

**CITY OF POMPANO BEACH  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
INVESTMENT PERFORMANCE ANALYSIS  
FIRST QUARTER 2016**

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Only the executive summary portion of our reporting is provided herein. If you would like an electronic copy of the back-up pages to this executive summary, send your request to [jeff@seadvisory.com](mailto:jeff@seadvisory.com).

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**INVESTMENT PERFORMANCE ANALYSIS**

**MARCH 31, 2016**

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## Executive Summary

# CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending March 31, 2016

### I. MARKET ENVIRONMENT

Index	First Quarter	1 Year	3 Year
Standard & Poor's 500 Index	1.3%	1.8%	11.8%
MSCI EAFE Index (Net)	-3.0%	-8.3%	2.2%
NCREIF Index	2.2%	11.8%	11.9%
CSFB Hedge Index	-2.2%	-5.2%	2.3%
Barclays U.S. Aggregate	3.0%	2.0%	2.5%
91 Day Treasury Bills	0.1%	0.1%	0.1%
Consumer Price Index	0.7%	0.9%	0.8%

The first quarter of 2016 began with markets extending the bear market begun in early December, as China's economic slowdown and slumping oil prices renewed fears of global recession. In fact, U.S. stocks briefly entered correction territory by falling -13.6% from a near-term high close on December 1, 2015 to its recent low close on February 11 (-11.0% year-to-date). Happily, U.S. stocks then staged a strong rally, surging 13.7% through the end of the quarter; economic data came in stronger than expected, crude oil prices managed to reverse course, and the Bank of Japan joined the European Central Bank in adopting a negative overnight interest rate policy. Real GDP growth continued to slow during the fourth quarter of 2015, expanding 1.4% annualized. The Consumer Price Index, All Urban Consumers rose 0.7% in the first quarter. The Federal Reserve adopted a more cautious stance at their March meeting. The Fed Funds Rate went unchanged while their median projection for year-end 2016 dropped to below 1%, which would translate to two rate increases at the current pace.

**Equities:** The S&P 500 was up for the first quarter of 2016 by 1.3%. Large capitalization stocks outperformed smaller shares with the Wilshire Large-Cap Index up 1.3% versus a gain of 0.9% for the Wilshire US Small-Cap Index. The Wilshire US Micro-Cap Index was down -5.8% for the quarter and -13.5% for the past year. Growth stocks trailed value during the first quarter in both large- and small-cap spaces (Wilshire U.S. Large Growth, -1.7%; Wilshire U.S. Large Value, 3.7%; Wilshire U.S. Small Growth, -2.8%; Wilshire U.S. Small Value, 4.1%). Sector performance was mostly positive in the first quarter except for the Financials and Health Care sectors, which returned -3.7% and -6.7%, respectively. The three best performing sectors were Utilities, Telecom Services and Consumer Staples, up 15.2%, 14.7% and 5.4%, respectively. Real estate-related stocks returned strong performance globally in the first quarter, rising above the striking volatility of other economic sectors (Wilshire U.S. Real Estate Securities Index, 5.3%; Wilshire Global Ex-US RESI, 5.7% USD).

**Fixed Income:** U.S. Treasury yields plunged in the first half of the first quarter of 2016 as stock market volatility fed safe-haven trades into longer-term Treasuries. Ten-year Treasuries started the quarter yielding 2.3%, then steadily fell to 1.6% on February 11 before rising to 1.8% by March 31 as equities stabilized. The net drop in yields naturally benefited longer-dated bonds in relation to shorter paper (Barclays U.S. Treasury 1-3 Years, 0.9%; Barclays U.S. Treasury Long, 8.2%). Credit spreads widened in the first half of the quarter in short-lived risk-off trading, but subsequently tightened, boosting returns (Barclays U.S. Corporate Investment Grade, 4.0%). U.S. TIPS yielded strong returns in the quarter (Barclays U.S. TIPS, 4.5%). High yield bonds also returned relatively strong performance thanks to lower bond yields and a slight net tightening in credit spreads in this segment of the bond market, despite the volatility in equities (Barclays U.S. High Yield, 3.4%).

**Alternatives:** Pension funds, insurers and university endowments helped pump up hedge funds to a record \$3 trillion in assets over the last decade, but with results falling behind the total return of the S&P 500 for seven straight years, many hedge fund investors are pulling back. 4Q15 marked the first quarterly net withdrawal from hedge funds in four years. According to a new survey from Preqin, 32% of investors are planning to reduce their exposure in 2016 - double the amount who said so last year. *Wall Street Journal / Fortune*



## II. Live Universe Comparisons and Reporting

### Wilshire Public Plan Sponsor Universe



Number of Plans	252
Median Size	\$316.9 Million
Total Assets	\$2.6 Trillion
Total Plans over \$1 Billion	93
Total Plans between \$100 - \$1,000 Million	88
Total Plans between \$20 Million - \$100 Million	42
Total Plans under \$20 Million	29

### About Wilshire Associates

The Wilshire Cooperative is collaboration between Wilshire Associates and more than 60 independent investment consulting firms. Wilshire provides advanced performance measurement and attribution reporting systems to participating firms while Cooperative members provide asset and performance data for their sponsor clients. These are then pooled into peer groups for comparative purposes. Today, the Wilshire Cooperative is the standard utilized by over 1600 plan sponsors with assets over \$3.9 trillion dollars.

### Our Universe Comparisons

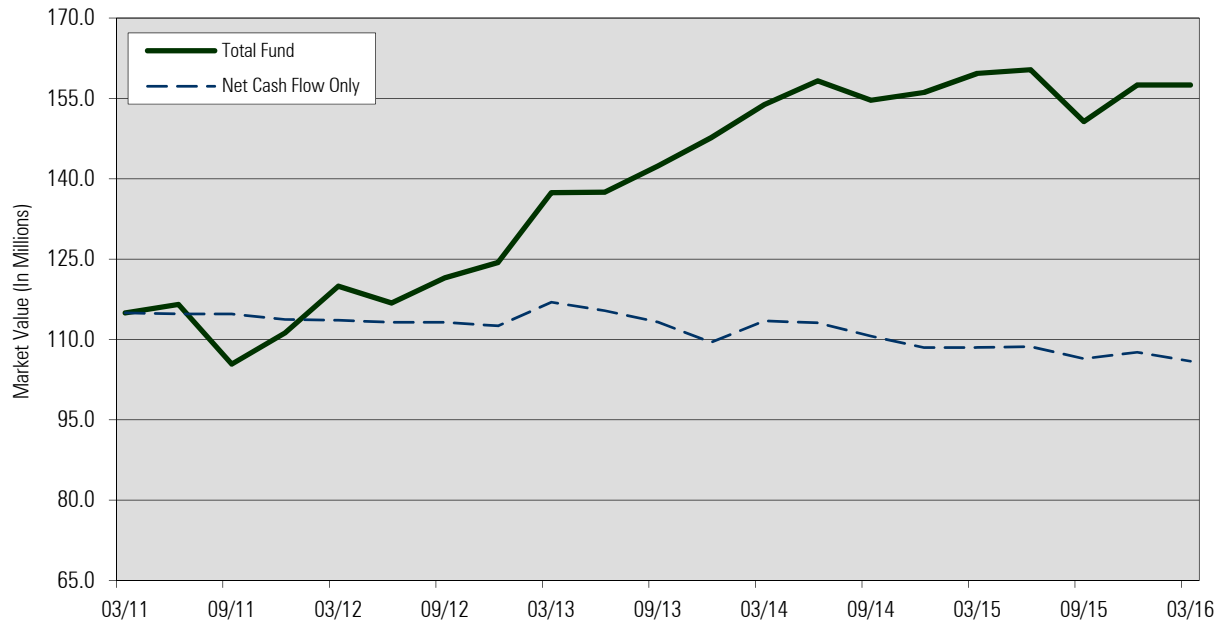
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 250 public pension systems across the country. These are real public funds who face similar investment restrictions and guidelines to your own. These peer-to-peer performance comparisons are critical to the evaluation process.

### Our Reporting

Unique to Southeastern Advisory Services is our customized reporting platform. We have the ability to accurately calculate performance against virtually any benchmark, comparison or metric. These industry-leading tools include sophisticated attribution analyses and holdings-based style and characteristic analysis. Our goal is to deliver a clear, easily-understood picture of performance that fairly assesses the effectiveness of your investment policy, strategy and managers. Each performance report is fully-customized based on your input. We welcome your requests and suggestions.



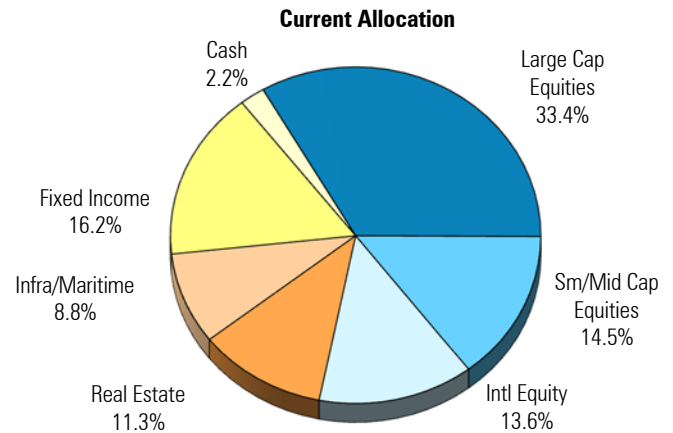
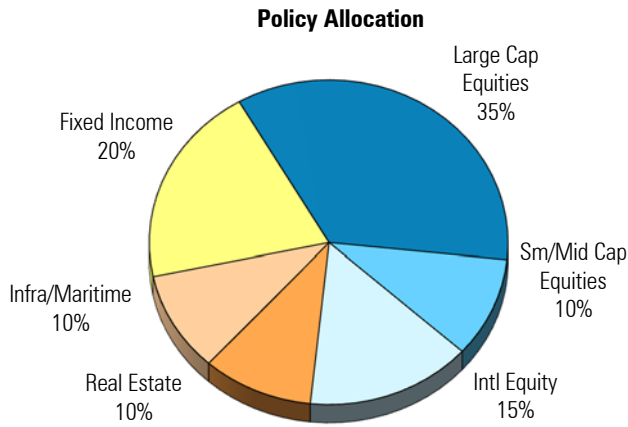
**III. PORTFOLIO GROWTH- PERIOD ENDED MARCH 31, 2016**



Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
Jun-11	114,956	-181	1,757	116,532	1.6%	
Sep-11	116,532	-19	-11,114	105,400	-9.2%	2.5%
Dec-11	105,400	-994	6,805	111,211	6.5%	
Mar-12	111,211	-148	8,883	119,946	8.0%	
Jun-12	119,946	-420	-2,715	116,812	-2.1%	
Sep-12	116,812	0	4,691	121,503	4.2%	17.5%
Dec-12	121,503	-639	3,511	124,375	2.8%	
Mar-13	124,375	4,419	8,591	137,386	6.8%	
Jun-13	137,386	-1,584	1,666	137,469	1.3%	
Sep-13	137,469	-2,113	7,026	142,381	5.2%	16.9%
Dec-13	142,381	-3,794	9,073	147,661	6.7%	
Mar-14	147,661	3,995	2,191	153,847	1.4%	
Jun-14	153,847	-357	4,775	158,265	3.2%	
Sep-14	158,265	-2,469	-1,137	154,659	-0.8%	10.7%
Dec-14	154,659	-2,154	3,618	156,123	2.4%	
Mar-15	156,123	8	3,540	159,671	2.3%	
Jun-15	159,671	156	522	160,349	0.4%	
Sep-15	160,349	-2,236	-7,433	150,680	-4.6%	0.3%
Dec-15	150,680	1,205	5,606	157,491	3.8%	
Mar-16	157,491	-1,789	1,696	157,399	1.3%	5.2%
<b>Total</b>	<b>114,956</b>	<b>-9,112</b>	<b>51,554</b>	<b>157,399</b>	<b>48.1%</b>	
<b>Absolute Return Objective:</b>						<b>8.0%</b>



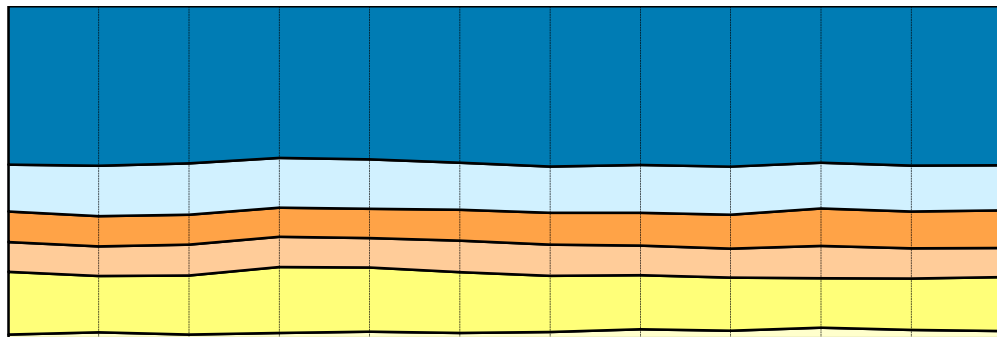
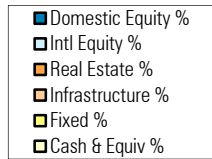
**IV. ALLOCATION OF ASSETS**



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Large Cap Equity Securities	30%-45%	33.4%	47.8%
Small/Mid Cap Equities	5%-15%	14.5%	n/a
Intl Equity Securities	10%-25%	13.6%	10.8%
Real Estate	5%-15%	11.3%	0.1%
Fixed Income Securities	10%-35%	16.2%	26.3%
Infrastructure	5%-20%	8.8%	0.0%
Cash Equivalents	0%-10%	2.2%	15.0%

\*Median Equity Public Plan in Large Cap Equity Securities Line also includes Small/Mid Cap Equities

**Historical Asset Allocation**



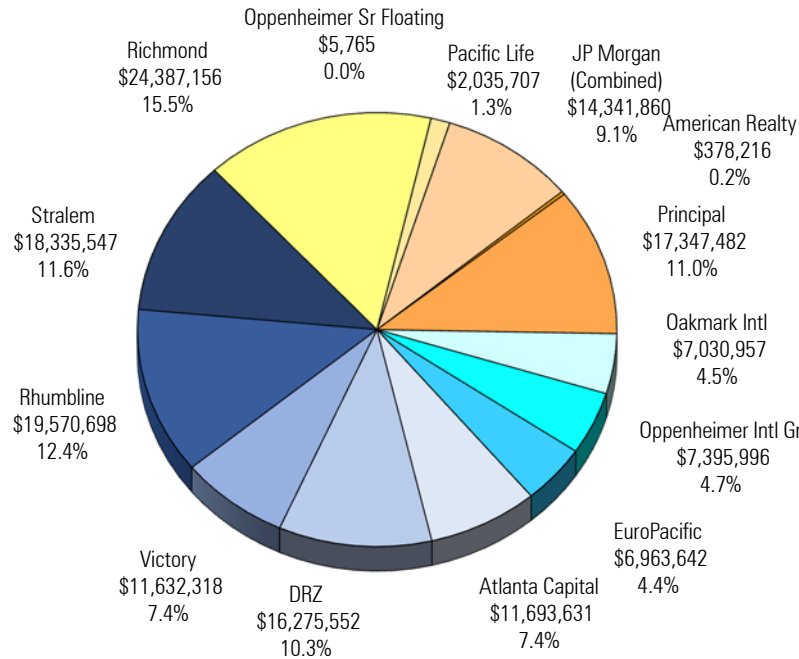
	06/13	09/13	12/13	03/14	06/14	09/14	12/14	03/15	06/15	09/15	12/15	03/16
Domestic Equity %	47.7	48.1	47.3	45.7	46.1	47.1	48.3	47.8	48.3	47.1	48.0	47.9
Intl Equity %	14.1	15.2	15.5	15.0	14.9	14.2	13.9	14.4	14.5	13.8	13.8	13.6
Real Estate %	9.2	9.1	9.0	8.8	8.8	9.3	9.6	9.9	10.2	11.3	11.1	11.3
Infrastructure %	9.0	8.9	9.3	9.1	8.9	9.5	9.4	8.9	8.7	9.7	9.1	8.8
Fixed %	18.9	17.0	17.8	19.9	19.3	18.3	16.9	16.3	16.0	14.9	15.5	16.2
Cash & Equiv %	1.1	1.8	1.1	1.6	2.0	1.6	1.9	2.7	2.3	3.2	2.5	2.2



<b>Manager</b>	<b>Dom. Equity</b>	<b>Intl Equity</b>	<b>Real Estate</b>	<b>Infrastructure</b>	<b>Fixed Inc</b>	<b>Cash</b>
DePrince, Race, and Zollo	96.2%	0.0%	0.0%	0.0%	0.0%	3.8%
Rhumblin	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stralem Large Cap	94.6%	0.0%	0.0%	0.0%	0.0%	5.4%
Victory Capital	99.7%	0.0%	0.0%	0.0%	0.0%	0.3%
Atlanta Capital	95.6%	0.0%	0.0%	0.0%	0.0%	4.4%
EuroPacific Growth	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Oakmark International	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Openheimer Intl Growth	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Principal U.S. Property	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
American Realty	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
JP Morgan Infrastructure	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
JP Morgan Maritime	0.0%	0.0%	0.0%	85.1%	0.0%	14.9%
Richmond Capital	0.0%	0.0%	0.0%	0.0%	96.6%	3.4%
Oppenheimer Floating Rate	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Pacific Life	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
<b>Total Fund</b>	<b>47.9%</b>	<b>13.6%</b>	<b>11.3%</b>	<b>8.8%</b>	<b>16.2%</b>	<b>2.2%</b>



**V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending March 31, 2016**



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$15,511,413	9.8%	\$0	\$0	\$764,139	\$16,275,552	10.3%
Rhumblin	\$19,346,421	12.3%	\$0	(\$603)	\$224,880	\$19,570,698	12.4%
Stralem Large Cap	\$17,896,229	11.4%	\$0	\$0	\$439,318	\$18,335,547	11.6%
<b>Total Large Cap Equity</b>	<b>\$52,754,063</b>	<b>33.5%</b>	<b>\$0</b>	<b>(\$603)</b>	<b>\$1,428,337</b>	<b>\$54,181,797</b>	<b>34.4%</b>
Victory Capital	\$11,540,533	7.3%	\$0	\$0	\$91,785	\$11,632,318	7.4%
Atlanta Capital	\$13,393,023	8.5%	\$0	(\$2,000,000)	\$300,608	\$11,693,631	7.4%
<b>Total SMID Cap Equity</b>	<b>\$24,933,556</b>	<b>15.8%</b>	<b>\$0</b>	<b>(\$2,000,000)</b>	<b>\$392,393</b>	<b>\$23,325,949</b>	<b>14.8%</b>
EuroPacific Growth Fund	\$7,128,806	4.5%	\$0	\$0	(\$165,164)	\$6,963,642	4.4%
Oakmark International	\$7,244,633	4.6%	\$0	\$0	(\$213,676)	\$7,030,957	4.5%
Oppenheimer Intl Growth	\$7,318,508	4.6%	\$0	\$0	\$77,488	\$7,395,996	4.7%
<b>Total Intl Equity</b>	<b>\$21,691,947</b>	<b>13.8%</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$301,352)</b>	<b>\$21,390,595</b>	<b>13.6%</b>
Principal U.S. Property	\$17,034,437	10.8%	\$0	\$0	\$313,045	\$17,347,482	11.0%
American Realty	\$472,401	0.3%	\$0	(\$109,054)	\$14,869	\$378,216	0.2%
JP Morgan Infrastructure	\$11,616,676	7.4%	\$0	(\$124,054)	\$7,267	\$11,499,889	7.3%
JP Morgan Maritime	\$3,152,786	2.0%	\$424,181	(\$11,925)	(\$723,071)	\$2,841,971	1.8%
<b>Total Real Assets</b>	<b>\$32,276,300</b>	<b>20.5%</b>	<b>\$424,181</b>	<b>(\$245,033)</b>	<b>(\$387,890)</b>	<b>\$32,067,558</b>	<b>20.4%</b>
Richmond Capital Fixed	\$21,865,652	13.9%	\$2,000,000	\$0	\$521,504	\$24,387,156	15.5%
Oppenheimer Floating Rate	\$1,962,309	1.2%	\$0	(\$1,967,211)	\$10,667	\$5,765	0.0%
Pacific Life	\$2,003,064	1.3%	\$0	\$0	\$32,643	\$2,035,707	1.3%
<b>Total Fixed Income</b>	<b>\$25,831,025</b>	<b>16.4%</b>	<b>\$2,000,000</b>	<b>(\$1,967,211)</b>	<b>\$564,814</b>	<b>\$26,428,628</b>	<b>16.8%</b>
<b>Total Fund</b>	<b>\$157,486,891</b>	<b>100%</b>	<b>\$2,424,181</b>	<b>(\$4,212,847)</b>	<b>\$1,696,302</b>	<b>\$157,394,527</b>	<b>100%</b>
<i>Receipts &amp; Disbursements</i>	<i>\$2,656,971</i>		<i>\$2,899,599</i>	<i>(\$3,598,827)</i>	<i>\$492</i>	<i>\$1,958,235</i>	
<b>Total Fund + R&amp;D Acct.</b>	<b>\$160,143,862</b>		<b>\$5,323,780</b>	<b>(\$7,811,674)</b>	<b>\$1,696,794</b>	<b>\$159,352,762</b>	

For this report, all performance and asset allocation information for the Total Fund does not include the Receipts & Disbursements Account.





## VI. TOTAL FUND PERFORMANCE COMPARISONS

<b>Manager/Index/Universe</b>	<b>Quarter</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>
<b>Total Fund - Gross of Fees</b>	<b>1.3%</b>	<b>0.7%</b>	<b>7.6%</b>	<b>8.2%</b>
<b>Total Fund - Net of Fees</b>	<b>1.2%</b>	<b>0.3%</b>	<b>7.2%</b>	<b>7.7%</b>
Target Index	1.0%	0.3%	7.4%	7.7%
Wilshire Public Fund Ranking	45	14	13	5
<b>Total Domestic Equities</b>	<b>2.6%</b>	<b>1.0%</b>	<b>10.8%</b>	<b>10.9%</b>
80% Russell 1000/ 20% Russell 2000	0.6%	-1.6%	10.6%	10.6%
vs. Equity Returns of Public Funds	10	11	38	21
<b>Total International Equities</b>	<b>-1.4%</b>	<b>-6.9%</b>	<b>3.7%</b>	<b>3.4%</b>
MSCI EAFE Index (Net)	-3.0%	-8.3%	2.2%	2.3%
vs. Intl Equity Returns of Public Funds	58	35	18	21
<b>Total Real Estate</b>	<b>1.9%</b>	<b>12.5%</b>	<b>12.9%</b>	<b>13.2%</b>
NCREIF ODCE Fund Index	2.2%	13.7%	13.6%	13.3%
NCREIF Property Index	2.2%	11.8%	11.9%	11.9%
vs. Real Estate Returns of Total Funds	71	42	32	25
<b>Total Infrastructure</b>	<b>-4.2%</b>	<b>-6.2%</b>	<b>1.0%</b>	<b>4.2%</b>
CPI + 3.0%	1.4%	3.9%	3.8%	4.3%
<b>Total Fixed Income</b>	<b>2.1%</b>	<b>1.9%</b>	<b>1.8%</b>	<b>3.7%</b>
Barclays Intermediate Aggregate	2.3%	2.2%	2.1%	3.1%
vs. Fixed Inc Returns of Public Funds	76	36	78	70

Current Target Index: 35% Russell 1000 /15% Russell 2500/20% Barclays US Intermediate Aggregate/10% MSCI EAFE (Net)/10% NCREIF/10% CPI+3%.

7/1/13 – 12/31/13: 30% Russell 1000 /10% Russell 2500/25% Barclays US Aggregate/15% MSCI EAFE (Net)/10% NCREIF/10% CPI+3%.

1/1/12 – 6/30/13: 30% Russell 1000 /10% Russell 2000/20% Barclays US Aggregate/15% MSCI EAFE (Net)/10% NCREIF/15% CPI+4%.

10/1/07 – 12/31/11: 40% Russell 1000 /10% Russell 2000/30% Barclays US Aggregate/10% MSCI EAFE (Net)/10% NCREIF.

Prior to October 2007: 40% Russell 1000/10% Russell 2000/30% ML Govt/Corp Master/10% MSCI EAFE (Net)/10% NCREIF.



**VII. EQUITY MANAGER COMPARISON**

<b>Manager/Index/Universe</b>	<b>Quarter</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>
<b>DePrince, Race, and Zollo</b>	<b>4.9%</b>	<b>-1.2%</b>	<b>8.0%</b>	<b>9.5%</b>
Russell 1000 Value	1.6%	-1.5%	9.4%	10.2%
vs. Large Value Equity Portfolios	14	43	88	78
<b>Rhumblin</b>	<b>1.2%</b>	<b>0.5%</b>	<b>11.4%</b>	<b>11.3%</b>
Russell 1000	1.2%	0.5%	11.5%	11.4%
vs. Large Neutral Equity Portfolios	43	52	61	64
<b>Stralem Large Cap</b>	<b>2.5%</b>	<b>5.5%</b>	<b>10.1%</b>	<b>10.4%</b>
Russell 1000 Growth	0.7%	2.5%	13.6%	12.4%
vs. Large Growth Equity Portfolios	3	2	89	69
<b>Victory Capital</b>	<b>0.8%</b>	<b>-8.8%</b>	<b>9.2%</b>	<b>9.8%</b>
Russell MidCap Growth	0.6%	-4.7%	11.0%	10.0%
vs. Midcap Growth Equity Portfolios	17	46	40	47
<b>Atlanta Capital</b>	<b>3.4%</b>	<b>7.7%</b>	<b>14.0%</b>	<b>n/a</b>
Russell 2500	0.4%	-7.3%	8.2%	n/a
vs. SMID Equity Portfolios	28	1	1	n/a



**Equity Portfolio Summary: Total Fund\***

	<b>Portfolio</b>	<b>80% R1000/20% R2000</b>
Total Number Of Securities	220	2,982
Equity Market Value	96,738,070	
Average Capitalization \$(000)	51,934,700	98,274,610
Median Capitalization \$(000)		
Equity Segment Yield	1.6	2.0
Equity Segment P/E - Average	18.9	25.4
Equity Segment P/E - Median		
Equity Segment Beta	0.9	1.0
Price/Book Ratio	2.0	2.6
Debt/Equity Ratio	45.7	59.2
Five Year Earnings Growth	4.5	6.0
Five Year Dividend Growth	5.9	7.7

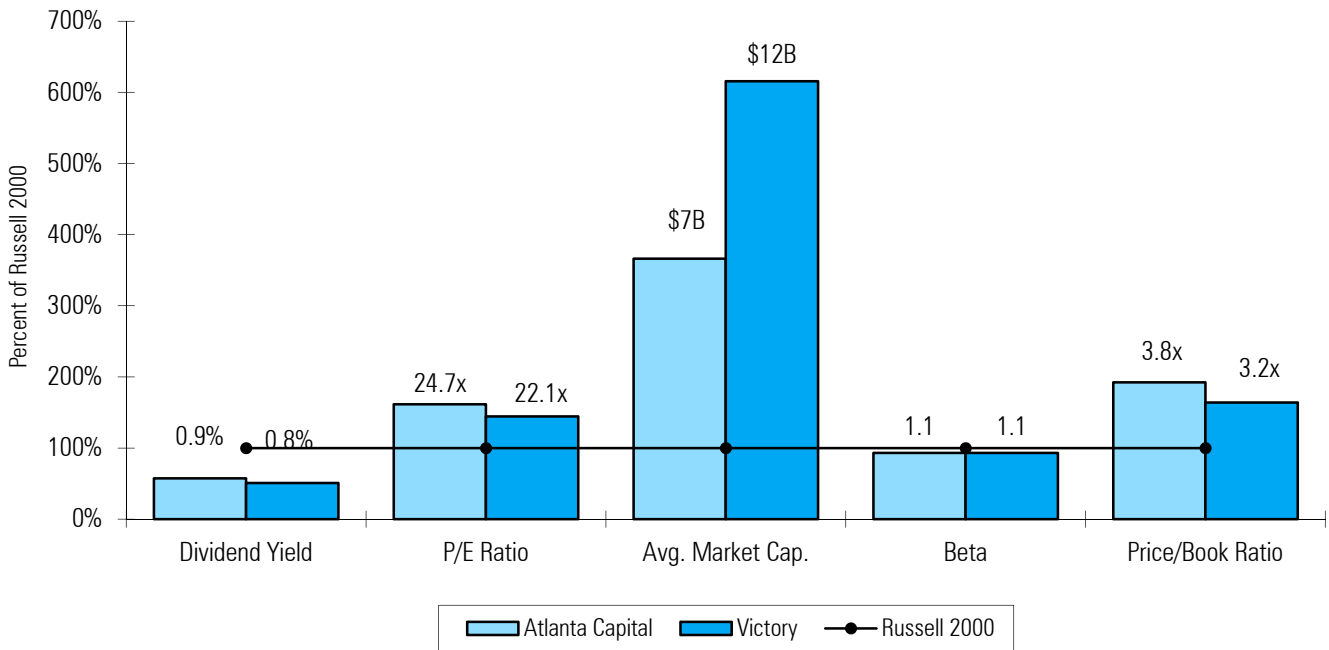
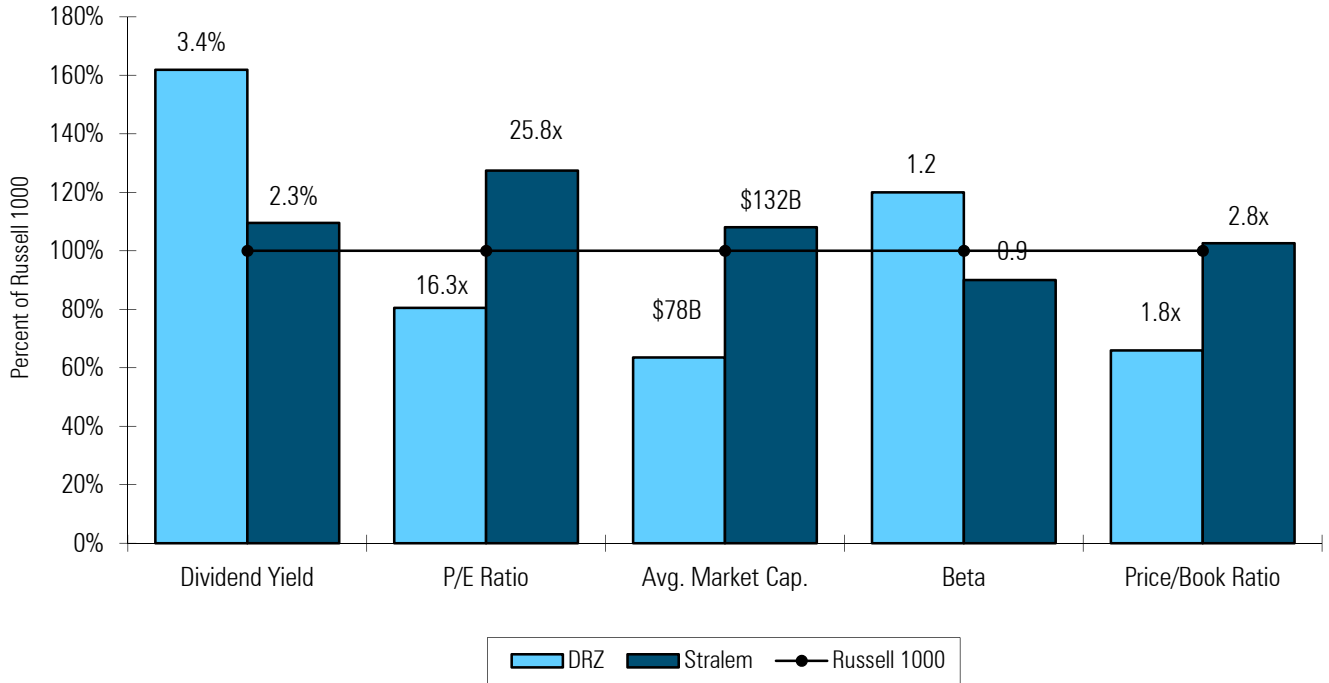
<b>Ten Largest Holdings</b>	<b>Market Value</b>	<b>% of Portfolio</b>	<b>Quarterly Return</b>
Exxon Mobil Corp	968,808	1.7%	8.2%
Chevron Corp	965,448	1.7%	7.4%
At&T Inc	842,547	1.5%	15.4%
Philip Morris Intl I	802,540	1.4%	12.8%
Coca Cola Co	792,805	1.4%	8.8%
Merck & Co Inc New	765,079	1.4%	1.0%
Johnson Ctls Inc	697,173	1.3%	-0.5%
General Elec Co	651,695	1.2%	2.9%
Starbucks Corp	608,940	1.1%	-0.2%
Unitedhealth Group I	605,830	1.1%	10.0%

<b>Ten Best Performers</b>	<b>Quarterly Return</b>	<b>Ten Worst Performers</b>	<b>Quarterly Return</b>
Freeport-McMoran Cop	52.7%	Chimerix Inc	-42.9%
Burlington Stores In	31.1%	Jones Lang Lasalle I	-26.6%
Steel Dynamics Inc	26.8%	J2 Global Inc	-24.9%
Columbia Sportswear	23.6%	Biomarin Pharmaceuti	-21.3%
Coach Inc	23.6%	Morgan Stanley	-20.9%
Cracker Barrel Old C	21.5%	Royal Caribbean Crui	-18.4%
Sonoco Prods Co	19.8%	Teva Pharmaceutical	-18.1%
Teleflex Inc	19.7%	SEI Corp	-17.8%
Dollar Gen Corp New	19.5%	Celgene Corp	-16.4%
Cabot Corp	18.8%	Fifth Third Bancorp	-16.3%

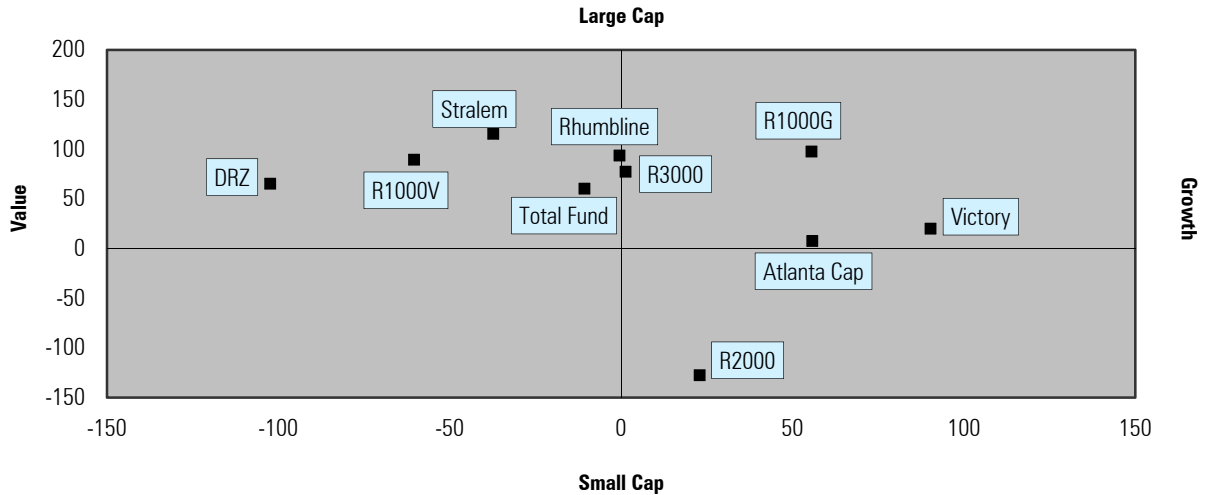
\*Does not include Rhumblin as they are invested in a commingled account.



**Equity Portfolio Characteristics**



## Equity Style Map (Current Quarter)



	Growth-Value	Size		Growth-Value	Size
Atlanta Capital	55.8	7.8	Total Fund	-10.7	60.4
DePrince Race Zollo	-102.4	65.42	Russell 2000	22.9	-127.4
Victory Capital	90.2	20.1	Russell 3000	1.3	77.4
Rhumbline	-0.5	93.8	Russell 1000 Growth	55.5	97.7
Stralem Large Cap	-37.3	115.5	Russell 1000 Value	-60.4	89.5

### VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>EuroPacific Growth</b>	<b>-2.3%</b>	<b>-8.3%</b>	<b>3.6%</b>	<b>2.9%</b>
MSCI EAFE (Net)	-3.0%	-8.3%	2.2%	2.3%
vs. International Equity Mutual Funds	67	46	22	28
<b>Oakmark International</b>	<b>-2.9%</b>	<b>-12.4%</b>	<b>2.7%</b>	<b>n/a</b>
MSCI EAFE (Net)	-3.0%	-8.3%	2.2%	n/a
vs. International Equity Mutual Funds	76	79	32	n/a
<b>Oppenheimer International Growth</b>	<b>1.1%</b>	<b>0.4%</b>	<b>4.8%</b>	<b>n/a</b>
MSCI EAFE (Net)	-3.0%	-8.3%	2.2%	n/a
vs. International Equity Mutual Funds	34	8	14	n/a



# American Funds Europacific Growth R6 (USD)

**Morningstar Analyst Rating™** **Gold** **Overall Morningstar Rating™** **★★★** **Standard Index** MSCI ACWI Ex USA NR USD **Category Index** MSCI ACWI Ex USA Growth NR USD **Morningstar Cat** US OE Foreign Large Growth

## Performance 03-31-2016

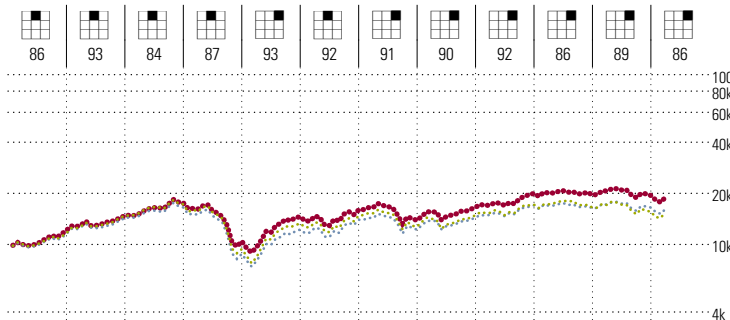
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.71	2.96	-4.21	-1.63	-2.29
2015	5.97	1.12	-9.81	2.97	-0.48
2016	-2.32	—	—	—	-2.32

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-8.26	3.62	2.78	—	8.67
Std 03-31-2016	-8.26	—	2.78	—	8.67
Total Return	-8.26	3.62	2.78	3.83	8.67
+/- Std Index	0.92	3.30	2.47	1.90	—
+/- Cat Index	-2.18	1.70	1.17	1.12	—

% Rank Cat	77	34	50	23
No. in Cat	364	320	285	191



**Investment Style**  
Equity  
Stock %

**Growth of \$10,000**  
American Funds Europacific Growth R6 18,973  
Category Average 16,167  
Standard Index 15,496

**Performance Quartile**  
(within category)

History	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
NAV/Price	—	—	—	—	38.34	41.37	35.13	41.18	49.03	47.09	45.32	44.27
Total Return %	21.12	21.87	18.96	-40.53	39.35	9.76	-13.31	19.64	20.58	-2.29	-0.48	-2.32
+/- Standard Index	4.50	-4.78	2.30	5.00	-2.10	-1.39	0.40	2.81	5.29	1.57	5.18	-1.94
+/- Category Index	4.41	-1.74	-2.07	5.09	0.68	-4.69	0.90	2.97	5.09	0.36	0.77	-1.98
% Rank Cat	—	—	—	—	—	—	—	—	—	27	66	—
No. of Funds in Cat	—	—	—	—	—	—	—	—	—	341	361	381

7-day Yield —  
30-day SEC Yield —

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-421-4225 or visit [www.americanfunds.com](http://www.americanfunds.com).

## Fees and Expenses

### Sales Charges

Front-End Load % **NA**  
Deferred Load % **NA**

### Fund Expenses

Management Fees % 0.42  
12b1 Expense % NA  
Gross Expense Ratio % **0.49**

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	3★	4★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	Avg	+Avg
Standard Deviation	12.03	14.48	17.67
Mean	3.62	2.78	3.83
Sharpe Ratio	0.35	0.26	0.24

### MPT Statistics

	Standard Index	Best Fit Index
Alpha	3.22	1.79
Beta	0.85	0.92
R-Squared	91.96	94.41

12-Month Yield —  
Potential Cap Gains Exp 14.28%

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
—	—	—	—	38.34	41.37	35.13	41.18	49.03	47.09	45.32	44.27
21.12	21.87	18.96	-40.53	39.35	9.76	-13.31	19.64	20.58	-2.29	-0.48	-2.32
4.50	-4.78	2.30	5.00	-2.10	-1.39	0.40	2.81	5.29	1.57	5.18	-1.94
4.41	-1.74	-2.07	5.09	0.68	-4.69	0.90	2.97	5.09	0.36	0.77	-1.98
—	—	—	—	—	—	—	—	—	27	66	—
—	—	—	—	—	—	—	—	—	341	361	381

## Portfolio Analysis 03-31-2016

Asset Allocation % 12-31-2015	Net %	Long %	Short %	Share Chg since 12-2015	Share Amount	Holdings:	% Net Assets
Cash	7.00	7.00	0.00			265 Total Stocks, 93 Total Fixed-Income, 28% Turnover Ratio	
US Stocks	0.19	0.19	0.00				
Non-US Stocks	88.89	88.89	0.00	⊖	96 mil	Novo Nordisk A/S B	4.55
Bonds	0.67	0.67	0.00	⊕	33 mil	Novartis AG	2.07
Other/Not Clsfd	3.25	3.25	0.00	⊕	106 mil	Prudential PLC	1.73
Total	100.00	100.00	0.00	⊖	10 mil	Baidu Inc ADR	1.68
					40 mil	Associated British Foods PLC	1.68

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	18.7	1.29	0.98
	P/C Ratio TTM	10.4	1.36	0.99
	P/B Ratio TTM	2.0	1.34	0.83
	Geo Avg Mkt Cap \$mil	33556	1.24	1.09

Fixed-Income Style	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Ltd Mod Ext	—	—	—	100.00
High Med Low	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stock %	Rel Std Index
Americas	6.1	0.62
Greater Europe	50.0	1.00
Greater Asia	43.9	1.10

Share Chg since 12-2015	Share Amount	Holdings:	% Net Assets
⊕	338 mil	AIA Group Ltd	1.67
⊕	98 mil	HDFC Bank Ltd	1.62
⊕	23 mil	Alibaba Group Holding Ltd ADR	1.61
⊖	355 mil	Taiwan Semiconductor Manufacturing	1.56
⊕	29 mil	British American Tobacco PLC	1.48
⊕	11 mil	Nintendo Co Ltd	1.40
⊕	74 mil	Tencent Holdings Ltd	1.32
⊕	700 mil	Barclays PLC	1.31
⊕	13 mil	ASML Holding NV	1.17
⊖	11 mil	Bayer AG	1.17

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>38.0</b>	<b>0.85</b>
Basic Materials	4.4	0.58
Consumer Cyclical	13.3	1.17
Financial Services	18.1	0.82
Real Estate	2.2	0.58
<b>Sensitive</b>	<b>36.7</b>	<b>1.15</b>
Communication Services	5.5	0.97
Energy	4.4	0.70
Industrials	10.6	0.99
Technology	16.3	1.77
<b>Defensive</b>	<b>25.3</b>	<b>1.08</b>
Consumer Defensive	9.5	0.85
Healthcare	13.3	1.53
Utilities	2.5	0.71

## Operations

Family:	American Funds	Base Currency:	USD	Incept:	05-01-2009
Manager:	Multiple	Ticker:	RERGX	Type:	MF
Tenure:	24.4 Years	Minimum Initial Purchase:	\$250	Total Assets:	\$123,643.49 mil
Objective:	Foreign Stock	Purchase Constraints:	A		

# Oakmark International I (USD)

**Morningstar Analyst Rating™** **Overall Morningstar Rating™** **Standard Index** **Category Index** **Morningstar Cat**  
**Gold** **★★★★** **MSCI ACWI Ex** **MSCI ACWI Ex** **US OE Foreign Large**  
 11-23-2015 712 US OE Foreign Large Blend USA NR USD USA NR USD Blend

## Performance 03-31-2016

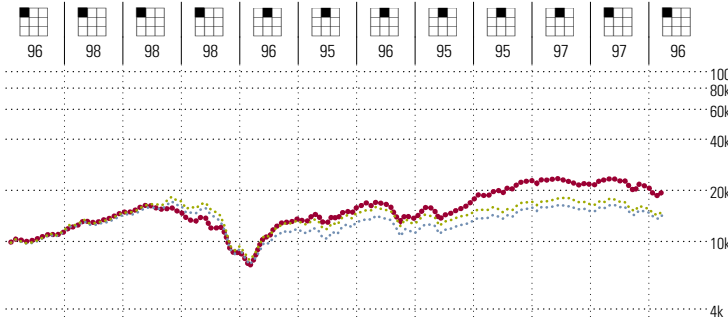
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.80	1.39	-7.03	-0.45	-5.41
2015	6.51	-1.13	-13.18	5.19	-3.83
2016	-2.95	—	—	—	-2.95

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-12.37	2.72	4.40	4.82	9.49
Std 03-31-2016	-12.37	—	4.40	4.82	9.49
Total Return	-12.37	2.72	4.40	4.82	9.49
+/- Std Index	-3.18	2.40	4.09	2.88	—
+/- Cat Index	-3.18	2.40	4.09	2.88	—

% Rank Cat	91	31	6	4
No. in Cat	786	712	624	359



**Investment Style**  
Equity  
Stock %

**Growth of \$10,000**  
 — Oakmark International I 20,130  
 — Category Average 14,498  
 — Standard Index 15,496

**Performance Quartile**  
(within category)

**History**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16	
NAV/Price	22.52	25.45	20.95	10.85	16.84	19.41	16.55	20.93	26.32	23.34	21.36	20.73	NAV/Price
Total Return %	14.12	30.60	-0.51	-41.06	56.30	16.22	-14.07	29.22	29.34	-5.41	-3.83	-2.95	Total Return %
+/- Standard Index	-2.50	3.95	-17.16	4.46	14.86	5.07	-0.36	12.39	14.06	-1.54	1.84	-2.57	+/- Standard Index
+/- Category Index	-2.50	3.95	-17.16	4.46	14.86	5.07	-0.36	12.39	14.06	-1.54	1.84	-2.57	+/- Category Index
% Rank Cat	—	—	—	—	—	—	—	2	3	52	77	—	% Rank Cat
No. of Funds in Cat	—	—	—	—	—	—	—	786	791	750	788	905	No. of Funds in Cat

7-day Yield —  
 30-day SEC Yield —

**Performance Disclosure**  
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-625-6275 or visit www.oakmark.com.

## Fees and Expenses

**Sales Charges**

**Front-End Load %** NA  
**Deferred Load %** NA

**Fund Expenses**

Management Fees % 0.83  
 12b1 Expense % NA  
**Gross Expense Ratio %** 0.95

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	4★	5★
Morningstar Risk	High	High	+Avg
Morningstar Return	+Avg	High	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	15.51	17.17	19.93
Mean	2.72	4.40	4.82
Sharpe Ratio	0.24	0.33	0.28

**MPT Statistics**

	Standard Index	Best Fit Index
	MSCI EAFE NR USD	MSCI EAFE NR USD
Alpha	2.56	0.47
Beta	1.07	1.09
R-Squared	87.43	91.38

12-Month Yield —  
 Potential Cap Gains Exp -11.60%

## Portfolio Analysis 03-31-2016

**Asset Allocation % 12-31-2015**

	Net %	Long %	Short %
Cash	3.13	3.13	0.00
US Stocks	2.22	2.22	0.00
Non-US Stocks	94.65	94.65	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

**Equity Style**

Value	Blend	Growth
Large	—	—
Mid	—	—
Small	—	—

**Portfolio Statistics**

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	14.0	0.96	0.92
P/C Ratio TTM	6.0	0.79	0.68
P/B Ratio TTM	1.2	0.84	0.79
Geo Avg Mkt Cap \$mil	26425	0.98	0.77

**Fixed-Income Style**

Ltd	Mod	Ext
High	—	—
Mid	—	—
Low	—	—

**Credit Quality Breakdown** — Bond %

AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

**Regional Exposure**

	Stock %	Rel Std Index
Americas	3.7	0.38
Greater Europe	67.4	1.34
Greater Asia	28.9	0.72

Share Chg since 12-2015	Share Amount	Holdings:	% Net Assets
		56 Total Stocks, 6 Total Fixed-Income, 48% Turnover Ratio	
⊖	541 mil	Glencore PLC	4.73
⊕	77 mil	Credit Suisse Group AG	4.24
⊕	19 mil	BNP Paribas	3.74
⊕	191 mil	Nomura Holdings Inc	3.31
⊕	11 mil	Daimler AG	3.26
⊕	17 mil	LafargeHolcim Ltd	3.08
⊖	29 mil	Honda Motor Co Ltd	3.05
⊕	8 mil	Bayerische Motoren Werke AG	2.83
⊖	4 mil	Allianz SE	2.68
⊖	13 mil	Toyota Motor Corp	2.58
	94 mil	CNH Industrial NV	2.47
⊕	20 mil	Sumitomo Mitsui Financial Group Inc	2.36
⊕	9 mil	Cie Financiere Richemont SA	2.19
⊖	488,565	Samsung Electronics Co Ltd	2.17
⊕	199 mil	Intesa Sanpaolo	2.13

**Sector Weightings**

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>69.9</b>	<b>1.56</b>
Basic Materials	10.2	1.34
Consumer Cyclical	27.8	2.43
Financial Services	32.0	1.46
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>26.8</b>	<b>0.84</b>
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	20.2	1.89
Technology	6.6	0.72
<b>Defensive</b>	<b>3.2</b>	<b>0.14</b>
Consumer Defensive	3.2	0.29
Healthcare	0.0	0.00
Utilities	0.0	0.00

## Operations

Family:	Oakmark	Ticker:	OAKIX	Incept:	09-30-1992
Manager:	Multiple	Minimum Initial Purchase:	\$1,000	Type:	MF
Tenure:	23.7 Years	Min Auto Investment Plan:	\$500	Total Assets:	\$25,742.40 mil
Objective:	Foreign Stock	Minimum IRA Purchase:	\$1,000		
Base Currency:	USD	Purchase Constraints:	C		

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# Oppenheimer International Growth Y (USD)

**Morningstar Analyst Rating™** Silver  
08-17-2015

**Overall Morningstar Rating™** ★★★★★  
320 US OE Foreign Large Growth

**Standard Index** MSCI ACWI Ex USA NR USD

**Category Index** MSCI ACWI Ex USA Growth NR USD

**Morningstar Cat** US OE Foreign Large Growth

## Performance 03-31-2016

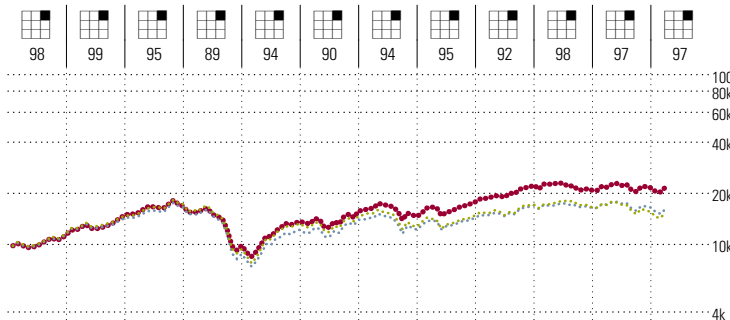
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.02	1.35	-8.19	-1.05	-6.99
2015	4.10	2.63	-8.14	5.39	3.44
2016	1.06	—	—	—	1.06

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	0.41	4.77	5.96	5.57	6.84
Std 03-31-2016	0.41	—	5.96	5.57	6.84
Total Return	0.41	4.77	5.96	5.57	6.84
+/- Std Index	9.60	4.45	5.65	3.64	—
+/- Cat Index	6.49	2.85	4.35	2.86	—

% Rank Cat	5	16	6	1
No. in Cat	364	320	285	191



**Investment Style**  
Equity  
Stock %

**Growth of \$10,000**

- Oppenheimer International Growth Y: 21,758
- Category Average: 16,167
- Standard Index: 15,496

**Performance Quartile**  
(within category)

History	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
NAV/Price	21.60	27.79	30.94	17.83	24.43	27.90	25.52	30.71	38.16	35.08	35.89	36.27
Total Return %	14.24	30.18	12.93	-41.22	38.44	15.35	-7.31	22.10	25.46	-6.99	3.44	1.06
+/- Standard Index	-2.38	3.53	-3.73	4.30	-3.01	4.20	6.39	5.27	10.17	-3.12	9.10	1.43
+/- Category Index	-2.48	6.57	-8.10	4.39	-0.24	0.89	6.89	5.43	9.97	-4.34	4.69	1.39
% Rank Cat	—	5	74	10	36	33	13	11	7	85	23	—
No. of Funds in Cat	—	243	220	251	266	261	251	250	278	341	361	381

7-day Yield —  
30-day SEC Yield —

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-225-5677 or visit [www.oppenheimerfunds.com](http://www.oppenheimerfunds.com).

## Fees and Expenses

### Sales Charges

Front-End Load % **NA**  
Deferred Load % **NA**

### Fund Expenses

Management Fees % 0.65  
12b1 Expense % NA  
Gross Expense Ratio % **0.89**

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	5★	5★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	+Avg	High	High
Standard Deviation	12.90	14.71	17.97
Mean	4.77	5.96	5.57
Sharpe Ratio	0.42	0.46	0.33

### MPT Statistics

	Standard Index	Best Fit Index
Alpha	4.40	1.12
Beta	0.88	0.96
R-Squared	86.73	91.72

12-Month Yield —  
Potential Cap Gains Exp 11.35%

## Portfolio Analysis 03-31-2016

Asset Allocation % 02-29-2016	Net %	Long %	Short %
Cash	1.74	1.74	0.00
US Stocks	3.55	3.55	0.00
Non-US Stocks	93.45	93.45	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	1.26	1.26	0.00
Total	100.00	100.00	0.00

### Equity Style

Value	Blend	Growth
High	Low	High
Med	Med	Med
Low	High	Low

### Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	16.0	1.11	0.84
P/C Ratio TTM	9.4	1.22	0.89
P/B Ratio TTM	3.2	2.14	1.32
Geo Avg Mkt Cap \$mil	15749	0.58	0.51

### Fixed-Income Style

Ltd	Mod	Ext
High	Med	Low
Med	High	Med
Low	Low	High

	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
	—	—	—	—

### Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

### Regional Exposure

	Stock %	Rel Std Index
Americas	9.7	0.99
Greater Europe	77.9	1.55
Greater Asia	12.4	0.31

## Top Holdings 02-29-2016

Share Chg since 02-2016	Share Amount	Holdings:	% Net Assets
		101 Total Stocks, 60 Total Fixed-Income, 10% Turnover Ratio	
⊕	9 mil	Nippon Telegraph & Telephone Corp	1.78
⊕	6 mil	Dollarama Inc	1.67
⊕	27 mil	Infineon Technologies AG	1.60
⊕	2 mil	Continental AG	1.58
⊕	6 mil	Novo Nordisk A/S B	1.48
⊕	719,520	Syngenta AG	1.38
⊕	2 mil	Valeo SA	1.38
⊕	6 mil	Carnival Corp	1.38
⊕	94 mil	Vodafone Group PLC	1.36
⊕	4 mil	Airbus Group SE	1.35
⊕	3 mil	Heineken NV	1.33
⊕	10 mil	Bunzl PLC	1.31
⊕	1 mil	Roche Holding AG Dividend Right Ce	1.30
⊕	47 mil	William Hill PLC	1.29
⊕	40 mil	BT Group PLC	1.29

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>30.4</b>	<b>0.68</b>
Basic Materials	5.7	0.75
Consumer Cyclical	20.4	1.79
Financial Services	4.3	0.20
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>42.9</b>	<b>1.35</b>
Communication Services	8.3	1.48
Energy	0.4	0.06
Industrials	16.7	1.57
Technology	17.5	1.90
<b>Defensive</b>	<b>26.7</b>	<b>1.14</b>
Consumer Defensive	15.5	1.38
Healthcare	11.2	1.30
Utilities	0.0	0.00

## Operations

Family:	OppenheimerFunds	Base Currency:	USD	Incept:	09-07-2005
Manager:	Multiple	Ticker:	OIGYX	Type:	MF
Tenure:	20.2 Years	Minimum Initial Purchase:	\$0	Total Assets:	\$22,758.47 mil
Objective:	Foreign Stock	Purchase Constraints:	A		



**IX. REAL ASSETS PERFORMANCE COMPARISONS**

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>Principal U.S. Property (Core)</b>	<b>1.8%</b>	<b>12.3%</b>	<b>12.9%</b>	<b>13.1%</b>
NCREIF ODCE Fund Index	2.2%	13.7%	13.6%	13.3%
NCREIF Property Index	2.2%	11.8%	11.9%	9.0%
vs. Real Estate Portfolios	67	42	42	38
<b>American Realty (Value Add)</b>	<b>3.6%</b>	<b>19.2%</b>	<b>n/a</b>	<b>n/a</b>
NCREIF Property Index	2.2%	11.8%	n/a	n/a
vs. Real Estate Portfolios	24	14	n/a	n/a

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>JP Morgan Infrastructure</b>	<b>0.3%</b>	<b>3.7%</b>	<b>3.9%</b>	<b>6.5%</b>
CPI + 3.0%	1.4%	3.9%	3.8%	4.3%
<b>JP Morgan Maritime</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
CPI + 3.0%	1.4%	3.9%	3.8%	4.3%

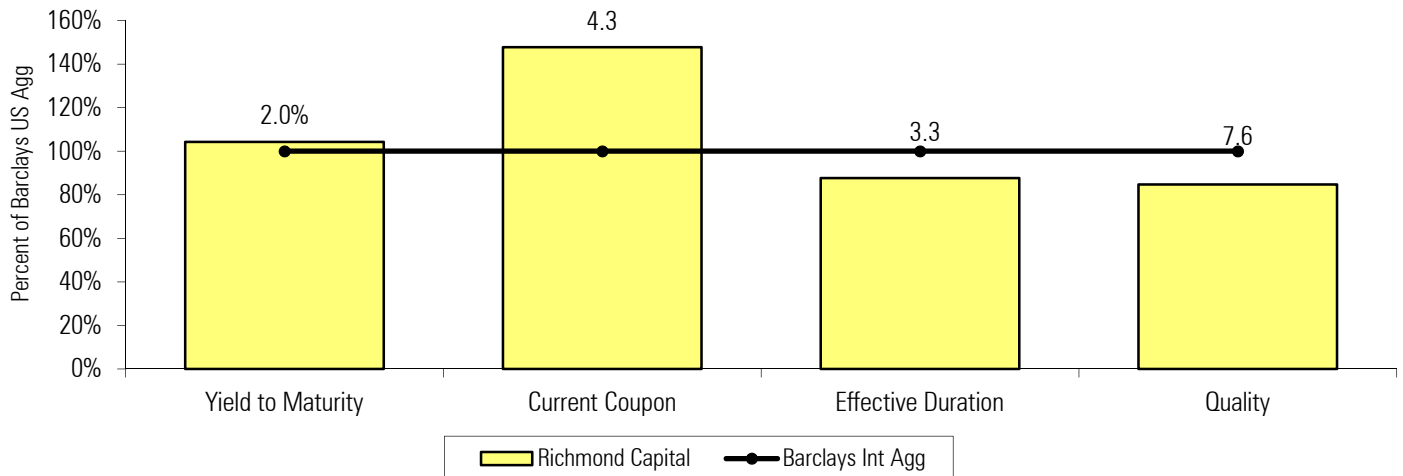
JPM Maritime has \$5MM commitment. SEAS will begin reporting performance once the commitment is fully drawn and/or JPM begins to provide performance data on the fund.

**X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS**

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>Richmond Capital</b>	<b>2.3%</b>	<b>2.5%</b>	<b>2.1%</b>	<b>3.8%</b>
Barclays Intermediate Aggregate	2.3%	2.2%	1.9%	3.4%
vs. Intermediate Fixed Income Portfolios	72	16	69	53
<b>Oppenheimer Floating Rate</b>	<b>0.7%</b>	<b>-3.8%</b>	<b>n/a</b>	<b>n/a</b>
<b>Pacific Life</b>	<b>1.6%</b>	<b>0.6%</b>	<b>n/a</b>	<b>n/a</b>

Due to the custody transition in 2Q15, SEAS has listed the manager-report returns for Pacific Life

**Fixed Income Portfolio Characteristics**



# Pacific Funds Floating Rate Income I (USD)

**Overall Morningstar Rating™** ★★★★★  
 212 US OE Bank Loan

**Standard Index** Barclays US Agg Bond TR USD

**Category Index** S&P/LSTA Leveraged Loan TR

**Morningstar Cat** US OE Bank Loan

## Performance 03-31-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.12	0.99	-0.40	-1.38	0.31
2015	1.36	0.98	-1.03	-0.54	0.75
2016	1.63	—	—	—	1.63

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.02	2.05	—	—	4.14
Std 03-31-2016	1.02	—	—	—	4.14
Total Return	1.02	2.05	—	—	4.14

	+/- Std Index	+/- Cat Index	% Rank Cat	No. in Cat
	-0.94	-0.45	4	254
	—	—	16	212

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	4.12 <sup>1</sup>	4.03

1. Contractual waiver, Expires 07-31-2016

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-722-2333 or visit [www.pacificlife.com](http://www.pacificlife.com).

## Fees and Expenses

### Sales Charges

Front-End Load %	NA
Deferred Load %	NA

### Fund Expenses

Management Fees %	0.65
12b1 Expense %	NA
Gross Expense Ratio %	0.89

## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	212 funds	151 funds	63 funds

Morningstar Rating™	4★	—	—
Morningstar Risk	-Avg	—	—
Morningstar Return	+Avg	—	—

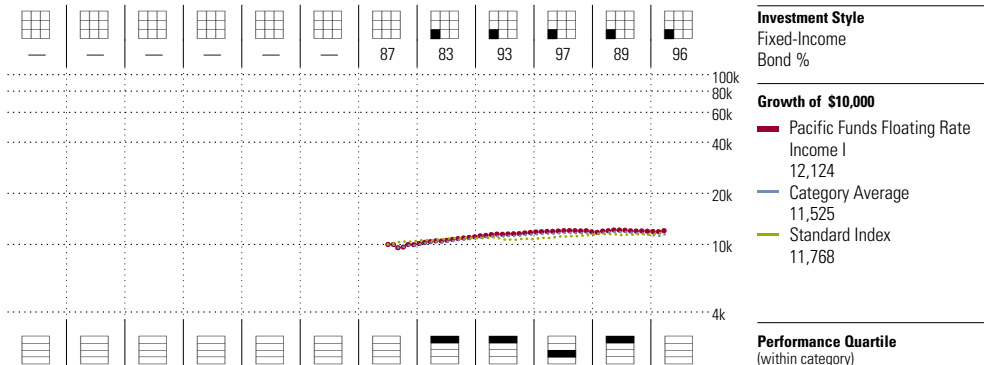
	3 Yr	5 Yr	10 Yr
Standard Deviation	2.46	—	—
Mean	2.05	—	—
Sharpe Ratio	0.81	—	—

MPT Statistics	Standard Index	Best Fit Index S&P/LSTA Leveraged Loan TR
Alpha	1.74	0.47
Beta	0.11	0.85
R-Squared	1.64	81.81

12-Month Yield	4.30%
Potential Cap Gains Exp	-7.63%

## Operations

Family:	pacific funds series trust
Manager:	Multiple
Tenure:	4.9 Years
Objective:	Income



History	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
NAV/Price	—	—	—	—	—	—	9.82	10.30	10.52	10.07	9.71	9.77
Total Return %	—	—	—	—	—	—	—	10.80	6.22	0.31	0.75	1.63
+/- Standard Index	—	—	—	—	—	—	—	6.58	8.24	-5.66	0.20	-1.40
+/- Category Index	—	—	—	—	—	—	—	1.14	0.93	-1.29	1.43	0.08
% Rank Cat	—	—	—	—	—	—	—	18	23	63	13	—
No. of Funds in Cat	—	—	—	—	—	—	—	203	219	245	253	266

## Portfolio Analysis 03-31-2016

Asset Allocation %	Net %	Long %	Short %	Share Chg since 02-2016	Share Amount	Holdings:	% Net Assets
Cash	2.84	2.84	0.00			0 Total Stocks, 140 Total Fixed-Income, 80% Turnover Ratio	
US Stocks	0.00	0.00	0.00				
Non-US Stocks	0.00	0.00	0.00			20 mil Rite Aid Corp TI 1 2I Usd	2.85
Bonds	95.94	95.94	0.00	⊖	18 mil	Transfirst Inc	2.56
Other/Not Clsfd	1.22	1.22	0.00	⊖	15 mil	Creganna Tactx Medical TI B 1I Usd	2.16
Total	100.00	100.00	0.00		14 mil	Cablevision Cvc TI B 1I Usd	2.04
				⊕	14 mil	Truven Health Analytics Inc TI B 1	2.02
				⊕	14 mil	Solera Holdings Inc TI B 1I Usd Co	1.99
				⊖	14 mil	Alr TI B 1I Usd Corp	1.98
				⊕	13 mil	Affinia Group Inc TI B2 1I Usd	1.88
					12 mil	Petco Pet Acquisition Meger Sub LI	1.74
					12 mil	Avago Technologies TI B 1I Usd Corp	1.69
					12 mil	Hub International Ltd Hbgcn TI B 1	1.68
				⊖	12 mil	Ply Gem Industries Inc	1.64
				⊖	11 mil	Zayo Group Llc	1.57
				⊕	10 mil	On Semiconductor On TI B 1I Usd	1.49
				⊕	10 mil	Reynolds Group Holdings Inc	1.46

Equity Style	Value	Blend	Growth	Port Avg	Rel Index	Rel Cat
	Large	Mid	Small	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—

Fixed-Income Style	Ltd	Mod	Ext	High	Mid	Low
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—

Credit Quality Breakdown 12-31-2015	Bond %
AAA	0.00
AA	0.00
A	0.00
BBB	6.11
BB	39.91
B	46.44
Below B	5.98
NR	1.56

Regional Exposure	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
<b>Sensitive</b>	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
<b>Defensive</b>	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

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## **XI. POLICY COMPLIANCE - For Discussion Only**

### **A. Investment Guidelines: Total Fund**

<b>Goal</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
Exceed Target Index	✓	✓	✓
Rank Above 50 <sup>th</sup> Percentile in Public Fund Universe	✓	✓	✓
Earn Average Annual Return of 8.0%	✗	✗	✓
Standard Deviation Relative to Target Index	N/A	>	>

<b>Guideline</b>	<b>Total Fund</b>
Equity securities limited to less than 70% of Total Fund market value	61.5%
Investment in foreign company stock limited to 25% of value of Total Fund	13.6%
Investment in real estate limited to 15% of value of Total Fund	11.3%
Equity securities with Market Cap of less than \$5 billion limited to 25% of market value of Total Fund	✓
Fixed Income portfolio average credit quality of "A" or better	✓
Fixed Income portfolio duration should be < 135% of the market index duration	✓
< 5% of fixed income portfolio (at cost) shall be invested in single corp. issuer	✓



## B. Fund Performance Objective

Manager	Exceed Benchmark 3-Year	Exceed Benchmark 4-Year	Exceed Benchmark 5-Year	Risk vs. Benchmark 5-Year
DePrince, Race, and Zollo	✘	✘	✘	>
Rhumblin	n/a	n/a	n/a	n/a
Stralem Large Cap	✘	✘	✘	<
Victory Capital	✘	✘	✘	<
Atlanta Capital	✓	n/a	n/a	n/a
EuroPacific Growth	✓	✓	✓	>
Oakmark International	✓	✓	n/a	n/a
Oppenheimer International Growth	✓	✓	n/a	n/a
Principal U.S. Property	✓	✓	✓	>
American Realty	n/a	n/a	n/a	n/a
JP Morgan Infrastructure	✓	✓	✓	>
Richmond Capital	✓	✓	✓	<
Pacific Life	n/a	n/a	n/a	n/a

Manager	Rank Above 50 <sup>th</sup> Percentile 3-Year	Rank Above 50 <sup>th</sup> Percentile 4-Year	Rank Above 50 <sup>th</sup> Percentile 5-Year
DePrince, Race, and Zollo	✘	✘	✘
Rhumblin	n/a	n/a	n/a
Stralem Large Cap	✘	✘	✘
Victory Capital	✓	✓	✓
Atlanta Capital	✓	n/a	n/a
EuroPacific Growth	✓	✓	✓
Oakmark International	✓	✓	n/a
Oppenheimer International Growth	✓	✓	n/a
Principal U.S. Property	✓	✓	✓
American Realty	n/a	n/a	n/a
JP Morgan Infrastructure	n/a	n/a	n/a
Richmond Capital	✘	✘	✘
Pacific Life	n/a	n/a	n/a



**C. Manager Status**

<b>Manager</b>	<b>Status</b>	<b>Effective Date</b>
DePrince, Race, and Zollo	Under Review	4Q15
Rhumblin	Good Standing	
Stralem Large Cap	Under Review	4Q14
Victory Capital	Under Review	4Q15
Atlanta Capital	Good Standing	
EuroPacific Growth	Good Standing	
Oakmark International	Good Standing	
Oppenheimer International Growth	Good Standing	
Principal U.S. Property	Good Standing	
American Realty	Good Standing	
JP Morgan Infrastructure	Good Standing	
Richmond Capital	Good Standing	
Oppenheimer Floating Rate	Good Standing	
Pacific Life	Good Standing	

**XII. COMMISSION RECAPTURE SUMMARY**

<b>Period</b>	<b>Commissions Paid</b>	<b>Commissions Received through Recapture/Rebates</b>
4Q2015	\$3,561	\$98
1Q2016	\$5,918	\$378
2Q2016		
3Q2016		
Fiscal YTD 2015	\$9,480	\$476

Source for commissions paid: Salem Trust custodial statements



### **XIII. HISTORICAL EARNINGS ANALYSIS (Net of Fees)**

<b>Fiscal Year</b>	<b>Fiscal Year Earnings</b>	<b>Fiscal Year Return</b>
2003	\$10,395,140	13.7%
2004	\$8,485,935	9.3%
2005	\$9,033,405	9.8%
2006	\$9,300,446	9.3%
2007	\$17,706,111	16.1%
2008	(\$19,925,235)	-16.0%
2009	(\$6,068,122)	-5.1%
2010	\$7,144,888	6.9%
2011	\$1,993,958	2.0%
2012	\$17,665,210	16.9%
2013	\$20,794,211	16.5%
2014	\$14,902,092	10.4%
2015	\$247,512	-0.1%
2016 YTD	\$5,606,192	3.7%
Since Inception	\$97,281,746	6.9%*

\*Annualized, net of management fees for all time periods following 2006. For years 2003 - 2006 the former consultant did not track manager fees; numbers in table above will not match returns on page 3 that are reported "Gross" of management fees.

### **XIV. NOTES**

- 1) The prior investment consultant, Merrill Lynch Consulting Services, provided all performance and market value data for periods prior to December 31, 2006.
- 2) Performance data for The Plan is based on market value and transaction information provided in the Salem Trust accounting statements. The statements currently provided by Salem Trust are trade date statements.
- 3) Salem Trust reports the JP Morgan Infrastructure fund values via a "shadow entry" which causes this valuation to generally trail by one quarter. Because Salem Trust is the official record-keeper, SEAS uses only these statements for all performance reporting.
- 4) The inception date of the American Core Realty Fund is January, 2015.

