



ITEM 12

DATE: August 26, 2016
TO: Deferred Compensation Management Council
FROM: Brent Petty, NWCM, Inc.
SUBJECT: Second Quarter Investment Performance Report (Executive Summary)

Capital Markets

Performance Information:

Index	YTD (As of 8/11/16)	Q2 2016	1 Year (As of 8/11/16)
S&P 500	8.40%	2.46%	7.25%
S&P 400 MidCap	12.68%	3.99%	6.08%
S&P 600 SmallCap	11.86%	3.48%	7.34%
MSCI EAFE	1.72%	-1.46%	-5.67%
Emerging Markets	16.22%	0.66%	5.88%
Barclays US Agg Bond	5.58%	2.21%	5.28%
10 Year Treasury (yield)	1.57% (8/11/16)	1.49% (6/30/16)	2.15% (8/11/15)

Second Quarter:

The second quarter of 2016 was defined by a divergence in global market performance. Brexit sparked a large sell-off in global equities and triggered \$2 trillion in stock market losses the day after the referendum. While US markets were able to rebound after a two-day selloff with only three days left in the quarter, European markets were not as fortunate. Additional risk in Europe, after Brexit, has made US markets more attractive to investors, leading to positive growth in domestic markets and overall negative returns in developed international markets.

Fixed Income Insights:

Bond prices, as measured by the Barclays U.S. Aggregate Bond Index, rose +2.2% in the first quarter. The parallel global bond index was up +2.9%. U.S. Treasuries appreciated +2.1%, Municipals +2.7%, Investment-Grade Corporates +3.6%, and High-Yield Corporates +5.4%.

Bonds recorded positive returns as yields declined across the curve and spreads tightened (credit improved). Longer maturities performed better than shorter. “Risk-off” behavior initiated by Brexit benefited bond markets, leading to gains for fixed-income instruments.

For additional information see pages 1-7 of Attachment A

Legislative Updates

Employee Retirement Income Security Act (ERISA)- Lawsuits

- Five lawsuits have been filed against the DOL in regards to the fiduciary rule
- Suits are similar in nature; they argue that the DOL lacks authority to impose new regulations in this case as well as rendering summary judgment
- One June 8th, President Obama vetoed a resolution passed in the Senate and the House to repeal the rule
- See page 9 of Attachment A for additional details

BREXIT

- The United Kingdom voted to leave the European Union in a referendum held on June 23rd
- See page 9 of Attachment A for additional details

Investments

All of the County’s current investment options comply with investment policy performance criteria, with the exception of Templeton Global Bond Fund:

Templeton Global Bond Fund (See page 15 of Attachment A for more details)

- Templeton Global Bond Fund has been underperforming its benchmark on a trailing basis for the past quarter, 1, 3, and 5 years
- This R6 share class held in the County’s plan does not have a 10-year track record; using a different share class (more expensive) for performance analysis, **the fund out performed by 2.45% over this period, and was in the top decile of its peer group**
- The majority of the underperformance is related to a negative return of -4.12% over the past 12 months versus its benchmark posting an 8.87% gain
- Net-negative positions in the Japanese yen, and currency positions in Asia (ex-Japan) detracted from results

- Underweighted duration exposures in the U.S., Japan, and select underweights in European duration detracted from relative performance
- During the quarter, the fund continued to position for rising rates by maintaining low portfolio duration and aiming at a negative correlation with US Treasury returns, with the manager believing the Fed will need to hike rates given prevailing conditions
- The fund was placed on **Watch** in Q2 of 2016
- **NWCM will keep the fund on Watch and monitor it for improved performance. No action is recommended at this time.**

Oakmark Equity and Income Fund

- Fund was down 0.42% on an absolute basis in the second quarter of 2016 and up 0.35% YTD
- The fund is underperforming the Dow Jones Moderate Index by ~430 basis points YTD
- Fund management commented that the current mix between stocks and bonds is very different than what the market currently favors. They continue to find value in Financials and other economically sensitive business. On the fixed income side, they are tending to remain short duration as a way to protect against rising interest rates
- Currently the fund is 53% stock and 47% fixed income, of which nearly 16% is cash and cash equivalents
- Company specific fundamentals lead to the contributors in the quarter with names such as Nestlé, Dover and United Healthcare; detractors were BorgWarner, General Motors, Foot Locker and CVS Health
- The fund did not add new names but eliminated three: General Electric, Parker Hannifin and Blount
- The fund currently scores a 5, down from a 7 in the first quarter, under our scoring methodology. The fund now ranks in the second quartile in terms of returns versus its peer group for the 3- and 5-year periods
- **NWCM will continue to monitor this fund for improved performance. No action is recommended at this time.**

Great West LifeTime Collective Trust Target Date Series (See page 25 of Attachment A for more details. Please note Fresno County utilizes what is now the Great West LifeTime Funds. The Great West LifeTime Conservative Funds are not applicable.)

- Each of the LifeTime Target Date Series collective trust vehicles complies with investment policy performance criteria
- Each product ranked in the top quartile for the last quarter and 1- and 3-year trailing periods
- Great West made the following changes to the Trust Series at the end of April 2016:
 - Great West implemented the option to invest in 5-year increments as opposed to 10-year increments only (upon addition of additional funds)
 - LifeTime II Series merged into LifeTime III Series, then dropped the “III” from the name: “Great-West LifeTime 20XX Fund”
 - Resulting final glidepath for the series is slightly more aggressive than the former II series, but more conservative than the former III series (equity exposure falls between the two series)
 - New glidepath results in an equity exposure inbetween the existing Series III and Series II products. See Attachment A (page 26) for additional details.

Recommended Actions

Add the new Great-West Lifetime Trust Series with 5-year increments to the Deferred Compensation Plan investment lineup

ITEM 12 - ATTACHMENT A

County of Fresno

457 DC Plan



Quarterly Report - June 2016

County of Fresno
457 DC Plan

13333 SW 68th Parkway, Suite 230
Portland, OR 97223
503.597.1616

Table Of Contents

Market Overview

Quarterly Market Overview	1
Market Performance Summary	3

Retirement

Executive Summary	9
Summary Of Assets	11
Investment Summary	12
Fund Policy Compliance	14
Fund Commentary	19

Quarterly Market Commentary and Outlook, June 30, 2016

Quarter in Review and Glance Ahead

Equities and bonds experienced a spike in volatility near the end of the second quarter after the U.K. referendum to leave the European Union unexpectedly passed (Brexit) on Thursday, June 23rd. U.S. and European markets took the news particularly hard, causing stocks to fall heavily over the next two trading days. The S&P 500 fell -5.3% during the two trading days after Brexit, then rebounded over the final three days of the quarter. Domestic equities were able to weather the late quarter volatility as major U.S. indices ended the quarter with positive returns. The S&P 500 finished up +2.5% for Q2.

As was experienced in the first quarter, value stocks significantly outperformed growth in the U.S., whereas it was the opposite for international stocks. U.S. Value outperformed Growth +4.6% to +0.8%, while International (EAFE) Value fell -2.8% versus Growth's -0.1%. There was less divergence between U.S. market cap returns, with Mid Cap stocks rising +3.2% and Small Caps finishing up +3.8%. Amongst sectors, increasing oil and commodity prices helped push up Energy stocks as they rose +11.6% and outperformed all sectors in Q2. Telecomm (+7.1%) and Utilities (+6.8%) performed strongly, while Information Technology fell (-2.8%) as investors sought defensive positions amid economic and political uncertainty.

Developed Markets fell -1.5%, and Emerging Markets rose +0.7%. European stocks experienced a price pattern similar to the S&P 500 during the final days of June. However, most major European markets finished the quarter in red, and the MSCI Europe index fell -2.3%. Italy and Spain dropped -9.7% and -7.4%, respectively. Germany fell -5.0% and France was off -3.5%. Ironically, the U.K. was one of the better performers in Europe, having only fallen -0.7% during the quarter.

Bonds recorded positive returns as yields declined across the curve and spreads tightened. Longer maturities performed better than shorter. Treasuries rose +2.1%, U.S. Taxable +2.2%, International

Bonds +3.4%, Emerging Market Bonds +4.7%, Investment Grade Corporates +3.6%, and High Yield Bonds ended up +5.9%.

Rising oil and commodity prices positively influenced emerging markets. Brazil (+13.9%), Russia (+4.2%), India (+3.7%), and China (+0.3%) all rose, while Mexico (-6.9%) performed poorly as U.S. presidential elections approach.

As mentioned, Brexit sparked a large sell-off in global equities, and triggered \$2 trillion of losses in stock markets the day after the referendum. Banks in particular were hit hard, suffering their worst two-day drop in almost five years. While Europe ended mostly down, U.S. markets were able to rebound, largely due to differences between current economic environments and outlooks. One positive development for U.S. markets came at the end of June when the Fed concluded its final round of stress tests. All but two of 33 institutions passed. The two that failed were American subsidiaries of European banks (Deutsche Bank AG and Banco Santander SA). The test results provide additional evidence that U.S. financial institutions could withstand a severe global recession.

In Europe, slow inflation, weaker economic data, and the Brexit vote are headwinds that could continue to effect the region over the near term. While the U.S. is not experiencing an economic boom by any stretch of the imagination, U.S. equity markets offer investors some of the best risk-adjusted returns considering global volatility.

Demand remains high for positive-yielding U.S. dollar denominated assets as low yields in many developed markets persist. Indeed, roughly \$12 trillion worth of debt in the BofA Global Broad Market index had negative or zero yields at quarter-end and British 10-year government borrowing costs sank below 1% for the first time.

Q2 was a quarter defined by a divergence in global market performance. Additional risk in Europe made U.S. markets more attractive, which led to positive returns for U.S. equities while European stocks fell overall. "Risk-off" behavior initiated by U.K.'s vote to leave the EU benefited bond markets, leading to gains for fixed-income instruments.

Markets to Look to U.S. in the Second Half of 2016

The effects on the U.S. economy from Brexit will likely be less severe than other global financial and economic developments that have been experienced in recent years. Even as the economy struggles to build momentum, it still appears poised for growth and there is some evidence the labor market is tightening. The U.S. added 287,000 new jobs in June and unemployment was 4.9%, according to the Labor Department. In addition, jobless claims have been below 300,000 for the past 70 weeks, which is significant since it is the longest stretch since 1973. Overall, GDP growth has not been great. However, the final readings for Q1 showed an increase of 1.1%, up from an initial 0.5% estimate. While the Fed recently cut its forecast for 2016 GDP growth to 2.0% (occurred prior to Brexit) from 2.2%, global growth projections have also fallen. In June, the World Bank downgraded its 2016 global growth forecast to 2.4% from 2.9% projected in January.

China is still a concern as structural reforms take hold. Economic growth is projected in the +6% range for 2016, but expected to be lower than last year's +6.9%. It is hard to complain about China's estimated growth when developed economies are growing at much slower rates. Nevertheless, when we consider that China's manufacturing engine has helped fuel global demand, any deceleration could affect world markets.

Interest rates will remain a dominant concern going into the second half of 2016. Earlier in the year, expectations for higher borrowing costs in the U.S. helped push up probabilities that the Fed would increase interest rates. However, mixed U.S. economic data and the uncertainty caused by Brexit recently led the market to lower expectations for future rate hikes. We could be well into 2017 before seeing the Fed raise benchmark rates.

For the past several years, it has been a constant battle between two opposing views. Should the Fed raise rates, or hold rates? The "hold camp" got more ammunition with additional uncertainty resulting from the U.K. vote. Immediately after the vote, some even suggested the Fed could lower rates. While some economic data points to improving labor markets and rising inflation (albeit slowly rising), the overall data is mixed at best and does not give the "raise camp" a clear reason for the Fed to increase benchmark rates. An accommodating central bank is a potential positive for U.S. equities as dollars search for higher returns in a low interest rate environment.

Remember the context of long-term cycles

No change to this tune: it is important to remain mindful of current conditions in the context of this cycle's healthy returns. We are now in our 8th year of economic and market expansion. In terms of equity returns, the S&P 500 index had risen over +212% between the cyclical low in March of 2009 and May of last year. This gain compares to +240% from 1994 to 2000, and +102% from 2002 to 2007.

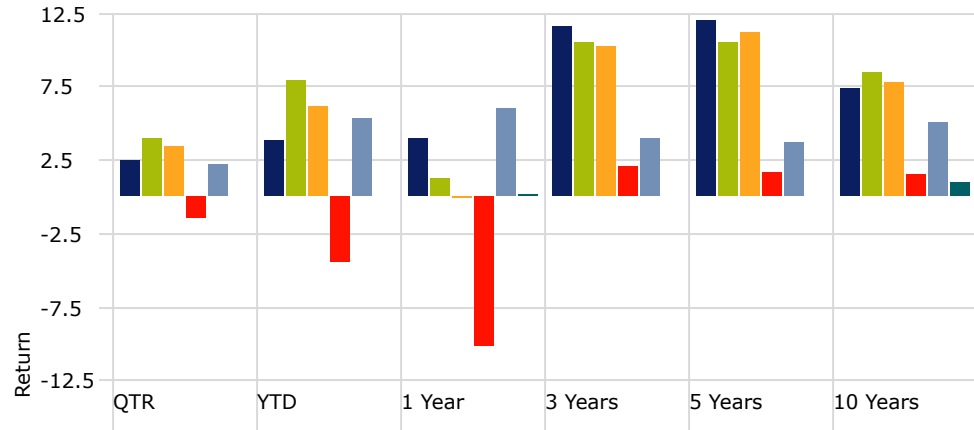
Thank you for the opportunity to be of service,
Northwest Capital Management, Inc. (NWCM)
June 30, 2016

Past performance is no guarantee of future results. This article has been distributed for educational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Opinions are subject to change without notice. Northwest Capital Management, Inc. © 2016

Market Performance Summary

As of 6/30/2016

Trailing Returns



	QTR	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	2.46	3.84	3.99	11.66	12.10	7.42
S&P MidCap 400	3.99	7.93	1.33	10.53	10.55	8.55
S&P SmallCap 600	3.48	6.23	-0.03	10.23	11.20	7.86
MSCI EAFE	-1.46	-4.42	-10.16	2.06	1.68	1.58
Barclays US Agg Bond	2.21	5.31	6.00	4.06	3.76	5.13
Citi TBill 3Mo	0.06	0.12	0.14	0.07	0.06	0.96

Market Overview

Trailing Quarter

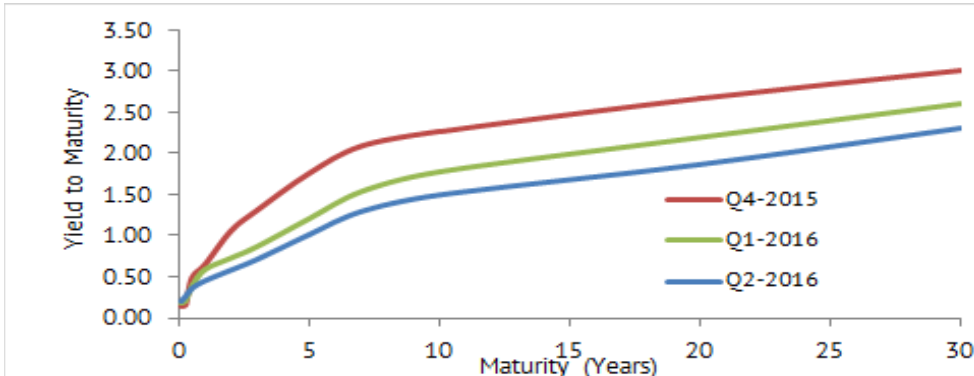
The second quarter of 2016 was defined by a divergence in global market performance. Brexit sparked a large sell-off in global equities and triggered \$2 trillion in stock market losses the day after the referendum. While US markets were able to rebound after a two-day selloff with only three days left in the quarter, European markets were not as fortunate. Additional risk in Europe after Brexit has made US markets more attractive, leading to positive growth in domestic markets and overall negative returns in international markets.

US large cap stocks closed with a gain of +2.5%, US mid cap stocks rose +4.0%, and US small cap stocks were up +3.5% as measured by S&P indices. Foreign stocks, as represented by the MSCI EAFE Index, experienced a loss of -1.5% for the quarter. Bonds posted strong gains for the quarter, closing with a +2.2% gain. Cash closed up +0.1%.

Fixed Income Insights

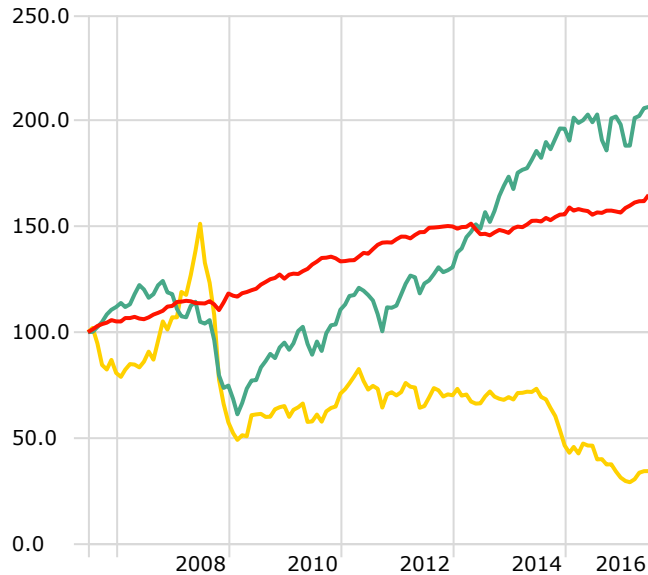
Bonds, as measured by the Barclays U.S. Aggregate Bond Index, rose +2.2% in the first quarter. The parallel global bond index was up +2.9%. U.S. Treasuries were up +2.1%, Municipals +2.7%, Investment-Grade Corporates +3.6%, and High-Yield Corporates +5.4%.

Bonds recorded positive returns as yields declined across the curve and spreads tightened. Longer maturities performed better than shorter. As with equities, risk-off behavior initiated by Brexit benefited bond markets, leading to gains for fixed-income instruments.



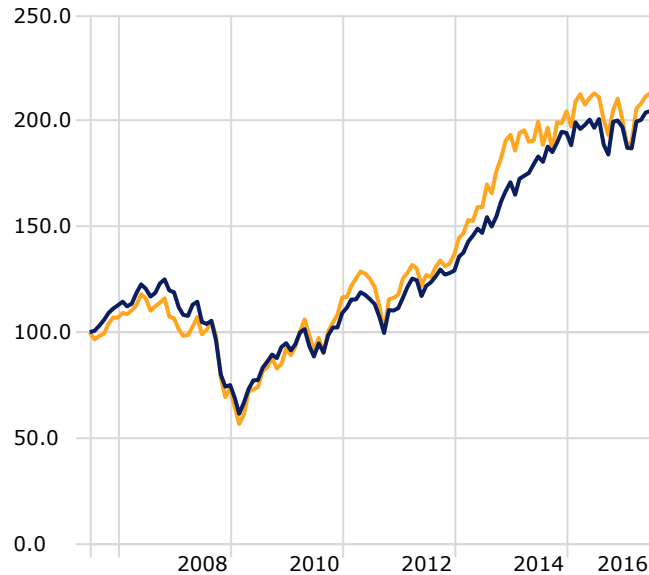
Date	3 Month	1 Year	3 Year	5 Year	10 Year	30 Year
Q4-2015	0.16	0.65	1.31	1.76	2.27	3.01
Q1-2016	0.21	0.59	0.87	1.21	1.78	2.61
Q2-2016	0.26	0.45	0.71	1.01	1.49	2.30

Stocks vs. Bonds vs. Commodities



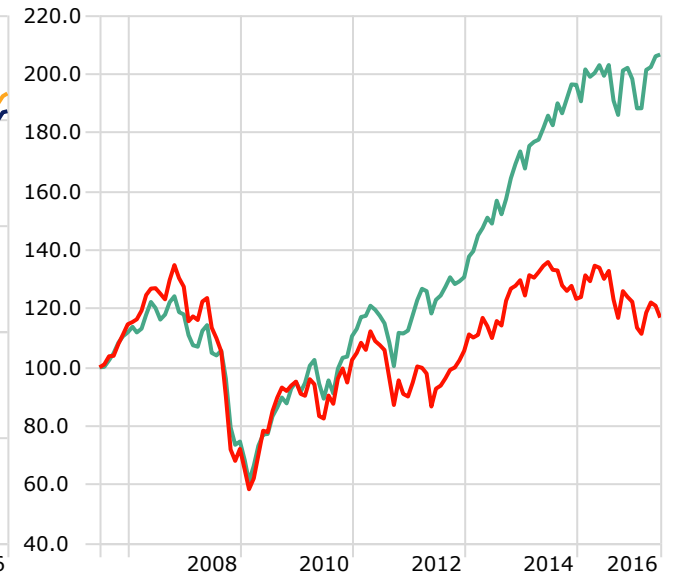
Barclays US Agg Bond S&P 1500 S&P GSCI

Large Cap vs. Small Cap



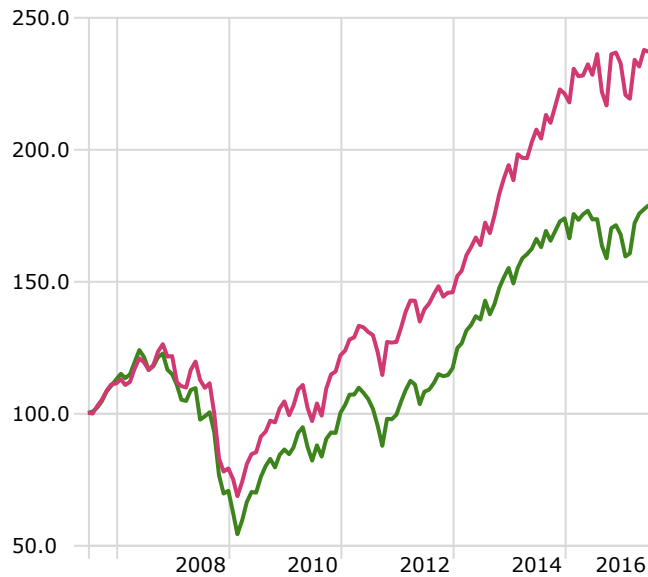
S&P 500 S&P SmallCap 600

Domestic vs. International



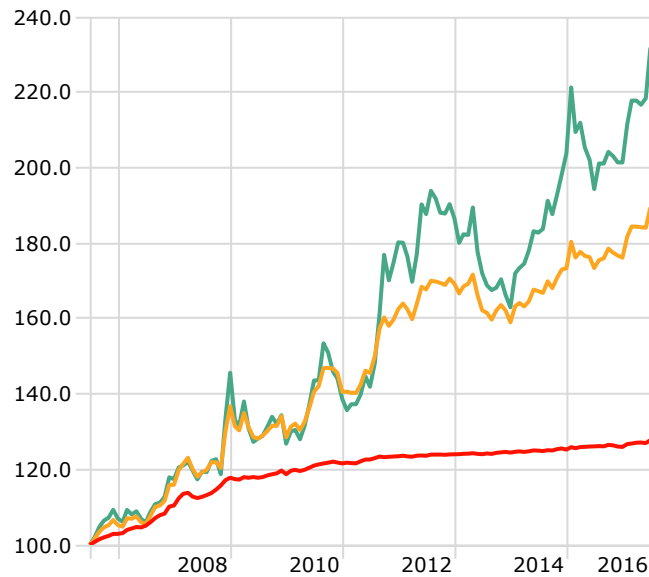
MSCI EAFE S&P 1500

Growth vs. Value



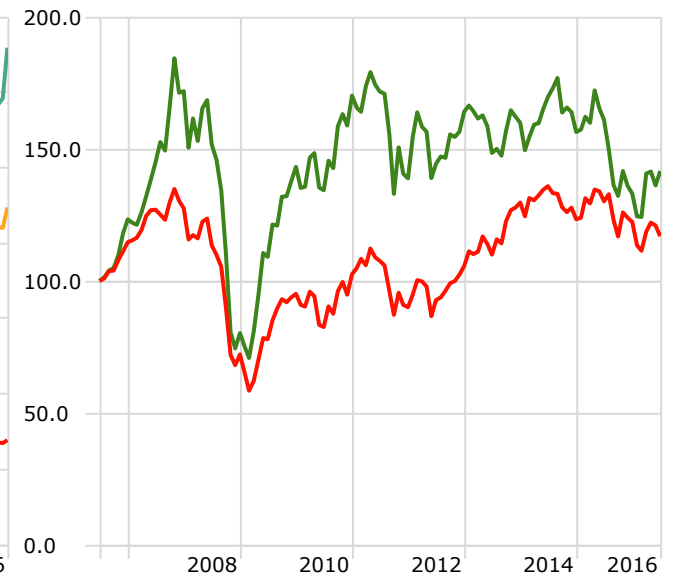
S&P 1500 Growth S&P 1500 Value

Fixed Income: Long vs. Short Duration

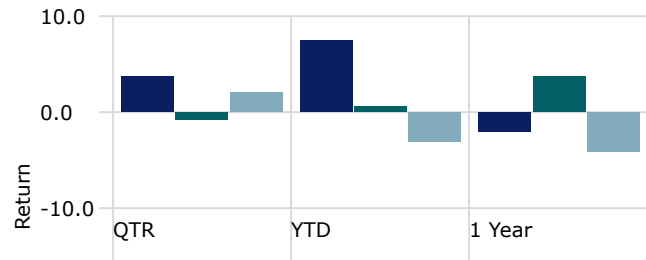


Barclays US Treasury 1-3 Yr Barclays US Treasury 7-10 Yr Barclays US Treasury Long

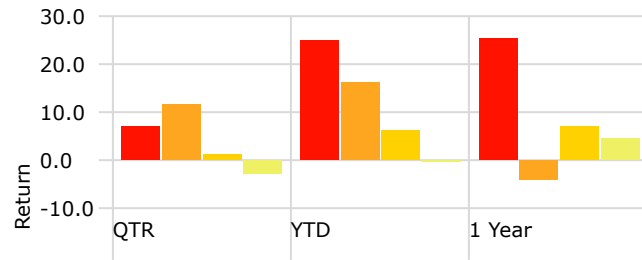
Developed vs. Emerging



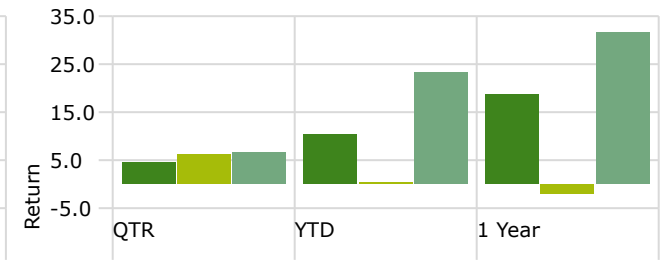
MSCI EAFE MSCI EM

S&P 500 Sector: Large-Cyclical

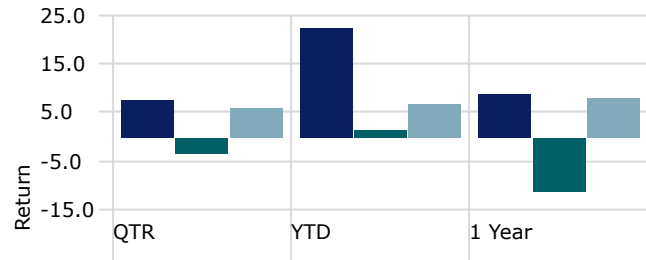
	QTR	YTD	1 Year
Materials	3.71	7.46	-2.04
Consumer Discr.	-0.91	0.68	3.78
Financials	2.12	-3.05	-4.17

S&P 500 Sector: Large-Sensitive

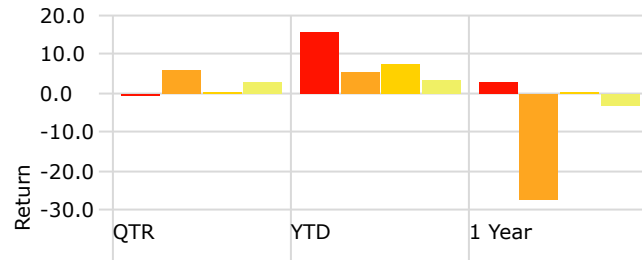
	QTR	YTD	1 Year
Telecom	7.06	24.85	25.14
Energy	11.62	16.10	-3.92
Industrials	1.40	6.46	7.04
Technology	-2.84	-0.32	4.79

S&P 500 Sector: Large-Defensive

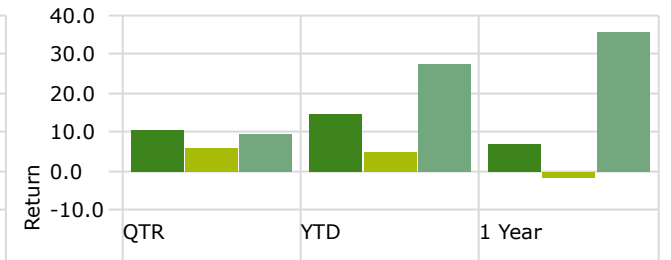
	QTR	YTD	1 Year
Consumer Staples	4.63	10.46	18.66
Health Care	6.27	0.42	-2.02
Utilities	6.79	23.41	31.47

S&P 400 Sector: Mid-Cyclical

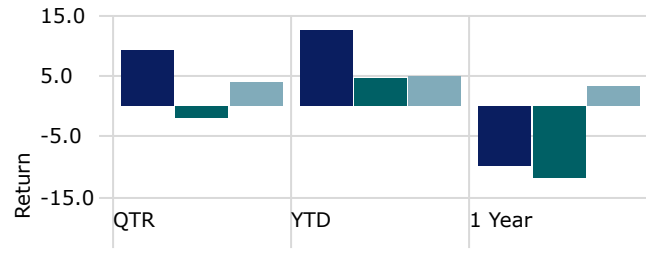
	QTR	YTD	1 Year
Materials	7.74	22.29	9.00
Consumer Discr.	-3.26	1.69	-11.07
Financials	5.92	6.89	7.93

S&P 400 Sector: Mid-Sensitive

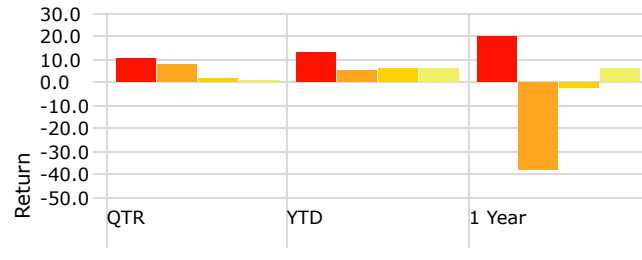
	QTR	YTD	1 Year
Telecom	-0.90	15.79	3.07
Energy	6.04	5.57	-27.34
Industrials	0.49	7.31	0.50
Technology	2.93	3.16	-3.06

S&P 400 Sector: Mid-Defensive

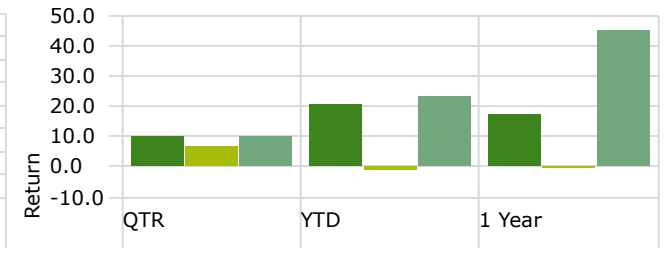
	QTR	YTD	1 Year
Consumer Staples	10.49	14.60	7.07
Health Care	5.94	4.85	-1.69
Utilities	9.36	27.58	35.66

S&P 600 Sector: Small-Cyclical

	QTR	YTD	1 Year
Materials	9.40	12.60	-9.88
Consumer Discr.	-2.03	4.69	-11.86
Financials	4.04	5.13	3.47

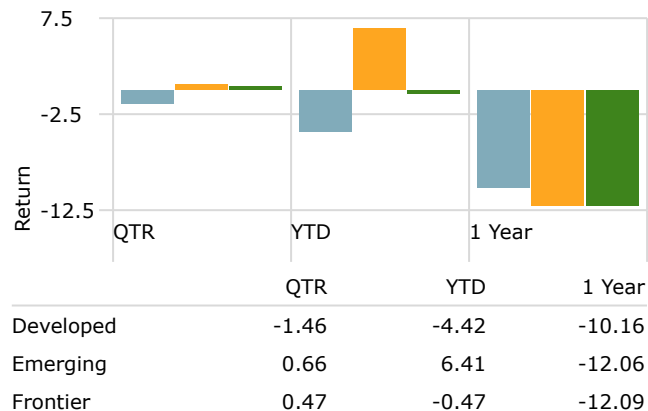
S&P 600 Sector: Small-Sensitive

	QTR	YTD	1 Year
Telecom	10.45	13.64	20.09
Energy	8.55	5.54	-37.88
Industrials	1.95	6.26	-2.38
Technology	0.88	6.48	6.81

S&P 600 Sector: Small-Defensive

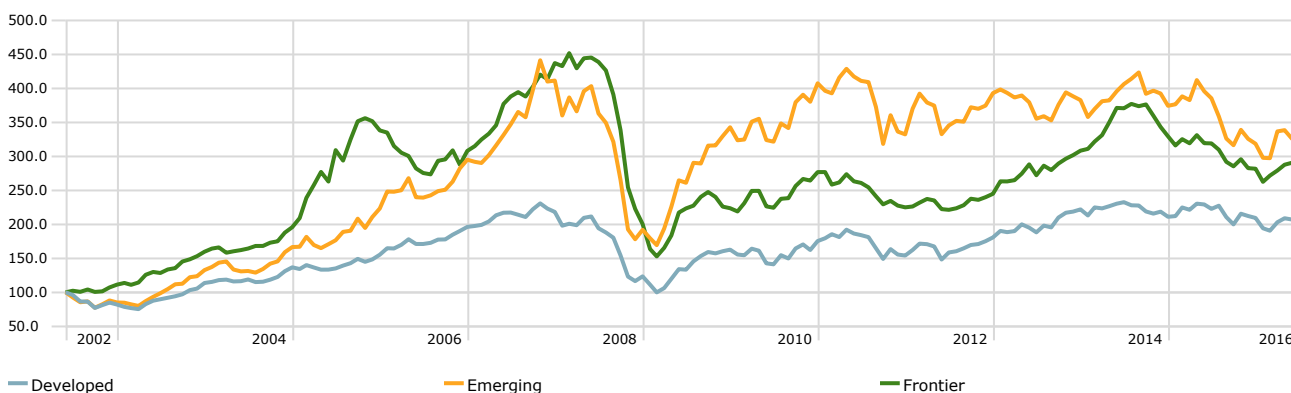
	QTR	YTD	1 Year
Consumer Staples	10.34	20.94	17.70
Health Care	6.68	-1.34	-0.41
Utilities	10.47	23.45	44.89

Developed, Emerging, and Frontier Markets

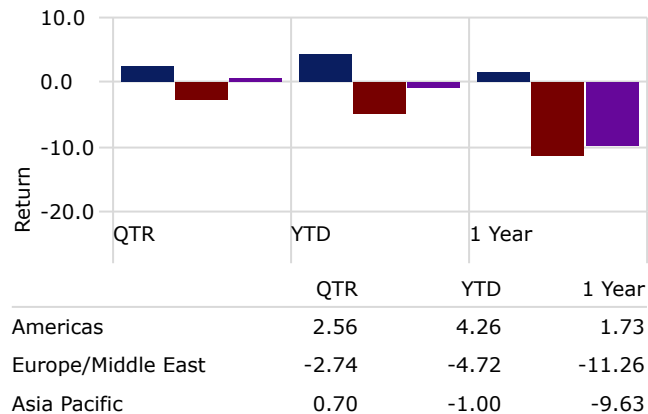


Developed, Emerging, and Frontier Markets - Long Term Performance

Time Period: 6/1/2002 to 6/30/2016

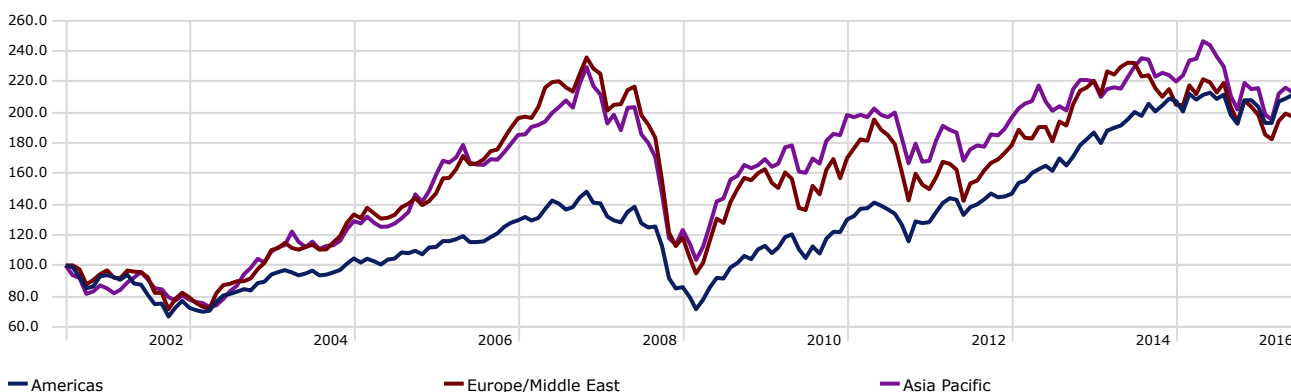


Regional Comparison

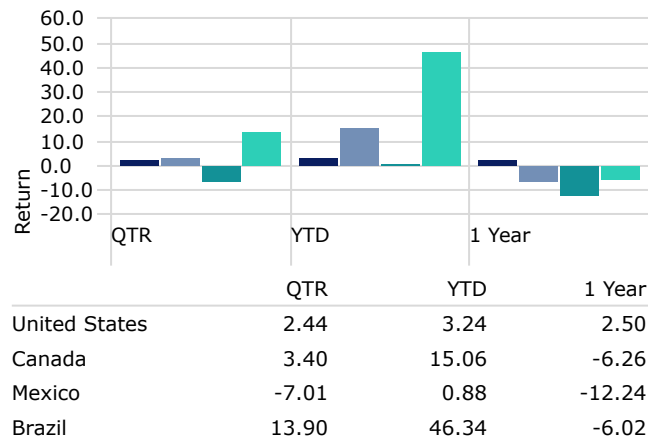


Regional Comparison - Long Term Performance

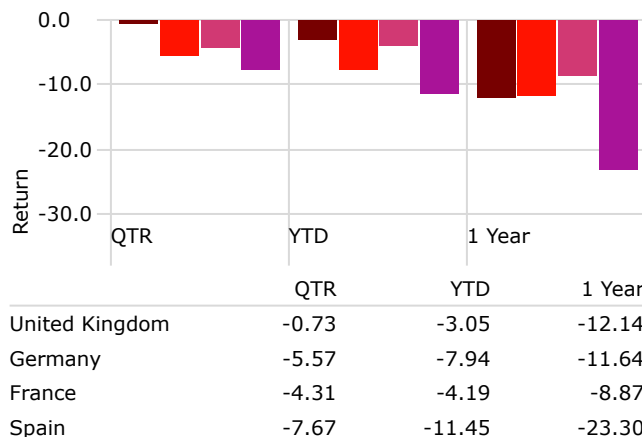
Time Period: 7/1/2001 to 6/30/2016



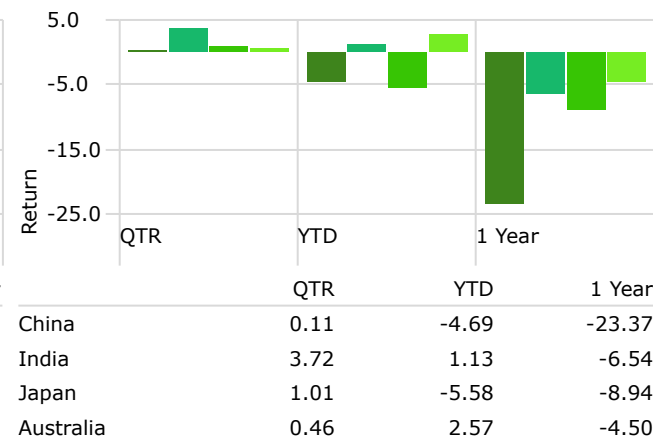
Selected Countries - Americas



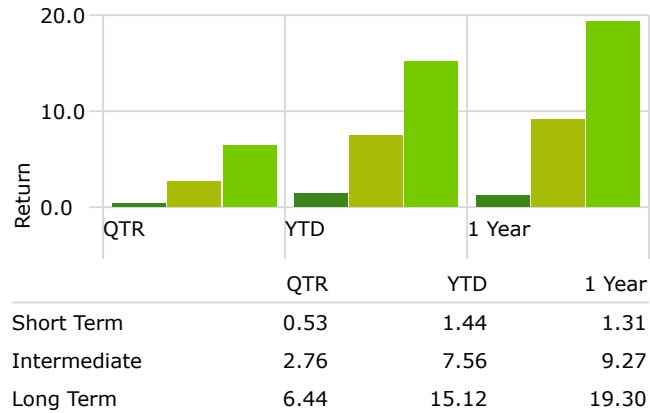
Selected Countries - Europe/Middle East



Selected Countries - Asia Pacific

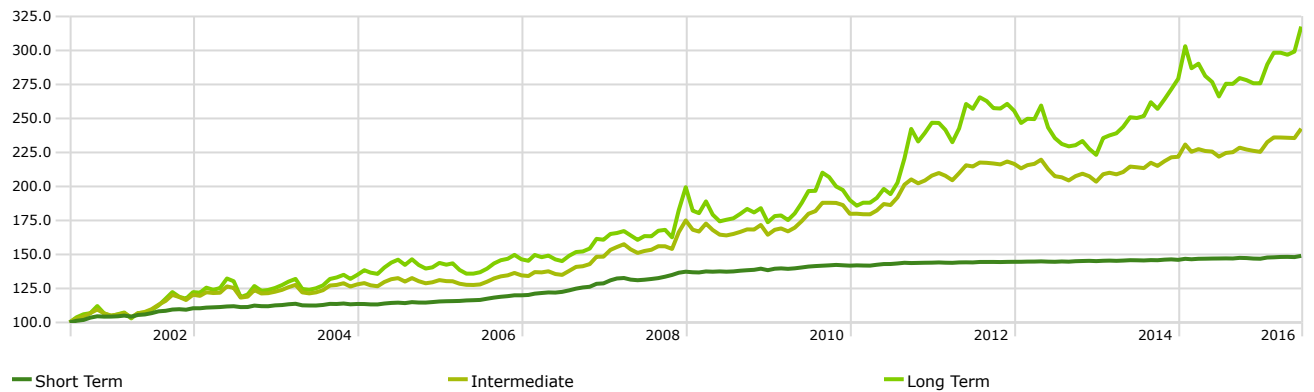


US Treasuries

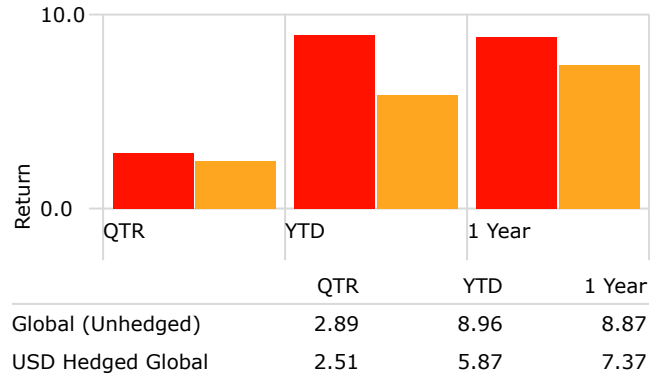


US Treasuries - Long Term Performance

Time Period: 7/1/2001 to 6/30/2016

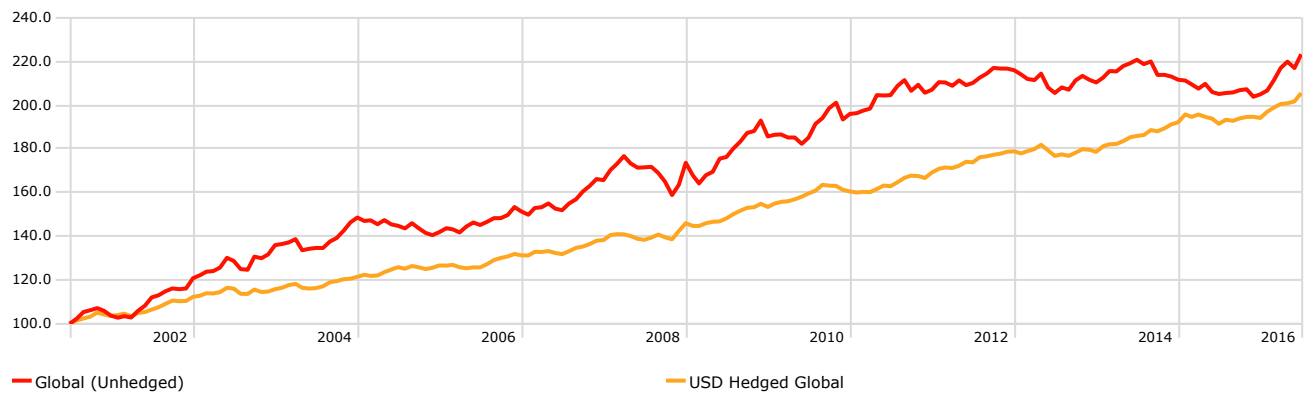


Global Hedged vs. Unhedged

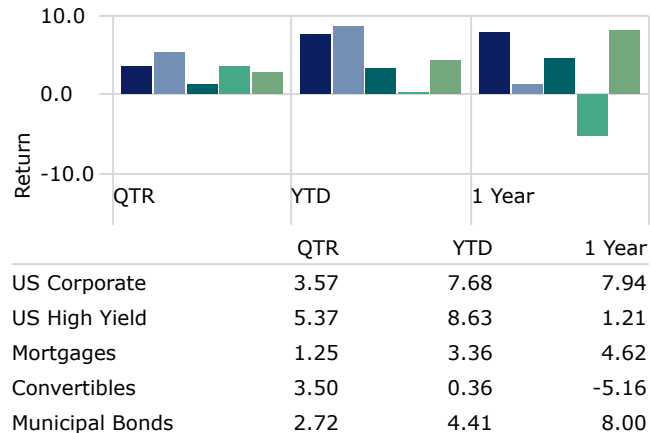


Global Hedged vs. Unhedged - Long Term Performance

Time Period: 7/1/2001 to 6/30/2016

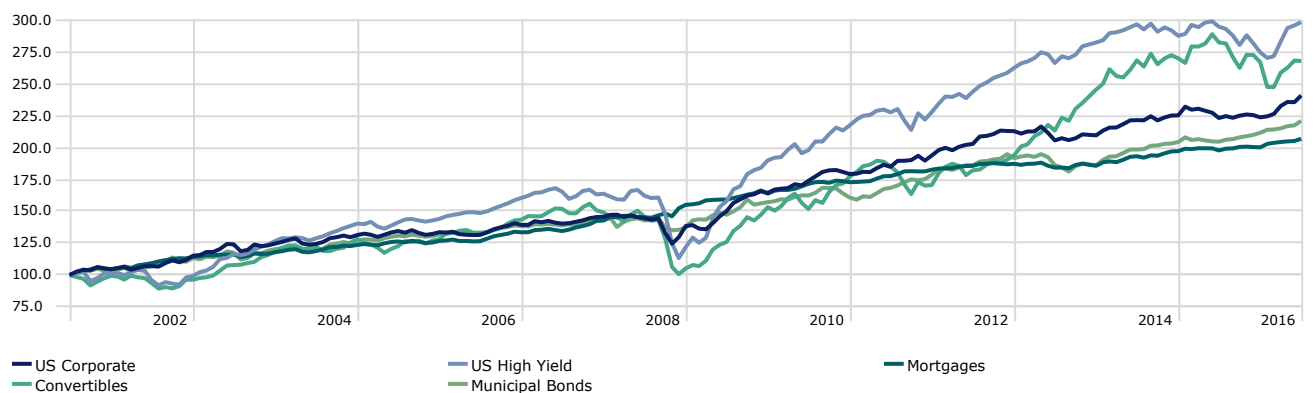


Selected Fixed Income Sectors



Selected Fixed Income Sectors - Long Term Performance

Time Period: 7/1/2001 to 6/30/2016



Industry Headlines

Employee Retirement Income Security Act (ERISA) - Lawsuits

Five lawsuits have been filed against the DOL in regards to the fiduciary rule

- › Three lawsuits filed in the Northern District of Texas have been consolidated to one suit
 - Briefs to be filed in July, August, September and into the middle of October
- › One lawsuit filed in the District of Kansas
- › One lawsuit filed in the District of Columbia
 - The District Court of Columbia will hold a hearing on August 25th regarding preliminary injunctions involved in this case as well as rendering summary judgement

These various suits are quite similar in nature; they argue that the DOL lacks authority to impose the new regulations, other bodies or rules already regulate many of these industry areas, and that the new rules are both arbitrary and too variable.

Any potential court action would likely take years to be finalized as additional legislation would be required, so no short-term effects are expected

Government Response to DOL Fiduciary Rule

In April, the House of Representatives voted in favor (234-183) of repealing the newly initiated DOL fiduciary rule

In May, the Senate similarly voted in favor (56-41) of the resolution

On June 8th, President Obama vetoed the resolutions to repeal the DOL fiduciary rule

- › Neither the House nor the Senate had nearly enough support to override a veto from the White House
- › Both the House and Senate believe a fiduciary rule of sorts is in the best interest of retirement advice seekers and givers, but that the current form may be too cumbersome and costly
- › President Obama believes the rule is a necessary replacement of outdated regulations

On June 22nd, the House attempted to override the presidential veto; the vote passed along a party-line vote 239-180, however fell well short of the required two-thirds majority

BREXIT

The United Kingdom has voted to leave the European Union in a referendum held June 23rd with a vote of 52% for and 48% against

Departure will not be immediate and the process is not defined as no nation state has ever left the EU; the UK will likely invoke Article 50 of the Lisbon Treaty and begin the process shortly

- › The UK will abide by EU laws and treaties until the process is completed

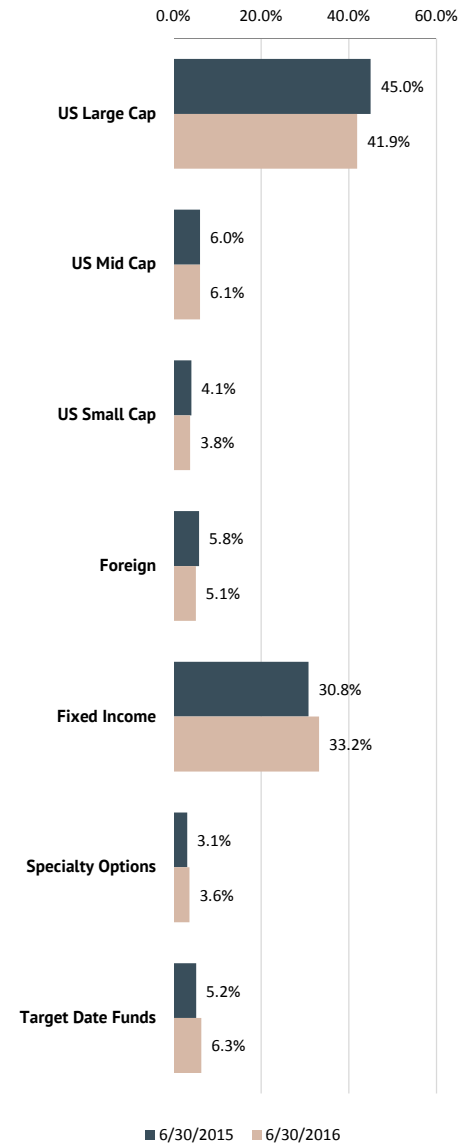
The BREXIT may have further impacts on the financial markets

- › Will this vote serve as the catalyst to pull the globe into a recession?
- › Is the UK referendum an isolated event or will other member nations seek to leave the European Union?

Summary of County of Fresno 457 DC Plan - Trailing Year

Data as of 06/30/2016

Asset Class	Ticker	%	6/30/2015	Net Increases/Decreases	6/30/2016	%
US Large Cap		45.0%	\$93,795,501	(7,466,874)	\$86,328,627	41.9%
Alger Spectra Z	ASPZX	0.0%	0	36,061,275	36,061,275	17.5%
Alger Spectra I	ASPIX	20.4%	42,512,278	(42,512,278)	0	0.0%
Columbia Dividend Income Y	CDDYX	0.0%	0	10,692,937	10,692,937	5.2%
Columbia Dividend Income R4	CVIRX	4.9%	10,247,927	(10,247,927)	0	0.0%
BlackRock Equity Index - Collective F2	02CFF1	19.7%	41,035,296	(1,460,881)	39,574,414	19.2%
US Mid Cap		6.0%	\$12,607,727	(96,576)	\$12,511,152	6.1%
Perkins Mid Cap Value T	JMCVX	2.6%	5,492,535	(5,492,535)	0	0.0%
Hennessy Focus Fund	HFCIX	2.4%	5,023,208	554,729	5,577,937	2.7%
BlackRock Mid Cap Index - Collective F	03CFF2	1.0%	2,091,984	4,841,231	6,933,215	3.4%
US Small Cap		4.1%	\$8,526,086	(686,523)	\$7,839,563	3.8%
Nicholas Limited Edition I	NCLEX	0.0%	0	5,163,310	5,163,310	2.5%
Nicholas Limited Edition N	NNLEX	2.9%	5,981,221	(5,981,221)	0	0.0%
Perkins Small Cap Value N	JDSNX	0.0%	0	792,461	792,461	0.4%
Perkins Small Cap Value I	JSCOX	0.2%	465,901	(465,901)	0	0.0%
BlackRock Russell 2000 Index - Collective F	03CFF3	1.0%	2,078,964	(195,173)	1,883,792	0.9%
Foreign		5.8%	\$12,185,075	(1,717,365)	\$10,467,711	5.1%
Ivy International Core Equity R6	IINCX	0.0%	0	8,841,493	8,841,493	4.3%
Ivy International Core Equity Y	IVVYX	4.2%	8,773,256	(8,773,256)	0	0.0%
MainStay International Equity I	MSIIX	1.1%	2,272,429	(2,272,429)	0	0.0%
Oppenheimer Developing Markets I	ODVIX	0.0%	0	522,283	522,283	0.3%
Oppenheimer Developing Markets Y	ODVYX	0.2%	368,299	(368,299)	0	0.0%
BlackRock EAFE Equity Index - Collective F	10CFF5	0.4%	771,090	332,844	1,103,934	0.5%
First Eagle Overseas A	SGOVX	0.0%	0	-	0	0.0%
Fixed Income		30.8%	\$64,191,767	4,175,476	\$68,367,243	33.2%
RidgeWorth Seix Total Return Bond IS	SAMZX	0.0%	0	2,927,832	2,927,832	1.4%
RidgeWorth Total Return Bond R	SCBLX	1.2%	2,537,963	(2,537,963)	0	0.0%
Sentinel Government Securities A	SEGSX	0.4%	784,408	(784,408)	0	0.0%
BlackRock US Debt Index Fund - Coll F	04CFF4	0.2%	446,923	2,081,374	2,528,297	1.2%
Templeton Global Bond R6	FBNRX	0.0%	0	596,550	596,550	0.3%
Templeton Global Bond Adv	TGBAX	0.2%	350,406	(350,406)	0	0.0%
County of Fresno Stable Value Fund	FRESSV	28.8%	60,072,067	2,242,497	62,314,564	30.2%
Specialty Options		3.1%	\$6,431,234	1,086,400	\$7,517,634	3.6%
Oakmark Equity & Income I	OAKBX	1.3%	2,790,949	(714,225)	2,076,724	1.0%
Fidelity Advisor Real Estate Income Inst	FRIRX	0.0%	0	1,040,915	1,040,915	0.5%
Fidelity Real Estate Income	FRIFX	0.5%	984,173	(984,173)	0	0.0%
Franklin Utilities R6	FUFRX	0.0%	0	4,399,994	4,399,994	2.1%
Franklin Utilities Adv	FRUAX	1.3%	2,656,112	(2,656,112)	0	0.0%
Target Date Funds		5.2%	\$10,749,485	2,297,626	\$13,047,111	6.3%
Great-West Lifetime 2015 Trust II	C15MZR	1.0%	2,134,791	398,700	2,533,491	1.2%
Great-West Lifetime 2025 Trust II	C25MZR	1.7%	3,550,149	1,046,997	4,597,146	2.2%
Great-West Lifetime 2035 Trust II	C35MZR	1.1%	2,192,713	633,538	2,826,251	1.4%
Great-West Lifetime 2045 Trust II	C45MZR	1.0%	2,075,341	234,710	2,310,051	1.1%
Great-West Lifetime 2055 Trust II	C55MZR	0.4%	796,491	(16,320)	780,172	0.4%
Total		100%	\$208,486,875	-\$2,407,836	\$206,079,040	100%



County of Fresno 457 DC Plan

Investment Summary

For the Period Ending 6/30/2016

Passively-Managed and Cash Funds

Investment	Ticker	EQUITY				FIXED INCOME			Trailing Returns								
		US Stocks				Bnd	Csh	Oth	Exp	1 Qtr	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs
		Lrg	Mid	Sml	Fgn												
BlackRock Equity Index - Collective M	02CFF1	100							0.02	2.46	3.87	4.03	5.76	11.73	13.89	12.16	
BlackRock MidCap Idx - Collective M	03CFF2		100						0.03	3.85	7.67	0.90	3.63	10.43	13.97	10.49	8.57
BlackRock Russell 2000 Index Coll M	03CFF3			100					0.03	3.86	2.42	-6.40	-0.05	7.40	11.43	8.67	
BlackRock EAFE Equity Index Coll T	10CFF5				100				0.10	-1.24	-3.45	-9.83	-7.00	2.34	6.20	1.93	
BlackRock US Debt Index Fund Coll W	04CFF4					100			0.04	2.25	5.38	6.09	4.13	4.27	3.05		
Fresno County Stable Value	FRESSV					100			0.50	0.52	1.06	2.14	2.17	2.16	2.20	2.35	

Actively-Managed Funds

Style	Investment	Ticker	Lrg	Mid	Sml	Fgn	Bnd	Csh	Oth	Exp	1 Qtr	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs
Large Value	Columbia Dividend Income Y	CDDYX	88	6		3		2	1	0.58	3.86	7.36	9.45	7.20	10.96	12.92	12.08	
Large Growth	Alger Spectra Z	ASPZX	62	20	6	7		4	1	0.89	-0.06	-3.71	-1.78	5.75	13.32	14.45	12.15	11.79
Utilities	Franklin Utilities R6	FUFRX	55	28	8	7	1	1		0.47	7.72	23.73	26.83	10.35	14.24	13.04	13.61	
Allocation--50% to 70% Equi	Oakmark Equity & Income I	OAKBX	40	17	2	7	13	18	3	0.75	-0.41	0.35	-5.18	-1.27	5.86	7.43	5.68	6.28
Mid-Cap Growth	Hennessy Focus Institutional	HFCIX	22	48	24			6		1.12	-0.45	1.61	-0.18	6.45	10.79	14.93	13.45	9.81
Small Value	Perkins Small Cap Value N	JDSNX	1	29	64	2		4		0.56	3.44	7.42	1.88	3.51	9.18	11.50	8.29	
Small Growth	Nicholas Limited Edition I	NCLEX	1	29	60	3		7		0.86	2.89	2.71	-3.93	2.57	7.59	10.49	8.03	8.16
Diversified Emerging Mkts	Oppenheimer Developing Markets I	ODVIX				96		3	1	0.86	0.77	3.89	-9.97	-10.09	-1.03	1.17	-1.19	6.59
Foreign Large Blend	Ivy International Core Equity R6	IINCX	3			88		5	4	0.86	-0.92	-5.10	-12.16	-6.01	4.34	7.42	2.40	
Intermediate-Term Bond	RidgeWorth Seix Total Return Bond IS	SAMZX					90	7	3	0.31	2.68	5.43	5.95	3.71	4.00	2.83	4.13	
Real Estate	Fidelity Adv Real Estate Income I	FRIRX	4	14	16		58	8		0.77	4.88	8.09	10.29	6.42	7.56	8.69	8.88	
World Bond	Templeton Global Bond R6	FBNRX					51	47	2	0.51	-0.33	-0.20	-4.12	-2.81	0.53	2.27	1.59	









Target-Date Funds

Investment	Ticker	Lrg	Mid	Sml	Fgn	Bnd	Csh	Oth	Exp	1 Qtr	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs
Great-West Lifetime 2055 Trust	GW2055	30	14	11	31	6	3	5	0.57	2.38	4.14	-0.43	1.59	7.61	9.69	6.94	
Great-West Lifetime 2045 Trust	GW2045	30	15	11	28	7	3	6	0.57	2.50	4.27	0.10	1.94	7.78	9.88	7.30	
Great-West Lifetime 2035 Trust	GW2035	29	14	10	23	13	4	7	0.57	2.44	4.32	0.65	2.22	7.58	9.50	7.26	
Great-West Lifetime 2025 Trust	GW2025	22	11	7	14	29	6	11	0.57	2.48	4.76	1.86	2.57	6.63	7.93	6.50	
Great-West Lifetime 2015 Trust	GW2015	18	8	4	9	41	8	12	0.57	2.57	5.06	3.09	2.80	5.69	6.32	5.71	

Market Exposure Legend

Lrg:	US Large Cap	Mid:	US Mid Cap	Sml:	US Small Cap	Fgn:	Foreign
Bnd:	Bonds	Csh:	Cash	Oth:	Other		

CALCULATION METHODOLOGY OF OVERALL FUND1 (Worst) — 10 (Best)

Factor	Weight	Explanation		Score Calculation	
<div>RETURNS</div> <div>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</div>	<div><div>40% Overall</div></div>	<div>Absolute Returns</div> <div>Peer Group Percentile Rankings: 3,5,10 Year Periods</div>		<div>Proportional Score</div> <div>Ranks in the top 75% of Peer Group</div>	<div>No Score</div> <div>Ranks in the bottom 25% of Peer Group</div>
<div>RISK ADJUSTED RETURN</div> <div>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</div>	<div><div>20% Overall</div></div>	<div>Sharpe Ratio</div> <div>Peer Group Percentile Rankings: 3,5,10 Year Periods</div>		<div>Proportional Score</div> <div>Ranks in top 75% of Peer Group</div>	<div>No Score</div> <div>Ranks in bottom 25% of Peer Group</div>
<div>RISK</div> <div>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</div>	<div><div>30% Overall</div></div>	<div><div>10% Overall</div></div>	<div>Standard Deviation</div> <div>Peer Group Percentile Rankings: 3,5,10 Year Periods</div>	<div>Proportional Score</div> <div>Ranks in top 75% of Peer Group</div>	<div>No Score</div> <div>Ranks in bottom 25% of Peer Group</div>
		<div><div>20% Overall</div></div>	<div>Upside/Downside Capture</div> <div>Peer Group Percentile Rankings: 3,5,10 Year Periods</div>	<div>Proportional Score</div> <div>Ranks in top 75% of Peer Group</div>	<div>No Score</div> <div>Ranks in bottom 25% of Peer Group</div>
<div>OTHER</div> <div>Fund expense quartile rank</div> <div>Manager tenure is greater than 3 years</div>	<div><div>10% Overall</div></div>	<div><div>5% Overall</div></div>	<div>Expense Ratio</div> <div>For current period</div>	<div>Proportional Score</div> <div>Ranks in top 75% of Peer Group</div>	<div>No Score</div> <div>Ranks in bottom 25% of Peer Group</div>
		<div><div>5% Overall</div></div>	<div>Average Tenure</div> <div>Number of years</div>	<div>Full Score</div> <div>Manager Tenure more than 3 years</div>	<div>No Score</div> <div>Manager Tenure less than 3 years</div>

For peer group rankings, a rank of 1-50 indicates the manager performed favorably and ranked in the top half of its peer group for that metric. For example: when measuring risk, a rank of 1 would mean the manager had a very low standard deviation compared to its peer group, whereas when measuring return, a rank of 1 would mean the manager had a very high return compared to its peer group.

County of Fresno 457 DC Plan

Summary of Fund Compliance

For the Period Ending 06/30/2016

Passively-Managed and Cash Funds

Type	Assets %	Fund Name	Ticker
LC Index	19.20%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.36%	BlackRock MidCap Idx - Collective M	03cff2
SC Index	0.91%	BlackRock Russell 2000 Index Coll M	03cff3
Global	0.54%	BlackRock EAFE Equity Index Coll T	10cff5
Stable Value	30.24%	Fresno County Stable Value	fressv
US Debt	1.23%	BlackRock US Debt Index Fund Coll W	04cff4

Actively-Managed Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	5.19%	Columbia Dividend Income Y	CDDYX					
Pass	17.50%	Alger Spectra Z	ASPZX					
Pass	2.14%	Franklin Utilities R6	FUFRX					
Pass	1.01%	Oakmark Equity & Income I	OAKBX					
Pass	2.71%	Hennessy Focus Institutional	HFCIX					
Pass	0.38%	Perkins Small Cap Value N	JDSNX					
Pass	2.51%	Nicholas Limited Edition I	NCLEX					
Pass	0.25%	Oppenheimer Developing Markets I	ODVIX					
Pass	4.29%	Ivy International Core Equity R6	IINCX					
Pass	1.42%	RidgeWorth Seix Total Return Bond IS	SAMZX					
Pass	0.51%	Fidelity Adv Real Estate Income I	FRIRX					
Watch	0.29%	Templeton Global Bond R6	FBNRX					

Target-Date Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	n/a	Great-West Lifetime 2055 Trust	gw2055					
Pass	n/a	Great-West Lifetime 2045 Trust	gw2045					
Pass	n/a	Great-West Lifetime 2035 Trust	gw2035					
Pass	n/a	Great-West Lifetime 2025 Trust	gw2025					
Pass	n/a	Great-West Lifetime 2015 Trust	gw2015					

County of Fresno 457 DC Plan

Fund Compliance Report

For the Periods Ending 06/30/2016

Passively-Managed and Cash Funds

Type of Fund	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
LC Index	19.20%	02cff1	BlackRock Equity Index - Collective M	7	6		8	6		33	29		14	26		21	18		1	5
MC Index	3.36%	03cff2	BlackRock MidCap Idx - Collective M	17	9	9	14	14	10	55	48	58	8	17	10	53	37	42	1	5
SC Index	0.91%	03cff3	BlackRock Russell 2000 Index Coll M	41	34		47	42		83	67		7	12		81	75		1	5
Global	0.54%	10cff5	BlackRock EAFE Equity Index Coll T	34	24		37	26		64	57		36	24		44	44		3	5
table Valu	30.24%	fressv	Fresno County Stable Value	1	1		1	1		60	99		1	1		1	1		56	6
US Debt	1.23%	04cff4	BlackRock US Debt Index Fund Coll W	2			14			80			4			48			1	5

Actively-Managed Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
9	5.19%	CDDYX	Columbia Dividend Income Y	8	4		6	4		12	11		41	71		8	9		11	7
8	17.50%	ASPZX	Alger Spectra Z	9	9	1	11	17	1	54	54	81	20	17	1	27	34	65	34	6
9	2.14%	FUFRX	Franklin Utilities R6	3	1		4	1		80	38		10	16		59	17		5	12
5	1.01%	OAKBX	Oakmark Equity & Income I	54	58	17	74	74	13	92	88	22	16	50	75	90	71	9	22	7
8	2.71%	HFCIX	Hennessy Focus Institutional	21	1	6	14	1	4	22	8	24	55	64	85	13	1	1	45	7
8	0.38%	JDSNX	Perkins Small Cap Value N	12	34		3	13		7	9		65	82		9	8		3	14
7	2.51%	NCLEX	Nicholas Limited Edition I	34	31	11	21	17	4	7	7	4	80	87	93	16	12	4	12	23
8	0.25%	ODVIX	Oppenheimer Developing Markets I	42	18	3	41	17	2	70	31	24	39	53	43	50	24	17	8	5
8	4.29%	IINCX	Ivy International Core Equity R6	7	16		8	16		59	43		4	21		41	34		28	10
7	1.42%	SAMZX	RidgeWorth Seix Total Return Bond IS	31	27		46	33		74	67		26	19		56	49		7	7
5	0.51%	FRIRX	Fidelity Adv Real Estate Income I	95	86		1	1		3	3		97	97		1	1		15	13
3	0.29%	FBNRX	Templeton Global Bond R6	80	52		81	60		78	97		96	67		20	37		7	10

Target-Date Funds

Overall Fund Score		Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
7	n/a	gw2055	Great-West Lifetime 2055 Trust	15	45		24	52		59	52		24	30		46	44		21	5
8	n/a	gw2045	Great-West Lifetime 2045 Trust	5	23		9	28		52	59		17	36		29	36		22	5
8	n/a	gw2035	Great-West Lifetime 2035 Trust	6	15		11	27		71	65		27	35		38	55		23	5
7	n/a	gw2025	Great-West Lifetime 2025 Trust	20	20		28	30		49	45		36	44		36	48		27	5
7	n/a	gw2015	Great-West Lifetime 2015 Trust	23	21		31	24		44	41		31	40		50	42		33	5

All data except for 'Tenure - Average Years' are listed as a peer rank percenta

All Funds remain in compliance with Investment Policy and no action need be taken other than indicated in the Fund Compliance Commentary section of this

This report, along with more detailed performance data on Plan Investment Options, was reviewed by the Plan's Trustee and/or Investment Committee.

Northwest Capital Management, Inc.	Date
------------------------------------	------

Trustee / Committee Member	Date
----------------------------	------

County of Fresno 457 DC Plan

Fund Comments

Data as of: 06/30/2016

BlackRock Equity Index - Collective M (02cff1)

US Large Cap

Fund Type: LC Index

The fund seeks to replicate the performance of U.S. Large Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
BlackRock Equity Index - Collective M (02cff1)	2.46%	4.03%	11.73%	12.16%	
S&P 500 TR USD	2.46%	3.99%	11.66%	12.10%	7.42%
Out/(Under) Performing	0.01%	0.04%	0.08%	0.06%	
Peer Group Ranking	28	18	7	6	

BlackRock MidCap Idx - Collective M (03cff2)

US Mid Cap

Fund Type: MC Index

The fund seeks to replicate the performance of U.S. Mid Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
BlackRock MidCap Idx - Collective M (03cff2)	3.85%	0.90%	10.43%	10.49%	8.57%
S&P MidCap 400 TR	4.00%	1.33%	10.53%	10.55%	8.55%
Out/(Under) Performing	-0.15%	-0.44%	-0.10%	-0.05%	0.02%
Peer Group Ranking	9	20	17	9	9

BlackRock Russell 2000 Index Coll M (03cff3)

US Small Cap

Fund Type: SC Index

The fund seeks to replicate the performance of U.S. Small Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
BlackRock Russell 2000 Index Coll M (03cff3)	3.86%	-6.40%	7.40%	8.67%	
Russell 2000 TR USD	3.80%	-6.73%	7.09%	8.35%	6.20%
Out/(Under) Performing	0.07%	0.33%	0.32%	0.32%	
Peer Group Ranking	19	53	41	34	

BlackRock EAFE Equity Index Coll T (10cff5)

Foreign

Fund Type: Global

The fund seeks to replicate performance of Foreign stock represented by the MSCI EAFE Index

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
BlackRock EAFE Equity Index Coll T (10cff5)	-1.24%	-9.83%	2.34%	1.93%	
MSCI ACWI Ex USA NR USD	-0.64%	-10.24%	1.16%	0.10%	1.87%
Out/(Under) Performing	-0.59%	0.41%	1.18%	1.83%	
Peer Group Ranking	56	46	34	24	

Fresno County Stable Value (fressv)

Bonds

Fund Type: Stable Value

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Fresno County Stable Value (fressv)	0.52%	2.14%	2.16%	2.35%	
BofAML US Treasury Bills 0-3 Mon TR USD	0.05%	0.13%	0.06%	0.06%	0.96%
Out/(Under) Performing	0.47%	2.01%	2.10%	2.29%	
Peer Group Ranking	1	1	1	1	

BlackRock US Debt Index Fund Coll W (04cff4)

Bonds

Fund Type: US Debt

The fund seeks to replicate the performance of the U.S. Bond Market

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
BlackRock US Debt Index Fund Coll W (04cff4)	2.25%	6.09%	4.27%		
BofAML US Govt Interm TR USD	1.25%	3.93%	2.41%	2.31%	4.07%
Out/(Under) Performing	1.00%	2.16%	1.86%		
Peer Group Ranking	1	1	2		

Columbia Dividend Income Y (CDDYX)

US Large Cap

Fund Score: 9 (Status: Pass)

The investment seeks total return, consisting of current income and capital appreciation.

The fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in a diversified portfolio of income-producing (dividend-paying) equity securities, which will consist primarily of common stocks but also may include preferred stocks and convertible securities. It invests principally in securities of companies believed to be undervalued but also may invest in securities of companies believed to have the potential for long-term growth. The fund may invest in companies that have market capitalizations of any size.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Columbia Dividend Income Y (CDDYX)	3.86%	9.45%	10.96%	12.08%	
S&P 500 Value TR USD	3.96%	3.38%	9.66%	11.18%	5.77%
Out/(Under) Performing	-0.10%	6.08%	1.30%	0.90%	
Peer Group Ranking	25	9	8	4	

Alger Spectra Z (ASPZX)

US Large Cap

Fund Score: 8 (Status: Pass)

The investment seeks long-term capital appreciation.

The fund invests primarily in the equity securities of companies of any size that Fred Alger Management, Inc. believes demonstrate promising growth potential. It can leverage, that is, borrow money to purchase additional securities. The fund can invest in foreign securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Alger Spectra Z (ASPZX)	-0.06%	-1.78%	13.32%	12.15%	11.79%
S&P 500 Growth TR USD	1.01%	4.24%	13.41%	12.92%	8.97%
Out/(Under) Performing	-1.07%	-6.02%	-0.09%	-0.76%	2.82%
Peer Group Ranking	62	47	9	9	1

The Alger Spectra fund underperformed the Russell 3000 Index by ~90 bps in the second quarter of 2016. With a continued "risk-off" environment during the quarter, the fund's positions were negatively impacted. Value names outperformed Growth in the quarter. Sectors such as Energy rebounded given the recovery in oil prices. Other sectors such as Telecom Services, Utilities and Consumer Staples all performed well as investors went in search of yield. While the fund was slightly overweight Telecom Services and Energy it was underweight the Utilities and Consumer Staples sectors. The Information Technology remains the firm's largest sector allocation. Specific names such as Apple and Alphabet (Google) were among the top detractors within the sector. Alphabet remains the firm's largest single holding. The firm's second largest holding, Amazon.com, had a 21% return in the quarter. Fund managers noted that they remain optimistic in finding attractive growth stocks. They note that as investors have shifted their focus on defensive names with yield, growth stocks are trading at historically low valuations relative to value stocks. The fund continues to score an 8 based on our scoring methodology and ranks in the top quartile of its peer group for both return and risk adjusted return in the trailing three-, five- and ten-year periods.

Franklin Utilities R6 (FUFRX)

Specialty Options

Fund Score: 9 (Status: Pass)

The investment seeks capital appreciation and current income.

The fund normally invests at least 80% of its net assets in the securities of public utilities companies. These are companies that provide electricity, natural gas, water, and communications services to the public and companies that provide services to public utilities companies. It concentrates (invests more than 25% of its total assets) in companies operating in the utilities industry. The fund invests primarily in equity securities, which consist mainly of common stocks.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Franklin Utilities R6 (FUFRX)	7.72%	26.83%	14.24%	13.61%	
MSCI World/Utilities NR USD	4.50%	15.03%	9.07%	5.63%	4.04%
Out/(Under) Performing	3.22%	11.79%	5.16%	7.97%	
Peer Group Ranking	38	10	3	1	

Oakmark Equity & Income I (OAKBX)

Specialty Options

Fund Score: 5 (Status: Pass)

The Oakmark Equity & Income Fund is a moderate allocation fund that seeks income, capital preservation and growth. The fund can invest in US and foreign equities, fixed income and cash. It takes a value-oriented approach when selecting equity investments and targets an overall equity allocation of 40-75%, with a cap of 60% on its fixed income allocation.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Oakmark Equity & Income I (OAKBX)	-0.41%	-5.18%	5.86%	5.68%	6.28%
DJ Moderate TR USD	2.19%	1.73%	6.17%	5.91%	5.63%
Out/(Under) Performing	-2.60%	-6.90%	-0.32%	-0.23%	0.65%
Peer Group Ranking	99	96	54	58	17

Hennessy Focus Institutional (HFCIX)

US Mid Cap

Fund Score: 8 (Status: Pass)

The Hennessy Focus Fund is a concentrated, high conviction, benchmark adverse strategy that invests primarily in mid- and small-cap equity securities. The fund's three-person management team achieved their three-year track record in August 2012, after having worked as analysts with the strategy for an average of a decade each prior to taking over management in August 2009. Hennessy Funds acquired FBR in 2012. The fund will retain the same portfolio managers and the same investment objectives.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Hennessy Focus Institutional (HFCIX)	-0.45%	-0.18%	10.79%	13.45%	9.81%
S&P MidCap 400 Growth TR USD	4.35%	1.18%	10.77%	10.07%	9.29%
Out/(Under) Performing	-4.80%	-1.36%	0.02%	3.38%	0.52%
Peer Group Ranking	87	16	21	1	6

Perkins Small Cap Value N (JDSNX)

US Small Cap

Fund Score: 8 (Status: Pass)

The investment seeks capital appreciation.

The fund pursues its investment objective by investing primarily in the common stocks of small companies whose stock prices are believed to be undervalued by the fund's portfolio managers. It invests, under normal circumstances, at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small companies whose market capitalization, at the time of initial purchase, is less than the 12-month average of the maximum market capitalization for companies included in the Russell 2000? Value Index. The fund may invest up to 20% of its net assets in cash or similar investments.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Perkins Small Cap Value N (JDSNX)	3.44%	1.88%	9.18%	8.29%	
Russell 2000 Value TR USD	4.30%	-2.59%	6.35%	8.15%	5.15%
Out/(Under) Performing	-0.86%	4.47%	2.82%	0.15%	
Peer Group Ranking	22	11	12	34	

Nicholas Limited Edition I (NCLEX)

US Small Cap

Fund Score: 7 (Status: Pass)

The Nicholas Limited Edition Fund is a small cap growth fund that invests primarily in small companies with capitalizations of \$2 billion or less. The fund seeks to make long term investments in companies with a competitive advantage, a healthy balance sheet and at favorable valuations.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Nicholas Limited Edition I (NCLEX)	2.89%	-3.93%	7.59%	8.03%	8.16%
Russell 2000 Growth TR USD	3.24%	-10.75%	7.74%	8.51%	7.14%
Out/(Under) Performing	-0.36%	6.82%	-0.15%	-0.48%	1.01%
Peer Group Ranking	61	19	34	31	11

Oppenheimer Developing Markets I (ODVIX)

Foreign

Fund Score: 8 (Status: Pass)

The fund primarily invests in companies with high growth potential located in developing economies. The fund mainly invests in common stocks of issuers whose principal activities are in at least three developing markets. Investors purchasing securities located in emerging market economies should expect a higher level of volatility.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Oppenheimer Developing Markets I (ODVIX)	0.77%	-9.97%	-1.03%	-1.19%	6.59%
MSCI EM NR USD	0.66%	-12.05%	-1.56%	-3.78%	3.54%
Out/(Under) Performing	0.10%	2.08%	0.53%	2.59%	3.05%
Peer Group Ranking	81	51	42	18	3

Ivy International Core Equity R6 (IINCX)

Foreign

Fund Score: 8 (Status: Pass)

The investment seeks to provide capital growth and appreciation.

The fund invests, under normal circumstances, at least 80% of its net assets in equity securities of companies located in, or principally traded largely in, developed European and Asian/Pacific Basin markets. In seeking to enhance potential return, it also may invest in issuers located or doing business in emerging market countries. The fund may invest up to 100% of its total assets in foreign securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Ivy International Core Equity R6 (IINCX)	-0.92%	-12.16%	4.34%	2.40%	
MSCI ACWI Ex USA NR USD	-0.64%	-10.24%	1.16%	0.10%	1.87%
Out/(Under) Performing	-0.28%	-1.91%	3.18%	2.30%	
Peer Group Ranking	45	76	7	16	

RidgeWorth Seix Total Return Bond IS (SAMZX)

Bonds

Fund Score: 7 (Status: Pass)

The investment seeks to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation.

The fund invests in various types of income-producing debt securities including mortgage- and asset-backed securities, government and agency obligations, corporate obligations and floating rate loans. It normally invests at least 80% of its net assets in fixed income securities. The fund may invest in debt obligations of U.S. and non-U.S. issuers, including emerging market debt. It may invest up to 20% of its net assets in below investment grade, high yield debt obligations.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
RidgeWorth Seix Total Return Bond IS (SAMZX)	2.68%	5.95%	4.00%	4.13%	
Banque Paribas US Agg Bond TR USD	2.22%	6.00%	4.06%	3.76%	5.13%
Out/(Under) Performing	0.47%	-0.05%	-0.06%	0.36%	
Peer Group Ranking	21	14	31	27	

Fidelity Adv Real Estate Income I (FRIRX)

Specialty Options

Fund Score: 5 (Status: Pass)

The investment seeks higher than average income; and capital growth is the secondary objective.

The fund normally invests primarily in preferred and common stocks of REITs; debt securities of real estate entities; and commercial and other mortgage-backed securities, with an emphasis on lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds). It invests at least 80% of assets in securities of companies principally engaged in the real estate industry and other real estate related investments. The fund invests in domestic and foreign issuers.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Fidelity Adv Real Estate Income I (FRIRX)	4.88%	10.29%	7.56%	8.88%	
FTSE NAREIT Equity REITs TR USD	6.96%	24.04%	13.58%	12.60%	7.45%
Out/(Under) Performing	-2.08%	-13.75%	-6.02%	-3.72%	
Peer Group Ranking	71	91	95	86	

Templeton Global Bond R6 (FBNRX)

Bonds

Fund Score: 3 (Status: Watch)

The investment seeks current income with capital appreciation and growth of income.

Under normal market conditions, the fund invests at least 80% of its net assets in "bonds." Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. It invests predominantly in bonds issued by governments, government-related entities and government agencies located around the world. The fund may invest up to 25% of its total assets in bonds that are rated below investment grade or, if unrated determined by the investment manager to be of comparable quality. It is non-diversified.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Templeton Global Bond R6 (FBNRX)	-0.33%	-4.12%	0.53%	1.59%	
Barclays Global Aggregate TR USD	2.89%	8.87%	2.80%	1.77%	4.40%
Out/(Under) Performing	-3.22%	-12.99%	-2.27%	-0.18%	
Peer Group Ranking	96	97	80	52	

Templeton Global Bond Fund returned -0.4% for the quarter, underperforming its benchmark, the Barclays Global Aggregate Bond Index which returned 2.9%. The fund underperformed peers for the quarter and trailing one-, three-, and five-year periods, and was added to our Watch List. In contrast, Templeton Global Bond has outperformed peers over the trailing ten-year period, ranking in the 1st percentile. Net-negative positions in the Japanese yen, and currency positions in Asia (ex-Japan) detracted from results. Relative to the benchmark, interest rate-strategies were a primary reason for underperformance as a defensive approach was maintained regarding interest rates in developed and emerging markets. Underweighted duration exposures in the U.S., Japan, and select underweights in European duration detracted from relative performance. Finally, the fund's sovereign credit exposures had a largely neutral effect. During the quarter, the fund continued to position for rising rates by maintaining low portfolio duration and aiming at a negative correlation with US Treasury returns, with the manager believing the Fed will need to hike rates given prevailing conditions. The fund favors countries with fundamentally undervalued currencies with increasing inflation and healthy growth. The cash position remains relatively high at around 21%, reinforcing the fund's defensive approach to interest rate risk.

Great-West Lifetime 2055 Trust (gw2055)

Target Date Funds

Fund Score: 7 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2055 Trust (gw2055)	2.38%	-0.43%	7.61%	6.94%	
DJ Target 2055 TR USD	1.83%	-2.36%	7.04%	6.89%	5.91%
Out/(Under) Performing	0.54%	1.93%	0.57%	0.04%	
Peer Group Ranking	9	21	15	45	

Great-West Lifetime 2045 Trust (gw2045)

Target Date Funds

Fund Score: 8 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2045 Trust (gw2045)	2.50%	0.10%	7.78%	7.30%	
DJ Target 2045 TR USD	1.87%	-2.09%	7.07%	6.90%	5.91%
Out/(Under) Performing	0.63%	2.19%	0.71%	0.40%	
Peer Group Ranking	6	12	5	23	

Great-West Lifetime 2035 Trust (gw2035)

Target Date Funds

Fund Score: 8 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2035 Trust (gw2035)	2.44%	0.65%	7.58%	7.26%	
DJ Target 2035 TR USD	2.08%	-0.02%	6.82%	6.53%	5.72%
Out/(Under) Performing	0.36%	0.67%	0.76%	0.73%	
Peer Group Ranking	8	12	6	15	

Great-West Lifetime 2025 Trust (gw2025)

Target Date Funds

Fund Score: 7 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2025 Trust (gw2025)	2.48%	1.86%	6.63%	6.50%	
DJ Target 2025 TR USD	2.39%	3.16%	6.10%	5.71%	5.40%
Out/(Under) Performing	0.09%	-1.29%	0.53%	0.80%	
Peer Group Ranking	11	19	20	20	

Great-West Lifetime 2015 Trust (gw2015)

Target Date Funds

Fund Score: 7 (Status: Pass)

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Great-West Lifetime 2015 Trust (gw2015)	2.57%	3.09%	5.69%	5.71%	
DJ Target 2015 TR USD	2.58%	5.28%	4.90%	4.44%	4.91%
Out/(Under) Performing	-0.01%	-2.19%	0.80%	1.27%	
Peer Group Ranking	8	16	23	21	

Enhancements to Great-West Lifetime Funds

Great-West Lifetime Funds are being enhanced to better align them with investor needs.

Five-year increments are being added

The number of lifetime trusts will increase from 15 to 18. Investors will have more target date options to better align their age with their anticipated retirement age.

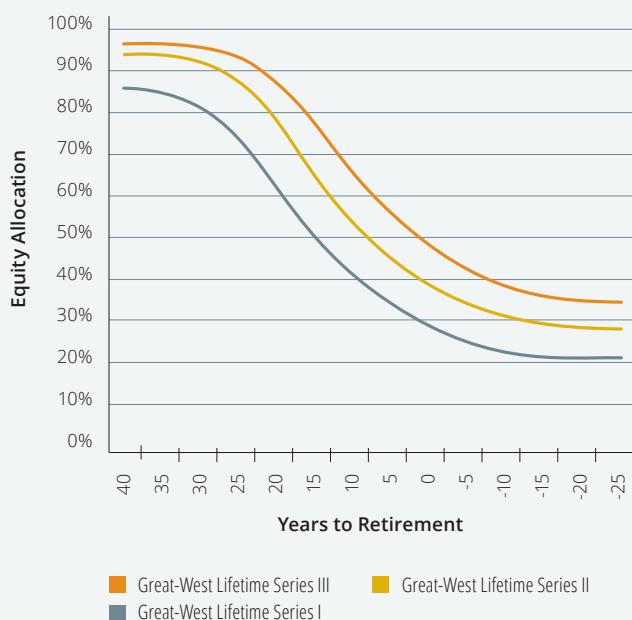
The number of glidepaths will decrease from three to two

Great-West Lifetime II Funds will be merged with Great-West Lifetime III Funds reducing confusion for plan sponsors and will better align the investment offerings with industry standards.

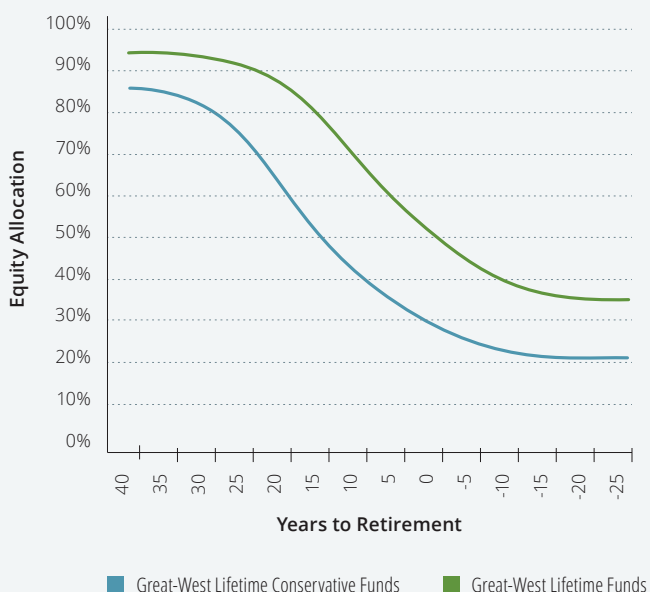
The glidepath names will change

Great-West Lifetime Fund I will be renamed Great-West Lifetime Conservative Fund. Great-West Lifetime Fund III will be renamed Great-West Lifetime Fund.

Current Great-West Lifetime Funds Glidepaths



New Great-West Lifetime Funds Glidepaths



Changes to the glidepaths

The conservative glidepath allocations are not changing. The remaining glidepath will be impacted, albeit incrementally. The approximate equity allocations are outlined below.

Approximate equity exposure

Current Great-West Lifetime Funds

FUNDS AVAILABLE	YEARS TO RETIREMENT												
	40 (2055)	35	30 (2045)	25	20 (2035)	15	10 (2025)	5	0 (2015)	-5	-10	-15	-20
Great-West Lifetime Series III	95%	95%	95%	94%	89%	81%	69%	58%	50%	44%	40%	37%	35%
Great-West Lifetime Series II	92%	91%	90%	87%	79%	67%	56%	47%	41%	36%	32%	30%	29%
Great-West Lifetime Series I	85%	84%	80%	74%	63%	52%	43%	36%	31%	27%	24%	23%	22%

New Great-West Lifetime Funds

FUNDS AVAILABLE	YEARS TO RETIREMENT												
	40 (2055)	35 (2050)	30 (2045)	25 (2040)	20 (2035)	15 (2030)	10 (2025)	5 (2020)	0 (2015)	-5	-10	-15	-20
Great-West Lifetime Funds	93%	93%	92%	90%	84%	74%	63%	54%	47%	42%	38%	36%	35%
Great-West Lifetime Conservative Funds	85%	84%	80%	74%	63%	52%	43%	36%	31%	27%	24%	23%	22%

Generally, the asset allocation of each target date fund will gradually become more conservative as the fund nears the target retirement date. The date in a target date fund's name is the approximate date when investors plan to start withdrawing their money (which is assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal. For more information, please refer to the fund prospectus and/or disclosure document.

Prior to selecting investment options, Plan Sponsors should consider the investment objectives, risks, fees and expenses carefully. For this and other important information, you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds, and/or trust disclosure documents for investment options exempt from SEC registration by contacting a Great-West Financial representative or visiting greatwestfunds.com. Read them carefully before making a selection.

FOR BROKER, TPA, ADVISOR AND PLAN SPONSOR USE ONLY. Not for Use with Plan Participants.

The principal underwriter of Great-West Funds, Inc. is its affiliate GWFS Equities, Inc., Member FINRA/SIPC. Great West Capital Management, LLC (GWCM) is the investment adviser.

GWFS Equities, Inc., is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company (GWL&A). Shares of the series of Great-West Funds, Inc. are not available to the general public but are offered only to insurance company separate accounts for certain variable annuity contracts and variable life policies, to individual retirement account (IRA) custodians or trustees, to plan sponsors of qualified retirement plans, and to college savings programs. Morningstar, Inc. is not affiliated with GWL&A or any of its subsidiaries and affiliates.

Great-West Financial® refers to products and services provided by GWL&A, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: NY, NY; and their subsidiaries and affiliates, including Great-West Funds, Inc. and GWCM. The trademarks, logos, service marks and design elements used are owned by GWL&A. ©2016 Great-West Life & Annuity Insurance Company. All rights reserved. PT262909 (4/2016)

Unless otherwise noted: Not a Deposit | Not FDIC Insured | Not Bank Guaranteed | Funds May Lose Value | Not Insured by Any Federal Government Agency