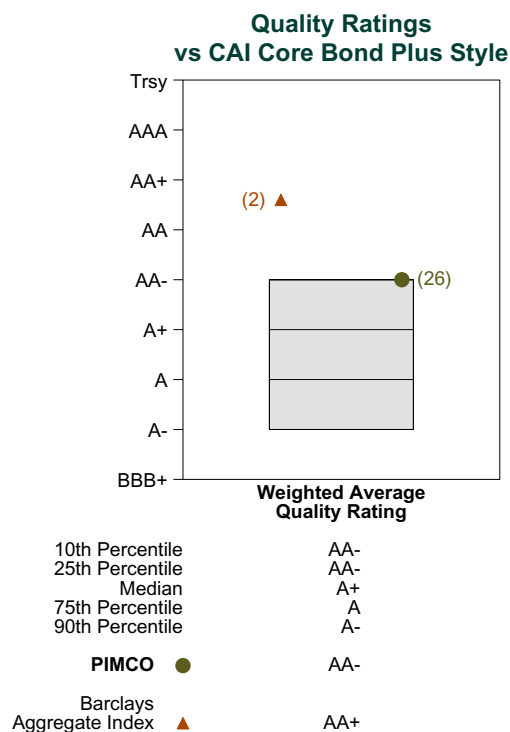
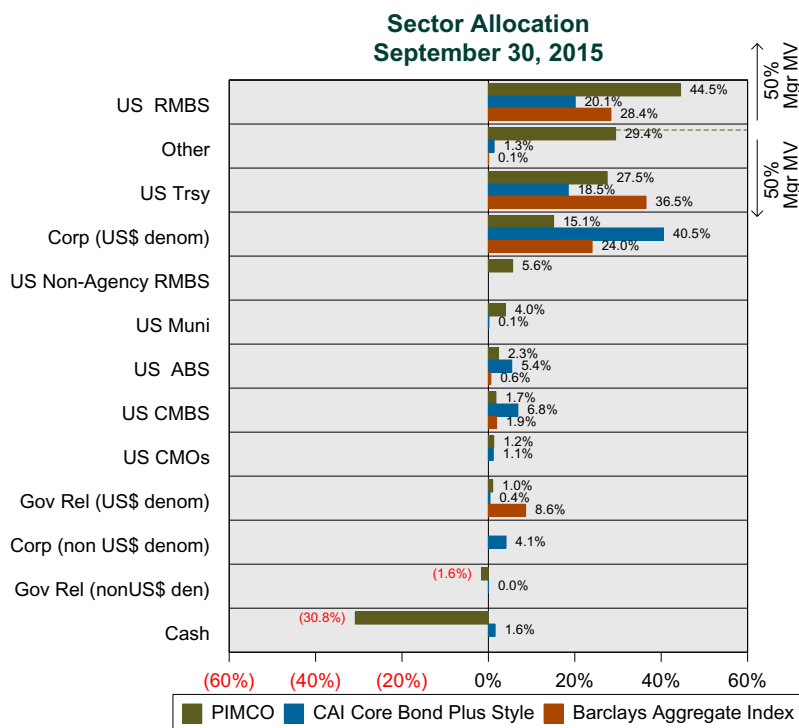
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Plus Style as of September 30, 2015



## 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.





## RREEF Public Period Ended September 30, 2015

### Investment Philosophy

RREEF Public Fund invests in Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs) using an active top down component accompanied with detailed bottom up analysis. RREEF believes underlying real estate fundamentals drive real estate securities returns and that proprietary research and deep resources can capitalize on market inefficiencies.

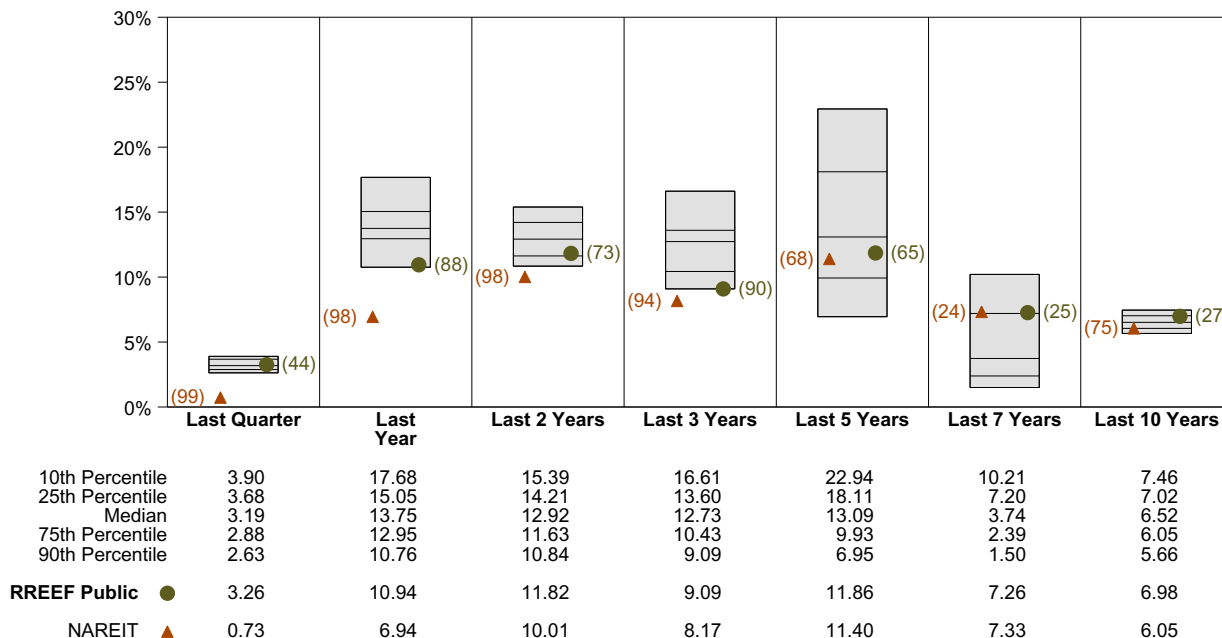
### Quarterly Summary and Highlights

- RREEF Public's portfolio posted a 3.26% return for the quarter placing it in the 44 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 88 percentile for the last year.
- RREEF Public's portfolio outperformed the NAREIT by 2.53% for the quarter and outperformed the NAREIT for the year by 4.00%.

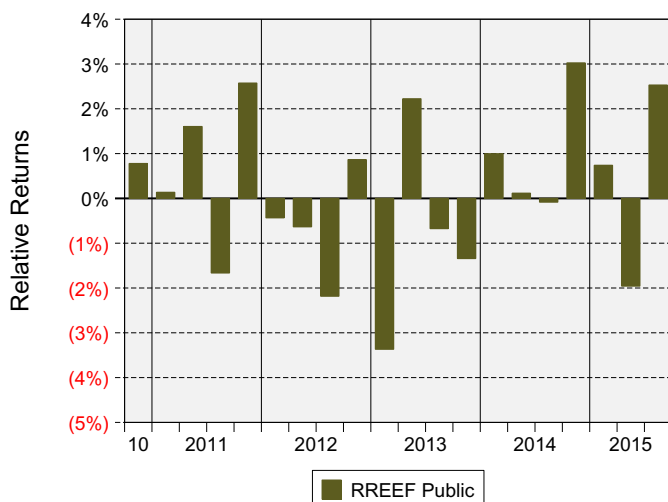
### Quarterly Asset Growth

|                           |             |
|---------------------------|-------------|
| Beginning Market Value    | \$7,967,998 |
| Net New Investment        | \$0         |
| Investment Gains/(Losses) | \$259,647   |
| Ending Market Value       | \$8,227,645 |

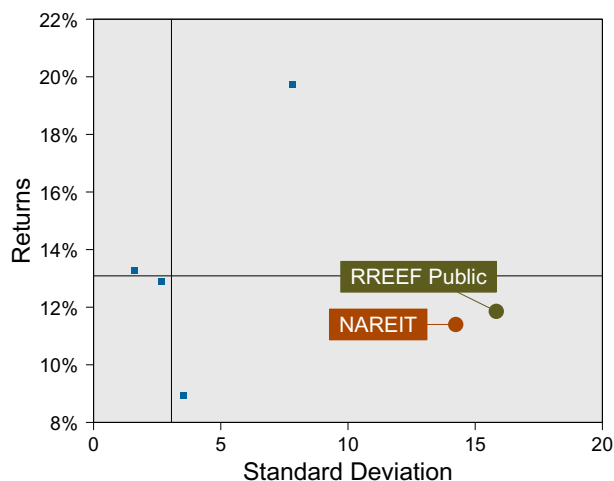
### Performance vs CAI Open-End Real Estate Funds (Net)



### Relative Return vs NAREIT



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





## RREEF Private Period Ended September 30, 2015

### Investment Philosophy

RREEF America II acquires 100 percent equity interests in small- to medium-sized (\$10 million to \$70 million) apartment, industrial, retail and office properties in targeted metropolitan areas within the continental United States. The fund capitalizes on RREEF's national research capabilities and market presence to identify superior investment opportunities in major metropolitan areas across the United States.

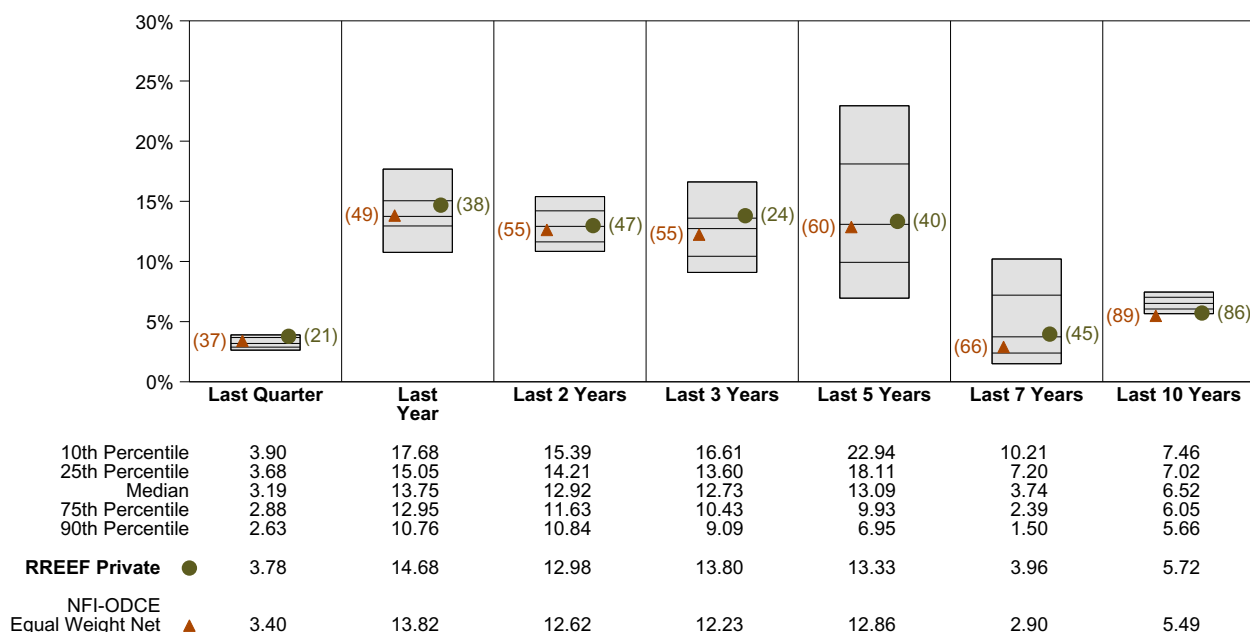
### Quarterly Summary and Highlights

- RREEF Private's portfolio posted a 3.78% return for the quarter placing it in the 21 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 38 percentile for the last year.
- RREEF Private's portfolio outperformed the NFI-ODCE Equal Weight Net by 0.38% for the quarter and outperformed the NFI-ODCE Equal Weight Net for the year by 0.86%.

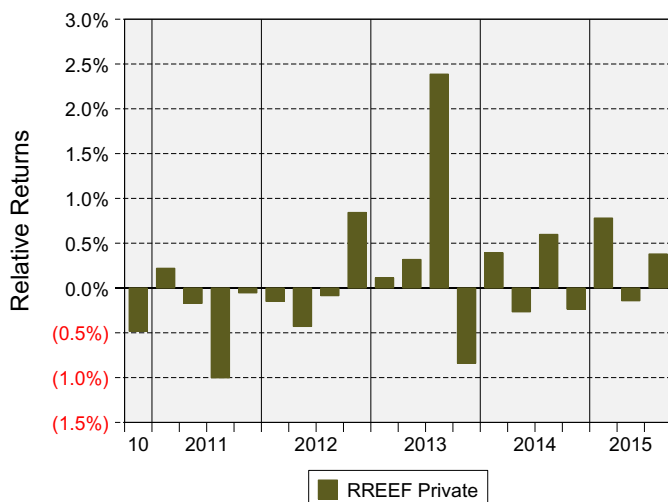
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$18,914,666 |
| Net New Investment        | \$0          |
| Investment Gains/(Losses) | \$715,214    |
| Ending Market Value       | \$19,629,880 |

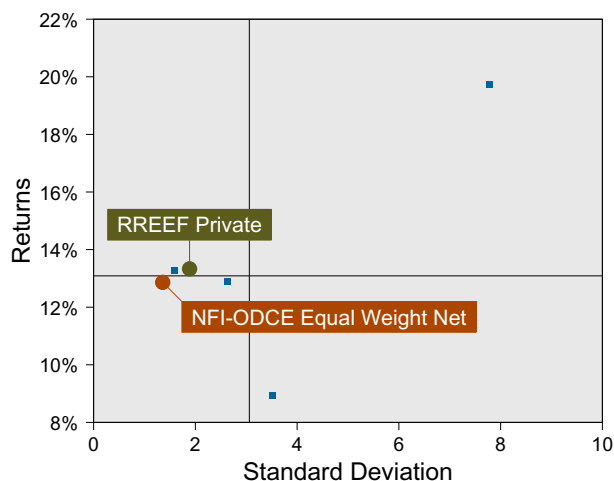
### Performance vs CAI Open-End Real Estate Funds (Net)



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



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



## Cornerstone Patriot Fund Period Ended September 30, 2015

### Investment Philosophy

Cornerstone believes that the investment strategy for the Patriot Fund is unique with the goal of achieving returns in excess of the benchmark index, the NFI-ODCE Index, with a level of risk associated with a core fund. The construct of the Fund relies heavily on input from Cornerstone Research, which provided the fundamentals for the investment strategy. Strategic targets and fund exposure which differentiate the Fund from its competitors with respect to both its geographic and property type weightings, and we believe will result in performance in excess of industry benchmarks over the long-term.

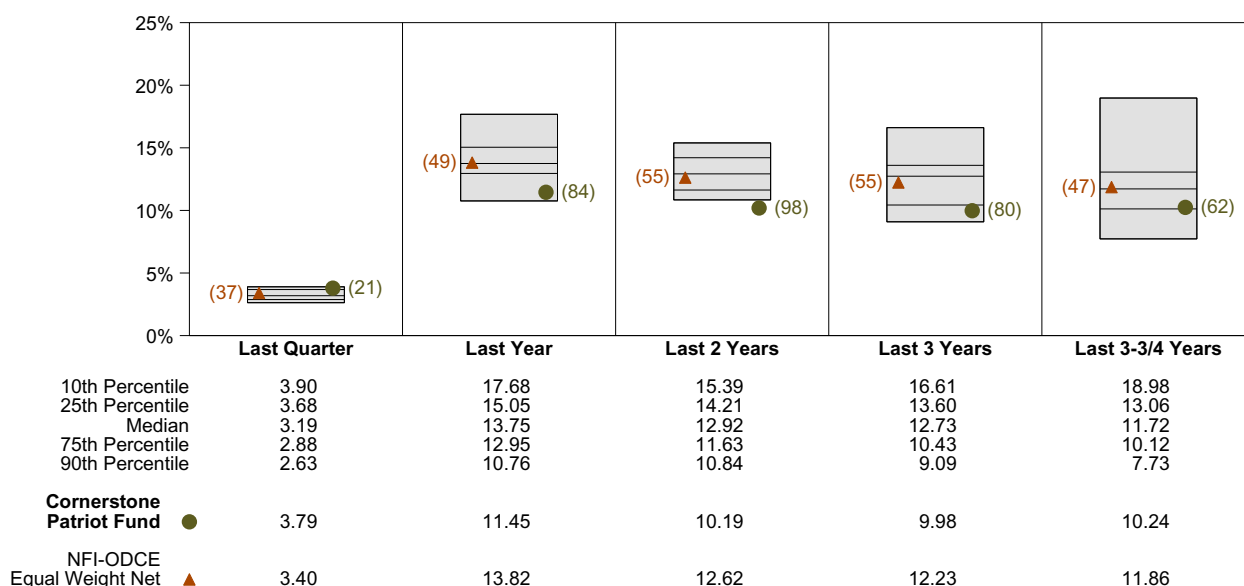
### Quarterly Summary and Highlights

- Cornerstone Patriot Fund's portfolio posted a 3.79% return for the quarter placing it in the 21 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 84 percentile for the last year.
- Cornerstone Patriot Fund's portfolio outperformed the NFI-ODCE Equal Weight Net by 0.39% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 2.37%.

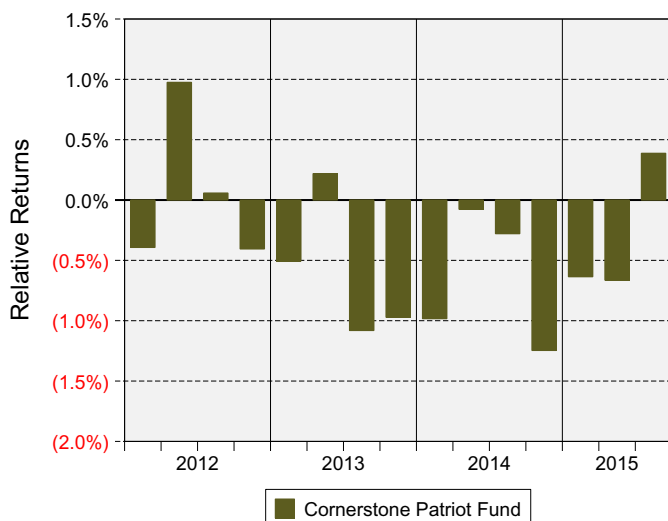
### Quarterly Asset Growth

|                           |              |
|---------------------------|--------------|
| Beginning Market Value    | \$13,888,006 |
| Net New Investment        | \$0          |
| Investment Gains/(Losses) | \$526,204    |
| Ending Market Value       | \$14,414,211 |

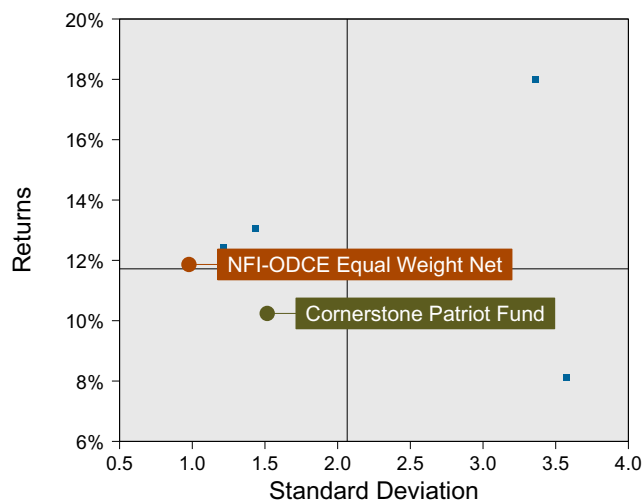
### Performance vs CAI Open-End Real Estate Funds (Net)



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



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





## Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs.

### Recent Research

Please visit [www.callan.com/research](http://www.callan.com/research) to see all of our publications.

**Fixed Income Benchmark Review** This annual report compares characteristics for Barclays, Citi, Credit Suisse, and JP Morgan fixed income indices versus various Callan Manager peer groups.

**Real Indicators: The Metrics of Real Estate** In this video, Avery Robinson, CAIA, discusses the development of real estate indicator metrics and what they say about the current market.

**The Education of Beta Video** Eugene Podkaminer, CFA, describes the reasons he decided to explore the topic of “smart beta”.



**The Education of Beta: Can Alternative Indexes Make Your Portfolio Smarter?** Reprinted in the Journal of Investing, Eugene Podkaminer explores how “smart beta” strategies are put together, how they have performed over the past decade, and how they can be used by investors.

**Real Assets Reporter, Summer/Fall 2015** Data and insights on real estate and other real asset investment topics, including listed infrastructure.

**Target Date Funds: Finding the Right Vehicle for the Road to Retirement** Author Jimmy Veneruso presents key findings and highlights some questions plan sponsors may consider when evaluating target date funds.

**Hedge Fund Monitor, 2nd Quarter 2015** Author Jim McKee's essay, Zen and the Art of Selling Short, including quarterly performance provides a snapshot of the asset class.

**Private Markets Trends, Summer 2015** Gary Robertson summarizes the market environment, recent events, performance, and other issues involving private equity.

**DC Observer, 2nd Quarter 2015** Cover story: What Do You See Through the Brokerage Window? Plus the Callan DC Index™.

**Summary, June Workshop: Fiduciary Tidal Wave, Navigating DC's Uncharted Waters** Shared observations from Callan's 2015 DC Trends Survey, client experiences, and case studies.

**Capital Market Review, 2nd Quarter 2015** Insights on the economy and recent performance in equities, fixed income, alternatives, real estate, and more.

**Inside Callan's Database, 2nd Quarter 2015** This report graphs performance and risk data from Callan's proprietary database alongside relevant market indices.



**Beating the Heat: Five Best Practices for Endowments and Foundations** Ellen Brownell presents five ways endowments and foundations can keep their cool when asset allocation conversations heat up.

**2015 Nuclear Decommissioning Funding Study** Author Julia Moriarty covers power utilities with an ownership interest in the operating and non-operating nuclear reactors in the U.S.

## Events

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



The **October Regional Workshop**, to be held October 21 in New York and October 22 in Atlanta, looks at where **Real Assets Meet the Real World**. In this workshop, we look at real assets' various roles in institutional portfolios. We dive into the challenges that arise during implementation—challenges as unique as investors themselves.

Also, save the date for our annual **National Conference** in San Francisco, January 25-27, 2016.

**For more information about research or educational events, please contact Anna West: 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

*Chicago, October 27-28, 2015*

*2016 dates TBD, please check our website for updates*

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 1000 Growth** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Growth** contains those Russell 2000 securities with a greater than average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earning ratios, lower dividend yields and higher forecasted growth values than the Value universe.

**Russell 2000 Value** contains those Russell 2000 securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earning ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

**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.

**Russell Mid Cap Growth** measures the performance of those Russell Mid Cap Companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index.

**Russell MidCap Value Index** The Russell MidCap Value index contains those Russell MidCap securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratio, higher dividend yields and lower forecasted growth values than the Growth universe.

**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

**Barclays Aggregate Bond Index** is a combination of the Mortgage Backed Securities Index and the intermediate and long-term components of the Government/Credit Bond Index.

**The NAREIT Composite Index** is a REIT index that includes all REITs currently trading on the NYSE, NASDAQ, or American Stock Exchange.



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## International Equity Market Indicators

**MSCI ACWI ex US Index** The MSCI ACWI ex US(All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the US. As of May 27, 2010 the MSCI ACWI consisted of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**Morgan Stanley Capital International (MSCI) EAFE Index** is composed of approximately 1000 equity securities representing the stock exchanges of Europe, Australia, New Zealand and the Far East. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

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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.

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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.

**Large Cap Growth** - Mutual Funds that invest mainly in large companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process. Invests in companies with P/E ratios, Price-to-Book values, Return-on-Assets values, Growth-in-Earnings values above the broader market. The companies typically have zero dividends or dividend yields below the broader market. Invests in securities which exhibit greater volatility than the broader market as measured by the securities' Beta and Standard Deviation.

**Large Cap Value** - Mutual funds that invest in predominantly large capitalization companies believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value. Valuation issues take precedence over near-term earnings prospects in the stock selection process. Invests in companies with P/E ratios and Price-to-Book values below the broader market. Usually exhibits lower risk than the broader market as measured by the Beta and Standard Deviation.

**Non-U.S. Equity** A broad array of active managers who employ various strategies to invest assets in a well-diversified portfolio of non-U.S. equity securities. This group consists of all Core, Core Plus, Growth, and Value international products, as well as products using various mixtures of these strategies. Region-specific, index, emerging market, or small cap products are excluded.

**Non-U.S. Equity Style Mutual Funds** - Mutual funds that invest their assets only in non-U.S. equity securities but exclude regional and index funds.

**Small Capitalization (Growth)** - Mutual funds that invest in small capitalization companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process. Invests in companies with P/E ratios, Price-to-Book values, and Growth-in-Earnings values above the broader market as well as the small capitalization market segment. The companies typically have zero dividends or dividend yields below the broader market. The securities exhibit greater volatility than the broader market as well as the small capitalization market segment as measured by the risk statistics beta and standard deviation.

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## Callan Associates Databases

**Small Capitalization (Value)** - Mutual funds that invest in small capitalization companies that are believed to be currently undervalued in the general market. Valuation issues take precedence over near-term earnings prospects in the stock selection process. The companies are expected to have a near-term earnings rebound and eventual realization of expected value. Invests in companies with P/E ratios, Return-on-Equity values, and Price-to-Book values below the broader market as well as the small capitalization market segment. The companies typically have dividend yields in the high range for the small capitalization market. Invests in securities with risk/reward profiles in the lower risk range of the small capitalization market.

### Fixed Income Funds

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

**Core Bond** - Mutual Funds that construct portfolios to approximate the investment results of the Barclays Capital Government/Credit Bond Index or the Barclays Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector and/or issue selection.

**Core Bond** - Managers who construct portfolios to approximate the investment results of the Barclays Capital Government/Credit Bond Index or the Barclays Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector and/or issue selection.

**Core Plus Bond** - Active managers whose objective is to add value by tactically allocating significant portions of their portfolios among non-benchmark sectors (e.g. high yield corporate, non-US\$ bonds, etc.) while maintaining majority exposure similar to the broad market.

### 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

**Public - Total** - consists of return and asset allocation information for public pension funds at the city, county and state level. The database is made up of Callan clients and non-clients.



## List of Managers That Do Business with Callan Associates Inc.

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. The list below is compiled and updated quarterly because we believe our fund sponsor clients should have a clear understanding of the investment management organizations that do business with our firm. As of 09/30/15, Callan provided educational, consulting, software, database, or reporting services to this list of managers through one or more of the following business units: Institutional Consulting Group, Independent Adviser Group and Fund Sponsor Consulting. Given the complex corporate and organizational ownership structures of investment management firms, parent and affiliate firm relationships are not listed here. The client list below may include names of parent companies who allow their affiliates to use some of the services included in their client contract (eg, educational services including published research and attendance at conferences and workshops). Affiliates will not be listed if they don't separately contract with Callan. Per strict policy these manager relationships do not affect the outcome or process by which any of Callan's services are conducted.

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

Clients should also be aware that Callan maintains an asset management division, the Trust Advisory Group (TAG). TAG specializes in the design, implementation and on-going management of multi-manager portfolios for institutional investors. Please refer to Callan's ADV Part 2A for a complete listing of TAG's portfolios. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios it oversees. Per company policy these requests are handled by TAG's senior management.

| Manager Name                                    | Educational Services | Consulting Services |
|---|----------------------|---------------------|
| 1607 Capital Partners, LLC                      |                      | Y                   |
| Aberdeen Asset Management                       | Y                    | Y                   |
| Acadian Asset Management, Inc.                  | Y                    |                     |
| Advisory Research                               | Y                    |                     |
| Affiliated Managers Group                       |                      | Y                   |
| AllianceBernstein                               | Y                    |                     |
| Allianz Global Investors U.S. LLC               | Y                    | Y                   |
| Allianz Life Insurance Company of North America |                      | Y                   |
| Altrinsic Global Advisors, LLC                  |                      | Y                   |
| American Century Investment Management          | Y                    |                     |
| Analytic Investors                              | Y                    |                     |
| Apollo Global Management                        | Y                    |                     |
| AQR Capital Management                          | Y                    |                     |
| Ares Management                                 | Y                    |                     |
| Ariel Investments                               | Y                    |                     |
| Aristotle Capital Management                    | Y                    |                     |
| Aronson + Johnson + Ortiz                       | Y                    |                     |
| Artisan Holdings                                |                      | Y                   |
| Atlanta Capital Management Co., L.L.C.          | Y                    | Y                   |
| Aviva Investors                                 | Y                    |                     |
| AXA Rosenberg Investment Management             | Y                    |                     |
| Babson Capital Management LLC                   | Y                    |                     |
| Baillie Gifford International LLC               | Y                    | Y                   |
| Baird Advisors                                  | Y                    | Y                   |
| Bank of America                                 |                      | Y                   |
| Baring Asset Management                         | Y                    |                     |
| Baron Capital Management                        | Y                    |                     |
| BlackRock                                       | Y                    |                     |
| BMO Asset Management                            | Y                    |                     |
| BNP Paribas Investment Partners                 | Y                    |                     |
| BNY Mellon Asset Management                     | Y                    | Y                   |
| Boston Company Asset Management, LLC (The)      | Y                    | Y                   |

## List of Managers That Do Business with Callan Associates Inc. (continued)

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| Manager Name  | Educational Services | Consulting Services |
|---|----------------------|---------------------|
| Boston Partners   | Y                    | Y                   |
| Brandes Investment Partners, L.P.                       | Y                    | Y                   |
| Brandywine Global Investment Management, LLC            | Y                    |                     |
| Brown Brothers Harriman & Company                       | Y                    |                     |
| Cadence Capital Management                              | Y                    |                     |
| Capital Group   | Y                    |                     |
| CastleArk Management, LLC                               |                      | Y                   |
| Causeway Capital Management                             | Y                    |                     |
| Central Plains Advisors, Inc.                           |                      | Y                   |
| Chartwell Investment Partners                           | Y                    |                     |
| ClearBridge Investments, LLC (fka ClearBridge Advisors) | Y                    |                     |
| Cohen & Steers  | Y                    | Y                   |
| Columbia Management Investment Advisors, LLC            | Y                    | Y                   |
| Columbus Circle Investors                               | Y                    | Y                   |
| Corbin Capital Partners                                 | Y                    |                     |
| Cornerstone Investment Partners, LLC                    | Y                    |                     |
| Cramer Rosenthal McGlynn, LLC                           | Y                    |                     |
| Crawford Investment Council                             |                      | Y                   |
| Credit Suisse Asset Management                          | Y                    |                     |
| Crestline Investors                                     | Y                    | Y                   |
| Cutwater Asset Management                               | Y                    |                     |
| DB Advisors   | Y                    | Y                   |
| DE Shaw Investment Management LLC                       | Y                    |                     |
| Delaware Investments                                    | Y                    | Y                   |
| DePrince, Race & Zollo, Inc.                            | Y                    | Y                   |
| Deutsche Asset & Wealth Management                      | Y                    | Y                   |
| Diamond Hill Investments                                | Y                    |                     |
| Donald Smith & Co., Inc.                                | Y                    |                     |
| DSM Capital Partners                                    |                      | Y                   |
| Duff & Phelps Investment Mgmt.                          | Y                    | Y                   |
| Eagle Asset Management, Inc.                            |                      | Y                   |
| EARNEST Partners, LLC                                   | Y                    |                     |
| Eaton Vance Management                                  | Y                    | Y                   |
| Epoch Investment Partners                               | Y                    |                     |
| Fayez Sarofim & Company                                 |                      | Y                   |
| Federated Investors                                     | Y                    | Y                   |
| Fir Tree Partners                                       | Y                    |                     |
| First Eagle Investment Management                       | Y                    |                     |
| First Hawaiian Bank                                     |                      | Y                   |
| First State Investments                                 | Y                    |                     |
| Fisher Investments                                      | Y                    |                     |
| Franklin Templeton                                      | Y                    | Y                   |

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| Manager Name  | Educational Services | Consulting Services |
|---|----------------------|---------------------|
| Fred Alger Management Co., Inc.                               | Y                    |                     |
| Fuller & Thaler Asset Management                              | Y                    |                     |
| GAM (USA) Inc.  | Y                    |                     |
| Garcia Hamilton & Associates                                  | Y                    |                     |
| GE Asset Management   | Y                    | Y                   |
| Geneva Capital Management                                     | Y                    |                     |
| Goldman Sachs Asset Management                                | Y                    | Y                   |
| Grand-Jean Capital Management                                 | Y                    | Y                   |
| GMO (fka Grantham, Mayo, Van Otterloo & Co., LLC)             | Y                    |                     |
| Great Lakes Advisors, Inc.                                    |                      | Y                   |
| The Guardian Life Insurance Company of America                |                      | Y                   |
| Guggenheim Investments Asset Management (fka Security Global) | Y                    |                     |
| The Hampshire Companies                                       | Y                    |                     |
| Harbor Capital  |                      | Y                   |
| Hartford Funds  | Y                    |                     |
| Hartford Investment Management Co.                            | Y                    | Y                   |
| Heightman Capital Management Corporation                      |                      | Y                   |
| Henderson Global Investors                                    | Y                    | Y                   |
| Hotchkis & Wiley  | Y                    |                     |
| HSBC Global Asset Management                                  | Y                    |                     |
| Income Research & Management                                  | Y                    |                     |
| Insight Investment Management                                 |                      | Y                   |
| Institutional Capital LLC                                     | Y                    |                     |
| INTECH Investment Management                                  | Y                    |                     |
| Invesco   | Y                    | Y                   |
| Investec Asset Management                                     | Y                    |                     |
| Jacobs Levy Equity Management                                 |                      | Y                   |
| Janus Capital Group (fka Janus Capital Management, LLC)       | Y                    | Y                   |
| Jensen Investment Management                                  |                      | Y                   |
| J.M. Hartwell   | Y                    |                     |
| J.P. Morgan Asset Management                                  | Y                    | Y                   |
| KeyCorp   |                      | Y                   |
| Lazard Asset Management                                       | Y                    | Y                   |
| LMCG Investments (fka Lee Munder Capital Group)               | Y                    |                     |
| Legal & General Investment Management America                 | Y                    |                     |
| Lincoln National Corporation                                  |                      | Y                   |
| Logan Circle Partners, L.P.                                   | Y                    |                     |
| The London Company  | Y                    |                     |
| Longview Partners   | Y                    |                     |
| Loomis, Sayles & Company, L.P.                                | Y                    | Y                   |
| Lord Abbett & Company   | Y                    | Y                   |
| Los Angeles Capital Management                                | Y                    |                     |



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| Manager Name  | Educational Services | Consulting Services |
|---|----------------------|---------------------|
| LSV Asset Management                                | Y                    |                     |
| Lyrical Partners                                    | Y                    |                     |
| MacKay Shields LLC                                  | Y                    | Y                   |
| Man Investments                                     | Y                    |                     |
| Manulife Asset Management                           | Y                    |                     |
| Martin Currie                                       | Y                    |                     |
| Marvin & Palmer Associates, Inc.                    | Y                    |                     |
| MFS Investment Management                           | Y                    | Y                   |
| MidFirst Bank                                       |                      | Y                   |
| Mondrian Investment Partners Limited                | Y                    | Y                   |
| Montag & Caldwell, Inc.                             | Y                    | Y                   |
| Morgan Stanley Alternative Investment Partners      | Y                    |                     |
| Morgan Stanley Investment Management                | Y                    | Y                   |
| Mount Lucas Management LP                           | Y                    |                     |
| Mountain Lake Investment Management LLC             |                      | Y                   |
| MUFG Union Bank, N.A.                               |                      | Y                   |
| Neuberger Berman, LLC (fka, Lehman Brothers)        | Y                    | Y                   |
| Newton Capital Management                           | Y                    |                     |
| Northern Lights Capital Group                       |                      | Y                   |
| Northern Trust Global Investment Services           | Y                    | Y                   |
| Nuveen Investments Institutional Services Group LLC | Y                    |                     |
| Old Mutual Asset Management                         | Y                    | Y                   |
| OppenheimerFunds, Inc.                              | Y                    |                     |
| Pacific Investment Management Company               | Y                    |                     |
| Palisade Capital Management LLC                     | Y                    |                     |
| Paradigm Asset Management                           | Y                    |                     |
| Parametric Portfolio Associates                     | Y                    |                     |
| Peregrine Capital Management, Inc.                  | Y                    | Y                   |
| Philadelphia International Advisors, LP             | Y                    |                     |
| PineBridge Investments (formerly AIG)               | Y                    |                     |
| Pinnacle Asset Management                           | Y                    |                     |
| Pioneer Investment Management, Inc.                 | Y                    |                     |
| PNC Capital Advisors (fka Allegiant Asset Mgmt)     | Y                    | Y                   |
| Polen Capital Management                            | Y                    |                     |
| Principal Financial Group                           |                      | Y                   |
| Principal Global Investors                          | Y                    | Y                   |
| Private Advisors                                    | Y                    |                     |
| Prudential Fixed Income Management                  | Y                    |                     |
| Prudential Investment Management, Inc.              | Y                    | Y                   |
| Putnam Investments, LLC                             | Y                    | Y                   |
| Pzena Investment Management, LLC                    | Y                    |                     |
| Pyramis Global Advisors                             | Y                    |                     |

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| Manager Name                                      | Educational Services | Consulting Services |
|---|----------------------|---------------------|
| Rainier Investment Management                     | Y                    |                     |
| RBC Global Asset Management (U.S.) Inc.           | Y                    | Y                   |
| Research Affiliates                               |                      | Y                   |
| Regions Financial Corporation                     |                      | Y                   |
| RCM   |                      | Y                   |
| Rothschild Asset Management, Inc.                 | Y                    | Y                   |
| RS Investments                                    | Y                    |                     |
| Russell Investment Management                     | Y                    |                     |
| Sankaty Advisors, LLC                             | Y                    |                     |
| Santander Global Facilities                       |                      | Y                   |
| Schroder Investment Management North America Inc. | Y                    | Y                   |
| Scout Investments                                 | Y                    |                     |
| SEI Investments                                   |                      | Y                   |
| SEIX Investment Advisors, Inc.                    | Y                    |                     |
| Select Equity Group                               | Y                    |                     |
| Smith Affiliated Capital Corporation              | Y                    |                     |
| Smith Graham and Company                          |                      | Y                   |
| Smith Group Asset Management                      |                      | Y                   |
| Standard Life Investments                         | Y                    |                     |
| Standish (fka, Standish Mellon Asset Management)  | Y                    |                     |
| State Street Global Advisors                      | Y                    |                     |
| Stone Harbor Investment Partners, L.P.            | Y                    | Y                   |
| Systematic Financial Management                   | Y                    |                     |
| T. Rowe Price Associates, Inc.                    | Y                    | Y                   |
| Taplin, Canida & Habacht                          | Y                    |                     |
| Timberland Investment Resources                   | Y                    |                     |
| TCW Asset Management Company                      | Y                    |                     |
| Thompson, Siegel & Walmsley LLC                   | Y                    |                     |
| USAA Real Estate Company                          | Y                    |                     |
| Van Eck   | Y                    |                     |
| Versus Capital Group                              |                      | Y                   |
| Victory Capital Management Inc.                   | Y                    |                     |
| Vontobel Asset Management                         | Y                    |                     |
| Voya Investment Management (fka ING)              | Y                    |                     |
| Vulcan Value Partners, LLC                        |                      | Y                   |
| Waddell & Reed Asset Management Group             | Y                    | Y                   |
| WCM Investment Management                         | Y                    |                     |
| WEDGE Capital Management                          |                      | Y                   |
| Wellington Management Company, LLP                | Y                    |                     |
| Wells Capital Management                          | Y                    |                     |
| Wells Fargo Private Bank                          |                      | Y                   |
| Western Asset Management Company                  | Y                    |                     |

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|---------------------------|----------------------|---------------------|
| William Blair & Co., Inc. | Y                    | Y                   |