



NEPC, LLC

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## Vermont Pension Investment Committee

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### **Fourth Quarter Investment Performance Analysis**

February 23<sup>rd</sup>, 2016

Douglas W. Moseley, Partner  
Christopher Levell, ASA, CFA, CAIA, Partner  
Richard M. Charlton, Chairman  
Nedelina Petkova, Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

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# NEPC Update

## Highlights of Fourth Quarter Happenings at NEPC

### After 30 Years NEPC's Founder has Transitioned to Chairman Emeritus

- NEPC's founder and chairman Richard "Dick" Charlton retired on January 1, 2016 after overseeing a decade-long succession process that involved a change in corporate structure and a planned approach to distributing his ownership shares. Dick had the foresight to begin distributing equity to partners 25 years ago and the formal succession process began in late 2007. Dick's vision for a client-focused organization continues to be the hallmark of NEPC and this deep-rooted culture will live on for generations to come. Mike Manning continues in his leadership role as Managing Partner with the guidance of our Partnership; a Partnership recognized throughout the industry for its depth, talent and culture. We are well positioned to lead in this increasingly competitive marketplace. NEPC has never been stronger.



### Professional Staff Updates

- **New Principals:** Lenia Ascenso, Principal and Director of Discretionary Operations; Devan Dewey, Principal and Chief Technology Officer; and Matt Lombardi, Principal and Chief Financial Officer
- We are also pleased to announce that Wyatt Crumpler joined NEPC in November as a Principal and Senior Consultant from American Beacon Advisors, Inc., and Sam Pollack joined NEPC as a Senior Consultant from DiMeo Schneider and Associates. Wyatt is a member of NEPC's Corporate consulting group and Sam is a member of NEPC's Endowment & Foundation consulting group.

### Upcoming/Recent Events

- 2016 Market Outlook Webinar: January 26, 2016 at 2:00 PM EST.
- NEPC's 21st Annual Client Conference: May 10-11, 2016 in Boston at the Hynes Convention Center.
  - This year we will be offering an optional pre-conference workshop on Monday, May 9th at NEPC's Boston office.
- NEPC hosted a Manager Diversity Program event at our Boston office on October 12, 2015 in an effort to continue and enhance our firm's efforts in this area. The purpose of the gathering was to provide an opportunity for diverse managers to meet NEPC and have an open discussion about our research efforts in the arena of minority- and female-owned firms.

## Highlights of Fourth Quarter Happenings at NEPC - continued

### NEPC Research

#### Recent White Papers

- *2015 Fourth Quarter Market Thoughts*
- *Governance: The Cornerstone of Successful Investment Programs* (January 2016) – Endowment & Foundation Practice Team
- *Green Bonds: An Overview* (December 2015) – NEPC Impact Investing Committee
- *Completing the Analysis: ESG Integration* (November 2015) – NEPC Impact Investing Committee
- *NEPC's Survey on Hedge Fund Operations* (November 2015) – Hedge Fund Operational Due Diligence team
- *Market Chatter: The Rise and Fall (and Rise?) of Oil Prices* (October 2015 )



### NEPC Recognitions

- NEPC, LLC was awarded "Best Full-Service Investment Consulting Firm - USA" by Acquisition International for the 2016 Hedge Fund Awards <sup>1</sup>

### NEPC Client Recognitions

- Congratulations to the following NEPC clients for their nominations as Asset Owner Finalists for the 2015 CIO Industry Innovation Awards. Five NEPC clients who won awards in their categories are also highlighted below.
  - **Foundation:** Wisconsin Alumni Research Foundation (Carrie Thome) - Category Winner; Northwest Area Foundation (Amy Jensen)
  - **Endowment:** Fordham University (Eric Wood); Texas Tech University System (Tim Barrett)
  - **Public Defined Benefit Plan Below \$15B:** Orange County Employees Retirement System (Girard Miller) - Category Winner; MoDOT and Patrol Employees' Retirement System (Larry Krummen)
  - **Public Defined Benefit Plan Between \$15B and \$100B:** Massachusetts PRIM (Michael Trotsky) - Category Winner
  - **Public Defined Benefit Plan Above \$100B:** New York City Retirement System (Scott Evans); State of Wisconsin Investment Board (David Villa)
  - **Health Care Organization:** Baylor Scott and White Health (Mark Amiri) - Category Winner; Trinity Health (Dina Richards)
  - **Next Generation:** Massachusetts PRIM (Sarah Samuels) - Category Winner

# 2016 Observations & Actions

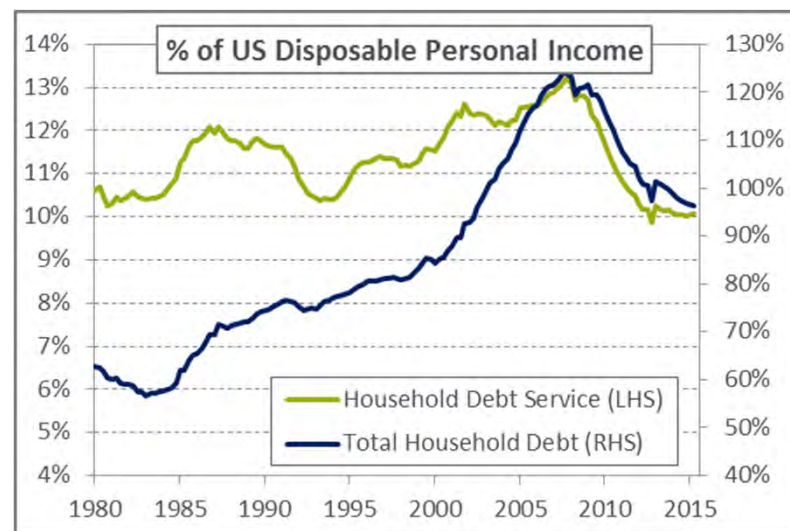
- **Continue to evaluate long-term feasibility of actuarial rate of return assumption**
  - Longer-term yields and risk premiums remain muted compared to historical (30-year) return expectations for most asset classes
- **U.S. equities still appear attractive relative to core bonds**
  - Look for opportunities to rebalance during periods of increasing volatility
- **Within the overall equity portfolio, continue to consider an overweight target allocation to developed non-U.S. equity**
  - Continued stimulative monetary policy in Europe and Japan should support an improved economic environment and offers potential for upside surprises
- **Revisit total emerging exposure (equity and debt) for your plan**
  - Determine total emerging markets exposure on a “look through” basis (including underlying EM exposure of GAA, Global Equity, Absolute Return Fixed Income, etc.)
  - Reaffirm comfort with amount of direct and indirect exposure
- **Enhance, don’t abandon, core fixed income**
  - Treasury bond and TIPS exposure in traditional core portfolios provides important downside protection in volatile “risk-off” environments
  - Use of multi-sector/unconstrained fixed income can provide a good complement to core, but should not be viewed as a stand-alone replacement
- **Evaluate total exposure in the portfolio to commodity price volatility**
  - Real assets (public and private), Risk Parity, GAA, and emerging markets allocations have varying degrees of commodity exposure
  - Return expectations for direct commodity exposure have continued to decline

- **US economic expansion continues as Federal Reserve begins policy shift**
  - Economic conditions and health of US consumers remain supportive for growth
  - Profit margin declines and strong dollar are a challenge to corporate profitability
- **Central Banks continue to dictate the global investment outlook**
  - Path of Fed policy over next two years matters more than timing of the next Fed action
  - ECB and BoJ likely to maintain and extend accommodative policies
  - Easing in China is broadly stimulative but currency policy is unpredictable
- **Persistent strength of US dollar reveals global market weakness**
  - World economy has experienced a “dollar recession” as global output slows
  - Dollar strength tightens global monetary conditions and strains global growth
- **Weak growth should not lead to a financial crisis in emerging markets**
  - Negative asset returns reflect adjustments necessary for future economic success
  - Further political and market reforms are necessary for improved economic conditions
- **Stressed credit liquidity magnifies the scale of price movements**
  - Central bank easing and positive investor sentiment have masked deterioration in liquidity
  - Credit markets ability to absorb an exodus from crowded positions could be challenged

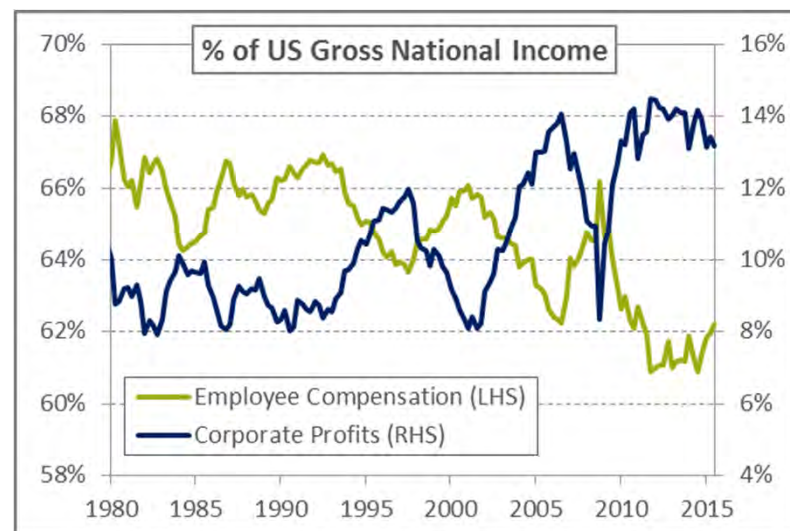


## Slow and Steady for US Economy as Cycle Extends

- **US GDP continues to strengthen modestly**
  - Consumer spending supported by healthy balance sheets
  - Low energy prices and debt service have provided stimulation
- **US economy shows resilience against headwinds**
  - Fed support through quantitative easing has been removed
  - Dollar strength pressures profit margins of global companies
  - Subdued global growth and challenges in certain emerging markets
- **Corporate profits begin to lag from secular highs**
  - Buybacks and financial engineering have buttressed earnings per share
  - Profitability has begun to slow from rising dollar and wage pressures



Source: St. Louis Federal Reserve

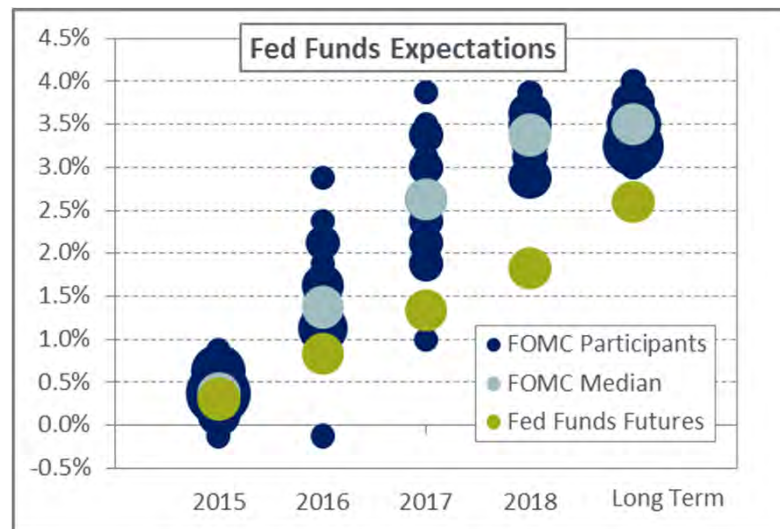


Source: St. Louis Federal Reserve

# Follow The Money – Central Banks Continue to Drive Capital Market Results

- **Next steps in Fed policy closely watched but path is a bigger (and more important) unknown**

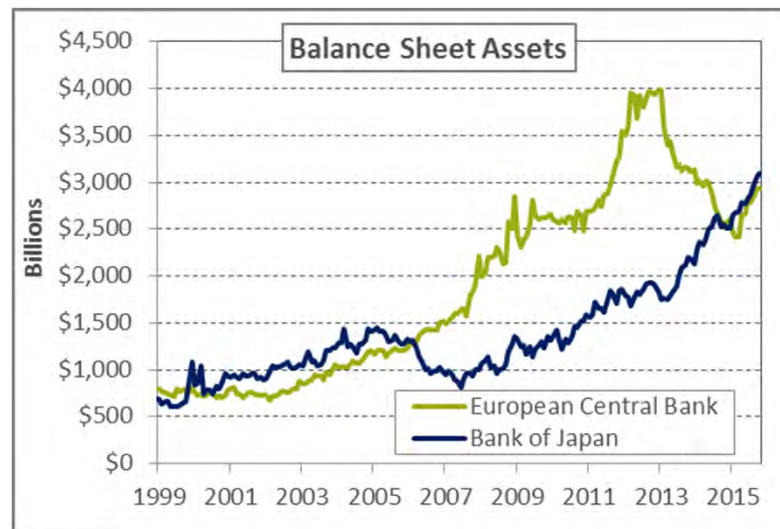
- 25 basis point increase unlikely to cause economic slowdown
- Rate increases beyond market expectations could prove challenging for asset prices
- Long-term terminal Fed Funds rate determines pricing for all assets



Source: FOMC, Bloomberg

- **Monetary stimulation in Europe and Japan has been effective**

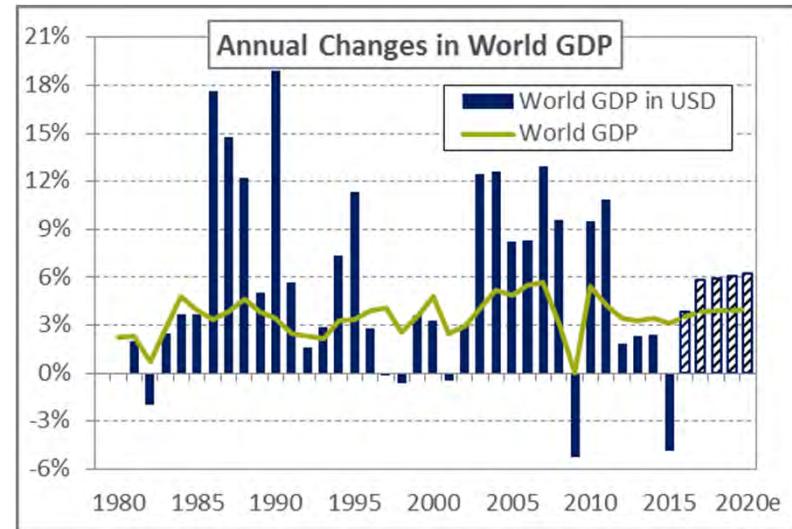
- Both regions require further accommodation to continue gradual economic recovery
- Effectiveness of easing may be challenged with bond yields and credit spreads relatively low
- However, zero interest rate bound has been broken, offering room for further easing



Source: European Central Bank, Bank of Japan, Bloomberg

## Sustained US Dollar Appreciation is Globally Disruptive

- **Positive global GDP growth masks challenges of a strong dollar**
- **World economy has suffered a “dollar recession” as global GDP in USD terms has declined by nearly \$4 trillion**
  - Appreciation in US dollar strains global liquidity and reveals underlying market weakness
  - Pressures commodity markets and credit growth for international borrowers holding dollar based debt
- **Dollar strength impacts global economy in meaningful ways**
  - Improves competitiveness for countries and companies heavily reliant on exports to the US
  - Represents a headwind to US corporate earnings and exports
  - Fed is forced to balance slower interest rate increases or pushing the dollar higher



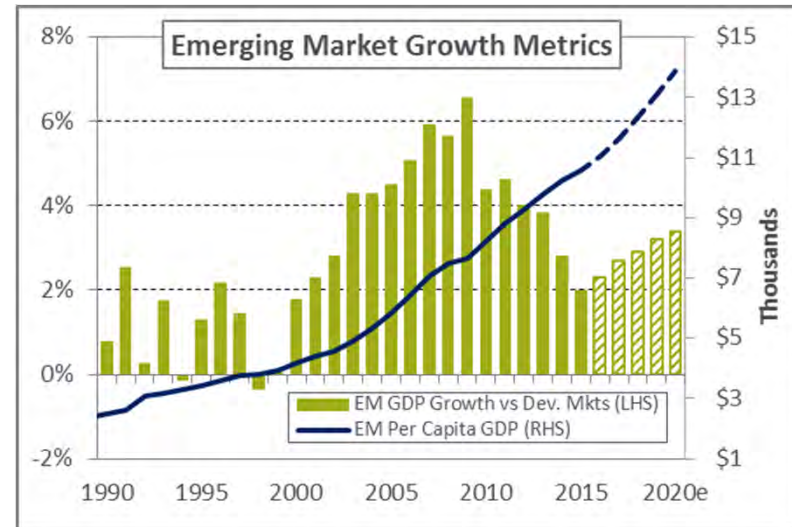
Source: IMF



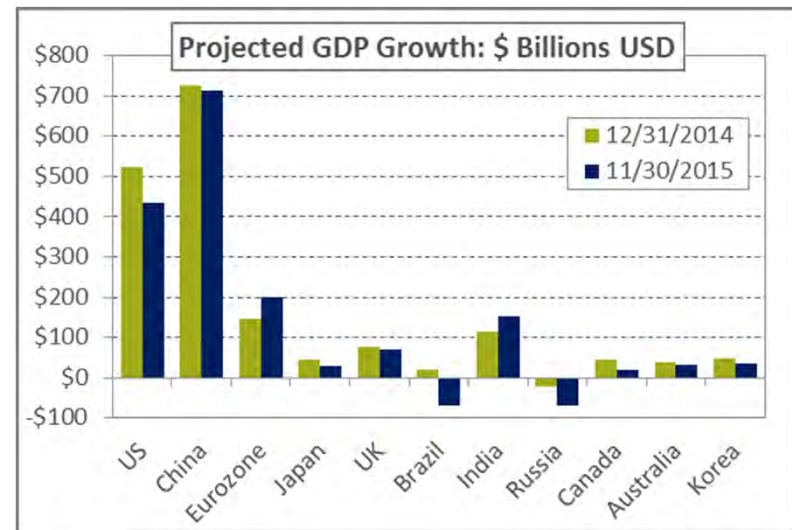
Source: St. Louis Federal Reserve

## Emerging Market Growth Dependent on China and Rising Consumer Spending

- **Emerging market growth premium relative to developed world remains but is subdued**
  - Per Capita GDP continues to rise, pushing standard of living higher and supporting consumer growth
- **Initiative to reform reflects the distinct and varied outlook across countries**
  - Political challenges and commodity market distress are material risks for both Russia and Brazil
  - Reform minded countries are realizing economic adjustments necessary for sustainable growth and economic success
- **Economic conditions across emerging world are distinct but China is the focus**
  - China remains the growth engine for the world but is transitioning to a new economic model



Source: IMF



Source: Bloomberg

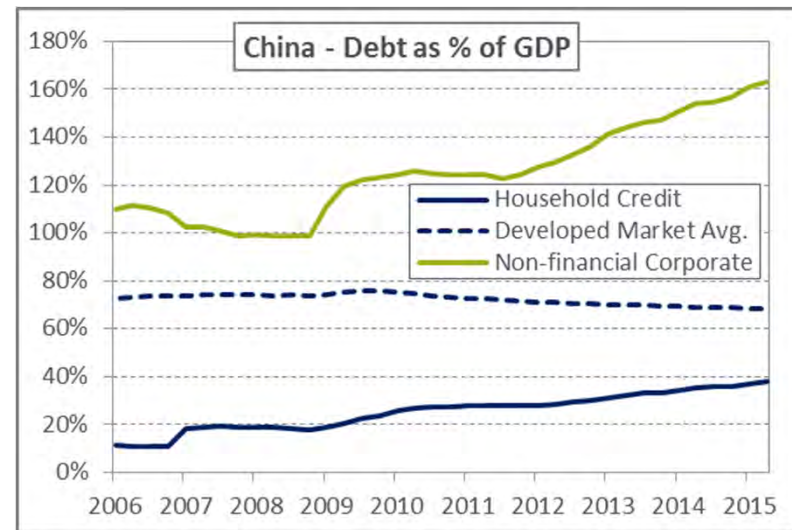


## Structural Economic Change in China has Global Implications

- **Decline in fixed investment is lowering China's growth rate**
  - Broad implications for many emerging economies and commodity producers
- **Shift is underway from an export and investment led economy to a consumer focus**
  - Adjustment is paired with ongoing market reforms to liberalize currency and financial markets
  - Continued strength of the US dollar may force a more aggressive currency adjustment from China
- **Consumer spending likely to be the economic growth engine**
  - Retail sales have been immune to the extreme stock market volatility
  - Significant capacity for long-term credit growth among households



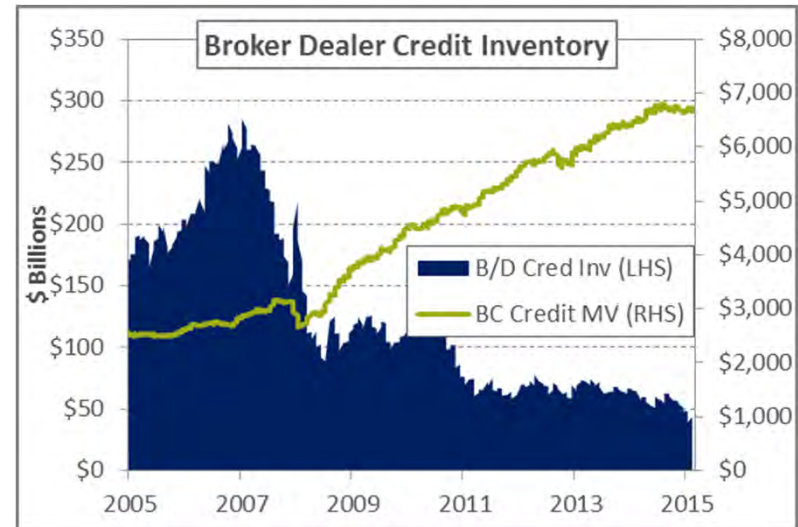
Source: Bloomberg



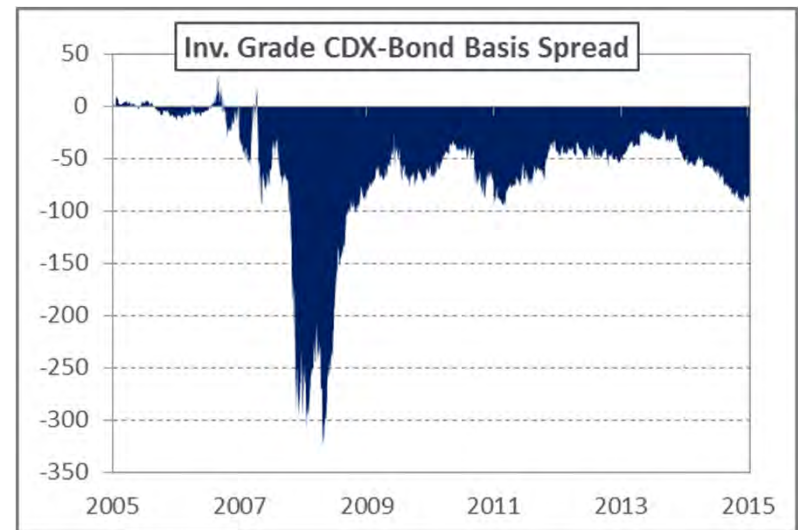
Source: Bank for International Settlements

## Credit Market Liquidity Warrants Caution

- **Underlying market conditions remain fragile despite rebound from August sell-off**
  - Credit markets' could be challenged to absorb exodus from crowded positions
- **Credit inventories lower today with less bank capital at risk**
  - Liquidity provisions of new regulatory model are untested in true crisis
- **Derivative exposure less reliable**
  - Variable and negative CDX basis makes hedging unpredictable
- **Certain factors in place that can help stave off a liquidity crisis**
  - Low rate policies, bullish sentiment, positive economic results
- **Dynamic active strategies with disciplined credit approach can exploit periods of stress**



Source: NY Federal Reserve



Source: Barclays Capital

## Index Performance Summary as of 1/31/2016

	2009	2010	2011	2012	2013	2014	2015	JAN
Barclays US Strips 20+ Yr	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	-3.7%	6.9%
Barclays US Govt/Credit Long	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	-3.3%	2.1%
Barclays US Agg Bond	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	1.4%
Citi WGBI	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-3.6%	1.4%
Barclays US Agg Interm	6.5%	6.1%	6.0%	3.6%	-1.0%	4.1%	1.2%	1.3%
Barclays Municipal	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	3.3%	1.2%
Barclays US Govt/Credit 1-3 Yr	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.7%	0.5%
JPM GBI-EM Global Diversified	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	0.3%
Barclays US Long Credit	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	-4.6%	0.3%
JPM EMBI Global Diversified	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	1.2%	-0.2%
Credit Suisse Hedge Fund	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	-0.7%	N/A
Credit Suisse Leveraged Loan	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	-0.4%	-0.7%
Barclays US Corporate High Yield	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	-1.6%
Bloomberg Commodity	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	-1.7%
FTSE NAREIT Equity REITs	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	3.2%	-3.4%
S&P 500	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	-5.0%
Russell 1000	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	0.9%	-5.4%
MSCI ACWI	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	-2.4%	-6.0%
MSCI EM	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	-6.5%
MSCI EAFE	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	-7.2%
Russell 2500	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	-8.0%
Russell 2000	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	-4.4%	-8.8%
Alerian MLP	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-32.6%	-11.1%

Source: Morningstar Direct

# State Employees' Retirement System



# Vermont State Employees

## Total Fund Performance Summary

	Market Value	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Employees Composite</b>	<b>\$1,530,882,738</b>	<b>1.1%</b>	<b>96</b>	<b>-4.2%</b>	<b>93</b>	<b>-2.1%</b>	<b>91</b>	<b>3.6%</b>	<b>97</b>	<b>5.2%</b>	<b>92</b>
<i>Policy Index</i>		1.4%	94	-3.2%	76	-1.4%	83	3.8%	96	4.5%	95
<i>Allocation Index</i>		1.4%	94	-3.5%	83	-1.8%	88	3.7%	97	4.4%	96
<i>InvestorForce Public DB Gross Median</i>		2.7%		-2.3%		0.1%		7.2%		6.9%	

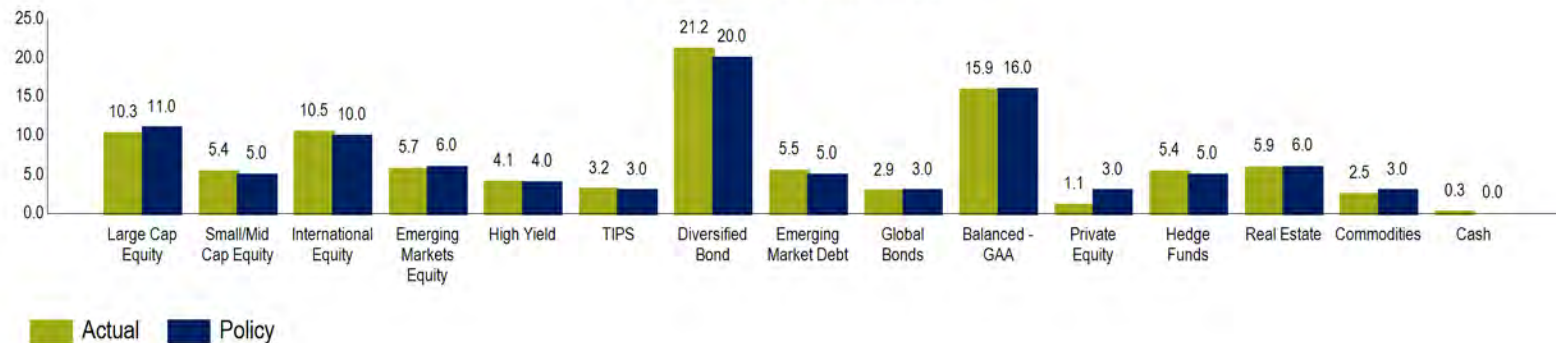
### 3 Years Ending December 31, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Employees Composite	3.60%	97	6.06%	35	0.59	98	1.10	98
Policy Index	3.76%	96	5.46%	15	0.68	93	1.35	88
Allocation Index	3.67%	97	5.62%	21	0.65	95	1.21	94

### 5 Years Ending December 31, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Employees Composite	5.17%	92	6.80%	30	0.75	86	1.17	78
Policy Index	4.51%	95	6.44%	20	0.69	89	1.05	88
Allocation Index	4.38%	96	6.55%	24	0.66	92	0.98	89

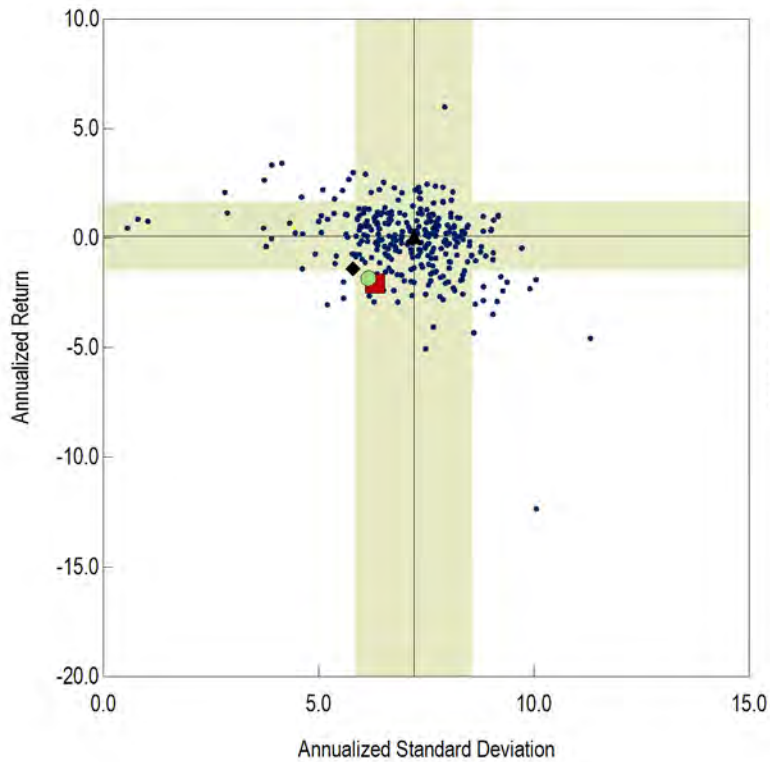
### Actual vs Target Allocation (%)



# Vermont State Employees

## Total Fund Risk/Return

1 Year Ending December 31, 2015



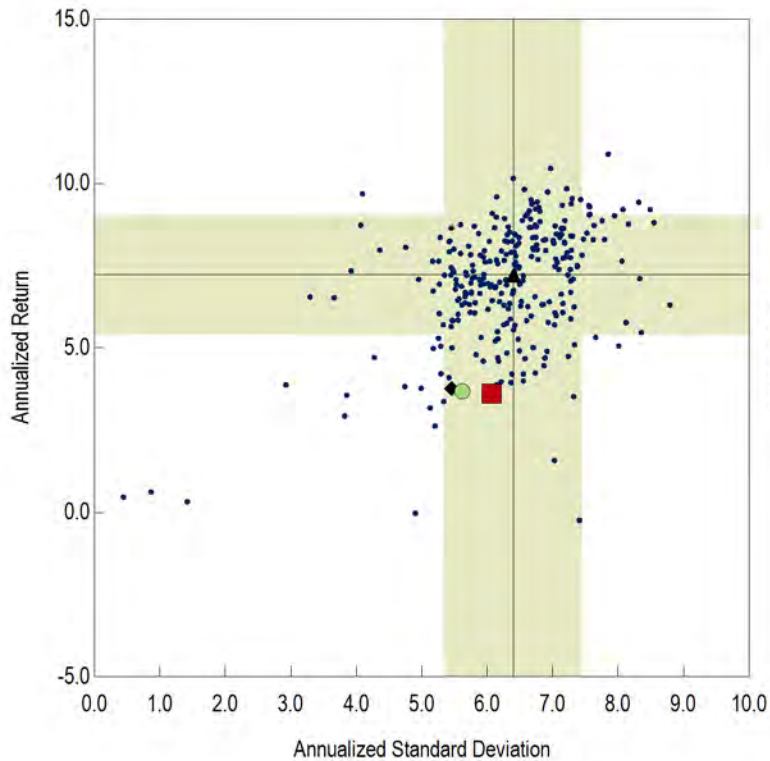
1 Year Ending December 31, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	-2.06%	91	6.30%	23	-0.33	94
Policy Index	-1.40%	83	5.79%	12	-0.25	88
S&P 500	1.38%	11	13.66%	99	0.10	30
60% MSCI ACWI (Net)/40% CITI WGBI	-2.62%	95	8.27%	86	-0.32	94
Citi WGBI	-3.57%	99	3.98%	3	-0.91	99
MSCI ACWI	-2.36%	93	13.86%	99	-0.17	80
MSCI ACWI ex USA	-5.66%	99	15.07%	99	-0.38	97
InvestorForce Public DB Gross Median	0.08%	--	7.21%	--	0.01	--

# Vermont State Employees

## Total Fund Risk/Return

3 Years Ending December 31, 2015



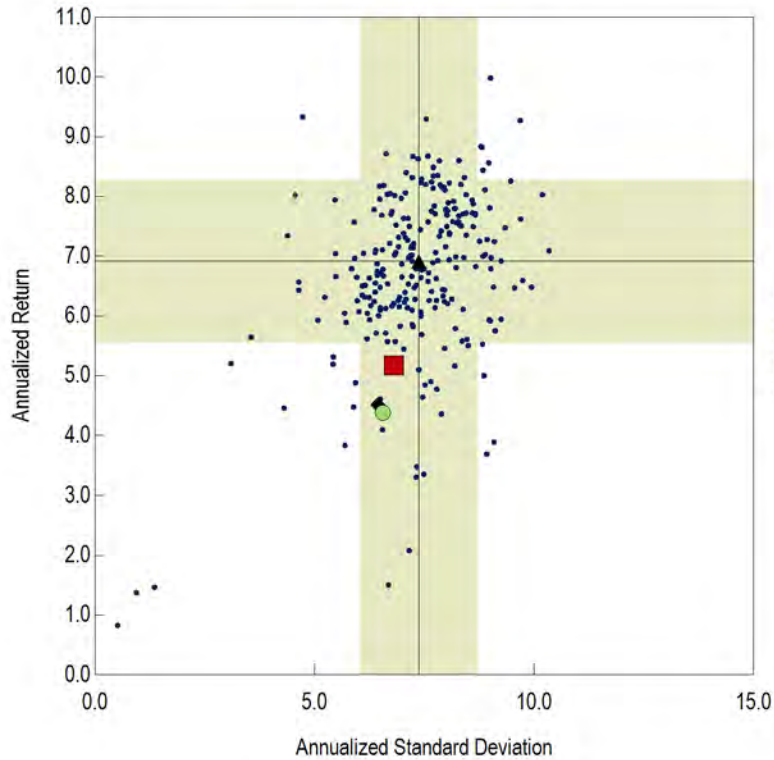
3 Years Ending December 31, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	3.60%	97	6.06%	35	0.59	98
Policy Index	3.76%	96	5.46%	15	0.68	93
S&P 500	15.13%	1	10.62%	99	1.42	9
60% MSCI ACWI (Net)/40% CITI WGBI	3.56%	97	7.21%	84	0.49	99
Citi WGBI	-2.70%	99	4.45%	5	-0.61	99
MSCI ACWI	7.69%	40	10.94%	99	0.70	92
MSCI ACWI ex USA	1.50%	99	12.30%	99	0.12	99
InvestorForce Public DB Gross Median	7.22%	--	6.40%	--	1.14	--

# Vermont State Employees

## Total Fund Risk/Return

5 Years Ending December 31, 2015



- Employees Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

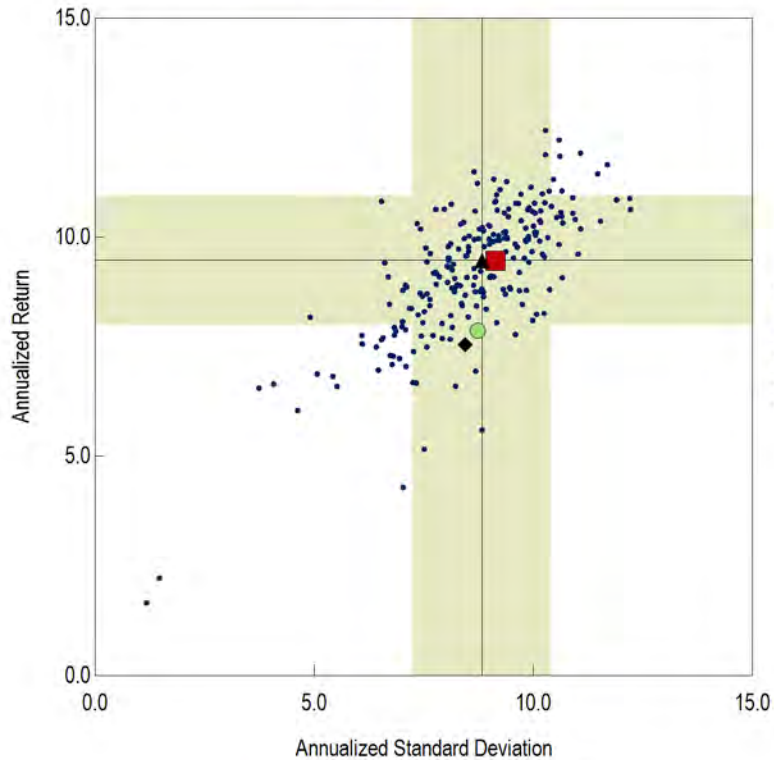
5 Years Ending December 31, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	5.17%	92	6.80%	30	0.75	86
Policy Index	4.51%	95	6.44%	20	0.69	89
S&P 500	12.57%	1	11.70%	99	1.07	21
60% MSCI ACWI (Net)/40% CITI WGBI	3.78%	97	8.43%	83	0.44	99
Citi WGBI	-0.08%	99	4.46%	3	-0.03	99
MSCI ACWI	6.09%	78	13.06%	99	0.46	98
MSCI ACWI ex USA	1.06%	99	14.97%	99	0.07	99
InvestorForce Public DB Gross Median	6.92%	--	7.37%	--	0.94	--

# Vermont State Employees

## Total Fund Risk/Return

7 Years Ending December 31, 2015

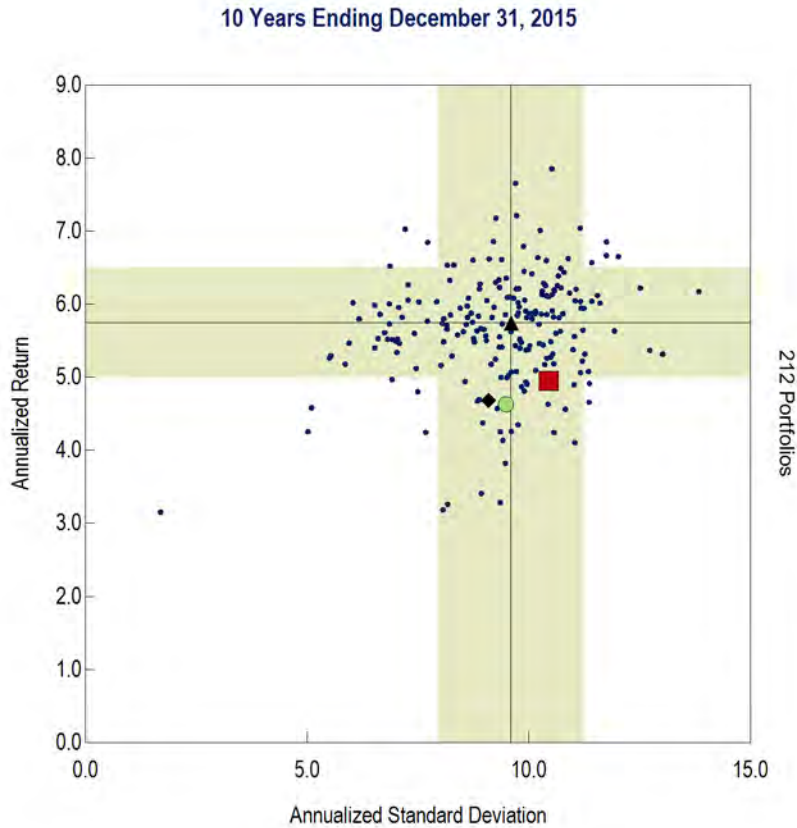


7 Years Ending December 31, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	9.47%	51	9.14%	59	1.03	62
Policy Index	7.55%	90	8.44%	40	0.89	94
S&P 500	14.81%	1	14.63%	99	1.01	67
60% MSCI ACWI (Net)/40% CITI WGBI	7.01%	94	10.89%	96	0.64	99
Citi WGBI	1.03%	99	5.98%	4	0.16	99
MSCI ACWI	10.71%	13	16.11%	99	0.66	99
MSCI ACWI ex USA	7.48%	91	18.11%	99	0.41	99
InvestorForce Public DB Gross Median	9.47%	--	8.83%	--	1.07	--

# Vermont State Employees

## Total Fund Risk/Return

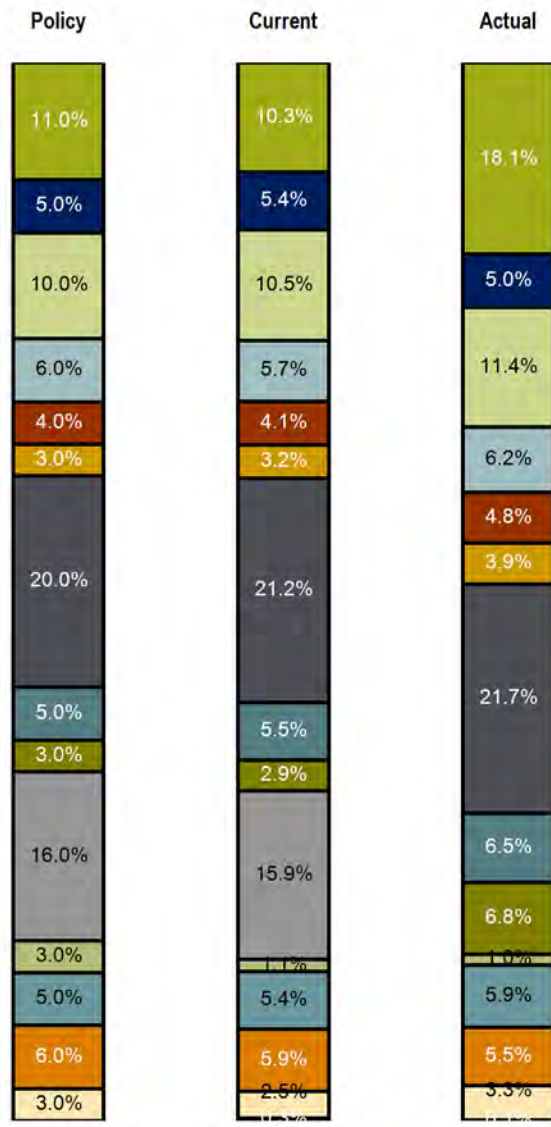


- Employees Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

10 Years Ending December 31, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	4.95%	86	10.44%	76	0.37	90
Policy Index	4.68%	90	9.08%	36	0.39	84
S&P 500	7.31%	1	15.06%	99	0.41	78
60% MSCI ACWI (Net)/40% CITI WGBI	4.57%	93	11.09%	90	0.31	97
Citi WGBI	3.44%	99	6.53%	5	0.36	91
MSCI ACWI	4.76%	89	16.86%	99	0.22	99
MSCI ACWI ex USA	2.92%	99	19.08%	99	0.10	99
InvestorForce Public DB Gross Median	5.75%	--	9.59%	--	0.49	--

**Total Fund Asset Allocation vs. Policy Targets**



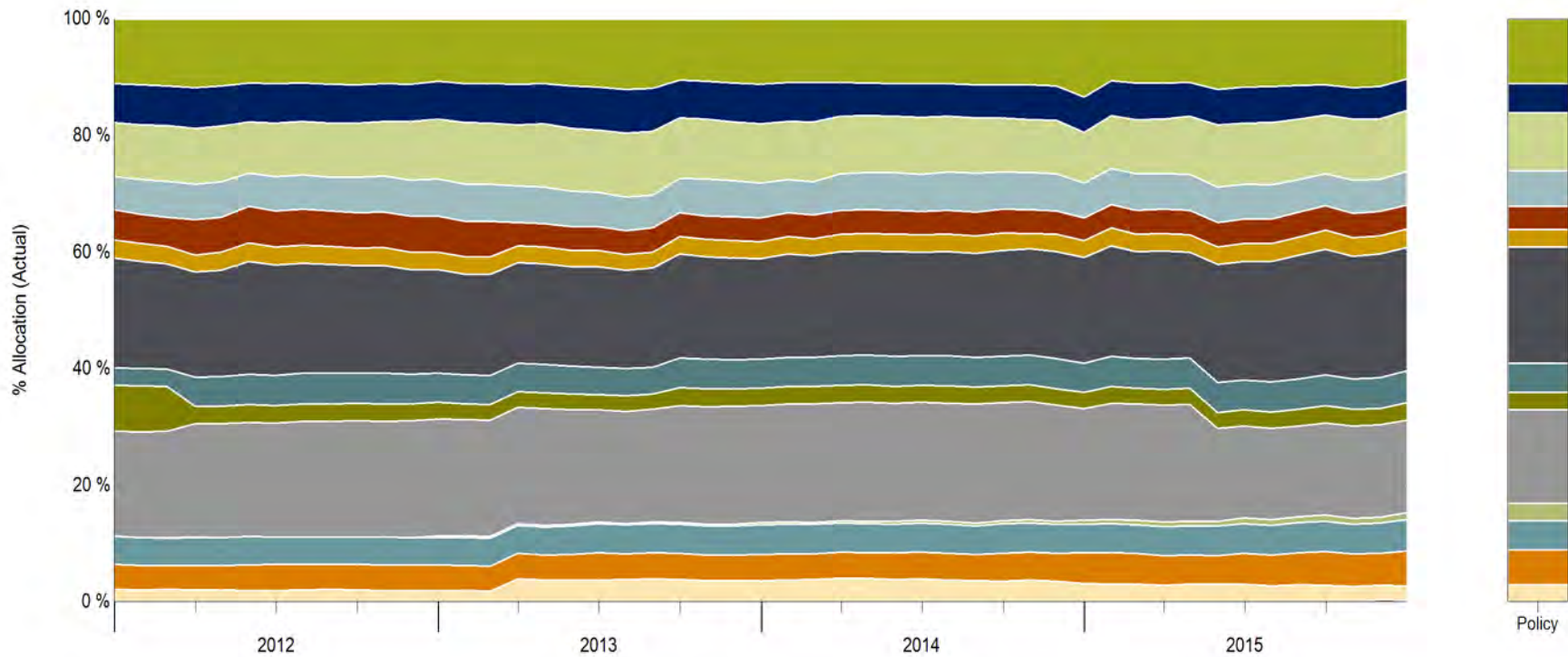
		Asset Allocation vs. Target		
	Current	Policy	Current	Difference*
Large Cap Equity	\$157,245,705	11.0%	10.3%	-0.7%
Small/Mid Cap Equity	\$83,298,064	5.0%	5.4%	0.4%
International Equity	\$160,591,671	10.0%	10.5%	0.5%
Emerging Markets Equity	\$87,754,120	6.0%	5.7%	-0.3%
High Yield	\$63,405,735	4.0%	4.1%	0.1%
TIPS	\$48,483,704	3.0%	3.2%	0.2%
Diversified Bond	\$324,080,784	20.0%	21.2%	1.2%
Emerging Market Debt	\$84,021,977	5.0%	5.5%	0.5%
Global Bonds	\$44,687,214	3.0%	2.9%	-0.1%
Balanced - GAA	\$243,742,045	16.0%	15.9%	-0.1%
Private Equity	\$17,585,106	3.0%	1.1%	-1.9%
Hedge Funds	\$83,164,134	5.0%	5.4%	0.4%
Real Estate	\$90,233,404	6.0%	5.9%	-0.1%
Commodities	\$38,543,496	3.0%	2.5%	-0.5%
Cash	\$4,045,580	--	0.3%	0.3%
<b>Total</b>	<b>\$1,530,882,738</b>	<b>100.0%</b>	<b>100.0%</b>	

\*Difference between Policy and Current Allocation



Total Fund Asset Allocation History

Asset Allocation History

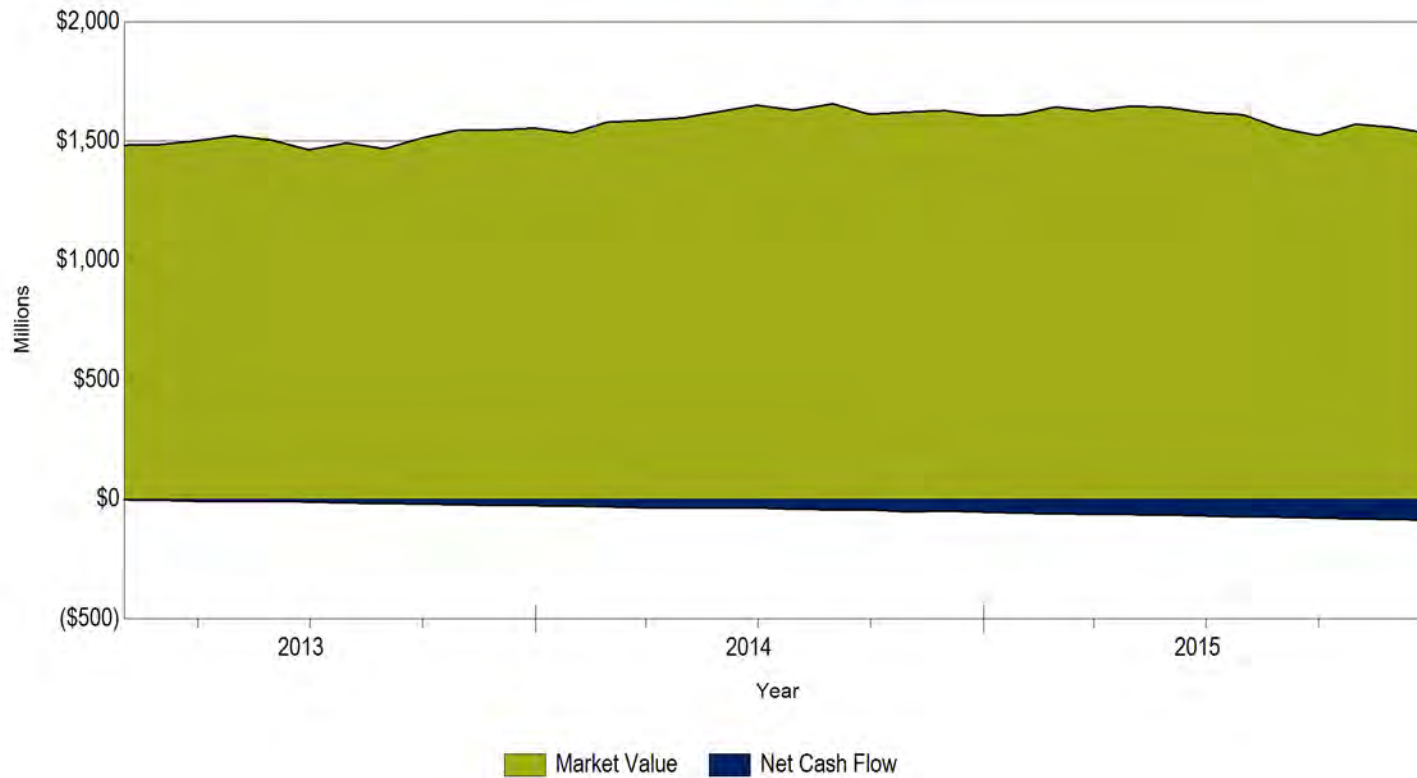


- Large Cap Equity
- Emerging Markets Equity
- Diversified Bond
- Balanced - GAA
- Real Estate
- Small/Mid Cap Equity
- High Yield
- Emerging Market Debt
- Private Equity
- Commodities
- International Equity
- TIPS
- Global Bonds
- Hedge Funds
- Cash



Total Fund Asset Growth Summary

3 Years Ending December 31, 2015



	Last Three Months	Year-To-Date	One Year	Three Years
Beginning Market Value	\$1,523,904,595	\$1,606,602,018	\$1,606,602,018	\$1,456,507,232
- Withdrawals	-\$40,583,006	-\$293,749,776	-\$293,749,776	-\$589,041,420
+ Contributions	\$31,029,499	\$259,244,977	\$259,244,977	\$500,600,699
= Net Cash Flow	-\$9,553,507	-\$34,504,799	-\$34,504,799	-\$88,440,721
+ Net Investment Change	\$16,531,651	-\$41,214,481	-\$41,214,481	\$162,816,227
= Ending Market Value	\$1,530,882,738	\$1,530,882,738	\$1,530,882,738	\$1,530,882,738

## Vermont State Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending December 31, 2015					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$83,704,057	-\$166,400	\$3,523,100	\$3,356,700	\$693,362	\$87,754,120
Acadian	\$58,634,377	-\$103,025	\$73,562	-\$29,463	\$3,408,807	\$62,013,721
Allianz Structured Alpha	\$44,518,871	\$0	\$1,751,042	\$1,751,042	\$671,433	\$46,941,345
AQR Global Risk Premium	\$116,072,039	-\$116,072	\$4,554,970	\$4,438,899	-\$3,224,863	\$117,286,074
BlackRock TIPS	\$48,791,089	-\$36,063	\$9,508	-\$26,555	-\$280,830	\$48,483,704
Champlain	\$29,983,628	-\$89,392	\$56,749	-\$32,642	\$1,725,485	\$31,676,471
GAM	\$198,291	\$0	\$8,845	\$8,845	\$35,481	\$242,618
GAM Unconstrained Bond	\$69,121,963	-\$118,913	\$99,763	-\$19,150	-\$330,227	\$68,772,586
Grosvenor	\$79,772,679	\$0	\$3,031,950	\$3,031,950	\$116,887	\$82,921,516
Guggenheim	\$49,101,628	-\$71,726	\$60,373	-\$11,354	-\$1,188,461	\$47,901,813
Harbourvest Dover VIII Fund	\$6,564,511	-\$315,341	\$246,810	-\$68,531	-\$181,288	\$6,314,691
Harbourvest Partners IX Buyout Fund	\$4,301,386	-\$165,524	\$486,464	\$320,940	\$313,826	\$4,936,152
Harbourvest Partners IX Credit Opportunities	\$519,388	-\$60,966	\$203,272	\$142,306	\$70,041	\$731,736
Harbourvest Partners IX Venture Fund	\$3,874,551	\$0	\$230,372	\$230,372	\$175,598	\$4,280,521
Harbourvest Partners X Buyout Fund	--	\$0	\$369,821	\$369,821	-\$4,735	\$365,086
Harbourvest Partners X Venture Fund	--	\$0	\$221,893	\$221,893	-\$10,419	\$211,474
HIPEP VII	\$719,552	\$0	\$28,185	\$28,185	-\$2,292	\$745,446
KDP	\$15,773,995	-\$63,505	\$24,849	-\$38,656	-\$231,419	\$15,503,921
Mellon Dynamic Growth	\$34,206,458	-\$67,468	\$55,962	-\$11,506	\$1,622,879	\$35,817,832
Mondrian	\$59,270,313	-\$65,352	\$57,083	-\$8,270	\$1,490,588	\$60,752,631
Mondrian GFI	\$45,362,895	-\$39,704	\$35,960	-\$3,744	-\$671,937	\$44,687,214
Morgan Stanley Prime Property	\$40,352,602	\$0	\$1,610,526	\$1,610,526	\$0	\$41,963,129
PIMCO All Asset	\$90,700,312	-\$240,869	\$0	-\$240,869	\$178,696	\$90,638,140
PIMCO Core Plus	\$81,851,255	-\$9,762,221	\$60,779	-\$9,701,441	\$67,385	\$72,217,199
PIMCO Unconstrained	\$39,738,368	-\$86,847	\$59,753	-\$27,094	\$360,100	\$40,071,373

## Vermont State Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending December 31, 2015					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
RREEF America REIT III	\$4,598,946	-\$2,101,021	\$99,696	-\$2,001,325	-\$23,927	\$2,573,694
Schroder	\$42,077,871	\$0	\$1,451,260	\$1,451,260	-\$4,985,635	\$38,543,496
Siguler Guff	\$9,289,494	\$0	\$704,099	\$704,099	\$112,802	\$10,106,396
SSgA ACWI Ex US	\$35,327,541	-\$6,510	\$1,349,765	\$1,343,256	\$1,154,522	\$37,825,318
SSgA Barclays Aggregate Index	\$49,805,405	-\$40,590	\$6,201	-\$34,389	-\$288,056	\$49,482,960
SSgA Russell 2000 Growth	\$8,872,044	-\$11,015	\$1,844	-\$9,171	\$382,971	\$9,245,843
SSgA S&P 400	\$8,047,020	-\$3,640	\$1,477	-\$2,164	\$212,383	\$8,257,239
SSgA S&P 500 Cap-Wgt	\$127,215,164	-\$26,119,413	\$10,139	-\$26,109,274	\$9,399,677	\$110,505,567
SSgA S&P 500 Equal-Wgt	\$44,580,219	-\$11,496	\$5,489	-\$6,007	\$2,162,930	\$46,737,142
T. Rowe	\$2,996	\$0	\$0	\$0	\$0	\$2,996
Transwestern / Aslan III	\$122,717	\$0	\$4,898	\$4,898	\$0	\$127,615
UBS Trumbull	\$34,101,533	\$0	\$1,361,038	\$1,361,038	\$0	\$35,462,571
Vermont Cash	\$408,400	-\$623,260	\$4,260,440	\$3,637,180	\$0	\$4,045,580
Wellington	\$32,319,382	-\$96,538	\$64,458	-\$32,080	\$1,831,210	\$34,118,511
Wellington DAS	\$44,558,512	\$0	\$1,754,131	\$1,754,131	\$282,677	\$46,595,321
Wellington Opportunistic EMD	\$79,443,009	\$0	\$3,092,972	\$3,092,972	\$1,485,997	\$84,021,977
zWellington OIF	\$136	-\$136	\$0	-\$136	\$0	--
<b>Total</b>	<b>\$1,523,904,595</b>	<b>-\$40,583,006</b>	<b>\$31,029,499</b>	<b>-\$9,553,507</b>	<b>\$16,531,651</b>	<b>\$1,530,882,738</b>

# Vermont State Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Employees Composite</b>	<b>1,530,882,738</b>	<b>100.0</b>	<b>100.0</b>	<b>1.1</b>	<b>96</b>	<b>-4.2</b>	<b>93</b>	<b>-2.1</b>	<b>91</b>	<b>3.6</b>	<b>97</b>	<b>5.2</b>	<b>92</b>
<i>Policy Index</i>				1.4	94	-3.2	76	-1.4	83	3.8	96	4.5	95
<i>Allocation Index</i>				1.4	94	-3.5	83	-1.8	88	3.7	97	4.4	96
<i>InvestorForce Public DB Gross Median</i>				2.7		-2.3		0.1		7.2		6.9	
<b>US Equity</b>	<b>240,543,769</b>	<b>15.7</b>	<b>15.0</b>	<b>6.0</b>	<b>30</b>	<b>-2.4</b>	<b>37</b>	<b>0.5</b>	<b>41</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Russell 3000</i>				6.3	27	-1.4	30	0.5	41	14.7	43	12.2	42
<i>eA All US Equity Gross Median</i>				4.7		-4.1		-0.7		14.2		11.7	
<b>Large Cap Comp</b>	<b>157,245,705</b>	<b>10.3</b>	<b>11.0</b>	<b>6.5</b>	<b>38</b>	<b>-0.7</b>	<b>41</b>	<b>0.3</b>	<b>52</b>	<b>15.2</b>	<b>47</b>	<b>12.6</b>	<b>43</b>
<i>S&amp;P 500</i>				7.0	25	0.2	31	1.4	43	15.1	48	12.6	43
<i>eA US Large Cap Equity Gross Median</i>				5.9		-1.5		0.5		14.9		12.2	
SSgA S&P 500 Cap-Wgt	110,505,567	7.2	8.0	7.1	25	0.2	30	1.5	43	15.2	47	12.6	42
<i>S&amp;P 500</i>				7.0	25	0.2	31	1.4	43	15.1	48	12.6	43
SSgA S&P 500 Equal-Wgt	46,737,142	3.1	3.0	4.8	76	-3.4	73	-2.7	77	14.9	51	12.2	50
<i>S&amp;P 500 Equal Weighted</i>				5.0	72	-2.9	67	-2.2	73	15.1	48	12.4	46
T. Rowe	2,996	0.0	0.0										
<b>Small/Mid Cap Comp</b>	<b>83,298,064</b>	<b>5.4</b>	<b>5.0</b>	<b>5.2</b>	<b>17</b>	<b>-5.5</b>	<b>32</b>	<b>0.7</b>	<b>23</b>	<b>14.6</b>	<b>29</b>	<b>11.8</b>	<b>29</b>
<i>Russell 2000</i>				3.6	37	-8.8	66	-4.4	71	11.7	72	9.2	76
<i>eA US Small-Mid Cap Equity Gross Median</i>				2.8		-7.4		-1.5		13.1		10.7	
SSgA S&P 400	8,257,239	0.5	0.5	2.6	63	-6.1	57	-2.2	60	12.8	70	--	--
<i>S&amp;P 400 MidCap</i>				2.6	63	-6.1	57	-2.2	60	12.8	72	10.7	63
<i>eA US Mid Cap Equity Gross Median</i>				3.1		-5.7		-1.3		14.0		11.3	
Champlain	31,676,471	2.1	2.0	5.8	6	-4.2	33	2.4	18	15.9	24	12.8	26
<i>Russell 2500</i>				3.3	46	-7.4	72	-2.9	67	12.5	75	10.3	70
<i>eA US Mid Cap Equity Gross Median</i>				3.1		-5.7		-1.3		14.0		11.3	
Wellington	34,118,511	2.2	2.0	5.7	6	-5.2	21	0.1	10	13.4	28	11.6	20
<i>Russell 2000 Value</i>				2.9	40	-8.2	61	-7.5	74	9.1	79	7.7	80
<i>eA US Small Cap Value Equity Gross Median</i>				2.4		-7.2		-4.3		11.9		9.9	
SSgA Russell 2000 Growth	9,245,843	0.6	0.5	4.3	40	-9.3	54	-1.4	59	14.3	56	10.7	64
<i>Russell 2000 Growth</i>				4.3	39	-9.3	55	-1.4	59	14.3	56	10.7	64
<i>eA US Small Cap Growth Equity Gross Median</i>				3.5		-8.7		-0.6		14.6		11.5	

Fiscal Year End is 6/30

Report is Gross of manager fees, except where otherwise noted

# Vermont State Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Int'l Equity Comp</b>	<b>160,591,671</b>	<b>10.5</b>	<b>10.0</b>	<b>3.9</b>	<b>71</b>	<b>-6.2</b>	<b>68</b>	<b>-1.2</b>	<b>77</b>	<b>6.1</b>	<b>57</b>	<b>4.3</b>	<b>68</b>
MSCI EAFE				4.7	53	-6.0	66	-0.8	74	5.0	73	3.6	80
eA All EAFE Equity Gross Median				4.8		-4.7		1.4		6.7		5.3	
Acadian	62,013,721	4.1	4.0	5.8	32	-2.4	20	3.1	36	8.5	30	5.4	49
Mondrian	60,752,631	4.0	4.0	2.5	89	-7.9	85	-2.9	86	5.8	62	4.6	65
MSCI EAFE				4.7	53	-6.0	66	-0.8	74	5.0	73	3.6	80
SSgA ACWI Ex US	37,825,318	2.5	2.0	3.3	81	-9.2	90	-5.5	87	1.7	87	1.3	95
MSCI ACWI ex USA				3.2	81	-9.3	90	-5.7	87	1.5	88	1.1	95
eA ACWI ex-US All Cap Equity Gross Median				5.0		-5.8		0.2		5.5		4.4	
<b>Emerging Market Comp</b>	<b>87,754,120</b>	<b>5.7</b>	<b>6.0</b>	<b>0.8</b>	<b>60</b>	<b>-14.1</b>	<b>44</b>	<b>-13.1</b>	<b>56</b>	<b>-6.8</b>	<b>79</b>	<b>--</b>	<b>--</b>
Aberdeen	87,754,120	5.7	6.0	0.8	60	-14.1	44	-13.1	56	-6.8	79	-1.7	33
MSCI Emerging Markets				0.7	64	-17.4	80	-14.9	70	-6.8	78	-4.8	83
eA Emg Mkts Equity Gross Median				1.6		-14.7		-12.2		-4.3		-3.0	
<b>US Fixed Income</b>	<b>435,970,223</b>	<b>28.5</b>	<b>27.0</b>	<b>-0.2</b>	<b>33</b>	<b>-0.8</b>	<b>76</b>	<b>0.5</b>	<b>60</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				-0.6	65	0.7	33	0.5	60	1.4	64	3.2	63
eA All US Fixed Inc Gross Median				-0.4		0.3		0.8		1.7		3.7	
<b>Diversified Fixed</b>	<b>324,080,784</b>	<b>21.2</b>	<b>20.0</b>	<b>0.2</b>	<b>13</b>	<b>0.5</b>	<b>40</b>	<b>1.4</b>	<b>25</b>	<b>2.1</b>	<b>33</b>	<b>4.4</b>	<b>35</b>
Barclays Aggregate				-0.6	65	0.7	33	0.5	60	1.4	64	3.2	63
eA All US Fixed Inc Gross Median				-0.4		0.3		0.8		1.7		3.7	
Allianz Structured Alpha	46,941,345	3.1	2.0	1.6	2	3.3	1	7.0	1	7.7	1	8.4	1
Citi 10 Year Treasury				-1.4	99	1.4	4	0.9	51	1.0	98	4.6	9
PIMCO Core Plus	72,217,199	4.7	5.0	0.1	5	0.2	86	1.1	40	1.3	91	3.7	51
Barclays Aggregate				-0.6	72	0.7	53	0.5	75	1.4	79	3.2	84
Wellington DAS	46,595,321	3.0	3.0	0.6	2	5.7	1	5.9	1	5.1	1	8.3	1
Wellington Custom Benchmark				-1.5	99	2.1	2	1.8	7	2.0	29	5.9	2
SSgA Barclays Aggregate Index	49,482,960	3.2	3.0	-0.6	72	0.7	52	--	--	--	--	--	--
Barclays Aggregate				-0.6	72	0.7	53	0.5	75	1.4	79	3.2	84
3-Month Libor Total Return USD				0.1	3	0.2	86	0.3	84	0.3	99	0.3	99
eA US Core Fixed Inc Gross Median				-0.4		0.7		0.9		1.7		3.7	

Wellington DAS is Net of Fees. Allianz is net of fees from inception to Q3 2012, and grossed up quarterly since

# Vermont State Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Unconstrained Fixed Income</b>	<b>108,843,959</b>	<b>7.1</b>	<b>7.0</b>	<b>0.0</b>	<b>5</b>	<b>-2.6</b>	<b>99</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
25% HY, 25% EMD, 50% BC Agg				-0.4	43	-1.5	99	-0.5	98	1.2	94	4.2	20
Barclays Global Aggregate				-0.9	98	-0.1	93	-3.2	99	-1.7	99	0.9	99
eA US Core Fixed Inc Gross Median				-0.4		0.7		0.9		1.7		3.7	
PIMCO Unconstrained	40,071,373	2.6	2.5	0.9	2	-2.2	99	-1.9	99	-0.1	99	--	--
25% HY, 25% EMD, 50% BC Agg				-0.4	43	-1.5	99	-0.5	98	1.2	94	4.2	20
3-Month Libor Total Return USD				0.1	3	0.2	86	0.3	84	0.3	99	0.3	99
GAM Unconstrained Bond	68,772,586	4.5	4.5	-0.5	60	-2.8	99	--	--	--	--	--	--
3-Month LIBOR + 3%				0.9	2	1.7	3	3.3	1	3.3	3	3.3	81
eA US Core Fixed Inc Gross Median				-0.4		0.7		0.9		1.7		3.7	
<b>High Yield Comp</b>	<b>63,405,735</b>	<b>4.1</b>	<b>4.0</b>	<b>-2.2</b>	<b>78</b>	<b>-6.0</b>	<b>63</b>	<b>-2.7</b>	<b>53</b>	<b>2.5</b>	<b>53</b>	<b>5.5</b>	<b>50</b>
Barclays High Yield				-2.1	75	-6.8	77	-4.5	82	1.7	76	5.0	65
eA US High Yield Fixed Inc Gross Median				-1.2		-5.4		-2.4		2.6		5.5	
KDP	15,503,921	1.0	1.0	-1.5	58	-5.7	59	-3.1	61	1.6	81	4.7	79
Barclays High Yield				-2.1	75	-6.8	77	-4.5	82	1.7	76	5.0	65
BofA Merrill Lynch US High Yield BB-B Rated				-1.1	45	-5.4	51	-2.9	56	2.2	64	5.3	57
Guggenheim	47,901,813	3.1	3.0	-2.4	80	-6.1	65	-2.5	52	--	--	--	--
Barclays High Yield				-2.1	75	-6.8	77	-4.5	82	1.7	76	5.0	65
eA US High Yield Fixed Inc Gross Median				-1.2		-5.4		-2.4		2.6		5.5	
<b>TIPS</b>	<b>48,483,704</b>	<b>3.2</b>	<b>3.0</b>										
BlackRock TIPS	48,483,704	3.2	3.0	-0.6	--	-1.8	--	-1.3	--	-2.3	--	2.5	--
Barclays US TIPS				-0.6	--	-1.8	--	-1.4	--	-2.3	--	2.5	--
<b>Global Fixed Income Comp</b>	<b>44,687,214</b>	<b>2.9</b>	<b>3.0</b>	<b>-1.5</b>	<b>79</b>	<b>-0.6</b>	<b>36</b>	<b>-2.8</b>	<b>55</b>	<b>-3.2</b>	<b>90</b>	<b>0.2</b>	<b>91</b>
Citi WGBI				-1.2	74	0.5	15	-3.6	68	-2.7	87	-0.1	92
eA All Global Fixed Inc Gross Median				-0.6		-1.5		-2.4		0.6		2.9	
Mondrian GFI	44,687,214	2.9	3.0	-1.5	79	-0.6	36	-2.8	55	-3.2	90	-0.4	95
Citi WGBI				-1.2	74	0.5	15	-3.6	68	-2.7	87	-0.1	92

GAM Unconstrained Bond was funded in June 2015

# Vermont State Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Emerging Market Debt</b>	<b>84,021,977</b>	<b>5.5</b>	<b>5.0</b>										
Wellington Opportunistic EMD	84,021,977	5.5	5.0	1.9	10	-1.6	18	-1.0	39	-0.1	35	5.1	22
JP Morgan EMBI Global TR				1.5	19	-0.5	8	1.2	16	-0.1	35	5.1	23
eA All Emg Mkts Fixed Inc Gross Median				0.6		-4.1		-2.6		-1.5		2.9	
<b>Total Real Estate</b>	<b>90,233,404</b>	<b>5.9</b>	<b>6.0</b>	<b>0.1</b>	<b>--</b>	<b>2.9</b>	<b>--</b>	<b>11.6</b>	<b>--</b>	<b>13.7</b>	<b>--</b>	<b>--</b>	<b>--</b>
NCREIF Property Index				2.9	--	6.1	--	13.3	--	12.0	--	12.2	--
NCREIF ODCE				3.3	--	7.1	--	15.0	--	13.8	--	13.7	--
Morgan Stanley Prime Property	41,963,129	2.7	2.0	0.0	--	3.9	--	13.0	--	15.2	--	15.0	--
UBS Trumbull	35,462,571	2.3	2.0	0.0	--	3.4	--	10.4	--	10.8	--	11.2	--
RREEF America REIT III	2,573,694	0.2	0.5	-1.0	--	-6.0	--	10.1	--	18.0	--	25.9	--
Transwestern / Aslan III	127,615	0.0	0.5	0.0	--	2.1	--	6.8	--	21.1	--	12.4	--
Siguler Guff	10,106,396	0.7	1.0	1.2	--	0.7	--	8.2	--	--	--	--	--
<b>Hedge Fund Comp</b>	<b>83,164,134</b>	<b>5.4</b>	<b>5.0</b>	<b>0.2</b>	<b>54</b>	<b>-2.3</b>	<b>40</b>	<b>-0.4</b>	<b>45</b>	<b>5.2</b>	<b>39</b>	<b>4.1</b>	<b>35</b>
eV Alt Fund of Funds - Multi-Strategy Median				0.3		-3.2		-0.9		4.6		3.3	
Grosvenor	82,921,516	5.4	5.0	0.1	55	-2.4	40	0.0	40	6.0	24	4.5	27
GAM	242,618	0.0	0.0										
<b>GAA Comp</b>	<b>243,742,045</b>	<b>15.9</b>	<b>16.0</b>	<b>-0.6</b>	<b>75</b>	<b>-8.3</b>	<b>92</b>	<b>-6.5</b>	<b>75</b>	<b>0.4</b>	<b>85</b>	<b>3.3</b>	<b>69</b>
eA Global TAA Gross Median				1.1		-4.0		-3.4		3.8		4.6	
Mellon Dynamic Growth	35,817,832	2.3	2.0	4.7	5	-2.1	26	3.7	2	7.5	9	6.9	12
Mellon Dynamic Growth Benchmark				2.4	39	-3.3	37	-2.8	46	3.5	54	4.2	61
AQR Global Risk Premium	117,286,074	7.7	8.0	-2.8	97	-10.2	98	-9.0	92	-1.2	93	3.7	68
60% MSCI World / 40% CITI WGBI				2.9	26	-1.6	23	-1.4	37	5.0	31	5.0	45
PIMCO All Asset	90,638,140	5.9	6.0	0.2	64	-8.2	91	-7.9	84	-1.6	94	2.8	72
PIMCO All Asset Index				0.2	62	-0.8	15	0.0	23	1.7	77	4.1	63
CPI + 5% (Seasonally Adjusted)				1.3	49	2.5	1	5.7	1	6.0	18	6.6	16

Wellington Opportunistic EMD is Net of manager fees

Real Estate is as of Q3 2015. Siguler Guff/RREEF are based on preliminary data as of 12/31/2015

PIMCO All Asset Index: 40% BC Agg / 30% TIPS / 10% S&P500 / 10% BC HY / 10% JPM EMBI+

Mellon Dynamic Growth Benchmark: 60% MSCI All Country World Index IMI/ 40% Citigroup GDP Weighted

Hedge Fund Comp is net of manager Fees

## Vermont State Employees

### Employees Composite

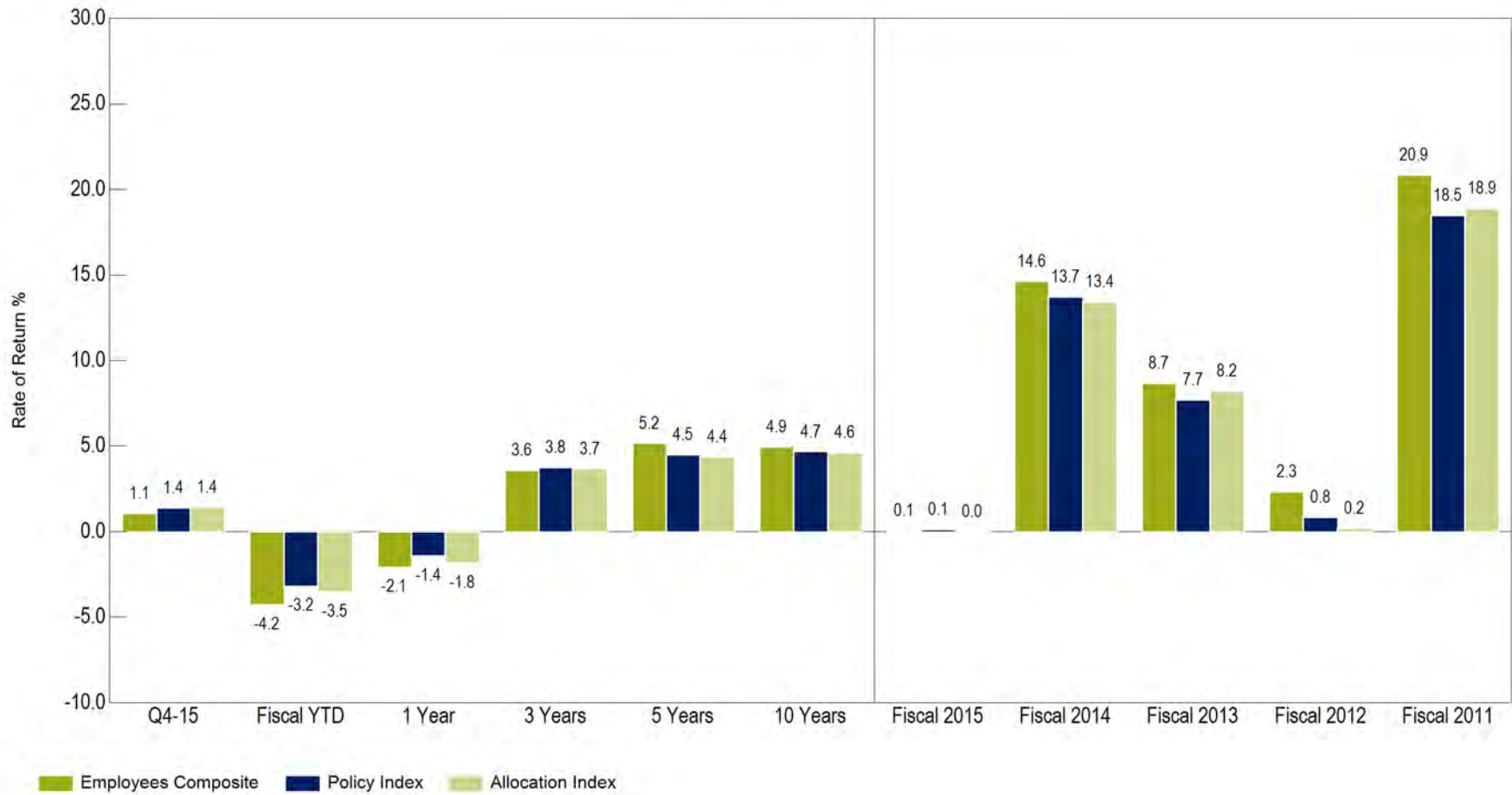
	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Commodities</b>	<b>38,543,496</b>	<b>2.5</b>	<b>3.0</b>										
Schroder	38,543,496	2.5	3.0	-11.8	--	-23.9	--	-27.2	--	-20.1	--	-13.8	--
<i>Bloomberg Commodity Index</i>				-10.5	--	-23.5	--	-24.7	--	-17.3	--	-13.5	--
<b>Cash</b>	<b>4,045,580</b>	<b>0.3</b>	<b>0.0</b>										
Vermont Cash	4,045,580	0.3	0.0	0.0	--	0.0	--	0.0	--	0.0	--	0.1	--
<i>91 Day T-Bills</i>				0.0	--	0.0	--	0.0	--	0.0	--	0.0	--
<b>Private Equity</b>	<b>17,585,106</b>	<b>1.1</b>	<b>3.0</b>	<b>2.2</b>	<b>--</b>	<b>0.9</b>	<b>--</b>	<b>11.6</b>	<b>--</b>	<b>16.1</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Cambridge Associates US All PE</i>				0.0	--	-1.4	--	5.1	--	12.3	--	12.4	--
Harbourvest Partners IX Credit Opportunities	731,736	0.0											
Harbourvest Partners IX Venture Fund	4,280,521	0.3											
Harbourvest Partners IX Buyout Fund	4,936,152	0.3											
Harbourvest Partners X Venture Fund	211,474	0.0											
Harbourvest Partners X Buyout Fund	365,086	0.0											
Harbourvest Dover VIII Fund	6,314,691	0.4											
HIPEP VII	745,446	0.0											

Harbourvest is based on estimated Capital Account Statements for Q4 2015  
Commodities are Net of Manager Fees

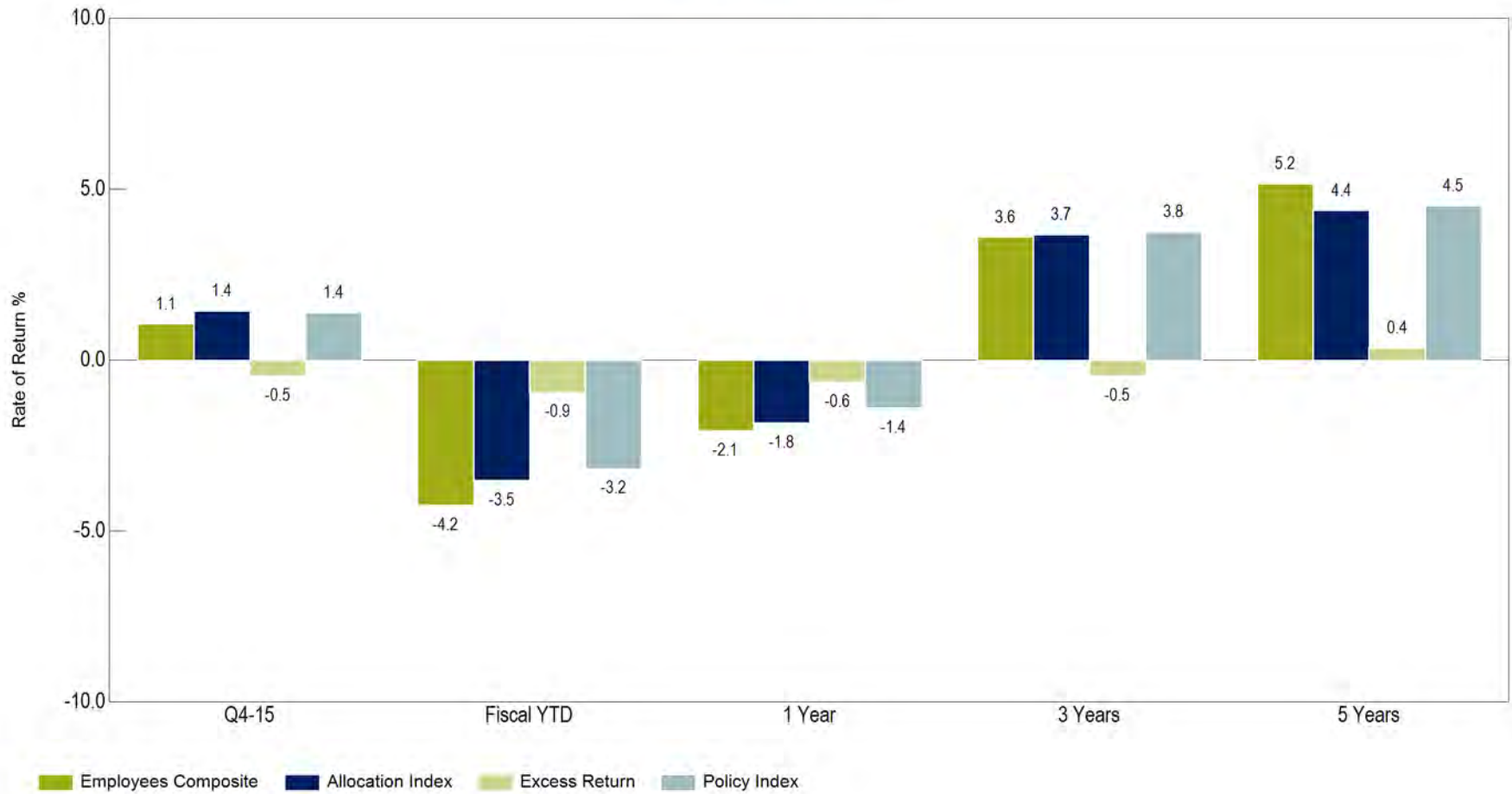


Total Fund Return Summary

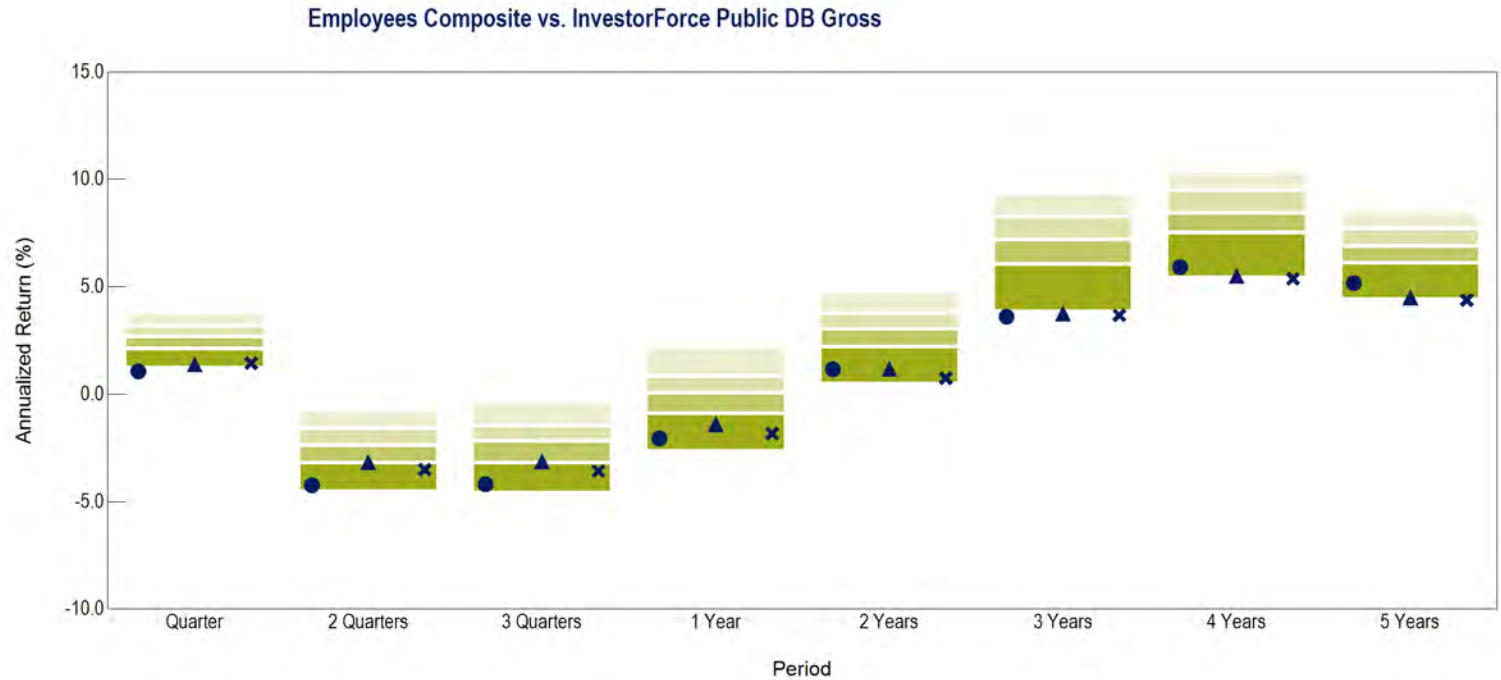
Return Summary Gross



Return Summary Gross

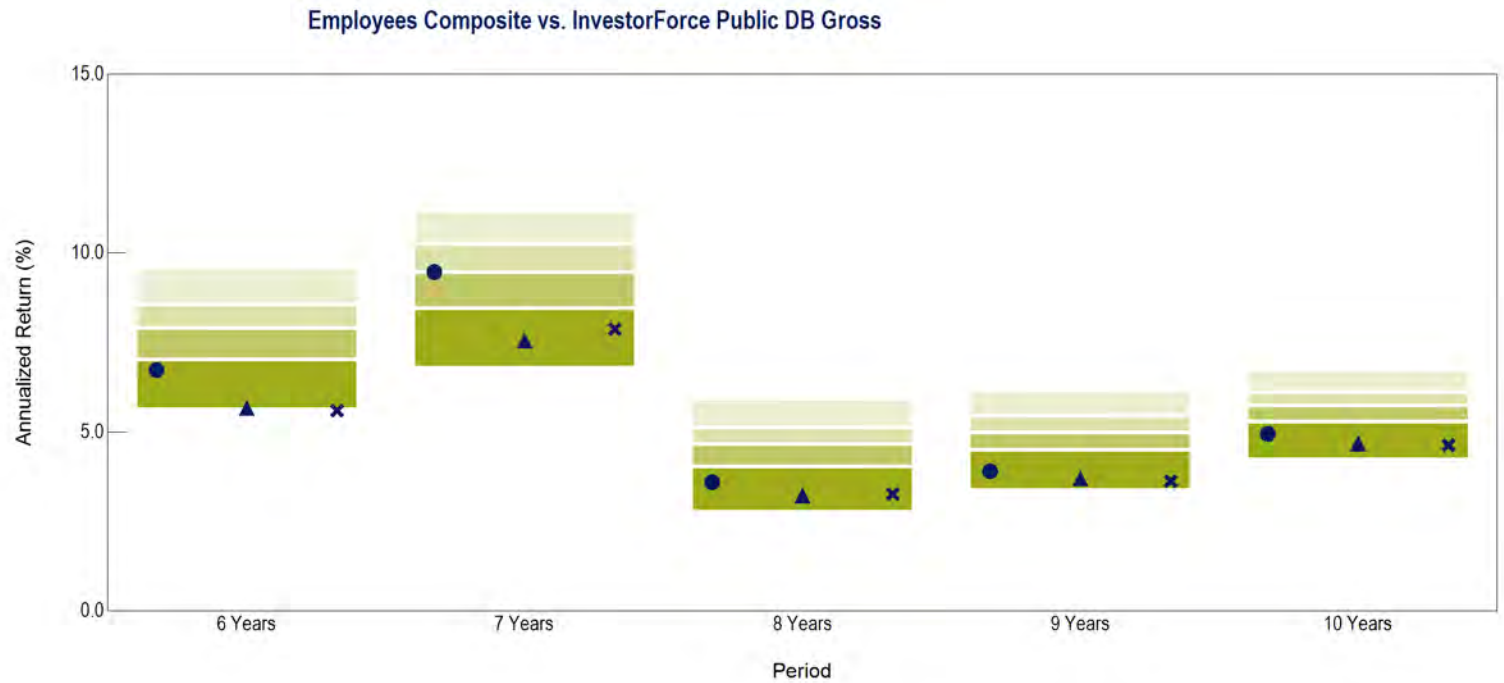


Total Fund Return Summary vs. Peer Universe



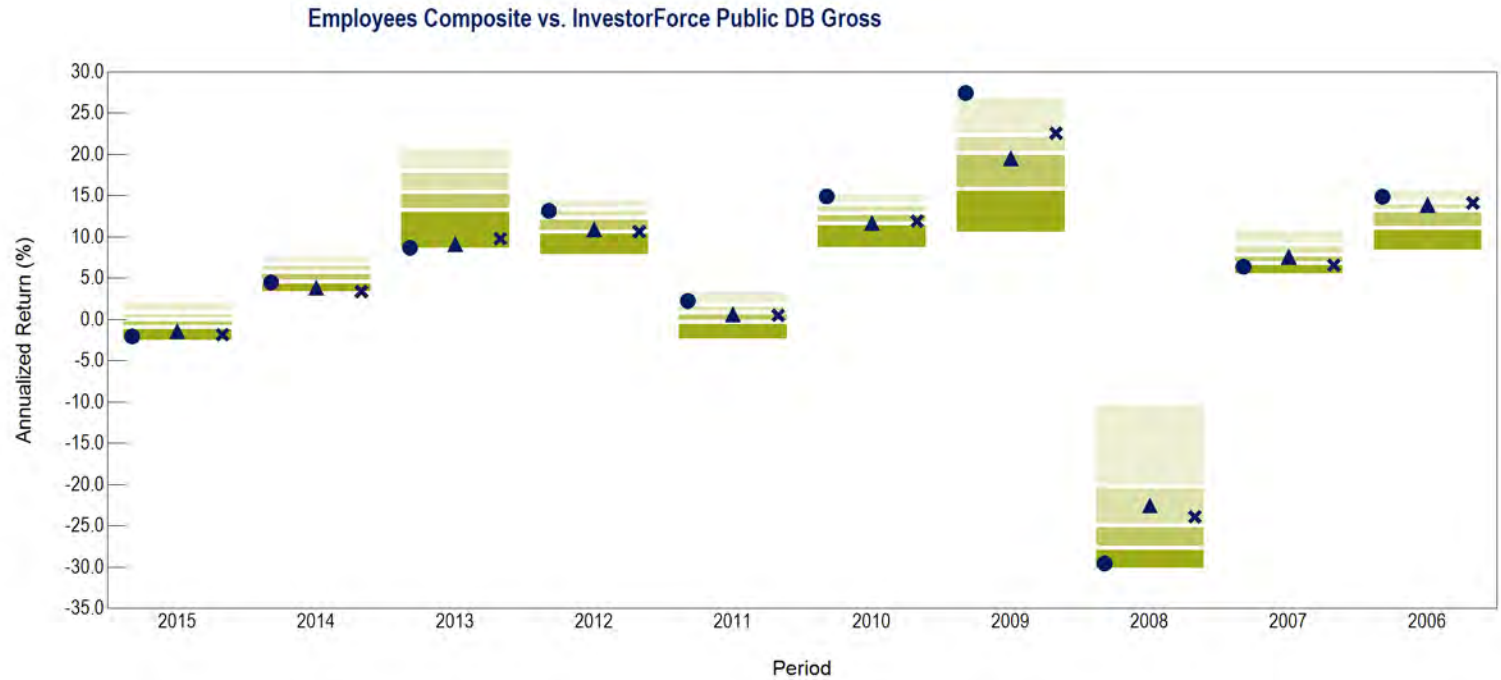
	Return (Rank)															
5th Percentile	3.8	-0.7	-0.4	2.2	4.8	9.4	10.4	8.5								
25th Percentile	3.2	-1.6	-1.4	0.9	3.8	8.3	9.5	7.7								
Median	2.7	-2.3	-2.2	0.1	3.1	7.2	8.5	6.9								
75th Percentile	2.1	-3.2	-3.2	-0.9	2.2	6.1	7.5	6.1								
95th Percentile	1.2	-4.5	-4.6	-2.6	0.5	3.9	5.5	4.4								
# of Portfolios	325	325	325	316	299	290	278	259								
● Employees Composite	1.1 (96)	-4.2 (93)	-4.2 (92)	-2.1 (91)	1.2 (90)	3.6 (97)	5.9 (94)	5.2 (92)								
▲ Policy Index	1.4 (94)	-3.2 (76)	-3.1 (75)	-1.4 (83)	1.2 (88)	3.8 (96)	5.5 (95)	4.5 (95)								
× Allocation Index	1.4 (94)	-3.5 (83)	-3.6 (82)	-1.8 (88)	0.7 (93)	3.7 (97)	5.4 (96)	4.4 (96)								

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	9.6		11.2		5.9		6.2		6.7	
25th Percentile	8.6		10.3		5.1		5.5		6.1	
Median	7.9		9.5		4.7		5.0		5.7	
75th Percentile	7.0		8.5		4.1		4.5		5.3	
95th Percentile	5.6		6.8		2.8		3.4		4.3	
# of Portfolios	240		237		232		219		212	
● Employees Composite	6.7	(85)	9.5	(51)	3.6	(84)	3.9	(89)	4.9	(86)
▲ Policy Index	5.7	(95)	7.5	(90)	3.2	(90)	3.7	(91)	4.7	(90)
× Allocation Index	5.6	(96)	7.9	(86)	3.3	(89)	3.6	(92)	4.6	(92)

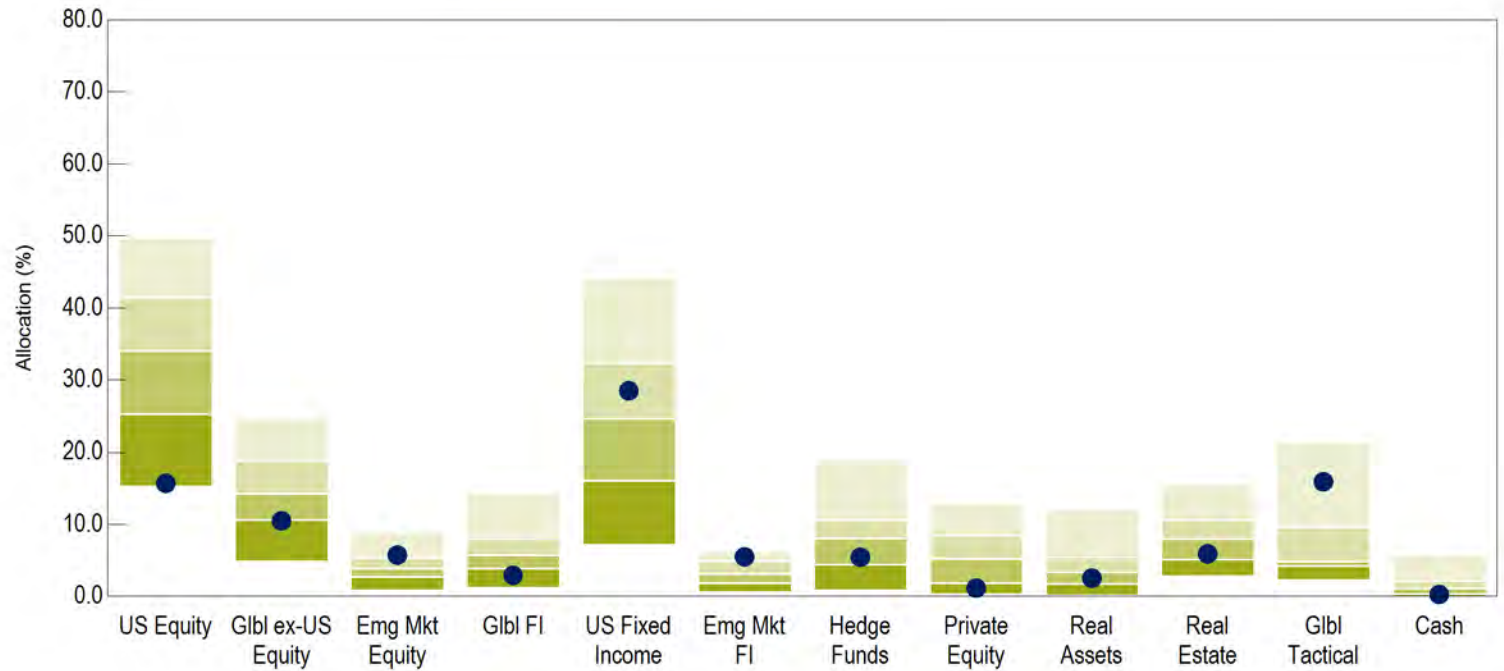
Total Fund Return Summary vs. Peer Universe



	Return (Rank)													
5th Percentile	2.2	8.0	20.8	14.6	3.6	15.4	27.0	-10.1	11.0	15.9				
25th Percentile	0.9	6.8	18.0	13.4	1.9	14.0	22.4	-20.1	9.1	14.2				
Median	0.1	5.8	15.5	12.4	0.9	12.9	20.2	-24.9	7.9	13.2				
75th Percentile	-0.9	4.6	13.3	10.7	-0.3	11.7	15.9	-27.6	6.9	11.2				
95th Percentile	-2.6	3.2	8.5	7.8	-2.5	8.6	10.5	-30.3	5.4	8.3				
# of Portfolios	316	248	231	236	206	188	184	181	177	171				
● Employees Composite	-2.1 (91)	4.5 (79)	8.7 (95)	13.1 (29)	2.2 (17)	14.9 (12)	27.4 (5)	-29.6 (90)	6.4 (83)	14.9 (17)				
▲ Policy Index	-1.4 (83)	3.8 (91)	9.1 (93)	10.9 (73)	0.6 (60)	11.7 (75)	19.5 (54)	-22.5 (34)	7.6 (54)	13.9 (31)				
× Allocation Index	-1.8 (88)	3.4 (94)	9.8 (92)	10.6 (76)	0.5 (61)	11.9 (71)	22.6 (24)	-23.9 (42)	6.6 (81)	14.1 (28)				

Total Fund Allocation vs. Peer Universe

Total Plan Allocation vs. InvestorForce Public DB Gross  
As of December 31, 2015

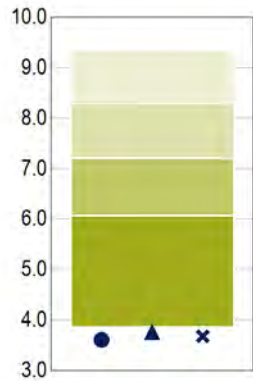


	Allocation (Rank)												
	US Equity	Gbl ex-US Equity	Emg Mkt Equity	Gbl FI	US Fixed Income	Emg Mkt FI	Hedge Funds	Private Equity	Real Assets	Real Estate	Gbl Tactical	Cash	
5th Percentile	49.7	24.7	9.0	14.2	44.2	6.3	19.1	12.9	12.0	15.6	21.4	5.7	--
25th Percentile	41.5	19.0	5.4	8.1	32.3	4.9	10.7	8.5	5.5	10.7	9.7	2.3	--
Median	34.1	14.4	4.0	5.8	24.7	3.1	8.1	5.3	3.4	8.0	4.9	1.2	--
75th Percentile	25.3	10.7	2.8	3.9	16.1	1.9	4.5	1.9	1.9	5.2	4.3	0.4	--
95th Percentile	15.3	4.9	1.0	1.3	7.2	0.6	0.9	0.4	0.2	2.9	2.3	0.0	--
# of Portfolios	276	268	113	46	233	44	81	83	66	196	64	259	--
● Employees Composite	15.7 (95)	10.5 (77)	5.7 (23)	2.9 (87)	28.5 (39)	5.5 (15)	5.4 (61)	1.1 (85)	2.5 (64)	5.9 (68)	15.9 (12)	0.3 (81)	--

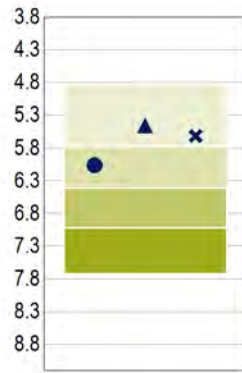


Employees Composite vs. IFx Public DB Gross  
3 Years

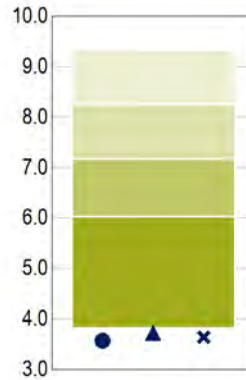
Anlzd Return



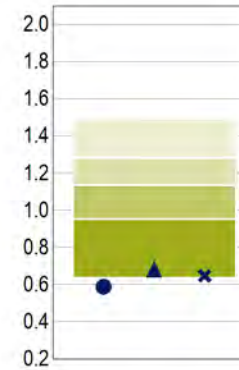
Anlzd Standard Deviation



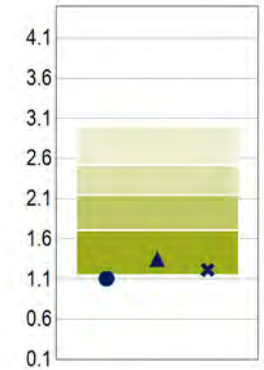
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Employees Composite

Value	3.60
%tile	97
▲ Policy Index	
Value	3.76
%tile	96
× Allocation Index	
Value	3.67
%tile	97

Universe	
5th %tile	9.36
25th %tile	8.29
Median	7.22
75th %tile	6.08
95th %tile	3.87

● Employees Composite

Value	6.06
%tile	35
▲ Policy Index	
Value	5.46
%tile	15
× Allocation Index	
Value	5.62
%tile	21

Universe	
5th %tile	4.82
25th %tile	5.77
Median	6.40
75th %tile	7.02
95th %tile	7.71

● Employees Composite

Value	3.57
%tile	97
▲ Policy Index	
Value	3.72
%tile	96
× Allocation Index	
Value	3.64
%tile	97

Universe	
5th %tile	9.32
25th %tile	8.26
Median	7.19
75th %tile	6.04
95th %tile	3.83

● Employees Composite

Value	0.59
%tile	98
▲ Policy Index	
Value	0.68
%tile	93
× Allocation Index	
Value	0.65
%tile	95

Universe	
5th %tile	1.49
25th %tile	1.28
Median	1.14
75th %tile	0.96
95th %tile	0.64

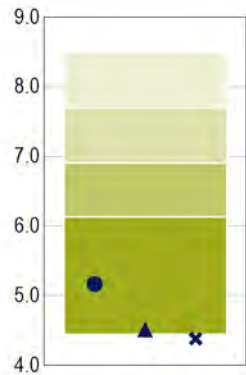
● Employees Composite

Value	1.10
%tile	98
▲ Policy Index	
Value	1.35
%tile	88
× Allocation Index	
Value	1.21
%tile	94

Universe	
5th %tile	3.01
25th %tile	2.53
Median	2.16
75th %tile	1.71
95th %tile	1.16

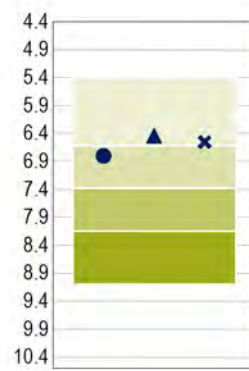
Employees Composite vs. IFx Public DB Gross  
5 Years

Anlzd Return



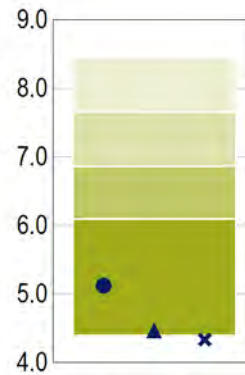
● Employees Composite	
Value	5.17
%tile	92
▲ Policy Index	
Value	4.51
%tile	95
✕ Allocation Index	
Value	4.38
%tile	96
Universe	
5th %tile	8.50
25th %tile	7.71
Median	6.92
75th %tile	6.15
95th %tile	4.45

Anlzd Standard Deviation



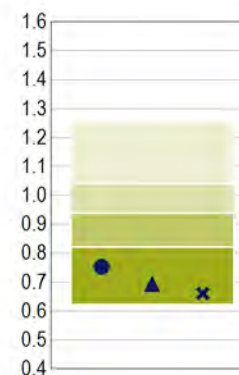
● Employees Composite	
Value	6.80
%tile	30
▲ Policy Index	
Value	6.44
%tile	20
✕ Allocation Index	
Value	6.55
%tile	24
Universe	
5th %tile	5.40
25th %tile	6.62
Median	7.37
75th %tile	8.14
95th %tile	9.09

Ann Excess RF Return



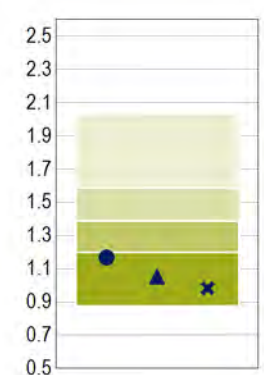
● Employees Composite	
Value	5.12
%tile	92
▲ Policy Index	
Value	4.46
%tile	95
✕ Allocation Index	
Value	4.33
%tile	96
Universe	
5th %tile	8.45
25th %tile	7.66
Median	6.87
75th %tile	6.10
95th %tile	4.40

Sharpe Ratio



● Employees Composite	
Value	0.75
%tile	86
▲ Policy Index	
Value	0.69
%tile	89
✕ Allocation Index	
Value	0.66
%tile	92
Universe	
5th %tile	1.26
25th %tile	1.04
Median	0.94
75th %tile	0.82
95th %tile	0.62

Sortino Ratio RF

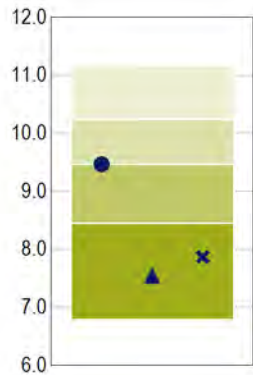


● Employees Composite	
Value	1.17
%tile	78
▲ Policy Index	
Value	1.05
%tile	88
✕ Allocation Index	
Value	0.98
%tile	89
Universe	
5th %tile	2.03
25th %tile	1.59
Median	1.39
75th %tile	1.20
95th %tile	0.88

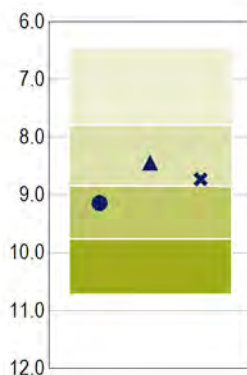


Employees Composite vs. IFx Public DB Gross  
7 Years

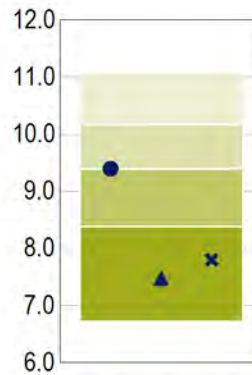
Anlzd Return



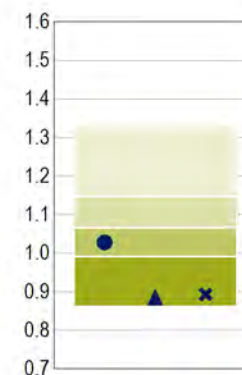
Anlzd Standard Deviation



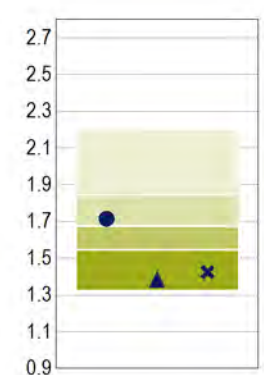
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Employees Composite	
Value	9.47
%tile	51
▲ Policy Index	
Value	7.55
%tile	90
× Allocation Index	
Value	7.87
%tile	86
Universe	
5th %tile	11.16
25th %tile	10.25
Median	9.47
75th %tile	8.46
95th %tile	6.79

● Employees Composite	
Value	9.14
%tile	59
▲ Policy Index	
Value	8.44
%tile	40
× Allocation Index	
Value	8.73
%tile	47
Universe	
5th %tile	6.45
25th %tile	7.77
Median	8.83
75th %tile	9.74
95th %tile	10.71

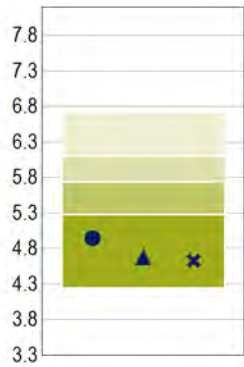
● Employees Composite	
Value	9.39
%tile	51
▲ Policy Index	
Value	7.48
%tile	90
× Allocation Index	
Value	7.80
%tile	86
Universe	
5th %tile	11.09
25th %tile	10.18
Median	9.40
75th %tile	8.39
95th %tile	6.72

● Employees Composite	
Value	1.03
%tile	62
▲ Policy Index	
Value	0.89
%tile	94
× Allocation Index	
Value	0.89
%tile	93
Universe	
5th %tile	1.33
25th %tile	1.15
Median	1.07
75th %tile	0.99
95th %tile	0.86

● Employees Composite	
Value	1.71
%tile	45
▲ Policy Index	
Value	1.38
%tile	93
× Allocation Index	
Value	1.42
%tile	90
Universe	
5th %tile	2.20
25th %tile	1.85
Median	1.68
75th %tile	1.55
95th %tile	1.33

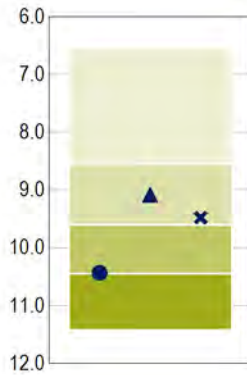
Employees Composite vs. IFx Public DB Gross  
10 Years

Anlzd Return



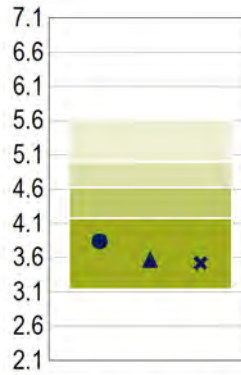
● Employees Composite	
Value	4.95
%tile	86
▲ Policy Index	
Value	4.68
%tile	90
✕ Allocation Index	
Value	4.63
%tile	92
Universe	
5th %tile	6.72
25th %tile	6.12
Median	5.75
75th %tile	5.29
95th %tile	4.25

Anlzd Standard Deviation



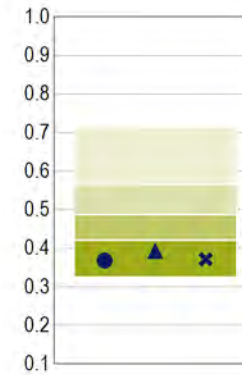
● Employees Composite	
Value	10.44
%tile	76
▲ Policy Index	
Value	9.08
%tile	36
✕ Allocation Index	
Value	9.48
%tile	47
Universe	
5th %tile	6.56
25th %tile	8.54
Median	9.59
75th %tile	10.43
95th %tile	11.41

Ann Excess RF Return



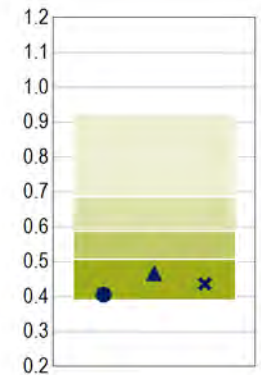
● Employees Composite	
Value	3.84
%tile	86
▲ Policy Index	
Value	3.57
%tile	90
✕ Allocation Index	
Value	3.52
%tile	92
Universe	
5th %tile	5.62
25th %tile	5.01
Median	4.64
75th %tile	4.18
95th %tile	3.14

Sharpe Ratio



● Employees Composite	
Value	0.37
%tile	90
▲ Policy Index	
Value	0.39
%tile	84
✕ Allocation Index	
Value	0.37
%tile	89
Universe	
5th %tile	0.72
25th %tile	0.57
Median	0.49
75th %tile	0.42
95th %tile	0.33

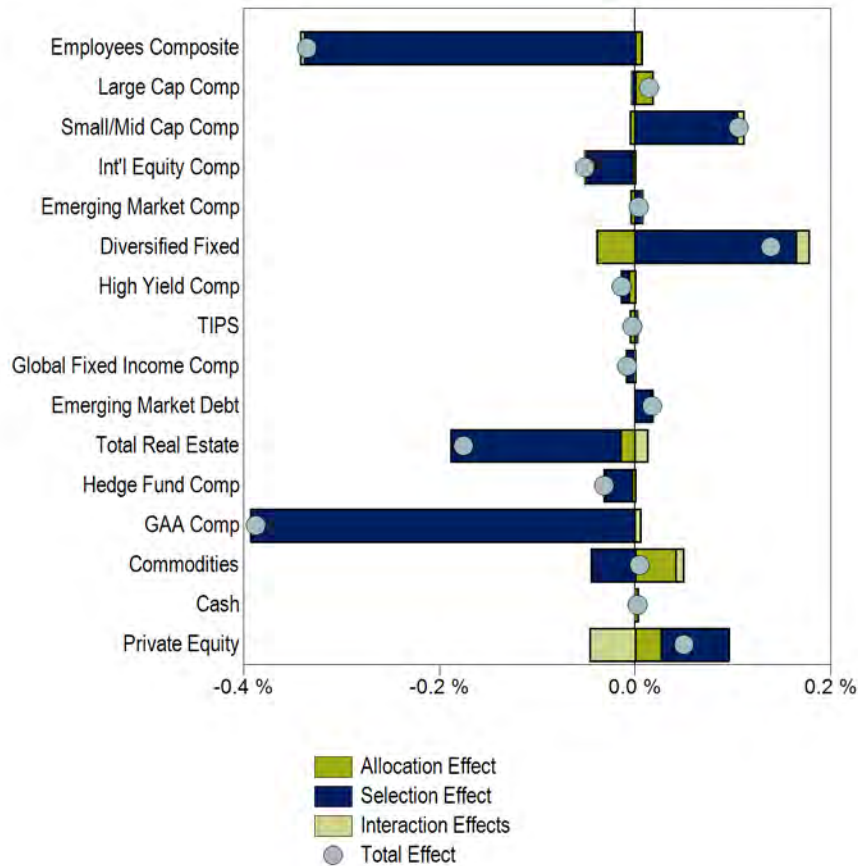
Sortino Ratio RF



● Employees Composite	
Value	0.41
%tile	93
▲ Policy Index	
Value	0.47
%tile	86
✕ Allocation Index	
Value	0.44
%tile	88
Universe	
5th %tile	0.92
25th %tile	0.69
Median	0.59
75th %tile	0.51
95th %tile	0.39

Total Fund Attribution Analysis

Attribution Effects Relative to Policy Index  
3 Months Ending December 31, 2015



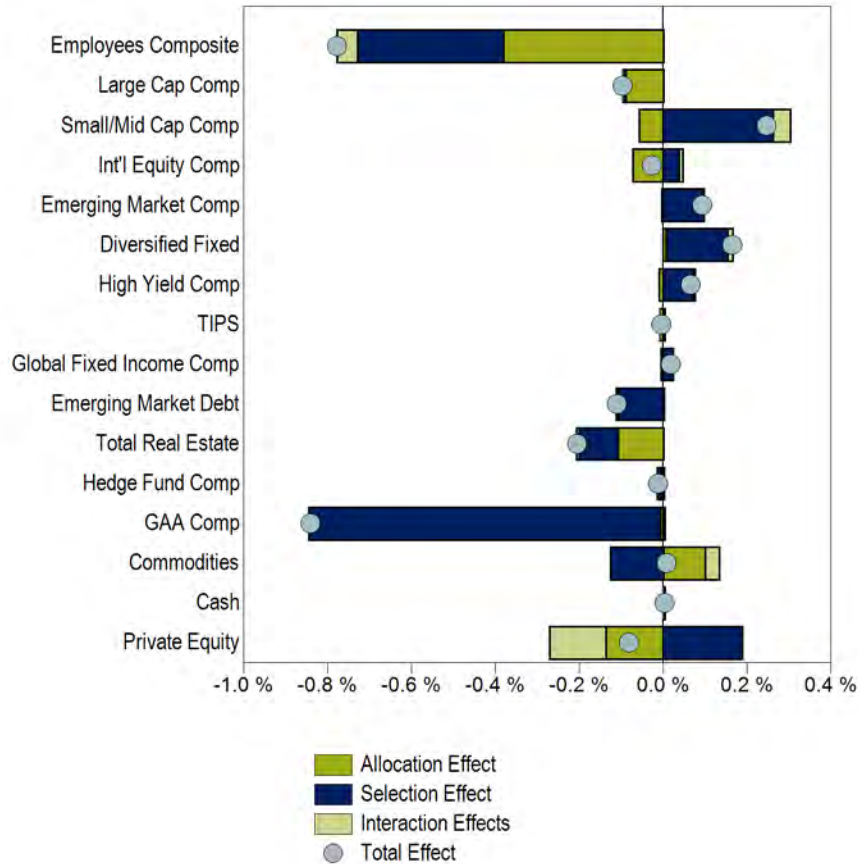
Attribution Summary  
3 Months Ending December 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	6.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Small/Mid Cap Comp	5.2%	3.2%	2.1%	0.1%	0.0%	0.0%	0.1%
Int'l Equity Comp	3.9%	4.4%	-0.5%	0.0%	0.0%	0.0%	-0.1%
Emerging Market Comp	0.8%	0.7%	0.2%	0.0%	0.0%	0.0%	0.0%
Diversified Fixed	0.2%	-0.6%	0.8%	0.2%	0.0%	0.0%	0.1%
High Yield Comp	-2.2%	-2.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
TIPS	-0.6%	-0.6%	0.1%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-1.5%	-1.2%	-0.3%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	1.9%	1.5%	0.3%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	0.1%	2.9%	-2.8%	-0.2%	0.0%	0.0%	-0.2%
Hedge Fund Comp	0.2%	0.7%	-0.5%	0.0%	0.0%	0.0%	0.0%
GAA Comp	-0.6%	1.8%	-2.4%	-0.4%	0.0%	0.0%	-0.4%
Commodities	-11.8%	-10.5%	-1.3%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	2.2%	0.0%	2.2%	0.1%	0.0%	0.0%	0.0%
<b>Total</b>	<b>1.1%</b>	<b>1.4%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.3%</b>

Note: Plan attribution calculations are returns based and the results shown reflect the composites shown. As a result, the total returns shown may vary from the calculated returns shown on the performance report. The target return shown for each composite is a custom index, based on aggregated policy indices. This policy index asset weights the underlying policy indices of each option in the plan and the respective benchmark. The allocation, selection, and interaction effects are calculated using the custom index described above along with the policy or target weight of each composite. May not add up due to rounding.

**Total Fund Attribution Analysis**

**Attribution Effects Relative to Policy Index**  
1 Year Ending December 31, 2015



**Attribution Summary**  
1 Year Ending December 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	0.3%	0.4%	-0.1%	0.0%	-0.1%	0.0%	-0.1%
Small/Mid Cap Comp	0.7%	-4.5%	5.2%	0.3%	-0.1%	0.0%	0.2%
Int'l Equity Comp	-1.2%	-1.7%	0.5%	0.0%	-0.1%	0.0%	0.0%
Emerging Market Comp	-13.1%	-14.9%	1.8%	0.1%	0.0%	0.0%	0.1%
Diversified Fixed	1.4%	0.5%	0.9%	0.1%	0.0%	0.0%	0.2%
High Yield Comp	-2.7%	-4.5%	1.8%	0.1%	0.0%	0.0%	0.1%
TIPS	-1.3%	-1.4%	0.1%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-2.8%	-3.6%	0.8%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	-1.0%	1.2%	-2.2%	-0.1%	0.0%	0.0%	-0.1%
Total Real Estate	11.6%	13.3%	-1.7%	-0.1%	-0.1%	0.0%	-0.2%
Hedge Fund Comp	-0.4%	-0.3%	-0.2%	0.0%	0.0%	0.0%	0.0%
GAA Comp	-6.5%	-0.8%	-5.7%	-0.8%	0.0%	0.0%	-0.8%
Commodities	-27.2%	-24.7%	-2.5%	-0.1%	0.1%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	11.6%	5.1%	6.5%	0.2%	-0.1%	-0.1%	-0.1%
<b>Total</b>	<b>-2.2%</b>	<b>-1.4%</b>	<b>-0.8%</b>	<b>-0.3%</b>	<b>-0.4%</b>	<b>0.0%</b>	<b>-0.8%</b>

Note: Plan attribution calculations are returns based and the results shown reflect the composites shown. As a result, the total returns shown may vary from the calculated returns shown on the performance report. The target return shown for each composite is a custom index, based on aggregated policy indices. This policy index asset weights the underlying policy indices of each option in the plan and the respective benchmark. The allocation, selection, and interaction effects are calculated using the custom index described above along with the policy or target weight of each composite. May not add up due to rounding.



## Vermont State Employees

### Total Fund Risk Statistics - 3 Years Ending December 31, 2015

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Employees Composite	100.00%	3.60%	97	6.06%	35	-0.54%	75	0.59	98	1.10	98	0.91%	36
Policy Index	--	3.76%	96	5.46%	15	0.00%	63	0.68	93	1.35	88	0.00%	1
US Equity	15.71%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 3000	--	14.74%	43	10.73%	22	0.00%	44	1.37	31	2.87	27	0.00%	1
Large Cap Comp	10.27%	15.19%	47	10.69%	33	0.00%	50	1.42	41	3.07	26	0.68%	1
S&P 500	--	15.13%	48	10.62%	30	0.00%	50	1.42	41	2.94	33	0.00%	1
Small/Mid Cap Comp	5.44%	14.63%	29	12.69%	50	4.36%	36	1.15	30	2.71	12	2.86%	1
Russell 2000	--	11.65%	72	14.16%	83	0.00%	81	0.82	77	1.58	77	0.00%	1
Int'l Equity Comp	10.49%	6.08%	57	12.35%	71	1.23%	62	0.49	61	1.08	49	1.82%	8
MSCI EAFE	--	5.01%	73	12.64%	86	0.00%	76	0.39	74	0.78	73	0.00%	1
Emerging Market Comp	5.73%	-6.81%	79	14.05%	57	-0.61%	85	-0.49	80	-0.79	80	5.27%	68
MSCI Emerging Markets	--	-6.76%	78	14.25%	63	0.00%	78	-0.48	79	-0.79	81	0.00%	1
US Fixed Income	28.48%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	1.44%	64	2.92%	58	0.00%	81	0.48	76	0.83	70	0.00%	1
Diversified Fixed	21.17%	2.14%	33	3.38%	69	0.56%	51	0.62	58	1.01	55	1.11%	25
Barclays Aggregate	--	1.44%	64	2.92%	58	0.00%	81	0.48	76	0.83	70	0.00%	1
Unconstrained Fixed Income	7.11%	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC Agg	--	1.17%	94	3.83%	98	0.00%	99	0.30	99	0.46	98	0.00%	1
High Yield Comp	4.14%	2.52%	53	4.41%	20	1.14%	47	0.56	44	0.91	51	1.33%	53
Barclays High Yield	--	1.69%	76	5.34%	68	0.00%	78	0.31	78	0.59	73	0.00%	1
TIPS	3.17%	-2.28%	70	5.11%	78	0.00%	53	-0.45	48	-0.58	50	0.19%	9
Barclays US TIPS	--	-2.27%	68	5.07%	73	0.00%	54	-0.45	49	-0.58	53	0.00%	1
Global Fixed Income Comp	2.92%	-3.24%	90	4.47%	55	-0.70%	91	-0.73	95	-1.04	95	1.58%	9
Citi WGBI	--	-2.70%	87	4.45%	55	0.00%	86	-0.61	92	-0.81	89	0.00%	1
Emerging Market Debt	5.49%	-0.12%	35	6.83%	34	-0.05%	35	-0.02	35	-0.03	35	1.31%	8
JP Morgan EMBI Global TR	--	-0.07%	35	7.08%	40	0.00%	35	-0.01	35	-0.02	35	0.00%	1
Total Real Estate	5.89%	13.73%	--	5.97%	--	0.20%	--	2.29	--	1,865.06	--	2.60%	--
NCREIF Property Index	--	12.04%	--	4.81%	--	0.00%	--	2.49	--	1,634.46	--	0.00%	--
Hedge Fund Comp	5.43%	5.16%	39	3.67%	37	1.28%	37	1.40	31	3.18	19	1.39%	5
HFRI Fund of Funds Composite Index	--	3.95%	60	3.46%	27	0.00%	53	1.13	42	1.92	44	0.00%	1
GAA Comp	15.92%	0.41%	85	7.89%	59	-3.05%	87	0.05	85	0.07	85	3.64%	39
60% MSCI ACWI (Net)/40% CITI WGBI	--	3.56%	54	7.21%	38	0.00%	60	0.49	54	1.16	35	0.00%	1

## Vermont State Employees

### Total Fund Risk Statistics - 5 Years Ending December 31, 2015

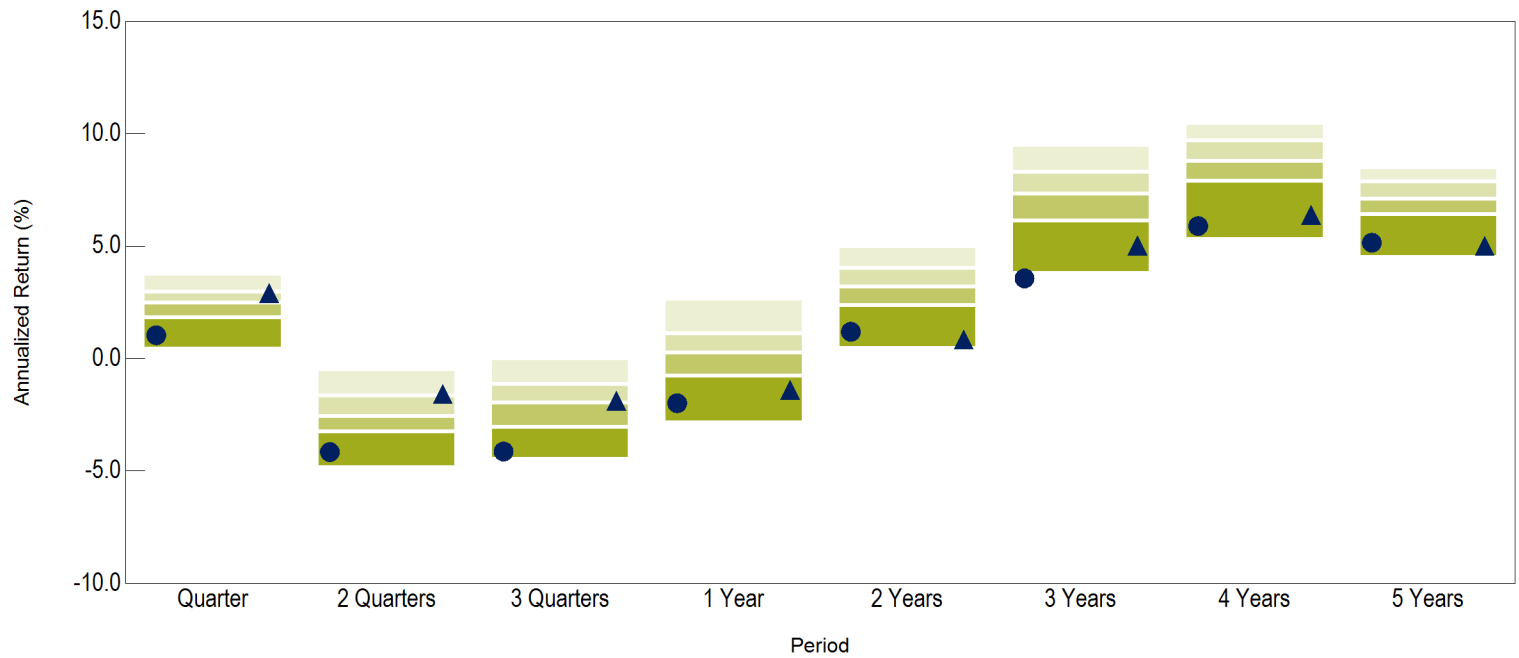
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Employees Composite	100.00%	5.17%	92	6.80%	30	0.43%	32	0.75	86	1.17	78	0.84%	12
Policy Index	--	4.51%	95	6.44%	20	0.00%	52	0.69	89	1.05	88	0.00%	1
US Equity	15.71%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 3000	--	12.18%	42	12.08%	24	0.00%	38	1.00	29	1.66	28	0.00%	1
Large Cap Comp	10.27%	12.57%	43	12.17%	43	-0.48%	50	1.03	43	1.71	41	0.99%	1
S&P 500	--	12.57%	43	11.70%	29	0.00%	44	1.07	36	1.83	29	0.00%	1
Small/Mid Cap Comp	5.44%	11.84%	29	14.36%	36	3.66%	32	0.82	31	1.39	20	2.79%	1
Russell 2000	--	9.19%	76	15.95%	77	0.00%	84	0.57	81	0.94	74	0.00%	1
Int'l Equity Comp	10.49%	4.33%	68	14.03%	27	0.98%	66	0.31	65	0.46	61	2.11%	10
MSCI EAFE	--	3.60%	80	14.99%	70	0.00%	84	0.24	82	0.35	79	0.00%	1
Emerging Market Comp	5.73%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	-4.80%	83	17.79%	62	0.00%	81	-0.27	82	-0.41	84	0.00%	1
US Fixed Income	28.48%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	3.25%	63	2.71%	49	0.00%	86	1.18	71	1.97	64	0.00%	1
Diversified Fixed	21.17%	4.40%	35	3.12%	63	1.08%	42	1.39	49	2.25	47	1.45%	31
Barclays Aggregate	--	3.25%	63	2.71%	49	0.00%	86	1.18	71	1.97	64	0.00%	1
Unconstrained Fixed Income	7.11%	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC Agg	--	4.22%	20	3.76%	98	0.00%	99	1.11	95	1.79	96	0.00%	1
High Yield Comp	4.14%	5.51%	50	5.26%	22	1.32%	35	1.04	32	1.67	43	1.37%	51
Barclays High Yield	--	5.04%	65	6.25%	66	0.00%	73	0.80	72	1.40	68	0.00%	1
TIPS	3.17%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	2.55%	55	4.97%	74	0.00%	61	0.50	58	0.69	51	0.00%	1
Global Fixed Income Comp	2.92%	0.16%	91	4.95%	54	0.25%	90	0.02	90	0.04	90	1.78%	10
Citi WGBI	--	-0.08%	92	4.46%	38	0.00%	93	-0.03	93	-0.04	93	0.00%	1
Emerging Market Debt	5.49%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	5.11%	23	7.05%	18	0.00%	24	0.72	21	1.05	17	0.00%	1
Total Real Estate	5.89%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	12.18%	--	4.86%	--	0.00%	--	2.49	--	1,170.99	--	0.00%	--
Hedge Fund Comp	5.43%	4.10%	35	3.99%	38	2.02%	35	1.02	31	1.52	32	1.32%	1
HFRI Fund of Funds Composite Index	--	2.10%	71	3.81%	35	0.00%	70	0.54	65	0.77	66	0.00%	1
GAA Comp	15.92%	3.29%	69	8.40%	48	-0.18%	73	0.39	68	0.57	68	3.36%	24
60% MSCI ACWI (Net)/40% CITI WGBI	--	3.78%	67	8.43%	48	0.00%	72	0.44	64	0.68	64	0.00%	1

# VPIC Allocation Comparison



Total Fund Return Summary vs. Peer Universe

VPIC Composite vs. InvestorForce Public DB > \$1B Gross  
Ending December 31, 2015

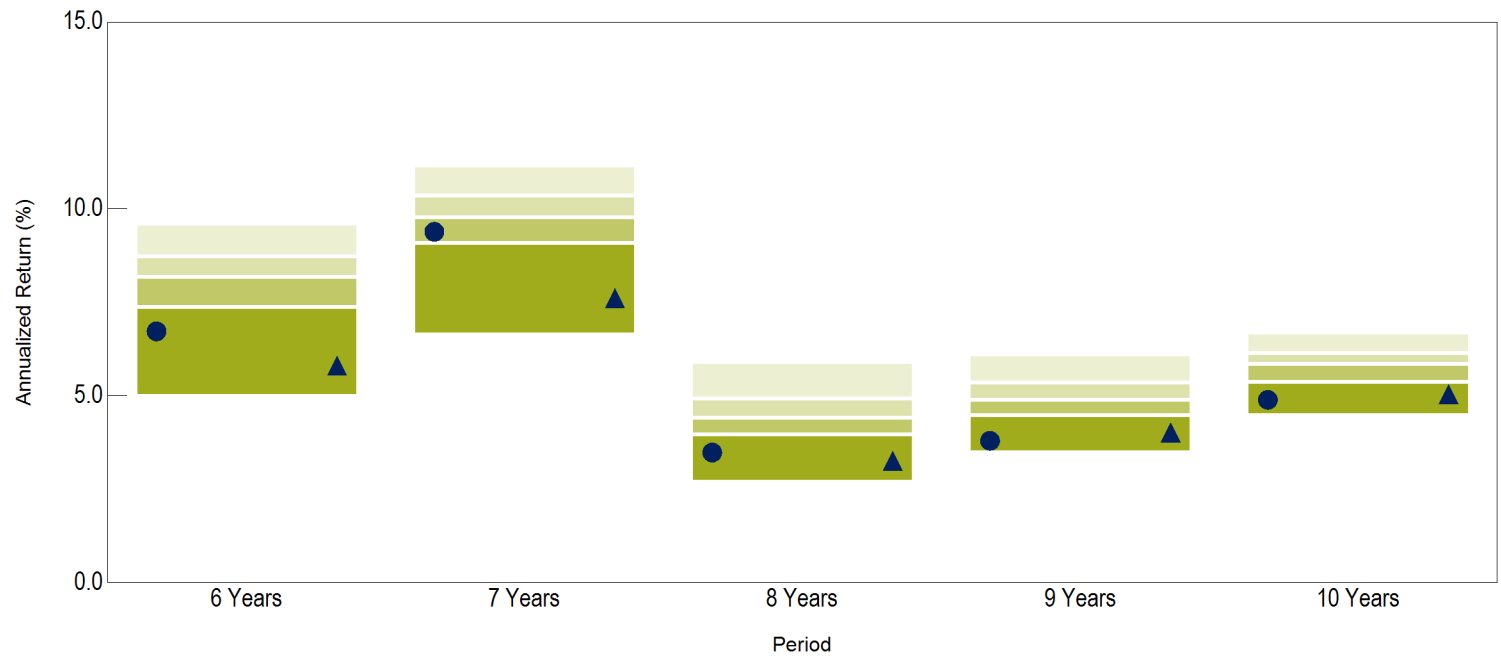


	Return (Rank)															
5th Percentile	3.8	-0.5	0.0	2.7	5.0	9.5	10.5	8.5								
25th Percentile	3.0	-1.6	-1.1	1.1	4.0	8.3	9.7	7.9								
Median	2.5	-2.5	-1.9	0.3	3.2	7.4	8.8	7.1								
75th Percentile	1.9	-3.2	-3.0	-0.7	2.4	6.1	7.9	6.4								
95th Percentile	0.5	-4.8	-4.5	-2.8	0.5	3.8	5.3	4.5								
# of Portfolios	104	104	104	98	94	92	91	90								
● Composite	1.0	(92)	-4.2	(91)	-4.1	(93)	-2.0	(90)	1.2	(91)	3.6	(97)	5.9	(94)	5.2	(93)
▲ 60% MSCI World / 40% CITI WGBI	2.9	(27)	-1.6	(24)	-1.9	(50)	-1.4	(89)	0.8	(93)	5.0	(85)	6.4	(91)	5.0	(93)



Total Fund Return Summary vs. Peer Universe

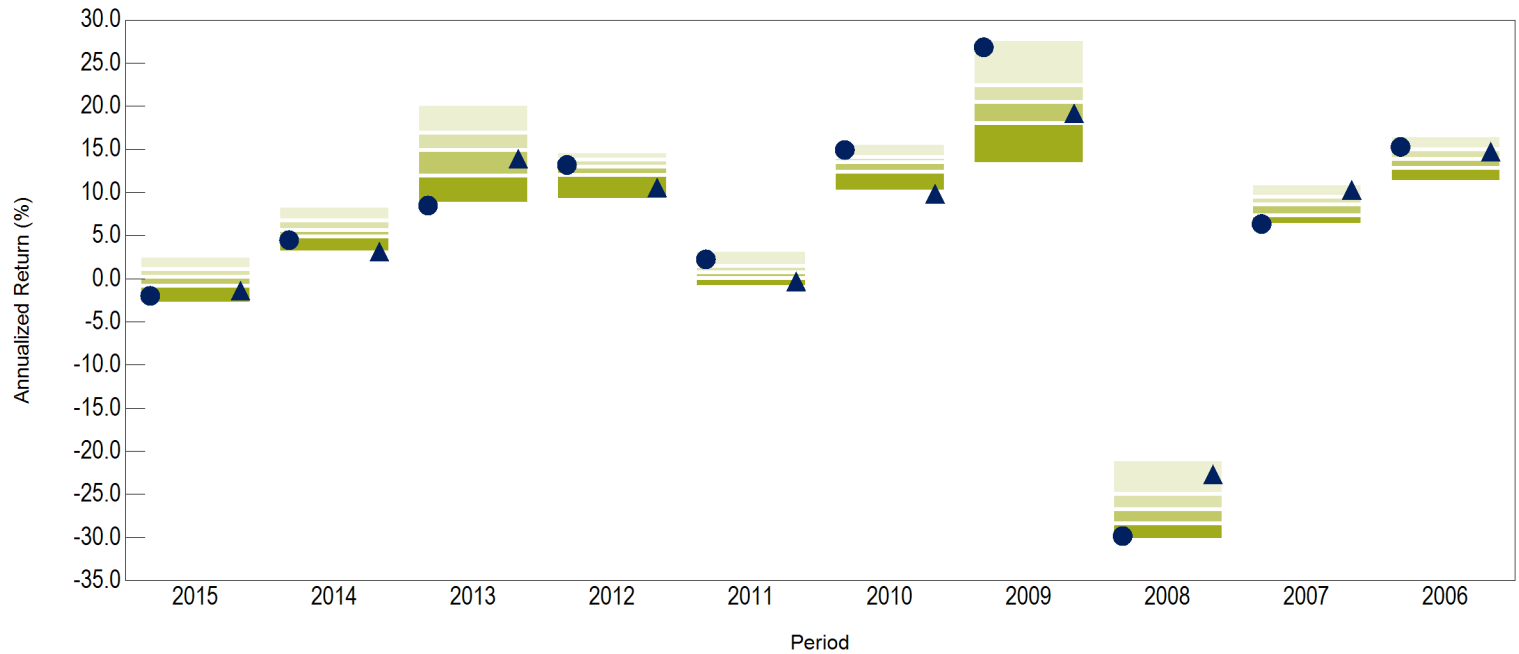
VPIC Composite vs. InvestorForce Public DB > \$1B Gross  
Ending December 31, 2015



	Return (Rank)									
5th Percentile	9.6	11.2	5.9	6.1	6.7					
25th Percentile	8.7	10.4	4.9	5.4	6.1					
Median	8.2	9.8	4.4	4.9	5.9					
75th Percentile	7.4	9.1	4.0	4.5	5.4					
95th Percentile	5.0	6.6	2.7	3.5	4.5					
# of Portfolios	79	79	78	75	75					
● Composite	6.7	(88)	9.4	(61)	3.5	(86)	3.8	(93)	4.9	(90)
▲ 60% MSCI World / 40% CITI WGBI	5.8	(94)	7.6	(93)	3.3	(89)	4.0	(88)	5.0	(83)

Total Fund Return Summary vs. Peer Universe

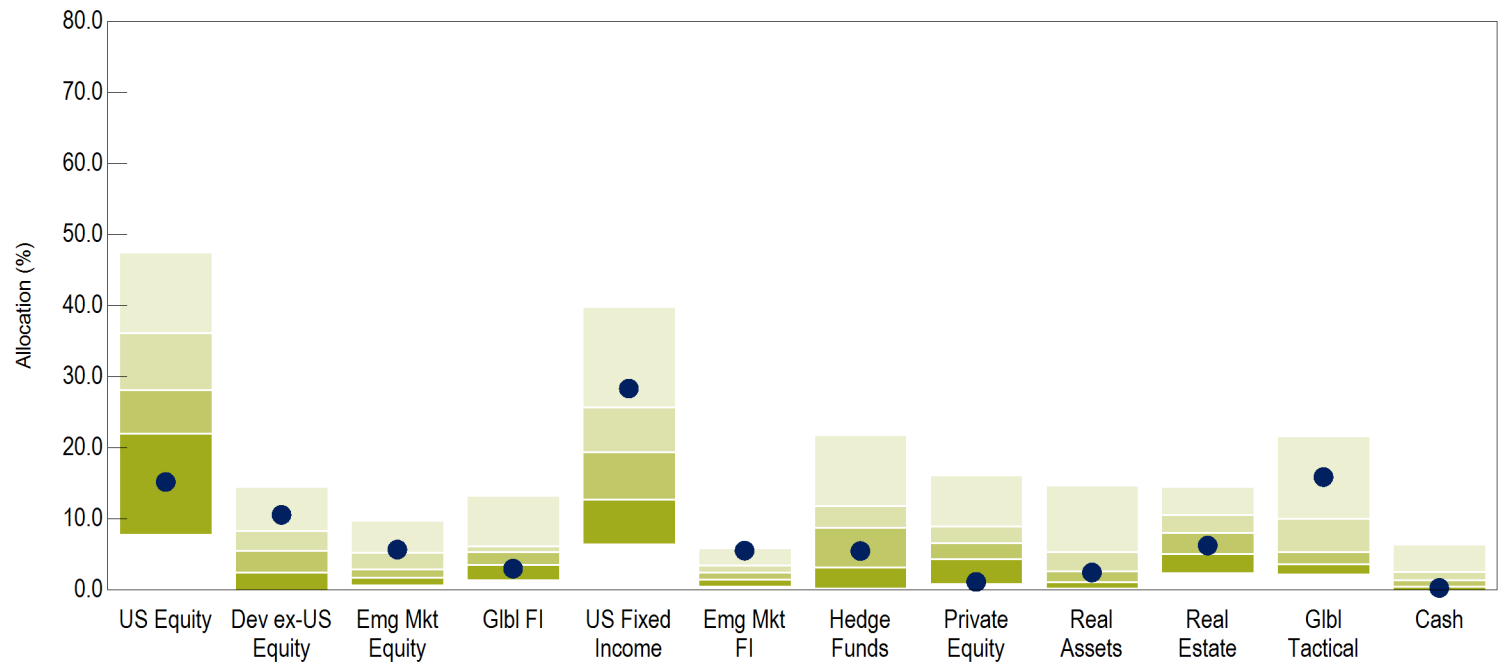
VPIC Composite vs. InvestorForce Public DB > \$1B Gross  
Ending December 31, 2015



	Return (Rank)										
5th Percentile	2.7	8.5	20.2	14.7	3.3	15.7	27.7	-21.0	11.0	16.6	
25th Percentile	1.1	6.8	17.0	13.9	1.6	14.2	22.5	-24.9	9.5	15.0	
Median	0.3	5.7	15.0	13.0	0.8	13.5	20.5	-26.7	8.6	13.9	
75th Percentile	-0.7	4.9	12.0	12.1	0.1	12.5	18.1	-28.3	7.4	12.9	
95th Percentile	-2.8	3.1	8.7	9.2	-0.9	10.2	13.4	-30.2	6.2	11.2	
# of Portfolios	98	79	67	74	68	66	66	65	64	64	
● Composite	-2.0 (90)	4.5 (82)	8.5 (96)	13.2 (43)	2.2 (12)	14.9 (14)	26.8 (8)	-29.8 (93)	6.3 (92)	15.3 (21)	
▲ 60% MSCI World / 40% CITI WGBI	-1.4 (89)	3.1 (95)	13.9 (67)	10.6 (91)	-0.3 (86)	9.8 (96)	19.2 (61)	-22.7 (9)	10.3 (17)	14.7 (37)	

Total Fund Allocation vs. Peer Universe

VPIC Composite vs. InvestorForce Public DB > \$1B Gross  
As of December 31, 2015



	Allocation (Rank)												
5th Percentile	47.5	14.6	9.7	13.2	39.8	5.9	21.8	16.2	14.7	14.6	21.6	6.4	--
25th Percentile	36.2	8.4	5.4	6.2	25.8	3.5	11.9	9.0	5.4	10.7	10.1	2.7	--
Median	28.2	5.6	3.0	5.4	19.5	2.5	8.8	6.7	2.7	8.2	5.4	1.5	--
75th Percentile	22.1	2.6	1.8	3.6	12.8	1.6	3.2	4.4	1.2	5.1	3.7	0.6	--
95th Percentile	7.8	0.0	0.7	1.4	6.5	0.6	0.3	0.9	0.3	2.4	2.3	0.0	--
# of Portfolios	93	13	35	26	87	21	42	48	26	80	18	84	--
● Composite	15.2 (90)	10.6 (20)	5.7 (20)	3.0 (84)	28.3 (17)	5.6 (11)	5.5 (65)	1.2 (94)	2.5 (54)	6.3 (65)	15.9 (11)	0.3 (86)	--

# VPIC Composite

## Total Fund Performance - Gross

	Ending December 31, 2015												
	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Market Value (\$)
<b>VPIC Composite</b>	1.0	92	-4.2	91	-2.0	90	3.6	97	5.2	93	4.9	90	3,616,865,353
60% MSCI World / 40% CITI WGBI	2.9	27	-1.6	24	-1.4	89	5.0	85	5.0	93	5.0	83	
InvestorForce Public DB > \$1B Gross Median	2.5		-2.5		0.3		7.4		7.1		5.9		
<b>Vermont State Teachers</b>	1.0	96	-4.1	91	-1.8	88	3.5	97	5.1	92	4.8	88	1,579,876,829
Allocation Index	1.4	94	-3.5	83	-1.8	88	3.5	97	4.4	96	4.5	94	
Policy Index	1.3	95	-3.2	76	-1.4	83	3.8	96	4.5	95	4.5	94	
InvestorForce Public DB Gross Median	2.7		-2.3		0.1		7.2		6.9		5.7		
<b>Vermont State Employees</b>	1.1	96	-4.2	93	-2.1	91	3.6	97	5.2	92	4.9	86	1,530,882,738
Allocation Index	1.4	94	-3.5	83	-1.8	88	3.7	97	4.4	96	4.6	92	
Policy Index	1.4	94	-3.2	76	-1.4	83	3.8	96	4.5	95	4.7	90	
InvestorForce Public DB Gross Median	2.7		-2.3		0.1		7.2		6.9		5.7		
<b>Vermont Municipal Employees</b>	1.1	96	-4.2	93	-2.2	92	3.6	97	5.2	91	5.0	85	503,408,185
Allocation Index	1.4	94	-3.5	83	-1.8	88	3.7	96	4.5	95	4.7	90	
Policy Index	1.4	94	-3.2	76	-1.4	83	3.8	96	4.5	95	4.7	89	
InvestorForce Public DB Gross Median	2.7		-2.3		0.1		7.2		6.9		5.7		

City of Burlington residual balance as of 12/31/2015 is \$2,697,602

## VPIC Composite

### Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Composite</b>	<b>3,616,865,353</b>	<b>100.0</b>	<b>100.0</b>	<b>1.0</b>	<b>92</b>	<b>-4.2</b>	<b>91</b>	<b>-2.0</b>	<b>90</b>	<b>3.6</b>	<b>97</b>	<b>5.2</b>	<b>93</b>
60% MSCI World / 40% CITI WGBI				2.9	27	-1.6	24	-1.4	89	5.0	85	5.0	93
InvestorForce Public DB > \$1B Gross Median				2.5		-2.5		0.3		7.4		7.1	
<b>Total Equity</b>	<b>1,138,888,020</b>	<b>31.5</b>	<b>32.0</b>	<b>4.5</b>	<b>60</b>	<b>-5.7</b>	<b>70</b>	<b>-2.6</b>	<b>74</b>	<b>8.1</b>	<b>69</b>	<b>--</b>	<b>--</b>
MSCI ACWI				5.0	46	-4.9	64	-2.4	73	7.7	75	6.1	77
eA All Global Equity Gross Median				4.8		-3.7		0.1		9.9		8.1	
<b>US Equity</b>	<b>549,998,358</b>	<b>15.2</b>	<b>16.0</b>	<b>6.0</b>	<b>30</b>	<b>-2.3</b>	<b>37</b>	<b>0.6</b>	<b>40</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Russell 3000				6.3	27	-1.4	30	0.5	41	14.7	43	12.2	42
eA All US Equity Gross Median				4.7		-4.1		-0.7		14.2		11.7	
<b>Large Cap Comp</b>	<b>360,690,904</b>	<b>10.0</b>	<b>11.0</b>	<b>6.4</b>	<b>39</b>	<b>-0.7</b>	<b>41</b>	<b>0.4</b>	<b>52</b>	<b>15.2</b>	<b>47</b>	<b>12.5</b>	<b>43</b>
S&P 500				7.0	25	0.2	31	1.4	43	15.1	48	12.6	43
eA US Large Cap Equity Gross Median				5.9		-1.5		0.5		14.9		12.2	
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>248,151,606</b>	<b>6.9</b>	<b>8.0</b>	<b>7.1</b>	<b>25</b>	<b>0.2</b>	<b>30</b>	<b>1.5</b>	<b>43</b>	<b>15.2</b>	<b>47</b>	<b>12.6</b>	<b>42</b>
S&P 500				7.0	25	0.2	31	1.4	43	15.1	48	12.6	43
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>112,532,491</b>	<b>3.1</b>	<b>3.0</b>	<b>4.8</b>	<b>76</b>	<b>-3.3</b>	<b>71</b>	<b>-2.6</b>	<b>76</b>	<b>14.9</b>	<b>51</b>	<b>12.2</b>	<b>50</b>
S&P 500 Equal Weighted				5.0	72	-2.9	67	-2.2	73	15.1	48	12.4	46
<b>T. Rowe</b>	<b>6,807</b>	<b>0.0</b>	<b>0.0</b>										
S&P 500													

All sub-composite returns for the total plan are based off TRS returns up to 4/31/2012, and include all plans thereafter.  
 Note: Returns are gross of manager fees except where noted. Results for periods longer than one year are annualized.  
 Fiscal Year End is 6/30

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Small/Mid Cap Comp</b>	<b>189,307,454</b>	<b>5.2</b>	<b>5.0</b>	<b>5.2</b>	<b>16</b>	<b>-5.4</b>	<b>28</b>	<b>0.8</b>	<b>23</b>	<b>14.6</b>	<b>29</b>	<b>11.8</b>	<b>29</b>
<i>Russell 2000</i>				3.6	37	-8.8	66	-4.4	71	11.7	72	9.2	76
<i>eA US Small-Mid Cap Equity Gross Median</i>				2.8		-7.4		-1.5		13.1		10.7	
<b>SSgA S&amp;P 400</b>	<b>19,478,394</b>	<b>0.5</b>	<b>0.5</b>	<b>2.6</b>	<b>63</b>	<b>-6.1</b>	<b>57</b>	<b>-2.2</b>	<b>60</b>	<b>12.8</b>	<b>70</b>	<b>--</b>	<b>--</b>
<i>S&amp;P 400 MidCap</i>				2.6	63	-6.1	57	-2.2	60	12.8	72	10.7	63
<i>eA US Mid Cap Equity Gross Median</i>				3.1		-5.7		-1.3		14.0		11.3	
<b>Champlain</b>	<b>74,686,489</b>	<b>2.1</b>	<b>2.0</b>	<b>5.8</b>	<b>6</b>	<b>-4.2</b>	<b>33</b>	<b>2.4</b>	<b>18</b>	<b>15.9</b>	<b>24</b>	<b>12.8</b>	<b>26</b>
<i>Russell 2500</i>				3.3	46	-7.4	72	-2.9	67	12.5	75	10.3	70
<i>eA US Mid Cap Equity Gross Median</i>				3.1		-5.7		-1.3		14.0		11.3	
<b>Wellington</b>	<b>77,878,327</b>	<b>2.2</b>	<b>2.0</b>	<b>5.7</b>	<b>6</b>	<b>-5.2</b>	<b>21</b>	<b>0.1</b>	<b>10</b>	<b>13.4</b>	<b>28</b>	<b>11.6</b>	<b>20</b>
<i>Russell 2000 Value</i>				2.9	40	-8.2	61	-7.5	74	9.1	79	7.7	80
<i>eA US Small Cap Value Equity Gross Median</i>				2.4		-7.2		-4.3		11.9		9.9	
<b>SSgA Russell 2000 Growth</b>	<b>17,264,244</b>	<b>0.5</b>	<b>0.5</b>	<b>4.3</b>	<b>40</b>	<b>-9.3</b>	<b>54</b>	<b>-1.4</b>	<b>59</b>	<b>14.3</b>	<b>56</b>	<b>10.7</b>	<b>64</b>
<i>Russell 2000 Growth</i>				4.3	39	-9.3	55	-1.4	59	14.3	56	10.7	64
<i>eA US Small Cap Growth Equity Gross Median</i>				3.5		-8.7		-0.6		14.6		11.5	

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Int'l Equity Comp</b>	<b>382,789,880</b>	<b>10.6</b>	<b>10.0</b>	<b>4.0</b>	<b>71</b>	<b>-6.1</b>	<b>67</b>	<b>-1.2</b>	<b>77</b>	<b>6.1</b>	<b>57</b>	<b>4.3</b>	<b>68</b>
MSCI EAFE				4.7	53	-6.0	66	-0.8	74	5.0	73	3.6	80
eA All EAFE Equity Gross Median				4.8		-4.7		1.4		6.7		5.3	
<b>Acadian</b>	<b>149,661,947</b>	<b>4.1</b>	<b>4.0</b>	<b>5.8</b>	<b>32</b>	<b>-2.4</b>	<b>20</b>	<b>3.1</b>	<b>36</b>	<b>8.5</b>	<b>30</b>	<b>5.4</b>	<b>49</b>
<b>Mondrian</b>	<b>144,073,328</b>	<b>4.0</b>	<b>4.0</b>	<b>2.5</b>	<b>89</b>	<b>-7.9</b>	<b>85</b>	<b>-2.9</b>	<b>86</b>	<b>5.8</b>	<b>62</b>	<b>4.6</b>	<b>65</b>
MSCI EAFE				4.7	53	-6.0	66	-0.8	74	5.0	73	3.6	80
S&P EPAC LargeMidCap				4.8	51	-6.1	67	-0.5	67	5.1	71	3.9	75
<b>SSgA ACWI Ex US</b>	<b>89,054,605</b>	<b>2.5</b>	<b>2.0</b>	<b>3.3</b>	<b>81</b>	<b>-9.2</b>	<b>90</b>	<b>-5.5</b>	<b>87</b>	<b>1.7</b>	<b>87</b>	<b>1.3</b>	<b>95</b>
MSCI ACWI ex USA				3.2	81	-9.3	90	-5.7	87	1.5	88	1.1	95
eA ACWI ex-US All Cap Equity Gross Median				5.0		-5.8		0.2		5.5		4.4	
<b>Emerging Market Comp</b>	<b>206,099,782</b>	<b>5.7</b>	<b>6.0</b>										
eA Emg Mkts Equity Gross Median													
<b>Aberdeen</b>	<b>206,099,782</b>	<b>5.7</b>	<b>6.0</b>	<b>0.8</b>	<b>60</b>	<b>-14.1</b>	<b>44</b>	<b>-13.1</b>	<b>56</b>	<b>-6.8</b>	<b>79</b>	<b>-1.7</b>	<b>33</b>
MSCI Emerging Markets				0.7	64	-17.4	80	-14.9	70	-6.8	78	-4.8	83
eA Emg Mkts Equity Gross Median				1.6		-14.7		-12.2		-4.3		-3.0	



VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>US Fixed Income</b>	<b>1,025,170,531</b>	<b>28.3</b>	<b>27.0</b>	<b>-0.2</b>	<b>33</b>	<b>-0.7</b>	<b>76</b>	<b>0.5</b>	<b>60</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				-0.6	65	0.7	33	0.5	60	1.4	64	3.2	63
eA All US Fixed Inc Gross Median				-0.4		0.3		0.8		1.7		3.7	
<b>Diversified Fixed Income</b>	<b>763,101,795</b>	<b>21.1</b>	<b>20.0</b>	<b>0.3</b>	<b>13</b>	<b>0.5</b>	<b>40</b>	<b>1.4</b>	<b>25</b>	<b>2.2</b>	<b>33</b>	<b>4.4</b>	<b>35</b>
Barclays Aggregate				-0.6	65	0.7	33	0.5	60	1.4	64	3.2	63
eA All US Fixed Inc Gross Median				-0.4		0.3		0.8		1.7		3.7	
<b>Allianz Structured Alpha</b>	<b>112,699,895</b>	<b>3.1</b>	<b>2.0</b>	<b>1.6</b>	<b>2</b>	<b>3.3</b>	<b>1</b>	<b>6.9</b>	<b>1</b>	<b>7.7</b>	<b>1</b>	<b>8.4</b>	<b>1</b>
Citi 10 Year Treasury				-1.4	99	1.4	4	0.9	51	1.0	98	4.6	9
<b>SSgA Barclays Aggregate Index</b>	<b>111,740,727</b>	<b>3.1</b>	<b>3.0</b>	<b>-0.6</b>	<b>72</b>	<b>0.7</b>	<b>52</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				-0.6	72	0.7	53	0.5	75	1.4	79	3.2	84
3-Month Libor Total Return USD				0.1	3	0.2	86	0.3	84	0.3	99	0.3	99
eA US Core Fixed Inc Gross Median				-0.4		0.7		0.9		1.7		3.7	
<b>PIMCO Core Plus</b>	<b>167,625,527</b>	<b>4.6</b>	<b>5.0</b>	<b>0.1</b>	<b>5</b>	<b>0.2</b>	<b>86</b>	<b>1.1</b>	<b>38</b>	<b>1.3</b>	<b>90</b>	<b>3.8</b>	<b>50</b>
Barclays Aggregate				-0.6	72	0.7	53	0.5	75	1.4	79	3.2	84
<b>Wellington DAS</b>	<b>112,442,736</b>	<b>3.1</b>	<b>3.0</b>	<b>0.6</b>	<b>2</b>	<b>5.7</b>	<b>1</b>	<b>5.9</b>	<b>1</b>	<b>5.1</b>	<b>1</b>	<b>8.3</b>	<b>1</b>
Wellington Custom Benchmark				-1.5	99	2.1	2	1.8	7	2.0	29	5.9	2
<b>Unconstrained Fixed Income</b>	<b>258,592,910</b>	<b>7.1</b>	<b>7.0</b>	<b>0.0</b>	<b>5</b>	<b>-2.6</b>	<b>99</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
25% HY, 25% EMD, 50% BC Agg				-0.4	43	-1.5	99	-0.5	98	1.2	94	4.2	20
Barclays Global Aggregate				-0.9	98	-0.1	93	-3.2	99	-1.7	99	0.9	99
eA US Core Fixed Inc Gross Median				-0.4		0.7		0.9		1.7		3.7	
<b>PIMCO Unconstrained</b>	<b>94,214,633</b>	<b>2.6</b>	<b>2.5</b>	<b>0.9</b>	<b>2</b>	<b>-2.2</b>	<b>99</b>	<b>-1.9</b>	<b>99</b>	<b>-0.1</b>	<b>99</b>	<b>--</b>	<b>--</b>
25% HY, 25% EMD, 50% BC Agg				-0.4	43	-1.5	99	-0.5	98	1.2	94	4.2	20
3-Month Libor Total Return USD				0.1	3	0.2	86	0.3	84	0.3	99	0.3	99
<b>GAM Unconstrained Bond</b>	<b>164,378,277</b>	<b>4.5</b>	<b>4.5</b>	<b>-0.5</b>	<b>60</b>	<b>-2.8</b>	<b>99</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
3-Month LIBOR + 3%				0.9	2	1.7	3	3.3	1	3.3	3	3.3	81

Wellington DAS is Net of Fees. Allianz is Net of Fees from inception to Q3 2012, and Grossed up quarterly since  
 Wellington Custom Benchmark: 5/1/2002 - 5/31/2011 is the Barclays Aggregate; 6/1/2011 - Present is the Citigroup US Strips Index  
 GAM Unconstrained Bond was funded in June 2015

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>High Yield Comp</b>	<b>149,352,757</b>	<b>4.1</b>	<b>4.0</b>	<b>-2.2</b>	<b>78</b>	<b>-6.0</b>	<b>63</b>	<b>-2.7</b>	<b>53</b>	<b>2.5</b>	<b>53</b>	<b>5.5</b>	<b>50</b>
<i>eA US High Yield Fixed Inc Gross Median</i>				-1.2		-5.4		-2.4		2.6		5.5	
<b>KDP</b>	<b>37,071,103</b>	<b>1.0</b>	<b>1.0</b>	<b>-1.5</b>	<b>58</b>	<b>-5.7</b>	<b>59</b>	<b>-3.1</b>	<b>61</b>	<b>1.6</b>	<b>81</b>	<b>4.7</b>	<b>79</b>
<b>Guggenheim</b>	<b>112,281,654</b>	<b>3.1</b>	<b>3.0</b>	<b>-2.4</b>	<b>80</b>	<b>-6.1</b>	<b>65</b>	<b>-2.5</b>	<b>52</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Barclays High Yield</i>				-2.1	75	-6.8	77	-4.5	82	1.7	76	5.0	65
<i>BofA Merrill Lynch US High Yield BB-B Rated</i>				-1.1	45	-5.4	51	-2.9	56	2.2	64	5.3	57
<i>eA US High Yield Fixed Inc Gross Median</i>				-1.2		-5.4		-2.4		2.6		5.5	
<b>TIPS</b>	<b>112,715,980</b>	<b>3.1</b>	<b>3.0</b>										
<i>eA TIPS / Infl Indexed Fixed Inc Gross Median</i>													
<b>BlackRock TIPS</b>	<b>112,715,980</b>	<b>3.1</b>	<b>3.0</b>	<b>-0.6</b>	<b>--</b>	<b>-1.8</b>	<b>--</b>	<b>-1.3</b>	<b>--</b>	<b>-2.3</b>	<b>--</b>	<b>2.5</b>	<b>--</b>
<i>Barclays US TIPS</i>				-0.6	--	-1.8	--	-1.4	--	-2.3	--	2.5	--
<b>Global Fixed Income Comp</b>	<b>108,844,669</b>	<b>3.0</b>	<b>3.0</b>	<b>-1.5</b>	<b>79</b>	<b>-0.6</b>	<b>36</b>	<b>-2.8</b>	<b>55</b>	<b>-3.2</b>	<b>90</b>	<b>0.2</b>	<b>91</b>
<i>eA All Global Fixed Inc Gross Median</i>				-0.6		-1.5		-2.4		0.6		2.9	
<b>Mondrian GFI</b>	<b>108,844,669</b>	<b>3.0</b>	<b>3.0</b>	<b>-1.5</b>	<b>79</b>	<b>-0.6</b>	<b>36</b>	<b>-2.8</b>	<b>55</b>	<b>-3.2</b>	<b>90</b>	<b>-0.4</b>	<b>95</b>
<i>Citi WGBI</i>				-1.2	74	0.5	15	-3.6	68	-2.7	87	-0.1	92
<b>Emerging Market Debt</b>	<b>200,829,297</b>	<b>5.6</b>	<b>5.0</b>										
<i>eA All Emg Mkts Fixed Inc Gross Median</i>													
<b>Wellington Opportunistic EMD</b>	<b>200,829,297</b>	<b>5.6</b>	<b>5.0</b>	<b>1.9</b>	<b>10</b>	<b>-1.6</b>	<b>18</b>	<b>-1.0</b>	<b>39</b>	<b>-0.1</b>	<b>35</b>	<b>5.1</b>	<b>22</b>
<i>JP Morgan EMBI Global TR</i>				1.5	19	-0.5	8	1.2	16	-0.1	35	5.1	23
<i>eA All Emg Mkts Fixed Inc Gross Median</i>				0.6		-4.1		-2.6		-1.5		2.9	

Wellington Opportunistic EMD is Net of manager fees

# VPIC Composite

## Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Total Real Estate</b>	<b>226,712,880</b>	<b>6.3</b>	<b>6.0</b>	<b>0.1</b>	<b>--</b>	<b>2.8</b>	<b>--</b>	<b>10.7</b>	<b>--</b>	<b>13.5</b>	<b>--</b>	<b>--</b>	<b>--</b>
Morgan Stanley Prime Property	106,230,682	2.9	2.0	0.0	--	3.8	--	11.9	--	14.9	--	14.8	--
UBS Trumbull	89,774,362	2.5	2.0	0.0	--	3.4	--	9.6	--	10.6	--	11.0	--
RREEF America REIT III	6,514,631	0.2	0.5	-0.9	--	-5.8	--	8.3	--	17.4	--	25.5	--
Siguler Guff	23,870,145	0.7	1.0	1.1	--	0.6	--	8.1	--	--	--	--	--
Transwestern Aslan III	323,060	0.0	0.5	0.0	--	2.1	--	6.0	--	17.5	--	10.3	--
NCREIF Property Index				2.9	--	6.1	--	13.3	--	12.0	--	12.2	--
NCREIF ODCE				3.3	--	7.1	--	15.0	--	13.8	--	13.7	--
<b>Hedge Fund Comp</b>	<b>198,672,178</b>	<b>5.5</b>	<b>5.0</b>	<b>0.2</b>	<b>54</b>	<b>-2.3</b>	<b>40</b>	<b>-0.4</b>	<b>45</b>	<b>5.2</b>	<b>39</b>	<b>4.1</b>	<b>35</b>
HFRI Fund of Funds Composite Index				0.7	38	-2.9	45	-0.3	42	3.9	60	2.1	71
Grosvenor	198,089,457	5.5	5.0	0.1	55	-2.4	40	0.0	40	6.0	24	4.5	27
GAM	582,721	0.0	0.0										
<b>GAA Comp</b>	<b>575,071,701</b>	<b>15.9</b>	<b>16.0</b>	<b>-0.6</b>	<b>77</b>	<b>-8.3</b>	<b>92</b>	<b>-6.5</b>	<b>75</b>	<b>0.4</b>	<b>85</b>	<b>3.3</b>	<b>69</b>
eA Global TAA Gross Median				1.1		-4.0		-3.4		3.8		4.6	
Mellon Dynamic Growth	80,712,421	2.2	2.0	4.7	5	-2.1	26	3.7	2	7.5	9	6.9	12
Mellon Dynamic Growth Benchmark				2.4	39	-3.3	37	-2.8	46	3.5	54	4.2	61
AQR Global Risk Premium	278,451,344	7.7	8.0	-2.8	97	-10.2	98	-9.0	92	-1.2	93	3.7	68
60% MSCI World / 40% CITI WGBI				2.9	26	-1.6	23	-1.4	37	5.0	31	5.0	45
PIMCO All Asset	215,907,936	6.0	6.0	0.2	64	-8.2	91	-7.9	84	-1.6	94	2.8	72
PIMCO All Asset Index				0.2	62	-0.8	15	0.0	23	1.7	77	4.1	63
CPI + 5% (Seasonally Adjusted)				1.3	49	2.5	1	5.7	1	6.0	18	6.6	16
<b>Commodities</b>	<b>89,671,145</b>	<b>2.5</b>	<b>3.0</b>										
Schroder	89,671,145	2.5	3.0	-11.8	--	-23.9	--	-27.2	--	-20.1	--	-13.7	--
Bloomberg Commodity Index				-10.5	--	-23.5	--	-24.7	--	-17.3	--	-13.5	--
<b>Cash</b>	<b>11,008,032</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.1</b>	<b>--</b>
91 Day T-Bills				0.0	--	0.0	--	0.0	--	0.0	--	0.0	--

Real Estate is updated through Q3 2015.

Siguler Guff/RREEF data is preliminary, as of 12/31/2015

Hedge Fund Comp and Commodities are Net of Manager Fees

PIMCO All Asset Index: 40% BC Agg / 30% TIPS / 10% S&P500 / 10% BC HY / 10% JPM EMBI+

Mellon Dynamic Growth Benchmark: 60% MSCI All Country World Index IMI / 40% Citigroup GDP Weighted

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Private Equity</b>	<b>41,996,901</b>	<b>1.2</b>	<b>3.0</b>	<b>2.3</b>	<b>--</b>	<b>1.2</b>	<b>--</b>	<b>13.1</b>	<b>--</b>	<b>15.5</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Cambridge Associates US All PE</i>				<i>0.0</i>	<i>--</i>	<i>-1.4</i>	<i>--</i>	<i>5.1</i>	<i>--</i>	<i>12.3</i>	<i>--</i>	<i>12.4</i>	<i>--</i>
<b>Harbourvest Partners IX Credit Opportunities</b>	<b>1,749,026</b>	<b>0.0</b>	<b>--</b>										
<b>Harbourvest Partners IX Venture Fund</b>	<b>10,232,228</b>	<b>0.3</b>	<b>--</b>										
<b>Harbourvest Partners IX Buyout Fund</b>	<b>11,809,805</b>	<b>0.3</b>	<b>--</b>										
<b>Harbourvest Partners X Venture Fund</b>	<b>500,349</b>	<b>0.0</b>	<b>--</b>										
<b>Harbourvest Partners X Buyout Fund</b>	<b>863,797</b>	<b>0.0</b>	<b>--</b>										
<b>Harbourvest Dover VIII Fund</b>	<b>15,079,703</b>	<b>0.4</b>	<b>--</b>										
<b>HIPEP VII</b>	<b>1,761,993</b>	<b>0.0</b>	<b>--</b>										

Harbourvest is based on estimated Capital Account Statements for Q4 2015

## VPIC Composite

### Total Fund Performance - Net

	Ending December 31, 2015						Market Value (\$)
	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	
<b>VPIC Composite</b>	1.0	-4.3	-2.4	3.1	4.7	4.6	<b>3,616,865,353</b>
<i>60% MSCI World / 40% CITI WGBI</i>	2.9	-1.6	-1.4	5.0	5.0	5.0	
<b>Vermont State Teachers</b>	0.9	-4.2	-2.2	3.1	4.7	4.5	<b>1,579,876,829</b>
<i>Allocation Index</i>	1.4	-3.5	-1.8	3.5	4.4	4.5	
<i>Policy Index</i>	1.3	-3.2	-1.4	3.8	4.5	4.5	
<b>Vermont State Employees</b>	1.0	-4.4	-2.5	3.2	4.7	4.6	<b>1,530,882,738</b>
<i>Allocation Index</i>	1.4	-3.5	-1.8	3.7	4.4	4.6	
<i>Policy Index</i>	1.4	-3.2	-1.4	3.8	4.5	4.7	
<b>Vermont Municipal Employees</b>	1.0	-4.4	-2.6	3.2	4.7	4.7	<b>503,408,185</b>
<i>Allocation Index</i>	1.4	-3.5	-1.8	3.7	4.5	4.7	
<i>Policy Index</i>	1.4	-3.2	-1.4	3.8	4.5	4.7	

City of Burlington residual balance as of 12/31/2015 is \$2,697,602

## VPIC Composite

### Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>Composite</b>	<b>3,616,865,353</b>	<b>100.0</b>	<b>100.0</b>	<b>1.0</b>	<b>-4.3</b>	<b>-2.4</b>	<b>3.1</b>	<b>4.7</b>
<i>60% MSCI World / 40% CITI WGBI</i>				2.9	-1.6	-1.4	5.0	5.0
<b>Total Equity</b>	<b>1,138,888,020</b>	<b>31.5</b>	<b>32.0</b>	<b>4.4</b>	<b>-5.8</b>	<b>-2.9</b>	<b>7.7</b>	<b>--</b>
<i>MSCI ACWI</i>				5.0	-4.9	-2.4	7.7	6.1
<b>US Equity</b>	<b>549,998,358</b>	<b>15.2</b>	<b>16.0</b>	<b>5.9</b>	<b>-2.5</b>	<b>0.3</b>	<b>--</b>	<b>--</b>
<i>Russell 3000</i>				6.3	-1.4	0.5	14.7	12.2
<b>Large Cap Comp</b>	<b>360,690,904</b>	<b>10.0</b>	<b>11.0</b>	<b>6.4</b>	<b>-0.8</b>	<b>0.3</b>	<b>15.1</b>	<b>12.4</b>
<i>S&amp;P 500</i>				7.0	0.2	1.4	15.1	12.6
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>248,151,606</b>	<b>6.9</b>	<b>8.0</b>	<b>7.1</b>	<b>0.2</b>	<b>1.4</b>	<b>15.1</b>	<b>12.6</b>
<i>S&amp;P 500</i>				7.0	0.2	1.4	15.1	12.6
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>112,532,491</b>	<b>3.1</b>	<b>3.0</b>	<b>4.8</b>	<b>-3.3</b>	<b>-2.7</b>	<b>14.9</b>	<b>12.2</b>
<i>S&amp;P 500 Equal Weighted</i>				5.0	-2.9	-2.2	15.1	12.4
<b>T. Rowe</b>	<b>6,807</b>	<b>0.0</b>	<b>0.0</b>					
<i>S&amp;P 500</i>								
<b>Small/Mid Cap Comp</b>	<b>189,307,454</b>	<b>5.2</b>	<b>5.0</b>	<b>5.1</b>	<b>-5.7</b>	<b>0.2</b>	<b>14.0</b>	<b>11.2</b>
<i>Russell 2000</i>				3.6	-8.8	-4.4	11.7	9.2
<b>SSgA S&amp;P 400</b>	<b>19,478,394</b>	<b>0.5</b>	<b>0.5</b>	<b>2.6</b>	<b>-6.1</b>	<b>-2.2</b>	<b>12.7</b>	<b>--</b>
<i>S&amp;P 400 MidCap</i>				2.6	-6.1	-2.2	12.8	10.7
<b>Champlain</b>	<b>74,686,489</b>	<b>2.1</b>	<b>2.0</b>	<b>5.6</b>	<b>-4.5</b>	<b>1.6</b>	<b>15.0</b>	<b>12.0</b>
<i>Russell 2500</i>				3.3	-7.4	-2.9	12.5	10.3
<b>Wellington</b>	<b>77,878,327</b>	<b>2.2</b>	<b>2.0</b>	<b>5.5</b>	<b>-5.5</b>	<b>-0.7</b>	<b>12.5</b>	<b>10.7</b>
<i>Russell 2000 Value</i>				2.9	-8.2	-7.5	9.1	7.7
<b>SSgA Russell 2000 Growth</b>	<b>17,264,244</b>	<b>0.5</b>	<b>0.5</b>	<b>4.3</b>	<b>-9.3</b>	<b>-1.5</b>	<b>14.2</b>	<b>10.6</b>
<i>Russell 2000 Growth</i>				4.3	-9.3	-1.4	14.3	10.7

Fiscal Year End is 6/30

Report is Net of manager fees

Net returns use one quarter lagged manager fees based on manager's invoices broken out using JPMorgan weights at the quarter end for which the fees were accrued

Net returns begin Q3 2012, and are gross before to inception except where otherwise noted



NEPC, LLC

December 31, 2015

VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>Int'l Equity Comp</b>	<b>382,789,880</b>	<b>10.6</b>	<b>10.0</b>	<b>3.9</b>	<b>-6.3</b>	<b>-1.5</b>	<b>5.7</b>	<b>3.9</b>
<i>MSCI EAFE</i>				4.7	-6.0	-0.8	5.0	3.6
<b>Acadian</b>	<b>149,661,947</b>	<b>4.1</b>	<b>4.0</b>	<b>5.7</b>	<b>-2.7</b>	<b>2.6</b>	<b>7.9</b>	<b>4.8</b>
<b>Mondrian</b>	<b>144,073,328</b>	<b>4.0</b>	<b>4.0</b>	<b>2.4</b>	<b>-8.1</b>	<b>-3.3</b>	<b>5.4</b>	<b>4.2</b>
<i>MSCI EAFE</i>				4.7	-6.0	-0.8	5.0	3.6
<i>S&amp;P EPAC LargeMidCap</i>				4.8	-6.1	-0.5	5.1	3.9
<b>SSgA ACWI Ex US</b>	<b>89,054,605</b>	<b>2.5</b>	<b>2.0</b>	<b>3.3</b>	<b>-9.3</b>	<b>-5.5</b>	<b>1.7</b>	<b>1.2</b>
<i>MSCI ACWI ex USA</i>				3.2	-9.3	-5.7	1.5	1.1
<b>Emerging Market Comp</b>	<b>206,099,782</b>	<b>5.7</b>	<b>6.0</b>					
<b>Aberdeen</b>	<b>206,099,782</b>	<b>5.7</b>	<b>6.0</b>	<b>0.6</b>	<b>-14.4</b>	<b>-13.8</b>	<b>-7.5</b>	<b>-2.5</b>
<i>MSCI Emerging Markets</i>				0.7	-17.4	-14.9	-6.8	-4.8
<b>US Fixed Income</b>	<b>1,025,170,531</b>	<b>28.3</b>	<b>27.0</b>	<b>-0.3</b>	<b>-0.9</b>	<b>0.1</b>	<b>--</b>	<b>--</b>
<i>Barclays Aggregate</i>				-0.6	0.7	0.5	1.4	3.2
<b>Diversified Fixed Income</b>	<b>763,101,795</b>	<b>21.1</b>	<b>20.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.9</b>	<b>1.6</b>	<b>3.9</b>
<i>Barclays Aggregate</i>				-0.6	0.7	0.5	1.4	3.2
<b>Allianz Structured Alpha</b>	<b>112,699,895</b>	<b>3.1</b>	<b>2.0</b>	<b>1.6</b>	<b>2.9</b>	<b>5.2</b>	<b>5.8</b>	<b>7.1</b>
<i>Citi 10 Year Treasury</i>				-1.4	1.4	0.9	1.0	4.6
<b>SSgA Barclays Aggregate Index</b>	<b>111,740,727</b>	<b>3.1</b>	<b>3.0</b>	<b>-0.6</b>	<b>0.6</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Barclays Aggregate</i>				-0.6	0.7	0.5	1.4	3.2
<i>3-Month Libor Total Return USD</i>				0.1	0.2	0.3	0.3	0.3
<b>PIMCO Core Plus</b>	<b>167,625,527</b>	<b>4.6</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>1.0</b>	<b>3.5</b>
<i>Barclays Aggregate</i>				-0.6	0.7	0.5	1.4	3.2
<b>Wellington DAS</b>	<b>112,442,736</b>	<b>3.1</b>	<b>3.0</b>	<b>0.6</b>	<b>5.7</b>	<b>5.9</b>	<b>5.1</b>	<b>7.9</b>
<i>Wellington Custom Benchmark</i>				-1.5	2.1	1.8	2.0	5.9
<b>Unconstrained Fixed Income</b>	<b>258,592,910</b>	<b>7.1</b>	<b>7.0</b>	<b>-0.1</b>	<b>-2.8</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>25% HY, 25% EMD, 50% BC Agg</i>				-0.4	-1.5	-0.5	1.2	4.2
<i>Barclays Global Aggregate</i>				-0.9	-0.1	-3.2	-1.7	0.9
<b>PIMCO Unconstrained</b>	<b>94,214,633</b>	<b>2.6</b>	<b>2.5</b>	<b>0.8</b>	<b>-2.7</b>	<b>-2.8</b>	<b>-0.9</b>	<b>--</b>
<i>25% HY, 25% EMD, 50% BC Agg</i>				-0.4	-1.5	-0.5	1.2	4.2
<i>3-Month Libor Total Return USD</i>				0.1	0.2	0.3	0.3	0.3
<b>GAM Unconstrained Bond</b>	<b>164,378,277</b>	<b>4.5</b>	<b>4.5</b>	<b>-0.6</b>	<b>-3.0</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>3-Month LIBOR + 3%</i>				0.9	1.7	3.3	3.3	3.3

Wellington Custom Benchmark: 5/1/2002 - 5/31/2011 is the Barclays Aggregate; 6/1/2011 - Present is the Citigroup US Strips Index  
 GAM Unconstrained Bond was funded in June 2015



VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>High Yield Comp</b>	149,352,757	4.1	4.0	-2.3	-6.2	-3.2	2.1	5.1
<b>KDP</b>	37,071,103	1.0	1.0	-1.6	-6.0	-3.7	0.9	4.0
<b>Guggenheim</b>	112,281,654	3.1	3.0	-2.5	-6.3	-3.0	--	--
<i>Barclays High Yield</i>				-2.1	-6.8	-4.5	1.7	5.0
<i>BofA Merrill Lynch US High Yield BB-B Rated</i>				-1.1	-5.4	-2.9	2.2	5.3
<b>TIPS</b>	112,715,980	3.1	3.0					
<b>BlackRock TIPS</b>	112,715,980	3.1	3.0	-0.6	-1.8	-1.4	-2.4	2.3
<i>Barclays US TIPS</i>				-0.6	-1.8	-1.4	-2.3	2.5
<b>Global Fixed Income Comp</b>	108,844,669	3.0	3.0	-1.6	-0.7	-3.1	-3.5	-0.1
<b>Mondrian GFI</b>	108,844,669	3.0	3.0	-1.6	-0.7	-3.1	-3.5	-0.8
<i>Citi WGBI</i>				-1.2	0.5	-3.6	-2.7	-0.1
<b>Emerging Market Debt</b>	200,829,297	5.6	5.0					
<b>Wellington Opportunistic EMD</b>	200,829,297	5.6	5.0	1.9	-1.6	-1.0	-0.1	5.0
<i>JP Morgan EMBI Global TR</i>				1.5	-0.5	1.2	-0.1	5.1
<b>Total Real Estate</b>	226,712,880	6.3	6.0	0.1	2.6	9.9	12.4	--
<b>Morgan Stanley Prime Property</b>	106,230,682	2.9	2.0	0.0	3.6	11.2	13.8	13.9
<b>UBS Trumbull</b>	89,774,362	2.5	2.0	0.0	3.2	8.8	9.5	10.0
<b>RREEF America REIT III</b>	6,514,631	0.2	0.5	-0.9	-6.1	7.5	16.1	24.2
<b>Siguler Guff</b>	23,870,145	0.7	1.0	1.1	0.6	8.1	--	--
<b>Transwestern Aslan III</b>	323,060	0.0	0.5	0.0	2.1	5.6	16.7	9.3
<i>NCREIF Property Index</i>				2.9	6.1	13.3	12.0	12.2
<i>NCREIF ODCE</i>				3.3	7.1	15.0	13.8	13.7

Real Estate is updated through Q3 2015. Siguler Guff/RREEF data is preliminary as of 12/31/2015

# VPIC Composite

## Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>Hedge Fund Comp</b>	<b>198,672,178</b>	<b>5.5</b>	<b>5.0</b>	<b>0.2</b>	<b>-2.3</b>	<b>-0.4</b>	<b>5.2</b>	<b>4.1</b>
<i>HFRI Fund of Funds Composite Index</i>				0.7	-2.9	-0.3	3.9	2.1
<b>Grosvenor</b>	<b>198,089,457</b>	<b>5.5</b>	<b>5.0</b>	<b>0.1</b>	<b>-2.4</b>	<b>0.0</b>	<b>6.0</b>	<b>4.5</b>
<b>GAM</b>	<b>582,721</b>	<b>0.0</b>	<b>0.0</b>					
<b>GAA Comp</b>	<b>575,071,701</b>	<b>15.9</b>	<b>16.0</b>	<b>-0.8</b>	<b>-8.6</b>	<b>-7.1</b>	<b>-0.1</b>	<b>2.7</b>
<b>Mellon Dynamic Growth</b>	<b>80,712,421</b>	<b>2.2</b>	<b>2.0</b>	<b>4.6</b>	<b>-2.4</b>	<b>3.0</b>	<b>6.8</b>	<b>6.2</b>
<i>Mellon Dynamic Growth Benchmark</i>				2.4	-3.3	-2.8	3.5	4.2
<b>AQR Global Risk Premium</b>	<b>278,451,344</b>	<b>7.7</b>	<b>8.0</b>	<b>-2.9</b>	<b>-10.3</b>	<b>-9.4</b>	<b>-1.6</b>	<b>3.3</b>
<i>60% MSCI World / 40% CITI WGBI</i>				2.9	-1.6	-1.4	5.0	5.0
<b>PIMCO All Asset</b>	<b>215,907,936</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>	<b>-8.6</b>	<b>-8.7</b>	<b>-2.5</b>	<b>1.9</b>
<i>PIMCO All Asset Index</i>				0.2	-0.8	0.0	1.7	4.1
<i>CPI + 5% (Seasonally Adjusted)</i>				1.3	2.5	5.7	6.0	6.6
<b>Commodities</b>	<b>89,671,145</b>	<b>2.5</b>	<b>3.0</b>					
<b>Schroder</b>	<b>89,671,145</b>	<b>2.5</b>	<b>3.0</b>	<b>-11.8</b>	<b>-23.9</b>	<b>-27.2</b>	<b>-20.1</b>	<b>-13.7</b>
<i>Bloomberg Commodity Index</i>				-10.5	-23.5	-24.7	-17.3	-13.5
<b>Cash</b>	<b>11,008,032</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
<i>91 Day T-Bills</i>				0.0	0.0	0.0	0.0	0.0
<b>Private Equity</b>	<b>41,996,901</b>	<b>1.2</b>	<b>3.0</b>	<b>2.3</b>	<b>1.2</b>	<b>13.1</b>	<b>15.4</b>	<b>--</b>
<i>Cambridge Associates US All PE</i>				0.0	-1.4	5.1	12.3	12.4
<b>Harbourvest Partners IX Credit Opportunities</b>	<b>1,749,026</b>	<b>0.0</b>	<b>--</b>					
<b>Harbourvest Partners IX Venture Fund</b>	<b>10,232,228</b>	<b>0.3</b>	<b>--</b>					
<b>Harbourvest Partners IX Buyout Fund</b>	<b>11,809,805</b>	<b>0.3</b>	<b>--</b>					
<b>Harbourvest Partners X Venture Fund</b>	<b>500,349</b>	<b>0.0</b>	<b>--</b>					
<b>Harbourvest Partners X Buyout Fund</b>	<b>863,797</b>	<b>0.0</b>	<b>--</b>					
<b>Harbourvest Dover VIII Fund</b>	<b>15,079,703</b>	<b>0.4</b>	<b>--</b>					
<b>HIPEP VII</b>	<b>1,761,993</b>	<b>0.0</b>	<b>--</b>					

Harbourvest is based on estimated Capital Account Statements for Q4 2015

PIMCO All Asset Index: 40% BC Agg / 30% TIPS / 10% S&P500 / 10% BC HY / 10% JPM EMBI+ Mellon CF GEA Index: 60%

MSCI All Country World Index IMI/ 40% Citigroup GDP Weighted

# VPIC Composite

## Total Fund Yearly Performance - Gross

	Ending December 31, 2015																	
	2015 (%)	Rank	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank
<b>VPIC Composite</b>	-2.0	90	4.5	82	8.5	96	13.2	43	2.2	12	14.9	14	26.8	8	-29.8	93	6.3	92
<i>InvestorForce Public DB &gt; \$1B Gross Median</i>	0.3		5.7		15.0		13.0		0.8		13.5		20.5		-26.7		8.6	
<b>Vermont State Teachers</b>	-1.8	88	4.5	80	8.2	96	13.2	27	2.2	17	14.9	12	26.5	7	-30.1	93	6.3	84
<i>Allocation Index</i>	-1.8	88	3.4	94	9.3	93	10.8	74	0.7	60	11.6	77	22.7	24	-25.2	55	6.5	82
<i>Policy Index</i>	-1.4	83	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.3	55	-24.3	45	7.6	54
<i>InvestorForce Public DB Gross Median</i>	0.1		5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9	
<b>Vermont State Employees</b>	-2.1	91	4.5	79	8.7	95	13.1	29	2.2	17	14.9	12	27.4	5	-29.6	90	6.4	83
<i>Allocation Index</i>	-1.8	88	3.4	94	9.8	92	10.6	76	0.5	61	11.9	71	22.6	24	-23.9	42	6.6	81
<i>Policy Index</i>	-1.4	83	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.5	54	-22.5	34	7.6	54
<i>InvestorForce Public DB Gross Median</i>	0.1		5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9	
<b>Vermont Municipal Employees</b>	-2.2	92	4.5	80	8.9	93	13.2	28	2.2	17	14.9	12	27.8	4	-29.4	89	6.3	87
<i>Allocation Index</i>	-1.8	88	3.3	95	10.0	92	10.7	74	0.6	60	11.8	72	22.2	27	-23.0	37	6.7	81
<i>Policy Index</i>	-1.4	83	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.3	55	-21.9	30	7.7	53
<i>InvestorForce Public DB Gross Median</i>	0.1		5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9	
<b>City of Burlington</b>	-2.0	90	4.5	78	8.4	96	13.1	29	2.2	17	14.9	12	26.6	6	-30.3	96	5.5	94
<i>Policy Index</i>	-1.4	83	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.3	55	-24.3	45	7.4	61
<i>60% MSCI World / 40% CITI WGBI</i>	-1.4	83	3.1	96	13.9	70	10.6	76	-0.3	77	9.8	92	19.2	56	-22.7	36	10.3	13
<i>InvestorForce Public DB Gross Median</i>	0.1		5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9	



VPIC Composite

Total Fund Yearly Performance - Gross

	2015 (%)	Rank	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank
<b>Composite</b>	<b>-2.0</b>	<b>90</b>	<b>4.5</b>	<b>82</b>	<b>8.5</b>	<b>96</b>	<b>13.2</b>	<b>43</b>	<b>2.2</b>	<b>12</b>	<b>14.9</b>	<b>14</b>	<b>26.8</b>	<b>8</b>	<b>-29.8</b>	<b>93</b>	<b>6.3</b>	<b>92</b>
60% MSCI World / 40% CITI WGBI	-1.4	89	3.1	95	13.9	67	10.6	91	-0.3	86	9.8	96	19.2	61	-22.7	9	10.3	17
InvestorForce Public DB > \$1B Gross Median	0.3		5.7		15.0		13.0		0.8		13.5		20.5		-26.7		8.6	
<b>Total Equity</b>	<b>-2.6</b>	<b>74</b>	<b>5.1</b>	<b>45</b>	<b>23.4</b>	<b>65</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI ACWI	-2.4	73	4.2	54	22.8	66	16.1	61	-7.3	53	12.7	65	34.6	44	-42.2	55	11.7	50
eA All Global Equity Gross Median	0.1		4.6		26.2		17.2		-7.0		14.3		33.3		-41.3		11.6	
<b>US Equity</b>	<b>0.6</b>	<b>40</b>	<b>11.6</b>	<b>41</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Russell 3000	0.5	41	12.6	33	33.6	64	16.4	45	1.0	39	16.9	61	28.3	60	-37.3	54	5.1	60
eA All US Equity Gross Median	-0.7		10.3		35.6		16.0		-0.4		19.6		30.9		-36.9		6.8	
<b>Large Cap Comp</b>	<b>0.4</b>	<b>52</b>	<b>13.7</b>	<b>35</b>	<b>33.9</b>	<b>48</b>	<b>16.6</b>	<b>38</b>	<b>1.4</b>	<b>41</b>	<b>17.6</b>	<b>22</b>	<b>40.4</b>	<b>11</b>	<b>-40.3</b>	<b>81</b>	<b>4.6</b>	<b>74</b>
S&P 500	1.4	43	13.7	35	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68
eA US Large Cap Equity Gross Median	0.5		12.5		33.6		15.6		0.4		14.8		28.0		-36.3		8.0	
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>1.5</b>	<b>43</b>	<b>13.7</b>	<b>34</b>	<b>32.4</b>	<b>61</b>	<b>16.1</b>	<b>44</b>	<b>2.2</b>	<b>33</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
S&P 500	1.4	43	13.7	35	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>-2.6</b>	<b>76</b>	<b>14.4</b>	<b>25</b>	<b>36.2</b>	<b>29</b>	<b>17.5</b>	<b>29</b>	<b>-0.1</b>	<b>56</b>	<b>22.0</b>	<b>5</b>	<b>46.7</b>	<b>4</b>	<b>-40.6</b>	<b>83</b>	<b>0.5</b>	<b>90</b>
S&P 500 Equal Weighted	-2.2	73	14.5	24	36.2	29	17.7	27	-0.1	56	21.9	5	46.3	5	-39.7	78	1.5	87
<b>T. Rowe</b>																		
S&P 500																		

All sub-composite returns for the total plan are based off TRS returns up to 4/31/2012, and include all plans thereafter.

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.

VPIC Composite

Total Fund Yearly Performance - Gross

	2015 (%)	Rank	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank
<b>Small/Mid Cap Comp</b>	<b>0.8</b>	<b>23</b>	<b>7.9</b>	<b>37</b>	<b>38.4</b>	<b>49</b>	<b>15.2</b>	<b>59</b>	<b>0.9</b>	<b>31</b>	<b>27.3</b>	<b>48</b>	<b>33.1</b>	<b>60</b>	<b>-34.0</b>	<b>21</b>	<b>1.8</b>	<b>73</b>
Russell 2000	-4.4	71	4.9	64	38.8	45	16.3	49	-4.2	70	26.9	52	27.2	82	-33.8	21	-1.6	84
eA US Small-Mid Cap Equity Gross Median	-1.5		6.5		38.2		16.0		-1.5		26.9		35.2		-38.1		8.8	
<b>SSgA S&amp;P 400</b>	<b>-2.2</b>	<b>60</b>	<b>9.7</b>	<b>49</b>	<b>33.7</b>	<b>68</b>	<b>17.9</b>	<b>31</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
S&P 400 MidCap	-2.2	60	9.8	49	33.5	70	17.9	31	-1.7	52	26.6	33	37.4	53	-36.2	30	8.0	59
eA US Mid Cap Equity Gross Median	-1.3		9.3		35.8		16.1		-1.4		24.5		37.9		-40.1		9.7	
<b>Champlain</b>	<b>2.4</b>	<b>18</b>	<b>9.1</b>	<b>54</b>	<b>39.2</b>	<b>26</b>	<b>12.9</b>	<b>78</b>	<b>3.8</b>	<b>14</b>	<b>22.8</b>	<b>64</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Russell 2500	-2.9	67	7.1	71	36.8	43	17.9	31	-2.5	60	26.7	33	34.4	66	-36.8	34	1.4	85
eA US Mid Cap Equity Gross Median	-1.3		9.3		35.8		16.1		-1.4		24.5		37.9		-40.1		9.7	
<b>Wellington</b>	<b>0.1</b>	<b>10</b>	<b>8.0</b>	<b>27</b>	<b>34.9</b>	<b>77</b>	<b>16.9</b>	<b>51</b>	<b>1.8</b>	<b>16</b>	<b>28.3</b>	<b>39</b>	<b>32.6</b>	<b>50</b>	<b>-26.5</b>	<b>15</b>	<b>-2.1</b>	<b>45</b>
Russell 2000 Value	-7.5	74	4.2	68	34.5	78	18.0	43	-5.5	69	24.5	72	20.6	85	-28.9	27	-9.8	82
eA US Small Cap Value Equity Gross Median	-4.3		5.8		38.1		16.9		-3.3		26.9		32.0		-32.3		-2.9	
<b>SSgA Russell 2000 Growth</b>	<b>-1.4</b>	<b>59</b>	<b>5.6</b>	<b>33</b>	<b>43.3</b>	<b>70</b>	<b>14.7</b>	<b>47</b>	<b>-3.0</b>	<b>61</b>	<b>29.2</b>	<b>44</b>	<b>34.2</b>	<b>60</b>	<b>-38.4</b>	<b>26</b>	<b>--</b>	<b>--</b>
Russell 2000 Growth	-1.4	59	5.6	32	43.3	70	14.6	48	-2.9	60	29.1	46	34.5	59	-38.5	26	7.0	64
eA US Small Cap Growth Equity Gross Median	-0.6		3.9		45.6		14.3		-1.5		28.6		36.5		-41.5		11.0	
<b>Int'l Equity Comp</b>	<b>-1.2</b>	<b>77</b>	<b>-2.3</b>	<b>32</b>	<b>23.6</b>	<b>57</b>	<b>14.0</b>	<b>92</b>	<b>-9.2</b>	<b>22</b>	<b>9.4</b>	<b>71</b>	<b>25.4</b>	<b>92</b>	<b>-42.0</b>	<b>33</b>	<b>10.9</b>	<b>64</b>
MSCI EAFE	-0.8	74	-4.9	70	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62
eA All EAFE Equity Gross Median	1.4		-3.7		24.6		20.4		-12.0		11.7		36.5		-44.1		13.2	
<b>Acadian</b>	<b>3.1</b>	<b>36</b>	<b>-2.7</b>	<b>36</b>	<b>27.2</b>	<b>31</b>	<b>17.0</b>	<b>82</b>	<b>-13.0</b>	<b>60</b>	<b>14.6</b>	<b>34</b>	<b>27.7</b>	<b>85</b>	<b>-49.0</b>	<b>85</b>	<b>8.7</b>	<b>78</b>
<b>Mondrian</b>	<b>-2.9</b>	<b>86</b>	<b>-1.6</b>	<b>25</b>	<b>23.9</b>	<b>55</b>	<b>9.8</b>	<b>99</b>	<b>-3.5</b>	<b>3</b>	<b>3.6</b>	<b>97</b>	<b>24.4</b>	<b>94</b>	<b>-37.1</b>	<b>11</b>	<b>12.4</b>	<b>55</b>
MSCI EAFE	-0.8	74	-4.9	70	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62
S&P EPAC LargeMidCap	-0.5	67	-4.5	61	22.2	69	18.1	70	-11.7	47	9.2	73	34.3	59	-43.3	44	12.9	52
<b>SSgA ACWI Ex US</b>	<b>-5.5</b>	<b>87</b>	<b>-3.6</b>	<b>62</b>	<b>15.5</b>	<b>82</b>	<b>17.2</b>	<b>75</b>	<b>-13.5</b>	<b>73</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI ACWI ex USA	-5.7	87	-3.9	66	15.3	83	16.8	77	-13.7	73	11.2	75	41.4	41	-45.5	58	16.7	63
eA ACWI ex-US All Cap Equity Gross Median	0.2		-2.0		19.5		19.6		-11.5		15.0		38.7		-45.2		17.4	

VPIC Composite

Total Fund Yearly Performance - Gross

	2015 (%)	Rank	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	
<b>Emerging Market Comp</b>																			
<i>eA Emg Mkts Equity Gross Median</i>																			
<b>Aberdeen</b>	<b>-13.1</b>	<b>56</b>	<b>-1.1</b>	<b>59</b>	<b>-5.9</b>	<b>94</b>	<b>26.4</b>	<b>11</b>	<b>-10.5</b>	<b>4</b>	<b>29.1</b>	<b>6</b>	<b>81.7</b>	<b>37</b>	--	--	--	--	
<i>MSCI Emerging Markets</i>	-14.9	70	-2.2	74	-2.6	80	18.2	68	-18.4	48	18.9	64	78.5	57	-53.3	42	39.4	60	
<i>eA Emg Mkts Equity Gross Median</i>	-12.2		-0.1		1.0		20.9		-18.6		20.1		79.5		-54.0		40.5		
<b>US Fixed Income</b>	<b>0.5</b>	<b>60</b>	<b>6.1</b>	<b>30</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<i>Barclays Aggregate</i>	0.5	60	6.0	33	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	
<i>eA All US Fixed Inc Gross Median</i>	0.8		4.2		-0.3		6.1		6.5		6.9		9.3		2.4		6.2		
<b>Diversified Fixed Income</b>	<b>1.4</b>	<b>25</b>	<b>7.3</b>	<b>18</b>	<b>-2.1</b>	<b>84</b>	<b>7.2</b>	<b>41</b>	<b>8.6</b>	<b>21</b>	<b>9.5</b>	<b>26</b>	<b>21.5</b>	<b>19</b>	<b>-14.9</b>	<b>87</b>	<b>4.4</b>	<b>79</b>	
<i>Barclays Aggregate</i>	0.5	60	6.0	33	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	
<i>eA All US Fixed Inc Gross Median</i>	0.8		4.2		-0.3		6.1		6.5		6.9		9.3		2.4		6.2		
<b>Allianz Structured Alpha</b>	<b>6.9</b>	<b>1</b>	<b>17.3</b>	<b>1</b>	<b>-0.5</b>	<b>18</b>	<b>11.8</b>	<b>1</b>	<b>7.3</b>	<b>67</b>	<b>12.7</b>	<b>1</b>	<b>22.6</b>	<b>2</b>	--	--	--	--	
<i>Citi 10 Year Treasury</i>	0.9	51	10.7	1	-7.8	99	4.2	89	17.0	1	8.1	26	-9.9	99	20.3	1	9.8	1	
<b>SSgA Barclays Aggregate Index</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<i>Barclays Aggregate</i>	0.5	75	6.0	52	-2.0	82	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	
<i>3-Month Libor Total Return USD</i>	0.3	84	0.2	99	0.3	6	0.4	99	0.3	99	0.3	99	0.8	99	3.2	56	5.5	87	
<i>eA US Core Fixed Inc Gross Median</i>	0.9		6.0		-1.4		5.9		7.7		7.3		8.9		4.1		6.9		
<b>PIMCO Core Plus</b>	<b>1.1</b>	<b>38</b>	<b>5.4</b>	<b>75</b>	<b>-2.5</b>	<b>95</b>	<b>7.4</b>	<b>20</b>	<b>7.7</b>	<b>52</b>	<b>9.1</b>	<b>9</b>	--	--	--	--	--	--	
<i>Barclays Aggregate</i>	0.5	75	6.0	52	-2.0	82	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	
<b>Wellington DAS</b>	<b>5.9</b>	<b>1</b>	<b>14.0</b>	<b>1</b>	<b>-3.9</b>	<b>99</b>	<b>8.5</b>	<b>8</b>	<b>18.3</b>	<b>1</b>	<b>7.9</b>	<b>29</b>	<b>9.8</b>	<b>43</b>	--	--	--	--	
<i>Wellington Custom Benchmark</i>	1.8	7	13.3	1	-8.1	99	5.1	73	19.7	1	6.5	76	5.9	80	5.2	37	7.0	47	



VPIC Composite

Total Fund Yearly Performance - Gross

	2015 (%)	Rank	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank
<b>Unconstrained Fixed Income</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC Agg	-0.5	98	5.0	83	-0.9	27	10.6	2	7.4	63	10.1	6	23.1	2	-7.1	95	5.5	86
Barclays Global Aggregate	-3.2	99	0.6	99	-2.6	95	4.3	87	5.6	92	5.5	96	6.9	74	4.8	40	9.5	1
eA US Core Fixed Inc Gross Median	0.9		6.0		-1.4		5.9		7.7		7.3		8.9		4.1		6.9	
<b>PIMCO Unconstrained</b>	<b>-1.9</b>	<b>99</b>	<b>3.0</b>	<b>95</b>	<b>-1.5</b>	<b>55</b>	<b>4.6</b>	<b>82</b>	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC Agg	-0.5	98	5.0	83	-0.9	27	10.6	2	7.4	63	10.1	6	23.1	2	-7.1	95	5.5	86
3-Month Libor Total Return USD	0.3	84	0.2	99	0.3	6	0.4	99	0.3	99	0.3	99	0.8	99	3.2	56	5.5	87
<b>GAM Unconstrained Bond</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3-Month LIBOR + 3%	3.3	1	3.2	93	3.3	1	3.5	96	3.3	98	3.4	99	3.8	95	6.2	28	8.7	1
<b>High Yield Comp</b>	<b>-2.7</b>	<b>53</b>	<b>2.9</b>	<b>43</b>	<b>7.6</b>	<b>52</b>	<b>14.9</b>	<b>62</b>	<b>5.7</b>	<b>37</b>	<b>14.0</b>	<b>71</b>	<b>41.2</b>	<b>65</b>	<b>-19.0</b>	<b>29</b>	<b>4.7</b>	<b>11</b>
eA US High Yield Fixed Inc Gross Median	-2.4		2.5		7.6		15.5		4.9		14.9		45.0		-21.2		3.5	
<b>KDP</b>	<b>-3.1</b>	<b>61</b>	<b>2.8</b>	<b>44</b>	<b>5.2</b>	<b>93</b>	<b>12.6</b>	<b>87</b>	<b>6.6</b>	<b>15</b>	<b>11.7</b>	<b>92</b>	--	--	--	--	--	--
<b>Guggenheim</b>	<b>-2.5</b>	<b>52</b>	<b>2.9</b>	<b>43</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays High Yield	-4.5	82	2.5	52	7.4	54	15.8	43	5.0	49	15.1	45	58.2	14	-26.2	81	1.9	89
BofA Merrill Lynch US High Yield BB-B Rated	-2.9	56	3.5	27	6.3	80	14.7	65	5.4	45	14.5	64	46.1	49	-23.7	70	2.7	72
eA US High Yield Fixed Inc Gross Median	-2.4		2.5		7.6		15.5		4.9		14.9		45.0		-21.2		3.5	
<b>TIPS</b>																		
eA TIPS / Infl Indexed Fixed Inc Gross Median																		
<b>BlackRock TIPS</b>	<b>-1.3</b>	--	<b>3.5</b>	--	<b>-8.6</b>	--	<b>7.0</b>	--	<b>13.6</b>	--	<b>6.4</b>	--	--	--	--	--	--	--
Barclays US TIPS	-1.4	--	3.6	--	-8.6	--	7.0	--	13.6	--	6.3	--	11.4	--	-2.4	--	11.6	--

GAM Unconstrained Bond was funded in June 2015

## VPIC Composite

### Total Fund Yearly Performance - Gross

	2015 (%)	Rank	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank
<b>Global Fixed Income Comp</b>	<b>-2.8</b>	<b>55</b>	<b>-0.7</b>	<b>85</b>	<b>-6.2</b>	<b>97</b>	<b>3.7</b>	<b>90</b>	<b>7.3</b>	<b>21</b>	<b>10.9</b>	<b>21</b>	<b>16.0</b>	<b>32</b>	<b>0.3</b>	<b>57</b>	<b>11.2</b>	<b>15</b>
<i>eA All Global Fixed Inc Gross Median</i>	-2.4		2.5		0.2		9.5		5.0		7.3		10.6		1.4		8.7	
<b>Mondrian GFI</b>	<b>-2.8</b>	<b>55</b>	<b>-0.7</b>	<b>85</b>	<b>-6.2</b>	<b>97</b>	<b>2.1</b>	<b>97</b>	<b>5.8</b>	<b>38</b>	<b>8.6</b>	<b>33</b>	<b>8.8</b>	<b>59</b>	<b>10.2</b>	<b>11</b>	<b>11.5</b>	<b>13</b>
<i>Citi WGBI</i>	-3.6	68	-0.5	82	-4.0	86	1.6	98	6.4	33	5.2	85	2.6	97	10.9	9	11.0	17
<b>Emerging Market Debt</b>																		
<i>eA All Emg Mkts Fixed Inc Gross Median</i>																		
<b>Wellington Opportunistic EMD</b>	<b>-1.0</b>	<b>39</b>	<b>6.1</b>	<b>20</b>	<b>-5.1</b>	<b>39</b>	<b>19.9</b>	<b>35</b>	<b>7.6</b>	<b>16</b>	<b>13.7</b>	<b>70</b>	--	--	--	--	--	--
<i>JP Morgan EMBI Global TR</i>	1.2	16	5.5	27	-6.6	61	18.5	59	8.5	7	12.0	87	28.2	65	-10.9	52	6.3	73
<i>eA All Emg Mkts Fixed Inc Gross Median</i>	-2.6		1.8		-6.1		19.1		2.6		14.5		30.7		-10.8		7.7	
<b>Total Real Estate</b>	<b>10.7</b>	<b>--</b>	<b>15.0</b>	<b>--</b>	<b>14.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Morgan Stanley Prime Property</b>	<b>11.9</b>	<b>--</b>	<b>15.5</b>	<b>--</b>	<b>17.4</b>	<b>--</b>	<b>12.6</b>	<b>--</b>	<b>16.8</b>	<b>--</b>	<b>15.8</b>	<b>--</b>	<b>-33.7</b>	<b>--</b>	<b>-4.7</b>	<b>--</b>	<b>16.2</b>	<b>--</b>
<b>UBS Trumbull</b>	<b>9.6</b>	<b>--</b>	<b>11.7</b>	<b>--</b>	<b>10.4</b>	<b>--</b>	<b>10.2</b>	<b>--</b>	<b>13.2</b>	<b>--</b>	<b>16.9</b>	<b>--</b>	<b>-22.3</b>	<b>--</b>	<b>-7.5</b>	<b>--</b>	<b>13.9</b>	<b>--</b>
<b>RREEF America REIT III</b>	<b>8.3</b>	<b>--</b>	<b>27.8</b>	<b>--</b>	<b>16.9</b>	<b>--</b>	<b>23.8</b>	<b>--</b>	<b>55.4</b>	<b>--</b>	<b>9.1</b>	<b>--</b>	<b>-64.1</b>	<b>--</b>	<b>-41.7</b>	<b>--</b>	<b>18.1</b>	<b>--</b>
<b>Siguler Guff</b>	<b>8.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Transwestern Aslan III</b>	<b>6.0</b>	<b>--</b>	<b>2.2</b>	<b>--</b>	<b>49.9</b>	<b>--</b>	<b>13.8</b>	<b>--</b>	<b>-11.8</b>	<b>--</b>	<b>-41.9</b>	<b>--</b>	<b>-87.7</b>	<b>--</b>	<b>-26.0</b>	<b>--</b>	<b>3.5</b>	<b>--</b>
<i>NCREIF Property Index</i>	13.3	--	11.8	--	11.0	--	10.5	--	14.3	--	13.1	--	-16.9	--	-6.5	--	15.8	--
<i>NCREIF ODCE</i>	15.0	--	12.5	--	13.9	--	10.9	--	16.0	--	16.4	--	-29.8	--	-10.0	--	16.0	--
<b>Hedge Fund Comp</b>	<b>-0.4</b>	<b>45</b>	<b>2.4</b>	<b>60</b>	<b>14.1</b>	<b>22</b>	<b>9.3</b>	<b>24</b>	<b>-3.8</b>	<b>46</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>HFRI Fund of Funds Composite Index</i>	-0.3	42	3.4	44	9.0	60	4.8	71	-5.7	68	5.7	55	11.5	62	-21.4	57	10.3	56
<b>Grosvenor GAM</b>	<b>0.0</b>	<b>40</b>	<b>3.4</b>	<b>44</b>	<b>15.2</b>	<b>16</b>	<b>8.5</b>	<b>29</b>	<b>-3.4</b>	<b>42</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Real Estate performance reported on a quarterly basis. NCREIF Property is available 25 days after quarter end

VPIC Composite

Total Fund Yearly Performance - Gross

	2015 (%)	Rank	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank
<b>GAA Comp</b>	<b>-6.5</b>	<b>75</b>	<b>4.8</b>	<b>32</b>	<b>3.2</b>	<b>69</b>	<b>15.3</b>	<b>2</b>	<b>0.8</b>	<b>34</b>	<b>18.0</b>	<b>19</b>	<b>31.0</b>	<b>21</b>	<b>-26.3</b>	<b>61</b>	<b>5.7</b>	<b>87</b>
<i>eA Global TAA Gross Median</i>	-3.4		2.7		7.7		10.6		-0.8		14.6		23.4		-25.5		11.0	
<b>Mellon Dynamic Growth</b>	<b>3.7</b>	<b>2</b>	<b>6.8</b>	<b>12</b>	<b>12.2</b>	<b>31</b>	<b>11.3</b>	<b>40</b>	<b>1.0</b>	<b>34</b>	<b>16.1</b>	<b>29</b>	<b>31.4</b>	<b>17</b>	<b>-36.0</b>	<b>92</b>	<b>1.7</b>	<b>95</b>
<i>Mellon Dynamic Growth Benchmark</i>	-2.8	46	3.5	43	10.3	40	11.5	37	-0.6	50	8.8	86	17.4	79	-22.4	46	7.9	60
<b>AQR Global Risk Premium</b>	<b>-9.0</b>	<b>92</b>	<b>8.3</b>	<b>5</b>	<b>-2.0</b>	<b>88</b>	<b>16.0</b>	<b>1</b>	<b>7.0</b>	<b>12</b>	<b>25.1</b>	<b>5</b>	--	--	--	--	--	--
<i>60% MSCI World / 40% CITI WGBI</i>	-1.4	37	3.1	45	13.9	24	10.6	51	-0.3	43	9.8	83	19.2	78	-22.7	46	10.3	52
<b>PIMCO All Asset</b>	<b>-7.9</b>	<b>84</b>	<b>1.7</b>	<b>70</b>	<b>1.7</b>	<b>74</b>	<b>16.5</b>	<b>1</b>	<b>3.4</b>	<b>17</b>	<b>14.7</b>	<b>50</b>	<b>24.1</b>	<b>44</b>	<b>-14.8</b>	<b>24</b>	<b>9.6</b>	<b>53</b>
<i>PIMCO All Asset Index</i>	0.0	23	4.9	30	0.2	77	8.1	62	7.6	11	8.5	87	16.5	80	-6.7	14	7.7	61
<i>CPI + 5% (Seasonally Adjusted)</i>	5.7	1	5.7	21	6.6	54	6.9	69	8.2	11	6.5	94	8.0	92	5.0	1	9.3	53
<b>Commodities</b>																		
<b>Schroder</b>	<b>-27.2</b>	<b>--</b>	<b>-23.6</b>	<b>--</b>	<b>-8.4</b>	<b>--</b>	<b>0.5</b>	<b>--</b>	<b>-6.8</b>	<b>99</b>	<b>17.1</b>	<b>53</b>	--	--	--	--	--	--
<i>Bloomberg Commodity Index</i>	-24.7	--	-17.0	--	-9.5	--	-1.1	--	-13.3	99	16.8	55	18.9	67	-35.6	30	16.2	94
<b>Cash</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.1</b>	<b>--</b>	<b>0.2</b>	<b>--</b>	<b>0.3</b>	<b>--</b>	<b>0.6</b>	<b>--</b>	<b>2.4</b>	<b>--</b>	<b>6.4</b>	<b>--</b>
<i>91 Day T-Bills</i>	0.0	--	0.0	--	0.0	--	0.1	--	0.0	--	0.1	--	0.1	--	1.3	--	4.4	--
<b>Private Equity</b>	<b>13.1</b>	<b>--</b>	<b>24.9</b>	<b>--</b>	<b>9.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Cambridge Associates US All PE</i>	5.1	--	11.1	--	21.3	--	14.2	--	11.0	--	20.4	--	13.4	--	-22.4	--	19.7	--
<b>Harbourvest Partners IX Credit Opportunities</b>																		
<b>Harbourvest Partners IX Venture Fund</b>																		
<b>Harbourvest Partners IX Buyout Fund</b>																		
<b>Harbourvest Partners X Venture Fund</b>																		
<b>Harbourvest Partners X Buyout Fund</b>																		
<b>Harbourvest Dover VIII Fund</b>																		
<b>HIPEP VII</b>																		

PIMCO All Asset Index: 40% BC Agg / 30% TIPS / 10% S&P500 / 10% BC HY / 10% JPM EMBI+

Mellon Dynamic Growth Benchmark: 60% MSCI All Country World Index IMI/ 40% Citigroup GDP Weighted

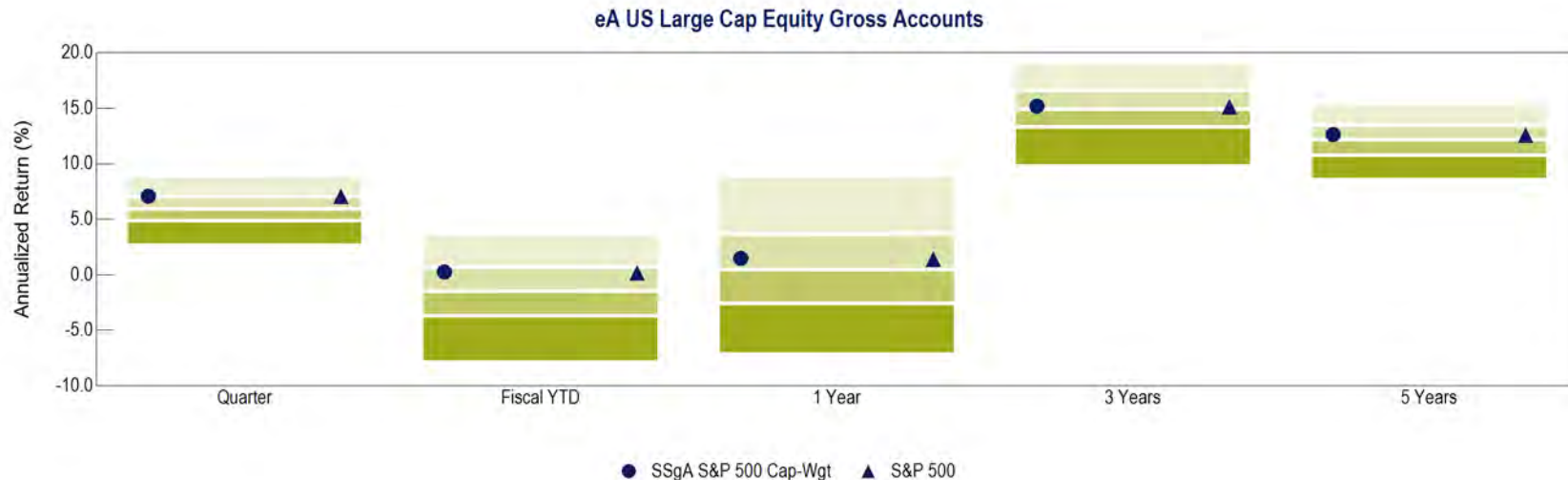
# Manager Characteristics

# SSgA S&P 500 Cap-Wgt

Using a replication process, we purchase each security for the Strategy in the same capitalization weight as it appears in the S&P 500 Index. Replication results in low turnover, accurate tracking, and low costs. SSgA's internal liquidity has allowed the firm to acquire many of the benchmark constituents for free. These free trading opportunities have allowed SSgA to gradually reduce security-level misweights while avoiding the open market. This process has resulted in portfolios that look and behave like the benchmark, and do so at a very low cost. SSgA's passive equity process objective is to remain fully invested in the equity market at all times. To accomplish this, it holds a small amount of unleveraged exchange-traded S&P 500® futures contracts to maintain full exposure. SSgA tends to hold approximately 1-3% of the strategy's value in suitable CFTC approved index futures contracts. This position in futures also allows the firm to accommodate cash flows into and out of the portfolio on a daily basis and to equitize dividend receivables to achieve closer tracking.

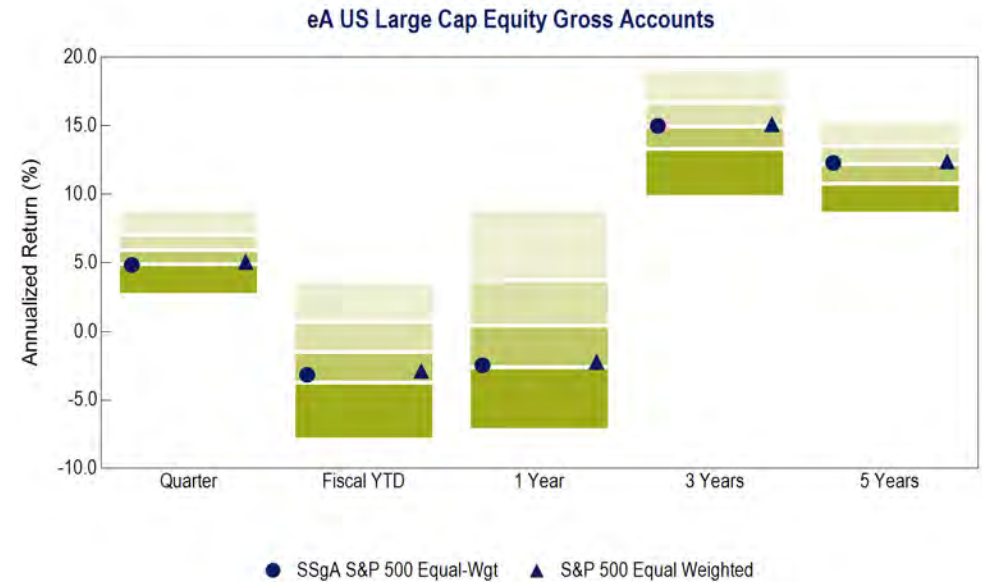
## Characteristics

	Portfolio	S&P 500
Number of Holdings	505	504
Weighted Avg. Market Cap. (\$B)	128.5	128.5
Median Market Cap. (\$B)	17.3	17.5
Price To Earnings	23.1	22.2
Price To Book	4.8	4.3
Price To Sales	3.3	3.0
Return on Equity (%)	18.7	18.0
Yield (%)	2.2	2.2
Beta	1.0	1.0
R-Squared	1.0	1.0

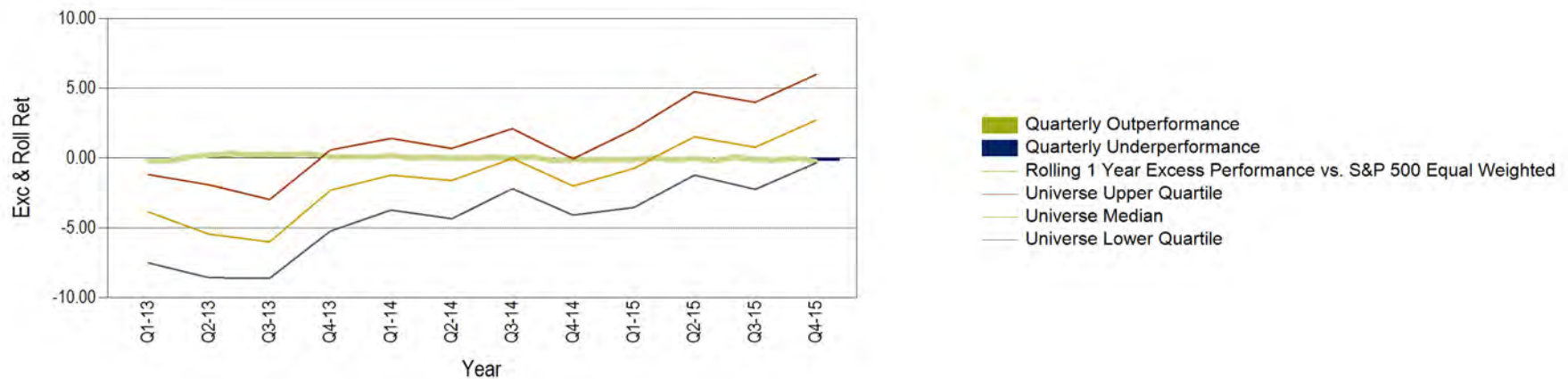


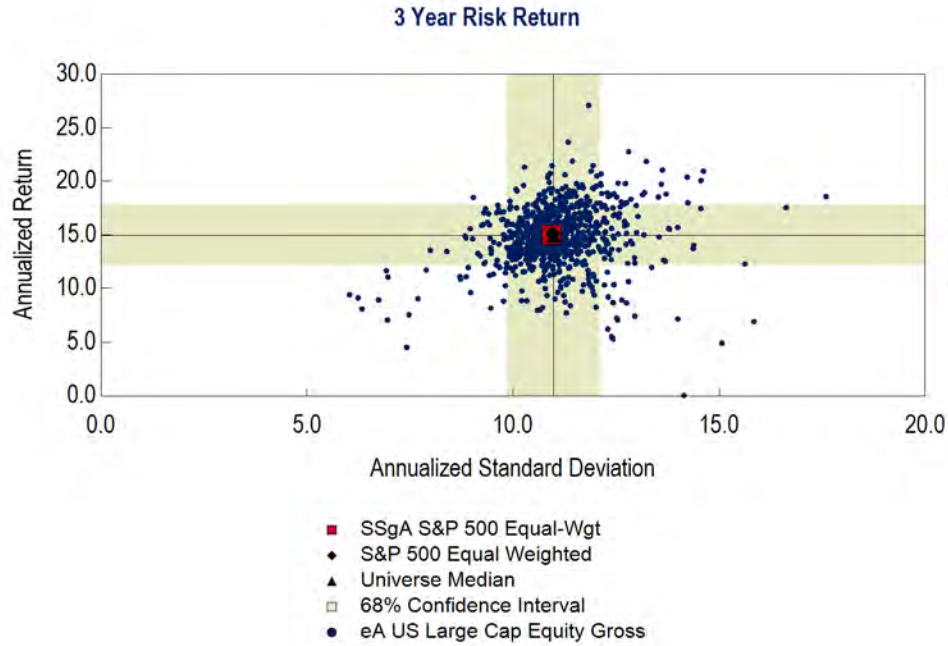
# SSgA S&P 500 Equal-Wgt

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.



### Annualized Excess Performance

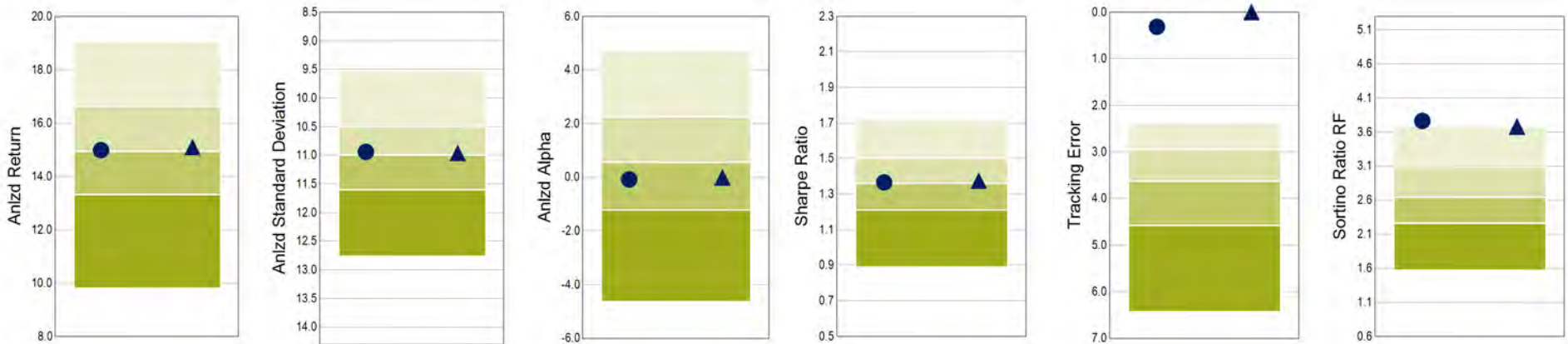




### Characteristics

	Portfolio	S&P 500
Number of Holdings	447	504
Weighted Avg. Market Cap. (\$B)	123.2	128.5
Median Market Cap. (\$B)	17.7	17.5
Price To Earnings	22.7	22.2
Price To Book	4.9	4.3
Price To Sales	3.2	3.0
Return on Equity (%)	19.5	18.0
Yield (%)	2.1	2.2
Beta	1.0	1.0
R-Squared	1.0	1.0

### 3 Year Risk Statistics





# SSgA S&P 400

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

## Characteristics

	Portfolio	S&P 400 MidCap
Number of Holdings	401	400
Weighted Avg. Market Cap. (\$B)	5.0	5.0
Median Market Cap. (\$B)	3.4	3.4
Price To Earnings	25.1	23.4
Price To Book	3.8	3.2
Price To Sales	3.0	2.7
Return on Equity (%)	16.0	14.0
Yield (%)	1.8	1.7
Beta	1.0	1.0
R-Squared	1.0	1.0



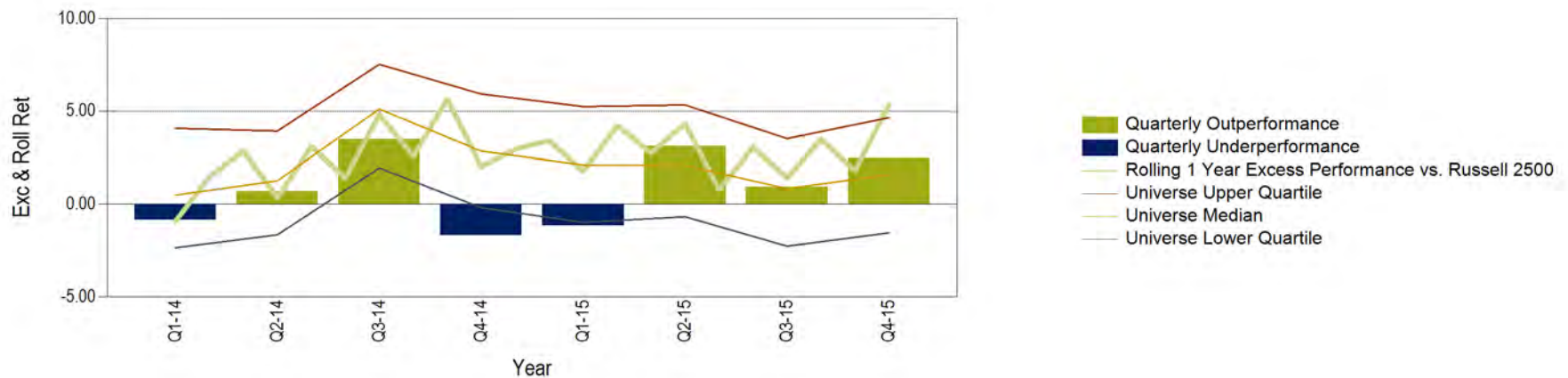
# Champlain

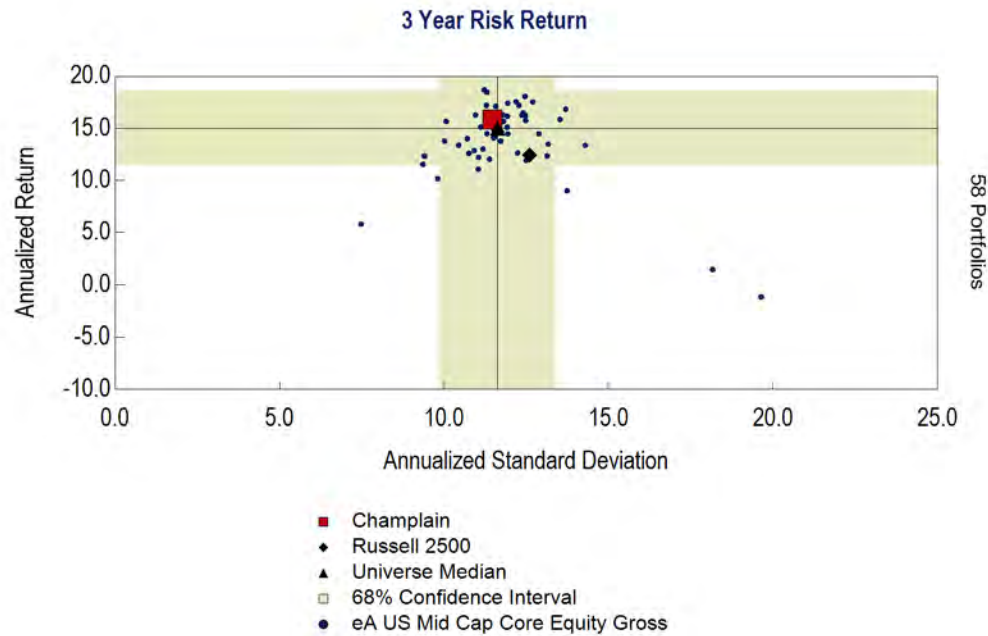
Champlain employs a fundamental, bottom-up approach to investing in equity assets. They believe that superior companies purchased at attractive valuations have the highest probability to wealth creation. Champlain seeks strong businesses with credible and sincere management and aims to buy shares of their stock at discounts to fair or intrinsic value. Portfolio construction applies sector weight guidelines and position size rules to manage risk. The portfolio will have some exposure to at least seven out of the eight largest sectors of the S&P 400, with a maximum weighting on 25% in any one sector. Individual positions will not represent more than 2% of the respective companies' outstanding shares and are limited to no more than 5% of assets under management. The portfolio typically holds 50-75 securities with average position sizes of 2%. The strategy's minimum market cap is \$1.5 billion at purchase and a maximum market cap of \$15 billion. In general, no more than 10% of portfolio in stocks with a market cap below \$2B and no more than 5% of portfolio in companies with market cap above \$20B.

eA US Mid Cap Core Equity Gross Accounts



Annualized Excess Performance

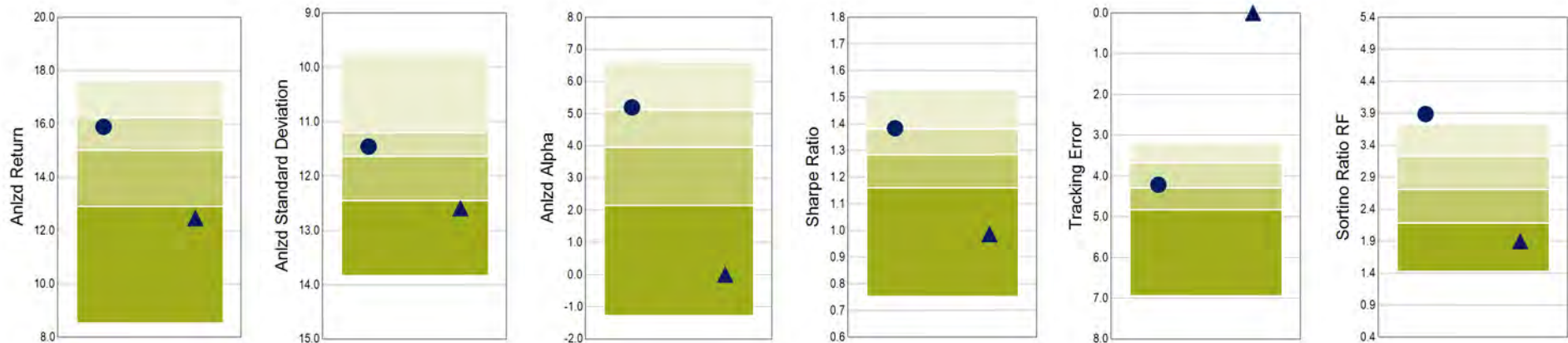




### Characteristics

	Portfolio	Russell 2500
Number of Holdings	57	2,510
Weighted Avg. Market Cap. (\$B)	8.0	4.0
Median Market Cap. (\$B)	5.9	1.0
Price To Earnings	27.8	23.2
Price To Book	4.5	3.1
Price To Sales	3.7	2.9
Return on Equity (%)	14.5	12.5
Yield (%)	1.4	1.5
Beta		1.0
R-Squared		1.0

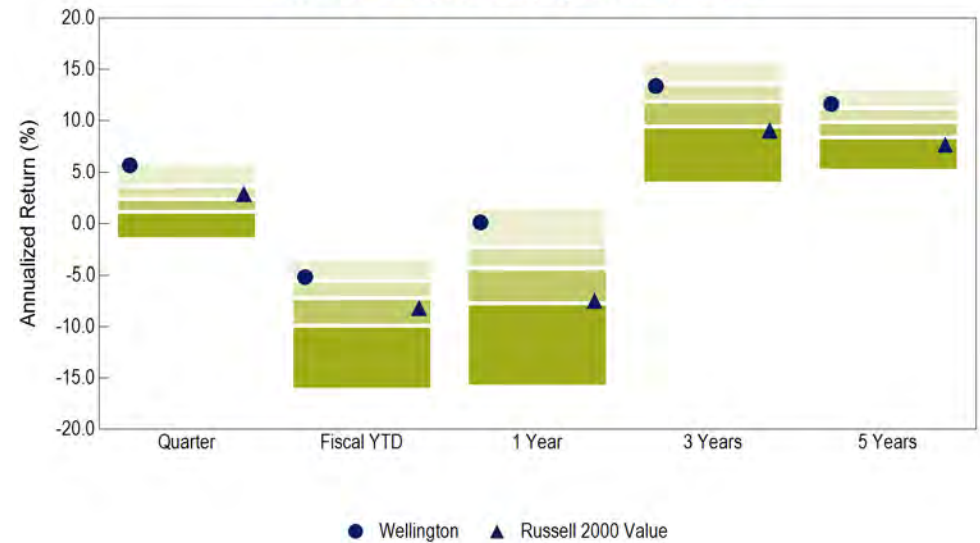
### 3 Year Risk Statistics



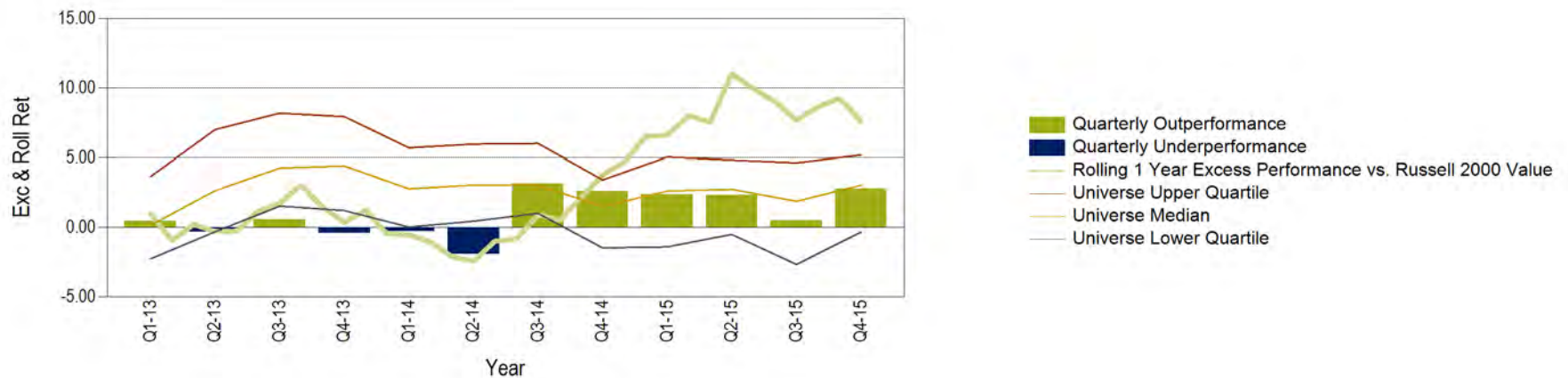
# Wellington

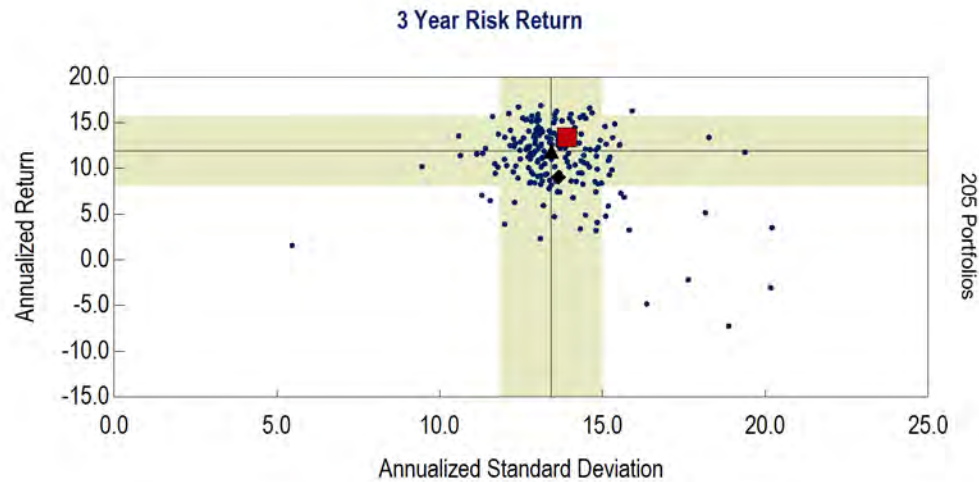
Wellington's investment objective is to seek long-term total returns in excess of the Russell 2000 Value Index by investing in conservatively-valued securities of high-quality, small cap companies. Wellington employ a bottom-up stock selection process that utilizes Wellington Management's proprietary, fundamental research to identify undervalued companies that have the potential for significant longer-term rewards. The investment universe consists of all stocks generally between US\$100 million and US\$2 billion in market capitalization. These stocks are reviewed for certain financial and valuation requirements that correspond with our investment process and philosophy. The Small Cap Value Team conducts their own proprietary research and leverages the broader research of the firm as appropriate. The Portfolio is expected to have a lower P/E ratio and other value-oriented characteristics relative to the overall small cap market, with a similar market capitalization. The return on equity is expected to be higher than the small cap value indexes, consistent with the high-quality focus.

eA US Small Cap Value Equity Gross Accounts



Annualized Excess Performance



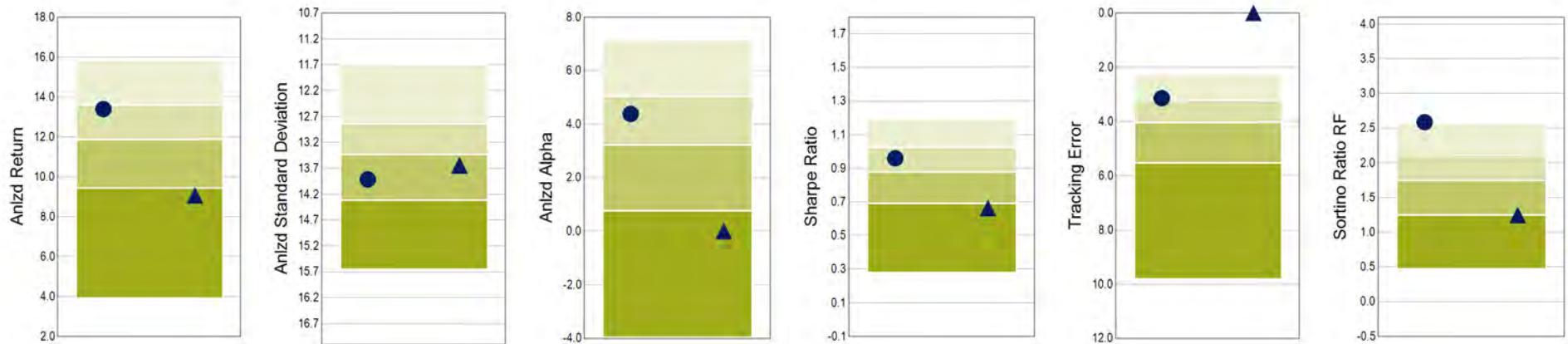


- Wellington
- ◆ Russell 2000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

### Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	70	1,351
Weighted Avg. Market Cap. (\$B)	1.6	1.7
Median Market Cap. (\$B)	1.3	0.6
Price To Earnings	23.1	19.8
Price To Book	1.9	1.6
Price To Sales	2.0	2.6
Return on Equity (%)	8.5	7.4
Yield (%)	1.8	2.0
Beta		1.0
R-Squared		1.0

### 3 Year Risk Statistics





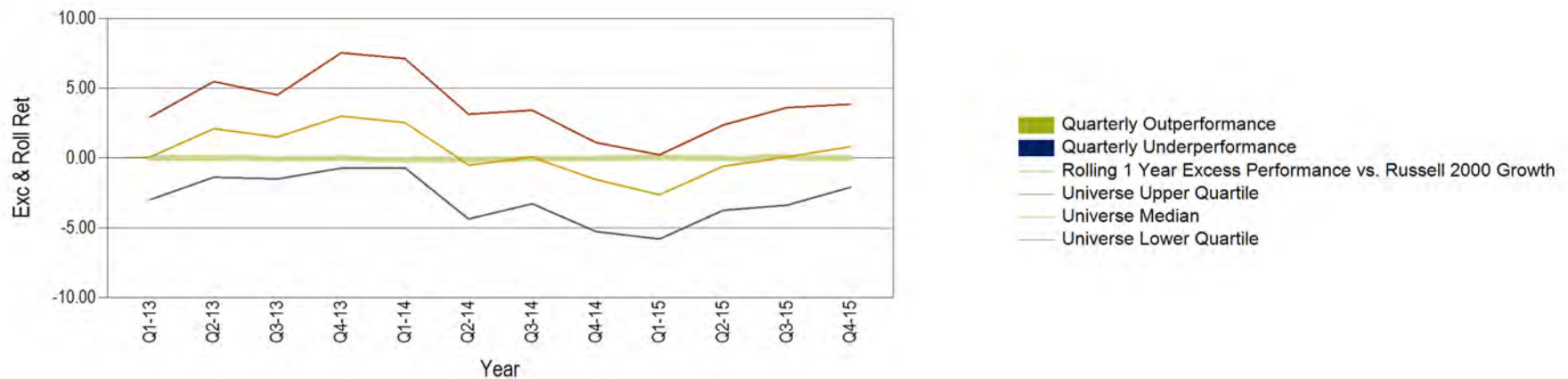
# SSgA Russell 2000 Growth

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

eA US Small Cap Growth Equity Gross Accounts

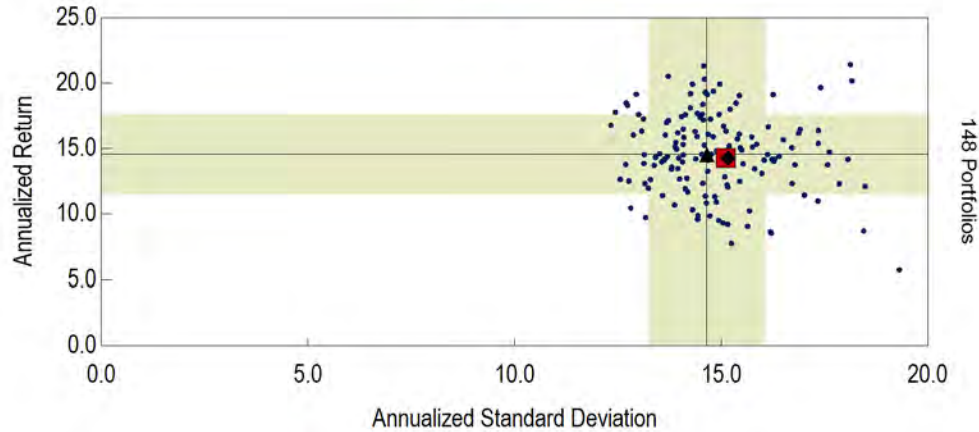


Annualized Excess Performance



# SSgA Russell 2000 Growth

### 3 Year Risk Return

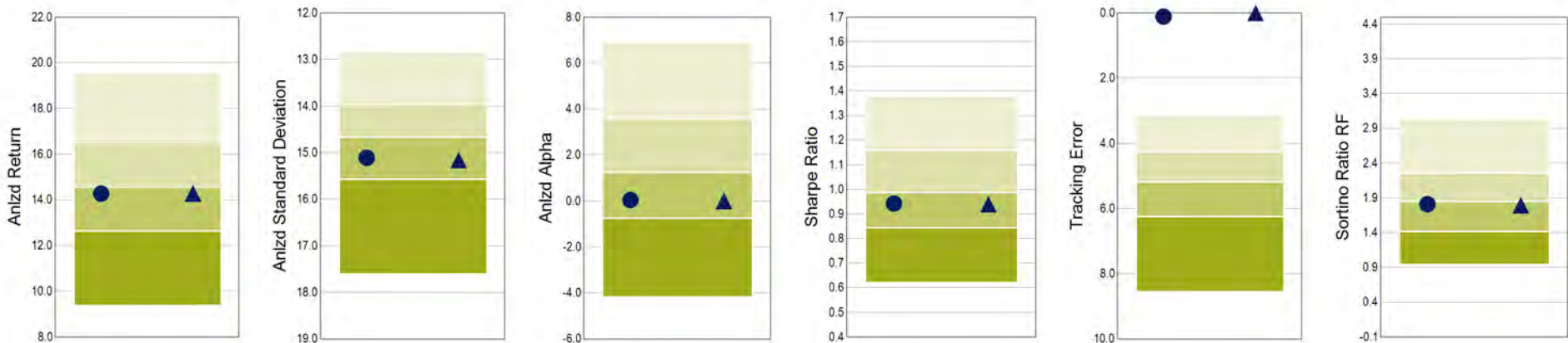


- SSGA Russell 2000 Growth
- ◆ Russell 2000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Growth Equity Gross

### Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	1,160	1,194
Weighted Avg. Market Cap. (\$B)	2.1	2.1
Median Market Cap. (\$B)	0.8	0.7
Price To Earnings	28.5	27.6
Price To Book	5.9	5.0
Price To Sales	3.7	3.4
Return on Equity (%)	17.8	16.6
Yield (%)	0.8	0.5
Beta		1.0
R-Squared		1.0

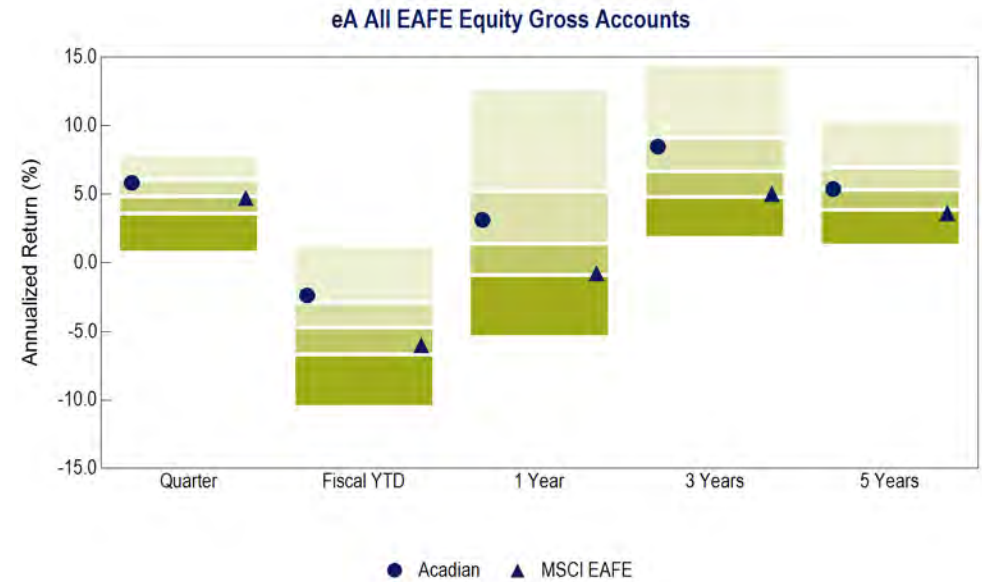
### 3 Year Risk Statistics



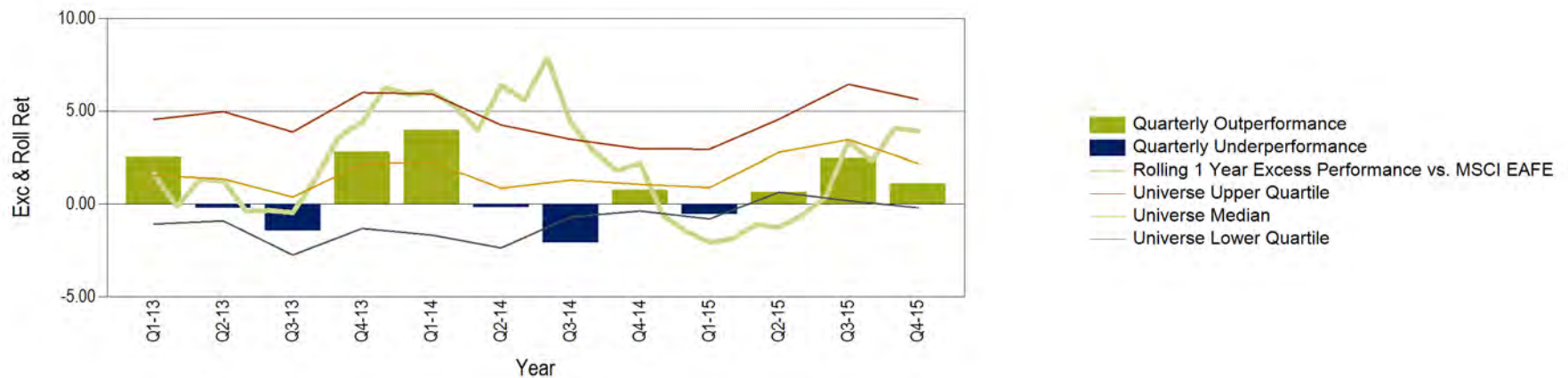


# Acadian

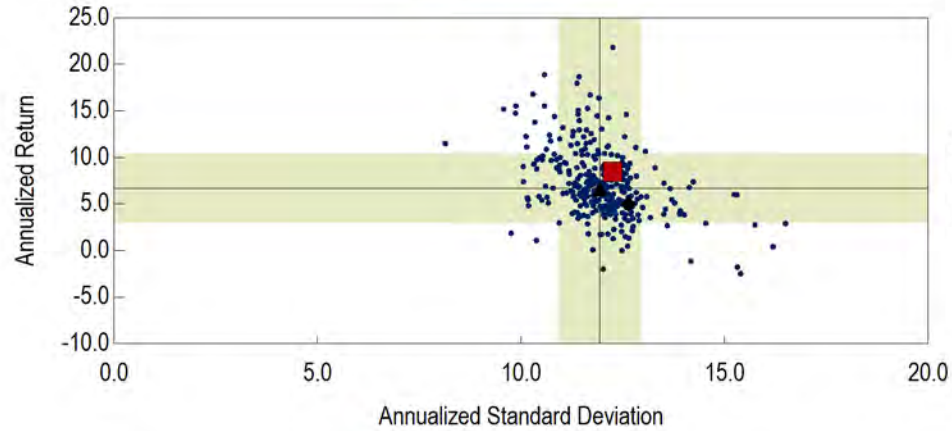
Acadian believes that the larger the pool of potential investments, the greater the potential opportunity an active manager has to add value. They believe that stocks and markets have many attributes that are related to potential outperformance, and that a successful investment approach must be multi-faceted and highly adaptable. They believe that objectivity is crucial to investment success. Acadian's quantitative process and extensive database allows them to apply their valuation techniques to over 40,000 stocks worldwide. They do not limit the universe other than to employ screens based on invest-ability and availability of data. For example, they only evaluate stocks that have sufficient daily trading volume to be appropriate for institutional investment. Other than these practical considerations, they consider our investment universe to encompass all institutionally investable stocks in the world.



### Annualized Excess Performance



3 Year Risk Return

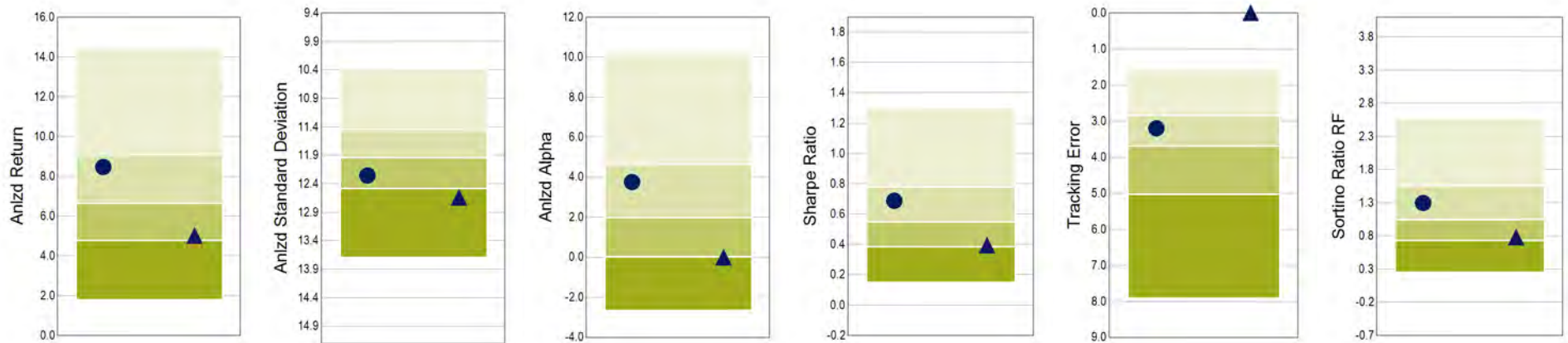


- Acadian
- ◆ MSCI EAFE
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	457	926
Weighted Avg. Market Cap. (\$B)	16.1	53.9
Median Market Cap. (\$B)	0.8	8.7
Price To Earnings	20.5	19.7
Price To Book	2.8	2.5
Price To Sales	1.5	2.2
Return on Equity (%)	15.2	13.9
Yield (%)	2.4	3.1
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



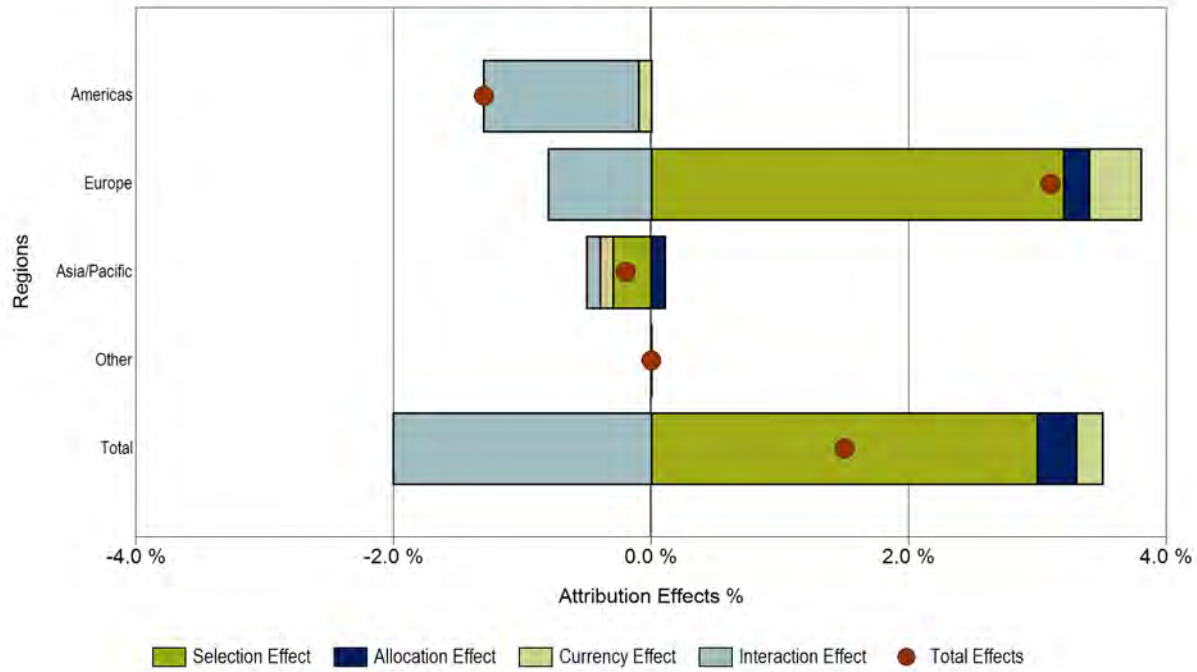
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	3.2%	0.0%	-10.0%	-3.3%
Canada	5.1%	0.0%	-3.9%	-5.1%
Mexico*	1.6%	0.0%	-9.6%	-1.2%
United States	0.0%	0.0%	5.8%	6.6%
<b>Total-Americas</b>	<b>9.9%</b>	<b>0.0%</b>	<b>-6.7%</b>	<b>--</b>
<b>Europe</b>				
Austria	0.9%	0.2%	16.0%	6.9%
Belgium	1.0%	1.3%	13.9%	13.6%
Denmark	0.3%	1.9%	5.6%	6.7%
Finland	2.8%	0.9%	19.2%	9.7%
France	3.8%	10.1%	12.9%	1.8%
Germany	8.6%	8.9%	11.0%	7.6%
Greece*	0.1%	0.0%	-9.1%	-19.0%
Ireland	1.8%	0.4%	9.5%	7.3%
Italy	2.0%	2.5%	3.5%	-2.2%
Netherlands	4.9%	2.8%	4.5%	3.6%
Norway	1.7%	0.6%	-2.2%	-1.5%
Poland*	0.7%	0.0%	2.6%	-12.9%
Portugal	0.2%	0.1%	-4.3%	4.5%
Spain	0.4%	3.5%	13.4%	-2.6%
Sweden	5.0%	3.0%	6.8%	2.5%
Switzerland	4.0%	9.7%	18.2%	2.0%
United Kingdom	11.9%	20.2%	-1.1%	0.7%
<b>Total-Europe</b>	<b>50.2%</b>	<b>66.1%</b>	<b>7.4%</b>	<b>2.5%</b>

## Country Allocation

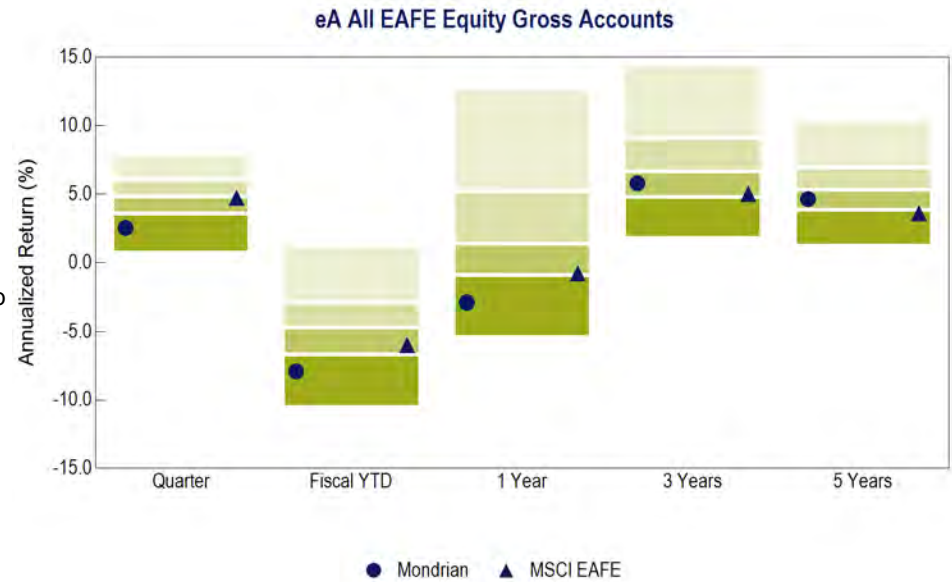
	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	5.2%	6.4%	5.0%	10.3%
Hong Kong	0.1%	3.1%	6.0%	6.0%
India*	0.1%	0.0%	21.9%	1.6%
Japan	29.5%	22.3%	6.9%	9.4%
Korea*	0.8%	0.0%	0.1%	11.3%
Malaysia*	0.0%	0.0%	13.5%	5.7%
New Zealand	0.2%	0.1%	20.9%	18.2%
Singapore	2.6%	1.3%	5.6%	4.3%
Taiwan*	0.6%	0.0%	9.3%	5.6%
Thailand*	0.1%	0.0%	9.0%	5.3%
<b>Total-AsiaPacific</b>	<b>39.3%</b>	<b>33.2%</b>	<b>6.6%</b>	<b>9.1%</b>
<b>Other</b>				
Israel	0.5%	0.6%	1.8%	10.0%
Turkey*	0.1%	0.0%	8.7%	12.3%
<b>Total-Other</b>	<b>0.6%</b>	<b>0.6%</b>	<b>2.7%</b>	<b>10.0%</b>
<b>Totals</b>				
Developed	92.8%	100.0%	7.5%	4.7%
Emerging*	7.2%	0.0%	2.7%	--

Acadian Performance Attribution vs. MSCI EAFE

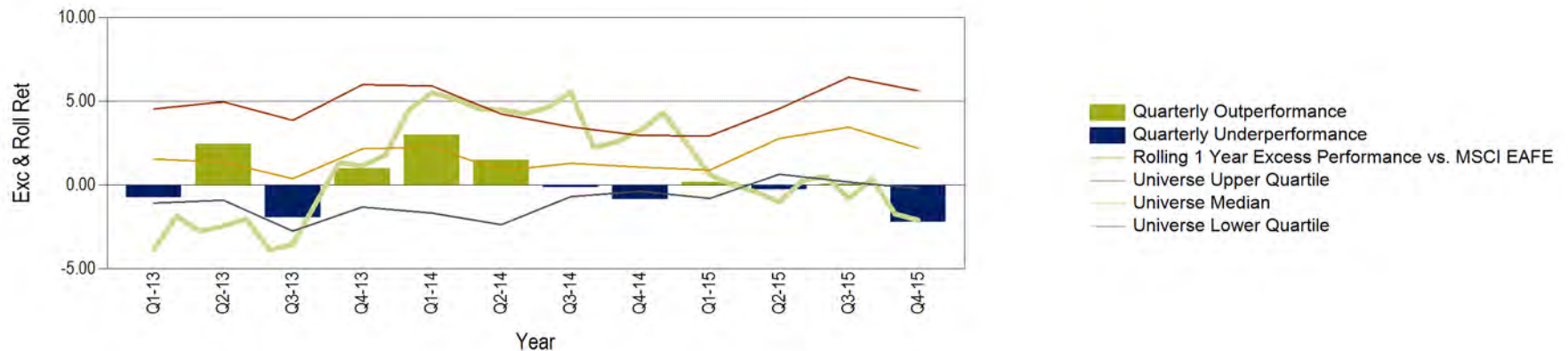


	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	-6.7%	--	9.9%	0.0%	0.0%	0.0%	-0.1%	-1.2%	-1.3%
Europe	7.4%	2.5%	50.2%	66.1%	3.2%	0.2%	0.4%	-0.8%	3.1%
Asia/Pacific	8.0%	9.1%	39.3%	33.2%	-0.3%	0.1%	-0.1%	-0.1%	-0.2%
Other	11.1%	9.9%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>6.3%</b>	<b>4.7%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.0%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>-2.0%</b>	<b>1.5%</b>
<b>Totals</b>									
Developed	7.1%	4.7%	92.8%	100.0%	2.2%	0.0%	0.3%	-0.2%	2.3%
Emerging*	-4.2%	--	7.2%	0.0%	0.0%	0.0%	0.0%	-0.7%	-0.8%

The firm is an active value-oriented defensive manager. The firm's value driven investment philosophy is based on the belief that investments need to be evaluated in terms of their fundamental long-term value. The firm believes that the value of a company lies in its future income stream as dividends represent the most direct form of cash flow to a shareholder. The firm uses an inflation adjusted dividend discount model to derive the underlying value of a company. This methodology is applied consistently to individual securities across all markets and industries. The universe spans markets covered in the MSCI Indices and those developing markets with adequate investor protection and good repatriation procedures. The firm will then narrow the universe to a list of more than 1000 securities on the basis of value criteria, and then further reduce this to a shorter list of approximately 250 securities annually, for detailed fundamental analysis. The screens include basic value characteristics such as price to book, price to cash flow ratio, price to earnings ratio, and yield, as well as liquidity considerations. A focus list of approximately 80 securities is then created from that list of approximately 250 through fundamental research and deliberations of the Equity Strategy Committee. It is this list of securities on which more detailed fundamental analysis and financial modeling is carried out utilizing the dividend discount model, which is based on an evaluation of a company's future income stream, which is then discounted in real terms.

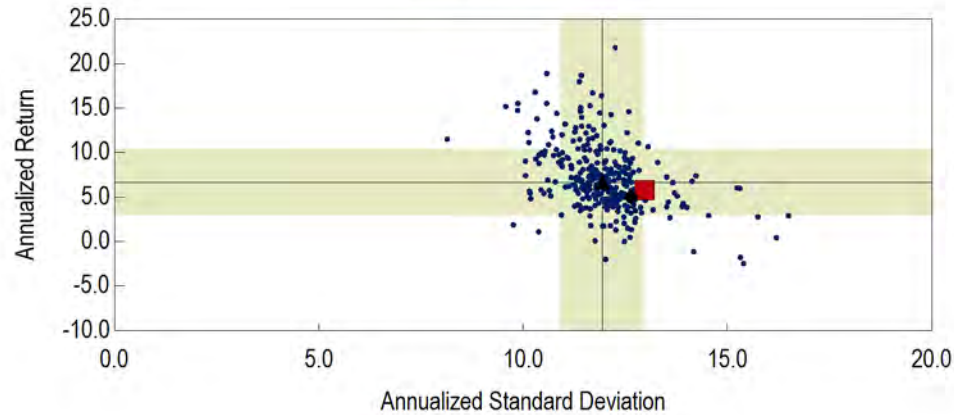


### Annualized Excess Performance





## 3 Year Risk Return

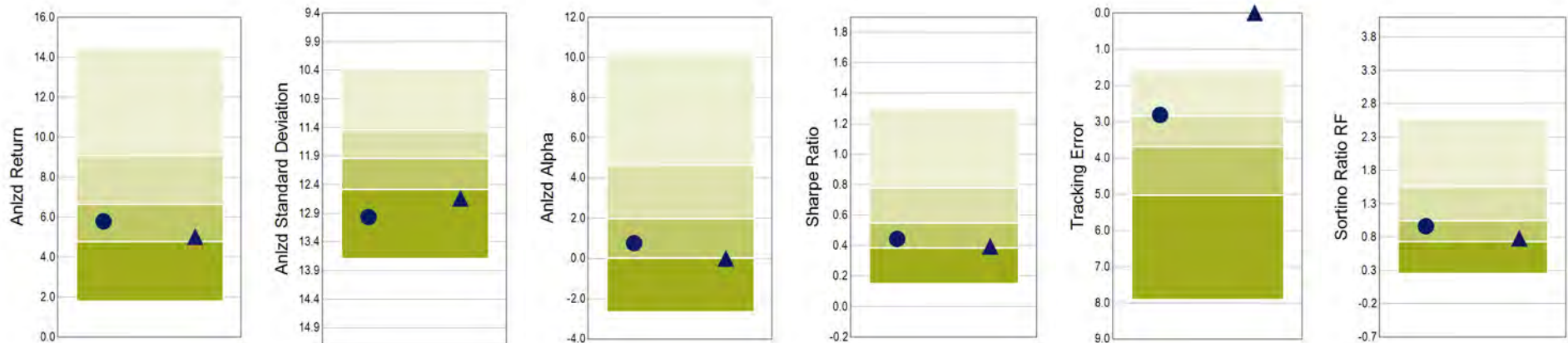


- Mondrian
- ◆ MSCI EAFE
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

## Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	51	926
Weighted Avg. Market Cap. (\$B)	60.3	53.9
Median Market Cap. (\$B)	40.7	8.7
Price To Earnings	19.1	19.7
Price To Book	2.2	2.5
Price To Sales	1.6	2.2
Return on Equity (%)	11.3	13.9
Yield (%)	4.0	3.1
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics



## Country Allocation

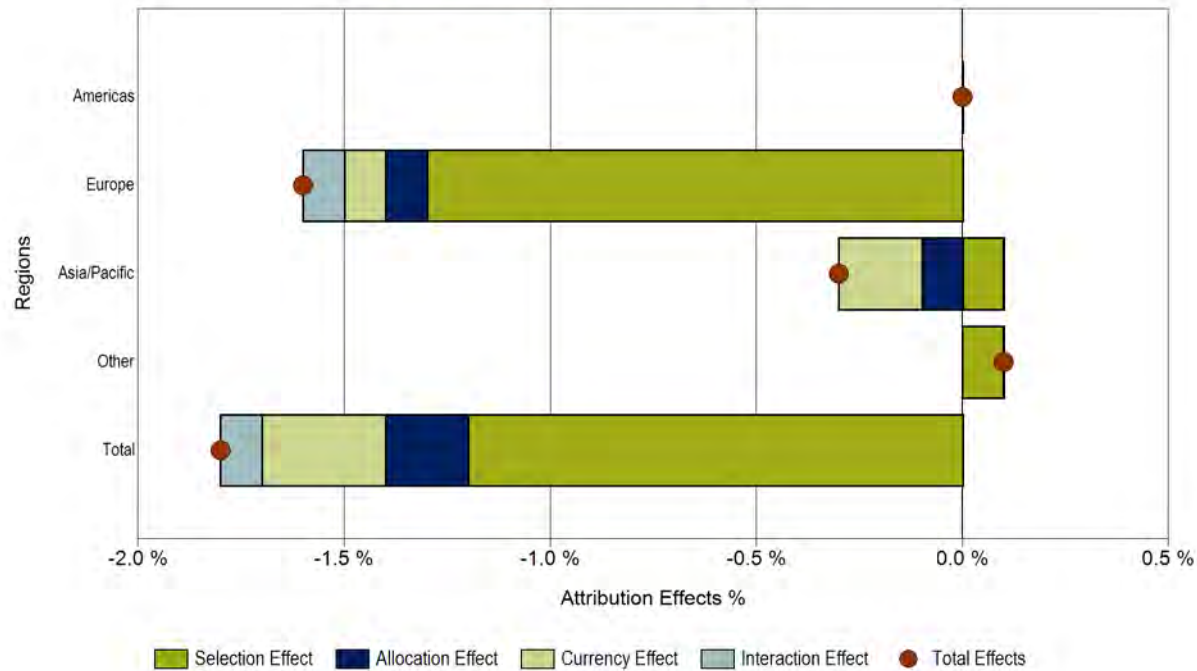
	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Europe</b>				
Denmark	0.8%	1.9%	9.2%	6.7%
France	7.1%	10.1%	-3.7%	1.8%
Germany	9.5%	8.9%	13.0%	7.6%
Italy	2.5%	2.5%	-4.4%	-2.2%
Netherlands	4.8%	2.8%	4.5%	3.6%
Norway	0.4%	0.6%	1.6%	-1.5%
Spain	6.5%	3.5%	0.9%	-2.6%
Sweden	4.2%	3.0%	-4.8%	2.5%
Switzerland	13.2%	9.7%	4.6%	2.0%
United Kingdom	23.3%	20.2%	-4.9%	0.7%
<b>Total-Europe</b>	<b>72.2%</b>	<b>66.1%</b>	<b>0.7%</b>	<b>2.5%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	1.3%	6.4%	1.2%	10.3%
Hong Kong	1.7%	3.1%	-4.7%	6.0%
Japan	17.5%	22.3%	12.5%	9.4%
Singapore	5.5%	1.3%	2.2%	4.3%
Taiwan*	1.0%	0.0%	10.3%	1.2%
<b>Total-AsiaPacific</b>	<b>27.0%</b>	<b>33.2%</b>	<b>8.7%</b>	<b>9.1%</b>
<b>Other</b>				
Israel	0.8%	0.6%	16.9%	9.9%
<b>Total-Other</b>	<b>0.8%</b>	<b>0.6%</b>	<b>16.9%</b>	<b>9.9%</b>
<b>Totals</b>				
Developed	99.0%	100.0%	2.9%	4.7%
Emerging*	1.0%	0.0%	10.3%	--



Mondrian Performance Attribution vs. MSCI EAFE

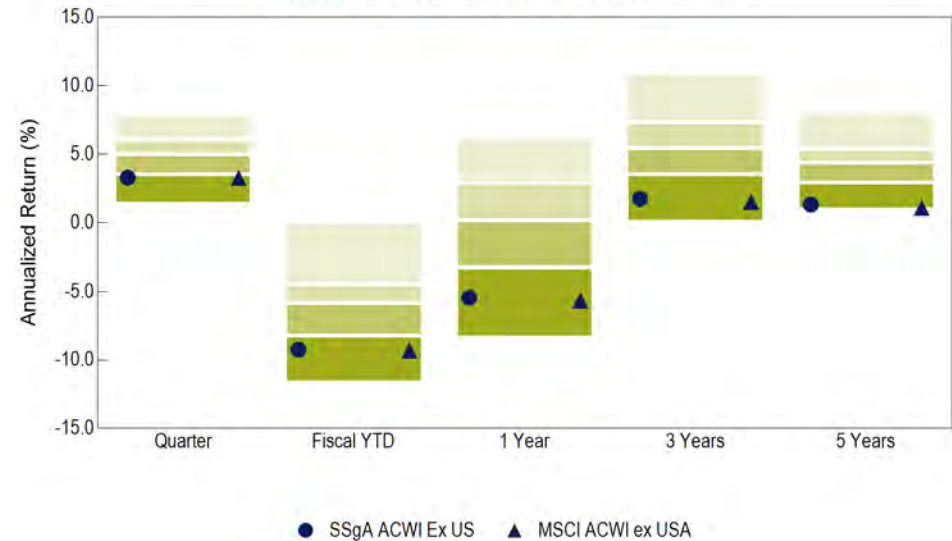


	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
<b>Totals</b>									
Americas	--	--	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Europe	0.7%	2.5%	72.2%	66.1%	-1.3%	-0.1%	-0.1%	-0.1%	-1.6%
Asia/Pacific	8.7%	9.1%	27.0%	33.2%	0.1%	-0.1%	-0.2%	0.0%	-0.3%
Other	16.9%	9.9%	0.8%	0.6%	0.1%	0.0%	0.0%	0.0%	0.1%
<b>Total</b>	<b>3.0%</b>	<b>4.7%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.2%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.1%</b>	<b>-1.8%</b>
<b>Totals</b>									
Developed	2.9%	4.7%	99.0%	100.0%	-1.5%	0.0%	-0.3%	0.0%	-1.8%
Emerging*	10.3%	--	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

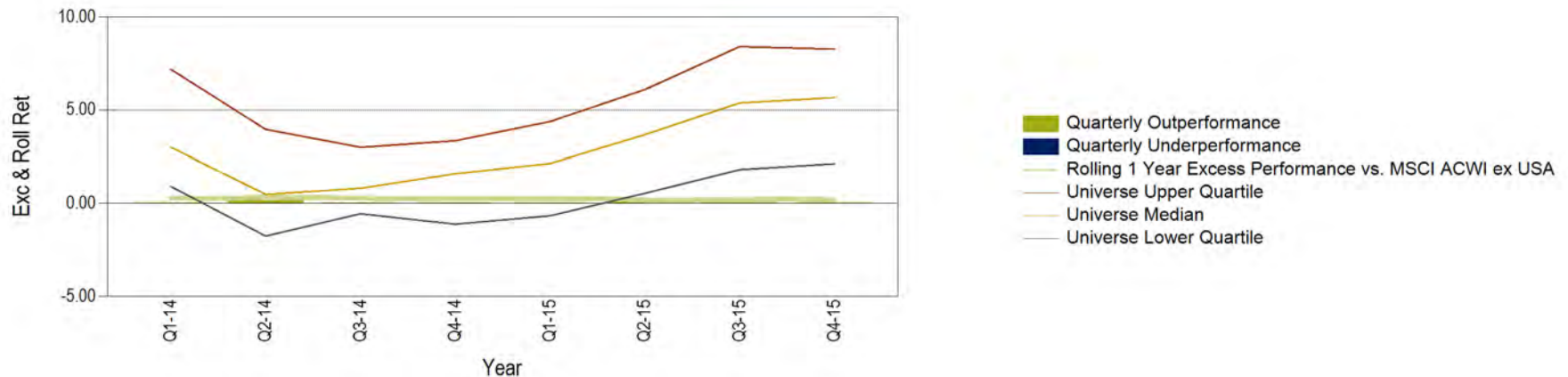
# SSgA ACWI Ex US

The MSCI ACWI ex US Index Strategy tends to hold each security that is held in the benchmark index, but the strategy will not be perfectly weighted in every index constituent on a daily basis. Holding securities in the perfect weights would require increased trading and therefore would incur costs. Thus, there will be securities in the fund that are either over- or under-weighted relative to the benchmark. The individual security mis-weights are very minimal, usually within 1 basis point. However, in aggregate, these small mis-weights can add up and result in tracking error if the mis-weighted securities' performance is volatile. SSgA seek to replicate the index by attempting to hold every security in the fund in its appropriate index weight. SSgA trade only when there is a change to the Index, when we have participant cash flows, or when we receive significant dividend income into the fund.

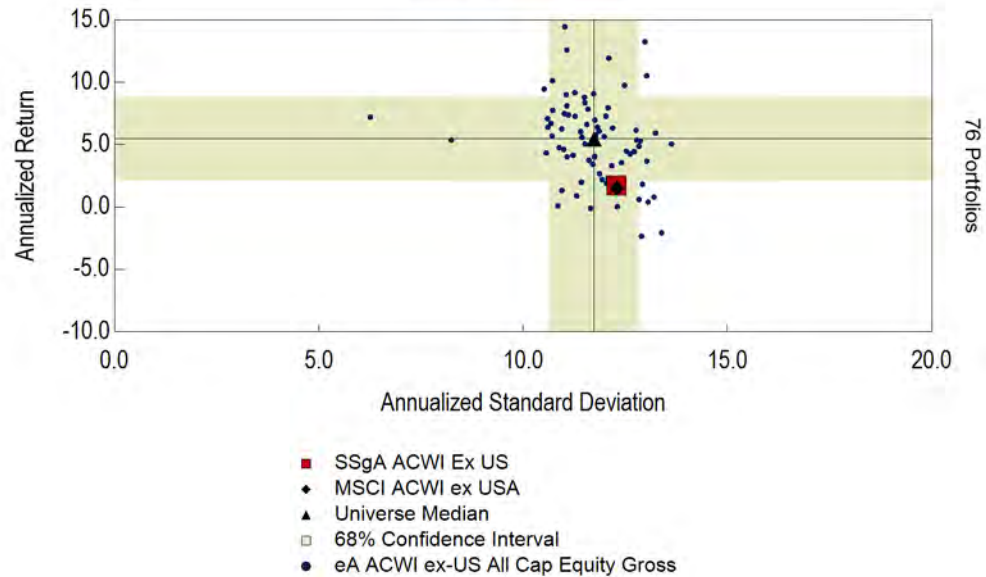
eA ACWI ex-US All Cap Equity Gross Accounts



Annualized Excess Performance



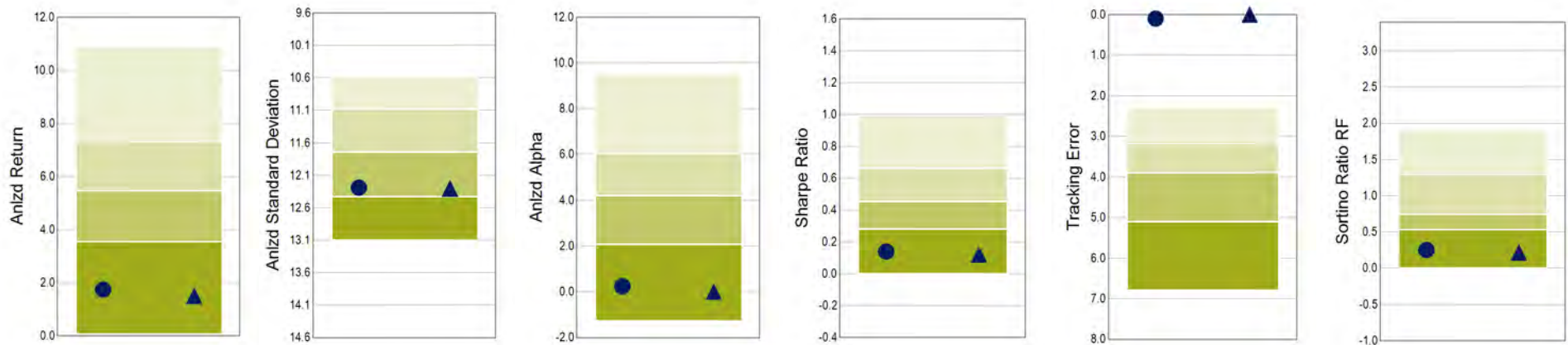
## 3 Year Risk Return



## Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	1,869	1,858
Weighted Avg. Market Cap. (\$B)	12.0	49.5
Median Market Cap. (\$B)	6.5	6.4
Price To Earnings	18.5	19.2
Price To Book	2.6	2.6
Price To Sales	2.5	2.3
Return on Equity (%)	13.9	14.9
Yield (%)	3.0	3.0
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics



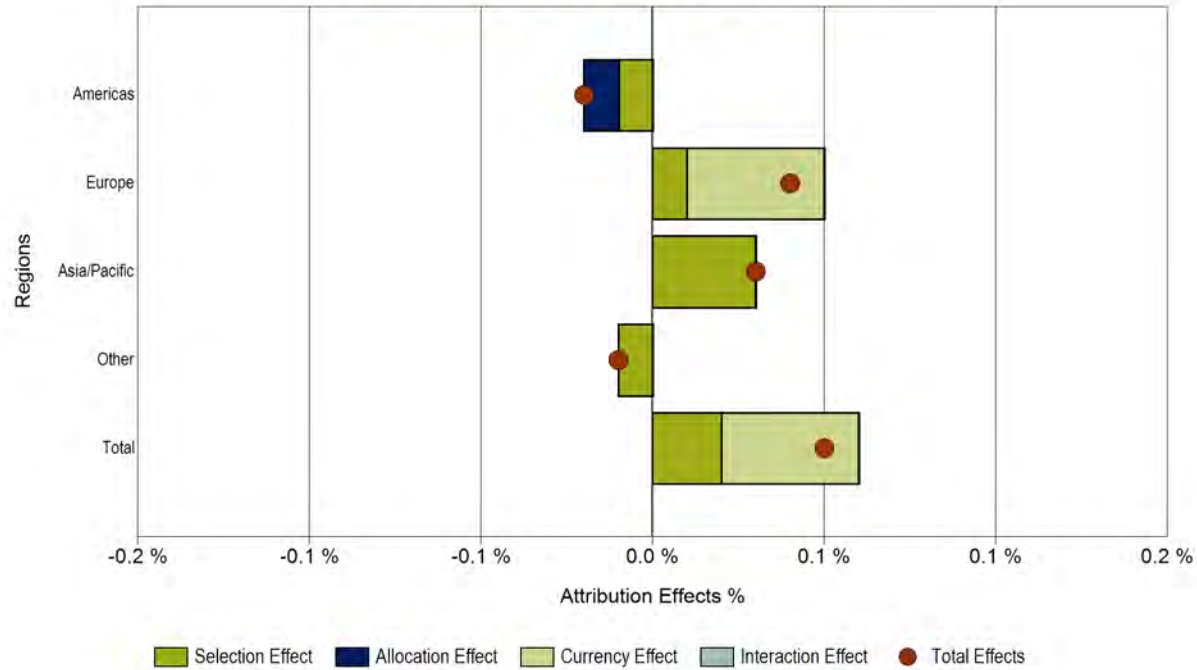
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	1.3%	1.2%	-3.0%	-3.1%
Canada	6.4%	6.4%	-5.0%	-4.8%
Chile*	0.3%	0.3%	-1.0%	-0.9%
Colombia*	0.1%	0.1%	-7.2%	-7.2%
Mexico*	1.0%	1.0%	-1.1%	-1.1%
Peru*	0.0%	0.1%	-28.2%	-8.1%
United States	0.1%	0.0%	-4.3%	6.6%
<b>Total-Americas</b>	<b>9.2%</b>	<b>9.1%</b>	<b>-4.2%</b>	<b>-4.1%</b>
<b>Europe</b>				
Austria	0.1%	0.1%	6.9%	6.9%
Belgium	1.0%	1.0%	13.6%	13.6%
Czech Republic*	0.0%	0.0%	-11.2%	-11.2%
Denmark	1.3%	1.4%	6.8%	6.7%
Finland	0.6%	0.6%	9.7%	9.7%
France	7.2%	7.4%	2.0%	1.8%
Germany	6.6%	6.5%	8.0%	7.6%
Greece*	0.1%	0.1%	-11.7%	-12.8%
Hungary*	0.1%	0.1%	11.4%	11.4%
Ireland	0.1%	0.3%	3.9%	7.3%
Italy	1.7%	1.8%	-2.3%	-2.2%
Luxembourg	0.2%	0.0%	-5.0%	3.3%
Netherlands	2.7%	2.1%	2.0%	3.6%
Norway	0.4%	0.4%	-1.4%	-1.5%
Poland*	0.3%	0.3%	-12.9%	-12.9%
Portugal	0.1%	0.1%	4.4%	4.5%
Russia*	0.7%	0.8%	-4.1%	-4.4%
Spain	2.6%	2.5%	-2.6%	-2.6%
Sweden	2.0%	2.2%	2.6%	2.5%
Switzerland	7.1%	7.1%	2.0%	2.0%
United Kingdom	14.4%	14.8%	1.0%	0.7%
<b>Total-Europe</b>	<b>49.3%</b>	<b>49.5%</b>	<b>2.4%</b>	<b>2.3%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	4.6%	4.7%	10.3%	10.3%
China*	2.6%	4.7%	2.5%	4.7%
Hong Kong	4.6%	2.4%	6.5%	5.8%
India*	1.9%	1.8%	-0.7%	-0.7%
Indonesia*	0.4%	0.4%	21.1%	21.0%
Japan	16.3%	16.3%	9.4%	9.4%
Korea*	3.3%	3.2%	4.2%	4.2%
Malaysia*	0.6%	0.6%	7.8%	7.8%
New Zealand	0.1%	0.1%	18.2%	18.3%
Philippines*	0.3%	0.3%	-0.2%	-0.2%
Singapore	0.9%	0.9%	4.3%	4.3%
Taiwan*	2.6%	2.6%	1.4%	1.4%
Thailand*	0.5%	0.5%	2.0%	-6.2%
<b>Total-AsiaPacific</b>	<b>38.7%</b>	<b>38.6%</b>	<b>7.1%</b>	<b>7.0%</b>
<b>Other</b>				
Egypt*	0.1%	0.0%	-7.8%	-7.8%
Israel	0.4%	0.5%	9.9%	9.9%
Qatar*	0.2%	0.2%	-9.7%	-9.7%
South Africa*	1.6%	1.6%	-10.7%	-10.6%
Turkey*	0.3%	0.3%	-0.2%	-0.3%
United Arab Emirates*	0.2%	0.2%	-11.5%	-11.5%
<b>Total-Other</b>	<b>2.8%</b>	<b>2.8%</b>	<b>-6.2%</b>	<b>-6.0%</b>
<b>Totals</b>				
Developed	81.5%	79.6%	4.1%	4.0%
Emerging*	18.5%	20.4%	0.1%	0.6%

SSgA ACWI Ex US Performance Attribution vs. MSCI ACWI ex USA



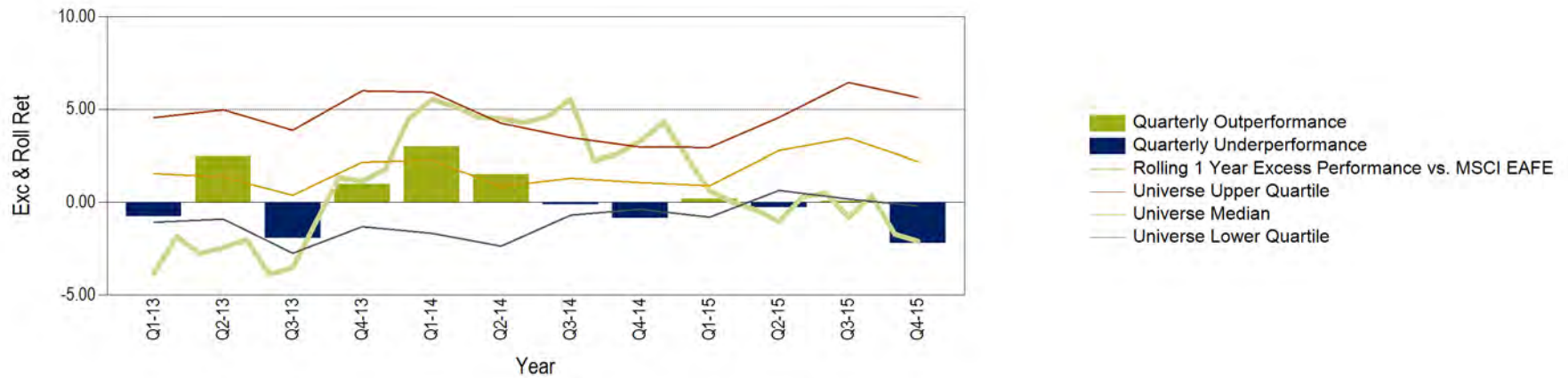
	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
<b>Totals</b>									
Americas	-4.2%	-4.1%	9.2%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe	2.4%	2.3%	49.3%	49.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia/Pacific	7.1%	7.0%	38.7%	38.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	-6.2%	-6.0%	2.8%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>3.3%</b>	<b>3.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Totals</b>									
Developed	4.1%	4.0%	81.5%	79.6%	0.0%	0.0%	0.0%	0.0%	0.1%
Emerging*	0.1%	0.6%	18.5%	20.4%	-0.1%	0.1%	0.0%	0.0%	0.0%

Aberdeen believes, given the inefficiency of markets, that competitive long-term returns are achieved by identifying high quality stocks at attractive valuations and holding for the long term. It is their belief that sound fundamentals drive stock prices over time. They employ a fundamental bottom-up investment approach based upon a rigorous and disciplined proprietary research effort which originates with direct company due diligence visits. Portfolios are constructed to maximize their level of exposure to the most attractive companies filtered from the stock selection process. They run a representative or model' unconstrained portfolio that contains approximately 30 - 70 stocks at any given time. Once a stock has received unanimous approval by the team, the senior investment team members then decide which portfolio category it should enter (i.e. country, regional, Global Emerging Markets) and at what weighting. The Head of Global Emerging Markets then has responsibility to ensure that the decision is implemented.

eA Emg Mkts Equity Gross Accounts

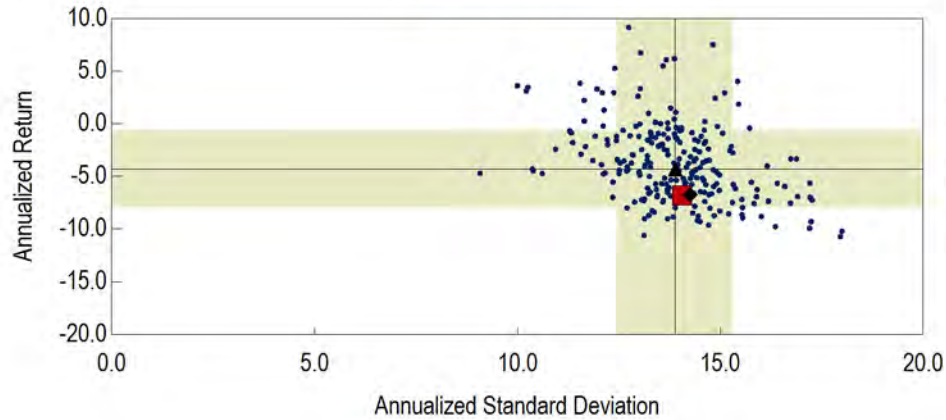


Annualized Excess Performance





3 Year Risk Return

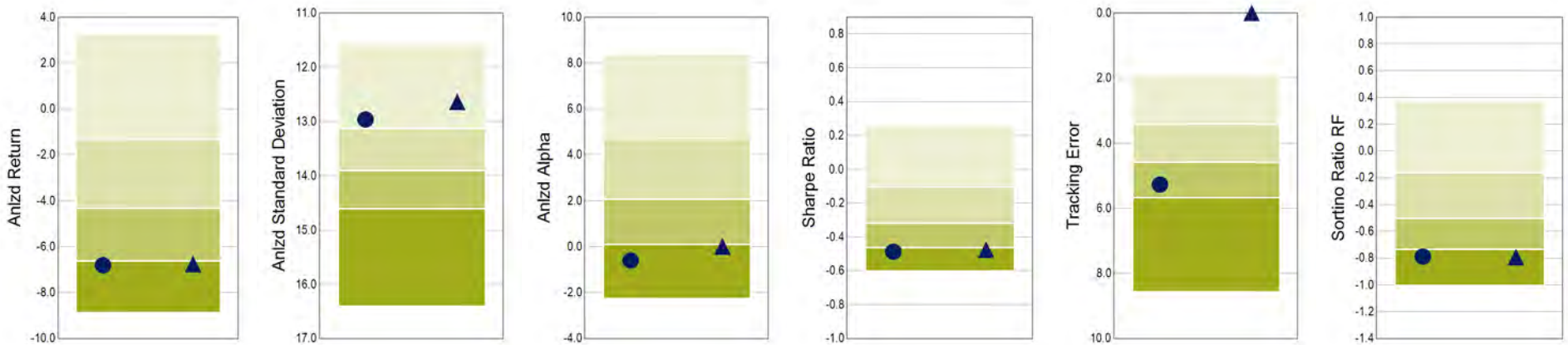


- Aberdeen
- ◆ MSCI Emerging Markets
- ▲ Universe Median
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	60	838
Weighted Avg. Market Cap. (\$B)	30.2	38.1
Median Market Cap. (\$B)	11.1	4.2
Price To Earnings	19.2	17.3
Price To Book	3.3	2.6
Price To Sales	2.9	2.9
Return on Equity (%)	18.4	17.4
Yield (%)	3.2	2.8
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics





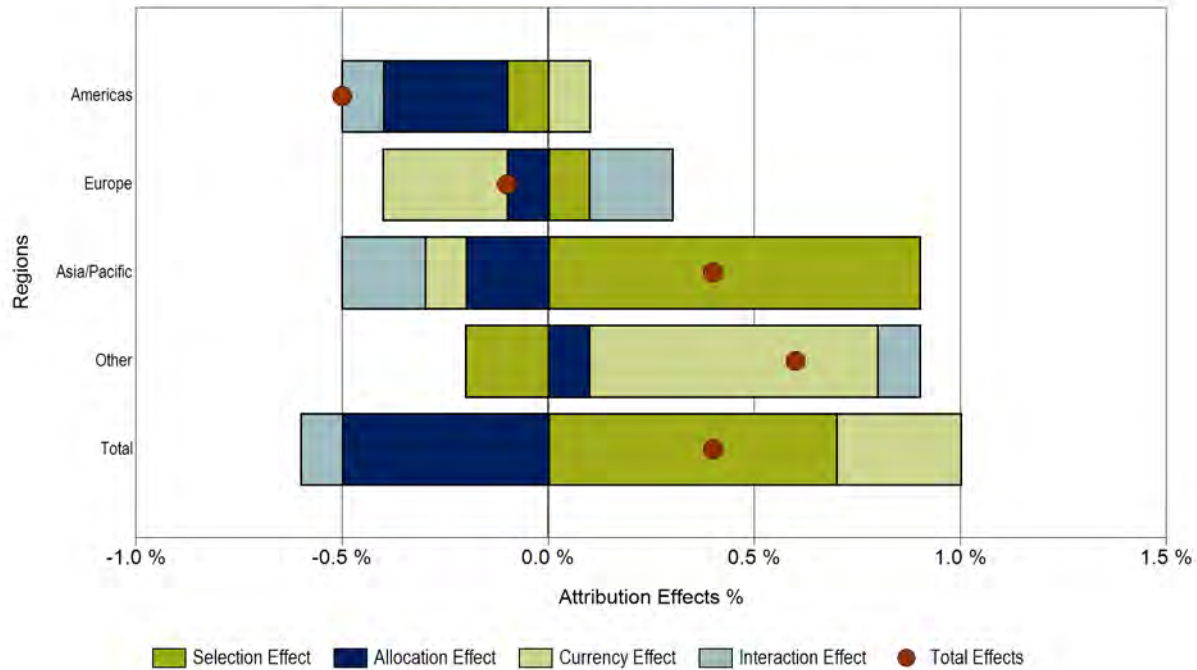
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	10.0%	6.0%	-9.3%	-3.1%
Chile*	1.2%	1.3%	-3.2%	-0.9%
Mexico*	8.9%	4.8%	5.1%	-1.1%
United States	1.7%	0.0%	-8.0%	6.6%
<b>Total-Americas</b>	<b>21.9%</b>	<b>13.0%</b>	<b>-3.0%</b>	<b>-2.5%</b>
<b>Europe</b>				
Hungary*	1.4%	0.3%	19.5%	11.4%
Luxembourg	1.5%	0.0%	-0.1%	0.6%
Poland*	1.8%	1.6%	-10.5%	-12.9%
Portugal	1.4%	0.0%	0.0%	4.2%
Russia*	4.4%	3.9%	-6.8%	-4.4%
United Kingdom	4.7%	0.0%	-4.1%	0.7%
<b>Total-Europe</b>	<b>15.3%</b>	<b>6.2%</b>	<b>-2.6%</b>	<b>-6.5%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	0.0%	0.0%	-19.2%	10.0%
China*	1.5%	23.0%	-5.4%	4.7%
Hong Kong	11.2%	0.0%	2.6%	1.5%
India*	17.0%	8.9%	1.9%	-0.7%
Indonesia*	3.3%	2.2%	27.9%	21.0%
Korea*	6.1%	15.6%	12.7%	4.2%
Malaysia*	1.7%	3.0%	6.8%	7.8%
Philippines*	4.1%	1.5%	2.0%	-0.2%
Taiwan*	4.7%	12.7%	8.0%	1.4%
Thailand*	4.6%	2.3%	-4.8%	-6.2%
<b>Total-AsiaPacific</b>	<b>54.2%</b>	<b>69.3%</b>	<b>4.7%</b>	<b>3.5%</b>
<b>Other</b>				
South Africa*	4.0%	7.9%	-15.6%	-10.6%
Turkey*	4.7%	1.5%	2.4%	-0.3%
<b>Total-Other</b>	<b>8.7%</b>	<b>11.5%</b>	<b>-5.9%</b>	<b>-9.2%</b>
<b>Totals</b>				
Developed	20.6%	0.0%	-0.2%	--
Emerging*	79.4%	100.0%	1.3%	0.6%

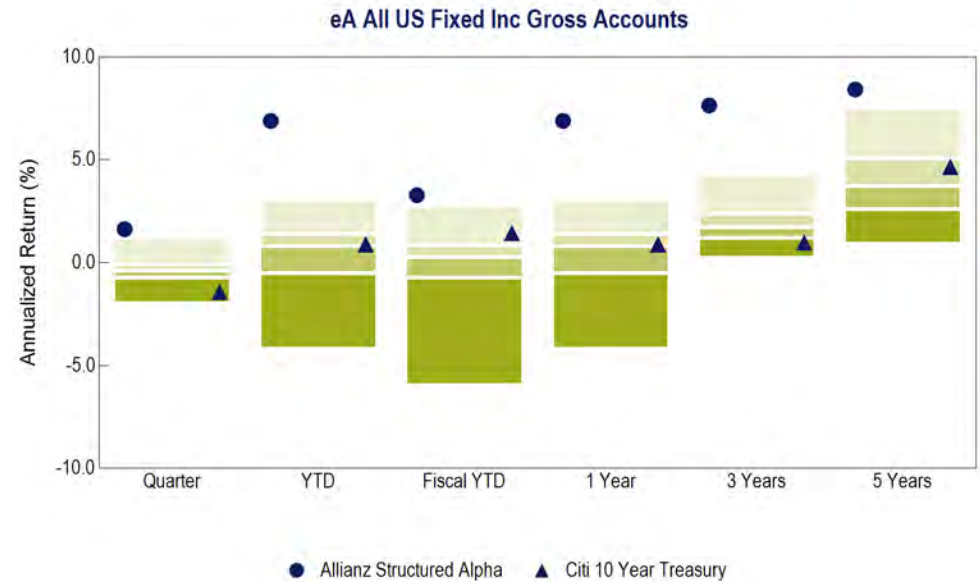
Aberdeen Performance Attribution vs. MSCI Emerging Markets



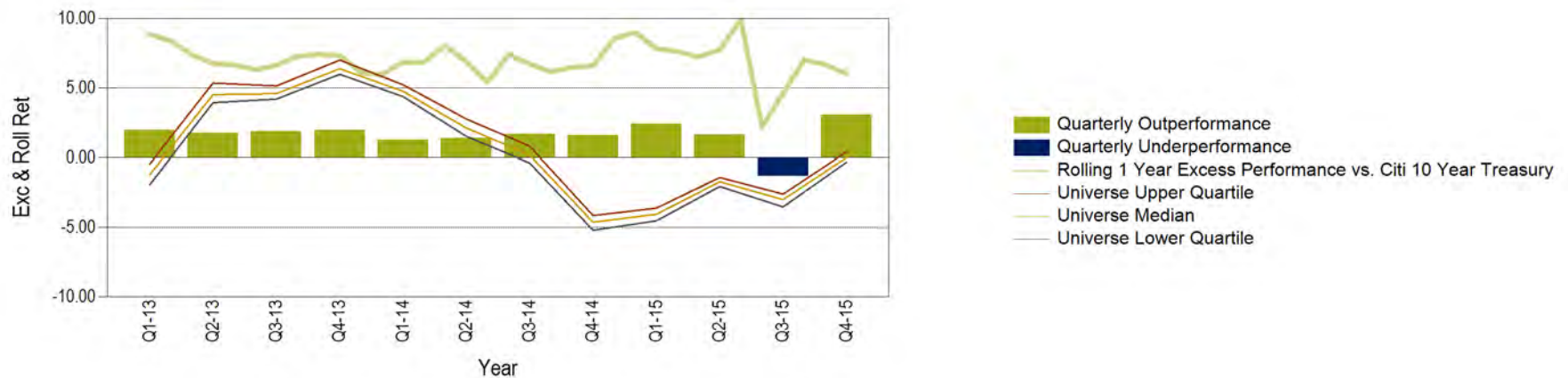
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	-3.0%	-2.5%	21.9%	13.0%	-0.1%	-0.3%	0.1%	-0.1%	-0.5%
Europe	-2.6%	-6.5%	15.3%	6.2%	0.1%	-0.1%	-0.3%	0.2%	-0.1%
Asia/Pacific	4.7%	3.5%	54.2%	69.3%	0.9%	-0.2%	-0.1%	-0.2%	0.4%
Other	-5.9%	-9.2%	8.7%	11.5%	-0.2%	0.1%	0.7%	0.1%	0.6%
<b>Total</b>	<b>1.0%</b>	<b>0.6%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.7%</b>	<b>-0.5%</b>	<b>0.3%</b>	<b>-0.1%</b>	<b>0.4%</b>
<b>Totals</b>									
Developed	-0.2%	--	20.6%	0.0%	0.0%	0.0%	-0.5%	0.1%	-0.4%
Emerging*	1.3%	0.6%	79.4%	100.0%	0.0%	0.0%	0.7%	0.0%	0.7%

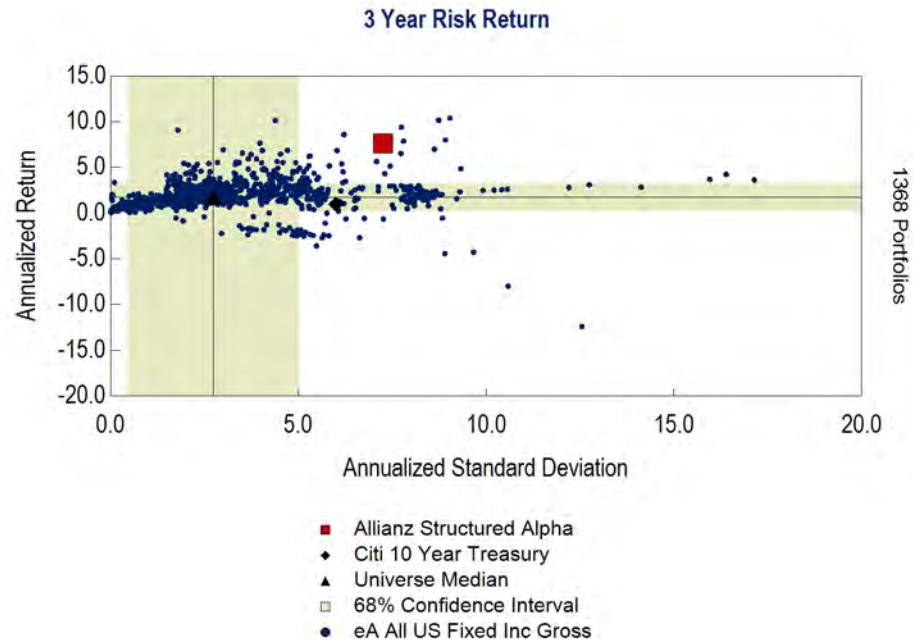
# Allianz Structured Alpha

Allianz uses an alpha enhancement strategy that targets a return stream with low or no correlation with the underlying BC Aggregate benchmark. The objective of the fund seeks to deliver 5% net of fees annually on top of the benchmark with a tracking error of 2-4%. The strategy analyzes historical behavior of the S&P 500 Index and develops a distribution of expected returns, then the fund constructions profit zones using puts and calls which at expiration the underlying ends up in the profit zone. Strategies containing the buying or selling of options may produce losses and profits similar to leverage and may expose the account to risk related to the underlying security and the option itself.

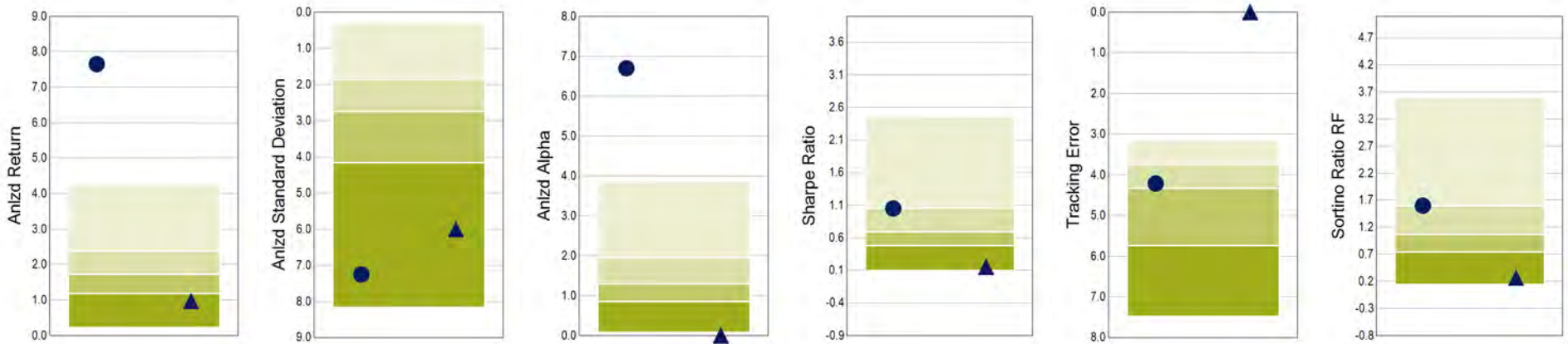


## Annualized Excess Performance

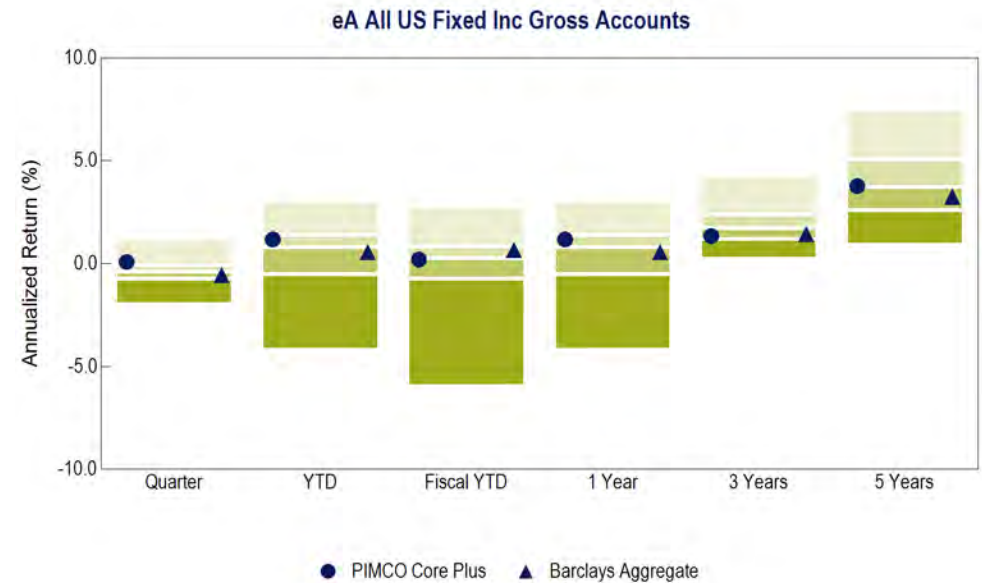




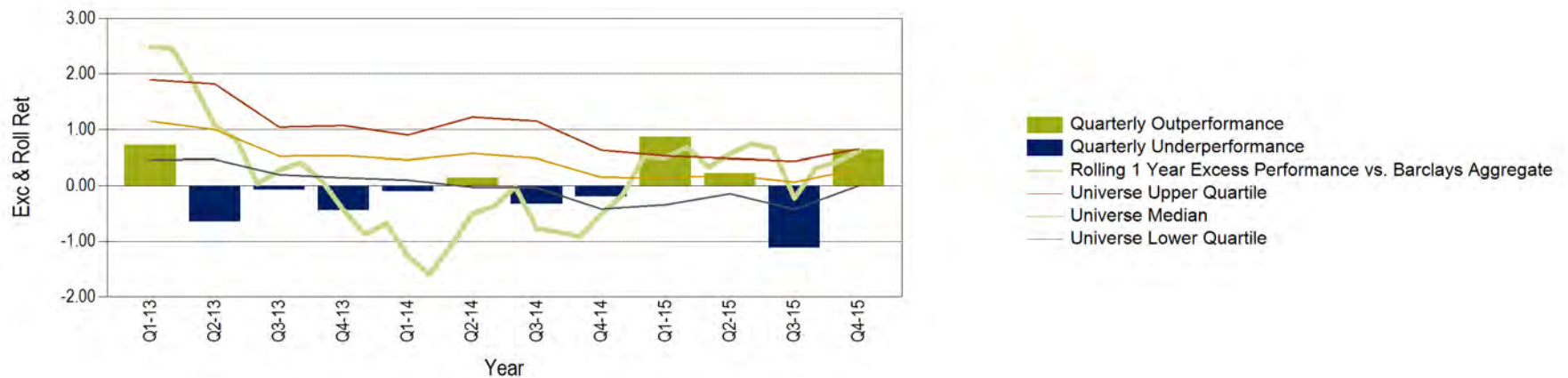
### 3 Year Risk Statistics



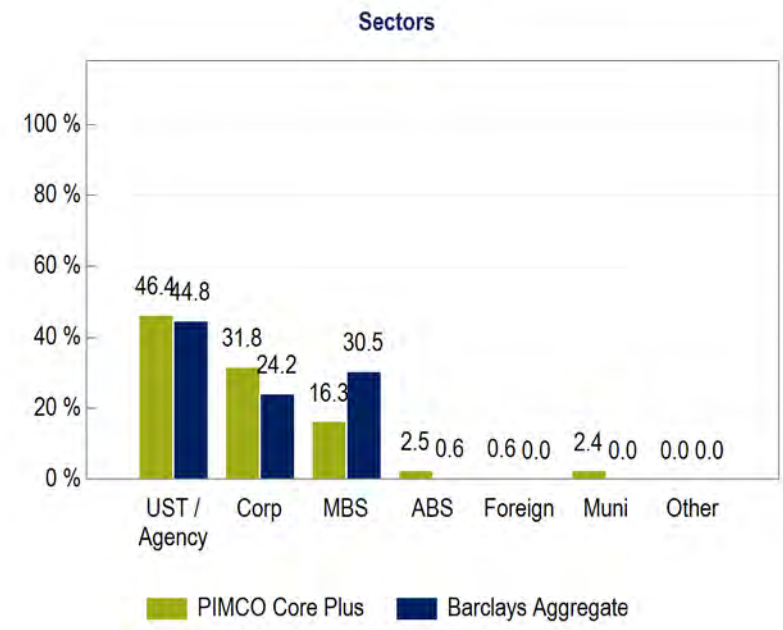
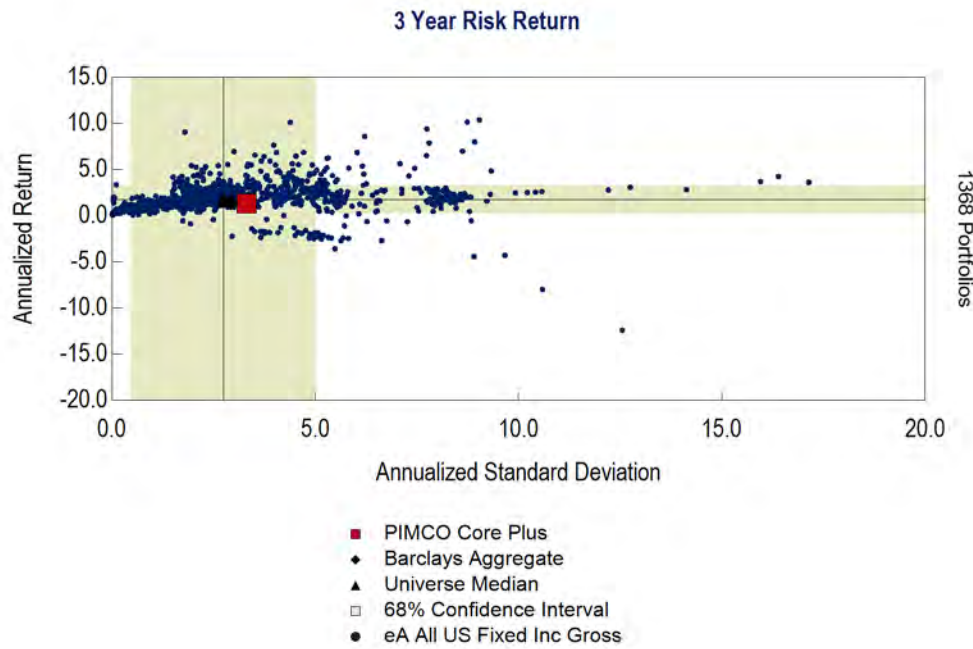
PIMCO's investment process expects to generate above-benchmark returns by building diversified, risk-averse portfolios based upon their long-term secular outlook. This is achieved by analyzing fundamental global trends in such areas as political factors, inflation, volatility, growth, and currency, amongst others. The three to five-year secular outlook is the core element of their decision-making process, and serves as a framework for portfolio implementation. In applying the secular outlook to the portfolio, such tools as duration position, yield curve posture and sector allocation are expressed to best represent the firm's view on the macro-economic environment. Bottom-up analysis of specific securities is also an important part of the firm's philosophy. Bonds are evaluated on a rich/cheap basis and fundamental research determines strong portfolio candidates.



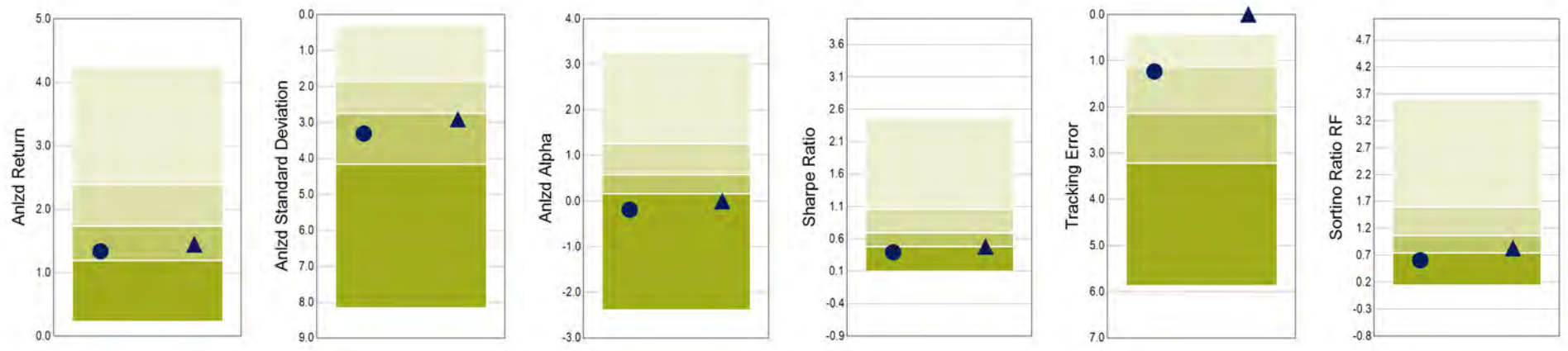
### Annualized Excess Performance



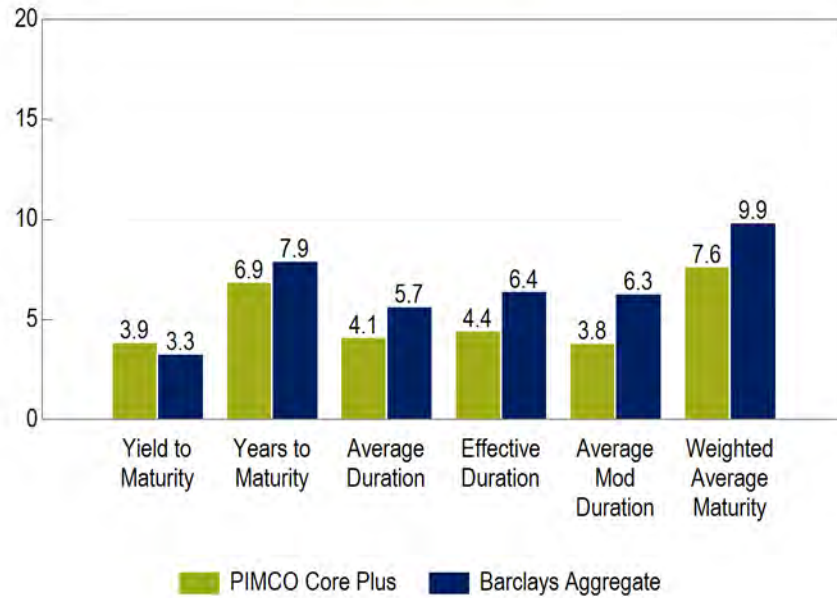




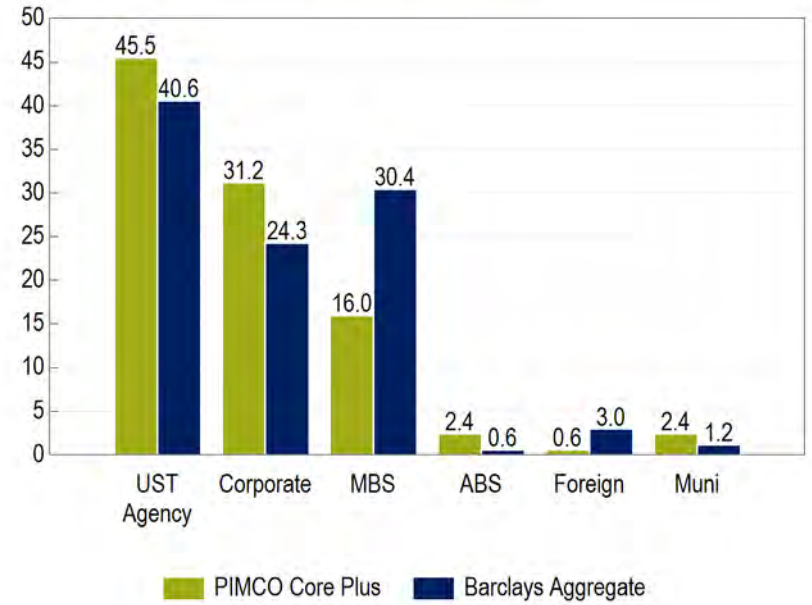
### 3 Year Risk Statistics



Fixed Income Characteristics



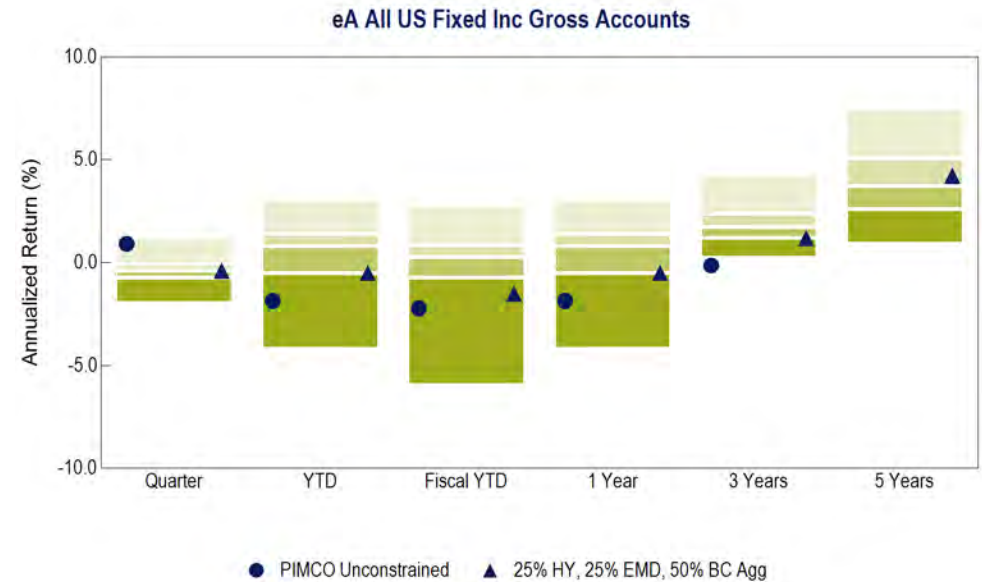
US Sector Allocation



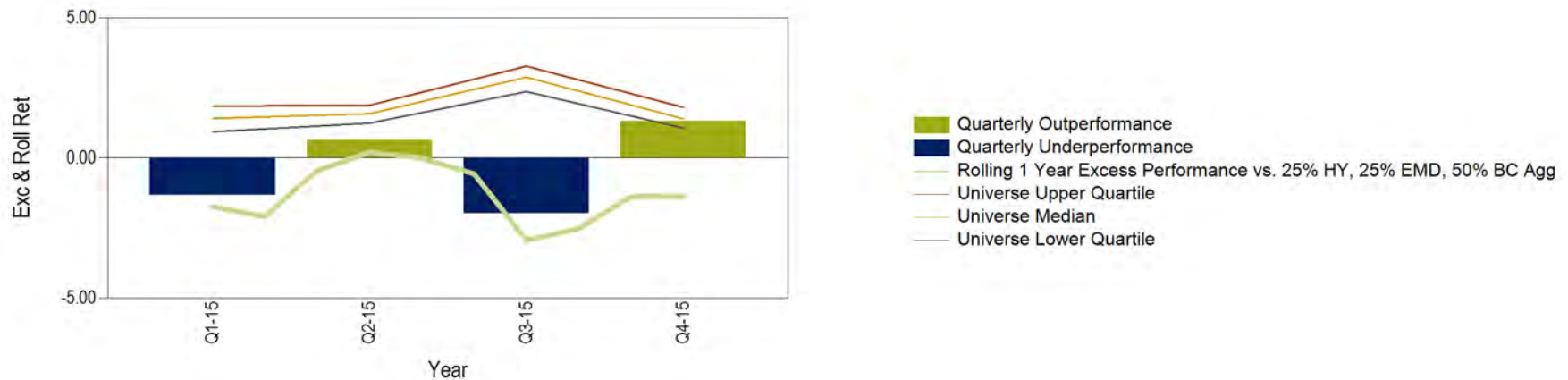


# PIMCO Unconstrained

The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy is designed to offer the traditional benefits of a core bond portfolio - seeks maximum long-term return consistent with capital preservation and prudent management- but with higher potential alpha and the potential to mitigate downside risk to a greater degree than what is reasonably possible from traditional active fixed income management approaches as the strategy allows for more manager discretion to adjust duration exposure, allocate across sectors and otherwise express the firm's active views. The strategy is governed by PIMCO's investment philosophy and unique, disciplined secular investment process, which focuses on long-term economic, social and political trends that may have lasting impacts on investment returns.

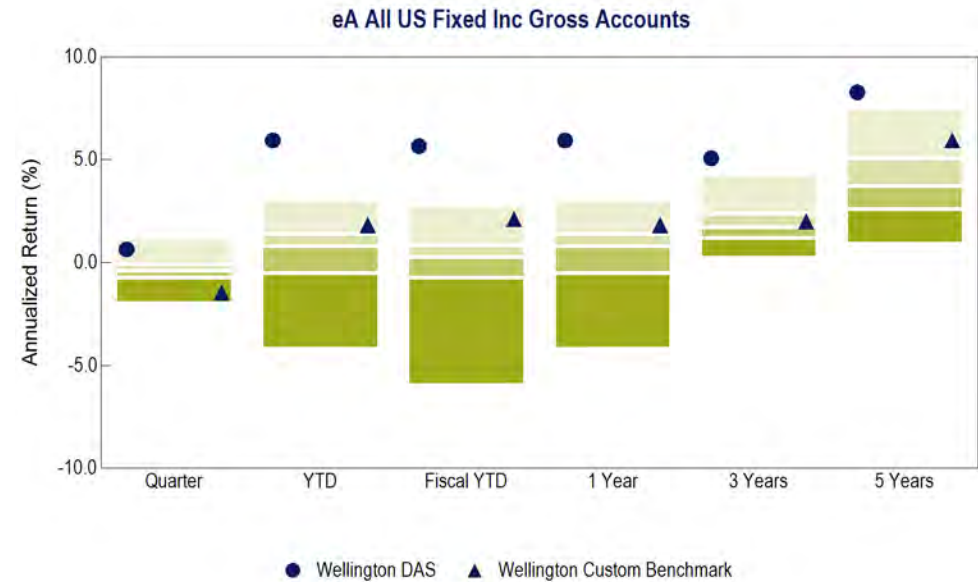


### Annualized Excess Performance

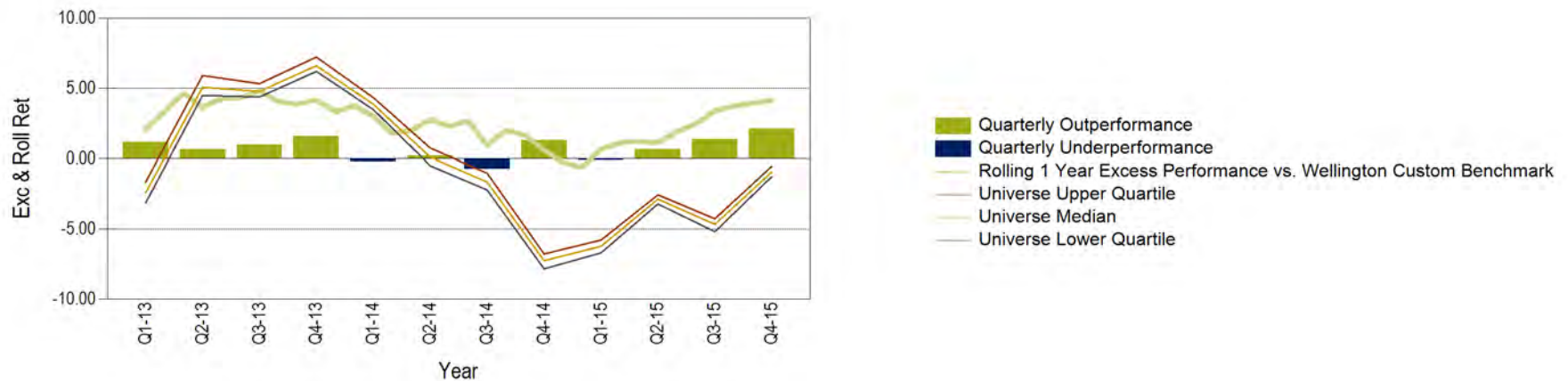


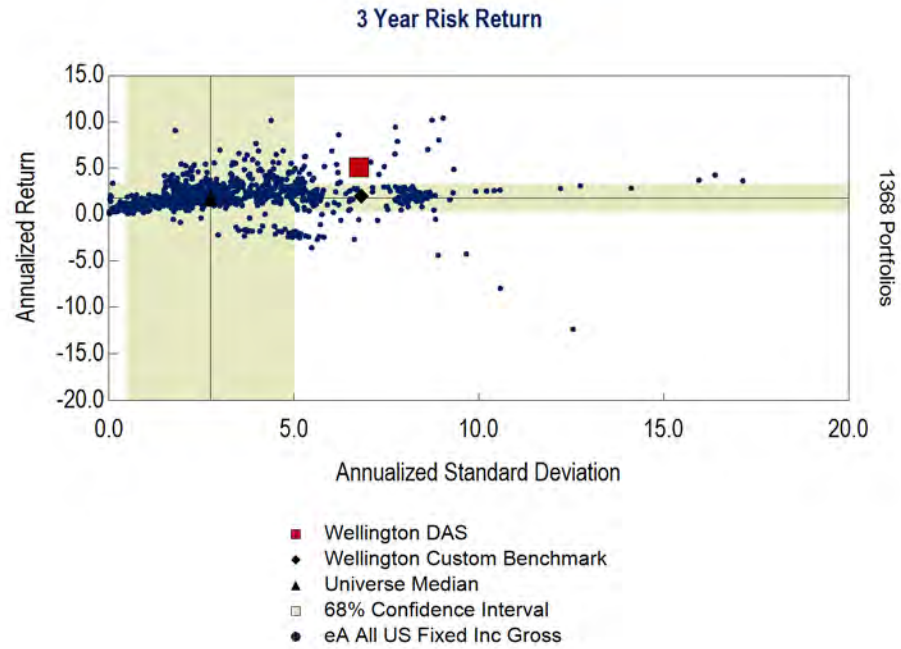
# Wellington DAS

The objective of the Diversified Alpha Strategies - Absolute Return (DAS) Portfolio is to provide positive absolute returns over cash or other market exposure (beta) over rolling 3-year periods with expected volatility of 3 to 6%. The DAS Portfolio aims to provide consistent returns by investing in diverse, market-neutral alpha sources that have low or negative correlations with each other. The mix of alpha sources is rebalanced periodically, and the target mix may change over time. The DAS Portfolio can be combined with desired market (beta) exposure through the use of derivative instruments. Drawing on a diversified basket of alpha sources from across a broad investment universe, rather than a single alpha source, should increase the efficiency of the return/risk ratio and increase the likelihood of achieving consistent returns. For this reason, the DAS Portfolio includes a variety of alpha sources: market neutral equity and fixed income strategies, overlay strategies (currency, fixed income, asset allocation), and long-only equity strategies from which they try to remove structural market risk through short equity index future or swap positions. The allocation to each alpha source is determined in a contribution to risk framework in the context of the expected aggregate DAS Portfolio characteristics. The target weights of the underlying alpha sources have been set using risk budgeting, with a goal of achieving a balanced contribution to risk across the alpha sources, rather

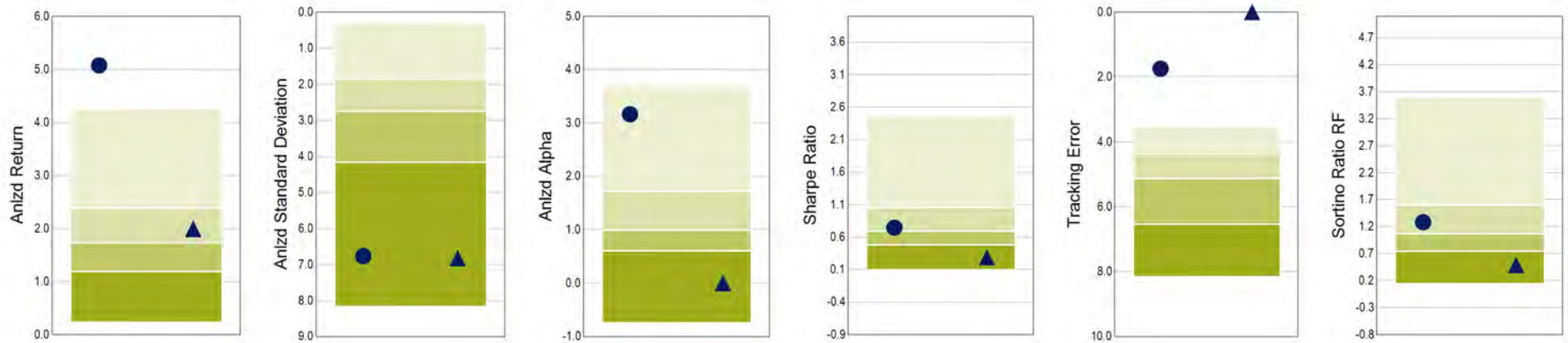


## Annualized Excess Performance





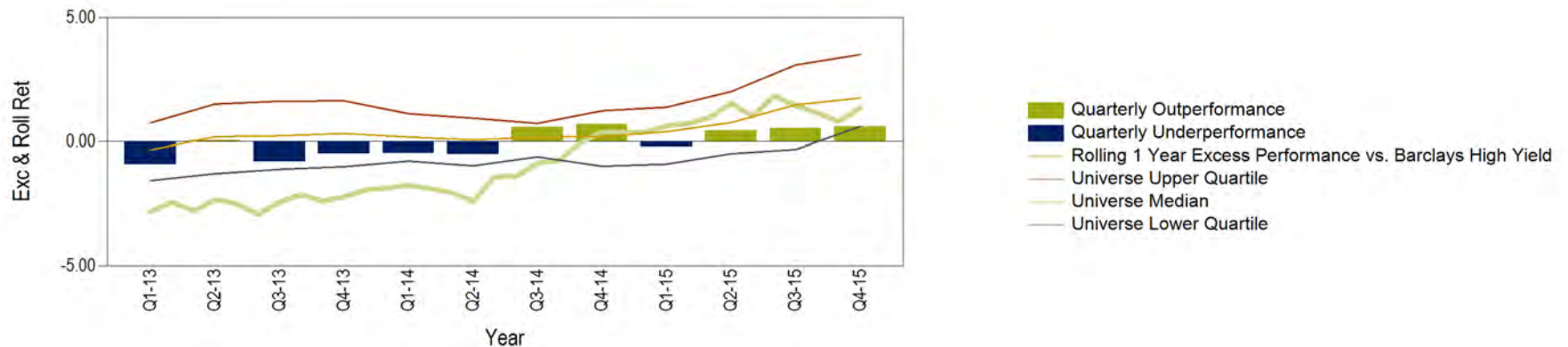
### 3 Year Risk Statistics

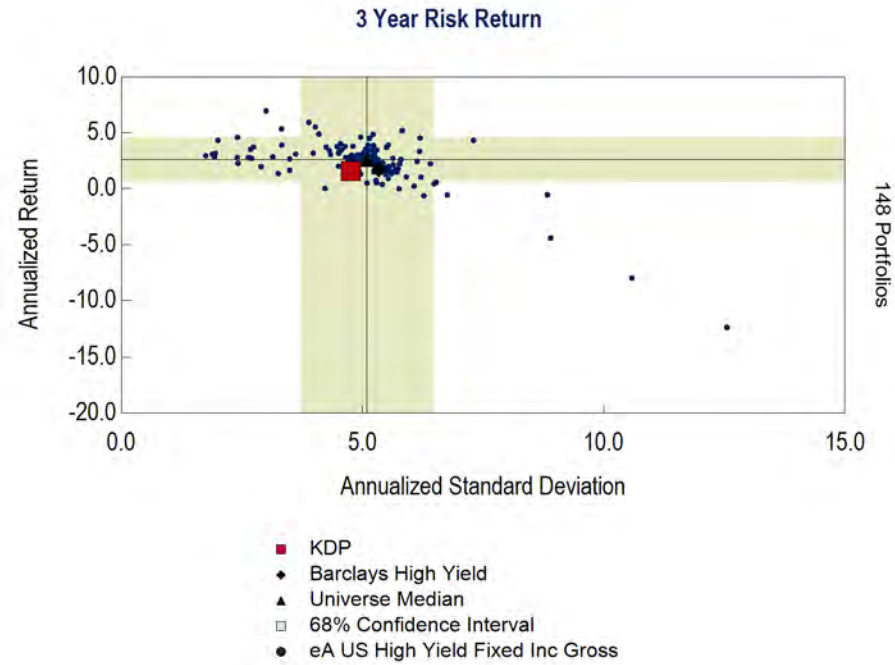


KDP believes that the key to delivering superior risk-adjusted returns lies in controlling credit risk. To do this the firm combines rigorous, bottom-up credit analysis with an active, top-down management approach that ensures a strong overall credit profile and broad portfolio diversification. KDP employs a value-oriented approach to investing that leverages our strong fundamental research capabilities, and seeks to take advantage of market inefficiencies and anomalies on an opportunistic basis in order to capture excess credit spread. KDP places a strong emphasis on issuer, industry and sector diversification, and tends to focus on larger companies, as they tend to be more resilient in times of difficulty and their securities tend to be more liquid. KDP uses a proprietary "Default Risk Ranking (DRR)" System to screen securities eligible for purchase in its portfolios. By assigning default risk probabilities to companies covered, the DRR system is used to identify securities that are overvalued or undervalued relative to the market. The firm minimizes portfolio volatility in part by investing in securities of companies that exhibit greater resilience in times of financial distress. KDP focuses on companies with good management, stable to improving earnings, good balance sheet liquidity and a strong competitive position in industries with favorable underlying fundamentals.

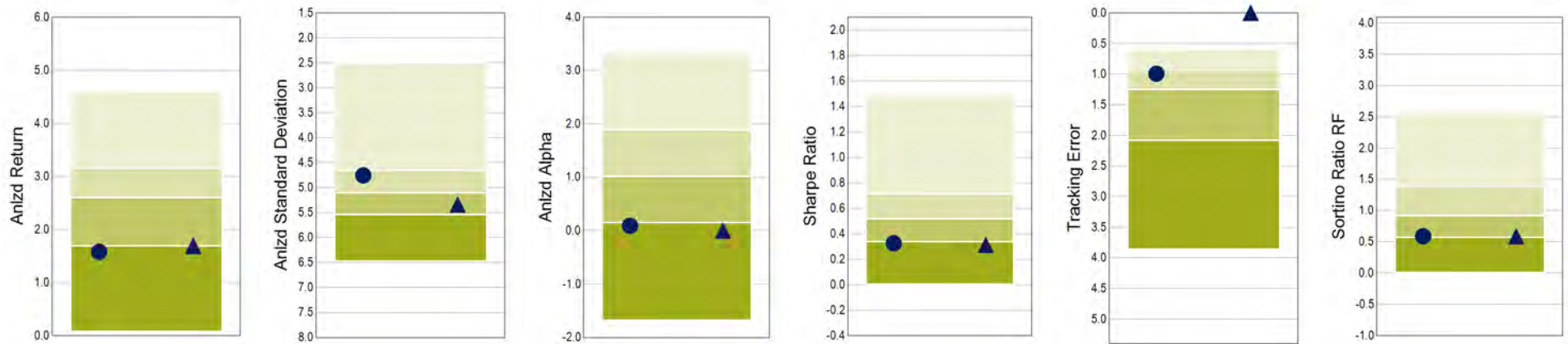


### Annualized Excess Performance



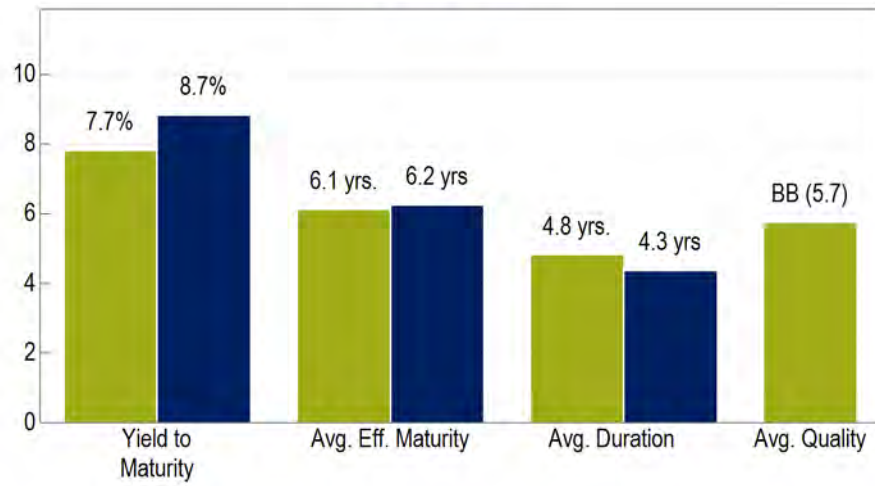


### 3 Year Risk Statistics

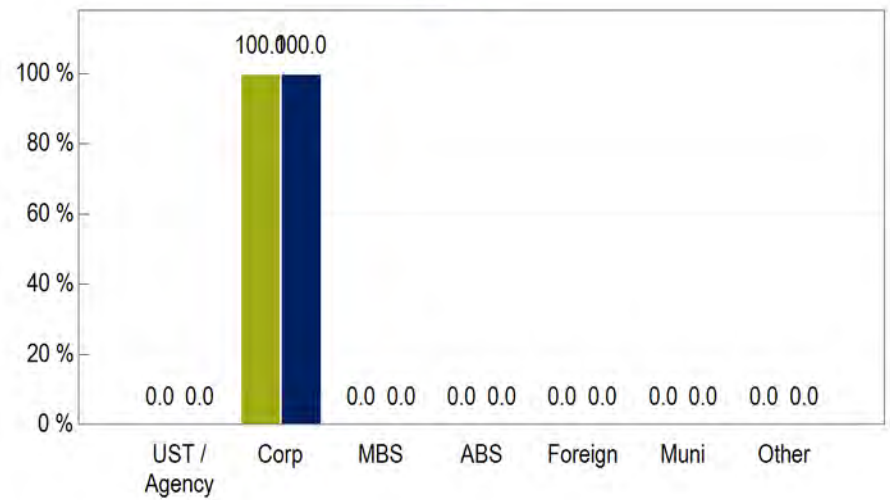




Characteristics



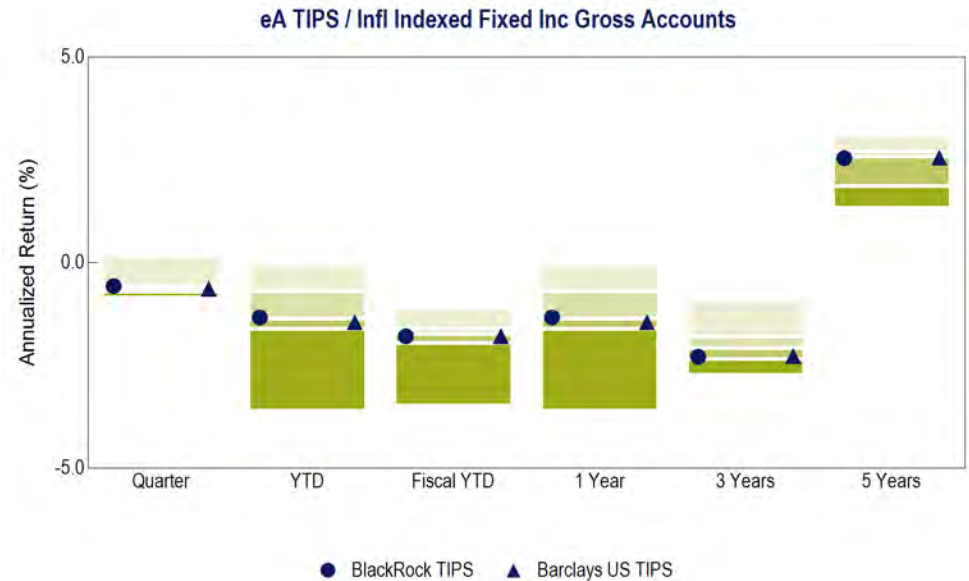
Sectors



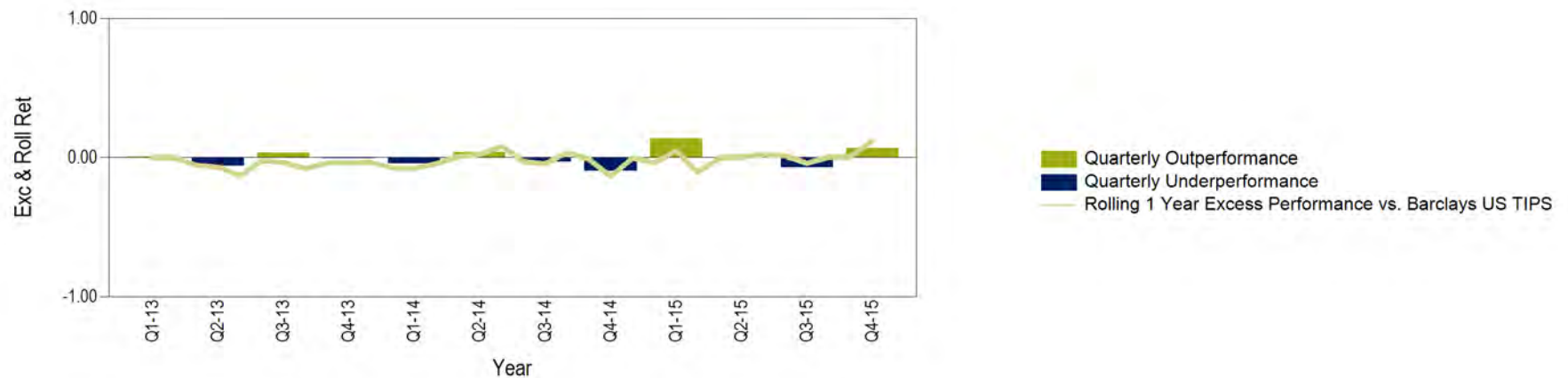
■ KDP ■ Barclays High Yield

# BlackRock TIPS

In the management of an inflation-linked bond portfolio, BlackRock will utilize multiple strategies to outperform the index. These include: duration and yield curve positioning, technical supply/demand anomalies related primarily to the ILB auction cycle, seasonal factors related to non-seasonally adjusted inflation-linked indices, break-even spread between ILBs and nominal securities, and, if applicable, sector and country allocation. The team compares nominal yields with real yields and factor in their views on inflation. If the yield spread is less than the inflation rate, then ILBs are considered to trade cheaply to nominal bonds and have greater relative value. The portfolio currently holds about 31 positions, out of 27-29 issues in the benchmark. Turnover is moderate, at around 100-150%.

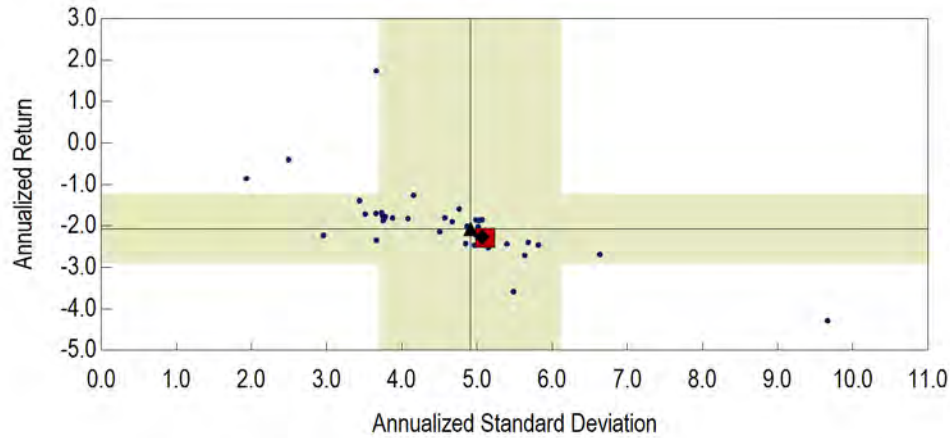


### Annualized Excess Performance



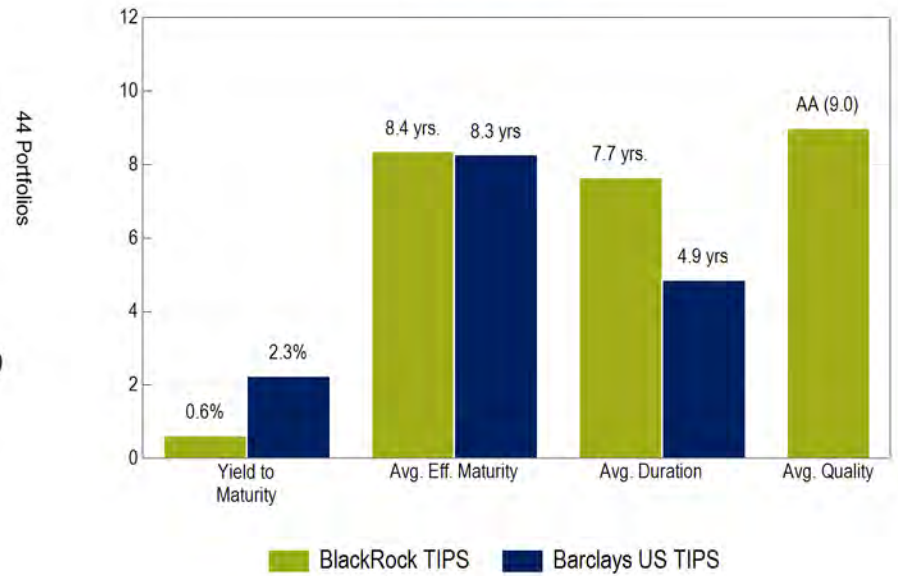


### 3 Year Risk Return

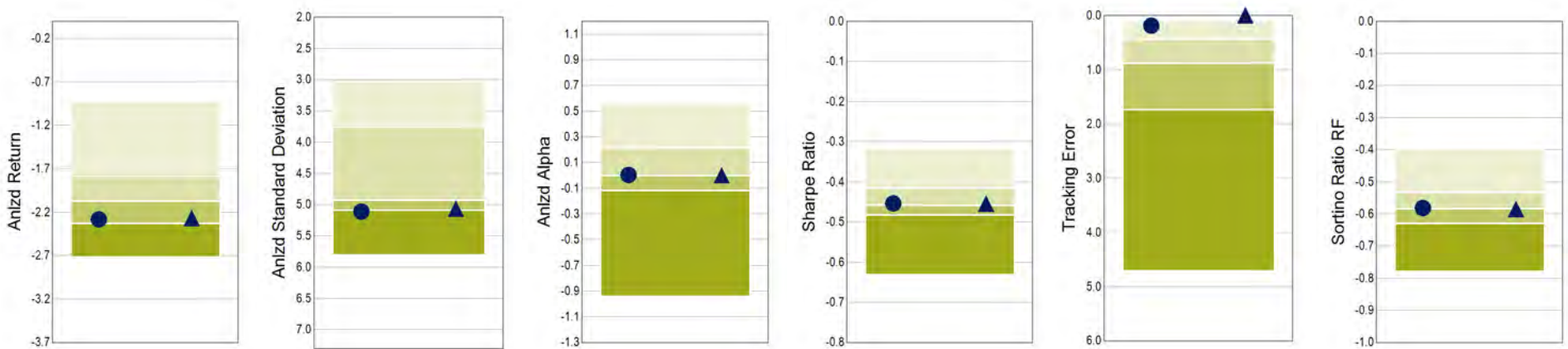


- BlackRock TIPS
- ◆ Barclays US TIPS
- ▲ Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

### Characteristics



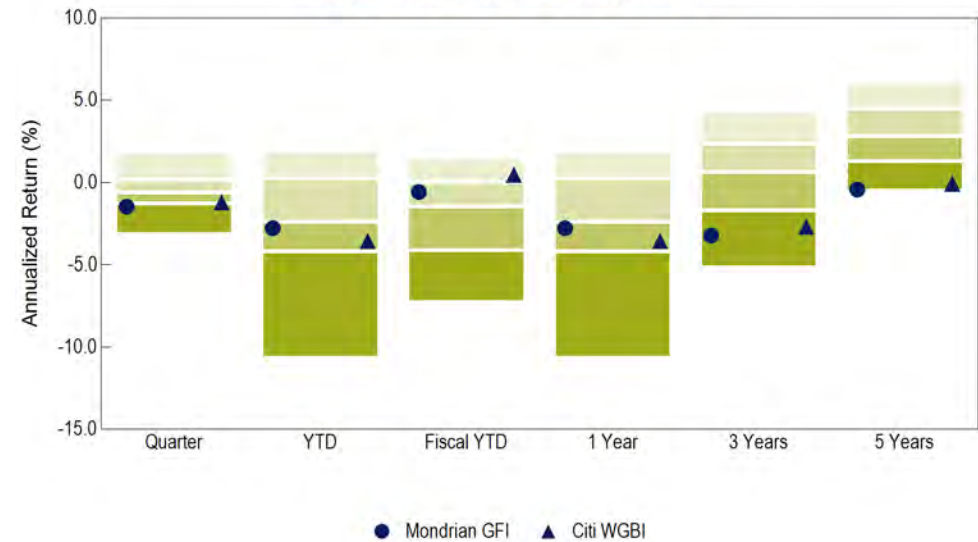
### 3 Year Risk Statistics



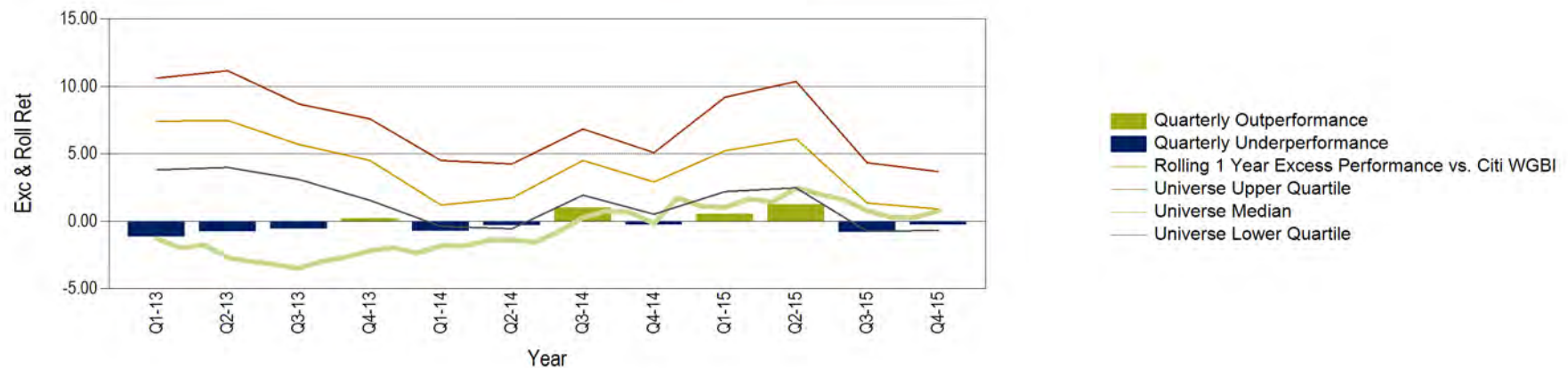
# Mondrian GFI

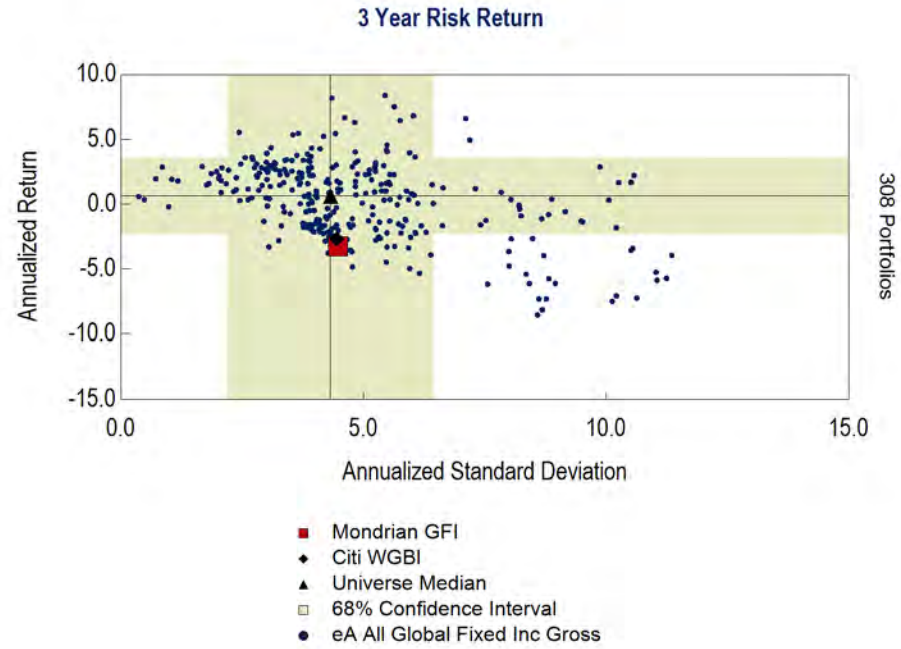
Bond yield for each market minus Mondrian's inflation forecast for that country. Mondrian will consider investing in the government debt of all countries within the Citigroup World Government Bond Index and other developed world bond markets. Within the emerging world most countries are researched and will include dollar denominated and local currency issuers. Mondrian's bond universe is constructed by selecting a range of bonds from the aforementioned regions at varying maturities, according to Mondrian's credit, liquidity and other specific criteria. A total of 150-200 issues are followed closely, although this list is not intended to be exhaustive. Mondrian bases its duration strategy on the size of potential long term "real" returns in a country's local market. This approach means that in practice, portfolio durations change gradually over time, and that Mondrian does not attempt to anticipate frequent interest rate changes. Mondrian's Credit Committee, chaired by John Kirk is responsible for sector recommendations in the various international markets. Each sector is assigned a prospective credit rating and current yield differentials where comparable government bonds are then assessed for their attractiveness. Mondrian seeks to add value through the use of non-governmental debt, although corporate bonds are a small part of the strategy and contribute a small portion to excess returns. Typically, sovereign and supranational issues comprise between 70% to 100% of a portfolio. High-quality foreign corporate debt is utilized, and may represent between 0% to 30% of a portfolio. In the case of corporate debt, the upper limit of 30% is strictly adhered to. A portfolio will typically hold between 30 and 40 securities.

eA All Global Fixed Inc Gross Accounts

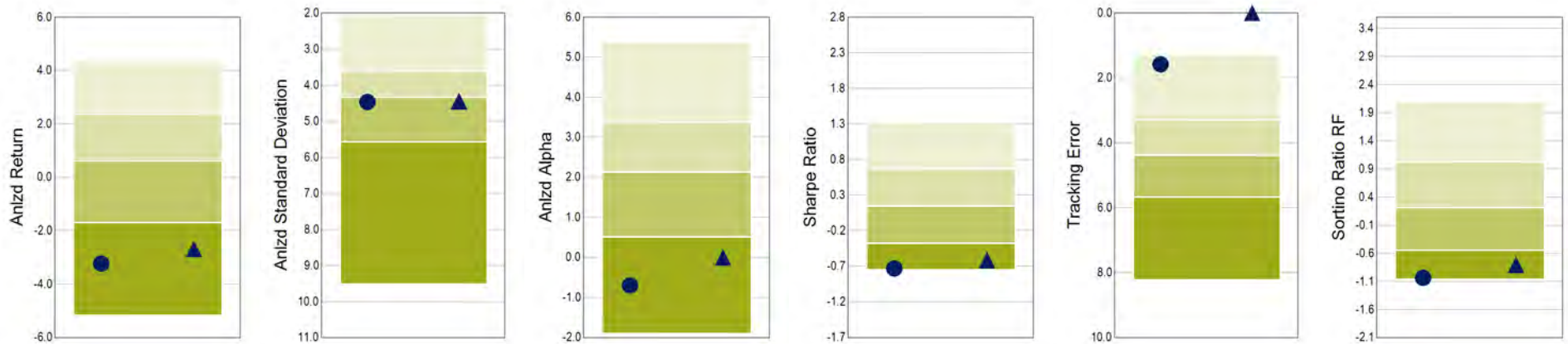


Annualized Excess Performance

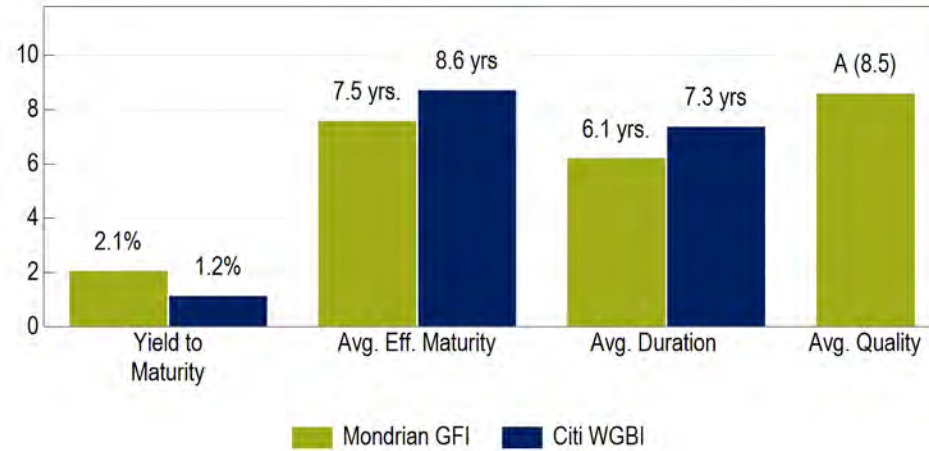




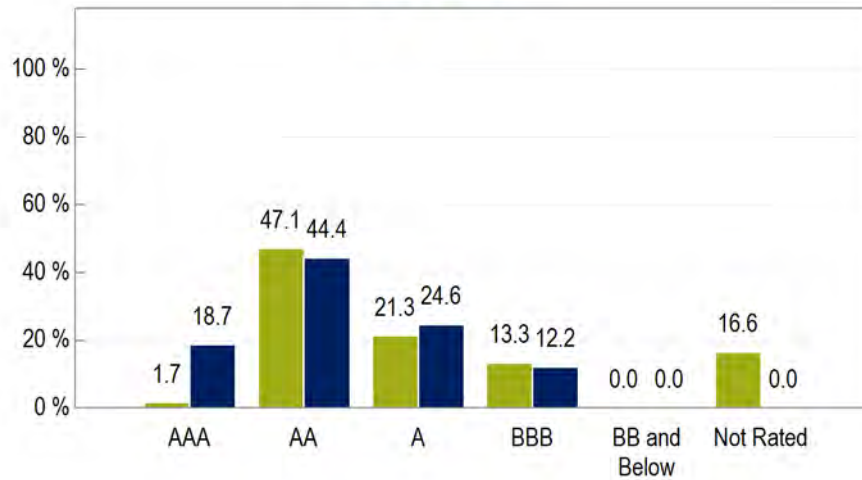
### 3 Year Risk Statistics



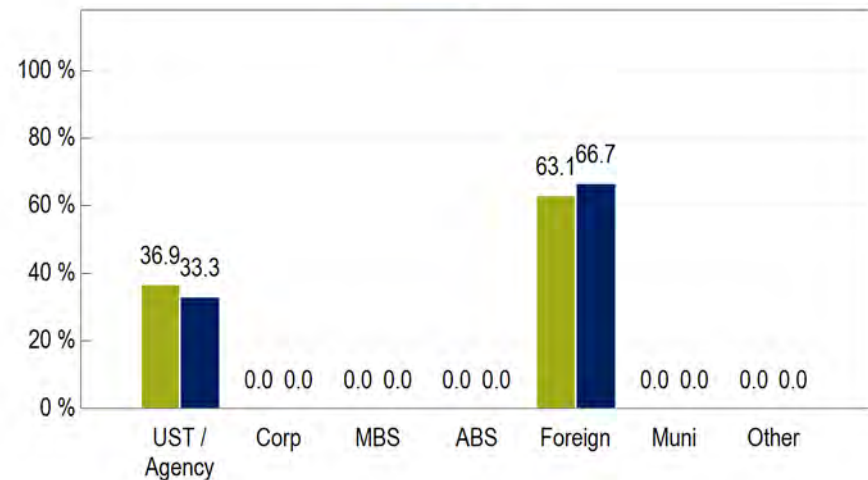
### Characteristics



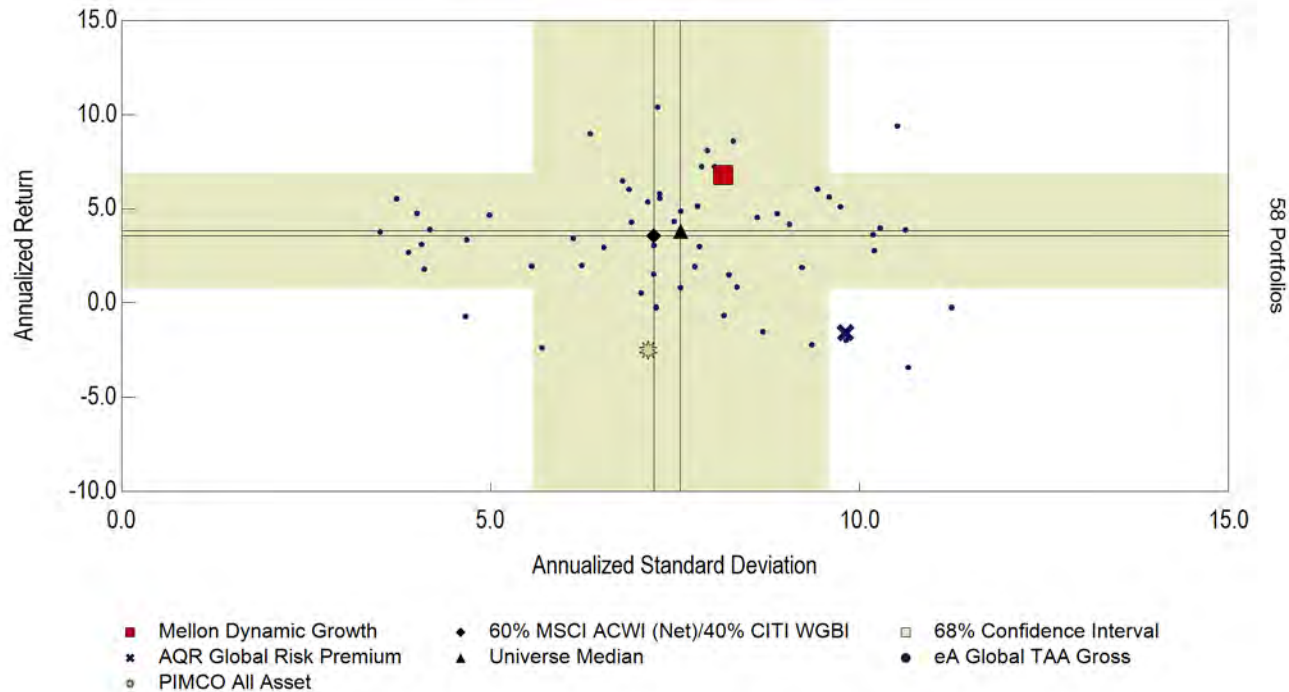
### Quality Ratings



### Sectors



Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2015



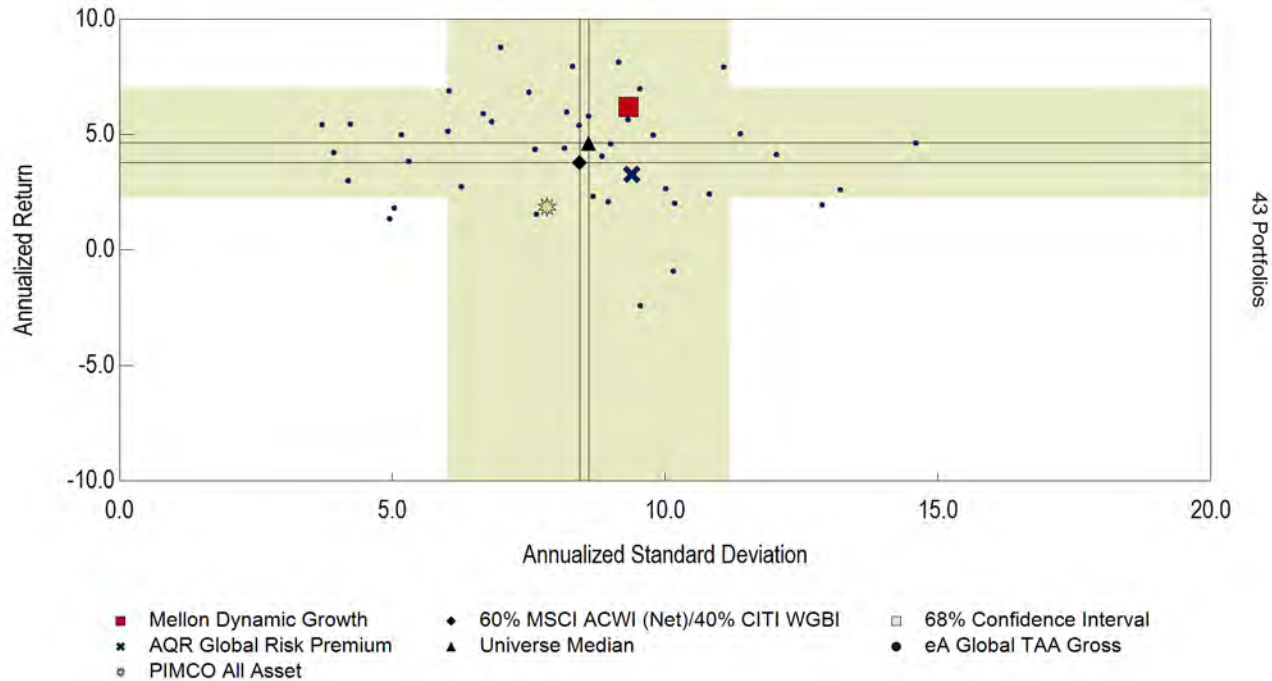
### Statistics Summary

3 Years Ending December 31, 2015

	Anlzd Return	Anlzd Standard Deviation
GAA Comp	-0.16%	7.94%
Mellon Dynamic Growth	6.79%	8.15%
AQR Global Risk Premium	-1.56%	9.81%
PIMCO All Asset	-2.49%	7.13%



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



Statistics Summary  
5 Years Ending December 31, 2015

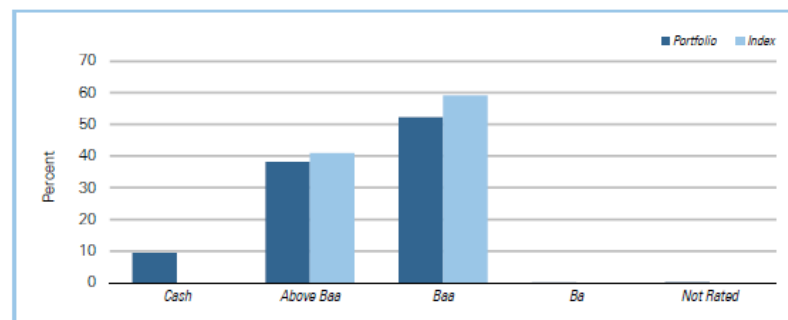
	Anlzd Return	Anlzd Standard Deviation
GAA Comp	2.68%	8.43%
Mellon Dynamic Growth	6.19%	9.32%
AQR Global Risk Premium	3.27%	9.39%
PIMCO All Asset	1.86%	7.83%

# Wellington Emerging Local Debt

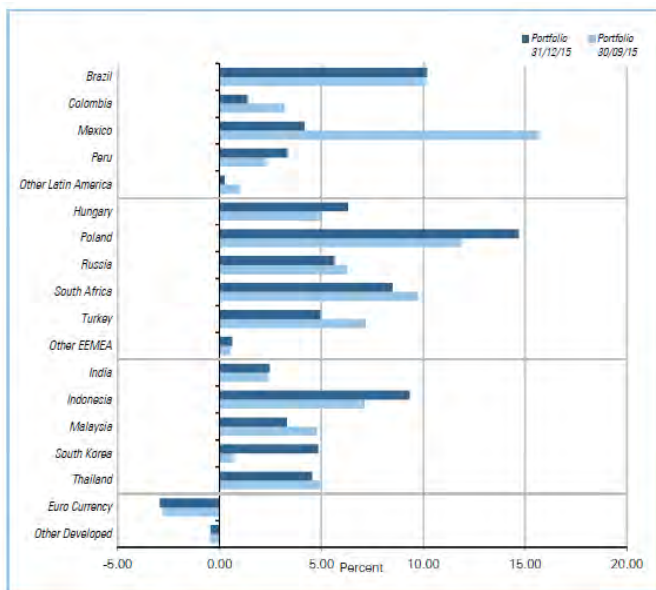
Portfolio Statistics

	Portfolio	Index
Yield - Total	7.27%	7.10%
Effective Duration	4.61 Yrs	4.80 Yrs
Corporate Exposure	1.10%	—
EM Currency Exposure	99.28%	100.00%
Average Quality	Baa1	Baa1

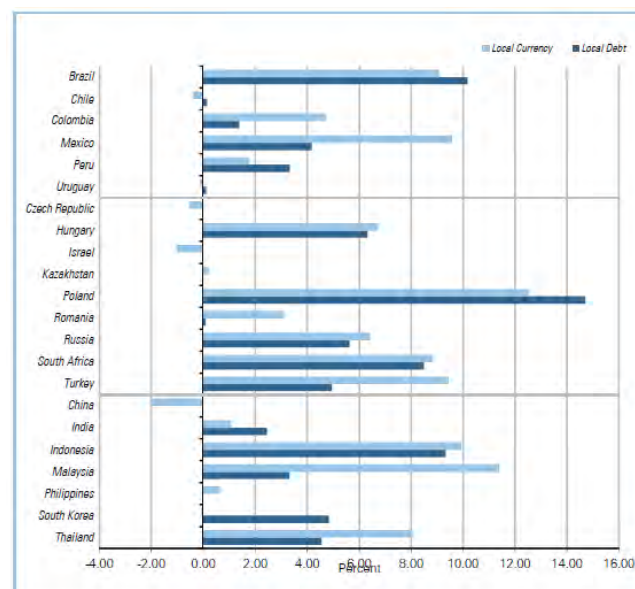
Quality Distribution



Comparative Country Weights



EM Local Market Exposure



Source: Wellington



## Wellington Opportunistic Emerging Market Debt

-The Opportunistic Emerging Markets Debt investment approach seeks to generate attractive returns relative to an emerging markets debt benchmark such as the J.P. Morgan Emerging Markets Bond Index Global (EMBI Global), or similar, independent of traditional benchmark constraints.

-Disciplined investment approach that integrates systematic research from both quantitative and fundamental perspective. Risk Management Due to the credit, currency, and local interest rate risks inherent in investing in these markets, and the structural complexity of some emerging markets debt instruments, a comprehensive system of risk controls is required to manage risks such as sovereign and corporate defaults, local currency volatility, and local debt yield curve inversions.

-The investment process begins with a thorough assessment of global economic, liquidity, and market conditions. Wellington combines comprehensive top-down quantitative and macroeconomic analysis with bottom-up sovereign credit research to identify key global factors and to determine the potential impact on emerging markets debt. The resulting market outlook determines the overall risk level of the portfolio.

-Opportunistic Emerging Markets Debt is an unconstrained, best ideas approach that takes advantage of investment opportunities in emerging markets sovereign, corporate, and local markets to generate attractive total returns. It is managed by the same team that has been responsible for the Emerging Markets Debt approach since its inception.

## Mellon Capital Global Alpha I (Global Asset Allocation)

		Country	Current Month %
Growth 64.1%	Developed ex-U.S. Equity 40.3%	Australia	2.2
		Canada	2.6
		France	3.4
		Germany	9.6
		Hong Kong	3.2
		Italy	-0.8
		Japan	14.3
		Netherlands	4.1
		Spain	4.9
		Switzerland	3.3
		United Kingdom	-6.9
		Other	0.4
			U.S. Equity 19.3%
	High Yield Bonds 4.5%		4.5
Defensive 33.7%	Government Bonds 33.7%		33.7
Real 10.9%	Commodity 6.1%		6.1
	Inflation-Linked Bonds 4.8%		4.8

		Country	Current Month %
Diversifying Strategies Currency 100.0%	U.S. 110.0%	United States	110.0
	Developed ex-U.S. -10.0%	Australia	8.8
		Canada	5.5
		Denmark	0.0
		Euro	-13.6
		Japan	6.8
		New Zealand	2.9
		Norway	-4.0
		Sweden	0.4
		Switzerland	-1.4
		United Kingdom	-15.4
		Other	0.0

1. Any collective investment funds presented are maintained by The Bank of New York Mellon. Employees of Mellon Capital manage the assets of any collective investment funds in their capacity as dual officers of The Bank of New York Mellon. Not all investors may be eligible to invest in the fund(s) shown above.

Source: Mellon Capital Management

## Mellon Capital Global Alpha I (Global Asset Allocation)

	Fund Return %	Growth					Defensive			Real		Diversifying Strategies
		Developed ex-U.S. Equity	U.S. Equity	EM Equity	High Yield Bonds	EM Debt	Government Bonds ex-U.S.	U.S. Bonds	IG Corporates	Commodity	Inflation - Linked Bonds	Currency
Month-to-Date	-1.52	-1.11	-0.38	0.00	-0.10	0.00	0.21	-0.21	0.00	0.09	-0.08	0.06
Quarter-to-Date	4.76	3.12	0.94	0.00	-0.05	0.00	-0.02	-0.90	0.00	0.22	-0.11	1.56
Year-to-Date	3.74	3.65	-2.07	-0.90	-0.18	0.00	0.42	1.23	0.00	-0.18	-0.29	2.06
1 Year	3.74	3.65	-2.07	-0.90	-0.18	0.00	0.42	1.23	0.00	-0.18	-0.29	2.06
3 Year	7.53	3.98	3.00	-0.52	0.11	-0.15	-0.57	0.99	0.06	-0.01	-0.04	0.69
5 Year	6.68	2.46	2.87	-0.34	0.11	-0.05	0.39	0.67	0.17	-0.08	0.35	0.13
10 Year	-	-	-	-	-	-	-	-	-	-	-	-
Since Inception <sup>2</sup>	7.68	3.27	3.36	-0.39	0.12	-0.05	0.44	0.95	0.14	-0.14	0.19	-0.20

**Fund Inception Date: April 15, 2010**

1. Any collective investment funds presented are maintained by The Bank of New York Mellon. Employees of Mellon Capital manage the assets of any collective investment funds in their capacity as dual officers of The Bank of New York Mellon. Attribution being shown is for the EB DV Dynamic Growth Fund.

Source: Mellon Capital Management

# PIMCO All Asset

Fund Number	736												
Fund Name	All Asset Fund												
Total Fund Net Assets (\$US MM)	20,789.0												
	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015
<b>Third Pillar</b>	<b>80.91%</b>	<b>80.25%</b>	<b>82.04%</b>	<b>82.03%</b>	<b>78.71%</b>	<b>71.02%</b>	<b>74.17%</b>	<b>85.29%</b>	<b>85.75%</b>	<b>85.46%</b>	<b>85.81%</b>	<b>85.30%</b>	<b>81.91%</b>
<b>Emerging Markets Equities</b>	<b>8.45%</b>	<b>10.18%</b>	<b>11.86%</b>	<b>11.49%</b>	<b>12.81%</b>	<b>13.05%</b>	<b>11.83%</b>	<b>13.66%</b>	<b>13.67%</b>	<b>13.09%</b>	<b>13.91%</b>	<b>13.94%</b>	<b>14.11%</b>
RAE Fundamental PLUS EMG Fund	8.25%	9.98%	11.63%	7.33%	5.99%	4.69%	4.12%	4.75%	4.73%	4.41%			
RAE Low Volatility PLUS EMG Fund	-	-	0.02%	3.97%	6.80%	8.34%	7.70%	8.92%	8.94%	8.68%			
EqS Emerging Markets Fund	0.19%	0.20%	0.21%	0.19%	0.02%	0.02%	0.02%	-	-	-			
<b>Commodities and REITs</b>	<b>2.01%</b>	<b>4.46%</b>	<b>7.58%</b>	<b>8.25%</b>	<b>8.76%</b>	<b>8.19%</b>	<b>9.89%</b>	<b>9.08%</b>	<b>6.36%</b>	<b>6.10%</b>	<b>6.04%</b>	<b>5.91%</b>	<b>5.52%</b>
CommoditiesPLUS™ Strategy Fund	1.77%	2.07%	2.79%	2.89%	3.03%	3.58%	3.06%	2.88%	2.19%	1.93%			
CommodityRealReturn Strategy Fund®	0.06%	0.79%	1.35%	1.46%	1.66%	3.00%	3.97%	3.90%	2.18%	1.88%			
RealEstateRealReturn Strategy Fund	0.18%	1.60%	3.45%	3.91%	4.06%	1.60%	2.86%	2.31%	1.99%	2.29%			
<b>Emerging Markets Bonds</b>	<b>17.81%</b>	<b>19.06%</b>	<b>19.81%</b>	<b>19.88%</b>	<b>19.86%</b>	<b>20.32%</b>	<b>18.83%</b>	<b>20.82%</b>	<b>22.45%</b>	<b>22.15%</b>	<b>22.08%</b>	<b>21.70%</b>	<b>20.83%</b>
Emerging Local Bond Fund	7.13%	7.35%	7.23%	7.27%	7.42%	9.50%	9.10%	9.00%	9.79%	9.42%			
Emerging Markets Currency Fund	6.85%	7.22%	7.44%	7.22%	7.10%	8.33%	9.05%	11.50%	12.29%	12.33%			
Emerging Markets Bond Fund	3.11%	3.48%	3.75%	3.96%	3.90%	1.92%	0.47%	0.24%	0.29%	0.32%			
Emerging Markets Corporate Bond Fund	0.73%	1.00%	1.40%	1.44%	1.43%	0.57%	0.20%	0.07%	0.07%	0.08%			
<b>Credit</b>	<b>32.95%</b>	<b>29.64%</b>	<b>27.50%</b>	<b>26.91%</b>	<b>21.84%</b>	<b>11.58%</b>	<b>14.21%</b>	<b>14.96%</b>	<b>15.23%</b>	<b>16.08%</b>	<b>15.83%</b>	<b>15.65%</b>	<b>15.32%</b>
High Yield Fund	6.27%	5.50%	4.76%	4.61%	1.11%	0.43%	2.64%	2.85%	2.88%	3.11%			
High Yield Spectrum Fund	4.11%	4.22%	4.32%	4.48%	3.69%	2.66%	2.90%	3.07%	3.20%	3.60%			
Income Fund	10.29%	10.49%	10.66%	10.47%	10.28%	6.51%	6.21%	5.90%	6.01%	6.47%			
Diversified Income Fund	3.62%	3.56%	3.59%	3.51%	3.21%	0.09%	0.10%	0.03%	0.21%	0.24%			
Floating Income Fund	5.44%	3.34%	1.99%	1.92%	1.75%	0.28%	0.06%	0.29%	0.33%	0.37%			
Senior Floating Rate Fund	3.08%	2.54%	2.19%	1.93%	1.79%	1.60%	2.30%	2.82%	2.61%	2.28%			
Convertible Fund	0.13%	-	-	-	-	-	-	-	-	-			
European Convertible Fund	-	-	-	-	-	-	-	-	-	-			
<b>Global Bonds</b>	<b>5.38%</b>	<b>2.41%</b>	<b>1.07%</b>	<b>0.99%</b>	<b>1.21%</b>	<b>0.34%</b>	<b>0.35%</b>	<b>0.53%</b>	<b>1.07%</b>	<b>1.24%</b>	<b>1.16%</b>	<b>1.19%</b>	<b>1.17%</b>
Foreign Bond Fund (Unhedged)	2.41%	0.65%	0.05%	0.05%	0.26%	0.29%	0.30%	0.30%	0.30%	0.31%			
Global Advantage Strategy Fund	2.97%	1.76%	1.02%	0.94%	0.95%	0.04%	0.05%	0.23%	0.76%	0.93%			
Global Bond Fund (Unhedged)	-	-	-	-	-	-	-	-	-	-			
<b>Inflation-Linked Bonds</b>	<b>0.08%</b>	<b>0.76%</b>	<b>0.72%</b>	<b>0.68%</b>	<b>0.90%</b>	<b>2.67%</b>	<b>2.73%</b>	<b>7.87%</b>	<b>7.88%</b>	<b>7.68%</b>	<b>7.75%</b>	<b>8.17%</b>	<b>7.90%</b>
Real Return Fund	0.00%	0.32%	0.31%	0.24%	0.29%	1.24%	1.38%	1.31%	1.29%	1.19%			
Real Return Asset Fund	0.00%	0.37%	0.34%	0.37%	0.53%	1.34%	1.27%	6.49%	6.50%	6.40%			
Global Advantage® Inflation-Linked Bond ETF	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.09%			
<b>Alternative Strategies</b>	<b>14.23%</b>	<b>13.74%</b>	<b>13.49%</b>	<b>13.81%</b>	<b>13.34%</b>	<b>14.87%</b>	<b>16.33%</b>	<b>18.36%</b>	<b>19.09%</b>	<b>19.12%</b>	<b>19.04%</b>	<b>18.75%</b>	<b>17.05%</b>
Unconstrained Bond Fund	6.16%	5.38%	3.84%	2.82%	2.53%	2.18%	1.79%	2.75%	2.44%	2.32%			
Credit Absolute Return Fund	0.97%	2.01%	2.04%	2.96%	2.78%	1.10%	0.76%	0.52%	0.44%	0.39%			
Mortgage Opportunities Fund	0.09%	0.54%	0.55%	0.56%	0.55%	0.57%	0.61%	0.65%	0.66%	0.75%			
TRENDS Managed Futures Strategy Fund	-	-	-	0.15%	0.16%	0.18%	0.19%	0.20%	0.20%	0.24%			
EqS Long/Short Fund	0.40%	0.43%	0.44%	0.46%	0.47%	0.47%	0.49%	0.36%	0.25%	0.18%			
RAE Worldwide Long/Short PLUS Fund	-	-	-	-	-	-	3.08%	6.53%	7.49%	7.93%			
RAE Fundamental Advantage PLUS Fund	2.85%	1.49%	2.28%	2.44%	2.62%	4.90%	4.84%	3.93%	3.75%	3.25%			
RAE Worldwide Fundamental Adv PLUS Fund	3.75%	3.88%	4.34%	4.41%	4.24%	5.47%	4.57%	3.42%	3.86%	4.07%			

Source: PIMCO



December 31, 2015

# PIMCO All Asset

	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015
<b>Second Pillar</b>	<b>10.12%</b>	<b>9.07%</b>	<b>5.42%</b>	<b>5.42%</b>	<b>9.05%</b>	<b>15.65%</b>	<b>13.80%</b>	<b>4.95%</b>	<b>6.15%</b>	<b>6.81%</b>	<b>6.32%</b>	<b>7.02%</b>	<b>10.78%</b>
<b>US Core Bonds</b>	<b>2.78%</b>	<b>1.73%</b>	<b>0.78%</b>	<b>0.62%</b>	<b>3.10%</b>	<b>4.39%</b>	<b>4.58%</b>	<b>2.91%</b>	<b>3.17%</b>	<b>3.78%</b>	<b>3.57%</b>	<b>3.59%</b>	<b>3.66%</b>
Total Return Fund	0.16%	0.86%	0.53%	0.62%	3.07%	2.37%	2.25%	1.04%	1.39%	1.65%			
Investment Grade Corporate Bond Fund	2.62%	0.87%	0.25%	0.01%	0.02%	2.02%	2.34%	1.87%	1.78%	2.12%			
Mortgage-Backed Securities Fund	-	-	-	-	-	-	-	-	-	-			
GNMA Fund	-	-	-	-	-	-	-	-	-	-			
<b>US Long Maturity Bonds</b>	<b>7.59%</b>	<b>6.52%</b>	<b>4.01%</b>	<b>4.21%</b>	<b>4.82%</b>	<b>10.94%</b>	<b>7.70%</b>	<b>1.28%</b>	<b>1.52%</b>	<b>1.94%</b>	<b>1.87%</b>	<b>2.16%</b>	<b>2.31%</b>
Long-Term US Government Fund	0.66%	0.50%	0.05%	0.06%	0.27%	5.79%	3.91%	0.00%	0.00%	0.00%			
Long Term Credit Fund	3.84%	3.85%	3.82%	4.11%	4.20%	3.35%	1.93%	0.50%	0.57%	0.77%			
Long Duration Total Return Fund	3.08%	2.18%	0.14%	0.04%	0.35%	1.80%	1.86%	0.77%	0.95%	1.16%			
<b>Short-Term Bonds</b>	<b>-0.25%</b>	<b>0.82%</b>	<b>0.63%</b>	<b>0.59%</b>	<b>1.13%</b>	<b>0.32%</b>	<b>1.52%</b>	<b>0.77%</b>	<b>1.46%</b>	<b>1.09%</b>	<b>0.88%</b>	<b>1.27%</b>	<b>4.81%</b>
Low Duration Fund	-	0.83%	0.55%	0.61%	0.94%	0.26%	0.53%	0.24%	0.87%	0.41%			
Low Duration Exchange Traded Fund	-	-	-	-	0.20%	0.21%	0.22%	0.23%	0.24%	0.29%			
Short Term Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-			
Government Money Market Fund	-	-	-	-	-	-	0.80%	0.33%	0.35%	0.42%			
Net Short Duration Instruments	-0.25%	-0.02%	0.08%	-0.02%	-0.01%	-0.16%	-0.02%	-0.03%	-0.01%	-0.02%			
<b>First Pillar</b>	<b>8.97%</b>	<b>10.68%</b>	<b>12.54%</b>	<b>12.55%</b>	<b>12.24%</b>	<b>13.34%</b>	<b>12.03%</b>	<b>9.76%</b>	<b>8.10%</b>	<b>7.73%</b>	<b>7.87%</b>	<b>7.68%</b>	<b>7.32%</b>
<b>US Equities</b>	<b>1.04%</b>	<b>1.14%</b>	<b>1.17%</b>	<b>1.16%</b>	<b>1.12%</b>	<b>2.41%</b>	<b>4.03%</b>	<b>2.78%</b>	<b>2.38%</b>	<b>2.17%</b>	<b>1.95%</b>	<b>1.56%</b>	<b>1.53%</b>
RAE Fundamental PLUS Fund	0.08%	0.09%	0.10%	0.08%	0.03%	0.03%	0.55%	0.20%	0.21%	0.22%			
RAE Low Volatility PLUS Fund	-	-	0.02%	0.16%	0.41%	1.72%	2.70%	1.93%	1.74%	1.65%			
RAE Fundamental PLUS Small Fund	0.67%	0.75%	0.82%	0.83%	0.65%	0.63%	0.74%	0.64%	0.43%	0.30%			
StocksPLUS® Small Fund	0.15%	0.17%	0.11%	0.07%	0.02%	0.02%	0.02%	-	-	-			
Fundamental IndexPLUS™	-	-	-	-	-	-	0.00%	-	-	-			
StocksPLUS® Fund	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	-	-	-			
StocksPLUS® Absolute Return Fund	0.12%	0.13%	0.11%	0.01%	0.01%	0.01%	0.01%	-	-	-			
<b>Developed ex-US Equities</b>	<b>7.92%</b>	<b>9.53%</b>	<b>11.37%</b>	<b>11.39%</b>	<b>11.12%</b>	<b>10.93%</b>	<b>8.00%</b>	<b>6.97%</b>	<b>5.73%</b>	<b>5.55%</b>	<b>5.93%</b>	<b>6.13%</b>	<b>5.79%</b>
RAE Fundamental PLUS Intl Fund	5.26%	6.28%	6.91%	4.01%	3.16%	3.07%	3.01%	1.71%	1.60%	1.47%			
RAE Low Volatility PLUS Intl Fund	-	-	0.02%	3.22%	5.73%	5.65%	3.79%	4.22%	4.13%	4.08%			
StocksPLUS® International Fund (USD-Hedged)	0.18%	0.19%	0.21%	0.20%	0.01%	0.01%	0.01%	-	-	-			
StocksPLUS® International Fund (Unhedged)	0.56%	0.63%	0.64%	0.51%	0.02%	0.02%	0.02%	-	-	-			
EqS Global Dividend Fund	0.10%	0.11%	0.11%	0.12%	0.01%	0.01%	0.01%	-	-	-			
EqS Pathfinder Fund	1.82%	2.32%	3.48%	3.34%	2.19%	2.18%	1.16%	1.04%	-	-			

Source: PIMCO



December 31, 2015

- PIMCO's All Asset Fund uses a Fund of Mutual Funds approach. Investment funds are continuously reallocated between various PIMCO Mutual funds base on strategic allocation decisions made by the advisor to the investment manager. Because both by policy and practice fixed income related securities tend to dominate the All Asset Funds asset allocation, and also because historical risk return measures correlate highly to core fixed income portfolio's. This investment may be categorized as either global asset allocation or core fixed income.
- The underlying funds may at times invest in derivatives. Use of these instruments may involve risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so. Portfolios investing in derivatives can lose more than the principal amount invested.
- Shares of mutual funds that invest in Treasuries, TIPS and Government Bonds do not have the same guarantees as direct investments in these securities. Mortgage-backed securities are subject to prepayment risk. With corporate bonds there is no assurance that issuers will meet their obligations. An investment in high-yield securities generally involves greater risk to principal than an investment in higher-rated bonds. Investing in non-U.S. securities may entail risk as a result of non-U.S. economic and political developments, which may be increased when investing in emerging markets.
- No single fund may exceed 50% of the portfolio. There is a maximum exposure of 50% to StocksPLUS, StocksPLUS Total Return and International StocksPLUS TR Strategy Funds combined. There is a maximum exposure of 75% to CommodityRealReturn Strategy, Real Return, Real Return II, Real Return Asset and RealEstateRealReturn Strategy Funds combined.
- Leverage is permitted but is not expected to be used. Possible investment instruments are Stocks, Bonds, Currency, Commodities, Futures, Options, Options on Futures, and Swaps.
- The Fund is expected to outperform the Lehman Brothers U.S. TIPS 1-10 Year Index and CPI + 5% over a market cycle. The PIMCO All Asset Fund is a daily valued commingled fund.

# Wellington Opportunistic Fixed Income

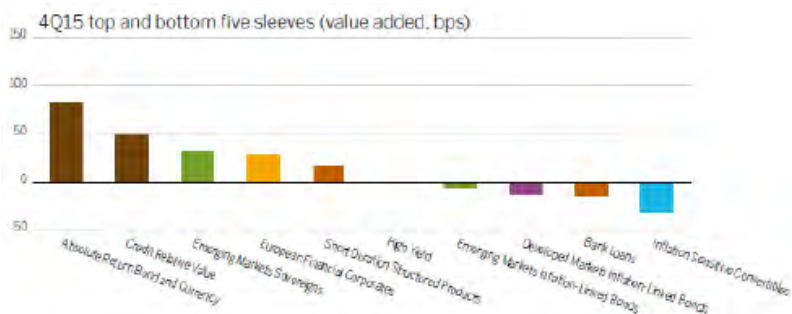
## Characteristics

	Portfolio	Benchmark
Yield to worst %	4.0	2.5
OAS (bps)	240	60
Duration – effective	5.1	5.4
Convexity - effective	1.0	-0.1

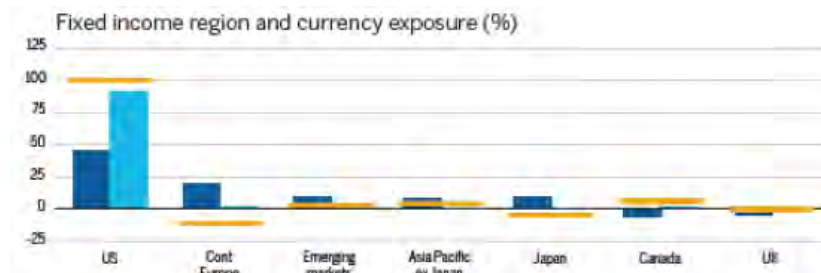
## Sector Allocation



## Top Relative Contributors and Detractors



## Regional Allocation



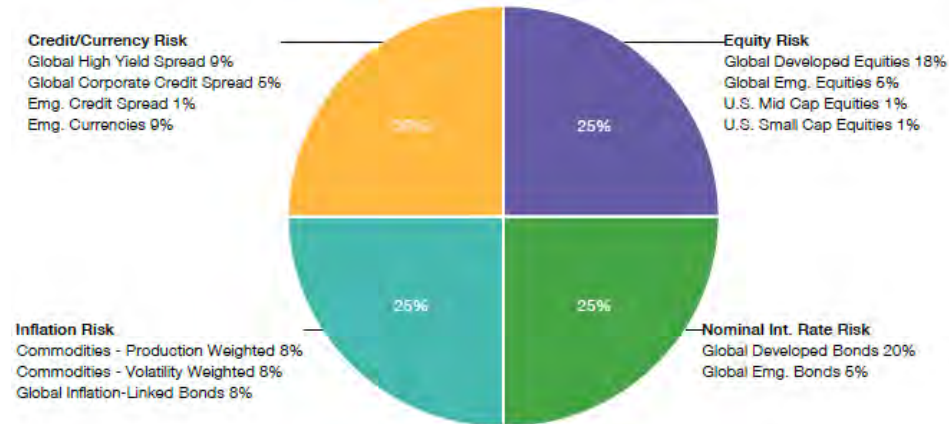
Source: Wellington



-The objective of the Opportunistic Investment Allocation approach is to outperform core markets by making timely investments in non-core areas that are attractively valued, have positive structural tailwinds, or are expected to benefit from the anticipated cyclical environment. Opportunistic Investment Allocation is an unconstrained, non-benchmark oriented investment approach.

-The Opportunistic Investment Allocation approach provides exposure to a variety of investment approaches that focus on non-core areas, such as non-US small cap, emerging markets equity, and sector funds. Non-core areas are inherently interesting as they are typically less efficient sectors of the market where active managers have a history of strong value added. However, a drawback to these investment areas is their high level of volatility. One source of high volatility is structural change, which results in instability of long-term performance characteristics. When performance characteristics are unstable over time it is difficult to address the asset class in a static long-term asset allocation policy. Assuming that historical performance characteristics are representative of future results often leads institutional investors to either buy these niche areas at high valuations (after positive structural surprises) or ignore (sell) them when they are out of favor (after a negative structural surprise). For these reasons, Wellington believes that allocations to these areas should not be strategic, but opportunistic in nature.

## Risk Allocation



Long Exposure (% of NAV)	
<b>Equity Risk</b>	
Global Developed Equities	15%
Global Emerging Equities	4%
U.S. Mid Cap Equities	1%
U.S. Small Cap Equities	1%
<b>Total Equity Risk</b>	<b>20%</b>
<b>Nominal Interest Rate Risk</b>	
Global Developed Bonds	79%
Global Emerging Bonds	18%
<b>Total Nominal Interest Rate Risk</b>	<b>97%</b>
<b>Inflation Risk</b>	
Commodities - Production Weighted	7%
Commodities - Volatility Weighted	12%
Global Inflation-Linked Bonds	31%
<b>Total Inflation Risk</b>	<b>49%</b>
<b>Credit/Currency Risk</b>	
Global High Yield Spread	20%
Global Corporate Credit Spread	43%
Emerging Credit Spread	3%
Emerging Currencies	15%
<b>Total Credit/Currency Risk</b>	<b>81%</b>
<b>Total Fund Exposures</b>	<b>247%</b>

Long Exposure (% of NAV)	
<b>Equity Market Exposures</b>	
Americas	12%
Europe	4%
Asia ex-Japan	4%
Japan	1%
<b>Total Equity Market Exposures</b>	<b>20%</b>
<b>Bond Market Exposures - Nominal and Inflation-Linked</b>	
Americas	53%
Europe	51%
Asia	23%
<b>Total Bond Market Exposures</b>	<b>127%</b>
<b>Emerging Currency Exposures</b>	
Asia	5%
Europe	6%
Latin America	4%
Dollar Block ex-U.S.	0%
<b>Total Emerging Currency Exposures</b>	<b>15%</b>

Source: AQR



NEPC, LLC

December 31, 2015

## AQR Global Risk Premium Fund

- The AQR Global Risk Premium Fund is equally risk weighted between four major asset classes or risk exposures: equities, interest rates, inflation, and alternative risk exposures - almost entirely spread/credit.
- By diversifying broadly & globally - across the broadest possible set of liquid risk-bearing assets, diversifying risk rather than capital - avoiding risk concentration by sizing broad risk exposures equally, the strategy develops a an efficient portfolio that is likely to outperform traditional asset allocations.
- Individual exposures are implemented through a variety of instruments, including: stock index futures and swaps, bond futures, interest rate swaps, global inflation-linked bonds, currency forwards, credit derivatives, and commodity futures & swaps.
- Implementation decisions include capital usage, liquidity, transaction costs, and counterparty exposure. Since the strategy is levered, there is limited available capital; therefore, derivative instruments such as swaps and futures, will be preferred to physical investment in a market, all else being equal.
- The majority of exposures are accessed synthetically - generally, over 70% of the funds capital is invested in cash funds through SSgA and Dreyfus. These are money market funds meant to preserve capital, not meant to chase a spread above LIBOR as an additional source of return.
- The fund attempts to maintain a healthy liquidity profile, both from a risk management standpoint and in order to fulfill the promise of monthly liquidity to investors.
- Implementation with the most liquid instruments will be preferred and will help in limiting transaction costs.
- Swap agreements and forwards take on counterparty risk. Counterparties are chosen based on analysis from a separate counterparty committee who determine approved counterparties across AQR's, limitations to exposures to each counterparty, as well as presenting AQR's credit worthiness to counterparties. Counterparty exposure is spread across several firms in order to minimize this risk.

# Schroder Commodity

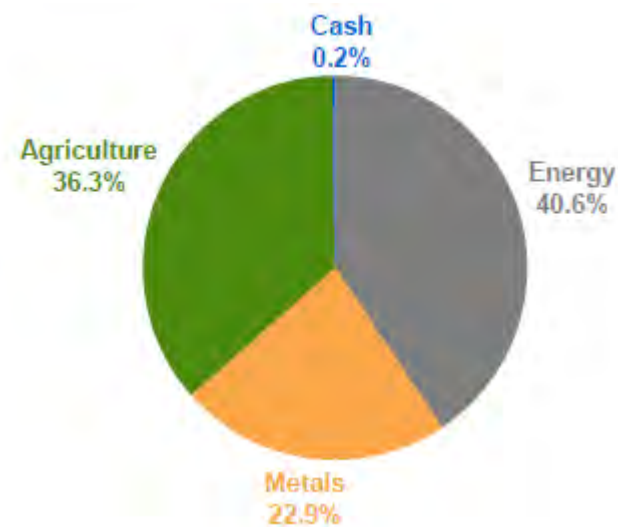
## Sector Exposure

	Futures	Equities	Other*	Total Exposure	Benchmark†	Difference
Energy 40.6%	Crude Oil	21.9	1.5	23.4	25.4	-2.0
	Gas Oil	1.5		1.5	1.7	-0.1
	Gasoline	3.3		3.3	4.4	-1.0
	Heating Oil	3.4		3.4	3.6	-0.2
	Natural Gas	7.9	1.1	9.0	5.8	3.2
	Coal					
Metals 22.9%	Aluminium	3.7		3.7	4.5	-0.8
	Copper	4.4		4.4	5.3	-0.9
	Gold	2.7	1.0	4.9	6.9	1.6
	Lead	0.3		0.3	0.7	-0.4
	Nickel	1.1		1.1	1.0	0.1
	Palladium				0.1	-0.1
	Platinum	0.5		0.5	0.5	0.1
	Silver	3.2		3.2	2.5	0.7
	Tin				0.3	-0.3
	Zinc	1.1		1.1	1.3	-0.2
	Agriculture 36.3%	Canola				
Cocoa		3.2		3.2	1.7	1.5
Coffee		3.0		3.0	2.5	0.5
Corn		5.8		5.8	6.1	-0.3
Cotton		3.1		3.1	3.2	-0.1
Feeder Cattle					0.3	-0.3
Lean Hogs		1.0		1.0	1.6	-0.6
Live Cattle		4.4		4.4	4.4	0.0
Lumber					0.3	-0.3
Oats					0.1	-0.1
Orange Juice					0.4	-0.4
Palm Oil		1.1		1.1	1.1	0.0
Rapeseed		2.4		2.4	0.3	2.2
Rough Rice					0.2	-0.2
Rubber		0.9		0.9	0.3	0.7
Soybean Meal					0.8	-0.8
Soybean Oil		1.1		1.1	1.3	-0.2
Soybeans	2.2		2.2	4.7	-2.5	
Sugar	3.7		3.7	3.6	0.1	
Wheat	4.5		4.5	4.4	0.1	
Cash 0.2%	Cash			0.2	0.2	0.0
<b>TOTAL</b>	<b>91.3</b>	<b>3.6</b>	<b>4.9</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

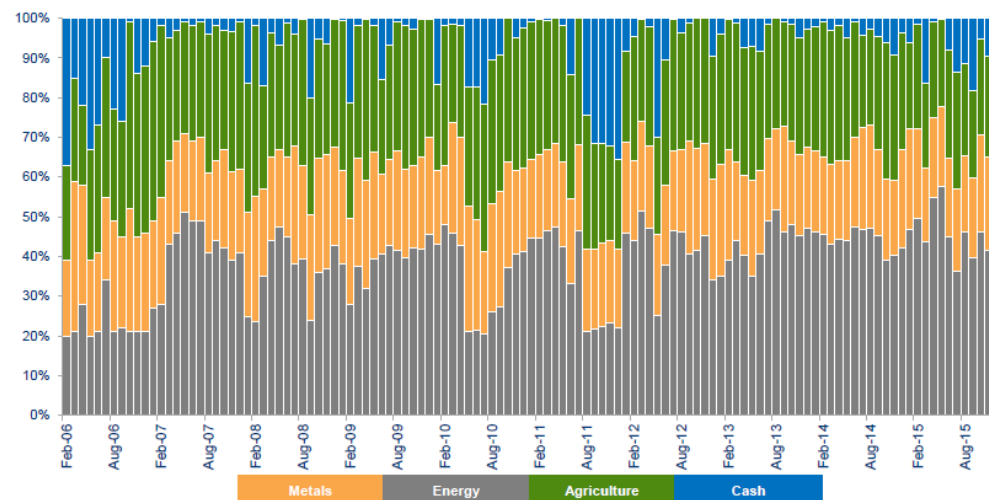
\*Includes OTC Commodity Swaps and Physically Backed ETFs

†Shown for comparison purposes only      †S&P GSCI TR; TR/J CRB; BCOM TR; RICI TR

## Current Asset Allocation



## Historical Sector Asset Allocation



Source: Schroder



NEPC, LLC

December 31, 2015

## Schroder Commodities

- The objective of the Schroders Commodities strategy is to provide investors with a diversified exposure to the Commodities asset class, through investments in commodity futures and commodity related equities.
- The strategy is a beta or beta-plus product and aims to use active management to exploit the inefficiencies inherent in the asset class.
- Schroders uses an active, long-only approach to commodities management. No leverage is used and all futures positions are fully collateralized through investments in T-bills of less than one year maturity. As a result of this policy, cash and cash collateral are not subject to any duration or credit risk.
- The strategy is benchmark unconstrained meaning investments are made based on in-house analysis and implemented when that analysis indicates an attractive risk/reward opportunity. Commodities are not included as a result of their weighting in an index. The focus of Schroders' fundamental commodity analysis is the determination of supply and demand and supply/demand balances and most importantly, how these balances may change in the future.
- Quantitative, technical and sentiment analyses support the fundamental analysis in terms of the timing and sizing of positions.
- The investment horizon for the strategy is three to 12 months.
- Schroders utilize strict diversification rules. Commodities are reviewed on an ongoing basis. A commodity will not be held unless the fundamental analysis is positive.
- The Schroders universe is comprised of over 60 commodities.
- Most exposures are held through futures positions although equities may be purchased; typically whereby a commodity does not have an associated futures contract.

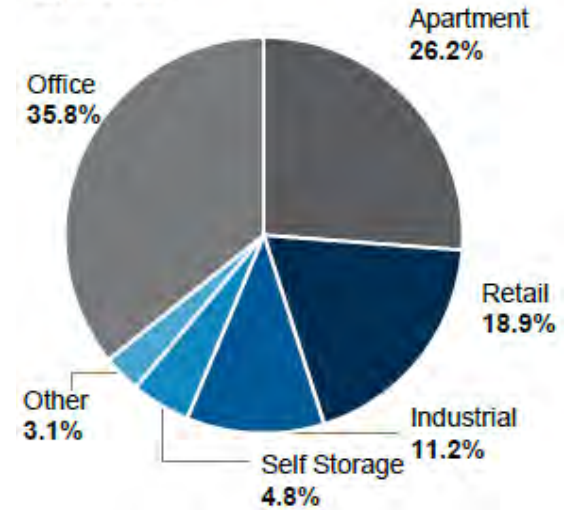
**Property Sector Returns**

%	FOURTH QUARTER		
	INCOME	APPRECIATION	TOTAL
Office	1.2	1.4	2.6
Retail	1.1	2.2	3.3
Industrial	1.4	1.2	2.6
Self Storage	1.3	7.1	8.5
Apartment	1.0	1.9	2.9

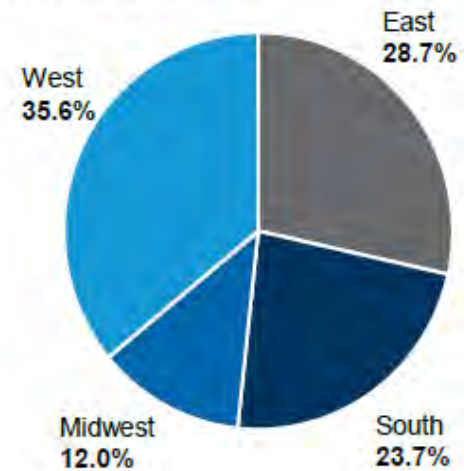
**Geographic Region Returns**

%	FOURTH QUARTER		
	INCOME	APPRECIATION	TOTAL
East	1.3	1.4	2.7
Midwest	1.0	2.2	3.2
South	1.1	2.1	3.2
West	1.2	2.1	3.3

*By Sector*



*By Geography*



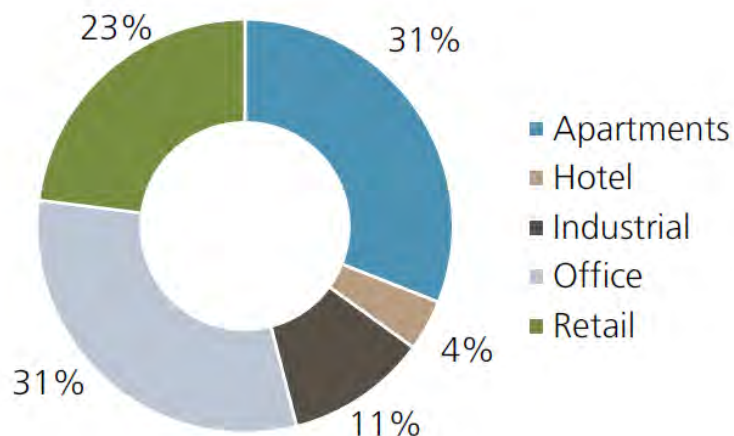
Source: Morgan Stanley



NEPC, LLC

December 31, 2015

Portfolio distribution by property type<sup>2</sup>



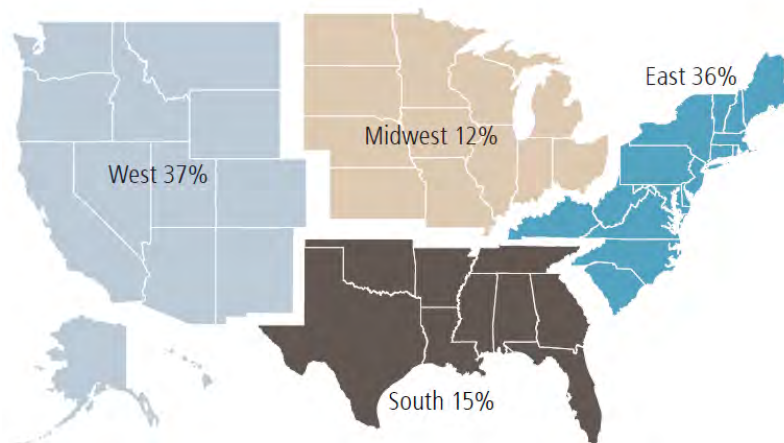
**Key statistics**

Gross asset value (GAV)	USD 22.3 bn
Net asset value (NAV)	USD 18.5 bn
Cash as a % of GAV	3.1%
Debt as % of GAV	15.6%
Number of investments	219
Number of investors	421
Deposits <sup>1</sup>	USD 392.1 m
Redemptions <sup>1</sup>	USD 604.6 m

**Returns (%)**

	Quarterly	One-year rolling
Income	1.20	4.97
Appreciation	1.82	7.69
Total (before fees)	3.02	12.94
Total (after fees)	2.76	11.83

Distribution by geographic division<sup>2</sup>





## Investment Summary

Net Asset Value <sup>2</sup>	\$146,120,387
Number of Shares Outstanding	16,109,897
Net Asset Value Per Share	\$9.07
Cash Balance of Fund	\$116,528,626
Debt <sup>3</sup>	\$168,413,962
Inception Date <sup>4</sup>	March 31, 2003
Redemption Shares Outstanding	5,654,868
Institutional Investors	117

See "End Notes", "Performance Notes" and "Important Information" for further information.

## Property Information

### Diversification/Occupancy

	Real Estate Investments	Gross Real Estate Value (millions)	Percent of Value	Quarter-end Occupancy <sup>5</sup>
Retail	1	\$100.6	42%	81%
Office	8	120.8	50%	63%
Industrial	4	17.5	7%	97%
Other	1	1.2	1%	N/A
<b>Total</b>	<b>14</b>	<b>\$240.1</b>	<b>100%</b>	<b>71%</b>

Note: Property diversification by type and geographic location based on gross real estate value and primary use of assets.

Note: The above charts reflect the Fund's investment in unconsolidated joint ventures. See "Performance Notes" and "Important Information" for further information.

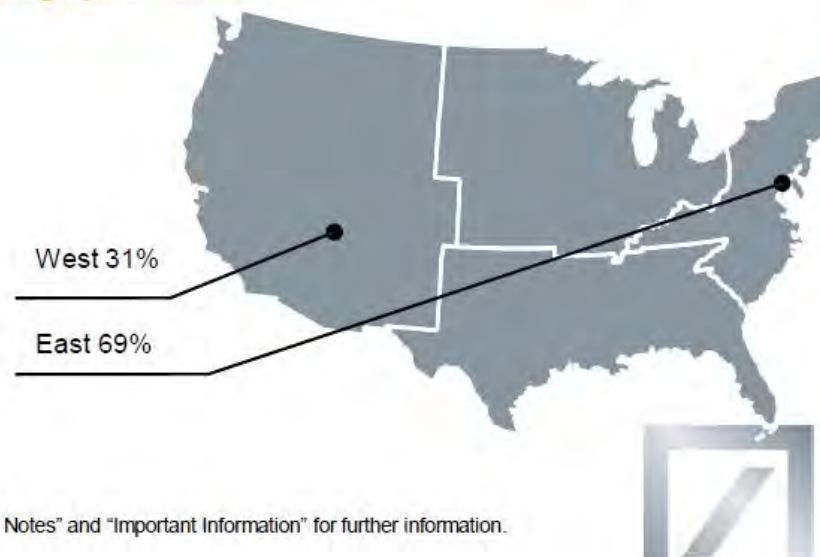
## Fund Performance

### Total Fund Returns

	Before Fees	After Fees
Fourth Quarter 2015	-0.7%	-0.9%
Trailing Four Quarters	8.5%	7.5%
Trailing Three Years	17.5%	16.1%
Return Since Inception	3.0%	1.6%

Past performance is not indicative of future results. Since inception performance from April 1, 2003. Note: Individual client returns may vary from the overall portfolio. Fees and expenses will reduce returns. Current quarter performance was primarily driven by realized appreciation. See "Performance Notes" and "Important Information" for further information.

### Geographic Location



## Grosvenor Institutional Partners, LP

-Generating consistent returns with low volatility and avoiding capital losses and headline risk, is the overall investment philosophy duly embedded in the business ethos of the firm. In enacting this philosophy, Grosvenor consciously pursues proven fundamentally driven strategies that are relatively liquid and have historically maintained a low correlation to traditional markets. However, Grosvenor avoids Macro/CTAs and some leveraged strategies. Low correlation and low volatility would necessarily imply a low equity beta (currently 0.2) Returns are targeted at T bills +5-10% with volatility in 6-7% range. It fears posting mediocre returns of 2-3% suggesting that Grosvenor values top line performance as much as managing volatility.

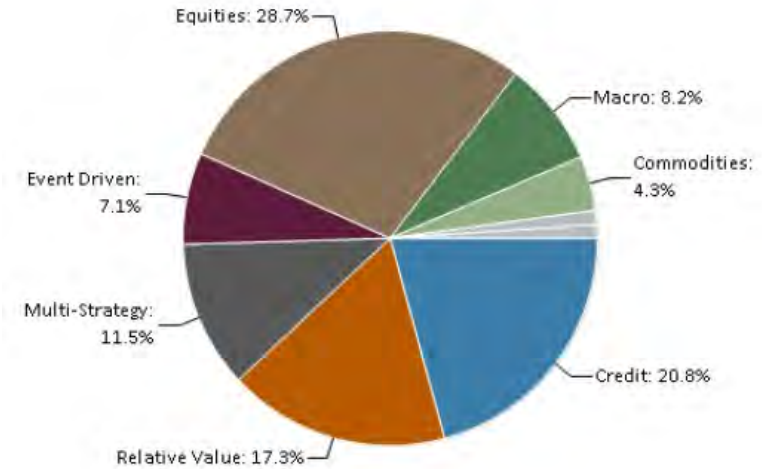
-Broadly speaking, the GIP portfolio can be visualized as 45% Long/Short equity, 40% fixed income and 15% opportunistic. Currently, the strategy allocation stands as: Equity Hedge 44%, Long/Short credit (incl. structured credit and distressed) 32%, Relative Value/Arbitrage 7%, Risk Arbitrage & Diversified Event 6%, Macro-oriented/vol. arbitrage and tail risk strategies 3%, Cash 8%.

-Grosvenor follows a conventional portfolio construction process which begins by setting investment objectives -returns, volatility and correlation estimates- and strategy constraints and manager limits. Concurrently, the investment committee outlines its broad investment themes in the context of a bigger opportunity set.

Performance Attribution

	Dec ROR	Dec Contrib to ROR	YTD Contrib to ROR	1/1/2016 Allocation
Credit	-0.40%	-0.08%	-0.24%	20.8%
Relative Value	0.64%	0.11%	1.03%	17.3%
Multi-Strategy	-2.02%	-0.23%	-0.59%	11.5%
Event Driven	-2.46%	-0.18%	-0.92%	7.1%
Equities	0.41%	0.12%	1.96%	28.7%
Macro	-2.24%	-0.18%	0.68%	8.2%
Commodities	-1.24%	-0.06%	-0.86%	4.3%
Cash and Receivables	--	0.00%	-0.03%	1.1%
Other	--	-0.09%	-1.12%	1.0%
<b>TOTALS</b>	<b>-0.59%</b>	<b>-0.59%</b>	<b>-0.09%</b>	<b>100.0%</b>

Asset Allocation



Fund Details/ Fund Performance Summary

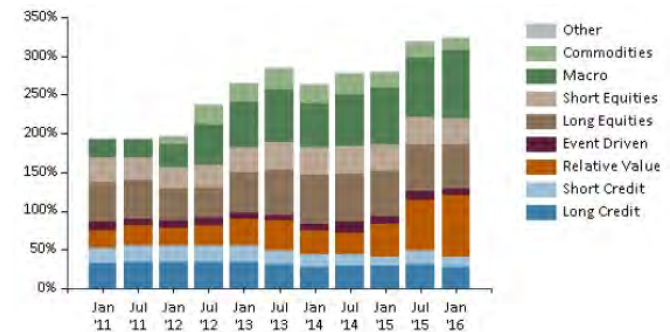
Portfolio Details

Inception Date	1/1/2000	Portfolio Currency	USD
Performance Inception Date	1/1/2000	Portfolio AUM (12/31/2015)	\$5.902 b
Underlying Investment Managers (1/1/2016)	37	HF Program AUM (12/31/2015)	\$26.780 b

Portfolio Performance Summary (Since Inception)

Cumulative Return	141.64%	Annualized Standard Deviation	4.34%
Annualized Return	5.67%	Beta vs. S&P 500 Index	0.15
QTD Return	0.10%	Beta vs. MSCI World Index	0.16

Look-Through Notional Exposure



Source: Grosvenor



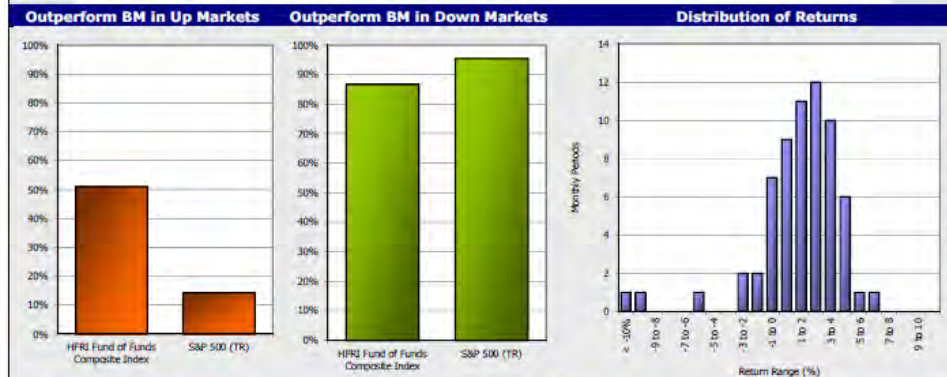
# Grosvenor Institutional Partners, LP

Grosvenor Institutional Partners, LP  
Grosvenor Capital Management, LP

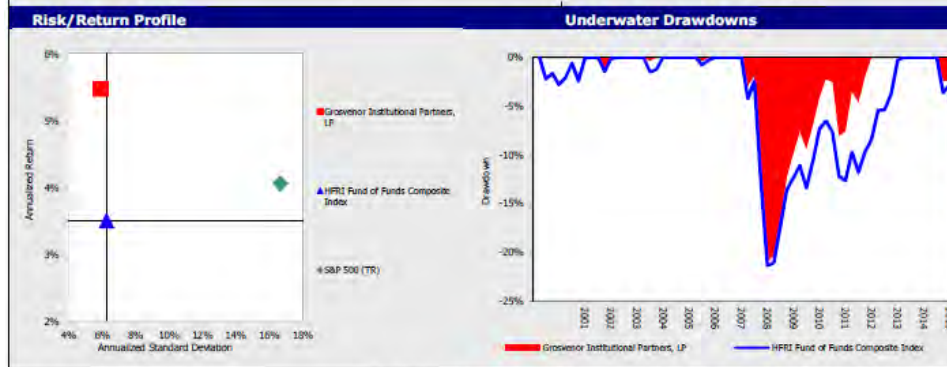


Benchmark 1 (BM1): HFRI Fund of Funds Composite Index  
Benchmark 2 (BM2): S&P 500 (TR)

Monthly Performance (%) Net of Fees														Statistical Analysis			
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Returns	Fund	BM1	BM2
2015	-0.4%	1.6%	0.5%	0.2%	0.9%	-0.5%	0.6%	-1.5%	-1.6%	0.6%	0.1%	-0.6%	-0.1%	Annualized Compound ROR	5.5%	3.5%	4.1%
2014	0.0%	1.6%	-0.1%	-0.6%	0.8%	1.1%	-0.7%	0.8%	-0.2%	-0.3%	0.6%	0.3%	3.3%	3 Yr Return	5.9%	4.0%	15.1%
2013	2.6%	0.6%	1.4%	0.8%	1.7%	-0.6%	1.7%	0.2%	1.7%	1.3%	1.6%	1.1%	15.2%	5 Yr Return	4.5%	2.1%	12.6%
2012	1.6%	1.8%	0.9%	-0.1%	-1.4%	0.4%	0.8%	1.2%	0.8%	0.5%	0.7%	1.2%	8.6%	Best Month	N/A	N/A	N/A
2011	0.9%	1.0%	0.0%	0.9%	-0.1%	-1.1%	-0.2%	-2.8%	-2.7%	1.7%	-0.7%	-0.6%	-3.7%	Worst Month	N/A	N/A	N/A
2010	0.7%	0.3%	1.6%	0.8%	-1.8%	-0.9%	0.7%	0.2%	1.7%	1.2%	0.5%	1.5%	6.5%	% Positive Months	N/A	N/A	N/A
2009	1.2%	0.0%	-0.6%	0.1%	2.7%	0.9%	2.2%	1.8%	2.3%	1.0%	0.7%	1.0%	13.9%	<b>Risk</b>			
2008	-2.4%	1.3%	-1.8%	0.2%	1.5%	-0.7%	-2.0%	-1.3%	-6.9%	-5.3%	-3.2%	-2.3%	-20.9%	Standard Deviation	5.9%	6.3%	16.7%
2007	1.7%	0.8%	1.4%	1.4%	2.3%	0.4%	0.8%	-2.1%	1.2%	2.7%	-0.6%	0.5%	10.7%	3 Yr Standard Deviation	4.0%	3.8%	9.4%
2006	1.9%	0.4%	1.5%	1.1%	-0.9%	-0.6%	0.0%	0.8%	0.5%	1.3%	1.7%	1.4%	9.4%	5 Yr Standard Deviation	4.9%	4.5%	12.8%
														Sharpe Ratio (3.5%)	0.4	0.0	0.1
														Sortino Ratio (7.0%)	-0.3	-0.6	-0.2
														Downside Deviation (7.0%)	5.2%	5.8%	13.1%
														Max Drawdown	-20.9%	-21.4%	-45.8%
														Months In Maximum Drawdown	12	12	18
														Months To Recover	48	63	36



Comparison To Benchmark(s)			
Monthly Alpha	0.6%	1.1%	
Annualized Alpha	2.4%	4.4%	
Beta	0.9	0.2	
Correlation	0.9	0.6	
R-Squared	82.5%	39.9%	



Annual Returns			
2015-(YTD)	-0.1%	-0.2%	1.4%
2014	3.3%	3.4%	13.7%
2013	15.2%	9.0%	32.4%
2012	8.6%	4.8%	16.0%
2011	-3.7%	-5.7%	2.1%
2010	6.5%	5.7%	15.1%

Latest Returns			
Last Month			
Last 3 Months	0.1%	0.8%	7.0%
Last Year	-0.1%	-0.2%	1.4%
2-Year	1.6%	1.6%	7.4%
3-Year	5.9%	4.0%	15.1%
4-Year	6.6%	4.2%	15.3%
5-Year	4.5%	2.1%	12.6%

Drawdown Analysis			
1	-20.9%	-21.4%	-45.8%
2	-2.5%	-3.6%	-43.8%
3	-1.2%	-2.8%	-6.4%
4	-0.4%	-1.5%	-2.8%
5	-0.4%	-1.5%	-0.4%

\*\*\*Fast Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.5%. Actual ratios may vary depending on the actual risk-free rate and life of the fund\*\*\*

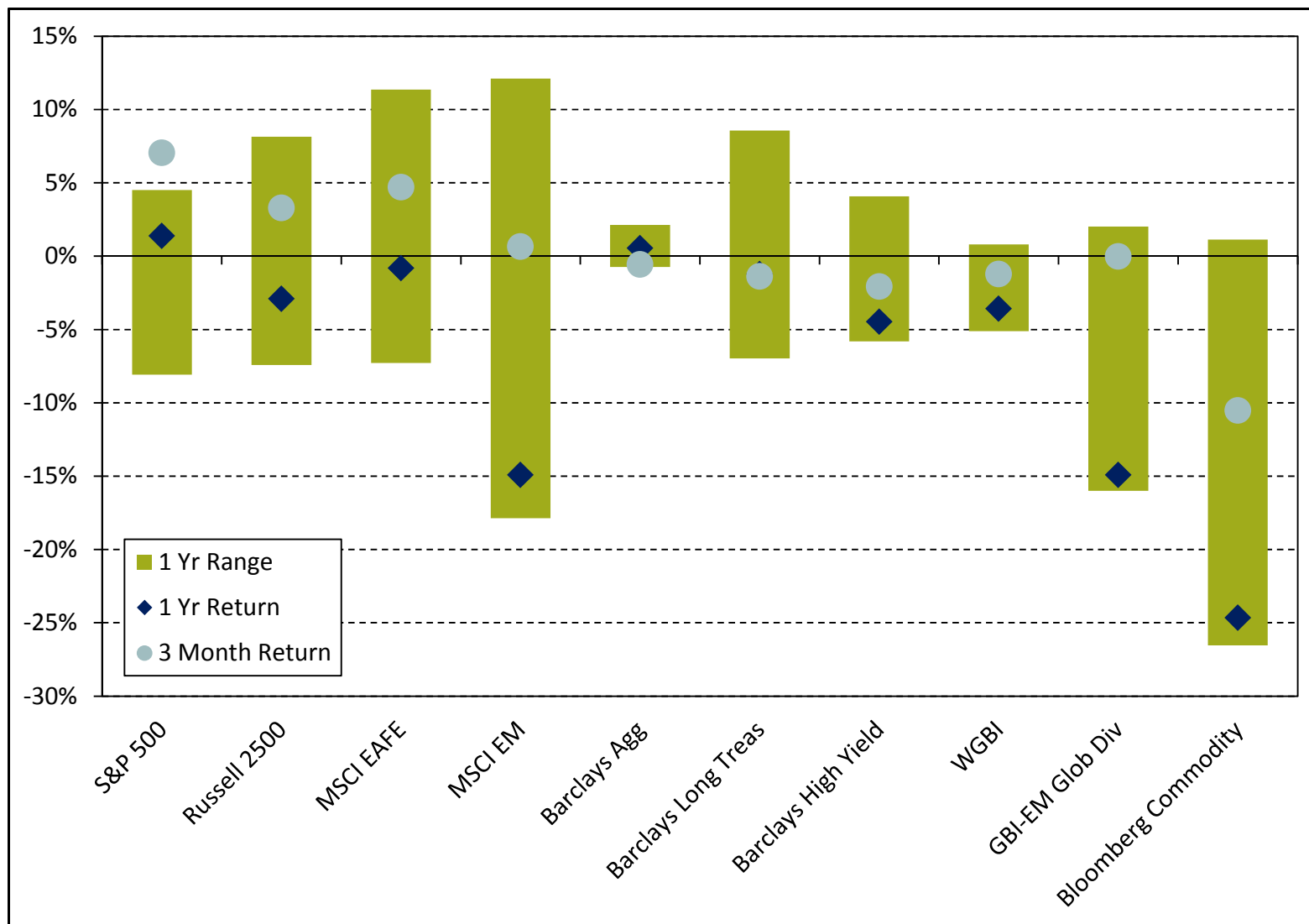
# Appendix

## Index Performance Summary as of 12/31/2015

	2008	2009	2010	2011	2012	2013	2014	Q1	Q2	Q3	OCT	NOV	DEC	Q4	1 YR
Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	1.0%	-0.9%	1.7%	0.4%	0.4%	0.7%	1.5%	3.3%
FTSE NAREIT Eqty REITs	-37.7%	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	4.8%	-10.0%	2.0%	5.9%	-0.5%	1.8%	7.3%	3.2%
S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.0%	0.3%	-6.4%	8.4%	0.3%	-1.6%	7.0%	1.4%
Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	4.1%	1.3%	-0.7%	1.1%	0.0%	-0.2%	-0.2%	-0.5%	1.2%
JPM EMBI Global Div	-12.0%	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	2.0%	-0.3%	-1.7%	2.7%	-0.1%	-1.4%	1.3%	1.2%
Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	1.6%	0.1%	-6.8%	8.1%	0.3%	-1.8%	6.5%	0.9%
Barc US Gov/Cred 1-3 Y	5.0%	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.6%	0.1%	0.3%	0.0%	-0.2%	-0.1%	-0.4%	0.7%
Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	1.6%	-1.7%	1.2%	0.0%	-0.3%	-0.3%	-0.6%	0.5%
Credit Suisse Hedge Fnd	-19.1%	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	2.5%	-0.5%	-2.5%	0.5%	0.2%	N/A	-2.5%	0.1%
Credit Suisse Lev Loan	-28.8%	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	2.1%	0.8%	-1.2%	-0.1%	-0.9%	-0.9%	-2.0%	-0.4%
MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	4.9%	0.6%	-10.2%	7.8%	-1.6%	-1.3%	4.7%	-0.8%
MSCI ACWI	-42.2%	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	2.3%	0.3%	-9.4%	7.8%	-0.8%	-1.8%	5.0%	-2.4%
Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	5.2%	-0.3%	-10.3%	5.6%	2.0%	-4.1%	3.3%	-2.9%
Barc US Gov/Cred Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	3.4%	-7.6%	2.2%	0.4%	-0.6%	-0.8%	-0.9%	-3.3%
Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-2.5%	-1.5%	1.7%	0.0%	-2.1%	0.9%	-1.2%	-3.6%
Barc US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	5.5%	-14.3%	7.6%	-0.3%	-1.1%	0.4%	-1.1%	-3.7%
Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	4.3%	0.4%	-11.9%	5.6%	3.3%	-5.0%	3.6%	-4.4%
Barclays US Corp HY	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	2.5%	0.0%	-4.9%	2.7%	-2.2%	-2.5%	-2.1%	-4.5%
Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	3.1%	-7.3%	0.5%	1.0%	-0.4%	-1.2%	-0.7%	-4.6%
MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	2.2%	0.7%	-17.9%	7.1%	-3.9%	-2.2%	0.7%	-14.9%
JPM GBI-EM Global Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-4.0%	-1.0%	-10.5%	4.5%	-2.2%	-2.2%	0.0%	-14.9%
Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-5.9%	4.7%	-14.5%	-0.4%	-7.3%	-3.1%	-10.5%	-24.7%
Alerian MLP	-36.9%	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-5.2%	-6.1%	-22.1%	9.7%	-8.1%	-3.6%	-2.8%	-32.6%

Source: Morningstar Direct

# Broad Market Performance Summary as of 12/31/2015

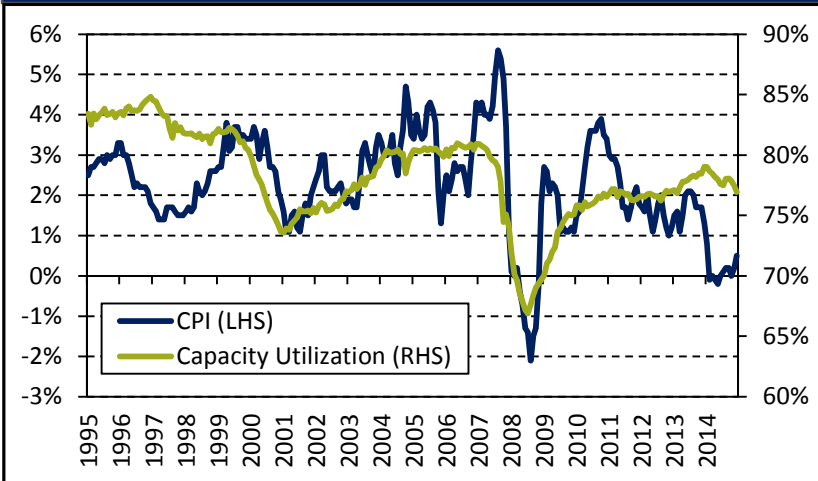


Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan  
 \*1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago



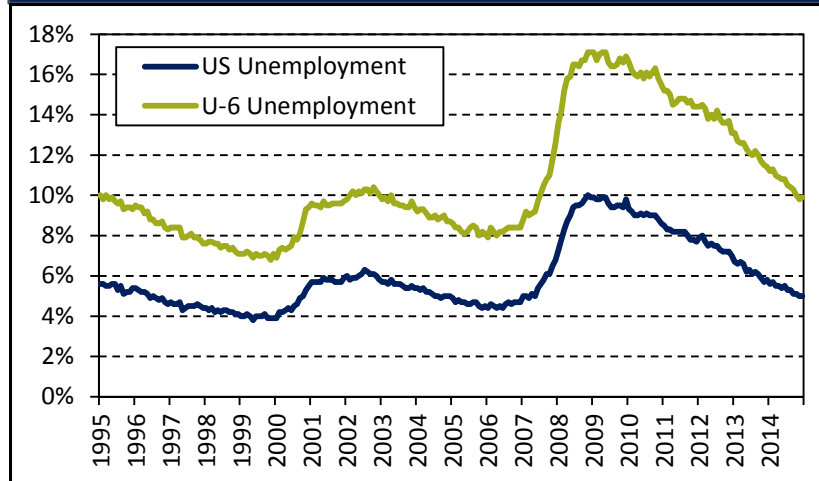
# US Economic Indicators

## Inflation has stayed low



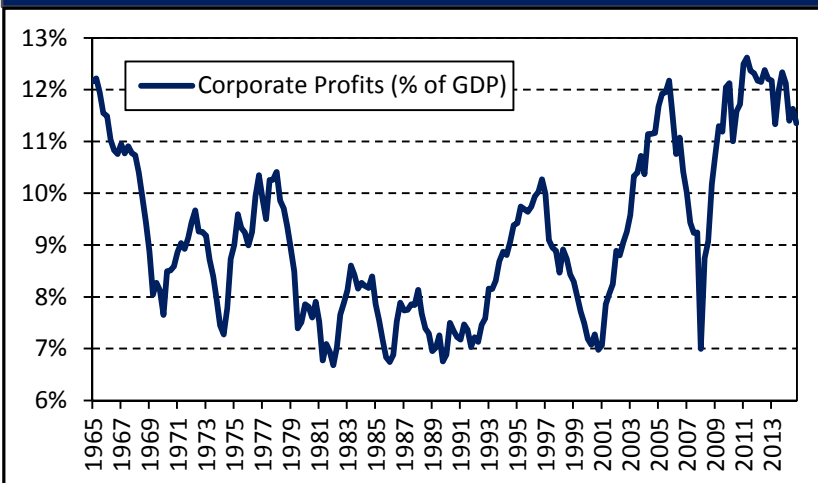
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

## Unemployment steadily improving



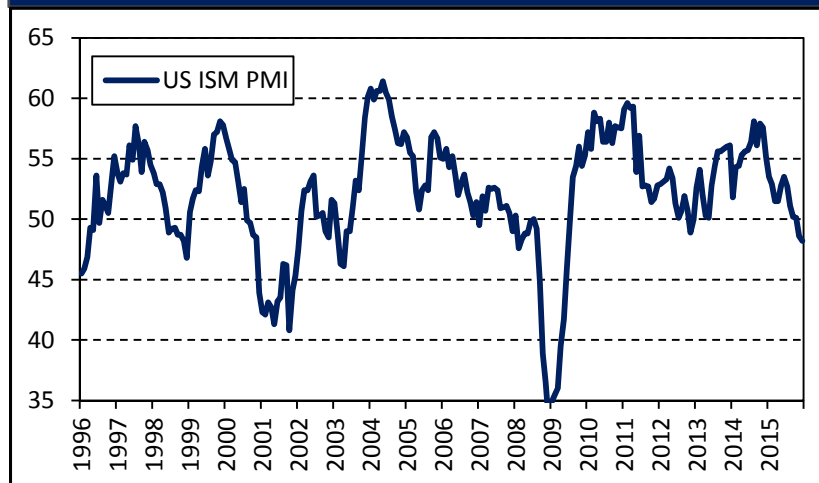
Source: Bloomberg, Bureau of Labor Statistics

## Corporate profits slightly off secular highs



Source: Bloomberg, Bureau of Economic Analysis

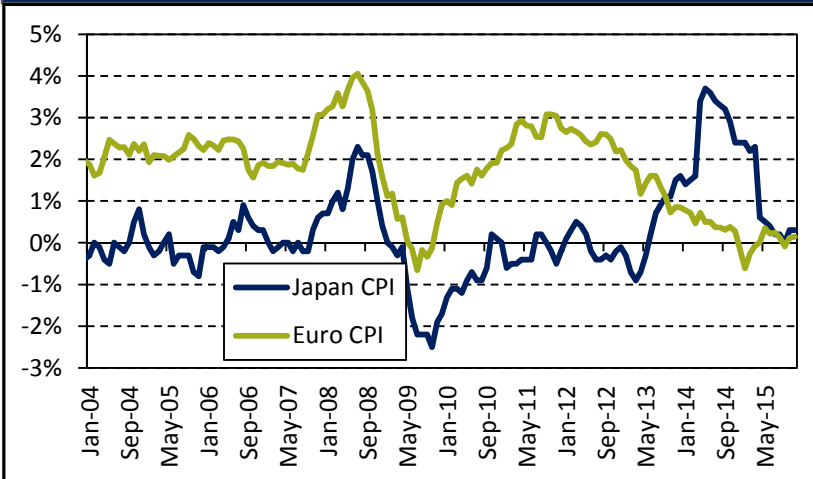
## Manufacturing trending lower



Source: Bloomberg, Institute for Supply Management

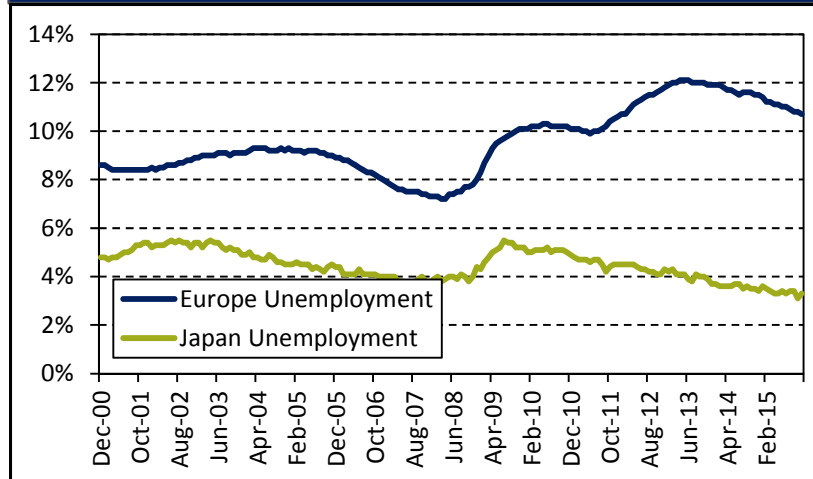
# International Economic Indicators

## Inflation remains muted



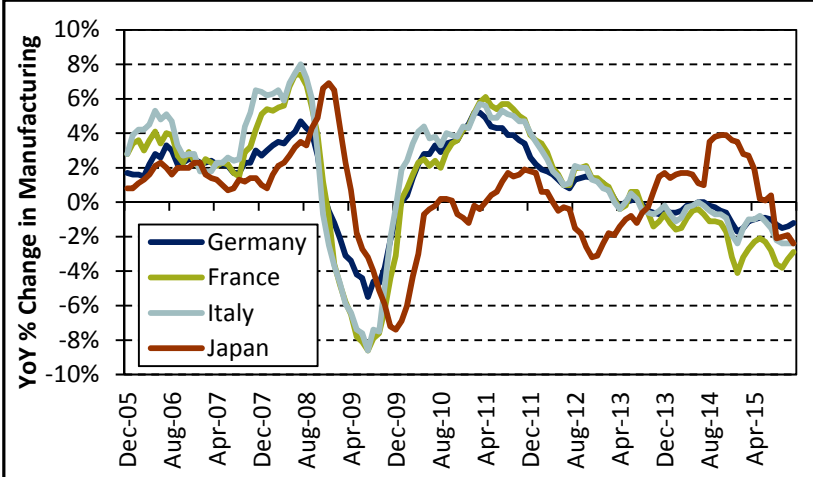
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

## Europe employment recovery lagging



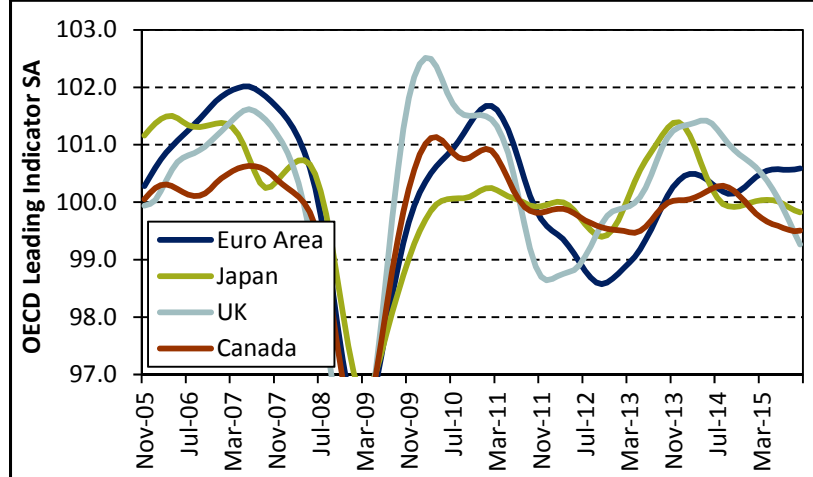
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

## Manufacturing in developed economies has lagged



Source: Bloomberg, OECD, Eurostat

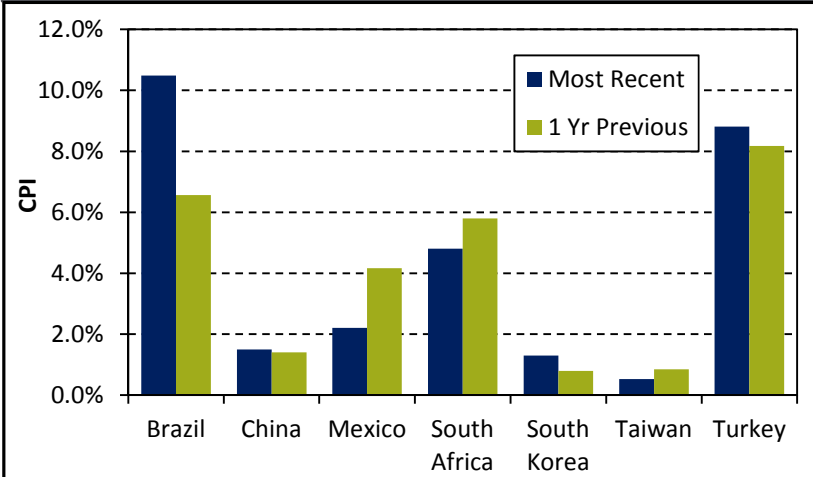
## Leading indicators mostly neutral



Source: Bloomberg, OECD

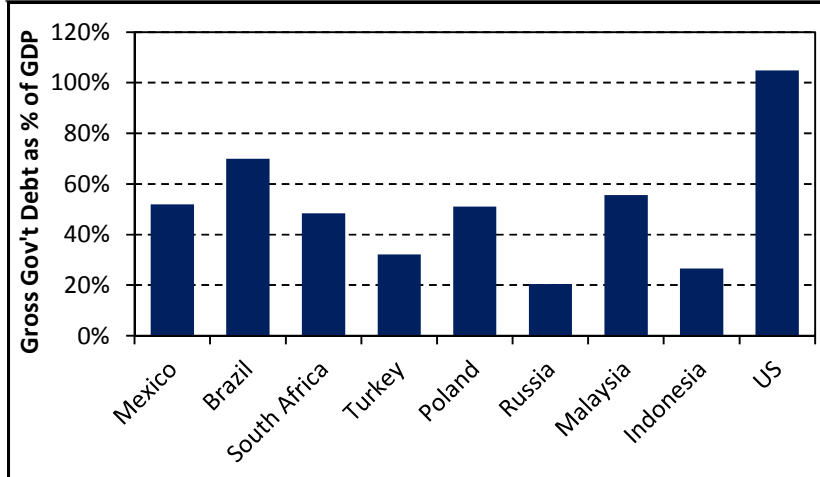
# Emerging Market Economic Indicators

## EM inflation is varied by country



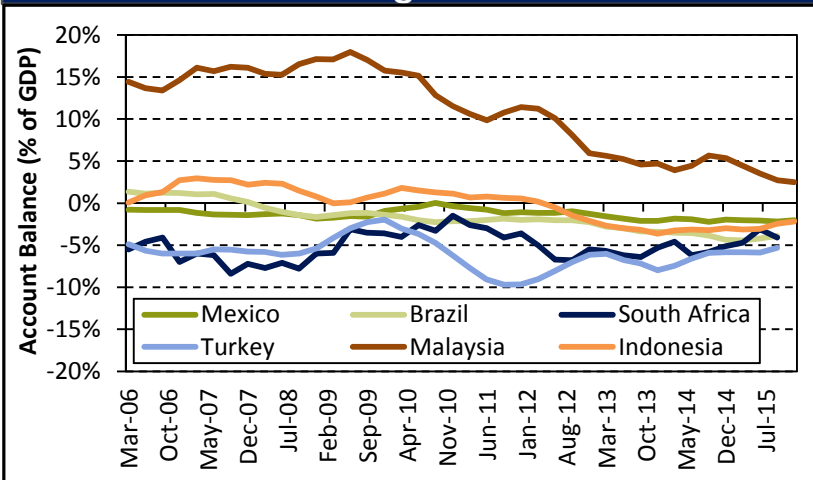
Source: Bloomberg

## Relatively healthy Debt/GDP ratios



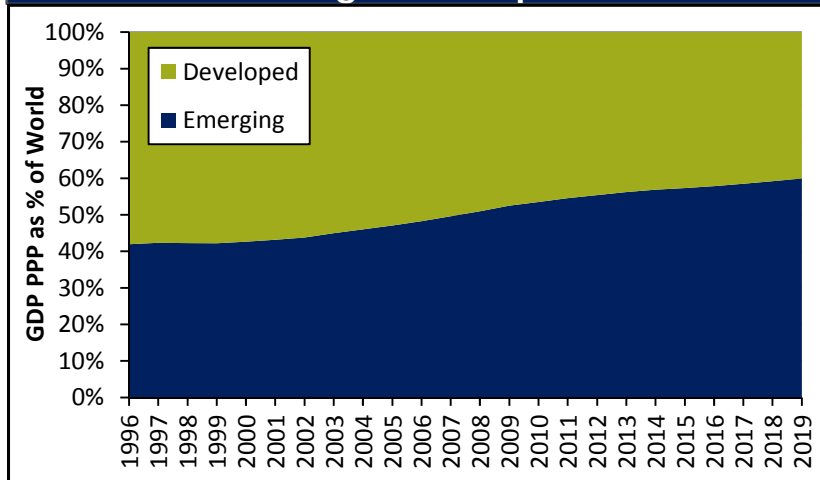
Source: Bloomberg, IMF

## Little improvement in account balance challenged countries



Source: Bloomberg

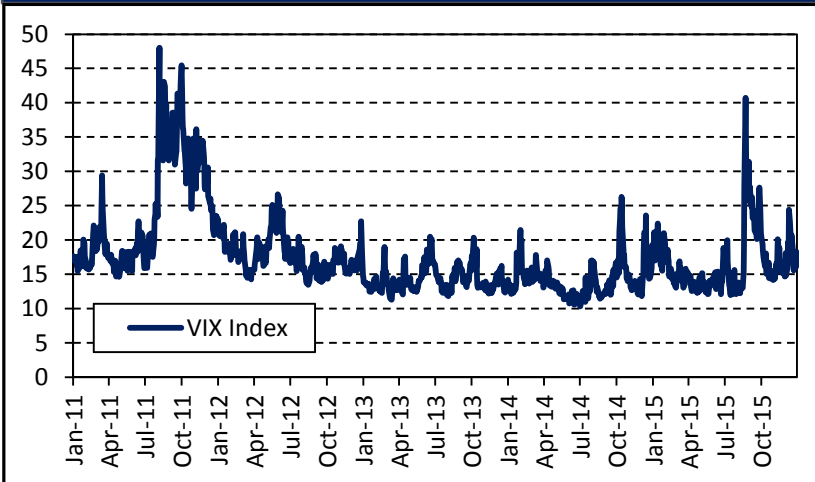
## Emerging economies make up >50% of global output



Source: Bloomberg, IMF

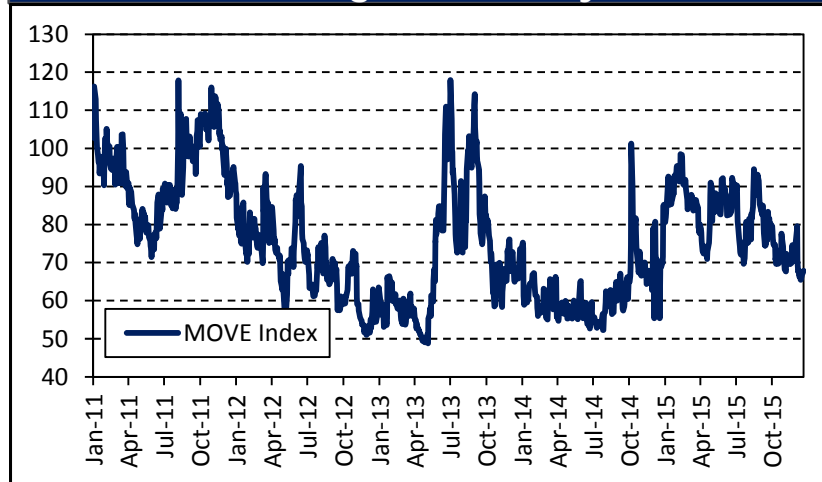
# Volatility

## Equity volatility has seen recent spike and decline



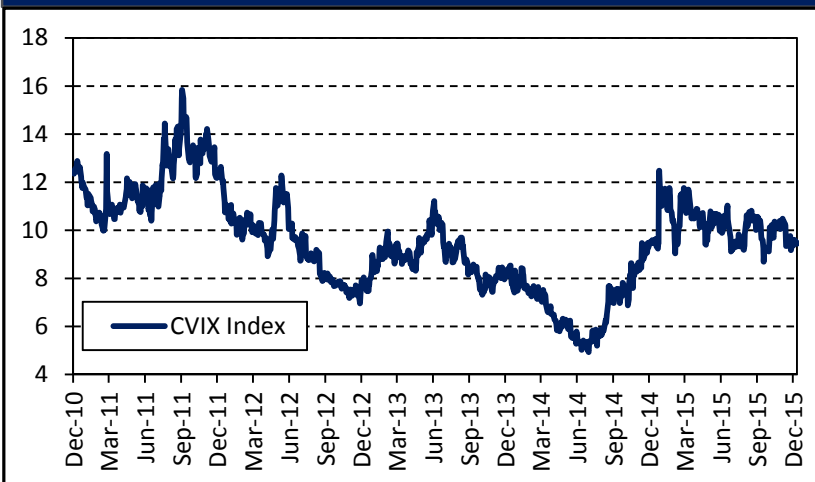
Source: Bloomberg, CBOE

## Treasury rates experiencing periods of higher volatility



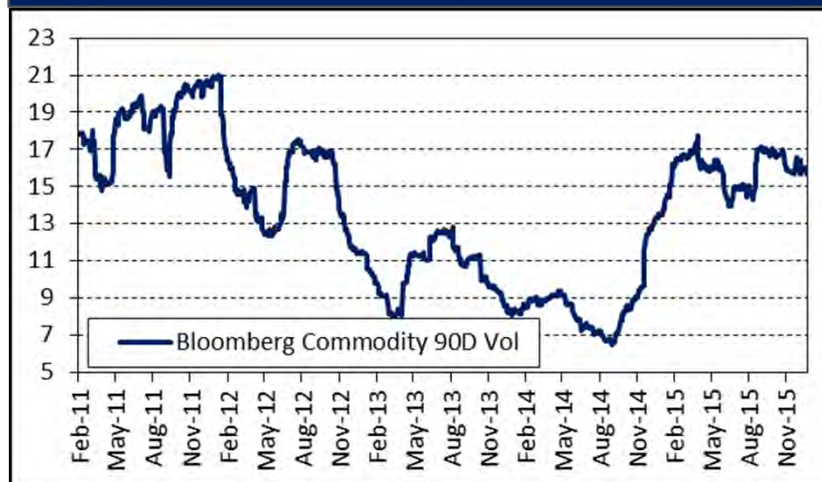
Source: Bloomberg, Merrill Lynch

## Sustained uptick in currency volatilities



Source: Bloomberg, Deutsche Bank

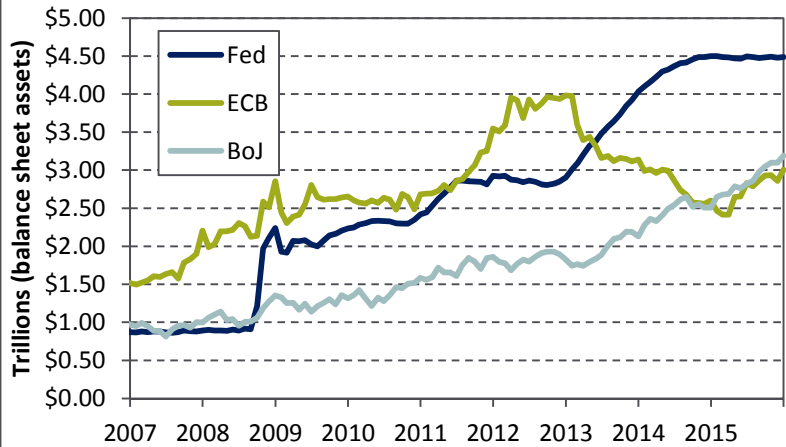
## Commodity pricing volatility remains elevated



Source: Bloomberg, Merrill Lynch

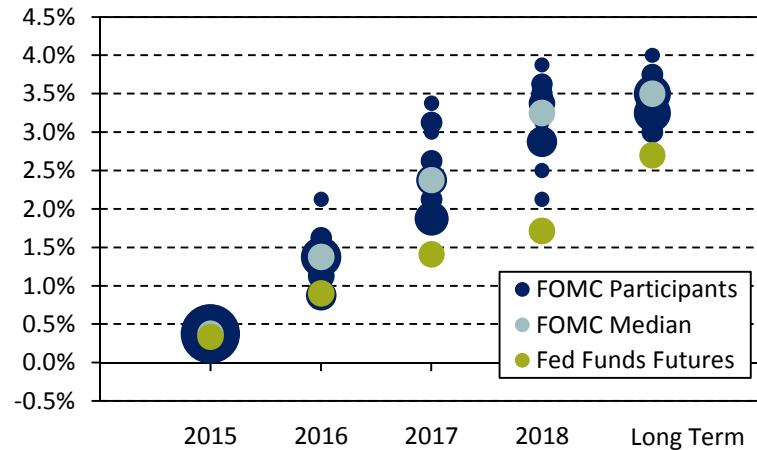
# Central Banks

## Major central bank policy divergence



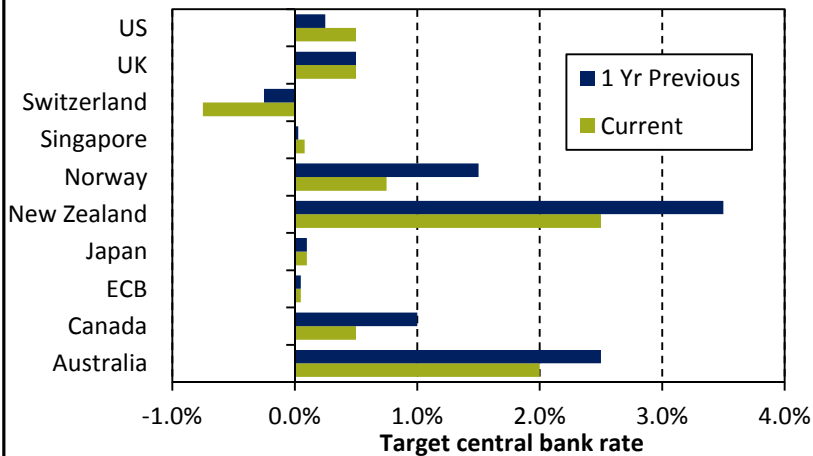
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

## Fed's ideal rate of policy firming above market expectations



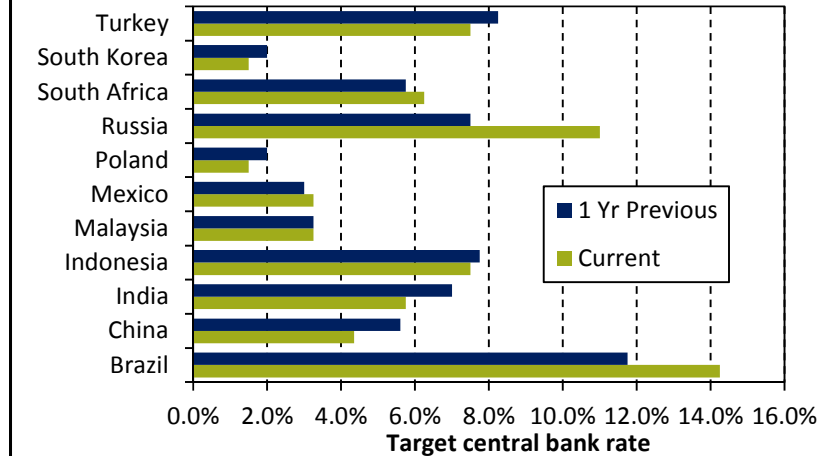
Source: Bloomberg, Federal Reserve, NEPC

## Many developed central banks have maintained low interest rates



Source: Bloomberg

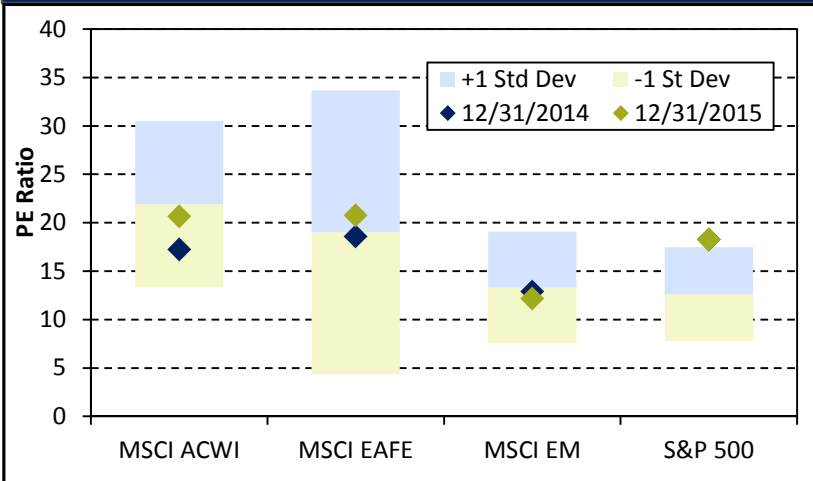
## EM central bank policies have varied by circumstance



Source: Bloomberg

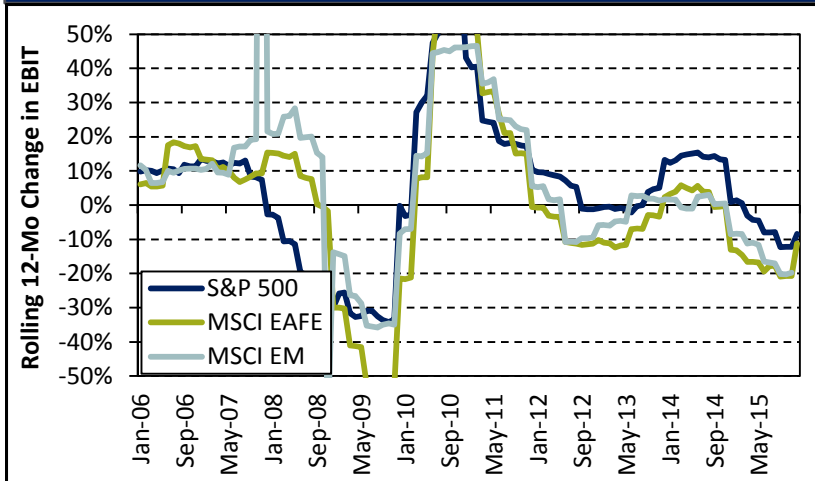
# Global Equity

## Global valuations are mixed



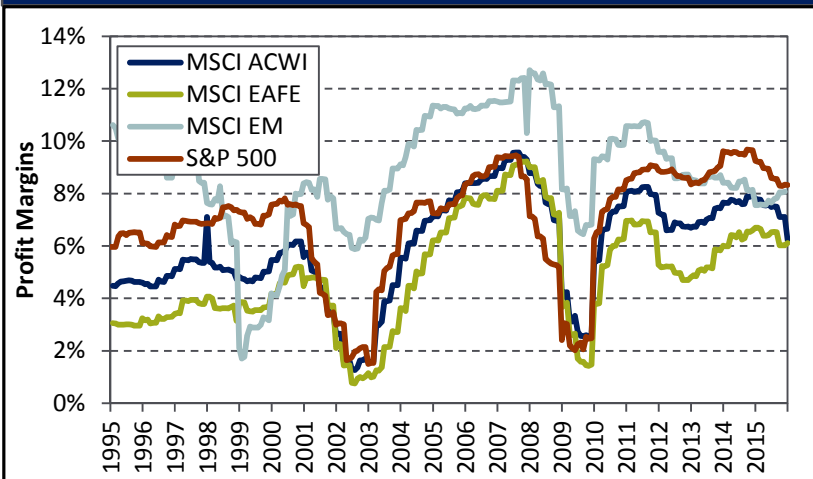
Source: Bloomberg, Standard and Poors, MSCI \*MSCI EAFE is ex UK Telecom

## Earnings growth trending lower



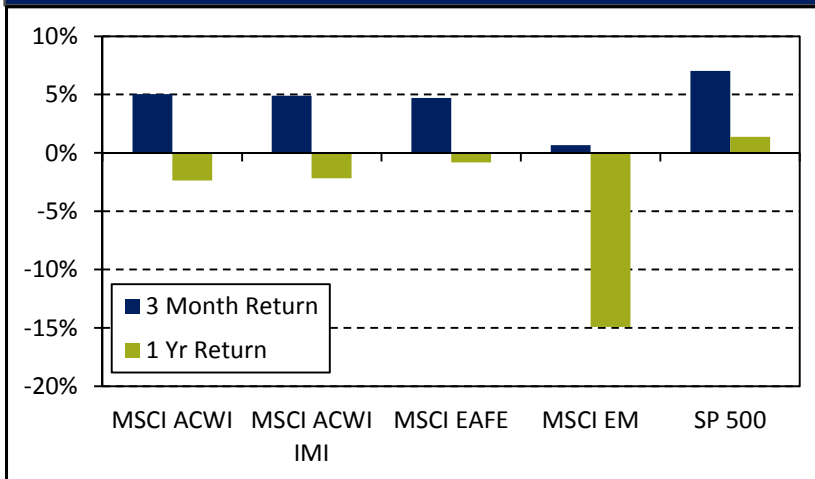
Source: Bloomberg, Standard and Poors, MSCI

## Margins elevated, but largely a US story



Source: Bloomberg, MSCI

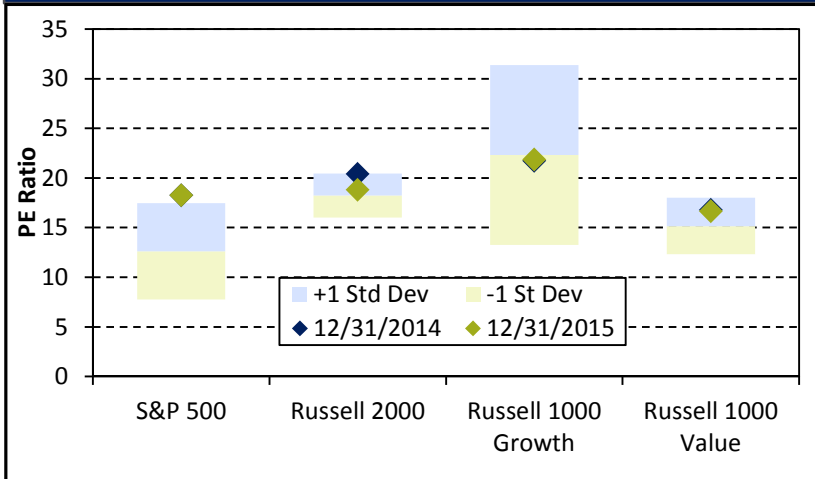
## Global equity returns have been mixed



Source: Bloomberg, MSCI

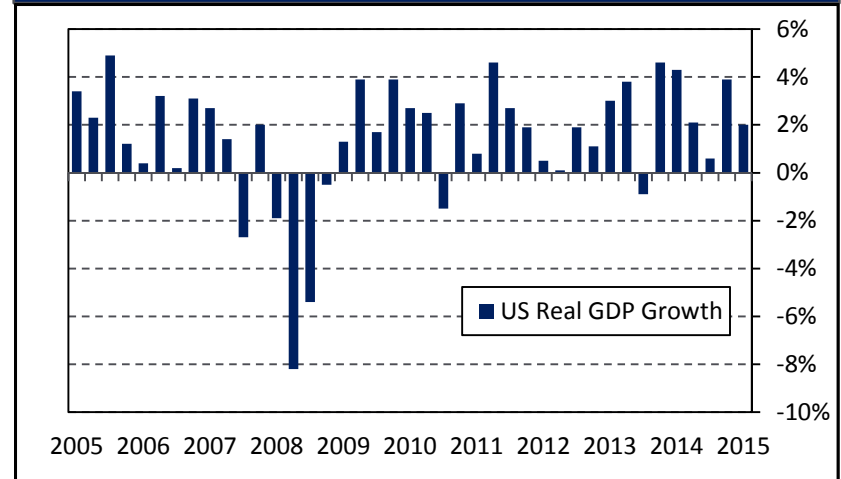


## Valuations near or above historical norms



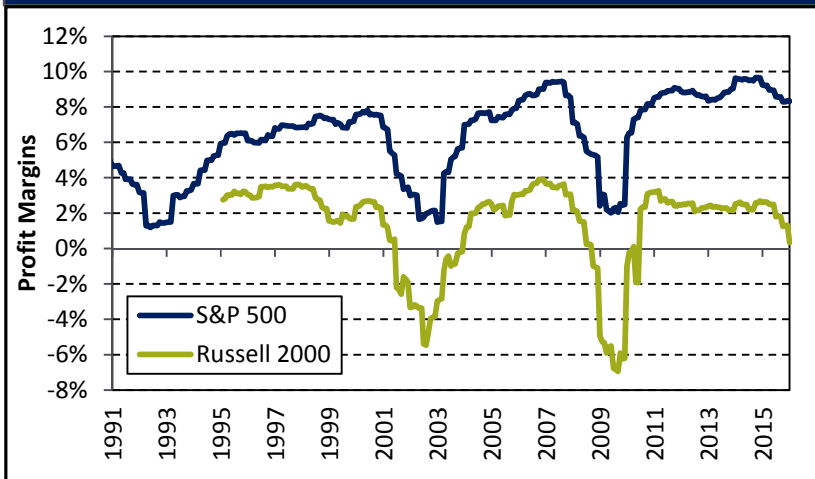
Source: Bloomberg, Standard and Poors, Russell \*Russell 2000 PE is index adjusted positive

## Growth recovery marked by inconsistency



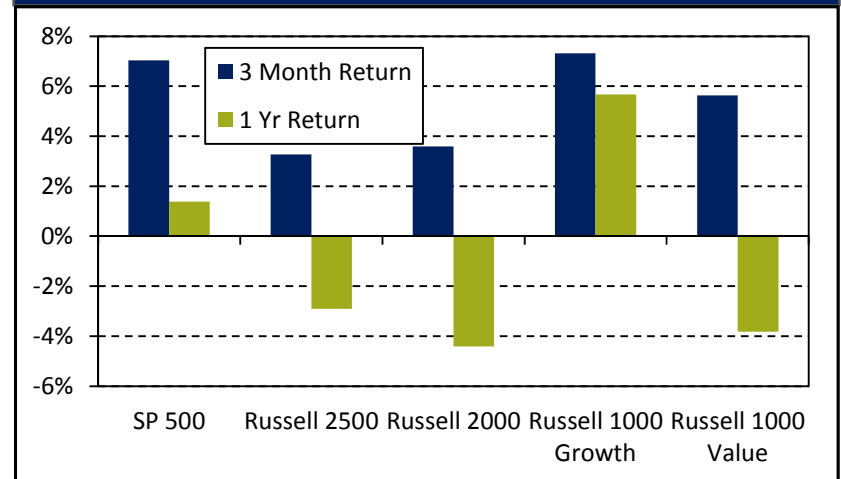
Source: Bloomberg, Bureau of Economic Analysis

## Profit margins remain elevated



Source: Bloomberg, Standard and Poors, Russell

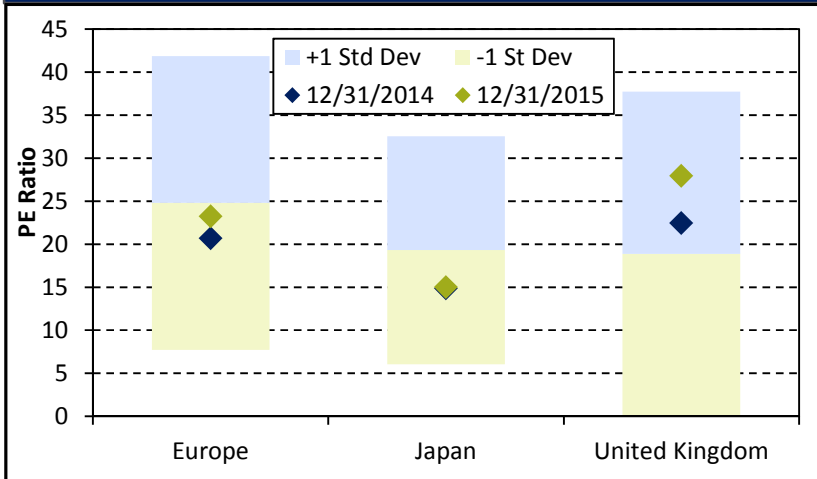
## Trailing performance is positive in near term



Source: Bloomberg, Standard and Poors, Russell

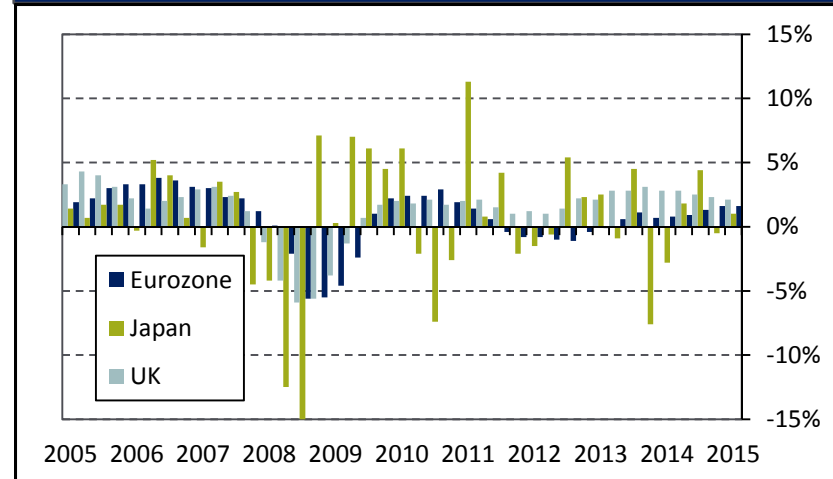
# International Equity

## PEs near historical medians



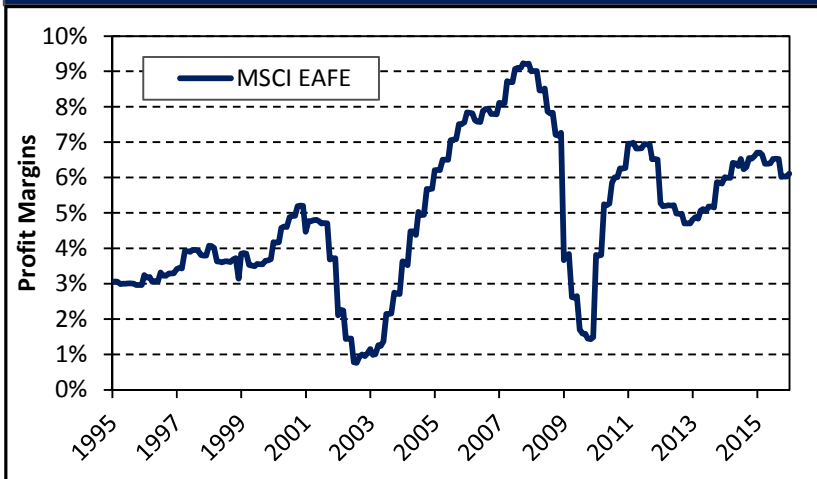
Source: Bloomberg, MSCI, FTSE \*UK represented by FTSE 100 Index

## Slow Global Growth



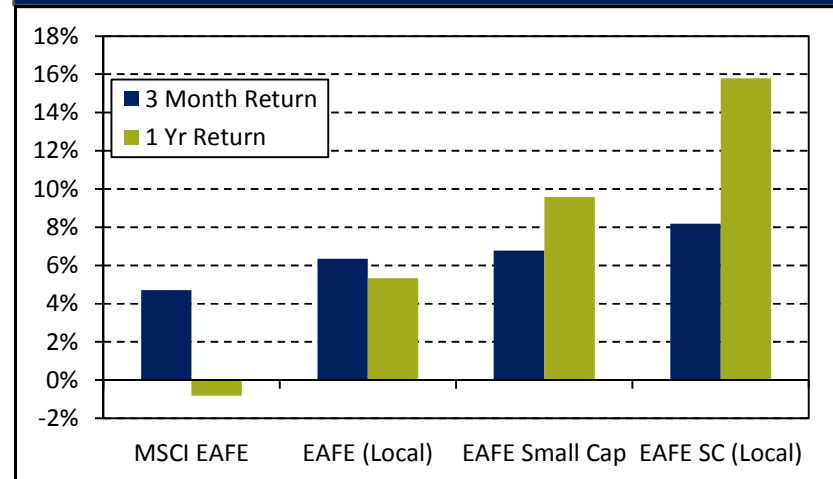
Source: Bloomberg

## Margins elevated but not at extremes



Source: Bloomberg, MSCI

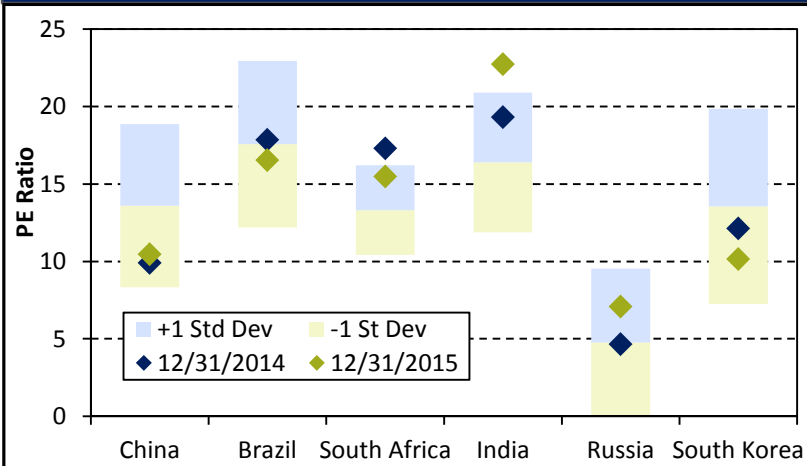
## Returns pulled lower by dollar strength



Source: Bloomberg, MSCI

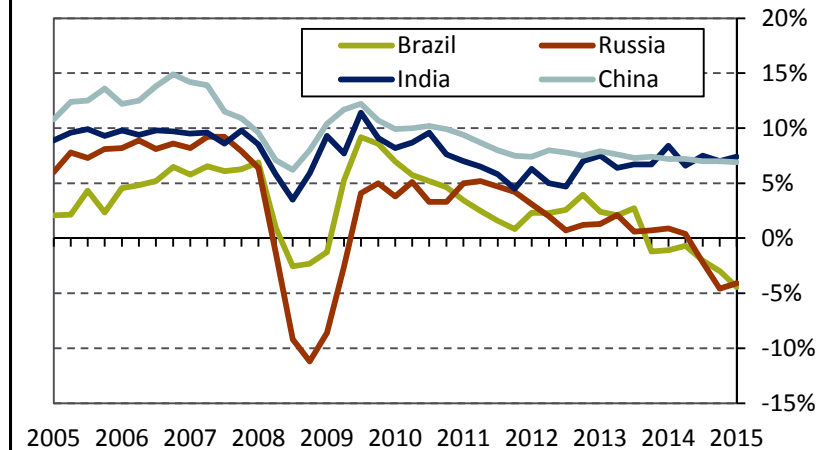
# Emerging Markets Equity

## Regional valuations show divergence



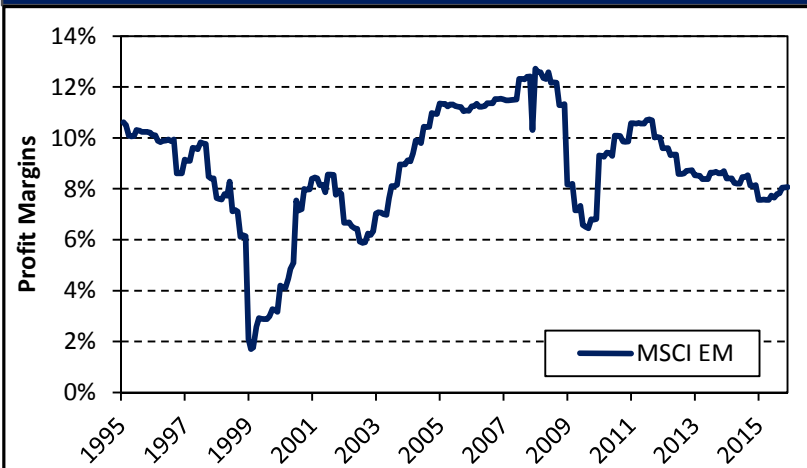
Source: Bloomberg, MSCI

## Slowing growth in major economies



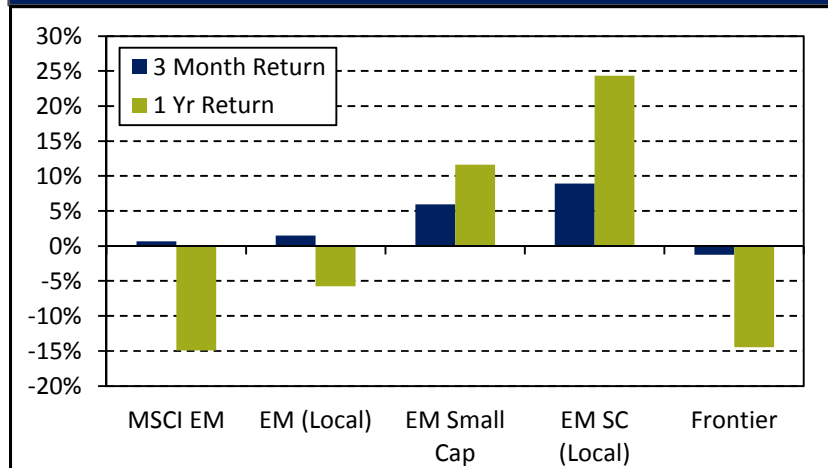
Source: Bloomberg

## Profit margins in line with history



Source: Bloomberg, MSCI

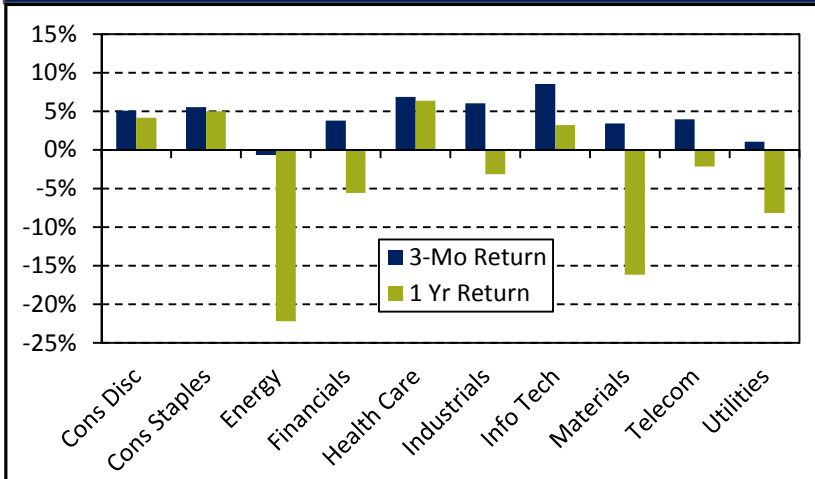
## Small cap EM issues have outperformed



Source: Bloomberg, MSCI

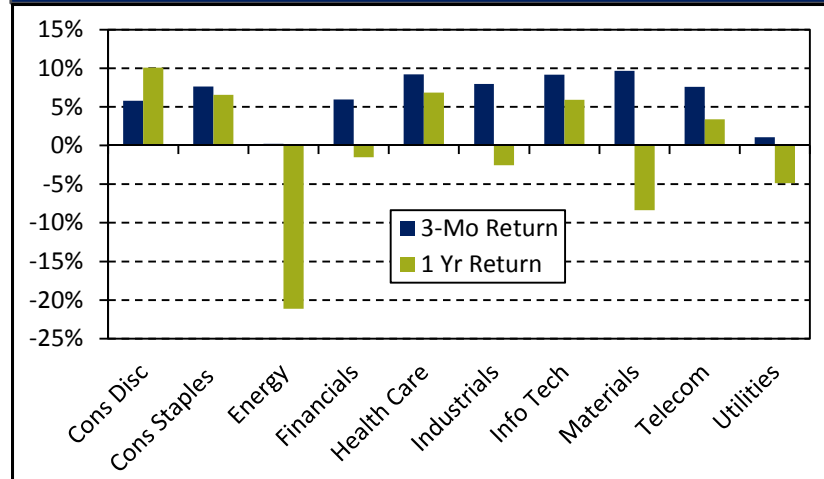
# Global Equity by Sector

## Energy returns sharply negative



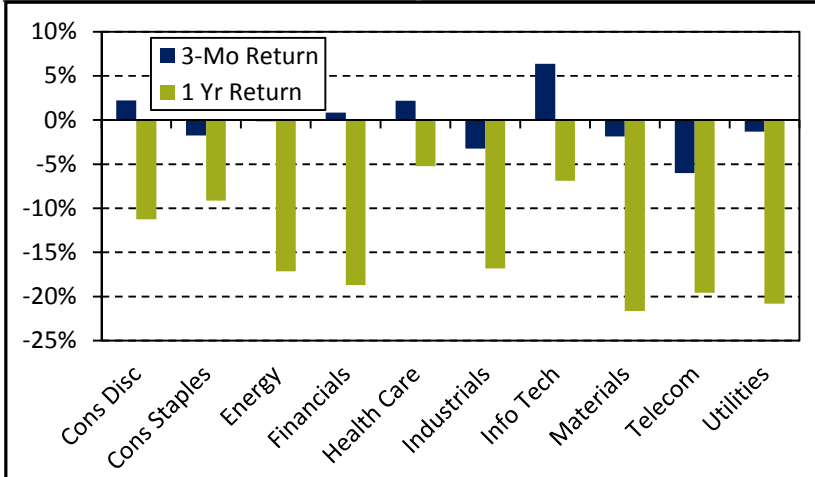
Source: Bloomberg, MSCI

## S&P 500 sectors mostly positive in near term



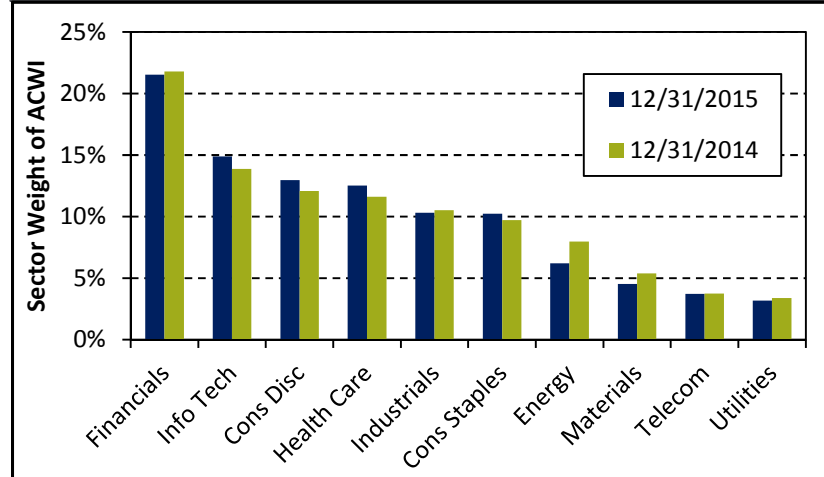
Source: Bloomberg, Standard and Poors

## Returns negative across sectors over one year



Source: Bloomberg, MSCI

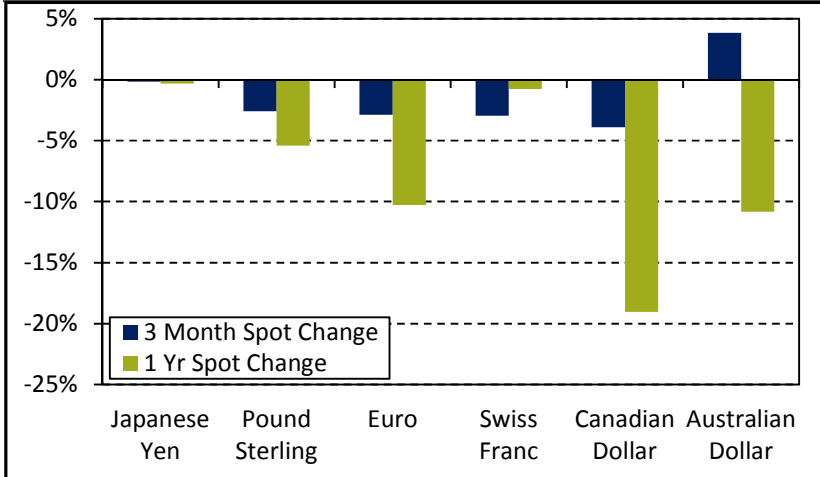
## Global energy sector weight has fallen



Source: Bloomberg, MSCI

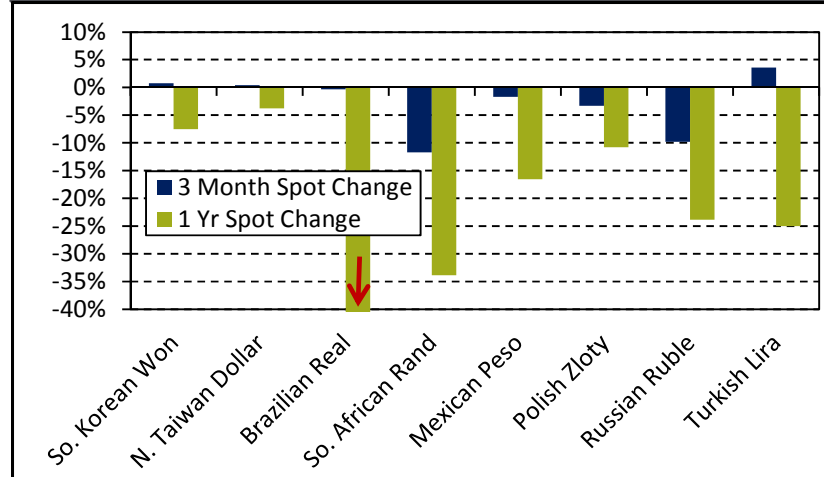
# Currencies

## Developed currencies mostly negative versus the dollar



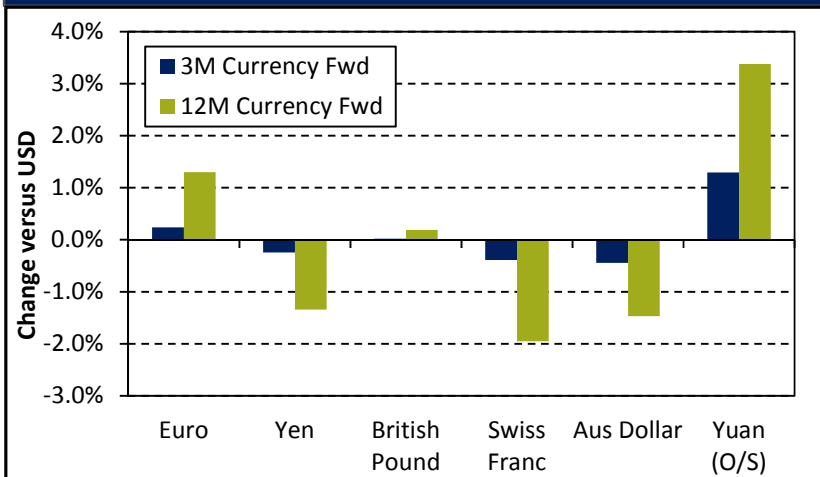
Source: Bloomberg

## EM currencies have suffered in unique fashions



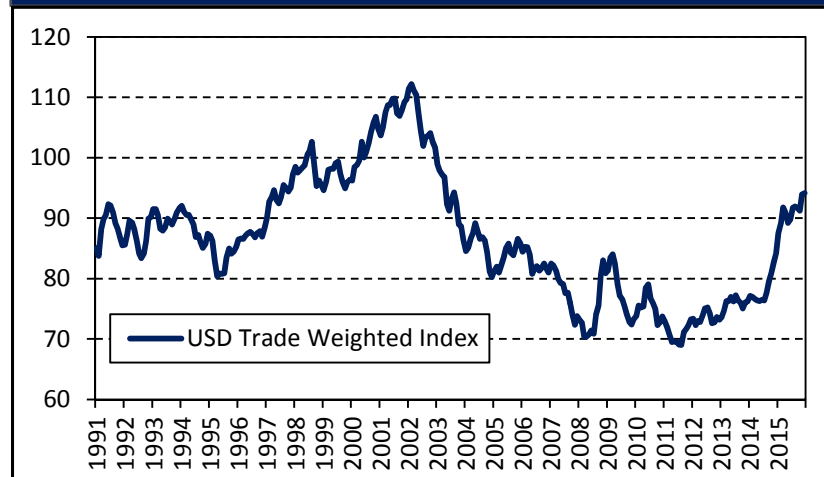
Source: Bloomberg

## Yen expected to decline versus USD



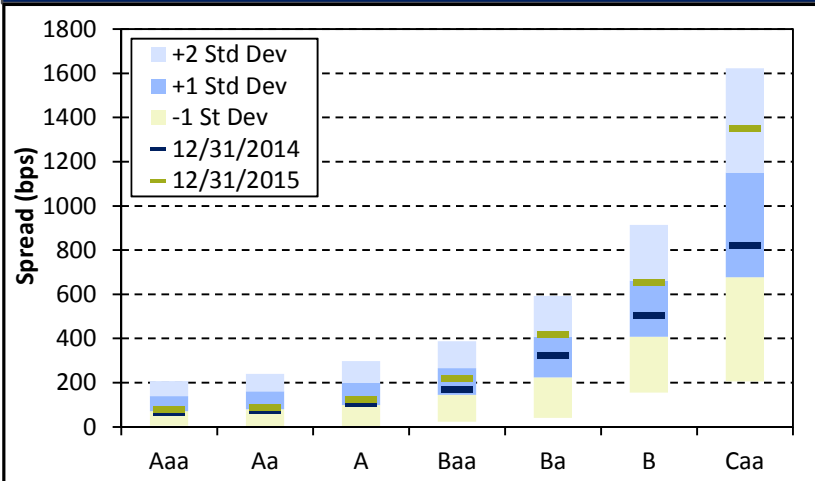
Source: Bloomberg

## Recent dollar strength pronounced



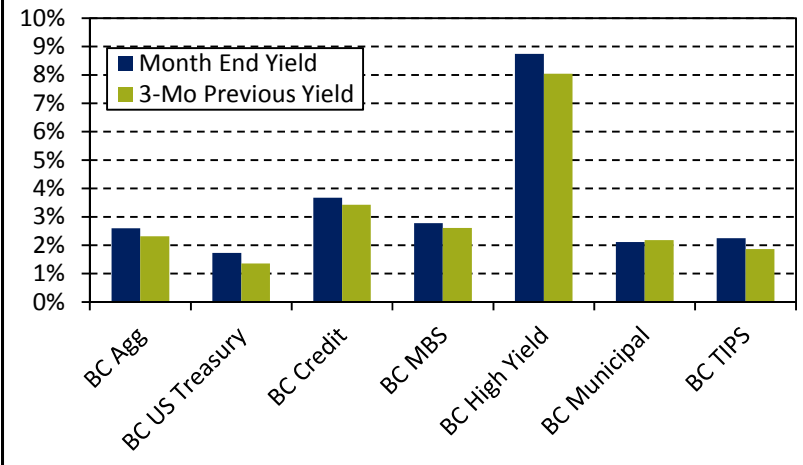
Source: Bloomberg, Federal Reserve

Spread levels above historical medians



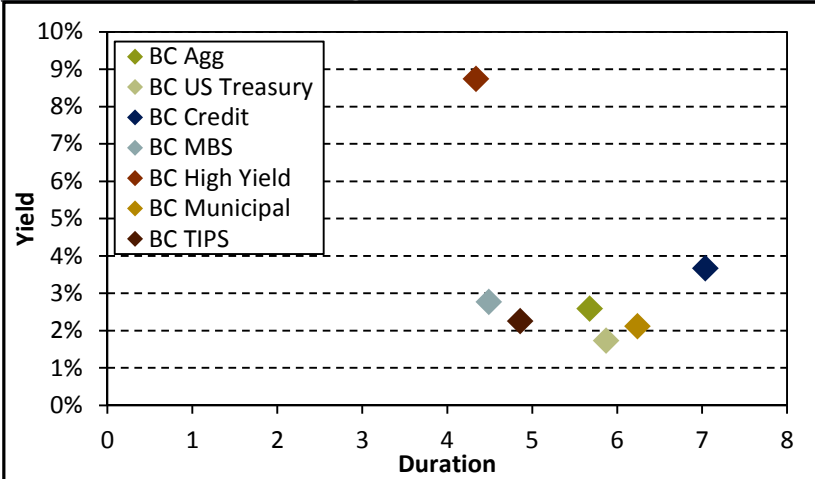
Source: Bloomberg, Barclays

Most yields have increased



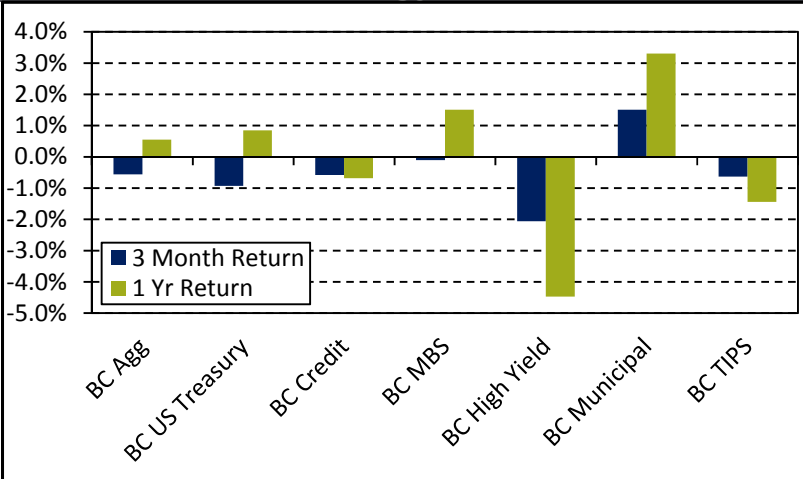
Source: Bloomberg, Barclays

Similar yield/duration tradeoff among major US indices



Source: Bloomberg, Barclays

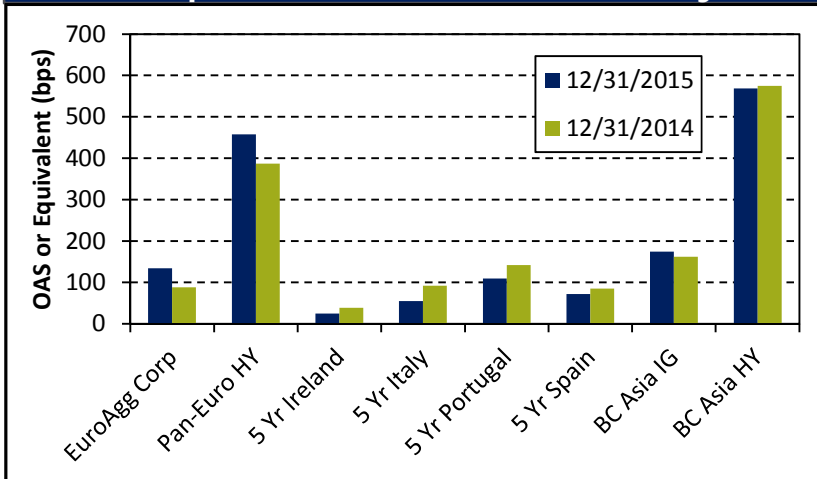
Negative high yield returns driven by energy distress



Source: Bloomberg, Barclays

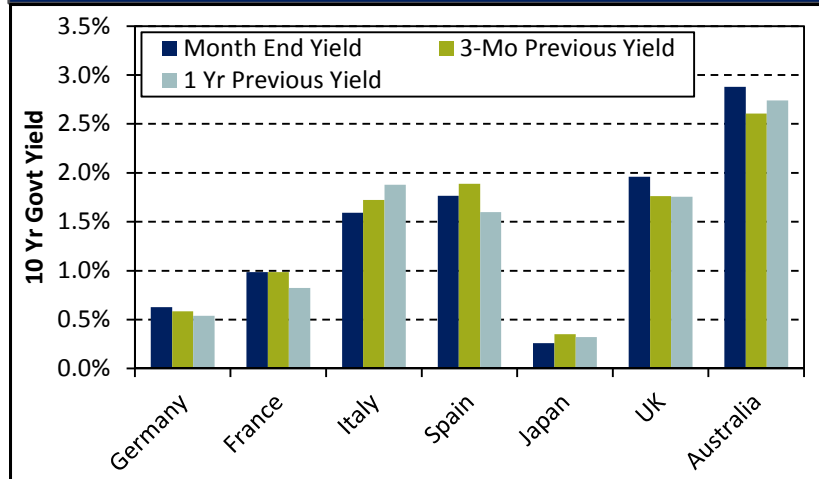
# International Developed Fixed Income

## European periphery yields at small premium relative to Germany



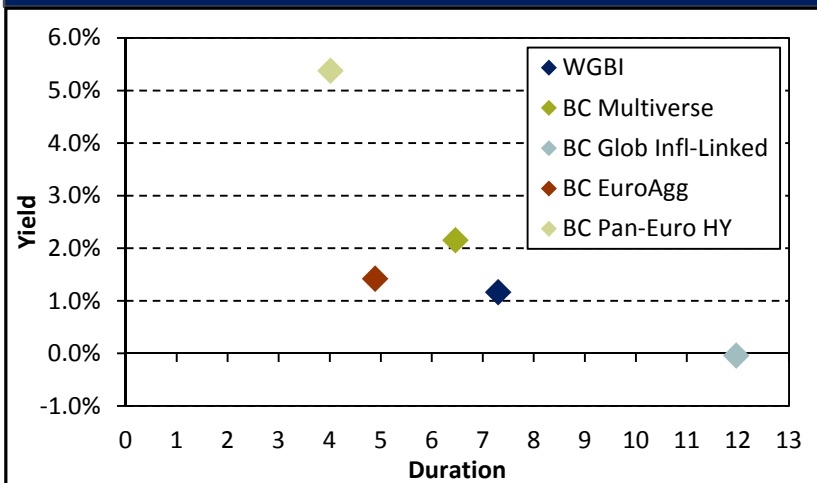
Source: Barclays, Bloomberg, \*European periphery spreads are over equivalent German Bund

## Global yields are at or near historic lows



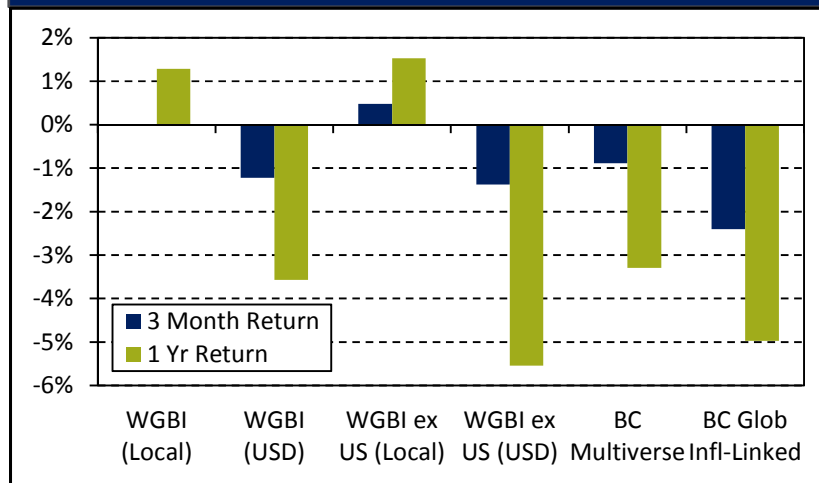
Source: Bloomberg

## Low global yields relative to duration



Source: Bloomberg, Citigroup, Barclays

## Global bonds negative over one year in USD terms

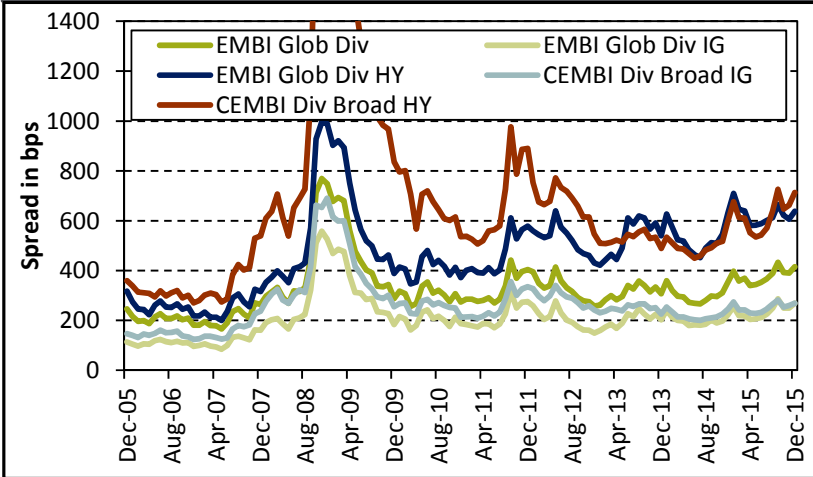


Source: Bloomberg, Citigroup, Barclays



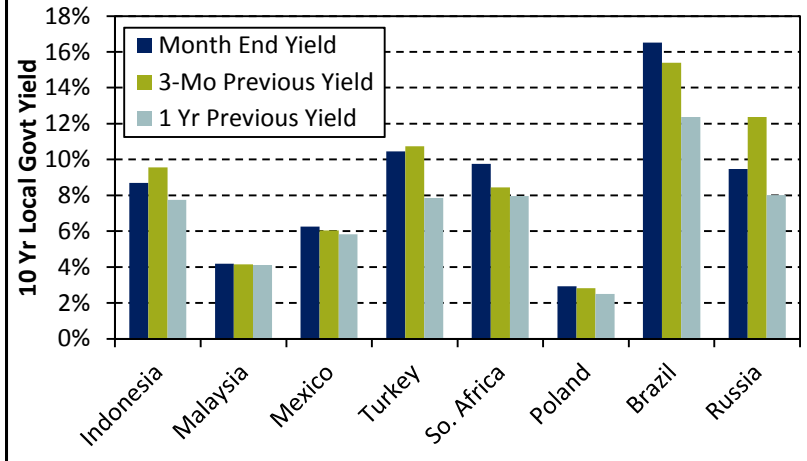
# Emerging Markets Fixed Income

## Spreads have widened recently



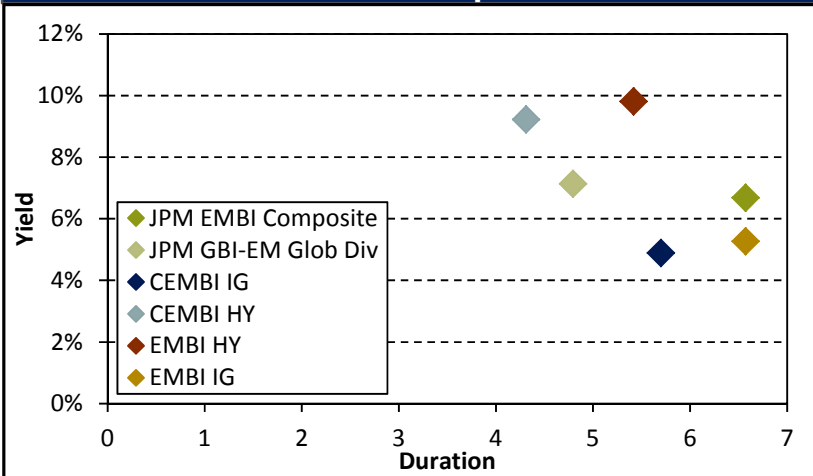
Source: Bloomberg, JP Morgan

## Emerging market bond yield changes have varied directionally



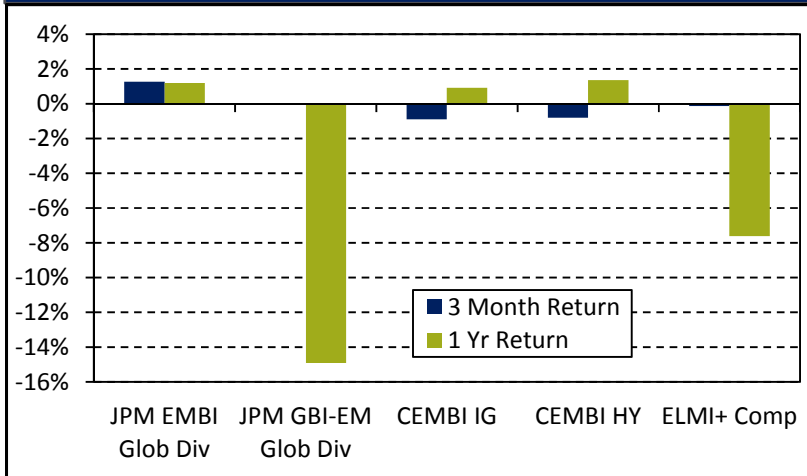
Source: Bloomberg

## EM yields higher versus global counterparts



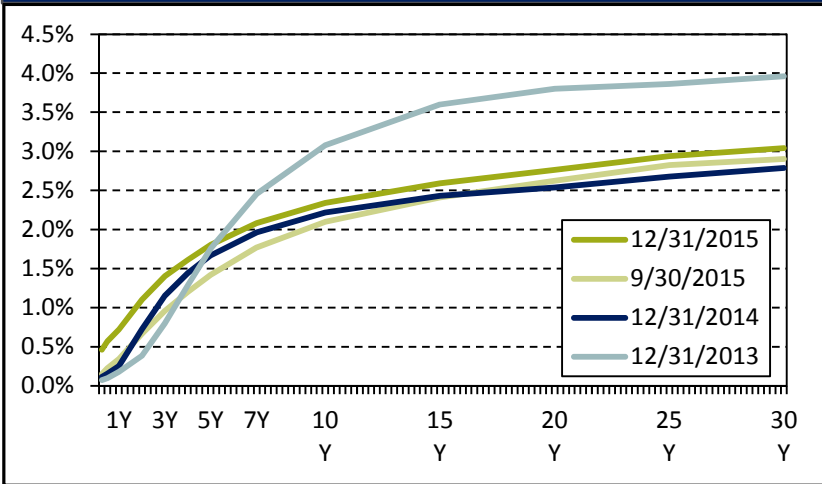
Source: Bloomberg, JP Morgan

## Currency effect pronounced in EMD returns



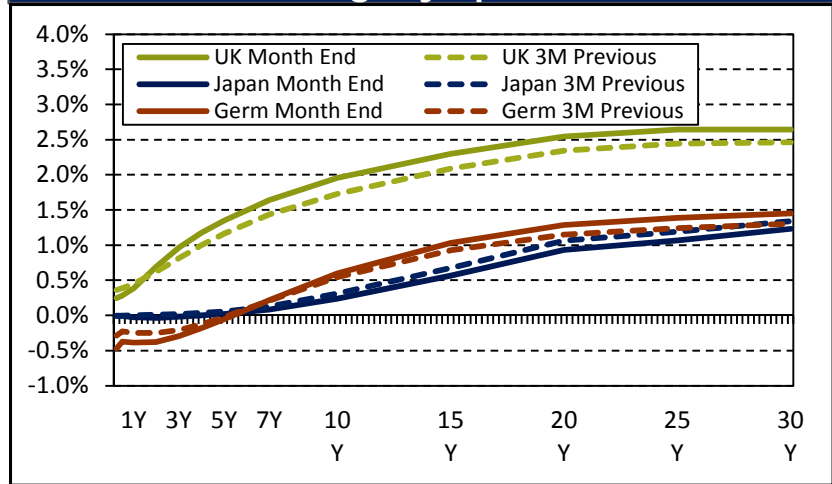
Source: Bloomberg, JP Morgan

Treasury yield curve moderately rising



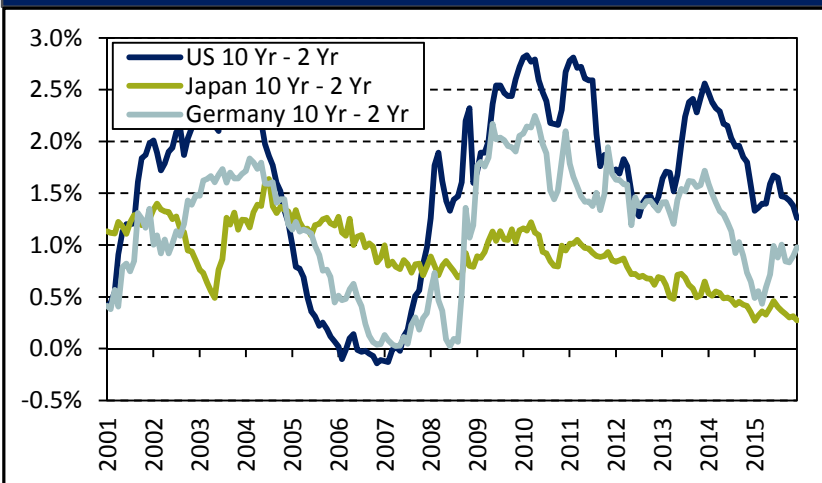
Source: Bloomberg

UK and German yield curves have shifted slightly upwards



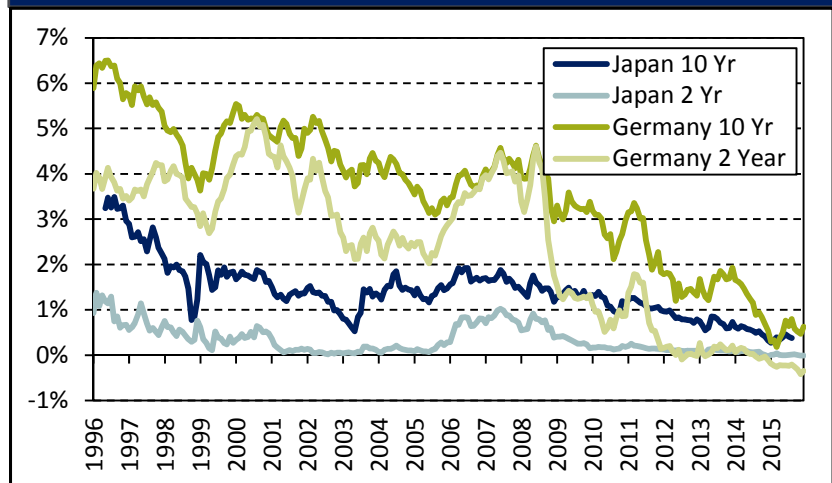
Source: Bloomberg

Global yield curves have mostly flattened



Source: Bloomberg

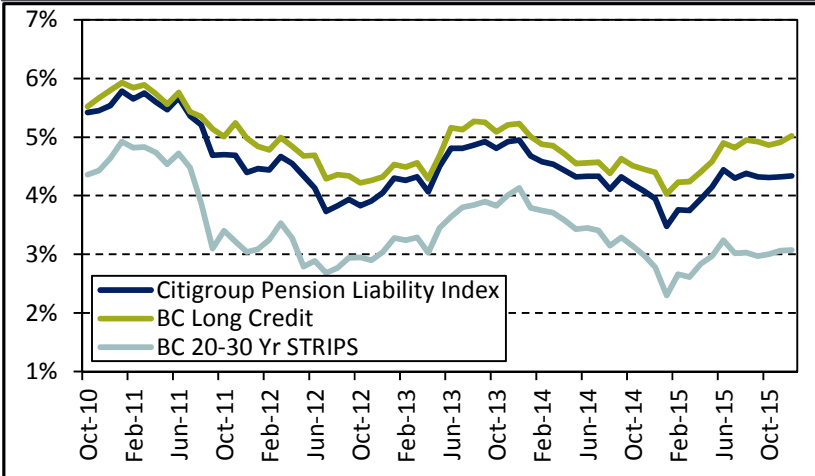
Global yields have trended lower over long term



Source: Bloomberg

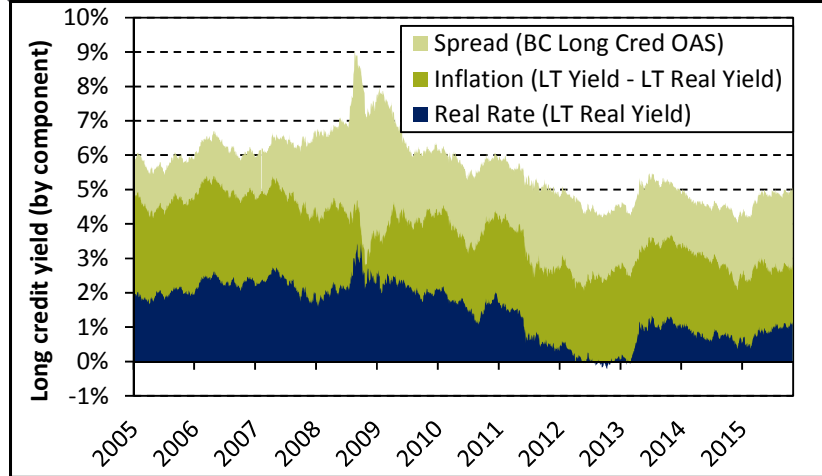
# Long Rates and Liability

## Long duration yields have fallen over last few years even with recent uptick



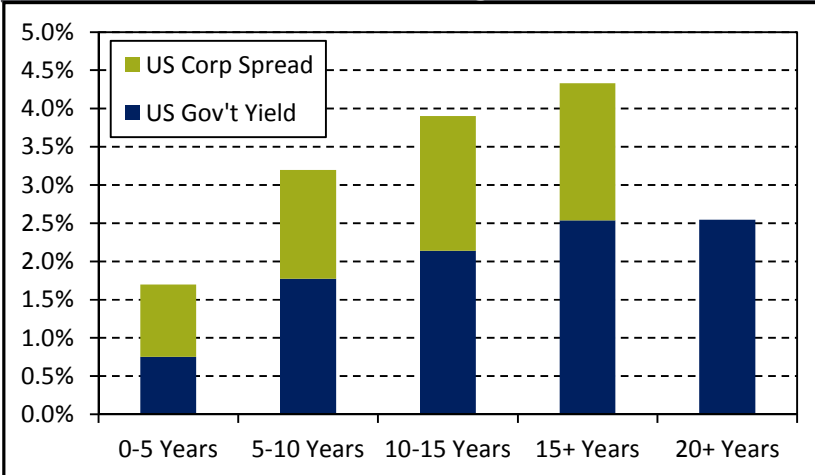
Source: Bloomberg, Citigroup, Barclays

## Lower yields driven by low inflation expectations and real rates



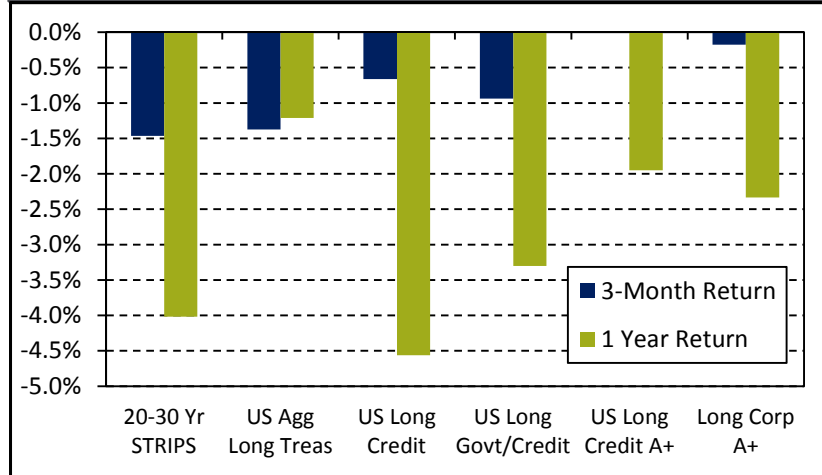
Source: Bloomberg, US Treasury, Barclays, NEPC

## Yields are low but spreads above historic averages



Source: Bloomberg, BofA Merrill Lynch, Barclays \*No index for 20+ year corporate

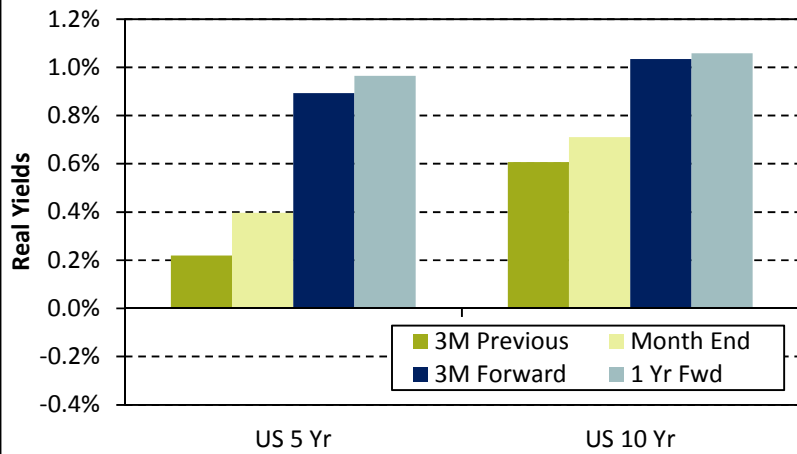
## Returns recently negative



Source: Bloomberg, Barclays

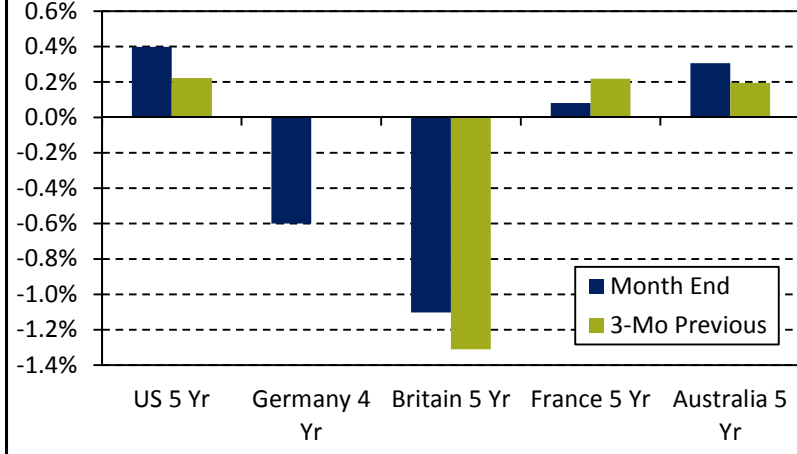
# Inflation and Real Rates

## US real yields have risen slightly



Source: Bloomberg

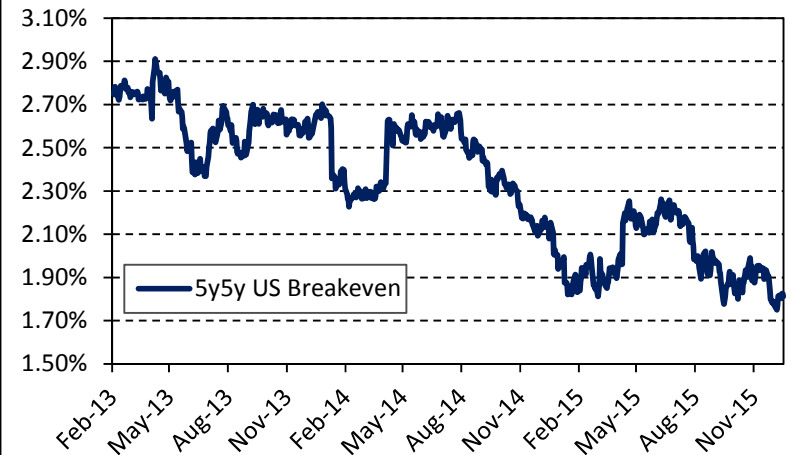
## Global real yields are flat to negative



\*3-Mo data not available for Germany 4 year rate

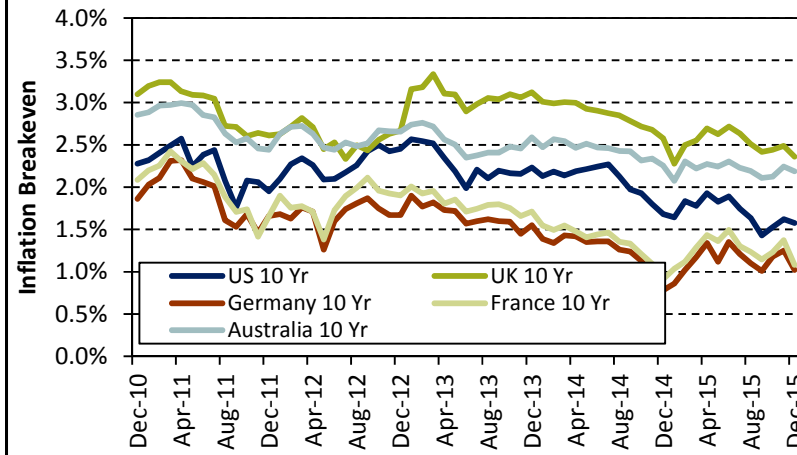
Source: Bloomberg

## US inflation expectations very low



Source: Bloomberg

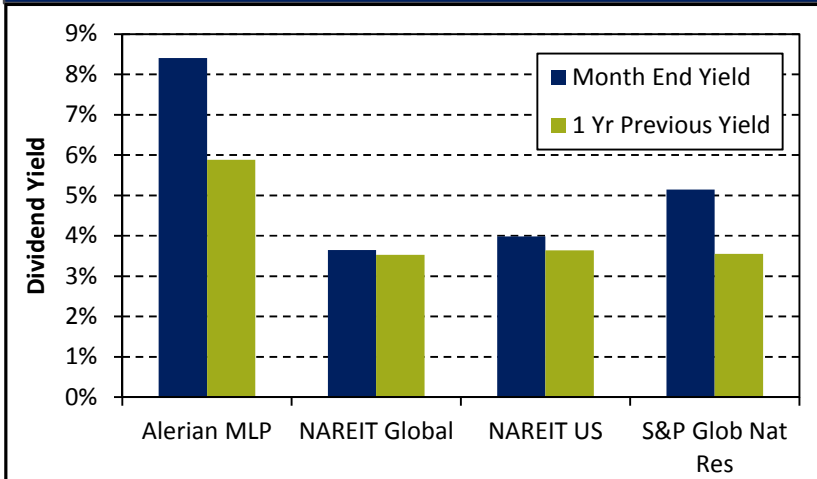
## Global inflation expectations remain subdued



Source: Bloomberg

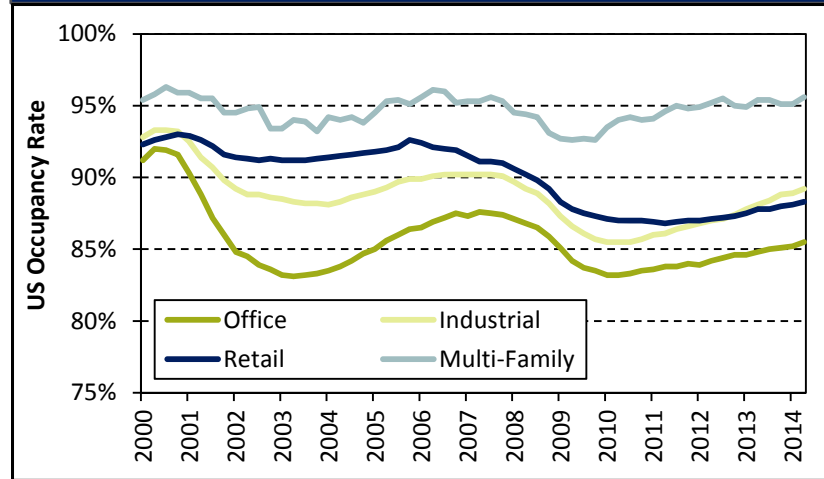
# Inflation Sensitive Growth Assets

## Yields higher relative to last year



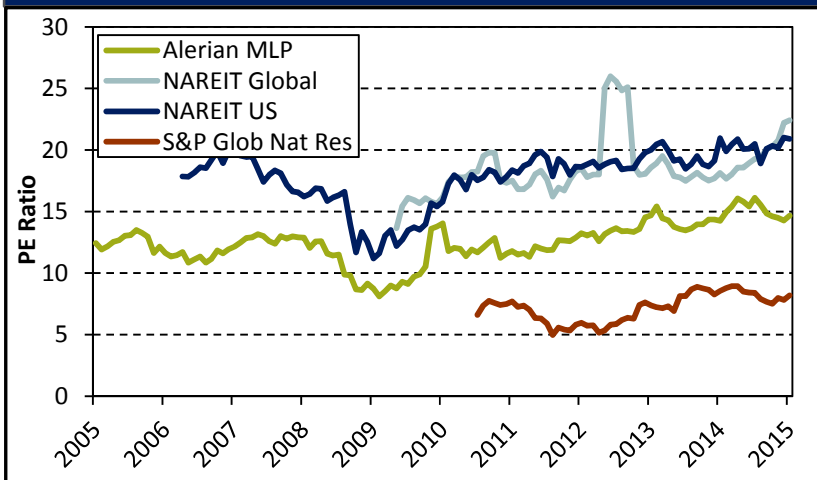
Source: Bloomberg, Alerian, Nareit, Standard and Poors

## Gradual recovery in occupancy rates



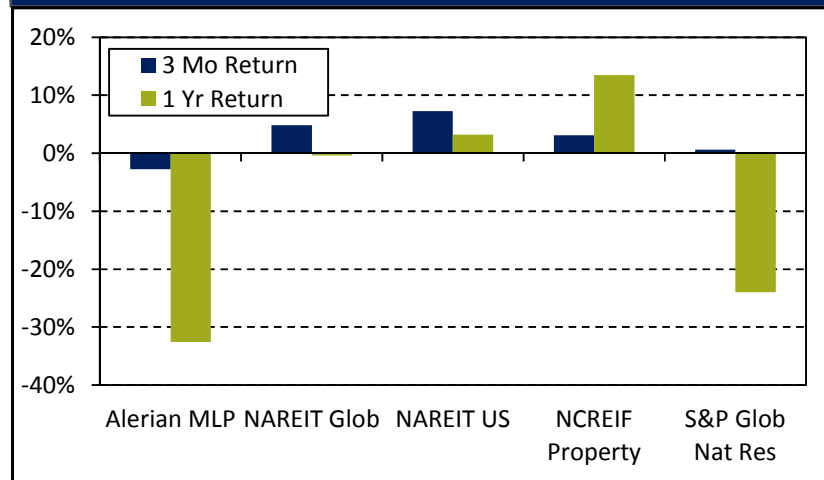
Source: Bloomberg, CB Richard Ellis

## PE Ratios near or above averages



Source: Bloomberg, US Census Bureau

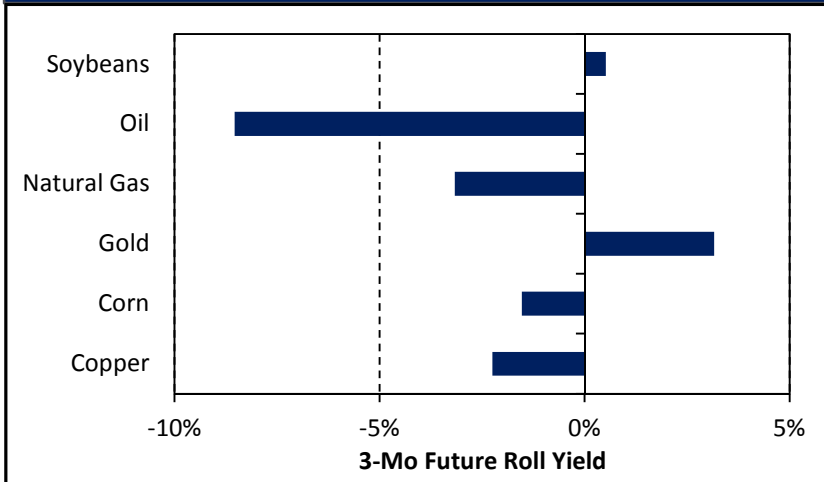
## Recent MLP selloff and energy pressure



Source: Bloomberg, Alerian, Nareit, Standard and Poors

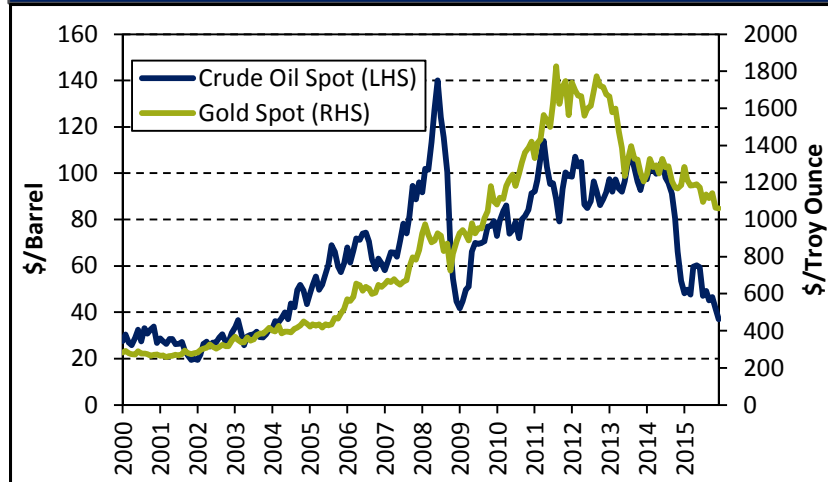
# Commodities

## Contango in major commodity futures



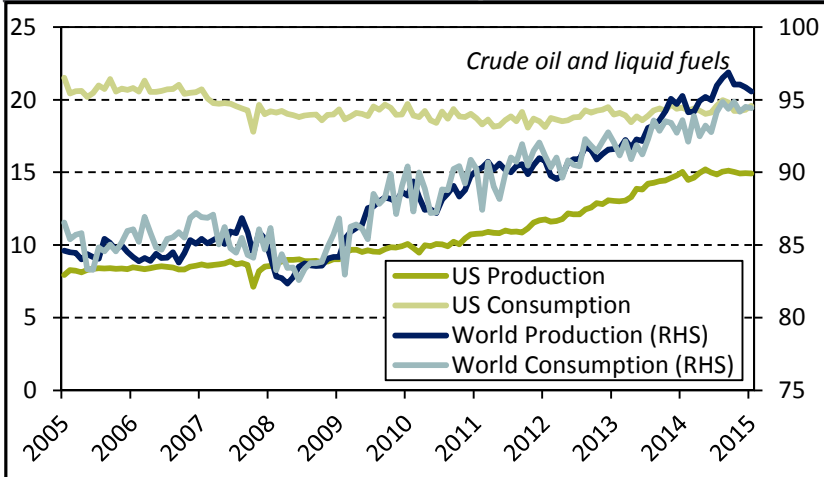
Source: Bloomberg

## Precipitous fall in oil prices



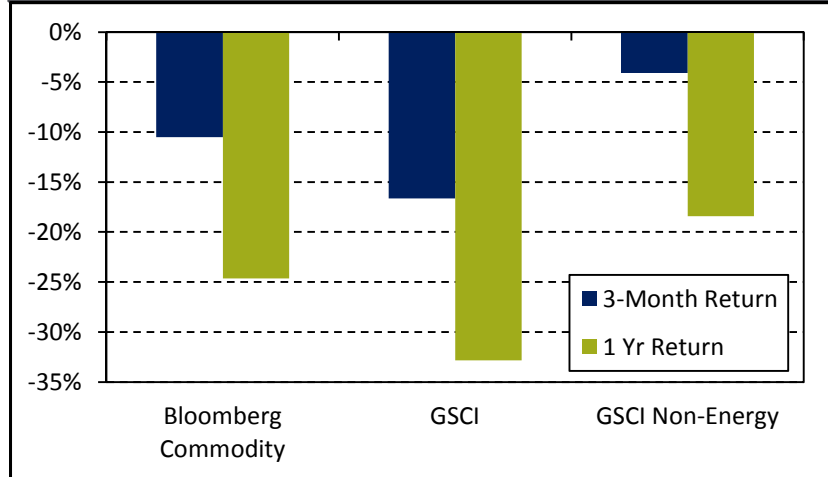
Source: Bloomberg

## US fuel production closing gap with consumption



Source: Bloomberg, US Department of Energy \*Crude oil and liquid fuels

## Commodity indices negative after oil-induced decline



Source: Bloomberg, Standard and Poors

## Glossary of Investment Terminology

The calculation methodology for each measure of performance is outlined below.

Measurement	Description	Equation
<b>Policy Target</b>	Measures policy allocation decisions.	= TARGET ASSET WEIGHTS X INDEX RETURNS
<b>Allocation Index</b>	Measures actual allocation decisions. Deviations from the policy target can be derived. (Allocation Index – Policy Index)	= ACTUAL ASSET WEIGHTS X INDEX RETURNS
<b>Composite (Total Return)</b>	Measures actual performance and can derive active management decisions. (Composite – Allocation Index)	= ACTUAL ASSET WEIGHTS X ACTUAL RETURNS

The calculation methodology for each measure of attribution is outlined below.

Measurement	Description	Equation
<b>Allocation Effect</b>	Measure the effects of overweighting or underweighting managers and asset classes.	= (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT) X POLICY INDEX RETURN
<b>Selection Effect</b>	Measures the managers' ability to add excess return relative to the policy index.	= (ACTUAL MANAGER RETURN – INDEX RETURN) X POLICY TARGET WEIGHT
<b>Interaction Effect</b>	Measures the cross correlation of both selection and allocation affects and is often referred to as an "error term".	= (ACTUAL MANAGER RETURN X (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT)) – ((MANAGER WEIGHT – POLICY TARGET WEIGHT) X INDEX RETURN)



- **Past performance is no guarantee of future results.**
- **The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**
- **Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
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