



TOWN OF PALM BEACH

TENTATIVE AGENDA: SUBJECT TO REVISION

**INVESTMENT ADVISORY COMMITTEE MEETING
COUNCIL CHAMBERS
SECOND FLOOR, TOWN HALL
360 SOUTH COUNTY ROAD**

**AUGUST 19, 2016
2:30 P.M.
WELCOME!**

- I. CALL TO ORDER AND ROLL CALL
 - Dr. Michael Andrews, Chairman
 - Mr. Andrew Frazier
 - Mr. Kevin McCluskey
 - Mr. Bernard R. Panfel
 - Mr. Chris Storkerson
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF AGENDA
- IV. COMMUNICATION FROM CITIZENS
- V. APPROVAL OF MINUTES
 - a. MINUTES FROM MAY 20, 2016 MEETING
- VI. PRIME BUCHHOLZ - QUARTERLY PERFORMANCE UPDATE
[Sean Higman, Prime Buchholz]
 - a. Allocation of Additional Contribution to the Trust Fund
- VII. PFM ASSET MANAGEMENT – QUARTERLY PERFORMANCE UPDATE
[Scott Stitcher, PFM Asset Management]
- VIII. JUNE INVESTMENT REPORT
- IX. UPDATE ON EXECUTIVE SESSION REQUEST

- X. NEXT MEETING: NOVEMBER 18, 2016 AT 2:30PM
- XI. ANY OTHER MATTERS
- XII. ADJOURNMENT

PLEASE TAKE NOTE:

The progress of this meeting maybe monitored by visiting the Town's web site, (www.townofpalmbeach.com) and clicking on the "meeting Audio" in the left column. If you have questions regarding that feature, please contact the Office of Information Systems (561) 227-6315. The audio recording for this meeting will appear within 24 hours after the conclusion of the meeting.

Disabled persons who need an accommodation in order to participate in the Investment Advisory Committee meeting are requested to contact the Town Manager's Office at 838-5410 or through the Florida Relay Service by dialing 1-800-955-8770 for voice callers or 1-800-955-8771 for TDD callers, at least two (2) working days before this meeting.

**MINUTES OF THE INVESTMENT ADVISORY COMMITTEE MEETING
HELD ON FRIDAY, MAY 20, 2016**

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee meeting was called to order on Friday, May 20, 2016, at 2:30 p.m., in the Emergency Operations Center. On roll call, all members were found to be present, a quorum was present.

II. PLEDGE OF ALLEGIANCE

Chairman Andrews led the Pledge of Allegiance.

III. INTRODUCTION OF NEW COMMITTEE MEMBER

- a. Andrew Frazier

IV. ANNUAL ELECTION OF CHAIRMAN AND VICE CHAIRMAN

- a. Chairman Andrews was nominated to serve another term by Vice Chairman Panfel. The nomination was seconded by Committee member McCluskey.
- b. Vice Chairman Panfel was nominated by Chairman Andrews to serve another term. The nomination was seconded by Committee member Frazier.

V. APPROVAL OF AGENDA

A motion was made to move Prime Buchholz down on the agenda as Sean Higman had been delayed. By consensus of the Committee present, the Agenda was approved.

VI. COMMUNICATION FROM CITIZENS – *None*

VII. APPROVAL OF MINUTES

- a. MINUTES FROM FEBRUARY 19, 2016 MEETING

By consensus of the Committee present, the February 19, 2016, meeting minutes were approved.

VIII. FLORIDA LEAGUE OF CITIES (FMIvT) QUARTERLY PERFORMANCE REPORT

Jeff Blomley, Florida League of Cities, and Jim Womack, Atlanta Capital were in attendance. Mr. Womack provided an update on performance for the last quarter, including a steep decline in interest rates and strong absolute performance. Indications for a stronger second quarter are driven by a healthy labor market, inflation and 2.6% GDP. Chairman Andrews inquired on a possible second increase in interest rates if a June rate hike occurs. Mr. Womack confirmed there is a large possibility of another interest rate increase if there is one in June without market volatility. Committee member Frazier inquired about the 3.5%-4.0% glide path, asking Mr. Womack if he believes it will maintain 3.5%-4.0%. Mr. Womack believes the new norm will be 2.5% - 3.0%

IX. PRIME BUCHHOLZ - QUARTERLY PERFORMANCE UPDATE

[Sean Higman, Prime Buchholz]

Sean Higman, Prime Buchholz, provided an overview of the Town's quarterly performance. There was concern from the committee about the consistent poor performance that Prime Buchholz has given. Committee member McCluskey and Vice Chairman Panfel both expressed concern about underperformance. Sean Higman expressed that Prime Buchholz is going to stand behind the IAC philosophy of a diversified portfolio. Chairman Andrews inquired that in one year from now would the portfolio be substantially different in regard to asset allocation. To which Sean Higman replied, not likely. Finance Director Jane Struder stated that at both Town Council meetings and at Retirement Board meetings, it has been said that the Town cannot expect anything better than a 4%-5% return over the next ten years, in which, Sean Higman agreed. Ms. Struder also mention that at the end of the year there would be \$750,000 - \$1,000,000 available to contribute to this fund. Chairman Andrews asked Sean Higman to present a proposal at the August 19, 2016 meeting as to where that funding can be invested.

(Clerk's Note: Committee Members McCluskey and Storkerson exited 3:44pm)

X. PFM ASSET MANAGEMENT – QUARTERLY PERFORMANCE UPDATE

[Scott Stitcher, PFM Asset Management]

Scott Stitcher gave an overview of performance on the last quarter. Committee member Frazier clarified the management fee is six basis points. Scott Stitcher stated that treasury and corporate looks good, resulting in a positive overall performance of portfolio. Chairman Andrews confirmed with Mr. Stitcher that PFM does not self-rate

the credit quality of the portfolio. Scott Stitche confirmed that they don't do self-ratings but they also don't let the ratings drive the investment decisions. Chairman Andrews inquired whether PFM buys short-term investments, and are they only to fruition. Scott Stitche replied, not necessarily. They will actively trade the portfolio to improve credit quality without compromise. On a trading standpoint it was a quiet quarter.

Mr. Stitche proposed an alternative money market fund to the PFM Prime Fund, the Florida Education Investment Trust Fund (FEITF), which would provide a yield advantage to the Town. Committee member Frazier noted that the increase of the spread will be beneficial in the FEITF. Committee member Frazier made a motion to accept Scott Stitche's recommendation and Vice Chairman Panfel seconded that motion. Scott Stitche recommended the Town join the trust. The IAC would need to get approval from the Town Council, after which CD investments would also become available.

XI. UPDATE ON RFP RESULTS FOR PENSION BOARD ADVISEMENT CONSULTANT

Chairman Andrews asked Ms. Jane Struder for a review on why Retirement Board picked Bogdahn. An RFP was issued; six proposals were received. Of those six they invited three in for interviews and as a result chose Bogdahn. Due to the fact that today was the first meeting of the Retirement board, with the new consultant, there is nothing to report as they are in transition from Segal Rogerscasey.

The IAC does have the ability to piggy back on the Retirement Board RFP. Vice Chairman Panfel asked when the next Retirement Board meeting is scheduled. Ms. Struder stated that typically, they fall on the same day as the IAC meetings. At Chairman Andrews request for clarification, Ms. Struder stated that while Bogdahn was chosen a month prior to the Retirement Board's August meeting, the information presented would be from Segal Rogerscasey, due to the transition.

Bogdahn will come back to the next Retirement Board meeting with recommendations on changes to the portfolio as well as money manager changes that may be made.

Chairman Andrews asked the IAC board members if they understood the handout. Chairman Andrews recommended that it would be best in the future that an RFP be obtained for future changes within the IAC.

XII. MARCH INVESTMENT REPORT

Assistant Finance Director, Cheryl Somers, reviewed the March Investment Report. To date, there have been \$659,000 in returns. In the preliminary draft report there are about \$80,000 in returns for April. Total investment balance was \$132 million as of the end of the March. Chairman Andrews asked if CD rates were frequently checked. Ms. Somers responded that quotes are always obtained when purchasing CDs and other fixed income investments through PFM. Vice-Chair Panfel asked if the Town was still holding CDs

1 with Bank United, Ms. Somers responded yes. Ms. Somers indicated that two
2 formatting changes will be included in the April report per Mr. Frazier's request: a new
3 schedule reflecting an inventory of CD holdings and a breakdown by holding will be
4 included on the Portfolio Composition by Source of Funds schedule.
5
6

7 **XIII. NEXT MEETING AUGUST 19, 2016 AT 2:30PM**

- 8
9 a. NEXT MEETING: AUGUST 19, 2016 AT 2:30PM
10 b. Committee Member Fraizer, will not be at the August meeting. Chairman Andrews
11 asked that a letter be submitted to that effect.
12

13 **XIV. ANY OTHER MATTERS**

- 14
15 a. Request for an Executive Session after meetings was made by Andrew Frazier,
16 which will be reviewed by the Town attorney.
17

18 **XV. ADJOURNMENT**

19
20 There being no further business, the May 20, 2016 Investment Advisory Committee
21 meeting was adjourned at 4:40 p.m.
22

23 APPROVED:

24
25
26
27 _____
28 Dr. Michael F. Andrews, Chairman



CONSULTING TEAM

Sean Higman
Jon Prime
George Hauptfuhrer

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PERFORMANCE ANALYST

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Second Quarter 2016

INVESTMENT PERFORMANCE ANALYSIS

Town of Palm Beach Health Insurance Trust

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Market Environment

Growth in the U.S. slowed from 1.4% in the fourth quarter of 2015 to 1.1% in the first quarter of 2016, according to economic data released during the second quarter. While China decelerated to 4.5% from the previous quarter and Japan reported a 1.9% growth rate, Europe improved to 2.2%. This was driven by Germany, France, and a surprising 3.1% return from Spain. Meanwhile, Greece (−1.9%) and Italy (+1.0%) continued to lag. India (+9.6%), Ireland (+11.5%), and Chile (+5.3%) delivered strong growth as did Sweden (+2.0%) and Norway (+4.0%). Elsewhere, countries such as Venezuela (−8.4%), Ukraine (−8.3%), Brazil (−1.1%), and South Africa (−1.1%) continued to struggle.

Central banks were fairly quiet in the early months of the second quarter. The Federal Reserve, Bank of Japan (BoJ), and European Central Bank (ECB) all kept policy rates on hold. Fed officials left a June rate hike on the table, but acknowledged uncertainty regarding the U.S. and global macro picture, which may impede the path of rate hikes. Market expectations of a Fed rate hike lessened as sovereign yields moved lower and—in the case of Europe—farther into negative territory, and as speculation grew that the BoJ and ECB would need to ease further. As June came to a close, Britons surprised markets by voting for a U.K. exit from the European Union (EU). The Bank of England (BoE) was quick to respond with the promise of liquidity injections and investors started to price in a BoE rate cut in the near future.

Inflation across the Organisation for Economic Cooperation and Development (OECD) countries was a modest 0.8% over the 12-month period ended May 2016. The euro area remained particularly low at −0.1%, with declines in Spain (−1.0%), Greece (−1.0%), and Italy (−0.3%) offsetting gains in Belgium (+2.2%) and Germany (+0.1%), and no movement in France. The highest inflationary pressure occurred in Brazil (+9.3%), Colombia (+8.2%), and Russia (+7.3%). India (+6.6%), Turkey (+6.6%), and South Africa (+6.5%) were elevated as well. U.S. Bureau of Labor Statistics data for this time period reflected the dramatic decline in energy prices, with headline CPI being up 1.0% over the 12-month period. Excluding food and energy, U.S. prices were up 2.2%.

Unemployment across OECD countries was 6.3% at the end of May 2016. The euro area remained elevated at 10.1%, with Spain (19.8%), Portugal (11.6%), and Italy (11.5%) showing improvements but maintaining the highest rates of unemployment. Generally, the lowest unemployment rates occurred outside of the euro area, including Japan (3.2%), South Korea (3.7%), Mexico (4.1%), Iceland (3.1%), and the U.S. (4.7%). U.S. job creation continued to trend upward, and many pointed to the economy nearing full unemployment with very little slack in the system. The labor participation rate, while still at low levels, showed signs of improvement in recent months.

The Federal Housing Finance Agency (FHFA) seasonally-adjusted, Purchase-Only House Price Index rose 1.3% during the first quarter, the 19th consecutive increase. Over the past year, home prices rose 5.7% with gains in every state and Washington, D.C. The FHFA stated home price appreciation was not as widespread as previous quarters with 12 states and Washington, D.C. posting modest price declines.

West Texas Intermediate (WTI) crude prices gained 26.1% to end the second quarter at \$48.33 per barrel, while Brent crude rose 23.3% to \$49.71. As a result, the spread between WTI and Brent narrowed from \$1.99 at first quarter-end to \$1.38 at second quarter-end. Natural gas prices rallied, ending the quarter up 46.5% to \$2.90.

Gold prices rose 6.8%, ending the second quarter at \$1,318.40/ozt. Investors sought safety and a store of value in the form of hard assets following the uncertainty that emerged after the Brexit vote and the growing size of negative-yielding sovereign debt. Outside of the U.S., unorthodox policy measures may expand, while the Fed may be unable to increase rates as quickly as it hoped.

The Dollar Spot Index (DXY) rose 1.4% as weakness in five of the six constituents—British pound (−7.0%), Swedish krona (−4.3%), euro (−2.5%), Swiss franc (−1.7%), and the Canadian dollar (−0.4%)—more than offset the Japanese yen rally (+9.6%). The Brexit referendum caused a flight to the U.S. dollar (USD) and the yen as European currencies traded lower.

Historical Returns

Second Quarter 2016

Equity Index Returns							Fixed Income Index Returns							Illiquid Partnerships						
	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
S&P 500	2.5	4.0	5.7	11.7	12.1	7.4	LIBOR US 3m	0.2	0.5	0.4	0.3	0.4	1.4	Private Real Assets (as of 3/31/2016)						
CRSP US Total Market	2.7	2.1	4.6	11.1	11.6	7.6	Citigroup 3m T-Bill	0.1	0.1	0.1	0.1	0.1	1.0	NCREIF Property Index	2.2	11.8	12.3	11.9	11.9	7.6
Russell 3000 (Broad Market)	2.6	2.1	4.7	11.1	11.6	7.4	BOA ML 1-3 Yr Treasury	0.5	1.3	1.1	1.0	0.8	2.5	Apartment	1.9	10.9	10.9	10.6	11.5	7.1
Russell 1000 (Large Cap)	2.5	2.9	5.1	11.5	11.9	7.5	Barclays 3-10 Yr Treasury	1.8	5.9	4.3	3.6	3.6	5.4	Industrial	3.0	14.3	14.3	13.7	13.1	7.7
Russell Midcap	3.2	0.6	3.6	10.8	10.9	8.1	Barclays 5-10 Yr Treasury	2.3	7.8	5.4	4.5	4.5	6.1	Office	1.7	10.8	11.7	11.2	11.1	7.3
Russell 2000 (Small Cap)	3.8	-6.7	-0.3	7.1	8.4	6.2	Barclays Long-Term Treasury	6.4	19.3	12.6	10.5	10.3	8.8	Retail	3.0	13.1	13.5	13.5	13.2	8.7
MSCI ACWI (USD)	1.0	-3.7	-1.5	6.0	5.4	4.3	Barclays Credit	3.5	7.6	4.2	5.3	5.2	6.1	NCREIF Timber Index	-0.3	2.9	6.7	7.7	6.6	6.6
MSCI ACWI (Local)	1.4	-2.6	2.9	8.7	8.6	5.2	Barclays Gov't/Credit	2.7	6.7	4.2	4.2	4.1	5.2							
MSCI ACWI ex-U.S. (USD)	-0.6	-10.2	-7.8	1.2	0.1	1.9	Barclays Aggregate	2.2	6.0	3.9	4.1	3.8	5.1	Private Equity (as of 12/31/2015)						
MSCI ACWI ex-U.S. (Local)	0.1	-8.8	0.2	5.9	5.5	3.2	Barclays Municipal	2.6	7.7	5.3	5.6	5.3	5.1	VC: Early Stage	1.2	15.3	26.1	23.4	18.0	11.2
MSCI EAFE (USD)	-1.5	-10.2	-7.2	2.1	1.7	1.6	Barclays High Yield	5.5	1.6	0.6	4.2	5.8	7.6	VC: Late/Expansion Stage	2.2	9.1	10.5	17.2	12.6	12.5
MSCI EAFE (Local)	-0.7	-10.2	0.2	5.8	6.2	2.1	JPM Global Bond	3.6	11.5	1.6	3.2	1.6	4.6	VC: Multi - Stage	3.5	12.2	16.7	20.7	15.0	10.3
MSCI EM (USD)	0.7	-12.1	-8.7	-1.6	-3.8	3.5	JPM Non-U.S. Bond	4.5	14.8	-0.2	2.8	0.5	4.3	Growth Equity	3.3	9.1	6.7	13.6	14.0	11.7
MSCI EM (Local)	0.7	-7.7	-1.0	3.7	2.0	5.7	JPM Global Bond-Hedged	2.9	9.1	6.3	5.8	5.1	5.1	Buyout: Small Cap	1.1	6.7	5.2	10.1	11.3	15.6
S&P Developed ex-U.S. (Small Cap)	-1.3	-3.8	-2.7	7.1	4.2	4.2	JPM Non-U.S. Bond-Hedged	3.3	10.7	7.4	6.9	5.9	5.3	Buyout: Mid Cap	1.8	5.8	5.6	9.9	9.4	12.3
London - FTSE 100*	6.5	3.8	2.0	5.3	5.6	4.9	JPM EMBI+	6.0	13.2	5.3	7.1	6.4	8.0	Buyout: Large Cap	2.0	5.9	3.1	11.5	11.3	12.5
Japan - Nikkei 225*	-6.9	-21.4	3.1	6.2	11.7	--	JPM GBI-EM Global Div Bond	2.7	2.0	-7.1	-3.6	-2.2	5.7	Buyout: Mega Cap	2.7	10.6	6.9	15.0	13.6	10.0
Hong Kong - Hang Seng*	2.4	-17.4	-1.5	3.8	2.3	6.1	JPM GBI-EM Global Div Bond-Hedged	2.1	4.2	2.0	1.9	2.8	4.7							
China - Shanghai Composite*	0.3	-23.0	19.5	3.6	-0.3	5.8														
40% R 3000/40% EAFE/20% EM	0.6	-5.7	-2.8	5.0	4.5	4.5														

MSCI ACWI Sector							Hedge Fund Index Returns							Real Assets and Inflation						
	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr		Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Consumer Discretionary	-3.6	-5.8	1.2	7.5	9.4	7.3	HFRI Fund Weighted Composite	2.3	-2.0	0.2	3.0	2.5	3.6	REITs						
Consumer Staples	3.9	12.8	7.7	10.1	11.1	10.6	Absolute Return							FTSE EPRA/NAREIT Dev'd	3.7	12.6	6.3	8.9	8.6	5.0
Energy	9.7	-5.5	-16.0	-3.1	-3.2	1.3	HFRI Event Driven (Total)	2.7	-4.0	-2.4	1.9	2.7	3.9	Commodities						
Financials	-1.4	-13.3	-5.7	2.0	3.2	-1.0	HFRI Relative Value (Total)	2.8	-0.6	0.6	3.3	4.1	5.2	Bloomberg Commodity	12.8	-13.3	-18.7	-10.6	-10.8	-5.6
Health Care	5.6	-4.1	6.1	13.2	14.4	9.5	HFRI RV: FI-Convertible Arbitrage	2.7	0.7	1.1	3.1	3.2	4.6	S&P GSCI	12.7	-26.1	-31.7	-19.8	-14.0	-10.2
Industrials	0.5	0.0	-0.7	7.2	5.7	5.2	HFRI EH: Equity Market Neutral	-0.5	2.1	2.8	3.6	2.6	2.0	Natural Resources						
Information Technology	-1.6	1.5	5.0	13.2	11.0	8.0	Directional Hedge							S&P NA Natural Resources	12.5	-5.6	-16.2	-2.2	-3.1	2.0
Materials	3.5	-8.6	-9.8	-0.1	-5.7	1.9	HFRI Equity Hedge (Total)	1.6	-4.8	-1.3	3.1	2.3	3.0	Inflation-Protected Bonds						
Telecom	2.7	3.3	2.3	7.6	6.3	7.3	HFRI Macro (Total)	2.0	2.6	3.4	2.7	1.0	3.5	Barclays U.S. TIPS	1.7	4.4	1.3	2.3	2.6	4.8
Utilities	4.4	13.0	1.8	8.7	5.2	4.7	HFRI Emerging Markets (Total)	3.2	-5.0	-2.8	1.0	-0.5	3.1	Inflation						
							HFRI EH: Short Bias	2.3	11.8	3.4	-2.3	-5.8	-5.5	U.S. CPI	1.3	1.1	0.6	1.1	1.3	1.7
							Fund of Funds							U.S. CPI Plus 5%	2.6	6.2	5.6	6.2	6.4	6.8
							HFRI FOF Strategic	0.8	-7.8	-1.8	1.7	1.5	1.6							
							HFRI FOF Diversified	0.2	-5.1	-0.7	2.0	1.8	1.7							
							HFRI FOF Conservative	0.7	-3.2	-0.3	2.0	1.9	1.4							

*Returns in local currency.



Note: All returns as of 6/30/2016, unless otherwise noted.

Key Metrics

Second Quarter 2016

Option-Adjusted Spreads		
	Current QTR	1 Year Ago
U.S. High Yield	594	476
U.S. Corporate	156	145
U.S. IG Financials	152	133
CDX IG 5-Yr	77	70
CDX HY 5-Yr	426	355
Agency MBS	27	26
CMBS	120	103
ABS - Fixed Rate	61	62
ABS - Floating Rate	114	82
TED ¹	40	27
Emerging Markets (External)	345	328

¹ 3 month US LIBOR minus 3 Month US T Bills

U.S. Economy		
	Current QTR	1 Year Ago
Unemployment Rate	4.90%	5.30%
Quarterly GDP ¹	1.10%	-0.20%
Current Account Deficit ²	\$124.70	\$113.30
Annualized Current Account Deficit/GDP ²	2.70%	2.60%

² Statistics as of one quarter prior

Central Bank Activity		
	Current QTR	1 Year Ago
Fed Funds Rate	0.50%	0-0.25%
Bank of Japan Target Rate	-0.10%	0.10%
European Central Bank Policy Rate	0.00%	0.05%
European Central Bank Deposit Facility Rate	-0.40%	-0.20%
Bank of England Official Bank Rate	0.50%	0.50%

Inflation Forecast		
	Current QTR	1 Year Ago
10-Year Treasury Yield	1.47%	2.35%
10-Year Breakeven	1.40%	1.87%
5-Year Treasury Yield	1.00%	1.65%
5-Year Breakeven	1.38%	1.61%

Equity Market Valuations	Current QTR			1-Year Ago		
	Trailing P/E	Forward P/E	Div. Yield	Trailing P/E	Forward P/E	Div. Yield
S&P 500 Index	17.4x	16.4x	2.3%	17.4x	16.4x	2.0%
Russell 1000 Index	17.6x	16.7x	2.2%	17.6x	16.8x	1.9%
Russell Midcap Index	18.2x	17.7x	2.0%	19.4x	18.4x	1.6%
Russell 2000 Index	17.2x	20.8x	2.0%	19.5x	22.7x	1.6%
Russell 3000 Index	17.6x	16.9x	2.2%	17.7x	17.2x	1.9%
Russell 3000 Growth Index	20.8x	18.6x	1.6%	20.9x	19.3x	1.4%
Russell 3000 Value Index	15.2x	15.6x	2.8%	15.4x	15.5x	2.4%
MSCI ACWI Index	15.8x	15.1x	2.8%	16.3x	15.5x	2.4%
MSCI ACWI ex-U.S. Index	13.8x	13.6x	3.4%	15.1x	14.4x	3.0%
MSCI EAFE Index	14.7x	14.x	3.6%	16.1x	15.2x	3.1%
MSCI EM Index	11.3x	11.8x	2.9%	12.3x	11.9x	2.7%
MSCI Frontier Markets Index	11.x	10.2x	4.4%	12.x	9.7x	4.2%
London - FTSE 100*	12.7x	12.1x	3.8%	14.2x	13.5x	2.9%
Japan - Nikkei 225*	16.x	15.1x	2.0%	21.5x	18.7x	1.5%
Hong Kong - Hang Seng*	10.4x	10.6x	4.0%	11.8x	12.2x	3.3%
China - Shanghai Composite*	10.8x	10.6x	2.8%	16.4x	13.8x	2.1%

³ Returns in local currency

P/E excludes companies with negative earnings

U.S. Treasury Yields							Curve Steepness
Date	3-Mo T-Bill	6-Mo T-Bill	2-Yr Note	5-Yr Note	10-Yr Note	30-Yr Note	10-Yr - 2-Yr
1 Year Ago	0.01%	0.11%	0.64%	1.65%	2.35%	3.12%	1.71%
Current Quarter	0.26%	0.35%	0.58%	1.00%	1.47%	2.61%	0.89%

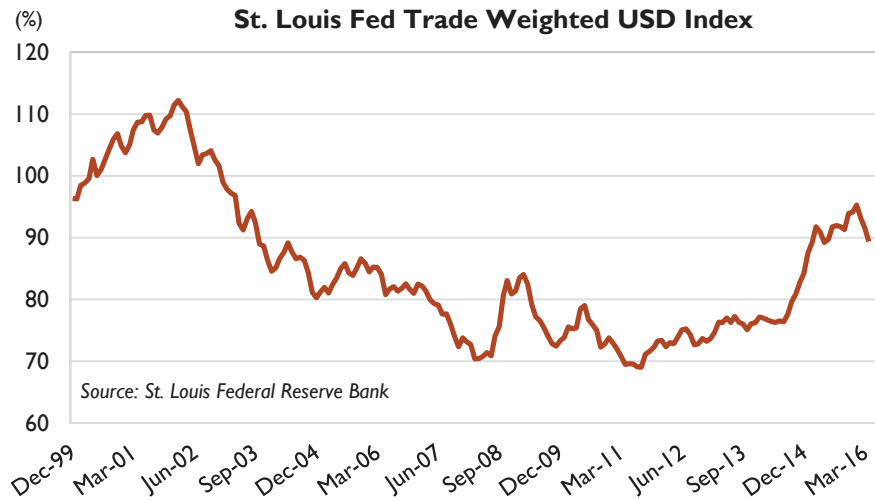
Currency Rates (per U.S. Dollar) (%)							
	QTD	YTD	1 Year	2 Year*	3 Year*	5 Year*	Spot Rate
U.S. Dollar Spot (DXY)**	1.4	-2.8	0.5	9.7	4.9	5.2	95.963
Canadian Dollar	-0.4	7.0	-3.9	-9.4	-6.7	-5.8	1.299
Japanese Yen	9.6	17.3	19.3	-0.6	-1.1	-4.7	102.590
British Pound	-7.0	-9.3	-15.0	-11.6	-4.1	-3.6	0.748
Euro	-2.5	2.3	-0.3	-9.9	-5.1	-5.2	0.900
Swiss Franc	-1.7	2.8	-4.1	-4.6	-1.0	-2.9	0.974
Australian Dollar	-3.2	2.3	-3.1	-11.2	-6.7	-7.0	1.343
Brazilian Real	10.6	23.5	-3.0	-17.1	-11.7	-13.4	3.204
Chinese Renminbi	-2.6	-2.3	-6.7	-3.4	-2.6	-0.5	6.644
GBP/Euro	-4.6	-11.3	-14.8	-1.8	1.0	1.7	0.831
Yen/Euro	12.4	14.7	19.6	10.3	4.2	0.5	113.972

*Annualized Price Change

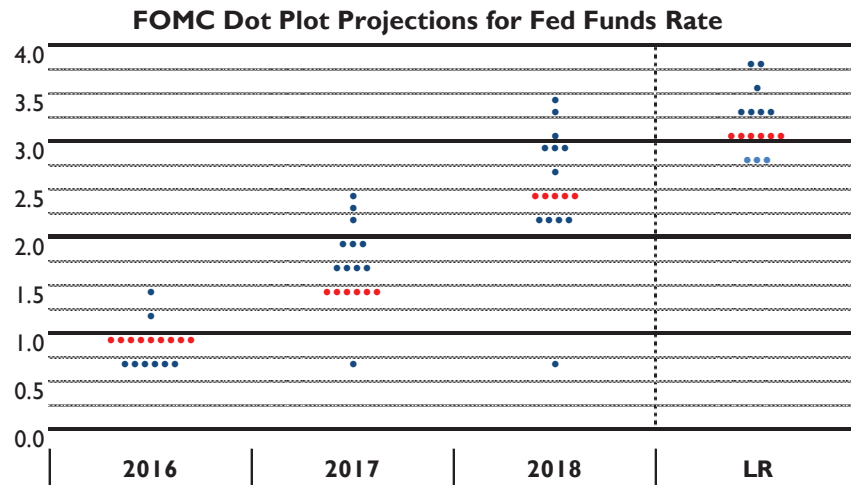
**Index measures value of USD relative to basket of foreign currencies.

Macroeconomic Trends

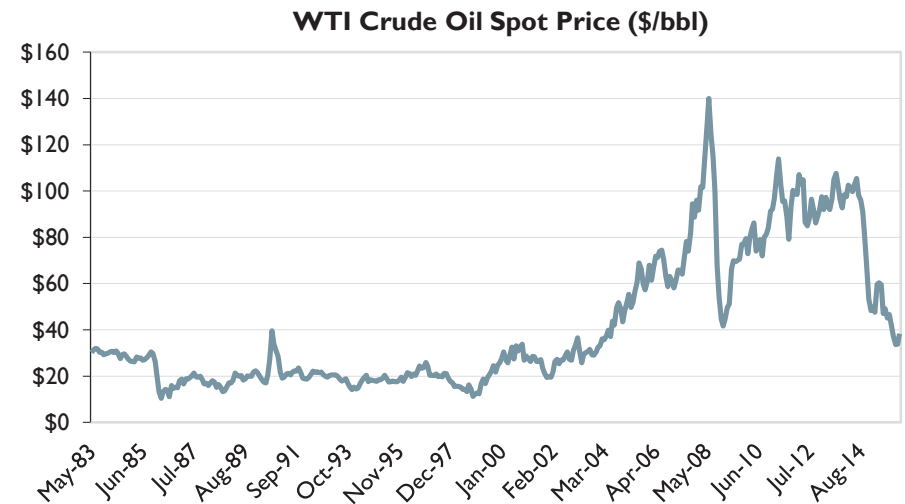
Second Quarter 2016



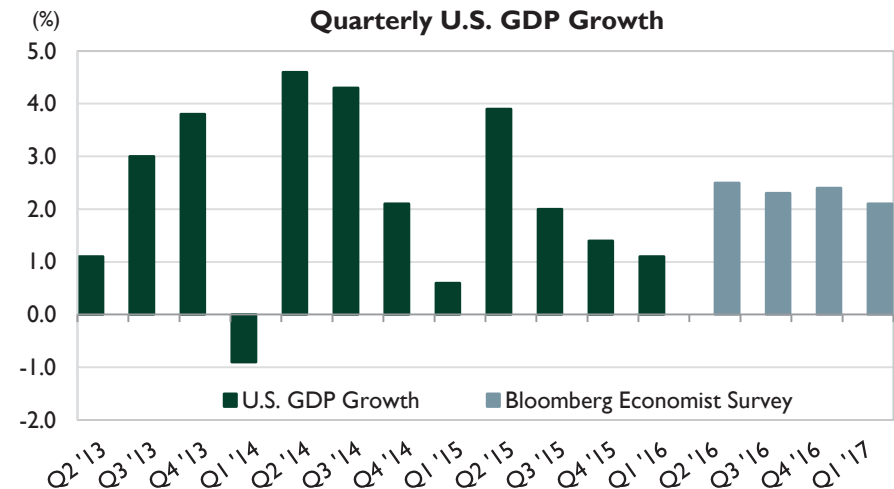
The Trade-Weighted USD Index declined during the quarter. The Fed is expected to be patient given macro uncertainty. The USD traded higher against a number of European currencies, but lower against the Japanese yen. Against emerging markets currencies, results were mixed with the dollar falling against the Brazilian real, Colombian peso, and Russian ruble, but gaining against the Malaysian ringgit, Mexican peso, and Polish zloty.



FOMC projections still call for potentially two rate hikes in 2016 compared to four that were expected in December 2015. One FOMC member projects one hike this year and none for the next two years. Markets remain skeptical about Fed projections.



WTI strengthened 26% off a low base to end the quarter at \$49.71 per barrel. Output moderated with rig count declines and other outages (Nigeria), while demand increased ahead of the summer driving season.



U.S. real GDP increased at an annual rate of 1.1% in the first quarter, a moderation from the 1.4% increase in the last quarter of 2015. Expectations call for a rebound during the remaining quarters of 2016.

Summary

The U.K. made history when it voted to exit the EU on June 23rd. The vote to leave narrowly passed 52% to 48%, driven largely by voters in rural areas in England and Wales. London voted to remain (60/40), as did Scotland (62/38) and Northern Ireland (56/44). Immigration was a key determinant for voters, particularly as it relates to job losses for lower/middle class and reallocation of social services.

Polls and market participants called the outcome incorrectly. Uncertainty escalated following Prime Minister David Cameron's resignation immediately following the vote and growing speculation about the possibility of a second Scottish independence referendum. The potential impact on regional and global growth, consumer confidence, and corporate spending was also a concern. In the days that followed, global risk assets experienced heightened volatility and markets sold off materially. The BoE was quick to respond, pledging £250 million and making additional foreign currency available to banks. The BoE stated it would take all necessary steps to stabilize markets, leaving the door open for potential future monetary easing.

Cameron has yet to invoke Article 50 of the Lisbon Treaty—the formal declaration that is required before exit negotiations commence. On July 13th, Theresa May was appointed the new Prime Minister, though it remains unclear when formal exit negotiations will begin.

Market Reaction

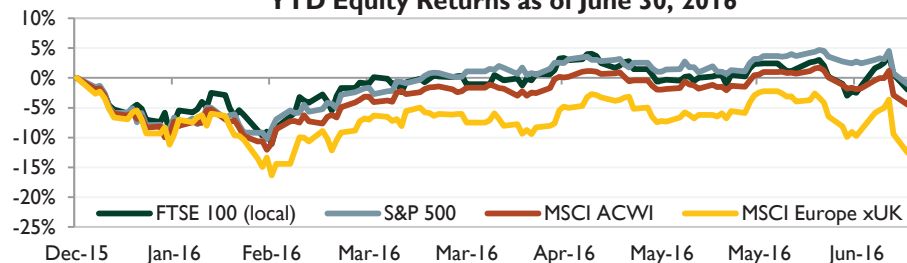
In the two days following the referendum, global equity markets and many foreign currencies experienced sharp declines, U.S. Treasuries and other sovereign bond yields fell, and demand for other perceived safe haven assets (gold, the USD, and the Japanese yen) grew. The S&P 500 cumulatively fell more than 5% in the two trading days following the vote and the CBOE Volatility Index (VIX) rose nearly 50% a day later. U.S. equity markets rebounded over the next few days, with the S&P 500 ending June in positive territory (+26 bps) and the VIX returning to its pre-Brexit range.

Non-U.S. equities experienced a similar pattern in terms of market direction and volatility. London's FTSE 100 Index declined more than 5% in the two days after the vote, then posted gains in the last few trading days of the month to end June up 4.7% in local terms.

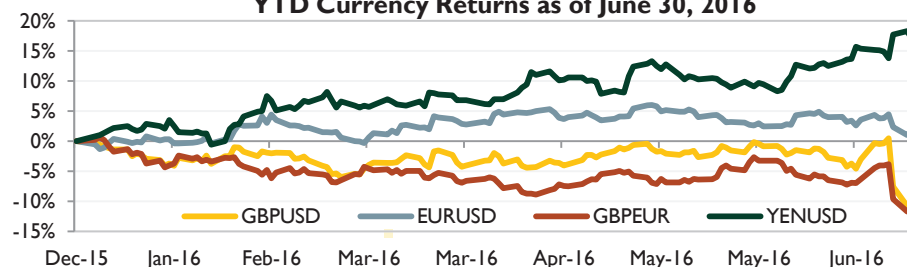
European and U.K. REITs also sold off sharply. As a member of the EU, U.K. banks, insurance companies, and asset managers can freely operate across the EU, meaningfully contributing to the U.K.'s economy. The Brexit vote may threaten the rights, which could result in significant job losses, a slowdown in leasing rates and activity, diminished credit availability for real estate, and falling real estate values.

The British pound experienced a significant pullback in the weeks leading up to the vote and the days that followed. Unlike the equity markets, the pound did not end June with a rally and fell more than 8% relative to the USD. At month-end, the pound dropped to \$1.32, its lowest level since July 1985.

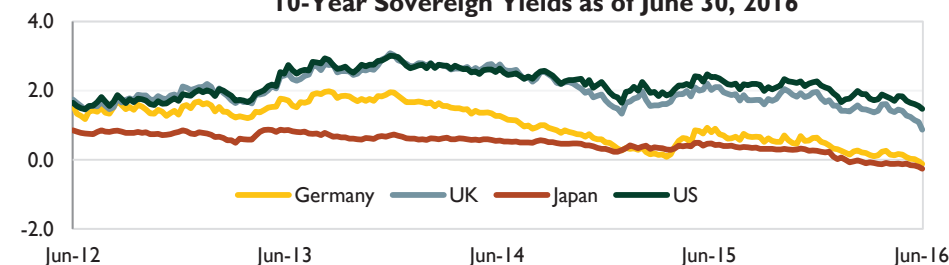
YTD Equity Returns as of June 30, 2016



YTD Currency Returns as of June 30, 2016



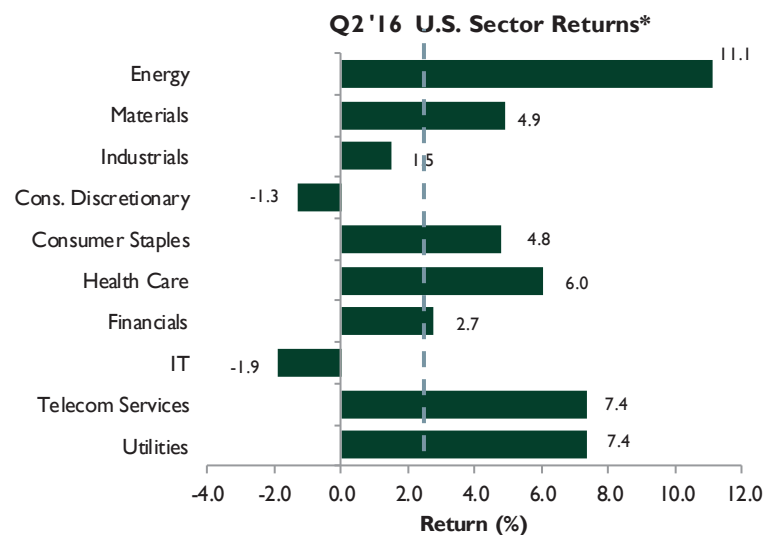
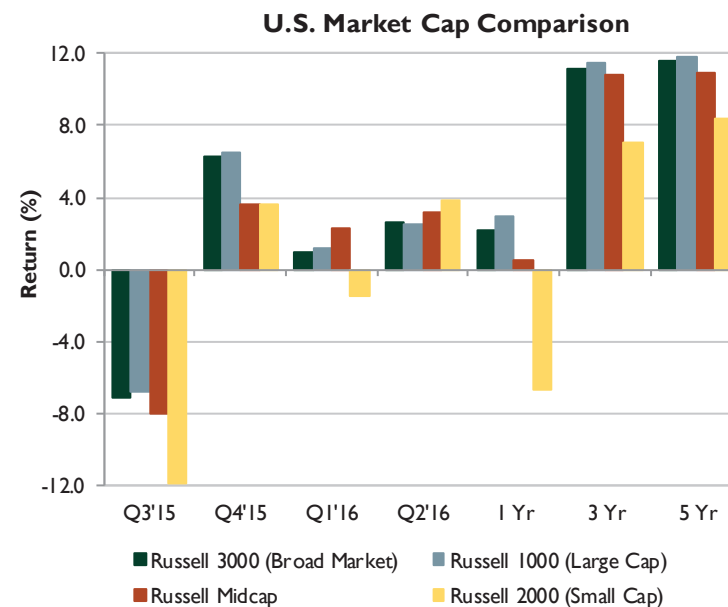
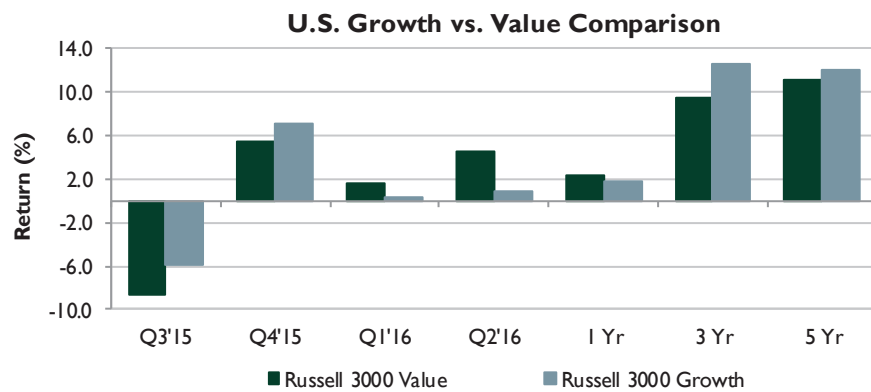
10-Year Sovereign Yields as of June 30, 2016



The Russell 3000 Index, a broad proxy for domestic equities, returned 2.6% in the second quarter. While the Index posted its third consecutive quarterly gain, the market was volatile. The Index fell nearly 6% in the two trading days following the Brexit vote on June 23rd, but rebounded before the end of the quarter, finishing in positive territory.

Eight of the ten economic sectors finished the quarter with gains. Energy (+11.1%) was the best performing sector, driven by a rebound in oil and natural gas prices. Defensive utility and telecom sectors also performed strongly, both returning 7.4%. IT (-1.9%) and consumer discretionary (-1.3%), two of the four largest sectors by market value, were down modestly. Apple, the largest index constituent, fell more than 10% and weighed on the IT sector in the wake of disappointing earnings results. The consumer discretionary sector was negatively impacted by same-store sales results from a number of retailers and concerns related to competition from Amazon.

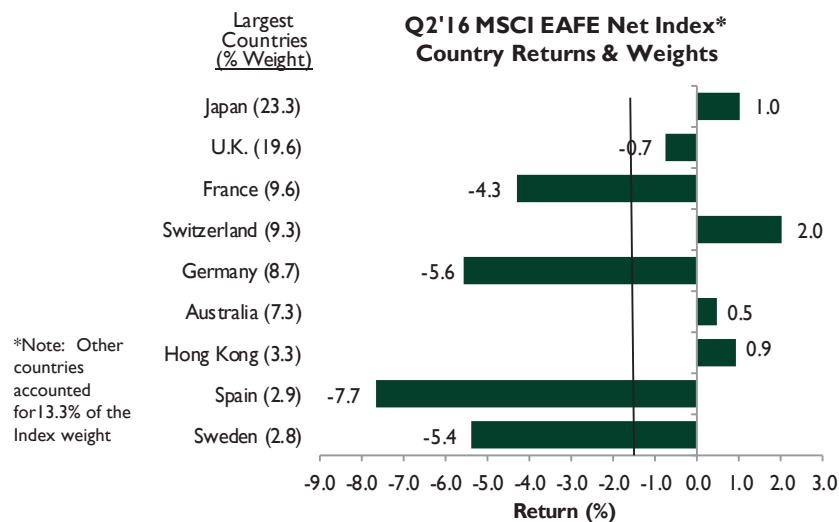
Small and mid cap stocks outpaced their large cap counterparts; the Russell 2000 and Mid Cap Indexes posted gains of 3.8% and 3.2%, respectively, while the Russell 1000 Index gained 2.5%. The Russell 3000 Value Index (+4.6%) handily outpaced the Russell 3000 Growth Index (+0.8%), largely due to higher weighting in energy and utilities along with lower exposure to IT and consumer discretionary. With the strong performance during the quarter, value stocks pulled ahead of growth stocks for the trailing year. However, over the trailing three and five years, growth stocks continued to lead their value counterparts.



*Dotted line indicates total Russell 3000 Index return

Developed foreign equities, as measured by the MSCI EAFE Index, declined 1.5%. The U.K. made headlines and roiled markets when it voted to leave the EU in June. Global markets, particularly those in Europe, fell sharply following the vote. Perceived safe haven currencies such as the USD and Japanese yen rallied in the wake of Brexit, while the British pound plummeted. On the whole, currency movements were a headwind for U.S. investors as the MSCI EAFE Index fell only 0.7% in local terms.

- The U.K. (−0.7% USD, +6.7% local) posted a gain in local terms despite the Brexit vote. However, this gain was lost in USD terms as the pound sold off sharply as it fell nearly 7% vs. the USD.
- The Brexit vote weighed on a number of EU members, particularly those with strong trade ties to the U.K. Germany (−5.6% USD, −3.1% local), Spain (−7.7% USD, −5.3% local), and Italy (−10.5% USD, −8.1% local) were among the EU countries to falter following the vote.
- Japan's (+1.0% USD, −7.8% local) local equity market again lagged as the yen continued to gain strength. The yen would rise 9.6% vs. the USD as investors sought stable currency exposure in a time of heightened volatility.

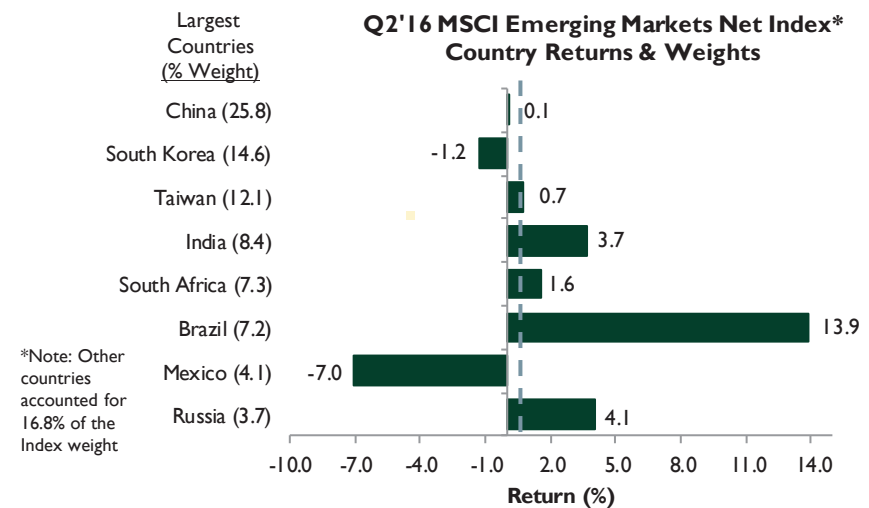


Sources: MSCI/Barra, Wall Street Journal, Financial Times.

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

Emerging markets (EM) equities posted a modest gain of 0.7%. For the year-to-date (YTD) period, EM returned 6.4%, remaining ahead of the their U.S. and developed foreign equity counterparts. Expectations for Fed tightening had a pronounced impact on EM equities during the quarter. Financially vulnerable countries—those with current account deficits and weak macro environments—were particularly volatile. Currency movements had little impact in aggregate as the MSCI EM Index gained 0.7% in both USD and local terms.

- Equities and currencies in commodity-exporting nations received a boost from rising oil prices. Brazil (+13.9% USD, +3.0% local) and Russia (+4.1% USD, +0.3% local) both advanced in U.S. terms as the Brazilian real and Russian ruble rose 10.6% and 4.7%, respectively. Investors also responded favorably to political change in Brazil as the impeachment trial of President Dilma Rousseff moved forward in May.
- China (+0.1% USD, +0.1% local) posted a flat return on the back of mixed economic data. Global demand has been a headwind for China, though domestic demand has been relatively resilient.
- EU members Greece (−14.0% USD, −11.8% local) and Poland (−17.5% USD, −12.2% local) were further hampered by the Brexit vote. Both countries are facing their own country-specific challenges.

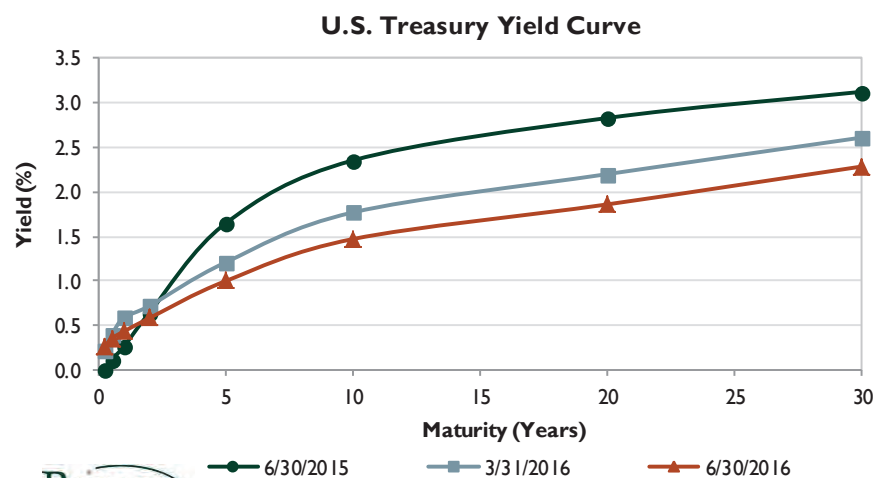


*Dotted line indicates total index return.

Developed market yields continued to trend lower in the quarter before falling to historic lows on the back of the Brexit vote. U.S. Treasury yields declined across the curve, which experienced a bull flattening as yield declines were most pronounced out on the curve. The 10-year yield declined 29 bps to end the quarter at 1.78%. The yield on the 2-year note fell 15 bps and the spread between the 2- and 10-year yield came in 14 bps, to end the period at 0.91%. The U.S. Treasury market advanced 2.1%, bringing YTD returns to 5.4%.

The Federal Reserve held the federal funds rate steady during the quarter. In the minutes from the June 14–15th meeting, the Fed cited a slowdown in hiring and uncertainty surrounding the impending U.K. vote as reasons for remaining on hold. The Fed was projecting two rate hikes for 2016, but that is now in question given the uncertainty that followed the Brexit vote. The next Fed meeting is July 26–27th, which will be the first since the Brexit vote.

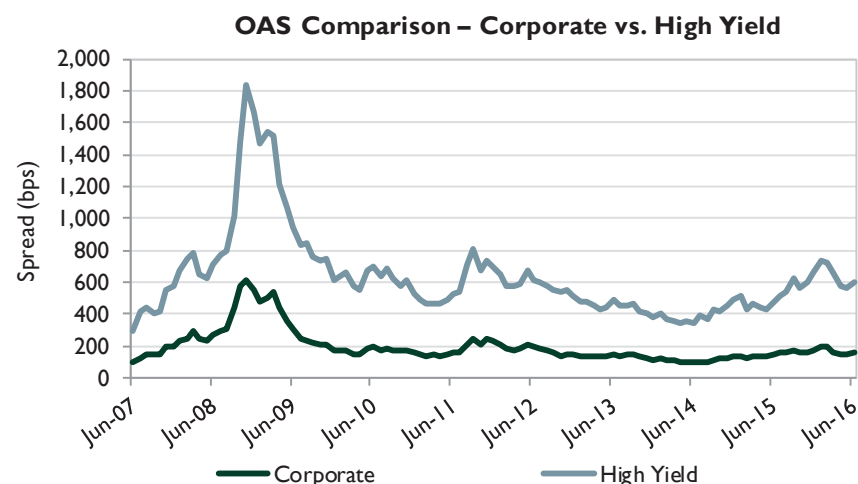
The Barclays Aggregate Index returned 2.2%, as all major underlying sectors generated positive performance. Declining yields continued to drive positive performance. Credit spreads also tightened, which boosted spread sectors and resulted in outperformance of the corporate sector. With rate declines more pronounced at the long end of the curve, longer-term securities generally outperformed shorter maturities as the curve flattened. Lower-rated securities continued to outperform, with BBB-rated securities returning 4.3% and AAA-rated securities gaining 1.7%.



U.S. corporates returned 3.6% as demand for yield steered investors to the sector. Corporate OAS tightened 7 bps and ended the quarter at 156 bps. Industrials (+4.0%) generally outperformed financials (+2.5%). In terms of quality, lower-rated securities generally outperformed, as BBB-rated issues were the top performers. Investment-grade corporate issuance remained heavy (\$350.1 billion according to SIFMA), lifting YTD issuance to \$711.6 billion. This surpasses the \$704.2 billion worth of issuance through the first half of 2015.

Securitized bonds returned 1.2%, resulting in a YTD return of 3.3%. Agency mortgage-backed securities (MBS) returned 1.1% as the market was supported by investor demand and higher Federal Reserve reinvestment in light of increased prepayments. Commercial MBS spreads tightened 11 bps, resulting in a return of 2.2%. Asset-backed securities (ABS) gained 1.2%, with auto and credit card ABS both generally in line with this result. Non-agency residential MBS had a strong quarter as spreads rallied.

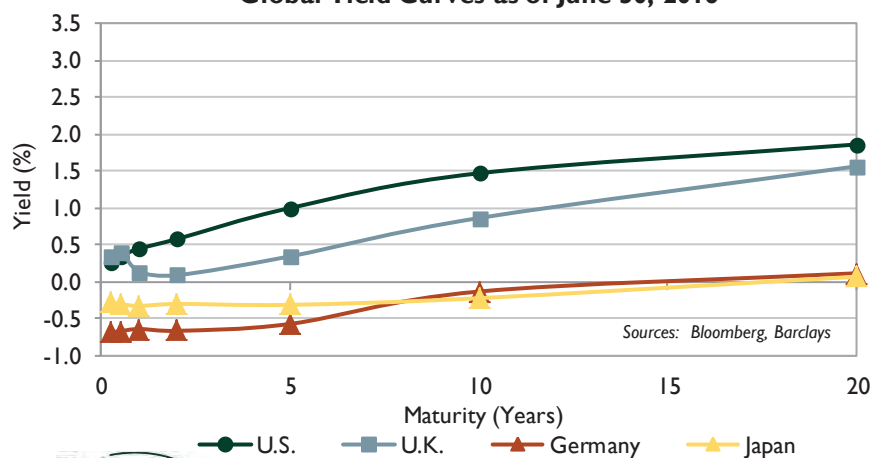
High yield bonds rose 5.5% and spreads narrowed 61 bps. Spread declines were larger moving down the quality spectrum, resulting in an 11.8% rally in CCC-rated debt, which outpaced the 4.8% and 3.6% gain, respectively, in B- and BB-rated credits. Industrials gained 6.0%, driven higher by energy (+18.3%) and basic industry (+12.0%), both of which outpaced the 3.9% average return of other sectors. Utilities rose 4.6% while financials produced positive returns of 1.8%, but lagged other categories.



As previously noted, the Fed held the rate steady at its meetings during the quarter. The dot plots called for two hikes this year, but a slower pace in 2017 and 2018. The BoJ held policy steady after the surprise move to a negative deposit rate early in 2016. The ECB also held policy steady as it prepared to buy corporate bonds in its expanded quantitative easing program that was announced last quarter. Colombia hiked three times, raising policy rates a cumulative 100 bps. Mexico surprised markets with a 50 bps hike in an attempt to protect the value of the peso. Russia cut rates by 50 bps, while Ukraine cut three times for a cumulative reduction of 550 bps. Of the 37 central bank meetings during the quarter, nine resulted in hikes and the remainder resulted in cuts.

The DXY rose 1.4% during the quarter. The British pound was weak heading into the Brexit vote and ended the quarter down 6.7% against the dollar. European currencies traded lower, with declines in the euro (-2.5%), Swedish krona (-4.3%), and Polish zloty (-6.0%). Outside of the rally in the Japanese yen (+9.6%) and the New Zealand dollar (+2.6%), Asia-Pacific currencies fell, notably the Chinese yuan (-2.7%), Australia dollar (-3.2%), and Malaysian ringgit (-3.2%). EM currencies were mixed as the Mexican peso (-7.1%) declined, but the Brazilian real (+10.6%), Colombian peso (+3.2%), and Russian ruble (+4.7%) gained. In addition, currencies such as the South African rand (+0.4%), Indonesian rupiah (+0.4%), and Chilean peso (+1.0%) modestly rose against the dollar.

Global Yield Curves as of June 30, 2016



The USD impact was mixed and the large weight of Japan skewed results. The Barclays Global Treasury ex-U.S. Index rose 4.8% in unhedged USD terms compared to 3.0% on a hedged basis. Japan (42.5% of the Index) rose 12.6% in unhedged terms and 3.2% in local terms. The euro area (35.3% of the Index) rose 2.5% in local terms, but declines in the euro caused unhedged returns to fall 0.4%. Similarly, the U.K. rallied 6.0% in local terms, but the unexpected result of the referendum caused the pound to fall, leaving unhedged U.K. bonds down 1.0% for the quarter. Local return leaders included Denmark (+4.0%), Sweden (+3.2%), and France, while laggards included Mexico (+0.9%), Chile (+0.8%), and Malaysia (+0.6%). In unhedged USD terms, Mexico (-5.5%), Italy (-2.1%), and Malaysia (-1.9%) underperformed, while Russia (+9.4%) outperformed.

The Barclays EM Local Currency GBI gained 2.2% in unhedged USD terms and 1.9% on a hedged basis. In local market returns terms, EM Americas gained 3.1%. Peru (+7.7%), Colombia (+4.4%), and Brazil (+4.4%) outperformed, while Mexico (+0.9%) lagged. EM Asia rose 1.7% as outperformance in South Korea (+2.2%) and Indonesia (+2.8%) were offset by weaker returns in Malaysia (+0.6%) and Thailand (-0.7%). EM EMEA rose 1.3%. South Africa (+2.9%), Turkey (+2.8%), and Russia (+2.0%) added to results, while Hungary (-0.6%) and Poland (+0.1%) detracted. In unhedged terms, the Index gained due to rallies in Brazil (+18.3%), Russia (+9.4%), and Colombia (+8.8%).

OAS Comparison - Global Corporate vs. Global High Yield



North American private equity raised \$60 billion from 123 funds during the first quarter, representing 56% of funds closed and 54% of total capital raised globally. This was a 10% increase in the number of funds and a 30% decrease in capital from the prior quarter. In the first quarter, the number of private equity acquisitions fell nearly 12% and was moderately below the average of the prior four quarters. Furthermore, reported dollar volume was the lowest in 15 quarters. Despite the slow start to 2016, an uptick in financial sponsor activity through M&A over the balance of the year should be expected as greater access to capital markets continues.

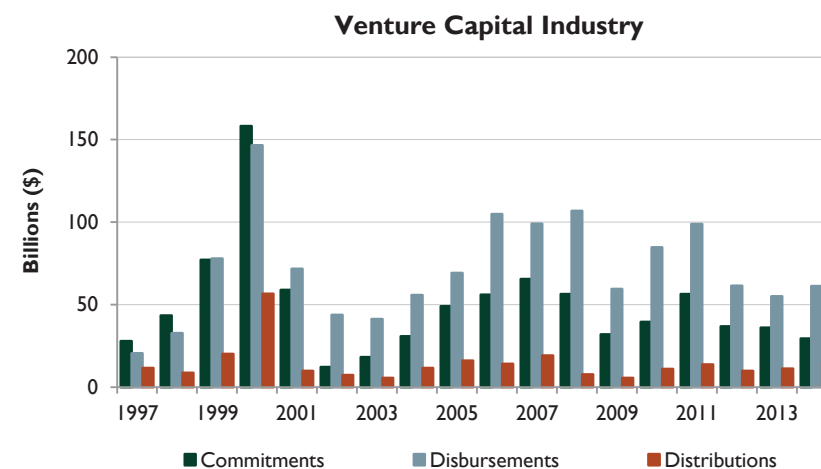
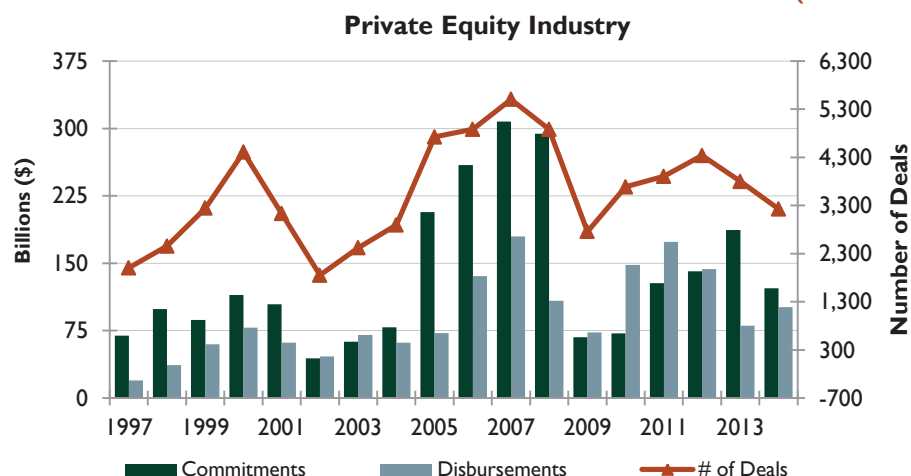
North American private equity buyout deals totaled \$58.5 billion of value during the first quarter. There was a 51% decrease in aggregate deal value from the prior quarter and a 39% decline in the number of deals. Strategic acquisitions remained the primary exit route, accounting for more than 60% of all private equity-backed sales. Total value exited through strategic acquisitions increased by 85% from the previous year. There were no IPOs in the first quarter from private equity-backed companies. European private equity funds raised €35.0 billion, which represents an increase of 48% relative to the €23.7 billion raised in the first quarter.

Overall, middle-market loan volume was roughly \$1.4 billion in the first quarter—the lowest first quarter since 2009 and a 36% year-over-year decline from the first quarter in 2015. Leveraged buyouts and M&A made up the bulk of first quarter issuance, as refinancing and dividends fell to nearly zero. As of quarter-end, there was \$37.1 billion in face value of leveraged loans in default or bankruptcy, increasing from \$30.7 billion at year-end. Defaulted or bankrupt issues increased to 4.2% of outstanding leveraged loans, up from 3.5% as of year-end.

Fifty-seven U.S. venture capital funds raised \$11.9 billion during the first quarter, a 33% increase in dollar commitments from the first quarter of 2015. Commitments were allocated to 43 follow-on funds and 14 new funds. North America saw 956 venture capital deals take place in the first quarter, a 20% decrease from the previous year's activity.

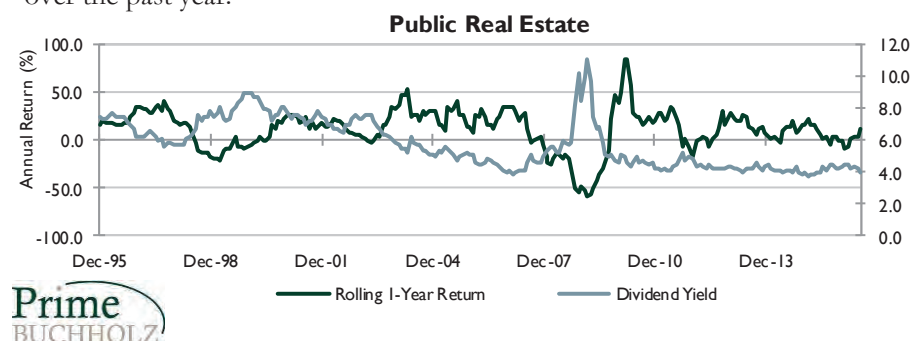
The IPO market for venture capital continued to stall, a theme that has persisted since late 2014. In the first quarter, a total of five venture-backed IPOs totaling \$360 million of aggregate value occurred. With only 155 exits in the U.S., the first quarter of 2016 was the slowest quarter for venture capital-backed exits since the first quarter of 2013.

(as of December 31, 2015)



Global real estate securities grew 3.7% in the second quarter. North American securities led the advance, rallying 6.4% on improvements in credit markets and expectations that the Fed would delay interest rate hikes. Property stocks in the region also continued to benefit from strong fundamentals driven by steady economic growth and generally muted new supply. European property stocks declined 5.0% in USD (−2.6% in euro). Regional performance was hurt by U.K. real estate securities which sold off sharply (13.4% USD, 11.1% euro) in reaction to the Brexit vote. Currently, financial institutions operating in the U.K. freely operate across the EU, meaningfully contributing to the U.K. economy. The Brexit vote may threaten these rights, which could result in significant job losses, a slowdown in leasing rates and activity, diminished credit availability for real estate, and falling real estate values. Continental Europe fared better (−0.9% USD, +1.6% euro) as stimulative measures by the ECB supported pricing. Asian securities advanced 3.6% in USD terms, masking the dispersion among the region's diverse set of countries and corporate structures. Japanese REITs declined 1.8% in local terms, but advanced 7.6% in USD due to yen strength (+9.6%). Australian REITs also moved materially higher (+5.7% USD, +9.2% local) on strong demand for the relatively attractive yields provided by real estate.

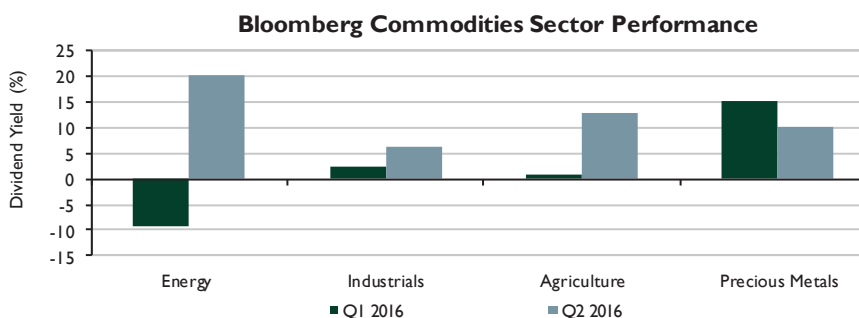
The Bloomberg Commodity Index returned 12.8% during the quarter as all four subsectors moved higher, including energy, precious metals, industrial metals, and agriculture. The rally was led by the energy sub-sector, which climbed 20.4%. Crude oil prices (WTI) advanced 26.1% on decreases in domestic oil supply; production outages in Nigeria, Kuwait, and Venezuela; and higher than expected demand ahead of the U.S. driving season. Domestic natural gas prices rallied 46.5% on warmer than usual weather, which drove electric power demand higher. Prices also benefited from increased exports to Mexico and weaker production due to the lagged effect of falling rig counts over the past year.



The NCREIF Property Index returned 2.2% during the first quarter, extending its streak of consecutive positive quarterly returns to 24. The Index is comprised of domestic cash-flowing, core-like assets owned by tax-exempt investors. During the quarter, all five property types posted positive returns, led by industrial (+2.9%), retail (+3.1%), and apartments (+1.9%). Valuations continued to increase, particularly for core assets in primary markets, and select secondary markets. Investor demand for yield in the current low interest rate environment along with low cost and widely available debt capital have pushed valuations to record highs in some markets. The perceived safe haven offered by U.S. real estate, combined with the country's modest but consistent economic and population growth, continued to attract global capital.

U.S. TIPS rose 1.7% during the second quarter. For TIPS maturing over the next five years, real yields rose. However, maturities beyond five years experienced falling yields. The real yield curve flattened with the 2–10 year spread falling from 1.1% to 0.8%. As a result, longer dated TIPS outperformed their shorter-dated counterparts. TIPS maturing in the next 0–5 years rose 0.9% compared to a 1.6% gain in TIPS maturing in the next 5–10 years and 3.2% increase in those maturing in 10 years or more.

Expectations of inflation over the next five years decreased by 11 bps to end June at 1.38%, and over the next 10 years expectations fell 24 bps to 1.37%. As a result of falling inflation expectations, longer-dated TIPS underperformed nominal U.S. Treasuries. U.S. Treasuries maturing in the next 5–10 years rose 2.2%, while those maturing in 10 years or later gained 6.4%.



Hedge funds bounced back from a difficult start to the year and erased some of the first quarter losses. The HFRI Fund Weighted Composite was up 2.0%, bringing the YTD return to 1.4%. Major Index performance for absolute return strategies ranged from 0.5% to 4.9%. Distressed, relative value, and event-driven all produced decent numbers, with the distressed index leading all hedge fund strategies at 4.9%. Long/short equity strategies struggled relative to the rallying equity markets. The HFRI Equity Hedge Index gained 1.4% compared to the 5.5% S&P 500 Index return.

Many long/short equity funds rebounded in the second quarter after a difficult start to the year. The HFRI Equity Hedge Index rose 1.6%, bringing YTD losses to 0.2%. Although these funds advanced for the quarter, they struggled to keep up with the broader equity market as the S&P 500 rose over 2.5%. Consumer stocks were strong performers for some managers. Constellation Brands advanced 8% after a strong earnings announcement and above consensus guidance. CDK Global appreciated amid pressure from an activist manager that is seeking a sale of the company. Dollar Tree also contributed, rising 13% on the back of a positive earnings report. The company completed an acquisition of Family Dollar Stores at the end of 2015, which has been accretive. Health care exposure was reduced for many managers and performance was mixed across the various subsectors. The vote by the U.K. to leave the EU had ripple effects throughout global markets, and many managers used the volatility to purchase companies at what they believed to be attractive prices. This volatility was short-lived, with stock prices bouncing back sharply and many equity hedge funds hedging a potential leave vote by shorting the British pound. This was another area of strength for some managers.

Goldman Sachs Hedge Fund VIP Basket*

Top 5 Q2 2016 Performers

Company	Q2
CDK Global Inc	19.7%
Amazon.com Inc	19.6%
TransDigm Group Inc	19.1%
Pfizer Inc	18.2%
Equinix Inc	18.0%
S&P 500 Index	2.5%

Bottom 5 Q2 2016 Performers

Company	Q2
Signet Jewelers Ltd	-33.3%
American Airlines Group	-28.1%
Delta Air Lines Inc	-22.2%
Liberty Global PLC	-14.4%
Allergan PLC	-13.8%
S&P 500 Index	2.5%



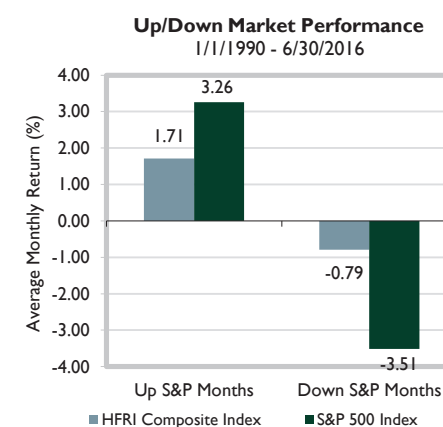
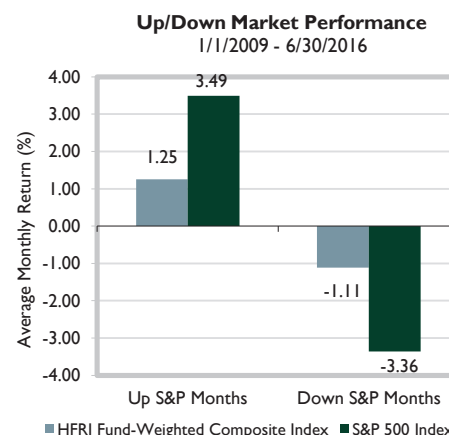
* 50 companies that "matter most" to hedge funds; positions that appear most frequently as top ten holdings of hedge funds with 10–200 total holdings. Performance based on price change.

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

Absolute return-oriented manager performance generally improved from the first quarter, driven in large part by strong returns in the credit space. Widely held positions such as Lehman Brothers and Argentine bonds were positive and helped drive gains. Lehman Brothers made an interim distribution that was larger than many expected following a settlement with JPMorgan. Many credit investors did not reinvest the cash received from Lehman due to the tight credit spread environment and lack of new distress.

However, managers that deployed capital into the energy sector earlier in the year were rewarded in the second quarter. Energy credit rallied, with many profiting from positions in the master limited partnership industry. Prices had appreciated to the point that many managers were looking to monetize positions. The Brexit referendum vote led to weakness among some European positions, most notably Co-Op Bank in the U.K. and the restructured Icelandic banks that hold U.K. assets.

Mergers remained an important component of manager portfolios, with notable deals such as Baxalta/Shire and Time Warner Cable/Charter closing successfully in the quarter. However, the breakup of the Allergan/Pfizer deal dragged on results. Large merger allocations at quarter-end included SAB Miller/AB InBev, EMC/Dell, and ITC/Fortis. Macro manager performance was mixed in the quarter, but the large moves amongst currencies, rates, and various commodities created a plethora of trading opportunities.



Total Fund Review

Total Fund Highlights

- The Town of Palm Beach Health Insurance Trust returned 1.9% during the quarter, trailing the Target Index by 50 bps. During the quarter, the real asset segment was the top performer, gaining 10.3%. Results within global equities were mixed. U.S. and emerging markets equities advanced at the end of the quarter, while non-U.S. developed equities declined in the aftermath of the U.K. referendum. Domestic equities returned 2.0%, but lagged the 2.6% return of the Russell 3000 Index. International equities lost 1.2%, underperforming the MSCI AC World ex US Index, but outpaced the 1.5% loss of the MSCI EAFE. The flexible capital segment recovered from a difficult first quarter to return 0.7%, slightly ahead of the 0.5% gain of the HFRI Fund of Funds Composite Index. Fixed income assets generated gains in the second quarter, as investors fled to safe-haven assets over concerns that the Brexit would hinder regional and global growth. The fixed income segment gained 1.5%, in line with its composite index.
- The portfolio finished the quarter valued at approximately \$25.7 million and while all asset classes are in line with policy ranges, domestic equities is nearing its upper policy range and real assets is close to its lower end.

Recent Actions Taken	Upcoming Agenda Items
First Quarter 2016 • No significant activity occurred. Fourth Quarter 2015 • No significant activity occurred. Third Quarter 2015 • \$750,000 was contributed to the portfolio and redeployed according to policy targets.	• 2Q16 Performance Review • Portfolio Considerations

Segment Performance

Benchmark Dependent Metrics relative to S&P 500 Index
As of June 30, 2016

	1 Quarter Return	1 Year Return	2 Years Return	3 Years Return	5 Years Return	7 Years Return	Since Inception Return	Since Inception Standard Deviation	Since Inception Beta	Since Inception Actual Correlation	Inception Date
Total Fund	1.9	-4.0	-2.7	3.5	4.0	7.0	2.3	9.9	0.6	0.9	Jul-07
Target Index	2.4	-2.0	-1.7	3.8	3.9	6.8	2.7	9.4	0.6	0.9	Jul-07
Actual Index	2.0	-1.9	-1.2	4.3	4.4	7.0	2.9	8.8	0.5	0.9	Jul-07
Consumer Price Index	1.2	1.0	0.6	1.1	1.3	1.6	1.6	1.4	0.0	0.1	Jul-07
Domestic Equity	2.0	0.9	3.1	9.8	9.8	13.3	4.1	16.7	1.0	1.0	Jul-07
Russell 3000 Index	2.6	2.1	4.7	11.1	11.6	14.9	6.1	16.4	1.0	1.0	Jul-07
International Equity	-1.2	-15.4	-9.0	1.4	2.8	7.2	0.2	20.2	1.2	0.9	Jul-07
MSCI AC World ex USA (Net)	-0.6	-10.2	-7.8	1.2	0.1	5.3	-0.8	19.9	1.1	0.9	Jul-07
MSCI EAFE (Net)	-1.5	-10.2	-7.2	2.1	1.7	6.0	-0.9	19.3	1.1	0.9	Jul-07
Total Flexible Capital	0.7	-7.0	-3.6	0.5	2.4	4.2	2.4	5.4	0.2	0.7	Jul-07
HFRI Fund of Funds Composite Index	0.5	-5.4	-0.8	1.9	1.6	2.8	0.3	5.5	0.3	0.7	Jul-07
Total Fixed Income	1.5	3.9	2.6	2.6	2.2	4.5	3.2	5.3	0.2	0.6	Jul-07
Fixed Income Composite Index	1.5	4.2	2.9	2.8	1.9	4.0	3.8	4.4	0.2	0.6	Jul-07
Total Real Assets	10.3	-7.7	-15.8	-5.5	-5.4	-0.2	-5.9	15.6	0.2	0.2	Jul-07
Real Assets Composite Index	8.9	-4.6	-13.6	-3.9	-3.5	1.5	-1.0	12.5	0.2	0.3	Jul-07

Segment Performance

(% Rate of Return)

As of June 30, 2016

	Year To Date	2015	2014	2013	2012	2011	2010	2009	2008
Total Fund	1.9	-4.5	2.4	16.7	11.5	-2.7	12.2	16.7	-27.3
Target Index	3.1	-3.3	2.4	14.1	9.4	-1.1	11.9	16.6	-24.2
Actual Index	2.5	-2.6	3.0	15.6	9.6	-1.4	12.1	14.7	-23.0
Consumer Price Index	1.9	0.7	0.8	1.5	1.7	3.0	1.5	2.7	0.1
Domestic Equity	3.5	-1.0	10.8	32.4	16.3	-2.9	17.3	25.2	-41.4
Russell 3000 Index	3.6	0.5	12.6	33.6	16.4	1.0	16.9	28.3	-37.3
International Equity	-4.8	-7.7	-0.3	25.9	23.5	-13.4	10.9	35.4	-43.5
MSCI AC World ex USA (Net)	-1.0	-5.7	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5
MSCI EAFE (Net)	-4.4	-0.8	-4.9	22.8	17.3	-12.1	7.8	31.8	-43.4
Total Flexible Capital	-3.2	-2.9	2.0	13.0	9.1	-2.5	6.5	16.8	-16.6
HFRI Fund of Funds Composite Index	-2.6	-0.3	3.4	9.0	4.8	-5.7	5.7	11.5	-21.4
Total Fixed Income	3.7	0.6	3.0	-1.2	4.9	3.0	6.8	20.0	-11.0
Fixed Income Composite Index	3.9	0.7	3.5	-1.1	2.5	2.7	7.1	16.8	-5.3
Total Real Assets	16.8	-21.7	-13.8	-2.5	3.0	1.4	20.6	-17.2	-28.4
Real Assets Composite Index	13.1	-17.4	-10.6	1.2	2.4	2.0	20.8	-3.3	-14.4

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2016

Market Value	% of Portfolio		QTR Ended Sep-15	QTR Ended Dec-15	QTR Ended Mar-16	QTR Ended Jun-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$25,743,999	100.0	Total Fund	-7.2	1.5	0.0	1.9	1.9	-4.0	-2.7	3.5	4.0	7.0	2.3	Jul-07
		Target Index	-6.6	1.9	0.7	2.4	3.1	-2.0	-1.7	3.8	3.9	6.8	2.7	Jul-07
		Actual Index	-6.4	2.2	0.5	2.0	2.5	-1.9	-1.2	4.3	4.4	7.0	2.9	Jul-07
		Consumer Price Index	-0.3	-0.6	0.7	1.2	1.9	1.0	0.6	1.1	1.3	1.6	1.6	Jul-07
\$12,768,906	49.6	Global Equity	-9.8	4.5	-0.5	0.9	0.4	-5.4	-1.6	6.6	7.2	11.0	2.6	Jul-07
\$8,308,105	32.3	Domestic Equity	-7.1	5.0	1.4	2.0	3.5	0.9	3.1	9.8	9.8	13.3	4.1	Jul-07
		Russell 3000 Index	-7.2	6.3	1.0	2.6	3.6	2.1	4.7	11.1	11.6	14.9	6.1	
\$5,912,997	23.0	Fidelity Spartan Total Market Index Advisor Fund	-7.3	6.3	0.9	2.6	3.6	2.0	4.6	11.0	11.5	14.9	6.1	Jul-07
		Wilshire 5000 Index	-7.4	5.9	0.8	2.8	3.7	1.6	4.2	10.7	11.4	14.9	6.1	
\$1,144,885	4.4	FPA Crescent Fund	-4.7	2.8	-0.2	0.4	0.2	-1.9	-0.2	5.0	NA	NA	6.8	Apr-12
		S&P 500 Index	-6.4	7.0	1.3	2.5	3.8	4.0	5.7	11.7	12.1	14.9	12.2	
		60% Russell 2500 / 40% BC Global Credit	-6.6	1.7	2.1	3.1	5.3	0.0	0.9	6.7	7.3	11.7	7.9	
		HFRI Equity Hedge (Total) Index	-6.3	1.7	-1.8	1.3	-0.5	-5.1	-1.4	3.0	2.2	4.8	3.4	
\$1,250,223	4.9	FMI Common Stock Fund	-8.4	1.0	5.4	0.7	6.2	-1.8	-0.7	7.9	NA	NA	8.1	Apr-12
		Russell 2500 Index	-10.3	3.3	0.4	3.6	4.0	-3.7	1.0	8.6	9.5	15.3	10.7	
\$4,460,801	17.3	International Equity	-14.3	3.7	-3.7	-1.2	-4.8	-15.4	-9.0	1.4	2.8	7.2	0.2	Jul-07
		MSCI AC World ex USA (Net)	-12.2	3.2	-0.4	-0.6	-1.0	-10.2	-7.8	1.2	0.1	5.3	-0.8	
		MSCI EAFE (Net)	-10.2	4.7	-3.0	-1.5	-4.4	-10.2	-7.2	2.1	1.7	6.0	-0.9	
\$2,277,792	8.8	Dodge & Cox International Stock Fund	-15.4	0.8	-3.8	-1.2	-4.9	-18.9	-11.6	0.4	1.0	6.6	-0.4	Jul-07
		MSCI AC World ex USA (Net)	-12.2	3.2	-0.4	-0.6	-1.0	-10.2	-7.8	1.2	0.1	5.3	-0.8	
\$2,183,009	8.5	Artisan International Institutional Fund	-13.2	6.9	-3.6	-1.2	-4.7	-11.6	-6.2	2.5	4.6	NA	4.6	Jul-11
		MSCI EAFE (Net)	-10.2	4.7	-3.0	-1.5	-4.4	-10.2	-7.2	2.1	1.7	6.0	1.7	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2016

Market Value	% of Portfolio		QTR Ended Sep-15	QTR Ended Dec-15	QTR Ended Mar-16	QTR Ended Jun-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$4,687,422	18.2	Total Flexible Capital	-4.2	0.3	-3.9	0.7	-3.2	-7.0	-3.6	0.5	2.4	4.2	2.4	Jul-07
		HFRI Fund of Funds Composite Index	-3.6	0.7	-3.1	0.5	-2.6	-5.4	-0.8	1.9	1.6	2.8	0.3	
\$2,006,868	7.8	Forester Offshore A2, Ltd.	-4.4	2.7	-5.8	0.1	-5.8	-7.5	-1.1	2.5	3.8	4.7	3.7	Jul-07
		HFRI FOF: Strategic Index	-5.7	1.5	-4.3	0.6	-3.8	-7.9	-1.8	1.7	1.4	2.8	0.0	
\$2,680,554	10.4	Archstone Absolute Return Strategies Fund, Ltd. Class A	-4.1	-1.5	-2.4	1.2	-1.2	-6.7	-5.3	-0.9	1.5	4.0	1.3	Jul-07
		HFRI FOF: Conservative Index	-1.8	0.0	-2.1	0.7	-1.4	-3.2	-0.3	2.0	1.9	2.8	0.3	
\$5,401,896	21.0	Total Fixed Income	1.0	-0.7	2.1	1.5	3.7	3.9	2.6	2.6	2.2	4.5	3.2	Jul-07
		Fixed Income Composite Index	1.0	-0.6	2.3	1.5	3.9	4.2	2.9	2.8	1.9	4.0	3.8	
\$3,038,039	11.8	JP Morgan Core Bond Select Fund	1.4	-0.9	2.8	2.2	5.1	5.6	NA	NA	NA	NA	3.8	Jan-15
		Barclays U.S. Aggregate	1.2	-0.6	3.0	2.2	5.3	6.0	3.9	4.1	3.8	4.6	3.9	
\$2,363,857	9.2	Vanguard Short Term US Treasury Admiral Fund	0.5	-0.6	1.3	0.6	1.9	1.8	1.3	1.2	NA	NA	0.9	Dec-11
		Barclays U.S. Treasury: 1-5 Year	0.7	-0.7	1.6	0.8	2.4	2.4	1.9	1.6	1.4	1.9	1.2	
\$2,721,022	10.6	Total Real Assets	-16.2	-5.7	5.9	10.3	16.8	-7.7	-15.8	-5.5	-5.4	-0.2	-5.9	Jul-07
		Real Assets Composite Index	-12.9	-3.1	3.9	8.9	13.1	-4.6	-13.6	-3.9	-3.5	1.5	-1.0	
\$786,642	3.1	Vanguard Short-Term Inflation Protected Securities Adm. Fund	-0.6	-0.4	1.8	0.9	2.7	1.6	-0.2	NA	NA	NA	0.3	Mar-14
		Barclays U.S. Treasury: 0-5 Year TIPS Index	-0.7	-0.5	2.2	0.9	3.1	1.9	-0.1	0.7	0.6	2.0	0.5	
\$506,808	2.0	Nuveen Gresham Diversified Commodities Fund	-14.8	-10.9	-0.4	11.5	11.1	-15.7	NA	NA	NA	NA	-12.0	Jan-15
		Bloomberg Commodity Index	-14.5	-10.5	0.4	12.8	13.2	-13.3	-18.7	-10.6	-10.8	-4.4	-10.1	
\$1,427,572	5.5	Van Eck Global Hard Assets I Fund	-27.2	-6.8	11.3	15.8	28.9	-12.5	-21.7	-6.7	NA	NA	-6.6	Apr-12
		S&P North American Natural Res Sector Index (TR)	-19.5	-1.8	6.3	12.5	19.6	-5.6	-16.2	-2.2	-3.1	4.9	-1.6	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2016

Market Value	% of Portfolio		QTR Ended Sep-15	QTR Ended Dec-15	QTR Ended Mar-16	QTR Ended Jun-16	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$164,753	0.6	Total Liquid Capital	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	Jul-07
\$164,753	0.6	Government Stif 15	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	Jul-07
		Citigroup 3 Month T-Bill	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	

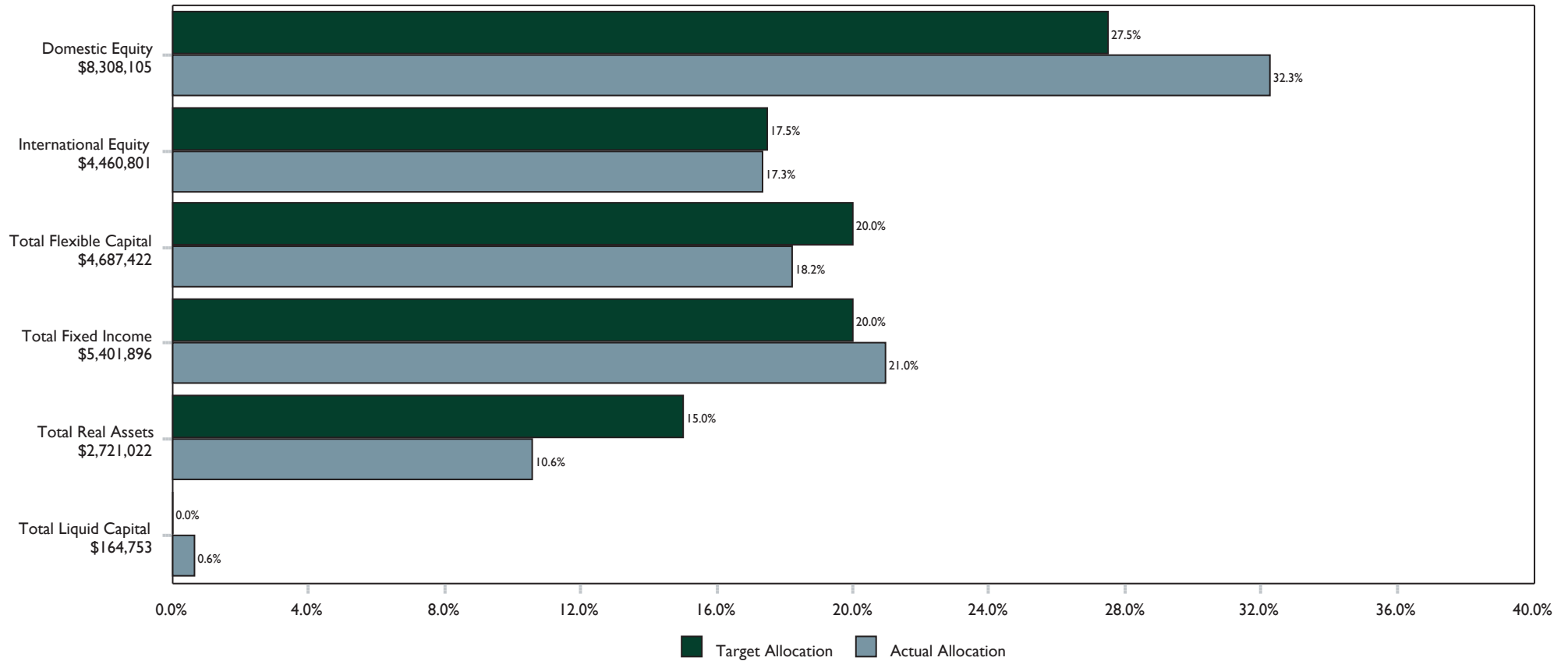
Please Note:

- Periods greater than one year are annualized
- Returns are net of investment management fees and gross of consulting fees unless otherwise stated
- Segment returns include performance of terminated managers unless otherwise stated
- Since inception returns are calculated from the first full month
- Actual Index calculated using manager allocations and index returns
- Performance and market values are subject to change based on statement availability from the investment manager/custodian
- Target Index (as of 9/01/2013): 27.5% Russell 3000 Index/ 17.5% MSCI ACWI ex USA/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Real Assets Composite Index
- Target Index (as of 12/01/2011): 27.5% Russell 3000 Index/ 17.5% MSCI EAFE Net Index/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Real Assets Composite Index
- Target Index reflects the policy limitations regarding international constraints
- Real Assets Composite Index reflects manager allocations and index returns. Components have changed over time
- Fixed Income Composite Index (effective 12/01/2011): 50% Barclays U.S. Aggregate Index / 50% Barclays US Treasury: 1-5 Year Index
- Fixed Income Composite Index (prior to 11/30/2011): 50% Barclays Aggregate Index / 50% BOA Conv. Bond US Inv. Gr. Index
- Government Stif 15: Client specific cash performance not available. Citigroup Treasury Bill 3 Month Index is being reported

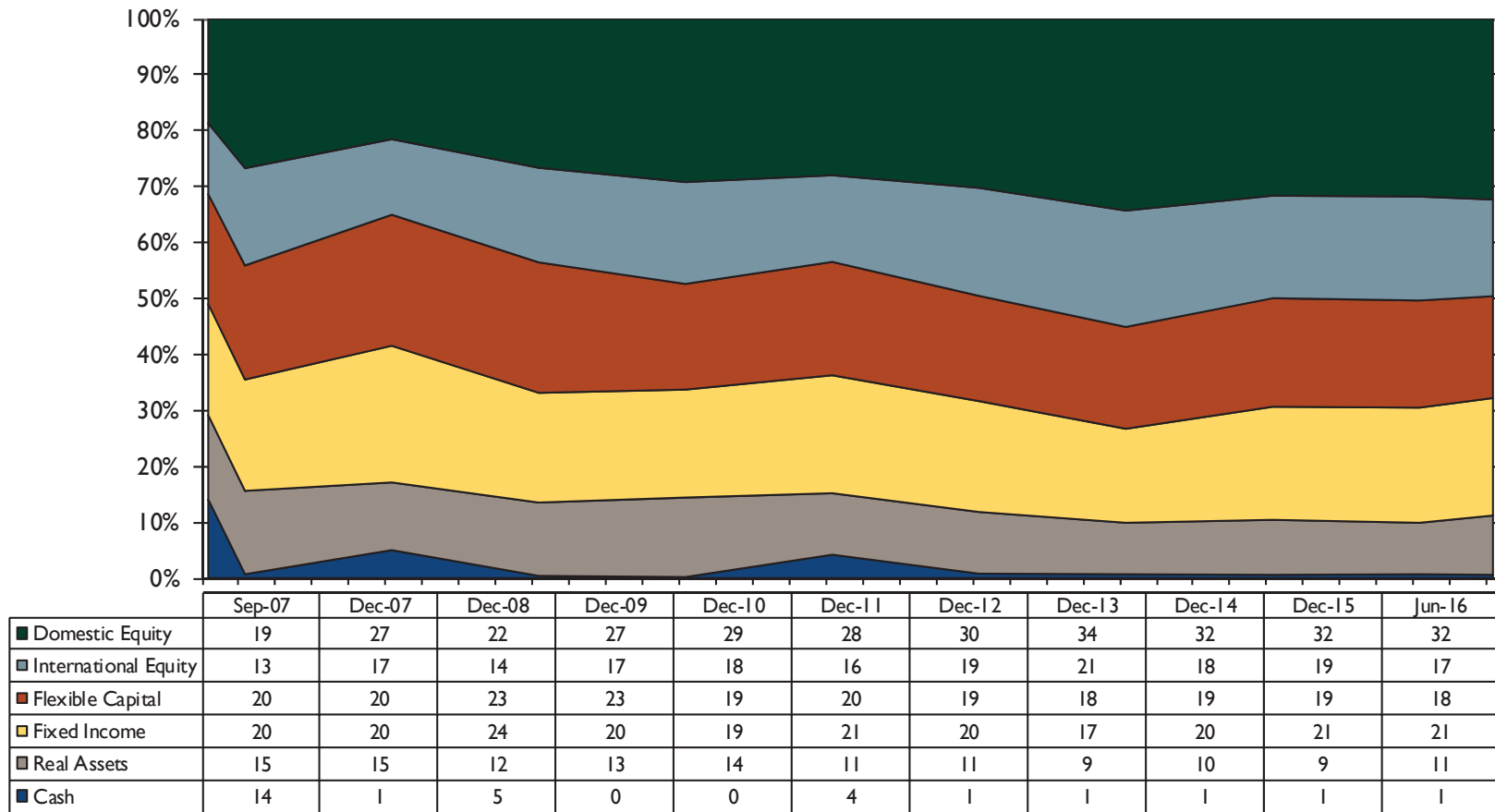
Asset Allocation - Current

As of June 30, 2016

	Asset Allocation (%)	Lower (%)	Target (%)	Upper (%)	Difference (%)
Total Fund	100.0	-	100.0	-	0.0
Domestic Equity	32.3	22.5	27.5	32.5	4.8
International Equity	17.3	15.0	17.5	20.0	-0.2
Total Flexible Capital	18.2	15.0	20.0	25.0	-1.8
Total Fixed Income	21.0	15.0	20.0	25.0	1.0
Total Real Assets	10.6	10.0	15.0	20.0	-4.4
Total Liquid Capital	0.6	0.0	0.0	1.0	0.6



Asset Allocation – Historical



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

Asset Allocation - Performance Comparison

As of June 30, 2016

Total Fund Performance

	1 Quarter Return	1 Year Return	2 Years Return	3 Years Return	5 Years Return	Since Inception Return	1 Year Standard Deviation	2 Years Standard Deviation	3 Years Standard Deviation	5 Years Standard Deviation	Since Inception Standard Deviation	Inception Date
Total Fund	1.9	-4.0	-2.7	3.5	4.0	2.3	9.0	7.4	7.4	8.5	9.9	Jul-07
Target Index	2.4	-2.0	-1.7	3.8	3.9	2.7	9.0	7.4	7.1	7.9	9.4	
Actual Index	2.0	-1.9	-1.2	4.3	4.4	2.9	8.9	7.4	7.2	7.8	8.8	
Domestic Index	2.5	3.5	4.6	9.1	9.4	6.1	9.9	8.3	7.9	8.6	11.5	
Global Index	1.6	0.1	-0.8	5.2	4.5	3.1	10.8	8.9	8.7	9.9	13.2	
Consumer Price Index	1.2	1.0	0.6	1.1	1.3	1.6	0.9	1.2	1.1	1.1	1.4	

Inflation Adjusted Nominal Portfolio Statistics

Statistical Output (%)	Target Index	Actual Index	Domestic Index	Global Index
Expected Return (Arithmetic)	7.3	7.2	7.2	7.3
Expected Standard Deviation	11.3	11.0	12.6	13.0
Expected Return (Geometric)	6.7	6.6	6.4	6.5
Sharpe Ratio	0.4	0.4	0.4	0.4
Historical Return (Arithmetic)	9.1	9.1	9.5	8.5
Historical Standard Deviation	10.8	10.4	11.8	12.5
Historical Return (Geometric)	8.6	8.6	8.9	7.8
Beta (to S&P 500 Index)	0.6	0.6	0.7	0.7
Correlation (to S&P 500 Index)	0.9	0.9	1.0	0.9
Probability of Returns Exceeding 5%				
10 Years	68.7	68.0	64.2	64.5

Historical Stress Test

	Deflation: Fall '08 to S&P Trough Sep-08 to Mar-09	Corporate Scandals May-02 to Jul-02	Tech Bubble Collapse Mar-00 to Mar-01	Russian Debt/ LTCM Collapse Jul-98 to Oct-98	Rising Rates Jan-94 to Dec-94	Shock Inflation Jan-73 to Dec-73	High Inflation Jan-73 to Dec-81
Target Index	-28.1%	-12.5%	-7.6%	-9.5%	+2.0%	-1.8%	+5.9%
Actual Index	-27.2%	-13.0%	-9.3%	-9.6%	+1.4%	-1.8%	+5.5%
Domestic Index	-32.5%	-16.9%	-11.9%	-11.3%	-0.8%	-9.6%	+5.5%
Global Index	-32.0%	-13.4%	-14.2%	-11.5%	-0.1%	-8.8%	+5.0%

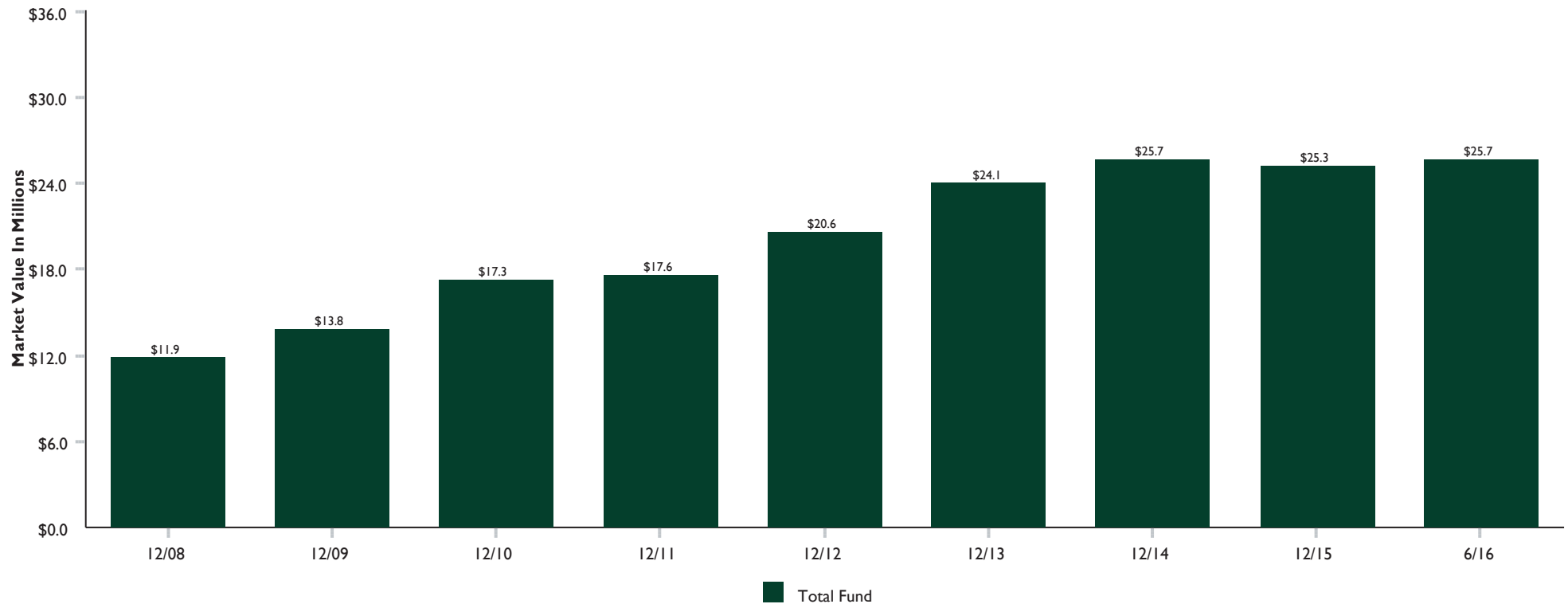
Notes: - Domestic Index: 70% Russell 3000 Index/30% Barclays Aggregate Index; Global Index: 70% MSCI AC World Index/30% Barclays Global Aggregate Index
 - Expected return/risk using 10-15 year Prime Buchholz capital market assumptions
 - Historical data based on index returns from 1/1/1988 through 6/30/2014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

Schedule of Investable Assets

Total Fund

January 1, 2008 To June 30, 2016

Periods Ending	Beginning Market Value	Net Cash Flow	Investment Performance	Ending Market Value
2008	\$16,305,625	\$8,989	-\$4,447,739	\$11,866,875
2009	\$11,866,875	0	\$1,976,750	\$13,843,625
2010	\$13,843,625	\$1,506,198	\$1,904,937	\$17,254,761
2011	\$17,254,761	\$792,031	-\$489,399	\$17,557,392
2012	\$17,557,392	\$999,098	\$2,078,366	\$20,634,856
2013	\$20,634,856	0	\$3,450,029	\$24,084,884
2014	\$24,084,884	\$1,000,000	\$595,975	\$25,680,859
2015	\$25,680,859	\$750,000	-\$1,166,999	\$25,263,860
To 06/2016	\$25,263,860	0	\$480,138	\$25,743,999
	\$16,305,625	\$5,056,315	\$4,382,058	\$25,743,999



Liquidity Schedule

As of June 30, 2016

Redemption Terms						
Daily			\$21,056,577		81.8	
Semi Liquid			\$4,687,422		18.2	
Total			\$25,743,999		100.0	

Investments	Inception	Subscriptions	Market Value	Daily	Semi Liquid	Notes
Global Equity						
Fidelity Spartan Total Market Index Advisor Fund	Jun-07	Daily	\$5,912,997	\$5,912,997		
FPA Crescent Fund	Mar-12	Daily	\$1,144,885	\$1,144,885		
FMI Common Stock Fund	Mar-12	Daily	\$1,250,223	\$1,250,223		
Dodge & Cox International Stock Fund	Jun-07	Daily	\$2,277,792	\$2,277,792		
Artisan International Institutional Fund	Jun-11	Daily	\$2,183,009	\$2,183,009		
Flexible Capital						
Total Flexible Capital	Jul-07	Various	\$4,687,422		\$4,687,422	See additional report
Fixed Income						
JP Morgan Core Bond Select Fund	Dec-14	Daily	\$3,038,039	\$3,038,039		
Vanguard Short Term US Treasury Admiral Fund	Nov-11	Daily	\$2,363,857	\$2,363,857		
Real Assets						
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Feb-14	Daily	\$786,642	\$786,642		
Nuveen Gresham Diversified Commodities Fund	Dec-14	Daily	\$506,808	\$506,808		
Van Eck Global Hard Assets I Fund	Mar-12	Daily	\$1,427,572	\$1,427,572		
Liquid Capital						
Government Stif I 5	Jun-07	Daily	\$164,753	\$164,753		
Total (\$)			\$25,743,999	\$21,056,577	\$4,687,422	
Total (%)			100.0	81.8	18.2	

Definitions:

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

Flexible Capital Detail

Investment	Tranche	Subscription Frequency	Subscription Date	Market Value	Redemption Frequency	Notice Period	Redemption Notice Deadline	Next Possible Redemption Date	Lock	Notes
Forester Offshore, Ltd.	Series A2 Sub-series 07/10	Quarterly	07/01/07	\$2,006,868	Annual	60 days	05/01/17	06/30/17	Two years - expired	Reds: available annually on anniversary
Archstone Absolute Return Strategies Fund, Ltd.	A-PB	Monthly	07/01/07	\$2,680,554	Semi-annual	90 days	10/01/16	12/31/16	One year - expired	Reds: available on 6/30 and 12/31

Operational Detail

Town of Palm Beach Health Insurance Trust							
Manager	Vehicle Type	Latest Audited Financials	Auditor/Accountant	Legal Counsel	Custodian	Administrator	Holdings Transparency
Archstone Absolute Return Strategies Fund, Ltd.	Pooled	12/31/2015	Ernst & Young LLP	Walkers SPV Limited (Cayman); Willkie	BNY Mellon	SS&C Technologies, Inc.	High
Artisan International Instl Fd	Pooled	9/30/2015	Ernst & Young LLP	Ropes & Gray LLP	State Street Bank & Trust Company	Artisan Partners LP	High
Dodge & Cox Intl Stock Fund	Pooled	12/31/2015	PricewaterhouseCoopers LLP	Dechert LLP	State Street Bank & Trust Company	Dodge & Cox	High
Fidelity Spartan Total Market Index Adv Fund	Pooled	2/29/2016	PricewaterhouseCoopers LLP	Fidelity Legal Department	BNY Mellon	Fidelity Management & Research Company	High
FMI Common Stock Fund	Pooled	9/30/2015	PricewaterhouseCoopers LLP	Foley & Lardner LLP	U.S. Bank, N.A.	U.S. Bancorp Fund Services, LLC	High
Forester Offshore A2, Ltd.	Pooled	6/30/2015	Ernst & Young LLP	Ogier	State Street Bank and Trust Company	International Fund Services LLC	High
FPA Crescent Fund	Pooled	12/31/2015	Deloitte & Touche LLP	Dechert LLP	State Street Bank & Trust Company	State Street Bank & Trust Company	High
Nuveen Gresham Diversified Commodities Fund	Pooled	9/30/2015	PricewaterhouseCoopers LLP	Chapman & Cutler LLP	State Street Bank & Trust Company	Nuveen Gresham	High
JP Morgan Core Bond Select Fund	Pooled	2/29/2016	PricewaterhouseCoopers LLP	Dechert LLP	JPMorgan Chase & Co.	JP Morgan Funds Management, Inc.	High
Van Eck Global Hard Assets I Fund	Pooled	12/31/2015	Ernst & Young LLP	Goodwin Procter LLP	State Street Bank & Trust Company	Van Eck Associates Corporation	High
Vanguard Short Term US Treas Adm Fd	Pooled	1/31/2016	PricewaterhouseCoopers LLP	Internal Legal Department	BNY Mellon	The Vanguard Group	High
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Pooled	9/30/2015	PriceWaterhouseCoopers LLP	Internal Legal Department	JPMorgan Chase & Co.	The Vanguard Group	High

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

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

Medium Transparency: partial disclosure of underlying holdings/components.

High Transparency: access to underlying portfolio holdings/components.

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

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

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

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

Fee Schedule

As of June 30, 2016

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
Fidelity Spartan Total Market Index Advisor Fund	0.05% of NAV	\$5,912,997	\$2,956	0.05%
FPA Crescent Fund	1.09% of NAV	\$1,144,885	\$12,479	1.09%
FMI Common Stock Fund	1.07% of NAV	\$1,250,223	\$13,377	1.07%
Dodge & Cox International Stock Fund	0.64% of NAV	\$2,277,792	\$14,578	0.64%
Artisan International Institutional Fund	0.95% of NAV	\$2,183,009	\$20,739	0.95%
Forester Offshore A2, Ltd.	1.00% on assets managed	\$2,006,868	\$20,069	1.00% *
Archstone Absolute Return Strategies Fund, Ltd. Class A	1.14% on assets managed **	\$2,680,554	\$30,558	1.14% *
JP Morgan Core Bond Select Fund	0.58% of NAV	\$3,038,039	\$17,621	0.58%
Vanguard Short Term US Treasury Admiral Fund	0.10% of NAV	\$2,363,857	\$2,364	0.10%
Vanguard Short-Term Inflation Protected Securities Adm Fund	0.08% of NAV	\$786,642	\$629	0.08%
Nuveen Gresham Diversified Commodities Fund	1.06% of NAV	\$506,808	\$5,372	1.06%
Van Eck Global Hard Assets I Fund	1.00% of NAV	\$1,427,572	\$14,276	1.00%
Total Liquid Capital	--	\$164,753	--	--
Total Investment Management Fees		\$25,743,999	\$155,018	0.60%

Fee Schedule

As of June 30, 2016

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
State Street Bank & Trust Co.				
-Custody Fees	0.015% on assets custodied	\$25,743,999	\$3,862	0.015%
-Accounting Fees				
Separate Domestic Equity Accounts	\$4,000 each (0)		--	
Separate Fixed Income Accounts	\$2,500 each (0)		--	
Multiple Line Item Portfolios	\$1,500 each (1)		\$1,500	
Commingled/Mutual Funds	\$500 each (13)		\$6,500	
Estimated Total SSB&T Fee:		\$25,743,999	\$11,862	0.05%
PBA Fees				
	0.25% on first \$20 million	\$25,743,999	\$60,000	0.23%
	0.10% on next \$50 million			
	0.05% over \$70 million			
	\$60,000 minimum			
Total Fees		\$25,743,999	\$226,880	0.88%

Please Note:

* Base fee only; underlying manager fees, incentive fees, and operating expenses not included

** Archstone management fees may range from 1.1% to 1.2%

- Estimated State Street Bank & Trust Co. custody fee does not include trading/transaction fees

- Effective 1/1/2017 Forester Offshore A2, Ltd. management fee will be reduced from 1.00% to 0.95%

Peer Performance Comparison

As of June 30, 2016

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2015 Return	2014 Return	2013 Return	2012 Return
Fidelity Spartan Total Market Index Advisor Fund	2.0 (21)	11.0 (20)	11.5 (14)	12.5	1.0	1.0	3.6 (27)	0.5 (25)	12.5 (32)	33.4 (54)	16.4 (36)
Wilshire 5000 Total Market Index	1.6 (24)	10.7 (25)	11.4 (17)	12.4	1.0	1.0	3.7 (24)	-0.2 (37)	12.1 (36)	34.0 (49)	16.1 (41)
<i>IM U.S. Multi-Cap Core Equity (MF) Median</i>	<i>-2.1</i>	<i>9.1</i>	<i>9.6</i>	<i>13.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.5</i>	<i>-1.4</i>	<i>10.9</i>	<i>33.7</i>	<i>15.6</i>
FPA Crescent Fund	-1.9 (57)	5.0 (31)	6.7 (15)	8.3	0.7	1.0	0.2 (84)	-2.1 (33)	6.6 (22)	21.9 (11)	10.3 (60)
S&P 500 Index	4.0 (13)	11.7 (1)	12.1 (1)	12.0	1.0	1.0	3.8 (44)	1.4 (10)	13.7 (3)	32.4 (4)	16.0 (13)
60% Russell 2500 / 40% BC Global Credit	0.0 (40)	6.7 (10)	7.3 (9)	10.4	0.8	0.9	5.3 (31)	-2.9 (42)	5.3 (31)	21.4 (12)	15.6 (16)
HFRI Equity Hedge (Total) Index	-5.1 (81)	3.0 (65)	2.2 (80)	7.4	0.6	0.9	-0.5 (90)	-1.0 (23)	1.8 (69)	14.3 (37)	7.4 (82)
<i>IM Flexible Portfolio (MF) Median</i>	<i>-1.1</i>	<i>3.9</i>	<i>4.2</i>	<i>8.5</i>	<i>0.6</i>	<i>0.9</i>	<i>3.3</i>	<i>-3.5</i>	<i>3.5</i>	<i>10.9</i>	<i>11.3</i>
FMI Common Stock Fund	-1.8 (40)	7.9 (52)	8.2 (59)	12.7	0.8	0.9	6.2 (18)	-6.8 (75)	6.5 (70)	32.0 (75)	10.2 (89)
Russell 2500 Index	-3.7 (54)	8.6 (41)	9.5 (28)	15.3	1.0	1.0	4.0 (48)	-2.9 (40)	7.1 (66)	36.8 (25)	17.9 (22)
<i>IM U.S. Mid Cap Core Equity (MF) Median</i>	<i>-3.1</i>	<i>8.0</i>	<i>8.4</i>	<i>14.2</i>	<i>0.9</i>	<i>1.0</i>	<i>3.5</i>	<i>-3.7</i>	<i>9.2</i>	<i>34.4</i>	<i>16.1</i>
Dodge & Cox International Stock Fund	-18.9 (100)	0.4 (57)	1.0 (34)	16.9	1.1	1.0	-4.9 (76)	-11.4 (92)	0.1 (7)	26.3 (3)	21.0 (12)
MSCI AC World ex USA (Net)	-10.2 (37)	1.2 (36)	0.1 (63)	15.4	1.0	1.0	-1.0 (20)	-5.7 (86)	-3.9 (16)	15.3 (73)	16.8 (52)
<i>IM International Large Cap Core Equity (MF) Median</i>	<i>-11.4</i>	<i>0.5</i>	<i>0.5</i>	<i>14.9</i>	<i>0.9</i>	<i>1.0</i>	<i>-3.6</i>	<i>-2.4</i>	<i>-6.1</i>	<i>19.3</i>	<i>17.0</i>
Artisan International Institutional Fund	-11.6 (60)	2.5 (26)	4.6 (2)	15.6	1.0	0.9	-4.7 (66)	-3.6 (83)	-0.7 (10)	25.5 (3)	25.6 (3)
MSCI EAFE (Net)	-10.2 (38)	2.1 (33)	1.7 (29)	15.2	1.0	1.0	-4.4 (64)	-0.8 (35)	-4.9 (33)	22.8 (12)	17.3 (56)
<i>IM International Large Cap Equity (MF) Median</i>	<i>-10.8</i>	<i>1.1</i>	<i>0.8</i>	<i>15.0</i>	<i>1.0</i>	<i>1.0</i>	<i>-3.7</i>	<i>-1.7</i>	<i>-5.9</i>	<i>19.3</i>	<i>17.9</i>
JP Morgan Core Bond Select Fund	5.6 (30)	3.7 (48)	3.7 (44)	2.5	0.9	1.0	5.1 (54)	0.7 (14)	5.2 (65)	-1.8 (40)	5.1 (69)
Barclays U.S. Aggregate	6.0 (14)	4.1 (22)	3.8 (40)	2.7	1.0	1.0	5.3 (34)	0.5 (18)	6.0 (26)	-2.0 (52)	4.2 (79)
<i>IM U.S. Broad Market Core Fixed Income (MF) Median</i>	<i>5.1</i>	<i>3.7</i>	<i>3.6</i>	<i>2.8</i>	<i>1.0</i>	<i>0.9</i>	<i>5.1</i>	<i>0.0</i>	<i>5.5</i>	<i>-2.0</i>	<i>6.0</i>

Peer Performance Comparison

As of June 30, 2016

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2015 Return	2014 Return	2013 Return	2012 Return
Nuveen Gresham Diversified Commodities Fund	-15.7 (78)	-11.2 (55)	NA	NA	NA	NA	11.1 (68)	-25.7 (64)	-17.3 (45)	-7.8 (38)	NA
Bloomberg Commodity Index	-13.3 (56)	-10.6 (44)	-10.8 (48)	15.0	1.0	1.0	13.2 (43)	-24.7 (47)	-17.0 (41)	-9.5 (53)	-1.1 (45)
<i>IM Commodities General (MF) Median</i>	<i>-12.9</i>	<i>-11.0</i>	<i>-10.9</i>	<i>15.8</i>	<i>1.0</i>	<i>0.9</i>	<i>12.6</i>	<i>-24.8</i>	<i>-17.7</i>	<i>-9.2</i>	<i>-1.5</i>
Van Eck Global Hard Assets I Fund	-12.5 (59)	-6.7 (65)	-8.1 (49)	24.5	1.1	1.0	28.9 (5)	-33.2 (86)	-19.1 (70)	11.2 (48)	2.9 (42)
S&P North American Natural Res Sector Index (TR)	-5.6 (14)	-2.2 (19)	-3.1 (16)	21.5	1.0	1.0	19.6 (24)	-24.3 (50)	-9.8 (18)	16.5 (26)	2.2 (46)
<i>IM Global Natural Resources (MF) Median</i>	<i>-11.2</i>	<i>-5.5</i>	<i>-8.2</i>	<i>22.2</i>	<i>1.0</i>	<i>1.0</i>	<i>13.6</i>	<i>-24.3</i>	<i>-13.0</i>	<i>10.6</i>	<i>1.4</i>

Please Note:

-Standard Deviation, Beta and Correlation are relative to the primary benchmark for the strategy

-Manager and benchmark universe rankings are listed in parenthesis next to manager and benchmark returns

-Peer Universe rankings range from 1 to 100. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.

-IM Median returns for mutual fund (MF) universes reported net of fees.

Exposures and Characteristics

Portfolio Comparison

As of June 30, 2016

	Fidelity Spartan Total Market Index	FPA Crescent Fund	FMI Common Stock	Domestic Equity	Russell 3000
Composition					
# of Holdings	3,416	42	42	3,433	3,007
% Top 15 Holdings	20.6	78.0	53.2	22.0	19.7
% Top 25 Holdings	27.9	91.3	74.8	28.9	27.3
Characteristics					
Wtd Avg Mkt Cap (\$B)	113.1	60.3	3.4	89.3	113.3
Forecast P/E	17.4	11.4	16.3	16.4	17.4
Price/Book ratio	3.0	2.6	2.3	2.9	3.0
Historical EPS Growth - 5 Year	6.3	4.4	4.3	5.9	6.4
Forecast EPS Growth - Long-Term	11.4	11.1	10.3	11.2	11.3
Current Yield	2.1	2.0	1.2	1.9	2.1
GICS Sectors (%)					
Energy	6.7	2.3	0.0	5.1	6.8
Materials	3.2	4.4	8.0	4.1	3.3
Industrials	10.7	8.5	37.7	14.5	10.5
Consumer Discretionary	12.7	5.0	10.3	11.3	12.9
Consumer Staples	9.4	1.8	0.0	6.9	9.4
Health Care	14.2	1.4	4.0	10.9	14.2
Financials	17.5	20.9	9.6	16.8	17.4
Information Technology	19.3	18.4	20.7	19.4	19.2
Telecommunication Services	2.6	0.0	0.0	1.9	2.7
Utilities	3.7	0.0	0.0	2.6	3.7
Cash	0.0	37.2	9.8	6.6	0.0
Market Capitalization (%)					
Mega (Above \$60B)	46.7	28.3	0.0	37.1	46.9
Large (\$15B - \$60B)	27.8	19.8	0.0	22.5	27.6
Mid (\$5B - \$15B)	13.9	9.9	25.6	15.1	13.8
Small/Mid (\$2.5B - \$5B)	5.7	2.6	29.6	8.9	5.6
Small (\$0 - \$2.5B)	6.0	1.8	34.9	9.8	6.1
Cash	0.0	37.2	9.8	6.6	0.0
Other	0.0	0.4	0.0	0.1	0.0

Portfolio Comparison

As of June 30, 2016

	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE	Global Equity	MSCI AC World
Composition							
# of Holdings	83	62	134	1,859	930	3,547	2,481
% Top 15 Holdings	42.0	51.8	31.5	12.1	16.5	18.3	12.1
% Top 25 Holdings	57.7	69.0	44.6	17.3	22.9	24.5	17.1
Characteristics							
Wtd Avg Mkt Cap (\$B)	58.5	64.0	61.2	51.2	54.8	79.5	92.9
Forecast P/E	10.5	17.3	12.9	13.9	14.7	15.0	15.6
Price/Book ratio	2.0	2.9	2.5	2.3	2.3	2.7	2.7
Historical EPS Growth - 5 Year	-0.8	9.2	4.7	6.1	5.3	5.5	6.0
Forecast EPS Growth - Long-Term	12.2	12.1	12.2	10.3	9.0	11.6	10.9
Current Yield	3.1	2.3	2.7	3.4	3.6	2.2	2.7
GICS Sectors (%)							
Energy	8.9	0.0	4.5	6.9	5.2	4.9	7.0
Materials	6.6	3.1	4.9	7.1	6.9	4.4	4.9
Industrials	9.4	8.0	8.7	11.3	13.3	12.5	10.4
Consumer Discretionary	17.8	10.9	14.5	11.3	12.1	12.4	12.3
Consumer Staples	0.4	26.4	13.1	11.6	13.3	9.1	11.0
Health Care	12.2	16.0	14.1	9.4	12.4	12.0	12.2
Financials	24.6	15.6	20.2	24.4	22.3	18.0	19.7
Information Technology	15.9	7.1	11.6	9.0	5.3	16.7	14.9
Telecommunication Services	4.0	6.5	5.2	5.3	5.1	3.0	4.0
Utilities	0.0	0.0	0.0	3.6	3.9	1.7	3.6
Cash	0.1	6.4	3.2	0.0	0.0	5.4	0.0
Market Capitalization (%)							
Mega (Above \$60B)	28.7	39.8	34.1	26.7	29.7	36.1	41.3
Large (\$15B - \$60B)	54.7	39.2	47.1	39.8	42.4	31.1	35.6
Mid (\$5B - \$15B)	12.5	14.6	13.5	25.2	22.7	14.5	18.9
Small/Mid (\$2.5B - \$5B)	2.8	0.0	1.4	6.8	4.9	6.3	3.4
Small (\$0 - \$2.5B)	1.3	0.0	0.6	1.5	0.4	6.6	0.7
Cash	0.1	6.4	3.2	0.0	0.0	5.4	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Regional Exposure

As of June 30, 2016

Regional Allocation (%)

	Global Equity	MSCI AC World	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE
Canada	0.6	3.2	1.7	1.7	1.7	6.8	0.0
United States	63.8	52.7	9.9	19.3	14.5	0.0	0.0
Pacific ex Japan	1.0	4.8	1.5	3.4	2.4	10.0	12.1
Japan	4.6	7.6	12.5	14.0	13.3	16.4	23.2
Europe ex UK	14.5	15.1	37.6	40.3	38.9	31.2	44.2
United Kingdom	3.8	6.5	7.8	12.0	9.9	13.9	19.7
Middle East	0.0	0.3	0.0	0.0	0.0	0.5	0.8
Developed Markets	88.4	90.2	71.1	90.7	80.7	78.8	100.0
EM Asia	2.8	6.7	13.1	2.4	7.9	14.5	0.0
EM Europe	0.4	0.7	1.3	0.0	0.7	1.6	0.0
EM Latin America	1.5	1.4	7.7	0.5	4.2	3.0	0.0
EM Mid East+Africa	1.5	1.0	6.7	0.0	3.4	2.1	0.0
Emerging Markets	6.1	9.8	28.8	2.9	16.1	21.2	0.0
Cash	5.4	0.0	0.1	6.4	3.2	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Regional Allocation (%)

	Global Equity	MSCI AC World
United States	63.8	52.7
Non-US Developed	24.6	37.5
Emerging Markets	6.1	9.8
Cash	5.4	0.0
Other	0.0	0.0

Flexible Capital

As of June 30, 2016

	Forester Offshore Fund, Ltd.	Archstone Absolute Return Strategies Fund, Ltd. Class A	Total Flexible Capital	FPA Crescent Fund	Total Leveraged Portfolio
Market Value	\$2,007	\$2,681	\$4,687	\$1,145	\$5,832
% of Total Managed Portfolio (\$25,744)	7.8	10.4	18.2	4.4	22.7
Market Exposure (%)					
Gross Long %	95.0	91.7	93.1	68.4	88.3
Gross Short %	60.0	59.7	59.8	3.9	48.8
Net %	35.0	42.0	39.0	64.5	44.0
Total Gross	155.0	151.4	152.9	72.3	137.1
Strategy Weights (%)					
L/S Equity	100.0	20.9	54.8	58.7	55.5
L/S Credit	0.0	26.7	15.3	6.3	13.5
Event-Driven	0.0	7.1	4.1	0.0	3.3
Distressed	0.0	13.0	7.4	0.0	6.0
Special Situations	0.0	3.0	1.7	0.0	1.4
Relative Value	0.0	3.3	1.9	0.0	1.5
Macro	0.0	0.0	0.0	0.0	0.0
Other/Cash	0.0	26.0	14.9	35.0	18.8
Geography (%)					
U.S. & Canada	69.7	61.0	64.7	76.8	67.1
Dev Europe	20.0	21.1	20.6	19.1	20.3
Asia	5.8	8.8	7.5	0.5	6.1
Emerging Mkts	4.5	0.0	1.9	3.6	2.3
Other	0.0	9.1	5.2	0.0	4.2
Top 10 Long Holdings/Managers					
Forester Offshore Fund, Ltd.		Archstone Absolute Return Strategies Fund, Ltd. Class A		FPA Crescent Fund	
Company	%	Company	%	Company	%
KENSICO	10.0	FIR TREE	14.4	ORACLE	5.0
VIKING GLOBAL	8.0	DW CATALYST	14.1	UNITED TECH	3.4
SAMLYN CAPITAL	6.0	KING STREET	12.0	AON	3.1
LANDSDOWNE	5.0	ELLIOTT INTL	11.0	NASPERS	3.1
CASTINE CAPITAL	4.0	DAVIDSON KEMPNER	11.0	AIG	3.1
HENGISTBURY	4.0	SILVER POINT	10.1	CITIGROUP	2.9
PENNANT CAPITAL	4.0	FARALLON	9.4	ALCOA	2.8
TIGER GLOBAL	4.0	OZ OVERSEAS	8.6	CISCO	2.7
COATUE	3.0	SERENGETI	8.4	MICROSOFT	2.4
STEADFAST	3.0		NA	CIT GROUP	2.3

- FPA Crescent Fund market and geographic exposure exclude cash.

Flexible Capital Underlying Manager Exposure

Data as of 3/31/2016	1,140,470	2,005,698	2,647,558	5,793,726	25,266,546	
			Archstone Absolute Return Strategies Fund, Ltd.	% weighting within FlexCap	% weighting within Total Fund	\$ weighting within Total Fund
Product/Investment	FPA Crescent Fund	Forester Offshore A2, Ltd.				
FPA Contrarian Value	100.0%			19.7%	4.5%	1,140,470
Elliott Associates			13.0%	5.9%	1.4%	344,183
Farallon Capital			13.0%	5.9%	1.4%	344,183
Davidson Kempner			12.0%	5.5%	1.3%	317,707
Silver Point Capital			12.0%	5.5%	1.3%	317,707
Fir Tree Capital Opportunity Fund			11.0%	5.0%	1.2%	291,231
King Street Capital			10.0%	4.6%	1.0%	264,756
Och-Ziff			10.0%	4.6%	1.0%	264,756
DW Catalyst Fund			9.0%	4.1%	0.9%	238,280
Serengeti Opportunities Fund			8.0%	3.7%	0.8%	211,805
Kensico Partners		9.0%		3.1%	0.7%	180,513
Viking Global Equities		7.0%		2.4%	0.6%	140,399
Samlyn Capital		6.0%		2.1%	0.5%	120,342
Lansdowne Developed Markets Long Only Fund		5.0%		1.7%	0.4%	100,285
Coatue Qualified Partners		4.0%		1.4%	0.3%	80,228
Hengistbury Fund, Ltd		4.0%		1.4%	0.3%	80,228
Pennant Woodward		4.0%		1.4%	0.3%	80,228
York Credit Opportunities			3.0%	1.4%	0.3%	79,427
Abrams Capital		3.0%		1.0%	0.2%	60,171
Castine Capital		3.0%		1.0%	0.2%	60,171
Falcon Edge Capital		3.0%		1.0%	0.2%	60,171
Steadfast		3.0%		1.0%	0.2%	60,171
The Children's Investment Fund Mgmt UK LLP		3.0%		1.0%	0.2%	60,171
Tiger Global		3.0%		1.0%	0.2%	60,171

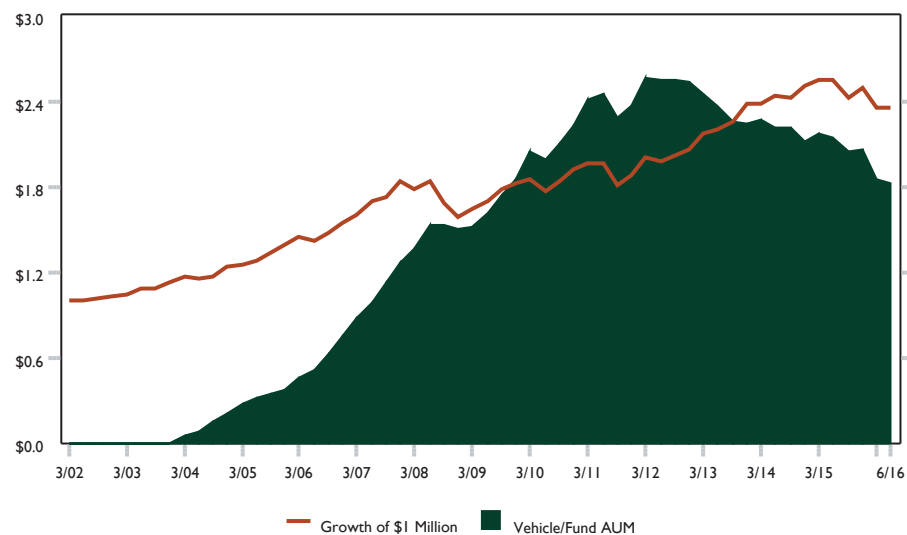
- Content is current as of the date indicated.
- Gray cells represent overlap within the Flexible Capital composite.
- Analysis includes only the top 20 underlying funds for each fund of funds.
- 7 top 20 underlying funds have exposures of less than 1% of the total Flexible Capital composite and have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

Flexible Capital Strategies

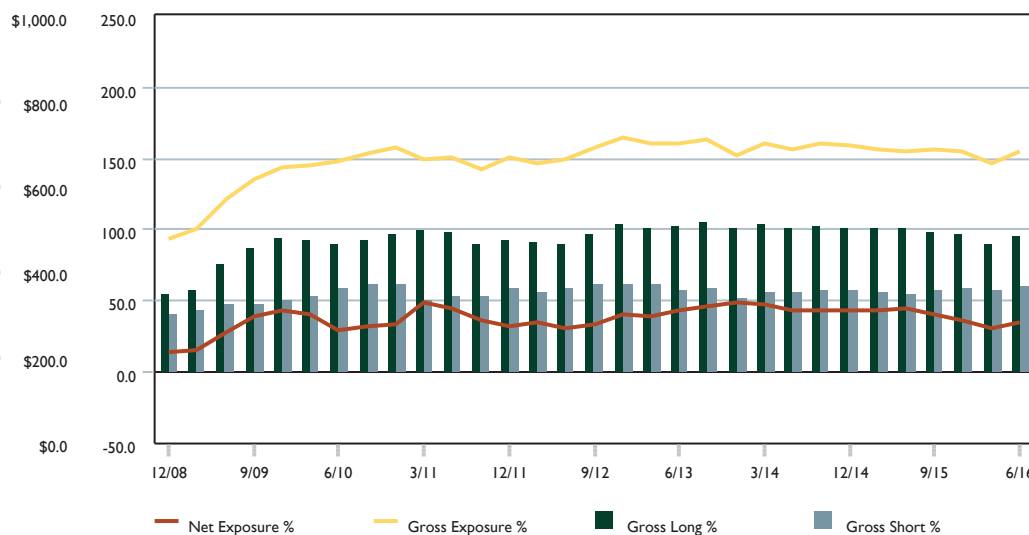
Forester Offshore, Ltd.

As of June 30, 2016

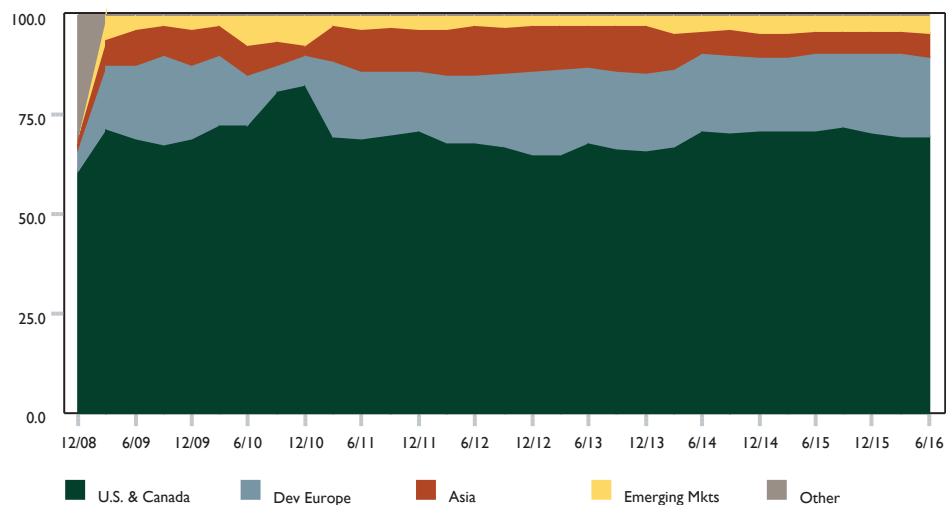
Asset Growth



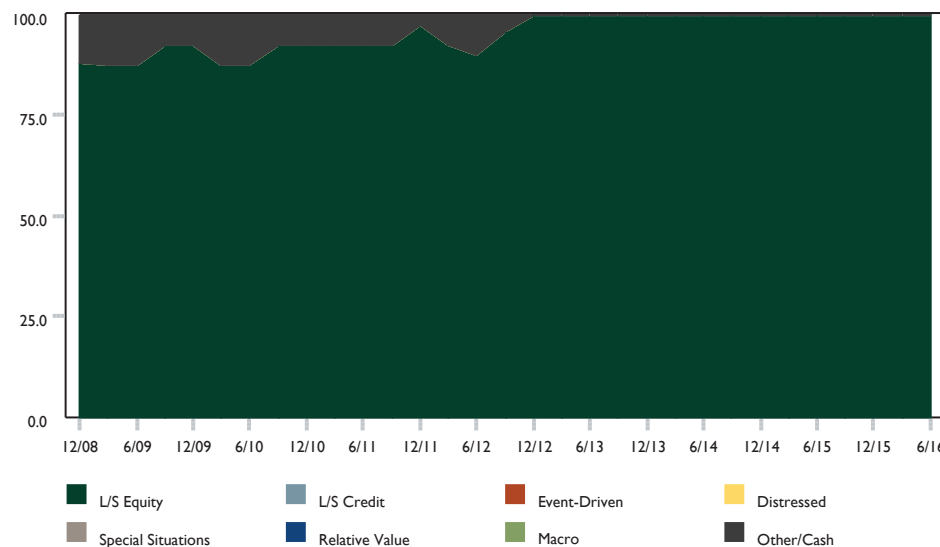
Market Exposure



Geographic Exposure



Strategy Weights

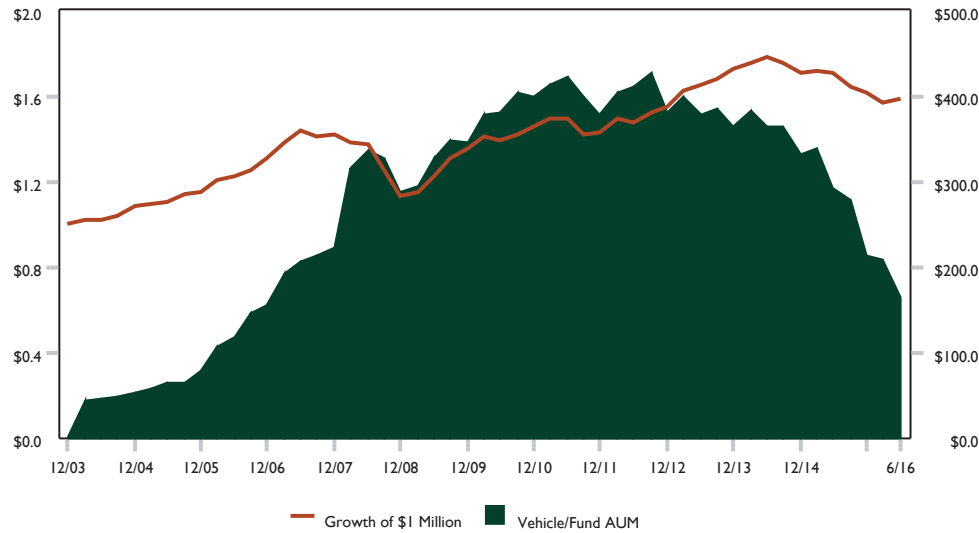


Flexible Capital Strategies

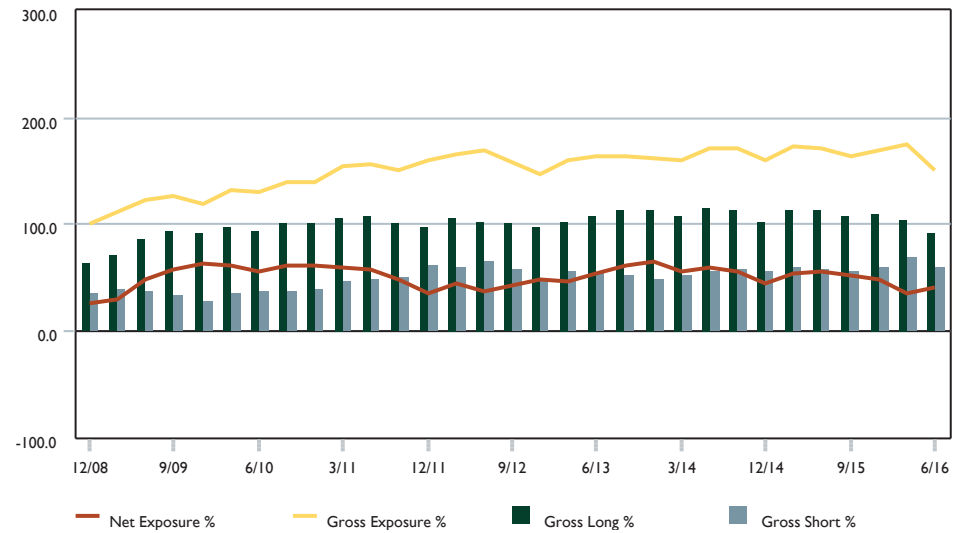
Archstone Absolute Return Strategies Fund, Ltd.

As of June 30, 2016

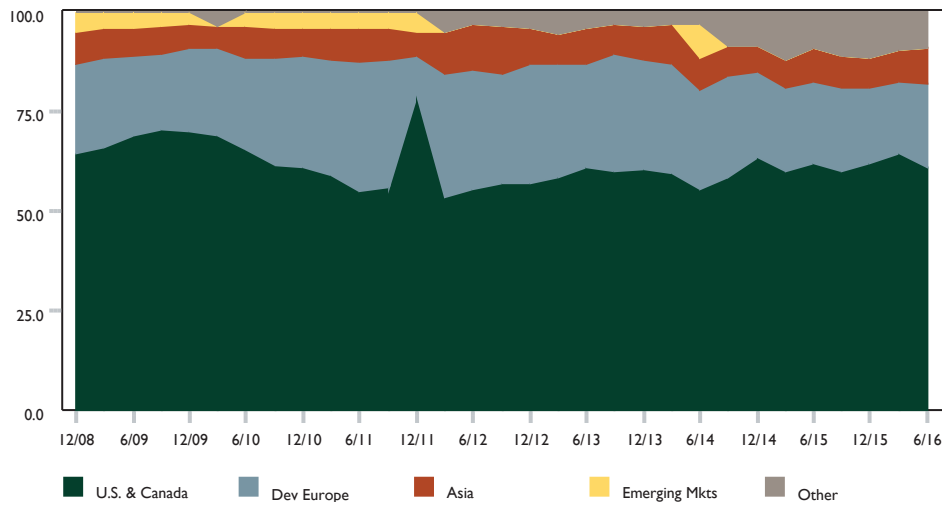
Asset Growth



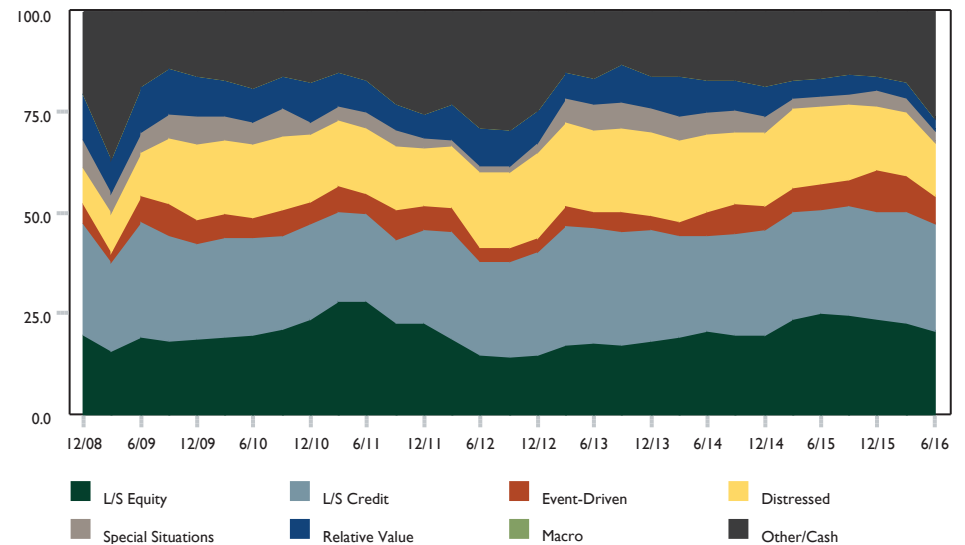
Market Exposure



Geographic Exposure



Strategy Weights

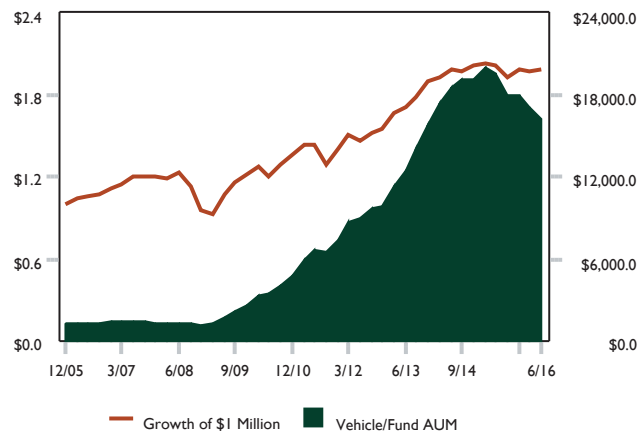


Flexible Capital Strategies

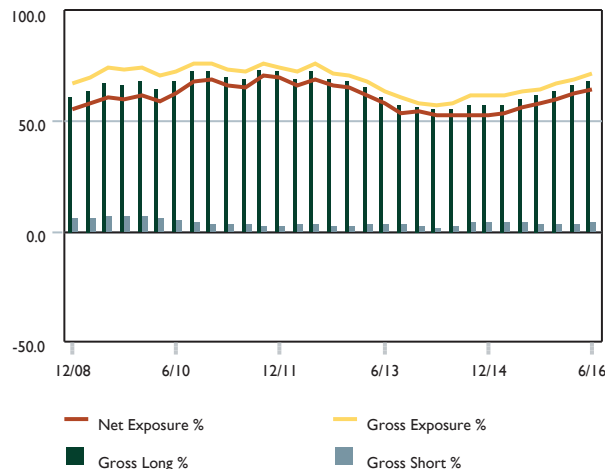
FPA Crescent Fund

As of June 30, 2016

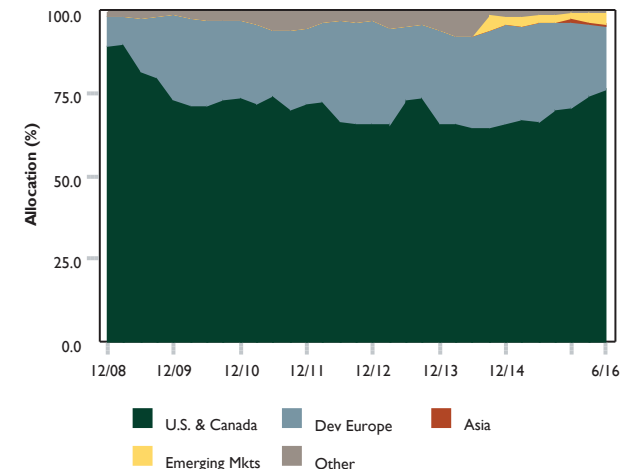
Asset Growth



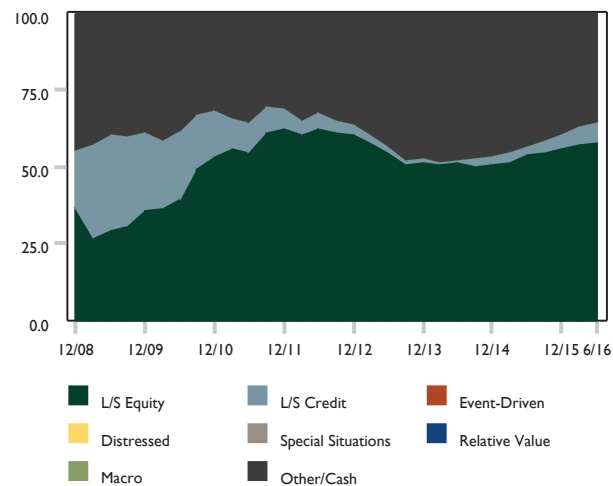
Market Exposure



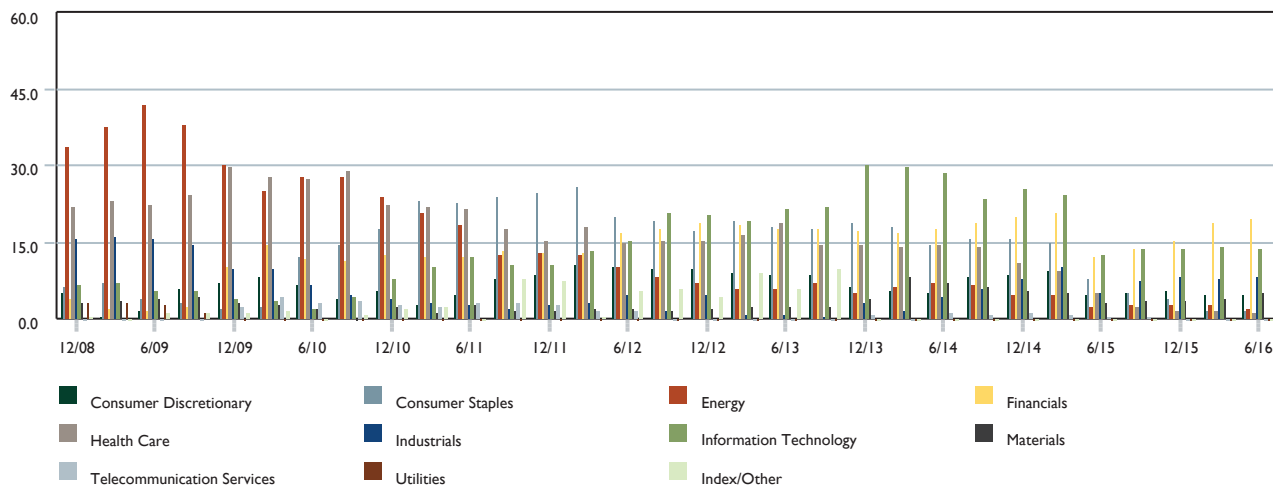
Geographic Exposure



Strategy Weights



Sector Breakdown



Fixed Income

As of June 30, 2016

	JP Morgan Core Bond Select Fund	Barclays U.S. Aggregate	Vanguard Short Term US Treasury Admiral Fund	Barclays U.S. Treasury: 1-5 Year	Total Fixed Income
Portfolio Characteristics					
Yield	2.3	1.9	0.6	0.7	1.5
Average Maturity	7.0	7.8	2.2	2.9	4.9
Duration	5.4	5.5	2.2	2.8	4.0
Quality Breakdown					
U.S. Treasury	26.7	36.6	99.9	100.0	58.8
U.S. Govt/Agency	3.1	2.5	0.0	0.0	1.8
Agency MBS	31.0	27.7	0.0	0.0	17.4
Non-U.S. Sov/Agency	0.0	4.0	0.0	0.0	0.0
AAA	7.2	3.9	0.0	0.0	4.0
AA	4.0	2.6	0.0	0.0	2.2
A	10.4	10.6	0.0	0.0	5.9
BBB	11.8	12.1	0.0	0.0	6.6
BB and Below	1.3	0.0	0.0	0.0	0.7
NR/Other	4.4	0.0	0.1	0.0	2.5
Sector Breakdown					
U.S. Treasury	26.7	36.6	99.9	100.0	58.8
U.S. Government Related	3.1	2.5	0.0	0.0	1.8
Non-U.S. Sovereign/Agency	0.0	4.0	0.0	0.0	0.0
Investment Grade Corporate	20.8	25.4	0.0	0.0	11.7
Industrials	11.0	15.6	0.0	0.0	6.2
Utility	1.5	2.0	0.0	0.0	0.9
Financials	8.3	7.8	0.0	0.0	4.6
High Yield	0.0	0.0	0.0	0.0	0.0
Non-U.S. Dollar	0.0	0.0	0.0	0.0	0.0
Emerging Market Debt	0.0	0.0	0.0	0.0	0.0
MBS	31.0	27.7	0.0	0.0	17.4
MBS-Agency	27.4	27.7	0.0	0.0	15.4
MBS-NonAgency	3.6	0.0	0.0	0.0	2.0
CMBS	5.2	1.7	0.0	0.0	2.9
ABS	9.2	0.5	0.0	0.0	5.2
Municipals	0.0	0.0	0.0	0.0	0.0
Cash	2.6	0.0	0.0	0.0	1.5
Other	1.3	1.7	0.1	0.0	0.8

- Barclays U.S. Aggregate Duration represents Modified Adjusted Duration. Sector Breakdown Other is Supranationals and Other Mtgs.

- Vanguard Short Term Treasury Duration represents Average Duration. Maturity is Average Effective Maturity.

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

Inflation Hedging

As of June 30, 2016

Vanguard Short-Term Inflation Protected Securities Adm. Fund

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

Portfolio Characteristics

Yield	1.0	0.8
Average Maturity	2.5	2.6
Duration	2.5	1.3

Quality Breakdown

U.S. Treasury	100.0	100.0
U.S. Govt/Agency	0.0	0.0
Agency MBS	0.0	0.0
Non-U.S. Sov/Agency	0.0	0.0
AAA	0.0	0.0
AA	0.0	0.0
A	0.0	0.0
BBB	0.0	0.0
BB and Below	0.0	0.0
NR/Other	0.0	0.0

Sector Breakdown

U.S. Treasury	100.0	100.0
U.S. Government Related	0.0	0.0
Non-U.S. Sovereign/Agency	0.0	0.0
Investment Grade Corporate	0.0	0.0
Industrials	0.0	0.0
Utility	0.0	0.0
Financials	0.0	0.0
High Yield	0.0	0.0
Non-U.S. Dollar	0.0	0.0
Emerging Market Debt	0.0	0.0
MBS	0.0	0.0
MBS-Agency	0.0	0.0
MBS-NonAgency	0.0	0.0
CMBS	0.0	0.0
ABS	0.0	0.0
Municipals	0.0	0.0
Cash	0.0	0.0
Other	0.0	0.0

- Vanguard Short-Term Inflation Protected Securities Duration represents Average Duration. Maturity is Average Effective Maturity. Statistics are as of March 31, 2016.

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

Real Assets

As of June 30, 2016

Nuveen Gresham Diversified Commodities Fund

Bloomberg Commodity Index

Sector Breakdown

Energy	35.9	34.2
Industrial Metals	18.4	15.7
Precious Metals	13.2	15.8
Agriculture/Livestock	32.6	34.3
Other	0.0	0.0

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

Portfolio Comparison

As of June 30, 2016

	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Composition		
# of Holdings	47	128
% Top 15 Holdings	61.3	51.5
% Top 25 Holdings	82.9	64.4
Characteristics		
Wtd Avg Mkt Cap (\$B)	19.0	71.4
Forecast P/E	34.7	29.3
Price/Book ratio	2.2	2.1
Historical EPS Growth - 5 Year	-9.8	-14.3
Forecast EPS Growth - Long-Term	5.1	6.2
Current Yield	1.1	2.4
GICS Industries (%)		
Oil & Gas Drilling	2.3	1.7
Oil & Gas Equipment & Services	11.3	13.0
Integrated Oil & Gas	0.0	22.5
Oil & Gas Exploration & Production	39.4	26.1
Oil & Gas Refining & Marketing	2.4	6.3
Oil & Gas Storage & Transportation	3.5	11.4
Coal & Consumable Fuels	2.2	0.5
Fertilizers & Agricultural Chemicals	3.7	0.0
Construction Materials	0.0	2.0
Metal & Glass Containers	0.0	2.0
Paper Packaging	0.0	3.9
Aluminum	0.0	0.8
Diversified Metals & Mining	7.1	1.6
Gold	18.8	7.0
Precious Metals & Minerals	0.4	0.0
Silver	0.0	0.8
Steel	3.0	0.0
Forest Products	2.3	0.2
Paper Products	0.0	0.2
Electrical Components & Equipment	0.2	0.0
Railroads	1.0	0.0
Semiconductor Equipment	0.1	0.0
Cash	2.3	0.0
Market Capitalization (%)		
Mega (Above \$60B)	4.8	22.3
Large (\$15B - \$60B)	37.4	47.1
Mid (\$5B - \$15B)	29.4	20.7
Small/Mid (\$2.5B - \$5B)	16.5	7.6
Small (\$0 - \$2.5B)	9.7	2.3
Cash	2.3	0.0

Real Assets

As of June 30, 2016

Country/Region Allocation (%)		
	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Canada	20.0	17.9
United States	70.2	80.9
Europe ex UK	0.0	1.1
United Kingdom	7.2	0.2
Middle East	0.1	0.0
Developed Markets	97.5	100.0
Cash	2.3	0.0
Other	0.2	0.0

Investment Detail

Performance Highlights

Equity

- FPA Crescent advanced 0.4% in the second quarter and 0.2% year-to-date. FPA generated gains from its exposure to the energy sector, while positions in the technology and financials sectors were mixed. FPA's positions in energy companies Halliburton (+27%) and Occidental Petroleum (+11%) were contributive in the second quarter. Stabilization in the energy sector also aided a number of FPA's stressed credit positions, which have recovered from losses earlier in the year. Materials company Owens-Illinois was also positive. Performance across the rest of the portfolio was mixed. Within financials, diversified holding companies Alleghany Corp. and Leucadia National generated gains; however, returns from banks (Bank of America, Citigroup) and credit company American Express were modestly negative. Similarly, negative returns from technology companies Microsoft and Alphabet/Google somewhat offset positive returns from Qualcomm. FPA continues to struggle to find value opportunities given elevated valuations. The Firm believes the best course of action in the current market is to be patient and not try to outthink the market.
- The FMI Small/Mid Cap Equity Fund (FMI) gained 0.7% during the quarter versus a 3.6% advance for the Russell 2500 Index. For the year ended June 30th, the strategy remained ahead of the benchmark, finishing down 1.8% versus a 3.7% loss for the Index. Sector positioning and stock selection detracted in the second quarter. A lack of exposure to energy and utilities—the best-performing segments of the Index—dampened portfolio results. The energy sector advanced in response to the recovery in oil and natural gas prices, while utilities made gains in response to the decline in interest rates. An overweight to industrials hurt relative performance; the sector lagged the broad market due in part to the recent strength in the U.S. dollar. On an individual-name basis, recruiters Manpower Group (-20%) and Robert Half International (-18%) were significant detractors due in part to fears regarding Brexit fallout. Industrial distributor MSC Industrial Direct (-7%) was another laggard in the wake of a mixed earnings report. Conversely, business solutions provider Broadridge Financial (+10%) and energy control provider Woodward (+11%) posted double-digit gains, buoyed by solid quarterly operating results.

Performance Highlights

Equity (cont'd)

- The Dodge & Cox International Stock Fund declined 1.2% during the quarter, outperforming the 1.5% fall of the MSCI EAFE benchmark but trailing the 0.6% loss of the MSCI All Country World ex-U.S. Index. For the year-to-date, the Fund shed 4.9% and lagged the EAFE (-4.4%) and All Country World ex-U.S. (-1.0%) indices. Relative to the MSCI EAFE Index, the portfolio benefited from emerging-markets holdings (+2%), especially in financials. Petrobras (+28%), Naspers (+9%), Samsung Electronics (+8%), Itau Unibanco (+8%), and MTN Group (+6%) were notable contributors in emerging markets. Holdings in industrials (+3%, compared to -2% for the MSCI EAFE sector) performed well, especially Tyco International (+17%) and Mitsubishi Electric (+12%). In European and U.K. financials, the Fund's exposure significantly detracted from results, including UniCredit (-38%), AEGON (-27%), Lloyds Banking Group (-24%), Credit Suisse Group (-22%), and Barclays (-4%). The underweight position in consumer staples (0.4% versus 13.3% for the MSCI EAFE sector) hurt results because this sector outperformed the market.
- The Artisan International Fund shed 1.2% in the quarter but performed in line with the MSCI EAFE Index. Financials was an area of strength. The investment team has long held limited exposure to European banks due to concerns regarding industry fragmentation, poor credit growth, and high capital requirements. Artisan's financials exposure has instead been focused primarily on insurance names. This was beneficial, as European banking names came under pressure near quarter-end, following the Brexit vote. Some of these gains were offset by weaker selection with consumer discretionary, where the portfolio's holdings were broadly negative. Media names, such as Liberty Global, were particularly weak. Regional positioning also provided a headwind, due in large part to a sizable underweight to Japan. While Japanese equities weren't particularly strong in local terms, the sharp rise in the yen was a significant benefit to U.S. based investors.

Performance Highlights

Alternative Strategies

- Forester Offshore gained 0.1% in the second quarter but remained down 5.8% year-to-date. Forester's global approach worked against it in the quarter, as a number of its European-focused managers were hurt by volatility in the region. This included Lansdowne, which had exposure to European financials, and Polar Forager, which is focused on smaller companies. Polar was overweight the U.K. market, which rebounded after a dramatic decline following the Brexit vote. However, small cap U.K. equities did not rebound to the same degree and finished the quarter with a meaningful loss; this dragged on Polar's returns. Hengistbury, which is also European-focused, was also a drag. Domestically, Glenhill saw sizable losses from event-driven positions in Office Depot, Houghton Mifflin, and Valeant Pharmaceuticals. On the positive side, Viking gained more than 3% and was the top contributor to results on the strength of its technology and health-care investments. Kensico also rebounded from a difficult first quarter, benefiting from a late rally in top position Constellation Brands. Other top contributors included health-care manager Shearwater and Samlyn, which profited from its short book in the consumer sector and a long position in Constellation Brands.
- Archstone Absolute Return added 1.2% in the quarter but remained down 1.2% year-to-date. Archstone's credit and event-oriented managers were strong in the quarter, with spread compression and company-specific events helping to drive gains. The top-performing manager in the quarter was Fir Tree, which added roughly 75 bps. Fir Tree's appreciation was driven in large part by its energy credit book. Fir Tree suffered losses on energy equity longs last year but moved much of its exposure into the beaten-down credits of master limited partnerships that it viewed as high quality. This trade worked well in recent months, as the energy sector stabilized and investors paid greater attention to fundamentals. Also contributive was Davidson Kempner (DK). DK profited from its position in Lehman Brothers, as well as strong gains from the merger-arbitrage space. Distressed manager Silver Point also profited from Lehman Brothers but generated further gains from a post-reorg equity position in auto parts producer Cooper-Standard. On the negative side, event-driven manager Serengeti cost the Fund roughly 20 bps and multi-strategy manager Farallon was down modestly.

Performance Highlights

Fixed Income

- JPMorgan Core Bond Select rose 2.2% and finished the quarter in line with the return of the Barclays U.S. Aggregate Index. On a gross basis, the Fund outperformed the Index by 14 bps. Positive security selection across structured products—including collateralized mortgage obligations and CMBS—were additive. The Fund held longer-dated U.S. Treasuries, which rallied as rates fell. However, the Fund maintained an overall short-duration stance versus the Index, which was a headwind. Its underweight to corporate credit hurt relative results as credit spreads narrowed. Entering the third quarter, the team expects slowing global growth and continued divergence in monetary policy. The team seeks allocations in structured product—both ABS and CMBS—in an effort to add spread without extending duration. Corporate credit, particularly the new issue market where concessions can still be found, remains an area of focus.
- Former Chief Investment Officer Doug Swanson has decided not to return from a leave of absence he began on October 1, 2015. Since Swanson's leave began, one team member, Chris Nauseda, decided to retire from JPMorgan. Two portfolio managers, Henry Song and Mark Jackson, left the Firm at the start of the second quarter. The level of professional turnover is unusual given how stable the team has been over the years. In addition to the turnover, the Columbus-based team, which has historically operated fairly independently, has seemed to become increasingly integrated into the New York team. New York professionals have gained leadership posts in recent years and credit resources are now shared. While performance has held up over recent periods, we have concerns over the level of senior turnover on the team and the potential for future outflows. *The JPMorgan Core Bond Fund is not Prime Buchholz-recommended, and we believe clients should exit the strategy as soon as practical.*
- Vanguard Short-Term Treasury appreciated 0.6% but underperformed the return of the Barclays 1–5 Year Treasury Index by 18 bps. In order to maintain a target duration of 2.3 years for all of Vanguard's short-term strategies, the Fund tends to make modest term structure bets. While the Fund had an out-of-benchmark position in Treasuries maturing in 7–10 years (+2.8%), its 9.4% position in Treasury bills returned virtually nothing. The Fund held a significant overweight in the 1–3-year range (+0.5%) and a significant underweight in the 3–5-year range (+1.2%). Term structure positioning and management fees caused the Fund to lag its benchmark. Entering the third quarter, the Fund's duration of 2.2 years was 0.6 years shorter than the Index. At 0.6%, the Fund was under-yielding the Index by 11 bps.

Performance Highlights

Real Assets

- The Nuveen Gresham Diversified Commodity Strategy advanced 11.5% in the quarter and was bested by the Bloomberg Commodity Index's 12.8% gain. The four major commodity sub-sectors (energy, precious metals, industrial metals, and agriculture) moved higher. Only the livestock sector (-1.9%) failed to produce positive returns. The rally was led by the energy sub-sector, which surged 20.4%. Crude oil prices (WTI) soared 26.1% on decreases in domestic oil supply; production outages in Nigeria, Kuwait, and Venezuela; and higher-than-expected demand ahead of the U.S. driving season. Domestic natural gas prices rallied 46.5% on above-average temperatures, which drove electric power demand higher. Prices also benefited from increased exports to Mexico and weaker production due to the lagged effect of falling rig counts over the past year. The underperformance of the TAP Fund resulted from a combination of fee drag, some category over- and underweighting, and commodity selection within categories. TAP's underweight to agriculture was additive, particularly to soybean oil (-9.0%) and corn (+2.2%). However, gains were more than offset by the Fund's exposures to agricultural softs and livestock. An overweight to and stock selection within livestock detracted 102 bps, while an overweight to and stock selection within agricultural softs detracted 34 bps.
- The Van Eck Global Hard Assets Fund jumped 15.8% and bested the 12.5% return of the S&P North American Natural Resources Index. The Fund's strong overweight exposure (18.8% versus 7.0% for the Index) to gold equities drove outperformance, as that sector soared 39.6% during the quarter. The rally in gold equities and underlying gold commodities was driven in part by investors' concerns regarding the potential fallout of the UK's decision to leave the EU as well as continued volatility in the currency markets. Within energy, the team's strong overweight to the upstream exploration and production (E&P) sector contributed to performance, as oil and natural gas prices continued to recover from their mid-February lows. E&P companies have higher sensitivity to commodity prices in the short term. The team believes the portfolio is biased to E&P companies that are low-cost producers with strong balance sheets and that can withstand low prices for extended periods and should outperform over the long term. Also within energy, an underweight to the underperforming oil and gas refining and marketing and integrated energy sectors contributed to relative performance. Detractors from performance included underweights to oil and gas storage and transportation, which each outperformed. Stock selection within the metals and mining sector also dragged on returns.

Firm Information: First Pacific Advisors

Total Assets (\$M):	\$29,304
Style:	Long/Short Equity
Assets in Style (\$M):	\$16,300
Year Founded:	1953
Location:	Los Angeles, CA
Ownership:	100% Employee Owned. Romick is largest owner at ~25%
Registration:	SEC (2006)
GP Capital:	N/A

Key Investment Professionals:

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

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

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

Investment Objective and Philosophy/Process

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

Assessment

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

Vehicle Information

Inception:	July 1993
Assets (\$M):	\$16,300
Minimum Account Size:	\$1,500
Management Fee:	1.11%, 2.0% redemption < 90 days
Profit Allocation:	None
Highwater Mark:	None
Hurdle Rate:	None
UBTI:	N/A
Additional Expenses:	Short sale dividend expense, custody, transfer agent, etc.
Additional Vehicles:	N/A

3c1/3c7:	None
Subscriptions:	Daily
Redemptions (notice):	Daily (2% redemption fee < 90 days)
Lock-up:	None
ERISA Capacity:	N/A
Prime Broker:	N/A
Administrator:	State Street Bank & Trust Company
Auditor:	Deloitte & Touche LLP
Legal Counsel:	Dechert LLP

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Total Assets (\$M):	\$3,300	Key Investment Professionals: Trent Carmichael - Prior to founding Forester Capital, Carmichael was with Tiger Management from 1996 to 1999, Nelson Capital Management from 1991-1994 and Donaldson, Lufkin and Jenrette from 1988-1990. Carmichael has a Master's degree in Management from the Kellogg School and a BA in Economics from Duke University. He holds the Chartered Financial Analyst designation. - Carmichael is joined by Keith Morriss and Tom Cote on the Firm's Investment Committee.
Style:	Directional Hedge FOF	
Assets in Style (\$M):	\$1,335	
Year Founded:	1999	
Location:	Greenwich, CT	
Ownership:	100% Trent Carmichael and family.	
Registration:	SEC	
GP Capital:	\$28.5 million across funds	

Investment Objective, Philosophy/Process, and Assessment	Sample Portfolio Characteristics		
The fund seeks to achieve medium to long-term returns that are superior to the broad market averages while assuming less risk.	<i>Underlying Funds (3/31/2016)</i>	Alloc %	Strategy
Diversification will be achieved through investment in managers that have different expertise in industry sectors, cap sizes, or geographical areas. Forester looks for managers who have a demonstrated track record, and a past ability to generate both long and short ideas, as well as have a significant amount of their own net worth in their fund. Individual managers are limited to 25% of overall portfolio. Forester may invest up to 10% in an affiliated fund. The fund does not invest in managers who specialize in currencies, bonds or commodities.	Kensico Offshore Fund, Ltd.	9	Long/Short Equity
	Viking Global Equities III, Ltd.	7	Long/Short Equity
	Samlyn Offshore Fund, Ltd.	6	Long/Short Equity
	Lansdowne Developed Markets Long Only Fund Limited USD A Shares	5	Global Long/Short
Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds and is offered at a reasonable fee. This Fund may be more diversified than some other fund-of-funds as Forester tends to weight highest conviction ideas in the range of 4.5%-6.5%. Forester has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Forester provides a high degree of transparency, including manager names and allocation ranges, market and regional exposures, and quarterly letters.	Pennant Windward Fund, Ltd.	4	Long/Short Equity
	Hengistbury Fund, Ltd	4	European Equity
	Coatue Offshore Fund, Ltd.	4	Long/Short Equity
The offshore fund was rolled out in January of 2004. The fund is identical in strategy and process to the Forester Partners, LP. Forester Partners II, LP was created to accommodate 3c1 investors when Forester Partners LP converted to a 3c7 vehicle in January 2008. There is substantial overlap between managers in Forester Partners, LP, Forester Partners II, LP and Forester Offshore, Ltd.	Falcon Edge Global, Ltd	3	Global L/S Equity
	Tiger Global, Ltd.	3	Long/Short Equity
	Steadfast International Ltd.	3	Long/Short Equity
	Castine Offshore Fund, Ltd	3	US Short Net Sector
	Abrams Bison Offshore Fund, Ltd.	3	Long/Short Equity
	The Children's Investment Fund Mgmt UK LLP	3	Long/Short Equity
	Polar Capital LLP	2	Long/Short Equity
	Aurelius Capital International, Ltd.	2	Absolute Return
*A partial list of the Fund's largest manager allocations appears to the right. Prime, Buchholz receives full transparency from Forester and clients may receive a full manager list by signing a separate non-disclosure agreement with Forester.	HHR Atlas Ltd.	2	Long/Short Equity
	Cyrus Capital Partners, LP	2	Absolute Return
*Forester prefers offshore investors under the \$2 million minimum to choose the 3yr liquidity, B share class.	Impala Fund, LP	2	Long/Short Equity
*Allocations to 3c-1 products are subject to slot availability. This is a Prime Buchholz recommended product.	Lakewood Capital Partners, L.P.	2	Long/Short Equity
	Newtyn Partners, LP	2	Long/Short Equity

Inception:	January 2004	3c1/3c7:	3c7
Assets (\$M):	\$610	Subscriptions:	Quarterly
Minimum Account Size:	\$2,000,000	Redemptions (notice):	A2: Annual (anniversary), A3: 25% quarterly, B2: Rolling 3-year, B3: 1/3 annually following 2-year lock (95 days)
Management Fee:	1.0%, underlying manager fees	Lock-up:	A2: 2-year, A3: 1-year, B2: 3-year, B3: 2-year
Profit Allocation:	A: 3%, B: None	ERISA Capacity:	No
Highwater Mark:	Yes	Prime Broker:	N/A
Hurdle Rate:	NA	Administrator:	International Fund Services (Ireland) Limited
UBTI:	No	Auditor:	Ernst & Young Ltd
Additional Expenses:	Admin, Legal, and Operating (5-15 bps)	Legal Counsel:	Ogier
Additional Vehicles:	Onshore 3c1 and 3c7		

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Firm Information: Archstone Partners		
Total Assets (\$M):	\$2,190	Key Investment Professionals:
Style:	Absolute Return - Market Neutral	- Alfred Shuman - Founder. BA from Harvard ('61) and MBA from Harvard Business School ('63). Serves as Trustee of various non-profit and educational organizations.
Assets in Style (\$M):	\$164	- Joe Pignatelli - President of Archstone Funds. Over 15 years experience in investment management. Oversees all manager analysis, asset allocation, and coordination of legal/financial issues. Bachelors from Pace University and Masters from Baruch College.
Year Founded:	1991	-David Parker - COO and Chief Compliance Officer. BS from University of Texas and MBA from Harvard Business School. Duties include all management-related issues, strategy, planning, and governance.
Location:	New York, NY	Other investment professionals include Mark Smith, Barbara Barlick, Kevin Jornlin & Edgar Smith.
Ownership:	Alfred Shuman 80%; Balance in declining order: Stanley Shuman; Richard Nye; Steven Kotler; Stephanie Shuman; Joseph Pignatelli; David Parker; John Marshall	
Registration:	SEC	
GP Capital:	\$6.8 Million	

Investment Objective, Philosophy/Process, and Assessment	Sample Portfolio Characteristics		
The Fund's primary objective is to consistently earn positive returns regardless of the direction of the market.	Underlying Funds (3/31/2016)	Alloc %	Strategy
	Elliott International, Ltd	13	Multi-strategy Hedge
	Farallon Capital Offshore Investors, Inc.	13	Absolute Return - Event-Driven
	Davidson Kempner International, Ltd.	12	Absolute Return Multi-Strategy
	Silver Point Capital Offshore Fund, Ltd.	12	Absolute Return
The Fund seeks to achieve its objective by employing a diversified group of managers and strategies that have a low correlation to traditional broad markets. The Fund's volatility seeks to approximate that of the U.S. fixed income markets. Hedge funds that have relatively conservative investment strategies are generally preferred. Relative value and non-directional strategies are emphasized, along with event driven and distressed investing. Specific strategies employed by the underlying managers (ten to twenty) include convertible arbitrage, merger arbitrage, statistical arbitrage, event driven, and fixed income arbitrage (allocations are listed to the right). Archstone requires that its underlying managers have at least \$5 million invested in the Fund and that the invested amount represents at least 50% of the managers' net worth. Leverage may be employed by the underlying managers, but has, for the most part, used rarely and for operational purposes at the fund level.	Fir Tree Capital Opportunity Fund II, Ltd.	11	Absolute Return
	King Street Capital Ltd.	10	Distressed Debt/Credit
	Och Ziff Overseas Fund, Ltd.	10	Absolute Return - Event Driven
	DW Catalyst Offshore Fund, LTD.	9	Absolute Return - Relative Value
We believe Archstone has a strong and experienced team. Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds. This Fund may be more concentrated than some other fund-of-funds and Archstone is willing to size up their high conviction managers. The firm has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Archstone provides full transparency, including manager names and allocations, exposures, and detailed quarterly letters. Archstone passes through a greater percentage of operating expenses to fund investors than many of their peers and these increased fees should be taken into consideration when investing with Archstone.	Serengeti Opportunities Fund	8	Event Driven
	York Credit Opportunities Unit Trust	3	Credit and distressed debt

*Management fee reflects discount of 0.36-0.39% for Prime Buchholz clients. This is a Prime Buchholz recommended product.

Vehicle Information			
Inception:	January 2002	3c1/3c7:	3c7
Assets (\$M):	\$164	Subscriptions:	Monthly (1mm min for PBA)
Minimum Account Size:	\$2,500,000	Redemptions (notice):	Semiannual (6/30, 12/31) with 90 days notice
Management Fee:	1.11%-1.14% flat fee or 0.61-0.64% & 5% incentive; Underlying Manager Fees	Lock-up:	One year
Profit Allocation:	0% for flat fee/5% for incentive fee structure	ERISA Capacity:	Yes
Highwater Mark:	Yes, for incentive fee structure	Prime Broker:	N/A
Hurdle Rate:	NA	Administrator:	SS&C Technologies, Inc.
UBTI:	No	Auditor:	Ernst & Young LLP
Additional Expenses:	Payroll and all operating expenses (capped at 0.60% excl. interest expense)	Legal Counsel:	Walkers SPV Limited (Cayman); Willkie Farr & Gallagher LLP (US)
Additional Vehicles:	NA		

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Profile: Vanguard Short-Term Inflation Protected Securities Index**June 30, 2016****Firm Information: Vanguard Group, Inc.**

Total Assets (\$M):	\$3,541,612
Style:	Domestic Fixed Sector Index
Assets in Style (\$M):	\$15,500
Year Founded:	1975
Product Inception:	December 2012
Location:	Valley Forge, PA
Ownership:	The Firm is owned by fund shareholders.

Key Investment Professionals:

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

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

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

Investment Objective and Philosophy/Process

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

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

Assessment

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

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

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

Securities Lending:	Yes
Assets in Composite:	N/A
GIPS Compliant (per Manager):	No
Last Audited Financials:	9/30/2015
Accountant/Auditor:	PricewaterhouseCoopers LLP
Custodian:	JPMorgan Chase & Co.
Administrator:	The Vanguard Group

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Vanguard Short-Term Infl-Prot Secs ETF (VTIP)	\$0	\$2,400.0	0.08%	ETF
Vanguard Shrt-Term Infl-Prot Sec Idx Adm (VTAPX)	\$10,000	\$3,100.0	0.08%	MF
Vanguard Shrt-Term Infl-Prot Sec Idx Ins (VTSPX)	\$5,000,000	\$5,200.0	0.05%	MF

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Firm Information: Gresham Investment Management, LLC		
Total Assets (\$M):	\$11,500	Key Investment Professionals: Jonathan S. Spencer, President of Gresham Investment Management LLC, is responsible for the day-to-day investment and operational activities of Gresham. Robert J. Reeves, CFO. Reeves joined Gresham Investment Management, LLC in July 2009. Susan Wager, Managing Director of Gresham LLC-- Senior Trader for Gresham NTA since March 2005. She is responsible for Gresham's Long/Short Strategy as well as all option-related strategies, and she assists with implementation of Gresham's long-only strategies, including TAP® Randy Migdal, Managing Director of Gresham LLC and Head Trader for Gresham NTA (since June 2006). He is responsible for Gresham's Near Term Active Implementation strategies, including TAP®, and he assists with the implementation of Gresham's Long/Short Strategy.
Style:	Commodities Direct Active	
Assets in Style (\$M):	\$1,500	
Year Founded:	1992	
Product Inception:	December 1987	
Location:	New York, NY	
Ownership:	40% Gresham/ 60% TIAA-CREF	

Investment Objective and Philosophy/Process	Assessment
Investment Philosophy & Process: The investment objective of the Fund is to provide value enhancement to an investor's portfolio as well as a partial inflation hedge, with an attractive risk/return profile as compared to other products using a commodity index or pool of commodities. The TAP strategy utilizes a passive buy-and-hold investment strategy that seeks to benefit from price movements, combined with premium conditions that may exist from time to time. Weightings of each tangible commodity are reset at the beginning of each year and are determined by Gresham's research and development staff based upon such factors as the dollar value of commodities with the highest production values and greatest dollar volumes of trading from each of the following six exchange traded groups: agricultural, livestock, foods and fibers, energy, precious metals and industrial metals. The commodity groups, selections within the groups, and weightings of commodities have changed during TAP trading history. For example, TAP has exposure to Brent Crude Oil despite it not being included in the Bloomberg Commodities Index. The portfolio seeks to take advantage of both mean reverting and trending characteristics of commodities. Commodities in the portfolio are rebalanced periodically to their target weights when the price changes cause their actual allocations to deviate substantially from those weightings. TAP generally trades the near month futures, but other months might be used for liquidity or other reasons. As a futures nears its last trading date or first delivery date, positions in the contract month are closed out and rolled into later contract months. The timing of this process is market driven.	Assessment: Commodities futures investment has historically provided a diversified portfolio with inflation protection and diversification over the long term. Gresham Investment Management has established an over 20 year successful track record of investing in commodities through it's Tangible Asset Program® (TAP) investment strategy which combines a strict rules based methodology with market driven active management oversight. Prime Buchholz recommends the TAP Fund as an appropriate vehicle to access the attributes of investment in a diversified commodities portfolio. The collateral portfolio for the TAP vehicle is managed by Gresham Investment Management while the collateral portfolio for the Nuveen mutual fund vehicle is managed by Nuveen Investment Management's fixed income team. Both teams manage to the same conservative guidelines of investing in cash equivalents or short term debt with terms of less than one year and primarily direct and guaranteed obligations of U.S. Government and senior obligations of U.S. Government agencies. Tracking Error For Mutual Fund: Gresham attempts to manage the mutual fund in an identical manner as the TAP commingled fund. However, at lower AUM levels for the mutual fund, futures contract sizes may be too large for the mutual fund's allocation to an individual commodity, resulting in overweights or under-weights to certain commodities and therefore variations in performance relative to the TAP product.Nuveen Investments, which has a 60% equity stake in Gresham, was acquired by TIAA-CREF. Nuveen Investments was previously owned by the private equity firm Madison Dearborn. Gresham has been operating under an independent operating agreement under Nuveen and will continue to operate independently under TIAA-CREF. This is a Prime Buchholz recommended product.

Product Information and Sample Operational Detail (The TAP Fund, LLC)			
Security Constraints:	Strategic Portfolios	Securities Lending:	N/A
Sector Constraints:	no 2 sectors may total >60%	GIPS Compliant (per Manager):	
Avg # of Securities:	25	Last Audited Financials:	12/31/2015
Turnover:	Continuous	Accountant/Auditor:	KPMG LLP
Assets in Composite:	NA	Custodian:	JP Morgan Chase Bank
		Administrator:	Citco Fund Services (Curacao) N.V.

Vehicle Information				
Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Nuveen Gresham Diversified Commodity Strategy I Fund	\$100,000	\$96.7	1.07%	MF
The TAP Fund LTD	\$250,000	\$740.0	< \$5 mil 100 bps; \$5 to \$10 mil 90bps; 3c7 >\$10 mil 70 bps	
The TAP Fund, LLC	\$250,000	\$400.0	< \$5 mil 100 bps; \$5 to \$10 mil 90bps; 3c7 >\$10 mil 70 bps	

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Firm Information: Van Eck		
Total Assets (\$M):	\$28,877	Key Investment Professionals: Charles Cameron - He has over 20 years of experience in international and financial markets. He joined Van Eck in 1995 as Director of Trading and oversees all trade execution and specializes in constructing commodity spread and directional trades. He earned a B.A. from Boston University and an M.B.A. from NYU. Shawn Reynolds - He has over 15 years of experience and was previously employed by Goldman Sachs, Lehman Brothers, and C.S. First Boston prior to joining Van Eck in 2005. He earned an engineering degree from Cornell, a masters from University of Texas, and an M.B.A. from Columbia Business School.
Style:	Public Real Direct Natural Resources	
Assets in Style (\$M):	\$4,710	
Year Founded:	1955	
Product Inception:	November 1994	
Location:	New York	
Ownership:	Family Owned - Jan F. Van Eck and Family Trusts (50% - 75%) John C. Van Eck (10% - 25%) Deborah Van Eck and Family Trusts (5% - 10%)	

Investment Objective and Philosophy/Process	Assessment
Van Eck Global Hard Assets seeks long term capital appreciation through investment across various hard asset sector equities and commodities. The Fund uses a flexible approach to investing in commodity related equities, but also has the ability to invest in commodities by using derivatives. The investment process begins with a universe of 500 companies. Van Eck uses a combination of internal and external research to refine the universe and develop the portfolio. The initial universe of 500 stocks is screened for value and potential growth catalysts. The team creates a focused list and then refines the list through fundamental company research and creating a view of the supply and demand dynamics of the commodity markets. Internal research is conducted through proprietary models by checking valuations and conducting technical analysis. In addition, the team visits companies and conducts on-site meetings with management teams. Van Eck then complements their internal research with external research by using sell side reports, attending conferences, reading trade publications, and speaking with industry consultants. Supply and demand views are developed by analyzing macroeconomic factors, geopolitical risks, and contacting competitors. The final step of the process includes portfolio construction and implementing risk controls. The portfolio is created by diversification across sectors and utilizing position limits for each holding. Van Eck seeks to own about 60 -100 positions at all times. The top ten holdings of the fund usually make up about 30-35% of total assets. Typical sector exposure is as follows; 30% - 65% energy, 0% - 25% precious metals, 0% - 25% base metals, and 0% - 25% agriculture, timber, and other natural resource sub-sectors. These ranges are guidelines for the portfolio and management and can deviate from these ranges depending on their view of the current market. Individual positions are capped at 5% of the portfolio and typical exposure is about 2.5%. Commodity positions generally fall within a range of 0% - 5% of the portfolio. Van Eck implements their commodity trades through primarily ETFs, but does have the flexibility to use derivatives to gain market exposure.	Attributes: Van Eck is an investment manager with a long term track record of successful investing. The co-portfolio managers overseeing the strategy average over 15 years of experience in the industry. The Firm has an evolved research process that provides insights into the relative value of resource assets, as well as thoughtful stock analysis, portfolio construction, and diversification. Global Hard Assets is actively managed but maintains diversified exposures by both natural resource sector and by security (approximately 60 in more recent periods).
	Risks: Tracking risk--the strategy's benchmark--the S&P North American Natural Resources Index, is heavily weighted toward the energy sector (approximately 85%) and is dominated by large and mega cap oil and gas companies. Given the strategy's diversified exposure by sector and negative bias towards large integrated oil and gas companies, tracking risk may be significant in certain market environments. This is a Prime Buchholz recommended product.

Product Information and Sample Operational Detail (Van Eck Global Hard Assets I)			
Security Constraints:	5% cap	Securities Lending:	N/A
Sector Constraints:	Energy between 30% - 65%, the remaining between 0% - 25%	GIPS Compliant (per Manager):	No
Avg # of Securities:	~70	Last Audited Financials:	12/31/2015
Turnover:	40%	Accountant/Auditor:	Ernst & Young LLP
Assets in Composite:	97%	Custodian:	State Street Bank & Trust Company
		Administrator:	Van Eck Associates Corporation

Vehicle Information				
Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Van Eck Global Hard Assets I (GHAIX)	\$1,000,000	\$1,700.0	1.00%	MF
Van Eck Global Hard Assets Y (GHAYX)	\$1,000	\$303.7	1.13%	MF
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Historical Performance

Return and Risk Summary

As of June 30, 2016

	1 Quarter Return	Previous Quarter Return	1 Year Return	1 Year Standard Deviation	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Fidelity Spartan Total Market Index Advisor Fund	2.6	0.9	2.0	9.9	11.0	8.3	11.5	13.0	14.9	14.1	7.5	16.8
Wilshire 5000 Total Market Index	2.8	0.8	1.6	9.9	10.7	8.4	11.4	13.0	14.9	14.1	7.5	16.7
FPA Crescent Fund	0.4	-0.2	-1.9	5.4	5.0	5.4	6.7	8.4	9.3	8.7	6.5	11.0
S&P 500 Index	2.5	1.3	4.0	9.7	11.7	8.1	12.1	12.4	14.9	13.5	7.4	16.3
60% Russell 2500 / 40% BC Global Credit	3.1	2.1	0.0	7.7	6.7	7.3	7.3	10.8	11.7	11.7	6.8	13.6
HFRI Equity Hedge (Total) Index	1.3	-1.8	-5.1	6.4	3.0	5.6	2.2	8.0	4.8	8.2	2.9	10.3
FMI Common Stock Fund	0.7	5.4	-1.8	10.1	7.9	10.1	8.2	14.3	13.1	15.3	8.7	17.1
Russell 2500 Index	3.6	0.4	-3.7	11.3	8.6	10.7	9.5	16.3	15.3	17.2	7.3	19.5
Dodge & Cox International Stock Fund	-1.2	-3.8	-18.9	12.6	0.4	13.1	1.0	16.6	6.6	18.8	2.2	22.7
MSCI AC World ex USA (Net)	-0.6	-0.4	-10.2	11.6	1.2	11.0	0.1	14.6	5.3	16.4	1.9	20.3
Artisan International Institutional Fund	-1.2	-3.6	-11.6	14.3	2.5	12.3	4.6	16.2	9.2	17.6	4.1	20.5
MSCI EAFE (Net)	-1.5	-3.0	-10.2	10.6	2.1	11.4	1.7	14.4	6.0	16.3	1.6	19.7
Forester Offshore A2, Ltd.	0.1	-5.8	-7.5	6.8	2.5	6.1	3.8	7.1	4.7	6.8	5.2	7.4
HFRI FOF: Strategic Index	0.6	-4.3	-7.9	6.2	1.7	5.3	1.4	6.1	2.8	6.0	1.6	8.3
Archstone Absolute Return Strategies Fund, Ltd. Class A	1.2	-2.4	-6.7	3.9	-0.9	4.2	1.5	5.1	4.0	5.3	2.8	7.1
HFRI FOF: Conservative Index	0.7	-2.1	-3.2	2.3	2.0	2.6	1.9	3.4	2.8	3.4	1.4	6.0
JP Morgan Core Bond Select Fund	2.2	2.8	5.6	2.8	3.7	2.4	3.7	2.7	4.7	2.9	5.4	3.0
Barclays U.S. Aggregate	2.2	3.0	6.0	2.7	4.1	2.6	3.8	2.9	4.6	3.1	5.1	3.2
Vanguard Short Term US Treasury Admiral Fund	0.6	1.3	1.8	1.3	1.2	0.9	1.1	0.8	1.4	1.0	2.8	2.0
Barclays U.S. Treasury: 1-5 Year	0.8	1.6	2.4	1.6	1.6	1.1	1.4	1.1	1.9	1.4	3.2	2.5
Vanguard Short-Term Inflation Protected Securities Adm. Fund	0.9	1.8	1.6	2.0	0.6	2.0	NA	NA	NA	NA	NA	NA
Barclays U.S. Treasury: 0-5 Year TIPS Index	0.9	2.2	1.9	2.3	0.7	2.1	0.6	2.1	2.0	2.2	2.9	3.5

Historical Performance

Return and Risk Summary

As of June 30, 2016

	I Quarter Return	Previous Quarter Return	I Year Return	I Year Standard Deviation	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Nuveen Gresham Diversified Commodities Fund	11.5	-0.4	-15.7	20.4	-11.2	16.0	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	12.8	0.4	-13.3	21.2	-10.6	16.4	-10.8	15.0	-4.4	16.2	-5.6	20.4
Van Eck Global Hard Assets I Fund	15.8	11.3	-12.5	33.9	-6.7	25.8	-8.1	24.8	0.9	25.7	1.1	28.7
S&P North American Natural Res Sector Index (TR)	12.5	6.3	-5.6	24.1	-2.2	19.8	-3.1	21.2	4.9	22.1	2.0	25.4

Historical Performance

Return Summary

As of June 30, 2016

	Year To Date	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fidelity Spartan Total Market Index Advisor Fund	3.6	0.5	12.5	33.4	16.4	1.0	17.4	28.4	-37.2	5.6	15.8
Wilshire 5000 Total Market Index	3.7	-0.2	12.1	34.0	16.1	0.6	18.1	29.4	-37.3	5.7	15.9
FPA Crescent Fund	0.2	-2.1	6.6	21.9	10.3	3.0	12.0	28.4	-20.6	6.8	12.4
S&P 500 Index	3.8	1.4	13.7	32.4	16.0	2.1	15.1	26.5	-37.0	5.5	15.8
60% Russell 2500 / 40% BC Global Credit	5.3	-2.9	5.3	21.4	15.6	0.5	18.9	29.6	-26.5	3.6	13.1
HFRI Equity Hedge (Total) Index	-0.5	-1.0	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7
FMI Common Stock Fund	6.2	-6.8	6.5	32.0	10.2	4.5	22.2	33.9	-20.4	-2.0	17.1
Russell 2500 Index	4.0	-2.9	7.1	36.8	17.9	-2.5	26.7	34.4	-36.8	1.4	16.2
Dodge & Cox International Stock Fund	-4.9	-11.4	0.1	26.3	21.0	-16.0	13.7	47.5	-46.7	11.7	28.0
MSCI AC World ex USA (Net)	-1.0	-5.7	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7
Artisan International Institutional Fund	-4.7	-3.6	-0.7	25.5	25.6	-4.1	6.2	40.0	-46.8	20.0	25.9
MSCI EAFE (Net)	-4.4	-0.8	-4.9	22.8	17.3	-12.1	7.8	31.8	-43.4	11.2	26.3
Forester Offshore A2, Ltd.	-5.8	0.3	5.8	15.2	9.3	-2.5	5.2	14.6	-13.0	18.5	11.5
HFRI FOF: Strategic Index	-3.8	-0.5	3.1	10.5	5.8	-7.3	6.3	13.2	-25.2	12.8	11.8
Archstone Absolute Return Strategies Fund, Ltd. Class A	-1.2	-5.3	-0.6	11.2	9.0	-2.3	8.1	19.4	-20.5	8.3	13.8
HFRI FOF: Conservative Index	-1.4	0.4	3.1	7.7	4.2	-3.6	5.1	9.6	-19.9	7.7	9.2
JP Morgan Core Bond Select Fund	5.1	0.7	5.2	-1.8	5.1	7.3	7.3	9.7	4.0	7.0	4.0
Barclays U.S. Aggregate	5.3	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3
Vanguard Short Term US Treasury Admiral Fund	1.9	0.6	0.8	0.0	0.8	2.4	2.8	1.5	6.8	8.0	3.9
Barclays U.S. Treasury: 1-5 Year	2.4	0.9	1.2	-0.1	0.9	3.4	3.7	0.2	8.8	8.2	3.8
Vanguard Short-Term Inflation Protected Securities Adm. Fund	2.7	-0.2	-1.2	-1.5	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Treasury: 0-5 Year TIPS Index	3.1	-0.3	-1.1	-1.6	2.4	4.5	3.3	10.7	-2.0	9.8	2.6

Historical Performance

Return Summary

As of June 30, 2016

	Year To Date	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Nuveen Gresham Diversified Commodities Fund	11.1	-25.7	-17.3	-7.8	NA	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	13.2	-24.7	-17.0	-9.5	-1.1	-13.3	16.8	18.9	-35.6	16.2	2.1
Van Eck Global Hard Assets I Fund	28.9	-33.2	-19.1	11.2	2.9	-16.3	28.9	53.2	-44.5	43.2	NA
S&P North American Natural Res Sector Index (TR)	19.6	-24.3	-9.8	16.5	2.2	-7.4	23.9	37.5	-42.6	34.4	16.8

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

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

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

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

Barclays Aggregate Index comprises government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the index are over one year.

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

Barclays Aggregate Float Adjusted Index is a benchmark of the dollar-denominated investment grade bond market that excludes Treasuries, agencies, and mortgage-backed securities held in Federal Reserve accounts.

Barclays Corporate Bond Index includes investment-grade, SEC-registered publicly issued U.S. corporate debentures and secured notes. The corporate sectors are industrial, utility, and finance. All securities must have at least one year to final maturity and at least \$250 million of par outstanding.

Barclays High Yield Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

Barclays Global Aggregate Index measures a wide spectrum of global government, government-related agencies, corporate, and securitized fixed-income investments, all with maturities greater than one year.

Barclays Global Emerging Markets Index represents the union of the USD-denominated U.S. Emerging Markets Index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. Countries must have a maximum sovereign rating of Baa1/BBB+/BBB+.

Barclays Global Treasury Ex-US Capped Index includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Barclays Global Treasury Index tracks fixed-rate local currency sovereign debt of investment-grade countries. The Index represents the Treasury sector of the Global Aggregate Index and currently contains issues from more than 30 countries denominated in over 20 currencies. The three major components are the U.S. Treasury Index, the Pan-European Treasury Index, and the Asian-Pacific Treasury Index, in addition to Canadian, Chilean, Mexican, and South-African government bonds.

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

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

Barclays Intermediate U.S. Treasury Index includes all publicly issued U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 10 years, are rated investment grade, and have \$250 million or more of outstanding face value.

Barclays Long U.S. Treasury Index includes all publicly issued, U.S. Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have \$250 million or more of outstanding face value.

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

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

Barclays U.S. Credit Index includes publicly issued U.S. corporates, specified foreign debentures, and secured notes denominated in U.S. dollars. The Index is a subset of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Barclays U.S. Mortgage Backed Securities (MBS) Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Barclays U.S. Treasury Index is comprised of public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

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

Barclays Mortgage Index contains 15- and 30-year fixed-rate securities. These securities are pools of mortgage loans issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Index holds approximately 600 securities.

Bloomberg Commodity Index (formerly DJ-AIG Commodity Index) is composed of futures contracts on physical commodities. It is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc, which trade on the London Metal Exchange (LME).

Citigroup 3-Month T-Bill Index consists of equal dollar amounts of three-month Treasury bills that are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill.

Citigroup World Government Bond Index is a market capitalization weighted index consisting of the government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, United Kingdom, and United States. It includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of U.S. \$25 million.

Consumer Price Index (CPI) is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Spliced Intermediate Term Bond Index is the Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.

Spliced Intermediate-Term Tax-Exempt Index includes investment-grade (rated Baa or above by Moody's) tax-exempt bonds that are issued by state and local governments and have maturities of 1 to 15 years.

Spliced International Index is the MSCI EAFE Index through May 31, 2010; MSCI All Country World Index ex-U.S. thereafter.

Spliced Large Cap Index is the MSCI US Prime Market 750 Index through January 30, 2013; CRSP US Large Cap Index thereafter.

Spliced Long Term Bond Index is the Barclays U.S. Long Government/Credit Bond Index through December 31, 2009; Barclays U.S. Long Government/Credit Float Adjusted Index thereafter.

Spliced Mid Cap Index reflects the performance of the S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.

Spliced Midcap Growth Index is the MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.

Spliced Midcap Value Index is the MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.

Spliced REIT Index is the MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index thereafter.

Spliced Short Term Bond Index is the Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.

Spliced Small Cap Index reflects the performance of the Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.

Spliced Total Bond Market Index is the Barclays U.S. Aggregate Bond Index through December 31, 2009; Barclays U.S. Aggregate Float Adjusted Index thereafter.

Spliced Total International Stock Index is the Total International Composite Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter.

Spliced Total Stock Market Composite Index: Dow Jones U.S. Total Stock Market Index (formerly Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI U.S. Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.

Spliced Total World Stock Index consists of the FTSE All-World Index through December 18, 2011, and the FTSE Global All Cap Index thereafter.

SSgA Real Asset Composite Index: 30% Dow Jones US Select REIT Index, 25% Goldman Sachs Commodities Index, 25% MSCI World Natural Resources Index, and 20% Barclays US TIPS Index.

The UBS Global Real Estate Investors Index tracks real estate securities within the S&P/Citigroup World Property Index that derive 70% or more of income from rent.

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Vanguard Balanced Composite Index is made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) and 40% Lehman Brothers U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Barclays U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Barclays U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Barclays U.S. Aggregate Float Adjusted Index thereafter.

Wellington DIH Composite: 25% MSCI World Energy >\$3 Bil/ 10% MSCI World Metals & Mining >\$3 Bil/ 10% Agriculture, Forest Products & Livestock/3% HSBarclays Global Climate Change/ 3.5% MSCI IMI Gold & Precious Metal/ 1.5% S&P GSCI Precious Metals Total Return / 25% equal sector-weighted S&P Goldman Sachs Commodity/ 20% Barclays US TIPS 1-10 Year / 2% Barclays Emerging Markets Tradable Government Inflation-Linked Bond.

Wellington SRA Composite: Beginning July 1, 2014: 40% MSCI ACW Energy Index, 15% MSCI ACW Metals and Mining Index, 25% Equal-Sector Weighted S&P GSCI, and 20% Barclays Capital TIPS 1-10 Year Index. June 30, 2014 and prior: 40% MSCI Energy \$3 B and above/15% MSCI Metals and Mining \$3 B and above/25% Equal Sector Weighted S&P GSCI Commodities Index/ and 20% Barclays TIPS.

Wilshire 5000 Index represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data.

Policy Index – A custom benchmark consisting of a number of indices which are weighted based on the asset allocation targets within a client investment policy. The index measures the return of the asset allocation strategy if it were implemented using passive (index) portfolios.

Actual Index – A custom benchmark consisting of a number of indices which are weighted based on the allocation of each asset class within a client’s overall structure at the beginning of each quarter. The index measures the return of the current asset allocation if it were implemented using passive (index) portfolios.

The difference between the Actual Index and the Policy Index measures the impact of the decision to allocate assets differently than the client’s policy mandates (allocation effect). The difference between the Total Fund Return and the Actual Index measures how the management team performed versus a passive strategy (manager selection effect). The difference between Total Fund Return and the Policy Index measures both the allocation effect and the manager selection effect.

EXPOSURES AND CHARACTERISTICS

Flexible Capital – Portfolios with incomplete data are excluded from the total leveraged portfolio calculations. Top holdings are reflected as of current quarter-end when provided by the manager. Otherwise, holdings are based on 13Fs with a quarter lag, when applicable. The 13F reflects top equity holdings as a percentage of total equity holdings at the Firm level. Market values are in '000s.

Fixed Income –Yield represents yield to maturity and duration represents effective duration unless otherwise noted.

Information provided by investment managers may be confidential and should be treated as such.

Periods greater than one year are annualized.

Peer groups, performance, risk and equity analytics are provided by InvestmentMetrics, 2016. All rights reserved. Calculations are based on quarterly periods unless noted otherwise.

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

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

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

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

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

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

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

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

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

Portfolio Considerations

Fiscal Year End Performance as of June 30th: 5-Year Annualized

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Private Equity 25.9	Private Equity 28.7	Private Equity 30.7	Private Equity 38.6	Private Equity 24.6	Private Equity 13.9	Commodities 10.0	Commodities 17.1	REITS 20.4	Emerging Markets 21.2	Emerging Markets 30.2	Natural Resources 30.1	Emerging Markets 14.7	Emerging Markets 12.7	Emerging Markets 11.4	Long U.S. Treasuries 12.1	Private Equity 7.8	REITS 23.5	Domestic Equity 17.3	REITS 12.6
Domestic Equity 19.8	Domestic Equity 23.13	Domestic Equity 27.9	Domestic Equity 23.8	Domestic Equity 14.5	Flexible Capital 9.5	U.S. Tips 9.6	REITS 14.5	Commodities 10.8	REITS 19.4	Natural Resources 22.3	Emerging Markets 29.7	Private Equity 9.9	Private Equity 9.3	Private Equity 9.9	U.S. Tips 8.4	Long U.S. Treasuries 7.6	Domestic Equity 18.8	Private Equity 14.7	Domestic Equity 12.1
Flexible Capital 19.7	Domestic 70/30 18.1	Domestic 70/30 21.7	Domestic 70/30 18.5	Domestic 70/30 12.7	Long U.S. Treasuries 8.8	Long U.S. Treasuries 8.7	U.S. Tips 9.6	U.S. Tips 10.0	Natural Resources 15.6	REITS 18.6	Commodities 21.3	Natural Resources 9.3	Diversified Mix 6.2	Natural Resources 7.4	Global Bonds 7.3	REITS 7.6	Private Equity 16.4	REITS 14.3	Long U.S. Treasuries 10.3
REITS 17.7	Flexible Capital 16.4	Natural Resources 16.2	Flexible Capital 17.7	Flexible Capital 12.7	REITS 7.9	Flexible Capital 8.7	Flexible Capital 9.0	Long U.S. Treasuries 9.9	Commodities 14.6	Non U.S. Developed Equity 17.7	Private Equity 18.2	Long U.S. Treasuries 7.0	Long U.S. Treasuries 6.1	Global Bonds 7.3	Domestic Core Fixed Income 6.8	Domestic Equity 7.0	Natural Resources 14.8	Domestic 70/30 13.2	Private Equity 9.9
Natural Resources 17.0	Diversified Mix 14.6	Flexible Capital 15.6	Diversified Mix 15.7	REITS 11.0	Domestic Core Fixed Income 7.6	Private Equity 7.8	Long U.S. Treasuries 7.9	Natural Resources 9.6	Diversified Mix 10.7	Private Equity 16.9	Non U.S. Developed Equity 16.7	Diversified Mix 6.9	Natural Resources 5.7	Long U.S. Treasuries 7.3	Private Equity 5.4	Domestic 70/30 6.8	Domestic 70/30 14.7	Non U.S. Developed Equity 9.5	Domestic 70/30 9.7
Domestic 70/30 15.9	Natural Resources 13.9	Diversified Mix 14.9	Natural Resources 13.5	Diversified Mix 10.5	U.S. Tips 7.5	Domestic Core Fixed Income 7.5	Global Bonds 7.0	Global Bonds 7.9	Non U.S. Developed Equity 10.0	Diversified Mix 15.7	Diversified Mix 14.9	Global Bonds 6.1	Domestic Core Fixed Income 5.5	Diversified Mix 6.9	Diversified Mix 3.1	Domestic Core Fixed Income 5.2	Diversified Mix 11.9	Diversified Mix 9.3	Diversified Mix 5.1
Diversified Mix 15.9	REITS 13.2	Global 70/30 13.6	Global 70/30 13.0	Natural Resources 8.8	Diversified Mix 6.2	REITS 7.1	Domestic Core Fixed Income 7.0	Domestic Core Fixed Income 7.4	Flexible Capital 8.6	Commodities 13.1	REITS 14.3	Flexible Capital 5.0	Flexible Capital 5.2	U.S. Tips 6.9	REITS 2.6	Diversified Mix 4.7	Non U.S. Developed Equity 11.7	Global 70/30 9.0	Global 70/30 4.5
Emerging Markets 14.8	Global 70/30 12.8	Long U.S. Treasuries 9.8	Non U.S. Developed Equity 11.3	Long U.S. Treasuries 8.7	Domestic 70/30 5.2	Global Bonds 6.7	Private Equity 6.8	Emerging Markets 7.4	Global Bonds 8.5	Global 70/30 12.4	Global 70/30 11.1	Domestic Core Fixed Income 5.0	Global Bonds 5.1	Domestic Core Fixed Income 6.5	Domestic 70/30 2.6	U.S. Tips 4.4	Global 70/30 11.5	Long U.S. Treasuries 6.2	Domestic Core Fixed Income 3.8
Global 70/30 13.4	Non U.S. Developed Equity 10.0	REITS 9.7	Commodities 10.8	Domestic Core Fixed Income 7.5	Global Bonds 4.4	Diversified Mix 5.0	Diversified Mix 6.1	Flexible Capital 6.2	Global 70/30 7.1	Flexible Capital 11.2	Flexible Capital 9.9	U.S. Tips 5.0	U.S. Tips 5.0	Flexible Capital 4.8	Flexible Capital 1.1	Global 70/30 3.1	Emerging Markets 9.2	Natural Resources 5.4	U.S. Tips 2.6
Non U.S. Developed Equity 12.8	Long U.S. Treasuries 8.8	Non U.S. Developed Equity 8.2	REITS 9.6	Global 70/30 6.8	Domestic Equity 3.7	Emerging Markets 2.4	Natural Resources 4.5	Diversified Mix 5.8	U.S. Tips 7.0	Domestic Equity 10.7	Domestic Equity 7.6	Global 70/30 2.7	Global 70/30 2.7	Global 70/30 4.7	Global 70/30 0.4	Global Bonds 3.0	Long U.S. Treasuries 7.4	Flexible Capital 5.1	Flexible Capital 2.5
Long U.S. Treasuries 9.0	Domestic Core Fixed Income 6.9	Domestic Core Fixed Income 7.8	Long U.S. Treasuries 7.4	Non U.S. Developed Equity 2.9	Natural Resources 2.6	Domestic 70/30 1.5	Emerging Markets 3.1	Global 70/30 1.4	Private Equity 6.8	Domestic 70/30 9.0	Domestic 70/30 6.6	Non U.S. Developed Equity 2.3	Domestic 70/30 1.4	Domestic 70/30 4.4	Domestic Equity 0.2	Flexible Capital 2.5	Flexible Capital 6.5	Emerging Markets 3.7	Non U.S. Developed Equity 1.7
Global Bonds 7.6	Global Bonds 6.3	Global Bonds 6.1	Domestic Core Fixed Income 6.2	Global Bonds 2.4	Global 70/30 1.9	Natural Resources 1.2	Global 70/30 1.2	Domestic 70/30 0.8	Long U.S. Treasuries 6.5	Global Bonds 6.3	Global Bonds 6.4	Domestic 70/30 0.1	Non U.S. Developed Equity 0.9	Domestic Equity 2.9	Emerging Markets -0.1	Emerging Markets -0.4	U.S. Tips 5.6	Domestic Core Fixed Income 3.3	Global Bonds 1.2
Domestic Core Fixed Income 7.1	Commodities 1.4	Commodities -0.3	Global Bonds 3.2	Commodities 2.0	Commodities 0.0	Global 70/30 0.3	Domestic 70/30 0.8	Private Equity -0.4	Domestic Core Fixed Income 5.0	U.S. Tips 6.0	U.S. Tips 6.0	Domestic Equity -2.2	REITS 0.2	REITS 2.5	Natural Resources -0.8	Non U.S. Developed Equity -0.6	Domestic Core Fixed Income 4.9	U.S. Tips 3.3	Natural Resources -3.1
Commodities 5.5	Emerging Markets 0.5	Emerging Markets -0.8	Emerging Markets 1.0	Emerging Markets -6.4	Non U.S. Developed Equity -1.5	Domestic Equity -1.6	Non U.S. Developed Equity 0.11	Non U.S. Developed Equity -0.5	Domestic 70/30 3.5	Long U.S. Treasuries 5.9	Long U.S. Treasuries 4.6	REITS -2.7	Domestic Equity -0.8	Non U.S. Developed Equity 1.5	Commodities -5.5	Natural Resources -3.8	Commodities 3.7	Global Bonds 1.1	Emerging Markets -3.8
					Emerging Markets -8.5	Non U.S. Developed Equity -4.0	Domestic Equity -2.2	Domestic Equity -2.4	Domestic Equity 2.5	Domestic Core Fixed Income 4.5	Domestic Core Fixed Income 3.9	Commodities -3.4	Commodities -8.1	Commodities -6.2	Non U.S. Developed Equity -6.1	Commodities -15.2	Global Bonds 3.6	Commodities -4.3	Commodities -1.4

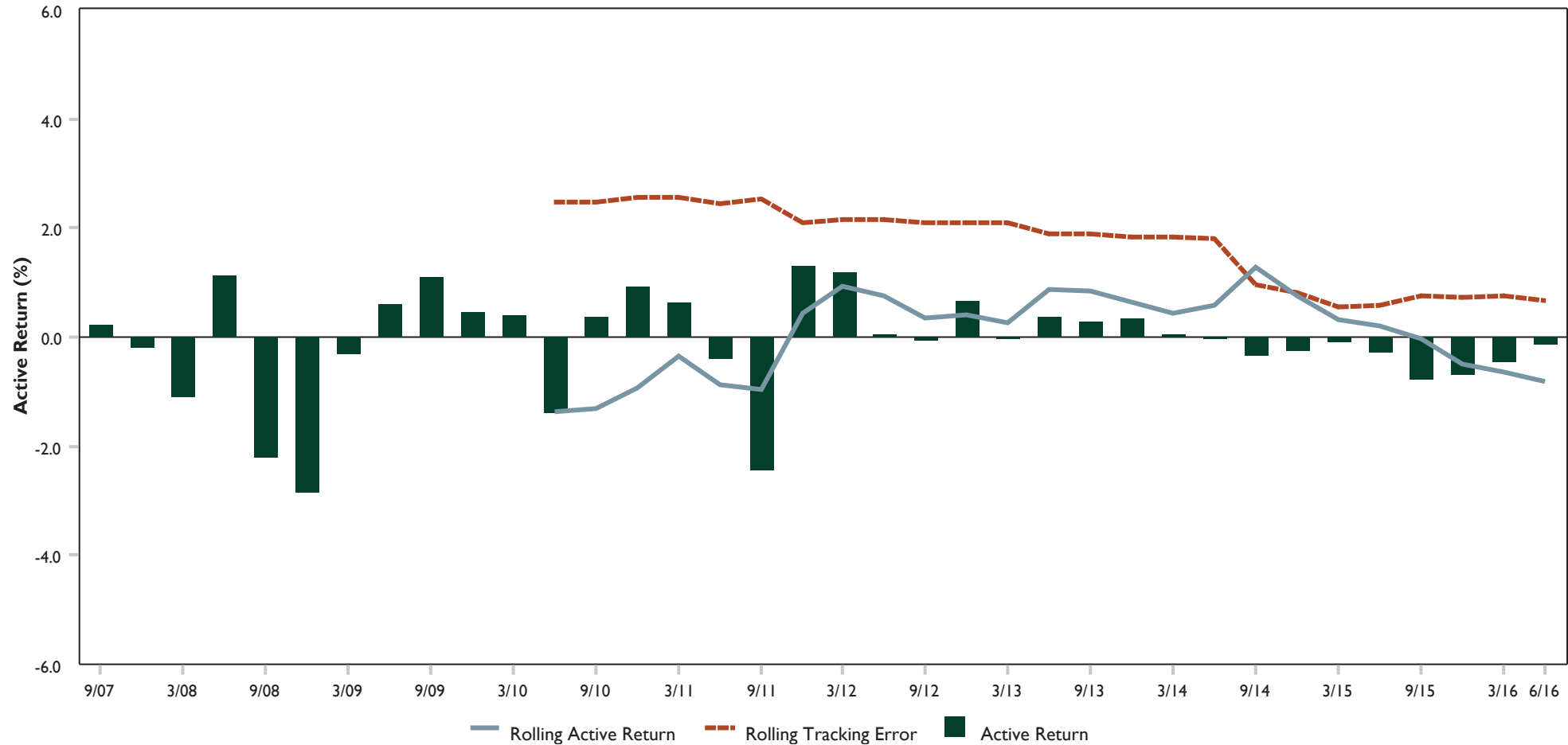
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Comparative Performance & Rolling Return

Total Fund vs. Actual Index

Rolling 12 Quarters as of June 30, 2016

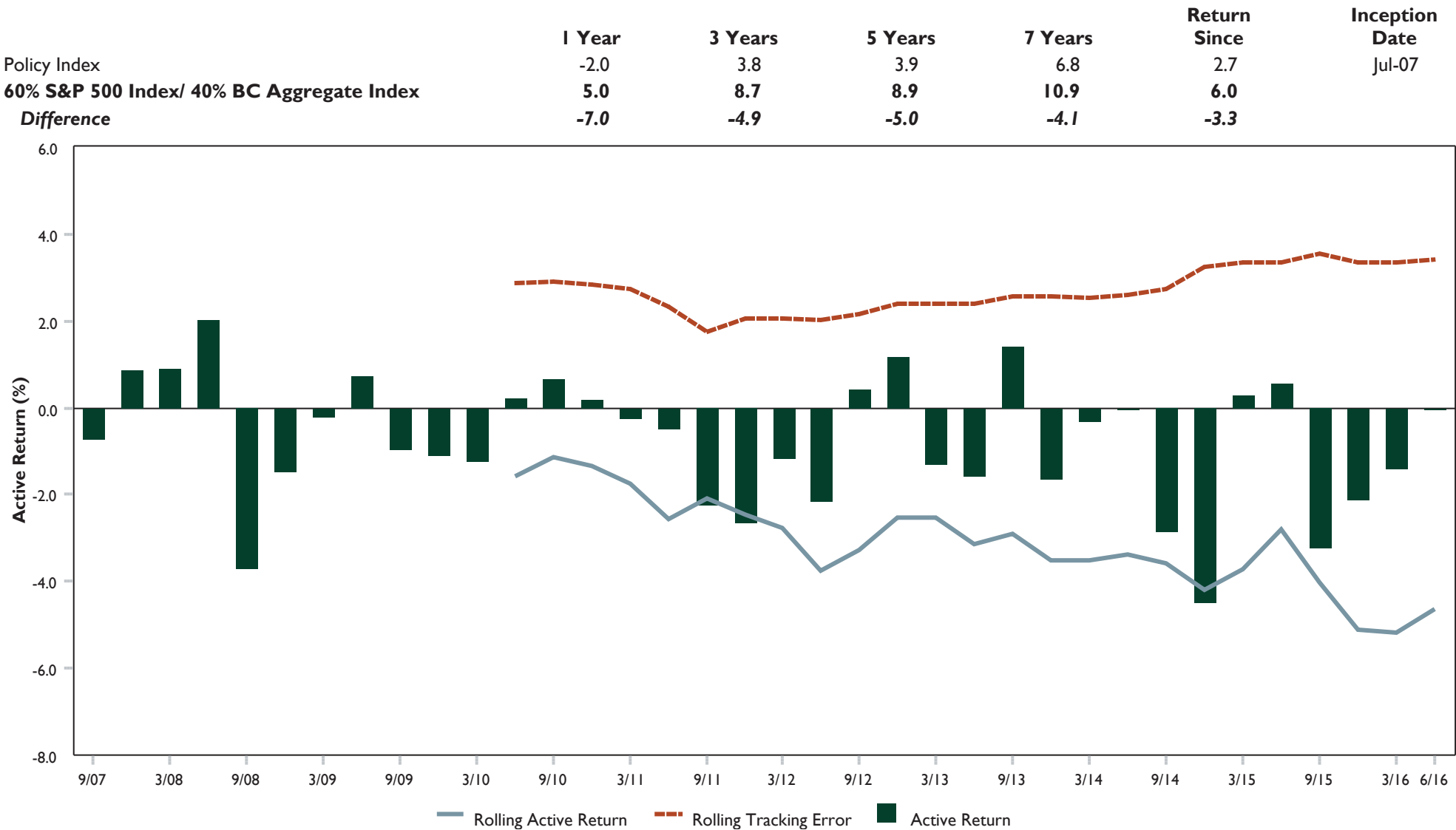
	1 Year	3 Years	5 Years	7 Years	Return Since	Inception Date
Total Fund	-4.0	3.5	4.0	7.0	2.3	Jul-07
Actual Index	-1.9	4.3	4.4	7.0	2.9	
Difference	-2.1	-0.8	-0.4	0.0	-0.6	



Comparative Performance & Rolling Return

Policy Index vs. 60% S&P 500 Index/ 40% BC Aggregate Index

Rolling 12 Quarters as of June 30, 2016



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Global Equity Market Considerations

July 2016

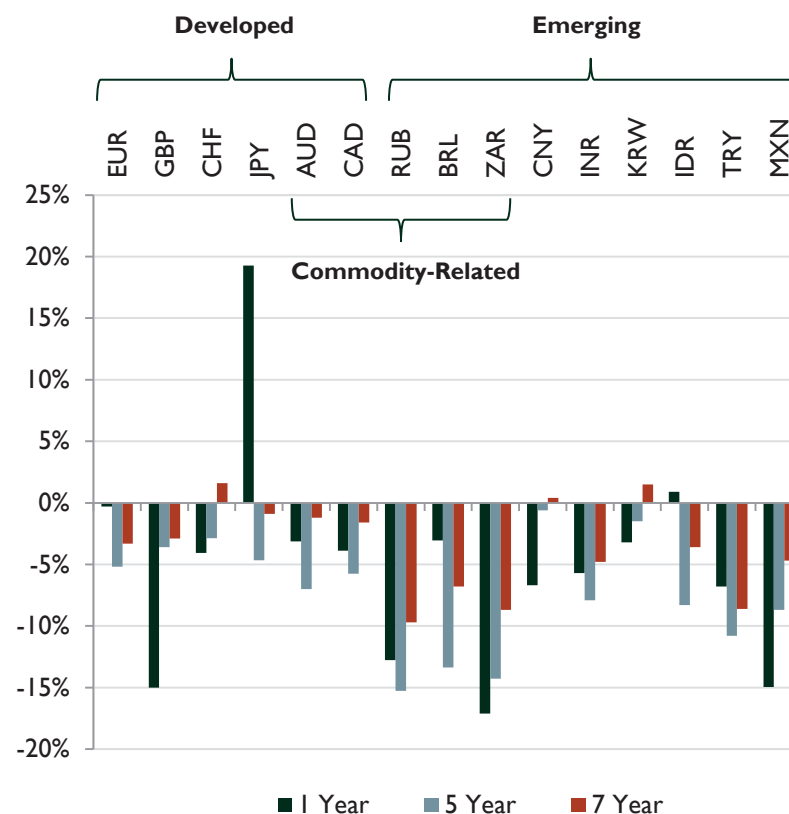
Global Equity Market Returns

While the most recent period has been challenged for equity markets outside the U.S., we continue to advocate clients maintain global diversification within their equity portfolio. Volatility has grown in the recent environment due in large part to a number of significant macroeconomic events and their impact on global markets. We believe it is important for clients to maintain a long-term perspective when investing in global equities, and remain mindful of the benefits of a well diversified portfolio consisting of both domestic and international equities.

An aggressive monetary response has fueled the U.S. market's outperformance relative to other equity markets since the financial crisis began. More recently, global macroeconomic concerns, including Brexit, the stability of the European Union, and slower growth in emerging markets (most notably, China), have further weighed on foreign equities. The strength of the U.S. dollar (USD) has magnified the level of underperformance, as evidenced by the difference between USD and local equity returns.

As of June 30, 2016, there has been a modest shift in equity market leadership year-to-date (YTD). Emerging markets (EM) outperformed their developed market counterparts during this period, while the U.S. also delivered positive returns. However, developed non-U.S. markets sold off materially for a number of reasons, including growth concerns and Brexit. Currency proved to be a tailwind over the last six months, with the USD pulling back against many major currencies.

Currency Change vs. USD (as of June 30, 2016)



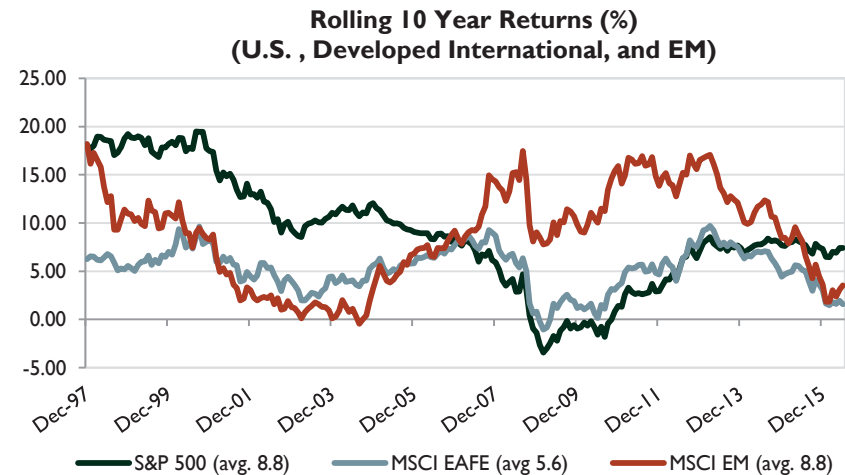
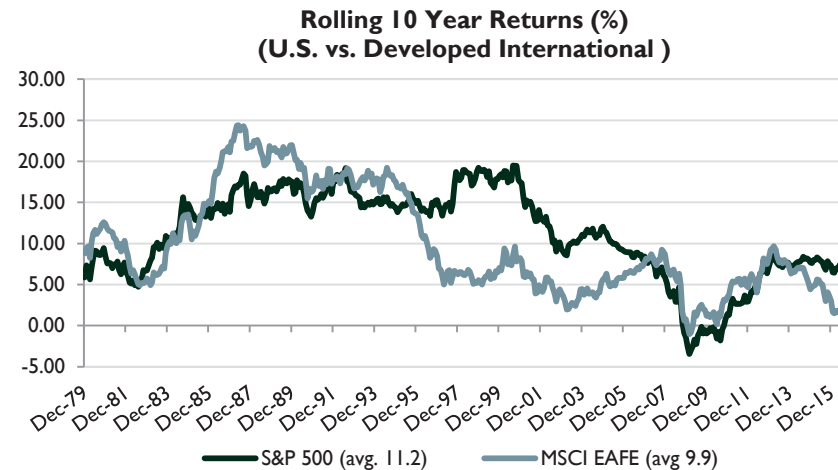
As of June 30, 2016

	YTD Return	YTD SD	1 Yr Return	1 Yr SD	3 Yrs Return	3 Yrs SD	5 Yrs Return	5 Yrs SD	7 Yrs Return	7 Yrs SD	10 Yrs Return	10 Yrs SD	15 Yrs Return	15 Yrs SD	20 Yrs Return	20 Yrs SD
MSCI ACWI (Net) USD	1.2	0.4	-3.7	10.6	6.0	8.9	5.4	13.0	9.5	14.7	4.3	18.0	5.0	17.9	5.7	17.8
MSCI ACWI (Net) Local	0.0	1.4	-2.6	10.1	8.7	8.3	8.6	11.8	11.0	12.7	5.2	15.8	4.8	16.4	6.3	16.6
S&P 500 Index	3.8	0.6	4.0	9.7	11.7	8.1	12.1	12.4	14.9	13.5	7.4	16.3	5.8	16.5	7.9	16.8
MSCI EAFE (Net)	-4.4	0.8	-10.2	10.6	2.1	11.4	1.7	14.4	6.0	16.3	1.6	19.7	4.3	19.5	4.0	19.2
MSCI EAFE Local	-6.8	3.0	-9.7	11.8	6.3	11.0	6.7	13.4	8.2	13.6	2.6	16.3	3.1	17.2	4.5	17.2
MSCI EM (Net) USD	6.4	2.5	-12.1	18.0	-1.6	12.5	-3.8	16.9	3.8	18.3	3.5	24.3	9.1	25.0	5.0	26.0
MSCI EM Local*	3.5	1.0	-7.7	12.0	3.7	8.9	2.0	11.9	6.4	13.1	5.7	18.4	9.9	20.3	8.0	21.6

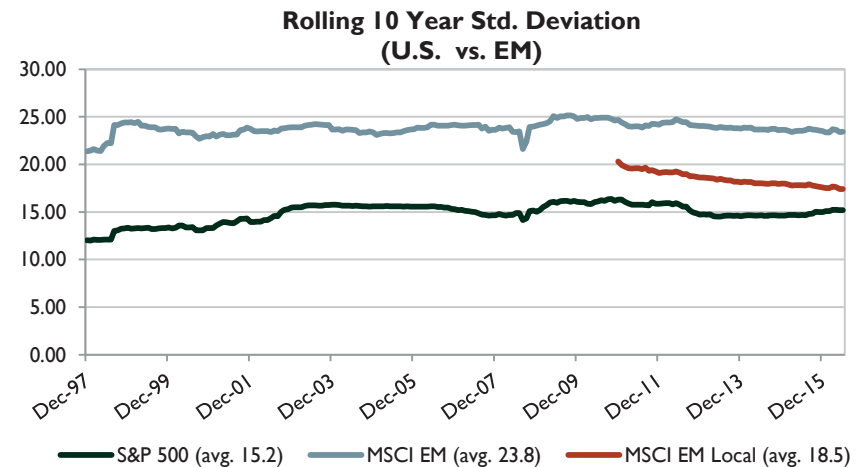
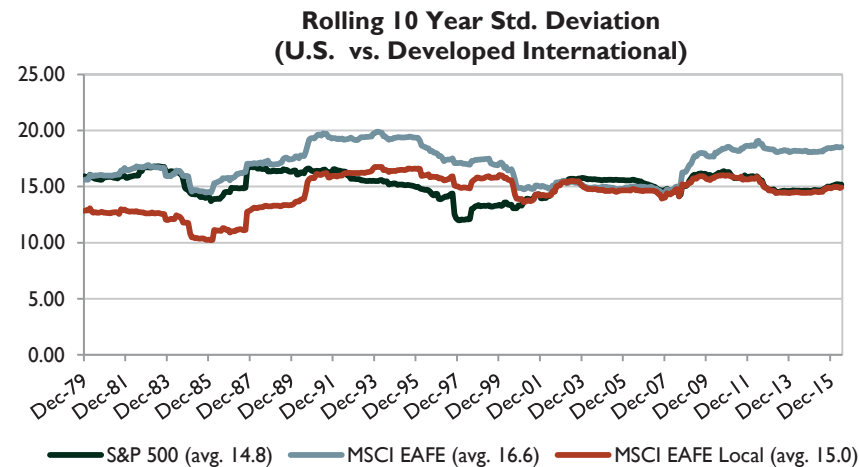
* Gross history from 1988-2000

Global Equity Market Returns

While the most recent period illustrates a meaningful difference in returns, this is not unusual over the long-term. Using the longest common period, we evaluated rolling 10-year returns for the S&P 500 Index vs. the MSCI EAFE Index (developed international proxy) and the MSCI EM Index (emerging markets proxy). As illustrated in the charts below, the difference in long-term performance has been wide during various time periods; however, on average, returns have been similar.



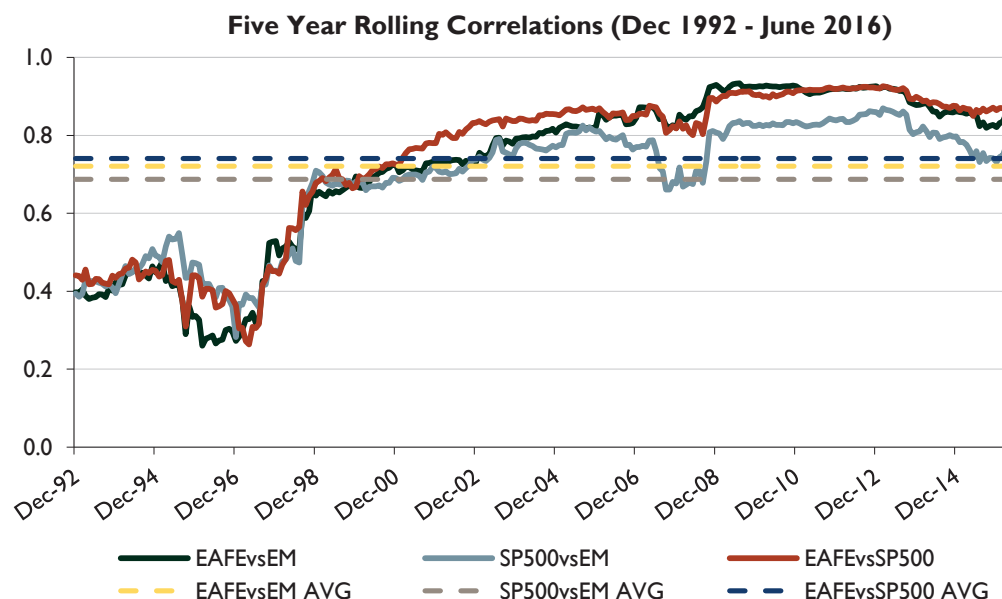
Foreign equities have historically exhibited higher volatility than the U.S. equity market, with much of this driven by currency translation.



Foreign Diversification Benefit

Foreign diversification can be beneficial to overall portfolio diversification. This is evidenced by both long-term correlation data and the U.S.-centric nature of many asset classes in client portfolios. Below are some key considerations:

- *Equity markets correlations* – Although correlations amongst equity market indices have risen over the last two decades, foreign equity—both developed and international—continue to offer some diversification relative to U.S. equity.
- *Portfolio exposure and correlation to other asset classes* – The majority of a portfolio's non-equity exposure generally has limited foreign diversification. As a result, the equity segment is an important geographic and currency diversifier for client portfolios. Additionally, compared to many non-equity asset classes, both non-U.S. developed EM equities should provide different and, in some cases, better diversification characteristics than U.S. equity—as evidenced by the long-term correlation statistics.



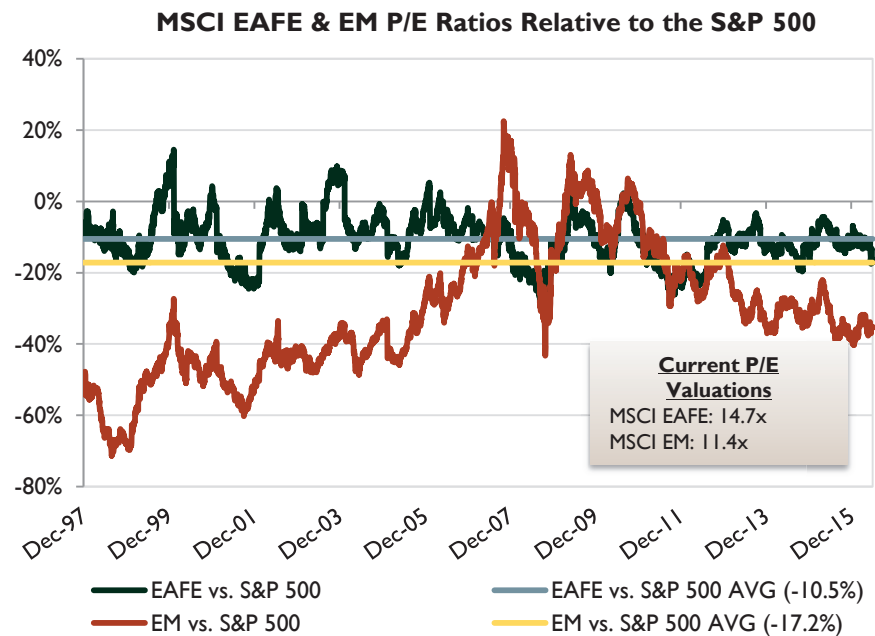
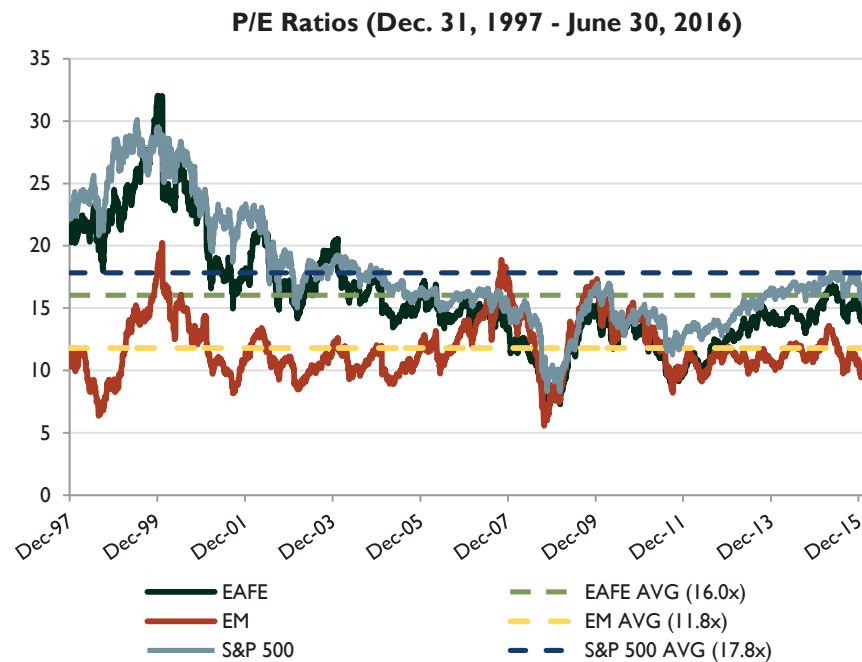
	Sample Portfolio	Est. Geographical Allocation			Resulting Est. Portfolio %			Correlations		
		U.S.	Int'l Dev	EM	U.S.	Int'l Dev	EM	U.S.	Int'l Dev	EM
Global Equity	40.0%	47%	34%	19%	19%	13%	8%	-	-	-
Private Equity	10.0%	100%	0%	0%	10%	0%	0%	0.69	0.60	0.50
Flexible Capital	20.0%	70%	24%	6%	14%	5%	1%	0.81	0.74	0.82
Sovereign Debt	15.0%	67%	26%	7%	10%	4%	1%	-0.19	-0.09	-0.27
Natural Resources	7.5%	70%	10%	20%	5%	1%	2%	0.44	0.50	0.42
Private Real Estate	5.0%	90%	10%	0%	5%	1%	0%	0.43	0.41	0.27
TIPS	2.5%	100%	0%	0%	3%	0%	0%	-0.27	-0.19	-0.07
TOTAL	100%				65%	23%	11%			

Note: Estimated geographic exposure reflects Prime Buchholz estimates. Assumes each asset class has 100% net exposure. Correlations using longest available history for each asset class.

Equity Market Valuations

Equity market valuations have rebounded since the financial crisis; however, foreign markets—EM in particular—have fallen from post-crisis rebound levels, while the U.S. market as of June 30, 2016 is near its highest level since the 2008 market decline.

The charts below show the long-term trends in 12-month trailing P/E ratios from December 1997 through June 2016 for the Russell 3000, MSCI EAFE, and MSCI EM Indexes, as well as the historic premium/discount in which the three markets have traded. As illustrated, the gap between emerging and developed market has widened more recently, with the MSCI EM Index trading at a 36% discount to the U.S. and at a 22% discount relative to MSCI EAFE. Additionally, the MSCI EAFE is trading at a 17% discount to the U.S.



Equity Market Valuations

While P/E ratio is a commonly used metric to understand market valuations, there are challenges with the metric, including differing accounting practices, inflationary environments, and cyclical influences. Below we have outlined additional metrics to assess valuation for global markets.

Equity Valuations as of June 30, 2016

	Trailing P/E	Forward P/E	Div Yield	P/B	P/CF	Earnings Yield
S&P 500	17.6	16.6	2.3	2.6	12.0	5.3
Percentile Rank	58%	58%	92%	44%	48%	45%
LT Average	17.8	17.2	1.8	2.8	12.4	5.4
Inception	Mar-90	Sep-95	Jan-96	Feb-99	Jan-96	Mar-90
MSCI EAFE	14.7	14.1	3.6	1.4	9.0	5.9
Percentile Rank	43%	42%	86%	13%	48%	49%
LT Average	16.3	15.9	2.7	2.1	9.2	5.7
Inception	Jan-97	Jan-97	Jan-97	Jan-97	Jan-97	Jan-97
MSCI EM	11.4	12.0	2.9	1.3	7.4	8.2
Percentile Rank	52%	75%	80%	6%	52%	56%
LT Average	11.8	11.1	2.6	1.8	7.5	7.7
Inception	Jan-98	Oct-99	Jan-00	Jan-01	Feb-00	Jan-98
EM vs. R3000	-35.2%	-27.9%	26.1%	-49.1%	-38.5%	54.1%
EAFE vs. R3000	-16.6%	-15.1%	57.6%	-45.6%	-24.9%	10.9%
EM vs. EAFE	-22.4%	-15.1%	-20.0%	-6.3%	-18.1%	39.0%

Source: FactSet

Equity Market Valuations

The Shiller CAPE multiple suggests the U.S. equity market is trading at a cyclically adjusted P/E of 26.2x as of June 30, 2016, up from 24.2x in January 2016. This reflects a 10-year cyclically adjusted earnings level, which accounts for fluctuations in earnings and inflation, and compares to the current market price. While Shiller P/E is only readily available for the U.S. market, investment manager Research Affiliates has used the same methodology to calculate CAPE for markets around the world. The table below shows Research Affiliates' CAPE data for various foreign markets. It shows that while the U.S. is trading above its historical median, both developed and emerging markets are trading below median. As of June 30, 2016, the valuations for the MSCI EM and EAFE Indexes were both just above their respective minimums since inception.



	6/30/2016	Max	Median	Min	25th Perc	75th Perc	Incept Date
S&P 500	26x	44x	16x	5x	12x	20x	1871
MSCI EAFE	13x	40x	22x	11x	15x	27x	1972
MSCI EM	11x	35x	17x	10x	15x	24x	1995

Differences in GDP Growth

Despite some downward revisions for global economic growth following the U.K.'s surprising vote to leave the European Union, emerging economies are expected to be a significant driver of global growth going forward. Since the rebound after the recent financial crisis, many governments attempted to shift their GDPs to be more reflective of domestic growth and less dependent on exports to developed nations. While this has lowered expectations going forward, the shift in the growth profile of emerging countries should result in less reliance on developed markets to achieve strong GDP figures.

Emerging markets account for more than 57% of global GDP based on purchasing power parity (approximately 40% using current prices). However, they comprised just 10% of the MSCI ACWI's market capitalization as of December 2015.

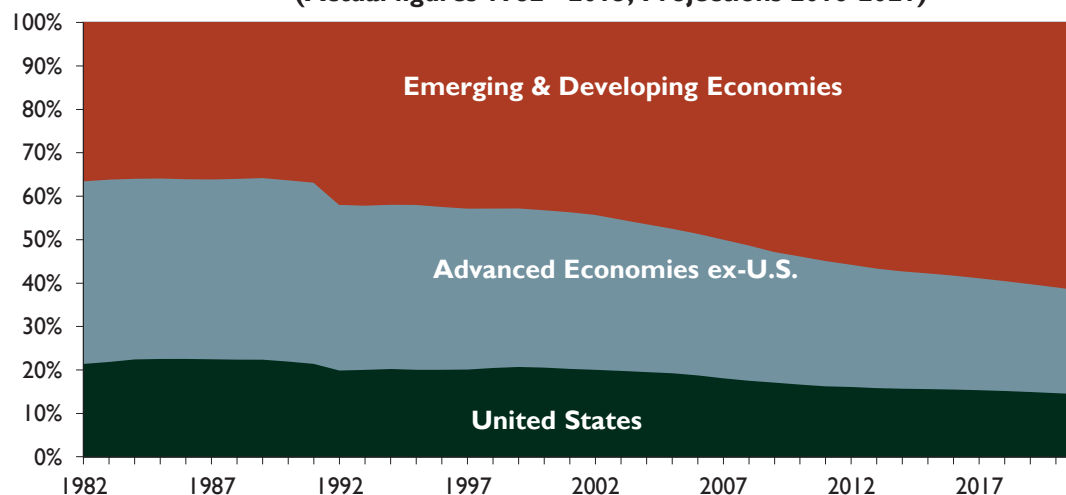
Although growth in the U.S. is projected to be higher than that of the broader segment of advanced economies, there continues to be steady growth in developed international markets. It is also noteworthy that the non-U.S. opportunity set has grown increasingly more robust over time. Since 1970, the MSCI World Index moved from approximately 2:1 U.S./non-U.S. to a more neutral allocation as of June 2016.

MSCI World		MSCI World	
1970	% of Index	6/30/2016	% of Index
U.S.	66.0%	U.S.	59.8%
Developed Non-U.S.	34.0%	Developed Non-U.S.	40.2%

MSCI ACWI	
6/30/2016	% of Index
U.S.	53.6%
Developed Non-U.S.	35.9%
Emerging Markets	10.5%

Source: MSCI

Global GDP Distribution by Region (PPP)
(Actual figures 1982 - 2015, Projections 2016-2021)



Source: World Economic Database April 2016, IMF. Gross domestic product based on PPP valuation of country GDP, which accounts for the relative effective domestic purchasing power of the average producer or consumer within a country. The use of the PPP method decreasing the disparity in GDP between high and low income (GDP) countries.

Actual and Projected Real GDP* Growth Rates (%)

	Actual						IMF Projections		
	2010	2011	2012	2013	2014	2015	2016	2017	2021
World	5.4	4.2	3.5	3.3	3.4	3.1	3.1	3.4	3.9
Advanced Economies	3.1	1.7	1.2	1.2	1.9	1.9	1.8	1.8	1.8
United States	2.5	1.6	2.2	1.5	2.4	2.4	2.2	2.5	2.0
Euro area	2.1	1.6	-0.9	-0.3	0.9	1.7	1.6	1.6	1.5
United Kingdom	1.5	2.0	1.2	2.2	3.1	2.2	1.7	1.3	2.1
Japan	4.7	-0.5	1.7	1.4	0.0	0.5	0.3	0.1	0.7
Canada	3.1	3.1	1.7	2.2	2.5	1.2	1.4	2.1	2.0
Emerging & Developing Countries	7.4	6.3	5.3	4.9	4.6	4.0	4.1	4.6	5.1
Emerging & Developing Europe	4.7	5.4	1.2	2.8	2.8	3.6	3.5	3.2	3.3
Emerging & Developing Asia	9.6	7.8	6.9	6.9	6.8	6.6	6.4	6.3	6.4
China	10.6	9.5	7.7	7.7	7.3	6.9	6.6	6.2	6.0
India	10.3	6.6	5.6	6.6	7.2	7.6	7.4	7.4	7.8
Middle East & North Africa	5.2	4.6	5.1	2.1	2.7	2.3	3.4	3.3	3.6
Sub-Saharan Africa	6.6	5.0	4.3	5.2	5.1	3.3	1.6	3.3	5.0
Latin America & Caribbean	6.1	4.9	3.2	3.0	1.3	0.0	-0.4	1.6	2.8

Source: International Monetary Fund World Economic Outlook: July 2016

*Real GDP is a macro measure of the value of output economy-adjusted for price changes (inflation or deflation)

Disclosures

Indices referenced are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses.

All commentary contained within is the opinion of Prime Buchholz and is intended for informational purposes only; it does not constitute an offer, nor does it invite anyone to make an offer, to buy or sell securities. The content of this report is current as of the date indicated and is subject to change without notice. It does not take into account the specific investment objectives, financial situations, or needs of individual or institutional investors.

Information obtained from third-party sources is believed to be reliable; however, the accuracy of the data is not guaranteed and may not have been independently verified. Performance returns are provided by third-party data sources.

Past performance is not an indication of future results.

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Firm Information: Vanguard Group, Inc.		
Total Assets (\$M):	\$3,395,009	Key Investment Professionals: -Greg Davis - Davis is Head of Fixed Income Portfolio Management and has been with Vanguard since 1999. He earned a B.S. from Pennsylvania State University and an M.B.A. from the University of Pennsylvania. - Kenneth Volpert - Volpert is the CIO of Europe and serves as Global Head of Bond Indexing. He began his career in 1981 and joined Vanguard in 1992. He earned a B.S. from University of Illinois and an M.B.A. from University of Chicago. - Joshua Barrickman, CFA - Barrickman was promoted to Head of Vanguard's U.S. Bond Index Group in 2013 and he joined the firm in 1999. He earned a B.S. from Ohio Northern University and an M.B.A. from Lehigh University.
Style:	Domestic Fixed Sector Index	
Assets in Style (\$M):	\$168,400	
Year Founded:	1975	
Product Inception:	December 1986	
Location:	Valley Forge, PA	
Ownership:	The Firm is owned by fund shareholders.	

Investment Objective and Philosophy/Process	Assessment
Investment Objective: To replicate the returns of the Barclays Capital Aggregate Bond Index.	Vanguard is one of the largest asset managers in the world, focusing mainly on low cost, passively managed funds. Similar to many Vanguard index options, the Fund carries a low management fee. While this strategy does involve some active management decisions, it historically has had tight tracking error to the Index. One main risk includes the possibility that Vanguard's sampling technique may lead to performance dispersion. For example, the Fund underperformed by a wide margin in 2002 as a result of owning WorldCom which was downgraded and removed from the Index before Vanguard could sell its position. Please note that while the Fund offers daily liquidity, Vanguard prefers a minimum of a 12-month commitment and requests advance notice for redemptions of a large dollar amount. Securities lending is allowed per the prospectus. Near the end of Q3 2011, Vanguard announced that it was discontinuing securities lending in its fixed income strategies. As a reminder, Vanguard only lends special securities with a high scarcity premium rather than a liquid security with a low scarcity premium because they can earn a larger spread from the reinvestment for securities with high scarcity premiums and they see few fixed income opportunities at this time. However, if Vanguard were to re-engage in securities lending, we feel that the firm implements a conservative policy as it pertains to the practice. Furthermore, 100% of the net lending proceeds are credited to the Fund. We remain comfortable with Vanguard's practices and believe that the firm would not want to break the implicit trust of shareholders by taking on more risk to pursue these additional revenue sources. This is a Prime Buchholz recommended product.
Philosophy/Process: The Bond Indexing Group primarily uses sampling methods to build its index products given the large size of the benchmarks. Securities are selected that will keep the Fund's characteristics in line with those of the Index. The key index characteristics that the Fund strives to match are sector weightings, coupon, maturity, effective duration, convexity, and quality. In an effort to ensure good tracking with the Index, the Fund attempts to remain fully invested, while maintaining characteristics consistent with those of the Index. Risk control is a priority of Vanguard. The group created a desktop dashboard report to monitor various risks across the products such as yield curve mismatches, broad sector allocation differences, quality exposure, and issuer-level violations. In addition, the risk management team produces on a monthly basis tracking error reports that show total tracking error and the various contributions to tracking error. The dashboard is used on a daily basis to manage tracking error that results from the various risk factors whereas the risk management report quantifies sources of tracking error each month. At least 80% of the Fund's assets must be invested in bonds contained in the Index. The remaining 20% of assets may be invested in non-public, investment-grade securities or other securities outside the Index including CMOs, mortgage dollar rolls, derivatives, and ETFs.	

Product Information and Sample Operational Detail (Vanguard Total Bond Market Index I)			
Quality/Avg. Quality:	AAA-BBB/AA	Securities Lending:	Yes
Duration:	Index-like	Assets in Composite:	100%
% Non-Investment Grade:	0%	GIPS Compliant (per Manager):	No
% Foreign:	Index-like	Last Audited Financials:	12/31/2015
Security Constraints:	Index-like	Accountant/Auditor:	PricewaterhouseCoopers LLP
Sector Constraints:	Index-like	Custodian:	JPMorgan Chase & Co.
Avg # of Securities:	~15,000	Administrator:	The Vanguard Group
Turnover:	75%		

Vehicle Information				
Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Vanguard Total Bond Market ETF (BND)	\$0	\$31,600.0	0.06%	ETF
Vanguard Total Bond Market Index Adm (VBTLX)	\$100,000	\$69,600.0	0.06%	MF
Vanguard Total Bond Market Index I (VBTIX)	\$5,000,000	\$33,600.0	0.05%	MF
Vanguard Total Bond Market Index Inv (VBMFX)	\$3,000	\$6,600.0	0.20%	MF

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Firm Information: Baird Advisors		
Total Assets (\$M):	\$43,191	Key Investment Professionals: - Mary Ellen Stanek, CFA - Chief Investment Officer. Stanek joined Baird in 2000. She began her career at Firstar in 1979, rising to CIO. She earned a B.S. from Marquette University and an M.B.A. from the University of Wisconsin. - Charles Groeschell - Senior Portfolio Manager. Groeschell joined Baird in 2000. He began his career in 1980 at Firstar, rising to Senior PM. He earned a B.S. from Texas Christian University and an M.B.A. from University of Wisconsin. - Warren Pierson, CFA - Senior Portfolio Manager. Pierson joined Baird in 2000. He began his career in 1987 and earned a B.S. from Lawrence University. - Gary Elfe, CFA - Portfolio Manager and Director of Research. Elfe joined Baird in 2000. He began his career in 1978 at Firstar, rising to Senior PM and DOR. He earned a B.S. and an M.B.A. from the University of Wisconsin. - Other team members include Daniel Tranchita, CFA, M. Sharon deGuzman, and a team of 10 research professionals.
Style:	Domestic Fixed Broad Market Core	
Assets in Style (\$M):	\$16,375	
Year Founded:	1971	
Product Inception:	December 1999	
Location:	Milwaukee, WI	
Ownership:	100% Employee-owned.	

Investment Objective and Philosophy/Process	Assessment
Objective: Baird Core Bond strategy seeks to add an incremental return of 15-50 bps over the Barclays Agg Index on a gross basis. Philosophy/Process: Baird Advisors believes that over time bond markets are adept in discounting risk and return and that predicting interest rates is difficult. As a result, portfolios are structured to be duration-neutral and the team seeks to deliver excess returns through yield curve positioning, sector allocation, and security selection. The team begins with an indepth benchmark analysis to understand duration, sector, and subsector weightings. The portfolio construction process is top-down beginning with extensive benchmark analysis. As the goal is to be duration neutral at all times, the next step is to search for opportunities by analyzing economic trends, interest rate scenarios, sector risk/return, and historical and projected spread relationships to determine yield curve position and sector weighting. The goal in this step is to maximize yield and rolldown opportunities and identify sectors that appear to be valued attractively. Once the top-down positioning is established, individual security selection follows. Relative value and risk/return profiles are important in determining sector and subsector overweights/underweights. Security selection tends to start with benchmark securities that carry an investment grade rating at the time of purchase. Non-benchmark issues, if highly correlated and/or reasonably replicate a benchmark security, are considered part of the investable universe. Security level credit research includes the contribution to duration, an assessment of security structure, impact of call provisions, cash flow features, liquidity, and spread analysis. Portfolios are well diversified and the team usually limits industry exposure to 20% and often has an overweight bias to financials and securitized assets. At the security level, policy limits include a 5% max in any non-Government issuer, a 1% limit on subsidiary debt not explicitly guaranteed by the parent, and a 0.50% weight to BBB-rated issues. The team only invests in USD-denominated securities and transacts in cash bond markets.	Baird Advisors was formed in 2000 after the entire fixed income team was hired from Firstar Investment Research & Management; key team members have worked together since 1979/1980 and the group has largely remained intact since 2000 which is a key positive attribute of the strategy. In addition, Baird does an outstanding job of allowing access to key members of the team which, combined with the limited use of derivatives, further enhances the high transparency of the process and the resulting portfolio. The team is conservative by nature and although sector biases do exist (financials and securitized tend to be emphasized), the top down process has historically resulted in positive affirmation of these biases over market cycles. Each sector has a role to play in the portfolio with Treasuries/Agencies serving as core holdings to mitigate credit risk and serve as a liquidity tool. ABS is often used as a lower-risk substitute of corporate debt with the team typically focusing on first-lien HELOC with better prepayment profiles than other traditional MBS products. Auto loans and credit card receivables also have attractive attributes and may play a role in the portfolio if relative value is believed to exist. MBS investments tend to focus on seasoned mortgages with stable cash flow characteristics and CMOs tend to be well structured in terms of seasoned collateral, low loan balances, etc. Corporates also play a role in the portfolio with Baird relying on its ability to conduct fundamental credit research to review management, financial data, competitive advantages, etc. Overall, the strong emphasis on bottom-up research has over time led to high consistency in the contribution of security selection on performance. We note there are some issues to be considered. Given a preference to underweight Treasury and Agency sectors, the strategy may underperform during periods of market stress. In addition, the mutual fund does engage in securities lending. Resources have been added to the team on an opportunistic basis but we note that AUM growth has been robust which may necessitate further hiring. Also, the question of succession planning has not been communicated, a risk given the long tenure of Stanek, Groeschell, and Elfe. While these risks should be considered, we feel that the stability of the team, their conservative nature, low mutual fund fees, and the competitive long-term track record make the Fund an attractive option in the core bond universe. This is a Prime Buchholz recommended product.

Product Information and Sample Operational Detail (Baird Aggregate BD Instl)			
Quality/Avg. Quality:	AAA-BBB-/AA	Securities Lending:	Yes
Duration:	Target benchmark duraton	Assets in Composite:	26%
% Non-Investment Grade:	0% at time of purchase	GIPS Compliant (per Manager):	Yes (Since 1999)
% Foreign:	Yes, but USD denominated	Last Audited Financials:	12/31/2015
Security Constraints:	None	Accountant/Auditor:	Grant Thornton LLP
Sector Constraints:	None	Custodian:	U.S. Bank, N.A.
Avg # of Securities:	~450	Administrator:	U.S. Bancorp Fund Services, LLC
Turnover:	25-75%		

Vehicle Information				
Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Baird Aggregate BD Instl (BAGIX)	\$25,000	\$8,732.8	0.30%	MF
Baird Aggregate BD Inv (BAGSX)	\$2,500	\$350.0	0.55% (plus 0.25% 12b-1 fee)	MF
Baird Core Fixed Income Separate Account	\$25,000,000	\$7,292.2	0.30% on first \$25 mil.	SA

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Portfolio Comparison

As of June 30, 2016

	Vanguard Total Bd Idx Inst	Barclays U.S. Aggregate Float Adjusted	Baird Aggregate Bond Instl	Barclays U.S. Aggregate
Portfolio Characteristics				
Yield	1.9	1.9	2.4	1.9
Average Maturity	8.0	8.0	7.4	7.8
Duration	5.8	5.8	5.5	5.5
Quality Breakdown				
U.S. Treasury	40.5	40.4	17.3	36.6
U.S. Govt/Agency	2.4	2.7	0.7	2.5
Agency MBS	19.6	20.2	20.8	27.7
Non-U.S. Sov/Agency	0.0	4.4	0.0	4.0
AAA	6.0	4.3	9.4	3.9
AA	4.2	2.9	7.5	2.6
A	12.4	11.7	23.5	10.6
BBB	14.8	13.4	20.1	12.1
BB and Below	0.0	0.0	0.7	0.0
NR/Other	0.0	0.0	0.0	0.0
Sector Breakdown				
U.S. Treasury	40.5	40.4	17.3	36.6
U.S. Government Related	2.4	2.7	0.0	2.5
Non-U.S. Sovereign/Agency	6.1	4.4	0.0	4.0
Investment Grade Corporate	28.0	28.0	43.0	25.4
Industrials	17.2	17.3	20.4	15.6
Utility	2.2	2.2	0.9	2.0
Financials	8.6	8.6	21.7	7.8
High Yield	0.0	0.0	0.0	0.0
Non-U.S. Dollar	0.0	0.0	0.0	0.0
Emerging Market Debt	0.0	0.0	0.0	0.0
MBS	19.6	20.2	24.2	27.7
MBS-Agency	19.6	20.2	20.8	27.7
MBS-NonAgency	0.0	0.0	3.4	0.0
CMBS	2.0	1.9	6.0	1.7
ABS	0.6	0.5	5.5	0.5
Municipals	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.7	0.0
Other	0.8	1.9	3.3	1.7

- Vanguard Total Bond Duration represents Average Duration. Maturity is Average Effective Maturity.

- Barclays U.S. Aggregate Float Adjusted Duration represents Modified Adjusted Duration. Sector Breakdown Other is Supranationals and Other Mtgs.

- Baird Aggregate Duration is Modified Adjusted Duration. Sector breakout Other is Other Government Related.

- Barclays U.S. Aggregate Duration represents Modified Adjusted Duration. Sector Breakdown Other is Supranationals and Other Mtgs.

Historical Performance

Return and Risk Summary

As of June 30, 2016

	1 Quarter Return	Year To Date Return	1 Year Return	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Vanguard Total Bd Idx Inst	2.4	5.5	6.1	4.0	2.7	3.7	3.0	4.5	3.2	5.2	3.3
Vanguard Total Bond Spliced Index	2.3	5.5	6.1	4.1	2.7	3.8	3.0	4.6	3.1	5.2	3.3
Baird Aggregate Bond	2.6	5.7	6.1	4.6	2.7	4.8	3.0	6.1	3.4	5.5	3.5
Barclays U.S. Aggregate	2.2	5.3	6.0	4.1	2.6	3.8	2.9	4.6	3.1	5.1	3.2

Please Note:

Vanguard Total Bond Spliced Index reflects Barclays US Aggregate Index through 12/31/2009 and Barclays US Aggregate Float Adjusted thereafter.

Historical Performance

Return Summary

As of June 30, 2016

	Year To Date Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return	2008 Return	2007 Return	2006 Return
Vanguard Total Bd Idx Inst	5.5	0.4	5.9	-2.1	4.2	7.7	6.6	6.1	5.2	7.0	4.4
Vanguard Total Bond Spliced Index	5.5	0.4	5.9	-2.0	4.3	7.9	6.6	5.9	5.2	7.0	4.3
Baird Aggregate Bond	5.7	0.6	6.9	-1.3	7.9	7.9	8.3	10.9	-2.4	5.6	4.9
Barclays U.S. Aggregate	5.3	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3

Please Note:

Vanguard Total Bond Spliced Index reflects Barclays US Aggregate Index through 12/31/2009 and Barclays US Aggregate Float Adjusted thereafter.

Stress Period Performance

Return and Risk Summary

	DotCom Bubble Burst & Enron Bankruptcy Jun 2000-Mar 2001	9/11 Aug 2001-Sep 2001	WorldCom Bankruptcy Mar 2002-Sep 2002	Market Recovery Mar 2003-Dec 2003	Financial Crisis Sep 2007-Mar 2009
Vanguard Total Bd Idx Inst	12.0	2.0	5.1	2.6	6.0
Baird Aggregate Bond	NA	1.8	5.1	5.2	-0.1
Russell 3000	-15.3	-14.2	-24.9	36.6	-30.6
MSCI ACWXUS	-21.7	-12.9	-17.4	49.0	-34.2
Bar. US Agg.	11.8	2.3	6.7	2.6	5.8
CG WGBI	-1.2	4.5	15.6	11.8	7.7
FTSE Developed	6.4	-8.2	-0.3	43.0	-45.1
Bloom. Comm.	17.8	-6.8	18.7	11.3	-21.5
HFRI E.H.	5.4	-4.9	-6.0	21.5	-15.9

	Deflation & Lehman Bankruptcy Jun 2008-Dec 2008	Market Recovery Mar 2009-Dec 2009	Flash Crash Mar 2010-Jun 2010	European Debt Bailouts May 2010-Apr 2011	U.S. Debt Downgrade Feb 2011-Aug 2011	Tapering Shock May 2013-June 2013
Vanguard Total Bd Idx Inst	4.0	7.3	3.6	5.3	5.6	-3.3
Baird Aggregate Bond	-2.0	12.6	3.8	7.0	5.6	-3.6
Russell 3000	-35.3	56.5	-5.7	18.4	-4.4	1.0
MSCI ACWXUS	-44.3	71.1	-6.5	19.7	-7.3	-6.5
Bar. US Agg.	4.0	7.3	3.4	5.4	5.8	-3.3
CG WGBI	6.1	10.5	-1.4	11.2	8.6	-4.0
FTSE Developed	-46.6	90.0	-1.4	22.2	-1.2	-10.2
Bloom. Comm.	-44.8	31.5	-6.0	30.4	0.3	-6.9
HFRI E.H.	-25.6	28.5	-1.7	10.0	-4.7	-0.4

MPT Stats

Vanguard Total Bond Index

As of June 30, 2016

	3 Years	5 Years	7 Years	10 Years
Return	4.04	3.74	4.53	5.15
Standard Deviation	2.77	2.86	2.93	3.30
Downside Risk	1.20	1.47	1.48	1.59

vs. Vanguard Total Bond Spliced Index

Beta	1.03	1.02	1.02	1.01
Up Market Capture	102.36	101.43	100.67	100.73
Down Market Capture	108.31	106.63	105.98	102.59
Alpha	-0.16	-0.13	-0.19	-0.07
Tracking Error	0.26	0.24	0.27	0.34
Information Ratio	-0.10	-0.24	-0.30	-0.01
R-Squared	0.99	0.99	0.99	0.99
Actual Correlation	1.00	1.00	1.00	0.99

vs. Citigroup 3 Month T-Bill

Sharpe Ratio	1.43	1.28	1.51	1.26
Excess Return	3.94	3.66	4.41	4.13
Excess Risk	2.77	2.85	2.92	3.29

Please Note:

Vanguard Total Bond Spliced Index reflects Barclays US Aggregate Index through 12/31/2009 and Barclays US Aggregate Float Adjusted thereafter.

MPT Stats

Baird Core Bond

As of June 30, 2016

	3 Years	5 Years	7 Years	10 Years
Return	4.62	4.78	6.06	5.47
Standard Deviation	2.68	2.80	2.98	3.44
Downside Risk	1.08	1.44	1.39	1.95

vs. Barclays U.S. Aggregate

Beta	1.01	0.99	1.02	0.97
Up Market Capture	107.05	112.86	117.91	105.63
Down Market Capture	94.05	89.47	88.60	103.52
Alpha	0.49	1.02	1.32	0.48
Tracking Error	0.37	0.67	0.80	1.43
Information Ratio	1.45	1.47	1.78	0.23
R-Squared	0.98	0.94	0.93	0.83
Actual Correlation	0.99	0.97	0.96	0.91

vs. Citigroup 3 Month T-Bill

Sharpe Ratio	1.68	1.66	1.97	1.28
Excess Return	4.50	4.66	5.87	4.44
Excess Risk	2.67	2.80	2.98	3.48

Actual Correlation Matrix

10 Years Ended June 30, 2016

	Vanguard Total Bond	Baird Aggregate Bond	Russell 3000	EAFE	ACWI x US	Barclays Agg	Barclays Gov/Cr	HFRI Eq Hedge
Vanguard Total Bond	1.00							
Baird Aggregate Bond	0.80	1.00						
Russell 3000	-0.29	0.24	1.00					
EAFE	-0.15	0.35	0.90	1.00				
ACWI x US	-0.13	0.38	0.90	0.99	1.00			
Barclays Agg	1.00	0.80	-0.28	-0.13	-0.11	1.00		
Barclays Gov/Cr	0.98	0.77	-0.29	-0.12	-0.12	0.98	1.00	
HFRI Eq Hedge	-0.29	0.23	0.90	0.93	0.95	-0.28	-0.29	1.00

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Indices referenced are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses.

Performance returns are provided by investment manager or third party data sources and are net of fees unless otherwise stated. Performance data may or may not reflect the reinvestment of dividends and other earnings. For gross of fee performance, returns will be lower after management fees and other expenses are deducted. Investment management fees are described in this report or the manager's Form ADV Part 2A. **Past performance is not an indication of future results.**

Peer group performance comparisons for funds or products will vary by third-party ranking entity based upon each entity's definitions of its category classifications and the sample size and/or composition of the data included by each ranking entity in its peer group comparisons. Therefore, a fund's past performance, which may be deemed strong relative to its peers by one ranking entity, may be considered weak relative to its peers by a different ranking entity. Also, since terminated poor performing funds or accounts are excluded from current peer groups, the peer group comparison results of surviving funds or products may be overstated. In addition, recent over- or underperformance of a fund may have a significant impact on a fund's long-term ranking versus its peer group.

In addition to the examination of raw data such as returns, portfolio characteristics, and other fund attributes, clients should consider other important criteria in the manager selection process. These may include, but not necessarily be limited to, stability and consistency of investment process, appropriateness of manager's investment philosophy, portfolio investment guidelines, risk management policies and procedures, depth and breadth of investment team, client references, personnel turnover, history, growth of business, and firm ownership and structure.

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*Indicates performance is gross of fees.

Universe descriptions: SA=Separate Account; CF=Commingled Fund; MF=Mutual Fund

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Profile: Metro West Total Return			June 30, 2016
Firm Information: Metropolitan West Asset Management			
Total Assets (\$M):	\$194,621	Key Investment Professionals:	
Style:	Domestic Fixed Broad Market Core Plus	- Tad Rivelle, Co-Founder of MetWest & CIO, Generalist & Portfolio manager. Prior to co-founding MetWest, Rivelle served as co-director of fixed income for Hotchkis and Wiley. Rivelle received his MBA from UCLA Anderson.	
Assets in Style (\$M):	\$101,340	-Stephen Kane - CFA – Generalist & Portfolio manager, joined as part of MetWest acquisition. Kane received his MBA from the University of Chicago Booth School of Business.	
Year Founded:	1996	-Laird Landmann – Generalist & Portfolio manager, joined as part of MetWest acquisition. Landmann received his MBA from the University of Chicago Booth School of Business.	
Product Inception:	December 1996		
Location:	Los Angeles, CA		
Ownership:	Carlyle Group and TCW employees		

Investment Objective and Philosophy/Process	Assessment
Objective: The MetWest Total Return Bond strategy seeks to outperform the Barclay's Aggregate Index, while maintaining below average volatility.	MetWest Total Return is a broad market fixed income strategy which has been managed by a relatively stable portfolio management team since 1996. MetWest's value-oriented approach has remained consistent since the launch of the Total Return strategy and has historically led to a diversified portfolio which has generated an attractive long term track record. Through their acquisition of MetWest, TCW has built a robust team of investment professionals who are supported by strong technology, operations and client service teams.
Investment Philosophy/Process: MetWest's investment emphasis is on identifying undervalued securities and effectively executing trades in sectors deemed attractive via a top-down analysis. Duration, yield curve, sector allocations, and trading execution are all considered integral pieces of the total portfolio management style. The firm's generalist portfolio managers set the top-down strategy for the portfolio, while sector specialists are heavily involved in security selection. Under normal circumstances, at least 80% of its net assets are in investment grade fixed income securities. MetWest is primarily a cash bond manager; however, derivatives may be used at times in an effort to hedge investments, adjust positioning or for risk management purposes. The Fund invests in the U.S. and abroad (typically on a U.S. dollar denominated basis), including emerging markets, and may purchase securities of varying maturities issued by domestic and foreign corporations and governments. While the team has the flexibility to invest in non U.S. Dollar denominated securities, this is not a strategy they have typically utilized as they believe it is extremely challenging to navigate currency markets and prefer to stick to their core competencies. Strategy investments include various types of bonds and other securities, typically corporate bonds, notes, collateralized bond obligations, collateralized debt obligations, mortgage-related and asset-backed securities, bank loans, money-market securities, swaps, futures, options, credit default swaps, private placements, defaulted debt securities and restricted securities. These investments may have interest rates that are fixed, variable or floating.	The Carlyle Group is the majority owner of the firm. Additionally, Carlyle holds a majority on the board of directors (4 of 7 seats) and therefore has the ability to act without the consent of TCW, however, the firm does have some protections in place. Also we note that TCW has expanded its product offerings in recent years. Most notably, Kane and Rivelle began co-managing a global bond portfolio with Robbins in 2011 despite limited experience investing outside the U.S. historically. Most large fixed income firms have separate dedicated global teams given the complexity of currency management and the varying macroeconomic drivers to assess. It is worth noting that the Total Return Fund is largely focused on USD denominated issuance and historically has hedged currency exposure for any non-USD positions held. Assets in the Total Return strategy have also grown sharply in recent years. The Total Return team also launched an Unconstrained Bond Fund in 2011. This is a Prime Buchholz recommended product.

Product Information and Sample Operational Detail (Metro West Total Return I)			
Quality/Avg. Quality:	AA	Securities Lending:	Yes, but not expected to be utilized.
Duration:	+/- 1 Year	Assets in Composite:	N/A
% Non-Investment Grade:	0-20%	GIPS Compliant (per Manager):	Yes (Since 1996)
% Foreign:	Primarily domestic issuers; USD based	Last Audited Financials:	3/31/2016
Security Constraints:	Limit initial positions to 2.5%	Accountant/Auditor:	Deloitte & Touche LLP
Sector Constraints:	Typically 80% in IG	Custodian:	BNY Mellon
Avg # of Securities:	850-1500	Administrator:	BNY Mellon Investment Servicing (U.S.) Inc.
Turnover:	75-150%		

Vehicle Information				
Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Metro West Fixed Income	\$25,000,000	\$17,000.0	0.28%	SA
Metro West Total Return I (MWTIX)	\$3,000,000	\$49,461.0	0.44%	MF
Metro West Total Return IU Offshore	\$0	\$257.0	0.51%	MF
Metro West Total Return M (MWTRX)	\$5,000	\$16,961.0	0.67%, 12b-1 - 0.21%	MF

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Firm Information: T. Rowe Price Group, Inc.		
Total Assets (\$M):	\$776,600	Key Investment Professionals: -Brian Brennan, Portfolio Manager and Vice President, is involved with the management of investment grade, global aggregate, and stable value portfolios. He is the lead PM for the Core Bond Plus mutual fund. Prior to joining the firm in 2000, he was a fixed-income manager at Howard Hughes Medical Institute. -Daniel Shackelford, Portfolio Manager and Vice President, manages investment grade, global aggregate, and stable value portfolios. He chairs the Fixed Income Strategy Committee and has been with T. Rowe since 1999. - Portfolio Strategy Team: Brian Brennan, Daniel Shackelford, Stephen Bartolini, Robert Larkins, Christopher Brown, and Andrew McCormich. - Sector Teams that aid in idea generation include lead PMs for High Yield, EM, International, Securitized, Investment-Grade Corporate, and Municipals.
Style:	Domestic Fixed Broad Market Core Plus	
Assets in Style (\$M):	\$1,799	
Year Founded:	1937	
Product Inception:	December 2004	
Location:	Baltimore, MD	
Ownership:	Publicly traded (TROW). Significant employee ownership (~15% including vested but unexercised options).	

Investment Objective and Philosophy/Process	Assessment
The T. Rowe Core Bond Plus strategy seeks long term excess returns and attractive risk-adjusted returns through a portfolio that offers exposure to diversified sources of return. The portfolios are constructed and monitored using a four-step process that begins with Policy Week which is the week following the monthly unemployment report. The team also meets more frequently outside of the more formal monthly cycle, with weekly strategy reviews, market assessments, and performance and risk exposure reviews. The four-step process includes: 1. Market Analysis, 2. Strategy Development, 3. Portfolio Construction, and 4. Risk and Performance Measurement. The fund intends to invest at least 65% of its net assets in investment-grade, U.S. dollar-denominated securities. Normally, the fund will maintain a portion of its portfolio in other sectors of the bond market, including high yield, non-U.S. dollar denominated, and emerging market securities, to seek additional value. The process is designed to leverage the deep teams of sector specialists across the firm. The team uses risk reports to monitor portfolio exposures and in an effort to ensure risk is allocated to their highest conviction areas for value add. In terms of strategy implementation, the team is allowed to utilize derivatives, including interest rate swaps, credit default swaps, futures, and currency forwards; however, they report they have typically only utilized treasury futures and currency forwards.	T. Rowe Price is a highly regarded and stable investment organization that oversees a significant fixed income asset base. They have taken steps to build out the fixed income organization in recent years, including adding to resources outside of the U.S., as well as building out their quantitative team, which is heavily involved through the strategy implementation and monitoring process. Fees for the fund are low, as are minimum investment levels. The Core Plus strategy has historically allocated significantly to the high yield market, but have they shown willingness to adjust exposure to high yield and other spread sectors overtime. An experienced Portfolio Strategy Team (PST) helps lead PM Brian Brennan set risk targets for sectors, duration, and yield curve. To meet the themes set by the PST, individual credit decisions are made by Sector Team Leads which is comprised of PMs and credit analysts across a number of sectors including investment-grade corporates, leveraged finance, securitized, international, emerging markets, and municipals. The guidelines for the institutional mutual fund clearly lay out appropriate maximum exposures to individual spread sectors, as well as aggregate exposure to spread sectors. The performance record for the strategy is strong, albeit shorter than many in the space. The team performed well relative to their peers during two significant stress periods in recent years (2H08 and 3Q11) and has also exhibited lower tracking risk relative to the broader universe. Some issues to be aware of include Steven Huber, lead PM for multi-sector portfolios and lead portfolio strategist, rotated off of the Core Plus PST. He is still heavily involved in the process but no longer has PST responsibilities for Core Plus. Another consideration is that rather than select individual high yield credits, the Fund makes direct investments in the T. Rowe Institutional High Yield Fund. Lastly, as a Firm, we point out that T. Rowe manages a sizeable high yield asset base that has tended to have a quality bias. Taking these factors into consideration, we still believe that T. Rowe Core Plus is an attractive option for clients seeking active, broad market fixed income exposure. This is a Prime Buchholz recommended product.

Product Information and Sample Operational Detail (T. Rowe Price Core Plus Bond I Fund)			
Quality/Avg. Quality:	Min: CCC/ Ave: A	Securities Lending:	Yes
Duration:	+/- 20% of index	Assets in Composite:	100%
% Non-Investment Grade:	Max: 35%	GIPS Compliant (per Manager):	Yes (Since 1993)
% Foreign:	0-20%	Last Audited Financials:	5/31/2015
Security Constraints:	5% issuer limit	Accountant/Auditor:	PricewaterhouseCoopers LLP
Sector Constraints:	0-20%: High Yield, Non Dollar0-10%: IG EMD	Custodian:	State Street Bank & Trust Company
Avg # of Securities:	~850	Administrator:	T. Rowe Price Services, Inc.
Turnover:	141%		

Vehicle Information				
Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
T. Rowe Price Core Plus Bond I Fund (TICPX)	\$1,000,000	\$509.2	0.35%	MF
T. Rowe Price Core Plus Separate Account	\$25,000,000	\$1,289.5	0.30%	SA

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Portfolio Comparison

As of June 30, 2016

	Metro West Total Ret Fd	T Rowe Price Institutional Core Plus Fund	Barclays U.S. Aggregate
Portfolio Characteristics			
Yield	2.4	2.9	1.9
Average Maturity	6.4	7.4	7.8
Duration	4.8	5.4	5.5
Quality Breakdown			
U.S. Treasury	24.4	13.5	36.6
U.S. Govt/Agency	0.4	27.5	2.5
Agency MBS	25.7	0.0	27.7
Non-U.S. Sov/Agency	0.0	0.0	4.0
AAA	16.1	9.4	3.9
AA	4.7	3.3	2.6
A	14.5	6.7	10.6
BBB	9.1	18.3	12.1
BB and Below	5.0	18.3	0.0
NR/Other	0.0	3.1	0.0
Sector Breakdown			
U.S. Treasury	24.4	13.5	36.6
U.S. Government Related	0.4	2.8	2.5
Non-U.S. Sovereign/Agency	0.0	0.0	4.0
Investment Grade Corporate	20.3	19.0	25.4
Industrials	8.2	12.6	15.6
Utility	1.6	0.5	2.0
Financials	10.5	5.8	7.8
High Yield	2.0	12.9	0.0
Non-U.S. Dollar	0.0	0.7	0.0
Emerging Market Debt	0.0	2.4	0.0
MBS	32.5	32.2	27.7
MBS-Agency	25.7	27.4	27.7
MBS-NonAgency	6.8	4.8	0.0
CMBS	6.8	6.9	1.7
ABS	6.6	6.9	0.5
Municipals	0.8	0.0	0.0
Cash	6.5	2.7	0.0
Other	-0.3	0.0	1.7

- Barclays U.S. Aggregate Duration represents Modified Adjusted Duration. Sector Breakdown Other is Supranationals and Other Mtgs.

Historical Performance

Return and Risk Summary

As of June 30, 2016

	1 Quarter Return	Year To Date Return	1 Year Return	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Metro West Total Ret Fd	1.9	4.4	4.5	3.9	2.2	4.8	2.9	7.0	3.9	6.6	3.9
T Rowe Price Institutional Core Plus Fund	2.7	5.8	5.6	4.3	2.7	4.2	2.9	5.5	3.2	5.8	3.5
Barclays U.S. Aggregate	2.2	5.3	6.0	4.1	2.6	3.8	2.9	4.6	3.1	5.1	3.2

Historical Performance

Return Summary

As of June 30, 2016

	Year To Date Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return	2008 Return	2007 Return	2006 Return
Metro West Total Ret Fd	4.4	0.0	5.8	0.2	11.4	5.2	11.5	17.1	-1.5	6.2	7.0
T Rowe Price Institutional Core Plus Fund	5.8	0.1	6.0	-1.5	7.2	6.2	8.4	14.5	0.5	6.4	4.4
Barclays U.S. Aggregate	5.3	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3

Stress Period Performance

Return and Risk Summary

	DotCom Bubble Burst & Enron Bankruptcy Jun 2000-Mar 2001	9/11 Aug 2001-Sep 2001	WorldCom Bankruptcy Mar 2002-Sep 2002	Market Recovery Mar 2003-Dec 2003	Financial Crisis Sep 2007-Mar 2009
Metro West Total Ret Fd	11.9	1.9	-6.3	12.2	1.1
T Rowe Price Institutional Core Plus Fund	NA	NA	NA	NA	3.5
Russell 3000	-15.3	-14.2	-24.9	36.6	-30.6
MSCI ACWXUS	-21.7	-12.9	-17.4	49.0	-34.2
Bar. US Agg.	11.8	2.3	6.7	2.6	5.8
CG WGBI	-1.2	4.5	15.6	11.8	7.7
FTSE Developed	6.4	-8.2	-0.3	43.0	-45.1
Bloom. Comm.	17.8	-6.8	18.7	11.3	-21.5
HFRI E.H.	5.4	-4.9	-6.0	21.5	-15.9

	Deflation & Lehman Bankruptcy Jun 2008-Dec 2008	Market Recovery Mar 2009-Dec 2009	Flash Crash Mar 2010-Jun 2010	European Debt Bailouts May 2010-Apr 2011	U.S. Debt Downgrade Feb 2011-Aug 2011	Tapering Shock May 2013-June 2013
Metro West Total Ret Fd	-1.3	18.3	4.1	7.7	3.5	-3.5
T Rowe Price Institutional Core Plus Fund	-0.8	14.4	3.6	6.6	3.9	-4.1
Russell 3000	-35.3	56.5	-5.7	18.4	-4.4	1.0
MSCI ACWXUS	-44.3	71.1	-6.5	19.7	-7.3	-6.5
Bar. US Agg.	4.0	7.3	3.4	5.4	5.8	-3.3
CG WGBI	6.1	10.5	-1.4	11.2	8.6	-4.0
FTSE Developed	-46.6	90.0	-1.4	22.2	-1.2	-10.2
Bloom. Comm.	-44.8	31.5	-6.0	30.4	0.3	-6.9
HFRI E.H.	-25.6	28.5	-1.7	10.0	-4.7	-0.4

MPT Stats

Metro West Total Return

As of June 30, 2016

	3 Years	5 Years	7 Years	10 Years
Return	4.17	5.01	7.27	6.80
Standard Deviation	2.35	2.67	3.20	3.52
Downside Risk	0.94	1.37	1.24	1.64

vs. Barclays U.S. Aggregate

Beta	0.88	0.84	0.92	0.89
Up Market Capture	93.96	107.32	126.01	115.03
Down Market Capture	76.79	64.34	58.64	77.48
Alpha	0.59	1.79	2.96	2.15
Tracking Error	0.58	1.39	1.88	2.06
Information Ratio	0.16	0.86	1.36	0.77
R-Squared	0.96	0.76	0.66	0.67
Actual Correlation	0.98	0.87	0.81	0.82

vs. Citigroup 3 Month T-Bill

Sharpe Ratio	1.73	1.83	2.20	1.61
Excess Return	4.06	4.87	7.01	5.70
Excess Risk	2.34	2.66	3.19	3.55

MPT Stats

T Rowe Price Core Plus Bond

As of June 30, 2016

	3 Years	5 Years	7 Years	10 Years
Return	4.28	4.19	5.50	5.84
Standard Deviation	2.66	2.89	2.93	3.60
Downside Risk	1.19	1.63	1.45	2.08

vs. Barclays U.S. Aggregate

Beta	0.95	0.94	0.93	0.98
Up Market Capture	102.99	106.00	108.55	108.11
Down Market Capture	98.53	97.11	84.64	95.57
Alpha	0.41	0.65	1.21	0.81
Tracking Error	0.95	1.31	1.34	1.75
Information Ratio	0.22	0.32	0.66	0.39
R-Squared	0.88	0.80	0.80	0.76
Actual Correlation	0.94	0.89	0.89	0.87

vs. Citigroup 3 Month T-Bill

Sharpe Ratio	1.57	1.42	1.82	1.33
Excess Return	4.17	4.09	5.33	4.80
Excess Risk	2.65	2.88	2.92	3.62

Actual Correlation Matrix

10 Years Ended June 30, 2016

	Metro West Total Ret Fd	T Rowe Price	Russell 3000	EAFE	ACWI x US	Barclays Agg	Barclays Gov/Cr	HFRI Eq Hedge
Metro West Total Ret Fd	1.00							
T Rowe Price	0.90	1.00						
Russell 3000	0.33	0.23	1.00					
EAFE	0.45	0.38	0.90	1.00				
ACWI x US	0.47	0.42	0.90	0.99	1.00			
Barclays Agg	0.69	0.77	-0.28	-0.13	-0.11	1.00		
Barclays Gov/Cr	0.65	0.73	-0.29	-0.12	-0.12	0.98	1.00	
HFRI Eq Hedge	0.34	0.29	0.90	0.93	0.95	-0.28	-0.29	1.00

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Performance returns are provided by investment manager or third party data sources and are net of fees unless otherwise stated. Performance data may or may not reflect the reinvestment of dividends and other earnings. For gross of fee performance, returns will be lower after management fees and other expenses are deducted. Investment management fees are described in this report or the manager's Form ADV Part 2A. **Past performance is not an indication of future results.**

Peer group performance comparisons for funds or products will vary by third-party ranking entity based upon each entity's definitions of its category classifications and the sample size and/or composition of the data included by each ranking entity in its peer group comparisons. Therefore, a fund's past performance, which may be deemed strong relative to its peers by one ranking entity, may be considered weak relative to its peers by a different ranking entity. Also, since terminated poor performing funds or accounts are excluded from current peer groups, the peer group comparison results of surviving funds or products may be overstated. In addition, recent over- or underperformance of a fund may have a significant impact on a fund's long-term ranking versus its peer group.

In addition to the examination of raw data such as returns, portfolio characteristics, and other fund attributes, clients should consider other important criteria in the manager selection process. These may include, but not necessarily be limited to, stability and consistency of investment process, appropriateness of manager's investment philosophy, portfolio investment guidelines, risk management policies and procedures, depth and breadth of investment team, client references, personnel turnover, history, growth of business, and firm ownership and structure.

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*Indicates performance is gross of fees.

Universe descriptions: SA=Separate Account; CF=Commingled Fund; MF=Mutual Fund

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Money Market Reform

Money Market Fund Reform Overview

Since their introduction in 1971, money market funds have been a staple cash investment due to their ability to typically provide a stable NAV of \$1 and guaranteed liquidity. During the financial crisis, the country's oldest money market fund, the Reserve Primary Fund, was unable to maintain its stable NAV and was forced to "break the buck" in September 2008, pricing its shares at 97 cents. This prompted a wave of significant redemptions from money market funds, in particular institutional prime money market funds. This necessitated the creation of a temporary guarantee program for money market funds by the U.S. Treasury. In the wake of these events, the SEC proposed several reforms to money market fund regulations designed to help funds weather extreme market environments. The amended regulations will go into effect on October 14, 2016.

CHANGES TO REGULATIONS

The application of the amended rules depends on the characteristics of the money market fund. The key characteristics that determine the regulations that apply to a fund are the nature of its investments (U.S. Treasury/government vs. prime and municipal) and its distribution channel (retail vs. institutional). A **U.S. Treasury/government** money market fund is defined as one that invests at least 99.5% of its assets in cash, government securities, and/or repurchase agreements that are fully collateralized with government securities. **Prime** money market funds may hold commercial paper, certificates of deposit, corporate notes, and other private instruments, in addition to Treasury and government-related securities. Depending on the nature of the fund, the amended regulations may require a floating NAV and/or potential restrictions on liquidity. The following table details how the amended regulations will be applied after the regulations go into effect based on a money market fund's characteristics:

Fund Type	NAV	Liquidity Restrictions
U.S. Treasury/Govt	Stable	No
Retail Prime & Municipal	Stable	Yes
Institutional Prime & Municipal	Floating	Yes

U.S Treasury/government funds are exempt from the amended regulations and will continue to feature a stable NAV. Retail prime and municipal money market funds will continue to feature a stable NAV, but will be subject to certain liquidity restrictions in extreme market conditions. These restrictions include:

- *Redemption gate* – If weekly liquid assets fall below 30%, the fund's board may suspend redemptions for up to 10 days in any 90-day period or it may impose the liquidity fee described below.
- *Exit fee* – If weekly liquid assets fall below 30%, the fund's board may impose a fee on redemptions of up to 2% or it may implement the redemption gate set forth above. If weekly liquid assets fall below 10%, the fund is required to impose a 1% fee on redemptions—unless the board determines it is not in the fund's best interest (and can instead impose a fee of between 0% and 2%).

Institutional prime and municipal money market funds will be subject to the liquidity restrictions described above. They will also be required to price and transact at a floating rate NAV out to four decimal places based on the market value of portfolio holdings.

Money Market Fund Reform – Institutional Investors

IMPLICATIONS FOR INSTITUTIONAL INVESTORS

Institutional funds are defined as accounts that are not beneficially owned by natural persons. The owners of institutional funds include (but are not limited to) endowments, foundations, defined benefit plans, and businesses. These investors utilizing money market funds must decide between a U.S. Treasury/government money market fund or an institutional prime or municipal money market fund. We believe both options have pros and cons:

	U.S. Treasury/ Gov't Money Market Funds	Institutional Prime/Municipal Money Market Funds
Pro	Stable NAV and no liquidity restrictions. Limits uncertainty during transition period. Aligns with our cash management investment philosophy, which emphasizes preservation of capital and liquidity.	The amended regulations may result in assets flowing from prime to government money market funds, which may provide a boost to prime yields and widen the spread in returns between the two types of funds.
Con	Amended regulations may cause investors to favor these types of funds over prime money market funds. An influx of assets into these funds may drive down their yield.	These funds transact at a floating NAV and are able to enact gates and fees in times of severe market stress. This may inhibit their participants' ability to access their funds.

Fund managers have begun taking steps in response to the new regulation. For example, Vanguard has designated its prime money market fund as a retail fund in order to maintain a fixed \$1 NAV. As a result, institutional investors will no longer be eligible to invest in this fund. Vanguard indicated it may begin redeeming ineligible investors as early as August 1, 2016. To accommodate institutional investors, the firm recently reopened its federal and Treasury money market funds, thereby providing fixed NAV options to institutional investors. Other fund companies have opted to offer both retail and institutional prime/tax-exempt (floating NAV) funds alongside government funds, which are exempt from the new regulations.

RECOMMENDATION

We recommend institutional clients currently invested in prime money market funds consider transitioning in to a government money market fund because we prefer the safety of government funds without fluctuating NAVs and the ability to impose redemption fees or gates. We believe government funds should limit uncertainty during this transition period. This approach also aligns with our cash management investment philosophy, which emphasizes preservation of capital and liquidity.

Money Market Fund Reform

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July 2016



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Investment Advisory Committee

Investment Performance Benchmark Comparison Quarter Ending June 30, 2016

Investment Advisors

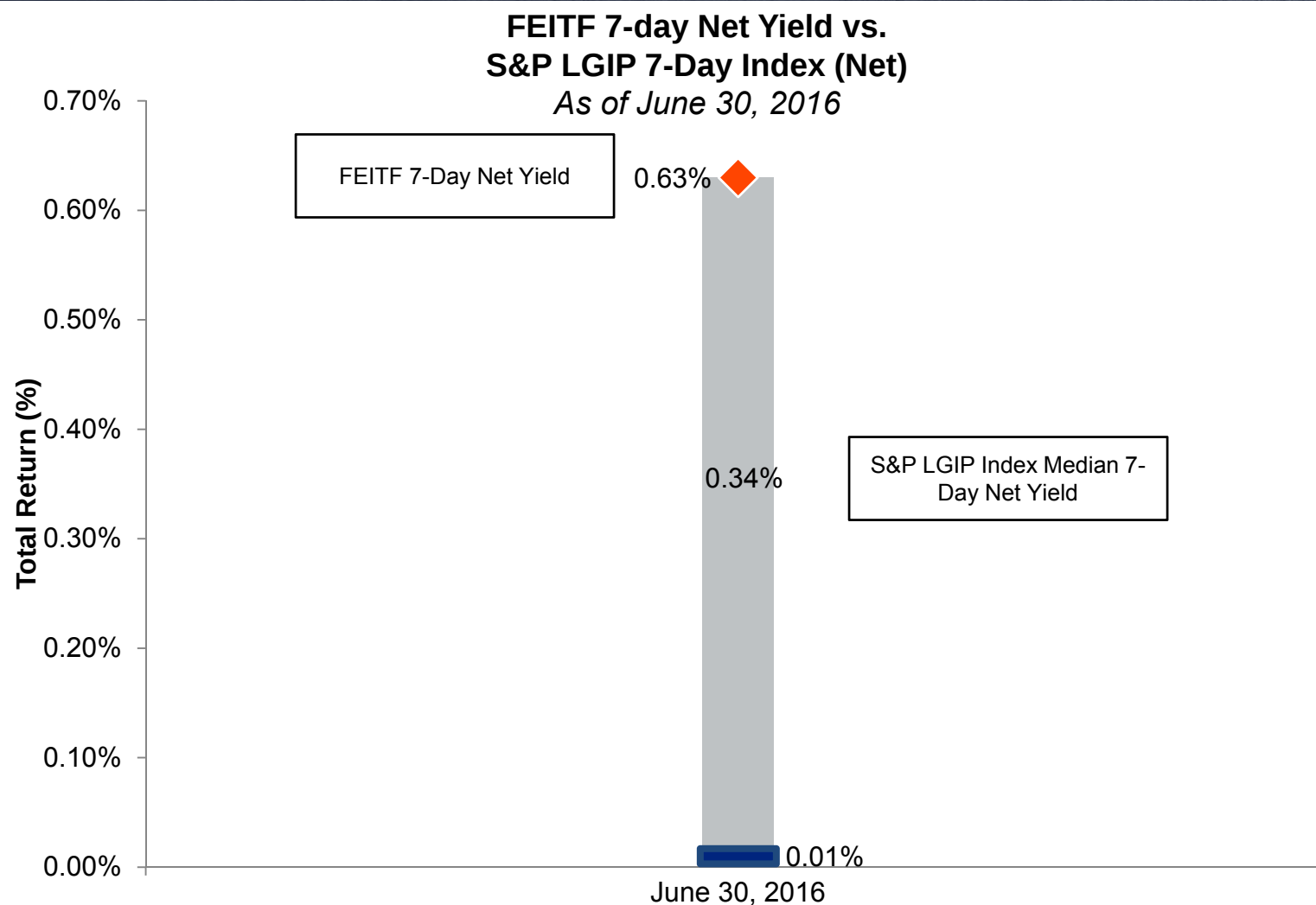
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PFM Funds Prime Institutional Class



1. 7-day net yields as of the last business day of each month.
2. Benchmark Source: www.standardandpoors.com.
3. See disclosures for important information.

PFM Funds Prime Institutional Class

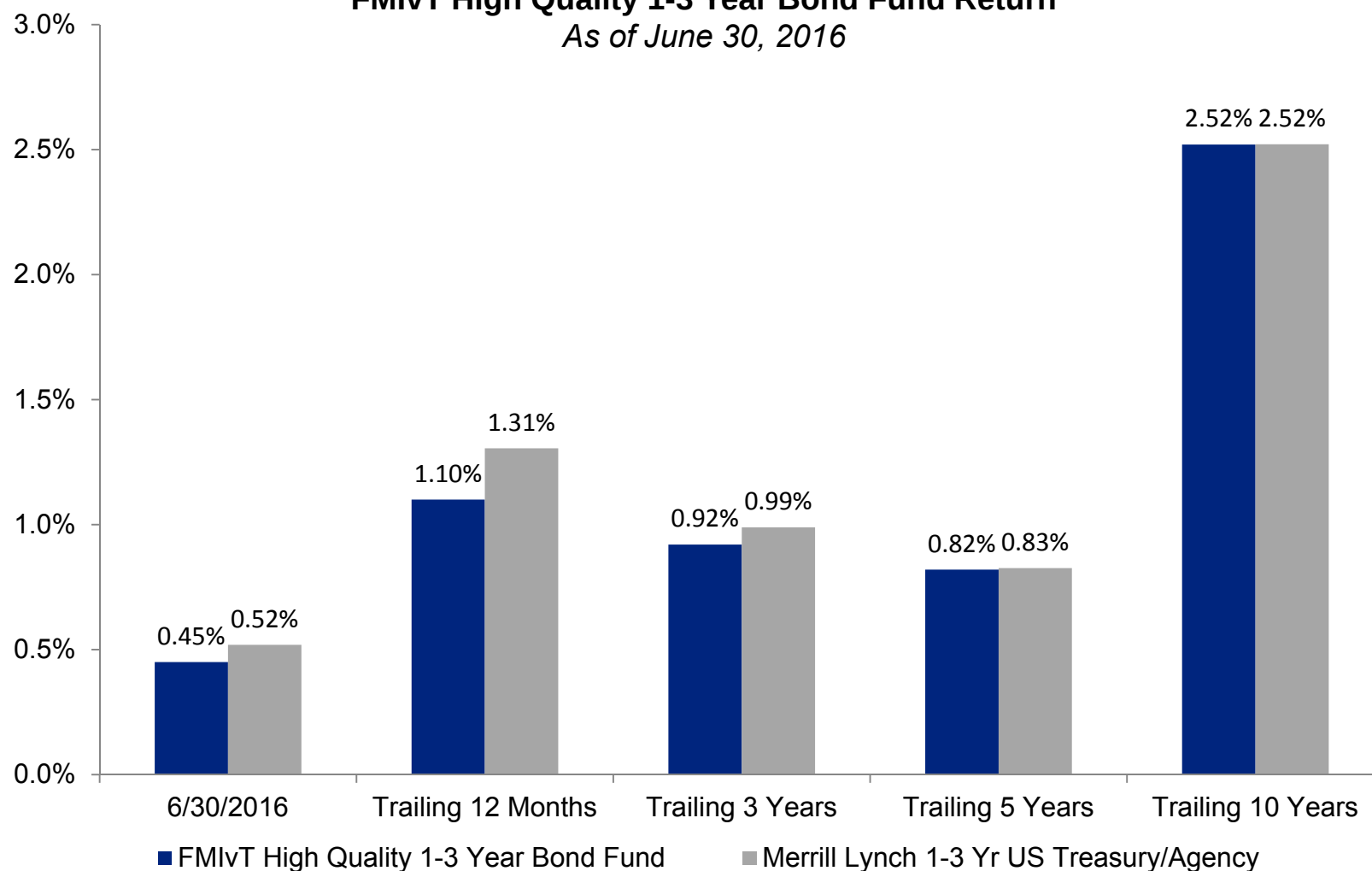
S&P LGIP Index Quartile Percentile 7-Day Net Yield Rankings Analysis and Florida Education Investment Trust Fund Net Yield As of June 30, 2016

Percentile	Yield
100%	0.59%
75%	0.46%
50%	0.34%
25%	0.26%
1%	0.01%
Florida Education Investment Trust Fund	0.63%

1. 7 day SEC net yields as of the last business day of each month.
2. Benchmark Source: www.standardandpoors.com.
3. See disclosures for important information.
4. The rankings are on a scale of 1 to 100 with 100 ranking the best.

FMIvT High Quality 1-3 Year Bond Fund

**Merrill Lynch 1-3 Year U.S. Treasury/Agency Index Return and
FMIvT High Quality 1-3 Year Bond Fund Return**
As of June 30, 2016



•Data taken from Florida League of Cities website

FMIvT High Quality 1-3 Year Bond Fund

1-3 Year Merrill Lynch US Treasury / Agency Index Return and FMIvT High Quality 1-3 Year Bond Fund Return

As of June 30, 2016

Time Period	FMIvT High Quality 1-3 Year Bond Fund	1-3 Year Merrill Lynch US Treasury / Agency Index Return
2Q2016	0.45%	0.52%
Trailing 12 Months	1.10%	1.31%
Trailing 3 Years	0.92%	0.99%
Trailing 5 Years	0.82%	0.83%
Trailing 10 Years	2.52%	2.52%

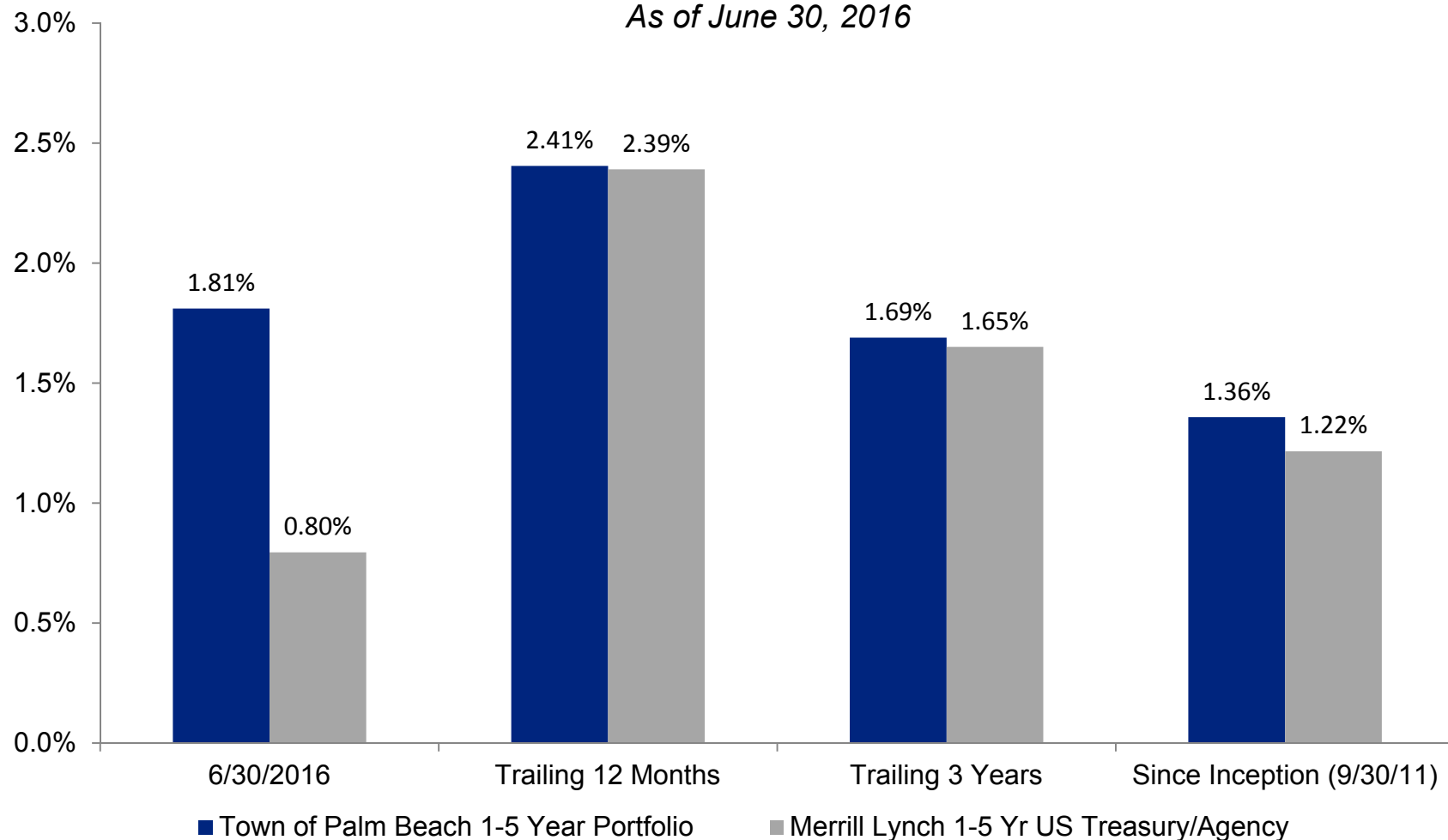
•Data taken from Florida League of Cities website

•Note: Portfolio performance returns presented here are gross of all fees and expenses.

PFM Town of Palm Beach 1-5 Year Portfolio

Merrill Lynch 1-5 Year U.S. Treasury/Agency Index Return and Town of Palm Beach 1-5 Year Portfolio Return

As of June 30, 2016



•Data taken from Bloomberg

PFM Town of Palm Beach 1-5 Year Portfolio

**1-5 Year Merrill Lynch US Treasury / Agency Index Return
and
Town of Palm Beach 1-5 Year Investment Portfolio Return**

As of June 30, 2016

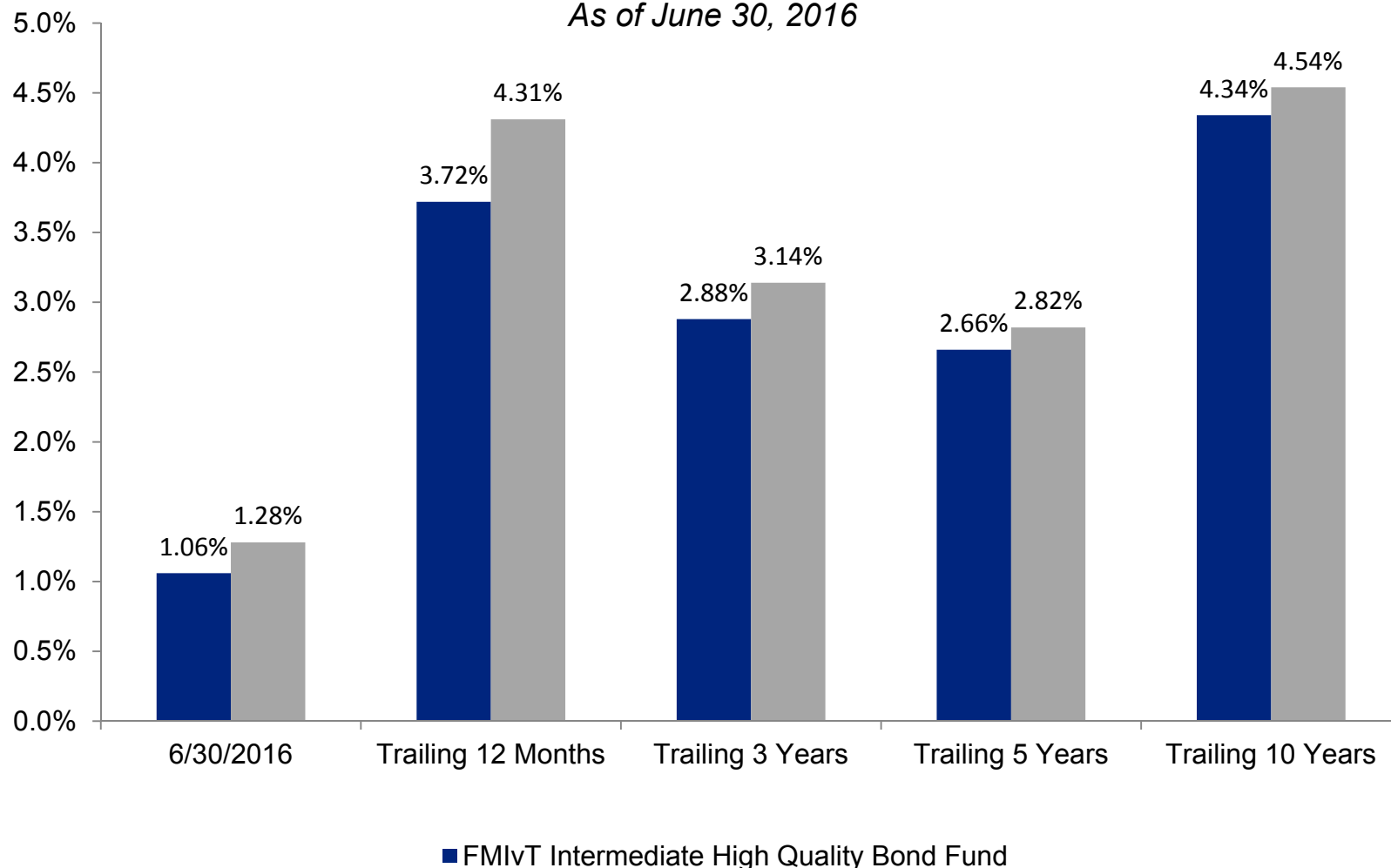
Time Period	Town of Palm Beach Investment Portfolio	1-5 Year Merrill Lynch US Treasury / Agency Index Return
2Q2016	1.81%	0.80%
Trailing 12 Months	2.41%	2.39%
Trailing 3 Years	1.69%	1.65%
Since Inception (9/30/11)	1.36%	1.22%

•Data taken from Bloomberg

FMIvT Intermediate High Quality Bond Fund

Barclays Intermediate Government/Corporate (exBAA+ABS+MBS) Index Return and FMIvT Intermediate High Quality Bond Fund

As of June 30, 2016



•Data taken from Florida League of Cities website

FMIvT Intermediate High Quality Bond Fund

Barclays Intermediate Government/Corporate (exBAA+ABS+MBS)
and
FMIvT Intermediate High Quality Bond Fund
As of June 30, 2016

Time Period	FMIvT Intermediate High Quality Bond Fund	Barclays Intermediate Government/Corporate (exBAA+ABS+MBS)
2Q2016	1.06%	1.28%
Trailing 12 Months	3.72%	4.31%
Trailing 3 Years	2.88%	3.14%
Trailing 5 Years	2.66%	2.82%
Trailing 10 Years	4.34%	4.54%

•Data taken from Florida League of Cities website

•Note: Portfolio performance returns presented here are gross of all fees and expenses.

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Town of Palm Beach, Florida



Investment Performance Review Quarter Ended June 30, 2016

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Tab I

- Market Update

Tab II

- Executive Summary
- 1-5 Year Investment Portfolio
- Short Term and Bond Proceed Portfolios Summary
- Short Term Portfolio
- 2013 Bond Fund

Tab III

- Asset Allocation Chart
- Important Disclosures

Tab I

Summary

- On June 23, the British public voted to leave the European Union (EU) – so-called “Brexit” referendum – after forty-three years of membership. This historic vote was the first of its kind, shocking markets and triggering outsized market reactions. Bond yields fell sharply, sending 10- and 30-year Treasury yields to all-time lows. Equity indexes saw a sharp pullback following the vote, but pared losses by month-end amid anticipated central bank accommodation. Meanwhile, the British pound fell to its lowest level since 1985 against the U.S. dollar.
- Amid the uncertainty caused by Brexit, central banks around the world are expected to remain accommodative, keeping rates lower for longer and seemingly boosting equity prices – despite the potential slowdown of British and European economies.
- The Federal Reserve (Fed) left policy rates unchanged at both its second-quarter meetings. In June, even before the Brexit vote, the Federal Open Market Committee (FOMC) once again lowered its expectation for rate hikes in 2016 via the so-called “dot plot.” By quarter-end, the market was pricing in a 0% chance of a rate hike in July, and less than a 10% chance for a hike this year.

Economic Snapshot

- The modest U.S. economic expansion continued, and unemployment ended the quarter below 5%. However, measures of economic strength in the U.S. remained mixed.
- U.S. gross domestic product (GDP) grew at a 1.1% rate in the first quarter of 2016, driven by improving trade and business investment, which more than compensated for weakness in consumer spending. Economic growth is expected to rebound in the second quarter to around 2.5%, with a preliminary reading to be released in late July.
- Job growth decelerated for four straight months before a sharp rebound in June. The U.S. economy added 287,000 jobs in June, the largest gain since October 2015. Year-to-date, the economy added over 1 million jobs, but it is nearly 300,000 behind last year’s pace. The unemployment rate ended the quarter at 4.9%.

- Inflation pressures remained relatively unchanged in the second quarter as the personal consumption expenditure (PCE) price index, the Fed's favored metric of inflation, rose 1.6% for the year ended May. Oil prices settled into a \$40 to \$50 per barrel range, while home prices rose 5.4% year-over-year. Average hourly earnings, an important measure of wages, grew 2.6% over the past 12 months, matching a nearly 7-year high.

Interest Rates

- Interest rates ended the quarter significantly lower amid the Fed's dovish tone during the quarter and the flight to safety stimulated by the Brexit vote. Declines were led by longer maturity yields, flattening the yield curve. The spread between the two-year and 10-year Treasury yields fell to 89 basis points (0.89%) compared to 105 basis points (1.05%) at the end of the first quarter. The two-year Treasury yield fell 14 basis points (0.14%) during the quarter, while the yield on the 10-year Treasury fell 30 basis points (0.30%).
- In the money market space, shorter Treasuries posted modest increases, while short-term credit instruments, like commercial paper and bank certificates of deposit (CDs), continued to offer unusually wide yield spreads.

Sector Performance

- U.S. Treasury indexes posted another quarter of strong returns as rate declines boosted market values. Because the yield curve flattened, longer maturity issues performed best.
- Non-callable federal agency securities performed generally in line with comparable maturity Treasuries.
- Corporate yield spreads tightened throughout most of the second quarter as credit conditions stabilized from the first quarter's energy price-driven volatility. Post Brexit, corporates experienced a brief spike in spreads, but quickly recovered by quarter end. The sector generated strong outperformance relative to Treasuries, adding to its 2016 return advantage.
- Mortgage-backed securities underperformed Treasuries for the second straight quarter. Declining interest rates, which drove accelerated prepayment expectations, continued to hurt the sector.

Economic Snapshot

Labor Market		Latest	Mar 2016	Jun 2015
Unemployment Rate	Jun'16	4.9%	5.0%	5.3%
Change In Non-Farm Payrolls	Jun'16	287,000	186,000	228,000
Average Hourly Earnings (YoY)	Jun'16	2.6%	2.3%	2.0%
Personal Income (YoY)	May'16	4.0%	4.6%	4.6%
Initial Jobless Claims (week)	7/1/16	254,000	276,000	280,000

Unemployment Rate (left) vs. Change in Nonfarm Payrolls (right)

Growth				
Real GDP (QoQ SAAR)	2016Q1	1.1%	1.4% ¹	0.6% ²
GDP Personal Consumption (QoQ SAAR)	2016Q1	1.5%	2.4% ¹	1.8% ²
Retail Sales (YoY)	May'16	2.5%	1.7%	2.1%
ISM Manufacturing Survey (month)	Jun'16	53.2	51.8	53.1
Existing Home Sales SAAR (month)	May'16	5.53 mil.	5.36 mil.	5.41 mil.

Real GDP (QoQ)

Inflation / Prices				
Personal Consumption Expenditures (YoY)	May'16	0.9%	0.8%	0.3%
Consumer Price Index (YoY)	May'16	1.0%	0.9%	0.1%
Consumer Price Index Core (YoY)	May'16	2.2%	2.2%	1.8%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$48.33	\$38.34	\$59.47
Gold Futures (oz.)	Jun 30	\$1,321	\$1,234	\$1,172

Consumer Price Index

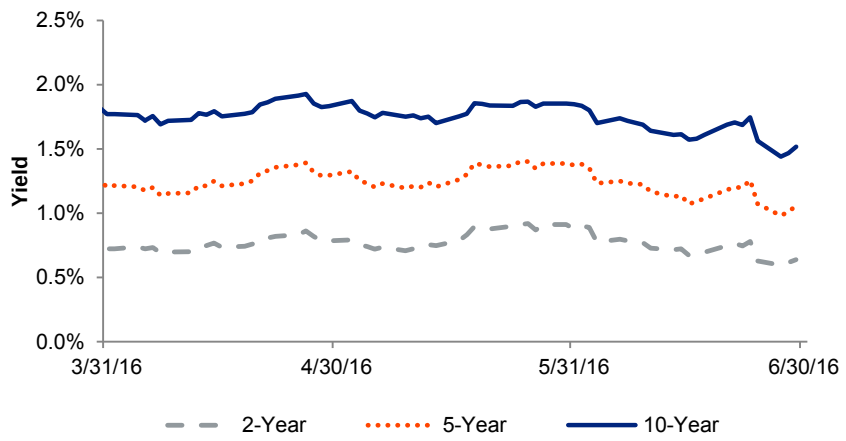
1. Data as of Fourth Quarter 2015

2. Data as of First Quarter 2015

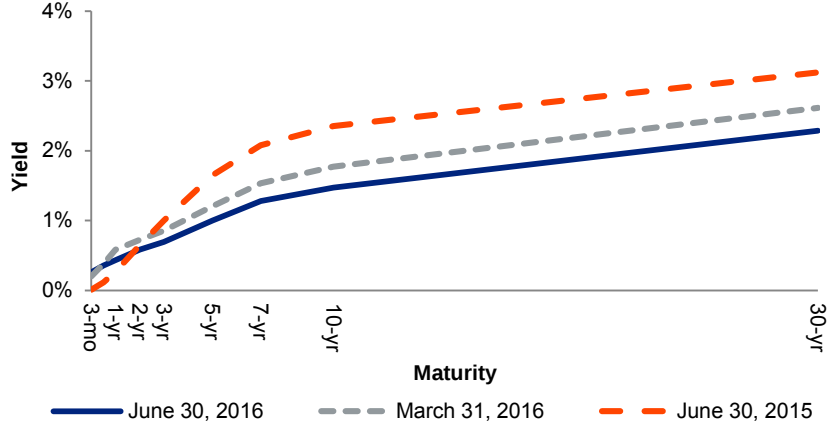
Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

Investment Rate Overview

U.S. Treasury Note Yields



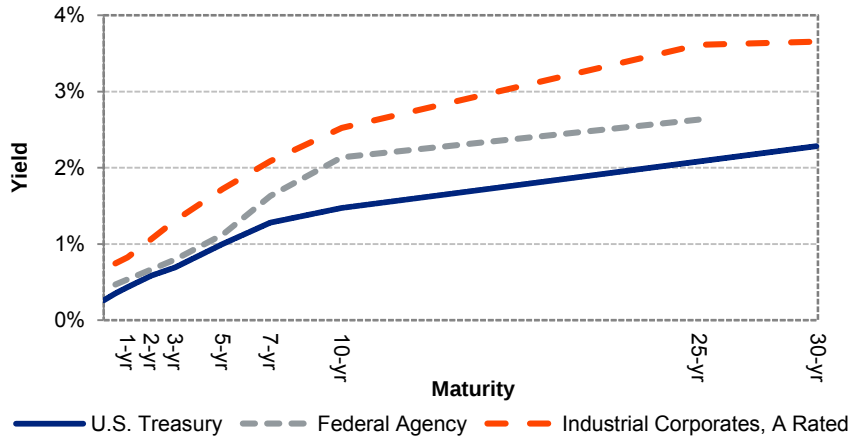
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	6/30/16	3/31/16	Change over Quarter	6/30/15	Change over Year
3-month	0.26%	0.20%	0.06%	0.01%	0.25%
1-year	0.44%	0.58%	(0.14%)	0.27%	0.17%
2-year	0.58%	0.72%	(0.14%)	0.65%	(0.07%)
5-year	1.00%	1.21%	(0.21%)	1.65%	(0.65%)
10-year	1.47%	1.77%	(0.30%)	2.35%	(0.88%)
30-year	2.29%	2.61%	(0.32%)	3.12%	(0.83%)

Yield Curves as of 6/30/2016



Source: Bloomberg

BofA Merrill Lynch Index Returns

	As of 6/30/2016		Returns for Periods ended 6/30/2016		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.90	0.60%	0.53%	1.31%	0.98%
Federal Agency	1.58	0.72%	0.41%	1.27%	1.04%
U.S. Corporates, A-AAA rated	1.94	1.35%	0.83%	2.24%	1.79%
Agency MBS (0 to 3 years)	2.22	1.22%	0.65%	2.50%	1.92%
Taxable Municipals	2.04	2.15%	1.38%	3.71%	2.21%
1-5 Year Indices					
U.S. Treasury	2.74	0.72%	0.81%	2.43%	1.65%
Federal Agency	2.06	0.81%	0.59%	1.94%	1.59%
U.S. Corporates, A-AAA rated	2.77	1.57%	1.14%	3.32%	2.74%
Agency MBS (0 to 5 years)	3.35	1.75%	1.02%	3.37%	3.01%
Taxable Municipals	2.67	1.90%	1.78%	4.88%	3.01%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.62	1.13%	2.24%	6.67%	3.83%
Federal Agency	3.83	1.13%	1.34%	3.92%	2.89%
U.S. Corporates, A-AAA rated	7.11	2.44%	2.90%	7.89%	5.37%
Agency MBS (0 to 30 years)	3.47	1.81%	1.12%	4.38%	3.73%
Taxable Municipals	4.17	2.36%	2.61%	7.12%	4.25%

Returns for periods greater than one year are annualized

Source: BofA Merrill Lynch Indices

Disclosures

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness, or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities. PFMAM is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. PFMAM's clients are state and local governments, non-profit corporations, pension funds, and similar institutional investors.

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Tab II

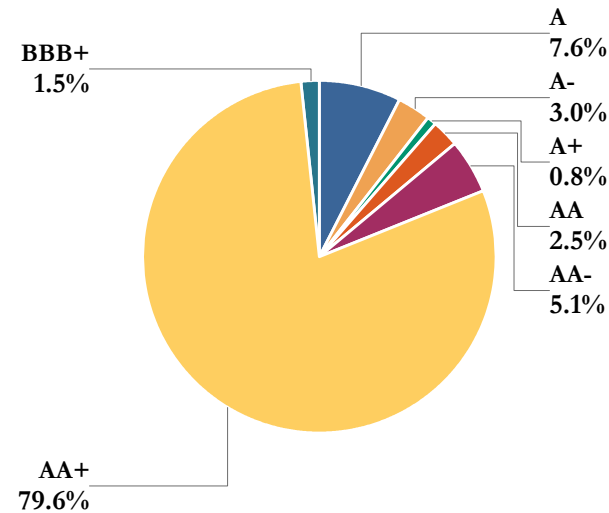
- The Town's 1-5 Year Investment and Bond Proceed Portfolios are of high credit quality and invested in U.S. Treasury, Federal Agency/GSE, high quality corporate, municipal securities, and money market mutual funds.
- PFM continued to actively manage the 1-5 Year Investment Portfolio during the second quarter and found value in the market, taking advantage of market inefficiencies or changes in economic outlook. As a result, the Portfolio realized \$11,128 in gains on sales (based on amortized cost) during the quarter. PFM is continually in the market monitoring for opportunities to add value to the Portfolio.
- The 1-5 Year Investment Portfolio's quarterly total return performance of 0.73% underperformed the benchmark performance of 0.80% by 0.07%. Over the past year, the Portfolio earned 2.56% versus 2.39% for the benchmark.
- The Short Term and Bond Proceeds Portfolios continue to provide the Town with favorable yield relative to the benchmark. At quarter end, the portfolios had a weighted average Yield to Maturity at Cost of 0.68%, exceeding the Yield to Maturity of its benchmark the S&P GIP Government 30 Day Index by 29 basis points (0.29%).
- Given the high degree of uncertainty, PFMAM maintained portfolio duration positions near-neutral to benchmarks throughout the quarter. The Fed appeared to be on hold throughout the summer amid moderate economic growth, continued subdued inflation, and uncertainty heading into the Brexit vote.
- We expect the U.S. economy to expand at a moderate pace in the second half of 2016, but potential spillover from Brexit may be a marginal drag. Outside the U.S., economic prospects are less certain as Europe grapples with the economic and political repercussions of Brexit, emerging markets continue to slow, and global central banks remain a strong influence. We will be closely monitoring incoming economic data for any changes that affect our view.
- The Brexit vote changed the prospects for expected Fed action. We now expect no rate hikes until December at the earliest, or even into 2017. This "lower for longer" landscape has implications for both expected returns and risks. Given the likelihood that rates will not move significantly higher in the near-term, we plan to keep durations neutral to benchmarks, avoiding any significant mismatches.
- PFM will continue to navigate the market environment with a keen focus on relative value sector analysis, prudent duration management, and efficient yield curve placement. While producing strong investment returns remains a priority, it is secondary to maintaining safety and liquidity, particularly in the current environment where we expect yields to trend higher.

Portfolio Statistics

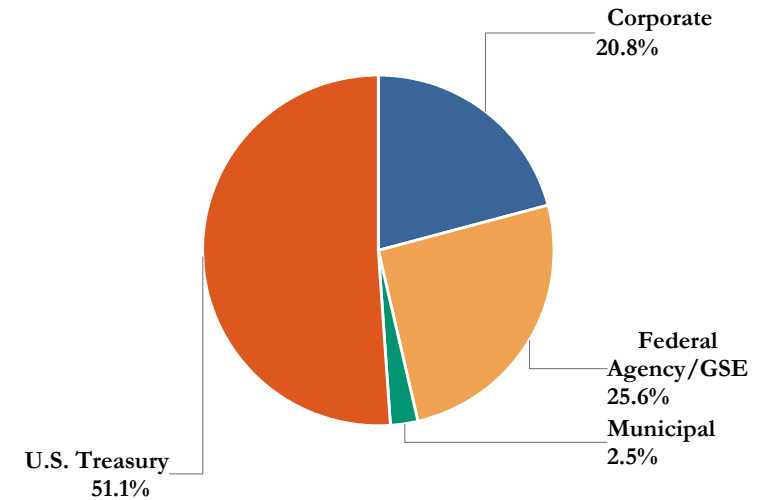
As of June 30, 2016

Par Value:	18,149,000
Total Market Value:	18,659,099
Security Market Value:	18,491,725
Accrued Interest:	76,265
Cash:	91,109
PFM	-
Amortized Cost:	18,241,451
Yield at Market:	0.89%
Yield at Cost:	1.38%
Effective Duration:	2.63 Years
Duration to Worst:	2.64 Years
Average Maturity:	2.74 Years
Average Credit: **	AA

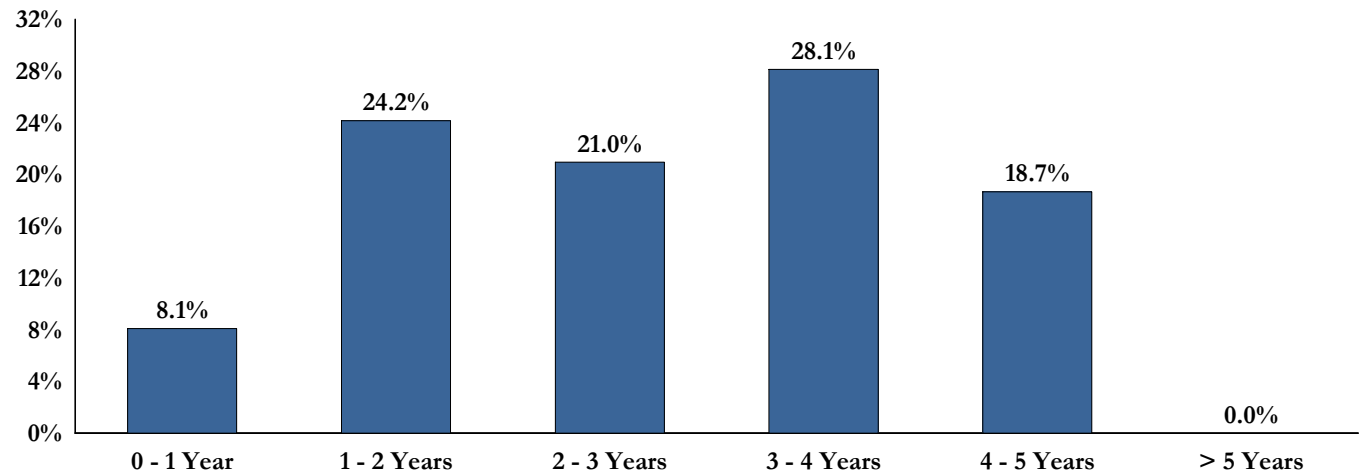
Credit Quality (S&P Ratings)



Sector Allocation



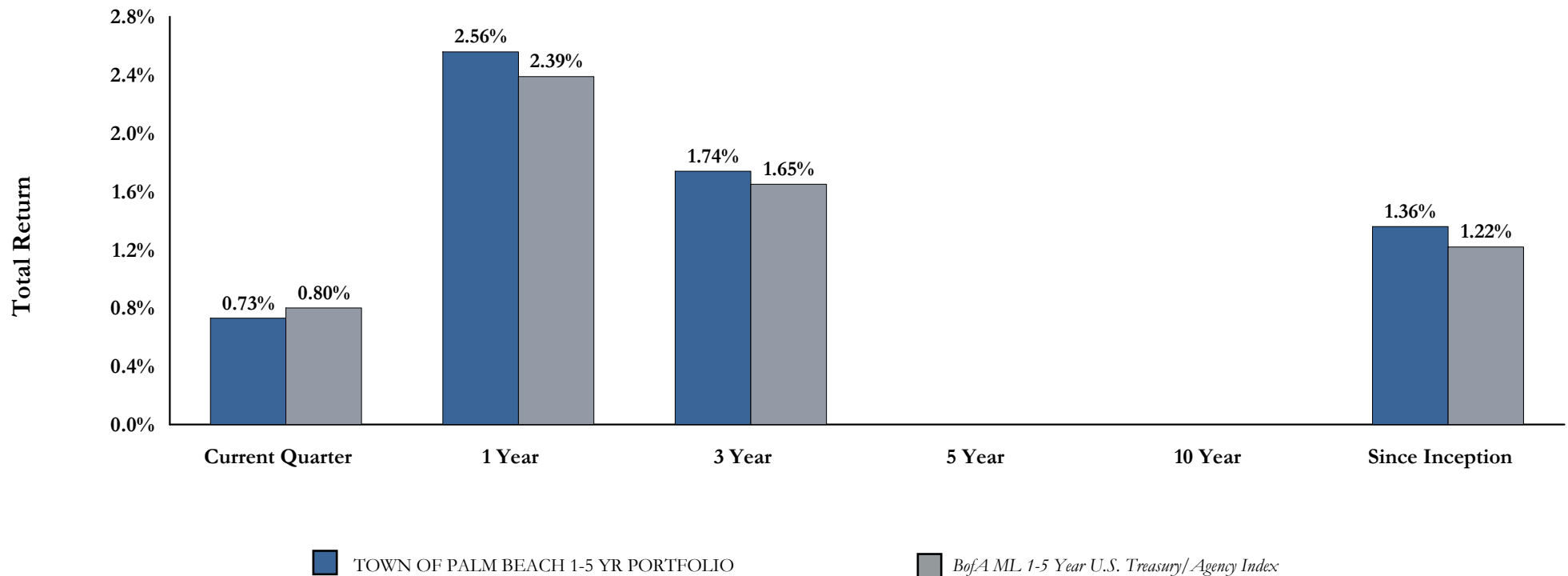
Maturity Distribution



** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

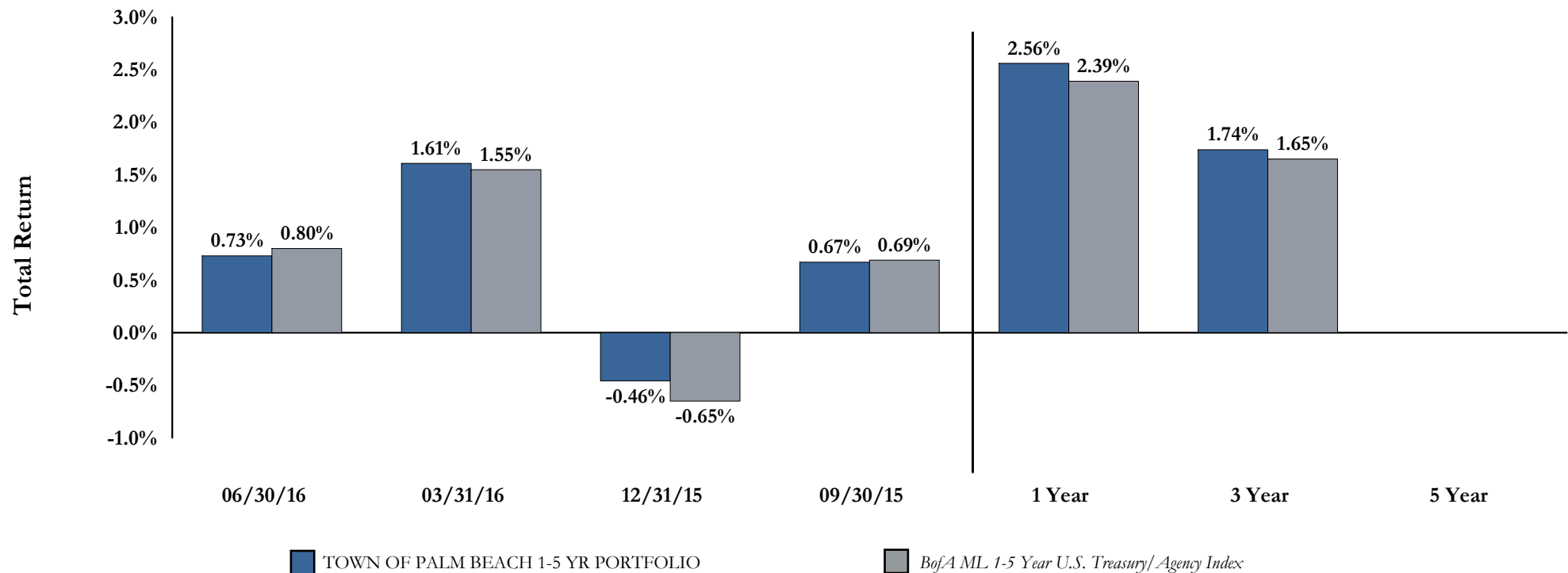
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			Since Inception (09/30/11) **
				3 Year	5 Year	10 Year	
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.63	0.73%	2.56%	1.74%	-	-	1.36%
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.61	0.80%	2.39%	1.65%	-	-	1.22%
Difference		-0.07%	0.17%	0.09%	-	-	0.14%



Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Performance (Total Return)

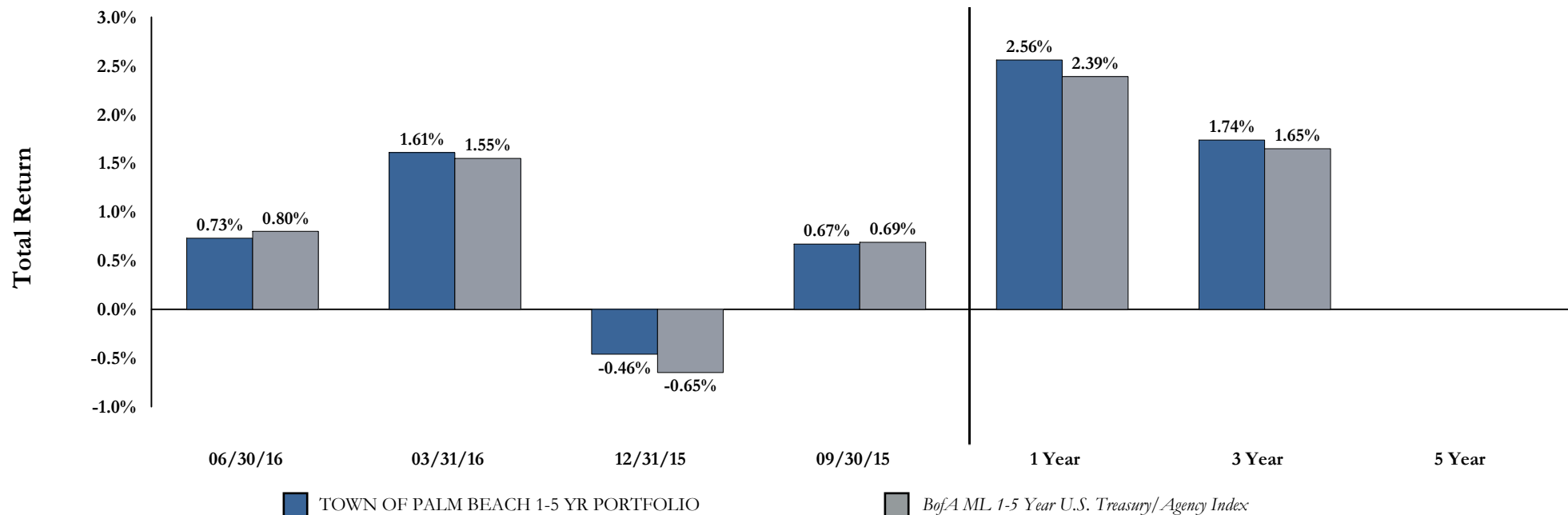
Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		06/30/16	03/31/16	12/31/15	09/30/15		3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.63	0.73%	1.61%	-0.46%	0.67%	2.56%	1.74%	-
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.61	0.80%	1.55%	-0.65%	0.69%	2.39%	1.65%	-
Difference		-0.07%	0.06%	0.19%	-0.02%	0.17%	0.09%	-



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		06/30/16	03/31/16	12/31/15	09/30/15		3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.63	0.73%	1.61%	-0.46%	0.67%	2.56%	1.74%	-
<i>Net of Fees **</i>	-	0.71%	1.59%	-0.48%	0.65%	2.50%	1.68%	-
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.61	0.80%	1.55%	-0.65%	0.69%	2.39%	1.65%	-
Difference (Gross)		-0.07%	0.06%	0.19%	-0.02%	0.17%	0.09%	-
Difference (Net)		-0.09%	0.04%	0.17%	-0.04%	0.11%	0.03%	-



Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

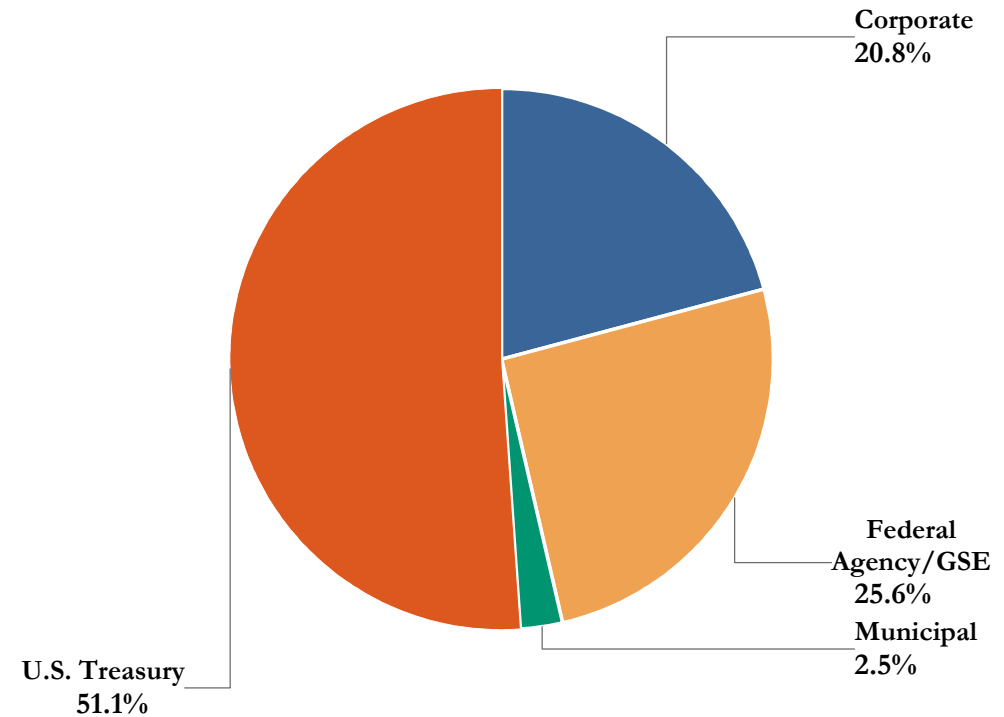
Portfolio Earnings
Quarter-Ended June 30, 2016

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (03/30/2016)	\$18,420,091.72	\$18,230,999.05
Net Purchases/Sales	\$3,543.29	\$3,543.29
Change in Value	\$68,089.83	\$6,909.15
Ending Value (06/30/2016)	\$18,491,724.84	\$18,241,451.49
Interest Earned	\$66,676.40	\$66,676.40
Portfolio Earnings	\$134,766.23	\$73,585.55

Sector Allocation

As of June 30, 2016

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	9,474,552	51.2%
Federal Agency/GSE	4,724,943	25.6%
Corporate	3,839,022	20.8%
Municipal	453,207	2.5%
Total	18,491,725	100.1%

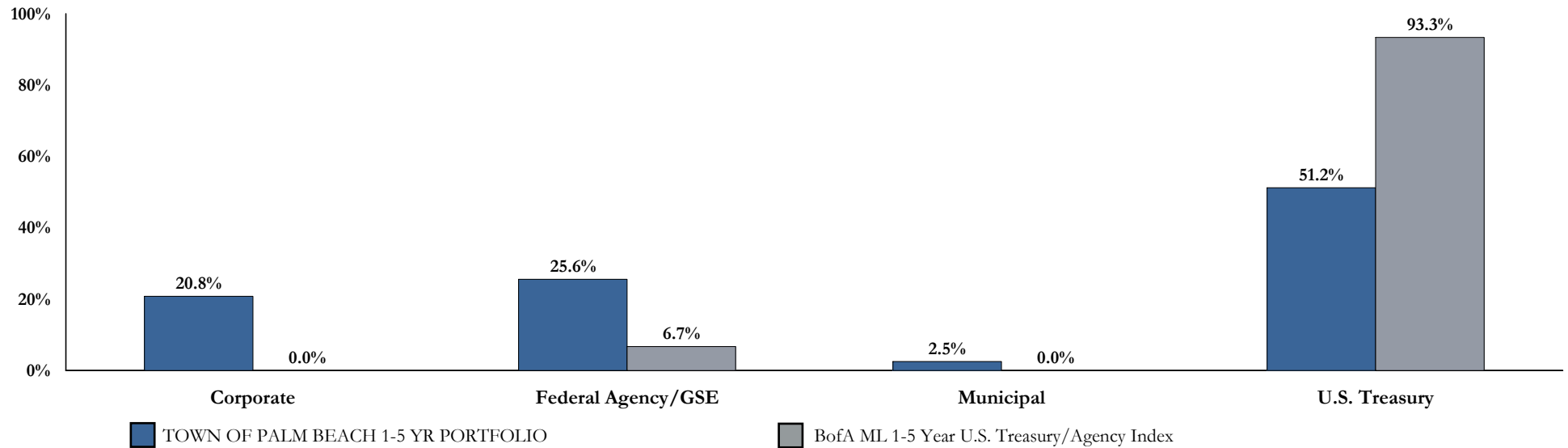


Detail may not add to total due to rounding.

Sector Allocation

As of June 30, 2016

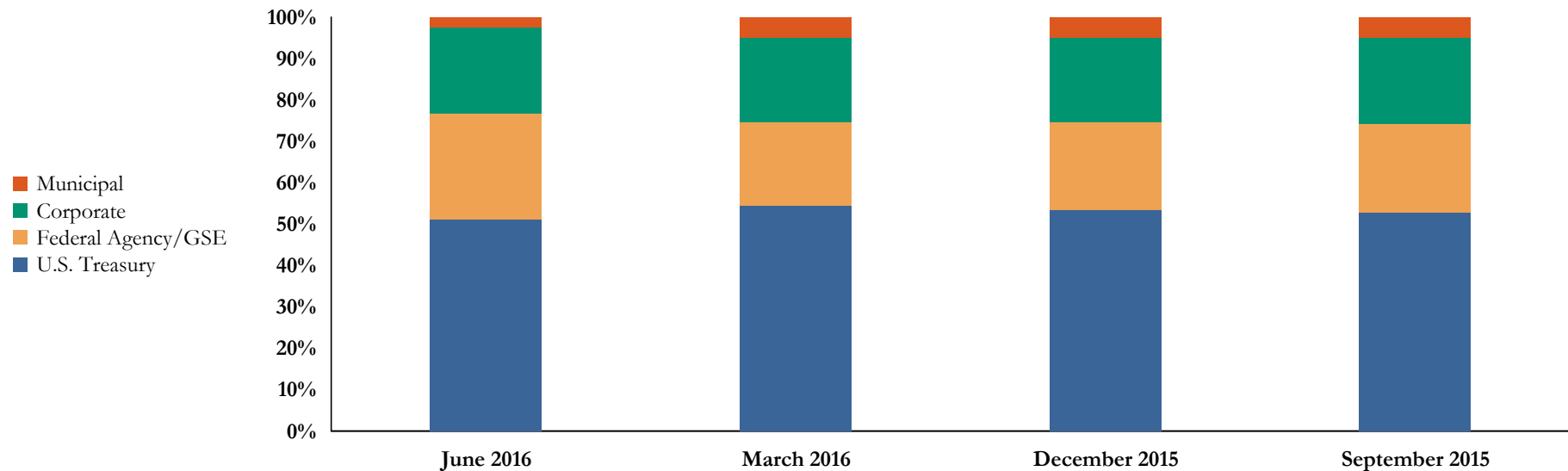
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	9,474,552	51.2%	93.3%
Federal Agency/GSE	4,724,943	25.6%	6.7%
Corporate	3,839,022	20.8%	-
Municipal	453,207	2.5%	-
Total	18,491,725	100.1%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	June 30, 2016		March 31, 2016		December 31, 2015		September 30, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	9.5	51.1%	10.0	54.5%	9.7	53.3%	9.6	52.8%
Federal Agency/GSE	4.7	25.6%	3.7	20.2%	3.9	21.4%	3.9	21.4%
Corporate	3.8	20.8%	3.8	20.4%	3.7	20.3%	3.8	20.9%
Municipal	0.5	2.5%	0.9	4.9%	0.9	5.0%	0.9	4.9%
Total	\$18.5	100.0%	\$18.4	100.0%	\$18.1	100.0%	\$18.2	100.0%

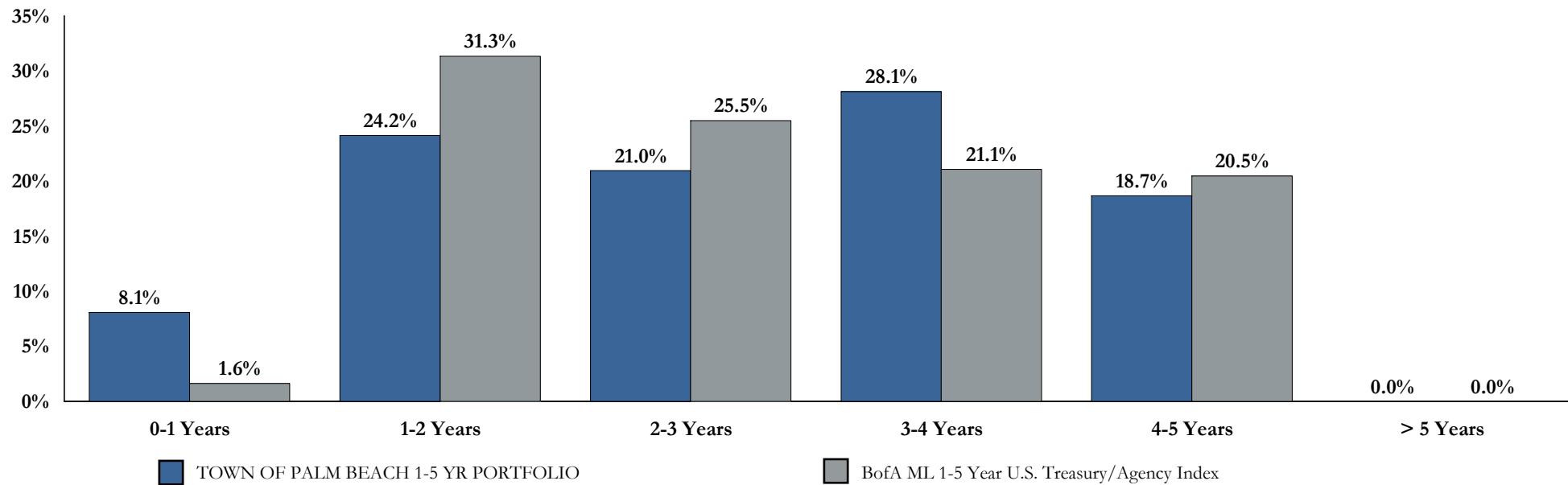


Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	0.89%	2.74 yrs	8.1%	24.2%	21.0%	28.1%	18.7%	0.0%
BofA ML 1-5 Year U.S. Treasury/Agency Index	0.73%	2.81 yrs	1.6%	31.3%	25.5%	21.1%	20.5%	0.0%

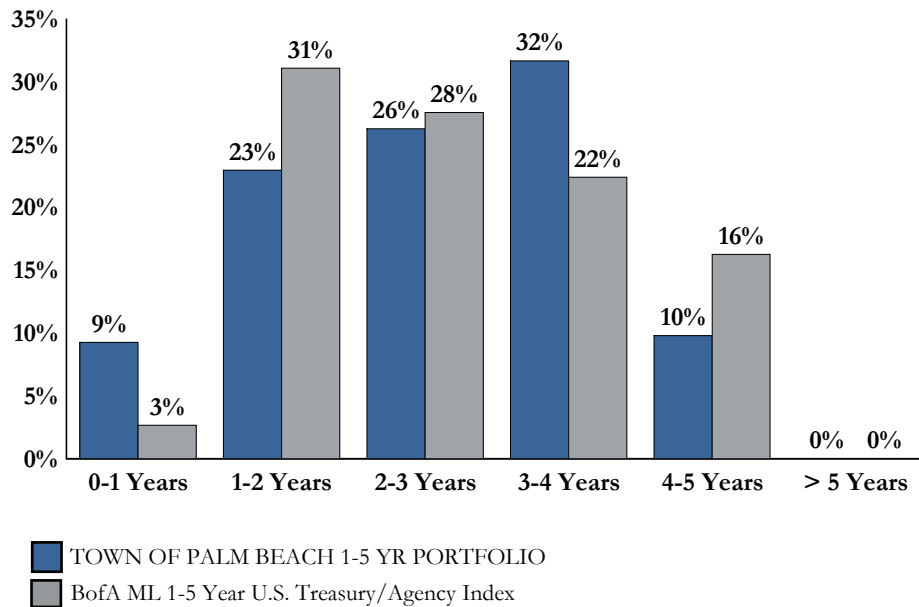


Duration Distribution

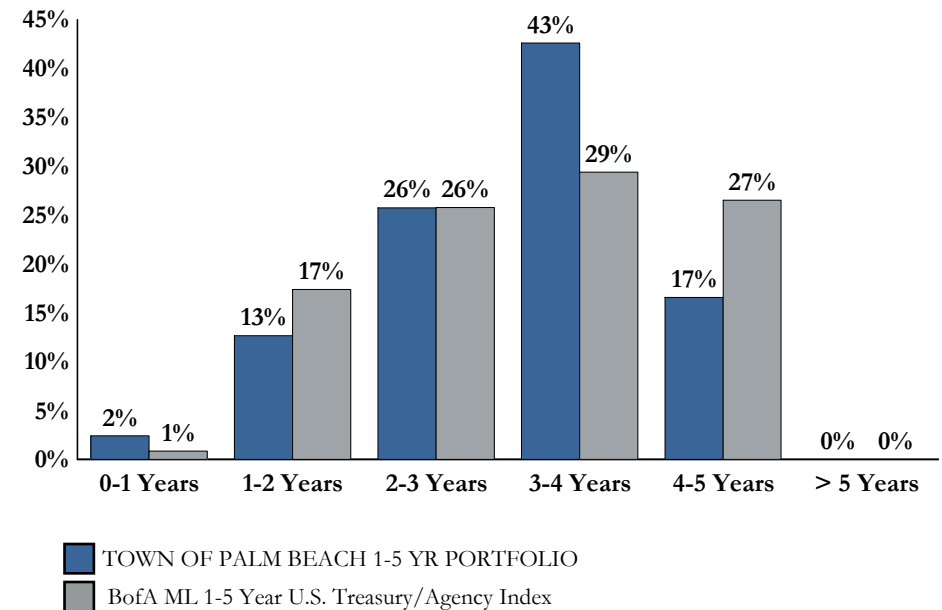
As of June 30, 2016

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.63	9.27%	22.96%	26.28%	31.68%	9.80%	0.00%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.61	2.67%	31.08%	27.56%	22.42%	16.27%	0.00%

Distribution by Effective Duration

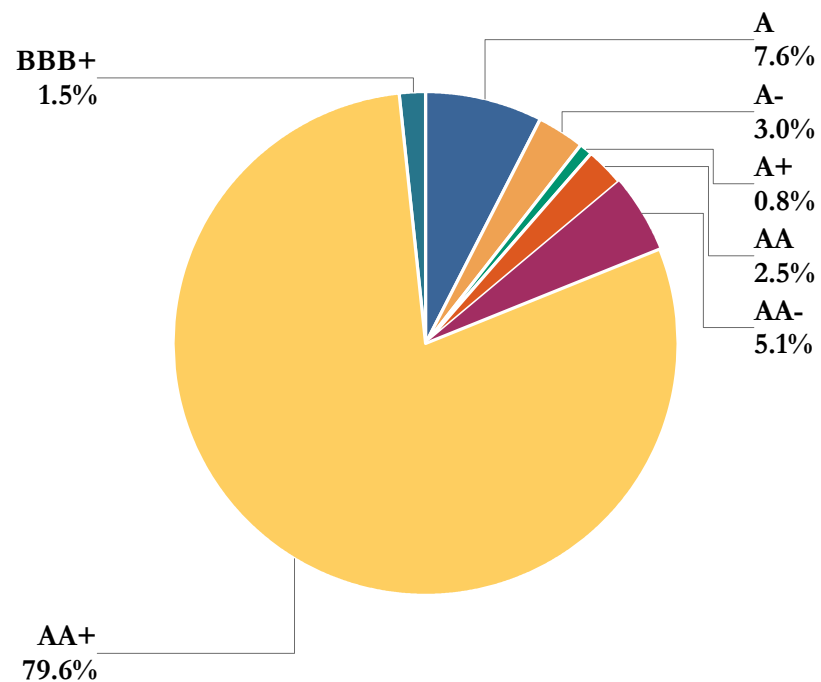


Contribution to Portfolio Duration



Credit Quality*As of June 30, 2016*

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$14,713,855	79.6%
A	\$1,402,525	7.6%
AA-	\$939,411	5.1%
A-	\$558,083	3.0%
AA	\$453,207	2.5%
BBB+	\$282,873	1.5%
A+	\$141,771	0.8%
Totals	\$18,491,725	100.0%

*Detail may not add to total due to rounding.*

Issuer Distribution

As of June 30, 2016

Issuer	Market Value (\$)	% of Portfolio	Top 5 = 79.6%	Top 10 = 91.7%
UNITED STATES TREASURY	9,474,552	51.3%		
FANNIE MAE	2,485,594	13.4%		
FREDDIE MAC	1,764,989	9.5%		
GENERAL ELECTRIC CO	514,359	2.8%		
FEDERAL HOME LOAN BANKS	474,360	2.6%		
TOYOTA MOTOR CORP	462,035	2.5%		
BANK OF NEW YORK CO INC	459,176	2.5%		
WELLS FARGO & COMPANY	457,634	2.5%		
CITY OF NEW YORK CITY, NY	453,207	2.5%		
CISCO SYSTEMS INC	416,502	2.3%		
JP MORGAN CHASE & CO	354,814	1.9%		
GOLDMAN SACHS GROUP INC	282,873	1.5%		
BOEING COMPANY	219,954	1.2%		
DEERE & COMPANY	215,133	1.2%		
AMERICAN HONDA FINANCE	141,771	0.8%		
AMERICAN EXPRESS CO	111,951	0.6%		
BB&T CORPORATION	91,318	0.5%		
NEW YORK UNIVERSITY	60,875	0.3%		

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
STATE STREET CORPORATION	50,628	0.3%
Grand Total:	18,491,725	100.0%

Sector/Issuer Distribution

As of June 30, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Corporate			
AMERICAN EXPRESS CO	111,951	2.9%	0.6%
AMERICAN HONDA FINANCE	141,771	3.7%	0.8%
BANK OF NEW YORK CO INC	459,176	12.0%	2.5%
BB&T CORPORTATION	91,318	2.4%	0.5%
BOEING COMPANY	219,954	5.7%	1.2%
CISCO SYSTEMS INC	416,502	10.8%	2.3%
DEERE & COMPANY	215,133	5.6%	1.2%
GENERAL ELECTRIC CO	514,359	13.4%	2.8%
GOLDMAN SACHS GROUP INC	282,873	7.4%	1.5%
JP MORGAN CHASE & CO	354,814	9.2%	1.9%
NEW YORK UNIVERSITY	60,875	1.6%	0.3%
STATE STREET CORPORATION	50,628	1.3%	0.3%
TOYOTA MOTOR CORP	462,035	12.0%	2.5%
WELLS FARGO & COMPANY	457,634	11.9%	2.5%
Sector Total	3,839,022	100.0%	20.8%
Federal Agency/GSE			
FANNIE MAE	2,485,594	52.6%	13.4%
FEDERAL HOME LOAN BANKS	474,360	10.0%	2.6%
FREDDIE MAC	1,764,989	37.4%	9.5%

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	4,724,943	100.0%	25.6%
Municipal			
CITY OF NEW YORK CITY, NY	453,207	100.0%	2.5%
Sector Total	453,207	100.0%	2.5%
U.S. Treasury			
UNITED STATES TREASURY	9,474,552	100.0%	51.2%
Sector Total	9,474,552	100.0%	51.2%
Portfolio Total	18,491,725	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
4/20/16	4/25/16	40,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	39,888.80	2.10%	
4/21/16	4/26/16	240,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	239,859.73	2.02%	
5/3/16	5/6/16	320,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	333,850.34	1.22%	
5/5/16	5/10/16	110,000	0258M0EB1	AMERICAN EXPRESS CREDIT CORP NOTES	2.25%	5/5/21	110,636.08	2.13%	
5/6/16	5/9/16	320,000	3135G0E33	FNMA NOTES	1.12%	7/20/18	323,342.80	0.80%	
5/11/16	5/16/16	90,000	05531FAV5	BRANCH BANKING & TRUST CORP NOTE	2.05%	5/10/21	89,911.95	2.08%	
5/19/16	5/24/16	50,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	49,824.54	2.03%	
5/26/16	5/31/16	260,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	269,059.38	1.35%	
6/2/16	6/3/16	470,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	469,802.60	1.14%	
6/22/16	6/27/16	100,000	912828J84	US TREASURY NOTES	1.37%	3/31/20	101,557.16	1.04%	
6/22/16	6/27/16	100,000	912828J84	US TREASURY NOTES	1.37%	3/31/20	101,604.04	1.03%	
6/23/16	6/28/16	249,000	912828J84	US TREASURY NOTES	1.37%	3/31/20	252,662.98	1.07%	
6/27/16	6/29/16	475,000	3135G0K69	FNMA BENCHMARK NOTE	1.25%	5/6/21	478,084.20	1.14%	
Total BUY		2,824,000					2,860,084.60		
INTEREST									
4/1/16	4/1/16	265,000	64966LZC8	NYC, NY TXBL GO BONDS	1.65%	10/1/18	2,186.25		
4/1/16	4/1/16	0	MONEY0002	MONEY MARKET FUND			7.78		
4/1/16	4/1/16	450,000	759911X88	REGIONAL TRANS AUTH, IL TXBL REV BONDS	0.55%	5/6/16	1,237.50		
4/7/16	4/7/16	40,000	02665WAB7	AMERICAN HONDA FINANCE GLOBAL NOTES	1.12%	10/7/16	225.00		
4/11/16	4/11/16	215,000	24422ESD2	JOHN DEERE CAPITAL CORP	1.05%	10/11/16	1,128.75		
4/26/16	4/26/16	500,000	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	2,187.50		
4/29/16	4/29/16	220,000	097023BF1	BOEING COMPANY (FLOATING) NOTE	0.76%	10/30/17	413.25		
4/30/16	4/30/16	260,000	912828TW0	US TREASURY NOTES	0.75%	10/31/17	975.00		

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/30/16	4/30/16	480,000	912828ST8	US TREASURY NOTES	1.25%	4/30/19	3,000.00		
4/30/16	4/30/16	165,000	912828UZ1	US TREASURY NOTES	0.62%	4/30/18	515.63		
5/2/16	5/2/16	0	MONEY0002	MONEY MARKET FUND			4.92		
5/6/16	5/6/16	450,000	759911X88	REGIONAL TRANS AUTH, IL TXBL REV BONDS	0.55%	5/6/16	240.63		
5/21/16	5/21/16	485,000	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	2,121.88		
5/23/16	5/23/16	275,000	3130A3J70	FHLB NOTES	0.62%	11/23/16	859.38		
5/30/16	5/30/16	390,000	3137EADG1	FREDDIE MAC NOTES	1.75%	5/30/19	3,412.50		
5/31/16	5/31/16	240,000	912828UB4	US TREASURY NOTES	1.00%	11/30/19	1,200.00		
5/31/16	5/31/16	270,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	2,700.00		
5/31/16	5/31/16	465,000	912828UA6	US TREASURY NOTES	0.62%	11/30/17	1,453.13		
5/31/16	5/31/16	615,000	912828A34	US TREASURY NOTES	1.25%	11/30/18	3,843.75		
5/31/16	5/31/16	370,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	3,700.00		
6/1/16	6/1/16	180,000	64966LN49	NYC, NY TXBL GO BONDS	1.80%	6/1/19	1,620.00		
6/1/16	6/1/16	0	MONEY0002	MONEY MARKET FUND			9.97		
6/15/16	6/15/16	400,000	17275RAX0	CISCO SYSTEMS INC CORP NOTES	2.45%	6/15/20	4,900.00		
6/21/16	6/21/16	470,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	264.38		
6/29/16	6/29/16	495,000	3137EADH9	FREDDIE MAC GLOBAL NOTES	1.00%	6/29/17	2,475.00		
6/30/16	6/30/16	800,000	912828UE8	US TREASURY NOTES	0.75%	12/31/17	3,000.00		
Total INTEREST		8,500,000					43,682.20		
MATURITY									
5/6/16	5/6/16	450,000	759911X88	REGIONAL TRANS AUTH, IL TXBL REV BONDS	0.55%	5/6/16	450,000.00		0.00
Total MATURITY		450,000					450,000.00		0.00
SELL									
4/21/16	4/26/16	240,000	912828SC5	US TREASURY NOTES	0.87%	1/31/17	241,180.53	0.50%	691.73

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/3/16	5/6/16	250,000	912828SJ0	US TREASURY NOTES	0.87%	2/28/17	251,062.33	0.55%	793.71
5/3/16	5/6/16	80,000	912828SC5	US TREASURY NOTES	0.87%	1/31/17	80,394.00	0.52%	211.74
5/11/16	5/16/16	90,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	93,684.83	1.21%	441.58
5/19/16	5/24/16	50,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	51,918.37	1.34%	(276.90)
5/26/16	5/31/16	275,000	3130A3J70	FHLB NOTES	0.62%	11/23/16	275,054.69	0.61%	(133.80)
6/2/16	6/3/16	480,000	912828ST8	US TREASURY NOTES	1.25%	4/30/19	483,966.85	1.00%	8,236.10
6/22/16	6/27/16	100,000	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	101,184.67	1.83%	117.54
6/22/16	6/27/16	100,000	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	101,249.67	1.81%	182.54
6/23/16	6/28/16	250,000	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	252,728.06	1.85%	47.24
6/27/16	6/29/16	470,000	912828SM3	US TREASURY NOTES	1.00%	3/31/17	472,918.24	0.50%	816.74
Total SELL		2,385,000					2,405,342.24		11,128.22

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	4/1/16	4/1/16	265,000.00	64966LZC8	NYC, NY TXBL GO BONDS	1.65%	10/1/18	2,186.25		
INTEREST	4/1/16	4/1/16	0.00	MONEY0002	MONEY MARKET FUND			7.78		
INTEREST	4/1/16	4/1/16	450,000.00	759911X88	REGIONAL TRANS AUTH, IL TXBL REV BONDS	0.55%	5/6/16	1,237.50		
INTEREST	4/7/16	4/7/16	40,000.00	02665WAB7	AMERICAN HONDA FINANCE GLOBAL NOTES	1.12%	10/7/16	225.00		
INTEREST	4/11/16	4/11/16	215,000.00	24422ESD2	JOHN DEERE CAPITAL CORP	1.05%	10/11/16	1,128.75		
BUY	4/20/16	4/25/16	40,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	(39,888.80)	2.10%	
BUY	4/21/16	4/26/16	240,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	(239,859.73)	2.02%	
SELL	4/21/16	4/26/16	240,000.00	912828SC5	US TREASURY NOTES	0.87%	1/31/17	241,180.53	0.50%	691.73
INTEREST	4/26/16	4/26/16	500,000.00	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	2,187.50		
INTEREST	4/29/16	4/29/16	220,000.00	097023BF1	BOEING COMPANY (FLOATING) NOTE	0.76%	10/30/17	413.25		
INTEREST	4/30/16	4/30/16	260,000.00	912828TW0	US TREASURY NOTES	0.75%	10/31/17	975.00		
INTEREST	4/30/16	4/30/16	480,000.00	912828ST8	US TREASURY NOTES	1.25%	4/30/19	3,000.00		
INTEREST	4/30/16	4/30/16	165,000.00	912828UZ1	US TREASURY NOTES	0.62%	4/30/18	515.63		
INTEREST	5/2/16	5/2/16	0.00	MONEY0002	MONEY MARKET FUND			4.92		
BUY	5/3/16	5/6/16	320,000.00	912828A42	US TREASURY NOTE	2.00%	11/30/20	(333,850.34)	1.22%	
SELL	5/3/16	5/6/16	250,000.00	912828SJ0	US TREASURY NOTES	0.87%	2/28/17	251,062.33	0.55%	793.71
SELL	5/3/16	5/6/16	80,000.00	912828SC5	US TREASURY NOTES	0.87%	1/31/17	80,394.00	0.52%	211.74
BUY	5/5/16	5/10/16	110,000.00	0258M0EB1	AMERICAN EXPRESS CREDIT CORP NOTES	2.25%	5/5/21	(110,636.08)	2.13%	
INTEREST	5/6/16	5/6/16	450,000.00	759911X88	REGIONAL TRANS AUTH, IL TXBL REV BONDS	0.55%	5/6/16	240.63		

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
MATURITY	5/6/16	5/6/16	450,000.00	759911X88	REGIONAL TRANS AUTH, IL TXBL REV BONDS	0.55%	5/6/16	450,000.00		0.00
BUY	5/6/16	5/9/16	320,000.00	3135G0E33	FNMA NOTES	1.12%	7/20/18	(323,342.80)	0.80%	
BUY	5/11/16	5/16/16	90,000.00	05531FAV5	BRANCH BANKING & TRUST CORP NOTE	2.05%	5/10/21	(89,911.95)	2.08%	
SELL	5/11/16	5/16/16	90,000.00	912828B90	US TREASURY NOTES	2.00%	2/28/21	93,684.83	1.21%	441.58
BUY	5/19/16	5/24/16	50,000.00	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	(49,824.54)	2.03%	
SELL	5/19/16	5/24/16	50,000.00	912828A42	US TREASURY NOTE	2.00%	11/30/20	51,918.37	1.34%	(276.90)
INTEREST	5/21/16	5/21/16	485,000.00	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	2,121.88		
INTEREST	5/23/16	5/23/16	275,000.00	3130A3J70	FHLB NOTES	0.62%	11/23/16	859.38		
BUY	5/26/16	5/31/16	260,000.00	912828B90	US TREASURY NOTES	2.00%	2/28/21	(269,059.38)	1.35%	
SELL	5/26/16	5/31/16	275,000.00	3130A3J70	FHLB NOTES	0.62%	11/23/16	275,054.69	0.61%	(133.80)
INTEREST	5/30/16	5/30/16	390,000.00	3137EADG1	FREDDIE MAC NOTES	1.75%	5/30/19	3,412.50		
INTEREST	5/31/16	5/31/16	240,000.00	912828UB4	US TREASURY NOTES	1.00%	11/30/19	1,200.00		
INTEREST	5/31/16	5/31/16	270,000.00	912828A42	US TREASURY NOTE	2.00%	11/30/20	2,700.00		
INTEREST	5/31/16	5/31/16	465,000.00	912828UA6	US TREASURY NOTES	0.62%	11/30/17	1,453.13		
INTEREST	5/31/16	5/31/16	615,000.00	912828A34	US TREASURY NOTES	1.25%	11/30/18	3,843.75		
INTEREST	5/31/16	5/31/16	370,000.00	912828A42	US TREASURY NOTE	2.00%	11/30/20	3,700.00		
INTEREST	6/1/16	6/1/16	180,000.00	64966LN49	NYC, NY TXBL GO BONDS	1.80%	6/1/19	1,620.00		
INTEREST	6/1/16	6/1/16	0.00	MONEY0002	MONEY MARKET FUND			9.97		
BUY	6/2/16	6/3/16	470,000.00	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	(469,802.60)	1.14%	
SELL	6/2/16	6/3/16	480,000.00	912828ST8	US TREASURY NOTES	1.25%	4/30/19	483,966.85	1.00%	8,236.10
INTEREST	6/15/16	6/15/16	400,000.00	17275RAX0	CISCO SYSTEMS INC CORP NOTES	2.45%	6/15/20	4,900.00		
INTEREST	6/21/16	6/21/16	470,000.00	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	264.38		

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
BUY	6/22/16	6/27/16	100,000.00	912828J84	US TREASURY NOTES	1.37%	3/31/20	(101,557.16)	1.04%	
BUY	6/22/16	6/27/16	100,000.00	912828J84	US TREASURY NOTES	1.37%	3/31/20	(101,604.04)	1.03%	
SELL	6/22/16	6/27/16	100,000.00	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	101,184.67	1.83%	117.54
SELL	6/22/16	6/27/16	100,000.00	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	101,249.67	1.81%	182.54
BUY	6/23/16	6/28/16	249,000.00	912828J84	US TREASURY NOTES	1.37%	3/31/20	(252,662.98)	1.07%	
SELL	6/23/16	6/28/16	250,000.00	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	252,728.06	1.85%	47.24
BUY	6/27/16	6/29/16	475,000.00	3135G0K69	FNMA BENCHMARK NOTE	1.25%	5/6/21	(478,084.20)	1.14%	
SELL	6/27/16	6/29/16	470,000.00	912828SM3	US TREASURY NOTES	1.00%	3/31/17	472,918.24	0.50%	816.74
INTEREST	6/29/16	6/29/16	495,000.00	3137EADH9	FREDDIE MAC GLOBAL NOTES	1.00%	6/29/17	2,475.00		
INTEREST	6/30/16	6/30/16	800,000.00	912828UE8	US TREASURY NOTES	0.75%	12/31/17	3,000.00		
TOTALS								38,939.84		11,128.22

Short Term and Bond Proceed Portfolios Statistics

<u>Account Name</u>	<u>Amortized Cost^{1,2,3} June 30, 2016</u>	<u>Amortized Cost^{1,2,3} March 31, 2016</u>	<u>Market Value^{1,2,3} June 30, 2016</u>	<u>Market Value^{1,2,3} March 31, 2016</u>	<u>Duration (Years)⁴ June 30, 2016</u>
Short Term Portfolio - 4245	\$13,984,264.85	\$13,963,620.37	\$13,988,536.50	\$13,968,765.50	0.150
2013 Bond Fund - 4265	23,289,301.14	27,074,179.11	23,336,053.80	27,108,780.56	0.520
Money Market Fund - FEITF Excess Funds - 174 ⁸	3,019,569.27	19,443.97	3,019,569.27	19,443.97	41 Days
Money Market Fund -FEITF 2013 Bond Fund - 357 ⁸	3,005,362.60	5,254.13	3,005,362.60	5,254.13	41 Days
Money Market Account -Bank United 1280 -Short Term	1,034,334.09	1,033,309.00	1,034,334.09	1,033,309.00	0.001
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	150,383.33	\$52,169.24	59,274.31	\$52,169.24	34 Days
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	1,983,728.26	85,739.26	1,983,728.26	85,739.26	34 Days
Total	\$46,466,943.54	\$42,233,715.08	\$46,426,858.83	\$42,273,461.66	

<u>Account Name</u>	<u>Yield to Maturity at Cost^{5,6} June 30, 2016</u>	<u>Yield to Maturity at Cost^{5,6} March 31, 2016</u>	<u>Yield to Maturity at Market^{5,6} June 30, 2016</u>	<u>Yield to Maturity at Market^{5,6} March 31, 2016</u>	<u>Duration (Years)⁴ March 31, 2016</u>
Short Term Portfolio - 4245	0.78%	0.8%	0.51%	0.66%	0.330
2013 Bond Fund - 4265	0.67%	0.63%	0.37%	0.50%	0.670
Money Market Fund - FEITF Excess Funds - 174 ^{6,8}	0.63%	0.49%	0.63%	0.49%	55 Days
Money Market Fund - FEITF 2013 Bond Fund - 357 ^{6,8}	0.63%	0.49%	0.63%	0.49%	55 Days
Money Market Account -Bank United 1280 -Short Term	0.40%	0.40%	0.40%	0.40%	0.001
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	0.14%	0.10%	0.14%	0.10%	38 Days
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	0.14%	0.10%	0.14%	0.10%	38 Days
Weighted Average Yield	0.006675665	0.67%	0.44%	0.55%	

BenchmarksS&P GIP Government 30 Day Index⁷June 30, 2016March 31, 2016

0.42%

0.39%

Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
3. Includes any money market fund/cash balances held in custodian account.
4. Money Market Fund duration is based on weighted average duration in days.
5. Past performance is not indicative of future results.

6. Seven day yield as of quarter end. The yields shown above represent past performance. Past performance is no guarantee of future results and yields may vary. The current fund performance may be higher or lower than that cited. The current seven-day yield does not include realized gains and losses on the sale of securities. The yields shown above may reflect fee waivers by service providers that subsidize and reduce the total operating expenses of the Funds. Fund yields would be lower if there were no such waivers.

7. Monthly yields, source Bloomberg.

8. PFM Prime Funds were moved into FEITF during the second quarter of 2016. All March 31, 2016 numbers reflect PFM PRIME balances and statistics.

TOWN OF PALM BEACH SHORT TERM PORTFOLIO

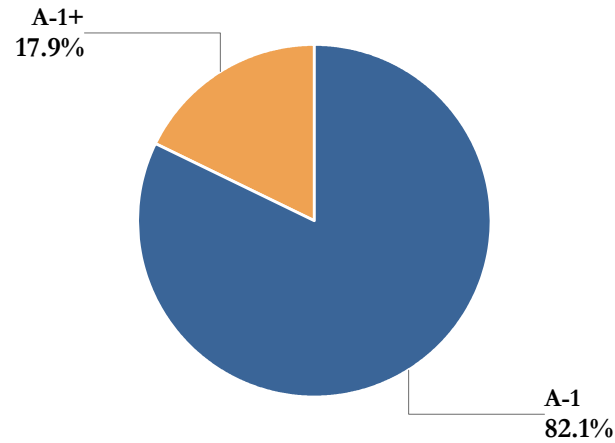
Portfolio Snapshot

Portfolio Statistics

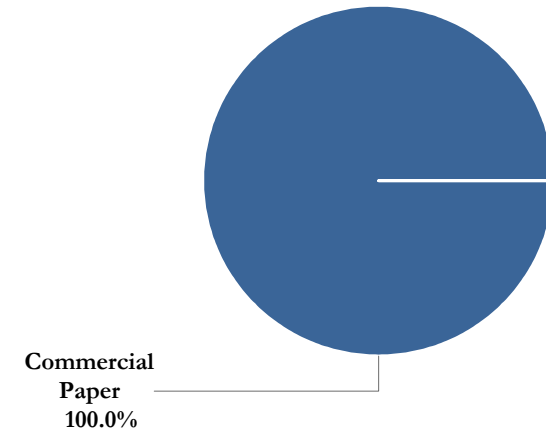
As of June 30, 2016

Par Value:	14,000,000
Total Market Value:	14,047,811
Security Market Value:	13,988,537
Accrued Interest:	0
Cash:	59,274
PFM	-
Amortized Cost:	13,984,265
Yield at Market:	0.51%
Yield at Cost:	0.78%
Effective Duration:	0.15 Years
Duration to Worst:	0.15 Years
Average Maturity:	0.15 Years
Average Credit: **	AAA
Benchmark Eff. Yield:	0.42%

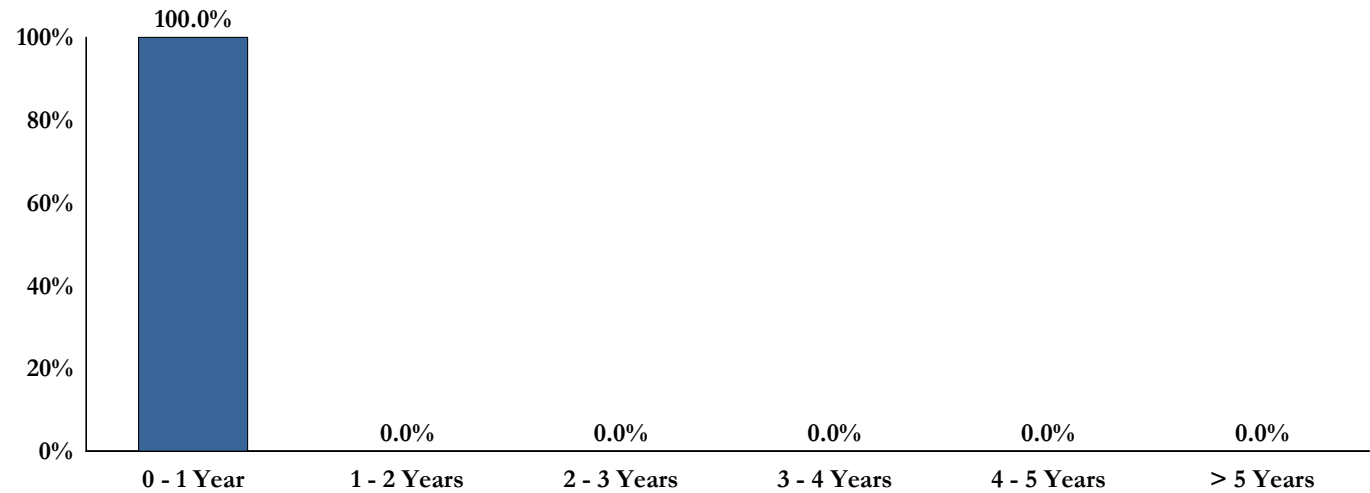
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



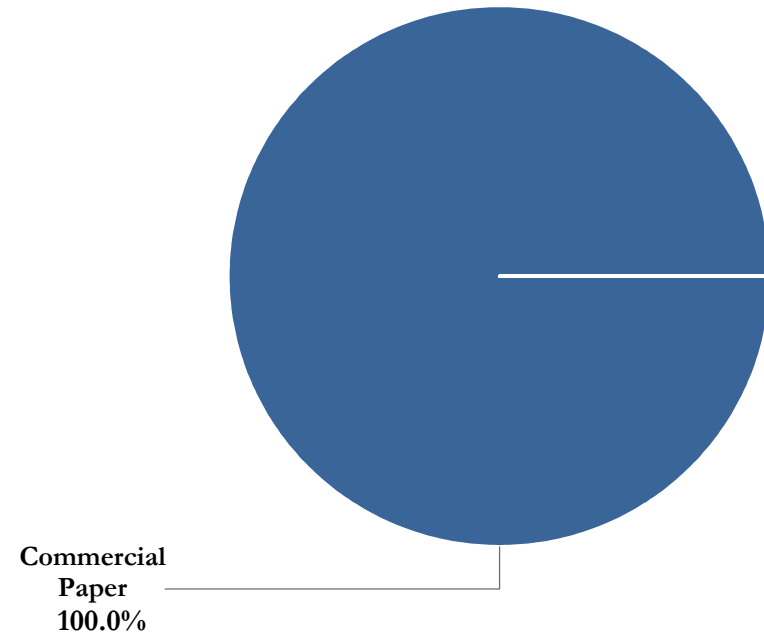
** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings*Quarter-Ended June 30, 2016*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/30/2016)	\$13,968,765.50	\$13,963,620.37
Net Purchases/Sales	(\$6,970.00)	(\$6,970.00)
Change in Value	\$26,741.00	\$27,614.48
Ending Value (06/30/2016)	\$13,988,536.50	\$13,984,264.85
Interest Earned	\$15.47	\$15.47
Portfolio Earnings	\$26,756.47	\$27,629.95

Sector Allocation*As of June 30, 2016*

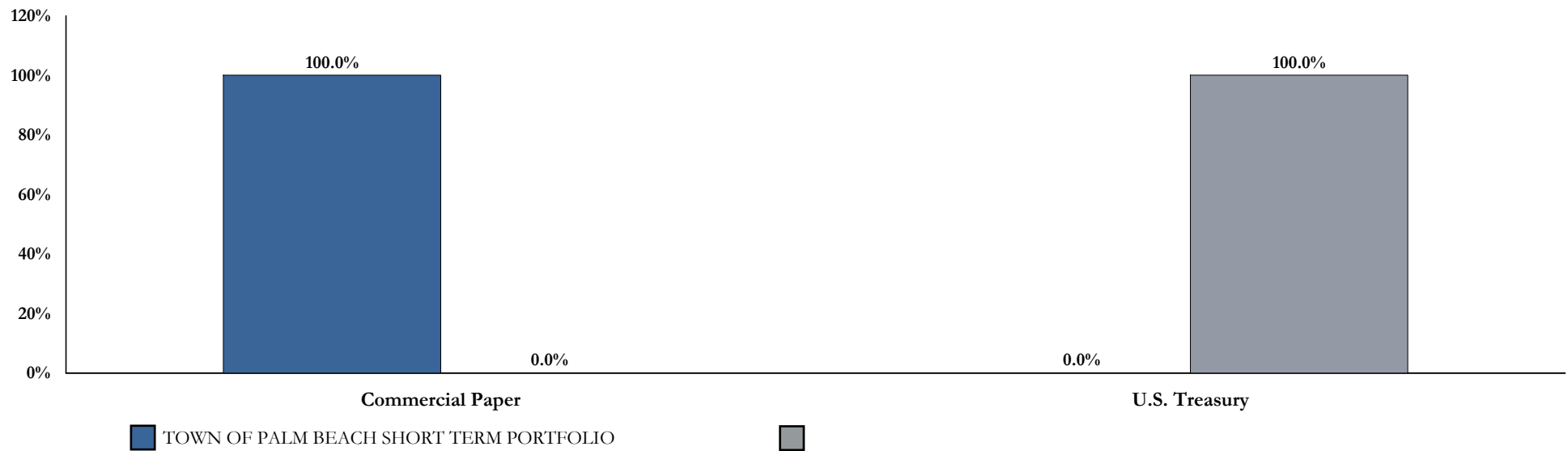
Sector	Market Value (\$)	% of Portfolio
Commercial Paper	13,988,537	100.0%
Total	13,988,537	100.0%

*Detail may not add to total due to rounding.*

Sector Allocation

As of June 30, 2016

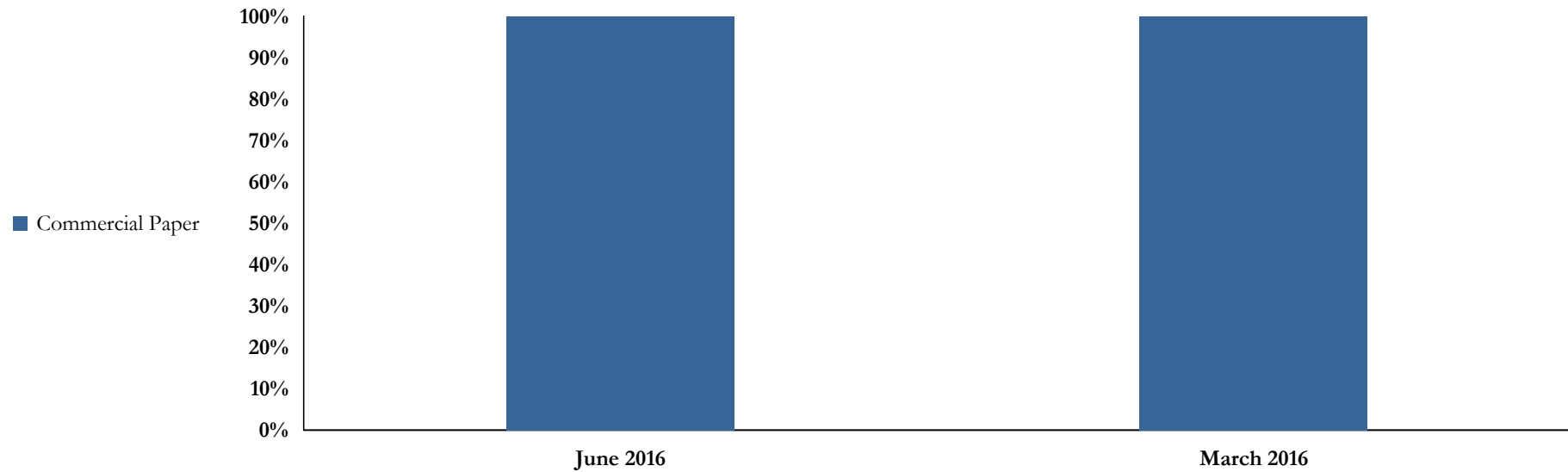
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Commercial Paper	13,988,537	100.0%	-
U.S. Treasury	0	-	100.0%
Total	13,988,537	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	June 30, 2016		March 30, 2016		December 30, 2015		September 30, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Commercial Paper	14.0	100.0%	14.0	100.0%	0.0	0.0%	0.0	0.0%
Total	\$14.0	100.0%	\$14.0	100.0%	\$0.0	0.0%	\$0.0	0.0%



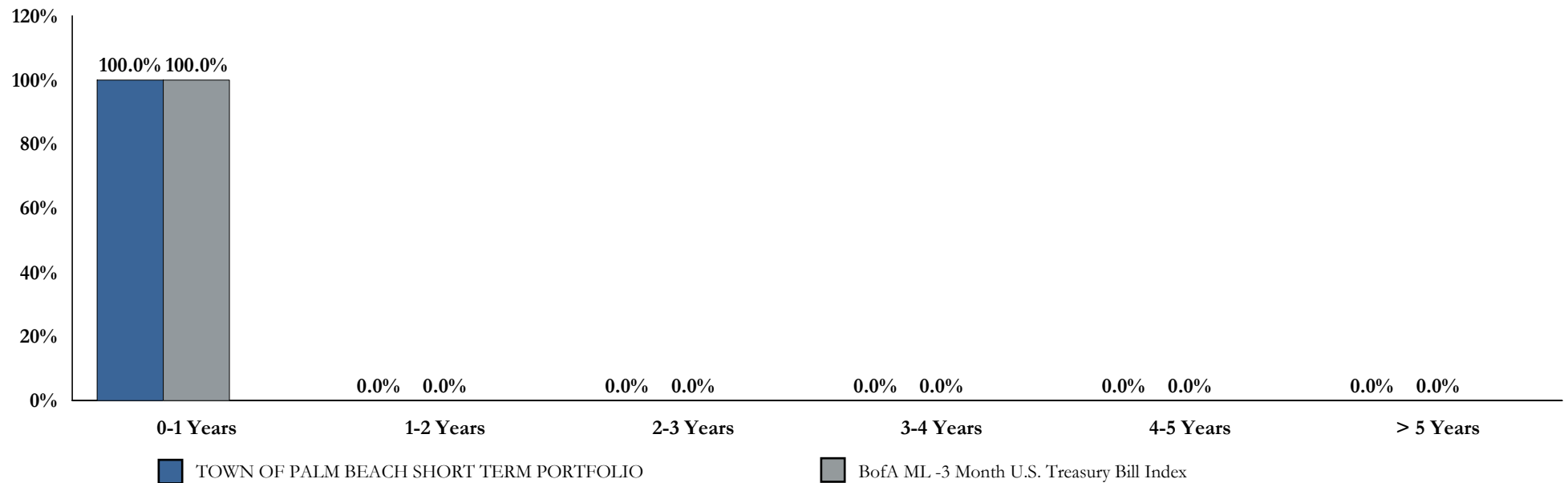
TOWN OF PALM BEACH SHORT TERM PORTFOLIO

Portfolio Composition

Maturity Distribution

As of June 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	0.51%	0.15 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML -3 Month U.S. Treasury Bill Index	0.23%	0.17 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

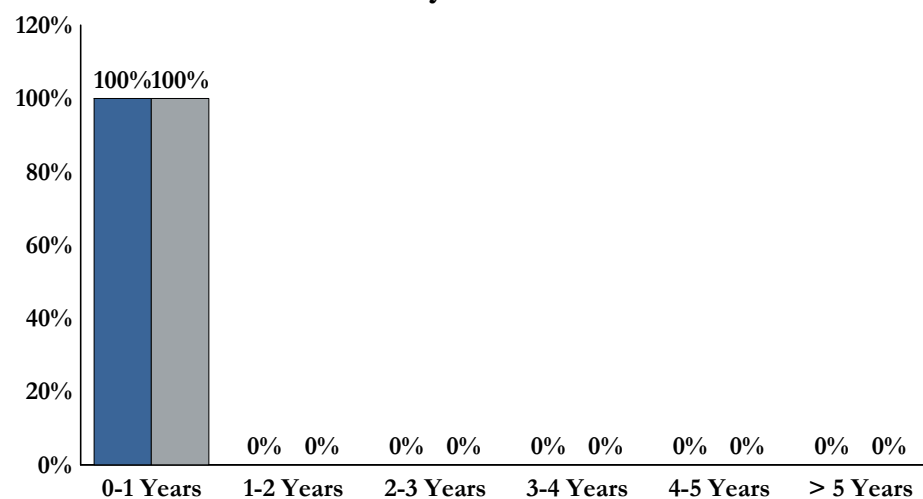


Duration Distribution

As of June 30, 2016

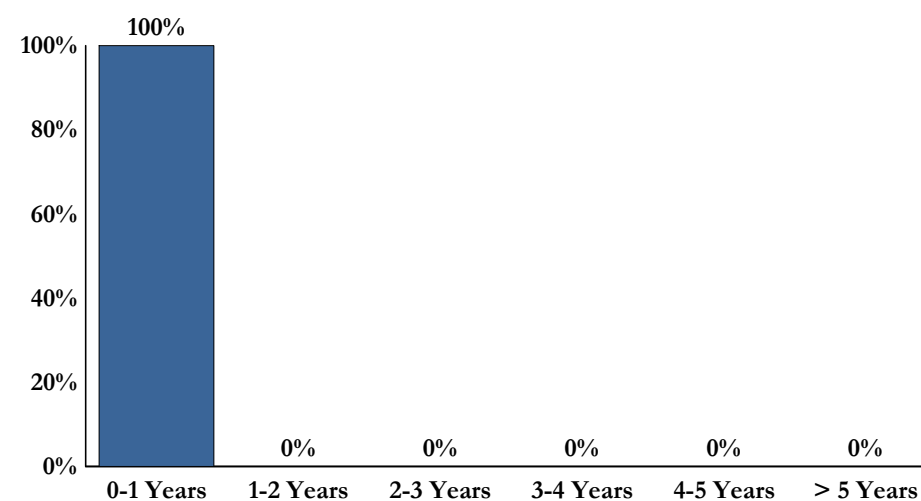
Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	0.15	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BofA ML -3 Month U.S. Treasury Bill Index	0.08	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Distribution by Effective Duration



 TOWN OF PALM BEACH SHORT TERM PORTFOLIO
 BofA ML -3 Month U.S. Treasury Bill Index

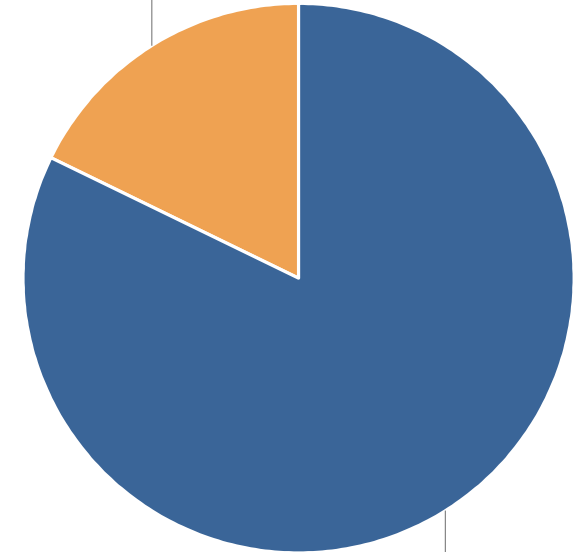
Contribution to Portfolio Duration



Credit Quality*As of June 30, 2016*

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$11,490,004	82.1%
A-1+	\$2,498,533	17.9%
Totals	\$13,988,537	100.0%

A-1+
17.9%



A-1
82.1%

Detail may not add to total due to rounding.

Issuer Distribution*As of June 30, 2016*

Issuer	Market Value (\$)	% of Portfolio
UBS AG	2,998,590	21.4%
MITSUBISHI UFJ FINANCIAL GROUP INC	2,998,470	21.4%
BNP PARIBAS	2,994,429	21.4%
TOYOTA MOTOR CORP	2,498,533	17.9%
RABOBANK NEDERLAND	2,498,515	17.9%
Grand Total:	13,988,537	100.0%

Sector/Issuer Distribution

As of June 30, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BNP PARIBAS	2,994,429	21.4%	21.4%
MITSUBISHI UFJ FINANCIAL GROUP INC	2,998,470	21.4%	21.4%
RABOBANK NEDERLAND	2,498,515	17.9%	17.9%
TOYOTA MOTOR CORP	2,498,533	17.9%	17.9%
UBS AG	2,998,590	21.4%	21.4%
Sector Total	13,988,537	100.0%	100.0%
Portfolio Total	13,988,537	100.0%	100.0%

TOWN OF PALM BEACH SHORT TERM PORTFOLIO

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
6/10/16	6/10/16	3,000,000	09659BKB5	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	10/11/16	2,993,030.00	0.68%	
Total BUY		3,000,000					2,993,030.00		
INTEREST									
4/1/16	4/1/16	0	MONEY0002	MONEY MARKET FUND			4.48		
5/2/16	5/2/16	0	MONEY0002	MONEY MARKET FUND			5.27		
6/1/16	6/1/16	0	MONEY0002	MONEY MARKET FUND			5.72		
Total INTEREST		0					15.47		
MATURITY									
6/10/16	6/10/16	3,000,000	09659BFA3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	6/10/16	3,000,000.00		0.00
Total MATURITY		3,000,000					3,000,000.00		0.00

Quarterly Portfolio Transactions

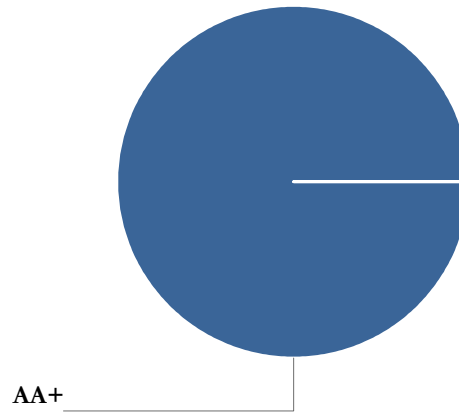
Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	4/1/16	4/1/16	0.00	MONEY0002	MONEY MARKET FUND			4.48		
INTEREST	5/2/16	5/2/16	0.00	MONEY0002	MONEY MARKET FUND			5.27		
INTEREST	6/1/16	6/1/16	0.00	MONEY0002	MONEY MARKET FUND			5.72		
BUY	6/10/16	6/10/16	3,000,000.00	09659BKB5	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	10/11/16	(2,993,030.00)	0.68%	
MATURITY	6/10/16	6/10/16	3,000,000.00	09659BFA3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	6/10/16	3,000,000.00		0.00
TOTALS								6,985.47		0.00

Portfolio Statistics

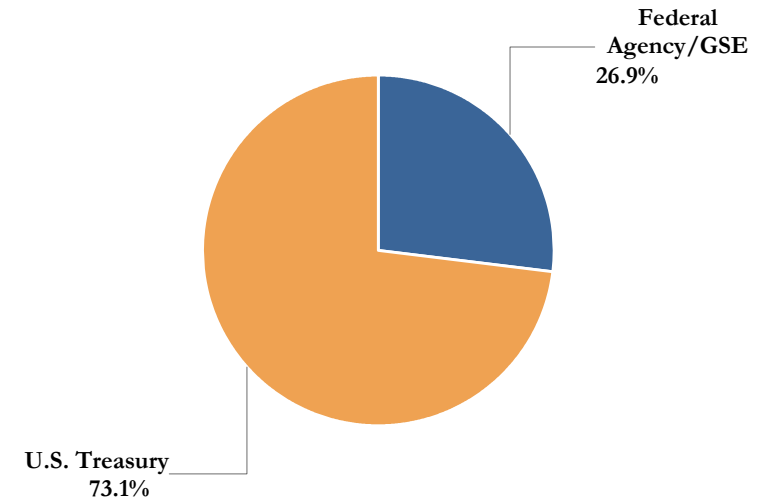
As of June 30, 2016

Par Value:	23,250,000
Total Market Value:	25,319,782
Security Market Value:	23,276,411
Accrued Interest:	59,643
Cash:	1,983,728
PFM	-
Amortized Cost:	23,229,659
Yield at Market:	0.37%
Yield at Cost:	0.67%
Effective Duration:	0.52 Years
Duration to Worst:	0.52 Years
Average Maturity:	0.52 Years
Average Credit: **	AA
Benchmark Eff. Yield:	0.42%

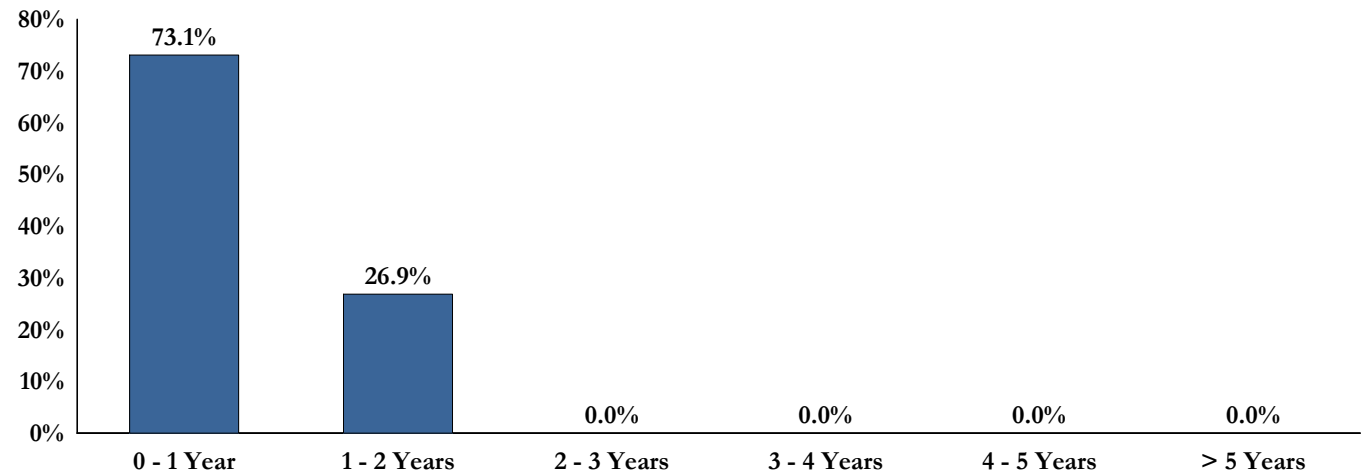
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



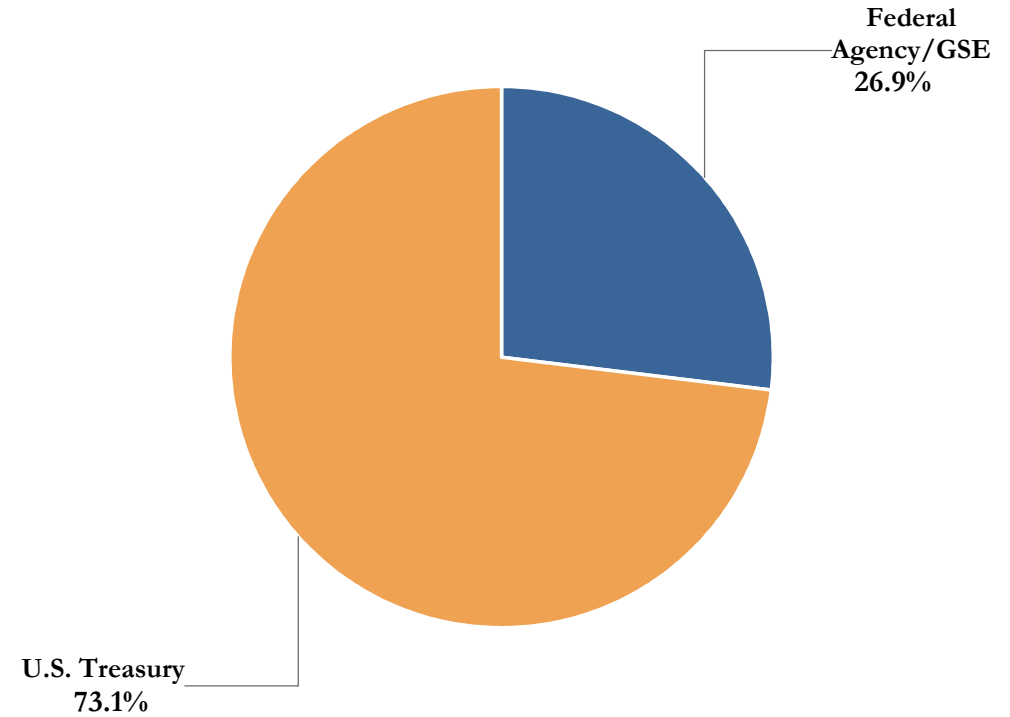
** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings
Quarter-Ended June 30, 2016

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/30/2016)	\$27,026,317.00	\$26,991,715.55
Net Purchases/Sales	(\$3,750,000.00)	(\$3,750,000.00)
Change in Value	\$94.25	(\$12,056.96)
Ending Value (06/30/2016)	\$23,276,411.25	\$23,229,658.59
Interest Earned	\$52,573.03	\$52,573.03
Portfolio Earnings	\$52,667.28	\$40,516.07

Sector Allocation*As of June 30, 2016*

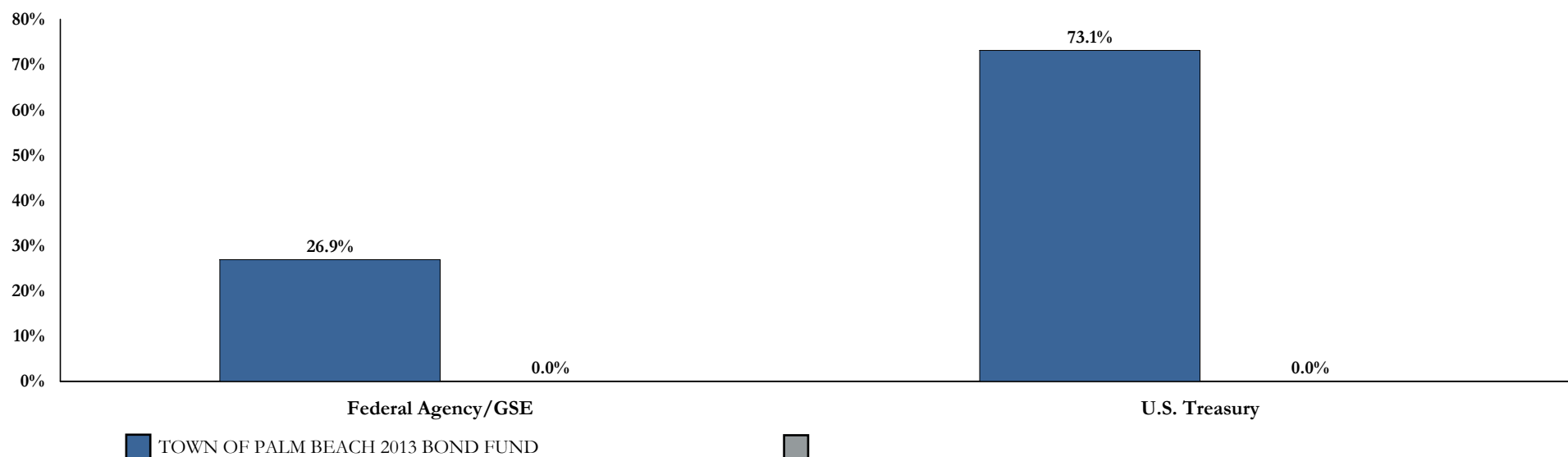
Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	17,010,131	73.1%
Federal Agency/GSE	6,266,280	26.9%
Total	23,276,411	100.0%

*Detail may not add to total due to rounding.*

Sector Allocation

As of June 30, 2016

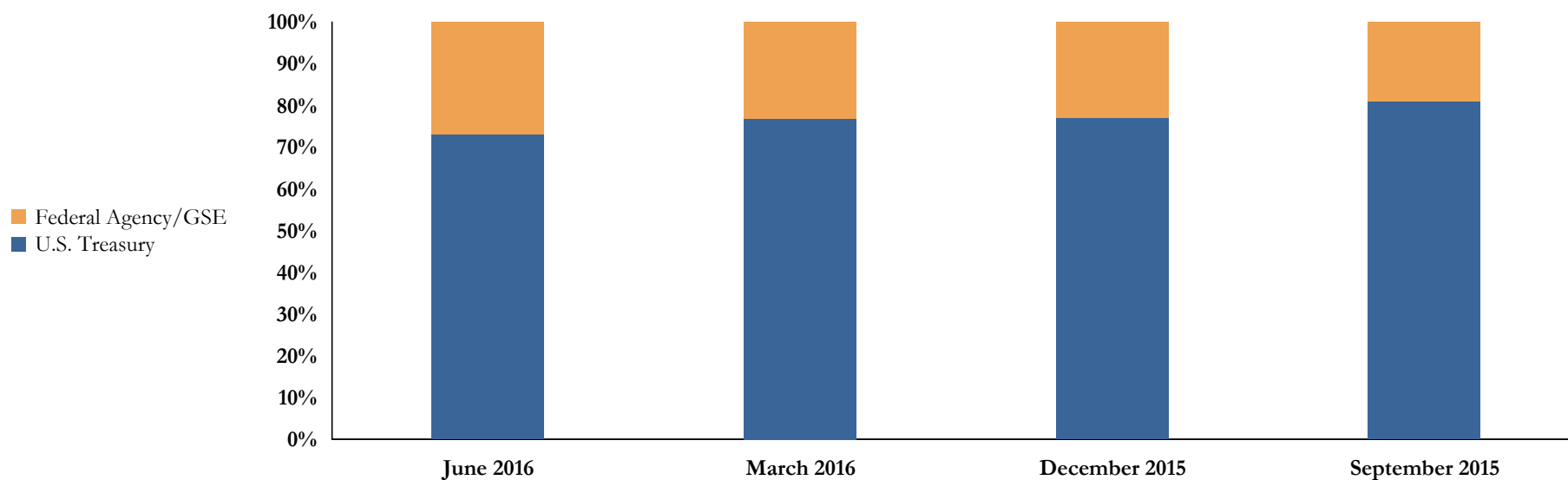
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	17,010,131	73.1%	-
Federal Agency/GSE	6,266,280	26.9%	-
Total	23,276,411	100.0%	0.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	June 30, 2016		March 31, 2016		December 31, 2015		September 30, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	17.0	73.1%	20.8	76.8%	20.8	76.9%	26.8	81.1%
Federal Agency/GSE	6.3	26.9%	6.3	23.2%	6.2	23.1%	6.3	18.9%
Total	\$23.3	100.0%	\$27.0	100.0%	\$27.0	100.0%	\$33.1	100.0%

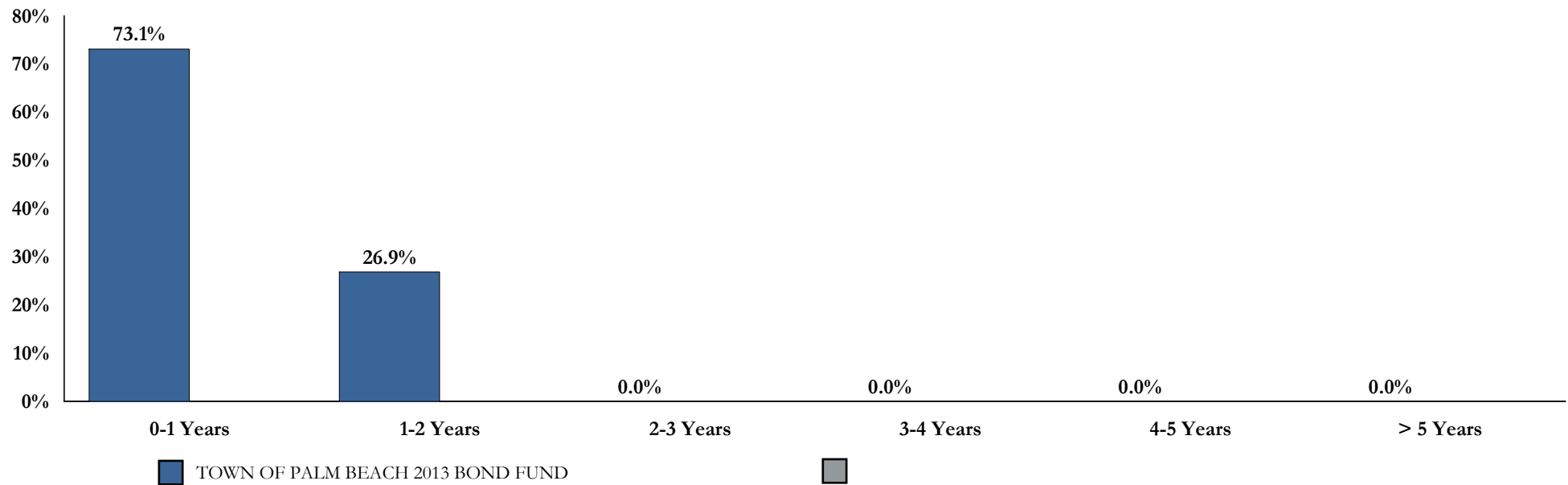


Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 2013 BOND FUND	0.37%	0.52 yrs	73.1%	26.9%	0.0%	0.0%	0.0%	0.0%

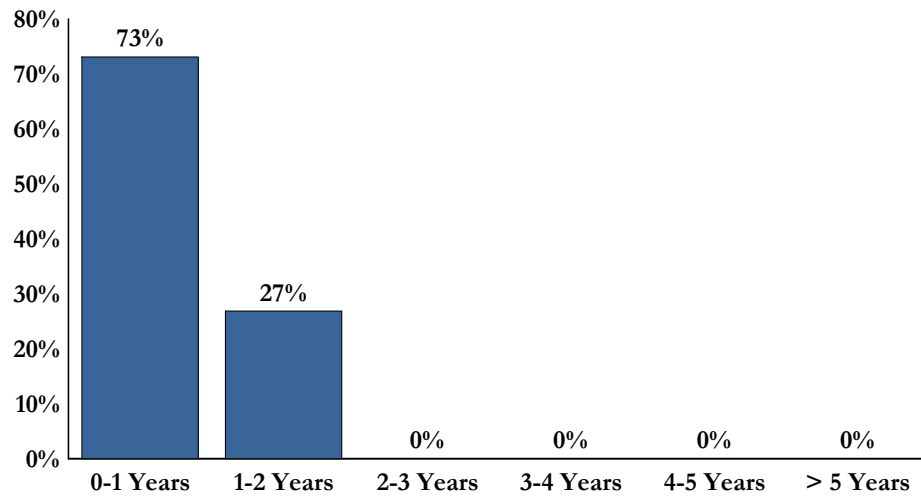


Duration Distribution

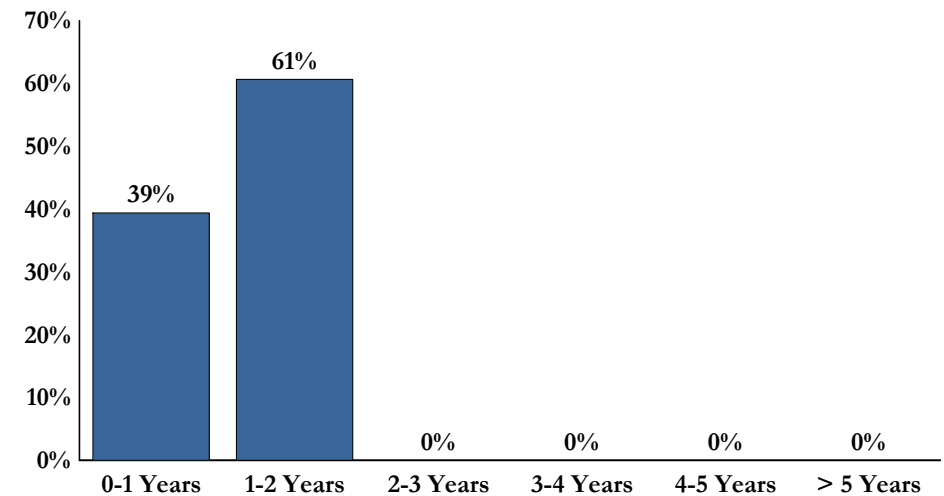
As of June 30, 2016

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH 2013 BOND FUND	0.52	73.12%	26.88%	0.00%	0.00%	0.00%	0.00%

Distribution by Effective Duration

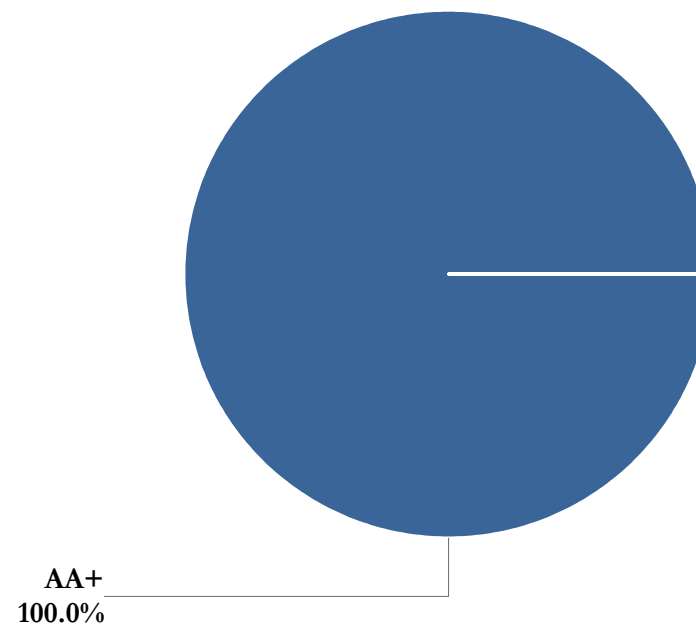


Contribution to Portfolio Duration



Credit Quality*As of June 30, 2016*

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$23,276,411	100.0%
Totals	\$23,276,411	100.0%

*Detail may not add to total due to rounding.*

Issuer Distribution*As of June 30, 2016*

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	17,010,131	73.1%
FANNIE MAE	6,266,280	26.9%
Grand Total:	23,276,411	100.0%

Sector/Issuer Distribution

As of June 30, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Federal Agency/GSE			
FANNIE MAE	6,266,280	100.0%	26.9%
Sector Total	6,266,280	100.0%	26.9%
U.S. Treasury			
UNITED STATES TREASURY	17,010,131	100.0%	73.1%
Sector Total	17,010,131	100.0%	73.1%
Portfolio Total	23,276,411	100.0%	100.0%

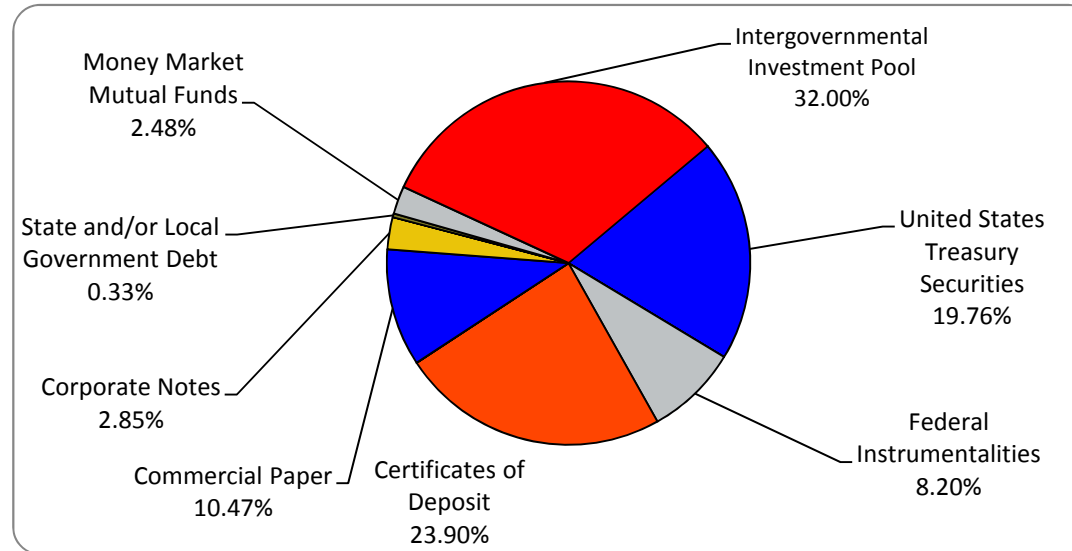
Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
4/1/16	4/1/16	0	MONEY0002	MONEY MARKET FUND			116.77		
4/20/16	4/20/16	3,750,000	3135G0ZB2	FNMA NOTES	0.75%	4/20/17	14,062.50		
4/26/16	4/26/16	2,500,000	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	10,937.50		
4/30/16	4/30/16	3,750,000	912828QF0	US TREASURY NOTES	2.00%	4/30/16	37,500.00		
4/30/16	4/30/16	2,500,000	912828RM4	US TREASURY NOTES	1.00%	10/31/16	12,500.00		
5/2/16	5/2/16	0	MONEY0002	MONEY MARKET FUND			9.38		
6/1/16	6/1/16	0	MONEY0002	MONEY MARKET FUND			267.89		
Total INTEREST		12,500,000					75,394.04		
MATURITY									
4/30/16	4/30/16	3,750,000	912828QF0	US TREASURY NOTES	2.00%	4/30/16	3,750,000.00		0.00
Total MATURITY		3,750,000					3,750,000.00		0.00

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	4/1/16	4/1/16	0.00	MONEY0002	MONEY MARKET FUND			116.77		
INTEREST	4/20/16	4/20/16	3,750,000.00	3135G0ZB2	FNMA NOTES	0.75%	4/20/17	14,062.50		
INTEREST	4/26/16	4/26/16	2,500,000.00	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	10,937.50		
INTEREST	4/30/16	4/30/16	3,750,000.00	912828QF0	US TREASURY NOTES	2.00%	4/30/16	37,500.00		
INTEREST	4/30/16	4/30/16	2,500,000.00	912828RM4	US TREASURY NOTES	1.00%	10/31/16	12,500.00		
MATURITY	4/30/16	4/30/16	3,750,000.00	912828QF0	US TREASURY NOTES	2.00%	4/30/16	3,750,000.00		0.00
INTEREST	5/2/16	5/2/16	0.00	MONEY0002	MONEY MARKET FUND			9.38		
INTEREST	6/1/16	6/1/16	0.00	MONEY0002	MONEY MARKET FUND			267.89		
TOTALS								3,825,394.04		0.00

Tab III



Security Type ¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Florida Prime (SBA)	-	0.00%		0%	YES
United States Treasury Securities	26,397,341.80	19.76%		100%	YES
United States Government Agency Securities	-	0.00%		50%	YES
Federal Instrumentalities	10,958,202.12	8.20%		80%	YES
Certificates of Deposit	31,927,298.00	23.90%	3	50%	YES
Repurchase Agreements	-	0.00%		50%	YES
Commercial Paper	13,984,264.85	10.47%		25%	YES
Corporate Notes	3,805,110.34	2.85%	2	25%	YES
Bankers' Acceptances	-	0.00%		35%	YES
State and/or Local Government Debt	446,363.13	0.33%		20%	YES
Money Market Mutual Funds	3,318,829.01	2.48%		50%	YES
Intergovernmental Investment Pool	42,746,581.87	32.00%	3,4	50%	YES
Total	133,583,991.12	100.00%			

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.

2. Maximum allocation in A rated securities is 10%. At month end there was 1.78% rated A by any two Nationally Recognized Statistical Rating Organizations.

3. Balances managed by the Town.

4. Combined total for Florida Municipal Investment Trust and FEIT Fund cannot exceed 50%.

Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%		25%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		30%	YES
Federal Home Loan Bank (FHLB)	469,953.78	0.35%		30%	YES
Federal National Mortgage Association (FNMA)	8,731,654.00	6.54%		30%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	1,756,594.34	1.31%		30%	YES
Toyota Commercial Paper	2,498,000.00	1.87%		15%	YES
Bank of Tokyo Mitsubishi Commercial Paper	2,997,339.99	2.24%		15%	YES
UBS Finance Commercial Paper	2,997,308.34	2.24%		15%	YES
BNP Paribas Commercial Paper	2,994,219.99	2.24%		15%	YES
Rabobank NY Commercial Paper	2,497,396.53	1.87%		15%	YES
General Electric Corporate Notes	510,276.25	0.38%		5%	YES
American Honda Corporate Notes	140,679.15	0.11%		5%	YES
Boeing Company Corporate Notes	220,293.89	0.16%		5%	YES
Toyota Corporate Notes	459,785.37	0.34%		5%	YES
Wells Fargo & Company Corporate Notes	455,201.14	0.34%		5%	YES
John Deere Corporate Notes	215,476.04	0.16%		5%	YES
Bank of New York Mellon Corporate Notes	457,421.05	0.34%		5%	YES
JP Morgan Corporate Notes	352,349.45	0.26%		5%	YES
Goldman Sachs Corporate Notes	280,777.53	0.21%		5%	YES
Cisco Systems Corporate Notes	401,275.97	0.30%		5%	YES
New York University Corporate Notes	60,530.10	0.05%		5%	YES
American Express Credit Corporate Notes	110,970.46	0.08%		5%	YES
Branch Banking & Trust Corporate Notes	90,145.46	0.07%		5%	YES
State Street Corp Notes	49,928.48	0.04%		5%	YES
New York City, New York Taxable G.O Bonds	446,363.13	0.33%		5%	YES
Florida Education Investment Trust Fund	6,024,931.87	4.51%	3	50%	YES
Money Market Mutual Funds	3,318,829.01	2.48%		25%	YES
FMLvT 1-3	25,044,729.00	18.75%	3	50%	YES
FMLvT Intermediate	11,676,921.00	8.74%	3	50%	YES
Bank United CD's	15,079,716.08	11.29%	3	25%	YES
TD Bank CD's	10,797,131.69	8.08%	3	25%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Maximum allocation in A rated securities is 10%. At month end there was 1.78% rated A by S&P and Moody's.
3. Managed by the Town.
4. Combined total for Florida Municipal Investment Trust cannot exceed 50%.

Important Disclosures

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values which include accrued interest, are derived from closing bid prices as of the last business day of the month as supplied by a third party vendor. Where prices are not available from generally recognized sources the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount, expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

Glossary

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction occurs on a non-business day (i.e. coupon payments and maturity proceeds), the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred however the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.



TOWN OF PALM BEACH

Finance Department

To: Mayor and Town Council
Via: Thomas G. Bradford, Town Manager 
From: Jane Struder, Finance Director 
Date: July 29, 2016
Subject: Monthly Investment Report – June 2016

Attached you will find the Town's Investment Report for June 2016.

The fiscal year-to-date investment return earned on the Town's excess and bond funds (excluding OPEB, the Health Insurance Trust Fund and the Town's Retirement System) of approximately \$133,599,000 is \$1,177,469.

The schedule on page 8 reports the performance results for OPEB.

I can be reached at extension 4724 with questions regarding this report.

JS\cas

Cc: Investment Advisory Committee



However, if one includes the fees of the hedge funds underlying the FoF structure, then the all in management fee increases to about 1.17 - 1.27% plus incentive fees. The actual all in fee is not certain because the underlying hedge fund fees are not immediately available. This fee structure is high in a low return world.

So, bottom line, I see that we pay fees above passive management fees in order to generate positive alpha, yet the fund has recorded negative alpha - both allocation and selection. Perhaps I have missed a larger point, but that is what I see.

Sean and I had a quite professional discussion about this, and he now has a heads up regarding my concerns. We have also exchanged some helpful and clarifying emails. He has his point of view and presents it well. I hope he will address these concerns at either the August or November meeting. I will try to listen in during the August meeting and will attend the November meeting.

Best regards,
AF

Sent from my iPad

Town of Palm Beach

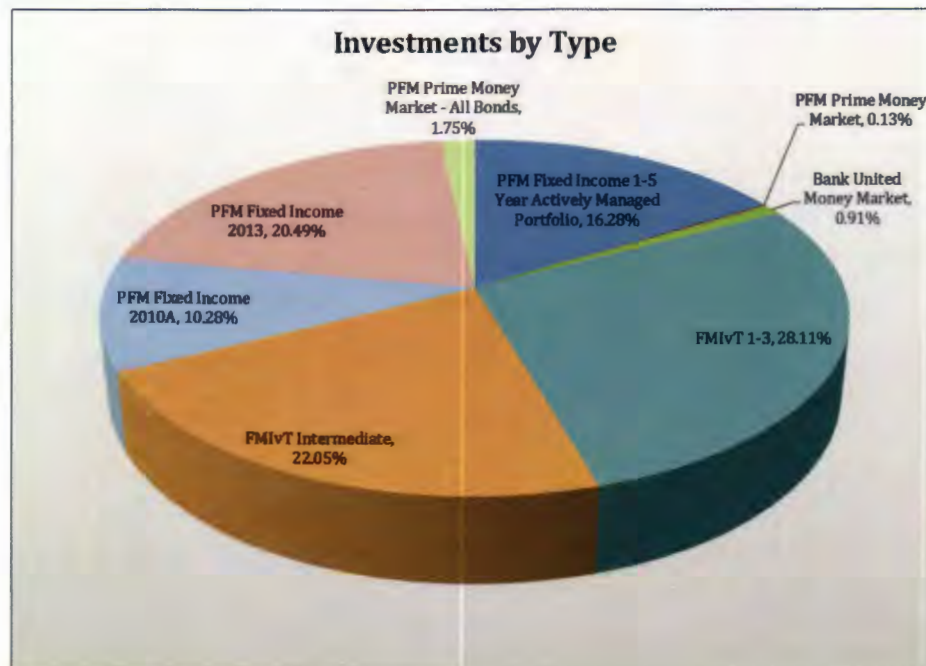
Investment Portfolio Performance



June 2016

Portfolio Return by Investment

Investment	June Balance	Return June-16	2016 Fiscal YTD (9 mo.)	2015 Fiscal YTD (9 mo.)	2015 Fiscal (12 mos.)
Core Investments					
PFM Fixed Income 1-5 Year Actively Managed Portfolio	\$ 18,491,725	\$ 159,904	\$ 341,610	\$ 227,490	\$ 351,462
PFM Fixed Income < 1 Year Short Term Portfolio	13,988,536	7,675	47,261	0	0
PFM Prime/TD Custody Money Market	150,383	2	47	3,371	3,235
FEITF Money Market	3,019,569	108	108	0	
Bank United Money Market	1,034,334	338	7,654	15,420	20,471
Certificates of Deposit	22,872,411	19,155	174,054	191,231	264,305
FMivT 1-3	25,044,729	91,250	179,661	128,651	177,498
FMivT Intermediate	11,676,921	116,385	278,122	185,179	302,439
Total Core Investments	\$ 96,278,608	\$ 394,817	\$ 1,028,517	\$ 751,342	\$ 1,119,410
Bond Funds					
PFM Fixed Income 2010A	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	\$ 9,054,887	\$ 4,741	\$ 46,538	\$ -	\$ -
PFM Fixed Income 2013	23,276,411	38,497	100,679	229,364	287,044
FEITF Money Market	3,005,363	104	104		
PFM Prime/TD Custody Money Market	1,983,728	0	1,631	4,506	5,221
Total Bond Funds	\$ 37,320,389	\$ 43,342	\$ 148,952	\$ 233,870	\$ 292,265
Sub Total - Recurring	\$ 133,598,997	\$ 438,159	\$ 1,177,469	\$ 985,212	\$ 1,411,675
State Board of Administration	\$ -	\$ -	\$ -	\$ -	\$ 95,248
Total	\$ 133,598,997	\$ 438,159	\$ 1,177,469	\$ 985,212	\$ 1,506,923



Portfolio Total Return vs. Benchmark

Core Investments	Monthly June-16	2016 Fiscal YTD (9 mo.)	2015 Fiscal YTD (9 mo.)	1 Year	3 Years	5 Years
Long Term Core Investments Total Return Performance (Discretionary)						
PFM Fixed Income 1-5 Year Actively Managed Portfolio	0.71%	1.81%	1.28%	2.56%	1.74%	N/A
Merrill Lynch 1-5 Year U.S. Treasury/Agency Index	0.94%	1.85%	1.42%	2.34%	1.63%	N/A
Certificates of Deposit (a)	0.05%	0.74%	0.73%	1.13%	N/A	N/A
Merrill Lynch 1 Year Treasury Index	0.24%	0.48%	0.14%	0.59%	N/A	N/A
FMLvT 1-3	0.35%	0.68%	0.49%	0.88%	0.71%	0.61%
BOA Merrill Lynch 1-3 Year Govt Index	0.59%	0.98%	0.85%	1.31%	0.99%	0.83%
FMLvT Intermediate	0.97%	2.40%	1.65%	3.49%	2.66%	2.43%
Barclays Int G/C ex BAA+ABS+MBS	1.17%	3.05%	1.91%	4.31%	3.14%	2.82%
Town's Long Term Core Investments Total Return Performance	0.48%	1.32%	0.95%	1.74%	1.36%	1.16%
Total Return Blended Benchmark Performance (b)	0.71%	1.49%	0.96%	1.87%	1.42%	1.23%

(b) The blended benchmark includes the Merrill Lynch 1 Year U.S. Treasury Index, Merrill Lynch 1-5 Year U.S. Treasury/Agency Index, Merrill Lynch 1-3 Year Gov't Index, and the Barclays Capital HQ Intermed Agg.

Short Term Portfolio Yield to Maturity at Cost Performance (Non-Discretionary)	Annualized Yield June -2016	Annualized Fiscal YTD (9 mo.)	Prior Fiscal YTD (9 mos.)	1 Year	3 Years	5 Years
PFM Fixed Income < 1 Year Short Term Portfolio Yield to Maturity at Cost S&P GIP Government 30 Day Index (c)	0.78%	0.78%	N/A	N/A	N/A	N/A
	0.39%	0.38%	0.12%	N/A	N/A	N/A

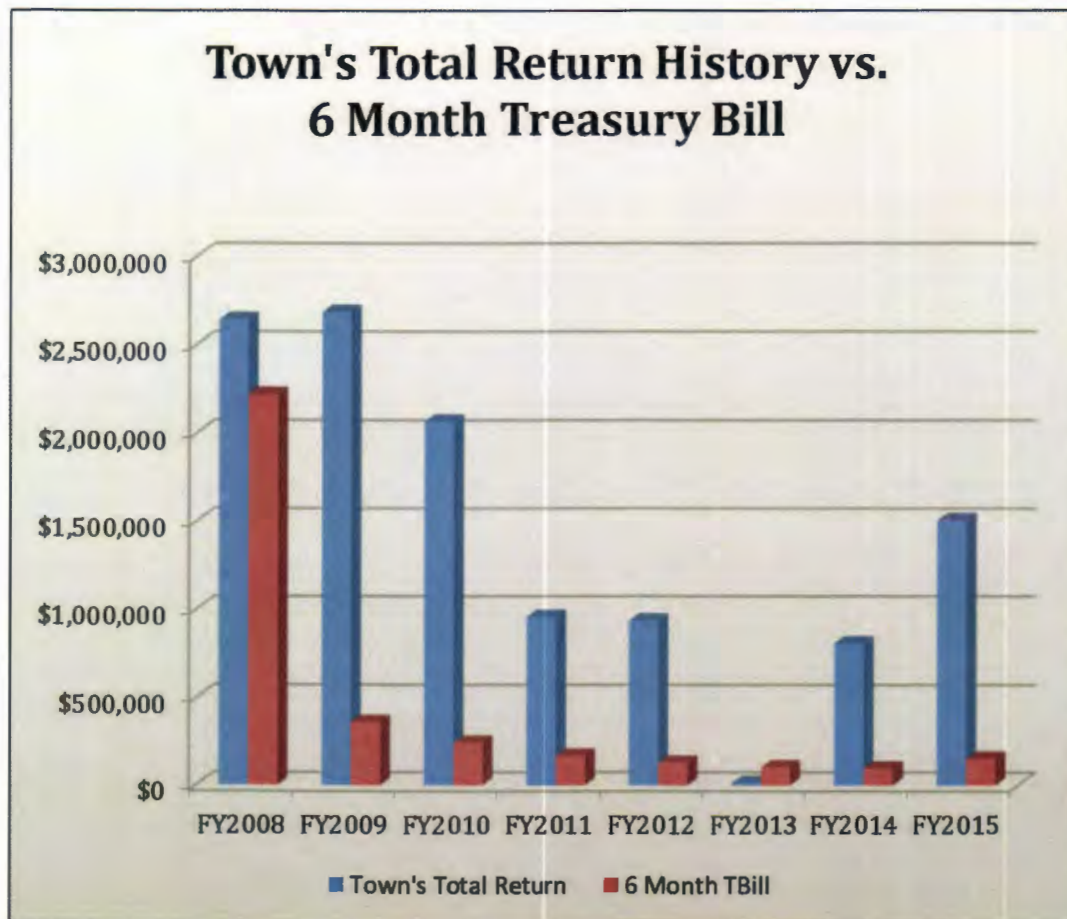
(c) Short Term Benchmark changed to the Standard & Poor's LGIP30D represents Government Investment Pools Index.

Bond Funds	Monthly June-16	2016 Fiscal YTD (9 mo.)	2015 Fiscal YTD (9 mo.)	1 Year	3 Years	5 Years
Bond Proceed Portfolios' Yield to Maturity at Cost Performance						
PFM Fixed Income 2013 - Yield to Maturity at Cost	0.67%	0.64%	0.43%	0.61%	N/A	N/A
Merrill Lynch 3 Month U.S. Treasury Bill Index - Yield to Maturity	0.26%	0.16%	0.01%	0.11%	N/A	N/A
Town's Bond Investments Yield to Maturity at Cost Performance	0.67%	0.64%	0.43%	0.61%	0.45%	
Blended Yield - ML 1 Year U.S. Treasury Index Benchmark	0.26%	0.16%	0.01%	0.11%	0.05%	

Money Market Fund Total Return Performance - As of 5/31/16						
Florida Education Investment Trust Fund (FEITF)	0.65%	0.44%	0.08%	0.38%	0.20%	0.21%
iMoneyNet Money Market Fund Index	0.27%	0.20%	0.03%	0.16%	0.08%	0.08%

Total Investment Return History

Fiscal Year	Town's Total Return	Estimated Return - 6 Month TBill	Difference
FY2008	\$ 2,642,478	\$ 2,219,743	\$ 422,735
FY2009	2,683,901	363,524	2,320,377
FY2010	2,067,072	244,917	1,822,155
FY2011	957,872	169,447	788,425
FY2012	935,823	129,485	806,338
FY2013	11,870	103,463	(91,593)
FY2014	807,906	98,048	709,858
FY2015	1,506,923	153,068	1,353,855
FY2016 to Date	1,177,469	384,259	793,210
Total	\$ 12,791,314	\$ 3,865,954	\$ 8,925,360

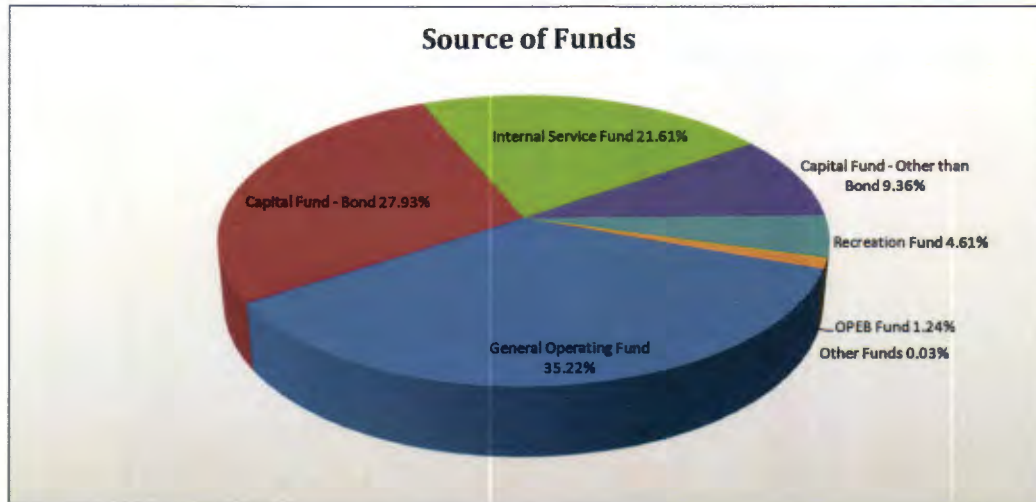


Town's FY2016 Monthly Investment Return vs. 6 Month Treasury Bill

Period	Investment Balance	Town's Monthly Total Return	6 Month T-Bill Rate	Estimated Return - 6 Month T-Bill	Difference
Oct-15	119,736,570	\$ (29,937)	0.22%	\$ 21,941	\$ (51,878)
Nov-15	119,608,425	(101,100)	0.43%	42,860	(143,960)
Dec-15	119,510,352	(66,316)	0.48%	47,804	(114,120)
Jan-16	110,297,251	497,120	0.42%	38,604	458,516
Feb-16	140,898,930	145,073	0.49%	57,534	87,539
Mar-16	132,013,681	214,476	0.39%	42,904	171,572
Apr-16	128,313,540	80,419	0.40%	42,771	37,648
May-16	127,184,351	(425)	0.48%	50,874	(51,299)
Jun-16	133,598,997	438,159	0.35%	38,966	399,193
Jul-16					-
Aug-16					-
Sep-16					-
Total		\$1,177,469		\$ 384,259	\$ 793,210

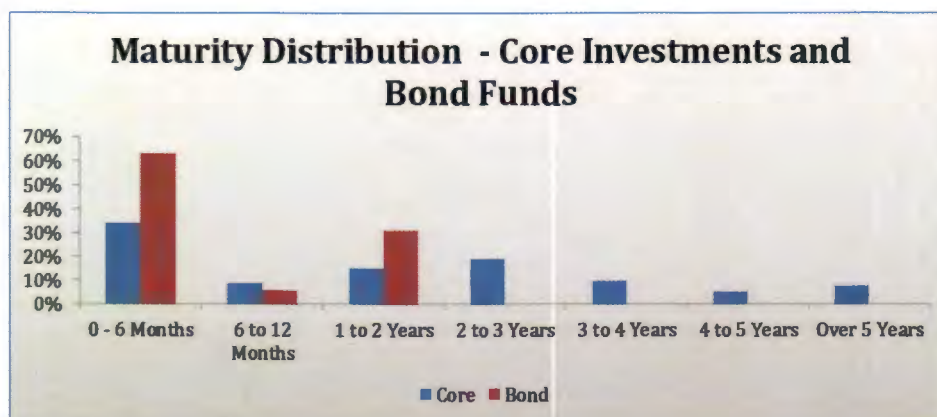
Portfolio Composition by Source of Funds

Investment	General Operating	Capital	Internal Service	Recreation	OPEB	Other Funds	Total
Non-Bond Funds							
PFM Fixed Income:							
1-5 Year	1,655,130	8,898,185	6,481,731	114,701	1,341,977	-	18,491,724
PFM Fixed Income:							
< One Year	13,988,537	-	-	-	-	-	13,988,537
Money Market	3,400,003	389,644	33,717	30,781	312,733	37,408	4,204,286
Certificates of Deposit	22,872,411	-	-	-	-	-	22,872,411
FMIvT Fixed Income:							
1-3 Year	3,505,550	2,191,230	15,249,484	4,098,465	-	-	25,044,729
FMIvT Fixed Income:							
Intermediate	1,634,437	1,021,645	7,109,960	1,910,879	-	-	11,676,921
Sub Total Non Bond Funds	47,056,068	12,500,704	28,874,892	6,154,826	1,654,710	37,408	96,278,608
Bond Funds							
PFM Fixed Income	-	23,276,411	-	-	-	-	23,276,411
Certificates of Deposit	-	9,054,887	-	-	-	-	9,054,887
Money Market	-	4,989,091	-	-	-	-	4,989,091
Sub Total Bond Funds	-	37,320,389	-	-	-	-	37,320,389
Total	47,056,068	49,821,093	28,874,892	6,154,826	1,654,710	37,408	133,598,997



Portfolio Distribution by Maturity

	PFM Investments	Money Market Accts.	FMIvT 1-3 Year	FMIvT Intermediate	Certificates of Deposit	Total
Core Investments						
0 - 6 Months	\$14,441,583	\$4,204,286	\$0	\$572,325	\$15,079,339	\$34,297,533
6 to 12 Months	2,324,409	-	1,712,260	480,739	-	8,671,884
1 to 2 Years	4,321,516	-	10,010,117	1,100,402	-	15,432,035
2 to 3 Years	2,866,217	-	5,599,329	2,939,820	7,793,072	19,198,438
3 to 4 Years	5,858,178	-	3,711,795	440,643	-	10,010,616
4 to 5 Years	2,668,356	-	1,667,675	888,183	-	5,224,213
Over 5 Years	-	-	2,343,554	5,254,810	-	7,598,364
Total Core Investments	\$32,480,261	\$4,204,286	\$25,044,729	\$11,676,921	\$22,872,411	\$96,278,608
Bond Funds						
0 - 6 Months	\$12,506,416	\$4,989,091	\$0	\$0	\$6,041,972	\$23,537,479
6 to 12 Months	2,160,051	-	-	-	-	2,160,051
1 to 2 Years	8,609,944	-	-	-	3,012,915	11,622,859
2 to 3 Years	-	-	-	-	-	-
3 to 4 Years	-	-	-	-	-	-
4 to 5 Years	-	-	-	-	-	-
Over 5 Years	-	-	-	-	-	-
Total Bond Funds	\$23,276,411	\$4,989,091	\$0	\$0	\$9,054,887	\$37,320,389



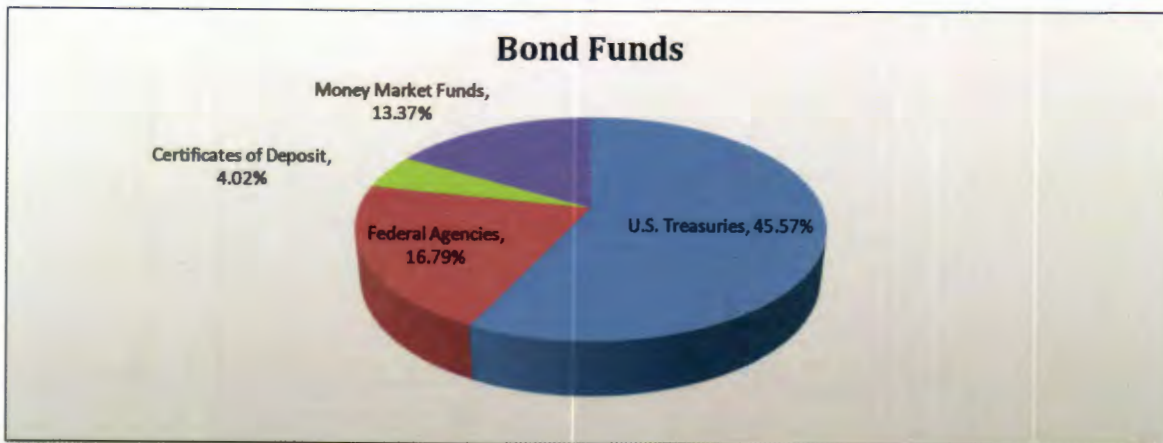
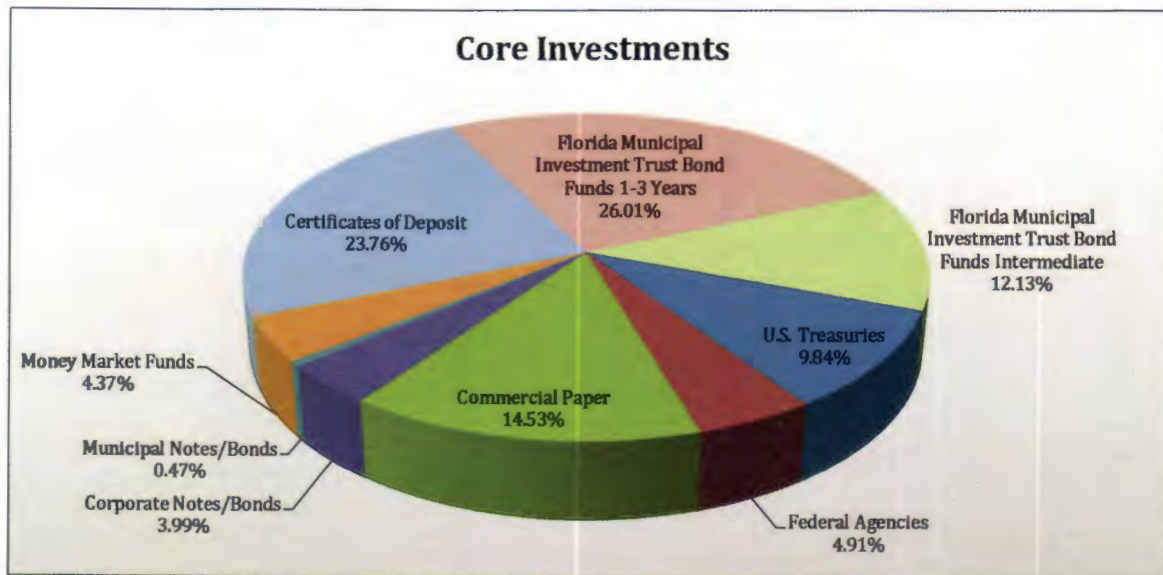
Core Investments - Weighted Average Duration Calculation				
Investment	Market Value	% of Portfolio	Duration (Yrs)	Weighted Avg. Duration (Yrs)
PFM Fixed Income 1-5 Year	\$ 18,491,725	19.21%	2.61	0.50
PFM Fixed Income < 1 Year	\$ 13,988,537	14.53%	0.16	0.02
PFM Prime/TD Money Market	\$ 4,204,286	4.37%	0.13	0.01
Bank United Certificate of Deposit	\$ 15,079,339	15.66%	0.17	0.03
TD Bank Certificates of Deposit	\$ 7,793,071	8.09%	3.00	0.24
FMIvT 1-3	\$ 25,044,729	26.01%	1.34	0.35
FMIvT Intermediate	\$ 11,676,921	12.13%	3.11	0.38
Total	\$ 96,278,608	100.00%		1.52

Portfolio Composition by Security Type

Security Type	Value	Distribution
Core Investments		
U.S. Treasuries	\$ 9,474,552	9.84%
Federal Agencies	4,724,943	4.91%
Commercial Paper	13,988,538	14.53%
Corporate Notes/Bonds	3,839,022	3.99%
Municipal Notes/Bonds	453,207	0.47%
Money Market Funds	4,204,286	4.37%
Certificates of Deposit	22,872,410	23.76%
Florida Municipal Investment Trust Bond Funds 1-3 Years	25,044,729	26.01%

Florida Municipal Investment Trust Bond Funds Intermediate	11,676,921	12.13%
Total Core Investments	\$ 96,278,608	100.00%

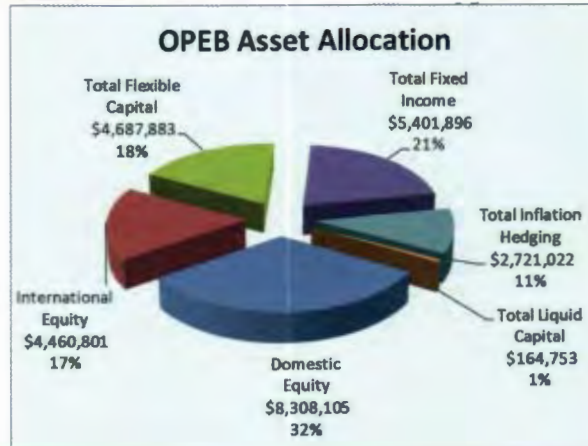
Security Type	Value	Distribution
Bond Funds		
U.S. Treasuries	\$ 17,010,131	45.57%
Federal Agencies	6,266,280	16.79%
Commercial Paper	-	0.00%
Certificates of Deposit	9,054,887	24.26%
Money Market Funds	4,989,091	13.37%
Total Bond Funds	\$ 37,320,389	100.00%



Health Insurance Trust (OPEB) Performance as of June 30, 2016

Market Value - \$25,744,460

	1 mo	3 mo	Fiscal YTD	Calendar YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Return Since July 2007
Total Fund	-0.3	1.9	3.5	1.9	-4.0	-2.7	3.5	4.0	2.3
Target Index	0.4	2.4	5.0	3.1	-2.0	-1.7	3.8	3.9	2.7





FMIVT 1-3 Year High Quality Bond Fund
Holdings as of 6/30/16

from Investment Manager

Asset ID	Units	Asset Description	Interest		Maturity	Market			Unrealized			% of Total				from Investment Manager				Moody's RATING	S&P RATING
			Rate	Date	Cost	Price	Value	Gain/Loss	Market	YTM	DUR	WAL	Market	Gain/Loss	%	YTM	DUR	WAL			
02006TAB2	6,257,827.82	ALL YA 2014-1 A3 0.	0.970	10/15/2018	6,257,675.13	99.99	6,256,908.55	(766.58)	1.52%	0.99	0.51	0.52	1.52%	(766.58)	0.99	0.51	0.52			Aaa	AAA
02007CAD4	11,670,000.00	ALL YA 2016-1 A3 1.	1.470	04/15/2020	11,668,668.45	100.68	11,749,790.12	81,121.67	2.86%	1.09	1.68	1.71	2.86%	81,121.67	1.09	1.68	1.71			Aaa	N.R.
05581RAB	800,000.00	BMWLT 2016-1 A2A 1	1.170	01/22/2018	799,921.68	100.09	800,750.88	829.20	0.20%	1.03	0.70	0.70	0.20%	829.20	1.03	0.70	0.70			Aaa	N.R.
05581RAD	12,000,000.00	BMWLT 2016-1 A3 1.	1.340	01/22/2019	11,998,590.00	99.99	11,998,333.20	(256.80)	2.92%	1.34	1.48	1.50	2.92%	(256.80)	1.34	1.48	1.50			Aaa	N.R.
12591FAC0	67,872.69	CNH 13-A A3 0.69 6	0.690	06/15/2018	67,872.68	99.99	67,862.63	(10.05)	0.02%	1.37	0.06	0.06	0.02%	(10.05)	1.37	0.06	0.06			NR	AAA
12594BAB	3,600,000.00	CNH 16-A A2A 1.22	1.220	07/15/2019	3,599,752.32	100.12	3,604,480.20	4,727.88	0.88%	1.06	0.85	0.86	0.88%	4,727.88	1.06	0.85	0.86			Aaa	N.R.
12625HAD4	8,000,000.00	CNH 13-B-A4 0.99 1	0.990	11/15/2018	7,997,588.80	99.92	7,993,992.80	(3,596.00)	1.95%	1.08	0.78	0.79	1.95%	(3,596.00)	1.08	0.78	0.79			Aaa	N.R.
14313LAD8	3,476,164.16	CARMX 13-1 A4 0.89	0.890	08/17/2018	3,467,066.38	99.90	3,472,768.64	5,702.26	0.85%	1.11	0.44	0.44	0.85%	5,702.26	1.11	0.44	0.44			Aaa	N.R.
14313MAC8	683,661.07	CARMX 13-2 A3 0.64	0.640	01/16/2018	683,625.52	99.95	683,327.58	(297.94)	0.17%	1.17	0.13	0.13	0.17%	(297.94)	1.17	0.13	0.13			NR	AAA
14313UAC0	5,435,000.00	CARMX 14-4 A3 1.25	1.250	11/15/2019	5,434,495.63	100.18	5,444,748.22	10,252.59	1.33%	1.04	0.89	0.92	1.33%	10,252.59	1.04	0.89	0.92			NR	AAA
14313VAB0	4,877,966.89	CARMX 15-3 A2A 1.1	1.100	11/15/2018	4,877,476.65	100.01	4,878,319.08	842.43	1.19%	1.08	0.48	0.49	1.19%	842.43	1.08	0.48	0.49			Aaa	N.R.
14313WAC6	6,175,000.00	CARMX 15-1 A3 1.38	1.380	11/15/2019	6,173,490.83	100.40	6,199,420.89	25,930.06	1.51%	1.02	1.12	1.15	1.51%	25,930.06	1.02	1.12	1.15			NR	AAA
14313XAB6	7,122,979.29	CARMX 15-4 A2A 1.0	1.090	04/15/2019	7,122,383.81	100.09	7,129,345.81	6,962.00	1.74%	0.92	0.56	0.57	1.74%	6,962.00	0.92	0.56	0.57			Aaa	AAA
14313YAB	10,500,000.00	CARMX 16-1 A2A 1.3	1.300	04/15/2019	10,499,465.55	100.26	10,527,318.90	27,853.35	2.56%	0.95	0.76	0.77	2.56%	27,853.35	0.95	0.76	0.77			Aaa	AAA
17305EDY8	9,620,000.00	CITIBANK CR CD 07-	5.650	09/20/2019	10,231,794.53	105.72	10,170,127.40	(61,667.13)	2.48%	0.90	1.16	1.21	2.48%	(61,667.13)	0.90	1.16	1.21			Aaa	AAA
31283KU89	543,672.40	FHLMC GOLD #G11507	4.500	01/01/2019	582,239.16	102.46	557,057.61	(25,181.55)	0.14%	1.55	0.94	0.96	0.14%	(25,181.55)	1.55	0.94	0.96			Aaa	AAA
3128MBU21	798,261.43	FHLMC GOLD #G13101	4.500	11/01/2019	856,135.38	102.49	818,162.09	(37,973.29)	0.20%	2.14	1.09	1.13	0.20%	(37,973.29)	2.14	1.09	1.13			Aaa	AAA
3130A8DB6	10,400,000.00	FHLM 1.125 6/21/19	1.125	06/21/2019	10,498,191.75	100.93	10,496,512.00	(1,679.75)	2.56%	0.81	2.92	2.98	2.56%	(1,679.75)	0.81	2.92	2.98			Aaa	AAA
3135G0J53	9,250,000.00	FNMA 1.0 2/26/19	1.000	02/26/2019	9,309,440.50	100.49	9,295,510.00	(13,930.50)	2.26%	0.86	2.61	2.66	2.26%	(13,930.50)	0.86	2.61	2.66			Aaa	AAA
3136A1AA	612,299.10	FNMA 2011-M6 A1 1.	1.951	06/25/2021	621,172.65	100.14	613,134.77	(8,037.88)	0.15%	0.86	0.25	0.25	0.15%	(8,037.88)	0.86	0.25	0.25			Aaa	AAA
3136A2Z73	2,348,431.83	FNMA 2011-122 EC 1	1.500	01/25/2020	2,380,615.30	100.46	2,359,158.29	(21,457.01)	0.57%	0.97	1.04	1.05	0.57%	(21,457.01)	0.97	1.04	1.05			Aaa	AAA
3136A3UG4	3,018,624.86	FNMA REMIC TRUST 2	1.750	12/25/2021	3,072,555.17	101.21	3,055,262.21	(17,292.96)	0.74%	1.13	1.58	1.61	0.74%	(17,292.96)	1.13	1.58	1.61			Aaa	AAA
3136A9YB8	4,576,967.72	FNMA 2012-123 WM 2	2.500	02/25/2022	4,714,634.35	101.87	4,662,479.67	(52,154.68)	1.14%	1.04	1.30	1.32	1.14%	(52,154.68)	1.04	1.30	1.32			Aaa	AAA
3136ACQT1	3,197,282.05	FNMA 2013-21 BA 1.	1.000	03/25/2023	3,181,795.21	99.95	3,195,608.91	13,813.70	0.78%	2.25	2.16	2.21	0.78%	13,813.70	2.25	2.16	2.21			Aaa	AAA
3136APDS8	1,588,834.23	FNMA 2015-55 JA 2.	2.000	07/25/2025	1,608,942.91	101.70	1,615,890.17	6,947.26	0.39%	1.17	1.94	1.99	0.39%	6,947.26	1.17	1.94	1.99			Aaa	AAA
3137A1W74	312,312.32	FHLMC 3728 CA 1.5	1.500	10/15/2018	315,947.83	100.47	313,778.25	(2,169.58)	0.08%	0.92	0.91	0.92	0.08%	(2,169.58)	0.92	0.91	0.92			Aaa	AAA
3137A2MV0	570,332.70	FHLMC 3756 DA 1.2	1.200	11/15/2018	574,565.64	100.18	571,360.38	(3,205.26)	0.14%	0.96	0.96	0.97	0.14%	(3,205.26)	0.96	0.96	0.97			Aaa	AAA
3137A4Y68	617,352.57	FHLMC 3799 GK 2.75	2.750	01/15/2021	640,406.83	102.69	633,985.59	(6,427.66)	0.15%	1.11	1.68	1.72	0.15%	(6,427.66)	1.11	1.68	1.72			Aaa	AAA
3137A6AZ5	3,226,823.88	FHMS K010 A1 3.32	3.320	07/25/2020	3,324,763.02	102.67	3,313,085.59	(11,677.43)	0.81%	0.95	1.21	1.23	0.81%	(11,677.43)	0.95	1.21	1.23			Aaa	AAA
3137A6SW3	90,337.23	FHLMC 3812 BA 2.0	2.000	09/15/2018	92,186.32	100.82	91,073.50	(1,112.82)	0.02%	1.04	0.92	0.93	0.02%	(1,112.82)	1.04	0.92	0.93			Aaa	AAA
3137A7LJ7	162,486.39	FHR 3826 ME MTGE	2.250	07/15/2018	166,243.89	100.94	164,012.62	(2,231.27)	0.04%	1.05	0.86	0.87	0.04%	(2,231.27)	1.05	0.86	0.87			Aaa	AAA
3137A8NB0	438,566.85	FHLMC 3830 DA 2.5	2.500	12/15/2018	453,505.53	101.19	443,797.90	(9,707.63)	0.11%	1.05	0.89	0.90	0.11%	(9,707.63)	1.05	0.89	0.90			Aaa	AAA
3137A9PK6	355,332.67	FHLMC 3842 CJ 2.0	2.000	09/15/2018	359,663.28	100.83	358,297.07	(1,366.21)	0.09%	1.00	0.92	0.93	0.09%	(1,366.21)	1.00	0.92	0.93			Aaa	AAA
3137A9YB6	602,292.48	FHLMC 3838 AE 2.5	2.500	11/15/2018	618,855.52	101.27	609,936.96	(8,918.56)	0.15%	1.05	0.94	0.95	0.15%	(8,918.56)	1.05	0.94	0.95			Aaa	AAA
3137AAR54	824,281.68	FED HOME LN MTG CO	2.500	10/15/2018	842,699.22	101.19	834,093.35	(8,605.87)	0.20%	1.04	0.88	0.89	0.20%	(8,605.87)	1.04	0.88	0.89			Aaa	AAA
3137AAYD9	140,230.99	FED HOME LN MTG CO	2.000	08/15/2018	141,589.48	100.78	141,322.24	(267.24)	0.03%	1.05	0.90	0.91	0.03%	(267.24)	1.05	0.90	0.91			Aaa	AAA
3137ACJU4	319,634.60	FHLMC 3872 ND 2.0	2.000	12/15/2021	326,127.18	101.46	324,295.99	(1,831.19)	0.08%	1.08	1.64	1.68	0.08%	(1,831.19)	1.08	1.64	1.68			Aaa	AAA

FMLiVT 1-3 Year High Quality Bond Fund
Holdings as of 6/30/16

from Investment Manager

Asset ID	Units	Asset Description	Interest Maturity		Cost	Price	Market		Unrealized % of Total		YTM	DUR	WAL	Moody's RATING	S&P RATING
			Rate	Date			Value	Gain/Loss	Market	Gain/Loss					
02006TAB2	6,257,827.82	ALLYA 2014-1 A3 0.	0.970	10/15/2018	6,257,675.13	99.99	6,256,908.55	(766.58)	1.52%		0.99	0.51	0.52	Aaa	AAA
3137ACK99	3,870,320.72	FHLMC 3876 CA 2.75	2.750	06/15/2026	3,996,408.53	101.53	3,929,398.84	(67,009.69)	0.96%		1.04	0.95	0.97	Aaa	AA+
3137ACKA	1,853,904.13	FHLMC 3876 CB 2.75	2.750	06/15/2026	1,886,057.78	101.57	1,883,098.49	(2,959.29)	0.46%		0.98	0.95	0.96	Aaa	AA+
3137ACUK3	184,356.54	FHLMC 3895 CD 2.0	2.000	10/15/2018	187,582.78	100.96	186,130.66	(1,452.12)	0.05%		0.87	0.91	0.92	Aaa	AA+
3137AJAV6	456,498.72	FHLMC 3955 YA 1.75	1.750	03/15/2021	463,114.38	100.95	460,833.45	(2,280.93)	0.11%		0.97	1.11	1.12	Aaa	AA+
3137AQVV7	936,368.43	FHMS K709 A1 1.56	1.560	10/25/2018	940,318.73	100.58	941,778.58	1,459.85	0.23%		0.98	1.18	1.20	Aaa	AA+
3137B03W2	11,577,295.05	FHMS K502 A2 1.426	1.426	08/25/2017	11,808,620.98	100.32	11,813,770.48	(194,850.50)	2.83%		0.87	0.73	0.74	Aaa	AAA
3137B9BG9	3,395,115.78	Freddie Mac 3/15/2	1.750	03/15/2022	3,451,745.26	101.07	3,431,526.70	(20,218.56)	0.84%		1.05	1.62	1.65	Aaa	AA+
3137BERG1	2,566,327.92	FHLMC 4399 CB 2.5	2.500	09/15/2024	2,609,233.72	101.06	2,593,515.08	(15,718.64)	0.63%		0.96	0.76	0.76	Aaa	AA+
3137GA2H9	424,202.98	FHLMC 3730 GE 2.5	2.500	08/15/2020	437,857.01	101.90	432,265.42	(5,591.59)	0.11%		1.25	1.58	1.61	Aaa	AA+
3138EMBX8	354,690.10	FED NATL MTG ASSN	6.000	01/01/2019	378,631.68	101.98	361,695.23	(16,936.45)	0.09%		1.05	0.59	0.60	Aaa	AA+
31392UMQ4	75,136.64	FHLMC 2503 BH 5.5	5.500	09/15/2017	80,862.87	101.96	76,606.73	(4,256.14)	0.02%		1.24	0.51	0.52	Aaa	AA+
31393AC88	201,368.23	FNMA 2003-24 BC 5.	5.000	04/25/2018	216,596.70	102.59	206,591.48	(10,005.22)	0.05%		1.18	0.77	0.78	Aaa	AA+
31393DFW6	13,909.44	FNMA 2003-65 NA 3.	3.500	09/25/2031	14,462.56	100.12	13,925.58	(536.98)	0.00%		0.86	0.14	0.14	Aaa	AA+
31393NK24	107,582.48	FHLMC REMIC SERIES	5.000	03/15/2018	115,651.17	102.61	110,388.06	(5,263.11)	0.03%		1.20	0.73	0.75	Aaa	AA+
31393RLW8	193,614.05	FHLMC 2633 PE 4.5	4.500	06/15/2018	206,198.96	102.69	198,821.03	(7,377.93)	0.05%		1.09	0.84	0.85	Aaa	AA+
31393RVZ0	136,494.12	FHLMC 2631 LC 4.5	4.500	06/15/2018	145,195.62	102.69	140,159.63	(5,035.99)	0.03%		1.09	0.83	0.85	Aaa	AA+
31393UGR8	50,273.41	FNMA 2003-120	4.000	12/25/2018	53,175.42	102.38	51,472.23	(1,703.19)	0.01%		1.18	0.93	0.94	Aaa	AA+
31394WAF5	248,594.15	FHLMC 2786 BC 4.0	4.000	04/15/2019	266,228.80	103.01	256,081.78	(10,147.02)	0.06%		1.25	1.14	1.17	Aaa	AA+
31396QKJ7	305,821.40	FNMA 2009-52 AJ 4.	4.000	07/25/2024	325,269.73	103.35	316,064.43	(9,205.30)	0.08%		1.24	1.30	1.33	Aaa	AA+
31396QZS1	540,951.63	FNMA 2009-70 CL 3.	3.000	08/25/2019	558,152.20	101.61	549,642.88	(8,509.32)	0.13%		0.96	0.89	0.89	Aaa	AA+
31397A558	547,721.27	FHLMC 3209 EG 4.5	4.500	08/15/2020	566,147.34	103.04	564,380.32	(21,767.02)	0.14%		2.14	1.36	1.42	Aaa	AA+
31397FV90	28,108.90	FHLMC REMIC SERIES	4.500	03/15/2022	30,568.43	102.46	28,801.26	(1,767.17)	0.01%		2.14	1.11	1.14	Aaa	AA+
31397NFA8	835,655.16	FNMA 2009-17 AN 4.	4.500	03/25/2024	886,969.61	103.31	863,334.98	(23,634.63)	0.21%		1.21	1.09	1.11	Aaa	AA+
31397SAV0	1,071,310.14	FNMA 2011-16 GE 2.	2.750	06/25/2020	1,096,227.14	101.51	1,087,518.96	(8,708.18)	0.26%		1.11	1.03	1.04	Aaa	AA+
31397UDX4	814,534.78	FNMA 2011-47 MA 2.	2.500	01/25/2022	837,095.25	101.94	830,340.75	(6,754.50)	0.20%		1.00	1.39	1.41	Aaa	AA+
31398F3U3	3,916,129.90	FNMA 2009-88 DC 3.	3.250	10/25/2020	4,047,687.38	102.43	4,011,384.28	(36,303.10)	0.98%		0.97	1.16	1.18	Aaa	AA+
31398JVJ2	990,913.11	FHLMC 3578 B 4.5 9	4.500	09/15/2024	1,037,671.82	102.55	1,016,228.66	(21,443.16)	0.25%		1.07	0.79	0.81	Aaa	AA+
31398M5L6	472,084.27	FNMA 2010-32 CL 3.	3.750	08/25/2018	495,725.37	102.28	482,846.71	(12,878.66)	0.12%		1.03	0.93	0.94	Aaa	AA+
31398RXB6	3,873,642.33	FNMA 2010-58 PT 2.	2.250	06/25/2025	3,969,272.87	102.09	3,954,630.12	(14,642.75)	0.96%		1.12	1.69	1.72	Aaa	AA+
31398S350	621,488.15	FNMA 2010-153 AC 2	2.000	11/25/2018	629,062.53	100.95	627,404.84	(1,657.69)	0.15%		0.91	0.96	0.98	Aaa	AA+
31403DSV2	276,788.87	FNMA #745832 6.0 4	6.000	04/01/2021	302,391.84	104.88	290,307.24	(12,084.60)	0.07%		1.81	1.20	1.24	Aaa	AA+
31417BQZ3	1,331,365.38	FNMA #A(AB4971	2.500	04/01/2022	1,356,744.53	103.72	1,380,825.60	24,081.07	0.34%		1.07	2.11	2.17	Aaa	AA+
34531PAB7	5,900,000.00	FORDO 2016-A A2A 1	1.120	12/15/2018	5,899,671.37	100.14	5,908,311.33	8,639.96	1.44%		0.88	0.60	0.61	NR	AAA
36159JBZ3	6,195,000.00	GEMNT 10-2 A 4.47	4.470	03/15/2020	7,024,549.22	102.19	6,330,425.18	(694,124.04)	1.54%		1.26	0.68	0.69	Aaa	AAA
38374D2K4	38,177.06	GOVT NATL MTG ASSN	4.250	10/16/2022	39,620.63	100.50	38,369.50	(1,251.13)	0.01%		1.66	0.27	0.27	Aaa	AA+
38374F6W9	115,830.21	GNMA 2004-30 UC 5.	5.500	02/20/2036	128,100.97	105.29	121,961.15	(6,139.82)	0.03%		0.98	1.19	1.22	Aaa	AA+
38374MY66	304,900.58	GNMA 2006-17 KY 5.	5.000	04/20/2034	317,477.73	103.17	314,571.33	(2,906.40)	0.08%		1.53	0.98	1.00	Aaa	AA+
38377JT29	1,866,414.92	GNMA 2010-117 JA 2	2.500	03/20/2040	1,928,060.45	102.15	1,906,537.61	(21,522.84)	0.46%		1.18	1.71	1.75	Aaa	AA+
43814HAC2	7,339,794.13	HAROT 2014-3 A3 0.	0.880	06/15/2018	7,336,924.51	99.98	7,338,092.77	1,168.26	1.75%		0.92	0.49	0.50	NR	AAA
43814QAC2	5,250,000.00	HAROT 2016-2 A3 1.	1.390	04/15/2020	5,249,898.15	100.73	5,288,350.20	38,452.05	1.29%		1.08	2.05	2.01	Aaa	N.R.
44890RAC5	1,852,061.16	HART 2014-A A3 0.7	0.790	07/16/2018	1,851,730.01	99.96	1,851,251.99	(478.02)	0.45%		0.91	0.36	0.36	Aaa	AAA

FMLVT 1-3 Year High Quality Bond Fund
Holdings as of 6/30/16

from Investment Manager

Asset ID	Units	Asset Description	Interest Maturity		Cost	Price	Market		Unrealized		% of Total		YTM	DUR	WAL	Moody's RATING	S&P RATING
			Rate	Date			Value	Gain/Loss	Market	Gain/Loss	Market	Market					
02006TAB2	6,257,827.82	ALL YA 2014-1 A3 0.	0.970	10/15/2018	6,257,675.13	99.99	6,256,908.55	(766.58)	1.52%		1.52%		0.99	0.51	0.52	Aaa	AAA
44890UAC8	1,097,881.24	HART 2014-B A3 0.9	0.900	12/17/2018	1,097,847.86	99.98	1,097,648.71	(199.15)	0.27%		0.27%		0.94	0.51	0.51	NR	AAA
587729AD6	750,000.00	MBART 2014-1 A4 1.	1.310	11/16/2020	751,611.33	100.36	752,664.98	1,053.65	0.18%		0.18%		1.05	1.40	1.42	Aaa	N.R.
58772PAD0	10,750,000.00	MBART 2015-1 A3 1.	1.340	12/16/2019	10,748,691.73	100.50	10,803,971.45	55,279.72	2.63%		2.63%		0.99	1.48	1.50	NR	AAA
65477MAC2	3,688,136.95	NAROT 13-C A3 0.67	0.670	08/15/2018	3,694,483.78	99.89	3,683,928.05	(555.73)	0.90%		0.90%		0.97	0.38	0.38	Aaa	N.R.
65477UAC4	9,000,000.00	NAROT 15-A A3 1.06	1.050	10/15/2019	8,998,108.20	100.11	9,009,466.20	11,358.00	2.19%		2.19%		0.94	1.06	1.07	Aaa	N.R.
65478AAB9	6,071,616.68	NAROT 15-C A2A 0.8	0.870	11/15/2018	6,071,153.42	99.98	6,070,596.04	(557.38)	1.48%		1.48%		0.89	0.57	0.57	Aaa	N.R.
65478UAD	1,865,000.00	NAROT 16-A A3 1.34	1.340	10/15/2020	1,864,576.27	100.51	1,874,524.37	9,948.10	0.46%		0.46%		1.06	2.10	2.15	Aaa	N.R.
912828G79	12,000,000.00	US TREASURY 1.0 12	1.000	12/15/2017	11,987,383.92	100.62	12,074,040.00	86,656.08	2.94%		2.94%		0.57	1.45	1.46	Aaa	AA+
912828J68	24,000,000.00	US TREASURY 1.0 3/	1.000	03/15/2018	24,127,580.40	100.69	24,165,120.00	37,539.60	5.89%		5.89%		0.60	1.69	1.71	Aaa	AA+
912828L40	24,000,000.00	US TREASURY 1.0 9/	1.000	09/15/2018	24,123,830.40	100.81	24,195,120.00	71,289.60	5.89%		5.89%		0.63	2.18	2.21	Aaa	AA+
912828M72	30,000,000.00	US TREASURY 0.875	0.875	11/30/2017	29,936,819.30	100.41	30,124,200.00	187,380.70	7.34%		7.34%		0.58	1.41	1.42	Aaa	AA+
912828TS9	10,000,000.00	US TREASURY 0.625	0.625	09/30/2017	9,994,408.50	100.09	10,009,400.00	24,991.50	2.44%		2.44%		0.55	1.24	1.25	Aaa	AA+
912828UA6	13,000,000.00	US TREASURY 0.625	0.625	11/30/2017	12,917,777.99	100.08	13,010,660.00	92,882.01	3.17%		3.17%		0.57	1.41	1.42	Aaa	AA+
912828UR9	12,500,000.00	US TREASURY 0.75 2	0.750	02/28/2018	12,428,752.81	100.27	12,534,125.00	105,372.19	3.05%		3.05%		0.59	1.65	1.67	Aaa	AA+
912828UZ1	8,000,000.00	US TREASURY 0.625	0.625	04/30/2018	7,960,964.32	100.07	8,005,280.00	44,315.68	1.95%		1.95%		0.59	1.82	1.83	Aaa	AA+
912828VE7	23,250,000.00	US TREASURY 1.0 5/	1.000	05/31/2018	23,158,075.98	100.77	23,429,722.50	271,646.52	5.71%		5.71%		0.59	1.90	1.92	Aaa	AA+
98160KAD7	10,490,000.00	WORLD OMNI AUTO 13	0.870	07/15/2019	10,463,775.00	99.90	10,479,878.20	16,103.20	2.55%		2.55%		1.04	0.54	0.55	NR	AAA
	405,878,211.01				409,060,947.32		408,755,290.68	(305,656.64)	99.57%		99.57%		0.86	1.36	1.38		
VP4560000	1,745,973.63	WF ADV GOVT MM FD-INSTL	0.00010		1,745,973.63	1.00	1,745,973.63	0.00	0.43%		0.43%		0.01	-	-	Aaa-mf	AAAm
	407,624,184.64				410,806,920.95		410,501,264.31	(305,656.64)	100.00%		100.00%		0.85	1.34	1.36		

Portfolio NAV 415,714,045.11
Shares 22,720,119.0100
NAV per Shares 18.297177



FMIvT Intermediate High Quality Bond Fund
Holdings as of 6/30/16

from Investment Manager

Asset ID	Units	Asset Description	Interest		Maturity	Market		Unrealized		% of Total	YTM	DUR	WAL	Moody's RATING	S&P RATING
			Rate	Date		Cost	Price	Value	Gain/Loss						
02005ACS5	1,100,000.00	AMOT 2012-4 A 1.72	1.720	07/15/2019	1,112,832.82	100.60	1,106,626.51	(6,006.31)	0.34%	1.33	1.04	1.06	NR	AAA	
02005ACW6	2,640,000.00	AMOT 2012-5 A 1.54	1.540	09/15/2019	2,665,368.77	100.31	2,648,291.18	(17,077.59)	0.82%	1.27	1.17	1.19	NR	AAA	
02006JAC2	693,329.70	ALLYA 2013-1 A4 0.	0.840	02/15/2018	693,167.21	99.96	693,085.72	(81.49)	0.22%	1.02	0.20	0.20	NR	AAA	
02006MAC5	365,746.08	ALLYA 2013-2 A3 0.	0.790	01/15/2018	365,960.39	99.98	365,669.27	(291.12)	0.11%	0.93	0.15	0.15	Aaa	N.R.	
02006TAB2	1,179,238.92	ALLYA 2014-1 A3 0.	0.970	10/15/2018	1,178,686.15	99.99	1,179,065.69	379.54	0.37%	0.99	0.51	0.52	Aaa	AAA	
02006UAE3	2,925,000.00	ALLYL 2014-SN2 A4	1.210	02/20/2019	2,925,342.81	100.03	2,925,873.40	530.59	0.91%	1.15	0.56	0.56	NR	AAA	
02006YAB1	2,162,905.98	ALLYA 2015-1 A2 0.	0.920	02/15/2018	2,162,878.73	100.05	2,163,924.28	1,045.55	0.67%	0.89	0.28	0.28	Aaa	AAA	
03064VAC2	1,762,185.44	AMER CRD 14-2 A3 0	0.940	02/08/2019	1,758,812.51	99.97	1,761,689.03	2,876.52	0.55%	1.01	0.35	0.35	Aaa	N.R.	
03064XAE4	3,096,466.20	AMER CRD 2012-5 C	1.690	11/08/2018	3,107,110.30	100.05	3,097,864.25	(9,246.05)	0.96%	1.49	0.24	0.24	NR	AAA	
03065JAD6	2,260,000.00	AMER CRD 14-4 A3 1	1.270	07/08/2019	2,260,706.25	100.03	2,260,679.13	(27.12)	0.70%	1.21	0.62	0.63	NR	AAA	
084670BR8	3,875,000.00	BERKSHIRE 2.75 3/1	2.750	03/15/2023	3,967,961.25	100.32	4,003,766.25	35,805.00	1.24%	2.21	6.07	6.71	Aa2	AA	
12594DAB4	1,500,000.00	CNH 16-B A2A 1.31	1.310	10/15/2019	1,499,992.80	100.21	1,503,132.00	3,139.20	0.47%	1.11	1.12	1.13	Aaa	N.R.	
12625HAC6	232,100.96	CNH 13-B-A3 0.69 8	0.690	08/15/2018	232,010.30	99.92	231,912.47	(97.83)	0.07%	1.08	0.21	0.21	Aaa	N.R.	
13056TAB8	1,879,215.85	CRART 2013-2 A2 1.	1.230	03/15/2019	1,880,684.00	100.01	1,879,329.54	(1,354.46)	0.58%	1.21	0.59	0.59	Aaa	N.R.	
143127AH1	1,683,744.52	CARMX 15-2 A2A 0.8	0.820	06/15/2018	1,683,566.04	99.97	1,683,201.18	(364.86)	0.52%	0.93	0.29	0.29	Aaa	N.R.	
14313JAD3	816,712.86	CARMX 12-2 A4 1.16	1.160	12/15/2017	818,818.45	100.00	816,717.76	(2,100.69)	0.25%	1.12	0.06	0.06	Aaa	N.R.	
14313KAD0	847,113.03	CARMX 12-3 A4 0.79	0.790	04/16/2018	846,965.80	99.94	846,641.19	(324.61)	0.26%	1.05	0.21	0.21	Aaa	AAA	
14313RAC7	1,086,710.94	CARMX 14-2 A3 0.98	0.980	01/15/2019	1,086,413.79	100.00	1,086,764.95	351.16	0.34%	0.96	0.57	0.57	Aaa	AAA	
14313UAB2	292,776.28	CARMX 14-4 A2A 0.6	0.670	02/15/2018	292,766.44	99.99	292,743.61	(22.83)	0.09%	0.99	0.07	0.07	NR	AAA	
14313VAB0	2,111,358.81	CARMX 15-3 A2A 1.1	1.100	11/15/2018	2,111,146.62	100.01	2,111,511.25	364.63	0.66%	1.08	0.48	0.49	Aaa	N.R.	
14313VAH7	4,186,314.85	CARMX 15-3 A2B FLT	0.892	11/15/2018	4,186,314.85	100.11	4,190,870.82	4,555.97	1.30%	0.66	0.10	0.49	Aaa	N.R.	
17305EFE0	7,235,000.00	CCCIT 2013-A6 A6 1	1.320	09/07/2018	7,271,457.60	100.09	7,241,717.70	(29,739.90)	2.25%	0.75	0.17	0.17	Aaa	AAA	
31283GFD4	72.72	FHLMC P(G)-0164	10.000	06/01/2021	79.25	101.28	73.65	(5.60)	0.00%	2.84	1.82	2.19	Aaa	AA+	
3128LXB25	288,663.48	FHLMC P(G)-1857	5.000	10/01/2033	285,641.53	111.93	323,095.26	37,453.73	0.10%	1.91	3.71	4.02	Aaa	AA+	
3128M9Z21	7,416,810.53	FHLMC P(G)-7661	3.000	08/01/2043	7,198,384.54	103.86	7,703,173.58	504,789.04	2.39%	2.30	5.38	6.11	Aaa	AA+	
3128M9Z21	676,880.41	FHLMC GOLD #G13790	4.500	04/01/2025	707,267.72	107.00	724,289.11	17,021.39	0.22%	1.68	2.49	2.63	Aaa	AA+	
3128MCXY6	152,500.53	FHLMC GOLD #G14095	4.500	08/01/2025	160,125.56	106.32	162,143.14	2,017.58	0.05%	1.55	2.19	2.29	Aaa	AA+	
3128MJT67	2,289,303.38	FHLMC G(G)-8572	3.500	02/01/2044	2,332,585.52	105.46	2,414,390.92	81,805.40	0.75%	2.30	3.97	4.35	Aaa	AA+	
3128MJUF5	1,674,601.38	FHLMC G(G)-8581	3.500	04/01/2044	1,718,821.32	105.46	1,766,101.60	47,280.28	0.55%	2.30	3.98	4.37	Aaa	AA+	
3128MJVH0	6,928,053.84	FHLMC G(G)-8615	3.500	11/01/2044	7,180,278.30	105.46	7,306,602.70	126,324.40	2.27%	2.30	4.07	4.47	Aaa	AA+	
31292GGB1	1,821.31	FHLMC P(C)-0034	10.000	03/01/2021	2,000.97	110.75	2,017.10	16.13	0.00%	2.84	1.87	2.09	Aaa	AA+	
31294MNG2	3,651,125.44	FHLMC GOLD #E03091	3.000	04/01/2027	3,815,996.57	105.35	3,846,314.61	30,318.04	1.19%	1.68	3.30	3.49	Aaa	AA+	
31294MNGH0	2,925,012.19	FHLMC GOLD #E03092	3.000	04/01/2027	3,063,493.24	105.34	3,081,266.34	17,773.10	0.96%	1.68	3.28	3.46	Aaa	AA+	
31294MPH8	4,646,048.97	FHLMC GOLD #E03124	3.000	04/01/2027	4,860,202.79	105.33	4,893,729.84	33,527.05	1.52%	1.68	3.20	3.36	Aaa	AA+	
31307BY95	1,565,642.85	FG #J23(J)-3436	2.500	04/01/2028	1,621,174.25	103.86	1,626,154.95	4,980.70	0.50%	1.57	3.66	3.88	Aaa	AA+	
3133EC3K8	250,000.00	FEDERAL FARM CR BK	1.430	11/20/2019	250,000.00	100.00	250,007.50	7.50	0.08%	1.43	3.29	3.39	Aaa	AA+	
3134G3NR7	250,000.00	FEDERAL HOME LN MT	1.300	02/21/2018	250,000.00	100.96	252,402.50	2,402.50	0.08%	0.71	1.62	1.64	Aaa	AA+	
31368HL35	1,155,208.62	FNMA #190346 5.5 1	5.500	12/01/2033	1,273,798.00	114.01	1,317,030.24	43,232.24	0.41%	2.04	3.70	4.00	Aaa	AA+	
3136A0FK8	230,000.00	FNMA 2011-M4 A2 3.	3.726	06/25/2021	242,039.06	110.01	253,018.06	10,979.00	0.08%	1.56	4.48	4.90	Aaa	AA+	
3136AH2E9	1,000,000.00	FNMA 2014-M1 A2 3.	3.411	07/25/2023	981,278.00	108.26	1,082,616.90	101,338.90	0.34%	1.97	6.20	6.96	Aaa	AA+	
3136AAQV80	625,000.00	FNMA 2016-M1 A2 2.	2.939	01/25/2026	628,092.19	106.47	665,436.81	37,344.62	0.21%	2.19	8.24	9.64	Aaa	AA+	
3136G0DU2	250,000.00	FEDERAL NATL MTG A	2.000	04/30/2020	250,000.00	103.17	257,925.00	7,925.00	0.08%	1.15	3.68	3.83	Aaa	AA+	
3136G16Y0	250,000.00	FEDERAL NATL MTG A	1.070	12/26/2018	250,000.00	100.75	251,880.00	1,880.00	0.08%	0.76	2.45	2.49	Aaa	AA+	

FMlVT Intermediate High Quality Bond Fund
Holdings as of 6/30/16

from Investment Manager

Asset ID	Units	Asset Description	Interest		Maturity	Market		Unrealized		% of Total	YTM	DUR	WAL	Moody's RATING	S&P RATING
			Rate	Date		Cost	Price	Value	Gain/Loss						
3136G1A2Z	250,000.00	FEDERAL NATL MTG A	1.000	01/30/2018		250,000.00	100.02	250,040.00	40.00	0.08%	0.99	1.56	1.58	Aaa	AA+
31371C6H7	2,010.82	FNMA PO(248472	6.500	12/01/2023		1,941.80	115.08	2,314.03	372.23	0.00%	2.07	2.36	2.43	Aaa	AA+
31371CVE6	5,694.45	FNMA PO(248213	7.500	07/01/2023		5,724.80	101.37	5,772.35	47.55	0.00%	2.84	2.15	2.52	Aaa	AA+
31371EU52	2,902.65	FNMA PO(250004	6.500	04/01/2024		2,802.76	115.08	3,340.34	537.58	0.00%	2.07	2.41	2.49	Aaa	AA+
31372CBQ0	3,500.15	FNMA PO(268347	6.500	01/01/2024		3,380.02	115.08	4,027.94	647.92	0.00%	2.07	2.37	2.44	Aaa	AA+
31372F3H2	2,948.42	FNMA PO(271800	6.500	02/01/2024		2,846.99	115.08	3,393.01	546.02	0.00%	2.07	2.39	2.46	Aaa	AA+
31372F6A4	5,258.56	FNMA PO(271865	6.500	02/01/2024		5,077.66	115.08	6,051.50	973.84	0.00%	2.07	2.39	2.46	Aaa	AA+
31372PY78	3,587.58	FNMA PO(278934	6.500	04/01/2024		3,464.11	115.08	4,128.55	664.44	0.00%	2.07	2.41	2.49	Aaa	AA+
3137A2B26	3,010,000.00	FHMS K009 A2 3.81	3.808	08/25/2020		3,252,916.42	109.01	3,281,058.33	28,141.91	1.02%	1.45	3.74	4.04	Aaa	AA+
3137A63Z3	2,134,097.67	FHLMC 3792 DF FLT	0.842	11/15/2040		2,143,017.54	99.98	2,133,736.37	(9,281.17)	0.66%	0.83	0.10	1.40	Aaa	AA+
3137B1BS0	10,000,000.00	FHMS K026 A2 5.1	2.510	11/25/2022		10,199,890.00	104.75	10,475,345.00	275,455.00	3.25%	1.69	5.79	6.29	Aaa	AA+
3137B1UG5	6,000,000.00	FHLMC REMIC SERIES	2.637	01/25/2023		6,119,976.00	105.55	6,332,872.20	212,896.20	1.96%	1.70	5.88	6.42	Aaa	AA+
3137BLMZ8	8,100,000.00	FHMS K049 A2 3.01	3.010	08/25/2025		8,342,781.30	107.59	8,714,588.31	371,807.01	2.70%	2.07	7.84	8.95	Aaa	AA+
3137EADB2	8,095,000.00	FHLMC 2.375 1/13/2	2.375	01/13/2022		8,129,447.03	105.92	8,573,819.25	444,372.22	2.66%	1.27	5.15	5.54	Aaa	AA+
31392JGM5	303,276.65	FED NATL MTG ASSN	3.500	03/25/2033		297,900.86	104.29	316,282.09	18,381.23	0.10%	1.72	2.49	2.62	Aaa	AA+
31393CTT0	35,804.90	FED NATL MTG ASSN	3.750	05/25/2033		35,804.90	101.67	36,404.17	599.27	0.01%	1.59	0.88	0.90	Aaa	AA+
31394AWY8	454,010.47	FNMA 2004-60 LB 5.	5.000	04/25/2034		489,763.80	107.74	489,166.95	(596.85)	0.15%	1.31	2.14	2.23	Aaa	AA+
31394EDP0	237,204.45	FNMA 2005-58 MA 5.	5.500	07/25/2035		260,924.89	112.76	267,460.66	6,535.77	0.08%	1.36	3.06	3.21	Aaa	AA+
31396CSM3	35,948.47	FHLMC REMIC SERIES	5.500	03/15/2035		38,240.18	103.81	37,319.00	(921.18)	0.01%	1.12	0.91	0.93	Aaa	AA+
31398FZ00	891,759.69	FNMA 2009-M1 A2 4.	4.287	07/25/2019		903,742.72	108.18	964,701.08	60,958.36	0.30%	1.10	2.58	2.72	Aaa	AA+
31398MBU5	464,238.47	FNMA 2010-M3 A3 4.	4.332	03/25/2020		471,619.14	109.07	506,361.33	34,742.19	0.16%	1.48	3.12	3.36	Aaa	AA+
31398MC46	1,585,442.43	FNMA 2010-M1 A2 4.	4.450	09/25/2019		1,628,794.37	109.35	1,733,608.37	104,814.00	0.54%	1.20	2.83	3.02	Aaa	AA+
31398QH66	2,250,000.00	FHMS K007 A2 4.224	4.224	03/25/2020		2,374,277.33	109.79	2,470,253.17	95,975.84	0.77%	1.36	3.34	3.60	Aaa	AA+
31398VA97	107,837.47	FHLMC 3649 EB 2.0	2.000	12/15/2018		109,522.43	100.61	108,493.15	(1,029.28)	0.03%	1.09	0.76	0.77	Aaa	AA+
31402DC73	231,429.61	FNMA #725594 5.5 7	5.500	07/01/2034		253,216.54	113.59	262,883.21	9,666.67	0.08%	2.04	3.75	4.07	Aaa	AA+
31402QS25	268,157.12	FNMA PO(735036	5.500	12/01/2034		260,112.41	113.58	304,567.49	44,455.08	0.09%	2.04	3.63	3.89	Aaa	AA+
31402QVA5	1,479,361.82	FNMA #735141 5.5 1	5.500	01/01/2035		1,617,066.19	113.58	1,680,288.74	63,222.55	0.52%	2.04	3.67	3.95	Aaa	AA+
31402RF95	308,836.11	FNMA PO(735592	5.000	05/01/2034		300,632.65	111.53	344,451.09	43,818.44	0.11%	1.91	3.39	3.60	Aaa	AA+
31402RRU5	149,403.17	FNMA PO(735899	5.500	10/01/2035		148,025.86	113.60	169,716.02	21,690.16	0.05%	2.04	3.70	4.00	Aaa	AA+
31410GBT9	1,585,686.33	FNMA #888450 5.5 8	5.500	08/01/2035		1,748,466.94	113.41	1,798,295.15	49,828.21	0.56%	2.04	3.84	4.21	Aaa	AA+
31412QY60	1,098,357.12	FNMA PA(932333	4.000	01/01/2025		1,117,576.37	107.45	1,180,173.74	62,595.37	0.37%	2.18	2.60	2.72	Aaa	AA+
31416MBU3	68,137.48	FNMA #A(AA4482	4.000	04/01/2039		71,203.66	109.02	74,286.89	3,083.23	0.02%	2.26	3.87	4.18	Aaa	AA+
31418AJM1	1,189,761.22	FNMA #M(MA1167	2.500	09/01/2027		1,237,537.57	103.77	1,234,567.63	(2,969.94)	0.38%	1.57	3.46	3.65	Aaa	AA+
31419AF69	1,052,103.27	FNMA #AE0188 5.5 8	5.500	08/01/2037		1,147,614.52	113.57	1,194,884.20	47,269.68	0.37%	2.04	3.37	3.55	Aaa	AA+
31419AGK7	174,237.09	FNMA #AE0201 5.5 8	5.500	08/01/2037		191,443.00	113.52	197,793.94	6,350.94	0.06%	2.04	3.68	3.97	Aaa	AA+
34528QBP8	2,900,000.00	FORDF 12-2 A 1.92	1.920	01/15/2019		2,899,150.01	100.40	2,911,678.30	12,528.29	0.90%	1.14	0.52	0.53	Aaa	AAA
34529YAC0	167,208.34	FORDO 2012-C A4 0.	0.790	11/15/2017		167,332.44	99.99	167,198.16	(134.28)	0.05%	1.07	0.06	0.06	Aaa	AAA
34530TAB0	1,477,326.39	FORDL 2015-A A2A 0	0.790	12/15/2017		1,477,314.72	99.97	1,476,906.83	(407.89)	0.46%	0.96	0.23	0.23	Aaa	AAA
36159JDH1	5,600,000.00	GEMLT 12-6 A 1.36	1.360	08/17/2020		5,597,823.84	100.25	5,614,182.56	16,358.72	1.74%	1.10	1.09	1.11	NR	AAA
36203EB78	3,241.11	GNMA PO(347490X	7.000	09/15/2023		3,205.79	108.38	3,512.75	306.96	0.00%	2.84	2.38	2.64	Aaa	AA+
36203LRW4	1,371.73	GNMA PO(352501X	7.000	09/15/2023		1,356.78	108.48	1,488.05	131.27	0.00%	2.84	2.38	2.64	Aaa	AA+
36203RWF3	423.70	GNMA PO(357322X	7.000	09/15/2023		419.08	108.59	460.10	41.02	0.00%	2.84	2.39	2.64	Aaa	AA+
36203XWY8	1,395.35	GNMA PO(362563X	7.000	08/15/2023		1,380.14	105.84	1,476.78	96.64	0.00%	2.84	2.32	2.62	Aaa	AA+
36204DS5	6,437.87	GNMA PO(367233X	7.000	09/15/2023		6,367.71	108.75	7,001.25	633.54	0.00%	2.84	2.39	2.64	Aaa	AA+
36205Y3Y6	8,573.18	GNMA PO(405015X	9.000	03/15/2025		9,183.12	100.60	8,624.53	(558.59)	0.00%	2.84	2.77	3.59	Aaa	AA+
36206CHJ1	832.49	GNMA PO(407133X	9.000	01/15/2025		887.87	101.37	843.92	(43.95)	0.00%	2.84	2.75	3.53	Aaa	AA+
36206FHJ4	36,581.26	GNMA PO(409833X	9.000	04/15/2025		38,481.63	103.67	37,925.26	(536.37)	0.01%	2.84	2.82	3.54	Aaa	AA+
36224QVE3	5,354.61	GNMA PO(335513X	7.000	12/15/2022		5,296.27	107.49	5,755.83	459.56	0.00%	2.84	2.21	2.44	Aaa	AA+
36251LAB9	5,800,000.00	GMALT 16-2 A2A 1.2	1.280	10/22/2018		5,799,479.16	100.15	5,808,551.52	9,072.36	1.80%	1.17	1.24	1.25	NR	AAA

FMLVT Intermediate High Quality Bond Fund
Holdings as of 6/30/16

from Investment Manager

Asset ID	Units	Asset Description	Interest		Maturity		Cost	Price	Market		Unrealized		YTM	DUR	WAL	Moody's RATING	S&P RATING
			Rate	Date	Date			Value	Gain/Loss	Market	% of Total						
38379UTD8	2,964,956.05	GNMA REMIC TRUST 2	2.200	01/16/2045			2,996,227.08	100.88	2,990,945.37	(5,281.71)	0.93%	1.85	2.79	2.93		Aaa	AA+
44890KAD8	1,605,953.47	HART 2012-C A4 0.7	0.730	06/15/2018			1,605,451.81	99.95	1,605,138.29	(313.32)	0.50%	1.11	0.14	0.14		Aaa	AAA
46625HUA9	1,475,000.00	JP MORGAN CHASE 3.	3.150	07/05/2016			1,567,925.00	100.00	1,475,000.00	(92,925.00)	0.46%	0.99	0.01	0.01		A3	A-
46625HUG6	2,000,000.00	JP MORGAN CHASE & C	1.800	01/25/2018			1,998,660.00	100.79	2,015,800.00	17,140.00	0.63%	1.29	1.53	1.57		A3	A-
65477UAB6	451,345.35	NAROT 15-A A2 0.67	0.670	09/15/2017			451,322.60	99.98	451,252.60	(70.00)	0.14%	0.83	0.13	0.13		Aaa	N.R.
80284AAD8	3,993,529.81	SDART 2014-5 A3 1.	1.150	01/15/2019			3,990,097.89	100.03	3,994,723.08	4,625.19	1.24%	1.00	0.21	0.21		Aaa	N.R.
80284CAB8	483,183.79	SDART 2015-1 A2A 0	0.910	07/16/2018			482,862.93	99.97	483,042.51	179.58	0.15%	1.45	0.10	0.10		NR	AAA
80284CAD4	2,500,000.00	SDART 2015-1 A3 1.	1.270	02/15/2019			2,501,562.50	100.05	2,501,149.25	(413.25)	0.78%	1.13	0.29	0.29		NR	AAA
80285EAB3	4,975,000.00	SDART 2016-1 A2A 1	1.410	07/15/2019			4,983,162.13	100.15	4,982,536.13	(626.00)	1.55%	1.15	0.61	0.62		Aaa	N.R.
89231MAC9	1,988,386.60	TOYOTA AUTO 14-A	0.670	12/15/2017			1,984,813.73	99.93	1,987,048.61	2,234.88	0.62%	0.90	0.30	0.30		Aaa	AAA
89236RAD1	1,942,981.71	TOYOTA AUTO 13-A	0.690	11/15/2018			1,937,744.77	99.96	1,942,135.35	4,390.58	0.60%	0.86	0.25	0.26		Aaa	AAA
912796JX8	9,000,000.00	US TREASURY BILL 6	0.000	06/22/2017			8,959,994.50	99.56	8,959,994.50	0.00	2.78%	0.44	0.98	0.98		Aaa	AA+
912796KA6	9,750,000.00	US TREASURY BILL 1	0.000	12/29/2016			9,732,867.22	99.82	9,732,867.22	0.00	3.02%	0.35	0.50	0.50		Aaa	AA+
912828A42	5,000,000.00	US TREASURY 2.0 11	2.000	11/30/2020			5,058,219.85	104.50	5,224,800.00	166,580.15	1.62%	0.96	4.23	4.42		Aaa	AA+
912828B66	13,850,000.00	US TREASURY 2.75 2	2.750	02/15/2024			13,891,901.12	110.39	15,288,599.50	1,396,698.38	4.74%	1.31	6.86	7.63		Aaa	AA+
912828K74	1,450,000.00	US TREASURY 2.0 8/	2.000	08/15/2025			1,437,035.10	104.54	1,515,873.50	78,838.40	0.47%	1.47	8.29	9.13		Aaa	AA+
912828NW6	12,150,000.00	US TREASURY 1.875	1.875	08/31/2017			12,488,443.06	101.54	12,336,988.50	(151,454.56)	3.83%	0.55	1.15	1.17		Aaa	AA+
912828P46	3,000,000.00	US TREASURY 1.625	1.625	02/15/2026			2,944,347.94	101.12	3,033,750.00	89,402.06	0.94%	1.50	8.84	9.63		Aaa	AA+
912828Q52	3,000,000.00	US TREASURY 0.875	0.875	04/15/2019			2,995,088.18	100.48	3,014,310.00	19,221.82	0.94%	0.70	2.75	2.79		Aaa	AA+
912828Q78	13,000,000.00	US TREASURY 1.375	1.375	04/30/2021			13,051,840.36	101.73	13,224,510.00	172,669.64	4.10%	1.01	4.66	4.83		Aaa	AA+
912828Q94	3,000,000.00	US TREASURY 0.75 4	0.750	04/30/2018			2,998,369.44	100.29	3,008,670.00	10,300.56	0.93%	0.59	1.82	1.83		Aaa	AA+
912828R28	3,000,000.00	US TREASURY 1.625	1.625	04/30/2023			3,002,472.94	102.25	3,067,380.00	64,907.06	0.95%	1.28	6.44	6.83		Aaa	AA+
912828TG5	4,900,000.00	US TREASURY 0.57/	0.500	07/31/2017			4,801,017.56	99.97	4,898,481.00	97,463.44	1.52%	0.53	1.08	1.08		Aaa	AA+
912828TS9	4,100,000.00	US TREASURY 0.625	0.625	09/30/2017			3,992,002.01	100.09	4,103,854.00	111,851.99	1.27%	0.55	1.24	1.25		Aaa	AA+
912828TY6	300,000.00	US TREASURY 1.625	1.625	11/15/2022			294,212.14	102.36	307,077.00	12,864.86	0.10%	1.24	6.04	6.38		Aaa	AA+
912828VE7	13,000,000.00	US TREASURY 1.0 5/	1.000	05/31/2018			12,748,402.93	100.77	13,100,490.00	352,087.07	4.06%	0.59	1.90	1.92		Aaa	AA+
912828VP2	1,700,000.00	US TREASURY 2.0 7/	2.000	07/31/2020			1,699,077.11	104.36	1,774,171.00	75,093.89	0.55%	0.91	3.90	4.08		Aaa	AA+
912828WD8	2,000,000.00	US TREASURY 1.25 1	1.250	10/31/2018			1,991,100.44	101.39	2,027,740.00	36,639.56	0.63%	0.65	2.30	2.34		Aaa	AA+
912828XB1	16,800,000.00	US TREASURY 2.125	2.125	05/15/2025			16,551,942.22	105.63	17,745,672.00	1,193,729.78	5.51%	1.45	8.08	8.87		Aaa	AA+
92867RAC3	3,843,386.92	VALET 2014-1 A3 0.	0.910	10/22/2018			3,832,042.39	99.81	3,836,224.00	4,181.61	1.19%	1.19	0.65	0.66		Aaa	N.R.
981464DB3	3,500,000.00	WFNMT 2012-B A 1.7	1.760	05/17/2021			3,518,183.59	100.64	3,522,243.90	4,060.31	1.09%	1.12	1.01	1.03		NR	AAA
98160VAE1	6,125,000.00	WOLS 2015-A A4 1.7	1.730	12/15/2020			6,124,731.73	100.22	6,138,265.53	13,533.80	1.90%	1.59	1.63	1.67		Aaa	N.R.
98161DAD2	5,800,000.00	WOLS 2014-A A3 1.1	1.180	09/15/2017			5,803,625.00	100.06	5,803,695.76	70.76	1.80%	1.00	0.41	0.41		Aaa	N.R.
	310,401,129.44						312,771,203.08		319,573,226.68	6,802,023.60	99.15%	1.24	3.14	3.40			
VP4560000	2,738,762.40	WF ADV GOVT MM FD-INSTL #1751	0.00010				2,738,762.40	1.00	2,738,762.40	0.00	0.85%	0.01	-	-		Aaa-mf	AAAm
	313,139,891.84						315,509,965.48		322,311,989.08	6,802,023.60	100.00%	1.23	3.11	3.38			

Portfolio NAV 323,011,465.18
Shares 13,782,088.19
NAV per Shares 23.437048



Managed Account Detail of Securities Held

For the Month Ending June 30, 2016

TOWN OF PALM BEACH SHORT TERM PORTFOLIO - 68904245

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper										
BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	06538BH89	A-1	P-1	02/09/16	02/10/16	2,987,400.00	0.84	0.00	2,997,339.99	2,998,470.00
-- 0.000% 08/08/2016										
UBS FINANCE DELAWARE LLC COMM PAPER	90262CH83	A-1	P-1	02/10/16	02/10/16	2,987,250.00	0.85	0.00	2,997,308.34	2,998,590.00
-- 0.000% 08/08/2016										
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GHA7	A-1+	P-1	02/10/16	02/11/16	2,490,950.00	0.72	0.00	2,498,000.00	2,498,532.50
-- 0.000% 08/10/2016										
RABOBANK NEDERLAND NV NY COMM PAPER	21687AHG1	A-1	P-1	02/10/16	02/11/16	2,489,416.33	0.82	0.00	2,497,396.53	2,498,515.00
-- 0.000% 08/16/2016										
BNP PARIBAS NY BRANCH COMM PAPER	09659KB5	A-1	P-1	06/10/16	06/10/16	2,993,030.00	0.68	0.00	2,994,219.99	2,994,429.00
-- 0.000% 10/11/2016										
Security Type Sub-Total						13,948,046.33	0.78	0.00	13,984,264.85	13,988,536.50
Managed Account Sub-Total						13,948,046.33	0.78	0.00	13,984,264.85	13,988,536.50
Securities Sub-Total						\$13,948,046.33	0.78%	\$0.00	\$13,984,264.85	\$13,988,536.50
Accrued Interest										\$0.00
Total Investments										\$13,988,536.50



PFM Asset Management LLC



Managed Account Detail of Securities Held

For the Month Ending June 30, 2016

TOWN OF PALM BEACH 1-5 YR PORTFOLIO - 68904260

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/31/2012 1.000% 03/31/2017	912828SM3	740,000.00	AA+	Aaa	02/27/14	02/28/14	746,041.41	0.73	1,860.11	741,478.31	742,746.88
US TREASURY NOTES DTD 10/31/2012 0.750% 10/31/2017	912828TW0	260,000.00	AA+	Aaa	11/01/12	11/05/12	260,192.97	0.73	328.53	260,052.23	260,629.72
US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017	912828UA6	465,000.00	AA+	Aaa	05/06/14	05/09/14	456,026.95	1.18	246.16	461,388.78	465,381.30
US TREASURY NOTES DTD 12/31/2012 0.750% 12/31/2017	912828UE8	800,000.00	AA+	Aaa	12/05/14	12/09/14	790,593.75	1.14	16.30	795,356.63	802,093.60
US TREASURY NOTES DTD 04/30/2013 0.625% 04/30/2018	912828UJ1	165,000.00	AA+	Aaa	05/10/13	05/15/13	163,498.24	0.81	173.74	164,438.43	165,109.56
US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018	912828VQ0	500,000.00	AA+	Aaa	02/10/15	02/11/15	502,578.13	1.22	2,870.88	501,560.63	507,851.50
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	615,000.00	AA+	Aaa	06/02/14	06/03/14	610,723.83	1.41	651.13	612,667.48	623,768.67
US TREASURY NOTES DTD 01/31/2014 1.500% 01/31/2019	912828B33	695,000.00	AA+	Aaa	07/29/14	07/31/14	691,769.34	1.61	4,353.30	693,117.81	709,524.11
US TREASURY NOTES DTD 10/01/2012 1.000% 09/30/2019	912828TR1	100,000.00	AA+	Aaa	03/26/15	03/27/15	98,226.56	1.41	251.37	98,711.79	100,746.10
US TREASURY NOTES DTD 10/01/2012 1.000% 09/30/2019	912828TR1	1,020,000.00	AA+	Aaa	02/26/15	02/27/15	1,000,396.88	1.43	2,563.93	1,005,990.86	1,027,610.22
US TREASURY NOTES DTD 11/30/2012 1.000% 11/30/2019	912828UB4	240,000.00	AA+	Aaa	05/28/15	05/29/15	235,368.75	1.44	203.28	236,462.29	241,565.52
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UJ1	640,000.00	AA+	Aaa	09/01/15	09/03/15	634,125.00	1.46	2,673.91	635,177.43	649,550.08
US TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	912828J84	100,000.00	AA+	Aaa	06/22/16	06/27/16	101,226.56	1.04	345.63	101,223.08	101,890.60
US TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	912828J84	100,000.00	AA+	Aaa	06/22/16	06/27/16	101,273.44	1.03	345.63	101,269.82	101,890.60



PFM Asset Management LLC



Managed Account Detail of Securities Held

For the Month Ending June 30, 2016

TOWN OF PALM BEACH 1-5 YR PORTFOLIO - 68904260

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	912828J84	249,000.00	AA+	Aaa	06/23/16	06/28/16	251,830.43	1.07	860.61	251,824.40	253,707.59
US TREASURY NOTES DTD 07/31/2013 2.000% 07/31/2020	912828VP2	350,000.00	AA+	Aaa	02/01/16	02/03/16	360,595.70	1.30	2,923.08	359,655.14	365,271.55
US TREASURY NOTES DTD 07/31/2013 2.000% 07/31/2020	912828VP2	600,000.00	AA+	Aaa	12/28/15	12/30/15	607,570.31	1.71	5,010.99	606,769.13	626,179.80
US TREASURY NOTES DTD 07/31/2013 2.000% 07/31/2020	912828VP2	620,000.00	AA+	Aaa	12/01/15	12/04/15	631,576.56	1.58	5,178.02	630,196.47	647,052.46
US TREASURY NOTE DTD 12/02/2013 2.000% 11/30/2020	912828A42	270,000.00	AA+	Aaa	05/03/16	05/06/16	279,355.08	1.22	457.38	279,050.59	282,139.47
US TREASURY NOTE DTD 12/02/2013 2.000% 11/30/2020	912828A42	370,000.00	AA+	Aaa	03/02/16	03/04/16	380,536.33	1.38	626.78	379,837.79	386,635.57
US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	135,000.00	AA+	Aaa	03/30/16	03/31/16	139,408.60	1.31	902.45	139,191.27	141,222.69
US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	260,000.00	AA+	Aaa	05/26/16	05/31/16	267,759.38	1.35	1,738.04	267,626.59	271,984.44
Security Type Sub-Total		9,294,000.00					9,310,674.20	1.31	34,581.25	9,323,046.95	9,474,552.03
Municipal Bond / Note											
NYC, NY TXBL GO BONDS DTD 03/31/2015 1.650% 10/01/2018	64966LZC8	265,000.00	AA	Aa2	03/13/15	03/31/15	265,000.00	1.65	1,093.13	265,000.00	268,561.60
NYC, NY TXBL GO BONDS DTD 06/18/2015 1.800% 06/01/2019	64966LN49	180,000.00	AA	Aa2	06/03/15	06/18/15	180,000.00	1.80	270.00	180,000.00	184,645.80
Security Type Sub-Total		445,000.00					445,000.00	1.71	1,363.13	445,000.00	453,207.40
Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	495,000.00	AA+	Aaa	08/11/14	08/13/14	495,579.15	0.96	27.50	495,202.32	497,013.66



PFM Asset Management LLC



Managed Account Detail of Securities Held

For the Month Ending June 30, 2016

TOWN OF PALM BEACH 1-5 YR PORTFOLIO - 68904260

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	270,000.00	AA+	Aaa	07/30/12	07/31/12	272,124.90	0.84	1,147.50	270,465.10	271,155.33
FANNIE MAE GLOBAL NOTES DTD 07/20/2012 0.875% 08/28/2017	3135G0MZ3	465,000.00	AA+	Aaa	09/06/12	09/10/12	466,153.20	0.82	1,390.16	465,273.19	466,284.33
FNMA NOTES DTD 08/25/2014 1.000% 09/27/2017	3135G0ZL0	230,000.00	AA+	Aaa	08/21/14	08/25/14	229,178.90	1.12	600.56	229,667.18	231,052.94
FANNIE MAE GLOBAL NOTES DTD 09/24/2012 0.875% 10/26/2017	3135G0PO0	500,000.00	AA+	Aaa	11/27/13	12/03/13	496,175.00	1.08	789.93	498,687.69	501,741.00
FREDDIE MAC GLOBAL NOTES DTD 01/17/2013 0.875% 03/07/2018	3137EADP1	170,000.00	AA+	Aaa	03/20/13	03/21/13	169,369.30	0.95	471.04	169,782.74	170,313.31
FREDDIE MAC GLOBAL NOTES DTD 01/17/2013 0.875% 03/07/2018	3137EADP1	425,000.00	AA+	Aaa	03/27/13	04/01/13	424,443.25	0.90	1,177.60	424,807.44	425,783.28
FANNIE MAE GLOBAL NOTES DTD 04/15/2013 0.875% 05/21/2018	3135G0WJ8	485,000.00	AA+	Aaa	05/22/13	05/28/13	480,732.00	1.06	471.53	483,355.20	486,919.63
FNMA NOTES DTD 06/08/2015 1.125% 07/20/2018	3135G0E33	320,000.00	AA+	Aaa	05/06/16	05/09/16	322,252.80	0.80	1,610.00	322,106.46	322,815.68
FREDDIE MAC NOTES DTD 04/16/2012 1.750% 05/30/2019	3137EADG1	390,000.00	AA+	Aaa	12/01/14	12/03/14	394,457.70	1.49	587.71	392,925.39	400,723.83
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	470,000.00	AA+	Aaa	06/02/16	06/03/16	469,802.60	1.14	146.88	469,806.90	474,360.19
FNMA BENCHMARK NOTE DTD 05/16/2016 1.250% 05/06/2021	3135G0K69	475,000.00	AA+	Aaa	06/27/16	06/29/16	477,375.00	1.14	742.19	477,372.37	476,780.30
Security Type Sub-Total		4,695,000.00					4,697,643.80	1.03	9,162.60	4,699,451.98	4,724,943.48

Corporate Note

AMERICAN HONDA FINANCE GLOBAL NOTES DTD 10/10/2013 1.125% 10/07/2016	02665WAB7	40,000.00	A+	A1	10/03/13	10/10/13	39,860.80	1.24	105.00	39,987.40	40,041.80
JOHN DEERE CAPITAL CORP DTD 10/11/2013 1.050% 10/11/2016	24422ESD2	215,000.00	A	A2	10/08/13	10/11/13	214,726.95	1.09	501.67	214,974.37	215,133.09



PFM Asset Management LLC



For the Month Ending June 30, 2016

Managed Account Detail of Securities Held

TOWN OF PALM BEACH 1-5 YR PORTFOLIO - 68904260

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BOEING COMPANY (FLOATING) NOTE DTD 10/31/2014 0.763% 10/30/2017	097023BF1	220,000.00	A	A2	10/28/14	10/31/14	220,000.00	0.36	293.89	220,000.00	219,953.58
AMERICAN HONDA FINANCE CORP NOTES DTD 02/23/2016 1.700% 02/22/2019	02665WBA8	100,000.00	A+	A1	02/18/16	02/23/16	99,980.00	1.71	604.44	99,982.31	101,729.30
GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	38141GVT8	40,000.00	BBB+	A3	04/20/16	04/25/16	39,888.80	2.10	146.67	39,895.42	40,410.36
DTD 04/25/2016 2.000% 04/25/2019											
GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	38141GVT8	240,000.00	BBB+	A3	04/21/16	04/26/16	239,846.40	2.02	880.00	239,855.44	242,462.16
DTD 04/25/2016 2.000% 04/25/2019											
NEW YORK UNIVERSITY CORPORATE NOTE DTD 04/16/2015 1.767% 07/01/2019	650119AF7	60,000.00	AA-	Aa3	04/10/15	04/16/15	60,000.00	1.77	530.10	60,000.00	60,874.68
TOYOTA MOTOR CREDIT CORP NOTES DTD 07/18/2014 2.125% 07/18/2019	89236TBP9	450,000.00	AA-	Aa3	04/09/15	04/14/15	457,546.50	1.71	4,329.69	455,455.68	462,034.80
BANK OF NEW YORK MELLON NT (CALLABLE)	06406HCW7	450,000.00	A	A1	03/02/15	03/05/15	455,989.50	1.99	3,162.50	454,258.55	459,175.95
DTD 09/11/2014 2.300% 09/11/2019											
GENERAL ELECTRIC CAP CORP NOTES DTD 01/08/2010 5.500% 01/08/2020	36962G4J0	450,000.00	AA+	A1	09/03/15	09/09/15	508,977.00	2.30	11,893.75	498,382.50	514,359.00
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	350,000.00	A-	A3	10/02/15	10/06/15	348,670.00	2.34	3,456.25	348,893.20	354,813.55
WELLS FARGO & CO DTD 02/02/2015 2.150% 01/30/2020	94974BGF1	450,000.00	A	A2	03/24/15	03/27/15	451,521.00	2.08	4,058.13	451,143.01	457,633.80
CISCO SYSTEMS INC CORP NOTES DTD 06/17/2015 2.450% 06/15/2020	17275RAX0	400,000.00	AA-	A1	06/15/15	06/18/15	401,048.00	2.39	435.56	400,840.41	416,501.60
AMERICAN EXPRESS CREDIT CORP NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	110,000.00	A-	A2	05/05/16	05/10/16	110,601.70	2.13	385.00	110,585.46	111,951.40
BRANCH BANKING & TRUST CORP NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	90,000.00	A-	A2	05/11/16	05/16/16	89,881.20	2.08	261.38	89,884.08	91,318.41



PFM Asset Management LLC



Managed Account Detail of Securities Held

For the Month Ending June 30, 2016

TOWN OF PALM BEACH 1-5 YR PORTFOLIO - 68904260

Security Type/Description	Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note												
STATE STREET CORP NOTES	DTT 05/19/2016 1.950% 05/19/2021	857477AV5	50,000.00	A	A1	05/19/16	05/24/16	49,811.00	2.03	113.75	49,814.73	50,628.45
Security Type Sub-Total			3,715,000.00					3,788,348.85	1.93	31,157.78	3,773,952.56	3,839,021.93
Managed Account Sub-Total			18,149,000.00					18,241,666.85	1.38	76,264.76	18,241,451.49	18,491,724.84
Securities Sub-Total			\$18,149,000.00					\$18,241,666.85	1.38%	\$76,264.76	\$18,241,451.49	\$18,491,724.84
Accrued Interest												\$76,264.76
Total Investments												\$18,567,989.60





Managed Account Detail of Securities Held

For the Month Ending June 30, 2016

TOWN OF PALM BEACH 2013 BOND FUND - 68904265

Security Type / Description	Dated Date / Coupon / Maturity	CUSIP	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES	912828QX1	3,750,000.00	AA+	Aaa	03/14/14	03/17/14	3,839,355.47	0.49	23,489.01	3,753,114.38	3,754,046.25
DTD 08/01/2011 1.500% 07/31/2016											
US TREASURY NOTES	912828WX4	7,000,000.00	AA+	Aaa	06/10/15	06/11/15	7,007,109.38	0.41	14,615.38	7,000,515.76	7,001,785.00
DTD 07/31/2014 0.500% 07/31/2016											
US TREASURY NOTES	912828RM4	2,500,000.00	AA+	Aaa	03/14/14	03/17/14	2,526,367.19	0.59	4,211.96	2,503,355.85	2,505,470.00
DTD 10/31/2011 1.000% 10/31/2016											
US TREASURY NOTES	912828TG5	3,750,000.00	AA+	Aaa	03/14/14	03/17/14	3,696,240.23	0.93	7,829.67	3,732,581.59	3,748,830.00
DTD 07/31/2012 0.500% 07/31/2017											
Security Type Sub-Total		17,000,000.00					17,069,072.27	0.57	50,146.02	16,989,567.58	17,010,131.25
Federal Agency Bond / Note											
FNMA NOTES	3135G0ZB2	3,750,000.00	AA+	Aaa	03/14/14	03/17/14	3,738,562.50	0.85	5,546.88	3,747,001.16	3,757,575.00
DTD 03/10/2014 0.750% 04/20/2017											
FANNIE MAE GLOBAL NOTES	3135G0PQ0	2,500,000.00	AA+	Aaa	03/14/14	03/17/14	2,481,325.00	1.09	3,949.65	2,493,089.85	2,508,705.00
DTD 09/24/2012 0.875% 10/26/2017											
Security Type Sub-Total		6,250,000.00					6,219,887.50	0.94	9,496.53	6,240,091.01	6,266,280.00
Managed Account Sub-Total		23,250,000.00					23,288,959.77	0.67	59,642.55	23,229,658.59	23,276,411.25
Securities Sub-Total		\$23,250,000.00					\$23,288,959.77	0.67%	\$59,642.55	\$23,229,658.59	\$23,276,411.25
Accrued Interest											\$59,642.55
Total Investments											\$23,336,053.80



PFM Asset Management LLC

Executive Summary

Town of Palm Beach Health Insurance Trust Preliminary as of June 30, 2016

Market Value	% of Portfolio		I Mo.	3 Mo.	Fiscal YTD	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$25,744,460	100.0	Total Fund	-0.3	1.9	3.5	1.9	-4.0	-2.7	3.5	4.0	7.0	2.3	Jul-07
		Target Index											Jul-07
		Actual Index	0.4	2.4	5.0	3.1	-2.0	-1.7	3.8	3.9	6.8	2.7	Jul-07
		Consumer Price Index	0.3	2.0	4.8	2.5	-1.9	-1.2	4.3	4.4	7.0	2.9	Jul-07
			0.3	1.2	1.3	1.9	1.0	0.6	1.1	1.3	1.6	1.6	Jul-07
\$12,768,906	49.6	Global Equity	-1.4	0.9	4.9	0.4	-5.4	-1.6	6.6	7.2	11.0	2.6	Jul-07
\$8,308,105	32.3	Domestic Equity	-0.5	2.0	8.6	3.5	0.9	3.1	9.8	9.8	13.3	4.1	Jul-07
		Russell 3000 Index	0.2	2.6	10.1	3.6	2.1	4.7	11.1	11.6	14.9	6.1	
\$5,912,997	23.0	Fidelity Spartan Total Market Index Advisor Fund	0.2	2.6	10.0	3.6	2.0	4.6	11.0	11.5	14.9	6.1	Jul-07
		Wilshire 5000 Index	0.2	2.8	9.8	3.7	1.6	4.2	10.7	11.4	14.9	6.1	
\$1,144,885	4.4	FPA Crescent Fund	-1.7	0.4	3.0	0.2	-1.9	-0.2	5.0	NA	NA	6.8	Apr-12
		S&P 500 Index	0.3	2.5	11.1	3.8	4.0	5.7	11.7	12.1	14.9	12.2	
		60% Russell 2500 / 40% BC Global Credit	0.5	3.1	7.0	5.3	0.0	0.9	6.7	7.3	11.7	7.9	
		HFRI Equity Hedge (Total) Index	-0.5	1.4	1.3	-0.4	-5.0	-1.4	3.1	2.3	4.8	3.4	
\$1,250,223	4.9	FMI Common Stock Fund	-2.5	0.7	7.3	6.2	-1.8	-0.7	7.9	NA	NA	8.1	Apr-12
		Russell 2500 Index	0.0	3.6	7.4	4.0	-3.7	1.0	8.6	9.5	15.3	10.7	
\$4,460,801	17.3	International Equity	-3.0	-1.2	-1.3	-4.8	-15.4	-9.0	1.4	2.8	7.2	0.2	Jul-07
		MSCI AC World ex USA (Net)	-1.5	-0.6	2.2	-1.0	-10.2	-7.8	1.2	0.1	5.3	-0.8	
		MSCI EAFE (Net)	-3.4	-1.5	0.1	-4.4	-10.2	-7.2	2.1	1.7	6.0	-0.9	
\$2,277,792	8.8	Dodge & Cox International Stock Fund	-3.7	-1.2	-4.1	-4.9	-18.9	-11.6	0.4	1.0	6.6	-0.4	Jul-07
		MSCI AC World ex USA (Net)	-1.5	-0.6	2.2	-1.0	-10.2	-7.8	1.2	0.1	5.3	-0.8	
\$2,183,009	8.5	Artisan International Institutional Fund	-2.2	-1.2	1.8	-4.7	-11.6	-6.2	2.5	4.6	NA	4.6	Jul-11
		MSCI EAFE (Net)	-3.4	-1.5	0.1	-4.4	-10.2	-7.2	2.1	1.7	6.0	1.7	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2016

Market Value	% of Portfolio		I Mo.	3 Mo.	Fiscal YTD	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$4,687,883	18.2	Total Flexible Capital	-1.4	0.7	-2.9	-3.2	-7.0	-3.6	0.5	2.4	4.2	2.4	Jul-07
		HFRI Fund of Funds Composite Index	-0.4	0.6	-1.8	-2.6	-5.4	-0.8	1.9	1.6	2.8	0.3	
\$2,007,329	7.8	Forester Offshore A2, Ltd.	-2.4	0.1	-3.2	-5.7	-7.5	-1.1	2.5	3.8	4.8	3.7	Jul-07
		HFRI FOF: Strategic Index	-0.8	0.7	-2.2	-3.7	-7.8	-1.8	1.7	1.4	2.8	0.0	
\$2,680,554	10.4	Archstone Absolute Return Strategies Fund, Ltd. Class A	-0.6	1.2	-2.6	-1.2	-6.7	-5.3	-0.9	1.5	4.0	1.3	Jul-07
		HFRI FOF: Conservative Index	-0.5	0.5	-1.5	-1.6	-3.3	-0.3	1.9	1.9	2.8	0.3	
\$5,401,896	21.0	Total Fixed Income	1.4	1.5	2.9	3.7	3.9	2.6	2.6	2.2	4.5	3.2	Jul-07
		Fixed Income Composite Index	1.4	1.5	3.2	3.9	4.2	2.9	2.8	1.9	4.0	3.8	
\$3,038,039	11.8	JP Morgan Core Bond Select Fund	1.9	2.2	4.2	5.1	5.6	NA	NA	NA	NA	3.8	Jan-15
		Barclays U.S. Aggregate	1.8	2.2	4.7	5.3	6.0	3.9	4.1	3.8	4.6	3.9	
\$2,363,857	9.2	Vanguard Short Term US Treasury Admiral Fund	0.8	0.6	1.3	1.9	1.8	1.3	1.2	NA	NA	0.9	Dec-11
		Barclays U.S. Treasury: 1-5 Year	1.0	0.8	1.7	2.4	2.4	1.9	1.6	1.4	1.9	1.2	
\$2,721,022	10.6	Total Real Assets	3.2	10.3	10.2	16.8	-7.7	-15.8	-5.5	-5.4	-0.2	-5.9	Jul-07
		Real Assets Composite Index	2.9	8.9	9.6	13.1	-4.6	-13.6	-3.9	-3.5	1.5	-1.0	
\$786,642	3.1	Vanguard Short-Term Inflation Protected Securities Adm. Fund	1.0	0.9	2.3	2.7	1.6	-0.2	NA	NA	NA	0.3	Mar-14
		Barclays U.S. Treasury: 0-5 Year TIPS Index	1.1	0.9	2.6	3.1	1.9	-0.1	0.7	0.6	2.0	0.5	
\$506,808	2.0	Nuveen Gresham Diversified Commodities Fund	3.2	11.5	-1.1	11.1	-15.7	NA	NA	NA	NA	-12.0	Jan-15
		Bloomberg Commodity Index	4.1	12.8	1.3	13.2	-13.3	-18.7	-10.6	-10.8	-4.4	-10.1	
\$1,427,572	5.5	Van Eck Global Hard Assets I Fund	4.4	15.8	20.1	28.9	-12.5	-21.7	-6.7	NA	NA	-6.6	Apr-12
		S&P North American Natural Res Sector Index (TR)	3.6	12.5	17.4	19.6	-5.6	-16.2	-2.2	-3.1	4.9	-1.6	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2016

Market Value	% of Portfolio		I Mo.	3 Mo.	Fiscal YTD	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	7 YRS	Return Since	Inception Date
\$164,753	0.6	Total Liquid Capital	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	Jul-07
\$164,753	0.6	Government Stif 15	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	Jul-07
		Citigroup 3 Month T-Bill	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	

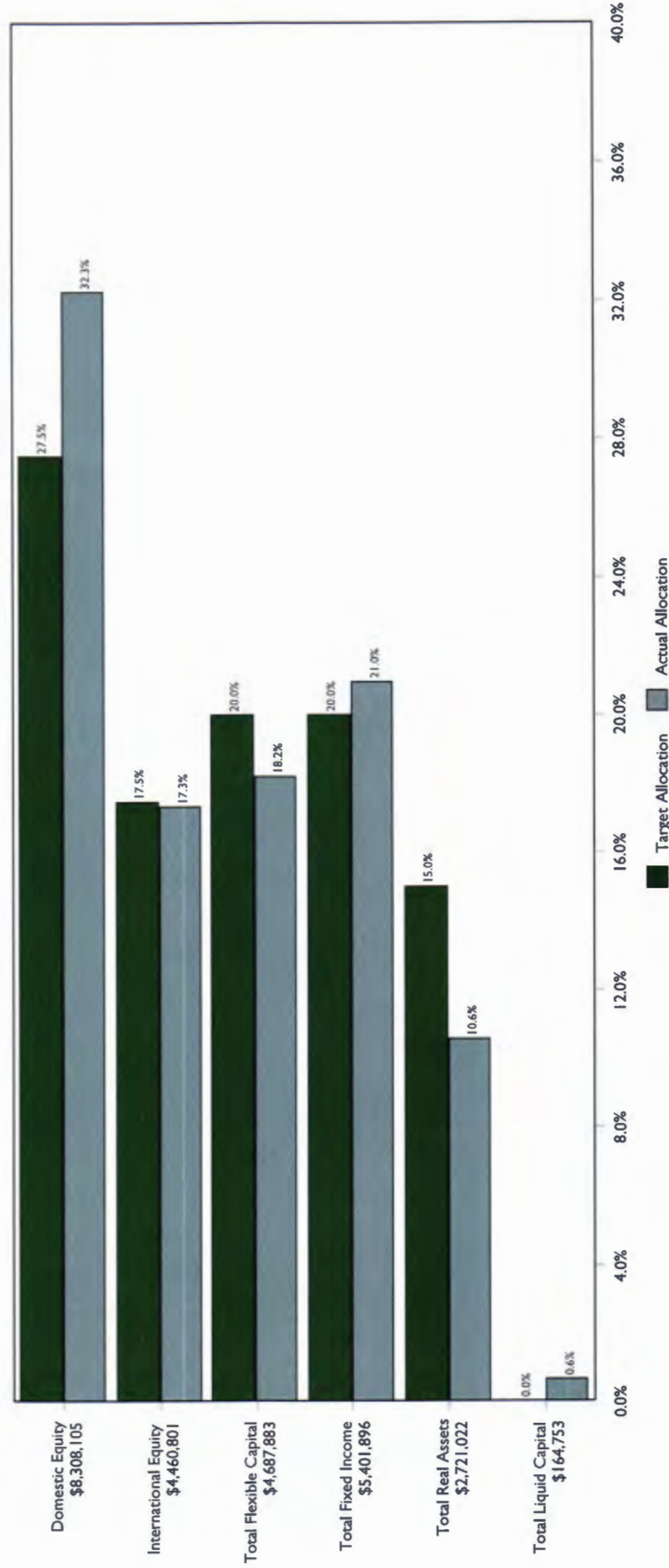
Please Note:

- Periods greater than one year are annualized
- Returns are net of investment management fees and gross of consulting fees unless otherwise stated
- Segment returns include performance of terminated managers unless otherwise stated
- Since inception returns are calculated from the first full month
- Actual Index calculated using manager allocations and index returns
- Performance and market values are subject to change based on statement availability from the investment manager/custodian
- Target Index (as of 9/01/2013): 27.5% Russell 3000 Index/ 17.5% MSCI ACWI ex USA/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Real Assets Composite Index
- Target Index (as of 12/01/2011): 27.5% Russell 3000 Index/ 17.5% MSCI EAFE Net Index/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Real Assets Composite Index
- Target Index reflects the policy limitations regarding international constraints
- Real Assets Composite Index reflects manager allocations and index returns. Components have changed over time
- Fixed Income Composite Index effective 12/01/2011: 50% Barclays U.S. Aggregate Index / 50% Barclays US Treasury: 1-5 Year Index
- Fixed Income Composite Index (prior to 11/30/2011): 50% Barclays Aggregate Index / 50% BOA Conv. Bond US Inv. Gr. Index
- Government Stif 15: Client specific cash performance not available. Citigroup Treasury Bill 3 Month Index is being reported
- Forester Offshore A2, Ltd.: Market value estimated using preliminary manager reported performance

Asset Allocation - Current

As of June 30, 2016

	Asset Allocation (%)	Lower (%)	Target (%)	Upper (%)	Difference (%)
Total Fund	100.0	-	100.0	-	0.0
Domestic Equity	32.3	22.5	27.5	32.5	4.8
International Equity	17.3	15.0	17.5	20.0	-0.2
Total Flexible Capital	18.2	15.0	20.0	25.0	-1.8
Total Fixed Income	21.0	15.0	20.0	25.0	1.0
Total Real Assets	10.6	10.0	15.0	20.0	-4.4
Total Liquid Capital	0.6	0.0	0.0	1.0	0.6





Town of Palm Beach

MEMORANDUM

To: Investment Advisory Committee Members

From: Jane Struder, Finance Director

Date: August 3, 2016

Subject: Town Attorney Response Regarding Executive Session

At the May 20, 2016, Investment Advisory Committee meeting, Committee Member Mr. Andrew Frazier asked if it would be possible for the committee to meet in executive session to discuss matters of the Committee. It was requested that I obtain an opinion from the Town Attorney.

Town Attorney, John C. Randolph, responded that the Investment Advisory Committee is required to meet in the public and may not exclude any member of the public from attending. There is no specific exemption in the Sunshine Law which would allow the committee to meet in executive session outside the sunshine.



August Meeting of the Investment Advisory Committee .

Andrew Frazier to: Jane Struder

08/11/2016 04:03 PM

Cc: Sean Higman

History: This message has been forwarded.

Jane

As I have mentioned a few times, and now confirm, I will not be able to attend the August 19 meeting of the Investment Advisory Committee due to activities surrounding our daughter's wedding in NYC. Please advise the chair and other committee members.

Also, please forward this email to all the committee members so that they receive these following comments regarding the investment performance of the health care trust:

I had a detailed discussion with Sean Higman of Prime Buchholz on August 5 regarding my concern over the long term performance of the health care trust. As you know, I have joined the chorus of some of the committee members in this regard.

Since there are restrictions on discussions outside of committee, and since I won't be able to attend the August meeting, I chose this route of communication, and offer this summary of my concerns, which are three:

1) Allocation

A comparison of the performance of the manager chosen target index blend vs. a simple mix of say, 60/40 S&P 500 and Barclay's U.S. Aggregate, measures the manager asset allocation contribution to performance.

Our target index blend lags a base line equity/fixed allocation by a significant margin, especially in recent years.

The lagging asset sectors - international equity, real assets and fund of fund hedge funds represent 46% of the portfolio.

While a fair case can be made for including an allocation to international equity, and maybe even real assets, I question the value of allocating 18% to hedge funds - especially fund of funds with their added layer of expense (3% or more, total). I don't see the diversification advantage or the performance advantage, especially after fees.

2) Selection

The performance of each chosen fund vs. its sector index measures manager fund selection contribution to performance. In aggregate, the actual selection performance of the total fund has lagged the chosen weighted index since inception, and also over the past three years.

By my count, 1 fund outperformed its index, 3 were about even and 7 funds underperformed their indices over the past three years. (One could argue about scoring individual funds, but the pattern is there). The measurement of individual fund selection from inception is difficult because of multiple fund substitutions over time.

Sean provided me with an informative chart highlighting quarterly and cumulative selection contribution to performance. I asked him to include it in the quarterly package. I also asked him to provide a similar chart regarding allocation contribution to performance.

3) Fees

The 3/31/16 quarterly report includes a table identifying total management fees of 0.89%.

Investment Advisory Committee Schedule 2016

Meeting Date:	Presentations/Business:
Friday, February 19, 2016 2:30 P.M. Town Council Chambers	Prime Buchholz Fiduciary Liability Policy Renewal Annual Report to the Town Council Actuarial report
Friday, May 20, 2016 2:30 P.M. Town Council Chambers	Prime Buchholz PFM Asset Management Florida League of Cities (FMIvT) Election of Chairman and Vice Chairman
Friday, August 19, 2016 2:30 P.M. Town Council Chambers	Prime Buchholz PFM Asset Management
Friday, November 18, 2016 2:30 P.M. Town Council Chambers (Fiscal Year End Presentations)	Prime Buchholz (Investment Policy and Asset Allocation Review) PFM Asset Management Florida League of Cities (FMIvT)