

Fresno County Employees' Retirement Association

Investment Performance Review
Period Ending: December 31, 2016



VERUSINVESTMENTS.COM

SEATTLE 206-622-3700

LOS ANGELES 310-297-1777

SAN FRANCISCO 415-362-3484

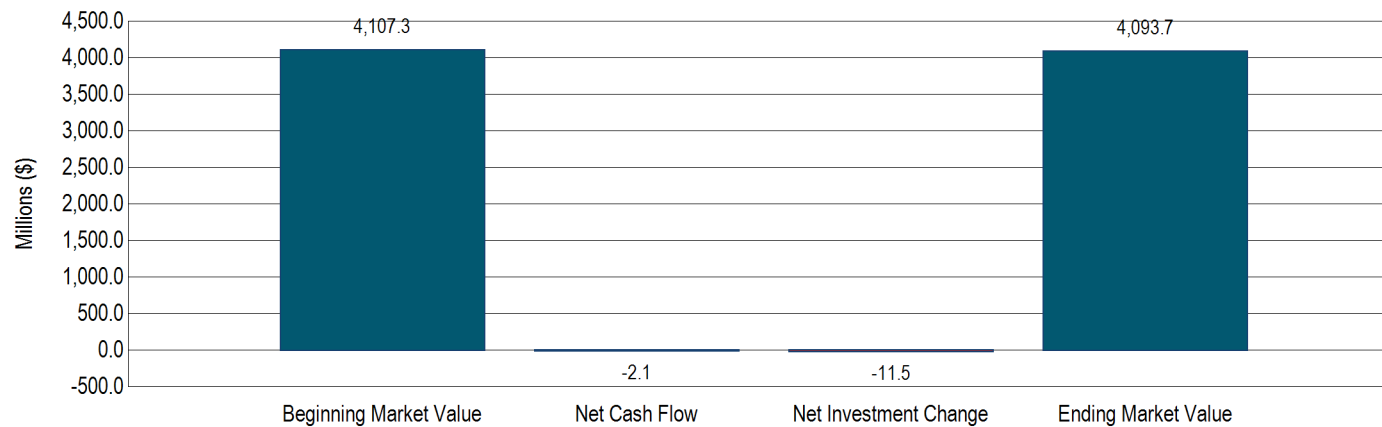
Total Fund
Portfolio Reconciliation

Period Ending: December 31, 2016

Portfolio Reconciliation

| | Last Three Months | Year-To-Date |
|------------------------|-------------------|-----------------|
| Beginning Market Value | \$4,107,283,632 | \$3,857,675,656 |
| Net Cash Flow | -\$2,083,980 | -\$28,855,950 |
| Net Investment Change | -\$11,539,188 | \$264,840,758 |
| Ending Market Value | \$4,093,660,464 | \$4,093,660,464 |

Change in Market Value
Last Three Months

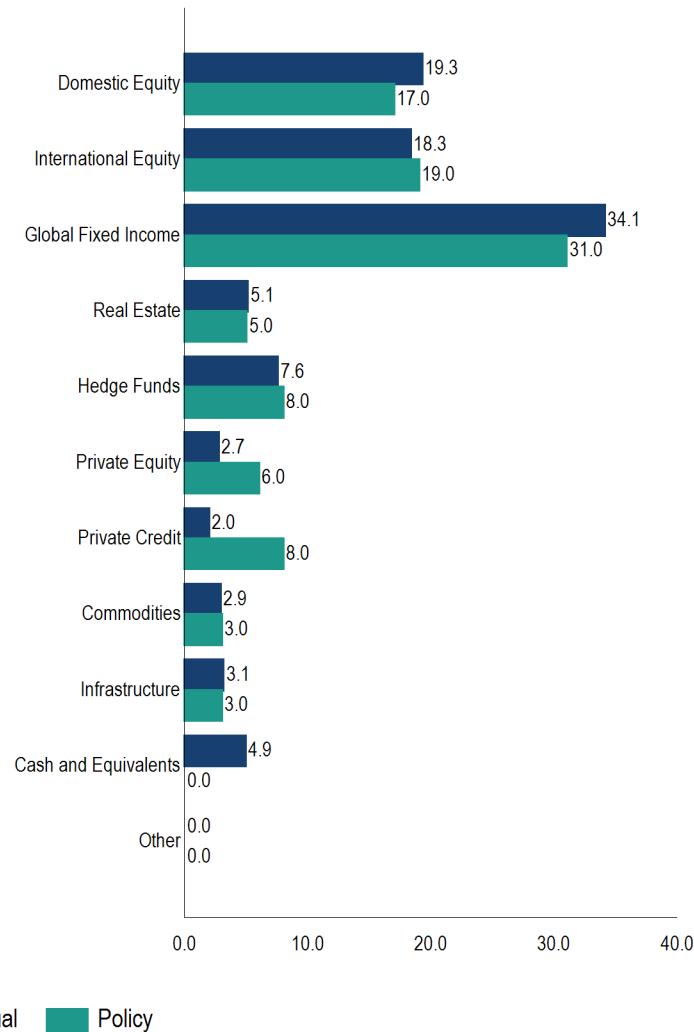


Contributions and withdrawals may include intra-account transfers between managers/funds.

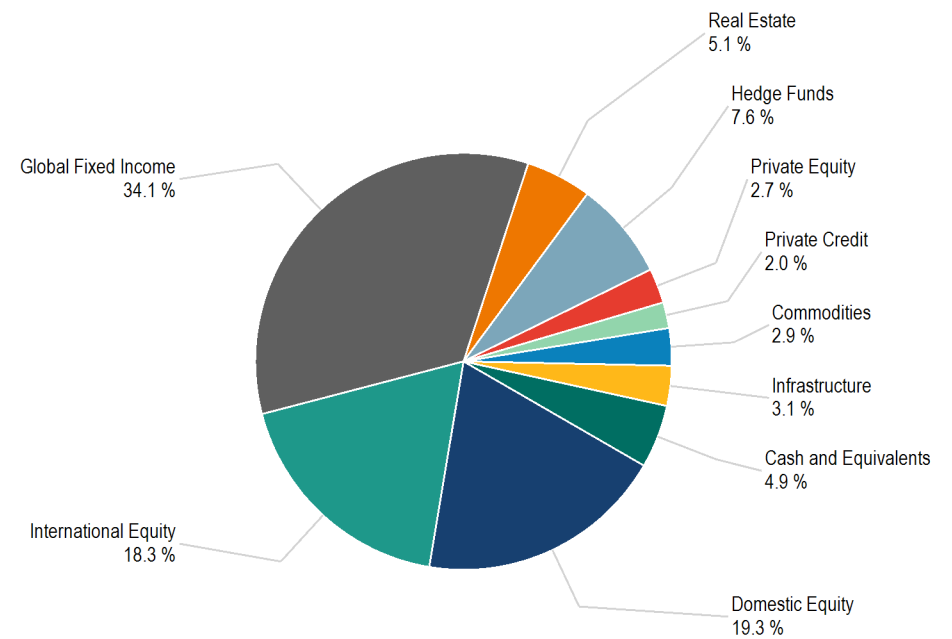
Total Fund Asset Allocation

Period Ending: December 31, 2016

Actual vs Target Allocation (%)

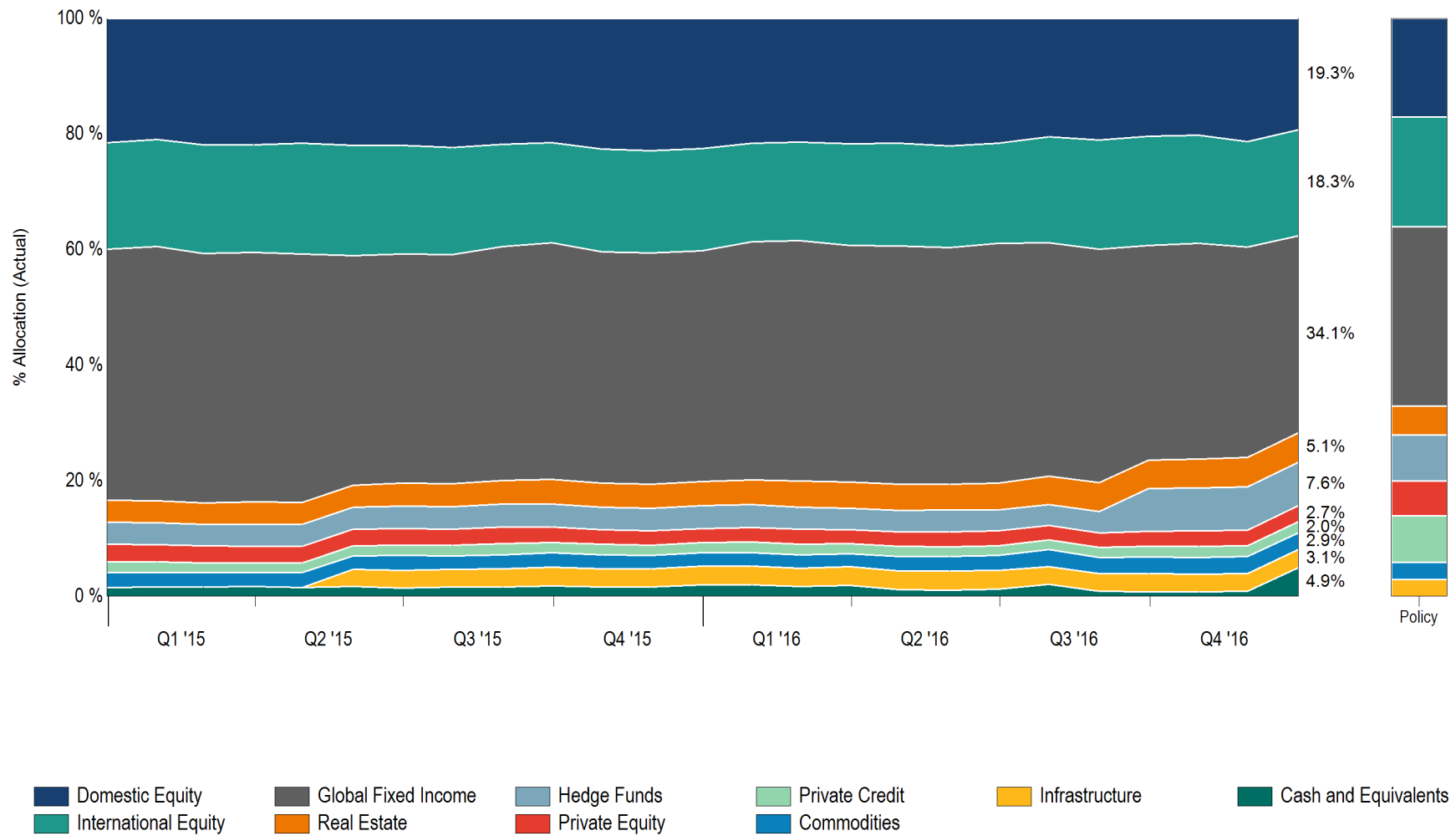


Current Allocation



Total Fund Asset Allocation History

Period Ending: December 31, 2016



Total Fund Executive Summary (Net of Fees)

Period Ending: December 31, 2016

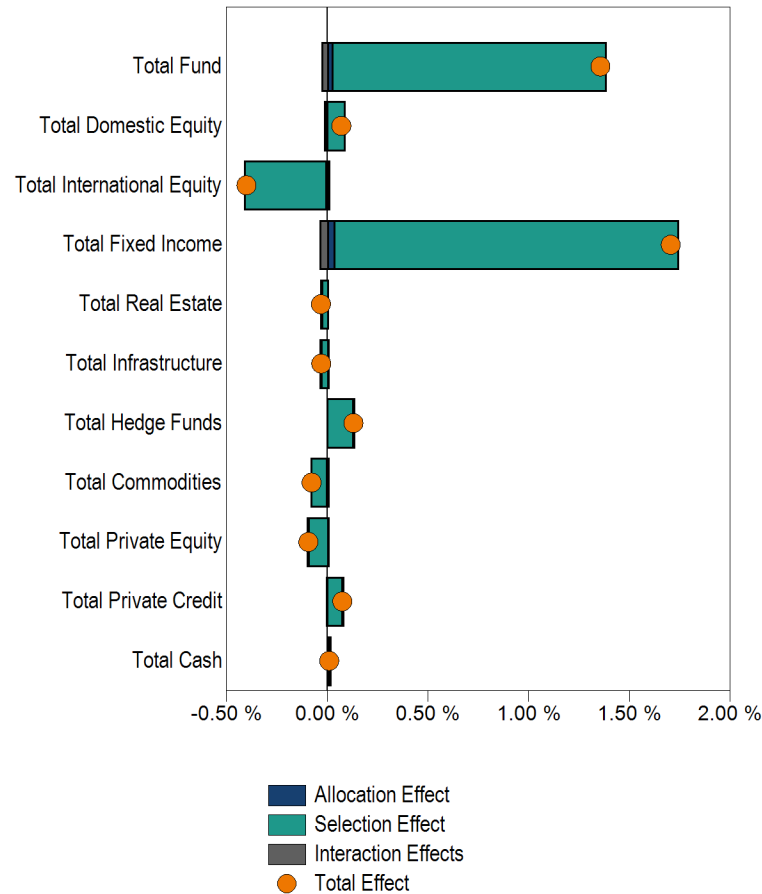
| | Market Value | % of Portfolio | 3 Mo | Fiscal YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|----------------------|----------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|--------------|--------------|-------------|-------------|
| Total Fund | 4,093,660,464 | 100.0 | -0.3 | 2.7 | 6.6 | 2.5 | 7.2 | 4.9 | 6.6 | -2.5 | 3.5 | 16.3 | 13.1 |
| <i>Policy Index</i> | | | -1.7 | 1.2 | 6.5 | 2.4 | 6.9 | 4.1 | 6.5 | -1.7 | 2.6 | 15.6 | 12.3 |
| Total Domestic Equity | 789,134,347 | 19.3 | 4.6 | 9.9 | 8.9 | 6.7 | 14.0 | -- | 8.9 | 1.5 | 9.8 | 36.8 | 15.8 |
| <i>Russell 3000</i> | | | 4.2 | 8.8 | 12.7 | 8.4 | 14.7 | -- | 12.7 | 0.5 | 12.6 | 33.6 | 16.4 |
| Total International Equity | 750,584,548 | 18.3 | -3.3 | 1.6 | 3.0 | -2.4 | 5.6 | -- | 3.0 | -7.5 | -2.5 | 18.7 | 19.0 |
| <i>MSCI ACWI ex USA Gross</i> | | | -1.2 | 5.7 | 5.0 | -1.3 | 5.5 | -- | 5.0 | -5.3 | -3.4 | 15.8 | 17.4 |
| Total Fixed Income | 1,395,091,334 | 34.1 | -2.7 | -0.7 | 6.7 | 2.3 | 3.0 | -- | 6.7 | -4.5 | 5.0 | -1.1 | 9.6 |
| <i>BBgBarc Global Aggregate*</i> | | | -7.1 | -6.3 | 2.1 | -0.4 | 0.2 | -- | 2.1 | -3.2 | 0.0 | -2.0 | 4.2 |
| Total Real Estate | 208,708,950 | 5.1 | 1.5 | 2.9 | 7.2 | 11.0 | 10.6 | -- | 7.2 | 13.9 | 12.1 | 11.8 | 8.0 |
| <i>NCREIF-ODCE</i> | | | 2.1 | 4.2 | 8.8 | 12.1 | 12.2 | -- | 8.8 | 15.0 | 12.5 | 13.9 | 10.9 |
| Total Infrastructure | 128,322,763 | 3.1 | 0.1 | 1.5 | 6.1 | -- | -- | -- | 6.1 | -- | -- | -- | -- |
| <i>CPI + 5%</i> | | | 1.2 | 2.6 | 7.2 | -- | -- | -- | 7.2 | -- | -- | -- | -- |
| Total Hedge Funds | 309,332,365 | 7.6 | 2.6 | 5.7 | 3.0 | 2.0 | 3.2 | 2.2 | 3.0 | 0.0 | 3.1 | 7.8 | 2.2 |
| <i>HFRI Fund of Funds Composite Index</i> | | | 0.9 | 3.2 | 0.5 | 1.2 | 3.4 | 1.3 | 0.5 | -0.3 | 3.4 | 9.0 | 4.8 |
| Total Commodities | 118,284,957 | 2.9 | 0.1 | -2.5 | 13.8 | -6.2 | -5.9 | -- | 13.8 | -12.8 | -16.9 | -9.4 | -0.9 |
| <i>Bloomberg Commodity Index TR USD</i> | | | 2.7 | -1.3 | 11.8 | -11.3 | -9.0 | -- | 11.8 | -24.7 | -17.0 | -9.5 | -1.1 |
| Total Private Equity | 112,117,050 | 2.7 | 1.2 | 5.4 | 8.5 | 5.7 | -- | -- | 8.5 | 3.8 | 4.8 | -- | -- |
| <i>Russell 3000 + 2.5%</i> | | | 4.8 | 10.1 | 15.5 | 11.1 | -- | -- | 15.5 | 3.0 | 15.3 | -- | -- |
| Total Private Credit | 80,519,284 | 2.0 | 1.6 | 3.5 | 6.6 | 3.5 | -- | -- | 6.6 | -2.5 | 6.8 | -- | -- |
| <i>BBgBarc US Aggregate Index + 250 bps</i> | | | -2.4 | -1.3 | 5.2 | 5.6 | -- | -- | 5.2 | 3.1 | 8.6 | -- | -- |
| Total Cash | 201,564,865 | 4.9 | 0.1 | 0.1 | 0.2 | 0.1 | 0.2 | -- | 0.2 | 0.1 | 0.1 | 0.4 | 0.1 |
| <i>91 Day T-Bills</i> | | | 0.1 | 0.2 | 0.3 | 0.1 | 0.1 | -- | 0.3 | 0.0 | 0.0 | 0.0 | 0.1 |

Policy Index (effective 3/19/2014 Q2 floating policy until rebalance is complete, weights shown are as of 12/31/2016. See Data Sources and Methodology for monthly policy breakout): 20.5% Russell 3000 Index, 37.5% BBgBarc Global Aggregate Index, 19% MSCI ACWI ex US, 2.6% Russell 3000 Index + 250 BP, 1.9% BBgBarc Agg + 250 BP, 7.5% HFRI FoF Composite, 8% NCREIF ODCE, & 3% Bloomberg Commodity Index. Composite total market values reflect manager exposures and any underlying cash balances. De-risking of the Plan commenced on April 30, 2014.
*Prior to 3/31/2014 BBgBarc U.S. Aggregate Index and as of 4/1/2014 BBgBarc Global Aggregate Index.

Total Fund Attribution Analysis - Asset Class Level (Net of Fees)

Period Ending: December 31, 2016

Attribution Effects Ending December 31, 2016



Performance Attribution

| | Quarter | 1 Yr |
|----------------------|--------------|--------------|
| Wtd. Actual Return | -0.34% | 6.60% |
| Wtd. Index Return * | -1.70% | 6.41% |
| Excess Return | 1.36% | 0.19% |
| Selection Effect | 1.35% | 0.52% |
| Allocation Effect | 0.03% | -0.17% |
| Interaction Effect | -0.03% | -0.09% |

*Calculated from benchmark returns and weightings of each component.

Attribution Summary Last Three Months

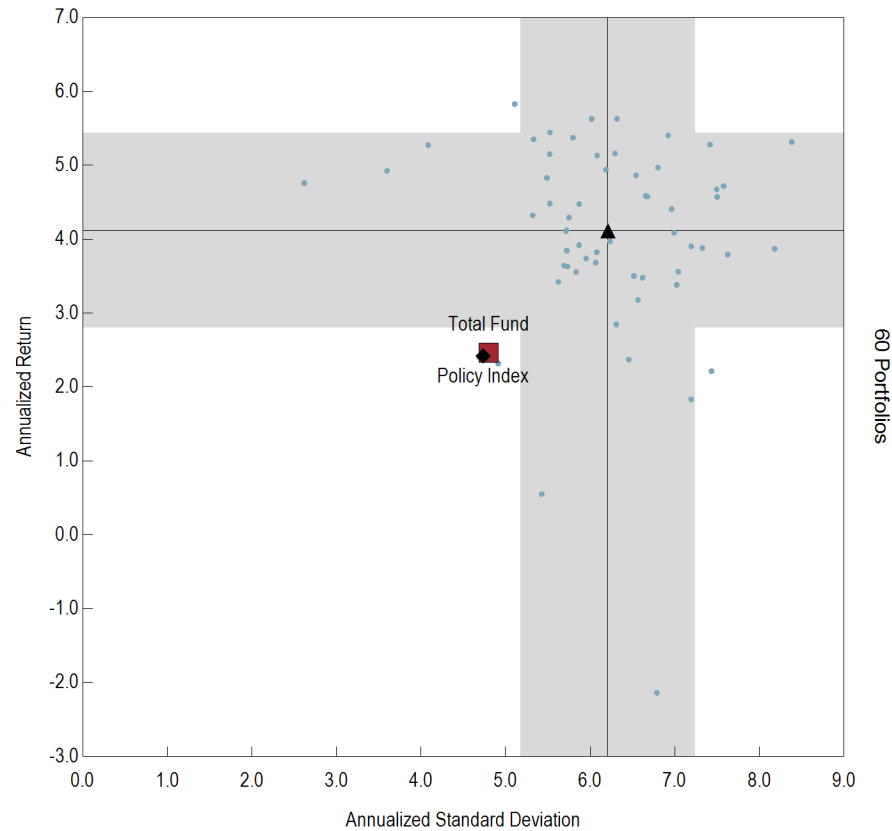
| | Wtd. Actual Return | Wtd. Index Return | Excess Return | Selection Effect | Allocation Effect | Interaction Effects | Total Effects |
|----------------------------|--------------------|-------------------|---------------|------------------|-------------------|---------------------|---------------|
| Total Domestic Equity | 4.61% | 4.21% | 0.41% | 0.08% | -0.01% | 0.00% | 0.07% |
| Total International Equity | -3.29% | -1.20% | -2.10% | -0.40% | -0.01% | 0.01% | -0.40% |
| Total Fixed Income | -2.68% | -7.07% | 4.39% | 1.70% | 0.04% | -0.03% | 1.71% |
| Total Real Estate | 1.49% | 2.11% | -0.62% | -0.03% | 0.00% | 0.00% | -0.03% |
| Total Infrastructure | 0.12% | 1.23% | -1.11% | -0.03% | 0.00% | 0.00% | -0.03% |
| Total Hedge Funds | 2.64% | 0.87% | 1.77% | 0.13% | 0.00% | 0.00% | 0.13% |
| Total Commodities | 0.13% | 2.66% | -2.52% | -0.07% | 0.00% | 0.00% | -0.08% |
| Total Private Equity | 1.21% | 4.85% | -3.63% | -0.10% | 0.00% | 0.00% | -0.09% |
| Total Private Credit | 1.64% | -2.37% | 4.00% | 0.07% | 0.00% | 0.00% | 0.07% |
| Total Cash | 0.14% | 0.10% | 0.04% | 0.00% | 0.01% | 0.00% | 0.01% |
| Total | -0.34% | -1.70% | 1.36% | 1.35% | 0.03% | -0.03% | 1.36% |

Total Fund attribution return is calculated based on the underlying composite returns and beginning of period portfolio weights, the effects of transactions during the period are not reflected in the return. The Total Fund attribution portfolio return will vary from the actual Total Fund return. The Policy Index attribution return is calculated based on the primary benchmarks for the underlying composites used in the attribution analysis and their respective beginning of month target weights. Weighted index returns shown in attribution analysis may differ from actual returns.

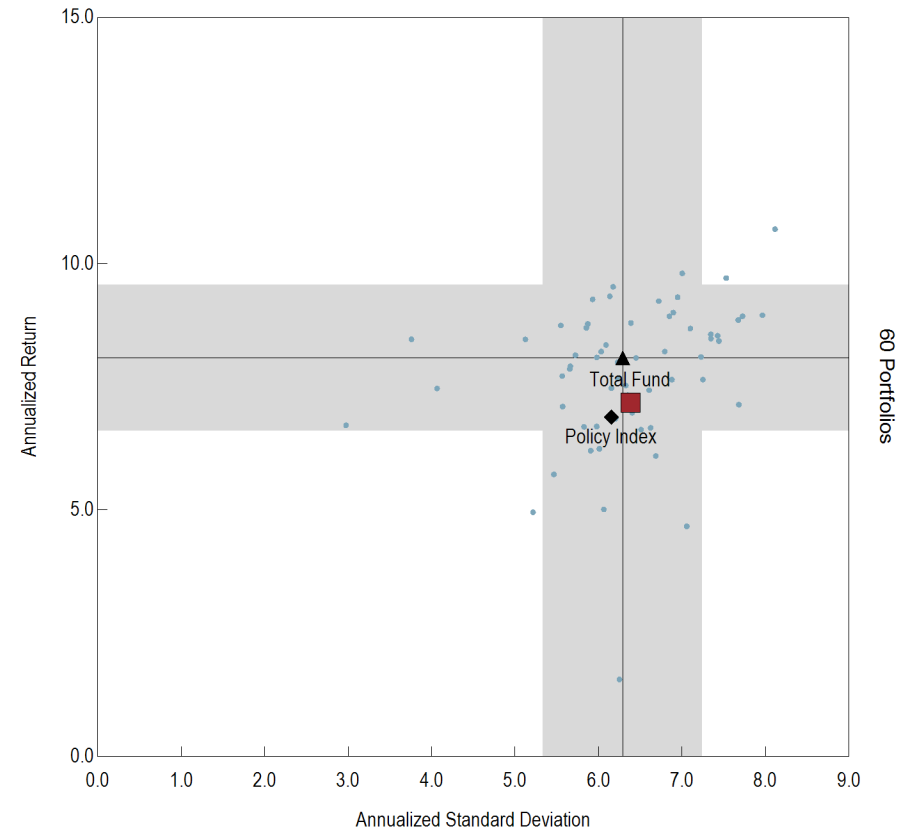
Total Fund Risk Analysis (Net of Fees)

Period Ending: December 31, 2016

3 Years



5 Years



3 Years

| | Anlzd Return | Anlzd Standard Deviation | Sharpe Ratio |
|---|--------------|--------------------------|--------------|
| Total Fund | 2.5% | 4.8% | 0.5 |
| Policy Index | 2.4% | 4.7% | 0.5 |
| InvestorForce Public DB > \$1B Net Median | 4.1% | 6.2% | 0.6 |

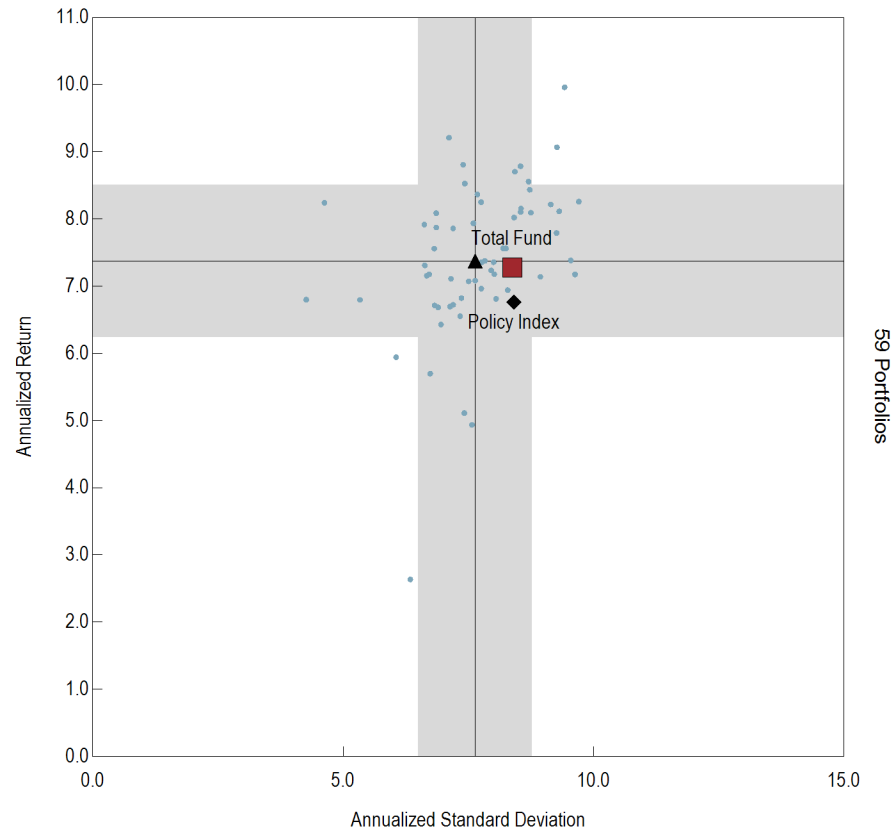
5 Years

| | Anlzd Return | Anlzd Standard Deviation | Sharpe Ratio |
|---|--------------|--------------------------|--------------|
| Total Fund | 7.2% | 6.4% | 1.1 |
| Policy Index | 6.9% | 6.2% | 1.1 |
| InvestorForce Public DB > \$1B Net Median | 8.1% | 6.3% | 1.2 |

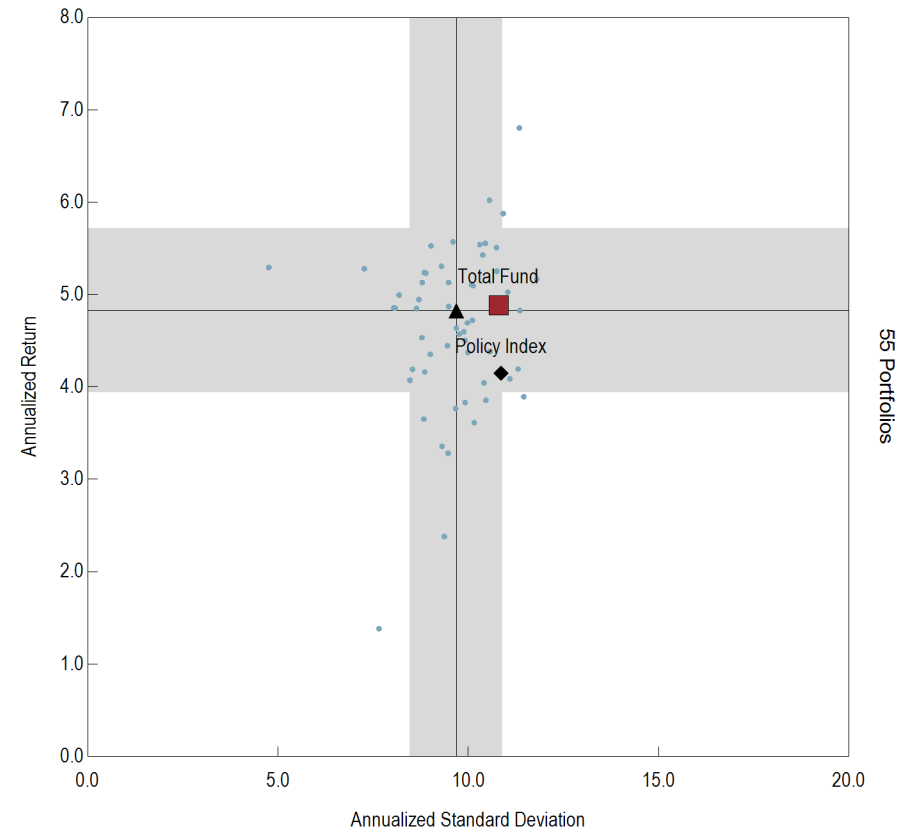
Total Fund Risk Analysis (Net of Fees)

Period Ending: December 31, 2016

7 Years



10 Years



7 Years

| | Anlzd Return | Anlzd Standard Deviation | Sharpe Ratio |
|---|--------------|--------------------------|--------------|
| Total Fund | 7.3% | 8.4% | 0.9 |
| Policy Index | 6.8% | 8.4% | 0.8 |
| InvestorForce Public DB > \$1B Net Median | 7.4% | 7.6% | 0.9 |

10 Years

| | Anlzd Return | Anlzd Standard Deviation | Sharpe Ratio |
|---|--------------|--------------------------|--------------|
| Total Fund | 4.9% | 10.8% | 0.4 |
| Policy Index | 4.1% | 10.9% | 0.3 |
| InvestorForce Public DB > \$1B Net Median | 4.8% | 9.7% | 0.4 |

Total Fund
Risk Analysis (Net of Fees)

Period Ending: December 31, 2016

3 Years

| | Anlzd Standard Deviation | Anlzd Alpha | Beta | R-Squared | Up Mkt Capture Ratio | Down Mkt Capture Ratio | Information Ratio | Tracking Error | Sharpe Ratio | Sortino Ratio |
|-----------------------------|--------------------------------|-------------|------|-----------|-------------------------|---------------------------|----------------------|-------------------|--------------|---------------|
| Total Fund | 4.80% | 0.15% | 0.96 | 0.89 | 93.63% | 88.06% | 0.03 | 1.61% | 0.49 | 0.46 |
| Total Domestic Equity | 7.78% | -2.11% | 1.04 | 0.93 | 83.89% | 104.94% | -0.83 | 2.12% | 0.85 | 0.88 |
| Total International Equity | 10.20% | -1.15% | 0.96 | 0.94 | 82.23% | 100.25% | -0.42 | 2.61% | -0.25 | -0.25 |
| Total Domestic Fixed Income | 3.47% | 1.59% | 0.78 | 0.63 | 103.39% | 58.06% | 0.42 | 2.24% | 1.11 | 4.90 |
| Total Real Estate | 2.22% | -4.23% | 1.27 | 0.56 | 90.56% | -- | -0.68 | 1.52% | 4.92 | -- |
| Total Hedge Funds | 4.04% | 0.88% | 0.97 | 0.81 | 122.83% | 96.09% | 0.47 | 1.79% | 0.48 | 0.54 |
| Total Alternative Illiquids | 3.86% | 1.49% | 0.30 | 0.32 | 41.13% | 51.24% | -1.05 | 5.96% | 1.23 | 1.34 |

5 Years

| | Anlzd Standard Deviation | Anlzd Alpha | Beta | R-Squared | Up Mkt Capture Ratio | Down Mkt Capture Ratio | Information Ratio | Tracking Error | Sharpe Ratio | Sortino Ratio |
|-----------------------------|--------------------------------|-------------|------|-----------|-------------------------|---------------------------|----------------------|-------------------|--------------|---------------|
| Total Fund | 6.38% | 0.20% | 1.01 | 0.96 | 101.65% | 93.50% | 0.22 | 1.35% | 1.11 | 1.66 |
| Total Domestic Equity | 10.57% | -2.10% | 1.10 | 0.96 | 98.69% | 120.00% | -0.31 | 2.25% | 1.31 | 2.16 |
| Total International Equity | 12.05% | 0.12% | 1.00 | 0.96 | 98.20% | 96.60% | 0.05 | 2.28% | 0.46 | 0.64 |
| Total Domestic Fixed Income | 3.49% | 2.08% | 0.88 | 0.64 | 134.61% | 63.19% | 0.85 | 2.13% | 1.13 | 2.35 |
| Total Real Estate | 1.95% | -2.41% | 1.06 | 0.41 | 83.80% | -- | -1.10 | 1.49% | 5.38 | -- |
| Total Hedge Funds | 3.65% | 0.58% | 0.77 | 0.71 | 87.30% | 79.85% | -0.10 | 2.17% | 0.85 | 0.94 |
| Total Alternative Illiquids | 5.45% | 2.68% | 0.38 | 0.43 | 41.51% | 33.87% | -1.14 | 7.21% | 1.68 | 2.57 |

Total Fund
Risk Analysis (Net of Fees)

Period Ending: December 31, 2016

7 Years

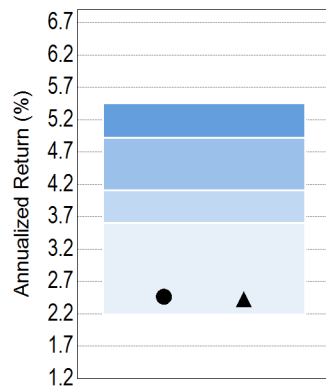
| | Anlzd Standard Deviation | Anlzd Alpha | Beta | R-Squared | Up Mkt Capture Ratio | Down Mkt Capture Ratio | Information Ratio | Tracking Error | Sharpe Ratio | Sortino Ratio |
|-----------------------------|--------------------------------|-------------|------|-----------|-------------------------|---------------------------|----------------------|-------------------|--------------|---------------|
| Total Fund | 8.38% | 0.64% | 0.98 | 0.97 | 102.93% | 94.02% | 0.36 | 1.44% | 0.86 | 1.06 |
| Total Domestic Equity | 14.37% | -0.77% | 1.05 | 0.98 | 102.74% | 104.67% | -0.03 | 2.13% | 0.89 | 1.07 |
| Total International Equity | 14.51% | 0.91% | 0.94 | 0.97 | 95.14% | 92.04% | 0.28 | 2.51% | 0.28 | 0.35 |
| Total Domestic Fixed Income | 3.47% | 2.63% | 0.76 | 0.54 | 127.80% | 56.76% | 0.71 | 2.49% | 1.53 | 3.10 |
| Total Real Estate | 2.53% | 4.09% | 0.52 | 0.16 | 76.80% | -- | -0.93 | 2.51% | 4.30 | -- |
| Total Hedge Funds | 3.22% | 1.32% | 0.52 | 0.54 | 72.36% | 49.81% | 0.06 | 3.09% | 0.77 | 0.96 |
| Total Alternative Illiquids | 5.89% | 4.56% | 0.28 | 0.43 | 33.31% | 28.15% | -0.63 | 10.68% | 1.52 | 1.96 |

10 Years

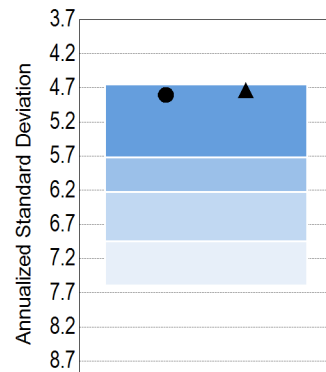
| | Anlzd Standard Deviation | Anlzd Alpha | Beta | R-Squared | Up Mkt Capture Ratio | Down Mkt Capture Ratio | Information Ratio | Tracking Error | Sharpe Ratio | Sortino Ratio |
|-----------------------------|--------------------------------|-------------|------|-----------|-------------------------|---------------------------|----------------------|-------------------|--------------|---------------|
| Total Fund | 10.80% | 0.79% | 0.99 | 0.98 | 105.03% | 95.92% | 0.50 | 1.45% | 0.38 | 0.60 |
| Total Domestic Equity | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total International Equity | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total Domestic Fixed Income | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total Real Estate | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total Hedge Funds | 6.10% | 1.09% | 0.82 | 0.85 | 90.64% | 76.17% | 0.32 | 2.69% | 0.24 | 0.32 |
| Total Alternative Illiquids | 10.03% | 3.16% | 0.44 | 0.56 | 38.51% | 56.04% | -0.20 | 11.59% | 0.67 | 0.76 |

Total Fund vs. InvestorForce Public DB > \$1B Net Universe

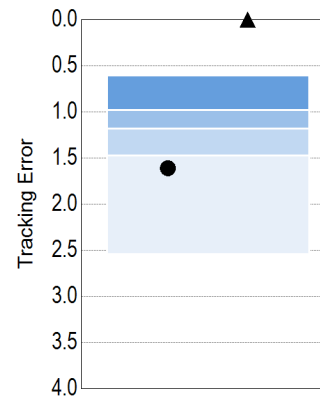
Annualized Return



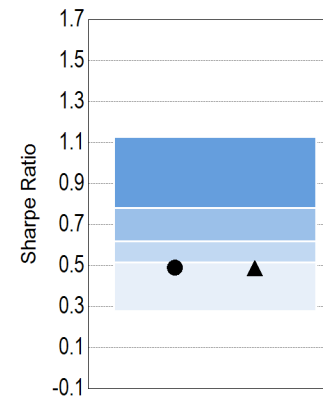
Annualized Standard Deviation



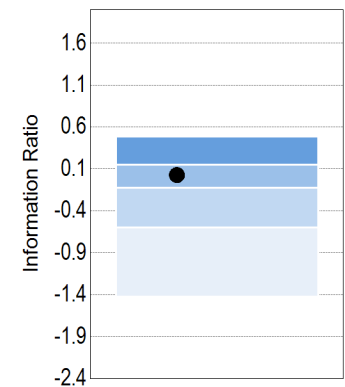
Tracking Error



Sharpe Ratio



Information Ratio



● Total Fund
Value 2.5
Rank 90
▲ Policy Index
Value 2.4
Rank 90

● Total Fund
Value 4.8
Rank 6
▲ Policy Index
Value 4.7
Rank 6

● Total Fund
Value 1.6
Rank 85
▲ Policy Index
Value 0.0
Rank 1

● Total Fund
Value 0.5
Rank 82
▲ Policy Index
Value 0.5
Rank 82

● Total Fund
Value 0.0
Rank 37
▲ Policy Index
Value --
Rank --

Universe
5th %tile 5.4
25th %tile 4.9
Median 4.1
75th %tile 3.6
95th %tile 2.2

Universe
5th %tile 4.7
25th %tile 5.7
Median 6.2
75th %tile 6.9
95th %tile 7.6

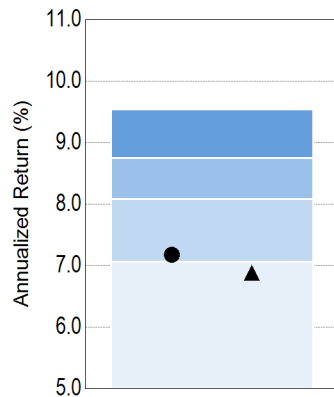
Universe
5th %tile 0.6
25th %tile 1.0
Median 1.2
75th %tile 1.5
95th %tile 2.5

Universe
5th %tile 1.1
25th %tile 0.8
Median 0.6
75th %tile 0.5
95th %tile 0.3

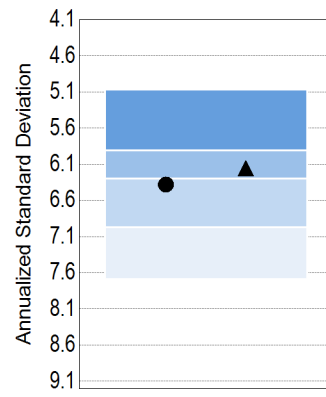
Universe
5th %tile 0.5
25th %tile 0.2
Median -0.1
75th %tile -0.6
95th %tile -1.4

Total Fund vs. InvestorForce Public DB > \$1B Net Universe

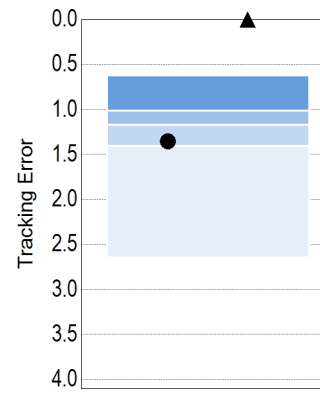
Annualized Return



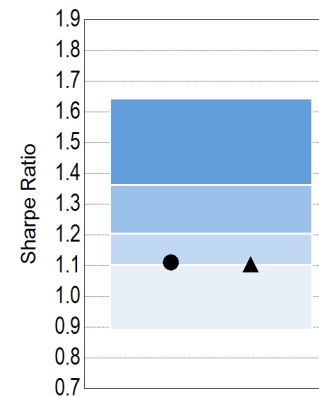
Annualized Standard Deviation



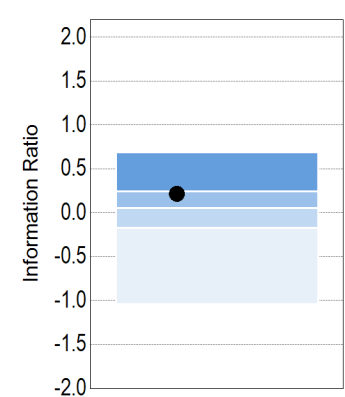
Tracking Error



Sharpe Ratio



Information Ratio



● Total Fund
Value 7.2
Rank 73
▲ Policy Index
Value 6.9
Rank 78

● Total Fund
Value 6.4
Rank 54
▲ Policy Index
Value 6.2
Rank 41

● Total Fund
Value 1.4
Rank 72
▲ Policy Index
Value 0.0
Rank 1

● Total Fund
Value 1.1
Rank 73
▲ Policy Index
Value 1.1
Rank 75

● Total Fund
Value 0.2
Rank 29
▲ Policy Index
Value --
Rank --

Universe
5th %tile 9.5
25th %tile 8.8
Median 8.1
75th %tile 7.1
95th %tile 5.0

Universe
5th %tile 5.1
25th %tile 5.9
Median 6.3
75th %tile 7.0
95th %tile 7.7

Universe
5th %tile 0.6
25th %tile 1.0
Median 1.2
75th %tile 1.4
95th %tile 2.6

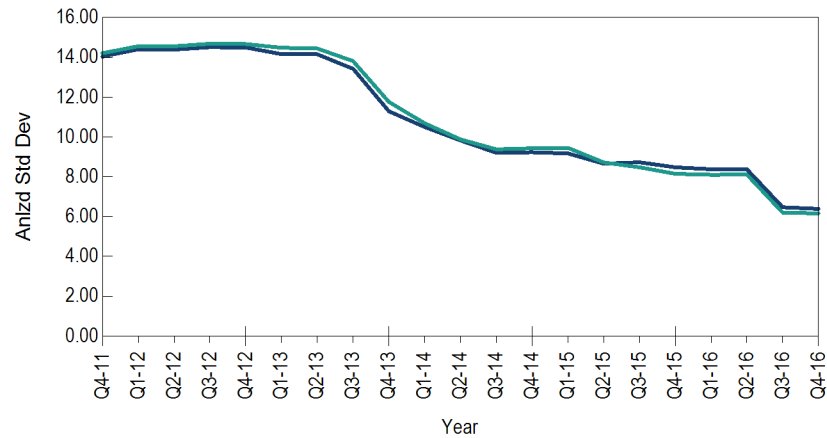
Universe
5th %tile 1.6
25th %tile 1.4
Median 1.2
75th %tile 1.1
95th %tile 0.9

Universe
5th %tile 0.7
25th %tile 0.3
Median 0.1
75th %tile -0.2
95th %tile -1.0

Total Fund Risk Analysis - 5 Years (Net of Fees)

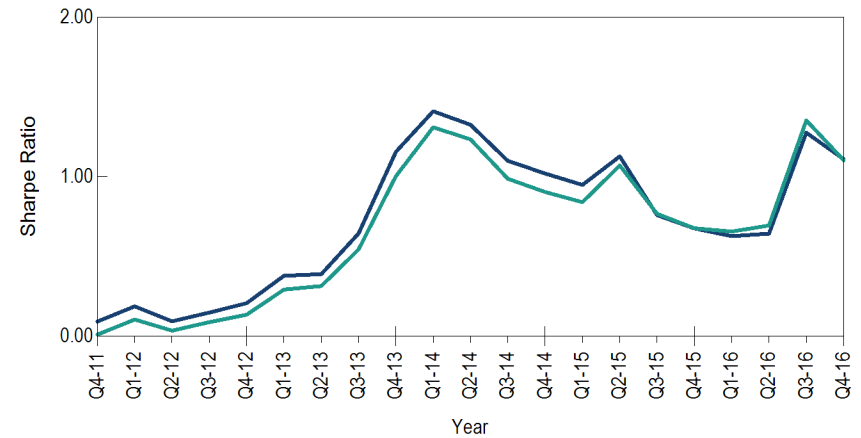
Period Ending: December 31, 2016

Rolling 5 Year Annualized Standard Deviation



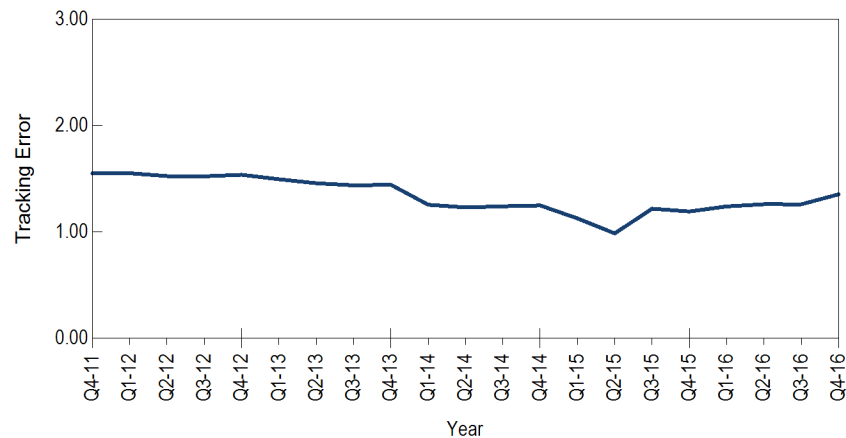
— Total Fund — Policy Index

Rolling 5 Year Sharpe Ratio



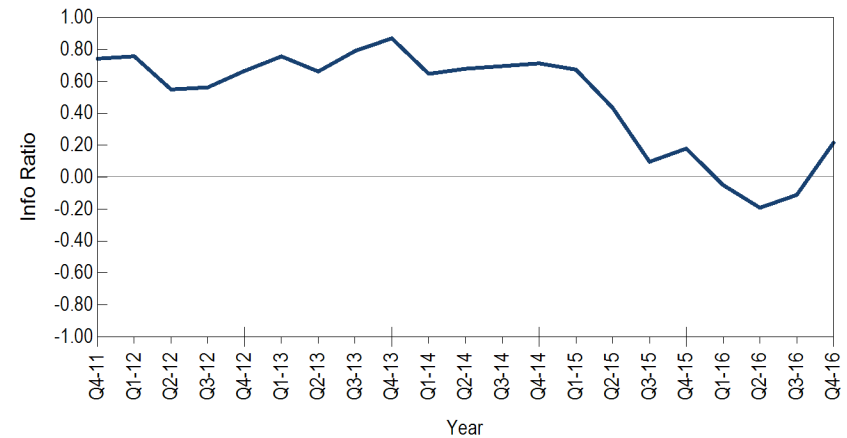
— Total Fund — Policy Index

Rolling 5 Year Tracking Error



— Total Fund

Rolling 5 Year Information Ratio



— Total Fund

Total Fund Performance Summary (Net of Fees)

Period Ending: December 31, 2016

| | Market Value | % of Portfolio | 3 Mo | Fiscal YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2016 | 2015 | 2014 | 2013 | 2012 | Return | Since |
|---|----------------------|----------------|-------------|-------------|------------|-------------|-------------|------------|------------|-------------|-------------|-------------|-------------|--------|--------|
| Total Fund | 4,093,660,464 | 100.0 | -0.3 | 2.7 | 6.6 | 2.5 | 7.2 | 4.9 | 6.6 | -2.5 | 3.5 | 16.3 | 13.1 | | |
| <i>Policy Index</i> | | | -1.7 | 1.2 | 6.5 | 2.4 | 6.9 | 4.1 | 6.5 | -1.7 | 2.6 | 15.6 | 12.3 | | |
| Total Domestic Equity | 789,134,347 | 19.3 | 4.6 | 9.9 | 8.9 | 6.7 | 14.0 | -- | 8.9 | 1.5 | 9.8 | 36.8 | 15.8 | | |
| <i>Russell 3000</i> | | | 4.2 | 8.8 | 12.7 | 8.4 | 14.7 | -- | 12.7 | 0.5 | 12.6 | 33.6 | 16.4 | | |
| SSgA S&P 500 Flagship Fund | 232,680,128 | 5.7 | 3.9 | 7.9 | 12.0 | 8.9 | 14.7 | 6.9 | 12.0 | 1.4 | 13.7 | 32.4 | 16.0 | 7.8 | Mar-04 |
| <i>S&P 500</i> | | | 3.8 | 7.8 | 12.0 | 8.9 | 14.7 | 6.9 | 12.0 | 1.4 | 13.7 | 32.4 | 16.0 | 7.8 | Mar-04 |
| Waddell & Reed | 202,237,491 | 4.9 | -1.3 | 5.3 | 1.4 | 6.8 | 13.3 | -- | 1.4 | 6.7 | 12.7 | 36.6 | 12.3 | 11.5 | Dec-10 |
| <i>Russell 1000 Growth</i> | | | 1.0 | 5.6 | 7.1 | 8.6 | 14.5 | -- | 7.1 | 5.7 | 13.0 | 33.5 | 15.3 | 12.4 | Dec-10 |
| Aronson Johnson Ortiz | 220,341,311 | 5.4 | 9.1 | 14.2 | 9.5 | 6.2 | 14.1 | 5.8 | 9.5 | -0.1 | 9.6 | 38.0 | 17.0 | 10.4 | Dec-95 |
| <i>Russell 1000 Value</i> | | | 6.7 | 10.4 | 17.3 | 8.6 | 14.8 | 5.7 | 17.3 | -3.8 | 13.5 | 32.5 | 17.5 | 8.9 | Dec-95 |
| Systematic Small/Mid Cap Value | 68,268,660 | 1.7 | 12.2 | 20.6 | 22.0 | 7.9 | 15.2 | -- | 22.0 | -1.1 | 4.0 | 37.2 | 17.6 | 13.1 | Oct-10 |
| <i>Russell 2500 Value</i> | | | 9.3 | 16.1 | 25.2 | 8.2 | 15.0 | -- | 25.2 | -5.5 | 7.1 | 33.3 | 19.2 | 13.4 | Oct-10 |
| Kalmar Investments Management | 65,606,757 | 1.6 | 3.4 | 7.9 | 11.5 | -0.4 | 10.1 | 7.8 | 11.5 | -6.6 | -5.3 | 43.9 | 13.9 | 7.7 | Nov-04 |
| <i>Russell 2000 Growth</i> | | | 3.6 | 13.1 | 11.3 | 5.1 | 13.7 | 7.8 | 11.3 | -1.4 | 5.6 | 43.3 | 14.6 | 8.2 | Nov-04 |
| Total International Equity | 750,584,548 | 18.3 | -3.3 | 1.6 | 3.0 | -2.4 | 5.6 | -- | 3.0 | -7.5 | -2.5 | 18.7 | 19.0 | | |
| <i>MSCI ACWI ex USA Gross</i> | | | -1.2 | 5.7 | 5.0 | -1.3 | 5.5 | -- | 5.0 | -5.3 | -3.4 | 15.8 | 17.4 | | |
| Artisan International Growth | 164,368,292 | 4.0 | -7.9 | -4.3 | -9.0 | -3.8 | -- | -- | -9.0 | -2.2 | -0.1 | -- | -- | 1.5 | Apr-13 |
| <i>MSCI EAFE</i> | | | -0.7 | 5.7 | 1.0 | -1.6 | -- | -- | 1.0 | -0.8 | -4.9 | -- | -- | 2.9 | Apr-13 |
| Research Affiliates International Equity | 191,416,601 | 4.7 | 4.1 | 10.7 | 9.3 | -1.1 | 8.1 | -- | 9.3 | -5.9 | -5.8 | 28.9 | 18.5 | 2.9 | Apr-11 |
| <i>MSCI EAFE</i> | | | -0.7 | 5.7 | 1.0 | -1.6 | 6.5 | -- | 1.0 | -0.8 | -4.9 | 22.8 | 17.3 | 1.7 | Apr-11 |
| Mondrian International Small Cap | 116,026,868 | 2.8 | -6.6 | 0.2 | 0.1 | -0.7 | 7.4 | -- | 0.1 | 2.7 | -4.9 | 17.3 | 24.7 | 8.5 | Nov-09 |
| <i>S&P Developed Ex-U.S. SmallCap</i> | | | -3.1 | 4.6 | 3.8 | 2.0 | 9.7 | -- | 3.8 | 5.9 | -3.4 | 26.1 | 18.6 | 7.7 | Nov-09 |
| Mondrian Emerging Markets | 278,772,787 | 6.8 | -3.7 | 0.2 | 9.0 | -3.0 | 0.7 | 2.6 | 9.0 | -16.3 | 0.0 | -7.1 | 22.3 | 4.8 | Nov-05 |
| <i>MSCI Emerging Markets</i> | | | -4.2 | 4.5 | 11.2 | -2.6 | 1.3 | 1.8 | 11.2 | -14.9 | -2.2 | -2.6 | 18.2 | 4.8 | Nov-05 |
| Total Fixed Income | 1,395,091,334 | 34.1 | -2.7 | -0.7 | 6.7 | 2.3 | 3.0 | -- | 6.7 | -4.5 | 5.0 | -1.1 | 9.6 | | |
| <i>BBgBarc Global Aggregate*</i> | | | -7.1 | -6.3 | 2.1 | -0.4 | 0.2 | -- | 2.1 | -3.2 | 0.0 | -2.0 | 4.2 | | |
| Western Asset Investment Grade Credit | 199,199,962 | 4.9 | -2.6 | -0.8 | 7.0 | -- | -- | -- | 7.0 | -0.5 | -- | -- | -- | 3.6 | Oct-14 |
| <i>BBgBarc US Credit TR</i> | | | -3.0 | -1.8 | 5.6 | -- | -- | -- | 5.6 | -0.8 | -- | -- | -- | 2.9 | Oct-14 |
| Loomis Sayles High Yield | 211,322,543 | 5.2 | 0.9 | 6.1 | 14.4 | -- | -- | -- | 14.4 | -5.2 | -- | -- | -- | 3.6 | Oct-14 |
| <i>BBgBarc US High Yield TR</i> | | | 1.8 | 7.4 | 17.1 | -- | -- | -- | 17.1 | -4.5 | -- | -- | -- | 4.7 | Oct-14 |
| Eaton Vance Senior Loan Fund | 207,639,555 | 5.1 | 2.3 | 5.2 | 9.9 | -- | -- | -- | 9.9 | -0.8 | -- | -- | -- | 3.9 | Oct-14 |
| <i>S&P/LSTA Leveraged Loan Index</i> | | | 2.3 | 5.4 | 10.2 | -- | -- | -- | 10.2 | -0.7 | -- | -- | -- | 3.8 | Oct-14 |
| SSgA TIPS | 158,443,364 | 3.9 | -2.4 | -1.5 | 4.6 | 2.2 | 0.9 | -- | 4.6 | -1.5 | 3.6 | -8.6 | 6.9 | 4.4 | Feb-09 |
| <i>BBgBarc US TIPS TR</i> | | | -2.4 | -1.5 | 4.7 | 2.3 | 0.9 | -- | 4.7 | -1.4 | 3.6 | -8.6 | 7.0 | 4.5 | Feb-09 |

*Prior to 3/31/2014 BBgBarc U.S. Aggregate Index and as of 4/1/2014 BBgBarc Global Aggregate Index.

Total Fund Performance Summary (Net of Fees)

Period Ending: December 31, 2016

| | Market Value | % of Portfolio | 3 Mo | Fiscal YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2016 | 2015 | 2014 | 2013 | 2012 | Return | Since |
|---|--------------------|----------------|------------|-------------|-------------|-------------|-------------|------------|-------------|--------------|--------------|-------------|-------------|--------|--------|
| Barclays U.S. Aggregate Index Fund | 150,011,956 | 3.7 | -3.1 | -2.6 | 2.6 | -- | -- | -- | 2.6 | 0.6 | -- | -- | -- | 2.4 | Apr-14 |
| <i>BBgBarc US Aggregate TR</i> | | | -3.0 | -2.5 | 2.6 | -- | -- | -- | 2.6 | 0.6 | -- | -- | -- | 2.4 | Apr-14 |
| Brandywine Global Sovereign | 270,165,376 | 6.6 | -6.4 | -5.2 | 3.8 | -- | -- | -- | 3.8 | -9.8 | -- | -- | -- | -3.6 | Jan-15 |
| <i>Citi WGBI</i> | | | -8.5 | -8.3 | 1.6 | -- | -- | -- | 1.6 | -3.6 | -- | -- | -- | -0.9 | Jan-15 |
| PIMCO Emerging Local Bond Ins | 198,308,579 | 4.8 | -5.7 | -3.1 | 10.7 | -4.3 | -- | -- | 10.7 | -16.3 | -5.4 | -- | -- | -4.3 | Jul-13 |
| <i>JP Morgan GBI EM Global Diversified TR USD</i> | | | -6.1 | -3.6 | 9.9 | -4.1 | -- | -- | 9.9 | -14.9 | -5.7 | -- | -- | -4.0 | Jul-13 |
| Total Real Estate | 208,708,950 | 5.1 | 1.5 | 2.9 | 7.2 | 11.0 | 10.6 | -- | 7.2 | 13.9 | 12.1 | 11.8 | 8.0 | | |
| <i>NCREIF-ODCE</i> | | | 2.1 | 4.2 | 8.8 | 12.1 | 12.2 | -- | 8.8 | 15.0 | 12.5 | 13.9 | 10.9 | | |
| Invesco Core Real Estate | 160,181,131 | 3.9 | 1.9 | 3.4 | 8.3 | 11.1 | 10.9 | -- | 8.3 | 13.7 | 11.4 | 13.4 | 7.7 | 4.1 | Oct-07 |
| <i>NCREIF-ODCE</i> | | | 2.1 | 4.2 | 8.8 | 12.1 | 12.2 | -- | 8.8 | 15.0 | 12.5 | 13.9 | 10.9 | 4.8 | Oct-07 |
| Total Infrastructure | 128,322,763 | 3.1 | 0.1 | 1.5 | 6.1 | -- | -- | -- | 6.1 | -- | -- | -- | -- | | |
| <i>CPI + 5%</i> | | | 1.2 | 2.6 | 7.2 | -- | -- | -- | 7.2 | -- | -- | -- | -- | | |
| IFM Infrastructure | 128,322,763 | 3.1 | 0.1 | 1.5 | 6.1 | -- | -- | -- | 6.1 | -- | -- | -- | -- | 6.0 | May-15 |
| <i>CPI + 5%</i> | | | 1.2 | 2.6 | 7.2 | -- | -- | -- | 7.2 | -- | -- | -- | -- | 6.3 | May-15 |
| Total Hedge Funds | 309,332,365 | 7.6 | 2.6 | 5.7 | 3.0 | 2.0 | 3.2 | 2.2 | 3.0 | 0.0 | 3.1 | 7.8 | 2.2 | | |
| <i>HFRI Fund of Funds Composite Index</i> | | | 0.9 | 3.2 | 0.5 | 1.2 | 3.4 | 1.3 | 0.5 | -0.3 | 3.4 | 9.0 | 4.8 | | |
| Grosvenor | 154,550,134 | 3.8 | 2.2 | 5.3 | 2.6 | 2.0 | 5.8 | -- | 2.6 | 0.0 | 3.5 | 15.2 | 8.6 | 4.7 | Oct-09 |
| <i>HFRI Fund of Funds Composite Index</i> | | | 0.9 | 3.2 | 0.5 | 1.2 | 3.4 | -- | 0.5 | -0.3 | 3.4 | 9.0 | 4.8 | 2.5 | Oct-09 |
| GCM Better Futures Fund | 154,782,231 | 3.8 | 3.1 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.1 | Sep-16 |
| <i>HFRI Fund of Funds Composite Index</i> | | | 0.9 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.9 | Sep-16 |
| Total Commodities | 118,284,957 | 2.9 | 0.1 | -2.5 | 13.8 | -6.2 | -5.9 | -- | 13.8 | -12.8 | -16.9 | -9.4 | -0.9 | | |
| <i>Bloomberg Commodity Index TR USD</i> | | | 2.7 | -1.3 | 11.8 | -11.3 | -9.0 | -- | 11.8 | -24.7 | -17.0 | -9.5 | -1.1 | | |
| Invesco Commodities | 118,284,957 | 2.9 | 0.1 | -2.5 | 13.8 | -- | -- | -- | 13.8 | -- | -- | -- | -- | -1.0 | May-15 |
| <i>Bloomberg Commodity Index TR USD</i> | | | 2.7 | -1.3 | 11.8 | -- | -- | -- | 11.8 | -- | -- | -- | -- | -8.4 | May-15 |

Closed end Real Estate funds not shown on this page.

Real Estate Closed End Funds (Net of Fees)

Period Ending: December 31, 2016

| Real Estate - Closed End Funds | | | | | | | | | | | |
|--------------------------------|-----------------------------------|----------------|------------------|---------------|---------------|------------------------|--------------------|-----------------|--------------------|-------------------|-----------------------|
| Inception Date | Manager Name/Fund Name | % of Portfolio | Total Commitment | Contributions | Distributions | Estimated Market Value | One Quarter Return | One Year Return | Three Years Return | Five Years Return | (IRR) Since Inception |
| 2016 | Kennedy Wilson Real Estate Fund V | 0.5% | \$30,000,000 | \$19,500,000 | \$939,000 | \$19,167,855 | 0.0% | N/A | N/A | N/A | 7.0% |
| 2016 | Gerding Edlen Green Cities III | 0.2% | \$20,000,000 | \$9,625,806 | \$102,508 | \$9,642,877 | 0.0% | N/A | N/A | N/A | 2.4% |
| 2009 | TA Realty IX | 0.5% | \$30,000,000 | \$30,000,000 | \$27,490,778 | \$19,717,087 | 0.0% | 6.2% | 12.0% | 11.6% | 17.4% |
| % of Total Fund (Market Value) | | | | | | 1.2% | | | | | |

IRR as of 9/30/2016.

Total Alternative Illiquids Non Marketable Securities Overview

Period Ending: December 31, 2016

| Verus Internal Analysis | | | | | | | | | | Manager Reported | | |
|--------------------------------------|--|--|------------------|----------------|----------|---------------------------|-------------------------|--------------------------------------|---|-----------------------------|--------------------------------------|------------------|
| Vintage Year | Manager Name/Fund Name | Estimated Market Value as of 12/31/16 ³ | Total Commitment | Capital Called | % Called | Remaining Commitment | Capital Returned | Distrib./ Paid-In (DPI) ¹ | Tot. Value/ Paid-In (TVPI) ² | Market Value as of IRR Date | Net IRR Since Inception ⁶ | IRR Date |
| Private Equity | | | | | | | | | | | | |
| 2016 | Horsley Bridge XI Growth Buyout L.P. | \$875,601 | \$30,000,000 | \$1,119,000 | 4% | \$28,881,000 | \$0 | 0.0% | 78.2% | N/A | N/A | N/A ⁴ |
| 2016 | Hamilton Lane IX L.P. | \$23,514,299 | \$100,000,000 | \$23,630,000 | 24% | \$76,370,000 | \$2,004,483 | 8.5% | 108.0% | \$23,514,299 | 12.7% | 12/31/16 |
| 2015 | Warburg Pincus XII | \$5,603,641 | \$34,000,000 | \$6,103,000 | 18% | \$27,897,000 | \$0 | 0.0% | 91.8% | \$3,291,641 | -29.8% | 09/30/16 |
| 2008 | Landmark Equity XIV, L.P. | \$11,888,560 | \$30,000,000 | \$28,040,980 | 93% | \$1,959,020 | \$24,568,658 | 87.6% | 130.0% | \$13,679,426 | 11.5% | 06/30/16 |
| 2007 | New Mountain Partners III | \$12,315,560 | \$15,000,000 | \$15,270,869 | 102% | \$1,121,057 ⁷ | \$14,242,964 | 93.3% | 173.9% | \$13,911,827 | 12.9% | 09/30/16 |
| 2007 | Hamilton Lane VI | \$34,878,625 | \$70,000,000 | \$62,607,682 | 89% | \$7,392,318 | \$62,442,933 | 99.7% | 155.4% | \$36,839,845 | 9.3% | 09/30/16 |
| 2007 | WP Private Equity X, L.P. | \$12,743,675 | \$25,000,000 | \$25,000,000 | 100% | \$0 | \$23,591,038 | 94.4% | 145.3% | \$13,017,600 | 7.8% | 09/30/16 |
| 2002 | Blackstone IV | \$5,416,865 | \$20,000,000 | \$22,349,581 | 112% | \$0 ⁸ | \$47,665,573 | 213.3% | 237.5% | \$5,416,865 | 29.7% | 12/31/16 |
| 2001 | WP Private Equity VIII, L.P. | \$4,801,676 | \$25,000,000 | \$25,000,000 | 100% | \$0 | \$53,154,491 | 212.6% | 231.8% | \$4,801,676 | 14.6% | 09/30/16 |
| 1998 | WP Equity Partners, L.P. ⁹ | \$78,548 | \$20,000,000 | \$20,000,000 | 100% | \$0 | \$32,982,907 | 164.9% | 165.3% | \$270,548 | 10.3% | 09/30/16 |
| Total Private Equity | | \$112,117,050 | \$369,000,000 | \$229,121,111 | 62% | \$143,620,395 | \$260,653,047 | 113.8% | 162.7% | | | |
| % of Portfolio (Market Value) | | 2.7% | | | | | | | | | | |
| Private Credit | | | | | | | | | | | | |
| 2017 | EQT European Special Situations Debt | N/A | \$40,000,000 | \$0 | 0% | \$40,000,000 | \$0 | N/A | N/A | N/A | N/A | N/A ⁴ |
| 2016 | OHA Strategic Credit Fund II, L.P. | N/A | \$40,000,000 | \$0 | 0% | \$40,000,000 | \$0 | N/A | N/A | N/A | N/A | N/A ⁴ |
| 2016 | TSSP Adjacent Opportunities Partners | \$6,885,337 | \$30,000,000 | \$7,117,088 | 24% | \$22,882,912 | \$163,441 ¹³ | 2.3% | 99.0% | N/A | N/A | N/A ⁴ |
| 2015 | GSO European Senior Debt | \$4,988,329 | \$30,000,000 | \$4,912,227 | 16% | \$25,087,773 | \$47,782 | 1.0% | 102.5% | \$4,988,329 | 2.9% | 12/31/16 |
| 2015 | CVI Credit Value Fund III | \$17,248,608 | \$30,000,000 | \$15,000,000 | 50% | \$15,000,000 | \$0 | 0.0% | 115.0% | \$17,248,608 | 16.3% | 12/31/16 |
| 2014 | Colony Distressed Credit III, L.P. | \$15,039,709 | \$20,000,000 | \$19,911,030 | 100% | \$4,762,633 ¹⁰ | \$6,543,365 | 32.9% | 108.4% | \$15,259,200 | 10.0% | 06/30/16 |
| 2012 | Oaktree Opportunities IX, L.P. | \$15,375,340 | \$15,000,000 | \$15,000,000 | 100% | \$0 | \$0 | 0.0% | 102.5% | \$15,375,340 | 0.9% | 12/31/16 |
| 2010 | KKR Mezzanine Partners | \$12,478,361 | \$30,000,000 | \$32,351,863 | 108% | \$3,980,999 ¹¹ | \$28,380,433 | 87.7% | 126.3% | \$12,667,808 | 8.0% | 09/30/16 |
| 2010 | Angelo Gordon VII | \$3,210,600 | \$30,000,000 | \$30,000,000 | 100% | \$0 | \$33,253,950 | 110.8% | 121.5% | \$3,210,600 | 4.9% | 12/31/16 |
| 2009 | Colony Distressed Credit I, L.P. ¹² | \$4,734,584 | \$40,000,000 | \$42,267,900 | 106% | \$0 | \$60,304,994 | 142.7% | 153.9% | \$5,911,900 | 13.0% | 09/30/16 |
| 2002 | Lone Star Fund IV | \$121,010 | \$20,000,000 | \$19,045,199 | 95% | \$954,801 | \$43,786,403 | 229.9% | 230.5% | \$138,765 | 30.7% | 09/30/16 |
| 1998 | TCV Shop III | \$437,407 | \$15,000,000 | \$15,000,000 | 100% | \$0 | \$18,202,909 | 121.4% | 124.3% | \$437,407 | 3.4% | 12/31/15 |
| Total Private Credit | | \$80,519,284 | \$340,000,000 | \$200,605,307 | 59% | \$152,669,118 | \$190,683,277 | 95.1% | 135.2% | | | |
| % of Portfolio (Market Value) | | 2.0% | | | | | | | | | | |

¹(DPI) is equal to (capital returned / capital called)

²(TVPI) is equal to (market value + capital returned) / capital called

³Last known market value + capital calls - distributions

⁴IRR currently unavailable for these funds.

⁵Investment period ended, no further capital to be called.

⁶Gross IRR is calculated on the cash flows of the underlying investments of the fund and is net of the underlying fund fees and carried interest.

⁷Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.

⁸\$1,366,953 capital returned but subject to recall

⁹\$2,996,127 capital returned but subject to recall

¹⁰On June 11, 2012 \$1,029,076 was transferred from the Partnership to a Liquidation Trust.

¹¹\$4,673,663 capital returned but subject to recall

¹²\$5,277,489 capital returned but subject to recall and \$1,055,373 return of unused capital subject to recall

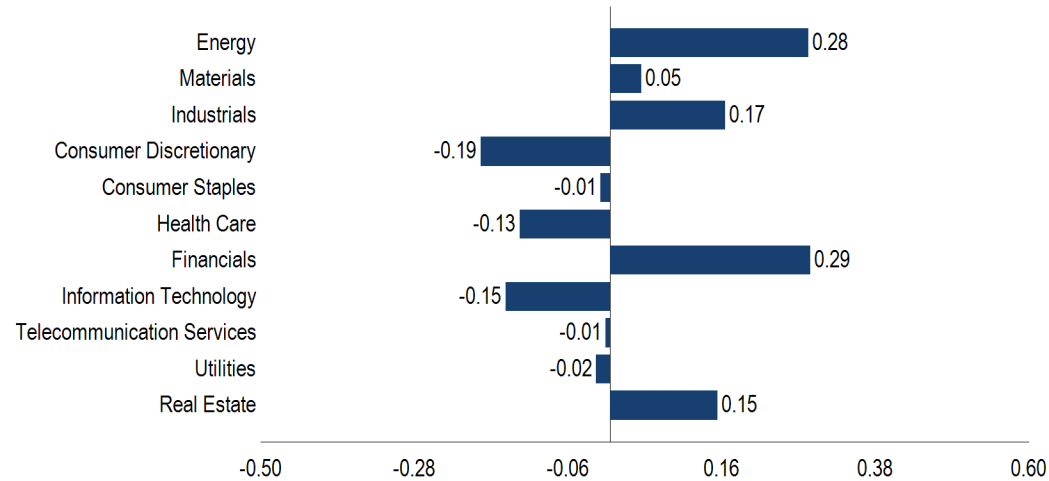
¹³Colony Capital reflects a FCERA-specific IRR.

¹⁴Distributions, Including Deemed

Total Domestic Equity
Performance Attribution by Sector (Net of Fees)

Period Ending: December 31, 2016

Total Domestic Equity vs. Russell 3000
Current Quarter



| GICS Sector | Portfolio Weight | Index Weight | Excess Weight | Portfolio USD Return | Index USD Return | Excess Return | Allocation Effect (Local) | Selection Effect (Local) | Active Contrib. | Passive Contrib. | Total Contrib. |
|----------------------------|------------------|--------------|---------------|----------------------|------------------|---------------|---------------------------|--------------------------|-----------------|------------------|----------------|
| Energy | 7.96% | 6.73% | 1.23% | 10.32% | 7.40% | 2.92% | 0.05% | 0.24% | 0.28% | 0.22% | 0.50% |
| Materials | 2.92% | 3.33% | -0.42% | 6.97% | 5.21% | 1.76% | -0.01% | 0.05% | 0.05% | 0.03% | 0.08% |
| Industrials | 10.37% | 10.44% | -0.07% | 10.04% | 8.22% | 1.83% | -0.02% | 0.18% | 0.17% | 0.42% | 0.59% |
| Consumer Discretionary | 11.34% | 12.59% | -1.25% | 1.18% | 2.97% | -1.79% | 0.02% | -0.20% | -0.19% | -0.15% | -0.34% |
| Consumer Staples | 7.34% | 8.78% | -1.43% | -2.87% | -1.64% | -1.23% | 0.08% | -0.09% | -0.01% | -0.51% | -0.53% |
| Health Care | 14.96% | 14.15% | 0.81% | -4.65% | -4.21% | -0.44% | -0.06% | -0.07% | -0.13% | -1.19% | -1.32% |
| Financials | 13.25% | 13.38% | -0.13% | 22.68% | 20.61% | 2.07% | 0.02% | 0.27% | 0.29% | 2.20% | 2.48% |
| Information Technology | 23.35% | 20.61% | 2.74% | 0.96% | 1.21% | -0.25% | -0.09% | -0.06% | -0.15% | -0.62% | -0.77% |
| Telecommunication Services | 2.04% | 2.42% | -0.38% | 5.18% | 5.27% | -0.09% | 0.00% | 0.00% | -0.01% | 0.03% | 0.02% |
| Utilities | 2.89% | 3.30% | -0.41% | -0.14% | 0.76% | -0.90% | 0.01% | -0.03% | -0.02% | -0.11% | -0.13% |
| Real Estate | 3.55% | 4.27% | -0.72% | 0.24% | -3.00% | 3.24% | 0.04% | 0.11% | 0.15% | -0.31% | -0.15% |
| Unclassified | 0.02% | 0.00% | 0.02% | 16.39% | -- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total | | | | 4.64% | 4.20% | 0.44% | 0.04% | 0.40% | 0.44% | 0.00% | 0.44% |

Total Domestic Equity
Performance Attribution Summary (Net of Fees)

Period Ending: December 31, 2016

Portfolio: Total Domestic Equity
Benchmark: Russell 3000

Portfolio Total Return 4.61%

| | |
|-------------------------|--------------|
| | Equity Only |
| Portfolio | 4.64% |
| Benchmark | <u>4.20%</u> |
| Return From Active Mgmt | 0.44% |

| | |
|----------------------|--------------|
| Local Returns | |
| Portfolio | 4.64% |
| Benchmark | <u>4.20%</u> |
| Active Equity Return | 0.44% |

| | |
|-------------------|--------|
| Country Selection | -0.01% |
| Stock Selection | 0.44% |

| | |
|-------------------------------|--------------|
| Currency Contributions | |
| Portfolio | 0.00% |
| Benchmark | <u>0.00%</u> |
| Active Currency Contributions | 0.00% |

Chart uses return-based methodology

Total International Equity
Performance Attribution by Country (Net of Fees)

Period Ending: December 31, 2016

Total International Equity vs. MSCI ACWI ex USA

Current Quarter

| | Portfolio Weight | Index Weight | Excess Weight | Portfolio USD Return | Index USD Return | Excess USD Return | Active Return | Allocation Effect (Local) | Selection Effect (Local) | Currency Effect |
|----------------|---------------------|-----------------|------------------|-------------------------|---------------------|----------------------|------------------|---------------------------------|--------------------------------|--------------------|
| AUSTRALIA | 3.44% | 5.15% | -1.70% | 1.82% | 0.79% | 1.04% | 0.10% | -0.02% | 0.03% | 0.09% |
| AUSTRIA | 0.18% | 0.13% | 0.05% | 11.55% | 6.41% | 5.13% | 0.01% | 0.00% | 0.01% | 0.00% |
| BELGIUM | 0.51% | 0.96% | -0.45% | -1.97% | -11.84% | 9.87% | 0.12% | 0.05% | 0.05% | 0.03% |
| BRAZIL | 2.26% | 1.71% | 0.55% | 2.40% | 2.41% | -0.01% | -0.01% | 0.01% | -0.02% | 0.00% |
| CANADA | 4.49% | 6.72% | -2.24% | 3.12% | 3.50% | -0.38% | 0.00% | -0.02% | -0.05% | 0.06% |
| CHILE | 0.51% | 0.26% | 0.25% | 3.43% | 2.45% | 0.97% | 0.00% | 0.01% | 0.00% | 0.00% |
| CHINA | 1.46% | 6.32% | -4.86% | -6.36% | -6.96% | 0.60% | 0.53% | 0.51% | 0.02% | 0.00% |
| COLOMBIA | 0.00% | 0.11% | -0.11% | -- | -2.24% | 2.24% | 0.01% | 0.00% | 0.00% | 0.00% |
| CZECH REPUBLIC | 0.00% | 0.03% | -0.03% | -- | -2.41% | 2.41% | 0.00% | 0.00% | 0.00% | 0.00% |
| DENMARK | 0.79% | 1.23% | -0.44% | -6.90% | -8.87% | 1.97% | 0.07% | 0.03% | 0.02% | 0.02% |
| EGYPT | 0.00% | 0.04% | -0.04% | -- | -23.32% | 23.32% | 0.01% | -0.02% | 0.00% | 0.03% |
| FINLAND | 0.15% | 0.69% | -0.54% | 6.19% | -4.36% | 10.55% | 0.06% | 0.02% | 0.02% | 0.03% |
| FRANCE | 5.51% | 6.76% | -1.25% | 0.44% | 3.08% | -2.64% | -0.10% | -0.08% | -0.13% | 0.11% |
| GERMANY | 8.35% | 6.21% | 2.14% | -1.93% | 1.46% | -3.39% | -0.35% | 0.07% | -0.30% | -0.12% |
| GREECE | 0.00% | 0.07% | -0.07% | -- | 15.46% | -15.46% | -0.01% | -0.01% | 0.00% | 0.01% |
| HONG KONG | 7.92% | 2.47% | 5.45% | -6.22% | -8.97% | 2.75% | -0.55% | -0.77% | 0.22% | 0.00% |
| HUNGARY | 0.00% | 0.06% | -0.06% | -- | 9.26% | -9.26% | 0.00% | -0.01% | 0.00% | 0.00% |
| INDIA | 4.58% | 1.93% | 2.65% | -5.35% | -7.81% | 2.46% | -0.25% | -0.32% | 0.12% | -0.05% |
| INDONESIA | 1.01% | 0.64% | 0.37% | -4.44% | -7.41% | 2.97% | -0.02% | -0.04% | 0.03% | -0.01% |
| IRELAND | 0.33% | 0.32% | 0.01% | -12.42% | 0.12% | -12.54% | -0.04% | 0.00% | -0.04% | 0.00% |
| ISRAEL | 0.17% | 0.50% | -0.32% | -5.03% | -10.94% | 5.92% | 0.06% | 0.04% | 0.01% | 0.01% |
| ITALY | 1.06% | 1.32% | -0.25% | 8.87% | 10.77% | -1.91% | 0.00% | 0.00% | -0.02% | 0.02% |
| JAPAN | 8.99% | 16.80% | -7.81% | -4.36% | -0.06% | -4.29% | -0.03% | -0.72% | -0.43% | 1.12% |
| KAZAKHSTAN | 0.13% | 0.00% | 0.13% | 0.52% | -0.81% | 1.33% | -0.01% | -0.01% | 0.00% | 0.00% |
| KOREA | 4.02% | 3.46% | 0.56% | -6.54% | -6.89% | 0.34% | -0.04% | -0.01% | 0.01% | -0.04% |
| LUXEMBOURG | 0.10% | 0.00% | 0.10% | -9.49% | -1.21% | -8.28% | -0.01% | 0.00% | -0.01% | -0.01% |

Total International Equity
Performance Attribution by Country (Net of Fees)

Period Ending: December 31, 2016

| | Portfolio Weight | Index Weight | Excess Weight | Portfolio USD Return | Index USD Return | Excess USD Return | Active Return | Allocation Effect (Local) | Selection Effect (Local) | Currency Effect |
|----------------------|---------------------|-----------------|------------------|-------------------------|---------------------|----------------------|------------------|---------------------------------|--------------------------------|--------------------|
| MALAYSIA | 1.93% | 0.62% | 1.31% | -4.65% | -8.38% | 3.73% | -0.11% | -0.08% | 0.08% | -0.11% |
| MEXICO | 1.93% | 0.85% | 1.08% | -14.22% | -7.82% | -6.40% | -0.26% | -0.08% | -0.16% | -0.03% |
| NETHERLANDS | 1.74% | 2.32% | -0.57% | 1.72% | -2.01% | 3.73% | 0.11% | 0.01% | 0.09% | 0.00% |
| NEW ZEALAND | 1.02% | 0.14% | 0.88% | -14.08% | -10.80% | -3.29% | -0.17% | -0.10% | -0.04% | -0.03% |
| NORWAY | 0.33% | 0.45% | -0.12% | 9.37% | 2.65% | 6.72% | 0.02% | -0.01% | 0.02% | 0.01% |
| PERU | 0.70% | 0.09% | 0.62% | 3.71% | 2.60% | 1.11% | 0.00% | -0.01% | 0.01% | 0.00% |
| PHILIPPINES | 0.62% | 0.31% | 0.30% | -22.76% | -12.79% | -9.98% | -0.11% | -0.04% | -0.08% | 0.01% |
| POLAND | 0.00% | 0.25% | -0.25% | -- | 4.08% | -4.08% | 0.00% | -0.02% | 0.00% | 0.02% |
| PORTUGAL | 0.05% | 0.10% | -0.05% | -9.83% | -3.09% | -6.75% | 0.00% | 0.00% | 0.00% | 0.00% |
| QATAR | 1.00% | 0.20% | 0.80% | 4.69% | 0.97% | 3.73% | 0.01% | -0.03% | 0.04% | 0.00% |
| ROMANIA | 0.12% | 0.00% | 0.12% | -2.24% | -4.54% | 2.30% | -0.01% | 0.00% | -0.01% | 0.00% |
| RUSSIA | 0.94% | 0.85% | 0.08% | 18.25% | 18.81% | -0.57% | 0.05% | 0.04% | 0.04% | -0.03% |
| SINGAPORE | 1.77% | 0.89% | 0.88% | -10.76% | -3.61% | -7.14% | -0.20% | -0.02% | -0.14% | -0.05% |
| SOUTH AFRICA | 2.14% | 1.66% | 0.48% | 1.35% | -3.88% | 5.22% | 0.07% | -0.06% | 0.12% | 0.01% |
| SPAIN | 1.26% | 2.13% | -0.87% | 3.66% | 2.22% | 1.44% | 0.04% | -0.03% | 0.00% | 0.07% |
| SWEDEN | 1.63% | 1.96% | -0.33% | -6.23% | -0.72% | -5.51% | -0.07% | 0.00% | -0.09% | 0.02% |
| SWITZERLAND | 3.76% | 6.29% | -2.53% | -2.38% | -3.86% | 1.48% | 0.27% | 0.10% | 0.03% | 0.13% |
| TAIWAN | 5.89% | 2.83% | 3.06% | -5.46% | -2.12% | -3.33% | -0.41% | -0.13% | -0.22% | -0.07% |
| THAILAND | 1.01% | 0.51% | 0.50% | -7.95% | -1.60% | -6.35% | -0.10% | -0.02% | -0.07% | -0.02% |
| TURKEY | 0.66% | 0.27% | 0.39% | -10.22% | -13.66% | 3.43% | -0.05% | -0.01% | 0.03% | -0.06% |
| UNITED ARAB EMIRATES | 0.57% | 0.20% | 0.37% | 11.25% | -2.23% | 13.47% | 0.06% | -0.02% | 0.08% | 0.00% |
| UNITED KINGDOM | 9.17% | 13.19% | -4.02% | -4.19% | -0.88% | -3.32% | -0.05% | 0.03% | -0.26% | 0.17% |
| UNITED STATES | 5.80% | 0.00% | 5.80% | -10.08% | 3.38% | -13.46% | -0.78% | -0.09% | -0.69% | 0.00% |
| | 100.00% | 100.00% | 0.00% | -3.34% | -1.21% | -2.13% | -2.13% | -1.83% | -1.65% | 1.35% |

Total International Equity
Performance Attribution by Currency (Net of Fees)

Period Ending: December 31, 2016

Total International Equity vs. MSCI ACWI ex USA

Current Quarter

| Currency Name | Portfolio Weight | Index Weight | Excess Weight | Currency Return | Portfolio Contrib. | Index Contrib. | Active Contrib. | Currency Effect |
|----------------------------|------------------|--------------|---------------|-----------------|--------------------|----------------|-----------------|-----------------|
| Australian Dollar | 3.44% | 5.15% | -1.70% | -5.38% | -5.75% | -5.73% | -0.02% | 0.09% |
| Baht | 1.01% | 0.51% | 0.50% | -3.24% | -3.08% | -3.28% | 0.20% | -0.02% |
| Canadian Dollar | 4.49% | 6.72% | -2.24% | -2.00% | -1.62% | -2.11% | 0.49% | 0.06% |
| Chilean Peso | 0.51% | 0.26% | 0.25% | -1.62% | -1.09% | -1.69% | 0.60% | 0.00% |
| Colombian Peso | 0.00% | 0.11% | -0.11% | -4.06% | 0.00% | -4.14% | 4.14% | 0.00% |
| Cruzeiro Real | 2.26% | 1.71% | 0.55% | -0.18% | -0.20% | -0.18% | -0.02% | 0.00% |
| Czech Koruna | 0.00% | 0.03% | -0.03% | -6.14% | 0.00% | -6.38% | 6.38% | 0.00% |
| Danish Krone | 0.79% | 1.23% | -0.44% | -6.01% | -5.95% | -5.83% | -0.13% | 0.02% |
| Egyptian Pound | 0.00% | 0.04% | -0.04% | -51.02% | 0.00% | -79.87% | 79.87% | 0.03% |
| Emirati dirham | 0.57% | 0.20% | 0.37% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Euro | 19.23% | 21.01% | -1.78% | -6.14% | -6.40% | -6.58% | 0.17% | 0.14% |
| Forint | 0.00% | 0.06% | -0.06% | -6.08% | 0.00% | -7.08% | 7.08% | 0.00% |
| Hong Kong Dollar | 7.92% | 2.47% | 5.45% | 0.04% | 0.03% | 0.03% | 0.00% | 0.00% |
| Indian Rupee | 4.58% | 1.93% | 2.65% | -1.90% | -1.83% | -1.79% | -0.05% | -0.05% |
| Mexican New Peso | 1.93% | 0.85% | 1.08% | -6.06% | -4.40% | -5.94% | 1.54% | -0.03% |
| New Sol | 0.70% | 0.09% | 0.62% | 1.59% | 0.00% | 0.00% | 0.00% | 0.00% |
| New Taiwan Dollar | 5.89% | 2.83% | 3.06% | -2.74% | -2.45% | -2.75% | 0.31% | -0.07% |
| New Zealand Dollar | 1.02% | 0.14% | 0.88% | -4.11% | -3.68% | -3.83% | 0.14% | -0.03% |
| New Zloty | 0.00% | 0.25% | -0.25% | -8.31% | 0.00% | -9.44% | 9.44% | 0.02% |
| Norwegian Krone | 0.33% | 0.45% | -0.12% | -7.15% | -8.42% | -7.90% | -0.52% | 0.01% |
| Philippines Peso | 0.62% | 0.31% | 0.30% | -2.45% | 0.00% | -2.19% | 2.19% | 0.01% |
| Pound Sterling | 9.17% | 13.19% | -4.02% | -4.88% | -4.93% | -4.92% | 0.00% | 0.17% |
| Qatari rial | 1.00% | 0.20% | 0.80% | 0.02% | 0.02% | 0.02% | 0.00% | 0.00% |
| Rand | 2.14% | 1.66% | 0.48% | 0.56% | 0.56% | 0.53% | 0.03% | 0.01% |
| Ringgit (Malaysian Dollar) | 1.93% | 0.62% | 1.31% | -7.81% | -8.08% | -7.77% | -0.32% | -0.11% |

Total International Equity
Performance Attribution by Currency (Net of Fees)

Period Ending: December 31, 2016

| Currency Name | Portfolio Weight | Index Weight | Excess Weight | Currency Return | Portfolio Contrib. | Index Contrib. | Active Contrib. | Currency Effect |
|---------------------------|------------------|----------------|---------------|-----------------|--------------------|----------------|-----------------|-----------------|
| Romanian New Leu | 0.12% | 0.00% | 0.12% | -8.04% | 0.00% | -6.24% | 6.24% | 0.00% |
| Rupiah | 1.01% | 0.64% | 0.37% | -3.13% | -3.09% | -2.99% | -0.10% | -0.01% |
| Russian Federation Rouble | 0.94% | 0.85% | 0.08% | 3.24% | 0.00% | 3.01% | -3.01% | -0.03% |
| Shekel | 0.17% | 0.50% | -0.32% | -2.51% | -1.48% | -1.61% | 0.13% | 0.01% |
| Singapore Dollar | 1.77% | 0.89% | 0.88% | -5.62% | -5.23% | -5.66% | 0.43% | -0.05% |
| South Korean Won | 4.02% | 3.46% | 0.56% | -8.81% | -9.03% | -9.00% | -0.03% | -0.04% |
| Swedish Krona | 1.63% | 1.96% | -0.33% | -5.69% | -5.66% | -5.99% | 0.33% | 0.02% |
| Swiss Franc | 3.76% | 6.29% | -2.53% | -4.62% | -4.12% | -4.66% | 0.53% | 0.13% |
| Tenge | 0.13% | 0.00% | 0.13% | 0.69% | 0.00% | -6.24% | 6.24% | 0.00% |
| Turkish Lira | 0.66% | 0.27% | 0.39% | -14.69% | -15.46% | -14.87% | -0.59% | -0.06% |
| US Dollar | 5.80% | 0.00% | 5.80% | 0.00% | 0.00% | -6.24% | 6.24% | 0.00% |
| Yen | 8.99% | 16.80% | -7.81% | -13.18% | -14.51% | -15.17% | 0.66% | 1.12% |
| Yuan Renminbi | 1.46% | 6.32% | -4.86% | -4.02% | 0.02% | 0.03% | 0.00% | 0.00% |
| | 100.00% | 100.00% | 0.00% | | -4.70% | -6.24% | 1.54% | 1.35% |

Total International Equity
Performance Attribution by Region (Net of Fees)

Period Ending: December 31, 2016

Total International Equity vs. MSCI ACWI ex USA
Current Quarter

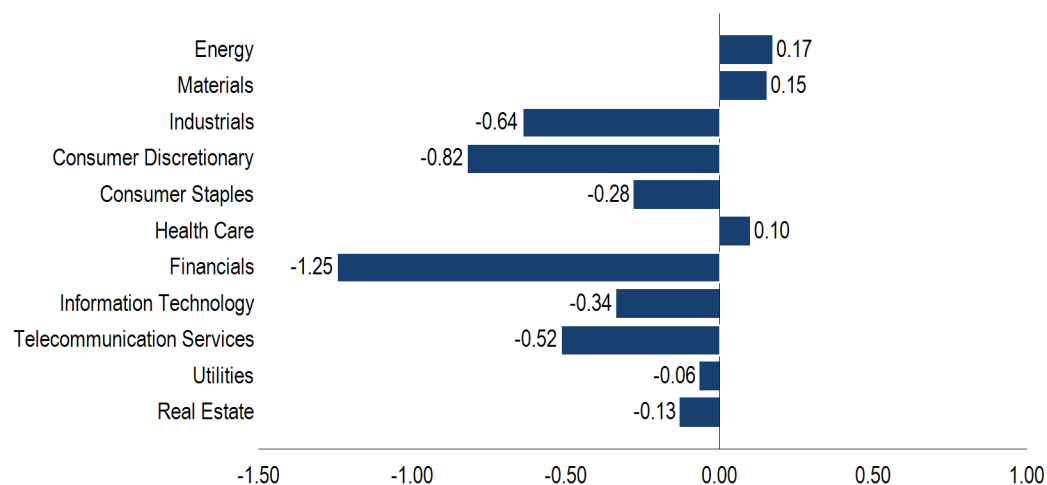
| Region | Portfolio Weight | Index Weight | Excess Weight | Portfolio USD Return | Index USD Return | Excess USD Return | Allocation Effect (Local) | Selection Effect (Local) | Active Contrib. | Passive Contrib. | Total Contrib. |
|------------------------|------------------|--------------|---------------|----------------------|------------------|-------------------|---------------------------|--------------------------|-----------------|------------------|----------------|
| North America ex U.S. | 4.49% | 6.72% | -2.24% | 3.12% | 3.50% | -0.38% | -0.02% | 0.02% | 0.00% | 0.32% | 0.32% |
| United States | 5.80% | 0.00% | 5.80% | -10.08% | -- | -- | 0.00% | -0.78% | -0.78% | 0.00% | -0.78% |
| Europe Ex U.K. | 25.73% | 30.93% | -5.20% | -0.69% | -0.13% | -0.56% | -0.03% | 0.17% | 0.13% | 0.33% | 0.47% |
| United Kingdom | 9.17% | 13.19% | -4.02% | -4.19% | -0.88% | -3.32% | 0.03% | -0.09% | -0.05% | 0.04% | -0.01% |
| Pacific Basin Ex Japan | 14.15% | 8.64% | 5.51% | -5.33% | -2.61% | -2.73% | -0.19% | -0.63% | -0.82% | -0.12% | -0.94% |
| Japan | 8.99% | 16.80% | -7.81% | -4.36% | -0.06% | -4.29% | -0.72% | 0.69% | -0.03% | 0.19% | 0.16% |
| Emerging Markets | 30.24% | 23.01% | 7.23% | -4.02% | -4.34% | 0.32% | -0.54% | -0.10% | -0.64% | -0.72% | -1.36% |
| Other | 1.43% | 0.70% | 0.73% | 2.52% | -7.54% | 10.06% | -0.09% | 0.14% | 0.05% | -0.04% | 0.01% |
| Total | | | | -3.34% | -1.21% | -2.13% | -1.54% | -0.59% | -2.13% | 0.00% | -2.13% |

| Region | Portfolio Weight | Index Weight | Excess Weight | Portfolio USD Return | Index USD Return | Excess USD Return | Allocation Effect (Local) | Selection Effect (Local) | Active Contrib. | Passive Contrib. | Total Contrib. |
|-------------------------|------------------|--------------|---------------|----------------------|------------------|-------------------|---------------------------|--------------------------|-----------------|------------------|----------------|
| EM Asia | 20.52% | 16.63% | 3.90% | -6.28% | -6.25% | -0.03% | -0.37% | -0.14% | -0.51% | -0.84% | -1.35% |
| EM Latin America | 5.41% | 3.02% | 2.39% | -3.29% | -0.63% | -2.66% | -0.05% | -0.21% | -0.26% | 0.02% | -0.25% |
| EM Europe & Middle East | 1.60% | 1.47% | 0.12% | 8.43% | 9.39% | -0.96% | 0.03% | -0.03% | 0.00% | 0.16% | 0.16% |
| EM Africa | 2.14% | 1.70% | 0.44% | 1.35% | -4.38% | 5.73% | -0.04% | 0.12% | 0.08% | -0.05% | 0.02% |
| Other | 70.33% | 77.18% | -6.85% | -2.87% | -0.29% | -2.58% | -0.15% | -1.28% | -1.44% | 0.72% | -0.72% |
| Total | | | | -3.34% | -1.21% | -2.13% | -0.59% | -1.54% | -2.13% | 0.00% | -2.13% |

Total International Equity Performance Attribution by Sector (Net of Fees)

Period Ending: December 31, 2016

**Total International Equity vs. MSCI ACWI ex USA
Current Quarter**



| GICS Sector | Portfolio Weight | Index Weight | Excess Weight | Portfolio USD Return | Index USD Return | Excess Return | Allocation Effect (Local) | Selection Effect (Local) | Active Contrib. | Passive Contrib. | Total Contrib. |
|----------------------------|------------------|--------------|---------------|----------------------|------------------|---------------|---------------------------|--------------------------|-----------------|------------------|----------------|
| Energy | 4.86% | 6.60% | -1.74% | 12.76% | 8.28% | 4.48% | -0.08% | 0.29% | 0.20% | 0.63% | 0.83% |
| Materials | 5.80% | 7.52% | -1.72% | 6.96% | 2.68% | 4.29% | -0.06% | 0.34% | 0.28% | 0.29% | 0.57% |
| Industrials | 14.29% | 11.70% | 2.59% | -3.67% | -2.13% | -1.54% | 0.02% | -0.39% | -0.37% | -0.11% | -0.48% |
| Consumer Discretionary | 11.89% | 11.37% | 0.52% | -4.76% | -0.89% | -3.87% | 0.01% | -0.52% | -0.51% | 0.04% | -0.47% |
| Consumer Staples | 13.51% | 11.10% | 2.41% | -9.98% | -9.85% | -0.13% | -0.19% | -0.13% | -0.32% | -0.96% | -1.28% |
| Health Care | 5.85% | 8.63% | -2.77% | -7.34% | -8.05% | 0.71% | 0.18% | 0.22% | 0.40% | -0.59% | -0.19% |
| Financials | 17.11% | 21.66% | -4.56% | 2.62% | 6.88% | -4.26% | -0.30% | -0.48% | -0.79% | 1.75% | 0.96% |
| Information Technology | 10.63% | 9.60% | 1.03% | -6.44% | -4.92% | -1.52% | -0.02% | -0.18% | -0.20% | -0.36% | -0.55% |
| Telecommunication Services | 8.25% | 4.97% | 3.27% | -10.15% | -6.63% | -3.52% | -0.17% | -0.50% | -0.67% | -0.27% | -0.94% |
| Utilities | 4.27% | 3.38% | 0.89% | -6.06% | -7.21% | 1.15% | -0.06% | -0.01% | -0.07% | -0.20% | -0.28% |
| Real Estate | 3.54% | 3.46% | 0.08% | -9.41% | -7.66% | -1.74% | -0.01% | -0.08% | -0.08% | -0.22% | -0.31% |
| Total | | | | -3.34% | -1.21% | -2.13% | -0.68% | -1.45% | -2.13% | 0.00% | -2.13% |

Total International Equity
Performance Attribution Summary (Net of Fees)

Period Ending: December 31, 2016

Portfolio: Total International Equity
Benchmark: MSCI ACWI ex USA

Portfolio Total Return -3.29%

| | Equity Only |
|-------------------------|---------------|
| Portfolio | -3.34% |
| Benchmark | <u>-1.21%</u> |
| Return From Active Mgmt | -2.13% |

| Local Returns | |
|----------------------|--------------|
| Portfolio | 1.37% |
| Benchmark | <u>4.97%</u> |
| Active Equity Return | -3.61% |

| | |
|-------------------|--------|
| Country Selection | -1.83% |
| Stock Selection | -1.65% |

| Currency Contributions | |
|-------------------------------|---------------|
| Portfolio | -4.70% |
| Benchmark | <u>-6.24%</u> |
| Active Currency Contributions | 1.54% |

Chart uses return-based methodology

Total Fund Watch List (Net of Fees)

Period Ending: December 31, 2016

| Name | Allocation Group | Status | Rule 1 | Rule 2 | Rule 3 | Rule 4 | Rule 5 | Rule 6 |
|--|--------------------------------------|-----------|--------|--------|--------|--------|--------|--------|
| Waddell & Reed | Domestic Equity Large Cap Growth | Watch | ⌂ | ⌂ | ✓ | ✓ | ✓ | ⌂ |
| Aronson Johnson Ortiz | Domestic Equity Large Cap Value | No Issues | ✓ | ⌂ | ✓ | ✓ | ✓ | ✓ |
| Systematic Small/Mid Cap Value | Domestic Equity Small/Mid Cap Value | No Issues | ✓ | ⌂ | ✓ | ✓ | ✓ | ✓ |
| Kalmar Investments Management | Domestic Equity Small/Mid Cap Growth | Watch | ⌂ | ⌂ | ⌂ | ⌂ | ⌂ | ⌂ |
| Artisan International Growth | International Equity | No Issues | ✓ | ⌂ | ✓ | ⌂ | ⌂ | ⌂ |
| Research Affiliates International Equity | International Equity | No Issues | ✓ | ✓ | ✓ | ✓ | ✓ | ⌂ |
| Mondrian International Small Cap | International Equity Small Cap | No Issues | ⌂ | ⌂ | ⌂ | ⌂ | ⌂ | ✓ |
| Mondrian Emerging Markets | Emerging Markets Equity | No Issues | ✓ | ⌂ | ✓ | ⌂ | ⌂ | ✓ |

Rule 1 - Manager has underperformed the benchmark index more than half the time over the last 20 quarters

Rule 2 - Equity manager has returned less than 110% of the benchmark index for the three year period.

Rule 3 - Manager has underperformed the 50th percentile in the appropriate style universe in more than two of the last five years of consecutive returns.

Rule 4 - Manager's Sharpe Ratio is worse than the 50th Percentile in an appropriate style universe for the five year period $(\text{five year return minus five year risk free rate})/(\text{standard deviation})$.

Rule 5 - Manager's Information Ratio is worse than the 50th Percentile in an appropriate style universe for the five year period $(\text{excess return over benchmark})/(\text{tracking error})$.

Rule 6 - Fund experiences non-performance related issues including personnel turnover, changes in investment philosophy or drift, excessive asset growth, change in ownership and any other reason that raises concern.

Watch List standards are run against historical composite returns prior to manager since inception.

Total Fund Watch List (Net of Fees)

Period Ending: December 31, 2016

| Name | Allocation Group | Status | Rule 1 | Rule 2 | Rule 3 | Rule 4 | Rule 5 | Rule 6 |
|---------------------------------------|----------------------------------|-----------|--------|--------|--------|--------|--------|--------|
| Brandywine Global Sovereign | Global Fixed Income | No Issues | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ |
| Western Asset Investment Grade Credit | Domestic Fixed Income | No Issues | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ |
| Loomis Sayles High Yield | Domestic Fixed Income High Yield | No Issues | ✓ | ✗ | ✓ | ✗ | ✓ | ✓ |
| Eaton Vance Senior Loan Fund | Domestic Fixed Income Bank Loans | No Issues | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ |
| PIMCO Emerging Local Bond Ins | Emerging Markets Fixed Income | Watch | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Invesco Core Real Estate | Real Estate | No Issues | ✗ | ✗ | ✗ | -- | -- | ✓ |
| Grosvenor | Hedge Funds | No Issues | ✓ | ✓ | ✗ | -- | -- | ✓ |
| Invesco Commodities | Commodities | No Issues | ✓ | ✓ | ✗ | -- | -- | ✓ |

Rule 1 - Manager has underperformed the benchmark index more than half the time over the last 20 quarters

Rule 2 - Fixed Income manager has returned less than 105% of the benchmark index for the three year period.

Rule 3 - Manager has underperformed the 50th percentile in the appropriate style universe in more than two of the last five years of consecutive returns.

Rule 4 - Manager's Sharpe Ratio is worse than the 50th Percentile in an appropriate style universe for the five year period $(\text{five year return minus five year risk free rate})/(\text{standard deviation})$.

Rule 5 - Manager's Information Ratio is worse than the 50th Percentile in an appropriate style universe for the five year period $(\text{excess return over benchmark})/(\text{tracking error})$.

Rule 6 - Fund experiences non-performance related issues including personnel turnover, changes in investment philosophy or drift, excessive asset growth, change in ownership and any other reason that raises concern.

Watch List standards are run against historical composite returns prior to manager since inception.

Total Fund Investment Fund Fee Analysis

Period Ending: December 31, 2016

| Account | Fee Schedule | Market Value As of 12/31/2016 | Estimated Annual Fee (\$) | Estimated Annual Fee (%) |
|--|---|----------------------------------|------------------------------|-----------------------------|
| SSgA S&P 500 Flagship Fund | 0.03% of First \$150.0 Mil, 0.02% Thereafter | \$232,680,128 | \$59,882 | 0.03% |
| Waddell & Reed | 0.25% of Assets | \$202,237,491 | \$505,594 | 0.25% |
| Aronson Johnson Ortiz | 0.30% of First \$250.0 Mil, 0.20% of Next \$250.0 Mil, 0.15% of Next \$500.0 Mil, 0.13% Thereafter | \$220,341,311 | \$661,024 | 0.30% |
| Systematic Small/Mid Cap Value | 0.35% of Assets | \$68,268,660 | \$238,940 | 0.35% |
| Kalmar Investments Management | 1.00% of First \$10.0 Mil, 0.88% of Next \$10.0 Mil, 0.75% Thereafter | \$65,606,757 | \$529,551 | 0.81% |
| Artisan International Growth | 0.30% of Assets | \$164,368,292 | \$493,105 | 0.30% |
| Research Affiliates International Equity | 0.12% of Assets | \$191,416,601 | \$229,700 | 0.12% |
| Mondrian International Small Cap | 0.85% of First \$25.0 Mil, 0.65% of Next \$50.0 Mil, 0.63% of Next \$50.0 Mil, 0.60% Thereafter | \$116,026,868 | \$793,918 | 0.68% |
| Mondrian Emerging Markets | 1.00% of First \$25.0 Mil, 0.75% of Next \$50.0 Mil, 0.60% Thereafter | \$278,772,787 | \$1,847,637 | 0.66% |
| Western Asset Investment Grade Credit | 0.30% of First \$100.0 Mil, 0.15% Thereafter | \$199,199,962 | \$448,800 | 0.23% |
| Loomis Sayles High Yield | 0.50% of Assets | \$211,322,543 | \$1,056,613 | 0.50% |
| Eaton Vance Senior Loan Fund | 0.55% of First \$50.0 Mil, 0.50% of Next \$50.0 Mil, 0.40% Thereafter | \$207,639,555 | \$955,558 | 0.46% |
| SSgA TIPS | 0.04% of Assets | \$158,443,364 | \$63,377 | 0.04% |

This fee analysis only reflects base fees for investment management, does not incorporate performance-based fees, and excludes fees paid to real estate managers, private equity managers and GCM Better Futures Fund. Real estate and private equity fees have other components which cannot be easily captured in this simplified format.

** Managers with incentive fee include: Waddell, Systematic, Research Affiliates, Western Asset, Artisan, Brandywine, and Invesco Commodities. Performance based fees are not included in the fee analysis. AJO has performance based fees.*

Total Fund Investment Fund Fee Analysis

Period Ending: December 31, 2016

| Account | Fee Schedule | Market Value As of 12/31/2016 | Estimated Annual Fee (\$) | Estimated Annual Fee (%) |
|------------------------------------|--|----------------------------------|------------------------------|-----------------------------|
| Barclays U.S. Aggregate Index Fund | 0.02% of Assets | \$150,011,956 | \$30,002 | 0.02% |
| Brandywine Global Sovereign | 0.36% of Assets | \$270,165,376 | \$972,595 | 0.36% |
| PIMCO Emerging Local Bond Ins | 0.50% of First \$100.0 Mil, 0.45% Thereafter | \$198,308,579 | \$942,389 | 0.48% |
| IFM Infrastructure | 0.97% of Assets | \$128,322,763 | \$1,244,731 | 0.97% |
| Grosvenor | 1.15% of First \$25.0 Mil, 1.00% of Next \$25.0 Mil, 0.80% of Next \$50.0 Mil, 0.60% Thereafter | \$154,550,134 | \$1,264,801 | 0.82% |
| Invesco Commodities | 0.30% of Assets | \$118,284,957 | \$354,855 | 0.30% |
| Parametric Overlay | 0.15% of First \$25.0 Mil, 0.10% of Next \$75.0 Mil, 0.04% Thereafter | \$80,001,983 | \$92,502 | 0.12% |
| Investment Management Fee | | \$3,415,970,066 | \$12,785,574 | 0.37% |

This fee analysis only reflects base fees for investment management, does not incorporate performance-based fees, and excludes fees paid to real estate managers, private equity managers and GCM Better Futures Fund. Real estate and private equity fees have other components which cannot be easily captured in this simplified format.

** Managers with incentive fee include: Waddell, Systematic, Research Affiliates, Western Asset, Artisan, Brandywine, and Invesco Commodities. Performance based fees are not included in the fee analysis. AJO has performance based fees.*

Performance Return Calculations

Returns calculated in the performance summary tables are time-weighted rates of return (TWRR). TWRR are calculated from changes in monthly market values, adjusted for weighted cash flows between months. Our performance methodology assumes that cash flows occur at the end of day for modified dietz calculations. Returns are linked geometrically and annualized for periods longer than one year.

Data Source

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

Illiquid Alternatives

Closed end funds including but not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit may lag performance and market value data due to delayed reporting. Verus will show market values for closed end funds as of the most recent reported performance adjusted for capital calls and distributions. Closed end fund managers report performance using an internal rate of return (IRR), which differs from the TWRR calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Manager Line Up

| <u>Manager</u> | <u>Fund Incepted</u> | <u>Data Source</u> | <u>Manager</u> | <u>Fund Incepted</u> | <u>Data Source</u> |
|-------------------------------|----------------------|--------------------|------------------------------------|----------------------|--------------------|
| Benefits Payment Cash | N/A | Northern Trust | RAFI International Equity | 04/30/2011 | Northern Trust |
| Custodied | N/A | Northern Trust | Oaktree Opportunities Fund IX | 2012 | Oaktree |
| Internal | N/A | FCERA | Artisan International Growth | 04/01/2013 | Northern Trust |
| Transition | N/A | Northern Trust | PIMCO Emerging Local Bond | 07/31/2013 | Northern Trust |
| Aronson Johnson Ortiz | 12/04/1995 | Northern Trust | Barclays U.S. Aggregate Bond | 04/30/2014 | Northern Trust |
| Warburg Pincus | 1998 | Warburg Pincus | WAMCO Credit Index | 10/01/2014 | Northern Trust |
| TCW Shop III | 1998 | TCW | Loomis Sayles High Yield | 10/01/2014 | Northern Trust |
| Warburg Pincus VIII | 2001 | Warburg Pincus | Eaton Vance Senior Loan | 10/01/2014 | Eaton Vance |
| Blackstone IV | 2002 | Blackstone | Colony Distressed Credit III | 2014 | Colony |
| Lonestar IV | 2002 | Lonestar | Brandywine Global Sovereign | 01/31/2015 | Northern Trust |
| TCW Shop IV | 2002 | TCW | IFM Global Infrastructure | 05/13/2015 | IFM |
| SSgA S&P 500 Flagship Fund | 04/01/2004 | State Street | Invesco Commodities | 05/27/2015 | Invesco |
| Kalmar Investments | 11/18/2004 | Northern Trust | GSO European Senior Debt | 2015 | GSO |
| Mondrian Emerging Markets | 11/17/2005 | Mondrian | CVI Credit Value Fund III | 2015 | CarVal |
| Invesco Core Real Estate | 10/01/2007 | Invesco | Warburg Pincus XII | 2015 | Warburg Pincus |
| New Mountain III | 2007 | New Mountain | Gerding Edlen Green Cities III | 2016 | Gerding Edlen |
| Hamilton Lane VI | 2007 | Hamilton Lane | Hamilton Lane PE Fund IX | 2016 | Hamilton Lane |
| Warburg Pincus X | 2007 | Warburg Pincus | Kennedy Wilson Real Estate V | 2016 | Kennedy Wilson |
| Landmark Equity Partners XIV | 2008 | Landmark | TSSP Adjacent Opportunities | 2016 | TSSP |
| SSgA TIPS | 02/27/2009 | State Street | OHA Strategic Credit Fund II, L.P. | 2016 | OHA |
| Grosvenor | 10/31/2009 | Grosvenor | Horsley Bridge XI GBO | 2016 | Horsley Bridge |
| Mondrian Int'l Small Cap | 11/02/2009 | Mondrian | GCM Better Futures Fund | 09/28/2016 | Grosvenor |
| Colony Distressed Credit I | 2009 | Colony | Parametric Overlay | 12/27/2016 | Northern Trust |
| TA Associates Realty 9 | 2009 | TA Associates | EQT European S. Situations Debt | 2017 | EQT |
| Systematic Small/Mid Value | 10/08/2010 | Northern Trust | | | |
| Waddell & Reed | 12/20/2010 | Northern Trust | | | |
| KKR Mezzanine Partners I | 2010 | KKR | | | |
| Angelo Gordon Cap. Recov. VII | 2010 | Angelo Gordon | | | |

Policy & Custom Index Composition

| | |
|---|--|
| Floating Policy Index (10/1/2016-10/31/2016) | 20.5% Russell 3000 Index, 37.7% BBgBarc Global Aggregate Index, 19.0% MSCI ACWI ex U.S., 2.6% Russell 3000 Index + 250 bps, 1.9% BBgBarc Aggregate Index + 250 bps, 7.3% HFRI Fund of Funds Composite, 8.0% NCREIF ODCE, 3.0% Bloomberg Commodity Index. |
| (11/1/2016-11/30/2016) | 20.4% Russell 3000 Index, 37.5% BBgBarc Global Aggregate Index, 19.0% MSCI ACWI ex U.S., 2.7% Russell 3000 Index + 250 bps, 1.9% BBgBarc Aggregate Index + 250 bps, 7.5% HFRI Fund of Funds Composite, 8.0% NCREIF ODCE, 3.0% Bloomberg Commodity Index. |
| (12/1/2016-12/31/2016) | 20.5% Russell 3000 Index, 37.5% BBgBarc Global Aggregate Index, 19.0% MSCI ACWI ex U.S., 2.6% Russell 3000 Index + 250 bps, 1.9% BBgBarc Aggregate Index + 250 bps, 7.5% HFRI Fund of Funds Composite, 8.0% NCREIF ODCE, 3.0% Bloomberg Commodity Index. |
| BBgBarc Global Aggregate* | Prior to 3/31/2014 BBgBarc U.S. Aggregate Index and as of 4/1/2014 BBgBarc Global Aggregate Index. |

Other Disclosures

Fresno Country Employees' Retirement Association fiscal year end is June 30.

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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