



# Town of Westport OPEB Trust

Quarterly Investment Review - Fourth Quarter 2015





# *Please Save the Date* 7<sup>th</sup> Annual Client Conference

Friday, June 17, 2016

## Hyatt Regency Newport Hotel & Spa

1 Goat Island, Newport, RI

[www.newport.hyatt.com](http://www.newport.hyatt.com)

- For overnight accommodations, please call (401) 851-1234 and mention the FIA Client Conference for a discounted rate (available until **May 17, 2016**)
- Conference attendees and their guests will also receive 15% off services at Stillwater, the Hyatt Regency's onsite spa
- Transportation to downtown Newport provided via complimentary shuttle
- Pre-conference New England clambake on Thursday, June 16<sup>th</sup>



*Formal invitation to follow*

# FIA 2015 Year-End Firm Update



- ❑ Expanded to a 55-person staff, including 17 experienced Investment Consultants
  - ❑ Advise over 300 institutions, with client assets exceeding \$44 billion
  - ❑ Named as one of the Best Places to Work in Connecticut by the *Hartford Business Journal* for the sixth year in a row, as well as one of the Best Places to Work by *Pensions & Investments*
  - ❑ Received recognition by Pensions and Investments as one of the top 50 investment consulting firms, ranked by worldwide institutional assets (#47)
  - ❑ Hosted our second annual client conference in Newport, Rhode Island
  - ❑ Recognized two new partners
  - ❑ Our Community Service Committee continues their work to support local non-profits, including CT Forest, HARC, CCMC, Hands on Hartford and Watkinson School, among others
  - ❑ Expanded office space in Windsor to accommodate growth
  - ❑ FIA Service Areas
    - Defined Contribution Plans
    - Defined Benefit Plans
    - Endowments & Foundations
    - Captive Insurance Companies
    - Wealth Advisory Services
    - Discretionary Investment Services for Individuals and Institutions
-

**Important Disclosure Information:** Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by the account custodian. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

# TABLE of CONTENTS

§ Capital Markets Overview

Section 1

§ Portfolio and Manager Review

Section 2



# Market Review

On the heels of an extended and very meticulous period of telegraphing the markets, **the Fed moved ahead with its first hike in the Fed Funds rate in nearly a decade.** Mindful of conditions around the world, Chairman Yellen noted that **the campaign is expected to be gradual.**

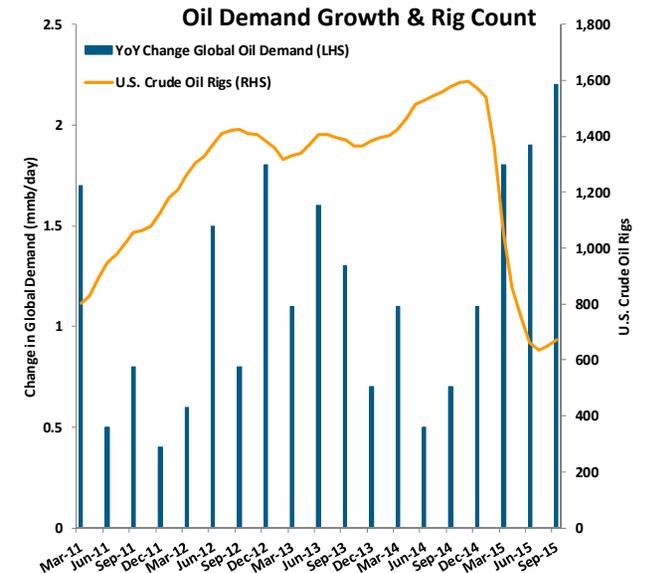
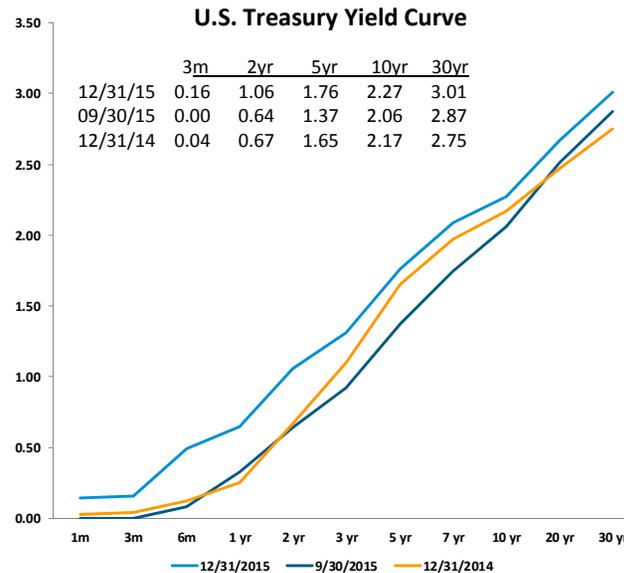
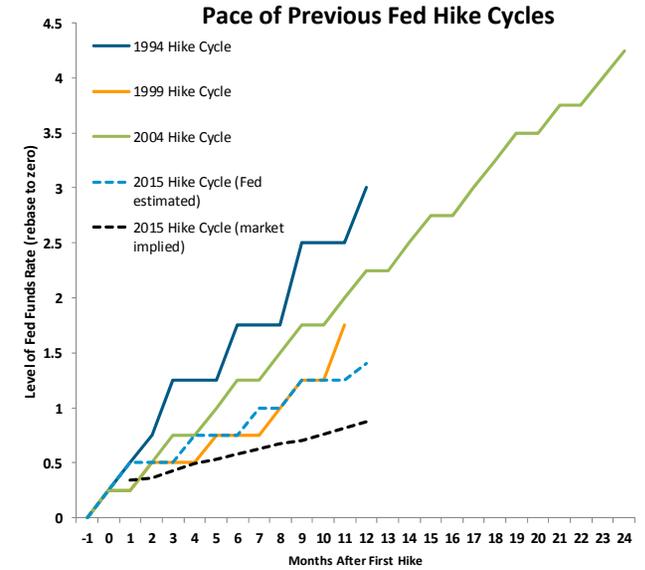
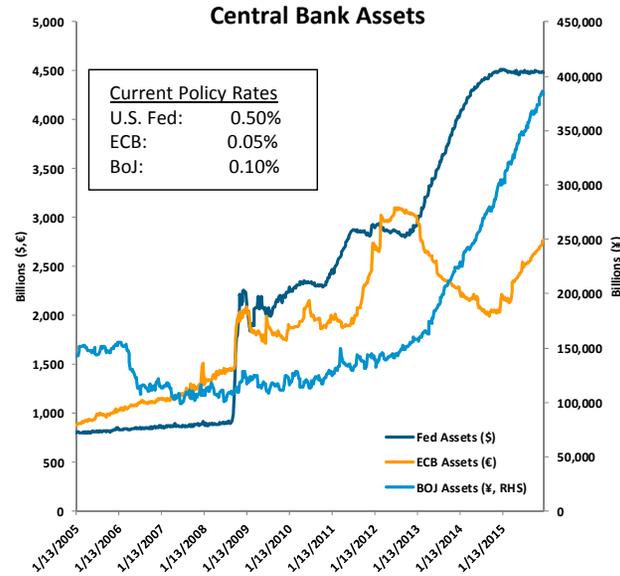
**Economic growth persists in the U.S.,** albeit at a somewhat reduced pace. After a particularly strong second quarter (3.9% annualized growth rate), **the economy grew at a 2.0% annualized rate in the third quarter.** Demand for both durable and nondurable goods held steady but was somewhat offset by a softening rate of inventory reduction.

**The international economic landscape remains fragile.** Industrial production in Europe has gained positive traction but is fairly anemic, evidenced by a 0.3% third quarter gain in Euroland GDP. Japan grew at a 1.0% annualized rate in the quarter while China posted a sub-7.0% growth rate (6.9%) for the first time since the global financial crisis. **Highly accommodative foreign central bank policies continue to serve as a barricade to a global recession.**

**The commodity complex continues to be unsettled,** highlighted by the decline in oil prices. **Well-entrenched investor concerns regarding global growth, China, and the strong U.S. dollar may keep commodity price volatility high** despite preliminary evidence that energy supply dynamics are beginning to shift.

**Global equity markets advanced** in the quarter. Gains were confined to the beginning of the quarter, immediately on the heels of the August consolidation in returns. **U.S. equities again led their international counterparts.** Japan delivered particularly strong returns, but growth concerns and the strong dollar otherwise dampened foreign equity results.

By and large, **bond returns were negative in the quarter** as interest rates drifted higher in sympathy with the Fed's rate hike. There were **pockets of better results** to be sourced from **mortgage-backed securities, higher rated investment grade credit and foreign bonds,** but incremental performance was modest.



Sources: Thomson Reuters Datastream, Federal Reserve, ECB, BoJ, FOMC, Federal Reserve Bank of New York, Thomson Reuters Eikon, U.S. Treasury, EIA, IEA. Data as of December 31, 2015 unless otherwise noted. Bottom right chart through Q3 2015.

# Index Results



U.S. EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
S&P 500	7.0	1.4	1.4	15.1	12.6	7.3
Russell 1000	6.5	0.9	0.9	15.0	12.4	7.4
Russell 1000 Value	5.6	(3.8)	(3.8)	13.1	11.3	6.2
Russell 1000 Growth	7.3	5.7	5.7	16.8	13.5	8.5
Russell Mid Cap	3.6	(2.4)	(2.4)	14.2	11.4	8.0
Russell Mid Cap Value	3.1	(4.8)	(4.8)	13.4	11.3	7.6
Russell Mid Cap Growth	4.1	(0.2)	(0.2)	14.9	11.5	8.2
Russell 2000	3.6	(4.4)	(4.4)	11.7	9.2	6.8
Russell 2000 Value	2.9	(7.5)	(7.5)	9.1	7.7	5.6
Russell 2000 Growth	4.3	(1.4)	(1.4)	14.3	10.7	8.0
Russell 3000	6.3	0.5	0.5	14.7	12.2	7.4
FTSE NAREIT Equity REITs Index	7.3	3.2	3.2	11.2	12.0	7.4
INTERNATIONAL EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
MSCI ACWI ex-US	3.2	(5.7)	(5.7)	1.5	1.1	2.9
MSCI EAFE	4.7	(0.8)	(0.8)	5.0	3.6	3.0
MSCI EAFE Value	2.7	(5.7)	(5.7)	3.1	2.5	2.0
MSCI EAFE Growth	6.7	4.1	4.1	6.8	4.6	4.0
MSCI EAFE Small Cap	6.8	9.6	9.6	10.4	6.3	4.6
MSCI EM (Emerging Markets)	0.7	(14.9)	(14.9)	(6.8)	(4.8)	3.6
FIXED INCOME	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Barclays U.S. Aggregate Bond	(0.6)	0.5	0.5	1.4	3.2	4.5
Barclays U.S. Gov/Credit Bond	(0.7)	0.1	0.1	1.2	3.4	4.5
Barclays Gov/Credit Long Bond	(0.9)	(3.3)	(3.3)	1.7	7.0	6.4
Barclays U.S. Corp High Yield	(2.1)	(4.5)	(4.5)	1.7	5.0	7.0
Barclays Municipal Bond	1.5	3.3	3.3	3.2	5.3	4.7
Barclays U.S. TIPS	(0.6)	(1.4)	(1.4)	(2.3)	2.5	3.9
BofA Merrill 3-Month T-Bill	0.0	0.1	0.1	0.1	0.1	1.2
NON-TRADITIONAL	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Bloomberg Commodity Index	(10.5)	(24.7)	(24.7)	(17.3)	(13.5)	(6.4)
HFRI Fund of Funds Index	0.6	(0.4)	(0.4)	3.9	2.1	2.3
NCREIF Property Index (quarter lag)	3.1	10.1	13.5	11.9	12.5	8.0
CPI (quarter lag)	(0.3)	1.3	(0.0)	0.9	1.7	1.8

Sources: Morningstar Direct, Standard & Poor's, Russell, FTSE, MSCI, Barclays Capital, BofA Merrill Lynch, Bloomberg, HFRI, NCREIF. Data as of December 31, 2015 unless otherwise noted.

# Equity & Fixed Income Review

## U.S. Equity Size and Style Returns

QTR			Style	1-Year		
Value	Blend	Growth		Value	Blend	Growth
5.6	6.5	7.3	Large	-3.8	0.9	5.7
3.1	3.6	4.1	Mid	-4.8	-2.4	-0.2
2.9	3.6	4.3	Small	-7.5	-4.4	-1.4

U.S. equities rebounded, with all sectors in the S&P 500 Index producing positive returns during the fourth quarter and nudging the index into positive territory for the year. Growth stocks outpaced value stocks by the widest margin since 2009, as IT, consumer discretionary and health care beat more value oriented sectors. A supply glut and concerns about slowing global growth have continued to put pressure on commodity prices, and related sectors such as energy and materials posted losses for the year.

## International Equity Size and Region Returns (USD)

QTR			Region	1-Year		
Small	Mid	Large		Small	Mid	Large
6.8	5.7	4.5	Dev	9.6	4.4	-2.1
3.3	0.0	0.8	EM	-6.8	-13.2	-15.2

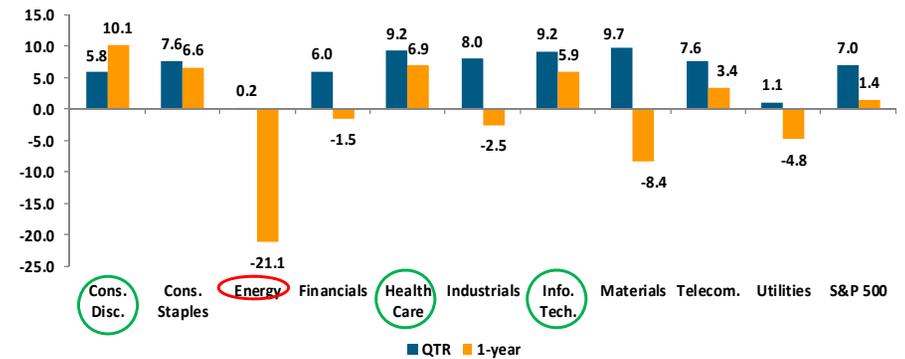
Abroad, developed markets moved higher due to strong returns from Europe and Japan. China performed well on the back of further government stimulus, but commodity exporting countries, such as Brazil and Russia, continued to struggle amid lower energy prices. The U.S. dollar further strengthened against most major currencies during the quarter.

## Fixed Income Term and Quality Returns (USD)

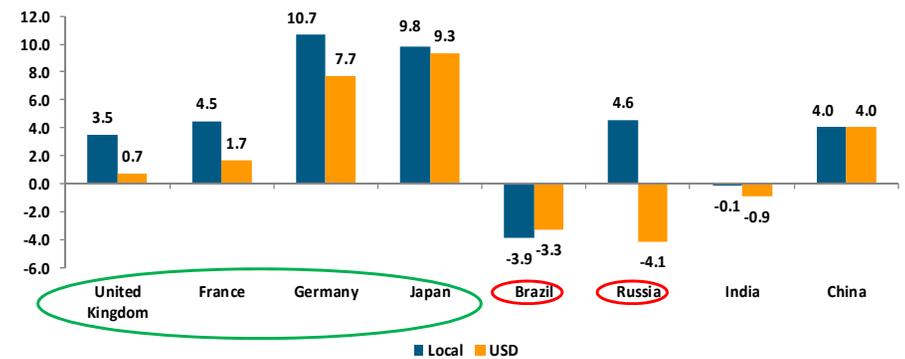
QTR			Quality	1-Year		
Short	Interm	Long		Short	Interm	Long
-0.4	-0.8	-1.4	Gov't	0.6	1.2	-1.2
-0.1	-0.4	-1.0	Corp	1.0	1.1	-4.6

The Federal Reserve announced their first rate hike since 2006 in December, pushing interest rates higher during the quarter. Shorter duration securities outperformed their longer duration counterparts. Investment grade corporate bonds outpaced Treasuries, but high yield issues came under pressure as high yield corporate spreads widened.

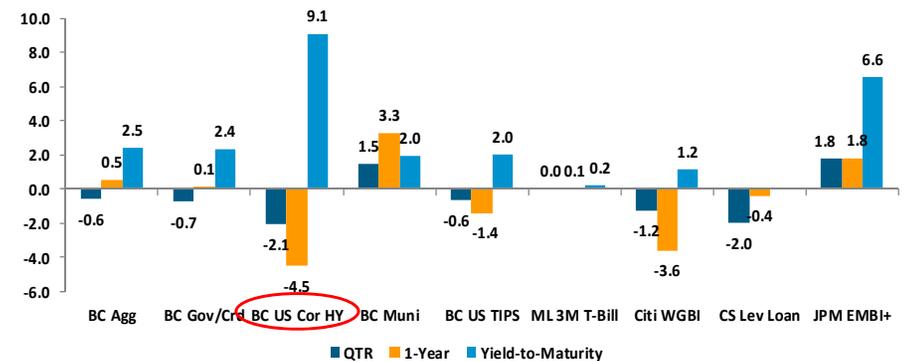
## S&P 500 Sector Returns



## MSCI Country Results 4Q 2015

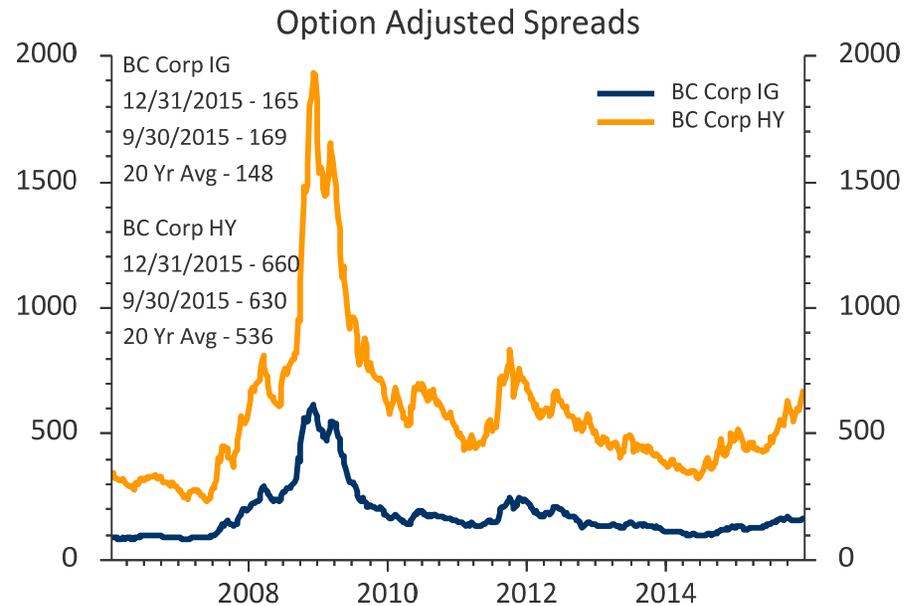
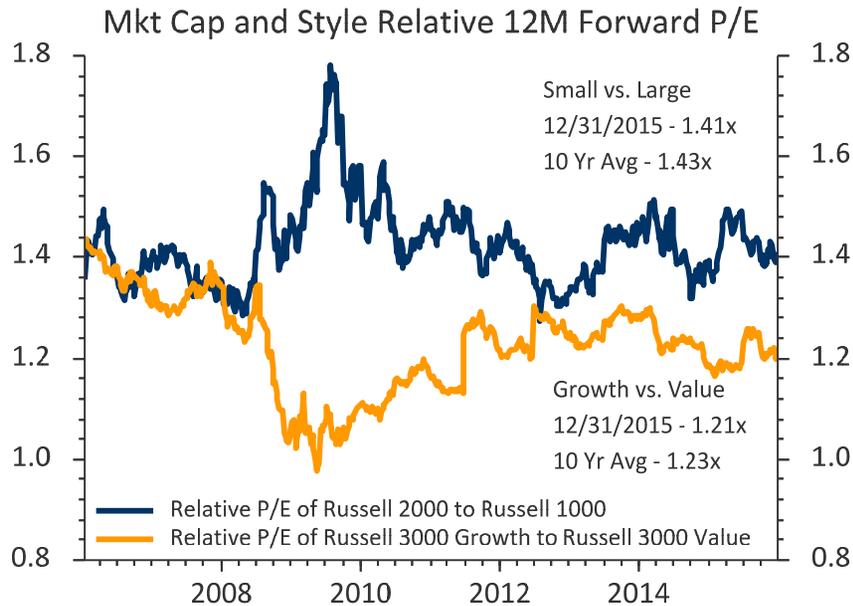
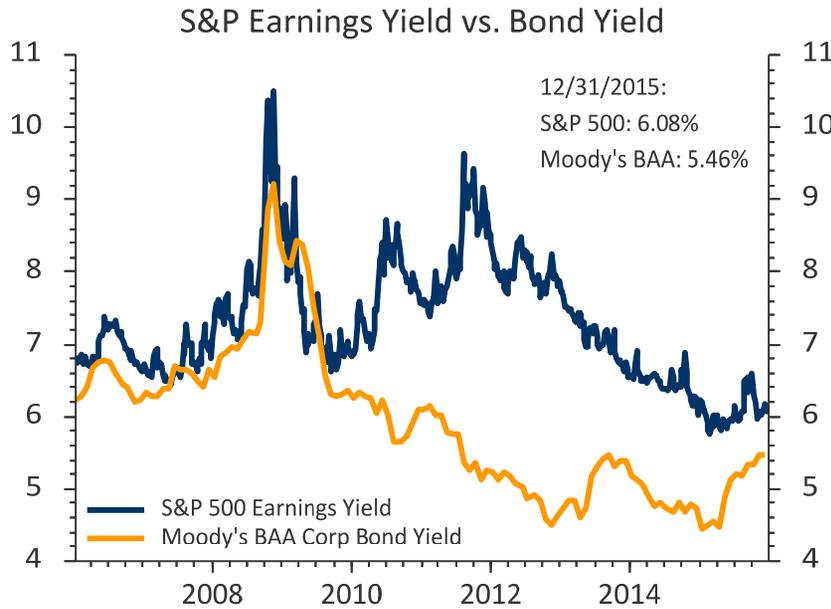


## Fixed Income Returns and Yields (%)



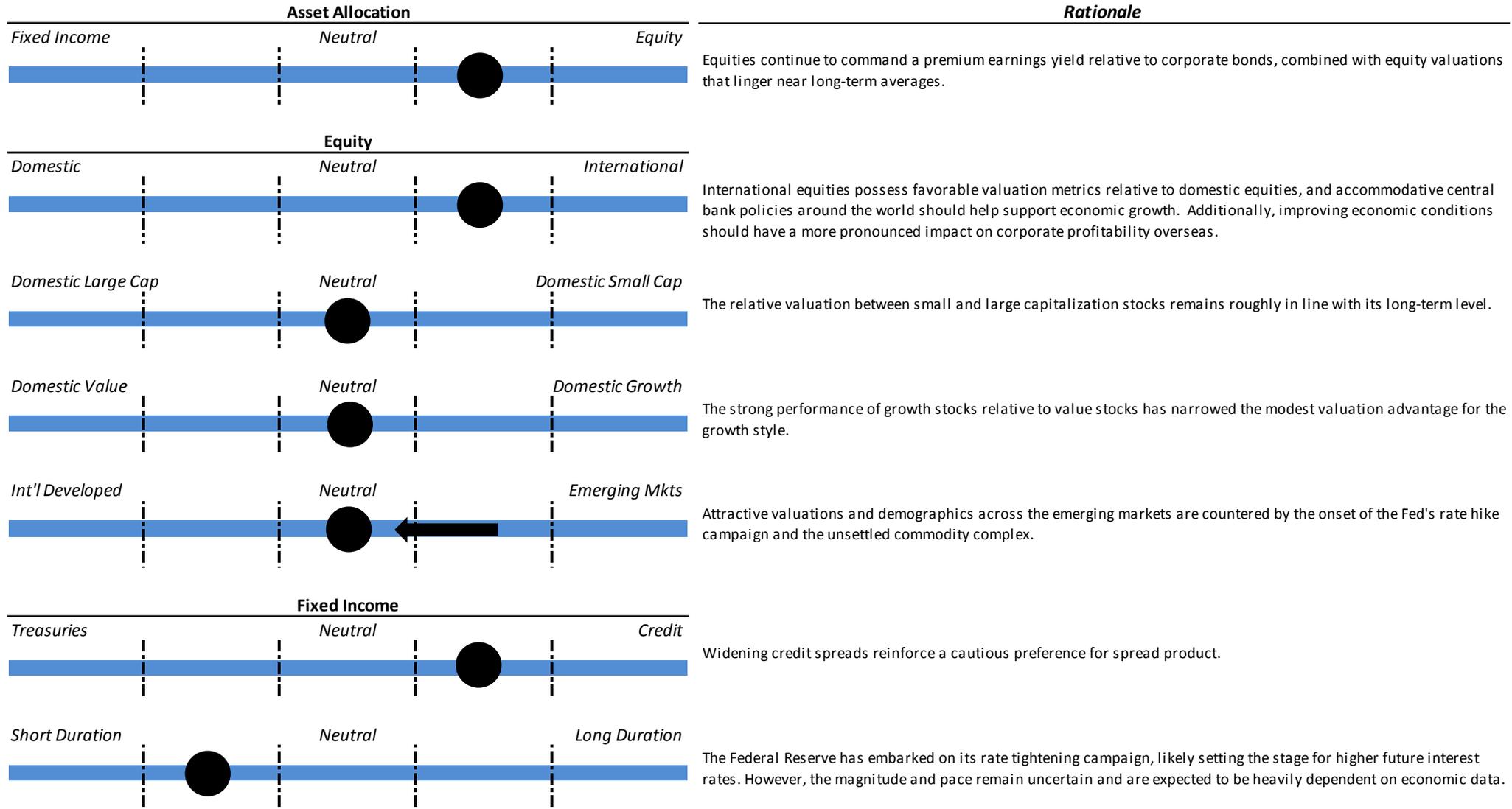
Sources: Morningstar Direct, Thomson Reuters Datastream, Standard & Poor's, Russell, MSCI, Barclays Capital, Citigroup, BofA Merrill Lynch, Credit Suisse, JPMorgan. Data as of December 31, 2015 unless otherwise noted. The performance grids above are based on select Russell, MSCI and Barclays Capital indexes.

# Market Valuations



Sources: Thomson Reuters Datastream, Standard & Poor's, Moody's, Russell, MSCI, IBES, Barclays Capital. Data as of December 31, 2015 unless otherwise noted.

# Market Viewpoints



These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next 36 months. These opinions are subject to modification as conditions in the markets change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.

## Asset Allocation

As of December 31, 2015

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>OPEB Trust</b>	<b>36,988,402</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Total Short Term Liquidity</b>	<b>54,719</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
WF Advantage Money Market	54,719	0.1	0.0	0.1
<b>Total Fixed Income</b>	<b>9,059,310</b>	<b>24.5</b>	<b>25.0</b>	<b>-0.5</b>
Vanguard Short-Term Inflation Protection Adm	864,480	2.3	5.0	-2.7
Vanguard Intermediate-Term Bond Index Adm	3,442,014	9.3	10.0	-0.7
BlackRock Strategic Income Opportunities Fund I	4,752,815	12.8	10.0	2.8
<b>Total Domestic Equity</b>	<b>14,741,956</b>	<b>39.9</b>	<b>40.0</b>	<b>-0.1</b>
Vanguard Total Stock Market Index Instl	10,820,098	29.3	32.5	-3.2
Vanguard Growth Index Adm	1,834,069	5.0	5.0	0.0
WCM Small Cap Value	472,474	1.3	1.3	0.0
Geneva Small Cap Growth	1,615,315	4.4	1.3	3.1
<b>Total International Equity</b>	<b>9,918,277</b>	<b>26.8</b>	<b>30.0</b>	<b>-3.2</b>
Vanguard Developed Markets Index Fund Adm	1,886,509	5.1	5.0	0.1
Earnest Partners Intl Equity	4,677,228	12.6	15.0	-2.4
Schroder Emerging Markets Equity Fund Inv	3,354,540	9.1	10.0	-0.9
<b>Real Estate</b>	<b>3,214,140</b>	<b>8.7</b>	<b>5.0</b>	<b>3.7</b>
Vanguard REIT Index Adm	935,905	2.5	0.0	2.5
Cornerstone Patriot Fund	2,278,235	6.2	5.0	1.2

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

# Total Plan Performance Summary

As of December 31, 2015

## Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
<b>OPEB Trust</b>				<b>10/01/2009</b>
Beginning Market Value	34,190,135	31,637,864	2,393,659	
Net Contributions	1,613,748	5,807,358	29,228,837	
Total Gain/Loss	1,184,519	-456,820	5,365,906	
Ending Market Value	36,988,402	36,988,402	36,988,402	

## OPEB Blended Benchmark Composition

Allocation Mandate	Weight (%)
Barclays Aggregate Index	10.0
Barclays U.S. Gov/Credit: 5-10 Yr	10.0
Barclays U.S. Treasury: U.S. TIPS Index	5.0
Russell 3000 Index	40.0
MSCI AC World ex USA (Net)	15.0
FTSE Developed ex US Spliced Index^	5.0
MSCI Emerging Markets (Net)	10.0
NCREIF Fund Index - ODCE (net)	5.0

## Trailing Performance Summary

	QTR	YTD	Jul-2015 To Dec-2015	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>OPEB Trust</b>	<b>3.5</b>	<b>-1.2</b>	<b>-3.5</b>	<b>-1.2</b>	<b>5.9</b>	<b>6.6</b>	<b>N/A</b>	<b>N/A</b>	<b>7.8</b>	<b>10/01/2009</b>
OPEB Blended Benchmark	3.3	-1.2	-3.6	-1.2	5.9	6.2	9.7	6.0	7.5	
Difference	0.2	0.0	0.1	0.0	0.0	0.4	N/A	N/A	0.3	

## Calendar Year Performance Summary

	2014	2013	2012	2011	2010	2009	2008	2007
<b>OPEB Trust</b>	<b>6.0</b>	<b>13.3</b>	<b>13.8</b>	<b>1.8</b>	<b>13.0</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
OPEB Blended Benchmark	6.7	12.6	13.4	0.6	12.6	25.3	-26.3	11.1
Difference	-0.7	0.7	0.4	1.2	0.4	N/A	N/A	N/A

## Benchmark Composition - OPEB Blended Benchmark

As of December 31, 2015

Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
Jan-2015		Aug-2013	
Barclays Aggregate Index	10.0	Barclays U.S. Gov/Credit: 5-10 Yr	20.0
Barclays U.S. Gov/Credit: 5-10 Yr	10.0	Barclays U.S. Treasury: U.S. TIPS Index	5.0
Barclays U.S. Treasury: U.S. TIPS Index	5.0	Russell 3000 Index	40.0
Russell 3000 Index	40.0	MSCI EAFE (net) Index	20.0
MSCI AC World ex USA (Net)	15.0	MSCI Emerging Markets Index	10.0
FTSE Developed ex US Spliced Index^	5.0	MSCI U.S. REIT Index	5.0
MSCI Emerging Markets (Net)	10.0		
NCREIF Fund Index - ODCE (net)	5.0	Jul-2013	
		Barclays U.S. Gov/Credit: 5-10 Yr	30.0
Apr-2014		Barclays U.S. Treasury: U.S. TIPS Index	5.0
Barclays Aggregate Index	10.0	Russell 3000 Index	32.5
Barclays U.S. Gov/Credit: 5-10 Yr	10.0	MSCI EAFE (net) Index	20.0
Barclays U.S. Treasury: U.S. TIPS Index	5.0	MSCI Emerging Markets Index	10.0
Russell 3000 Index	40.0	MSCI U.S. REIT Index	2.5
FTSE Developed ex US Spliced Index^	20.0		
MSCI Emerging Markets (Net)	10.0	Mar-1997	
MSCI U.S. REIT Index	5.0	Barclays U.S. Gov/Credit: 5-10 Yr	30.0
		Barclays U.S. Treasury: U.S. TIPS Index	10.0
Oct-2013		Russell 3000 Index	30.0
Barclays U.S. Gov/Credit: 5-10 Yr	20.0	MSCI EAFE (net) Index	20.0
Barclays U.S. Treasury: U.S. TIPS Index	5.0	MSCI Emerging Markets Index	10.0
Russell 3000 Index	40.0		
FTSE Developed ex US Spliced Index^	20.0		
FTSE Emerging Index (Net)	10.0		
MSCI U.S. REIT Index	5.0		

# Manager Performance Overview

As of December 31, 2015

	QTR	YTD	1 Year	3 Years	Since Inception	Inception Date
<u>Short Term Liquidity</u>						
<b>WF Advantage Money Market</b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>10/01/2009</b>
90 Day U.S. Treasury Bill	0.0	0.0	0.0	0.0	0.1	
<u>Fixed Income</u>						
<b>Vanguard Short-Term Inflation Protection Adm</b>	<b>-0.4 (26)</b>	<b>-0.2 (7)</b>	<b>-0.2 (7)</b>	<b>N/A</b>	<b>-0.7 (43)</b>	<b>08/01/2013</b>
Barclays U.S. TIPS 0-5 Year	-0.3	0.0	0.0	-0.9	-0.6	
IM U.S. TIPS (MF) Median	-0.7	-2.1	-2.1	-2.8	-0.8	
<b>Vanguard Intermediate-Term Bond Index Adm</b>	<b>-1.0 (91)</b>	<b>1.2 (7)</b>	<b>1.2 (7)</b>	<b>1.5 (23)</b>	<b>5.0 (10)</b>	<b>10/01/2009</b>
Barclays U.S. Gov/Credit: 5-10 Yr	-0.9	1.3	1.3	1.5	5.1	
IM U.S. Broad Market Core Fixed Income (MF) Median	-0.6	0.0	0.0	1.1	3.8	
<b>BlackRock Strategic Income Opportunities Fund I</b>	<b>-0.1 (42)</b>	<b>-0.3 (24)</b>	<b>-0.3 (24)</b>	<b>N/A</b>	<b>1.1 (10)</b>	<b>04/01/2014</b>
Libor (3 month)	0.1	0.3	0.3	0.3	0.3	
Barclays Aggregate Index	-0.6	0.5	0.5	1.4	2.6	
IM Alternative Credit Focus (MF) Median	-0.3	-1.5	-1.5	0.1	-1.4	
<u>Domestic Equity</u>						
<b>Vanguard Total Stock Market Index Instl</b>	<b>6.3 (14)</b>	<b>0.4 (27)</b>	<b>0.4 (27)</b>	<b>14.7 (31)</b>	<b>13.5 (13)</b>	<b>10/01/2009</b>
CRSP US Total Market Spliced Index^	6.2	0.4	0.4	14.7	13.5	
IM U.S. Multi-Cap Core Equity (MF) Median	4.8	-1.5	-1.5	13.4	12.0	
<b>Vanguard Growth Index Adm</b>	<b>6.5 (80)</b>	<b>3.3 (73)</b>	<b>3.3 (73)</b>	<b>N/A</b>	<b>9.7 (44)</b>	<b>12/01/2013</b>
CRSP U.S. Large Cap Growth TR Index	6.5	3.4	3.4	15.7	9.8	
IM U.S. Large Cap Growth Equity (MF) Median	7.7	5.5	5.5	16.2	9.4	
<b>WCM Small Cap Value</b>	<b>0.0 (89)</b>	<b>-11.9 (79)</b>	<b>-11.9 (79)</b>	<b>N/A</b>	<b>-6.9 (64)</b>	<b>09/01/2014</b>
Russell 2000 Value Index	2.9	-7.5	-7.5	9.1	-4.2	
IM U.S. Small Cap Value Equity (MF) Median	2.5	-7.1	-7.1	9.0	-4.9	
<b>Geneva Small Cap Growth</b>	<b>3.2 (44)</b>	<b>10.7 (1)</b>	<b>10.7 (1)</b>	<b>N/A</b>	<b>11.9 (1)</b>	<b>09/01/2014</b>
Russell 2000 Growth Index	4.3	-1.4	-1.4	14.3	2.0	
IM U.S. Small Cap Growth Equity (MF) Median	2.5	-2.3	-2.3	13.2	-0.1	

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

# Manager Performance Overview

As of December 31, 2015

	QTR	YTD	1 Year	3 Years	Since Inception	Inception Date
<u>International Equity</u>						
<b>Vanguard Developed Markets Index Fund Adm</b>	<b>3.9 (36)</b>	<b>-0.2 (38)</b>	<b>-0.2 (38)</b>	<b>4.7 (37)</b>	<b>4.5 (40)</b>	<b>10/01/2009</b>
FTSE Developed ex US Spliced Index^	4.9	-0.5	-0.5	5.1	4.5	
IM International Multi-Cap Core Equity (MF) Median	3.5	-0.9	-0.9	4.2	4.3	
<b>Earnest Partners Intl Equity</b>	<b>4.5</b>	<b>-6.5</b>	<b>-6.5</b>	<b>N/A</b>	<b>-6.5</b>	<b>01/01/2015</b>
MSCI AC World ex USA (Net)	3.2	-5.7	-5.7	1.5	-5.7	
<b>Schroder Emerging Markets Equity Fund Inv</b>	<b>0.6 (48)</b>	<b>-12.5 (36)</b>	<b>-12.5 (36)</b>	<b>N/A</b>	<b>-8.4 (37)</b>	<b>04/01/2014</b>
MSCI Emerging Markets (Net)	0.7	-14.9	-14.9	-6.8	-9.7	
IM Emerging Markets Equity (MF) Median	0.3	-14.2	-14.2	-6.6	-9.9	
<u>Real Estate</u>						
<b>Vanguard REIT Index Adm</b>	<b>7.0 (46)</b>	<b>2.4 (61)</b>	<b>2.4 (61)</b>	<b>N/A</b>	<b>10.6 (53)</b>	<b>07/01/2013</b>
MSCI U.S. REIT Index	7.1	2.5	2.5	11.1	10.6	
IM Real Estate Sector (MF) Median	7.0	2.9	2.9	10.4	10.6	
<b>Cornerstone Patriot Fund</b>	<b>3.3</b>	<b>14.2</b>	<b>14.2</b>	<b>N/A</b>	<b>12.9</b>	<b>10/01/2014</b>
NCREIF Fund Index - ODCE (net)	3.4	14.3	14.3	12.9	14.0	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Peer group comparisons are calculated using the Fund's NET return versus the applicable peer group.

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Commentary

As of December 31, 2015

Manager	Manager Status	Comments
<b>Fixed Income</b>		
Vanguard Short-Term Inflation Protected Secs Index Adm (VTAPX)	Maintain	4Q 2015 - In accordance with its objective, the Vanguard Short Term Inflation Protected Securities Index Fund performed in line with its index during the quarter.
Vanguard Intermediate-Term Bond Adm (VBILX)	Maintain	4Q 2015 - In accordance with its objective, the Vanguard Intermediate Term Bond Index fund performed in line with its benchmark during the quarter.
BlackRock Strategic Income Opportunities I (BSIIX)	Maintain	4Q 2015 – The BlackRock Strategic Income Opportunities portfolio produced a slight negative return but outpaced broad fixed income markets during the fourth quarter. While duration positioning weighed on results from an absolute perspective, a short duration stance allowed the Fund to protect capital better than traditional core mandates as interest rates rose during the quarter. The portfolio manager has continued to manage duration on a tactical basis adding to front and back end curve positions after the Fed rate hike. Credit performance in the portfolio was mixed with contributions from investment grade holdings being offset by poor performance in high yield. Macro strategies, along with U.S. and European absolute return strategies, also detracted from results. Duration ended the quarter at 1.3 years with approximately 0.9 years coming from exposure to the United States. Overall volatility levels for the portfolio remain at the low end of the portfolio’s historical range given the team’s expectations for potential tail risks in the market. The portfolio remains focused on yield and income positions given an expectation of greater volatility and lower liquidity.
<b>Domestic Equity</b>		
Vanguard Total Stock Market Index Instl (VITSX)	Maintain	4Q 2015 – In accordance with its investment objective, the Fund has performed in line with the CRSP US Total Market Index.
Vanguard Growth Index Adm (VIGAX)	Maintain	4Q 2015 - In accordance with its investment objective, the Vanguard Growth Index Fund has performed in line with the CRSP US Large Cap Growth Index.
WCM Small Cap Value	Watch 4Q 2015	4Q 2015 - The WCM Small Cap Value strategy trailed the Russell 2000 Value Index in the fourth quarter. During the quarter, value stocks lagged the market with deeper value companies faring even worse as economically sensitive stocks sold off significantly. The Fund's underperformance this quarter was the result of both sector allocation and stock selection decisions. Stock selection in the industrials sector was the largest source of underperformance during the quarter. Within the sector, Republic Airways, SAIA Inc and Greenbrier Inc were notable detractors across the sector/portfolio for the period. Selection in the consumer discretionary sector also weighed on returns, hampered in part by Tuesday Morning Inc. Regarding sector allocation, a significant underweight in the strong performing financials sector along with an overweight to the worst performing energy sector hurt relative performance. On the positive side, selection in the materials sector boosted results. The strategy faced a number of headwinds in 2015 which took a toll on returns. Performance differentials between growth and value widened, with growth stocks leading by their largest margin in six years. The strategy typically does better in a value led market. The portfolio's cyclical bias has also been a headwind as non-cyclical sectors with greater US exposure (e.g. healthcare, financials, consumer staples) outperformed. The strategy was placed on watch this quarter due to underperformance relative to the benchmark and peers.

## Manager Commentary

As of December 31, 2015

Manager	Manager Status	Comments
Geneva Small Cap Growth	Maintain	<p>4Q 2015 – The Nationwide Geneva Small Cap Growth Fund was positive during the fourth quarter but underperformed the Russell 2000 Growth Index. The market was risk-on during the period, reversing course from the third quarter when markets were broadly negative. Low quality was rewarded, a headwind for the high quality approach Geneva implements. Regarding attribution, relative results were negatively impacted by an underweight position in health care, which recovered following their sharp declines in the prior period, and an overweight to industrials. The industrial names continue to be hindered from falling commodity prices. At the stock level, selection within financials, industrials and consumer discretionary weighed most on performance. The largest detractors for the period included Bofl Holding (-35%) and PRA Group (-35%) in financials and G-III Apparel Group (-28%) in consumer discretionary. Conversely, stock picks within materials and technology aided results, led by stakes in Acuity Brands (+33%) and Tyler Technologies (+17%).</p>
<b>International Equity</b>		
Vanguard Developed Markets Index Fund Adm (VTMGX)	Maintain	<p>4Q 2015 - In accordance with its investment objective, the Vanguard Developed Markets Index Fund performed in line with the FTSE Developed ex-North America Index.</p> <p>On December 21st, the Fund's benchmark changed to the FTSE Developed All-Cap ex-US Transition Index as part of a previously announced change that will broaden the Fund's diversification with more exposure to small cap stocks as well as Canadian equities. The transition index will be used for about six months to reduce the costs associated with trading large amounts of securities in a short period. At the end of the transition period, the Fund will begin tracking the FTSE Developed All-Cap ex-US Index.</p>
Earnest Partners Intl Equity	Maintain	<p>4Q 2015 – The EARNEST Partners International Equity strategy rose in the fourth quarter and outperformed its benchmark, the MSCI ACWI ex-US Index. Equity markets rebounded in the period supported by additional stimulus measures in Japan, China, and Europe as well as clarity on the direction of U.S. monetary policy. The portfolio's absolute and relative performance was driven by stock selection within the consumer, industrial, and healthcare sectors. At the position level, the top contributors to returns were Taiwan Semiconductor Manufacturing Company (TSMC) and Sodexo. Investors rewarded TSMC for its cash heavy balance sheet and improving fundamentals as the company benefits from the trend of tech companies outsourcing their manufacturing as chips become more advanced and complex. Sodexo, a catering services company, saw its stock rise following a strong earnings and revenues report due to contract wins as well as the announcement of a share repurchase program and further cost cutting initiatives. In contrast, Novartis was the Fund's largest detractor as the company reported disappointing earnings due to slower sales in surgical equipment and increased generic competition in eye care.</p>

## Manager Commentary

As of December 31, 2015

Manager	Manager Status	Comments
Schroder Emerging Markets Equity Fund Inv (SEMNX)	Maintain	4Q 2015 - The Schroder Emerging Market Equity Fund rose in the fourth quarter but marginally underperformed its benchmark, the MSCI Emerging Markets Index. Macro headwinds such as decelerating growth in China, declining oil prices and concerns regarding the US Fed lift-off continued. However, global equity markets advanced and emerging markets recaptured some of the losses suffered over the year. Attribution from country allocation was flat, an underweight in South Africa was additive as that market declined after the replacement of its finance minister and downgrade in its credit rating. An overweight in Korea was also additive, but these gains were offset by underweights in the outperforming markets of Indonesia and Malaysia. Stock selection was positive, overweights to Sberbank (Russia), Naspers (South Africa) and Baidu(China) and an underweight to Indian pharmaceutical company, Dr. Reddys, all benefited relative returns. Stock selection in Thailand was weak. Telecom company Advanced Info Services was a detractor as the company sold off after dropping out of an important spectrum auction.
<b>Real Estate</b>		
Vanguard REIT Index Adm (VGSLX)	Maintain	4Q 2015 - In accordance with its investment objective, the Fund performed in line with the MSCI US REIT Index.
Cornerstone Patriot Fund	Maintain	4Q 2015 - Commentary not available at time of report production.

## Manager Investment Gain / Loss Summary

Quarter Ending December 31, 2015

	Market Value As of 10/01/2015	Net Flows	Return On Investment	Market Value As of 12/31/2015
<u>Short Term Liquidity</u>				
WF Advantage Money Market	616,765	-562,084	38	54,719
<b>Total Short Term Liquidity</b>	<b>616,765</b>	<b>-562,084</b>	<b>38</b>	<b>54,719</b>
<u>Fixed Income</u>				
Vanguard Short-Term Inflation Protection Adm	868,057	-	-3,577	864,480
Vanguard Intermediate-Term Bond Index Adm	2,219,024	1,250,000	-27,009	3,442,014
BlackRock Strategic Income Opportunities Fund I	3,832,434	925,832	-5,451	4,752,815
<b>Total Fixed Income</b>	<b>6,919,515</b>	<b>2,175,832</b>	<b>-36,037</b>	<b>9,059,310</b>
<u>Domestic Equity</u>				
Vanguard Total Stock Market Index Instl	10,182,312	-	637,785	10,820,098
Vanguard Growth Index Adm	1,721,988	-	112,081	1,834,069
WCM Small Cap Value	472,510	-	-36	472,474
Geneva Small Cap Growth	1,565,434	-	49,881	1,615,315
<b>Total Domestic Equity</b>	<b>13,942,245</b>	<b>-</b>	<b>799,711</b>	<b>14,741,956</b>
<u>International Equity</u>				
Vanguard Developed Markets Index Fund Adm	1,814,936	-	71,573	1,886,509
Earnest Partners Intl Equity	4,476,011	-	201,217	4,677,228
Schroder Emerging Markets Equity Fund Inv	3,335,321	-	19,220	3,354,540
<b>Total International Equity</b>	<b>9,626,267</b>	<b>-</b>	<b>292,010</b>	<b>9,918,277</b>
<u>Real Estate</u>				
Vanguard REIT Index Adm	874,322	-	61,583	935,905
Cornerstone Patriot Fund	2,211,021	-	67,214	2,278,235
<b>Total Real Estate</b>	<b>3,085,343</b>	<b>-</b>	<b>128,797</b>	<b>3,214,140</b>
<b>OPEB Trust</b>	<b>34,190,135</b>	<b>1,613,748</b>	<b>1,184,519</b>	<b>36,988,402</b>

## Market Value and Flow Summary

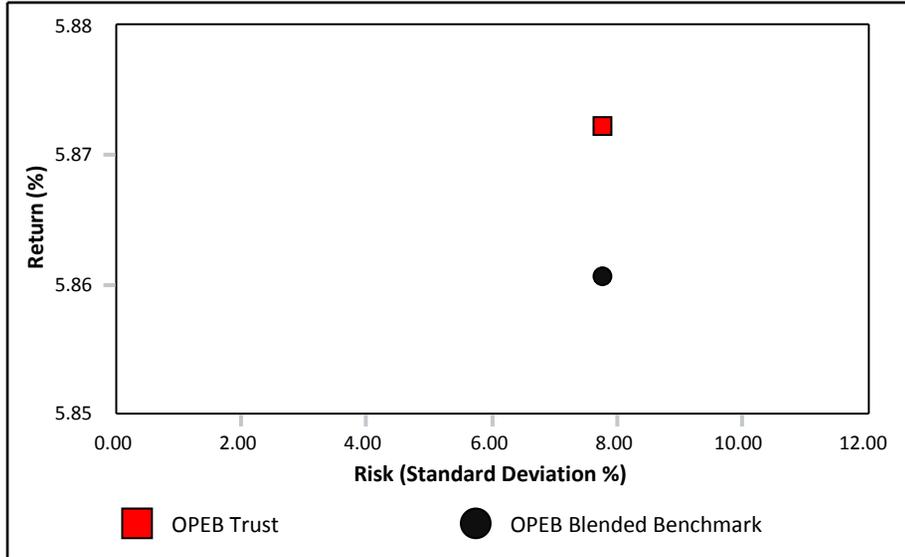
Since Inception Ending December 31, 2015

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Sep-2009	-	-	-	2,393,659	N/A
Dec-2009	2,393,659	-	73,630	2,467,288	3.1
Mar-2010	2,467,288	-	73,840	2,541,129	3.0
Jun-2010	2,541,129	700,000	-156,551	3,084,577	-4.8
Sep-2010	3,084,577	277	316,165	3,401,020	10.2
Dec-2010	3,401,020	-	153,001	3,554,021	4.5
Mar-2011	3,554,021	1,200,000	121,536	4,875,556	3.3
Jun-2011	4,875,556	1,200,000	76,775	6,152,331	1.9
Sep-2011	6,152,331	-	-537,786	5,614,545	-8.7
Dec-2011	5,614,545	749,250	372,959	6,736,755	6.0
Mar-2012	6,736,755	2,000,000	560,419	9,297,174	7.9
Jun-2012	9,297,174	2,340,626	-62,540	11,575,259	-1.4
Sep-2012	11,575,259	2,000,000	522,311	14,097,571	4.5
Dec-2012	14,097,571	-	333,484	14,431,055	2.4
Mar-2013	14,431,055	3,090,626	637,000	18,158,681	4.1
Jun-2013	18,158,681	-	-328,644	17,830,037	-1.8
Sep-2013	17,830,037	2,000,000	932,349	20,762,386	5.0
Dec-2013	20,762,386	2,000,000	1,197,377	23,959,763	5.6
Mar-2014	23,959,763	675,000	460,512	25,095,275	1.9
Jun-2014	25,095,275	1,965,700	1,180,103	28,241,077	4.4
Sep-2014	28,241,077	1,000,000	-508,028	28,733,050	-1.8
Dec-2014	28,733,050	2,500,000	404,814	31,637,864	1.4
Mar-2015	31,637,864	1,500,000	785,336	33,923,200	2.5
Jun-2015	33,923,200	1,079,862	-43,108	34,959,955	-0.1
Sep-2015	34,959,955	1,613,748	-2,383,568	34,190,135	-6.8
Dec-2015	34,190,135	1,613,748	1,184,519	36,988,402	3.5

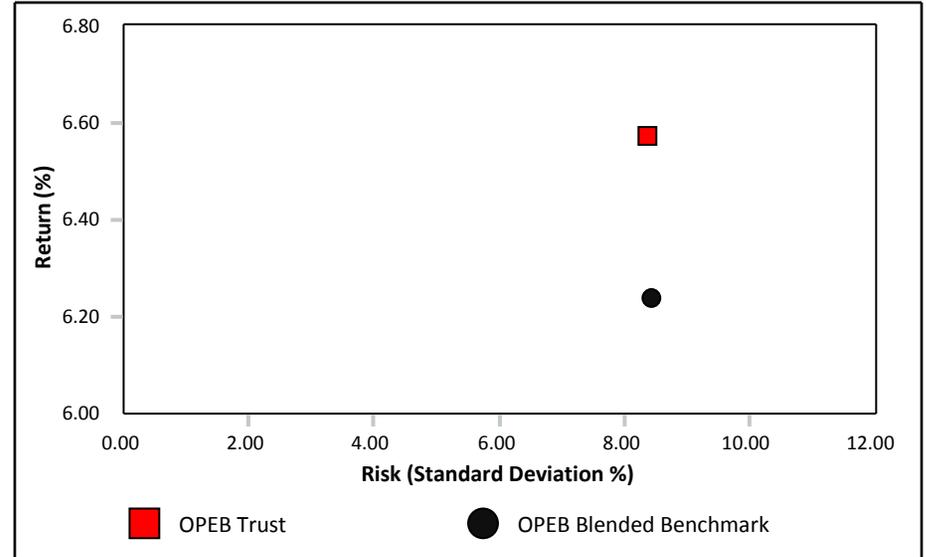
# Risk vs Return

As of December 31, 2015

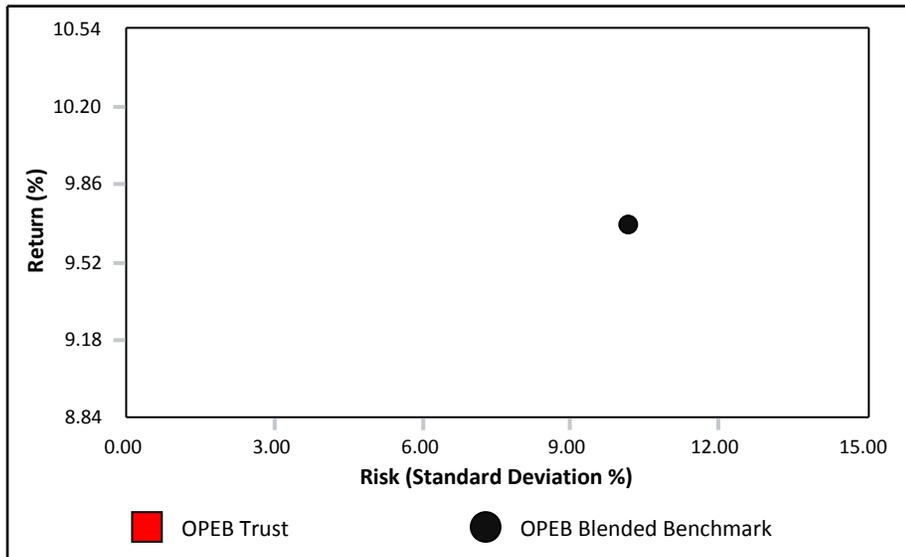
### 3 Year Risk and Return



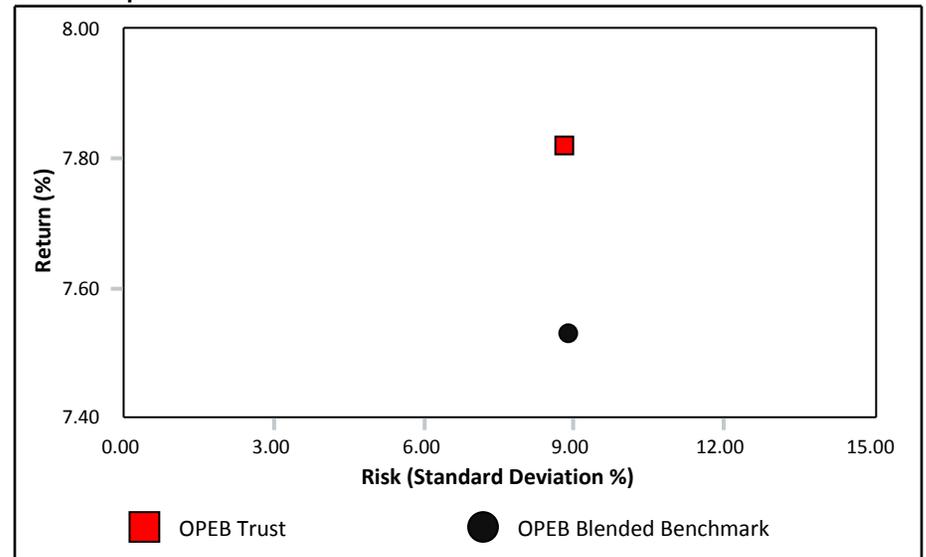
### 5 Year Risk and Return



### 7 Year Risk and Return



### Since Inception Risk and Return



# MPT Statistical Data

As of December 31, 2015

## 3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Trust	5.87	7.80	4.67	0.77	0.02	0.77	0.99	1.00	0.02
OPEB Blended Benchmark	5.86	7.77	4.59	0.77	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.04	0.03	0.01	N/A	-0.77	7.78	0.11	0.00	0.05

## 5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Trust	6.57	8.38	5.08	0.80	0.39	0.79	0.99	0.99	0.40
OPEB Blended Benchmark	6.24	8.46	5.22	0.75	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.06	0.03	0.01	N/A	-0.75	8.47	0.06	0.00	0.06

## 7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Trust	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OPEB Blended Benchmark	9.68	10.18	5.86	0.95	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.08	0.03	0.01	N/A	-0.95	10.17	0.01	0.00	0.08

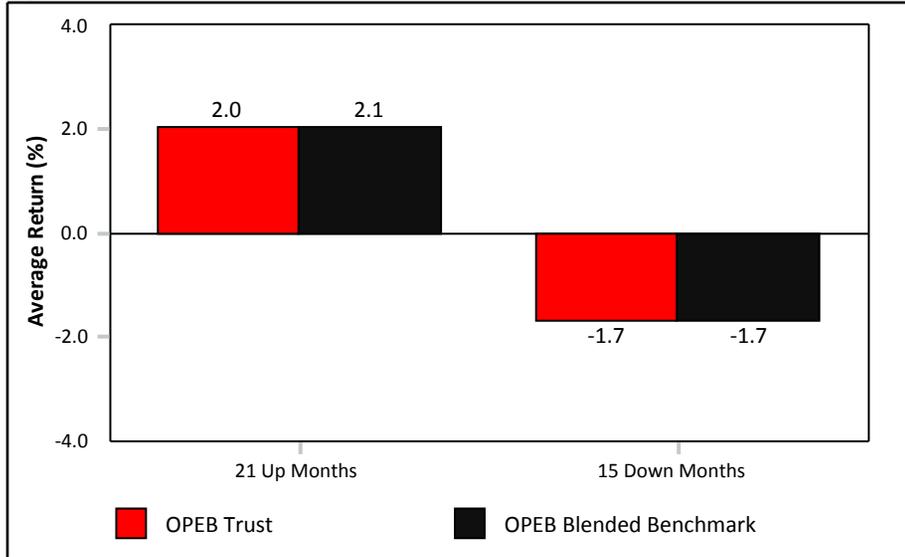
## Since Inception Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
OPEB Trust	7.82	8.83	5.09	0.89	0.34	0.78	0.99	0.99	0.35	10/01/2009
OPEB Blended Benchmark	7.53	8.89	5.24	0.85	N/A	0.00	1.00	1.00	0.00	10/01/2009
90 Day U.S. Treasury Bill	0.07	0.03	0.01	N/A	-0.85	8.90	0.02	0.00	0.07	10/01/2009

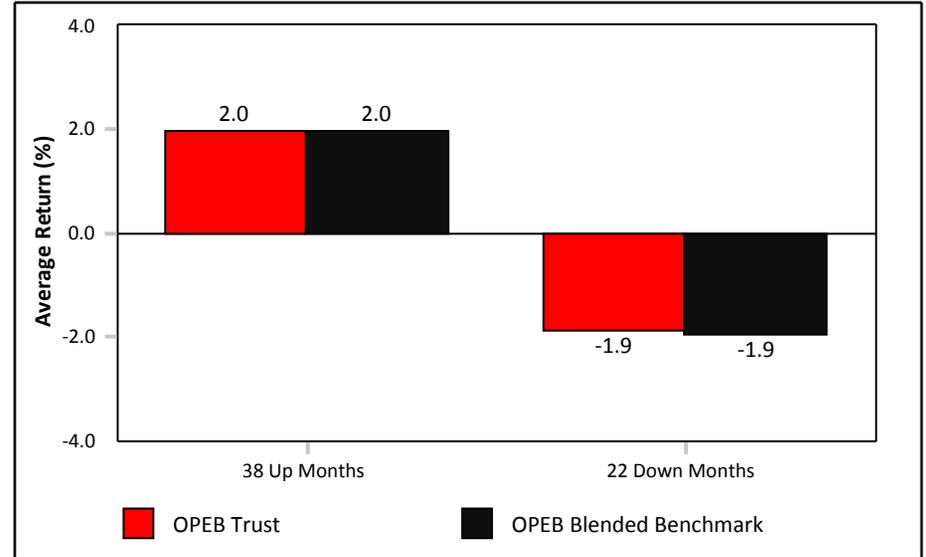
# Market Capture Report

As of December 31, 2015

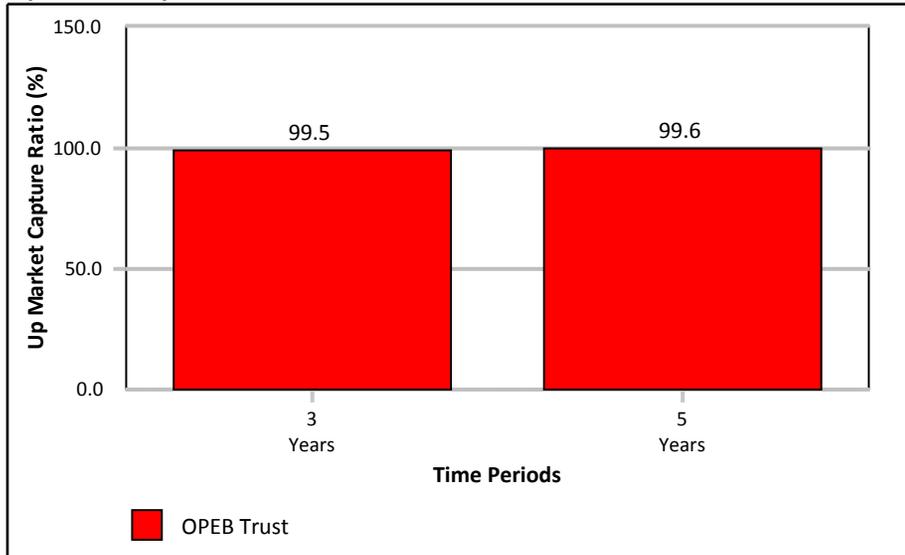
Up/Down Markets - 3 Years



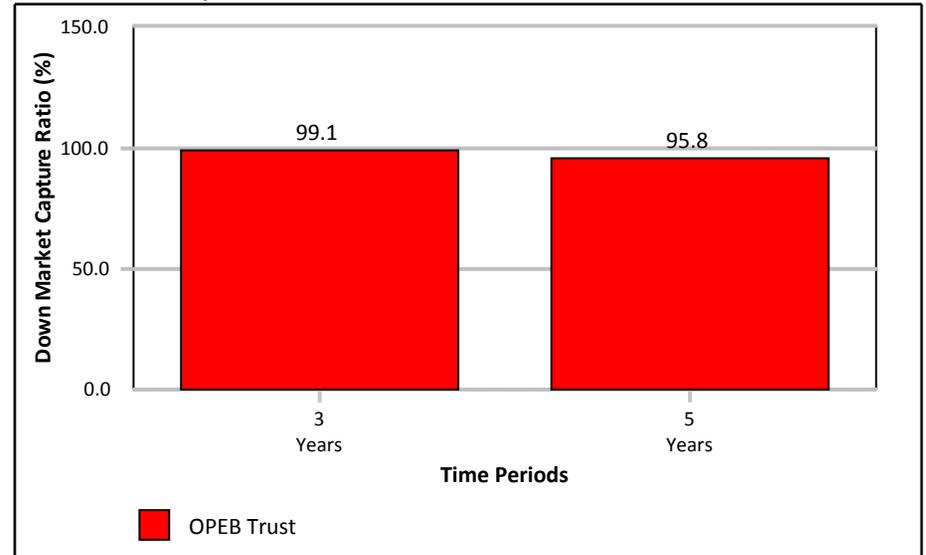
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



# Estimated Fee Analysis

As of December 31, 2015

MANAGER	FEE SCHEDULE	TARGET ALLOCATION
WF Advantage Money Market	0.67%	0.0%
Vanguard Intermediate-Term Bond Index	0.10%	10.0%
BlackRock Strategic Income Opportunities Fund*	0.64%	10.0%
Vanguard Short Term Inflation Protection	0.10%	5.0%
Vanguard Total Stock Market Index	0.04%	32.5%
Vanguard Growth Index Adm	0.09%	5.0%
WCM Small Cap Value	1.00%	1.3%
Geneva Small Cap Growth	0.90%	1.3%
Vanguard Developed Markets Index Fund	0.09%	5.0%
Earnest Partners International	0.90%	15.0%
Schroder Emerging Markets Equity Fund	1.25%	10.0%
Vanguard REIT Index	0.12%	0.0%
Cornerstone Patriot Fund	1.10%	5.0%
<b>AVERAGE WEIGHTED FEE</b>		<b>0.44%</b>

\*The expense ratio is capped at 65 basis points until May 1, 2016.

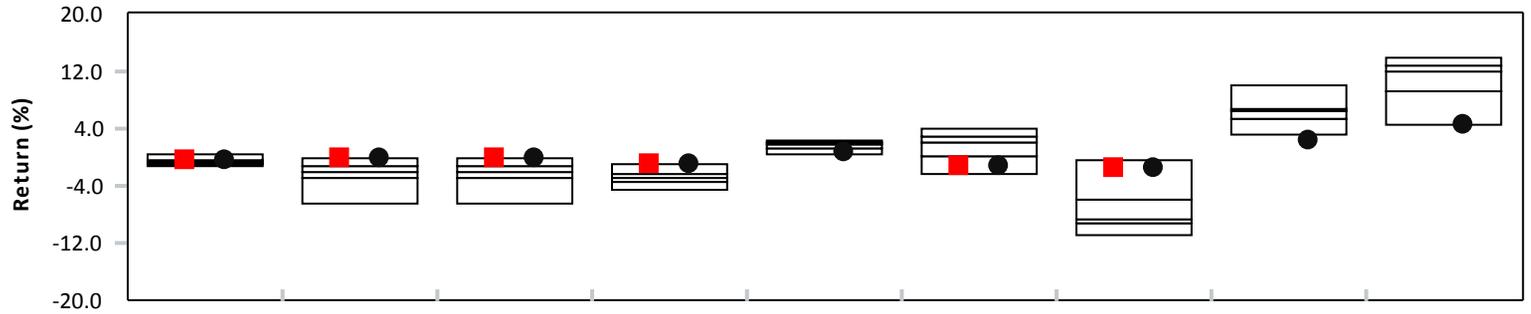
*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

# Manager Evaluation

## Vanguard Short-Term Inflation Protection Adm

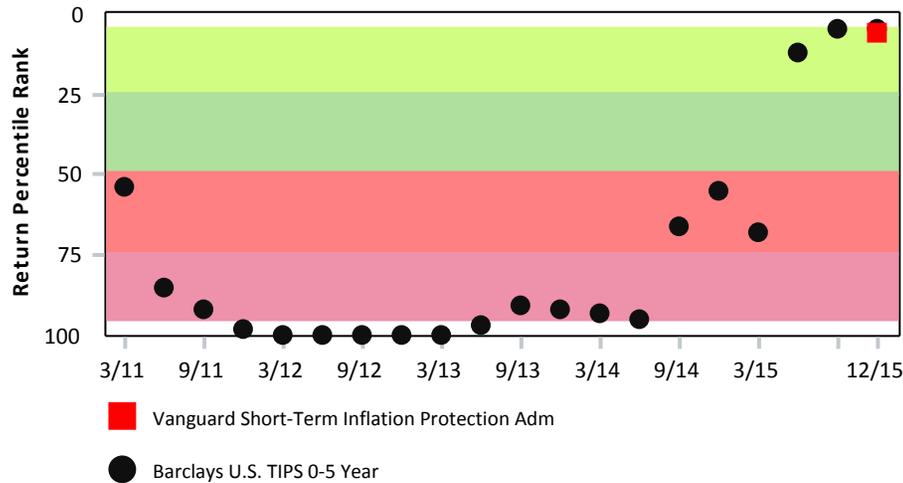
As of December 31, 2015

### Peer Group Analysis vs. IM U.S. TIPS (MF)

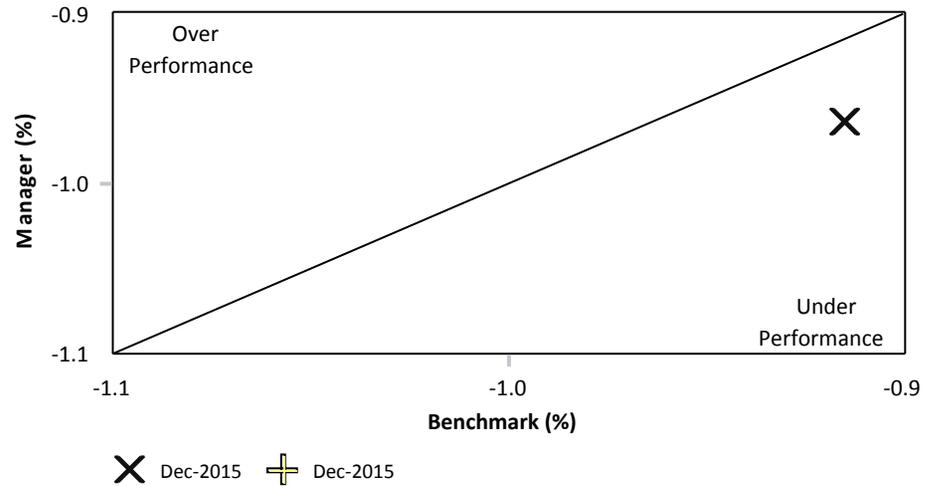


	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ Vanguard Short-Term Inflation Protection Adm	-0.4 (26)	-0.2 (8)	-0.2 (8)	-1.0 (6)	N/A	-1.2 (88)	-1.5 (7)	N/A	N/A
● Barclays U.S. TIPS 0-5 Year	-0.3 (20)	0.0 (4)	0.0 (4)	-0.9 (5)	0.8 (89)	-1.1 (87)	-1.6 (8)	2.4 (98)	4.5 (95)
5th Percentile	0.5	-0.1	-0.1	-0.9	2.5	4.1	-0.5	10.0	13.8
1st Quartile	-0.4	-1.3	-1.3	-2.3	2.0	3.0	-5.9	6.9	12.9
Median	-0.7	-2.1	-2.1	-2.8	1.7	2.2	-8.7	6.3	11.9
3rd Quartile	-0.9	-2.9	-2.9	-3.3	1.2	0.3	-9.3	5.5	9.2
95th Percentile	-1.2	-6.6	-6.6	-4.7	0.3	-2.3	-10.8	3.2	4.4

### 3 Year Rolling Percentile Ranking vs. IM U.S. TIPS (MF)



### 3 Year Rolling Under/Over Performance vs. Barclays U.S. TIPS 0-5 Year



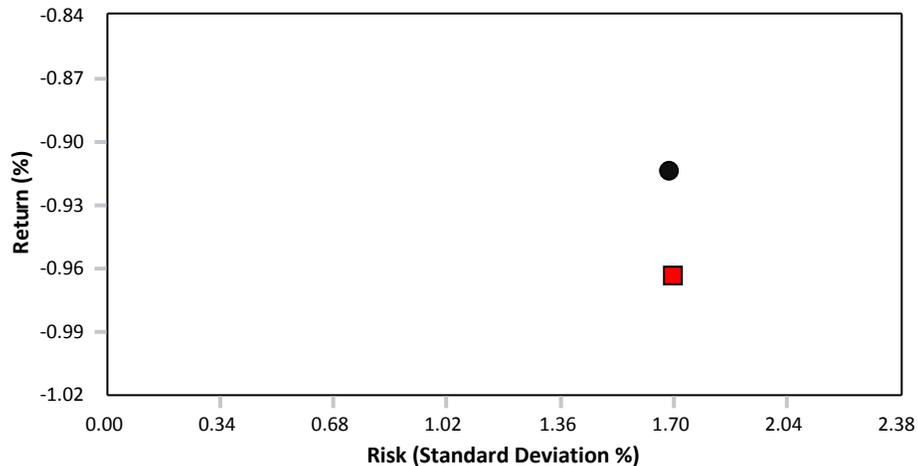
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Short-Term Inflation Protection Adm

As of December 31, 2015

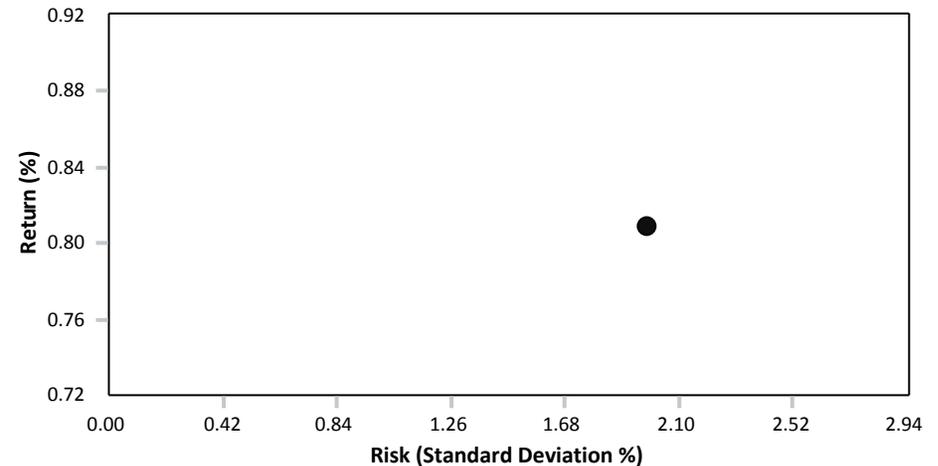
### 3 Year Risk and Return



■ Vanguard Short-Term Inflation Protection Adm

● Barclays U.S. TIPS 0-5 Year

### 5 Year Risk and Return



■ Vanguard Short-Term Inflation Protection Adm

● Barclays U.S. TIPS 0-5 Year

### Style Map - 3 Years

Not Enough Data.

### MPT Statistics vs. Barclays U.S. TIPS 0-5 Year

	3 Years	5 Years
Return	-1.0	N/A
Standard Deviation	1.7	N/A
vs. Barclays U.S. TIPS 0-5 Year		
Alpha	0.0	N/A
Beta	1.0	N/A
R-Squared	1.0	N/A
Consistency	41.7	N/A
Up Market Capture	98.8	N/A
Down Market Capture	101.0	N/A
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	-0.6	N/A

# Manager Evaluation

## Vanguard Short-Term Inflation Protection Adm

As of December 31, 2015

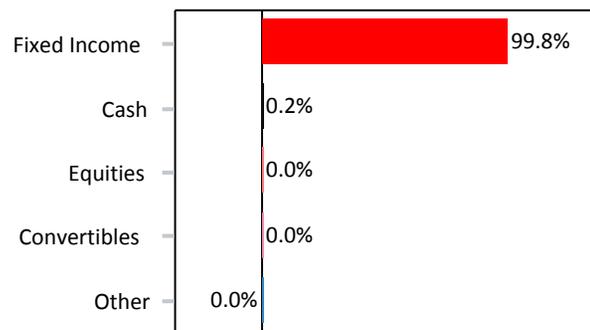
### Mutual Fund Information

Fund Name :	Vanguard Malvern Funds: Vanguard Short-Term Inflation-Protected Securities Index Fund; Admiral Class Shares	Portfolio Assets :	\$12,205 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$1,970 Million
Ticker :	VTAPX	Portfolio Manager :	Barrickman/Wright-Casparius
Inception Date :	10/16/2012	PM Tenure :	2012--2012
Portfolio Turnover :	18%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years.

### Asset Allocation as of 06/30/15



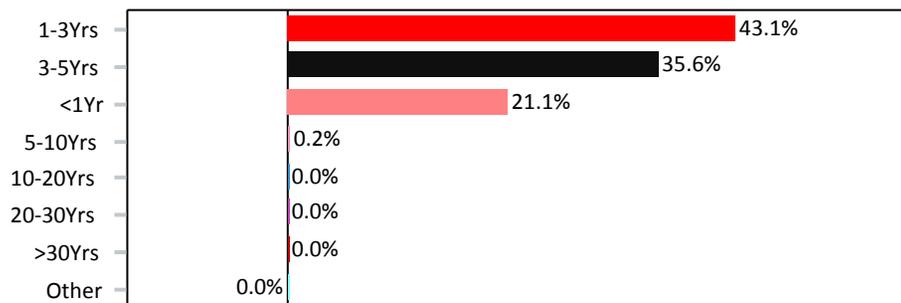
### Top 10 Securities as of 06/30/15

Treasury Notes/Bonds	99.8 %
----------------------	--------

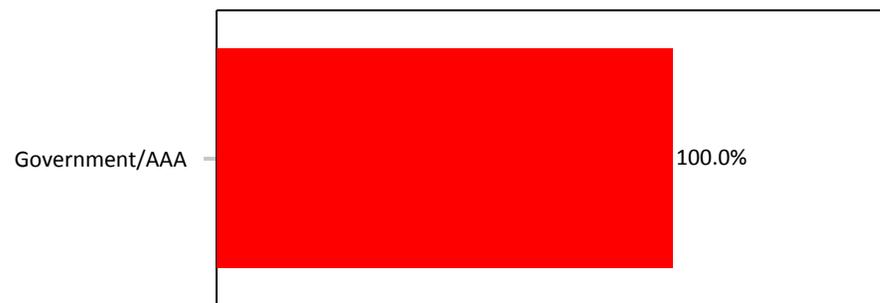
### Fixed Income Characteristics as of 06/30/15

Avg. Coupon	0.97 %
Nominal Maturity	N/A
Effective Maturity	2.42 Years
Duration	2.38 Years
SEC 30 Day Yield	N/A
Avg. Credit Quality	AAA

### Maturity Distribution as of 06/30/15



### Quality Allocation as of 06/30/15



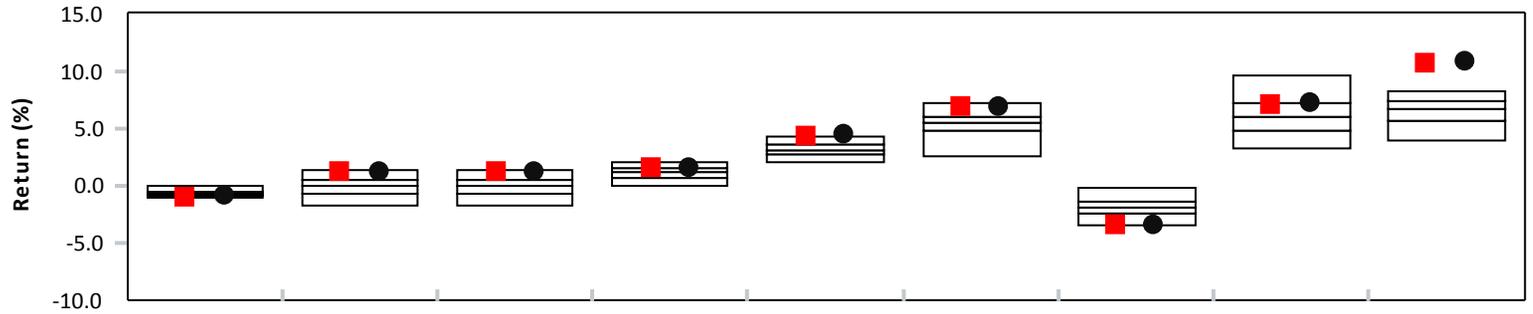
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Intermediate-Term Bond Index Adm

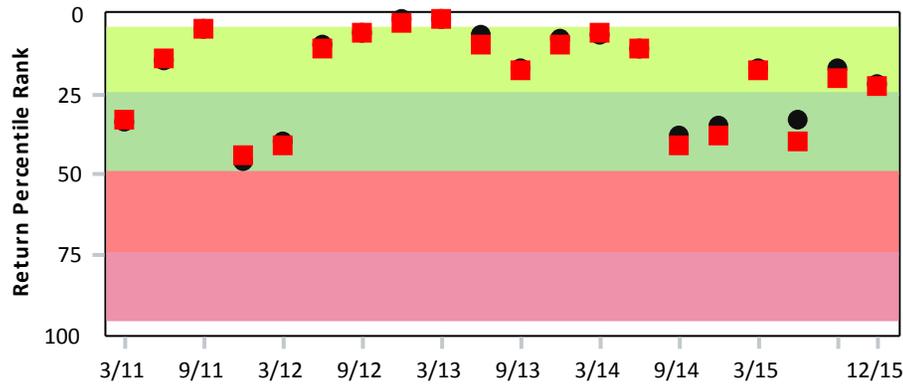
As of December 31, 2015

### Peer Group Analysis vs. IM U.S. Broad Market Core Fixed Income (MF)



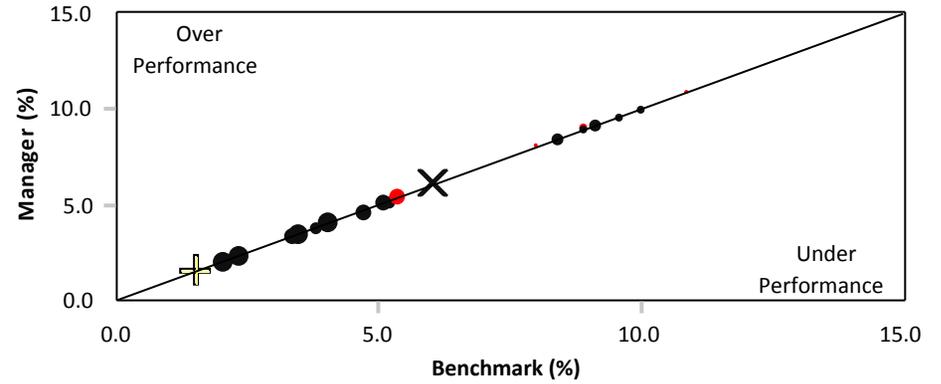
	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ Vanguard Intermediate-Term Bond Index Adm	-1.0 (90)	1.3 (6)	1.3 (6)	1.5 (23)	4.4 (5)	7.0 (8)	-3.4 (96)	7.0 (31)	10.7 (1)
● BC U.S. Gov./Credit Float Adj:5-10 Year	-0.9 (88)	1.3 (6)	1.3 (6)	1.5 (22)	4.4 (4)	6.9 (8)	-3.4 (94)	7.2 (27)	10.8 (1)
5th Percentile	0.0	1.4	1.4	2.1	4.4	7.3	-0.2	9.6	8.2
1st Quartile	-0.5	0.5	0.5	1.5	3.5	6.0	-1.3	7.3	7.4
Median	-0.6	0.0	0.0	1.1	3.2	5.5	-2.0	6.0	6.7
3rd Quartile	-0.8	-0.6	-0.6	0.7	2.8	4.8	-2.4	4.8	5.7
95th Percentile	-1.1	-1.7	-1.7	0.0	2.1	2.5	-3.4	3.3	3.9

### 3 Year Rolling Percentile Ranking vs. IM U.S. Broad Market Core Fixed Income (MF)



■ Vanguard Intermediate-Term Bond Index Adm  
● BC U.S. Gov./Credit Float Adj:5-10 Year

### 3 Year Rolling Under/Over Performance vs. BC U.S. Gov./Credit Float Adj:5-10 Year



● Over Performance    ● Under Performance  
X Mar-2011    + Dec-2015

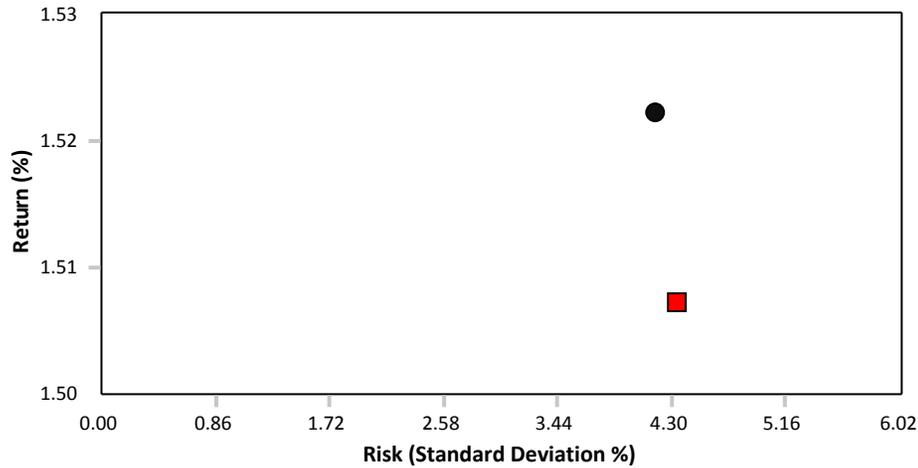
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Intermediate-Term Bond Index Adm

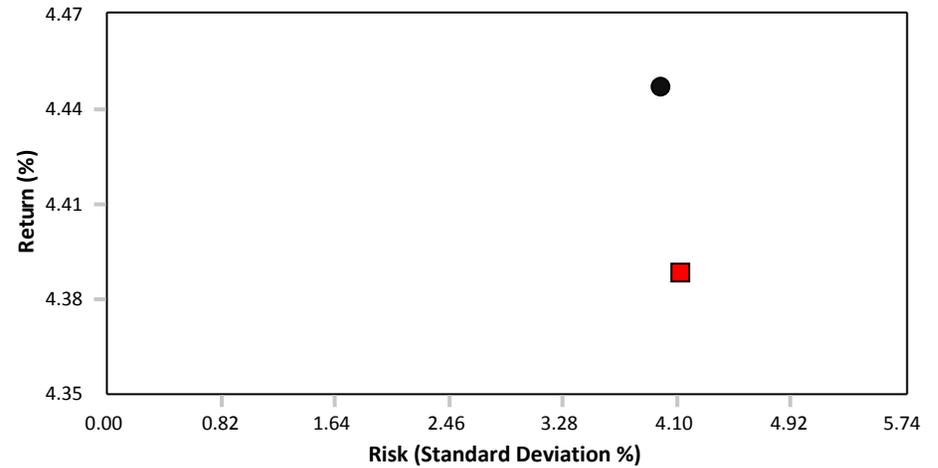
As of December 31, 2015

### 3 Year Risk and Return



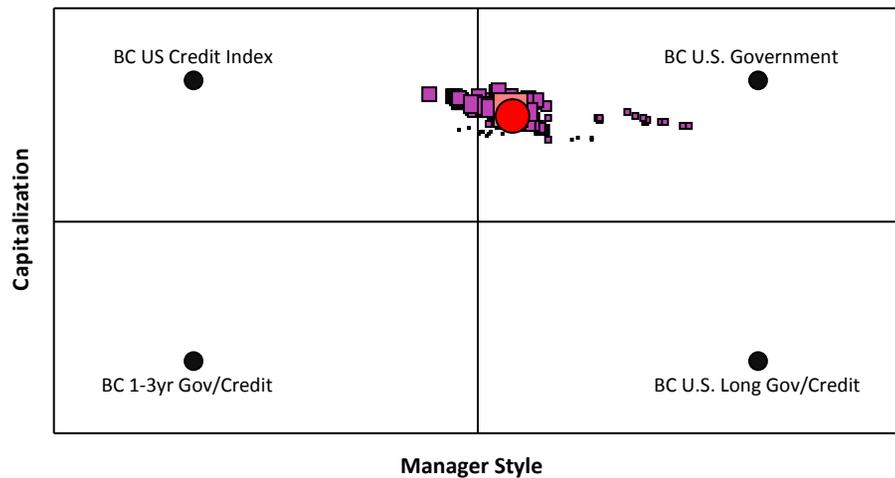
- Vanguard Intermediate-Term Bond Index Adm
- BC U.S. Gov./Credit Float Adj:5-10 Year

### 5 Year Risk and Return



- Vanguard Intermediate-Term Bond Index Adm
- BC U.S. Gov./Credit Float Adj:5-10 Year

### Style Map - 3 Years



- Style History
- Dec-2015
- Average Style Exposure

### MPT Statistics vs. BC U.S. Gov./Credit Float Adj:5-10 Year

	3 Years	5 Years
Return	1.5	4.4
Standard Deviation	4.3	4.1
vs. BC U.S. Gov./Credit Float Adj:5-10 Year		
Alpha	-0.1	-0.2
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	47.2	45.0
Up Market Capture	103.3	102.3
Down Market Capture	104.4	106.8
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.4	1.1

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Intermediate-Term Bond Index Adm

Report Date December 31, 2015

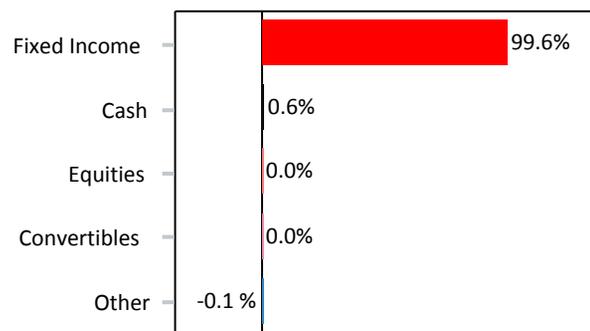
### Mutual Fund Information

Fund Name :	Vanguard Bond Index Funds: Vanguard Intermediate-Term Bond Index Fund; Admiral Shares	Portfolio Assets :	\$22,229 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$9,729 Million
Ticker :	VBILX	Portfolio Manager :	Joshua C. Barrickman
Inception Date :	11/12/2001	PM Tenure :	2008
Portfolio Turnover :	60%		

### Fund Investment Policy

The Fund seeks to track the performance of a market-weighted bond index with an intermediate-term dollar-weighted average maturity. The Fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 5-10 Year Government/Credit Float Adjusted Index.

### Asset Allocation as of 06/30/15



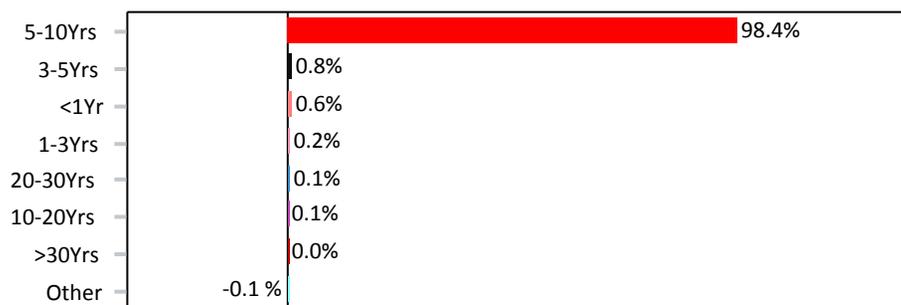
### Top 10 Securities as of 06/30/15

Treasury Notes/Bonds	51.1 %
Corporate Notes/Bonds	44.5 %
US\$ Denominated Fgn. Gvt.	2.7 %
Government Agency Securities	1.3 %

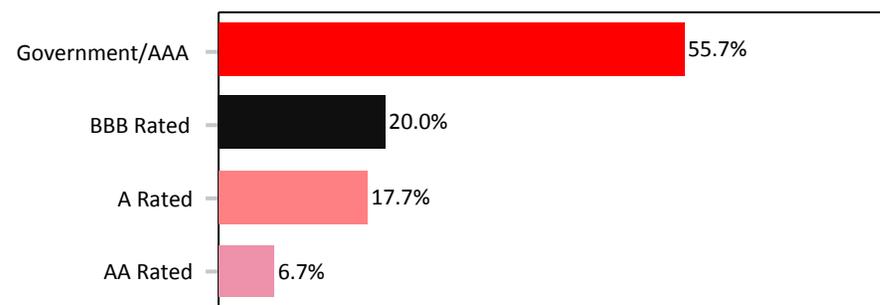
### Fixed Income Characteristics as of 06/30/15

Avg. Coupon	3.05 %
Nominal Maturity	N/A
Effective Maturity	7.22 Years
Duration	6.36 Years
SEC 30 Day Yield	2.8
Avg. Credit Quality	AA

### Maturity Distribution as of 06/30/15



### Quality Allocation as of 06/30/15



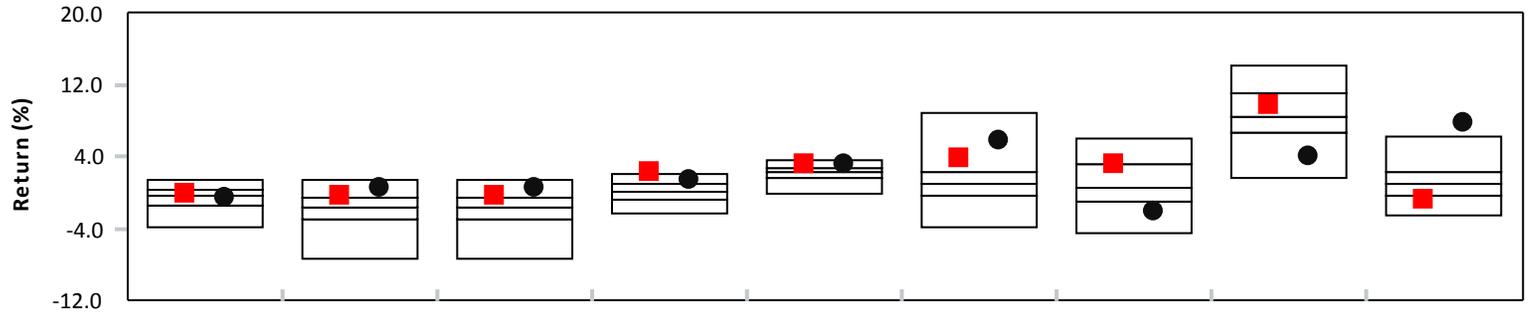
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## BlackRock Strategic Income Opportunities Instl

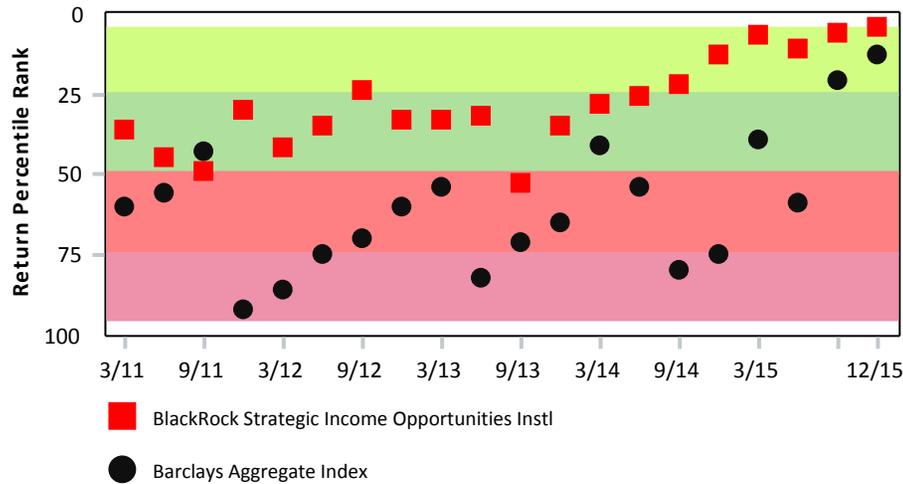
As of December 31, 2015

### Peer Group Analysis vs. IM Alternative Credit Focus (MF)

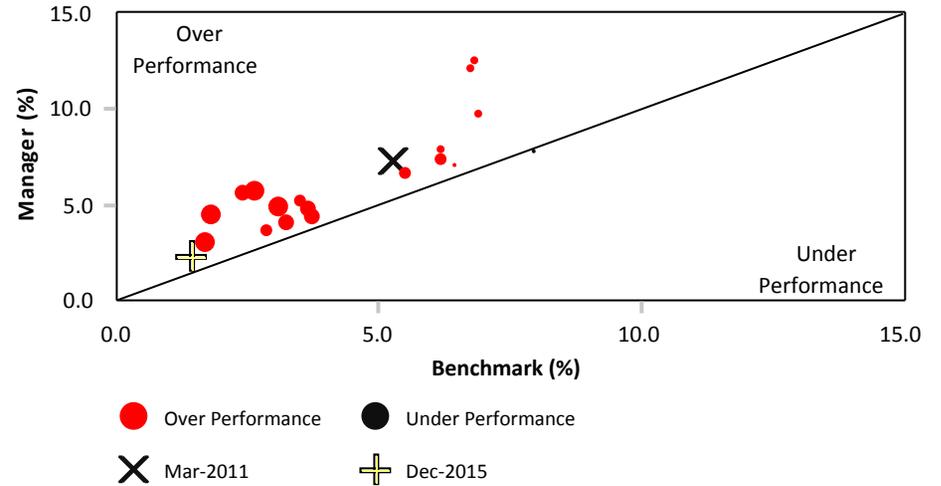


	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ BlackRock Strategic Income Opportunities Instl	-0.1 (42)	-0.3 (24)	-0.3 (24)	2.3 (4)	3.1 (12)	3.9 (13)	3.3 (25)	9.9 (35)	-0.7 (83)
● Barclays Aggregate Index	-0.6 (59)	0.5 (14)	0.5 (14)	1.4 (13)	3.2 (11)	6.0 (10)	-2.0 (92)	4.2 (87)	7.8 (1)
5th Percentile	1.4	1.6	1.6	2.1	3.6	8.9	6.1	14.3	6.2
1st Quartile	0.3	-0.4	-0.4	0.9	2.8	2.3	3.3	11.2	2.4
Median	-0.3	-1.5	-1.5	0.1	2.2	1.1	0.7	8.5	1.1
3rd Quartile	-1.4	-3.1	-3.1	-0.7	1.8	-0.4	-0.9	6.7	-0.3
95th Percentile	-3.8	-7.5	-7.5	-2.2	-0.1	-3.8	-4.5	1.6	-2.5

### 3 Year Rolling Percentile Ranking vs. IM Alternative Credit Focus (MF)



### 3 Year Rolling Under/Over Performance vs. Barclays Aggregate Index



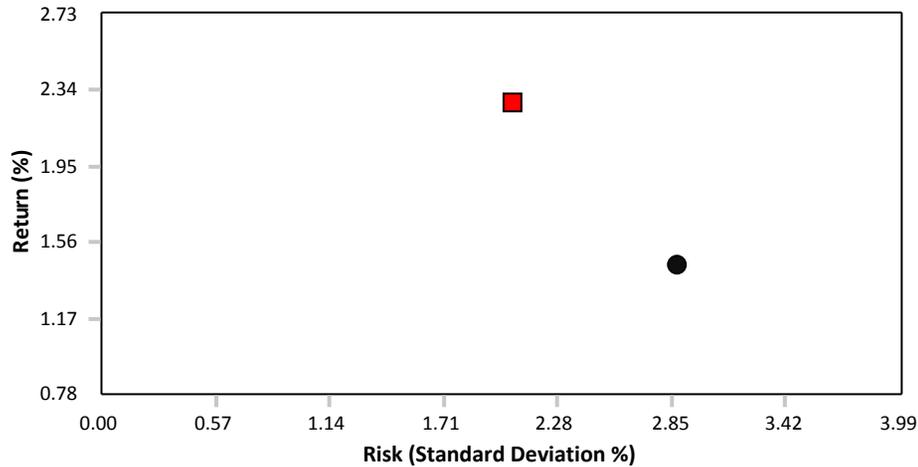
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## BlackRock Strategic Income Opportunities Instl

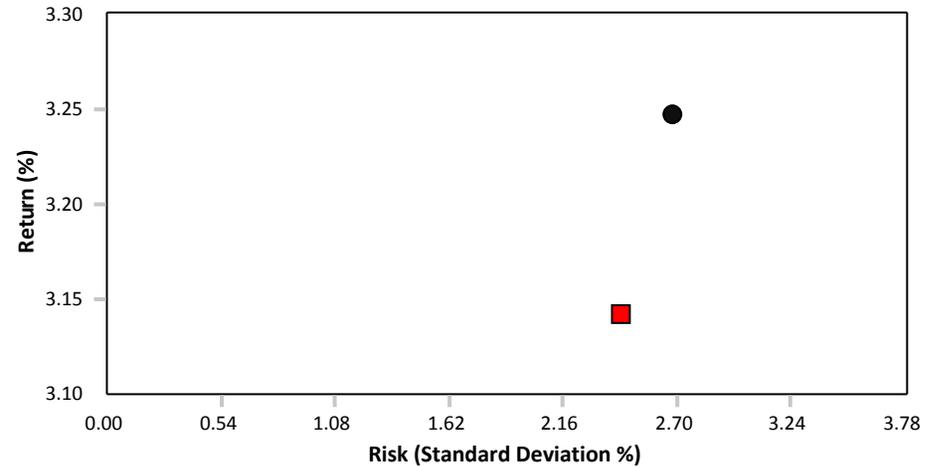
As of December 31, 2015

### 3 Year Risk and Return



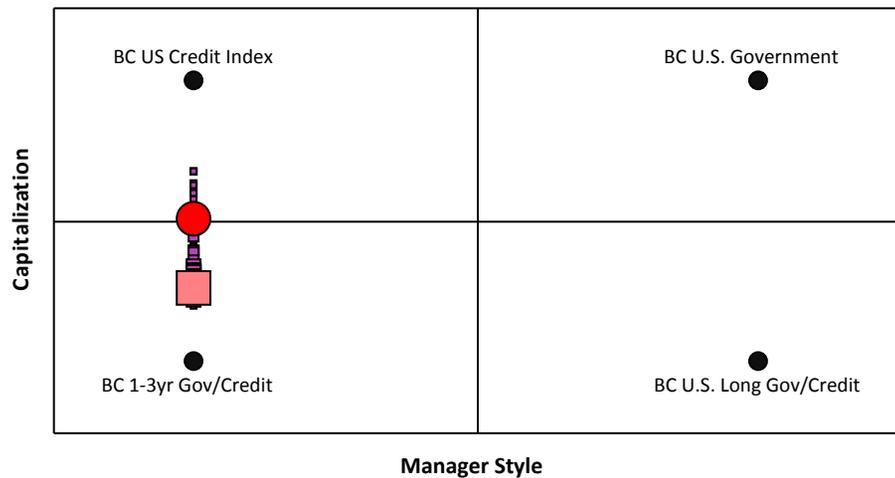
- BlackRock Strategic Income Opportunities Instl
- Barclays Aggregate Index

### 5 Year Risk and Return



- BlackRock Strategic Income Opportunities Instl
- Barclays Aggregate Index

### Style Map - 3 Years



- Style History
- Dec-2015
- Average Style Exposure

### MPT Statistics vs. Barclays Aggregate Index

	3 Years	5 Years
Return	2.3	3.1
Standard Deviation	2.1	2.4
vs. Barclays Aggregate Index		
Alpha	1.8	2.4
Beta	0.4	0.2
R-Squared	0.2	0.1
Consistency	52.8	50.0
Up Market Capture	57.7	60.1
Down Market Capture	14.8	6.6
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.1	1.3

# Manager Evaluation

## BlackRock Strategic Income Opportunities Instl

Report Date December 31, 2015

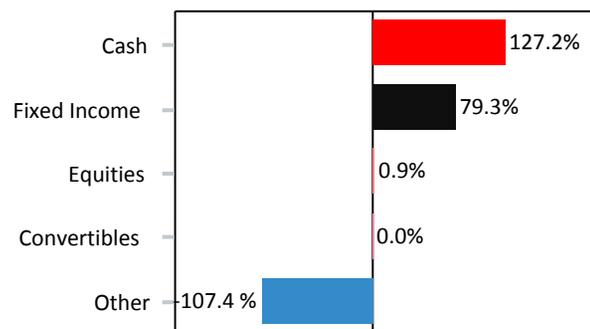
### Mutual Fund Information

Fund Name :	BlackRock Funds II: BlackRock Strategic Income Opportunities Portfolio; Institutional Shares	Portfolio Assets :	\$31,475 Million
Fund Family :	BlackRock Inc	Fund Assets :	\$24,451 Million
Ticker :	BSIIX	Portfolio Manager :	Rieder/Miller
Inception Date :	02/05/2008	PM Tenure :	2010--2011
Portfolio Turnover :	1,396%		

### Fund Investment Policy

The Fund seeks total return as is consistent with the preservation of capital. The Fund will invest opportunistically across the spectrum of fixed income sectors and securities. Allocations to all sectors are unconstrained and the fund may invest in non-investment-grade, non-dollar-denominated and emerging markets.

### Asset Allocation as of 07/31/15



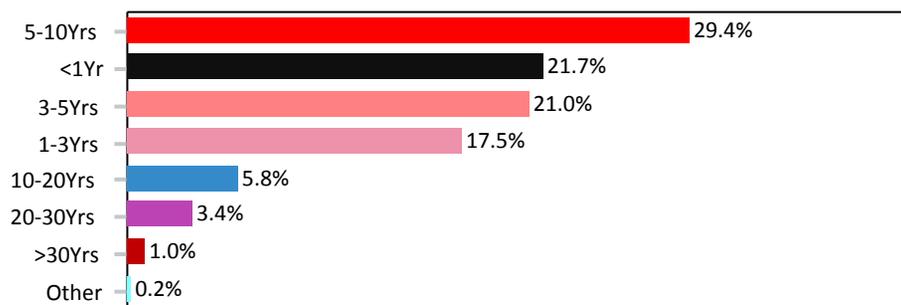
### Top 10 Securities as of 07/31/15

BlackRock Liquidity TempFund;Institutional	13.0 %
iShares iBoxx \$ High Yield Corporate Bond ETF	0.5 %
Citigroup Capital XIII PFD	0.2 %
iShares Gold Trust	0.2 %
GMAC Capital Trust I PFD	0.2 %
Telecom Italia SpA ORD	0.1 %
Apple Inc ORD	0.1 %
Volkswagen AG PFD	0.0
Delta Air Lines Inc ORD	0.0
United Rentals Inc ORD	0.0

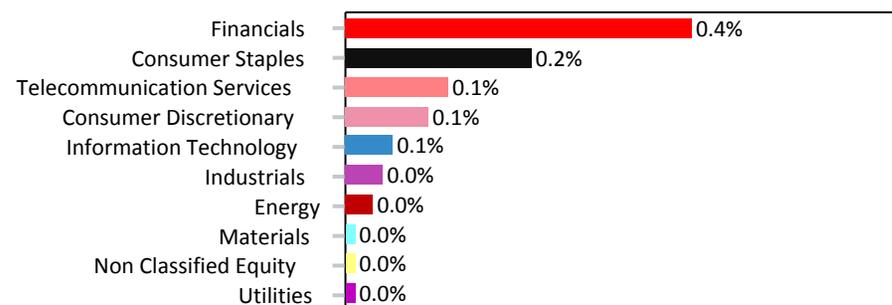
### Fixed Income Characteristics as of 06/30/12

Avg. Coupon	N/A
Nominal Maturity	N/A
Effective Maturity	6.10 Years
Duration	1.40 Years
SEC 30 Day Yield	4.4
Avg. Credit Quality	A

### Maturity Distribution as of 06/30/12



### Quality Allocation as of 07/31/15



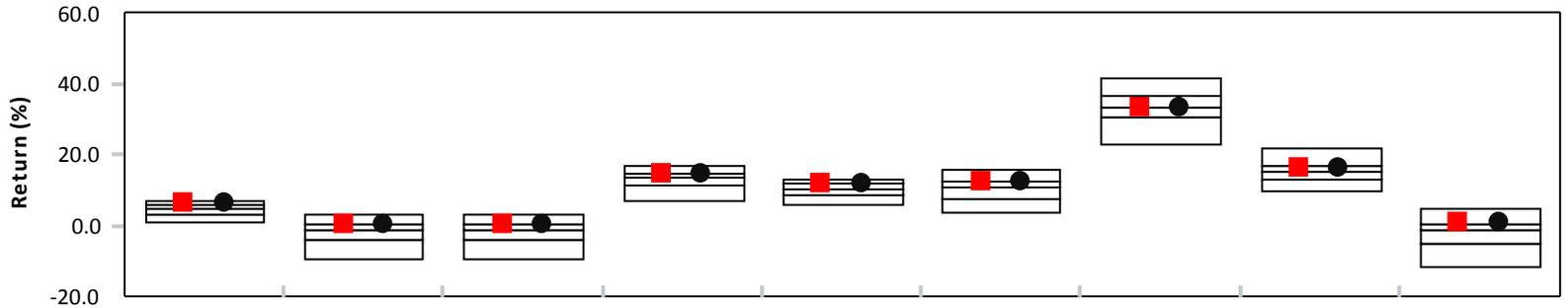
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Market Index Instl

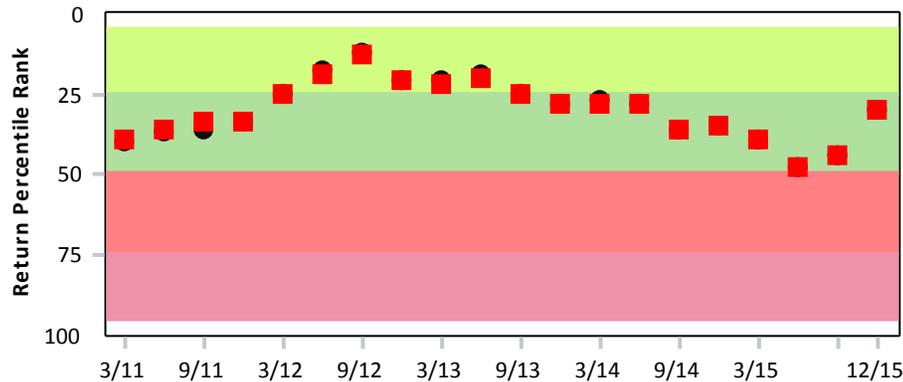
As of December 31, 2015

### Peer Group Analysis vs. IM U.S. Multi-Cap Core Equity (MF)



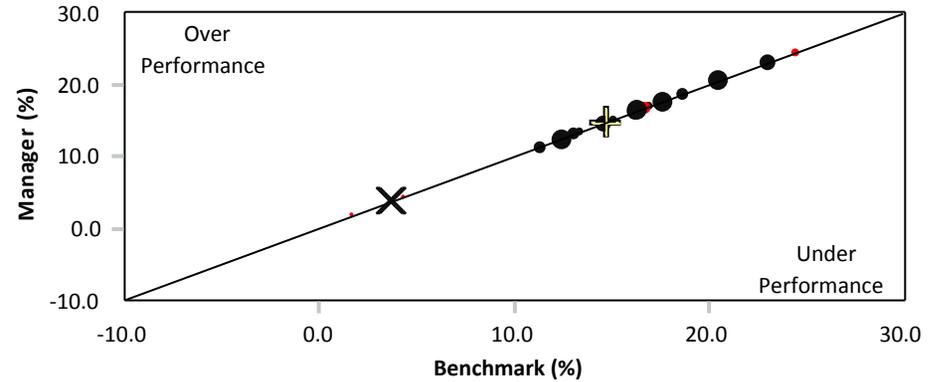
	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ Vanguard Total Stock Market Index Instl	6.3 (14)	0.4 (26)	0.4 (26)	14.7 (30)	12.2 (18)	12.6 (27)	33.5 (52)	16.4 (34)	1.1 (19)
● CRSP US Total Market Spliced Index	6.2 (15)	0.4 (27)	0.4 (27)	14.7 (30)	12.2 (18)	12.6 (26)	33.5 (52)	16.4 (34)	1.1 (20)
5th Percentile	6.8	3.1	3.1	16.9	13.2	15.8	41.9	21.8	5.0
1st Quartile	5.7	0.5	0.5	14.9	11.9	12.6	36.7	17.2	0.6
Median	4.8	-1.5	-1.5	13.4	10.4	10.9	33.7	15.5	-1.4
3rd Quartile	3.3	-4.1	-4.1	11.3	8.9	7.8	30.6	12.9	-5.0
95th Percentile	1.0	-9.4	-9.4	7.0	6.1	3.5	22.8	9.5	-11.8

### 3 Year Rolling Percentile Ranking vs. IM U.S. Multi-Cap Core Equity (MF)



■ Vanguard Total Stock Market Index Instl  
● CRSP US Total Market Spliced Index

### 3 Year Rolling Under/Over Performance vs. CRSP US Total Market Spliced Index^



● Over Performance    ● Under Performance  
X Mar-2011    + Dec-2015

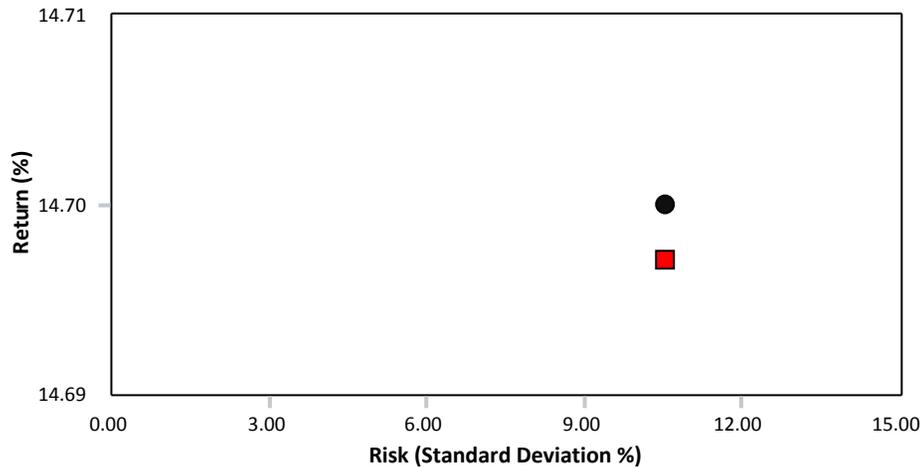
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Market Index Instl

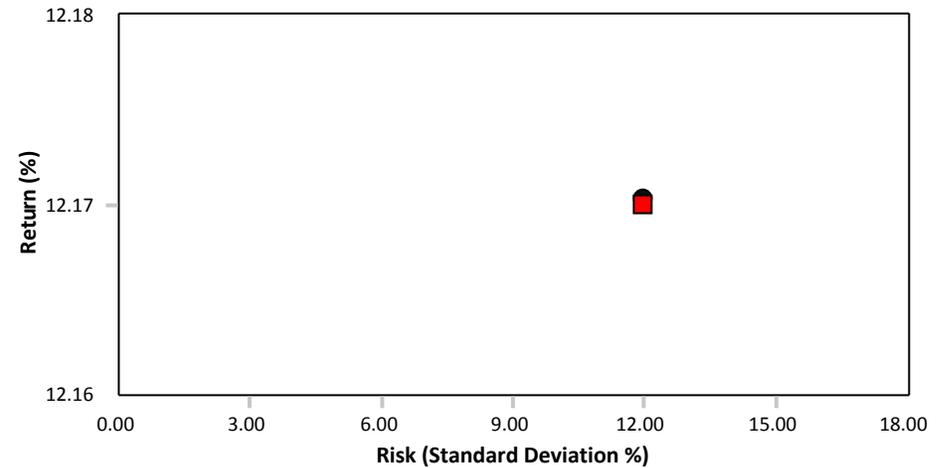
As of December 31, 2015

### 3 Year Risk and Return



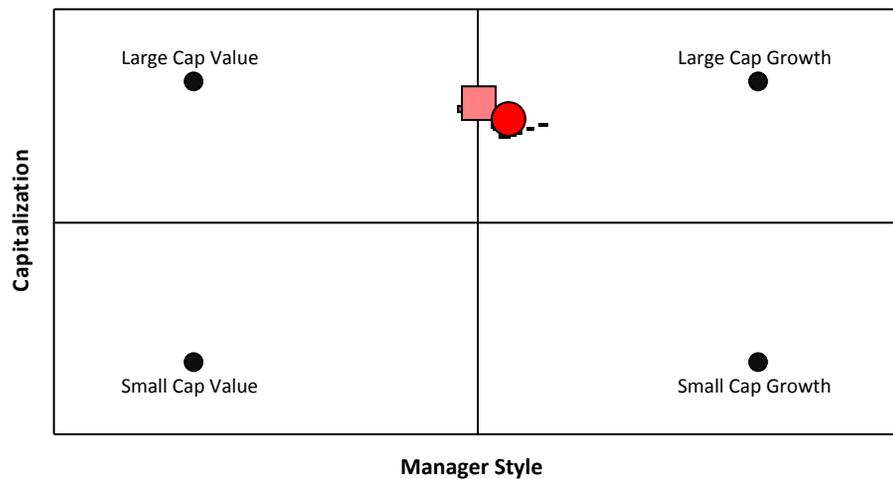
- Vanguard Total Stock Market Index Instl
- CRSP US Total Market Spliced Index

### 5 Year Risk and Return



- Vanguard Total Stock Market Index Instl
- CRSP US Total Market Spliced Index

### Style Map - 3 Years



- Style History
- Dec-2015
- Average Style Exposure

### MPT Statistics vs. CRSP US Total Market Spliced Index

	3 Years	5 Years
Return	14.7	12.2
Standard Deviation	10.5	12.0
vs. CRSP US Total Market Spliced Index		
Alpha	0.0	0.0
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	55.6	55.0
Up Market Capture	100.0	100.0
Down Market Capture	100.0	100.1
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.4	1.0

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Market Index Instl

Report Date December 31, 2015

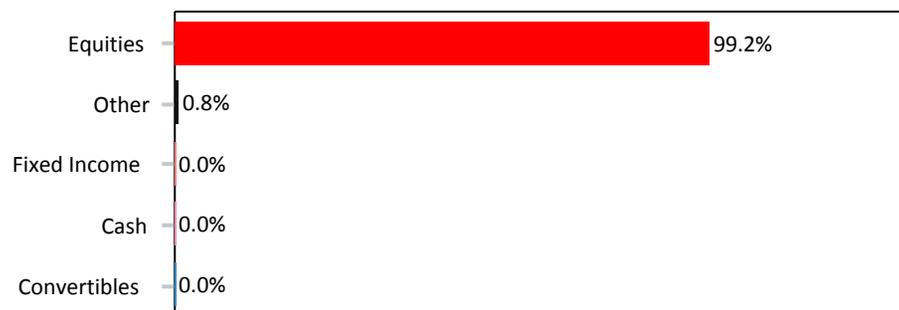
### Mutual Fund Information

Fund Name :	Vanguard Index Funds: Vanguard Total Stock Market Index Fund; Institutional Class Shares	Portfolio Assets :	\$387,844 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$44,734 Million
Ticker :	VITSX	Portfolio Manager :	Gerard C. O'Reilly
Inception Date :	07/07/1997	PM Tenure :	1997
Portfolio Turnover :	3%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. The Fund employs a "passive management" approach designed to track the performance of the CRSP US Total Market Index.

### Asset Allocation as of 08/31/15



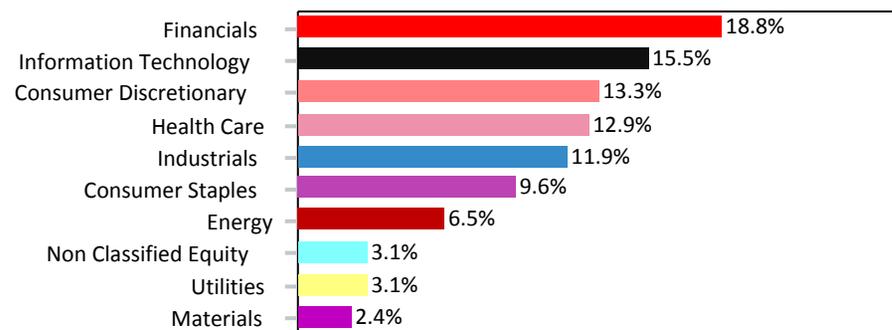
### Top 10 Securities as of 08/31/15

Apple Inc ORD	3.0 %
Microsoft Corp ORD	1.5 %
Exxon Mobil Corp ORD	1.5 %
Johnson & Johnson ORD	1.2 %
General Electric Co ORD	1.2 %
Wells Fargo & Co ORD	1.1 %
JPMorgan Chase & Co ORD	1.1 %
Berkshire Hathaway Inc ORD	1.1 %
AT&T Inc ORD	0.9 %
Pfizer Inc ORD	0.9 %

### Equity Characteristics as of 08/31/15

Total Securities	3,797
Avg. Market Cap	\$100,232 Million
P/E	24.3
P/B	5.2
Div. Yield	2.6%
Annual EPS	10.7
5Yr EPS	14.7
3Yr EPS Growth	12.3

### Sector Allocation as of 08/31/15

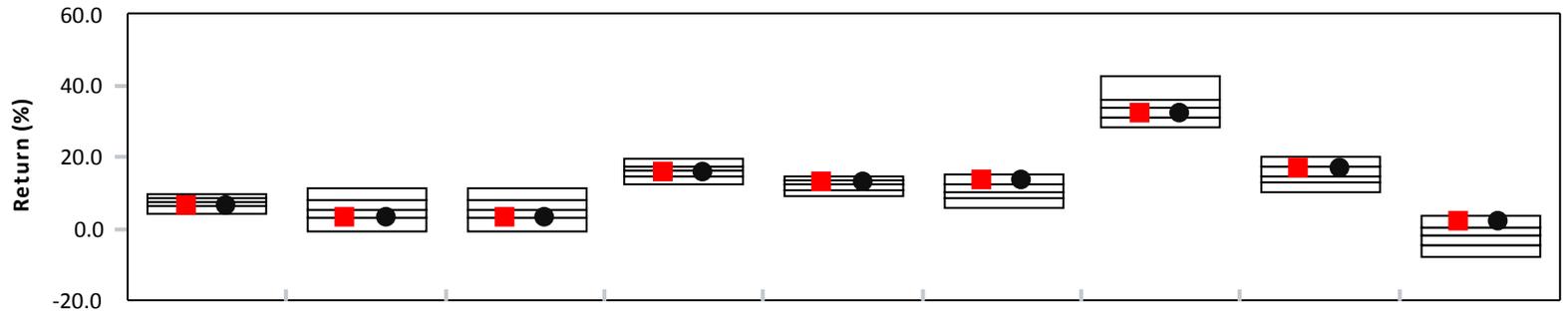


# Manager Evaluation

## Vanguard Growth Index Adm

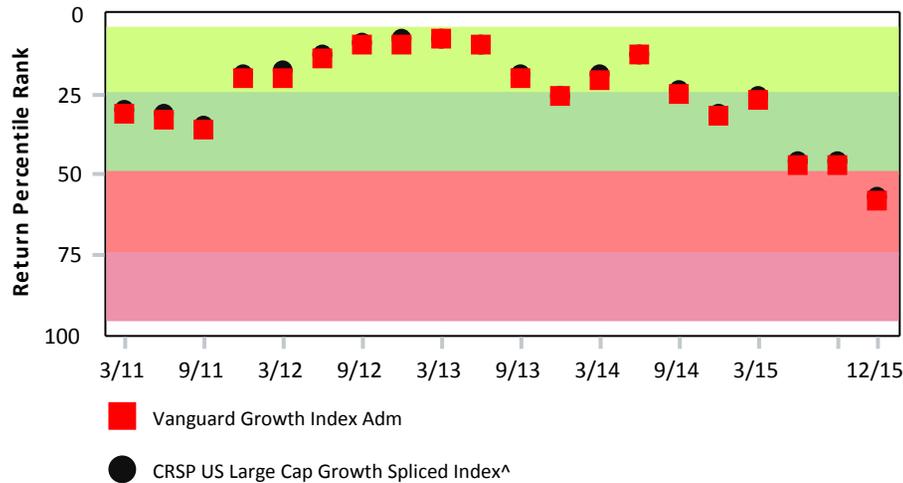
As of December 31, 2015

### Peer Group Analysis vs. IM U.S. Large Cap Growth Equity (MF)

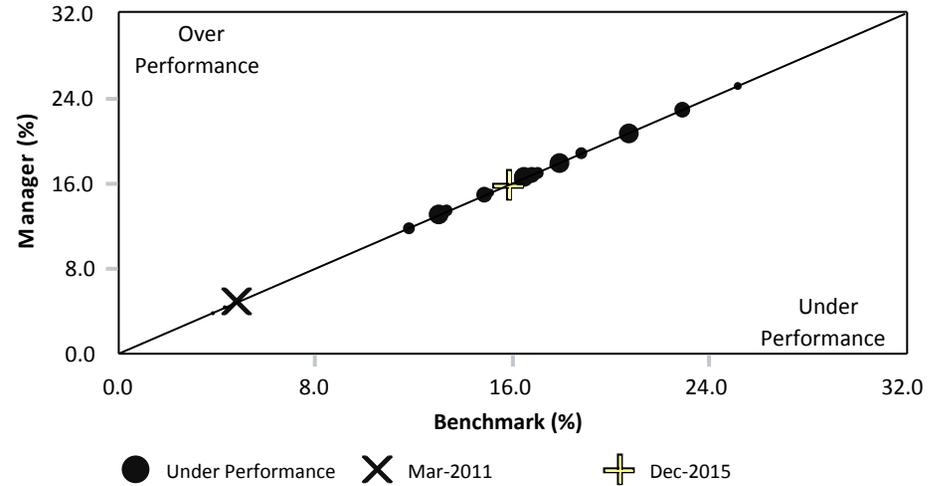


	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ Vanguard Growth Index Adm	6.5 (80)	3.3 (72)	3.3 (72)	15.8 (58)	13.1 (34)	13.6 (17)	32.4 (68)	17.0 (31)	1.9 (16)
● CRSP US Large Cap Growth Spliced Index^	6.5 (79)	3.4 (71)	3.4 (71)	15.9 (57)	13.2 (32)	13.7 (16)	32.3 (69)	17.1 (30)	2.0 (16)
5th Percentile	9.9	11.3	11.3	19.5	15.0	15.1	42.9	20.5	3.9
1st Quartile	8.6	7.9	7.9	17.5	13.5	12.8	36.4	17.7	0.7
Median	7.7	5.5	5.5	16.2	12.3	10.5	34.1	14.9	-1.8
3rd Quartile	6.7	3.0	3.0	14.8	11.2	8.8	31.4	13.0	-4.3
95th Percentile	4.3	-0.8	-0.8	12.7	9.1	6.2	28.3	10.6	-7.8

### 3 Year Rolling Percentile Ranking vs. IM U.S. Large Cap Growth Equity (MF)



### 3 Year Rolling Under/Over Performance vs. CRSP US Large Cap Growth Spliced



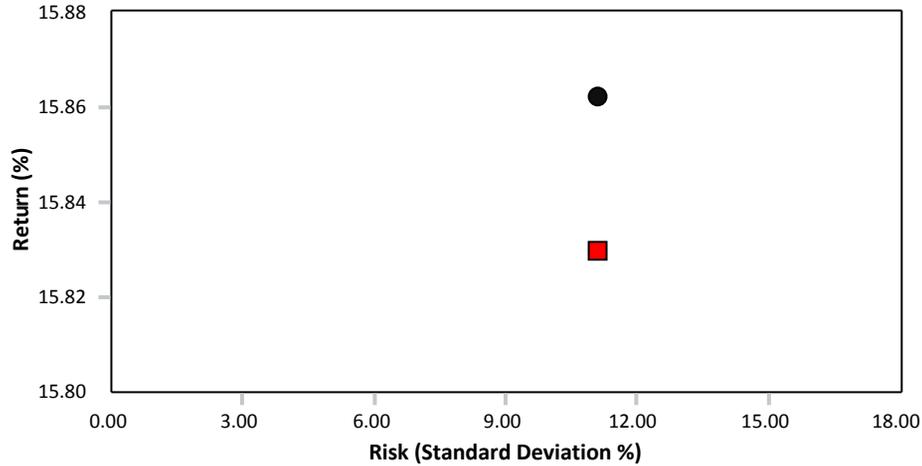
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Growth Index Adm

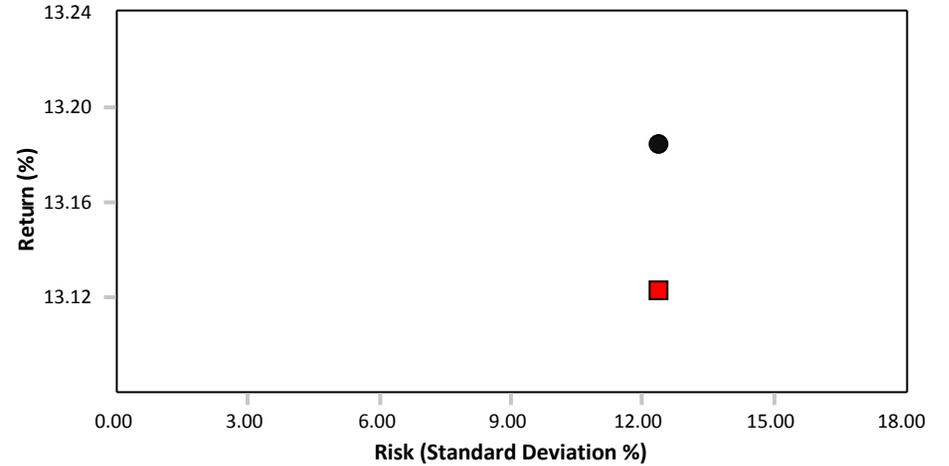
As of December 31, 2015

### 3 Year Risk and Return



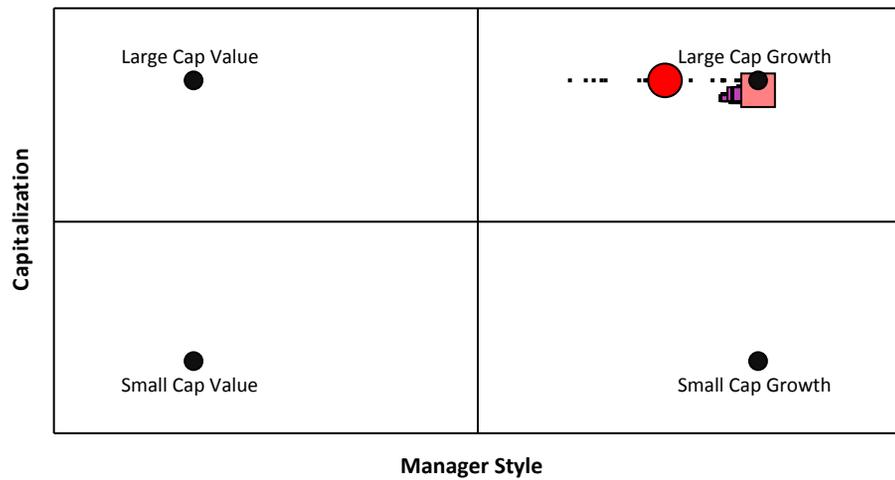
- Vanguard Growth Index Adm
- CRSP US Large Cap Growth Spliced Index^

### 5 Year Risk and Return



- Vanguard Growth Index Adm
- CRSP US Large Cap Growth Spliced Index^

### Style Map - 3 Years



- Style History
- Dec-2015
- Average Style Exposure

### MPT Statistics vs. CRSP US Large Cap Growth Spliced Index^

	3 Years	5 Years
Return	15.8	13.1
Standard Deviation	11.1	12.4
vs. CRSP US Large Cap Growth Spliced Index^		
Alpha	0.0	-0.1
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	25.0	25.0
Up Market Capture	100.0	99.9
Down Market Capture	100.2	100.3
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.4	1.1

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Growth Index Adm

Report Date December 31, 2015

### Mutual Fund Information

Fund Name :	Vanguard Index Funds: Vanguard Growth Index Fund; Admiral Class Shares	Portfolio Assets :	\$49,685 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$15,802 Million
Ticker :	VIGAX	Portfolio Manager :	Gerard C. O'Reilly
Inception Date :	11/13/2000	PM Tenure :	2000
Portfolio Turnover :	9%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The Fund employs a "passive management"--or indexing--investment approach designed to track the performance of the MSCI US Prime Market Growth Index.

### Asset Allocation as of 08/31/15



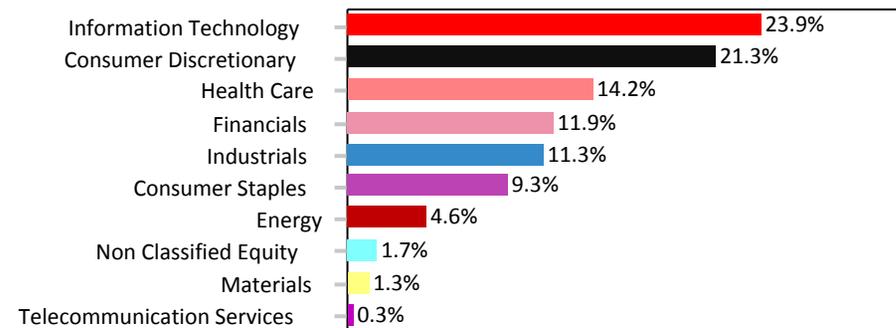
### Top 10 Securities as of 08/31/15

Apple Inc ORD	7.5 %
Amazon.com Inc ORD	2.2 %
Facebook Inc ORD	2.2 %
Google Inc CL A ORD	2.2 %
Google Inc CL C ORD	2.1 %
Walt Disney Co ORD	1.8 %
Gilead Sciences Inc ORD	1.8 %
Coca-Cola Co ORD	1.8 %
Home Depot Inc ORD	1.7 %
Visa Inc ORD	1.6 %

### Equity Characteristics as of 08/31/15

Total Securities	367
Avg. Market Cap	\$121,607 Million
P/E	27.1
P/B	7.3
Div. Yield	2.1%
Annual EPS	17.0
5Yr EPS	22.3
3Yr EPS Growth	17.1

### Sector Allocation as of 08/31/15

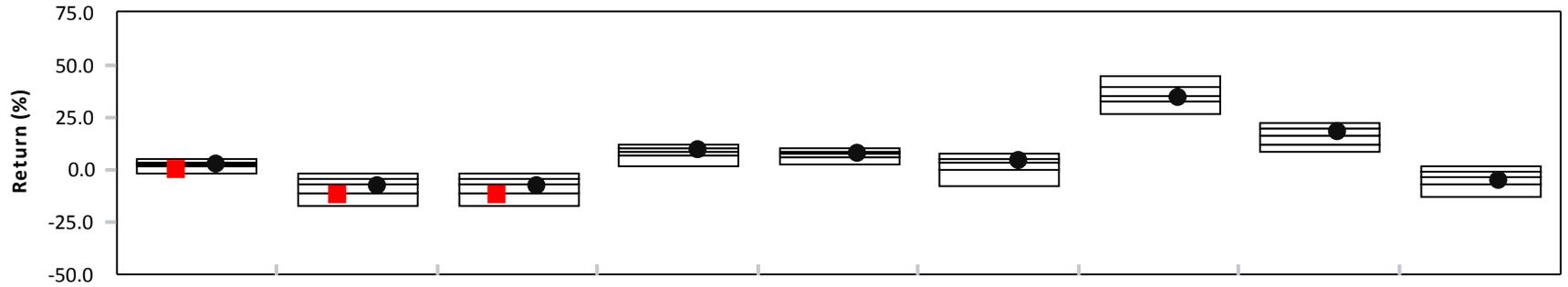


# Manager Evaluation

## WCM Small Cap Value

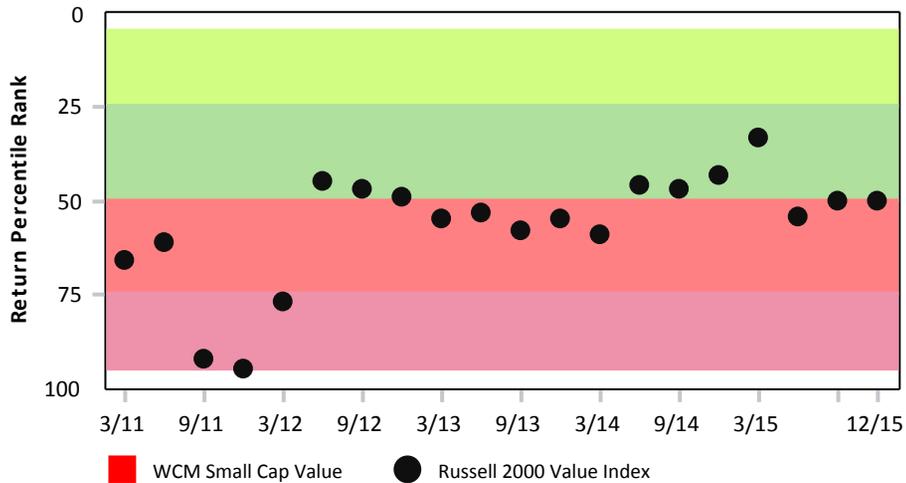
As of December 31, 2015

### Peer Group Analysis vs. IM U.S. Small Cap Value Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ WCM Small Cap Value	0.0 (89)	-11.9 (79)	-11.9 (79)	N/A	N/A	N/A	N/A	N/A	N/A
● Russell 2000 Value Index	2.9 (44)	-7.5 (56)	-7.5 (56)	9.1 (50)	7.7 (52)	4.2 (34)	34.5 (56)	18.1 (33)	-5.5 (64)
5th Percentile	5.5	-1.9	-1.9	12.0	10.2	8.1	44.7	22.7	1.5
1st Quartile	3.6	-4.6	-4.6	10.6	8.8	5.2	39.7	19.8	-0.9
Median	2.5	-7.1	-7.1	9.0	7.8	3.3	35.1	16.3	-3.8
3rd Quartile	1.7	-11.2	-11.2	6.5	5.7	0.3	32.8	12.3	-6.9
95th Percentile	-1.5	-17.0	-17.0	1.9	2.7	-7.5	26.6	8.9	-13.2

### 3 Year Rolling Percentile Ranking vs. IM U.S. Small Cap Value Equity (MF)



### 3 Year Rolling Under/Over Performance vs. <BenchmarkName>

Not Enough Data.

## Manager Evaluation

WCM Small Cap Value  
As of December 31st, 2015

### Portfolio Information

<b>Firm Name</b>	WCM	<b>Portfolio Manager</b>	Sloan Payne
<b>Product Name</b>	Small Cap Value	<b>PM Tenure</b>	2004
<b>Portfolio Assets</b>	\$472,474	<b>Fund Style</b>	Small Cap Value
<b>Inception Date</b>	4/1/2014	<b>Style Benchmark</b>	Russell 2000 Value

### Portfolio Investment Policy

The process begins with a series of quantitative screens to identify the most undervalued stocks within the universe. The primary selection universe is companies with market capitalizations below \$2.5 billion, with particular emphasis on those companies between \$80 million and \$1.5 billion. WCM uses six primary screens: EPS revision trends, cash-flow/price ratio, book/price ratio, trailing earnings/price ratio, dividend yield, and a net-net (working capital)/price ratio. In an effort to avoid value traps, the manager focuses on consistency of earnings and relative price strength as additional criteria. Those companies surviving both the quantitative and relative strength screens are subject to more intense traditional research analysis, with focus on the balance sheet.

### Largest Equity Holdings as of September 30, 2015

<u>Stock</u>	<u>% of Portfolio</u>
1. TNK	4.2
2. WCG	3.8
3. CGNX	3.8
4. IPGP	3.8
5. TTWO	3.7
6. CNO	3.7
7. CVBF	3.4
8. BRKS	3.0
9. WNR	2.7
10. GPI	2.6

### Largest Contributors & Detractors

<u>Contributors</u>	<u>% of Portfolio</u>	<u>Bps Contribution</u>
TAKE-TWO INTERACTIVE SOFTWARE	3.3	73.46
IPG PHOTONICS (IPGP)	3.2	56.02
SNAP-ON INC (SNA)	1.8	24.63
CUBIC CORP (CUB)	1.8	22.86
LACLEDE GROUP INC (LG)	2.0	19.96
<u>Detractors</u>	<u>% of Portfolio</u>	<u>Bps Contribution</u>
WESTERN REFINING (WNR)	3.4	-62.55
COWEN GROUP (COWN)	2.5	-40.69
SAIA (SAIA)	1.2	-37.11
GROUP 1 AUTOMOTIVE INC (GPI)	3.0	-32.41
WILLIAM LYON HOMES (WLH)	1.5	-29.60

### Sector Weightings as of September 30, 2015

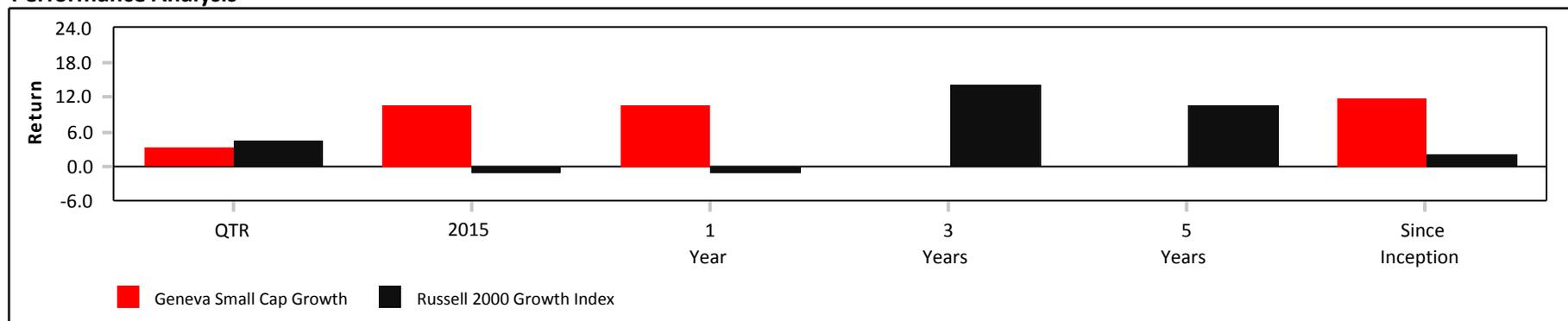
<u>Sector</u>	<u>Port. Wt.</u>	<u>Bmk Wt.</u>	<u>Sector</u>	<u>Port. Wt.</u>	<u>Bmk Wt.</u>
Consumer Discretionary	13.6%	10.7%	Industrials	17.9%	15.7%
Consumer Staples	0.0%	4.2%	Information Technology	15.1%	9.4%
Energy	4.6%	3.6%	Materials	4.7%	5.7%
Financials	27.4%	36.8%	Telecomm	0.0%	0.0%
Health Care	9.7%	7.4%	Utilities	3.6%	6.0%
			Cash	3.5%	0.0%

## Manager Evaluation

### Geneva Small Cap Growth

As of December 31, 2015

#### Performance Analysis



	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Geneva Small Cap Growth</b>	<b>3.2</b>	<b>10.7</b>	<b>10.7</b>	<b>N/A</b>	<b>N/A</b>	<b>11.9</b>	<b>09/01/2014</b>
Russell 2000 Growth Index	4.3	-1.4	-1.4	14.3	10.7	2.0	
Difference	-1.1	12.1	12.1	N/A	N/A	9.9	

#### Manager Commentary

4Q 2015 – The Nationwide Geneva Small Cap Growth Fund was positive during the fourth quarter but underperformed the Russell 2000 Growth Index. The market was risk-on during the period, reversing course from the third quarter when markets were broadly negative. Low quality was rewarded, a headwind for the high quality approach Geneva implements. Regarding attribution, relative results were negatively impacted by an underweight position in health care, which recovered following their sharp declines in the prior period, and an overweight to industrials. The industrial names continue to be hindered from falling commodity prices. At the stock level, selection within financials, industrials and consumer discretionary weighed most on performance. The largest detractors for the period included BofI Holding (-35%) and PRA Group (-35%) in financials and G-III Apparel Group (-28%) in consumer discretionary. Conversely, stock picks within materials and technology aided results, led by stakes in Acuity Brands (+33%) and Tyler Technologies (+17%).

## Manager Evaluation

Geneva Small Cap Growth

As of December 31, 2015

### Portfolio Information

<b>Firm Name</b>	Henderson Geneva Capital Management	<b>Portfolio Manager</b>	Team-based
<b>Product Name</b>	Smallcap Growth	<b>Fund Style</b>	U.S. Small Cap Equities
<b>Portfolio Assets</b>	\$1,615,315	<b>Style Benchmark</b>	Russell 2000 Growth
<b>Inception Date</b>	12/14/2012		

### Portfolio Investment Policy

Team uses fundamental analysis to identify high quality companies with superior management teams, low leverage and a consistent, sustainable record of growth. Portfolio generally consists of 50-60 stocks.

#### Largest Equity Holdings as of December 31, 2015

<b>Stock</b>	<b>% of Portfolio</b>
1. MARKETAXESS HLDGS INC COM	3.62%
2. TYLER TECHNOLOGIES INC COM	3.53%
3. CANTEL MEDICAL CORP COM	3.20%
4. BANK OF THE OZARKS INC COM	3.06%
5. ULTIMATE SOFTWARE GROUP INC COM	3.05%
6. ABIOMED INC COM	2.93%
7. ACUITY BRANDS INC COM	2.82%
8. MONRO MUFFLER BRAKE INC COM	2.69%
9. MIDDLEBY CORP COM	2.64%
10. BLACKBAUD INC COM	2.56%

#### Largest Contributors & Detractors

<b>Contributors</b>	<b>% of Portfolio</b>	<b>Bps Contribution</b>
Acuity Brands, Inc.	3.01%	0.85
MarketAxess Holdings Inc.	3.27%	0.59
Tyler Technologies, Inc.	3.50%	0.58
Neogen Corporation	2.15%	0.46
Globus Medical, Inc. Class A	1.49%	0.40
<b>Detractors</b>	<b>% of Portfolio</b>	<b>Bps Contribution</b>
BofI HOLDING, INC.	1.61%	-0.76
Allegiant Travel Company	2.48%	-0.58
G-III Apparel Group, Ltd.	1.72%	-0.56
PRA Group Inc	1.38%	-0.54
Virtusa Corporation	1.23%	-0.24

#### Sector Weightings as of December 31, 2015

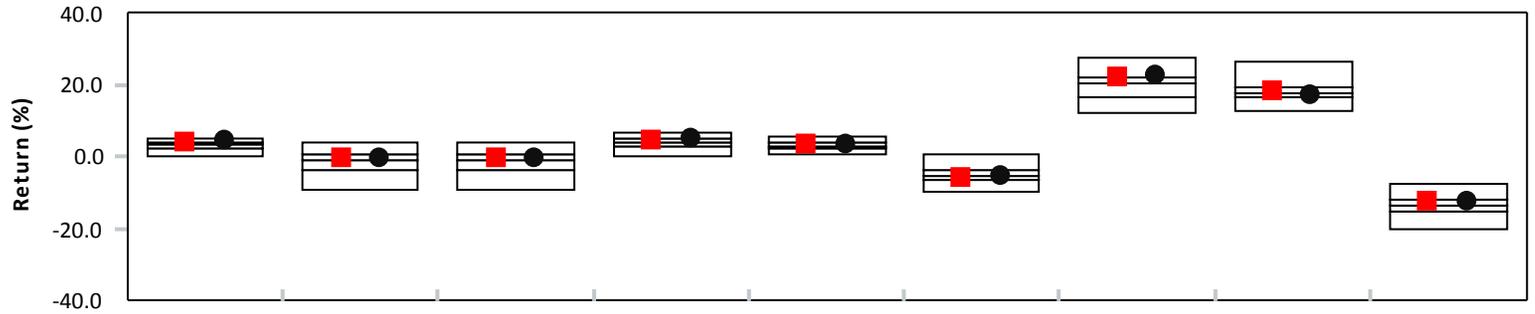
<b>Sector</b>	<b>Port. Wt.</b>	<b>Bmk Wt.</b>	<b>Sector</b>	<b>Port. Wt.</b>	<b>Bmk Wt.</b>
Consumer Discretionary	13.9%	16.7%	Industrials	24.6%	12.6%
Consumer Staples	1.9%	3.5%	Information Technology	17.7%	25.1%
Energy	1.4%	1.1%	Materials	3.9%	4.0%
Financials	10.9%	7.8%	Telecomm	0.0%	0.8%
Health Care	21.1%	28.2%	Utilities	0.0%	0.1%
			Cash	4.6%	0.0%

# Manager Evaluation

## Vanguard Developed Markets Index Fund Instl

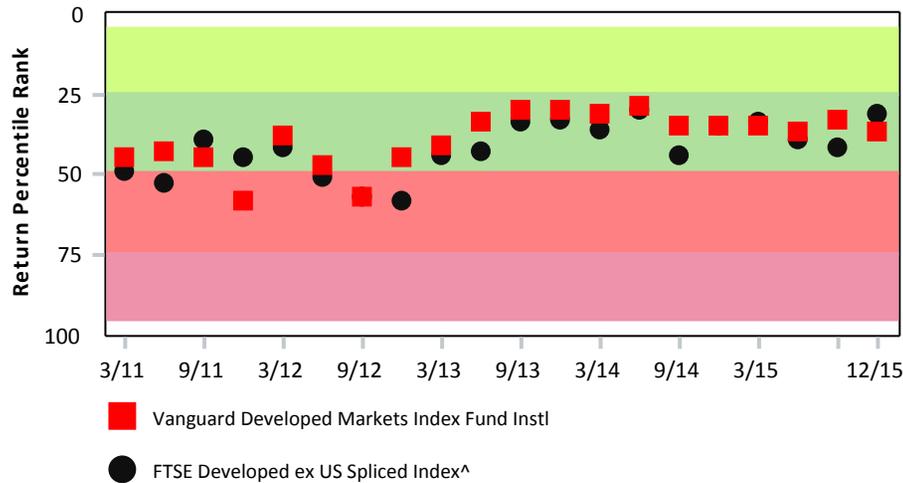
As of December 31, 2015

### Peer Group Analysis vs. IM International Multi-Cap Core Equity (MF)

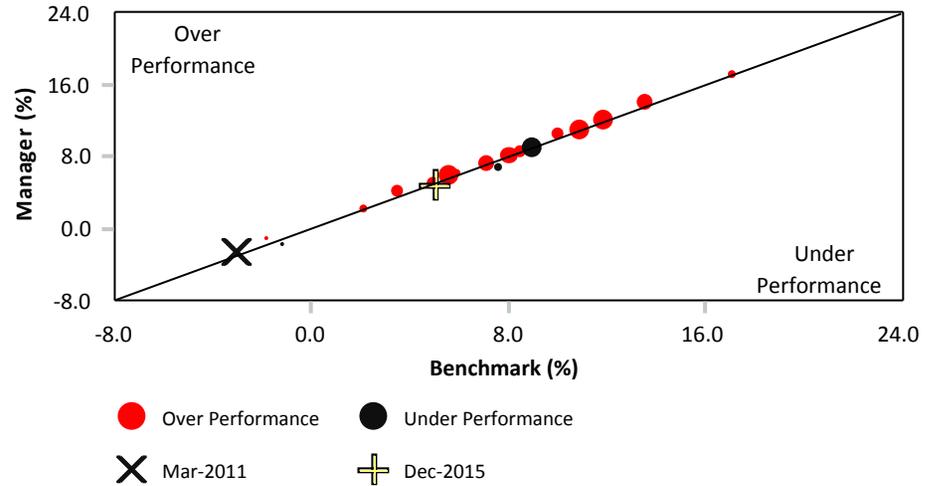


	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ Vanguard Developed Markets Index Fund Instl	3.9 (35)	-0.2 (38)	-0.2 (38)	4.8 (37)	3.6 (32)	-5.7 (61)	22.2 (30)	18.7 (38)	-12.6 (41)
● FTSE Developed ex US Spliced Index^	4.9 (11)	-0.5 (41)	-0.5 (41)	5.1 (31)	3.6 (30)	-5.0 (51)	22.7 (25)	17.3 (66)	-12.1 (30)
5th Percentile	5.3	4.3	4.3	6.8	5.6	0.7	27.9	26.9	-7.6
1st Quartile	4.3	0.8	0.8	5.3	3.9	-3.7	22.6	19.7	-11.8
Median	3.5	-0.9	-0.9	4.2	3.0	-5.0	20.5	18.0	-13.4
3rd Quartile	2.7	-3.5	-3.5	2.8	2.2	-6.4	16.6	16.6	-15.4
95th Percentile	0.2	-9.0	-9.0	0.3	0.7	-9.6	12.1	12.7	-20.4

### 3 Year Rolling Percentile Ranking vs. IM International Multi-Cap Core Equity (MF)



### 3 Year Rolling Under/Over Performance vs. FTSE Developed ex US Spliced Index^

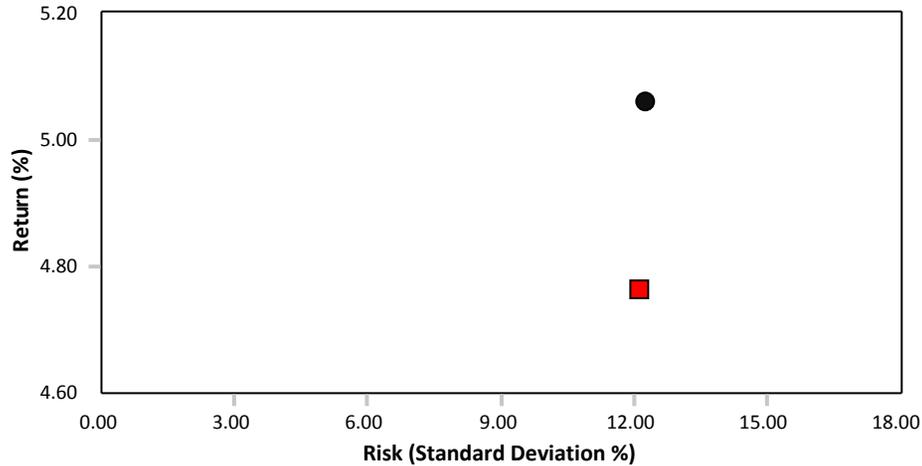


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

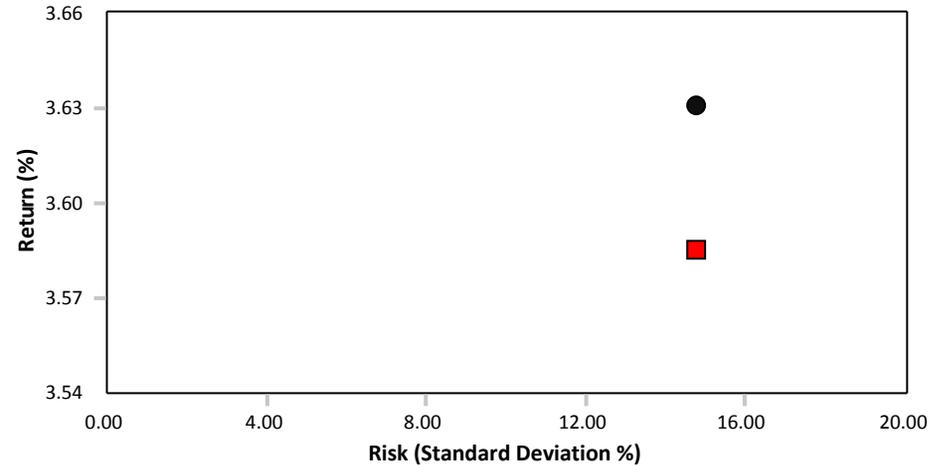
Vanguard Developed Markets Index Fund Instl  
As of December 31, 2015

## 3 Year Risk and Return



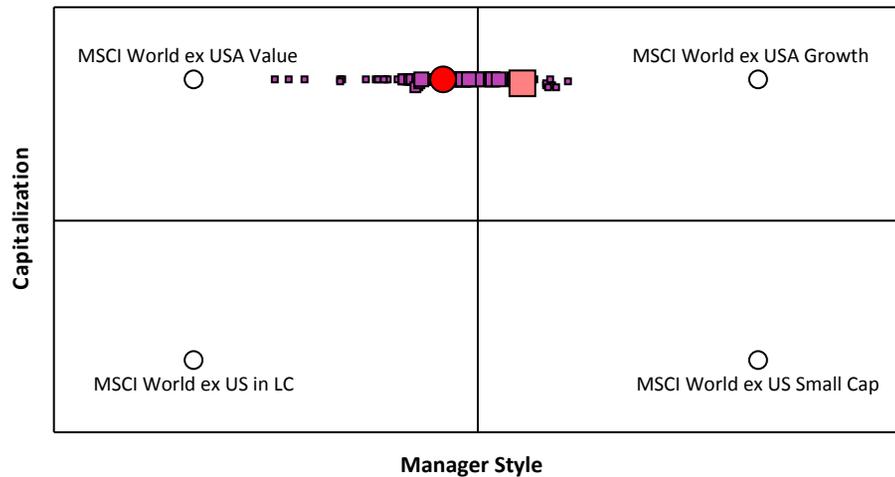
- Vanguard Developed Markets Index Fund Instl
- FTSE Developed ex US Spliced Index^

## 5 Year Risk and Return



- Vanguard Developed Markets Index Fund Instl
- FTSE Developed ex US Spliced Index^

## Style Map - 3 Years



- Style History
- Dec-2015
- Average Style Exposure

## MPT Statistics vs. FTSE Developed ex US Spliced Index^

	3 Years	5 Years
Return	4.8	3.6
Standard Deviation	12.2	14.8
vs. FTSE Developed ex US Spliced Index^		
Alpha	-0.2	0.0
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	50.0	51.7
Up Market Capture	97.8	99.4
Down Market Capture	98.9	99.5
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.4	0.3

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Developed Markets Index Fund Instl

Report Date December 31, 2015

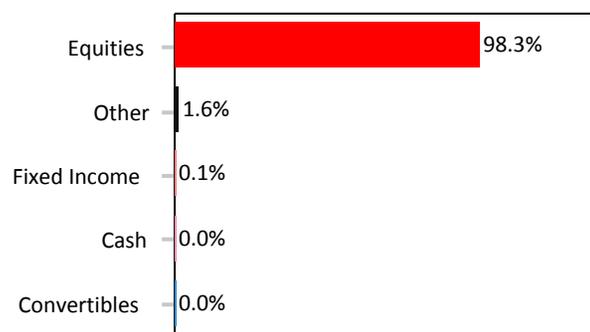
### Mutual Fund Information

Fund Name :	Vanguard Tax-Managed Funds: Vanguard Developed Markets Index Fund; Institutional Shares	Portfolio Assets :	\$50,244 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$8,083 Million
Ticker :	VTMNX	Portfolio Manager :	Chistine D. Franquin
Inception Date :	01/04/2001	PM Tenure :	2013
Portfolio Turnover :	4%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in the major markets of Europe and the Pacific Region. The Fund employs an indexing investment approach designed to track the performance of the FTSE Developed ex North America Index.

### Asset Allocation as of 08/31/15



### Top 10 Securities as of 08/31/15

Nestle SA ORD	1.8 %
Novartis AG ORD	1.6 %
Roche Holding AG ORD	1.4 %
Toyota Motor Corp ORD	1.2 %
HSBC Holdings PLC ORD	1.2 %
Bayer AG ORD	0.8 %
Sanofi SA ORD	0.8 %
Novo Nordisk A/S ORD	0.8 %
Royal Dutch Shell PLC ORD	0.8 %
BP PLC ORD	0.8 %

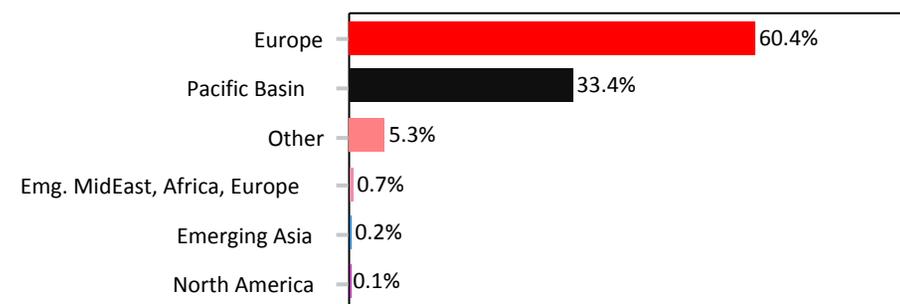
### Top 5 Countries as of 08/31/15

Japan	23.2 %
United Kingdom	16.7 %
Switzerland	9.2 %
France	8.6 %
Germany	8.1 %

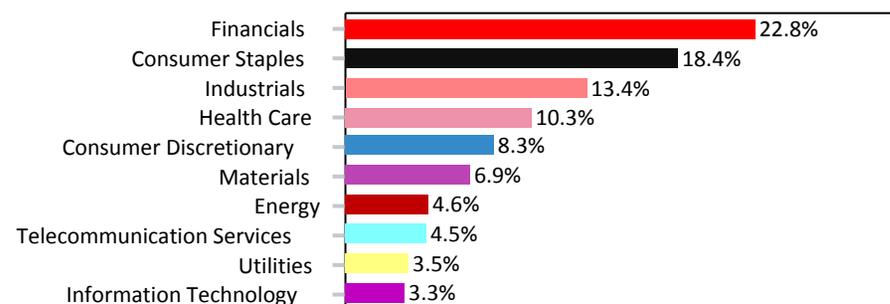
### Equity Characteristics as of 08/31/15

Total Securities	1,399
Avg. Market Cap	\$51,415 Million
P/E	20.7
P/B	2.9
Div. Yield	3.2%
Annual EPS	13.2

### Region Allocation as of 08/31/15



### Sector Allocation as of 08/31/15

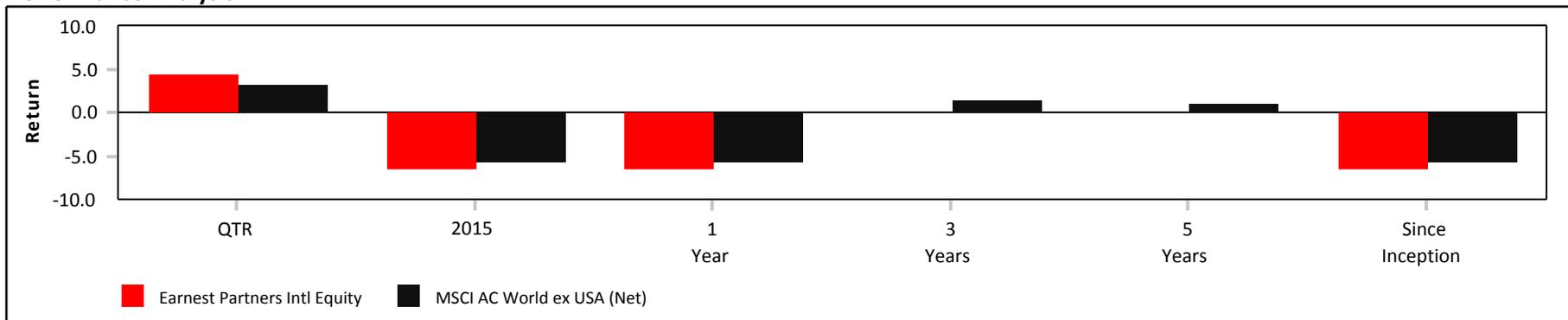


## Manager Evaluation

### Earnest Partners Intl Equity

As of December 31, 2015

#### Performance Analysis



	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Earnest Partners Intl Equity</b>	<b>4.5</b>	<b>-6.5</b>	<b>-6.5</b>	<b>N/A</b>	<b>N/A</b>	<b>-6.5</b>	<b>01/01/2015</b>
MSCI AC World ex USA (Net)	3.2	-5.7	-5.7	1.5	1.1	-5.7	
Difference	1.3	-0.8	-0.8	N/A	N/A	-0.8	

#### Manager Commentary

4Q 2015 – The EARNEST Partners International Equity strategy rose in the fourth quarter and outperformed its benchmark, the MSCI ACWI ex-US Index. Equity markets rebounded in the period supported by additional stimulus measures in Japan, China, and Europe as well as clarity on the direction of U.S. monetary policy. The portfolio’s absolute and relative performance was driven by stock selection within the consumer, industrial, and healthcare sectors. At the position level, the top contributors to returns were Taiwan Semiconductor Manufacturing Company (TSMC) and Sodexo. Investors rewarded TSMC for its cash heavy balance sheet and improving fundamentals as the company benefits from the trend of tech companies outsourcing their manufacturing as chips become more advanced and complex. Sodexo, a catering services company, saw its stock rise following a strong earnings and revenues report due to contract wins as well as the announcement of a share repurchase program and further cost cutting initiatives. In contrast, Novartis was the Fund’s largest detractor as the company reported disappointing earnings due to slower sales in surgical equipment and increased generic competition in eye care.

## Manager Evaluation

EARNEST Partners - International Equity Fund (New Hampshire Trust)

As of December 31, 2015

### Portfolio Information

<b>Firm Name</b>	Earnest Parnters	<b>Portfolio Manager</b>	Team based
<b>Product Name</b>	International NH Trust	<b>PM Tenure</b>	Average 20 Years
<b>Strategy Assets</b>	\$4.68 Million	<b>Fund Style</b>	International ex-U.S. Equity
<b>Inception Date</b>	1/1/2015	<b>Style Benchmark</b>	MSCI ACWI ex-U.S. Index

### Portfolio Investment Policy

Earnest Partners seeks to outperform the benchmark while controlling volatility and risk. Security selection is driven by the firm's proprietary screening tool - Return Pattern Recognition, fundamental analysis and risk management. The Fund typically holds up to 30% in Emerging Markets. The manager uses a statistical approach referred to as downside deviation to measure and constrain the likelihood of underperforming the assigned benchmark.

### Largest Equity Holdings as of December 31, 2015

<u>Stock</u>	<u>Active Weight</u>
1. ICON Plc	4.6%
2. ARM Holdings	4.3%
3. Shire	3.6%
4. DENSO	3.4%
5. Everest	3.3%
6. Amadeus	3.2%
7. Carnival	3.1%
8. Roche	2.9%
9. Core Laboratories	2.7%
10. Secom Co	<u>2.7%</u>
	33.8%

### Regional Allocation

	<u>Portfolio Wt.</u>	<u>Benchmark Wt.</u>
Europe ex UK	42.4%	34.0%
UK	10.9%	13.5%
Asia ex Japan	4.1%	8.5%
Japan	7.5%	17.3%
Emerging Markets	24.5%	20.3%
Americas (ex US)	9.0%	5.9%
Middle East/Africa	<u>1.6%</u>	<u>0.6%</u>
	100.0%	100.1%

### Sector Weightings as of December 31, 2015

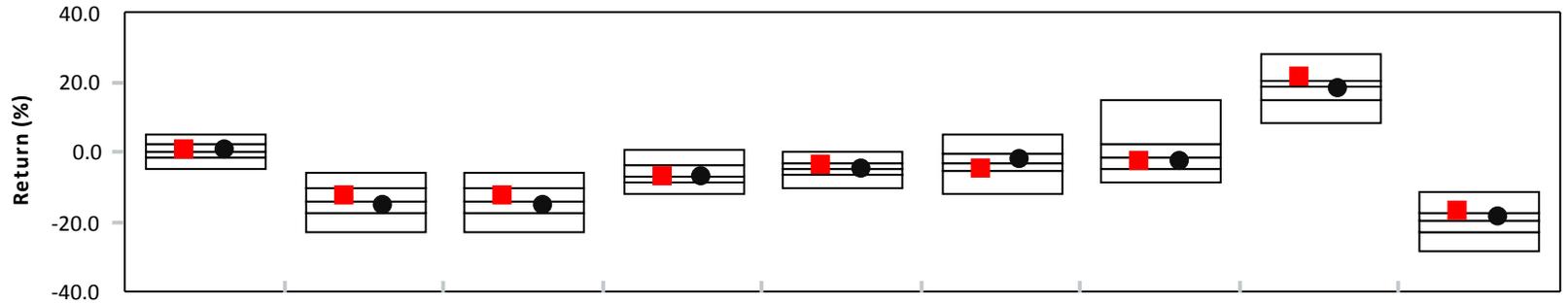
<u>Sector</u>	<u>Port. Wt.</u>	<u>Bmk Wt.</u>	<u>Sector</u>	<u>Port. Wt.</u>	<u>Bmk Wt.</u>
Consumer Discretionary	18.2%	12.7%	Industrials	4.6%	10.9%
Consumer Staples	4.1%	10.7%	Information Technology	13.6%	8.0%
Energy	6.7%	6.0%	Materials	7.5%	6.2%
Financials	23.9%	27.1%	Telecomm	0.9%	5.4%
Health Care	20.6%	9.6%	Utilities	0.0%	3.4%

# Manager Evaluation

## Schroder Emerging Market Equity Inv

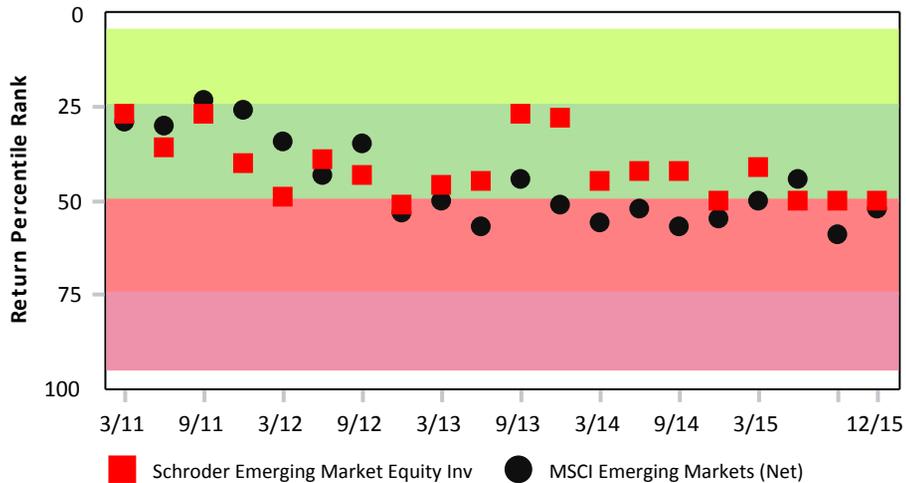
As of December 31, 2015

### Peer Group Analysis vs. IM Emerging Markets Equity (MF)

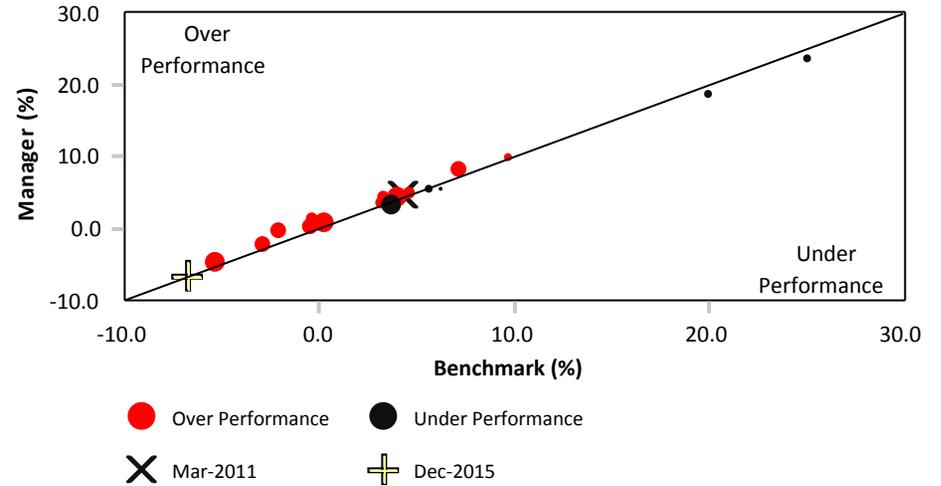


	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ Schroder Emerging Market Equity Inv	0.6 (48)	-12.7 (37)	-12.7 (37)	-6.6 (50)	-3.8 (36)	-4.6 (71)	-2.3 (56)	21.7 (20)	-16.7 (19)
● MSCI Emerging Markets (Net)	0.7 (48)	-14.9 (56)	-14.9 (56)	-6.8 (52)	-4.8 (51)	-2.2 (43)	-2.6 (58)	18.2 (56)	-18.4 (36)
5th Percentile	5.3	-6.0	-6.0	0.6	0.5	5.5	15.1	28.3	-11.4
1st Quartile	2.4	-10.4	-10.4	-3.6	-2.9	-0.2	2.7	20.7	-17.4
Median	0.3	-14.2	-14.2	-6.6	-4.8	-3.0	-1.5	18.8	-19.5
3rd Quartile	-1.1	-17.4	-17.4	-8.5	-6.2	-5.2	-4.8	15.4	-23.1
95th Percentile	-4.5	-22.9	-22.9	-12.1	-10.0	-11.8	-8.4	8.4	-28.2

### 3 Year Rolling Percentile Ranking vs. IM Emerging Markets Equity (MF)



### 3 Year Rolling Under/Over Performance vs. MSCI Emerging Markets (Net)



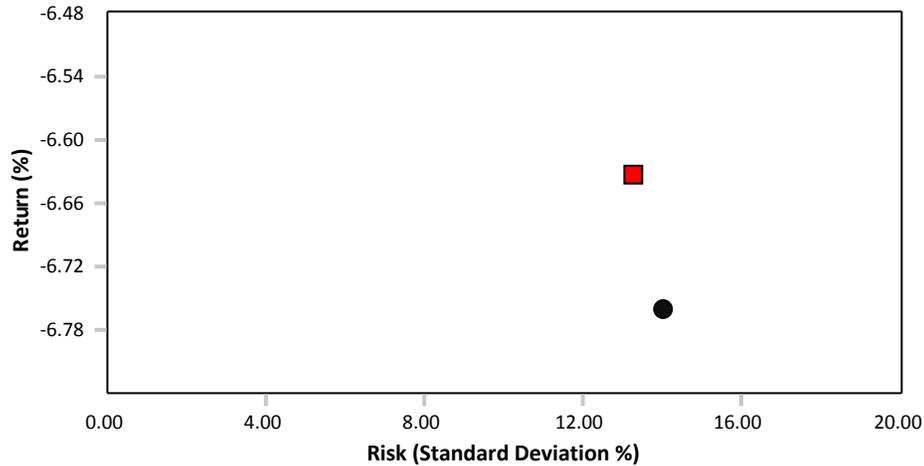
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Schroder Emerging Market Equity Inv

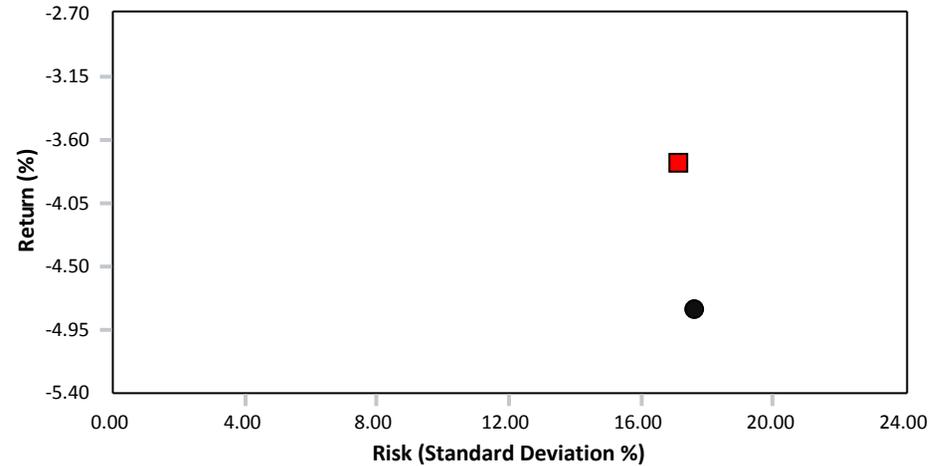
As of December 31, 2015

### 3 Year Risk and Return



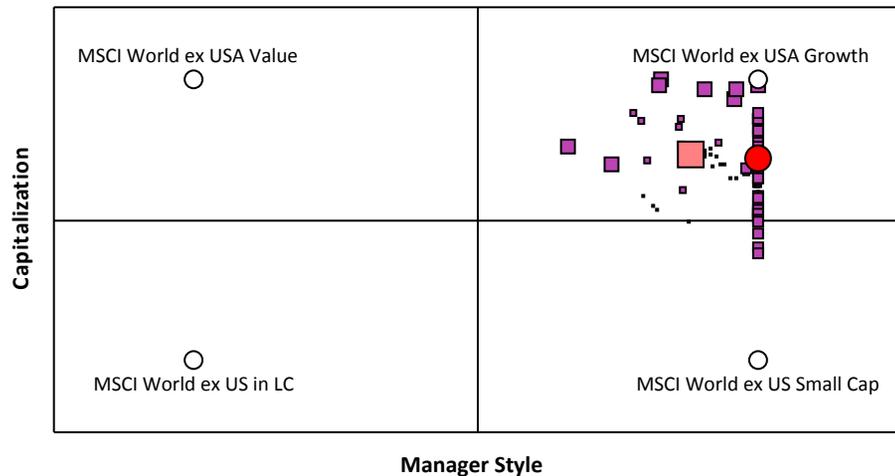
- Schroder Emerging Market Equity Inv
- MSCI Emerging Markets (Net)

### 5 Year Risk and Return



- Schroder Emerging Market Equity Inv
- MSCI Emerging Markets (Net)

### Style Map - 3 Years



- Style History
- Dec-2015
- Average Style Exposure

### MPT Statistics vs. MSCI Emerging Markets (Net)

	3 Years	5 Years
Return	-6.6	-3.8
Standard Deviation	13.3	17.2
vs. MSCI Emerging Markets (Net)		
Alpha	-0.4	0.8
Beta	0.9	1.0
R-Squared	1.0	1.0
Consistency	52.8	58.3
Up Market Capture	90.0	94.9
Down Market Capture	92.5	91.5
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	-0.5	-0.1

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Schroder Emerging Market Equity Inv

Report Date December 31, 2015

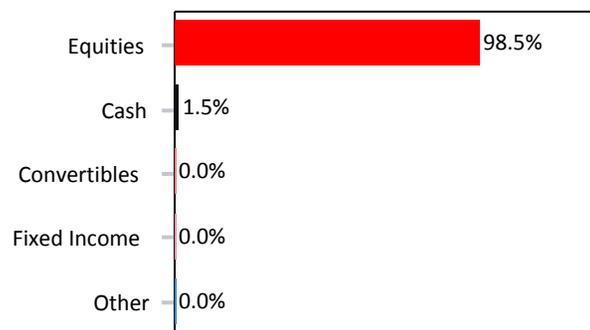
### Mutual Fund Information

Fund Name :	Schroder Series Trust: Schroder Emerging Market Equity Fund; Investor Class Shares	Portfolio Assets :	\$1,179 Million
Fund Family :	Schroder Invst Mgmt North America Inc	Fund Assets :	\$825 Million
Ticker :	SEMNX	Portfolio Manager :	Team Managed
Inception Date :	03/31/2006	PM Tenure :	
Portfolio Turnover :	58%		

### Fund Investment Policy

The Fund seeks capital appreciation. The Fund normally invests at least 80% of its net assets in equity securities of companies the Fund's sub-adviser considers to be "emerging market" issuers. The Fund may invest the remainder of its assets in securities of issuers located anywhere in the world.

### Asset Allocation as of 06/30/15



### Top 10 Securities as of 06/30/15

Tencent Holdings Ltd ORD	5.3 %
Samsung Electronics Co Ltd ORD	4.9 %
China Construction Bank Corp ORD	4.4 %
Taiwan Semiconductor Manufacturing Co Ltd ORD	3.5 %
China Petroleum & Chemical Corp ORD	3.0 %
China Mobile Ltd ORD	2.9 %
Hon Hai Precision Industry Co Ltd ORD	2.5 %
AIA Group Ltd ORD	2.4 %
Axis Bank Ltd ORD	1.9 %
HDFC Bank Ltd ORD	1.9 %

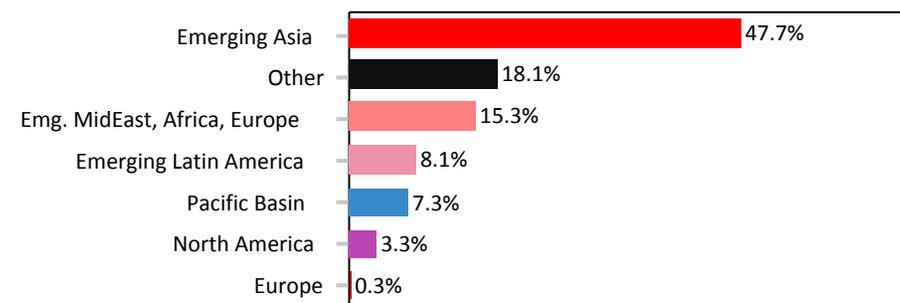
### Top 5 Countries as of 06/30/15

China	20.2 %
Korea	17.7 %
Taiwan	12.7 %
India	9.2 %
Brazil	7.5 %

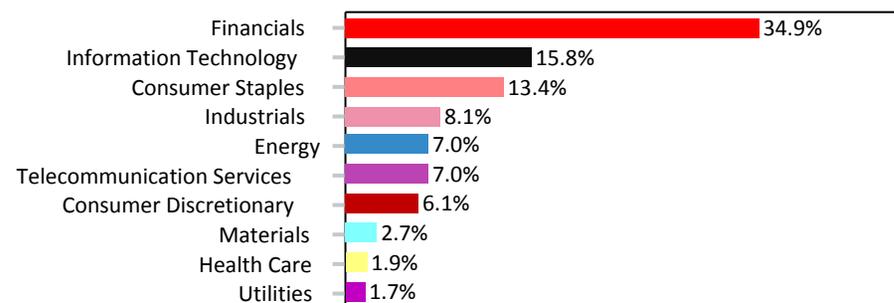
### Equity Characteristics as of 06/30/15

Total Securities	128
Avg. Market Cap	\$71,756 Million
P/E	22.1
P/B	4.3
Div. Yield	2.3%
Annual EPS	14.1

### Region Allocation as of 06/30/15



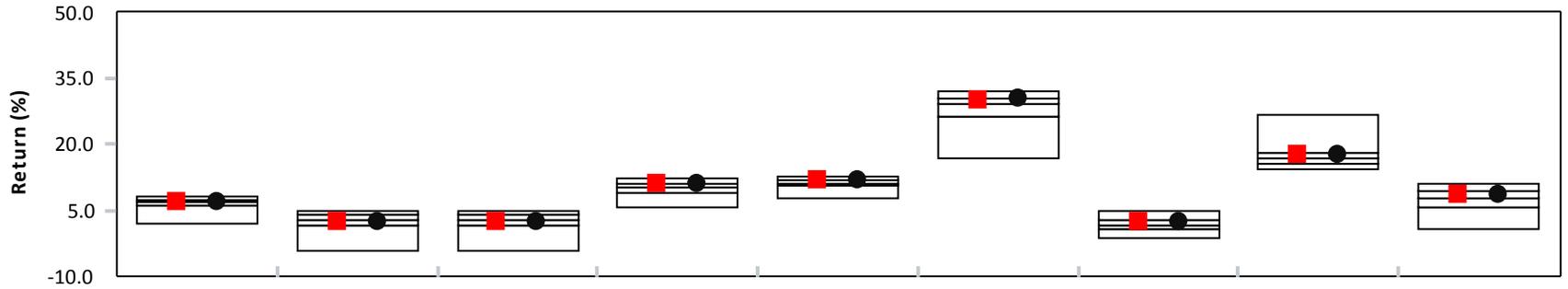
### Sector Allocation as of 06/30/15



# Manager Evaluation

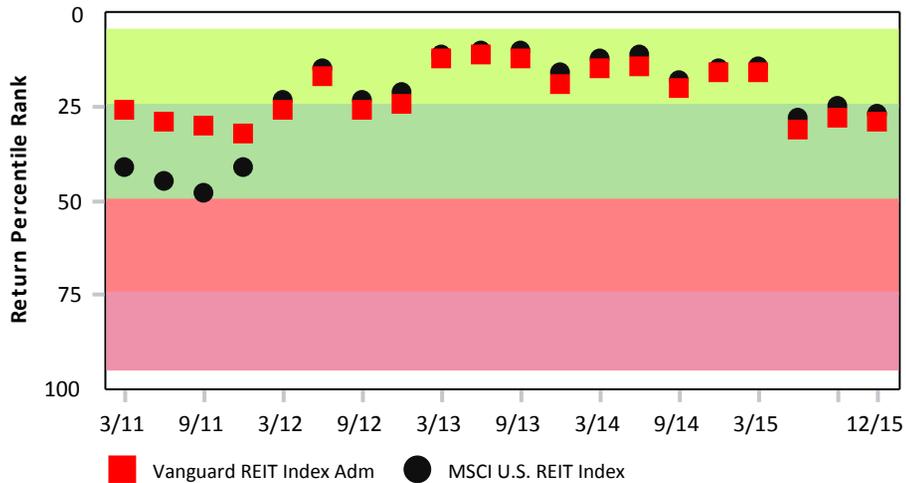
Vanguard REIT Index Adm  
As of December 31, 2015

## Peer Group Analysis vs. IM Real Estate Sector (MF)

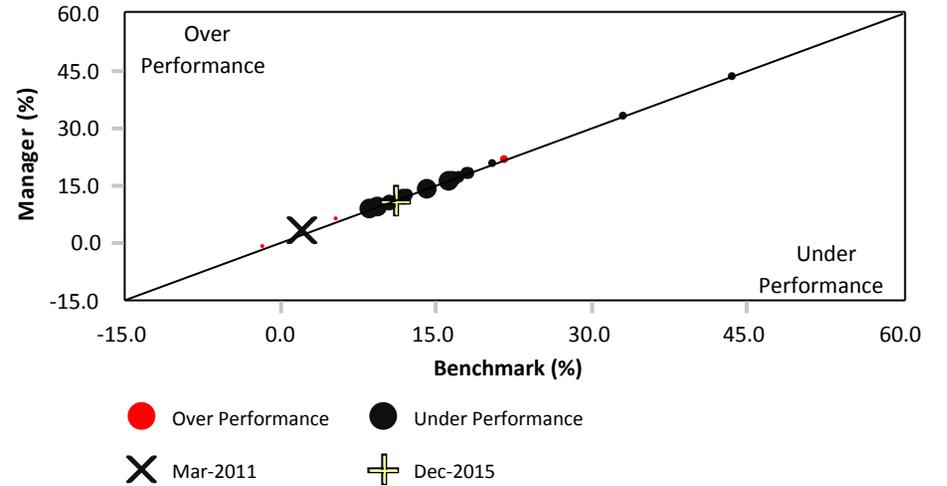


	QTR	YTD	1 Year	3 Years	5 Years	2014	2013	2012	2011
■ Vanguard REIT Index Adm	7.0 (46)	2.4 (61)	2.4 (61)	11.0 (29)	11.8 (27)	30.3 (32)	2.4 (30)	17.7 (30)	8.6 (40)
● MSCI U.S. REIT Index	7.1 (44)	2.5 (57)	2.5 (57)	11.1 (27)	11.9 (26)	30.4 (29)	2.5 (28)	17.8 (29)	8.7 (38)
5th Percentile	8.1	5.1	5.1	12.3	13.0	32.1	4.7	26.8	11.2
1st Quartile	7.6	4.0	4.0	11.1	11.9	30.7	2.7	18.1	9.3
Median	7.0	2.9	2.9	10.4	11.2	29.4	1.6	16.8	7.9
3rd Quartile	6.1	1.6	1.6	9.2	10.5	26.5	0.7	15.8	5.8
95th Percentile	1.8	-4.4	-4.4	5.8	7.9	16.7	-1.4	14.4	0.8

## 3 Year Rolling Percentile Ranking vs. IM Real Estate Sector (MF)



## 3 Year Rolling Under/Over Performance vs. MSCI U.S. REIT Index

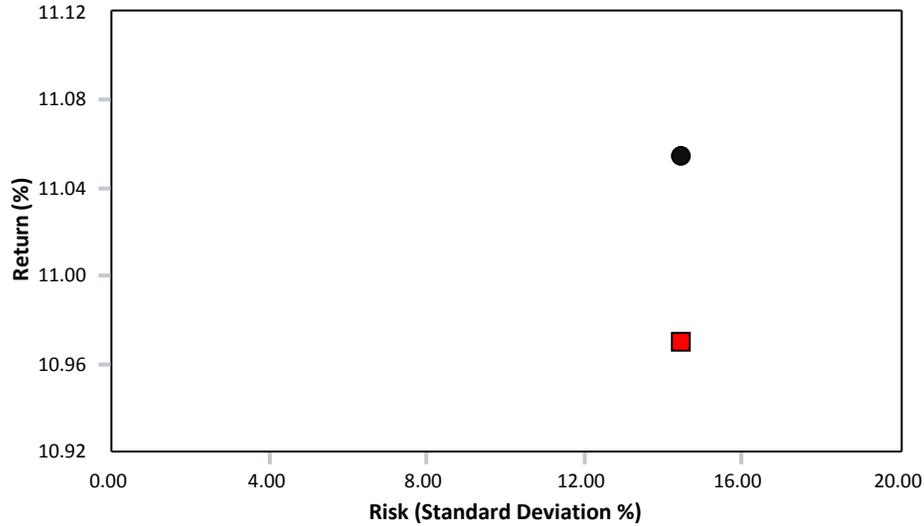


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

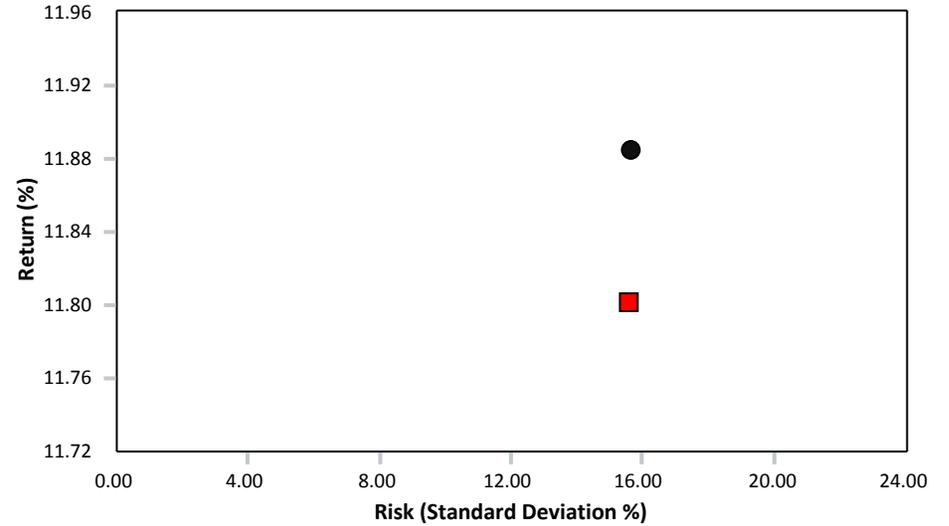
Vanguard REIT Index Adm  
As of December 31, 2015

## 3 Year Risk and Return



■ Vanguard REIT Index Adm    ● MSCI U.S. REIT Index

## 5 Year Risk and Return



■ Vanguard REIT Index Adm    ● MSCI U.S. REIT Index

## Style Map - 3 Years



■ Style History    ■ Dec-2015    ● Average Style Exposure

## MPT Statistics vs. MSCI U.S. REIT Index

	3 Years	5 Years
Return	11.0	11.8
Standard Deviation	14.5	15.6
vs. MSCI U.S. REIT Index		
Alpha	-0.1	-0.1
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	22.2	25.0
Up Market Capture	99.8	99.8
Down Market Capture	100.2	100.1
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.8	0.8

# Manager Evaluation

## Vanguard REIT Index Adm

Report Date December 31, 2015

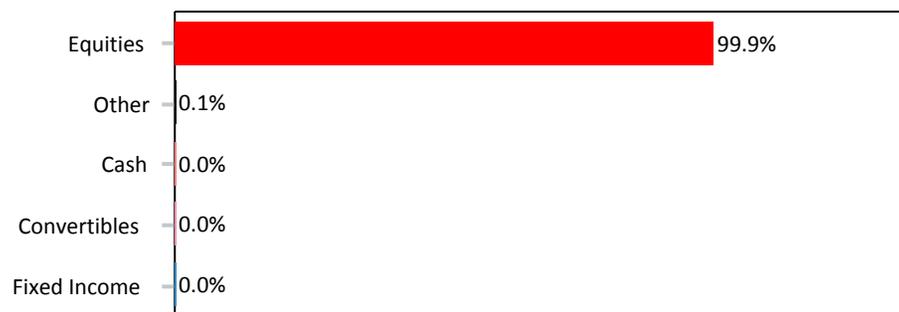
### Mutual Fund Information

Fund Name :	Vanguard Specialized Funds: Vanguard REIT Index Fund; Admiral Shares	Portfolio Assets :	\$48,533 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$13,870 Million
Ticker :	VGSLX	Portfolio Manager :	Gerard C. O'Reilly
Inception Date :	11/12/2001	PM Tenure :	2001
Portfolio Turnover :	8%		

### Fund Investment Policy

The Fund seeks to track the investment performance of the Morgan Stanley REIT Index by investing at least 98% of its assets in stocks issued by real estate investment trusts.

### Asset Allocation as of 07/31/15



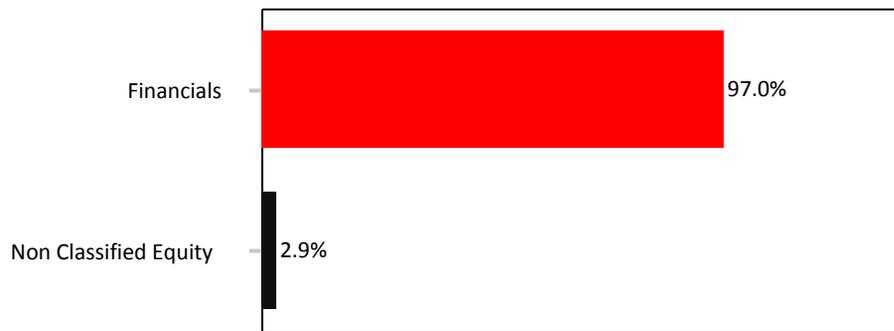
### Top 10 Securities as of 07/31/15

Simon Property Group Inc ORD	8.4 %
Public Storage ORD	4.3 %
Equity Residential ORD	3.9 %
Welltower Inc ORD	3.4 %
AvalonBay Communities Inc ORD	3.3 %
Ventas Inc ORD	3.2 %
Prologis Inc ORD	3.0 %
Boston Properties Inc ORD	2.7 %
HCP Inc ORD	2.6 %
Vornado Realty Trust ORD	2.4 %

### Equity Characteristics as of 07/31/15

Total Securities	148
Avg. Market Cap	\$15,936 Million
P/E	39.0
P/B	3.6
Div. Yield	3.9%
Annual EPS	45.2
5Yr EPS	17.8
3Yr EPS Growth	23.6

### Sector Allocation as of 07/31/15

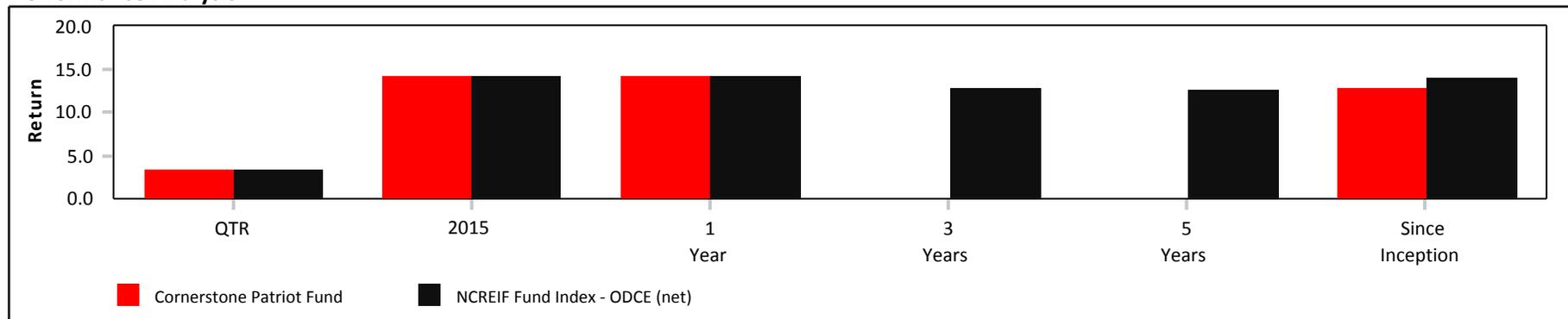


# Manager Evaluation

## Cornerstone Patriot Fund

As of December 31, 2015

### Performance Analysis



	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Cornerstone Patriot Fund</b>	<b>3.3</b>	<b>14.2</b>	<b>14.2</b>	<b>N/A</b>	<b>N/A</b>	<b>12.9</b>	<b>10/01/2014</b>
NCREIF Fund Index - ODCE (net)	3.4	14.3	14.3	12.9	12.7	14.0	
Difference	-0.1	-0.1	-0.1	N/A	N/A	-1.1	

### Manager Commentary

4Q 2015 - Commentary not available at time of report production.

## Prospectus Links

As of December 31, 2015

---

<u>FUND FAMILY/NAME</u>	<u>WEB SITE</u>
BlackRock	<a href="http://www.blackrock.com">www.blackrock.com</a>
Schroder	<a href="http://www.schroderfunds.com">www.schroderfunds.com</a>
Vanguard Funds	<a href="http://www.vanguard.com">www.vanguard.com</a>

## Custom Index Descriptions

**CRSP U.S. Large Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Growth.

**CRSP U.S. Large Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Large Cap TR. Periods prior to February 1, 2013: MSCI U.S. Prime Market 750.

**CRSP U.S. Large Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Value.

**CRSP U.S. Mid Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Mid Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Mid Cap Growth.

**CRSP U.S. Mid Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Mid Cap TR. Periods prior to February 1, 2013: MSCI U.S. Mid Cap 450.

**CRSP U.S. Small Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Growth.

**CRSP U.S. Small Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Small Cap TR. Periods prior to February 1, 2013: MSCI U.S. Small Cap 1750.

**CRSP U.S. Small Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Value.

**CRSP U.S. Total Market Spliced Index** – Following June 1, 2013: CRSP U.S. Total Market TR. Periods prior to June 1, 2003: MSCI U.S. Broad Market.

**FTSE Developed Asia Pacific Spliced Index** – Following April 1, 2013: FTSE Developed Asia Pacific. Periods prior to April 1, 2013: MSCI Pacific.

**FTSE Developed Europe Spliced Index** – Following April 1, 2013: FTSE Developed Europe. Periods prior to April 1, 2013: MSCI Europe.

**FTSE Developed ex US Spliced Index** – Following December 1, 2015: FTSE Developed All Cap Ex US Transition Index. Periods between May 1, 2013 and December 1, 2015: FTSE Developed ex NA Index. Periods before May 1, 2013: MSCI EAFE (net).

**FTSE Emerging Markets All Cap China A Inclusion Spliced Index** – Following November 1, 2015: FTSE Emerging Markets All Cap China A Inclusion Transition Index. Periods between July 1, 2013 and November 1, 2015: FTSE Emerging Markets (net). Periods between February 1, 2013 and July 1, 2013: FTSE Emerging Markets Transition. Periods Prior to February 1, 2013: MSCI Emerging Markets.

**FTSE Global All Cap ex U.S. Spliced Index** – Following June 1, 2013: FTSE Global ex USA All Cap. Periods between January 1, 2011 and July 1, 2013: MSCI ACWI ex USA IMI ND. Periods prior to January 1, 2011: MSCI EAFE + EM ND USD.

**MSCI AC World ex USA (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA (net). Prior to January 1, 2001: MSCI AC World ex USA.

**MSCI AC World ex USA Growth (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Growth (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Growth. Periods prior to January 1, 1997: MSCI AC World ex USA.

**MSCI AC World ex USA Value (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Value (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Value. Periods prior to January 1, 1997: MSCI AC World ex USA.

## Statistics Definitions

---

Statistics	Description
Sharpe Ratio	-- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	-- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	-- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
R-Squared	-- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.
Treyner Ratio	-- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Tracking Error	-- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	-- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Consistency	-- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Excess Return	-- Arithmetic difference between the managers return and the risk-free return over a specified time period.
Active Return	-- Arithmetic difference between the managers return and the benchmark return over a specified time period.
Excess Risk	-- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Up Market Capture	-- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	-- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.