

**CITY OF POMPANO BEACH  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
INVESTMENT PERFORMANCE ANALYSIS  
SECOND 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**

**JUNE 30, 2016**

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## Executive Summary

# CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending June 30, 2016

### I. MARKET ENVIRONMENT

Index	Second Quarter	1 Year	3 Year
Standard & Poor's 500 Index	2.5%	4.0%	11.7%
MSCI EAFE Index (Net)	-1.5%	-10.2%	2.1%
NCREIF Index	2.0%	10.6%	11.6%
CSFB Hedge Index	0.6%	-4.2%	2.5%
Barclays U.S. Aggregate	2.2%	6.0%	4.1%
91 Day Treasury Bills	0.1%	0.2%	0.1%
Consumer Price Index	1.2%	1.0%	1.1%

The dominant theme in global asset markets during the second quarter of 2016 was "Uncertainty", primarily due to nervousness regarding the so-called Brexit referendum held in the UK on June 23. The final result, which found Brits narrowly deciding to leave the EU, sent global equities into a two-day sharp sell-off, with investors running for the safety of U.S. Treasuries and local-market sovereigns. As a result, yields plummeted for these safe-haven bonds; the yield on Germany's bellwether 10-year Bund, already trading at rock-bottom levels thanks to European Central Bank intervention, dipped below 0% in mid-June and has stayed negative since June 24. Real GDP growth continued to slow during the first quarter of 2016, expanding 1.1% annualized. The U.S. actually exported more goods and services despite the strong dollar, which added to growth. In June, the Federal Open Market Committee specifically pointed to weaker global economic growth indicators, lackluster U.S. payroll growth and declining productivity as signals against raising interest rates. Despite solid performance in the retail sales and housing sectors, the FOMC cut their forecast for U.S. economic growth and maintained current Fed Funds rate targets. The Consumer Price Index was up 1.2%. Commodities in general experienced striking gains for the quarter, with crude oil extending its win streak with a 16.9% price increase, ending the quarter at \$48.33 per barrel. Natural gas prices leapt 32.2% over the second quarter.

**Equities:** The U.S. stock market, represented by the S&P 500, was up for the second quarter of 2016 by 2.5%. Price swings during the quarter were not nearly as extreme as what investors experienced during the first quarter, except for the last week of trading. The market rebounded from the U.K.-driven sell-off to post three strong days to end the quarter. Large capitalization stocks underperformed smaller shares with the Wilshire Large-Cap Index up 2.7% versus a gain of 4.1% for the Wilshire US Small-Cap Index. Growth stocks trailed value during the second quarter in both large- and small-cap spaces (Wilshire US Large Growth, 0.4%; Wilshire Large Value, 4.8%; Wilshire US Small Growth, 2.2%; Wilshire US Small Value, 6.0%) as well as for the past year. Wilshire 5000 sector performance in the second quarter was mostly positive except for the Information Technology and Consumer Discretionary sectors, which saw pullbacks of -2.2% and -1.1%, respectively. The three best performing sectors were Energy, Telecom Services and Utilities, up 11.8%, 7.7% and 7.4%, respectively. Real estate securities continued their strong 2016 overall performance into the second quarter (Wilshire US Real Estate Securities Index, 6.0%).

**Fixed Income:** U.S. Treasury securities extended their rally in the second quarter (Barclays U.S. Treasury, 2.1%) thanks to broad investor uncertainty, initially over the outcome of the Brexit vote, then over the details and timetable of the withdrawal of the U.K. from the European Union. Most of the rally unsurprisingly occurred as the Brexit referendum results were followed by broad flight-to-safety purchases in the two trading days after the vote. The bellwether 10-year U.S. Treasury yield fell from 1.8% as of March 31 to 1.5% as of June 30. The U.S. Treasury yield curve flattened somewhat over the quarter; two-year yields dropped .15% to 0.58%, while thirty-year yields rode safe-haven purchases down .31% to a quarter-ending yield of 2.30%. Unsurprisingly, long-dated Treasuries enjoyed a stronger quarter than shorter bonds (Barclays U.S. Treasury Long, 6.4%; Barclays U.S. Treasury 1-3 Year, 0.5%). Credit yields tightened somewhat over the quarter as well, as investors continued to seek incremental yield wherever they could find it (Barclays U.S. Corporate Investment Grade, 3.6%). This especially benefited high yield bonds in relation to investment-grade issuance (Barclays U.S. Aggregate, 2.2% Barclays U.S. High Yield, 5.5%).

**Alternatives:** Net redemptions from Hedge Funds for 2Q16 were \$10.7 billion, marking the third consecutive quarter in which money has left the sector. This represents the longest sequence of quarterly outflows since the second quarter of 2009, suggesting that investor dissatisfaction with managers' performance and fees may be intensifying. Large insurers such as [AIG](#) and [MetLife](#) and pension funds including the New York City Employees' Retirement System have all recently cut or reduced their hedge fund allocations. eVestment / CNBCOnline



## 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

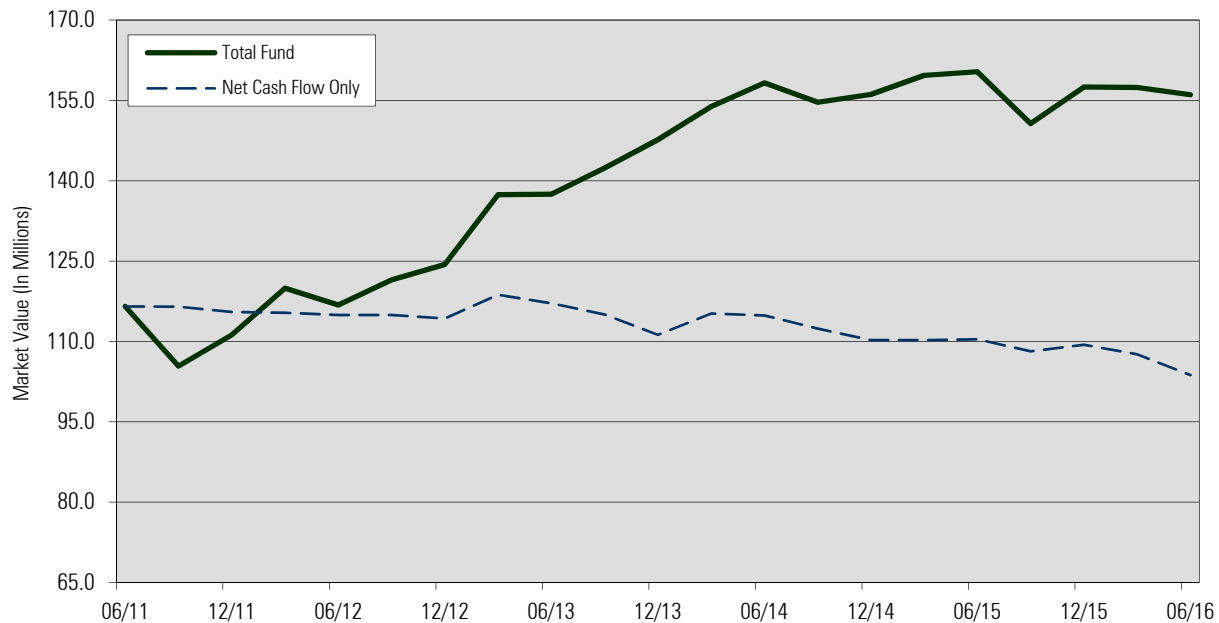
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 250 public pension systems across the country. These are real public 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.



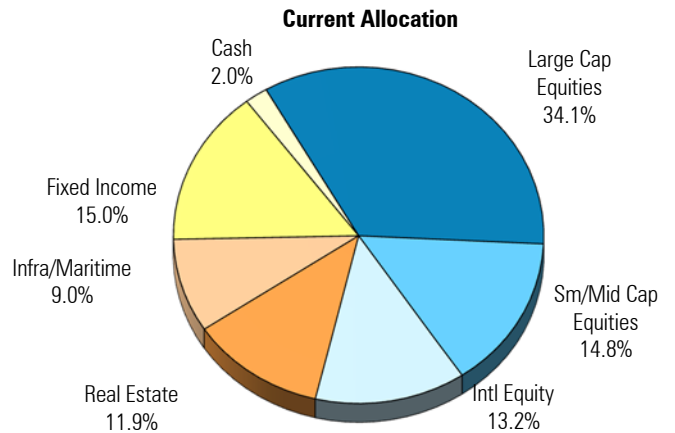
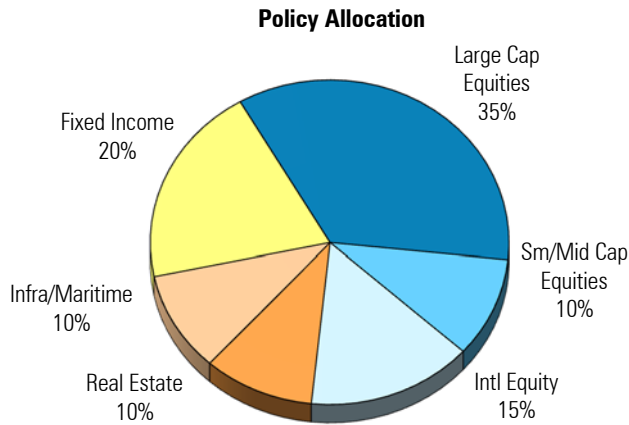
### III. PORTFOLIO GROWTH- PERIOD ENDED JUNE 30, 2016



Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
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%	
Jun-16	157,399	-3,864	2,509	156,044	1.6%	6.9%
<b>Total</b>	<b>116,532</b>	<b>-12,795</b>	<b>52,307</b>	<b>156,044</b>	<b>48.2%</b>	
<b>Absolute Return Objective:</b>						<b>8.0%</b>



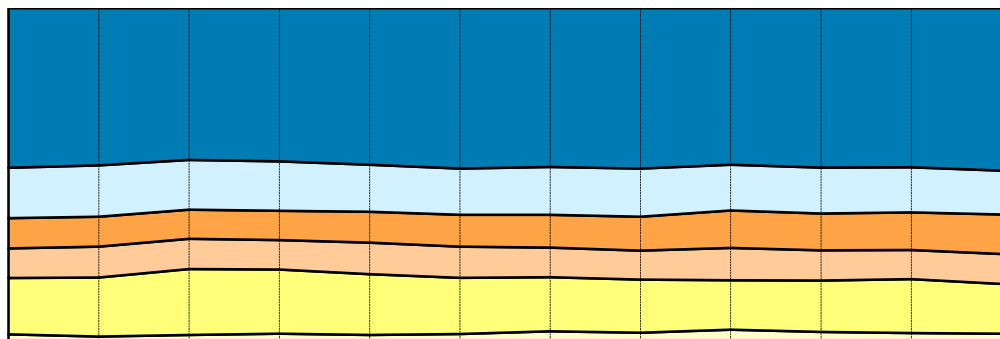
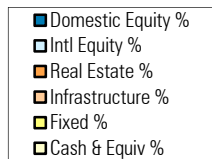
**IV. ALLOCATION OF ASSETS**



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Large Cap Equity Securities	30%-45%	34.1%	47.9%
Small/Mid Cap Equities	5%-15%	14.8%	n/a
Intl Equity Securities	10%-25%	13.2%	10.5%
Real Estate	5%-15%	11.9%	0.0%
Fixed Income Securities	10%-35%	15.0%	29.7%
Infrastructure	5%-20%	9.0%	0.0%
Cash Equivalents	0%-10%	2.0%	11.9%

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

**Historical Asset Allocation**



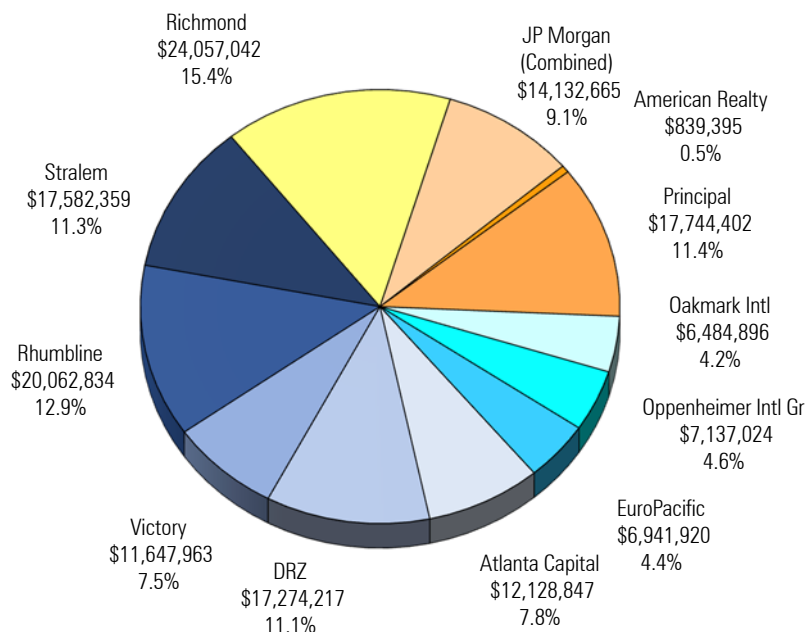
	09/13	12/13	03/14	06/14	09/14	12/14	03/15	06/15	09/15	12/15	03/16	06/16
Domestic Equity %	48.1	47.3	45.7	46.1	47.1	48.3	47.8	48.3	47.1	48.0	47.9	48.9
Intl Equity %	15.2	15.5	15.0	14.9	14.2	13.9	14.4	14.5	13.8	13.8	13.6	13.2
Real Estate %	9.1	9.0	8.8	8.8	9.3	9.6	9.9	10.2	11.3	11.1	11.3	11.9
Infrastructure %	8.9	9.3	9.1	8.9	9.5	9.4	8.9	8.7	9.7	9.1	8.8	9.0
Fixed %	17.0	17.8	19.9	19.3	18.3	16.9	16.3	16.0	14.9	15.5	16.2	15.0
Cash & Equiv %	1.8	1.1	1.6	2.0	1.6	1.9	2.7	2.3	3.2	2.5	2.2	2.0



<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	95.8%	0.0%	0.0%	0.0%	0.0%	4.2%
Rhumblin	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stralem Large Cap	94.7%	0.0%	0.0%	0.0%	0.0%	5.3%
Victory Capital	98.4%	0.0%	0.0%	0.0%	0.0%	1.6%
Atlanta Capital	96.0%	0.0%	0.0%	0.0%	0.0%	4.0%
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%	93.4%	0.0%	6.6%
Richmond Capital	0.0%	0.0%	0.0%	0.0%	97.5%	2.5%
<b>Total Fund</b>	<b>48.9%</b>	<b>13.2%</b>	<b>11.9%</b>	<b>9.0%</b>	<b>15.0%</b>	<b>2.0%</b>



## V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending June 30, 2016



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$16,275,552	10.3%	\$0	(\$65)	\$998,730	\$17,274,217	11.1%
Rhumblin	\$19,570,698	12.4%	\$0	(\$842)	\$492,978	\$20,062,834	12.9%
Stralem Large Cap	\$18,335,547	11.6%	\$0	(\$1,450,000)	\$696,812	\$17,582,359	11.3%
<b>Total Large Cap Equity</b>	<b>\$54,181,797</b>	<b>34.4%</b>	<b>\$0</b>	<b>(\$1,450,907)</b>	<b>\$2,188,520</b>	<b>\$54,919,410</b>	<b>35.2%</b>
Victory Capital	\$11,632,318	7.4%	\$0	\$0	\$15,645	\$11,647,963	7.5%
Atlanta Capital	\$11,693,631	7.4%	\$0	\$0	\$435,216	\$12,128,847	7.8%
<b>Total SMID Cap Equity</b>	<b>\$23,325,949</b>	<b>14.8%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$450,861</b>	<b>\$23,776,810</b>	<b>15.2%</b>
EuroPacific Growth Fund	\$6,963,642	4.4%	\$0	\$0	(\$21,722)	\$6,941,920	4.4%
Oakmark International	\$7,030,957	4.5%	\$0	\$0	(\$546,061)	\$6,484,896	4.2%
Oppenheimer Intl Growth	\$7,395,996	4.7%	\$0	\$0	(\$258,972)	\$7,137,024	4.6%
<b>Total Intl Equity</b>	<b>\$21,390,595</b>	<b>13.6%</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$826,755)</b>	<b>\$20,563,840</b>	<b>13.2%</b>
Principal U.S. Property	\$17,347,482	11.0%	\$0	\$0	\$396,920	\$17,744,402	11.4%
American Realty	\$378,216	0.2%	\$450,000	(\$2,607)	\$13,786	\$839,395	0.5%
JP Morgan Infrastructure	\$11,499,889	7.3%	\$0	(\$240,060)	\$309,714	\$11,569,543	7.4%
JP Morgan Maritime	\$2,841,971	1.8%	\$169,160	(\$12,764)	(\$435,245)	\$2,563,122	1.6%
<b>Total Real Assets</b>	<b>\$32,067,558</b>	<b>20.4%</b>	<b>\$619,160</b>	<b>(\$255,431)</b>	<b>\$285,175</b>	<b>\$32,716,462</b>	<b>21.0%</b>
Richmond Capital Fixed	\$24,387,156	15.5%	\$0	(\$698,590)	\$368,476	\$24,057,042	15.4%
Oppenheimer Floating Rate	\$5,765	0.0%	\$0	(\$5,765)	\$0	\$0	0.0%
Pacific Life	\$2,035,707	1.3%	\$0	(\$2,078,594)	\$42,887	\$0	0.0%
<b>Total Fixed Income</b>	<b>\$26,428,628</b>	<b>16.8%</b>	<b>\$0</b>	<b>(\$2,782,949)</b>	<b>\$411,363</b>	<b>\$24,057,042</b>	<b>15.4%</b>
<b>Total Fund</b>	<b>\$157,394,527</b>	<b>100%</b>	<b>\$619,160</b>	<b>(\$4,489,287)</b>	<b>\$2,509,164</b>	<b>\$156,033,564</b>	<b>100%</b>
<i>Receipts &amp; Disbursements</i>	<i>\$1,958,235</i>		<i>\$4,759,878</i>	<i>(\$3,306,133)</i>	<i>\$305</i>	<i>\$3,412,285</i>	
<b>Total Fund + R&amp;D Acct.</b>	<b>\$159,352,762</b>		<b>\$5,379,038</b>	<b>(\$7,795,420)</b>	<b>\$2,509,469</b>	<b>\$159,445,849</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>1.6%</b>	<b>2.0%</b>	<b>7.7%</b>	<b>8.2%</b>
<b>Total Fund - Net of Fees</b>	<b>1.5%</b>	<b>1.5%</b>	<b>7.3%</b>	<b>7.7%</b>
Target Index	2.0%	1.9%	7.8%	7.8%
Wilshire Public Fund Ranking	70	26	21	5
<b>Total Domestic Equities</b>	<b>3.5%</b>	<b>3.4%</b>	<b>11.0%</b>	<b>11.5%</b>
80% Russell 1000/ 20% Russell 2000	2.8%	1.0%	10.6%	11.2%
vs. Equity Returns of Public Funds	6	9	26	15
<b>Total International Equities</b>	<b>-3.8%</b>	<b>-11.2%</b>	<b>2.0%</b>	<b>2.3%</b>
MSCI EAFE Index (Net)	-1.5%	-10.2%	2.1%	1.7%
vs. Intl Equity Returns of Public Funds	96	80	64	33
<b>Total Real Estate</b>	<b>2.3%</b>	<b>11.5%</b>	<b>12.3%</b>	<b>12.4%</b>
NCREIF ODCE Fund Index	2.1%	11.8%	13.0%	12.7%
NCREIF Property Index	2.0%	10.6%	11.6%	11.5%
vs. Real Estate Returns of Total Funds	46	60	49	31
<b>Total Infrastructure</b>	<b>-0.6%</b>	<b>-1.4%</b>	<b>1.5%</b>	<b>3.4%</b>
CPI + 3.0%	2.0%	4.0%	4.1%	4.3%
<b>Total Fixed Income</b>	<b>1.7%</b>	<b>4.1%</b>	<b>3.1%</b>	<b>3.6%</b>
Barclays Intermediate Aggregate	1.4%	4.4%	3.2%	3.0%
vs. Fixed Inc Returns of Public Funds	81	67	75	71

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>6.1%</b>	<b>3.4%</b>	<b>8.6%</b>	<b>10.8%</b>
Russell 1000 Value	4.6%	2.9%	9.9%	11.4%
vs. Large Value Equity Portfolios	4	23	78	60
<b>Rhumblin</b>	<b>2.5%</b>	<b>2.9%</b>	<b>11.4%</b>	<b>11.8%</b>
Russell 1000	2.5%	2.9%	11.5%	11.9%
vs. Large Neutral Equity Portfolios	25	46	55	58
<b>Stralem Large Cap</b>	<b>3.8%</b>	<b>8.2%</b>	<b>10.9%</b>	<b>10.7%</b>
Russell 1000 Growth	0.6%	3.0%	13.1%	12.3%
vs. Large Growth Equity Portfolios	5	1	65	66
<b>Victory Capital</b>	<b>0.1%</b>	<b>-8.4%</b>	<b>8.3%</b>	<b>9.5%</b>
Russell MidCap Growth	1.6%	-2.1%	10.5%	10.0%
vs. Midcap Growth Equity Portfolios	95	65	55	67
<b>Atlanta Capital</b>	<b>3.7%</b>	<b>8.2%</b>	<b>14.4%</b>	<b>n/a</b>
Russell 2500	3.6%	-3.7%	8.6%	n/a
vs. SMID Equity Portfolios	39	1	1	n/a



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

	<b>Portfolio</b>	<b>80% R1000/20% R2000</b>
Total Number Of Securities	217	3,005
Equity Market Value	96,939,671	
Average Capitalization \$(000)	53,828,193	97,071,161
Median Capitalization \$(000)		
Equity Segment Yield	1.6	2.0
Equity Segment P/E - Average	20.2	27.6
Equity Segment P/E - Median		
Equity Segment Beta	0.9	1.1
Price/Book Ratio	2.1	2.6
Debt/Equity Ratio	41.7	57.6
Five Year Earnings Growth	4.8	6.2
Five Year Dividend Growth	5.8	7.2

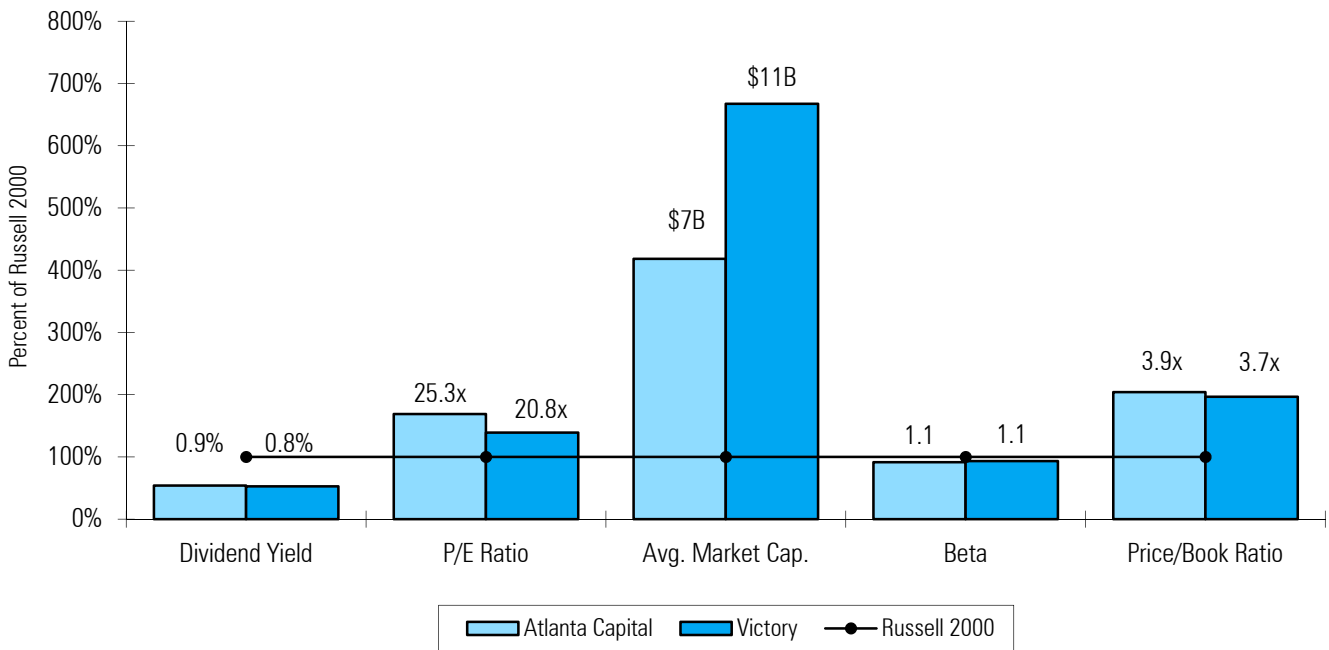
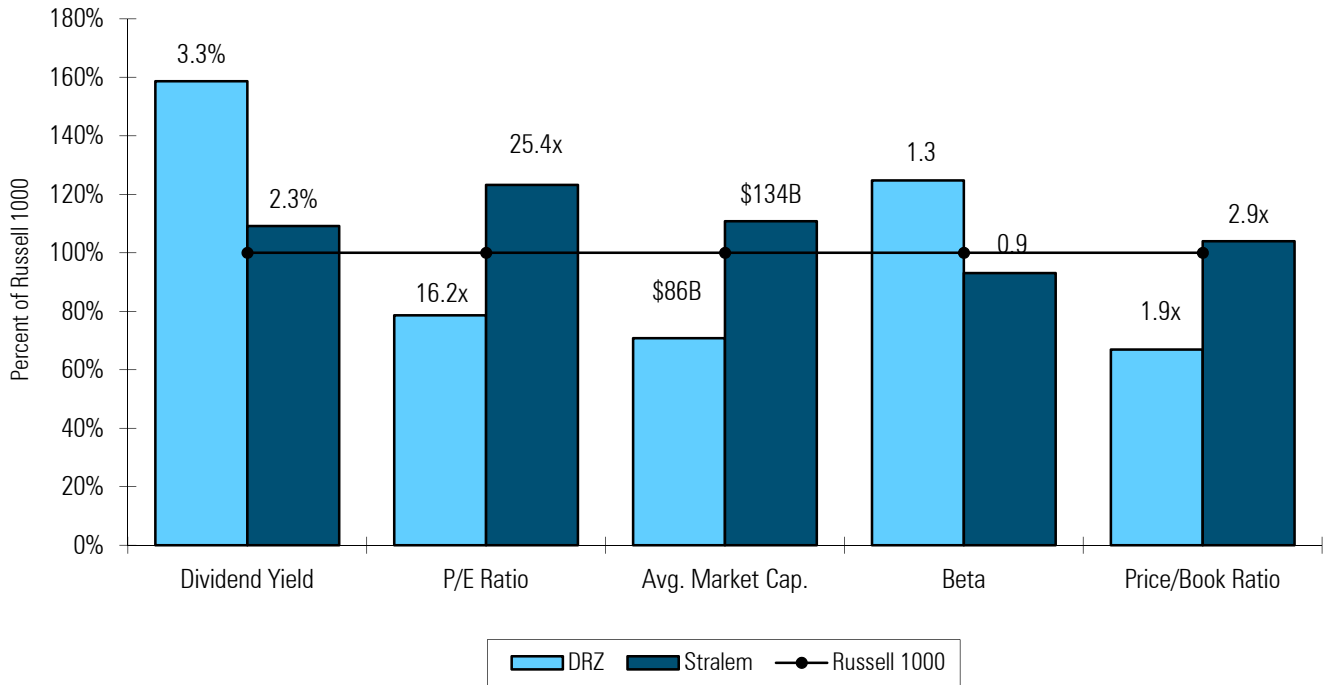
<b>Ten Largest Holdings</b>	<b>Market Value</b>	<b>% of Portfolio</b>	<b>Quarterly Return</b>
Exxon Mobil Corp	1,086,447	1.9%	13.1%
Chevron Corp	1,029,431	1.8%	11.1%
Merck & Co Inc New	859,541	1.5%	9.8%
Johnson Ctls Inc	815,269	1.5%	14.3%
At&T Inc	793,768	1.4%	11.7%
Philip Morris Intl I	740,522	1.3%	4.7%
Dominion Res Inc Va	584,475	1.0%	4.8%
Markel Corp	567,857	1.0%	6.9%
Unitedhealth Group I	564,800	1.0%	10.0%
Intercontinentalexch	550,314	1.0%	9.2%

<b>Ten Best Performers</b>	<b>Quarterly Return</b>	<b>Ten Worst Performers</b>	<b>Quarterly Return</b>
Olin Corp	44.3%	Skyworks Solutions I	-18.4%
St Jude Med Inc	42.4%	Royal Caribbean Crui	-17.9%
Marathon Oil Corp	35.3%	Stericycle Inc	-17.5%
Gcp Applied Technolo	30.6%	Bofi Hldg Inc	-17.0%
Murphy Oil Corp	27.5%	Ipg Photonics Corp	-16.7%
Cypress Semiconducto	23.3%	Jones Lang Lasalle I	-16.7%
Hain Celestial Group	21.6%	Penske Automotive Gr	-16.4%
Monster Beverage Cor	20.5%	Radian Group Inc	-16.0%
Copart Inc	20.2%	Wabco Hldgs Inc	-14.4%
Pfizer Inc	19.9%	Affiliated Managers	-13.3%

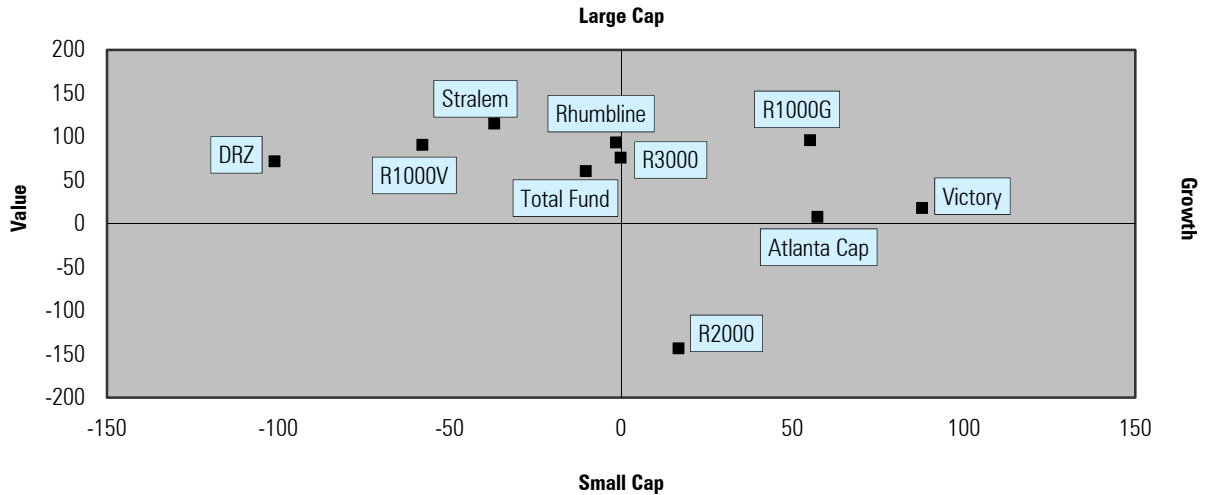
\*Does not include Rhumblin as they are invested in a commingled account.



**Equity Portfolio Characteristics**



## Equity Style Map (Current Quarter)



	Growth-Value	Size		Growth-Value	Size
Atlanta Capital	57.3	8.0	Total Fund	-10.3	60.6
DePrince Race Zollo	-101.2	71.9	Russell 2000	16.7	-143.2
Victory Capital	87.8	18.2	Russell 3000	-0.2	76.1
Rhumblin	-0.5	93.5	Russell 1000 Growth	55.1	96.2
Stralem Large Cap	-37.0	115.4	Russell 1000 Value	-58.0	91.0

### VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>EuroPacific Growth</b>	<b>-0.3%</b>	<b>-9.6%</b>	<b>3.8%</b>	<b>2.6%</b>
MSCI EAFE (Net)	-1.5%	-10.2%	2.1%	1.7%
vs. International Equity Mutual Funds	52	44	21	25
<b>Oakmark International</b>	<b>-7.8%</b>	<b>-18.3%</b>	<b>-1.2%</b>	<b>n/a</b>
MSCI EAFE (Net)	-1.5%	-10.2%	2.1%	n/a
vs. International Equity Mutual Funds	98	95	81	n/a
<b>Oppenheimer International Growth</b>	<b>-3.5%</b>	<b>-5.6%</b>	<b>3.5%</b>	<b>n/a</b>
MSCI EAFE (Net)	-1.5%	-10.2%	2.1%	n/a
vs. International Equity Mutual Funds	90	20	24	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 06-30-2016

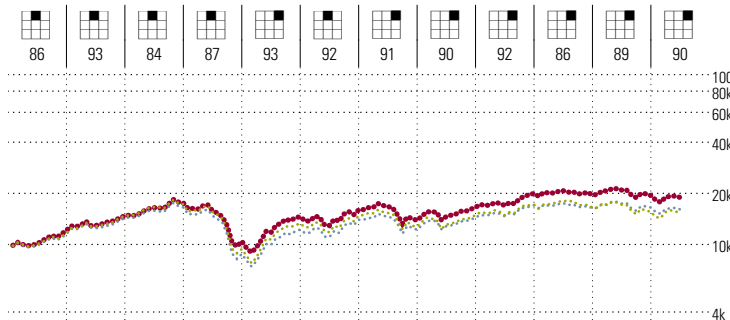
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.71	2.96	-4.21	-1.63	-2.29
2015	5.97	1.12	-9.81	2.97	-0.48
2016	-2.32	-0.32	—	—	-2.63

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-9.57	3.76	2.50	—	8.31
Std 06-30-2016	-9.57	—	2.50	—	8.31
Total Return	-9.57	3.76	2.50	3.87	8.31
+/- Std Index	0.68	2.60	2.40	2.00	—
+/- Cat Index	-3.37	0.65	0.98	1.06	—

% Rank Cat	63	33	45	24
No. in Cat	355	320	275	189



**Investment Style**  
Equity  
Stock %

**Growth of \$10,000**  
■ American Funds Europacific Growth R6 18,913  
■ Category Average 16,078  
■ Standard Index 15,396

**Performance Quartile**  
(within category)

History	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	06-16
NAV/Price	—	—	—	—	38.34	41.37	35.13	41.18	49.03	47.09	45.32	44.13
Total Return %	21.12	21.87	18.96	-40.53	39.35	9.76	-13.31	19.64	20.58	-2.29	-0.48	-2.63
+/- Standard Index	4.50	-4.78	2.30	5.00	-2.10	-1.39	0.40	2.81	5.29	1.57	5.18	-1.61
+/- Category Index	4.41	-1.74	-2.07	5.09	0.68	-4.69	0.90	2.97	5.09	0.36	0.77	-2.75
% Rank Cat	—	—	—	—	—	—	—	—	—	27	66	—
No. of Funds in Cat	—	—	—	—	—	—	—	—	—	341	361	366

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 % **0.50**

## 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	11.78	14.28	17.52
Mean	3.76	2.50	3.87
Sharpe Ratio	0.36	0.24	0.25

### MPT Statistics

	Standard Index	Best Fit Index
Alpha	2.66	-0.06
Beta	0.85	0.91
R-Squared	90.64	93.96

12-Month Yield —  
Potential Cap Gains Exp 16.97%

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	06-16
—	—	—	—	38.34	41.37	35.13	41.18	49.03	47.09	45.32	44.13
21.12	21.87	18.96	-40.53	39.35	9.76	-13.31	19.64	20.58	-2.29	-0.48	-2.63
4.50	-4.78	2.30	5.00	-2.10	-1.39	0.40	2.81	5.29	1.57	5.18	-1.61
4.41	-1.74	-2.07	5.09	0.68	-4.69	0.90	2.97	5.09	0.36	0.77	-2.75
—	—	—	—	—	—	—	—	—	27	66	—
—	—	—	—	—	—	—	—	—	341	361	366

## Portfolio Analysis 06-30-2016

Asset Allocation %	Net %	Long %	Short %
Cash	4.78	4.78	0.00
US Stocks	2.30	2.30	0.00
Non-US Stocks	88.06	88.06	0.00
Bonds	0.38	0.38	0.00
Other/Not Clsfd	4.48	4.48	0.00
Total	100.00	100.00	0.00

Equity Style	Value	Blend	Growth
P/E Ratio TTM	18.9	1.29	0.98
P/C Ratio TTM	10.7	1.39	0.93
P/B Ratio TTM	1.9	1.31	0.81
Geo Avg Mkt Cap \$mil	34077	1.25	1.12

Fixed-Income Style	Ltd	Mod	Ext
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	7.5	0.72
Greater Europe	46.8	0.96
Greater Asia	45.6	1.12

Share Chg since 03-2016	Share Amount	Holdings:	% Net Assets
		260 Total Stocks, 53 Total Fixed-Income, 30% Turnover Ratio	
	96 mil	Novo Nordisk A/S B	4.64
	33 mil	Novartis AG	2.41
	97 mil	Tencent Holdings Ltd	1.98
	348 mil	AIA Group Ltd	1.88
	32 mil	British American Tobacco PLC	1.87
	26 mil	Alibaba Group Holding Ltd ADR	1.84
	99 mil	HDFC Bank Ltd	1.80
	33 mil	SoftBank Group Corp	1.67
	109 mil	Prudential PLC	1.66
	355 mil	Taiwan Semiconductor Manufacturing	1.61
	59 mil	Sony Corp	1.54
	46 mil	Associated British Foods PLC	1.49
	11 mil	Nintendo Co Ltd	1.45
	13 mil	ASML Holding NV	1.20
	23 mil	Airbus Group SE	1.18

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>36.5</b>	<b>0.85</b>
Basic Materials	5.7	0.72
Consumer Cyclical	11.6	1.08
Financial Services	17.1	0.83
Real Estate	2.1	0.56
<b>Sensitive</b>	<b>37.9</b>	<b>1.16</b>
Communication Services	5.8	1.05
Energy	5.2	0.77
Industrials	9.6	0.92
Technology	17.3	1.77
<b>Defensive</b>	<b>25.6</b>	<b>1.05</b>
Consumer Defensive	9.9	0.85
Healthcare	13.1	1.42
Utilities	2.6	0.73

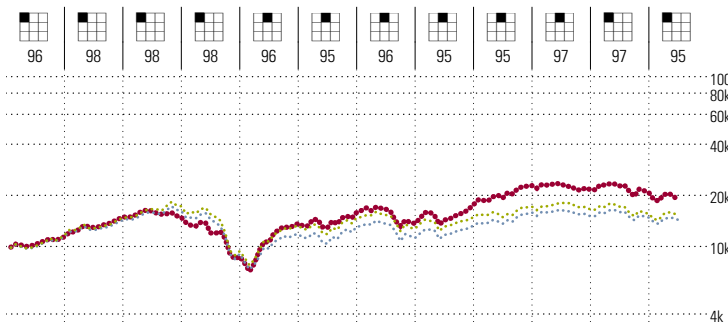
## Operations

Family:	American Funds	Base Currency:	USD	Purchase Constraints:	A
Manager:	Multiple	Ticker:	RERGX	Incept:	05-01-2009
Tenure:	24.7 Years	Minimum Initial Purchase:	\$250	Type:	MF
Objective:	Foreign Stock	Min Auto Investment Plan:	\$50	Total Assets:	\$123,673.28 mil

# 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 720 US OE Foreign Large Blend USA NR USD USA NR USD Blend

Performance 06-30-2016					
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	-7.77	—	—	-10.49
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-18.25	-1.23	2.29	3.68	9.02
Std 06-30-2016	-18.25	—	2.29	3.68	9.02
Total Return	-18.25	-1.23	2.29	3.68	9.02
+/- Std Index	-8.01	-2.40	2.19	1.81	—
+/- Cat Index	-8.01	-2.40	2.19	1.81	—
% Rank Cat	96	93	19	9	
No. in Cat	823	720	631	380	



Investment Style	Equity	Stock %											
<b>Growth of \$10,000</b>													
— Oakmark International I	18,567												
— Category Average	14,344												
— Standard Index	15,396												
Performance Quartile (within category)													
History													
NAV/Price	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	06-16	
Total Return %	22.52	25.45	20.95	10.85	16.84	19.41	16.55	20.93	26.32	23.34	21.36	19.12	NAV/Price
+/- Standard Index	14.12	30.60	-0.51	-41.06	56.30	16.22	-14.07	29.22	29.34	-5.41	-3.83	-10.49	Total Return %
+/- Category Index	-2.50	3.95	-17.16	4.46	14.86	5.07	-0.36	12.39	14.06	-1.54	1.84	-9.47	+/- Standard Index
% Rank Cat	—	—	—	—	—	—	—	2	3	52	77	—	+/- Category Index
No. of Funds in Cat	—	—	—	—	—	—	—	786	791	750	788	898	% Rank Cat

	Subsidized	Unsubsidized
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	
<b>Sales Charges</b>	
<b>Front-End Load %</b>	NA
<b>Deferred Load %</b>	NA
<b>Fund Expenses</b>	
Management Fees %	0.83
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	<b>0.95</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	720 funds	631 funds	380 funds
Morningstar Risk	1★	3★	4★
Morningstar Return	High	High	+Avg
	Low	+Avg	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	15.64	17.38	20.01
Mean	-1.23	2.29	3.68
Sharpe Ratio	-0.01	0.21	0.23

MPT Statistics		
	Standard Index	Best Fit Index
	MSCI EAFE NR USD	
Alpha	-2.26	-3.34
Beta	1.10	1.14
R-Squared	87.20	93.10
12-Month Yield	—	—
Potential Cap Gains Exp	—	-21.63%

Portfolio Analysis 06-30-2016	
<b>Asset Allocation %</b>	Net % Long % Short %
Cash	1.76 1.77 0.00
US Stocks	2.05 2.05 0.00
Non-US Stocks	92.82 92.82 0.00
Bonds	0.00 0.00 0.00
Other/Not Clsfd	3.36 3.36 0.00
Total	100.00 100.00 0.00
<b>Equity Style</b>	Value Blend Growth
	Large Mid Small
<b>Portfolio Statistics</b>	Port Avg Rel Index Rel Cat
P/E Ratio TTM	13.2 0.90 0.90
P/C Ratio TTM	4.3 0.56 0.50
P/B Ratio TTM	1.1 0.73 0.69
Geo Avg Mkt Cap \$mil	23739 0.87 0.70
<b>Fixed-Income Style</b>	Ltd Mod Ext
	High Mid Low
<b>Credit Quality Breakdown</b>	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—
<b>Regional Exposure</b>	Stock % Rel Std Index
Americas	3.9 0.37
Greater Europe	67.2 1.38
Greater Asia	28.9 0.71

Share since 03-2016	Share Amount	Holdings:	% Net Assets
		54 Total Stocks, 1 Total Fixed-Income, 48% Turnover Ratio	
⊖	531 mil	Glencore PLC	4.78
⊕	92 mil	Credit Suisse Group AG	4.27
⊕	37 mil	Honda Motor Co Ltd	4.11
⊕	17 mil	BNP Paribas	3.27
⊕	368 mil	Intesa Sanpaolo	3.07
⊖	17 mil	LafargeHolcim Ltd	3.04
⊕	11 mil	Daimler AG	2.98
⊕	191 mil	Nomura Holdings Inc	2.97
⊖	92 mil	CNH Industrial NV	2.93
⊖	12 mil	Toyota Motor Corp	2.67
⊖	4 mil	Allianz SE	2.57
⊕	760 mil	PT Bank Mandiri (Persero) Tbk	2.40
⊕	742 mil	Lloyds Banking Group PLC	2.35
⊕	14 mil	EXOR SpA	2.27
⊕	35 mil	Ashtead Group PLC	2.20

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>68.7</b>	<b>1.60</b>
Basic Materials	10.1	1.30
Consumer Cyclical	26.1	2.41
Financial Services	32.5	1.58
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>27.1</b>	<b>0.83</b>
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	20.3	1.94
Technology	6.8	0.69
<b>Defensive</b>	<b>4.3</b>	<b>0.17</b>
Consumer Defensive	4.3	0.37
Healthcare	0.0	0.00
Utilities	0.0	0.00

Operations		Incept:	
Family:	Oakmark	Ticker:	OAKIX
Manager:	Multiple	Minimum Initial Purchase:	\$1,000
Tenure:	23.9 Years	Min Auto Investment Plan:	\$500
Objective:	Foreign Stock	Minimum IRA Purchase:	\$1,000
Base Currency:	USD	Purchase Constraints:	C
		Incept:	09-30-1992
		Type:	MF
		Total Assets:	\$23,280.74 mil

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# Oppenheimer International Growth Y (USD)

**Morningstar Analyst Rating™** **Overall Morningstar Rating™** **Standard Index** **Category Index** **Morningstar Cat**  
**Silver** **★★★★** **MSCI ACWI Ex** **MSCI ACWI Ex** **US OE Foreign Large**  
 06-29-2016 **Growth** **USA NR USD** **USA Growth NR** **Growth**

## Performance 06-30-2016

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	-3.50	—	—	-2.48

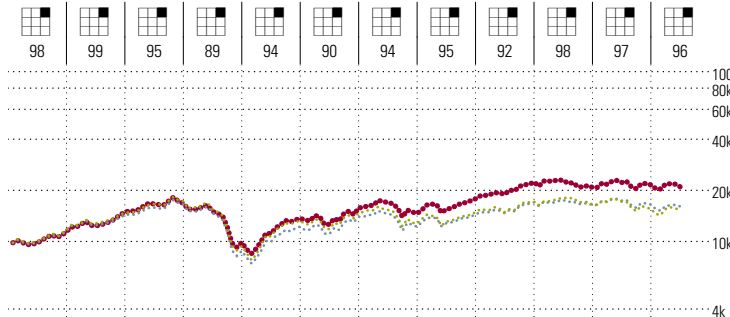
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-5.59	3.48	4.38	5.42	6.32
Std 06-30-2016	-5.59	—	4.38	5.42	6.32
Total Return	-5.59	3.48	4.38	5.42	6.32

+/- Std Index	4.66	2.32	4.28	3.55	—
+/- Cat Index	0.61	0.37	2.87	2.61	—

% Rank Cat	30	38	16	1
No. in Cat	355	320	275	189



**Investment Style**  
Equity  
Stock %

**Growth of \$10,000**  
 — Oppenheimer International Growth Y 20,996  
 — Category Average 16,078  
 — Standard Index 15,396

**Performance Quartile**  
(within category)

History	NAV/Price
Total Return %	-2.48
+/- Standard Index	-1.46
+/- Category Index	-2.61
% Rank Cat	—
No. of Funds in Cat	366

	Subsidized	Unsubsidized
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™	3★	4★	5★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	+Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	12.98	14.47	17.91
Mean	3.48	4.38	5.42
Sharpe Ratio	0.32	0.36	0.33

MPT Statistics	Standard Index	Best Fit Index
Alpha	2.41	1.75
Beta	0.91	0.89
R-Squared	86.09	92.76
12-Month Yield	—	—
Potential Cap Gains Exp	—	9.37%

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	06-16
21.60	27.79	30.94	17.83	24.43	27.90	25.52	30.71	38.16	35.08	35.89	35.00	
14.24	30.18	12.93	-41.22	38.44	15.35	-7.31	22.10	25.46	-6.99	3.44	-2.48	
-2.38	3.53	-3.73	4.30	-3.01	4.20	6.39	5.27	10.17	-3.12	9.10	-1.46	
-2.48	6.57	-8.10	4.39	-0.24	0.89	6.89	5.43	9.97	-4.34	4.69	-2.61	
—	5	74	10	36	33	13	11	7	85	23	—	
—	243	220	251	266	261	251	250	278	341	361	366	

## Portfolio Analysis 06-30-2016

Asset Allocation %	Net %	Long %	Short %
Cash	1.90	1.90	0.00
US Stocks	3.55	3.55	0.00
Non-US Stocks	92.33	92.33	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	2.21	2.21	0.00
Total	100.00	100.00	0.00

Equity Style	Value	Blend	Growth
High	—	—	—
Mid	—	—	—
Small	—	—	—

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	15.3	1.05	0.80
P/C Ratio TTM	8.7	1.14	0.76
P/B Ratio TTM	3.0	2.01	1.25
Geo Avg Mkt Cap \$mil	15551	0.57	0.51

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	10.8	1.03
Greater Europe	75.4	1.55
Greater Asia	13.8	0.34

## Top Holdings 05-31-2016

Share Chg since 05-2016	Share Amount	Holdings:	% Net Assets
		104 Total Stocks , 27 Total Fixed-Income, 10% Turnover Ratio	
	6 mil	Dollarama Inc	1.81
	27 mil	Infineon Technologies AG	1.80
	9 mil	Nippon Telegraph & Telephone Corp	1.65
	2 mil	Continental AG	1.54
	3 mil	Heineken NV	1.40
	94 mil	Vodafone Group PLC	1.37
	2 mil	Valeo SA	1.37
	7 mil	Amadeus IT Holding SA A	1.36
	9 mil	Aalberts Industries NV	1.36
	10 mil	Bunzl PLC	1.33
	6 mil	Carnival Corp	1.33
	19 mil	James Hardie Industries PLC DR	1.28
	5 mil	Novo Nordisk A/S B	1.26
	4 mil	Nidec Corp	1.26
	2 mil	SEB SA	1.25

## Sector Weightings

	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>29.2</b>	<b>0.68</b>
Basic Materials	6.3	0.81
Consumer Cyclical	18.8	1.74
Financial Services	4.1	0.20
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>42.6</b>	<b>1.31</b>
Communication Services	8.0	1.45
Energy	0.4	0.06
Industrials	17.1	1.64
Technology	17.1	1.76
<b>Defensive</b>	<b>28.2</b>	<b>1.15</b>
Consumer Defensive	17.4	1.49
Healthcare	10.8	1.16
Utilities	0.0	0.00

Operations			
Family:	OppenheimerFunds	Base Currency:	USD
Manager:	Multiple	Ticker:	OIGYX
Tenure:	20.4 Years	Minimum Initial Purchase:	\$0
Objective:	Foreign Stock	Purchase Constraints:	A
		Incept:	09-07-2005
		Type:	MF
		Total Assets:	\$22,984.62 mil

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**IX. REAL ASSETS PERFORMANCE COMPARISONS**

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>Principal U.S. Property (Core)</b>	<b>2.3%</b>	<b>11.3%</b>	<b>12.2%</b>	<b>12.3%</b>
NCREIF ODCE Fund Index	2.1%	11.8%	13.0%	12.7%
NCREIF Property Index	2.0%	10.6%	11.6%	11.5%
vs. Real Estate Portfolios	43	52	54	42
<b>American Realty (Value Add)</b>	<b>3.3%</b>	<b>18.1%</b>	<b>n/a</b>	<b>n/a</b>
NCREIF Property Index	2.0%	10.6%	n/a	n/a
vs. Real Estate Portfolios	28	18	n/a	n/a

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>JP Morgan Infrastructure</b>	<b>2.7%</b>	<b>8.9%</b>	<b>5.5%</b>	<b>6.4%</b>
CPI + 3.0%	2.0%	4.0%	4.1%	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%	2.0%	4.0%	4.1%	4.3%

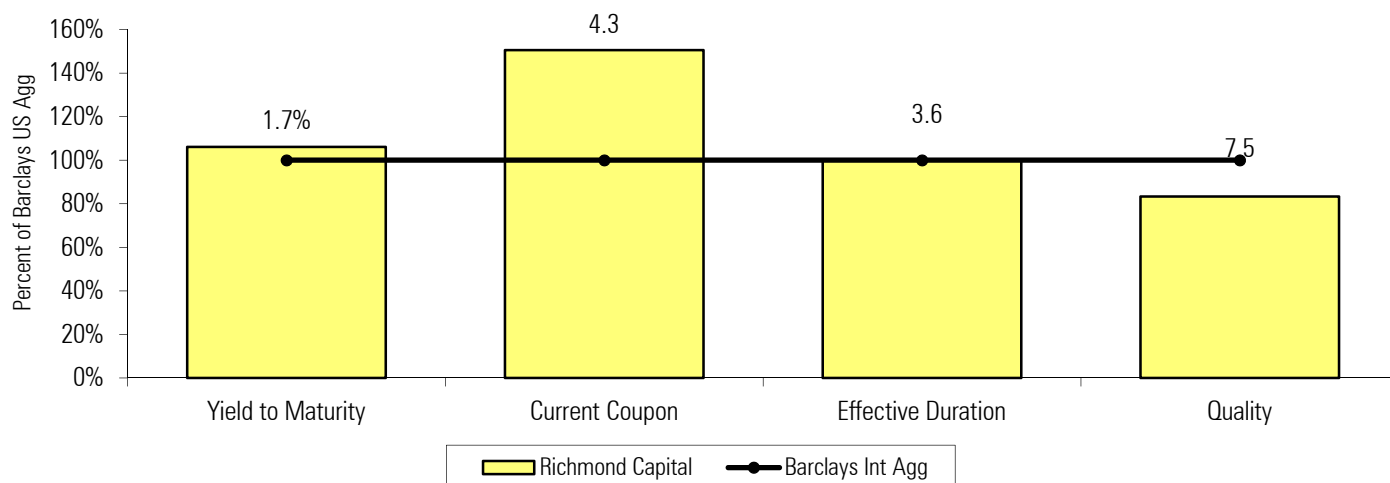
JPM Maritime has \$5MM commitment. SEAS will begin reporting performance once the commitment is fully drawn and/or JPM begins to provide performance data on the fund.

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

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>Richmond Capital</b>	<b>1.5%</b>	<b>4.7%</b>	<b>3.4%</b>	<b>3.7%</b>
Barclays Intermediate Aggregate	1.4%	4.4%	3.2%	3.2%
vs. Intermediate Fixed Income Portfolios	69	52	63	57

Due to the custody transition in 2015, SEAS has listed the manager-report returns for Pacific Life

**Fixed Income Portfolio Characteristics**



## XI. POLICY COMPLIANCE - For Discussion Only

### A. Investment Guidelines: Total Fund

Goal	1 Year	3 Years	5 Years
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	>	>

Guideline	Total Fund
Equity securities limited to less than 70% of Total Fund market value	62.1%
Investment in foreign company stock limited to 25% of value of Total Fund	13.2%
Investment in real estate limited to 15% of value of Total Fund	11.9%
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
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	✓	✓	✓	<

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
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	✘	✘	✘



**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	

**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	\$4,740	\$0
3Q2016		
Fiscal YTD 2015	\$14,220	\$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	\$9,811,680	6.6%
Since Inception	\$101,487,234	6.8%*

\*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.

