

June 30, 2015



Mendocino County Employees' Retirement Association

**Investment Measurement Service
Quarterly Review**

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Second Quarter 2015

Reversion to the Mean

U.S. ECONOMY

2 The U.S. GDP resumed momentum, posting a 2.3% increase. Credit goes to the rise in consumer spending fueled by robust gains in employment and household wealth. Inflation remains well below the Fed's 2% target.

Returns Take a Semester Abroad

FUND SPONSOR

4 In the **Callan Fund Sponsor Database**, corporate funds (-0.21%) were the quarter's worst performers while Taft-Hartley plans (+0.33%) were the best at the median. Taft-Hartley funds benefited from a smaller exposure to fixed income versus their corporate peers.

Broad Market Quarterly Returns

U.S. Equity (Russell 3000)	+0.14%
Non-U.S. Equity (MSCI ACWI ex USA)	+0.72%
Emerging Equity (MSCI Em. Mkts.)	+0.82%
U.S. Fixed (Barclays Aggregate)	-1.68%
Non-U.S. Fixed (Citi Non-U.S.)	-1.54%
Real Estate (NCREIF Property)	+3.14%
Hedge Funds (CS HFI)	-0.48%
Commodities (Bloomberg)	+4.65%
Cash (90-Day T-Bills)	+0.01%

Sources: Barclays, Citigroup, Credit Suisse Hedge Index, Merrill Lynch, MSCI, NCREIF, Russell Investment Group, S&P Dow Jones

Underwhelming

U.S. EQUITY

6 Large and small cap stocks showed slightly positive returns this quarter (**Russell 1000 Index**: +0.1% and **Russell 2000 Index**: +0.4%) while mid cap trailed considerably (**Russell Mid-Cap Index**: -1.5%). Growth maintained its lead over value in all capitalizations.

Greek Gloom

NON-U.S. EQUITY

9 Non-U.S. markets managed to end the quarter with a slight gain (**MSCI ACWI ex USA Index**: +0.72%) despite heightened concerns about Greece and China. Both the developed **MSCI World ex USA Index** (+0.48%) and the **MSCI Emerging Markets Index** (+0.82%) eked out meager returns.

Rates Move Higher

U.S. FIXED INCOME

12 The U.S. bond markets experienced a backup in interest rates as Treasuries sold off and spread sectors were mixed. The yield curve steepened. The **Barclays Aggregate Index** declined 1.68%. The **Barclays Corporate High Yield Index** was flat.

Deal or No Deal

NON-U.S. FIXED INCOME

15 The debt standoff in Greece and a bull market reversal in developed markets highlighted the sovereign bond market. The unhedged **Citi Non-U.S. World Government Bond Index (WGBI)** declined 1.54%, while the hedged WGBI plunged 3.20% due to a weakening U.S. dollar.

Mixed Messages

REAL ESTATE

17 The **NCREIF Property Index** advanced 3.14% (1.26% income return; 1.89% appreciation return). The **FTSE EPRA/NAREIT Developed REIT Index (USD)** declined 6.67% and domestic REITs tracked by the **FTSE NAREIT Equity REITs Index** dropped 9.95%.

A Seller's Market

PRIVATE EQUITY

19 Fundraising, venture investment, and IPOs for both buyout and venture leaped in the second quarter. Buyout investment was flat and M&A exit figures for both buyout and venture were mixed. High prices are muting private M&A volumes, but all other activity measures soared.

Momentum Whiplash

HEDGE FUNDS

20 The **Credit Suisse Hedge Fund Index** slipped 0.48%. The median manager in the **Callan Hedge Fund-of-Funds Database** inched ahead 0.23%. The quarter's most notable victim was Managed Futures (-10.61%).

TDFs Win Quarter, Asset Flows

DEFINED CONTRIBUTION

21 The **Callan DC Index™** gained 2.15%, trailing the typical 2035 target date fund (TDF), which rose 2.55%. DC plan balances grew by 2.76%. Nearly 66 cents of every dollar that moved within DC plans flowed to TDFs.

Reversion to the Mean

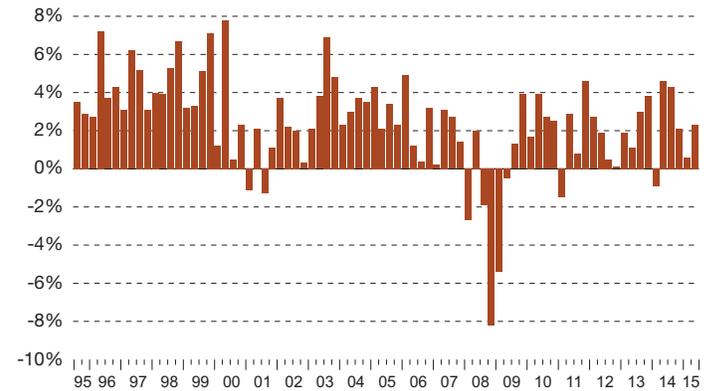
U.S. ECONOMY | Jay Kloepfer

After stalling in the first part of 2015, the U.S. economic expansion resumed in the second quarter with a 2.3% increase in GDP. Real GDP growth measurement for the first quarter proved to be a bumpy ride: the initial estimate of +0.2% was revised to a 0.7% loss, then to a slighter drop of 0.2%, and the most recent announcement swung back to black, albeit a scant +0.6%. However we measure it, the weakness in the first quarter was attributed to a strong dollar hurting exports, harsh winter weather interfering with general economic activity, and a sharp decline in oil drilling due to plunging oil prices. Labor stoppages in western ports added to the troubles. The resumption in growth in the second quarter came from a rise in consumption spending, fueled by robust gains in employment and household wealth. Consumer confidence rose through much of the quarter, although the events in Greece and China in June likely sapped some of that confidence. The housing market recovery continued to take shape, prodded by the same economic news that drove consumption (jobs, household wealth, and consumer confidence). While some of the data send mixed messages, growth in the U.S. economy is reverting to its underlying 2.5%-3% long-term average rate.

The job market posted solid gains during the first half of 2015, averaging 195,000 per month in the first quarter and 221,000 per month in the second. The year-over-year gain in jobs through June reached just short of three million, the largest gain for the July-June period since 2000. The unemployment rate fell to 5.3% in June. While these data confirm that the first-quarter GDP weakness was an anomaly, the Fed remains concerned about key characteristics of the U.S. labor market. Much of the improvement in the unemployment rate has been the result of discouraged workers leaving the labor force. The labor force participation rate fell to 62.6% in June, a 38-year low. Wage growth has been positive but modest, rising 2% year-over-year through June, suggesting continued slack in the labor market despite the reported job gains.

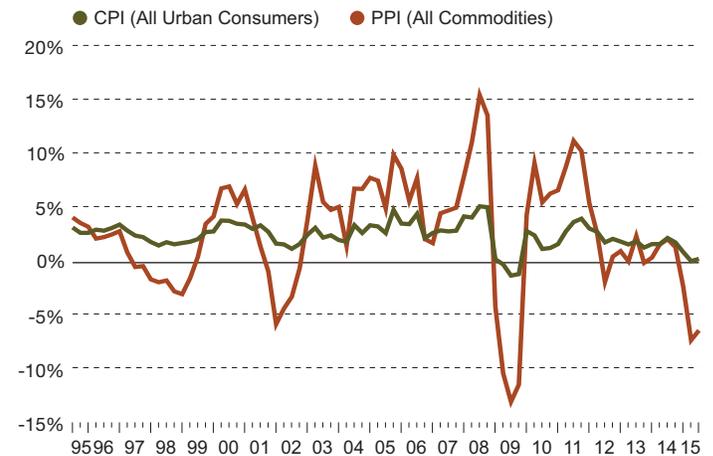
Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

Inflation remains well below the Fed's 2% target. Headline CPI was flat in June compared to one year earlier due to sharply falling energy prices in the latter half of 2014. Core CPI, which excludes food and energy, was up 1.8% in June year-over-year, pushed up by health care and housing costs. The sharp drop in energy prices provided a windfall of sorts for consumers, enabling them to direct spending to other categories, such as cars and other durable goods.

Household net worth reached \$85 trillion in the first quarter of 2015, fueled by rising home prices and the strong U.S. stock market. Net worth is now 25% higher than its 2007 pre-financial-crisis peak. This improvement in net worth, combined with the solid job market gains, has led to a buoyed level of consumer confidence and resulted in broad consumer spending, strong auto sales, and perked up interest in the housing market. Home prices are rising everywhere, but at varying rates; gains have averaged 5% year-over-year over the past 12 months. Existing home sales rose 3.2% in June to a 5.49 million-unit annual rate, while new home sales are running at a 545,000-unit rate; both rates are multi-year highs, but substantially below the peaks set prior to 2007. Inventories remain tight, despite the rising prices. One factor is the existing supply of homes that remain under water relative to their mortgage; recent estimates place this inventory at five million.

Capital spending by sector was all over the map during the first half of 2015. Spending on buildings suddenly surged during the second quarter. Spending on R&D and software continues to grow at a solid rate, while spending on equipment has stalled over the past four quarters. These three sectors drove business investment spending for several years after the recession. Spending on mining and oil wells collapsed, formerly another source of recent robust investment growth. Taken as a whole, capital spending stumbled in the fourth quarter of 2014 and suffered a weaker-than-expected first half of 2015, most likely because economic growth was interrupted.

U.S. exports of goods plunged in the first quarter of 2015, sapped by the surging dollar and uncertain economic growth. However, imports continued to increase and the combined effect

The Long-Term View

Index	2015 2nd Qtr	Periods ended December 31, 2014			
		Year	5 Yrs	10 Yrs	25 Yrs
U.S. Equity					
Russell 3000	0.14	12.56	15.63	7.94	9.78
S&P 500	0.28	13.69	15.45	7.67	9.62
Russell 2000	0.42	4.89	15.55	7.77	9.75
Non-U.S. Equity					
MSCI EAFE	0.62	-4.90	5.33	4.43	4.31
MSCI Emerging Markets	0.82	-1.82	2.11	8.78	8.83
S&P Ex-U.S. Small Cap	4.61	-3.42	8.52	6.84	5.48
Fixed Income					
Barclays Aggregate	-1.68	5.97	4.45	4.71	6.49
90-Day T-Bill	0.01	0.03	0.09	1.54	3.24
Barclays Long G/C	-7.22	19.31	9.81	7.36	8.49
Citi Non-U.S. Govt	-1.54	-2.68	0.85	2.64	6.21
Real Estate					
NCREIF Property	3.14	11.82	12.13	8.38	7.61
FTSE NAREIT Equity	-9.95	30.14	16.88	8.31	11.25
Alternatives					
CS Hedge Fund	-0.48	4.13	5.88	5.82	--
Cambridge PE*	--	22.88	17.40	14.02	15.56
Bloomberg Commodity	4.66	-17.01	-5.53	-1.86	--
Gold Spot Price	-0.96	-1.51	1.55	10.45	4.38
Inflation – CPI-U	1.07	0.76	1.69	2.12	2.52

*Private equity data is time-weighted return for period ended December 31, 2014.

Sources: Barclays, Bloomberg, Citigroup, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge.

of net exports (exports minus imports) subtracted 1.9% from GDP growth. Exports rebounded in the second quarter, as the impact of the dollar's surge stabilized and a modest recovery took hold in the euro zone. Exports rose by 5.3% and import growth slipped from 7.1% in the first quarter to 3.5% in the second; as a result, net exports no longer dragged on GDP growth.

Recent Quarterly Indicators

Economic Indicators	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Employment Cost–Total Compensation Growth	2.0%	2.6%	2.2%	2.2%	2.0%	1.8%	2.0%	1.9%
Nonfarm Business–Productivity Growth	1.0%*	-3.1%	-2.1%	3.9%	2.9%	-4.7%	3.0%	3.4%
GDP Growth	2.3%	0.6%	2.1%	4.3%	4.6%	-0.9%	3.8%	3.0%
Manufacturing Capacity Utilization	77.2%	77.3%	77.8%	77.5%	77.1%	76.2%	76.4%	76.0%
Consumer Sentiment Index (1966=100)	94.2	95.5	89.8	83.0	82.8	80.9	76.9	81.6

*Estimate

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve, IHS Economics, Reuters/University of Michigan

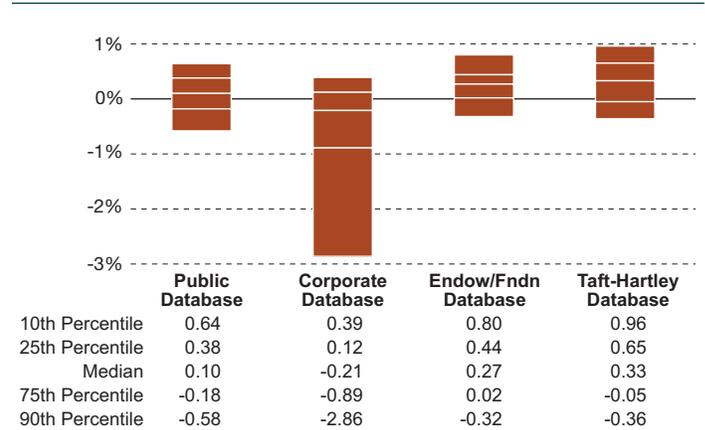
Returns Take a Semester Abroad

FUND SPONSOR | Kevin Nagy

Public markets experienced an up-and-down quarter, with equity indices exhibiting slight gains while fixed income was in the red. Non-U.S. equity markets (**MSCI ACWI ex USA Index: +0.72%**) were able to overcome uncertainty in Greece and a large sell-off in China to beat U.S. equity (**Russell 3000 Index: +0.14%**) for the second straight quarter. Both U.S. and non-U.S. fixed income markets suffered losses (**Barclays Aggregate: -1.68%**, **Citi Non-U.S. World Government Bond Index-Unhedged: -1.54%**).

As seen in the Callan Fund Sponsor Quarterly Returns chart, performance was tepid at best. Corporate funds were the worst performers across all percentiles shown, while Taft-Hartley plans (+0.33%) were the best at the median. The 10th percentile's performance displayed moderate dispersion, with Taft-Hartley plans (+0.96%) coming in first place and endowments/foundations (+0.80%) second. Dispersion in the bottom decile was highest, with endowments/foundations (-0.32%) in the lead and corporate plans (-2.86%) bringing up the rear.

Callan Fund Sponsor Quarterly Returns



Source: Callan

In terms of asset allocation and its impact on performance, Taft-Hartley funds benefited from a smaller exposure to fixed income when compared to their corporate peers. They were also helped by a strong performance from private real estate (**NCREIF Property Index: +3.14%**). Corporate funds were hurt by larger allocations to U.S. fixed income than the other fund

Database Median and Index Returns* for Periods ended June 30, 2015

Fund Sponsor	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Public Database	0.10	2.43	3.20	10.30	10.41	6.57
Corporate Database	-0.21	2.15	2.94	9.72	10.57	6.79
Endowments/Foundations Database	0.27	2.56	2.34	10.03	9.89	6.53
Taft-Hartley Database	0.33	2.64	4.10	10.74	10.81	6.28
Diversified Manager	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Asset Allocator Style	-0.25	1.46	3.89	9.98	10.51	6.77
U.S. Balanced Database	-0.19	2.00	2.76	11.30	11.55	6.65
Global Balanced Database	-0.89	1.44	-0.06	8.00	8.88	6.58
60% Russell 3000 + 40% Barclays Agg	-0.59	1.12	5.10	11.23	11.98	7.08
60% MSCI World + 40% Barclays Gbl Agg	-0.29	0.33	-2.04	8.04	8.72	5.50

*Returns less than one year are not annualized.

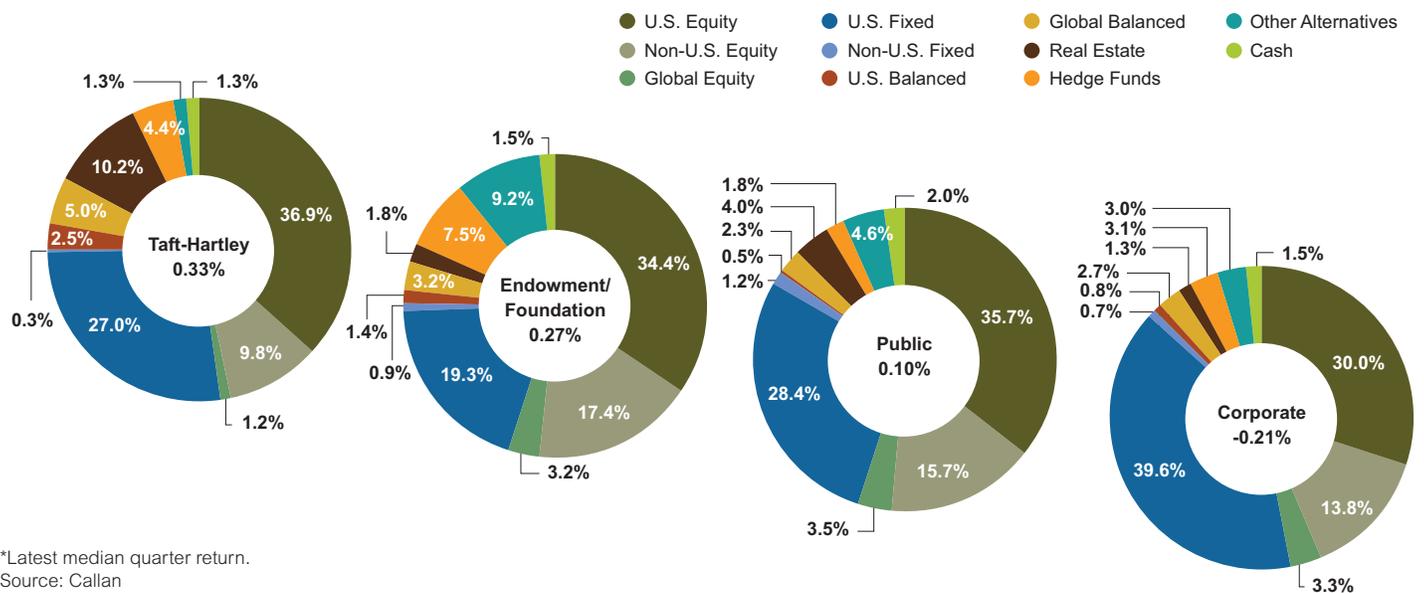
Sources: Callan, Barclays, MSCI, Russell Investment Group

types. As in the first quarter, corporate funds had the widest dispersion between top and bottom percentiles, due to some plans employing liability-driven investment (LDI) programs.

Taft-Hartley funds were the top performers in all noted time periods except for the 10-year period, which went to corporate funds. All fund types for that long-term time period displayed very similar performance in the 6% to 7% range.

Despite trailing in the most recent quarter, the U.S.-focused 60% Russell 3000 + 40% Barclays Aggregate (-0.59%) has outperformed the global 60% MSCI World + 40% Barclays Global Aggregate benchmark (-0.29%) for every other time period. Callan's U.S. Balanced Database group has also outperformed the Global Balanced Database group in every period shown.

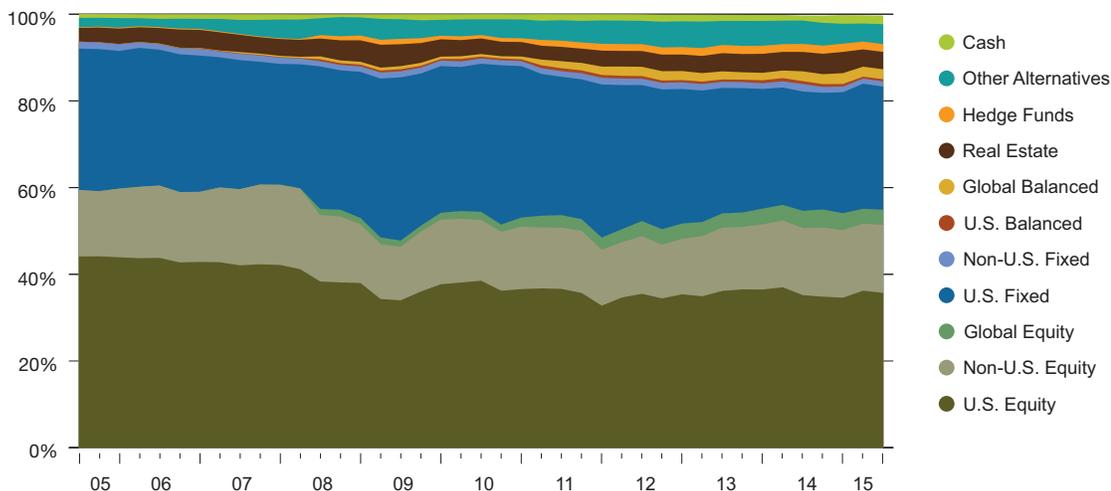
Callan Fund Sponsor Average Asset Allocation



*Latest median quarter return. Source: Callan

Callan Public Fund Database Average Asset Allocation

(10 Years)



Source: Callan

Underwhelming

U.S. EQUITY | Lauren Mathias, CFA

The second quarter got off to a promising start through April and May. In June, however, the **S&P 500 Index** dropped almost 2%, reducing U.S. equity results for the three-month period to 0.28%. Before declining, market indices reached new peaks—most notably the NASDAQ Composite surpassed the all-time high it previously set in March 2000.

Despite underwhelming equity results, the U.S. economy does have some tailwinds. June’s unemployment rate declined to 5.3%, housing improved as more Americans took out mortgages, and consumer confidence ticked higher. However, the Fed’s concerns about economic growth persisted, further delaying a potential increase in interest rates. Underlying U.S. fundamentals appear solid, with corporate profit margins near highs and leverage well below historical averages. This is reflected in valuations with current P/E ratios across market capitalizations above 20-year averages.

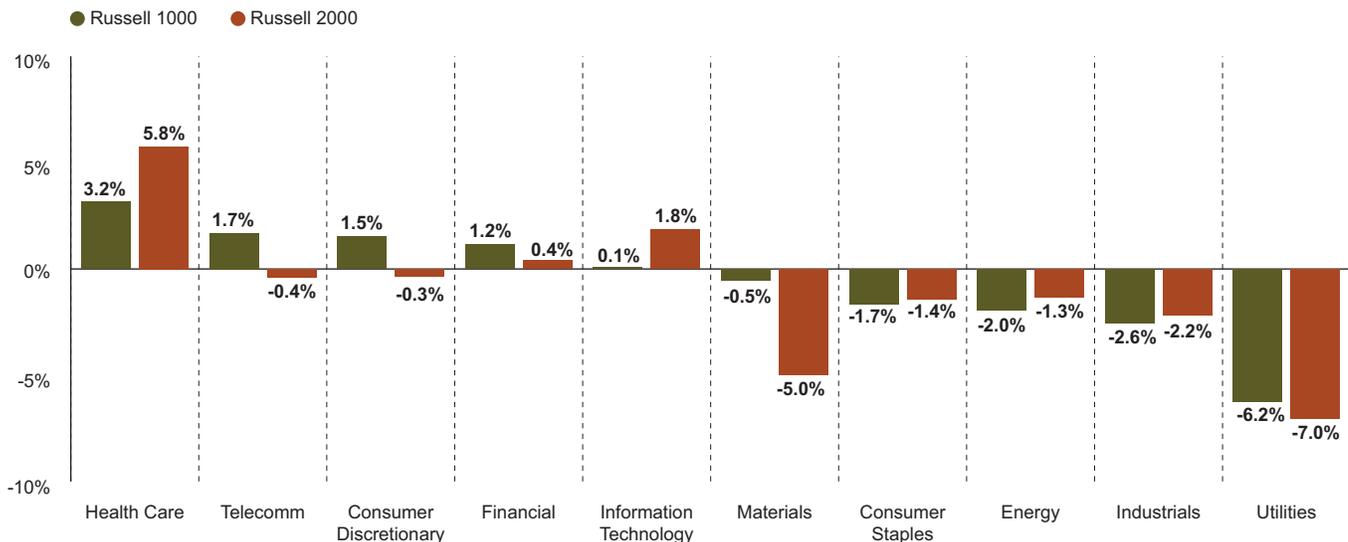
Large and small cap stocks showed slightly positive returns this quarter (**Russell 1000 Index**: +0.1% and **Russell 2000 Index**: +0.4%) while mid cap trailed considerably (**Russell Mid-Cap**

Index: -1.5%). Growth maintained its lead over value in all capitalizations, but most dramatically in small cap (**Russell 2000 Growth Index**: +2.0% and **Russell 2000 Value Index**: -1.2%). Small cap growth continued to beat small cap value in all annualized time periods of less than 10 years. Micro caps and mega caps both advanced (**Russell Microcap Index**: +2.8% and **Russell Top 50**: +1.5%).

Sectors exhibited divergent quarterly results across market capitalizations. Small cap Materials declined sharply versus a slight dip in large cap. Health Care boosted both large and small market caps but was much stronger in small cap. Utilities were the worst-performing sector across capitalizations as interest-rate-sensitive securities declined. On a positive note, M&A activity remained strong, with deal flow increasing across most sectors.

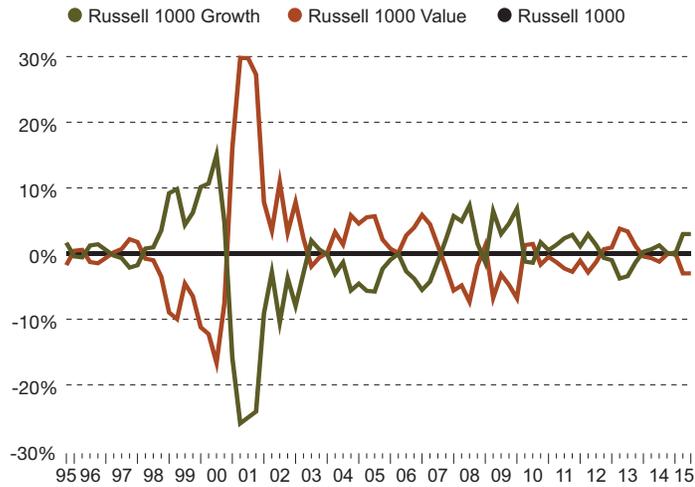
Notably, active management is having the most successful year since the financial crisis; almost half of active large cap managers have outperformed in 2015 thus far. This contrasts with assets that continue to flow to passive strategies, which have grown to be one-third of U.S. equity AUM.

Economic Sector Quarterly Performance



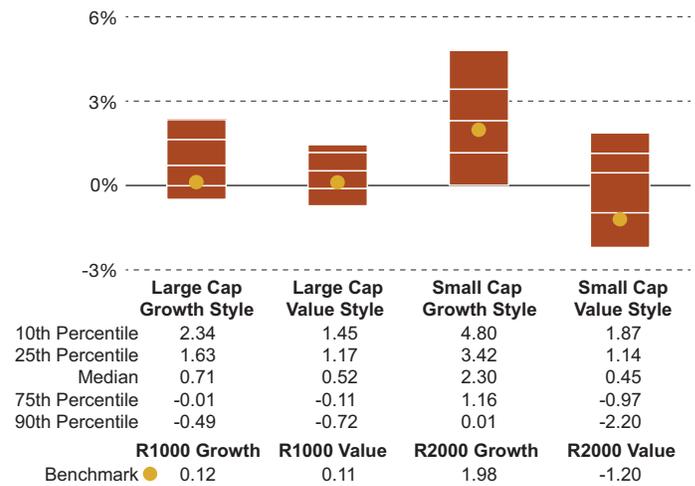
Source: Russell Investment Group

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



Source: Russell Investment Group

Callan Style Group Quarterly Returns



Sources: Callan, Russell Investment Group

U.S. Equity Index Characteristics as of June 30, 2015

	S&P 500	Rus 3000	Rus 1000	Rus Midcap	Rus 2500	Rus 2000
Cap Range Min (\$mm)	1,735	24	354	354	24	24
Cap Range Max (\$bn)	722.58	722.58	722.58	28.09	10.80	4.70
Number of Issues	502	3,004	1,029	829	2,494	1,975
% of Russell 3000	80%	100%	92%	28%	19%	8%
Wtd Avg Mkt Cap (\$bn)	127.97	103.44	112.50	12.16	4.06	1.89
Price/Book Ratio	2.7	2.6	2.7	2.5	2.2	2.1
Forward P/E Ratio	16.4	17.2	16.9	19.0	19.8	20.9
Dividend Yield	2.1%	1.9%	2.0%	1.6%	1.4%	1.3%
5-Yr Earnings (forecasted)	10.3%	11.2%	11.1%	12.9%	13.0%	13.5%

Sources: Russell Investment Group, Standard & Poor's

U.S. EQUITY (Continued)

Style Median and Index Returns* for Periods ended June 30, 2015

Large Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Large Cap Core Style	0.42	1.82	8.00	18.21	17.89	8.39
Large Cap Growth Style	0.71	4.57	11.86	18.87	18.54	9.37
Large Cap Value Style	0.52	0.86	5.23	18.26	17.08	7.69
Aggressive Growth Style	1.49	6.77	10.44	17.74	17.31	9.83
Contrarian Style	0.40	0.65	5.46	17.91	16.74	7.94
Yield-Oriented Style	-0.15	0.02	4.25	15.70	15.99	8.28
Russell 3000	0.14	1.94	7.29	17.73	17.54	8.15
Russell 1000	0.11	1.71	7.37	17.73	17.58	8.13
Russell 1000 Growth	0.12	3.96	10.56	17.99	18.59	9.10
Russell 1000 Value	0.11	-0.61	4.13	17.34	16.50	7.05
S&P Composite 1500	0.17	1.57	7.31	17.41	17.39	8.08
S&P 500	0.28	1.23	7.42	17.31	17.34	7.89
NYSE	-0.20	0.94	0.79	14.49	15.46	7.67
Dow Jones Industrials	-0.29	0.03	7.21	13.77	15.41	8.32
Mid Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Mid Cap Core Style	-1.08	4.51	7.73	21.22	19.70	10.21
Mid Cap Growth Style	0.57	6.52	10.75	18.44	18.36	10.48
Mid Cap Value Style	-1.45	1.76	4.46	19.31	17.63	9.77
Russell Midcap	-1.54	2.35	6.63	19.26	18.23	9.40
S&P MidCap 400	-1.06	4.20	6.40	18.60	17.82	9.74
Small Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Small Cap Core Style	0.55	5.53	7.98	20.57	19.28	9.55
Small Cap Growth Style	2.30	8.37	11.25	19.92	19.56	10.35
Small Cap Value Style	0.45	3.09	4.44	18.61	17.48	8.99
Russell 2000	0.42	4.75	6.49	17.81	17.08	8.40
S&P SmallCap 600	0.19	4.16	6.72	18.81	18.44	9.27
NASDAQ	2.03	5.90	14.44	20.94	20.26	10.42
Smid Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Smid Cap Broad Style	0.58	7.08	8.81	19.15	18.93	10.06
Smid Cap Growth Style	1.82	8.64	10.75	19.12	19.75	10.14
Smid Cap Value Style	-0.66	2.77	4.88	19.11	17.63	9.90
Russell 2500	-0.34	4.81	5.92	18.66	17.85	9.09
S&P 1000	-0.68	4.20	6.51	18.68	18.02	9.58
Russell 3000 Sectors	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Consumer Discretionary	1.36	6.10	14.73	22.99	23.12	9.98
Consumer Staples	-1.65	-0.42	9.54	14.64	17.00	10.82
Energy	-1.94	-4.13	-24.31	5.19	10.03	6.42
Financials	1.08	0.40	9.09	19.28	14.17	1.40
Health Care	3.38	11.45	26.47	28.19	24.58	12.03
Industrials	-2.53	-2.14	1.70	17.95	17.40	8.58
Information Technology	0.20	1.88	11.20	16.89	17.65	9.88
Materials	-0.97	0.03	-2.31	13.20	14.59	9.38
Telecommunications	1.63	3.56	1.69	7.56	14.16	7.32
Utilities	-6.31	-10.58	-3.88	8.54	12.65	7.02

*Returns less than one year are not annualized.

Sources: Callan, Dow Jones & Company, Russell Investment Group, Standard & Poor's, The NASDAQ Stock Market

Greek Gloom

NON-U.S. EQUITY | Irina Sushch

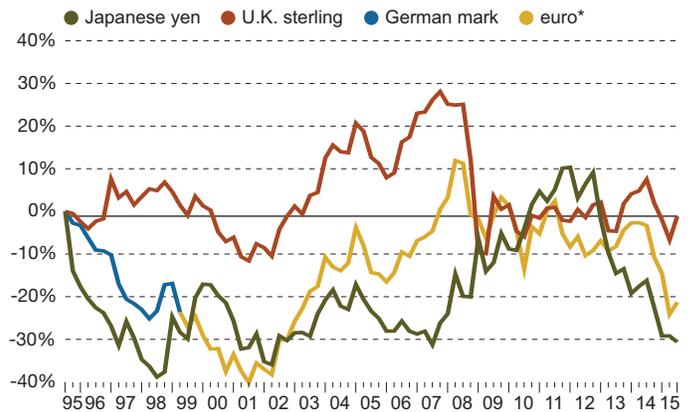
Non-U.S. markets managed to eke out a slightly positive return (**MSCI ACWI ex USA Index: +0.72%**) despite heightened concerns about Greece and China. Even with a “Grexit” looming, China threatened to steal the spotlight—its Shanghai Composite Index dropped nearly 20% in the final weeks of the quarter. Before nosediving, the Index was at a seven-year high and up roughly 150% from year-end 2013.

Both the developed **MSCI World ex USA Index (+0.48%)** and the **MSCI Emerging Markets Index (+0.82%)** delivered meager returns. Small cap stocks continued to climb amid the macro chaos (**MSCI ACWI ex USA Small Cap Index: +4.22%**). In international sectors, Energy (+2.59%) was boosted by rising oil prices. Telecommunications (+3.58%) gained on significant M&A activity. Information Technology (-2.56%) was the weakest sector, dragged down by low earnings in the first quarter. Global uncertainty, stunted earnings, and rising rates undermined the remaining non-U.S. sectors.

European stocks failed to impress (**MSCI Europe Index: +0.36%**). Greece continued to dampen investors’ spirits, ending the quarter with a missed €1.55 billion payment to the International Monetary Fund. Germany slipped 5.59%, red across every sector due to slowing GDP growth. Health Care was a big detractor (European Health Care: -1.19%). Information Technology (-2.44%) and Industrials (-1.60%) stocks struggled.

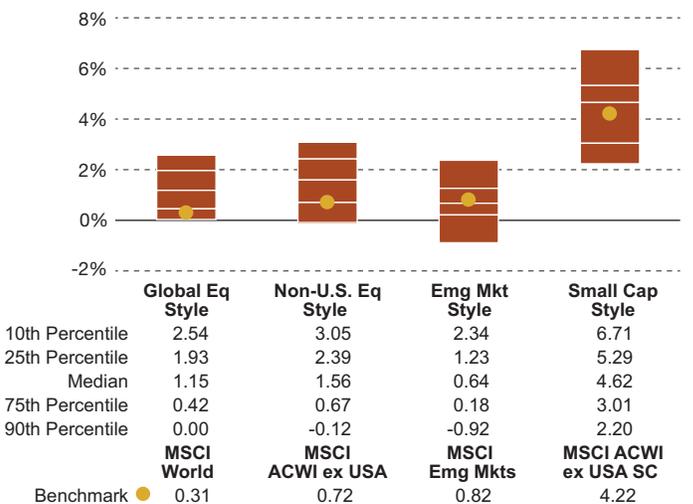
The **MSCI Pacific Index (+1.14%)** surpassed Europe by 78 bps, owing mainly to upbeat markets in Hong Kong (+5.56%) and Japan (+3.09%). Hong Kong experienced a flood of investment from China. Japan’s GDP grew at an annualized 3.9% in the first quarter of 2015, and Japanese Financials were up 9.36% as banks benefitted from aggressive central bank policies. New Zealand (-13.08%) and Australia (-6.19%) fell deep into the red as their major exports (dairy and metals,

Major Currencies’ Cumulative Returns (vs. U.S. Dollar)



*euro returns from 1Q99
Source: MSCI

Callan Style Group Quarterly Returns



Sources: Callan, MSCI

respectively), were heavily affected by the mounting crisis in China’s stock market. So far in 2015, the kiwi has fallen 13.3% against the U.S. dollar. Financials in Australia (-7.79%) were hammered by sluggish growth in the second quarter.

NON-U.S. EQUITY (Continued)

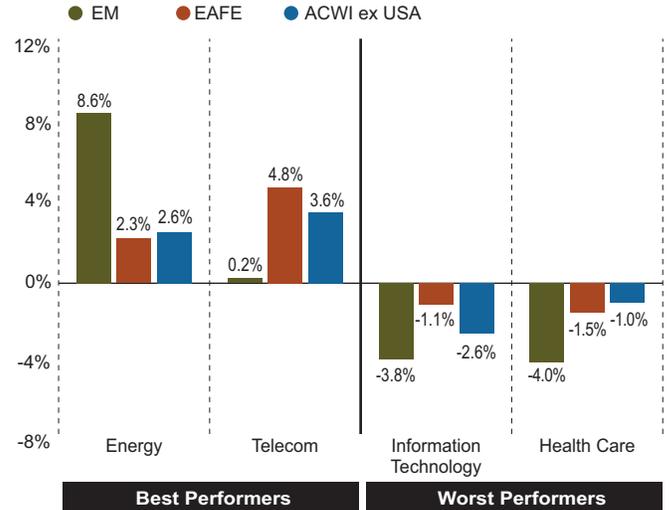
Although emerging market Energy stocks rose 8.62% due to climbing oil prices, the **MSCI Emerging Markets Index** (+0.82%) was hindered by Information Technology (-3.84%). **MSCI Emerging Markets Asia** (-0.04%) was chock full of negative stories. Indonesia (-13.82%), Malaysia (-7.88%), and Thailand (-3.30%) all experienced lethargic economic growth. Tech stocks impeded equity markets in South Korea and Taiwan. In India, subsiding growth along with lower-than-expected IT sales made for a weak quarter (-3.61%). China managed to gain 6.21% due to even lower interest rates and less restrictive real estate policies. However, China's markets were volatile throughout the quarter and crashed in the final two weeks. Russia (+7.70%) and Brazil (+7.02%) were bright spots, both buoyed by climbing commodity prices. Brazil's government is promising budget cuts, and Russia further cut interest rates to 11.5%. In Greece, equities gained 5.35% for the quarter in spite of the ongoing debt crisis, which damaged returns across the globe.

Quarterly Return Attribution for EAFE (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	-6.19%	-6.75%	0.61%	6.87%
Austria	3.18%	-0.54%	3.74%	0.17%
Belgium	1.04%	-2.60%	3.74%	1.30%
Denmark	2.36%	-1.48%	3.89%	1.66%
Finland	-3.89%	-7.36%	3.74%	0.82%
France	0.31%	-3.31%	3.74%	9.69%
Germany	-5.59%	-8.99%	3.74%	8.89%
Hong Kong	5.56%	5.56%	0.01%	3.25%
Ireland	8.52%	4.60%	3.74%	0.37%
Israel	-1.50%	-6.57%	5.42%	0.60%
Italy	2.49%	-1.21%	3.74%	2.41%
Japan	3.09%	5.19%	-1.99%	22.88%
Netherlands	2.81%	-0.90%	3.74%	2.77%
New Zealand	-13.08%	-3.62%	-9.81%	0.13%
Norway	3.31%	0.86%	2.44%	0.64%
Portugal	2.00%	-1.68%	3.74%	0.15%
Singapore	-0.06%	-1.86%	1.87%	1.43%
Spain	-2.05%	-5.58%	3.74%	3.51%
Sweden	-2.95%	-6.63%	3.94%	2.93%
Switzerland	1.01%	-2.82%	3.93%	9.23%
U.K.	2.99%	-2.79%	5.94%	20.29%

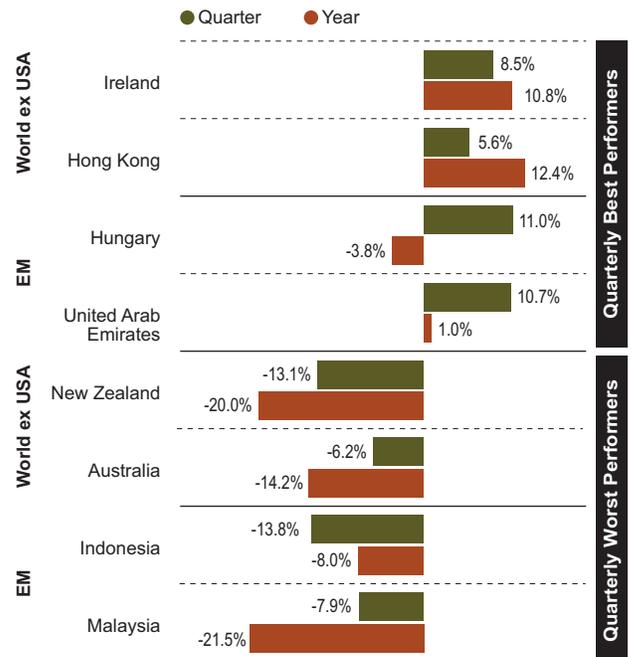
Sources: MSCI, Russell Investment Group, Standard & Poor's.

Quarterly Returns: Strong and Struggling Sectors



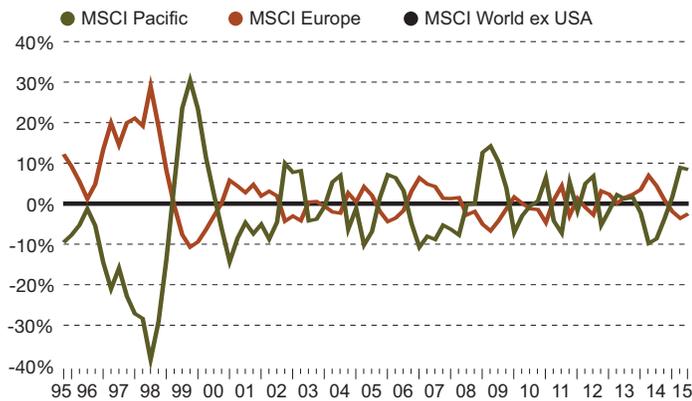
Source: MSCI

Quarterly and Annual Country Performance Snapshot



Source: MSCI

Rolling One-year Relative Returns (vs. MSCI World ex USA)



Source: MSCI

Regional Quarterly Performance

(U.S. Dollar)



Source: MSCI

Style Median and Index Returns* for Periods ended June 30, 2015

Non-U.S. Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Non-U.S. Equity Style	1.56	6.63	-1.66	12.62	10.47	6.45
MSCI EAFE	0.62	5.52	-4.22	11.97	9.54	5.12
MSCI EAFE (local)	-1.82	8.82	11.78	18.08	11.27	5.41
MSCI ACWI ex USA	0.72	4.35	-4.85	9.92	8.23	6.01
MSCI ACWI ex USA Growth	0.74	5.67	-1.70	10.54	8.84	6.37
MSCI ACWI ex USA Value	0.71	2.97	-7.98	9.25	7.58	5.91
Global Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Global Equity Style	1.15	4.24	3.60	15.39	13.79	7.63
MSCI World	0.31	2.63	1.43	14.27	13.10	6.38
MSCI World (local)	-0.69	4.14	8.41	17.01	13.79	6.36
MSCI ACWI	0.52	2.97	1.23	13.61	12.52	6.96
Regional Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
MSCI Europe	0.36	3.82	-7.65	12.37	10.02	5.03
MSCI Europe (local)	-3.91	7.25	6.99	15.16	10.37	5.49
MSCI Japan	3.09	13.62	8.31	13.30	8.80	4.23
MSCI Japan (local)	5.19	15.96	30.83	30.66	16.09	5.27
MSCI Pacific ex Japan	-2.48	0.58	-6.79	7.53	8.70	7.94
MSCI Pacific ex Japan (local)	-2.99	4.75	6.96	14.39	9.59	7.45
Emerging/Frontier Markets	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Emerging Market Style	0.64	2.35	-5.34	4.86	4.67	8.97
MSCI Emerging Markets	0.82	3.12	-4.77	4.08	4.03	8.46
MSCI Emerging Markets (local)	0.82	5.80	6.63	9.01	7.30	10.06
MSCI Frontier Markets	-0.05	-3.15	-13.93	12.96	7.29	0.42
Non-U.S. Small Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Non-U.S. Small Cap Style	4.62	10.78	0.38	17.42	14.21	9.08
MSCI World ex USA Small Cap	4.16	8.36	-3.96	13.60	11.10	6.30
MSCI ACWI ex USA Small Cap	4.22	8.32	-3.07	12.32	9.72	7.38
MSCI Emerging Market Small Cap	4.50	8.25	0.34	7.98	5.04	10.10

*Returns less than one year are not annualized.

Sources: Callan, MSCI

Rates Move Higher

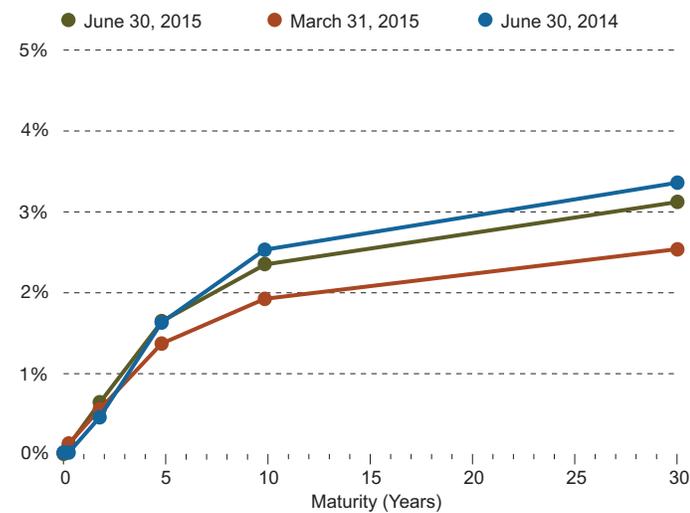
U.S. FIXED INCOME | Kevin Machiz, CFA, FRM

Interest rates moved higher in the second quarter given upward pressure from global interest rates as deflationary fears showed signs of relenting. The yield curve steepened after five consecutive quarters of flattening. The **Barclays Aggregate Index** fell 1.68%.

Short-term rates remained stable, as the Fed continued to peg the federal funds and discount rates at 0.00%–0.25% and 0.75%, respectively. The 10-year U.S. Treasury yield rose 43 bps. Yields on longer-term bonds increased even more (30-year U.S. Treasury yield: +59 bps).

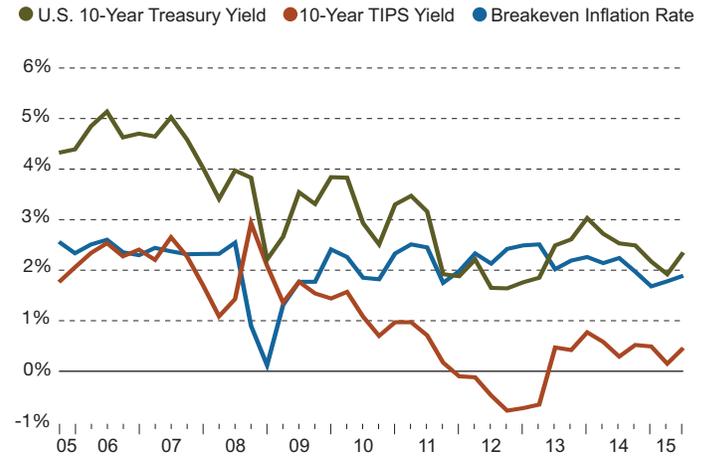
The market's expectation for the first hike in the fed funds rate settled around the end of 2015. The breakeven inflation rate (the difference between nominal and real yields) on the 10-year Treasury increased 12 bps to 1.89% as TIPS outperformed nominal Treasuries.

U.S. Treasury Yield Curves



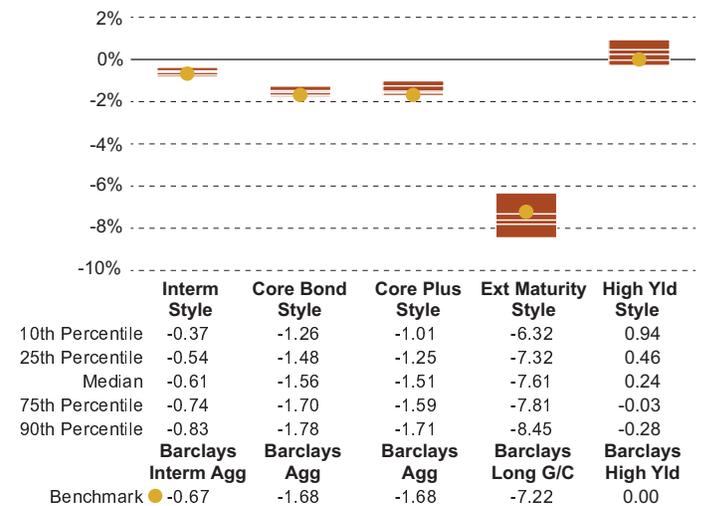
Source: Bloomberg

Historical 10-Year Yields



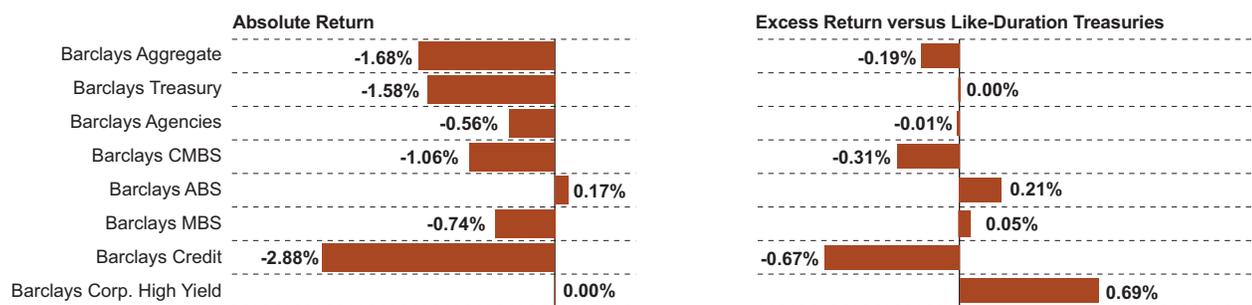
Source: Bloomberg

Callan Style Group Quarterly Returns



Sources: Barclays, Callan

Fixed Income Index Quarterly Returns

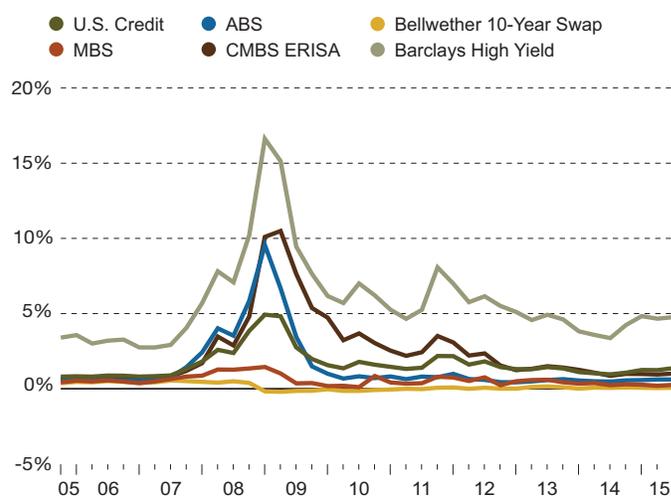


Source: Barclays

Relative to like-duration Treasuries, non-Treasury sectors saw scant gains (MBS: +0.05%; ABS: +0.21%) or negative results. Investment-grade corporate spreads widened with Utilities, Financials, and Industrials underperforming Treasuries by 1.41%, 0.61%, and 0.94% respectively.

High yield corporate bonds were among the best performers in the U.S. fixed income market as some energy companies rebounded strongly. The **Barclays Corporate High Yield Index** ended the quarter unchanged. New issue activity is on pace with the previous three calendar years. Year-to-date, there was approximately \$191 billion in new issuance of high yield bonds.

Effective Yield Over Treasuries



Source: Barclays

U.S. Fixed Income Index Characteristics as of June 30, 2015

Barclays Indices	Yield to Worst	Mod Adj Duration	Avg Maturity	% of Barclays G/C	% of Barclays Agg
Barclays Aggregate	2.39	5.63	7.87		100.00%
Barclays Govt/Credit	2.24	6.09	8.33	100.00%	69.31%
Intermediate	1.74	3.94	4.28	79.77%	55.29%
Long-Term	4.20	14.58	24.32	20.23%	14.02%
Barclays Govt	1.47	5.44	6.68	56.76%	39.34%
Barclays Credit	3.25	6.95	10.51	43.24%	29.97%
Barclays MBS	2.78	4.61	7.06		28.11%
Barclays ABS	1.45	2.46	2.63		0.58%
Barclays CMBS	2.49	4.61	5.14		1.94%
Barclays Corp High Yield	6.57	4.36	6.41		

Source: Barclays

U.S. FIXED INCOME (Continued)

Style Median and Index Returns* for Periods ended June 30, 2015

Broad Fixed Income	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Core Bond Style	-1.56	0.14	2.12	2.46	3.97	4.94
Core Bond Plus Style	-1.51	0.37	1.92	3.23	4.97	5.42
Barclays Aggregate	-1.68	-0.10	1.86	1.83	3.35	4.44
Barclays Govt/Credit	-2.10	-0.30	1.69	1.76	3.52	4.38
Barclays Govt	-1.50	0.08	2.27	0.93	2.63	3.99
Barclays Credit	-2.88	-0.78	0.93	3.03	4.93	5.12
Citi Broad Investment Grade	-1.66	-0.06	1.87	1.83	3.31	4.53
Long-Term	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Extended Maturity Style	-7.61	-4.59	1.59	3.06	7.20	6.56
Barclays Long Govt/Credit	-7.22	-4.11	2.32	2.61	6.79	6.18
Barclays Long Govt	-8.10	-4.52	6.20	1.25	6.23	6.12
Barclays Long Credit	-7.26	-4.42	-0.37	3.44	7.04	6.02
Citi Pension Discount Curve	-11.07	-6.78	2.36	2.72	8.74	6.93
Intermediate-Term	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Intermediate Style	-0.61	0.79	1.70	1.96	3.09	4.54
Barclays Intermediate Aggregate	-0.67	0.64	1.89	1.74	2.89	4.22
Barclays Intermediate Govt/Credit	-0.62	0.82	1.68	1.60	2.79	4.02
Barclays Intermediate Govt	-0.43	0.82	1.79	0.90	2.06	3.67
Barclays Intermediate Credit	-0.94	0.82	1.51	2.88	4.19	4.80
Short-Term	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Defensive Style	0.11	0.76	1.08	1.09	1.50	3.05
Active Duration Style	-0.85	0.64	1.70	1.97	3.39	4.57
Money Market Funds (net of fees)	0.00	0.00	0.01	0.01	0.01	1.32
ML Treasury 1–3-Year	0.15	0.67	0.88	0.66	0.82	2.52
90-Day Treasury Bills	0.01	0.01	0.02	0.06	0.08	1.42
High Yield	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
High Yield Style	0.24	2.84	0.24	7.06	8.76	7.90
Barclays Corporate High Yield	0.00	2.53	-0.40	6.81	8.61	7.89
ML High Yield Master	-0.04	2.49	-0.53	6.74	8.38	7.67
Mortgage/Asset-Backed	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Mortgage Style	-0.59	0.60	2.66	2.44	3.53	4.87
Barclays MBS	-0.74	0.31	2.28	1.92	2.89	4.56
Barclays ABS	0.17	1.08	1.64	1.38	2.48	3.32
Barclays CMBS	-1.06	0.69	1.91	3.28	5.53	5.12
Municipal	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Barclays Muni	-0.89	0.11	3.00	3.10	4.50	4.45
Barclays Muni 1–10-Year	-0.51	0.32	1.74	2.10	3.22	3.89
Barclays Muni 3-Year	-0.02	0.39	0.57	1.17	1.71	2.97
TIPS	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Barclays TIPS Full Duration	-1.06	0.34	-1.73	-0.76	3.29	4.13
Barclays TIPS 1-10 Year	-0.15	1.06	-1.95	-0.54	2.36	3.70

*Returns of less than one year are not annualized.

Sources: Barclays, Callan, Citigroup, Merrill Lynch

Deal or No Deal

NON-U.S. FIXED INCOME | Kyle Fekete

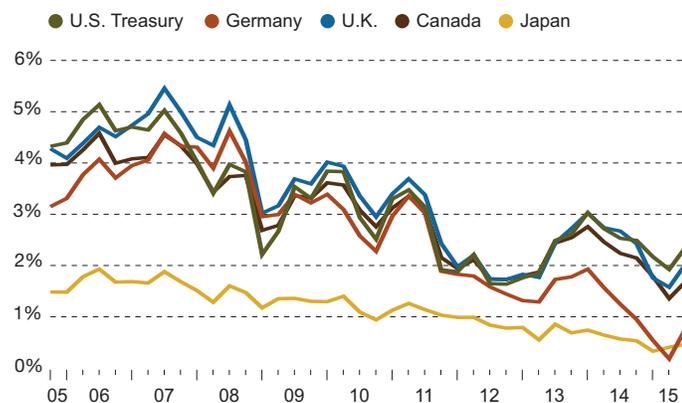
The developed fixed income markets were characterized by rising interest rates, reversing the downward trend over the past several quarters. In a dramatic reversal, yield on German bunds climbed to 0.76% in June, up from the all-time low of 0.05% in mid-April. Rising interest rates were spurred by brighter news in Europe as both hiring and private sector growth approached four-year highs. In Europe, a whiff of inflation in May (+0.2% month-over-month) provided some evidence that the European Central Bank's asset purchase program was working.

Concerns around Greece spread negativity throughout the markets; Italy and Spain were especially hard-hit. Unhedged returns

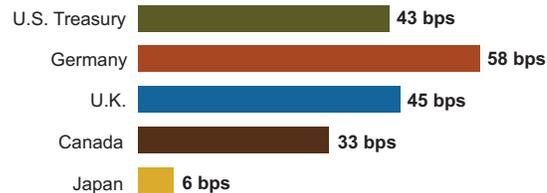
in developed markets were generally negative in U.S. dollar terms (**Citi Non-U.S. World Government Bond Index: -1.54%**). On a hedged basis, all developed markets dropped as the U.S. dollar lost ground versus most developed market currencies (**Citi Non-U.S. World Government Bond Index: -3.20%**).

Emerging market dollar-denominated debt retreated as the **JPM EMBI Global Diversified Index** dipped 0.34% in spite of strong gains in Ukraine (+36.49%) and Venezuela (+12.73%). Ukraine is negotiating with foreign bondholders to restructure its debt. In spite of the strong quarter, it remains down 4.04% year-to-date and 36.77% over the last 12 months. The local

10-Year Global Government Bond Yields



Change in 10-Year Yields from 1Q15 to 2Q15



Source: Bloomberg

Quarterly Return Attribution for Non-U.S. Gov't Indices (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	-2.18%	-2.77%	0.61%	1.95%
Austria	-1.56%	-5.11%	3.74%	1.89%
Belgium	-2.51%	-6.02%	3.74%	2.98%
Canada	-0.01%	-1.43%	1.45%	2.54%
Denmark	-3.10%	-6.73%	3.89%	0.81%
Finland	-0.41%	-4.00%	3.74%	0.68%
France	-1.63%	-5.18%	3.74%	11.23%
Germany	-0.94%	-4.52%	3.74%	8.88%
Ireland	-0.84%	-4.42%	3.74%	0.92%
Italy	-2.71%	-6.22%	3.74%	11.23%
Japan	-2.25%	-0.26%	-1.99%	32.73%
Malaysia	-1.22%	0.64%	-1.84%	0.62%
Mexico	-2.48%	0.44%	-2.91%	1.18%
Netherlands	-1.29%	-4.85%	3.74%	3.04%
Norway	1.67%	-0.74%	2.44%	0.34%
Poland	-2.02%	-2.81%	0.81%	0.67%
Singapore	1.14%	-0.72%	1.87%	0.45%
South Africa	-1.79%	-1.61%	-0.18%	0.64%
Spain	-2.49%	-6.01%	3.74%	6.21%
Sweden	0.34%	-3.46%	3.94%	0.58%
Switzerland	3.55%	-0.37%	3.93%	0.37%
U.K.	2.00%	-3.72%	5.94%	10.07%

Source: Citigroup

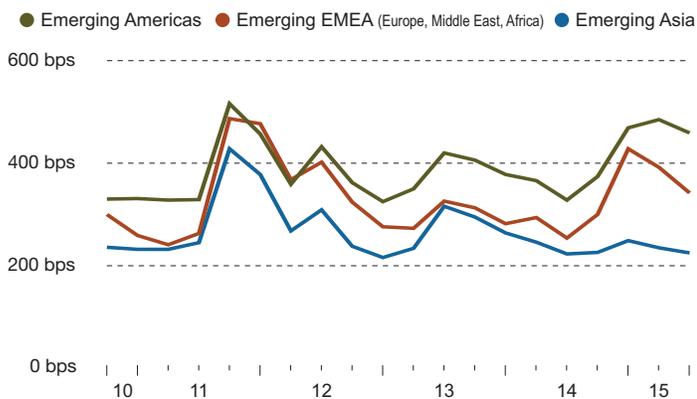
NON-U.S. FIXED INCOME (Continued)

bond **JPM GBI-EM Global Diversified Index** also declined (-0.96%). Russia was again the best performer among emerging markets, up nearly 12% for the quarter and 29% year-to-date. Brazil's (+6%) local bonds continued to bounce back from a sell-off earlier in the year, while Turkey and Indonesia fell 5% for the quarter.

Greece missed a large payment to the International Monetary Fund on June 30, which weighed heavily on investor sentiment. Negotiations between Greece and its lenders continued but remained uncertain. Trading on Greek bonds halted; however, indications from dealers estimated two-year Greek debt yields at about 50% and 10-year debt at nearly 20%.

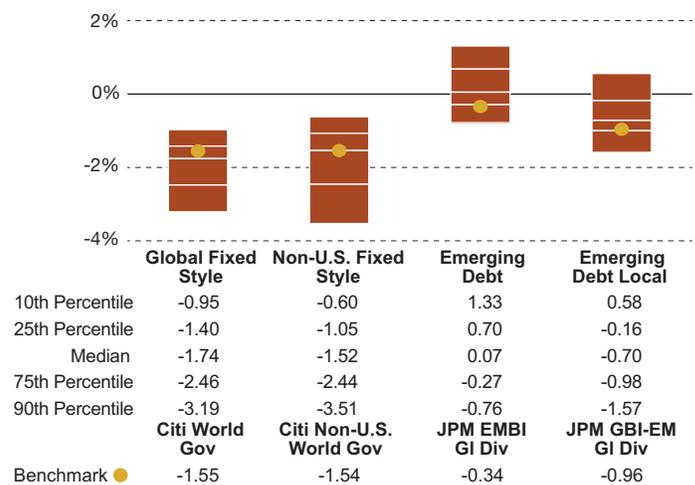
Emerging Spreads Over Developed

(By Region)



Source: Barclays

Callan Style Group Quarterly Returns



Sources: Callan, Citigroup, JPMorgan Chase & Co.

Style Median and Index Returns* for Periods ended June 30, 2015

Global Fixed Income	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Global Style	-1.74	-3.03	-6.49	-0.51	2.51	4.17
Citi World Govt	-1.55	-4.02	-9.02	-2.45	1.05	3.07
Citi World Govt (Local)	-2.67	-0.61	3.67	3.36	3.56	3.54
Barclays Global Aggregate	-1.18	-3.08	-7.09	-0.81	2.07	3.54
Non-U.S. Fixed	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Non-U.S. Style	-1.52	-5.47	-12.50	-2.19	1.70	3.52
Citi Non-U.S. World Govt	-1.54	-5.83	-13.49	-3.88	0.33	2.63
Citi Non-U.S. World Govt (Local)	-3.20	-0.91	4.20	4.37	3.93	3.47
European Fixed	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Citi Euro Govt Bond	-1.87	-9.15	-15.07	2.27	3.25	3.49
Citi Euro Govt Bond (Local)	-5.41	-1.34	2.49	6.16	4.85	4.16
Emerging Markets Fixed	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
JPM EMBI Global Diversified	-0.34	1.67	0.51	4.30	6.77	7.45
JPM GBI-EM Global Diversified	-0.96	-4.88	-15.39	-3.78	0.94	5.91

*Returns less than one year are not annualized.

Sources: Callan, Citigroup, JPMorgan Chase

Mixed Messages

REAL ESTATE | Mike Pritts

It was a difficult second quarter for U.S. REIT indices as pressure weighed heavily on global prices in anticipation of increased government bond yields. Continued low oil prices caused lingering concerns in U.S. oil-producing sub-markets. Credit markets appeared open, although slowing to a degree. The Fed stated in its June FOMC minutes that financing for commercial real estate remained broadly available, although the expansion of commercial real estate loans on banks' books slowed in April and May. Spreads widened in the commercial mortgage-backed securities (CMBS) market, which can be attributed to a lack of liquidity and potential interest rate hikes.

The **NCREIF Property Index** advanced 3.14% and recorded a 1.26% income return and a 1.89% appreciation return. The NCREIF Property Index cash flow return was 0.87% for the quarter and 3.43% for the trailing four quarters. During the first quarter, there were 134 asset trades, representing \$7.1 billion of overall transactional volume. This remains ahead of the \$5.3 billion 10-year quarterly transaction average. The peak quarterly transaction volume over the prior 10-year period was \$8.7 billion in the second quarter of 2007.

Pricing growth continued to characterize asset trades as equal-weighted transactional capitalization rates dropped to 5.5%. This reflects the lowest measure of the Index since the fourth quarter of 2007. Over the course of the prior cycle, quarterly equal-weighted transactional capitalization rates dipped to a low of 5.46% in the fourth quarter of 2007 and expanded to a peak of 8.46% in the third quarter of 2009. During the second quarter of 2015, appraisal capitalization rates slightly increased from 4.73% to 4.81%. As markets peaked over the prior cycle, appraisal capitalization rates declined to a low of 4.89% in the third quarter of 2008.

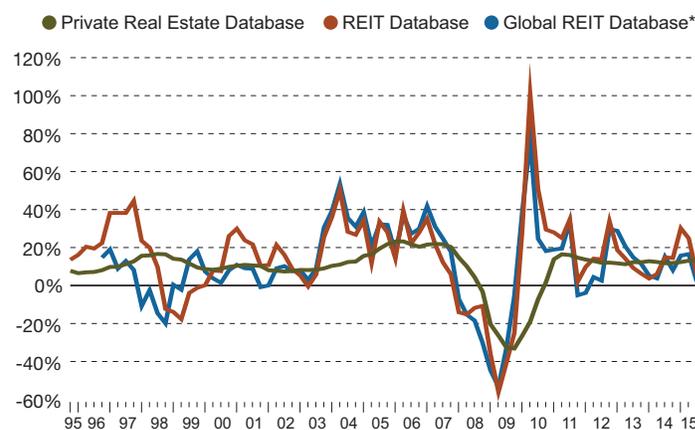
On a preliminary basis, the **NCREIF Open End Diversified Core Equity Index** produced a 3.82% total return, comprising

a 1.19% income return and a 2.62% appreciation return. In the listed real estate market, the **FTSE EPRA/NAREIT Developed REIT Index** (USD) declined 6.67% and domestic REITs tracked by the **FTSE NAREIT Equity REITs Index** dropped 9.95%.

In the U.S., all sectors declined. Self-Storage (-5.0%) led sector performance, followed by Lodging (-6.2%), Residential (-6.4%), Office (-11.2%), Malls (-11.4%), Industrial (-12.6%), and Healthcare (-14.3%). Domestic REITs raised \$17.6 billion (two initial public offerings, \$436 million; 28 secondary offerings, \$6.7 billion; two preferred equity offerings, \$391 million; and 21 unsecured debt offerings, \$10.2 billion).

In core Europe, falling unemployment rates, additional rounds of European Central Bank stimulus, and a general inflow of funds have led to a compression of prime office market capitalization rates—but spreads remain wide over sovereign yields. The central London office market continues to have high occupancy rates supported by strong employment growth and tight supply. Overall, European office vacancy rates have continued to decline, led by central London, major German cities, and second-tier markets.

Rolling One-Year Returns



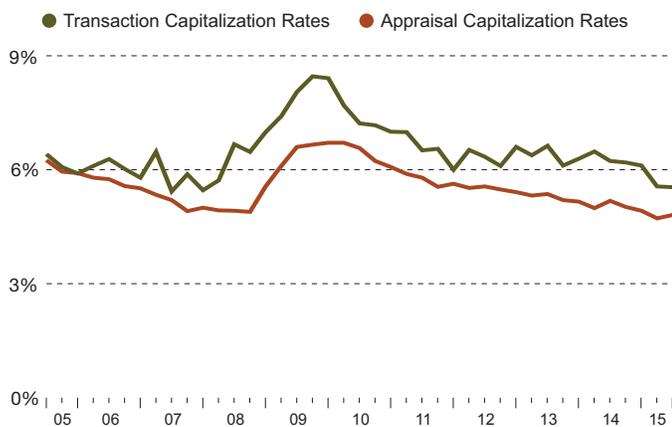
*Global REIT returns from 3Q96
Source: Callan

REAL ESTATE (Continued)

In Japan the yen's depreciation led to a very active second quarter for real estate markets, which caused further capitalization rate compression in first-tier cities. Transaction volumes in both China and Australia were muted as macro concerns over Chinese market corrections escalated. A weak Australian dollar attracted overseas investors, particularly from within the Asia Pacific region.

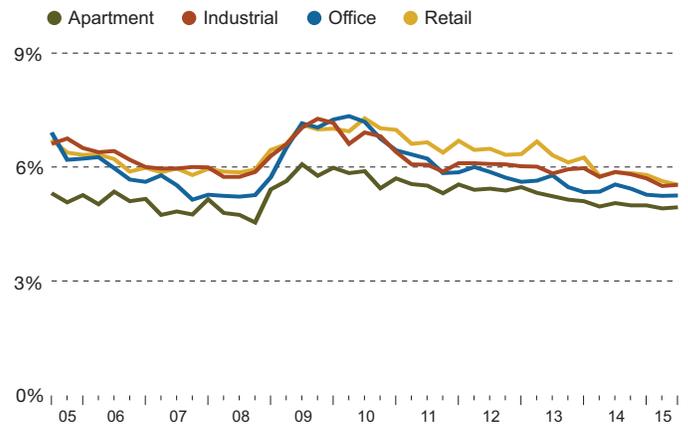
CMBS issuance reached \$27.5 billion in the first quarter of the year, ahead of the \$27.0 billion of issuance volume from the quarter prior and \$20.5 billion in the second quarter of 2014. Total issuance for the trailing 12 months was \$107.7 billion, nearing rolling one-year issuance volumes not seen since May 2008. Quarterly issuance volume between 2005 and 2007 ranged from \$33.0 billion to a high of \$73.6 billion in the second quarter of 2007.

NCREIF Transaction and Appraisal Capitalization Rates



Source: NCREIF
Note: Transaction capitalization rate is equal-weighted.

NCREIF Capitalization Rates by Property Type



Source: NCREIF
Note: Capitalization rates are appraisal-based.

Callan Database Median and Index Returns* for Periods ended June 30, 2015

	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Private Real Estate						
Real Estate Database (net of fees)	3.04	6.19	13.75	12.80	13.83	5.57
NCREIF Property	3.14	6.83	12.98	11.63	12.72	8.16
NFI-ODCE (value wtd. net)	3.15	6.41	12.92	11.91	13.24	5.81
Public Real Estate						
REIT Database	-9.53	-5.30	5.54	9.77	15.08	8.15
FTSE NAREIT Equity	-9.95	-5.67	4.33	8.93	14.28	7.01
Global Real Estate						
Global REIT Database	-6.37	-1.96	2.02	10.40	13.16	7.17
FTSE EPRA/NAREIT Developed REIT	-6.67	-2.78	0.41	9.50	12.38	6.20

*Returns less than one year are not annualized.

All REIT returns are reported gross in USD.

Sources: Callan, NAREIT, NCREIF, The FTSE Group. NCREIF statistics are the product of direct queries and may fluctuate over time.

A Seller's Market

PRIVATE EQUITY | Gary Robertson

In fundraising, *Private Equity Analyst* reports that new second-quarter commitments totaled \$87.1 billion with 231 new partnerships formed, up 55% from the first quarter's \$56.2 billion and 147 partnerships formed. If this momentum continues, 2015 could cross the \$300 billion mark. The 10 partnerships that raised the most capital so far in 2015 account for 67% of the first-half total; Blackstone VII was the largest at \$17.5 billion.

According to *Buyouts*, the investment pace by funds into companies in the second quarter totaled 358 transactions, up slightly from 333 deals in the first quarter of 2015. The announced aggregate dollar volume was \$24.3 billion, down from \$34.9 in the first quarter. Nine deals with announced values of \$1 billion or more closed in the second quarter, the largest being the \$4.1 billion Life Time Fitness and \$3.4 billion Riverbed Technology take-private transactions.

According to the National Venture Capital Association, second-quarter investments in venture capital companies totaled \$17.5 billion in 1,189 rounds of financing—the largest dollar volume since the fourth quarter of 2000. The dollar volume and number of rounds both increased compared to the first quarter's \$13.5 billion and 1,048 rounds. The largest was a \$1.5 billion expansion round by Airbnb.

Regarding exits, *Buyouts* reports that 135 private M&A exits of buyout-backed companies occurred during the second quarter, with 49 deals disclosing values totaling \$35.8 billion. The M&A exit count

Funds Closed January 1 to June 30, 2015

Strategy	No. of Funds	Amt (\$mm)	Percent
Venture Capital	151	21,523	15%
Buyouts	139	93,821	65%
Subordinated Debt	17	3,814	3%
Distressed Debt	19	10,793	8%
Secondary and Other	13	6,250	4%
Fund-of-funds	39	7,103	5%
Totals	378	143,304	100%

Source: Private Equity Analyst

was about even with the first quarter, which had 136 private exits but a slightly higher announced value of \$36.9 billion. Buyout-backed IPOs jumped to 17 issues in the second quarter floating \$6.6 billion, up from the six IPOs totaling \$1.1 billion in the first quarter.

Venture-backed M&A exits totaled 70 transactions, with 14 disclosing a total dollar volume of \$4.1 billion. The number of exits declined from the first quarter's 94 company sales, but the announced dollar volume increased from \$2.2 billion. There were 27 VC-backed IPOs in the second quarter with a combined float of \$3.4 billion, 10 more than the first quarter's 17 IPOs and more than double the total issuance of \$1.4 billion.

Please see our upcoming issue of *Private Markets Trends* for more in-depth coverage.

Note: Transaction count and dollar volume figures across all private equity measures are preliminary figures and are subject to update in subsequent versions of *Capital Market Review* and other Callan publications.

Private Equity Performance Database (%)

(Pooled Horizon IRRs through December 31, 2014*)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	11.8	23.9	18.7	16.5	10.4	5.3	28.0
Growth Equity	0.8	11.1	14.2	14.0	12.6	10.5	15.0
All Buyouts	2.3	9.6	15.2	14.4	12.7	11.4	13.2
Mezzanine	1.9	11.0	12.3	11.9	10.6	8.0	10.3
Distressed	0.2	7.5	14.5	12.5	10.7	11.3	11.6
All Private Equity	3.3	11.8	15.5	14.4	12.0	9.8	14.6
S&P 500	4.9	13.7	20.4	15.5	7.7	4.2	9.9

Private equity returns are net of fees.

Sources: Standard & Poor's, Thomson/Cambridge

*Most recent data available at time of publication

Momentum Whiplash

HEDGE FUNDS | Jim McKee

While Greece skidded toward default at quarter's end, the rest of the world's policy makers desperately tried to keep their respective economies on a growth track. As China's nascent stock market surged and rolled over, President Xi Jinping continued his formidable challenge to downshift its investment-led economy to a consumer-powered one. Facing tighter labor markets and greater consumer confidence at home, the U.S. Federal Reserve steered markets resolutely toward rate hikes. After rising early in the quarter, markets backpedaled at the end, with most finishing nearly unchanged. Giving up first-quarter gains, the 10-year Treasury fell 3.05%. The **Barclays High Yield Index** (+0.00%) absorbed widening spreads with its carry.

Illustrating raw hedge fund performance without implementation costs, the **Credit Suisse Hedge Fund Index (CS HFI)** slipped 0.48%. As a proxy to actively managed hedge fund portfolios, the median manager in the **Callan Hedge Fund-of-Funds Database** moved ahead 0.23%, net of all fees. Within the CS HFI, those chasing momentum were hurt badly while those focused on fundamentals survived unscathed, more or less. The quarter's most notable victim was *Managed Futures* (-10.61%). The best-performing strategies for the quarter were

Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Convertible Arb (+2.49%), *Equity Market Neutral* (+2.12%), and *Risk Arb* (+1.70%). Despite meager fuel from market beta, *Long/Short Equity* gained 1.66%.

Within Callan's Hedge Fund-of-Funds Database, market exposures provided little traction in the second quarter. Nevertheless, the median *Callan Long/Short Equity FOF* (+0.82%) edged out the *Callan Absolute Return FOF* (+0.36%).

Database Median and Index Returns* for Periods ended June 30, 2015

	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Hedge Fund-of-Funds Database	0.23	2.45	3.57	7.08	5.61	4.78
CS Hedge Fund Index	-0.48	1.99	3.28	7.08	6.17	5.89
<i>CS Equity Market Neutral</i>	2.12	-0.40	-1.07	3.21	3.31	-1.20
<i>CS Convertible Arbitrage</i>	2.49	2.97	-1.05	3.61	4.82	5.05
<i>CS Fixed Income Arbitrage</i>	0.90	0.75	1.70	5.00	6.23	4.04
<i>CS Multi-Strategy</i>	0.24	3.24	6.45	9.00	8.45	6.86
<i>CS Distressed</i>	-0.35	-0.10	-3.74	8.33	6.37	6.13
<i>CS Risk Arbitrage</i>	1.70	2.39	-2.04	2.71	2.57	3.96
<i>CS Event Driven Multi-Strategy</i>	0.73	2.89	-1.31	8.67	5.67	6.55
<i>CS Long/Short Equity</i>	1.66	3.53	6.01	10.84	7.82	6.69
<i>CS Dedicated Short Bias</i>	-4.83	-8.88	-8.12	-17.00	-15.71	-9.68
<i>CS Global Macro</i>	-1.80	2.59	4.79	4.84	5.99	7.68
<i>CS Managed Futures</i>	-10.61	-4.07	12.86	2.92	2.87	3.96
<i>CS Emerging Markets</i>	1.42	2.80	4.52	7.07	5.58	6.61

*Returns less than one year are not annualized. Sources: Callan, Credit Suisse

TDFs Win Quarter, Asset Flows

DEFINED CONTRIBUTION | James O'Connor

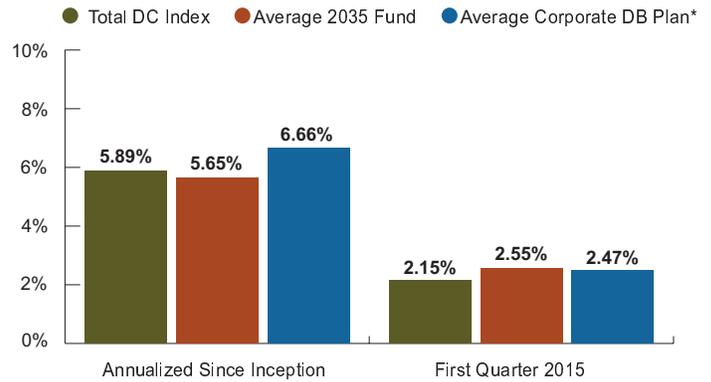
The Callan DC Index™ started the year off on a reasonably sound note, gaining 2.15% for the first quarter. Still, that performance trailed the typical 2035 target date fund (TDF), which gained 2.55%. TDFs benefited from a much higher exposure to non-U.S. equity—one of the best-performing asset classes during the period. Corporate DB plans performed more or less in line with 2035 TDFs, but have outperformed both TDFs and the DC Index since inception by an annualized margin of 1.01% and 0.77%, respectively.

DC plan balances grew by 2.76% in the first quarter, driven primarily by market performance. Inflows added 60 bps to total growth. Since inception, plan sponsor and participant contributions have had a significant impact on balances and are responsible for approximately one-third of the total growth in balances (2.54% annualized).

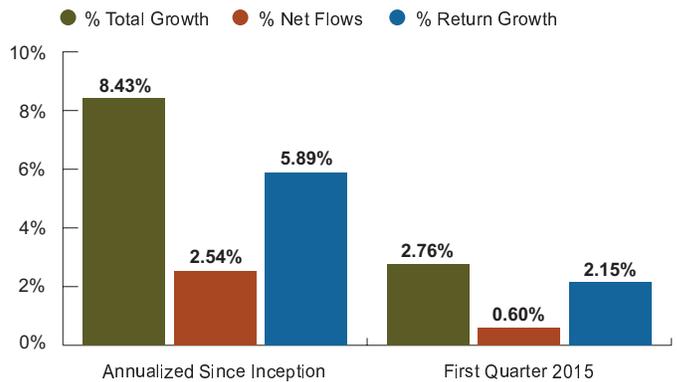
Nearly 66 cents of every dollar that moved within DC plans during the first quarter flowed to TDFs. However, U.S. fixed income and U.S. large cap also made respectable showings in terms of inflows—largely at the expense of stable value. Approximately 43% of outflows came from this asset class during the quarter. This follows five successive quarters of stable value fund outflows. Still, overall turnover was modest at 0.32%, significantly below the historical average of 0.67%.

The Callan DC Index™ is an equally weighted index tracking the cash flows and performance of nearly 90 plans, representing more than one million DC participants and over \$140 billion in assets. The Index is updated quarterly and is available on Callan's website, as is the quarterly DC Observer newsletter.

Investment Performance*



Growth Sources*



Net Cash Flow Analysis (First Quarter 2015)* (Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
Target Date Funds	65.77%
U.S. Fixed Income	12.45%
Company Stock	-25.21%
Stable Value	-42.58%
Total Turnover	0.32%

¹ Total Index "turnover" measures the percentage of total invested assets (transfers only, excluding contributions and withdrawals) that moved between asset classes.

Source: Callan DC Index

*Notes: DC Index inception date is January 2006. DB plan performance is gross of fees. Data provided here is the most recent available at time of publication.

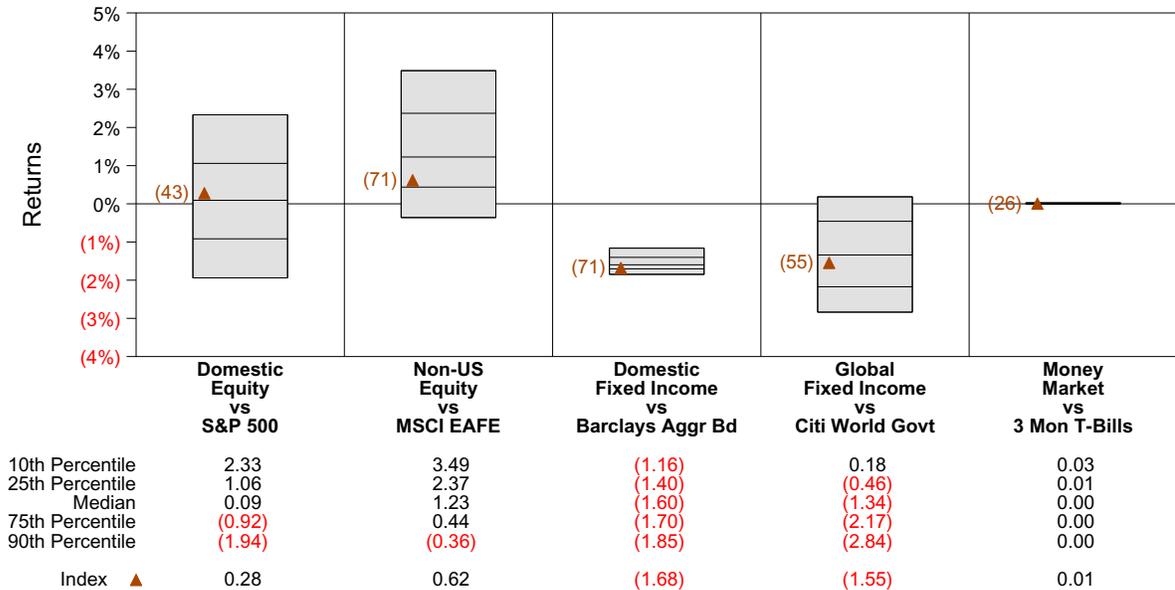
Market Overview

Active Management vs Index Returns

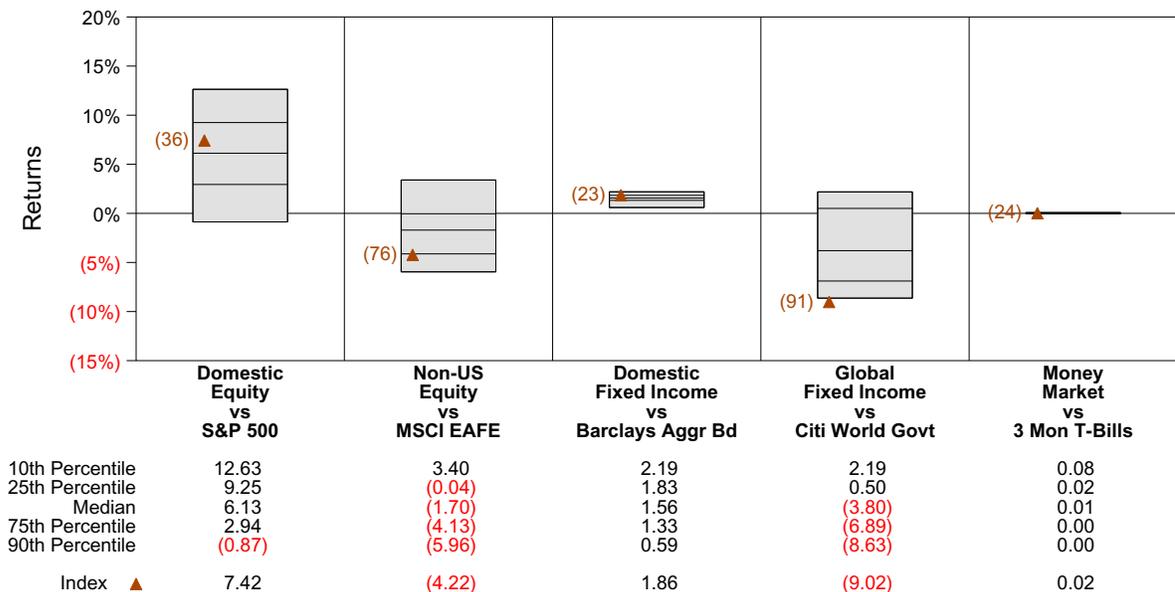
Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the domestic equity manager database.

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



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



Domestic Equity Active Management Overview

Active vs. Index

Despite establishing all-time record highs in mid-June, U.S. equity indices produced very little in the way of actual gains in the 2nd quarter; the S&P 500 rose just 30 basis points for the quarter. Across the market cap spectrum, active management outperformed passive save the large cap core space where the median active large cap core mutual fund trailed the S&P 500 by 18 basis points. The outperformance of active management was most pronounced in the mid cap and small cap arena. The median small growth fund outpaced the S&P 600 Growth Index by 139 basis points while the median small value fund outperformed the S&P 600 Value Index by 50 basis points.

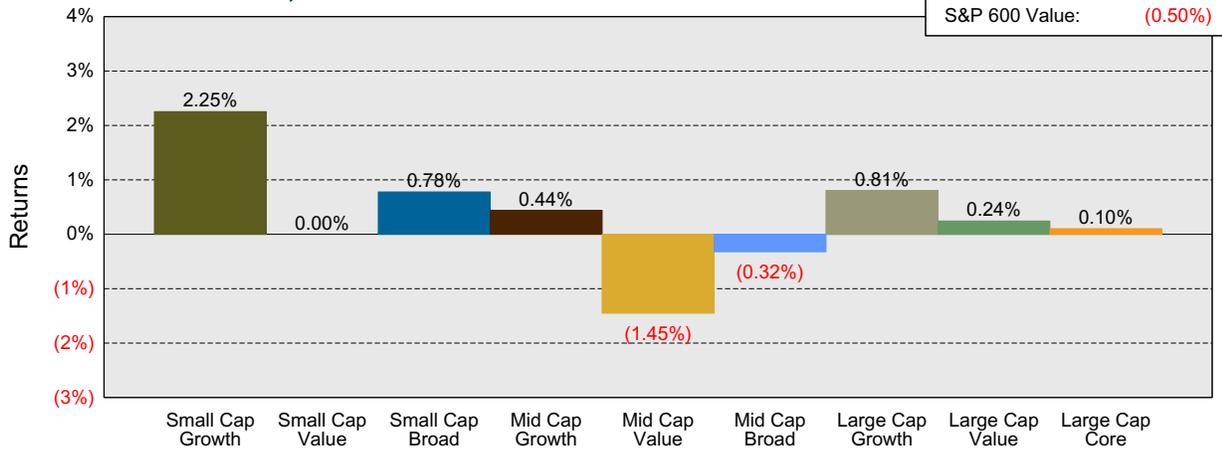
Large Cap vs. Small Cap

For the 2nd quarter, large cap core outperformed small cap core by a small margin, but the results were mixed across the style spectrum. Mid cap was the laggard with the S&P 500 Mid Cap Index falling 1.06% during the quarter.

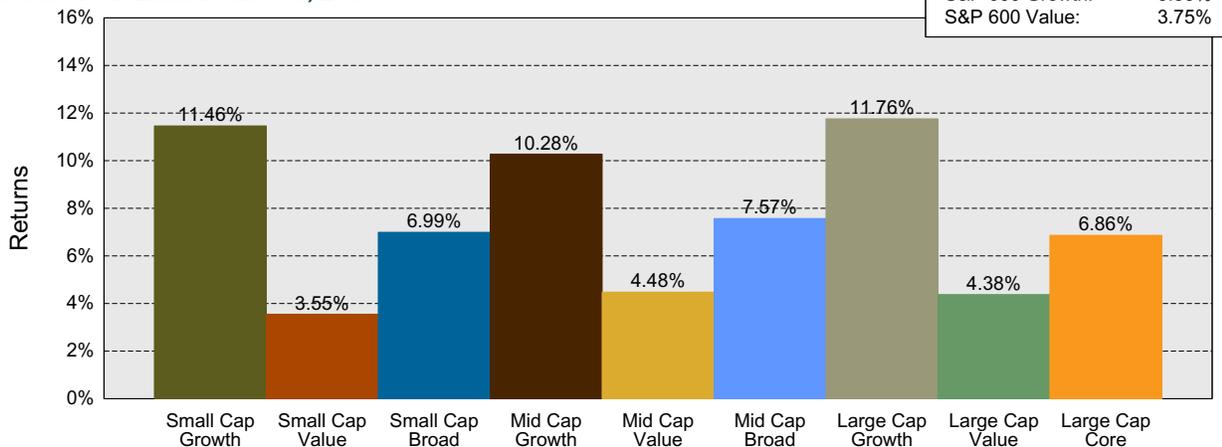
Growth vs. Value

With respect to style, growth outperformed value across large cap, mid cap and small cap at both the index level and across active management. On the index front, large cap growth outpaced large cap value by just 7 basis points while small cap growth boasted a lead of 136 basis points over small cap value. Within active management, the greatest dispersion was within small cap with the median small growth fund outperforming the median small value fund by 225 basis points.

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



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



International Equity Active Management Overview

Active vs. Index

Developed foreign equities performed in line with domestic indices in U.S. dollar terms; however, a strengthening euro and pound masked weakness in local currency equity returns (MSCI EAFE Local: -1.8%, EAFE U.S.\$: +0.6%). Growth outperformed value (EAFE Growth: +1.0%, Value: +0.2%) and foreign small caps were up over 4% (EAFE SC: +4.3%). Active management outpaced passive during the quarter across the regions. The median Core International fund outperformed the MSCI EAFE Index by 59 basis points and the median Emerging Markets fund outpaced the MSCI Emerging Markets Index by a more modest 19 basis points.

Europe

MSCI Europe Index (+0.36%) was among the lower performing non-US developed indices for the 2nd quarter given ongoing uncertainty in the region. The Europe mutual fund peer group median beat the Index with its 1.05% return.

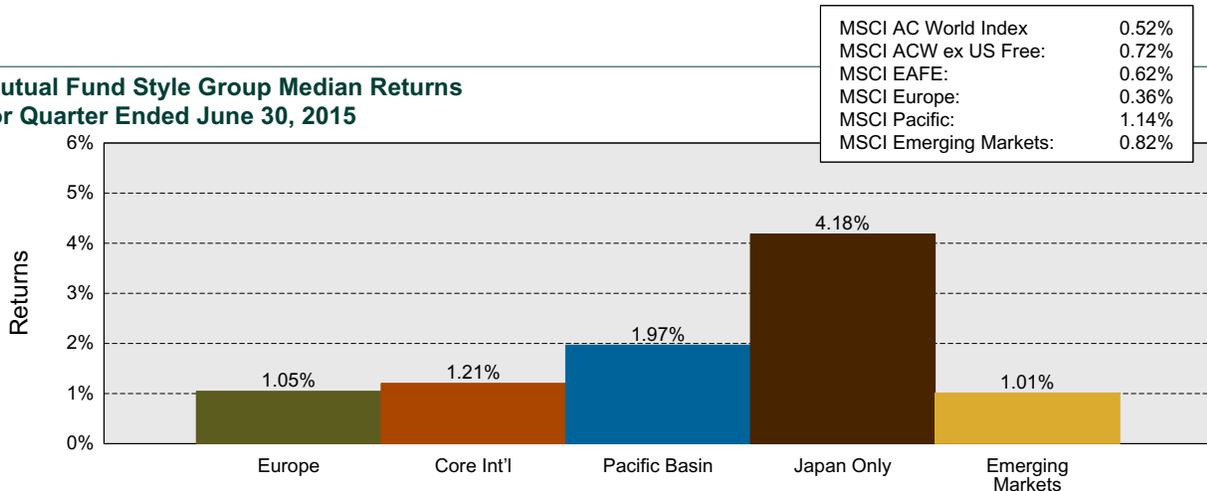
Pacific

The MSCI Pacific Index returned 1.14% for the 2nd quarter with a boost from Japan (MSCI Japan +3.09%) and Hong Kong (MSCI Hong Kong +5.56%) while Australia (MSCI Australia -6.19%) and Singapore (MSCI Singapore -0.06%) trailed. The median Pacific Basin fund returned 1.97% highlighting strong relative results for active management within the region.

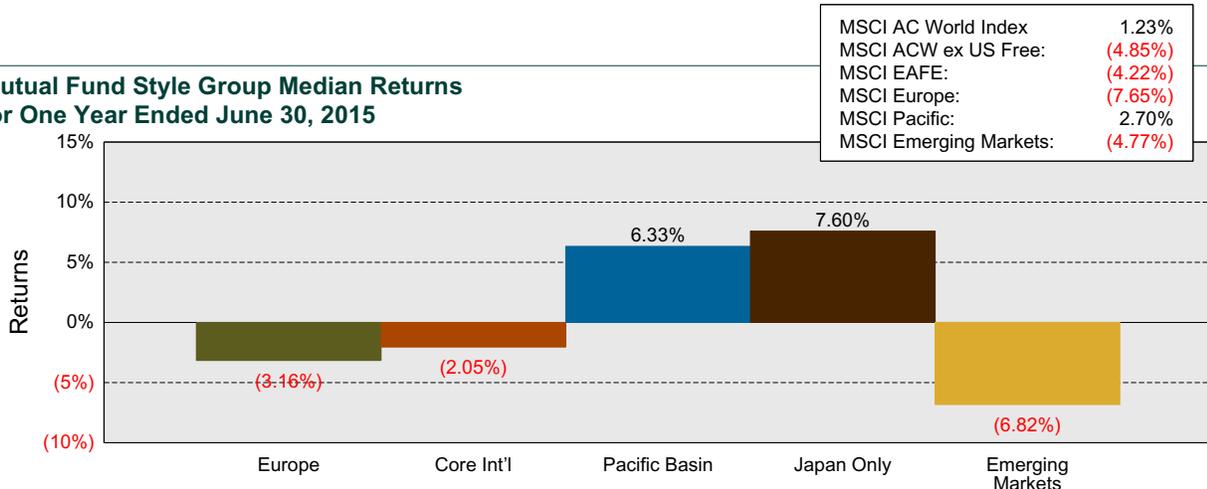
Emerging Markets

Emerging market equities (MSCI EM U.S.\$: +0.8%) performed in line with developed market equities. The BRIC countries did well as a whole with Brazil (MSCI Brazil: +7.0%), Russia (MSCI Russia: +7.7%) and China (MSCI China: +6.2%) posting solid results while India (MSCI India: -3.6%) struggled. The median emerging markets mutual fund outperformed the MSCI EM Index by 19 basis points.

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



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



Domestic Fixed Income Active Management Overview

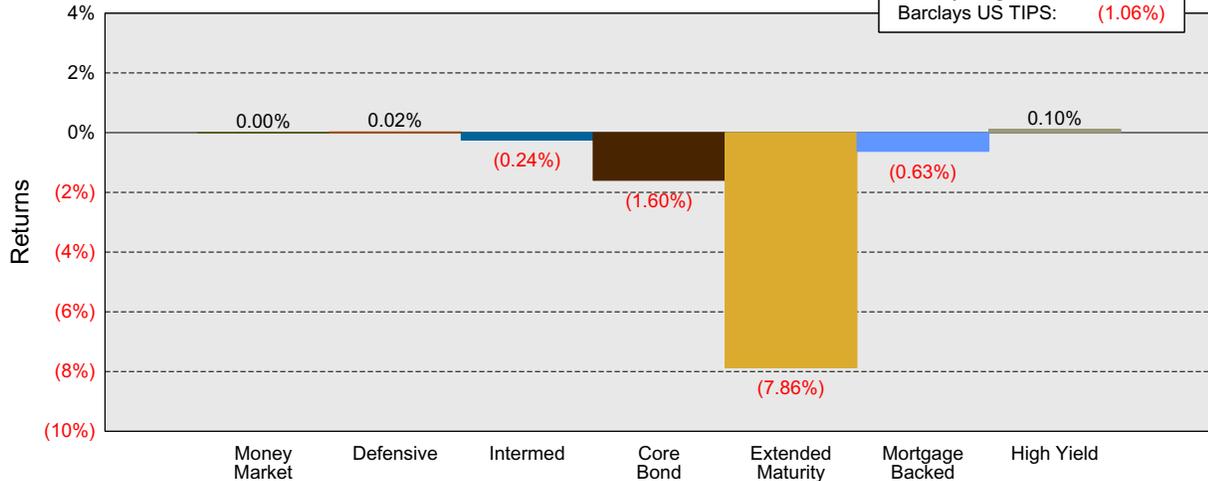
Active vs. Index

Interest rates rose in the 2nd quarter and the yield curve steepened. In the U.S., the 30-year Treasury yield climbed roughly 60 bps during the quarter, resulting in a 10.4% loss for the long bond. The yield on the 10-year Treasury rose 40 bps, closing at 2.35%, and the Treasury note posted a -3.0% return. Two-year Treasury rates increased a much more modest 8 bps and eked out a +0.1% quarterly result. The Barclays U.S. Aggregate Index returned -1.7% in the 2nd quarter, erasing most of its 1st quarter gains. The benchmark is off 0.1% for the first half of the year. Within the Aggregate Index, corporates underperformed like-duration U.S. Treasuries by 90 bps as spreads widened. Mortgages performed in line with Treasuries for the quarter. High yield was a lonely "bright" spot in the fixed income markets with a flat return for the quarter as the sector's yield advantage offset the negative effects of spread widening and higher rates. The median Core Bond manager performed in line with the Barclays Aggregate this quarter.

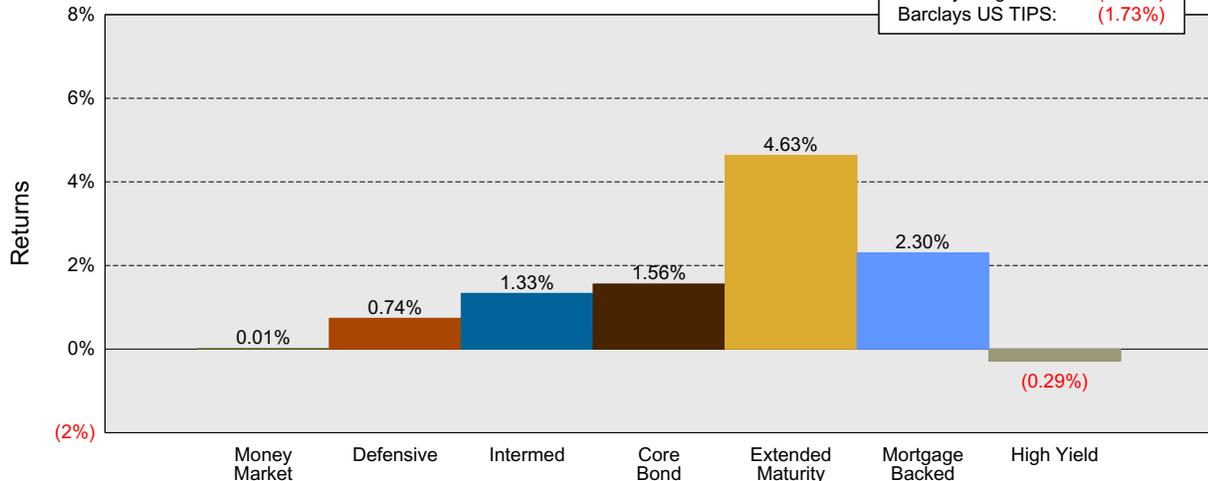
Intermediate vs. Long Duration

Longer duration funds significantly underperformed intermediate and short duration strategies in the 2nd quarter as rates rose sharply. The median Extended Maturity fund returned -7.86% while the median Intermediate fund was down 0.24% and the median Defensive fund posted a barely positive 0.02% return.

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



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



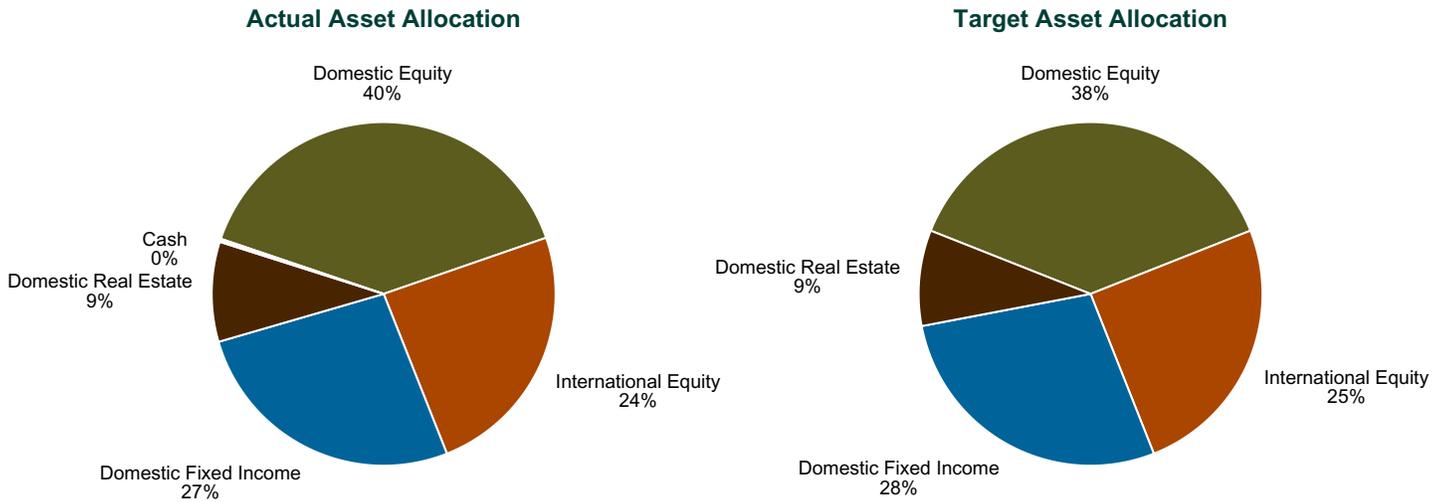
ASSET ALLOCATION AND PERFORMANCE

Asset Allocation and Performance

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

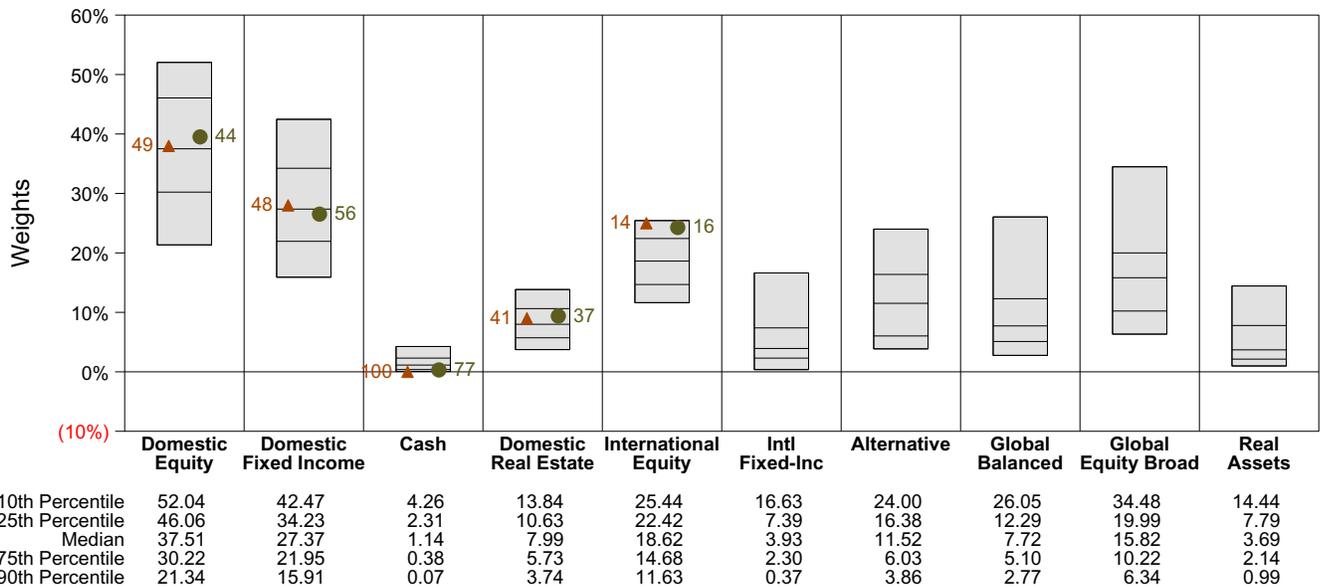
Actual vs Target Asset Allocation As of June 30, 2015

The top left chart shows the Fund's asset allocation as of June 30, 2015. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Public Fund Sponsor Database.



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	175,504	39.5%	38.0%	1.5%	6,723
International Equity	107,844	24.3%	25.0%	(0.7%)	(3,196)
Domestic Fixed Income	117,779	26.5%	28.0%	(1.5%)	(6,586)
Domestic Real Estate	41,635	9.4%	9.0%	0.4%	1,660
Cash	1,398	0.3%	0.0%	0.3%	1,398
Total	444,161	100.0%	100.0%		

Asset Class Weights vs Public Fund Sponsor Database



	Domestic Equity	Domestic Fixed Income	Cash	Domestic Real Estate	International Equity	Intl Fixed-Inc	Alternative	Global Balanced	Global Equity Broad	Real Assets
10th Percentile	52.04	42.47	4.26	13.84	25.44	16.63	24.00	26.05	34.48	14.44
25th Percentile	46.06	34.23	2.31	10.63	22.42	7.39	16.38	12.29	19.99	7.79
Median	37.51	27.37	1.14	7.99	18.62	3.93	11.52	7.72	15.82	3.69
75th Percentile	30.22	21.95	0.38	5.73	14.68	2.30	6.03	5.10	10.22	2.14
90th Percentile	21.34	15.91	0.07	3.74	11.63	0.37	3.86	2.77	6.34	0.99
Fund ●	39.51	26.52	0.31	9.37	24.28	-	-	-	-	-
Target ▲	38.00	28.00	0.00	9.00	25.00	-	-	-	-	-
% Group Invested	98.78%	96.95%	71.34%	49.39%	98.17%	19.51%	48.17%	20.73%	22.56%	6.71%

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

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	June 30, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$175,504,293	39.51%	\$(79,229)	\$1,731,700	\$173,851,822	39.05%
Large Cap Equities	\$120,436,383	27.12%	\$(79,229)	\$1,294,284	\$119,221,328	26.78%
Vanguard S&P 500 Index	22,468,787	5.06%	0	62,162	22,406,625	5.03%
Dodge & Cox Stock	23,440,178	5.28%	(79,229)	588,375	22,931,032	5.15%
Boston Partners	24,880,798	5.60%	0	84,733	24,796,065	5.57%
Harbor Cap Appreciation	25,167,194	5.67%	0	704,919	24,462,276	5.49%
Janus Research	24,479,426	5.51%	0	(145,904)	24,625,330	5.53%
Mid Cap Equities	\$20,379,761	4.59%	\$0	\$7,292	\$20,372,469	4.58%
Fidelity Low Priced Stock	5,239,963	1.18%	0	127,950	5,112,013	1.15%
Royce Total Return	4,798,388	1.08%	0	(45,940)	4,844,327	1.09%
Morgan Stanley	4,956,476	1.12%	0	(23,333)	4,979,809	1.12%
Janus Enterprise	5,384,934	1.21%	0	(51,385)	5,436,319	1.22%
Small Cap Equities	\$25,904,729	5.83%	\$0	\$306,628	\$25,598,101	5.75%
Prudential Small Cap Value	12,838,894	2.89%	0	(233,797)	13,072,691	2.94%
AB US Small Growth	7,199,605	1.62%	0	310,543	6,889,062	1.55%
RS Investments	5,866,230	1.32%	0	229,881	5,636,349	1.27%
Micro Cap Equities	\$8,783,420	1.98%	\$0	\$123,496	\$8,659,924	1.95%
Managers Inst Micro Cap	8,783,420	1.98%	0	123,496	8,659,924	1.95%
International Equities	\$107,844,465	24.28%	\$0	\$1,606,829	\$106,237,636	23.86%
EuroPacific	21,826,245	4.91%	0	242,224	21,584,020	4.85%
Harbor International	20,566,543	4.63%	0	319,137	20,247,406	4.55%
Columbia Acorn Int'l	11,196,474	2.52%	0	91,978	11,104,496	2.49%
Janus Overseas	17,083,719	3.85%	0	1,141,988	15,941,731	3.58%
Oakmark International	16,061,266	3.62%	0	(182,960)	16,244,226	3.65%
Mondrian International	21,110,219	4.75%	0	(5,538)	21,115,757	4.74%
Domestic Fixed Income	\$117,779,392	26.52%	\$(862,194)	\$(1,820,654)	\$120,462,239	27.06%
Dodge & Cox Income	59,093,728	13.30%	(412,787)	(716,943)	60,223,458	13.53%
PIMCO	58,685,664	13.21%	(449,407)	(1,103,711)	60,238,782	13.53%
Real Estate	\$41,634,671	9.37%	\$(17,065)	\$99,616	\$41,552,120	9.33%
RREEF Public Fund	7,967,998	1.79%	0	(975,306)	8,943,304	2.01%
RREEF Private Fund	18,914,666	4.26%	0	649,120	18,265,547	4.10%
Cornerstone Patriot Fund	13,888,006	3.13%	0	408,737	13,479,269	3.03%
625 Kings Court	864,000	0.19%	(17,065)	17,065	864,000	0.19%
Cash	\$1,398,150	0.31%	\$(1,682,635)	\$0	\$3,080,785	0.69%
Total Fund	\$444,160,970	100.0%	\$(2,641,123)	\$1,617,491	\$445,184,603	100.0%

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equities	0.97%	8.44%	19.09%	17.76%	10.24%
Russell 3000 Index	0.14%	7.29%	17.73%	17.54%	9.65%
Large Cap Equities					
Vanguard S&P 500 Index	0.28%	7.41%	-	-	-
S&P 500 Index	0.28%	7.42%	17.31%	17.34%	9.42%
Dodge & Cox Stock	2.56%	4.54%	20.44%	17.79%	9.16%
Boston Partners	0.22%	5.50%	18.31%	-	-
S&P 500 Index	0.28%	7.42%	17.31%	17.34%	9.42%
Russell 1000 Value Index	0.11%	4.13%	17.34%	16.50%	8.59%
Harbor Cap Appreciation	2.88%	14.28%	19.69%	19.03%	11.12%
Janus Research (1)	(0.59%)	12.71%	20.66%	18.40%	10.26%
S&P 500 Index	0.28%	7.42%	17.31%	17.34%	9.42%
Russell 1000 Growth Index	0.12%	10.56%	17.99%	18.59%	10.50%
Mid Cap Equities					
Fidelity Low Priced Stock	2.50%	7.06%	18.46%	17.19%	11.09%
Royce Total Return (1)	(0.95%)	(0.41%)	14.32%	13.83%	8.31%
Russell MidCap Value Idx	(1.97%)	3.67%	19.13%	17.73%	10.61%
Morgan Stanley (2)	(0.47%)	3.74%	13.88%	13.98%	8.88%
Janus Enterprise (1)	(0.95%)	13.17%	19.18%	18.75%	10.03%
Russell MidCap Growth Idx	(1.14%)	9.45%	19.24%	18.69%	10.34%
Small Cap Equities					
Prudential Small Cap Value	(1.79%)	1.90%	16.50%	-	-
US Small Cap Value Idx	(1.66%)	1.69%	16.63%	15.86%	10.68%
Russell 2000 Value Index	(1.20%)	0.78%	15.50%	14.81%	9.31%
AB US Small Growth	4.25%	6.48%	18.40%	22.18%	13.86%
RS Investments (1)	4.08%	23.97%	24.80%	22.27%	14.24%
Russell 2000 Growth Index	1.98%	12.34%	20.11%	19.33%	11.52%
Micro Cap Equities					
Managers Inst Micro Cap	1.43%	9.30%	20.33%	19.49%	12.87%
Russell Microcap Index	2.80%	8.21%	19.25%	17.48%	10.69%
Russell Micro Growth Idx	5.09%	14.41%	22.13%	19.76%	12.11%

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
International Equities	1.47%	(5.07%)	10.69%	8.35%	3.53%
MSCI ACWI ex-US Index	0.72%	(4.85%)	9.92%	8.23%	1.94%
EuroPacific (1)	1.12%	0.97%	12.71%	10.12%	4.14%
Harbor International	1.58%	(4.13%)	10.01%	9.78%	2.72%
Columbia Acorn Int'l (2)	0.83%	(4.92%)	11.31%	10.59%	5.10%
Janus Overseas (1)	7.16%	(12.76%)	4.93%	(0.79%)	(1.71%)
Oakmark International	(1.13%)	(2.53%)	16.63%	12.00%	9.53%
Mondrian International	(0.22%)	(7.19%)	9.15%	-	-
MSCI EAFE Index	0.62%	(4.22%)	11.97%	9.54%	1.97%
MSCI ACWI ex-US Index	0.72%	(4.85%)	9.92%	8.23%	1.94%
Domestic Fixed Income	(1.51%)	1.13%	2.83%	4.08%	5.67%
BC Aggregate Index	(1.68%)	1.86%	1.83%	3.35%	4.59%
Dodge & Cox Income	(1.19%)	0.98%	3.22%	4.32%	6.12%
PIMCO	(1.84%)	1.29%	2.45%	4.03%	-
BC Aggregate Index	(1.68%)	1.86%	1.83%	3.35%	4.59%
Real Estate	0.24%	11.15%	11.01%	13.85%	4.19%
Real Estate Custom Benchmark (3)	1.17%	11.76%	11.38%	13.81%	6.03%
RREEF Public	(10.91%)	4.52%	7.79%	13.92%	7.31%
NAREIT	(8.95%)	3.37%	8.54%	13.86%	7.85%
RREEF Private	3.55%	14.74%	13.32%	15.05%	3.09%
Cornerstone Patriot Fund	3.03%	10.56%	9.56%	-	-
NFI-ODCE Equal Weight Net	3.70%	13.64%	11.93%	13.28%	2.29%
625 Kings Court	2.00%	9.70%	17.12%	7.87%	5.89%
Total Fund	0.34%	3.11%	11.72%	10.95%	7.01%
Total Fund Benchmark*	(0.13%)	3.10%	10.73%	10.93%	6.47%

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

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

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

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2014- 6/2015	2014	2013	2012	2011
Domestic Equities	3.76%	9.59%	38.02%	17.10%	(1.96%)
Russell 3000 Index	1.94%	12.56%	33.55%	16.42%	1.03%
Large Cap Equities					
Vanguard S&P 500 Index	1.22%	13.65%	-	-	-
S&P 500 Index	1.23%	13.69%	32.39%	16.00%	2.11%
Dodge & Cox Stock	1.33%	10.40%	40.55%	22.01%	(4.08%)
Boston Partners	0.01%	10.87%	36.43%	20.18%	-
S&P 500 Index	1.23%	13.69%	32.39%	16.00%	2.11%
Russell 1000 Value Index	(0.61%)	13.45%	32.53%	17.51%	0.39%
Harbor Cap Appreciation	8.60%	9.93%	37.66%	15.69%	0.61%
Janus Research (1)	4.74%	14.10%	35.36%	16.78%	(3.76%)
S&P 500 Index	1.23%	13.69%	32.39%	16.00%	2.11%
Russell 1000 Growth Index	3.96%	13.05%	33.48%	15.26%	2.64%
Mid Cap Equities					
Fidelity Low Priced Stock	4.32%	7.65%	34.31%	18.50%	(0.06%)
Royce Total Return (1)	0.82%	1.51%	32.93%	14.48%	(1.62%)
Russell MidCap Value Idx	0.41%	14.75%	33.46%	18.51%	(1.38%)
Morgan Stanley (2)	2.51%	1.47%	38.35%	9.49%	(6.89%)
Janus Enterprise (1)	6.06%	12.01%	30.86%	17.83%	(1.65%)
Russell MidCap Growth Idx	4.18%	11.90%	35.74%	15.81%	(1.65%)
Small Cap Equities					
Prudential Small Cap Value	0.86%	5.89%	35.87%	14.14%	-
US Small Cap Value Idx	0.99%	7.44%	33.71%	18.80%	(4.04%)
Russell 2000 Value Index	0.76%	4.22%	34.52%	18.05%	(5.50%)
AB US Small Growth	10.35%	(1.24%)	46.72%	16.21%	5.42%
RS Investments (1)	13.05%	9.67%	49.64%	15.13%	(2.04%)
Russell 2000 Growth Index	8.74%	5.60%	43.30%	14.59%	(2.91%)
Micro Cap Equities					
Managers Inst Micro Cap	5.16%	2.62%	56.34%	14.32%	(3.91%)
Russell Microcap Index	6.03%	3.65%	45.62%	19.75%	(9.27%)
Russell Micro Growth Idx	10.97%	4.30%	52.84%	15.17%	(8.42%)

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2014- 6/2015	2014	2013	2012	2011
International Equities	5.78%	(5.73%)	19.25%	18.78%	(15.34%)
MSCI ACWI ex-US Index	4.35%	(3.44%)	15.78%	17.39%	(13.33%)
EuroPacific (1)	7.16%	(2.29%)	20.58%	19.64%	(13.31%)
Harbor International	7.44%	(6.81%)	16.84%	20.87%	(11.13%)
Columbia Acorn Int'l (2)	5.24%	(4.23%)	22.33%	21.60%	(14.06%)
Janus Overseas (1)	5.67%	(13.57%)	12.28%	12.53%	(32.70%)
Oakmark International	5.31%	(5.41%)	29.34%	29.22%	(14.07%)
Mondrian International	3.36%	(2.06%)	16.69%	11.50%	-
MSCI EAFE Index	5.52%	(4.90%)	22.78%	17.32%	(12.14%)
MSCI ACWI ex-US Index	4.35%	(3.44%)	15.78%	17.39%	(13.33%)
Domestic Fixed Income	0.21%	5.09%	(0.65%)	9.15%	4.47%
BC Aggregate Index	(0.10%)	5.97%	(2.02%)	4.21%	7.84%
Dodge & Cox Income	0.09%	5.49%	0.64%	7.94%	4.75%
PIMCO	0.34%	4.69%	(1.92%)	10.36%	4.16%
BC Aggregate Index	(0.10%)	5.97%	(2.02%)	4.21%	7.84%
Real Estate	3.85%	14.50%	10.21%	10.73%	11.17%
Real Estate Custom Benchmark (3)	4.52%	14.57%	10.40%	11.88%	11.74%
RREEF Public	(6.81%)	31.88%	(0.59%)	16.97%	9.41%
NAREIT	(5.43%)	27.23%	2.34%	19.73%	7.30%
RREEF Private	7.65%	11.95%	14.50%	10.12%	13.86%
Cornerstone Patriot Fund	5.65%	8.64%	9.82%	10.18%	-
NFI-ODCE Equal Weight Net	6.99%	11.42%	12.36%	9.93%	14.99%
625 Kings Court	4.69%	12.15%	33.50%	3.64%	(11.98%)
Total Fund	3.24%	4.72%	19.72%	14.53%	(2.53%)
Total Fund Benchmark*	2.20%	6.80%	16.47%	12.99%	0.60%

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

(1) Switched share class December 2009.

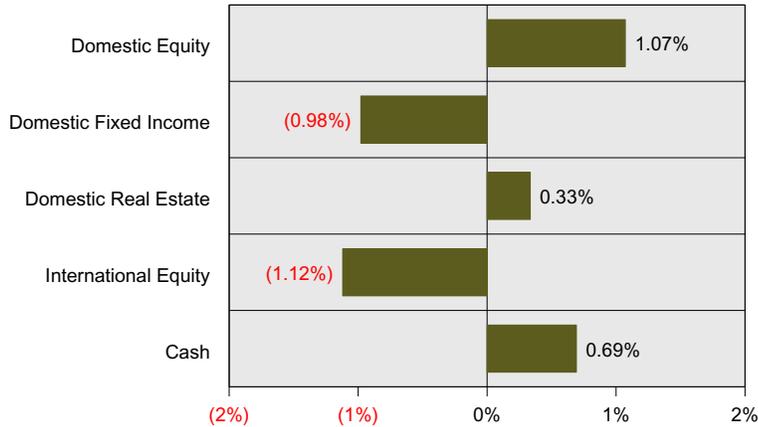
(2) Switched share class in February 2014.

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

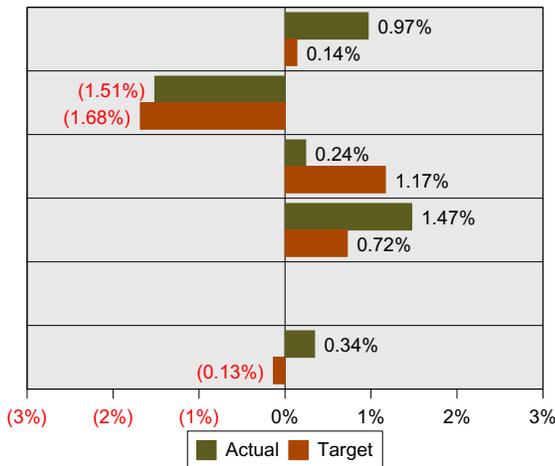
Quarterly Total Fund Relative Attribution - June 30, 2015

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

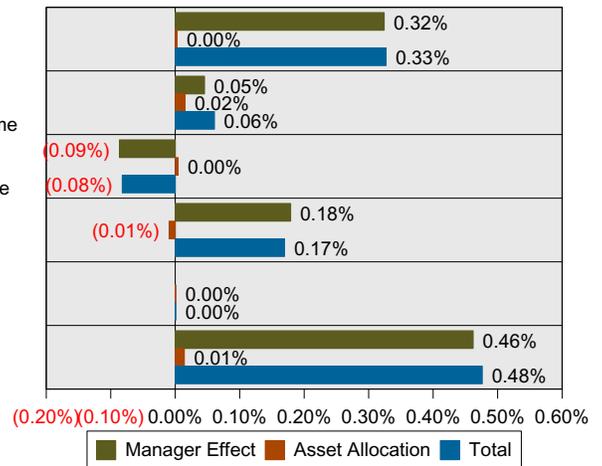
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended June 30, 2015

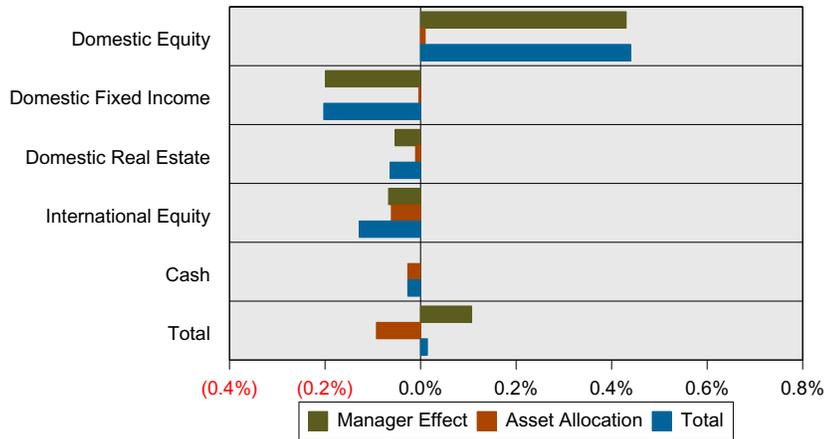
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return	
Domestic Equity	39%	38%	0.97%	0.14%	0.32%	0.00%	0.33%	
Domestic Fixed Income	27%	28%	(1.51%)	(1.68%)	0.05%	0.02%	0.06%	
Domestic Real Estate	9%	9%	0.24%	1.17%	(0.09%)	0.00%	(0.08%)	
International Equity	24%	25%	1.47%	0.72%	0.18%	(0.01%)	0.17%	
Cash	1%	0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Total			0.34%		(0.13%)	0.46%	0.01%	0.48%

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

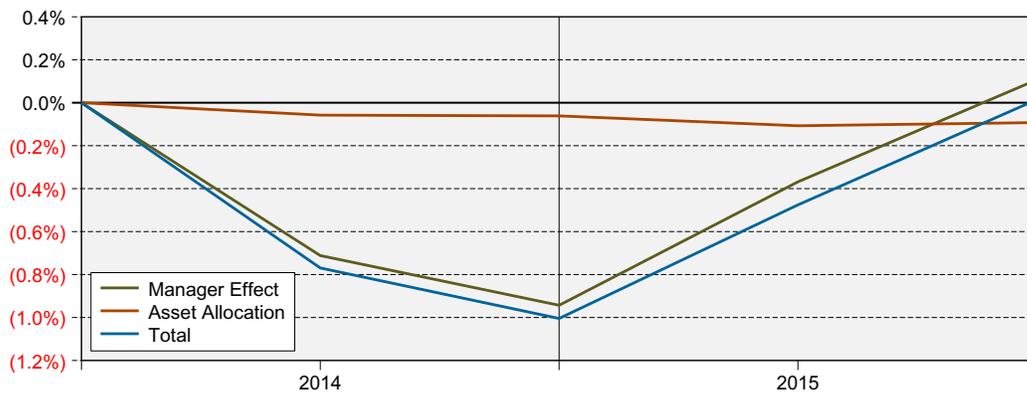
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

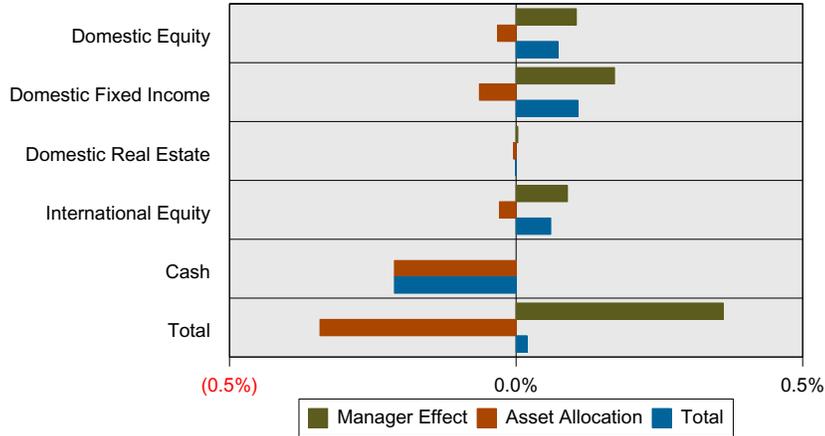
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	8.44%	7.29%	0.43%	0.01%	0.44%
Domestic Fixed Income	27%	28%	1.13%	1.86%	(0.20%)	(0.00%)	(0.20%)
Domestic Real Estate	9%	9%	11.15%	11.76%	(0.05%)	(0.01%)	(0.06%)
International Equity	24%	25%	(5.07%)	(4.85%)	(0.07%)	(0.06%)	(0.13%)
Cash	1%	0%	0.00%	0.00%	0.00%	(0.03%)	(0.03%)
Total			3.11%	3.10%	0.11%	(0.09%)	0.01%

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

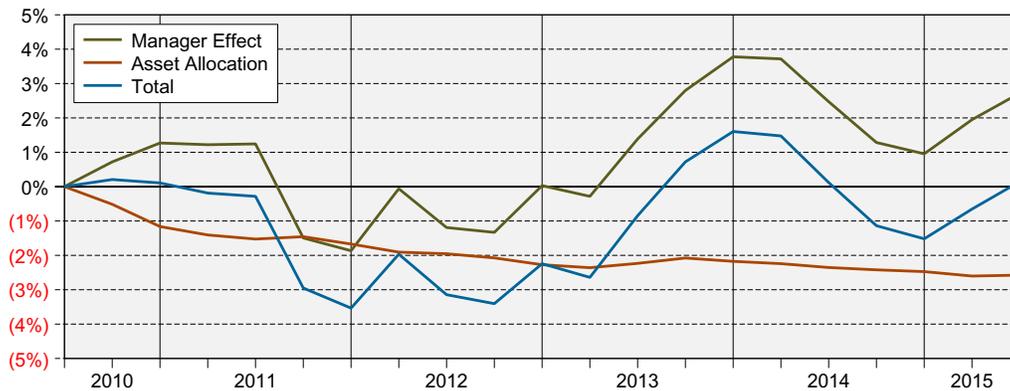
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Five Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Five Year Annualized Relative Attribution Effects

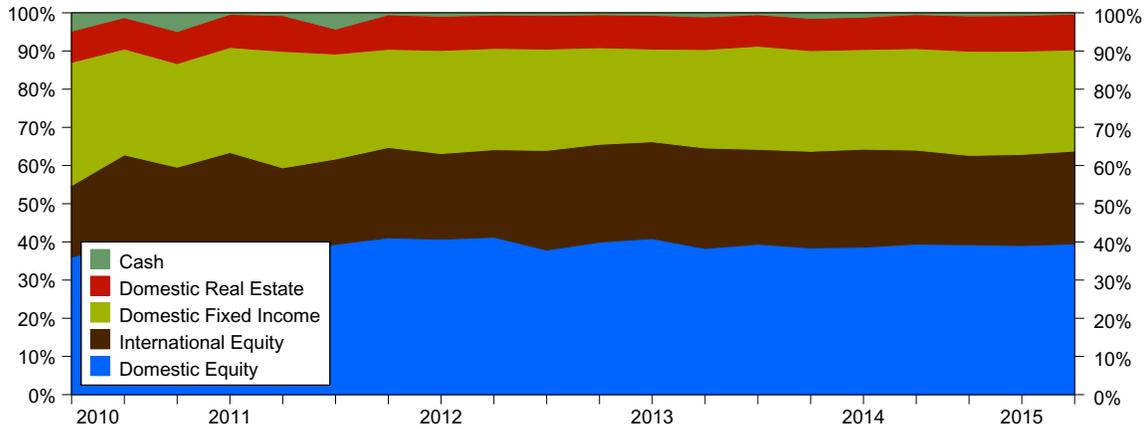
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	17.76%	17.54%	0.11%	(0.03%)	0.07%
Domestic Fixed Income	28%	28%	4.08%	3.35%	0.17%	(0.06%)	0.11%
Domestic Real Estate	9%	9%	13.85%	13.81%	0.00%	(0.00%)	(0.00%)
International Equity	24%	25%	8.35%	8.07%	0.09%	(0.03%)	0.06%
Cash	1%	0%	0.07%	0.07%	0.00%	(0.21%)	(0.21%)
Total			10.95%	10.93%	+ 0.36%	+ (0.34%)	0.02%

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

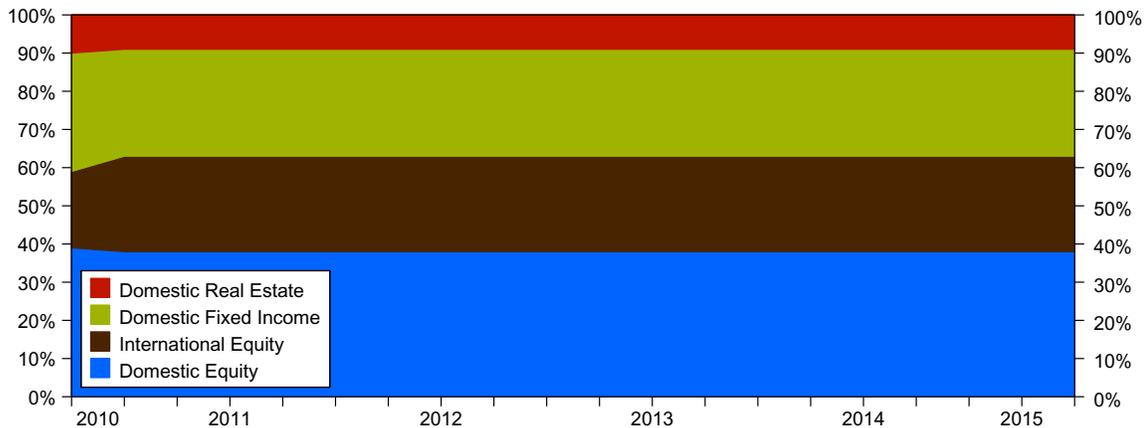
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, the fund's historical target asset allocation, and the historical asset allocation of the average fund in the Public Fund Sponsor Database.

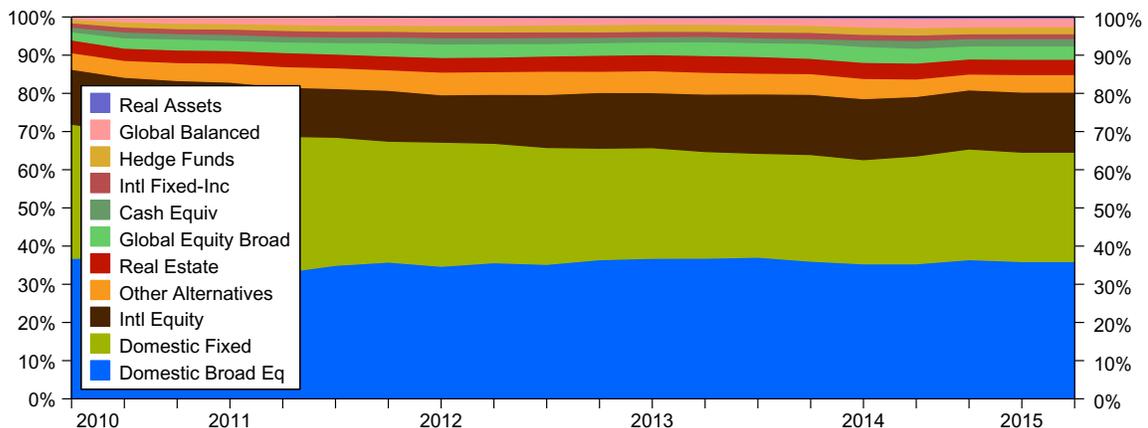
Actual Historical Asset Allocation



Target Historical Asset Allocation



Average Public Fund Sponsor Database Historical Asset Allocation

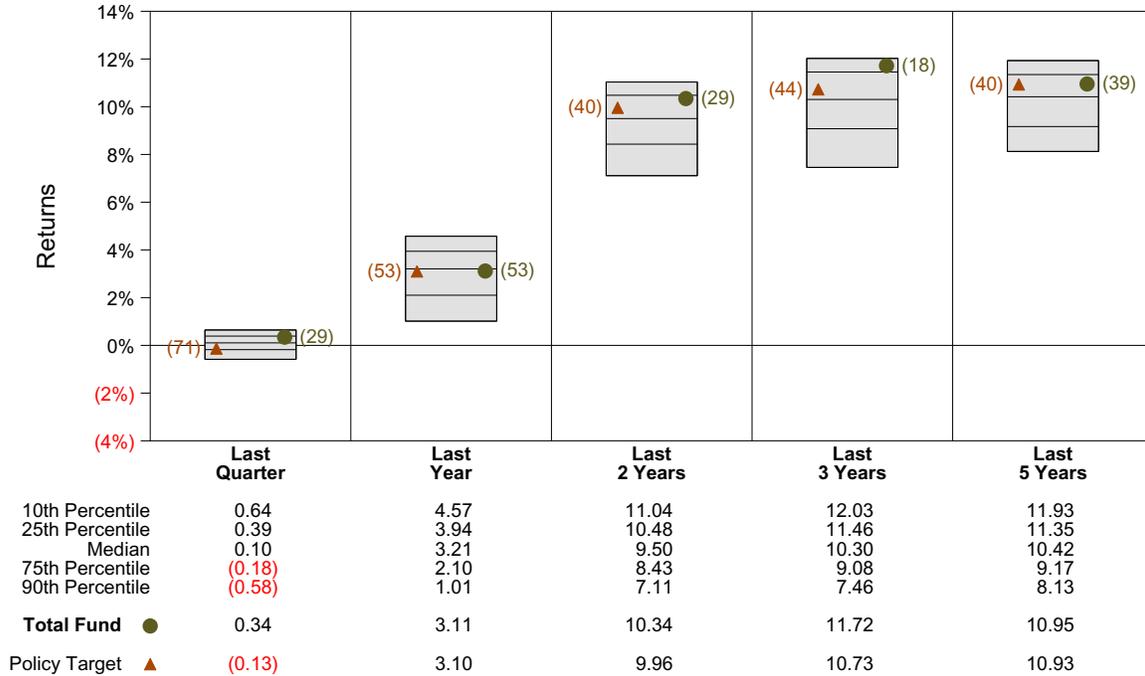


* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

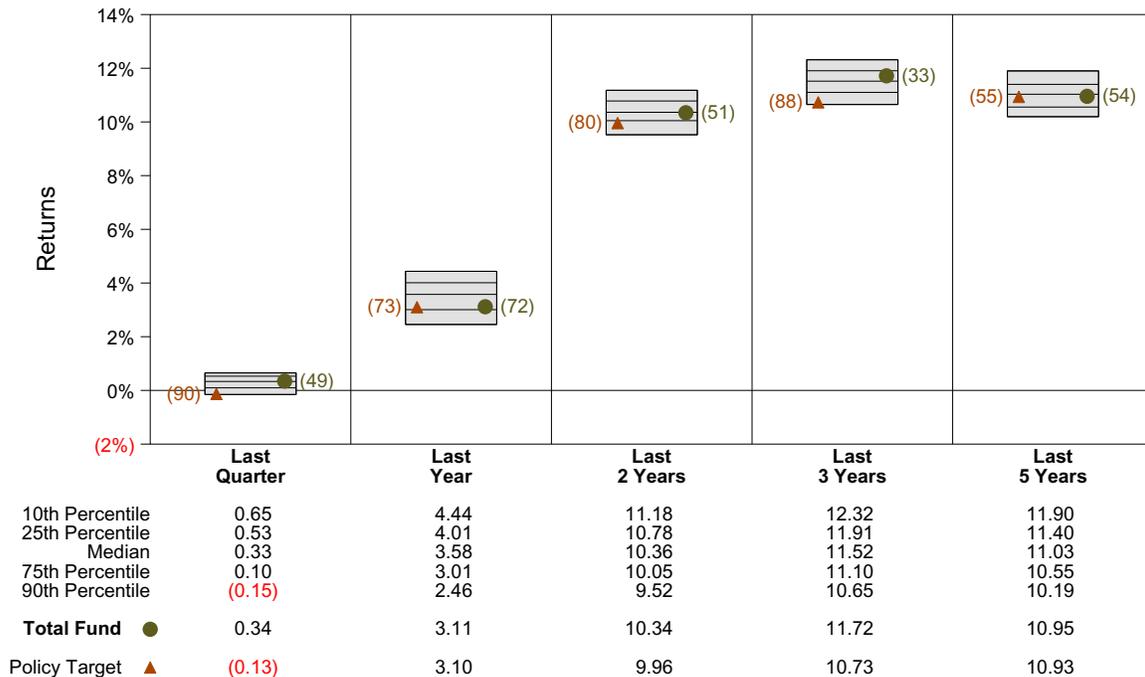
Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Public Fund Sponsor Database for periods ended June 30, 2015. The first chart is a standard unadjusted ranking. In the second chart each fund in the database is adjusted to have the same historical asset allocation as that of the Total Fund.

Public Fund Sponsor Database



Asset Allocation Adjusted Ranking



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

Total Fund

Period Ended June 30, 2015

Investment Philosophy

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

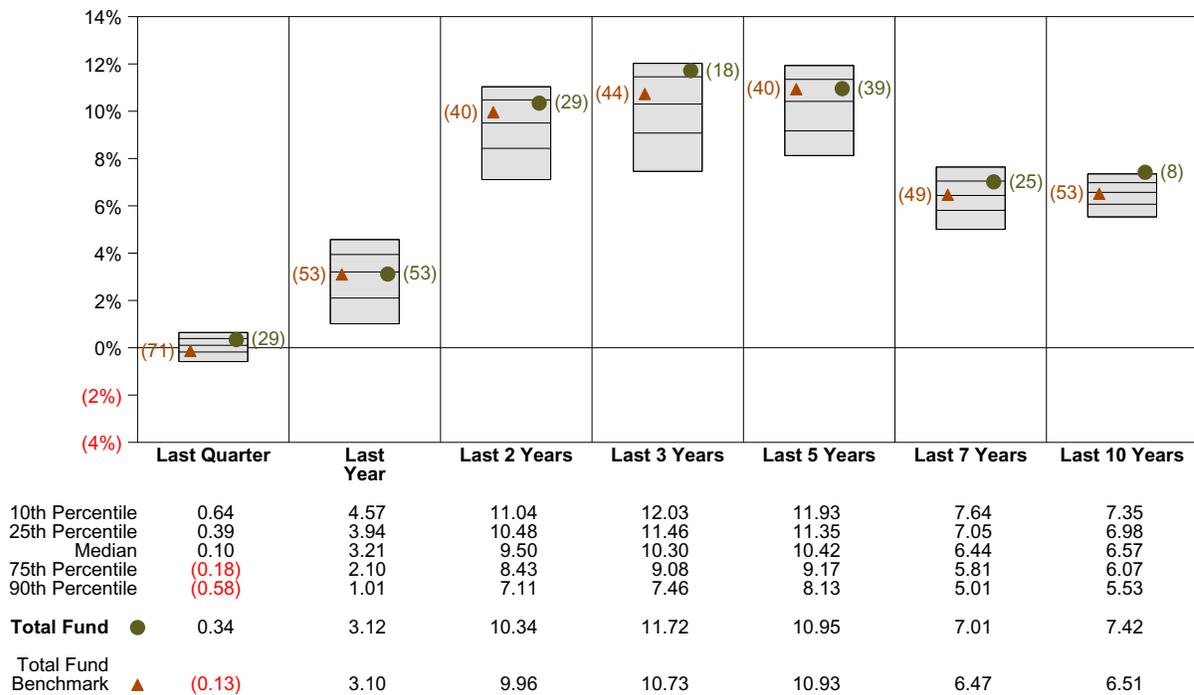
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 0.34% return for the quarter placing it in the 29th percentile of the Public Fund Sponsor Database group for the quarter and in the 53rd percentile for the last year.
- Total Fund's portfolio outperformed the Total Fund Benchmark by 0.48% for the quarter and outperformed the Total Fund Benchmark for the year by 0.01%.

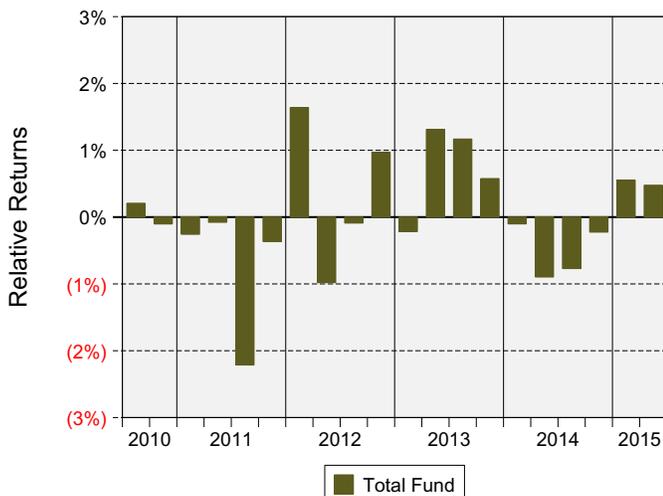
Quarterly Asset Growth

Beginning Market Value	\$445,184,603
Net New Investment	\$-2,641,123
Investment Gains/(Losses)	\$1,617,491
Ending Market Value	\$444,160,970

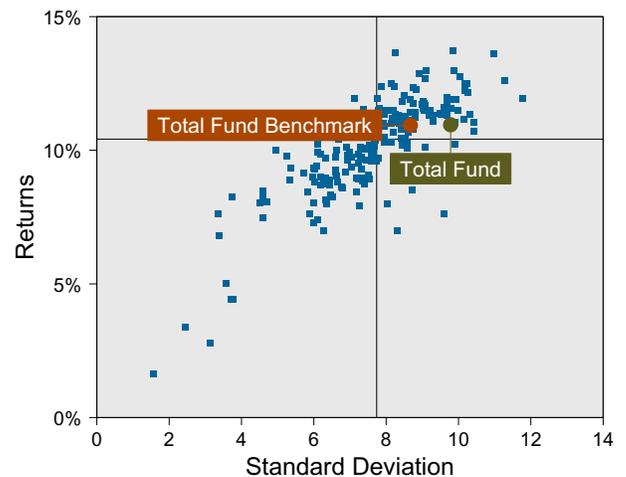
Performance vs Public Fund Sponsor Database (Gross)



Relative Return vs Total Fund Benchmark



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

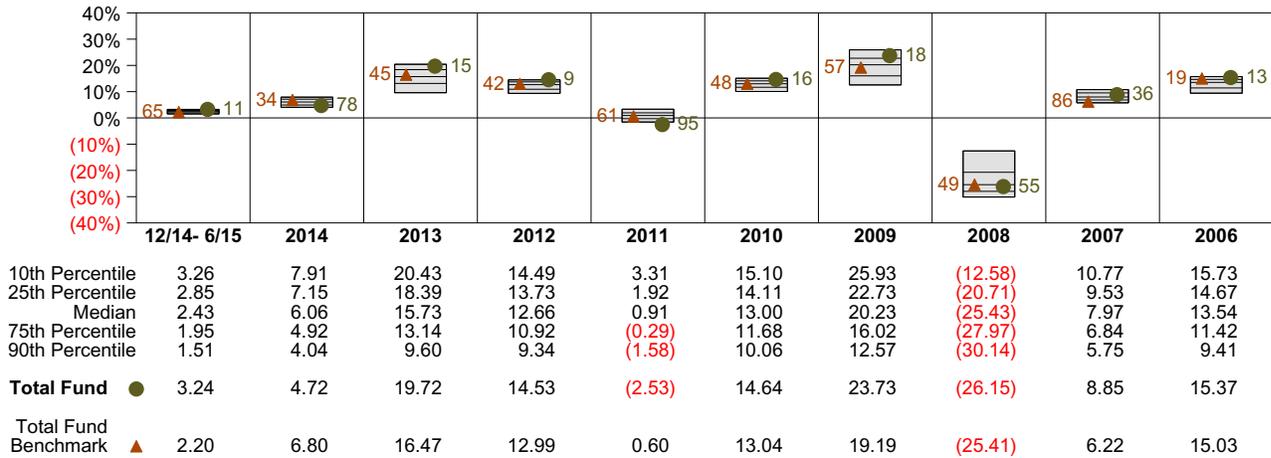


Total Fund Return Analysis Summary

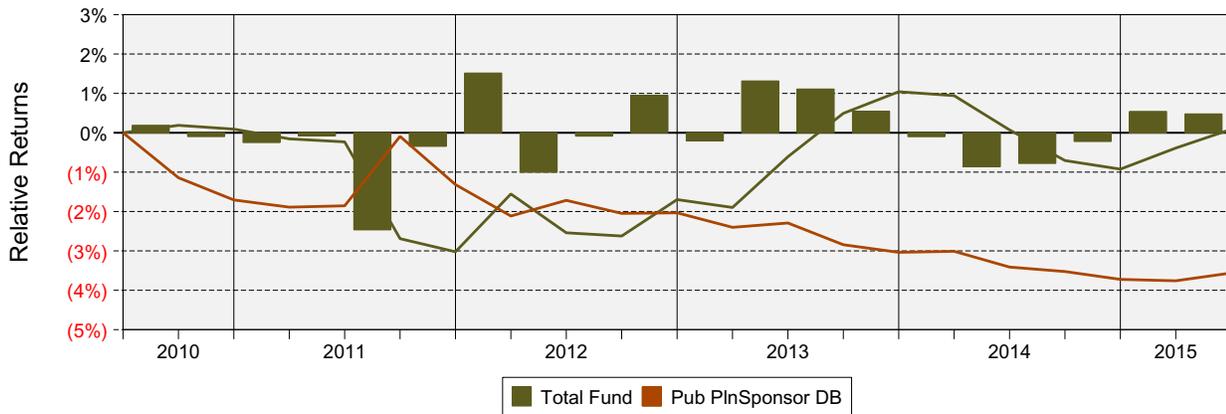
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

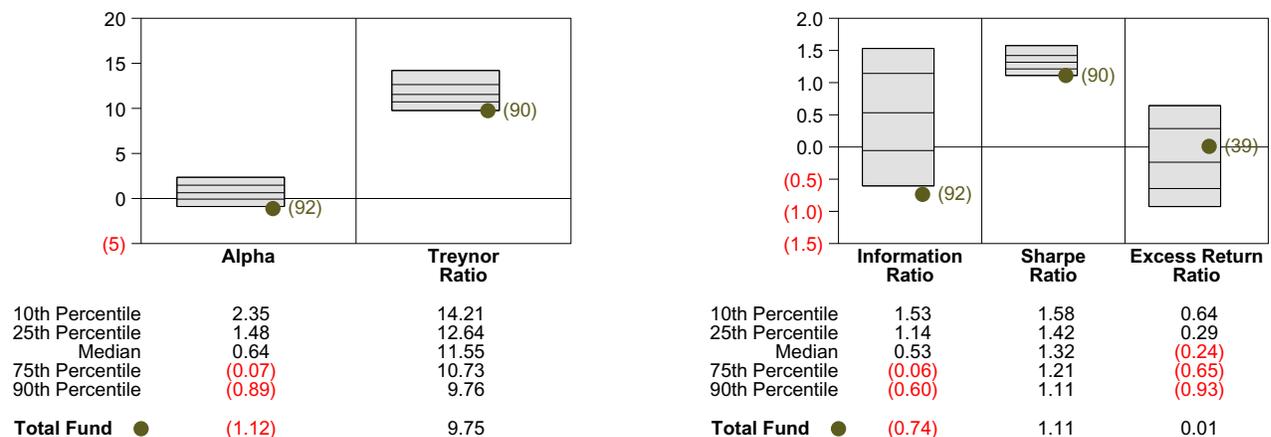
Performance vs Public Fund Sponsor Database (Gross)



Cumulative and Quarterly Relative Return vs Total Fund Benchmark



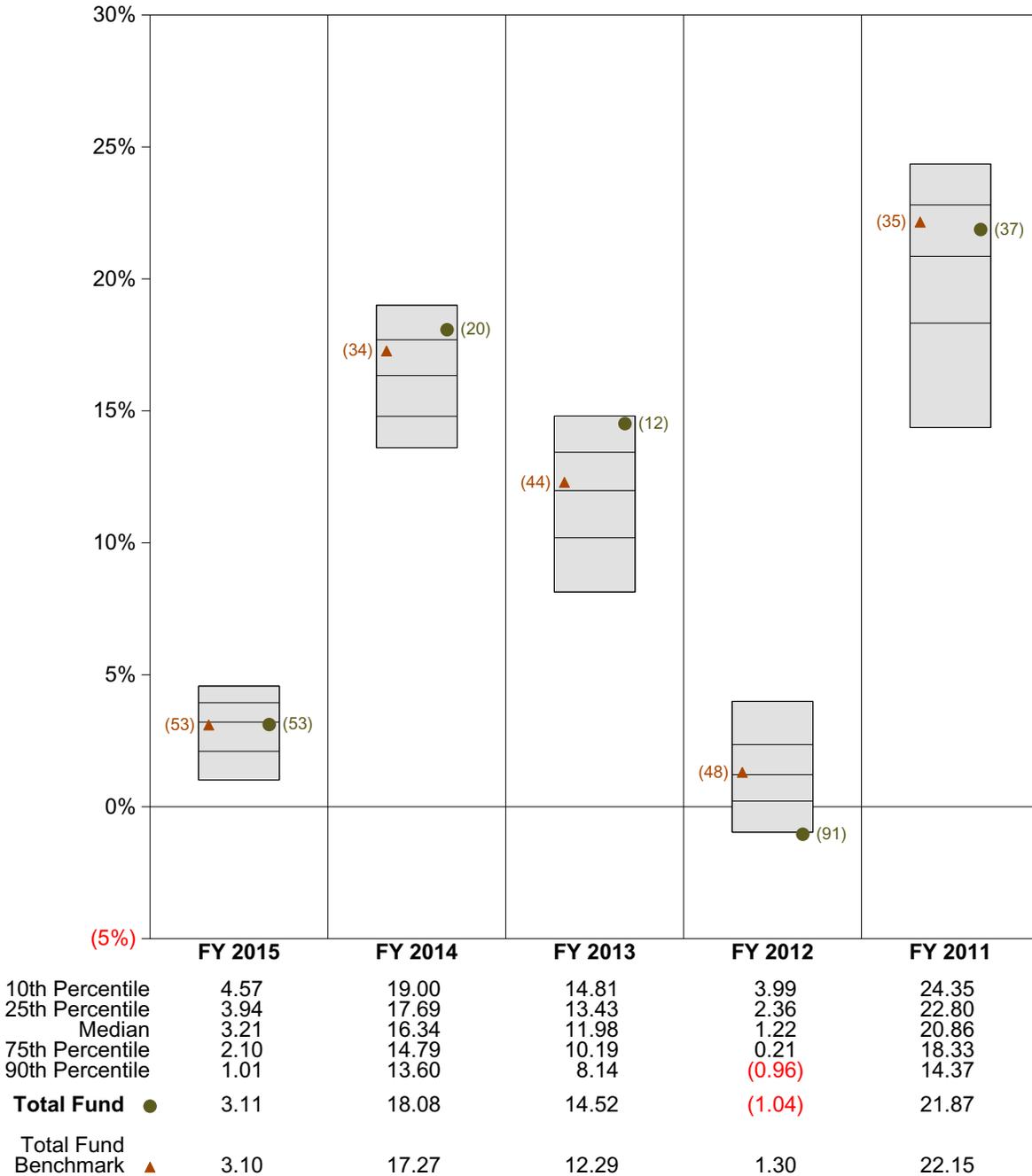
Risk Adjusted Return Measures vs Total Fund Benchmark Rankings Against Public Fund Sponsor Database (Gross) Five Years Ended June 30, 2015



Mendocino County Employees' Retirement Association Performance vs Public Fund Sponsor Database

Return Ranking

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



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

Domestic Equity Composite Period Ended June 30, 2015

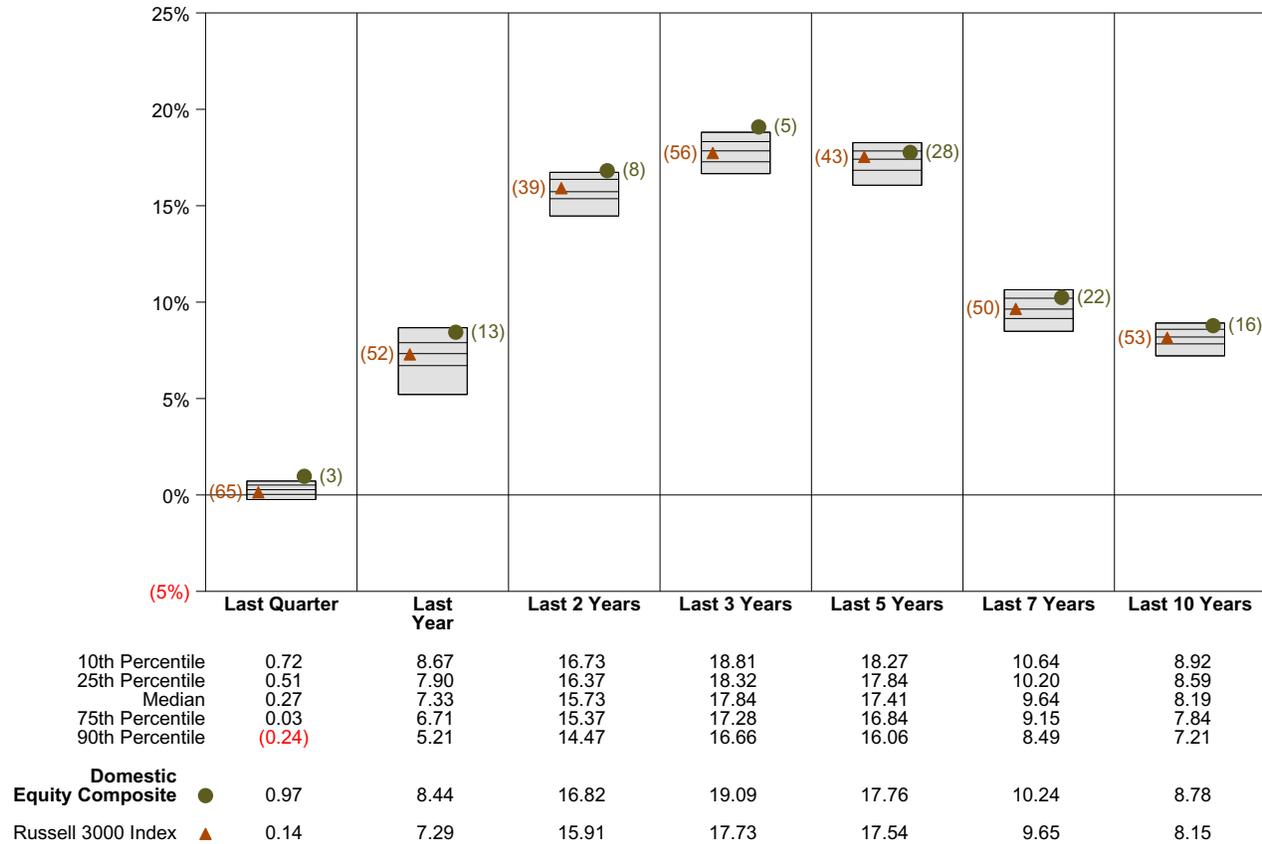
Quarterly Summary and Highlights

- Domestic Equity Composite's portfolio posted a 0.97% return for the quarter placing it in the 3 percentile of the Pub Pln- Domestic Equity group for the quarter and in the 13 percentile for the last year.
- Domestic Equity Composite's portfolio outperformed the Russell 3000 Index by 0.83% for the quarter and outperformed the Russell 3000 Index for the year by 1.15%.

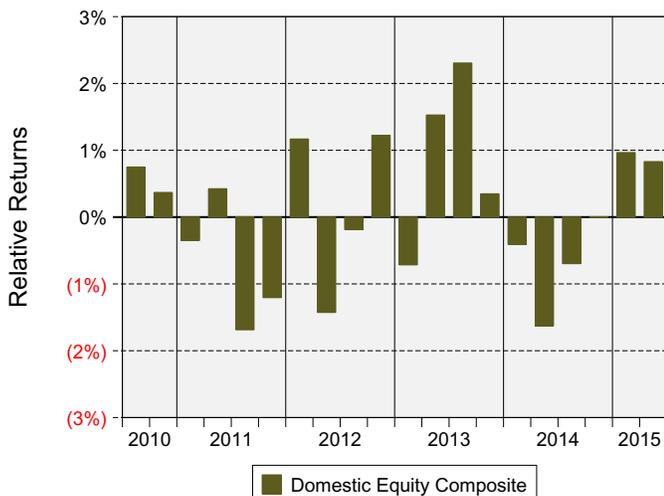
Quarterly Asset Growth

Beginning Market Value	\$173,851,822
Net New Investment	\$-79,229
Investment Gains/(Losses)	\$1,731,700
Ending Market Value	\$175,504,293

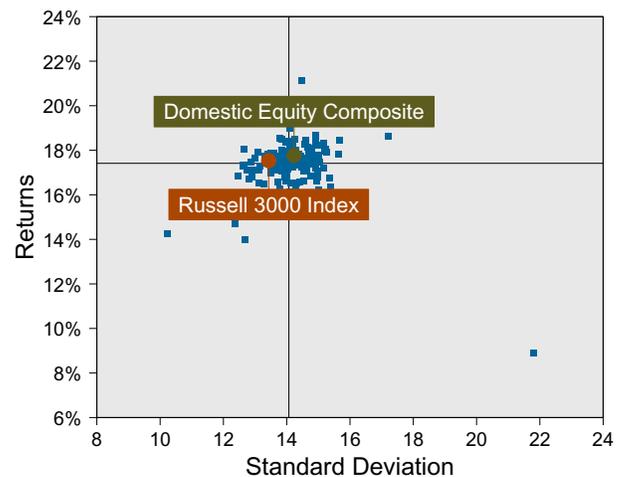
Performance vs Pub Pln- Domestic Equity (Gross)



Relative Return vs Russell 3000 Index



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

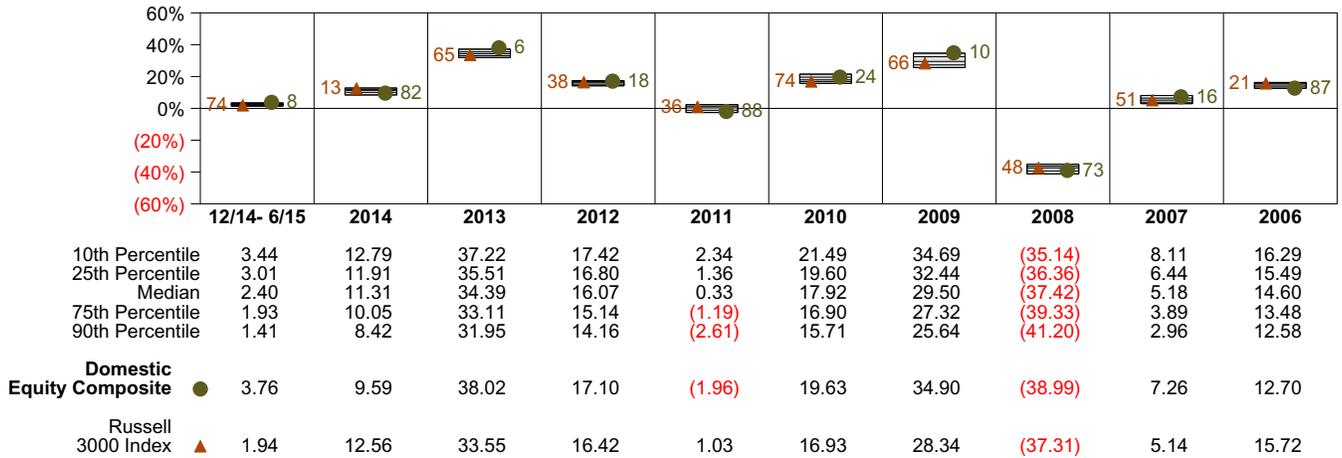


Domestic Equity Composite Return Analysis Summary

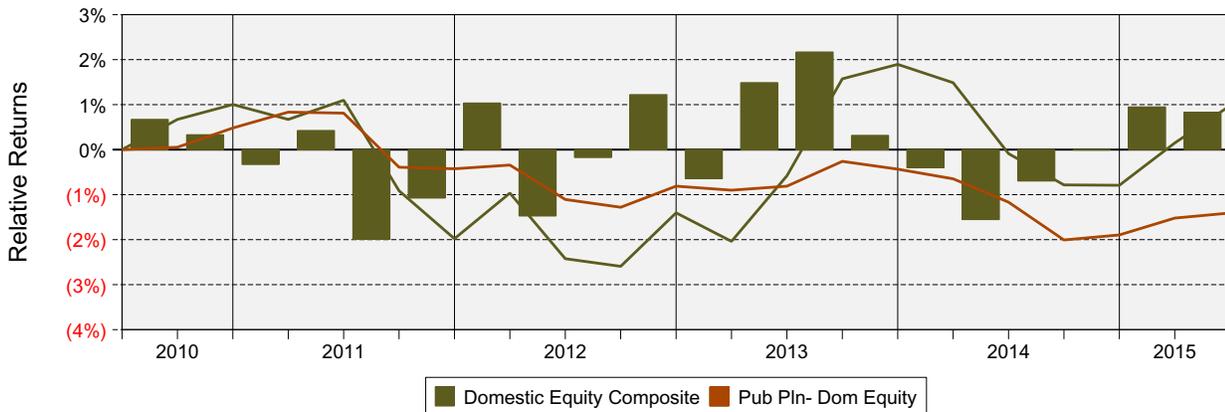
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

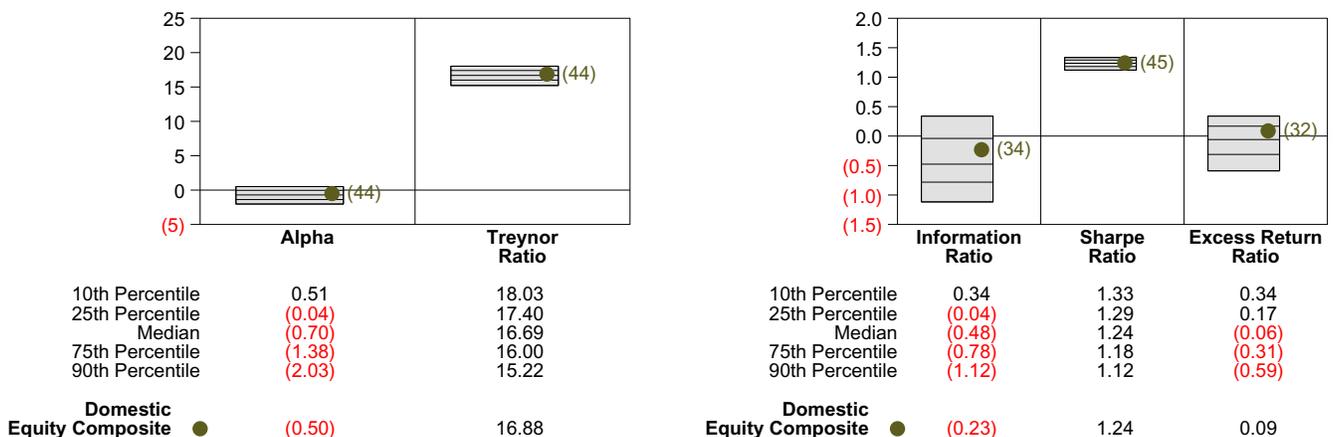
Performance vs Pub Pln- Domestic Equity (Gross)



Cumulative and Quarterly Relative Return vs Russell 3000 Index



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

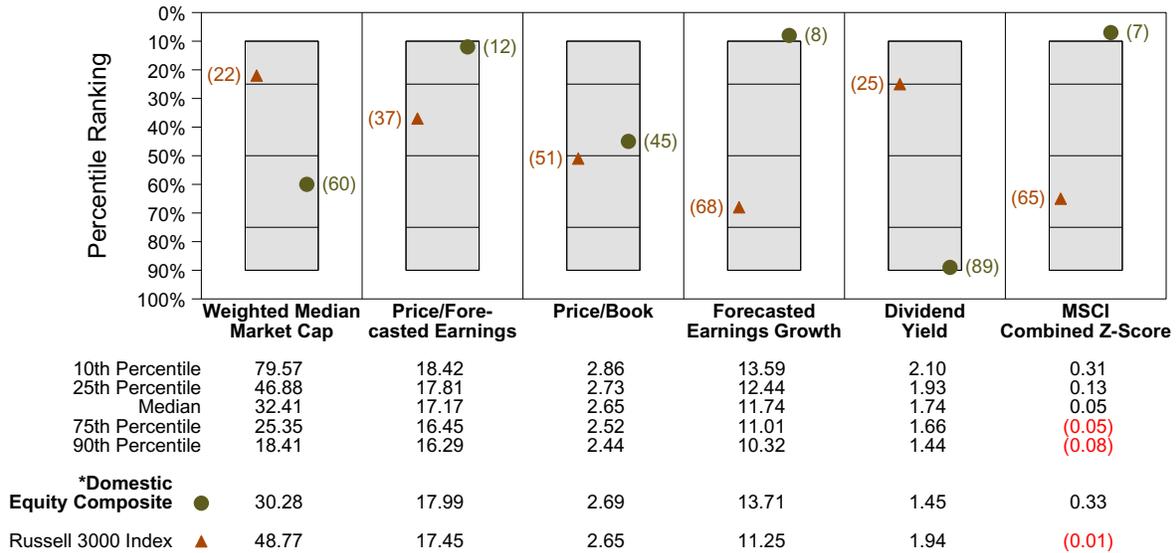


Domestic Equity Composite Equity Characteristics Analysis Summary

Portfolio Characteristics

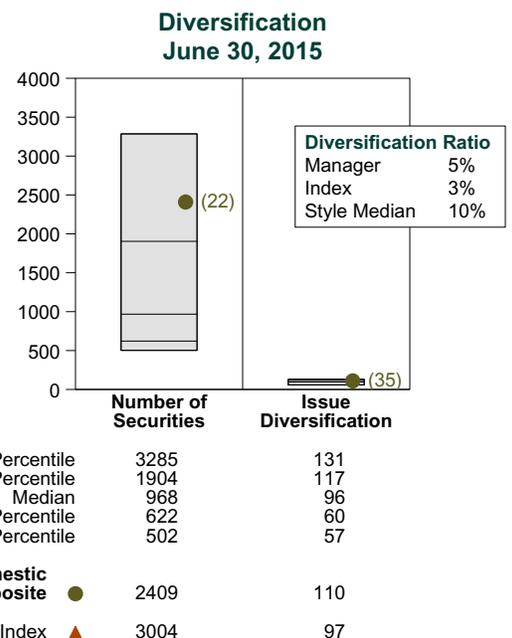
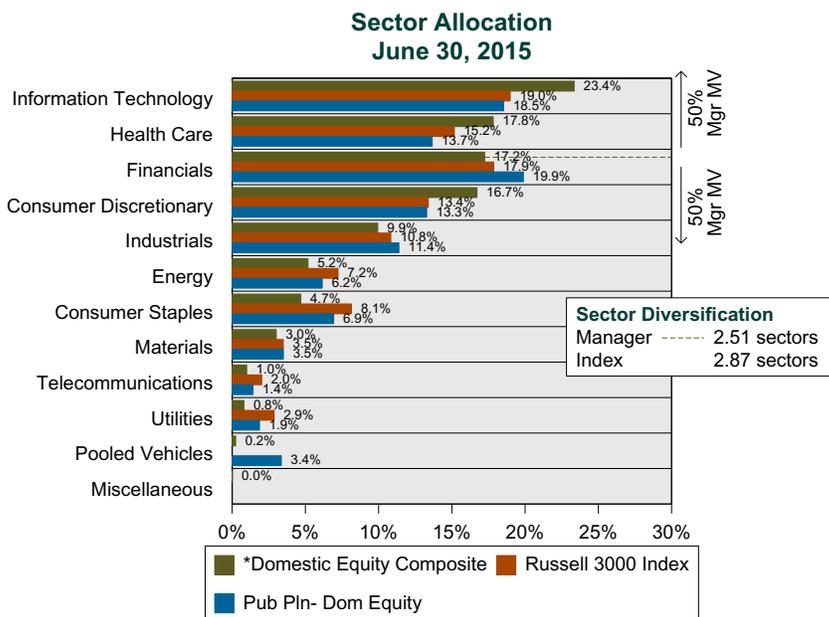
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

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



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

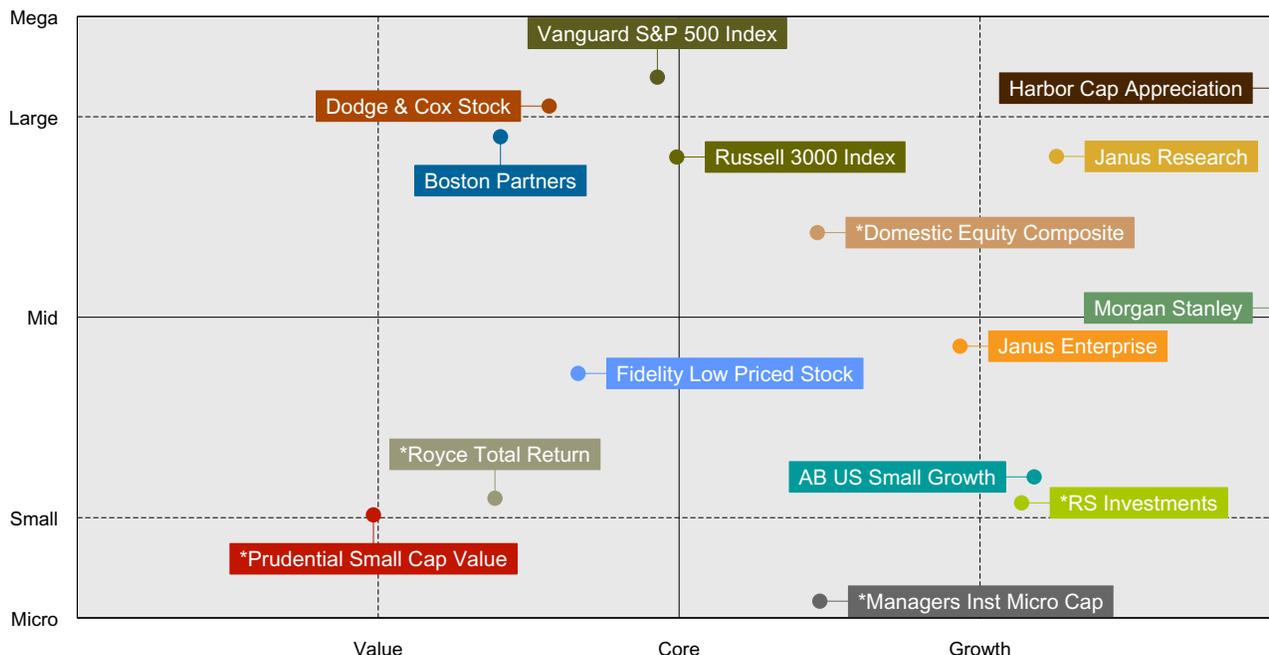


*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Holdings Based Style Analysis For One Quarter Ended June 30, 2015

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

Style Map Holdings for One Quarter Ended June 30, 2015



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
Vanguard S&P 500 Index	12.80%	79.65	(0.06)	(0.02)	0.04	506	58.10
Dodge & Cox Stock	13.36%	64.29	(0.32)	(0.15)	0.17	65	16.21
Boston Partners	14.18%	53.73	(0.43)	(0.10)	0.34	90	20.85
Harbor Cap Appreciation	14.34%	73.80	1.73	0.78	(0.95)	65	19.53
Janus Research	13.95%	48.92	0.90	0.43	(0.47)	107	28.14
Fidelity Low Priced Stock	2.99%	7.38	(0.25)	(0.02)	0.23	905	33.03
*Royce Total Return	2.73%	2.48	(0.45)	(0.15)	0.30	331	69.15
Morgan Stanley	2.82%	11.85	1.71	0.65	(1.07)	51	12.52
Janus Enterprise	3.07%	8.45	0.67	0.29	(0.38)	83	25.86
*Prudential Small Cap Value	7.32%	1.83	(0.74)	(0.08)	0.66	390	61.85
AB US Small Growth	4.10%	3.32	0.85	0.26	(0.59)	102	33.83
*RS Investments	3.34%	2.30	0.82	0.18	(0.64)	86	29.49
*Managers Inst Micro Cap	5.00%	0.70	0.33	0.04	(0.29)	339	73.05
*Domestic Equity Composite	100.00%	30.28	0.33	0.17	(0.16)	2409	109.75
Russell 3000 Index	-	48.77	(0.01)	(0.00)	0.01	3004	97.31

*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Vanguard S&P 500 Index Period Ended June 30, 2015

Investment Philosophy

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

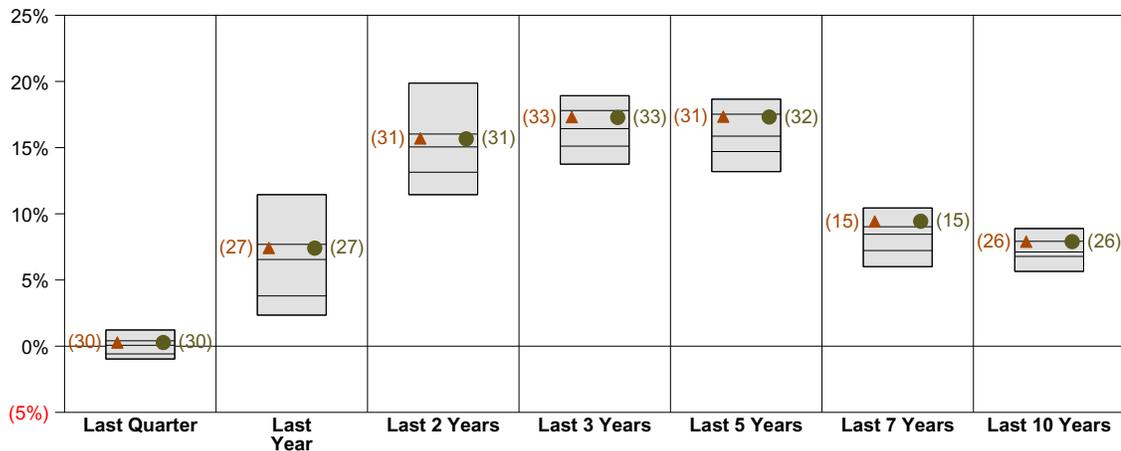
Quarterly Summary and Highlights

- Vanguard S&P 500 Index's portfolio posted a 0.28% return for the quarter placing it in the 30 percentile of the CAI MF - Core Equity Style group for the quarter and in the 27 percentile for the last year.
- Vanguard S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.00% for the quarter and underperformed the S&P 500 Index for the year by 0.02%.

Quarterly Asset Growth

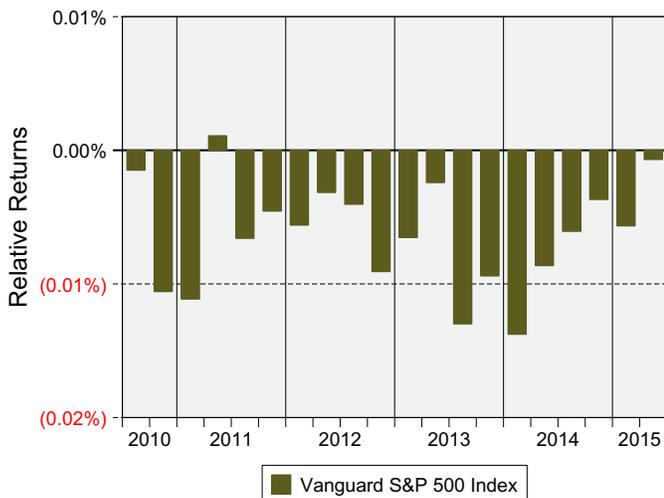
Beginning Market Value	\$22,406,625
Net New Investment	\$0
Investment Gains/(Losses)	\$62,162
Ending Market Value	\$22,468,787

Performance vs CAI MF - Core Equity Style (Net)

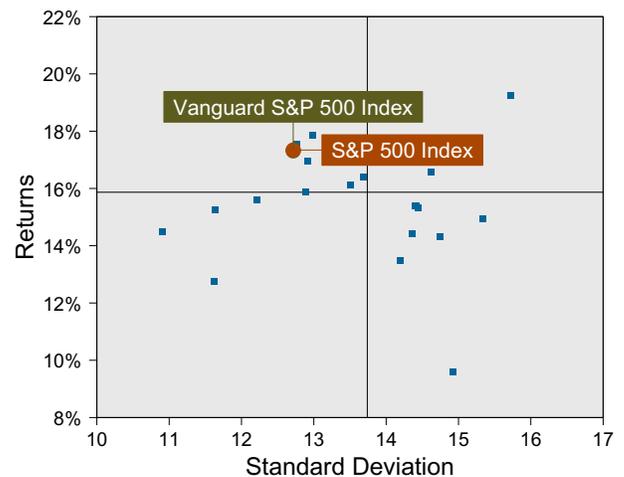


10th Percentile	1.22	11.45	19.87	18.92	18.66	10.44	8.89
25th Percentile	0.41	7.70	16.03	17.80	17.53	9.02	7.92
Median	0.07	6.55	15.05	16.44	15.87	8.46	7.12
75th Percentile	(0.59)	3.80	13.14	15.11	14.70	7.22	6.78
90th Percentile	(0.97)	2.35	11.44	13.75	13.19	6.01	5.65
Vanguard S&P 500 Index	● 0.28	7.41	15.66	17.28	17.31	9.44	7.90
S&P 500 Index	▲ 0.28	7.42	15.70	17.31	17.34	9.42	7.89

Relative Return vs S&P 500 Index



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

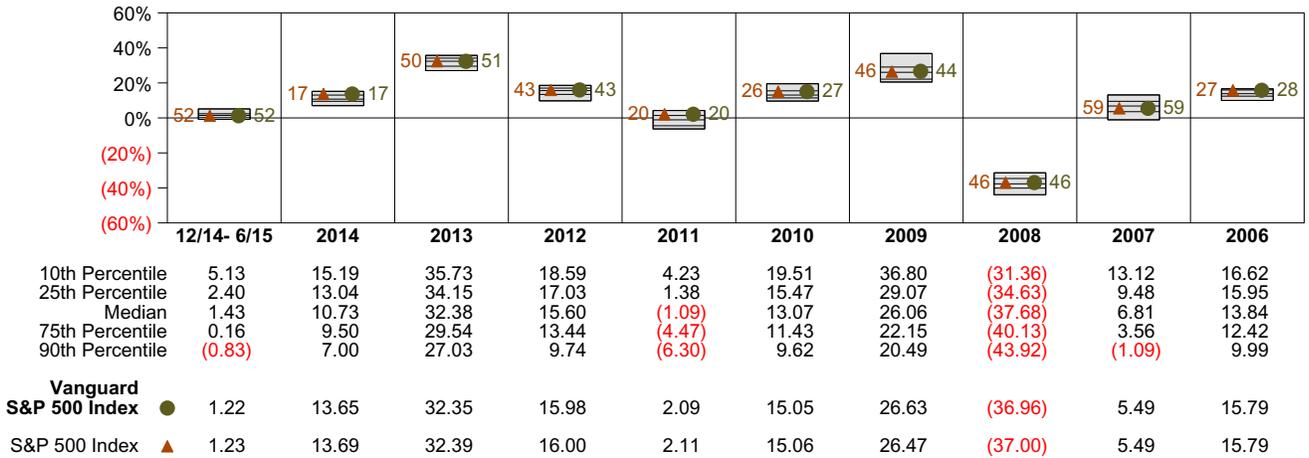


Vanguard S&P 500 Index Return Analysis Summary

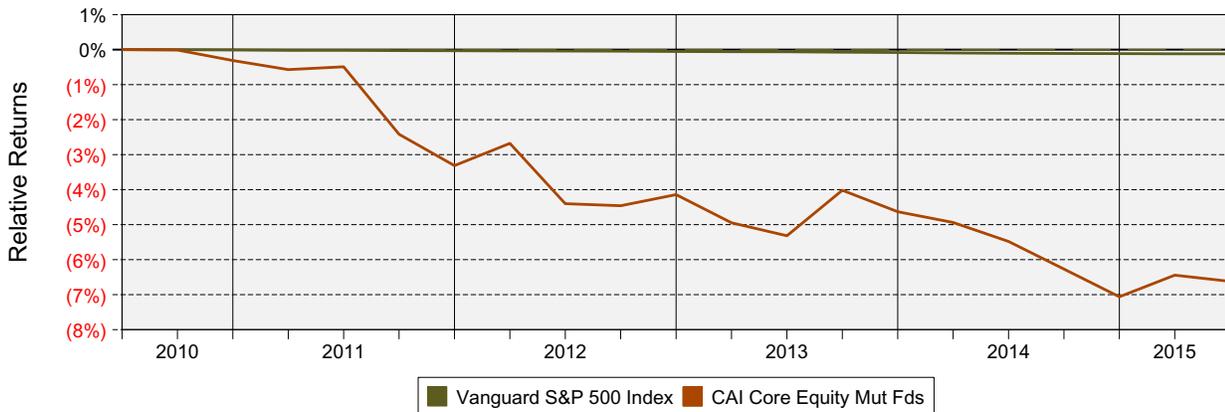
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

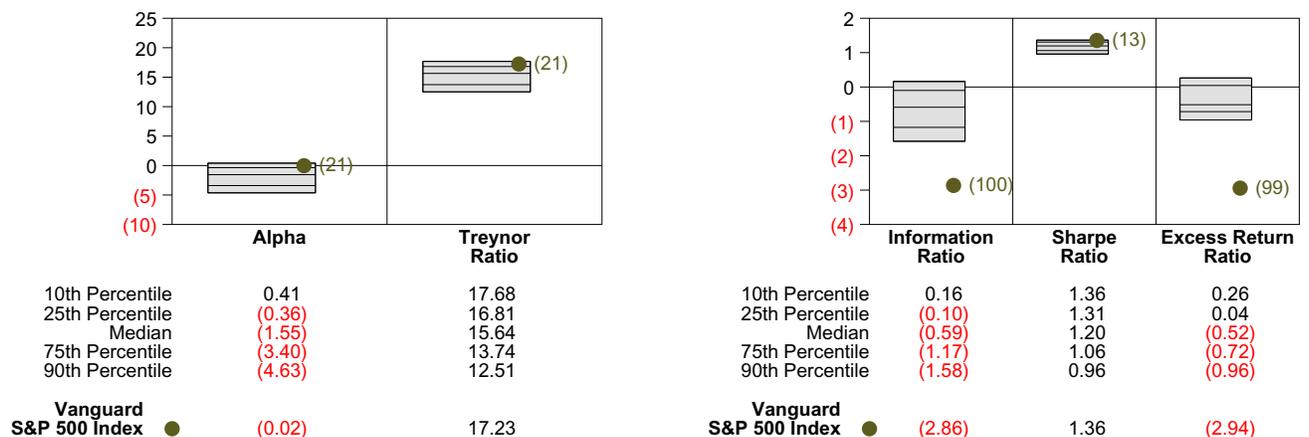
Performance vs CAI MF - Core Equity Style (Net)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI MF - Core Equity Style (Net) Five Years Ended June 30, 2015

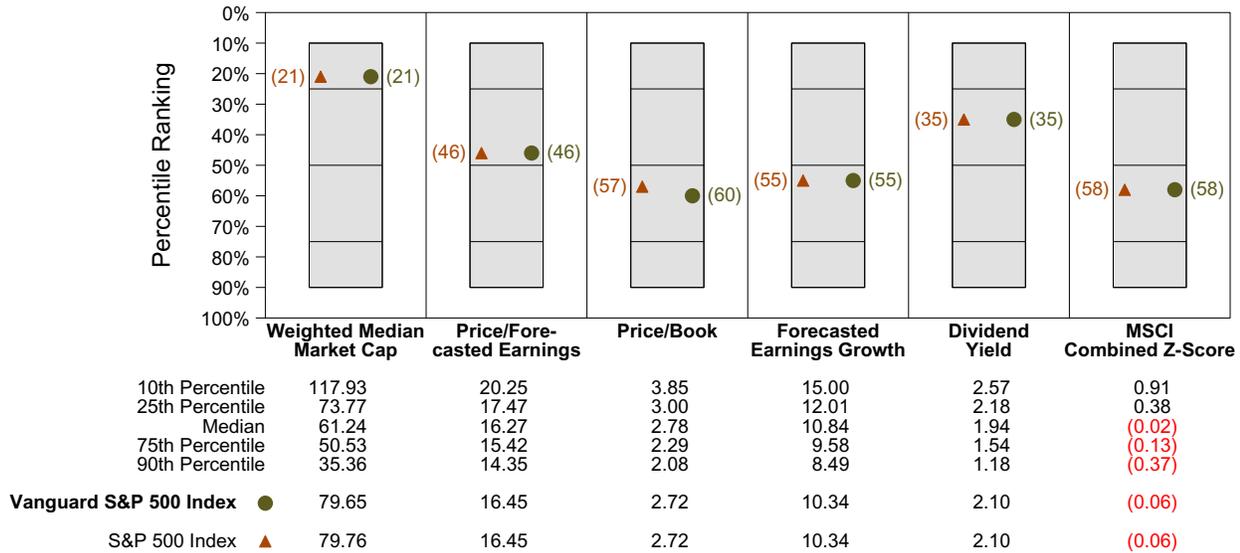


Vanguard S&P 500 Index Equity Characteristics Analysis Summary

Portfolio Characteristics

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

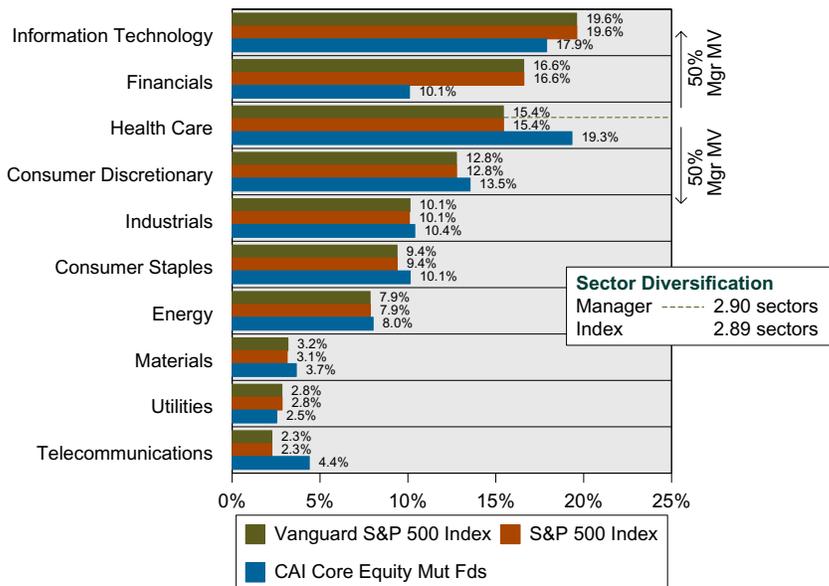
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Core Equity Style as of June 30, 2015



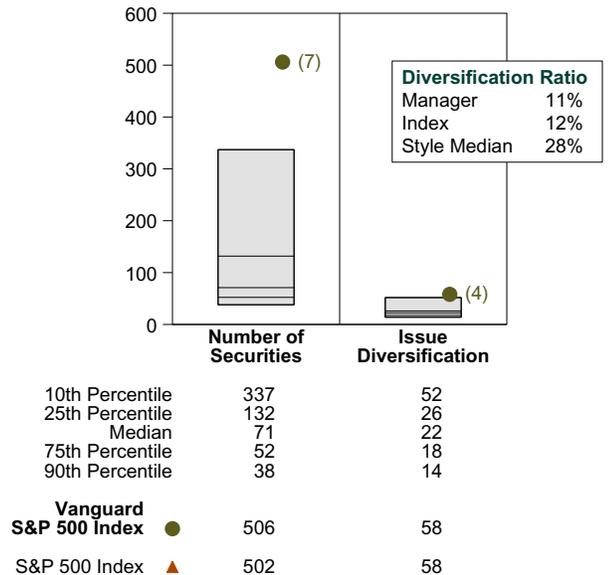
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Dodge & Cox Stock Period Ended June 30, 2015

Investment Philosophy

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

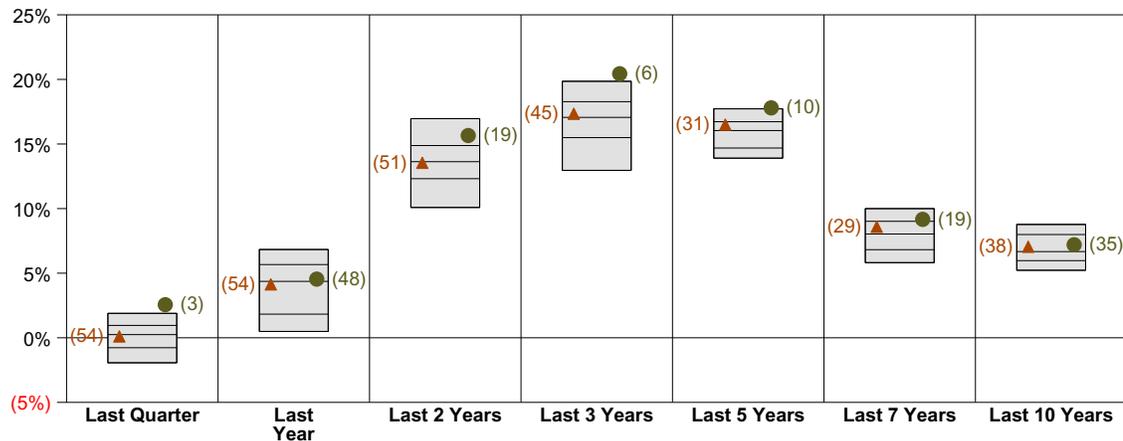
Quarterly Summary and Highlights

- Dodge & Cox Stock's portfolio posted a 2.56% return for the quarter placing it in the 3 percentile of the CAI MF - Large Cap Value Style group for the quarter and in the 48 percentile for the last year.
- Dodge & Cox Stock's portfolio outperformed the Russell 1000 Value Index by 2.45% for the quarter and outperformed the Russell 1000 Value Index for the year by 0.41%.

Quarterly Asset Growth

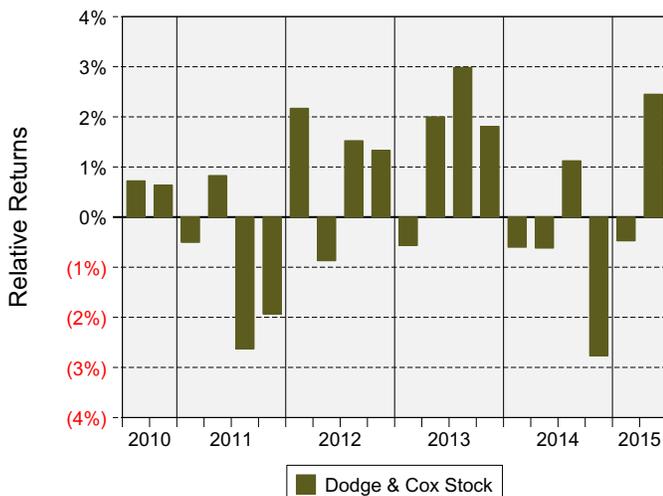
Beginning Market Value	\$22,931,032
Net New Investment	-\$79,229
Investment Gains/(Losses)	\$588,375
Ending Market Value	\$23,440,178

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

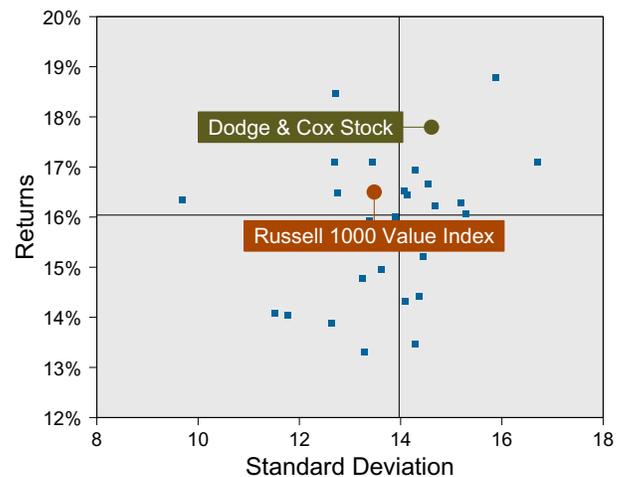


10th Percentile	1.89	6.83	16.97	19.86	17.72	10.00	8.77
25th Percentile	0.96	5.67	14.88	18.28	16.72	9.01	7.99
Median	0.24	4.37	13.63	17.06	16.04	8.03	6.67
75th Percentile	(0.77)	1.83	12.31	15.49	14.69	6.82	5.97
90th Percentile	(1.94)	0.49	10.09	12.96	13.90	5.82	5.22
Dodge & Cox Stock	● 2.56	4.54	15.65	20.44	17.79	9.16	7.20
Russell 1000 Value Index	▲ 0.11	4.13	13.55	17.34	16.50	8.59	7.05

Relative Return vs Russell 1000 Value Index



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

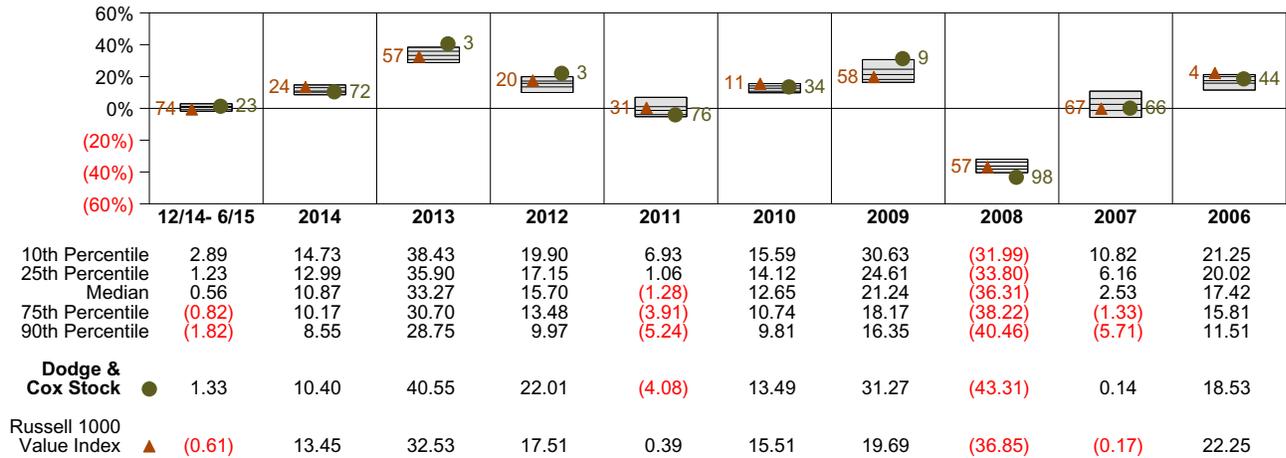


Dodge & Cox Stock Return Analysis Summary

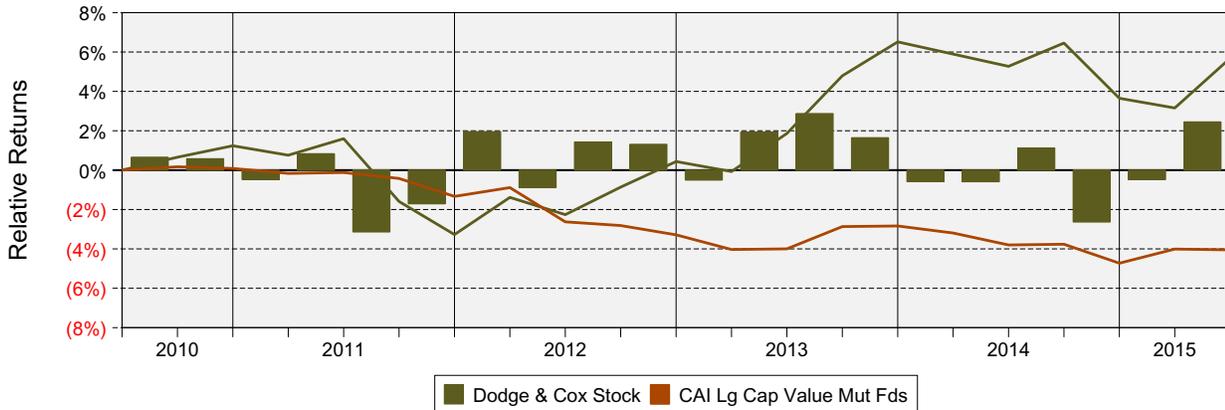
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

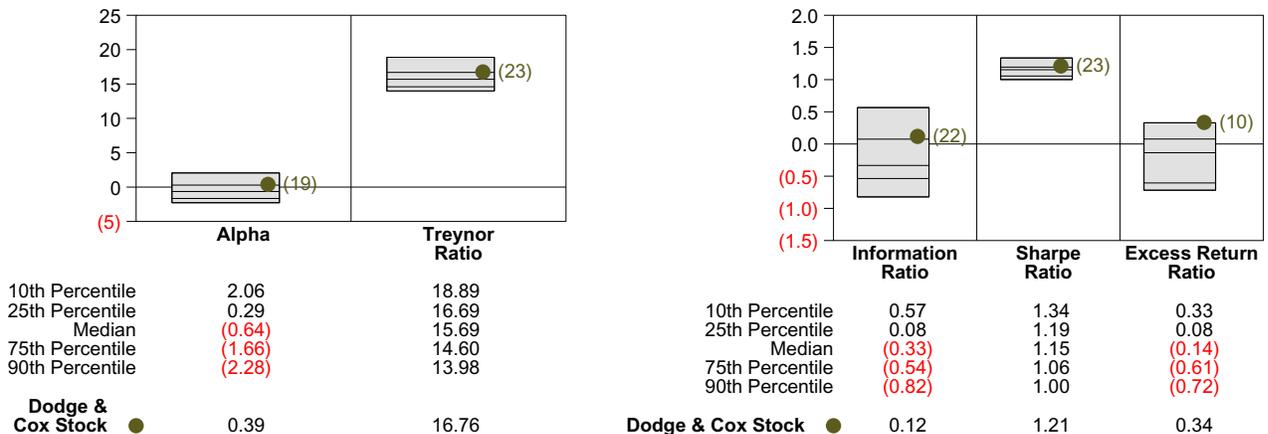
Performance vs CAI MF - Large Cap Value Style (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



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

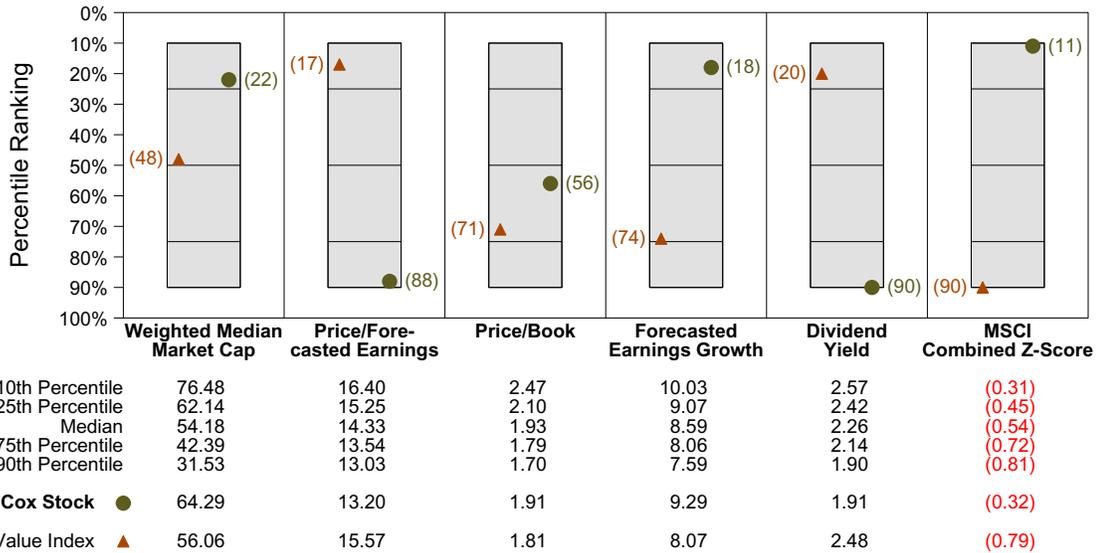


Dodge & Cox Stock Equity Characteristics Analysis Summary

Portfolio Characteristics

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

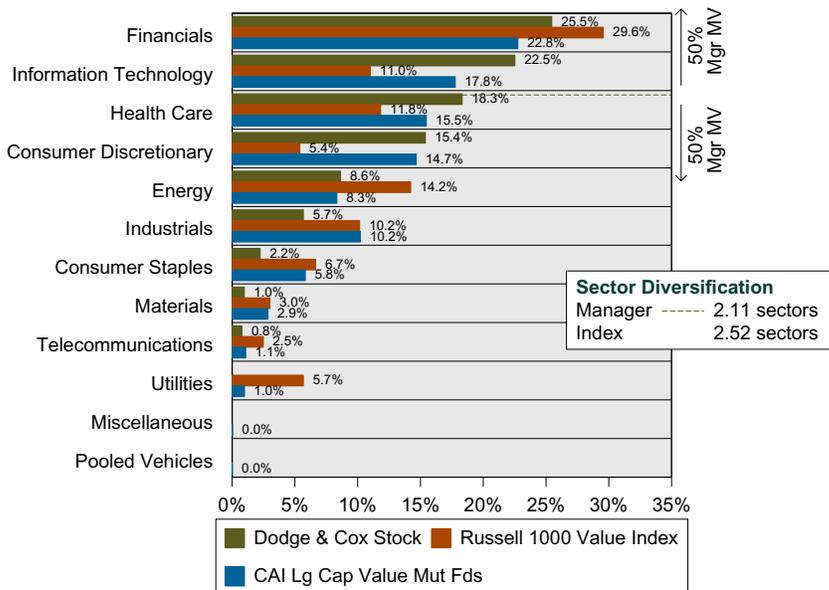
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Value Style as of June 30, 2015



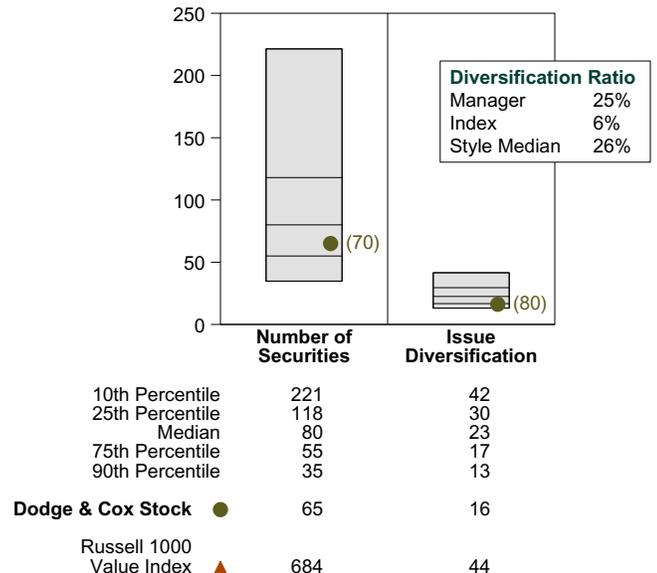
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Boston Partners

Period Ended June 30, 2015

Investment Philosophy

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

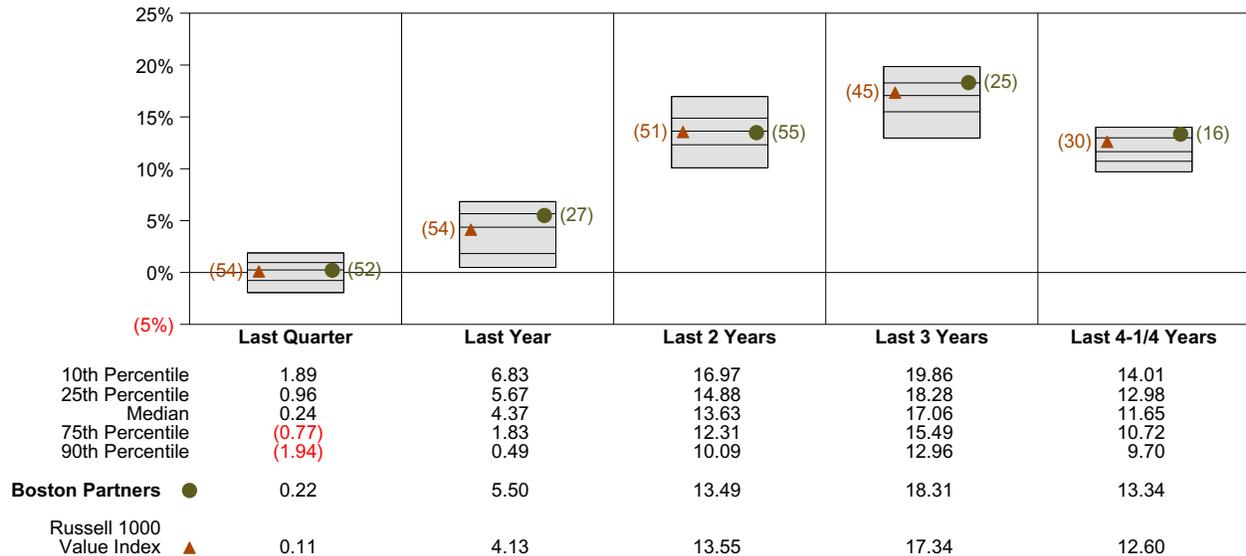
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 0.22% return for the quarter placing it in the 52 percentile of the CAI MF - Large Cap Value Style group for the quarter and in the 27 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 0.11% for the quarter and outperformed the Russell 1000 Value Index for the year by 1.36%.

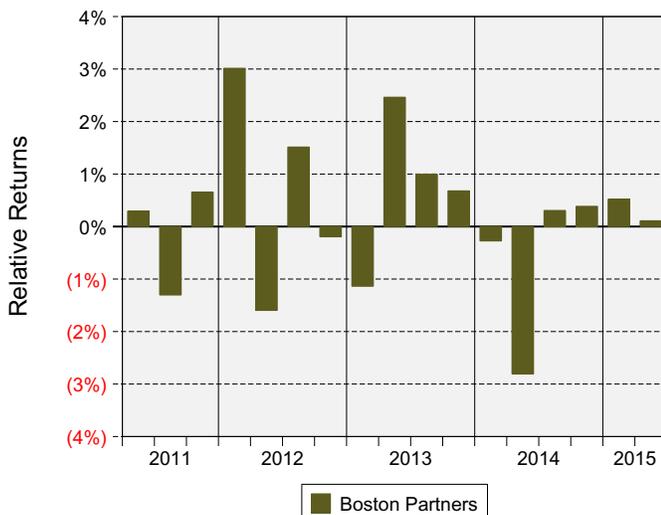
Quarterly Asset Growth

Beginning Market Value	\$24,796,065
Net New Investment	\$0
Investment Gains/(Losses)	\$84,733
Ending Market Value	\$24,880,798

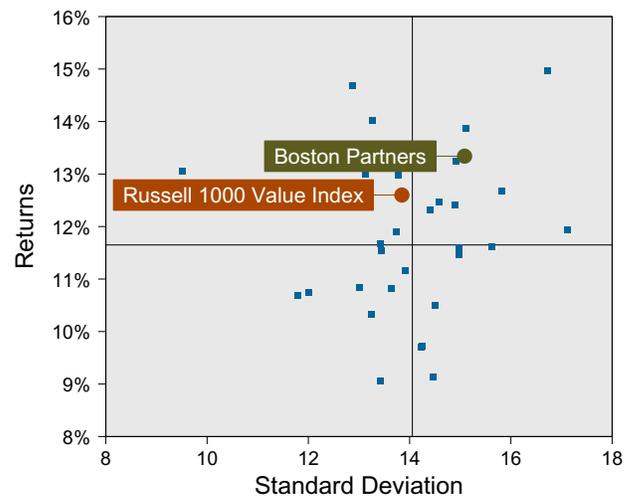
Performance vs CAI MF - Large Cap Value Style (Net)



Relative Return vs Russell 1000 Value Index



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

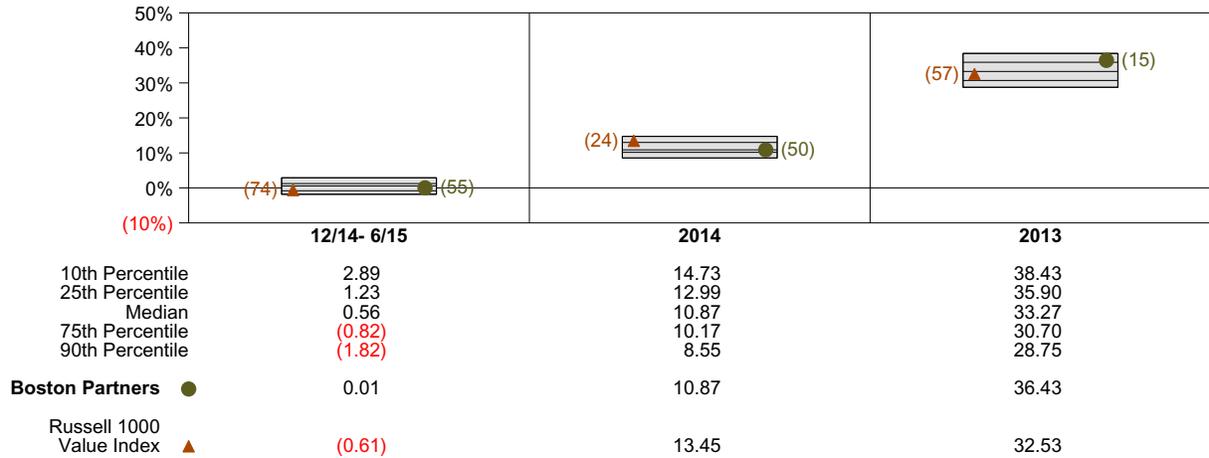


Boston Partners Return Analysis Summary

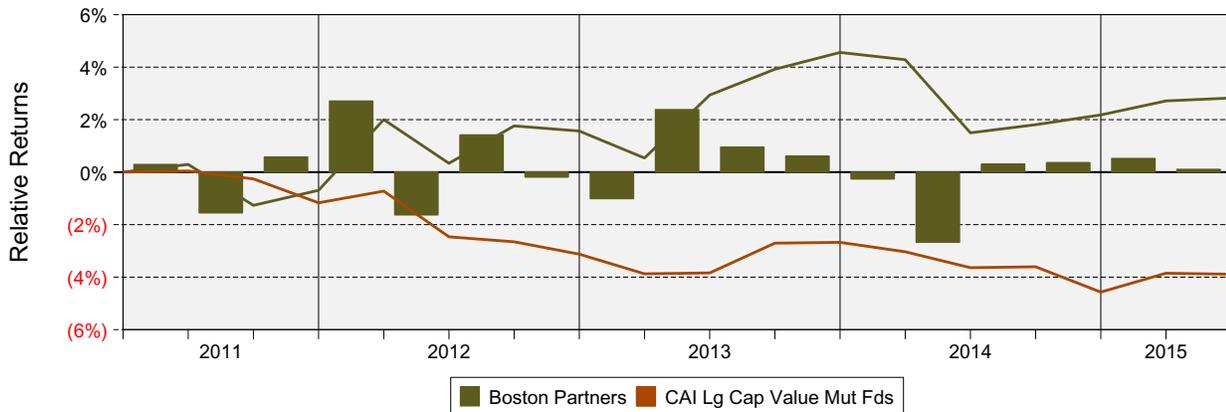
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

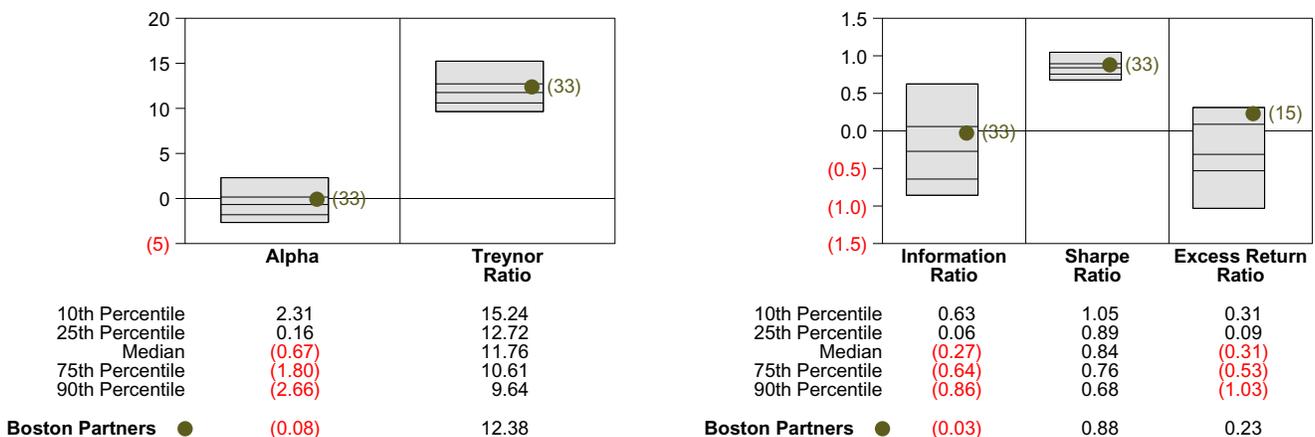
Performance vs CAI MF - Large Cap Value Style (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



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

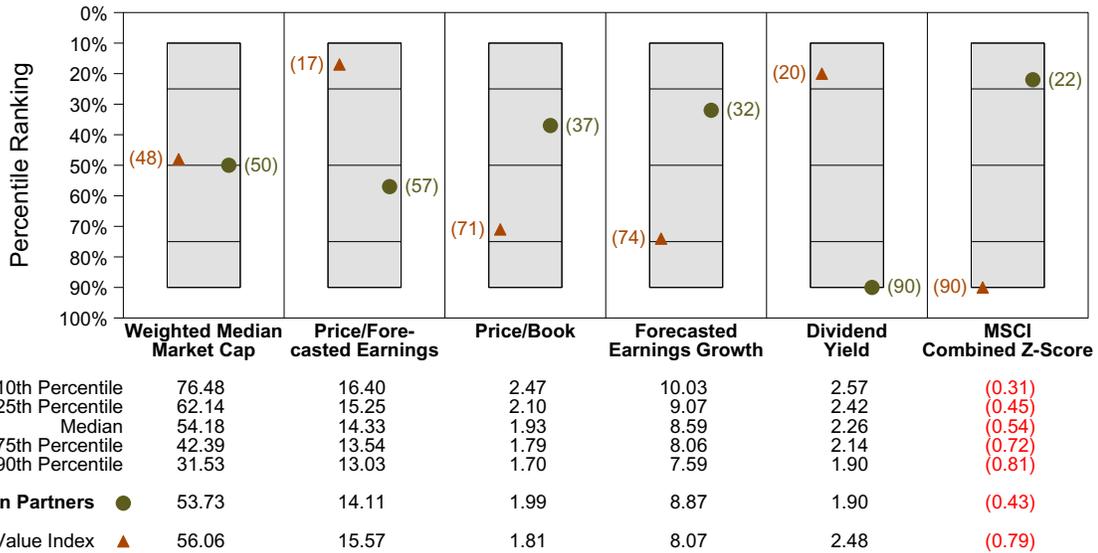


Boston Partners Equity Characteristics Analysis Summary

Portfolio Characteristics

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

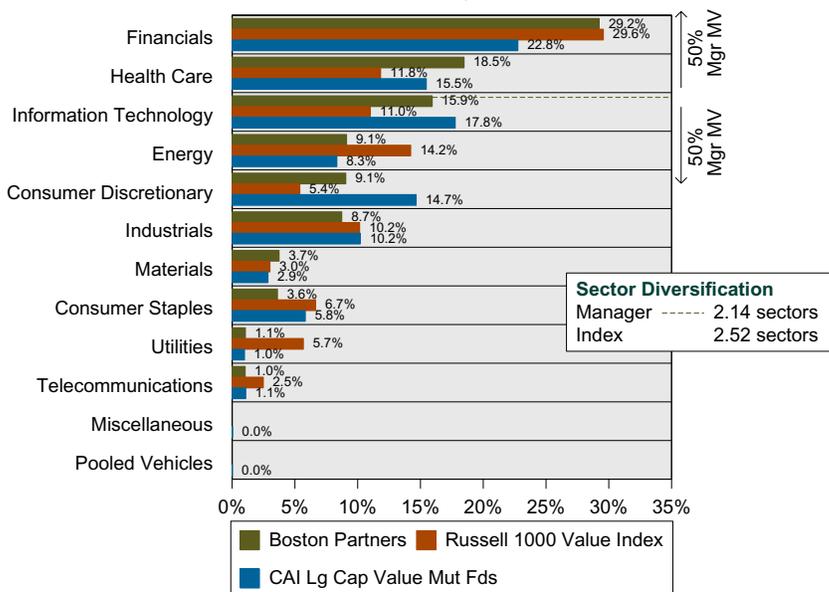
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Value Style as of June 30, 2015



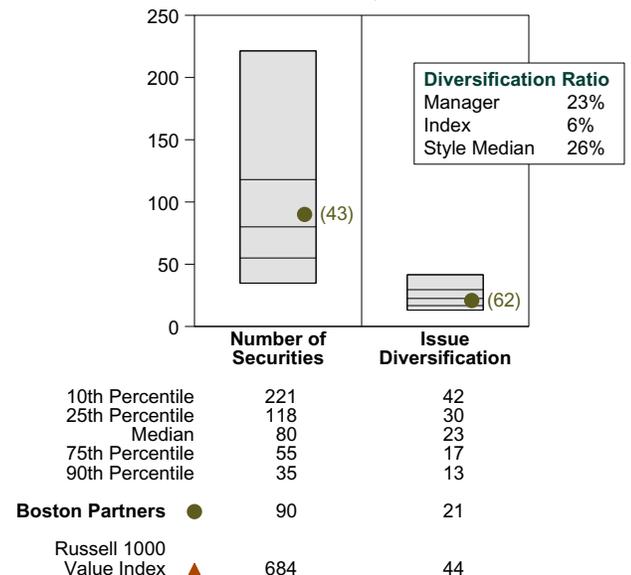
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Harbor Cap Appreciation Period Ended June 30, 2015

Investment Philosophy

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

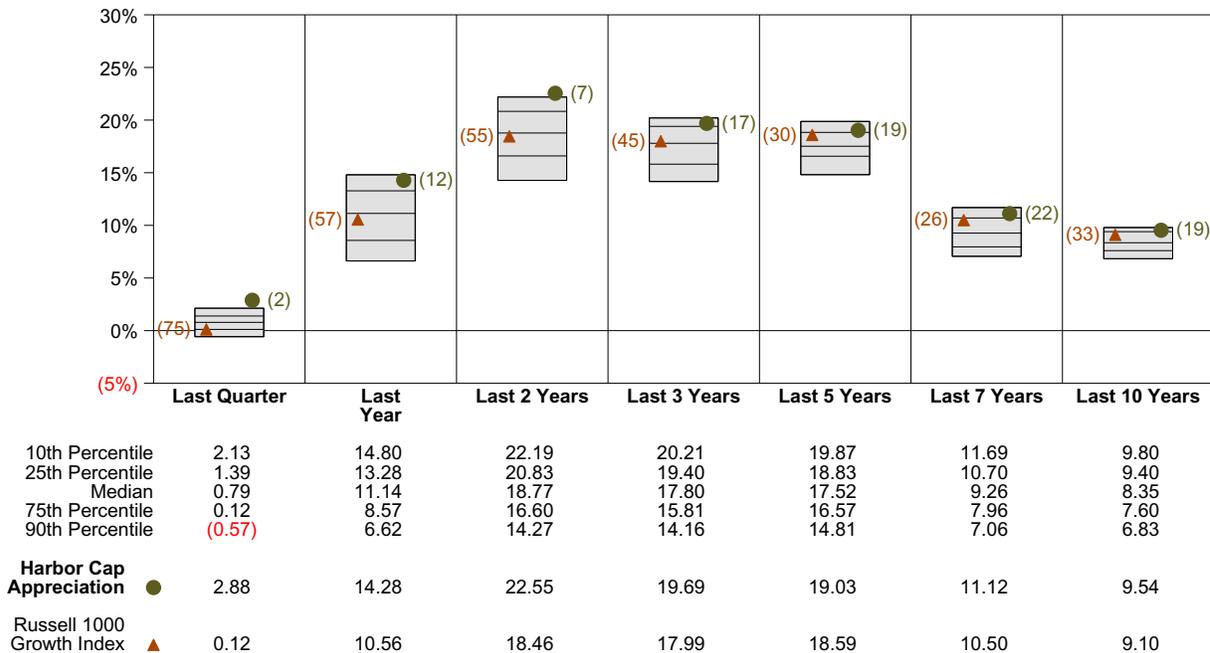
Quarterly Summary and Highlights

- Harbor Cap Appreciation's portfolio posted a 2.88% return for the quarter placing it in the 2 percentile of the CAI MF - Large Cap Growth Style group for the quarter and in the 12 percentile for the last year.
- Harbor Cap Appreciation's portfolio outperformed the Russell 1000 Growth Index by 2.76% for the quarter and outperformed the Russell 1000 Growth Index for the year by 3.72%.

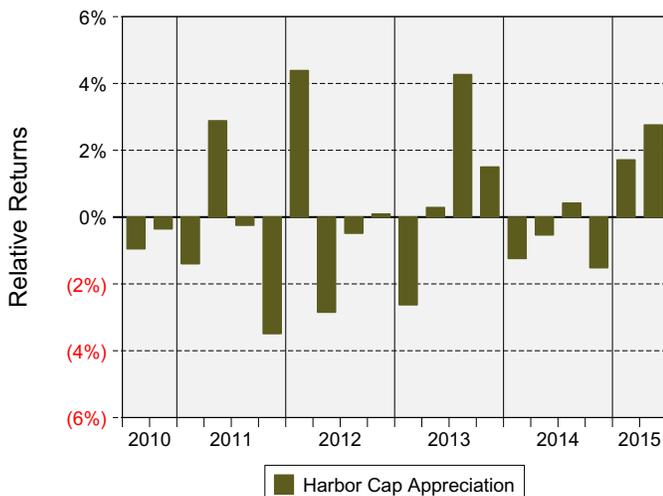
Quarterly Asset Growth

Beginning Market Value	\$24,462,276
Net New Investment	\$0
Investment Gains/(Losses)	\$704,919
Ending Market Value	\$25,167,194

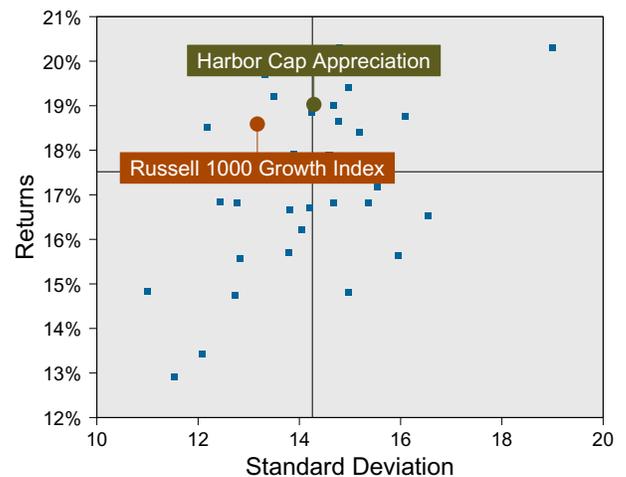
Performance vs CAI MF - Large Cap Growth Style (Net)



Relative Return vs Russell 1000 Growth Index



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

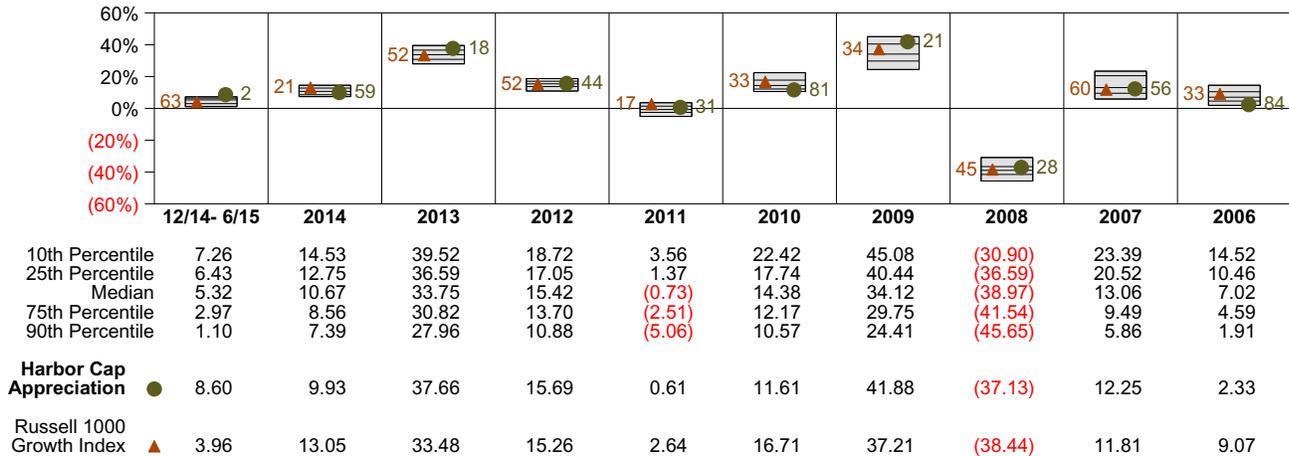


Harbor Cap Appreciation Return Analysis Summary

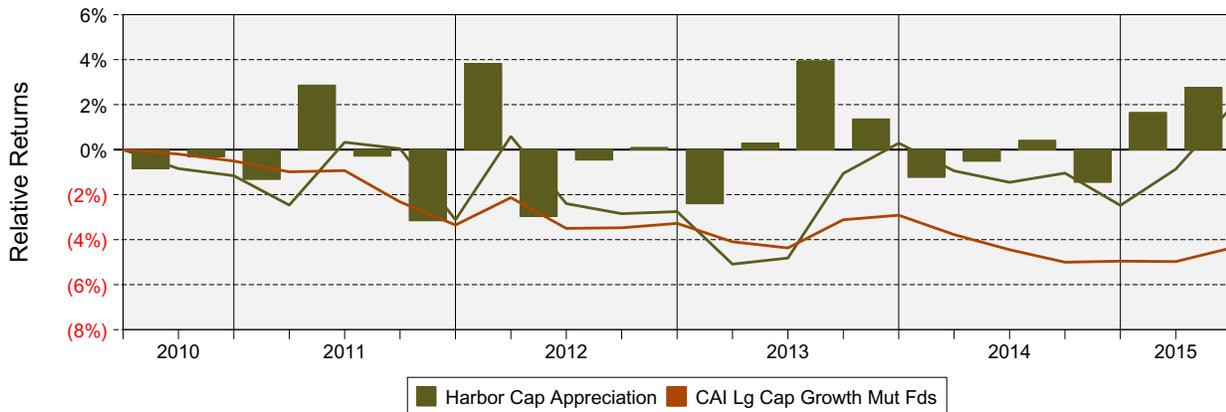
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

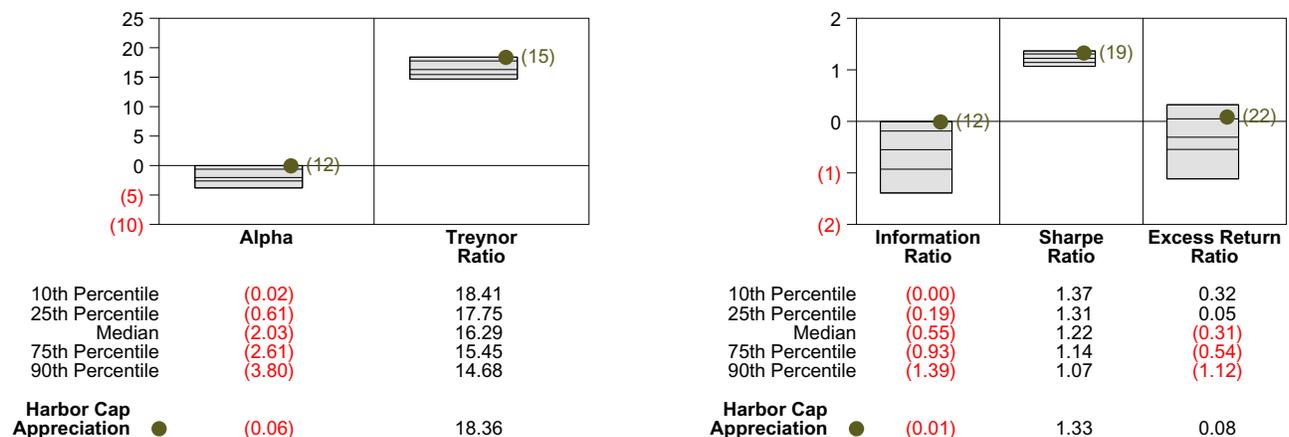
Performance vs CAI MF - Large Cap Growth Style (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



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

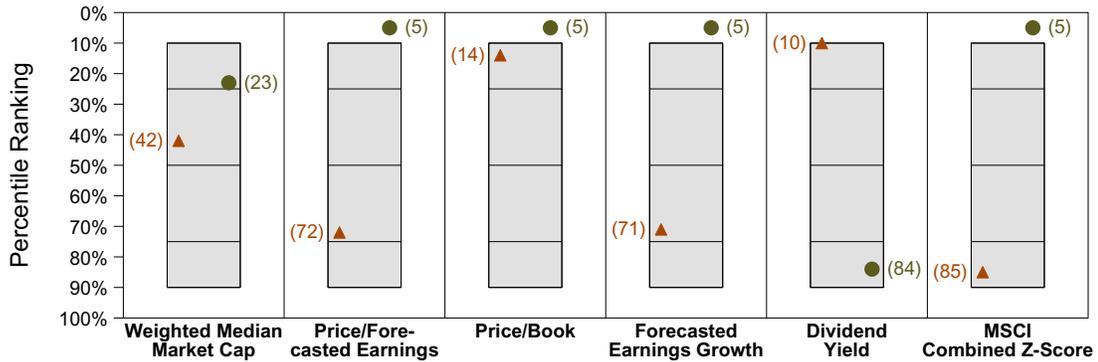


Harbor Cap Appreciation Equity Characteristics Analysis Summary

Portfolio Characteristics

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

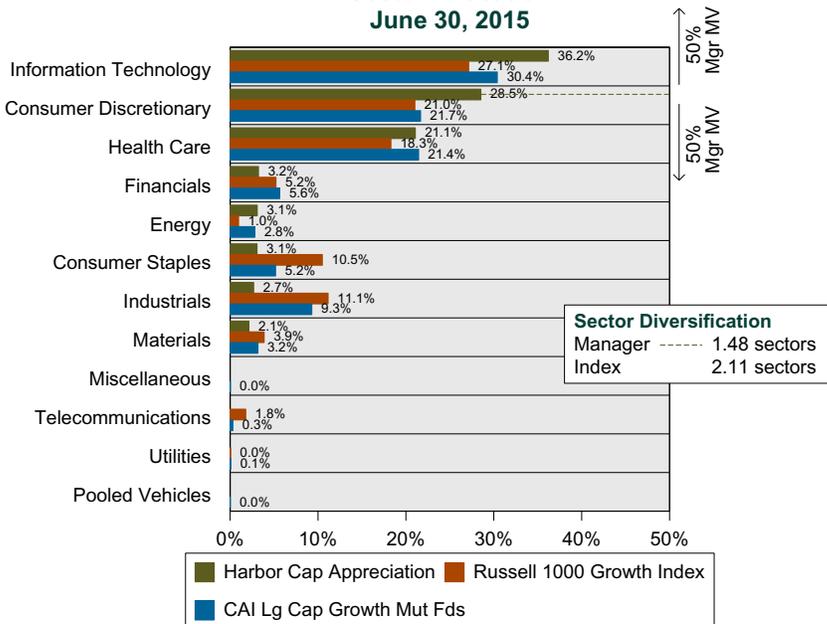
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Growth Style as of June 30, 2015



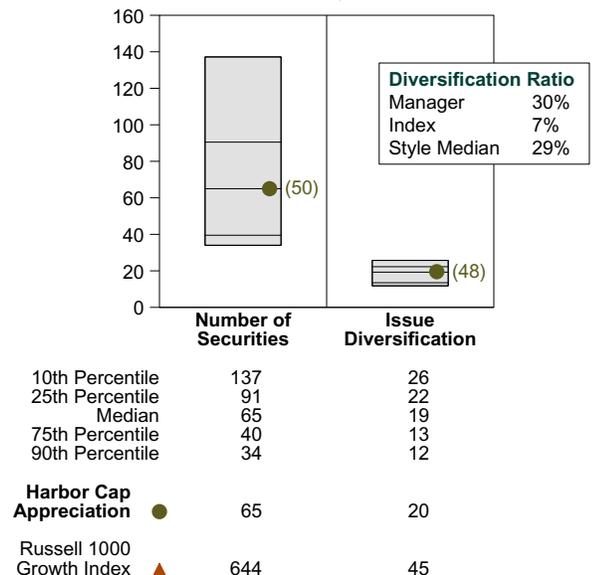
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Janus Research Period Ended June 30, 2015

Investment Philosophy

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

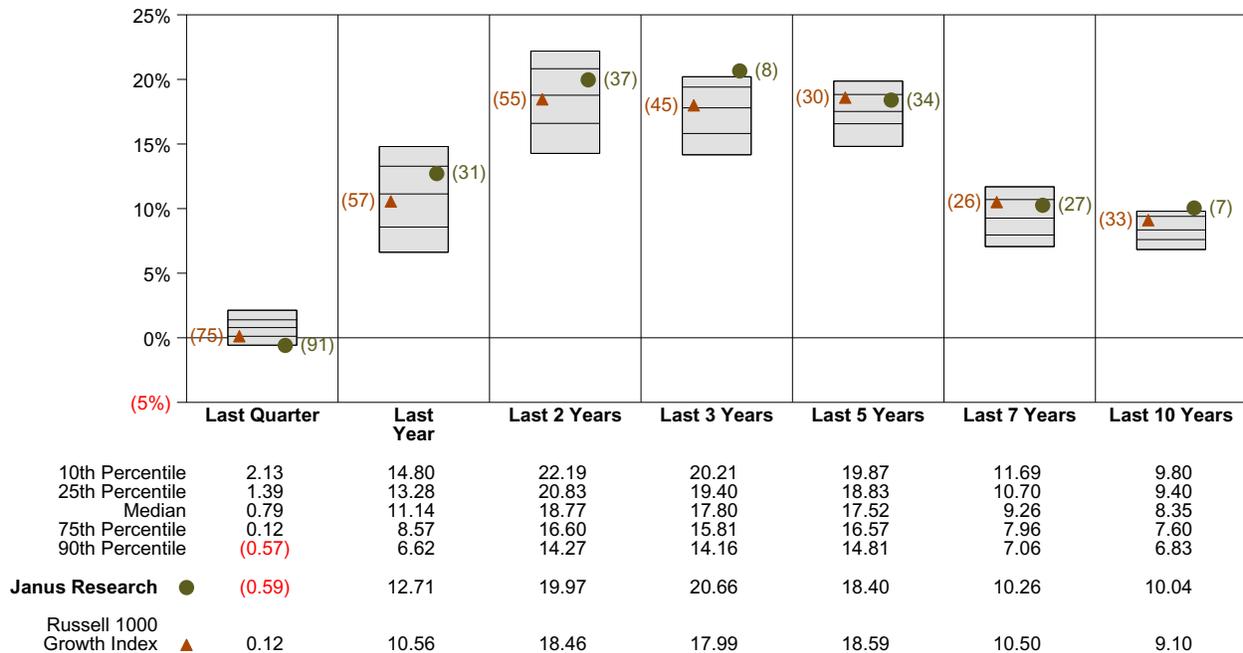
Quarterly Summary and Highlights

- Janus Research's portfolio posted a (0.59)% return for the quarter placing it in the 91 percentile of the CAI MF - Large Cap Growth Style group for the quarter and in the 31 percentile for the last year.
- Janus Research's portfolio underperformed the Russell 1000 Growth Index by 0.71% for the quarter and outperformed the Russell 1000 Growth Index for the year by 2.15%.

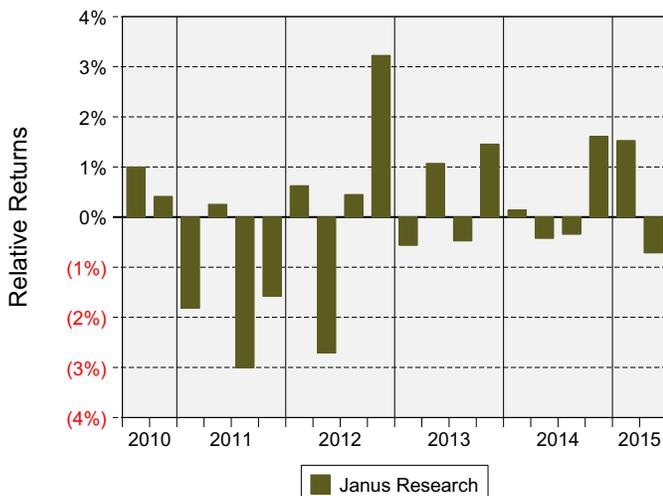
Quarterly Asset Growth

Beginning Market Value	\$24,625,330
Net New Investment	\$0
Investment Gains/(Losses)	\$-145,904
Ending Market Value	\$24,479,426

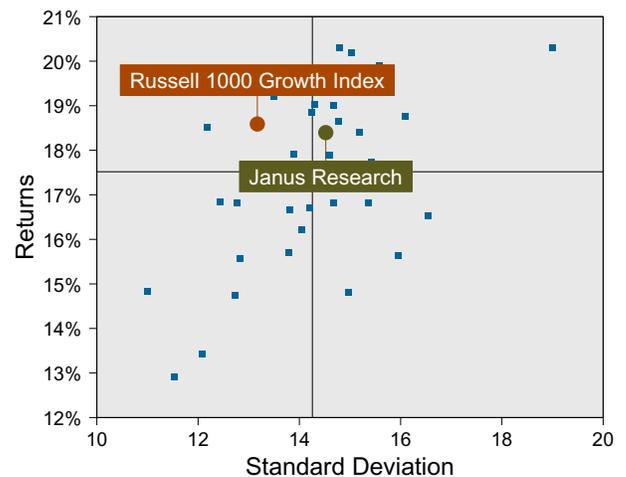
Performance vs CAI MF - Large Cap Growth Style (Net)



Relative Return vs Russell 1000 Growth Index



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

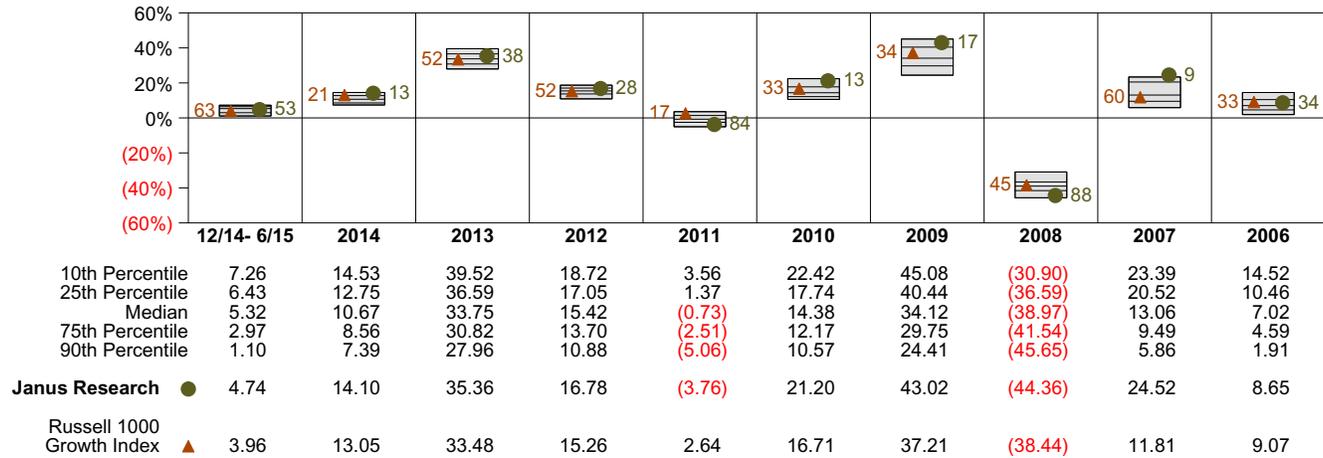


Janus Research Return Analysis Summary

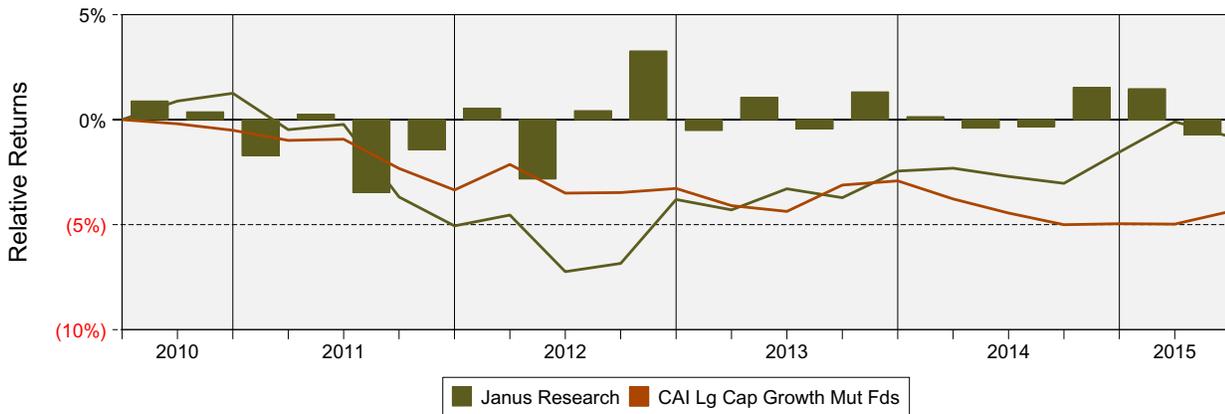
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

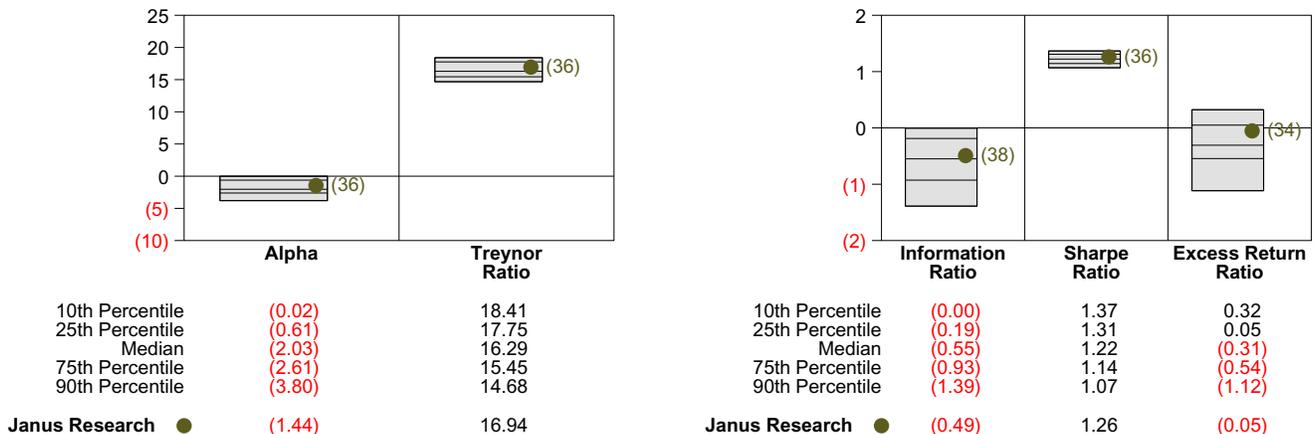
Performance vs CAI MF - Large Cap Growth Style (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



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

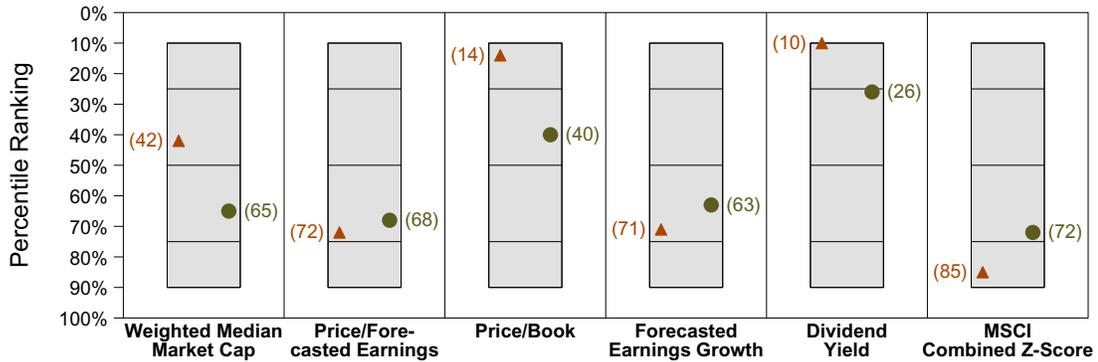


Janus Research Equity Characteristics Analysis Summary

Portfolio Characteristics

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

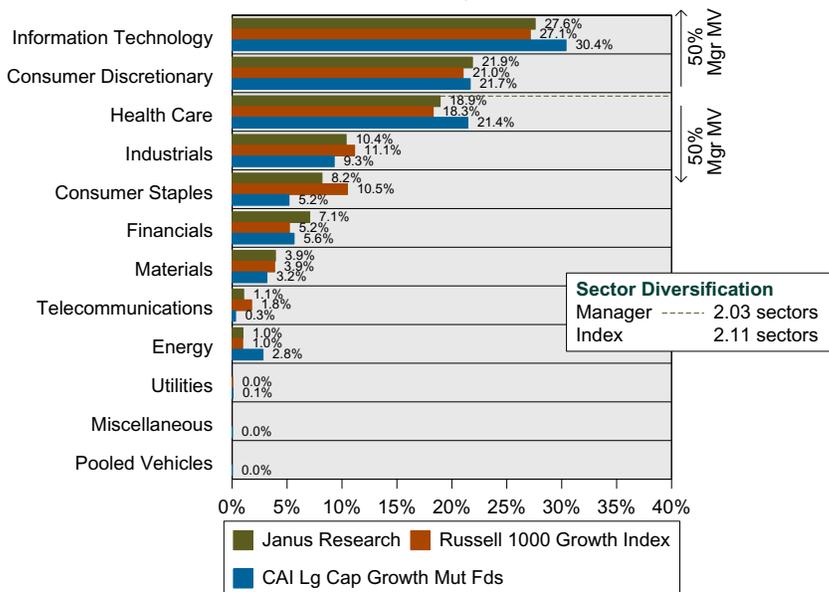
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Growth Style as of June 30, 2015



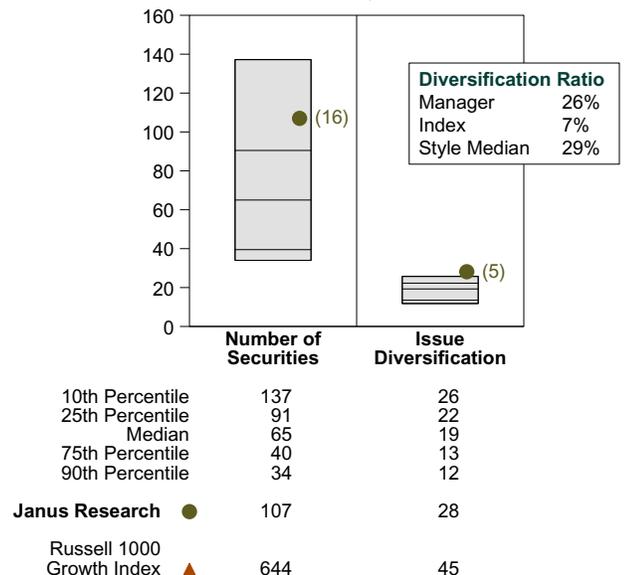
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Fidelity Low Priced Stock Period Ended June 30, 2015

Investment Philosophy

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

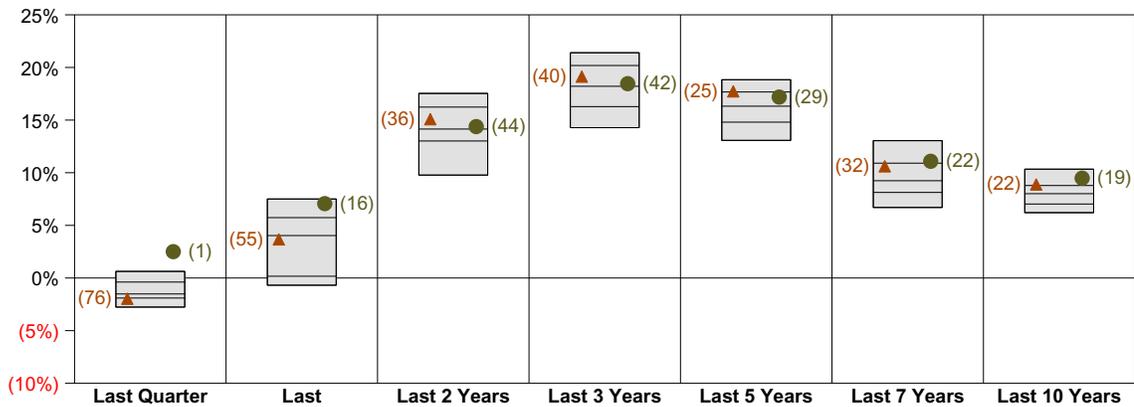
Quarterly Summary and Highlights

- Fidelity Low Priced Stock's portfolio posted a 2.50% return for the quarter placing it in the 1 percentile of the CAI MF - Mid Cap Value Style group for the quarter and in the 16 percentile for the last year.
- Fidelity Low Priced Stock's portfolio outperformed the Russell MidCap Value Idx by 4.47% for the quarter and outperformed the Russell MidCap Value Idx for the year by 3.39%.

Quarterly Asset Growth

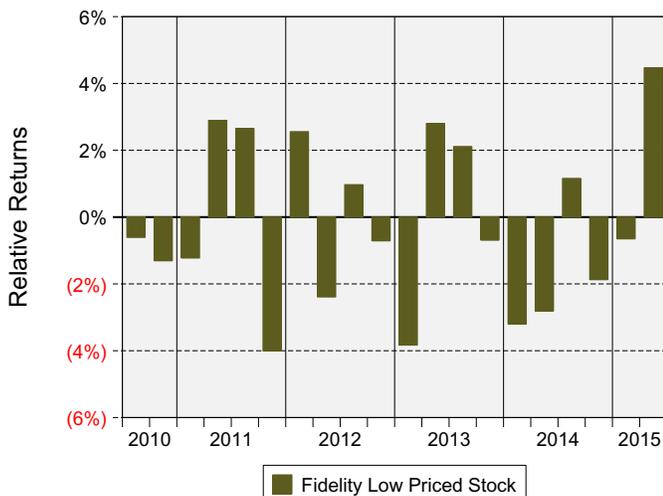
Beginning Market Value	\$5,112,013
Net New Investment	\$0
Investment Gains/(Losses)	\$127,950
Ending Market Value	\$5,239,963

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

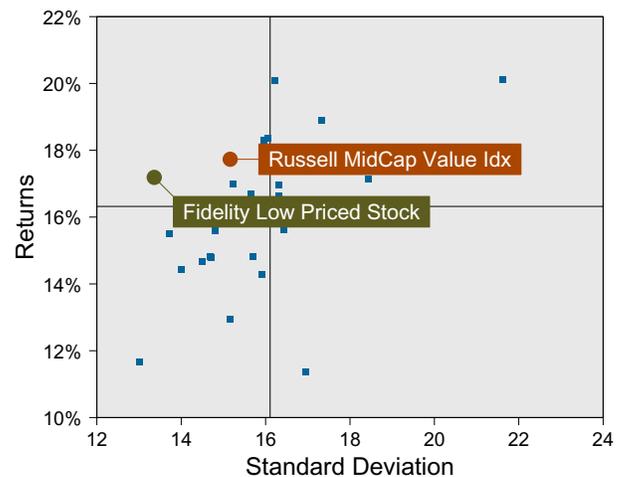


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	0.63	7.50	17.53	21.40	18.83	13.05	10.34
25th Percentile	(0.39)	5.74	16.23	20.19	17.67	10.91	8.78
Median	(1.51)	4.03	14.15	18.21	16.32	9.24	8.01
75th Percentile	(1.90)	0.17	13.02	16.28	14.80	8.13	7.03
90th Percentile	(2.76)	(0.68)	9.77	14.28	13.07	6.70	6.21
Fidelity Low Priced Stock	● 2.50	7.06	14.38	18.46	17.19	11.09	9.48
Russell MidCap Value Idx	▲ (1.97)	3.67	15.09	19.13	17.73	10.61	8.89

Relative Return vs Russell MidCap Value Idx



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

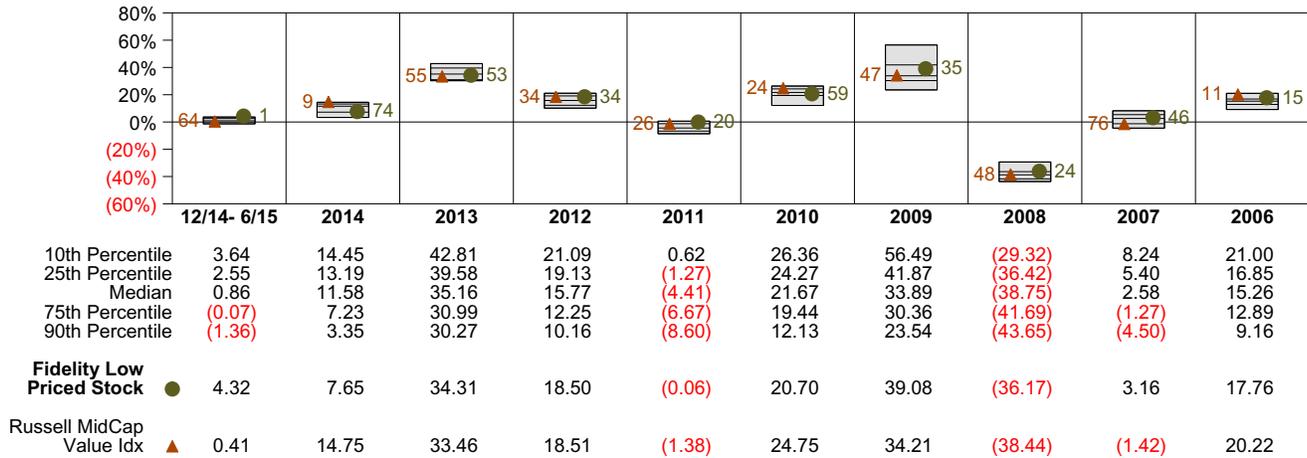


Fidelity Low Priced Stock Return Analysis Summary

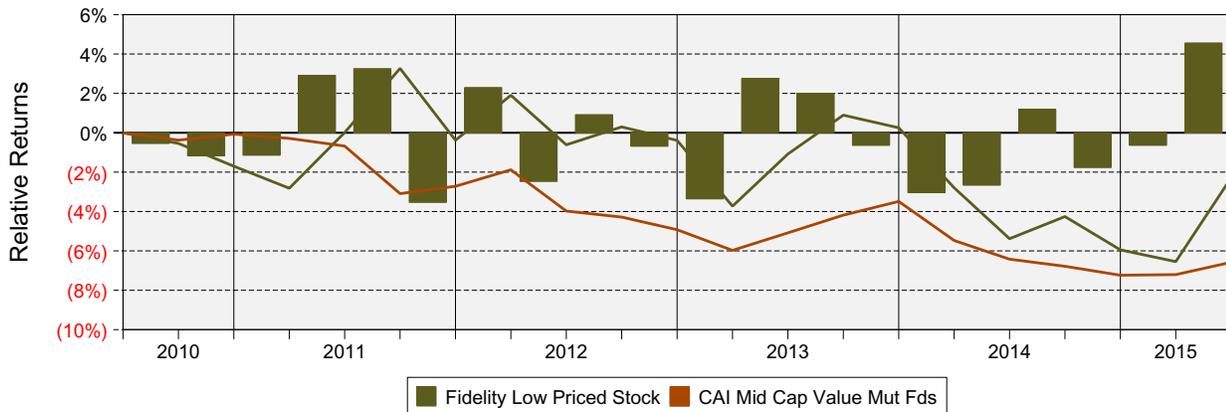
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

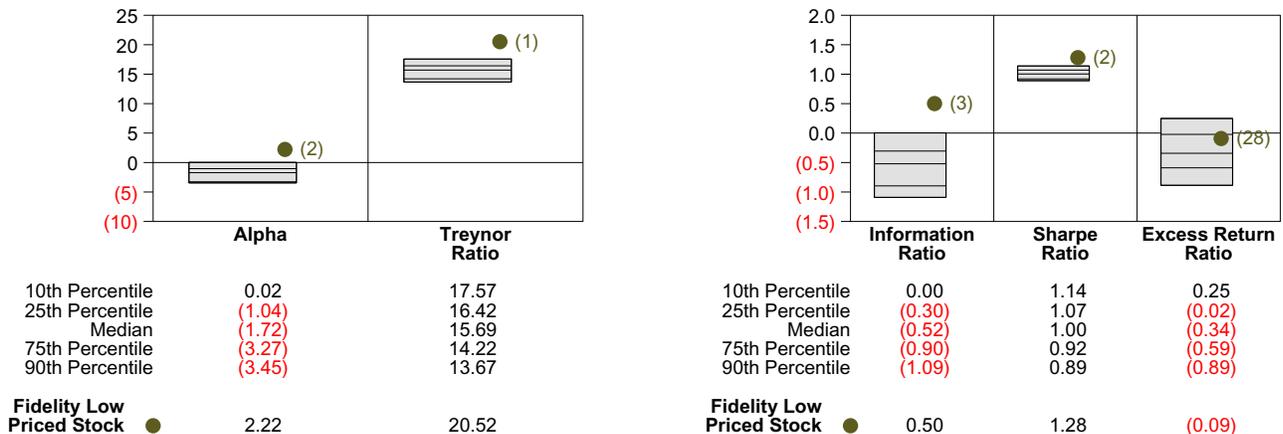
Performance vs CAI MF - Mid Cap Value Style (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



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

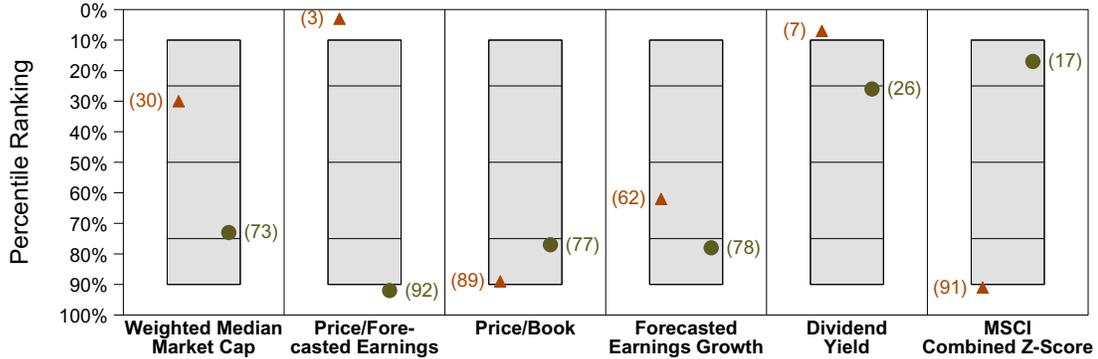


Fidelity Low Priced Stock Equity Characteristics Analysis Summary

Portfolio Characteristics

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

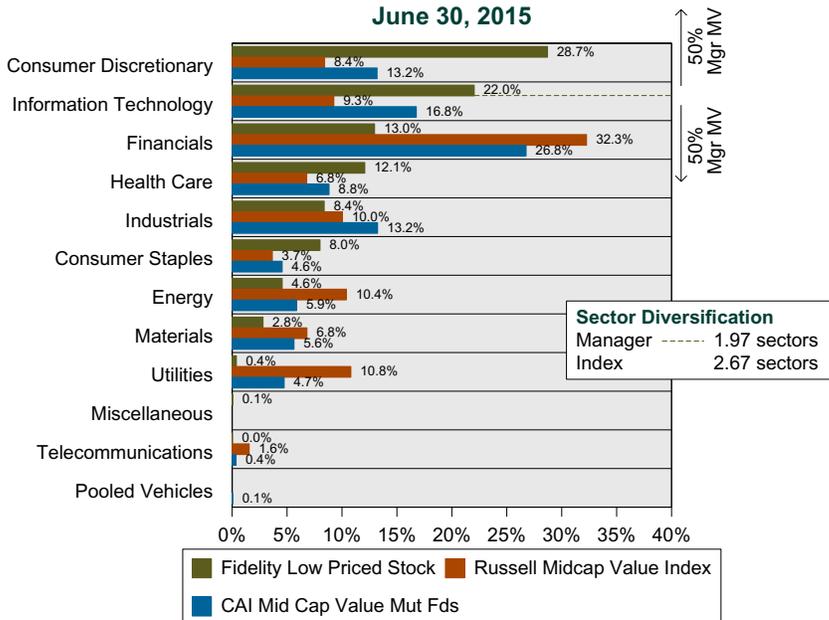
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Value Style as of June 30, 2015



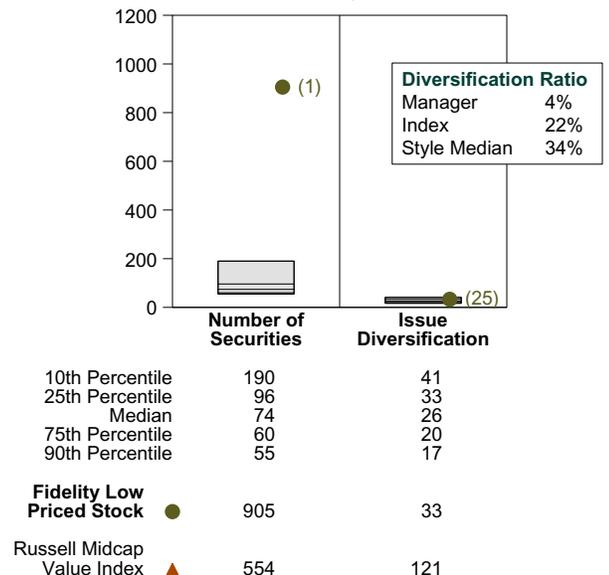
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Royce Total Return Period Ended June 30, 2015

Investment Philosophy

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

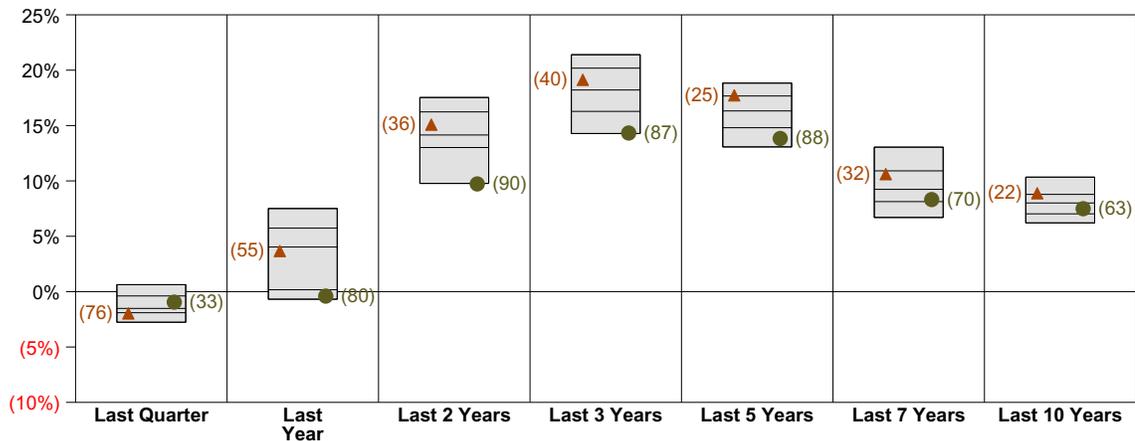
Quarterly Summary and Highlights

- Royce Total Return's portfolio posted a (0.95)% return for the quarter placing it in the 33 percentile of the CAI MF - Mid Cap Value Style group for the quarter and in the 80 percentile for the last year.
- Royce Total Return's portfolio outperformed the Russell MidCap Value Idx by 1.02% for the quarter and underperformed the Russell MidCap Value Idx for the year by 4.08%.

Quarterly Asset Growth

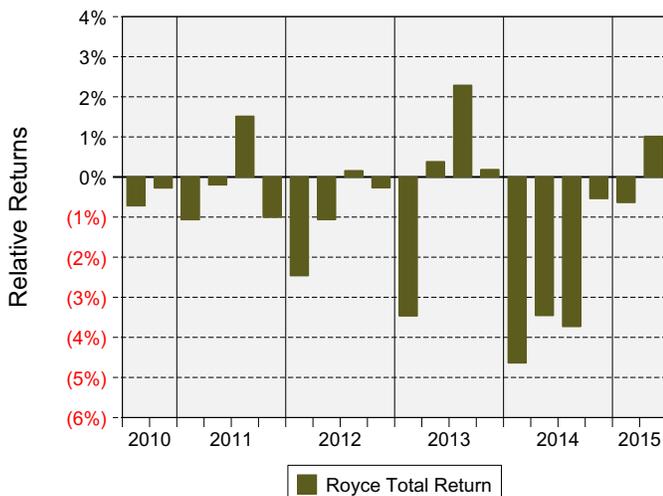
Beginning Market Value	\$4,844,327
Net New Investment	\$0
Investment Gains/(Losses)	\$-45,940
Ending Market Value	\$4,798,388

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

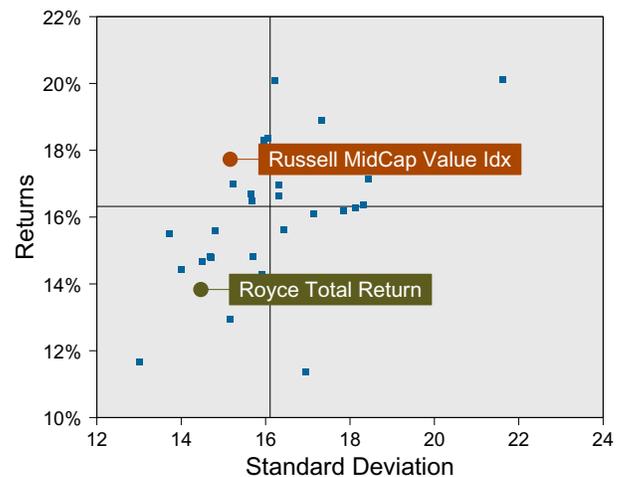


10th Percentile	0.63	7.50	17.53	21.40	18.83	13.05	10.34
25th Percentile	(0.39)	5.74	16.23	20.19	17.67	10.91	8.78
Median	(1.51)	4.03	14.15	18.21	16.32	9.24	8.01
75th Percentile	(1.90)	0.17	13.02	16.28	14.80	8.13	7.03
90th Percentile	(2.76)	(0.68)	9.77	14.28	13.07	6.70	6.21
Royce Total Return ●	(0.95)	(0.41)	9.73	14.32	13.83	8.31	7.49
Russell MidCap Value Idx ▲	(1.97)	3.67	15.09	19.13	17.73	10.61	8.89

Relative Return vs Russell MidCap Value Idx



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

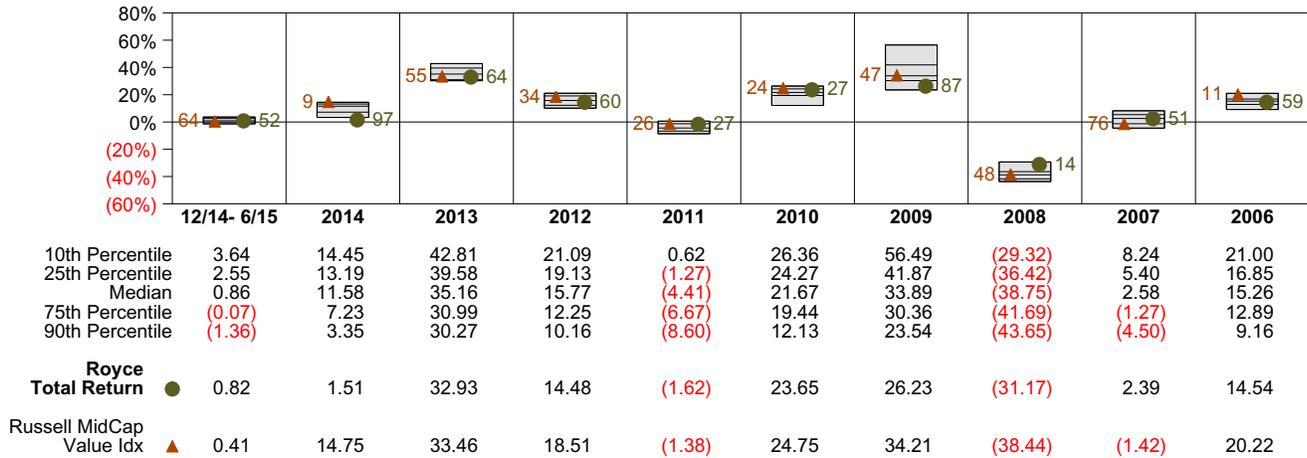


Royce Total Return Return Analysis Summary

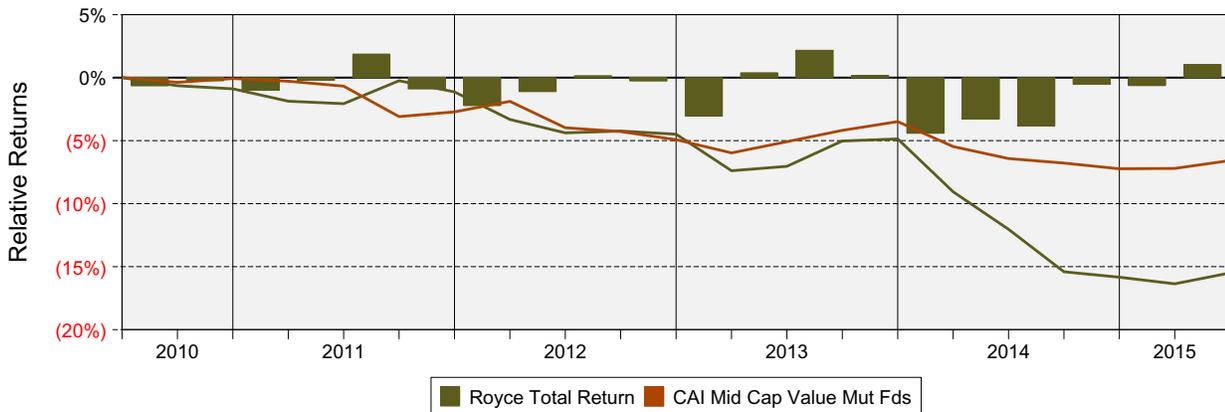
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

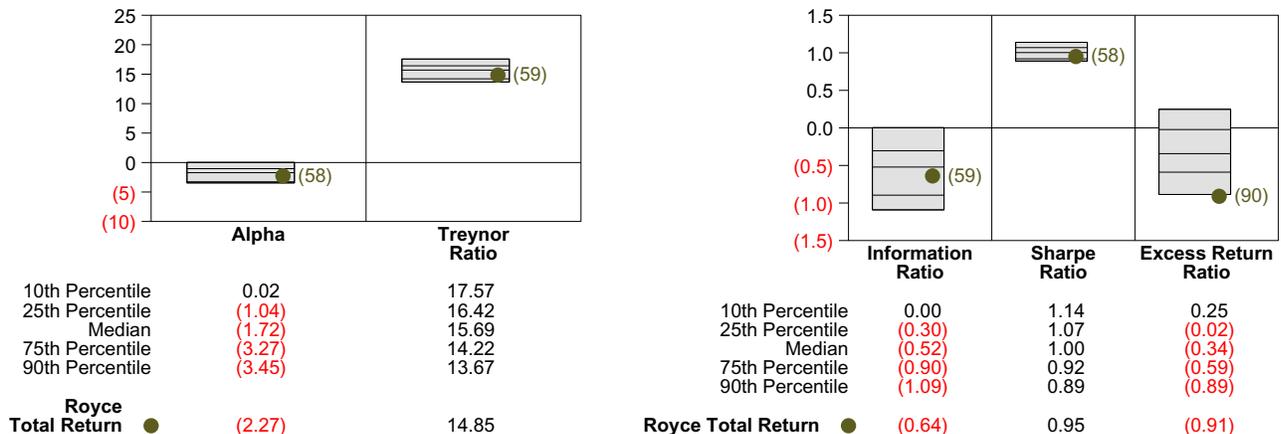
Performance vs CAI MF - Mid Cap Value Style (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



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

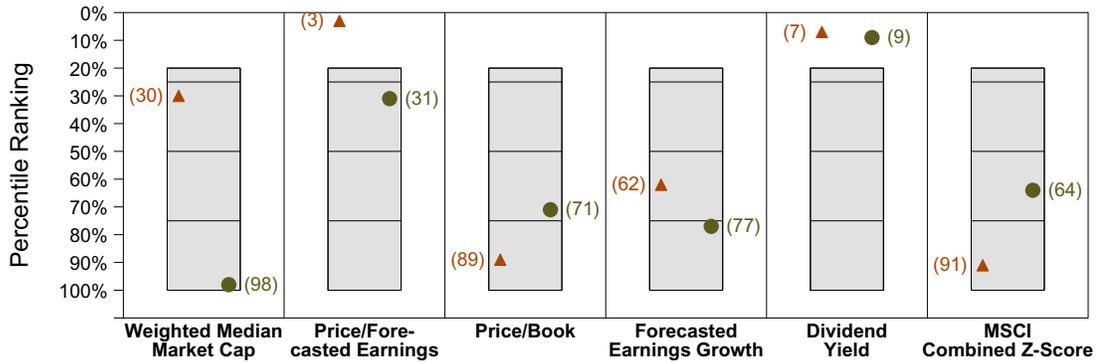


Royce Total Return Equity Characteristics Analysis Summary

Portfolio Characteristics

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

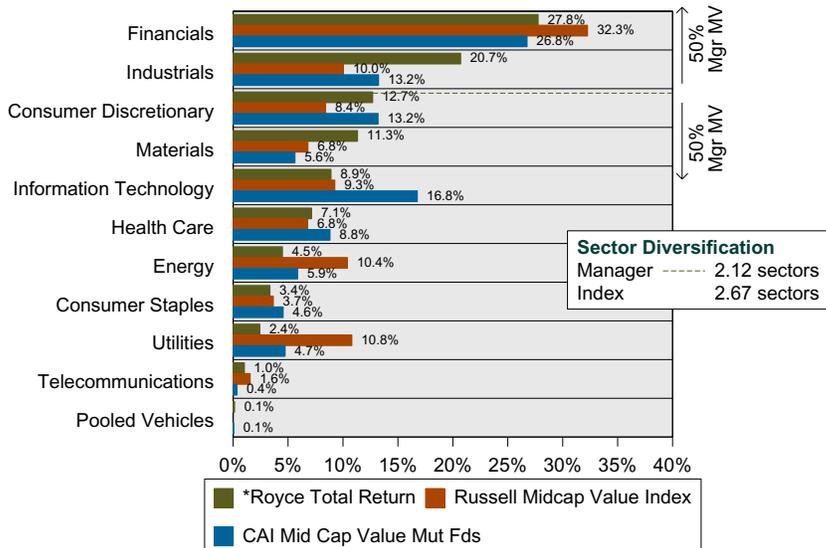
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Value Style as of June 30, 2015



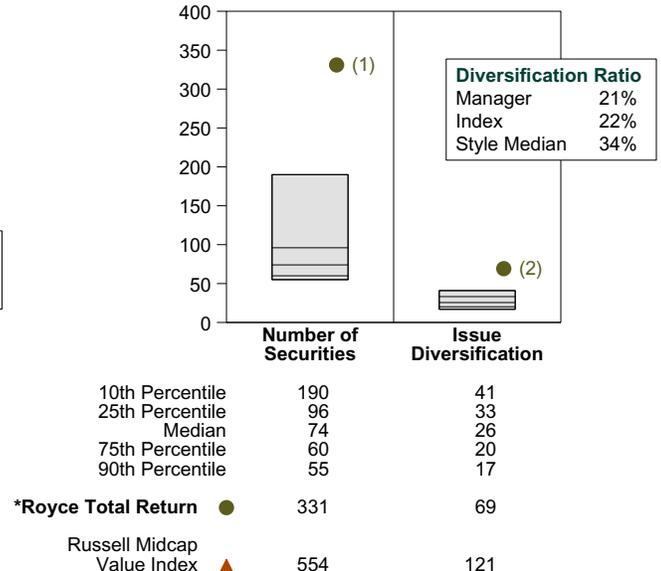
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Morgan Stanley Period Ended June 30, 2015

Investment Philosophy

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

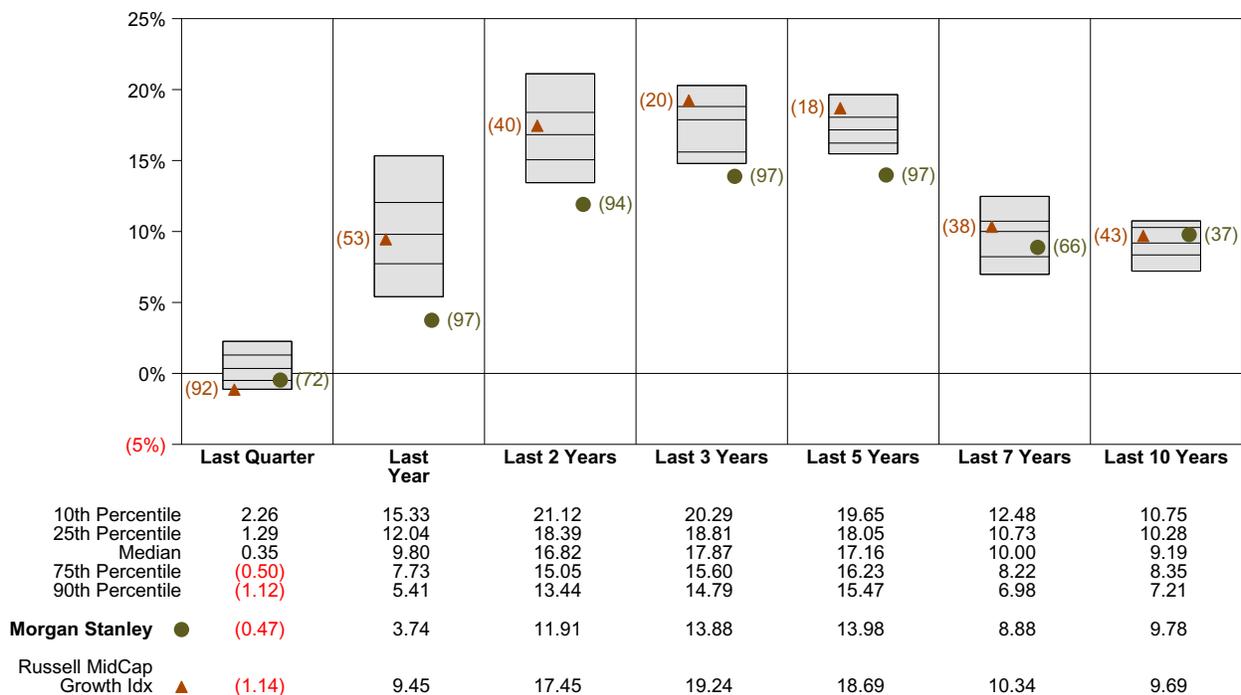
Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a (0.47)% return for the quarter placing it in the 72 percentile of the CAI MF - Mid Cap Growth Style group for the quarter and in the 97 percentile for the last year.
- Morgan Stanley's portfolio outperformed the Russell MidCap Growth Idx by 0.67% for the quarter and underperformed the Russell MidCap Growth Idx for the year by 5.71%.

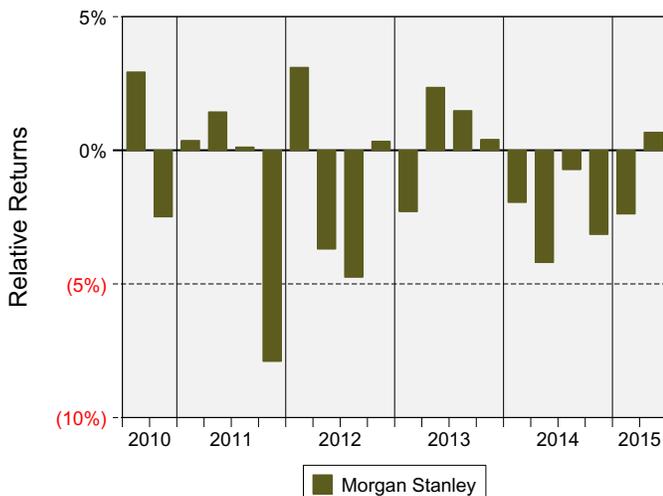
Quarterly Asset Growth

Beginning Market Value	\$4,979,809
Net New Investment	\$0
Investment Gains/(Losses)	-\$23,333
Ending Market Value	\$4,956,476

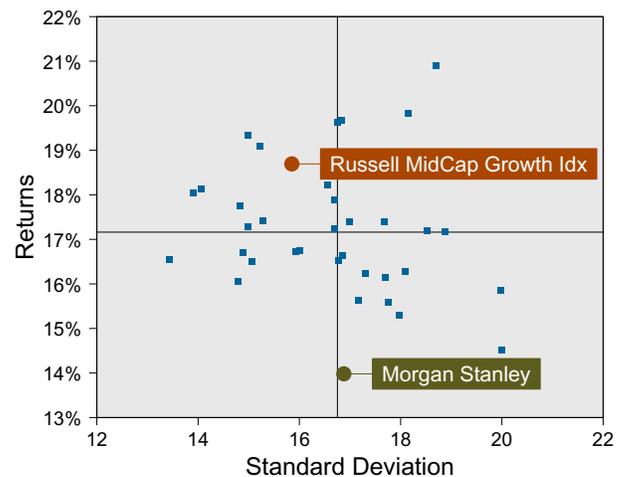
Performance vs CAI MF - Mid Cap Growth Style (Net)



Relative Return vs Russell MidCap Growth Idx



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

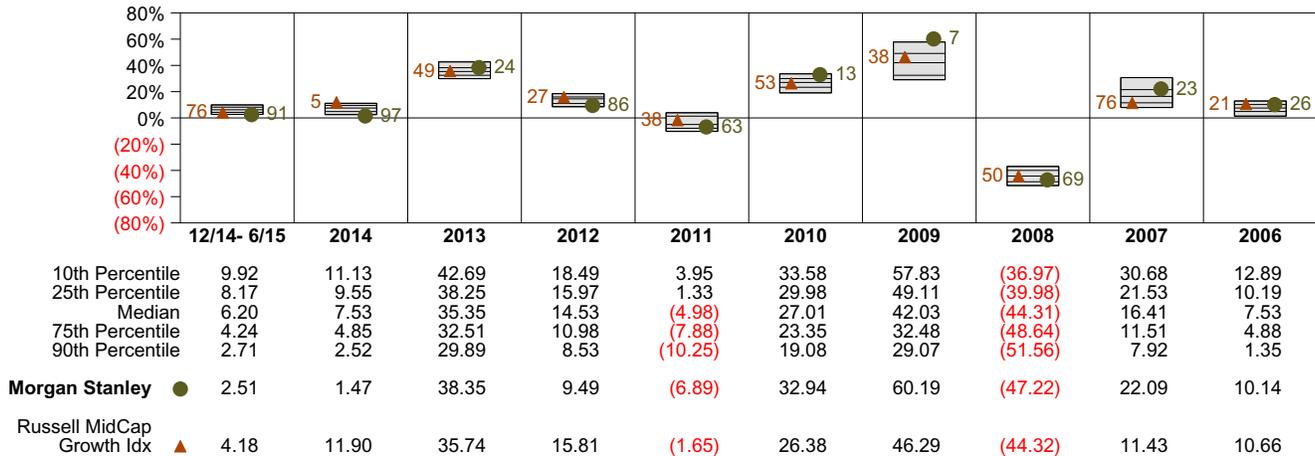


Morgan Stanley Return Analysis Summary

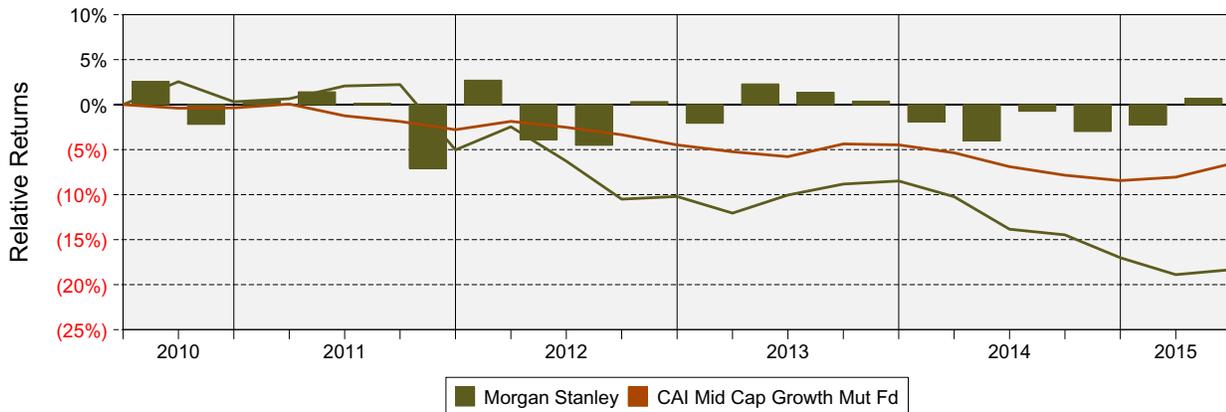
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

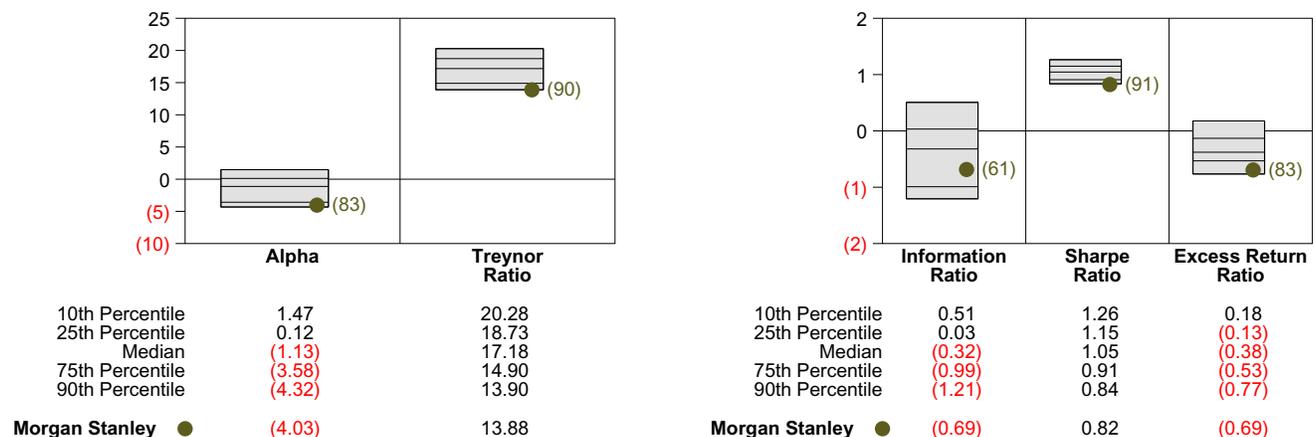
Performance vs CAI MF - Mid Cap Growth Style (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



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

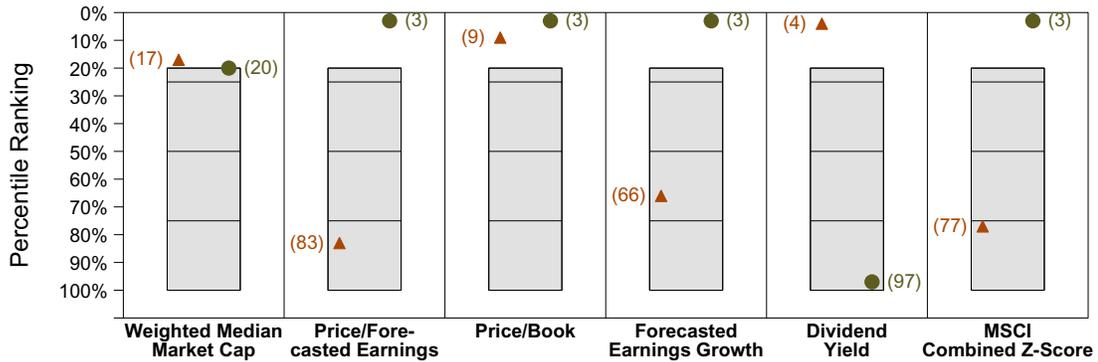


Morgan Stanley Equity Characteristics Analysis Summary

Portfolio Characteristics

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

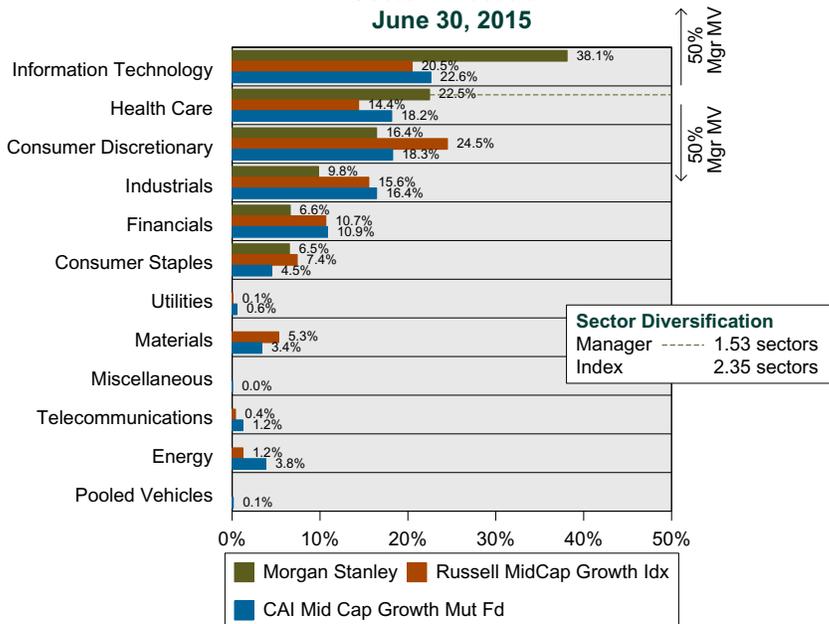
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Growth Style as of June 30, 2015



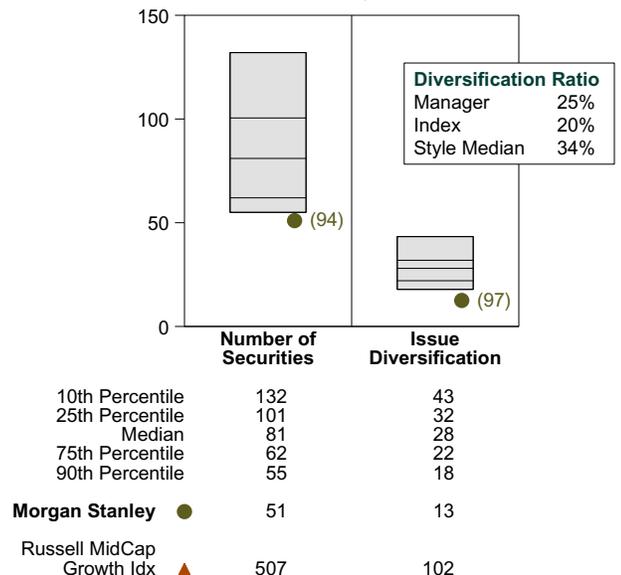
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Janus Enterprise Period Ended June 30, 2015

Investment Philosophy

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

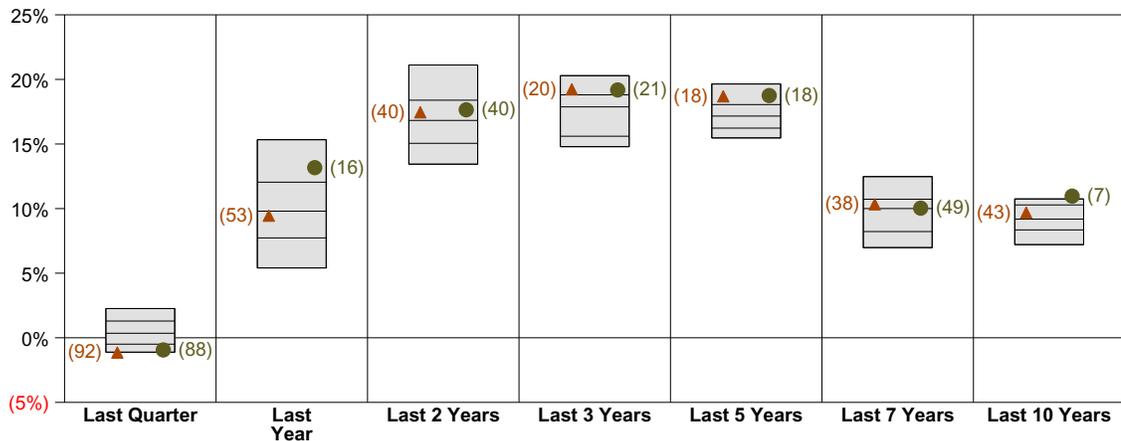
Quarterly Summary and Highlights

- Janus Enterprise's portfolio posted a (0.95)% return for the quarter placing it in the 88 percentile of the CAI MF - Mid Cap Growth Style group for the quarter and in the 16 percentile for the last year.
- Janus Enterprise's portfolio outperformed the Russell MidCap Growth Idx by 0.20% for the quarter and outperformed the Russell MidCap Growth Idx for the year by 3.72%.

Quarterly Asset Growth

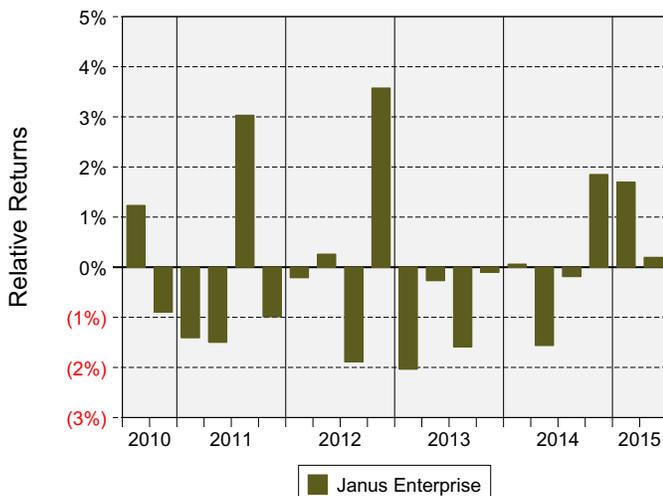
Beginning Market Value	\$5,436,319
Net New Investment	\$0
Investment Gains/(Losses)	-\$51,385
Ending Market Value	\$5,384,934

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

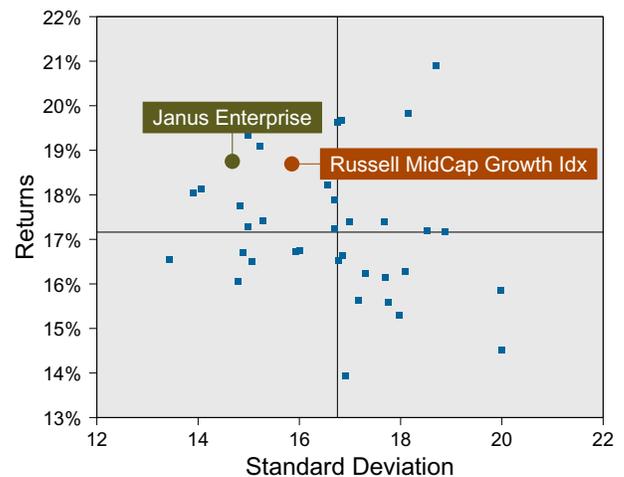


10th Percentile	2.26	15.33	21.12	20.29	19.65	12.48	10.75
25th Percentile	1.29	12.04	18.39	18.81	18.05	10.73	10.28
Median	0.35	9.80	16.82	17.87	17.16	10.00	9.19
75th Percentile	(0.50)	7.73	15.05	15.60	16.23	8.22	8.35
90th Percentile	(1.12)	5.41	13.44	14.79	15.47	6.98	7.21
Janus Enterprise ●	(0.95)	13.17	17.65	19.18	18.75	10.03	10.96
Russell MidCap Growth Idx ▲	(1.14)	9.45	17.45	19.24	18.69	10.34	9.69

Relative Return vs Russell MidCap Growth Idx



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

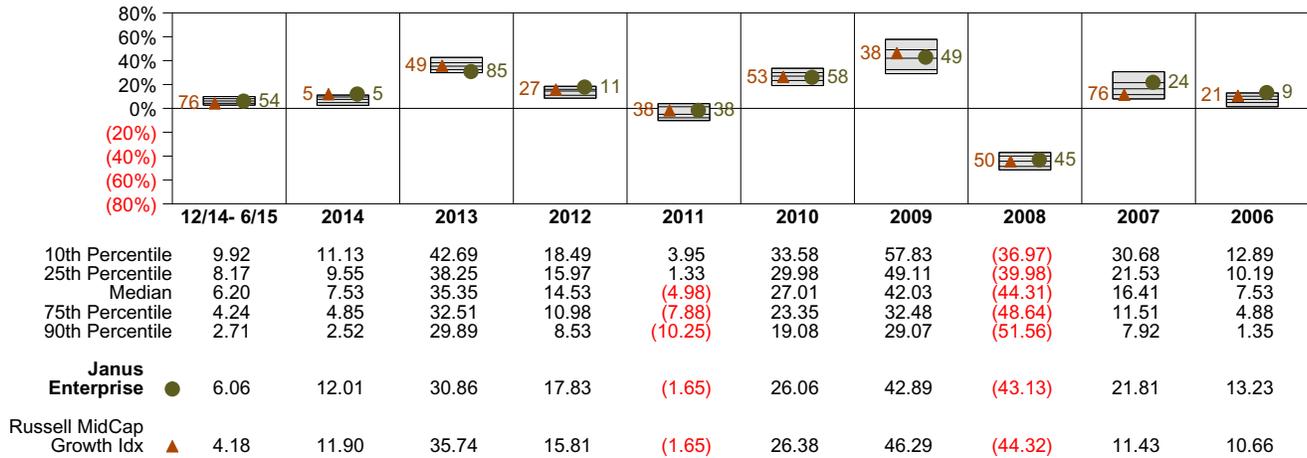


Janus Enterprise Return Analysis Summary

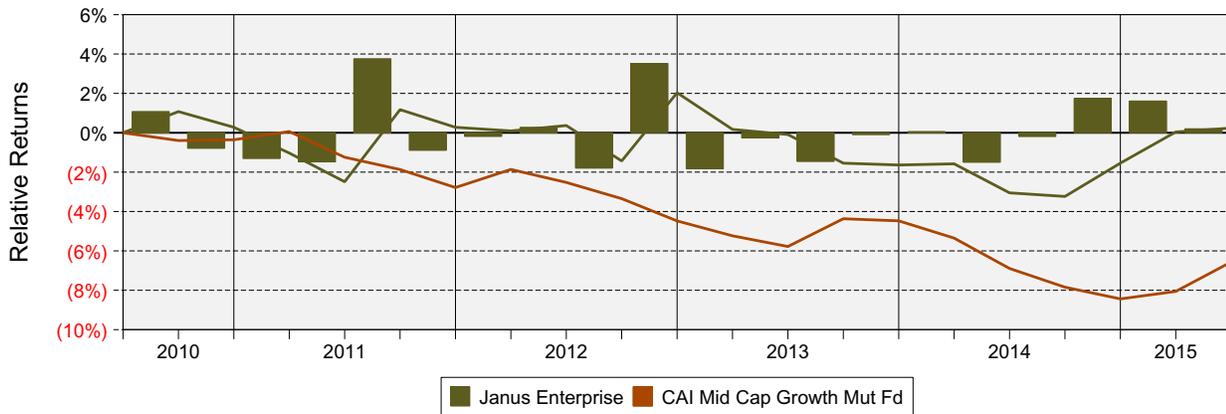
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

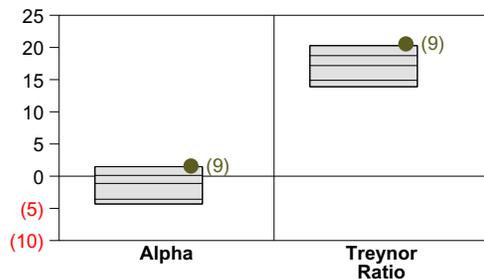
Performance vs CAI MF - Mid Cap Growth Style (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx

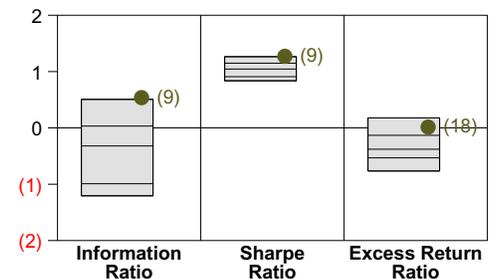


Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI MF - Mid Cap Growth Style (Net) Five Years Ended June 30, 2015



10th Percentile	1.47	20.28
25th Percentile	0.12	18.73
Median	(1.13)	17.18
75th Percentile	(3.58)	14.90
90th Percentile	(4.32)	13.90

Janus Enterprise ● 1.57 20.56



10th Percentile	0.51	1.26	0.18
25th Percentile	0.03	1.15	(0.13)
Median	(0.32)	1.05	(0.38)
75th Percentile	(0.99)	0.91	(0.53)
90th Percentile	(1.21)	0.84	(0.77)

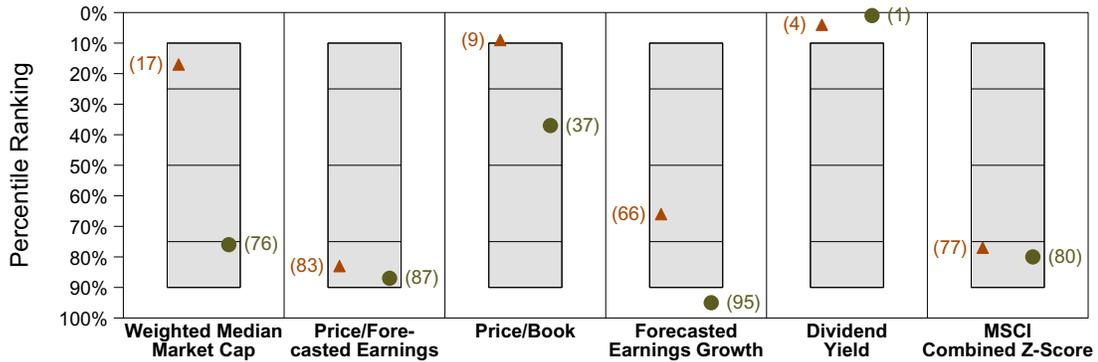
Janus Enterprise ● 0.54 1.27 0.01

Janus Enterprise Equity Characteristics Analysis Summary

Portfolio Characteristics

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

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

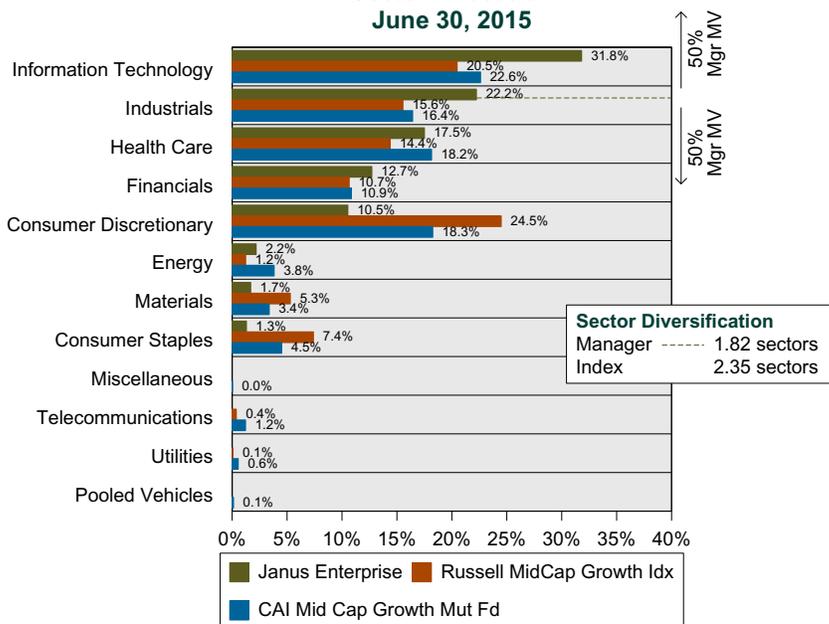


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	13.57	27.11	5.02	21.83	0.85	1.15
25th Percentile	11.63	25.30	4.69	19.29	0.74	1.02
Median	9.57	23.65	4.30	17.14	0.57	0.95
75th Percentile	8.61	22.09	3.94	15.10	0.46	0.77
90th Percentile	5.63	19.67	3.33	14.18	0.35	0.51
Janus Enterprise	8.45	20.51	4.55	13.63	1.25	0.67
Russell MidCap Growth Idx	11.97	21.05	5.12	15.81	1.04	0.73

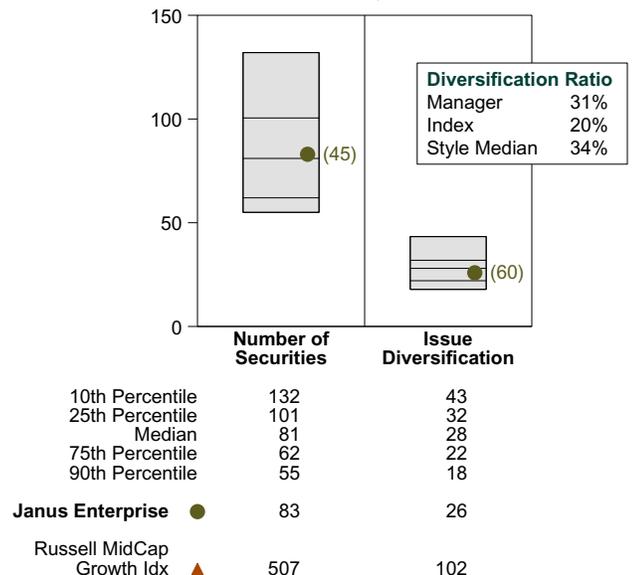
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



Prudential Small Cap Value Period Ended June 30, 2015

Investment Philosophy

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

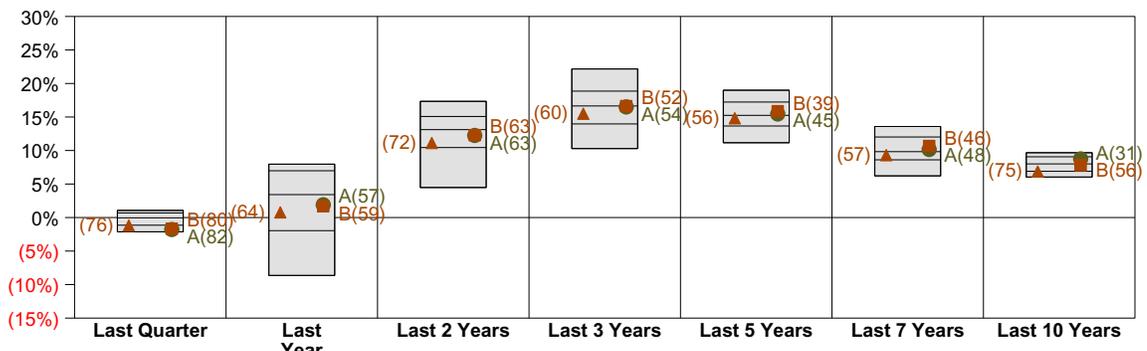
Quarterly Summary and Highlights

- Prudential Small Cap Value's portfolio posted a (1.79)% return for the quarter placing it in the 82 percentile of the CAI MF - Small Cap Value Style group for the quarter and in the 57 percentile for the last year.
- Prudential Small Cap Value's portfolio underperformed the Russell 2000 Value Index by 0.59% for the quarter and outperformed the Russell 2000 Value Index for the year by 1.13%.

Quarterly Asset Growth

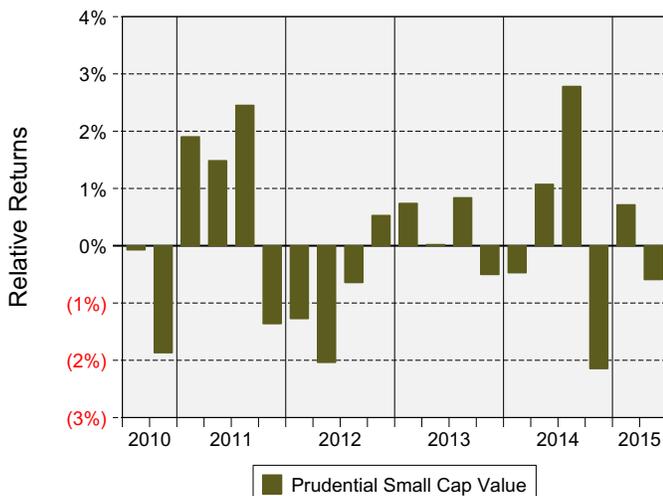
Beginning Market Value	\$13,072,691
Net New Investment	\$0
Investment Gains/(Losses)	\$-233,797
Ending Market Value	\$12,838,894

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

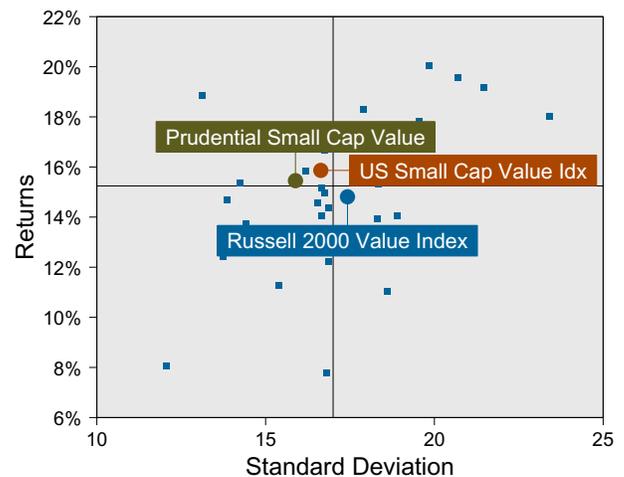


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	1.06	7.96	17.34	22.17	19.00	13.58	9.67
25th Percentile	0.69	6.98	15.08	18.86	17.23	12.02	9.06
Median	(0.04)	3.42	13.12	16.65	15.24	9.83	8.00
75th Percentile	(1.15)	(1.95)	10.44	13.97	13.66	8.61	6.90
90th Percentile	(2.13)	(8.64)	4.48	10.29	11.16	6.21	6.04
Prudential Small Cap Value	● A (1.79)	1.90	12.25	16.50	15.45	10.15	8.76
US Small Cap Value Idx	■ B (1.66)	1.69	12.30	16.63	15.86	10.68	7.81
Russell 2000 Value Index	▲ (1.20)	0.78	11.13	15.50	14.81	9.31	6.87

Relative Return vs Russell 2000 Value Index



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

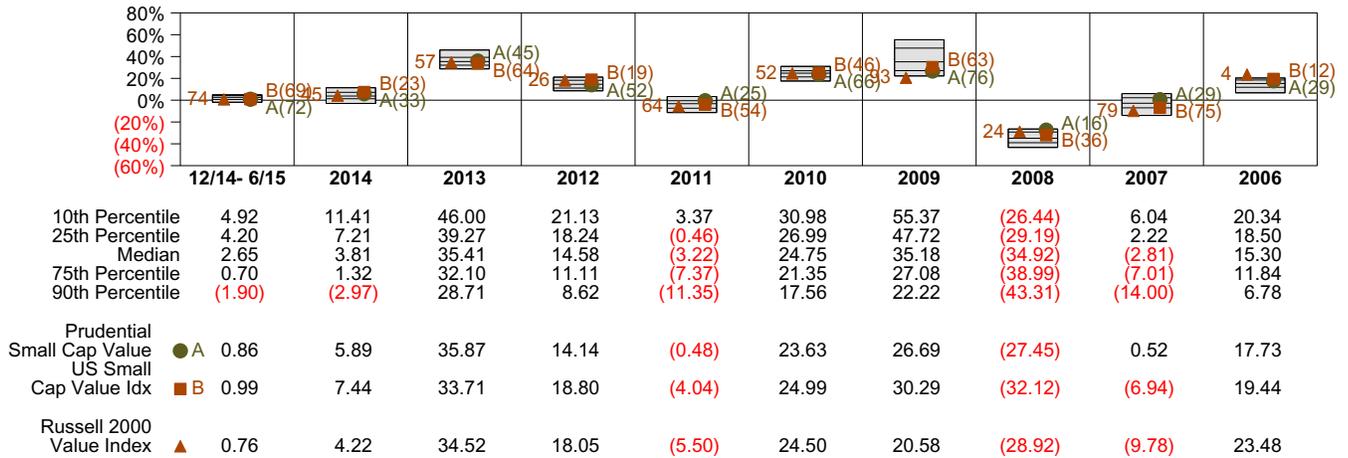


Prudential Small Cap Value Return Analysis Summary

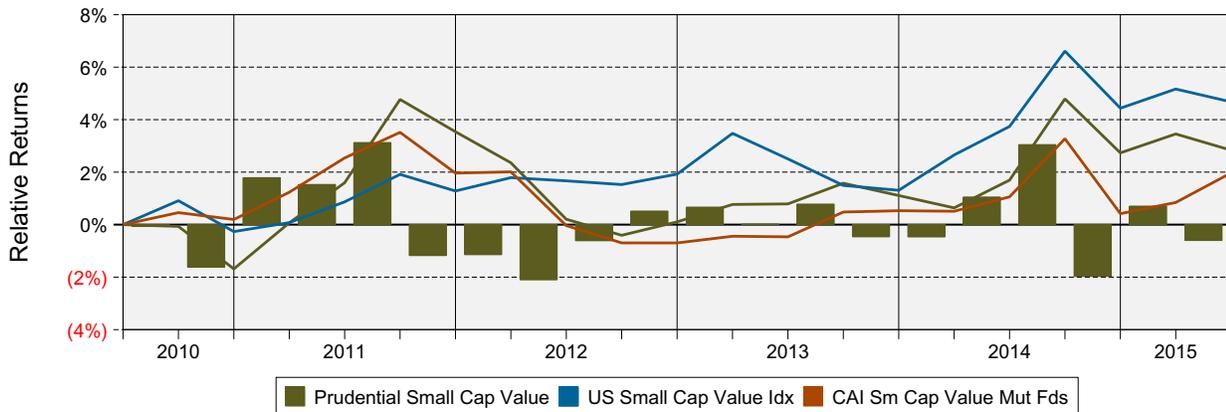
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

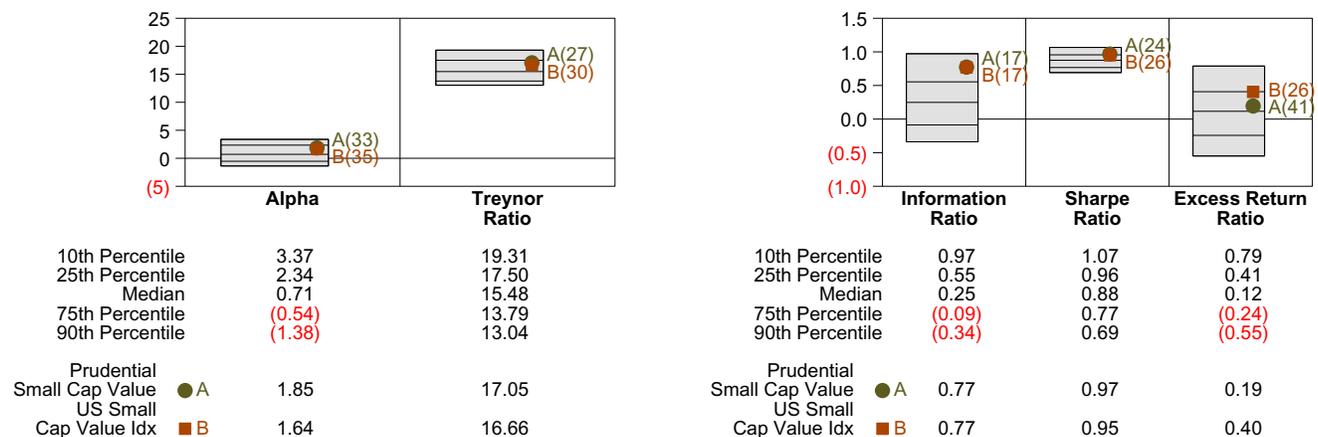
Performance vs CAI MF - Small Cap Value Style (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



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

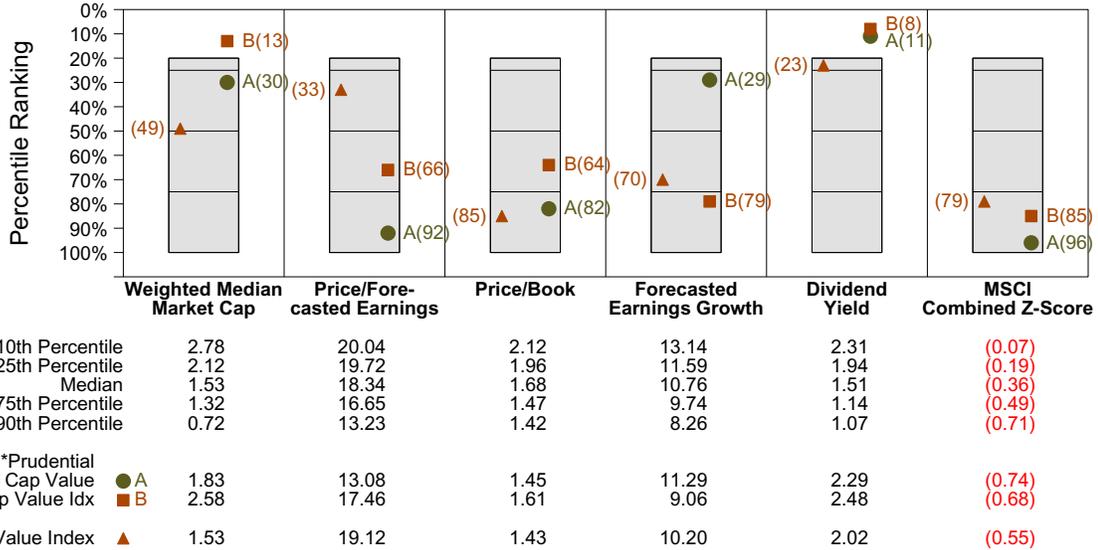


Prudential Small Cap Value Equity Characteristics Analysis Summary

Portfolio Characteristics

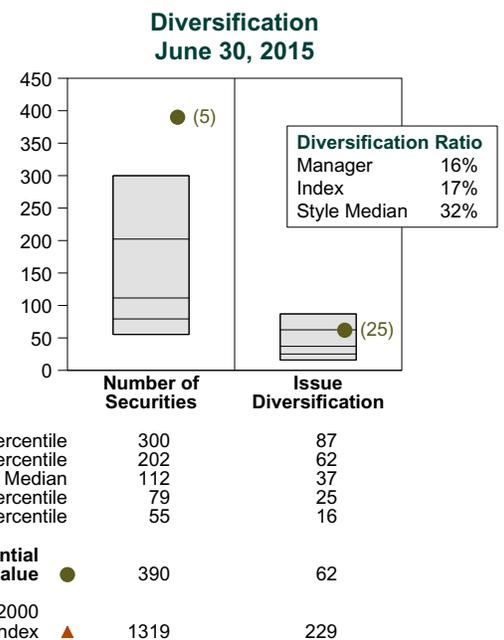
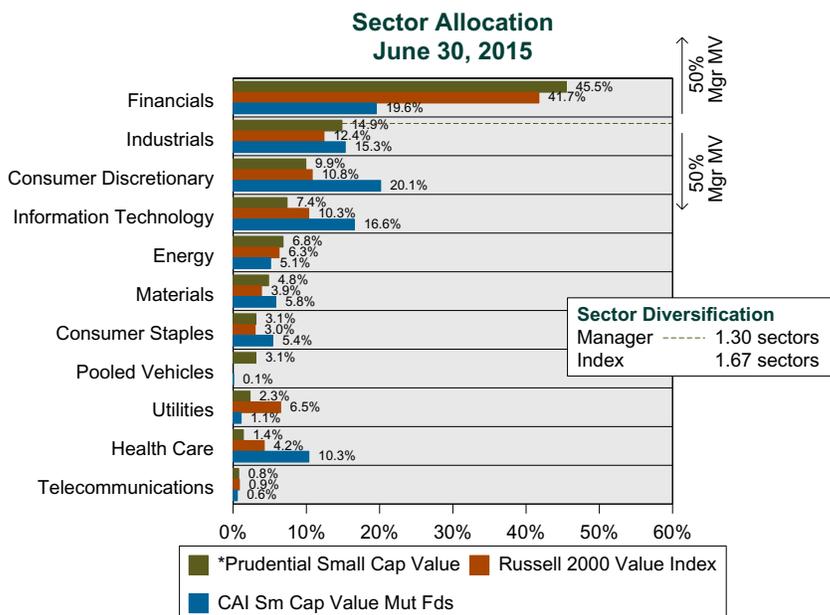
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

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



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



*6/30/15 portfolio characteristics generated using most recently available holdings (4/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

AB US Small Growth Period Ended June 30, 2015

Investment Philosophy

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

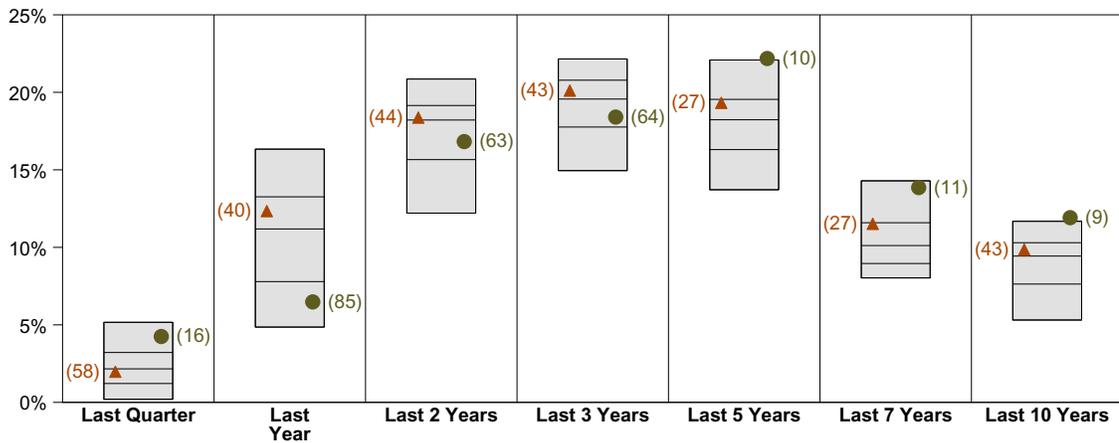
Quarterly Summary and Highlights

- AB US Small Growth's portfolio posted a 4.25% return for the quarter placing it in the 16 percentile of the CAI MF-Small Cap Growth Style group for the quarter and in the 85 percentile for the last year.
- AB US Small Growth's portfolio outperformed the Russell 2000 Growth Index by 2.27% for the quarter and underperformed the Russell 2000 Growth Index for the year by 5.86%.

Quarterly Asset Growth

Beginning Market Value	\$6,889,062
Net New Investment	\$0
Investment Gains/(Losses)	\$310,543
Ending Market Value	\$7,199,605

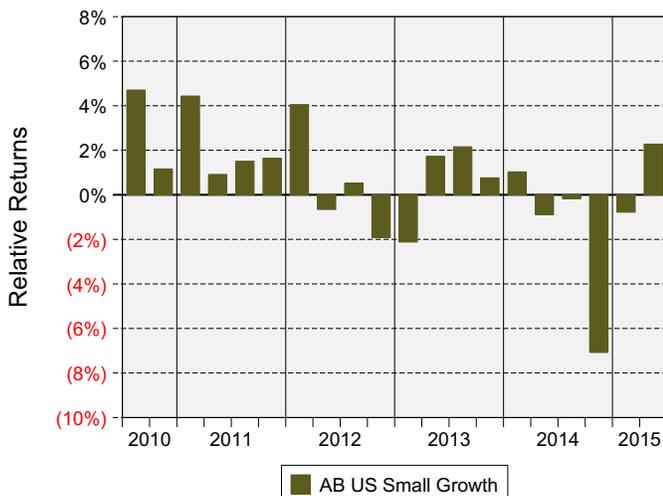
Performance vs CAI MF- Small Cap Growth Style (Net)



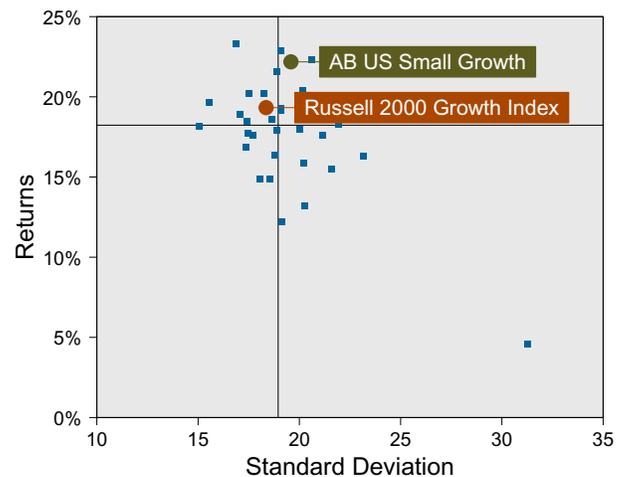
10th Percentile	5.16	16.33	20.86	22.15	22.08	14.29	11.68
25th Percentile	3.22	13.26	19.15	20.78	19.55	11.59	10.30
Median	2.16	11.19	18.21	19.57	18.23	10.12	9.44
75th Percentile	1.22	7.79	15.66	17.76	16.31	8.96	7.63
90th Percentile	0.20	4.86	12.21	14.95	13.71	8.03	5.31

AB US Small Growth ●	4.25	6.48	16.82	18.40	22.18	13.86	11.91
Russell 2000 Growth Index ▲	1.98	12.34	18.37	20.11	19.33	11.52	9.86

Relative Return vs Russell 2000 Growth Index



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

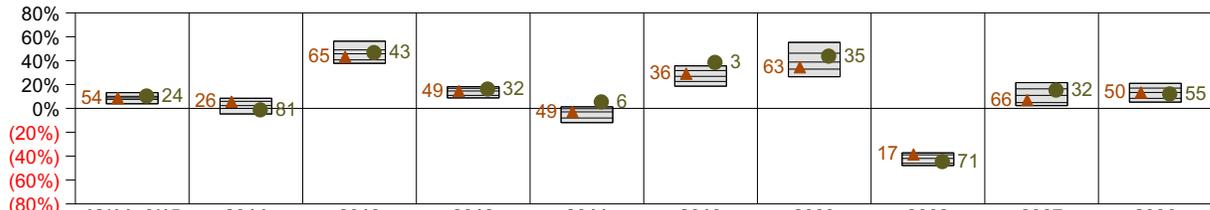


AB US Small Growth Return Analysis Summary

Return Analysis

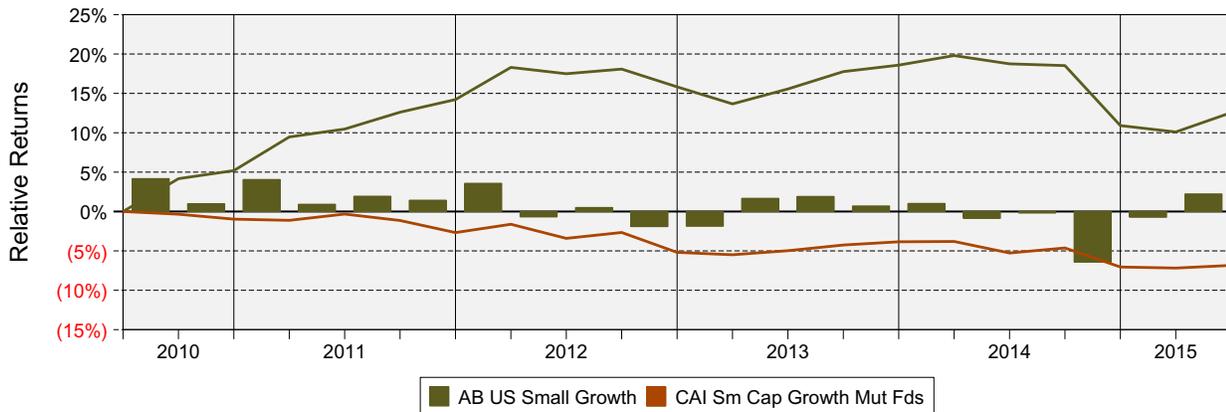
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

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

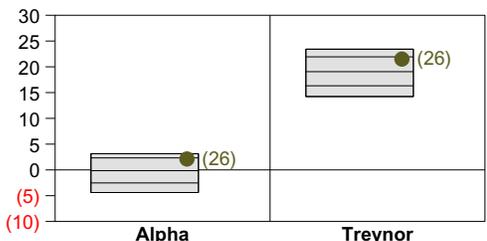


	12/14- 6/15	2014	2013	2012	2011	2010	2009	2008	2007	2006
10th Percentile	13.18	8.46	56.28	18.14	1.29	35.61	55.31	(37.30)	21.56	20.97
25th Percentile	10.08	5.90	49.01	16.80	(0.28)	31.70	46.21	(38.91)	16.36	16.97
Median	8.81	2.32	45.74	14.56	(2.95)	26.82	38.81	(41.95)	10.88	13.33
75th Percentile	7.56	(0.02)	40.65	10.90	(8.06)	22.56	32.89	(46.00)	4.83	8.39
90th Percentile	3.84	(4.68)	37.76	8.75	(11.96)	18.58	26.49	(47.92)	2.29	5.22
AB US Small Growth	● 10.35	(1.24)	46.72	16.21	5.42	38.50	43.78	(44.62)	15.33	12.09
Russell 2000 Growth Index	▲ 8.74	5.60	43.30	14.59	(2.91)	29.09	34.47	(38.54)	7.05	13.35

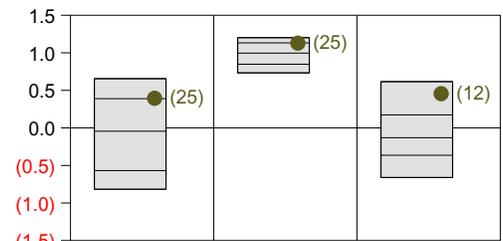
Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



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



	Alpha	Treynor Ratio
10th Percentile	3.15	23.42
25th Percentile	2.33	21.94
Median	(0.15)	19.06
75th Percentile	(2.53)	16.32
90th Percentile	(4.39)	14.23
AB US Small Growth	● 2.12	21.50



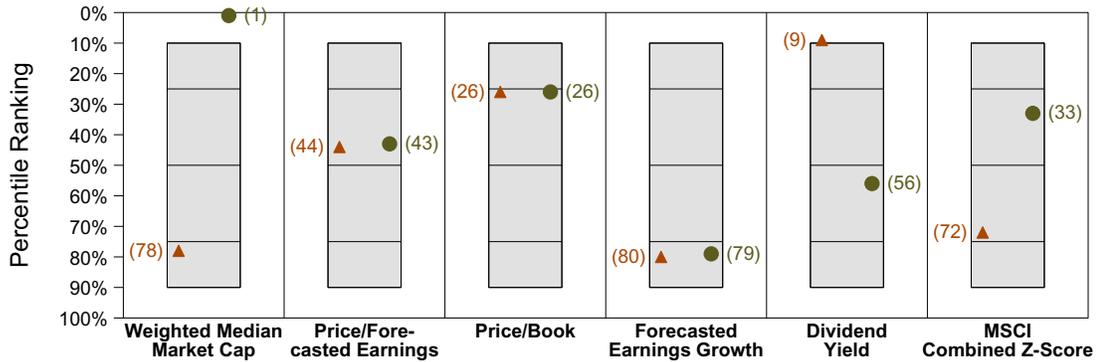
	Information Ratio	Sharpe Ratio	Excess Return Ratio
10th Percentile	0.66	1.20	0.62
25th Percentile	0.39	1.13	0.17
Median	(0.04)	1.00	(0.13)
75th Percentile	(0.57)	0.85	(0.36)
90th Percentile	(0.82)	0.73	(0.66)
AB US Small Growth	● 0.39	1.13	0.46

AB US Small Growth Equity Characteristics Analysis Summary

Portfolio Characteristics

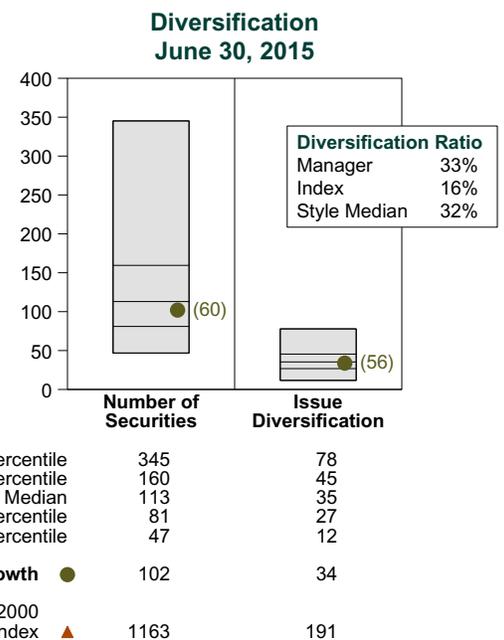
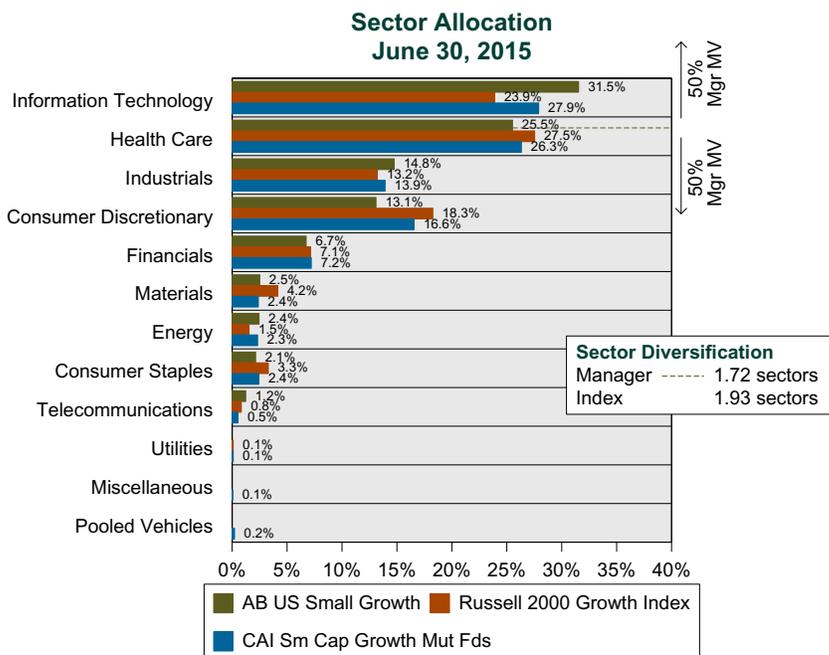
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

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



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



RS Investments

Period Ended June 30, 2015

Investment Philosophy

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

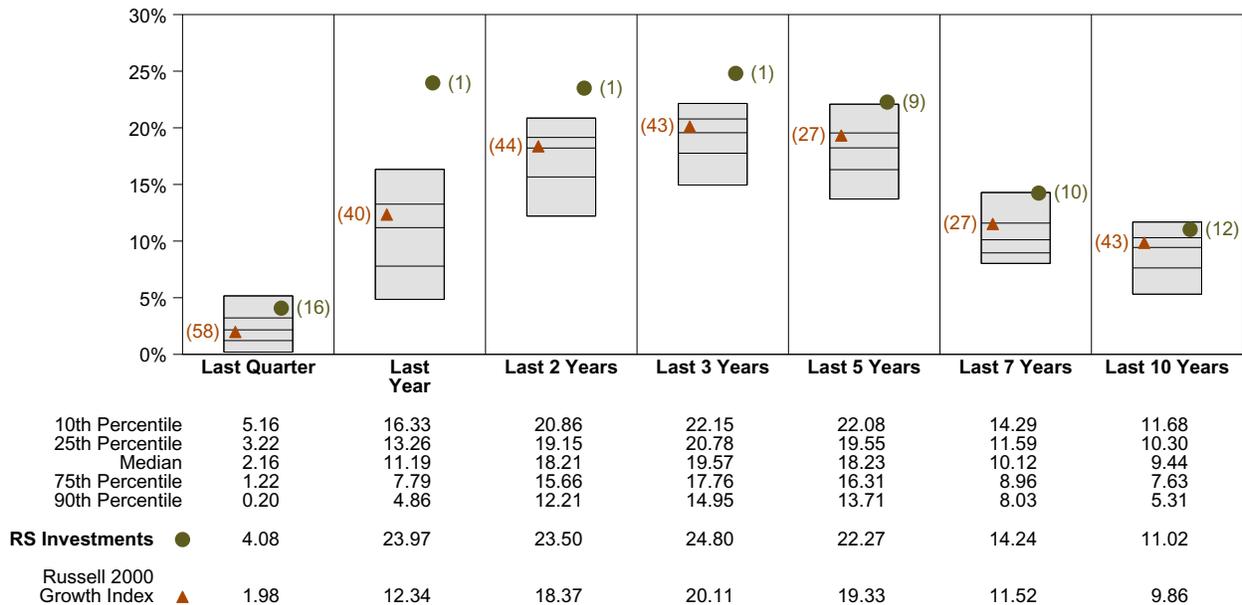
Quarterly Summary and Highlights

- RS Investments's portfolio posted a 4.08% return for the quarter placing it in the 16 percentile of the CAI MF- Small Cap Growth Style group for the quarter and in the 1 percentile for the last year.
- RS Investments's portfolio outperformed the Russell 2000 Growth Index by 2.10% for the quarter and outperformed the Russell 2000 Growth Index for the year by 11.63%.

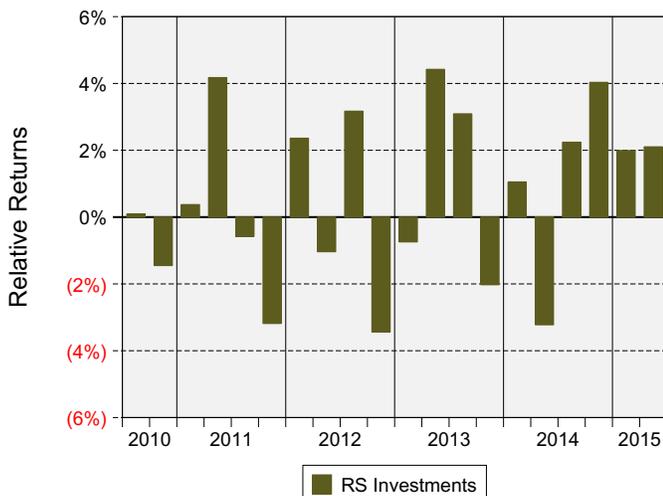
Quarterly Asset Growth

Beginning Market Value	\$5,636,349
Net New Investment	\$0
Investment Gains/(Losses)	\$229,881
Ending Market Value	\$5,866,230

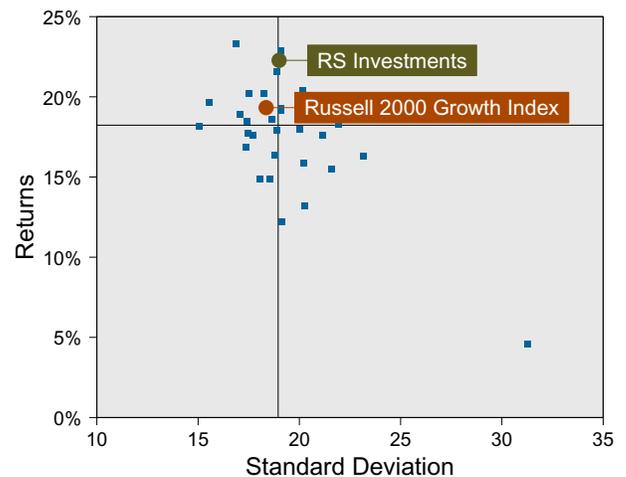
Performance vs CAI MF- Small Cap Growth Style (Net)



Relative Return vs Russell 2000 Growth Index



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

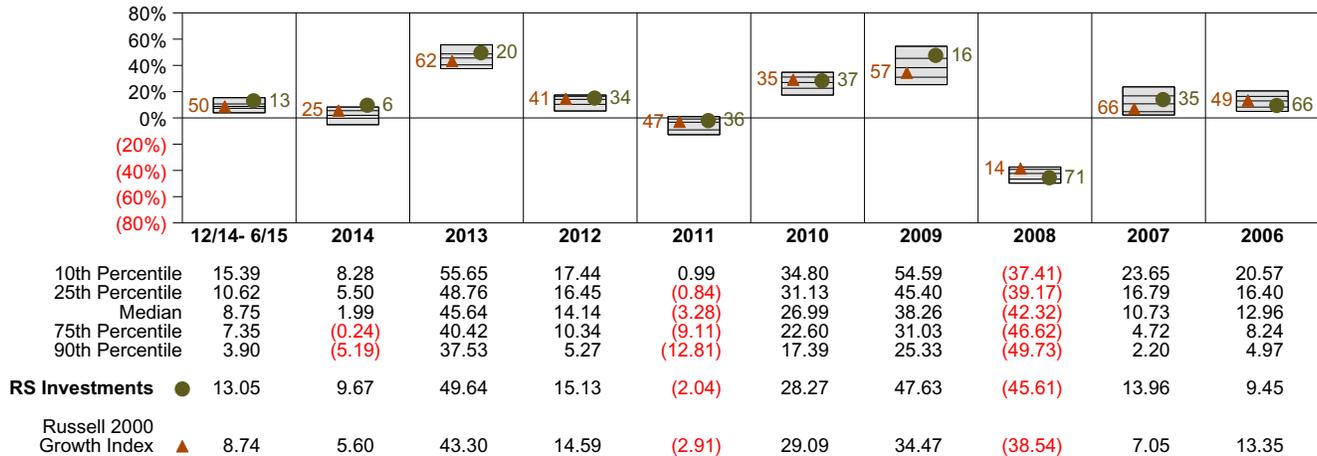


RS Investments Return Analysis Summary

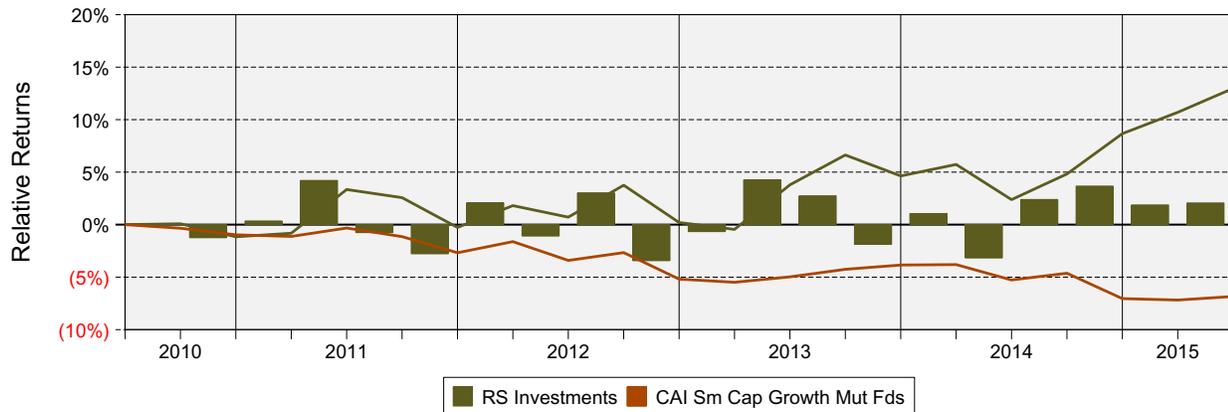
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

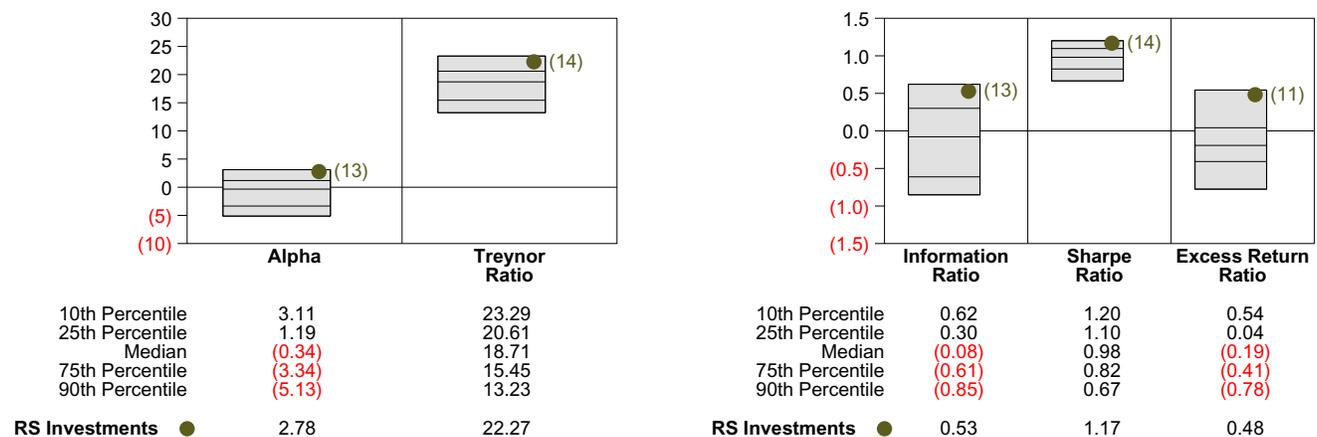
Performance vs CAI MF- Small Cap Growth Style (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



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

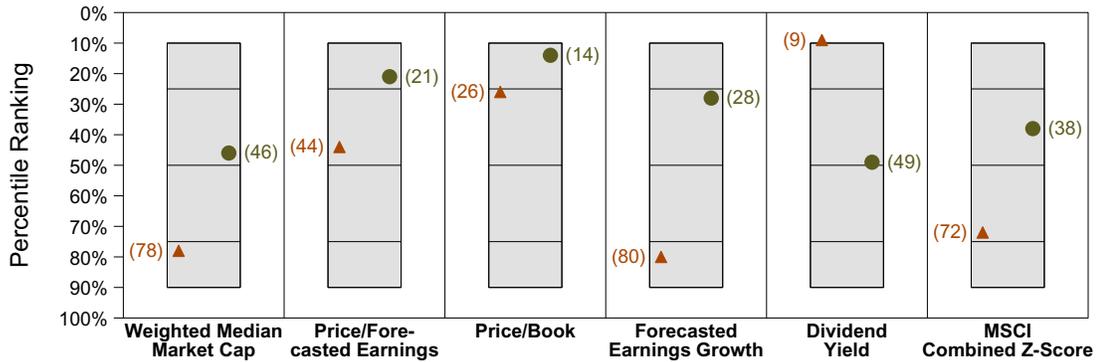


RS Investments Equity Characteristics Analysis Summary

Portfolio Characteristics

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

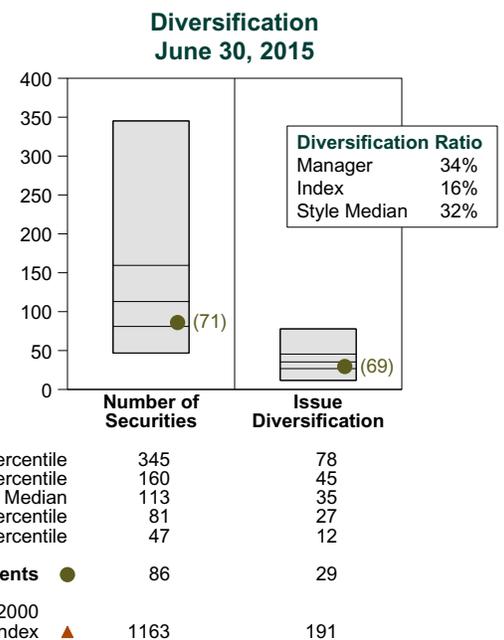
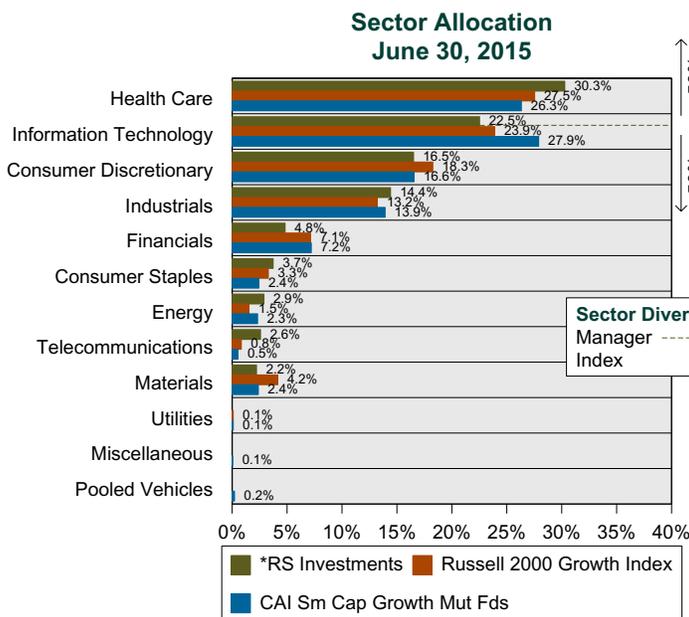
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF- Small Cap Growth Style as of June 30, 2015



	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	2.90	55.44	5.12	23.94	0.63	1.15
25th Percentile	2.65	40.11	4.42	20.77	0.56	0.97
Median	2.20	32.64	3.73	18.73	0.39	0.72
75th Percentile	2.00	24.02	3.07	17.46	0.27	0.55
90th Percentile	1.54	20.89	2.97	16.00	0.14	0.38
*RS Investments	2.30	42.96	4.87	19.96	0.40	0.82
Russell 2000 Growth Index	1.98	34.55	4.36	16.98	0.63	0.60

Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Managers Inst Micro Cap Period Ended June 30, 2015

Investment Philosophy

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

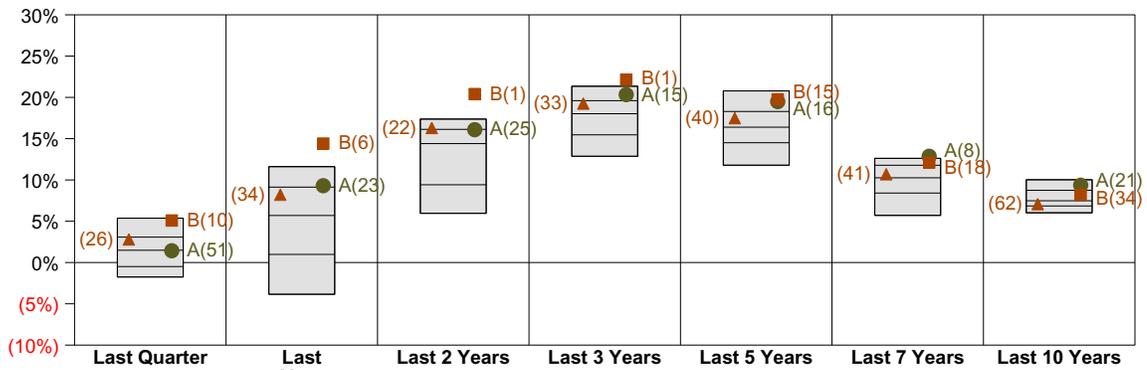
Quarterly Summary and Highlights

- Managers Inst Micro Cap's portfolio posted a 1.43% return for the quarter placing it in the 51 percentile of the MF - Micro Cap Obj group for the quarter and in the 23 percentile for the last year.
- Managers Inst Micro Cap's portfolio underperformed the Russell Microcap Index by 1.37% for the quarter and outperformed the Russell Microcap Index for the year by 1.09%.

Quarterly Asset Growth

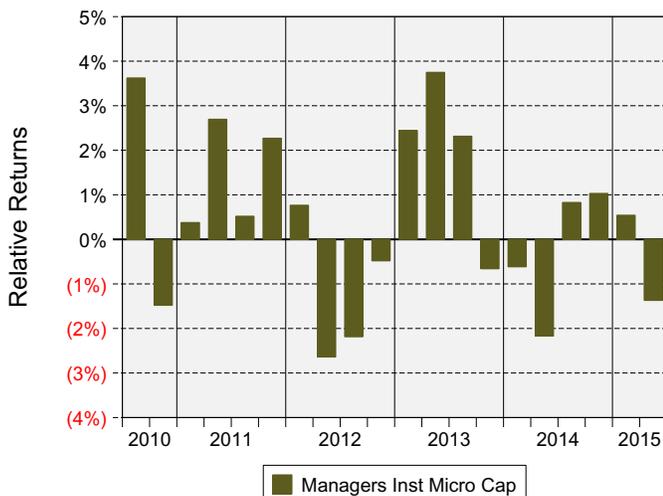
Beginning Market Value	\$8,659,924
Net New Investment	\$0
Investment Gains/(Losses)	\$123,496
Ending Market Value	\$8,783,420

Performance vs MF - Micro Cap Obj (Net)

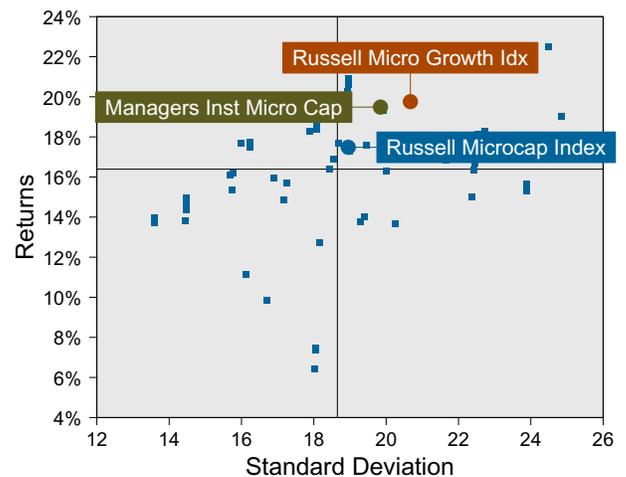


10th Percentile	5.37	11.61	17.37	21.35	20.79	12.62	10.03
25th Percentile	3.08	9.13	16.13	19.60	18.29	11.78	8.74
Median	1.49	5.70	14.40	18.02	16.39	10.26	7.48
75th Percentile	(0.49)	0.98	9.42	15.47	14.51	8.41	6.85
90th Percentile	(1.75)	(3.85)	5.96	12.87	11.78	5.71	6.02
Managers Inst Micro Cap	● A	1.43	9.30	16.08	20.33	12.87	9.37
Russell Micro Growth Idx	■ B	5.09	14.41	20.40	22.13	19.76	12.11
Russell Microcap Index	▲	2.80	8.21	16.30	19.25	17.48	10.69

Relative Return vs Russell Microcap Index



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

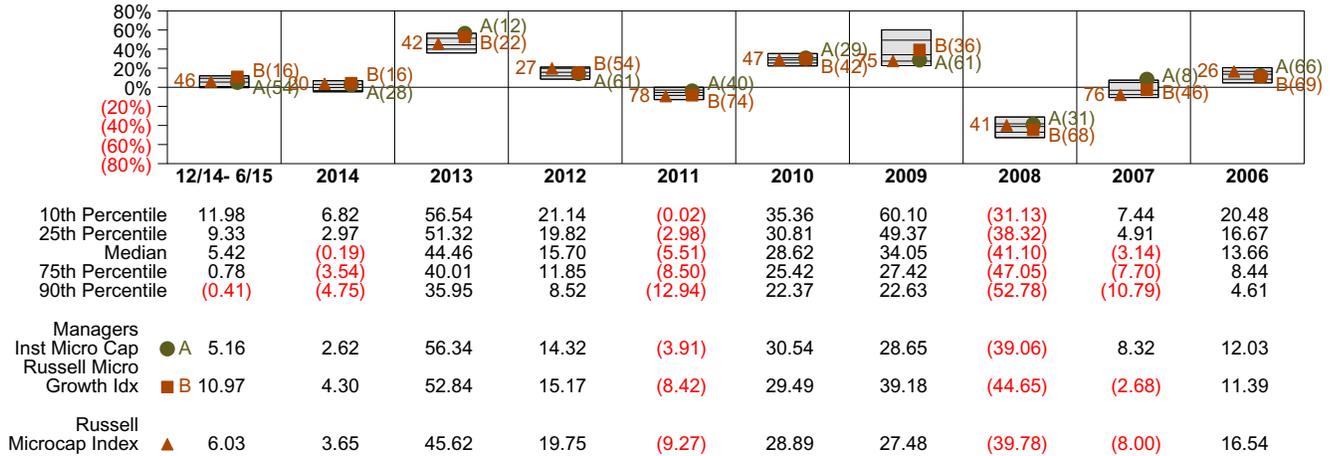


Managers Inst Micro Cap Return Analysis Summary

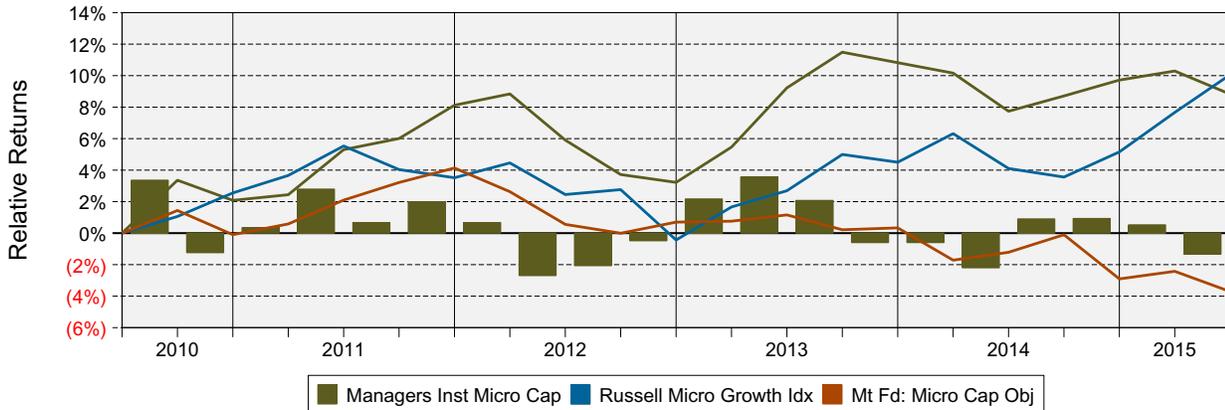
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

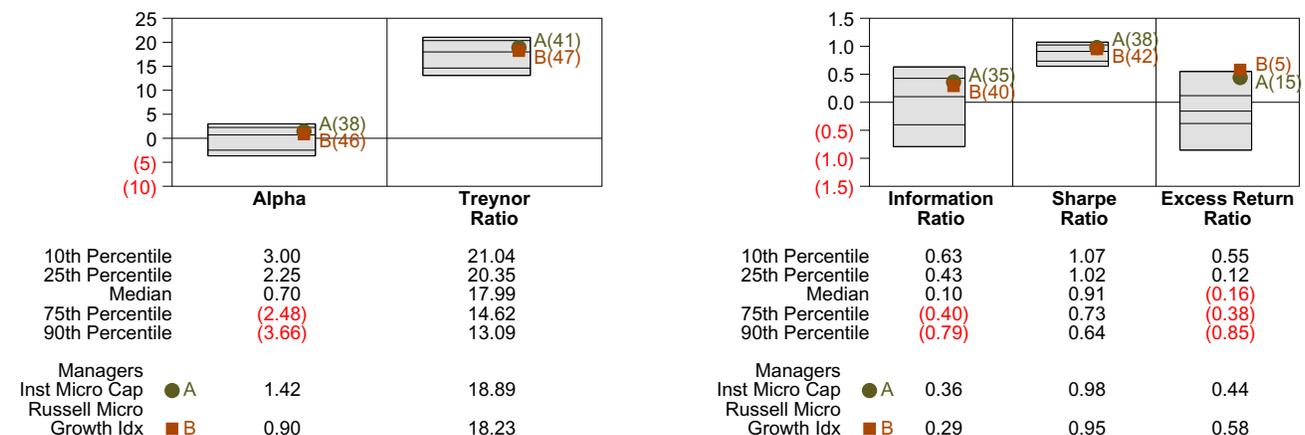
Performance vs MF - Micro Cap Obj (Net)



Cumulative and Quarterly Relative Return vs Russell Microcap Index



Risk Adjusted Return Measures vs Russell Microcap Index Rankings Against MF - Micro Cap Obj (Net) Five Years Ended June 30, 2015

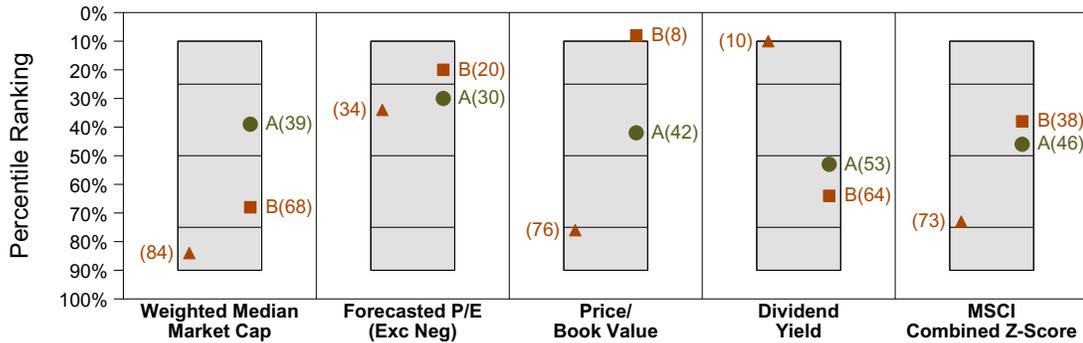


Managers Inst Micro Cap Equity Characteristics Analysis Summary

Portfolio Characteristics

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

Portfolio Characteristics Percentile Rankings Rankings Against MF - Micro Cap Obj as of June 30, 2015



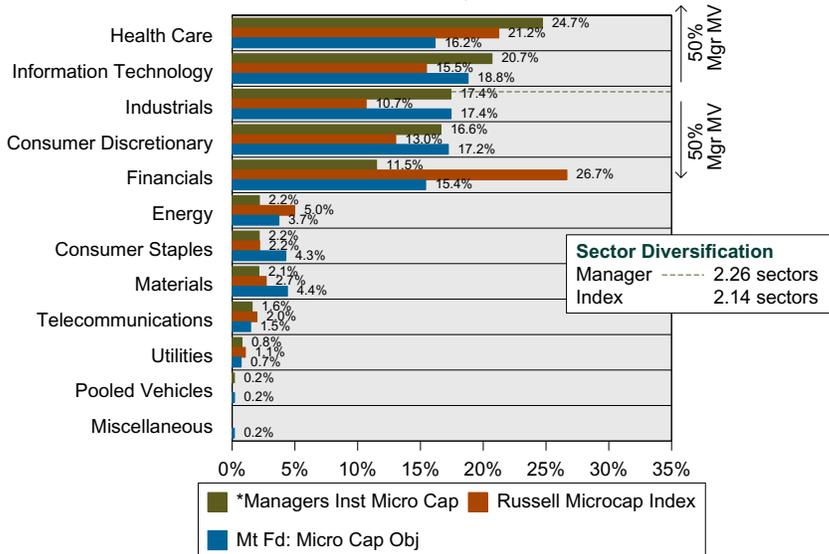
	Weighted Median Market Cap	Forecasted P/E (Exc Neg)	Price/Book Value	Dividend Yield	MSCI Combined Z-Score
10th Percentile	0.95	33.41	3.59	1.22	0.75
25th Percentile	0.74	25.76	3.28	1.01	0.65
Median	0.55	21.50	2.32	0.73	0.19
75th Percentile	0.48	18.56	1.75	0.23	(0.22)
90th Percentile	0.33	16.02	1.44	0.22	(0.58)

*Managers Inst Micro Cap	● A	0.70	25.37	2.66	0.63	0.33
Russell Micro Growth Idx	■ B	0.49	32.34	3.65	0.43	0.53
Russell Microcap Index	▲	0.45	22.52	1.69	1.21	(0.18)

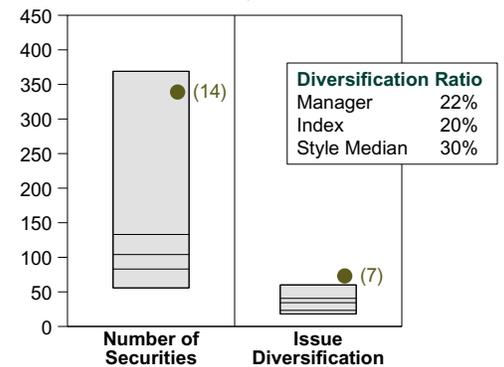
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



Diversification June 30, 2015



10th Percentile	369	60
25th Percentile	133	41
Median	104	34
75th Percentile	83	23
90th Percentile	56	18

*Managers Inst Micro Cap	●	339	73
Russell Microcap Index	▲	1665	332

*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

International Equity Composite Period Ended June 30, 2015

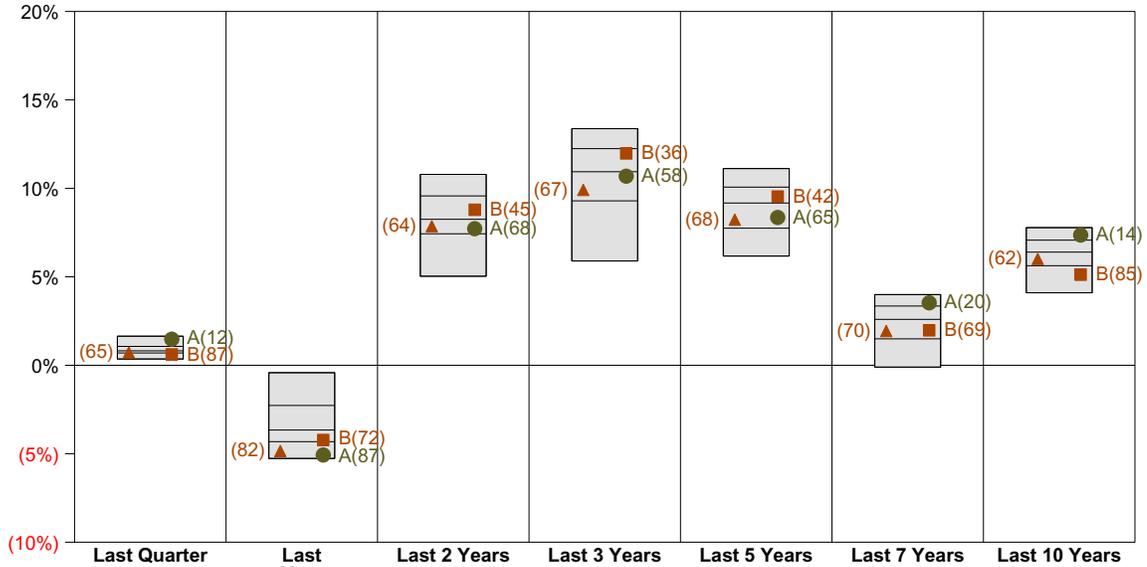
Quarterly Summary and Highlights

- International Equity Composite's portfolio posted a 1.47% return for the quarter placing it in the 12 percentile of the Pub Pln- International Equity group for the quarter and in the 87 percentile for the last year.
- International Equity Composite's portfolio outperformed the MSCI ACWI ex US Index by 0.75% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 0.23%.

Quarterly Asset Growth

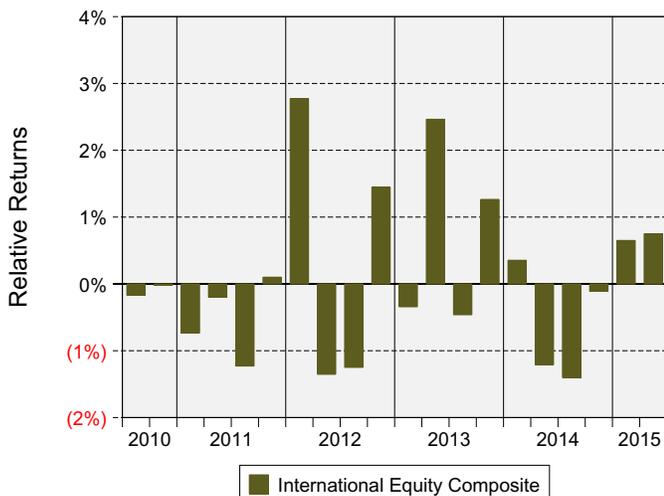
Beginning Market Value	\$106,237,636
Net New Investment	\$0
Investment Gains/(Losses)	\$1,606,829
Ending Market Value	\$107,844,465

Performance vs Pub Pln- International Equity (Gross)

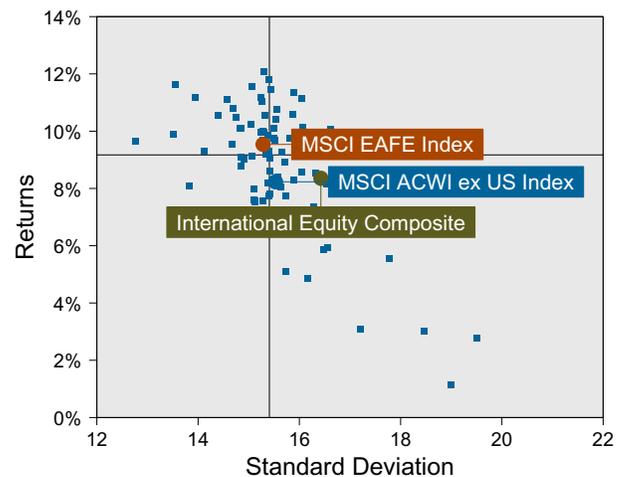


10th Percentile	1.64	(0.42)	10.79	13.37	11.12	4.00	7.78	
25th Percentile	1.07	(2.27)	9.57	12.25	10.07	3.35	7.07	
Median	0.82	(3.66)	8.25	10.94	9.17	2.59	6.40	
75th Percentile	0.70	(4.32)	7.43	9.29	7.75	1.49	5.63	
90th Percentile	0.35	(5.27)	5.03	5.90	6.17	(0.10)	4.10	
International Equity Composite	● A	1.47	(5.07)	7.72	10.69	8.35	3.53	7.36
MSCI EAFE Index	■ B	0.62	(4.22)	8.79	11.97	9.54	1.97	5.12
MSCI ACWI ex US Index	▲	0.72	(4.85)	7.86	9.92	8.23	1.94	6.01

Relative Return vs MSCI ACWI ex US Index



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

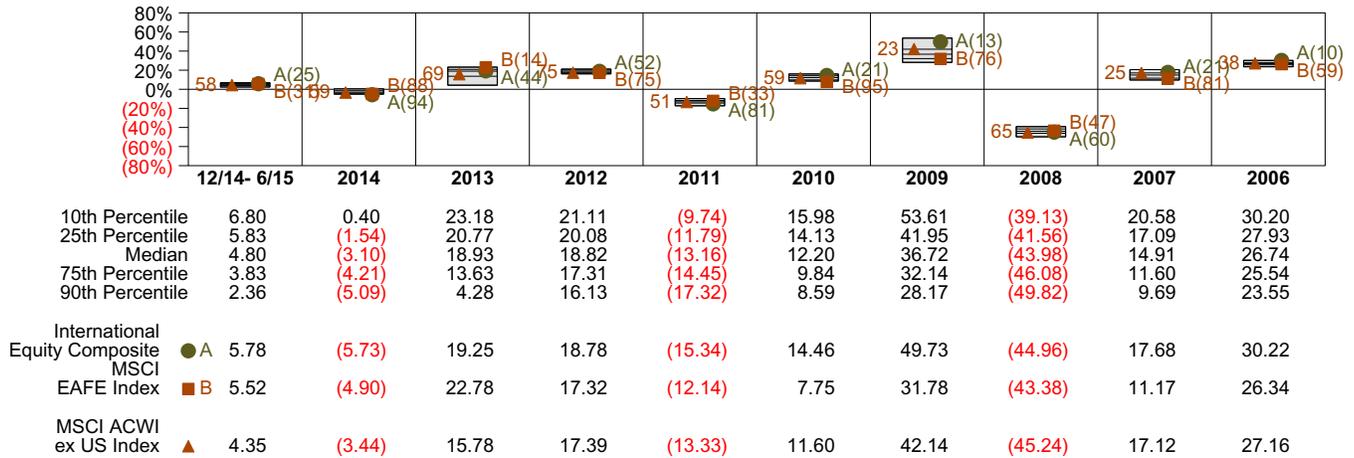


International Equity Composite Return Analysis Summary

Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

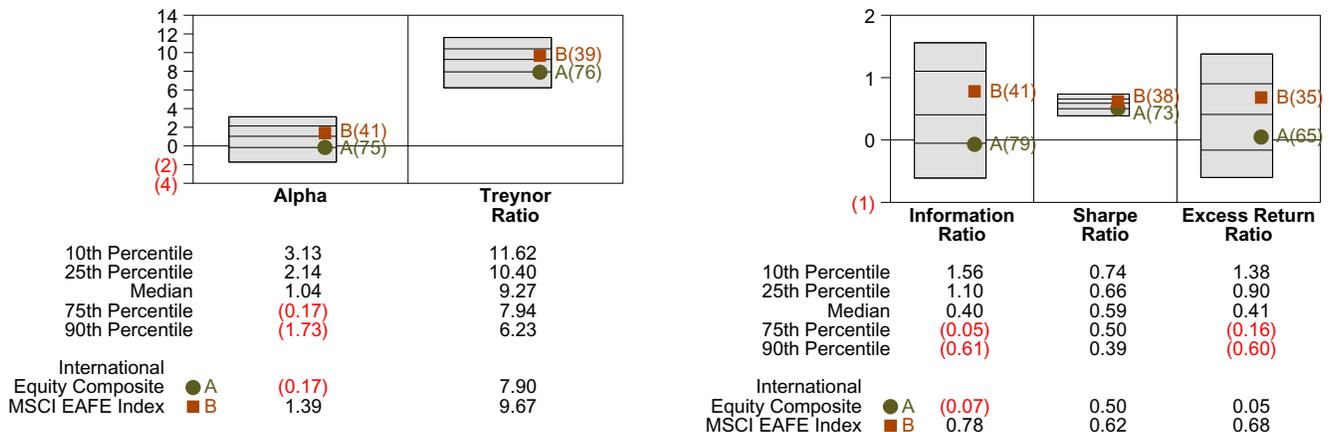
Performance vs Pub Pln- International Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



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

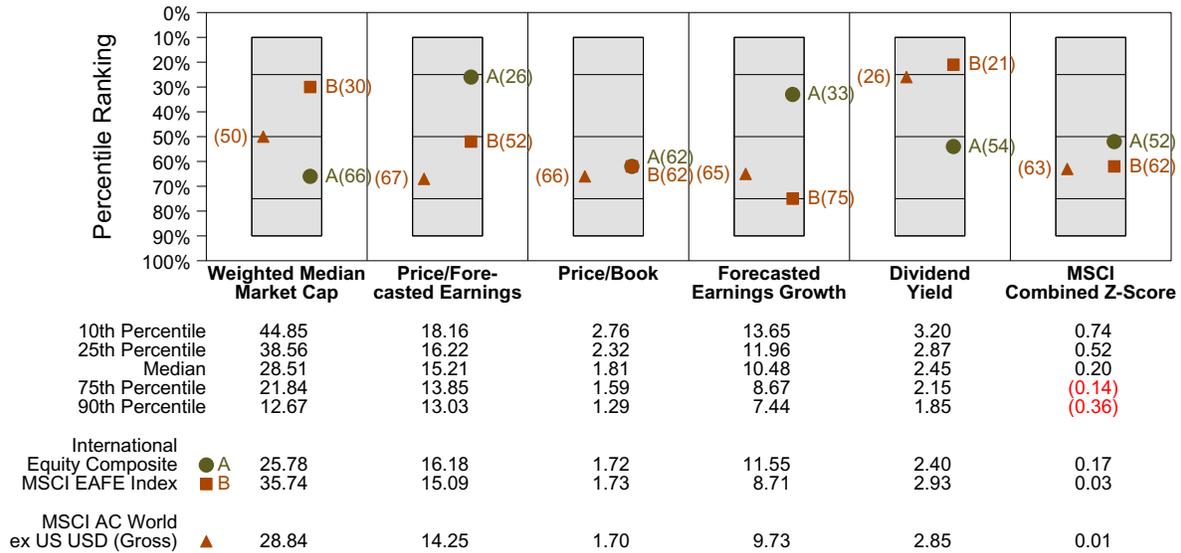


International Equity Composite Equity Characteristics Analysis Summary

Portfolio Characteristics

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

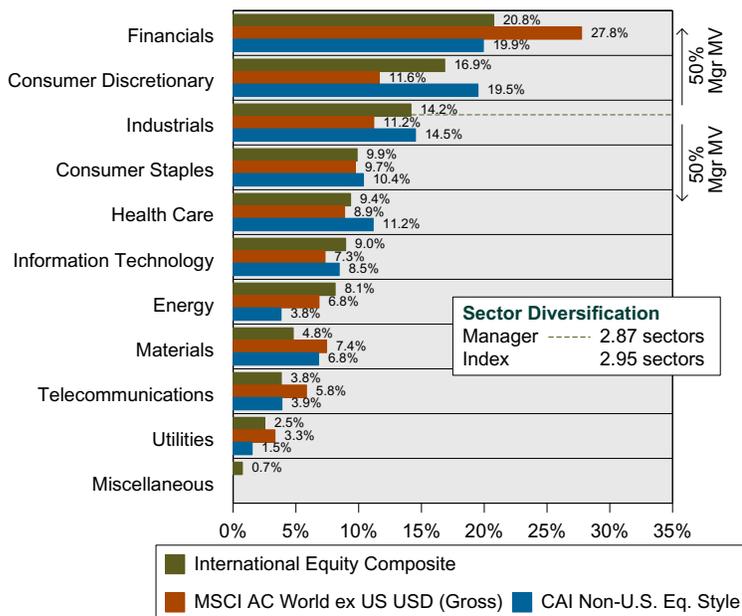
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of June 30, 2015



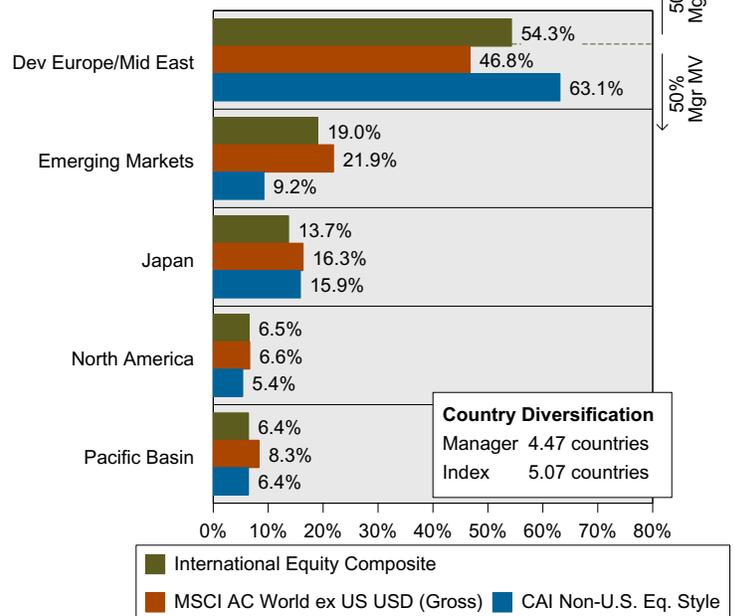
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.

Sector Allocation June 30, 2015



Regional Allocation June 30, 2015



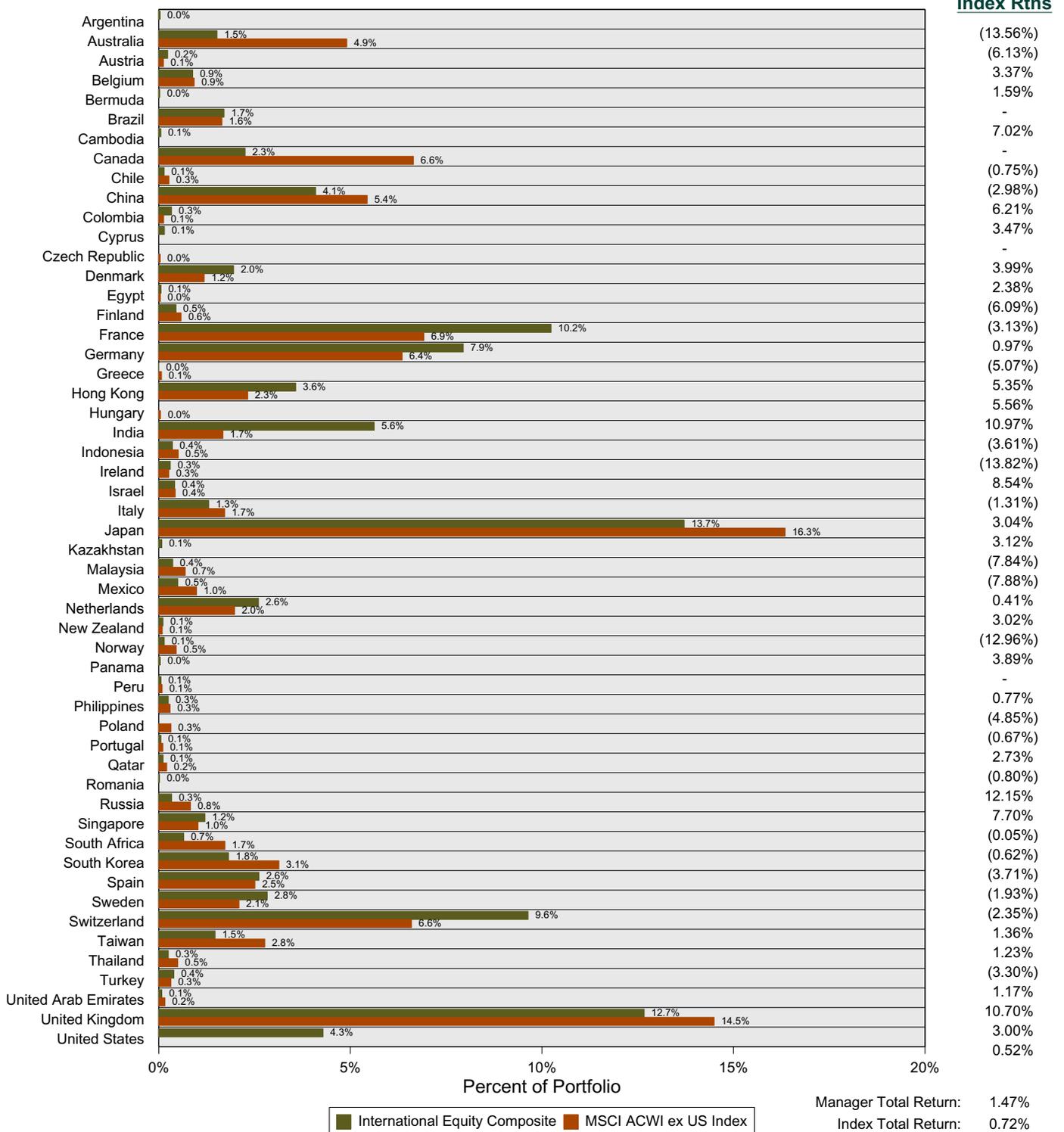
Country Allocation

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

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2015. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

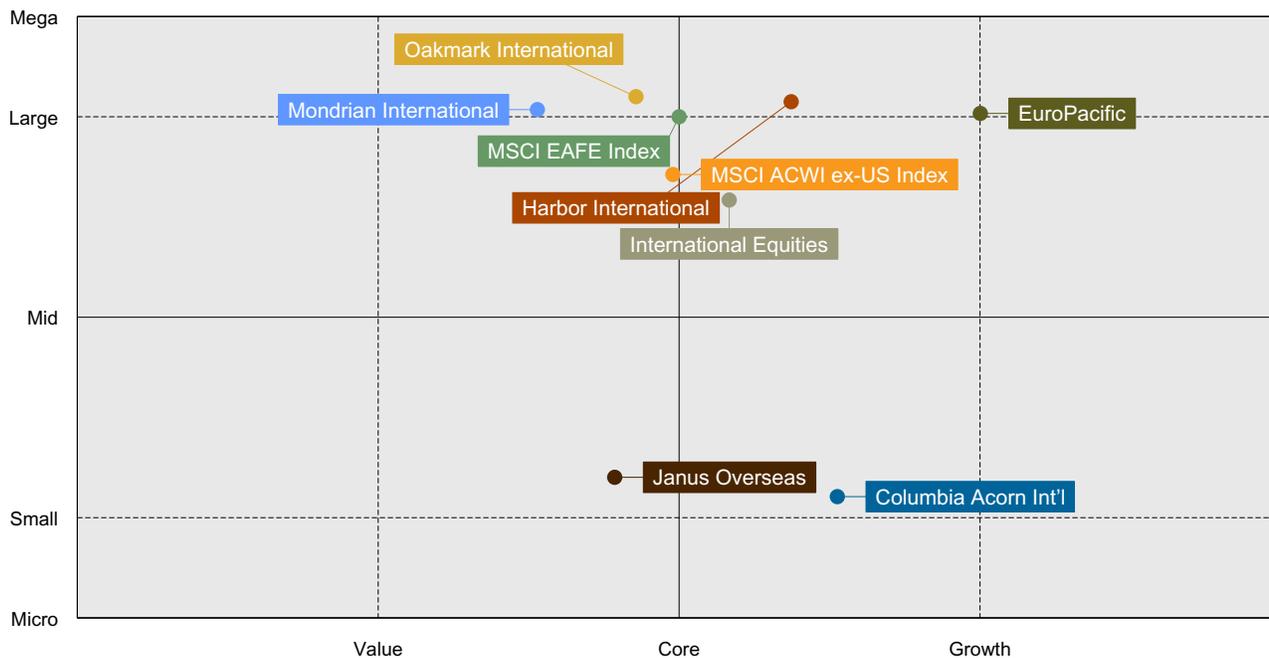
Country Weights as of June 30, 2015



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

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

Style Map Holdings for One Quarter Ended June 30, 2015



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
EuroPacific	20.24%	37.20	0.85	0.41	(0.43)	263	33.54
Harbor International	19.07%	42.34	0.33	0.13	(0.20)	75	21.64
Columbia Acorn Int'l	10.38%	2.99	0.46	0.10	(0.35)	234	73.26
Janus Overseas	15.84%	3.94	(0.16)	(0.08)	0.08	77	17.46
Oakmark International	14.89%	44.56	(0.09)	0.15	0.24	46	10.58
Mondrian International	19.57%	38.88	(0.38)	(0.22)	0.16	131	22.45
International Equities	100.00%	25.78	0.17	0.08	(0.08)	714	86.39
MSCI EAFE Index	-	35.74	0.03	0.01	(0.02)	911	102.25
MSCI ACWI ex-US Index	-	28.84	0.01	0.00	(0.01)	1843	174.93

EuroPacific

Period Ended June 30, 2015

Investment Philosophy

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

Quarterly Summary and Highlights

- EuroPacific's portfolio posted a 1.12% return for the quarter placing it in the 58 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 15 percentile for the last year.
- EuroPacific's portfolio outperformed the MSCI ACWI ex US Index by 0.40% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 5.82%.

Quarterly Asset Growth

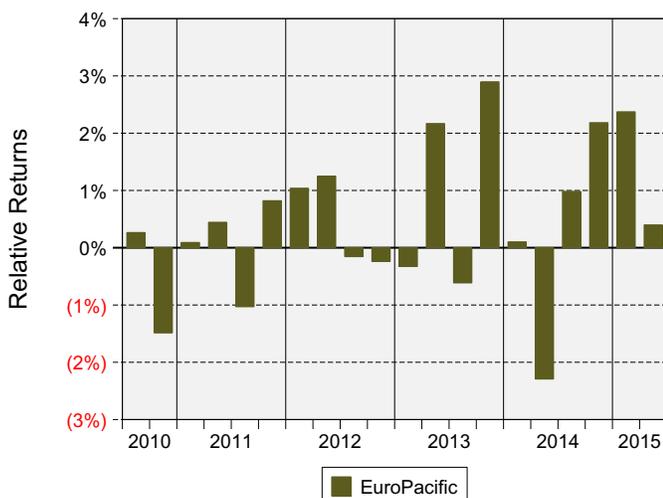
Beginning Market Value	\$21,584,020
Net New Investment	\$0
Investment Gains/(Losses)	\$242,224
Ending Market Value	\$21,826,245

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

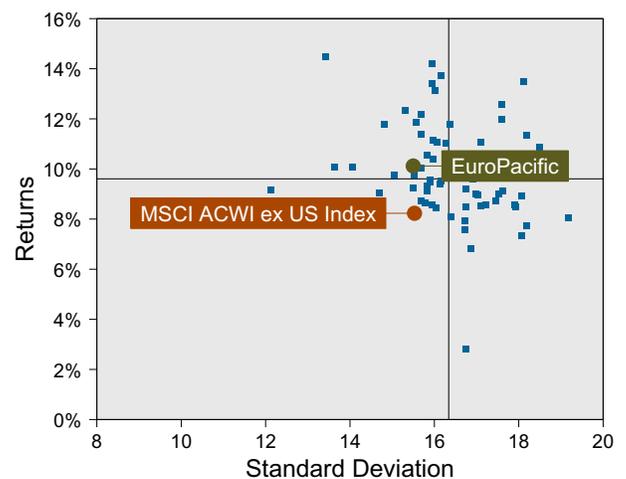


10th Percentile	3.35	3.37	12.04	14.82	12.52	4.92	7.84
25th Percentile	2.32	(0.31)	10.77	13.16	11.06	3.93	6.45
Median	1.24	(2.15)	8.97	11.82	9.61	2.69	5.57
75th Percentile	0.43	(4.46)	7.62	10.67	8.63	1.70	4.99
90th Percentile	(0.39)	(6.03)	6.63	9.64	8.08	0.50	3.73
EuroPacific	1.12	0.97	11.15	12.71	10.12	4.14	7.68
MSCI ACWI ex US Index	0.72	(4.85)	7.86	9.92	8.23	1.94	6.01

Relative Return vs MSCI ACWI ex US Index



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

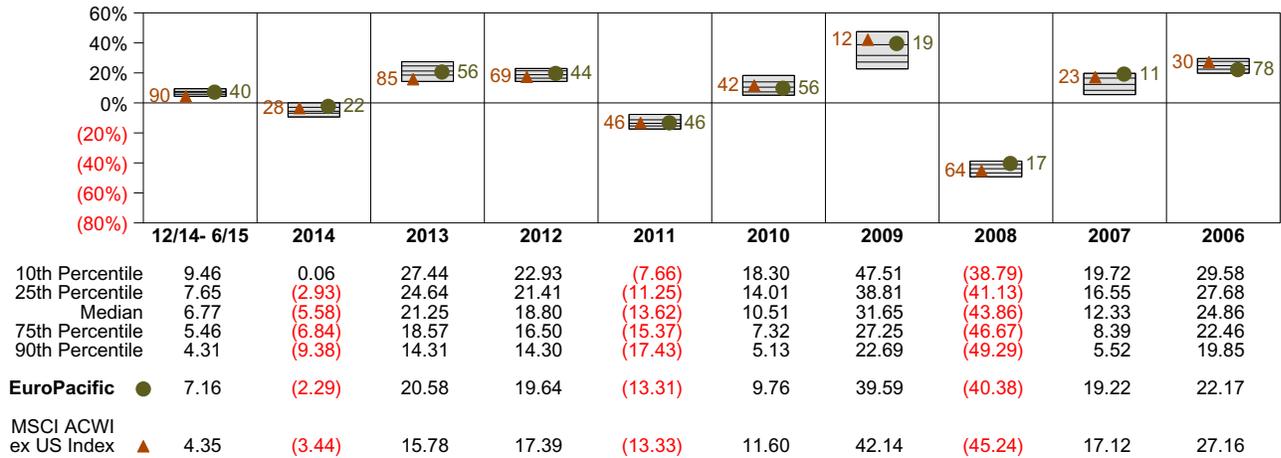


EuroPacific Return Analysis Summary

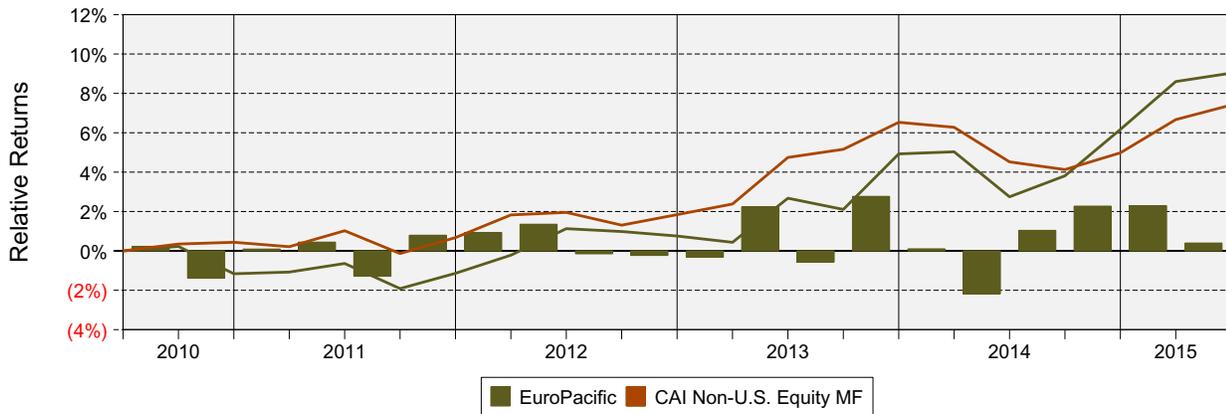
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

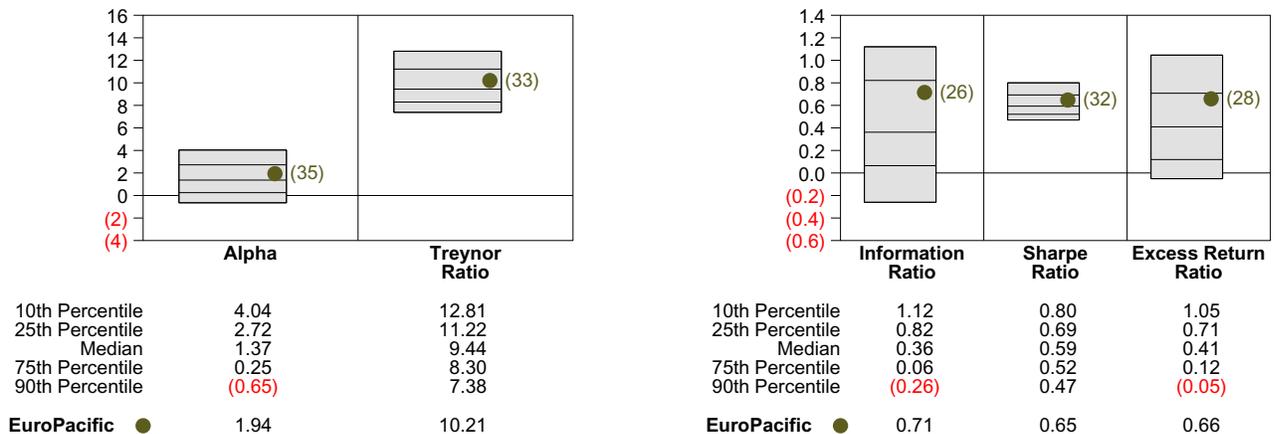
Performance vs CAI MF - Non-US Equity Style (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



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

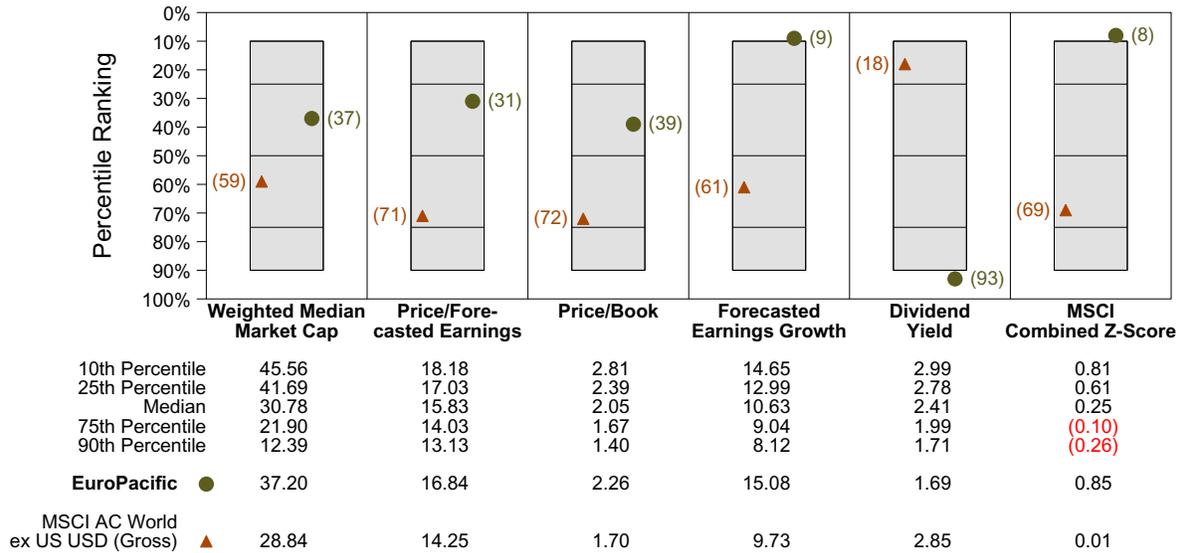


EuroPacific Equity Characteristics Analysis Summary

Portfolio Characteristics

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

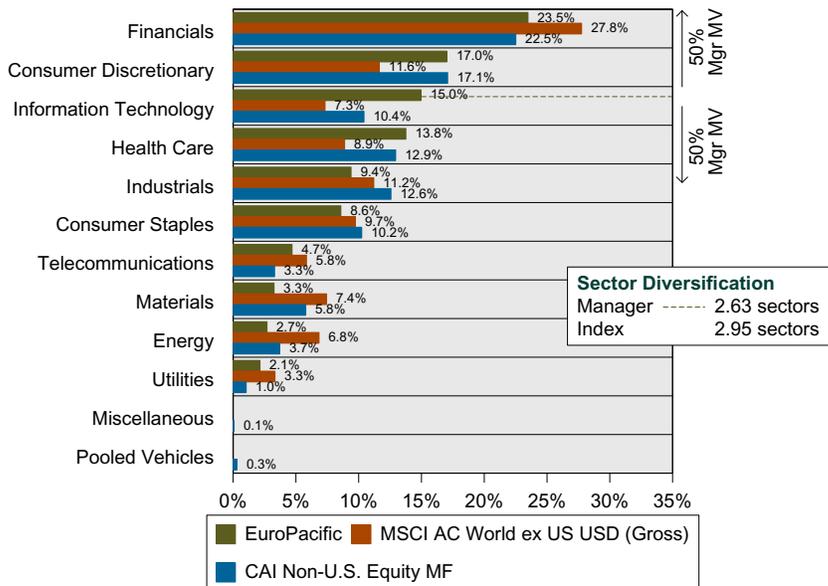
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2015



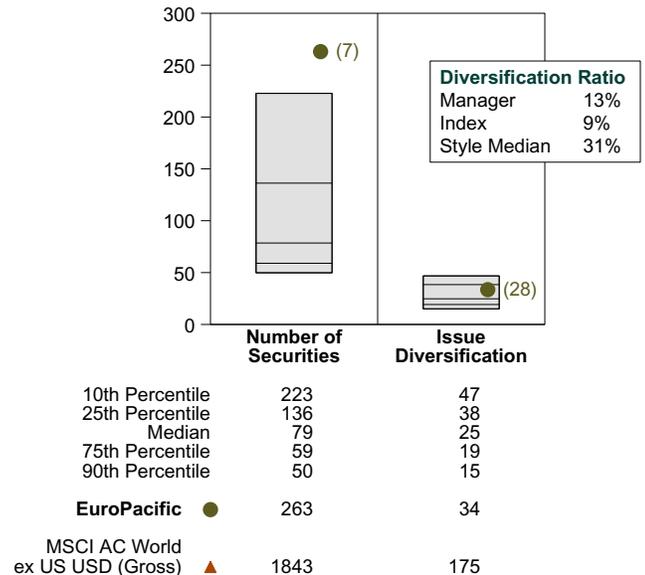
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



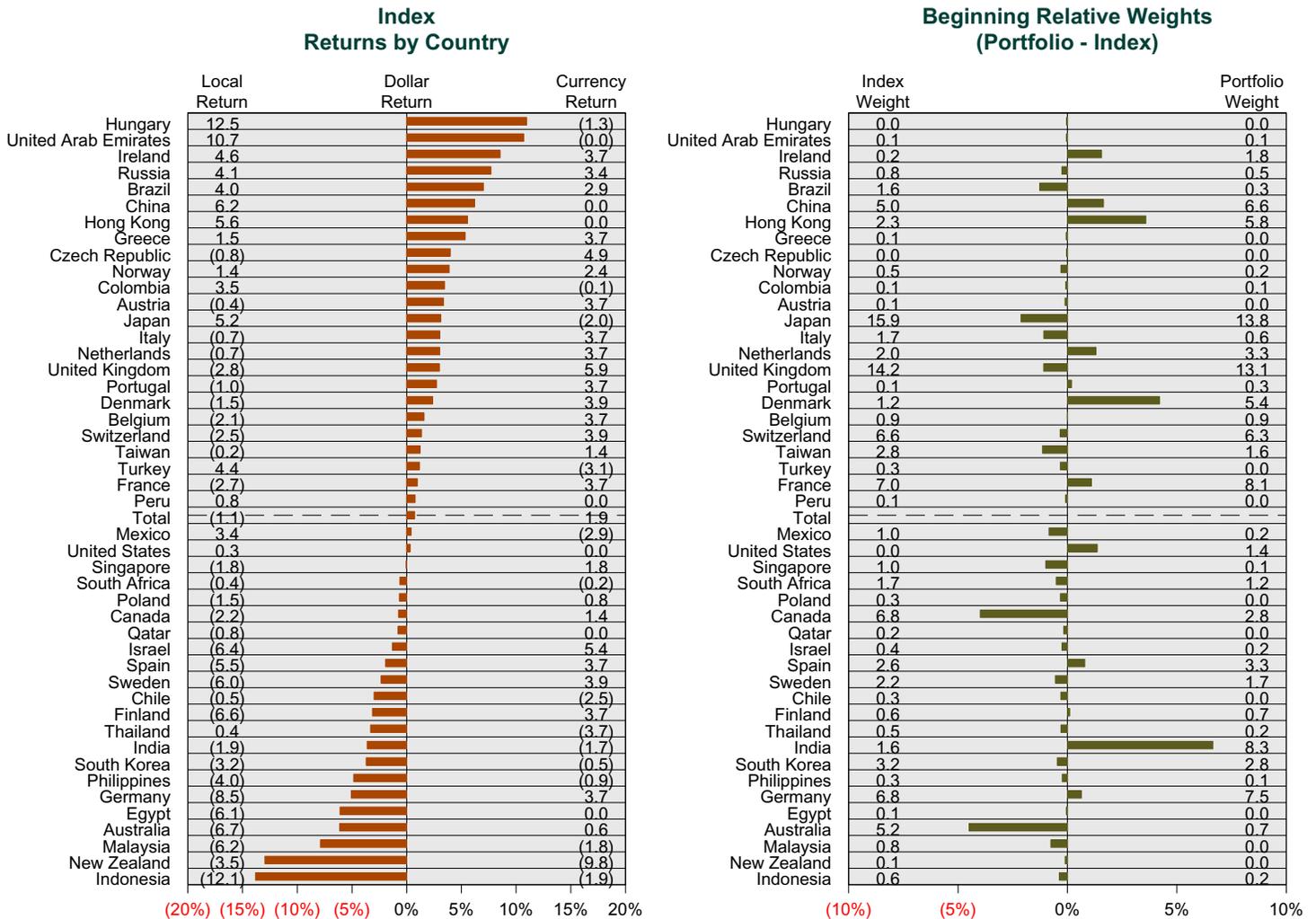
Diversification June 30, 2015



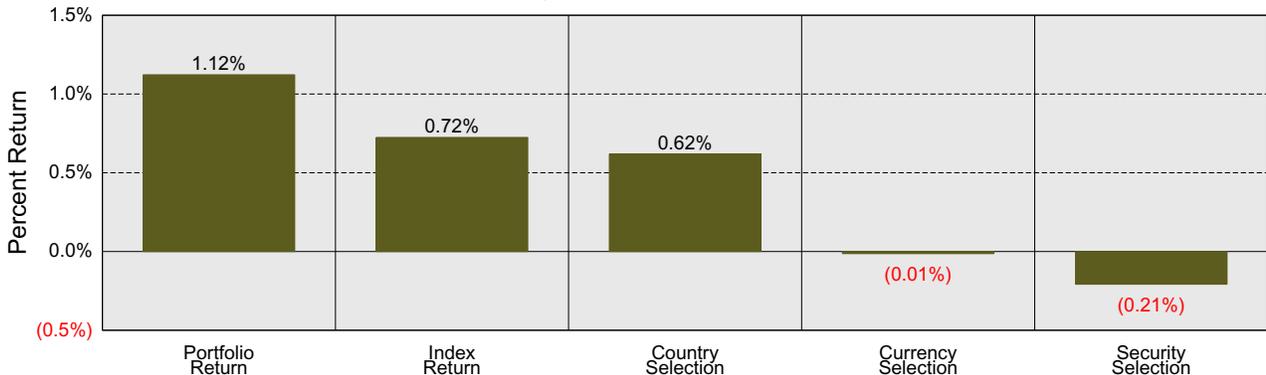
EuroPacific vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2015

International Attribution

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



Attribution Factors for Quarter Ended June 30, 2015



Harbor International Period Ended June 30, 2015

Investment Philosophy

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

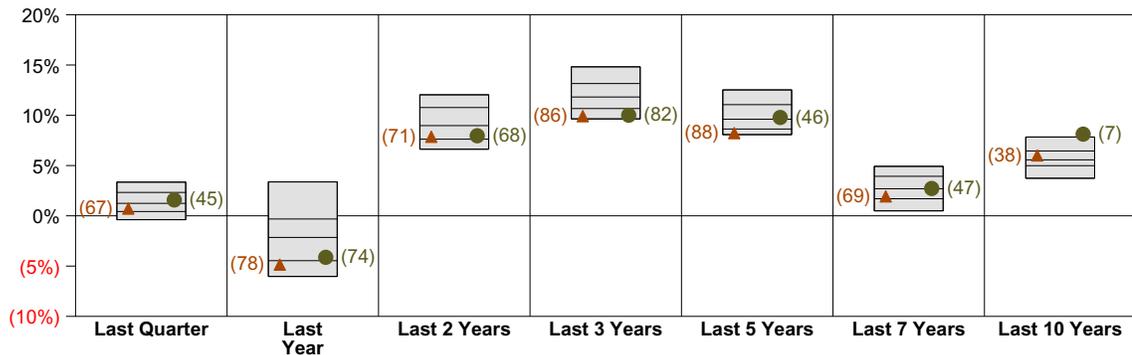
Quarterly Summary and Highlights

- Harbor International's portfolio posted a 1.58% return for the quarter placing it in the 45 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 74 percentile for the last year.
- Harbor International's portfolio outperformed the MSCI ACWI ex US Index by 0.85% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 0.72%.

Quarterly Asset Growth

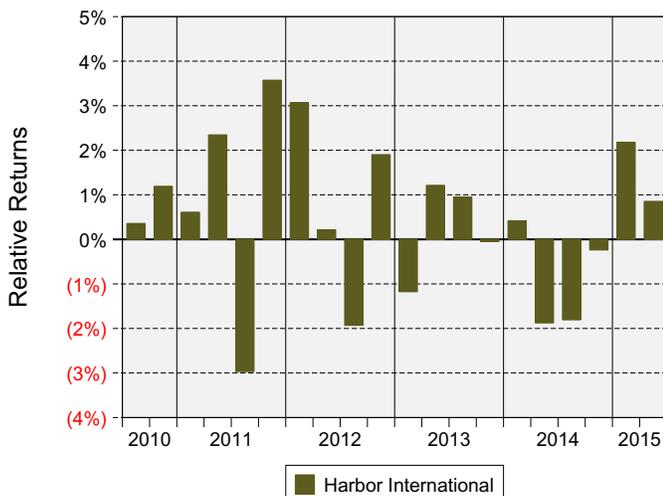
Beginning Market Value	\$20,247,406
Net New Investment	\$0
Investment Gains/(Losses)	\$319,137
Ending Market Value	\$20,566,543

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

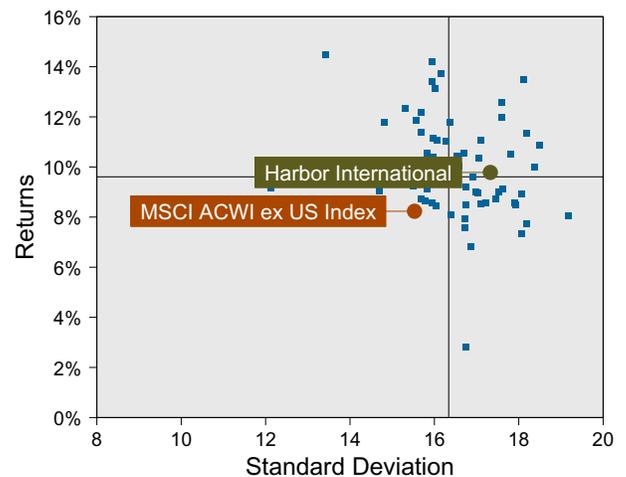


10th Percentile	3.35	3.37	12.04	14.82	12.52	4.92	7.84
25th Percentile	2.32	(0.31)	10.77	13.16	11.06	3.93	6.45
Median	1.24	(2.15)	8.97	11.82	9.61	2.69	5.57
75th Percentile	0.43	(4.46)	7.62	10.67	8.63	1.70	4.99
90th Percentile	(0.39)	(6.03)	6.63	9.64	8.08	0.50	3.73
Harbor International ●	1.58	(4.13)	7.96	10.01	9.78	2.72	8.12
MSCI ACWI ex US Index ▲	0.72	(4.85)	7.86	9.92	8.23	1.94	6.01

Relative Return vs MSCI ACWI ex US Index



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

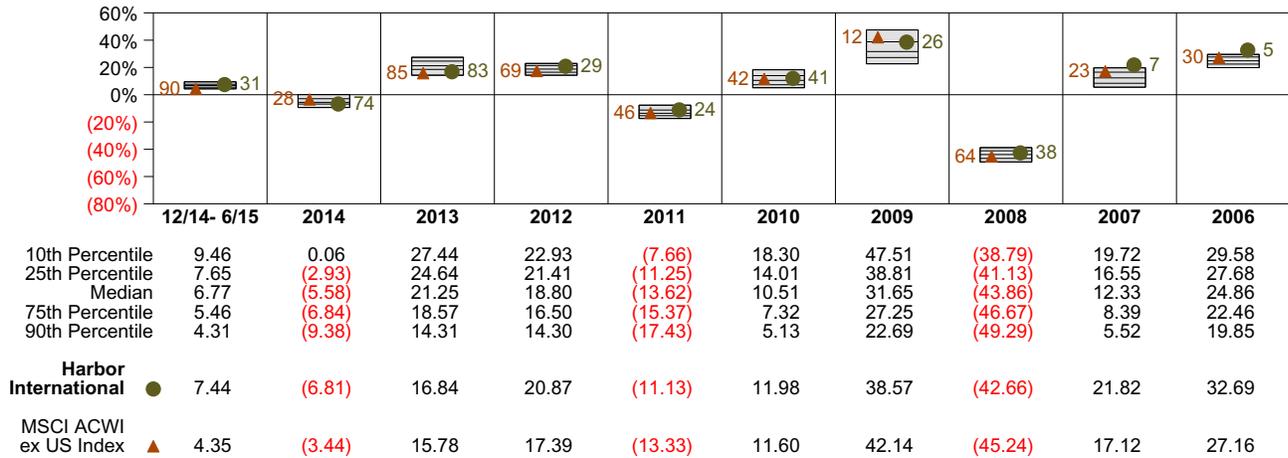


Harbor International Return Analysis Summary

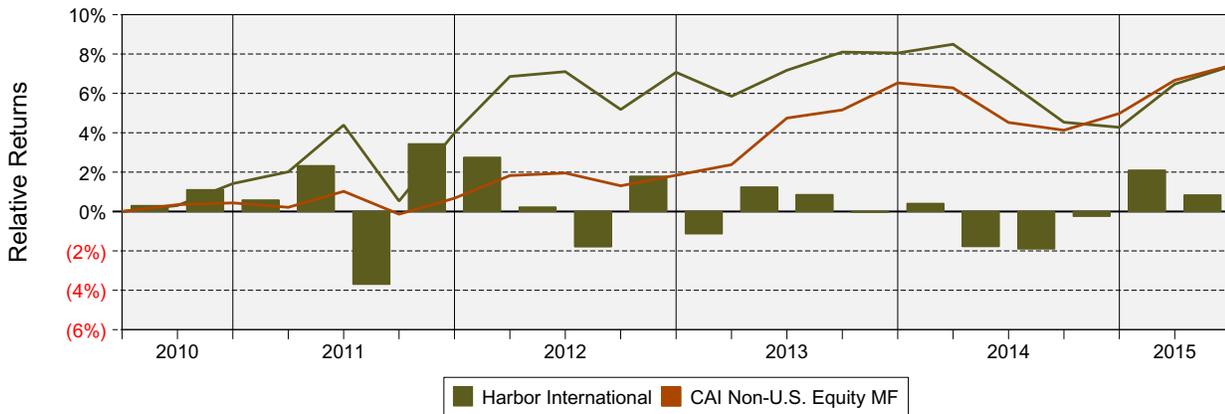
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

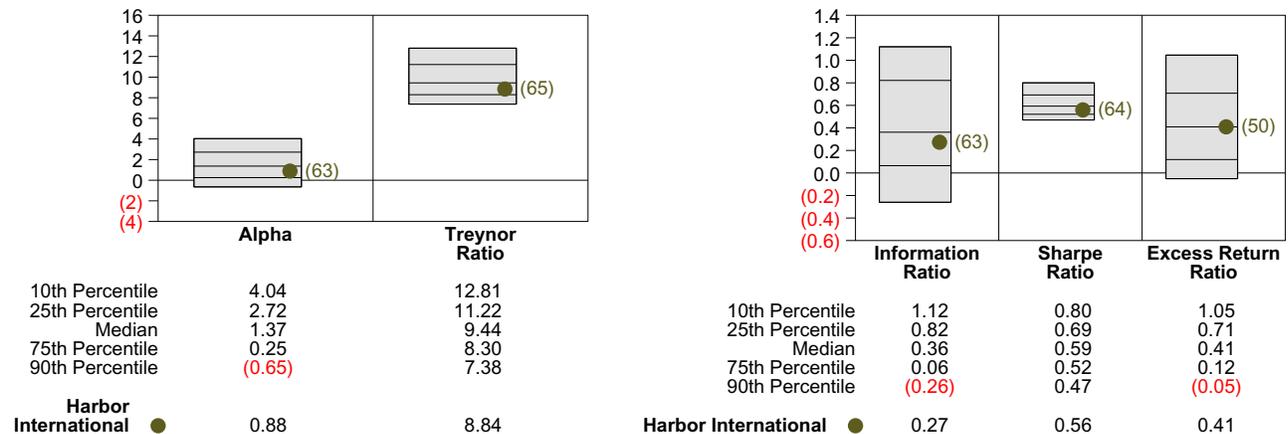
Performance vs CAI MF - Non-US Equity Style (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



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

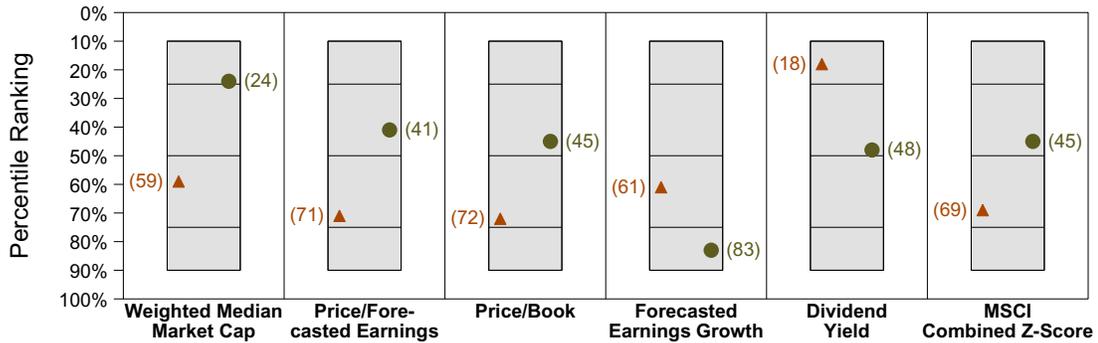


Harbor International Equity Characteristics Analysis Summary

Portfolio Characteristics

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

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

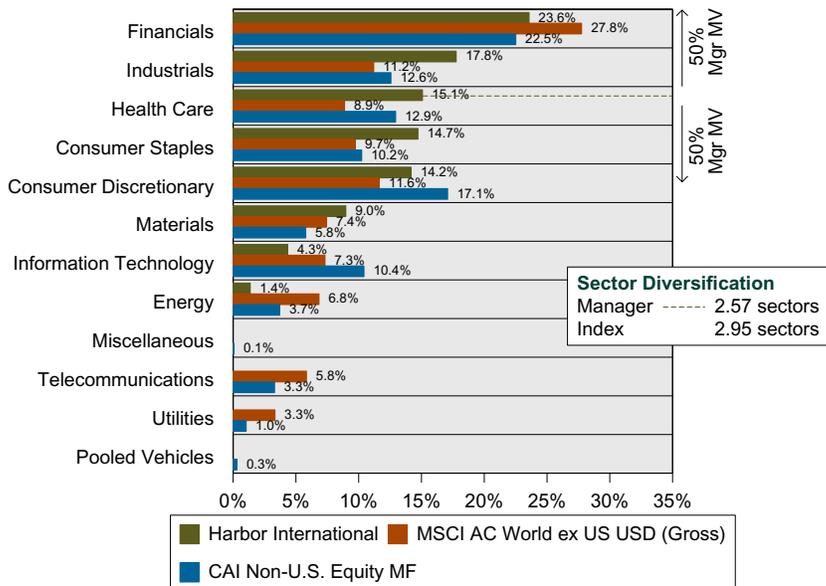


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	45.56	18.18	2.81	14.65	2.99	0.81
25th Percentile	41.69	17.03	2.39	12.99	2.78	0.61
Median	30.78	15.83	2.05	10.63	2.41	0.25
75th Percentile	21.90	14.03	1.67	9.04	1.99	(0.10)
90th Percentile	12.39	13.13	1.40	8.12	1.71	(0.26)
Harbor International	42.34	16.19	2.11	8.63	2.44	0.33
MSCI AC World ex US USD (Gross)	28.84	14.25	1.70	9.73	2.85	0.01

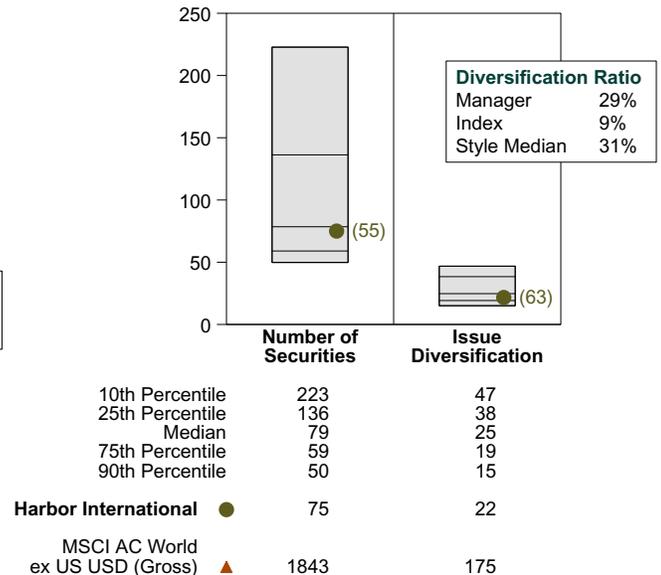
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



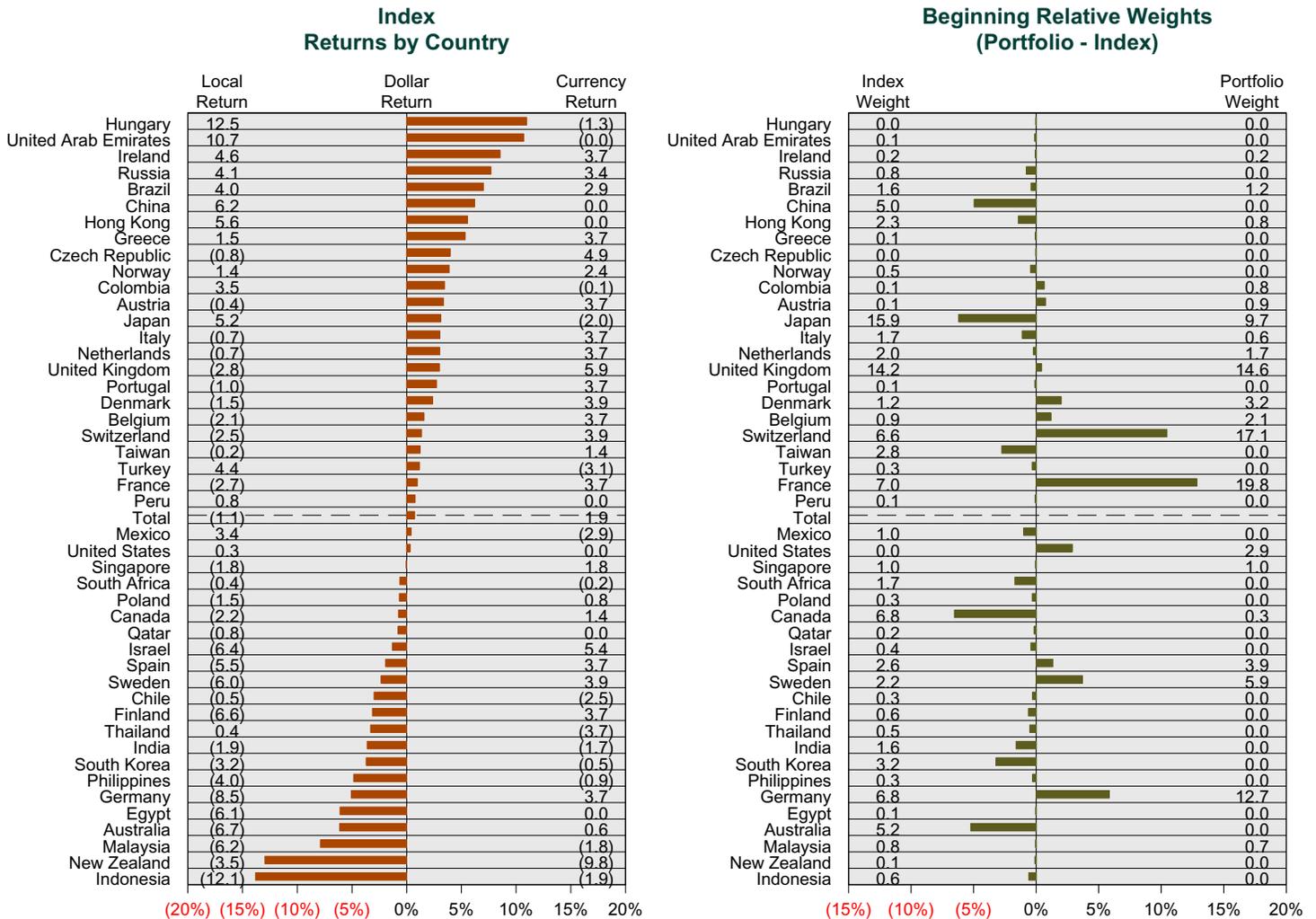
Diversification June 30, 2015



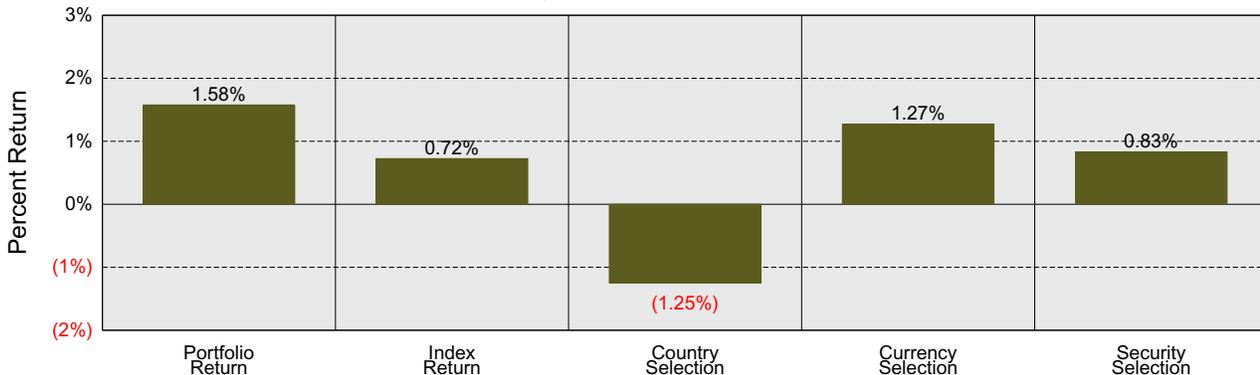
Harbor International vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2015

International Attribution

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



Attribution Factors for Quarter Ended June 30, 2015



Columbia Acorn International Period Ended June 30, 2015

Investment Philosophy

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

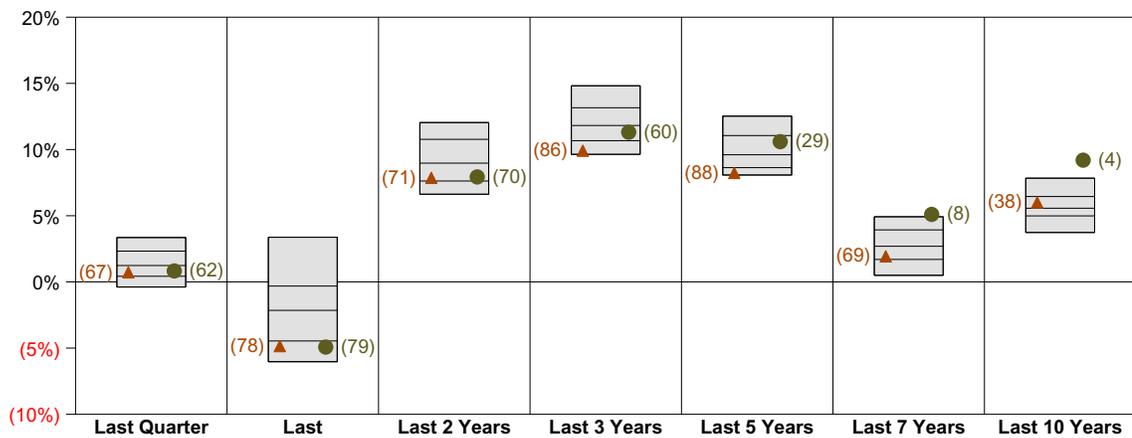
Quarterly Summary and Highlights

- Columbia Acorn International's portfolio posted a 0.83% return for the quarter placing it in the 62 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 79 percentile for the last year.
- Columbia Acorn International's portfolio outperformed the MSCI ACWI ex US Index by 0.10% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 0.08%.

Quarterly Asset Growth

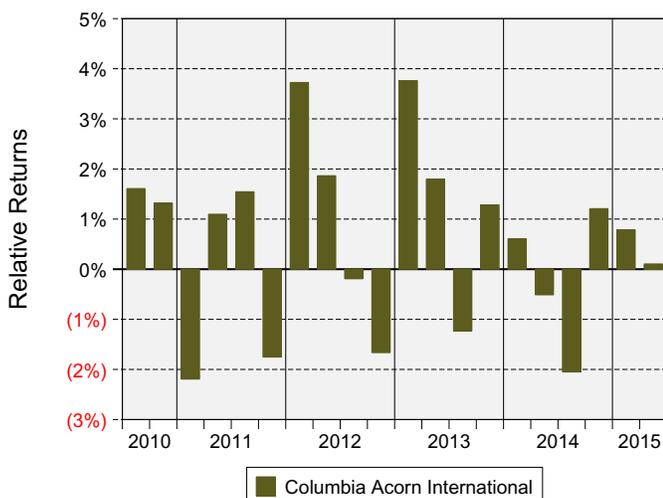
Beginning Market Value	\$11,104,496
Net New Investment	\$0
Investment Gains/(Losses)	\$91,978
Ending Market Value	\$11,196,474

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

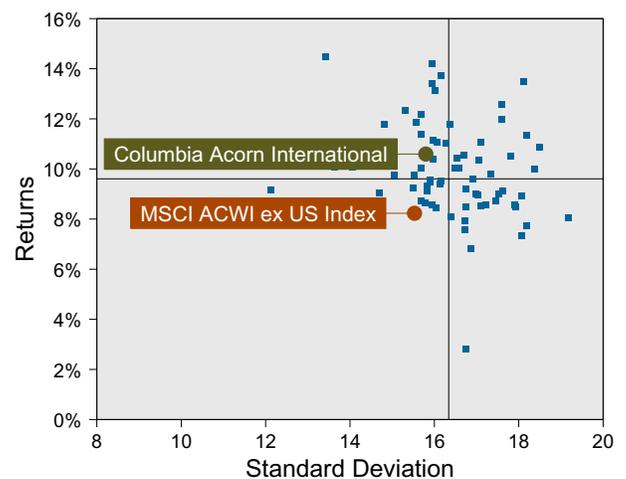


10th Percentile	3.35	3.37	12.04	14.82	12.52	4.92	7.84
25th Percentile	2.32	(0.31)	10.77	13.16	11.06	3.93	6.45
Median	1.24	(2.15)	8.97	11.82	9.61	2.69	5.57
75th Percentile	0.43	(4.46)	7.62	10.67	8.63	1.70	4.99
90th Percentile	(0.39)	(6.03)	6.63	9.64	8.08	0.50	3.73
Columbia Acorn International	● 0.83	(4.92)	7.93	11.31	10.59	5.10	9.20
MSCI ACWI ex US Index	▲ 0.72	(4.85)	7.86	9.92	8.23	1.94	6.01

Relative Return vs MSCI ACWI ex US Index



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

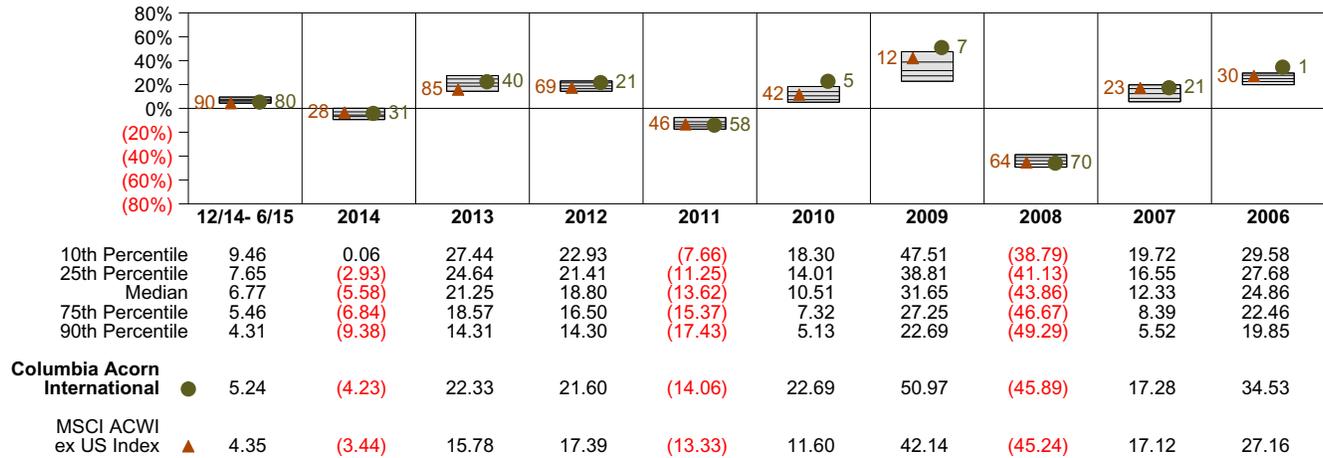


Columbia Acorn International Return Analysis Summary

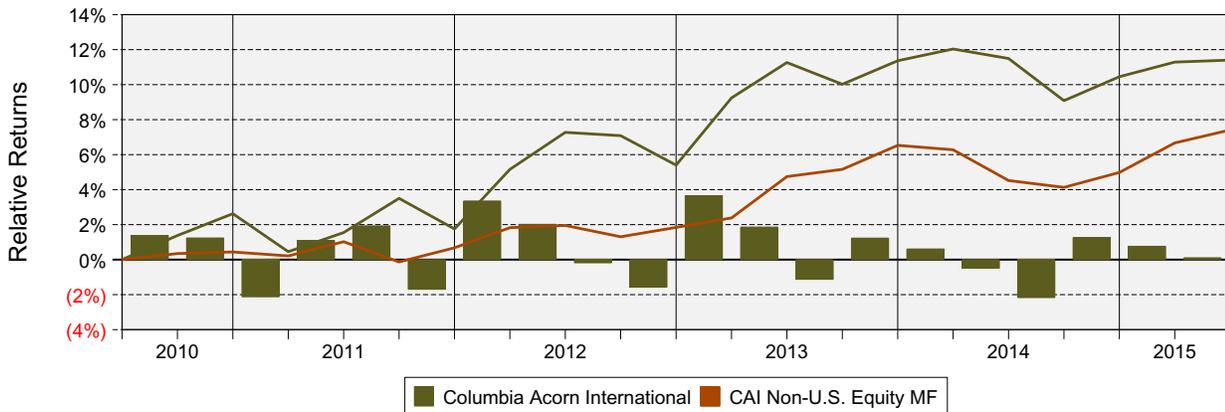
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

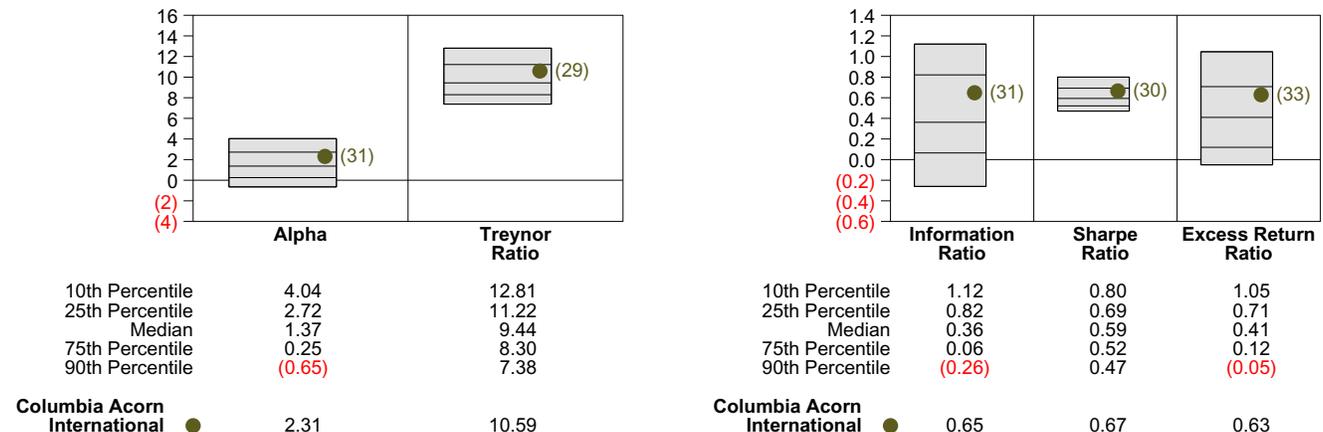
Performance vs CAI MF - Non-US Equity Style (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



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

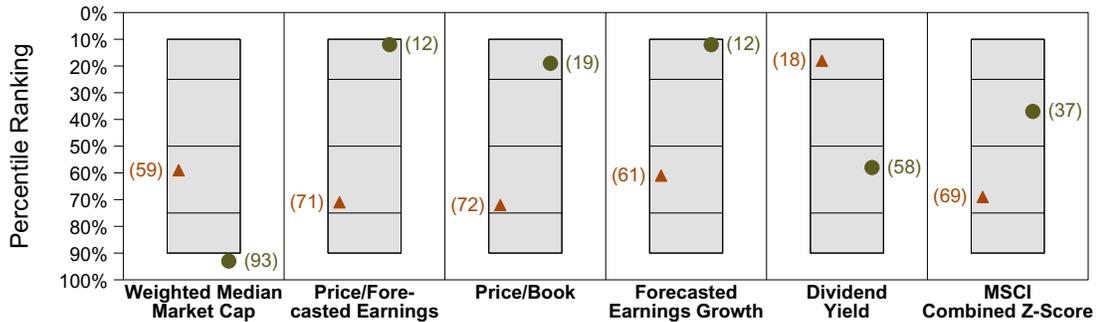


Columbia Acorn International Equity Characteristics Analysis Summary

Portfolio Characteristics

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

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

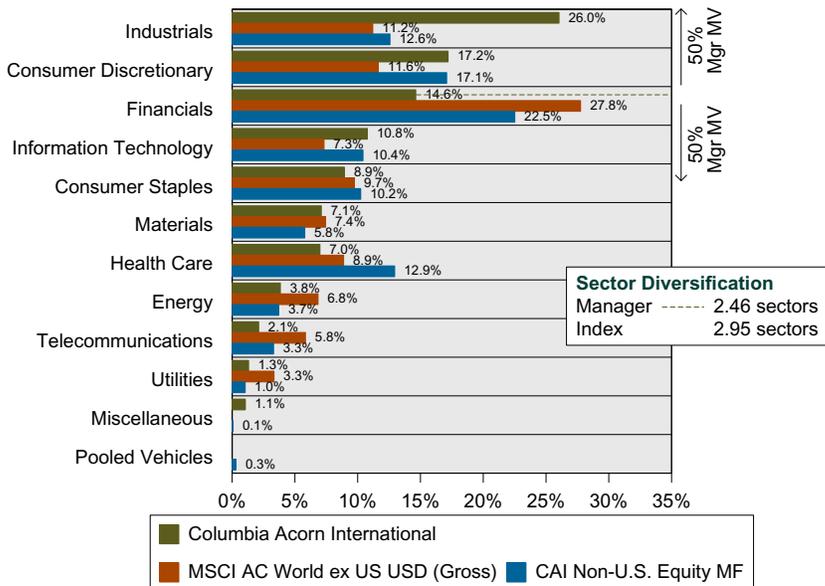


10th Percentile	45.56	18.18	2.81	14.65	2.99	0.81
25th Percentile	41.69	17.03	2.39	12.99	2.78	0.61
Median	30.78	15.83	2.05	10.63	2.41	0.25
75th Percentile	21.90	14.03	1.67	9.04	1.99	(0.10)
90th Percentile	12.39	13.13	1.40	8.12	1.71	(0.26)
Columbia Acorn International	● 2.99	17.90	2.57	14.17	2.29	0.46
MSCI AC World ex US USD (Gross)	▲ 28.84	14.25	1.70	9.73	2.85	0.01

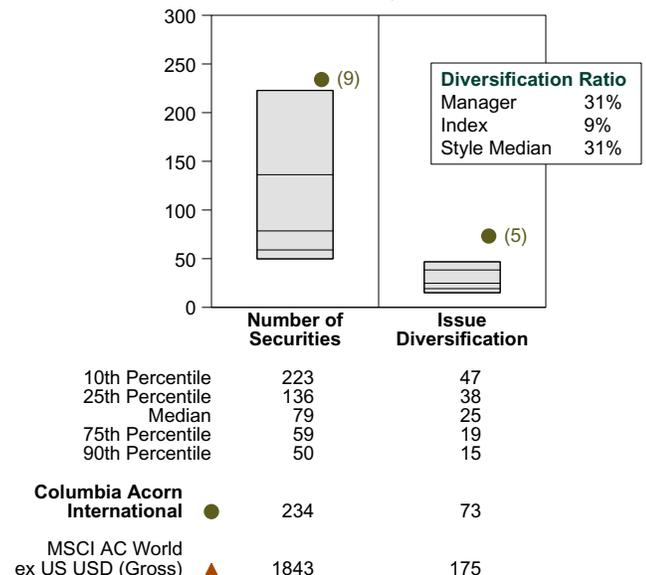
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



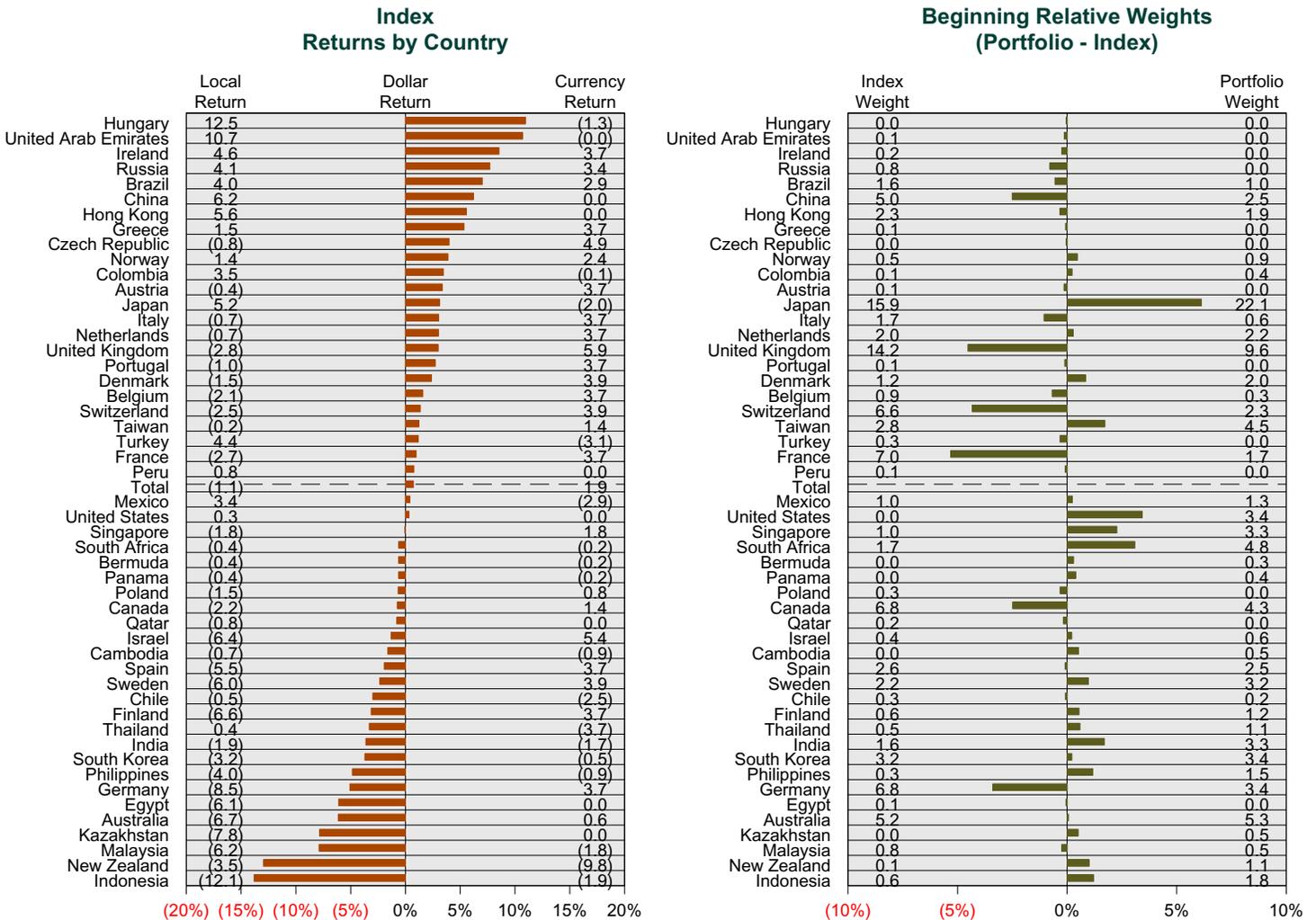
Diversification June 30, 2015



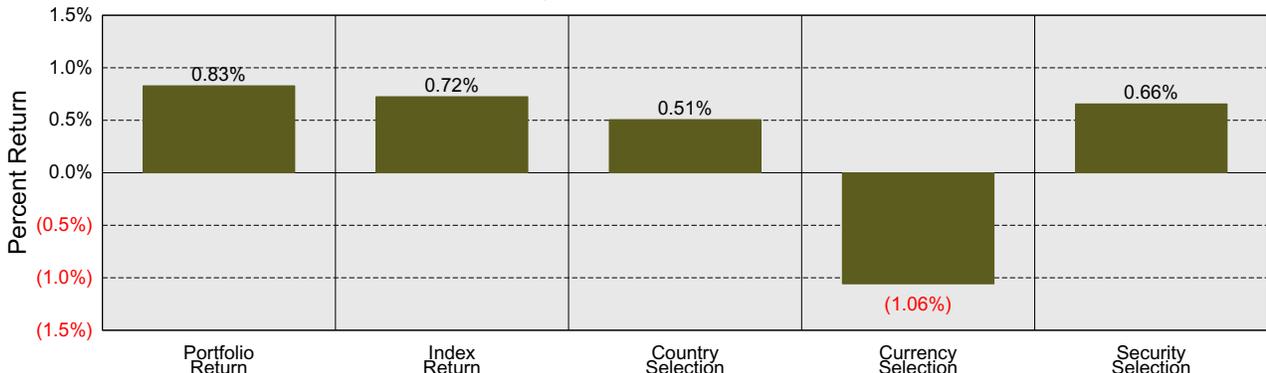
Columbia Acorn International vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2015

International Attribution

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



Attribution Factors for Quarter Ended June 30, 2015



Janus Overseas

Period Ended June 30, 2015

Investment Philosophy

Janus Overseas Fund invests opportunistically. We believe our fundamental research uncovers companies where the market price does not reflect long-term fundamentals. Janus Overseas Strategy * Focused, high-conviction portfolio * Seeks attractive growth companies in developed and emerging markets * Long-term investment approach * Research driven Switched from Class T Shares to Class I Shares in December 2009.

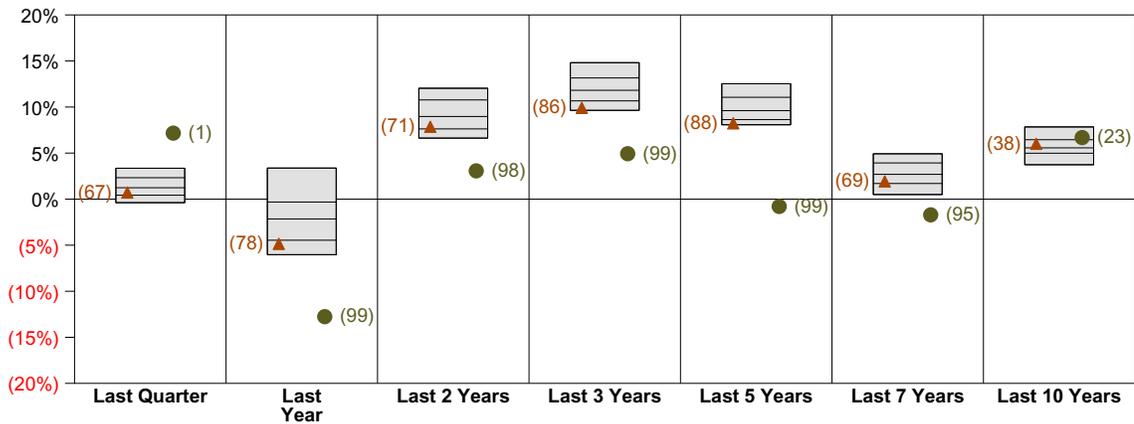
Quarterly Summary and Highlights

- Janus Overseas's portfolio posted a 7.16% return for the quarter placing it in the 1 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 99 percentile for the last year.
- Janus Overseas's portfolio outperformed the MSCI ACWI ex US Index by 6.44% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 7.91%.

Quarterly Asset Growth

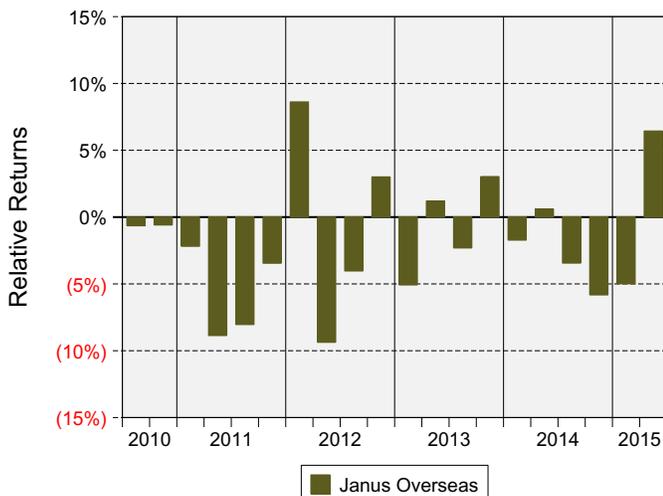
Beginning Market Value	\$15,941,731
Net New Investment	\$0
Investment Gains/(Losses)	\$1,141,988
Ending Market Value	\$17,083,719

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

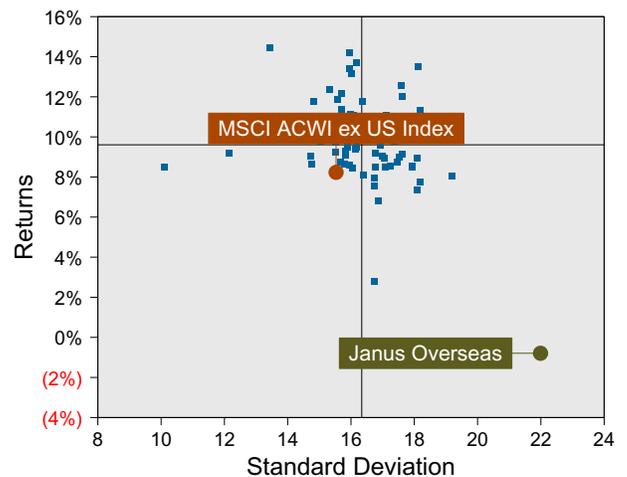


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	3.35	3.37	12.04	14.82	12.52	4.92	7.84
25th Percentile	2.32	(0.31)	10.77	13.16	11.06	3.93	6.45
Median	1.24	(2.15)	8.97	11.82	9.61	2.69	5.57
75th Percentile	0.43	(4.46)	7.62	10.67	8.63	1.70	4.99
90th Percentile	(0.39)	(6.03)	6.63	9.64	8.08	0.50	3.73
Janus Overseas	7.16	(12.76)	3.07	4.93	(0.79)	(1.71)	6.68
MSCI ACWI ex US Index	0.72	(4.85)	7.86	9.92	8.23	1.94	6.01

Relative Return vs MSCI ACWI ex US Index



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

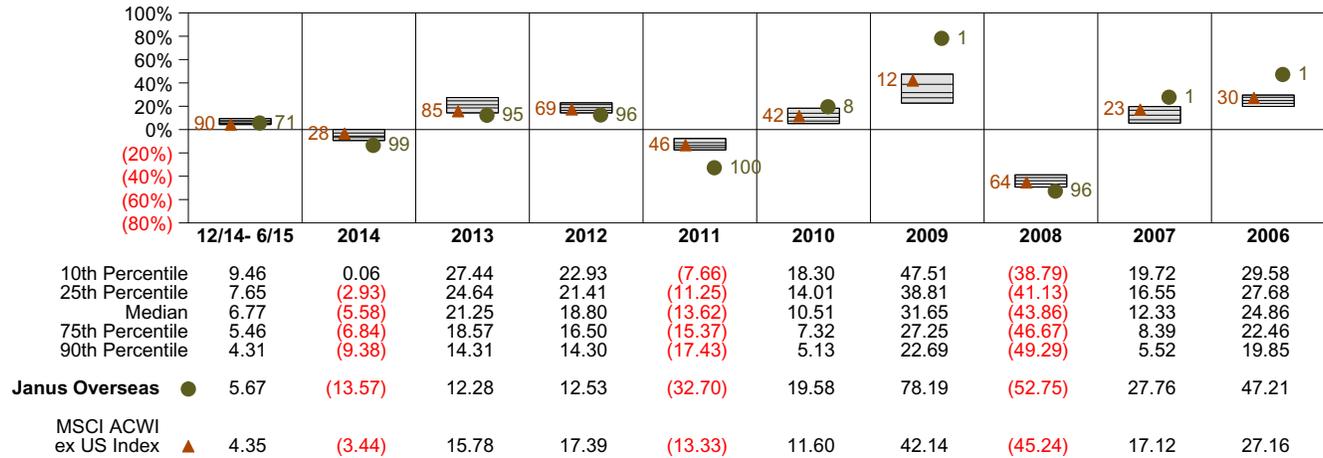


Janus Overseas Return Analysis Summary

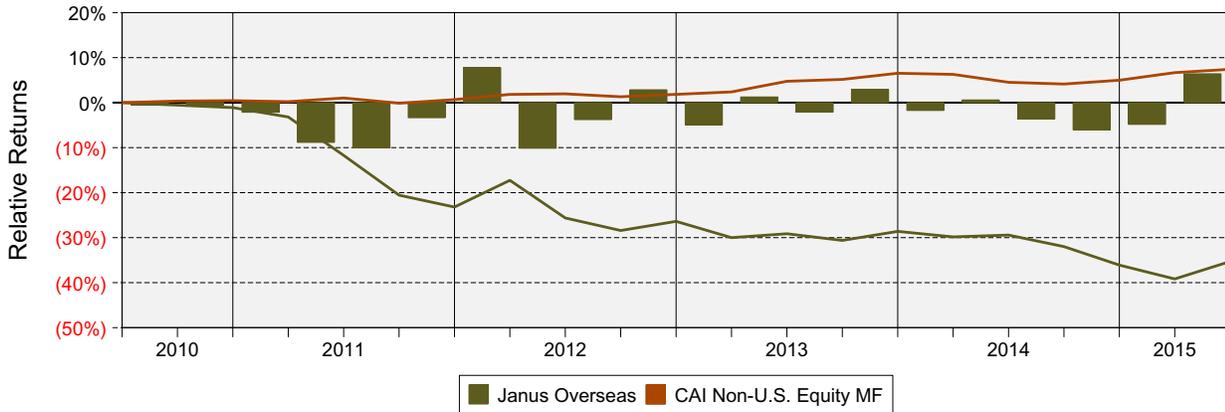
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

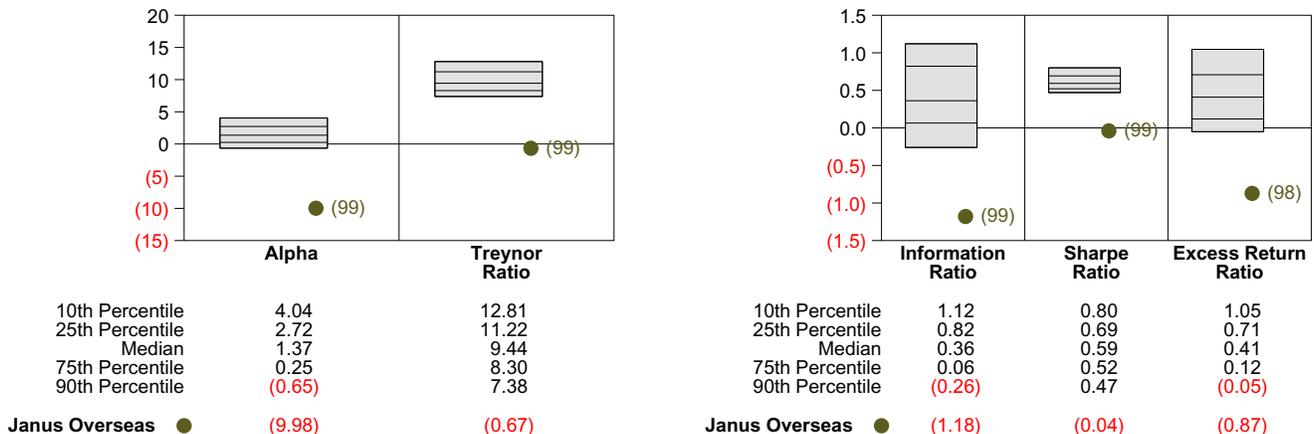
Performance vs CAI MF - Non-US Equity Style (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



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

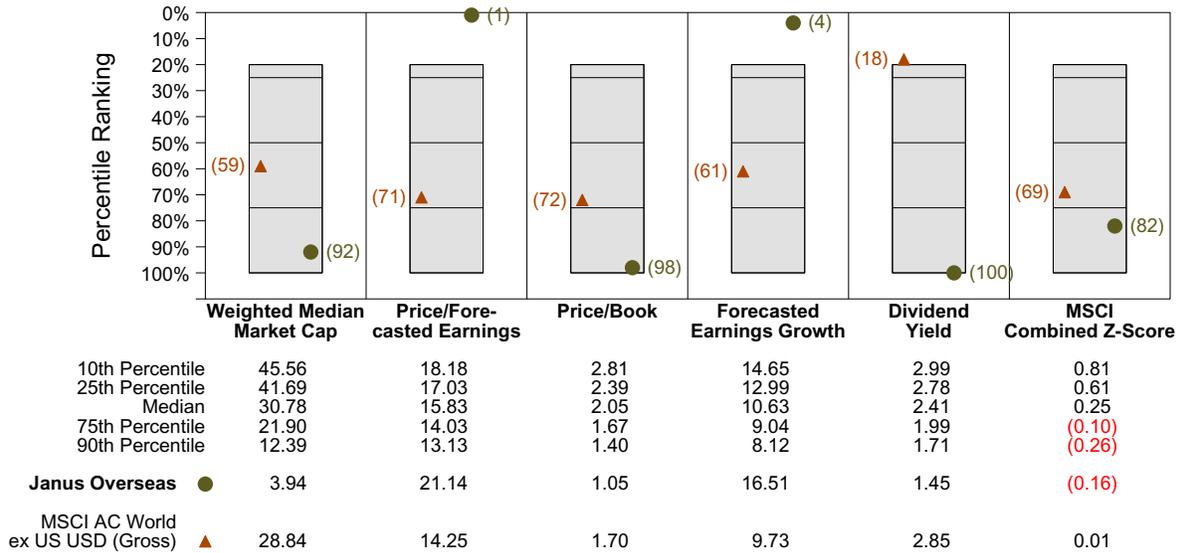


Janus Overseas Equity Characteristics Analysis Summary

Portfolio Characteristics

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

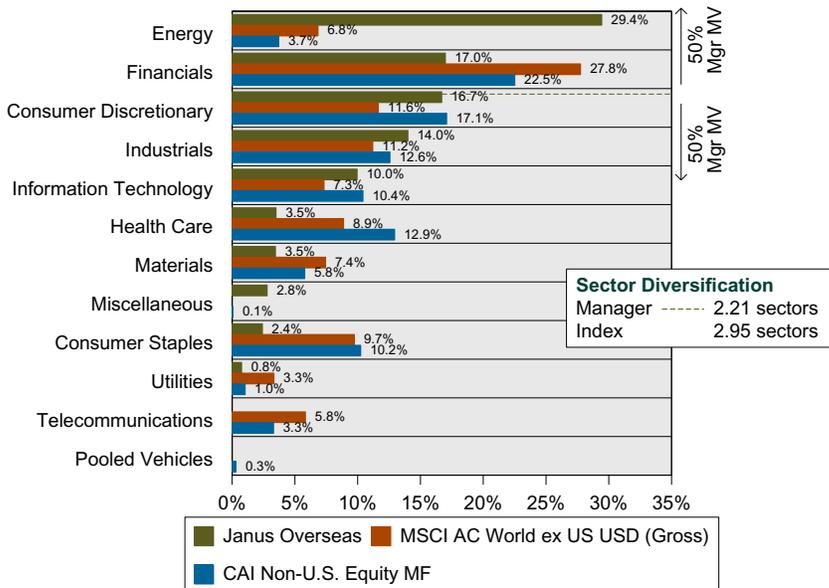
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2015



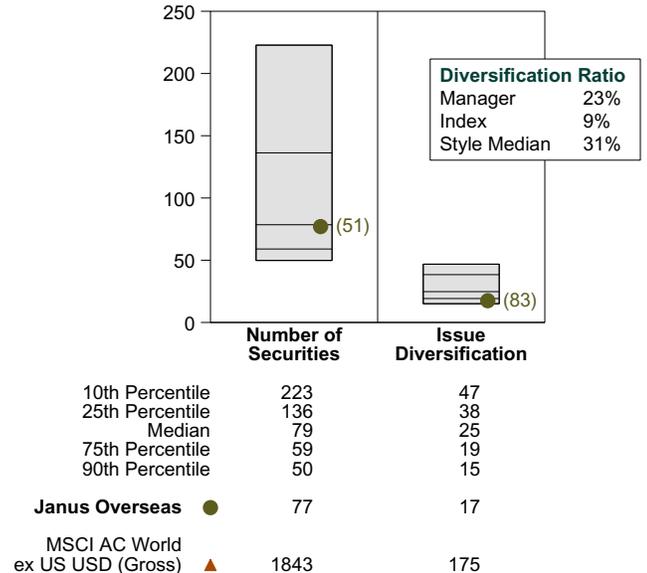
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



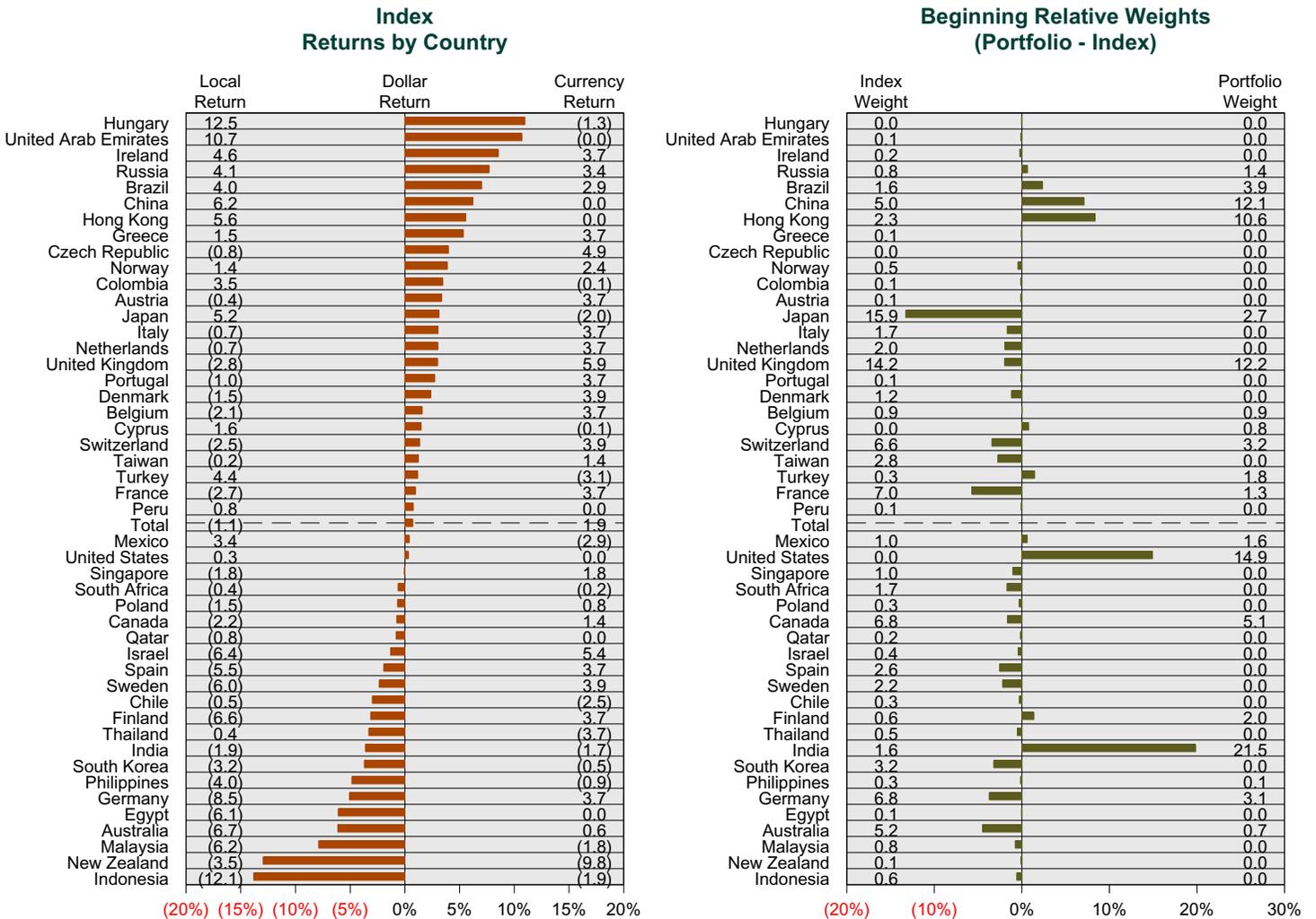
Diversification June 30, 2015



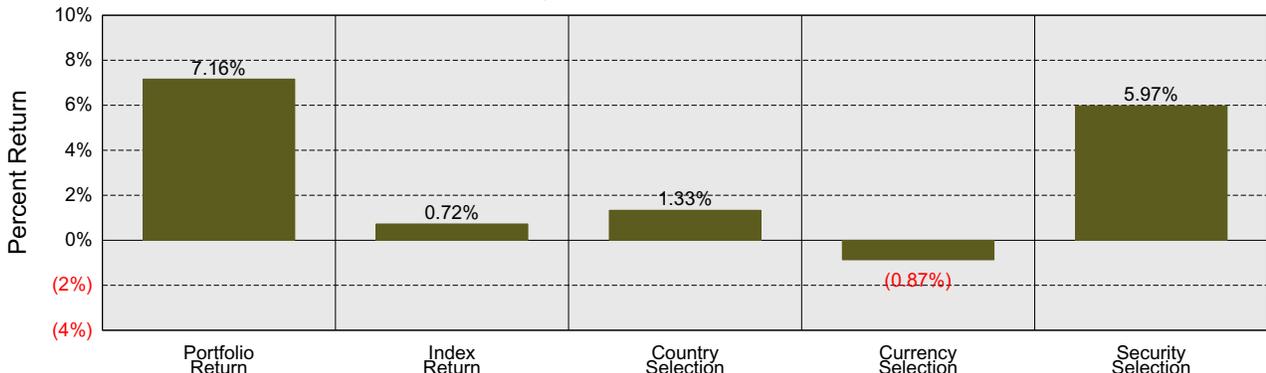
Janus Overseas vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2015

International Attribution

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



Attribution Factors for Quarter Ended June 30, 2015



Oakmark International Period Ended June 30, 2015

Investment Philosophy

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

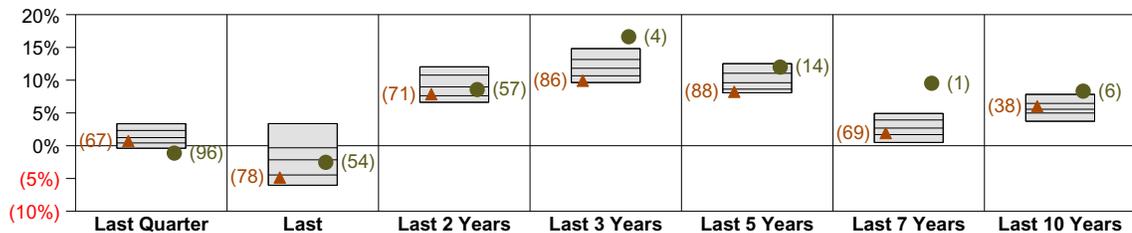
Quarterly Summary and Highlights

- Oakmark International's portfolio posted a (1.13)% return for the quarter placing it in the 96 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 54 percentile for the last year.
- Oakmark International's portfolio underperformed the MSCI ACWI ex US Index by 1.85% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 2.32%.

Quarterly Asset Growth

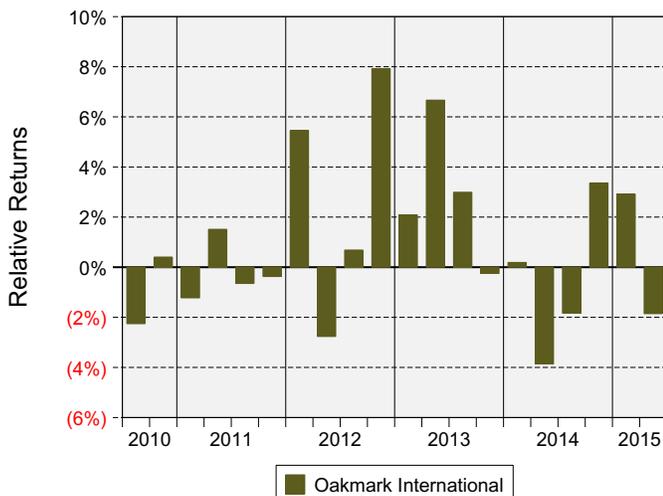
Beginning Market Value	\$16,244,226
Net New Investment	\$0
Investment Gains/(Losses)	\$-182,960
Ending Market Value	\$16,061,266

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

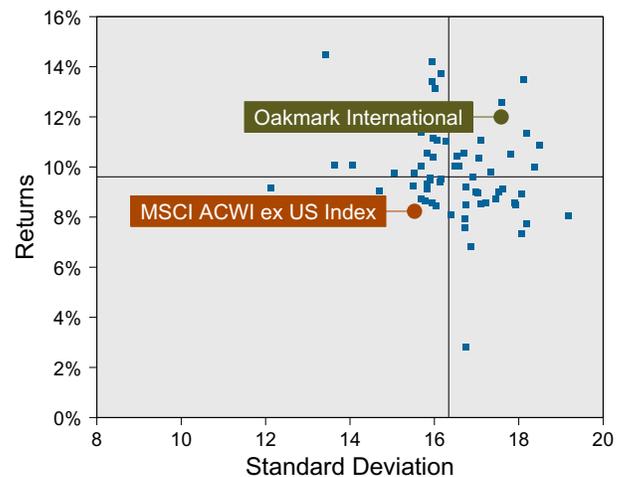


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	3.35	3.37	12.04	14.82	12.52	4.92	7.84
25th Percentile	2.32	(0.31)	10.77	13.16	11.06	3.93	6.45
Median	1.24	(2.15)	8.97	11.82	9.61	2.69	5.57
75th Percentile	0.43	(4.46)	7.62	10.67	8.63	1.70	4.99
90th Percentile	(0.39)	(6.03)	6.63	9.64	8.08	0.50	3.73
Oakmark International	● (1.13)	(2.53)	8.57	16.63	12.00	9.53	8.33
MSCI ACWI ex US Index	▲ 0.72	(4.85)	7.86	9.92	8.23	1.94	6.01

Relative Return vs MSCI ACWI ex US Index



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

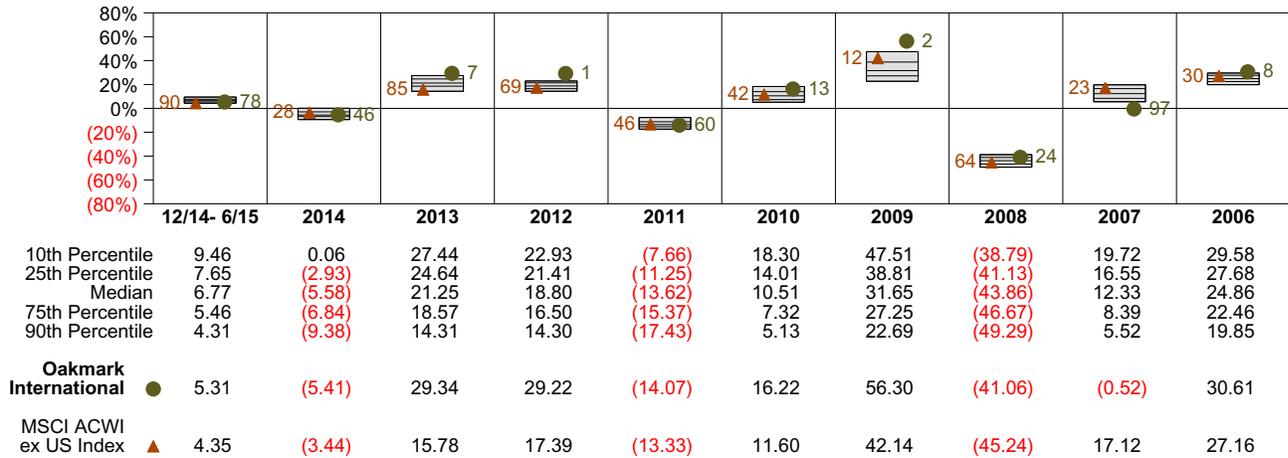


Oakmark International Return Analysis Summary

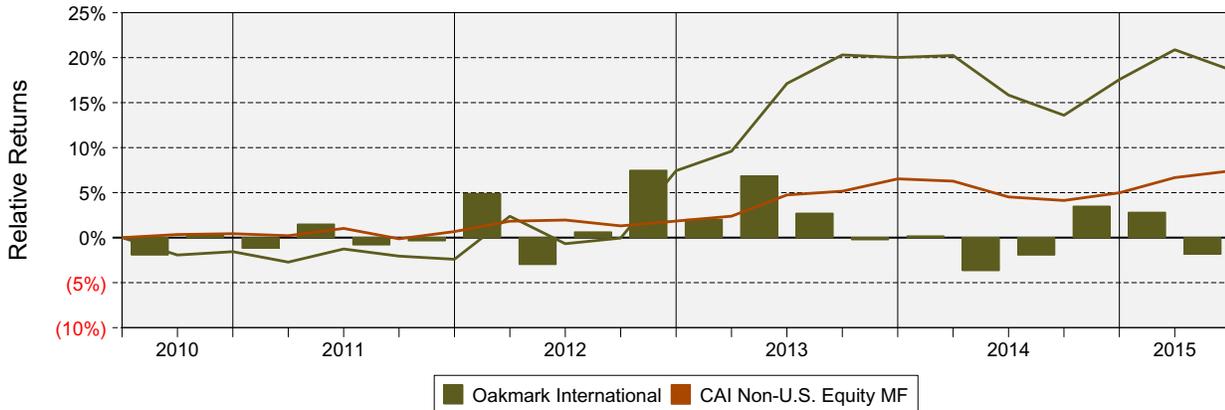
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

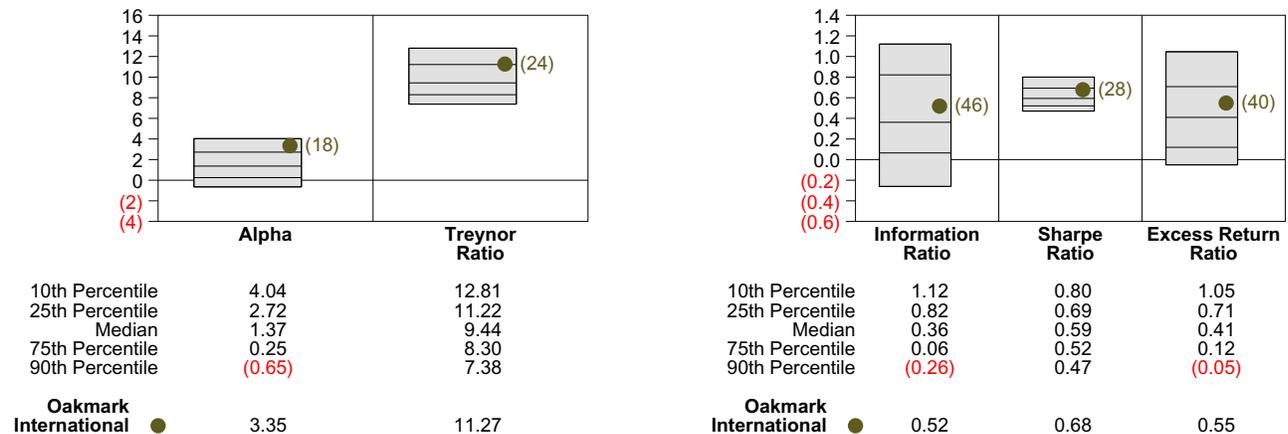
Performance vs CAI MF - Non-US Equity Style (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



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

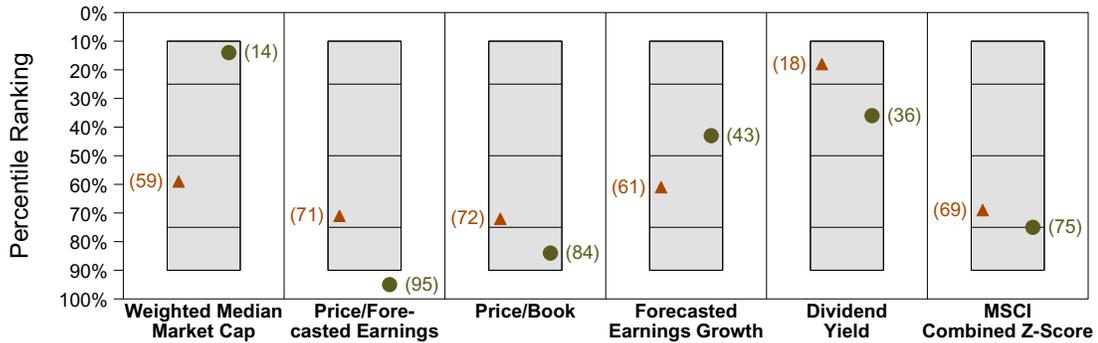


Oakmark International Equity Characteristics Analysis Summary

Portfolio Characteristics

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

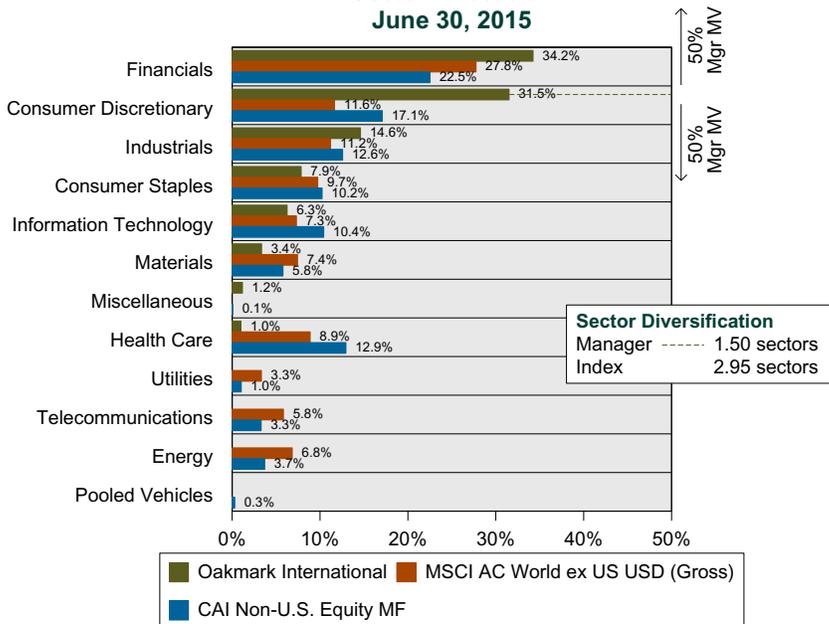
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2015



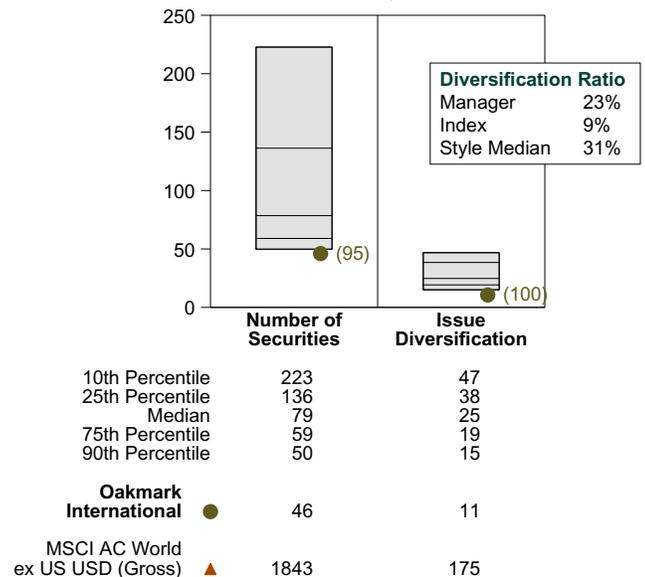
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



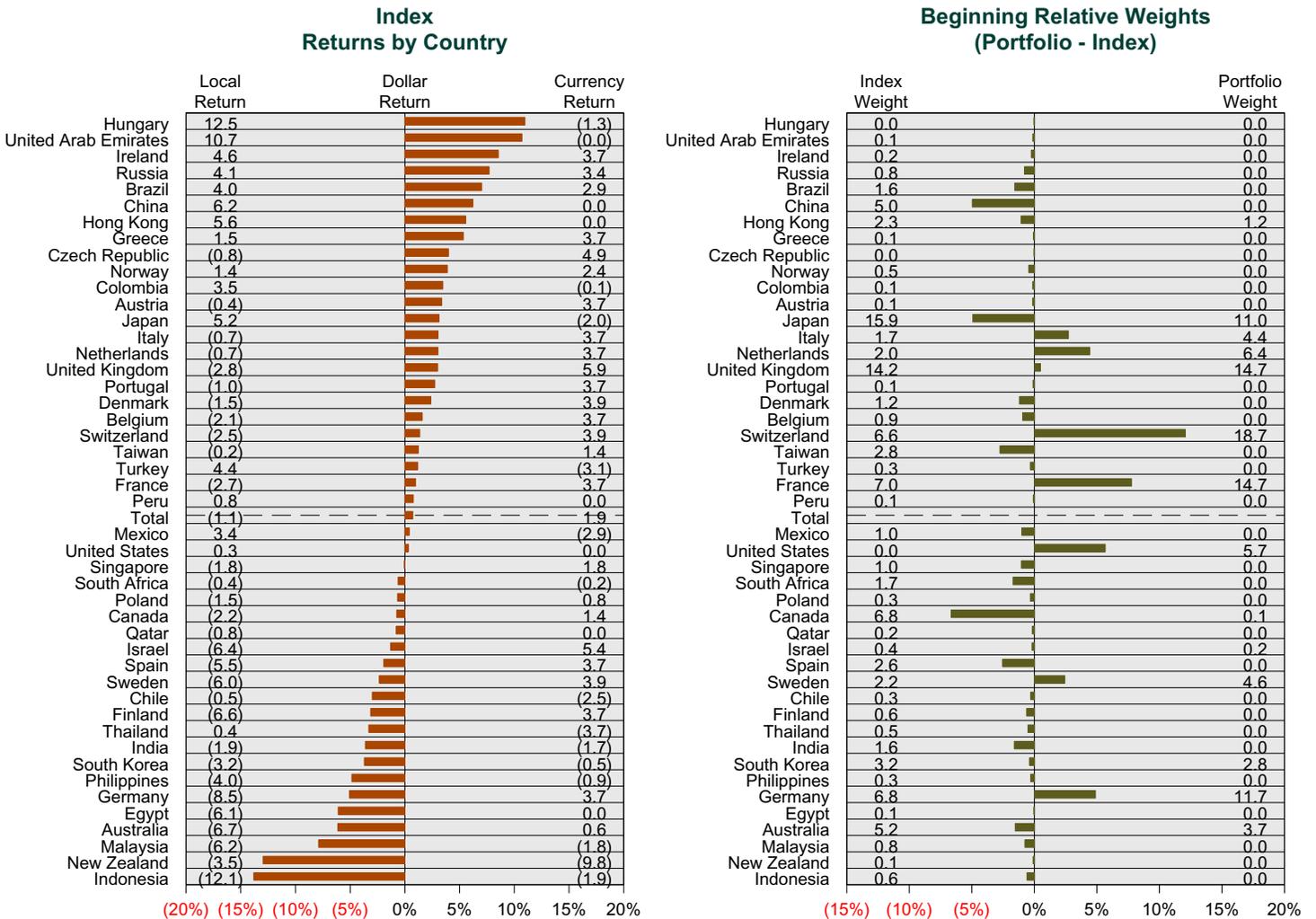
Diversification June 30, 2015



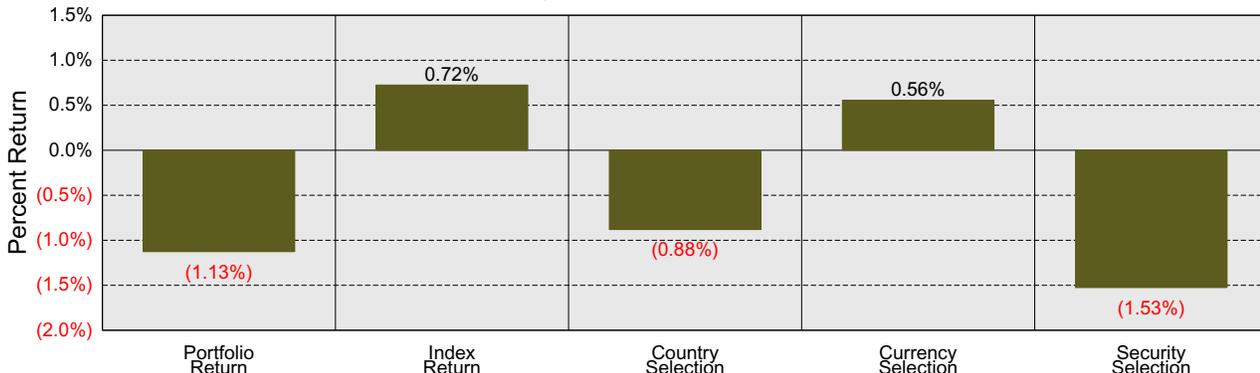
Oakmark International vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2015

International Attribution

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



Attribution Factors for Quarter Ended June 30, 2015



Mondrian International Period Ended June 30, 2015

Investment Philosophy

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

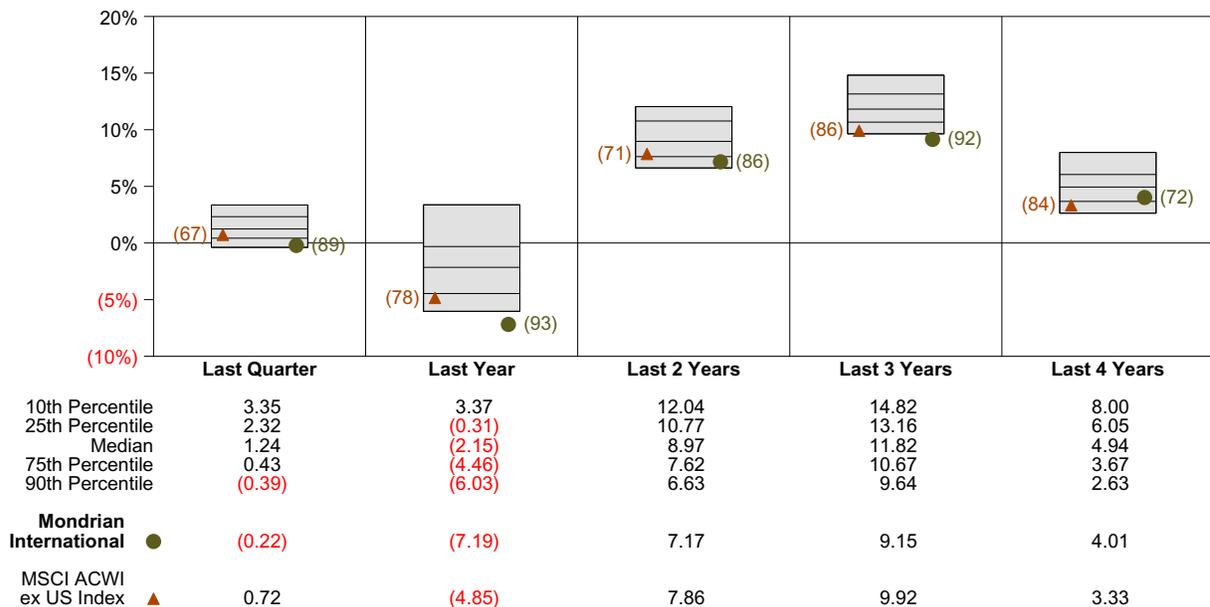
Quarterly Summary and Highlights

- Mondrian International's portfolio posted a (0.22)% return for the quarter placing it in the 89 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 93 percentile for the last year.
- Mondrian International's portfolio underperformed the MSCI ACWI ex US Index by 0.94% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 2.34%.

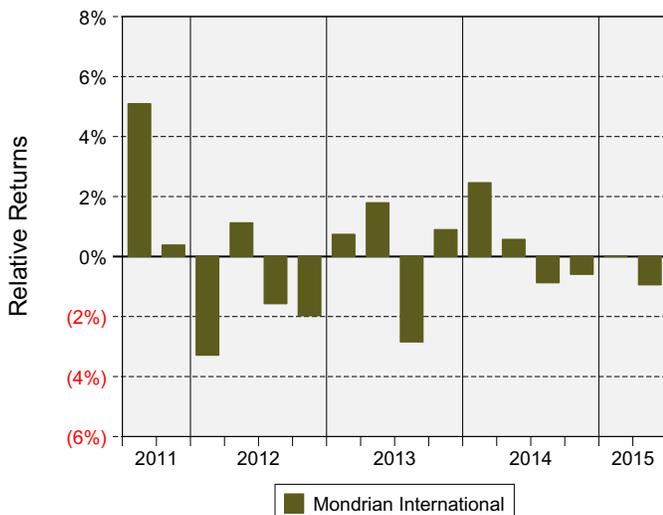
Quarterly Asset Growth

Beginning Market Value	\$21,115,757
Net New Investment	\$0
Investment Gains/(Losses)	\$-5,538
Ending Market Value	\$21,110,219

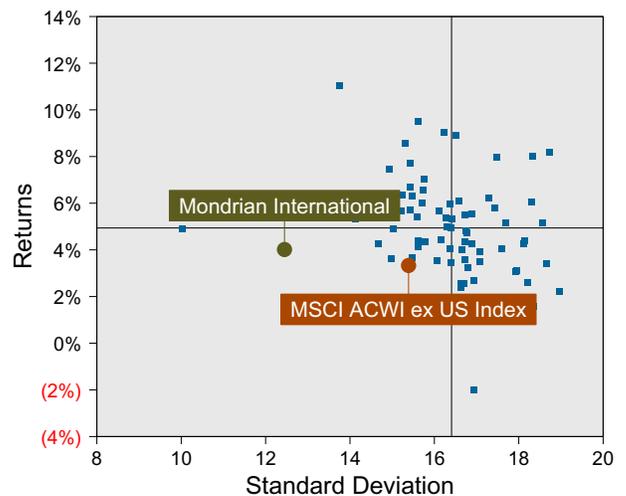
Performance vs CAI MF - Non-US Equity Style (Net)



Relative Return vs MSCI ACWI ex US Index



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

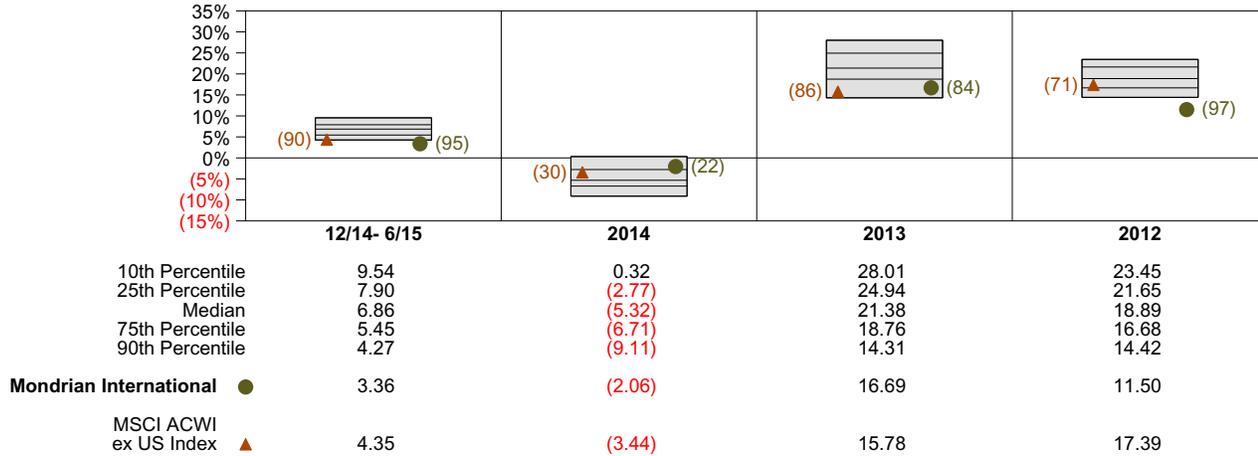


Mondrian International Return Analysis Summary

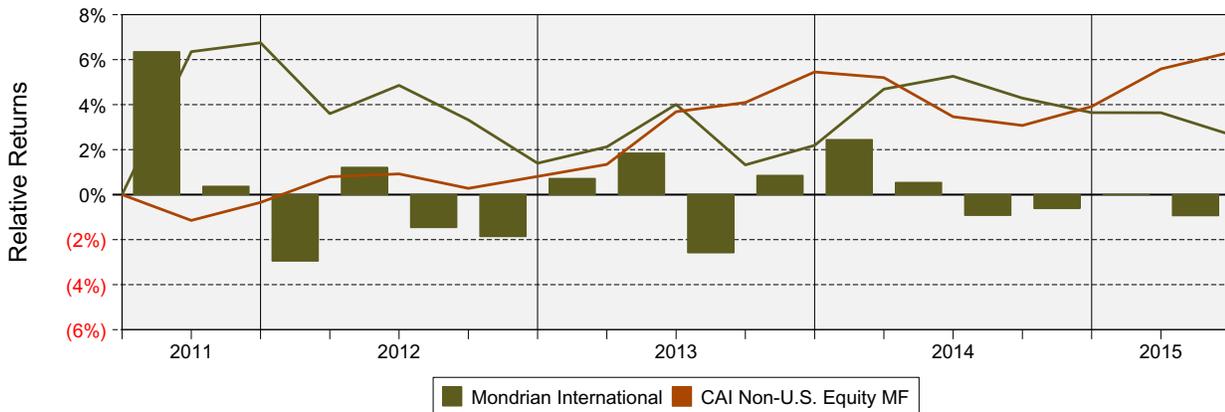
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

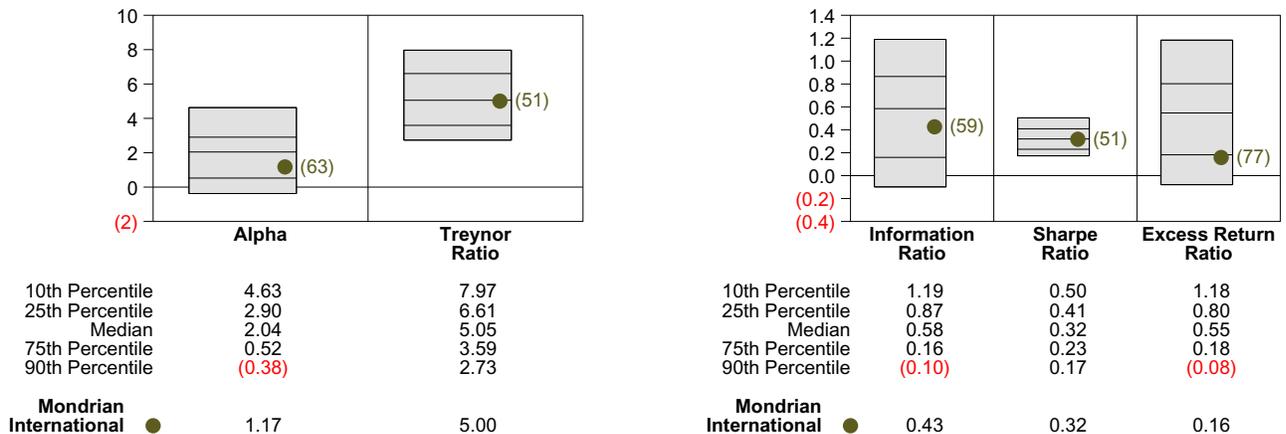
Performance vs CAI MF - Non-US Equity Style (Cheapest Net)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



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

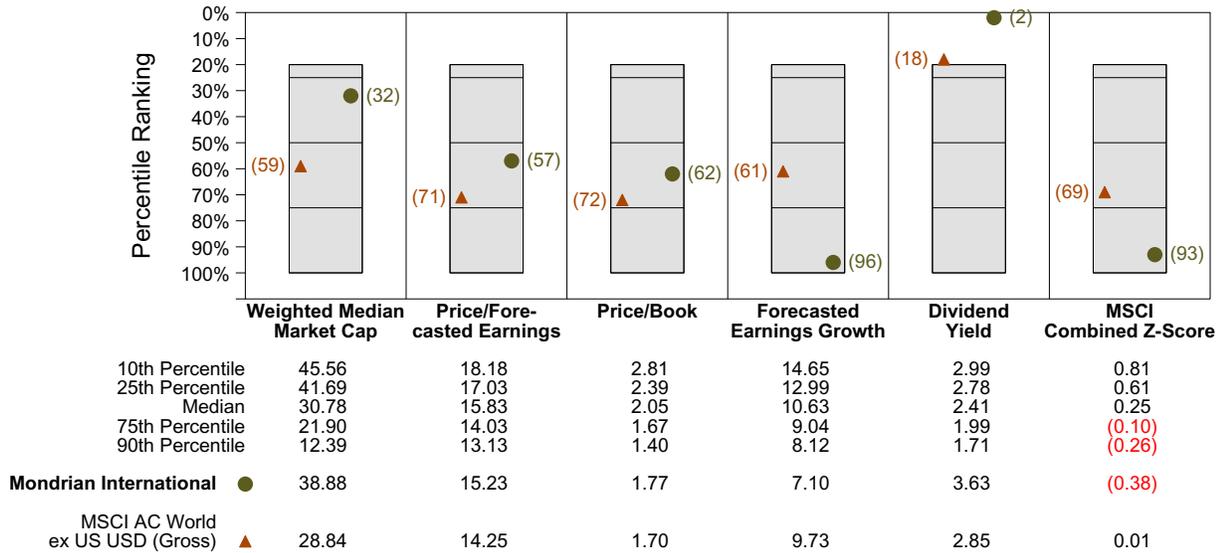


Mondrian International Equity Characteristics Analysis Summary

Portfolio Characteristics

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

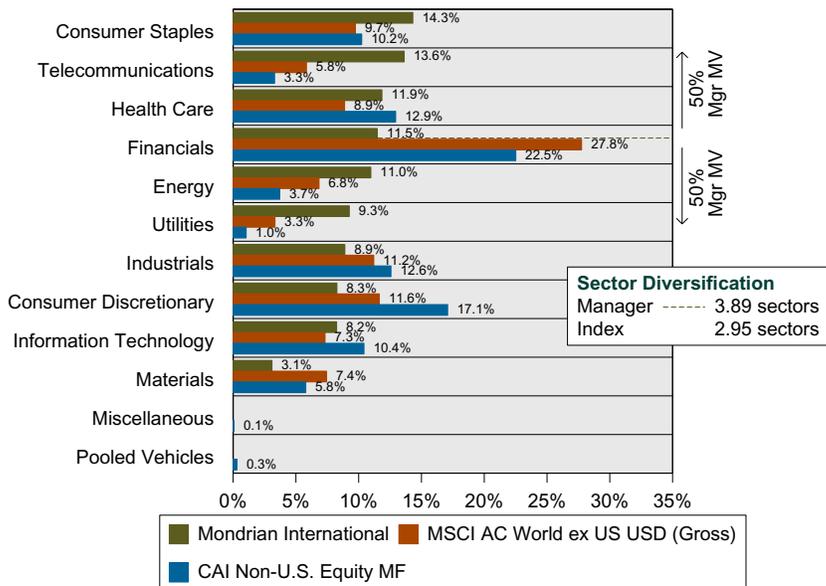
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2015



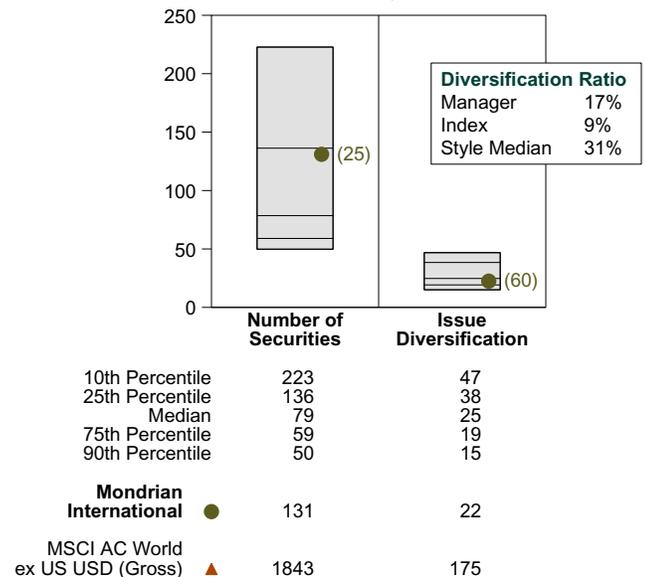
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation June 30, 2015



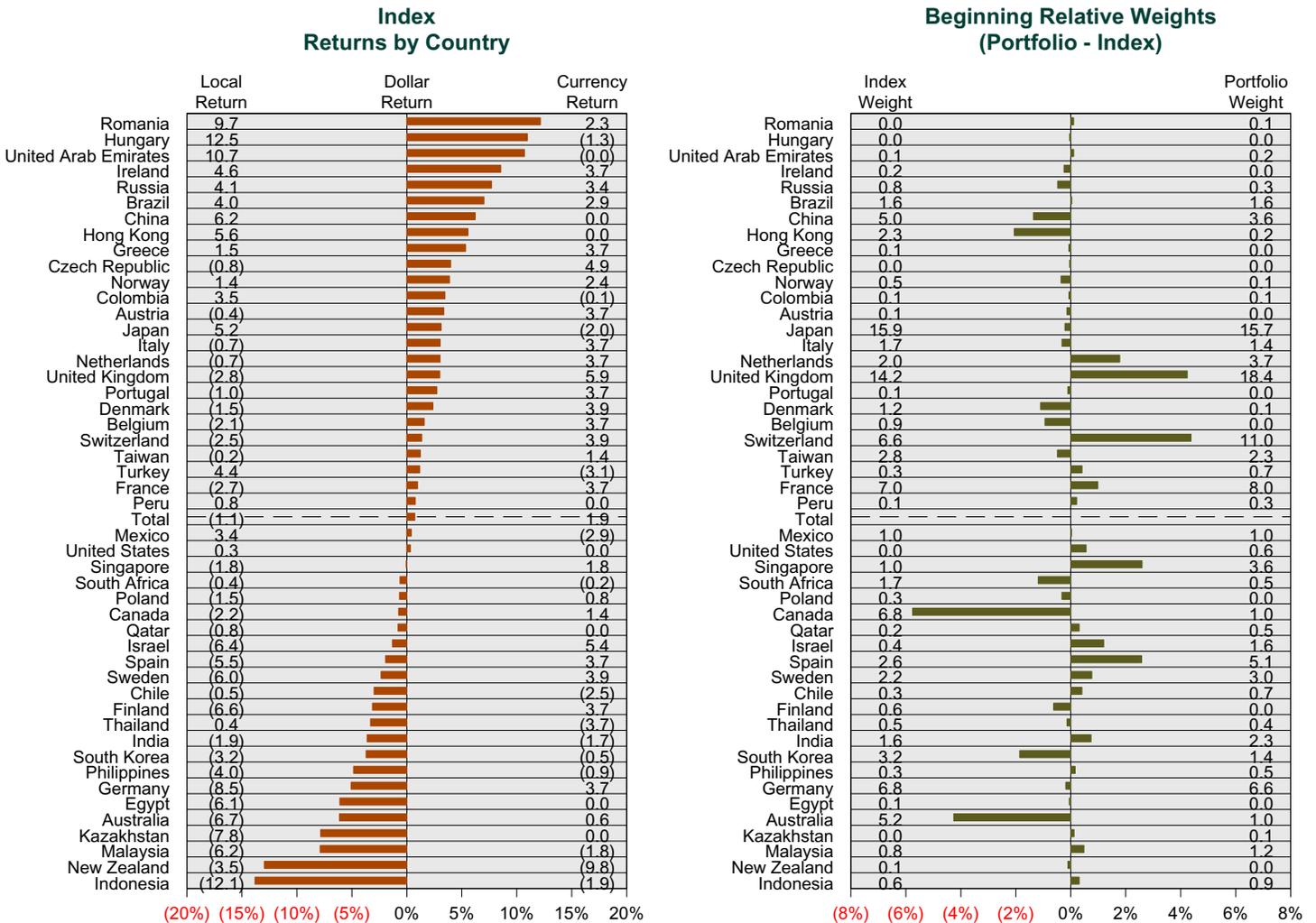
Diversification June 30, 2015



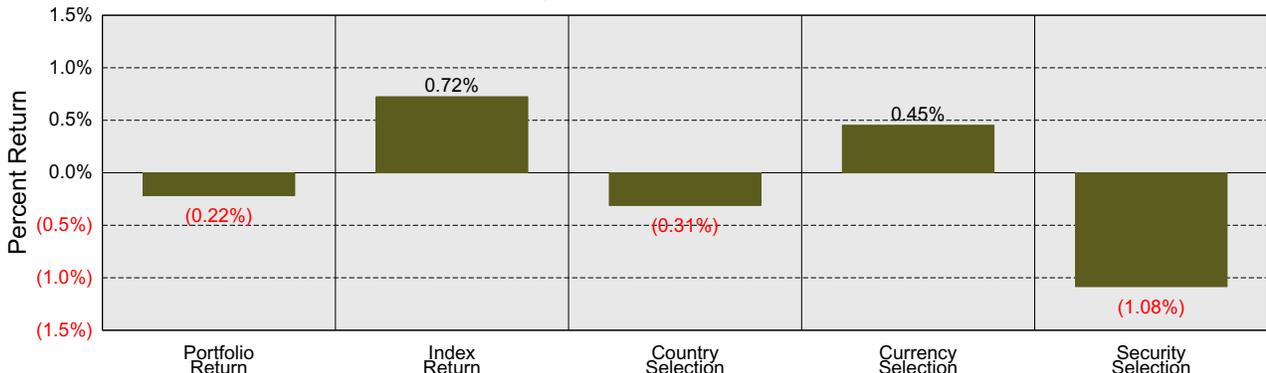
Mondrian International vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2015

International Attribution

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



Attribution Factors for Quarter Ended June 30, 2015



Domestic Fixed Income Composite Period Ended June 30, 2015

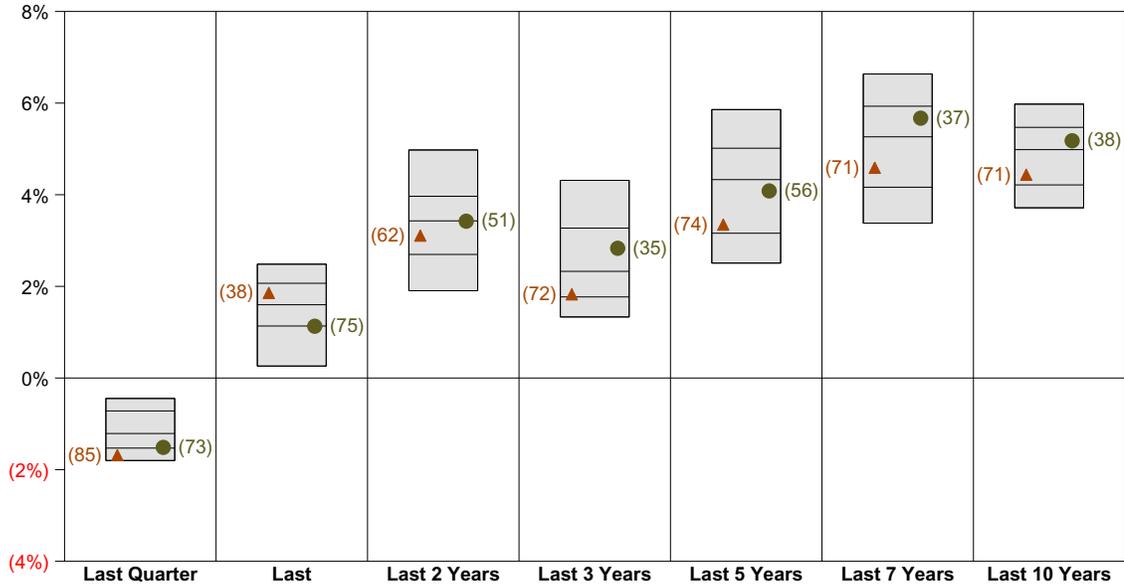
Quarterly Summary and Highlights

- Domestic Fixed Income Composite's portfolio posted a (1.51)% return for the quarter placing it in the 73 percentile of the Pub Pln- Domestic Fixed group for the quarter and in the 75 percentile for the last year.
- Domestic Fixed Income Composite's portfolio outperformed the Barclays Aggregate Index by 0.17% for the quarter and underperformed the Barclays Aggregate Index for the year by 0.73%.

Quarterly Asset Growth

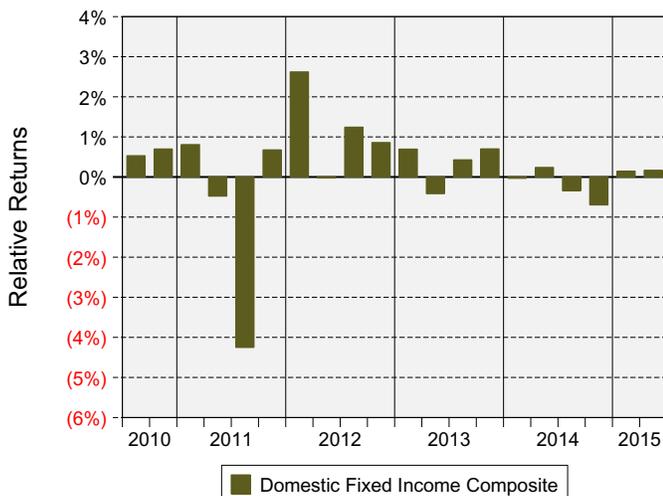
Beginning Market Value	\$120,462,239
Net New Investment	\$-862,194
Investment Gains/(Losses)	\$-1,820,654
Ending Market Value	\$117,779,392

Performance vs Pub Pln- Domestic Fixed (Gross)

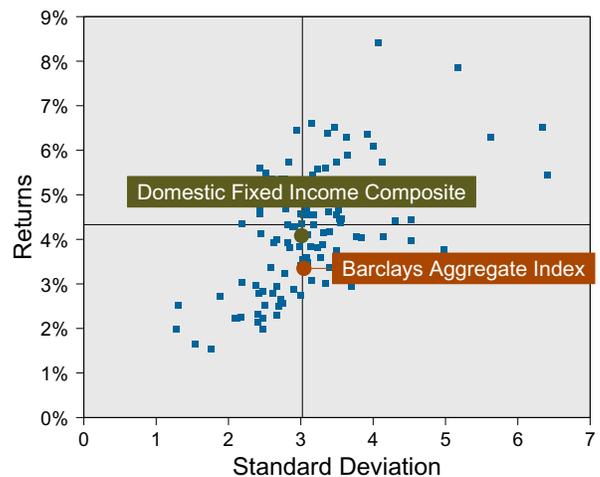


10th Percentile	(0.45)	2.48	4.98	4.31	5.86	6.64	5.98
25th Percentile	(0.72)	2.07	3.97	3.27	5.01	5.93	5.47
Median	(1.21)	1.60	3.43	2.33	4.33	5.26	4.98
75th Percentile	(1.53)	1.13	2.70	1.77	3.16	4.16	4.21
90th Percentile	(1.80)	0.26	1.91	1.33	2.51	3.38	3.71
Domestic Fixed Income Composite	(1.51)	1.13	3.42	2.83	4.08	5.67	5.18
Barclays Aggregate Index	(1.68)	1.86	3.11	1.83	3.35	4.59	4.44

Relative Return vs Barclays Aggregate Index



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

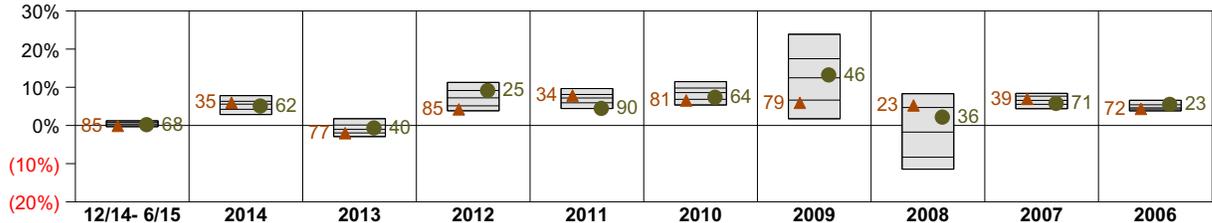


Domestic Fixed Income Composite Return Analysis Summary

Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

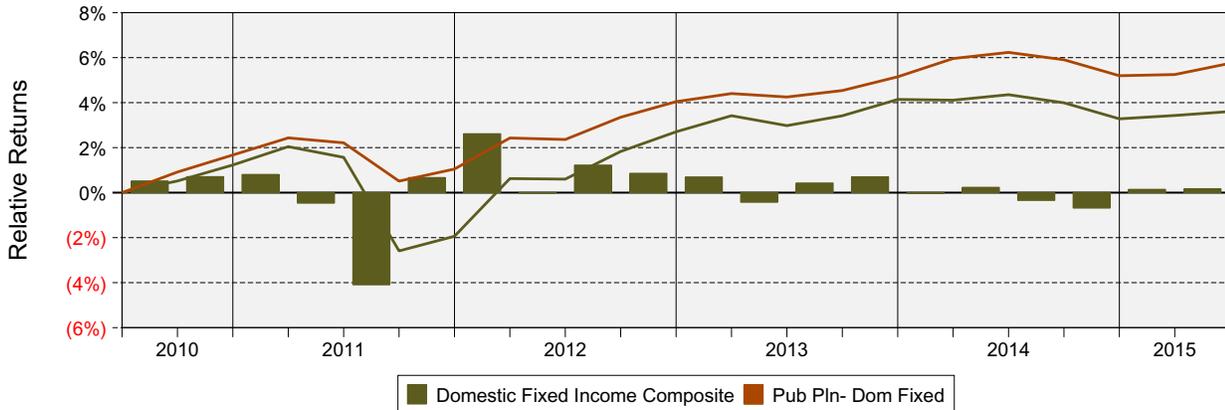
Performance vs Pub Pln- Domestic Fixed (Gross)



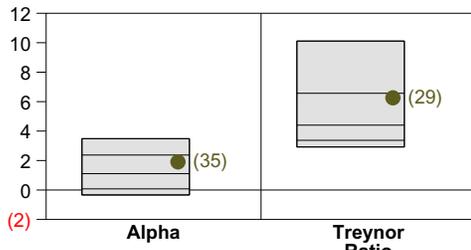
	12/14- 6/15	2014	2013	2012	2011	2010	2009	2008	2007	2006
10th Percentile	1.22	7.81	1.77	11.28	9.66	11.47	23.88	8.32	8.41	6.59
25th Percentile	0.84	6.33	0.11	9.15	8.11	9.80	17.48	4.70	7.67	5.41
Median	0.39	5.57	(1.03)	7.23	7.19	8.60	12.48	(1.74)	6.56	4.61
75th Percentile	0.14	4.24	(1.96)	5.14	5.94	6.85	6.64	(8.31)	5.54	4.31
90th Percentile	(0.32)	2.87	(2.92)	3.84	4.44	5.36	1.75	(11.45)	4.39	3.82

	12/14- 6/15	2014	2013	2012	2011	2010	2009	2008	2007	2006
Domestic Fixed Income Composite	0.21	5.09	(0.65)	9.15	4.47	7.39	13.24	2.19	5.77	5.52
Barclays Aggregate Index	(0.10)	5.97	(2.02)	4.21	7.84	6.54	5.93	5.24	6.97	4.33

Cumulative and Quarterly Relative Return vs Barclays Aggregate Index

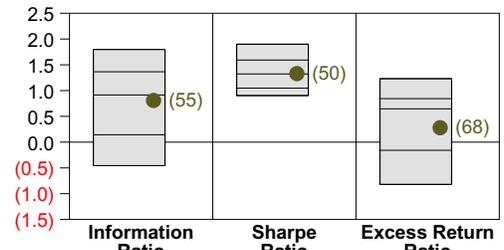


Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against Pub Pln- Domestic Fixed (Gross) Five Years Ended June 30, 2015



	Alpha	Treynor Ratio
10th Percentile	3.49	10.11
25th Percentile	2.37	6.57
Median	1.11	4.40
75th Percentile	0.08	3.38
90th Percentile	(0.34)	2.92

Domestic Fixed Income Composite	1.91	6.26
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	Information Ratio	Sharpe Ratio	Excess Return Ratio
10th Percentile	1.80	1.90	1.23
25th Percentile	1.37	1.59	0.84
Median	0.91	1.32	0.65
75th Percentile	0.14	1.05	(0.16)
90th Percentile	(0.46)	0.90	(0.82)

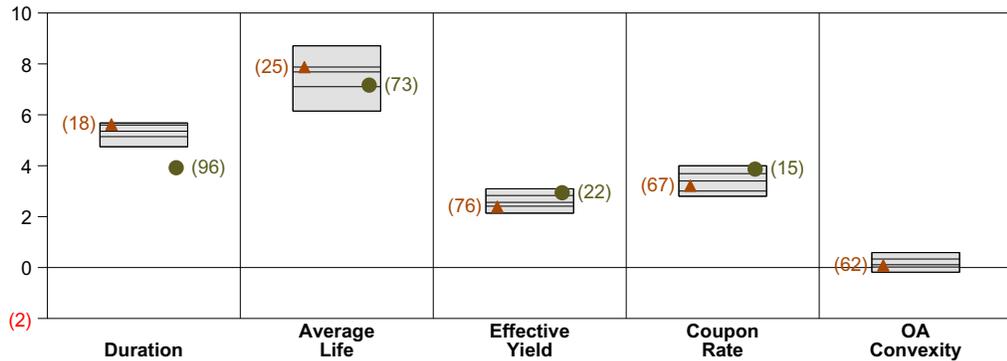
Domestic Fixed Income Composite	0.81	1.33	0.28
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Domestic Fixed Income Composite Bond Characteristics Analysis Summary

Portfolio Characteristics

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

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

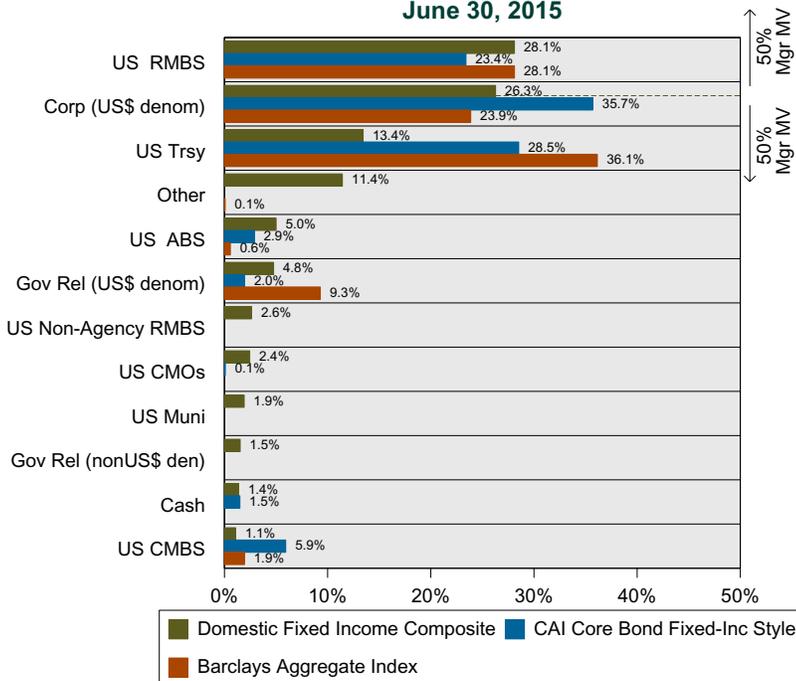


	Duration	Average Life	Effective Yield	Coupon Rate	OA Convexity
10th Percentile	5.68	8.71	3.09	4.00	0.59
25th Percentile	5.60	7.88	2.83	3.69	0.34
Median	5.36	7.68	2.56	3.40	0.11
75th Percentile	5.14	7.11	2.41	3.01	0.02
90th Percentile	4.74	6.15	2.14	2.80	(0.18)
Domestic Fixed Income Composite	3.92	7.17	2.94	3.87	-
Barclays Aggregate Index	5.63	7.87	2.39	3.22	0.09

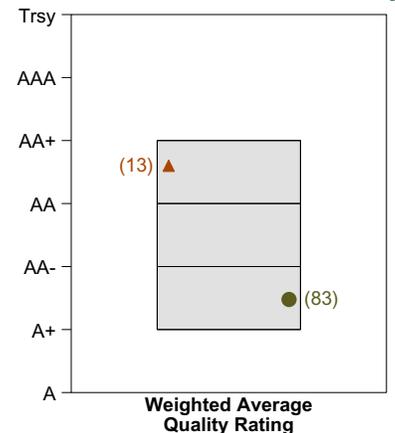
Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.

Sector Allocation June 30, 2015



Quality Ratings vs CAI Core Bond Fixed-Inc Style



10th Percentile	AA+
25th Percentile	AA
Median	AA
75th Percentile	AA-
90th Percentile	A+

Domestic Fixed Income Composite	●	A+
Barclays Aggregate Index	▲	AA+

Dodge & Cox Income Period Ended June 30, 2015

Investment Philosophy

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

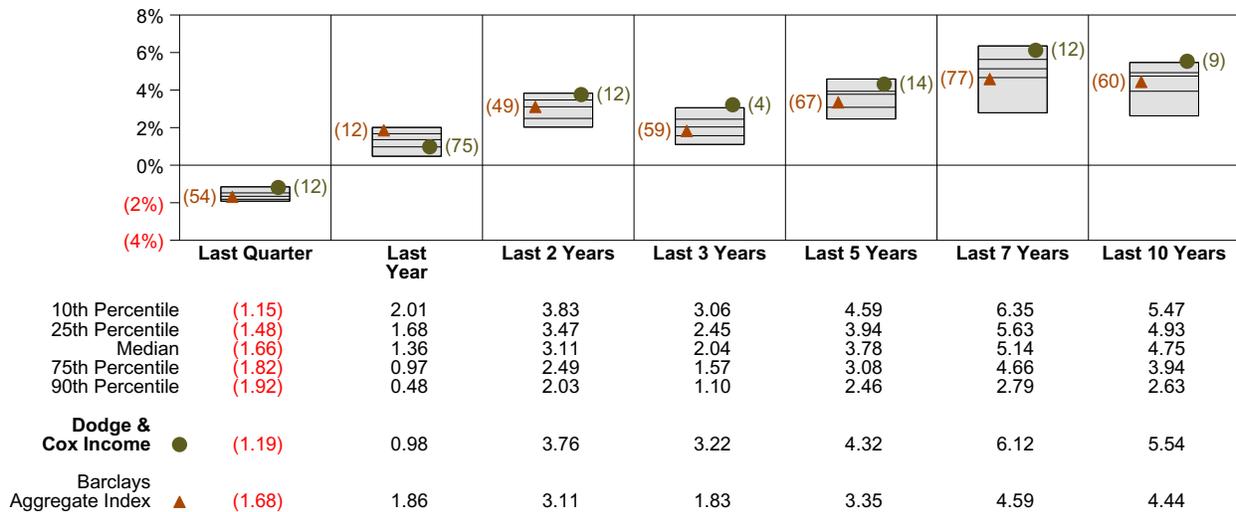
Quarterly Summary and Highlights

- Dodge & Cox Income's portfolio posted a (1.19)% return for the quarter placing it in the 12 percentile of the CAI MF - Core Bond Style group for the quarter and in the 75 percentile for the last year.
- Dodge & Cox Income's portfolio outperformed the Barclays Aggregate Index by 0.49% for the quarter and underperformed the Barclays Aggregate Index for the year by 0.88%.

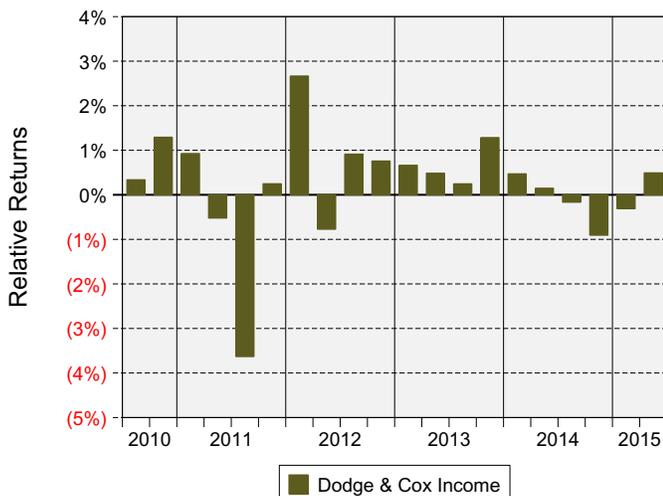
Quarterly Asset Growth

Beginning Market Value	\$60,223,458
Net New Investment	\$-412,787
Investment Gains/(Losses)	\$-716,943
Ending Market Value	\$59,093,728

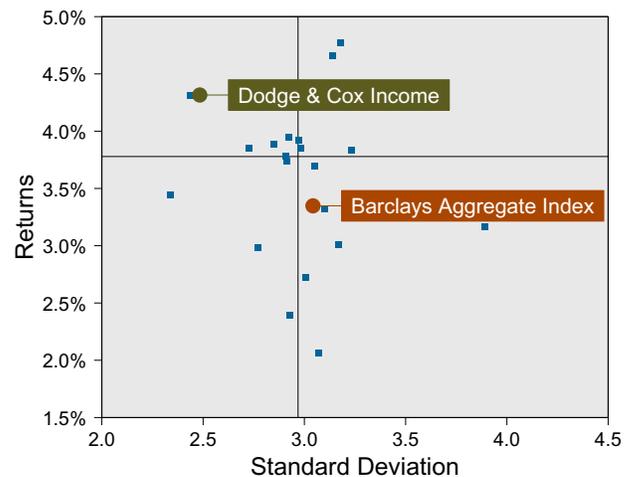
Performance vs CAI MF - Core Bond Style (Net)



Relative Return vs Barclays Aggregate Index



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

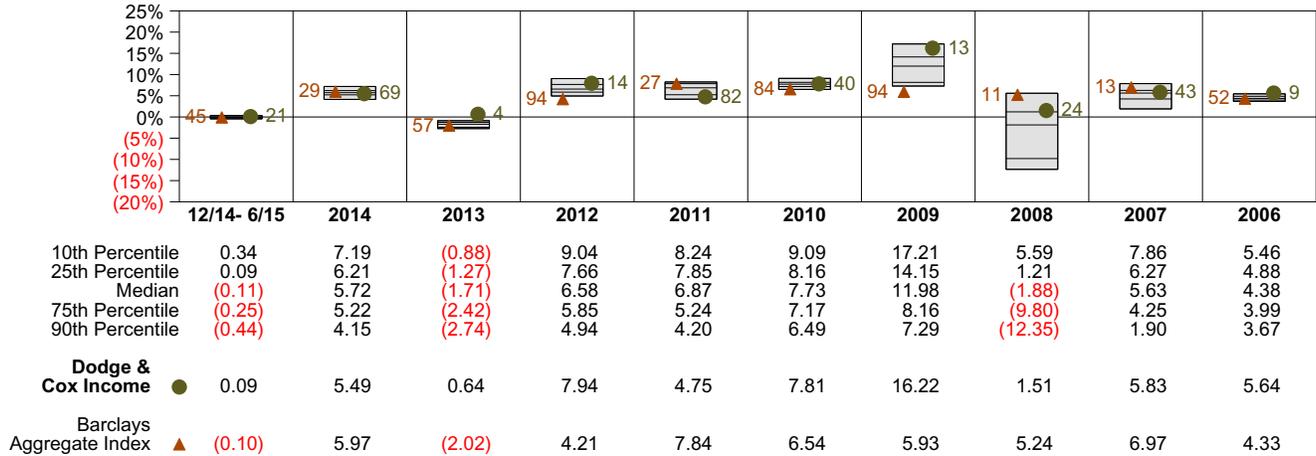


Dodge & Cox Income Return Analysis Summary

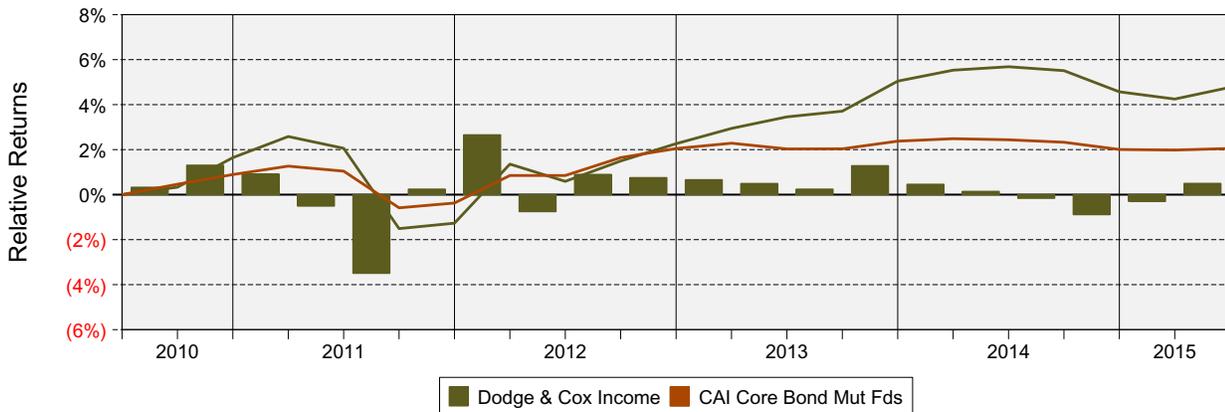
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

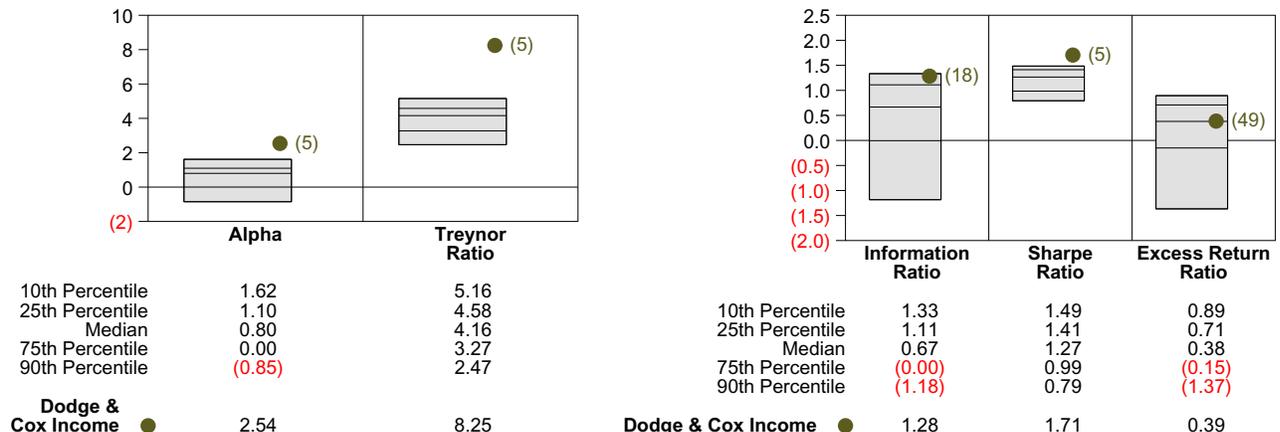
Performance vs CAI MF - Core Bond Style (Net)



Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



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

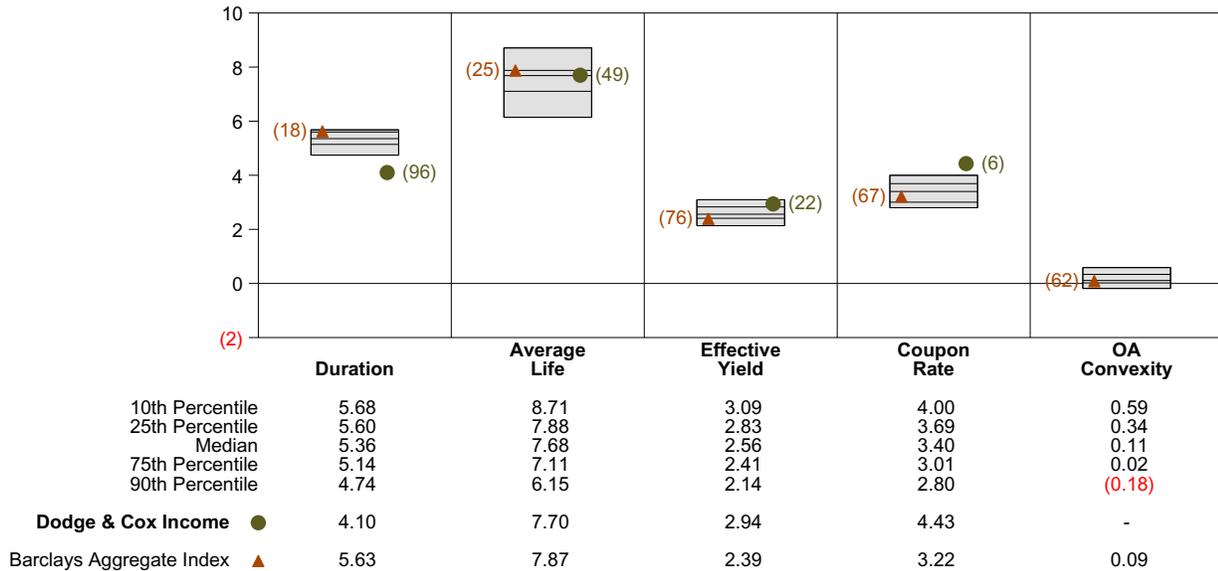


Dodge & Cox Income Bond Characteristics Analysis Summary

Portfolio Characteristics

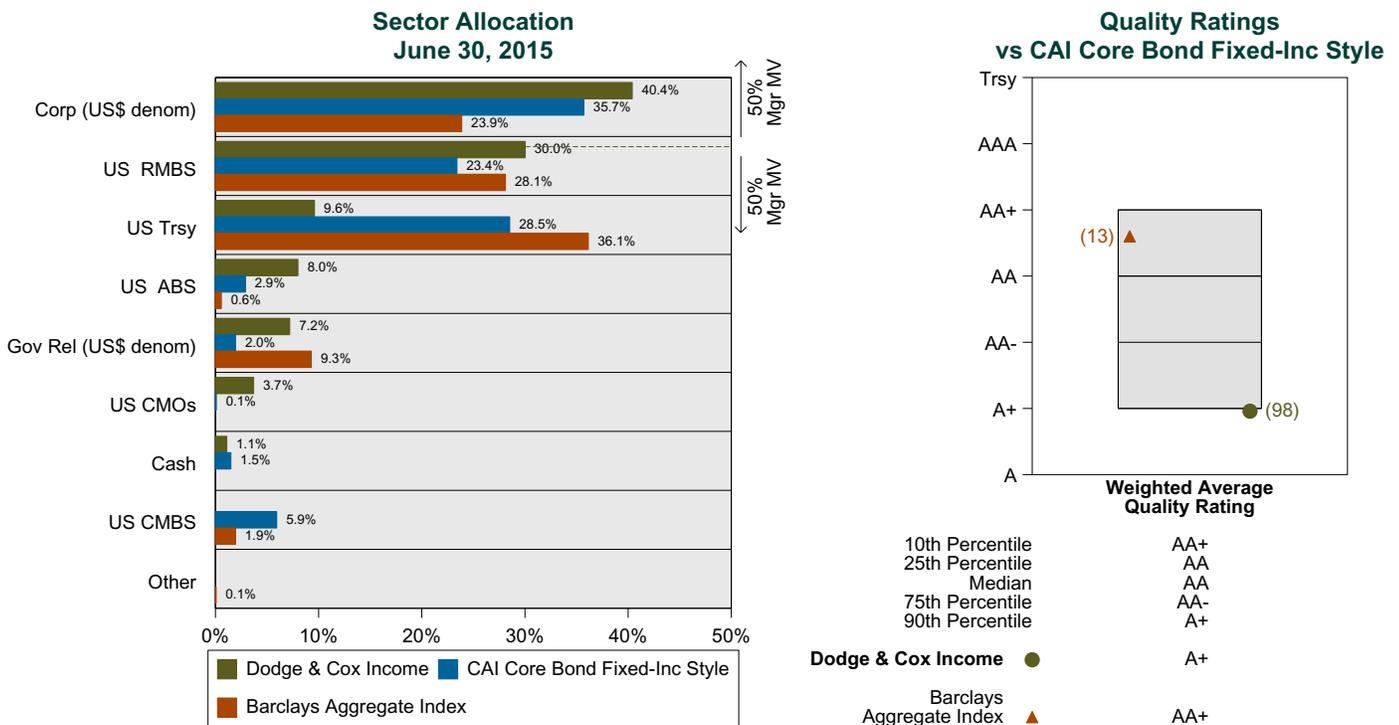
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

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



Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



PIMCO

Period Ended June 30, 2015

Investment Philosophy

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

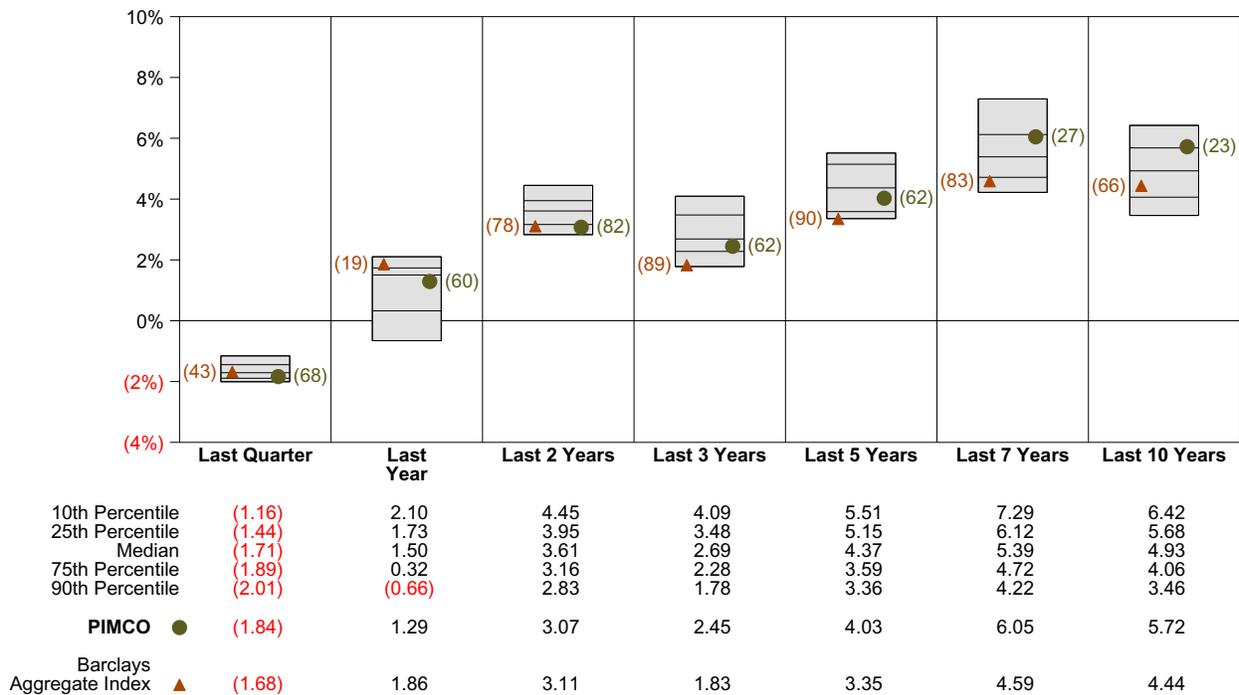
Quarterly Summary and Highlights

- PIMCO's portfolio posted a (1.84)% return for the quarter placing it in the 68 percentile of the CAI MF - Core Plus Style group for the quarter and in the 60 percentile for the last year.
- PIMCO's portfolio underperformed the Barclays Aggregate Index by 0.16% for the quarter and underperformed the Barclays Aggregate Index for the year by 0.57%.

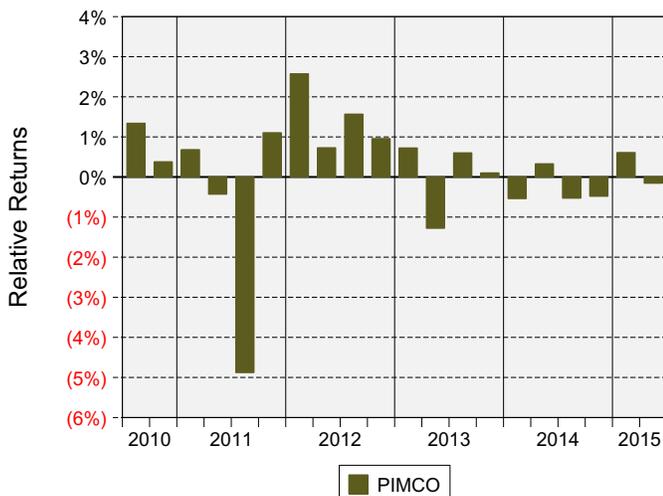
Quarterly Asset Growth

Beginning Market Value	\$60,238,782
Net New Investment	\$-449,407
Investment Gains/(Losses)	\$-1,103,711
Ending Market Value	\$58,685,664

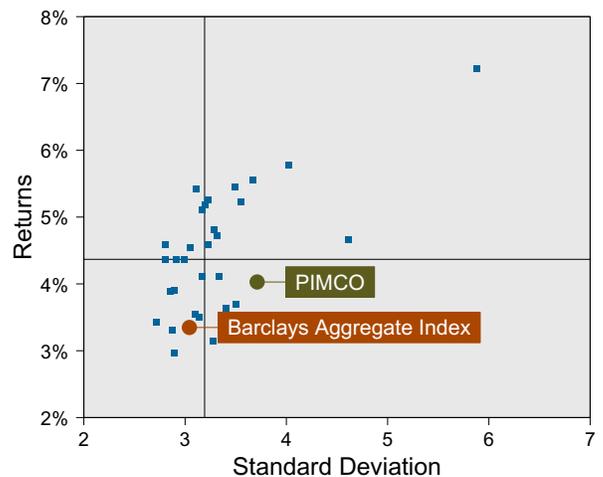
Performance vs CAI MF - Core Plus Style (Net)



Relative Return vs Barclays Aggregate Index



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

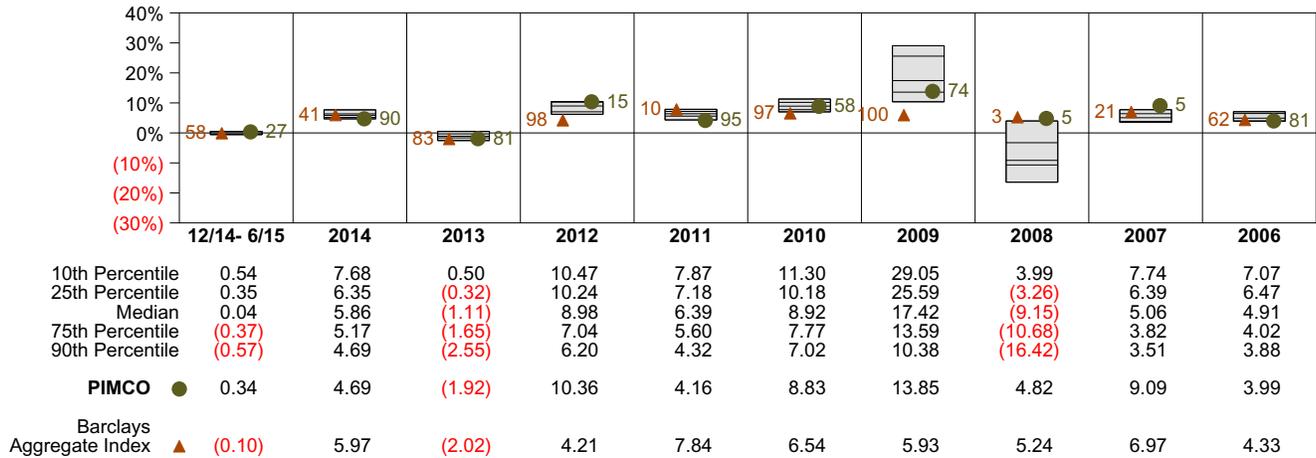


PIMCO Return Analysis Summary

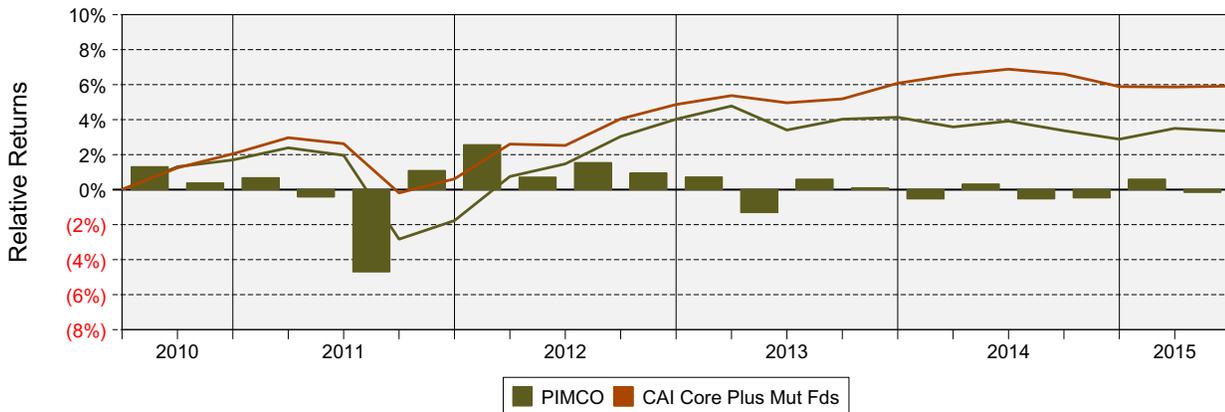
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

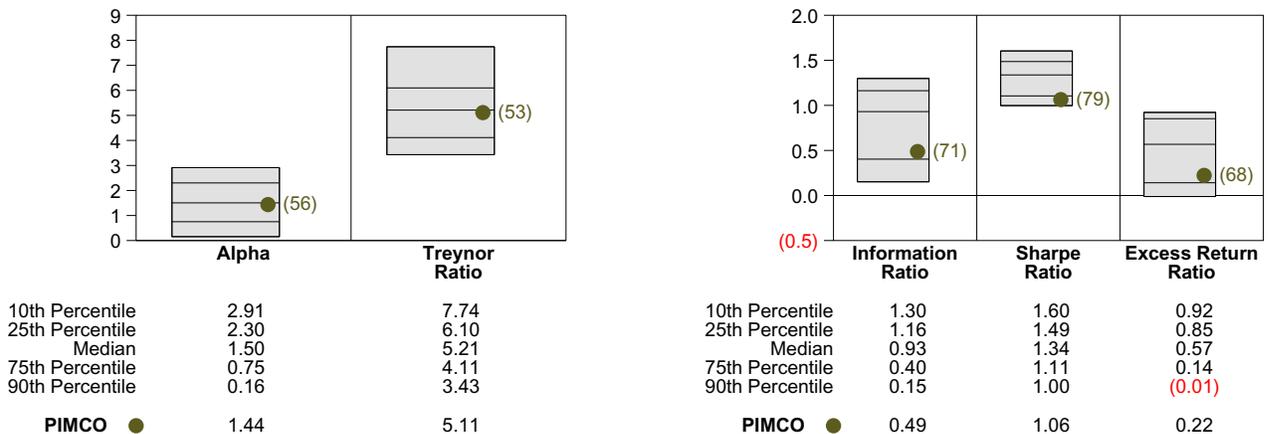
Performance vs CAI MF - Core Plus Style (Net)



Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



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

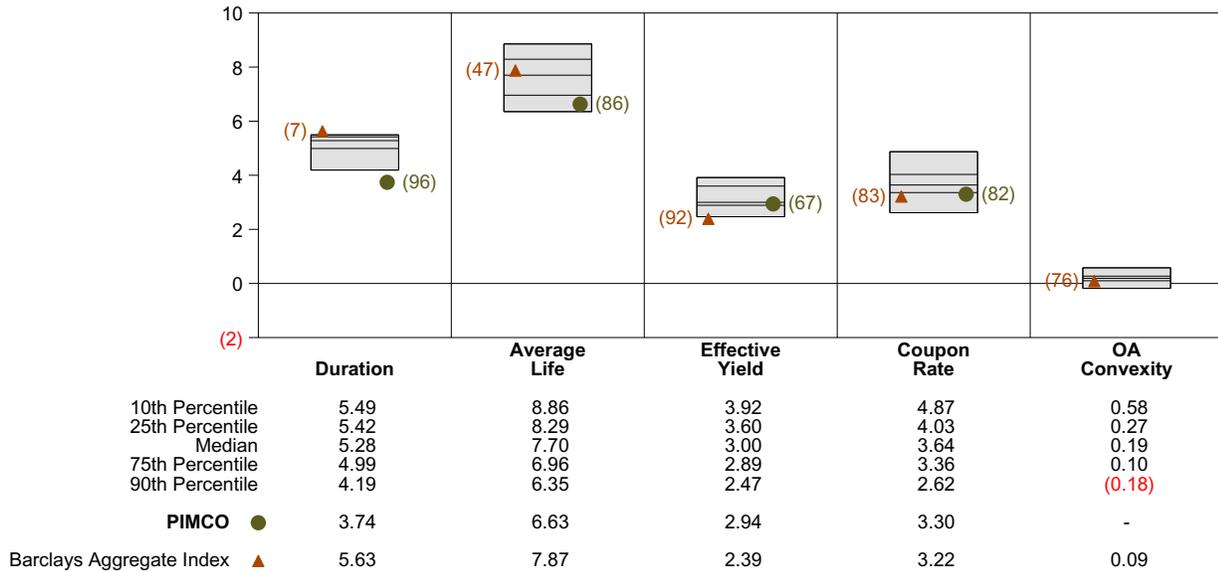


PIMCO Bond Characteristics Analysis Summary

Portfolio Characteristics

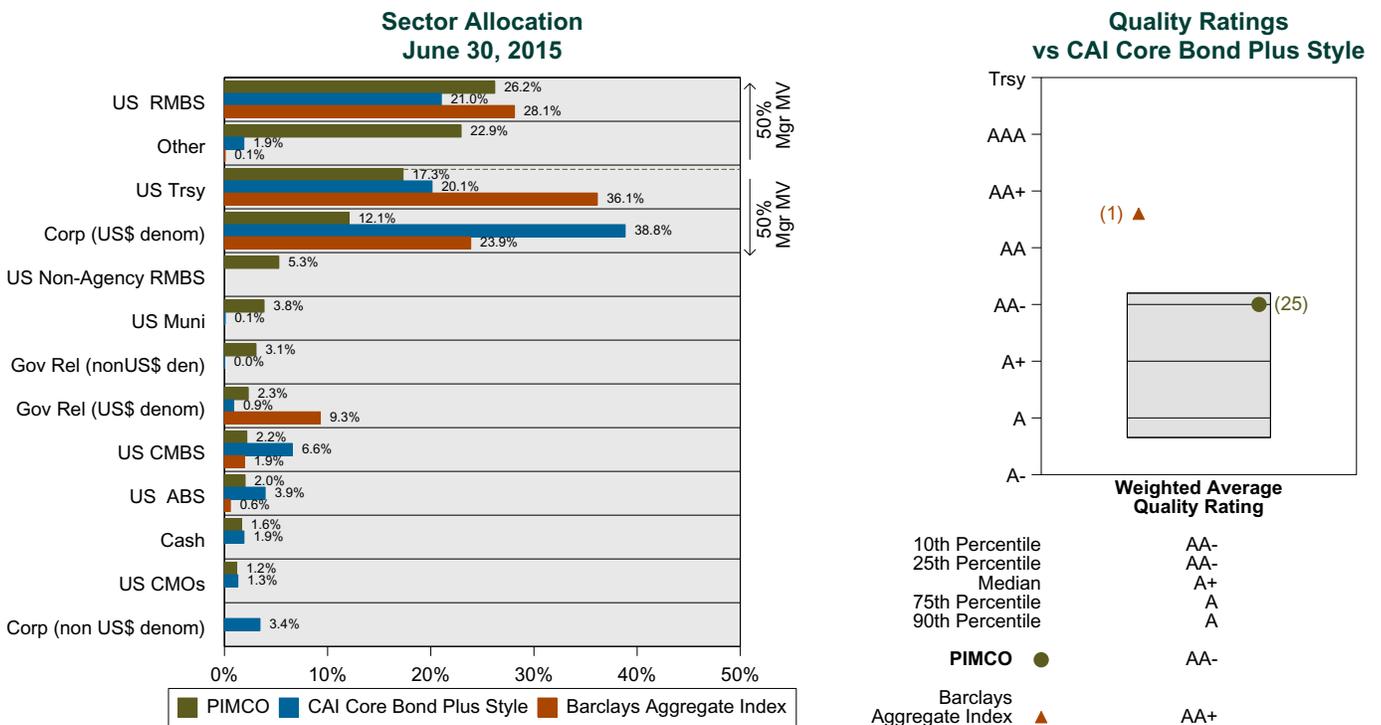
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

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



Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



RREEF Public Period Ended June 30, 2015

Investment Philosophy

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

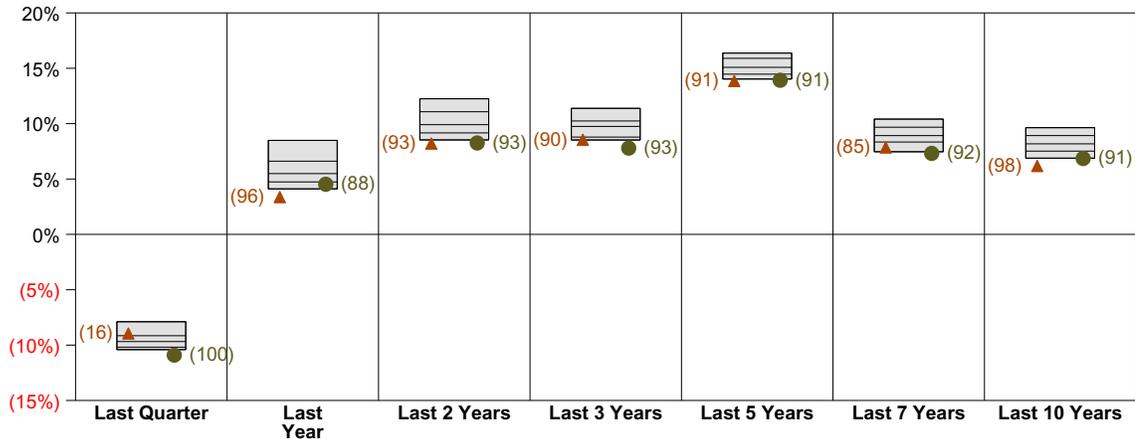
Quarterly Summary and Highlights

- RREEF Public's portfolio posted a (10.91)% return for the quarter placing it in the 100 percentile of the CAI Real Estate-REIT DB group for the quarter and in the 88 percentile for the last year.
- RREEF Public's portfolio underperformed the NAREIT by 1.96% for the quarter and outperformed the NAREIT for the year by 1.15%.

Quarterly Asset Growth

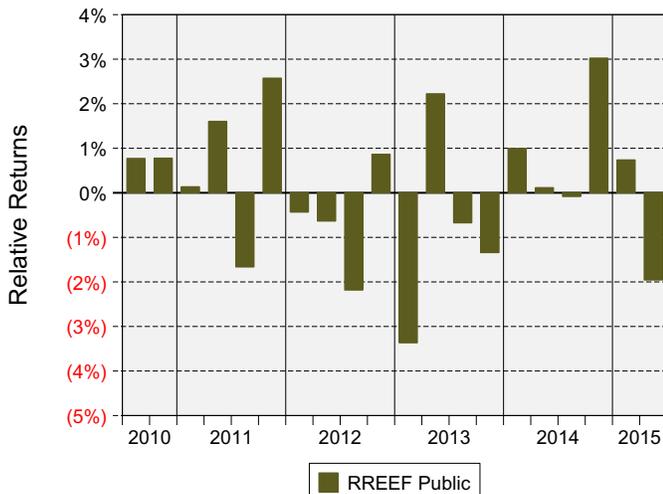
Beginning Market Value	\$8,943,304
Net New Investment	\$0
Investment Gains/(Losses)	\$-975,306
Ending Market Value	\$7,967,998

Performance vs CAI Real Estate-REIT DB (Gross)

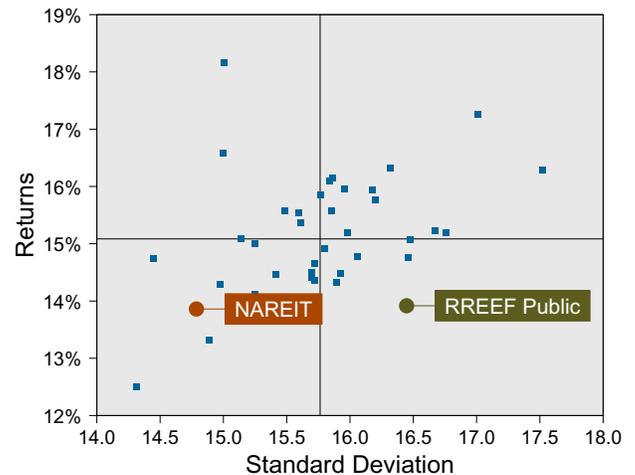


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	(7.89)	8.49	12.25	11.38	16.37	10.41	9.64
25th Percentile	(9.15)	6.61	11.07	10.24	15.90	9.68	8.92
Median	(9.68)	5.49	9.91	9.75	15.08	8.92	8.17
75th Percentile	(10.19)	4.74	9.16	8.79	14.47	8.34	7.52
90th Percentile	(10.41)	4.11	8.53	8.52	14.03	7.46	6.88
RREEF Public	(10.91)	4.52	8.25	7.79	13.92	7.31	6.85
NAREIT	(8.95)	3.37	8.21	8.54	13.86	7.85	6.18

Relative Return vs NAREIT



CAI Real Estate-REIT DB (Gross) Annualized Five Year Risk vs Return



RREEF Private

Period Ended June 30, 2015

Investment Philosophy

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

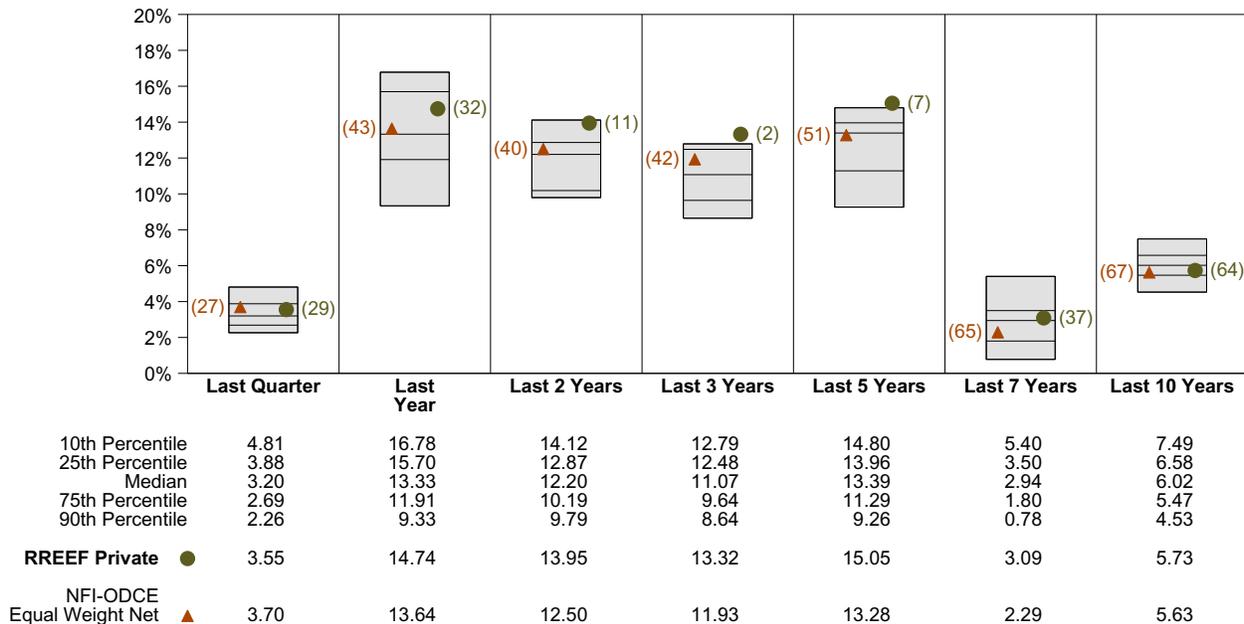
Quarterly Summary and Highlights

- RREEF Private's portfolio posted a 3.55% return for the quarter placing it in the 29 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 32 percentile for the last year.
- RREEF Private's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.14% for the quarter and outperformed the NFI-ODCE Equal Weight Net for the year by 1.10%.

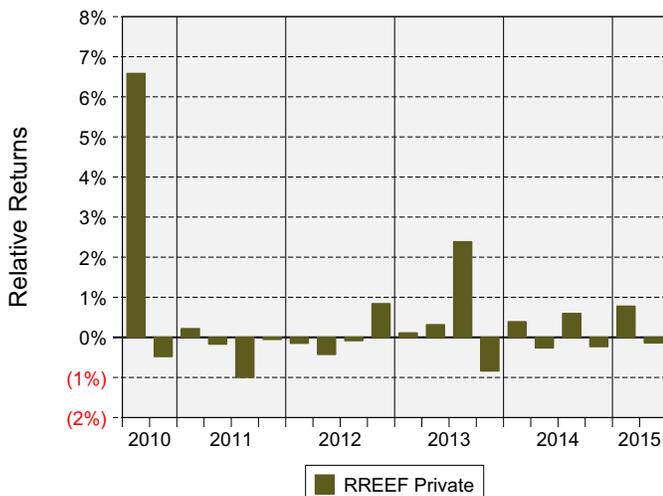
Quarterly Asset Growth

Beginning Market Value	\$18,265,547
Net New Investment	\$0
Investment Gains/(Losses)	\$649,120
Ending Market Value	\$18,914,666

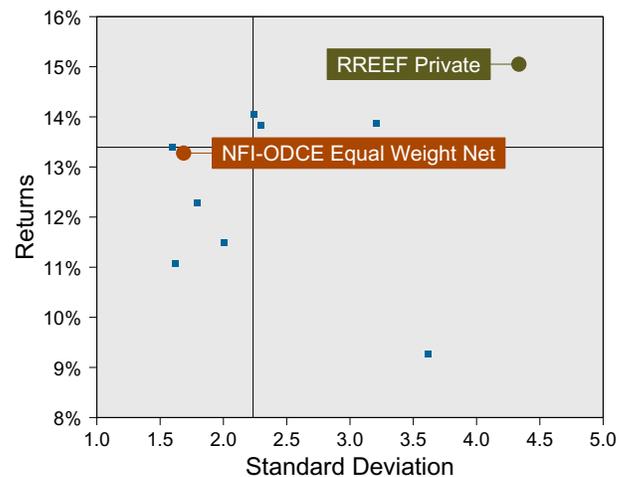
Performance vs CAI Open-End Real Estate Funds (Net)



Relative Returns vs NFI-ODCE Equal Weight Net



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



Cornerstone Patriot Fund Period Ended June 30, 2015

Investment Philosophy

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

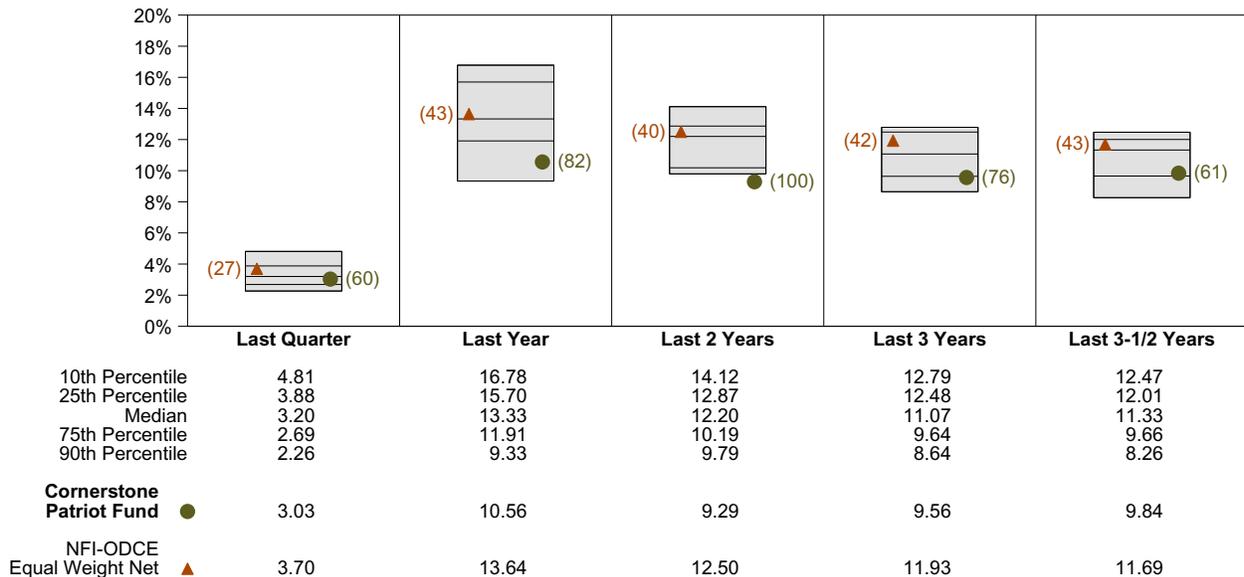
Quarterly Summary and Highlights

- Cornerstone Patriot Fund's portfolio posted a 3.03% return for the quarter placing it in the 60 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 82 percentile for the last year.
- Cornerstone Patriot Fund's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.66% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 3.08%.

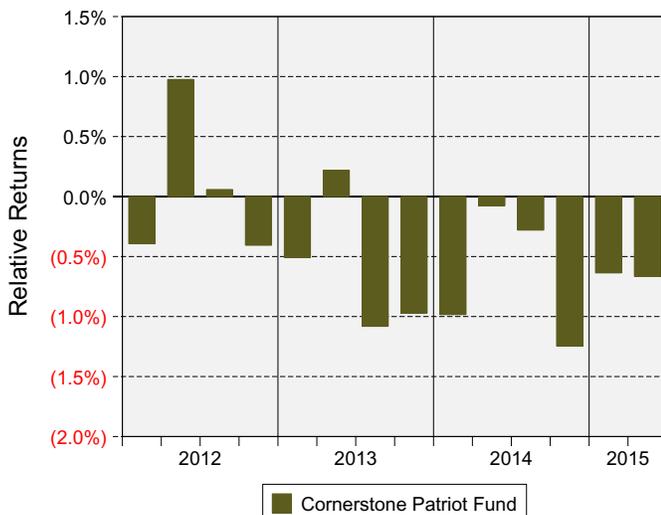
Quarterly Asset Growth

Beginning Market Value	\$13,479,269
Net New Investment	\$0
Investment Gains/(Losses)	\$408,737
Ending Market Value	\$13,888,006

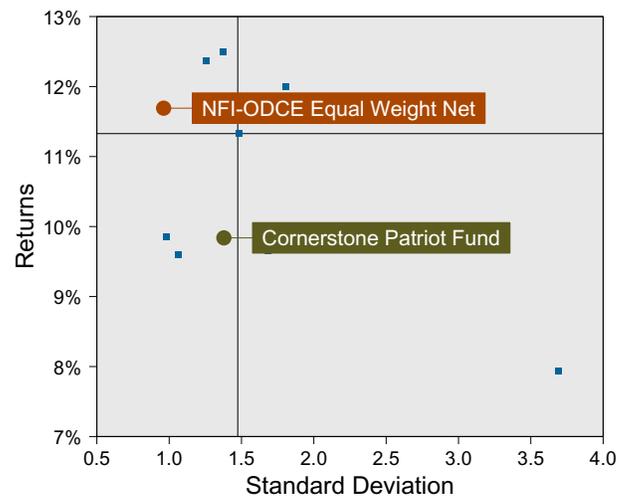
Performance vs CAI Open-End Real Estate Funds (Net)



Relative Returns vs NFI-ODCE Equal Weight Net



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

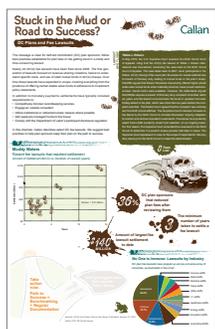


Research and Educational Programs

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

Recent Research

Please visit www.callan.com/research to see all of our publications.



Stuck in the Mud or Road to Success? DC Plans and Fee Lawsuits This charticle describes select fee lawsuits and best practices to help plan sponsors stay on the path to success.

Active Share and Product Pairs Analysis In this paper, author Greg Allen isolates the impact of active share on performance by focusing on “product pairs.”

U.S. Equity Benchmark Review, Year-End 2014 This detailed report compares CRSP, Russell, and S&P indices alongside Callan Active Manager Style Groups.

Capital Market Review, 1st Quarter 2015 A newsletter providing insights on the economy and recent performance in the equity, fixed income, alternatives, and real estate markets.

Hedge Fund Monitor, 1st Quarter 2015 Cover story: Bridging the Gap: Multi-Asset Class Strategies.

Private Markets Trends, Spring 2015 A quarterly newsletter that discusses the market environment, recent events, performance, and other issues involving private equity.

DC Observer, 1st Quarter 2015 Cover story: Is Your Target Date Fund Suitable? Plus the Callan DC Index™.

Market Pulse Flipbook, 1st Quarter 2015 A reference guide covering investment and fund sponsor trends in the U.S. economy, U.S. and non-U.S. equities and fixed income, and alternatives.

Inside Callan’s Database, 1st Quarter 2015 This report graphs performance and risk data from Callan’s proprietary database alongside relevant market indices.

Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle? See seven indicators that have helped signal when the institutional real estate market is overheated or cooled.

The Game of Retirement—Helping Employees Win This charticle provides a high-level look at the three generations DC plan sponsors must target and how best to communicate with them.

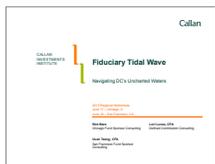
The Investment Vehicle Owner’s Manual This charticle highlights the key features of several popular investment vehicles. It also encourages investors to consider six important questions when making an investment vehicle selection.



2015 Defined Contribution Survey Callan’s annual survey of DC plan sponsors reveals trends in plan structure and management.

Events

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



The **June Regional Workshop's** topic was "Fiduciary Tidal Wave: Navigating DC's Uncharted Waters." Our speakers were Rod Bare, Chicago Fund Sponsor Consulting; Lori Lucas, CFA, Defined Contribution Consulting; and Uvan Tseng, CFA, San Francisco Fund Sponsor Consulting.

Our next event is the **October Regional Workshop**, to be held October 21 in New York and October 22 in Atlanta. Stay tuned for topic and speaker details! Also, save the date for our annual **National Conference** in San Francisco, January 25-27, 2016.

For more information about research or educational events, please contact Ray Combs: institute@callan.com or 415.974.5060

The Center for Investment Training Educational Sessions

The Center for Investment Training, better known as the "Callan College," provides a foundation of knowledge for industry professionals who are involved in the investment decision-making process. It was founded in 1994 to provide clients and non-clients alike with basic- to intermediate-level instruction. Our next session is:

Introduction to Investments

Chicago, October 27-28, 2015

This session familiarizes fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals who have less than two years of experience with asset-management oversight and/or support responsibilities. Tuition for the Introductory "Callan College" session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Customized Sessions

The "Callan College" is equipped to customize a curriculum to meet the training and educational needs of a specific organization. These tailored sessions range from basic to advanced and can take place anywhere—even at your office.

Learn more at <https://www.callan.com/education/college/> or contact Kathleen Cunnie: 415.274.3029 / cunnie@callan.com

Education: By the Numbers

500

Attendees (on average) of the Institute's annual National Conference

50+

Unique pieces of research the Institute generates each year

3,300

Total attendees of the "Callan College" since 1994

1980

Year the Callan Investments Institute was founded



"We think the best way to learn something is to teach it. Entrusting client education to our consultants and specialists ensures that they have a total command of their subject matter. This is one reason why education and research have been cornerstones of our firm for more than 40 years."

Ron Peyton, Chairman and CEO

Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

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

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

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

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

Russell 3000 Index is a composite of 3,000 of the largest U.S. companies by market capitalization. The smallest company's market capitalization is roughly \$20 million and the largest is \$72.5 billion. The index is capitalization-weighted.

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

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

Standard & Poor's 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

Fixed Income Market Indicators

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

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

International Equity Market Indicators

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

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

Real Estate Market Indicators

NCREIF Open Ended Diversified Core Equity The NFI-ODCE is an equally-weighted, net of fee, time-weighted return index with an inception date of December 31, 1977. Equally-weighting the funds shows what the results would be if all funds were treated equally, regardless of size. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties.

Callan Associates Databases

In order to provide comparative investment results for use in evaluating a fund's performance, Callan Associates gathers rate of return data from investment managers. These data are then grouped by type of assets managed and by the type of investment manager. Except for mutual funds, the results are for tax-exempt fund assets. The databases, excluding mutual funds, represent investment managers who handle over 80% of all tax-exempt fund assets.

Equity Funds

Equity funds concentrate their investments in common stocks and convertible securities. The funds included maintain well-diversified portfolios.

Core Equity - Mutual funds whose portfolio holdings and characteristics are similar to that of the broader market as represented by the Standard & Poor's 500 Index, with the objective of adding value over and above the index, typically from sector or issue selection. The core portfolio exhibits similar risk characteristics to the broad market as measured by low residual risk with Beta and R-Squared close to 1.00.

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

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

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

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

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

Callan Associates Databases

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

Fixed Income Funds

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

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

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

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

Real Estate Funds

Real estate funds consist of open or closed-end commingled funds. The returns are net of fees and represent the overall performance of commingled institutional capital invested in real estate properties.

Real Estate Open-End Commingled Funds - The Open-End Funds Database consists of all open-end commingled real estate funds.

Other Funds

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

List of Managers That Do Business with Callan Associates Inc.

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

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

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

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

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

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

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Manager Name	Educational Services	Consulting Services
Western Asset Management Company	Y	
William Blair & Co., Inc.	Y	Y