



ITEM 20

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Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

For Agenda of:
August 17, 2016

August 12, 2016

TO: President and Members
Board of Retirement

FROM: Steve Davis
Deputy Chief Investment Officer

SUBJECT: SCERS' Investment Performance Review for
Period Ending June 30, 2016

Recommendation:

It is recommended that your Board receive and file the Verus Performance Report for the first quarter of 2016 and consider taking action on any recommendations made therein.

Introduction:

Each quarter Verus provides a report on investment performance for the most recent quarter, as well as for the one-year, three-year, five-year and since inception time periods. Performance is also depicted for the fiscal year-to-date period ('FYTD'). The performance report provides investment return results for the Total Fund ('TF'), each asset class and sub-asset class in SCERS' strategic asset allocation, and for each investment portfolio. In addition, the report includes: (1) A comparison of performance to the appropriate fund, asset class and individual manager benchmarks; (2) Peer group rankings; (3) Performance attribution; (4) Risk analysis; and (5) Comments and recommendations by Verus to help interpret the results and identify concerns.

Barry Dennis and/or John Nicolini of Verus will present Verus' quarterly performance report. In addition, Staff and Verus will provide qualitative commentary on strategic and tactical considerations related to this report at the Board meeting. The discussion that

follows outlines key sections of this report, and provides a summary of the portfolio performance data.

Asset Allocation Analysis: Pages 10-11

This section provides visual information on SCERS' historical asset allocation by asset class over time, in addition to its current asset allocation (both with and without overlay) versus the policy target allocation and the median public fund universe asset allocation. Please note SCERS' Overlay Program is utilized to rebalance asset allocations to policy targets.

Within the subsequent performance summary report, two benchmarks are provided at the total fund level. First is the Policy Index, which reflects SCERS' target asset allocation model. Second is an Allocation Index, which reflects SCERS' actual asset allocation as SCERS transitions toward the asset allocation model. This index should reflect SCERS' current asset allocation excluding the impact of the Overlay Program. Removing the effects of the Overlay Program from the Allocation Index, gives a better gauge of SCERS' actual allocation performance versus the target allocation performance, which is the intent of the Allocation Index. This is especially true since the Overlay proxies that are used within the alternative/illiquid asset classes provide less than optimal exposures. This index will eventually converge on the Policy Index as the implementation of the current asset allocation model is completed. However, as previously mentioned, this implementation will take a few more years, especially within the Private Equity and Real Assets asset classes.

Performance Summary and Manager Allocation Analysis: Pages 14-39

The Total Fund ('TF') return for the second quarter, including the impact of the Overlay Program, was +1.9% gross of fees. The TF return was 0.2% above the return of the Policy Index return of +1.7%, and 0.1% above the Allocation Index return of +1.8%. The return of the TF without the impact of the Overlay Program was +1.6%, which was slightly below the Policy Index of +1.7%. The net impact of the Overlay Program was favorable, due to strong performance within the Real Assets and Private Equity proxies. On a comparative basis, SCERS' TF return of +1.9% was +0.1% above the Public Funds > \$1 billion median return of +1.8%. The TF return ranks in the 42nd percentile in the InvestorForce Universe, which is the ranking universe used by Verus.

Within SCERS' portfolio, all of the major asset classes generated positive returns for the quarter, except for the International Equity asset class. Please note that the returns of SCERS' private markets investments, including private equity, private real assets and opportunities commingled funds are delayed one quarter.

The performance summary section examines the performance of individual asset classes to the relevant benchmarks within the Policy Index. For the quarter, the report shows that outperformance occurred, gross of fees, in the Fixed Income (+3.0% versus +2.6%) and Opportunities (+2.9% versus +1.7%) segments. Underperformance occurred in the

Domestic Equity (+2.5% versus +2.6%), International Equity (-0.8% versus -0.4%), Absolute Return (+1.0% versus +1.3%) and Private Equity (+0.2% versus +1.9%) segments. The Real Assets return (ex-overlay proxy) was in-line with the benchmark at +2.3%. Please see the Manager Commentary section below for greater detail related to individual asset class and investment manager performance.

For SCERS' just completed fiscal year ('FY') ending June 30, 2016, the TF return including the impact of the Overlay Program was -0.6% gross of fees. The TF return was 2.1% below the return of the Policy Index return of +1.5%, and 1.8% below the Allocation Index return of +1.2%. The return of the TF without the impact of the Overlay Program was +0.2%. On a comparative basis, the TF return for the FY was 0.8% below the Public Funds > \$1 billion median return of +0.2%. The TF return ranks in the 75th percentile in the InvestorForce Universe. While SCERS' return was below that of the InvestorForce Universe, it should be noted that the spread between better returning and poorer returning public funds was narrow during the fiscal year. Verus estimates that the range of returns for most public fund investors were between +1.0% and -1.0%. While SCERS' actual return was in the bottom quartile of the universe for the year, SCERS' policy index return of +1.5% was in the top quartile.

SCERS' poor fiscal year returns were due to a combination of factors. First, as referenced in previous quarters, a few of SCERS' proxies within the Overlay Program experienced difficulty in the early parts of the fiscal year. In particular, energy related exposures within the Real Assets proxy experienced a dramatic sell-off in the second half of calendar year 2015, although they recovered somewhat during the first half of calendar year 2016. Also, SCERS' Private Equity proxy, which is comprised of Russell 2000 futures (U.S. small cap equity exposure), performed poorly during the first few quarter of the fiscal year, as small cap stocks underperformed large cap stocks. In aggregate, the overlay program contributed to 80 bps of SCERS' underperformance versus the policy benchmark.

Second, SCERS' FY performance was negatively impacted by the poor relative performance of many of SCERS' active managers across multiple asset classes. During the fiscal year, quality stocks with high dividend and earnings yields, such as those in the utilities, telecom and consumer staples sectors significantly outperformed, while growth, momentum and deep value stocks lagged. This created an environment where portfolios with a bias toward quality value stocks outperformed, which a smaller segment of the active manager universe typically allocates to, both in traditional and alternative asset classes. We also saw a significant divergence in performance between U.S. and international equity markets. Credit markets experienced similar volatility to equities, where lower quality issues underperformed during 2015 and in the early parts of 2016, leading to underperformance for SCERS' credit managers during the fiscal year.

Related to relative performance, SCERS' Domestic Equity managers underperformed, while the International Equity managers outperformed, which offset each other. SCERS' fixed income credit managers underperformed also. However, the greatest impact to total portfolio returns during the fiscal year was the Absolute Return asset class, which returned

-4.5% versus the policy benchmark return of +5.2% (91 Day T-Bill + 5%), and contributed to approximately 90 bps of the FY underperformance versus SCERS' Policy Index. SCERS' secondary benchmark for Absolute Return (HFRI Fund of Funds Composite Index) returned -5.4% during the FY, so SCERS did outperform this benchmark. The investment strategies within the Absolute Return portfolio delivered polarizing results. Many of SCERS' more correlated strategies delivered negative returns. These managers tend to own more value oriented, catalyst driven, small cap names, which were a poor performing segment of the market during the year. However, several of SCERS' more uncorrelated and diversifying Absolute Return strategies did very well during the year, and generated positive returns.

You will recall that the policy benchmark for Absolute Return (91 Day T-Bill + 5%) and Real Assets (CPI-U +5%) will for the most part always have a positive return profile, and are not purely representative of the asset classes. They are also not investable. This creates the potential for large divergences between SCERS' return in these segments and these policy benchmarks when overall market returns are muted. A re-evaluation of SCERS' benchmarks in these asset classes will be undertaken in conjunction with SCERS' asset-liability modeling study which is currently taking place.

For SCERS' fiscal year, outperformance occurred, gross of fees, in the International Equity (-8.0% versus -9.8%) and Opportunities (+15.3% versus +1.5%) segments. Underperformance occurred in the Domestic Equity (+1.1% versus +2.1%), Fixed Income (+5.3% versus +6.1%), Absolute Return (-4.5% versus +5.2%), Private Equity (+2.3% versus +3.5%) and Real Assets (+3.9% versus +6.0%) segments.

The 3-year annualized TF return gross of fees is +5.9%, which is 0.7% below the Policy Index return of +6.6% for the same period. The 5-year annualized TF return gross of fees is +6.2%, which is 0.4% below the Policy Index return of +6.6% for the same period. The muted returns of the market and SCERS' portfolio during the fiscal year impacted SCERS' 3-year and 5-year returns, but it is important to understand that these intermediate-period time period returns can fluctuate when a good performance year early in a measured time period is replaced with a more recent poor performing year such as this. As an example the FY 2010-2011 return of +22.7% has dropped off of the 5-year return, and been replaced with the 2015-2016 FY return of -0.6%, which in turn has brought down the 5-year SCERS return from +10.8% as of June 30, 2015, to the current 5-year return figure of +6.2% as of June 30, 2016. The TF gross of fees since inception return from June 1986 of +8.2% is a more stable number, and is 0.3% below the Policy Index return of +8.5% for the same period, but above SCERS' actuarial investment return assumption, which has ranged from 8.25% to 7.50% (currently) over the same period.

Manager Commentary: Pages 12-13

The following discussion summarizes the second quarter returns for sub-asset classes and individual investment managers of note, the latter of which are covered in greater detail in the Verus Executive Performance Summary section.

Overall, active management within SCERS' equity portfolio generated mixed results during the quarter. Within SCERS' Domestic Equity portfolio, the US large cap portfolio returned +2.1%, which underperformed the Russell 3000 Index benchmark return of +2.5%. During the quarter, SCERS' US large cap equity passive portfolio returned +2.5%, equal to the Russell 1000 Index benchmark return of +2.5%. More than half of the US large cap portfolio is made up of passive large cap equity exposure, with active mandates constituting the other half.

Related to the actively managed US large cap portfolio, within the 130/30 segment, JP Morgan returned +0.7% versus the benchmark return of +2.5%. JP Morgan was negatively impacted by short positions in energy and pharmaceutical names, and by stock selection in the industrial sector. Brown Advisory (US large cap growth) returned -0.1% versus the benchmark return of +0.6%. Brown Advisory was negatively impacted by stock selection within the consumer discretionary and financial sectors, but outperformed in the information technology sector. Eagle Capital Management (US large cap core) returned +2.3% versus the benchmark return of +2.5%. Huber Capital Management (US large cap value) returned +1.8%, which was below the benchmark return of +4.6%. Huber is a deep value manager, which has been an out of favor style over the past year.

SCERS' US large cap active managers run concentrated and high active share portfolios. Accordingly, individual stock selection may have a greater impact on portfolio performance. These active mandates (Eagle, Brown and Huber), combined with SCERS' significant large cap passive allocation, create a barbell structure within SCERS' large cap equity portfolio. Since the implementation of this structure in 2012, the results have been poor, underperforming the Russell 1000 benchmark. The structure of this segment of the portfolio will be evaluated closely going forward.

SCERS' US small cap portfolio returned +3.2%, underperforming the Russell 2000 Index return of +3.8%. SCERS' small cap growth managers had a good quarter, after a very difficult Q1'16. Weatherbie (US small cap growth) returned +3.3%, slightly outperforming its benchmark return of +3.2%. Recently hired UBS (US small cap growth) returned +6.0%, outperforming the benchmark return of +3.2%. Stock selection across most sectors benefitted UBS. SCERS' US small cap value managers, DGHM and Wedge Capital, both quality value strategies, underperformed in the quarter after several quarters of strong performance. DGHM and Wedge returned +0.9% and +3.2% respectively, versus the benchmark return of +4.3%.

SCERS' domestic REIT manager CenterSquare returned +7.3% during the quarter, outperforming against the NAREIT Equity REIT Index return of +7.0%. The strong performance of US REITs benefitted the overall performance of SCERS' Domestic Equity asset class during the quarter.

Within SCERS' International Equity portfolio, the international developed portfolio returned -1.3%, which slightly underperformed the MSCI EAFE Index return of -1.2%. Lazard Asset Management (ACWI ex-US) returned +0.2%, which outperformed the benchmark return of

-0.4%. Lazard benefited from stock selection in the industrials and telecom service sectors. LSV (international large cap developed) returned -2.3%, underperforming its benchmark return of -0.8%. LSV runs a deep value strategy, which lagged during the quarter, as more defensive stocks led the market. Both Lazard and LSV have generated strong relative performance across most reporting periods. Another international large cap manager, Baring Asset Management, was terminated during 2014 due to significant underperformance and organizational changes, and this exposure is currently being held in a total return swap (passive exposure) on the MSCI World ex-US Index. A replacement search is currently being conducted.

Among SCERS' international developed small-cap managers, Mondrian generated a return of -2.4%, underperforming its benchmark return of -1.1%. Mondrian was negatively impacted by the commodity driven rally that occurred during the quarter. William Blair returned -2.1%, which underperformed the benchmark return of -1.1%.

SCERS' emerging markets equity ('EM') portfolio returned +0.8%, which was in-line with the MSCI Emerging Markets Index benchmark return of +0.8%. As you will recall, Capital Group (EM all-cap) was terminated as of March 31 2016, and replaced with new allocations to Baillie Gifford (EM all-cap growth) and Mondrian (EM all-cap value). During their first full quarter in SCERS' portfolio, Baillie Gifford and Mondrian returned -1.0% and +1.7%, respectively, compared to the MSCI EM Index benchmark return of +0.8%. Related to SCERS' dedicated EM small cap exposure, Mondrian (EM small cap value) returned +1.9% and William Blair (EM small cap growth) returned +3.9%, with both managers outperforming against the MSCI EM Small Cap Index benchmark return of +0.5%.

SCERS' lone international REIT manager, CBRE Clarion, returned +0.7%, which was in-line with the FTSE EPRA NAREIT Global ex-US return of +0.7%.

SCERS' Fixed Income portfolio returned +3.0%, outperforming against SCERS' custom benchmark return of +2.6%. During the quarter, Neuberger Berman (enhanced index) returned +2.3%, slightly outperforming against the Barclays Aggregate Index benchmark return of +2.2%. SCERS' two core plus fixed income managers, Prudential and TCW returned +3.1% and +2.2% respectively, versus the benchmark return of +2.2%.

SCERS' global opportunistic fixed income mandate managed by Brandywine Global Investment Management, returned +1.6%, underperforming its custom benchmark index (80% Citi WGBI / 20% JPM GBI EM) return of +3.3%. Brandywine's performance was negatively impacted by its positioning toward developing countries bonds and currencies over developed markets bonds and currencies. After a difficult 2015, SCERS' strategic credit mandate managed by Brigade Capital Management had another strong quarter, returning +8.5% versus its custom benchmark index (50% MLHY Mast II / 50% CS Lev Loans) return of +4.4%. Brigade benefitted from its high yield and bank loan positions.

SCERS' absolute return portfolio returned +1.0% during the quarter; compared to the 91-day T-Bill + 5% index (Policy Index benchmark) return of +1.3%, and the HFRI Fund of Funds Composite Index benchmark return of +0.5%. SCERS did not make any new direct absolute return investments during the quarter. Among SCERS' direct absolute return investments, the returns were as follows: AQR Delta Fund II (-1.7%); Brevan Howard (-0.2%); Claren Road (+2.3%); Elliott Associates (0.0%); JANA Partners (+0.3%); Lakewood (+1.3%); Laurion Capital (+1.2%); OZ Domestic Partners II (+1.3%); and Third Point (+4.5%). As you will recall, SCERS is in the process of redeeming assets from Claren Road.

SCERS' diversified Absolute Return Separate Account managed by Grosvenor (SCARF) returned +1.7%, which outperformed the benchmark (91 day T-Bill + 5%) index return of +1.3%. Grosvenor (SCARF B), SCERS' interim absolute return account, returned +0.6%, which underperformed the benchmark. More in depth performance and analysis on the absolute return portfolio will be provided in the Cliffwater quarterly performance report at the September Board meeting.

As you will recall, SCERS' Private Equity asset class has experienced underperformance versus the Russell 1000 + 3% benchmark index over longer time periods, due to SCERS' investments being in the early to middle phase of capital deployment in comparison to the benchmark (the J-curve effect). In addition, the private equity returns listed in the Verus report are time-weighted returns ('TWR'), which are required in this report to compute SCERS' total fund return. Private equity returns are typically reported as an internal rate of return ('IRR'), which accounts for the timing of cash flows. As you will also recall, Cliffwater uses IRR in its quarterly reports for private equity. SCERS' three fund of funds managers are deeper in the cycle of distributing capital, while SCERS' direct private equity funds in aggregate are investing capital, but are starting to realize meaningful returns.

During the quarter (one quarter lag), SCERS' Private Equity portfolio returned +2.3%, underperforming against the benchmark (Russell 1000 + 3.0%) index return of +3.5%. During the quarter, SCERS made a \$25 million commitment to Thoma Bravo Fund XII, L.P. and a \$15 million commitment to Marlin Heritage Europe Fund, L.P. More in depth performance and analysis on the Private Equity portfolio will be provided in the Cliffwater quarterly performance report at the September Board meeting.

Within the Real Assets asset class, SCERS' private real assets portfolio returned +0.6%, underperforming against the benchmark (CPI-U Headline Inflation +5.0%) index return of +2.3%. Similar to the Private Equity portfolio, private real assets are also in the earlier phase/cycle of investments in comparison to the benchmark (the J-curve effect). In addition, the private real assets returns listed in the Verus report are time-weighted returns ('TWR'), which are required in this report to compute SCERS' total fund return. Private real assets returns are typically reported as an internal rate of return ('IRR'), which accounts for the timing of cash flows. As you will also recall, Cliffwater uses IRR in its quarterly reports for private real assets. Within private real assets during the quarter, SCERS made a \$40 million commitment to Brookfield Infrastructure Fund III, L.P.

Within SCERS' core separate account real estate portfolio, BlackRock I and II returned +2.5% and -3.2% respectively, while Cornerstone returned +4.4%, and in aggregate SCERS' core separate account real estate portfolio returned +1.3%, underperforming the benchmark (NFI-ODCE) index return of +2.1%. SCERS' limited partnership core real estate funds in aggregate returned +1.6% during the quarter, underperforming the benchmark (NFI-ODCE) index return of +2.1%. The returns for individual funds include Jamestown Premier Property (+1.8%); MetLife Core Property (+1.4%); Prime Property (+2.6%); Principal US Property (+2.3%); Prologis Targeted Euro Logistics (-1.1%); and Prologis Targeted U.S. Logistics (+3.1%). During the first quarter, SCERS made a \$70 million commitment to Townsend Real Estate Fund ('TREF'), and approximately \$45 million was drawn down in the fund during the second quarter.

Within SCERS' commodities Real Assets sub-asset class, Blackstone (+13.0%) outperformed and Gresham (+11.6%) underperformed against the Bloomberg Commodity Index (+12.8%) during the quarter. Though the second quarter was a strong quarter, these funds have generated negative since inception returns. More in depth performance and analysis on the Real Assets portfolio will be provided in the Cliffwater quarterly performance report during the June Board meeting.

The SSGA Real Assets Strategy, which serves as the overlay proxy for the Real Assets asset class, returned +8.5%, which combined with strong returns in Q1'16, represent a strong rebound from prior quarters of poor returns by this strategy. The positive return in the SSGA Real Assets Strategy was heavily influenced by a continued rally in commodities and energy related stocks during the quarter.

SCERS' Opportunities portfolio returned +2.9%, outperforming SCERS' Policy Index return of +1.7%. In aggregate, the opportunistic real estate managers returned +3.8%, outperforming their benchmark (NFI-ODCE + 1%) Index return of +2.5%, while in aggregate, the value-added real estate managers returned +3.8%, also outperforming the NFI-ODCE Index. During the quarter, SCERS did not make any investments within the Opportunities asset class. More in depth performance and analysis on the Opportunities portfolio will be provided in the Cliffwater quarterly performance report at the September Board meeting.

We would be happy to answer any questions.

Respectfully submitted,

Concur:

Steve Davis
Deputy Chief Investment Officer

Richard Stensrud
Chief Executive Officer

Attachment



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: JUNE 30, 2016

Investment Performance Review for

Sacramento County Employees' Retirement System

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VERUSINVESTMENTS.COM

SEATTLE 206-622-3700

LOS ANGELES 310-297-1777

SAN FRANCISCO 415-362-3484

Market Environment **TAB I**

Total Fund **TAB II**

Policy Index and Benchmark
History **TAB III**

- U.S. equity markets have been in a “risk-on/risk-off” trading environment since the Fed ended its QE program a little over a year and a half ago. At the end of last month, the UK electorate’s vote to leave the EU triggered a bout of risk aversion across global financial markets. Although markets will likely remain volatile as they digest the economic impact of the vote, as well as the potential of a growing anti-EU sentiment among remaining members, it is encouraging to see the initial response of asset prices. MSCI ACWI ex-US equities recovered the bulk of their immediate post-Brexit drop and closed the quarter marginally negative. The S&P500 was up 2.5%, while EM equities were slightly up. There is no sign of stress in funding markets, and beyond the drop in sterling, currency moves have been quite modest.
- The political reverberations of Brexit are uncertain and ultimately could amplify the global shock by depressing risk appetites in financial markets—in addition to business and consumer confidence. Outside Europe, the contagion risk could be potentially magnified by the fact that businesses are already feeling cautious. Sensitivity may be particularly pronounced in the US, where a fall in corporate profits has led to a contraction in capex and a slowdown in hiring. Indeed, the US financial sector was among the worst performers in Q2.
- The first half of the year was characterized by a broad-based rally in government bonds, amid weaker economic data, financial market turmoil and the Brexit vote. The BoJ, BoE and ECB are all likely to ease further, and the Fed continues to ratchet down rate hike expectations. As the immediate shocks begin to subside, fundamental drivers are likely to take over. All US corporate bonds finished Q2 in positive territory, led by BAA-rated bonds, up 4.3% for the quarter. Treasury and Agency debt also rose and closed the quarter 2.1% and 1.2% higher, respectively.
- With the UK referendum finally in the rearview mirror, investor reaction was reflected in the sharp decline of the sterling. The currency lost 7% in Q2.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing the buying and selling patterns of the institutional investors. The Global ICI declined marginally to 105.9, down 0.1 points from May’s revised reading of 106. The North American ICI declined further in June by 2.0 points to 105.9, while the Asian ICI rose from 112.3 to 113.4 and the European ICI increased by 3.5 points to 100.3.
- For the period ending 6/30/16, one quarter returns for the NAREIT Equity Index and the NCREIF Property Index (one quarter lag) were respectively 7.0% and 2.2%; one year 24.0% and 11.8%; three years 13.6% and 11.9%; and five years 12.6% and 11.9%.

- REITS have now outperformed both the S&P 500 and Russell 2000 in each of the last four quarters as real estate fundamentals have remained strong and interest rates have continued to decline, especially after the Brexit vote late in the second quarter. Sector dispersion within REITs have remained high as interest rate sensitive sectors performed well in 2Q. Industrial, Health Care and Manufactured Housing were all up over 12%, while Apartments, Hotels and Storage were all negative for the quarter. Industrial demand has been buoyed by the secular trend of increasing internet retailing and cloud computing.
- REIT dividend yields declined by 29 bps in the second quarter to 3.5%, while the ten-year U.S. Treasury yield also fell 30 bps to 1.5% during the quarter, keeping spreads at 200 bps, well above the historical average of 111 bps. NCREIF Property Index cap rates declined 5 bps in the 1st quarter to 4.5%.

Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	2.5	4.0	11.7
Dow Jones Industrial Average	2.1	4.5	9.0
NASDAQ	-0.6	-2.9	12.5
Russell 1000	2.5	2.9	11.5
Russell 2000	3.8	-6.7	7.1
Russell 3000	2.6	2.1	11.1
MSCI EAFE (Net)	-1.5	-10.2	2.1
MSCI Emerging Markets (Net)	0.7	-12.1	-1.6
MSCI All Country World ex US (Net)	-0.6	-10.2	1.2

Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	2.2	6.0	4.1
Barclays Capital Gov/Credit	2.7	6.7	4.2
Barclays Capital Universal	2.5	5.8	4.2
Barclays Capital Corp. High Yield	5.5	1.6	4.2
CG Non-US World Govt.	4.0	13.8	2.4

Non-Public Markets

lagged quarterly

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	2.2	11.8	11.9
State Street Private Equity Index	0.7	4.6	10.1

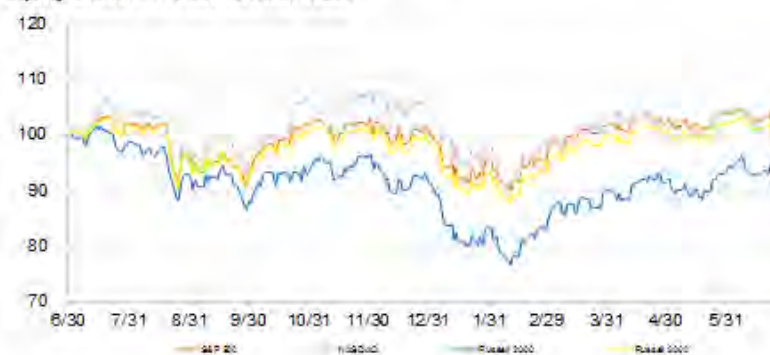
U.S. Equity Market

- Although accompanied by significant volatility—particularly at the beginning and end of the period—US stocks gained ground in the first half of 2016. S&P500 finished the second quarter 2.5% higher.
- Bonds posted positive returns for the second quarter in a row, as interest rates fell and credit spreads tightened. Long-duration and lower-credit-quality categories led, with some categories registering double-digit returns year to date. Bond yields fell near their all-time lows.
- High-yield bonds benefited from higher oil prices and more favorable liquidity conditions rising 5.4% in Q2.

Equity Index – Quarterly Growth Rate



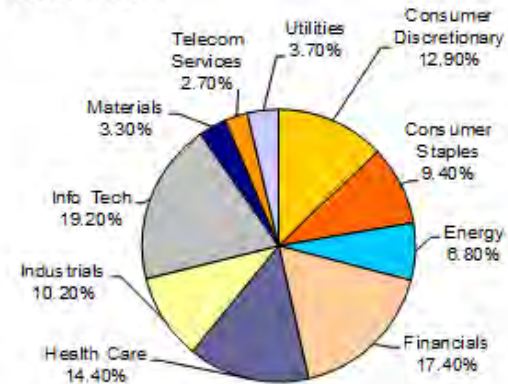
Equity Index – 1-Year Growth Rate



U.S. Equity – Russell 3000

- Sector performance was mixed in Q2, with a combination of cyclicals and defensives beating the benchmark. Falling rates boosted dividend-yielding sectors, such as utilities and telecoms, which led the pack among defensives. Amid a rally in oil prices, investors bid commodity sectors higher, and materials and energy both delivered stronger returns than the benchmark.
- Overall, the Russell 3000 rose 2.6% in the second quarter.

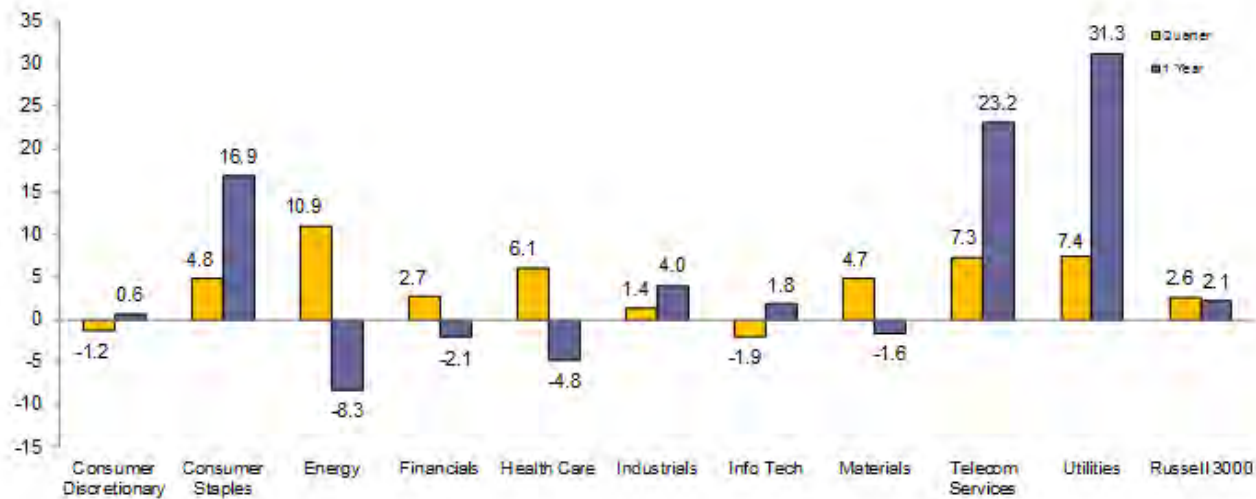
Ending Sector Weights



Characteristics

Div Yield (%)	2.05
P/B Ratio	4.80
P/E Ratio	25.82
Forward P/E Ratio	17.41
Fundamental Beta	1.02
Market Cap - Cap Wtd (MMS)	107,844

Sector Returns (%)

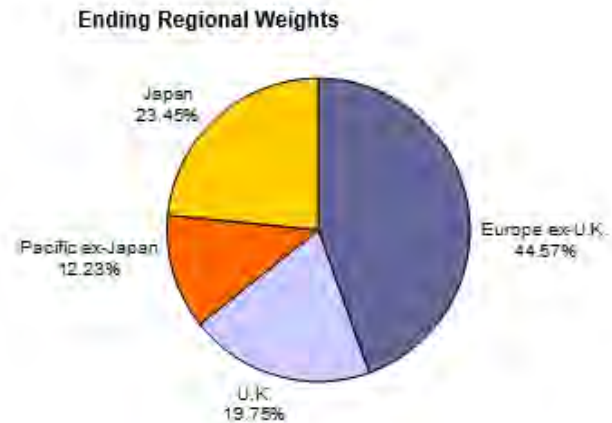


Contribution to Return:

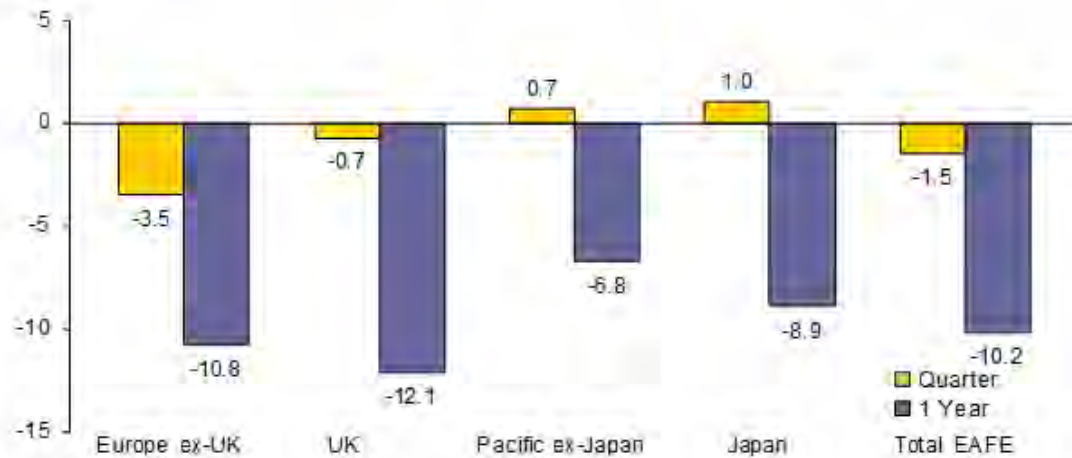
Qtr	-0.2	0.4	0.7	0.5	0.8	0.1	-0.4	0.2	0.2	0.3	2.6
1 Year	0.1	1.4	-0.6	-0.4	-0.7	0.4	0.3	-0.1	0.5	0.9	2.1

Developed Equity – MSCI EAFE (Net)

- Despite the referendum outcome in June, the UK managed to outperform the EAFE benchmark in Q2, down 0.7% vs. -1.5% for EAFE. Investors have been buying the former for much of this year as the precipitous decline in the sterling offers support for exporters. Two-thirds of revenue for MSCI UK equities comes from overseas and thus continued currency weakness could provide a little offset to wider risk aversion.
- The Brexit vote could revive Eurozone break-up concerns, reflected in the 3.5% decline in Europe ex-UK in Q2.
- Japan was the biggest winner last quarter, up 1%.



Regional Returns (%)

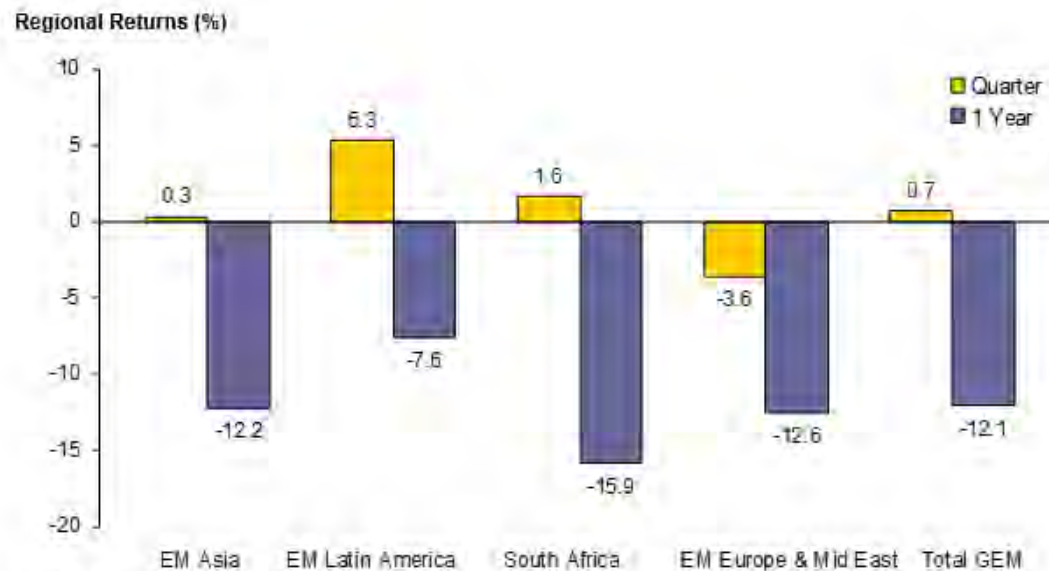
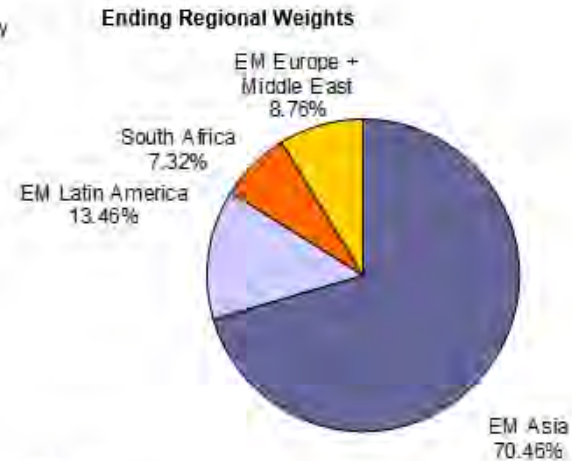


Contribution to Return:

	Europe ex-UK	UK	Pacific ex-Japan	Japan	Total EAFE
Qtr	-1.6	-0.1	0.1	0.2	-1.5
1 Yr	-4.8	-2.4	-0.8	-2.1	-10.2

Emerging Markets Equity – MSCI EM (Net)

- The MSCI EM index rose 0.7% in Q2, led by Latin America as a leveraged play on commodities. The new president of Brazil has not disappointed on his willingness to deliver a market-friendly agenda, which— together with a stronger USD-BRL and overall political de-risking—has supported Brazilian equities. EM Asia remained effectively unchanged during the quarter, while EM Europe and Middle East lagged the benchmark, likely driven by concerns over spillover effects of a divided Eurozone.
- On a 1-year basis, South Africa lost the most, down 15.9% despite the significant rally in the first half of this year. Following the sharp decline of the rand over the past year, inflation remains rampant in the country, tying the hands of policy makers. The SARB hiked rates twice already this year, in an effort to stabilize prices.

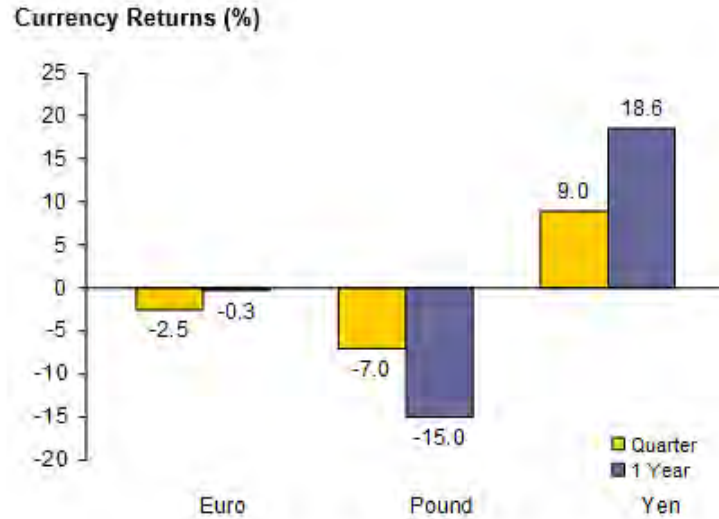


Contribution to Return:

	EM Asia	EM Latin America	South Africa	EM Europe & Mid East	Total GEM
Qtr	0.2	0.7	0.1	-0.3	0.7
1 Yr	-8.6	-1.0	-1.2	-1.1	-12.1

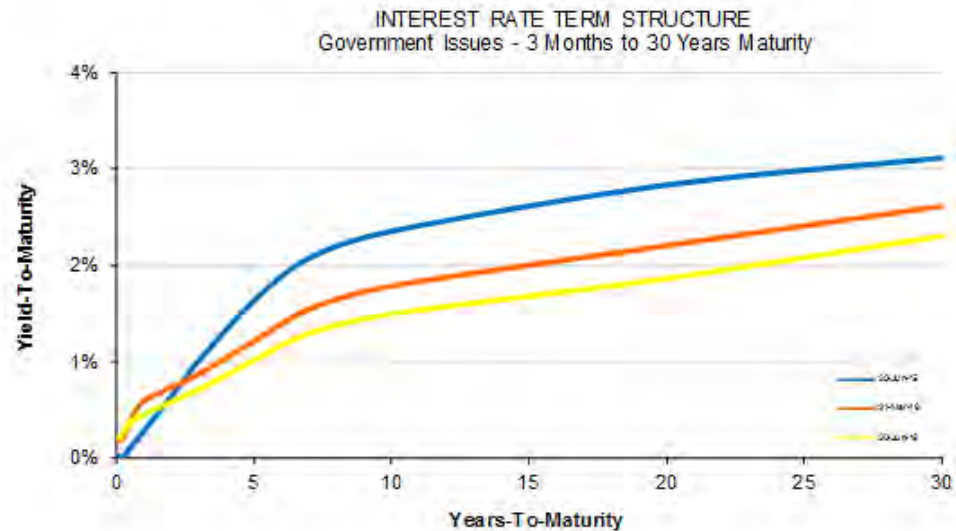
Currency Markets

- In Q2, the U.S. Dollar gained 2.5% against the Euro but lost 9% against the Yen.
- The sterling lost 7% in Q2, following the UK decision to leave the EU.



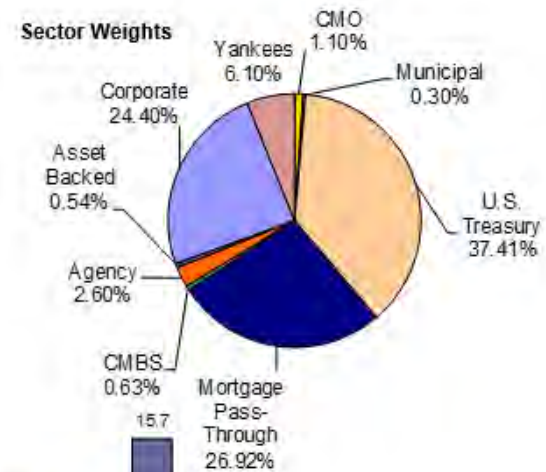
Yield Curve

- The late-June UK vote to leave the EU fueled political and economic uncertainty in the markets, leading to a spike in volatility and a continued drop in bond yields. An expectation of even easier monetary policies by the world's central banks added fuel to the global sovereign-bond rally and pushed trillions of dollars of government bonds into negative-yield territory.
- The US Treasury yield curve shifted lower last quarter, except for 1-month and 3-month yields which rose.
- 10-year yields fell 29 bps during Q2, while 30-year yields fell by 31 bps.
- The yields on the 1-month and 2-month Treasuries rose by 2 bps and 5 bps, respectively.

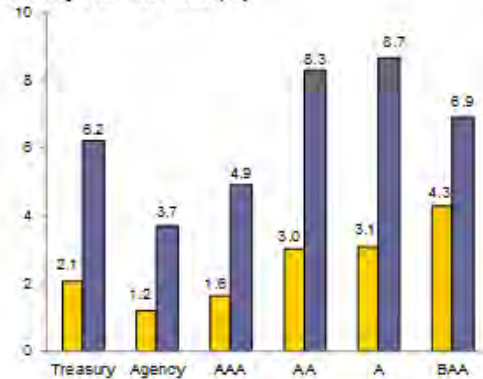


U.S. Bond Market Returns – Barclays Capital Aggregate

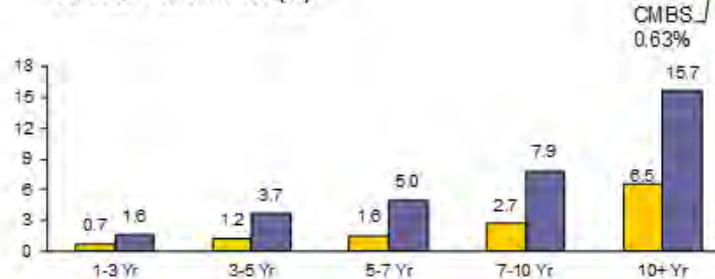
- U.S. Treasuries rose 2.1% in Q2, supported by an increase in risk aversion among investors.
- Longer-duration US Government bonds led the gains and bonds with durations over 10 years rose 6.5% in Q2.
- Among sectors, municipal debt rose the most again, up 15.1%, while mortgage pass-through, agency and asset-backed debt lagged the benchmark the most.



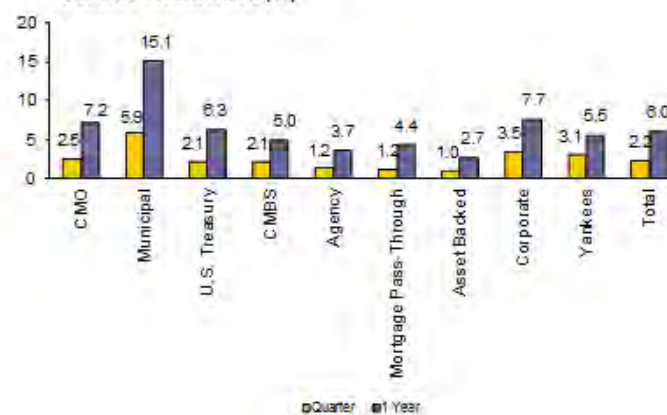
Quality Performance (%)



Duration Performance (%)



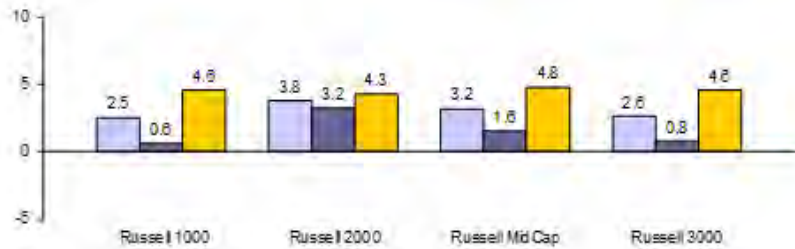
Sector Performance (%)



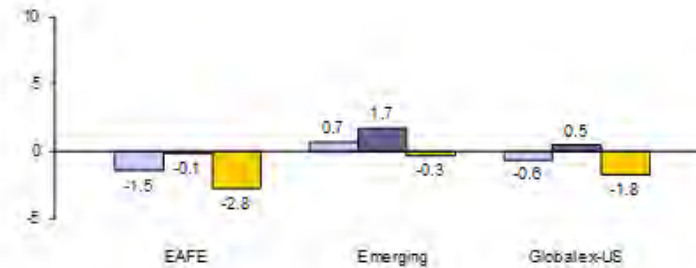
Style & Capitalization Returns

- Value continued leading the gains across US indices in Q2. In ex-US markets, however, investors exhibited a preference for growth over value.
- Sustaining the trend that began in Q1, emerging markets were again the best performer across styles in Q2, while EAFE lost the most.

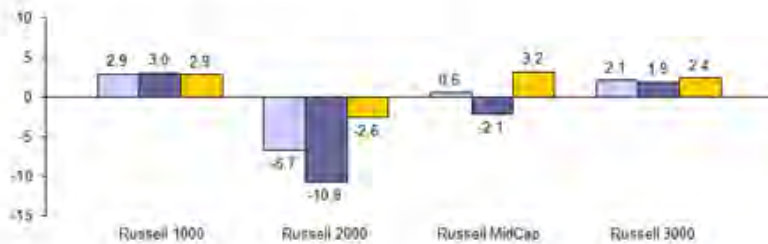
Russell US Style Returns (%) – Quarter



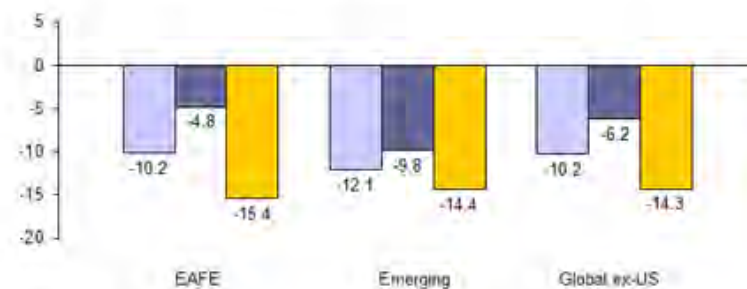
MSCI Non-US Style Returns (%) – Quarter



Russell US Style Returns (%) – 1 Year



MSCI Non-US Style Returns (%) – 1 Year

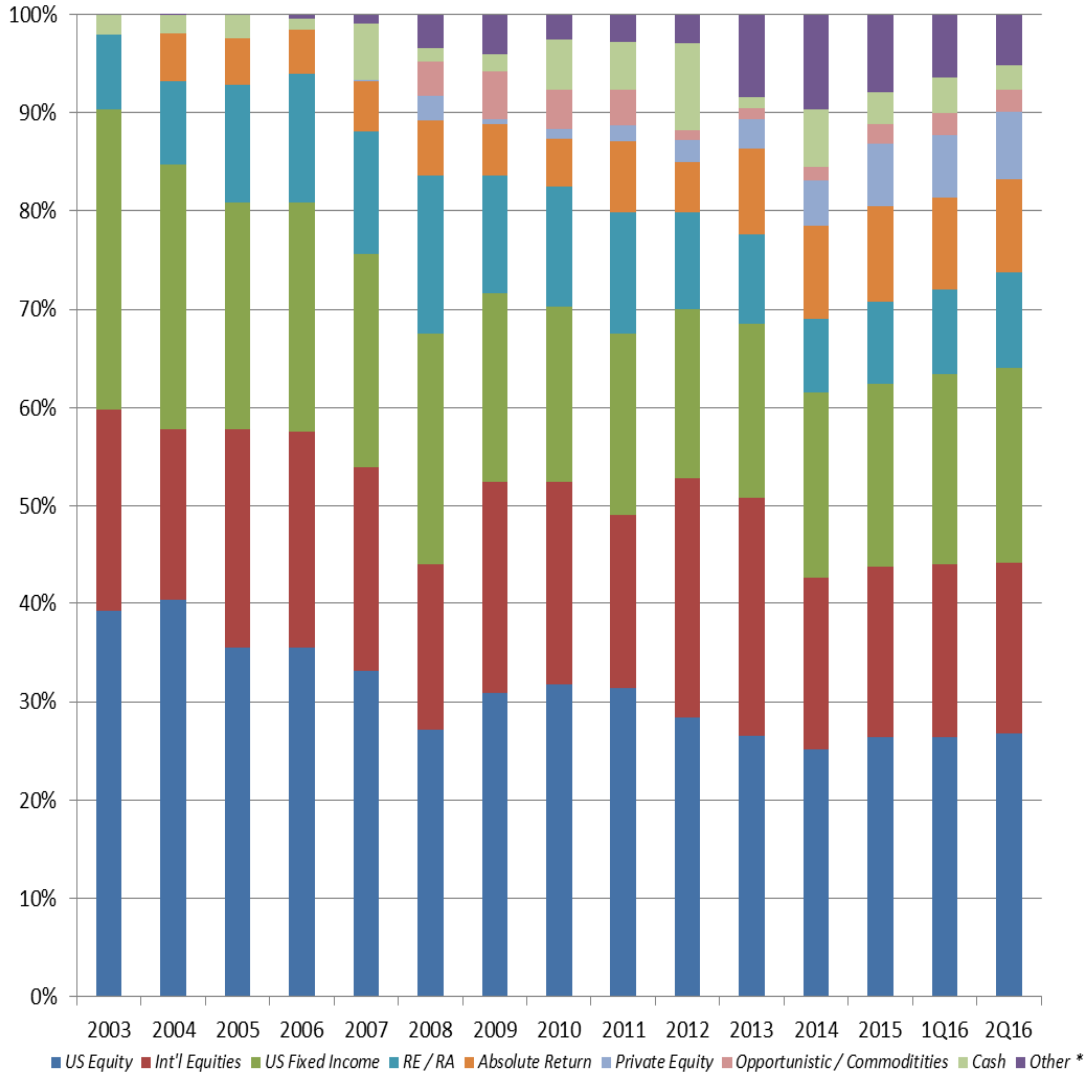


■ Neutral ■ Growth ■ Value

Total Fund

Actual Yearly and Quarterly Asset Allocation

Period Ending: June 30, 2016



	2003	2004	2005	2006	2007	2008
US Equity	39.2	40.4	35.4	35.5	33.1	27.2
International Equity	20.6	17.5	22.3	22.0	20.9	16.8
US Fixed Income	30.6	26.9	23.1	23.3	21.7	23.5
Real Estate	7.5	8.5	11.9	13.1	12.4	16.1
Absolute Return	-	4.9	4.8	4.4	5.1	5.6
Private Equity	-	-	-	-	0.1	2.5
Opportunistic / Commodities	-	-	-	-	-	3.5
Cash	2.1	1.8	2.4	1.2	5.8	1.4
Other *	-	0.1	-	0.4	0.9	3.4

	2009	2010	2011	2012	2013	2014
US Equity	30.9	31.7	31.4	28.4	26.5	25.2
International Equity	21.5	20.7	17.6	24.5	24.3	17.5
US Fixed Income	19.3	17.8	18.4	17.1	17.7	18.9
Real Assets	11.9	12.2	12.4	9.9	9.0	7.6
Absolute Return	5.3	4.9	7.3	5.2	8.8	9.4
Private Equity	0.5	0.9	1.6	2.2	3.0	4.6
Opportunistic / Commodities	4.8	4.1	3.7	1.1	1.0	1.4
Cash	1.7	5.0	4.9	8.8	1.2	5.9
Other *	4.1	2.6	2.7	2.9	8.4	9.6

	2015	2016 1Q+	2016 2Q+
US Equity	26.4	26.4	26.8
International Equity	17.3	17.5	17.5
US Fixed Income	18.7	19.5	19.8
Real Assets	8.3	8.6	9.7
Absolute Return	9.7	9.4	9.4
Private Equity	6.3	6.4	6.9
Opportunistic / Commodities	2.1	2.2	2.3
Cash	3.2	3.7	2.5
Other *	7.9	6.4	5.2

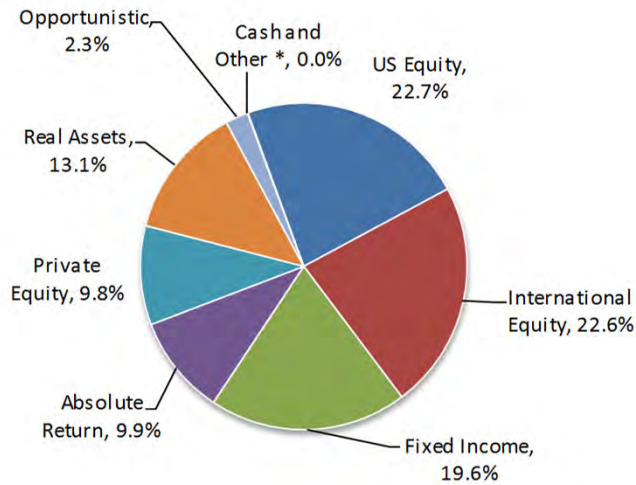
* Allocations without overlay.

* Other includes SSgA Overlay, SSgA Real Assets and closing accounts.

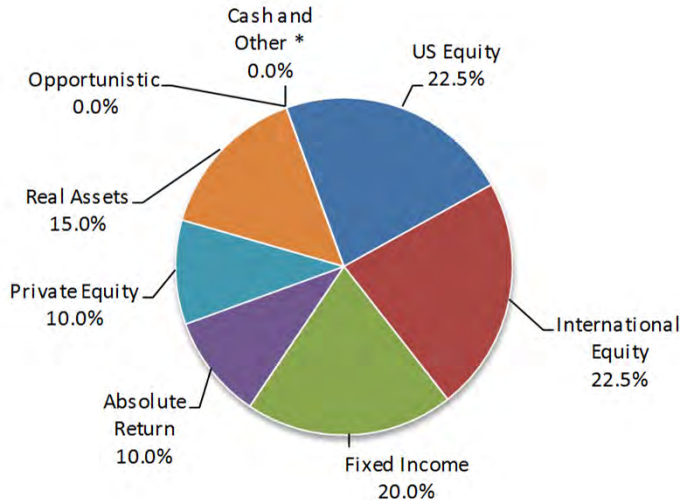
Total Fund Asset Allocation Analysis

Period Ending: June 30, 2016

Current w/Overlay



Target



ASSET ALLOCATION	MARKET VALUE		
	W/OVERLAY	W/OVERLAY	W/O OVERLAY
US Equity	1,745,082,395	22.7%	26.8%
International Equity	1,736,989,569	22.6%	17.5%
Fixed Income	1,504,117,947	19.6%	19.8%
Absolute Return	759,356,189	9.9%	9.4%
Private Equity	754,431,647	9.8%	6.9%
Real Assets	1,009,528,825	13.1%	9.7%
Opportunistic	173,232,709	2.3%	2.3%
Cash and Other *	3,469,590	0.0%	7.7%
TOTAL	7,686,208,871	100.0%	100.0%

ASSET ALLOCATION	ACTUAL	TARGET	DIFF
US Equity	22.7%	22.5%	0.2%
International Equity	22.6%	22.5%	0.1%
Fixed Income	19.6%	20.0%	-0.4%
Absolute Return	9.9%	10.0%	-0.1%
Private Equity	9.8%	10.0%	-0.2%
Real Assets	13.1%	15.0%	-1.9%
Opportunistic	2.3%	0.0%	2.3%
Cash and Other *	0.0%	0.0%	0.0%

ASSET ALLOCATION	TARGET	MEDIAN	DIFF
US Equity	22.5%	28%	-5.5%
International Equity	22.5%	18%	4.5%
Fixed Income	20.0%	27%	-7.0%
Absolute Return	10.0%	7%	3.0%
Private Equity	10.0%	8%	2.0%
Real Assets	15.0%	8%	7.0%
Opportunistic	0.0%	0%	0.0%
Cash and Other *	0.0%	4%	-4.0%

* Other includes closing accounts (Heitman), SSgA Overlay of \$132 million and SSgA Real Asset of \$264 million, which serve as overlay proxy for Real Assets.

- The Total Plan returned 1.9% in the second quarter of 2016 and ranked in the 42nd percentile among other public funds greater than \$1 billion (1.8 % median). The fund exceeded its policy index (1.7%) during this time period. The Total Plan w/o Overlay also returned 1.6% for the quarter. Longer term, the three and five-year returns of 5.9% and 6.2% ranked below median among large public plans (6.6% and 6.5%).

- Second quarter results were enhanced by the following factors:
 1. Brigade Capital returned 8.5% beating its benchmark by 4.1%, and ranked in the 3rd percentile of the US High Yield Universe. April performance of 5.7% was led by the recovery in oil and gas. The main contributors to performance were AMD which provided better than expected second quarter guidance, a distressed bank debt position TCEH which rallied due to a rise in natural gas prices, and Cenveo a high yield position that rallied on expectations the company would complete a restructuring of its unsecured debt.
 2. William Blair Emerging Small Cap returned 3.9% beating the MSCI Emerging Markets Small Cap (0.5%); it was led by favorable stock selection across most sectors and geographies. The overweighting in Financials also contributed to this quarter's outperformance due to the rally in banks. Consumer Staples stock selection was also positive due to the Food & Staples Retailing holdings outperformance. William Blair continues to be overweight in Financials, Industrials, and Materials, offset by a reduction in the Discretionary overweight and lower IT exposure.
 3. After a rough start UBS (6.0%) outperformed the Russell 2000 Growth (3.2%) and ranked in the top quartile among US Small Cap Growth managers. Stock selection in IT, Telecom, Energy, Consumer Discretionary, Consumer Staples, Materials, and Industrials were the biggest contributors to outperformance. Sector allocation slightly detracted from performance during the quarter. UBS believes corporate earnings are likely to grow in the second half of the year, and has position the portfolio with an overweight in Energy, Consumer Staples, and IT.
 4. Lazard was ahead of the MSCI ACWI ex US Index during the quarter (0.2% vs. -0.4%) and ranked in the second quartile among ACWI ex US equity managers (median of -0.9%). Lazard carried good stock selection in the industrials and telecom service sectors.

— Second quarter results were hindered by the following factors:

1. Dalton, Greiner (0.9%) trailed the benchmark by 3.4% placing it in the third quartile of peer managers. The second quarter was challenging for most small cap value managers that focus on owning higher quality stock as only 22% of small cap managers outperformed the index. The desire for yield drove outperformance in some of the most expensive sectors such as Utilities, Consumer Staples, and REITs most of which are underweight in the portfolio.
2. Huber Capital gained 1.8% compared to 4.6% for the Russell 1000 Value, and ranked in the third quartile of its peers. The main detractor from performance were the producer durables, financial services, and energy sectors.
3. JP Morgan 130/30 gained 0.7% versus the Russell 1000 return of 2.5%. Most of the underperformance in the short positions were in energy and pharmaceuticals as well as stock selection in Autos & Transportation (UAL).
4. Baillie Gifford Emerging All Cap underperformed the MSCI Emerging markets index by 1.8% (-1.0% vs 0.8%). Limited exposure in commodities hurt performance, but Baillie Gifford believes there is too much supply in bulk commodities to provide long-term growth in the sector.
5. Mondrian Dev Small Cap -2.4% ranked in the bottom quartile of international small cap managers. Primary detractors included an underweight position to the Brazilian market and currency.
6. Brandywine Global 1.6% lagged its benchmark by 1.7% due to stock selection. The portfolio is positioned for what should be a shift in performance away from developed countries bond markets into developing bond markets.
7. William Blair Small Cap growth lagged its benchmark, the MSCI World ex US Small Cap Index (-2.1% vs. -1.1%). Style effect had a detrimental impact on relative performance. Detractors from the strategy came from the low valuation, low growth positioning of the portfolio.

Total Fund Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank *	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since ⁺
Total Fund- Gross *	7,686,208,871	100.0	1.9	42	2.8	60	-0.6	75	5.9	70	6.2	63	8.2	Jun-86
Total Fund- Net			1.8	49	2.6	67	-0.9	80	5.6	79	5.9	71	8.0	
<i>Policy Index¹</i>			1.7	53	3.8	16	1.5	23	6.6	53	6.6	48	8.5	Jun-86
<i>InvestorForce Public DB > \$1B Gross Median</i>			1.8		2.9		0.2		6.6		6.5		8.1	Jun-86
Total Fund ex Overlay- Gross **	7,290,002,366	94.8	1.6	62	2.5	79	0.2	51	6.1	64	6.1	65	8.1	Jun-86
Total Fund ex Overlay- Net			1.5	69	2.3	84	-0.1	58	5.8	73	5.7	75	7.9	
<i>Policy Index¹</i>			1.7	53	3.8	16	1.5	23	6.6	53	6.6	48	8.5	Jun-86
<i>Allocation ex Overlay Index</i>			1.8	52	3.6	19	1.2	31	6.1	64	--	--	--	Jun-86
US Equity- Gross	2,059,975,151	26.8	2.5	46	2.3	68	1.1	42	10.4	55	10.9	49	9.7	Jun-86
US Equity- Net			2.5	51	2.1	70	0.8	47	10.1	66	10.6	62	9.5	
<i>Russell 3000¹</i>			2.6	40	3.6	37	2.1	28	11.1	26	11.6	20	9.9	Jun-86
<i>InvestorForce All DB US Eq Gross Median</i>			2.5		3.2		0.5		10.5		10.9		9.8	Jun-86
Large Cap- Gross	1,677,133,521	21.8	2.1	--	1.9	--	0.9	--	10.6	--	11.3	--	5.1	Mar-98
Large Cap- Net			2.1	--	1.7	--	0.7	--	10.4	--	11.0	--	5.0	
<i>Russell 1000</i>			2.5	--	3.7	--	2.9	--	11.5	--	11.9	--	5.8	Mar-98
Large Cap - Index- Gross	1,089,561,395	14.2	2.5	--	3.7	--	2.9	--	11.5	--	11.9	--	10.4	Sep-08
Large Cap - Index- Net			2.5	--	3.7	--	2.9	--	11.4	--	11.8	--	10.4	
<i>Russell 1000</i>			2.5	--	3.7	--	2.9	--	11.5	--	11.9	--	10.4	Sep-08
AB- Gross	1,089,561,395	14.2	2.5	44	3.7	69	2.9	77	11.4	66	11.8	66	9.6	Apr-89
AB- Net			2.5	45	3.7	69	2.9	80	11.4	67	11.8	66	9.6	
<i>Russell 1000¹</i>			2.5	39	3.7	63	2.9	75	11.5	63	11.9	62	--	Apr-89
<i>eA US Passive Large Cap Equity Gross Median</i>			2.5		3.8		3.2		11.6		12.0		9.7	Apr-89

* Total Fund and asset class composites are ranked against InvestorForce universes. Managers are ranked against eVest manager universes.

Net Returns are ranked against gross universe. Ranking of 1 is a top ranking and ranking of 100 is a bottom ranking.

** Returns from 2/1/06 to 12/31/10 were calculated using the overlay impact provided by SSgA.

+ Since Inception date denotes last day of the month.

1. See Policy Index and Benchmark History.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Equity Active (130/30)- Gross	118,540,602	1.5	0.7	--	-1.4	--	-3.2	--	11.2	--	12.5	--	10.8	Sep-08
Equity Active (130/30)- Net			0.5	--	-1.8	--	-3.9	--	10.5	--	11.8	--	10.2	
<i>Russell 1000</i>			2.5	--	3.7	--	2.9	--	11.5	--	11.9	--	10.4	Sep-08
JP Morgan 130/30- Gross	118,540,602	1.5	0.7	52	-1.4	89	-3.2	85	11.2	72	12.2	72	10.4	Jul-08
JP Morgan 130/30- Net			0.5	55	-1.8	95	-3.9	95	10.5	85	11.4	86	9.6	
<i>Russell 1000</i>			2.5	19	3.7	17	2.9	42	11.5	67	11.9	78	9.0	Jul-08
<i>eA Extended US 130/30 Equity Gross Median</i>			0.7		1.6		1.5		13.3		13.3		9.9	Jul-08
Large Cap Growth- Gross	114,630,994	1.5	-0.1	--	-1.4	--	1.0	--	10.0	--	9.4	--	9.5	Sep-08
Large Cap Growth- Net			-0.1	--	-1.5	--	0.9	--	9.9	--	9.2	--	9.1	
<i>Russell 1000 Growth</i>			0.6	--	1.4	--	3.0	--	13.1	--	12.3	--	11.7	Sep-08
Brown Advisory- Gross	114,630,994	1.5	-0.1	67	-1.4	60	1.0	35	10.0	87	--	--	10.1	Feb-12
Brown Advisory- Net			-0.1	68	-1.5	61	0.9	37	9.8	87	--	--	9.9	
<i>Russell 1000 Growth</i>			0.6	50	1.4	20	3.0	17	13.1	34	12.3	28	12.7	Feb-12
<i>eA US Large Cap Growth Equity Gross Median</i>			0.6		-0.8		-0.7		12.3		11.2		11.9	Feb-12
Large Cap Value- Gross	354,400,530	4.6	2.1	--	-1.5	--	-3.5	--	8.1	--	10.1	--	9.2	Sep-08
Large Cap Value- Net			1.9	--	-1.9	--	-4.2	--	7.4	--	9.5	--	8.7	
<i>Russell 1000 Value</i>			4.6	--	6.3	--	2.9	--	9.9	--	11.4	--	9.0	Sep-08
Eagle Capital- Gross	247,684,866	3.2	2.3	54	-1.8	93	-2.9	69	9.8	42	--	--	12.7	Feb-12
Eagle Capital- Net			2.1	59	-2.2	94	-3.7	74	9.1	61	--	--	12.0	
<i>Russell 1000</i>			2.5	50	3.7	48	2.9	29	11.5	13	11.9	26	12.7	Feb-12
<i>Russell 1000 Value</i>			4.6	15	6.3	25	2.9	29	9.9	40	11.4	39	12.6	Feb-12
<i>eA US Large Cap Value Equity Gross Median</i>			2.5		3.5		-0.2		9.5		10.8		11.9	Feb-12
Huber Capital- Gross	106,715,665	1.4	1.8	67	-0.7	88	-4.9	80	4.4	96	--	--	9.0	Feb-12
Huber Capital- Net			1.6	70	-1.0	89	-5.5	83	3.8	98	--	--	8.3	
<i>Russell 1000 Value</i>			4.6	15	6.3	25	2.9	29	9.9	40	11.4	39	12.6	Feb-12
<i>eA US Large Cap Value Equity Gross Median</i>			2.5		3.5		-0.2		9.5		10.8		11.9	Feb-12

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Small Cap- Gross	260,973,933	3.4	3.2	--	0.1	--	-6.6	--	6.6	--	7.9	--	11.4	Dec-90
Small Cap- Net			2.9	--	-0.4	--	-7.2	--	5.7	--	7.1	--	10.7	
<i>Russell 2000</i>			3.8	--	2.2	--	-6.7	--	7.1	--	8.4	--	10.4	Dec-90
Small Cap - Growth- Gross	122,048,854	1.6	4.5	--	-5.6	--	-11.8	--	3.7	--	6.0	--	8.2	Sep-08
Small Cap - Growth- Net			4.3	--	-5.9	--	-12.2	--	3.0	--	5.3	--	7.4	
<i>Russell 2000 Growth</i>			3.2	--	-1.6	--	-10.8	--	7.7	--	8.5	--	9.8	Sep-08
UBS- Gross	53,358,118	0.7	6.0	20	-5.8	92	--	--	--	--	--	--	-15.5	Jul-15
UBS- Net			6.0	20	-5.8	92	--	--	--	--	--	--	-15.5	
<i>Russell 2000 Growth</i>			3.2	53	-1.6	58	-10.8	61	7.7	54	8.5	58	-11.1	Jul-15
<i>eA US Small Cap Growth Equity Gross Median</i>			3.4		-0.8		-8.9		7.9		9.0		-9.2	Jul-15
Weatherbie- Gross	68,690,735	0.9	3.3	52	-5.5	90	-6.8	40	5.7	79	8.8	55	10.4	Dec-02
Weatherbie- Net			3.0	58	-6.0	92	-7.5	45	4.8	82	7.8	69	9.4	
<i>Russell 2000 Growth</i>			3.2	53	-1.6	58	-10.8	61	7.7	54	8.5	58	10.3	Dec-02
<i>eA US Small Cap Growth Equity Gross Median</i>			3.4		-0.8		-8.9		7.9		9.0		11.2	Dec-02
Small Cap - Value- Gross	138,925,079	1.8	2.1	--	5.7	--	-1.3	--	9.5	--	9.7	--	9.5	Sep-08
Small Cap - Value- Net			1.8	--	5.0	--	-2.2	--	8.6	--	8.8	--	8.6	
<i>Russell 2000 Value</i>			4.3	--	6.1	--	-2.6	--	6.4	--	8.1	--	7.3	Sep-08
Dalton, Greiner- Gross	65,694,982	0.9	0.9	75	3.5	66	-2.4	45	8.0	58	9.2	64	10.2	Dec-00
Dalton, Greiner- Net			0.7	79	3.0	72	-3.2	52	7.3	69	8.4	77	9.4	
<i>Russell 2000 Value</i>			4.3	22	6.1	34	-2.6	46	6.4	75	8.1	80	8.3	Dec-00
<i>eA US Small Cap Value Equity Gross Median</i>			2.5		4.8		-2.9		8.4		9.9		10.7	Dec-00
WEDGE Capital- Gross	73,230,097	1.0	3.2	42	7.7	17	-0.3	25	10.9	13	11.0	23	9.4	Apr-08
WEDGE Capital- Net			2.7	48	6.9	25	-1.3	37	9.8	27	9.9	51	8.4	
<i>Russell 2000 Value</i>			4.3	22	6.1	34	-2.6	46	6.4	75	8.1	80	6.7	Apr-08
<i>eA US Small Cap Value Equity Gross Median</i>			2.5		4.8		-2.9		8.4		9.9		8.8	Apr-08

Total Fund Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
CenterSquare- Gross	121,677,487	1.6	7.3	10	14.0	9	26.7	3	16.0	12	14.1	12	10.2	Jan-06
CenterSquare- Net			7.3	11	13.8	12	25.9	8	15.4	22	13.6	24	9.7	
<i>FTSE NAREIT Equity REIT</i>			7.0	22	13.4	18	24.0	30	13.6	78	12.6	65	7.7	Jan-06
<i>eA US REIT Gross Median</i>			5.9		11.2		23.3		14.1		13.0		8.4	Jan-06
Principal Global Inv- Gross *	190,210	0.0												
Principal Global Inv- Net														
International Equity- Gross	1,341,364,047	17.5	-0.8	60	-0.2	40	-8.0	34	2.2	53	1.1	61	6.0	Dec-87
International Equity- Net			-0.9	64	-0.5	43	-8.3	38	1.8	68	0.8	68	5.7	
<i>MSCI ACWI ex US¹</i>			-0.4	49	-0.7	47	-9.8	62	1.6	71	0.6	73	5.8	Dec-87
<i>InvestorForce All DB ex-US Eq Gross Median</i>			-0.4		-0.8		-9.1		2.2		1.5		6.4	Dec-87
International - Developed- Gross	968,283,223	12.6	-1.3	73	-1.8	34	-7.2	17	3.2	43	2.4	42	3.6	Mar-98
International - Developed- Net			-1.5	77	-2.0	43	-7.5	23	2.8	57	2.0	60	3.2	
<i>MSCI EAFE Gross</i>			-1.2	67	-4.0	75	-9.7	52	2.5	62	2.1	55	3.8	Mar-98
<i>InvestorForce All DB Dev Mkt ex-US Eq Gross Median</i>			-0.8		-2.4		-9.5		2.9		2.3		4.7	Mar-98
Lazard- Gross	389,324,958	5.1	0.2	30	0.3	29	-6.9	46	5.5	28	--	--	8.9	Jun-12
Lazard- Net			0.1	30	0.1	31	-7.2	47	5.2	32	--	--	8.6	
<i>MSCI ACWI ex USA Gross</i>			-0.4	40	-0.7	38	-9.8	72	1.6	82	0.6	87	4.6	Jun-12
<i>eA All ACWI ex-US Equity Gross Median</i>			-0.9		-1.9		-7.6		3.9		3.0		7.1	Jun-12
LSV- Gross	393,834,240	5.1	-2.3	68	-3.8	46	-9.9	46	3.4	43	2.6	44	3.2	Dec-04
LSV- Net			-2.4	69	-4.0	49	-10.2	52	2.9	46	2.2	45	2.7	
<i>MSCI World ex US¹</i>			-0.8	34	-2.6	38	-9.4	42	2.4	52	1.5	62	3.2	Dec-04
<i>MSCI EAFE Value Gross</i>			-2.4	69	-6.2	78	-14.9	92	0.4	94	0.6	88	2.8	Dec-04
<i>eA EAFE Large Cap Value Gross Median</i>			-1.7		-4.2		-10.1		2.5		1.9		3.7	Dec-04

* Liquidating as of April 2013.

1. See Policy Index and Benchmark History.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Mondrian Dev Small Cap- Gross	85,333,840	1.1	-2.4	75	0.3	36	-3.0	48	5.0	67	4.5	60	8.7	Aug-10
Mondrian Dev Small Cap- Net			-2.7	80	-0.2	41	-3.5	53	4.3	73	3.9	74	8.1	
MSCI World ex US Small Cap GD			-1.1	56	-0.4	43	-3.0	48	6.7	49	4.0	72	8.2	Aug-10
eA ACWI ex-US Small Cap Equity Gross Median			-0.8		-1.2		-3.2		6.7		6.1		9.6	Aug-10
William Blair Dev Small Cap- Gross	99,657,350	1.3	-2.1	71	-3.4	77	-0.2	22	6.2	53	6.0	51	9.6	Sep-08
William Blair Dev Small Cap- Net			-2.3	74	-3.8	80	-0.8	28	5.4	65	5.1	58	8.6	
MSCI World ex US Small Cap GD			-1.1	56	-0.4	43	-3.0	48	6.7	49	4.0	72	8.0	Sep-08
eA ACWI ex-US Small Cap Equity Gross Median			-0.8		-1.2		-3.2		6.7		6.1		10.0	Sep-08
Baring- Gross*	132,835	0.0												
Baring- Net														
International - Emerging- Gross	294,556,094	3.8	0.8	95	3.8	98	-12.7	98	-2.1	82	-5.3	95	5.5	Jan-00
International - Emerging- Net			0.7	96	3.7	98	-12.8	99	-2.2	83	-5.3	95	5.1	
MSCI Emerging Markets Gross			0.8	95	6.6	69	-11.7	89	-1.2	64	-3.4	67	6.1	Jan-00
InvestorForce All DB Emg Mkt Eq Gross Median			2.1		7.9		-8.8		-0.7		-2.6		6.0	Jan-00
Baillie Gifford Emg All Cap- Gross	121,218,135	1.6	-1.0	97	--	--	--	--	--	--	--	--	-1.0	Mar-16
Baillie Gifford Emg All Cap- Net			-1.0	97	--	--	--	--	--	--	--	--	-1.0	
MSCI Emerging Markets Gross			0.8	76	6.6	47	-11.7	75	-1.2	77	-3.4	81	0.8	Mar-16
eA Emg Mkts Equity Gross Median			1.9		6.4		-9.2		0.1		-1.8		1.9	Mar-16
Mondrian Emg All Cap- Gross	124,569,865	1.6	1.7	52	--	--	--	--	--	--	--	--	1.7	Mar-16
Mondrian Emg All Cap- Net			1.7	52	--	--	--	--	--	--	--	--	1.7	
MSCI Emerging Markets Gross			0.8	77	6.6	25	-11.7	70	-1.2	98	-3.4	99	0.8	Mar-16
eA Emg Mkts Small Cap Equity Gross Median			1.8		3.1		-9.2		2.3		0.8		1.8	Mar-16

* Liquidating as of October 2014.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Mondrian Emg Small Cap- Gross	23,760,890	0.3	1.9	48	0.7	85	-8.6	44	--	--	--	--	2.6	Jan-14
Mondrian Emg Small Cap- Net			1.6	53	0.0	88	-9.6	54	--	--	--	--	1.5	
<i>MSCI Emerging Markets Small Cap Gross</i>			0.5	86	1.5	78	-12.5	76	0.3	85	-2.0	98	-0.5	Jan-14
<i>eA Emg Mkts Small Cap Equity Gross Median</i>			1.8		3.1		-9.2		2.3		0.8		2.4	Jan-14
William Blair Emg Small Cap- Gross	25,007,205	0.3	3.9	17	1.1	82	-9.6	54	--	--	--	--	3.5	Dec-13
William Blair Emg Small Cap- Net			4.2	12	1.1	82	-9.9	54	--	--	--	--	2.9	
<i>MSCI Emerging Markets Small Cap Gross</i>			0.5	86	1.5	78	-12.5	76	0.3	85	-2.0	98	-1.6	Dec-13
<i>eA Emg Mkts Small Cap Equity Gross Median</i>			1.8		3.1		-9.2		2.3		0.8		0.4	Dec-13
CBRE Clarion- Gross	78,524,730	1.0	0.7	33	5.2	30	-0.3	48	4.4	38	5.2	38	11.9	Oct-08
CBRE Clarion- Net			0.6	35	5.0	32	-0.5	50	4.1	42	5.0	71	11.7	
<i>FTSE NAREIT Developed ex US Gross</i>			0.7	33	5.9	22	1.4	20	4.3	39	5.0	71	10.5	Oct-08
<i>eA EAFE REIT Gross Median</i>			-0.1		3.7		-0.6		3.7		5.1		9.7	Oct-08
Fixed Income- Gross	1,523,034,924	19.8	3.0	30	6.9	26	5.3	34	4.1	36	4.2	45	7.4	Jun-86
Fixed Income- Net			2.9	32	6.8	27	5.1	36	3.9	41	4.1	50	7.3	
<i>Fixed Income Custom¹</i>			2.6	43	6.4	32	6.1	24	3.5	57	3.4	77	6.6	Jun-86
<i>InvestorForce All DB Total Fix Inc Gross Median</i>			2.5		5.3		4.6		3.6		4.1		7.4	Jun-86
Neuberger Berman Fixed- Gross	366,184,514	4.8	2.3	60	5.5	41	6.3	35	4.3	52	4.1	67	6.9	Jun-88
Neuberger Berman Fixed- Net			2.2	63	5.4	45	6.2	38	4.3	60	4.0	74	6.8	
<i>Barclays Aggregate</i>			2.2	64	5.3	56	6.0	56	4.1	77	3.8	85	6.6	Jun-88
<i>eA US Core Fixed Inc Gross Median</i>			2.3		5.4		6.1		4.3		4.3		7.0	Jun-88
Prudential- Gross	415,575,644	5.4	3.1	6	6.5	7	6.2	41	--	--	--	--	5.0	Jul-14
Prudential- Net			3.0	8	6.3	9	6.0	56	--	--	--	--	4.8	
<i>Barclays Aggregate</i>			2.2	64	5.3	56	6.0	56	4.1	77	3.8	85	4.2	Jul-14
<i>eA US Core Fixed Inc Gross Median</i>			2.3		5.4		6.1		4.3		4.3		4.4	Jul-14

1. See Policy Index and Benchmark History.

Total Fund Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
TCW MetWest Fixed- Gross	381,055,867	5.0	2.2	62	4.7	85	5.2	86	4.2	65	4.9	13	6.5	Dec-01
TCW MetWest Fixed- Net			2.2	69	4.6	87	5.1	87	4.0	79	4.7	21	6.3	
<i>Barclays Aggregate</i>			2.2	64	5.3	56	6.0	56	4.1	77	3.8	85	4.9	Dec-01
<i>eA US Core Fixed Inc Gross Median</i>			2.3		5.4		6.1		4.3		4.3		5.4	Dec-01
Brandywine Global- Gross	211,784,082	2.8	1.6	68	10.5	8	5.4	35	2.7	61	--	--	1.9	May-13
Brandywine Global- Net			1.5	69	10.3	9	5.0	40	2.4	68	--	--	1.6	
<i>Brandywine Custom¹</i>			3.3	24	11.4	4	9.5	7	1.4	78	--	--	1.0	May-13
<i>eA All Global Fixed Inc Gross Median</i>			2.2		6.3		3.5		3.2		3.0		2.5	May-13
Brigade Capital- Gross	148,434,817	1.9	8.5	3	12.4	2	-1.1	87	--	--	--	--	1.0	Nov-13
Brigade Capital- Net			8.5	3	12.4	2	-1.1	87	--	--	--	--	1.0	
<i>Brigade Custom¹</i>			4.4	46	6.8	54	1.4	48	--	--	--	--	2.7	Nov-13
<i>eA US High Yield Fixed Inc Gross Median</i>			4.2		6.8		1.3		4.2		5.9		2.9	Nov-13
Absolute Return- Gross ++	723,745,032	9.4	1.0	56	-2.1	62	-4.5	41	2.3	54	3.2	51	4.4	Aug-04
Absolute Return- Net			1.0	56	-2.1	62	-4.5	41	2.3	54	3.0	54	3.9	
<i>91 Day T-Bill +5%</i>			1.3	47	2.6	7	5.2	2	5.1	7	5.1	5	6.4	Aug-04
<i>HFRI Fund of Funds Composite Index</i>			0.5	74	-2.6	75	-5.4	60	1.9	64	1.6	87	2.8	Aug-04
<i>InvestorForce All DB Hedge Funds Gross Median</i>			1.1		-1.7		-5.0		2.5		3.2		4.3	Aug-04
AQR DELTA II- Gross	47,122,487	0.6	-1.7	84	-2.7	77	7.1	19	6.2	37	--	--	6.0	May-13
AQR DELTA II- Net			-1.7	84	-2.7	77	7.1	19	6.2	37	--	--	6.0	
<i>91 Day T-Bill +5%</i>			1.3	52	2.6	41	5.2	25	5.1	44	5.1	33	5.1	May-13
<i>eV Alt All Multi-Strategy Median</i>			1.4		1.7		0.1		4.2		3.5		4.0	May-13
Brevan Howard US - Gross	34,423,894	0.4	-0.2	66	-1.2	69	-4.4	73	--	--	--	--	-0.7	Feb-14
Brevan Howard US - Net			-0.2	66	-1.2	69	-4.4	73	--	--	--	--	-0.7	
<i>91 Day T-Bill +5%</i>			1.3	45	2.6	43	5.2	31	5.1	35	5.1	24	5.1	Feb-14
<i>HFRI Fund of Funds Composite Index</i>			0.5	54	-2.6	76	-5.4	76	1.9	54	1.6	62	-0.4	Feb-14
<i>eV Alt All Macro Median</i>			0.8		1.2		0.4		2.7		2.7		3.3	Feb-14

1. See Policy Index and Benchmark History.

++ Absolute Return managers are ranked in the eVest net of fee universe.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Claren Road Credit- Gross	8,125,632	0.1	2.3	66	-1.9	95	-9.1	97	-8.4	99	--	--	-3.9	Jan-12
Claren Road Credit- Net			2.3	66	-1.9	95	-9.1	97	-8.4	99	--	--	-3.9	
91 Day T-Bill +5%			1.3	81	2.6	60	5.2	22	5.1	31	5.1	38	5.1	Jan-12
eV Alt Fundamental - Long/Short Credit Median			3.3		3.9		1.1		2.8		4.3		4.8	Jan-12
Elliot Associates- Gross ⁺⁺⁺	43,327,891	0.6	0.0	--	2.3	--	2.4	--	5.5	--	--	--	6.7	Apr-12
Elliot Associates- Net			0.0	--	2.3	--	2.4	--	5.5	--	--	--	6.7	
91 Day T-Bill +5%			1.3	--	2.6	--	5.2	--	5.1	--	5.1	--	5.1	Apr-12
Grosvenor- Gross	292,998	0.0	-0.3	79	0.5	10	-7.0	59	-1.9	97	0.0	92	2.6	Aug-04
Grosvenor- Net			-0.3	79	0.5	10	-7.0	59	-1.9	97	-0.1	93	2.3	
91 Day T-Bill +5%			1.3	31	2.6	3	5.2	2	5.1	12	5.1	11	6.4	Aug-04
eV Alt Fund of Funds - Multi-Strategy Median			0.7		-2.6		-6.2		1.8		2.6		4.3	Aug-04
Grosvenor SC Abs Return- Gross	237,522,584	3.1	1.7	15	-2.6	51	-7.2	62	1.6	55	--	--	4.4	Nov-11
Grosvenor SC Abs Return- Net			1.7	15	-2.6	51	-7.2	62	1.6	55	--	--	4.4	
91 Day T-Bill +5%			1.3	31	2.6	3	5.2	2	5.1	12	5.1	11	5.1	Nov-11
eV Alt Fund of Funds - Multi-Strategy Median			0.7		-2.6		-6.2		1.8		2.6		4.1	Nov-11
Grosvenor SC Abs Return B- Gross	159,661,695	2.1	0.6	54	-3.3	61	-6.6	55	1.8	49	--	--	2.7	Jan-13
Grosvenor SC Abs Return B- Net			0.6	54	-3.3	61	-6.6	55	1.8	49	--	--	2.7	
91 Day T-Bill +5%			1.3	31	2.6	3	5.2	2	5.1	12	5.1	11	5.1	Jan-13
eV Alt Fund of Funds - Multi-Strategy Median			0.7		-2.6		-6.2		1.8		2.6		2.3	Jan-13
JANA Partners- Gross	35,301,550	0.5	0.3	77	-5.8	91	-12.3	89	--	--	--	--	-0.1	Jul-13
JANA Partners- Net			0.3	77	-5.8	91	-12.3	89	--	--	--	--	-0.1	
91 Day T-Bill +5%			1.3	56	2.6	40	5.2	15	5.1	36	5.1	35	5.1	Jul-13
eV Alt All Event Driven Median			2.0		2.1		-0.7		3.4		4.2		2.7	Jul-13

+++ Preliminary quarterly returns as of 6/30/2016 (Returns are not available at reporting period.)

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Lakewood- Gross	37,888,798	0.5	1.3	45	0.4	41	3.4	24	5.4	45	--	--	5.4	Jun-13
Lakewood- Net			1.3	45	0.4	41	3.4	24	5.4	45	--	--	5.4	
91 Day T-Bill +5%			1.3	45	2.6	27	5.2	18	5.1	46	5.1	50	5.1	Jun-13
eV Alt Fundamental - Long/Short Equity Median			0.9		-0.9		-4.0		4.5		5.0		4.5	Jun-13
Laurion Capital- Gross	40,538,933	0.5	1.2	56	-1.5	88	7.4	36	--	--	--	--	6.6	Mar-14
Laurion Capital- Net			1.2	56	-1.5	88	7.4	36	--	--	--	--	6.6	
91 Day T-Bill +5%			1.3	50	2.6	47	5.2	43	5.1	66	5.1	62	5.1	Mar-14
eV Alt Relative Value - Equity Relative Value Median			1.2		1.9		3.2		7.5		6.0		5.9	Mar-14
OZ Domestic II- Gross	39,291,567	0.5	1.3	52	-2.5	76	-7.1	80	2.9	63	--	--	6.3	Dec-11
OZ Domestic II- Net			1.3	52	-2.5	76	-7.1	80	2.9	63	--	--	6.2	
91 Day T-Bill +5%			1.3	52	2.6	41	5.2	25	5.1	44	5.1	33	5.1	Dec-11
eV Alt All Multi-Strategy Median			1.4		1.7		0.1		4.2		3.5		4.9	Dec-11
Third Point Offshore Fund- Gross	40,247,002	0.5	4.5	24	2.3	46	-3.3	66	6.2	25	--	--	10.5	Apr-12
Third Point Offshore Fund- Net			4.5	24	2.3	46	-3.3	66	6.2	25	--	--	10.5	
91 Day T-Bill +5%			1.3	56	2.6	40	5.2	15	5.1	36	5.1	35	5.1	Apr-12
eV Alt All Event Driven Median			2.0		2.1		-0.7		3.4		4.2		4.4	Apr-12
Private Equity- Gross ⁺⁺	527,884,071	6.9	0.2	59	2.3	38	2.3	72	12.7	27	10.5	24	-2.0	Dec-07
Private Equity- Net			0.2	59	2.3	38	2.3	72	12.7	27	11.0	18	--	
Russell 1000 +3% 1Q Lag ¹			1.9	15	9.2	1	3.5	59	14.4	13	14.3	5	8.3	Dec-07
Thomson Reuters CJA All PE 1 Qtr Lag			-0.5	88	0.0	68	2.9	64	11.4	35	11.4	17	8.1	Dec-07
InvestorForce All DB Private Eq Net Median			0.3		1.3		4.5		10.4		9.2		6.8	Dec-07
Abbott VI- Gross	59,372,209	0.8	0.9	--	4.3	--	11.9	--	13.9	--	10.0	--	0.3	Jul-08
Abbott VI- Net			0.9	--	4.3	--	11.9	--	13.9	--	10.0	--	--	
Russell 1000 +3% 1Q Lag			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	10.0	Jul-08

1. See Policy Index and Benchmark History.

++ Returns are one-quarter lag.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo		YTD		1 Yr		3 Yrs		5 Yrs		Inception	
			(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	Return (%)	Since
Accel-KKR IV- Gross	8,469,256	0.1	1.3	--	4.7	--	29.6	--	-22.1	--	--	--	-22.1	Jun-13
Accel-KKR IV- Net			1.3	--	4.7	--	29.6	--	-22.1	--	--	--	-22.1	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	14.4	Jun-13
Accel-KKR Structured II- Gross	2,142,433	0.0	2.9	--	-4.5	--	-32.0	--	--	--	--	--	-25.1	Feb-15
Accel-KKR Structured II- Net			2.9	--	-4.5	--	-32.0	--	--	--	--	--	-25.1	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	4.4	Feb-15
Atalaya Special Opp VI- Gross *	10,877,629	0.1	--	--	--	--	--	--	--	--	--	--	0.0	Apr-16
Atalaya Special Opp VI- Net			--	--	--	--	--	--	--	--	--	--	0.0	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	7.4	Apr-16
Athyrium Opp II- Gross	20,761,224	0.3	0.2	--	9.4	--	-4.9	--	--	--	--	--	-4.9	Jun-15
Athyrium Opp II- Net			0.2	--	9.4	--	-4.9	--	--	--	--	--	-4.9	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	3.5	Jun-15
Dyal Capital II- Gross	9,326,862	0.1	-8.8	--	-13.3	--	-16.0	--	--	--	--	--	-11.7	Dec-14
Dyal Capital II- Net			-8.8	--	-13.3	--	-16.0	--	--	--	--	--	-11.7	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	7.4	Dec-14
Garrison Investment Group- Gross	16,067,858	0.2	-3.7	--	-8.4	--	-10.4	--	2.6	--	--	--	2.1	May-12
Garrison Investment Group- Net			-3.7	--	-8.4	--	-10.4	--	2.6	--	--	--	2.1	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	15.7	May-12
Harbourvest VIII- Gross	29,260,053	0.4	0.4	--	3.1	--	9.3	--	14.7	--	11.9	--	8.3	Dec-07
Harbourvest VIII- Net			0.4	--	3.1	--	9.3	--	14.7	--	11.9	--	--	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	8.3	Dec-07
Harbourvest Intl VI- Gross	30,253,274	0.4	3.0	--	6.5	--	12.4	--	15.3	--	5.6	--	-14.7	Mar-09
Harbourvest Intl VI- Net			3.0	--	6.5	--	12.4	--	15.3	--	5.6	--	--	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	17.0	Mar-09

* Funded in April 2016.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo		YTD		1 Yr		3 Yrs		5 Yrs		Inception	
			(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	Return (%)	Since
H.I.G. Bayside Loan III- Gross	15,972,275	0.2	-0.4	--	2.0	--	11.4	--	7.7	--	--	--	3.8	Jan-13
H.I.G. Bayside Loan III- Net			-0.4	--	2.0	--	11.4	--	7.7	--	--	--	3.8	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	16.9	Jan-13
H.I.G. Capital V- Gross	2,677,002	0.0	-4.2	--	-7.4	--	-11.7	--	--	--	--	--	-5.9	Jul-13
H.I.G. Capital V- Net			-4.2	--	-7.4	--	-11.7	--	--	--	--	--	-5.9	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	14.0	Jul-13
H.I.G. Europe Capital II - Gross	-228,183	0.0	--	--	--	--	--	--	--	--	--	--	--	Jan-14
H.I.G. Europe Capital II - Net			--	--	--	--	--	--	--	--	--	--	--	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	11.4	Jan-14
Khosla IV- Gross	12,921,290	0.2	-0.7	--	2.1	--	9.1	--	20.0	--	--	--	13.7	Jul-11
Khosla IV- Net			-0.7	--	2.1	--	9.1	--	20.0	--	--	--	13.7	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	13.9	Jul-11
Khosla V- Gross	7,608,710	0.1	3.9	--	4.5	--	6.9	--	--	--	--	--	2.5	Nov-14
Khosla V- Net			3.9	--	4.5	--	6.9	--	--	--	--	--	2.5	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	6.1	Nov-14
Linden Capital- Gross	4,331,783	0.1	--	--	--	--	--	--	--	--	--	--	--	Jun-16
Linden Capital- Net			--	--	--	--	--	--	--	--	--	--	--	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	--	Jun-16
Marlin Equity IV- Gross	8,527,507	0.1	-1.2	--	4.1	--	2.5	--	--	--	--	--	-2.7	Nov-13
Marlin Equity IV- Net			-1.2	--	4.1	--	2.5	--	--	--	--	--	-2.7	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	14.2	Nov-13
Marlin Heritage- Gross	5,936,538	0.1	-0.3	--	12.9	--	10.4	--	--	--	--	--	-6.5	Jul-14
Marlin Heritage- Net			-0.3	--	12.9	--	10.4	--	--	--	--	--	-6.5	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	9.2	Jul-14

*** Funded in June 2016.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo		YTD		1 Yr		3 Yrs		5 Yrs		Inception	
			(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	Return (%)	Since
New Enterprise- Gross	31,143,373	0.4	0.3	--	7.9	--	17.9	--	19.9	--	--	--	11.9	May-12
New Enterprise- Net			0.3	--	7.9	--	17.9	--	19.9	--	--	--	11.9	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	15.7	May-12
New Enterprise 15- Gross	13,041,718	0.2	-2.4	--	1.7	--	0.9	--	--	--	--	--	0.7	Apr-15
New Enterprise 15- Net			-2.4	--	1.7	--	0.9	--	--	--	--	--	0.7	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	7.4	Apr-15
Private Equity X- Gross	57,099,888	0.7	2.1	--	2.8	--	-21.2	--	9.4	--	12.4	--	-7.1	Jun-08
Private Equity X- Net			2.1	--	2.8	--	-21.2	--	9.4	--	12.4	--	--	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	10.5	Jun-08
RRJ Capital- Gross	28,380,560	0.4	-4.2	--	-2.5	--	-1.7	--	16.2	--	--	--	15.8	May-13
RRJ Capital- Net			-4.2	--	-2.5	--	-1.7	--	16.2	--	--	--	15.8	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	15.5	May-13
RRJ Capital Masterfund III- Gross	1,413,066	0.0	3.1	--	-52.0	--	--	--	--	--	--	--	-52.0	Dec-15
RRJ Capital Masterfund III- Net			3.1	--	-52.0	--	--	--	--	--	--	--	-52.0	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	--	--	9.2	Dec-15
Spectrum Equity- Gross	11,586,275	0.2	4.3	--	3.0	--	-22.8	--	--	--	--	--	-30.6	Dec-14
Spectrum Equity- Net			4.3	--	3.0	--	-22.8	--	--	--	--	--	-30.6	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	7.4	Dec-14
Summit Credit- Gross	10,544,170	0.1	2.8	--	5.2	--	6.9	--	9.0	--	--	--	5.9	Oct-11
Summit Credit- Net			2.8	--	5.2	--	6.9	--	9.0	--	--	--	5.9	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	15.8	Oct-11
Summit Credit II- Gross	22,334,625	0.3	1.9	--	3.1	--	0.1	--	--	--	--	--	0.0	Nov-14
Summit Credit II- Net			1.9	--	3.1	--	0.1	--	--	--	--	--	0.0	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	6.1	Nov-14

Total Fund Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Summit Ventures- Gross	19,281,176	0.3	0.2	--	9.5	--	16.6	--	8.3	--	--	--	4.7	Jun-12
Summit Ventures- Net			0.2	--	9.5	--	16.6	--	8.3	--	--	--	4.7	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	15.1	Jun-12
Summit Ventures IV- Gross **	1,285,111	0.0	--	--	--	--	--	--	--	--	--	--	0.0	May-16
Summit Ventures IV- Net			--	--	--	--	--	--	--	--	--	--	0.0	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	7.1	May-16
Thoma Bravo XI- Gross	27,696,192	0.4	-0.2	--	5.9	--	5.8	--	--	--	--	--	1.1	Jun-14
Thoma Bravo XI- Net			-0.2	--	5.9	--	5.8	--	--	--	--	--	1.1	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	9.2	Jun-14
Thoma Bravo XII- Gross **	1,659,450	0.0	--	--	--	--	--	--	--	--	--	--	0.0	May-16
Thoma Bravo XII- Net			--	--	--	--	--	--	--	--	--	--	0.0	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	7.1	May-16
TPG OPP Partners III- Gross	16,005,805	0.2	3.1	--	2.2	--	5.2	--	--	--	--	--	-42.6	Mar-14
TPG OPP Partners III- Net			3.1	--	2.2	--	5.2	--	--	--	--	--	-42.6	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	--	--	9.5	Mar-14
Trinity Ventures XI- Gross	18,326,483	0.2	-3.2	--	-5.2	--	10.6	--	-3.1	--	--	--	-2.9	Apr-13
Trinity Ventures XI- Net			-3.2	--	-5.2	--	10.6	--	-3.1	--	--	--	-2.9	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	15.6	Apr-13
Trinity Ventures XII- Gross *	2,400,000	0.0	--	--	--	--	--	--	--	--	--	--	0.0	Apr-16
Trinity Ventures XII- Net			--	--	--	--	--	--	--	--	--	--	0.0	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	7.4	Apr-16
TSG7 A LP- Gross	79,782	0.0	-9.8	--	--	--	--	--	--	--	--	--	-9.8	Mar-16
TSG7 A LP- Net			-9.8	--	--	--	--	--	--	--	--	--	-9.8	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	1.9	Mar-16

* Funded in April 2016.

** Funded in May 2016.

Total Fund Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
TSG7 B LP- Gross	227,344	0.0	-12.5	--	--	--	--	--	--	--	--	--	-12.5	Jan-16
TSG7 B LP- Net			-12.5	--	--	--	--	--	--	--	--	--	-12.5	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	1.0	Jan-16
Waterland V- Gross	8,631,856	0.1	3.9	--	1.0	--	111.6	--	82.2	--	--	--	13.9	Aug-11
Waterland V- Net			3.9	--	1.0	--	111.6	--	82.2	--	--	--	13.9	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	14.4	Aug-11
Waterland VI- Gross	1,990,514	0.0	-19.5	--	-34.2	--	--	--	--	--	--	--	-61.4	Jul-15
Waterland VI- Net			-19.5	--	-34.2	--	--	--	--	--	--	--	-61.4	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	2.5	Jul-15
Waterland VI Over- Gross	1,583	0.0	-14.1	--	-81.9	--	--	--	--	--	--	--	-81.9	Dec-15
Waterland VI Over- Net			-14.1	--	-81.9	--	--	--	--	--	--	--	-81.9	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	--	--	9.2	Dec-15
Wayzata Opportunities III- Gross	10,477,380	0.1	1.9	--	-7.8	--	-10.7	--	-10.3	--	--	--	-12.4	Feb-13
Wayzata Opportunities III- Net			1.9	--	-7.8	--	-10.7	--	-10.3	--	--	--	-12.4	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	14.3	--	17.0	Feb-13
Real Assets ex SSgA RA Overlay Proxy- Gross	745,370,170	9.7	2.3	--	4.0	--	3.9	--	7.9	--	5.5	--	2.1	May-08
Real Assets ex SSgA RA Overlay Proxy- Net			2.2	--	3.7	--	3.2	--	6.9	--	4.7	--	--	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	--	May-08
Real Assets (with SSgA RA Overlay Proxy) - Gross	1,009,528,825	13.1	4.3	--	6.9	--	1.2	--	4.3	--	2.7	--	0.4	May-08
Real Assets (with SSgA RA Overlay Proxy) - Net			4.2	--	6.7	--	0.7	--	3.7	--	2.2	--	--	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	--	May-08

Total Fund Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo		YTD		1 Yr		3 Yrs		5 Yrs		Inception	
			(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	(%)	Rank	Return (%)	Since
RE -Separate- Gross	288,839,095	3.8	1.3	--	2.7	--	3.9	--	10.2	--	11.2	--	4.7	Sep-08
RE -Separate- Net			1.1	--	2.2	--	3.0	--	8.8	--	10.1	--	3.8	
<i>NFI-ODCE</i> ¹			2.1	--	4.4	--	11.8	--	13.0	--	12.6	--	6.9	<i>Sep-08</i>
BlackRock RE Leveraged- Gross	183,826,020	2.4	2.5	--	4.6	--	10.7	--	13.4	--	13.1	--	9.8	Dec-98
BlackRock RE Leveraged- Net			2.3	--	4.3	--	10.1	--	11.9	--	12.0	--	--	
<i>NFI-ODCE</i> ¹			2.1	--	4.4	--	11.8	--	13.0	--	12.6	--	9.6	Dec-98
BlackRock RE II Leveraged- Gross	43,936,799	0.6	-3.2	--	-2.3	--	-20.0	--	-1.6	--	4.2	--	6.9	Jun-04
BlackRock RE II Leveraged- Net			-3.5	--	-2.8	--	-20.8	--	-2.4	--	3.4	--	--	
<i>NFI-ODCE</i> ¹			2.1	--	4.4	--	11.8	--	13.0	--	12.6	--	9.6	Jun-04
Cornerstone Leveraged- Gross	61,076,276	0.8	4.4	--	4.0	--	4.2	--	8.8	--	10.6	--	7.2	May-04
Cornerstone Leveraged- Net			4.0	--	3.2	--	2.7	--	7.5	--	9.5	--	--	
<i>NFI-ODCE</i> ¹			2.1	--	4.4	--	11.8	--	13.0	--	12.6	--	9.8	May-04
BlackRock RE Unleveraged - Gross	--	--	2.3	--	9.4	--	9.4	--	12.0	--	11.6	--	10.3	Oct-95
<i>NFI-ODCE</i> ¹			2.1	--	11.8	--	11.8	--	13.0	--	12.6	--	10.1	Oct-95
BlackRock RE II Unleveraged - Gross	--	--	-2.2	--	-11.1	--	-11.1	--	0.9	--	4.6	--	6.7	Oct-00
<i>NFI-ODCE</i> ¹			2.1	--	11.8	--	11.8	--	13.0	--	12.6	--	9.4	Oct-00
Cornerstone Unleveraged - Gross	--	--	3.1	--	3.3	--	3.3	--	6.9	--	8.3	--	6.4	Jun-04
<i>NFI-ODCE</i> ¹			2.1	--	11.8	--	11.8	--	13.0	--	12.6	--	9.8	Jun-04

1. See Policy Index and Benchmark History.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
RE -Limited Partnership- Gross	262,445,542	3.4	1.6	--	3.7	--	10.7	--	12.2	--	12.2	--	3.2	Sep-08
RE -Limited Partnership- Net			1.5	--	3.5	--	10.2	--	11.4	--	11.4	--	2.4	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>4.8</i>	<i>Sep-08</i>
Jamestown Premier Property - Gross	19,883,495	0.3	1.8	--	2.7	--	9.8	--	--	--	--	--	12.7	Dec-13
Jamestown Premier Property - Net			1.8	--	2.7	--	9.8	--	--	--	--	--	12.7	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>12.8</i>	<i>Dec-13</i>
Metlife Core Property - Gross	48,437,691	0.6	1.4	--	3.3	--	12.5	--	--	--	--	--	14.9	Dec-13
Metlife Core Property - Net			1.3	--	3.1	--	12.0	--	--	--	--	--	14.4	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>12.8</i>	<i>Dec-13</i>
Prime Property- Gross	49,019,764	0.6	2.6	--	4.9	--	12.7	--	--	--	--	--	14.5	Sep-13
Prime Property- Net			2.4	--	4.3	--	11.4	--	--	--	--	--	13.3	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>12.8</i>	<i>Sep-13</i>
Principal US Property- Gross	37,482,334	0.5	2.3	--	4.2	--	--	--	--	--	--	--	7.1	Oct-15
Principal US Property- Net			2.3	--	4.2	--	--	--	--	--	--	--	7.1	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>7.8</i>	<i>Oct-15</i>
Prologis Targeted Euro Logistics- Gross	30,861,461	0.4	-1.1	--	3.8	--	--	--	--	--	--	--	3.8	Oct-15
Prologis Targeted Euro Logistics- Net			-1.1	--	3.8	--	--	--	--	--	--	--	3.8	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>7.8</i>	<i>Oct-15</i>
Prologis Targeted US Logistics- Gross	31,429,200	0.4	3.1	--	5.2	--	--	--	--	--	--	--	13.6	Jul-15
Prologis Targeted US Logistics- Net			3.1	--	5.2	--	--	--	--	--	--	--	13.6	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>11.8</i>	<i>Jul-15</i>
Townsend Real Estate- Gross ⁺⁺⁺	44,891,079	0.6	0.0	--	--	--	--	--	--	--	--	--	0.0	Mar-16
Townsend Real Estate- Net			0.0	--	--	--	--	--	--	--	--	--	0.0	
<i>NFI-ODCE</i>			<i>2.1</i>	<i>--</i>	<i>4.4</i>	<i>--</i>	<i>11.8</i>	<i>--</i>	<i>13.0</i>	<i>--</i>	<i>12.7</i>	<i>--</i>	<i>2.1</i>	<i>Mar-16</i>

+++ Preliminary quarterly returns as of 6/30/2016 (Returns are not available at reporting period.)

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Commodities- Gross	68,919,058	0.9	12.5	--	13.7	--	-14.9	--	-9.6	--	-9.4	--	-7.1	May-08
Commodities- Net			12.4	--	13.2	--	-15.6	--	-10.4	--	-10.0	--	--	
<i>Bloomberg Commodity Index TR USD</i>			12.8	--	13.3	--	-13.3	--	-10.6	--	-10.8	--	-10.1	May-08
Blackstone- Gross	42,960,667	0.6	13.0	--	14.9	--	-14.8	--	-9.0	--	-9.0	--	-4.4	May-08
Blackstone- Net			12.8	--	14.4	--	-15.6	--	-9.9	--	-9.7	--	--	
<i>Bloomberg Commodity Index TR USD</i>			12.8	--	13.3	--	-13.3	--	-10.6	--	-10.8	--	-10.1	May-08
<i>eA Commodities Gross Median</i>			--		--		--		--		--		--	May-08
Gresham- Gross	25,958,391	0.3	11.8	--	11.7	--	-15.1	--	-10.6	--	-10.0	--	-9.8	Apr-08
Gresham- Net			11.6	--	11.3	--	-15.7	--	-11.2	--	-10.5	--	--	
<i>Bloomberg Commodity Index TR USD</i>			12.8	--	13.3	--	-13.3	--	-10.6	--	-10.8	--	-9.7	Apr-08
<i>eA Commodities Gross Median</i>			--		--		--		--		--		--	Apr-08
Private Real Assets - Gross ++	125,166,476	1.6	0.6	--	2.9	--	11.6	--	16.1	--	--	--	-3.1	Jan-13
Private Real Assets - Net			0.6	--	2.9	--	11.6	--	16.1	--	--	--	-3.1	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	6.0	Jan-13
ArcLight Energy VI- Gross	12,693,684	0.2	-1.5	--	-8.3	--	--	--	--	--	--	--	-8.3	Aug-15
ArcLight Energy VI- Net			-1.5	--	-8.3	--	--	--	--	--	--	--	-8.3	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	5.3	Aug-15
Atalaya SMA- Gross	11,471,406	0.1	1.7	--	1.0	--	6.0	--	--	--	--	--	5.6	May-15
Atalaya SMA- Net			1.7	--	1.0	--	6.0	--	--	--	--	--	5.6	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	6.2	May-15
Brookfield Infra III- Gross**	3,191,559	0.0	--	--	--	--	--	--	--	--	--	--	0.0	May-16
Brookfield Infra III- Net			--	--	--	--	--	--	--	--	--	--	0.0	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	0.7	May-16
Carlyle Power II- Gross	14,093,743	0.2	-3.4	--	-21.6	--	--	--	--	--	--	--	-21.6	Oct-15
Carlyle Power II- Net			-3.4	--	-21.6	--	--	--	--	--	--	--	-21.6	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	4.0	Oct-15

** Funded in May 2016.

++ Returns are one-quarter lag.

Total Fund Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
EnCap Energy IX- Gross	22,105,721	0.3	-2.4	--	13.9	--	13.1	--	3.5	--	--	--	-12.4	Jan-13
EnCap Energy IX- Net			-2.4	--	13.9	--	13.1	--	3.5	--	--	--	-12.4	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	6.0	Jan-13
EnCap Energy X- Gross	7,672,455	0.1	-3.1	--	-19.0	--	-36.4	--	--	--	--	--	-32.1	Apr-15
EnCap Energy X- Net			-3.1	--	-19.0	--	-36.4	--	--	--	--	--	-32.1	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	6.3	Apr-15
EnCap Flatrock Midstream III- Gross	3,057,997	0.0	-1.6	--	69.1	--	76.0	--	--	--	--	--	0.1	Jul-14
EnCap Flatrock Midstream III- Net			-1.6	--	69.1	--	76.0	--	--	--	--	--	0.1	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	5.1	Jul-14
First Reserve- Gross	6,021,008	0.1	8.7	--	5.4	--	-4.7	--	--	--	--	--	-42.8	Dec-14
First Reserve- Net			8.7	--	5.4	--	-4.7	--	--	--	--	--	-42.8	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	5.5	Dec-14
Pantheon Ventures- Gross	35,639,976	0.5	4.1	--	9.0	--	30.6	--	--	--	--	--	44.5	Jul-14
Pantheon Ventures- Net			4.1	--	9.0	--	30.6	--	--	--	--	--	44.5	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	5.1	Jul-14
Quantum Energy VI - Gross	7,954,904	0.1	-1.9	--	8.7	--	8.1	--	--	--	--	--	5.1	Nov-14
Quantum Energy VI - Net			-1.9	--	8.7	--	8.1	--	--	--	--	--	5.1	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	4.7	Nov-14
Wastewater Opportunity- Gross	1,264,023	0.0	-19.9	--	-54.9	--	--	--	--	--	--	--	-54.9	Dec-15
Wastewater Opportunity- Net			-19.9	--	-54.9	--	--	--	--	--	--	--	-54.9	
<i>CPI-U Headline +5%</i>			2.3	--	3.5	--	6.0	--	5.7	--	--	--	3.5	Dec-15
SSgA Real Asset Overlay Proxy- Gross	264,158,655	3.4	8.5	--	13.0	--	0.8	--	1.1	--	1.0	--	0.7	Jan-08
SSgA Real Asset Overlay Proxy- Net			8.4	--	12.9	--	0.7	--	0.9	--	0.9	--	0.5	
<i>SSgA Real Asset</i> ¹			8.5	--	12.9	--	0.1	--	0.8	--	0.9	--	--	Jan-08

1. See Policy Index and Benchmark History.

Total Fund
Performance Summary

Period Ending: June 30, 2016

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
Opportunities - Gross⁺⁺	173,232,709	2.3	2.9	--	6.3	--	15.3	--	16.5	--	15.6	--	10.1	Oct-07
Opportunities - Net			2.6	--	5.7	--	13.7	--	15.3	--	14.4	--	--	
<i>Policy Index¹</i>			1.7	--	3.8	--	1.5	--	6.6	--	8.5	--	7.5	Oct-07
Opportunistic Credit - Gross	48,873,469	0.6	1.1	--	1.6	--	6.0	--	--	--	--	--	3.2	Jul-13
Opportunistic Credit - Net			1.1	--	1.6	--	6.0	--	--	--	--	--	3.2	
Atalaya Special Opportunities V- Gross	18,530,480	0.2	2.0	--	4.6	--	10.6	--	--	--	--	--	5.0	Jul-13
Atalaya Special Opportunities V- Net			2.0	--	4.6	--	10.6	--	--	--	--	--	5.0	
<i>Russell 1000 +3% 1Q Lag</i>			1.9	--	9.2	--	3.5	--	14.4	--	--	--	14.0	Jul-13
European RE Debt II- Gross	30,342,989	0.4	0.6	--	-0.4	--	3.6	--	--	--	--	--	2.5	Nov-13
European RE Debt II- Net			0.6	--	-0.4	--	3.6	--	--	--	--	--	2.5	
<i>NCREIF-ODCE</i>			2.1	--	4.4	--	11.8	--	13.0	--	12.7	--	13.7	Nov-13
RE -Opportunistic- Gross	78,691,991	1.0	3.8	--	8.0	--	24.1	--	--	--	--	--	42.7	Feb-14
RE -Opportunistic- Net			3.4	--	7.2	--	22.0	--	--	--	--	--	40.8	
<i>NFI-ODCE net +1%</i>			2.5	--	4.8	--	11.8	--	--	--	--	--	13.8	Feb-14
CIM Opportunity VIII- Gross	17,498,820	0.2	-0.3	--	4.2	--	15.0	--	--	--	--	--	5.4	Feb-15
CIM Opportunity VIII- Net			-1.0	--	2.7	--	11.1	--	--	--	--	--	2.1	
<i>NFI-ODCE net +1%</i>			2.5	--	4.8	--	11.8	--	--	--	--	--	14.8	Feb-15
Kohlberg Kravis Roberts - Gross	30,945,060	0.4	5.1	--	9.5	--	24.1	--	--	--	--	--	47.1	Feb-14
Kohlberg Kravis Roberts - Net			5.1	--	9.4	--	23.9	--	--	--	--	--	46.3	
<i>NFI-ODCE net +1%</i>			2.5	--	4.8	--	11.8	--	--	--	--	--	13.8	Feb-14
NREP Nordic Strat FCP-FIS- Gross	17,738,571	0.2	6.9	--	11.7	--	48.4	--	--	--	--	--	24.6	Dec-14
NREP Nordic Strat FCP-FIS- Net			6.9	--	11.7	--	48.4	--	--	--	--	--	24.6	
<i>NFI-ODCE net +1%</i>			2.5	--	4.8	--	11.8	--	--	--	--	--	13.2	Dec-14
NREP Nordic Strat II- Gross ^{***}	4,707,229	0.1	--	--	--	--	--	--	--	--	--	--	--	Jun-16
NREP Nordic Strat II- Net			--	--	--	--	--	--	--	--	--	--	--	
<i>NFI-ODCE net +1%</i>			2.5	--	4.8	--	11.8	--	--	--	--	--	--	Jun-16

1. See Policy Index and Benchmark History.

⁺⁺ Returns are one-quarter lag.

^{***} Funded in June 2016.

Total Fund
Performance Summary

Period Ending: June 30, 2016

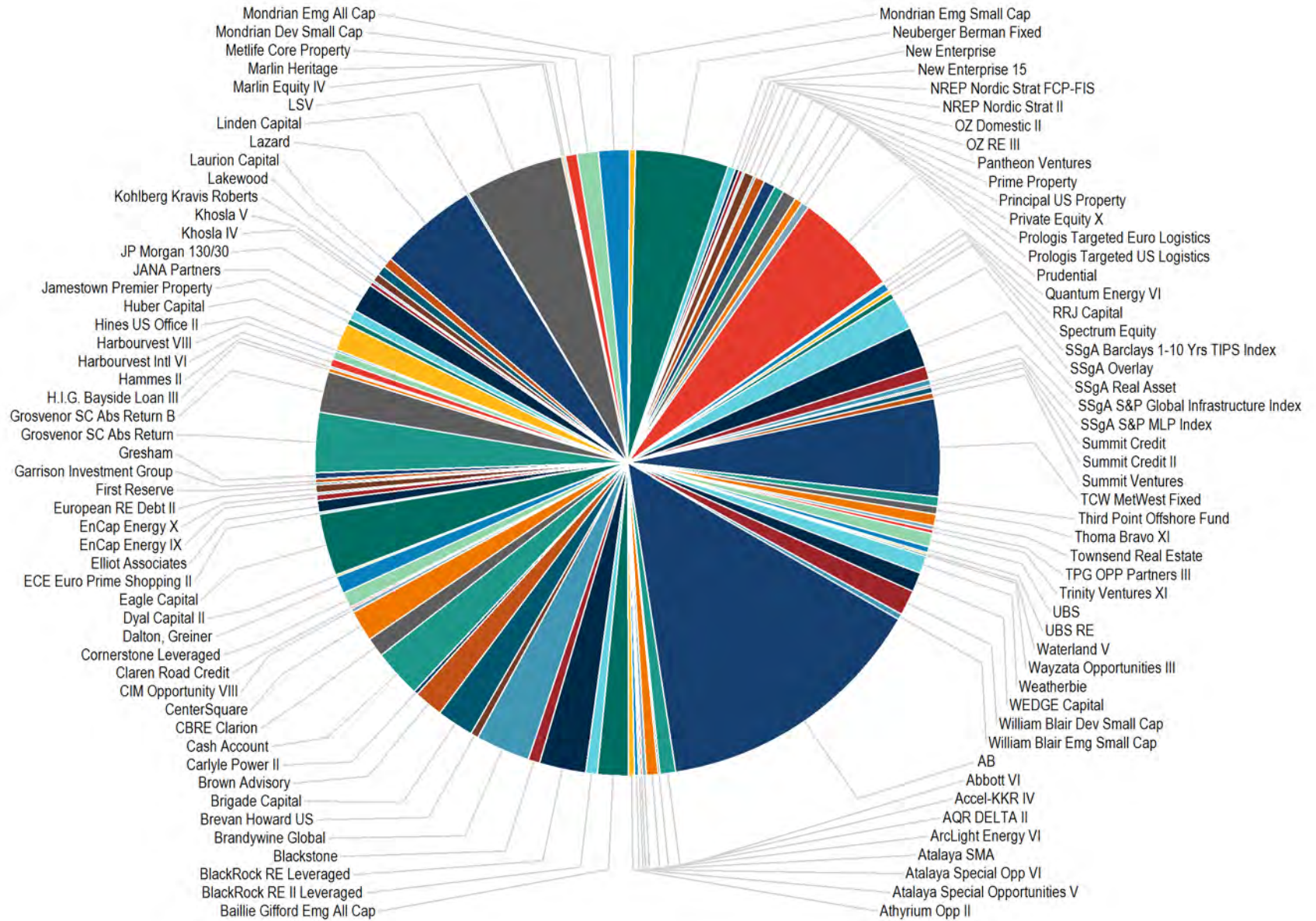
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception Return (%)	Since
OZ RE III- Gross ⁺⁺⁺	7,802,311	0.1	-1.3	--	-0.1	--	4.2	--	--	--	--	--	-18.6	Sep-14
OZ RE III- Net			-3.0	--	-4.1	--	-5.4	--	--	--	--	--	-25.9	
<i>NFI-ODCE net +1%</i>			2.5	--	4.8	--	11.8	--	--	--	--	--	13.3	Sep-14
RE -Value Added- Gross ++	45,667,249	0.6	3.8	--	9.4	--	15.4	--	16.9	--	16.4	--	-4.2	Sep-08
RE -Value Added- Net			3.2	--	8.3	--	12.0	--	14.8	--	14.6	--	-6.0	
<i>NCREIF +2% 1Q Lag</i>			2.7	--	6.2	--	13.8	--	13.9	--	13.9	--	8.0	Sep-08
AEW II- Gross	2,086,283	0.0	-0.5	--	3.4	--	13.6	--	22.5	--	22.3	--	4.3	May-07
AEW II- Net			-0.8	--	2.8	--	12.4	--	21.2	--	20.9	--	2.5	
<i>NCREIF +2% 1Q Lag</i>			2.7	--	6.2	--	13.8	--	13.9	--	13.9	--	9.0	May-07
ECE Euro Prime Shopping II- Gross	8,311,375	0.1	4.7	--	16.7	--	--	--	--	--	--	--	16.7	Jul-15
ECE Euro Prime Shopping II- Net			3.5	--	14.5	--	--	--	--	--	--	--	14.5	
<i>NCREIF +2% 1Q Lag</i>			2.7	--	6.2	--	13.8	--	13.9	--	13.9	--	13.7	Jul-15
Hammes II- Gross	7,268,207	0.1	9.6	--	17.6	--	--	--	--	--	--	--	31.4	Jul-15
Hammes II- Net			7.9	--	12.4	--	--	--	--	--	--	--	22.0	
<i>NCREIF +2% 1Q Lag</i>			2.7	--	6.2	--	13.8	--	13.9	--	13.9	--	13.7	Jul-15
Hines US Office II- Gross	7,043,151	0.1	-0.9	--	12.9	--	15.0	--	33.0	--	22.4	--	-11.0	Aug-07
Hines US Office II- Net			-1.5	--	11.6	--	12.2	--	29.4	--	18.7	--	-16.0	
<i>NCREIF +2% 1Q Lag</i>			2.7	--	6.2	--	13.8	--	13.9	--	13.9	--	8.8	Aug-07
UBS RE- Gross	20,958,233	0.3	4.2	--	6.4	--	10.8	--	9.4	--	11.8	--	-0.7	Sep-06
UBS RE- Net			4.0	--	6.1	--	10.3	--	8.8	--	11.1	--	-2.4	
<i>NCREIF +2% 1Q Lag</i>			2.7	--	6.2	--	13.8	--	13.9	--	13.9	--	9.4	Sep-06
Cash - Gross	195,387,872	2.5	0.4	--	0.8	--	2.4	--	1.0	--	0.6	--	3.3	Jun-92
Cash - Net			0.4	--	0.8	--	2.4	--	1.0	--	0.6	--	--	
<i>91 Day T-Bills</i>			0.1	--	0.1	--	0.2	--	0.1	--	0.1	--	2.6	Jun-92
Cash Account- Gross	195,387,872	2.5	0.4	--	0.8	--	2.4	--	0.9	--	0.6	--	3.4	Jun-92
Cash Account- Net			0.4	--	0.8	--	2.4	--	0.9	--	0.6	--	--	
<i>91 Day T-Bills</i>			0.1	--	0.1	--	0.2	--	0.1	--	0.1	--	2.6	Jun-92

++ Returns are one-quarter lag.

+++ Preliminary quarterly returns as of 6/30/2016 (Returns are not available at reporting period.)

Total Fund
 Manager Allocation Analysis

Period Ending: June 30, 2016



Total Fund
 Manager Allocation Analysis

Period Ending: June 30, 2016

	Current Balance	Current Allocation
AB	\$1,089,561,395	14.2%
JP Morgan 130/30	\$118,540,602	1.5%
Brown Advisory	\$114,630,994	1.5%
Eagle Capital	\$247,684,866	3.2%
Huber Capital	\$106,715,665	1.4%
Transition Acct 1	\$0	0.0%
UBS	\$53,358,118	0.7%
Weatherbie	\$68,690,735	0.9%
Dalton, Greiner	\$65,694,982	0.9%
WEDGE Capital	\$73,230,097	1.0%
CenterSquare	\$121,677,487	1.6%
Principal Global Inv	\$190,210	0.0%
Lazard	\$389,324,958	5.1%
LSV	\$393,834,240	5.1%
Mondrian Dev Small Cap	\$85,333,840	1.1%
William Blair Dev Small Cap	\$99,657,350	1.3%
Transition Account 3	\$0	0.0%
Baring	\$132,835	0.0%
Baillie Gifford Emg All Cap	\$121,218,135	1.6%
Mondrian Emg All Cap	\$124,569,865	1.6%
Mondrian Emg Small Cap	\$23,760,890	0.3%
William Blair Emg Small Cap	\$25,007,205	0.3%
CBRE Clarion	\$78,524,730	1.0%
Neuberger Berman Fixed	\$366,184,514	4.8%
Prudential	\$415,575,644	5.4%
TCW MetWest Fixed	\$381,055,867	5.0%

Total Fund
 Manager Allocation Analysis

Period Ending: June 30, 2016

	Current Balance	Current Allocation
Brandywine Global	\$211,784,082	2.8%
Brigade Capital	\$148,434,817	1.9%
AQR DELTA II	\$47,122,487	0.6%
Brevan Howard US	\$34,423,894	0.4%
Claren Road Credit	\$8,125,632	0.1%
Elliot Associates	\$43,327,891	0.6%
Grosvenor	\$292,998	0.0%
Grosvenor SC Abs Return	\$237,522,584	3.1%
Grosvenor SC Abs Return B	\$159,661,695	2.1%
JANA Partners	\$35,301,550	0.5%
Lakewood	\$37,888,798	0.5%
Laurion Capital	\$40,538,933	0.5%
OZ Domestic II	\$39,291,567	0.5%
Third Point Offshore Fund	\$40,247,002	0.5%
Abbott VI	\$59,372,209	0.8%
Accel-KKR IV	\$8,469,256	0.1%
Accel-KKR Structured II	\$2,142,433	0.0%
Atalaya Special Opp VI	\$10,877,629	0.1%
Athyrium Opp II	\$20,761,224	0.3%
Dyal Capital II	\$9,326,862	0.1%
Garrison Investment Group	\$16,067,858	0.2%
Harbourvest VIII	\$29,260,053	0.4%
Harbourvest Intl VI	\$30,253,274	0.4%
H.I.G. Bayside Loan III	\$15,972,275	0.2%
H.I.G. Capital V	\$2,677,002	0.0%

Total Fund
 Manager Allocation Analysis

Period Ending: June 30, 2016

	Current Balance	Current Allocation
H.I.G. Europe Capital II	-\$228,183	0.0%
Khosla IV	\$12,921,290	0.2%
Khosla V	\$7,608,710	0.1%
Linden Capital	\$4,331,783	0.1%
Marlin Equity IV	\$8,527,507	0.1%
Marlin Heritage	\$5,936,538	0.1%
New Enterprise	\$31,143,373	0.4%
New Enterprise 15	\$13,041,718	0.2%
Private Equity X	\$57,099,888	0.7%
RRJ Capital	\$28,380,560	0.4%
RRJ Capital Masterfund III	\$1,413,066	0.0%
Spectrum Equity	\$11,586,275	0.2%
Summit Credit	\$10,544,170	0.1%
Summit Credit II	\$22,334,625	0.3%
Summit Ventures	\$19,281,176	0.3%
Summit Ventures IV	\$1,285,111	0.0%
Thoma Bravo XI	\$27,696,192	0.4%
Thoma Bravo XII	\$1,659,450	0.0%
TPG OPP Partners III	\$16,005,805	0.2%
Trinity Ventures XI	\$18,326,483	0.2%
Trinity Ventures XII	\$2,400,000	0.0%
TSG7 A LP	\$79,782	0.0%
TSG7 B LP	\$227,344	0.0%
Waterland V	\$8,631,856	0.1%
Waterland VI	\$1,990,514	0.0%
Waterland VI Over	\$1,583	0.0%

Total Fund
 Manager Allocation Analysis

Period Ending: June 30, 2016

	Current Balance	Current Allocation
Wayzata Opportunities III	\$10,477,380	0.1%
BlackRock RE Leveraged	\$183,826,020	2.4%
BlackRock RE II Leveraged	\$43,936,799	0.6%
Cornerstone Leveraged	\$61,076,276	0.8%
Jamestown Premier Property	\$19,883,495	0.3%
Metlife Core Property	\$48,437,691	0.6%
Prime Property	\$49,019,764	0.6%
Principal US Property	\$37,482,334	0.5%
Prologis Targeted Euro Logistics	\$30,861,461	0.4%
Prologis Targeted US Logistics	\$31,429,200	0.4%
Townsend Real Estate	\$44,891,079	0.6%
Transition Account	\$440,518	0.0%
Blackstone	\$42,960,667	0.6%
Gresham	\$25,958,391	0.3%
ArcLight Energy VI	\$12,693,684	0.2%
Atalaya SMA	\$11,471,406	0.1%
Brookfield Infra III	\$3,191,559	0.0%
Cartyle Power II	\$14,093,743	0.2%
EnCap Energy IX	\$22,105,721	0.3%
EnCap Energy X	\$7,672,455	0.1%
EnCap Flatrock Midstream III	\$3,057,997	0.0%
First Reserve	\$6,021,008	0.1%
Pantheon Ventures	\$35,639,976	0.5%
Quantum Energy VI	\$7,954,904	0.1%
Wastewater Opportunity	\$1,264,023	0.0%

Total Fund
 Manager Allocation Analysis

Period Ending: June 30, 2016

	Current Balance	Current Allocation
Atalaya Special Opportunities V	\$18,530,480	0.2%
European RE Debt II	\$30,342,989	0.4%
CIM Opportunity VIII	\$17,498,820	0.2%
Kohlberg Kravis Roberts	\$30,945,060	0.4%
NREP Nordic Strat FCP-FIS	\$17,738,571	0.2%
NREP Nordic Strat II	\$4,707,229	0.1%
OZ RE III	\$7,802,311	0.1%
AEW II	\$2,086,283	0.0%
ECE Euro Prime Shopping II	\$8,311,375	0.1%
Hammes II	\$7,268,207	0.1%
Hines US Office II	\$7,043,151	0.1%
UBS RE	\$20,958,233	0.3%
Cash Account	\$195,387,872	2.5%
Heitman Adv JMB V	\$8,390	0.0%
SSgA Overlay	\$132,047,850	1.7%
SSgA Barclays 1-10 Yrs TIPS Index	\$25,804,727	0.3%
SSgA Real Asset	\$158,445,386	2.1%
SSgA S&P Global Infrastructure Index	\$53,656,120	0.7%
SSgA S&P MLP Index	\$26,252,422	0.3%
Total	\$7,686,208,871	100.0%

Statistics Summary

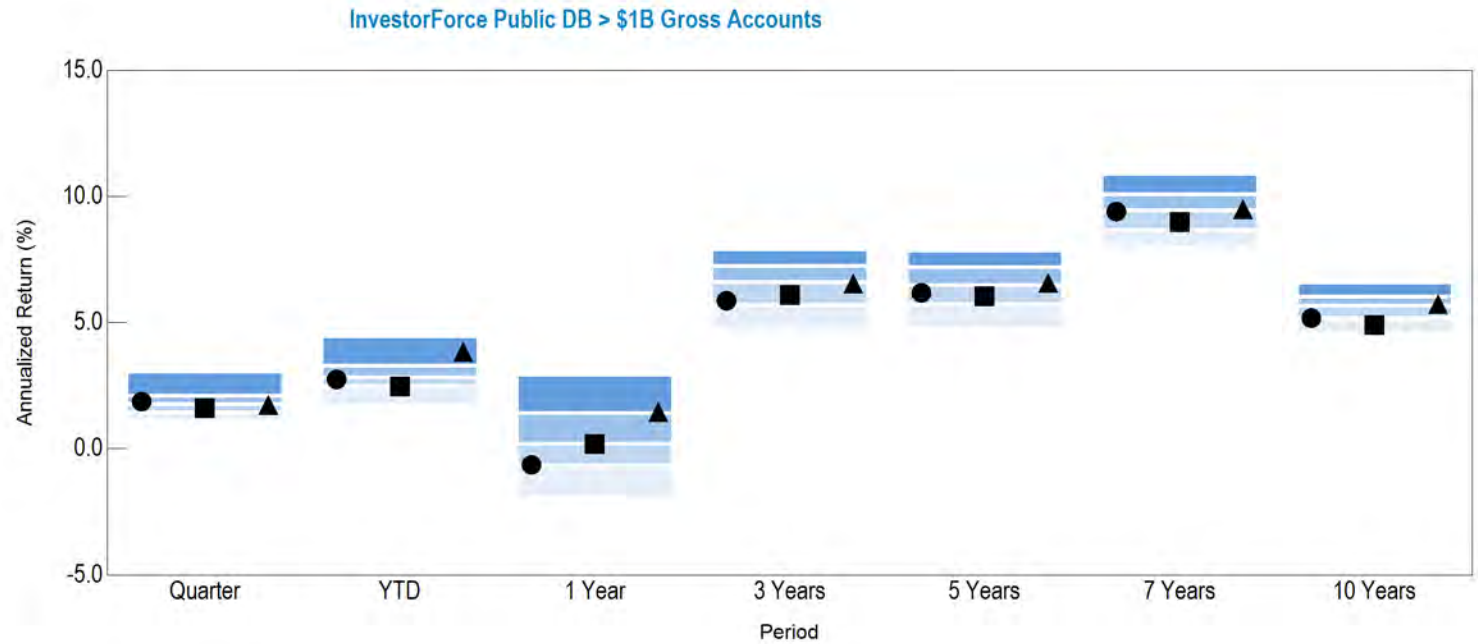
3 Years

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	5.9%	70	6.7%	47	0.9	67	-0.3	71	2.0%	42
Policy Index	6.6%	53	5.6%	12	1.1	20	--	--	0.0%	1
Total Fund ex Overlay	6.1%	64	6.2%	32	1.0	51	-0.3	70	1.5%	8
Policy Index	6.6%	53	5.6%	12	1.1	20	--	--	0.0%	1

Statistics Summary

5 Years

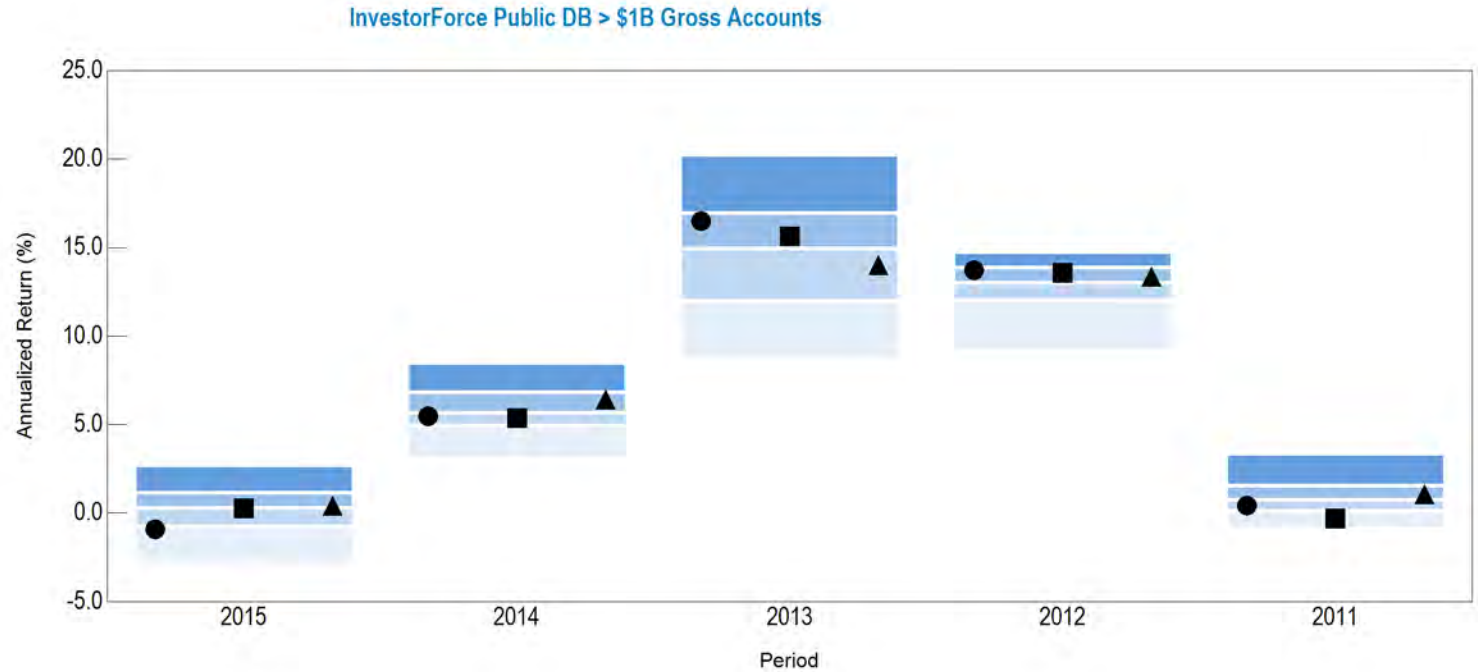
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	6.2%	63	8.0%	74	0.8	69	-0.2	65	2.1%	58
Policy Index	6.6%	48	6.7%	19	1.0	24	--	--	0.0%	1
Total Fund ex Overlay	6.1%	65	7.5%	50	0.8	68	-0.3	70	1.6%	8
Policy Index	6.6%	48	6.7%	19	1.0	24	--	--	0.0%	1



	Return (Rank)													
	Quarter		YTD		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	3.1	4.4	2.9	7.9	7.9	10.9	6.6	2.1	3.3	1.4	7.3	7.2	10.1	6.0
25th Percentile	1.8	2.9	0.2	6.6	6.5	9.5	5.7	1.5	2.5	-0.6	5.7	5.7	8.7	5.2
Median	1.1	1.7	-1.9	4.7	4.8	7.9	4.6	1.1	1.7	-1.9	4.7	4.8	7.9	4.6
75th Percentile	68	64	64	54	53	45	44	1.9	2.8	-0.6	5.9	6.2	9.4	5.2
95th Percentile	68	64	64	54	53	45	44	1.6	2.5	0.2	6.1	6.1	9.0	4.9
# of Portfolios	68	64	64	54	53	45	44	1.7	3.8	1.5	6.6	6.6	9.5	5.7
● Total Fund	1.9	2.8	-0.6	5.9	6.2	9.4	5.2	(42)	(60)	(75)	(70)	(63)	(53)	(76)
■ Total Fund ex Overlay	1.6	2.5	0.2	6.1	6.1	9.0	4.9	(62)	(79)	(51)	(64)	(65)	(62)	(81)
▲ Policy Index	1.7	3.8	1.5	6.6	6.6	9.5	5.7	(53)	(16)	(23)	(53)	(48)	(49)	(46)

Total Fund
Peer Universe Comparison (Calendar Years)

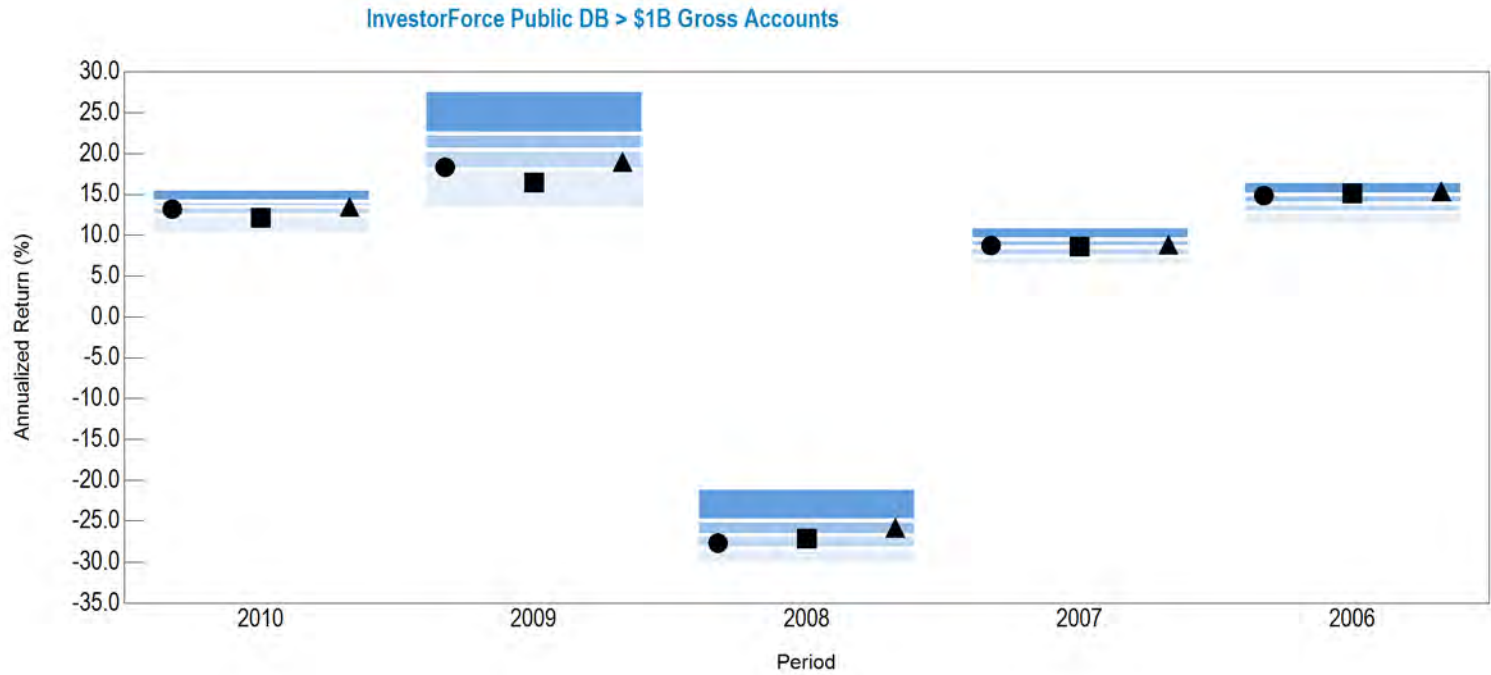
Period Ending: June 30, 2016



	Return (Rank)				
	2015	2014	2013	2012	2011
5th Percentile	2.7	8.5	20.2	14.7	3.3
25th Percentile	1.1	6.8	17.0	13.9	1.6
Median	0.3	5.7	15.0	13.0	0.8
75th Percentile	-0.7	4.9	12.0	12.1	0.1
95th Percentile	-2.8	3.1	8.7	9.2	-0.9
# of Portfolios	98	79	67	74	68
● Total Fund	-0.9 (83)	5.5 (61)	16.5 (31)	13.7 (36)	0.4 (60)
■ Total Fund ex Overlay	0.3 (51)	5.3 (65)	15.6 (43)	13.6 (41)	-0.3 (86)
▲ Policy Index	0.4 (46)	6.4 (34)	14.0 (64)	13.4 (42)	1.0 (38)

Total Fund
Peer Universe Comparison (Calendar Years)

Period Ending: June 30, 2016



	2010		2009		2008		2007		2006	
5th Percentile	15.7		27.7		-21.0		11.0		16.6	
25th Percentile	14.2		22.5		-24.9		9.5		15.0	
Median	13.5		20.5		-26.7		8.6		13.9	
75th Percentile	12.5		18.1		-28.3		7.4		12.9	
95th Percentile	10.2		13.4		-30.2		6.2		11.2	
# of Portfolios	66		66		65		64		64	
● Total Fund	13.2	(62)	18.3	(73)	-27.7	(65)	8.7	(50)	14.9	(29)
■ Total Fund ex Overlay	12.2	(81)	16.4	(86)	-27.2	(53)	8.6	(51)	15.1	(23)
▲ Policy Index	13.5	(53)	19.0	(62)	-25.8	(42)	8.9	(42)	15.4	(18)

Policy Index and Benchmark History

Period Ending: June 30, 2016

Total Plan Policy Index	As of:						
	1/1/14	1/1/12	1/1/08	2/1/06	9/1/04	1/1/00	7/1/86
91-day UST Bill +5% (HF)	10%	10%	5%	5%	5%		
Barclays Aggregate	15%	20%	20%	25%	25%	30%	
BofA ML High Yield II	1%						
Bloomberg Commodity			5%				
Citigroup BIG							23%
Citigroup WGBI ex US Unhedged	2.4%						
CPI-U +5% (RA)	15%	15%					
Credit Suisse Leveraged Loans	1%						
JPM GBI EM Diversified	0.6%						
MSCI ACWI ex US	22.5%	22.5%	20%				
MSCI EAFE				15%	15%	15%	15%
MSCI Emerging Markets				5%	5%	5%	
NAREIT			3%	3%			
NCREIF			12%	12%	15%	10%	15%
Russell 1000				30%	30%	35%	
Russell 1000 +3% 1QL (PE)	10%	10%					
Russell 2000				5%	5%	5%	
Russell 3000	22.5%	22.5%	30%				47%
S&P 500 +2% 1QL (PE)			5%				
	100%	100%	100%	100%	100%	100%	100%

Policy Index and Benchmark History

Period Ending: June 30, 2016

US Equity Benchmark	As of:			
	1/1/08	9/1/04	1/1/00	7/1/86
Russell 1000		85.71%	87.5%	
Russell 2000		14.29%	12.5%	
Russell 3000	100%			100%
	100.0%	100.0%	100.0%	100.0%

International Equity Benchmark	As of:		
	1/1/08	1/1/00	7/1/86
MSCI ACWI ex US	100%		
MSCI EAFE		75%	100%
MSCI Emerging Markets		25%	
	100.0%	100.0%	100.0%

Fixed Income Benchmark	As of:		
	1/1/08	1/1/00	7/1/86
Barclays Aggregate	75%	100%	
BofA ML High Yield II	5%		
Citigroup BIG			100%
Citigroup WGBI ex US Unhedged	12%		
Credit Suisse Leveraged Loans	5%		
JPM GBI EM Diversified	3%		
	100.0%	100.0%	100.0%

Absolute Return Benchmark	As of:	
	9/1/04	
91-day UST Bill +5%	100%	
	100.0%	

Private Equity Benchmark	As of:	
	1/1/12	1/1/08
Russell 1000 +3% 1QL	100%	
S&P 500 +2% 1QL		100%
	100.0%	100.0%

Real Assets Benchmark	As of:	
	1/1/12	
CPI-U +5%	100%	
	100.0%	

Real Estate Benchmark	As of:	
	4/1/13	1/1/99
NCREIF		100%
NFI-ODCE	100%	
	100.0%	100.0%

Private Real Assets Benchmark	As of:	
	2/1/13	
Russell 1000 +3% 1QL	100%	
	100.0%	

Opportunistic Benchmark	As of:	
	1/1/12	11/1/07
Barclays Aggregate		100%
SCERS Policy	100%	
	100%	100%

Policy Index and Benchmark History

Period Ending: June 30, 2016

AllianceBernstein Benchmark	As of:		
	1/1/01	1/1/98	5/1/89
Russell 1000	100%		
Russell 3000		100%	
Wilshire 2500			100%
	100.0%	100.0%	100.0%

LSV Benchmark	As of:	
	7/1/12	1/1/05
MSCI EAFE Value		100.0%
MSCI World ex US	100.0%	
	100.0%	100.0%

Brandywine Benchmark	As of:
	6/1/13
Citigroup WGBI ex US Unhedged	80%
JPM GBI EM Diversified	20%
	100.0%

Brigade Benchmark	As of:
	12/1/13
BofA ML High Yield II	50%
Credit Suisse Leveraged Loans	50%
	100.0%

SSgA Real Asset Benchmark	As of:
	2/1/08
Barclays US TIPS	20%
DJ US Select REIT	30%
MSCI World Natural Resources	25%
S&P GS Commodities	25%
	100.0%

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: $\text{Portfolio Return} - [\text{Risk-free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk-free Rate})]$.

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book-to-Market: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price-to-Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

R-Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$.

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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