

AGENDA



Date: June 3, 2016

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, June 9, 2016, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Board:

A. MOMENT OF SILENCE

B. BOARD OF TRUSTEES

- 1. Welcome of newly-appointed Trustee**
- 2. Election of officers of the Board of Trustees to fill vacant position(s)**
- 3. Authorized signatories for the Board of Trustees**
- 4. Committee appointments**

C. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of May 12, 2016

2. Approval of Refunds of Contributions for the Month of May 2016

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for June 2016

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Alternate Payee Benefits

8. Approval of Earnings Test

9. Approval of Payment of DROP Revocation Contributions

D. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Equity structure study**
- 2. Boston Partners**
- 3. Manulife Asset Management**
- 4. Ashmore Global Special Situations IV extension**
- 5. NEPC: First Quarter 2016 Investment Performance Analysis and Fourth Quarter 2015 Private Markets Review**
- 6. Investment reports**
- 7. Hearthstone: Idaho and Colorado properties update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

- 8. Plan amendment – retiree voting**

9. Ad hoc committee reports

10. Board Members' reports on meetings, seminars and/or conferences attended

- a. NCPERS Accredited Fiduciary (NAF) Program
- b. NCPERS Annual Conference
- c. TEXPERS Basic Trustee Training Class
- d. Pharos Annual Investor Conference

11. 2016 Board/staff workshop

12. Spouse Wed After Retirement (SWAR)

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

13. Legal issues

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

- a. Police Officer and Firefighter pay lawsuits
- b. Potential claims involving fiduciaries and advisors
- c. 2014 Plan amendment election and litigation

14. Mid-year 2016 budget adjustment

15. Audit status

16. Emerging Managers

E. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

2. Executive Director's report

- a. Future Education and Business Related Travel**
- b. Future Investment Related Travel**
- c. Associations' newsletters**
 - TEXPERS Pension Observer (Spring 2016)**
- d. CalPERS to study possible reinvestment in tobacco (Reuters)**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by the Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records.



ITEM #A

MOMENT OF SILENCE

In memory of our Members and Pensioners who recently passed away

(April 28, 2016 – June 1, 2016)

FIRE	ACTIVE/ RETIRED	DATE OF DEATH	POLICE	ACTIVE/ RETIRED	DATE OF DEATH
Clifford C. Gladney	Retired	May 26, 2016	Charley L. Daniel	Retired	May 25, 2016
Roger J. Murphy	Retired	May 24, 2016	Paul D. Jarrell	Retired	May 30, 2016
James F. Roberts	Retired	May 21, 2016	William R. Jordan	Retired	Apr. 28, 2016
Sylvester Thomas, Jr.	Retired	May 7, 2016	Jerry W. Smiddy	Retired	May 22, 2016

Regular Board Meeting – Thursday, June 9, 2016



DISCUSSION SHEET

ITEM #B1

Topic: Welcome of newly-appointed Trustee

Discussion: On Wednesday, May 25, 2016, the City Council approved the following appointment to the Dallas Police & Fire Pension System Board:

Position 1 – Councilmember Jennifer S. Gates

The updated DPFP Board appointment list from the City Secretary's office is attached.

PFP - POLICE AND FIRE PENSION BOARD

Membership: 4 members appointed by the full City Council; 8 members elected by other jurisdictions.

*Quasi-Judicial

ALL TERMS END: 06/26/2017

Staff Support: KELLY GOTTSCHALK, EXECUTIVE DIRECTOR

POLICE AND FIRE PENSION FUND

Phone: 214-638-3863

4100 HARRY HINES SUITE 100
DALLAS, TEXAS 75219

Fax: 214-638-6403

Position 01 JENNIFER S GATES
CITY COUNCILMEMBER

W F 13 C Appointed 05/25/2016
Nominated by RAWLINGS
Terms served: 0
Member since: 5/25/2016

Position 02 SCOTT GRIGGS
CITY COUNCILMEMBER

W M 03 C Reappointed 08/05/2015
Nominated by RAWLINGS
Terms served: 2
Member since: 1/11/2012

Position 03 PHILIP T KINGSTON
CITY COUNCILMEMBER

W M 14 C Reappointed 08/05/2015
Nominated by RAWLINGS
Terms served: 1
Member since: 8/7/2013

Position 04 ERIK WILSON
CITY COUNCILMEMBER

B M 08 C Appointed 08/05/2015
Nominated by RAWLINGS
Terms served: 0
Member since: 8/5/2015

This board requires that nominees for positions on this board have one of the following qualifications: The City Council shall name from among its members, four (4) Council members who shall serve as Trustees of the Board. The places of those named by the Council shall be designated as Council Places numbered 1 through 4. The Council Place to be filled by each Council Member. Trustee shall be designated at the time of appointment. The Council member Trustees shall be named as soon as possible after the first Monday after the final election of Council members and shall serve for the term of office to which they were elected as Council members. In the event the City Council fails to select a Council member as Trustee within the prescribed period of time, the person who has been filling the Council Member Trustee position shall continue to serve as Trustee until such time as said selection is made. If there is a vacancy in any of the Council member Trustees' seats on the Board, for any reason other than the failure of the City to select a Council member as a Trustee, the City Council shall name another Council member to serve out the remainder of the unexpired term.



DISCUSSION SHEET

ITEM #B2

Topic: Election of officers of the Board of Trustees to fill vacant position(s)

Discussion: In accordance with Section 3.01(f) of the Plan Document, the Board will elect from among its Trustees a Vice Chairman to fill the vacancy created by the resignation of Lee Kleinman, for the period from June 9, 2016, through May 31, 2017. Current officers are as follows:

Chairman – Sam Friar

Vice Chairman – vacant

Deputy Vice Chairman – Joe Schutz



DISCUSSION SHEET

ITEM #B3

Topic: Authorized signatories for the Board of Trustees

Discussion: Certain signature authorizations are necessary to facilitate the day-to-day operations of the System. In the past, the Board has authorized the Chairman to sign all documents (including any necessary payments) for the Board and System. If the Chairman is not available, then the Vice-Chairman may sign in the Chairman's place. If both the Chairman and Vice-Chairman are unavailable, then the Deputy Vice-Chairman is authorized to sign for the System.

Current procedures provide that the Chairman's and Executive Director's signatures are digitized and may be placed on all checks to the retirees and vendors.



DISCUSSION SHEET

ITEM #B4

Topic: Committee appointments

Discussion: The Chairman will provide his nominations to the Audit Committee and the Professional Services Committee for the Board's consideration. Upon the Board's approval of committee members, the Chairman will designate a committee chair for each of these committees.

Dallas Police and Fire Pension System
Thursday, May 12, 2016
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, Samuel L. Friar, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30	Samuel L. Friar, Joseph P. Schutz, Brian Hass, Kenneth S. Haben, Erik Wilson, Tho T. Ho, Gerald D. Brown, Clint Conway, John M. Mays
Present at 8:37	Lee M. Kleinman
Present at 8:39	Philip T. Kingston
Absent:	Scott Griggs

Staff

Kelly Gottschalk, Joshua Mond, James Perry, Summer Loveland, John Holt, Corina Terrazas, Damion Hervey, Kelly Dean, Pat McGennis, Ryan Wagner, Milissa Romero, Christina Wu, Greg Irlbeck, Linda Rickley, Kevin Killingsworth

Others

Ron Pastore, Mark Morrison, Marty Kane, John Kolb, Stuart Turner, Eric Grossman, John Philips, Rick Bodio, Oliver Williams, Kate Harkness, Courtney Cahill Phelps, Stacey Magee, Dennis Bush (by telephone), Rhett Humphreys, Michael Yang, Andrea Kim, Darrell Jordan, Mark Sales, Greg Taylor, John Turner, Jason Jordan, Ken Sprecher, Sherman Evans, A. D. Donald, Robert Sharp, Harold Holland, Dan Wojcik, W. Robison, Brad Dirks, Jerry M. Rhodes, Octavio Saldana, Rick Salinas, Esteban Maldonado, Kalon Cohen, Bill Ingram, Edward D. Davis, Diana S. Salinas, Jacqueline L. Webb, Sal Morales, Margaret Morales, Paul Sharp, Alexis Bushong

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The meeting was called to order at 8:30 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers, Ronald E. Bardin, Vernon C. Campbell, and Eddie C. Carlan, and retired firefighters, Buddy K. Chambers and Phillip J. Foley.

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**Regular Board Meeting
Thursday, May 12, 2016**

B. CONSENT AGENDA

- 1. Approval of Minutes**
 - a. Special meeting of April 1, 2016
 - b. Regular meeting of April 14, 2016
- 2. Approval of Refunds of Contributions for the Month of April 2016**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for May 2016**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Five-Year Certificates for the First Quarter 2016**
- 9. Approval of Payment of DROP Revocation Contributions**

After discussion, Mr. Brown made a motion to approve the items on the Consent Agenda, subject to the final review of the staff. Mr. Mays seconded the motion, which was unanimously approved by the Board. Messrs. Kingston and Kleinman were absent when the vote was taken.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. AEW portfolio review

Ron Pastore, Senior Portfolio Manager, and Mark Morrison, Assistant Portfolio Manager, representatives of AEW, gave an update to the Board on the status and plans for DPF's investments in RED Consolidated Holdings, Creative Attractions, and Camel Square.

**Regular Board Meeting
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1. AEW portfolio review (continued)

The Board went into a closed executive session – real estate at 8:39 a.m.

The meeting was reopened at 9:52 a.m.

No motion was made.

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The meeting was recessed at 9:53 a.m.

The meeting was reconvened at 9:58 a.m.

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2. Cornerstone strategic review

Marty Kane, Portfolio Manager, John Kolb, Portfolio Manager, Stuart Turner, Vice President – Hotel Acquisitions, Eric Grossman, Assistant Vice President – Asset Manager, and John Philips, Vice President & Associate General Counsel, representatives of Cornerstone, provided the Board the results of their review of DFPF’s investments in the Aetna Springs and Lake Luciana projects located in Napa County, California (“Napa Portfolio”) and provided a recommended course of action.

The Board went into a closed executive session – real estate at 10:04 a.m.

The meeting was reopened at 10:55 a.m.

After discussion, Mr. Kingston made a motion to authorize Cornerstone to engage a broker to market the Napa Portfolio for sale. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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3. Hancock portfolio review

Hancock Agricultural Investment Group (Hancock), represented by Rick Bodio, Portfolio Manager, Oliver Williams, President, and Kate Harkness, Investment Analyst, reviewed DFPF’s portfolio and discussed their hold-sell recommendations on certain portions of the portfolio with the Board.

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3. Hancock portfolio review (continued)

The Board went into a closed executive session – real estate at 11:09 a.m.

The meeting was reopened at 12:11 p.m.

After discussion, Mr. Brown made a motion to authorize Hancock to sell portfolio properties, subject to the approval of the Executive Director. Mr. Kingston seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 12:27 p.m.

The meeting was reconvened at 12:57 p.m.

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4. Clarion: Four Leaf

Clarion, represented by Courtney Cahill Phelps, Senior Associate, and Stacey Magee, Director, discussed with the Board a potential sale of Four Leaf, a 110-acre site located in Glendale, AZ. Clarion discussed the marketing process to date and provided a recommended course of action.

The Board went into a closed executive session – real estate at 12:57 p.m.

The meeting was reopened at 1:11 p.m.

After discussion, Mr. Brown made a motion to authorize Clarion to consummate the sale of the Four Leaf property, subject to the final approval of terms by the Executive Director. Mr. Conway seconded the motion, which was unanimously approved by the Board. Messrs. Haben, Kleinman, and Wilson were absent when the vote was taken.

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5. Hearthstone: Dry Creek

Dennis Bush – Vice President, Investment Management, of Hearthstone, participated by telephone and briefed the Board on the status of the property.

The Board went into a closed executive session – real estate at 12:57 p.m.

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5. Hearthstone: Dry Creek (continued)

The meeting was reopened at 1:11 p.m.

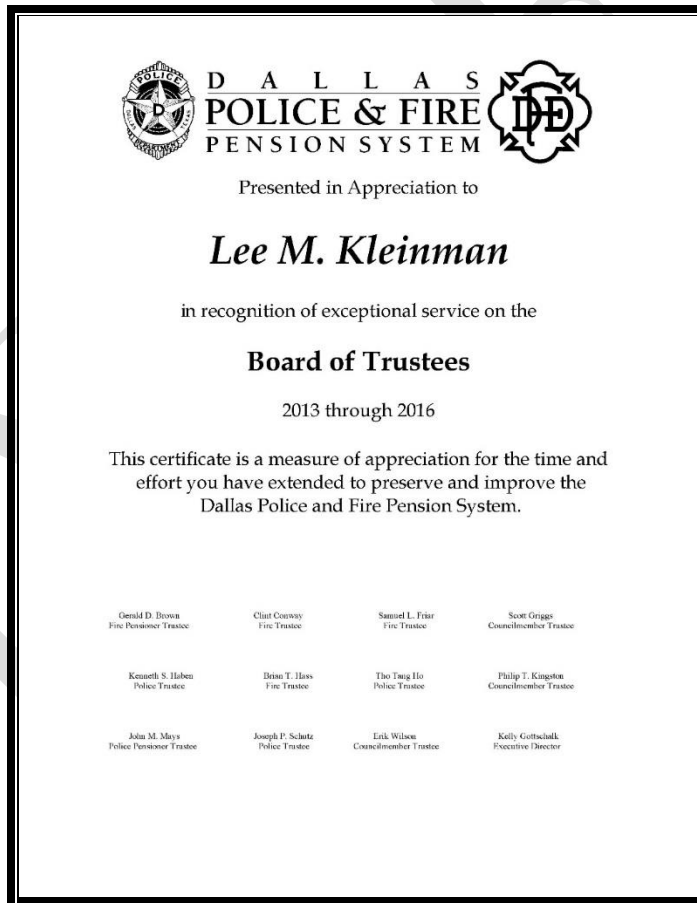
No motion was made.

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6. Recognition of outgoing Trustee

The Chairman and Executive Director, on behalf of the Board, presented a plaque of appreciation to Lee Kleinman for his dedicated service on the Board of Trustees as a Council Trustee. Mr. Kleinman was appointed to the Board on August 7, 2013. His last day of service will be May 24, 2016.

No motion was made.



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**Regular Board Meeting
Thursday, May 12, 2016**

7. Global Asset Allocation structure study

The Global Asset Allocation (GAA) portfolio's target allocation decreased from 20% to 10% when the asset allocation was approved at the March 10, 2016 Board meeting. NEPC and Staff presented the GAA structure study, which explained the build out of the GAA portfolio and discussed each of the sub-asset classes in detail, such as which managers to retain or eliminate, the reasonable number of managers in each sub-asset class and the expected timeline to complete the build out.

After discussion, Mr. Kingston made a motion to close the position in PanAgora and AQR, as well as to stop automatic rebalancing between Bridgewater's All Weather Fund and their Pure Alpha Major Markets Fund. Mr. Brown seconded the motion, which was unanimously approved by the Board. Messrs. Kleinman and Wilson were absent when the vote was taken.

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8. Bank of America loan

Ms. Gottschalk briefed the Board on the status of the Bank of America loan.

No motion was made.

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9. Investment and financial reports

Mr. Perry reviewed the investment performance and rebalancing reports for the period ending April 30, 2016 with the Board. Ms. Loveland briefed the Board on the financial reports for the periods ending December 31, 2015 and March 31, 2016.

No motion was made.

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10. Board policies

- a. Committee Policy and Procedure
- b. Executive Director's Performance Evaluation Policy
- c. Investment Policy Statement – Investment Advisory Committee Formation Process

Regular Board Meeting
Thursday, May 12, 2016

10. Board policies (continued)

- a. Based on recommendations received from Cortex Applied Research, prior discussions with the Board and input from the Governance Committee, staff proposed revisions to the Committee Policy and Procedure. The key changes included the formation of an Audit Committee and a Professional Services Committee and termination of the Administrative and Audit Advisory Committee (AAAC) and the Actuarial Funding Advisory Committee (AFC).

In conjunction with the termination of the AAAC and AFC, the final minutes from each of these committees required approval as follows:

AAAC – September 24, 2015
AFC – February 19, 2015

After discussion, Mr. Brown made a motion to approve the Committee Policy and Procedure, as amended. Mr. Hass seconded the motion, which was unanimously approved by the Board. Messrs. Kingston, Kleinman and Wilson were absent when the vote was taken.

Mr. Brown made a motion to approve the termination of the Administrative and Audit Advisory Committee and Actuarial Funding Advisory Committee. Mr. Ho seconded the motion, which was unanimously approved by the Board. Messrs. Kingston, Kleinman and Wilson were absent when the vote was taken.

Mr. Brown made a motion to approve the minutes of the final meetings of the Administrative and Audit Advisory Committee and the Actuarial Funding Advisory Committee. Mr. Hass seconded the motion, which was unanimously approved by the Board. Messrs. Kingston, Kleinman and Wilson were absent when the vote was taken.

- b. Staff presented a draft of the Executive Director's Performance Evaluation Policy for the Board's consideration. The draft was reviewed by the Governance Committee at the April 26, 2016 committee meeting.

Mr. Schutz made a motion to approve the Executive Director's Performance Evaluation Policy, as amended, adding that there will be a written acknowledgement of goals and the evaluation form shall be attached to the policy. Mr. Mays seconded the motion, which was unanimously approved by the Board. Messrs. Kingston, Kleinman and Wilson were absent when the vote was taken.

**Regular Board Meeting
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10. Board policies (continued)

- c. Staff discussed a possible process for selection of members and formation of the Investment Advisory Committee, including the level of compensation for outside investment professionals, and requested feedback from the Board.

Mr. Mays made a motion to amend the Investment Policy Statement to allow individuals who live or work in any county that contains a portion of the City of Dallas to be eligible to be appointed to the Investment Advisory Committee. Mr. Brown seconded the motion, which was passed by the following vote:

For: Brown, Mays, Ho, Schutz, Friar, Hass, Conway
Against: Haben
Absent: Kingston, Kleinman, Wilson

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11. Ad hoc committee reports

Mr. Hass, Chair of the Long-Term Financial Stability Sub-committee, and Mr. Schutz, Chair of the Governance Sub-committee, gave updates on the ad hoc sub-committees. Mr. Mond reported on the Legal Search Sub-committee.

No motion was made.

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12. Board Members' reports on meetings, seminars and/or conferences attended

Reports were given on the following meetings. Those who attended are listed.

- a. State Pension Committee Meeting

Mr. Schutz

- b. Society of Pension Professionals

Ms. Wu

- c. TEXPERS Secure Retirement for All

Messrs. Friar, Conway, Hass

**Regular Board Meeting
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12. Board Members' reports on meetings, seminars and/or conferences attended

d. Commerce Street Capital: Bank Conference

Messrs. Brown, Haben

e. Wharton: Portfolio Concepts and Management

Messrs. Hass, Conway

f. PRB Meeting

Messrs. Friar, Schutz, Mond, Ms. Gottschalk

No motion was made.

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The meeting was recessed at 2:06 p.m.

The meeting was reconvened at 2:11 a.m.

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13. Determination of Handicap Status of Dependent Child

The Board went into a closed executive session – medical at 2:11 p.m.

The meeting was reopened at 2:17 p.m.

After discussion, Mr. Brown made a motion to grant survivor benefits under the provisions of Plan Section 6.06(p). Mr. Mays seconded the motion, which was unanimously approved by the Board. Messrs. Kingston, Kleinman and Wilson were absent when the vote was taken.

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14. Legal issues

- a. Police Officer and Firefighter pay lawsuits
- b. Potential claims involving fiduciaries and advisors
- c. DROP amendment

The Board went into a closed executive session – legal at 2:19 p.m.

**Regular Board Meeting
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14. Legal issues (continued)

Erik Wilson returned at 3:25 p.m.

The meeting was reopened and recessed at 3:55 p.m.

The meeting was reconvened and then went into closed session at 4:01 p.m.

Erik Wilson left at 4:50 p.m.

The meeting was reopened at 5:03 p.m.

No motion was made.

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The meeting was recessed at 5:03 p.m.

The meeting was reconvened at 5:09 p.m.

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15. Public relations consultant

Mr. Friar discussed public relations services.

After discussion, Mr. Brown made a motion to conduct a search for a public relations consultant. Mr. Haben seconded the motion, which was unanimously approved by the Board. Messrs. Kingston, Kleinman and Wilson were absent when the vote was taken.

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D. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

The Board received comments during the open forum.

No motion was made.

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**Regular Board Meeting
Thursday, May 12, 2016**

2. Executive Director's report

- a.** Future Education and Business Related Travel
- b.** Future Investment Related Travel
- c.** Associations' newsletters
 - NCPERS Monitor (May 2016)
 - TEXPERS Outlook (May 2016)
 - TEXPERS Pension Observer (Spring 2016)

The Executive Director's report was presented. No motion was made.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Conway and a second by Mr. Brown, the meeting was adjourned at 5:57 p.m.

Samuel L. Friar
Chairman

ATTEST:

Kelly Gottschalk
Secretary



DISCUSSION SHEET

ITEM #D1

Topic: Equity structure study

Attendees: Rhett Humphreys, CFA, Partner
Keith Stronkowsky, CFA, Senior Consultant

Discussion: The strategic asset allocation approved at the March 10, 2016 Board meeting established a 20% target allocation to global equity and a 5% target allocation to emerging markets equity. Staff and NEPC will present the equity structure study, which will explain the build out of the global equity and emerging markets portfolios. Discussion will include rationale, recommendations of managers to retain or liquidate, and expected timeline to complete.

Staff

Recommendation: **Approve** liquidating the Pyramis investment and allocating the proceeds as set forth in the equity structure study.



NEPC, LLC

YOU DEMAND MORE. So do we.™



Dallas Police & Fire Pension System

Global Equity Structure Study & Recommendations

May 12, 2016

Rhett Humphreys, CFA
Partner

Keith Stronkowsky, CFA
Senior Consultant

Jeff Markarian
Senior Research Consultant – Global Equity Markets

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BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

- **DPFP recently adopted a new long-term strategic Asset Allocation at the March 10th, 2016 meeting**
- **Within the liquid Equity portfolio the new Asset Allocation includes:**
 - Changes to existing asset classes and their target weights
 - Introduction of targets for new asset classes
- **Objectives include increased diversification and plan liquidity**

Asset Class	New Target	Current Weight*	~Current \$*	~Target \$*
Global Equity	20.0%	15.4%	\$421m	\$546m
Emerging Markets Equity	5.0%	0.0%	\$0m	\$136m
Total Public Equity	25.0%	15.4%	\$421m	\$682m

*Estimated values as of 4/15/16 provided by DPFP staff and after proposed rebalancing in the month of April.
 Current weight and target \$ based on NAV of DPFP.
 Target \$ will depend on market movements and timing of implementation.
 Ranges established around new target weights (e.g., range for Global Equity is 10% - 23%).

- **Description**

- Managers invest in stocks globally (domestic, international, emerging), includes core, growth, and value managers that can invest across the market capital spectrum
- A “go anywhere” approach to equity investing

- **Why include in a portfolio**

- Attractive returns by investing in well-established companies across the globe

- **Current State**

- Target of 20%, or ~\$546m of Plan assets
- Current weight of 15.4%, or ~\$421m

- **Observations**

- Currently overweight to Growth with no Value mandate in the portfolio. Look to remove growth bias.
- Allocated to 3 sector specific funds
 - Mitchell Group – concentrated energy
 - Sustainable Asset Management – eco/sustainability theme
 - RREEF – concentrated in REITs
- Sector funds tend to be more volatile than broader benchmark initiatives
 - NEPC’s research is bound to broader index categories, not sectors
 - For clients that desire a sector overweight, the NEPC manager research platform is available to assist with implementation

- **Implementation**

- Currently underweight relative to target allocation
- Implement a Core-Satellite approach
- Core Holdings:
 - Build out a stable of managers with broad and balanced exposure across Value and Growth
 - Maintain mandates with existing two Global Growth managers (OFI & Walter Scott)
 - Retain two new Global Value managers – Boston Partners & Manulife
 - NEPC's recommendation to the Board to retain the two new managers is supported by NEPC's research, a Global Equity Search Book, and discussions with the Investment Staff
 - Structural balance across the four managers of roughly 25% to each
- Satellite Positions:
 - These holdings could include investments in areas such as specific themes (e.g., consumer discretionary, energy, small cap)
 - We will revisit this portion of the portfolio at a later time
- Utilize funds from Illiquid assets (e.g., Private Equity, Real Estate) as a funding source as they become available

- **NEPC's assumed return: 7.23%**

- **NEPC's assumed risk: 17.95%**

*Based on NEPC's 2016 Capital Market outlook and assumptions. Risk and return assumptions are 5-7 year annualized forecasts.

- **Description**
 - Invest in stocks of developing countries (classified by economic development, size/liquidity, and market accessibility criteria)
 - Characteristics typically include markets that are experiencing rapid economic growth, developing legal and professional infrastructure, and increased consumer spending
 - Managers add value through superior stock, sector and country selections, avoiding submerging countries (i.e. political risk), managing trading costs and liquidity
- **Why include in a portfolio**
 - Highest expected return of any public equity class
 - Low(er) correlation to a diversified portfolio
- **Current State**
 - Target of 5%, or ~\$136m of Plan assets
 - No assets currently invested
- **Implementation**
 - Recommend hiring 2-3 managers in the space, with a dual mandate of broad core exposure, and dedicated exposure to smaller cap and/or consumer focused equity mandates
- **NEPC's assumed return: 9.75%**
- **NEPC's assumed risk: 27.00%**

*Based on NEPC's 2016 Capital Market outlook and assumptions. Risk and return assumptions are 5-7 year annualized forecasts.

MEMORANDUM

Date: June 9, 2016
 To: DFPF Board
 From: DFPF Investments Staff
 Subject: Global Equity Structure

Recommendation

- A. Staff recommends approving allocations to Boston Partners and Manulife Asset Management global equity strategies.
- B. Staff recommends liquidating the Pyramis position and allocating the proceeds according to the equity structure below.

Summary of Proposed Global Equity Portfolio Structure

	Current Actual	Current Rebalance	Anticipated Structure	Anticipated Allocation
EQUITY				
Core Equity				
OFI Global Institutional	4.41%	2.96%	OFI Global Institutional	3%
Pyramis (Fidelity)	4.24%	-	Boston Partners	3%
Walter Scott	3.16%	2.95%	Manulife Global	3%
Boston Partners	-	2.95%	Walter Scott	3%
Manulife Global	-	2.95%		
TOTAL Core Equity	11.81%	11.81%	TOTAL Core Equity	12%
Satellite Equity				
Eagle Asset Management	1.90%	1.90%	Satellite Manager 1	1.60%
Mitchell Group	0.98%	0.98%	Satellite Manager 2	1.60%
RREEF	0.84%	0.84%	Satellite Manager 3	1.60%
Sustainable Asset Management	0.99%	0.99%	Satellite Manager 4	1.60%
			Satellite Manager 5	1.60%
TOTAL Satellite Equity	4.71%	4.71%	TOTAL Satellite Equity	8.00%
PUBLIC EQUITY				20%
EMERGING MARKET EQUITY			Core EM Equity Manager	3%
	0.00%	0.00%	Satellite EM Equity Manager	2%
				5%

Background

At the March 10, 2016 Board meeting, the Board approved a strategic asset allocation policy with a target allocation to Public Equity of 25%, comprised of a 20% target to global equity and 5% to emerging markets.

DPFP has employed a global approach to public equity markets for many years, with the goal of outperforming the MSCI ACWI index on a risk-adjusted basis. The general consultant, NEPC, still views this global implementation favorably going forward. However, NEPC has also made the following observations about the current public equity portfolio:

- Overweight to Global Growth
- Underweight to Emerging Markets and no dedicated Emerging Markets Equity mandate

These structural biases have benefitted performance during the last six years in a market environment that favored growth stocks and where emerging markets underperformed developed markets. However, in consideration of long term forward expected return projections, the global equity portfolio should be re-structured.

Current Allocation Analysis:

Compared to the global stock market index MSCI ACWI benchmark, the current public equity allocation has these characteristics (as of 03-31-2016):

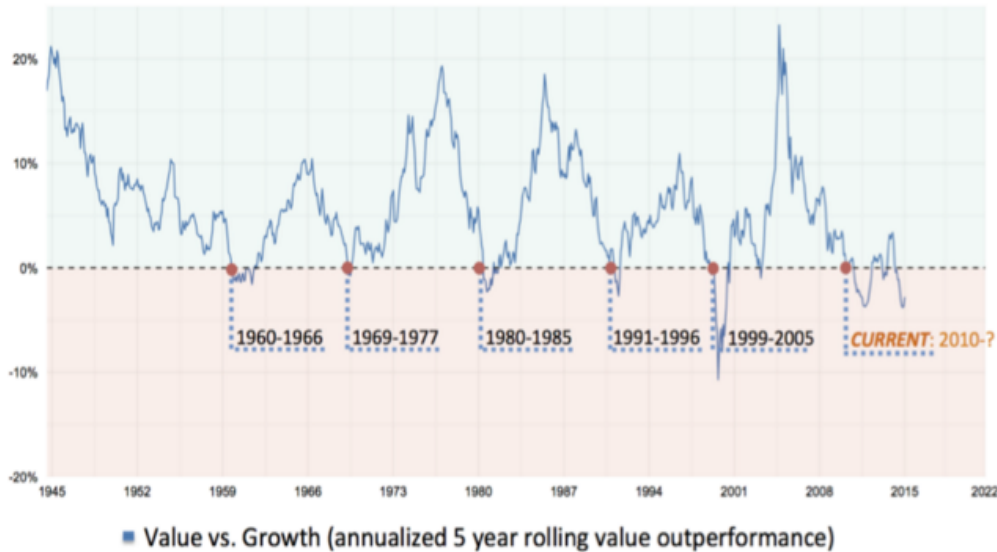
- Underweight to Emerging Markets: 1.8% allocation vs. 9.8% allocation
- Growth Bias:
 - P/E (Price to Earnings) 23.6 vs. 20.2
 - P/B (Price to Book) 4.2 vs. 3.2
 - P/S (Price to Sales) 3.8 vs. 2.7

Growth vs. Value

Growth and value are two different fundamental approaches in stock selection. Growth investors typically look for stocks of companies that offer strong earnings growth potential, while value investors look for stocks that appear undervalued by the marketplace. Value stocks are priced lower than the broader market and below similar companies in their industries. This is primarily measured by the Price to Earnings (P/E) ratio, the Price to Book (P/B) ratio, and the Price to Sales (P/S) ratio.

Despite the recent period of growth stocks outperforming value stocks, there is substantial research showing that value outperforms growth over time. As shown in the charts below, value has historically outperformed growth over trailing 10-year periods, and growth has only beaten value six times since 1945.

Growth Has Outperformed Value Six Times Since 1945 Each Time Value Has Had A Significant Recovery



All performance information is hypothetical and not the actual performance of an investment fund. Historical performance is not necessarily indicative of future performance. The data used in this study is publicly available and can be accessed at: http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

euclidean technologies

www.euclidean.com/time-to-add-capital-to-value-investing

20% Global Equity Structure – core/satellite approach

The global equity structure would consist of a global equity core allocation comprising around 60% of the allocation and about 40% dedicated to five satellite investment managers (8-10% each).

The global equity core allocation seeks to outperform the MSCI ACWI index on a risk-adjusted basis, achieving risk equal to or slightly lower than the MSCI ACWI with higher returns. The satellite managers would be focused on achieving comparable returns with lower correlations to the index. This structure should construct a global equity portfolio that outperforms the index with lower risk than the index.

❖ Global Equity Core

The current allocation performance can be improved by combining value managers with OFI, a solid-performing growth manager, and Walter Scott, a concentrated, quality focused

growth manager. This is consistent with NEPC’s recommendation to correct the overweight to global growth.

Global Equity Core Structure

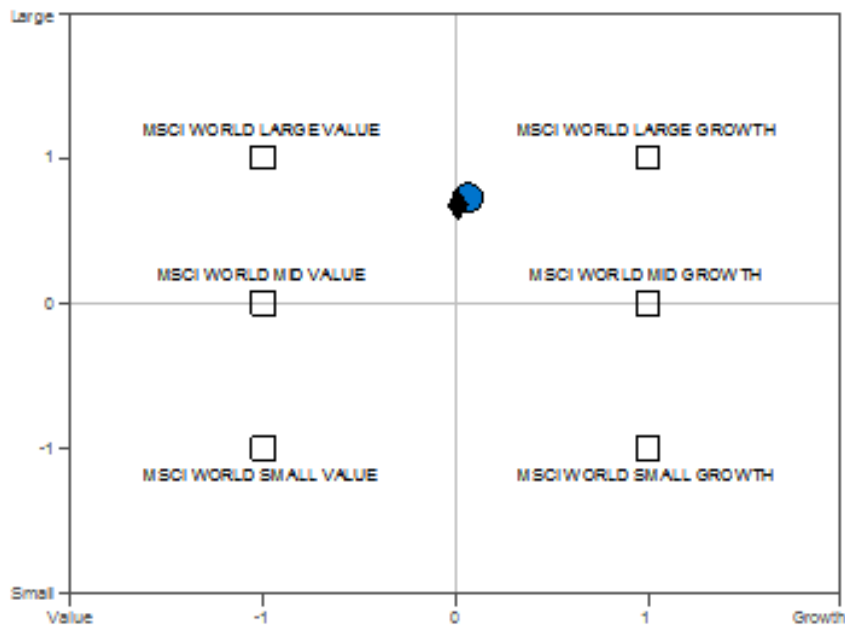
Staff, in consultation with NEPC, has interviewed, researched, and modelled a number of investment managers and believes an equally weighted combination of OFI (Growth manager), Walter Scott (Growth manager), Boston Partners (Value manager), and Manulife Global (Value manager) to be the optimal combination to achieve the portfolio goals. The existing core global equity manager Pyramis was also evaluated, but detracted from the optimal profile achieved by the above combination.

This combination produces a diversified portfolio that should perform well in different market environments by capitalizing on different risk premiums. OFI is focused on the growth premium, Walter Scott captures the quality premium, Boston Partners captures the value and market cap premiums by providing exposure to small and mid-cap value stocks, and Manulife is focused on the value premium in large cap stocks.

Correcting the growth bias

The below chart shows the equal weight portfolio, through addition of value managers, mostly eliminates the growth bias for a better balance of growth and value, and produces a market capitalization and style weighting that is similar to the MSCI ACWI.

- ◆ MSCI ACWI
- Equal Wt. Portfolio (25% OFI, 25% Walter Scott, 25% Boston Partners, 25%Manulife)



Improved risk-adjusted performance

The following charts illustrate the improved risk/return profile of the proposed combination. Historically, the equal weight portfolio achieves substantially higher returns with lower risk than both the current core equity manager allocation and the MSCI ACWI benchmark.

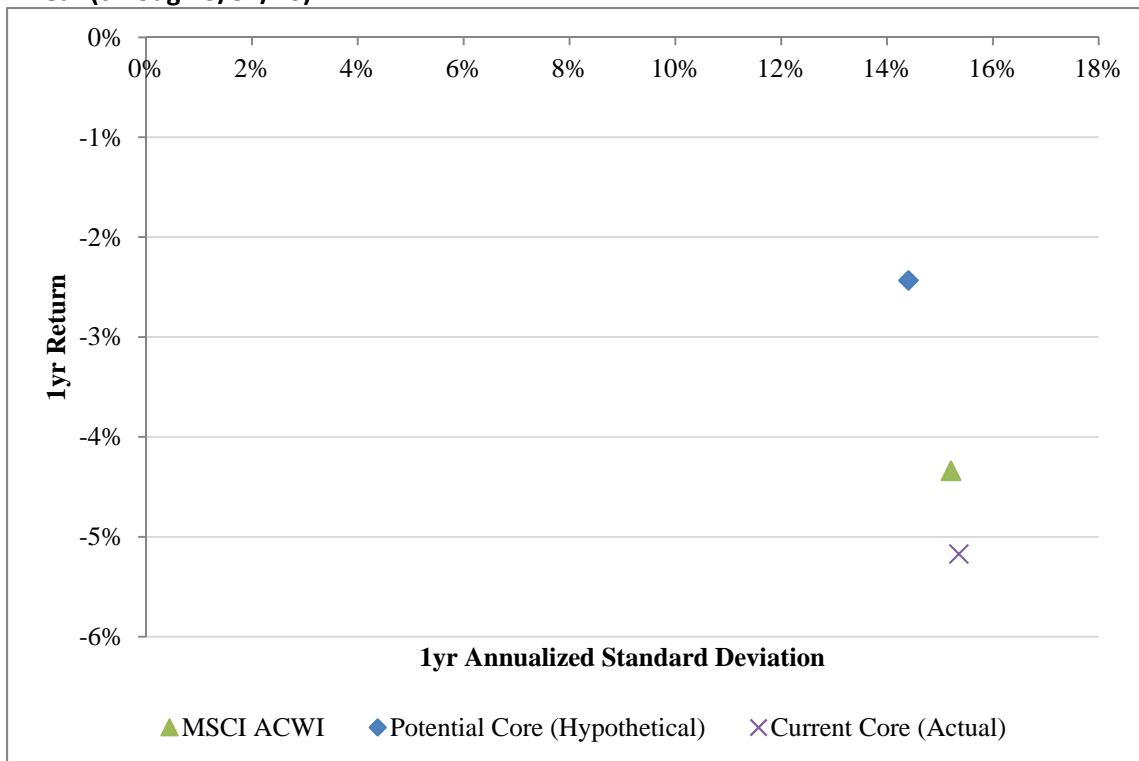
Legend:

Current Core (Actual) = Existing core managers [OFI, Walter Scott, Pyramis] combined performance using actual weight allocations over the time period

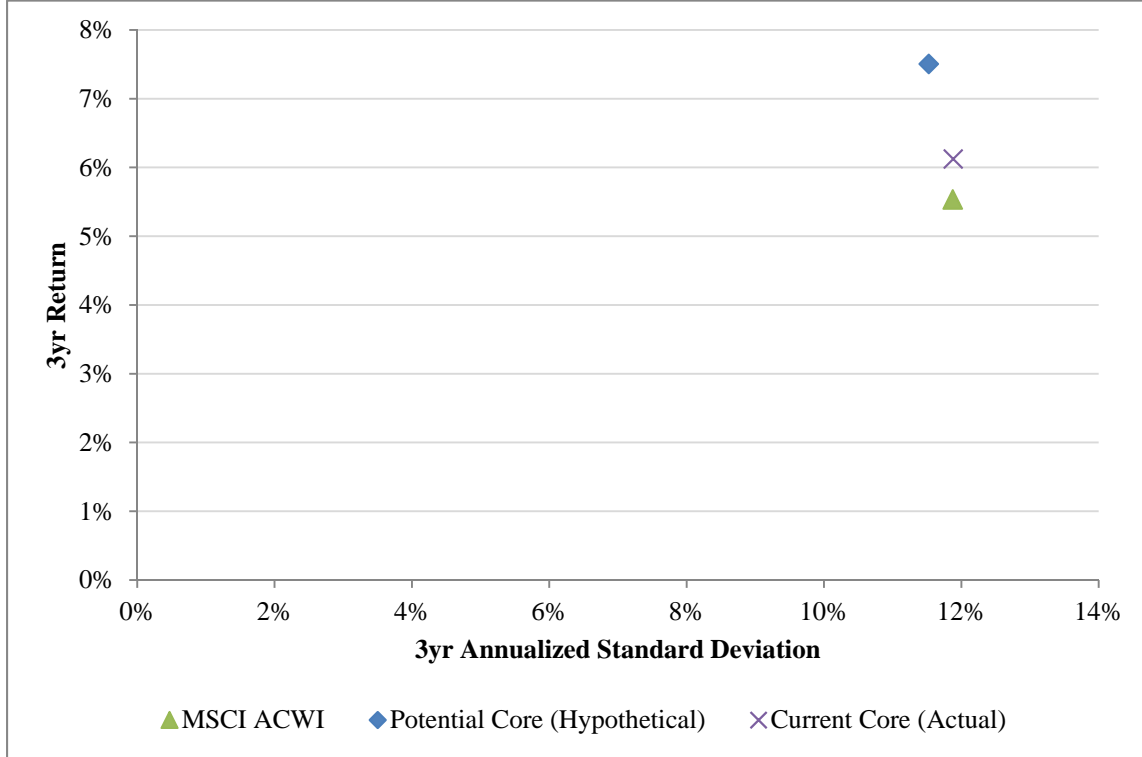
Potential Core (Hypothetical) = Proposed core managers [OFI, Walter Scott, Boston Partners, Manulife] using equal weight allocations over time period

MSCI ACWI = MSCI All Country World Index

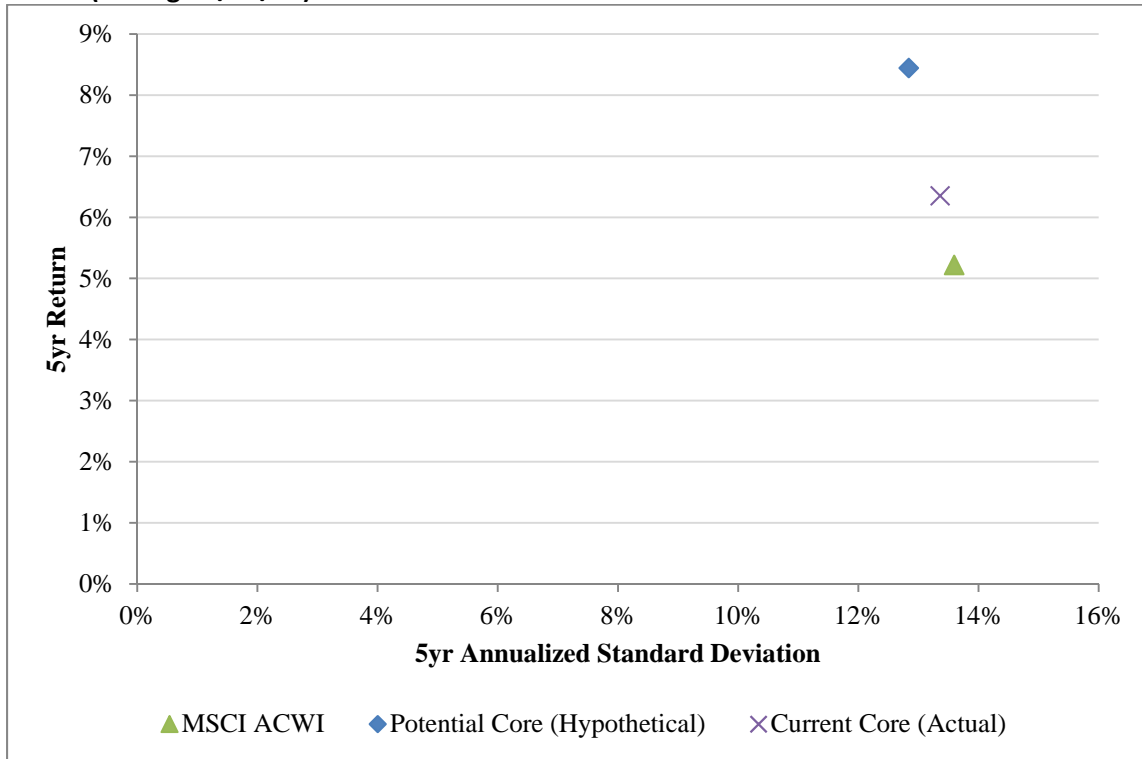
1 Year (through 3/31/16)



3 Year (through 3/31/16)



5 Year (through 3/31/16)

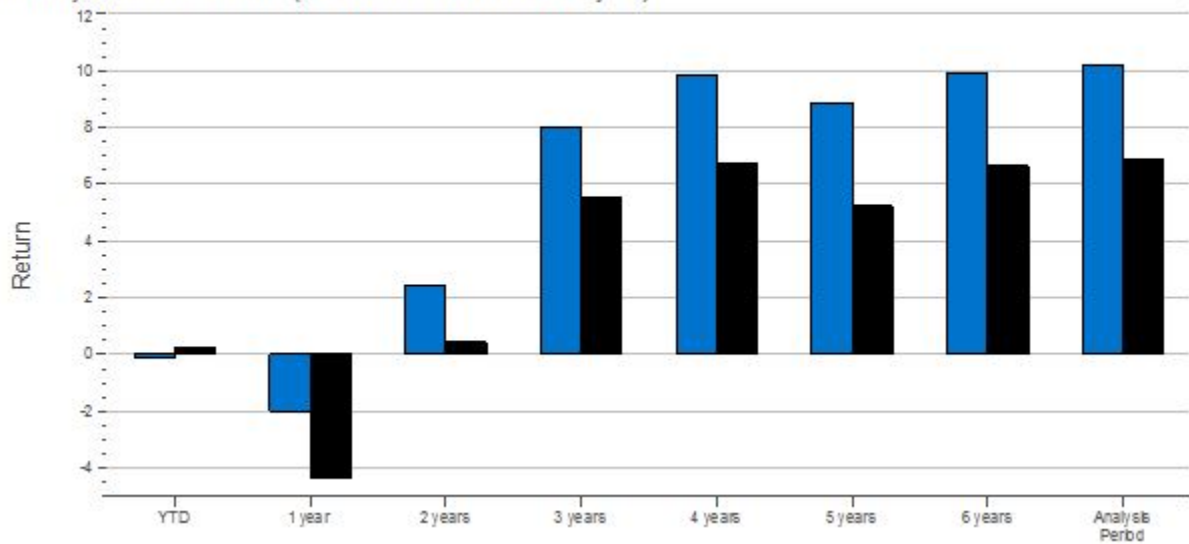


Performance

This chart shows the annualized returns over multiple time periods. The equal weight portfolio outperforms across time periods, and has a batting average (percentage of months beating the index) of 69.3%, which demonstrates consistent outperformance vs. the index.

- ◆ MSCI ACWI
- Equal Wt. Portfolio (25% OFI, 25% Walter Scott, 25% Boston Partners, 25%Manulife)

Manager vs Benchmark: Return
January 2010 - March 2016 (not annualized if less than 1 year)



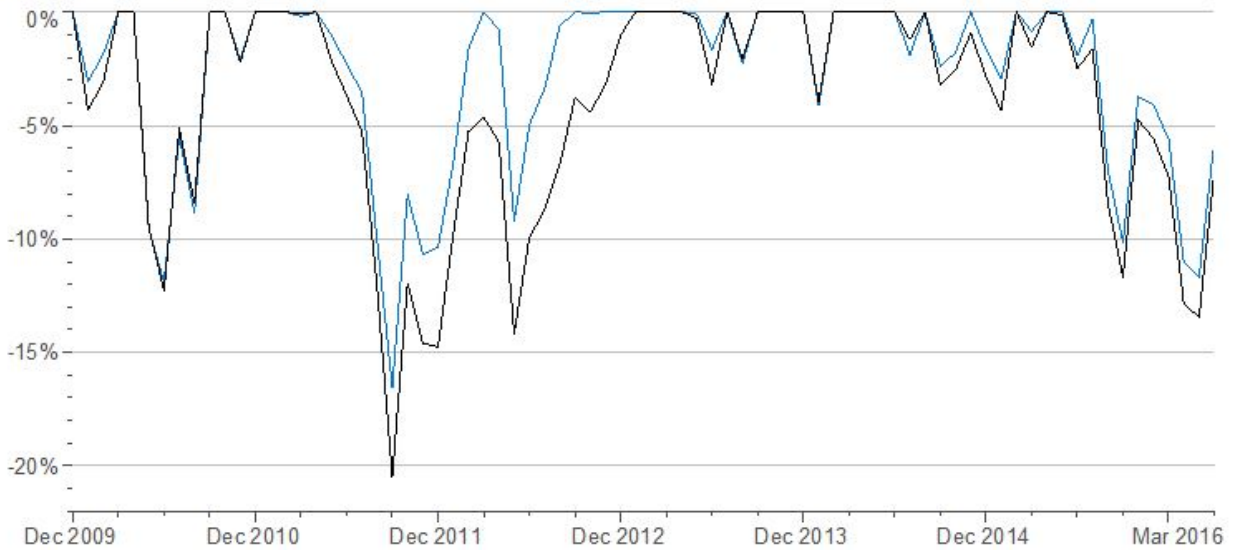
Reduced Drawdowns

One key to achieving better portfolio performance over time is reducing the length and severity of drawdowns, or periods of negative returns. The below analysis shows the equal weight portfolio provided downside protection by reducing this drawdown risk.

- ◆ MSCI ACWI
- Equal Wt. Portfolio (25% OFI, 25% Walter Scott, 25% Boston Partners, 25%Manulife)

[Chart follows on next page]

Drawdown
January 2010 - March 2016



Cumulative excess returns

The result of the improved risk/return profile, consistent performance, and reduced drawdowns is cumulative excess returns above the benchmark over time.

Manager Performance
January 2010 - March 2016 (Single Computation)



❖ **Global Equity Satellite Managers**

The current equity satellite managers (Eagle Asset Management, Mitchell Group, Sustainable Asset Management, RREEF) aim to contribute to the risk /return profile of the equity portfolio by providing less correlated returns based on concentrated sector exposures. Eagle is a domestic small cap manager, RREEF invests in global REITS, and Sustainable Asset Management focuses on a water-related equity strategy. Mitchell Group, an energy manager, has consistently beaten its energy-focused benchmark over time, and should contribute to returns as the energy sector recovers.

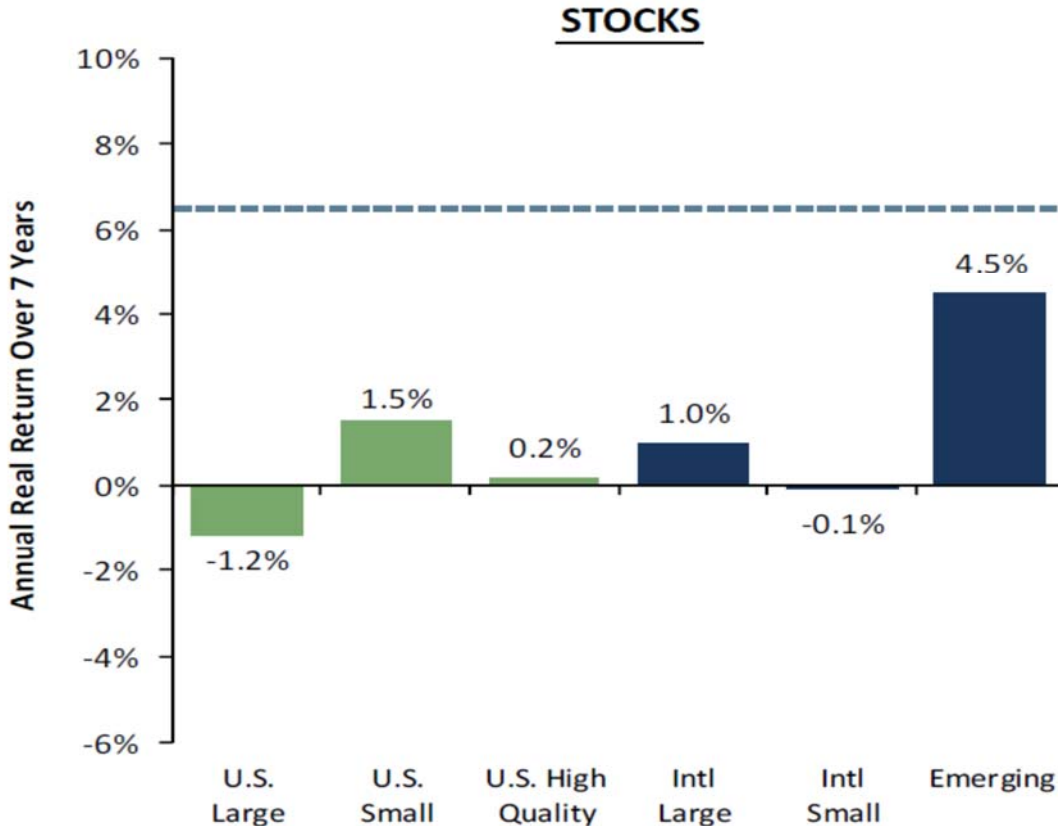
The current equity satellite managers will be analyzed and evaluated along with potential new investment managers in order to achieve an optimal structure over the next several months.

5% Emerging Markets Structure – core/satellite approach

Emerging economies are expected to grow two to three times faster than developed nations, according to International Monetary Fund estimates. Economic growth is predominantly a function of two factors: population growth and productivity. Emerging market countries are favorably positioned demographically, with growing working age populations making up larger and larger percentages of total population. This leads to a growing consumer base, as more of the population is earning and spending. Emerging economies have also benefited from rapid productivity gains through implementation of new technologies. As importers of technology, it is much faster for emerging markets to adopt new technologies than for developed countries to invent them. Finally, emerging countries have lower public debt burdens than developed economies.

Due to these underlying fundamentals, emerging market equities are projected to provide higher expected returns in the future than domestic and global markets. The below graph is based on GMO's future return projections, but various data sources including JPMorgan and NEPC are consistent in expecting higher expected returns in the future from emerging markets equities vs. domestic and international equities.

[Chart on next page]



Emerging Markets Equity Structure

DPFP currently has no dedicated Emerging Markets investment managers, and is underweight emerging markets. As of March 31, 2016, the current public equity portfolio had an allocation of only 1.8% to emerging markets, compared to an MSCI ACWI allocation of 9.8% emerging markets. Consistent with the recently approved asset allocation and NEPC recommendation, Staff is evaluating dedicated Emerging Markets equity investment managers. The anticipated structure would also be a core-satellite approach, with a core Emerging Markets equity manager comprising the majority of the allocation (approximately 3%), paired with a satellite emerging markets manager that specializes in the smaller capitalization emerging markets stocks to generate higher, less correlated returns (approximately 2%). Staff will bring proposed investment managers for this structure in the next few months.

Summary

Restructuring the public equity portfolio as described should create a more balanced equity portfolio that is better positioned for various future market scenarios. The growth bias is largely eliminated, and exposure to emerging markets is being increased. Furthermore, the different investment manager styles, portfolios, and relatively low correlations in combination produce a core global equity portfolio that provides returns in excess of the MSCI ACWI index benchmark with lower levels of risk.

The proposed global equity portfolio structure, showing current and anticipated allocations, is repeated below for convenience.

Summary of Proposed Global Equity Portfolio Structure

	<u>Current Actual</u>	<u>Current Rebalance</u>	<u>Anticipated Structure</u>	<u>Anticipated Allocation</u>
EQUITY				
Core Equity				
OFI Global Institutional	4.41%	2.96%	OFI Global Institutional	3%
Pyramis (Fidelity)	4.24%	-	Boston Partners	3%
Walter Scott	3.16%	2.95%	Manulife Global	3%
Boston Partners	-	2.95%	Walter Scott	3%
Manulife Global	-	2.95%		
TOTAL Core Equity	<u>11.81%</u>	<u>11.81%</u>	TOTAL Core Equity	<u>12%</u>
Satellite Equity				
Eagle Asset Management	1.90%	1.90%	Satellite Manager 1	1.60%
Mitchell Group	0.98%	0.98%	Satellite Manager 2	1.60%
RREEF	0.84%	0.84%	Satellite Manager 3	1.60%
Sustainable Asset Management	0.99%	0.99%	Satellite Manager 4	1.60%
			Satellite Manager 5	1.60%
TOTAL Satellite Equity	<u>4.71%</u>	<u>4.71%</u>	TOTAL Satellite Equity	<u>8.00%</u>
PUBLIC EQUITY	<u>16.52%</u>	<u>16.52%</u>		<u>20%</u>
EMERGING MARKET EQUITY				
	0.00%	0.00%	Core EM Equity Manager	3%
			Satellite EM Equity Manager	2%
				<u>5%</u>

Process

Staff conducted the following activities in preparation for this recommendation:

- Analysis of current equity portfolio risk and performance
- Analysis of approximately 20 potential investment managers sourced via NEPC and Staff
- On-site meetings with potential equity managers in New York and Boston
- Follow up and introductory meetings in DFPF offices
- Review and analysis of NEPC Global Equity search book
- Modelling of potential and current manager portfolios using Maples models
- Modelling and analysis of potential and current manager portfolios using Zephyr
- Modelling and analysis included, but was not limited to the following:
 - Style Map analysis
 - Returns ranking
 - Various market environment performance rankings

- Quartile rankings in eVestment universe
- Alpha correlations
- Correlations between managers and ACWI
- Statistical analysis and comparisons
- Holdings overlap analysis
- Multiple consultations with NEPC
- Multiple consultations with Boston Partners and Manulife



DISCUSSION SHEET

ITEM #D2

Topic: Boston Partners

Attendees: Chris Hart, CFA, Senior Portfolio Manager
David Gullen, CFA, CAIA, Relationship Manager

Discussion: As part of the equity structure study, Staff and NEPC presented the rationale for adding a value oriented investment manager to the global equity portfolio. Boston Partners will present an overview of their firm and global equity product.

Boston Partners, a wholly owned subsidiary of the Robeco Groep, N.V., was established in 1995 by a group of key investment professionals who follow an investment approach they developed working together in the 1980's. Boston Partners has \$75.6 billion in assets under management, with 146 employees, of which 50 are investment professionals. The firm operates out of offices in Boston, New York, and California.

Staff

Recommendation: **Approve** an initial investment of \$80 million in the Boston Partners global equity strategy, and **authorize** the Executive Director to negotiate and execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate this investment.

INVESTMENT RECOMMENDATION

Date: June 9, 2016
To: DFPF Board
From: Investment Staff
Subject: Boston Partners Global Equity

Recommendation

Staff recommends approving an investment of \$80 million to Boston Partners Global Equity as part of the equity core allocation.

Executive Summary

As part of the Global Equity structure study, Staff recommends hiring Boston Partners as a value manager in the equity core allocation.

Personnel

Boston Partners key investment professionals have worked together since the founding of the firm in 1995. The global investment team has two portfolio managers, three dedicated analysts, and a senior advisor. The team also has access to the firm's team of over 20 analysts, who are specialized by sector. Chris Hart, portfolio manager, has managed Global Equity since 2008.

Portfolio and Investment Strategy

Boston Partners follows a fundamental, bottom-up approach that analyzes stocks on valuation, fundamentals, and momentum using both qualitative and quantitative inputs. Investments are based on attractive value characteristics, strong business fundamentals, and a catalyst for change. Sell decisions are based on appreciation to price target, weakening fundamentals, or reverse of momentum. This results in a flexible, all capitalization portfolio of best ideas diversified across market capitalization, region, and industry sector.

- 70-135 positions
- Minimum market cap \$250 million USD
- Unhedged local currency

Risk Controls

- 5% maximum position limit
- 35% sector limit

- No tracking error limit
- Currency/sector/region exposure driven by security selection

Process

Quantitative Analysis: Sorts the 10,000+ investment universe on a statistical ranking that considers valuation multiples of earnings, cash flow, book value, momentum metrics like earnings surprises or estimate revisions, and fundamental metrics like operating return on assets.

Qualitative Fundamental Analysis: Validation of positive characteristics based on historical financial statements. Identification of catalyst through research filings, press releases, and company visits. Target price determination through real-time models.

Performance

Annualized Performance (%)						
	1Q 2016	1 Year	3 Year	5 Year	7 Year	Since Inception*
Global Equity USA - Gross of Fees	0.00	-1.76	9.64	9.51	16.09	7.17
Global Equity USA - Net of Fees	-0.19	-2.51	8.81	8.68	15.19	6.34
MSCI World Index	-0.19	-2.90	7.41	7.12	13.75	4.87
Relative Performance - Gross of Fees	0.19	1.14	2.23	2.39	2.34	2.30

Calendar Year Performance (%)								
	2015	2014	2013	2012	2011	2010	2009	Jul.-Dec. 2008*
Global Equity USA - Gross of Fees	1.89	5.54	35.12	17.25	-1.77	13.46	29.62	-30.51
Global Equity USA - Net of Fees	1.11	4.74	34.11	16.37	-2.55	12.56	28.61	-30.80
MSCI World Index	-0.32	5.50	27.37	16.53	-5.01	12.34	30.79	-33.52
Relative Performance - Gross of Fees	2.21	0.04	7.75	0.72	3.24	1.12	-1.17	3.01

Pricing

Proposed pricing structure:

0-\$25 million	0.75%
\$25 - \$50 million	0.65%
\$50-\$100 million	0.55%
over \$100 million	0.50%

Fit for DFPF Portfolio

As discussed in the equity structure study, Boston Partners is an all-cap value global equity manager. The investment would be weighted equally with OFI, Walter Scott, and Manulife to comprise the equity core.

The following pages were extracted for convenience from the
NEPC Global Equity Manager Search
March 2016

Boston Partners Boston Partners Global Equity

Jeff Markarian, Sr. Research Consultant
Source: NEPC and eVestment
May 2015

Firm Description

Boston Partners Asset Management, LLC (BPAM) was founded in 1995 by a group of senior professionals who left their predecessor firm. In 2002, the firm was acquired by Robeco Investment Management (Robeco), and managed assets under the Robeco name as Robeco Boston Partners. Robeco is the U.S. asset management arm of global fund manager Robeco Groep, N.V. (Robeco Group). In 2013, Robeco Group's parent, Rabobank Group, sold 90.01% of Robeco Group to ORIX Corporation, a Japanese financial services company; Rabobank retained 9.99% of the equity. In 2015, Robeco Boston Partners was rebranded back to Boston Partners.

NEPC Investment Thesis

Boston Partners' value-added is attributable to their well-established and disciplined process that balances valuation, business fundamentals, and catalyst for change. The strategy is flexible in assessing the presence of the three investment criteria in each idea under review. For instance, they will forego positive momentum if valuation and/or business fundamentals are deemed extremely compelling to compensate for lack of positive momentum. Unlike many of their peers, their approach is stock investing and not buying companies as owners; this allows them to be objective in evaluating opportunities and sell holdings more readily.

People

The global investment team at Boston Partners comprises 2 portfolio managers and 3 dedicated analysts. In addition the team has access to over 20 centralized analysts. Portfolio managers, almost all of whom started out as analysts on the team, are assigned to individual strategies, where they have decision-making authority. Chris Hart has been the sole portfolio manager for Global Equity since June of 2008; his backup is Josh Jones. Industry analysts are responsible for idea generation and research maintenance for all strategies. They operate out of three locations: Boston, Los Angeles, and Greenbrae, CA. The team meets regularly to discuss existing holdings and new ideas.

Boston Partners Boston Partners Global Equity

Philosophy

Robeco Boston Partners describes three fundamental truths to their investment philosophy: 1) Low valuation stocks outperform high valuation stocks. 2) Companies with strong fundamentals, e.g., high and sustainable returns on invested capital, outperform companies with weak fundamentals. 3) Stocks with positive business momentum, e.g., rising earnings estimates, outperform stocks with negative business momentum. They believe that investing in stocks that exhibit these characteristics should limit downside risk, preserve capital, and maximize the power of compounding.

Investment Strategy

Robeco Boston Partners employs a fundamental, bottom-up approach to equity investing. The process is driven by internal fundamental research streamlined by quantitative screening. The investment goal is to seek opportunities that exhibit attractive valuations, strong fundamentals, and improving business momentum. Holdings and ideas are discussed and viewed against these criteria.

Quantitative screening (10% of the research process) identifies companies within the universe that are attractively valued and demonstrate a quantifiable measure of business momentum (e.g. rising earnings estimates).

The investment process begins with quantitative scoring and screening of a broad universe of approximately 8,000 companies worldwide to cull a target-rich subset universe based on their three criteria. The eligible market capitalization range for Global Equity is all securities greater than \$1 billion in market cap. On a weekly basis, a proprietary, multi-factor model ranks each company according to valuation (40%), earnings momentum (40%), and fundamental profitability (20%) characteristics. The output of the model accomplishes two main goals: monitor existing holdings for new data on valuation, profitability and earnings momentum, and identify new ideas. Each candidate's screening score is validated using customized reporting tools to help them evaluate the company's financial history. This enables them to efficiently identify bona fide research candidates. Screening results are discussed in team meetings and analysts are assigned fundamental research responsibilities on companies that are held in portfolios as well as new ideas.

Boston Partners Boston Partners Global Equity

Fundamental research looks beyond the quantitative scores and make informed assessments of a company's valuation, financial condition, and earnings momentum. The analyst is charged with conducting a detailed analysis of the business dynamics supporting a company's current value and prospects for future growth. Valuation analysis includes traditional metrics like P/E and P/B, as well as non-traditional metrics like P/CF, EV/Sales (cyclical stocks); assessment is considered versus the company's own history and peers and a discount is required. In addition, the analysis seeks strong business fundamentals and improving business trends; operating return on operating assets (OROA) is particularly important to understanding business growth and profitability. Finally, the analyst determines whether the business is improving and there is an identifiable catalyst that will drive the stock price toward fair value.

The analyst is responsible for recommending buy ideas along with respective target prices to portfolio managers on appropriate strategies. Merits of each of the investment criteria are discussed and debated. The portfolio manager makes the ultimate investment decision based on his comfort level with the analyst's investment case as well as portfolio diversification.

Once in the portfolio analysts continue to monitor holdings and reassess target prices as necessary. If the covering analyst determines that a change in the company's business dynamics warrants a revision, the target price will be adjusted. In addition, the portfolio manager monitors the characteristics of the holdings and overall portfolio to ensure that the portfolio is more attractively valued and fundamentally stronger versus the MSCI World Index. The sell discipline is triggered when a stock reaches fair value or due to an adverse change in fundamentals or business momentum.

Boston Partners Boston Partners Global Equity

Portfolio

The strategy is a developed market portfolio, but has ranged from 07% invested within the emerging markets. Boston Partners would prefer to be benchmarked to the MSCI World Index. Since the strategy is supported by the centralized research platform, there will be roughly 30% overlap with the US All Cap portfolio run at Boston Partners. The portfolio is truly all cap in nature and has been as high as 18% in small cap as defined by below \$2 billion in market cap. Active share in the portfolio will typically be above 90% and the final portfolio will consist of roughly 100 names.

Performance Expectations

The strategy should outperform in most fundamental markets. Their flexible valuation approach should mitigate significant shortfalls due to any one metric being punished by the market. Conversely, in markets focused on a narrow number of valuation criteria (e.g., traditional value), they could struggle to keep up. Given the strategy's bias to high-quality companies with strong fundamentals, they should protect well in down markets. Relative to the other downside capture managers in the book Boston Partners has shown the ability to better capture upside.

Boston Partners Boston Partners Global Equity

Chris Hart, Portfolio Manager

Chris Hart, who has managed the Robeco Boston Partners Global Premium Equities Fund since July 2008, has 22 years of experience in asset management, research and finance. Based in Boston, he is a portfolio manager for the global and international equity products. Prior to this he was an assistant portfolio manager for the firm's small cap value products for three years. He joined Robeco from Fidelity Investments, where he was a research analyst specializing in conglomerates, engineering and construction, building, machinery, aerospace and defense, and real estate investment trusts (REITs). He holds a bachelor's degree in finance, focusing on corporate finance, from Clemson University in South Carolina. He also holds the Chartered Financial Analyst (CFA) designation.



June 9, 2016

Boston Partners Global Equity

Prepared for Dallas Police & Fire Pension System



Christopher K. Hart, CFA
Senior Portfolio Manager
chart@boston-partners.com
(617) 832-8211



David J. Gullen, CFA, CAIA
Relationship Manager
dgullen@boston-partners.com
(415) 464-2893

Investment Profile

- Value equity expertise founded in the early 1980s*
- Consistent and repeatable investment philosophy across all disciplines
- Integrated bottom-up, fundamental and quantitative research
- Expertise of a boutique with the depth of a global firm

\$75.6 Billion Assets Under Management

Disciplines	Assets (\$ Millions)
Large Cap Value	\$29,774
Premium Equity (All Cap Value)	\$10,271
Mid Cap Value	\$18,401
Small Cap/Small Cap II/Small-Mid Cap	\$3,306
Domestic Long/Short	\$8,919
Global/International Equity	\$3,476
Global Long/Short	\$1,452

* Key investment professionals have worked together since the founding of Boston Partners in 1995 and years before at a prior firm, where the investment philosophy was established.

Relative Performance - Gross of Fees (%)

	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception ¹
Large Cap Value vs. Russell 1000® Value Index	-2.76	0.29	0.69	0.43	1.91	1.44
Premium Equity vs. Russell 3000® Value Index	0.42	3.38	1.64	1.46	3.45	3.79
Mid Cap Value vs. Russell Midcap® Value Index	1.79	3.91	2.52	1.85	3.99	2.27
Small/Mid Cap Value vs. Russell 2500™ Value Index	-0.37	1.18	1.41	1.54	1.54	1.33
Small Cap Value Equity II vs. Russell 2000® Value Index	3.09	2.98	3.21	4.44	3.36	4.83
Global Equity USA vs. MSCI ACWI Index	2.05	3.54	3.72	2.94	-	2.94
International Equity vs. MSCI EAFE Index	2.92	2.87	3.58	3.08	-	2.14
Long/Short Research vs. S&P 500 Index (Exposure Adjusted) ²	0.74	2.55	3.18	3.19	5.04	5.31

¹ Inception dates are as follows: Large Cap Value is June 1, 1995; Premium Equity is June 1, 1995; Mid Cap Value is May 1, 1995; Small/Mid Cap Value is April 1, 1999; Small Cap Value II is July 1, 1998; Global Equity USA is July 1, 2008; International Equity is July 1, 2008; and Long/Short Research is April 1, 2002.

² The Exposure-Adjusted S&P 500 Index is not an actual index. It is a hypothetical index created with the benefit of hindsight by multiplying the average monthly net exposure of the BP Long/Short Research by the actual S&P 500 Index return for the same period. Average Exposure is as follows: 1 Year at 48.80%; 3 Year at 48.78%; 5 Year at 50.41% 7 Year at 49.59%; 10 Year at 46.53%; and Since Inception at 43.15%.

Performance is supplemental to the GIPS® compliant presentation herein. Relative performance reflects composite results versus noted benchmark and individual portfolio results will vary. Past performance is not an indication of future results. Please refer to the appendix for other important disclosures.

Portfolio Management and Portfolio Research

Mark Donovan, CFA
Large Cap Value Equity
35 years experience

David Pyle, CFA
Large Cap Value Equity
21 years experience

Martin MacDonnell, CFA
130/30 Large Cap Value
25 years experience

Duilio Ramallo, CFA
Premium Equity
21 years experience

Steven Pollack, CFA
Mid Cap Value
32 years experience

David Dabora, CFA
Small/SMID Value
29 years experience

George Gumpert, CFA
Small/SMID Value
17 years experience

Robert Jones, CFA
Long/Short Equity
28 years experience

Christopher Hart, CFA
Global, International,
Global Long/Short
25 years experience

Joshua Jones, CFA
Global, International,
Global Long/Short
12 years experience

Harry Rosenbluth, CFA
Senior Advisor
35 years experience

Joseph Feeney, Jr., CFA
Chief Investment Officer
Long/Short Research
31 years experience

Paul Heathwood, CFA
Director of Portfolio Research
23 years experience

Daniel Farren
Senior Portfolio Analyst
22 years experience

John Forelli, CFA
Senior Portfolio Analyst
32 years experience

Carolyn Margiotti, CFA
Senior Portfolio Analyst
22 years experience

Michael McCune, CFA
Portfolio Analyst
22 years experience

Brandon Smith, CFA, CAIA
Portfolio Analyst
10 years experience

Christopher Eagan
Global Markets Analyst
31 years experience

Fundamental and Quantitative Research

Todd Knightly
Director of Fundamental Research

Jessica Ballis
Equity Analyst

Derrick Bellinger, CFA
Consumer Staples
Business Services, Media &
Advertising

Brian Boyden, CFA
Utilities, Healthcare
Therapeutics, Property REITs

Scott Burgess, CFA
Technology

Lawrence Chan, CFA
Internet Services,
Payment Services

Paul Donovan, CFA
Basic Industries

Kevin Duggan, CFA
Financials, Transportation

Trevor Frankel, CFA
Global Generalist

Volkan Gulen, CFA
Energy, Engineering &
Construction

David Hinton, CFA
Small Cap Generalist

Ross Klein, CFA
Long/Short Generalist

Paul Korngiebel, CFA
Global Generalist

Stephanie McGirr
Health Care Services, Insurance,
Retail & Restaurants

Edward Odre, CFA
Equity Analyst

Patrick Regan, CFA
Long/Short Generalist

Andrew Sherman, CFA
Equity Analyst

Joshua White, CFA
Industrials
Global Generalist

Bruce Wimberly
Long/Short Generalist

Ronald Young, CFA
Aerospace & Defense, Asset
Management, Gaming &
Lodging, Telecom & Cable

Eric Connerly, CFA
Director of Quantitative
Research

Jason Bartlett, CFA
Quantitative Strategies

Leo Fochtman
Quantitative Strategies

Rubina Moin
Quantitative Strategies

Maggy Pietropaolo, CFA
Quantitative Strategies

Joseph Urick
Quantitative Strategies

Carissa Wong, CFA
Quantitative Strategies

Trading

Mark Kuzminskas
Director of Equity Trading

Christopher Bowker
Senior Equity Trader

Thomas Walsh
Senior Equity Trader

Ian Sylvetsky
Equity Trader

Matthew Ender
Junior Equity Trader

Christopher Spaziani
Equity Trading Assistant

Value Discipline anchored in Three "Fundamental Truths":

- Low valuation stocks outperform high valuation stocks
- Companies with strong fundamentals (high returns on invested capital) outperform companies with poor fundamentals
- Stocks with positive business momentum (improving trends/rising earnings) outperform stocks with negative momentum

"Characteristics-Based" Investment Approach:

- Valuation, fundamentals and momentum are analyzed using a bottom-up blend of qualitative and quantitative inputs

Preservation of Capital:

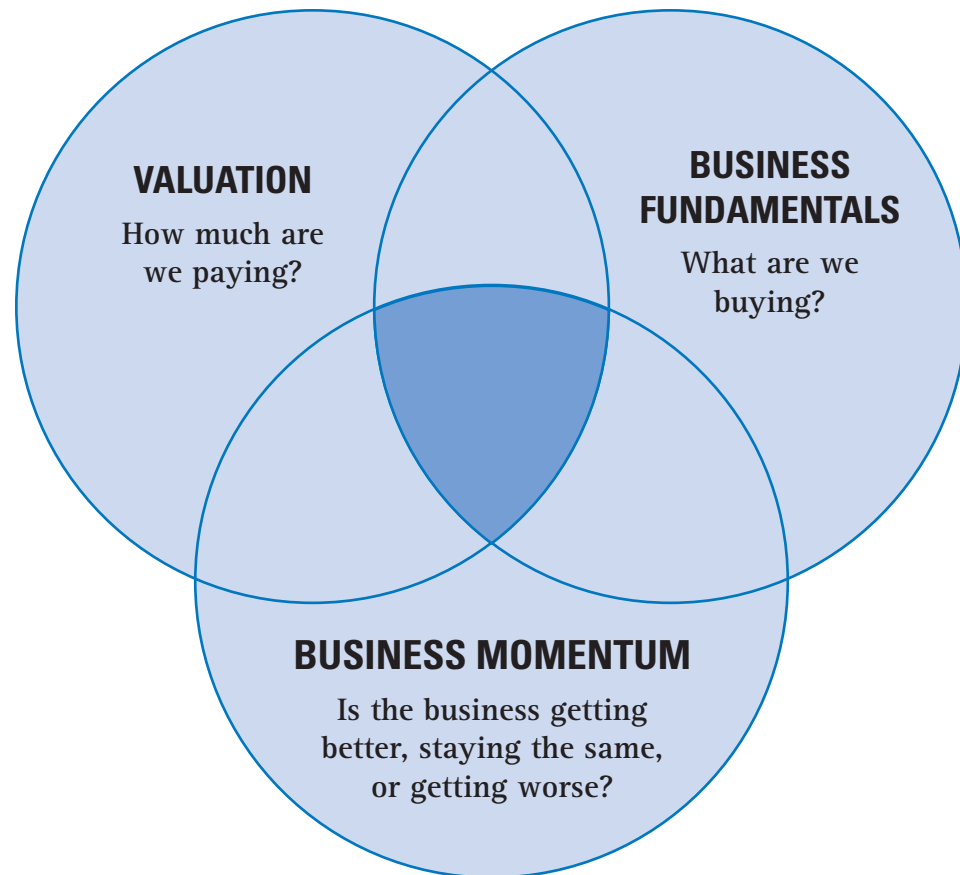
- Laws of compounding mathematically dictate that protecting capital is the only risk that matters
- “Win by not losing”: Keep pace in rising markets, outperform in falling markets and diversify your exposure

We buy stocks that exhibit:

- Attractive value characteristics
and,
- Strong business fundamentals
and,
- Catalyst for change

We sell stocks based on:

- Valuation: Appreciation to price target
or
- Weakening business fundamentals
or
- Reversal of momentum



Portfolios with all three characteristics tend to outperform over time

Global Equity:

- Highly flexible all-cap portfolio of best ideas diversified across market capitalization, region, industry sector.
 - 70-135 names
 - Minimum Market Cap = U.S. \$250 mm
 - Unhedged local currency
- Bottom-up construction based on "characteristics that work":
 - Value
 - Fundamentals
 - Positive business momentum

Guideline Parameters:

- No holding shall represent more than 5% of the market value of the account
- No more than 35% in any one sector (internal control)
- Currency/sector/region exposure driven by security selection
- Tracking error driven by security selection. No set tracking error limit

Boston Partners Global Equity

Investment Performance through March 31, 2016

Annualized Performance (%)

	1Q 2016	1 Year	3 Year	5 Year	7 Year	Since Inception*
Global Equity USA - Gross of Fees	0.00	-1.76	9.64	9.51	16.09	7.17
Global Equity USA - Net of Fees	-0.19	-2.51	8.81	8.68	15.19	6.34
MSCI ACWI Index	0.38	-3.81	6.10	5.79	13.15	4.23
Relative Performance - Gross of Fees	-0.38	2.05	3.54	3.72	2.94	2.94

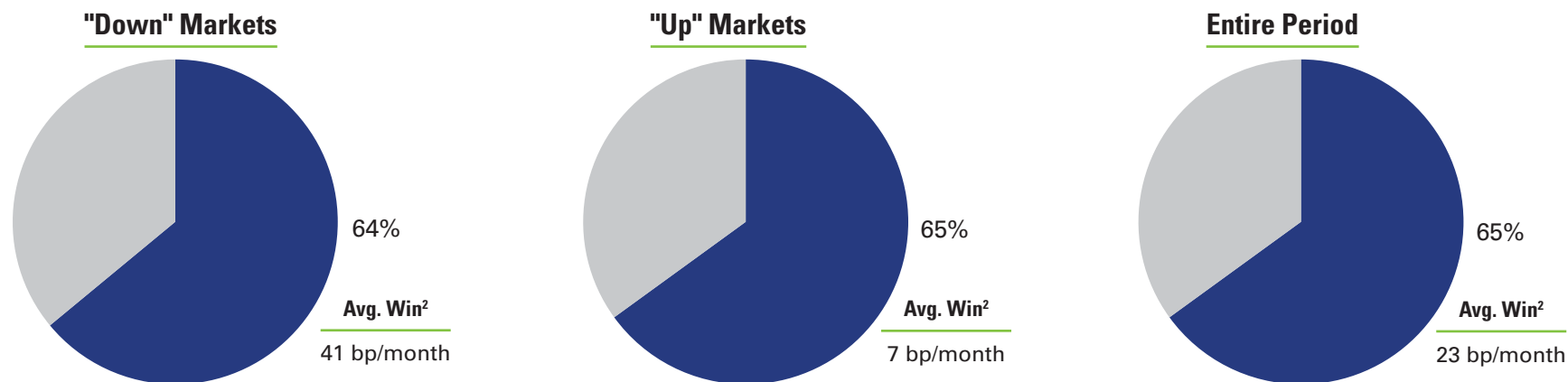
Calendar Year Performance (%)

	2015	2014	2013	2012	2011	2010	2009	Jul.-Dec. 2008*
Global Equity USA - Gross of Fees	1.89	5.54	35.12	17.25	-1.77	13.46	29.62	-30.51
Global Equity USA - Net of Fees	1.11	4.74	34.11	16.37	-2.55	12.56	28.61	-30.81
MSCI ACWI Index	-1.84	4.71	23.45	16.78	-6.87	13.20	35.41	-35.09
Relative Performance - Gross of Fees	3.73	0.83	11.67	0.47	5.10	0.26	-5.79	4.58

* Inception date is July 1, 2008.

Returns reflect composite results and individual portfolio results may vary. This information is supplemental to the GIPS® compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Global Equity Has Preserved Capital and Compounded Returns for Favorable Since Inception¹ Performance



■ Percentage of time that the Global Equity Composite has outperformed the MSCI All Country World Index

- There have been 42 months in which the market has produced a negative return.
- Composite has outperformed the Index 64% of the time.
- There have been 51 months in which the market has produced a positive return.
- Composite has outperformed the Index 65% of the time.
- The entire period is 93 months.
- Composite has outperformed the Index 65% of the time.

Risk Measures

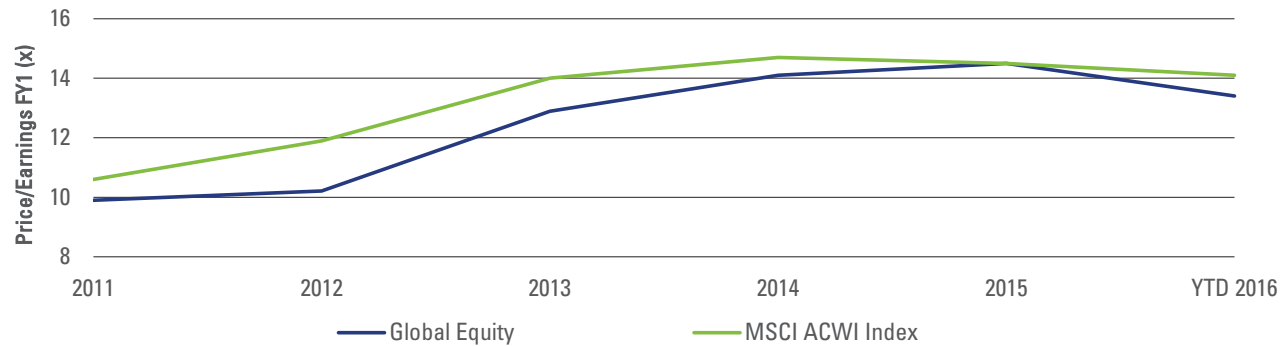
	Current Active Share	5 Year Risk Measures				
		Beta	Std Dev	Sharpe Ratio	Up Capture	Down Capture
Global Equity	85%	1.0	13.6	0.7	108%	88%
MSCI All Country World Index	—	—	13.7	0.4	100%	100%

¹ Inception Date is July 1, 2008.

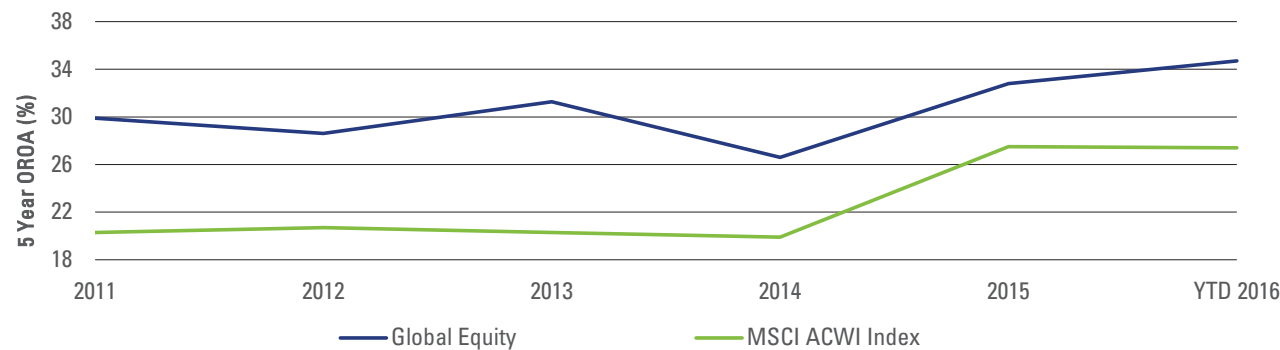
² Average wins applies to the months of out performance.

Returns reflect composite results and individual portfolio results may vary. This information is supplemental to the GIPS® compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Price Discipline: Price/Earnings



Bias for Quality: OROA (5-Year Median)

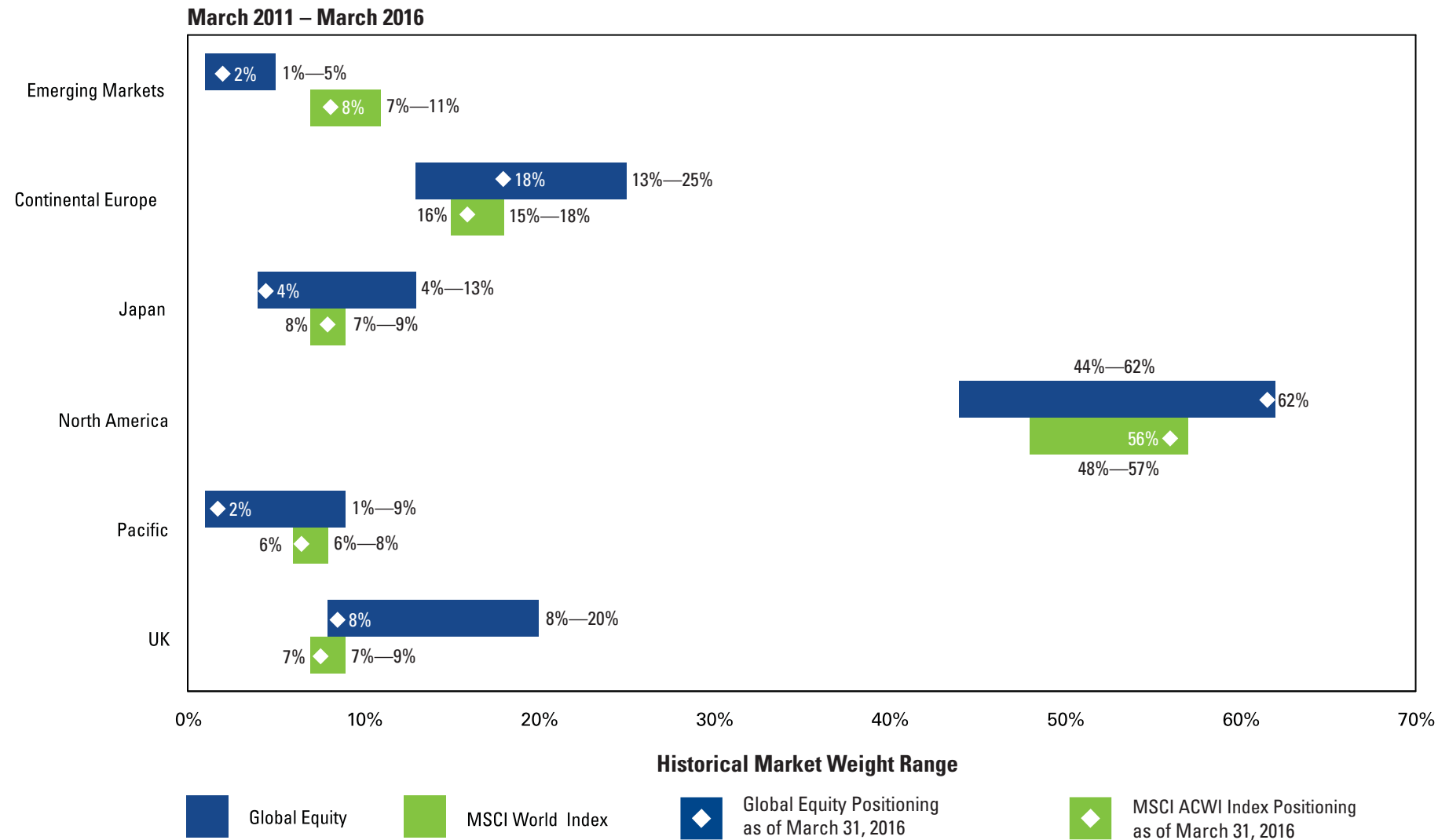


Data from December 2011 through March 2016. The inception date of BP Global Equity is July 1, 2008.

OROA: Operating Return on Operating Assets. Portfolio characteristics are from a representative account in the composite and are subject to change. Individual portfolio characteristics may vary. Please refer to the last appendix for other important disclosures.

Boston Partners Global Equity

Regional Weightings Through Time – Result of the Bottom-up Process



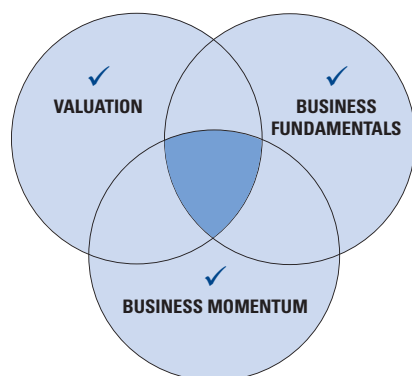
Regional weightings are based upon a representative account in the composite and are subject to change. Individual portfolio results may vary. This information is supplemental to the GIPS® compliant presentation herein. Please refer to the last appendix for other important disclosures.

Boston Partners Global Equity

Portfolio Characteristics: March 31, 2016

"Three Circles"

An attractive valuation, strong business fundamentals, and positive business momentum. Portfolios with all three characteristics tend to outperform over time.



Market Capitalization

	Wtd. Average	Median
Global Equity	\$77.4 B	\$21.8 B
MSCI ACWI Index	\$87.2 B	\$8.3 B

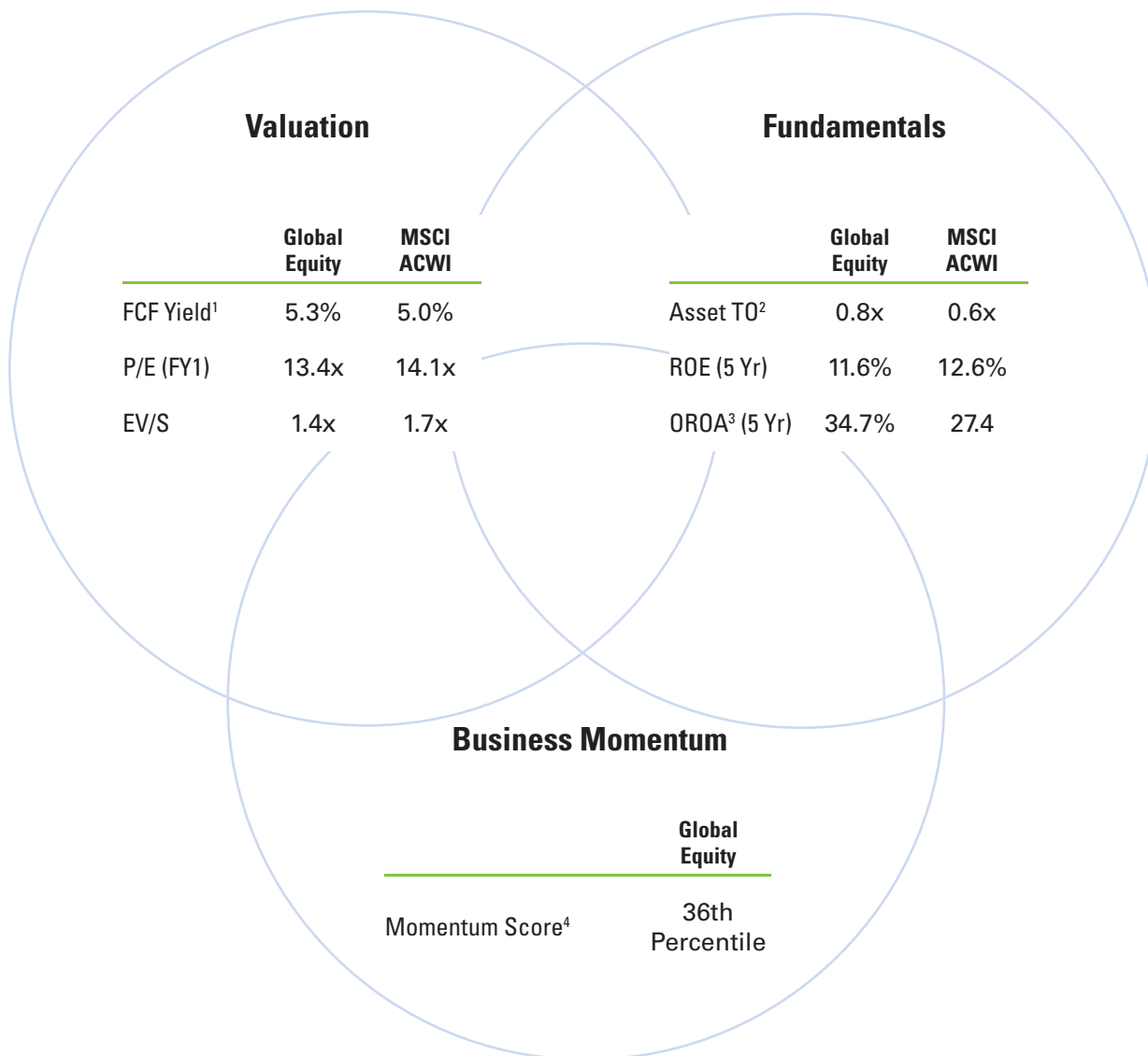
¹ FCF Yield is reported as median excluding financials.

² Asset Turnover.

³ Operating Return on Operating Assets.

⁴ Weighted average momentum score for the portfolio as scored by the Boston Partners Quantitative Research Team.

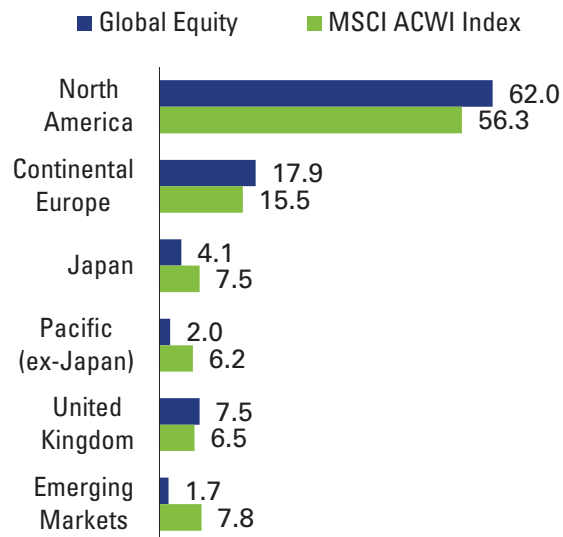
Portfolio characteristics are based upon a representative account in the composite and are subject to change. Individual portfolio characteristics may vary. Please refer to the last appendix for other important disclosures.



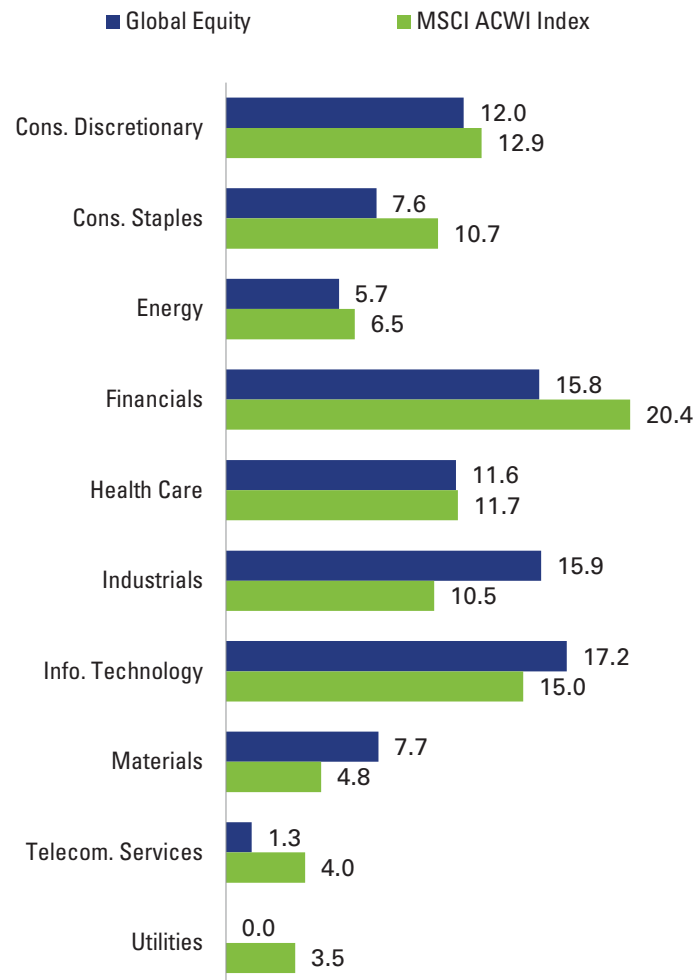
Boston Partners Global Equity

Portfolio Characteristics (Percent of Portfolio): March 31, 2016

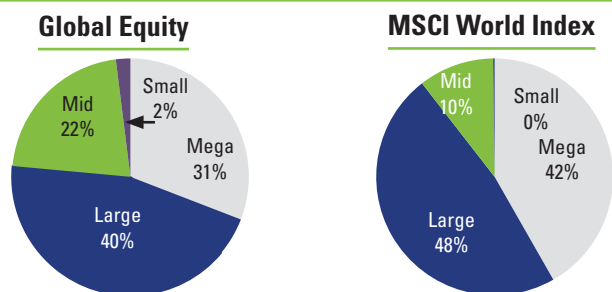
Regional Weightings (%)



Sector Weightings (%)



Market Capitalization



2015: Small < \$1.7 B; Mid \$1.7 B - \$8.0 B; Large \$8.0 B - \$57.3 B; Mega > \$57.3 B

	Wtd. Average	Median
Global Equity	\$77.4 B	\$21.8 B
MSCI ACWI Index	\$87.2 B	\$8.3 B

Portfolio characteristics are based upon a representative account in the composite and are subject to change. Individual portfolio characteristics may vary. Please refer to the last appendix for other important disclosures.

Boston Partners Global Equity

Ten Largest Holdings

One-at-a-Time Decisions, Shared Characteristics: March 31, 2016

Largest Stock Holdings

Company	% of Portfolio	Valuation			Fundamentals		Momentum Score
		P/E FY1	P/B	FCF Yield	OROA 5 Year	ROE 5 Year	
Alphabet Inc.	3.9	18.5x	4.3x	3.2%	72.8%	15.9%	5
Apple Inc.	2.8	10.9	4.7	10.2	424.7	39.0	67
Comcast Corporation	2.5	15.7	2.9	6.8	53.2	13.5	24
Berkshire Hathaway Inc.	2.2	16.9	1.4	n/a	23.5	8.5	38
CVS Health Corporation	2.0	15.8	3.1	5.2	38.0	11.6	21
Raytheon Company	1.7	15.5	3.6	5.2	54.8	21.3	5
Johnson & Johnson	1.7	15.7	4.2	5.3	70.6	19.9	13
Imperial Brands PLC	1.6	15.3	6.9	5.7	49.0	34.2	11
Safran SA	1.5	15.5	4.6	6.4	20.3	14.8	44
Berry Plastics Group, Inc.	1.5	15.3	-53.1	11.3	23.4	n/a	56

Top ten holdings and portfolio characteristics are based upon a representative account in the composite and are subject to change. Individual portfolio characteristics may vary. The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that investments in these sectors or securities were or will be profitable. This information is supplemental to the GIPS® compliant presentation herein. Please refer to the last appendix for other important disclosures.

- i. Biographical Information
- ii. Supplemental Information
- iii. Global Equity Investment Performance and Fee Schedule
- iv. Global Equity Performance Disclosures
- v. Investment Strategies Performance and Performance Disclosures

Boston Partners Global Equity

Presenters' Biographical Information

Christopher K. Hart, CFA

Mr. Hart is a senior portfolio manager for Boston Partners Global Equity and International Equity products. Prior to this, he was the portfolio manager for the Boston Partners International Small Cap Value product and before that, an assistant portfolio manager for the Boston Partners Small Cap Value products for three years. Previously, he was a research analyst and specialized in conglomerates, engineering and construction, building, machinery, aerospace & defense, and REITs sectors of the equity market. He joined the firm from Fidelity Investments where he was a research analyst. Mr. Hart holds a B.S. degree in finance, with a concentration in corporate finance from Clemson University. He holds the Chartered Financial Analyst® designation. He has twenty-five years of investment experience.

David J. Gullen, CFA, CAIA

Mr. Gullen is a senior member of Boston Partners' Relationship Management and Business Development teams, managing a number of the firm's key relationships. David has extensive experience with all of the firm's Value Equity disciplines and served as senior portfolio analyst for the Boston Partners Value Equity strategies. He joined the firm from Decision Analytics, a registered investment advisor consulting institutions on investing balance sheet cash. Prior to this, he had been a risk management consultant for Wells Fargo Bank. Mr. Gullen holds a B.A. degree in history from Georgetown University, where he also received a Master's Degree in public policy. He holds the Chartered Financial Analyst® and the Chartered Alternative Investment Analyst designations as well as FINRA licenses 7 and 63. He is in his fifteenth year with the firm and has eighteen years of industry experience.

Christopher K. Hart, CFA

Mr. Hart is a senior portfolio manager for Boston Partners Global Equity and International Equity products. Prior to this, he was the portfolio manager for the Boston Partners International Small Cap Value product and before that, an assistant portfolio manager for the Boston Partners Small Cap Value products for three years. Previously, he was a research analyst and specialized in conglomerates, engineering and construction, building, machinery, aerospace & defense, and REITs sectors of the equity market. He joined the firm from Fidelity Investments where he was a research analyst. Mr. Hart holds a B.S. degree in finance, with a concentration in corporate finance from Clemson University. He holds the Chartered Financial Analyst® designation. He has twenty-five years of investment experience.

Joshua Jones, CFA

Mr. Jones is a portfolio manager on Boston Partners Global and International products. Prior to this role, he was a research analyst specializing in the energy, metals and mining sectors of the equity market and was a global generalist. He joined the firm from Cambridge Associates where he was a consulting associate specializing in hedge fund clients. Mr. Jones holds a B.A. degree in economics from Bowdoin College. He holds the Chartered Financial Analyst® designation. He has twelve years of investment experience.

Harry J. Rosenbluth, CFA

Mr. Rosenbluth is a senior advisor for Boston Partners Global Equity and International Equity products. Prior to this, he was the portfolio manager for Boston Partners Premium Equity Product and co-manager for our Mid Cap Value Equity product. Mr. Rosenbluth holds a B.A. degree in Economics from George Washington University and an M.B.A. from The Amos Tuck School of Business Administration at Dartmouth College. He holds the Chartered Financial Analyst® designation. He has thirty-five years of investment experience.

Trevor Frankel, CFA

Mr. Frankel is an equity analyst with Boston Partners and is a global generalist. Prior to joining the firm, he worked as a research analyst at Highfields Capital specializing in the energy and materials sectors. He began his career doing quantitative research for Federated Investors – MDT Advisers. Mr. Frankel holds an A.B. in economics with a secondary field in mathematical sciences from Harvard University and an M.B.A. degree from the MIT Sloan School of Management. He holds the Chartered Financial Analyst® designation and has six years of industry experience.

Paul Korngiebel, CFA

Mr. Korngiebel is an equity analyst with Boston Partners dedicated to the Global Team. He focuses on non-U.S. opportunities. Mr. Korngiebel joined the firm from Deccan Value Advisors, which he co-founded, and prior to that he worked at Brandes Investment Partners. Both firms are dedicated to global value investing. Mr. Korngiebel holds a B.A. from Bowdoin (Phi Beta Kappa), M.A. degrees from Harvard and St. Johns College, and an M.B.A. degree from Northwestern (Beta Gamma Sigma). He holds the Chartered Financial Analyst® designation and has sixteen years of investment experience.

Joshua White, CFA

Mr. White is a research analyst with Boston Partners specializing in consumer durables, industrials, capital equipment and general manufacturing sectors of the equity market and is a global generalist. Mr. White holds a B.A. degree in mathematics from Middlebury College. He holds the Chartered Financial Analyst® designation and has ten years of experience.

Joseph F. Feeney, Jr., CFA

Mr. Feeney is Co-Chief Executive Officer and Chief Investment Officer for Boston Partners. He is responsible for the firm's strategic, financial and operating decisions, and all aspects of investment management including the firm's fundamental and quantitative research groups. He was one of the original partners of Boston Partners Asset Management in 1995. Prior to assuming these roles, he was director of research. Mr. Feeney joined the firm upon its inception in 1995 from Putnam Investments where he managed mortgage-backed securities portfolios. He began his career at the Bank of Boston where he was a loan officer specializing on highly leveraged loan portfolios. Mr. Feeney holds a B.S. degree in finance (Summa Cum Laude, Phi Beta Kappa) from the University of New Hampshire and an M.B.A. with High Honors from the University of Chicago. He holds the Chartered Financial Analyst® designation and is past President of the Fixed Income Management Society of Boston. He has thirty-one years of investment experience.

Boston Partners Global Equity

Portfolio Holdings (Percent of Portfolio): As of March 31, 2016

Consumer Discretionary	12.0	Energy (cont...)		Health Care (cont...)		Information Technology (cont...)	
Alpine Electronics Inc	0.2	Occidental Petroleum Corp	0.0	McKesson Corp	0.6	Apple Inc	2.8
Brunswick Corp	1.0	Occidental Petroleum Corp	0.7	Medtronic Plc	1.1	Cap Gemini SA	1.0
Comcast Corp Cl A	2.5	Parsley Energy Inc	0.9	Merck & Co Inc	1.4	Casestek Holdings Ltd	0.6
Havas SA	0.6	Phillips 66	0.5	Merck KGAA NPV	0.8	Cisco Systems Inc	0.7
ITV Plc	0.4	RSP Permian Inc	0.2	Pfizer Inc	0.7	Citizen Holdings Co Ltd	0.5
Liberty Global Plc Cl C	1.0			Roche Holding AG	1.1	Dialog Semiconductor Plc	0.1
Liberty LiLAC Group Cl C	0.1	Financials	15.8	Teva Pharmaceutical Industries Inc	0.4	eBay Inc	0.7
Michael Kors Holdings Ltd	0.5	Allianz SE NPV	0.7			Flextronics International Ltd	1.0
Michaels Cos Inc	0.8	Allstate Corporation	0.6	Industrials	15.9	Hewlett Packard Enterprise Co	1.5
Nippon TV Holdings Inc NPV	0.4	American International Group Inc	0.5	BAE Systems Plc	0.9	ON Semiconductor Corp	0.6
Priceline Group Inc	0.8	Aurelius AG	1.1	Berendsen Plc	0.6	Oracle Corp	0.7
PulteGroup Inc	0.8	Aust & NZ Bank Group NPV	0.6	Bollore SA	0.4	PayPal Holdings Inc	0.9
Shenzhou Intl Group Hldgs Ltd	0.6	Bank Of America Corp	0.5	Builders FirstSource Inc	0.3	Rightmove Plc	0.4
Tenneco Inc	0.7	Berkshire Hathaway Inc Cl B	2.2	Eaton Corp Plc	0.4	Samsung Electronics Co Ltd	0.6
WH Smith Plc	0.6	Capital One Financial Corp	1.1	Eaton Corp Plc	0.0	Samsung Electronics Co Ltd	0.6
WPP Plc	1.0	Chubb Ltd	1.4	FedEx Corp	0.5		
		Credit Suisse Group AG	0.3	Georg Fischer AG	1.1	Materials	7.7
Consumer Staples	7.6	Fifth Third Bancorp	0.7	Honeywell International Inc	1.1	Barrick Gold Corp	0.3
Coca-Cola West Co NPV	0.5	HSBC Holdings Plc	0.4	Ingersoll-Rand Plc	1.3	Berry Plastics Group Inc	1.5
CVS Health Corp	2.0	Huntington Bancshares Inc	0.5	Kennametal Inc	0.2	CRH Plc	1.0
Greencore Group Plc	0.4	Muenchener Rueckversicherungs	0.8	Kion Group AG	1.0	Dow Chemical Co	0.5
Henkel AG & Co KGAA NPV(BR)	0.7	Standard Chartered Plc	0.3	Norma Group SE	0.4	Graphic Packaging Holding Co	0.5
Imperial Tobacco Group Plc	1.6	SunTrust Banks Inc	0.7	Northrop Grumman Corp	0.6	HudBay Minerals Inc	0.1
Koninklijke Ahold NV	1.5	Tokio Marine Holdings NPV	0.5	Prysmian SpA	0.4	Lintec Corp	0.7
WH Group Ltd	0.8	Unum Group	0.4	Randstad Holding NV	0.9	LyondellBasell Industries NV	0.6
		Validus Holdings Ltd	0.6	Raytheon Co	1.7	Minerals Technologies Inc	0.4
Energy	5.7	W.R. Berkley Corp	0.8	Raytheon Co	0.0	Nitto Denko Corp	0.5
Anadarko Petroleum Corp	0.7	Wells Fargo & Co	1.0	Safran SA	1.5	PPG Industries Inc	0.8
Anadarko Petroleum Corp	-0.2			Teleperformance	1.0	WestRock Co	0.8
Canadian Natural Resources Ltd	0.6	Health Care	11.6	United Parcel Service Inc	1.4		
Diamondback Energy Inc	0.8	Amgen Inc	0.9	United Technologies Corp	0.6	Telecommunication Services	1.3
EOG Resources Inc	0.4	Bayer AG NPV	1.1			Nippon Telegraph & Tel Corp NPV	0.4
EQT Corp	0.5	Cigna Corporation	0.7	Information Technology	17.2	Vodafone Group Plc	0.9
INPEX Corporation NPV	0.4	Johnson & Johnson	1.7	Activision Blizzard Inc	0.8		
Marathon Petroleum Corp	0.5	Laboratory Corp of America Hldgs	1.3	Alphabet Inc	3.9		

Security holdings as of March 31, 2016 are based upon a representative account in the composite and are subject to change. Values are percent of portfolio and are rounded to one decimal place. It should not be assumed that an investment in these securities was or will be profitable. This information is supplemental to the GIPS® compliant presentation herein.

Boston Partners Global Equity

Performance Attribution: First Quarter 2016

Sector		Cons. Discretionary	Cons. Staples	Energy	Financials	Health Care	Industrials	Info. Technology	Materials	Telecomm. Services	Utilities	Total
Weightings	Global Equity	12.52	7.64	6.35	17.97	12.22	16.27	16.33	8.90	1.80	0.00	100.00%
	MSCI All Country World Index	12.86	10.74	6.35	20.61	12.26	10.40	14.80	4.61	3.97	3.41	100.00%
	Relative Weight	-0.34	-3.10	0.00	-2.64	-0.04	5.87	1.53	4.29	-2.17	-3.41	
Returns	Global Equity	0.81	9.98	4.64	-6.63	-7.62	5.13	1.35	-0.32	3.51	0.00	-0.03%
	MSCI All Country World Index	-0.35	4.83	6.43	-4.94	-6.49	3.60	1.60	5.94	7.02	8.81	0.38%
Contribution	Sector Allocation	0.00	-0.17	0.07	0.17	-0.04	0.18	0.05	0.31	-0.08	-0.27	0.23%
	Stock Selection	0.15	0.38	-0.17	-0.33	-0.17	0.25	-0.03	-0.65	-0.07	0.00	-0.65%
= -0.42%												

Regional		North America	Continental Europe	Japan	Pacific (ex-Japan)	United Kingdom	Emerging Markets	Total
Weightings	Global Equity	63.24	16.83	5.16	2.72	10.24	1.91	100.00%
	MSCI All Country World Index	57.04	15.99	7.90	8.06	6.66	4.16	100.00%
	Relative Weight	6.20	0.83	-2.74	-5.34	3.58	-2.25	
Returns	Global Equity	0.99	0.19	-11.66	0.90	-3.17	9.74	-0.03%
	MSCI All Country World Index	1.51	-1.74	-6.38	0.34	-2.27	10.74	0.38%
Contribution	Country/Region Allocation	0.08	-0.03	0.20	0.00	-0.06	-0.25	-0.01%
	Stock Selection	-0.16	0.29	-0.27	0.01	-0.12	0.00	-0.41%
= -0.42%								

Mkt. Capitalization		Small: <\$1.7 B	Mid: \$1.7 B — \$8.0 B	Large: \$8.0 B — \$57.3 B	Mega: >\$57.3 B	Total
Weightings	Global Equity	3.75	15.52	41.25	39.56	100.00%
	MSCI All Country World Index	0.02	5.39	37.37	57.20	100.00%
	Relative Weight	3.74	10.13	3.88	-17.64	
Returns	Global Equity	5.44	9.05	-1.57	-1.98	-0.03%
	MSCI All Country World Index	16.12	3.13	1.39	-0.53	0.38%
Contribution	Size Allocation	0.60	0.32	0.04	0.17	1.01%
	Stock Selection	-0.39	0.91	-1.32	-0.65	-1.42%
= -0.42%						

Attribution is calculated using end of day security prices and returns shown are equity only and excludes cash. Results are from a representative account in the composite and are gross of fees. Individual portfolio results may vary. The information is supplemental to the GIPS® compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners Global Equity

Performance Attribution: Calendar Year 2015

Sector		Cons. Discretionary	Cons. Staples	Energy	Financials	Health Care	Industrials	Info. Technology	Materials	Telecomm. Services	Utilities	Total
Weightings	Global Equity	14.64	6.06	7.16	19.00	13.51	13.82	13.87	9.12	2.83	0.00	100.00%
	MSCI All Country World Index	12.65	9.83	7.22	21.58	12.24	10.45	14.04	5.09	3.73	3.17	100.00%
	Relative Weight	1.99	-3.77	-0.06	-2.58	1.26	3.38	-0.18	4.03	-0.90	-3.17	
Returns	Global Equity	2.75	2.39	-2.78	-3.13	5.48	8.34	3.47	3.57	8.02	0.00	2.21%
	MSCI All Country World Index	4.53	5.72	-21.61	-5.08	6.80	-2.74	3.70	-15.84	-1.23	-7.47	-1.85%
Contribution	Sector Allocation	0.15	-0.23	0.10	0.04	-0.01	0.01	-0.04	-0.52	-0.02	0.21	-0.31%
	Stock Selection	-0.38	-0.21	1.42	0.40	-0.25	1.47	-0.12	1.86	0.17	0.00	4.36%
= 4.06%												

Regional		North America	Continental Europe	Japan	Pacific (ex-Japan)	United Kingdom	Emerging Markets	Total
Weightings	Global Equity	58.12	15.54	7.12	4.56	13.30	1.36	100.00%
	MSCI All Country World Index	55.81	16.30	7.78	8.36	7.07	4.50	100.00%
	Relative Weight	2.30	-0.76	-0.66	-3.80	6.22	-3.14	
Returns	Global Equity	0.11	13.42	6.66	11.29	2.24	-27.76	2.21%
	MSCI All Country World Index	-0.45	-0.60	9.90	-8.97	-7.48	-18.32	-1.85%
Contribution	Country/Region Allocation	-0.03	0.15	-0.09	0.05	-0.40	0.57	0.29%
	Stock Selection	0.25	2.01	-0.20	0.79	1.21	-0.29	3.77%
= 4.06%								

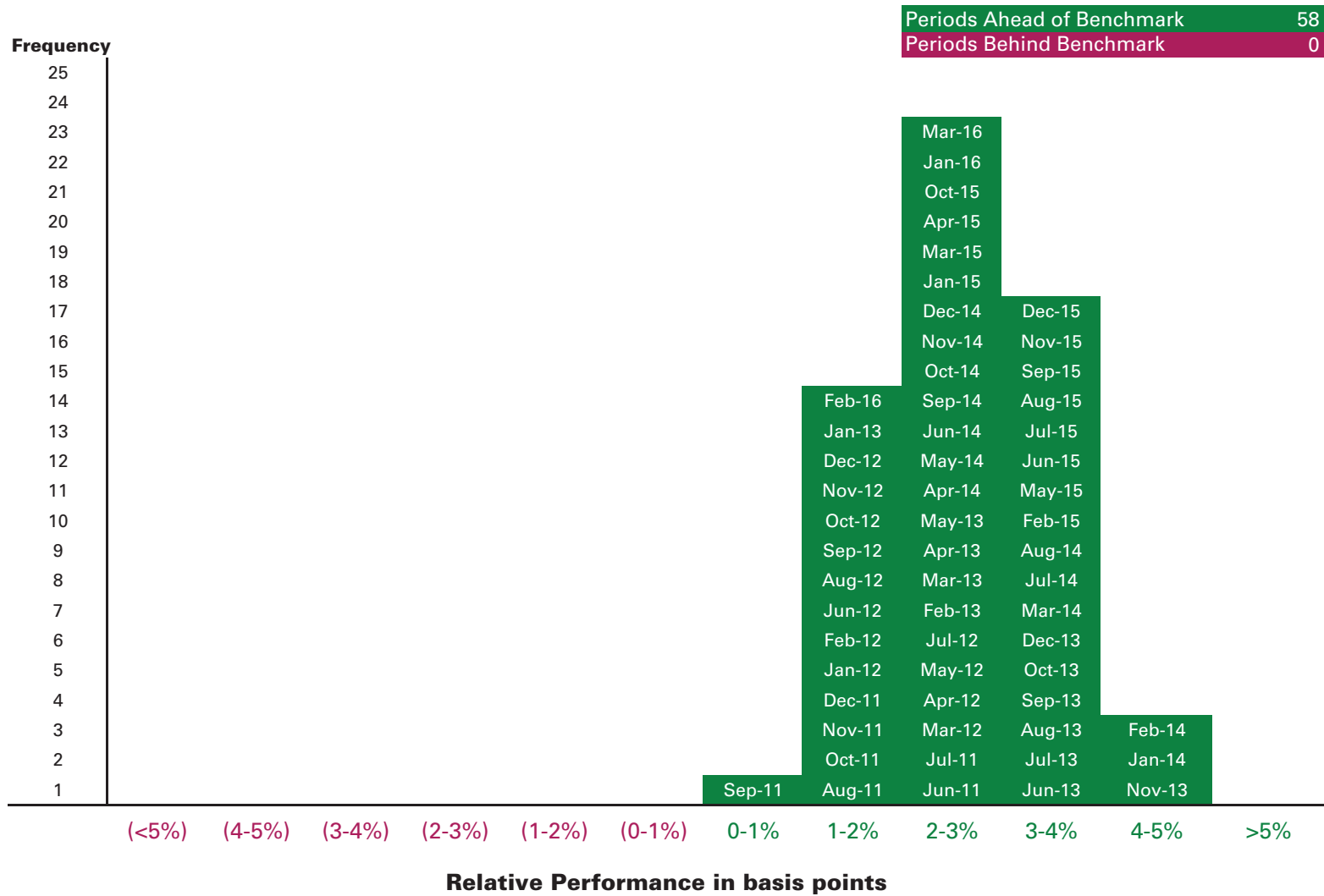
Mkt. Capitalization		Small: < \$1.7 B	Mid: \$1.7 B — \$8.0 B	Large: \$8.0 B — \$37.3 B	Mega: > \$37.3 B	Total
Weightings	Global Equity	7.83	15.46	35.98	40.22	100.00%
	MSCI All Country World Index	0.13	5.43	37.14	57.11	100.00%
	Relative Weight	7.70	10.03	-1.17	-16.89	
Returns	Global Equity	12.51	-1.87	4.60	0.46	2.21%
	MSCI All Country World Index	38.64	-3.76	-4.96	0.33	-1.85%
Contribution	Size Allocation	3.33	-0.17	0.04	-0.35	2.63%
	Stock Selection	-2.15	0.31	3.29	0.03	1.42%
= 4.06%						

Attribution is calculated using end of day security prices and returns shown are equity only and excludes cash. Results are from a representative account in the composite and are gross of fees. Individual portfolio results may vary. The information is supplemental to the GIPS® compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners Global Equity

Distribution of Monthly Rolling Three-Year Excess Returns as of March 31, 2016

Boston Partners Global Equity



The chart reflects a since inception time period. Inception for BP Global Equity is July 1, 2008.

Relative performance of the BP Global Equity is versus the MSCI World Index. This information is supplemental to the GIPS® compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners Global Equity

Investment Performance through March 31, 2016

Annualized Performance (%)

	1Q 2016	1 Year	3 Year	5 Year	7 Year	Since Inception*
Global Equity USA - Gross of Fees	0.00	-1.76	9.64	9.51	16.09	7.17
Global Equity USA - Net of Fees	-0.19	-2.51	8.81	8.68	15.19	6.34
MSCI World Index	-0.19	-2.90	7.41	7.12	13.75	4.87
Relative Performance - Gross of Fees	0.19	1.14	2.23	2.39	2.34	2.30

Calendar Year Performance (%)

	2015	2014	2013	2012	2011	2010	2009	Jul.-Dec. 2008*
Global Equity USA - Gross of Fees	1.89	5.54	35.12	17.25	-1.77	13.46	29.62	-30.51
Global Equity USA - Net of Fees	1.11	4.74	34.11	16.37	-2.55	12.56	28.61	-30.80
MSCI World Index	-0.32	5.50	27.37	16.53	-5.01	12.34	30.79	-33.52
Relative Performance - Gross of Fees	2.21	0.04	7.75	0.72	3.24	1.12	-1.17	3.01

* Inception date is July 1, 2008.

Boston Partners has prepared and presented this report in compliance with GIPS®. Returns reflect composite results and individual portfolio results may vary. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Global Equity - Separate Account

0.75%	First \$25 million of assets
0.65%	Next \$25 million
0.55%	Next \$50 million
0.50%	Thereafter

Boston Partners Global Equity

Performance Disclosures

Boston Partners ("BP") is a dba of Robeco Investment Management ("RIM" or the "Firm"), an Investment Adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. RIM is a subsidiary of Robeco Groep N.V. ("Robeco"), a Dutch investment management firm headquartered in Rotterdam, the Netherlands. RIM updated its firm description as of January 1, 2015 to reflect changes in its divisional structure. RIM is comprised of three divisions, Boston Partners, Weiss, Peck & Greer Partners ("WPG"), and Redwood Equity ("Redwood").

RIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. RIM has been independently verified for the periods 2007 through 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The RIM Global Equity II composite has been examined for the annual periods 2012 to 2013. The verification and performance examination reports are available upon request. BPAM and WPG were verified by an independent verifier on an annual basis from 1995 through 2006 and 1993 through 2006, respectively.

Past performance is not indicative of future results. This document is not an offering of securities nor is it intended to provide investment advice. It is intended for informational purposes only.

The inception and creation date of the RIM Global Equity II composite is July 1, 2008. This strategy is unconstrained and primarily invests in equity securities in the global market without using hedges on currency. The benchmark of this composite is the MSCI World Index. The composite includes all fully discretionary, fee-paying accounts under management, both separately managed and commingled, with a similar investment mandate and an account market value greater than \$1 million.

Account returns are market value weighted and calculated on a total return basis using trade date valuations. Returns reflect the reinvestment of dividends and other earnings, and are net of commissions and transaction costs. Performance is expressed in U.S. Dollars. Additional information regarding policies for valuing portfolios, calculating performance, and

presenting compliant presentations is available upon request. Composite returns are provided on a gross and net of fees basis. Account gross returns will be reduced by any fees and expenses incurred in the management of the account. In general, actual fees may vary depending on the applicable fee schedule and portfolio size. Net of fees returns for commingled vehicles that are members of a composite are calculated using a model fee that is the highest tier in the separate account fee schedule for the strategy. Fees are applied to gross returns at month end.

Benchmark

The MSCI World Index covers the full range of developed, emerging and All Country MSCI International Equity Indices across all size segmentations. MSCI uses a two-dimensional framework for style segmentation in which value securities are categorized using a multi-factor approach, which uses three variables to define the value investment style characteristics and five variables to define the growth investment style characteristics including forward looking variables. The objective of the index design is to divide constituents of an underlying MSCI Equity Index into respective value and growth indices, each targeting 50% of the free float adjusted market capitalization of the underlying market index. Index returns are provided for comparison purposes only to show how the composite's returns compare to a broad-based index of securities, as the index does not have costs, fees, or other expenses associated with its performance. In addition, securities held in the index may not be similar to securities held in the composite's accounts.

Global Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	3	\$432 mm	1%	N/A
2014:	1	\$27 mm	0%	N/A
2013:	2	\$66 mm	0%	N/A
2012:	2	\$18 mm	0%	N/A
2011:	1	\$8 mm	0%	N/A
2010:	1	\$9 mm	0%	N/A
2009:	1	\$8 mm	0%	N/A
**2008:	1	\$6mm	0%	N/A

Firm Assets:

Year	Assets (mm)	Year	Assets (mm)
*2015:	\$78,363	2010:	\$18,418
2014:	\$73,250	2009:	\$17,207
2013:	\$52,333	2008:	\$11,540
2012:	\$29,023	2007:	\$26,554
2011:	\$21,098	2006:	\$12,456

2005 through 2006 firm assets represents BP assets under management prior to merger into RIM.

* Data are preliminary and unaudited.

** Performance period is from July 1.

Composite Dispersion

The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual account returns within the composite. Dispersion in composites with less than five accounts included for the entire year is not considered meaningful and is denoted with "N/A". Prior to January 1, 2007, the measurement of composite dispersion was calculated by determining the difference between the highest and lowest annual account returns within the composite. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

Other Disclosures

RIM has adjusted the S&P and Russell sector classifications to group stocks according to similar business product lines and correlation of stock returns. RIM's classifications are similar to the major market indices in terms of breadth but may differ in terms of composition. All product characteristics and sector weightings are calculated using a representative portfolio. Risk statistics are calculated using composite data. Portfolio composition is subject to change and information contained in this publication may not be representative of the current portfolio. Effective January 1, 2011; RIM adopted a significant cash flow policy for this composite in accordance with the Global Investment Performance Standards. If an external cash flow is greater than or equal to 10.0% of the beginning market value of the portfolio on the day of the flow, and greater than or equal to 10.0% of the beginning market value of the composite for that month then the portfolio is removed from the composite for the month that the flow occurred. The portfolio is then placed back into the composite in accordance with Firm's inclusion policies and procedures.

Boston Partners Global Equity

Performance Disclosures (continued)

RIM participates in Initial Public Offerings (IPOs) as described in its Form ADV, Part II. IPO contributions to performance vary from year to year depending on availability and prevailing market conditions. IPO contributions may have a significant positive effect on performance when initially purchased. Such positive performance should not be expected for future performance periods.

Annual Fee Schedule

Investment advisory fees, which are more fully described in RIM's Form ADV Part II, are: 75 basis points ("bp") on the first \$25 million; 65 bp on the next \$25 million; 55 bp on the next \$50 million; 50 bp thereafter.

Corporate Information

Robeco Investment Management affiliated with listed corporations through common ownership.

Robeco Investments services may be offered in the U.S. through Robeco Institutional Asset Management, U.S., SAM investment services may be offered in the U.S. by RobecoSAM USA, Inc., each an SEC Registered Investment Adviser registered under the Investment Advisers Act of 1940. Transtrend products, Robeco Investments and SAM products may be offered in the U.S. through Robeco Securities, LLC, member FINRA, SiPC. Harbor Capital Advisers products are distributed by Harbor Funds Distributors, Inc.

Performance (%)																	
	1Q 2016	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception*	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Large Cap Value - Gross of Fees	-0.25	-4.30	9.67	10.94	16.74	7.63	10.54	-4.08	11.85	37.14	21.27	1.28	13.75	26.75	-32.95	5.14	19.97
Large Cap Value - Net of Fees	-0.33	-4.59	9.32	10.52	16.31	7.24	10.15	-4.37	11.49	36.64	20.66	0.82	13.36	26.30	-33.17	4.80	19.60
Russell 1000® Value Index	1.64	-1.54	9.38	10.25	16.31	5.72	9.10	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85	-0.17	22.25
S&P 500 Index	1.35	1.78	11.82	11.58	16.97	7.01	8.74	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00	5.49	15.79
130/30 Large Cap Value - Gross of Fees	-0.41	-3.48	10.95	12.35	17.43	—	7.67	-3.69	14.52	38.71	21.67	2.06	12.90	25.46	-29.44	3.51*	—
130/30 Large Cap Value - Net of Fees	-0.47	-3.69	10.73	12.11	17.05	—	7.15	-3.90	14.31	38.46	21.40	1.82	12.37	24.24	-30.16	2.66*	—
Russell 1000® Value Index	1.64	-1.54	9.38	10.25	16.31	—	4.68	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85	0.13*	—
Premium Equity - Gross of Fees	-1.04	-1.63	12.46	11.59	17.71	9.05	12.90	1.71	13.22	39.73	16.27	-1.01	14.78	33.16	-26.62	2.49	18.62
Premium Equity - Net of Fees	-1.17	-2.18	11.88	11.02	17.10	8.49	12.35	1.15	12.65	39.04	15.72	-1.55	14.18	32.45	-27.05	2.01	18.11
Russell 3000® Value Index	1.64	-2.05	9.08	9.95	16.25	5.60	9.11	-4.13	12.70	32.69	17.55	-0.10	16.23	19.76	-36.25	-1.01	22.34
S&P 500 Index	1.35	1.78	11.82	11.58	16.97	7.01	8.74	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00	5.49	15.79
Mid Cap Value - Gross of Fees	0.17	-1.60	13.79	13.04	21.33	11.22	13.54	2.84	14.37	41.04	19.78	1.68	24.79	42.04	-31.84	6.24	18.78
Mid Cap Value - Net of Fees	0.08	-1.94	13.41	12.47	20.66	10.57	12.83	2.49	14.00	40.48	18.90	0.88	23.93	41.13	-32.36	5.57	18.06
Russell Midcap® Value Index	3.92	-3.39	9.88	10.52	19.48	7.23	11.27	-4.78	14.75	33.46	18.51	-1.38	24.75	34.21	-38.45	-1.42	20.22
Small/Mid Cap Value - Gross of Fees	2.54	-5.57	8.33	9.74	18.86	7.34	11.07	-3.06	5.34	35.33	23.97	-1.57	18.07	43.89	-30.65	-6.69	15.58
Small/Mid Cap Value - Net of Fees	2.36	-6.20	7.59	8.98	17.99	6.50	10.25	-3.71	4.65	34.37	23.08	-2.31	17.05	42.69	-31.31	-7.53	14.54
Russell 2500™ Value Index	3.33	-5.20	7.15	8.33	17.32	5.80	9.74	-5.49	7.11	33.32	19.21	-3.36	24.82	27.67	-31.99	-7.27	20.18
Russell 2500™ Index	0.39	-7.31	8.16	8.58	17.84	6.47	9.07	-2.90	7.07	36.80	17.88	-2.51	26.71	34.38	-36.79	1.38	16.17

* Inception dates are as follows: Large Cap Value is June 1, 1995; 130/30 Large Cap Value is March 1, 2007; Premium Equity is June 1, 1995; Mid Cap Value is May 1, 1995; and Small/Mid Cap Value is April 1, 1999.

Boston Partners has prepared and presented this report in compliance with the GIPS®. Returns reflect composite results and individual portfolio results will vary. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Performance (%)																	
	10 2016	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception*	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Small Cap Value - Gross of Fees	2.73	-5.21	8.18	9.24	19.42	7.71	13.13	-3.77	4.76	35.27	22.85	-2.13	22.50	44.74	-30.18	-5.18	14.00
Small Cap Value - Net of Fees	2.54	-5.96	7.32	8.37	18.45	6.81	12.22	-4.53	3.93	34.21	21.85	-2.93	21.45	43.49	-30.82	-6.00	13.07
Russell 2000® Value Index	1.70	-7.72	5.73	6.67	15.54	4.42	9.57	-7.47	4.22	34.52	18.05	-5.50	24.50	20.56	-28.92	-9.78	23.48
Russell 2000® Index	-1.52	-9.76	6.84	7.20	16.42	5.26	8.25	-4.41	4.89	38.82	16.35	-4.18	26.85	27.16	-33.79	-1.56	18.37
Small Cap Value Equity II - Gross of Fees	2.19	-4.63	8.71	9.88	19.98	7.78	12.28	-3.27	5.35	36.53	24.54	-2.29	20.32	49.82	-33.80	-5.71	17.88
Small Cap Value Equity II - Net of Fees	1.95	-5.54	7.70	8.81	18.80	6.68	11.10	-4.19	4.37	35.28	23.42	-3.45	19.09	48.31	-34.53	-6.77	16.52
Russell 2000® Value Index	1.70	-7.72	5.73	6.67	15.54	4.42	7.45	-7.47	4.22	34.52	18.05	-5.50	24.50	20.56	-28.92	-9.78	23.48
Long/Short Equity - Gross of Fees	9.08	14.48	6.98	9.81	21.46	14.59	13.78	1.15	7.16	10.37	15.40	8.68	29.54	85.95	-20.03	-1.71	19.20
Long/Short Equity - Net of Fees	8.63	13.19	5.84	8.61	19.71	12.67	11.03	0.17	6.04	9.17	14.06	7.39	26.55	81.74	-21.71	-3.77	15.61
S&P 500 Index	1.35	1.78	11.82	11.58	16.97	7.01	6.16	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00	5.49	15.79
Long/Short Research - Gross of Fees	-0.27	1.61	8.32	9.02	11.61	8.30	8.08	3.02	8.68	19.70	14.73	5.35	9.33	18.67	-8.46	9.85	7.00
Long/Short Research - Net of Fees	-0.58	0.35	6.98	7.68	10.24	6.96	6.75	1.74	7.34	18.23	13.32	4.05	7.98	17.22	-9.60	8.49	5.68
S&P 500 Index	1.35	1.78	11.82	11.58	16.97	7.01	6.41	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00	5.49	15.79

* Inception dates are as follows: Inception dates are as follows: Small Cap Value is July 1, 1995; Small Cap Value Equity II is July 1, 1998; Long/Short Equity is August 1, 1997; and Long/Short Research is April 1, 2002.

Boston Partners has prepared and presented this report in compliance with the GIPS®. Returns reflect composite results and individual portfolio results will vary. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Performance (%)														
	10 2016	1 Year	3 Year	5 Year	7 Year	Since Inception*	2015	2014	2013	2012	2011	2010	2009	2008
Global Equity USA - Gross of Fees	0.00	-1.76	9.64	9.51	16.09	7.17	1.89	5.54	35.12	17.25	-1.77	13.46	29.62	-30.51*
Global Equity USA - Net of Fees	-0.19	-2.51	8.81	8.68	15.19	6.34	1.11	4.74	34.11	16.37	-2.55	12.56	28.61	-30.80*
MSCI World Index	-0.19	-2.90	7.41	7.12	13.75	4.87	-0.32	5.50	27.37	16.53	-5.01	12.34	30.79	-33.52*
International Equity - Gross of Fees	-2.91	-4.95	5.55	6.34	13.27	3.16	3.54	-3.65	31.47	18.67	-6.20	10.63	27.87	-36.51*
International Equity - Net of Fees	-3.09	-5.66	4.77	5.56	12.42	2.38	2.77	-4.37	30.51	17.79	-6.90	9.75	26.87	-36.79*
MSCI EAFE Index	-2.88	-7.87	2.68	2.76	10.19	1.02	-0.39	-4.49	23.29	17.90	-11.75	8.21	32.46	-36.32*
Global Long/Short - Gross of Fees	-0.75	6.39	—	—	—	7.73	8.73	4.36	8.96*	—	—	—	—	—
Global Long/Short - Net of Fees	-1.25	4.30	—	—	—	5.75	6.59	2.70	8.02*	—	—	—	—	—
MSCI World Index	-0.19	-2.90	—	—	—	7.78	-0.32	5.50	17.08*	—	—	—	—	—

* Inception dates are as follows: Inception dates are as follows: Global Equity USA is July 1, 2008; International Equity is July 1, 2008 (Formerly known as International Value Equity) and Global Long/Short Equity is July 1, 2013.

Boston Partners has prepared and presented this report in compliance with the GIPS®. Returns reflect composite results and individual portfolio results will vary. Returns are shown in USD. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners ("BP") is a dba of Robeco Investment Management ("RIM" or the "Firm"), an Investment Adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. RIM is a subsidiary of Robeco Groep N.V. ("Robeco"), a Dutch investment management firm headquartered in Rotterdam, the Netherlands. RIM updated its firm description as of January 1, 2015 to reflect changes in its divisional structure. RIM is comprised of three divisions, Boston Partners, Weiss, Peck & Greer Partners ("WPG"), and Redwood Equity ("Redwood").

RIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. RIM has been independently verified for the periods 2007 through 2014. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The composites have been examined per the following periods: RIM Large Cap Value Equity, 1995 to 2014; RIM Alpha Extension Large Cap Value Equity, 2012 to 2014; RIM Premium Equity, 1995 to 2014; RIM Mid Cap Value Equity, 1995 to 2006 and 2010 to 2014; RIM Small/Mid Cap Value Equity, 1999 to 2014; RIM Small Cap Value Equity, 1995 to 2014; RIM Small Cap Value II Equity, 1998 to 2014; RIM Long/Short Research, 2011 to 2014; RIM Global Equity II, 2012 to 2014; RIM International Equity II, 2008 to 2014; RIM Global Long/Short, 2013 to 2014. The verification and performance examination reports are available upon request.

Past performance is not indicative of future results. This document is not an offering of securities nor is it intended to provide investment advice. It is intended for information purposes only.

Composite Construction(s)

Performance results attained at BPAM have been linked to the results achieved at RIM beginning on January 1, 2007 in compliance with the GIPS® standards on performance record portability. Composites include all separately managed and commingled vehicles, fully discretionary, fee-paying accounts under management with a similar investment mandate and an account market value greater than \$1 million with the exception of RIM Small Cap Value Equity and Small Cap Value II Equity which have an account market value greater than \$5 million. Prior to January 1, 2007 the minimum account size for inclusion in the composite was \$5 million. The composites contain proprietary assets.

The inception and creation date of the RIM Large Cap Value Equity composite is June 1, 1995. The strategy is composed of securities with market capitalizations primarily greater than \$3 billion and is benchmarked against the S&P 500 Index and the Russell 1000® Value Index. Prior to December 1, 1995, there was no minimum market value requirement for inclusion in the RIM Large Cap Value Equity composite. Accounts that did not meet the newly established minimum balance requirement were removed on that date.

The inception date and creation date of the RIM Alpha Extension Large Cap Value Equity composite is March 1, 2007. The strategy is an actively managed Large Cap Value strategy that utilized long and short equity position to generate alpha. The strategy is permitted to short 30% of the portfolio and reinvests the proceeds of those shorts into the securities that the manager finds attractive, creating a 130% long portfolio and a 30% short portfolio. The strategy is benchmarked against the Russell 1000® Value Index.

The inception and creation date of the RIM Premium Equity composite is June 1, 1995. The strategy is a hybrid of RIM's other equity products. It has the flexibility to invest across the capitalization spectrum and to invest in securities with equity-like return and risk profiles. RIM Premium Equity is benchmarked against the S&P 500 Index and the Russell 3000® Value Index.

The inception and creation date of the RIM Mid Cap Value Equity composite is May 1, 1995. Effective March 1, 2006, the Mid Cap Value Equity strategy is composed of securities primarily in the same market capitalization range, at time of purchase, as the Russell Midcap® Value Index. Effective January 1, 2005 the RIM Mid Cap Value composite revised its benchmark from the Russell 2500™ Value Index to the Russell Midcap® Value Index. The Russell Midcap® Value Index has less of a bias toward smaller capitalization stocks and thus more accurately reflects the composition of RIM holdings.

The inception and creation date of the RIM Small/Mid Cap Value Equity composite is April 1, 1999. The strategy is composed of securities primarily in the \$100 million to \$10 billion market capitalization range and is benchmarked against the Russell 2500™ Value Index.

The inception and creation date of the RIM Small Cap Value Equity composite is July 1, 1995. The strategy is composed of securities primarily in the \$100 million to \$1.5 billion market capitalization range and is benchmarked against the Russell 2000® Value Index.

The inception date of the RIM Small Cap Value II Equity composite is July 1, 1998. The composite was created in 2000. The strategy is composed of securities primarily in the

\$10 million to \$1 billion market capitalization range and is benchmarked against the Russell 2000® Value Index.

The inception date and creation date of the RIM Long/Short Equity composite is August 1, 1997. The strategy is an absolute return product that balances long and short portfolio strategies and seeks to achieve stable absolute returns with approximately half the risk of the S&P 500. However, this product is not risk neutral. It is exposed to style, capitalization, sector and short-implementation risks. Use of the S&P 500 Index is for comparative purposes only since investment returns are not correlated to equity market returns. Prior to October 1, 1998, the composite was managed on a non-fee paying basis. Participant results would have been substantially different if fee waivers were not applied. Commencing on October 1, 1998 and continuing each quarter thereafter, the net of fee calculation includes a model fee for each commingled account included in the composite, and when applicable, the actual fees assessed for each separately managed portfolio included in the composite. The model fee, which is comprised of an investment management fee and performance fee, represents the deduction of the highest fee that could have been earned based on actual results during the performance period. In addition, other expenses typically borne by the commingled accounts, as defined in the applicable offering documents, have been applied. However, from time-to-time the commingled accounts may have placed a ceiling on the amount of expenses it had incurred. Although performance fees are paid annually when earned, for presentation of net returns, performance fees, similar to management fees and expenses, are accrued for on a monthly basis. Actual fees may vary. The composite is benchmarked against the S&P 500 Index and the Russell 3000® Value/Russell 3000® Growth for comparative purposes only since the strategy is not correlated to equity market returns.

The inception and creation date of the RIM Research Equity composite is April 1, 2002. This strategy is an absolute return product that balances long and short portfolio strategies and seeks to achieve stable absolute returns with approximately half the risk of the S&P 500 Index. The strategy is benchmarked against the S&P 500 Index.

The inception and creation date of the RIM Global Equity II composite is July 1, 2008. This strategy is unconstrained and primarily invests in equity securities in the global market without using hedges on currency.

The inception date and creation date of the RIM International Equity II composite is July 1, 2008. This strategy is unconstrained and primarily invests in non-us markets without using currency hedges. The strategy is benchmarked against the MSCI EAFE Index. From July 1, 2008 to June 30, 2010 the

Performance Disclosures (continued)

primary benchmarks was MSCI EAFE Value Index and on July 1, 2010 the primary benchmark change to the MSCI EAFE.

This change to the MSCI EAFE Index was made retroactively to July 1, 2008.

The inception and creation date of the RIM Global Long/Short Equity composite is July 1, 2013. The strategy is composed of securities with market capitalizations primarily greater than \$50 million and is benchmarked against the MSCI World Index.

The inception and creation date of the RIM Europe Equity composite is May 1, 2015. This strategy is unconstrained and primarily invests in equity securities in the European market without using hedges on currency.

Benchmarks

Index returns are provided for comparison purposes only to show how the composite's returns compare to a broad-based index of securities, as the indices do not have costs, fees, or other expenses associated with their performance.

In addition, securities held in either index may not be similar to securities held in the composite's accounts. The S&P 500 Index is an unmanaged index of the common stocks of 500 widely held U.S. companies. All Russell® Indices are registered trademarks of the Frank Russell Company. The Russell® Value Indices typically measure the performance of universes of stocks displaying low price-to-book ratios and low forecasted growth values. The Russell® Growth Indices typically measure the performance of universes of stocks displaying high price-to-book ratios and high forecasted growth values. The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index. The Russell 3000® Index measures performance of the 3,000 largest U.S. companies based on total market capitalization. The Russell 2500™, and 2000® Indices measure performance of the 2,500 and 2,000 smallest companies in the Russell 3000® Index respectively. The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index. The MSCI World Index covers the full range of developed, emerging and All Country MSCI International Equity Indices across all size segmentations. MSCI uses a two-dimensional framework for style segmentation in which value securities are categorized using a multi-factor approach, which uses three variables to define the value investment style characteristics and five variables to define the growth investment style characteristics including forward looking variables. The objective of the index design is to divide constituents of an underlying MSCI Equity Index into respective value and growth indices, each targeting 50% of the free float adjusted market capitalization of the underlying market index. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of April 2002, the MSCI EAFE

Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and United Kingdom.

The MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following 15 developed market country indexes: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

Calculation Methodology

Account returns are market value weighted and calculated on a total return basis using trade date valuations. Returns reflect the reinvestment of dividends and other earnings, and are net of commissions and transaction costs. Performance is expressed in U.S. Dollars. Short sales are an integral part of the investment strategy and constitute the use of leverage. Accounts are temporarily removed from the composite when a significant cash flow occurs, which is typically defined as a flow that is greater than 10% of the account value that exceeds a threshold of +/- 20 basis points from daily performance of the representative account and a similar account of the same strategy. An account is generally added back to the composite as of the first full month following the significant cash flow. Additional information regarding policies for valuing portfolios, calculating performance, and presenting compliant presentations is available upon request.

Fees and Expenses

Composite returns are provided on a gross and net of fees basis. Account returns will be reduced by any fees and expenses incurred in the management of the account. In general, actual fees may vary depending on the applicable fee schedule and portfolio size. Net of fees returns for commingled vehicles that are members of a composite are calculated using a model fee that is the highest tier in the separate account fee schedule for the strategy. Fees are applied to gross returns at month end. Returns reflect the reinvestment of dividends and other earnings, and are net of commissions and transaction costs. Performance is expressed in U.S. Dollars. Additional information regarding policies for valuing portfolios, calculating performance, and presenting compliant presentations is available upon request. Investment advisory fees are listed herein and are fully described in RIM's Form ADV, Part II.

Large Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	167	\$24.6 bn	31%	0.16%
2014:	151	\$25.2 bn	34%	0.11%
2013:	129	\$16.5 bn	32%	0.62%
2012:	105	\$8.6 bn	30%	0.24%
2011:	99	\$5.1 bn	24%	0.23%
2010:	89	\$4.8 bn	26%	0.15%
2009:	83	\$3.5 bn	20%	0.38%
2008:	70	\$2.1 bn	18%	0.21%
2007:	68	\$3.4 bn	13%	0.14%
2006:	45	\$3.4 bn	27%	0.83%

130/30 Large Cap Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	2	\$933 mm	1%	N/A
2014:	2	\$1.2 bn	2%	N/A
2013:	1	\$845 mm	2%	N/A
2012:	3	\$636 mm	2%	N/A
2011:	3	\$463 mm	2%	N/A
2010:	1	\$17 mm	0%	N/A
2009:	1	\$6 mm	0%	N/A
2008:	1	\$5 mm	0%	N/A
2007:	1	\$7 mm	0%	N/A

Premium Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	35	\$3.3 bn	4%	0.09%
2014:	29	\$3.1 bn	4%	0.14%
2013:	29	\$2.7 bn	5%	0.53%
2012:	26	\$2.2 bn	7%	0.17%
2011:	24	\$2.0 bn	9%	0.19%
2010:	27	\$2.1 bn	12%	0.43%
2009:	26	\$2.1 bn	12%	0.49%
2008:	23	\$1.3 bn	11%	0.30%
2007:	15	\$677 mm	3%	0.12%
2006:	11	\$1.7 bn	14%	0.37%

Mid Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	37	\$15.3 b	20%	0.01%
2014:	29	\$11.6 b	16%	0.12%
2013:	16	\$7.6 b	15%	0.24%
2012:	9	\$2.9 b	10%	0.01%
2011:	4	\$1.0 b	5%	N/A
2010:	3	\$306 mm	2%	N/A
2009:	3	\$127 mm	1%	N/A
2008:	3	\$85 mm	1%	N/A
2007:	2	\$86 mm	0%	N/A
2006:	1	\$35 mm	0%	N/A

Small/Mid Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	13	\$814 mm	1%	0.14%
2014:	10	\$499 mm	1%	0.08%
2013:	7	\$481 mm	1%	0.13%
2012:	7	\$367 mm	1%	0.08%
2011:	7	\$327 mm	2%	0.10%
2010:	7	\$384 mm	2%	0.04%
2009:	7	\$350 mm	2%	0.32%
2008:	5	\$200 mm	2%	0.18%
2007:	5	\$299 mm	1%	0.02%
2006:	4	\$343 mm	3%	0.06%

Small Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	19	\$1.0 bn	1%	0.05%
2014:	18	\$1.1 bn	2%	0.26%
2013:	16	\$1.1 bn	2%	0.56%
2012:	16	\$957 mm	3%	0.20%
2011:	17	\$923 mm	4%	0.08%
2010:	16	\$682 mm	4%	0.16%
2009:	14	\$698 mm	4%	0.90%
2008:	14	\$560 mm	5%	0.20%
2007:	15	\$856 mm	3%	0.10%
2006:	15	\$1.1 bn	9%	0.85%

Small Cap Value Equity II:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	3	\$478 mm	1%	N/A
2014:	4	\$444 mm	1%	N/A
2013:	4	\$370 mm	1%	N/A
2012:	4	\$304 mm	1%	N/A
2011:	5	\$272 mm	1%	0.10%
2010:	6	\$300 mm	2%	0.24%
2009:	6	\$239 mm	1%	0.98%
2008:	7	\$161 mm	1%	0.20%
2007:	7	\$320 mm	1%	0.06%
2006:	7	\$505 mm	4%	0.47%

Long/Short Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	2	\$687 mm	1%	N/A
2014:	2	\$958 mm	1%	N/A
2013:	2	\$965 mm	2%	N/A
2012:	2	\$829 mm	3%	N/A
2011:	2	\$626 mm	3%	N/A
2010:	2	\$440 mm	2%	N/A
2009:	2	\$189 mm	1%	N/A
2008:	2	\$36 mm	0%	N/A
2007:	2	\$75 mm	0%	N/A
2006:	3	\$156 mm	1%	N/A

Long/Short Research:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	1	\$7.2 bn	9%	N/A
2014:	1	\$6.0 bn	8%	N/A
2013:	1	\$2.9 bn	6%	N/A
2012:	1	\$492 mm	2%	N/A
2011:	1	\$97 mm	0%	N/A
2010:	1	\$9 mm	0%	N/A
2009:	1	\$5 mm	0%	N/A
2008:	1	\$3 mm	0%	N/A
2007:	1	\$4 mm	0%	N/A
2006:	1	\$3 mm	0%	N/A

Global Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	3	\$432 mm	1%	N/A
2014:	1	\$27 mm	0%	N/A
2013:	2	\$66 mm	0%	N/A
2012:	2	\$18 mm	0%	N/A
2011:	1	\$8 mm	0%	N/A
2010:	1	\$9 mm	0%	N/A
2009:	1	\$8 mm	0%	N/A
**2008:	1	\$6mm	0%	N/A

* 2008 performance period is from July 1.

International Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	1	\$261 mm	0%	N/A
2014:	2	\$33 mm	0%	N/A
2013:	2	\$20 mm	0%	N/A
2012:	2	\$18 mm	0%	N/A
2011:	1	\$6 mm	0%	N/A
2010:	1	\$6 mm	0%	N/A
2009:	1	\$6 mm	0%	N/A
**2008:	1	\$4 mm	0%	N/A

** 2008 performance period is from July 1.

Global Long/Short Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
*2015:	1	\$629 mm	1%	N/A
2014:	1	\$125 mm	0%	N/A
**2013:	1	\$3 mm	0%	N/A

** 2013 performance period is from July 1.

Firm Assets:

Year	Assets (mm)	Year	Assets (mm)
*2015:	\$78,363	2010:	\$18,418
2014:	\$73,250	2009:	\$17,207
2013:	\$52,333	2008:	\$11,540
2012:	\$29,023	2007:	\$26,554
2011:	\$21,098	2006:	\$12,456

*Data are preliminary and unaudited.

Composite Dispersion

The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual account returns within the composite. Dispersion in composites with less than five accounts included for the entire year is not considered meaningful and is denoted with "N/A". Prior to January 1, 2007, the measurement of composite dispersion was calculated by determining the difference between the highest and lowest annual account returns within the composite.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

2005 through 2006 firm assets represents BPAM assets under management prior to merger into RIM.

Other Disclosures

RIM has adjusted the S&P and Russell sector classifications to group stocks according to similar business product lines and correlation of stock returns. RIM's classifications are similar to the major market indices in terms of breadth but may differ in terms of composition. All product characteristics and sector weightings are calculated using a representative portfolio.

Risk statistics are calculated using composite data. Portfolio composition is subject to change and information contained in this publication may not be representative of the current portfolio. Effective January 1, 2011; RIM adopted a significant cash flow policy for this composite in accordance with the Global Investment Performance Standards. If an external cash flow is greater than or equal to 10.0% of the beginning market value of the portfolio on the day of the flow, and greater than or equal to 10.0% of the beginning market value of the composite for that month then the portfolio is removed from the composite for the month that the flow occurred. The portfolio is then placed back into the composite in accordance with Firm's inclusion policies and procedures.

RIM participates in Initial Public Offerings (IPOs) as described in its Form ADV, Part II. IPO contributions to performance vary from year to year depending on availability and prevailing market conditions. IPO contributions may have a significant positive effect on performance when initially purchased. Such positive performance should not be expected for future performance periods.

Annual Fee Schedules

Large Cap: 70 basis points ("bp") on the first \$10 million in assets; 50 bp on the next \$40 million; 40 bp on the next \$50 million; 30 bp thereafter. **130/30 Large Cap:** 100 basis points ("bp") on the first \$10 million in assets; 80 bp on the next \$40 million; 70 bp on the next \$50 million; 60 bp thereafter.

Premium Equity: 80 bp on the first \$25 million of assets; 60 bp on the next \$25 million; 50 bp on the next \$50 million; 40 bp thereafter. **Mid Cap:** 80 bp on the first \$25 million of assets; 60 bp thereafter. **Small/Mid Cap, Small Cap, and Small Cap II:** 100 bp on the first \$25 million of assets; 80 bp thereafter. **Long/Short:** 100 bp on total assets under management; plus 20% profit participation. **Long/Short Research:** 150 basis points.

Global Equity and International Equity are: 75 basis points ("bp") on the first \$25 million in assets; 65 bp on the next \$25 million; 55 bp on the next \$50 million; 50 bp thereafter. **Global Long/Short:** 200 bp on total assets under management. **Europe Equity:** 75 basis points ("bp") on the first \$25 million in assets; 65 bp on the next \$25 million; 55 bp on the next \$50 million; 50 bp thereafter.

Corporate Information

Robeco Investment Management affiliated with listed corporations through common ownership. Robeco Investments services may be offered in the U.S. through Robeco Institutional Asset Management, U.S., SAM investment services may be offered in the U.S. by RobecoSAM USA, Inc., each an SEC Registered Investment Adviser registered under the Investment Advisers Act of 1940. Transtrend products, Robeco Investments and SAM products may be offered in the U.S. through Robeco Securities, LLC, member FINRA, SIPC. Harbor Capital Advisers products are distributed by Harbor Funds Distributors, Inc.

Additional Benchmarks

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States (as of April 30, 2015).

MSCI Emerging Markets Standard Index (net return): The MSCI Emerging Markets indices are designed to measure the type of returns foreign portfolio investors might receive from investing in emerging market stocks that are legally and practically available to them. Constituents for the MSCI series are drawn from the MSCI stock universe based on size, liquidity, and their legal and practical availability to foreign institutional investors.

The MSCI World Small Cap Value Index captures small cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 2,582 constituents, the index targets 14% coverage of the free float-adjusted market capitalization in each country. Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the U.S. (As of June 30, 2013.)

Additional Annual Fee Schedules

Emerging Markets Long/Short: 210 bp on total assets under management.



DISCUSSION SHEET

ITEM #D3

Topic: Manulife Asset Management

Attendees: Scott Eversole, Managing Director, Institutional Sales
Paul Boyne, Senior Managing Director, Senior Portfolio Manager

Discussion: As part of the equity structure study, Staff and NEPC presented the rationale for adding a value oriented investment manager to the global equity portfolio. Manulife Asset Management will present an overview of the firm and global equity product.

Manulife Asset Management is the global asset management arm of Manulife Financial Corporation. Each investment team runs its own investment process, from research to implementation, but are able to leverage the broad resources of the larger firm. Manulife Asset Management has approximately \$325 billion in assets under management, with more than 425 investment professionals operating out of offices in 16 countries.

Staff

Recommendation: **Approve** an initial investment of \$80 million in the Manulife Asset Management global equity strategy, and **authorize** the Executive Director to negotiate and execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate this investment.

INVESTMENT RECOMMENDATION

Date: June 9, 2016
To: DFPF Board
From: Investment Staff
Subject: Manulife Asset Management Global Equity Strategy

Recommendation

Staff recommends approving an investment of \$80 million to Manulife Asset Management Global Equity strategy as part of the equity core allocation.

Executive Summary

As part of the Global Equity structure study, Staff recommends hiring Manulife Global Equity as a value manager in the equity core allocation.

Personnel

Paul Boyne and Doug McGraw, CFA, are the global equity strategy portfolio managers, and have a combined 48 years of experience. They are supported by 2 senior investment analysts who are sector specialists as well as equity research generalists. The team can also leverage the broader firm resources, which include a dedicated risk and quantitative analytics team, and 375 investment professionals around the globe.

Portfolio and Investment Strategy

Manulife uses fundamental research to drive the investment process, and follows the philosophy that long-term outperformance is achieved by focusing on quality companies with sustainable cash flows and attractive valuations. Ideas are generated by a multifaceted approach using quantitative screens that meet the initial investment criteria, and then fundamental research to establish a company's intrinsic value. Sell decisions are based on appreciation to fair value, deteriorating fundamentals, or having a more attractive opportunity. The portfolio is benchmark agnostic, with sector and country allocations being largely a result of the bottom up stock selection process.

- 40-80 positions
- Weighted average market cap \$120 billion USD

Risk Controls

- 10% maximum position limit

- 50% sector limit
- 4-7% tracking error annually
- Risk monitoring for tracking error, systematic risk, scenario analysis

Process

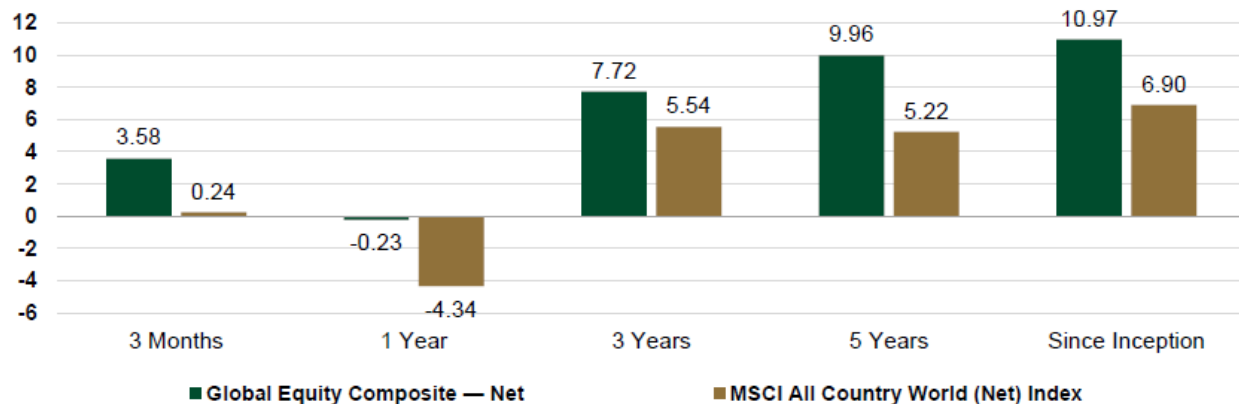
Quantitative Screens based on quality income (sustainable cash flows with high dividend), a Piotroski Score (nine operating and balance sheet metrics), valuation within peer industry groups, and best ideas from across the Manulife global network.

Fundamental Analysis of franchise and business quality, financial position, management quality, operating and free cash flow sustainability, in order to derive a fair value assessment.

Performance

Global Equity Composite Investment Results as of March 31, 2016

Annualized Returns (%)



Calendar Year Returns (%)

	2015	2014	2013	2012	2011	2010
Global Equity Composite (Net)	-1.02	3.08	29.79	16.75	5.50	13.48
MSCI All Country World (Net) Index	-2.36	4.16	22.80	16.11	-7.35	12.66
Excess Return	1.35	-1.08	6.99	0.64	12.85	0.82

Source: Manulife Asset Management
Composite inception date: January 2010
Net performance shown is calculated using 75 bps fee, as shown in fee schedule.

Pricing

Proposed pricing structure:

0-\$35 million	0.60%
\$35 - \$60 million	0.55%
over \$60 million	0.45%

Fit for DFPF Portfolio

As described in the global equity structure study, Manulife is a mostly large cap value oriented global equity manager. The investment would be weighted equally with OFI, Walter Scott, and Manulife to comprise the equity core.

The following pages were extracted for convenience from the
NEPC Global Equity Manager Search
March 2016

Manulife Asset Management Global Equity

Jeff Markarian, Sr. Research Consultant
Source: NEPC and eVestment
April 2015

Firm Description

Manulife Asset Management is the global asset management arm of Manulife Financial Corporation. Manulife Asset Management and its affiliates provide asset management solutions for institutional investors and investment funds in key markets around the world across a broad range of asset classes. These include equity, fixed income and alternative investments such as real estate, timber, farmland, as well as asset allocation strategies. Manulife Asset Management has offices in 17 countries, with more than 300 investment professionals. Particularly, the firm employs large investment teams in Canada and Asia and smaller teams in Europe and Japan. Manulife prides itself on harboring a boutique-like environment at the investment team level, but with the support of a broader global organization.

NEPC Investment Thesis

The value creation within the Manulife global equity strategy stems from the teams long term benchmark agnostic approach that focuses on the identification of companies that are cheap from an intrinsic value approach. Through the identification of quality companies that are both cheap and have strong franchise business that generate high free cash flow the strategy should produce value above and beyond the MSCI World Index.

People

The key individuals associated with the management of the Global Equity Strategy are portfolio managers Paul Boyne and Doug McGraw, CFA. In addition to portfolio management, the team also consists of senior investment analyst, Uday Chatterjee, CFA. Together Paul, Doug, and Uday perform research, generate ideas and uncover opportunities. Each team member on the team is a generalist and can research stocks based in any region or industry around the globe. In addition to being generalists each team member has a sector specialization based off of prior industry experience. The global equity team at Manulife has the ability to leverage research conducted by all other investment teams at the firm.

Philosophy

The investment team believes that long-term outperformance can be achieved by purchasing quality companies with attractive valuations and sustainable cash flows and taking advantage of the market's focus on short-term factors. The process is unconstrained, bottom up stock selection based.

Manulife Asset Management Global Equity

Investment Strategy

The investment team's process begins by identifying stocks through a series of screening metrics or the team's experience and prior research. The team will leverage three external screens to identify potential companies: a screen of traditional valuation measures for global industry groups, a screen of cash flow returns on invested capital and a screen of dividend yield and low financial leverage combined with improving fundamentals. The last source of idea generation is composed of ideas from Manulife Asset Management portfolio managers and analysts, globally.

Stocks identified as potential investment candidates will then undergo comprehensive fundamental research by the investment team. Research comprises of a detailed fundamental analysis of the business, including strengths, weaknesses, opportunities and risks together with the construction of a full financial model including the team's forecasts for future years. The team will look to find the appropriate combination of the following metrics: Franchise and Business quality, Analysis of the company's financial position, Analysis of management quality, and Operating and free cash flow sustainability.

Approximately 80% of research for the Strategy is performed internally by the investment team. The team spends considerable time conducting comprehensive fundamental analysis of companies. They research and analyze relevant data through such channels as research analysts, consultants, industry contacts and industry competitors.

The remaining 20% of the research for the Strategy is sourced externally. The investment team uses external sources to help validate or complement its research. External sources include broker/dealers, Bloomberg, Deutsche Bank's Piotroski screen, Societe Generale's Quality Income screen, Empirical Partners' valuation screen, Credit Suisse Holt, Gartner and street contacts, among others. Use of external research enables team members to diversify information sources, evaluate investment perspectives that are contrary to their own investment thesis and provide additional guidance in industries that merit further consideration. Analysts and portfolio managers never rely exclusively on such sources without performing their own due diligence.

Manulife Asset Management Global Equity

Portfolio

The final portfolio is benchmark agnostic and does not have relative risk controls surrounding country and sector weightings, but they tend to stay near benchmark allocations from an overall sector basis. At the sub industry level they are willing to take large bets relative to the index, for example the portfolio has been as much as 17% invested in media companies while the index was 2%. The final portfolio will be a concentrated 40-80 names.

Performance Expectations

The portfolio will typically do well in down markets. In high growth and or momentum markets the strategy should tend to underperform. In addition a rapidly rising bull market is likely a head wind for the strategy. Positive performance should be tied to the extent that free cash flow yield is being rewarded in the market.

Manulife Asset Management Global Equity

Paul Boyne, Senior Managing Director and Senior Portfolio Manager

Paul Boyne, is a senior managing director and senior portfolio manager for Manulife Asset Management. He is the lead portfolio manager of the Global Equity Strategy and team. He was most recently a senior fund manager within the global equities team at Invesco Perpetual. After six years with chartered accountants and management consultants, Grant Thornton International, Mr. Boyne began his investment career with Morgan Stanley Investment Management. He became Managing Director and a senior portfolio manager of their global value equity product. He then joined Bank of Ireland as Managing Director and Head of their US Equities team before becoming Deputy Chief Investment Officer and Head of Global Equities, providing portfolio oversight across all regional product areas. Mr. Boyne is a Fellow of the Association of Chartered Accountants.



Global Equity Strategy

Prepared for Dallas Police & Fire Pension System

Paul Boyne

Senior Managing Director, Senior Portfolio Manager

Scott Eversole

Managing Director, Institutional Sales and Business Development

2121 N. California Blvd., Suite 290

Walnut Creek, CA 94596

Office: (925) 974-3315 Cell: (857) 265-6715

Email: sseversole@manulifeam.com

June 9, 2016

For a discussion of the risks associated with this strategy, please see the Investment Considerations page at the end of the presentation.

A Long Tenure in Global Equity Investing



Investment Management Team

The investment team members are all global generalists in addition to having designated sector oversight.

	Role	Years' Industry Experience	Oversight
Paul Boyne	Lead Portfolio Manager	29	Energy, Materials, Consumer Staples
Doug McGraw, CFA	Portfolio Manager	21	Health Care, Telecom
Uday Chatterjee, CFA	Senior Investment Analyst	11	Consumer Discretionary, Information Technology, Consumer Staples
Stephen Hermsdorf	Senior Investment Analyst	20	Financials, Industrials, Utilities
Marcia Irwin, CFA	Global Portfolio Specialist	25	Communications and strategic positioning of the strategy with clients, prospects and consultants

Additional Resources

Over 425 Equity and Fixed Income Investment Professionals located in 16 countries and territories

Dedicated Investment Risk and Quantitative Analytics Team

Global Portfolio Specialists

As of March 31, 2016

Seek High Quality Companies at Attractive Valuations

Philosophy:

We believe long-term outperformance can be achieved by taking advantage of the market's disproportionate focus on short-term factors.

We seek quality companies that have a strong:



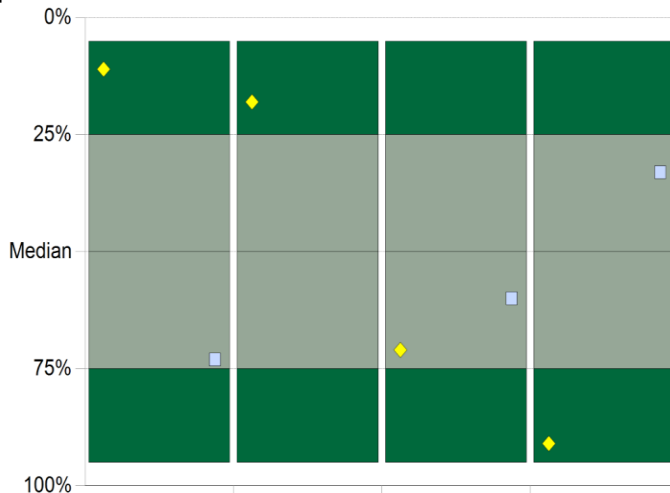
Consistent Long-Term Risk-Adjusted Performance

eVestment Performance as of March 31, 2016

- Top quintile risk-adjusted performance
- Strong downside market protection

- Consistent outperformance

Since Inception Performance Risk Stats



	Returns ²	Rk	IR ²	Rk	UMC ^{1,2}	Rk	DMC ^{1,2}	Rk
5th percentile	11.8		1.2		116.5		115.4	
25th percentile	9.6		0.7		106.7		102.1	
Median	8.2		0.4		103.1		96.1	
75th percentile	6.8		0.0		95.3		89.1	
95th percentile	4.1		-0.6		79.9		69.2	
# of Observations	133		133		133		133	
◆ MAM: Global Equity (Net)	11.0	11	0.9	18	98.0	71	78.2	91
■ MSCI Index: MSCI ACWI-ND	6.9	73	---		100.0	60	100.0	33

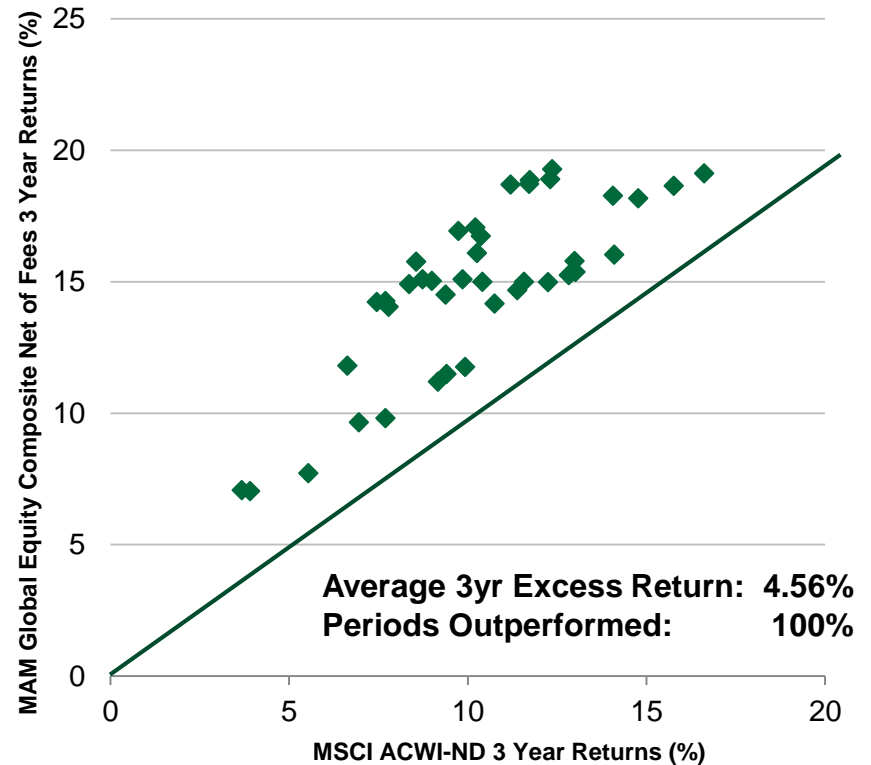
Results displayed in US Dollar (USD)

¹ MSCI ACWI-ND; ² 1/2010-3/2016

Composite inception date: January 2010
 Universe: eVestment Global All Cap Core

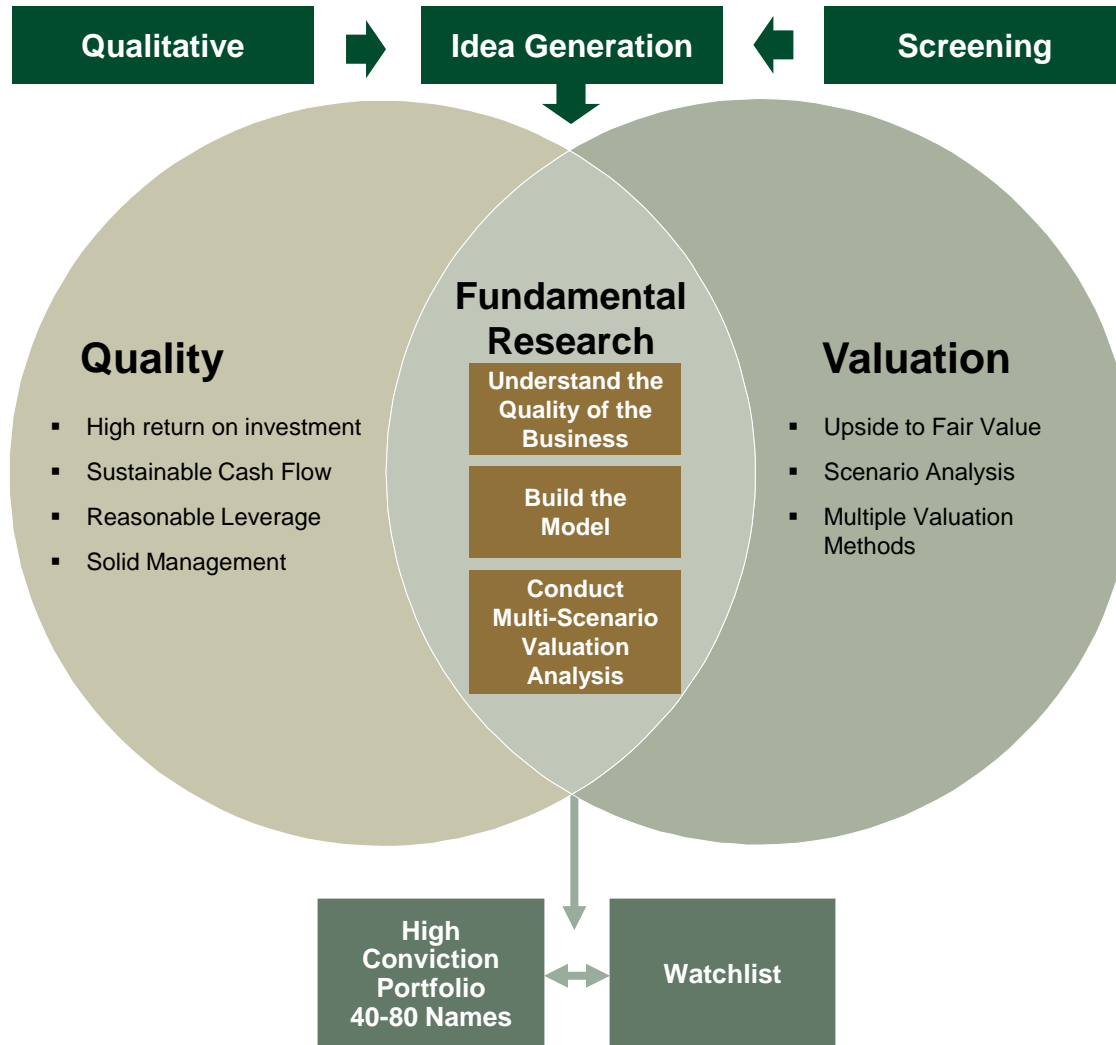
MAM Global Equity Composite (Net) Outperformance vs. MSCI ACWI-ND

Over Monthly Rolling Three Year Periods (Jan 2010–Mar 2016)



The chart line represents a 0% outperformance, an illustrative scenario in which the composite returned the same as the benchmark. Above the line is overperformance and below the line is underperformance. Scatter plots are the three year annualized rolling returns in US\$, shown monthly with periods ending January 2010 through March 2016.

Fundamental Research Drives the Investment Process



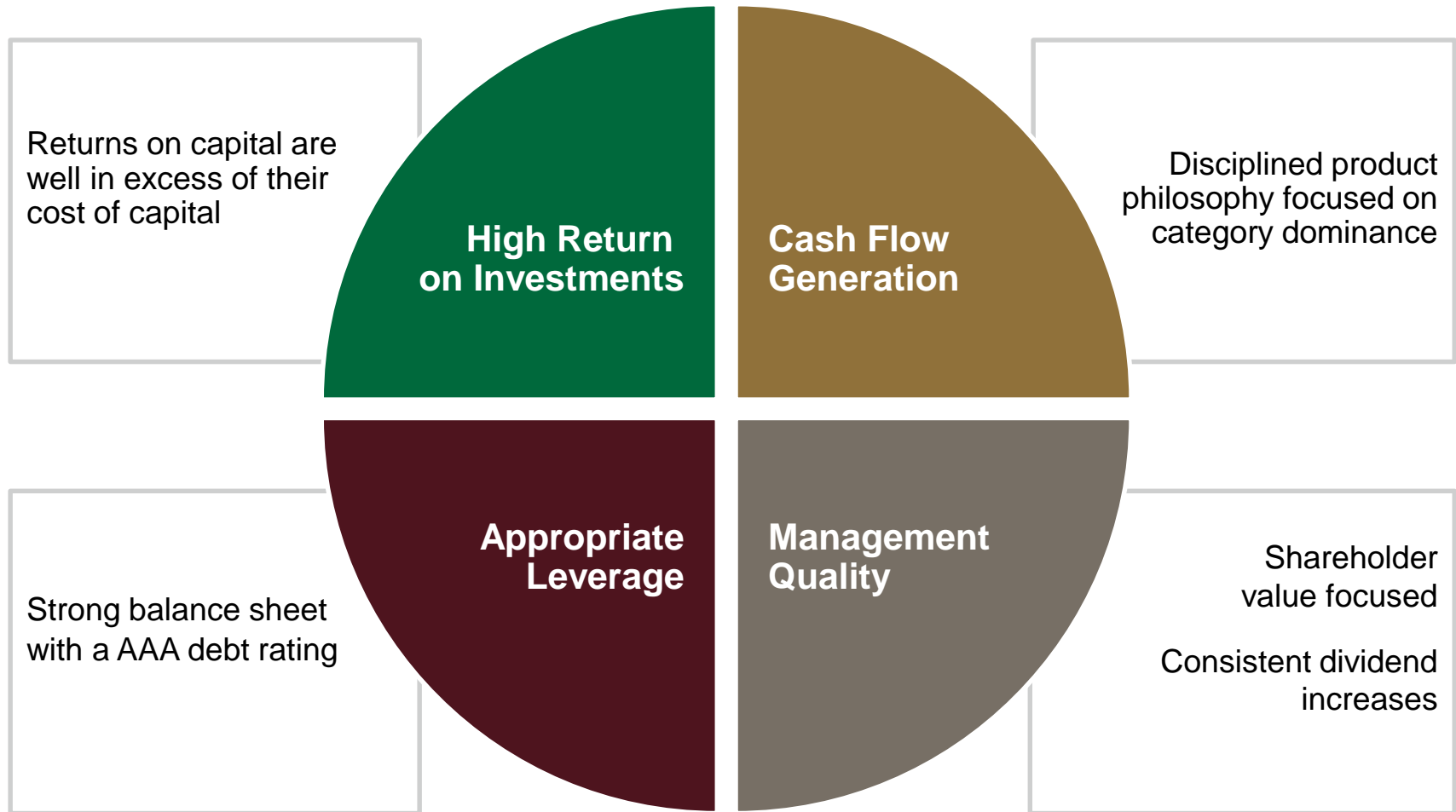
For illustrative purposes only.

Fundamental Research

Understand the Quality of the Business



Investment Example: Company J



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Fundamental Research

Build the Model

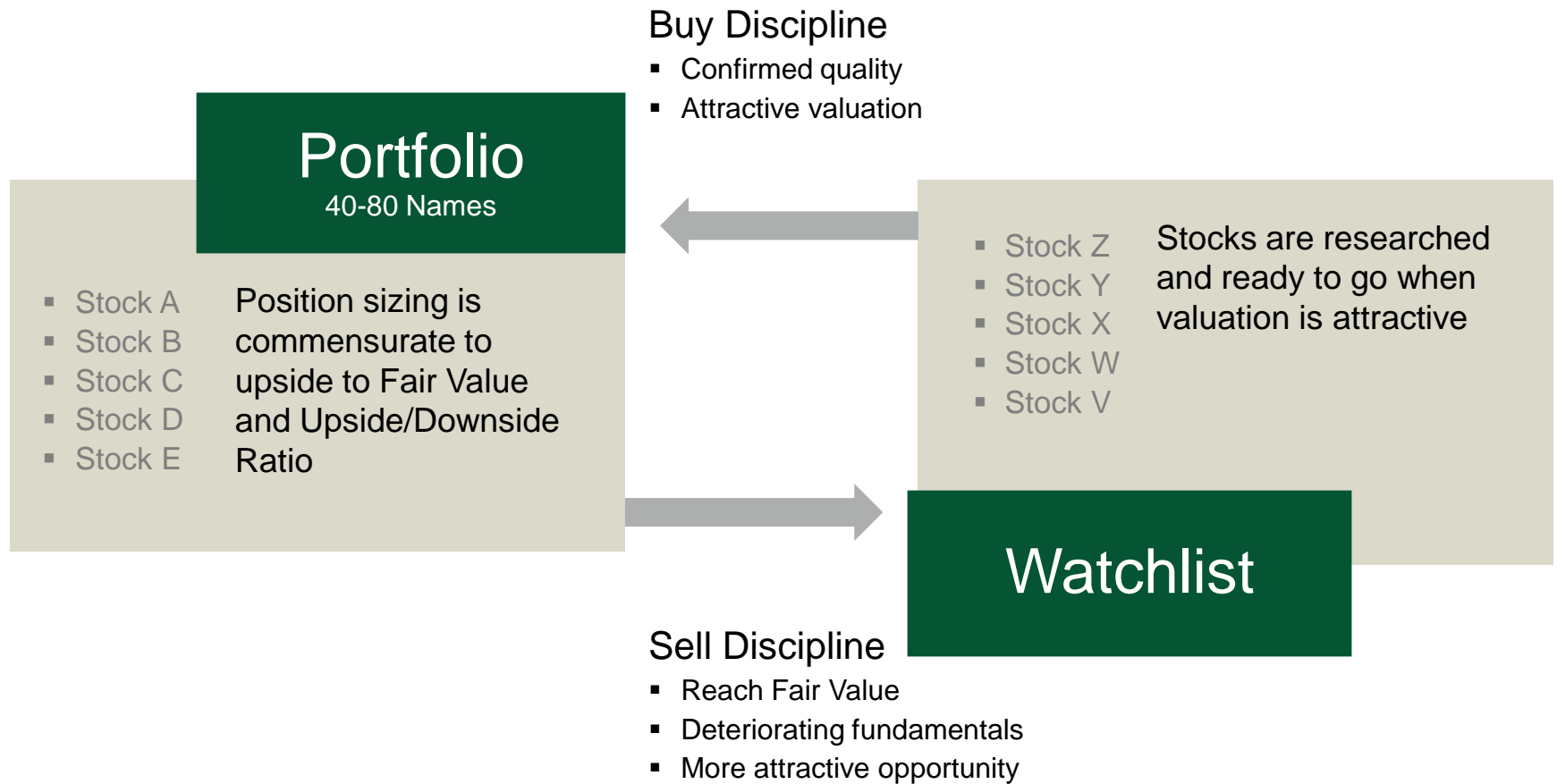
- Rigorous common format
- In-depth full historical detail
- Robust five years of proprietary divisional forecasts
- Continually updated

Company Name	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
Balance Sheet									
Assets									
Cash	1,234	1,345	1,456	1,567	1,678	1,789	1,890	1,901	2,012
Accounts Receivable	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123
Inventory	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234
Property, Plant & Equipment	4,567	4,678	4,789	4,890	4,901	5,012	5,123	5,234	5,345
Intangible Assets	5,678	5,789	5,890	5,901	6,012	6,123	6,234	6,345	6,456
Goodwill	6,789	6,890	6,901	7,012	7,123	7,234	7,345	7,456	7,567
Other Intangible Assets	7,890	7,901	8,012	8,123	8,234	8,345	8,456	8,567	8,678
Deferred Tax Assets	8,901	9,012	9,123	9,234	9,345	9,456	9,567	9,678	9,789
Other Assets	9,012	9,123	9,234	9,345	9,456	9,567	9,678	9,789	9,890
Liabilities									
Accounts Payable	1,234	1,345	1,456	1,567	1,678	1,789	1,890	1,901	2,012
Deferred Tax Liabilities	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123
Other Liabilities	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234
Equity									
Common Stock	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Retained Earnings	1,234	1,345	1,456	1,567	1,678	1,789	1,890	1,901	2,012
Other Equity	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123
Income Statement									
Revenue	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cost of Goods Sold	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Gross Profit	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Operating Income	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Interest Expense	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Income Before Tax	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Income Tax	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Net Income	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Balance Sheet									
Assets									
Cash	1,234	1,345	1,456	1,567	1,678	1,789	1,890	1,901	2,012
Accounts Receivable	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123
Inventory	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234
Property, Plant & Equipment	4,567	4,678	4,789	4,890	4,901	5,012	5,123	5,234	5,345
Intangible Assets	5,678	5,789	5,890	5,901	6,012	6,123	6,234	6,345	6,456
Goodwill	6,789	6,890	6,901	7,012	7,123	7,234	7,345	7,456	7,567
Other Intangible Assets	7,890	7,901	8,012	8,123	8,234	8,345	8,456	8,567	8,678
Deferred Tax Assets	8,901	9,012	9,123	9,234	9,345	9,456	9,567	9,678	9,789
Other Assets	9,012	9,123	9,234	9,345	9,456	9,567	9,678	9,789	9,890
Liabilities									
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Other Liabilities	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234
Equity									
Common Stock	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Retained Earnings	1,234	1,345	1,456	1,567	1,678	1,789	1,890	1,901	2,012
Other Equity	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123

For illustrative purposes only.

Portfolio Construction

Investing in the Best Risk-Adjusted Upside Opportunities



For illustrative purposes only.

Multi-Dimensional Risk Management Framework



Investment Philosophy		
Quality bias	Sustainable competitive advantage & cash flow generation	Ensuring the best risk-adjusted upside opportunities Right price to pay

Senior Management Oversight
Identify and monitor risks
Operational risk oversight
Operating Committee

Compliance Monitoring
Bloomberg
Pre-trading compliance
End of day batch compliance
Investigation, documentation and resolution of violations

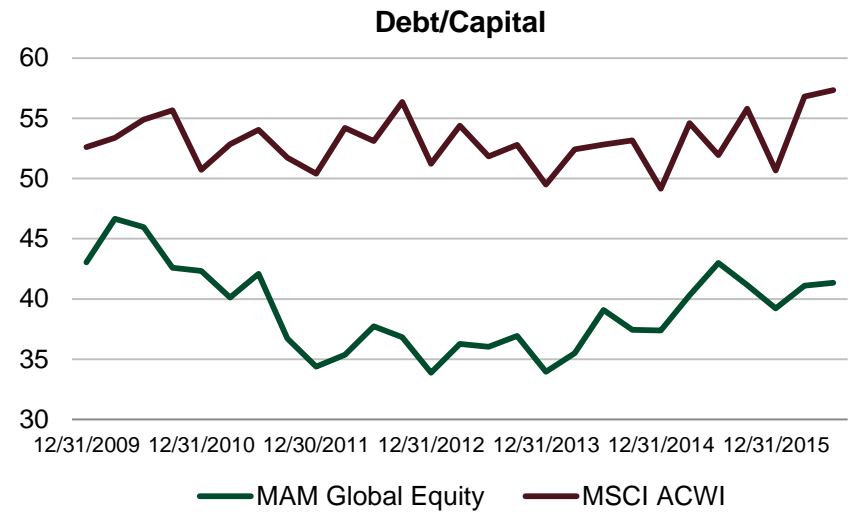
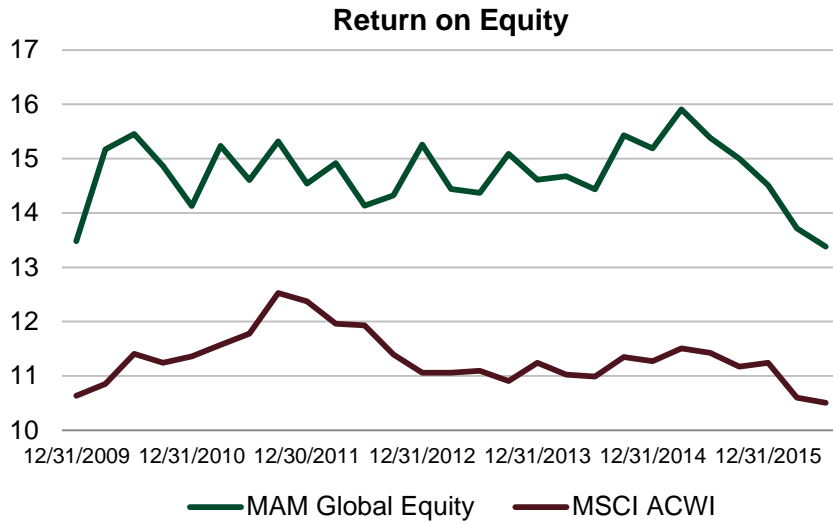


Portfolio Guidelines	Limit
Number of holdings	40–80
Sector weight	0–50%
Stock weight	Max. 10%
Geographic	20–70% for US Max 50% all other countries
Benchmark	MSCI ACWI (ND)

Risk Management
Tracking error decomposition
Market/Systematic risk
Scenario analysis
Daily reporting
ESG exposure analysis
Dedicated risk management team

For illustrative purposes only.

Consistent Quality Characteristics Over Time as of March 31, 2016



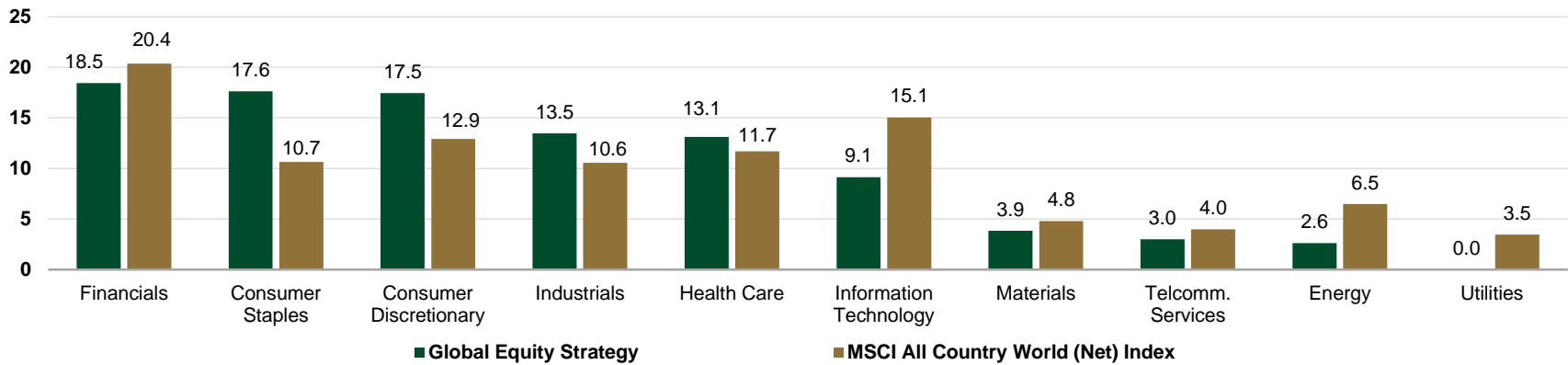
Characteristics	Global Equity Strategy	MSCI All Country World (Net) Index
Wtd. Avg. Market Cap (\$M)	120,437	92,132
Number of Holdings	48	2,479
Number of Countries	10	45
Price/Book Ratio (x)	2.32	1.97
P/E Ratio (1 yr forward) (x)	14.88	15.11
Debt/Capital (%)	38.70	52.70
Dividend Yield (%)	3.18	2.67
ROE (%)	13.80	10.77

Top Ten Holdings (%)	Country	Global Equity Strategy
Johnson & Johnson	United States	4.01
Arthur J. Gallagher & Co.	United States	3.62
Microsoft	United States	3.61
British American Tobacco	United Kingdom	3.52
Royal Philips	Netherlands	3.16
Wells Fargo	United States	3.04
Apple	United States	3.04
SES SA FDR	Luxembourg	3.01
Verizon	United States	3.00
Novartis	Switzerland	2.99
Total		33.03

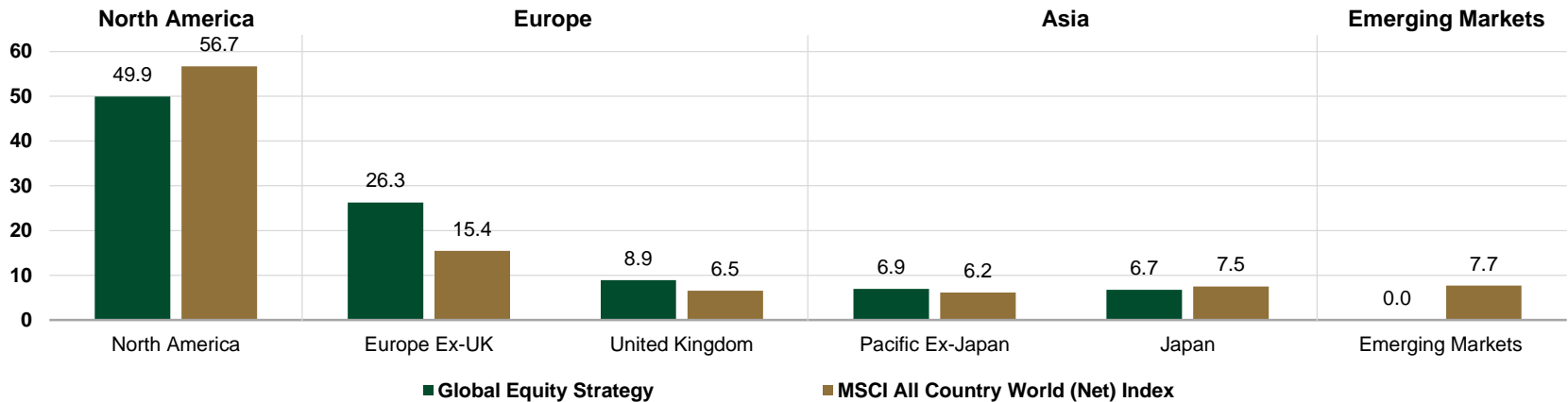
Source: Manulife Asset Management

Sector and Regional Allocation as of March 31, 2016

Sector Allocation (%)



Regional Allocation (%)



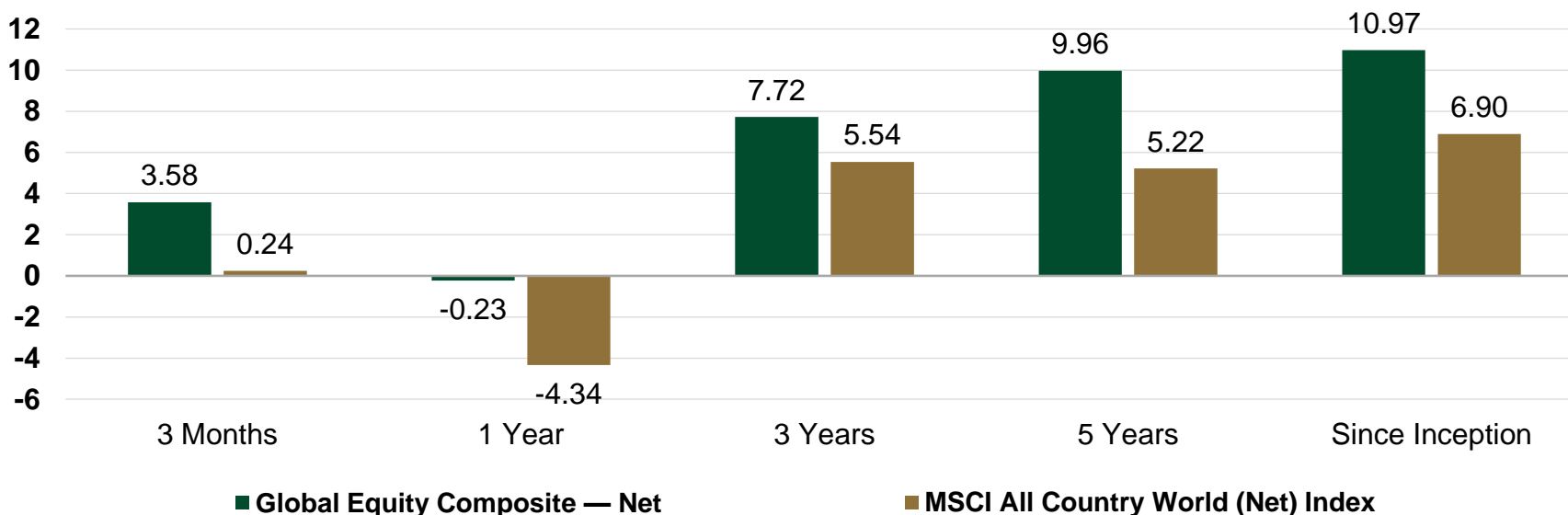
Source: Manulife Asset Management



Global Equity Composite

Investment Results as of March 31, 2016

Annualized Returns (%)



Calendar Year Returns (%)

	2015	2014	2013	2012	2011	2010
Global Equity Composite (Net)	-1.02	3.08	29.79	16.75	5.50	13.48
MSCI All Country World (Net) Index	-2.36	4.16	22.80	16.11	-7.35	12.66
Excess Return	1.35	-1.08	6.99	0.64	12.85	0.82

Source: Manulife Asset Management
 Composite inception date: January 2010
 Net performance shown is calculated using 75 bps fee, as shown in fee schedule.

Institutional Investment Management Fee Schedule

Standard Global Equity Strategy


Basis Points	AUM
75 bps on the first	\$25 million
65 bps on the next	\$75 million
50 bps thereafter	

Negotiated Global Equity Fee Schedule for Dallas Police & Fire Pension System*

Basis Points	AUM
60 bps on the first	\$35 million
55 bps on the next	\$25 million
45 bps thereafter	

***10% discount off of the effective negotiated fee should Dallas Police and Fire award a second mandate with Manulife Asset Management.**

Minimum account sizes may apply.



Appendix

Biographies

Paul Boyne is a senior managing director and senior portfolio manager for Manulife Asset Management. He is the lead portfolio manager of Global Equity strategy and team. He was most recently a senior fund manager within the global equities team at Invesco Perpetual. After six years with chartered accountants and management consultants, Grant Thornton International, Paul began his investment career with Morgan Stanley Investment Management and became Managing Director and a senior portfolio manager of their global value equity product. He then joined Bank of Ireland as Managing Director and Head of their US Equities team before becoming Deputy Chief Investment Officer and Head of Global Equities, providing portfolio oversight across all regional product areas. Paul is a Fellow of the Association of Chartered Accountants.

Education: Michael Smurfit Graduate School of Business, University College, Dublin, MBS, 2002

Joined Company: 2013

Began Career: 1987

Doug McGraw, CFA, is a managing director and portfolio manager for Manulife Asset Management. He was most recently a portfolio manager within the global equities team at Invesco Perpetual. Doug began his investment career as an investment analyst for the First National Bank of SW Ohio before joining the US Peace Corps, where he was based in Ukraine as a volunteer, and then in Washington D.C. as a recruiter. Doug resumed his investment career with Morgan Stanley Investment Management as an investment analyst before becoming a portfolio manager within their Global Value Equity team. He is a CFA charterholder.

Education: Miami University, BS in Finance, 1994; University of Notre Dame, MBA, 2001

Joined Company: 2013

Began Career: 1995

Stephen Hermsdorf, is a managing director, senior investment analyst at Manulife Asset Management, responsible for identifying and researching global investment opportunities for the Global Equity strategy and team. Most recently, Stephen was a portfolio manager at Hermes Global Equities where he provided fundamental research and portfolio management with a focus on the global financial services sector. Previously, he worked at Fidelity Management & Research as an equity analyst covering the insurance and food & beverage industries. Prior to that, he was a private equity analyst at HarbourVest Partners and a technology investment banking analyst at Robertson Stephens & Company.

Education: Harvard University, BA in Economics, 1995; University of Chicago Booth School of Business, MBA in Accounting, Strategy and Finance, 2004

Joined Company: 2015

Began Career: 1996

Biographies

Uday Chatterjee, CFA, is a director and senior investment analyst at Manulife Asset Management working on the Global Equity team. Previously he was an investment analyst on Manulife's Intrinsic Value team. Prior to joining the company, he was a vice president for Silver Lane Advisors, advising financial services firm clients on merger and acquisition transactions. He began his career in 2005 as an analyst at Berkshire Capital Securities, supporting merger, acquisition and valuation advisory activities in the financial services sector. He is a CFA charterholder, and a member of the Boston Security Analysts Society.

Education: Duke University, BSE in Biomedical Engineering, BSE in Electrical Engineering, BS Economics, 2004; Master of Engineering Management, 2005; Kellogg School of Management, Northwestern University, MBA 2011

Joined Company: 2011

Began Career: 2005

Scott Eversole is managing director at Manulife Asset Management, responsible for institutional sales and business development in the western half of the US. Scott joined the company from McKinley Capital where he was responsible for direct sales and client service to the western US institutional marketplace. Prior to that, Scott has spent a number of years at Turner Investments where he was responsible for establishing relationships with institutional investors and investment consultants in the US. Scott's previous industry experience was as vice president for large plan sales at mPower Investment Advisors, regional manager at Transamerica Asset Management and sales and marketing director with CPIC International. Scott started his career with Aetna Life Insurance Company departing as regional director for Retirement Plan Services.

Education: Tulane University, BS in Economics

Joined Company: 2013

Began Career: 1986

Manulife Asset Management (US)

Global Equity Composite

Creation Date: 03/18/2013

Inception Date: 01/01/2010

Reporting Currency: USD

Schedule of Calendar Year Returns and Assets

Year End	Gross of Fees Return (%)	Net of Fees Return (%)	Benchmark Return (%)	Composite 3-Yr Std. Dev. (%)	Benchmark 3-Yr Std. Dev. (%)	Number of Portfolios End of Period	Composite Dispersion (%)	Total Assets End of Period (\$Thousands)	Total Firm Assets End of Period (\$Thousands)
2015	-0.27	-1.02	-0.87	10.65	10.80	<=5	N/A	707,621	206,551,496
2014	3.86	3.08	4.94	9.95	10.23	<=5	N/A	634,716	205,333,492
2013	30.77	29.79	26.68	11.93	13.54	<=5	N/A	579,230	193,266,946
2012	17.63	16.75	15.84	14.93	16.74	<=5	N/A	101	141,020,851
2011	6.30	5.50	-5.55	N/A	N/A	<=5	N/A	309,534	127,138,709
2010	14.33	13.48	11.76	N/A	N/A	<=5	N/A	246,007	126,491,016

Firm Definition

Manulife Asset Management (US) ("the Firm") comprises Manulife Asset Management (US) LLC ("MAM US"), Manulife Asset Management (North America) Limited ("MAM NA") and Manulife Asset Management Trust Company-("MAM TC"). Effective January 1, 2011 the Firm was redefined to include MAM NA to reflect the alignment of the underlying businesses of the two firms. Effective June 22, 2011 the Firm was redefined to include the MAM TC, the then newly formed institutional investment management company, and now an affiliate of MAM US. Total Firm Assets reported prior to 1/1/2011 are the combination of assets from both MAM US and MAM NA.

Compliance Statement

Manulife Asset Management (US) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Manulife Asset Management (US) or predecessor firms have been independently verified for periods 1/1/1993 to 12/31/2014. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

General Disclosure

A complete list of the Firm's composite descriptions and policies regarding valuing portfolios, calculating performance, and preparing GIPS compliant presentations are available upon request. All returns reflect the reinvestment of dividends and other earnings. Gross performance results do not reflect the deduction of investment management fees, and are net of commissions and foreign withholding tax. Net performance results reflect the application of the highest incremental rate of the standard investment advisory fee schedule to gross performance results. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Advisory fees are available upon request. Dispersion of annual returns is measured by an asset-weighted standard deviation calculation of gross of fee returns. Past performance is not a guarantee of future results.

Composite Description

The Global Equity strategy seeks long-term capital appreciation by employing an unconstrained, bottom-up stock selection process based on disciplined fundamental research with the aim to create a diversified portfolio of quality global equities of any size from around the world that demonstrate compelling value and generate sustainable cash flows. The composite consists of accounts managed at a prior firm prior to 3/19/2013. Performance results from the prior firm have been linked to results achieved at Manulife Asset Management (US). The reduction in composite assets as of 12/18/2012 is a result of the lift-out of the investment team from another firm. Portfolios have been sub-advised by an affiliated company since 3/1/2013.

Fee Schedule

This presentation is intended for institutional investors and the standard investment advisory fee is 0.75% on the first \$25 million 0.65% on the next \$75 million and 0.50% thereafter.

Benchmark Description

MSCI World (Net) Total Return Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, where dividends are reinvested after the removal of withholding taxes.

Investment Considerations

Any performance information shown is the strategy composite gross of fees, including advisory fees and other expenses an investor would incur, but net of transaction costs, unless otherwise noted. Past performance is not indicative of future results. Net performance results reflect the application of the highest incremental rate of the standard investment advisory fee schedule to gross performance results, unless otherwise indicated. Actual fees may vary depending on, among other things, the applicable fee schedule, portfolio size and/or investment management agreement. For example, if \$100,000 were invested and experienced a 10% annual return compounded monthly for 10 years, its ending value, without giving effect to the deduction of advisory fees, would be \$270,704 with annualized compounded return of 10.47%. If an advisory fee of 0.95% of the average market value of the account were deducted monthly for the 10-year period, the annualized compounded return would be 9.43% and the ending dollar value would be \$246,355.

Any performance information shown is supplemental to the GIPS-compliant presentation. If performance information is shown, the GIPS-compliant presentation is included as a part of this information.

Any characteristics, guidelines, constraints or other information provided for the material above is representative of the investment strategy and is provided for illustrative purpose only. They may change at any time and may differ for a specific account. The account presented was selected by the firm as a representative account that is deemed to best represent this management style. Each client account is individually managed; actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics as described herein. Any information about the holdings, asset allocation, or sector diversification is historical and is not an indication of future performance or any future portfolio composition, which will vary. Portfolio holdings are representative of the strategy, are subject to change at any time and are not a recommendation to buy or sell a security. The securities identified and described do not represent all of the securities purchased, sold or recommended for the portfolio. It should not be assumed that an investment in these securities or sectors was or will be profitable.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

Diversification or asset allocation does not guarantee a profit nor protect against loss in any market. The indices referenced herein are broad-based securities market indices and used for illustrative purposes only. They have been selected as they are well known and are easily recognizable. Broad-based securities indices are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly into an index. The performance of the indices represents unmanaged, passive buy-and-hold strategies, investment characteristics and risk/return profiles that differ materially from managed accounts or investment funds, and an investment in a managed account or investment fund is not comparable to an investment in such indices or in the securities that comprise the indices. Investments of the managed account or investment fund may be illiquid, making, at times, fair market valuation impossible or impracticable. As a result, valuation of the managed account or investment fund may be volatile, reducing the utility of comparison to any index whose underlying securities are priced according to market value, such as the indices. Investors should be aware that the managed account or investment fund may incur losses both when major indices are rising and when they are falling.

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DISCUSSION SHEET

ITEM #D4

Topic: Ashmore Global Special Situations IV extension

Discussion: The Ashmore Global Special Situation Fund 4, LP commenced in 2007 and is approaching the expiration of the Fund on July 31, 2016. The General Manager has requested that limited partners consent to a one-year extension in order to wind down the remaining assets in the fund and maximize return. This extension is the second extension of the Fund and requires approval of 50% of the limited partner interest. The manager will continue to manage the wind down process without charging a management fee. DPFPP represents 5.07% of total limited partners' interest.

DPFP committed and funded \$70 million to the Fund, and has received approximately \$37 million in distributions with DPFPP's remaining interest in the Fund valued at approximately \$5.3 million. Since inception the Fund has generated an IRR of -8.77%.

Staff

Recommendation: **Approve** the one year extension of the Ashmore Global Special Situation Fund 4 as requested by the General Partner.

INVESTMENT RECOMMENDATION

Date: June 9, 2016
To: DFPF Board
From: Investments Staff
Subject: Ashmore Global Special Situations Fund 4 LP Extension

Recommendation

Staff recommends approving the Ashmore Global Special Situations Fund 4 LP (“GSSF 4”, the “Fund”) extension, which extends the duration of the fund by one year from July 31, 2016 to July 31, 2017.

Executive Summary

The General Partner of GSSF 4 is requesting a one year extension of the Fund term from July 31, 2016 to July 31, 2017 in order to facilitate an orderly realization of the remaining assets. As of December 31, 2015 GSSF 4 has a net asset value of approximately \$103 million, represented by three remaining holdings in the fund which are in various sale or liquidation stages. DFPF’s interest in the fund is valued at approximately \$5.3 million.

GSSF 4 was originally scheduled to terminate on July 31, 2015. On June 12, 2015 the General Partner elected to extend the life of the Fund by one year through July 31, 2016 to permit the orderly liquidation of the Fund. Pursuant to the terms of the Limited Partnership Agreement, the Fund can be extended for up to two additional one-year extensions subject to receiving consent from more than 50% in interest of the Limited Partners of the Fund. The General Partner has agreed to continue to manage the assets during the extension according to the terms of the Agreement but without charging any management fee or incentive fee.

Staff recommends approving the extension request to allow the General Partner to continue the orderly wind down process already started in order to maximize the realization of the remaining assets in the Fund.

Performance

GSSF 4 is a 2007 vintage year fund. Since inception, DFPF funded the full \$70 million commitment to the Fund and has received accumulative distributions in the amount of \$37,357,681 with the remaining interest valued at \$5.3 million. As of December 31, 2015, the Fund has a -8.77% annualized return since inception.

Process

Staff reviewed the contract, performance, history, and holdings of GSSF 4, as well as conducted phone and email communications with the General Partner. Staff also notified and consulted with NEPC on this matter. Staff and NEPC concur on the recommendation to approve the one year extension.



NEPC, LLC

To: Trustees & Staff
Dallas Police and Fire Pension System

From: NEPC Private Markets

Date: May 20, 2016

Subject: Ashmore Global Special Situations Fund 4 – Extension Request

Issue

Ashmore Global Special Situations Fund 4 Limited Partnership was originally scheduled to terminate on June 12, 2015. Since then, the General Partner has requested one 1-year extension and has now requested a second extension. The Fund is in the liquidating stage, but due to the illiquid nature of the remaining assets, Ashmore is requesting additional time to orderly wind down the remaining assets by July 31, 2017.

The General Partner explored the option to put the Fund into automatic dissolution; however, by doing so, it would prevent Ashmore from distributing interim payments until all remaining assets were to be sold. There are approximately ten investments remaining in the Fund with a total value of \$101.3M, two of which represent 88% of the portfolio. With the approved extension, Ashmore will be able to periodically distribute proceeds as assets are sold. Per the terms of the Limited Partnership Agreement, the Fund can be extended for one additional year through July 31, 2017 if the General Partner receives consent from 50% of Limited Partners interest. DPFPP represents 5.07% of total LP interests.

Recommendation

NEPC recommends that DPFPP agrees to the extension as presented by the General Partner. The acceptance of the extension will allow the manager to continue the orderly liquidation of the remaining assets, which NEPC believes is in the best interest of the Limited Partners. DPFPP's portions of the remaining net assets held in the portfolio are valued at \$5.2M as of December 31, 2015. Additionally, Ashmore is no longer charging a management fee, so the only fees associated with the extension will be Administrative and Custodian in nature.

Foundation for the Recommendation

In forming our recommendation, NEPC performed the following activities:

1. Reviewed the Wind Down Extension Letter dated May 9, 2016
2. Reviewed the Limited Partner Consent to the Wind Down Extension of Ashmore Global Special Situations Fund 4 Limited Partnership



DISCUSSION SHEET

ITEM #D5

Topic: **NEPC: First Quarter 2016 Investment Performance Analysis and Fourth Quarter 2015 Private Markets Review**

Attendees: Rhett Humphreys, Partner
Keith Stronkowsky, Senior Consultant

Discussion: NEPC, DPF's investment consultant, will present the above reports. NEPC will also discuss their reporting responsibilities for Investment Monitoring, as outlined in Section VII of the recently adopted Investment Policy Statement, which will be included in the second quarter performance reports.



NEPC, LLC

YOU DEMAND MORE. *So do we.*SM



Dallas Police & Fire Pension System

Investment Summary

Quarter Ending March 31, 2016

June 9, 2016

Rhett Humphreys, CFA
Partner

Keith Stronkowsky, CFA
Senior Consultant

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NEPC Updates

Highlights of First Quarter Happenings at NEPC

NEPC Research

Recent White Papers

- 2016 First Quarter Market Thoughts
- Market Chatter: Is it really All About China? (January 2016)
- Market Chatter: Monetary Policy Divergence and Developed Currency (April 2016)

Upcoming Events

- 'Opportunities for Future Investments' is the theme for NEPC's 21st Annual Investment Conference – May 10-11, 2016 at the Hynes Convention Center in Boston, MA. Keynote Speakers are:
 - Michael Cembalest, Chairman of Market and Investment Strategy, J.P. Morgan Asset Management
 - Dr. Dambisa Moyo, Global Economist and Author
- Register at www.NEPC.com

NEPC Client Recognitions

We are excited to announce that three of NEPC's clients were nominated for the 2016 "Chief Investment Officer of the Year" Investor Intelligence Award. The winners will be announced at Institutional Investor's annual Roundtable for Public Funds, taking place April 27-29, 2016 in Los Angeles, CA. We wish them luck!

- Arn Andrews, CIO, City of San Jose Department of Retirement Services
- Ryan Parham, CIO, Arizona Public Safety Personnel Retirement Systems
- Girard Miller, CIO, Orange County Employees Retirement System



NEPC Client Recognitions (continued)

A number of NEPC clients were named on TrustedInsight's list of Top 30 Pension Fund Chief Investment Officers. According to the January 2016 issue, "these 30 chief investment officers manage more than \$1.3 trillion in assets for millions of retirees in the United States. These professionals are at the forefront of an industry that's slow to evolve, under constant scrutiny and vital to the wellbeing of many average Americans. Nonetheless, they operate at the top of their field to prudently protect the benefits of their constituency." NEPC clients that made the list include:

- Scott Evans, CIO, New York Employees Retirement System - \$78.5B AUM
- David Villa, CIO, State of Wisconsin Investment Board - \$102B AUM
- Gary Dokes, CIO, Arizona State Retirement System - \$31B AUM
- Michael Trotsky, Executive Director, CIO, Massachusetts PRIM Board - \$62B AUM
- Robert Beale, CIO, Louisiana State Employees' Retirement System - \$5.2B AUM
- Richard Shafer, CIO, Ohio Public Employees' Retirement System - \$91.5B AUM
- James Perry, CIO, Dallas Police and Fire Pension System - \$3B AUM
- William Coaker, CIO, San Francisco Employees Retirement System - \$20.3B AUM
- Bob Jacksha, CIO, New Mexico Education Retirement Fund - \$11B AUM
- Girard Miller, CIO, Orange County Employees Retirement System - \$12.1B AUM
- Sam Masoudi, CFA, CAIA, CIO, Wyoming Retirement System - \$7.8B AUM

Executive Summary

- **US economic expansion continues as Federal Reserve begins policy shift**
 - Economic conditions and health of US consumers remain supportive for growth
 - US Corporate earnings quality has deteriorated under pressure from profit margin weakness and a relatively strong dollar
- **Central Banks continue to dictate the global investment outlook**
 - Market expectations of Fed action extremely muted over next 36 months; a surprise Fed rate increase poses risk to both US equities and fixed income
 - ECB and BoJ likely to maintain and expand accommodative monetary policies
 - Easing in China is broadly stimulative in the near term but currency policy is unpredictable
- **Large currency adjustments across most emerging countries have provided a foundation to support improved capital market returns**
 - Continued political and economic reform is needed across EM to stimulate economic growth
 - Chinese Yuan (RMB) depreciation has been incremental relative to other EM FX adjustments and fears of further adjustment remain a near-term concern
- **Embrace illiquidity in opportunistic credit and private credit strategies**
 - Stressed credit liquidity magnifies the scale of price movements in traditional credit assets
 - Credit markets ability to absorb an exodus from crowded positions is challenged

- **Prospects of low US core bond returns warrant a more positive tilt to US equity, especially following sell-offs**
 - Macro policy remains supportive but corporate earnings quality is deteriorating
 - Lower returns expected but pockets of opportunity can be found in US equity and credit
- **Overweight non-US developed market equities**
 - Central bank support and dollar strength provide a positive economic backdrop
 - Small-cap equities offer purest opportunity to benefit from local earnings recovery
 - EAFE equity markets offer the potential for strong returns relative to US equities
- **Overweight emerging market small-cap and consumer focused strategies relative to broad equity mandates**
 - Valuations and long-term fundamentals suggest a strategic overweight
 - China uncertainty, dollar pressure and idiosyncratic country risks temper excitement
- **Seek tactical fixed income strategies but preserve duration exposure**
 - US duration continues to have a role in a diversified and risk-aware portfolio
 - TIPS offer an attractive duration profile with inflation expectations at secular lows
 - Credit selection is critical as credit cycle matures and spreads contract in recent rally
- **Private market opportunities are the preferred access point as energy market distress continues to evolve**
 - Return opportunities of private strategies are compelling but suggest patience

Index Performance Summary as of 3/31/2016

	2009	2010	2011	2012	2013	2014	2015	JAN	FEB	MAR	YTD
Barclays US Strips 20+ Yr	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	-3.7%	6.9%	4.6%	-0.3%	11.4%
JPM GBI -EM Global Diversified	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	0.4%	1.4%	9.1%	11.0%
Barclays US Govt/Credit Long	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	-3.3%	2.1%	2.2%	2.8%	7.3%
Citi WGBI	2.6%	5.2%	6.4%	1.7%	-4.0%	-0.5%	-3.6%	1.4%	2.9%	2.7%	7.1%
Barclays US Long Credit	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	-4.6%	0.3%	1.7%	4.8%	6.8%
FTSE NAREIT Equity REITs	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	3.2%	-3.4%	-0.4%	10.1%	6.0%
MSCI EM	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	-6.5%	-0.2%	13.2%	5.7%
JPM EMBI Global Diversified	29.8%	12.2%	7.4%	17.4%	-5.3%	7.4%	1.2%	-0.2%	1.9%	3.3%	5.0%
Barclays US Corporate HY	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	-1.6%	0.6%	4.4%	3.4%
Barclays US Agg Bond	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.6%	1.4%	0.7%	0.9%	3.0%
Barclays US Agg Interm	6.5%	6.2%	6.0%	3.6%	-1.0%	4.1%	1.2%	1.3%	0.5%	0.6%	2.3%
Barclays Municipal	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	3.3%	1.2%	0.2%	0.3%	1.7%
S&P 500	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	-5.0%	-0.1%	6.8%	1.4%
Credit Suisse Leveraged Loan	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	-0.4%	-0.7%	-0.6%	2.6%	1.3%
Russell 1000	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	0.9%	-5.4%	0.0%	7.0%	1.2%
Barclays US Govt/Credit 1-3 Yr	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.7%	0.5%	0.1%	0.4%	1.0%
Bloomberg Commodity	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	-1.7%	-1.6%	3.8%	0.4%
Russell 2500	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	-8.0%	0.7%	8.3%	0.4%
MSCI ACWI	34.6%	12.7%	-7.4%	16.1%	22.8%	4.2%	-2.4%	-6.0%	-0.7%	7.4%	0.2%
Russell 2000	27.2%	26.9%	-4.2%	16.4%	38.8%	4.9%	-4.4%	-8.8%	0.0%	8.0%	-1.5%
Credit Suisse Hedge Fund	18.6%	11.0%	-2.5%	7.7%	9.7%	4.1%	-0.7%	-1.4%	-1.1%	N/A	-2.5%
MSCI EAFE	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	-7.2%	-1.8%	6.5%	-3.0%
Alerian MLP	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-32.6%	-11.1%	-0.5%	8.3%	-4.2%

Source: Morningstar Direct

Returns for Key Indices Ranked in Order of Performance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MSCI EMERGING MARKETS 34.54	MSCI EMERGING MARKETS 32.17	MSCI EMERGING MARKETS 39.39	BC AGGREGATE 5.24	MSCI EMERGING MARKETS 78.51	RUSSELL 2000 GROWTH 29.09	BC AGGREGATE 7.84	MSCI EMERGING MARKETS 18.22	RUSSELL 2000 GROWTH 43.30	S&P 500 13.69	RUSSELL 1000 GROWTH 5.67
MSCI EAFE 13.54	MSCI EAFE 26.34	RUSSELL 1000 GROWTH 11.81	RUSSELL 2000 VALUE -28.92	RUSSELL 1000 GROWTH 37.21	RUSSELL 2000 26.85	RUSSELL 1000 GROWTH 2.64	RUSSELL 2000 VALUE 18.05	RUSSELL 2000 38.82	RUSSELL 1000 VALUE 13.45	S&P 500 1.38
RUSSELL 1000 VALUE 7.05	RUSSELL 1000 VALUE 22.25	MSCI EAFE 11.17	RUSSELL 2000 -33.79	RUSSELL 2000 GROWTH 34.47	RUSSELL 2000 24.5	S&P 500 2.11	RUSSELL 1000 VALUE 17.51	RUSSELL 2000 34.52	RUSSELL 1000 13.24	RUSSELL 1000 0.92
RUSSELL 1000 6.27	RUSSELL 2000 VALUE 23.48	RUSSELL 2000 GROWTH 7.06	RUSSELL 1000 VALUE -36.85	MSCI EAFE 31.78	MSCI EMERGING MARKETS 18.88	RUSSELL 1000 1.50	MSCI EAFE 17.32	RUSSELL 1000 GROWTH 33.48	RUSSELL 1000 GROWTH 13.05	BC AGGREGATE 0.55
RUSSELL 1000 GROWTH 5.26	RUSSELL 2000 18.37	BC AGGREGATE 6.97	S&P 500 -37.0	RUSSELL 1000 28.43	RUSSELL 1000 GROWTH 16.71	RUSSELL 1000 VALUE 0.39	RUSSELL 1000 16.42	RUSSELL 1000 33.11	BC AGGREGATE 5.97	MSCI EAFE -0.81
S&P 500 4.91	S&P 500 15.8	RUSSELL 1000 5.77	RUSSELL 1000 -37.6	RUSSELL 2000 27.16	RUSSELL 1000 16.10	RUSSELL 2000 GROWTH -2.91	RUSSELL 2000 16.35	RUSSELL 1000 VALUE 32.53	RUSSELL 2000 GROWTH 5.60	RUSSELL 2000 GROWTH -1.38
RUSSELL 2000 VALUE 4.71	RUSSELL 1000 15.46	S&P 500 5.49	RUSSELL 1000 GROWTH -38.44	S&P 500 26.46	RUSSELL 1000 VALUE 15.51	RUSSELL 2000 -4.18	S&P 500 16.00	S&P 500 32.39	RUSSELL 2000 4.89	RUSSELL 1000 VALUE -3.83
RUSSELL 2000 4.55	RUSSELL 2000 GROWTH 13.35	RUSSELL 1000 VALUE -0.17	RUSSELL 2000 GROWTH -38.54	RUSSELL 2000 VALUE 20.58	S&P 500 15.06	RUSSELL 2000 VALUE -5.50	RUSSELL 1000 GROWTH 15.26	MSCI EAFE 22.78	RUSSELL 2000 VALUE 4.22	RUSSELL 2000 -4.41
RUSSELL 2000 GROWTH 4.15	RUSSELL 1000 GROWTH 9.07	RUSSELL 2000 -1.56	MSCI EAFE -43.38	RUSSELL 1000 VALUE 19.69	MSCI EAFE 7.75	MSCI EAFE -12.14	RUSSELL 2000 GROWTH 14.59	BC AGGREGATE -2.02	MSCI EMERGING MARKETS -2.19	RUSSELL 2000 VALUE -7.46
BC AGGREGATE 2.43	BC AGGREGATE 4.33	RUSSELL 2000 VALUE -9.78	MSCI EMERGING MARKETS -53.33	BC AGGREGATE 5.93	BC AGGREGATE 6.54	MSCI EMERGING MARKETS -18.42	BC AGGREGATE 4.21	MSCI EMERGING MARKETS -2.60	MSCI EAFE -4.90	MSCI EMERGING MARKETS -14.93

QTD	1 Year	3 year	5 Year	10 Year
MSCI EMERGING MARKETS 5.71	RUSSELL 1000 GROWTH 2.52	RUSSELL 1000 GROWTH 13.61	RUSSELL 1000 GROWTH 12.38	RUSSELL 1000 GROWTH 8.28
BC AGGREGATE 3.03	BC AGGREGATE 1.96	S&P 500 11.82	S&P 500 11.58	RUSSELL 1000 7.06
RUSSELL 2000 VALUE 1.70	S&P 500 1.78	RUSSELL 1000 11.52	RUSSELL 1000 11.35	S&P 500 7.01
RUSSELL 1000 VALUE 1.64	RUSSELL 1000 0.50	RUSSELL 1000 VALUE 9.38	RUSSELL 1000 VALUE 10.25	RUSSELL 2000 GROWTH 6.00
S&P 500 1.35	RUSSELL 1000 VALUE -1.54	RUSSELL 2000 GROWTH 7.91	RUSSELL 2000 GROWTH 7.70	RUSSELL 1000 VALUE 5.72
RUSSELL 1000 1.17	RUSSELL 2000 VALUE -7.72	RUSSELL 2000 6.84	RUSSELL 2000 7.20	RUSSELL 2000 5.26
RUSSELL 1000 GROWTH 0.74	MSCI EAFE -8.27	RUSSELL 2000 VALUE 5.73	RUSSELL 2000 VALUE 6.67	BC AGGREGATE 4.90
RUSSELL 2000 -1.52	RUSSELL 2000 -9.76	BC AGGREGATE 2.50	BC AGGREGATE 3.78	RUSSELL 2000 VALUE 4.42
MSCI EAFE -3.01	RUSSELL 2000 GROWTH -11.85	MSCI EAFE 2.23	MSCI EAFE 2.29	MSCI EMERGING MARKETS 3.02
RUSSELL 2000 GROWTH -4.68	MSCI EMERGING MARKETS -12.03	MSCI EMERGING MARKETS -4.50	MSCI EMERGING MARKETS -4.13	MSCI EAFE 1.80

- **Plan Assets and Allocation**

- As of March 31, 2016, DFPF's assets totaled \$2.71 billion, a decrease of approximately \$66.4 million during the quarter.
 - Net cash outflows of \$73.5 million during the quarter
 - Net investment gains of \$6.93 million during the quarter

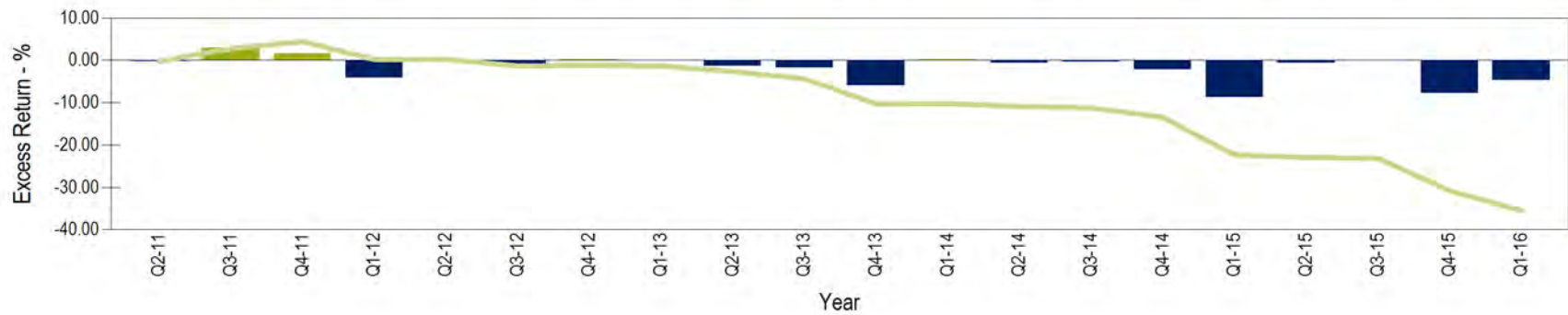
- **Performance**

- DFPF posted a 0.2% return during the quarter, ranking in the 86th percentile of public funds.
 - 1-year annualized returns through March 31, 2016, were -6.6%, ranking in the 99th percentile.
 - 3-year annualized returns through March 31, 2016, were -2.4%, ranking in the 99th percentile.
 - 5-year annualized returns through March 31, 2016, were 0.4%, ranking in the 99th percentile.
 - 10-year annualized returns through March 31, 2016, were 2.0%, ranking in the 99th percentile.

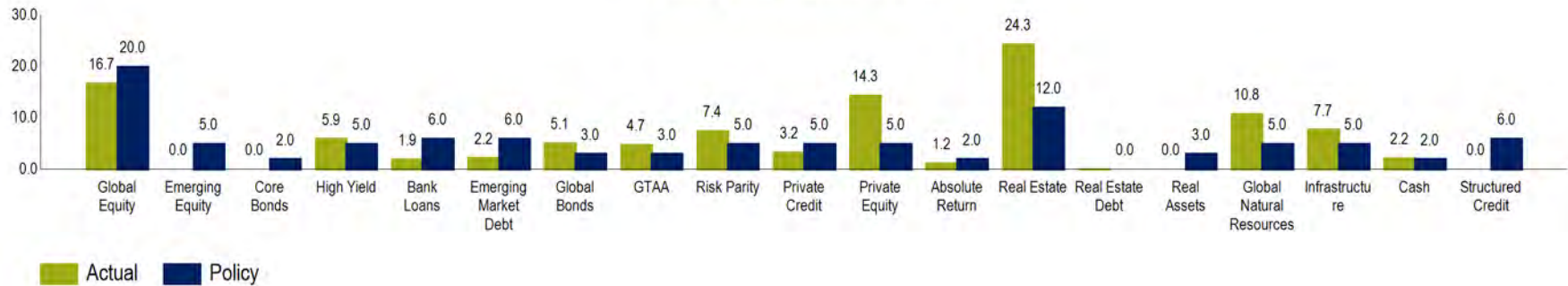
Total Fund Performance Summary

	Market Value	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank
DPFP	\$2,654,819,256	-1.7%	99	-8.5%	99	-3.1%	99	0.0%	99	4.4%	99	1.8%	99
<i>Allocation Index</i>		3.0%	1	4.5%	1	8.6%	1	7.3%	8	9.9%	50	5.3%	40
<i>Policy Index</i>		2.4%	2	5.4%	1	7.8%	1	7.4%	7	11.3%	17	6.1%	5
<i>InvestorForce Public DB Net Median</i>		1.2%		-1.5%		5.4%		5.8%		9.8%		5.1%	

Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)



Returns are net of fees

Dallas Police & Fire Pension

Total Fund Performance Detail

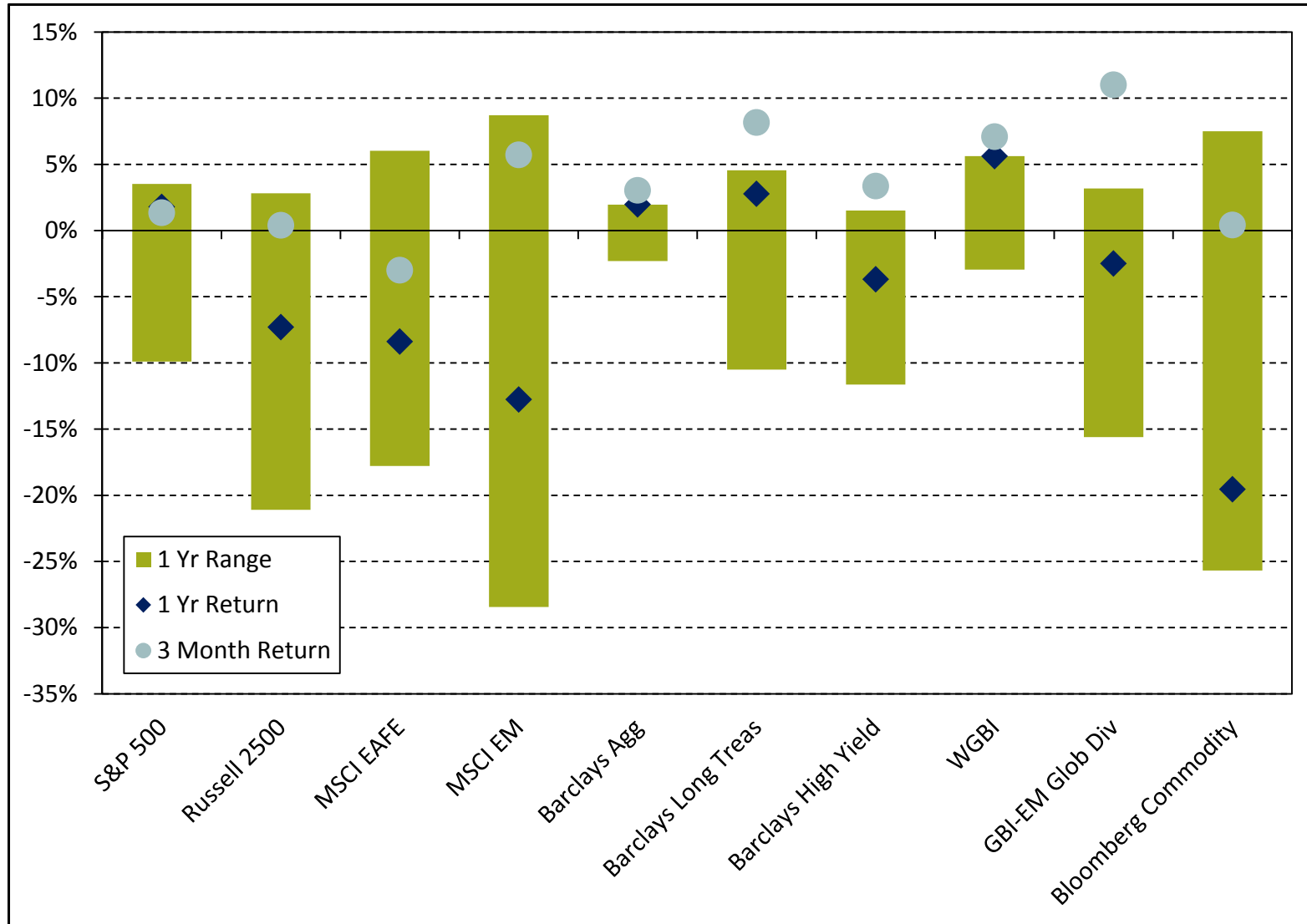
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
DPFP	2,654,819,256	100.0	-1.7	99	-8.5	99	-3.1	99	0.0	99	4.4	99	1.8	99	6.1	Jun-96
Allocation Index			3.0	1	4.5	1	8.6	1	7.3	8	9.9	50	5.3	40	7.2	Jun-96
Policy Index			2.4	2	5.4	1	7.8	1	7.4	7	11.3	17	6.1	5	--	Jun-96
InvestorForce Public DB Net Median			1.2		-1.5		5.4		5.8		9.8		5.1		6.6	Jun-96
DPFP Ex Debt	2,858,270,769	107.7	-1.7	99	-8.1	99	-2.9	99	0.1	99	4.5	99	1.8	99	6.1	Jun-96
Allocation Index Ex Debt			2.8	1	4.3	1	8.6	1	7.2	9	9.8	50	5.3	40	7.1	Jun-96
DPFP Financial Composite	1,665,653,983	62.7	0.4	84	-6.5	99	2.2	99	3.7	96	11.0	24	4.3	84	4.9	Oct-05
InvestorForce Public DB Net Median			1.2		-1.5		5.4		5.8		9.8		5.1		5.4	Oct-05
Global Equity	443,478,737	16.7	-0.9	61	-5.6	65	6.0	61	5.7	65	13.2	55	4.2	62	4.5	Jul-06
MSCI ACWI Gross			0.4	44	-3.8	52	6.1	60	5.8	63	13.2	56	4.6	52	4.8	Jul-06
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		4.9	Jul-06
Private Equity	380,843,309	14.3	-4.2	--	-2.8	--	-9.2	--	-2.2	--	0.3	--	1.1	--	2.0	Oct-05
Russell 3000 + 3%			1.7	--	2.7	--	14.5	--	14.3	--	20.6	--	10.1	--	10.5	Oct-05
Global Bonds	134,223,263	5.1	7.2	--	2.4	--	0.8	--	2.7	--	--	--	--	--	2.9	Dec-10
Barclays Global Aggregate			5.9	--	4.6	--	0.9	--	1.8	--	3.7	--	4.3	--	2.0	Dec-10
High Yield	157,023,336	5.9	2.9	--	-10.3	--	-1.2	--	3.2	--	--	--	--	--	4.3	Dec-10
Barclays Global High Yield			4.1	--	0.6	--	2.4	--	5.1	--	12.8	--	7.4	--	5.7	Dec-10
Bank Loans	50,529,116	1.9	0.6	--	-3.4	--	--	--	--	--	--	--	--	--	--	Dec-10
S&P/LSTA Leveraged Loan Index			1.5	--	-1.3	--	1.9	--	3.2	--	9.0	--	4.3	--	3.5	Dec-10
Private Credit	86,262,132	3.2	2.4	--	--	--	--	--	--	--	--	--	--	--	2.4	Jan-16
Barclays Global High Yield +2%			4.6	--	--	--	--	--	--	--	--	--	--	--	4.6	Jan-16
Total Asset Allocation	354,455,179	13.4	2.0	38	-6.9	99	1.0	96	3.8	86	6.9	92	--	--	2.8	Jul-07
Total Asset Allocation Policy Index			2.0	39	--	--	--	--	--	--	--	--	--	--	--	Jul-07
eA Global Balanced Net Median			1.4		-1.7		4.2		5.7		10.1		4.8		3.8	Jul-07
Natural Resources	285,859,684	10.8	0.2	--	4.4	--	7.4	--	6.1	--	--	--	--	--	4.4	Apr-15
Natural Resources Benchmark			9.1	--	15.6	--	13.9	--	9.8	--	--	--	--	--	15.6	Apr-15
Global Infrastructure Composite	204,521,625	7.7	-2.3	--	-5.1	--	0.2	--	--	--	--	--	--	--	1.4	Jul-12
Global Infrastructure Benchmark			8.7	--	13.7	--	8.4	--	--	--	--	--	--	--	8.1	Jul-12
Real Estate Composite	644,657,934	24.3	-7.3	--	-18.8	--	-14.4	--	-9.5	--	-7.9	--	-4.1	--	3.6	Mar-85
NCREIF Property Index			2.2	--	11.8	--	11.9	--	11.9	--	9.1	--	7.6	--	8.1	Mar-85
Cash Equivalents	57,577,543	2.2	0.7	--	1.4	--	2.3	--	--	--	--	--	--	--	1.4	Apr-15
91 Day T-Bills			0.1	--	0.1	--	0.1	--	0.1	--	0.1	--	1.0	--	0.1	Apr-15

Returns shown on report are time weighted.

Financial Composite date is 10/1/2005 and excludes all funds that are lagged.

Q1 2016 Market Update

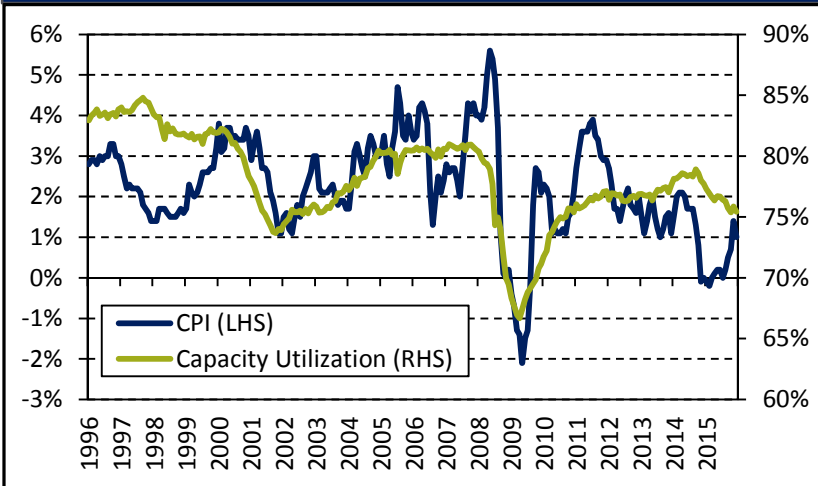
Broad Market Performance Summary as of 3/31/2016



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

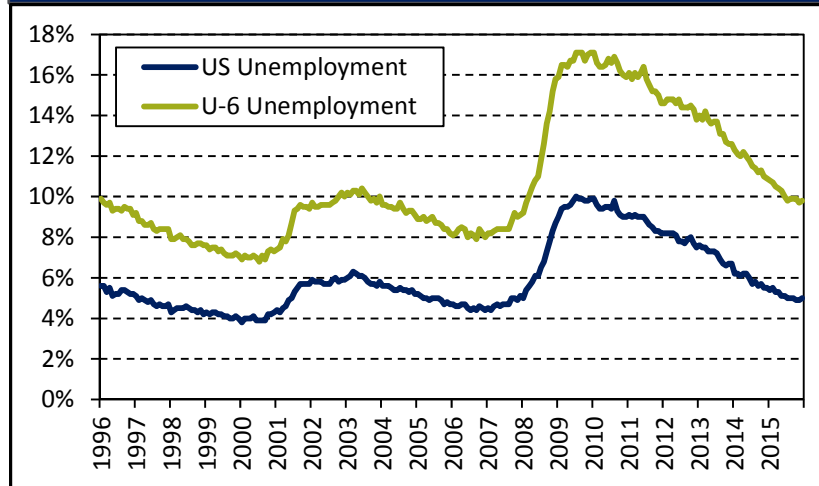
US Economic Indicators

Inflation has increased off lows



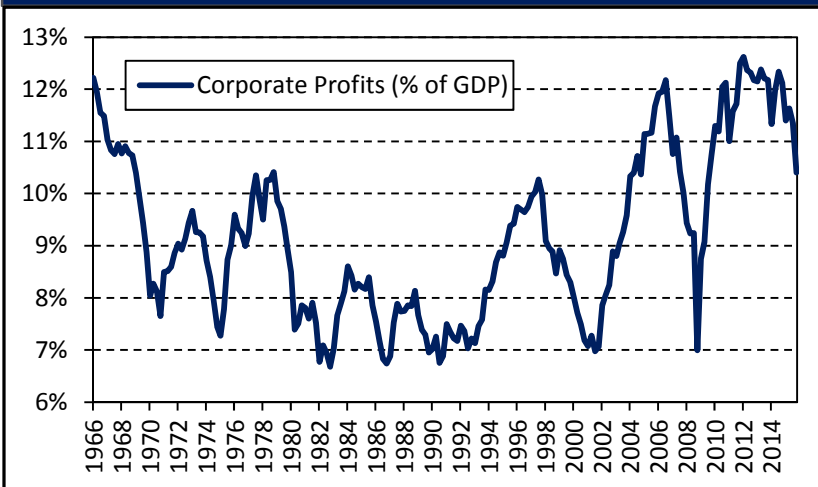
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment steadily improving



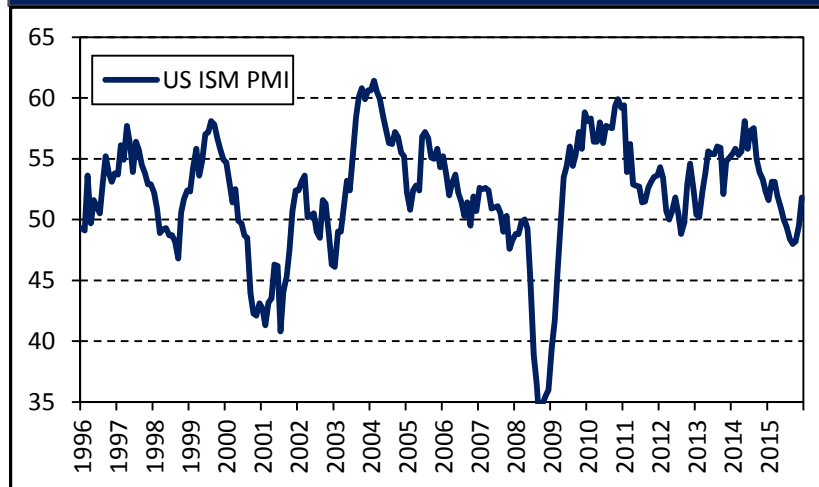
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits lower off secular highs



Source: Bloomberg, Bureau of Economic Analysis

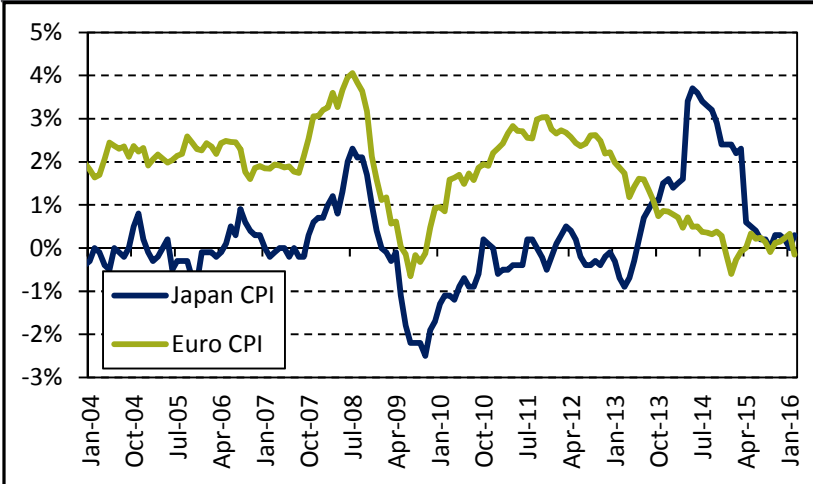
Manufacturing trending higher after dip



Source: Bloomberg, Institute for Supply Management

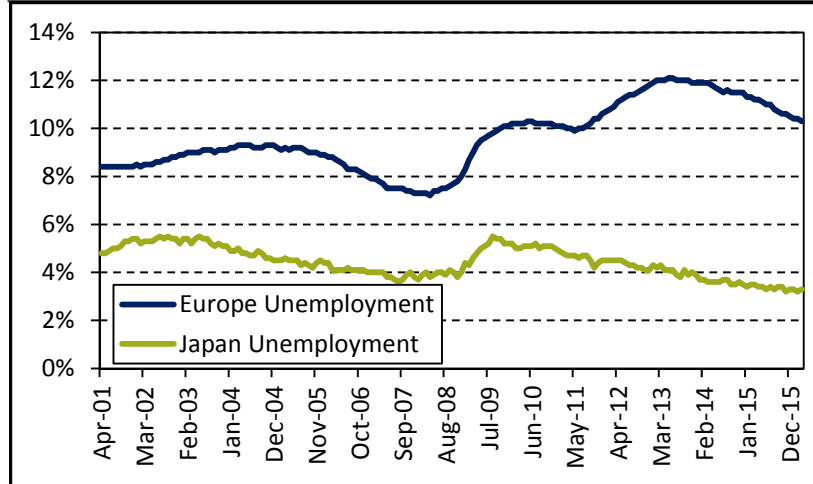
International Economic Indicators

Inflation remains muted



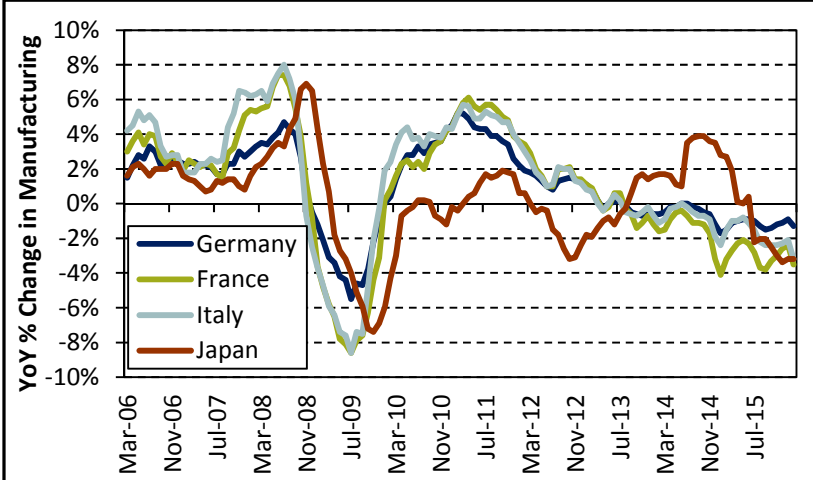
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Europe employment recovery lagging



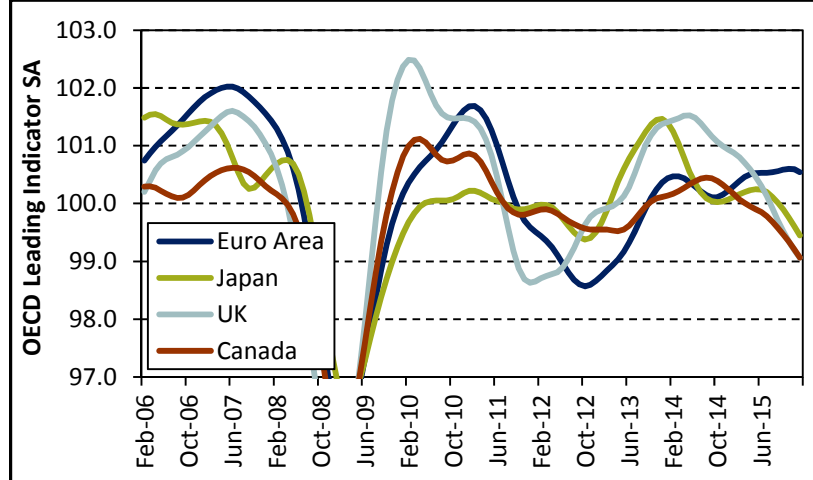
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing in developed economies has lagged



Source: Bloomberg, OECD, Eurostat

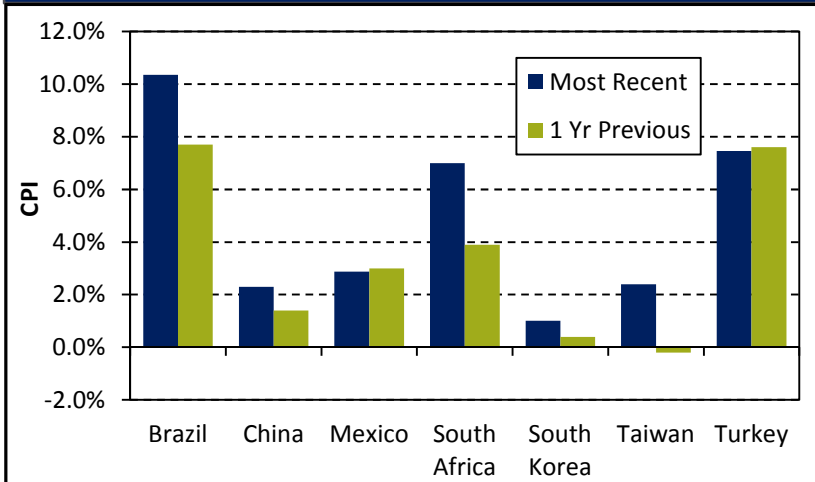
Leading indicators mostly neutral



Source: Bloomberg, OECD

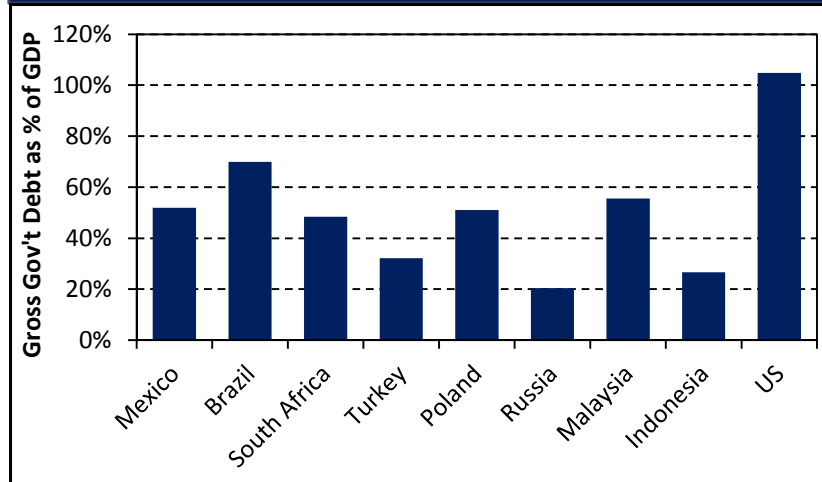
Emerging Market Economic Indicators

EM inflation is varied by country



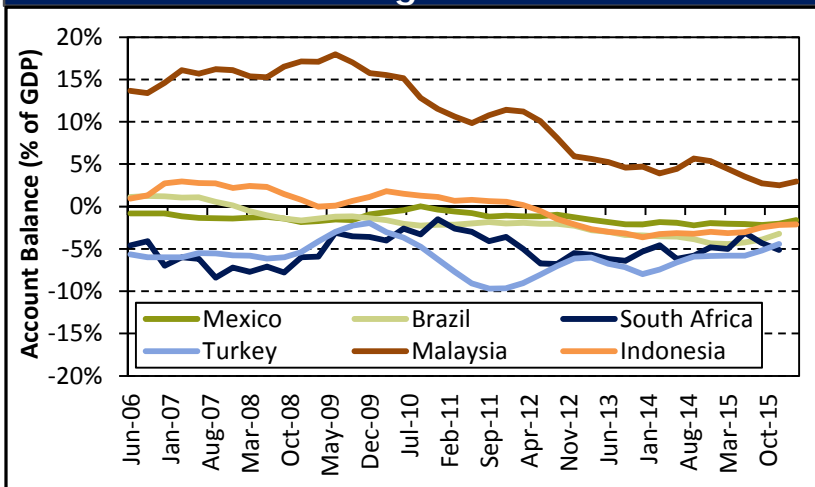
Source: Bloomberg

Relatively healthy Debt/GDP ratios



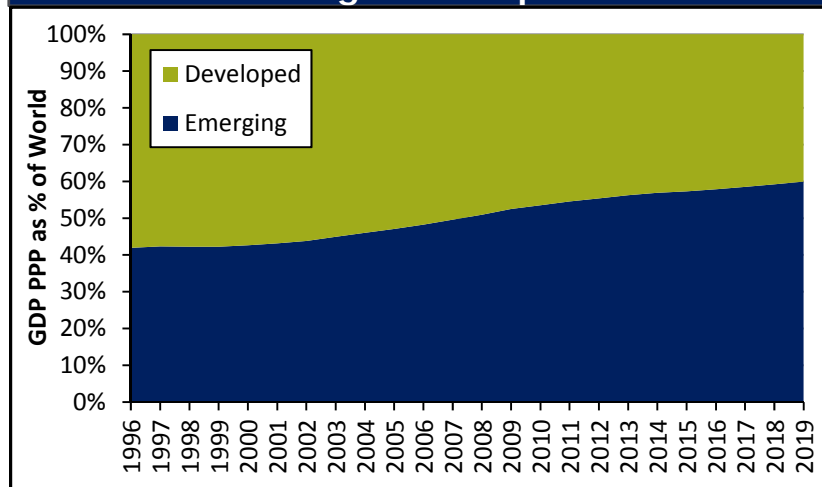
Source: Bloomberg, IMF

Marginal improvement in account balance challenged countries



Source: Bloomberg

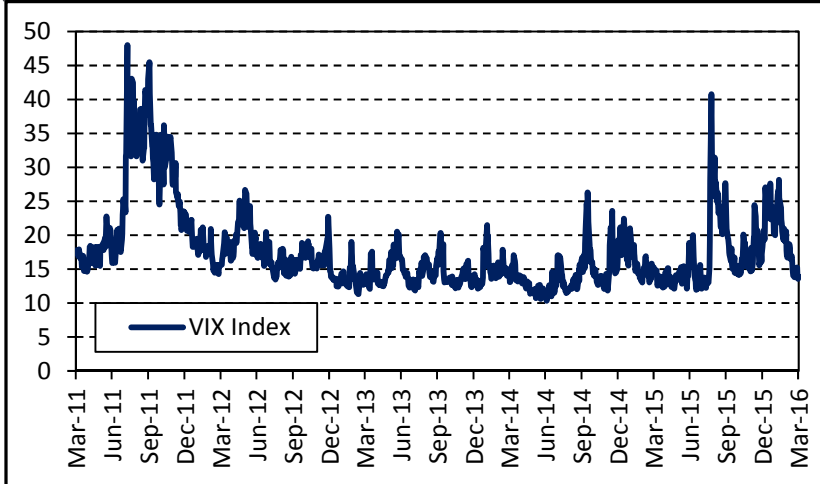
Emerging economies make up >50% of global output



Source: Bloomberg, IMF

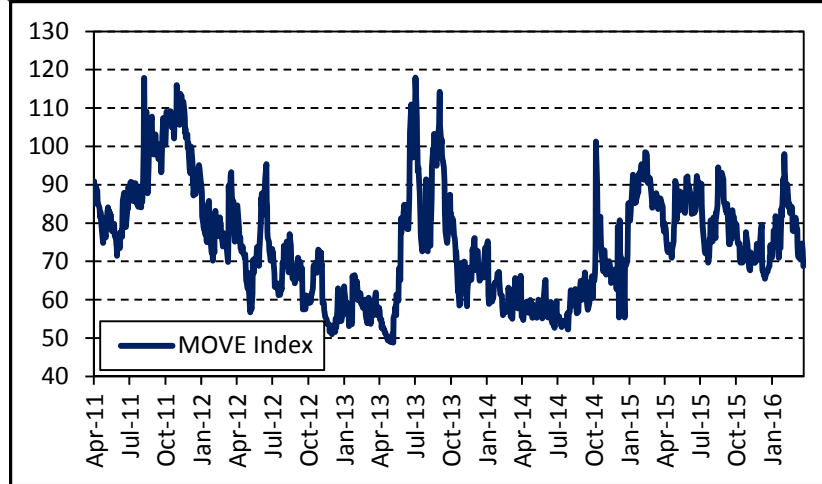
Volatility

Equity volatility decreasing off early year highs



Source: Bloomberg, CBOE

Treasury rates experiencing periods of higher volatility



Source: Bloomberg, Merrill Lynch

Sustained uptick in currency volatilities



Source: Bloomberg, Deutsche Bank

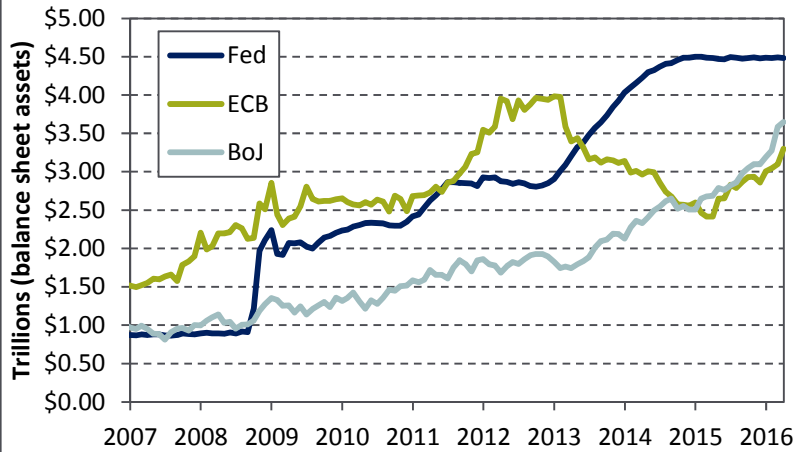
Commodity pricing volatility has increased



Source: Bloomberg, Merrill Lynch

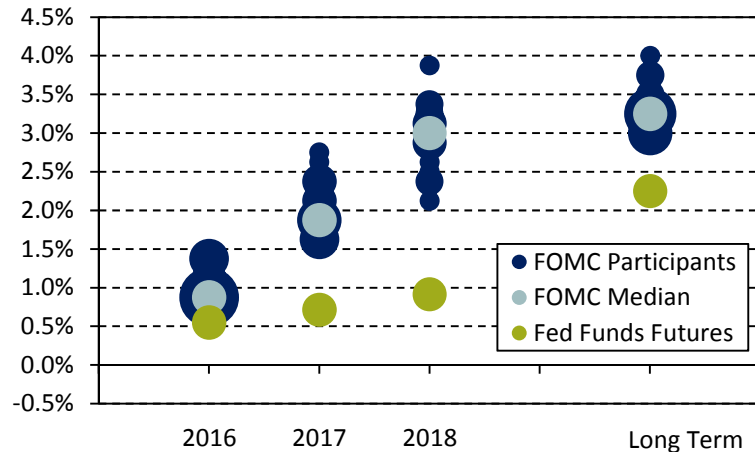
Central Banks

Major central bank policy divergence



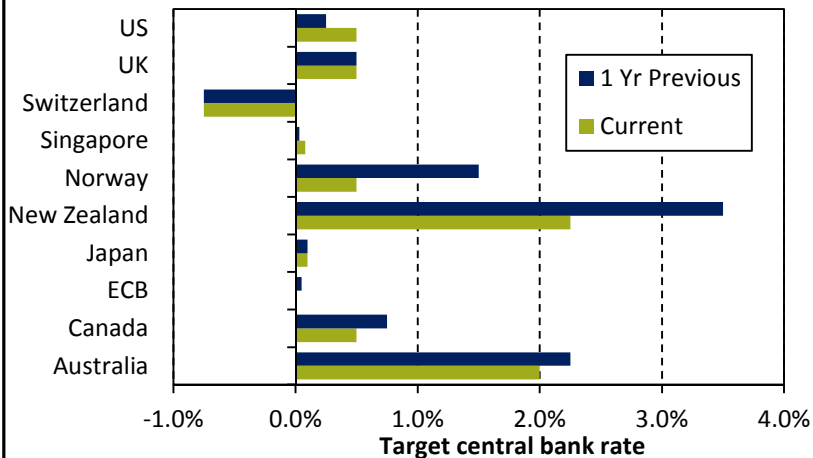
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Fed's ideal rate of policy firming above market expectations



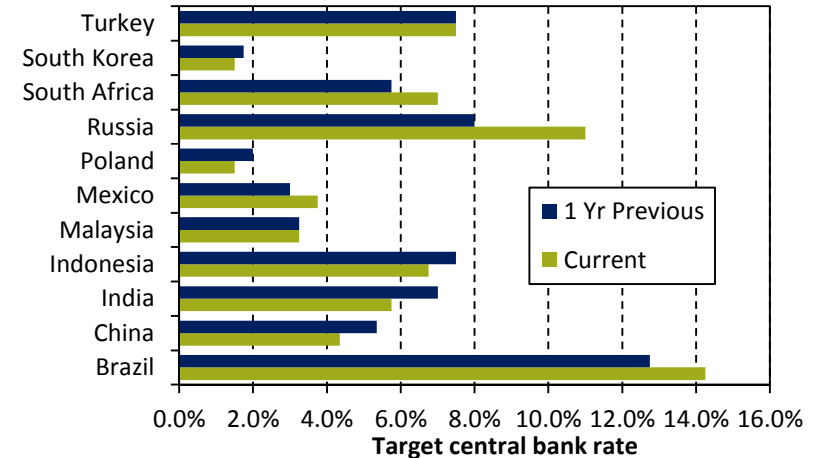
Source: Bloomberg, Federal Reserve, NEPC

Many developed central banks have maintained low interest rates



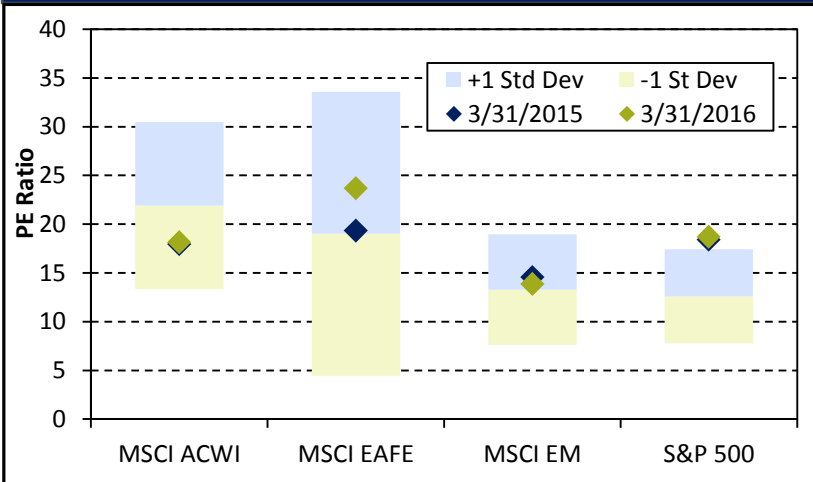
Source: Bloomberg

EM central bank policies have varied by circumstance



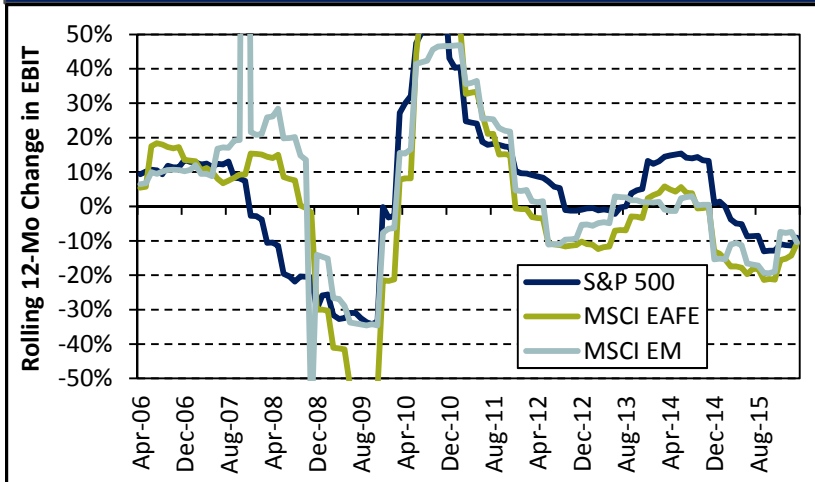
Source: Bloomberg

Global valuations are mixed



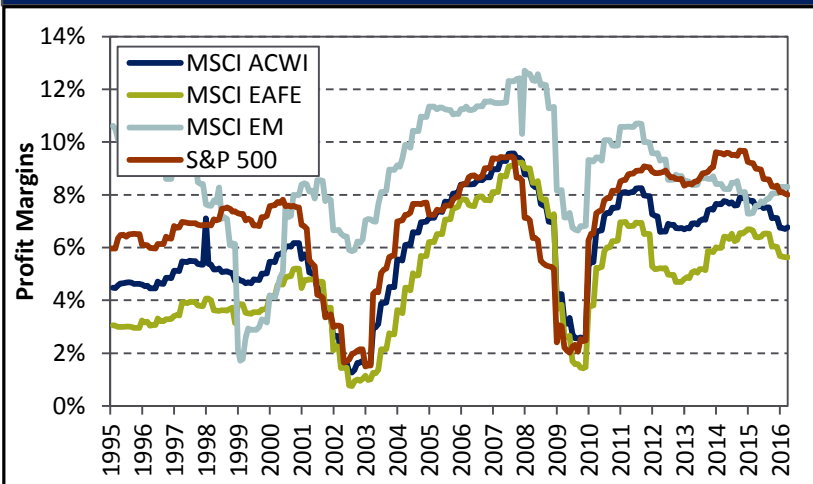
Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom

Earnings growth trending lower



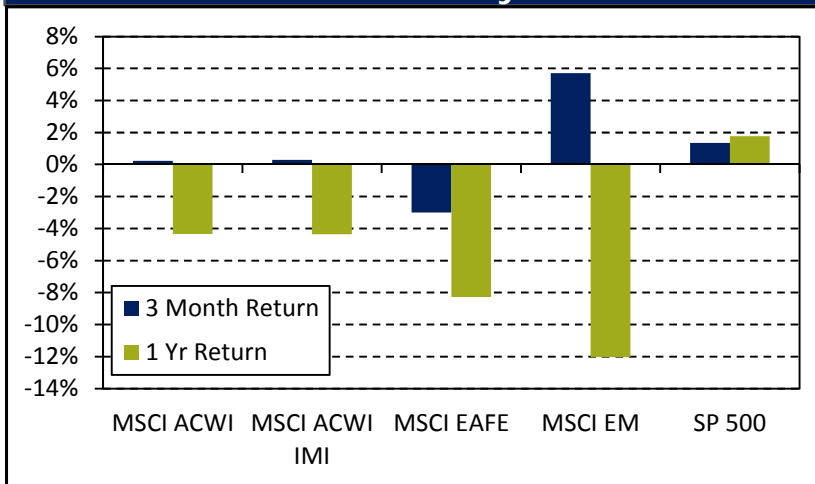
Source: Bloomberg, Standard and Poors, MSCI

Margins declining outside of EM



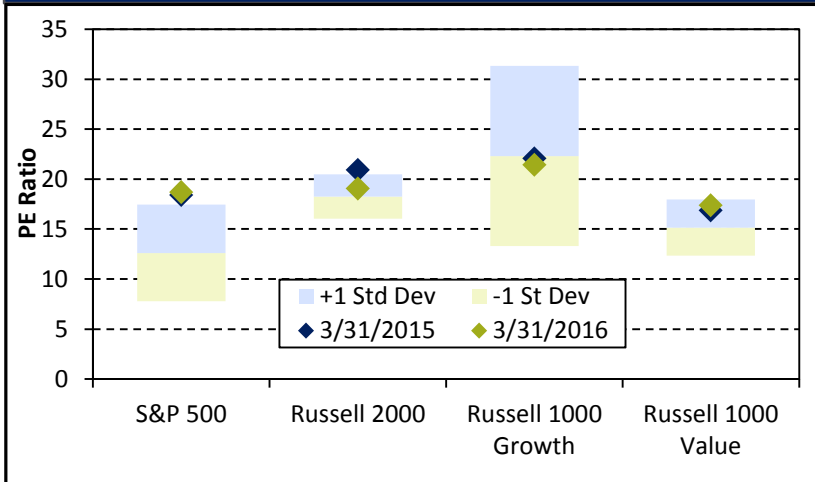
Source: Bloomberg, MSCI

Global equity returns have been negative over one year



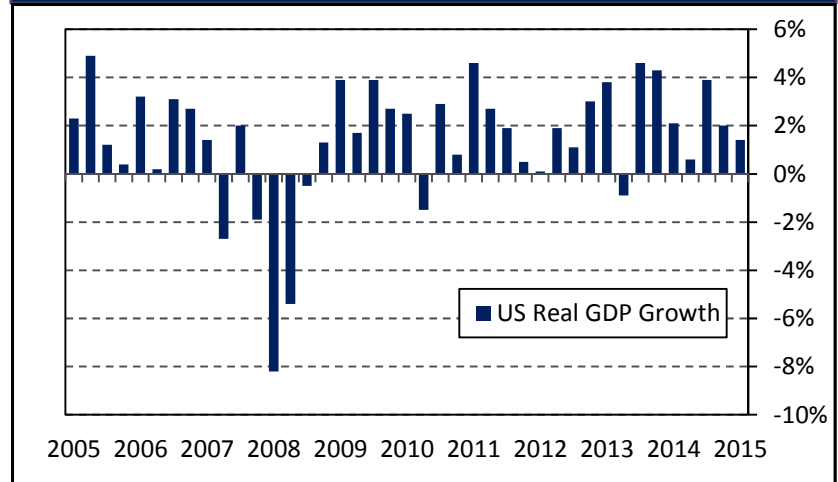
Source: Bloomberg, MSCI

Valuations near or above historical norms



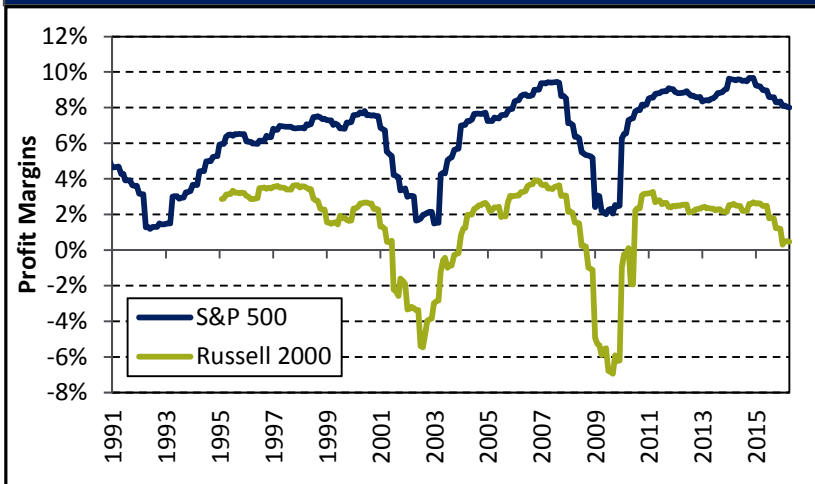
Source: Bloomberg, Standard and Poors, Russell *Russell 2000 PE is index adjusted positive

Growth recovery marked by inconsistency



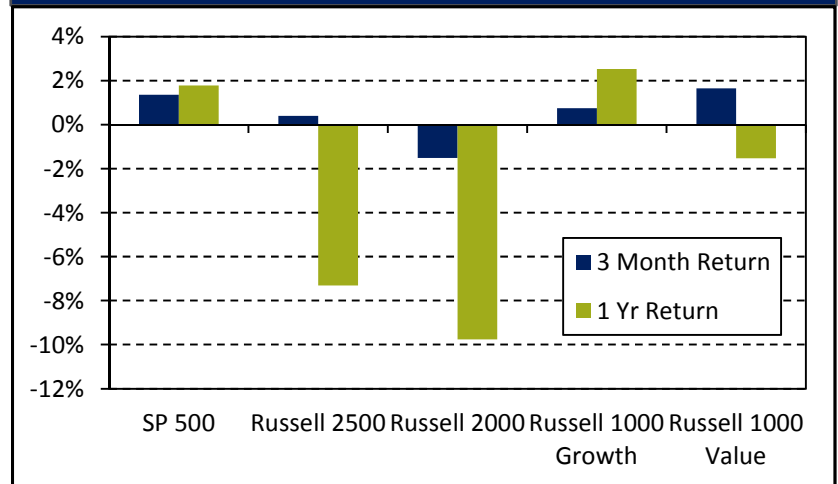
Source: Bloomberg, Bureau of Economic Analysis

Profit margins lower off highs



Source: Bloomberg, Standard and Poors, Russell

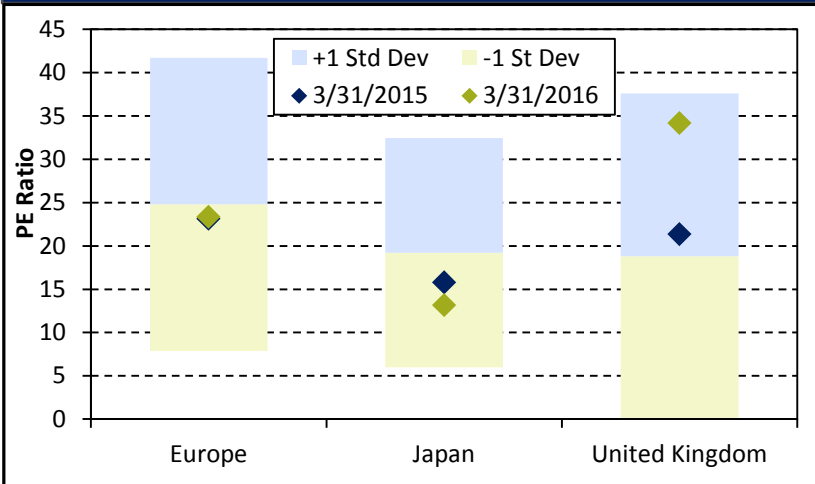
Trailing performance has been mixed



Source: Bloomberg, Standard and Poors, Russell

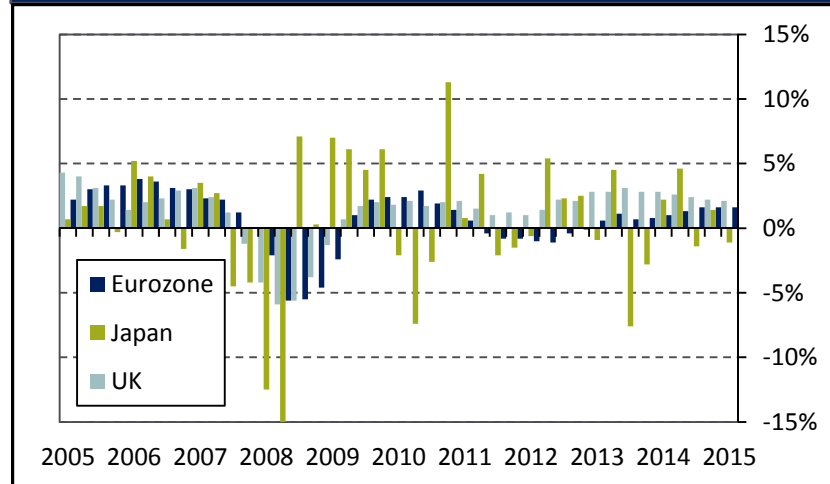
International Equity

PEs varied by region/country



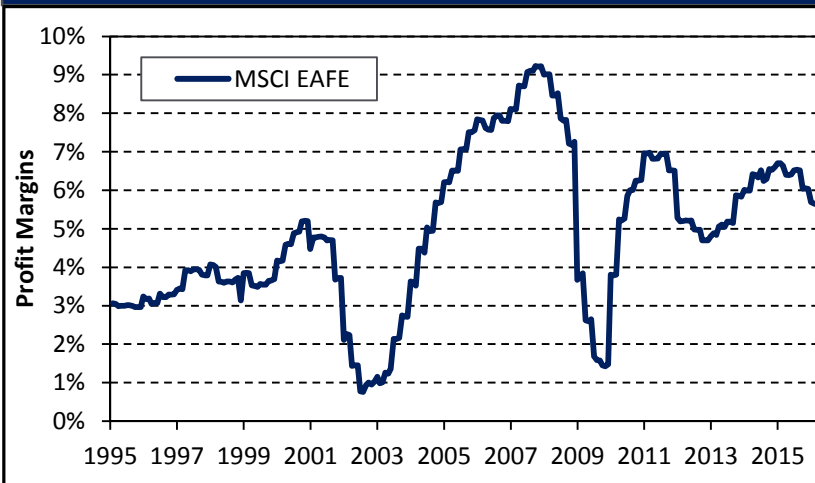
Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index

Slow Global Growth



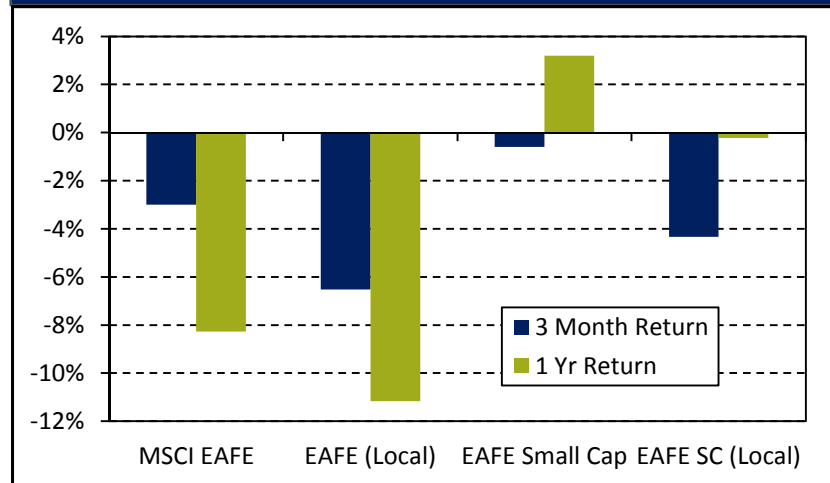
Source: Bloomberg

Margins elevated but not at extremes



Source: Bloomberg, MSCI

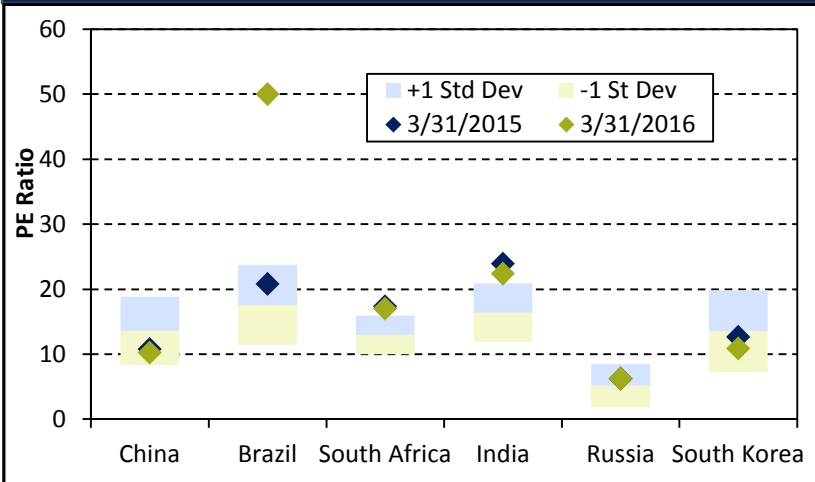
Returns near flat or negative



Source: Bloomberg, MSCI

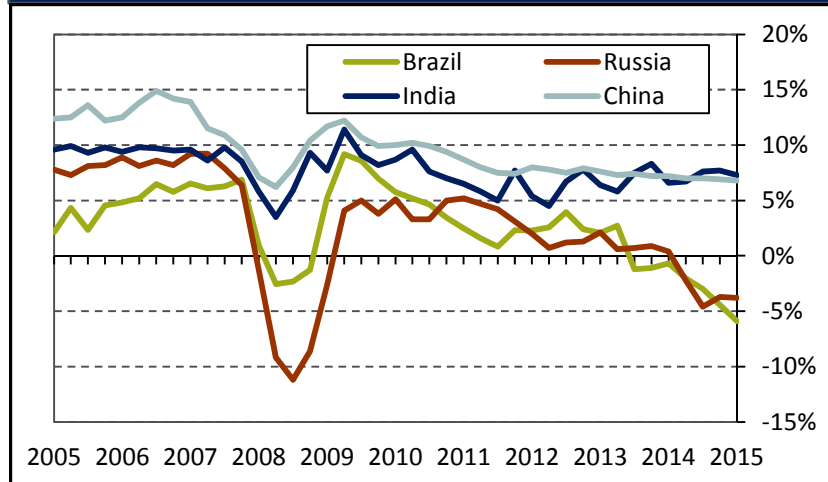
Emerging Markets Equity

Regional valuations show divergence



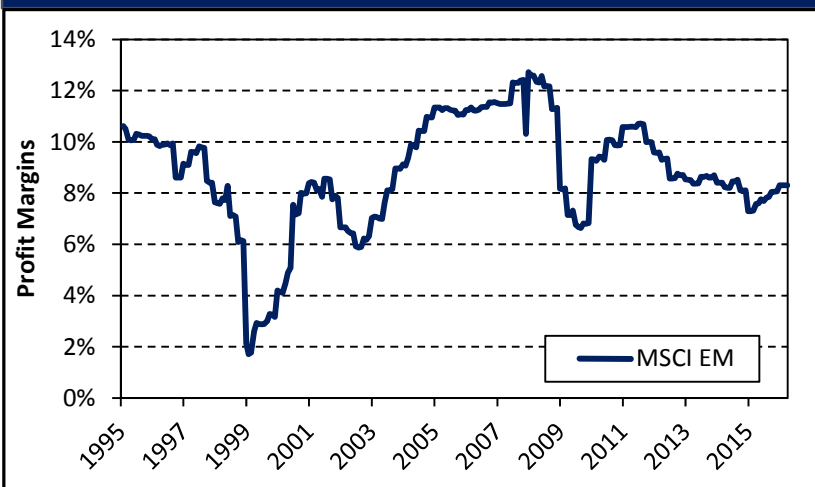
Source: Bloomberg, MSCI

Slowing growth in major economies



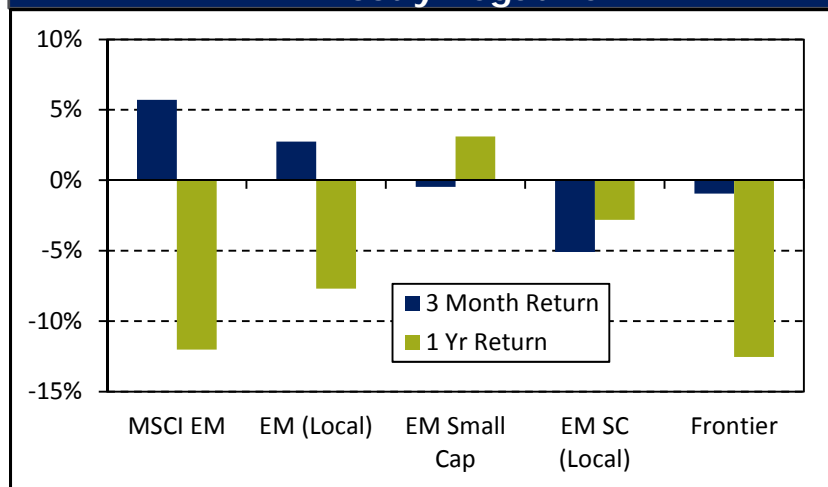
Source: Bloomberg

Profit margins in line with history



Source: Bloomberg, MSCI

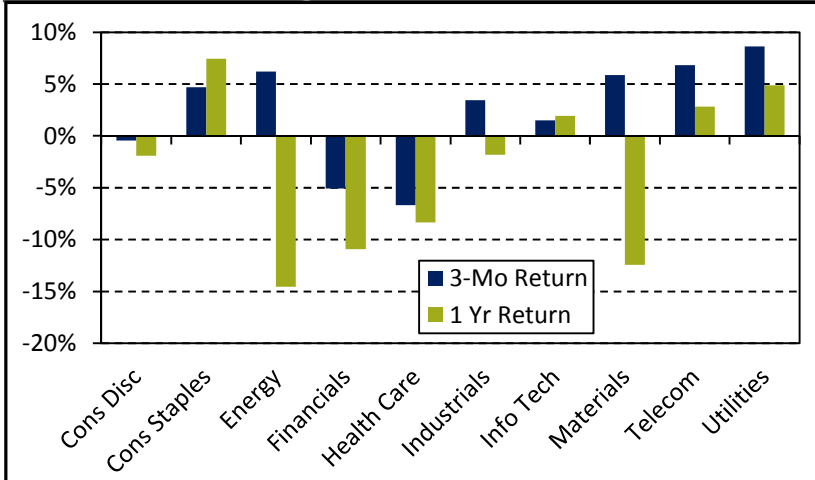
Recent rally in EM but one year returns mostly negative



Source: Bloomberg, MSCI

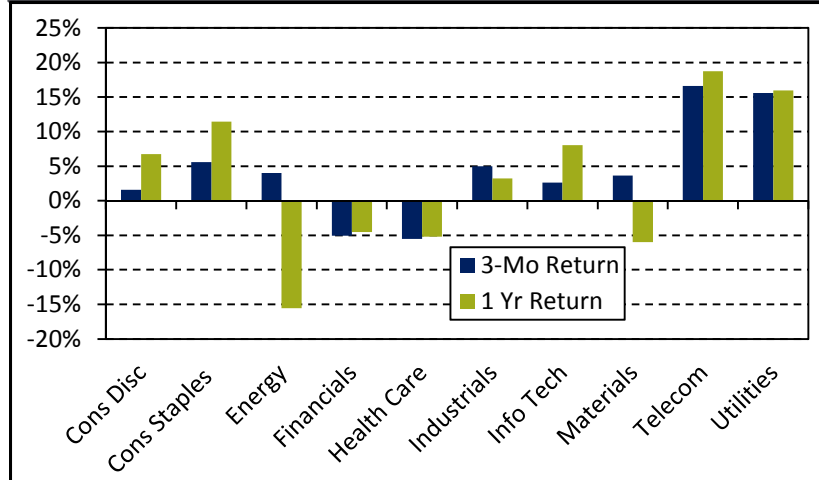
Global Equity by Sector

ACWI Financials and Health Care returns negative in short term



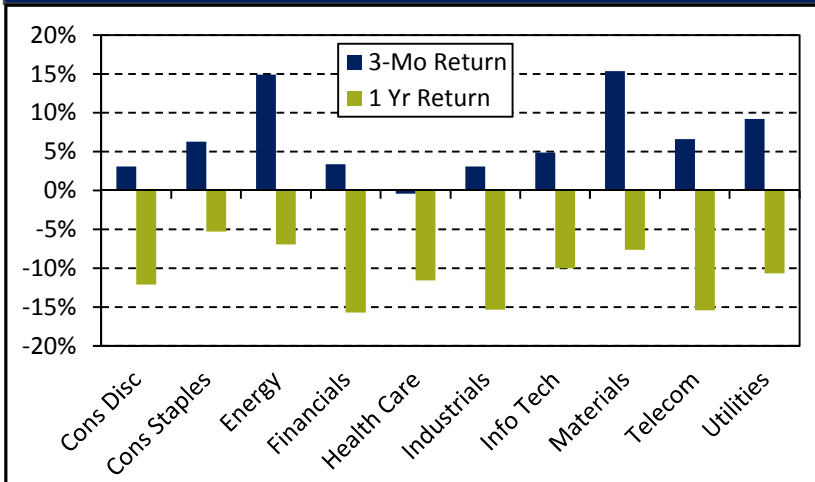
Source: Bloomberg, MSCI

S&P 500 sectors mostly positive in short term



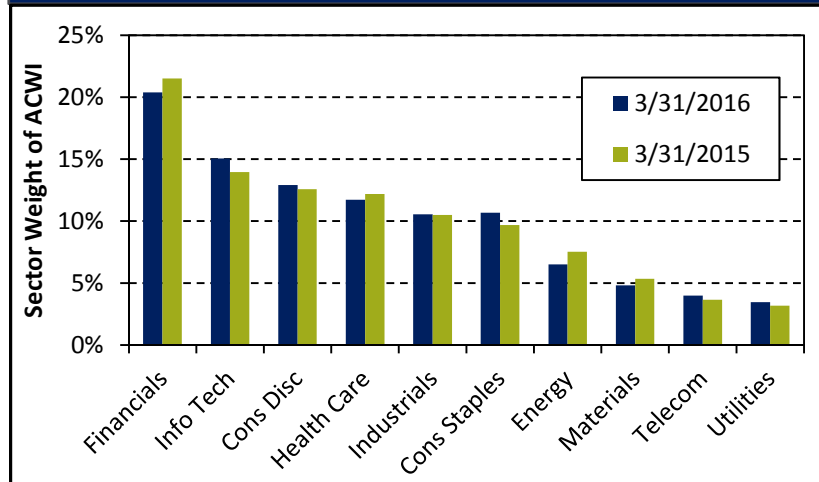
Source: Bloomberg, Standard and Poors

Returns mostly positive across EM sectors in short term



Source: Bloomberg, MSCI

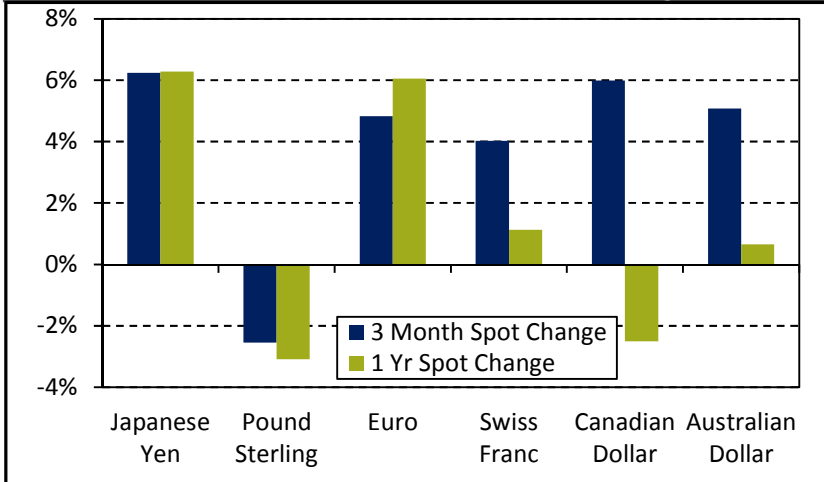
Global energy sector weight has fallen



Source: Bloomberg, MSCI

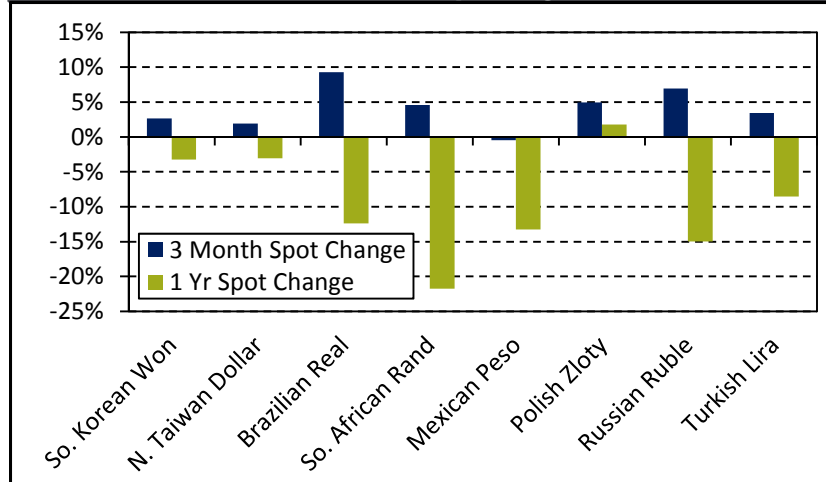
Currencies

Developed currencies mostly positive versus the dollar recently



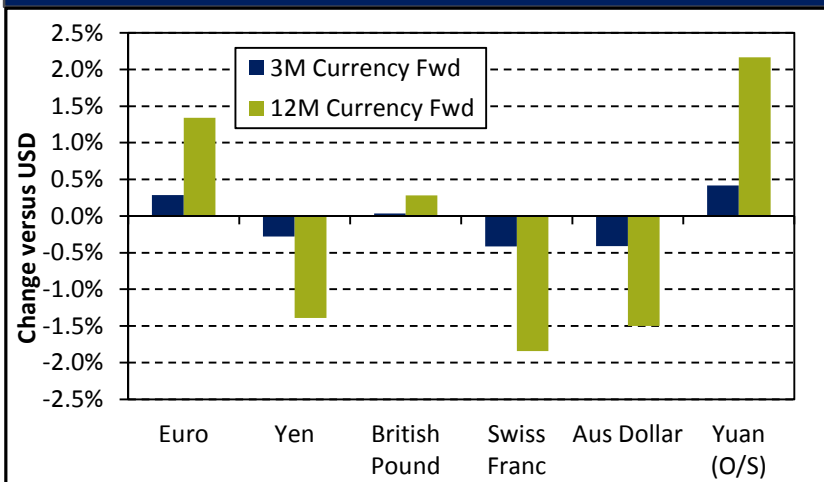
Source: Bloomberg

EM currencies suffered in unique fashions over the past year



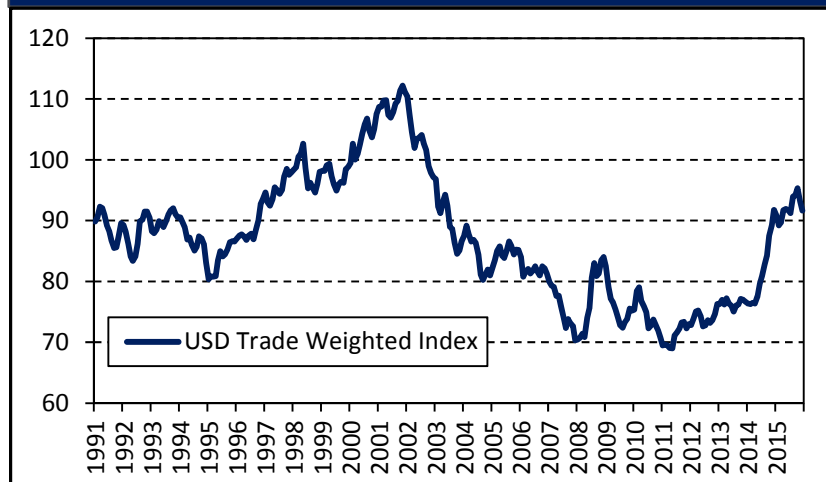
Source: Bloomberg

Yen expected to decline versus USD



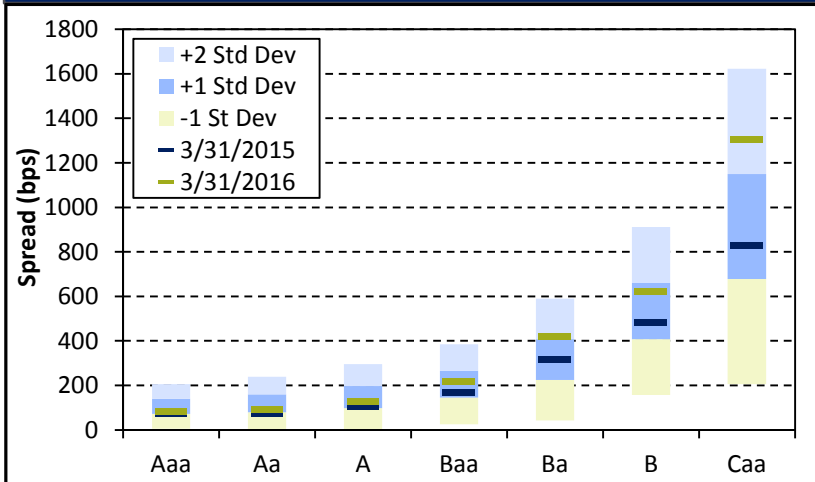
Source: Bloomberg

Recent dollar strength pronounced



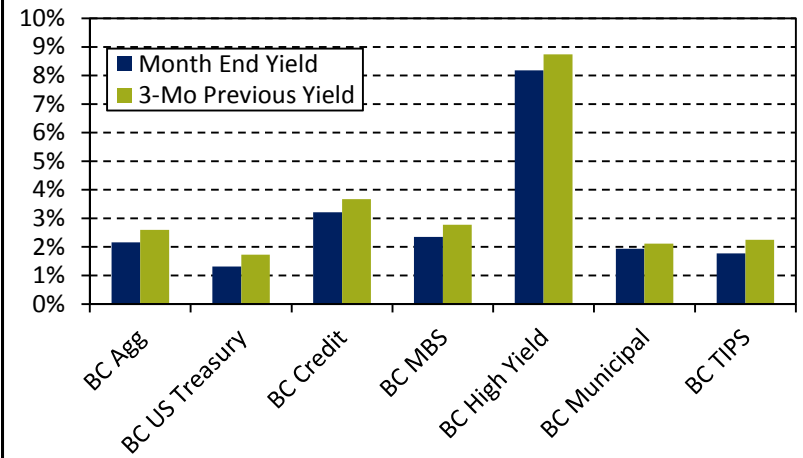
Source: Bloomberg, Federal Reserve

Spread levels above historical medians



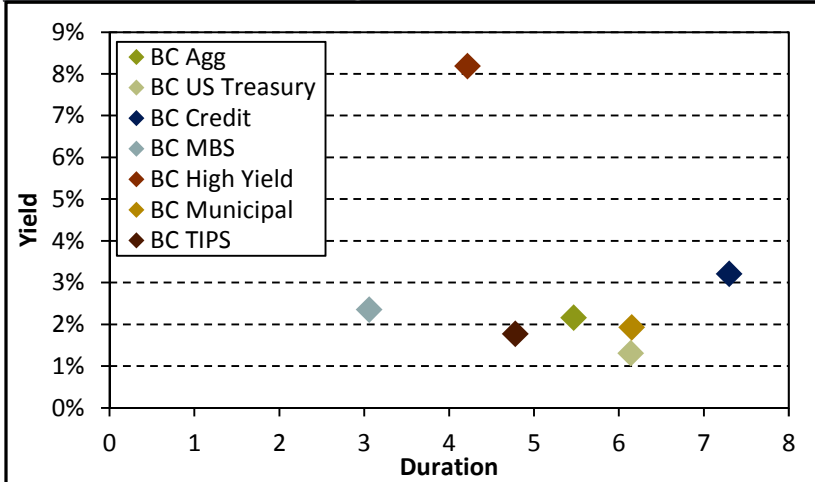
Source: Bloomberg, Barclays

Yields have mostly declined



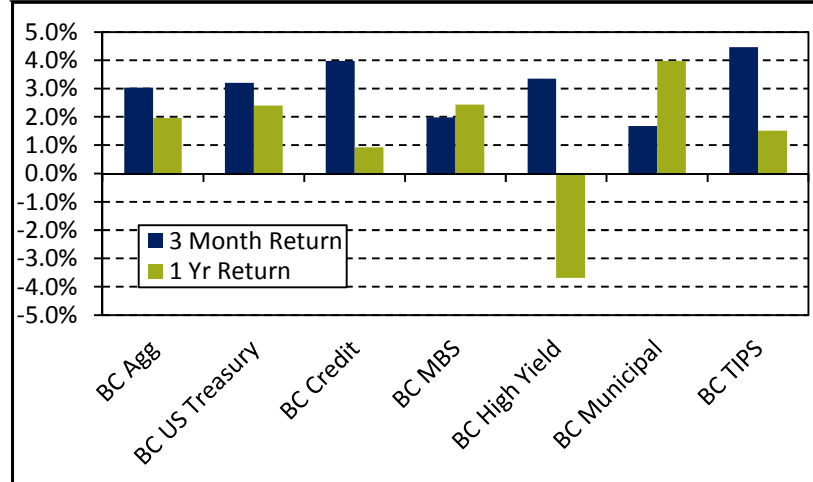
Source: Bloomberg, Barclays

Similar yield/duration tradeoff among major US indices



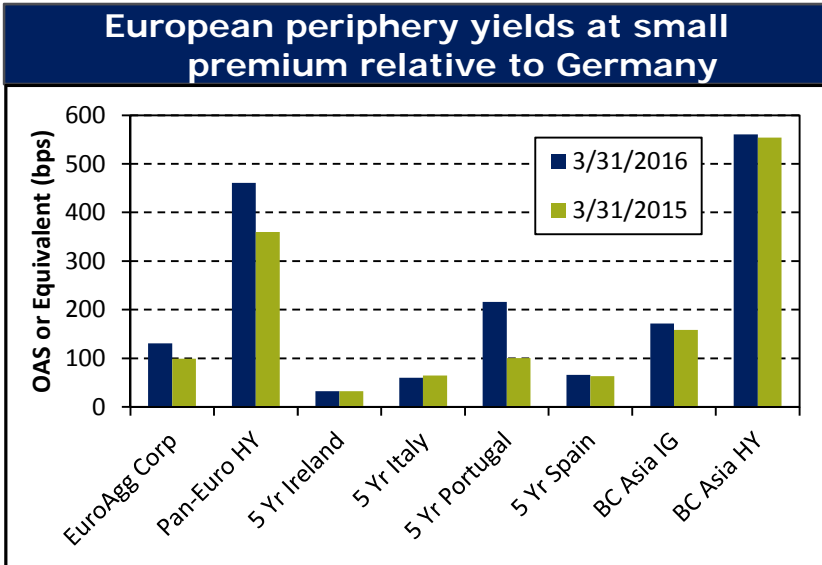
Source: Bloomberg, Barclays

Returns marked by recent credit rally

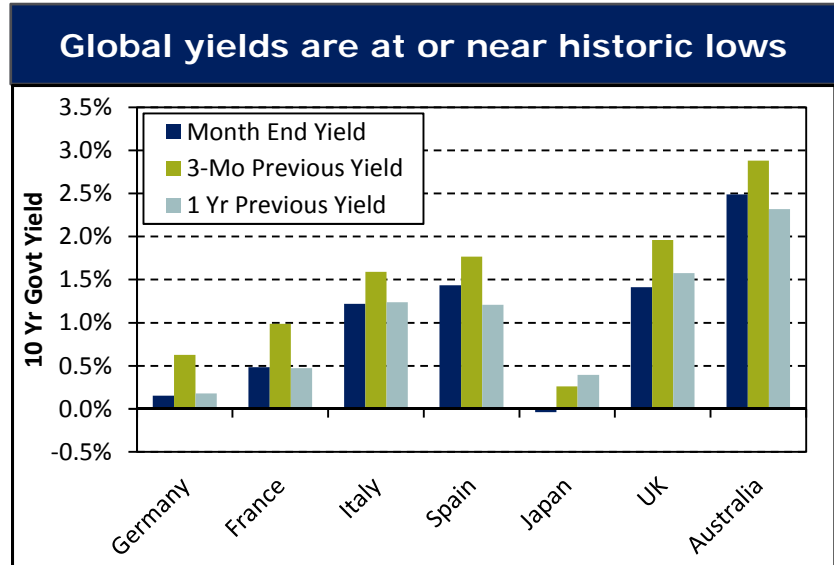


Source: Bloomberg, Barclays

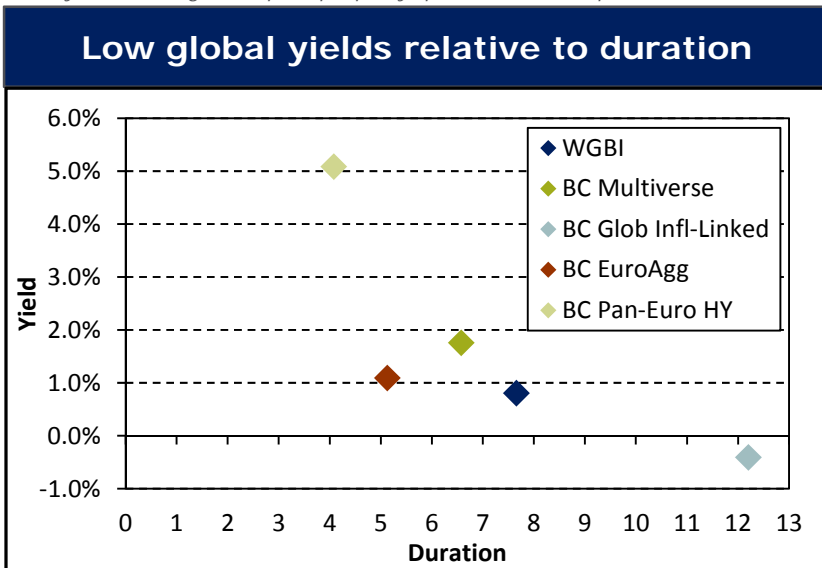
International Developed Fixed Income



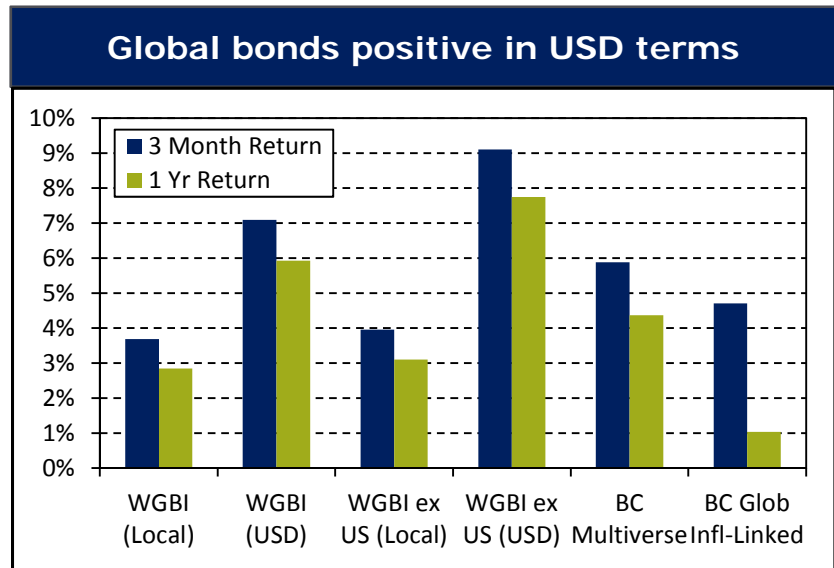
Source: Barclays, Bloomberg, *European periphery spreads are over equivalent German Bund



Source: Bloomberg



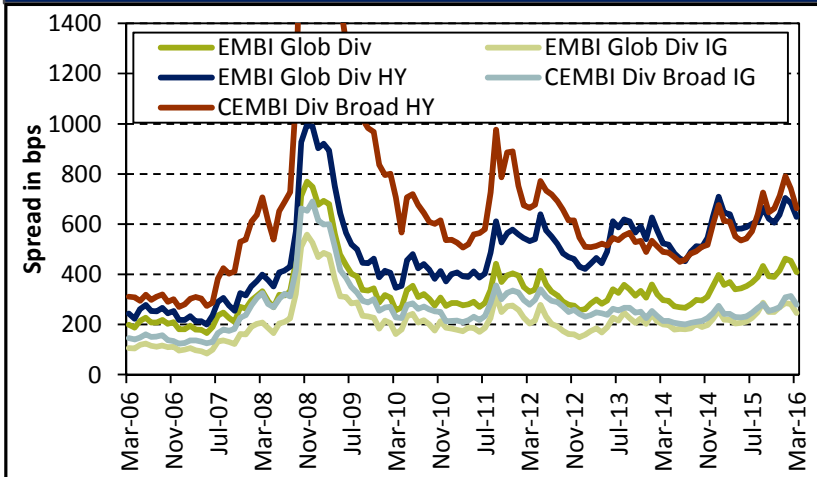
Source: Bloomberg, Citigroup, Barclays



Source: Bloomberg, Citigroup, Barclays

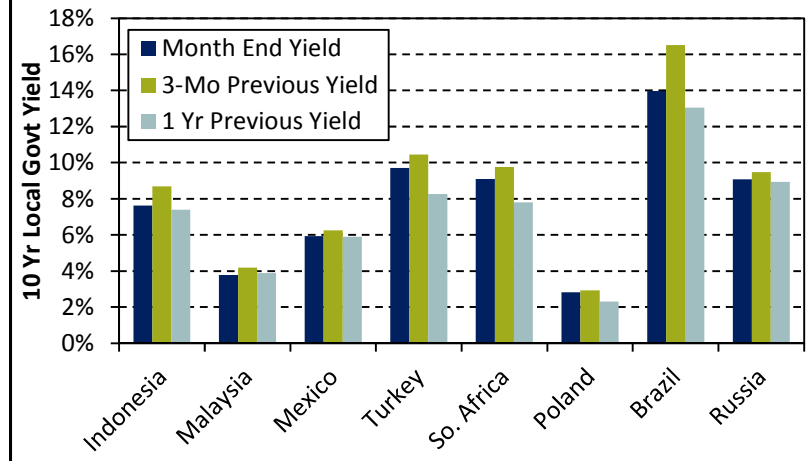
Emerging Markets Fixed Income

Spreads have widened recently



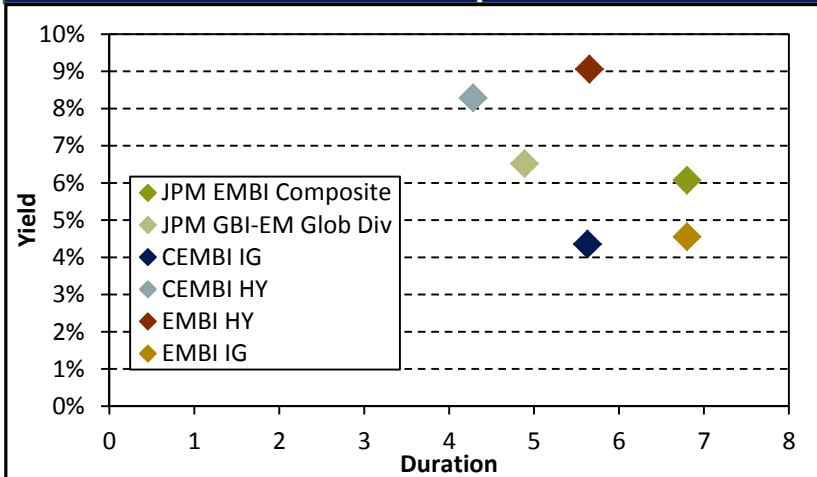
Source: Bloomberg, JP Morgan

Emerging market bond yield changes have varied directionally



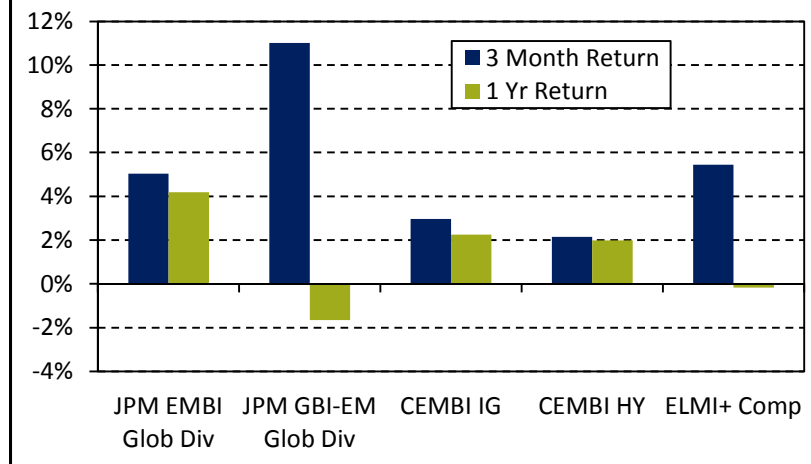
Source: Bloomberg

EM yields higher versus global counterparts



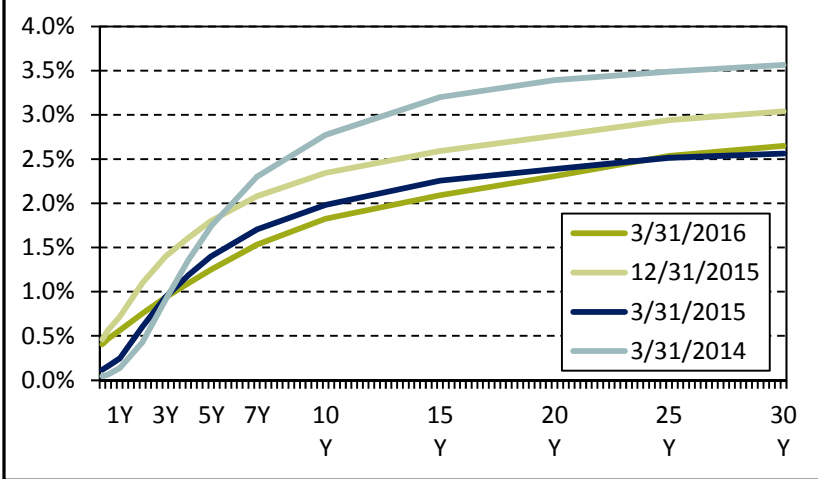
Source: Bloomberg, JP Morgan

Currency effect pronounced in EMD returns



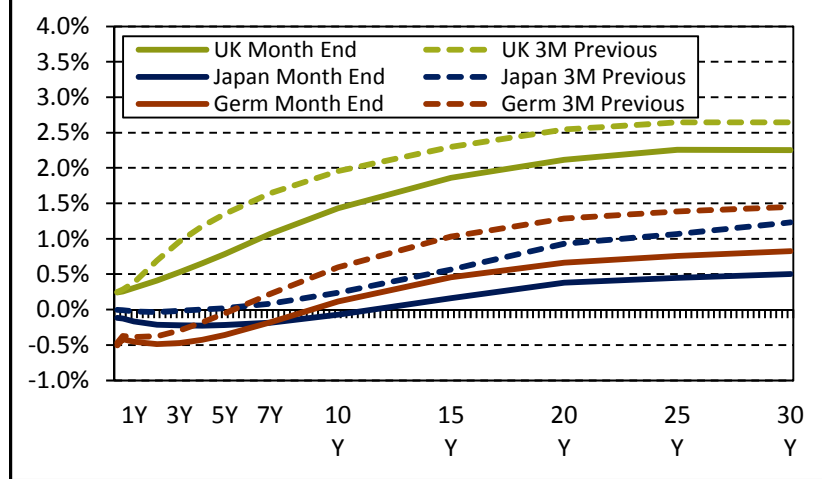
Source: Bloomberg, JP Morgan

Treasury yield curve has declined since year end



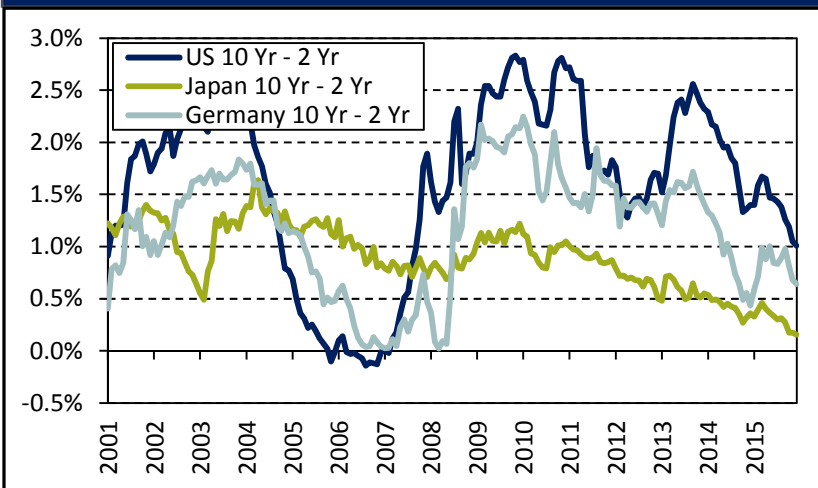
Source: Bloomberg

Global yield curves have shifted downwards



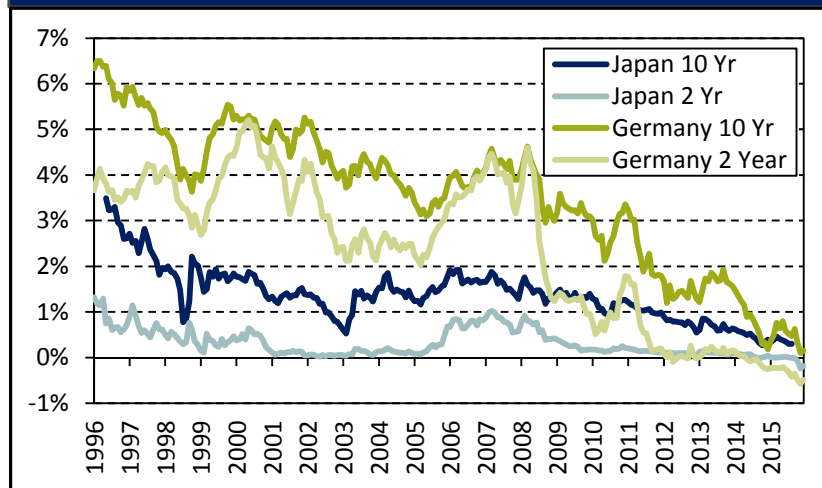
Source: Bloomberg

Global yield curves trending lower



Source: Bloomberg

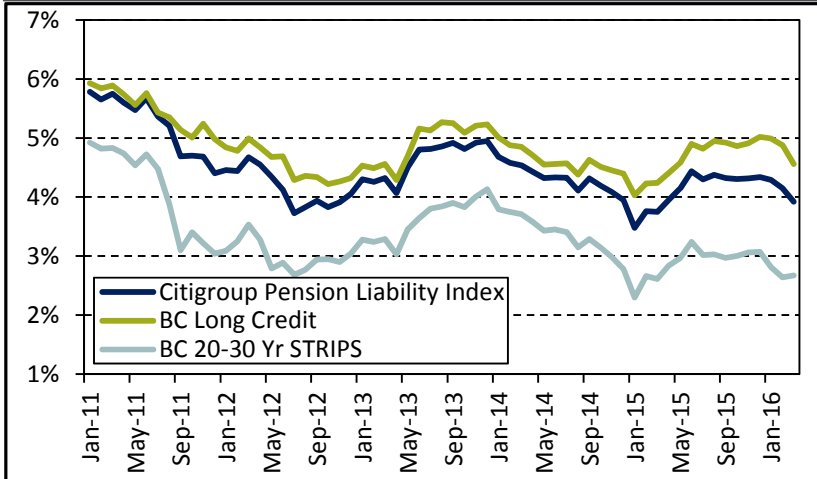
Global yields have trended lower over long term



Source: Bloomberg

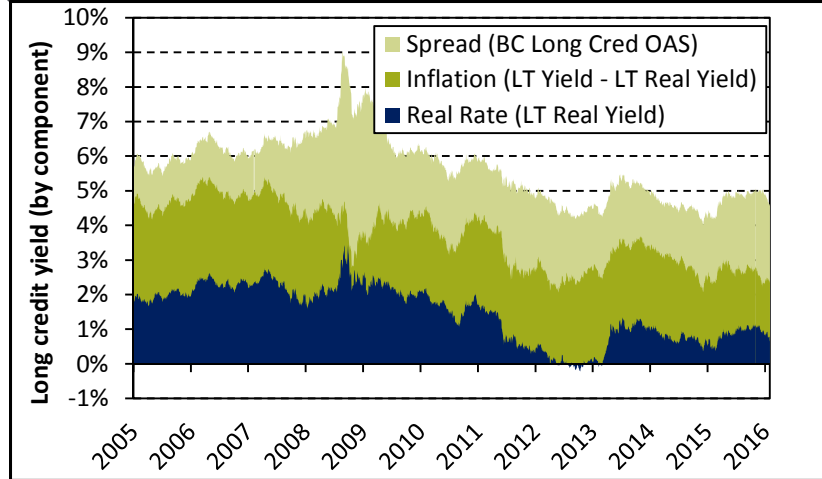
Long Rates and Liability

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



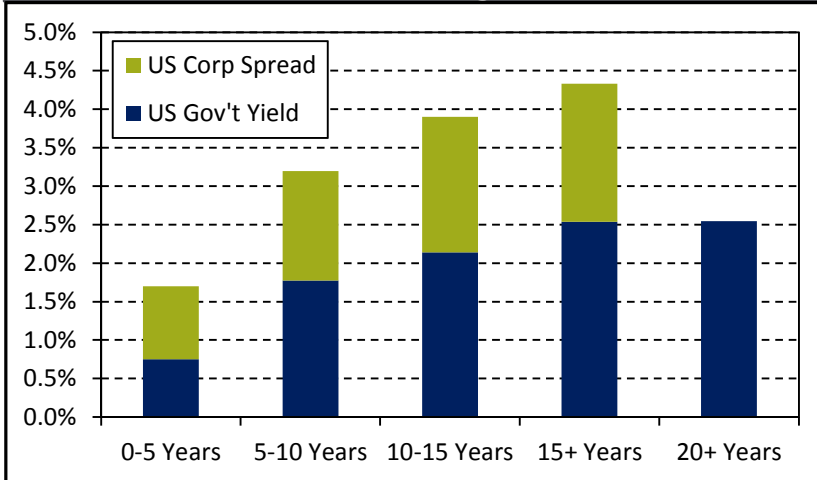
Source: Bloomberg, Citigroup, Barclays

Lower yields driven by low inflation expectations and real rates



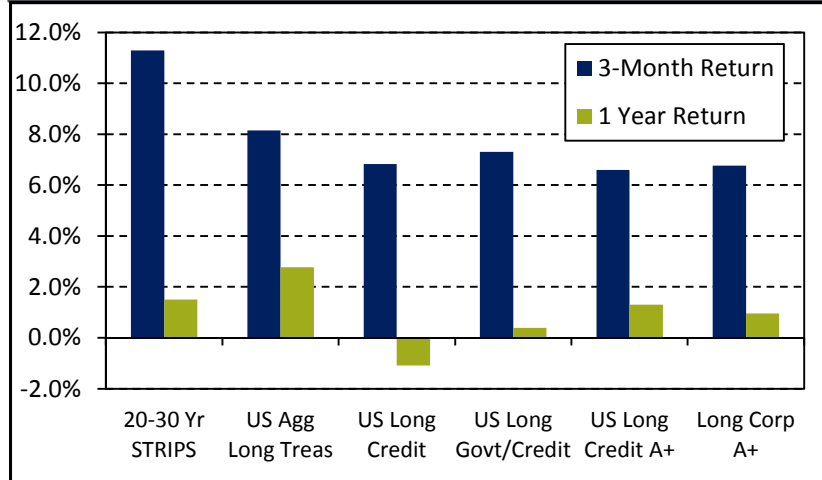
Source: Bloomberg, US Treasury, Barclays, NEPC

Yields are low but spreads above historic averages



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

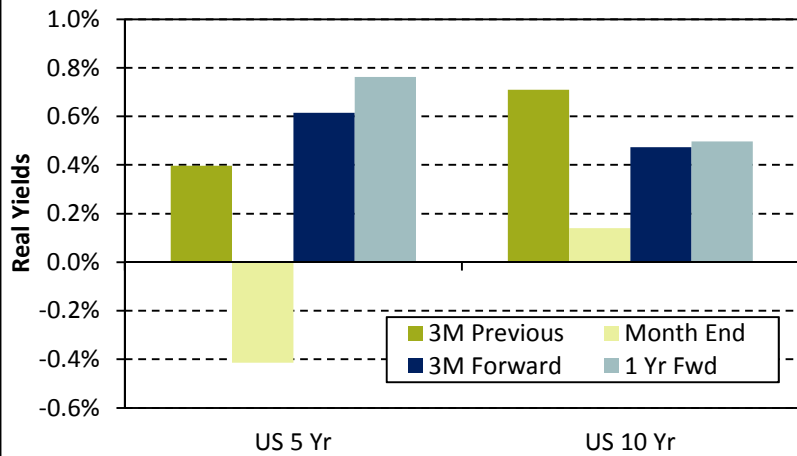
Returns recently positive



Source: Bloomberg, Barclays

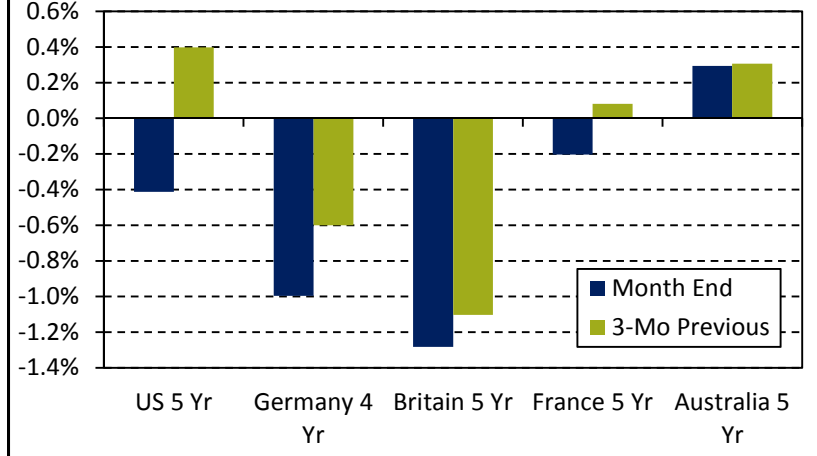
Inflation and Real Rates

US real yields have decreased slightly



Source: Bloomberg

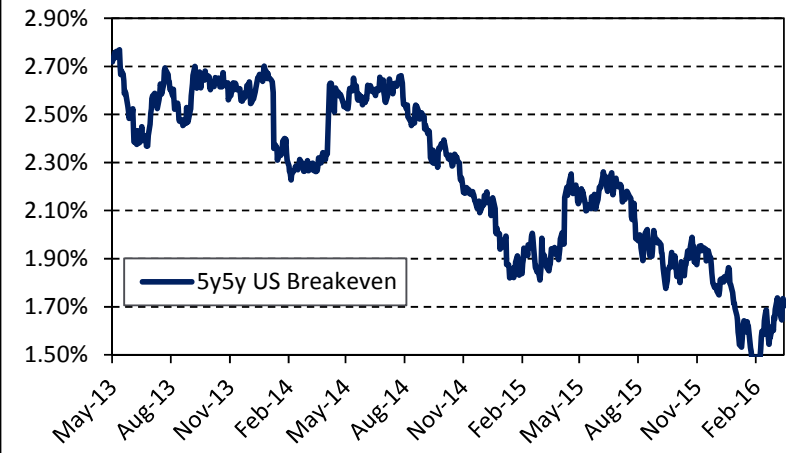
Global real yields mostly negative



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

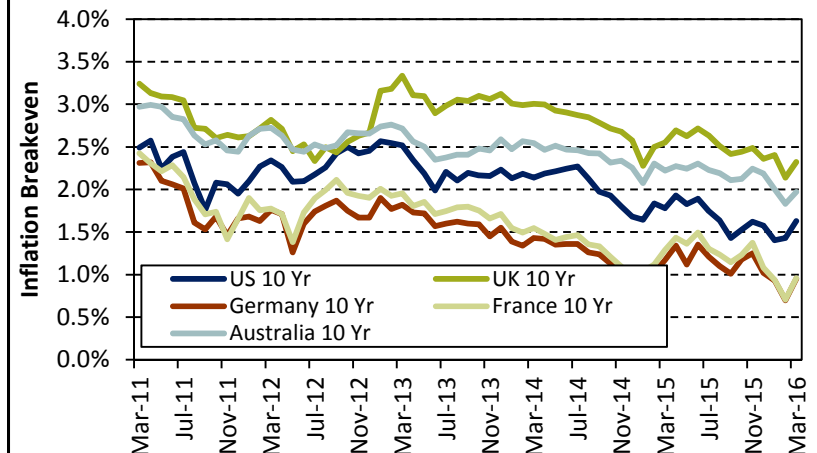
Source: Bloomberg

US inflation expectations very low



Source: Bloomberg

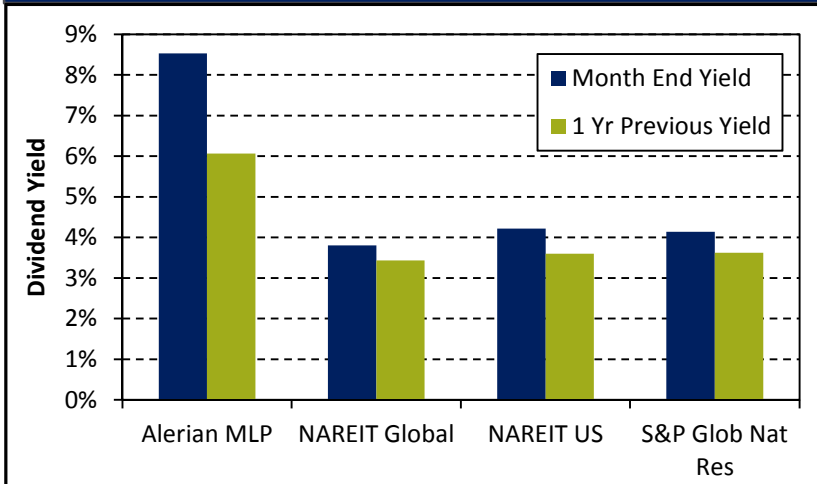
Global inflation expectations have seen recent uptick



Source: Bloomberg

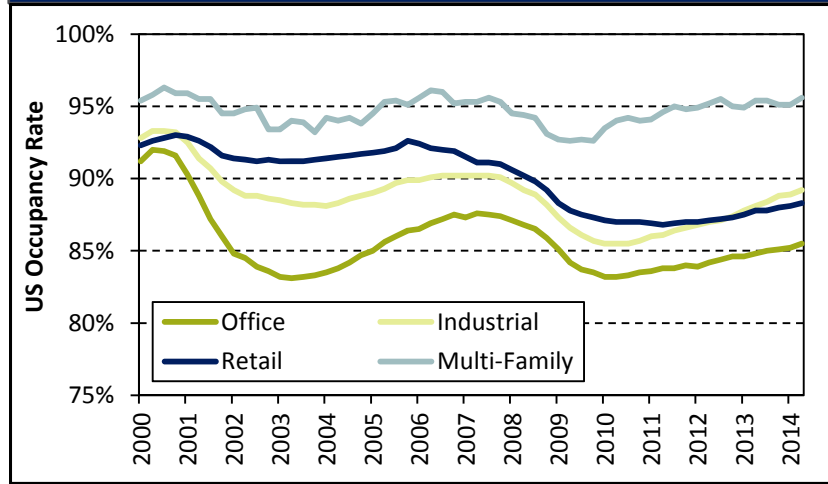
Inflation Sensitive Growth Assets

Yields higher relative to last year



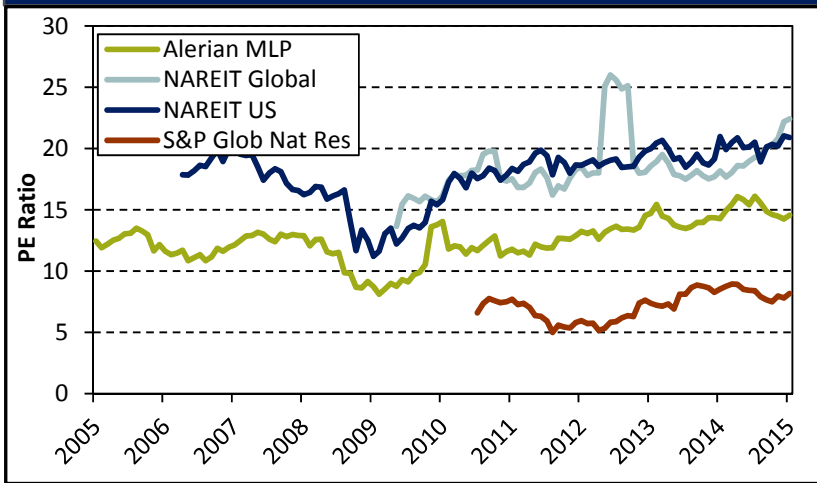
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Gradual recovery in occupancy rates



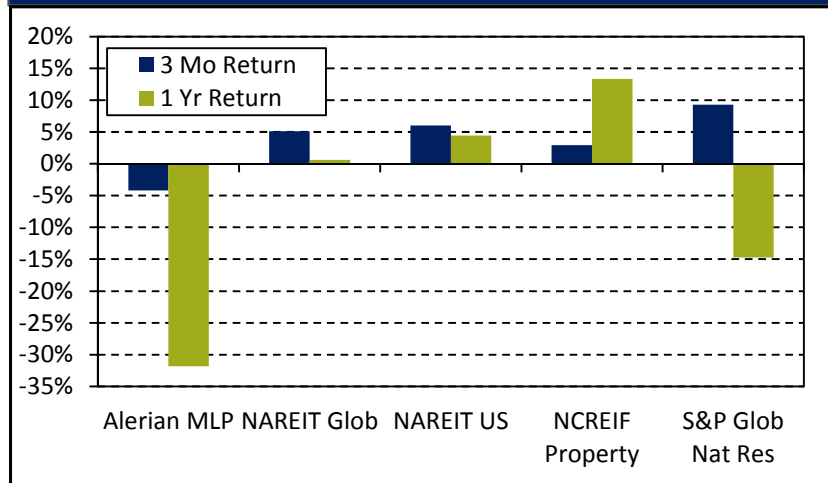
Source: Bloomberg, CB Richard Ellis

PE Ratios near or above averages



Source: Bloomberg, US Census Bureau

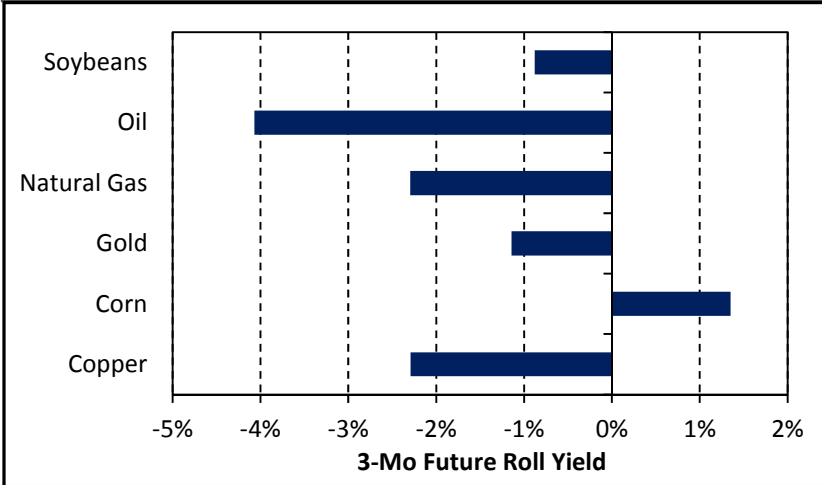
Recent MLP selloff and energy pressure



Source: Bloomberg, Alerian, Nareit, Standard and Poors

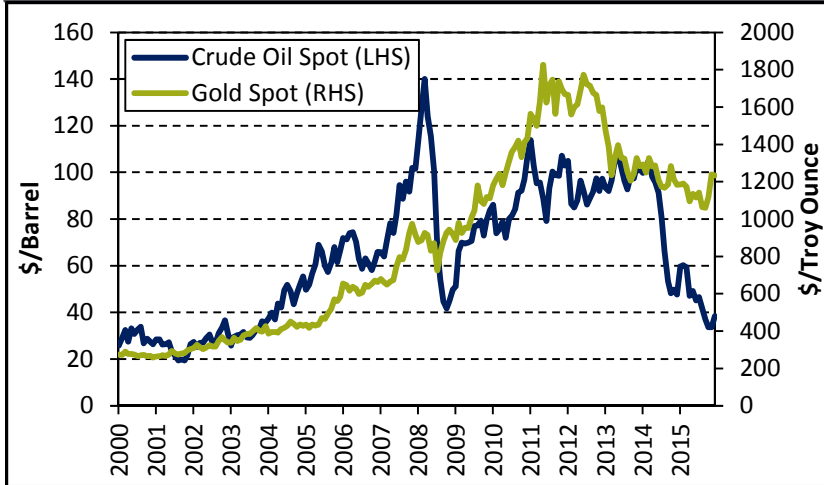
Commodities

Contango in major commodity futures



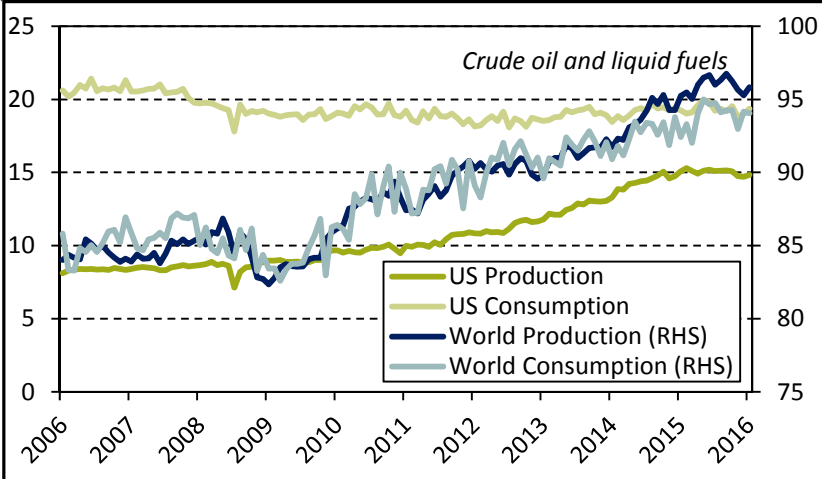
Source: Bloomberg

Precipitous fall in oil prices



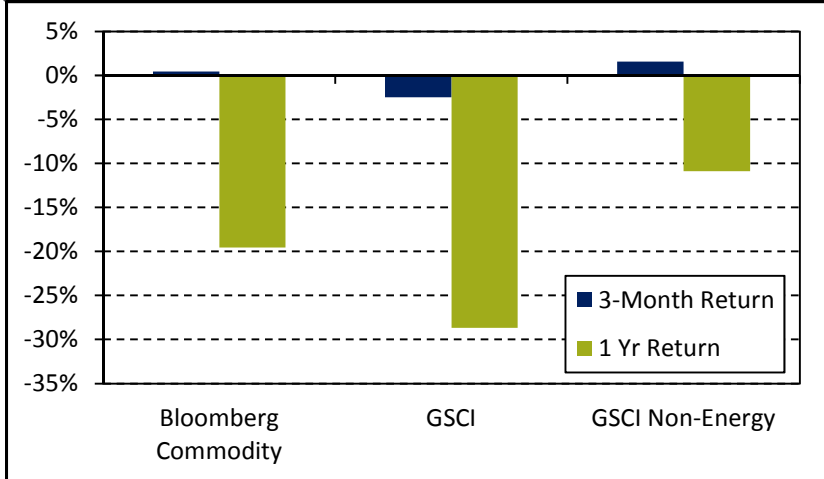
Source: Bloomberg

US fuel production closing gap with consumption



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

Commodity indices negative over one year after oil-induced decline



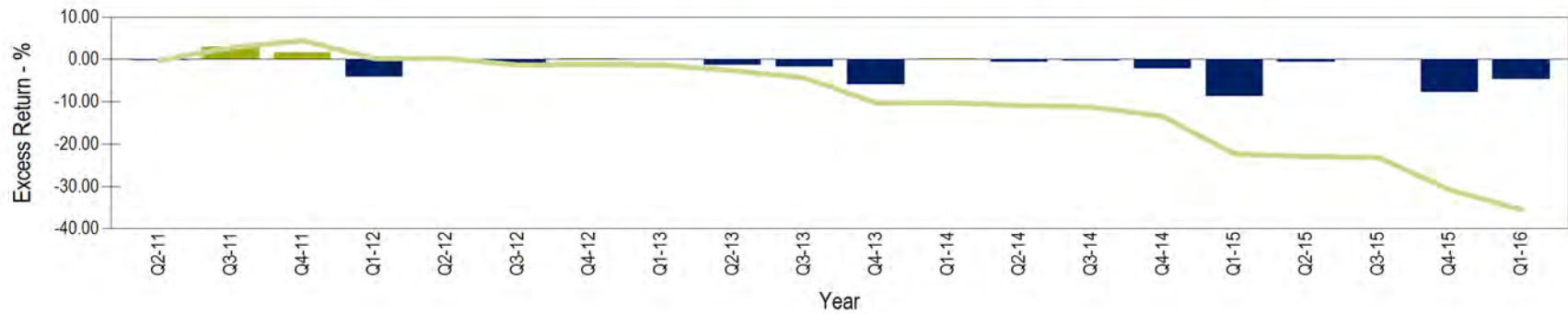
Source: Bloomberg, Standard and Poors

Q1 2016 Performance & Asset Allocation

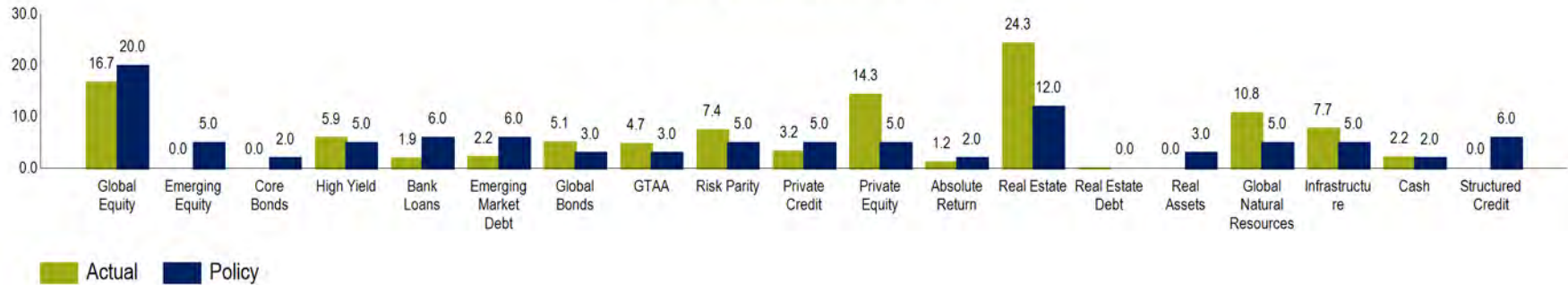
Total Fund Performance Summary

	Market Value	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank
DPFP	\$2,654,819,256	-1.7%	99	-8.5%	99	-3.1%	99	0.0%	99	4.4%	99	1.8%	99
<i>Allocation Index</i>		3.0%	1	4.5%	1	8.6%	1	7.3%	8	9.9%	50	5.3%	40
<i>Policy Index</i>		2.4%	2	5.4%	1	7.8%	1	7.4%	7	11.3%	17	6.1%	5
<i>InvestorForce Public DB Net Median</i>		1.2%		-1.5%		5.4%		5.8%		9.8%		5.1%	

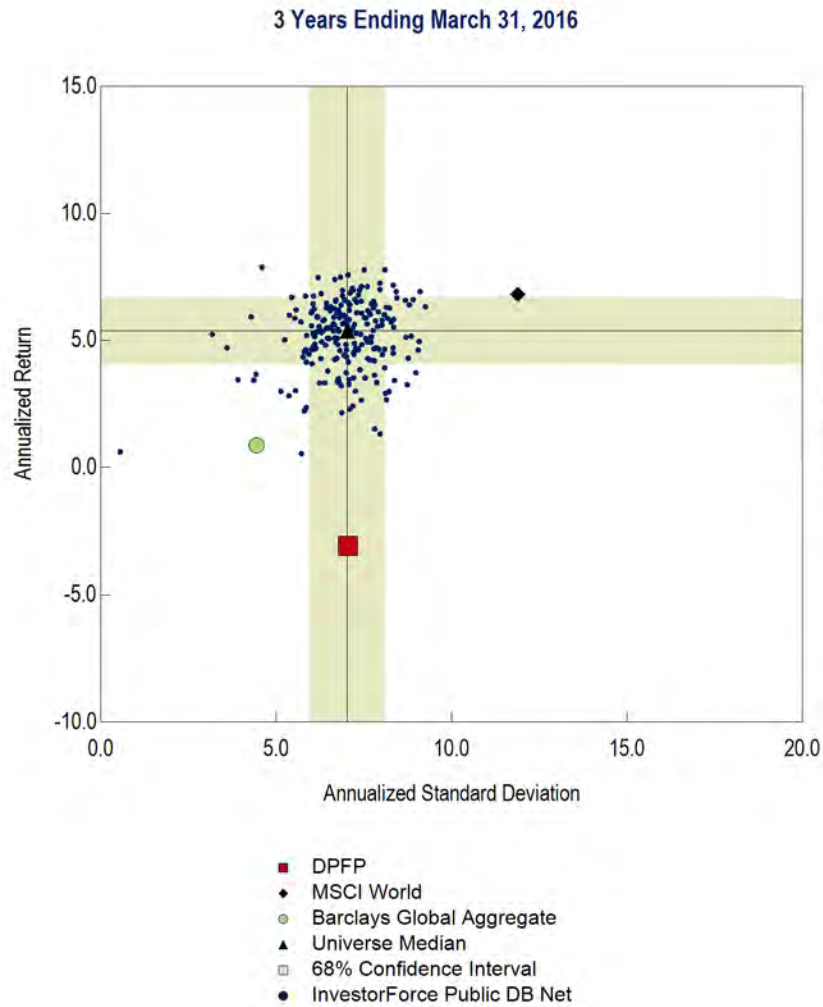
Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)



Returns are net of fees



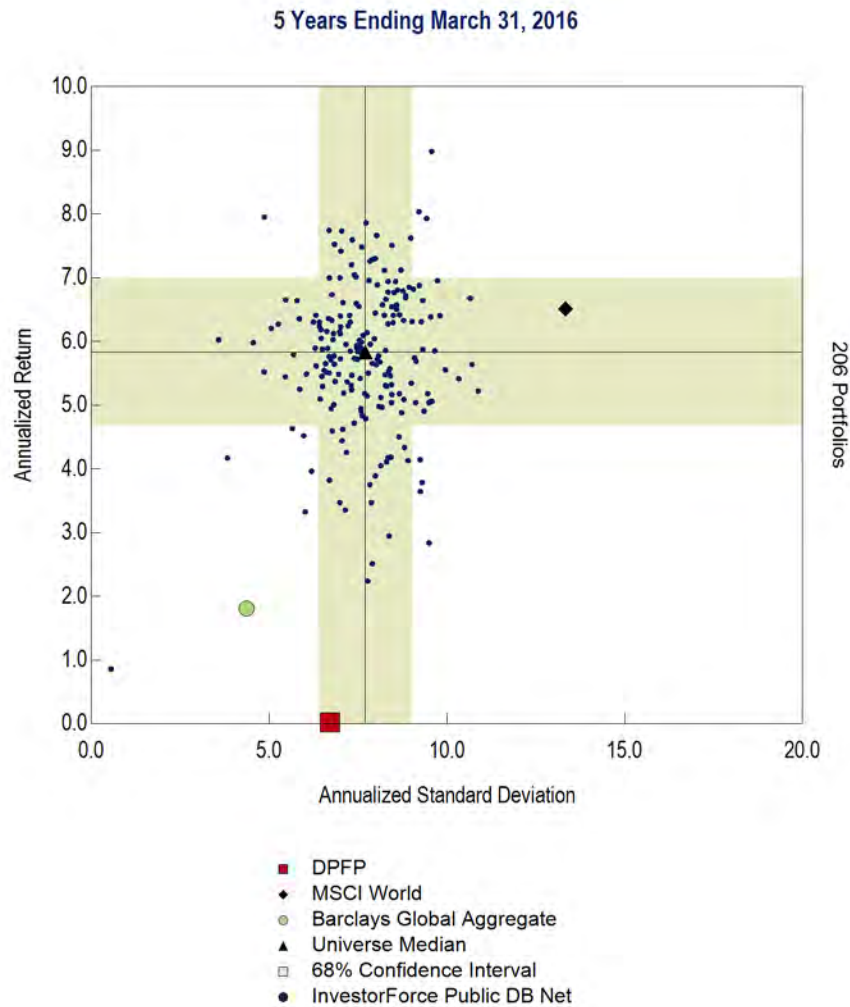
3 Years Ending March 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
DFPF	-3.05%	99	7.05%	52
Allocation Index	8.63%	1	5.35%	5
Policy Index	7.81%	1	3.99%	2
MSCI World	6.82%	10	11.88%	99
Barclays Global Aggregate	0.87%	99	4.43%	3
InvestorForce Public DB Net Median	5.37%	--	7.02%	--

3 Years Ending March 31, 2016

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
DFPF	-0.44	99	-0.42	99
Allocation Index	1.60	1	3.41	1
Policy Index	1.94	1	4.12	1
MSCI World	0.57	82	1.12	77
Barclays Global Aggregate	0.18	99	0.27	99
InvestorForce Public DB Net Median	0.77	--	1.45	--

Returns are net of fees



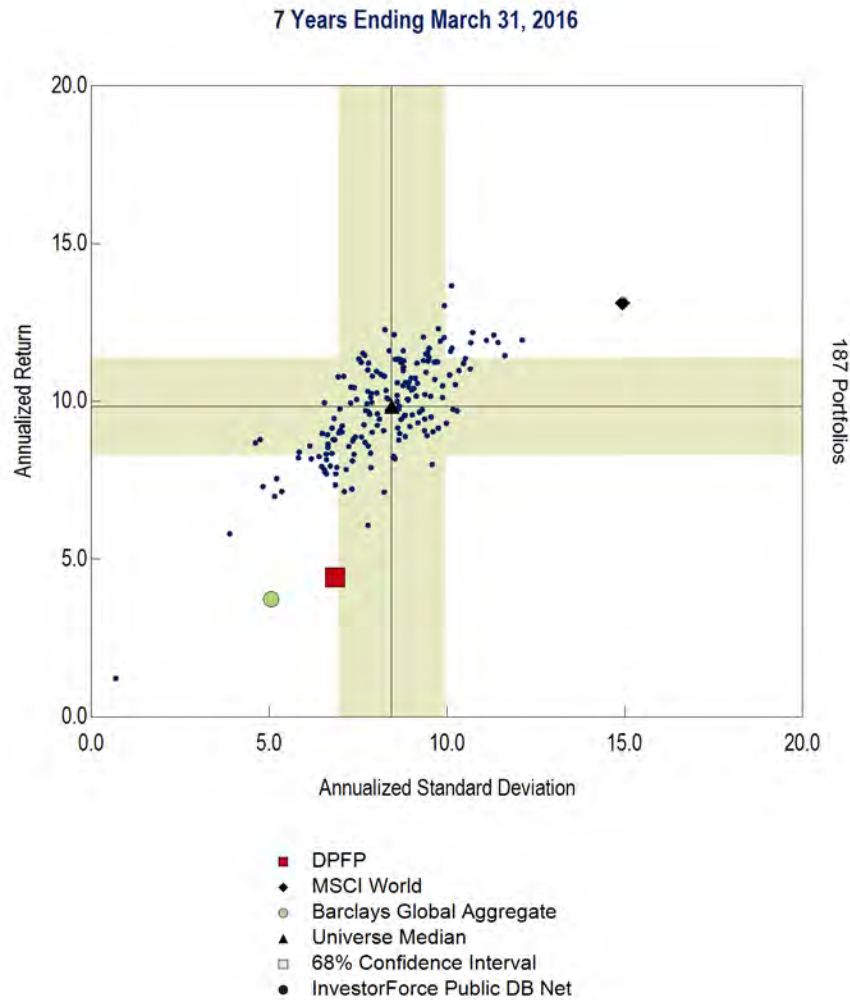
5 Years Ending March 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
DFPF	0.02%	99	6.72%	21
Allocation Index	7.27%	8	7.09%	33
Policy Index	7.42%	7	6.13%	9
MSCI World	6.51%	25	13.33%	99
Barclays Global Aggregate	1.81%	99	4.36%	2
InvestorForce Public DB Net Median	5.83%	--	7.70%	--

5 Years Ending March 31, 2016

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
DFPF	-0.01	99	-0.01	99
Allocation Index	1.02	9	1.20	48
Policy Index	1.20	3	1.52	14
MSCI World	0.48	94	0.75	92
Barclays Global Aggregate	0.40	98	0.63	98
InvestorForce Public DB Net Median	0.77	--	1.19	--

Returns are net of fees



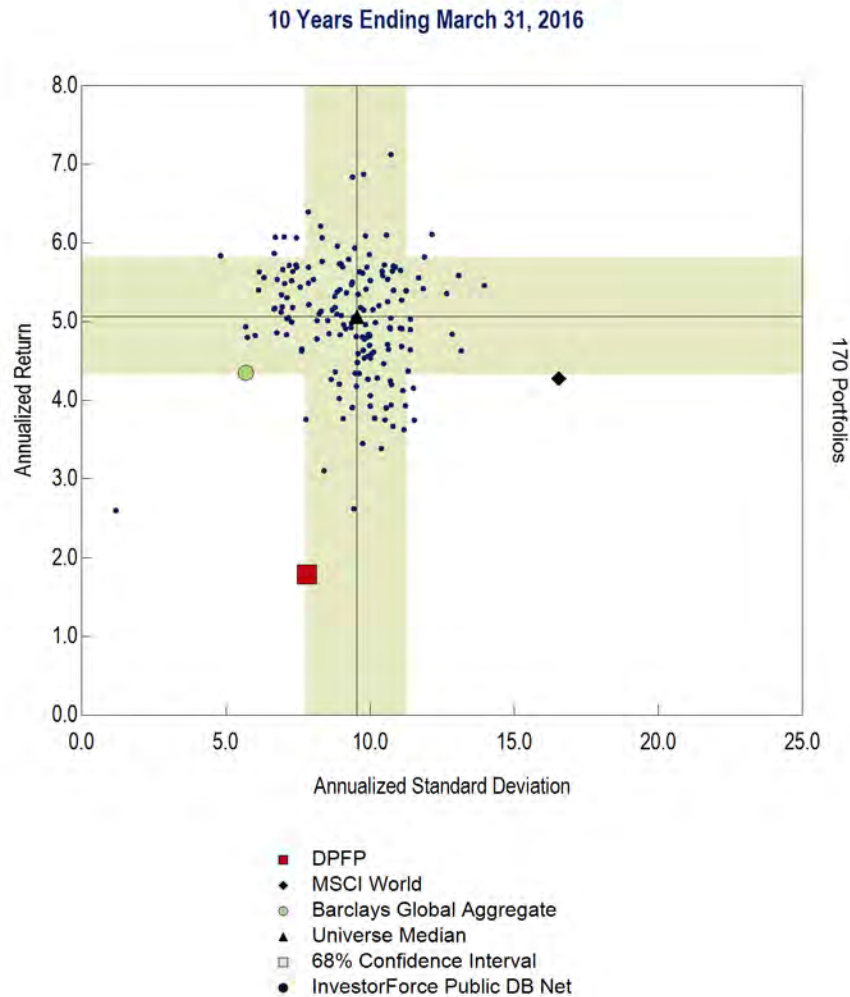
7 Years Ending March 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
DFPF	4.41%	99	6.86%	17
Allocation Index	9.87%	50	7.80%	37
Policy Index	11.32%	17	7.66%	31
MSCI World	13.12%	1	14.94%	99
Barclays Global Aggregate	3.72%	99	5.06%	3
InvestorForce Public DB Net Median	9.84%	--	8.45%	--

7 Years Ending March 31, 2016

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
DFPF	0.63	99	0.75	99
Allocation Index	1.26	33	1.76	77
Policy Index	1.47	7	2.28	19
MSCI World	0.87	99	1.49	96
Barclays Global Aggregate	0.72	99	1.01	99
InvestorForce Public DB Net Median	1.18	--	2.00	--

Returns are net of fees



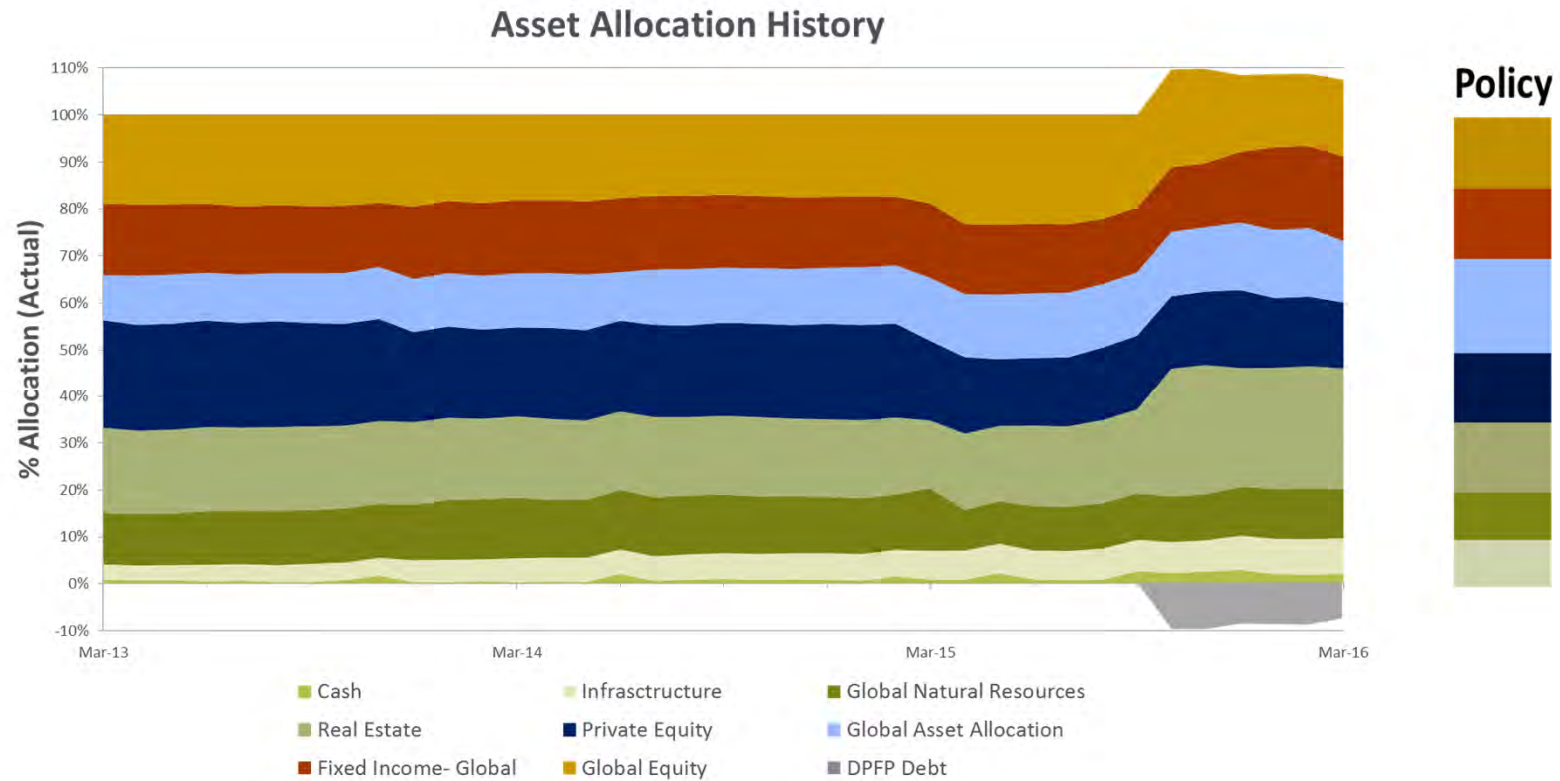
10 Years Ending March 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
DPFP	1.79%	99	7.80%	21
Allocation Index	5.29%	40	8.70%	31
Policy Index	6.08%	5	9.08%	41
MSCI World	4.27%	85	16.56%	99
Barclays Aggregate	4.90%	63	3.21%	1
InvestorForce Public DB Net Median	5.07%	--	9.54%	--

10 Years Ending March 31, 2016

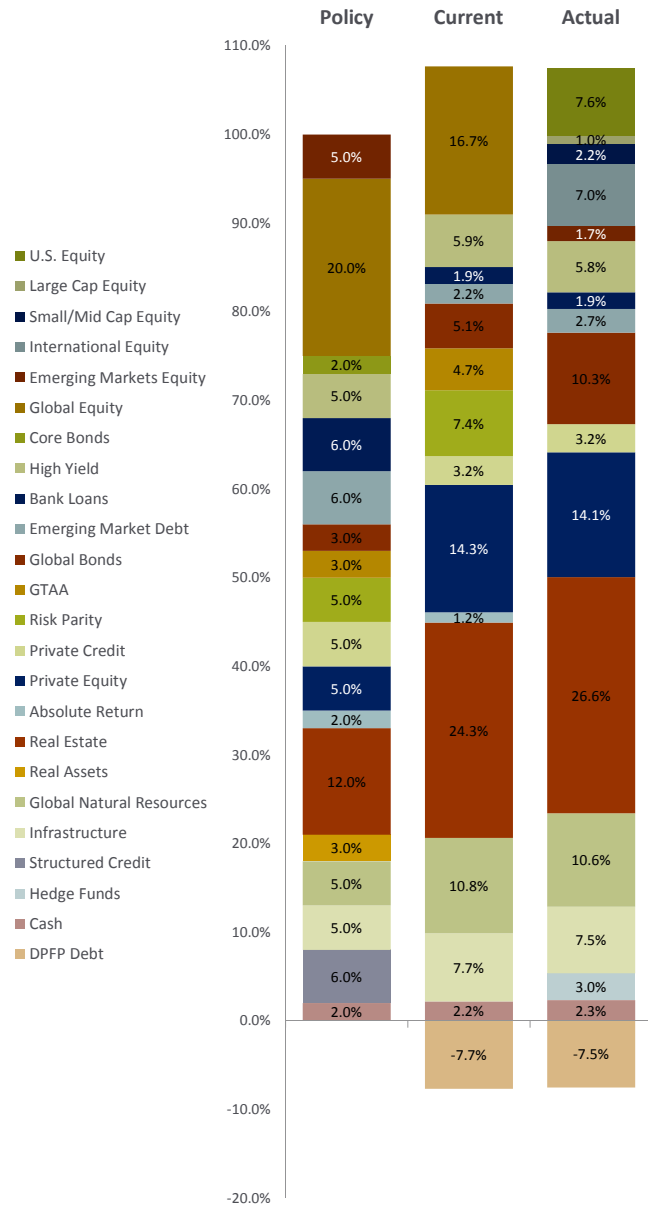
	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
DPFP	0.10	99	0.11	99
Allocation Index	0.49	32	0.58	41
Policy Index	0.56	25	0.62	33
MSCI World	0.20	99	0.25	99
Barclays Aggregate	1.21	1	2.13	1
InvestorForce Public DB Net Median	0.43	--	0.54	--

Total Fund Asset Allocation History



Dallas Police & Fire Pension

Total Plan- Net of Fees



	Current	Policy	Current	Actual
U.S. Equity				7.6%
Large Cap Equity				1.0%
Small/Mid Cap Equity				2.2%
International Equity				7.0%
Emerging Markets Equity				1.7%
Global Equity	\$443,478,737	20.0%	16.7%	0.0%
Core Bonds		2.0%	0.0%	0.0%
High Yield	\$157,023,336	5.0%	5.9%	5.8%
Bank Loans	\$50,529,116	6.0%	1.9%	1.9%
Emerging Market Debt	\$58,838,911	6.0%	2.2%	2.7%
Global Bonds	\$134,223,263	3.0%	5.1%	10.3%
GTAA	\$125,642,729	3.0%	4.7%	0.0%
Risk Parity	\$197,589,957	5.0%	7.4%	0.0%
Private Credit	\$86,262,132	5.0%	3.2%	3.2%
Private Equity	\$380,843,309	5.0%	14.3%	14.1%
Absolute Return	\$31,222,493	2.0%	1.2%	0.0%
Real Estate	\$644,657,934	12.0%	24.3%	26.6%
Real Assets		3.0%	0.0%	0.0%
Global Natural Resources	\$285,864,673	5.0%	10.8%	10.6%
Infrastructure	\$204,521,625	5.0%	7.7%	7.5%
Structured Credit		6.0%	0.0%	0.0%
Hedge Funds			0.0%	3.0%
Cash	\$57,577,543	2.0%	2.2%	2.3%
DPPFP Debt	-\$203,451,513		-7.7%	-7.5%
Total	\$2,654,824,246	100.0%	100.0%	100.0%

Cash Flows
3 Months Ending March 31, 2016

Month Ending	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Jan-16	\$2,775,717,659.91	-\$1,248,515,219.32	\$1,218,364,967.75	-\$30,150,251.57	-\$37,540,962.96	\$2,707,732,700.53
Feb-16	\$2,707,732,700.53	-\$59,667,001.79	\$40,072,257.03	-\$19,594,744.76	-\$615,393.85	\$2,687,522,561.92
Mar-16	\$2,687,936,260.85	-\$141,294,354.28	\$117,579,847.99	-\$23,714,506.29	-\$9,402,498.43	\$2,654,819,256.13

Dallas Police & Fire Pension

Dallas Police & Fire Pension

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
DPFP	2,654,819,256	100.0	-1.7	99	-8.5	99	-3.1	99	0.0	99	4.4	99	1.8	99	6.1	Jun-96
Allocation Index			3.0	1	4.5	1	8.6	1	7.3	8	9.9	50	5.3	40	7.2	Jun-96
Policy Index			2.4	2	5.4	1	7.8	1	7.4	7	11.3	17	6.1	5	--	Jun-96
InvestorForce Public DB Net Median			1.2		-1.5		5.4		5.8		9.8		5.1		6.6	Jun-96
DPFP Debt	-203,451,513	-7.7	0.5	--	--	--	--	--	--	--	--	--	--	--	1.0	Oct-15
DPFP Ex Debt	2,858,270,769	107.7	-1.7	99	-8.1	99	-2.9	99	0.1	99	4.5	99	1.8	99	6.1	Jun-96
Allocation Index Ex Debt			2.8	1	4.3	1	8.6	1	7.2	9	9.8	50	5.3	40	7.1	Jun-96
DPFP Financial Composite	1,665,653,983	62.7	0.4	84	-6.5	99	2.2	99	3.7	96	11.0	24	4.3	84	4.9	Oct-05
InvestorForce Public DB Net Median			1.2		-1.5		5.4		5.8		9.8		5.1		5.4	Oct-05
Total Equity	824,322,046	31.1	-2.5	--	-7.0	--	5.6	--	5.7	--	--	--	--	--	6.4	Dec-10
Total Equity Policy Index			1.5	--	--	--	--	--	--	--	--	--	--	--	--	Dec-10
Global Equity	443,478,737	16.7	-0.9	61	-5.6	65	6.0	61	5.7	65	13.2	55	4.2	62	4.5	Jul-06
MSCI ACWI Gross			0.4	44	-3.8	52	6.1	60	5.8	63	13.2	56	4.6	52	4.8	Jul-06
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		4.9	Jul-06
Eagle Asset	51,768,252	1.9	0.3	46	-4.6	25	8.8	31	7.9	52	16.0	71	7.3	19	8.7	Feb-05
Russell 2000			-1.5	65	-9.8	70	6.8	61	7.2	63	16.4	65	5.3	69	6.8	Feb-05
eA US Small Cap Equity Net Median			-0.2		-7.2		7.6		8.0		17.3		6.0		7.5	Feb-05
Pyramis	114,286,611	4.3	-1.2	65	-5.1	62	6.6	52	5.8	63	12.8	59	4.3	61	7.8	Mar-02
MSCI ACWI			0.2	47	-4.3	55	5.5	68	5.2	72	12.6	62	4.1	65	6.0	Mar-02
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		7.6	Mar-02
Walter Scott	84,679,456	3.2	2.0	33	2.0	14	6.4	57	7.5	35	--	--	--	--	8.0	Dec-09
MSCI ACWI			0.2	47	-4.3	55	5.5	68	5.2	72	12.6	62	4.1	65	7.2	Dec-09
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		8.7	Dec-09
OFI	118,060,374	4.4	-6.4	98	-9.3	85	5.9	62	6.0	60	14.1	43	--	--	3.3	Oct-07
MSCI World			-0.3	52	-3.5	48	6.8	49	6.5	53	13.1	56	4.3	62	2.2	Oct-07
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		2.8	Oct-07
RREEF Global REIT	22,764,103	0.9	5.3	32	2.2	25	6.6	60	9.4	37	14.2	99	3.6	99	12.9	Feb-99
FTSE EPRA/NAREIT Global			5.2	33	0.4	62	5.7	83	8.1	75	18.3	77	4.4	99	9.8	Feb-99
eA Global REIT Net Median			4.6		0.8		7.2		9.2		18.7		4.7		--	Feb-99
Mitchell Group	25,420,375	1.0	6.0	7	-19.9	99	-8.4	97	-6.0	96	5.8	95	3.9	70	9.0	Oct-01
Dow Jones Equal Wtd. Oil & Gas			0.2	46	-33.9	99	-15.9	99	-12.3	98	1.5	98	-6.0	99	3.3	Oct-01
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		7.9	Oct-01

Net of fees returns shown on report are time weighted.

Dallas Police & Fire Pension

DPFP

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Allianz Global	16,079	0.0	-1.5	68	-8.8	84	1.8	89	0.4	92	6.1	95	--	--	3.0	Nov-08
FTSE ET50			0.0	49	-7.5	79	9.5	12	-0.3	93	6.0	95	1.0	93	4.1	Nov-08
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		10.7	Nov-08
Sustainable Asset Management	26,483,488	1.0	3.5	22	2.6	12	8.9	18	6.9	47	13.6	50	--	--	10.7	Nov-08
MSCI World			-0.3	52	-3.5	48	6.8	49	6.5	53	13.1	56	4.3	62	9.9	Nov-08
eA All Global Equity Net Median			-0.2		-3.7		6.7		6.7		13.5		4.7		10.7	Nov-08
Private Equity	380,843,309	14.3	-4.2	--	-2.8	--	-9.2	--	-2.2	--	0.3	--	1.1	--	2.0	Oct-05
Russell 3000 + 3%			1.7	--	2.7	--	14.5	--	14.3	--	20.6	--	10.1	--	10.5	Oct-05
Total Fixed Income	486,876,758	18.3	4.1	39	-4.3	92	0.9	54	4.3	28	11.0	11	5.6	34	5.6	Jul-06
Total Fixed Income Policy Index			3.3	54	--	--	--	--	--	--	--	--	--	--	--	Jul-06
Global Fixed Income Allocation Index			4.7	33	1.0	38	2.6	22	4.8	16	9.7	19	--	--	6.4	Jul-06
eA All Global Fixed Inc Net Median			3.4		0.2		1.1		3.0		6.3		4.9		4.9	Jul-06
Public Fixed Income	400,614,626	15.1	4.5	--	-4.2	--	-0.6	--	2.7	--	--	--	--	--	--	--
Global Bonds	134,223,263	5.1	7.2	--	2.4	--	0.8	--	2.7	--	--	--	--	--	2.9	Dec-10
Barclays Global Aggregate			5.9	--	4.6	--	0.9	--	1.8	--	3.7	--	4.3	--	2.0	Dec-10
Brandywine	91,489,731	3.4	7.6	8	0.0	55	0.4	67	3.9	39	8.3	31	6.3	18	5.2	Oct-04
Barclays Global Aggregate			5.9	18	4.6	5	0.9	54	1.8	72	3.7	89	4.3	76	3.9	Oct-04
eA All Global Fixed Inc Net Median			3.4		0.2		1.1		3.0		6.3		4.9		4.9	Oct-04
Mondrian	42,733,532	1.6	6.4	14	5.3	3	1.2	50	1.6	76	4.9	65	4.7	60	3.7	Oct-03
Barclays Global Aggregate			5.9	18	4.6	5	0.9	54	1.8	72	3.7	89	4.3	76	4.1	Oct-03
eA All Global Fixed Inc Net Median			3.4		0.2		1.1		3.0		6.3		4.9		5.0	Oct-03
High Yield	157,023,336	5.9	2.9	--	-10.3	--	-1.2	--	3.2	--	--	--	--	--	4.3	Dec-10
Barclays Global High Yield			4.1	--	0.6	--	2.4	--	5.1	--	12.8	--	7.4	--	5.7	Dec-10
Loomis Sayles	112,986,454	4.3	2.4	79	-10.4	99	0.0	80	3.0	83	13.3	4	6.8	1	9.2	Oct-98
70% ML HIGH YIELD / 30% JPM EMBI PLUS			4.1	23	-1.1	36	2.1	47	5.2	35	11.4	41	6.9	1	7.9	Oct-98
eA Global High Yield Fixed Inc Net Median			2.9		-1.8		2.0		4.8		10.9		6.4		8.7	Oct-98
W.R. Huff High Yield	44,036,882	1.7	4.1	1	-9.5	98	-3.0	99	3.8	81	9.9	80	5.7	79	6.2	Jun-96
Citi High Yield Market Index			3.4	11	-4.7	72	1.2	70	4.5	54	11.8	21	6.6	36	6.7	Jun-96
eA US High Yield Fixed Inc Net Median			2.3		-3.2		1.9		4.6		10.9		6.3		6.6	Jun-96

Dallas Police & Fire Pension

DPFP

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Bank Loans	50,529,116	1.9	0.6	--	-3.4	--	--	--	--	--	--	--	--	--	--	Dec-10
S&P/LSTA Leveraged Loan Index			1.5	--	-1.3	--	1.9	--	3.2	--	9.0	--	4.3	--	3.5	Dec-10
Loomis Sayles Senior Rate and Fixed Income	50,529,116	1.9	0.6	86	-3.4	89	--	--	--	--	--	--	--	--	0.3	Jan-14
S&P/LSTA Leveraged Loan Index			1.5	79	-1.3	70	1.9	38	3.2	48	9.0	24	4.3	79	1.1	Jan-14
eA All Global Fixed Inc Net Median			3.4		0.2		1.1		3.0		6.3		4.9		1.3	Jan-14
Emerging Markets Debt	58,838,911	2.2	6.3	--	0.6	--	-3.1	--	0.9	--	--	--	--	--	1.7	Dec-10
50% JPM EMBI/50% JPM GBI-EM			8.1	--	1.4	--	-2.2	--	2.0	--	--	--	--	--	2.3	Dec-10
Ashmore AEMDF	41,229,780	1.6	4.3	82	2.5	22	-0.7	52	2.7	55	8.5	57	6.5	50	7.8	Feb-05
JP Morgan EMBI Global TR			5.2	52	4.4	5	2.4	11	6.0	9	9.4	45	7.1	37	7.4	Feb-05
eA All Emg Mkts Fixed Inc Net Median			5.4		0.8		-0.6		3.2		8.8		6.5		7.3	Feb-05
Ashmore AEMLCB	17,609,131	0.7	11.3	1	-3.4	89	-7.9	92	-2.7	90	--	--	--	--	-2.1	Mar-11
JP Morgan GBI EM Global Diversified TR USD			11.0	1	-1.6	69	-6.7	82	-2.0	82	4.9	88	5.0	90	-1.4	Mar-11
eA All Emg Mkts Fixed Inc Net Median			5.4		0.8		-0.6		3.2		8.8		6.5		3.5	Mar-11
Private Credit	86,262,132	3.2	2.4	--	--	--	--	--	--	--	--	--	--	--	2.4	Jan-16
Barclays Global High Yield +2%			4.6	--	--	--	--	--	--	--	--	--	--	--	4.6	Jan-16
Total Asset Allocation	354,455,179	13.4	2.0	38	-6.9	99	1.0	96	3.8	86	6.9	92	--	--	2.8	Jul-07
Total Asset Allocation Policy Index			2.0	39	--	--	--	--	--	--	--	--	--	--	--	Jul-07
eA Global Balanced Net Median			1.4		-1.7		4.2		5.7		10.1		4.8		3.8	Jul-07
Risk Parity	197,589,957	7.4	4.0	--	-7.3	--	-0.1	--	5.6	--	--	--	--	--	--	Jul-07
60% MSCI ACWI/40% Barclays Global Aggregate			2.6	--	-0.6	--	3.8	--	4.0	--	--	--	--	--	--	Jul-07
AQR	17,731,820	0.7	4.6	1	-7.8	99	--	--	--	--	--	--	--	--	0.6	Oct-13
CPI + 5% (Seasonally Adjusted)			1.2	57	5.9	1	5.8	8	6.3	23	6.7	92	6.8	1	5.7	Oct-13
eA Global Balanced Net Median			1.4		-1.7		4.2		5.7		10.1		4.8		3.8	Oct-13
Bridgewater All Weather	96,378,016	3.6	2.8	11	-9.8	85	-1.1	98	5.9	3	8.8	47	--	--	4.9	Sep-07
91 Day T-Bill + 6%			1.5	27	6.1	1	6.1	2	6.1	3	6.1	79	7.1	1	6.4	Sep-07
eA Global TAA Net Median			1.0		-4.6		2.1		3.2		8.2		4.2		3.1	Sep-07
Panagora Risk Parity	22,878,240	0.9	8.5	1	-4.7	96	--	--	--	--	--	--	--	--	6.1	Nov-13
CPI + 5% (Seasonally Adjusted)			1.2	57	5.9	1	5.8	8	6.3	23	6.7	92	6.8	1	5.7	Nov-13
eA Global Balanced Net Median			1.4		-1.7		4.2		5.7		10.1		4.8		2.9	Nov-13
Putnam	60,601,880	2.3	2.1	37	-5.5	99	0.0	99	2.9	91	--	--	--	--	5.2	Dec-09
CPI + 5% (Seasonally Adjusted)			1.2	57	5.9	1	5.8	8	6.3	23	6.7	92	6.8	1	6.5	Dec-09
eA Global Balanced Net Median			1.4		-1.7		4.2		5.7		10.1		4.8		6.7	Dec-09

Dallas Police & Fire Pension

DPFP

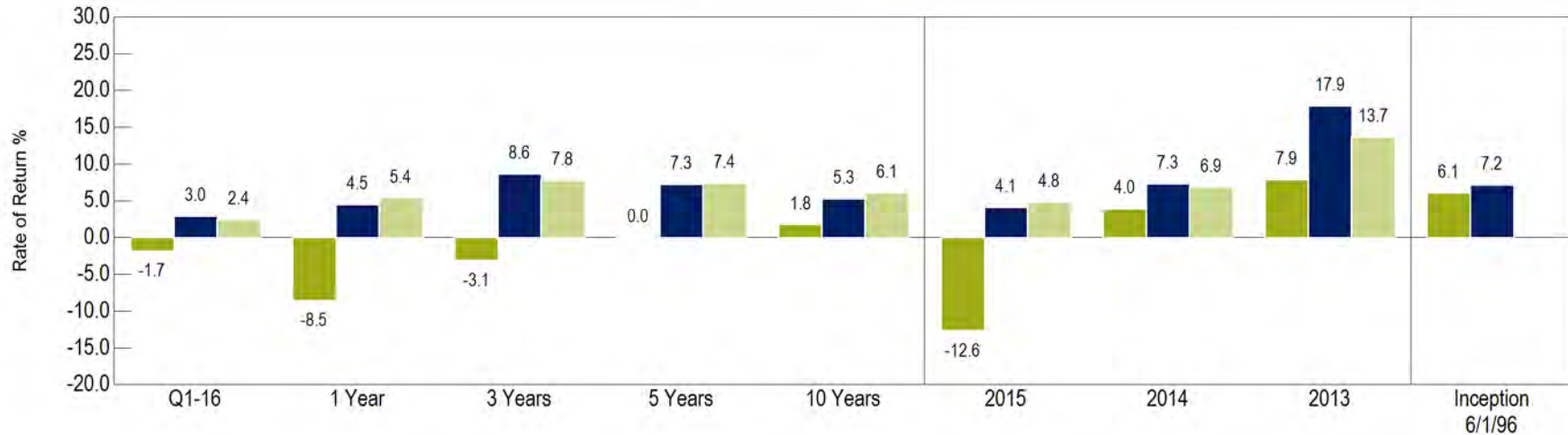
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
GTAA	125,642,729	4.7	0.8	--	-3.3	--	2.0	--	4.7	--	--	--	--	--	4.7	Dec-10
60% MSCI ACWI/40% Barclays Global Aggregate			2.6	--	-0.6	--	3.8	--	4.0	--	--	--	--	--	4.5	Dec-10
GMO	125,642,729	4.7	0.8	59	-3.3	39	2.0	56	4.7	11	6.7	62	--	--	3.9	Sep-07
CPI + 5% (Seasonally Adjusted)			1.2	37	5.9	1	5.8	3	6.3	2	6.7	62	6.8	1	6.7	Sep-07
eA Global TAA Net Median			1.0	--	-4.6	--	2.1	--	3.2	--	8.2	--	4.2	--	3.1	Sep-07
Absolute Return/Global Macro	31,222,493	1.2	-8.0	--	-16.8	--	5.2	--	--	--	--	--	--	--	--	Dec-10
HFRX Absolute Return Index			-0.6	--	0.6	--	2.0	--	0.6	--	0.1	--	-0.2	--	0.7	Dec-10
Bridgewater Pure Alpha	31,222,493	1.2	-8.0	99	-16.8	99	5.2	5	--	--	--	--	--	--	4.9	Aug-11
91 Day T-Bill + 6%			1.5	27	6.1	1	6.1	2	6.1	3	6.1	79	7.1	1	6.1	Aug-11
eA Global TAA Net Median			1.0	--	-4.6	--	2.1	--	3.2	--	8.2	--	4.2	--	3.3	Aug-11
Total Real Assets	1,135,039,243	42.8	-4.6	--	-11.8	--	-9.6	--	-6.5	--	--	--	--	--	-6.2	Dec-10
Total Real Assets Policy Index			4.8	--	--	--	--	--	--	--	--	--	--	--	--	Dec-10
Natural Resources	285,859,684	10.8	0.2	--	4.4	--	7.4	--	6.1	--	--	--	--	--	4.4	Apr-15
Natural Resources Benchmark			9.1	--	15.6	--	13.9	--	9.8	--	--	--	--	--	15.6	Apr-15
Global Infrastructure Composite	204,521,625	7.7	-2.3	--	-5.1	--	0.2	--	--	--	--	--	--	--	1.4	Jul-12
Global Infrastructure Benchmark			8.7	--	13.7	--	8.4	--	--	--	--	--	--	--	8.1	Jul-12
Real Estate Composite	644,657,934	24.3	-7.3	--	-18.8	--	-14.4	--	-9.5	--	-7.9	--	-4.1	--	3.6	Mar-85
NCREIF Property Index			2.2	--	11.8	--	11.9	--	11.9	--	9.1	--	7.6	--	8.1	Mar-85
Cash Equivalents	57,577,543	2.2	0.7	--	1.4	--	2.3	--	--	--	--	--	--	--	1.4	Apr-15
91 Day T-Bills			0.1	--	0.1	--	0.1	--	0.1	--	0.1	--	1.0	--	0.1	Apr-15

Footnotes

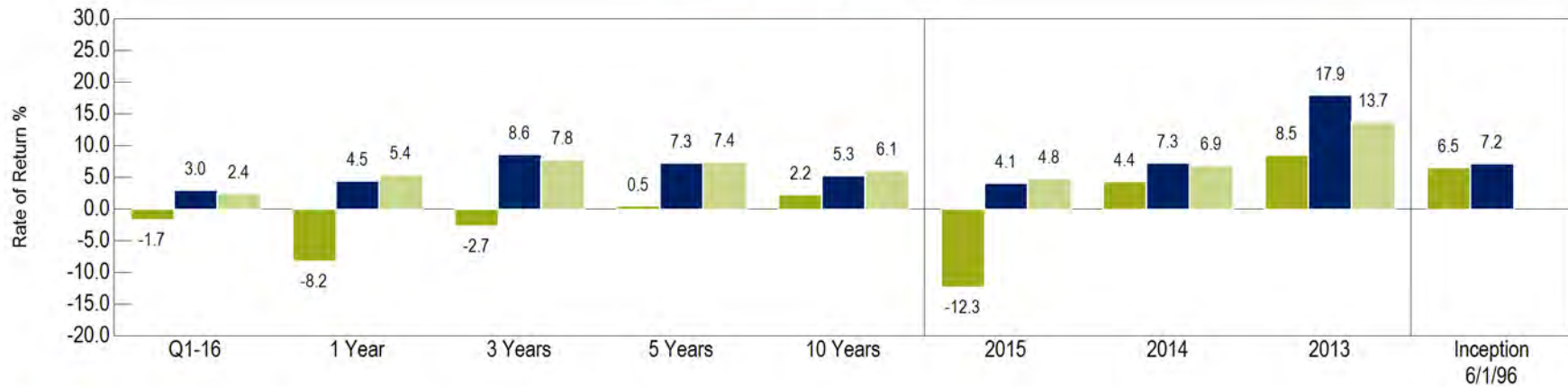
1. **Allianz Eco Trends** was included in the Global Natural Resources composite from 11/1/2008 to 3/31/2015 and included in the Global Equity composite from 4/1/2015 to present.
2. **Mitchell Group** was included in the Global Natural Resources composite from 10/1/2001 to 3/31/2015 and included in the Global Equity composite from 4/1/2015 to present.
3. **Sustainable Asset Management** was included in the Global Natural Resources composite from 11/1/2008 to 3/31/2015 and included in the Global Equity composite from 4/1/2015 to present.
4. **Hudson Clean Energy** was included in the Global Natural Resources composite from 1/1/2010 to 3/31/2015 and included in the Private Markets composite from 4/1/2015 to 12/31/2015 and the Private Equity composite from 1/1/2016 to present.
5. **RREEF** was included in the Real Estate composite from 2/1/1999 to 12/31/2009 and included in the Global Equity composite from 1/1/2010 to present.
6. **Highland Crusader** was included in the Global Fixed Income composite from 7/1/2003 to 12/31/2015 and included in the Private Credit composite from 1/1/2016 to present.
7. **Highland Capital Management** was included in the Global Fixed Income composite from 1/1/2007 to 12/31/2015 and included in the Private Credit composite from 1/1/2016 to present.
8. **Lone Star Fund VII, LP** was included in the Global Fixed Income composite from 10/1/2011 to 3/31/2015 and included in the Private Markets composite from 4/1/2015 to 12/31/2015 and included in the Private Credit composite from 1/1/2016 to present.
9. **Lone Star Fund VIII, LP** was included in the Global Fixed Income composite from 10/1/2013 to 3/31/2015 and included in the Private Markets composite from 4/1/2015 to 12/31/2015 and included in the Private Credit composite from 1/1/2016 to present.
10. **Lone Star Fund IX, LP** was included in the Global Fixed Income composite from 10/1/2014 to 3/31/2015 and included in the Private Markets composite from 4/1/2015 to 12/31/2015 and included in the Private Credit composite from 1/1/2016 to present.
11. **Oaktree Fund IV & 2x Loan Fund** was included in the Global Fixed Income composite from 1/1/2002 to 3/31/2015 and included in the Private Markets composite from 4/1/2015 to 12/31/2015 and included in the Private Credit composite from 1/1/2016 to present.
12. **Ashmore Capital GSSF IV** was included in the Private Markets composite from 10/1/2007 to 12/31/2015 and included in the Private Credit composite from 1/1/2016 to present.
13. **Global Infrastructure composite** was included in the Private Markets composite history until 6/30/2012.
14. **Private Equity composite** includes Private Credit managers until 12/31/2015. From 01/01/2016 to present the Private Equity and Credit managers are now in separate composites.
15. **Certain managers** in the Private Equity and Real Estate composites, the 12/31/15 audited financials have not been finalized. In this case the market value is based on estimated 12/31/15 values, provided by the manager, and adjusted for cash flows.

Total Fund Return Summary

Return Summary Net

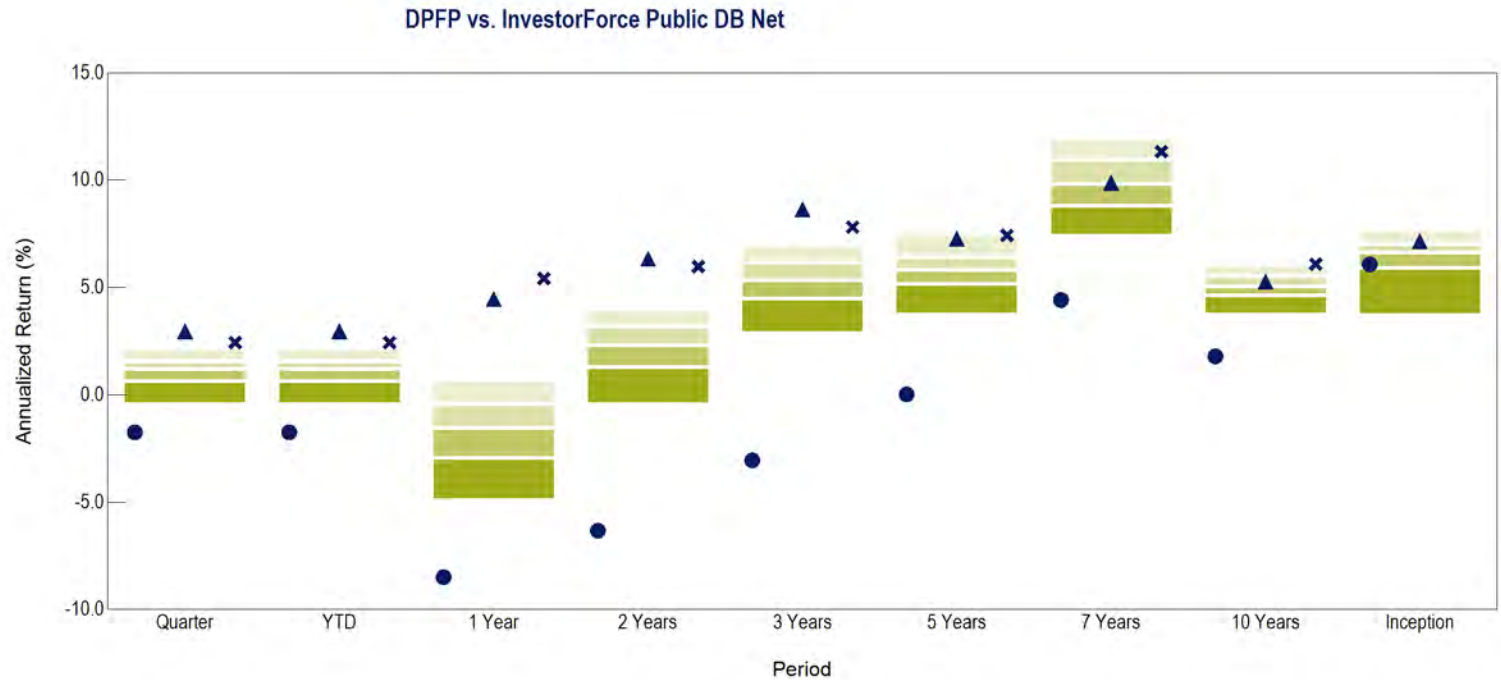


Return Summary Gross



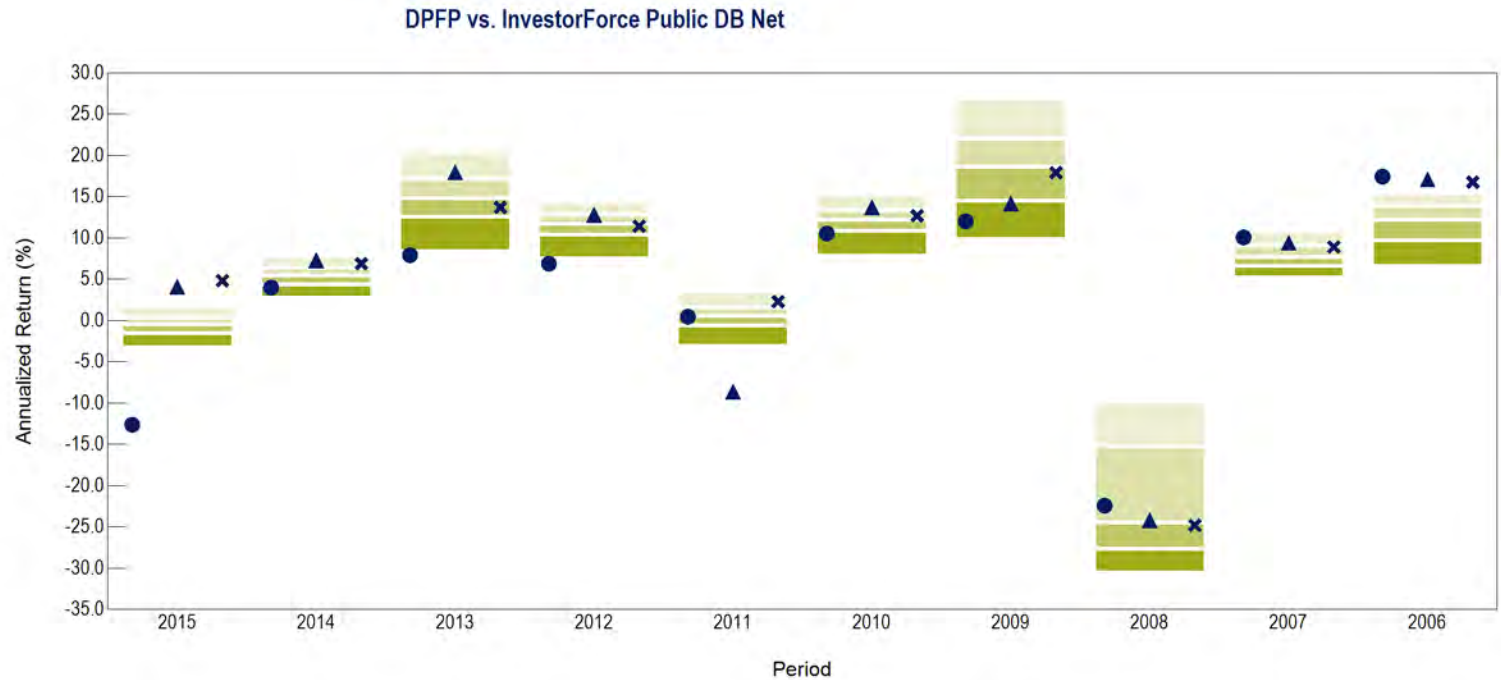
DFPF Allocation Index Policy Index

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	Inception	
5th Percentile	2.2	2.2	0.7	4.0	7.0	7.5	11.9	6.1	7.7	
25th Percentile	1.6	1.6	-0.4	3.2	6.2	6.4	11.0	5.6	7.0	
Median	1.2	1.2	-1.5	2.3	5.4	5.8	9.8	5.1	6.6	
75th Percentile	0.6	0.6	-2.9	1.3	4.5	5.2	8.8	4.6	5.9	
95th Percentile	-0.4	-0.4	-4.9	-0.4	2.9	3.8	7.4	3.8	3.7	
# of Portfolios	260	260	259	249	236	206	187	170	74	
● DPFP	-1.7 (99)	-1.7 (99)	-8.5 (99)	-6.3 (99)	-3.1 (99)	0.0 (99)	4.4 (99)	1.8 (99)	6.1 (71)	
▲ Allocation Index	3.0 (1)	3.0 (1)	4.5 (1)	6.3 (1)	8.6 (1)	7.3 (8)	9.9 (50)	5.3 (40)	7.2 (19)	
× Policy Index	2.4 (2)	2.4 (2)	5.4 (1)	6.0 (1)	7.8 (1)	7.4 (7)	11.3 (17)	6.1 (5)	-- (-)	

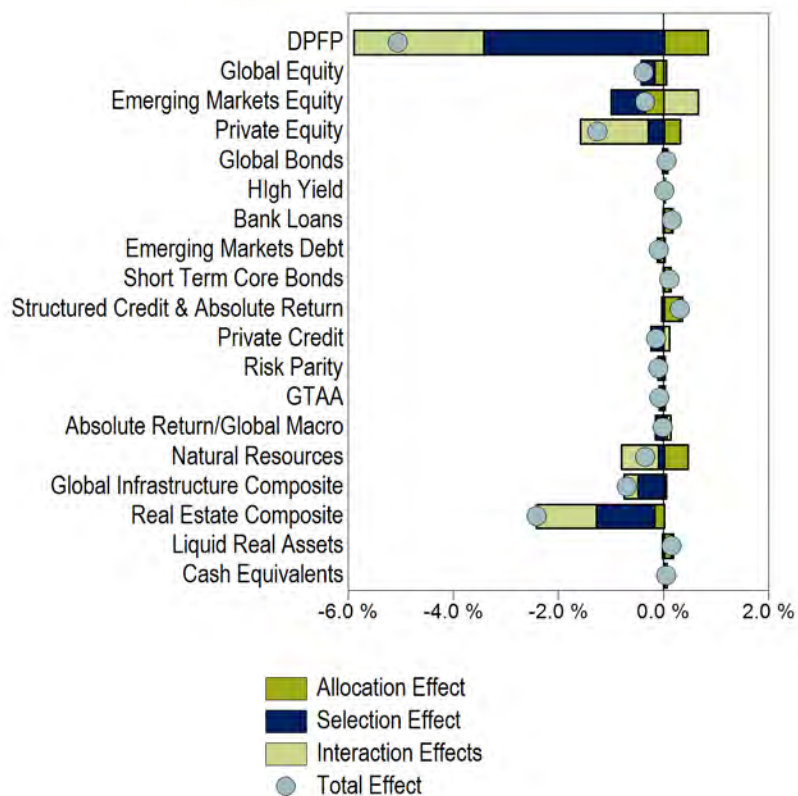
Total Fund Return Summary vs. Peer Universe



	Return (Rank)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
5th Percentile	1.7	7.7	20.4	14.3	3.6	15.3	26.8	-9.8	10.7	15.4	
25th Percentile	0.4	6.4	17.2	12.9	1.6	13.4	22.0	-15.2	9.1	14.0	
Median	-0.4	5.5	14.9	11.8	0.6	12.2	18.6	-24.4	7.8	12.3	
75th Percentile	-1.5	4.4	12.7	10.4	-0.5	10.9	14.5	-27.6	6.7	9.8	
95th Percentile	-3.2	2.7	8.4	7.6	-3.1	7.9	9.9	-30.5	5.2	6.6	
# of Portfolios	262	210	191	159	137	131	128	125	122	115	
● DPFP	-12.6 (99)	4.0 (82)	7.9 (97)	6.9 (97)	0.5 (57)	10.5 (78)	12.0 (88)	-22.4 (41)	10.1 (12)	17.4 (1)	
▲ Allocation Index	4.1 (1)	7.3 (9)	17.9 (19)	12.8 (29)	-8.6 (99)	13.7 (21)	14.2 (78)	-24.2 (49)	9.4 (20)	17.1 (1)	
× Policy Index	4.8 (1)	6.9 (18)	13.7 (66)	11.4 (58)	2.3 (13)	12.7 (39)	17.9 (58)	-24.8 (51)	8.9 (30)	16.8 (1)	

Total Fund Attribution Analysis

Attribution Effects Relative to Allocation Index
3 Months Ending March 31, 2016

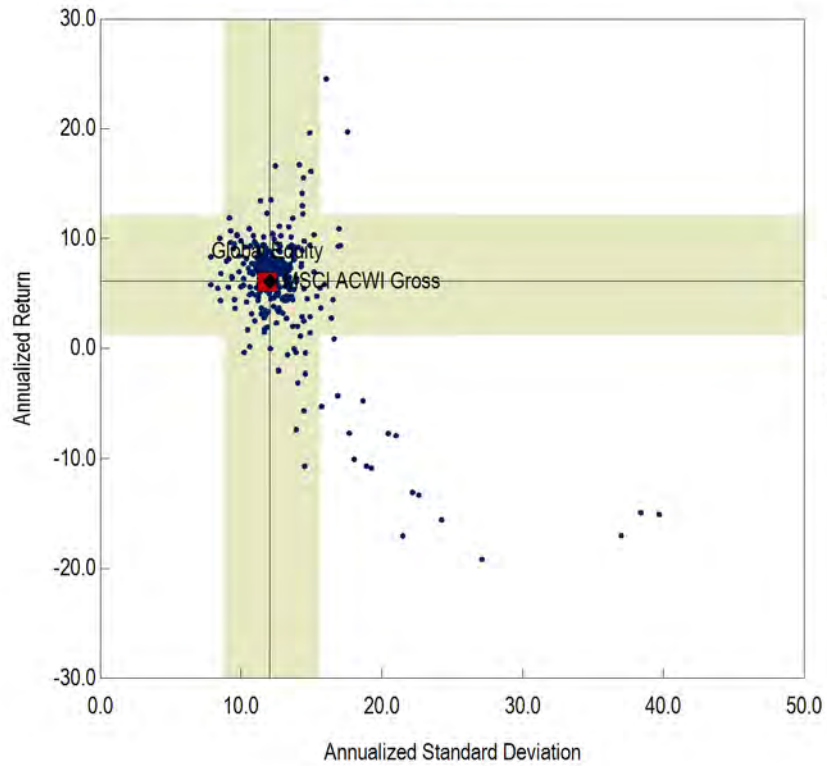


Attribution Summary
3 Months Ending March 31, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	-0.9%	0.4%	-1.3%	-0.2%	-0.1%	0.1%	-0.3%
Emerging Markets Equity	0.0%	5.8%	-5.8%	-0.6%	-0.4%	0.6%	-0.4%
Private Equity	-4.2%	1.7%	-5.9%	-0.3%	-0.2%	-0.5%	-1.0%
Global Bonds	7.2%	5.9%	1.3%	0.0%	0.0%	0.0%	0.1%
High Yield	2.9%	4.1%	-1.3%	0.0%	0.0%	0.0%	0.0%
Bank Loans	0.6%	1.5%	-0.9%	0.0%	0.2%	0.0%	0.2%
Emerging Markets Debt	6.3%	8.1%	-1.8%	0.0%	-0.1%	0.0%	-0.1%
Short Term Core Bonds	0.0%	0.9%	-0.9%	0.0%	0.1%	0.0%	0.1%
Structured Credit & Absolute Return	0.0%	-0.7%	0.7%	0.0%	0.3%	0.0%	0.3%
Private Credit	2.4%	4.6%	-2.3%	-0.2%	0.0%	0.1%	-0.1%
Risk Parity	4.0%	2.6%	1.5%	-0.1%	0.0%	0.0%	-0.1%
GTAA	0.8%	2.6%	-1.8%	-0.1%	0.0%	0.0%	-0.1%
Absolute Return/Global Macro	-8.0%	-0.6%	-7.4%	-0.1%	0.1%	0.1%	0.0%
Natural Resources	0.2%	9.1%	-9.0%	-0.1%	0.5%	-0.8%	-0.4%
Global Infrastructure Composite	-2.3%	8.7%	-11.0%	-0.5%	0.0%	-0.3%	-0.7%
Real Estate Composite	-7.3%	2.2%	-9.5%	-1.1%	-0.3%	-1.1%	-2.5%
Liquid Real Assets	0.0%	1.2%	-1.2%	0.0%	0.2%	0.0%	0.2%
Cash Equivalents	0.7%	0.1%	0.6%	0.0%	-0.1%	0.0%	0.0%
Total	-1.7%	3.8%	-5.5%	-3.4%	0.4%	-1.8%	-4.9%

Portfolio Review

3 Year Risk Return



3 Year Style Analysis



Public Equity

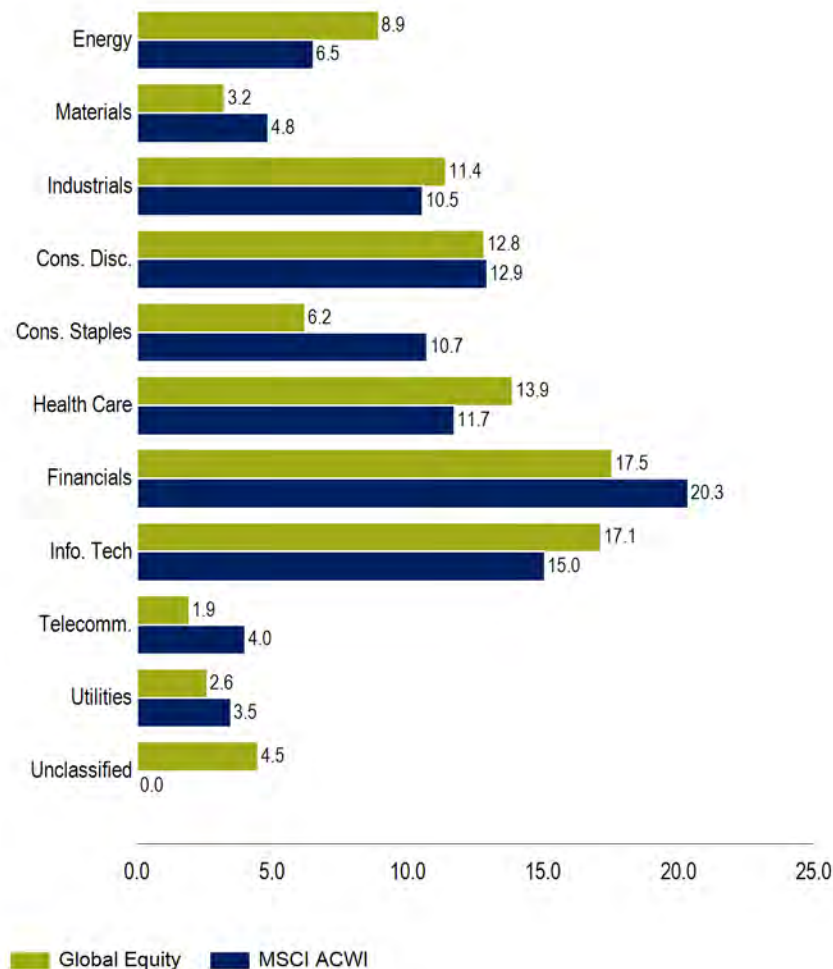
Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	844	2,482
Weighted Avg. Market Cap. (\$B)	60.5	87.3
Median Market Cap. (\$B)	10.4	8.3
Price To Earnings	23.6	20.2
Price To Book	4.2	3.2
Price To Sales	3.8	2.7
Return on Equity (%)	16.6	15.8
Yield (%)	2.1	2.6
Beta	1.0	1.0
R-Squared	1.0	1.0

Regional Allocation

	MSCI ACWI
Region Weighting	
North America ex U.S.	3.08
United States	53.24
Europe Ex U.K.	15.56
United Kingdom	6.29
Pacific Basin Ex Japan	5.03
Japan	7.54
Emerging Markets	8.93
Other	0.34

Equity Sector Allocation



Public Equity

Top Ten Holdings

CASH - USD	2.5%
JP MORGAN PRIME MMF AGENCY SHARES - MONTHLY VARIABLE 12312049	1.9%
ALPHABET 'C'	1.2%
COLGATE-PALM.	1.1%
ADOBE SYSTEMS	1.1%
INDITEX	1.0%
LVMH	1.0%
KEYENCE	0.9%
WALT DISNEY	0.9%
ALPHABET 'A'	0.9%

Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.0%	0.1%	0.0%	5.4%	6.2%	8.1%	6.1%			
Materials	-0.3%	-0.2%	-0.1%	0.0%	0.9%	5.8%	3.3%	4.6%			
Industrials	0.0%	0.0%	0.0%	0.0%	3.8%	3.6%	10.6%	10.2%			
Cons. Disc.	-0.1%	-0.1%	0.0%	0.0%	-0.9%	-0.4%	12.2%	13.1%			
Cons. Staples	-0.3%	0.0%	-0.2%	-0.1%	4.6%	4.8%	6.0%	10.3%			
Health Care	-0.2%	0.0%	-0.1%	0.0%	-7.0%	-6.5%	14.5%	12.6%			
Financials	0.2%	0.2%	0.2%	-0.2%	-4.7%	-5.0%	18.1%	21.6%			
Info. Tech	-0.4%	-0.4%	0.1%	0.0%	-0.8%	1.7%	17.0%	14.6%			
Telecomm.	-0.3%	-0.2%	-0.1%	0.1%	2.1%	7.1%	1.8%	3.7%			
Utilities	-0.2%	-0.2%	0.0%	0.0%	2.9%	8.8%	2.6%	3.2%			
Cash	0.1%	0.0%	0.1%	0.0%	0.1%	--	5.9%	0.0%			
Portfolio	-1.2%	=	-0.9%	+	-0.1%	+	-0.2%	-0.8%	0.3%	100.0%	100.0%

Top Positive Contributors

	Relative Contribution %	Return %
LVMH	0.1%	9.0%
AMAZON.COM	0.1%	-12.2%
SGS 'N'	0.1%	14.9%
HSBC HDG. (ORD \$0.50)	0.1%	-18.5%
BANK OF AMERICA	0.1%	-19.4%
EQT	0.1%	29.1%
VALEANT PHARMS.INTL.	0.1%	-74.0%
TAIWAN SEMICON.SPN.ADR 1:5	0.1%	15.2%
COLGATE-PALM.	0.1%	6.7%
TOYOTA MOTOR	0.1%	-14.9%

Top Negative Contributors

	Relative Contribution %	Return %
SUNEDISON	-0.2%	-89.4%
CELLEX THERAPEUTICS	-0.2%	-75.9%
MURATA MANUFACTURING	-0.1%	-16.7%
DAI-ICHI LIFE INSURANCE	-0.1%	-26.5%
CREDIT SUISSE GROUP N	-0.1%	-34.4%
DEUTSCHE BANK	-0.1%	-30.5%
AT&T	-0.1%	15.4%
CITIGROUP	-0.1%	-19.2%
BIOMARIN PHARM.	-0.1%	-21.3%
JD.COM 'A' ADR 1:2	-0.1%	-17.9%

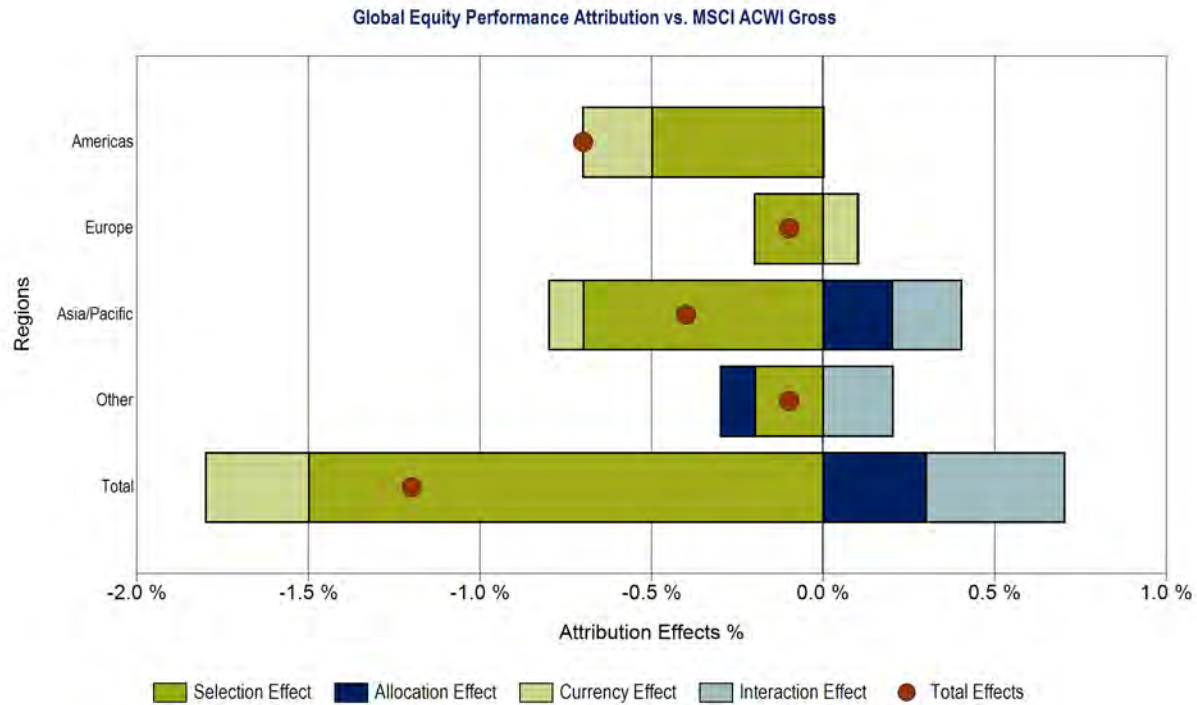
Public Equity

Country Allocation

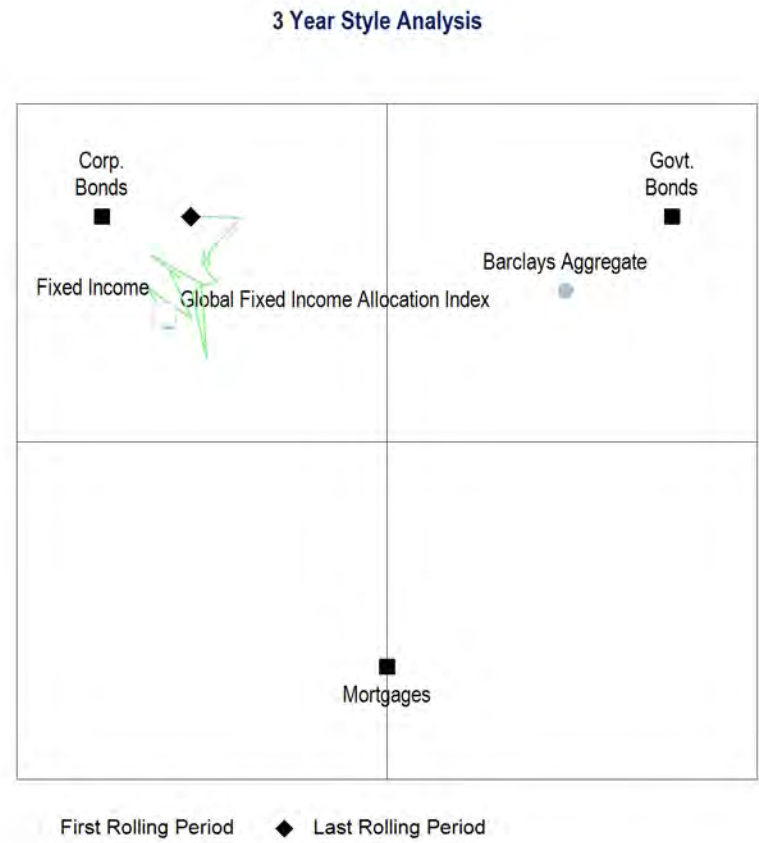
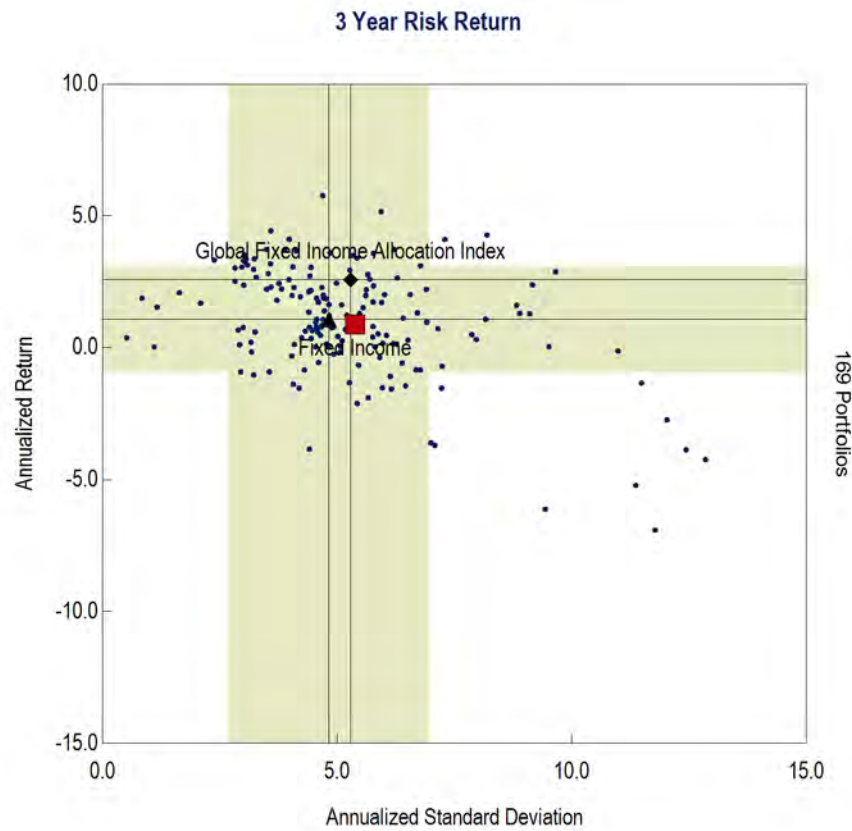
	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	0.3%	0.5%	-4.1%	28.6%
Canada	1.2%	2.8%	11.5%	11.4%
Mexico*	0.2%	0.4%	5.6%	8.5%
United States	55.7%	52.6%	0.4%	1.0%
Total-Americas	57.4%	56.5%	0.6%	1.9%
Europe				
Austria	0.1%	0.1%	5.3%	-0.5%
Belgium	0.1%	0.5%	-3.3%	-2.4%
Denmark	0.7%	0.7%	-1.2%	-0.7%
Finland	0.1%	0.3%	2.0%	-2.6%
France	4.7%	3.4%	2.0%	0.1%
Germany	3.7%	3.2%	-4.4%	-2.4%
Ireland	0.1%	0.1%	-11.0%	-1.2%
Italy	0.7%	0.8%	-15.3%	-11.6%
Luxembourg	0.0%	0.0%	19.1%	0.3%
Netherlands	0.6%	1.1%	5.8%	3.0%
Norway	0.1%	0.2%	-0.8%	1.8%
Portugal	0.0%	0.1%	-1.3%	3.3%
Spain	1.5%	1.1%	-2.5%	-4.1%
Sweden	1.8%	1.0%	-2.4%	0.1%
Switzerland	3.9%	3.3%	-3.5%	-5.2%
United Kingdom	4.8%	6.6%	-4.0%	-2.6%
Total-Europe	22.8%	22.9%	-2.4%	-2.1%

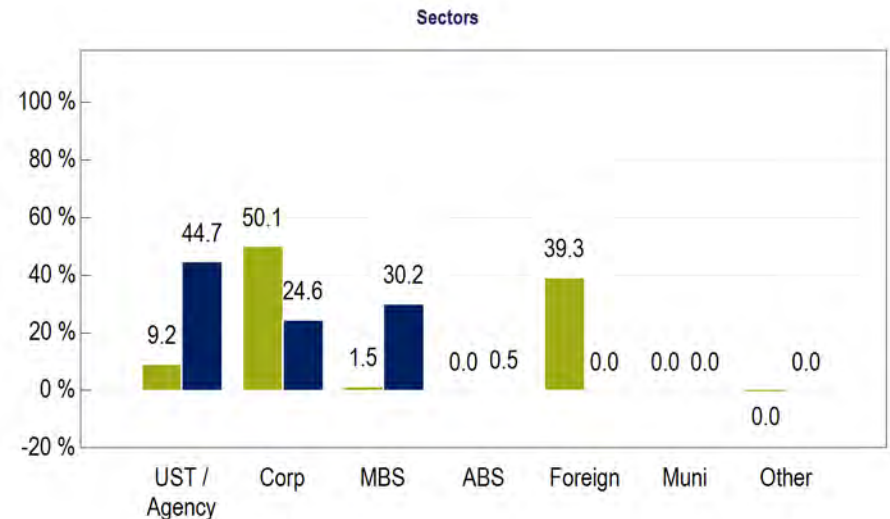
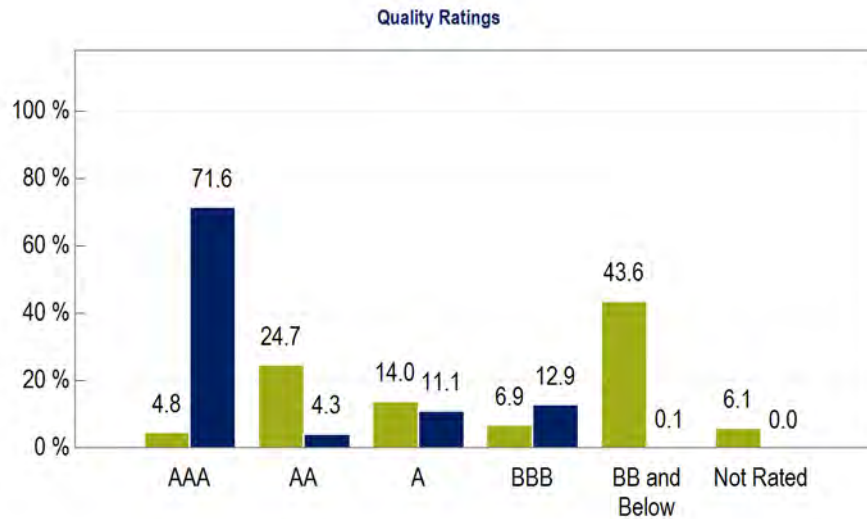
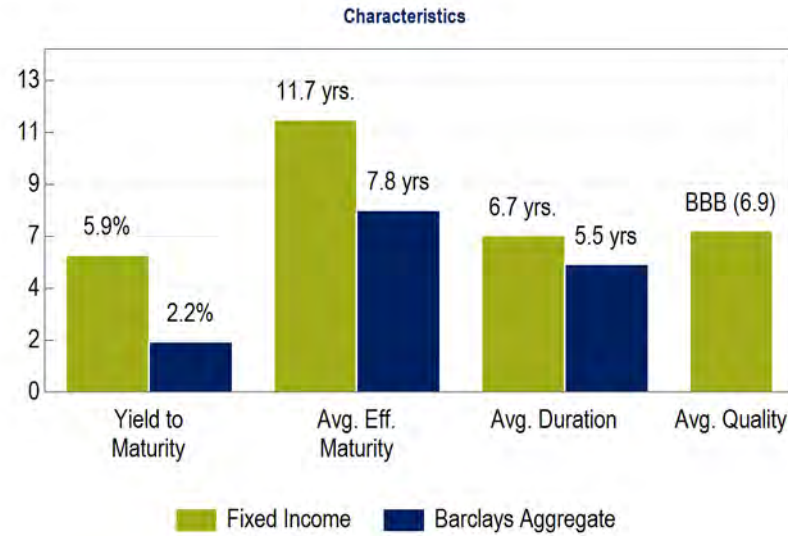
Country Allocation
Versus MSCI ACWI Gross - Quarter Ending March 31, 2016

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	1.2%	2.4%	4.3%	2.1%
China*	0.5%	2.8%	-12.2%	-4.8%
Hong Kong	1.9%	1.1%	-0.1%	-0.4%
India*	0.3%	0.8%	-8.6%	-2.6%
Japan	8.6%	8.1%	-8.0%	-6.5%
Korea*	0.1%	1.5%	17.6%	4.9%
Philippines*	0.1%	0.1%	14.6%	7.3%
Singapore	0.6%	0.4%	2.0%	5.1%
Taiwan*	0.4%	1.2%	15.2%	7.7%
Thailand*	0.0%	0.2%	-7.6%	17.2%
Total-AsiaPacific	13.7%	19.3%	-4.6%	-1.7%
Other				
Israel	0.2%	0.3%	-14.1%	-9.2%
Total-Other	0.2%	1.3%	-14.1%	8.0%
Totals				
Developed	92.3%	90.2%	-0.9%	-0.2%
Emerging*	1.8%	9.8%	-0.7%	5.5%
Cash	5.9%		0.1%	



	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	0.6%	1.9%	57.4%	56.5%	-0.5%	0.0%	-0.2%	0.0%	-0.7%
Europe	-2.4%	-2.1%	22.8%	22.9%	-0.2%	0.0%	0.1%	0.0%	-0.1%
Asia/Pacific	-4.6%	-1.7%	13.7%	19.3%	-0.7%	0.2%	-0.1%	0.2%	-0.4%
Other	-14.1%	8.0%	0.2%	1.3%	-0.2%	-0.1%	0.0%	0.2%	-0.1%
Cash	0.1%	--	5.9%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Total	-0.8%	0.3%	100.0%	100.0%	-1.5%	0.3%	-0.3%	0.4%	-1.2%
Totals									
Developed	-0.9%	-0.2%	92.3%	90.2%	-0.5%	0.0%	-0.1%	0.0%	-0.6%
Emerging*	-0.7%	5.5%	1.8%	9.8%	-0.4%	-0.3%	-0.3%	0.3%	-0.7%
Cash	0.1%	--	5.9%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%



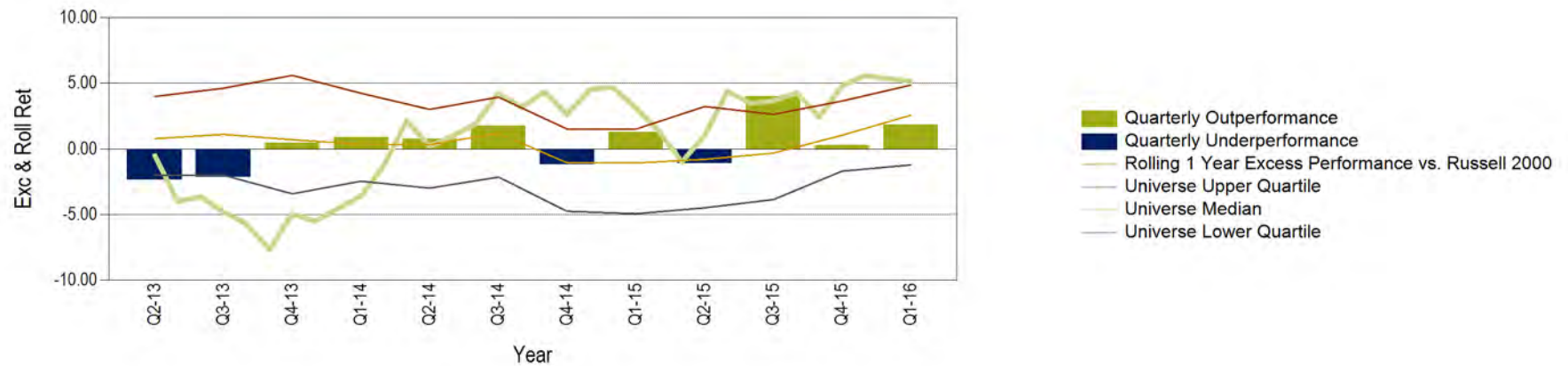


- **Manager Role in Portfolio**
 - Eagle manages the domestic small cap portfolio within Global Equity bucket
- **Organizational Profile**
 - Eagle Asset Management was founded in 1976 and is a wholly owned subsidiary of Raymond James Financial, Inc. Eagle became a Registered Investment Advisor in 1984.
 - Retail products form the core of their business
- **Investment Strategy Commentary**
 - Fundamental, bottom-up approach
 - Seeks companies with sustainable competitive advantages
 - Favors companies that have strong management, conservative accounting, low-cost relative production costs, and high barriers to entry

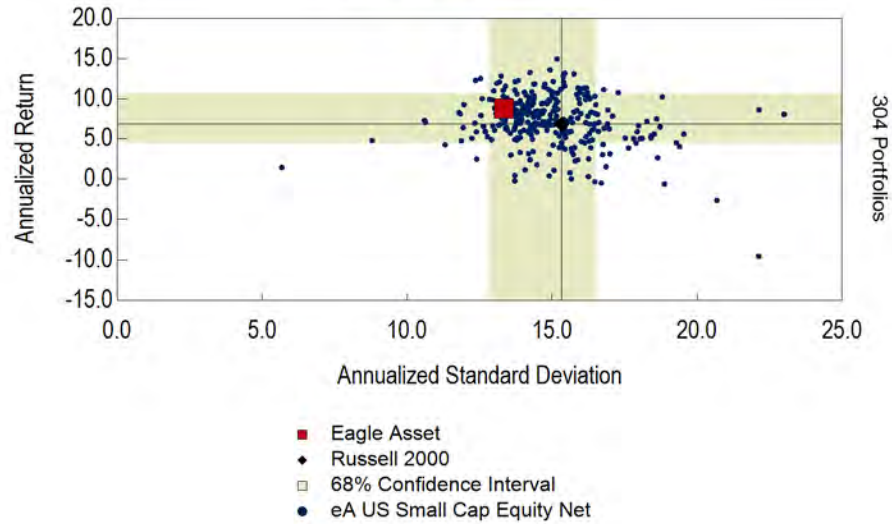
eA US Small Cap Equity Net Accounts



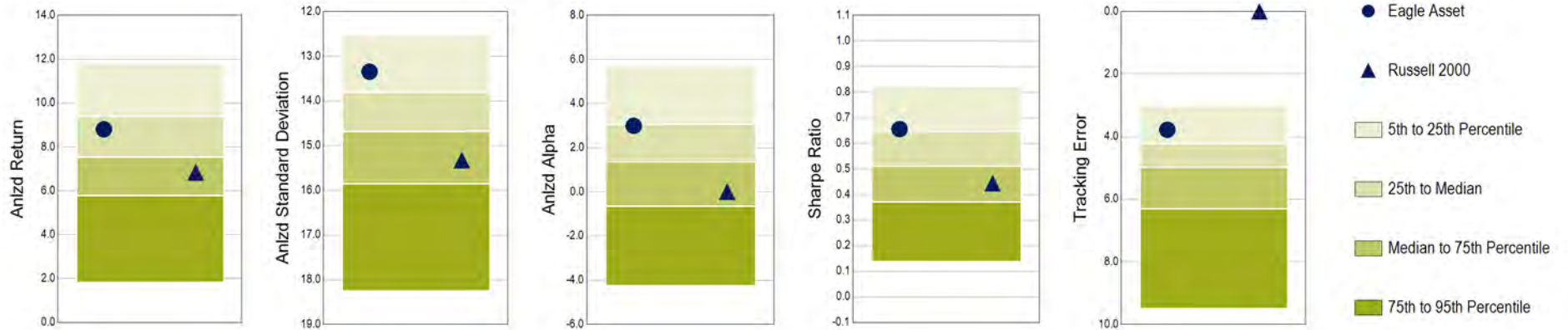
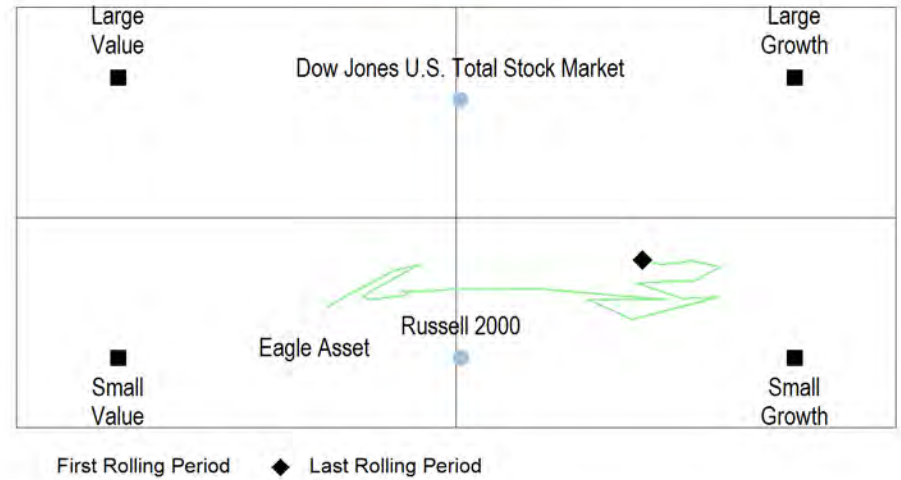
Annualized Excess Performance



3 Year Risk Return



3 Year Style Map



Characteristics

	Portfolio	Russell 2000
Number of Holdings	117	1,959
Weighted Avg. Market Cap. (\$B)	2.7	1.9
Median Market Cap. (\$B)	2.1	0.6
Price To Earnings	23.6	24.1
Price To Book	3.6	2.7
Price To Sales	3.1	2.8
Return on Equity (%)	14.2	10.6
Yield (%)	1.7	1.4
Beta		1.0
R-Squared		1.0

Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.6%	0.6%	0.0%	0.0%	13.1%	-8.2%	2.5%	2.7%			
Materials	-0.1%	-0.1%	0.0%	0.0%	1.5%	5.0%	4.3%	3.6%			
Industrials	0.3%	0.3%	0.0%	0.0%	7.1%	4.5%	12.4%	12.2%			
Cons. Disc.	0.3%	0.3%	0.0%	0.0%	4.2%	2.3%	14.4%	13.6%			
Cons. Staples	0.2%	0.2%	0.0%	0.0%	9.1%	3.2%	3.5%	3.4%			
Health Care	1.7%	1.6%	0.3%	-0.2%	-7.6%	-17.4%	14.2%	16.3%			
Financials	0.0%	0.0%	0.0%	0.0%	0.4%	0.3%	25.6%	25.7%			
Info. Tech	0.0%	0.0%	0.0%	0.0%	-1.5%	-1.7%	18.4%	17.9%			
Telecomm.	-0.1%	--	-0.1%	--	--	5.9%	0.0%	0.9%			
Utilities	-0.4%	0.0%	-0.4%	0.0%	11.4%	12.3%	1.0%	3.7%			
Cash	0.1%	0.0%	0.1%	0.0%	0.1%	--	3.5%	0.0%			
Portfolio	2.7%	=	2.9%	+	0.0%	+	-0.2%	1.1%	-1.6%	100.0%	100.0%

Top Positive Contributors

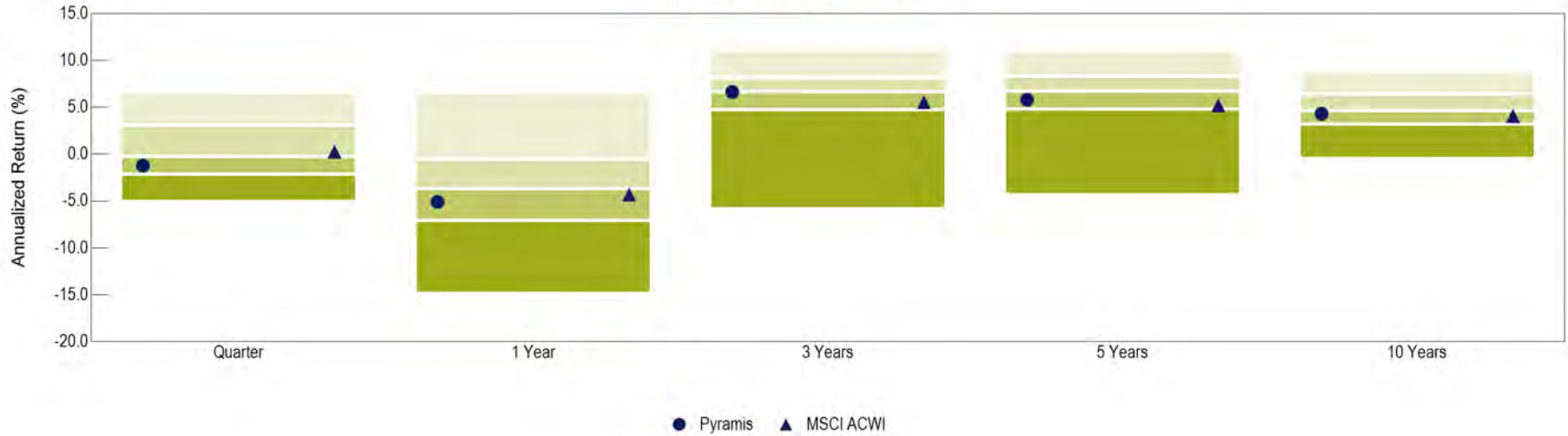
	Relative Contribution %	Return %
BURLINGTON STORES	0.3%	31.1%
VISTEON	0.3%	18.1%
WESCO INTL.	0.3%	25.2%
CYRUSONE	0.2%	23.0%
INTER PARFUMS	0.2%	30.4%
GEO GROUP	0.2%	22.9%
DELUXE	0.2%	15.2%
PATTERSON UTI ENERGY	0.2%	17.5%
BROADRIDGE FINL.SLTN.	0.2%	11.0%
SURGICAL CARE AFFILIATES	0.2%	16.3%

Top Negative Contributors

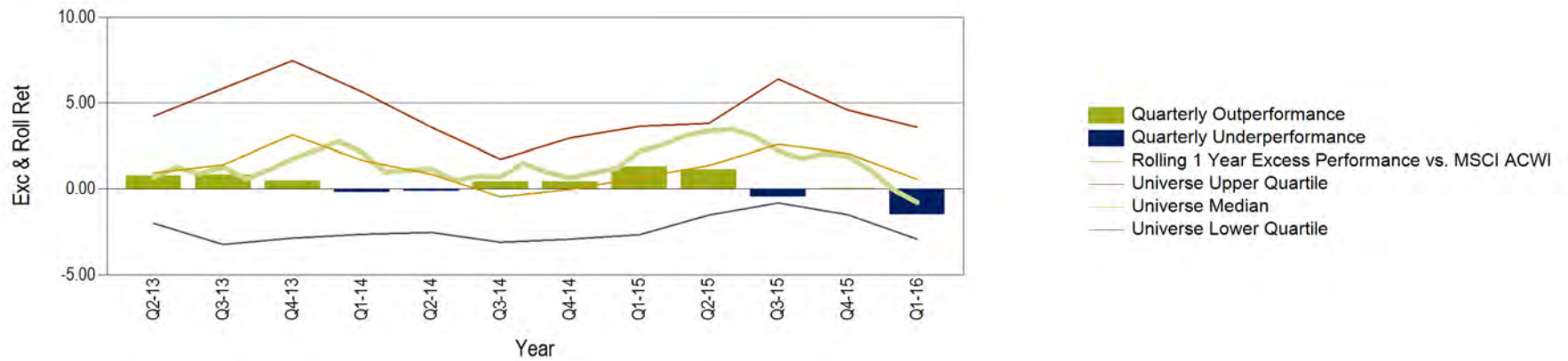
	Relative Contribution %	Return %
J2 GLOBAL	-0.4%	-24.9%
LOGMEIN	-0.3%	-24.8%
SAGENT PHARMACEUTICALS	-0.3%	-23.5%
QIAGEN (NAS)	-0.2%	-19.2%
NATUS MEDICAL	-0.2%	-20.0%
LIBERTY VENTURES 'A'	-0.2%	-13.3%
KORN FERRY INTERNATIONAL	-0.1%	-14.4%
INC RESEARCH HOLDINGS CL.A	-0.1%	-15.0%
MAIDEN HOLDINGS	-0.1%	-12.3%
ICU MEDICAL	-0.1%	-7.7%

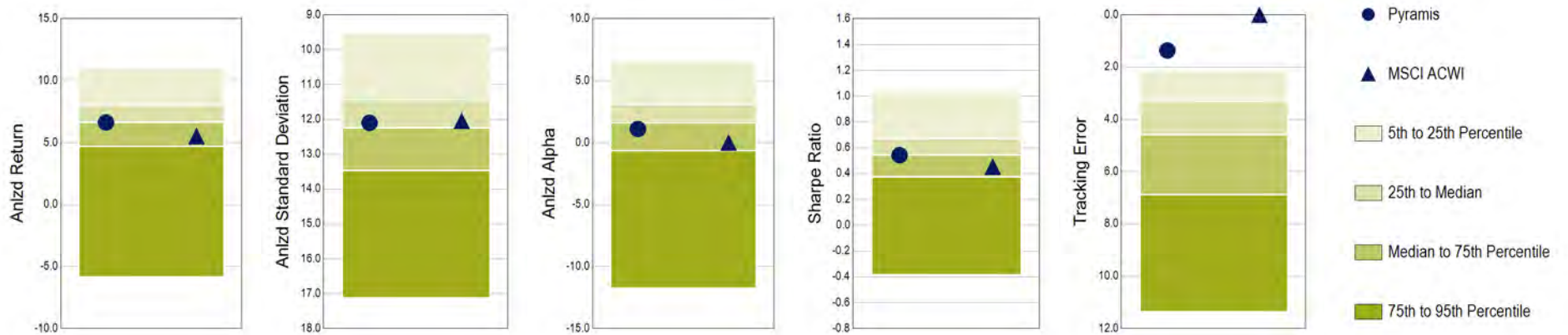
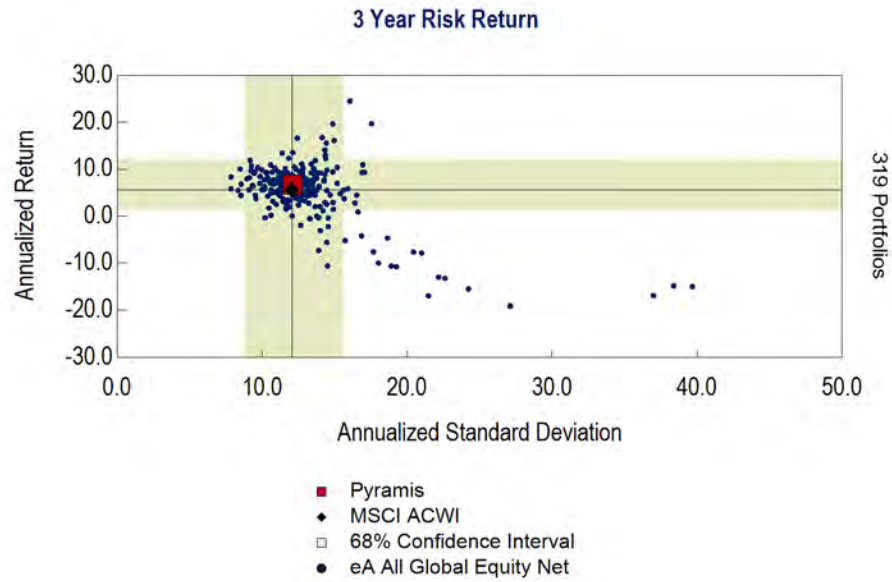
- **Manager Role in Portfolio**
 - Represents the core international equity holding (Select Int'l Fund until 12/31/2009). Effective January 1, 2010, transitioned to a global core equity mandate (Select Global Fund).
- **Organizational Profile**
 - Fidelity Management Trust Company (and now Pyramis) was established by Fidelity Investments (FMR Corp) in 1981 as a wholly-owned subsidiary to provide investment management services for institutional clients. Pyramis' organizational structure is closely linked with Fidelity Management & Research Company (FMRCo), the mutual fund division of Fidelity responsible for retail and institutional investment management. FMTC and FMRCo work side-by-side as one investment organization. Fidelity Investments is 100% employee-owned.
 - It should be noted that there were a lot of senior management changes in late 2005, however, nothing that directly impacts this strategy.
 - In May 2010, Fidelity announced that Ronald O'Hanley, former President & CEO of BNY Mellon Asset Management, would be joining the firm as President of its new Asset Management and Corporate Services division.
 - In June 2011, Pyramis announced that Ravi Mantha, PM for the Select Emerging Markets portfolio since 2008, was leaving. John Chow, who currently manages US equities, will be joining the Select team.
- **Investment Strategy Commentary**
 - Select International Fund (until 12/31/2009)
 - Core, bottom-up security selection combined with a quantitative, index-like country allocation strategy
 - Objective of the product is to add value through security selection, while closely matching the country allocation of the MSCI EAFE Index
 - Select Global Fund as of January 1, 2010
 - Global core, active, fundamental bottom-up security selection, with quantitative risk controls. Portfolio is constructed in a modular fashion, combining seven regional sub-portfolios (US, Canada, Japan, UK, Europe ex-UK, Japan Pacific ex-Japan, and emerging markets).
 - The benchmark also changed to the MSCI ACWI from the MSCI EAFE as of Jan. 1, 2010.
- **Due Diligence Notes**
 - On January 7, 2013, Pyramis announced that Pam R. Holding would be joining to take on the new role of Head of Portfolio Management. She will be leading the U.S., Global/International, and Alternatives equity portfolio management teams and responsible for strategy and process, risk oversight and execution of client investments at the portfolio level and will report to Chief Investment Officer, Young Chin.

eA All Global Equity Net Accounts



Annualized Excess Performance





Returns are net of fees

Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	418	2,482
Weighted Avg. Market Cap. (\$B)	85.1	87.3
Median Market Cap. (\$B)	19.8	8.3
Price To Earnings	23.5	20.2
Price To Book	3.9	3.2
Price To Sales	3.5	2.7
Return on Equity (%)	16.7	15.8
Yield (%)	2.4	2.6
Beta		1.0
R-Squared		1.0

Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.3%	-0.2%	-0.1%	0.0%	2.2%	6.2%	4.6%	6.1%			
Materials	-0.3%	-0.3%	0.0%	0.0%	-1.8%	5.8%	4.3%	4.6%			
Industrials	-0.2%	-0.1%	0.0%	-0.1%	1.8%	3.6%	8.6%	10.2%			
Cons. Disc.	-0.1%	-0.1%	0.0%	0.0%	-1.0%	-0.4%	11.4%	13.1%			
Cons. Staples	-0.2%	-0.1%	-0.1%	0.0%	3.9%	4.8%	9.2%	10.3%			
Health Care	-0.2%	-0.2%	0.0%	0.0%	-8.0%	-6.5%	12.3%	12.6%			
Financials	-0.1%	-0.2%	0.2%	-0.1%	-6.4%	-5.0%	17.8%	21.6%			
Info. Tech	-0.3%	-0.2%	-0.1%	0.0%	0.1%	1.7%	11.5%	14.6%			
Telecomm.	-0.2%	-0.2%	0.0%	0.0%	2.8%	7.1%	3.8%	3.7%			
Utilities	-0.2%	0.0%	-0.1%	0.0%	7.7%	8.8%	1.9%	3.2%			
Cash	0.2%	0.0%	0.2%	0.0%	0.1%	--	14.6%	0.0%			
Portfolio	-1.8%	=	-1.6%	+	0.1%	+	-0.2%	-1.4%	0.3%	100.0%	100.0%

Top Positive Contributors

	Relative Contribution %	Return %
EATON	0.1%	21.4%
EDISON INTL.	0.1%	22.2%
XCEL ENERGY	0.1%	17.4%
DILLARDS 'A'	0.0%	29.3%
REYNOLDS AMERICAN	0.0%	9.9%
PVH	0.0%	34.6%
CMS ENERGY	0.0%	18.6%
COGENT COMMS.HOLDINGS	0.0%	13.6%
RANDGOLD RESOURCES	0.0%	51.0%
ROCHE HOLDING	0.0%	-7.6%

Top Negative Contributors

	Relative Contribution %	Return %
MARATHON PETROLEUM	-0.1%	-27.6%
BIOMARIN PHARM.	-0.1%	-21.3%
ACTIVISION BLIZZARD	-0.1%	-11.9%
VERTEX PHARMS.	-0.1%	-36.8%
ALLERGAN	-0.1%	-14.2%
ENDO INTERNATIONAL	-0.1%	-54.0%
SERES THERAPEUTICS	-0.1%	-24.3%
TEVA PHARM.INDS.ADR 1:1	-0.1%	-18.0%
GLOBAL BLOOD THERP.	-0.1%	-50.9%
ALLIANCE DATA SYSTEMS	-0.1%	-20.5%

Pyramis

Regional Attribution

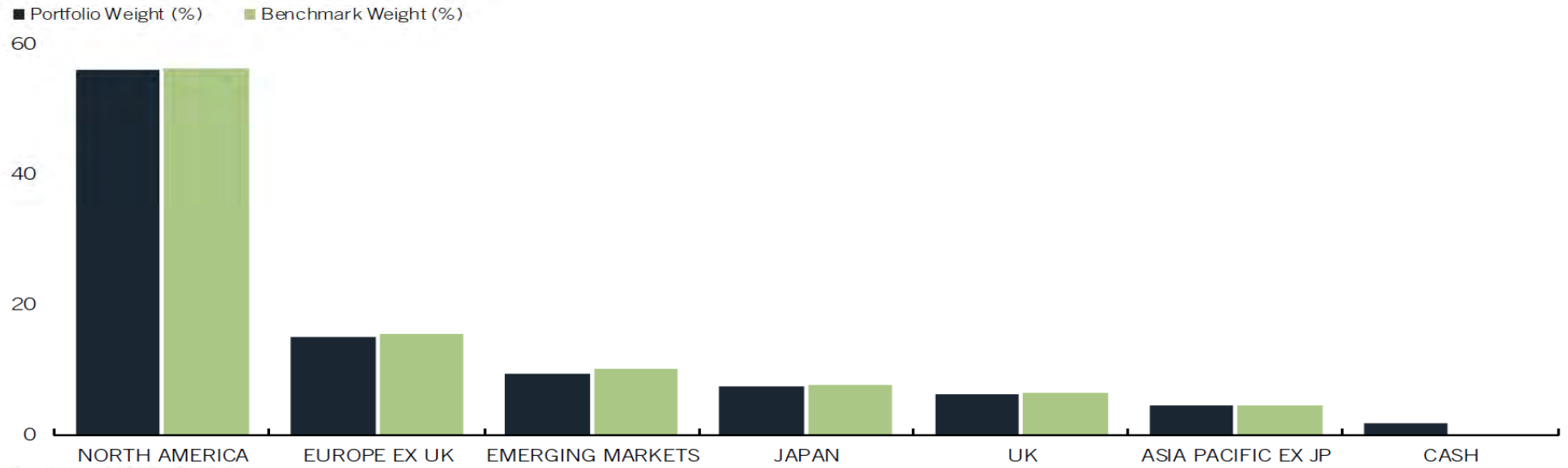
	Total Portfolio (%)	Asia Pacific Ex Jp (%)	Emerging Markets (%)	Europe ex UK (%)	Japan (%)	North America (%)	UK (%)
Portfolio Return	(1.2)	(2.4)	3.9	(3.0)	(7.6)	(0.3)	(3.7)
Benchmark Return	0.2	1.1	5.8	(2.6)	(6.5)	1.3	(2.3)
Active Return	(1.4)	(3.4)	(1.9)	(0.4)	(1.1)	(1.6)	(1.4)
Value Added from Regional Allocation	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0
Value Added from Stock Selection	(1.4)	(3.4)	(1.9)	(0.4)	(1.1)	(1.6)	(1.4)
Residual Country Allocation	(0.1)	(0.9)	(0.5)	0.2	0.0	(0.0)	0.0
Residual Sector Allocation	(0.1)	0.5	0.1	(0.1)	0.3	(0.2)	0.2
Residual Stock Specific	(1.3)	(3.1)	(1.5)	(0.5)	(1.4)	(1.4)	(1.6)
Cash and Other Assets	0.0						

Contribution to Relative Return by Sector & Region

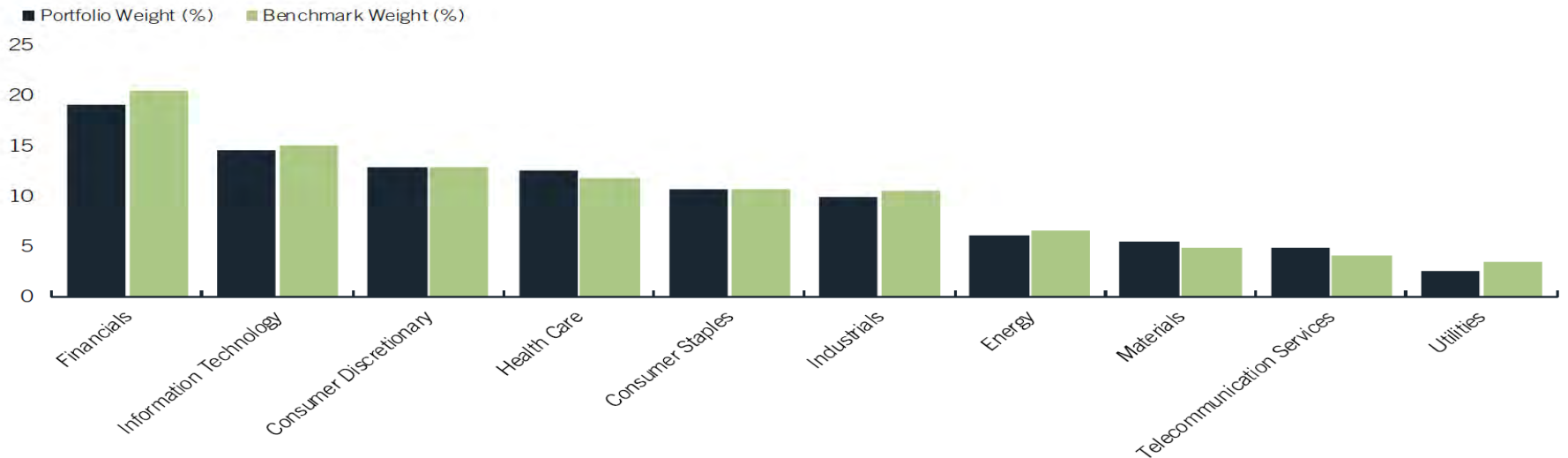
	Total Portfolio (%)	Asia Pacific Ex Jp (%)	Emerging Markets (%)	Europe ex UK (%)	Japan (%)	North America (%)	UK (%)
CONSUMER DISCRETIONARY	(0.0)	(0.0)	(0.1)	0.1	0.0	(0.0)	(0.1)
CONSUMER STAPLES	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	(0.0)
ENERGY	(0.2)	(0.0)	(0.0)	0.0	0.0	(0.3)	0.0
FINANCIALS	(0.1)	(0.0)	(0.1)	(0.1)	0.1	(0.0)	(0.0)
HEALTH CARE	(0.2)	(0.1)	(0.0)	0.0	(0.0)	(0.1)	(0.0)
INDUSTRIALS	(0.2)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)
INFORMATION TECHNOLOGY	(0.1)	(0.0)	0.0	(0.0)	(0.1)	(0.1)	0.0
MATERIALS	(0.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	(0.0)
TELECOMMUNICATION SERVICES	(0.1)	0.0	(0.0)	(0.0)	(0.0)	(0.1)	0.0
UTILITIES	(0.1)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)
All Sectors	(1.4)	(0.2)	(0.2)	(0.1)	(0.1)	(0.9)	(0.1)
Cash and Other Assets	(0.0)						
Active Return	(1.4)						

Source: Pyramis

Regional Weights



Sector Weights



Source: Pyramis

- **Manager Role in Portfolio**

- Global Equity All Cap Growth (added in Q4 2009)

- **Organizational Profile**

- Walter Scott was established in 1983 as an investment management firm specializing in equity investment across global mandates. In October, 2006, Walter Scott became a wholly owned subsidiary within The Mellon Financial Corporation (Mellon). Similar to Mellon's other investment management subsidiaries, Walter Scott operates autonomously in terms of business activities, investment research, portfolio management and investment administration. The investment decisions reflected within WS client portfolios reflect it independent investment research.
- In July of 2007, The Bank of New York Company, Inc. and Mellon Financial Corporation completed their merger with senior managers from both organizations heading business and support functions.

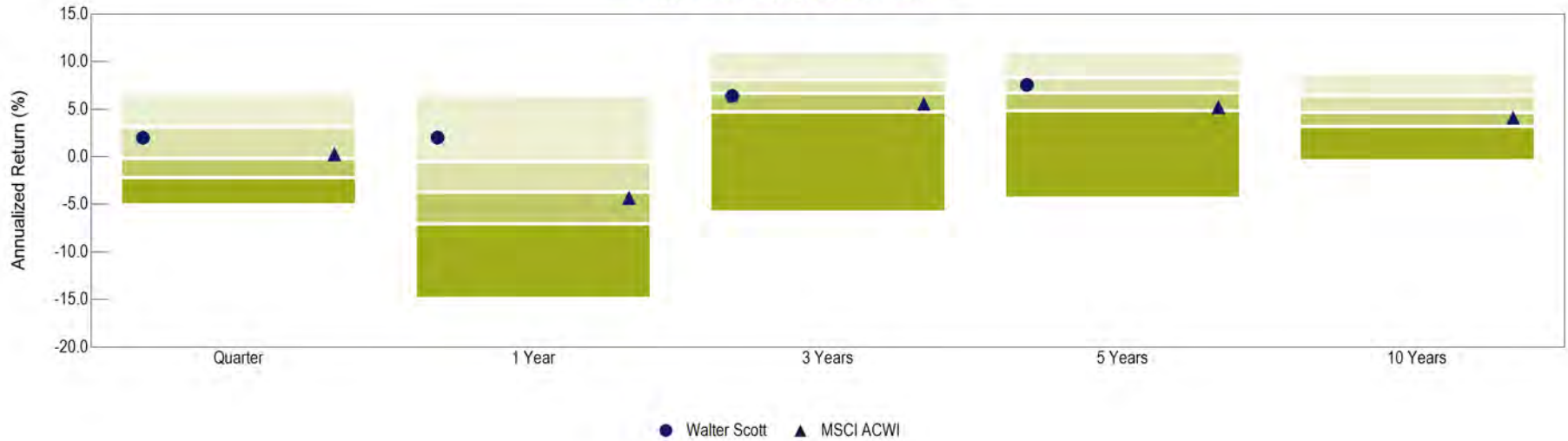
- **Investment Strategy Commentary**

- Walter Scott's fundamental, bottoms-up approach combines detailed financial research with business and industry analysis. The primary focus is upon stock selection, finding companies capable of generating wealth internally at 20% per annum, and compounding at this rate into the future.
- Walter Scott will not own more than 5% of a company's market capitalization, although it may hold a greater proportion of its free float, subject to their confidence level in the business' prospects. The final portfolio will be a low turnover growth portfolio that is concentrated in 40-60 names.

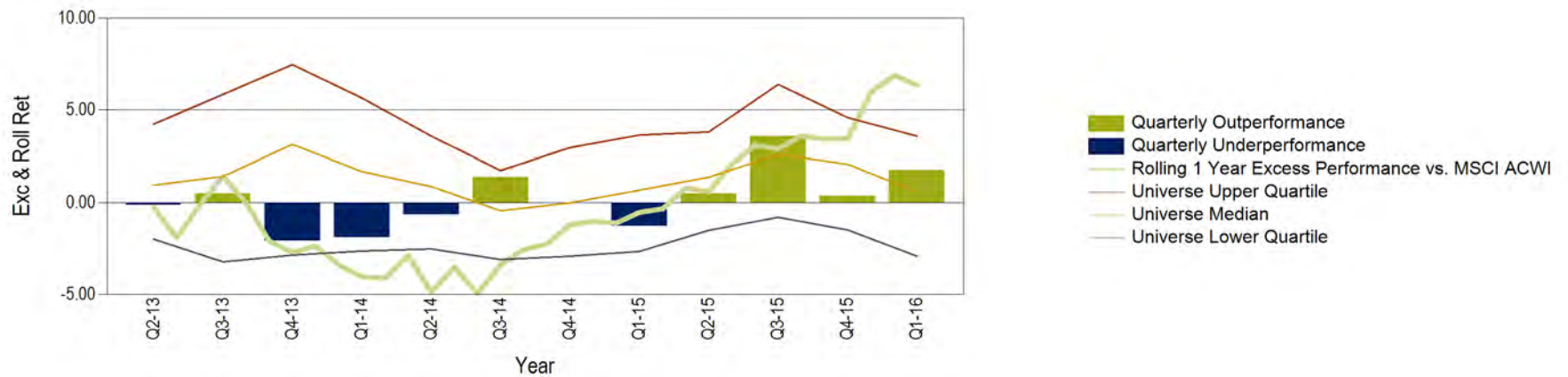
- **Due Diligence Notes**

- On February 8, 2013, Walter Scott announced that Ian Clark stepped down as main board Executive Director. Mr. Clark still maintained his title of Founder and remained involved with the firm, although not in an active investment role. With Mr. Clark stepping down, the total board size moved from 11 to 10 individuals. There were no plans to replace him on the board, but thoughts were that they would do so over the next 12-18 months.
- Effective December 31, 2013, Mr. Clark formally ended his employment.
- Walter Scott has been planning for succession and the founders relinquished stock coverage and management of the research process a long time ago.
- On June 13, 2013, Dr. Kenneth Lyall passed away. Dr. Lyall held various roles throughout the development of Walter Scott & Partners Limited and more recently as our Chairman. Dr. Lyall joined the firm in its first year in 1983 and played a major role in the firm's growth from those early years. In an investment career with Walter Scott & Partners Limited spanning 30 years, Ken contributed heavily to its development and investment success.

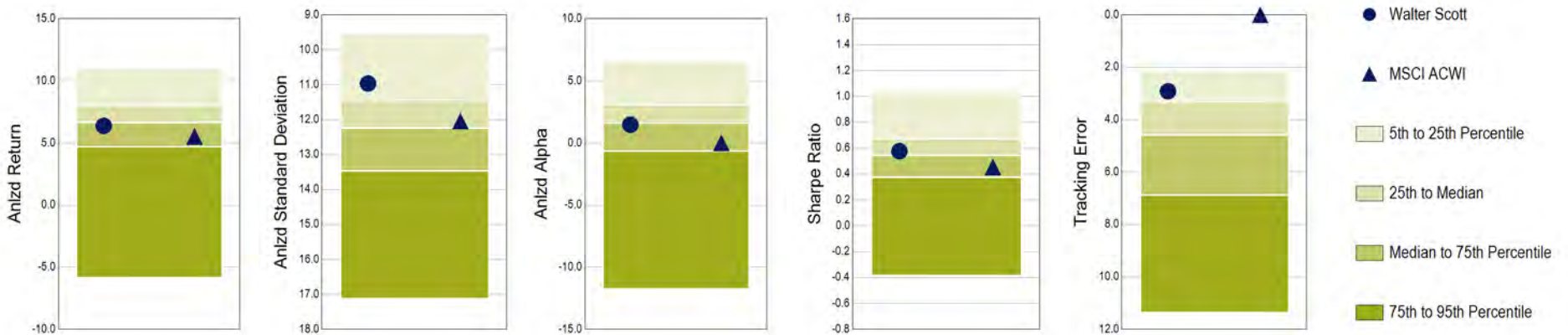
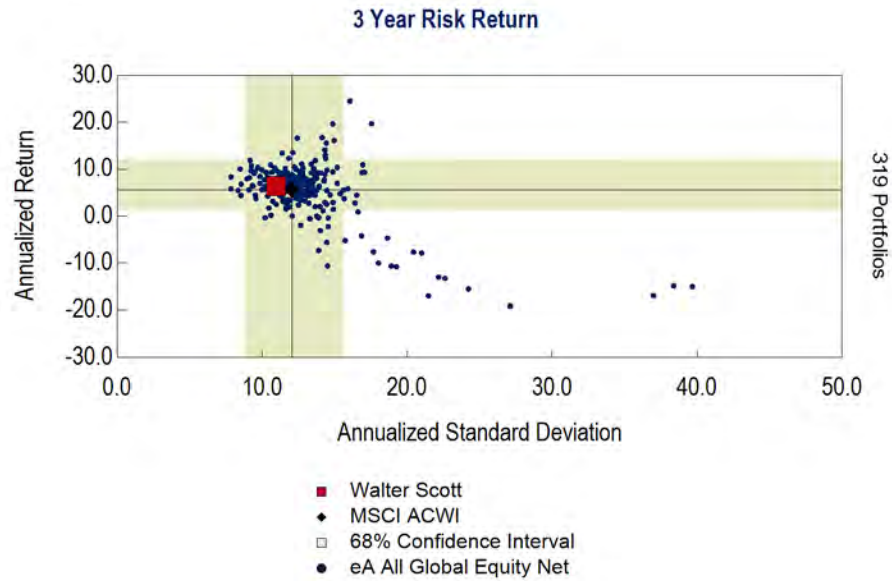
eA All Global Equity Net Accounts



Annualized Excess Performance



Returns are net of fees



Returns are net of fees

Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	53	2,482
Weighted Avg. Market Cap. (\$B)	90.7	87.3
Median Market Cap. (\$B)	48.8	8.3
Price To Earnings	24.6	20.2
Price To Book	5.8	3.2
Price To Sales	4.2	2.7
Return on Equity (%)	22.2	15.8
Yield (%)	2.1	2.6
Beta		1.0
R-Squared		1.0

Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights		
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark	
Energy	0.1%	0.1%	0.0%	0.0%	7.7%	6.2%	6.2%	6.1%	
Materials	0.0%	-0.1%	0.1%	0.1%	4.5%	5.8%	5.8%	4.6%	
Industrials	-0.2%	-0.2%	-0.1%	0.2%	4.3%	3.6%	6.2%	10.2%	
Cons. Disc.	-0.2%	-0.3%	0.0%	0.1%	-1.8%	-0.4%	19.4%	13.1%	
Cons. Staples	-0.2%	-0.1%	-0.1%	0.0%	4.5%	4.8%	7.9%	10.3%	
Health Care	1.2%	0.8%	-0.5%	0.9%	1.0%	-6.5%	21.2%	12.6%	
Financials	0.9%	1.6%	1.1%	-1.8%	5.8%	-5.0%	1.9%	21.6%	
Info. Tech	0.8%	0.3%	0.2%	0.3%	3.9%	1.7%	24.1%	14.6%	
Telecomm.	-0.3%	-0.2%	-0.1%	0.0%	-1.3%	7.1%	1.8%	3.7%	
Utilities	-0.3%	-0.2%	0.0%	-0.1%	0.2%	8.8%	3.2%	3.2%	
Cash	0.0%	0.0%	0.0%	0.0%	0.1%	--	2.2%	0.0%	
Portfolio	1.9%	=	1.8%	+	0.5%	+	-0.4%	2.2%	0.3%
					100.0%	100.0%			

Top Positive Contributors

	Relative Contribution %	Return %
STRYKER	0.3%	15.9%
TAIWAN SEMICON.SPN.ADR 1:5	0.3%	15.2%
SGS 'N'	0.3%	14.9%
TJX	0.2%	10.8%
INTUITIVE SURGICAL	0.2%	10.1%
PRAXAIR	0.2%	12.6%
AMPHENOL 'A'	0.2%	11.0%
ORACLE	0.2%	12.5%
CNOOC	0.2%	13.4%
LVMH	0.2%	9.0%

Top Negative Contributors

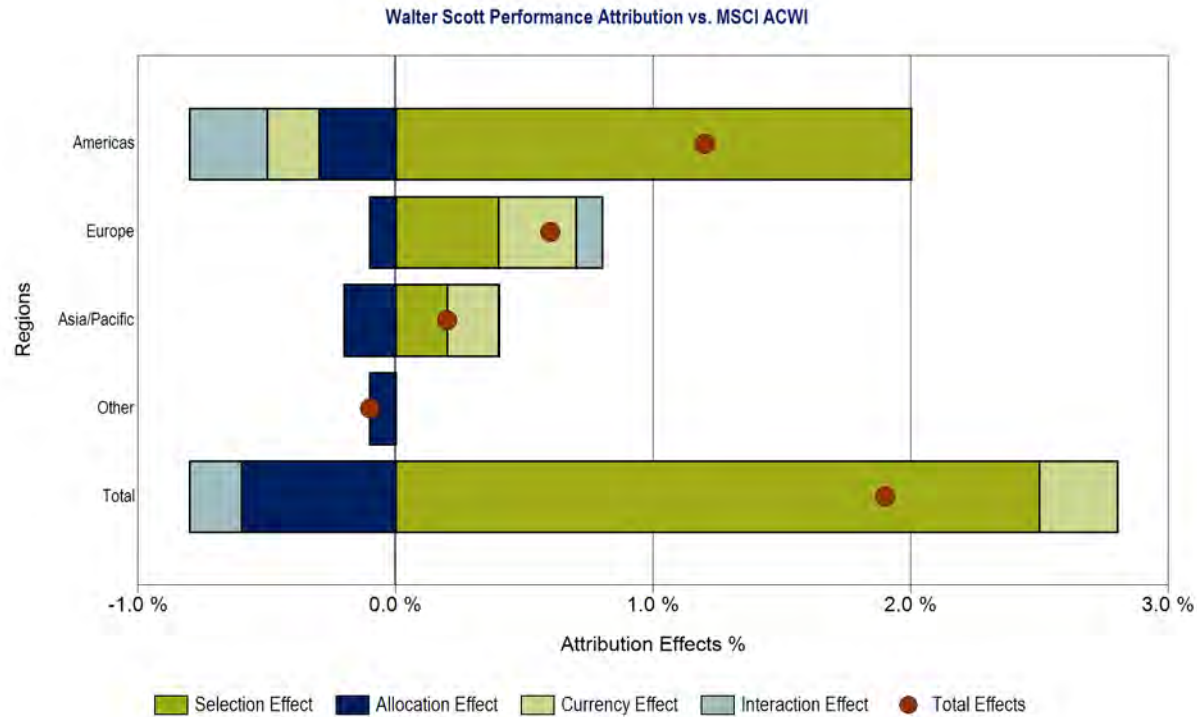
	Relative Contribution %	Return %
DENSO	-0.3%	-15.7%
HONDA MOTOR	-0.2%	-14.9%
FANUC	-0.2%	-11.2%
NOVARTIS 'R'	-0.2%	-12.9%
GILEAD SCIENCES	-0.1%	-8.8%
HENNES & MAURITZ 'B'	-0.1%	-6.8%
ROCHE HOLDING	-0.1%	-7.6%
SHIN-ETSU CHEMICAL	-0.1%	-4.9%
HONG KONG AND CHINA GAS	-0.1%	-4.7%
NOVO NORDISK 'B'	-0.1%	-5.0%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Canada	1.3%	2.8%	9.7%	11.4%
United States	45.8%	52.6%	4.9%	1.0%
Total-Americas	47.1%	56.5%	5.0%	1.9%
Europe				
Denmark	2.1%	0.7%	-5.0%	-0.7%
France	5.7%	3.4%	4.6%	0.1%
Spain	2.3%	1.1%	-2.1%	-4.1%
Sweden	2.0%	1.0%	-6.8%	0.1%
Switzerland	10.6%	3.3%	-0.1%	-5.2%
United Kingdom	3.6%	6.6%	4.2%	-2.6%
Total-Europe	26.2%	22.9%	0.4%	-2.1%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	2.4%	2.4%	2.7%	2.1%
Hong Kong	6.4%	1.1%	2.7%	-0.4%
Japan	11.8%	8.1%	-7.6%	-6.5%
Singapore	1.9%	0.4%	5.8%	5.1%
Taiwan*	2.0%	1.2%	15.2%	7.7%
Total-AsiaPacific	24.5%	19.3%	-1.0%	-1.7%
Totals				
Developed	95.7%	90.2%	2.0%	-0.2%
Emerging*	2.0%	9.8%	15.2%	5.5%
Cash	2.2%		0.1%	



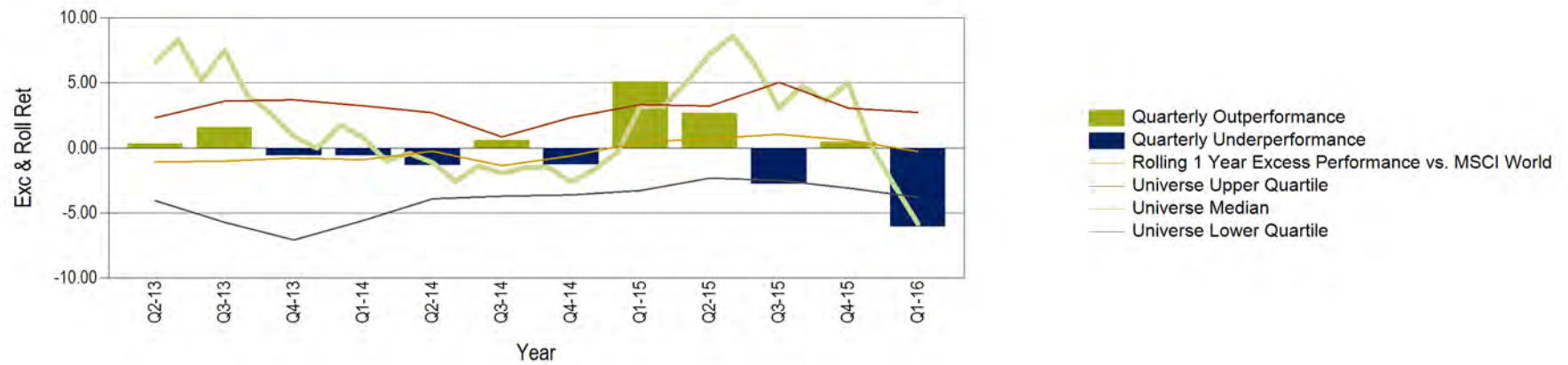
	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	5.0%	1.9%	47.1%	56.5%	2.0%	-0.3%	-0.2%	-0.3%	1.2%
Europe	0.4%	-2.1%	26.2%	22.9%	0.4%	-0.1%	0.3%	0.1%	0.6%
Asia/Pacific	-1.0%	-1.7%	24.5%	19.3%	0.2%	-0.2%	0.2%	0.0%	0.2%
Other	--	8.0%	0.0%	1.3%	--	-0.1%	0.0%	--	-0.1%
Cash	0.1%	--	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	2.2%	0.3%	100.0%	100.0%	2.5%	-0.6%	0.3%	-0.2%	1.9%
Totals									
Developed	2.0%	-0.2%	95.7%	90.2%	1.6%	0.0%	0.5%	0.1%	2.2%
Emerging*	15.2%	5.5%	2.0%	9.8%	1.2%	-0.3%	-0.3%	-1.0%	-0.3%
Cash	0.1%	--	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- **Manager Role in Portfolio**
 - Represents global equity allocation
- **Organizational Profile**
 - OFI is a wholly owned subsidiary of Oppenheimer Funds, Inc. with primary office locations in Boston, New York, Denver, and Bellefonte, PA.
- **Investment Strategy Commentary**
 - Fundamental bottom-up stock picking, contrarian, and theme oriented (MANTRA) with a long term view of growth
 - Themes are structural (i.e. new technologies, aging population, etc.) and of long-duration. Sub-themes and industries are constantly evolving.
 - Position size based on level of conviction and performance potential, and the existing country and sector exposures.
 - Largest positions reflect best ideas, and not index weight.

eA All Global Equity Net Accounts

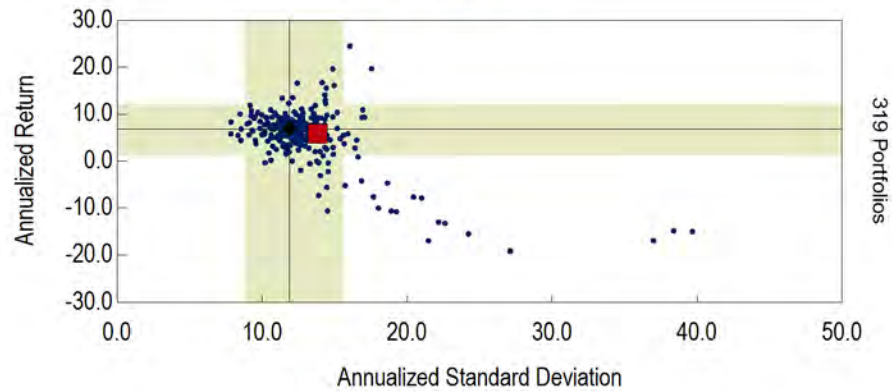


Annualized Excess Performance



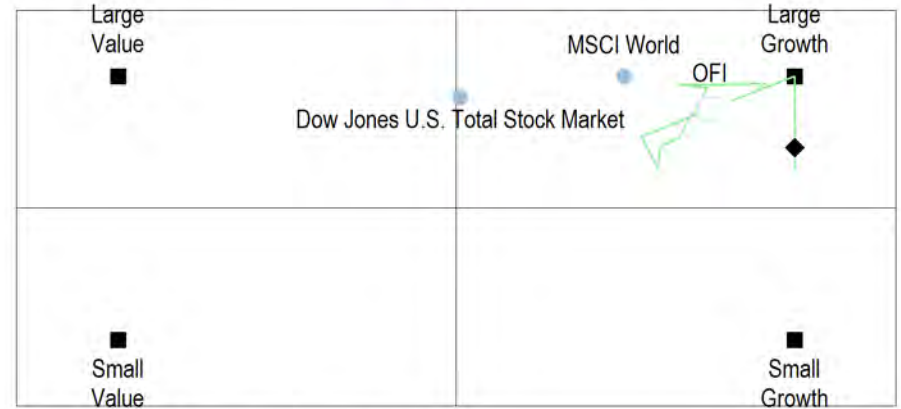
Returns are net of fees

3 Year Risk Return

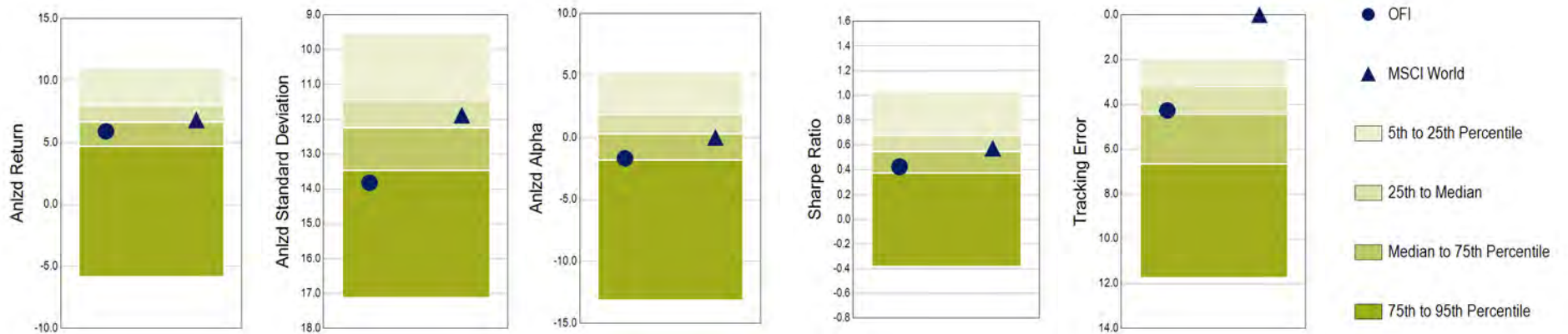


- OFI
- ◆ MSCI World
- 68% Confidence Interval
- eA All Global Equity Net

3 Year Style Map



- First Rolling Period
- ◆ Last Rolling Period



Returns are net of fees

Characteristics

	Portfolio	MSCI World
Number of Holdings	92	1,647
Weighted Avg. Market Cap. (\$B)	64.8	92.8
Median Market Cap. (\$B)	26.5	10.4
Price To Earnings	25.0	20.7
Price To Book	3.9	3.2
Price To Sales	3.7	2.7
Return on Equity (%)	16.0	15.6
Yield (%)	1.9	2.6
Beta		1.0
R-Squared		1.0

Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.3%	0.0%	-0.3%	0.0%	8.2%	5.0%	1.2%	6.0%			
Materials	-0.3%	-0.3%	-0.1%	0.1%	0.0%	4.5%	0.8%	4.4%			
Industrials	-0.2%	-0.4%	0.0%	0.1%	1.1%	3.6%	12.0%	10.7%			
Cons. Disc.	-0.2%	-0.4%	0.0%	0.2%	-2.4%	-0.6%	13.5%	13.4%			
Cons. Staples	-0.3%	0.2%	-0.2%	-0.2%	5.1%	4.7%	5.7%	10.6%			
Health Care	-1.4%	-0.8%	-0.2%	-0.3%	-13.3%	-6.6%	17.7%	13.7%			
Financials	-1.7%	-1.9%	0.1%	0.0%	-15.3%	-6.2%	19.7%	20.9%			
Info. Tech	-1.0%	-0.9%	0.3%	-0.4%	-4.0%	1.3%	26.0%	13.7%			
Telecomm.	-0.2%	-0.3%	-0.1%	0.2%	3.0%	7.1%	1.6%	3.4%			
Utilities	-0.3%	-0.4%	-0.3%	0.3%	0.3%	8.8%	0.0%	3.2%			
Cash	0.0%	0.0%	0.0%	0.0%	0.1%	--	1.7%	0.0%			
Portfolio	-6.0%	=	-5.2%	+	-0.9%	+	0.1%	-6.2%	-0.2%	100.0%	100.0%

Top Positive Contributors

	Relative Contribution %	Return %
LVMH	0.2%	9.0%
INTUIT	0.1%	8.1%
COLGATE-PALM.	0.1%	6.7%
3M	0.1%	11.4%
UNITED PARCEL SER.'B'	0.1%	10.5%
FACEBOOK CLASS A	0.1%	9.0%
AETNA	0.1%	4.2%
UNILEVER (UK)	0.1%	5.9%
PAYPAL HOLDINGS	0.1%	6.6%
EMERSON ELECTRIC	0.1%	14.9%

Top Negative Contributors

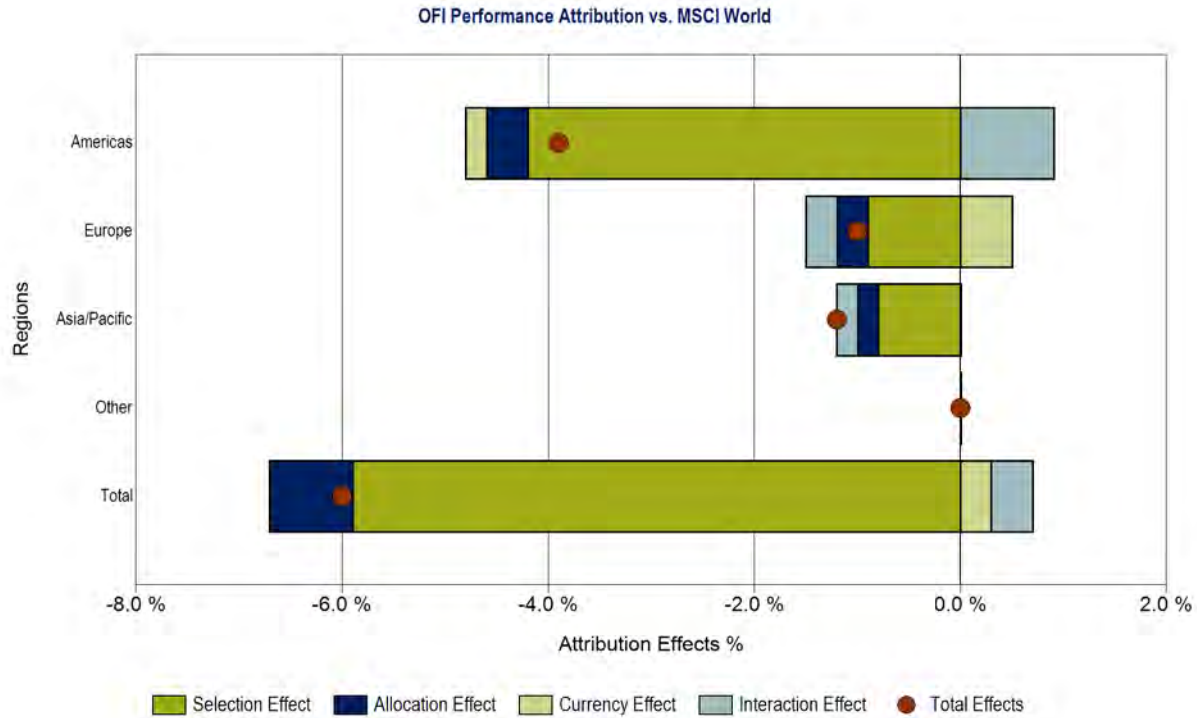
	Relative Contribution %	Return %
SUNEDISON	-0.7%	-89.4%
CELLEX THERAPEUTICS	-0.6%	-75.9%
MURATA MANUFACTURING	-0.4%	-16.7%
CREDIT SUISSE GROUP N	-0.4%	-34.4%
DAI-ICHI LIFE INSURANCE	-0.4%	-26.5%
CITIGROUP	-0.3%	-19.2%
DEUTSCHE BANK	-0.3%	-30.5%
PRUDENTIAL	-0.2%	-14.8%
JD.COM 'A' ADR 1:2	-0.2%	-17.9%
BANCA MONTE DEI PASCHI	-0.2%	-57.2%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	0.8%	0.0%	-10.6%	28.5%
Mexico*	0.6%	0.0%	4.3%	8.5%
United States	46.7%	58.4%	-5.7%	1.0%
Total-Americas	48.1%	61.5%	-5.7%	1.5%
Europe				
Denmark	0.3%	0.7%	20.2%	-0.7%
Finland	0.0%	0.3%	0.3%	-2.6%
France	7.2%	3.8%	1.4%	0.1%
Germany	9.8%	3.5%	-5.7%	-2.4%
Italy	1.6%	0.9%	-14.1%	-11.6%
Spain	3.3%	1.2%	-2.9%	-4.1%
Sweden	3.4%	1.1%	-2.1%	0.1%
Switzerland	3.3%	3.7%	-14.9%	-5.2%
United Kingdom	5.3%	7.4%	-8.7%	-2.6%
Total-Europe	34.1%	24.9%	-5.1%	-2.4%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
China*	1.8%	0.0%	-12.2%	-4.8%
India*	1.3%	0.0%	-8.6%	-2.5%
Japan	13.0%	9.0%	-10.6%	-6.5%
Total-AsiaPacific	16.1%	13.4%	-10.6%	-3.7%
Totals				
Developed	93.9%	100.0%	-6.2%	-0.2%
Emerging*	4.5%	0.0%	-8.8%	--
Cash	1.7%		0.1%	



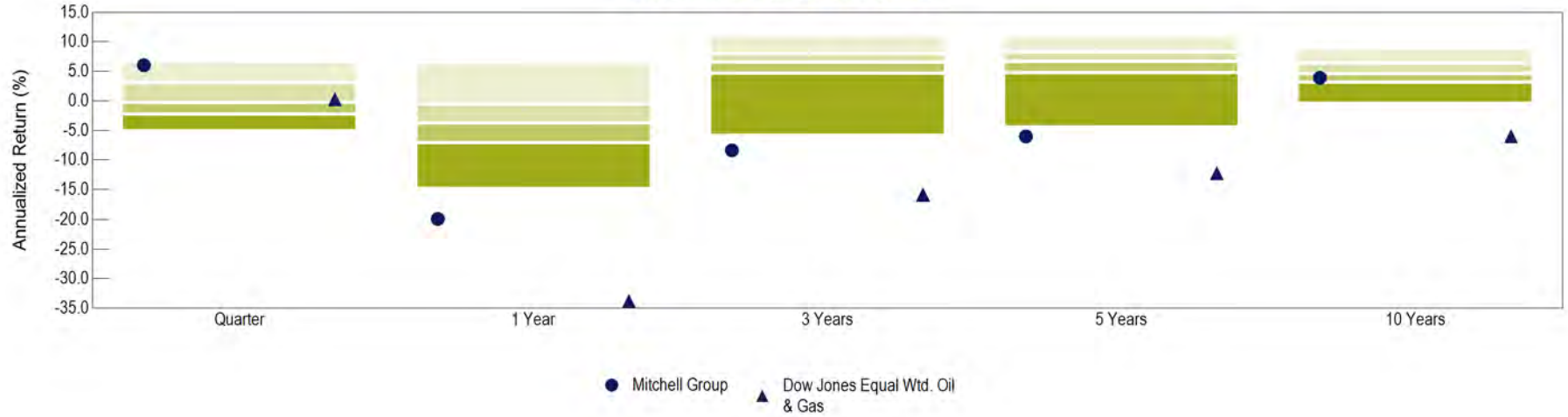
	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	-5.7%	1.5%	48.1%	61.5%	-4.2%	-0.4%	-0.2%	0.9%	-3.9%
Europe	-5.1%	-2.4%	34.1%	24.9%	-0.9%	-0.3%	0.5%	-0.3%	-1.0%
Asia/Pacific	-10.6%	-3.7%	16.1%	13.4%	-0.8%	-0.2%	0.0%	-0.2%	-1.2%
Other	--	-9.2%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Cash	0.1%	--	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-6.2%	-0.2%	100.0%	100.0%	-5.9%	-0.8%	0.3%	0.4%	-6.0%
Totals									
Developed	-6.2%	-0.2%	93.9%	100.0%	-6.4%	0.0%	0.3%	0.4%	-5.7%
Emerging*	-8.8%	--	4.5%	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.3%
Cash	0.1%	--	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- **Manager Role in Portfolio**
 - Concentrated Energy sector portfolio within the Global Equity bucket
 - Potential bear market and inflation hedge within the equity portfolio

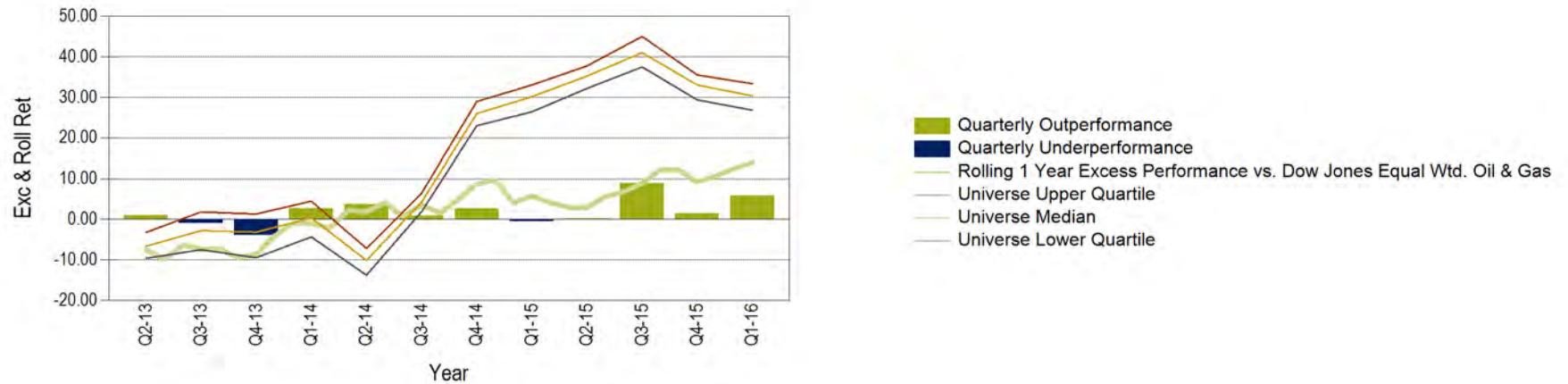
- **Organizational Profile**
 - Founded in 1989 and wholly-owned by its employees, this boutique investment firm is solely focused on publicly traded energy stocks

- **Investment Strategy Commentary**
 - Combination top-down, bottom-up investment approach
 - Top down focus: supply/demand forecasting, evaluate and anticipate political developments both domestically and overseas
 - Bottom-up focus: detailed analysis of assets, cash flow, and financial strength

eA All Global Equity Net Accounts

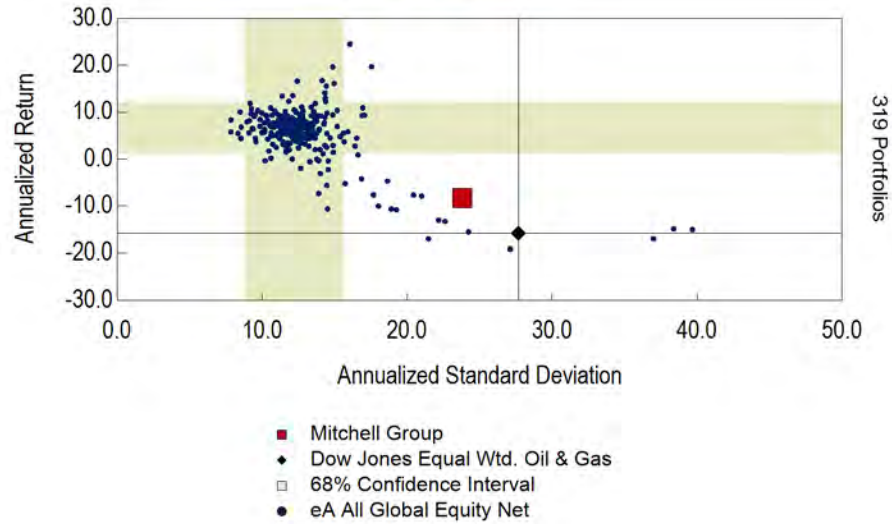


Annualized Excess Performance

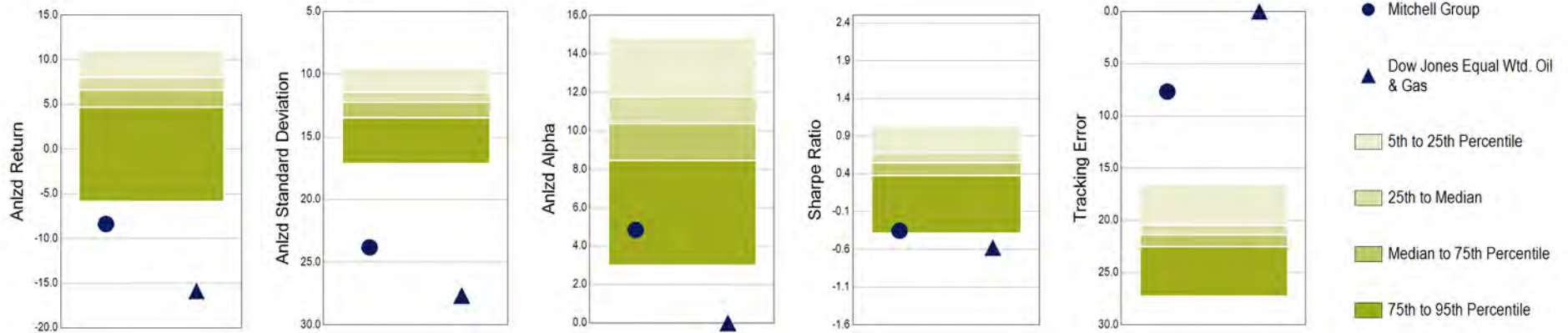
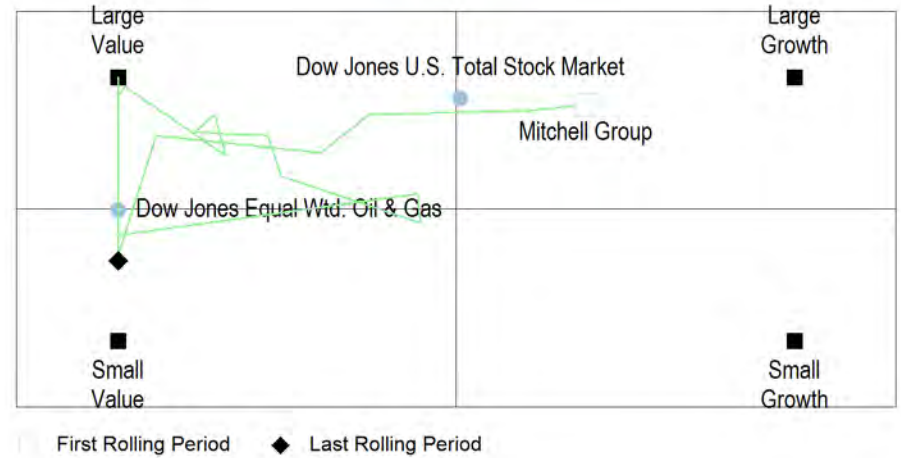


Returns are net of fees

3 Year Risk Return



3 Year Style Map



Returns are net of fees

Characteristics

	Portfolio	S&P 500 Energy
Number of Holdings	27	39
Weighted Avg. Market Cap. (\$B)	43.8	146.4
Median Market Cap. (\$B)	14.0	13.1
Price To Earnings	6.8	19.2
Price To Book	2.3	1.9
Price To Sales	2.9	2.0
Return on Equity (%)	1.2	6.6
Yield (%)	1.6	3.0
Beta		1.0
R-Squared		1.0

Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	1.1%	1.2%	0.0%	-0.1%	5.0%	3.9%	94.7%	100.0%			
Materials	0.0%	--	--	--	--	--	0.0%	0.0%			
Industrials	0.0%	--	--	--	--	--	0.0%	0.0%			
Cons. Disc.	0.0%	--	--	--	--	--	0.0%	0.0%			
Cons. Staples	0.0%	--	--	--	--	--	0.0%	0.0%			
Health Care	0.0%	--	--	--	--	--	0.0%	0.0%			
Financials	0.0%	--	--	--	--	--	0.0%	0.0%			
Info. Tech	0.0%	--	--	--	--	--	0.0%	0.0%			
Telecomm.	0.0%	--	--	--	--	--	0.0%	0.0%			
Utilities	0.0%	--	--	--	--	--	0.0%	0.0%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.1%	--	5.3%	0.0%			
Portfolio	0.9%	=	1.2%	+	-0.2%	+	-0.1%	4.8%	3.9%	100.0%	100.0%

Top Positive Contributors

	Relative Contribution %	Return %
EQT	0.9%	29.1%
RANGE RES.	0.8%	31.7%
CANADIAN NTRL.RES. (NYS)	0.7%	24.5%
PIONEER NTRL.RES.	0.4%	12.3%
CIMAREX EN.	0.4%	9.0%
PDC ENERGY	0.4%	11.4%
ROYAL DUTCH SHELL A ADR 1:2	0.4%	8.0%
HESS	0.3%	9.1%
APACHE	0.3%	10.6%
SOUTHWESTERN ENERGY	0.2%	13.5%

Top Negative Contributors

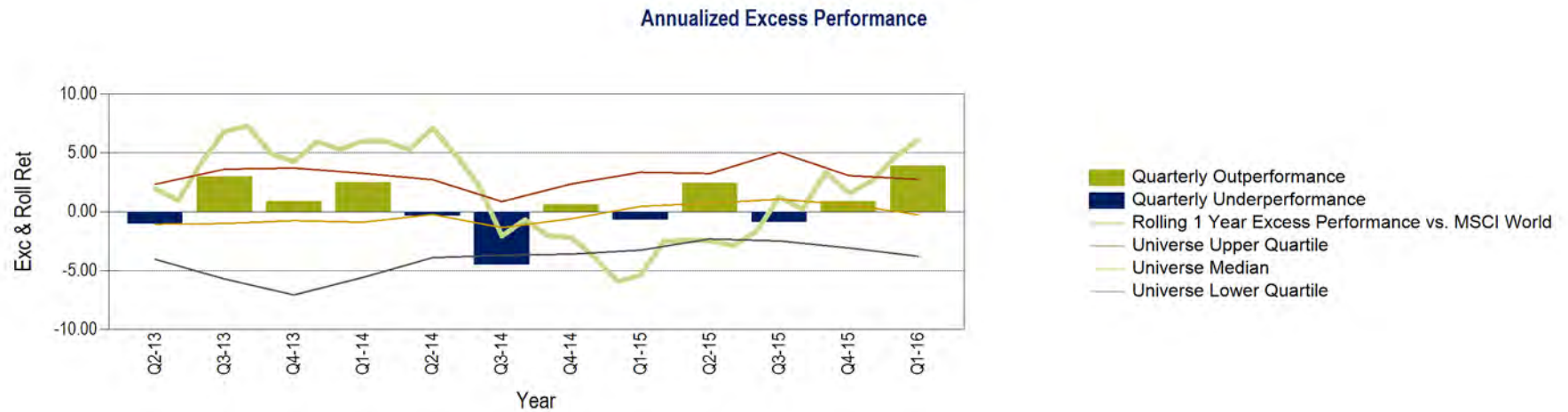
	Relative Contribution %	Return %
EXXON MOBIL	-1.9%	8.2%
CHEVRON	-0.7%	7.4%
DEVON ENERGY	-0.5%	-13.4%
ENERGEN	-0.4%	-10.7%
MARATHON OIL	-0.3%	-10.9%
WEATHERFORD INTL.	-0.2%	-7.3%
SCHLUMBERGER	-0.2%	6.5%
NOBLE ENERGY	-0.2%	-4.3%
BAKER HUGHES	-0.1%	-4.7%
ANADARKO PETROLEUM	-0.1%	-4.0%

- **Manager Role in Portfolio**
 - Concentrated eco/sustainability theme/sector portfolio within the Global Equity bucket

- **Organizational Profile**
 - SAM USA is an SEC registered Investment Adviser fully dedicated to global, regional and thematic sustainable investing.
 - SAM USA's parent company, SAM was founded in 1995 as an independent asset management company specializing in sustainability investments.
 - In February 2007, Robeco Group acquired a 64% stake in SAM, with the remaining 36% held by SAM's management and employees. Since the alliance with Robeco, an employment participation plan has been created, leading to a 38% ownership of SAM by employees and management.
 - On January 1, 2011, Michael Baldinger, former head of Global Clients & Marketing, replaced Sander Van Eijken as CEO, who stepped down in February of 2010. Neil Johnson was named the new head of Global Clients & Marketing.
 - SAM is headquartered in New York, NY and has offices in Zurich, Switzerland, Sonoma, CA, and Boston, MA.

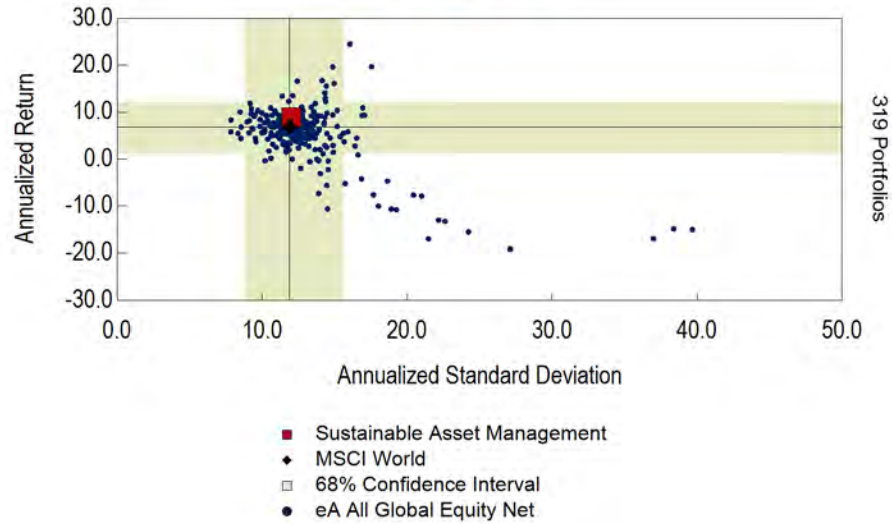
- **Investment Strategy Commentary**
 - A disciplined, well-structured process that strives for an optimal risk/return profile, highlighting stock selection as the predominant return source.
 - The portfolio construction is bottom-up driven. Stocks are weighted within the portfolio according to the results of the DCF valuation and their expected upside potential.
 - Portfolios are monitored and rebalanced on a continuous basis.
 - Even theme portfolios have strong biases in terms of sectors or risk factors (small caps), so asset selection remains an important risk and performance source.
 - Risk management is executed with quantitative risk models on a monthly basis.

- **Due Diligence Notes**
 - On February 19, 2013, it was announced that ORIX Corporation, a publicly-traded, Tokyo-based diversified financial services company, would be acquiring approximately 90.01% of Robeco from Rabobank. In this agreement, Rabobank will retain 9.99% of Robeco and will continue to maintain and expand Robeco's business platform.

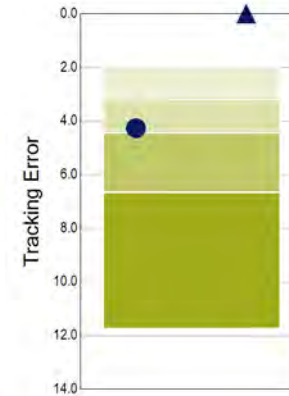
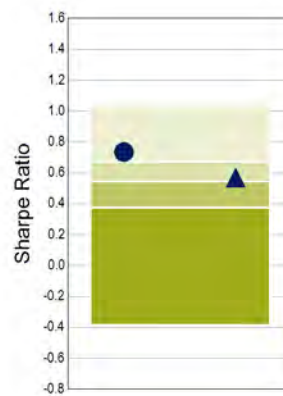
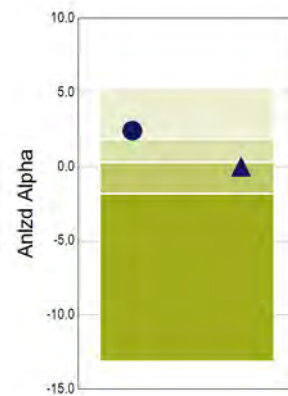
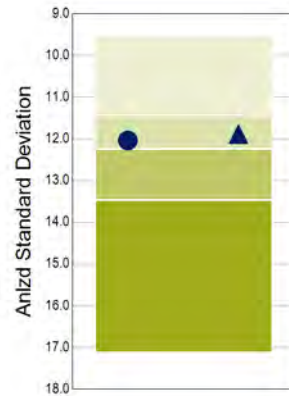
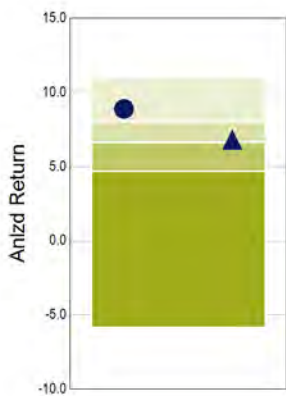


Returns are net of fees

3 Year Risk Return



3 Year Style Map



- Sustainable Asset Management
- ▲ MSCI World
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Returns are net of fees

Characteristics

	Portfolio	MSCI World
Number of Holdings	89	1,647
Weighted Avg. Market Cap. (\$B)	13.1	92.8
Median Market Cap. (\$B)	4.6	10.4
Price To Earnings	25.0	20.7
Price To Book	3.2	3.2
Price To Sales	2.5	2.7
Return on Equity (%)	14.0	15.6
Yield (%)	2.0	2.6
Beta		1.0
R-Squared		1.0

Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.5%	-2.9%	-0.3%	2.7%	-40.3%	5.0%	0.1%	6.0%			
Materials	-0.3%	-0.3%	0.0%	-0.1%	-2.0%	4.5%	5.6%	4.4%			
Industrials	3.3%	0.5%	1.0%	1.8%	7.3%	3.6%	42.2%	10.7%			
Cons. Disc.	0.1%	0.5%	0.0%	-0.5%	6.3%	-0.6%	2.7%	13.4%			
Cons. Staples	-0.7%	-1.1%	-0.5%	0.9%	-2.0%	4.7%	1.1%	10.6%			
Health Care	0.5%	0.7%	0.0%	-0.2%	-2.8%	-6.6%	12.9%	13.7%			
Financials	1.0%	4.7%	1.3%	-4.9%	16.6%	-6.2%	0.5%	20.9%			
Info. Tech	-0.2%	0.2%	-0.2%	-0.2%	2.9%	1.3%	4.6%	13.7%			
Telecomm.	-0.3%	--	-0.2%	--	--	7.1%	0.0%	3.4%			
Utilities	0.5%	-0.2%	2.1%	-1.3%	1.7%	8.8%	25.4%	3.2%			
Cash	0.1%	0.0%	0.1%	0.0%	0.1%	--	4.7%	0.0%			
Portfolio	3.6%	=	2.2%	+	3.3%	+	-1.9%	3.4%	-0.2%	100.0%	100.0%

Top Positive Contributors

	Relative Contribution %	Return %
XYLEM	0.5%	12.5%
SGS 'N'	0.3%	14.9%
AMERICAN WATER WORKS	0.3%	16.0%
CPAD.SANMT.DE MINASGR.ON	0.2%	34.7%
COWAY	0.2%	17.6%
WASTE MANAGEMENT	0.2%	11.3%
GEORG FISCHER 'R'	0.2%	22.4%
ELIS	0.2%	17.3%
CAL.WATER SER.	0.2%	15.7%
TRIMBLE NAVIGATION	0.2%	15.6%

Top Negative Contributors

	Relative Contribution %	Return %
GUANGDONG INVESTMENT	-0.2%	-10.7%
PERKINELMER	-0.2%	-7.5%
PENNON GROUP	-0.1%	-7.0%
CHINA EVERBRIGHT INTL.	-0.1%	-13.1%
AGILENT TECHS.	-0.1%	-4.7%
UNITED UTILITIES GROUP	-0.1%	-3.8%
KUBOTA	-0.1%	-12.9%
CALGON CARBON	-0.1%	-18.4%
EBARA	-0.1%	-12.0%
NOVOZYMES	-0.1%	-5.3%

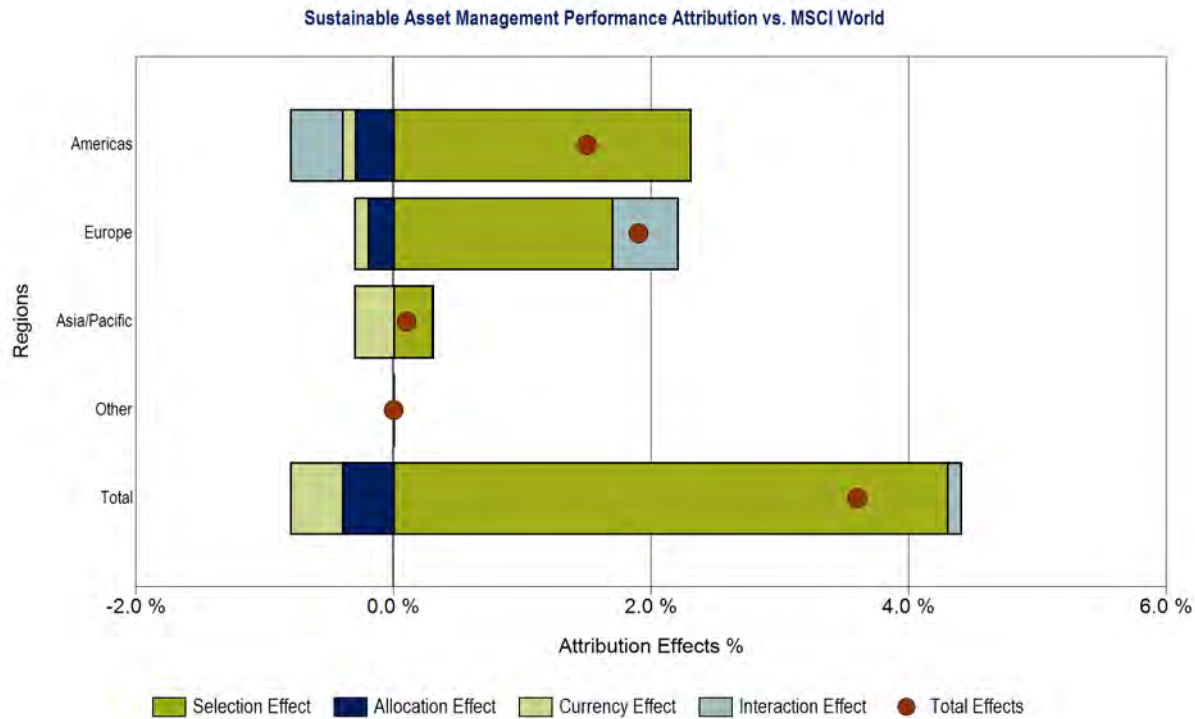
Sustainable Asset Management

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	0.7%	0.0%	34.7%	28.5%
Canada	0.6%	3.1%	-5.9%	11.4%
Mexico*	0.4%	0.0%	14.2%	8.5%
United States	48.7%	58.4%	4.8%	1.0%
Total-Americas	50.4%	61.5%	5.1%	1.5%
Europe				
Austria	1.0%	0.1%	12.4%	-0.5%
Denmark	1.6%	0.7%	-5.3%	-0.7%
Finland	1.0%	0.3%	9.7%	-2.6%
France	8.9%	3.8%	2.2%	0.1%
Germany	1.1%	3.5%	-2.0%	-2.4%
Netherlands	0.0%	1.2%	-4.6%	3.0%
Switzerland	4.6%	3.7%	14.4%	-5.2%
United Kingdom	13.8%	7.4%	1.8%	-2.6%
Total-Europe	32.0%	24.9%	3.7%	-2.4%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	0.3%	2.6%	2.4%	2.1%
Hong Kong	3.6%	1.2%	-11.4%	-0.3%
Japan	5.2%	9.0%	-5.2%	-6.5%
Korea*	1.3%	0.0%	17.6%	5.1%
Philippines*	1.2%	0.0%	14.6%	7.0%
Singapore	1.1%	0.5%	-10.1%	5.1%
Thailand*	0.2%	0.0%	-7.6%	16.9%
Total-AsiaPacific	12.9%	13.4%	-3.1%	-3.7%
Totals				
Developed	91.5%	100.0%	2.9%	-0.2%
Emerging*	3.8%	0.0%	17.9%	--
Cash	4.7%		0.1%	



	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	5.1%	1.5%	50.4%	61.5%	2.3%	-0.3%	-0.1%	-0.4%	1.5%
Europe	3.7%	-2.4%	32.0%	24.9%	1.7%	-0.2%	-0.1%	0.5%	1.9%
Asia/Pacific	-3.1%	-3.7%	12.9%	13.4%	0.3%	0.0%	-0.3%	0.0%	0.1%
Other	--	-9.2%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Cash	0.1%	--	4.7%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Total	3.4%	-0.2%	100.0%	100.0%	4.3%	-0.4%	-0.4%	0.1%	3.6%
Totals									
Developed	2.9%	-0.2%	91.5%	100.0%	3.7%	0.0%	-0.6%	-0.3%	2.8%
Emerging*	17.9%	--	3.8%	0.0%	0.0%	0.0%	0.2%	0.6%	0.7%
Cash	0.1%	--	4.7%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%

- **Manager Role in Portfolio**

- Represents the external emerging market debt portion of the global fixed income allocation

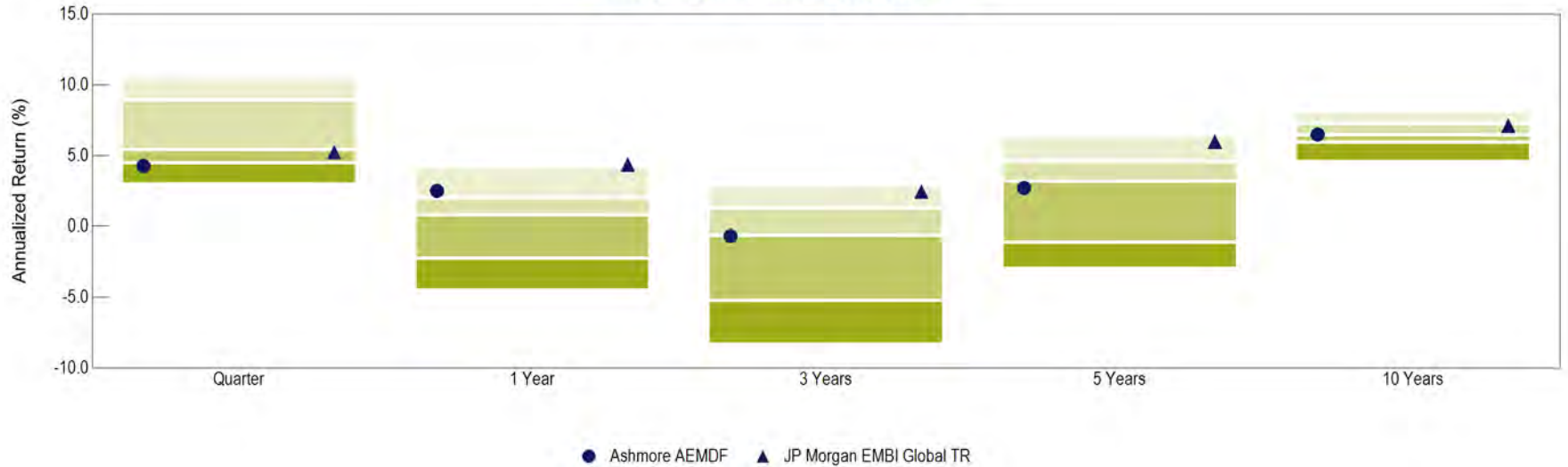
- **Organizational Profile**

- Established in 1992 with a management buyout in 1998/1999
- Ashmore Group plc, the parent company of Ashmore Investment Management Limited ("AIML" or "Ashmore"), was listed on the London Stock Exchange in October 2006.
- Specialist in emerging market investing

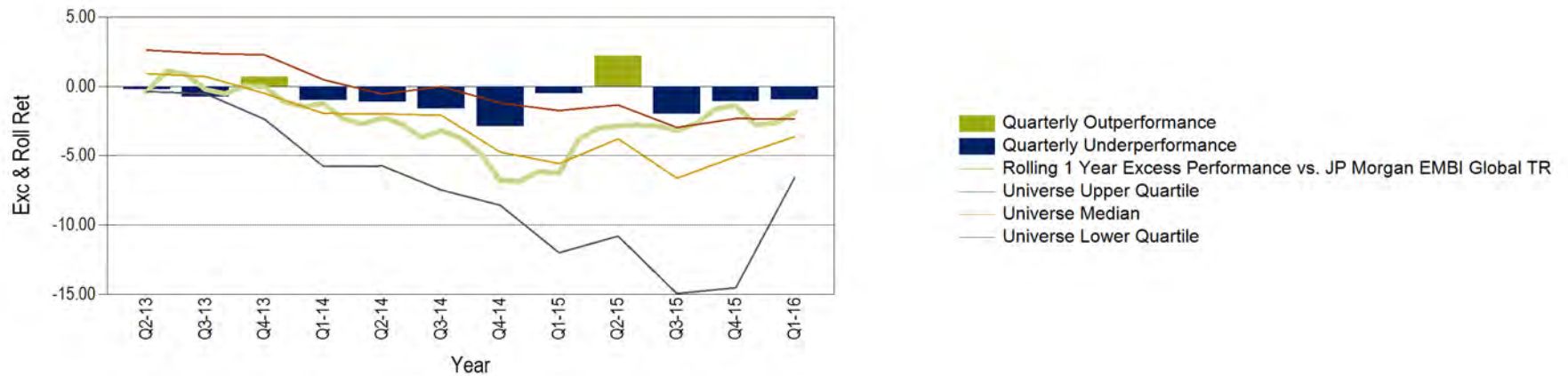
- **Investment Strategy Commentary**

- Ashmore combines top down thematic approaches with issue-by-issue security selection.
- Process is overseen by an investment committee which meets weekly to approve all strategies and transactions.
- Strong emphasis on risk management in portfolio construction and ongoing monitoring.

eA All Emg Mkts Fixed Inc Net Accounts

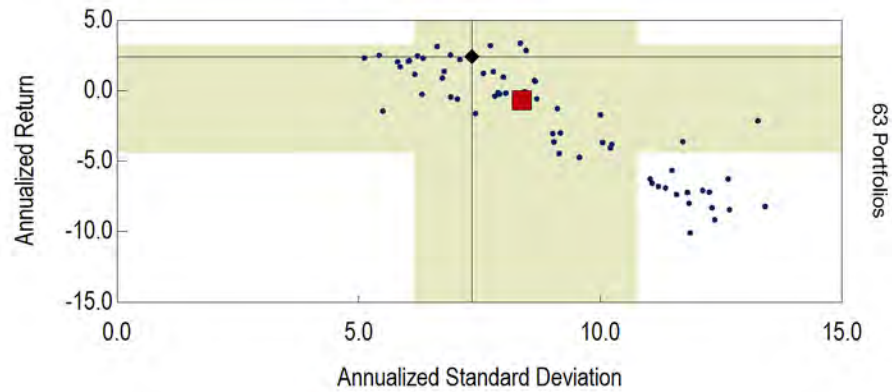


Annualized Excess Performance



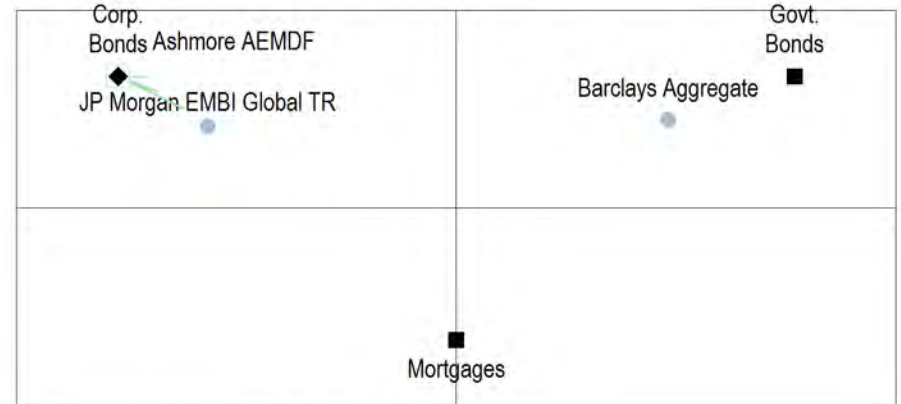
Returns are net of fees

3 Year Risk Return

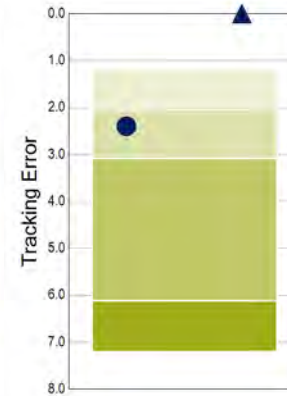
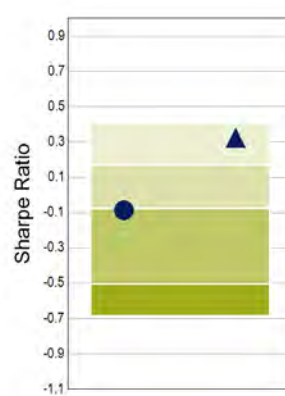
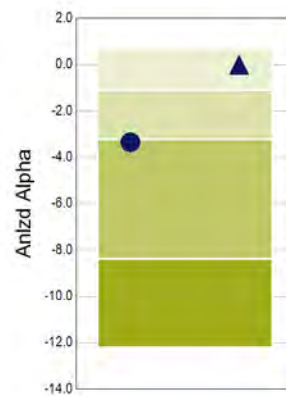
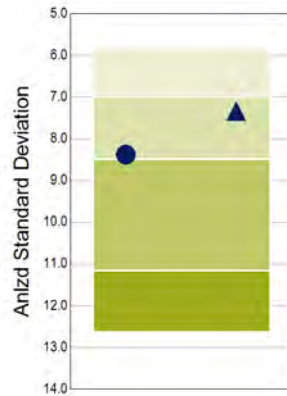
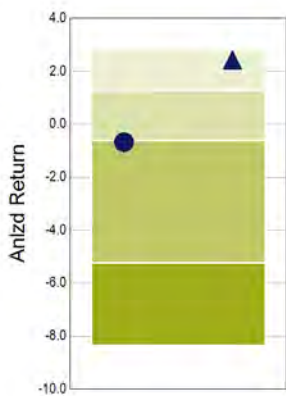


- Ashmore AEMDF
- ◆ JP Morgan EMBI Global TR
- 68% Confidence Interval
- eA All Emg Mkts Fixed Inc Net

3 Year Style Map



- First Rolling Period
- ◆ Last Rolling Period



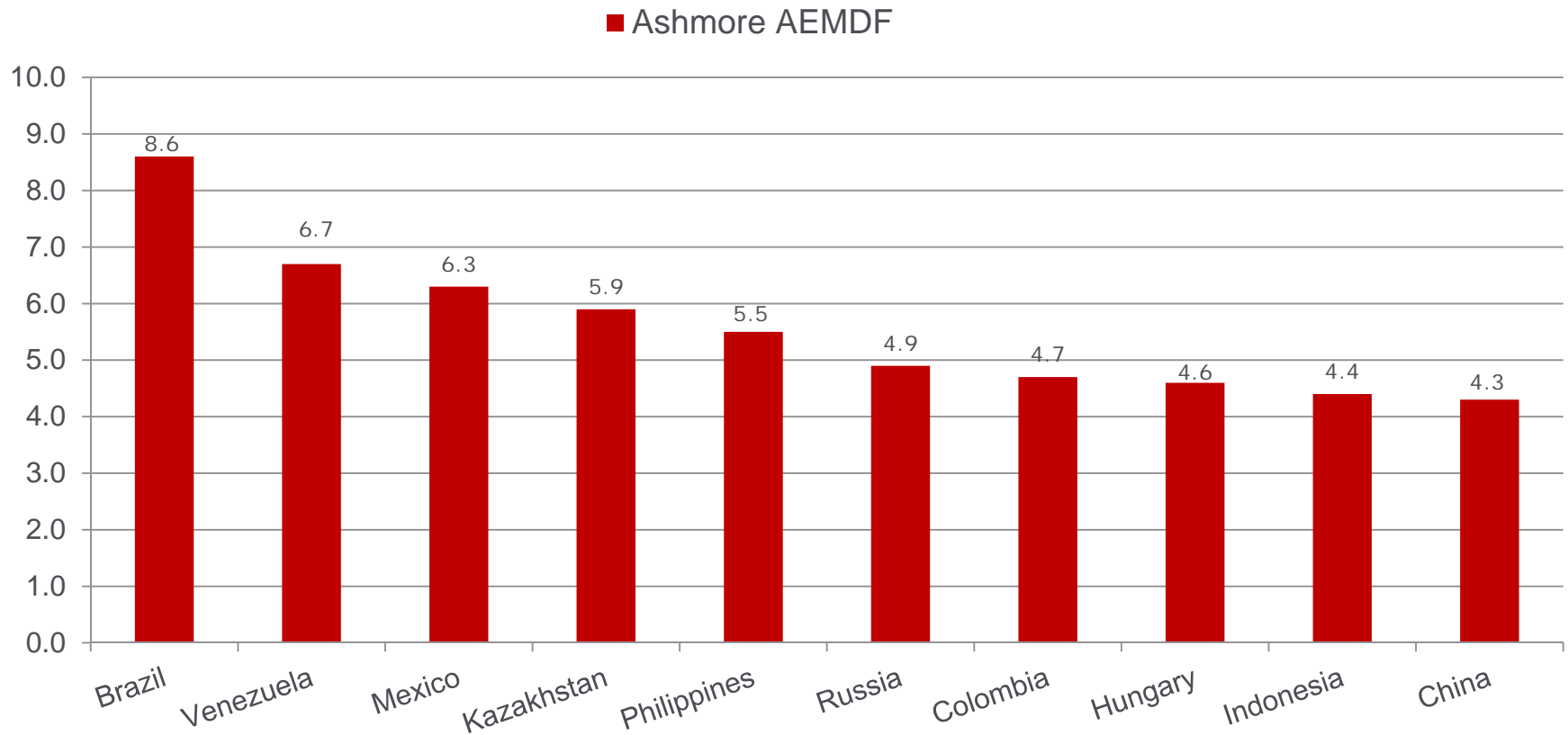
- Ashmore AEMDF
- ▲ JP Morgan EMBI Global TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Returns are net of fees

Characteristics	Ashmore AEMDF
Average Modified Duration	7.3
Average Life (years)	12.8
Yield	8.6
Sharpe Ratio	-0.2
Information Ratio	-0.7
Beta	1.2

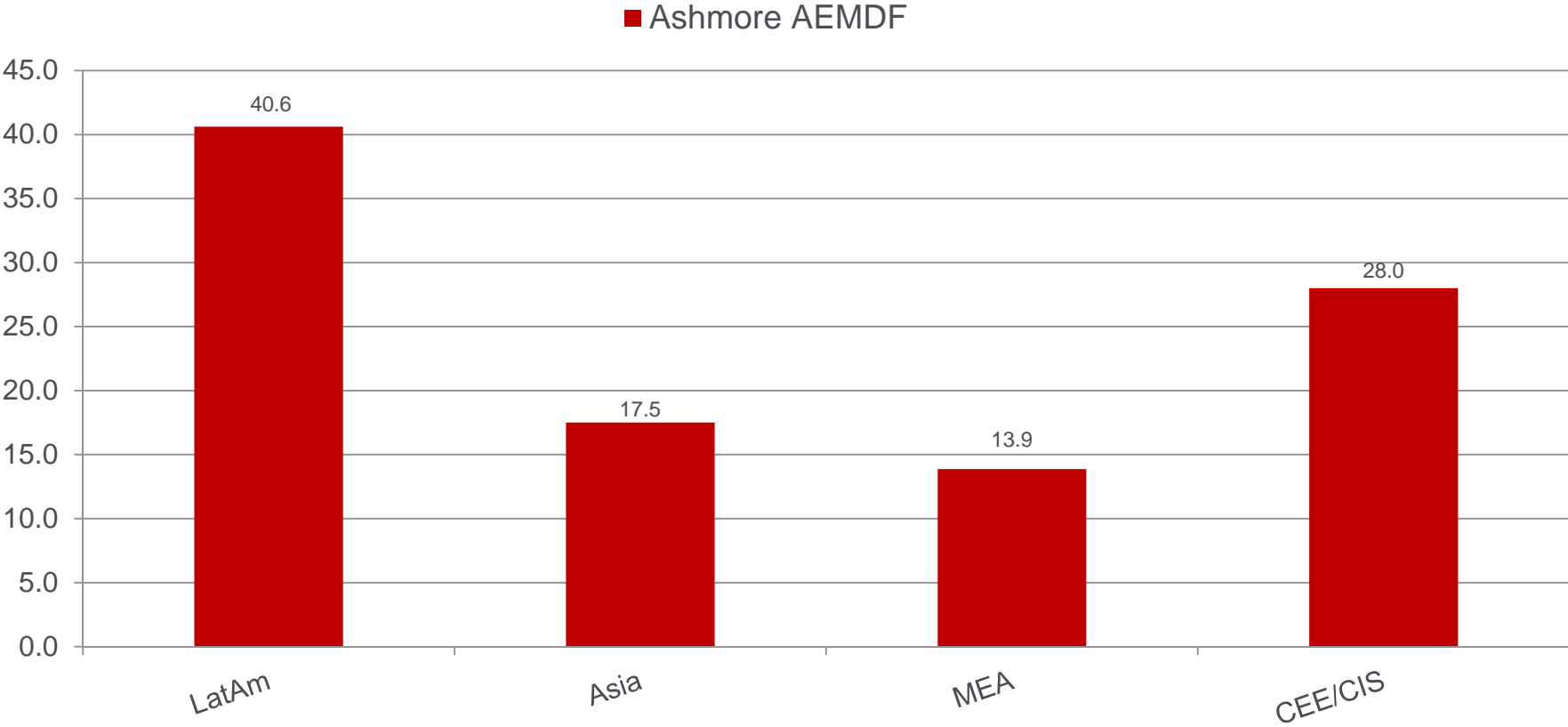
Source: Ashmore, March 2016

Largest Country Positions



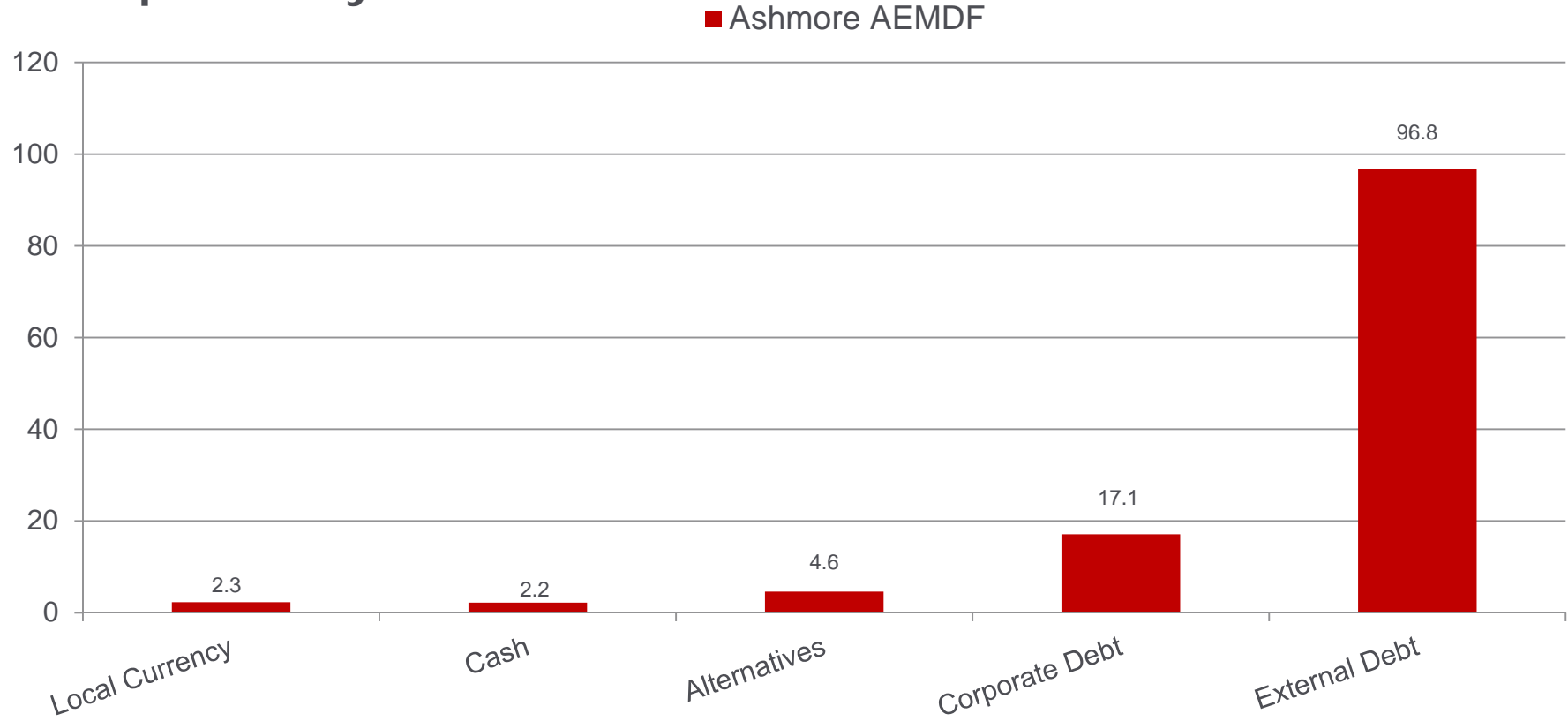
Source: Ashmore, March 2016

Exposure by Region



Source: Ashmore, March 2016

Exposure by Theme



Source: Ashmore, March 2016

- **Manager Role in Portfolio**

- Represents the local emerging market debt portion of the global fixed income allocation

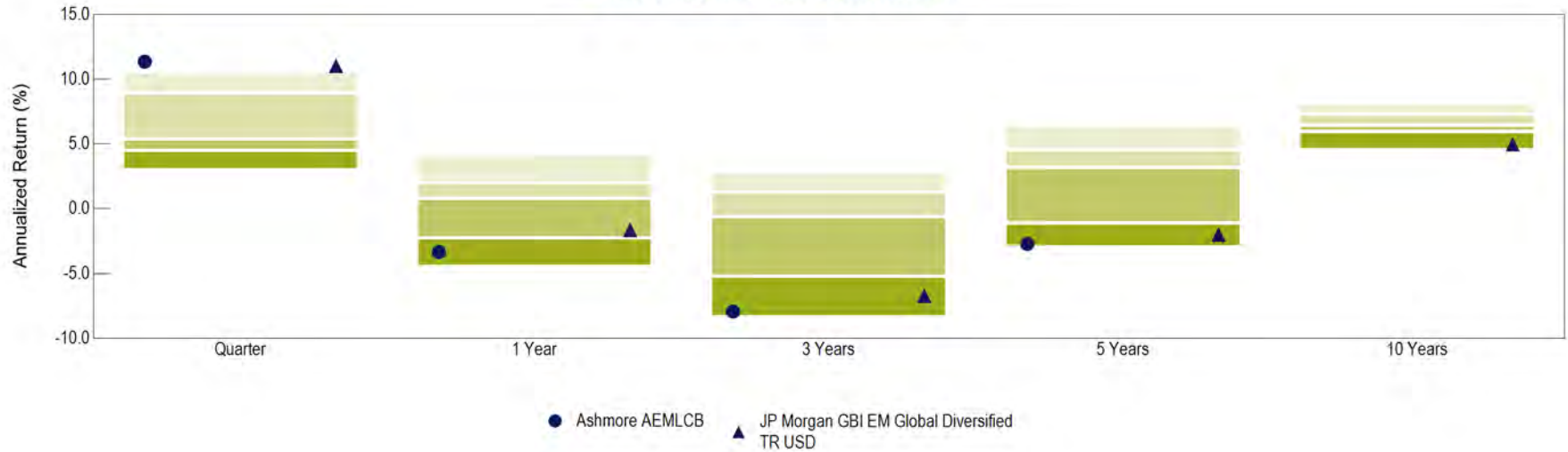
- **Organizational Profile**

- Established in 1992 with a management buyout in 1998/1999
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- Specialist in emerging market investing

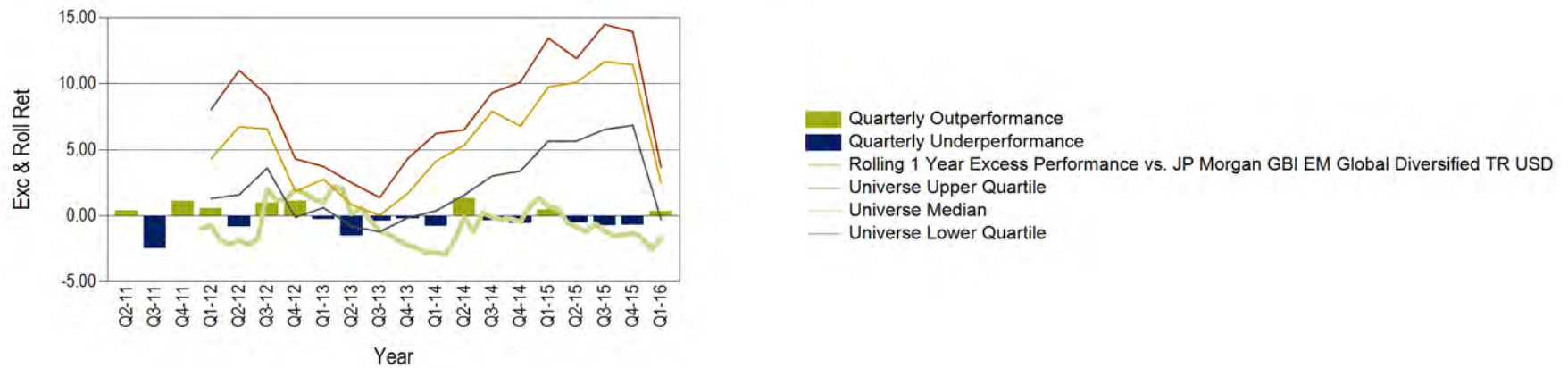
- **Investment Strategy Commentary**

- Ashmore combines top down thematic approaches with issue-by-issue security selection.
- Process is overseen by an investment committee which meets weekly to approve all strategies and transactions.
- Strong emphasis on risk management in portfolio construction and ongoing monitoring.

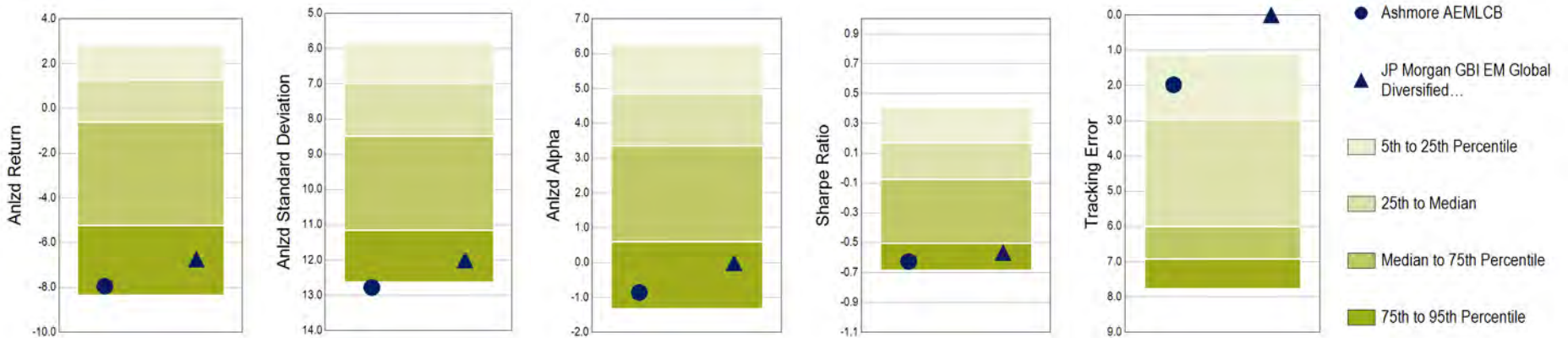
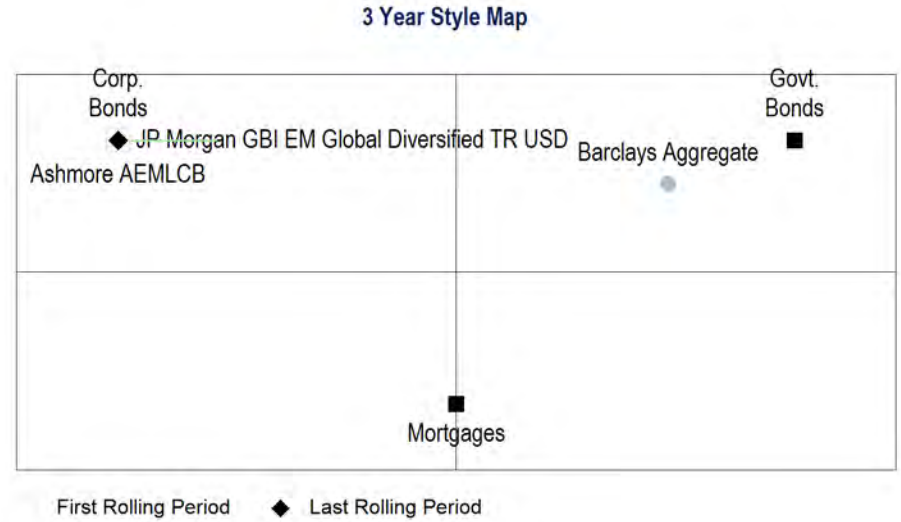
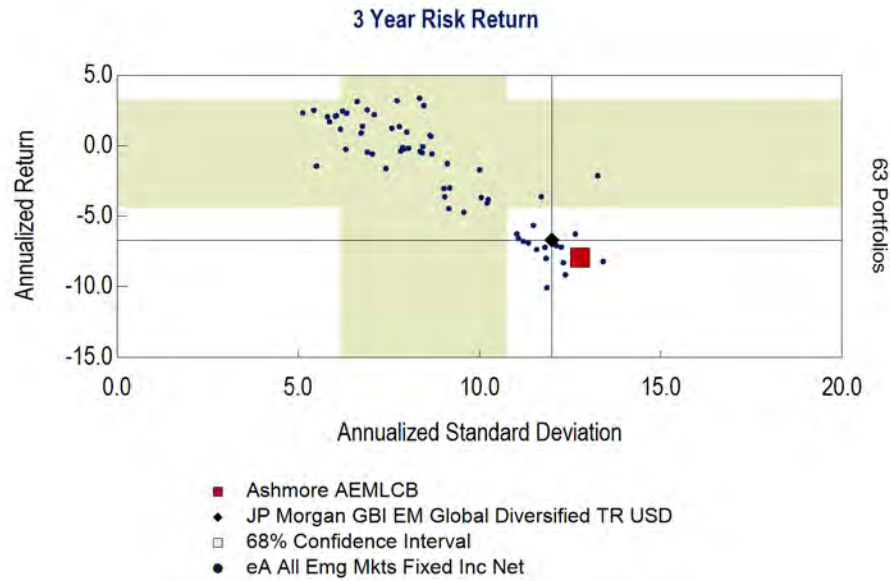
eA All Emg Mkts Fixed Inc Net Accounts



Annualized Excess Performance

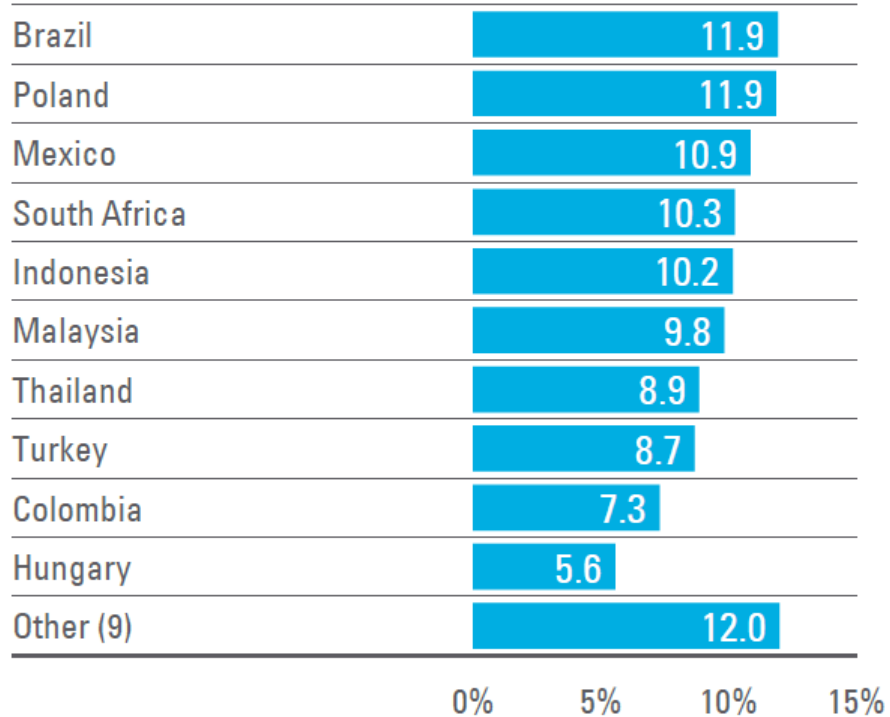


Returns are net of fees

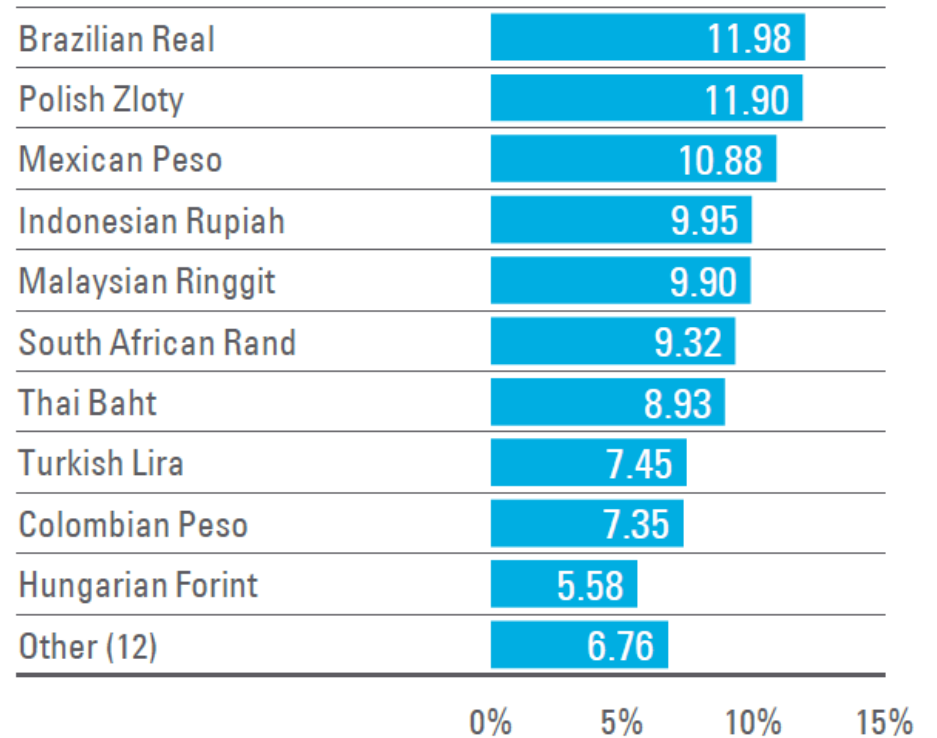


Returns are net of fees

Top 10 exposures by country



Top 10 exposures by currency



Source: Ashmore, March 2016

Credit rating of debt instruments	Fund
AAA	0.0%
AA	0.2%
A	24.4%
BBB	59.0%
BB	15.4%
B	0.0%
<B	0.0%
Not rated	1.0%

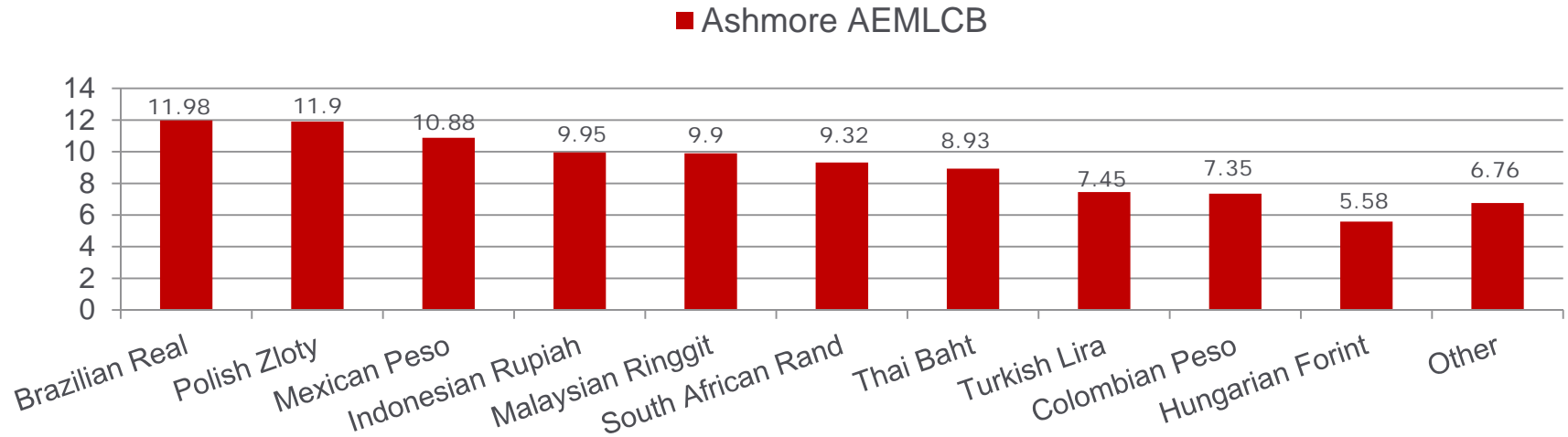
Top 10 holdings	Fund
Brazil Bltn 0% 01/01/2019	3.5%
Brazil Ntnf 10% 01/01/2025 - Lc	3.1%
Colombia Tes 10% 24/07/2024	2.2%
Rep Of South Africa 7% 28/02/2031 R213	2.0%
Mexico Bonos 8% 07/12/2023 (M20)	2.0%
Rep Of South Africa 10.5% 21/12/2026 R186	1.9%
Colombia Tes 6% 28/04/28	1.8%
Turkey Govt Bond 8.5% 10/07/2019	1.8%
Poland Govt 5.75% 23/09/2022	1.8%
Indonesia Govt 9% 15/03/2029 Fr71	1.7%
Total	21.7%
Total number of holdings	118

Source: Ashmore, March 2016

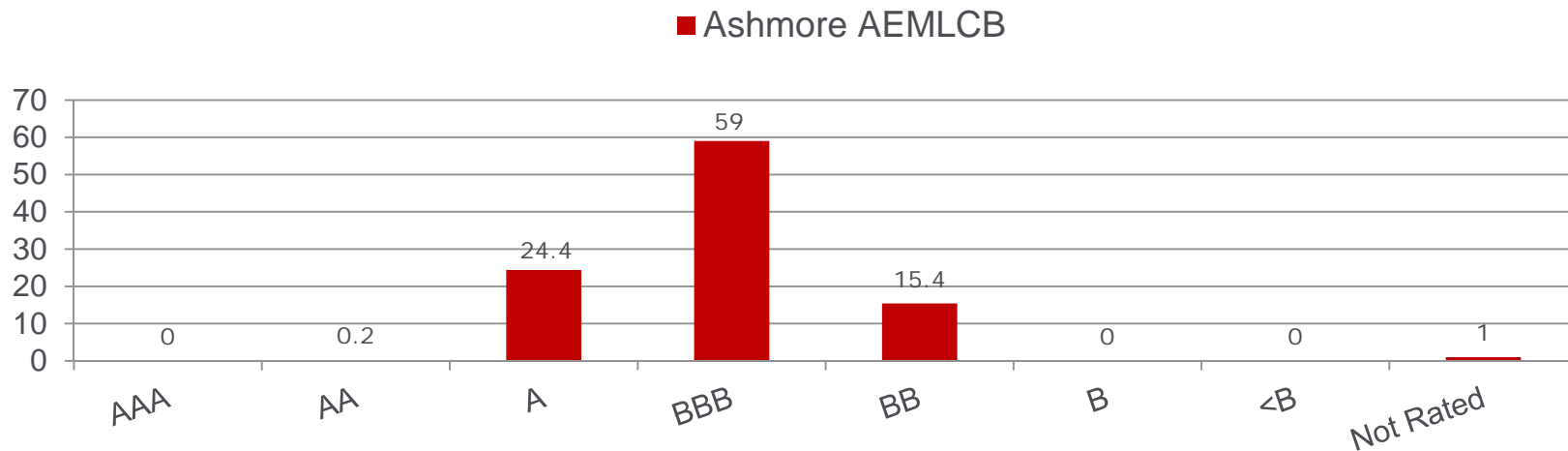
Characteristics	Ashmore AEMLCB
Average Modified Duration	5.4
Average Life (years)	6.8
Yield to Maturity	5.9

Source: Ashmore, March 2016

Top 10 Currency Exposures (% of NAV)

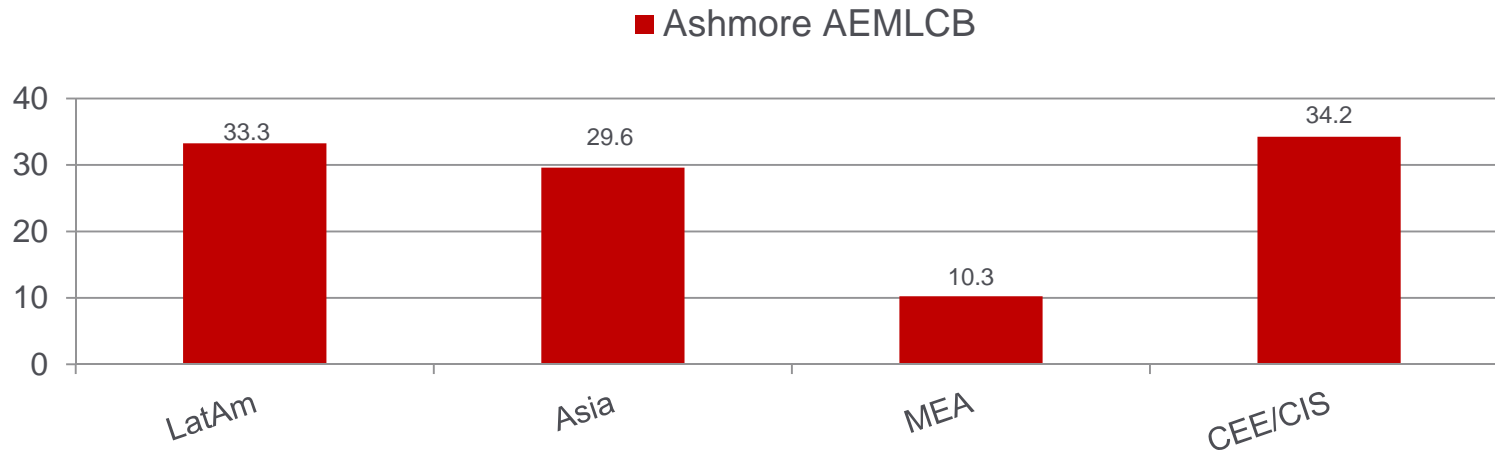


Credit Rating of Debt Instruments (% of NAV)

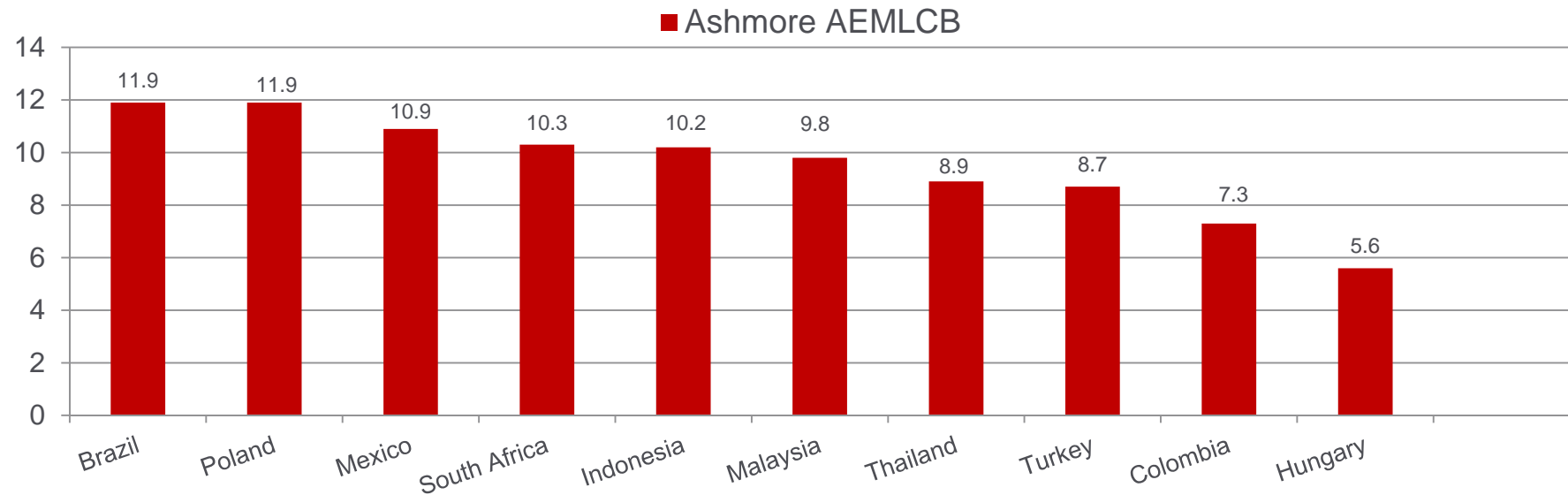


Source: Ashmore, March 2016

Exposure by Region



Top 10 Country Exposures (% of NAV)



Source: Ashmore, March 2016

- **Manager Role in Portfolio**

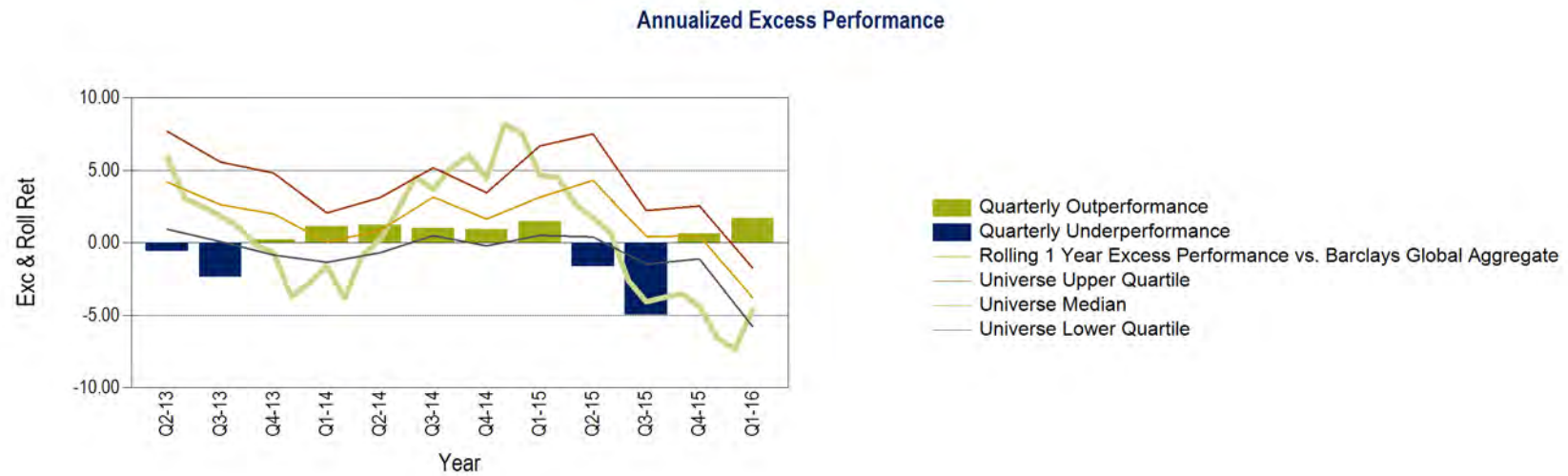
- One of two global fixed income managers

- **Organizational Profile**

- Brandywine Asset Management, LLC is a wholly-owned, independent subsidiary of Legg Mason, Inc. Prior to October 2001, they were Brandywine Asset Management, Inc. Of note, their senior investment professionals have non-competes with Legg Mason, Inc. for up to 6 years.

- **Investment Strategy Commentary**

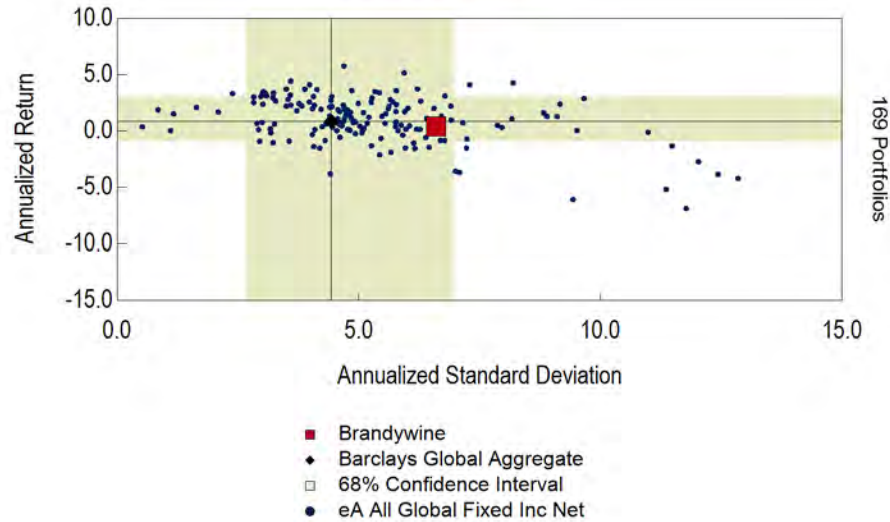
- Brandywine attempts to invest in bonds with the highest real yield, manage currencies to protect principle and increase returns, avoid index-like weights, limit risk and patiently rotate countries
- Secular trends drive bond markets and opportunities exist to add value by identifying trends which capitalize on the dynamics of liquidity cycles and business cycles in each country
- Currency valuations that Brandywine considers extreme are hedged



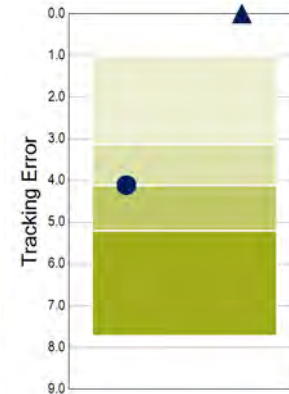
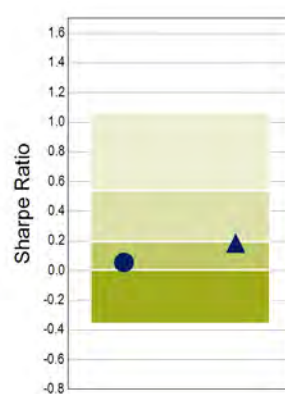
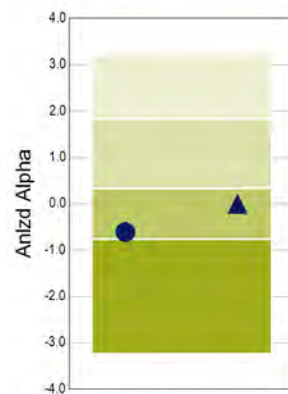
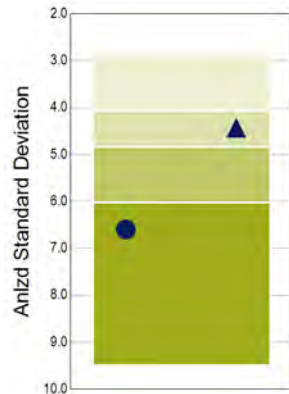
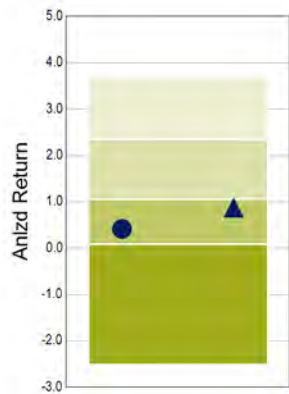
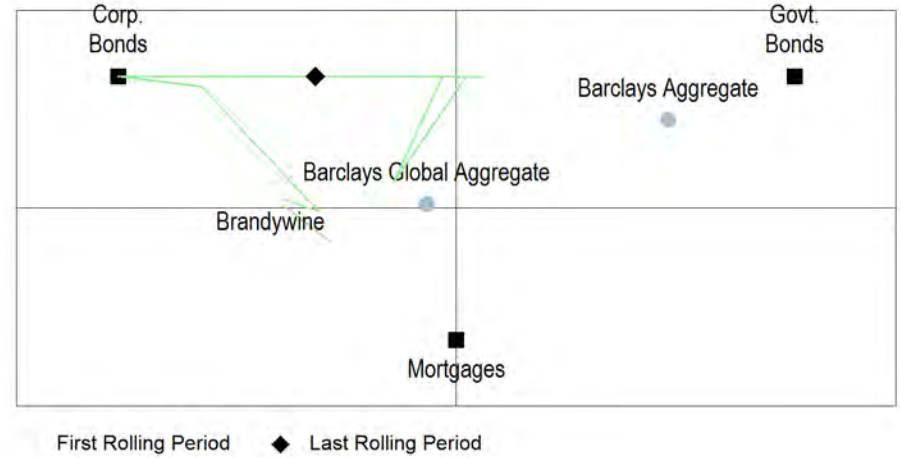
Returns are net of fees

Brandywine

3 Year Risk Return



3 Year Style Map

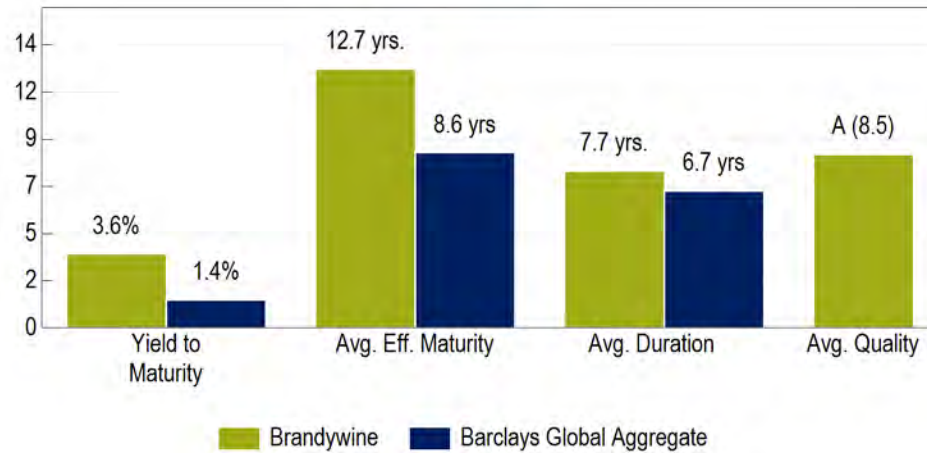


- Brandywine
- ▲ Barclays Global Aggregate
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

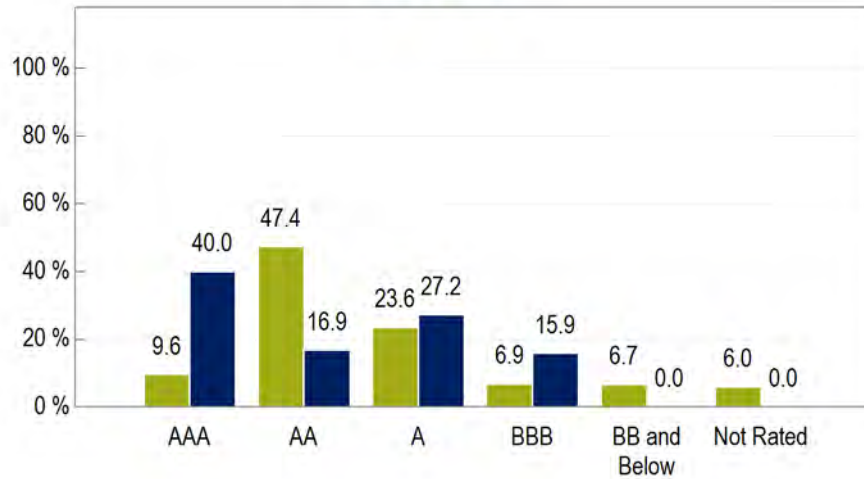
Returns are net of fees

Brandywine

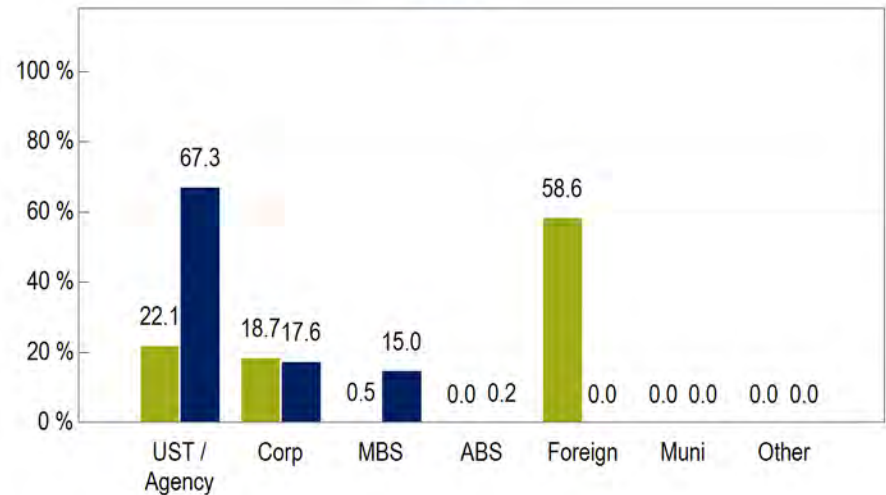
Characteristics



Quality Ratings



Sectors



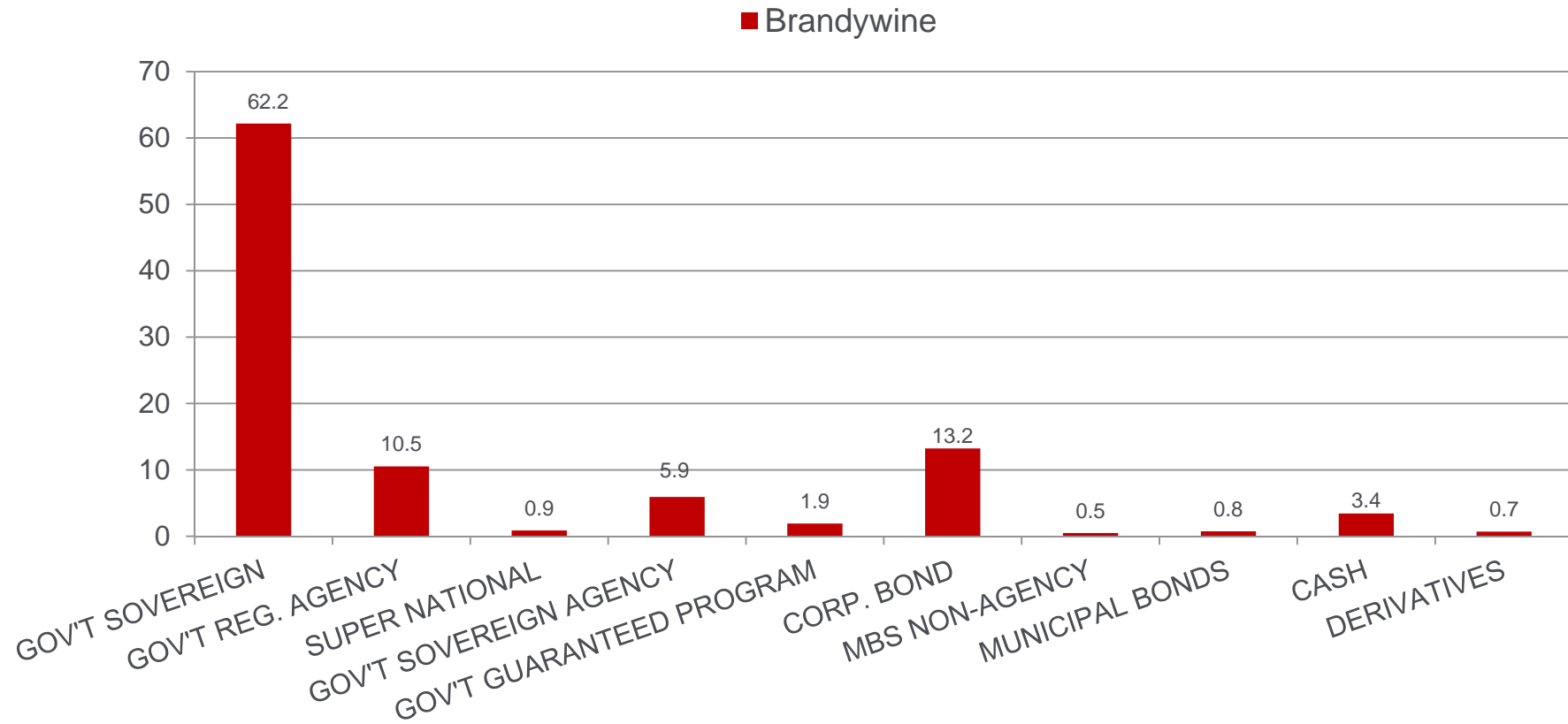
Characteristics

Brandywine

Average Coupon	4.1
Average Maturity	12.9
Modified Duration	7.4
Number of Issues	52
Yield to Maturity	3.5

Source: Brandywine, March 2016

Sector Allocation



Source: Brandywine, March 2016

Country Allocation

■ OVER / UNDER



Source: Brandywine, March 2016

- **Manager Role in Portfolio**

- Along with Brandywine, represents the global fixed income portion of the portfolio
- 20% is managed as a U.S. only piece by Delaware

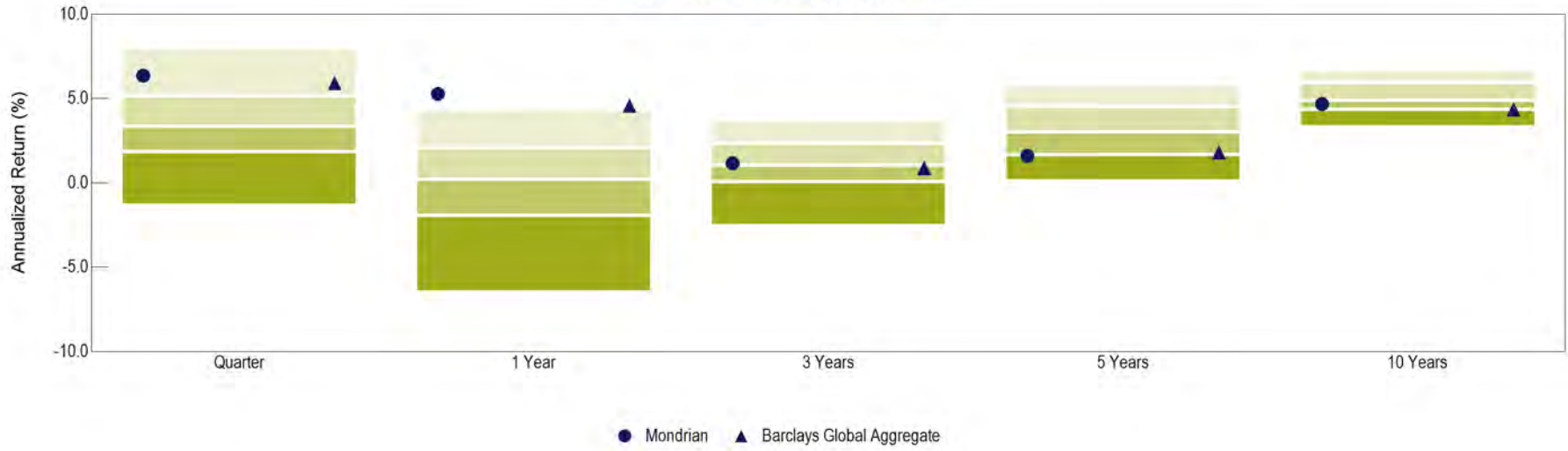
- **Organizational Profile**

- Mondrian Investment Partners Limited is controlled by members of Mondrian's management. Formerly known as Delaware International Advisors Ltd., Mondrian was purchased from Lincoln Financial Group in September 2004 by senior members of its management, together with private equity funds affiliated with Hellman and Friedman LLC. Mondrian is 57% owned by its senior employees.

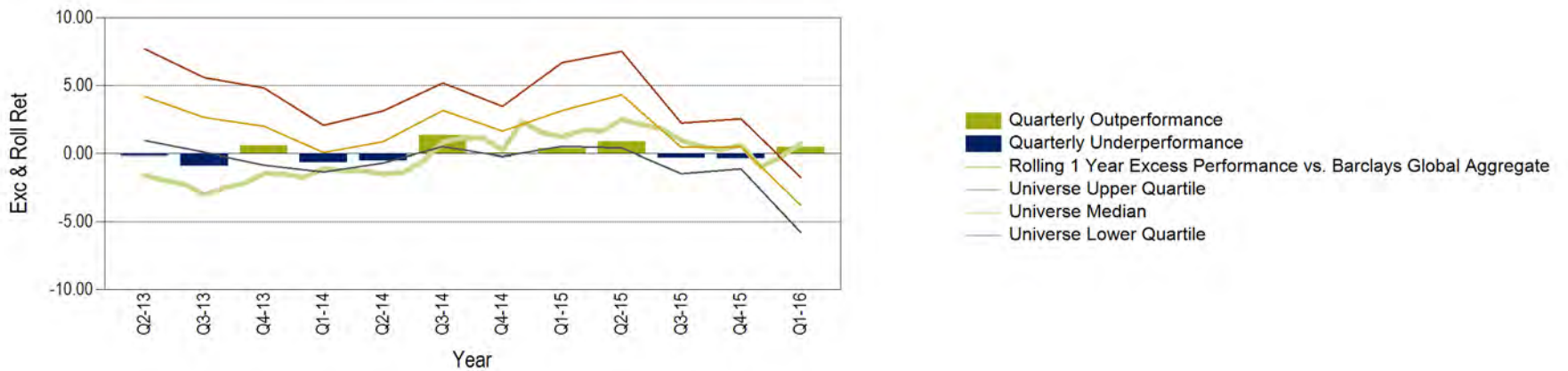
- **Investment Strategy Commentary**

- Allocations to global bond markets are made on the basis of their real return potential in U.S. dollars
- Mondrian uses medium-to-long term global inflation analysis to determine expected real returns
- Currency management in global fixed income is seen as an integral part of a portfolio's total return. Mondrian believes that the best long term measure of a currency's value is provided by purchasing power parity.

eA All Global Fixed Inc Net Accounts



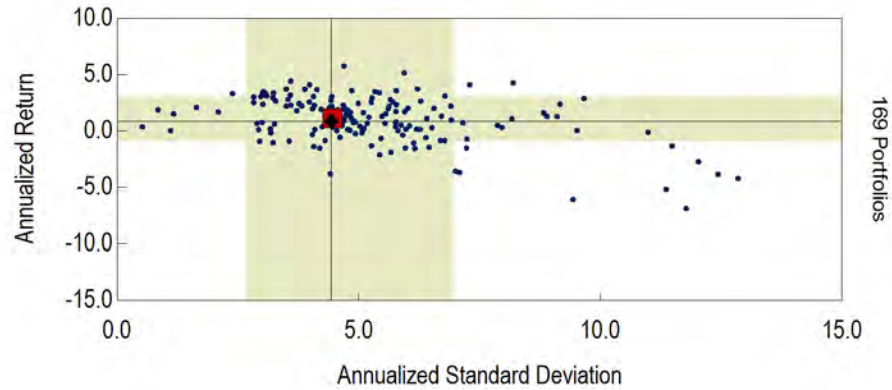
Annualized Excess Performance



Returns are net of fees

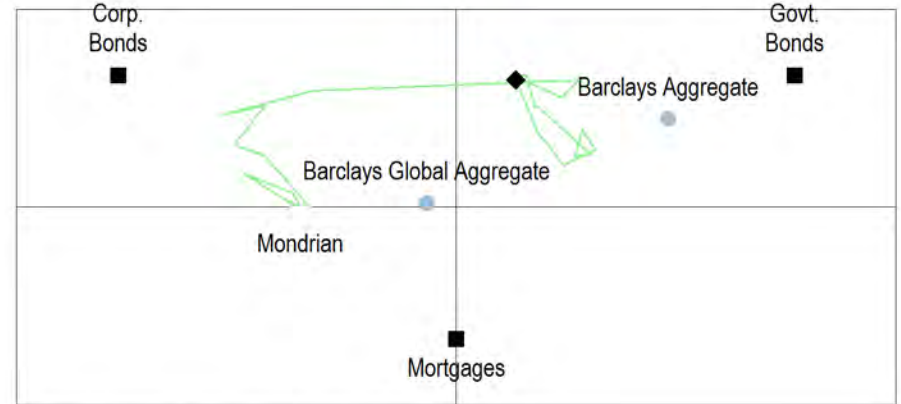
Mondrian

3 Year Risk Return

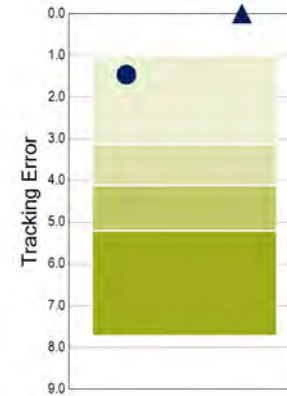
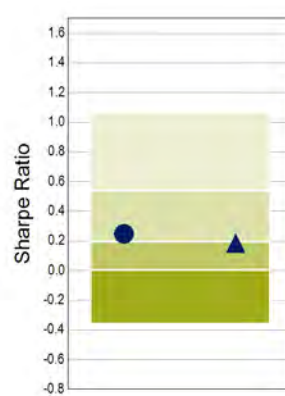
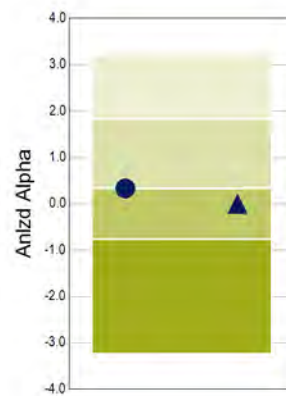
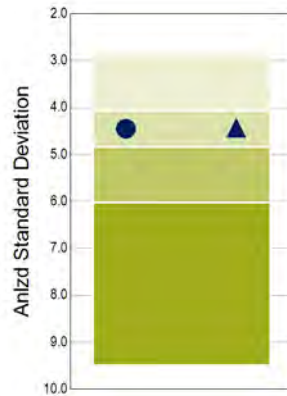
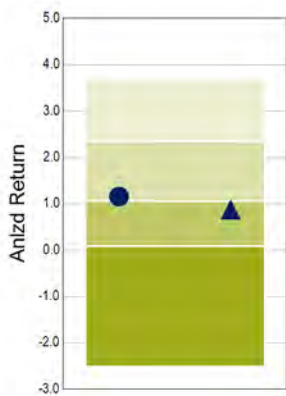


- Mondrian
- ◆ Barclays Global Aggregate
- 68% Confidence Interval
- eA All Global Fixed Inc Net

3 Year Style Map



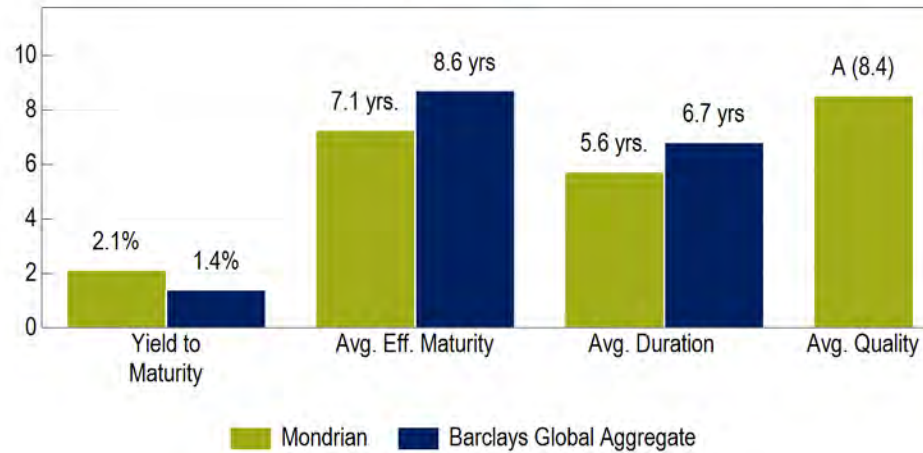
- First Rolling Period
- ◆ Last Rolling Period



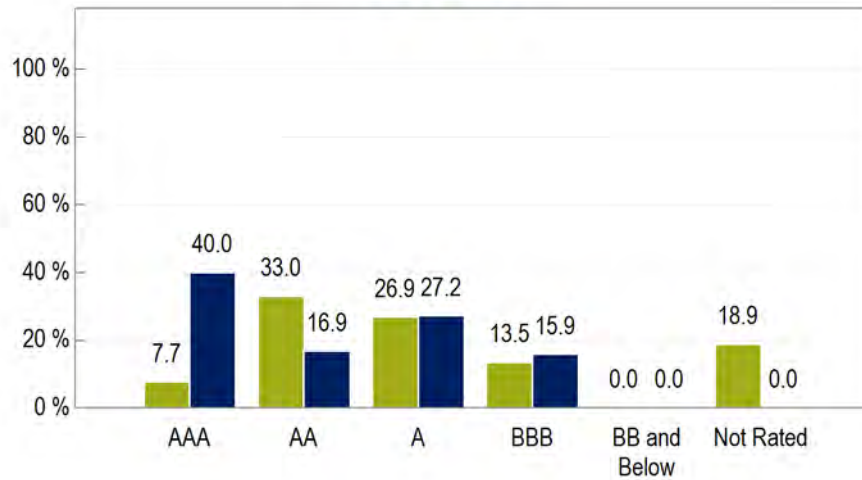
- Mondrian
- ▲ Barclays Global Aggregate
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Returns are net of fees

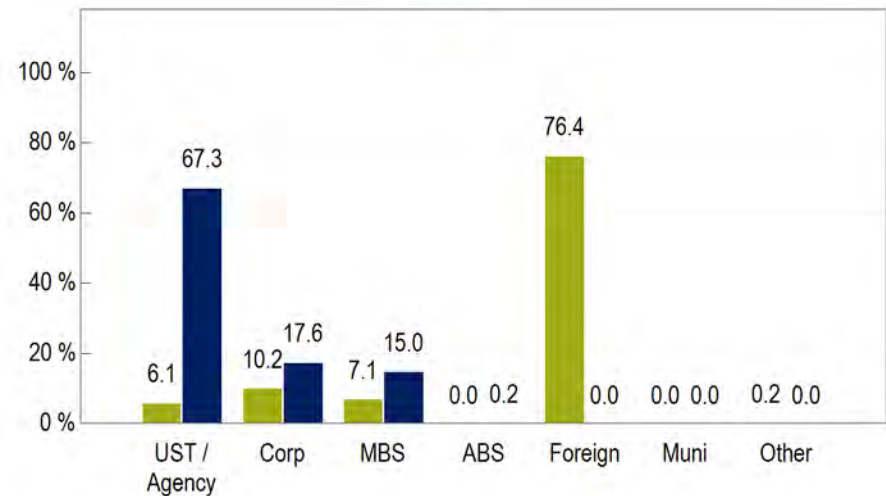
Characteristics



Quality Ratings



Sectors

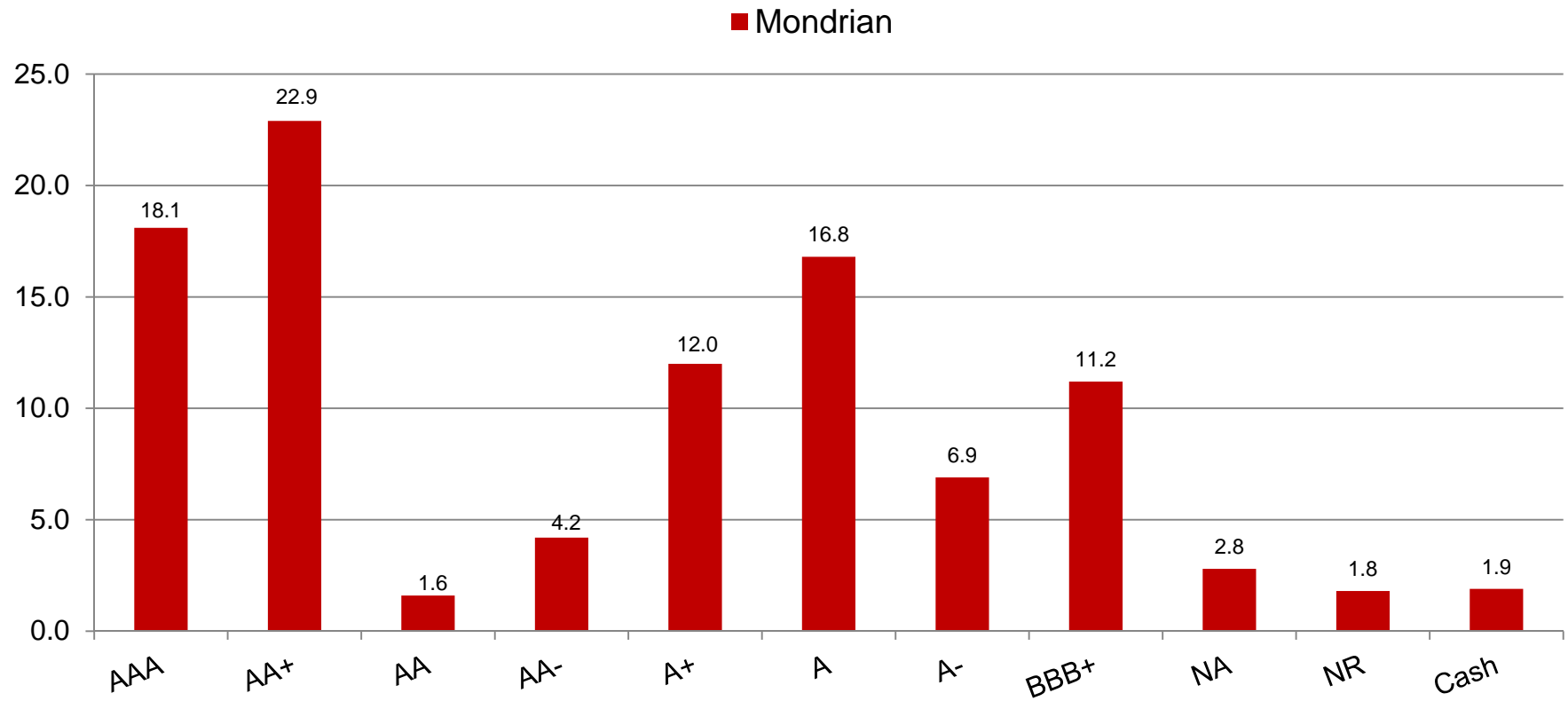


Characteristics**Mondrian**

Average Yield	2.1
Average Maturity	6.8
Modified Duration	5.6
Number of Issues	81
Average Quality	AA-

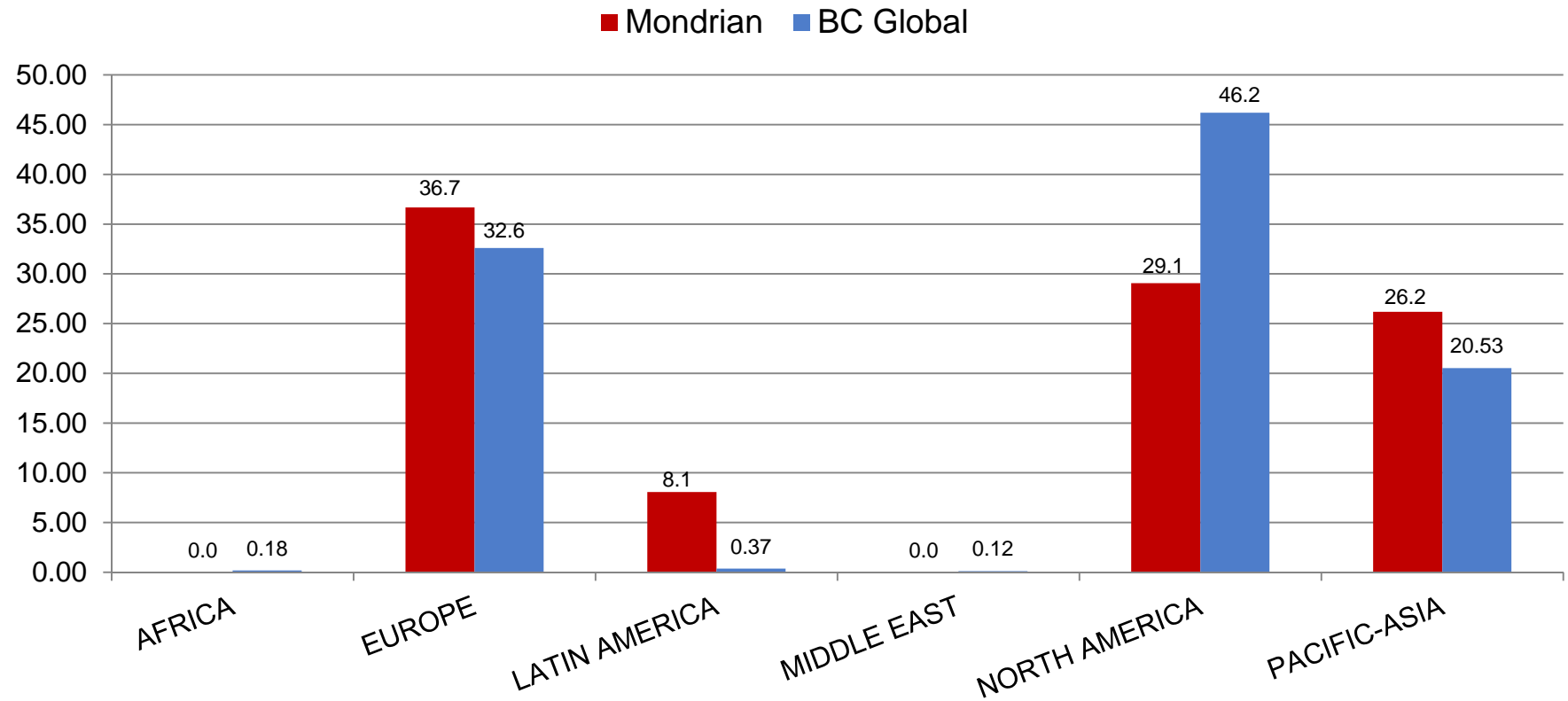
Source: Mondrian, March 2016

Credit Distribution



Source: Mondrian, March 2016

Country Allocation



Source: Mondrian, March 2016

- **Manager Role in Portfolio**

- Global opportunistic fixed income manager operating in public securities markets

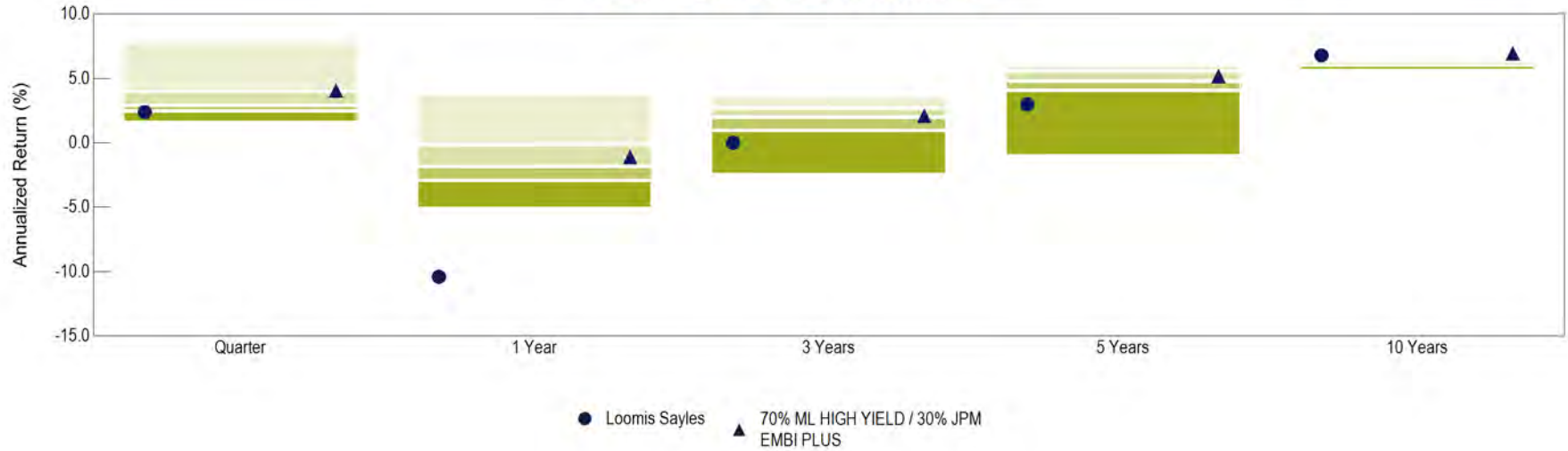
- **Organizational Profile**

- Originally founded in 1926, Loomis Sayles is now a wholly-owned subsidiary of CDC IXIS Asset Management
- Loomis is highly regarded for its credit research skills

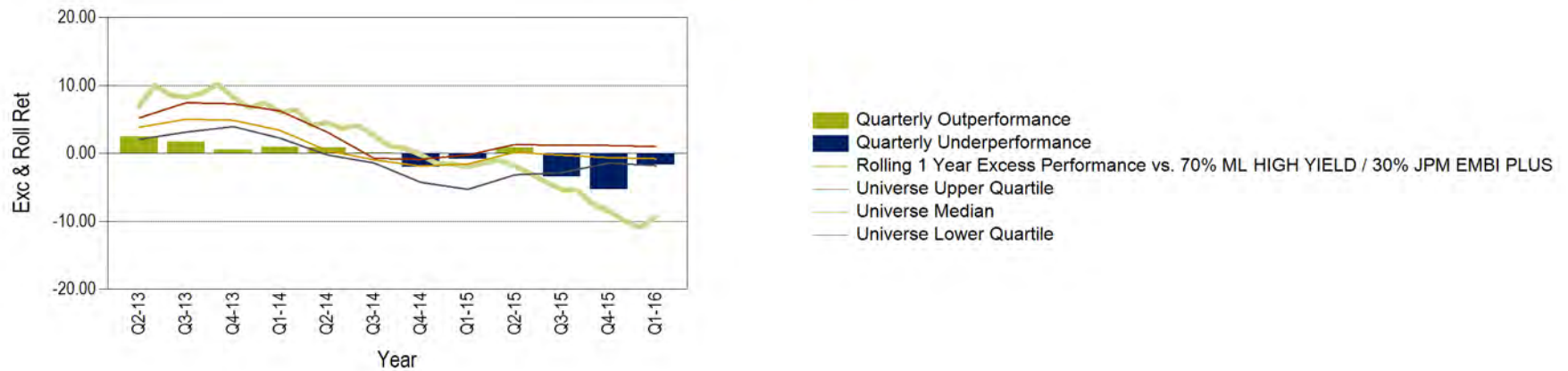
- **Investment Strategy Commentary**

- Bottom-up selection with top-down “awareness”
- Bond Policy Committee provides top-down, macro view of market conditions
- Investment professionals from research, portfolio management and trading collaborate for bottom-up selection in eleven specific sectors

eA Global High Yield Fixed Inc Net Accounts

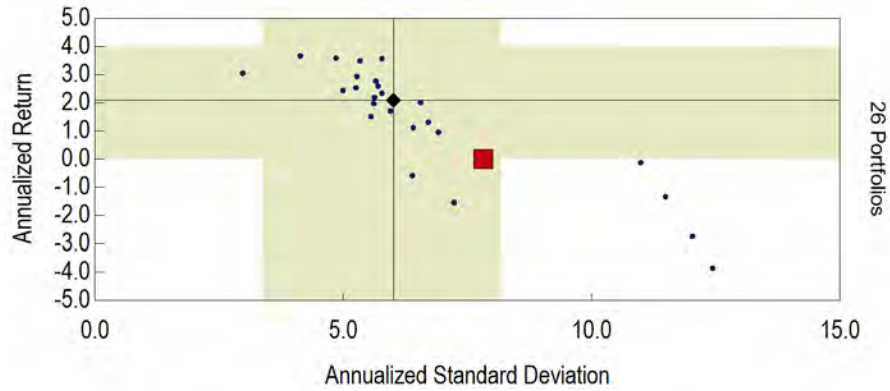


Annualized Excess Performance



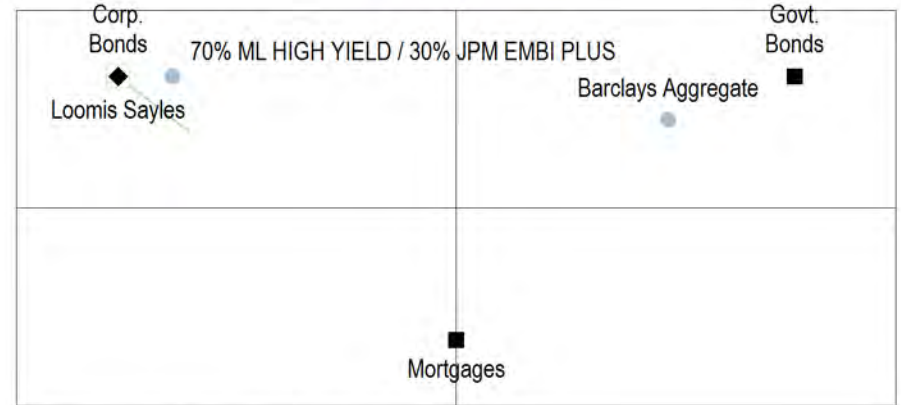
Returns are net of fees

3 Year Risk Return

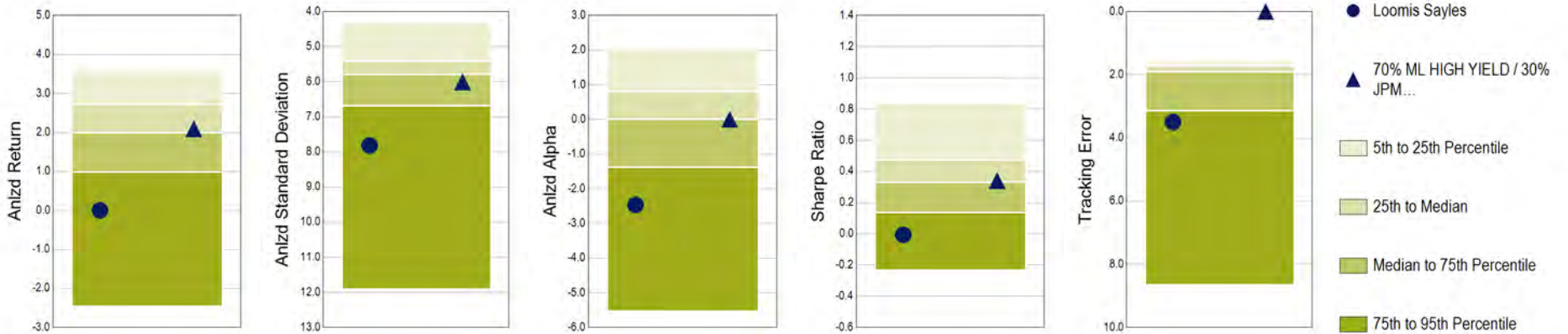


- Loomis Sayles
- ◆ 70% ML HIGH YIELD / 30% JPM EMBI PLUS
- 68% Confidence Interval
- eA Global High Yield Fixed Inc Net

3 Year Style Map



- First Rolling Period
- ◆ Last Rolling Period



Returns are net of fees

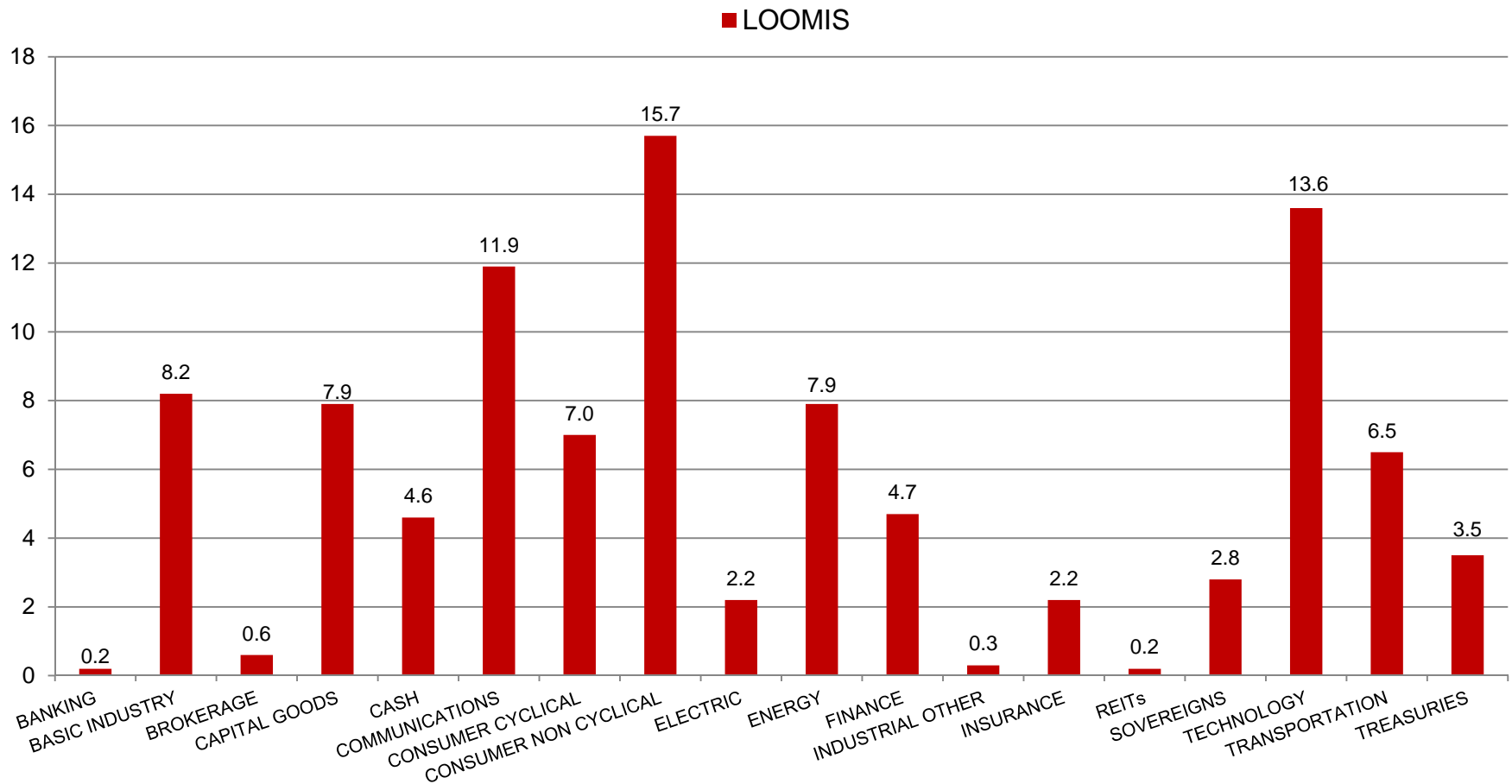
Characteristics

Loomis

Average Maturity (Yrs)	7.8
Duration(Yrs)	4.9
Average Quality	B2
Yield to Maturity(%)	9.3

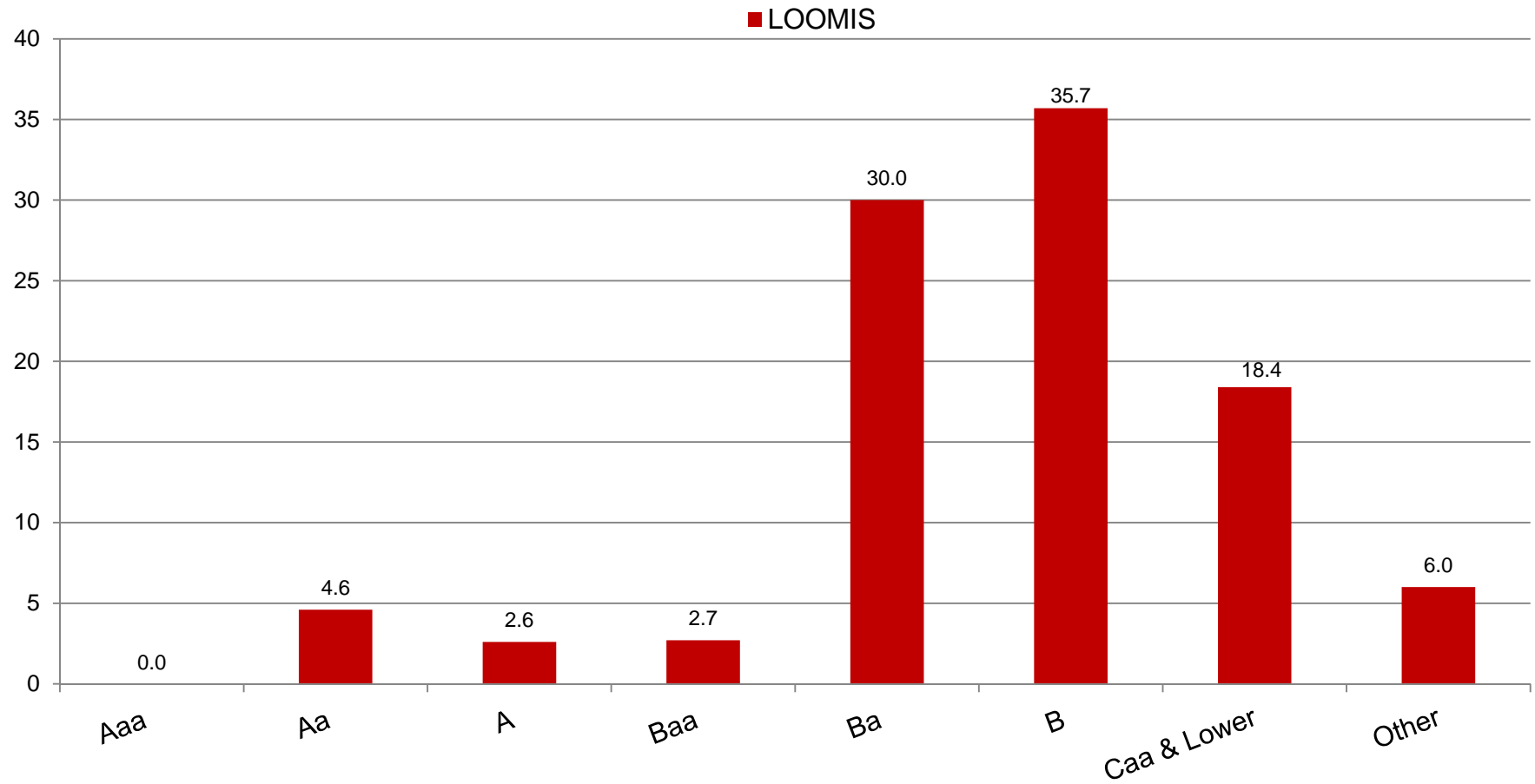
Source: Loomis March 2016

Sector Allocation



Source: Loomis, March 2016

Quality Allocation



Source: Loomis, March 2016

- **Manager Role in Portfolio**

- Bank Loan manager within the Global Fixed Income bucket
- Seeks to provide a high level of current income by using a value driven, opportunistic approach and macro-guided portfolio construction
- Provides some protection in a rising rate environment

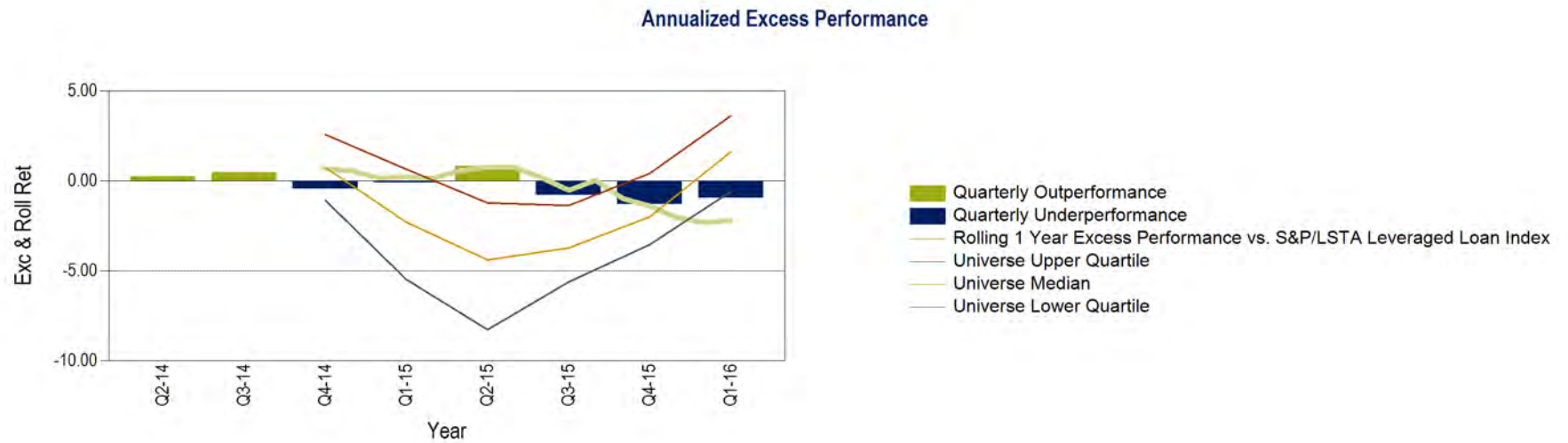
- **Organizational Profile**

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- Loomis is highly regarded for its credit research skills

- **Investment Strategy Commentary**

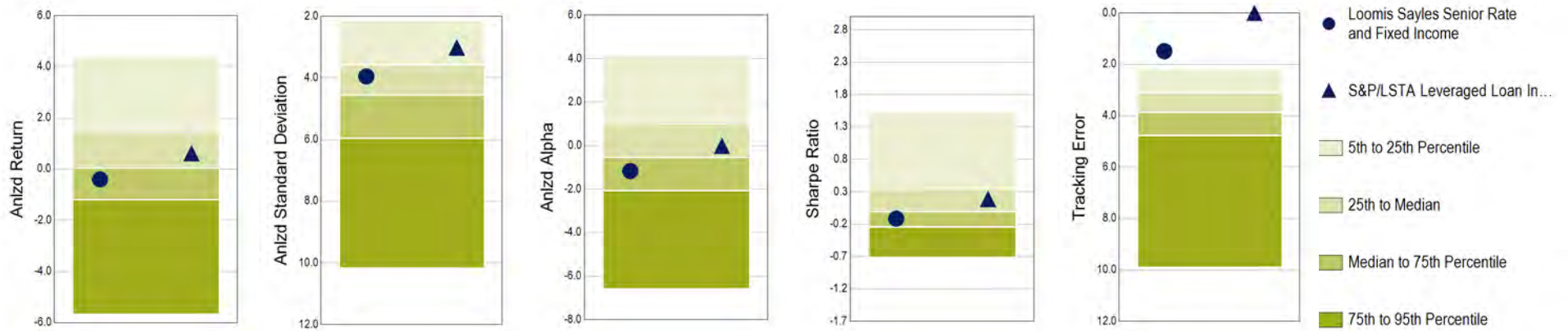
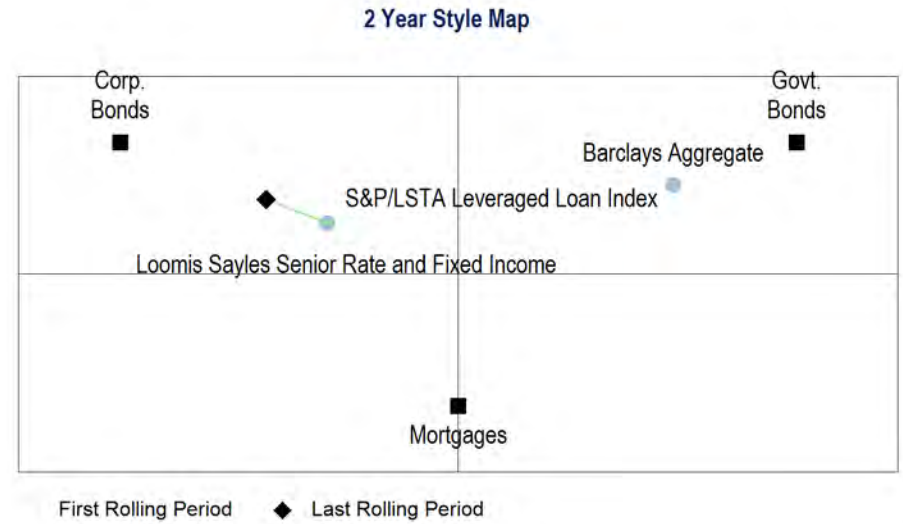
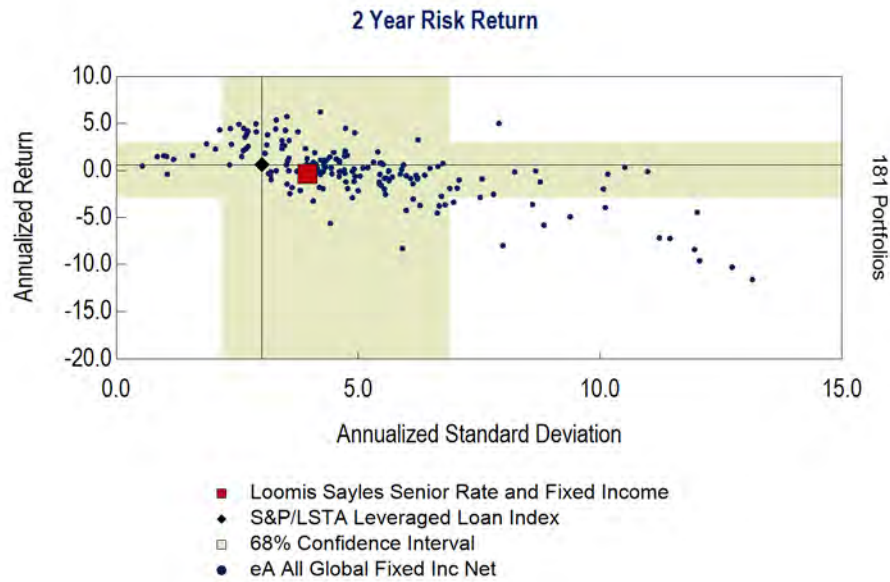
- Allocations to out of benchmark securities for offensive and defensive purposes
- Must invest at least 65% in floating rate loans
- May invest up to 35% of assets in other fixed income securities
- May invest up to 20% of assets in non- US issuers, including 10% in emerging market debt securities
- May use leverage through borrowing up to 33.33% of the Fund's total assets after such borrowing

Loomis Sayles Senior Rate and Fixed Income



Returns are net of fees

Loomis Sayles Senior Rate and Fixed Income



Returns are net of fees

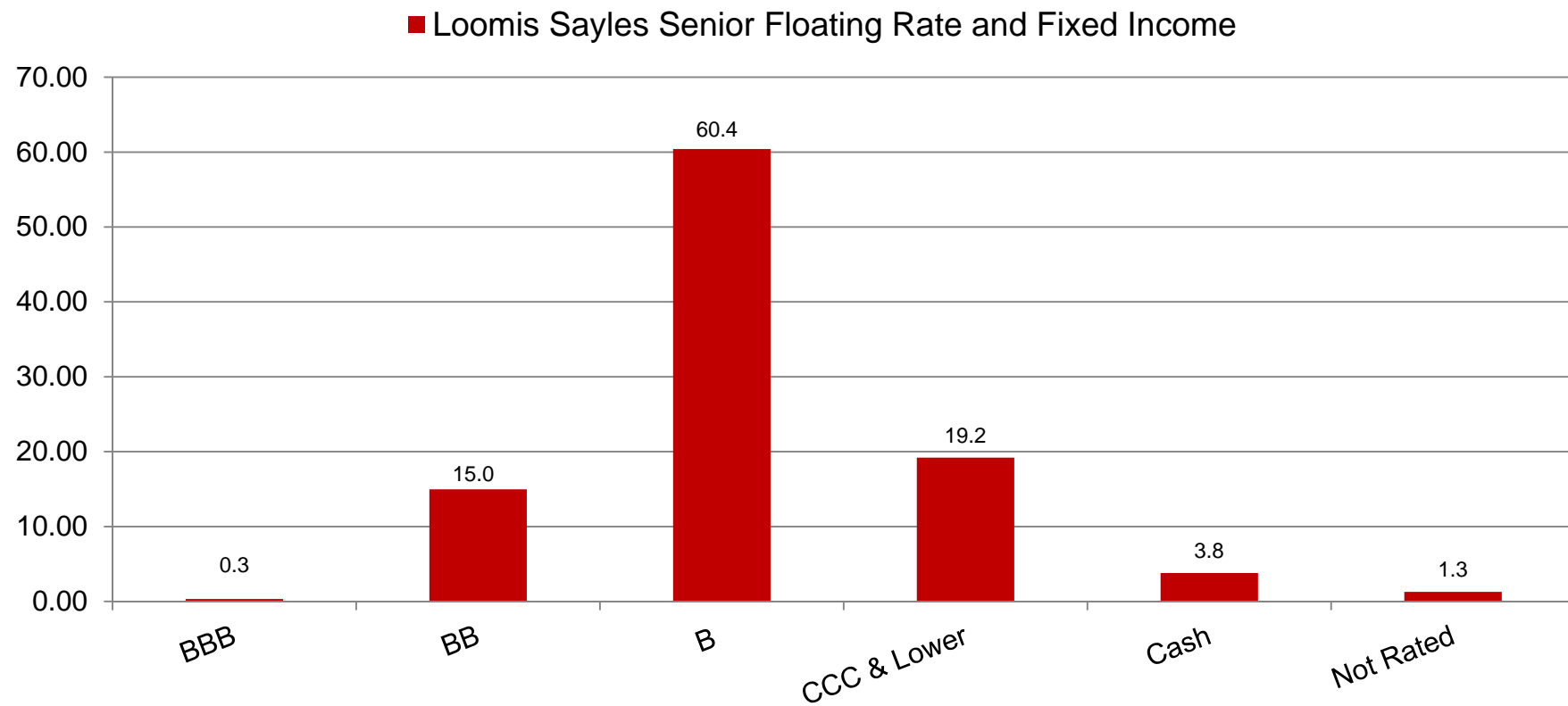
Characteristics

Loomis Sayles

Current Yield	7.0
Stated Maturity	4.8
Duration	0.4
Number of Issues	206
Average Quality	B

Source: Loomis Sayles, March 2016

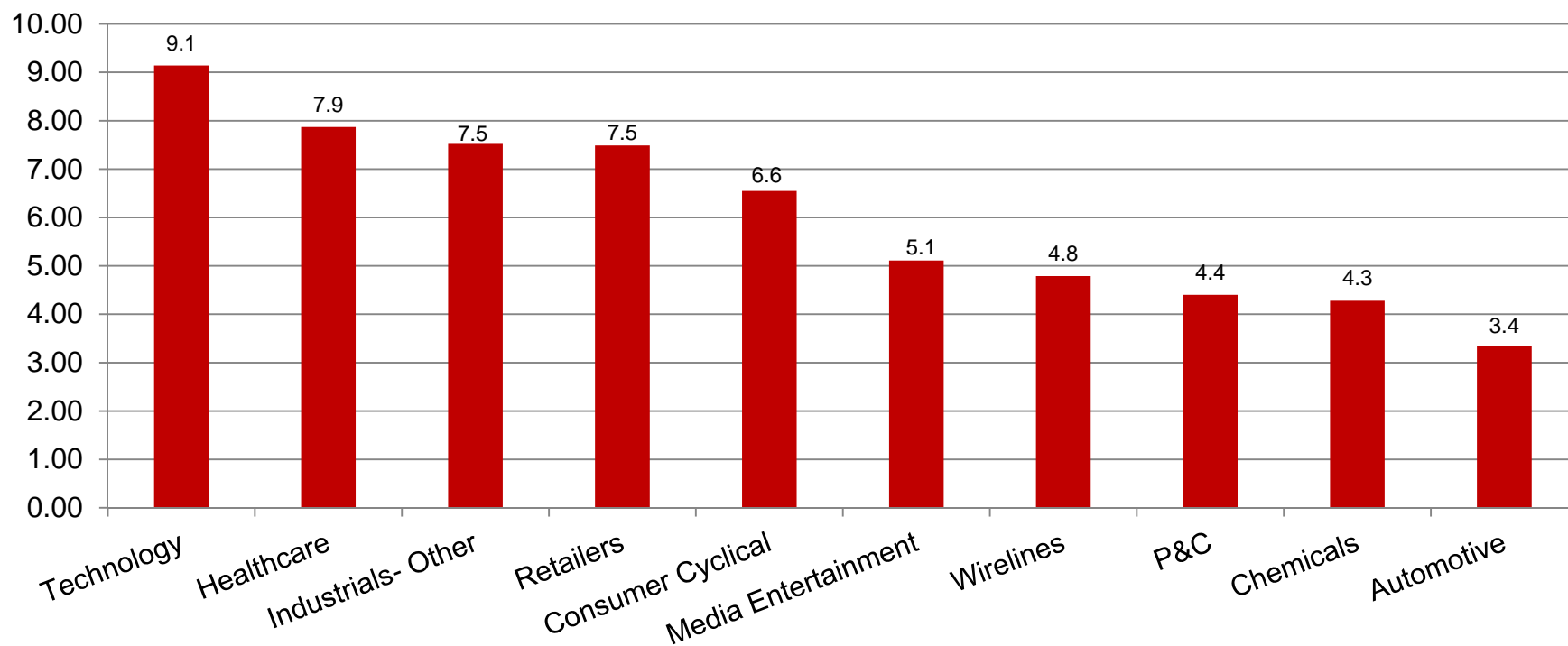
Credit Distribution



Source: Loomis Sayles, March 2016

Sector Distribution

■ Loomis Sayles Senior Floating Rate and Fixed Income



Source: Loomis Sayles, March 2016

- **Manager Role in Portfolio**
 - Bank loan strategy within the private global opportunistic fixed income allocation

- **Organizational Profile**
 - Established in 1990 as a standalone investment division of Protective Life Insurance Company. In 1997, the founders purchased Protective's interest.
 - Specialists in leveraged loans and high yield

- **Investment Strategy Commentary**
 - Top-down/bottom up investment approach
 - Management develops macro and sector views and seeks to implement the views on an individual investment basis

- **Funded investment in the Highland Credit Strategy during Q4 2006**

- **Notable Occurrences**
 - In 4Q 2008, the Dallas Police and Fire Pension System provided Highland Credit Opportunities CDO Fund, L.P. with a cash infusion through purchase of senior secured notes

- **Manager Role in Portfolio**
 - Invests in financially stressed and distressed companies. Part of the Private Debt strategy.

- **Organizational Profile**
 - Established in 1990 as a standalone investment division of Protective Life Insurance Company. In 1997, the founders purchased Protective's interest.
 - Specialists in leveraged loans and high yield

- **Investment Strategy Commentary**
 - Seeks to maximize value through influence or control of the corporate workout and restructuring process.
 - Investment positions are generally monetized within 12 to 24 months of initial investment.

- **Notable Occurrences**
 - The fund unwound on November 15, 2008
 - A working group has been formulated and will work with a mediator to come to a final conclusion.

- **Manager Role in Portfolio**

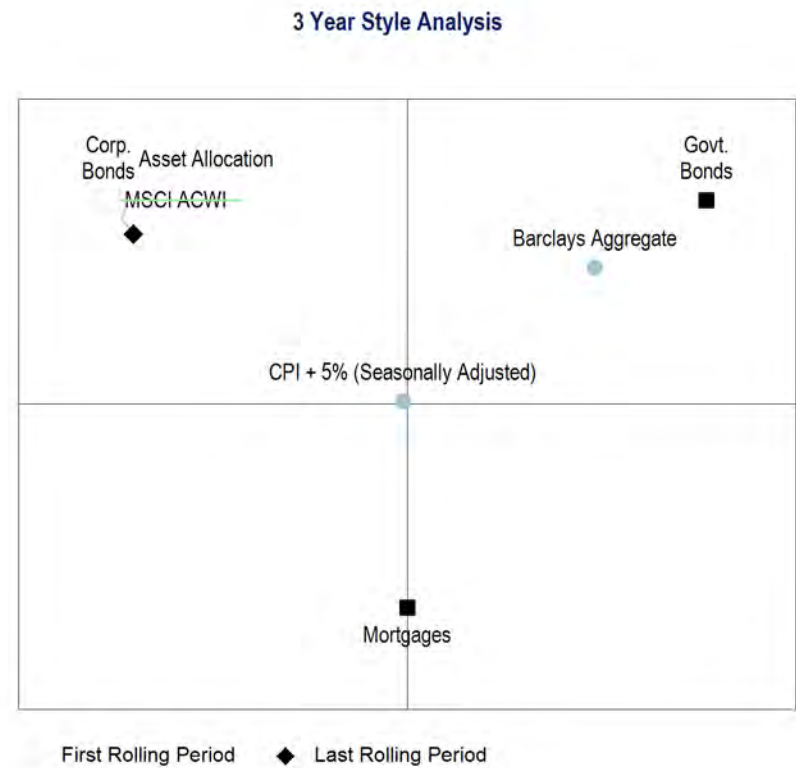
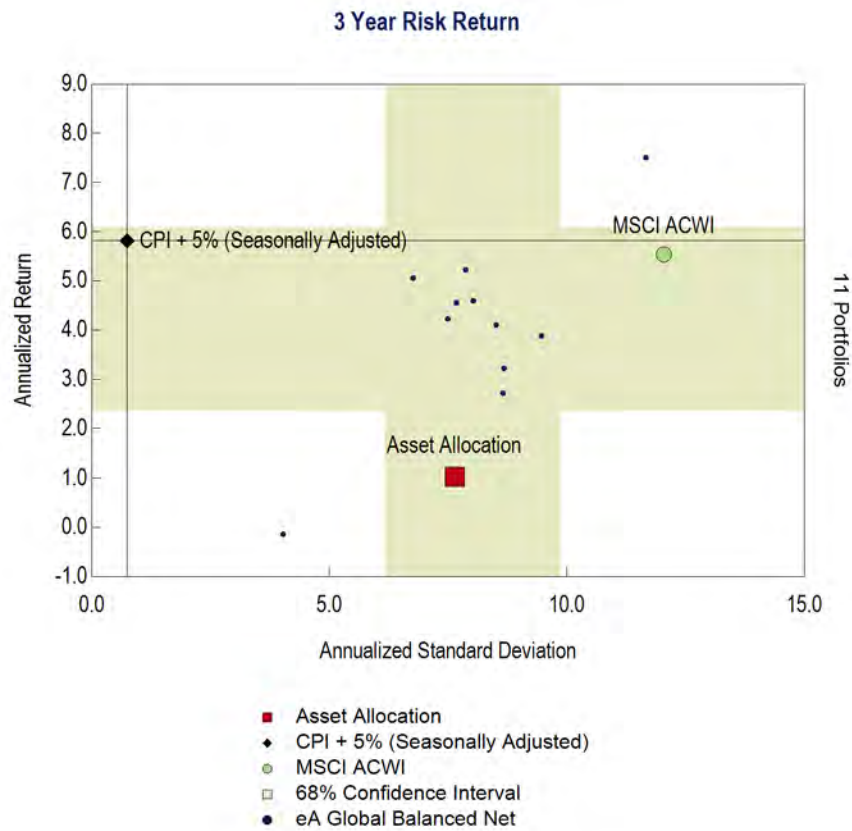
- Represents the U.S. only high yield fixed income allocation; however, 10% of the allocation is invested in Huff's global fund.

- **Organizational Profile**

- W.R. Huff Asset Management Co. was founded in 1984 and is a Delaware limited partnership. The two general partners are William R. Huff and Donna B. Charlton. There are no other affiliates of the partnership.

- **Investment Strategy Commentary**

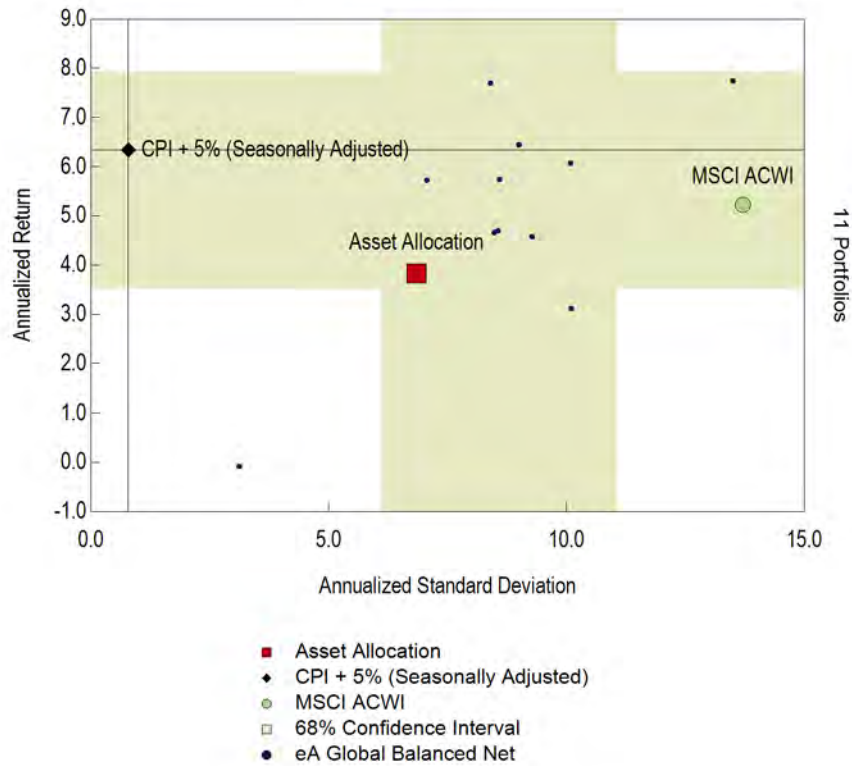
- Huff employs a concentrated, bottom-up process
- Relies on in-depth fundamental credit research (analysts are not allowed to see sell side research)
- The Portfolio Managers are responsible for the relative value and pricing decisions
- Concentrate on eight industries, which together comprise about 45% of the high yield market



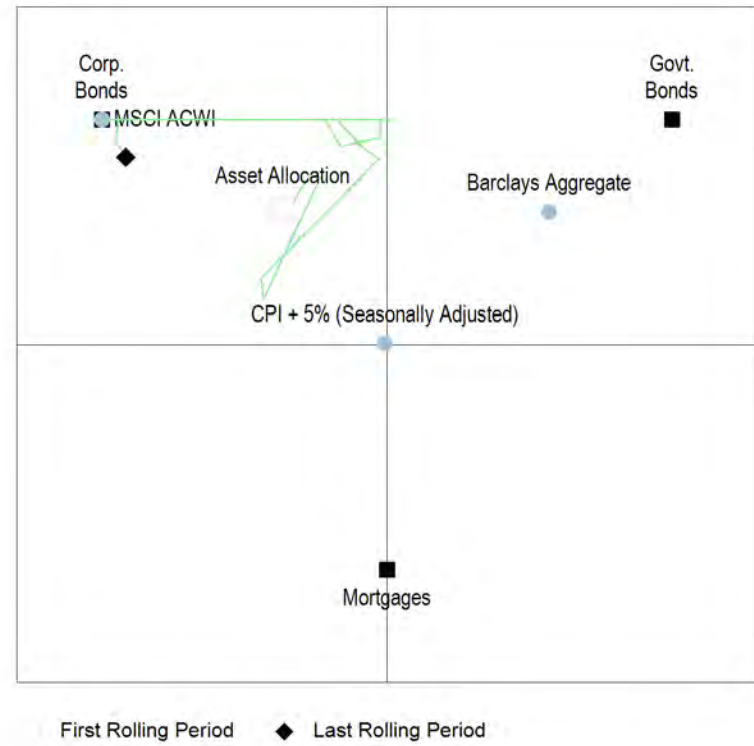
Returns are net of fees

Global Asset Allocation Composite

5 Year Risk Return



5 Year Style Analysis



Returns are net of fees

- **Organizational Profile**

- Bridgewater Associates began offering investment services in 1975, initially providing money management and consulting services in the global credit and currency markets to corporations in the management of income statement and balance sheet exposures. Bridgewater registered with the SEC as an investment advisor in 1990 and has been managing assets for institutional investors ever since.
- Bridgewater is headquartered in Westport, Connecticut and has approximately \$72 billion in assets under management. Bridgewater is and has always been 100% employee (current and former) owned.

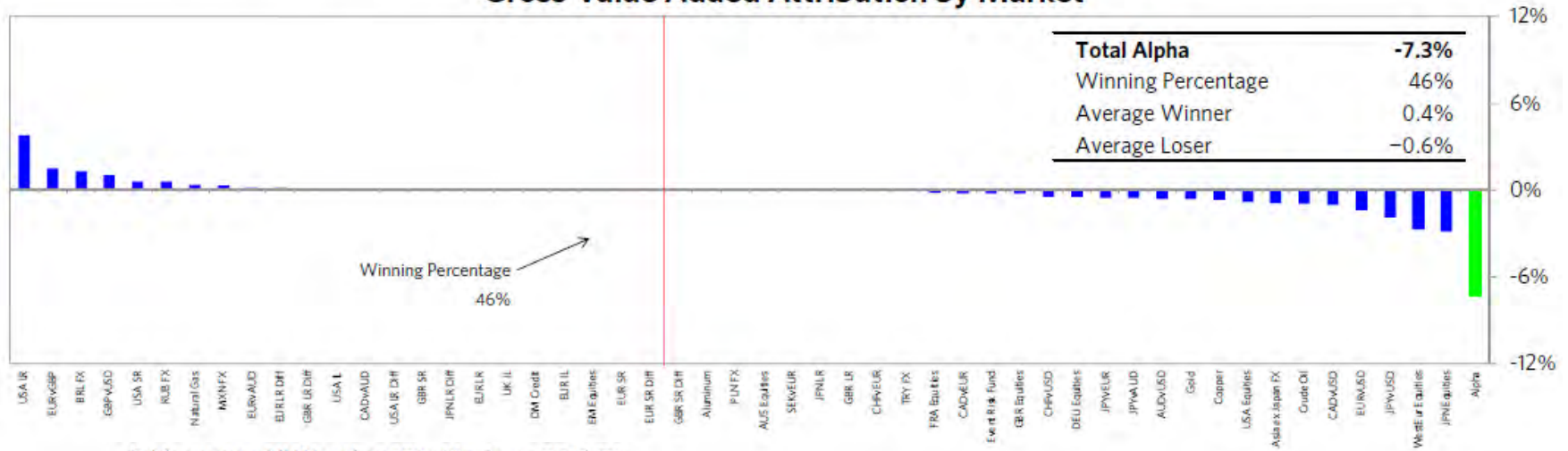
- **Investment Strategy Commentary**

- The framework for constructing the All Weather Strategy is to diversify based on exposure to expectations of inflation and growth and to allocate risk (not capital) equally across these four economic environments (high and low growth, high and low inflation.)
- Allocations are based on Bridgewater's understanding of the relationship between asset classes and economic environments. This is quite different from traditional portfolio construction which utilizes mean-variance optimization.
- The strategy invests in a diversified set of asset classes with the objective of balancing risk equally across the possibility of rising or falling economic growth as well as rising or falling inflation. Asset classes in the All Weather strategy include equities, credit spreads, commodities, nominal and inflation-linked bonds, and emerging market debt spreads.
- Asset class exposures are continually adjusted to optimize performance (leverage and de-leveraging asset classes).
- Forecasted to have similar returns to a split 60% equity and 40% fixed income portfolio.

- **Portfolio Positioning**

- Overlay allocation to Pure Alpha started in third quarter of 2011.

Bridgewater Pure Alpha Major Markets Strategy 21% Volatility: 2016 Q1 Gross Value Added Attribution by Market



Bridgewater All Weather 12% Strategy: 2016 Q1

Gross Excess Return Attribution by Economic Environment

	Growth	Inflation
Rising	Return -1.2%	Return 0.9%
Falling	Return 2.4%	Return 0.7%

≈ Risk Premiums & Discount Rates
2.9% Excess Return Over Cash

Plus Cash Return = 0.0%
Total All Weather Return = 2.9%

Bridgewater All Weather 12% Strategy: 2016 Q1

Gross Excess Return Attribution



Source: Bridgewater



All Weather Fund LLC**Exposure Report****March 31, 2016**

	Exposure as a % of Portfolio Value
Nominal Bonds	
Australia	7.3%
Canada	0.0%
Euroland	0.0%
United Kingdom	7.6%
United States	33.5%
Western Europe ex Euroland	0.0%
Total Nominal Bonds	48.4%
Corporate Credit	
	13.5%
Inflation-Indexed Bonds	
Australia	1.6%
Canada	2.6%
Euroland	11.5%
Sweden	1.0%
United Kingdom	8.5%
United States	23.1%
Total Inflation-Indexed Bonds	48.3%
Emerging Market Credit	
Argentina	0.6%
Brazil	1.5%
Indonesia	1.5%
Mexico	1.3%
Peru	0.8%
Philippines	0.7%
Russia	1.5%
South Africa	0.7%
Turkey	1.7%
Venezuela	0.2%
Total Emerging Market Credit	10.6%

Equities

Australia	3.0%
Canada	2.0%
Emerging Markets	5.0%
France	1.6%
Germany	4.4%
Hong Kong	1.1%
Japan	2.8%
United Kingdom	3.5%
United States	12.9%
Western Europe	3.5%
Total Equities	39.8%

Commodities

Aluminum	1.7%
Coffee	0.3%
Copper	1.8%
Corn	0.4%
Cotton	0.2%
Gold	6.9%
Lean Hogs	0.4%
Live Cattle	0.5%
Natural Gas	0.9%
Nickel	0.6%
Oil and Petroleum Products	4.3%
Silver	0.1%
Soybean Meal	0.2%
Soybean Oil	0.2%
Soybeans	0.4%
Sugar	0.5%
Wheat	0.3%
Zinc	0.7%
Total Commodities	20.3%

Source: Bridgewater



NEPC, LLC

March 31, 2016

- **Manager Role in Portfolio**

- GMO manages a portion of the Global Asset Allocation mandate

- **Organizational Profile**

- GMO was founded in 1977 as a private investment firm to serve institutional clients
- Initial products were designed around the firm's value-oriented discipline until GMO's quantitative division was launched in 1982, providing a way to augment existing strategies and disciplines.
- GMO has a wide range of products across global asset classes, and are known for their contrarian, often bearish view of the marketplace.

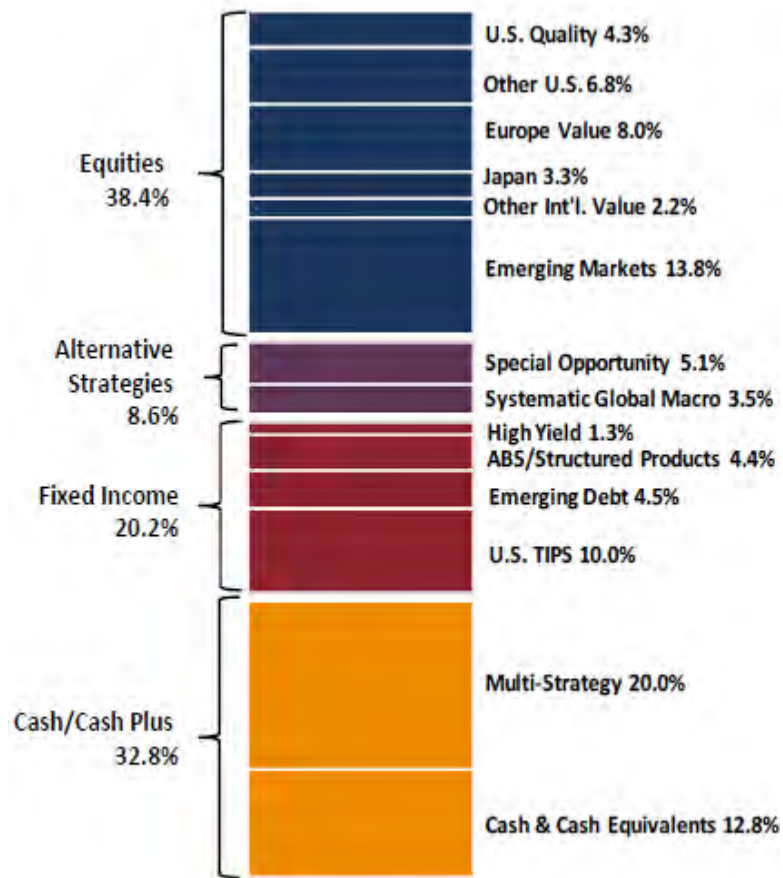
- **Investment Strategy Commentary**

- Real return Global Balanced Asset Allocation (until 11/30/2010)
 - Portfolio construction based on seven year asset class forecasts developed by GMO quantitative team led by Jeremy Grantham and Ben Inker
 - Product seeks to add 2-3% above customized blended benchmark (60% MSCI World, 20% BC Aggregate, 20% Cash)
 - In addition to asset classes such as global multi-cap equities, global bonds, emerging markets equities and debt, a GMO fund of GMO hedge funds is used for additional diversification and risk control.
- Global Allocation Absolute Return (GAAR – as of 12/2010)
 - Generate relatively strong real returns over a market cycle, by allocating to a potentially wide range of asset classes (including but not limited to Int'l Small Cap, Emerging Market equities, REITs, TIPS, GMO funds, etc.) with regard to a traditional benchmark.
 - Absolute volatility should be in the same general range as traditional balanced portfolios, although the pattern of returns may be quite different.

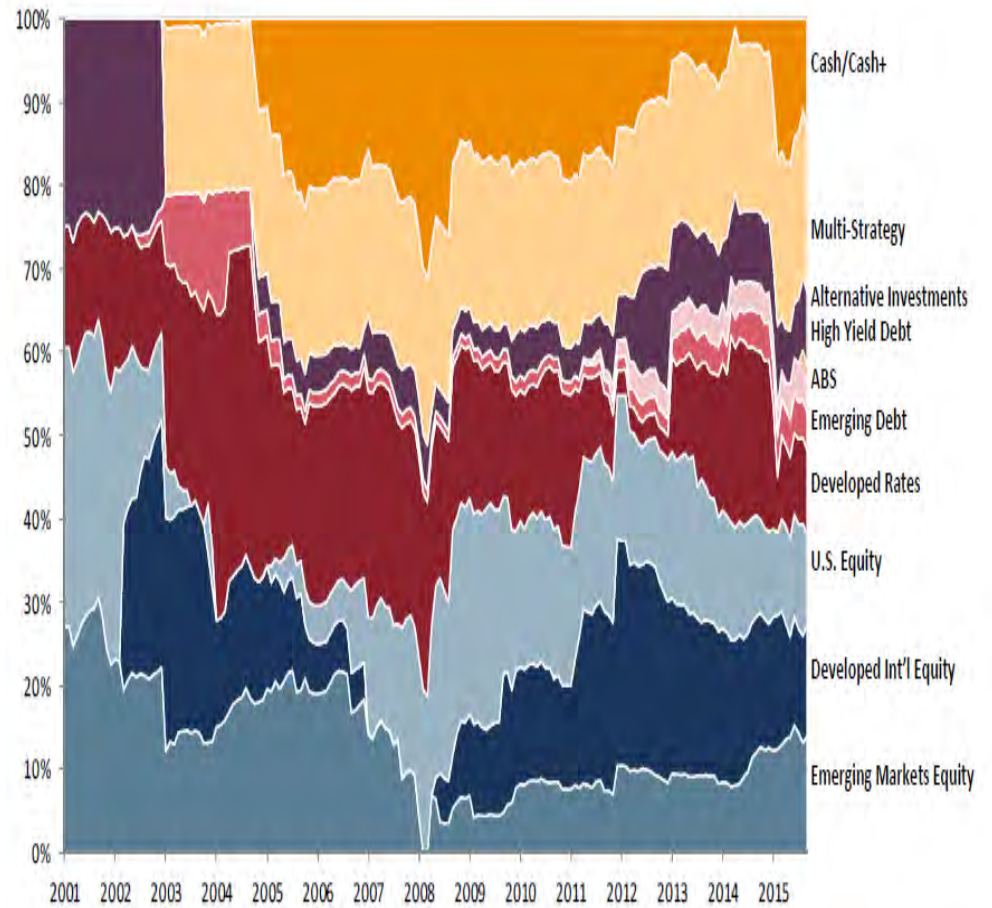
- **Due Diligence Notes**

- GMO has historically offered equity strategies through both its Global Equity and Asset Allocation teams. These two groups will be combining their individual product offerings into a single set of unified strategies. The unified strategies will be managed with the objective of generating high total returns by investing in equities, and focusing less on managing risk relative to a benchmark. The Global Equity Team will continue with day-to-day portfolio management and the Asset Allocation Team will be responsible for the asset class forecasts and high-level investment oversight.
- Effective immediately on January 30, 2013, Marc Seidner left the firm PIMCO and will be joining GMO in March to head their Fixed Income team. Mr. Seidner joined PIMCO in 2009 from Harvard and is a well-respected investor. PIMCO expressed that this was a difficult loss for them.

Asset Allocation



Historical Allocation



Source: GMO

- **Manager Role in Portfolio**

- Provides investment solutions using sophisticated quantitative techniques that incorporate fundamental insights and vast amounts of market information. Applies risk balance across and within asset classes.
- The Risk Parity Multi-Asset Plus Fund seeks generally to deliver absolute return with a target 8% absolute volatility.

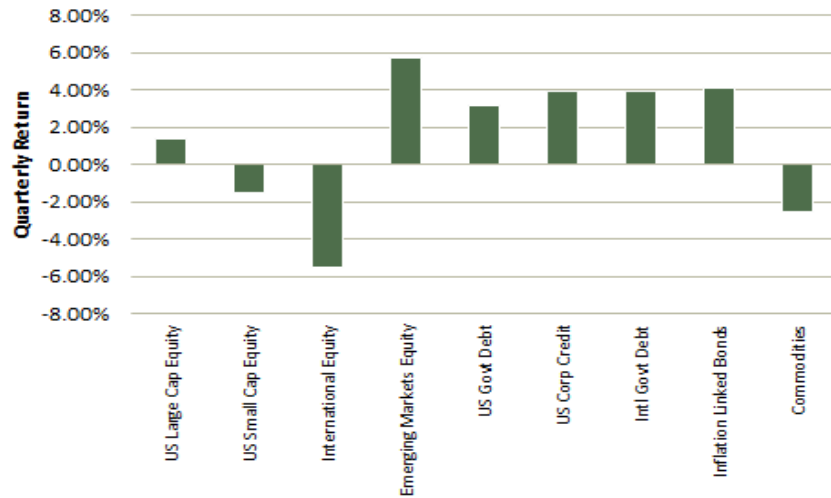
- **Organizational Profile**

- Founded in 1989, PanAgora (Greek for *across marketplace*) Asset Management is a provider of investment solutions spanning most major asset classes and risk ranges.
- PanAgora's investment strategies are highly systematic in nature. Most investment team members are engaged in original research using fundamental intuition, market intelligence, modern finance and scientific methods.

- **Investment Strategy Commentary**

- Diversified Risk approach may be applied in a multi-asset class portfolio that has exposure to equities, bonds, commodities and other inflation-hedging instruments, as well as within certain stand-alone asset classes. By applying risk balance across and within asset classes, and by using proprietary techniques like Dynamic Risk Allocation, PanAgora's Diversified Risk products seek to achieve higher risk-adjusted returns, with lower volatility and draw-downs than more traditional approaches.

Benchmark performance, three months ending March 31, 2016



Risk Allocation vs. Strategic Target as of January 1, 2016



Risk Allocation vs. Strategic Target as of January 1, 2016



Source: PanAgora, March 2016

AQR Global Risk Premium Enhanced Liquidity

- **Manager Role in Portfolio**

- The AQR Global Risk Premium Enhanced Liquidity Fund (GRP EL) uses a risk budgeting approach, commonly termed "risk parity", to combine a large number of liquid, global risk premia into a well-diversified portfolio, which provides higher risk-adjusted expected returns than traditional beta exposures.
- GRP EL is structured to be better diversified than a traditional portfolio and expectations are to outperform traditional portfolios in the long-term.

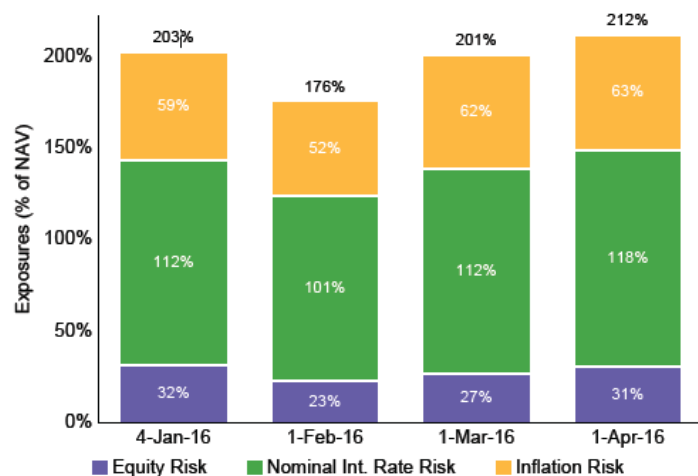
- **Organizational Profile**

- Founded in 1988, AQR is a global provider of investment management services, including alternative investments and broad spectrum of long-only funds
- Investment philosophy and approach grounded in empirical finance research

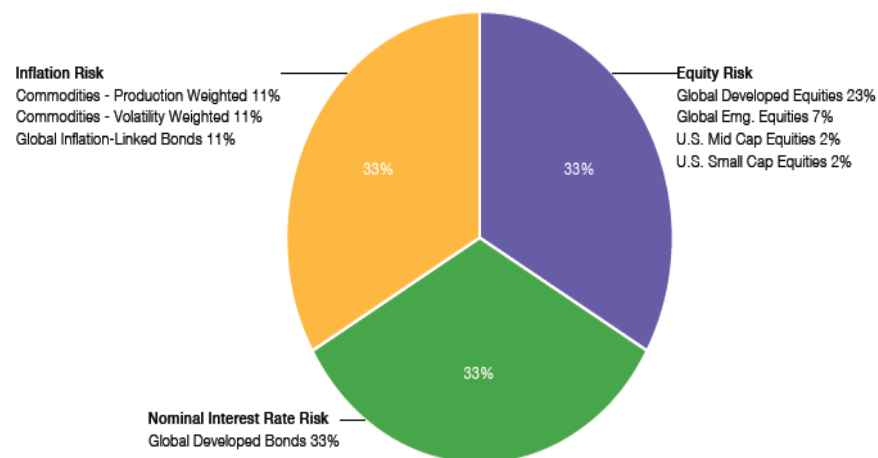
- **Investment Strategy Commentary**

- The GRP EL seeks to achieve an attractive risk-adjusted return by constructing a highly diversified portfolio with equal risk contributions from three main risk groups: equity risk, nominal interest rate risk and inflation risk. Underlying these 3 groups are 7 different asset class exposures.
- The exposures in the portfolio can be sized to target a particular volatility level, using leverage. At 10% volatility, the portfolio's long-term target is comparable to the historical volatility of a traditional 60/40 stock/bond portfolio.

Estimated Exposure Over Time



Risk Allocation



Estimated Exposure Breakdown

Long Exposure (% of NAV)	
Equity Risk	
Global Developed Equities	22%
Global Emerging Equities	6%
U.S. Mid Cap Equities	2%
U.S. Small Cap Equities	1%
Total Equity Risk	31%
Nominal Interest Rate Risk	
Global Developed Bonds	118%
Total Nominal Interest Rate Risk	118%
Inflation Risk	
Commodities - Production Weighted	8%
Commodities - Volatility Weighted	17%
Global Inflation-Linked Bonds	37%
Total Inflation Risk	63%
Total Fund Exposures	212%

Returns Analysis

	Month-to-Date Return (Mar 01 - Mar 31, 2016)	Quarter-to-Date Return (Jan 01 - Mar 31, 2016)	Year-to-Date Return (Jan 01 - Mar 31, 2016)
Equity Risk			
Global Developed Equities	1.1%	-0.6%	-0.6%
Global Emerging Equities	0.5%	-0.1%	-0.1%
U.S. Mid Cap Equities	0.1%	0.0%	0.0%
U.S. Small Cap Equities	0.1%	0.0%	0.0%
Total Equity Risk	1.8%	-0.6%	-0.6%
Nominal Interest Rate Risk			
Global Developed Bonds	-0.2%	3.7%	3.7%
Total Nominal Interest Rate Risk	-0.2%	3.7%	3.7%
Inflation Risk			
Commodities - Production Weighted	0.4%	-0.1%	-0.1%
Commodities - Volatility Weighted	0.6%	0.6%	0.6%
Global Inflation-Linked Bonds	0.4%	1.1%	1.1%
Total Inflation Risk	1.4%	1.6%	1.6%
Total Fund	2.9%	4.7%	4.7%

Source: AQR, March 2016

- **Manager Role in Portfolio**

- Global Asset Allocation Mandate (added in Q4 2009)

- **Organizational Profile**

- Putnam was founded in 1937 with the creation of one of the first balanced mutual funds, consisting of both stocks and bonds. This fund exists to this day and remains one of the most popular offerings in their product lineup.
- In 1970, the firm was acquired by Marsh & McLennan Companies, Inc., a diversified firm offering insurance and reinsurance broking, consulting, and investment management services.
- On August 3, 2007, the sale of Putnam Investments by Marsh and McLennan Companies (MMC) to Great-West Lifeco Inc., a subsidiary of Power Financial Corporation, was completed. Great-West Lifeco Inc. is a financial services holding company with interests in the life insurance, health insurance, retirement savings, investment management and reinsurance businesses.

- **Investment Strategy Commentary**

- Putnam Total Return's objective is to meet investors' needs for absolute return in different economic environments, including those in which stocks and bonds struggle.
- Seeks to achieve positive absolute return through the combination of a strategic beta portfolio and diversified alpha portfolio.
- The beta portfolio has been designed to provide high current yield, protect against inflation, limit downside risk and to balance the risk contribution from asset classes.
- The alpha portfolio seeks to add 100-250 basis points of excess return, with volatility of approximately 200 basis points, at the fund level by individual teams.

- **Due Diligence Notes**

- Jeff Knight, Head of Asset Allocation and the lead Portfolio Manager for Putnam's Total Return strategy, tendered his resignation on January 29th. Jeff's resignation was unexpected and is a significant loss for Putnam. As Head of Asset Allocation, Jeff oversaw approximately \$10 billion in multi-asset mandates including risk parity, asset allocation strategies and balanced funds. The reason for Jeff's departure is unclear. The 4 senior portfolio managers of the Total Return Fund will remain at Putnam and have been promoted to co-heads of the Asset Allocation Group. The four senior PMs are Robert Kea, James Fetch, Robert Schoen, and Jason Vaillancourt. As part of their retention, 4 PMs have been given increases in compensation, bonuses, and equity stakes. After this announcement NEPC put Putnam's Total Return strategy on Client Review.

Risk weight summary as of March 31 2016

	Risk factor weight (%)
Common factor risk	
Equity	54.61
Rates	2.02
Credit	22.36
Inflation	21.02

Source: Putnam, March 2016

Portfolio weight summary

31 March 2016

Asset Class	Physical Weight	Derivative Exposure	Total Current Weight	Index Proxy
U.S. Equity	18.78%	-3.26%	15.52%	Russell 3000 Index
Non-U.S. Equity	10.21%	1.28%	11.49%	MSCI EAFE Index
Emerging-Market Equity	0.00%	4.88%	4.88%	MSCI Emerging Markets Index
U.S. High-Yield Bond	11.62%	-4.20%	7.42%	JP Morgan High Yield Developed Index
Emerging-Market Bond	0.00%	4.97%	4.97%	JPM EM Global Bond Index
U.S. Investment-Grade Bond	11.83%	-4.46%	7.38%	Barclays Aggregate Bond Index
Non-U.S. Government Bond	0.00%	24.83%	24.83%	Citi WGBI ex US Index
U.S. TIPS	0.00%	29.59%	29.59%	Barclays TIPS Index
Commodities	0.00%	10.77%	10.77%	GSCI Index
REITs	3.42%	0.00%	3.42%	MSCI REIT Index
Cash	44.13%	-64.40%	-20.26%	3 month U.S. Treasury Bill

data as of 03/31/2016

Source: Putnam, March 2016

Manager Due Diligence Updates

Investment Options	Manager Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations
Bridgewater Associates, LP <i>Bridgewater Pure Alpha Trading Company, Ltd.</i>	Other: Jon Rubinstein Joining as a Co-CEO 3/2016	No Action

NEPC Due Diligence Status Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

Manager Due Diligence Updates

Investment Option	Commentary	NEPC Rating
Bridgewater Associates, LP <i>Bridgewater Pure Alpha Trading Company, Ltd.</i>	In March, NEPC was notified that Jon Rubenstein is now Co-CEO alongside Eileen Murray. In addition, Greg Jensen, who holds the position of both Co-CEO and Co-CIO, will shift to focus exclusively on the investment side of the business. Mr. Jensen will remain Co-CIO along with Bob Prince and Ray Dalio. NEPC recommends No Action.	Preferred Closed

NEPC Due Diligence Rating Key	
Preferred	A high conviction investment product. Product has a clear and economically-grounded investment thesis, and is managed by an investment team that is sufficiently resourced and incented to execute on the thesis.
Preferred Conditional	A strategy that meets the definition of Preferred as described above, but may only be suitable for certain clients due to unique characteristics of the strategy, e.g. higher risk attributes such as concentration, transparency, etc.
Neutral	A satisfactory investment product. No major flaws, but may be lacking a compelling investment thesis, or NEPC's conviction regarding the investment team's ability to execute on the thesis may be less than that of Preferred products.
Not Recommended	Serious issues have been identified with an investment manager or product. This rating is similar to the Client Review or Terminate rating for client-owned products.
Not Rated	Due diligence has not been completed on the product or manager.

Appendix

Glossary of Investment Terminology – Risk Statistics

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Benchmark}) / \text{Annualized Standard Deviation}(\text{Period Portfolio Return} - \text{Period Benchmark Return})$. To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:
 $\text{Calculation Average } (X-Y) / \text{Downside Deviation } (X-Y) * 2$
Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Risk Free}) / \text{Annualized Standard Deviation (Portfolio Returns)}$

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:
 $\text{Tracking Error} = \text{Standard Deviation } (X-Y) * \sqrt{(\# \text{ of periods per year})}$
Where X = periods portfolio return and Y = the period's benchmark return
For monthly returns, the periods per year = 12
For quarterly returns, the periods per year = 4

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:
 $(\text{Portfolio Average Return} - \text{Average Return of Risk-Free Rate}) / \text{Portfolio Beta}$

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

$\text{Upside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return}) \text{ when Period Benchmark Return is } > = 0$

$\text{Downside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return}) \text{ when Benchmark } < 0$

Source: Investor Force

Glossary of Investment Terminology

Of Portfolios/Observations¹ – The total number of data points that make up a specified universe

Allocation Index³ - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

Asset Allocation Effect² - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

Agency Bonds (Agencies)³ - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

Asset Backed Securities (ABS)³ - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

Attribution³ - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

Average Effective Maturity⁴ - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

Batting Average¹ - A measurement representing an investment manager's ability to meet or beat an index.

Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.

Brinson Fachler (BF) Attribution¹ - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

Brinson Hood Beebower (BHB) Attribution¹ - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

Corporate Bond (Corp)⁴ - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

Correlation¹ - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology

Coupon⁴ – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

Currency Effect¹ - Is the effect that changes in currency exchange rates over time affect excess performance.

Derivative Instrument³ - A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

Downside Deviation¹ - Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

Formula:

Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.

Duration³ - Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

Equity/Debt/Cash Ratio¹ – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

Foreign Bond³ - A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

Hard Hurdle⁵ – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

High-Water Mark⁴ - The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

Hurdle Rate⁴ - The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

Interaction Effects² - The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

Median³ - The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

Modified Duration³ - The percentage change in the price of a fixed income security that results from a change in yield.

Mortgage Backed Securities (MBS)³ - Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

Municipal Bond (Muni)⁴ - A debt security issued by a state, municipality or county to finance its capital expenditures.

Net Investment Change¹ – Is the change in an investment after accounting for all Net Cash Flows.

Performance Fee⁴ - A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology

Policy Index³ - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

Price to Book (P/B)⁴ - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

Price to Earnings (P/E)³ - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

Price to Sales (P/S)⁴ - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

Return on Equity (ROE)⁴ - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Selection (or Manager) Effect² - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

Soft Hurdle rate⁵ - is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

Tiered Fee¹ - A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

Total Effects² - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

Total Return¹ - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

Universe³ - The list of all assets eligible for inclusion in a portfolio.

Upside Deviation¹ - Standard Deviation of Positive Returns

Weighted Avg. Market Cap.⁴ - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

Yield (%)³ - The current yield of a security is the current indicated annual dividend rate divided by current price.

Yield to Maturity³ - The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

- **Past performance is no guarantee of future results.**
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NEPC, LLC

YOU DEMAND MORE. So do we.SM



Dallas Police & Fire Pension System

Fourth Quarter 2015 Private Markets Performance Review

May, 2015

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NEPC, LLC

May, 2016

Trustees
The Dallas Police & Fire Pension System
4100 Harry Hines Blvd – Suite 100
Dallas, TX 75219

RE: Private Markets Strategy – 4th Quarter 2015

Dear Trustees:

We are pleased to present the December 31, 2015 Private Markets Report for Dallas Police & Fire Pension System, (“DPFPS”). The report provides a variety of performance analysis for the private markets portfolio. The reports include trailing performance, performance by investment stage and vintage year performance.

The DPFPS experienced a negative quarter with a nominal IRR of (3.63%). The annualized IRR of the private markets portfolio since inception was 4.15% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.17.

The following table presents the status of the DPFPS private markets portfolio as of December 31, 2015:

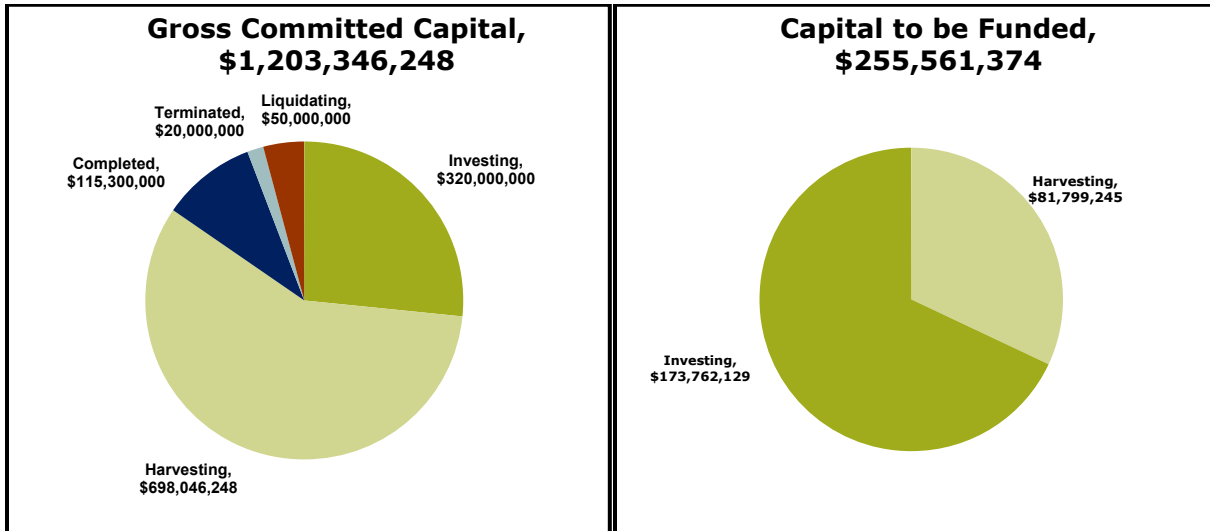
Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$1,203,346,248	\$3,372,161	\$950,761,351	\$695,322,225	\$443,915,142	79.01%	73.13%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 12/31/2015	Private Markets Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$255,957,058	\$699,872,200	\$2,775,423,916	15%	15.99%	25.22%

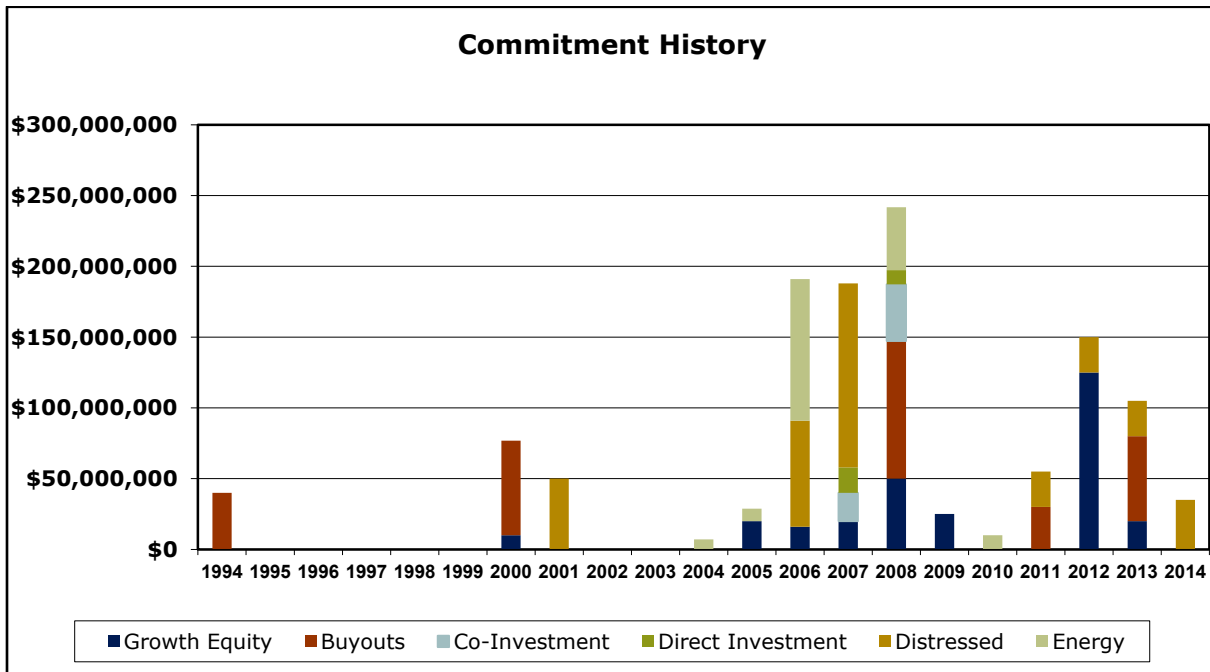
Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception (October 13, 1994)
\$1,139,237,367	1.17	4.15%



As of December 31, 2015, the DPFPS has made commitments totaling \$1,203.35 million to 34 private markets funds. Of the 34 funds in the DPFPS private markets portfolio, 9 funds are in the investing stage, 19 funds are in the harvesting stage, 1 fund is liquidating, 4 funds have been completed, and 1 fund has been terminated. The following charts illustrate the private markets program's current life cycle:

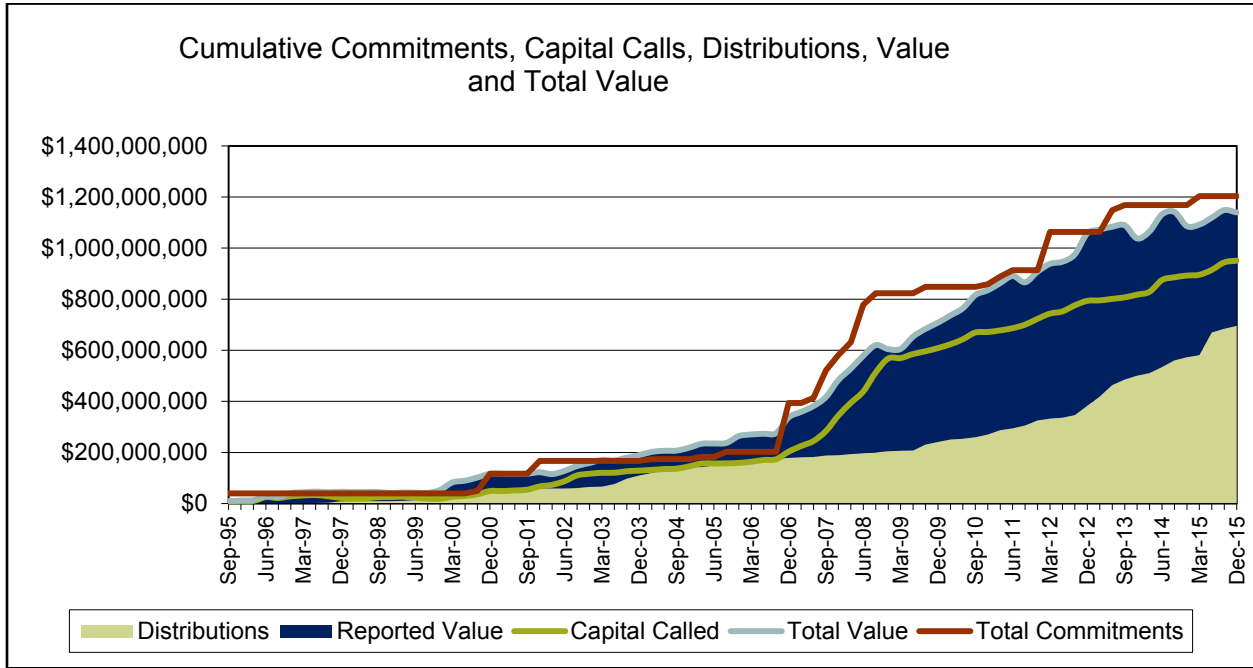


The following chart illustrates the commitment history of the DPFPS private markets program through the quarter end:

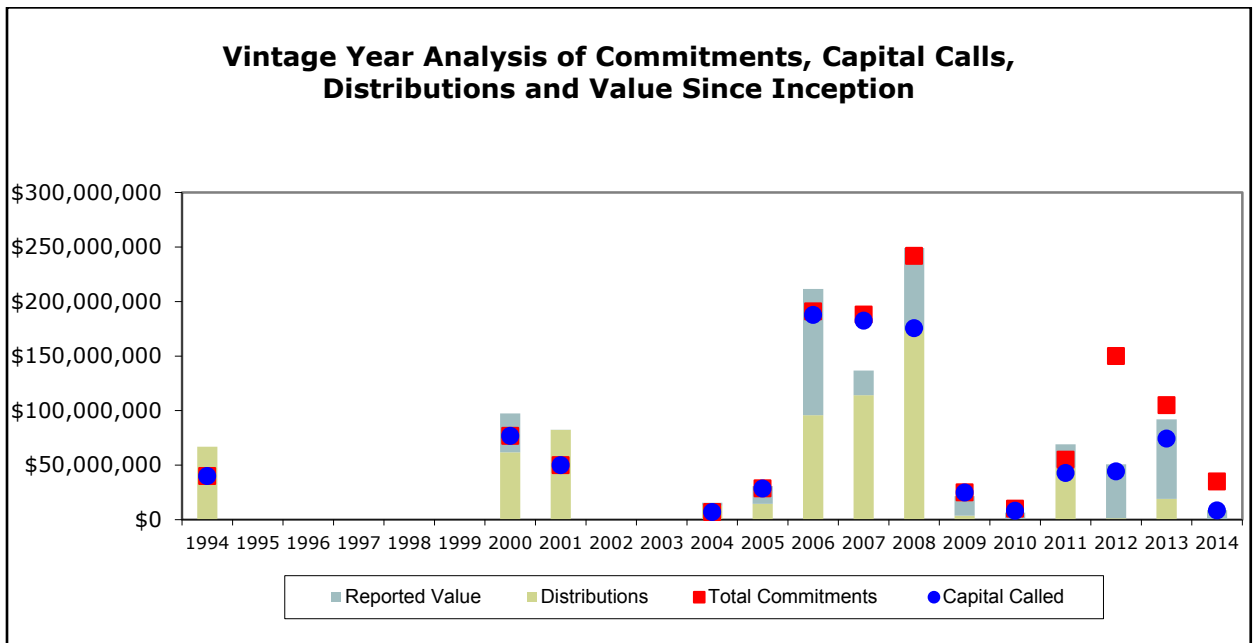




The following chart illustrates the cumulative commitment history, cumulative capital calls, cumulative distributions and reported value for the private markets program:



The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value for the private markets program:

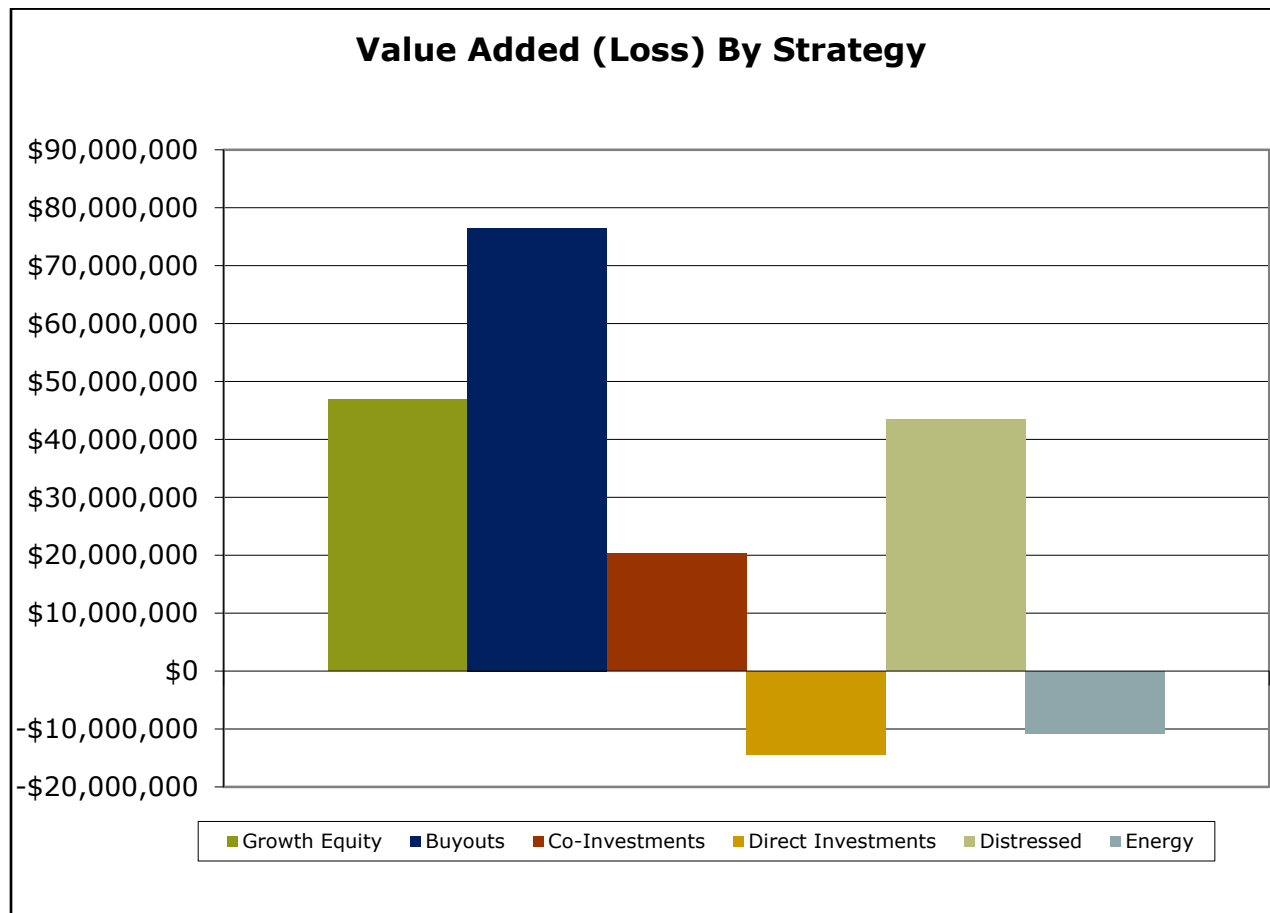




During the quarter-ended December 31, 2015, the DPFPS private markets portfolio funded 9 investments and received 12 distributions from its funds. The summary of the cash flows follows:

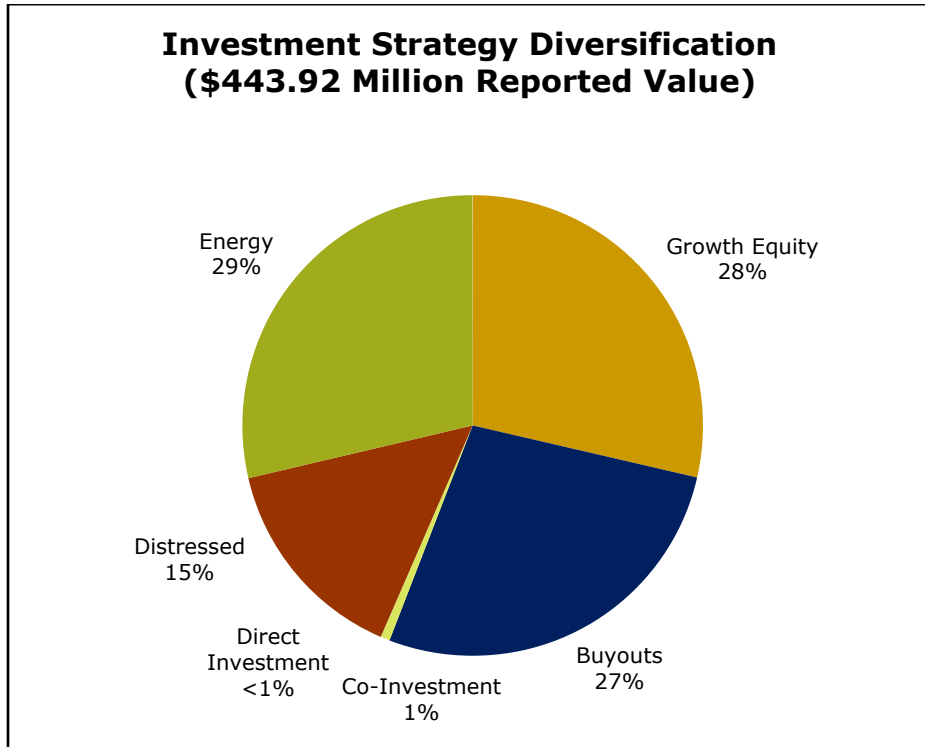
Amount Funded for the Quarter	Number of Funds Calling Capital	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$7,207,771	9	\$11,332,722	12	\$4,124,951

Since inception the DPFPS private markets portfolio added \$162.09 million in value to the DPFPS. Investment strategies adding value include growth equity \$46.93 million, buyouts \$76.49 million, distressed \$43.5 million, and co-investments \$20.27 million. Direct Investments lost (\$14.37) million and Energy lost (\$10.74) million.





As of December 31, 2015, the 34 private markets funds in the DPFPS portfolio had the following investment strategy diversification based on the investment fund's reported value:



We thank you for the opportunity to work with the DPFPS and look forward to continued success in the future.

Best regards,

Rhett Humphreys, CFA
Partner

Keith Stronkowsky, CFA
Senior Consultant

Dallas Police & Fire Pension System

Executive IRR Summary

12/31/2015

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
Ashmore Global Special Situations Fund IV	2007	70,000,000	13.06	3.02	3.02	-10.61	-13.56	-8.77
BankCap Partners Fund I	2007	20,000,000	-1.25	-2.66	-2.66	0.38	-0.26	-1.48
BankCap Partners Opportunity Fund, LP	2013	20,000,000	16.59	15.75	15.75			2.37
CDK Southern Cross	2008	10,000,000	-76.18	-99.99	-99.99	-43.64	-27.08	-20.08
Creative Holdings ¹	2007	18,000,000	-100.00	-100.00	-100.00	-100.00	-100.00	
HM Capital Sector Performance Fund	2008	47,300,000				-2.21	6.67	-4.01
Hudson Clean Energy Partners	2009	25,000,000	-0.13	1.91	1.91	-4.29	-6.49	-3.34
Huff Alternative Fund ¹	2000	66,795,718	1.47	-2.99	-2.99	0.57	0.61	0.94
Huff Alternative Income Fund	1994	40,000,000						17.82
Huff Energy Fund ¹	2006	100,000,000	-16.59	-17.05	-17.05	-23.33	-10.18	-0.45
Kainos Capital Partners, L.P.	2013	35,000,000	7.66	38.68	38.68			28.07
Levine Leichtman Capital Partners IV	2008	50,000,000	11.14	29.93	29.93	13.51	24.05	20.10
Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	7.32	14.18	14.18			13.16
Levine Leichtman Deep Value Fund	2006	75,000,000	-2.94	10.14	10.14	-4.00	0.57	1.16
Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	1.88	0.21	0.21	1.61		0.63
Lone Star CRA Fund ¹	2008	50,000,000	2.33	6.53	6.53	-6.17	4.10	22.13
Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	2.24					8.31
Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	-4.32	-1.39	-1.39	61.92		49.93
Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	-0.38	14.31	14.31			34.95
Lone Star Growth Capital ¹	2006	16,000,000	-4.38	8.98	8.98	-6.16	8.67	10.11
Lone Star Opportunities Fund V, LP ¹	2012	75,000,000	4.07	8.23	8.23	5.70		25.81
Merit Energy Partners E-I	2004	7,018,930	-10.40	-22.53	-22.53	-3.04	6.74	15.12
Merit Energy Partners F-I	2005	8,748,346	-16.00	-39.54	-39.54	-27.02	-17.74	-17.26
Merit Energy Partners G, LP	2008	39,200,000	-18.10	-13.29	-13.29	-12.52	-9.67	-5.74
Merit Energy Partners H, LP	2010	10,000,000	-13.28	-8.30	-8.30	-10.81		-10.11
North Texas Opportunity Fund ¹	2000	10,000,000	-4.85	-5.28	-5.28	-12.52	-11.31	3.36
Oaktree Loan Fund 2X	2007	60,000,000	-9.16	-23.74	-23.74	-1.02	3.10	2.65
Oaktree Power Fund III	2011	30,000,000	15.10	29.34	29.34	14.28		13.75
OCM Opportunities Fund IV	2001	50,000,000	-0.54	22.04	22.04	19.12	17.77	28.36
Pharos Capital Co-Investment, LLC	2007	20,000,000				18.25	21.78	-9.92
Pharos Capital Co-Investments, LP	2008	40,000,000	0.00	4.13	4.13	31.88	17.39	9.06
Pharos Capital Partners IIA, L.P.	2005	20,000,000	-1.88	-15.25	-15.25	-1.55	2.90	5.69
Pharos Capital Partners III, LP	2012	50,000,000	-4.20	-6.44	-6.44	-7.65		-11.17
Yellowstone Energy Ventures II, L.P.	2008	5,283,254	-23.20	-65.73	-65.73	-51.12	-40.00	-36.50
Dallas Police & Fire Pension System		1,203,346,248	-3.63	-0.96	-0.96	-4.66	0.75	4.15

Dallas Police & Fire Pension System

Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Ashmore Global Special Situations Fund IV	2007	70,000,000	70,000,000	0	0	37,357,681	5,225,342	42,583,023	-27,416,977	100%	0.53	0.61	-8.77%
2 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	2,485,941	15,478,375	17,964,316	-2,035,684	100%	0.12	0.90	-1.48%
3 BankCap Partners Opportunity Fund, LP	2013	20,000,000	12,424,126	7,575,874	0	0	12,667,302	12,667,302	243,176	62%	0.00	1.02	2.37%
4 CDK Southern Cross	2008	10,000,000	1,535,316	0	0	0	0	0	-1,535,316	100%	0.00	0.00	-20.08%
5 Creative Holdings ¹	2007	18,000,000	12,433,972	0	397,000	0	0	0	-12,830,972	100%	0.00	0.00	N/A
6 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
7 Hudson Clean Energy Partners	2009	25,000,000	24,912,744	87,256	0	3,661,896	17,954,707	21,616,603	-3,296,141	100%	0.15	0.87	-3.34%
8 Huff Alternative Fund ¹	2000	66,795,718	66,795,718	0	12,022,676	52,998,260	30,837,151	83,835,411	5,017,017	100%	0.67	1.06	0.94%
9 Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
10 Huff Energy Fund ¹	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	91,859,887	96,337,281	-2,595,409	100%	0.05	0.97	-0.45%
11 Kainos Capital Partners, L.P.	2013	35,000,000	25,795,067	9,204,933	0	3,495,816	29,331,937	32,827,753	7,032,686	74%	0.14	1.27	28.07%
12 Levine Leichtman Capital Partners IV	2008	50,000,000	37,933,751	12,066,249	0	46,344,870	28,355,839	74,700,709	36,766,959	76%	1.22	1.97	20.10%
13 Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	16,409,460	8,590,540	-4,405	2,492,534	16,107,135	18,599,669	2,194,614	66%	0.15	1.13	13.16%
14 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	78,540,710	11,703,386	90,244,096	4,218,434	100%	0.91	1.05	1.16%
15 Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	18,458,990	6,541,010	-175	19,011	18,674,032	18,693,043	234,227	74%	0.00	1.01	0.63%
16 Lone Star CRA Fund ¹	2008	50,000,000	7,352,941	50,000,000	0	12,928,698	17,089,715	30,018,413	22,665,472	15%	1.76	4.08	22.13%
17 Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	8,394,379	26,605,621	0	203,046	8,496,079	8,699,126	304,747	24%	0.02	1.04	8.31%
18 Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,459,112	1,540,888	0	37,895,460	4,835,351	42,730,811	19,271,699	94%	1.62	1.82	49.93%
19 Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	19,660,978	5,339,022	0	13,080,406	14,840,114	27,920,520	8,259,541	79%	0.67	1.42	34.95%
20 Lone Star Growth Capital ¹	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	12,151,173	24,951,173	12,151,173	80%	1.00	1.95	10.11%
21 Lone Star Opportunities Fund V, LP ¹	2012	75,000,000	7,500,000	67,500,000	0	443,746	16,049,840	16,493,586	8,993,586	10%	0.06	2.20	25.81%
22 Merit Energy Partners E-I	2004	7,018,930	7,018,930	0	-1,741	12,737,361	2,815,306	15,552,667	8,535,478	100%	1.82	2.22	15.12%
23 Merit Energy Partners F-I	2005	8,748,346	8,748,346	0	0	3,644,724	181,750	3,826,474	-4,921,872	100%	0.42	0.44	-17.26%
24 Merit Energy Partners G, LP	2008	39,200,000	39,200,000	0	0	6,532,135	26,284,368	32,816,503	-6,383,497	100%	0.17	0.84	-5.74%
25 Merit Energy Partners H, LP	2010	10,000,000	8,186,074	1,813,926	0	749,908	5,669,091	6,418,999	-1,767,075	82%	0.09	0.78	-10.11%
26 North Texas Opportunity Fund ¹	2000	10,000,000	10,000,000	0	0	8,798,464	4,802,010	13,600,474	3,600,474	100%	0.88	1.36	3.36%
27 Oaktree Loan Fund 2X	2007	60,000,000	60,000,000	0	0	64,287,256	1,823,921	66,111,177	6,111,177	100%	1.07	1.10	2.65%
28 Oaktree Power Fund III	2011	30,000,000	19,344,870	10,655,130	0	10,048,127	16,350,501	26,398,628	7,053,758	64%	0.52	1.36	13.75%
29 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	148,975	82,512,976	32,512,976	100%	1.65	1.65	28.36%
30 Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
31 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	2,853,790	70,251,682	30,251,682	100%	1.68	1.76	9.06%
32 Pharos Capital Partners IIA, L.P. 33	2005	20,000,000	19,800,000	0	0	10,896,166	16,132,498	27,028,664	7,228,664	99%	0.55	1.37	5.69%
Pharos Capital Partners III, LP	2012	50,000,000	18,250,000	31,750,000	-54,286	850,111	14,728,837	15,578,948	-2,616,766	37%	0.05	0.86	-11.17%
34 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,038,711	466,729	1,505,440	-3,606,867	97%	0.20	0.29	-36.50%
Total: Dallas Police & Fire Pension System		1,203,346,248	950,761,351	255,561,374	26,389,454	695,322,225	443,915,142	1,139,237,367	162,086,562	79%	0.71	1.17	4.15%

1 Estimated pending audited financials

Dallas Police & Fire Pension System

Lifecycle Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2 Investing													
1 BankCap Partners Opportunity Fund, LP	2013	20,000,000	12,424,126	7,575,874	0	0	12,667,302	12,667,302	243,176	62%	0.00	1.02	2.37%
2 Kainos Capital Partners, L.P.	2013	35,000,000	25,795,067	9,204,933	0	3,495,816	29,331,937	32,827,753	7,032,686	74%	0.14	1.27	28.07%
3 Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	16,409,460	8,590,540	-4,405	2,492,534	16,107,135	18,599,669	2,194,614	66%	0.15	1.13	13.16%
4 Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	18,458,990	6,541,010	-175	19,011	18,674,032	18,693,043	234,227	74%	0.00	1.01	0.63%
5 Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	8,394,379	26,605,621	0	203,046	8,496,079	8,699,126	304,747	24%	0.02	1.04	8.31%
6 Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	19,660,978	5,339,022	0	13,080,406	14,840,114	27,920,520	8,259,541	79%	0.67	1.42	34.95%
7 Lone Star Opportunities Fund V, LP ¹	2012	75,000,000	7,500,000	67,500,000	0	443,746	16,049,840	16,493,586	8,993,586	10%	0.06	2.20	25.81%
8 Oaktree Power Fund III	2011	30,000,000	19,344,870	10,655,130	0	10,048,127	16,350,501	26,398,628	7,053,758	64%	0.52	1.36	13.75%
9 Pharos Capital Partners III, LP	2012	50,000,000	18,250,000	31,750,000	-54,286	850,111	14,728,837	15,578,948	-2,616,766	37%	0.05	0.86	-11.17%
Subtotal: 2 Investing		320,000,000	146,237,871	173,762,129	-58,866	30,632,797	147,245,778	177,878,575	31,699,569	46%	0.21	1.22	14.05%
3 Harvesting													
1 Ashmore Global Special Situations Fund IV	2007	70,000,000	70,000,000	0	0	37,357,681	5,225,342	42,583,023	-27,416,977	100%	0.53	0.61	-8.77%
2 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	2,485,941	15,478,375	17,964,316	-2,035,684	100%	0.12	0.90	-1.48%
3 Hudson Clean Energy Partners	2009	25,000,000	24,912,744	87,256	0	3,661,896	17,954,707	21,616,603	-3,296,141	100%	0.15	0.87	-3.34%
4 Huff Alternative Fund ¹	2000	66,795,718	66,795,718	0	12,022,676	52,998,260	30,837,151	83,835,411	5,017,017	100%	0.67	1.06	0.94%
5 Huff Energy Fund ¹	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	91,859,887	96,337,281	-2,595,409	100%	0.05	0.97	-0.45%
6 Levine Leichtman Capital Partners IV	2008	50,000,000	37,933,751	12,066,249	0	46,344,870	28,355,839	74,700,709	36,766,959	76%	1.22	1.97	20.10%
7 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	78,540,710	11,703,386	90,244,096	4,218,434	100%	0.91	1.05	1.16%
8 Lone Star CRA Fund ¹	2008	50,000,000	7,352,941	50,000,000	0	12,928,698	17,089,715	30,018,413	22,665,472	15%	1.76	4.08	22.13%
9 Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,459,112	1,540,888	0	37,895,460	4,835,351	42,730,811	19,271,699	94%	1.62	1.82	49.93%
10 Lone Star Growth Capital ¹	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	12,151,173	24,951,173	12,151,173	80%	1.00	1.95	10.11%
11 Merit Energy Partners E-I	2004	7,018,930	7,018,930	0	-1,741	12,737,361	2,815,306	15,552,667	8,535,478	100%	1.82	2.22	15.12%
12 Merit Energy Partners F-I	2005	8,748,346	8,748,346	0	0	3,644,724	181,750	3,826,474	-4,921,872	100%	0.42	0.44	-17.26%
13 Merit Energy Partners G, LP	2008	39,200,000	39,200,000	0	0	6,532,135	26,284,368	32,816,503	-6,383,497	100%	0.17	0.84	-5.74%
14 Merit Energy Partners H, LP	2010	10,000,000	8,186,074	1,813,926	0	749,908	5,669,091	6,418,999	-1,767,075	82%	0.09	0.78	-10.11%
15 North Texas Opportunity Fund ¹	2000	10,000,000	10,000,000	0	0	8,798,464	4,802,010	13,600,474	3,600,474	100%	0.88	1.36	3.36%
16 Oaktree Loan Fund 2X	2007	60,000,000	60,000,000	0	0	64,287,256	1,823,921	66,111,177	6,111,177	100%	1.07	1.10	2.65%
17 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	2,853,790	70,251,682	30,251,682	100%	1.68	1.76	9.06%
18 Pharos Capital Partners IIA, L.P.	2005	20,000,000	19,800,000	0	0	10,896,166	16,132,498	27,028,664	7,228,664	99%	0.55	1.37	5.69%
19 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,038,711	466,729	1,505,440	-3,606,867	97%	0.20	0.29	-36.50%
Subtotal: 3 Harvesting		698,046,248	636,199,944	81,799,245	22,099,266	465,573,528	296,520,389	762,093,917	103,794,707	89%	0.71	1.16	2.90%
4 Liquidating													
1 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	148,975	82,512,976	32,512,976	100%	1.65	1.65	28.36%
Subtotal: 4 Liquidating		50,000,000	50,000,000	0	0	82,364,001	148,975	82,512,976	32,512,976	100%	1.65	1.65	28.36%

¹ Estimated pending audited financials

Dallas Police & Fire Pension System

Lifecycle Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
5 Completed													
1 CDK Southern Cross	2008	10,000,000	1,535,316	0	0	0	0	0	-1,535,316	100%	0.00	0.00	-20.08%
2 Creative Holdings ¹	2007	18,000,000	12,433,972	0	397,000	0	0	0	-12,830,972	100%	0.00	0.00	N/A
3 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
4 Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
Subtotal: 5 Completed		115,300,000	98,323,536	0	4,349,054	106,732,743	0	106,732,743	4,060,153	100%	1.04	1.04	6.81%
6 Terminated													
1 Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
Subtotal: 6 Terminated		20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
Total: Dallas Police & Fire Pension System		1,203,346,248	950,761,351	255,561,374	26,389,454	695,322,225	443,915,142	1,139,237,367	162,086,562	79%	0.71	1.17	4.15%

Dallas Police & Fire Pension System

Vintage Year Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1994													
1 Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
Subtotal: 1994		40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
2000													
1 Huff Alternative Fund ¹	2000	66,795,718	66,795,718	0	12,022,676	52,998,260	30,837,151	83,835,411	5,017,017	100%	0.67	1.06	0.94%
2 North Texas Opportunity Fund ¹	2000	10,000,000	10,000,000	0	0	8,798,464	4,802,010	13,600,474	3,600,474	100%	0.88	1.36	3.36%
Subtotal: 2000		76,795,718	76,795,718	0	12,022,676	61,796,724	35,639,161	97,435,885	8,617,491	100%	0.70	1.10	1.35%
2001													
1 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	148,975	82,512,976	32,512,976	100%	1.65	1.65	28.36%
Subtotal: 2001		50,000,000	50,000,000	0	0	82,364,001	148,975	82,512,976	32,512,976	100%	1.65	1.65	28.36%
2004													
1 Merit Energy Partners E-I	2004	7,018,930	7,018,930	0	-1,741	12,737,361	2,815,306	15,552,667	8,535,478	100%	1.82	2.22	15.12%
Subtotal: 2004		7,018,930	7,018,930	0	-1,741	12,737,361	2,815,306	15,552,667	8,535,478	100%	1.82	2.22	15.12%
2005													
1 Merit Energy Partners F-I	2005	8,748,346	8,748,346	0	0	3,644,724	181,750	3,826,474	-4,921,872	100%	0.42	0.44	-17.26%
2 Pharos Capital Partners IIA, L.P.	2005	20,000,000	19,800,000	0	0	10,896,166	16,132,498	27,028,664	7,228,664	99%	0.55	1.37	5.69%
Subtotal: 2005		28,748,346	28,548,346	0	0	14,540,890	16,314,248	30,855,138	2,306,792	100%	0.51	1.08	1.35%
2006													
1 Huff Energy Fund ¹	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	91,859,887	96,337,281	-2,595,409	100%	0.05	0.97	-0.45%
2 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	78,540,710	11,703,386	90,244,096	4,218,434	100%	0.91	1.05	1.16%
3 Lone Star Growth Capital ¹	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	12,151,173	24,951,173	12,151,173	80%	1.00	1.95	10.11%
Subtotal: 2006		191,000,000	187,680,021	16,119,979	10,078,331	95,818,104	115,714,446	211,532,550	13,774,198	92%	0.48	1.07	1.32%
2007													
1 Ashmore Global Special Situations Fund IV	2007	70,000,000	70,000,000	0	0	37,357,681	5,225,342	42,583,023	-27,416,977	100%	0.53	0.61	-8.77%
2 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	2,485,941	15,478,375	17,964,316	-2,035,684	100%	0.12	0.90	-1.48%
3 Creative Holdings ¹	2007	18,000,000	12,433,972	0	397,000	0	0	0	-12,830,972	100%	0.00	0.00	N/A
4 Oaktree Loan Fund 2X	2007	60,000,000	60,000,000	0	0	64,287,256	1,823,921	66,111,177	6,111,177	100%	1.07	1.10	2.65%
5 Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
Subtotal: 2007		188,000,000	182,433,972	0	397,000	114,150,035	22,527,638	136,677,673	-46,153,299	100%	0.62	0.75	-5.74%
2008													
1 CDK Southern Cross	2008	10,000,000	1,535,316	0	0	0	0	0	-1,535,316	100%	0.00	0.00	-20.08%
2 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
3 Levine Leichtman Capital Partners IV	2008	50,000,000	37,933,751	12,066,249	0	46,344,870	28,355,839	74,700,709	36,766,959	76%	1.22	1.97	20.10%

1 Estimated pending audited financials

Dallas Police & Fire Pension System

Vintage Year Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
4 Lone Star CRA Fund ¹	2008	50,000,000	7,352,941	50,000,000	0	12,928,698	17,089,715	30,018,413	22,665,472	15%	1.76	4.08	22.13%
5 Merit Energy Partners G, LP	2008	39,200,000	39,200,000	0	0	6,532,135	26,284,368	32,816,503	-6,383,497	100%	0.17	0.84	-5.74%
6 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	2,853,790	70,251,682	30,251,682	100%	1.68	1.76	9.06%
7 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,038,711	466,729	1,505,440	-3,606,867	97%	0.20	0.29	-36.50%
Subtotal: 2008		241,783,254	175,488,562	62,237,196	1,933,378	174,034,851	75,050,441	249,085,292	71,663,352	74%	0.98	1.40	7.73%
2009													
1 Hudson Clean Energy Partners	2009	25,000,000	24,912,744	87,256	0	3,661,896	17,954,707	21,616,603	-3,296,141	100%	0.15	0.87	-3.34%
Subtotal: 2009		25,000,000	24,912,744	87,256	0	3,661,896	17,954,707	21,616,603	-3,296,141	100%	0.15	0.87	-3.34%
2010													
1 Merit Energy Partners H, LP	2010	10,000,000	8,186,074	1,813,926	0	749,908	5,669,091	6,418,999	-1,767,075	82%	0.09	0.78	-10.11%
Subtotal: 2010		10,000,000	8,186,074	1,813,926	0	749,908	5,669,091	6,418,999	-1,767,075	82%	0.09	0.78	-10.11%
2011													
1 Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,459,112	1,540,888	0	37,895,460	4,835,351	42,730,811	19,271,699	94%	1.62	1.82	49.93%
2 Oaktree Power Fund III	2011	30,000,000	19,344,870	10,655,130	0	10,048,127	16,350,501	26,398,628	7,053,758	64%	0.52	1.36	13.75%
Subtotal: 2011		55,000,000	42,803,982	12,196,018	0	47,943,587	21,185,852	69,129,439	26,325,457	78%	1.12	1.62	31.22%
2012													
1 Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	18,458,990	6,541,010	-175	19,011	18,674,032	18,693,043	234,227	74%	0.00	1.01	0.63%
2 Lone Star Opportunities Fund V, LP ¹	2012	75,000,000	7,500,000	67,500,000	0	443,746	16,049,840	16,493,586	8,993,586	10%	0.06	2.20	25.81%
3 Pharos Capital Partners III, LP	2012	50,000,000	18,250,000	31,750,000	-54,286	850,111	14,728,837	15,578,948	-2,616,766	37%	0.05	0.86	-11.17%
Subtotal: 2012		150,000,000	44,208,990	105,791,010	-54,461	1,312,868	49,452,709	50,765,577	6,611,047	29%	0.03	1.15	7.11%
2013													
1 BankCap Partners Opportunity Fund, LP	2013	20,000,000	12,424,126	7,575,874	0	0	12,667,302	12,667,302	243,176	62%	0.00	1.02	2.37%
2 Kainos Capital Partners, L.P.	2013	35,000,000	25,795,067	9,204,933	0	3,495,816	29,331,937	32,827,753	7,032,686	74%	0.14	1.27	28.07%
3 Levine Leichtman Capital Partners V,L.P.	2013	25,000,000	16,409,460	8,590,540	-4,405	2,492,534	16,107,135	18,599,669	2,194,614	66%	0.15	1.13	13.16%
4 Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	19,660,978	5,339,022	0	13,080,406	14,840,114	27,920,520	8,259,541	79%	0.67	1.42	34.95%
Subtotal: 2013		105,000,000	74,289,632	30,710,368	-4,405	19,068,755	72,946,488	92,015,244	17,730,017	71%	0.26	1.24	23.68%
2014													
1 Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	8,394,379	26,605,621	0	203,046	8,496,079	8,699,126	304,747	24%	0.02	1.04	8.31%
Subtotal: 2014		35,000,000	8,394,379	26,605,621	0	203,046	8,496,079	8,699,126	304,747	24%	0.02	1.04	8.31%
Total: Dallas Police & Fire Pension System		1,203,346,248	950,761,351	255,561,374	26,389,454	695,322,225	443,915,142	1,139,237,367	162,086,562	79%	0.71	1.17	4.15%

¹ Estimated pending audited financials

Dallas Police & Fire Pension System
Investment Strategy Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
110 Growth Equity													
1 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	2,485,941	15,478,375	17,964,316	-2,035,684	100%	0.12	0.90	-1.48%
2 BankCap Partners Opportunity Fund, LP	2013	20,000,000	12,424,126	7,575,874	0	0	12,667,302	12,667,302	243,176	62%	0.00	1.02	2.37%
3 Hudson Clean Energy Partners	2009	25,000,000	24,912,744	87,256	0	3,661,896	17,954,707	21,616,603	-3,296,141	100%	0.15	0.87	-3.34%
4 Lone Star CRA Fund ¹	2008	50,000,000	7,352,941	50,000,000	0	12,928,698	17,089,715	30,018,413	22,665,472	15%	1.76	4.08	22.13%
5 Lone Star Growth Capital ¹	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	12,151,173	24,951,173	12,151,173	80%	1.00	1.95	10.11%
6 Lone Star Opportunities Fund V, LP ¹	2012	75,000,000	7,500,000	67,500,000	0	443,746	16,049,840	16,493,586	8,993,586	10%	0.06	2.20	25.81%
7 North Texas Opportunity Fund ¹	2000	10,000,000	10,000,000	0	0	8,798,464	4,802,010	13,600,474	3,600,474	100%	0.88	1.36	3.36%
8 Pharos Capital Partners IIA, L.P.	2005	20,000,000	19,800,000	0	0	10,896,166	16,132,498	27,028,664	7,228,664	99%	0.55	1.37	5.69%
9 Pharos Capital Partners III, LP	2012	50,000,000	18,250,000	31,750,000	-54,286	850,111	14,728,837	15,578,948	-2,616,766	37%	0.05	0.86	-11.17%
Subtotal: 110 Growth Equity		286,000,000	133,039,811	172,913,130	-54,286	52,865,022	127,054,457	179,919,479	46,933,954	43%	0.40	1.35	6.13%
120 Buyouts													
1 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
2 Huff Alternative Fund ¹	2000	66,795,718	66,795,718	0	12,022,676	52,998,260	30,837,151	83,835,411	5,017,017	100%	0.67	1.06	0.94%
3 Huff Alternative Income Fund ¹	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
4 Kainos Capital Partners, L.P.	2013	35,000,000	25,795,067	9,204,933	0	3,495,816	29,331,937	32,827,753	7,032,686	74%	0.14	1.27	28.07%
5 Levine Leichtman Capital Partners IV	2008	50,000,000	37,933,751	12,066,249	0	46,344,870	28,355,839	74,700,709	36,766,959	76%	1.22	1.97	20.10%
6 Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	16,409,460	8,590,540	-4,405	2,492,534	16,107,135	18,599,669	2,194,614	66%	0.15	1.13	13.16%
7 Oaktree Power Fund III	2011	30,000,000	19,344,870	10,655,130	0	10,048,127	16,350,501	26,398,628	7,053,758	64%	0.52	1.36	13.75%
Subtotal: 120 Buyouts		294,095,718	250,633,114	40,516,852	15,970,325	222,112,350	120,982,563	343,094,913	76,491,474	86%	0.83	1.29	7.79%
150 Distressed													
1 Ashmore Global Special Situations Fund IV	2007	70,000,000	70,000,000	0	0	37,357,681	5,225,342	42,583,023	-27,416,977	100%	0.53	0.61	-8.77%
2 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	78,540,710	11,703,386	90,244,096	4,218,434	100%	0.91	1.05	1.16%
3 Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	18,458,990	6,541,010	-175	19,011	18,674,032	18,693,043	234,227	74%	0.00	1.01	0.63%
4 Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	8,394,379	26,605,621	0	203,046	8,496,079	8,699,126	304,747	24%	0.02	1.04	8.31%
5 Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,459,112	1,540,888	0	37,895,460	4,835,351	42,730,811	19,271,699	94%	1.62	1.82	49.93%
6 Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	19,660,978	5,339,022	0	13,080,406	14,840,114	27,920,520	8,259,541	79%	0.67	1.42	34.95%
7 Oaktree Loan Fund 2X	2007	60,000,000	60,000,000	0	0	64,287,256	1,823,921	66,111,177	6,111,177	100%	1.07	1.10	2.65%
8 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	148,975	82,512,976	32,512,976	100%	1.65	1.65	28.36%
Subtotal: 150 Distressed		365,000,000	324,973,460	40,026,540	11,025,487	313,747,571	65,747,201	379,494,772	43,495,825	89%	0.93	1.13	4.52%
200 Co-Investment													
1 Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
2 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	2,853,790	70,251,682	30,251,682	100%	1.68	1.76	9.06%
Subtotal: 200 Co-Investment		60,000,000	60,000,000	0	0	77,417,049	2,853,790	80,270,839	20,270,839	100%	1.29	1.34	4.41%

1 Estimated pending audited financials

Dallas Police & Fire Pension System
Investment Strategy Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
210 Direct Investment													
1 CDK Southern Cross	2008	10,000,000	1,535,316	0	0	0	0	0	-1,535,316	100%	0.00	0.00	-20.08%
2 Creative Holdings ¹	2007	18,000,000	12,433,972	0	397,000	0	0	0	-12,830,972	100%	0.00	0.00	N/A
Subtotal: 210 Direct Investment		28,000,000	13,969,288	0	397,000	0	0	0	-14,366,288	97%	0.00	0.00	-47.07%
400 Energy													
1 Huff Energy Fund ¹	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	91,859,887	96,337,281	-2,595,409	100%	0.05	0.97	-0.45%
2 Merit Energy Partners E-I	2004	7,018,930	7,018,930	0	-1,741	12,737,361	2,815,306	15,552,667	8,535,478	100%	1.82	2.22	15.12%
3 Merit Energy Partners F-I	2005	8,748,346	8,748,346	0	0	3,644,724	181,750	3,826,474	-4,921,872	100%	0.42	0.44	-17.26%
4 Merit Energy Partners G, LP	2008	39,200,000	39,200,000	0	0	6,532,135	26,284,368	32,816,503	-6,383,497	100%	0.17	0.84	-5.74%
5 Merit Energy Partners H, LP	2010	10,000,000	8,186,074	1,813,926	0	749,908	5,669,091	6,418,999	-1,767,075	82%	0.09	0.78	-10.11%
6 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,038,711	466,729	1,505,440	-3,606,867	97%	0.20	0.29	-36.50%
Subtotal: 400 Energy		170,250,530	168,145,678	2,104,852	-949,072	29,180,233	127,277,131	156,457,364	-10,739,242	99%	0.17	0.94	-1.38%
Total: Dallas Police & Fire Pension System		1,203,346,248	950,761,351	255,561,374	26,389,454	695,322,225	443,915,142	1,139,237,367	162,086,562	79%	0.71	1.17	4.15%

¹ Estimated pending audited financials

Dallas Police & Fire Pension System

Transaction Summary

10/1/2015 - 12/31/2015

Date	Funding	Additional Fees	Cash	Net Cash Flow
Dallas Police & Fire Pension System				
Ashmore Global Special Situations Fund IV				
12/23/2015			1,076,515.24	-1,076,515.24
Total: Ashmore Global Special Situations Fund IV				
			1,076,515.24	-1,076,515.24
BankCap Partners Opportunity Fund, LP				
11/24/2015	2,844,000.00			2,844,000.00
Total: BankCap Partners Opportunity Fund, LP				
	2,844,000.00			2,844,000.00
CDK Southern Cross				
10/01/2015	-110,000.00			-110,000.00
10/16/2015	50,000.00			-60,000.00
11/05/2015	-2,500.12			-62,500.12
11/09/2015	-48,167.07			-110,667.19
11/24/2015	-8,000.00			-118,667.19
11/24/2015	-17,745.72			-136,412.91
12/30/2015	40,728.77			-95,684.14
Total: CDK Southern Cross				
	-95,684.14			-95,684.14
Creative Holdings				
12/15/2015		25,000.00		25,000.00
Total: Creative Holdings				
		25,000.00		25,000.00
Hudson Clean Energy Partners				
10/01/2015	105,223.00			105,223.00
Total: Hudson Clean Energy Partners				
	105,223.00			105,223.00
Kainos Capital Partners, L.P.				
11/13/2015			75,331.00	-75,331.00
11/13/2015			36,431.00	-111,762.00
Total: Kainos Capital Partners, L.P.				
			111,762.00	-111,762.00
Levine Leichtman Capital Partners IV				

Dallas Police & Fire Pension System

Transaction Summary

10/1/2015 - 12/31/2015

Date	Funding	Additional Fees	Cash	Net Cash Flow
Dallas Police & Fire Pension System				
10/30/2015			85,589.19	-85,589.19
11/20/2015			549,163.13	-634,752.32
11/30/2015			80,166.53	-714,918.85
12/30/2015			81,877.67	-796,796.52
Total: Levine Leichtman Capital Partners IV			796,796.52	-796,796.52

Levine Leichtman Capital Partners V, L.P.

10/14/2015	-2,165,469.93			-2,165,469.93
10/30/2015	-60,626.10			-2,226,096.03
11/10/2015			705,775.37	-2,931,871.40
11/30/2015			63,013.69	-2,994,885.09
12/18/2015			1,658,687.02	-4,653,572.11
12/30/2015			65,057.80	-4,718,629.91
Total: Levine Leichtman Capital Partners V, L.P.			2,492,533.88	-4,718,629.91

Levine Leichtman Deep Value Fund

11/10/2015			3,983,267.72	-3,983,267.72
12/01/2015			1,000,901.60	-4,984,169.32
12/30/2015			376,154.79	-5,360,324.11
Total: Levine Leichtman Deep Value Fund			5,360,324.11	-5,360,324.11

Levine Leichtman Private Capital Solutions II, L.P.

10/01/2015	-1,199,546.76			-1,199,546.76
10/30/2015	-62,839.92			-1,262,386.68
11/30/2015	-58,119.39			-1,320,506.07
12/30/2015			19,011.08	-1,339,517.15
12/30/2015	-43,023.41			-1,382,540.56
Total: Levine Leichtman Private Capital Solutions II, L.P.			19,011.08	-1,382,540.56

Dallas Police & Fire Pension System

Transaction Summary

10/1/2015 - 12/31/2015

Date	Funding	Additional Fees	Cash	Net Cash Flow
Dallas Police & Fire Pension System				
Lone Star Fund IX (U.S.), L.P.				
10/16/2015			2,912.67	-2,912.67
11/06/2015	604,326.73			601,414.06
11/20/2015			2,912.43	598,501.63
12/01/2015	1,663,586.04			2,262,087.67
12/18/2015			144,922.10	2,117,165.57
12/21/2015			2,912.18	2,114,253.39
Total: Lone Star Fund IX (U.S.), L.P.				
	2,267,912.77		153,659.38	2,114,253.39
Lone Star Fund VII (U.S.), L.P.				
10/13/2015			108,541.07	-108,541.07
12/07/2015			125,907.62	-234,448.69
Total: Lone Star Fund VII (U.S.), L.P.				
			234,448.69	-234,448.69
Lone Star Fund VIII (U.S.), L.P.				
10/23/2015			180,345.81	-180,345.81
11/06/2015	148,191.82			-32,153.99
11/20/2015			191,754.39	-223,908.38
12/02/2015			146,305.42	-370,213.80
12/31/2015			97,536.94	-467,750.74
Total: Lone Star Fund VIII (U.S.), L.P.				
	148,191.82		615,942.56	-467,750.74
Lone Star Opportunities Fund V, LP				
10/09/2015			43,849.00	-43,849.00
Total: Lone Star Opportunities Fund V, LP				
			43,849.00	-43,849.00
Merit Energy Partners E-I				
12/09/2015			117,701.00	-117,701.00
Total: Merit Energy Partners E-I				
			117,701.00	-117,701.00

Dallas Police & Fire Pension System

Transaction Summary

10/1/2015 - 12/31/2015

	Date	Funding	Additional Fees	Cash	Net Cash Flow
Dallas Police & Fire Pension System					
Oaktree Power Fund III					
	12/14/2015	1,002,753.00			1,002,753.00
Total: Oaktree Power Fund III					
		1,002,753.00			1,002,753.00
Pharos Capital Partners III, LP					
	11/06/2015	1,500,000.00			1,500,000.00
	11/17/2015	1,500,000.00			3,000,000.00
	12/10/2015			310,178.33	2,689,821.67
	12/29/2015	1,500,000.00			4,189,821.67
Total: Pharos Capital Partners III, LP					
		4,500,000.00		310,178.33	4,189,821.67
Total:		7,182,770.94	25,000.00	11,332,721.79	-4,124,950.85



NEPC, LLC

YOU DEMAND MORE. So do we.SM



Dallas Police & Fire Pension System

Fourth Quarter 2015 Private Markets Performance Review *~Infrastructure~*

May, 2015

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Information Disclosure

- NEPC, LLC uses, as its data source, the plan's fund manager and custodian bank or fund service company, and NEPC, LLC relies on those sources for all transactions, including capital calls, distributions, income/expense and reported values. While NEPC, LLC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- The Investment Performance Analysis is provided as a management aid for the client's internal use only. Portfolio performance reported in the Investment Performance Analysis does not constitute a recommendation by NEPC, LLC.
- Information in this report on market indices and security characteristics is received from sources external to NEPC, LLC. While efforts are made to ensure that this external data is accurate, NEPC, LLC cannot accept responsibility for errors that may occur.



NEPC, LLC

May, 2016

Trustees
The Dallas Police & Fire Pension System
4100 Harry Hines Blvd – Suite 100
Dallas, TX 75219

RE: Infrastructure Strategy – 4th Quarter 2015

Dear Trustees:

We are pleased to present the December 31, 2015 Private Markets Report for the Infrastructure portion of the Dallas Police & Fire Pension System, (“DPFPS”). The report provides a variety of performance analysis for the infrastructure sector of the portfolio. The reports include trailing performance, performance by investment stage and vintage year performance.

The DPFPS infrastructure portfolio experienced a negative quarter with a nominal IRR of (2.34%). The annualized IRR of the infrastructure portfolio since inception was 0.52% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.01.

The following table presents the status of the DPFPS infrastructure portfolio as of December 31, 2015:

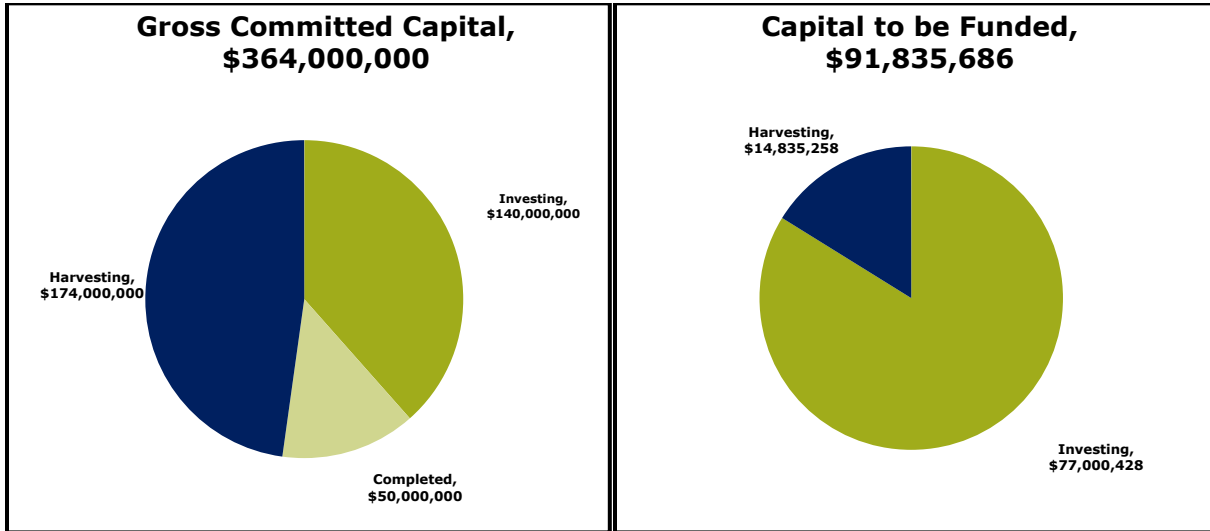
Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$364,000,000	\$0	\$272,164,314	\$78,584,442	\$197,552,038	74.77%	28.87%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 12/31/2015	Infrastructure Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$91,835,686	\$289,387,724	\$2,775,423,916	10%	7.12%	10.43%

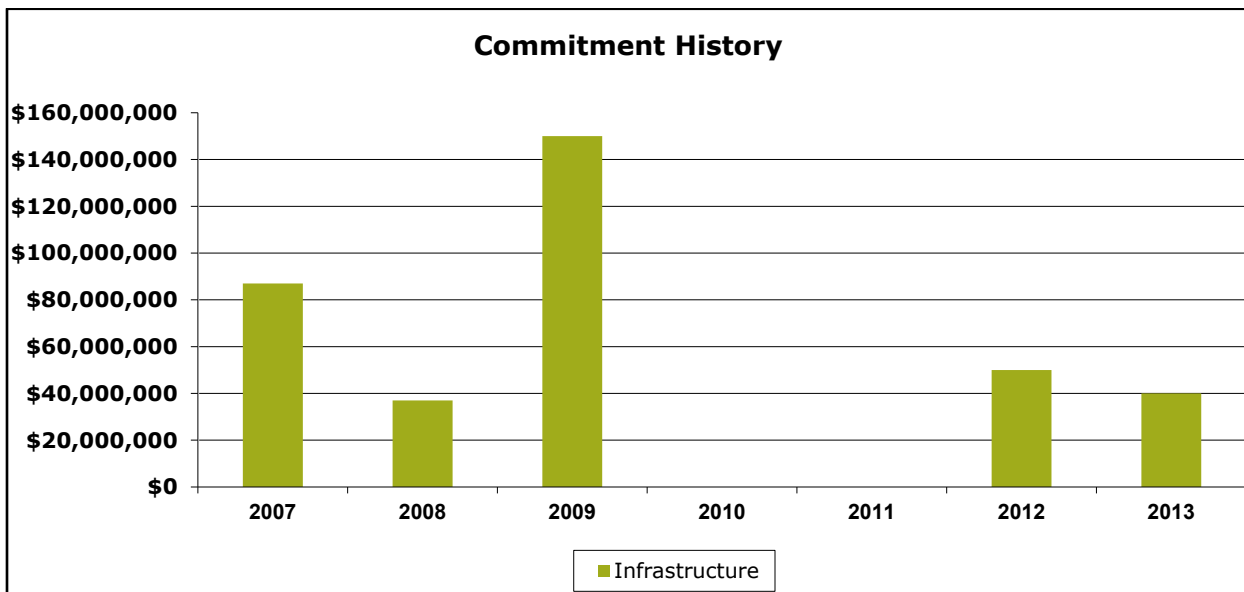
Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception (October 9, 2007)
\$276,136,480	1.01	0.52%



As of December 31, 2015, the DPFPS has made commitments totaling \$364.0 million to 8 infrastructure funds. Of the 8 funds in the DPFPS infrastructure portfolio, 3 funds are in the investing stage, 4 funds are in the harvesting stage, and 1 fund has been completed. The following charts illustrate the program's current life cycle:

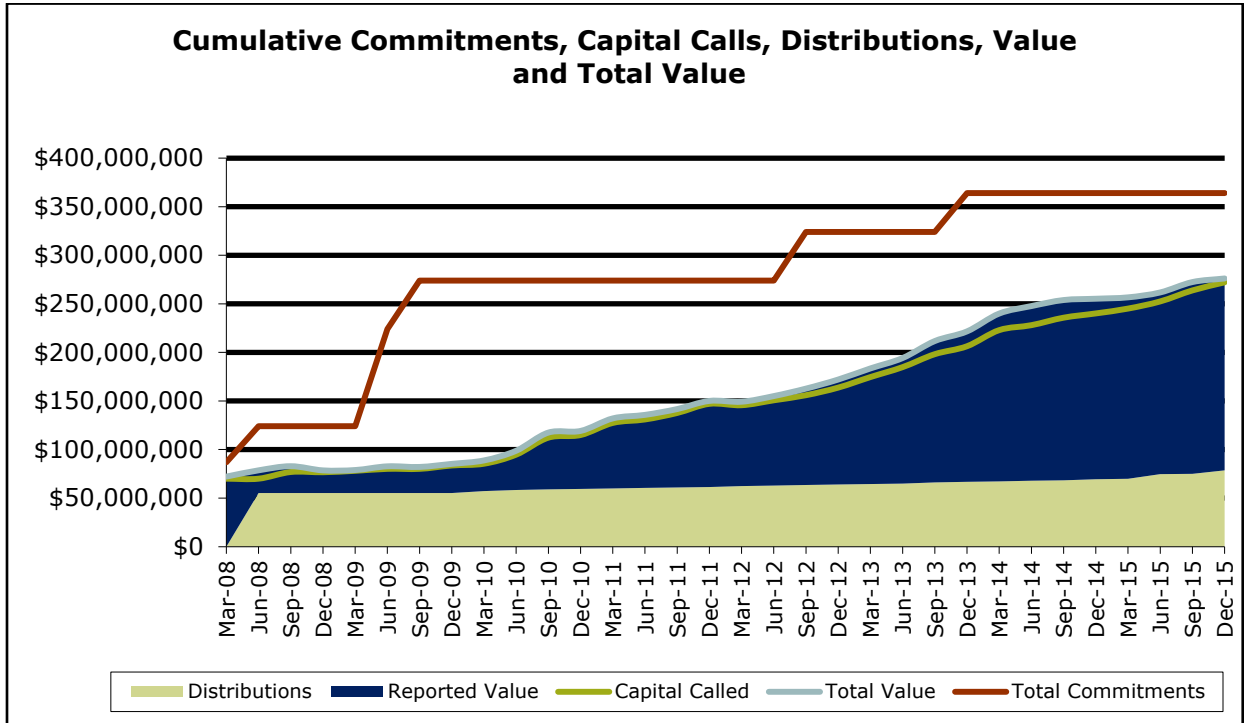


The following chart illustrates the commitment history of the DPFPS infrastructure program through the quarter end:

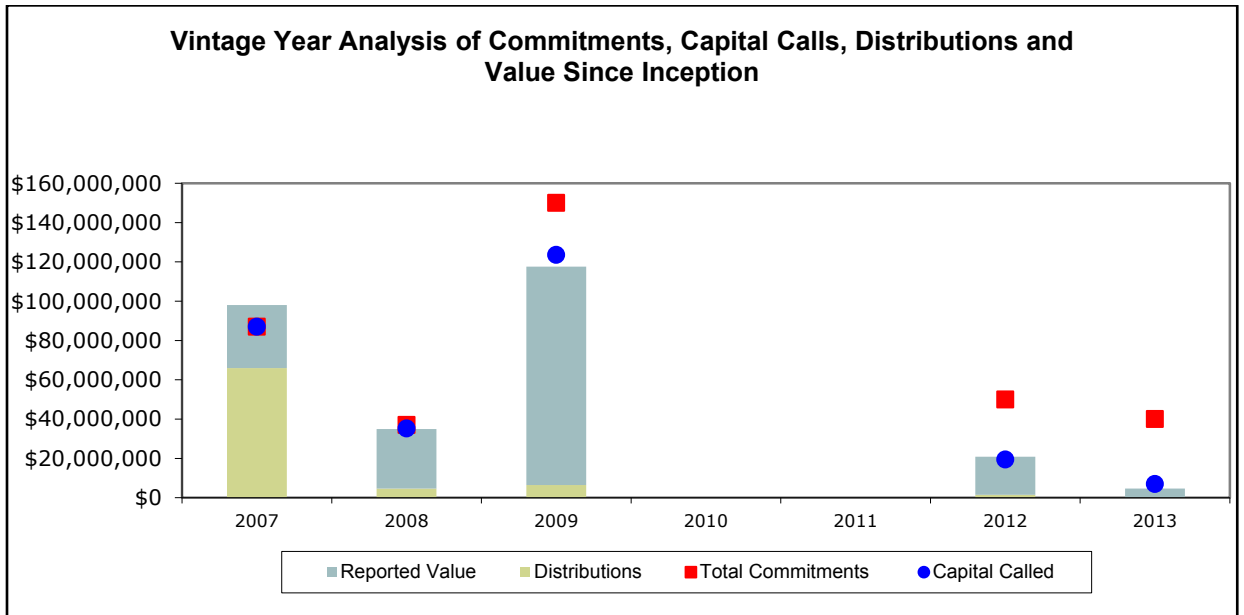




The following chart illustrates the cumulative commitment history, cumulative capital calls, cumulative distributions and reported value for the infrastructure program:



The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value for the infrastructure program:





During the quarter-ended December 31, 2015, the DPFPS infrastructure portfolio funded 2 investments and received 3 distributions. The summary of the cash flows follows:

Amount Funded for the Quarter	Number of Funds Calling Capital	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$8,324,019	2	\$3,585,112	3	(\$4,738,907)

Since inception, the DPFPS portfolio contributed \$3.89 million in value to the DPFPS.





We thank you for the opportunity to work with the DPFPS and look forward to continued success in the future.

Best regards,

Rhett Humphreys, CFA
Partner

Keith Stronkowsky, CFA
Senior Consultant

Dallas Police & Fire Infrastructure

Executive IRR Summary

12/31/2015

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AIRRO	2008	37,000,000	-1.32	-7.63	-7.63	-2.04	0.87	0.08
AIRRO II	2013	40,000,000	-4.44	-13.07	-13.07			-13.97
J.P. Morgan Maritime Fund, L.P.	2009	50,000,000	-18.56	-32.06	-32.06	-11.68	-16.64	-17.72
JP Morgan Infrastructure Investments Fund	2007	37,000,000	1.32	2.94	2.94	2.70	4.83	2.32
LBJ Infrastructure Group Holding, LLC (LBJ)	2009	50,000,000	0.00	0.00	0.00	0.00	0.00	1.39
NTE 3a-3b	2012	50,000,000	2.95	4.00	4.00			8.94
NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	0.00	0.00	0.00	0.00	0.00	1.45
RREEF North American Infrastructure Fund	2007	50,000,000						12.59
Dallas Police & Fire Infrastructure		364,000,000	-2.34	-5.68	-5.68	-0.87	0.02	0.52

Dallas Police & Fire Pension System

Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 AIRRO	2008	37,000,000	35,192,921	1,807,079	-361,150	4,652,575	30,306,977	34,959,552	127,781	95%	0.13	1.00	0.08%
2 AIRRO II	2013	40,000,000	6,983,946	33,016,054	-401,391	24,675	4,642,725	4,667,401	-1,915,155	17%	0.00	0.71	-13.97%
3 J.P. Morgan Maritime Fund, L.P.	2009	50,000,000	36,616,676	13,383,324	-404	2,677,751	24,177,505	26,855,255	-9,761,017	73%	0.07	0.73	-17.72%
4 JP Morgan Infrastructure Investments Fund	2007	37,000,000	37,000,000	0	0	10,718,130	32,054,032	42,772,163	5,772,163	100%	0.29	1.16	2.32%
5 LBJ Infrastructure Group Holding, LLC (LBJ)	2009	50,000,000	44,346,229	5,653,771	0	1,782,000	44,346,258	46,128,258	1,782,029	89%	0.04	1.04	1.39%
6 NTE 3a-3b	2012	50,000,000	19,398,949	30,601,051	0	1,490,556	19,398,949	20,889,505	1,490,555	39%	0.08	1.08	8.94%
7 NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	42,625,592	7,374,408	0	2,000,000	42,625,592	44,625,592	2,000,000	85%	0.05	1.05	1.45%
8 RREEF North American Infrastructure Fund	2007	50,000,000	50,000,000	0	846,289	55,238,755	0	55,238,755	4,392,466	100%	1.09	1.09	12.59%
Total: Dallas Police & Fire Pension System		364,000,000	272,164,314	91,835,686	83,344	78,584,442	197,552,038	276,136,480	3,888,822	75%	0.29	1.01	0.52%

Dallas Police & Fire Pension System

Lifecycle Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2 Investing													
1 AIRRO II	2013	40,000,000	6,983,946	33,016,054	-401,391	24,675	4,642,725	4,667,401	-1,915,155	17%	0.00	0.71	-13.97%
2 J.P. Morgan Maritime Fund, L.P.	2009	50,000,000	36,616,676	13,383,324	-404	2,677,751	24,177,505	26,855,255	-9,761,017	73%	0.07	0.73	-17.72%
3 NTE 3a-3b	2012	50,000,000	19,398,949	30,601,051	0	1,490,556	19,398,949	20,889,505	1,490,555	39%	0.08	1.08	8.94%
Subtotal: 2 Investing		140,000,000	62,999,572	77,000,428	-401,795	4,192,981	48,219,179	52,412,161	-10,185,617	45%	0.07	0.84	-11.58%
3 Harvesting													
1 AIRRO	2008	37,000,000	35,192,921	1,807,079	-361,150	4,652,575	30,306,977	34,959,552	127,781	95%	0.13	1.00	0.08%
2 JP Morgan Infrastructure Investments Fund	2007	37,000,000	37,000,000	0	0	10,718,130	32,054,032	42,772,163	5,772,163	100%	0.29	1.16	2.32%
3 LBJ Infrastructure Group Holding, LLC (LBJ)	2009	50,000,000	44,346,229	5,653,771	0	1,782,000	44,346,258	46,128,258	1,782,029	89%	0.04	1.04	1.39%
4 NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	42,625,592	7,374,408	0	2,000,000	42,625,592	44,625,592	2,000,000	85%	0.05	1.05	1.45%
Subtotal: 3 Harvesting		174,000,000	159,164,742	14,835,258	-361,150	19,152,705	149,332,859	168,485,565	9,681,973	91%	0.12	1.06	1.45%
5 Completed													
1 RREEF North American Infrastructure Fund	2007	50,000,000	50,000,000	0	846,289	55,238,755	0	55,238,755	4,392,466	100%	1.09	1.09	12.59%
Subtotal: 5 Completed		50,000,000	50,000,000	0	846,289	55,238,755	0	55,238,755	4,392,466	100%	1.09	1.09	12.59%
Total: Dallas Police & Fire Pension System		364,000,000	272,164,314	91,835,686	83,344	78,584,442	197,552,038	276,136,480	3,888,822	75%	0.29	1.01	0.52%

Dallas Police & Fire Pension System

Vintage Year Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2007													
1 JP Morgan Infrastructure Investments Fund	2007	37,000,000	37,000,000	0	0	10,718,130	32,054,032	42,772,163	5,772,163	100%	0.29	1.16	2.32%
2 RREEF North American Infrastructure Fund	2007	50,000,000	50,000,000	0	846,289	55,238,755	0	55,238,755	4,392,466	100%	1.09	1.09	12.59%
Subtotal: 2007		87,000,000	87,000,000	0	846,289	65,956,885	32,054,032	98,010,918	10,164,629	100%	0.75	1.12	3.76%
2008													
1 AIRRO	2008	37,000,000	35,192,921	1,807,079	-361,150	4,652,575	30,306,977	34,959,552	127,781	95%	0.13	1.00	0.08%
Subtotal: 2008		37,000,000	35,192,921	1,807,079	-361,150	4,652,575	30,306,977	34,959,552	127,781	95%	0.13	1.00	0.08%
2009													
1 J.P. Morgan Maritime Fund, L.P.	2009	50,000,000	36,616,676	13,383,324	-404	2,677,751	24,177,505	26,855,255	-9,761,017	73%	0.07	0.73	-17.72%
2 LBJ Infrastructure Group Holding, LLC (LBJ)	2009	50,000,000	44,346,229	5,653,771	0	1,782,000	44,346,258	46,128,258	1,782,029	89%	0.04	1.04	1.39%
3 NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	42,625,592	7,374,408	0	2,000,000	42,625,592	44,625,592	2,000,000	85%	0.05	1.05	1.45%
Subtotal: 2009		150,000,000	123,588,497	26,411,503	-404	6,459,751	111,149,355	117,609,105	-5,978,988	82%	0.05	0.95	-1.88%
2012													
1 NTE 3a-3b	2012	50,000,000	19,398,949	30,601,051	0	1,490,556	19,398,949	20,889,505	1,490,555	39%	0.08	1.08	8.94%
Subtotal: 2012		50,000,000	19,398,949	30,601,051	0	1,490,556	19,398,949	20,889,505	1,490,555	39%	0.08	1.08	8.94%
2013													
1 AIRRO II	2013	40,000,000	6,983,946	33,016,054	-401,391	24,675	4,642,725	4,667,401	-1,915,155	17%	0.00	0.71	-13.97%
Subtotal: 2013		40,000,000	6,983,946	33,016,054	-401,391	24,675	4,642,725	4,667,401	-1,915,155	17%	0.00	0.71	-13.97%
Total: Dallas Police & Fire Pension System		364,000,000	272,164,314	91,835,686	83,344	78,584,442	197,552,038	276,136,480	3,888,822	75%	0.29	1.01	0.52%

Dallas Police & Fire Pension System
Investment Strategy Performance Analysis

12/31/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
410 Infrastructure													
1 AIRRO	2008	37,000,000	35,192,921	1,807,079	-361,150	4,652,575	30,306,977	34,959,552	127,781	95%	0.13	1.00	0.08%
2 AIRRO II	2013	40,000,000	6,983,946	33,016,054	-401,391	24,675	4,642,725	4,667,401	-1,915,155	17%	0.00	0.71	-13.97%
3 J.P. Morgan Maritime Fund, L.P.	2009	50,000,000	36,616,676	13,383,324	-404	2,677,751	24,177,505	26,855,255	-9,761,017	73%	0.07	0.73	-17.72%
4 JP Morgan Infrastructure Investments Fund	2007	37,000,000	37,000,000	0	0	10,718,130	32,054,032	42,772,163	5,772,163	100%	0.29	1.16	2.32%
5 LBJ Infrastructure Group Holding, LLC (LBJ)	2009	50,000,000	44,346,229	5,653,771	0	1,782,000	44,346,258	46,128,258	1,782,029	89%	0.04	1.04	1.39%
6 NTE 3a-3b	2012	50,000,000	19,398,949	30,601,051	0	1,490,556	19,398,949	20,889,505	1,490,555	39%	0.08	1.08	8.94%
7 NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	42,625,592	7,374,408	0	2,000,000	42,625,592	44,625,592	2,000,000	85%	0.05	1.05	1.45%
8 RREEF North American Infrastructure Fund	2007	50,000,000	50,000,000	0	846,289	55,238,755	0	55,238,755	4,392,466	100%	1.09	1.09	12.59%
Subtotal: 410 Infrastructure		364,000,000	272,164,314	91,835,686	83,344	78,584,442	197,552,038	276,136,480	3,888,822	75%	0.29	1.01	0.52%
Total: Dallas Police & Fire Pension System		364,000,000	272,164,314	91,835,686	83,344	78,584,442	197,552,038	276,136,480	3,888,822	75%	0.29	1.01	0.52%

Dallas Police & Fire Pension System

Transaction Summary

10/1/2015 - 12/31/2015

Date	Funding	Additional Fees	Cash	Net Cash Flow
Dallas Police & Fire Infrastructure				
J.P. Morgan Maritime Fund, L.P.				
10/30/2015			2,434,873.54	-2,434,873.54
12/11/2015	4,389,179.93			1,954,306.39
Total: J.P. Morgan Maritime Fund, L.P.				
	4,389,179.93		2,434,873.54	1,954,306.39
JP Morgan Infrastructure Investments Fund				
12/29/2015			659,682.46	-659,682.46
Total: JP Morgan Infrastructure Investments Fund				
			659,682.46	-659,682.46
NTE 3a-3b				
10/29/2015	1,335,926.69			1,335,926.69
11/30/2015	1,077,171.34			2,413,098.03
12/03/2015			490,555.64	1,922,542.39
12/28/2015	1,521,740.58			3,444,282.97
Total: NTE 3a-3b				
	3,934,838.61		490,555.64	3,444,282.97
Total:	8,324,018.54		3,585,111.64	4,738,906.90



DISCUSSION SHEET

ITEM #D6

Topic: Investment reports

Discussion: Review of investment reports.



DISCUSSION SHEET

ITEM #D7

Topic: **Hearthstone: Idaho and Colorado properties update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

Discussion: Staff will update the Board on the status of the Sandstone and Spring Valley investments, which are located in Douglas County, CO and Eagle, ID, respectively. Hearthstone was engaged as the investment manager for the properties in February 2015 and presented their asset review and recommendations at the August 27, 2015 Board meeting.



DISCUSSION SHEET

ITEM #D8

Topic: Plan amendment – retiree voting

Discussion: The Chairman has asked that this item be placed on the agenda for an initial board discussion as to whether a change should be proposed when the next plan amendment election occurs which would allow retirees to vote in future elections.



DISCUSSION SHEET

ITEM #D9

Topic: Ad hoc committee reports

Discussion: A brief update on the ad hoc committees will be provided.



DISCUSSION SHEET

ITEM #D11

Topic: 2016 Annual Board and Staff Workshop

Discussion: The Board and staff will discuss preliminary topics for the 2016 annual workshop. The annual workshop is held in October each year and gives the Trustees and staff an opportunity to hear speakers and topics on a greater range and depth than is possible at the regular monthly Board meetings. Educational sessions are provided which help the Trustees to keep abreast of current investment, actuarial, legislative and legal knowledge needed to fulfill their roles as fiduciaries of the Pension System. Speakers need to be booked well in advance of their requested dates; therefore, Staff is requesting input from the Board on topics to be addressed and speakers to be invited.

Staff

Recommendation: Direct the staff regarding Board preferences for agenda topics and speakers.



DISCUSSION SHEET

ITEM #D12

Topic: Spouse Wed After Retirement (SWAR)

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

Discussion: Staff will brief the Board regarding a request by a member to make a SWAR election.



DISCUSSION SHEET

ITEM #D13

Topic: Legal issues

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code:

- a. Police Officer and Firefighter pay lawsuits
- b. Potential claims involving fiduciaries and advisors
- c. 2014 Plan amendment election and litigation

Discussion: Counsel will brief the Board on these issues.



DISCUSSION SHEET

ITEM #D14

Topic: Mid-year 2016 budget adjustment

Discussion: Staff will brief the Board on actual legal fees incurred to date in 2016 and anticipated expenses for the remainder of the year, as compared to the budgeted expense of \$750,000.

Staff

Recommendation: **Approve** an increase to the budget line item for Legal fees to \$2 million for the year ending December 31, 2016.



DISCUSSION SHEET

ITEM #D15

Topic: Audit status

Discussion: Staff will update the Board on the status and findings to date related to the 2015 financial statement audit.



DISCUSSION SHEET

ITEM #D16

Topic: Emerging Managers

Discussion: The Chairman would like to discuss the Board's position on Emerging Managers.



DISCUSSION SHEET

ITEM #E1

- Topic:** Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System
- Discussion:** This is a Board-approved open forum for active members and pensioners to address their concerns to the Board and staff.



DISCUSSION SHEET

ITEM #E2

Topic:

Executive Director's report

- a. Future Education and Business Related Travel
- b. Future Investment Related Travel
- c. Associations' newsletters
 - TEXPERS Pension Observer (Spring 2016)
- d. CalPERS to study possible reinvestment in tobacco (Reuters)

Discussion:

The Executive Director will brief the Board regarding the attached information.

**Future Education and Business Related Travel
Regular Board Meeting – June 9, 2016**

- 1. Conference: Society of Pension Professionals**
Dates: June 21, 2016
Location: Dallas, TX
Est. Cost: \$250.00 Per Person Annually

Regular Board Meeting July 14, 2016

- 2. Conference: Opal: Public Funds Summit East**
Dates: July 18-20, 2016
Location: Newport, RI
Est. Cost: \$1,850

- 3. Conference: Society of Pension Professionals**
Dates: July 19, 2016
Location: Dallas, TX
Est. Cost: \$250.00 Per Person Annually

- 4. Conference: Wharton: International and Emerging Market Investing**
Dates: July 25-27, 2016
Location: San Francisco, CA
Est. Cost: \$6,000

Regular Board Meeting August 11, 2016

- 5. Conference: TEXPERS Basic Trustee Training Class (PRB rules for MET)**
Dates: August 14, 2016
Location: San Antonio, TX
Est. Cost: \$100
- 6. Conference: TEXPERS Summer Educational Forum**
Dates: August 14-16, 2016
Location: San Antonio, TX
Est. Cost: TBD
- 7. Conference: NCPERS Public Pensions Funding Forum**
Dates: August 21-23, 2016
Location: New Haven, CT
Est. Cost: TBD

Regular Board Meeting September 8, 2016

- 8. Conference: Society of Pension Professionals**
Dates: September 20, 2016
Location: Dallas, TX
Est. Cost: \$250.00 Per Person Annually
- 9. Conference: TLFFRA Pension Conference**
Dates: October 2-4, 2016
Location: McAllen, TX
Est. Cost: TBD

Regular Board Meeting October 13, 2016

Board and Staff Workshop October 17-19, 2016

10. Conference: NCPERS Public Safety Conference

Dates: October 23-26, 2016

Location: Las Vegas, NV

Est. Cost: TBD

11. Conference: Global ARC Annual Conference

Dates: October 24-25, 2016

Location: Boston, MA

Est. Cost: \$1,775

12. Conference: TEXPERS Basic Trustee Training Class (PRB rules for MET)

Dates: October 31, 2016

Location: Irving, TX

Est. Cost: \$100

13. Conference: Opal: Emerging Managers Summit South

Dates: November 7-8, 2016

Location: Austin, TX

Est. Cost: \$1,000

Regular Board Meeting November 10, 2016

14. Conference: IFEBP: Annual Benefits Conference

Dates: November 13-16, 2016

Location: Orlando, FL

Est. Cost: \$3,200

Regular Board Meeting December 8, 2016

15. Conference: Society of Pension Professionals

Dates: December 20, 2016

Location: Dallas, TX

Est. Cost: \$250.00 Per Person Annually

16. Conference: PRB: MET Online Core Training: Benefits Administration

Dates: Anytime on line

Location: <http://www.prb.state.tx.us/>

17. Conference: PRB: MET Online Core Training: Risk Management

Dates: Anytime on line

Location: <http://www.prb.state.tx.us/>

**Future Education and Business Related Travel
Regular Board Meeting – June 9, 2016**

ATTENDING

1. **Conference:** Society of Pension Professionals
Dates: June 21, 2016
Location: Dallas, TX
Est. Cost: \$250.00 Per Person Annually

JB, GI

Regular Board Meeting July 14, 2016

2. **Conference:** Opal: Public Funds Summit East
Dates: July 18-20, 2016
Location: Newport, RI
Est. Cost: \$1,850

*

3. **Conference:** Society of Pension Professionals
Dates: July 19, 2016
Location: Dallas, TX
Est. Cost: \$250.00 Per Person Annually

JS, JB, GI, CW

4. **Conference:** Wharton: International and Emerging Market Investing
Dates: July 25-27, 2016
Location: San Francisco, CA
Est. Cost: \$6,000

TH, BH

Regular Board Meeting August 11, 2016

5. **Conference:** **TEXPERS Basic Trustee Training Class (PRB rules for MET)** *
- Dates:** August 14, 2016
- Location:** San Antonio, TX
- Est. Cost:** \$100
6. **Conference:** **TEXPERS Summer Educational Forum** SF, KH
- Dates:** August 14-16, 2016
- Location:** San Antonio, TX
- Est. Cost:** TBD
7. **Conference:** **NCPERS Public Pensions Funding Forum** SF
- Dates:** August 21-23, 2016
- Location:** New Haven, CT
- Est. Cost:** TBD

Regular Board Meeting September 8, 2016

8. **Conference:** **Society of Pension Professionals** JS, JB, GI, CW
- Dates:** September 20, 2016
- Location:** Dallas, TX
- Est. Cost:** \$250.00 Per Person Annually
9. **Conference:** **TLFFRA Pension Conference** *
- Dates:** October 2-4, 2016
- Location:** McAllen, TX
- Est. Cost:** TBD

Regular Board Meeting October 13, 2016

Board and Staff Workshop October 17-19, 2016

- | | | |
|------------------------|---|----|
| 10. Conference: | NCPERS Public Safety Conference | SF |
| Dates: | October 23-26, 2016 | |
| Location: | Las Vegas, NV | |
| Est. Cost: | TBD | |
| 11. Conference: | Global ARC Annual Conference | * |
| Dates: | October 24-25, 2016 | |
| Location: | Boston, MA | |
| Est. Cost: | \$1,775 | |
| 12. Conference: | TEXPERS Basic Trustee Training Class (PRB rules for MET) | JB |
| Dates: | October 31, 2016 | |
| Location: | Irving, TX | |
| Est. Cost: | \$100 | |
| 13. Conference: | Opal: Emerging Managers Summit South | * |
| Dates: | November 7-8, 2016 | |
| Location: | Austin, TX | |
| Est. Cost: | \$1,000 | |

Regular Board Meeting November 10, 2016

- | | | |
|------------------------|--|---|
| 14. Conference: | IFEBP: Annual Benefits Conference | * |
| Dates: | November 13-16, 2016 | |
| Location: | Orlando, FL | |
| Est. Cost: | \$3,200 | |

Regular Board Meeting December 8, 2016

15. Conference: Society of Pension Professionals

JS, JB, GI, CW

Dates: December 20, 2016

Location: Dallas, TX

Est. Cost: \$250.00 Per Person Annually

16. Conference: PRB: MET Online Core Training: Benefits Administration

Dates: Anytime on line

Location: <http://www.prb.state.tx.us/>

17. Conference: PRB: MET Online Core Training: Risk Management

Dates: Anytime on line

Location: <http://www.prb.state.tx.us/>

**Future Investment Related Travel
Regular Board Meeting – June 9, 2016**

NONE



PENSION OBSERVER

THE OFFICIAL PUBLICATION OF THE TEXAS ASSOCIATION OF PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Responsible Investing

By Sandra Carlisle

What Does It Mean and Why Does It Matter?

Responsible investment is better investment — but what does this mean? It strictly concerns the potential economic advantages and the belief that responsibly managed companies are better placed to achieve sustainable competitive advantage.



This is not just a theory. Academic research has found compelling evidence of the advantages to companies and their investors of pursuing environmental, social and governance

(ESG) policies. A study¹ in 2012 by Harvard Business School of 180 US-based firms found that companies who are actively trying to improve their ESG credentials delivered above-market average returns some 4.8% higher than those of their less sustainability-focused counterparts.

The identification and analysis of, and engagement with, companies on ESG factors are vital for investors in order to understand potential opportunities and risks. What are the key issues that my team is looking at in this area today, and how can investors help manage the risks associated with them?

Case study 1: Environmental — Stranded Assets

What are the risks? In an environment where policymakers are increasingly becoming concerned about the effects of climate change, investors are beginning to ask if fossil fuel producers are investing shareholder capital

(Continued on page 11)

National Real Estate Investor: Shadow Tenancy

By W. Stephen Hagenbuckle

Real estate gurus frequently talk about “shadow inventory” in residential markets. But there’s a similar phenomenon occurring in the commercial real estate markets that should be encouraging for nearly every commercial real estate investor, especially ones involved in distressed deals. This new phenomenon, which we call “shadow tenancy,” refers to pent up demand by prospective tenants for new available commercial space and it can be a significant return driver.

As general rule, commercial tenants are sensitive to basic customer service and they want responsive, well-capitalized landlords who are ready and willing to invest substantially in their properties. When lenders or special servicers own a property (typically because they’ve acquired it during foreclosure) prospective tenants become concerned about how much the landlord is willing to invest in the property and respond to the tenants as a long-term owner. They also know banks

and special servicers are likely to sell the property in the short-term to an unknown buyer. Understandably, prospective tenants, even if they are keen on the property, are wary to commit to new space until they know the identity of their long-term landlord.

This creates a “shadow tenancy” where

tenants are interested in specific properties and watch those properties with a willingness to commit to space once it’s sold to a stable owner. Properties with low occupancies owned by lenders often must be bought on a price-per-sq.-ft. basis rather than a cap rate because they may be breaking even or losing money at acquisition.



(Continued on page 11)

This creates a “shadow tenancy” where tenants are interested in specific properties and watch those properties with a willingness to commit to space once it’s sold to a stable owner.

MARK YOUR CALENDAR

TEXPERS SUMMER EDUCATIONAL FORUM

August 14 - 16, 2016

Grand Hyatt Hotel
San Antonio, Texas

Sunday, August 14, 2016
(Note Date Change)

Basic Trustee Training
Plan Sponsors Only

Registration Opening Soon!

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- **Matthew Aukofer**
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WASHINGTON OUTLOOK

By Matthew Aukofer

Nunes Again Seeks Cosponsors for 'PEPTA,' the Public Pension Transparency Act that Would Not Die

U.S. Rep. Devin Nunes (R-Calif.) on March 21 reintroduced his "Public Employee Pension Transparency Act" (PEPTA) for the fourth time, despite seeing the legislation die on the vine during the three previous Congressional sessions.

According to Nunes, the legislation would require state and local government pension plans to disclose their liabilities "in a uniform and transparent manner based on widely accepted accounting principles."

The reason he feels the legislation is needed? "Many state and local pension funds are hiding vast debts through accounting gimmicks," Nunes said in a statement reintroducing the bill.

Never mind the fact that the Governmental Accounting Standards Board (GASB) vetted and approved a host of accounting and financial reporting standards and guidance for public pension plans in the years since Nunes first introduced PEPTA in 2010, during the 111th Congress.

The increased transparency that is being gleaned from the new GASB standards apparently is not enough for Nunes.

It is now 2016 and the second session of the 114th Congress began Jan. 2. Nunes is once again trying to tie the passage of PEPTA to current events — specifically the Puerto Rican debt crisis — in the hopes that it will spark more interest in his pet project.

Apparently, he is going to need it. PEPTA's high-water mark for co-sponsors came in 2013 during the 112th session of Congress, when it garnered 51 cosponsors in the House and 8 cosponsors in the Senate. During the 113th Congress (2013-2015), PEPTA didn't do so well, attracting just 10 cosponsors in the House and two in the Senate. (The latest version of PEPTA had not yet received a bill number as of press time, and hence, no cosponsors).

Could Puerto Rico's debt crisis tip the scales this time around?

"The fact that public pension debt helped spur the Puerto Rican debt crisis should serve as a warning of the devastating effects that can result from underfunded pension systems," Nunes claimed.

At the end of last year, provisions from both PEPTA and the SAFE Act — Sen. Orrin Hatch's (R-Utah) proposal to allow state and local governments to purchase deferred annuities for their employees — were included as part of a relief package for Puerto Rico. But that bill did not move and died in December when the first session of the 114th Congress ended. But lawmakers may

At the end of last year, provisions from both PEPTA and the SAFE Act — Sen. Orrin Hatch's (R-Utah) proposal to allow state and local governments to purchase deferred annuities for their employees — were included as part of a relief package for Puerto Rico. But that bill did not move and died in December...

consider legislation this spring to aide Puerto Rico and the PEPTA and SAFE Act provisions could be inserted once again.

State and local government organizations that make up the Public Pension Network have opposed PEPTA in past sessions of Congress because the bill would introduce three new troublesome provisions impacting state and local governments: 1) a requirement for state and local governments to file annual reports with the U.S. Treasury Department disclosing how they calculate their unfunded pension liabilities; 2) a requirement to use a rate of

return pegged to the Treasury rate rather than rates widely used now; and 3) the loss of the ability to issue tax-exempt municipal bonds if a state or local government fails to comply with the requirements under the bill.

On March 14, the Public Pension Network sent a letter to the U.S. House of Representatives opposing the measure and asking lawmakers not to sign on as cosponsors.

"Given the changes that public pensions have implemented in the years since the Great Recession, it remains unclear why the

(Continued on page 15)

PRESIDENT'S CORNER

By Paul R. Brown

I had the opportunity to attend a conference at which a Federal Legislative update was given. It is interesting that U.S. Senator Orrin Hatch is still being discussed concerning his attempt to exploit the financial hardships of Puerto Rico by slipping anti-pension legislation into a year-end spending bill. Senator Hatch, chair of the Senate Finance Committee, has been looking for opportunities to find traction on his SAFE Act legislation that would turn public pension plans into non-guaranteed annuity payouts while reducing benefits and increasing risks to the taxpayer.

We expect the assault on defined benefit

We expect the assault on defined benefit pension plans in 2016 will be just as strong as ever and TEXPERS will continue its offensive on the SAFE Act and work to protect our members.

pension plans in 2016 will be just as strong as ever and TEXPERS will continue its offensive on the SAFE Act and work to protect our members.

With the primaries at an end in Texas, we move forward to the November elections. It is imperative that you interact with candidates and their staff, and raise issues important to you and your pension system. Decisions

made at the next legislative session can have a tremendous impact on your pension and retirement security. Don't let these decisions transpire without your influence.

TEXPERS is vocal on issues affecting pension systems in Texas. We continue the discussions at conferences, in committee meetings and in the media. We are currently watching an Attorney General Opinion requested by Rep. Jim Murphy of Houston, and have urged our system members to participate and provide input through their systems' legal counsel.

(Continued on page 7)

EXECUTIVE DIRECTOR'S COLUMN

By Max L. Patterson

For those who missed the recent TEXPERS 27th Annual Conference in Dallas I thought a recap of a few highlights from my Executive Director's report at that event would be of interest. First of all, the State of the Association report let everyone know that TEXPERS is in very good shape. We had just received our annual audit report which confirmed TEXPERS' excellent financial condition.

Robust Membership Growth

We have 333 members... comprising 77 retirement systems, 9 associate advisors, 184 associate members, 33 consultants, 7 actuaries, and 23 employee groups.

Healthy revenues support our efforts to provide more of the professional speakers our system members have grown to expect. In the future we will be expanding conference content with additional programming including pertinent non-investment related subjects in breakout sessions.

Membership Feedback

In order for us to be successful in this effort to meet your needs, we rely on your feedback for assistance. TEXPERS training and conference content should be focused on what you want; so speak up, let us know what you want.

Publications

TEXPERS publication content and method of delivery are also under review. *The Outlook* is primarily a compilation of pension stories from several outside sources that we gather for your convenience. For those of you who read many different pension publications, this may be old news, while others may find the information to be new and useful. We strive to find a balance to ensure that the information is relevant. Again, this is where your input helps. Is this publication of value to you, or is it just repetitive? Let us know.

Technology to Assist Members

TEXPERS is leveraging technology to improve the member experience. Our association management platform enables us to streamline processes, facilitate renewals,

integrate registration into the member database, and provide a searchable online membership directory accessible by you from all your devices. The conference app allows members to have everything they need for our conferences right at their fingertips, whether on their phone, tablet or laptop.

The 84th Texas Legislative Session

I was pleased to report that the session concluded without the passage of any harmful pension-related bills and TEXPERS' legislative committee is already

preparing for the next session.

Member Support

Last but not least, staff visits to TEXPERS member pension systems are ongoing with the goal of raising awareness of TEXPERS member benefits, responding to questions about the PRB Minimum Education and Training requirements, and helping members navigate the TEXPERS web site.

Contact Us!

TEXPERS leadership and staff wholeheartedly strive to improve TEXPERS for its members, as well as advance and protect Texas retirement funds. Any time you have feedback, please contact me via email max@texpers.org or call us at 713-622-8018. *We are here for You, nothing else!*

In order for us to be successful in this effort to meet your needs, we rely on your feedback for assistance. TEXPERS training and conference content should be focused on what you want; so speak up, let us know what you want.



People in Texas Public Pensions

Keeping Up With Texas Public Pensions' Newsmakers and Leadership

..... **Patti Featherston**, was named executive director/CEO of the Austin (Texas) Police Retirement System. She assumed the position in early February, 2016. She replaced Sampson Jordan, who retired December 18.

Featherston previously served as Chief Operating Officer of the Teacher Retirement System of Texas (TRS) and as a Budget Analyst with the Texas Legislative Budget Board. Her background



spans many years involved with state government including work in a variety of subject areas. In her role as COO at TRS, her management oversight included the areas of finance, benefits delivery including retirement and health care, information technology, human resources, governmental relations and communications.

Featherston holds a Bachelor of Business Administration from the University of Texas at Austin with a major in Management. She is a long-time resident of Austin, remaining in the city throughout her career following college graduation.

Regarding her involvement with TEXPERS, she said, "I really enjoy pension management, and it is a very special honor to work on behalf of police officers in a city I have loved for many years. TEXPERS is a valuable contributor to the state and national pension environment, offering great resources to its members, and I look forward to working more closely with the organization." 🇺🇸

"I really enjoy pension management, and it is a very special honor to work on behalf of police officers in a city I have loved for many years."



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Insights in Action: Unveiling Opportunities in the U.S. Housing Market

By Nick Schommer, CFA

Our bullish housing thesis is based on the fundamental drivers of housing demand. A few things drive the underlying demand for households. First, there's been a nice recovery in employment growth over the last few years. In particular, this recovery extends to the 18 to 34 year old population, the most important demographic for housing demand.

Second, we are seeing household formation begin to accelerate. Household formation is being driven by employment growth in the 18 to 34 year old cohort. What we're also seeing among that age group is that the number of millennials living at home today is at an all-time peak with about 33% of millennials living at home with their parents. We think that trend will begin to reverse over the next few years, leading to an acceleration in housing demand and household formation. Also, we continue to see positive population growth in the United States both through immigration as well as through an improvement in the birth rate. Last, we expect credit availability to continue to loosen so that millennials considering a first-time home purchase have more of an ability to buy a home.

Affordability in the United States today is at very attractive levels. Rent prices are increasing substantially, leading to 50% of consumer income being spent on rental expense. Also, when factoring in mortgage rates as a potential prohibiter to new home purchases, research suggests that mortgage rates can increase up to 200 basis points before they start to impact affordability for

first time consumers. What we're finding is that housing inventory is the head wind today to first-time home ownership, as well as credit availability, and that affordability is not an issue. So, as we see new inventory come on the market at a slower pace than today's demand, we expect that home price appreciation will continue to exceed the rate of inflation.

As a result of these factors impacting the U.S. housing market, the first group of stocks we're investing in are the home improvement retailers.

Home improvement retailers are part of an industry with an attractive structure; that is, there are only a few key players and modest competition from online retail.

Additionally, as home prices improve, it appears that consumers are viewing their homes again as an

investment and not as an expense. As a result of this shift in mindset, they can be expected to continue spending money targeted at their homes.

Also attractive is investing in select financials whose mortgage portfolios are benefiting from the recovery of the U.S. housing market. Multiple financial companies have legacy mortgage books that included loans underwritten during the prior housing bubble. Those books today are benefiting as housing demand is exceeding supply and

Home improvement retailers are part of an industry with an attractive structure; that is, there are only a few key players and modest competition from online retail. Additionally, as home prices improve, it appears that consumers are viewing their homes again as an investment and not as an expense.



as home prices are continuing to grow above inflation. As home prices improve, the number of underwater mortgages decline rapidly, thus becoming

a diminishing issue for those financial companies who have legacy books that were written before the crisis.

Another sector worth investing in today includes the aggregate companies. The aggregate companies benefit from a recovering U.S. housing market as new construction starts and the development of new communities is tied to cement and aggregate demand. They are also benefiting today from the recovery of non-residential investment in this country and from infrastructure demand to replace roads and bridges.

Our bullish stance on the U.S. housing market is the result of a number of drivers, including increased employment growth, accelerating household formation, and loosening credit availability. Stocks that may be poised to benefit from these drivers include home improvement retailers, select financials, and aggregate companies. Through in-depth research and a differentiated view, we are attempting to capitalize on those opportunities that may not be fully recognized by the market. 🇺🇸

Nick Schommer, CFA, is Portfolio Manager at Janus Capital Group, Inc. in Denver, CO.

www.texpers.org

Risk Management During Volatile Fixed Income Environments

By Robert G. Smith, III, CIMC, AIF

Fixed income returns are derived from two sources, coupon payment and price change. While the foundation of fixed income is the predictability and practicality associated with receiving a consistent income stream, changes in interest rates and credit spreads cause the price of fixed income securities to fluctuate on a daily basis. Like any asset class, fixed income is vulnerable to periods of increased volatility and downward pressure on prices. Today, investors are struggling to digest the impact of a potential shift in the Federal Reserve's interest rate policy and concerns associated with a maturing credit cycle.



always align with the Federal Reserve raising interest rates and often occur when it isn't introducing a tightening of monetary policy. Interestingly, historical performance results show that during these periods

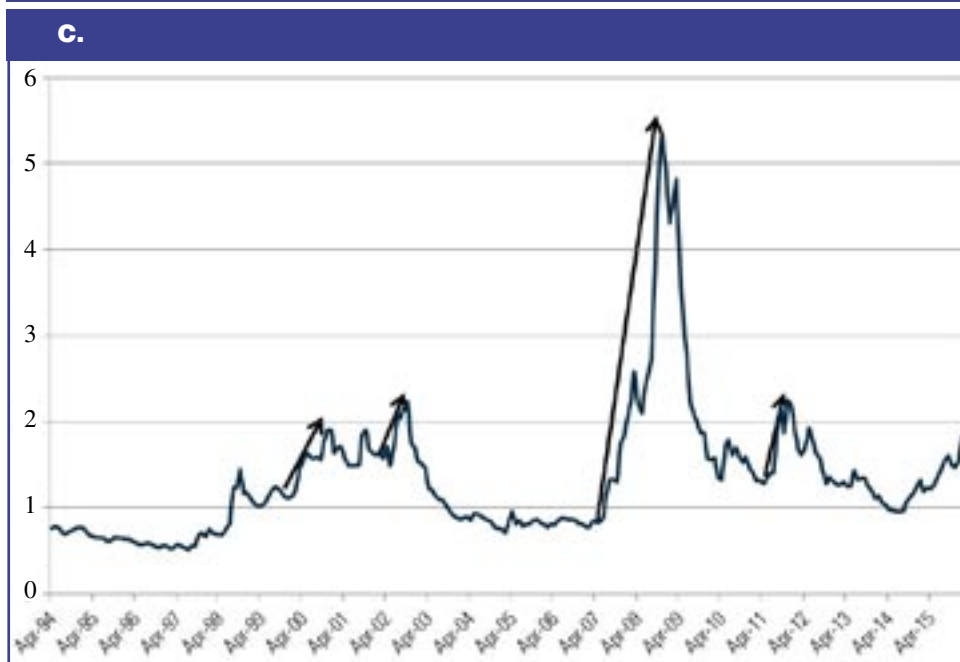
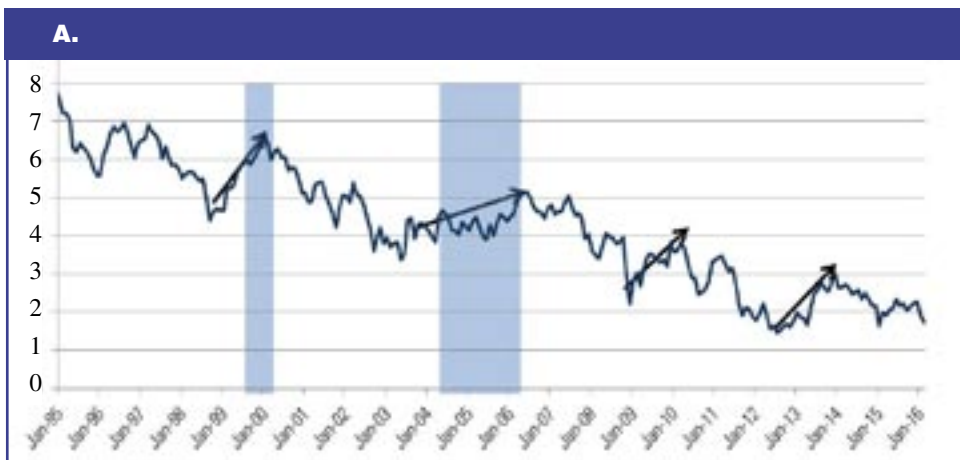
a well diversified fixed income strategy, as represented by the Barclay's Intermediate Gov't/Credit Index, can often mute or offset the negative effects of rising rates commonly exhibited by just U.S. Treasury securities. As shown in Table B, ample diversification within fixed income portfolios is beneficial to investors during these periods of high interest rate volatility and an active management approach to diversification may help to amplify these positive outcomes.

(Continued on page 7)

Rising Rate Environments

Many investors only associate rising rate environments with periods when the Federal Reserve is increasing the Fed funds rate. While Federal Reserve monetary policy certainly sets the tone for rates, old fashion supply and demand is the primary influence on fixed income markets with inflation,

economic growth, and market sentiment being the key drivers. Here we analyze the four most significant rising rate environments over the past 20 years as defined by the change in 10-Year Treasury yield. The shaded areas on Chart A illustrate actual Federal Reserve tightening cycles. As shown, periods of significant rate volatility don't



B.

	IG Spread at Start of Period	IG Spread at End of Period	Barclay's US Credit Index Return	Barclay's Intermediate US Gov/Credit Return
12/31/99 - 11/30/00	1.11%	1.98%	7.31%	8.11%
08/31/01 - 10/31/02	1.56%	2.47%	5.78%	7.87%
02/28/07 - 11/30/08	0.85%	6.07%	-3.48%	4.54%
04/30/11 - 9/30/11	1.38%	2.38%	3.22%	3.39%

D.

	10 Year Treasury at Start of Period	10 Year Treasury at End of Period	Barclay's 7-10 Yr Treasury Index Return	Barclay's Intermediate US Gov/Credit Return
9/30/98 - 01/31/00	4.42%	6.67%	-1.06%	0.24%
5/30/03 - 6/30/06	3.38%	5.14%	0.62%	1.42%
12/31/08 - 6/30/09	2.21%	3.54%	-3.04%	1.62%
7/31/12 - 12/31/13	1.47%	3.03%	-1.26%	-0.06%

Risk Management During Volatile Fixed Income Environments

By Robert G. Smith, III, CIMC, AIF

(Continued from page 6)

Spread Widening Environments

Often times, investors place too much emphasis on managing interest rate risk and not enough emphasis on managing credit risk. Dramatic periods of credit spread widening, which are typically reflective of deteriorating risk market conditions and a change in market sentiment, can be extremely damaging to fixed income investors who have over-committed to higher risk fixed income in search of yield and higher returns.

In Chart C we analyze the four most significant credit spread widening environments over the past

Dramatic periods of credit spread widening — typically reflective of deteriorating risk market conditions and a change in market sentiment — can be extremely damaging to fixed income investors who have over-committed to higher risk fixed income in search of yield and higher returns.

20 years as defined by the change in Investment Grade Credit Spreads.

Often times periods of dramatic spread widening occur during equity market downturns. This can be particularly challenging for investors who are counting on their fixed income allocations to be a diversifier to equities and other risk assets. Unfortunately, for investors that have ignored these historical correlations, the results have generally been disappointing. This is illustrated in Table D which shows that the investment grade credit index had on average significantly lower total returns during these

periods compared to a more broadly diversified fixed income allocation, such as the Barclay's Intermediate Gov't/Credit index, which delivered greater and positive returns in each period.

The Bottom Line

Successful fixed income risk management requires one to recognize the key cyclical themes and trends at play in the market that will determine future investment performance outcomes. As we have shown, interest rate and credit cycles can and do operate independently. Active portfolio management can help investors mitigate the performance volatility that these cycles may bring. The key to the investment process is to recognize when they are in play and for how long. 📌

Robert G. Smith, III, CIMC, AIF, is President and Chief Investment Officer at Sage Advisory Services, Ltd. in Austin, TX.

PRESIDENT'S CORNER

By Paul R. Brown

(Continued from page 3)

Texas is, "just a little bit that way." And Lone Star politics are a little bit that way, as well. I had the pleasure to meet a lady who had the experience of being on the receiving end of the political beast. I appreciate her comments that follow:

"Chicago's political chicanery, Louisiana's Cajun-flavored voter fraud, New York's Tammany Hall election tampering, and Florida's hanging chad have little on Texas, where deep-seated political struggles last for generations, where candidates are often quickly elevated to the national level partly because of their proven ability to survive the trial-by-deep-fryer that is Texas politics. Texas offers a unique American voting and campaign experience: outrages, inelegant, hilarious, harrowing, and completely without written rules. Wild and wooly and no-holds-barred. That's Texas and its sprawling, brawling political stage. Not to mention that the proceedings unfold in some of the country's hottest weather, lending them a special sweaty-faced intensity".

Thank you Mary Mapes for your candor on Texas politics.

A side note: Mark your calendar to attend the Summer Educational Forum, August 14-16 in San Antonio. Joe Gagen, Legislative Grassroots Trainer, will lead a workshop that will help you become more effective with communicating to and working with legislators. Joe did a workshop for TEXPERS last year, and those that attended gave the session very high marks. 📌



"Chicago's political chicanery, Louisiana's Cajun-flavored voter fraud, New York's Tammany Hall election tampering, and Florida's hanging chad have little on Texas, where deep-seated political struggles last for generations, where candidates are often quickly elevated to the national level partly because of their proven ability to survive the trial-by-deep-fryer that is Texas politics."

Private vs Public Market infrastructure

By Stephen Mentzines

Listed infrastructure reversing the tide

Infrastructure is an appealing asset class. When strictly defined, it delivers stable, inflation-linked returns with risk below that of other equities. In recent times, focus has increased on public-market infrastructure assets owing to financial market instability, the desire for liquidity and high premiums on private infrastructure transactions, driving growth in popularity.

In theory, private-market infrastructure assets should be priced at discounts to their publicly-traded equivalents, given their illiquidity. This discount should present an opportunity for pension plans with typically longer investment horizons to trade off liquidity for superior long-term returns.



However, the exact opposite has been the case in recent years. Demand and supply dynamics for private-market infrastructure

have shifted such that many of these assets are being acquired at valuation premiums to their publicly-traded alternatives.

Within the UK utilities sector, valuation differences have been quite pronounced. Despite the country's highly developed regulatory regime which permits utilities to earn a set, fair return on their Regulated Asset Base (RAB — which can be thought of as net

tangible assets) and regardless of ownership, valuation premiums paid over the past decade have persisted. The chart below highlights the extent to which private-market transaction valuations have exceeded trading multiples of two major regulated listed water utilities, with premiums of 20%-50% to underlying RAB.

Such a valuation premium is at odds with the fundamental operating structure of UK utilities. Asset owners are very limited in their ability to achieve returns above OFWAT's (the Regulator) prescribed level and any efficiency gains are passed to consumers. Consequently, the fair value of these

The management of illiquid assets within an overall asset allocation framework can introduce issues with maintaining proportionate weightings. Acquiring private-market assets takes time and a significant public-market rally or downturn can upset the balance in an overall portfolio and potentially exacerbate the cyclicity of portfolio returns.

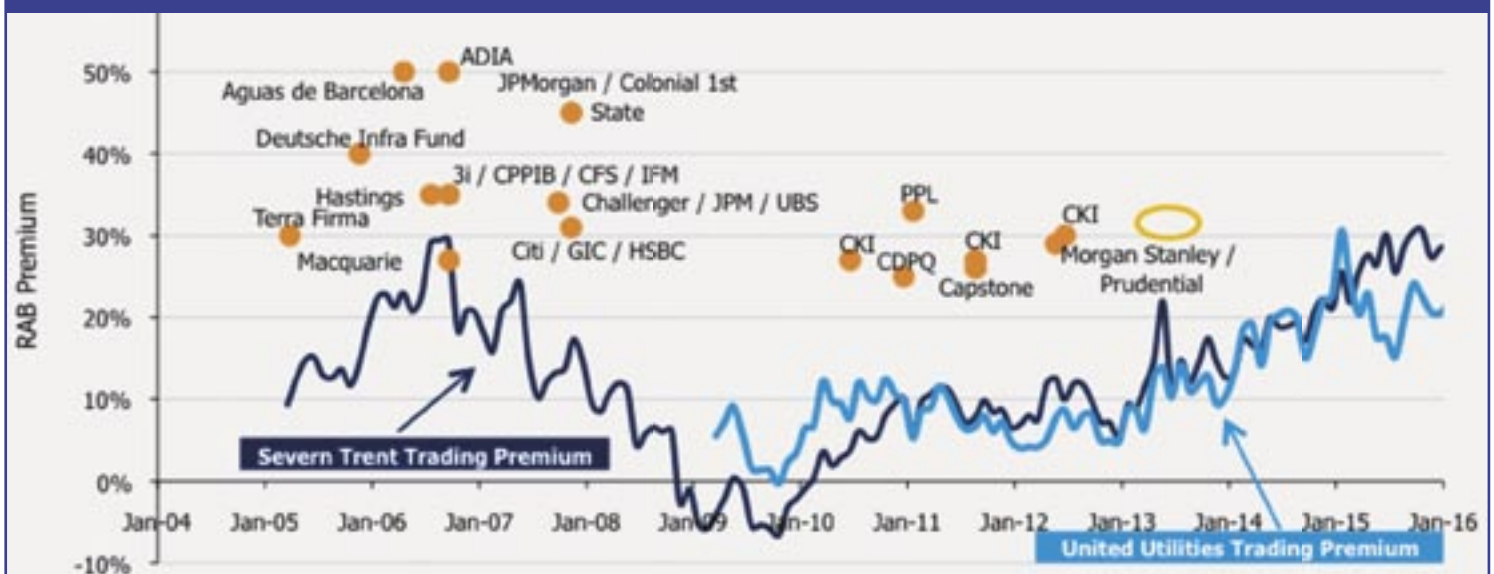
utilities revolves around a small premium to their RAB. Clearly, a supply and demand for UK water utilities is in sharp dislocation.

Other issues worthy of consideration for institutional investors include:

- The intrinsic value of any long-dated asset is simply a function of its future cash flows and associated risks. Infrastructure assets' cash flows tend to be very stable over time, hence intrinsic value tends to be predictable. However, being somewhat linked to stock market fluctuations means investors have an opportunity to capitalise on mis-priced assets.

(Continued on page 9)

UK Regulated Utilities —RAB Premiums for Transactions



Source: MFG Asset Management company data and Deutsche Bank. The premium to RAB is calculated from the Enterprise Value to RAB multiple.

Private vs. Public Market Infrastructure

By Stephen Mentzines

(Continued from page 8)

- Unlisted infrastructure assets are valued infrequently and the accuracy of accounting valuations is likely to decrease with the length of valuation intervals. By nature, this gives rise to investment risks, whereas listed infrastructure is valued in real-time on recognized stock exchanges.
- Management costs — Ongoing management fee levels for private-market infrastructure need to be justified, particularly when comparing highly regulated assets and their public-market alternatives. The higher risks associated with private-market infrastructure places additional responsibilities on fiduciaries who need to be suitably skilled in this area.
- Asset allocation impacts — The management of illiquid assets within an overall asset allocation framework can introduce issues with maintaining proportionate weightings. Acquiring private-market assets takes time and a significant

public-market rally or downturn can upset the balance in an overall portfolio and potentially exacerbate the cyclicity of portfolio returns.


- Regulatory impacts — Diversification is particularly important as infrastructure returns can be significantly impacted by regulatory outcomes. Highly undesirable return asymmetry can result when investments are concentrated within few assets and regulatory jurisdictions.

Latent demand for private infrastructure assets may cause prices to remain inflated for a sustained period. *Preqin*¹ recently reported that there are over 170 unlisted infrastructure funds seeking new capital commitments totalling US\$120bn. This is in on top of the US\$108bn of capital already committed but not yet invested.

Public or Private markets?

Analysis suggests that applying a strict definition to listed infrastructure that is

diversified by sector and geography has the potential to deliver investors gross returns of inflation plus 5% - 6%. Such a return can be generated from either public-market or private-market infrastructure, but historical data suggests the listed market offers investors higher post-fee return prospects, combined with potentially lower risk. Public markets offer a significantly broader opportunity set and benefit from greater transparency, given the strict disclosure conditions imposed on listed entities. We would expect the trend between public and private markets to continue given current and foreseeable market conditions.

For the full report, please visit www.mfgam.com.au 

Stephen Mentzines is a Portfolio Manager (Infrastructure) at MFG Asset Management in Sydney, Australia.

¹ *Preqin Infrastructure Spotlight, January 2016*



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Responsible Investing

By Sandra Carlisle

(Continued from page 1)

responsibly. More specifically, they want to know if their investments are at risk of becoming ‘stranded.’

Stranded assets are investments which have suffered from unanticipated or premature write-downs or devaluations. This can come about as a result of changes in the market, for example if renewable energies became cheaper than fossil fuels, or via changes in the regulatory environment — perhaps if governments implemented carbon emissions penalties.

What Can Investors Do?

Active investors have the power to address the issue of stranded assets both directly in their active investment decisions and through effective policy and regulatory level engagement. For example, investors could ask companies to demonstrate how demand might be affected if carbon costs increased and prices rose, or whether potential future climate legislation is budgeted into their models.

Case study 2: Social

—Supply Chain Management in Bangladesh

What are the risks? Following a number of fatal disasters at garment factories in Bangladesh, most notably Rana Plaza in 2013, there has been increased focus on supply chain standards.

Bangladesh is one of the cheapest places to manufacture globally, with many western retailers sourcing basic garments from the country.

Many U.S. companies still continue to award executive compensation packages with no performance conditions attached. This could promote dangerous short termism and incentivize risk-taking.

The key risk to businesses and their investors is supply chain disruption. Companies with complex, opaque supply chains that do not effectively manage the risks this entails are vulnerable to unanticipated increases in the living wage, intervention from unions or strike action, all of which could increase costs and decrease productivity.

What Can Investors Do?

While most companies acknowledge supply chain risk, very few offer transparency across their supply chain; therefore, company engagement is vital. One thing to look for is whether a company has established a

local sourcing office or if it sources via third parties. Employing local sourcing staff can improve supply chain visibility and avoid unauthorized subcontracting to cheaper factories with weaker standards.

Case study 3: Corporate

—Governance in the U.S.


What are the risks?

Once a niche area of specialist interest,

corporate governance has become a key area of investor and regulatory focus. While several countries are adopting corporate governance codes and best practice, the U.S. remains a challenging market.

Many U.S. companies still continue to award executive compensation packages with no performance conditions attached. This could promote dangerous short termism and incentivize risk-taking. The combination of CEO and chair roles is also a concern, as is the length of board tenure, with critics of the current system concerned about a lack of diversity of thought and ‘seat blocking.’

What can investors do?

In the U.S. market, where director and shareholder dialogue is often lacking, analysis, engagement and monitoring of such governance factors as board diversity, tenure and management incentive packages are all-the-more vital in order to ensure companies will be able to withstand the inevitable challenges they will face in the 21st century global market place. 

Sandra Carlisle is the Head of Responsible Investment at Newton Investment Management, a BNY Mellon company, in London, United Kingdom.

1 “The Impact of Corporate Sustainability on Organizational Processes and Performance, National Bureau of Economic Research, working paper 17950, April 2014. <http://www.nber.org/papers/w17950>

National Real Estate Investor: Shadow Tenancy


By W. Stephen Hagenbuckle

(Continued from page 1)

The equivalent potential cap rate basis can be deep into double digits. One of our recent acquisitions in Florida, for example, was bought on per square-foot basis that translated into a 19 percent cap rate on net rents being signed now.

Currently, there are signs of “shadow tenancy” in nearly every deal we look at. We recently purchased a non-performing loan on a portfolio of 228,000 sq. ft. of office and distribution space from a special servicer at a basis of about 40 percent of replacement cost. Several tenants had left during 2008 and 2009

and the property was only 55 percent occupied at acquisition. Before negotiating for the building, we identified numerous businesses in the area that had expressed interest in moving into the property but were waiting for a new, financially stable, owner. These included credit tenants such as Nestle, Home Depot, Staples and Red Bull. Once the deal closed we were able to negotiate leases with those tenants-in-waiting and the property is now 85 percent occupied seven months after closing.

The phenomenon of “shadow tenancy” is occurring in many different markets across the country, especially in places where the economy and the residential market has already recovered significantly. For investors experienced in distressed commercial real estate situations, this means now is the time to be buying. 

W. Stephen Hagenbuckle is Founder, Managing Partner at TerraCap Management in Naples, FL.

Happy New Year! Chinese New Year, That is!

By Mark Anson

The Chinese New Year began in February and this year it is the “Year of the Monkey.” Now, monkeys are well known for being unpredictable and mischievous animals, full of playfulness and hijinks. In fact, it is their mischievous nature that is responsible for the saying “throwing a monkey wrench” into an otherwise smooth operating process. Indeed, it seems as if a monkey wrench has been thrown into the global equity markets in 2016.

We are mindful of the increased market volatility that we have all experienced as well as the recent downward trend of the equity markets. Globally, equity markets have declined approximately 8 to 14% since the beginning of the year. It is the combination of higher volatility and downward momentum that has caught investors’ attention. Ours, too.

Yet, let’s take a step back. The Great Financial Recession ended almost precisely on April 1st, 2009 (April Fool’s Day—go figure). Since then we have been in an economic growth cycle fueled by massive Quantitative Easing from Central Banks on a scale never witnessed before. Added to this

were the large budget deficits racked up by the U.S. Federal Government as it stepped into the shoes of weakened consumers to shore up the U.S. economy. Trillion dollar deficits (and then some) were the order of the day from 2009 through 2012. Other governments—the UK, France, Germany, Italy, etc.—also joined the deficit expansion party.

The key point is that we have been in a prolonged growth cycle for almost 7 years, pushed along by central banks driving interest rates down to zero and national governments willing to incur large budget deficits to keep their respective economies in positive territory. At this point of a growth cycle, we should expect some form of speed bump to hit our financial markets. A correction is a natural consequence at this level of asset values



Below we have charted the growth of earnings for the S&P 500 vs. the value of the S&P 500. And, guess what? Earnings matter! Ok, that may seem like an obvious point but if you look back to the years 1998-2000

you can see what an asset bubble looks like. During the “dot-com” craze/insanity, earnings were ignored and the price of the stock market reached valuation heights that simply were not supported by the underlying cash flows of the constituent companies. Eventually, investors recognized that stock market values could not be sustained without earnings and the bubble burst.

To have sustainable valuation growth in the equity markets, earnings must grow as well. If we consider an individual stock—Apple, for example—the price of Apple today is the

(Continued on page 13)

Characteristics of a Maturing Market Cycle:



Past performance is not indicative of future results.
Source: Bloomberg

Happy New Year! Chinese New Year, That is!

By Mark Anson

(Continued from page 12)

discounted value of Apple's future expected for example—the price of Apple today is the discounted value of Apple's future expected earnings. The same applies for the broader stock market—the value of the S&P today is the discounted value of the future earnings from the S&P constituent companies. Therefore, earnings must lead stock market values, not the other way around—as was the case during the tech bubble years.

When looking at the chart, this is indeed the case—since 2001 earnings growth leads stock market values. As you look to year 2015 in the chart,

you will see that earnings growth is slowing down. It is still positive but not accelerating at the same pace as in recent years. As a result, stock market values have come down as the market has digested slower earnings growth.

We pay close attention to the earnings cycle: Not only do we look at the overall size of earnings for the S&P 500 but also whether earnings growth has hit a plateau. If so, stock market values will follow suit. It is at this time that we look to add managers to our portfolio that can manage through a slower earnings trajectory. As one example, value managers, who invest in companies with

stable cash flows and high dividends, typically demonstrate better performance at this point in the cycle.

More to the point, when there is more volatility in the financial markets, active management can play a more significant role. Coming out of the Great Financial Recession, there were such strong tailwinds from quantitative easing and government spending that riding this wave of economic prosperity was an easier bet for all managers. When stock market values begin to tumble, active management can help to salvage some excess return keeping us up to this challenge and ready to deal with whatever “Monkey Business” the markets throw at us. 🇺🇸

Mark Anson is Chief Investment Officer at Commonfund, in Wilton, CT.

Not only do we look at the overall size of earnings for the S&P 500 but also whether earnings growth has hit a plateau. If so, stock market values will follow suit.



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30th Annual Conference

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April 7 - April 10, 2019



WASHINGTON OUTLOOK

By Matthew Aukofer
(Continued from page 2)

additional reporting requirements or introduction of this new method of calculating unfunded pension liabilities is still needed,” Mike Belarmino, associate legislative director for finance and intergovernmental affairs for the National Association of Counties (NACo), wrote in a blog post.

“Further, tying the ability to issue tax-exempt municipal bonds to these new burdensome requirements will have a significant negative impact on how state and local governments serve the needs of constituents through infrastructure investment.”

PEPTA would require state and local governmental plan sponsors to provide specific plan funding information to the Treasury Department, including a “Supplementary Report” that would restate the funding status of a plan by valuing assets at fair market value and by using certain Treasury obligation yield curves in place of the plan’s expected rate of return to determine liabilities.

Failure to do so would cause the offending state or political subdivision to lose federal tax benefits with respect to any state or local bond issue.

Even though PEPTA has gained little traction over the past several years, it should not be considered “dead.” Some lawmakers and policy wonks have very short memories. Nunes’ attempt to tie the legislation to the Puerto

Rico debt crisis is just the latest tactic to try to bring the bill to the front burner. In the wake of the Detroit bankruptcy in 2014, Nunes and others claimed that PEPTA could “stabilize” the nation’s public retirement systems, while protecting taxpayers from a costly bailout of state and local public pension funds.

“Current Congressional offices could be easily influenced to support a new PEPTA bill if Nunes’ propaganda goes unchallenged,” Meredith Williams, executive director of the National Council on Teacher Retirement (NCTR), was quoted as saying by Leigh Snell, NCTR’s director of federal relations, in his March 15 federal blog posting.

“That is why it is so important for NCTR members to be sure that they contact their Congressional delegations now, making it clear that PEPTA is dangerous and completely

unnecessary, and should definitely not be added to any Puerto Rico relief legislation,” Williams added.

Snell also criticized Nunes for relying so heavily on the “expertise” of Professor Joshua Rauh, a professor of finance at Stanford University and a senior fellow at the Hoover Institution, a right-leaning public policy think tank.

Rauh advised Nunes when he was first developing PEPTA, and many of the Nunes supporting materials for PEPTA contain Rauh’s projections of the dates when state pension funds will “run out of money” and “pension payments to retirees will have to come out of general revenues.”

The only problem is that no state pension funds are actually going to run out of money,

...tying the ability to issue tax-exempt municipal bonds to these new burdensome requirements will have a significant negative impact on how state and local governments serve the needs of constituents through infrastructure investment.

nor will they have to dip into general fund revenues. In fact, the Government Accountability Office (GAO) — the independent watchdog of Congress — said in a 2012 report that Rauh’s projected dates of demise for public funds were based on assumptions that it found to be “unsupported.”

Snell wrote that he found this finding to be “particularly delightful.”

Yet, Nunes apparently continues to count Rauh among the so-called “experts” who believe that state and local governments continue to understate their pension liabilities and need something like

PEPTA to avoid insolvency or, worse, a federal bailout in the coming decades. A federal bailout is also something PEPTA would outlaw. ➔

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CalPERS to study possible reinvestment in tobacco

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By Robin Respaut

SACRAMENTO, Calif. (Reuters) - The California Public Employees' Retirement System decided on Monday to review the potential impact of reinvesting in tobacco, 16 years after the pension fund dropped the controversial asset from its portfolio.

The move to review tobacco divestment by the largest U.S. pension fund has caught the attention of health groups, industry shareholders, institutional investors and many of CalPERS' beneficiaries across California.

Tobacco is the leading preventable cause of death in the United States, according to the U.S. Department of Health and Human Services.

In 2015, Wilshire Associates reported that the majority of CalPERS' divestment initiatives had reduced the pension fund's portfolio returns.

Specifically, excluding tobacco had cost an estimated \$2 billion to \$3 billion, Wilshire found, a considerably larger portfolio impact than CalPERS' other divested assets, such as Iran, Sudan and certain firearm-related companies.

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The question to review the tobacco divestment divided CalPERS' board into two camps - those who favored a review and those who preferred to drop the discussion altogether and remain divested.

The majority favored a study that considered the broader financial and economic impact of reinvesting in tobacco.

Board members said the decision would not necessarily result in CalPERS ultimately reinvesting some of its roughly \$293 billion portfolio back into tobacco. Instead, the study would be performed as part of the board's fiduciary duty.

“No one should read into this any interest in reinvesting in tobacco,” CalPERS board member Bill Slaton told a board meeting.

CalPERS will take the next 12 to 24 months to examine the issue before taking any action on a possible tobacco reinvestment.

(Reporting by Robin Respaut; Editing by Peter Cooney)

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