

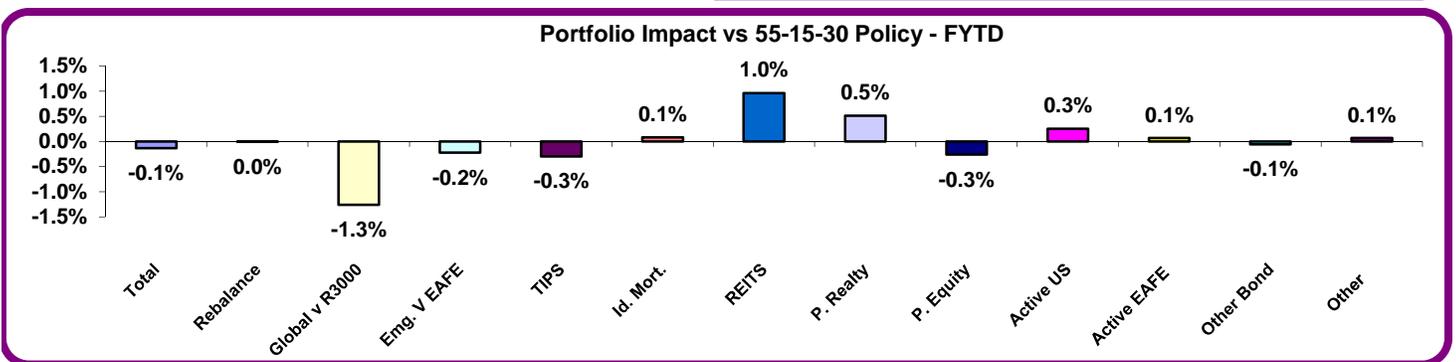
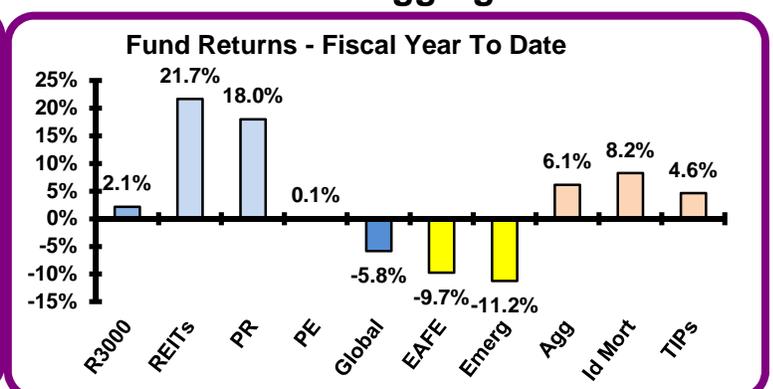
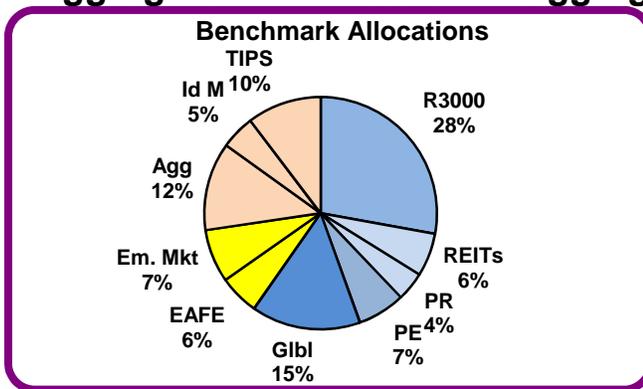
PERSI INVESTMENT REPORT

Month to Date Report

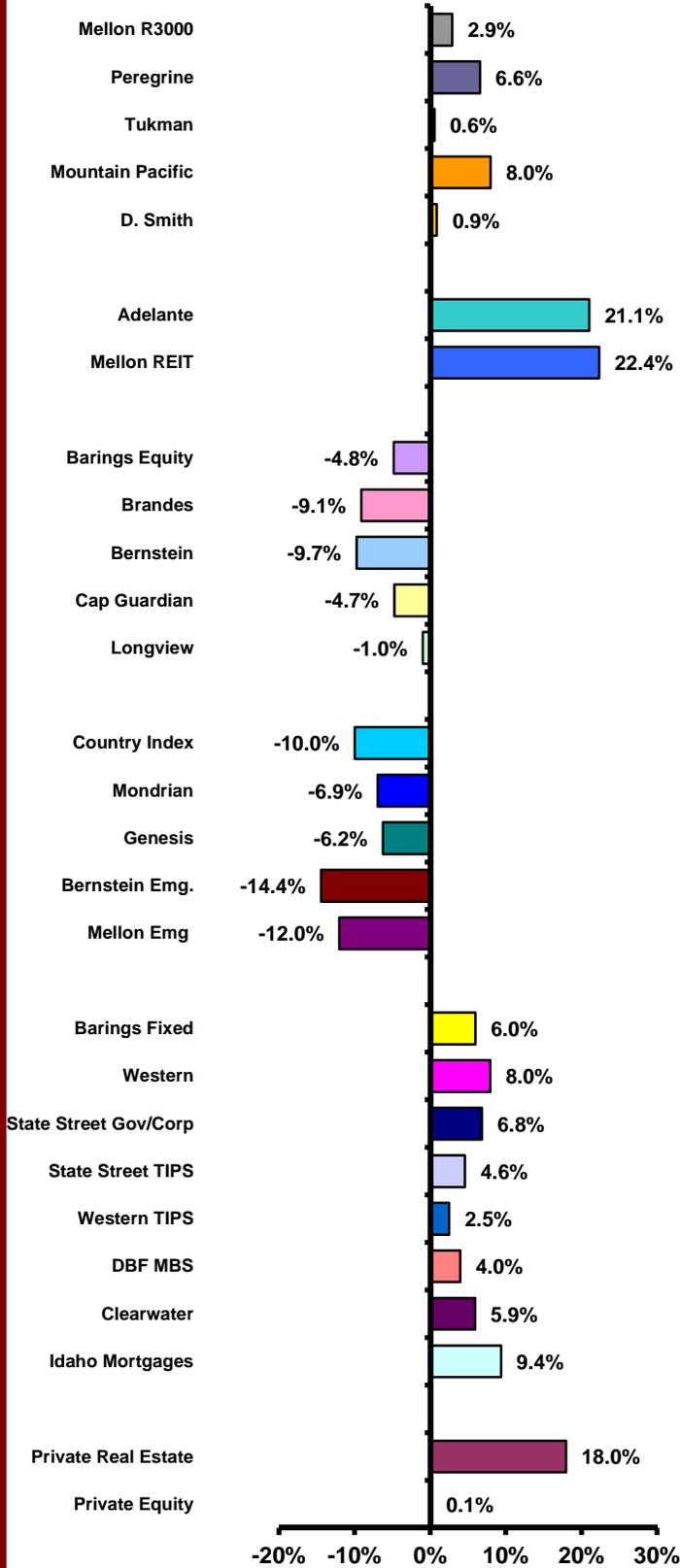
June 30, 2016

| | | |
|----------------------------------|----|----------------|
| CURRENT VALUE OF THE FUND | \$ | 14,846,853,721 |
| FISCAL YEAR NET CHANGE IN ASSETS | \$ | (68,634,057) |
| FISCAL YEAR TO DATE RETURNS | | 1.8% |
| MONTH TO DATE RETURNS | | 0.6% |

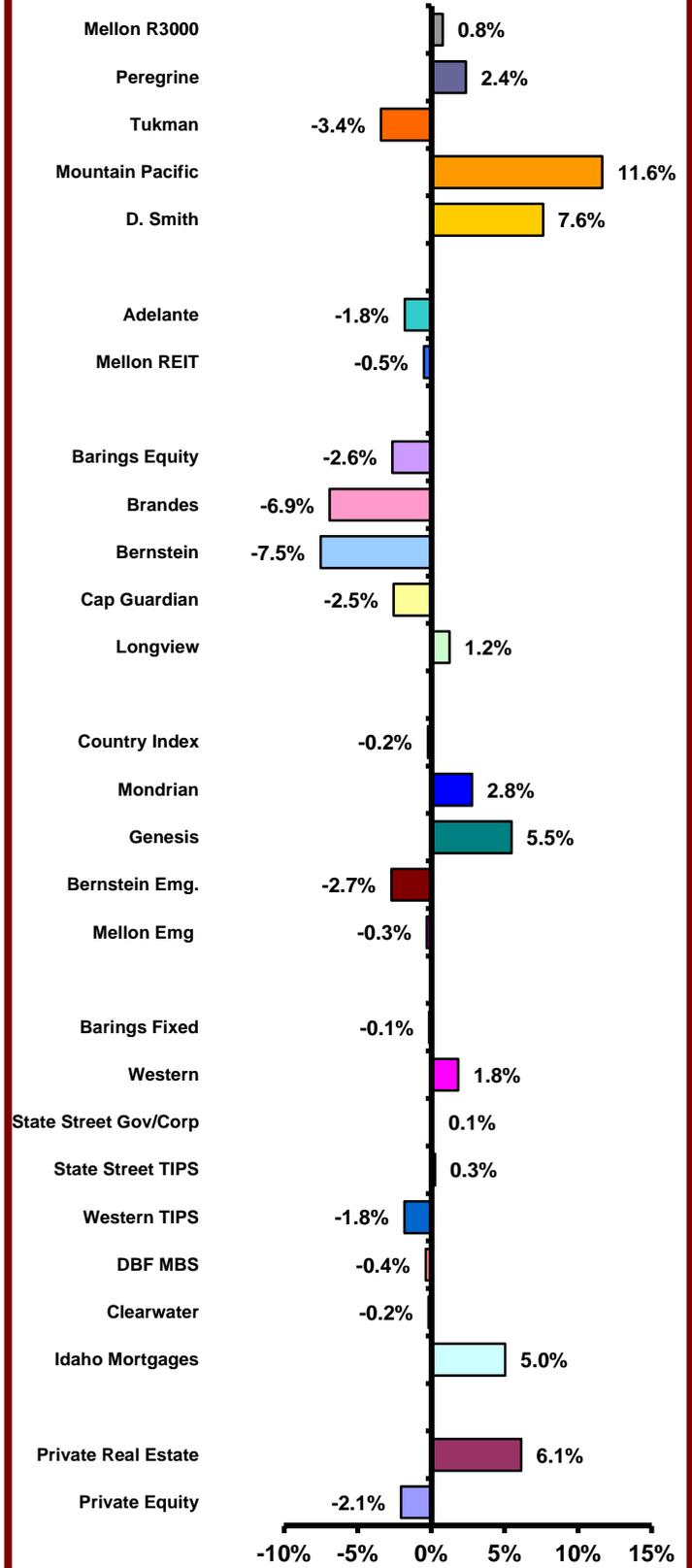
| <u>Month Returns</u> | | <u>Fiscal Year Returns</u> | | <u>20 Year Returns</u> | |
|-----------------------|--------------|----------------------------|---------------|------------------------|-------------|
| Total Fund | 0.6% | Total Fund | 1.8% | Total Fund | 7.5% |
| 55-15-30 | 0.2% | 55-15-30 | 2.0% | 55-15-30 | 7.1% |
| U.S Equity | 0.3% | U.S Equity | 5.5% | U.S Equity | 8.1% |
| R3000 | 0.2% | R3000 | 2.1% | R3000 | 8.0% |
| Global Equity | -2.3% | Global Equity | -5.8% | Global Equity | 7.7% |
| MSCI World | -1.1% | MSCI World | -2.2% | MSCI World | 6.2% |
| Foreign Equity | 0.9% | Foreign Equity | -10.0% | Foreign Equity | 5.5% |
| MSCI EAFE | -3.3% | MSCI EAFE | -9.7% | MSCI EAFE | 4.4% |
| Fixed Income | 2.1% | Fixed Income | 6.1% | Fixed Income | 6.3% |
| Aggregate | 1.8% | Aggregate | 6.1% | Aggregate | 5.7% |



Fiscal Year to Date Returns



FYTD Returns vs. Benchmarks

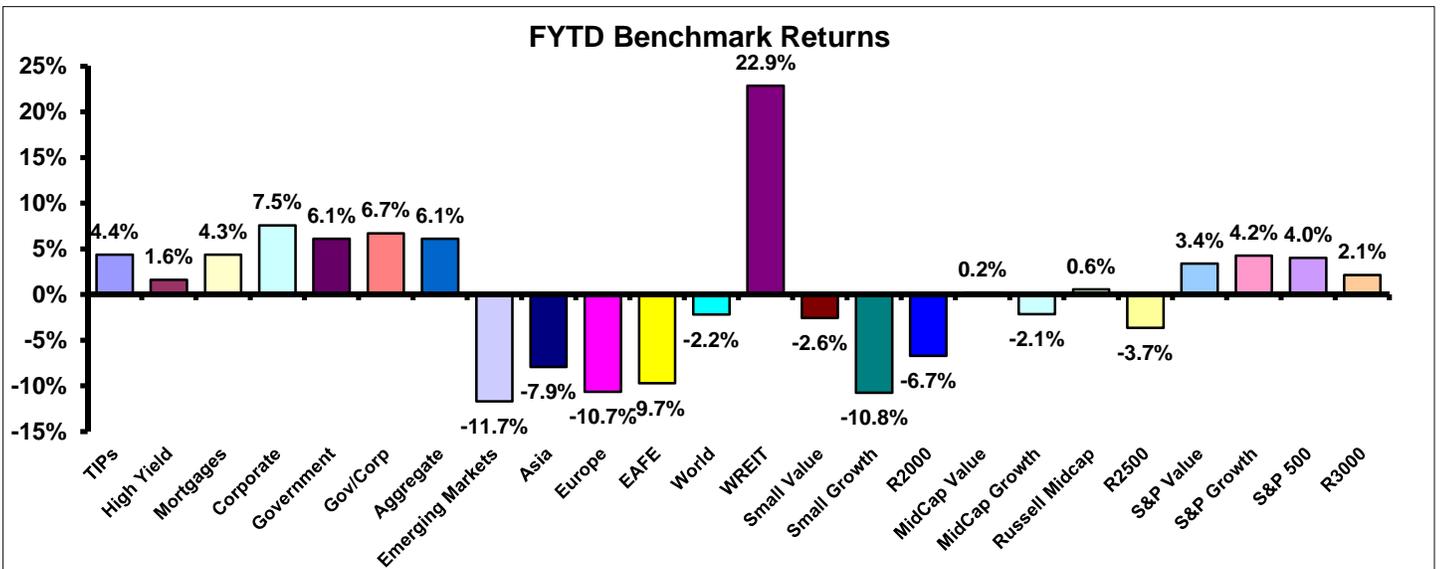


CIO Comment

After a good spring rally, the capital markets hit at a wall in mid- June, once again stopped by worries in Europe – with the UK voting to leave the EU (“Brexit”). U.S. equities were up +0.2% for the month and ended up +2.1% for the fiscal year, developed markets were down -3.3% for a -9.7% return for the fiscal year, emerging markets were up +4.1% for a -11.7% fiscal year return, bonds were up +1.8% for the month and +6.1% for the fiscal year, and TIPS were up +2.1% and finished up +4.4% for the fiscal year. REITs were up +6.5% for the month and led all markets for the fiscal year at +22.9%, ahead of private real estate at +18.0%. Private equity was flat at +0.2% for the fiscal year. After hitting an all-time return high on June 8th, Brexit led to a decline that left the fund as a whole up +0.6% for the month and up +1.8% for the fiscal year (and +4.0% for the calendar year to date) at \$14.846 billion.

Capital market and economic prospects remain tepid. Fears that a disastrous January was signaling a recession have disappeared: commodity prices have firmed (oil jumped to \$50), US economic news came in a bit better with slow growth and a strong labor market (although with recent weakness in job numbers and manufacturing), the Fed retreated a bit from the likelihood of a summer rate increase, and other central banks continue to stimulate. On the other hand, corporate earnings remain soft, Asia (both China and Japan) still seem to be seeking a bottom (with large and increasing corporate debt in China becoming a leading concern), Europe has to work through Brexit, and the remainder of the world still battles reduced trade and debt worries. The capital markets seem to continue the range bound behavior that has prevailed since the ending of QEIII in late 2014, and no clear end to the current environment appears in sight.

The relative underperformance of global managers, emerging markets and TIPS were not offset by the relative outperformance of real estate. As a result, the fund ended the fiscal year behind the (US dominated) 55% US equity, 15% EAFE, and 30% US Bond reference benchmark by -0.2%. Bernstein Emerging Markets had the worst performance at -14.4%, and Bernstein Global (with returns of -9.7%) lagged its benchmark by -7.5%. The Mellon REIT account has the best absolute performance at +22.4% and Mountain Pacific has the best performance relative to benchmark, with a gain of +8.0% being +11.6% above their mid cap benchmark.



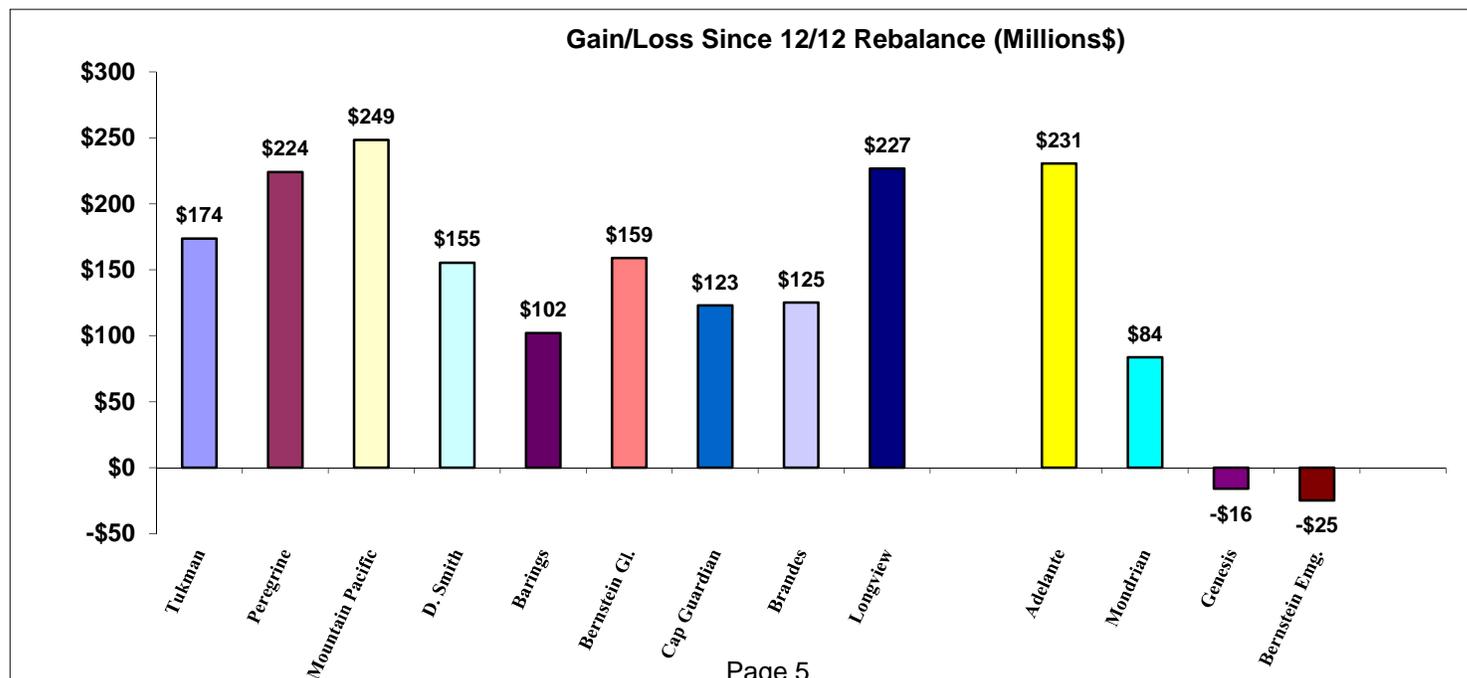
| | Current Month | One Year | Three Years | | % |
|--|---------------|---------------|--------------|-------------------|--------------|
| TOTAL FUND | 0.6% | 1.8% | 7.1% | \$ 14,846,853,721 | |
| US EQUITY | 0.3% | 5.5% | 11.4% | \$ 6,609,249,395 | 44.5% |
| Mellon SP500 | 0.3% | 5.1% | 12.7% | \$ 1,745,729,992 | 11.8% |
| Mellon Mid/Small | -0.4% | -9.6% | 4.0% | \$ 371,396,377 | 2.5% |
| Peregrine | -2.1% | 6.6% | 15.4% | \$ 528,157,621 | 3.6% |
| Tukman | 0.6% | 0.6% | 8.9% | \$ 477,641,198 | 3.2% |
| Mtn. Pac. | -0.7% | 8.0% | 14.5% | \$ 552,533,360 | 3.7% |
| D. Smith | -2.1% | 0.9% | 6.6% | \$ 459,450,020 | 3.1% |
| Adelante | 4.8% | 21.1% | 15.9% | \$ 534,608,314 | 3.6% |
| Mellon REIT | 6.5% | 22.4% | | \$ 356,653,267 | 2.4% |
| Private Realty | 2.6% | 18.0% | 13.8% | \$ 598,340,625 | 4.0% |
| Private Equity | -0.1% | 0.1% | 7.5% | \$ 984,738,620 | 6.6% |
| GLOBAL EQUITY | -2.3% | -5.8% | 6.5% | \$ 2,255,905,742 | 15.2% |
| Barings | -1.1% | -4.8% | 6.8% | \$ 406,152,786 | 2.7% |
| Bernstein | -3.2% | -9.7% | 7.3% | \$ 462,857,412 | 3.1% |
| Brandes | -2.9% | -9.1% | 4.5% | \$ 429,280,348 | 2.9% |
| Cap Guardian | -0.3% | -4.7% | 6.6% | \$ 426,960,909 | 2.9% |
| Longview | -3.5% | -1.0% | 12.4% | \$ 530,654,287 | 3.6% |
| INT. EQUITY | 0.9% | -10.0% | 1.0% | \$ 1,922,975,477 | 13.0% |
| Mellon EAFE | -3.3% | -10.0% | 2.5% | \$ 435,492,103 | 2.9% |
| Mondrian | -1.7% | -6.9% | 4.2% | \$ 387,614,151 | 2.6% |
| Mellon Emerging | 3.9% | -12.0% | | \$ 532,698,205 | 3.6% |
| Bernstein Emg | 3.7% | -14.4% | 0.2% | \$ 279,197,513 | 1.9% |
| Genesis | 2.9% | -6.2% | -1.1% | \$ 287,973,505 | 1.9% |
| FIXED INCOME | 2.1% | 6.1% | 3.7% | \$ 4,058,723,107 | 27.3% |
| SSGA Gov/Credit | 2.2% | 6.8% | 4.3% | \$ 1,121,322,266 | 7.6% |
| Barings | 1.8% | 6.0% | 4.0% | \$ 201,343,991 | 1.4% |
| Western | 2.0% | 8.0% | 5.7% | \$ 208,486,098 | 1.4% |
| DBF MBS | 0.9% | 4.0% | 3.6% | \$ 73,682,137 | 0.5% |
| Clearwater | 1.7% | 5.9% | 4.3% | \$ 151,612,912 | 1.0% |
| Idaho Mort | 2.5% | 9.4% | 5.9% | \$ 704,841,510 | 4.7% |
| Western TIPS | 2.0% | 2.5% | 1.5% | \$ 409,390,813 | 2.8% |
| SSGA TIPS | 2.2% | 4.6% | 2.5% | \$ 1,123,739,110 | 7.6% |
| Cash and Other | | | | \$ 64,304,272 | 0.4% |
| STRATEGIC SHIFTS FROM 55-15-30 POLICY BENCHMARK | | | | | |
| Global vs R3000 | -0.40% | -1.3% | -0.7% | \$ 2,255,905,742 | 15.2% |
| REITS vs R3000 | 0.32% | 1.0% | 0.3% | \$ 891,261,581 | 6.0% |
| Emg. Mkts. Vs EAFE | 0.50% | -0.2% | -0.3% | \$ 1,099,869,223 | 7.4% |
| TIPS vs Leh Agg | 0.04% | -0.3% | -0.2% | \$ 1,533,129,922 | 10.3% |
| Idaho Mort. vs Agg | 0.03% | 0.1% | 0.1% | \$ 704,841,510 | 4.7% |
| Private Equity vs R3000 | -0.02% | -0.3% | -0.3% | \$ 984,738,620 | 6.6% |
| Private Realty vs R3000 | 0.09% | 0.5% | 0.1% | \$ 598,340,625 | 4.0% |
| Currency Overlay | 0.00% | 0.0% | 0.0% | \$ 411,553,127 | 2.8% |
| Active US Only | -0.18% | 0.3% | 0.0% | \$ 2,017,782,200 | 13.6% |
| Active EAFE | 0.04% | 0.1% | 0.0% | \$ 387,614,151 | 2.6% |
| Other Bond | 0.02% | -0.1% | 0.0% | \$ 1,756,447,403 | 11.8% |
| Total | 0.46% | -0.1% | -0.8% | \$ 12,229,930,977 | 82.4% |

PERSI PORTFOLIO STATUS REPORT

June 30, 2016

| | Latest Month | Fiscal Year to Date |
|-------------------|------------------|---------------------|
| Beginning Value | \$14,783,086,621 | \$14,915,487,779 |
| Net Contributions | (\$26,643,978) | (\$331,842,877) |
| Investment Gain | \$90,411,078 | \$263,208,820 |
| Ending Value | \$14,846,853,721 | \$14,846,853,721 |

| | Month | 3 MO | FYTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr |
|-----------------------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Total Fund | 0.6% | 1.7% | 1.8% | 1.8% | 2.4% | 7.1% | 7.6% | 6.4% |
| <i>No rebalancing</i> | 0.2% | 1.9% | 1.5% | 1.5% | 2.7% | 7.7% | 9.3% | 7.8% |
| <i>Benchmark (55-15-30)</i> | 0.2% | 1.9% | 2.0% | 2.0% | 3.0% | 8.0% | 9.5% | 8.1% |
| <i>PERSI rebalancing</i> | 0.2% | 2.0% | 1.9% | 1.9% | 3.0% | 8.2% | 9.8% | 8.2% |
| U.S. Equity | 0.3% | 2.2% | 5.5% | 5.5% | 6.6% | 11.4% | 12.1% | 10.8% |
| <i>R3000 Index</i> | 0.2% | 2.6% | 2.1% | 2.1% | 4.7% | 11.1% | 13.6% | 11.6% |
| Global Equity | -2.3% | -0.4% | -5.8% | -5.8% | -1.0% | 6.5% | 9.4% | 5.6% |
| <i>World Index</i> | -1.1% | 1.2% | -2.2% | -2.2% | -0.1% | 7.5% | 10.4% | 7.2% |
| Int. Equity | 0.9% | 0.4% | -10.0% | -10.0% | -7.8% | 1.0% | 2.8% | -0.8% |
| <i>MSCI EAFE</i> | -3.3% | -1.2% | -9.7% | -9.7% | -6.8% | 2.5% | 6.4% | 2.1% |
| Fixed Income | 2.1% | 2.3% | 6.1% | 6.1% | 3.4% | 3.7% | 2.1% | 4.0% |
| <i>Barclays Agg</i> | 1.8% | 2.2% | 6.1% | 6.1% | 4.0% | 4.1% | 2.9% | 3.8% |



| | Month | 3 MO | FYTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr |
|--------------------------------------|-------|-------|--------|--------|-------|-------|-------|-------|
| U.S./Global Equity Managers | | | | | | | | |
| Mellon S&P 500 Fund | 0.3% | 2.7% | 5.1% | 5.1% | 6.6% | 12.7% | 14.8% | 13.0% |
| Mellon Mid and Small | -0.4% | 2.1% | -9.6% | -9.6% | -3.4% | 4.0% | 8.5% | 5.4% |
| Peregrine | -2.1% | 3.8% | 6.6% | 6.6% | 11.5% | 15.4% | 14.7% | 13.3% |
| S&P 500 Growth | -0.4% | 1.0% | 4.2% | 4.2% | 7.1% | 13.4% | 14.2% | 12.9% |
| Tukman | 0.6% | 2.2% | 0.6% | 0.6% | 3.4% | 8.9% | 12.0% | 11.4% |
| S&P 500 | 0.3% | 2.5% | 4.0% | 4.0% | 5.7% | 11.7% | 13.8% | 12.1% |
| Mtn. Pacific | -0.7% | 2.6% | 8.0% | 8.0% | 9.2% | 14.5% | 16.4% | 13.5% |
| D. Smith | -2.1% | 6.1% | 0.9% | 0.9% | -4.9% | 6.6% | 11.4% | 8.9% |
| Russell 2500 | 0.0% | 3.6% | -3.7% | -3.7% | 1.0% | 8.6% | 12.6% | 9.5% |
| Barings | -1.1% | 1.7% | -4.8% | -4.8% | 1.2% | 6.8% | 8.2% | 5.5% |
| Bernstein Global | -3.2% | -1.4% | -9.7% | -9.7% | -3.0% | 7.3% | 11.1% | 5.0% |
| Brandes | -2.9% | -1.4% | -9.1% | -9.1% | -5.5% | 4.5% | 8.5% | 5.3% |
| Cap Guardian | -0.3% | -0.2% | -4.7% | -4.7% | -0.2% | 6.6% | 10.4% | 6.7% |
| Longview | -3.5% | -0.3% | -1.0% | -1.0% | 5.4% | 12.4% | 16.1% | 12.8% |
| R3000 | 0.2% | 2.6% | 2.1% | 2.1% | 4.7% | 11.1% | 13.6% | 11.6% |
| World Index | -1.1% | 1.2% | -2.2% | -2.2% | -0.1% | 7.5% | 10.4% | 7.2% |
| Private Equity | -0.1% | -2.1% | 0.1% | 0.1% | 3.6% | 7.5% | 9.0% | 8.9% |
| R3000 | 0.2% | 2.6% | 2.1% | 2.1% | 4.7% | 11.1% | 13.6% | 11.6% |
| Adelante | 4.8% | 3.1% | 21.1% | 21.1% | 15.0% | 15.9% | 13.6% | 14.0% |
| Mellon REIT | 6.5% | 5.3% | 22.4% | 22.4% | 14.0% | 13.5% | | |
| Real Estate | 4.3% | 3.5% | 20.3% | 20.3% | 16.1% | 14.8% | 9.5% | 9.4% |
| NCREIF | 0.7% | 2.2% | 11.8% | 11.8% | 12.3% | 11.9% | 11.6% | 11.9% |
| WREIT | 6.5% | 5.4% | 22.9% | 22.9% | 13.7% | 13.6% | 12.1% | 12.3% |
| International Equity Managers | | | | | | | | |
| Index Fund | -3.3% | -1.3% | -10.0% | -10.0% | -6.9% | 2.5% | 6.4% | 2.1% |
| Mondrian | -1.7% | 0.1% | -6.9% | -6.9% | -6.0% | 4.2% | 7.0% | 3.2% |
| International Index | -3.3% | -1.2% | -9.7% | -9.7% | -6.8% | 2.5% | 6.4% | 2.1% |
| Bernstein Em. Mkt | 3.7% | 0.0% | -14.4% | -14.4% | -8.5% | 0.2% | -0.7% | -4.9% |
| Genesis Em. Mkts | 2.9% | 3.5% | -6.2% | -6.2% | -9.0% | -1.1% | 0.3% | -2.0% |
| Mellon Emerging | 3.9% | 0.7% | -12.0% | -12.0% | -8.7% | -1.6% | | |
| Emerging Mkts | 4.1% | 0.8% | -11.7% | -11.7% | -8.3% | -1.2% | -0.1% | -3.4% |

| | Month | 3 MO | FYTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr |
|------------------------------|-------|------|------|------|------|------|-------|------|
| Fixed Income Managers | | | | | | | | |
| Barings Fixed | 1.8% | 2.2% | 6.0% | 6.0% | 3.4% | 4.0% | 2.8% | 3.8% |
| Western | 2.0% | 3.0% | 8.0% | 8.0% | 4.8% | 5.7% | 4.8% | 5.5% |
| Aggregate Index | 1.8% | 2.2% | 6.1% | 6.1% | 4.0% | 4.1% | 2.9% | 3.8% |
| Clearwater (12/13) | 1.7% | 2.4% | 5.9% | 5.9% | 3.9% | 4.3% | 2.8% | 3.1% |
| DBF MBS | 0.9% | 1.2% | 4.0% | 4.0% | 3.1% | 3.6% | 2.3% | 3.0% |
| Mortgage Index | 0.8% | 1.1% | 4.3% | 4.3% | 3.3% | 3.8% | 2.5% | 3.0% |
| Idaho Mort. | 2.5% | 2.6% | 9.4% | 9.4% | 7.1% | 5.9% | 4.1% | 5.2% |
| Gov/Credit Fund | 2.2% | 2.7% | 6.8% | 6.8% | 4.2% | 4.3% | 3.0% | 4.2% |
| Gov/Credit Index | 2.2% | 2.7% | 6.7% | 6.7% | 4.2% | 4.2% | 3.0% | 4.1% |
| Western (12/06) | 2.0% | 1.4% | 2.5% | 2.5% | 0.3% | 1.5% | -0.1% | 2.1% |
| TIPS | 2.2% | 1.9% | 4.6% | 4.6% | 1.4% | 2.5% | 0.5% | 4.3% |
| TIPS Index | 2.1% | 1.7% | 4.4% | 4.4% | 1.3% | 2.3% | 0.5% | 2.6% |

PRIVATE EQUITY

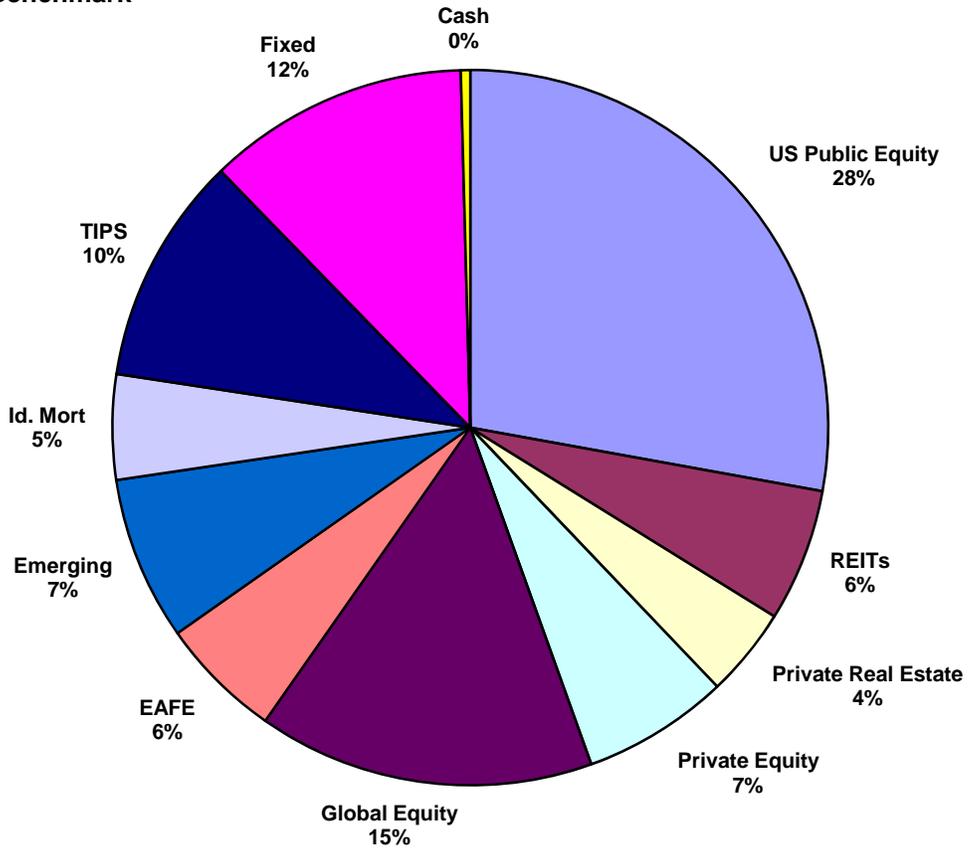
| | Month | 3 MO | FYTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Private Real Estate | 2.6% | 2.7% | 18.0% | 18.0% | 17.4% | 13.8% | 6.3% | 6.1% |
| NCREIF | 0.7% | 2.2% | 11.8% | 11.8% | 12.3% | 11.9% | 11.6% | 11.9% |
| Private Equity | -0.1% | -2.1% | 0.1% | 0.1% | 3.6% | 7.5% | 9.0% | 8.9% |
| Russell 3000 | 0.2% | 2.6% | 2.1% | 2.1% | 4.7% | 11.1% | 13.6% | 11.6% |

IMPACT OF POLICIES AND ACTIVE MANAGEMENT ON TOTAL FUND RETURNS

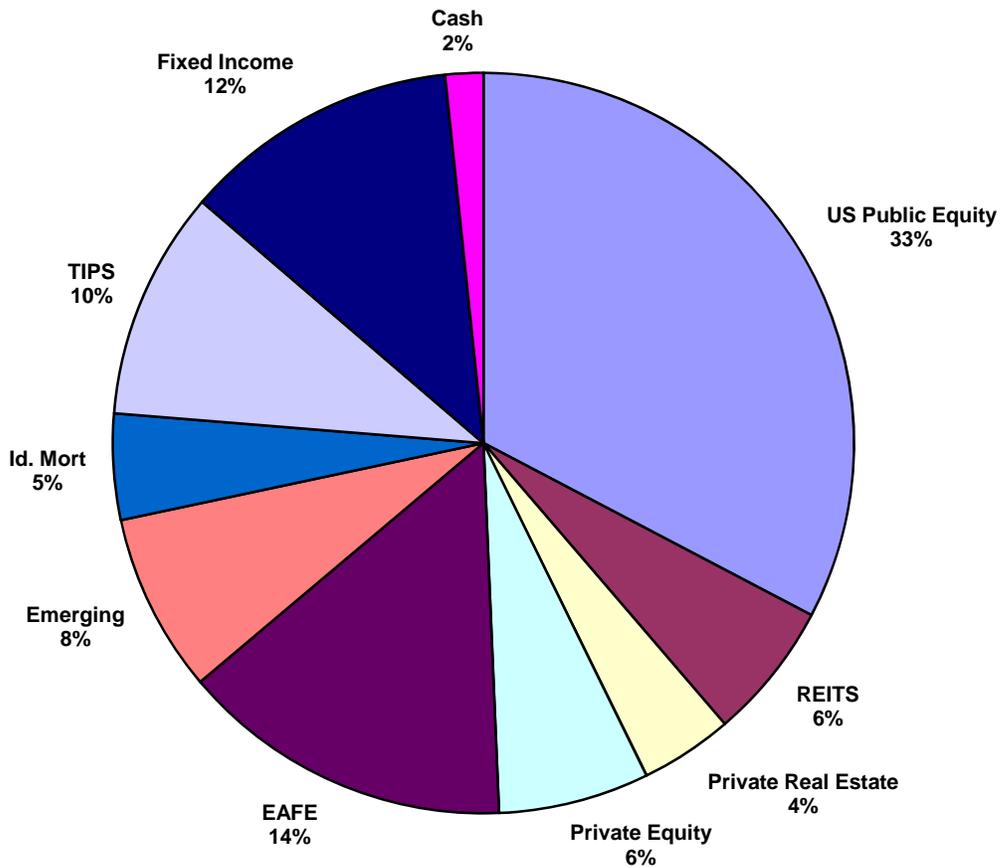
| | Month | FYTD | 1 Yr | 2 Yr | 3 Yr | 5 Yr | 7 Yr | 10 Yr |
|--------------------------|--------|-------|-------|-------|-------|--------|--------|--------|
| Base 55-15-30 Return | 0.15% | 2.0% | 2.0% | 3.0% | 8.0% | 8.1% | 10.8% | 6.3% |
| PERSI vs 55-15-30 (+/-) | 0.46% | -0.1% | -0.1% | -0.6% | -0.8% | -1.7% | -1.6% | -0.3% |
| Actual Rebalance | 0.02% | 0.0% | 0.0% | 0.1% | 0.3% | 0.1% | 0.1% | 0.1% |
| Global vs R3000 | -0.40% | -1.3% | -1.3% | -0.9% | -0.7% | -1.0% | -0.8% | -0.5% |
| REITS vs R3000 | 0.32% | 1.0% | 1.0% | 0.5% | 0.3% | 0.1% | 0.2% | 0.1% |
| Emerging Mkts vs EAFE | 0.50% | -0.2% | -0.2% | -0.2% | -0.3% | -0.5% | -0.1% | 0.2% |
| TIPS vs Leh Agg | 0.04% | -0.3% | -0.3% | -0.3% | -0.2% | 0.0% | 0.1% | 0.0% |
| Idaho Mortgages vs Agg | 0.03% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% | 0.1% |
| Private Equity vs. R3000 | -0.02% | -0.3% | -0.3% | -0.2% | -0.3% | -0.3% | -0.4% | -0.2% |
| Private Realty vs R3000 | 0.09% | 0.5% | 0.5% | 0.4% | 0.1% | -0.3% | -0.8% | -0.4% |
| Currency Overlay | 0.00% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Active US Only | -0.18% | 0.3% | 0.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% |
| Active EAFE | 0.04% | 0.1% | 0.1% | 0.0% | 0.0% | -0.1% | -0.1% | 0.0% |
| Other Bond | 0.02% | -0.1% | -0.1% | -0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interactive and Other | -0.01% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% |
| MJ Managers | -0.04% | 0.28% | 0.28% | 0.01% | 0.18% | -0.02% | -0.01% | -0.02% |

| ACCOUNT | AMOUNT | ALLOCATION |
|-----------------------------|--------------------------|-------------------|
| U.S./GLOBAL EQUITY | \$ 8,865,155,137 | 59.7% |
| LARGE CAP | \$2,751,528,812 | 18.5% |
| Mellon S&P 500 | \$1,745,729,992 | 11.8% |
| Tukman | \$477,641,198 | 3.2% |
| Peregrine | \$528,157,621 | 3.6% |
| SMALL CAP | \$1,383,379,758 | 9.3% |
| Mellon Midcap | \$216,967,467 | 1.5% |
| Mellon R2000 | \$154,428,910 | 1.0% |
| Mountain Pacific | \$552,533,360 | 3.7% |
| D. Smith | \$459,450,020 | 3.1% |
| GLOBAL | \$2,255,905,742 | 15.2% |
| Barings | \$406,152,786 | 2.7% |
| Bernstein Gl. | \$462,857,412 | 3.1% |
| Cap Guardian | \$426,960,909 | 2.9% |
| Brandes | \$429,280,348 | 2.9% |
| Longview | \$530,654,287 | 3.6% |
| PRIVATE EQUITY | \$ 984,738,620 | 6.6% |
| REAL ESTATE | \$1,489,602,206 | 10.0% |
| Private Real Estate | \$598,340,625 | 4.0% |
| Adelante | \$534,608,314 | 3.6% |
| Mellon REIT | \$356,653,267 | 2.4% |
| INTERNATIONAL EQUITY | \$1,922,975,477 | 13.0% |
| Mellon EAFE | \$435,492,103 | 2.9% |
| Mondrian | \$387,614,151 | 2.6% |
| Genesis | \$287,973,505 | 1.9% |
| Bernstein Emg. | \$279,197,513 | 1.9% |
| Mellon Emerging | \$532,698,205 | 3.6% |
| FIXED INCOME | \$3,994,418,835 | 26.9% |
| State Street | \$1,121,322,266 | 7.6% |
| Barings | \$201,343,991 | 1.4% |
| Western | \$208,486,098 | 1.4% |
| DBF MBS | \$73,682,137 | 0.5% |
| Idaho Mortgage | \$704,841,510 | 4.7% |
| Clearwater | \$151,612,912 | 1.0% |
| Western TIPS | \$409,390,813 | 2.8% |
| TIPS | \$1,123,739,110 | 7.6% |
| CASH AND OTHER | \$ 64,304,272 | 0.4% |
| TOTAL | \$ 14,846,853,721 | |

**TOTAL FUND ALLOCATIONS
By Manager Benchmark**

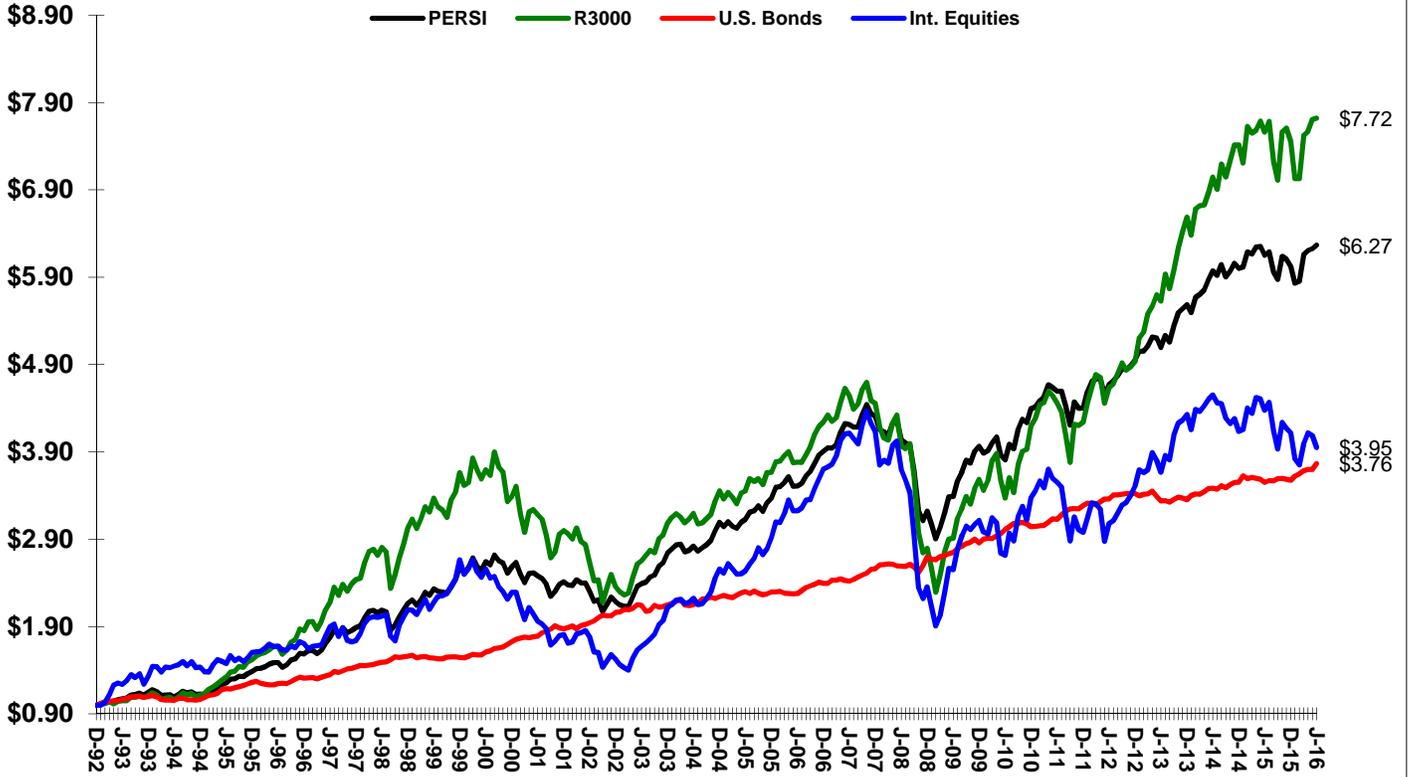


**PERSI ALLOCATIONS
As Invested**

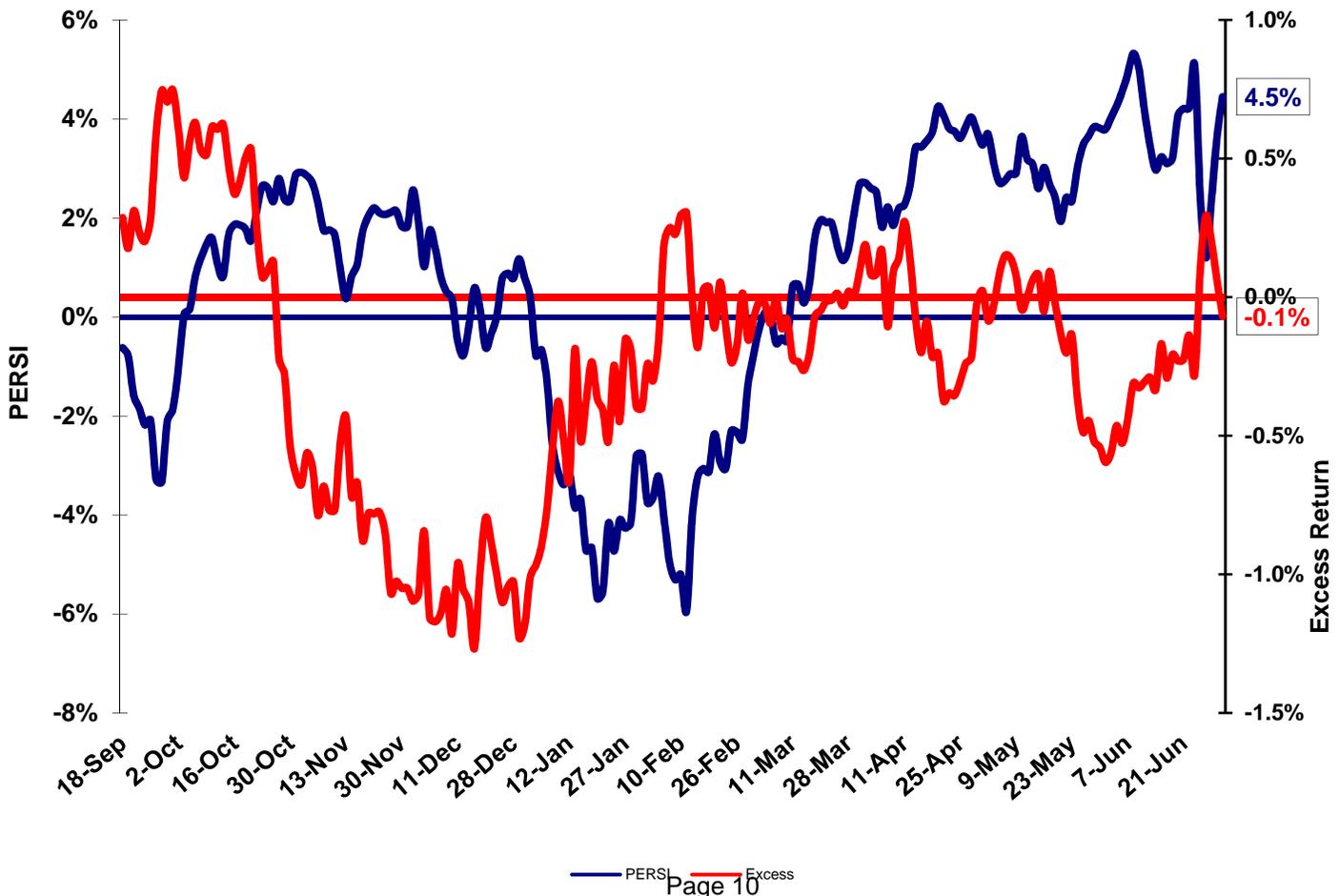


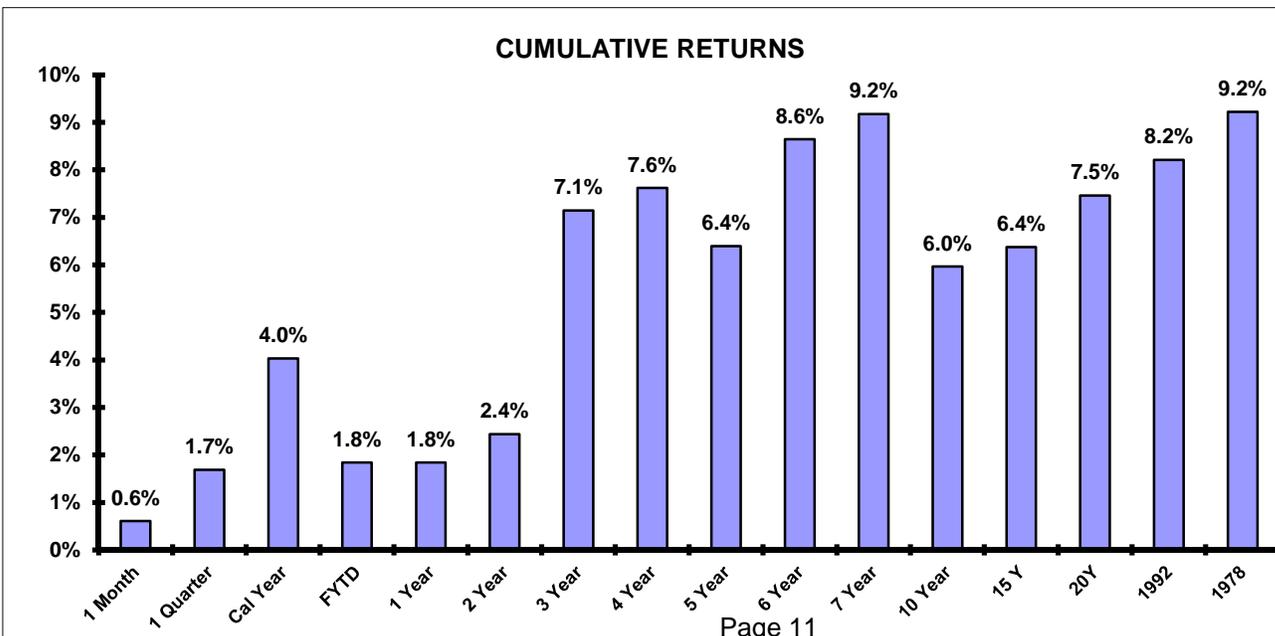
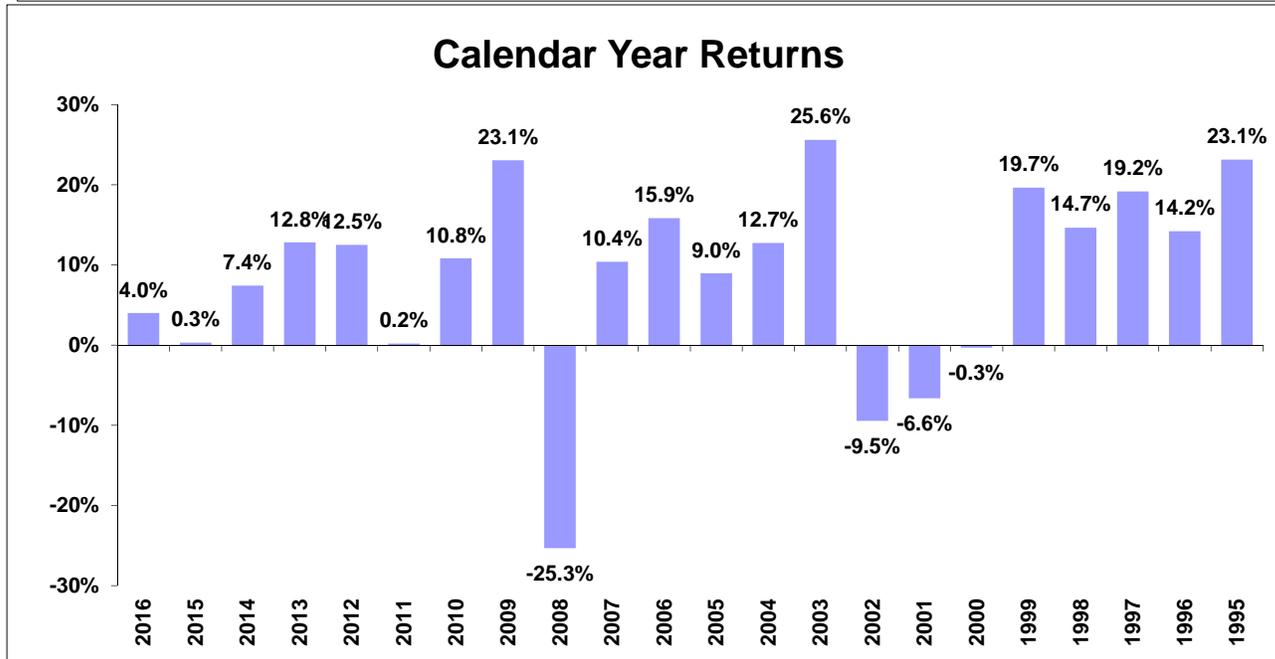
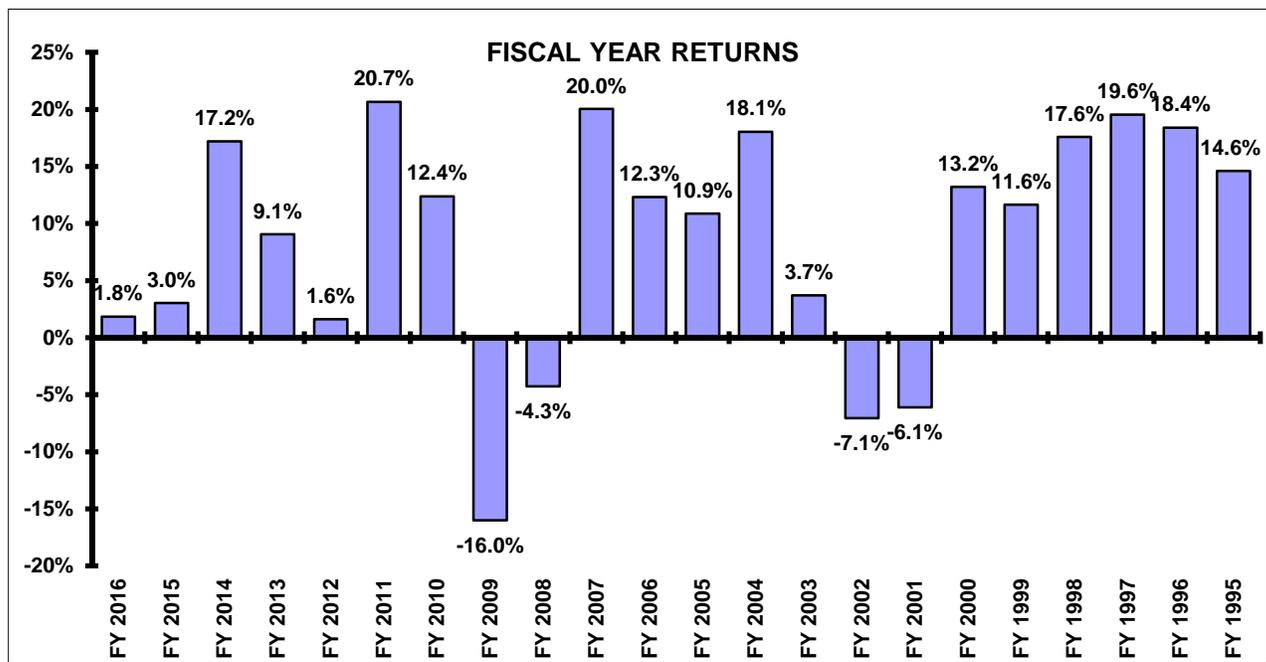
CUMULATIVE PERSI RETURN VS. BENCHMARKS

Growth of \$1 starting January 1993

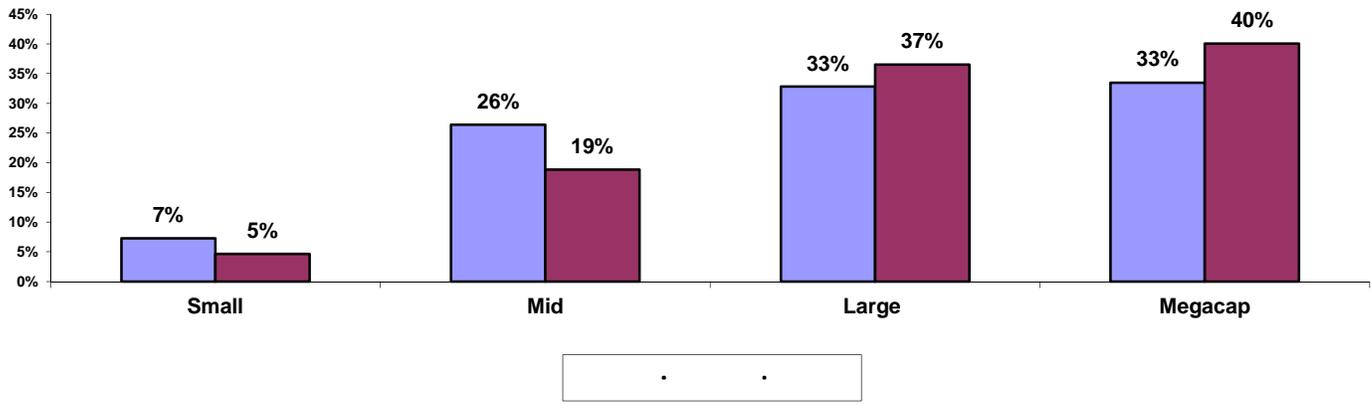


Recent Cumulative Returns and Excess Return to Benchmark

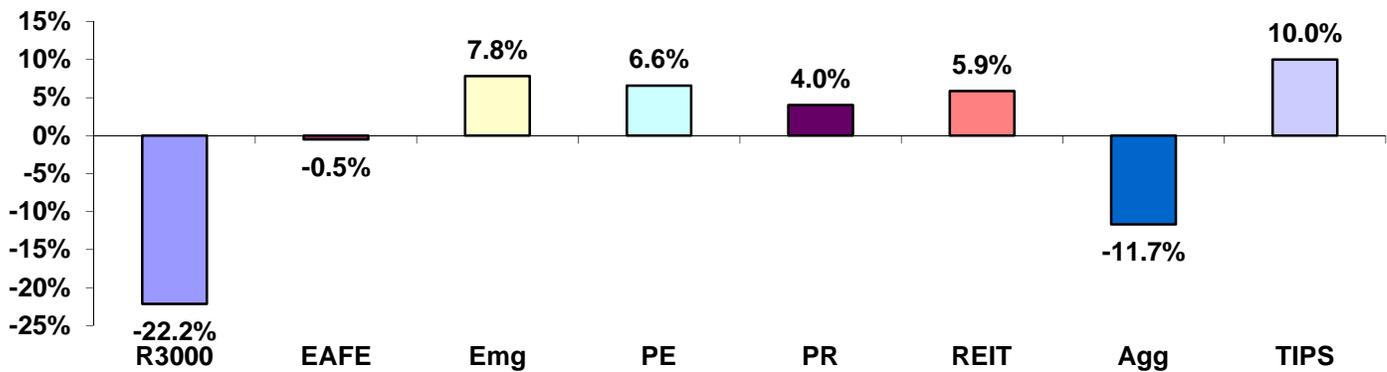




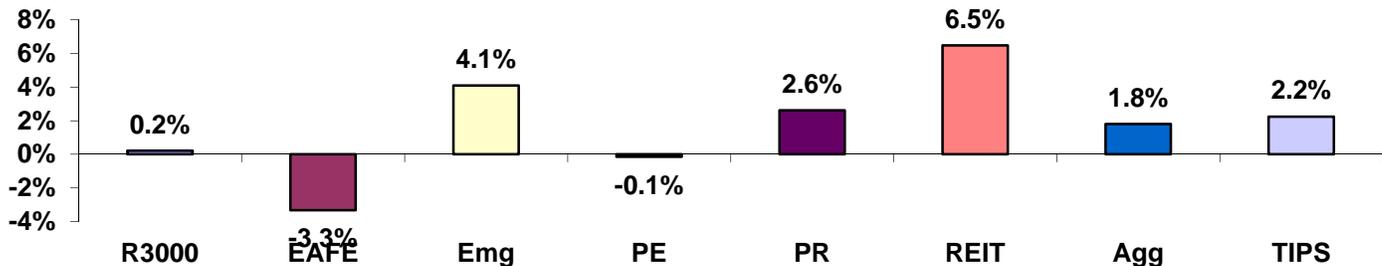
Capitalization vs Weighted Index



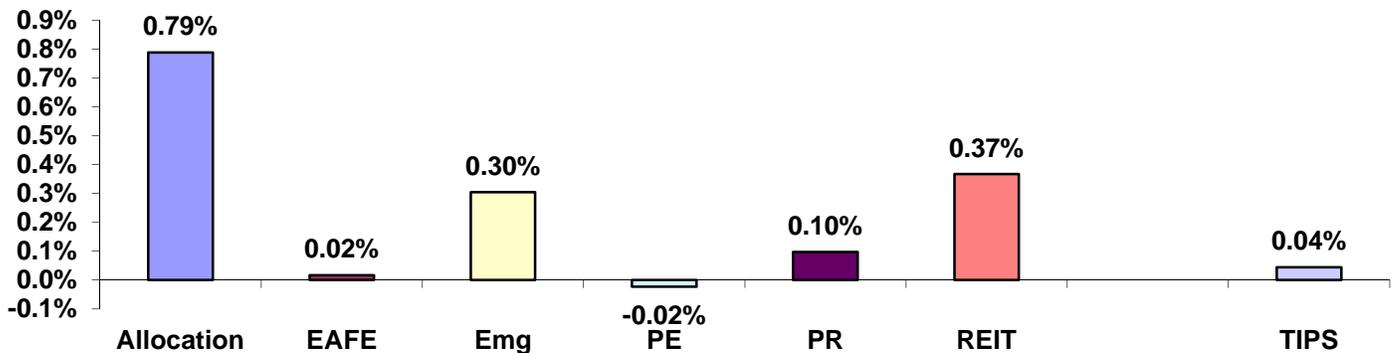
PERSI ALLOCATIONS VS 55-15-30 (Start of Month)



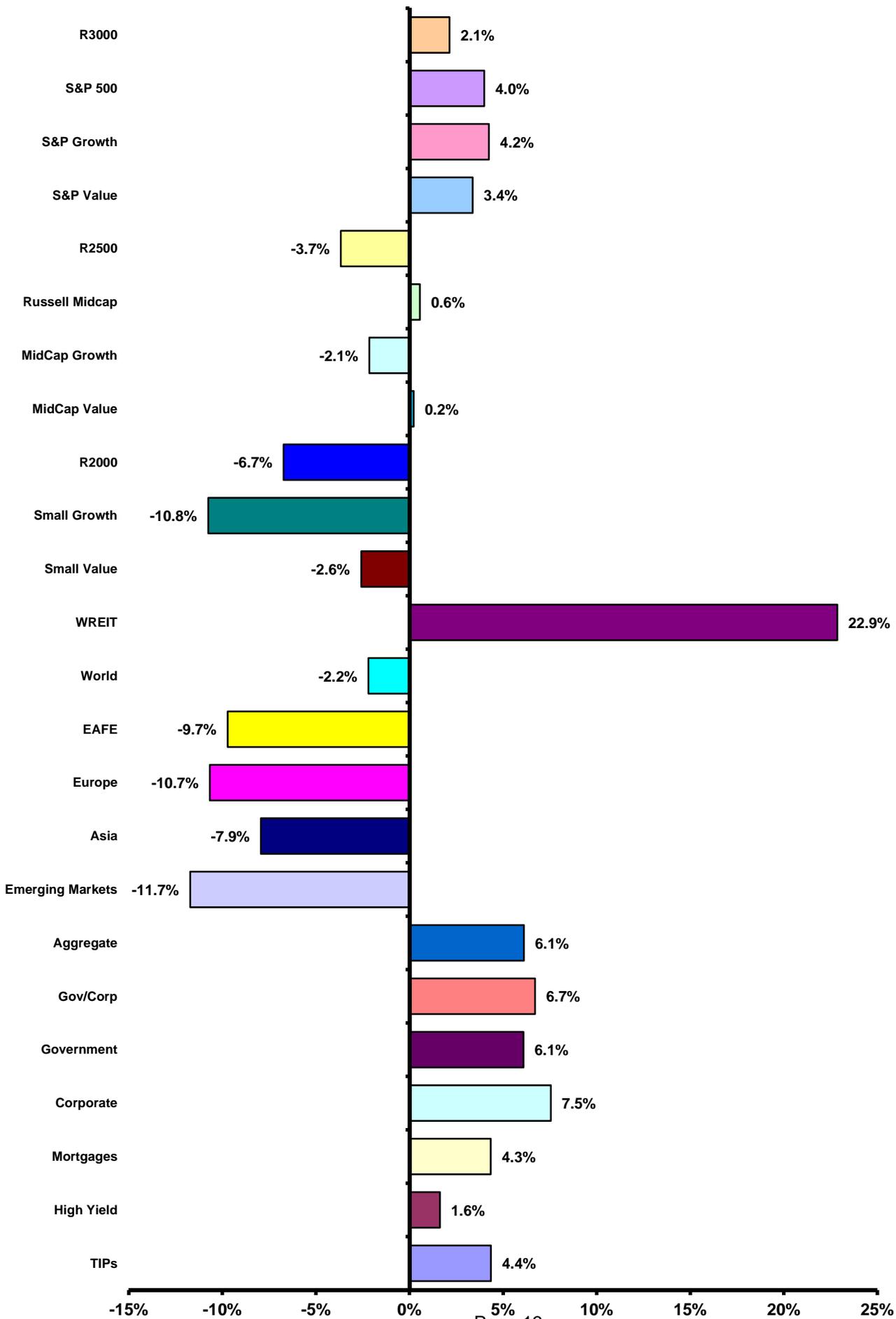
MTD Returns



MTD Approximate Impact (Assumes Consistent Allocation)

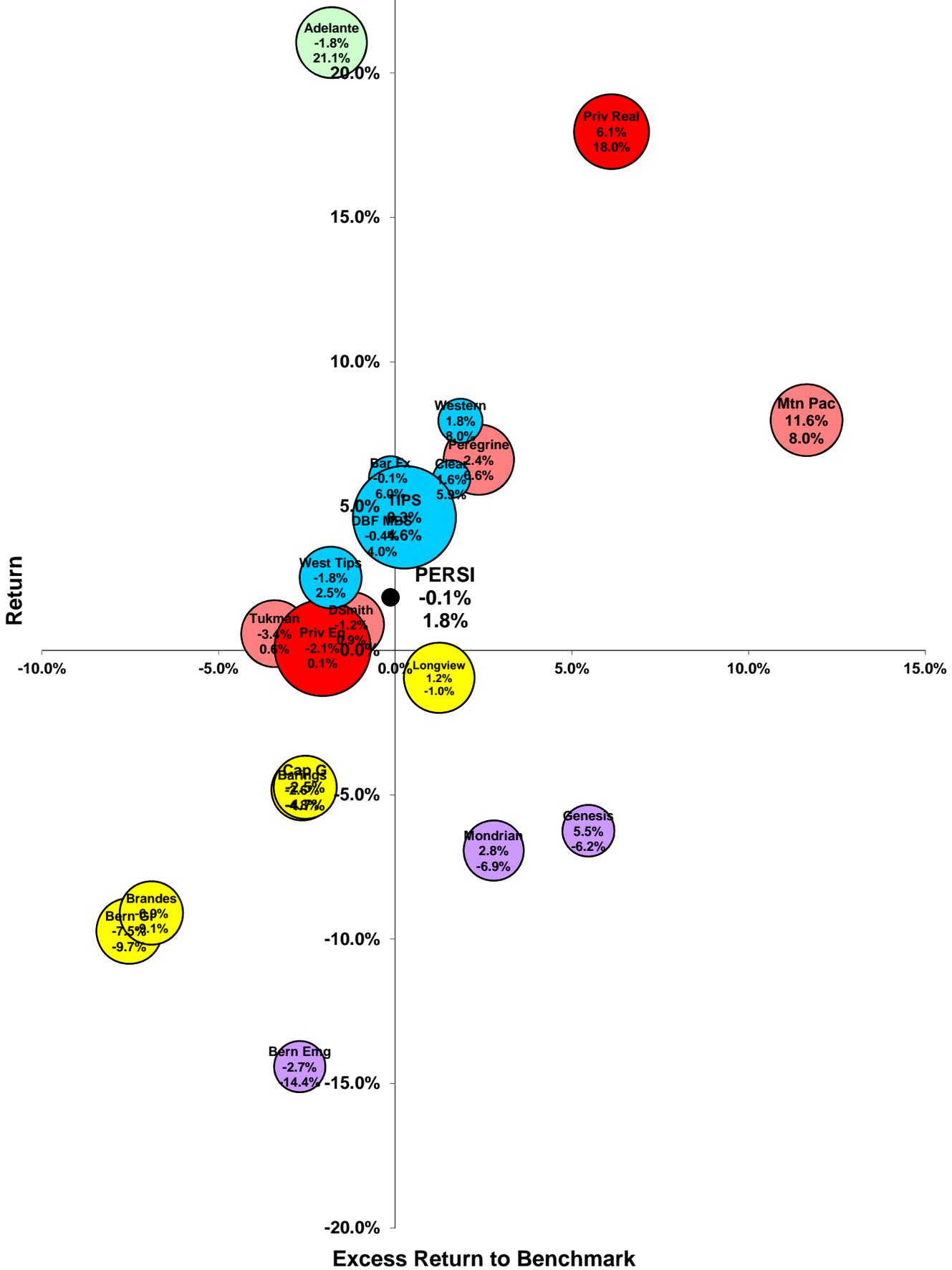


FYTD Benchmark Returns



Fiscal Year to Date Returns

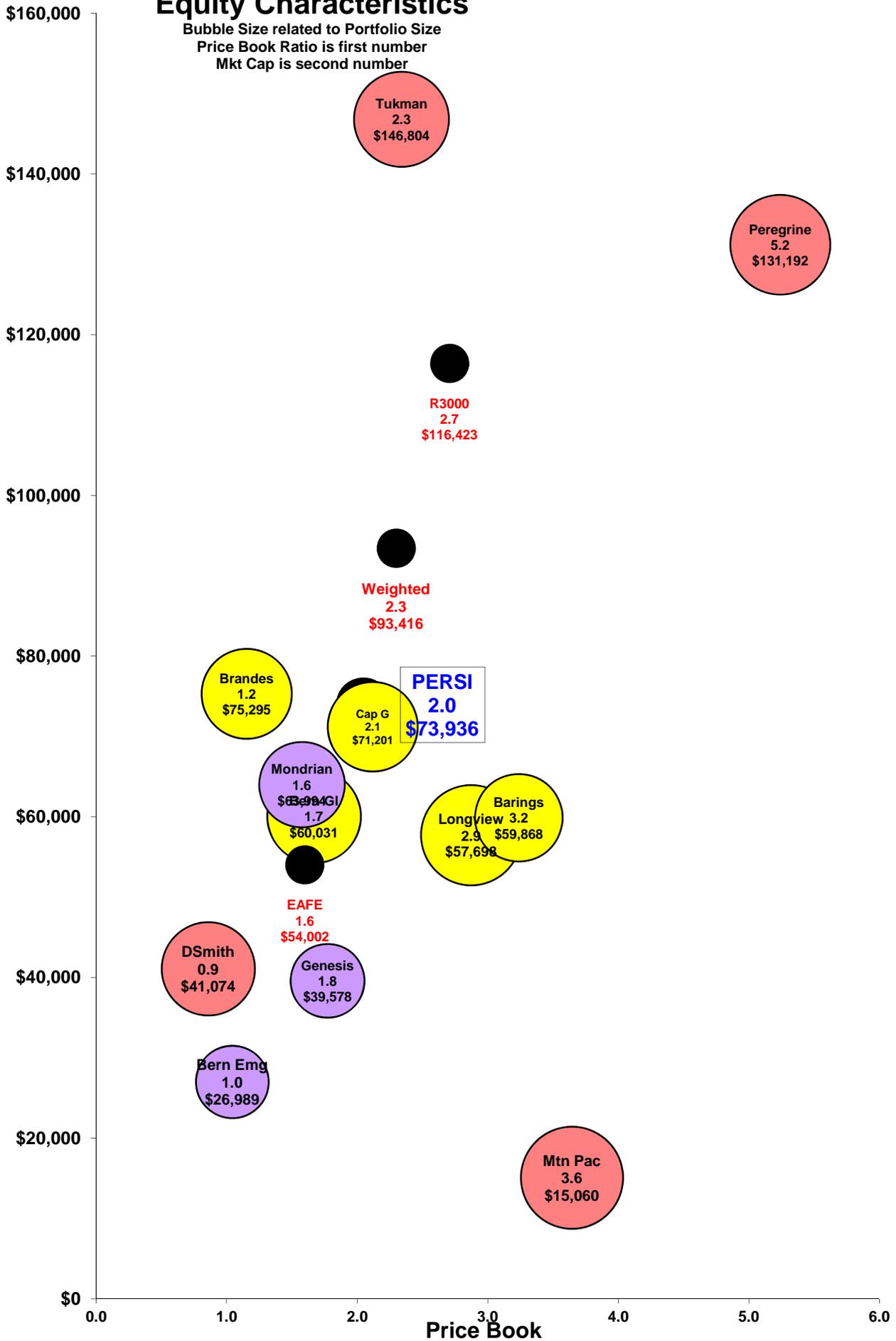
Bubble Size related to Portfolio Size
 Excess Return is first number
 Total Return is second number

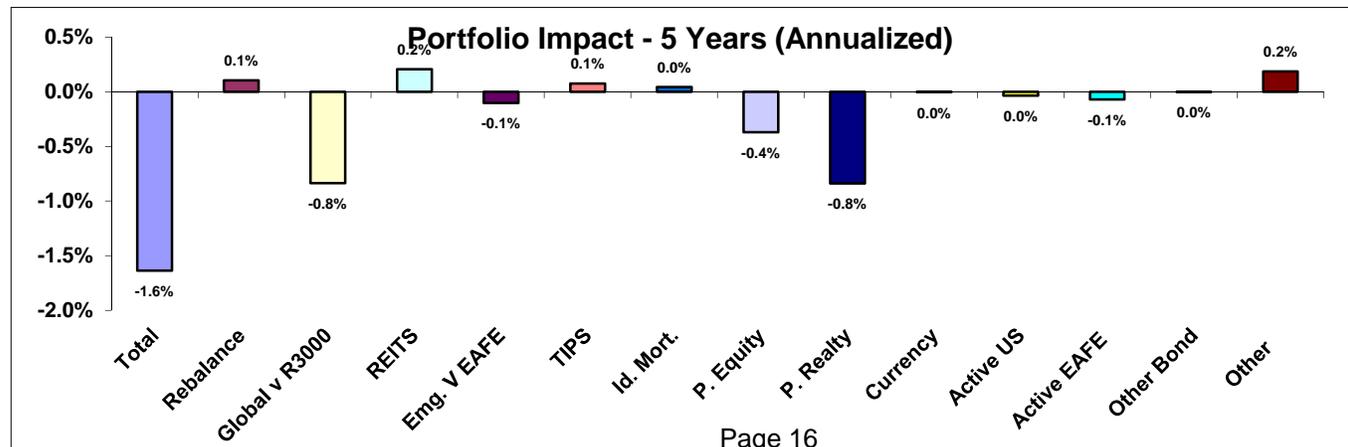
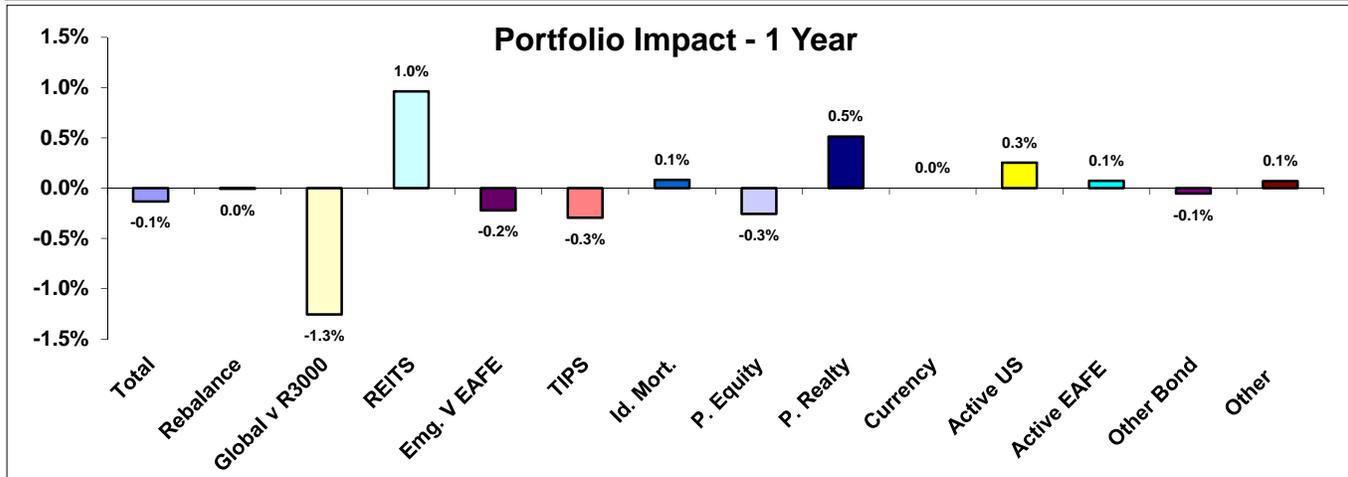
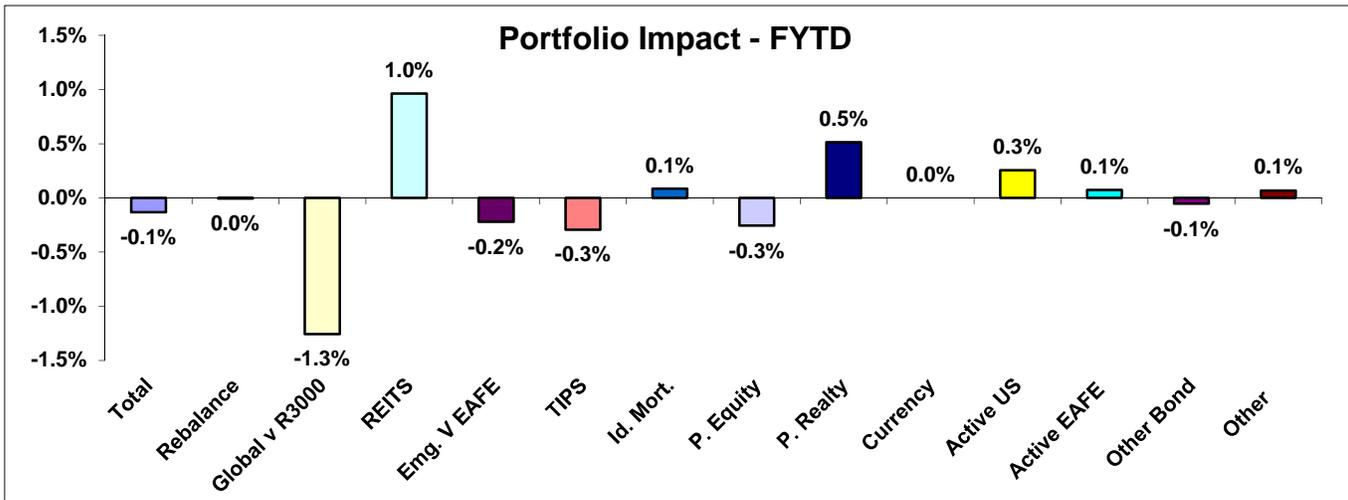
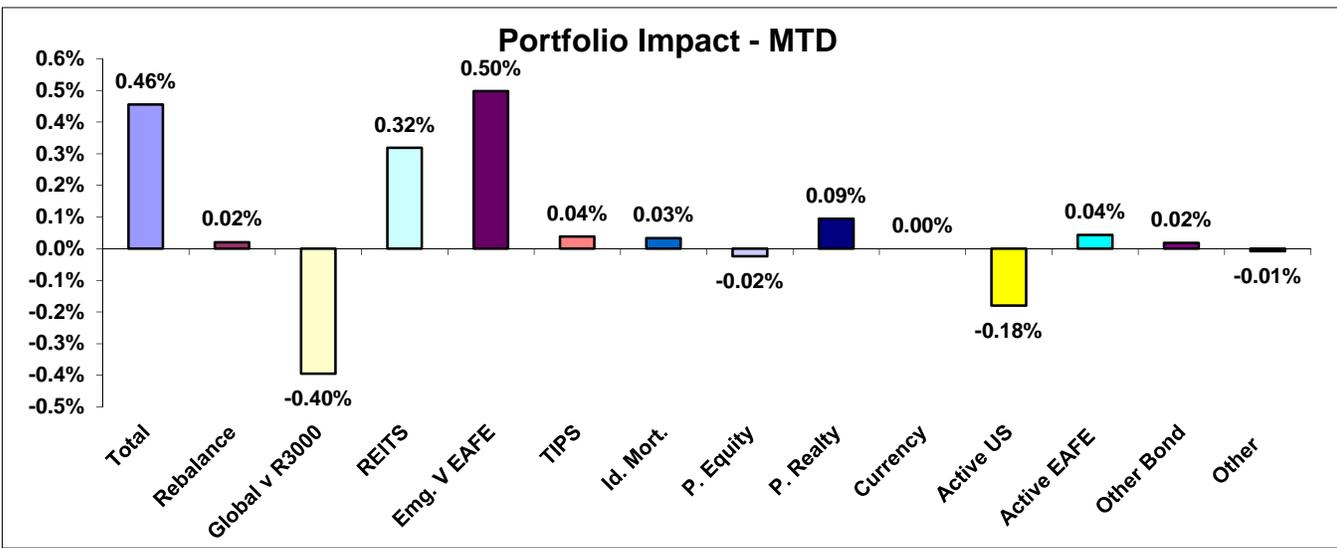


Equity Characteristics

Bubble Size related to Portfolio Size
 Price Book Ratio is first number
 Mkt Cap is second number

Market Capitalization





LARGEST HOLDINGS

Total Top 40 37.1% \$ 5,494,163,752

TOTAL FUND

| <i>ISSUE NAME</i> | <i>%</i> | |
|--------------------------------|----------|------------------|
| US TREAS-CPI INFLAT | 10.0% | \$ 1,482,495,627 |
| IDAHO MORTGAGES-FSB | 4.6% | \$ 684,552,369 |
| U S TREASURY NOTE | 3.4% | \$ 499,275,627 |
| PERSI STIF | 2.2% | \$ 328,712,799 |
| U S TREASURY BOND | 1.3% | \$ 196,218,239 |
| KOLL-PERS LLC | 1.2% | \$ 172,867,608 |
| OLYMPIC/IDA FUND II LLC | 0.9% | \$ 126,708,377 |
| SIMON PROPERTY GROUP INC | 0.7% | \$ 102,865,140 |
| AMERICAN INTERNATIONAL GROUP I | 0.7% | \$ 98,457,515 |
| ALPHABET INC | 0.6% | \$ 94,025,576 |
| WELLS FARGO & CO | 0.6% | \$ 93,637,605 |
| AMAZON.COM INC | 0.5% | \$ 79,544,056 |
| APPLE INC | 0.5% | \$ 73,563,789 |
| MICROSOFT CORP | 0.5% | \$ 72,711,130 |
| CITIGROUP INC | 0.4% | \$ 66,629,663 |
| JOHNSON & JOHNSON | 0.4% | \$ 65,290,493 |
| PUBLIC STORAGE | 0.4% | \$ 64,478,489 |
| SAMSUNG ELECTRONICS CO LTD | 0.4% | \$ 63,344,152 |
| TAIWAN SEMICONDUCTOR MANUFACTU | 0.4% | \$ 61,948,627 |
| PFIZER INC | 0.4% | \$ 60,895,897 |
| FACEBOOK INC | 0.4% | \$ 59,052,670 |
| CAH-IDA 8TH ST CAP STHWST | 0.4% | \$ 57,652,847 |
| PRUDENTIAL CONTRACT 9586 PRISA | 0.4% | \$ 56,195,509 |
| GOLDMAN SACHS GROUP INC/THE | 0.4% | \$ 54,397,708 |
| PROCTER & GAMBLE CO/THE | 0.4% | \$ 54,060,916 |
| BERKSHIRE HATHAWAY INC | 0.4% | \$ 53,265,639 |
| KOREA ELECTRIC POWER CORP | 0.3% | \$ 51,365,476 |
| PEPSICO INC | 0.3% | \$ 51,341,084 |
| AMERICAN TOWER CORP | 0.3% | \$ 50,221,817 |
| EQUITY RESIDENTIAL | 0.3% | \$ 49,997,427 |
| IDA INVESTPORT-SOLERA AT | 0.3% | \$ 48,849,229 |
| WALT DISNEY CO/THE | 0.3% | \$ 48,816,673 |
| TPG GROWTH II L.P | 0.3% | \$ 48,025,135 |
| PROLOGIS INC | 0.3% | \$ 47,980,618 |
| FISERV INC | 0.3% | \$ 47,412,880 |
| VISA INC | 0.3% | \$ 46,571,507 |
| AERCAP HOLDINGS NV | 0.3% | \$ 45,443,962 |
| BANK OF AMERICA CORP | 0.3% | \$ 45,258,731 |
| SANOFI | 0.3% | \$ 45,047,957 |
| EMERSON ELECTRIC CO | 0.3% | \$ 44,983,189 |

Domestic Equity Characteristics (Wgt Median)

| | P/E | P/B | Yield | Mkt Cap | 5Y Earn G | ROE 5 yr |
|-------------------------------|------|-----|----------------|------------|-------------|----------|
| PERSI | 22.8 | 2.6 | 1.9% | \$ 88,625 | 9.5% | 15.2% |
| <i>R3000</i> | 22.2 | 2.7 | 2.0% | \$ 116,423 | 7.6% | 16.9% |
| US Only Active | 21.7 | 2.4 | 1.7% | \$ 100,659 | 8.6% | 15.6% |
| Peregrine | 43.3 | 5.2 | 0.5% | \$ 131,192 | 12.2% | 15.3% |
| Tukman | 19.7 | 2.3 | 2.3% | \$ 146,804 | 3.1% | 17.0% |
| Mtn Pacific | 22.9 | 3.6 | 1.0% | \$ 15,060 | 13.6% | 17.7% |
| Donald Smith | 11.9 | 0.9 | 1.7% | \$ 41,074 | 9.0% | 5.3% |
| Adelante | 26.8 | 3.0 | 3.0% | \$ 25,271 | 24.4% | 10.1% |
| Mellon REIT | 29.6 | 2.6 | 3.6% | \$ 19,174 | 20.3% | 8.4% |
| Global Managers US | 19.8 | 2.4 | 1.7% | \$ 83,054 | 7.1% | 15.7% |
| Barings | 28.0 | 4.2 | 1.2% | \$ 81,419 | 13.7% | 19.1% |
| Bernstein | 16.4 | 2.0 | 1.7% | \$ 68,211 | 5.6% | 13.8% |
| Brandes | 15.7 | 1.4 | 2.3% | \$ 116,077 | 1.0% | 12.2% |
| Cap Guardian | 26.2 | 3.3 | 2.2% | \$ 125,735 | 8.2% | 16.5% |
| Longview | 19.3 | 2.7 | 1.7% | \$ 62,176 | 6.5% | 16.1% |
| | P/E | P/B | Dividend Yield | Mkt Cap | Ern gwth 5Y | ROE 5 yr |
| PERSI | 21.1 | 2.0 | 2.3% | \$ 73,936 | 8.7% | 15.2% |
| <i>World Weighted</i> | 21.7 | 2.3 | 2.5% | \$ 93,416 | 7.2% | 16.2% |
| Global Equity Managers | 20.0 | 1.9 | 2.4% | \$ 64,275 | 7.2% | 16.3% |
| <i>Weighted Indices</i> | 21.5 | 2.1 | 2.7% | \$ 83,936 | 7.1% | 15.9% |
| Barings | 24.5 | 3.2 | 1.6% | \$ 59,868 | 14.8% | 18.8% |
| <i>W.I.</i> | 21.5 | 2.2 | 2.7% | \$ 85,561 | 7.1% | 15.9% |
| Bernstein | 17.5 | 1.7 | 2.5% | \$ 60,031 | 4.3% | 14.3% |
| <i>W.I.</i> | 21.5 | 2.1 | 2.7% | \$ 84,477 | 7.1% | 15.9% |
| Brandes | 20.3 | 1.2 | 3.3% | \$ 75,295 | 0.2% | 13.1% |
| <i>W.I.</i> | 21.3 | 2.0 | 2.9% | \$ 76,336 | 7.0% | 15.6% |
| Cap Guardian | 19.3 | 2.1 | 2.8% | \$ 71,201 | 8.3% | 17.0% |
| <i>W.I.</i> | 21.3 | 2.0 | 2.9% | \$ 76,004 | 6.9% | 15.6% |
| Longview | 19.8 | 2.9 | 1.9% | \$ 57,698 | 8.0% | 18.2% |
| <i>W.I.</i> | 21.7 | 2.3 | 2.5% | \$ 94,011 | 7.2% | 16.2% |
| | P/E | P/B | Dividend Yield | Mkt Cap | Ern gwth 5Y | ROE 5 yr |
| Mellon EAFE | 20.7 | 1.6 | 3.3% | \$ 54,002 | 6.6% | 14.9% |
| Mondrian | 30.3 | 1.6 | 4.2% | \$ 63,994 | -0.7% | 13.7% |
| Genesis | 21.5 | 1.8 | 2.0% | \$ 39,578 | 7.1% | 17.6% |
| Bernstein Emg. | 11.6 | 1.0 | 2.8% | \$ 26,989 | 6.9% | 15.6% |
| Mellon Emerging | 15.9 | 1.4 | 2.8% | \$ 49,060 | 8.0% | 16.7% |

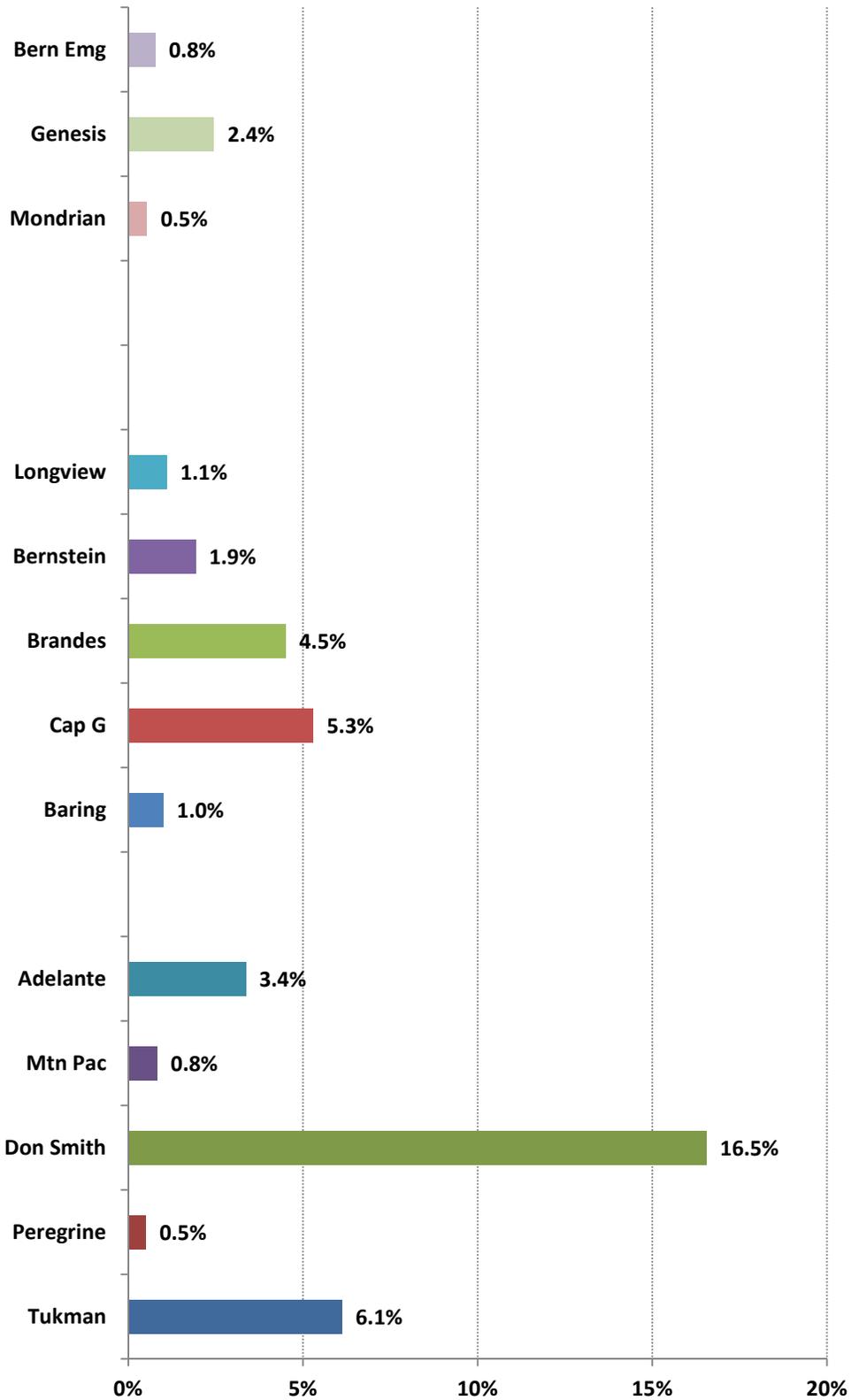
FIXED INCOME PORTFOLIO

Mean Characteristics

| | SSGA G/C | Fx X Mtg,TIPS | Western | Barings | Clearwater |
|---------------------------|------------------|------------------|----------------|----------------|----------------|
| Coupon Rate | 3.61 | 3.60 | 6.36 | 3.49 | 3.26 |
| Years to Maturity | 8.90 | 10.01 | 13.76 | 11.07 | 14.14 |
| Average Price | 108.0 | 109.2 | 43.2 | 118.0 | 103.1 |
| Moody Qual Code | 5 | 5 | 8 | 5 | 6 |
| Moody Qual Rating | Aa2 | Aa2 | A2 | Aa2 | Aa3 |
| S&P Qual Code | 5 | 5 | 8 | 5 | 6 |
| S&P Qual Rating | AA- | AA- | A- | AA- | A+ |
| DBRS Qual Code | 5 | 5 | 6 | 5 | 4 |
| DBRS Qual Rating | A | A | A | A(HIGH) | A(HIGH) |
| Current Yield | 3.24 | 3.24 | 6.60 | 3.23 | 3.05 |
| Yield to Maturity | 2.12 | 2.10 | 3.65 | 2.08 | 2.28 |
| Option Adjusted Duration | 6.57 | 6.20 | 5.68 | 5.12 | 5.16 |
| Modified Duration | 6.48 | 6.19 | 7.39 | 5.48 | 5.50 |
| Option Adjusted Convexity | 0.85 | 0.61 | -0.49 | 0.10 | -0.03 |
| Number of Holdings | 2633 | 2779 | 970 | 111 | 95 |
| Market Value | \$ 1,088,800,308 | \$ 1,362,476,434 | \$ 203,091,876 | \$ 196,445,370 | \$ 148,404,806 |

| | Total Fixed Inc Mgrs | SSGA-TIPS | Western TIPS | DBF MBS | PERSI-STIF |
|---------------------------|----------------------|------------------|----------------|---------------|----------------|
| Coupon Rate | 2.08 | 1.10 | 0.58 s | | 0.88 |
| Years to Maturity | 9.27 | 9.37 | 2.27 | 23.10 | 0.33 |
| Average Price | 107.6 | 107.8 | 118.7 | 103.8 | 103.6 |
| Moody Qual Code | 4 | 3 | 3 | 3 | 6 |
| Moody Qual Rating | Aa1 | Aaa | Aaa | Aaa | Aa3 |
| S&P Qual Code | 5 | 4 | 4 | 4 | 6 |
| S&P Qual Rating | AA | AA+ | AA+ | AA+ | A+ |
| DBRS Qual Code | 5 | | | | 4 |
| DBRS Qual Rating | A | - | - | - | AA(LOW) |
| Current Yield | 2.32 | 0.98 | 0.53 | 3.40 | 1.11 |
| Yield to Maturity | 1.96 | 1.67 | 1.41 | 1.85 | 0.78 |
| Option Adjusted Duration | 6.03 | 6.16 | 5.48 | 3.18 | 0.36 |
| Modified Duration | 7.19 | 8.45 | 7.57 | 3.79 | 0.37 |
| Option Adjusted Convexity | 0.80 | 1.22 | 1.15 | -1.94 | 0.00 |
| Number of Holdings | 3874 | 38 | 43 | 35 | 26 |
| Market Value | \$ 3,885,803,400 | \$ 1,095,975,428 | \$ 399,575,836 | \$ 77,230,756 | \$ 323,738,434 |

Active Equity Managers % of Account in Cash



Private Equity and Real Estate Time Weighted Returns

| | Month | 3 MO | FYTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Private Equity | -0.1% | -2.1% | 0.1% | 0.1% | 3.6% | 7.5% | 9.0% | 8.9% |
| <i>R3000</i> | 0.2% | 2.6% | 2.1% | 2.1% | 4.7% | 11.1% | 13.6% | 11.6% |
| IdaWest | | | 0.0% | 0.0% | 0.0% | 2.6% | 4.3% | 12.6% |
| Galen | -11.4% | 0.1% | -8.5% | -8.5% | -1.0% | -1.3% | 1.1% | 1.5% |
| First Reserve | -0.3% | -30.8% | -50.3% | -50.3% | -41.9% | -31.5% | -24.1% | -17.7% |
| Providence | 0.0% | 1.7% | 14.8% | 14.8% | 10.7% | 11.0% | 7.6% | 8.2% |
| Apollo | 0.0% | -0.1% | -4.4% | -4.4% | -0.8% | 10.0% | 14.6% | 12.2% |
| TPG | -0.1% | 0.1% | 9.0% | 9.0% | 15.4% | 19.0% | 18.7% | 16.1% |
| Hwy 12 | -0.1% | -0.3% | 3.7% | 3.7% | 0.1% | 5.3% | 5.5% | 7.0% |
| Green | 0.0% | 5.4% | 6.0% | 6.0% | 8.3% | 14.1% | 15.8% | 14.9% |
| Gores | 1.1% | 0.9% | 3.8% | 3.8% | -7.5% | -1.9% | -3.2% | -2.3% |
| Lindsay | 2.0% | 3.1% | 2.1% | 2.1% | 2.7% | 5.8% | 27.6% | 20.6% |
| Frazier | 0.8% | -8.6% | 13.5% | 13.5% | 7.9% | 29.2% | 27.6% | 20.6% |
| HL Secondary | 0.0% | 0.8% | 0.9% | 0.9% | 7.1% | 9.1% | 8.0% | 10.4% |
| Kohlberg | -0.1% | 4.5% | 16.5% | 16.5% | 20.3% | 13.5% | 13.2% | 14.1% |
| HL Coinvest | 0.0% | -0.6% | -7.0% | -7.0% | 4.0% | 10.2% | 13.7% | 11.0% |
| Blackstone | 3.8% | 0.6% | 1.7% | 1.7% | 8.4% | 13.7% | 16.7% | 14.0% |
| Enhanced | 0.0% | -26.2% | -28.9% | -28.9% | -6.7% | -3.3% | -2.1% | -1.9% |
| Bridgepoint | -0.2% | -5.2% | 3.2% | 3.2% | -3.5% | 2.8% | 4.3% | 1.8% |
| Newbridge | | 9.2% | -30.1% | -30.1% | -11.4% | -10.8% | -4.0% | -3.2% |
| Whitney | -5.7% | -0.9% | -2.8% | -2.8% | -7.8% | -2.2% | 2.0% | 1.1% |
| CVC | -0.3% | -5.2% | 2.8% | 2.8% | 4.3% | 8.1% | 12.2% | 13.5% |
| KKR | 0.0% | -1.9% | 6.9% | 6.9% | 12.0% | 12.3% | 14.6% | 13.0% |
| Cerberus | | 2.1% | 8.5% | 8.5% | 9.3% | 9.0% | 10.5% | 9.2% |
| EPIC | | -13.2% | -13.4% | -13.4% | 8.0% | 6.6% | 12.1% | 18.7% |
| Advent | -0.1% | 5.1% | 17.3% | 17.3% | 12.6% | 19.8% | 20.1% | |
| Am. Sec | 0.3% | -5.3% | -9.0% | -9.0% | -1.2% | 3.0% | 5.8% | 19.6% |
| Veritas | -0.1% | 6.2% | 7.5% | 7.5% | 11.2% | 15.0% | 18.5% | 5.6% |
| Endeavor | | 9.4% | 7.8% | 7.8% | 12.6% | 11.9% | 7.3% | 17.2% |
| | Month | 3 MO | FYTD | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr |
| Private Real Estate | 2.6% | 2.7% | 18.0% | 18.0% | 17.4% | 13.8% | 6.3% | 6.1% |
| <i>NCREIF</i> | 0.7% | 2.2% | 11.8% | 11.8% | 12.3% | 11.9% | 11.6% | 11.9% |
| Prudential | 0.0% | 1.2% | 14.2% | 14.2% | 14.2% | 14.1% | 13.0% | 13.7% |
| Koll | 2.7% | 2.6% | 20.5% | 20.5% | 19.8% | 10.6% | -0.3% | -0.7% |
| Olympic | 3.9% | 3.9% | 14.1% | 14.1% | 12.7% | -10.8% | -4.0% | -3.2% |
| Cascade | 1.8% | 1.8% | 18.1% | 18.1% | 22.1% | -2.2% | 2.0% | 1.1% |

| |
|-------------------|
| EQUITY |
| (70%) |
| \$ 10,788,130,614 |
| 72.7% |
| 0.1% |
| 0.07% |

R3000/EAFE
-0.4%

| |
|-------------------|
| TOTAL |
| \$ 14,846,853,721 |
| 1.8% |
| -0.13% |

55-15-30
2.0%

| |
|------------------|
| FIXED |
| (30%) |
| \$ 4,058,723,107 |
| 27.3% |
| 6.1% |
| -0.14% |

Aggregate
6.1%

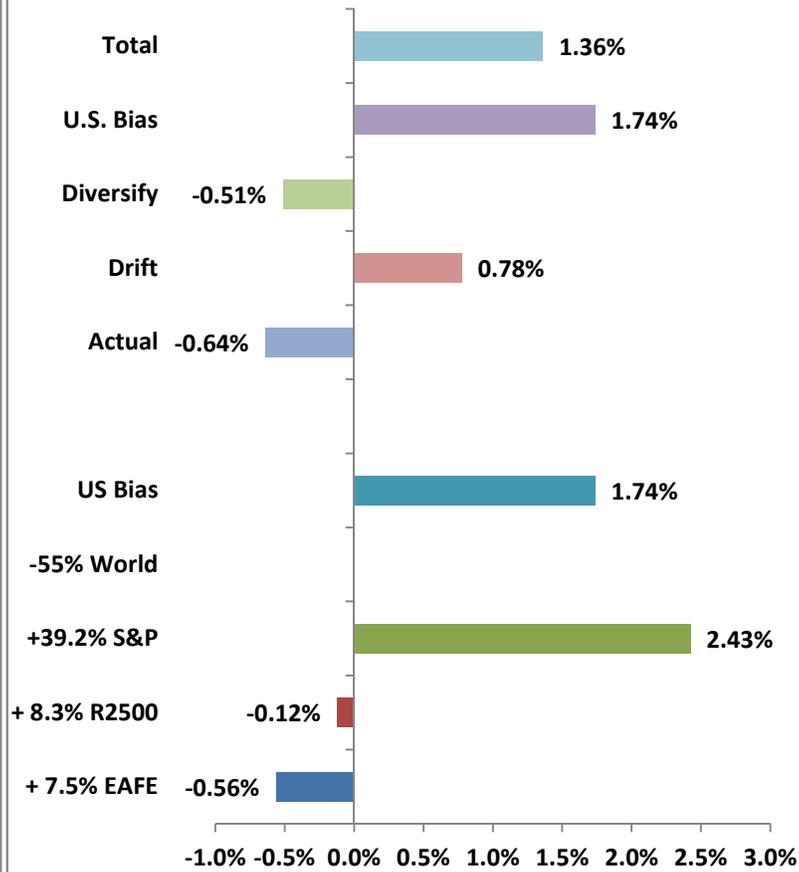
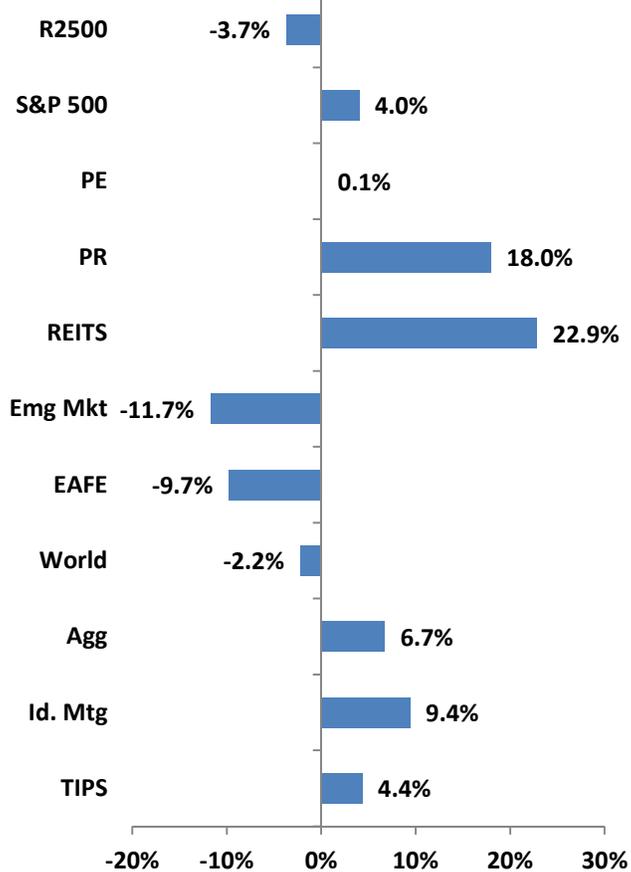
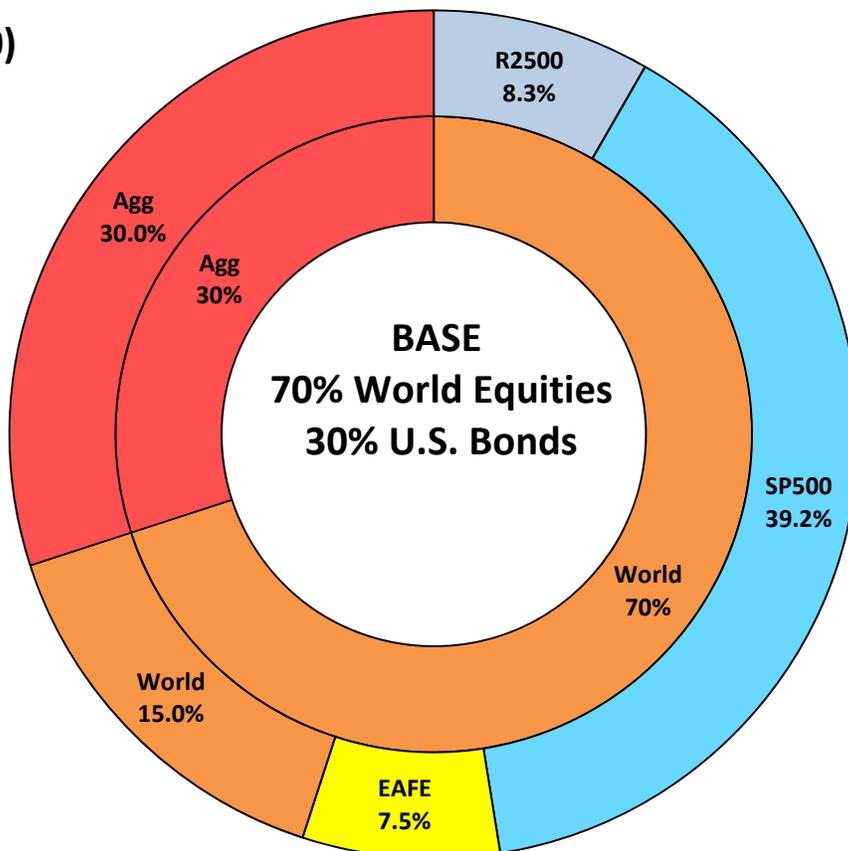
Rebalance -0.01%
Interactive 0.07%

| | | | |
|---|--|---|--|
| US/Global EQUITY (55%) \$ 8,865,155,137 59.7% 2.0% 0.22% R3000 2.1% | US ONLY 44.5% 5.5% 1.47% | US EQUITY 27.9% 3.5% 0.25% | Index 2.9% 14.3% Active 4.1% 13.6% 0.25% |
| | | REAL ESTATE 10.0% 20.3% 1.48% | REITS 21.7% 6.0% 0.96% Private 18.0% 4.0% 0.51% |
| | | PRIVATE EQUITY 6.6% 0.1% -0.26% | |
| | | GLOBAL 15.2% -5.8% -1.26% | Active |
| INTERNATIONAL (15%) \$ 1,922,975,477 13.0% -10.0% -0.15% | EAFE -9.7% | EAFE 5.5% -8.5% 0.07% | Index -10.0% 2.9% Active -6.9% 2.6% 0.07% Hedge 0.00% |
| | | EMERGING 7.4% -11.2% -0.22% | Index -12.0% 3.6% -0.08% Active -10.3% 3.8% -0.14% |
| | | AGGREGATE 12.3% 6.7% 0.07% | G/C Index 6.8% 8.0% 0.06% Active 7.1% 3.8% 0.02% MBS 4.0% 0.5% -0.01% |
| US FIXED (30%) \$ 4,058,723,107 27.3% 6.1% -0.14% | Aggregate 6.1% | TIPS 10.3% 4.0% -0.29% | Index 4.6% 7.6% -0.11% Active 2.5% 2.8% -0.10% |
| | | ID MORT 4.7% 9.4% 0.08% | |
| | | CASH 0.4% | |
| % of portfolio FYTD Return Impact on excess rtn to general benchmark | | | |

| | 70/30 | US Bias | Policy | Drift | Actual | Active |
|--------|-------|---------|--------|-------|--------|--------|
| Return | 0.48% | 2.21% | 1.70% | 2.48% | 1.84% | |
| Impact | 1.36% | 1.74% | -0.51% | 0.78% | -0.64% | 0.42% |

U.S. BIAS (55/15/30)

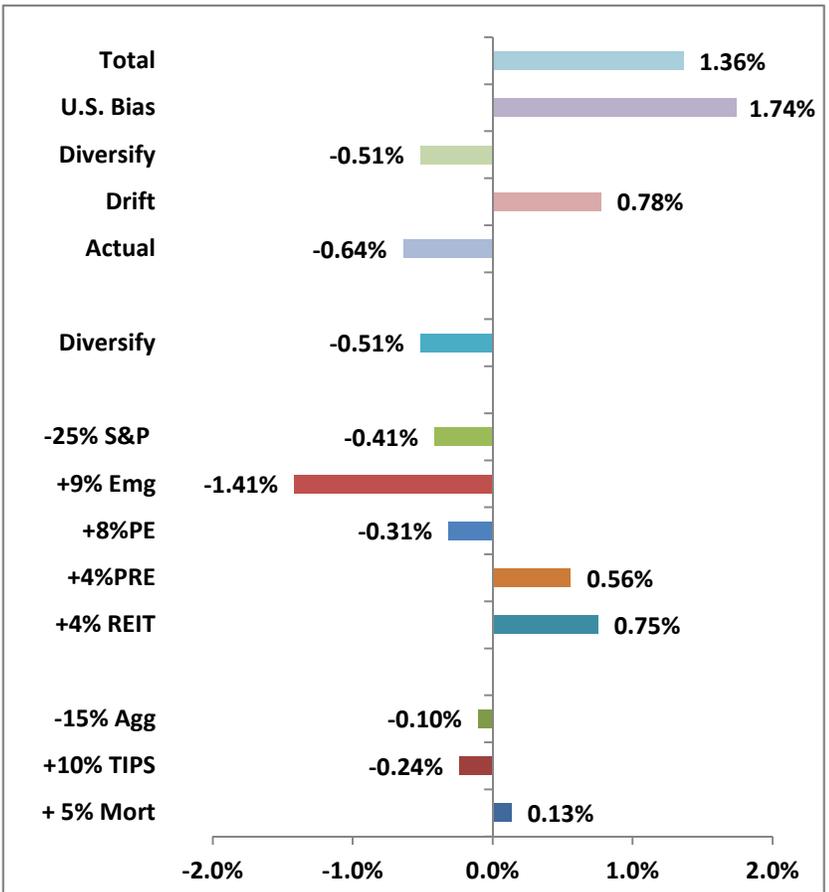
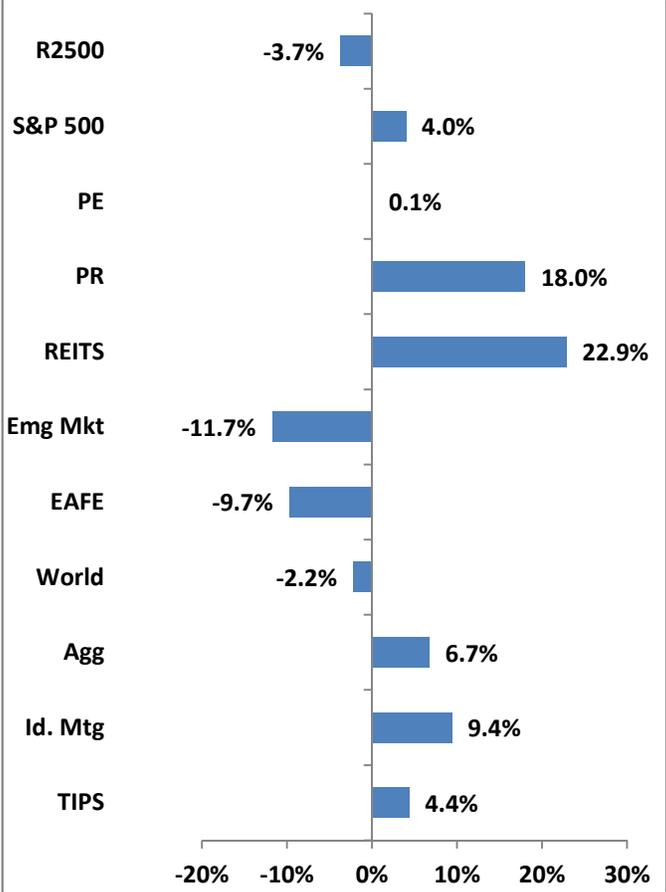
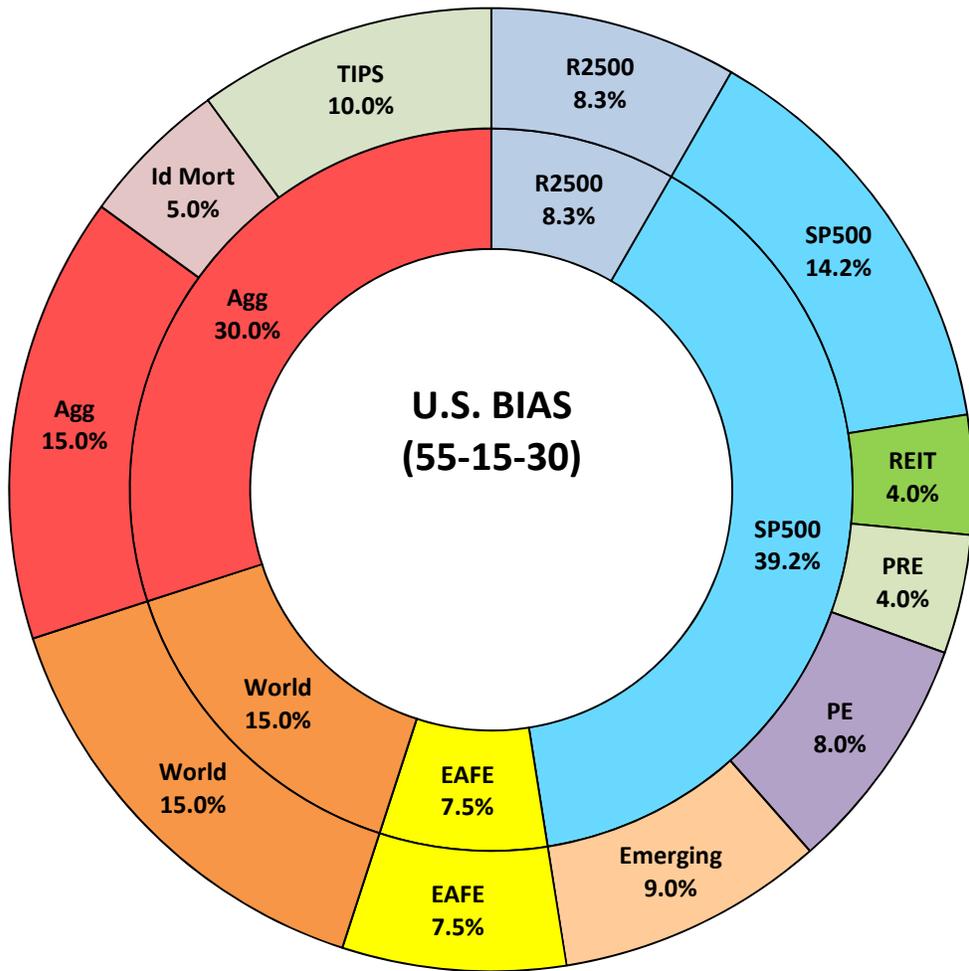
- 55% World
- + 7.5% EAFE
- + 8.3% R2500
- + 39.2% S&P 500



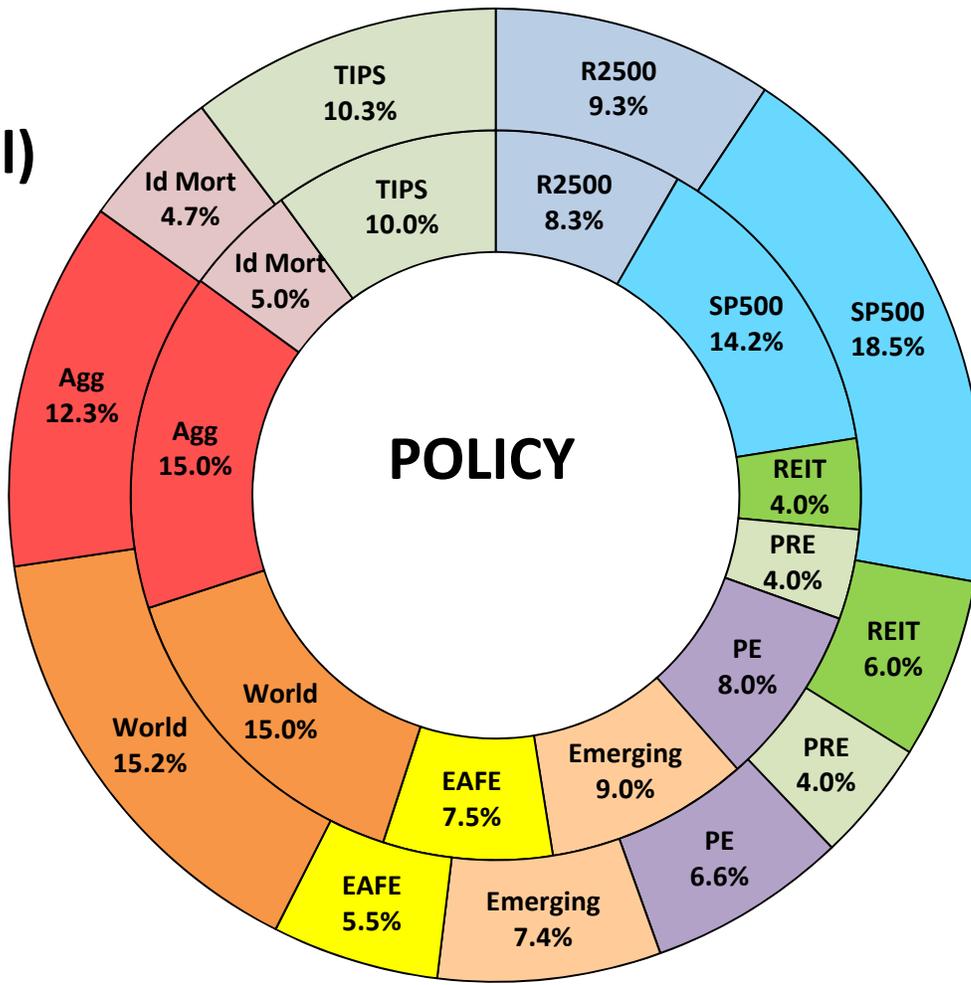
POLICY DIVERSIFICATION

- 25% S&P 500
- + 9% Emerging
- + 8% Private Equity
- + 8% Real Estate
- +4% Private
- +4% REITs

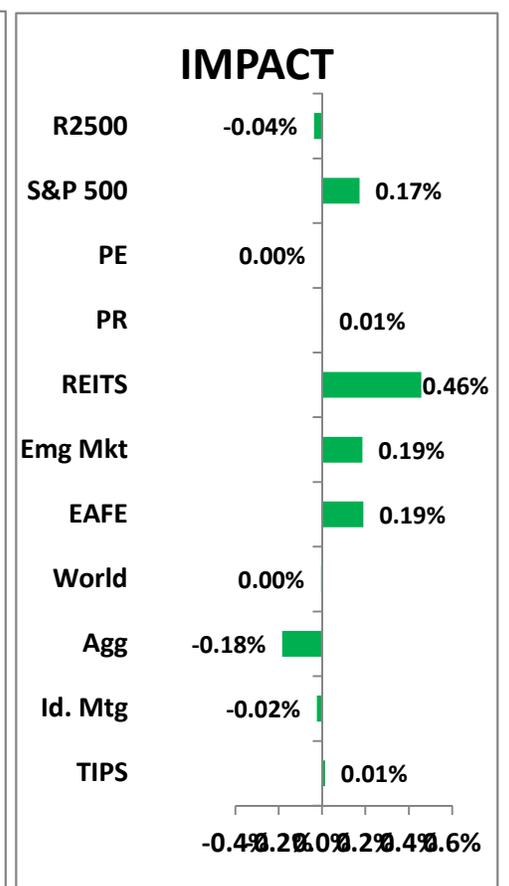
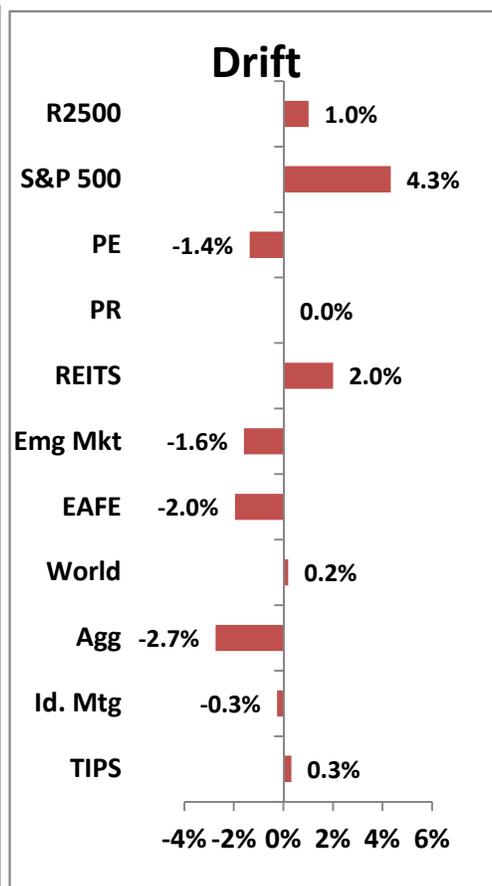
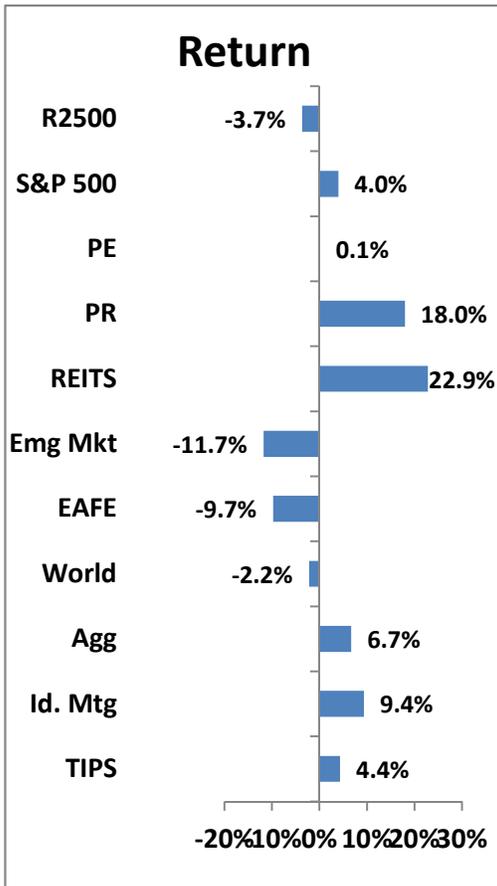
- 15% Aggregate
- +10% TIPS
- + 5% Id Mtg



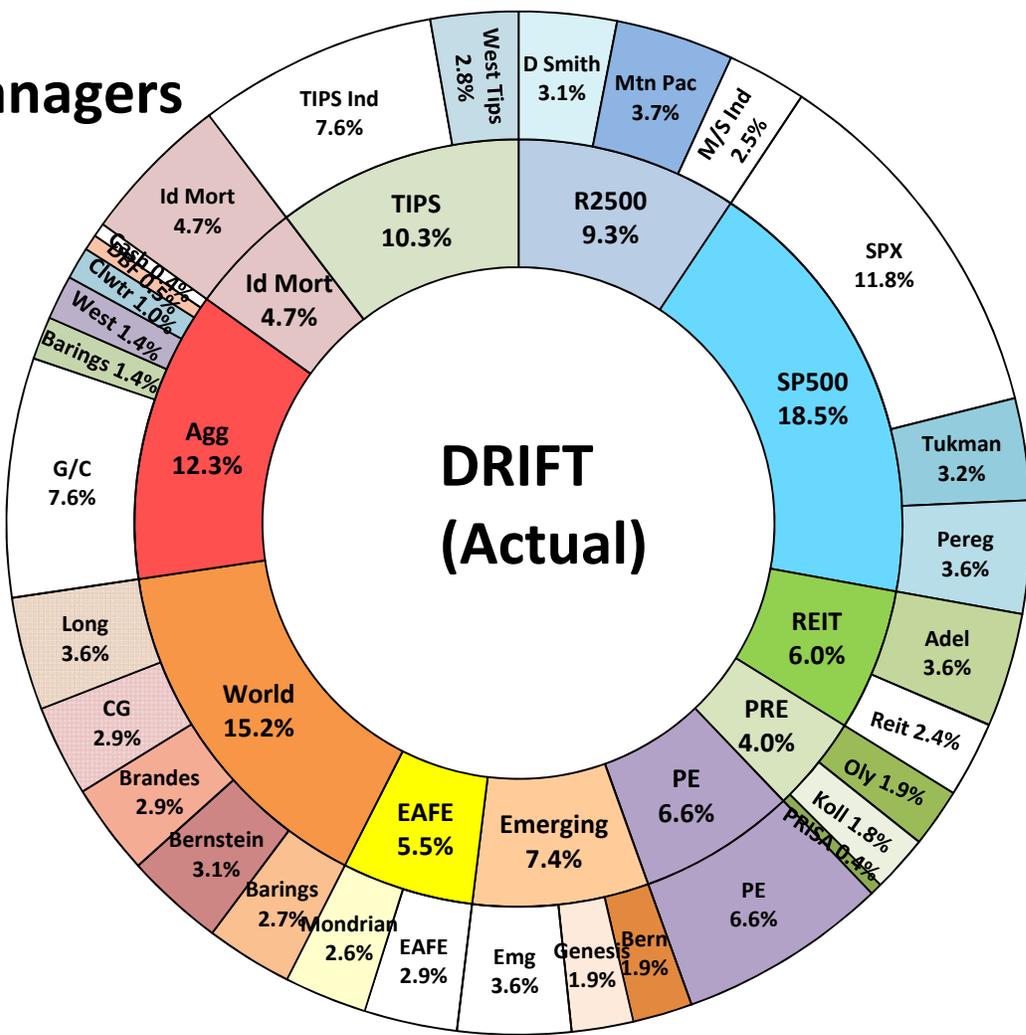
DRIFT (Actual)



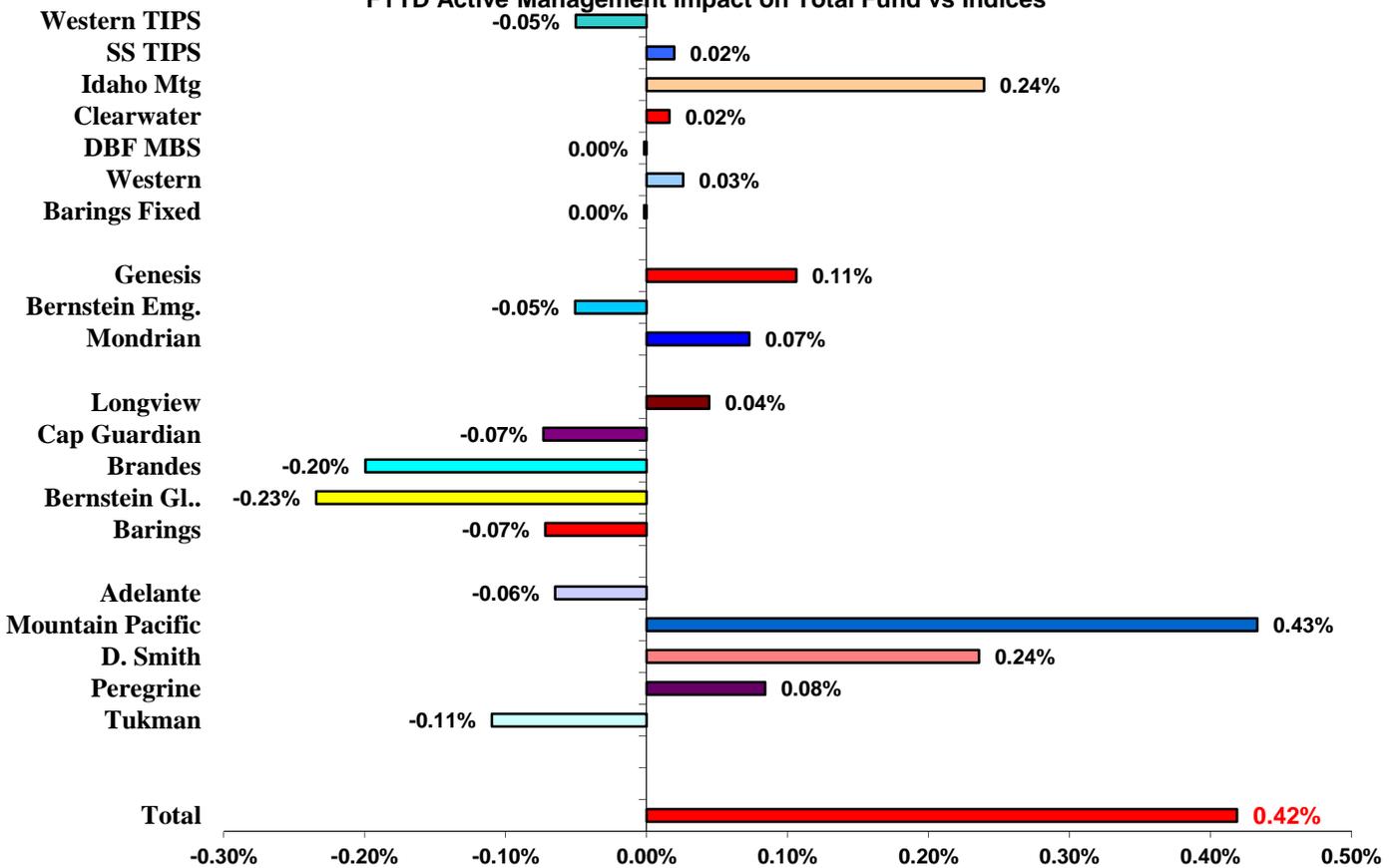
Drift 0.78%



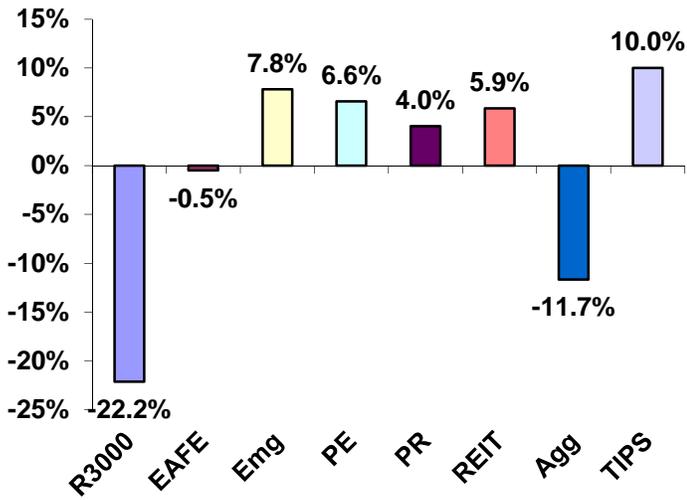
Managers



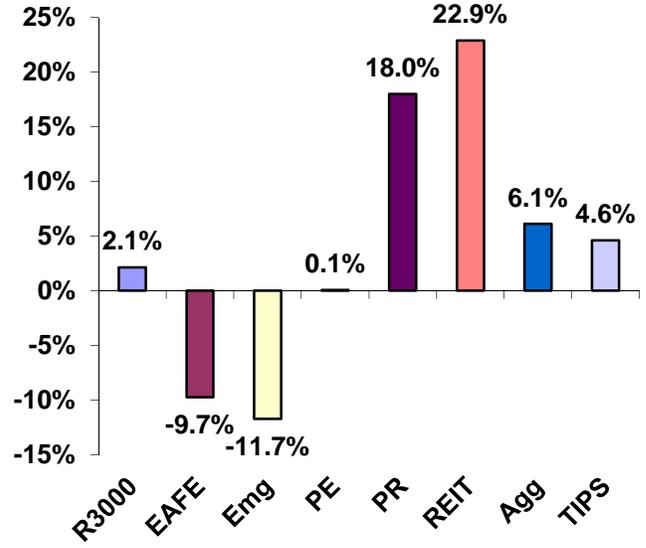
FYTD Active Management Impact on Total Fund vs Indices



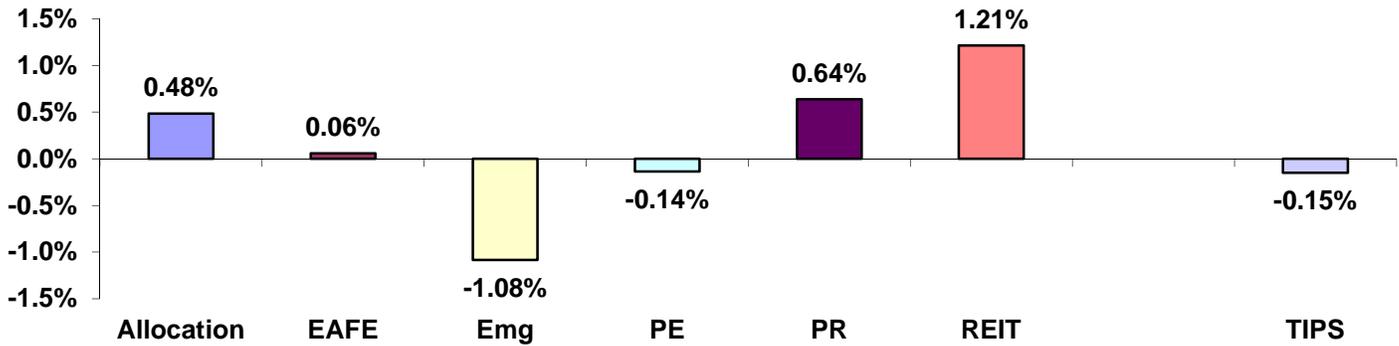
PERSI ALLOCATIONS (as invested at start of month) vs 55-15-30



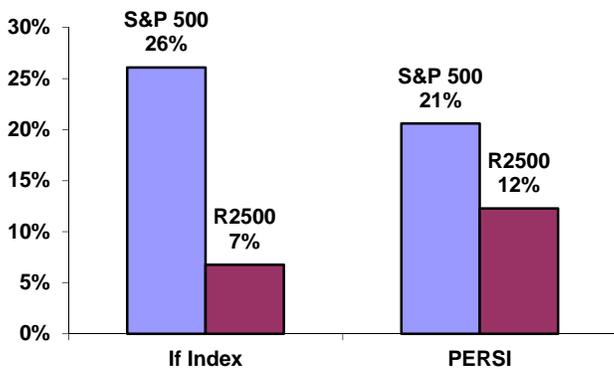
FYTD Returns (Public Index)



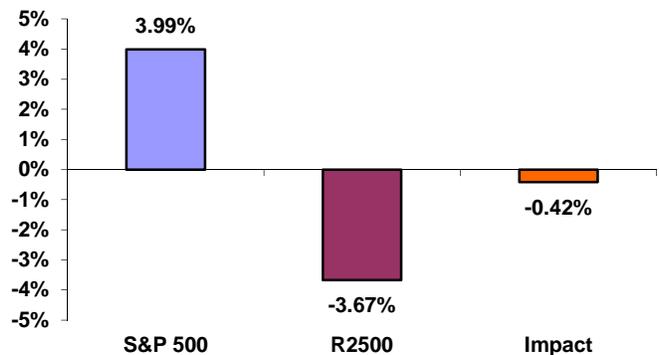
Approximate Impact (Assumes Consistent Allocation)



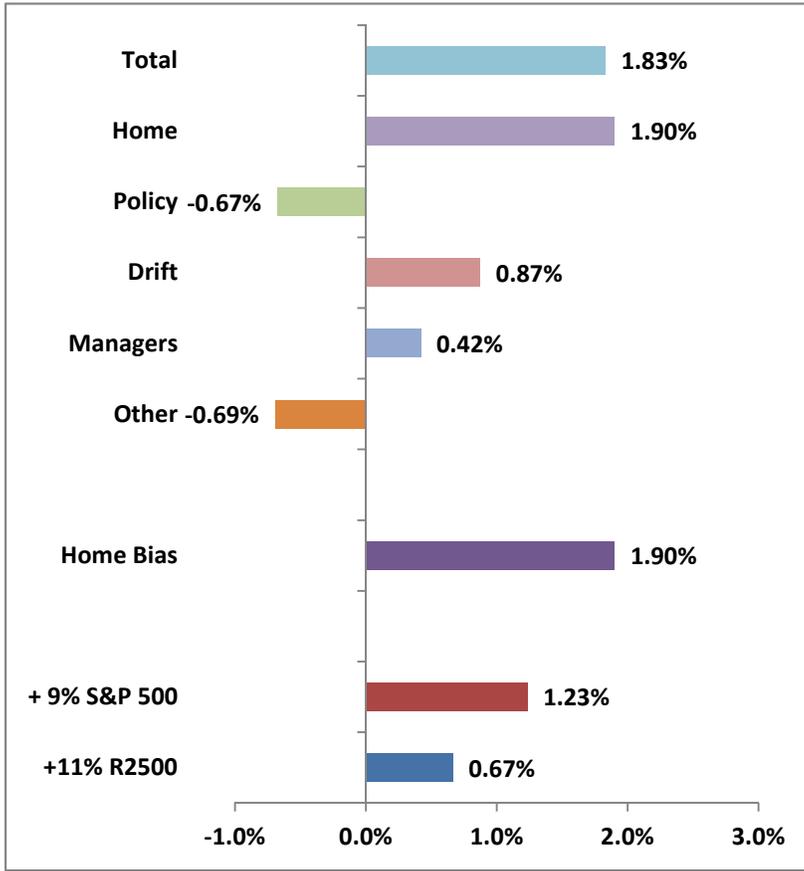
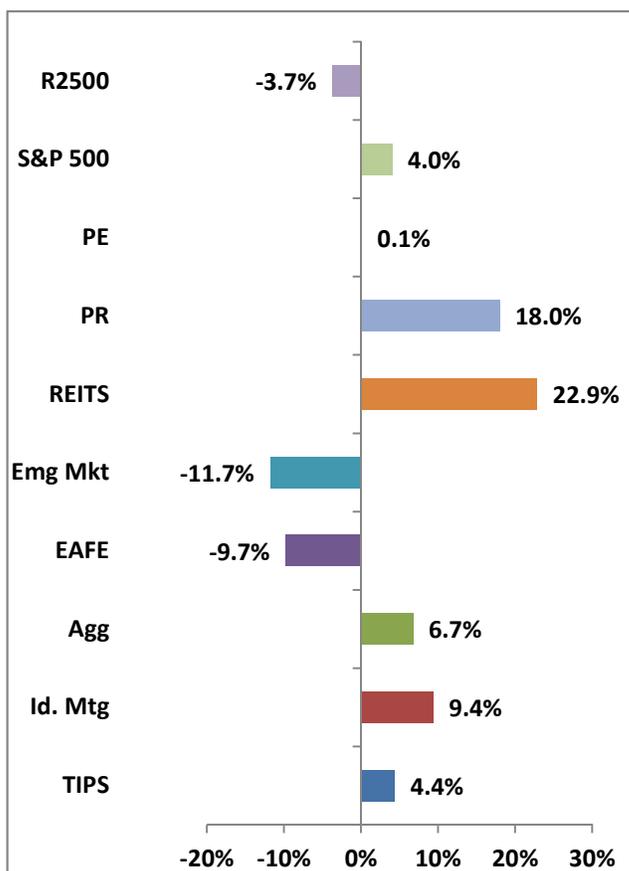
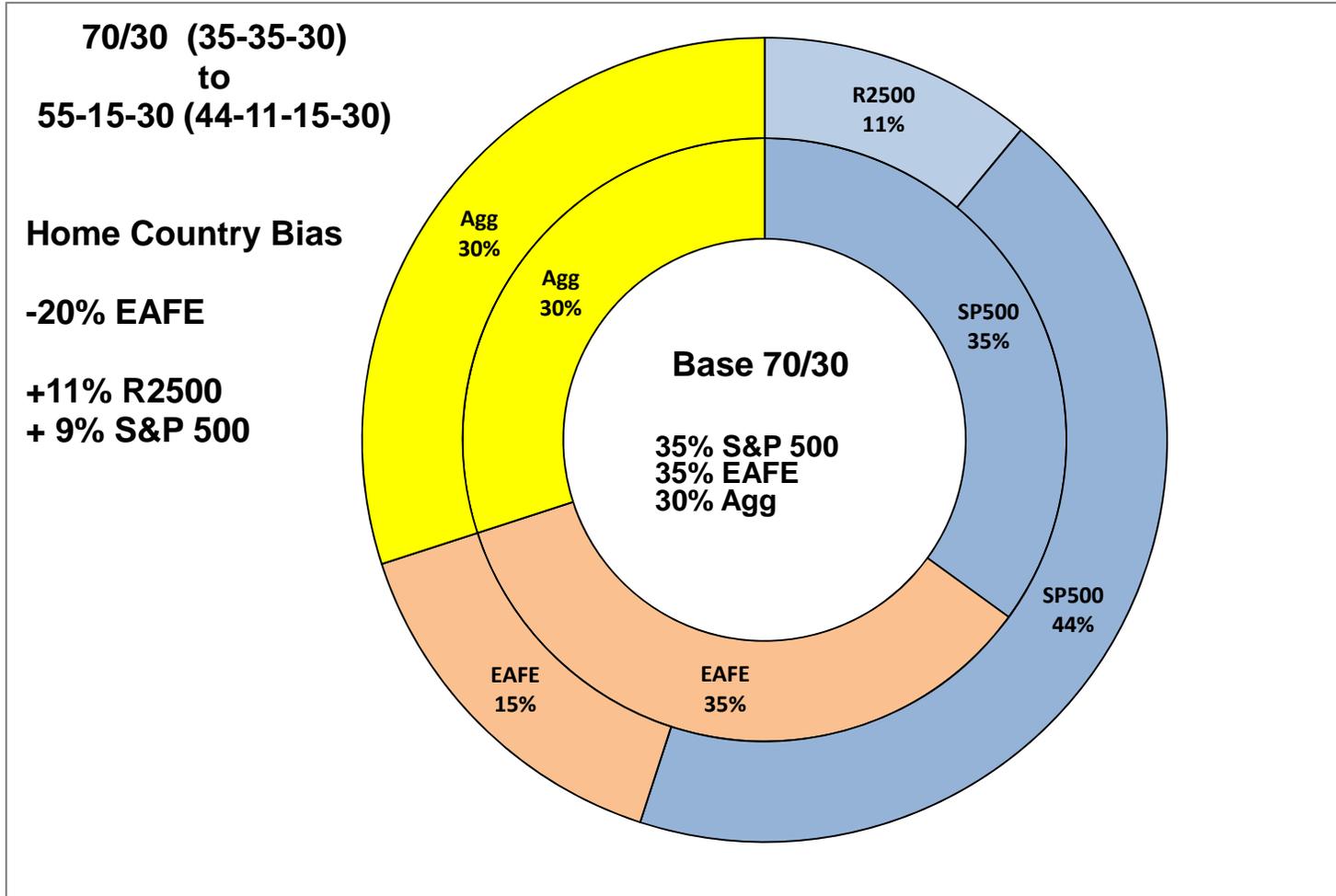
US Equity Cap Weightings



FYTD Returns and Impact



| | 70/30 | 55-15-30 | 44-11-15-3 | Policy | Drift | Actual | Total | 55-15-30 | Active Mng | Other |
|--------|-------|----------|------------|--------|-------|--------|-------|----------|------------|--------|
| Return | 0.01% | 1.97% | 1.91% | 1.24% | 2.11% | 1.84% | | | | |
| Impact | | 1.96% | -0.06% | -0.67% | 0.87% | -0.27% | 1.83% | -0.13% | 0.42% | -0.69% |



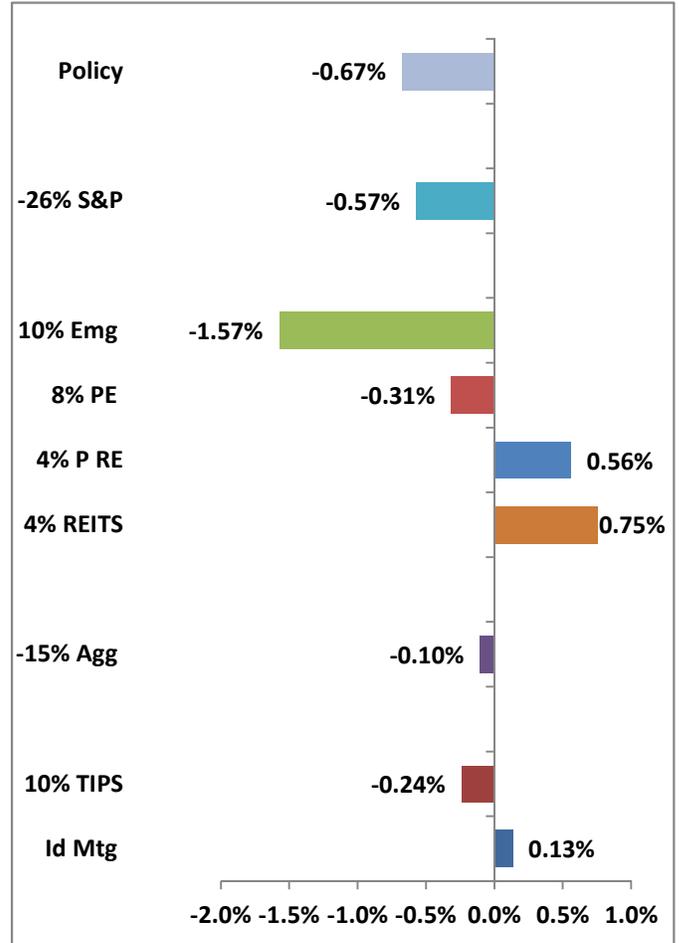
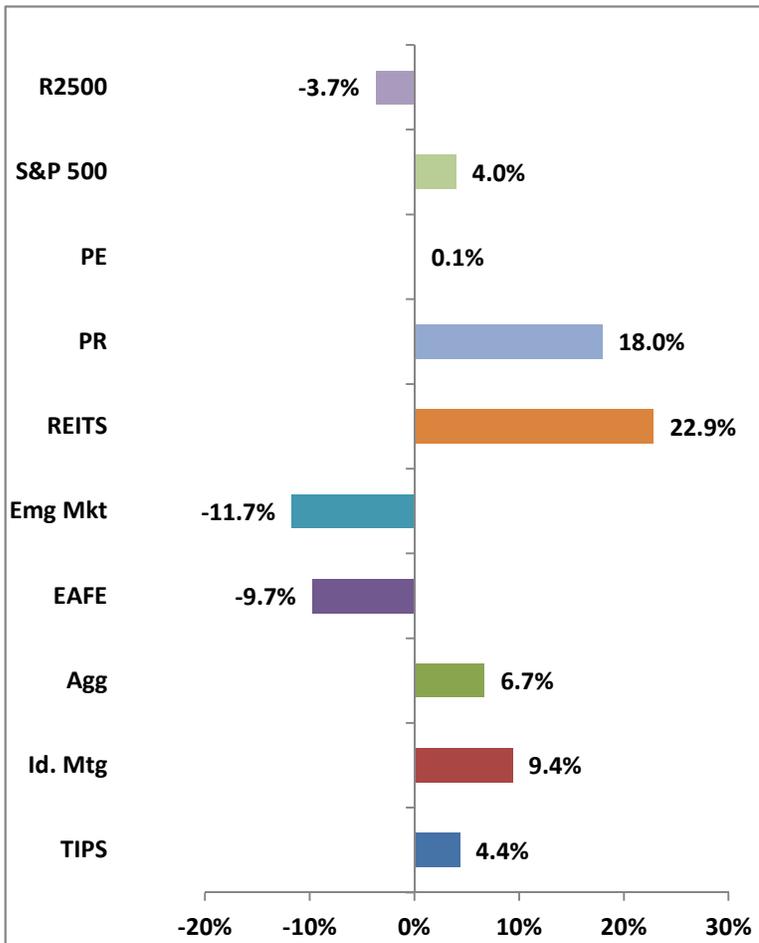
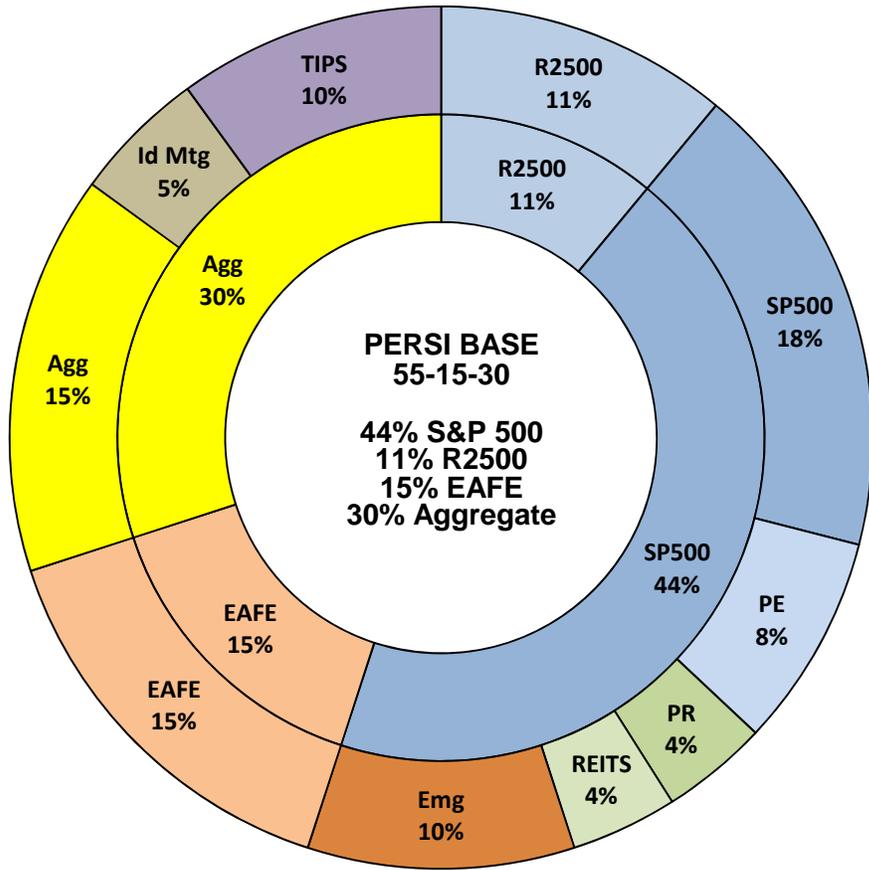
PERSI Policy Biases

-26% S&P 500
 +10% Emg Mkts
 + 8% Priv. Equity
 + 4% REITs
 + 4% Priv RE

-15% Aggregate
 +10% TIPS
 + 5% Emg Mkts

Inflation Protection
 +10% TIPS
 + 4% REITs
 + 4% Private RE

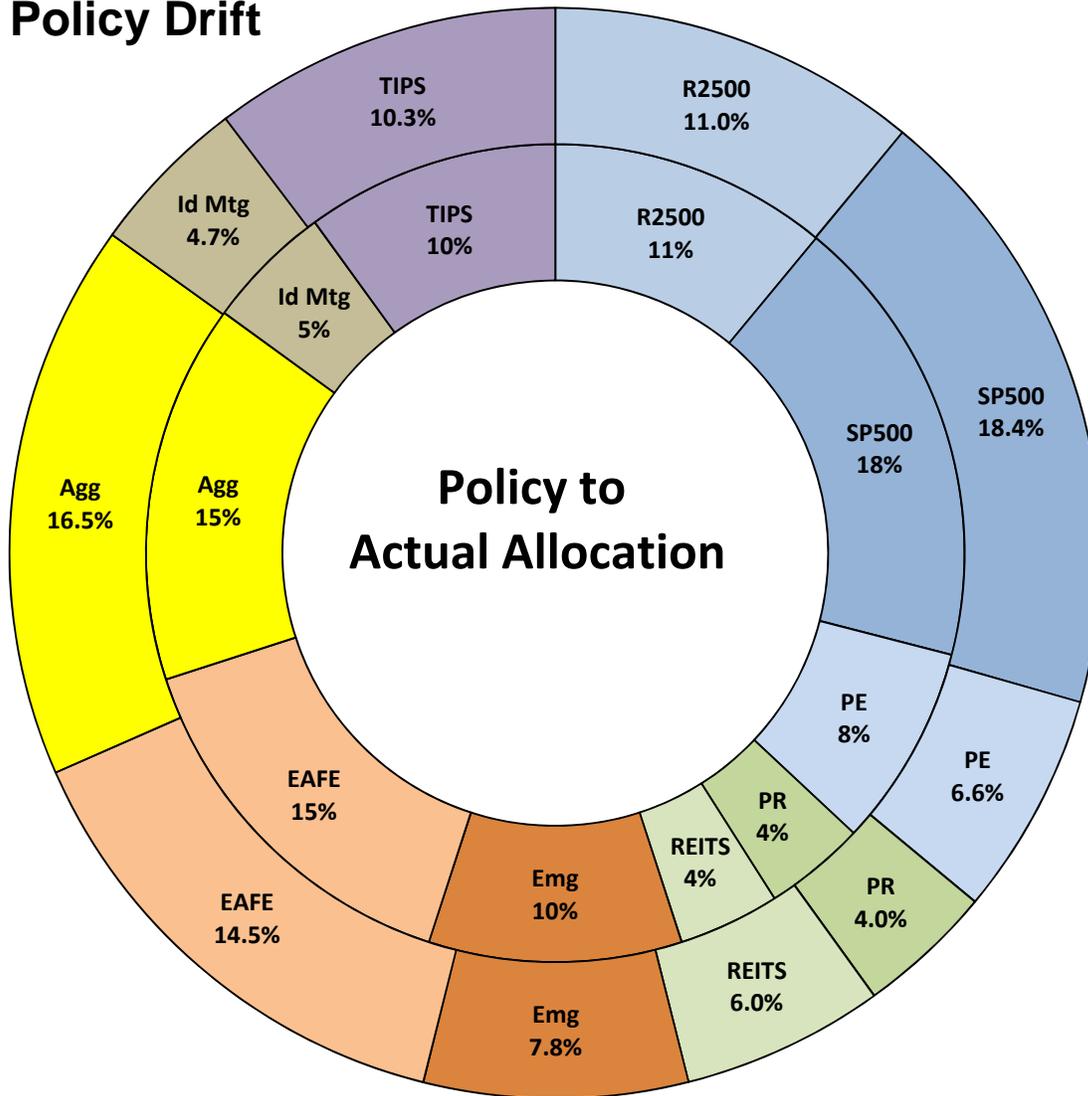
Added Return
 +10% Emg Mkts
 + 8% Private Equity
 + 5% Id Mort.



Past 200 Days Return Policy R² SE Beta Alpha

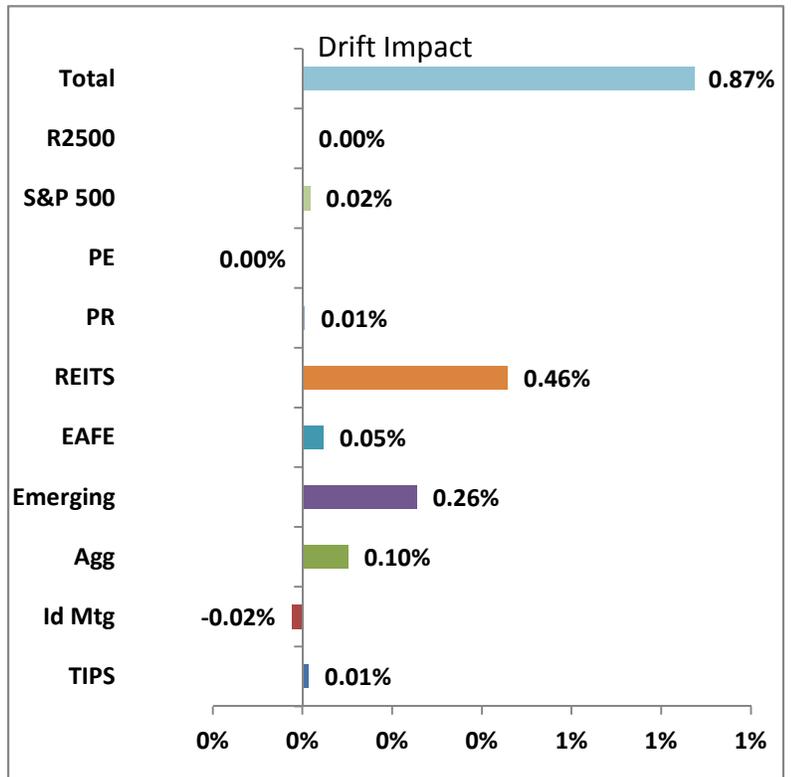
4.67% 3.49% 96.76% 0.10% 98% 0.006%

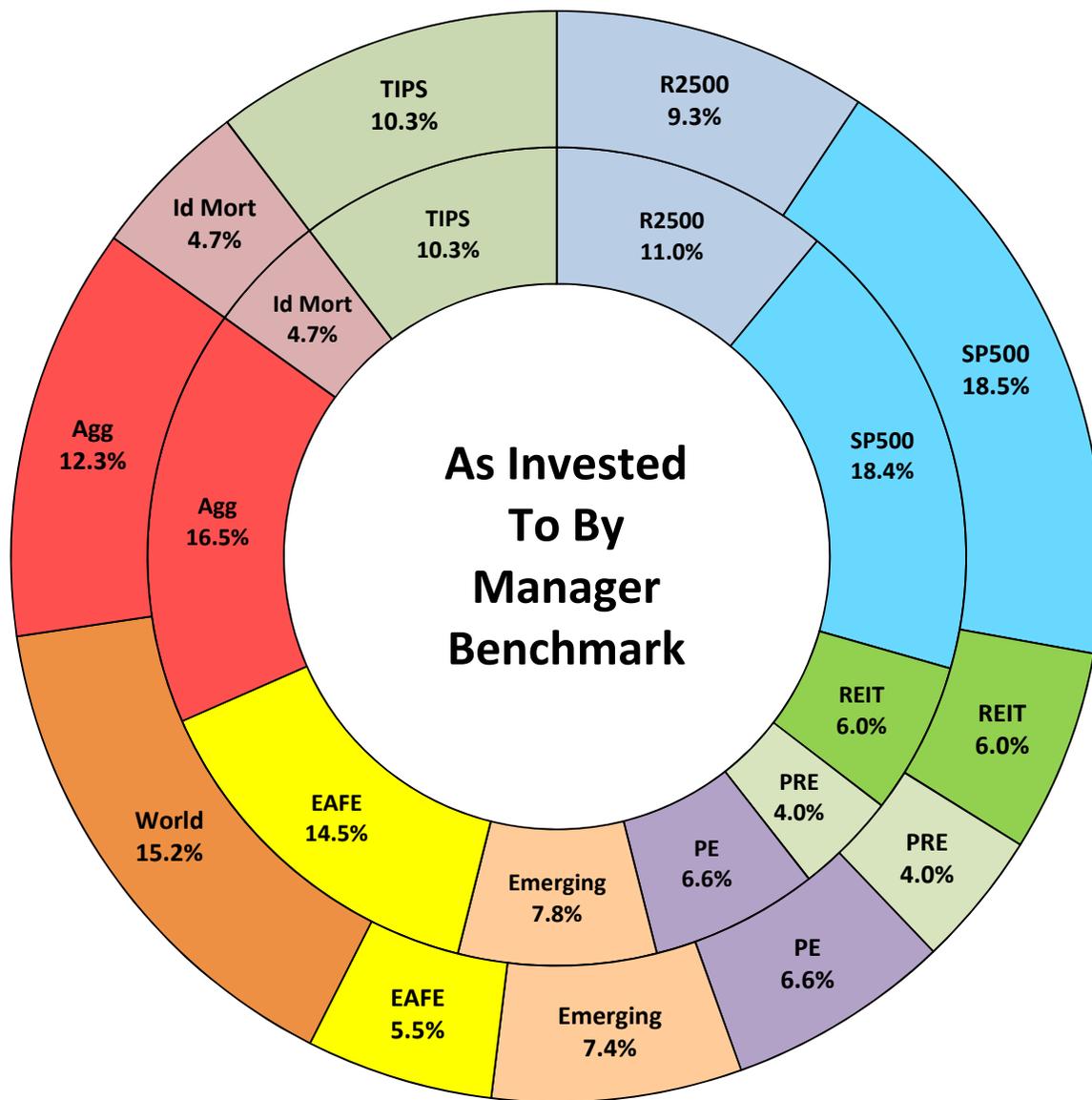
PERSI Policy Drift



ALLOCATIONS

| | Return | Policy | | Drift | +/- |
|--------------|--------------------|---------------|--------------|---------------|--------|
| | | Middle | Outside | | |
| R2500 | -3.7% | 11.0% | 11.0% | 0.0% | 0.0% |
| S&P 500 | 4.0% | 18.0% | 18.4% | 0.4% | 0.4% |
| PE | 0.1% | 8.0% | 6.6% | -1.4% | -1.4% |
| PR | 18.0% | 4.0% | 4.0% | 0.0% | 0.0% |
| REITS | 22.9% | 4.0% | 6.0% | 2.0% | 2.0% |
| EAFE | -9.7% | 15.0% | 14.5% | -0.5% | -0.5% |
| Emerging | -11.7% | 10.0% | 7.8% | -2.2% | -2.2% |
| Agg | 6.7% | 15.0% | 16.5% | 1.5% | 1.5% |
| Id Mtg | 9.4% | 5.0% | 4.7% | -0.3% | -0.3% |
| TIPS | 4.4% | 10.0% | 10.3% | 0.3% | 0.3% |
| 70/30 | 44/11/15/30 | Policy | Drift | Actual | |
| | 0.01% | 1.91% | 1.24% | 2.11% | 1.84% |
| | | 1.90% | -0.67% | 0.87% | -0.27% |





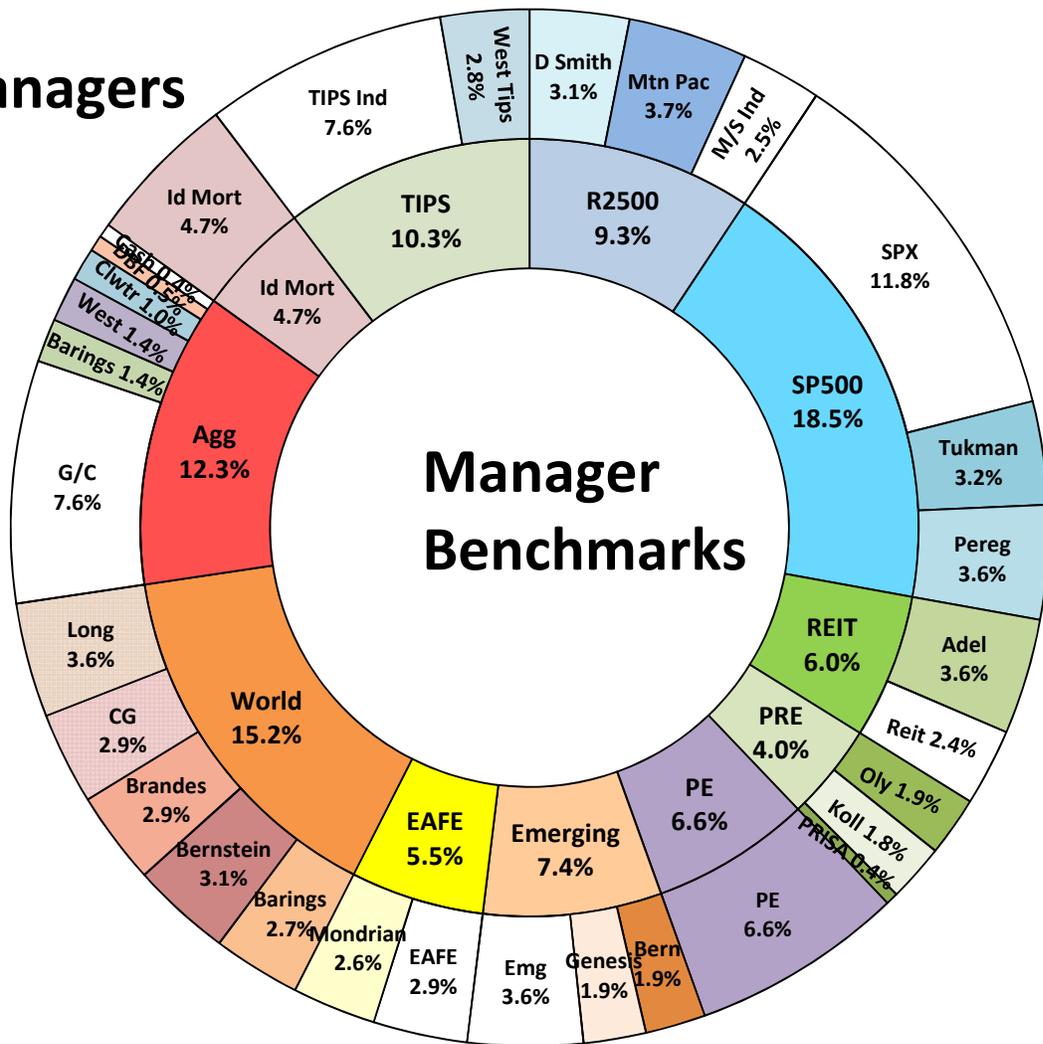
| 70/30 | 44/11/15/30 | Policy | Drift | Actual | Other | Managers |
|-------|-------------|--------|-------|--------|--------|----------|
| 0.01% | 1.91% | 1.24% | 2.11% | 1.84% | | |
| | 1.90% | -0.67% | 0.87% | -0.27% | -0.69% | 0.42% |

Major Differences between "As Invested" allocation and "by Manager Benchmark" allocation are:

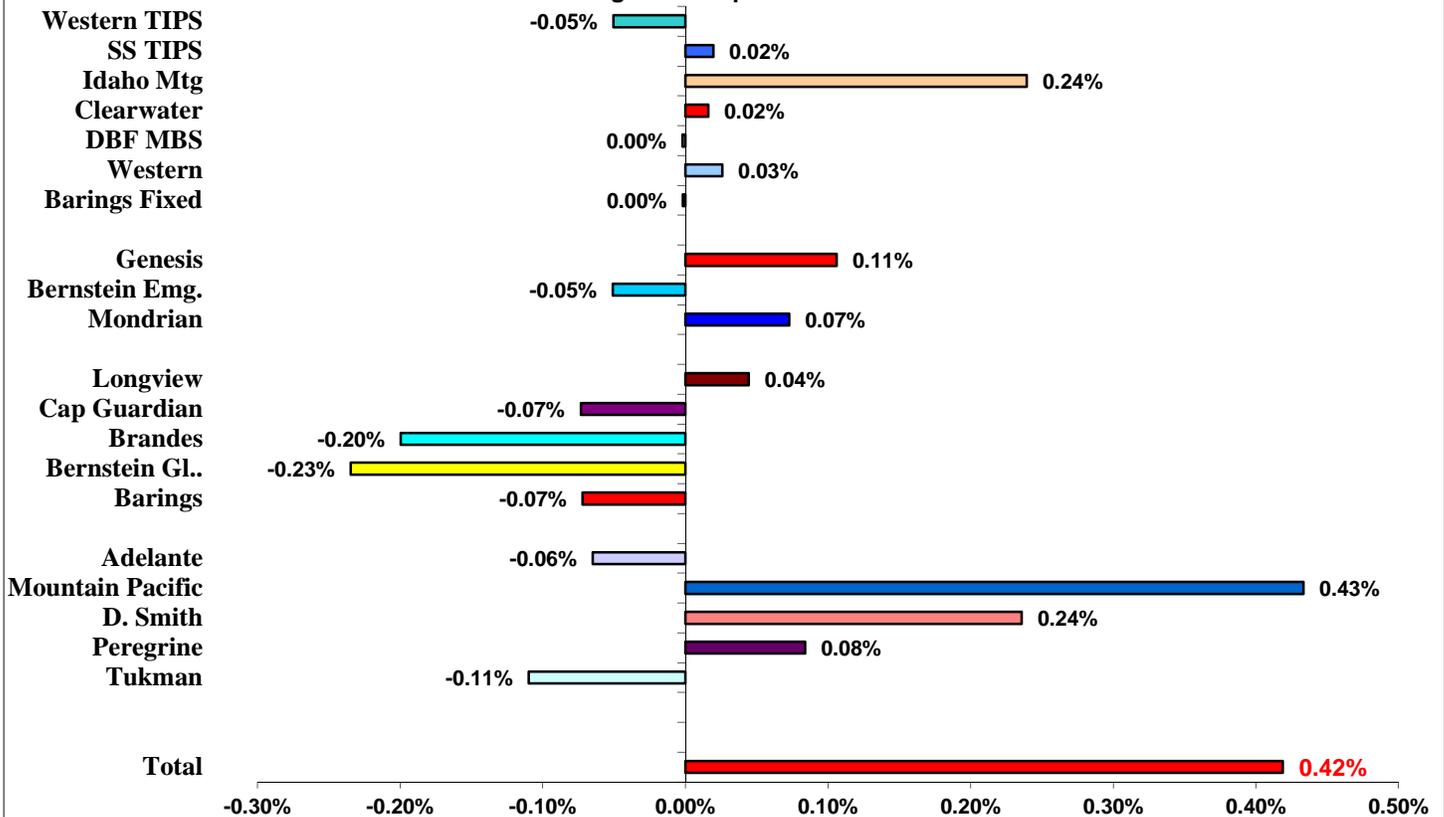
1. Manager Cash is moved from "Aggregate" in "as invested" allocations to active equity mandates
2. Addition of "World" Active Equity Managers, who have EAFE, Emerging, R2500, and S&P 500 Holdings

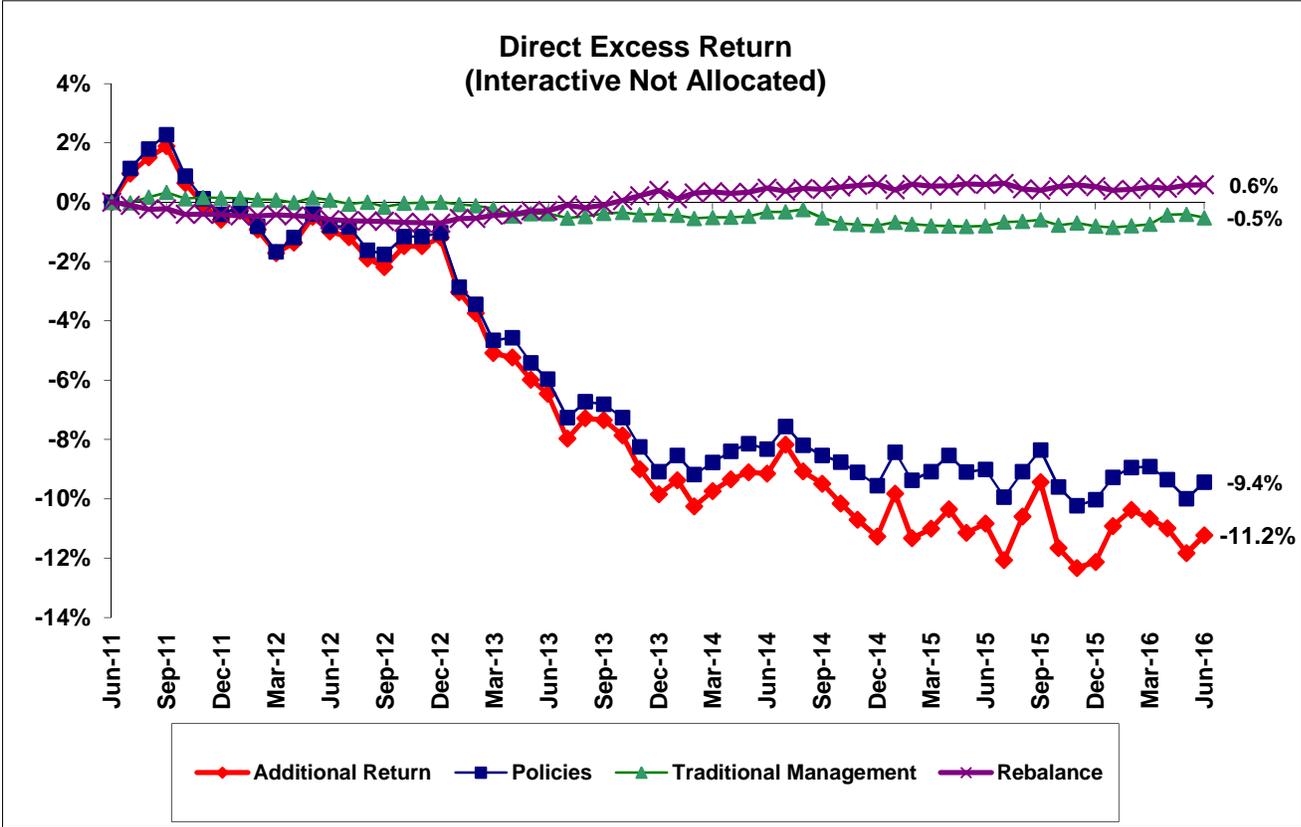
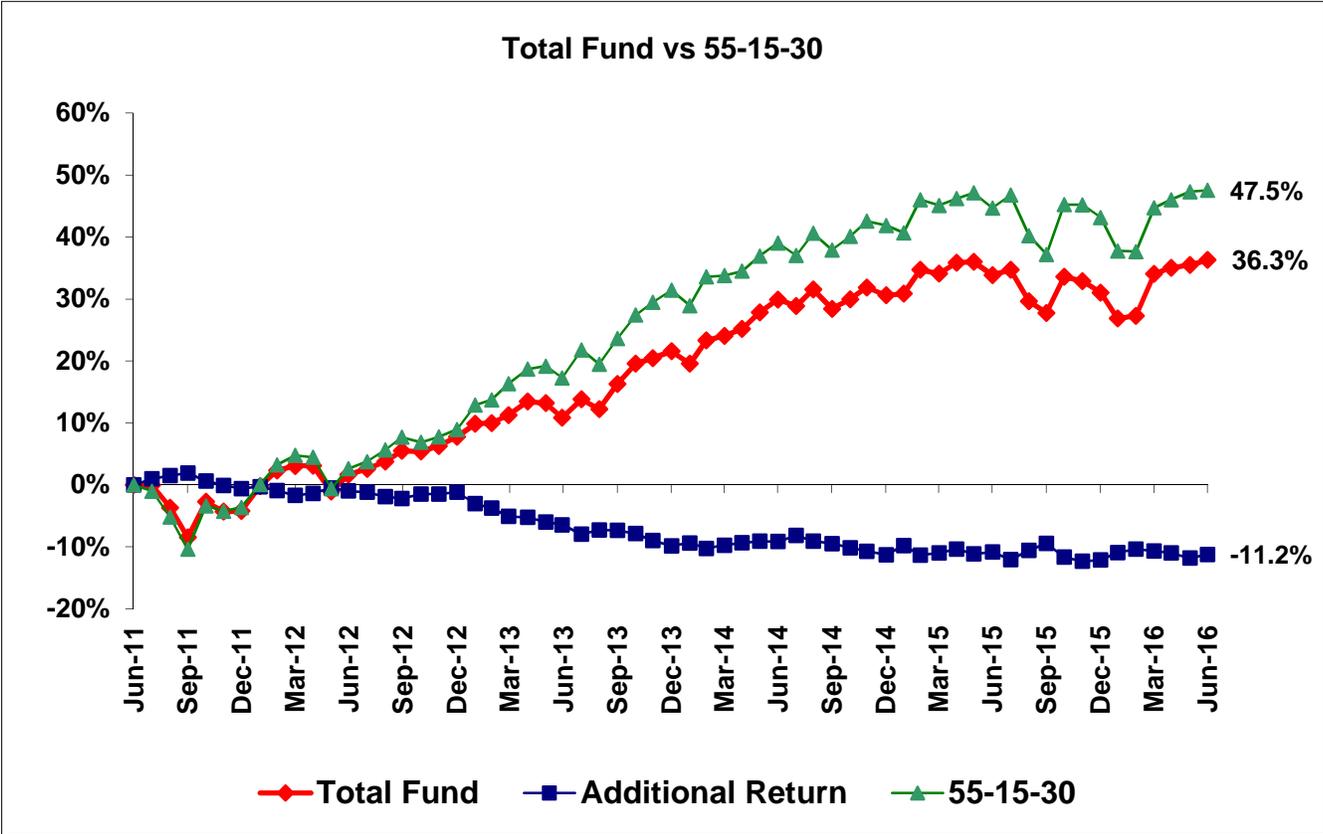
Both "As Invested" and "By Manager Benchmark" are positions as of the beginning of the month. Attribution, therefore, assumes this latest allocation was in place at start of fiscal year, and thus doesn't account for the drift during the year. That impact is part of the "actual" impact, along with active manager impact.

Managers

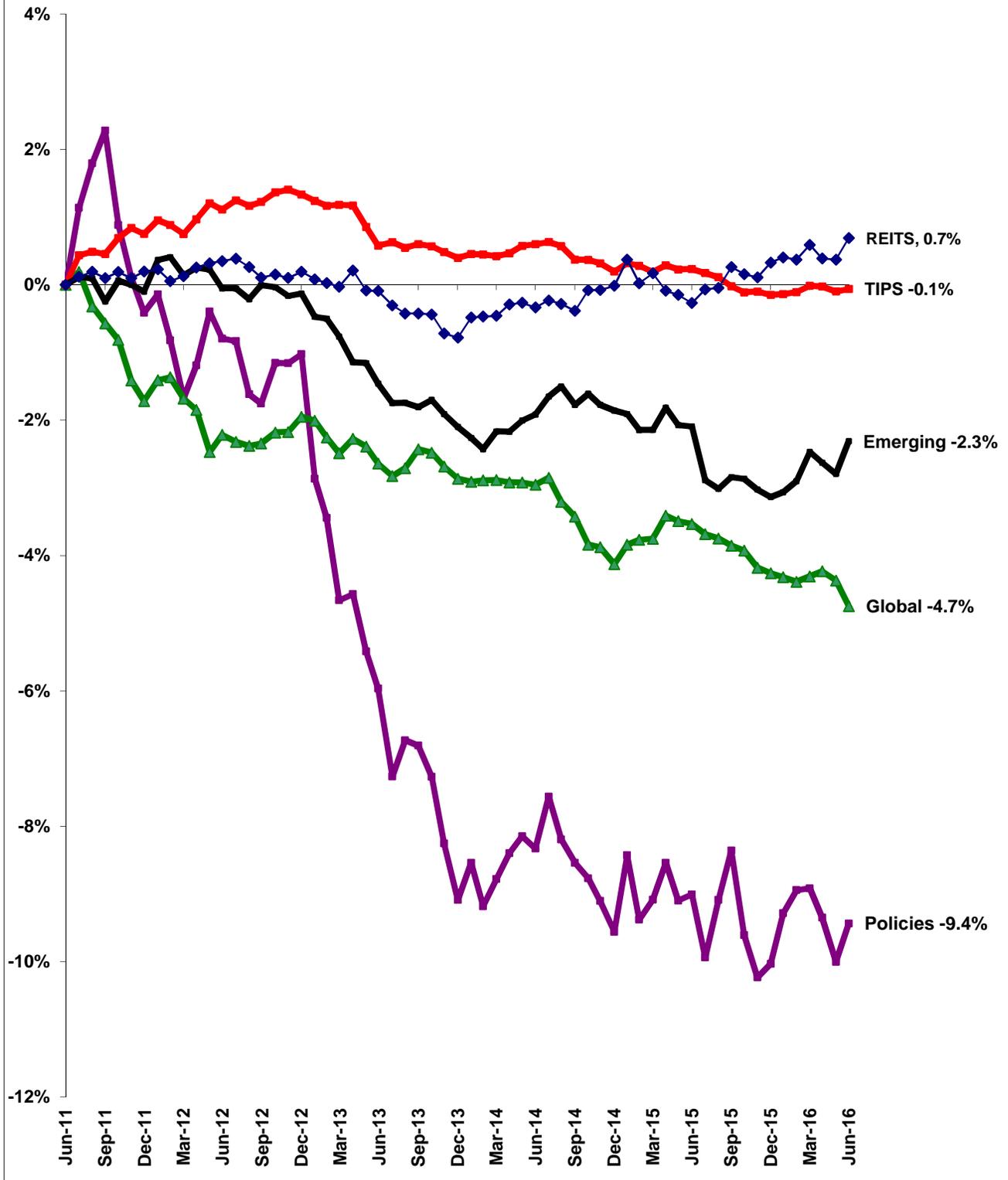


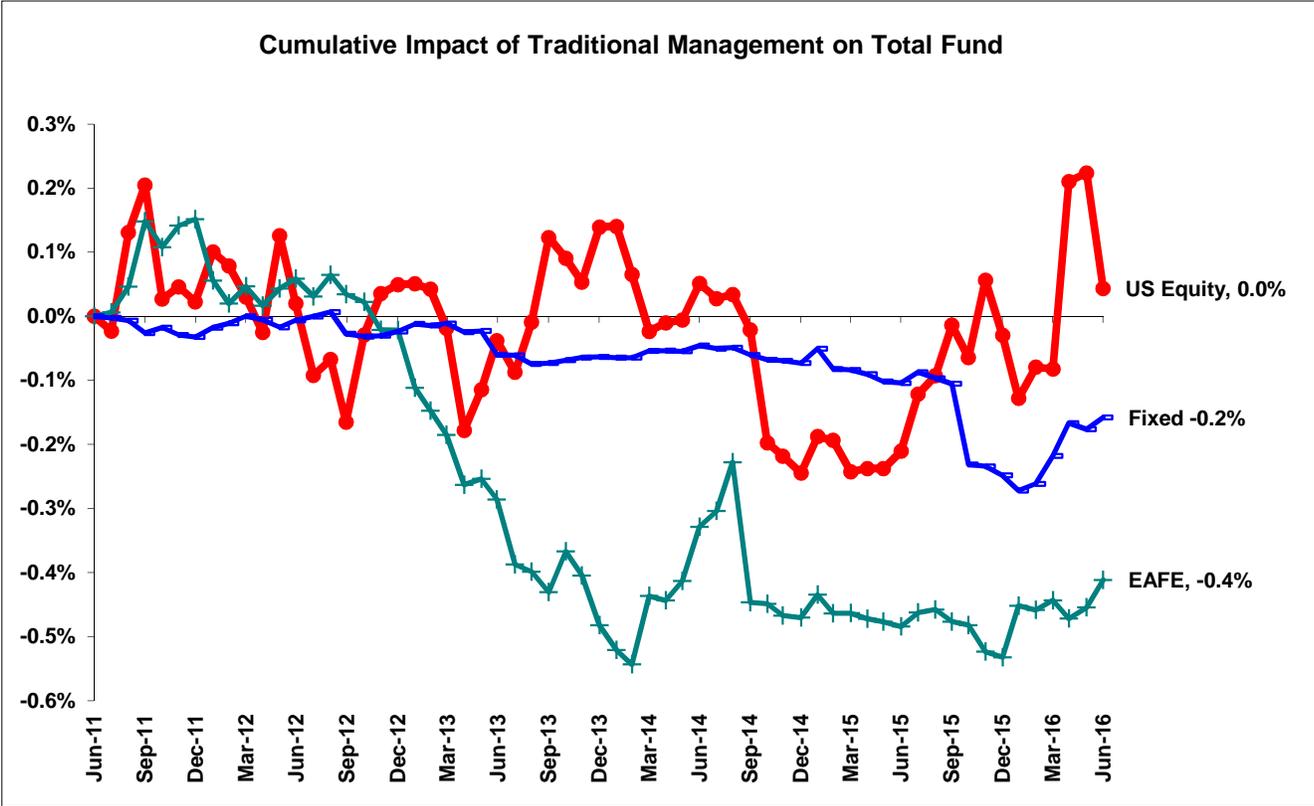
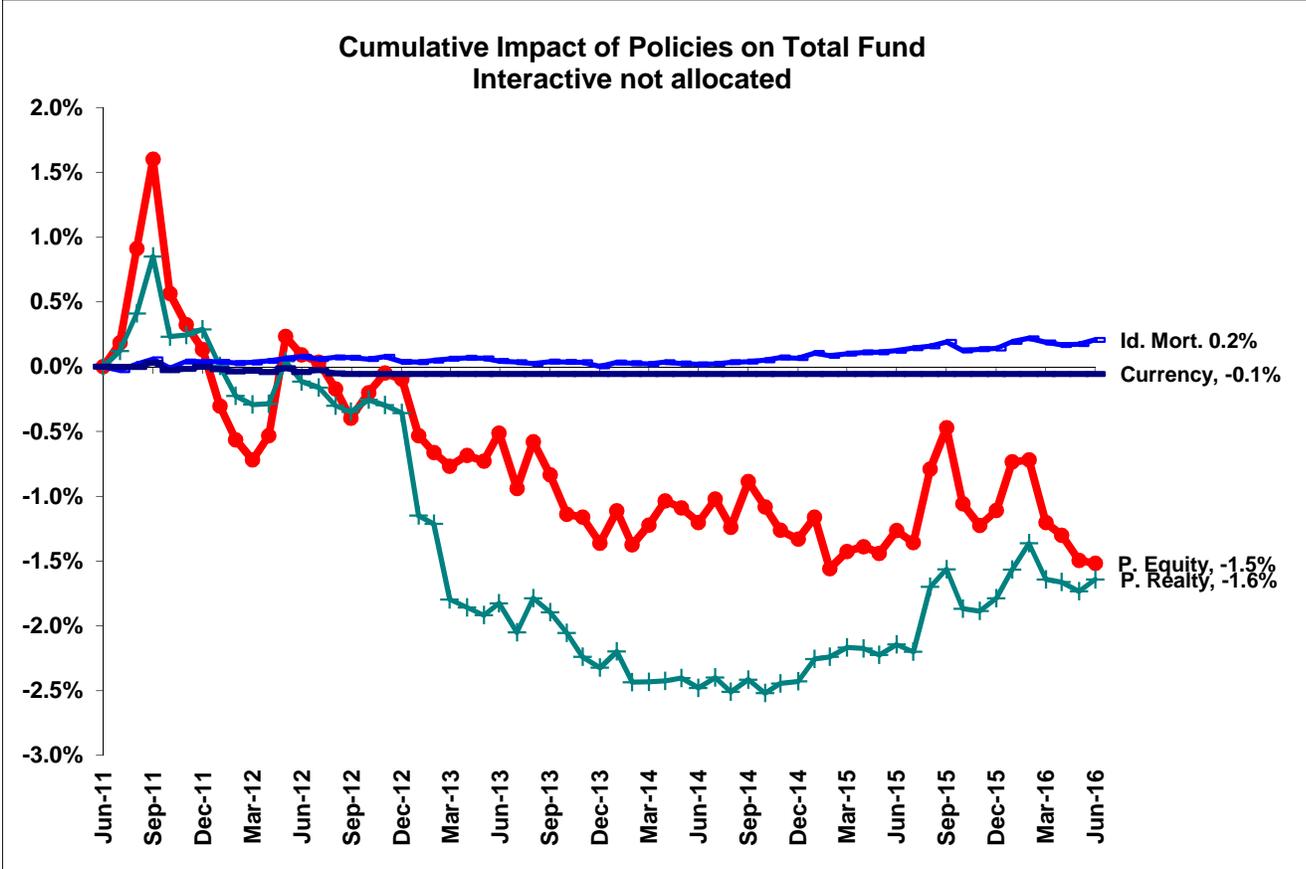
FYTD Active Management Impact on Total Fund vs Indices

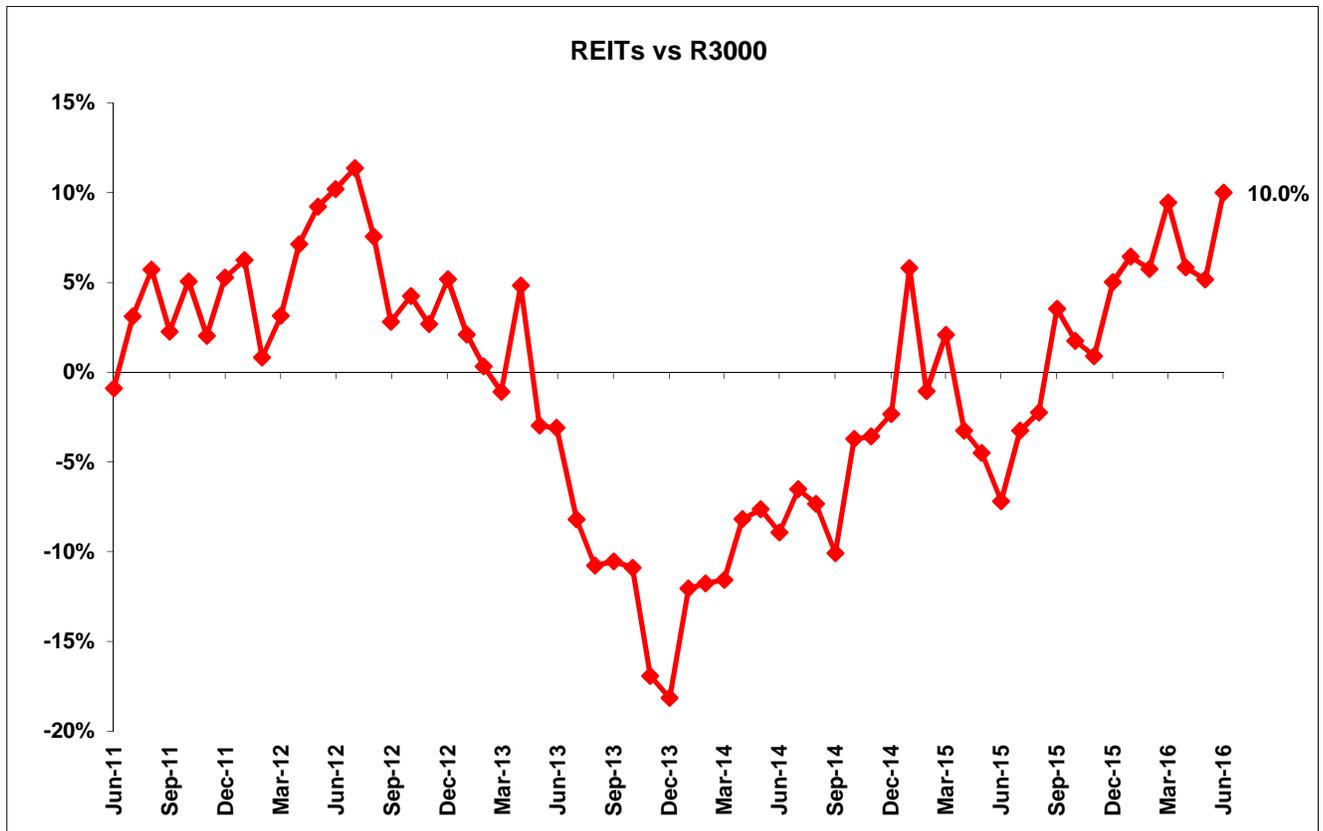


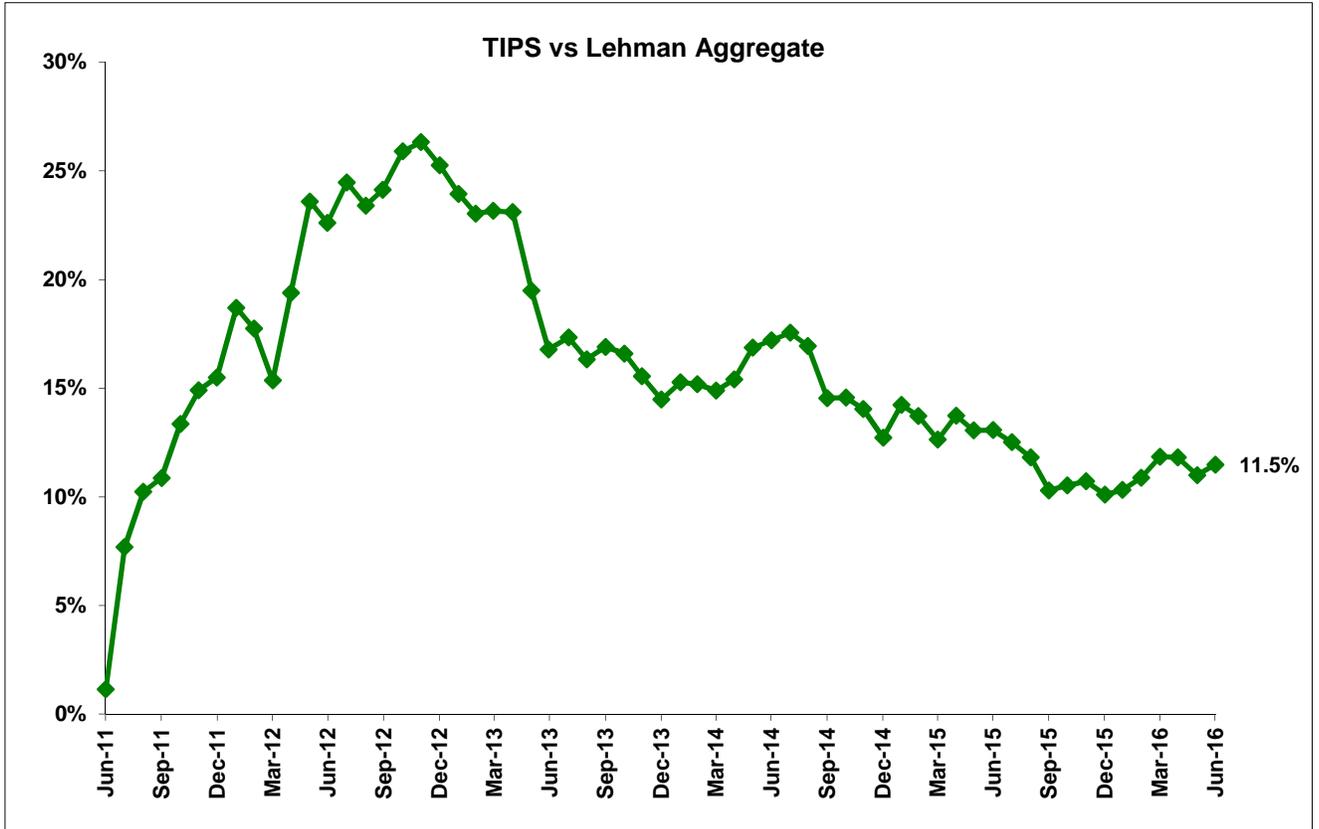
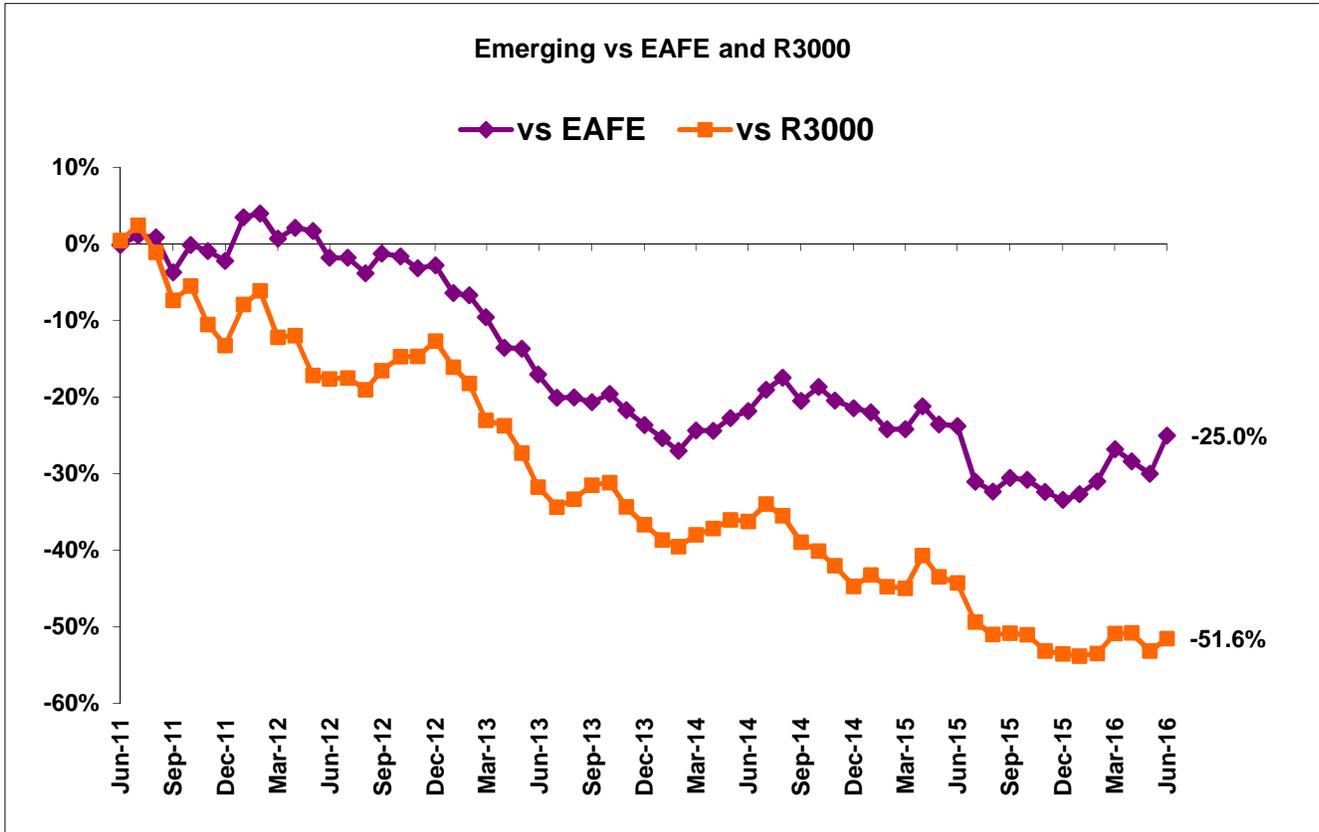


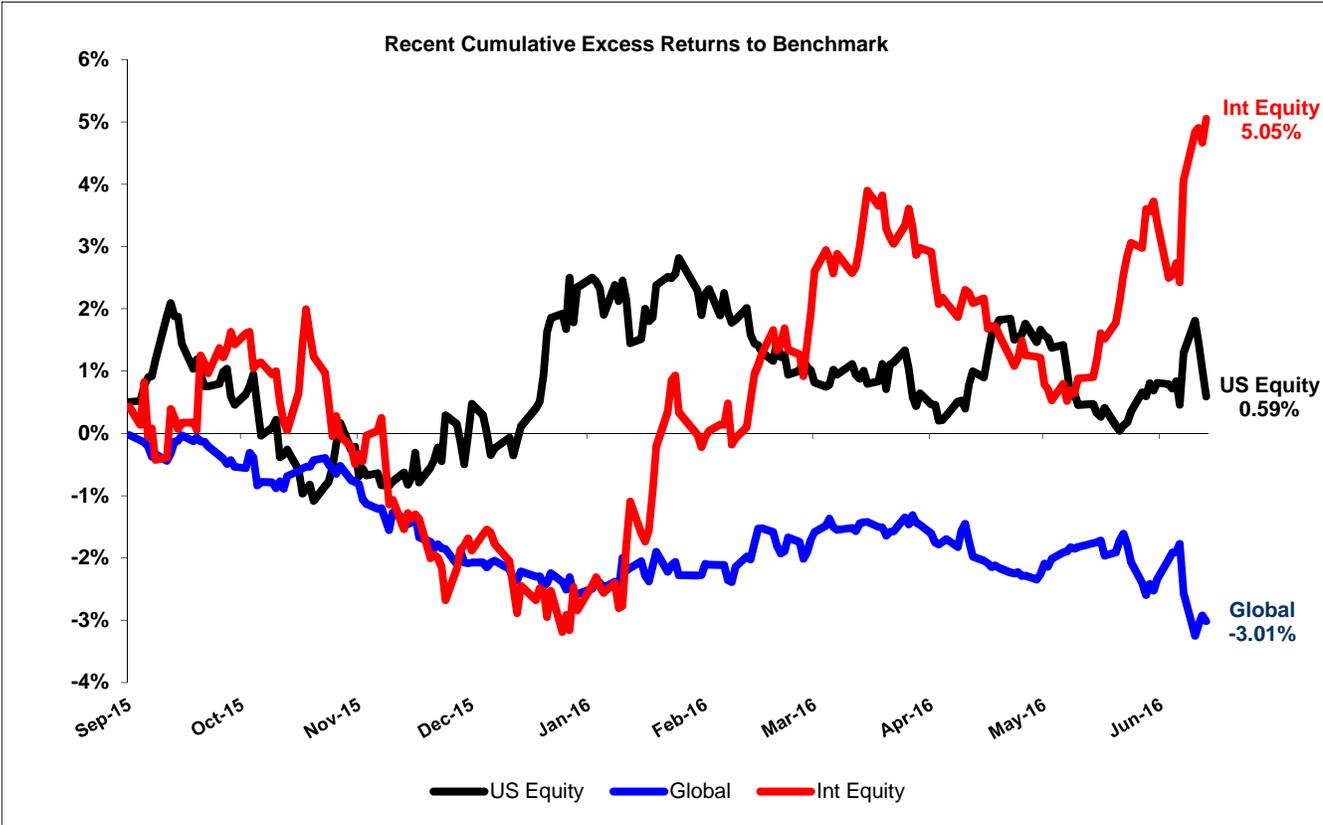
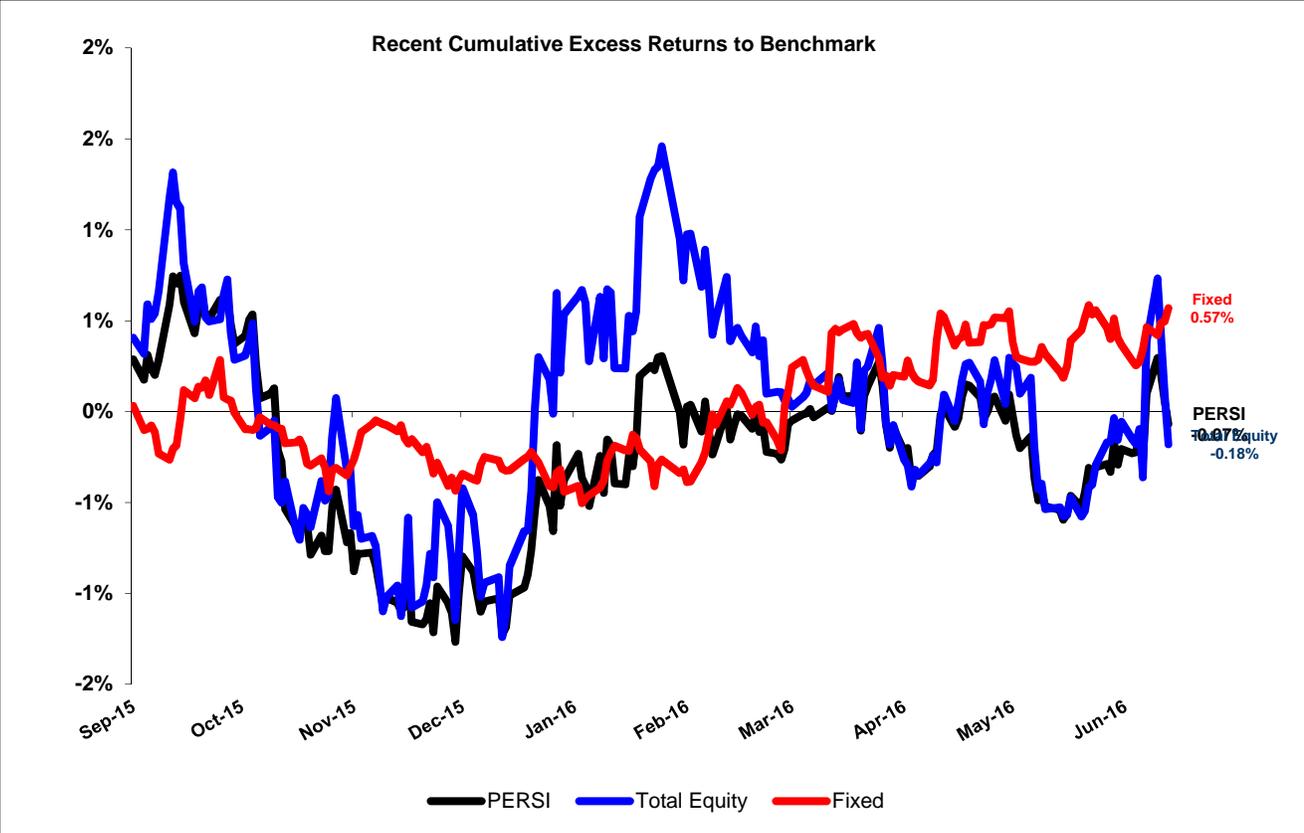
Cumulative Impact of Major Policies on Total Fund Interactive not allocated



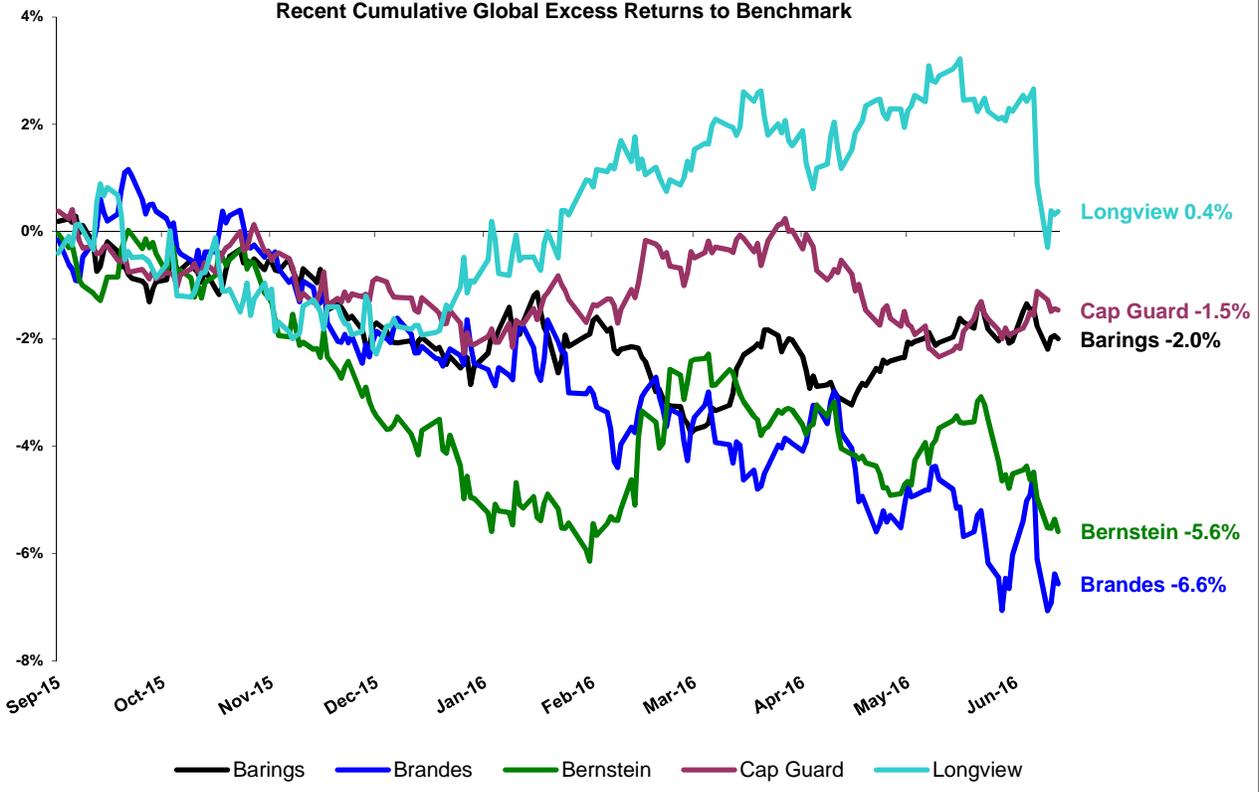




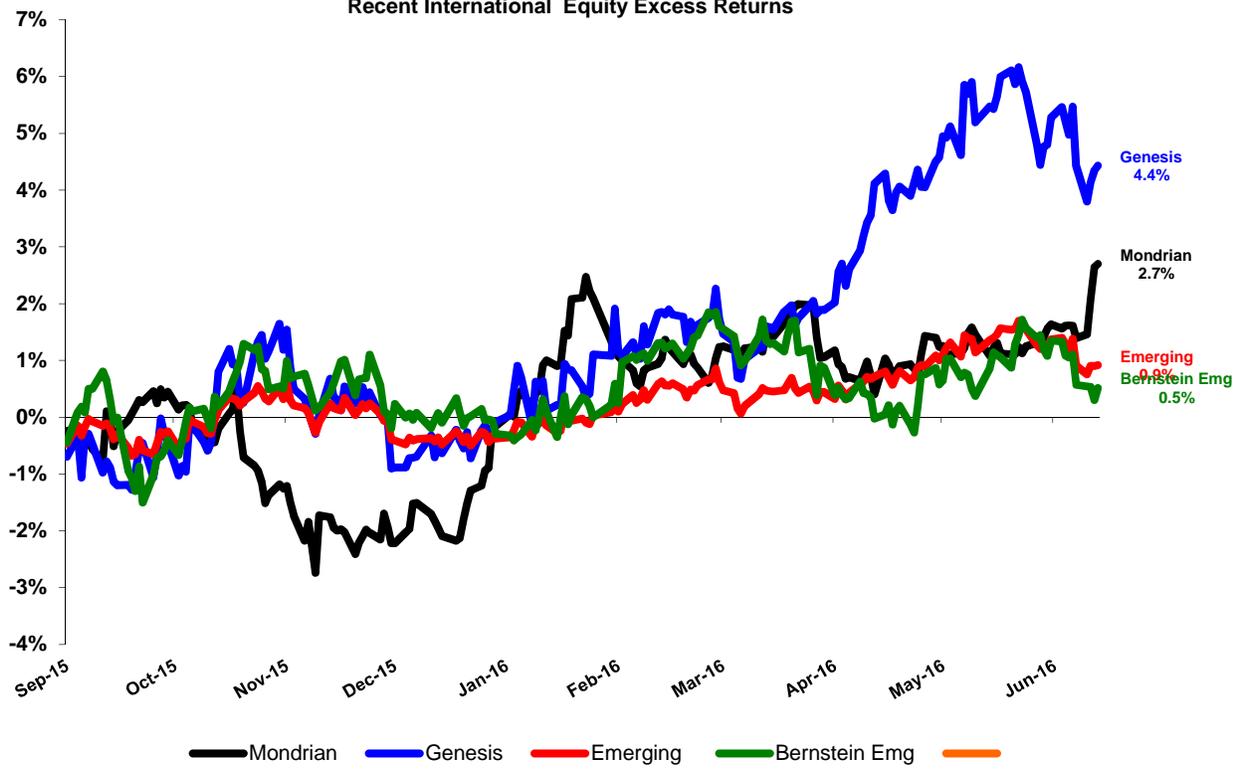




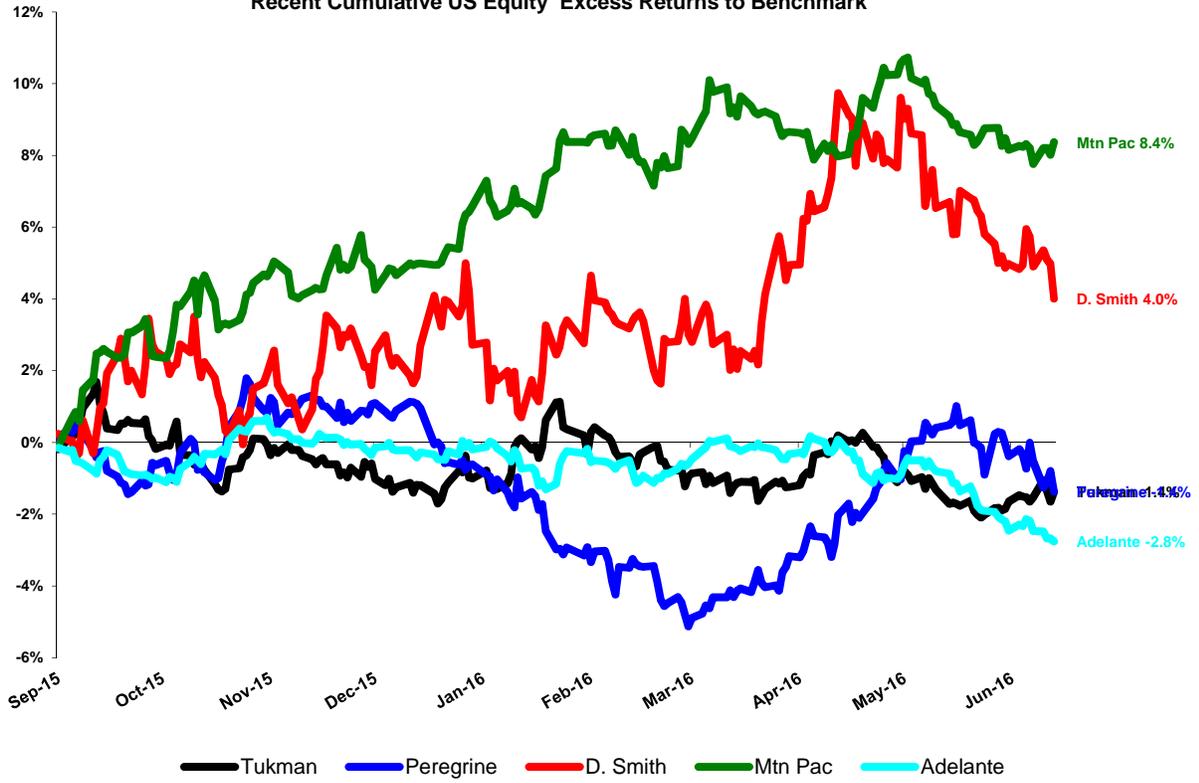
Recent Cumulative Global Excess Returns to Benchmark



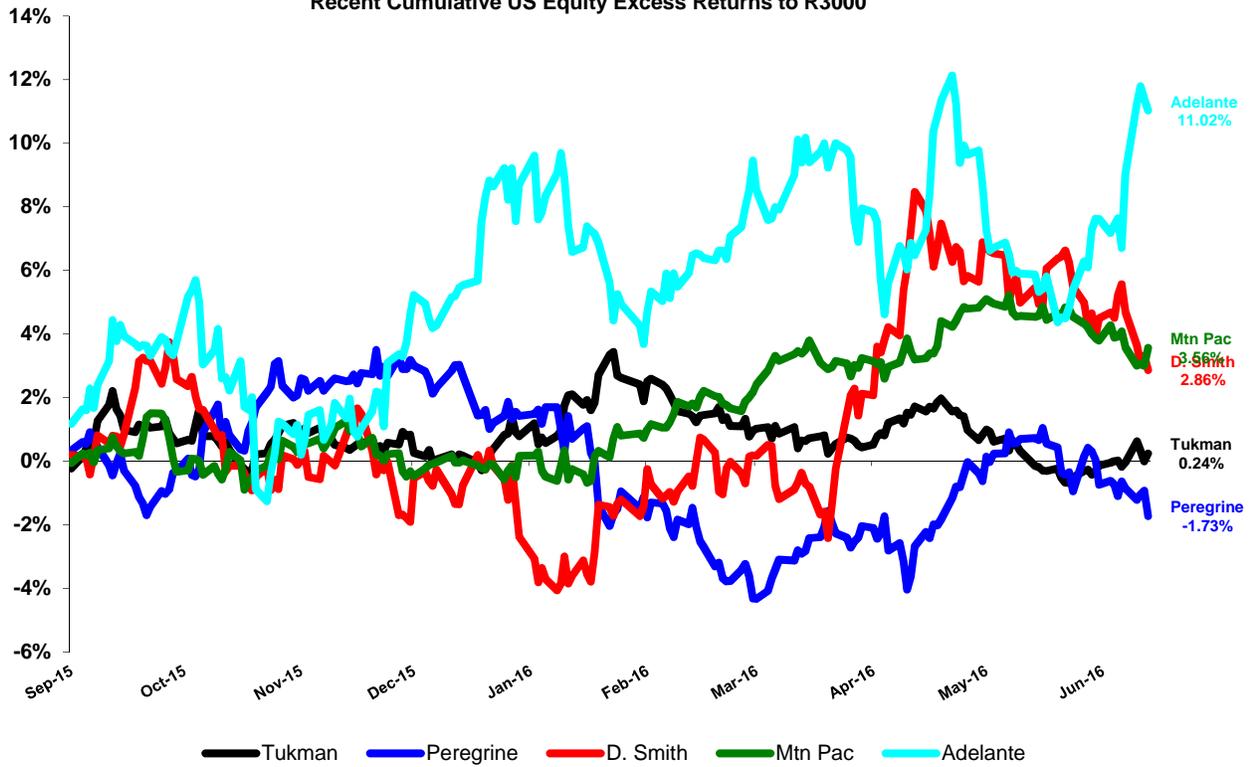
Recent International Equity Excess Returns



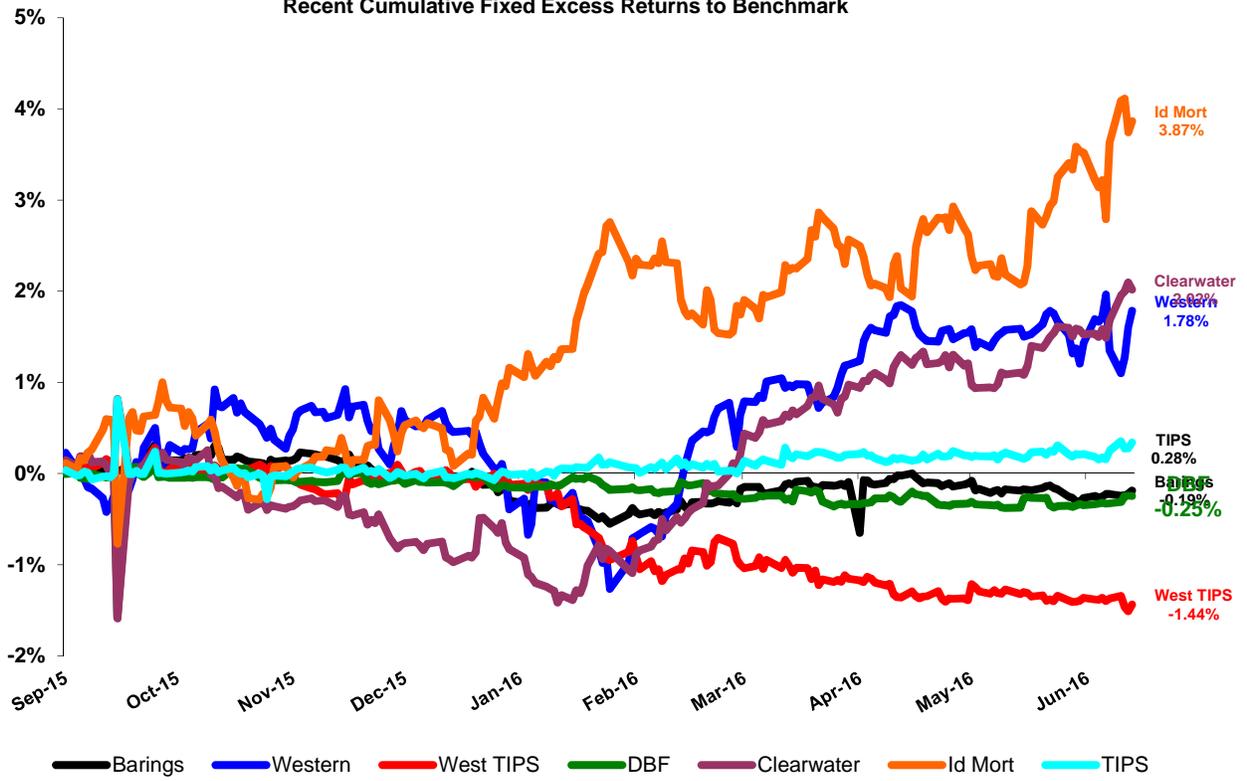
Recent Cumulative US Equity Excess Returns to Benchmark



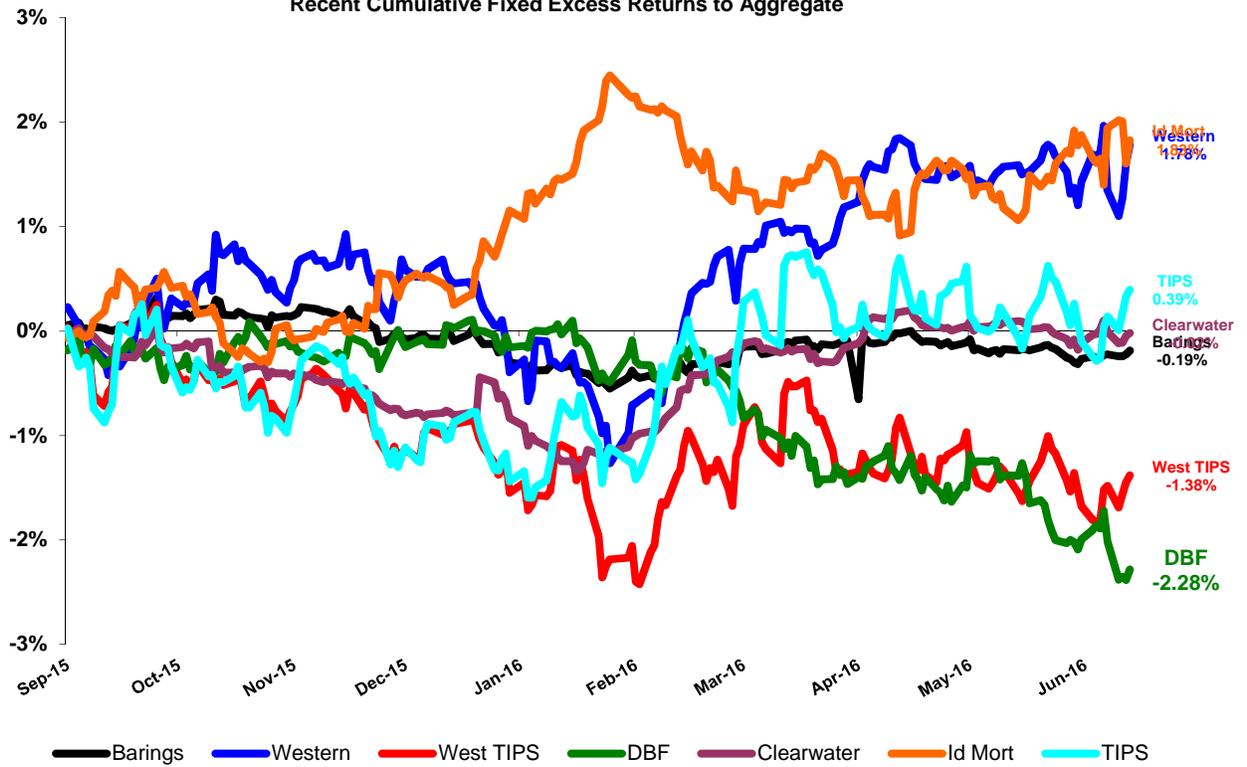
Recent Cumulative US Equity Excess Returns to R3000



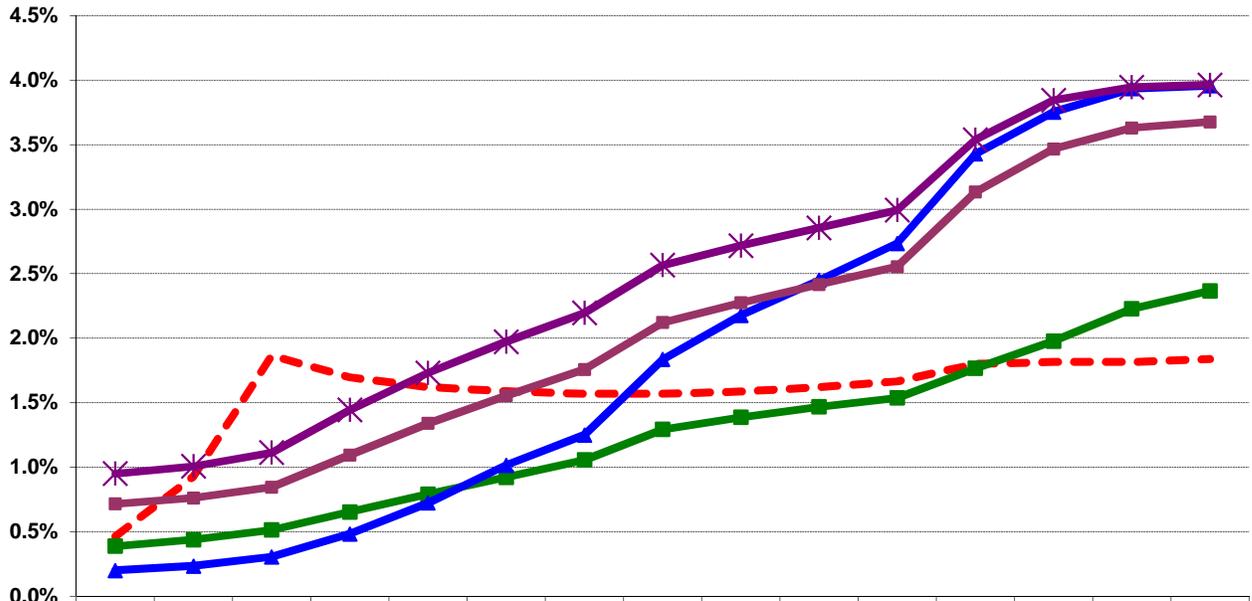
Recent Cumulative Fixed Excess Returns to Benchmark



Recent Cumulative Fixed Excess Returns to Aggregate

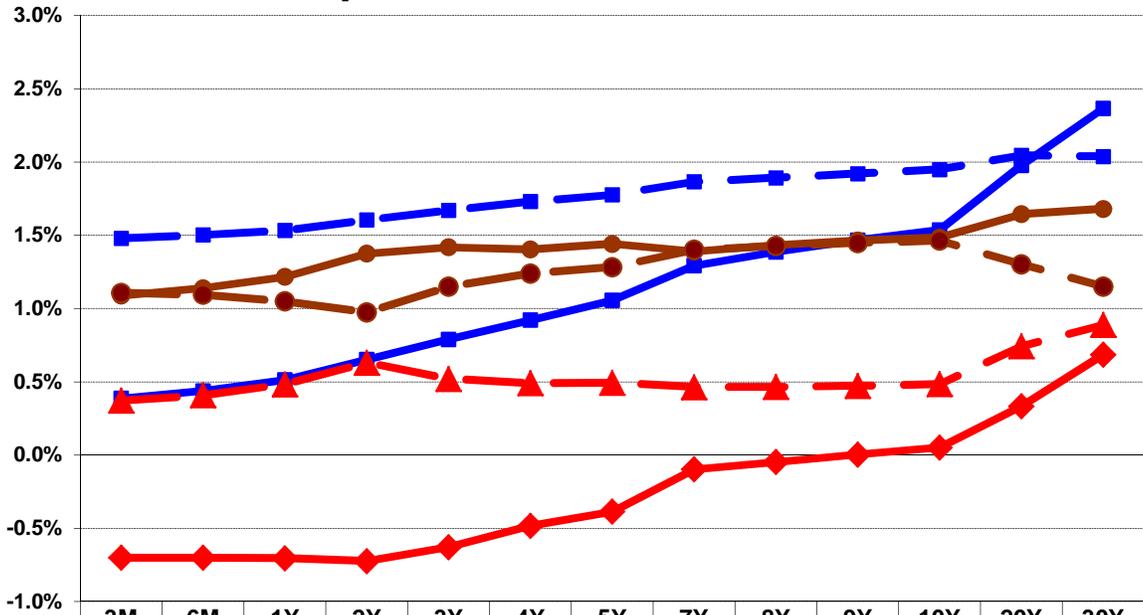


Expected Inflation and Current Yield Curves



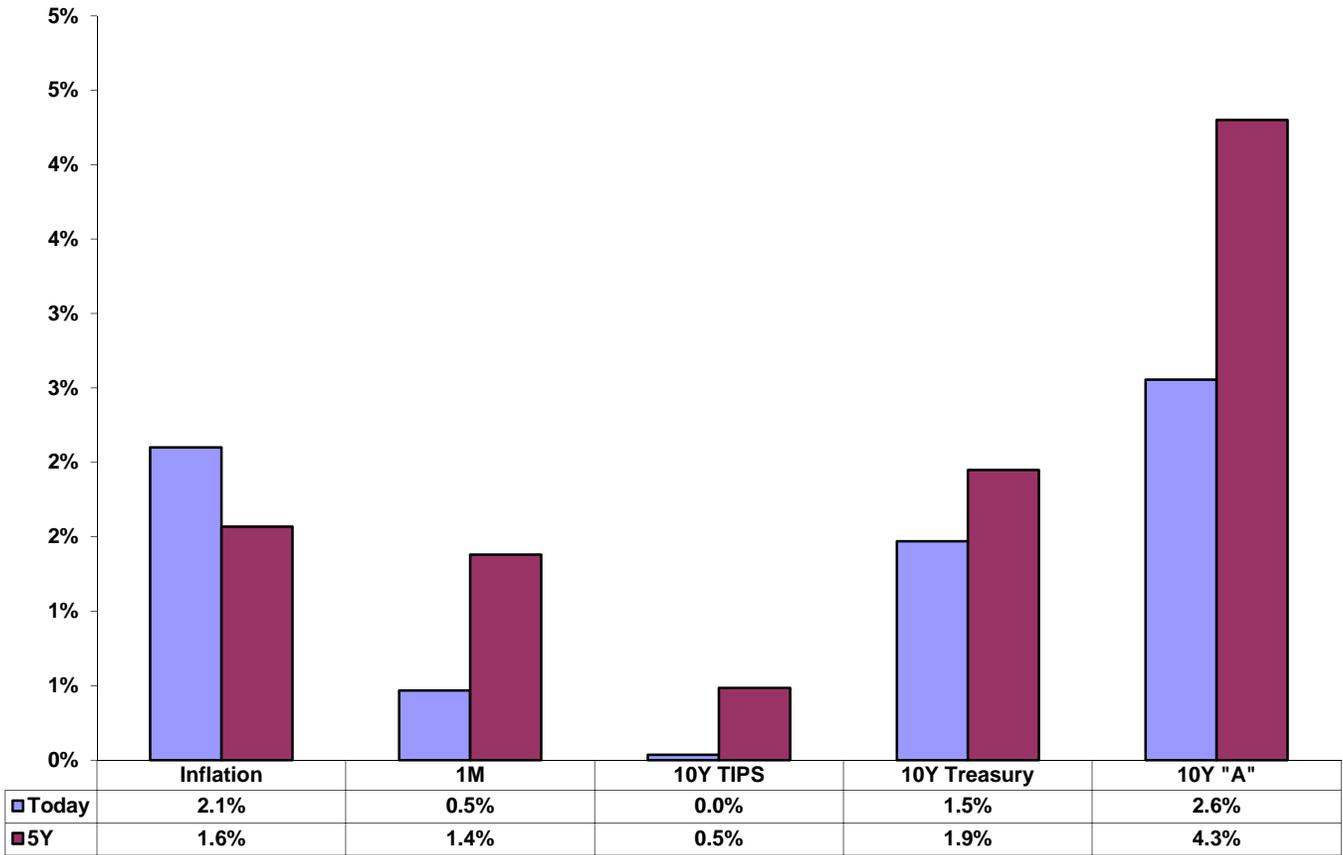
| | 3M | 6M | 1Y | 2Y | 3Y | 4Y | 5Y | 7Y | 8Y | 9Y | 10Y | 15Y | 20Y | 25Y | 30Y |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| - - - Inflation | 0.5% | 0.9% | 1.9% | 1.7% | 1.6% | 1.6% | 1.6% | 1.6% | 1.6% | 1.6% | 1.7% | 1.8% | 1.8% | 1.8% | 1.8% |
| —■— Treasury | 0.4% | 0.4% | 0.5% | 0.7% | 0.8% | 0.9% | 1.1% | 1.3% | 1.4% | 1.5% | 1.5% | 1.8% | 2.0% | 2.2% | 2.4% |
| —▲— AAA | 0.2% | 0.2% | 0.3% | 0.5% | 0.7% | 1.0% | 1.2% | 1.8% | 2.2% | 2.4% | 2.7% | 3.4% | 3.8% | 3.9% | 4.0% |
| —■— A | 0.7% | 0.8% | 0.8% | 1.1% | 1.3% | 1.6% | 1.8% | 2.1% | 2.3% | 2.4% | 2.6% | 3.1% | 3.5% | 3.6% | 3.7% |
| —*— BBB | 0.9% | 1.0% | 1.1% | 1.4% | 1.7% | 2.0% | 2.2% | 2.6% | 2.7% | 2.9% | 3.0% | 3.5% | 3.8% | 3.9% | 4.0% |

Current and Expected Yield Curves in 5 Yrs

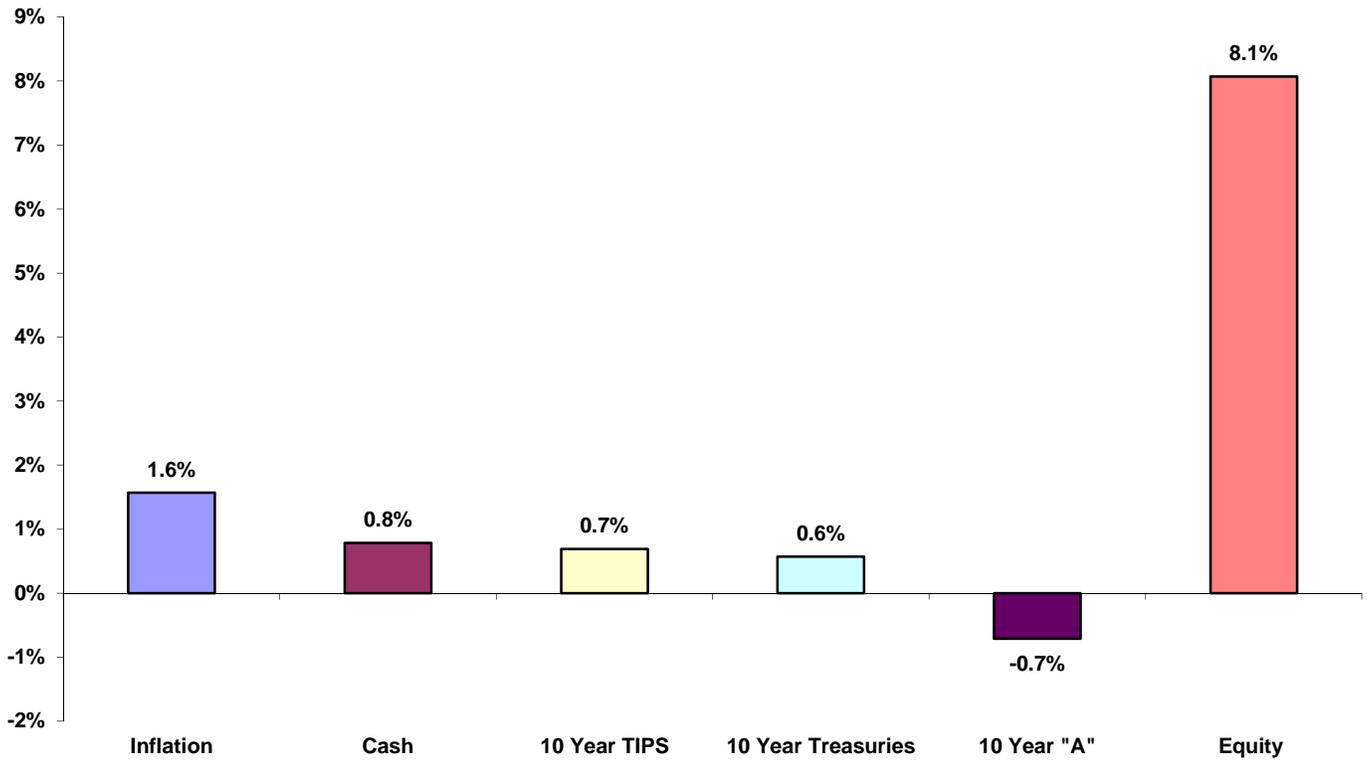


| | 3M | 6M | 1Y | 2Y | 3Y | 4Y | 5Y | 7Y | 8Y | 9Y | 10Y | 20Y | 30Y |
|--|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|
| —◆— Current TIPS | -0.7% | -0.7% | -0.7% | -0.7% | -0.6% | -0.5% | -0.4% | -0.1% | 0.0% | 0.0% | 0.1% | 0.3% | 0.7% |
| —■— Current Treasury | 0.4% | 0.4% | 0.5% | 0.7% | 0.8% | 0.9% | 1.1% | 1.3% | 1.4% | 1.5% | 1.5% | 2.0% | 2.4% |
| —▲— TIPS in 5 | 0.4% | 0.4% | 0.5% | 0.6% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.7% | 0.9% |
| —■— Treasury in 5 | 1.5% | 1.5% | 1.5% | 1.6% | 1.7% | 1.7% | 1.8% | 1.9% | 1.9% | 1.9% | 1.9% | 2.0% | 2.0% |
| —●— Current Breakever | 1.1% | 1.1% | 1.2% | 1.4% | 1.4% | 1.4% | 1.4% | 1.4% | 1.4% | 1.5% | 1.5% | 1.6% | 1.7% |
| —●— Breakeven in 5 | 1.1% | 1.1% | 1.0% | 1.0% | 1.1% | 1.2% | 1.3% | 1.4% | 1.4% | 1.4% | 1.5% | 1.3% | 1.1% |

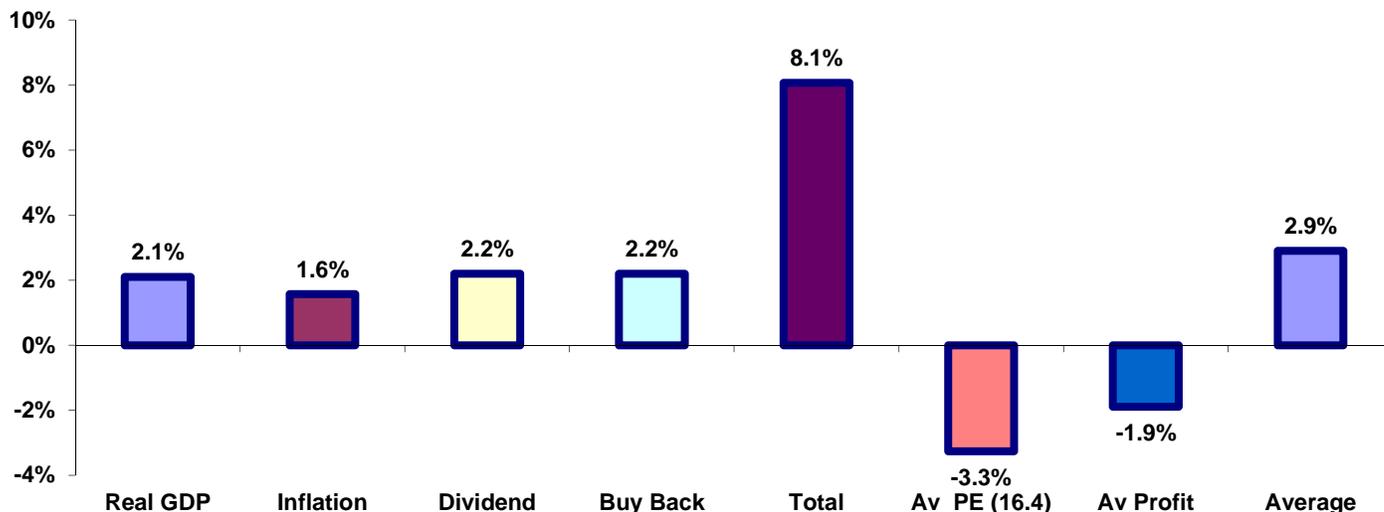
Market Asset Levels



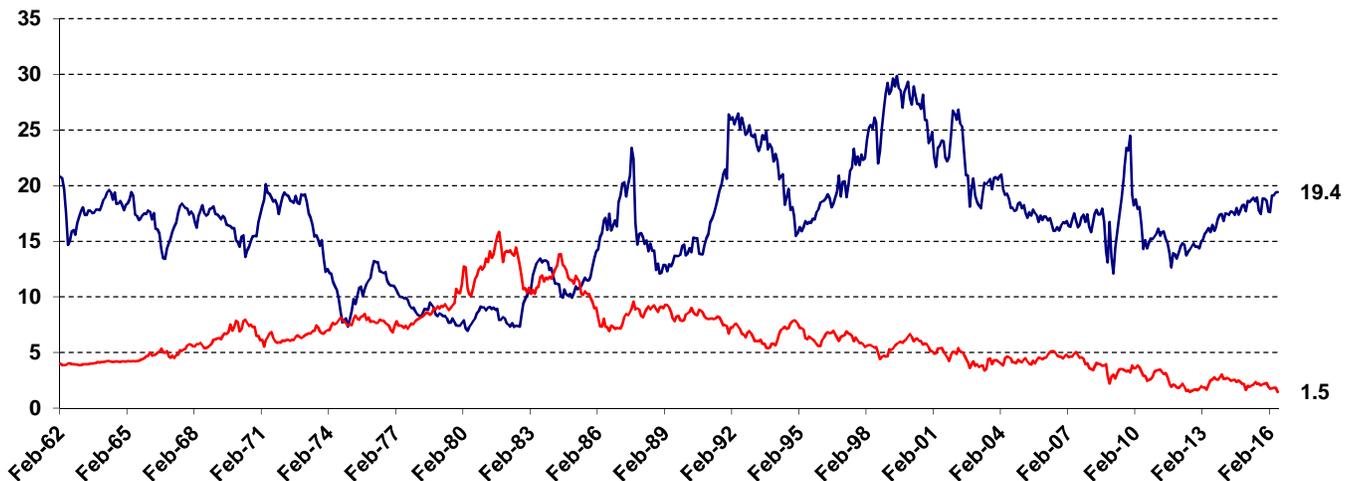
5 Year Expected Returns to Assets (Annualized)



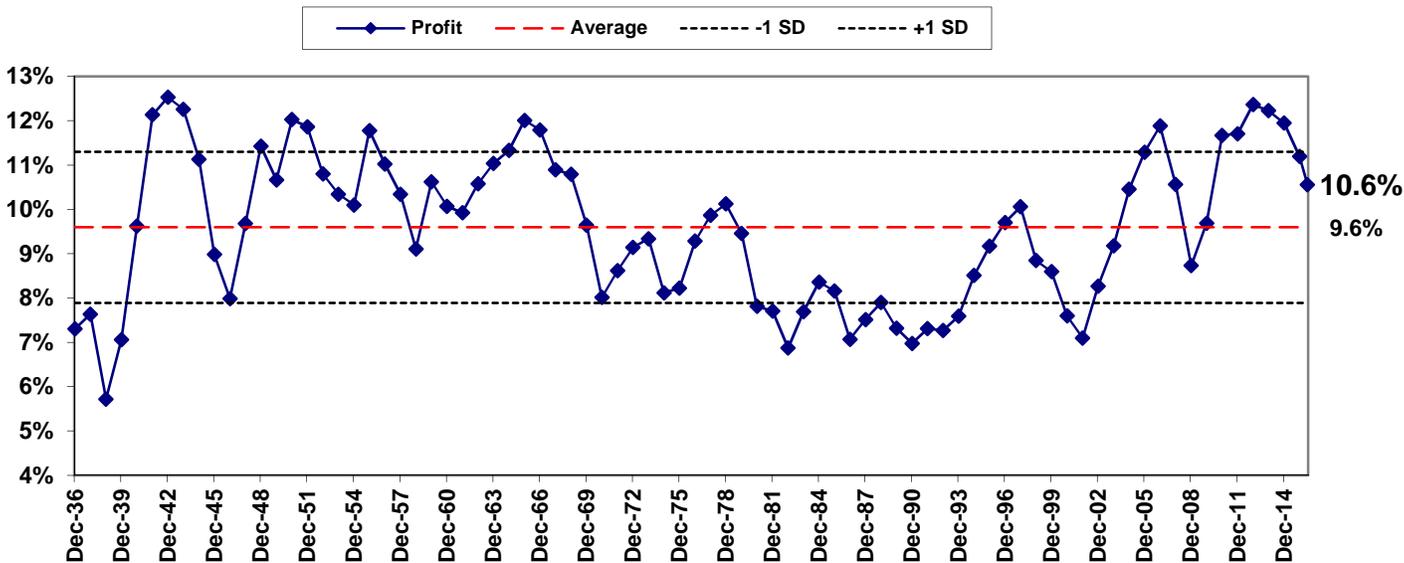
Expected 10 Year Stock Return and Sources (Trailing P/E and Corp Profit Share of GDP)



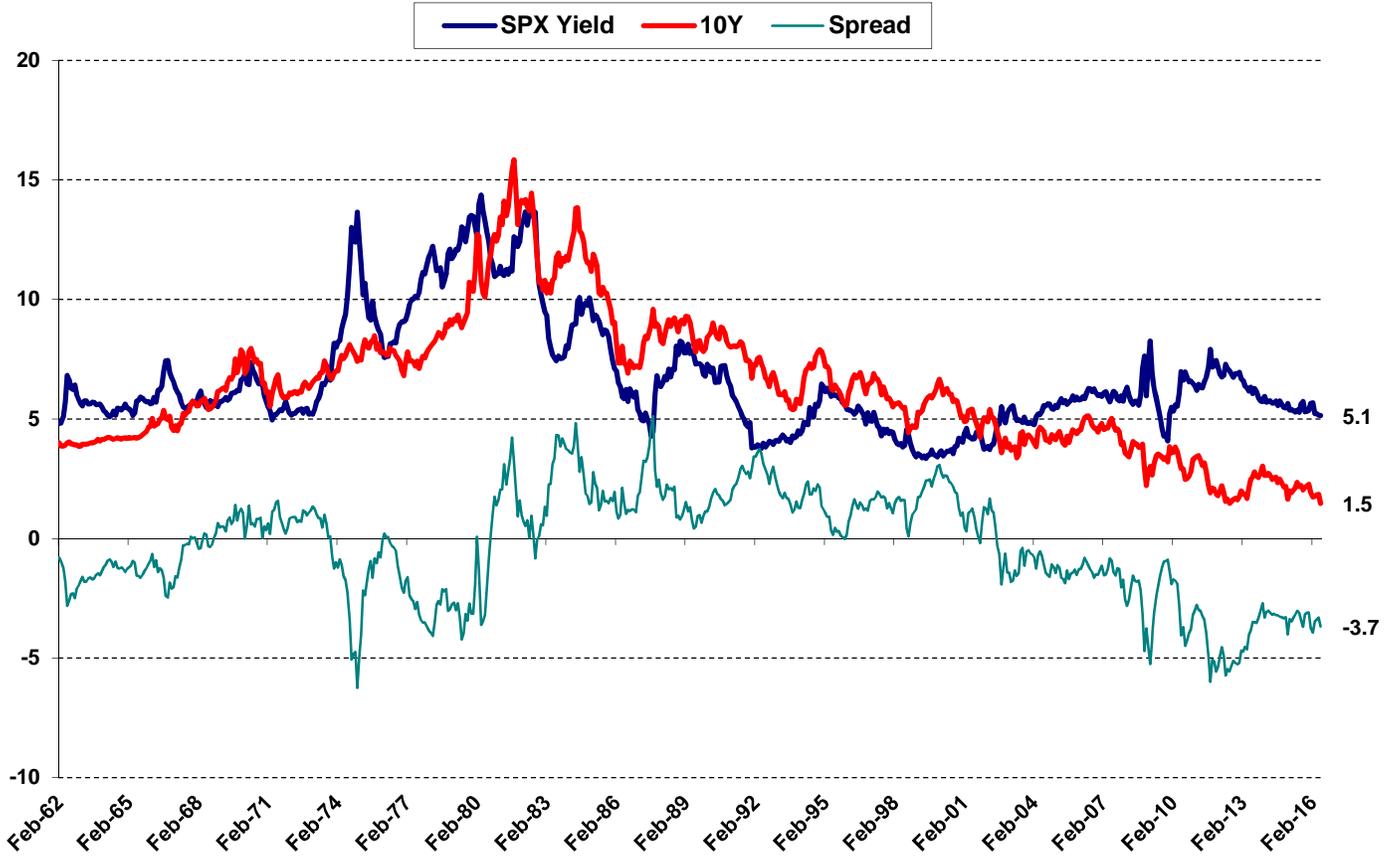
S&P 500 Trailing PE, and 10Y Yield (Average 16.4, 6.3)



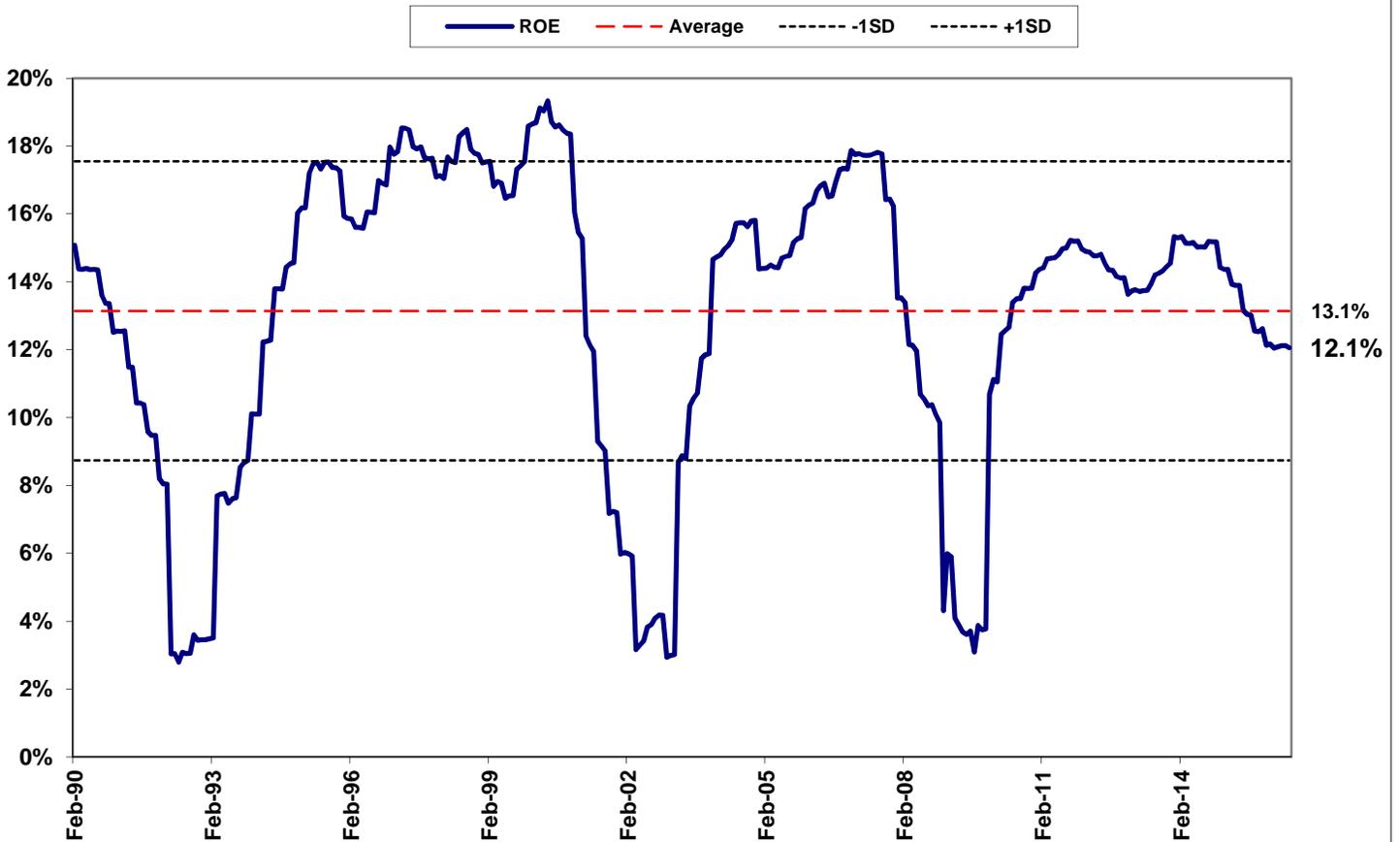
Corp Profits as % of GDP



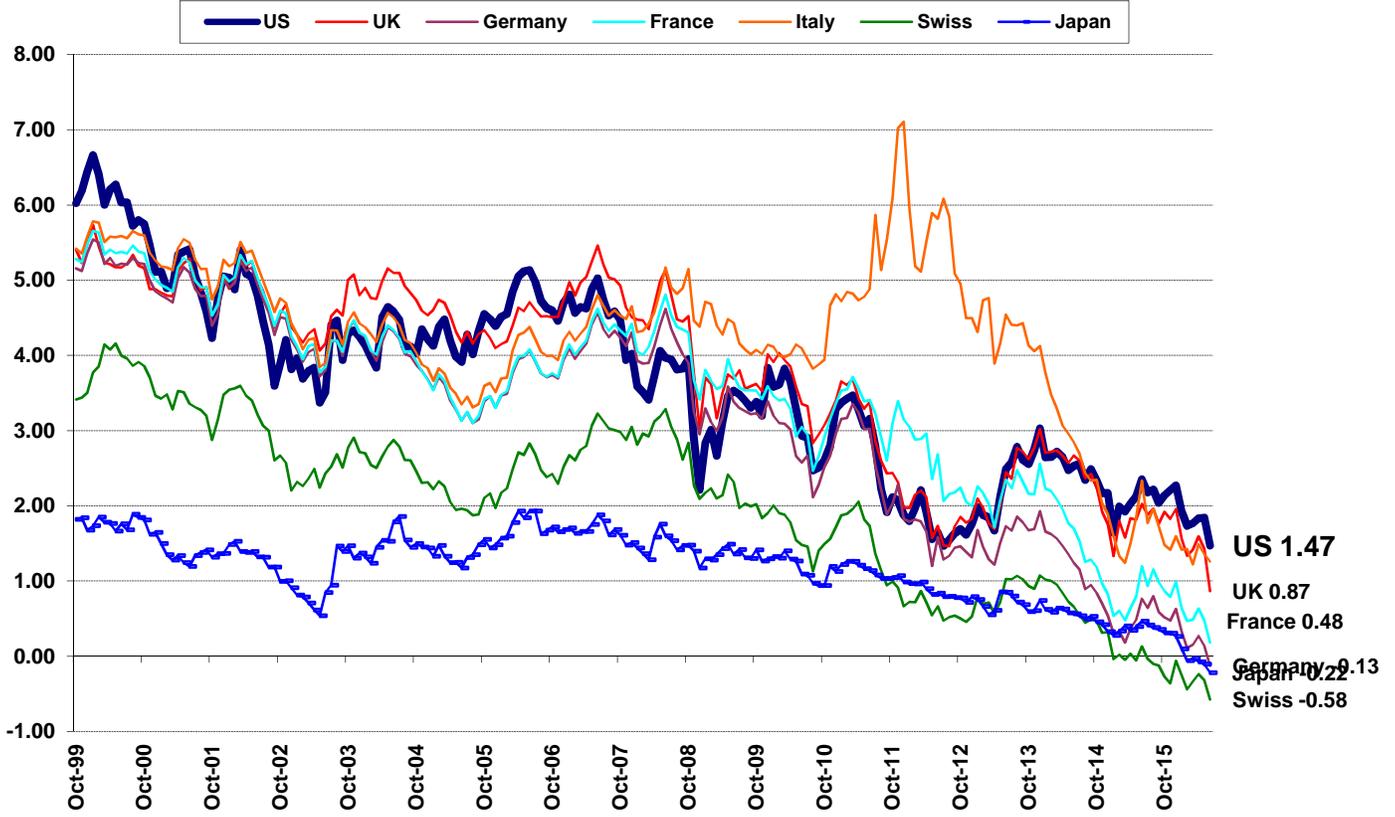
S&P 500 Earn Yield, 10Y Yield, and Yield Spread (Average 6.7, 6.3, -0.3)



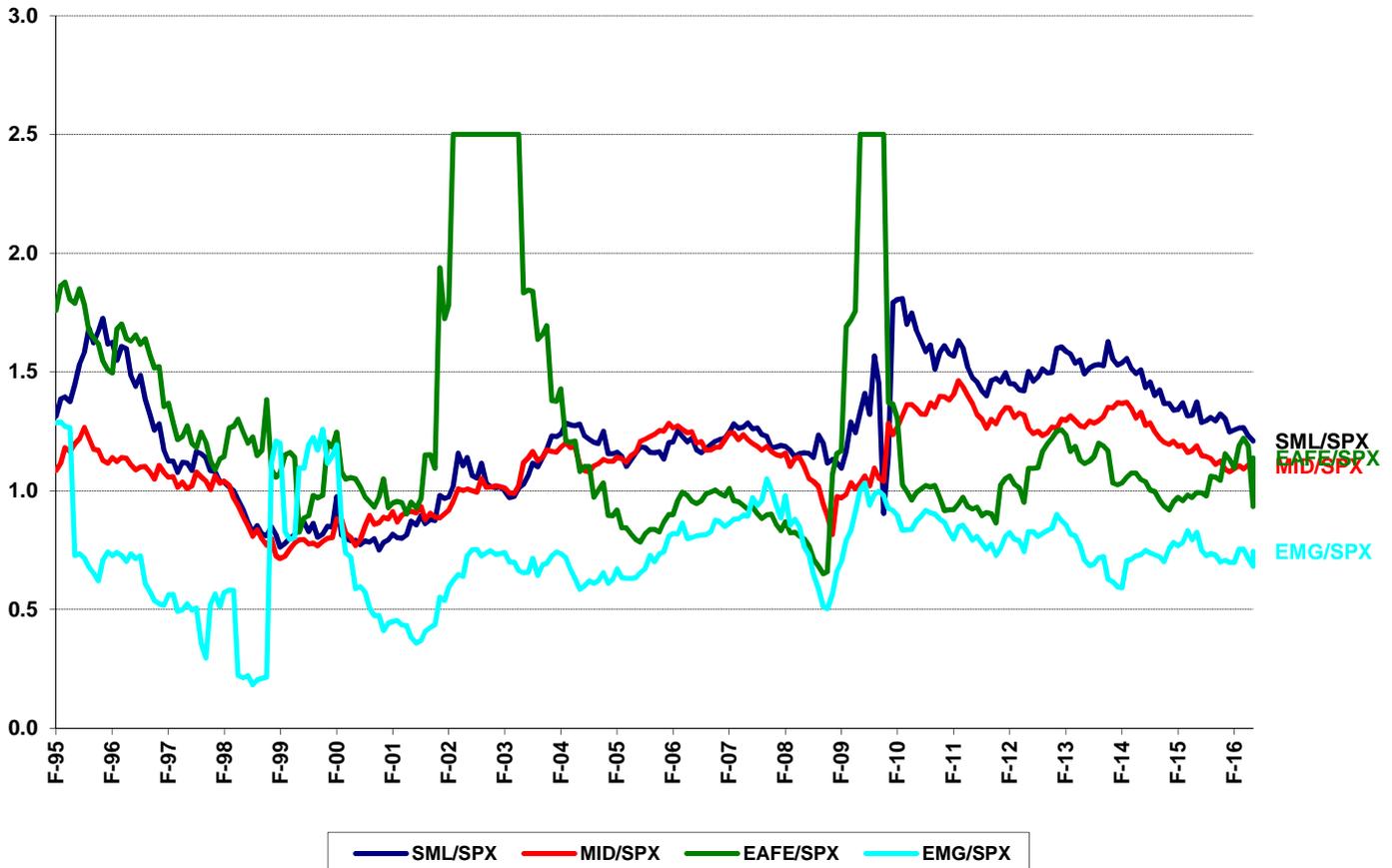
SPX Return on Common Equity



10YR Bond Yields



PE RATIO RATIOS (First is more overpriced the higher the ratio)



PERSI RETURNS

3/31/2016

| | Month Ending | 3 Month Ending | Fiscal Year Ending | Cal Year Ending | 1 Year Ending | 2 Years Ending | 3 Years Ending | 4 Years Ending | 5 Years Ending | 7 Years Ending | 10 Years Ending |
|---------------------------------------|-----------------|-------------------|--------------------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| TOTAL ACCOUNT | 5.3% | 2.3% | 0.2% | 2.3% | 0.0% | 4.0% | 6.4% | 6.8% | 6.4% | 10.7% | 5.7% |
| <i>55-15-30 Policy (No Rebalance)</i> | 5.1% | 1.0% | 0.0% | 1.0% | -0.8% | 3.7% | 7.3% | 8.2% | 7.6% | 12.3% | 5.6% |
| US EQUITY | 5.7% | 1.7% | 3.6% | 1.7% | 3.1% | 8.2% | 11.5% | 11.2% | 10.5% | 13.3% | 6.9% |
| <i>R3000</i> | 7.0% | 1.0% | -0.5% | 1.0% | -0.3% | 5.8% | 11.2% | 12.0% | 11.0% | 17.1% | 6.9% |
| GLOBAL EQUITY | 7.6% | 0.6% | -5.5% | 0.6% | -4.0% | 1.4% | 7.3% | 7.8% | 5.6% | 13.0% | 3.9% |
| <i>MSCI World</i> | 6.9% | -0.2% | -3.4% | -0.2% | -2.9% | 1.7% | 7.4% | 8.7% | 7.1% | 13.8% | 4.9% |
| INTERNATIONAL | 10.3% | 3.1% | -10.4% | 3.1% | -9.5% | -5.1% | -0.8% | 0.6% | -0.8% | 10.0% | 2.8% |
| <i>MSCI EAFE</i> | 6.6% | -2.9% | -8.6% | -2.9% | -7.9% | -4.2% | 2.7% | 4.9% | 2.8% | 10.2% | 2.3% |
| FIXED INCOME | 1.3% | 3.9% | 3.8% | 3.9% | 2.2% | 3.7% | 1.3% | 2.4% | 4.2% | 5.1% | 5.4% |
| <i>Barclays Aggregate</i> | 0.9% | 3.0% | 3.8% | 3.0% | 2.0% | 3.8% | 2.5% | 2.8% | 3.8% | 4.5% | 4.9% |
| US EQUITY | | | | | | | | | | | |
| Mellon R3000 Index | 7.0% | 1.0% | -0.5% | 1.0% | -0.3% | 5.7% | 11.1% | 11.9% | 10.9% | 17.0% | 7.2% |
| <i>Russell 3000</i> | 7.0% | 1.0% | -0.5% | 1.0% | -0.3% | 5.8% | 11.2% | 12.0% | 11.0% | 17.1% | 6.9% |
| Tukman | 6.1% | 1.4% | -1.6% | 1.4% | -1.0% | 4.8% | 9.3% | 11.3% | 10.8% | 14.7% | 7.4% |
| <i>S&P 500</i> | 6.8% | 1.4% | 1.5% | 1.4% | 1.8% | 7.1% | 11.8% | 12.4% | 11.6% | 17.0% | 7.0% |
| Peregrine | 6.3% | -4.3% | 2.7% | -4.3% | 5.9% | 11.8% | 14.4% | 11.9% | 12.4% | 16.7% | 7.2% |
| <i>S&P 500 Growth</i> | 6.7% | 0.5% | 3.2% | 0.5% | 3.5% | 9.6% | 14.0% | 13.4% | 13.1% | 17.7% | 8.5% |
| Mountain Pacific | 8.7% | 4.4% | 5.2% | 4.4% | 6.1% | 9.3% | 14.1% | 14.7% | 13.5% | 18.9% | 9.6% |
| <i>S&P 400</i> | 8.5% | 3.8% | -2.6% | 3.8% | -3.6% | 4.0% | 9.5% | 11.5% | 9.5% | 18.5% | 7.8% |
| Donald Smith | 6.8% | 1.0% | -5.0% | 1.0% | -7.9% | -3.7% | 5.8% | 8.7% | 7.1% | 15.9% | 7.1% |
| <i>R3000</i> | 7.0% | 1.0% | -0.5% | 1.0% | -0.3% | 5.8% | 11.2% | 12.0% | 11.0% | 17.1% | 6.9% |

GLOBAL EQUITY

| | Month Ending | Quarter Ending | Fiscal Year | Cal Year Ending | 1 Year Ending | 2 Years Ending | 3 Years Ending | 4 Years Ending | 5 Years Ending | 7 Years Ending | 10 Years Ending |
|-------------------------|-----------------|-------------------|----------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Barings Global | 6.7% | -0.7% | -6.4% | -0.7% | -4.3% | 2.6% | 6.2% | 6.6% | 5.2% | 12.3% | 5.7% |
| <i>MSCI World</i> | 6.9% | -0.2% | -3.4% | -0.2% | -2.9% | 1.7% | 7.4% | 8.7% | 7.1% | 13.8% | 4.9% |
| Bernstein Global | 9.0% | 0.5% | -8.5% | 0.5% | -6.9% | -0.1% | 9.0% | 9.0% | 4.9% | 12.7% | 1.4% |
| <i>MSCI World</i> | 6.9% | -0.2% | -3.4% | -0.2% | -2.9% | 1.7% | 7.4% | 8.7% | 7.1% | 13.8% | 4.9% |
| Brandes | 6.8% | -2.1% | -7.8% | -2.1% | -6.7% | -2.3% | 6.2% | 7.5% | 5.7% | 11.9% | 2.6% |
| <i>MSCI World</i> | 6.9% | -0.2% | -3.4% | -0.2% | -2.9% | 1.7% | 7.4% | 8.7% | 7.1% | 13.8% | 4.9% |
| Capital Guardian | 8.0% | 1.0% | -4.6% | 1.0% | -3.9% | 1.9% | 6.7% | 8.6% | 6.6% | 12.7% | 4.3% |
| <i>MSCI World</i> | 6.9% | -0.2% | -3.4% | -0.2% | -2.9% | 1.7% | 7.4% | 8.7% | 7.1% | 13.8% | 4.9% |
| Longview | 7.4% | 3.7% | -0.6% | 3.7% | 1.3% | 8.0% | 14.3% | 15.1% | | | |
| <i>MSCI World</i> | 6.9% | -0.2% | -3.4% | -0.2% | -2.9% | 1.7% | 7.4% | 8.7% | 7.1% | 13.8% | 4.9% |

INTERNATIONAL EQUITY

| | | | | | | | | | | | |
|---------------------------|-------|-------|--------|-------|--------|-------|-------|-------|-------|-------|------|
| MCM EAFE Index | 6.7% | -2.9% | -8.7% | -2.9% | -8.0% | -4.3% | 2.5% | 4.8% | 2.7% | 10.0% | 2.1% |
| <i>MSCI EAFE</i> | 6.6% | -2.9% | -8.6% | -2.9% | -7.9% | -4.2% | 2.7% | 4.9% | 2.8% | 10.2% | 2.3% |
| Mondrian | 7.0% | 0.7% | -7.1% | 0.7% | -7.0% | -3.5% | 4.7% | 5.3% | 4.1% | 10.0% | 3.4% |
| <i>MSCI EAFE</i> | 6.6% | -2.9% | -8.6% | -2.9% | -7.9% | -4.2% | 2.7% | 4.9% | 2.8% | 10.2% | 2.3% |
| Genesis Emg. | 12.7% | 8.1% | -9.5% | 8.1% | -8.7% | -7.5% | -4.9% | -2.2% | -2.4% | 11.4% | 4.8% |
| <i>MSCI Emerging Mkt</i> | 13.3% | 5.8% | -12.4% | 5.8% | -11.7% | -5.7% | -4.2% | -2.6% | -3.8% | 8.6% | 3.3% |
| Bernstein Emg. | 13.1% | 7.2% | -14.5% | 7.2% | -11.6% | -4.3% | -3.9% | -3.9% | -5.7% | 8.3% | 1.4% |
| <i>MSCI Emerging Mkt</i> | 13.3% | 5.8% | -12.4% | 5.8% | -11.7% | -5.7% | -4.2% | -2.6% | -3.8% | 8.6% | 3.3% |
| MCM Emerging Index | 13.2% | 5.8% | -12.6% | 5.8% | -12.0% | -6.0% | -4.5% | | | | |
| <i>MSCI Emerging Mkt</i> | 13.3% | 5.8% | -12.4% | 5.8% | -11.7% | -5.7% | -4.2% | -2.6% | -3.8% | 8.6% | 3.3% |

FIXED INCOME

| | Month Ending | Quarter Ending | Fiscal Year | Cal Year Ending | 1 Year Ending | 2 Years Ending | 3 Years Ending | 4 Years Ending | 5 Years Ending | 7 Years Ending | 10 Years Ending |
|----------------------------|-----------------|-------------------|----------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| State Street Index | 1.2% | 3.6% | 4.0% | 3.6% | 1.9% | 3.9% | 2.5% | 3.0% | 4.1% | 4.9% | 5.1% |
| <i>Barclays Gov/Credit</i> | 1.2% | 3.5% | 3.9% | 3.5% | 1.8% | 3.8% | 2.4% | 3.0% | 4.0% | 4.7% | 4.9% |
| Barings | 1.2% | 3.0% | 3.7% | 3.0% | 1.7% | 3.5% | 2.4% | 2.8% | 3.9% | 4.8% | 5.0% |
| <i>Barclays Aggregate</i> | 0.9% | 3.0% | 3.8% | 3.0% | 2.0% | 3.8% | 2.5% | 2.8% | 3.8% | 4.5% | 4.9% |
| Western | 2.2% | 3.6% | 4.9% | 3.6% | 2.9% | 4.8% | 3.8% | 4.6% | 5.6% | 9.3% | 6.4% |
| <i>Barclays Aggregate</i> | 0.9% | 3.0% | 3.8% | 3.0% | 2.0% | 3.8% | 2.5% | 2.8% | 3.8% | 4.5% | 4.9% |
| Clearwater | 1.5% | 3.7% | 3.5% | 3.7% | 1.7% | 3.8% | 2.8% | 2.3% | 3.0% | 3.6% | 4.6% |
| <i>Barclays Aggregate</i> | 0.9% | 3.0% | 3.8% | 3.0% | 2.0% | 3.8% | 2.5% | 2.8% | 3.8% | 4.5% | 4.9% |
| DBF MBS | 0.2% | 1.8% | 2.7% | 1.8% | 1.8% | 3.7% | 2.5% | 2.4% | 3.1% | 3.5% | 4.6% |
| <i>Barclays Mortgage</i> | 0.3% | 2.0% | 3.8% | 2.0% | 2.4% | 4.0% | 2.7% | 2.5% | 3.2% | 3.7% | 4.9% |
| Idaho Mortgages | 0.2% | 4.1% | 6.6% | 4.1% | 5.5% | 6.8% | 4.2% | 4.3% | 5.3% | 5.3% | 7.1% |
| <i>Barclays Mortgage</i> | 0.3% | 2.0% | 3.8% | 2.0% | 2.4% | 4.0% | 2.7% | 2.5% | 3.2% | 3.7% | 4.9% |
| TIPS | 1.8% | 4.7% | 2.7% | 4.7% | 1.4% | 2.5% | -0.7% | 1.6% | 5.0% | 5.6% | 5.7% |
| <i>Barclays TIPS</i> | 1.8% | 4.5% | 2.6% | 4.5% | 1.5% | 2.3% | -0.7% | 0.9% | 3.0% | 4.2% | |
| Western - TIPS | 1.8% | 3.4% | 1.1% | 3.4% | -0.2% | 1.2% | -1.4% | 0.3% | 2.5% | 4.0% | |
| <i>Barclays TIPS</i> | 1.8% | 4.5% | 2.6% | 4.5% | 1.5% | 2.3% | -0.7% | 0.9% | 3.0% | 4.2% | |

REAL ESTATE

| | | | | | | | | | | | |
|-------------------|-------|------|-------|------|-------|-------|-------|-------|-------|-------|-------|
| PERSI Real Estate | 6.2% | 5.5% | 16.2% | 5.5% | 10.8% | 17.4% | 13.9% | 9.0% | 9.3% | 6.8% | 4.0% |
| <i>NCREIF</i> | 1.0% | 2.9% | 9.4% | 2.9% | 13.3% | 12.6% | 12.0% | 11.7% | 12.2% | 7.6% | 7.8% |
| Adelante | 10.8% | 5.2% | 17.4% | 5.2% | 6.9% | 17.6% | 14.9% | 13.7% | 14.5% | 26.0% | 6.4% |
| <i>MSCI REIT</i> | 10.4% | 6.3% | 16.5% | 6.3% | 4.1% | 13.7% | 10.5% | 11.6% | 11.9% | 24.3% | 6.5% |
| Koll | | 6.6% | 17.1% | 6.6% | 25.0% | 20.9% | 10.4% | -1.3% | -1.6% | -7.0% | -3.4% |
| <i>NCREIF</i> | 1.0% | 2.9% | 9.4% | 2.9% | 13.3% | 12.6% | 12.0% | 11.7% | 12.2% | 7.6% | 7.8% |
| Prudential | 1.0% | 4.2% | 12.9% | 4.2% | 16.5% | 15.0% | 14.9% | 13.6% | 14.7% | 6.4% | 6.3% |
| <i>NCREIF</i> | 1.0% | 2.9% | 9.4% | 2.9% | 13.3% | 12.6% | 12.0% | 11.7% | 12.2% | 7.6% | 7.8% |
| Olympic | 1.2% | 0.8% | 9.2% | 0.8% | 2.4% | 11.9% | 15.4% | 18.6% | 21.9% | 5.9% | 6.1% |
| <i>NCREIF</i> | 1.0% | 2.9% | 9.4% | 2.9% | 13.3% | 12.6% | 12.0% | 11.7% | 12.2% | 7.6% | 7.8% |

PRIVATE EQUITY

(Time weighted)

| | Month Ending | Quarter Ending | Fiscal Year | Cal Year Ending | 1 Year Ending | 2 Years Ending | 3 Years Ending | 4 Years Ending | 5 Years Ending | 7 Years Ending | 10 Years Ending |
|----------------------|-----------------|-------------------|----------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| PERSI Private Equity | 0.3% | 0.4% | 2.3% | 0.4% | 5.0% | 7.4% | 10.4% | 11.5% | 10.8% | 10.4% | 9.3% |
| R3000 | 7.0% | 1.0% | -0.5% | 1.0% | -0.3% | 5.8% | 11.2% | 12.0% | 11.0% | 17.1% | 6.9% |
| IdaWest | | | | | | | 2.6% | 4.4% | 11.6% | 13.8% | 17.9% |
| Galen | | | -8.6% | | 12.2% | -3.4% | 0.9% | 3.9% | 1.1% | 0.2% | 3.0% |
| Lindsay | | -0.2% | -0.9% | -0.2% | 2.1% | 6.0% | 7.0% | 14.2% | 13.7% | 8.3% | |
| KKR | | 5.0% | 9.0% | 5.0% | 20.8% | 15.0% | 16.2% | 17.1% | 14.5% | 13.4% | |
| Kohlberg & Co. | -0.5% | -0.5% | 11.6% | -0.5% | 22.2% | 17.0% | 12.7% | 13.0% | 14.1% | 12.1% | 11.5% |
| Providence | | -0.6% | 12.9% | -0.6% | 16.6% | 11.0% | 11.4% | 7.5% | 9.8% | 9.6% | 9.4% |
| Chisolm | | 6.4% | 4.2% | 6.4% | 5.8% | 17.0% | 14.5% | 23.0% | 26.5% | 30.1% | 25.3% |
| Littlejohn | | | -27.6% | | -24.4% | -2.5% | 22.3% | 17.3% | 13.2% | 21.8% | 19.5% |
| Cerberus | | 2.0% | 6.3% | 2.0% | 10.1% | 9.3% | 11.5% | 11.3% | 9.2% | 14.2% | |
| Goense Bounds | | | 1.5% | | -36.3% | -11.8% | -15.6% | -9.5% | -13.9% | -14.2% | -10.2% |
| Zesiger | | | | | | 3.2% | 2.7% | -1.9% | 0.5% | 3.5% | -1.5% |
| Highway 12 | 4.7% | 4.7% | 4.0% | 4.7% | 2.0% | 10.0% | 7.0% | 8.4% | 12.8% | 6.4% | 2.8% |
| T3 Partners | -0.2% | 1.6% | 10.2% | 1.6% | 21.5% | 20.8% | 22.8% | 20.8% | 17.6% | 17.8% | 13.9% |
| Apollo | -1.9% | -2.1% | -4.3% | -2.1% | -3.0% | 0.2% | 17.0% | 20.5% | 16.0% | 15.7% | 18.4% |
| First Reserve | | | -28.3% | | -52.2% | -31.3% | -21.3% | -15.7% | -10.0% | -8.7% | |
| Green Equity | -0.5% | -0.6% | 0.5% | -0.6% | 9.5% | 6.2% | 12.7% | 15.8% | 15.4% | 18.7% | 12.8% |
| Gores | -2.0% | -2.0% | 3.1% | -2.0% | -2.9% | -5.9% | -2.8% | -2.8% | -3.3% | 4.4% | 11.3% |
| CVC | 5.1% | 11.5% | 9.4% | 11.5% | 21.3% | 7.5% | 12.1% | 17.3% | 15.5% | 16.8% | 16.4% |
| Frazier | | | 24.3% | | 31.3% | 47.7% | 33.0% | 30.3% | 24.3% | 9.3% | 11.5% |
| HL Secondary | -0.6% | -6.0% | 0.3% | -6.0% | 4.3% | 10.0% | 10.5% | 10.4% | 11.8% | 8.1% | 10.4% |
| HL Coinvestment | -0.3% | -2.9% | -6.5% | -2.9% | -7.4% | 6.0% | 13.0% | 14.6% | 13.6% | 7.5% | 4.3% |
| Bridgepoint Europe | 4.9% | 4.5% | 9.6% | 4.5% | 13.4% | -1.0% | 5.2% | 4.7% | 3.6% | 2.9% | 2.4% |
| Newbridge Asia | | -3.6% | -36.0% | -3.6% | -32.2% | -14.7% | -11.9% | -4.9% | -3.8% | 14.2% | 10.9% |
| Whitney | -3.0% | -3.6% | -2.0% | -3.6% | 1.0% | -4.6% | -2.0% | 1.9% | 2.9% | 1.8% | 3.6% |
| Blackstone | | -0.3% | 1.1% | -0.3% | 2.4% | 11.9% | 17.6% | 17.8% | 14.4% | 13.9% | 4.6% |
| Enhanced | | -8.3% | -3.7% | -8.3% | -1.5% | 8.7% | 5.7% | 4.9% | 4.5% | 7.2% | 5.0% |

DEFINED CONTRIBUTION PLAN

| | Month Ending | Quarter Ending | Fiscal Year Ending | Cal Year Ending | 1 Year Ending | 2 Years Ending | 3 Years Ending | 4 Years Ending | 5 Years Ending | 7 Years Ending | 10 Years Ending |
|----------------------------------|-----------------|-------------------|--------------------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| US Broad Mkt Index | 7.0% | 1.1% | -0.5% | 1.1% | -0.4% | 5.7% | 11.1% | 11.9% | 11.0% | 17.1% | 7.0% |
| <i>R3000</i> | 7.0% | 1.0% | -0.5% | 1.0% | -0.3% | 5.8% | 11.2% | 12.0% | 11.0% | 17.1% | 6.9% |
| US Large Cap Index | 6.8% | 1.4% | 1.6% | 1.4% | 1.8% | 7.1% | 11.8% | 12.3% | 11.5% | 16.9% | 7.0% |
| <i>S&P 500</i> | 6.8% | 1.4% | 1.5% | 1.4% | 1.8% | 7.1% | 11.8% | 12.4% | 11.6% | 17.0% | 7.0% |
| Mid/Small Index | 8.1% | -1.0% | -8.8% | -1.0% | -9.3% | 0.0% | 7.9% | 10.1% | 8.5% | 17.9% | |
| <i>R2500</i> | 8.3% | 0.4% | -2.6% | 0.4% | -7.3% | 1.0% | 8.2% | 10.5% | 8.6% | 17.8% | 6.5% |
| Vanguard Growth & Inc | 6.8% | 1.4% | 1.9% | 1.4% | 1.9% | 7.7% | 12.3% | 12.8% | 12.1% | 17.0% | 6.4% |
| <i>R3000</i> | 7.0% | 1.0% | -0.5% | 1.0% | -0.3% | 5.8% | 11.2% | 12.0% | 11.0% | 17.1% | 6.9% |
| T. Rowe Price Small Cap | 7.9% | -0.2% | -6.2% | -0.2% | -7.0% | 0.6% | 8.1% | 10.3% | 8.9% | 19.1% | 7.4% |
| <i>R2000</i> | 8.0% | -1.5% | -10.1% | -1.5% | -9.8% | -1.2% | 6.8% | 9.1% | 7.2% | 16.4% | 5.3% |
| REIT Index | 10.1% | 5.7% | 13.7% | 5.7% | | | | | | | |
| <i>MSCI REIT</i> | 10.4% | 6.3% | 16.5% | 6.3% | 4.1% | 13.7% | 10.5% | 11.6% | 11.9% | 24.3% | 6.5% |
| Int Equity Index | 6.7% | -2.6% | -9.1% | -2.6% | -8.2% | -4.7% | 2.2% | 4.4% | 2.4% | 9.8% | 1.9% |
| <i>MSCI EAFE</i> | 6.6% | -2.9% | -8.6% | -2.9% | -7.9% | -4.2% | 2.7% | 4.9% | 2.8% | 10.2% | 2.3% |
| Brandes International | 7.7% | 1.4% | -8.8% | 1.4% | -6.4% | -3.8% | 4.9% | 4.9% | 2.8% | 8.5% | 1.5% |
| <i>MSCI EAFE</i> | 6.6% | -2.9% | -8.6% | -2.9% | -7.9% | -4.2% | 2.7% | 4.9% | 2.8% | 10.2% | 2.3% |
| Emerging Mkt Index | 13.1% | 5.1% | -14.3% | 5.1% | | | | | | | |
| <i>MSCI Emg</i> | 13.3% | 5.8% | -12.4% | 5.8% | -11.7% | -5.7% | -4.2% | -2.6% | -3.8% | 8.6% | 3.3% |
| Bond Index Fund | 0.9% | 3.0% | 3.6% | 3.0% | 1.8% | 3.8% | 2.4% | 2.7% | 3.6% | 4.3% | 4.8% |
| <i>Barclays Aggregate</i> | 0.9% | 3.0% | 3.8% | 3.0% | 2.0% | 3.8% | 2.5% | 2.8% | 3.8% | 4.5% | 4.9% |
| Dodge & Cox | 2.3% | 2.4% | 1.7% | 2.4% | 0.5% | 2.4% | 2.4% | 3.2% | 3.8% | 6.1% | 5.3% |
| <i>Barclays Aggregate</i> | 0.9% | 3.0% | 3.8% | 3.0% | 2.0% | 3.8% | 2.5% | 2.8% | 3.8% | 4.5% | 4.9% |
| TIPS Index | 1.7% | 4.6% | 2.9% | 4.6% | | | | | | | |
| <i>Barclays TIPS</i> | 1.8% | 4.5% | 2.6% | 4.5% | 1.5% | 2.3% | -0.7% | 0.9% | 3.0% | 4.2% | 0.0% |
| Short Term | 0.1% | 0.2% | 0.5% | 0.2% | 1.0% | 0.6% | 0.5% | 0.5% | | | |
| Calvert SRI Fund | 4.9% | 1.7% | -2.2% | 1.7% | -2.5% | 3.7% | 6.8% | 7.2% | 7.5% | 11.4% | |
| PERSI Total Return Fund | 5.3% | 2.3% | 0.1% | 2.3% | -0.1% | 4.0% | 6.4% | 6.8% | 6.4% | 10.7% | 5.7% |

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Performance Summary

blue = outperform by 50 bp; red = underperform by 50 bp

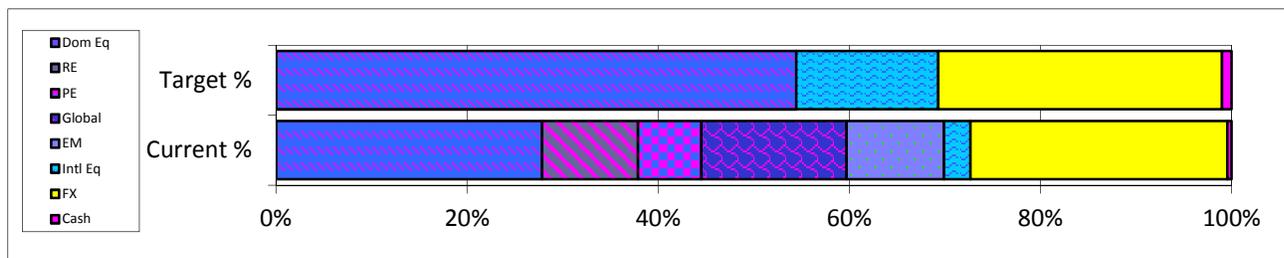
(* Annualized)

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|--|--------------|---------------|---------------|---------------|---------------|
| Total Fund | 0.6% | 1.7% | 1.8% | 7.2% | 6.4% |
| Strategic Policy [☆] | 0.9% | 1.7% | 3.5% | 6.4% | 6.3% |
| Policy (55-15-30) | 0.2% | 1.9% | 1.5% | 7.7% | 7.8% |
| Total Domestic Equity (Russell 3000) | -0.1% | 1.7% | 2.8% | 10.0% | 9.1% |
| Russell 3000 | 0.2% | 2.6% | 2.1% | 11.1% | 11.6% |
| U.S. Equity (Russell 3000) | -0.4% | 3.1% | 3.1% | 11.2% | 11.6% |
| Real Estate (NCREIF) | 4.3% | 3.5% | 20.3% | 14.8% | 9.4% |
| Private Equity (Russell 3000*1.35) | -0.2% | -2.1% | 0.2% | 7.5% | 8.9% |
| Global Equity (Russell 3000) | -2.3% | -0.4% | -5.8% | 6.5% | 5.6% |
| Total International Equity (MSCI EAFE) | 0.9% | 0.4% | -10.0% | 1.0% | -0.7% |
| Total Intl Equity ex Pareto (MSCI EAFE) | 0.9% | 0.4% | -10.0% | 1.0% | -0.7% |
| MSCI EAFE | -3.3% | -1.2% | -9.7% | 2.5% | 2.2% |
| Total Fixed Income (Barclays Aggregate) | 2.2% | 2.3% | 6.1% | 3.7% | 4.0% |
| Barclays Aggregate | 1.8% | 2.2% | 6.0% | 4.1% | 3.8% |

Asset Allocation

blue = over allowable target range; red = under allowable target range

| | Month-End MV | Current % | Target % |
|-----------------------------------|------------------|----------------|---------------|
| U.S. Equity | \$ 4,135 | 27.9 % | |
| Real Estate | \$ 1,490 | 10.0 % | |
| Private Equity | \$ 985 | 6.6 % | |
| Global Equity | \$ 2,256 | 15.2 % | |
| Total Domestic Equity | \$ 8,865 | 59.7 % | 55.0% |
| Emerging Markets Equity | \$ 1,512 | 10.2 % | |
| Total International Equity | \$ 1,921 | 12.9 % | 15.0% |
| Total Fixed Income | \$ 3,994 | 26.9 % | 29.0% |
| Cash | \$ 64 | 0.4 % | 1.0% |
| Total Fund | \$ 14,847 | 100.0 % | 100.0% |



Performance Commentary:

During the month, the Total Fund underperformed the Strategic Policy by approximately 30 basis points, but outperformed the Broad Policy benchmark by approximately 40 basis points. The private real estate portion of the portfolio added significant value during the month along with emerging markets and fixed income. Offsetting this outperformance was the underperformance generated by the Domestic Equity and Global Equity portions of the portfolio.

[☆] Strategic Policy Benchmark = 8% R2500, 14% S&P500, 4% REIT, 4% PRE, 8% PE, 9% EM, 8% EAFE, 15% World, 15% Agg, 5% ID Mtg, 10% TIPS

Total Fund Month-End Performance

Jun 2016

Manager (Style Benchmark)

blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---------------|------------------|----------------|------------------|------------------|
| Total Fund | 0.6% | 1.7% | 1.8% | 7.2% | 6.4% |
| Strategic Policy | 0.9% | 1.7% | 3.5% | 6.4% | 6.3% |
| Policy (55-15-30) | 0.2% | 1.9% | 1.5% | 7.7% | 7.8% |
| Total Domestic Equity (Russell 3000) (Includes U.S. Eq, Gbl Eq, RE, PE) | -0.1% | 1.7% | 2.8% | 10.0% | 9.1% |
| U.S. Equity ex RE, PE (Russell 3000) | -0.4% | 3.1% | 3.1% | 11.2% | 11.6% |
| Russell 3000 | 0.2% | 2.6% | 2.1% | 11.1% | 11.6% |
| MCM Index Fund (Russell 3000) | 0.2% | 2.6% | 2.1% | 11.0% | 11.5% |
| MCM S&P 500 (S&P 500) | 0.3% | 2.4% | 4.0% | 11.6% | 12.1% |
| S&P 500 | 0.3% | 2.5% | 4.0% | 11.7% | 12.1% |
| MCM Mid Cap (Russell Midcap) | -0.1% | 3.2% | -4.3% | 9.6% | 9.9% |
| Russell Midcap | 0.5% | 3.2% | 0.6% | 10.8% | 10.9% |
| MCM Russell 2000 (Russell 2000) | 0.2% | 4.0% | -6.5% | 7.2% | 8.5% |
| Russell 2000 | -0.1% | 3.8% | -6.7% | 7.1% | 8.4% |
| Donald Smith & Co. (Russell 3000) | -2.2% | 6.1% | 0.9% | 6.6% | 8.9% |
| Russell 3000 | 0.2% | 2.6% | 2.1% | 11.1% | 11.6% |
| Tukman (S&P 500) | 0.6% | 2.2% | 0.6% | 8.9% | 11.4% |
| S&P 500 | 0.3% | 2.5% | 4.0% | 11.7% | 12.1% |
| Peregrine (Russell 1000 Growth) | -2.1% | 3.8% | 6.6% | 15.3% | 13.4% |
| Russell 1000 Growth | -0.4% | 0.6% | 3.0% | 13.1% | 12.4% |
| Mountain Pacific (Russell 2500) | -0.7% | 2.6% | 8.0% | 14.5% | 13.5% |
| Russell 2500 | 0.0% | 3.6% | -3.7% | 8.6% | 9.5% |
| Global Equity (Russell 3000) | -2.3% | -0.4% | -5.8% | 6.5% | 5.6% |
| Russell 3000 | 0.2% | 2.6% | 2.1% | 11.1% | 11.6% |
| Wilshire 5000 | 0.2% | 2.6% | 2.1% | 11.0% | 11.6% |
| MSCI World | -1.1% | 1.2% | -2.2% | 7.5% | 7.2% |
| MSCI AC World | -0.6% | 1.2% | -3.2% | 6.6% | 6.0% |
| Baring (Wilshire 5000) | -1.1% | 1.7% | -4.8% | 6.8% | 5.5% |
| Bernstein (MSCI ACWI) | -3.2% | -1.4% | -9.7% | 7.2% | 5.1% |
| Brandes (Russell 3000) | -2.9% | -1.4% | -9.1% | 4.4% | 5.3% |
| Capital Guardian (Russell 3000) | -0.4% | -0.2% | -4.8% | 6.6% | 6.7% |
| Longview (MSCI ACWI) | -3.5% | -0.3% | -1.0% | 12.5% | 12.7% |
| Private Equity (Russell 3000*1.35) | -0.2% | -2.1% | 0.2% | 7.5% | 8.9% |
| Russell 3000 * 1.35 | 0.3% | 3.6% | 2.9% | 15.0% | 15.7% |

Total Fund Month-End Performance

Jun 2016

Manager (Style Benchmark)

blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|--|---------------|------------------|----------------|------------------|------------------|
| Real Estate (NCREIF) | 4.3% | 3.5% | 20.3% | 14.8% | 9.4% |
| MCM REIT (DJ US Select REIT) | 6.4% | 5.0% | 21.9% | 13.1% | n/a |
| Dow Jones U.S. Select REIT | 6.5% | 5.4% | 22.9% | 13.6% | 12.3% |
| Adelante REITs (Wilshire REIT) | 4.8% | 3.2% | 21.1% | 15.9% | 14.0% |
| MSCI US REIT | 6.9% | 6.8% | 24.1% | 13.5% | 12.5% |
| Prudential (NCREIF) | 0.0% | 1.2% | 14.2% | 14.1% | 13.7% |
| NCREIF Prop 1Q Arrears | 0.7% | 2.2% | 11.8% | 11.9% | 11.9% |
| Koll/PER | 2.7% | 2.7% | 20.3% | 10.5% | -0.7% |
| Olympic/IDA | 3.9% | 3.9% | 13.4% | 15.9% | 20.3% |
| Cascade | 1.8% | 1.8% | 18.1% | 20.6% | 5.5% |
| Int'l Equity (MSCI EAFE) | 0.9% | 0.4% | -10.0% | 1.0% | -0.7% |
| Int'l Equity ex Pareto | 0.9% | 0.4% | -10.0% | 1.0% | -0.7% |
| MSCI EAFE | -3.3% | -1.2% | -9.7% | 2.5% | 2.2% |
| MCM International (MSCI EAFE) | -3.3% | -1.3% | -9.8% | 2.4% | 2.0% |
| Mondrian (MSCI EAFE) | -1.7% | 0.1% | -6.9% | 4.2% | 3.3% |
| MCM Emerging Markets (MSCI EMF) | 3.9% | 0.7% | -12.0% | -1.5% | n/a |
| Genesis (MSCI EMF) | 2.9% | 3.5% | -6.3% | -1.2% | -1.9% |
| Bernstein (MSCI EMF) | 3.7% | 0.0% | -14.4% | 0.1% | -4.9% |
| MSCI EMF | 4.1% | 0.8% | -11.7% | -1.2% | -3.4% |
| Total Fixed Income (BC Aggregate) | 2.2% | 2.3% | 6.1% | 3.7% | 4.0% |
| BC Aggregate | 1.8% | 2.2% | 6.0% | 4.1% | 3.8% |
| Baring (BC Aggregate) | 1.8% | 2.2% | 6.0% | 4.0% | 3.8% |
| Western (BC Aggregate) | 2.0% | 3.0% | 8.0% | 5.7% | 5.5% |
| Clearwater (BC Aggregate) - 1/2014 | 1.7% | 2.4% | 5.9% | 4.3% | 3.1% |
| SSgA Gov/Corp (BC G/C) | 2.2% | 2.7% | 6.8% | 4.3% | 4.2% |
| BC Gov/Credit | 2.2% | 2.7% | 6.7% | 4.2% | 4.1% |
| DBF Idaho Mortgages (BC Mortgage) | 2.5% | 2.6% | 9.4% | 5.9% | 5.2% |
| BC Treasury | 2.2% | 2.1% | 6.2% | 3.5% | 3.5% |
| DBF MBS (BC Mortgage) | 0.9% | 1.1% | 3.9% | 3.5% | 2.9% |
| BC Mortgage | 0.8% | 1.1% | 4.3% | 3.8% | 3.0% |
| Western TIPS (BC TIPS) | 2.0% | 1.4% | 2.5% | 1.5% | 2.1% |
| SSgA TIPS (BC TIPS) | 2.2% | 1.9% | 4.6% | 2.5% | 4.3% |
| BC US TIPS | 2.1% | 1.7% | 4.4% | 2.3% | 2.6% |
| Cash | | | | | |
| Clearwater: PERSI STIF (90-day LIBOR) | 0.1% | 0.2% | 0.7% | 0.4% | 0.4% |
| 90-day LIBOR | 0.1% | 0.2% | 0.5% | 0.3% | 0.4% |
| Mellon EB Temp Inv Fund | 0.0% | 0.1% | 0.4% | 0.3% | 0.2% |

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Total U.S. Equity Russell 3000 Benchmark

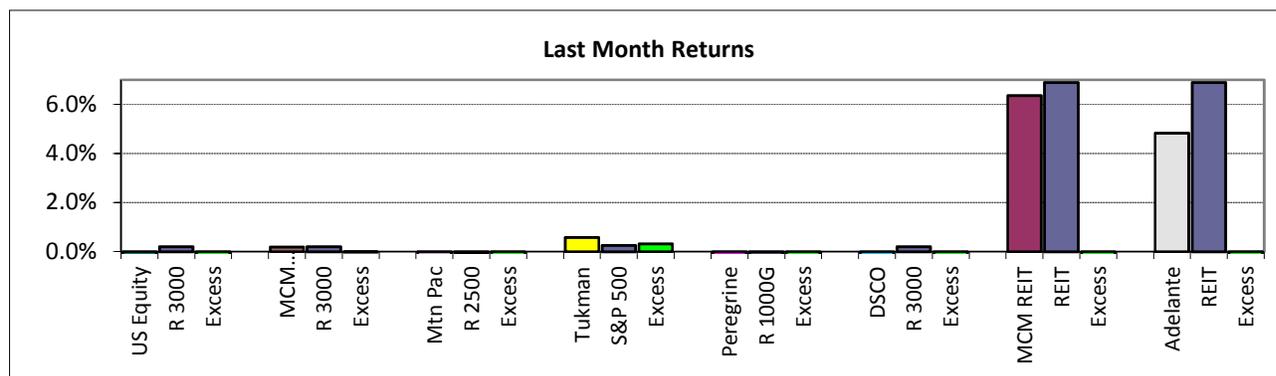
Jun 2016

Performance Calculations

blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---------------|------------------|----------------|------------------|------------------|
| Total U.S. Equity ex RE and PE | -0.4% | 3.1% | 3.1% | 11.2% | 11.6% |
| Russell 3000 | 0.2% | 2.6% | 2.1% | 11.1% | 11.6% |
| MCM Index (RU 3000) | 0.2% | 2.6% | 2.1% | 11.0% | 11.5% |
| Donald Smith & Co. (RU 3000) | -2.2% | 6.1% | 0.9% | 6.6% | 8.9% |
| Tukman (S&P 500) | 0.6% | 2.2% | 0.6% | 8.9% | 11.4% |
| S&P 500 | 0.3% | 2.5% | 4.0% | 11.7% | 12.1% |
| Peregrine (RU 1000 Growth) | -2.1% | 3.8% | 6.6% | 15.3% | 13.4% |
| Russell 1000 Growth | -0.4% | 0.6% | 3.0% | 13.1% | 12.4% |
| Mountain Pacific (RU 2500) | -0.7% | 2.6% | 8.0% | 14.5% | 13.5% |
| Russell 2500 | 0.0% | 3.6% | -3.7% | 8.6% | 9.5% |
| Total U.S. Equity incl RE and PE | 0.6% | 2.4% | 6.0% | 11.3% | 10.6% |
| MCM REIT Index (DJ US Select REIT) | 6.4% | 5.0% | 21.9% | 13.1% | n/a |
| Dow Jones U.S. Select REIT | 6.5% | 5.4% | 22.9% | 13.6% | 12.3% |
| Adelante REITs (Wilshire REIT) | 4.8% | 3.2% | 21.1% | 15.9% | 14.0% |
| Total RE (Russell 3000) | 4.3% | 3.5% | 20.3% | 14.8% | 9.4% |
| MSCI US REIT | 6.9% | 6.8% | 24.1% | 13.5% | 12.5% |
| Total PE | -0.2% | -2.1% | 0.2% | 7.5% | 8.9% |
| Russell 3000 x 1.35 | 0.3% | 3.6% | 2.9% | 15.0% | 15.7% |



Performance Commentary:

The Total U.S. Equity portion of the portfolio, excluding Real Estate and Private Equity, underperformed the Russell 3000 benchmark by approximately 60 basis points during the month. Tukman was the best-performing manager, and the only manager to outperform their benchmark, exceeding their S&P 500 benchmark by about 30 basis points. Mountain Pacific underperformed their Russell 2500 benchmark by 70 basis points; Peregrine underperformed their Russell 1000 Growth benchmark by 170 basis points, and Donald Smith underperformed their S&P 500 benchmark by 190 basis points. Adelante, our only active REIT manager, underperformed the MSCI US REIT index by approximately 210 basis points. The Domestic Equity portion of the portfolio added value over the fiscal year, with the most notable contribution from REITs.

Total U.S. Equity Portfolio Analysis

Jun 2016

MCM Russell 3000 Index Fund Characteristics used as Russell 3000 Index Data (RU3000)

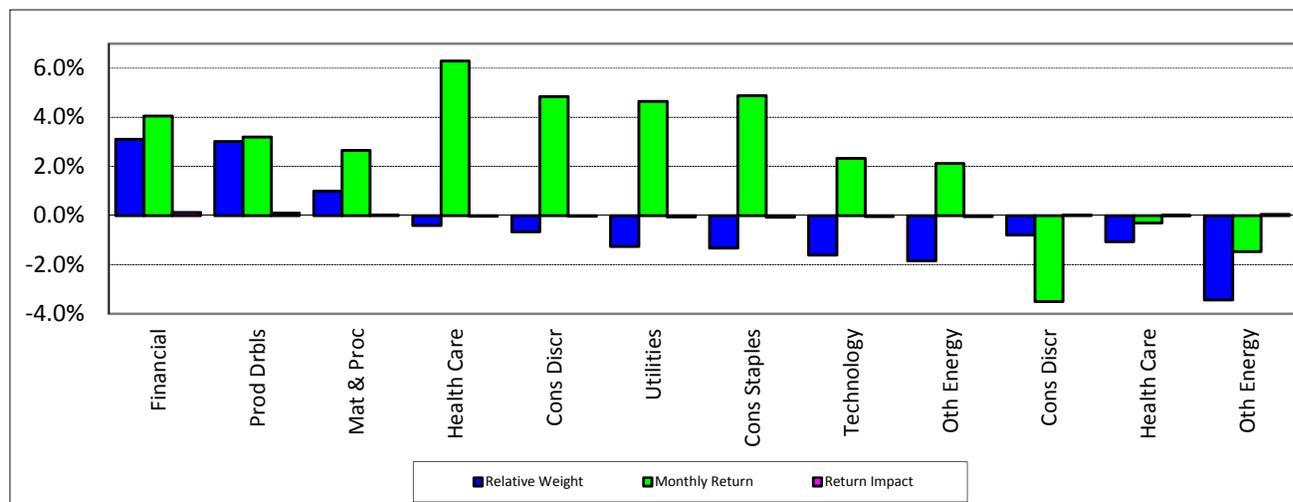
"U.S. Equity (U.S. Eq)" does not include RE or PE; "Domestic Equity (Dom Eq)" includes U.S. allocation of Global Equity Managers

Portfolio Characteristics

| | U.S. Eq | Dom Eq | RU 3000 | | U.S. Eq | Dom Eq | RU 3000 |
|-------------------------|---------|---------|----------|--------------------|---------|--------|---------|
| Wtd Cap (\$ b) | \$ 98.3 | \$ 86.9 | \$ 115.9 | Beta | 1.03 | 1.00 | 0.99 |
| Price/Earnings (P/E) | 21.75 | 22.75 | 22.00 | Dividend Yield (%) | 1.72 | 1.93 | 2.07 |
| P/E ex Neg | 20.60 | 21.46 | 19.90 | 5 Yr DPS Growth | 17.14 | 16.86 | 15.59 |
| Price/Book Value (P/BV) | 2.55 | 2.60 | 2.74 | ROE | 15.48 | 15.16 | 15.38 |
| EPS 5Yr Growth | 7.69 | 9.51 | 7.46 | ROA | 5.97 | 5.84 | 6.03 |
| Debt/Equity | 1.38 | 1.45 | 1.33 | | | | |

Sector Allocations

| Sectors | U.S. Eq Alloc | R3000 Alloc | Relative Weight | R3000 Return | Return Impact |
|--------------|---------------|-------------|-----------------|--------------|---------------|
| Financial | 22.6% | 19.5% | 3.1% | 4.1% | 0.13% |
| Prod Drbls | 13.8% | 10.8% | 3.0% | 3.2% | 0.10% |
| Mat & Proc | 4.8% | 3.8% | 1.0% | 2.7% | 0.03% |
| Health Care | 13.6% | 14.0% | -0.4% | 6.3% | -0.03% |
| Cons Discr | 13.5% | 14.2% | -0.7% | 4.8% | -0.03% |
| Utilities | 5.0% | 6.3% | -1.3% | 4.6% | -0.06% |
| Cons Staples | 7.1% | 8.4% | -1.3% | 4.9% | -0.06% |
| Technology | 14.7% | 16.3% | -1.6% | 2.3% | -0.04% |
| Oth Energy | 4.9% | 6.7% | -1.8% | 2.1% | -0.04% |
| Cons Discr | 13.3% | 14.1% | -0.8% | -3.5% | 0.03% |
| Health Care | 10.7% | 11.8% | -1.1% | -0.3% | 0.00% |
| Oth Energy | 6.7% | 10.1% | -3.4% | -1.5% | 0.05% |



Total Global Equity Russell 3000 Benchmark & MSCI AC World Index

Jun 2016

Performance Calculations

blue = outperform by 50 bp; red = underperform by 50 bp

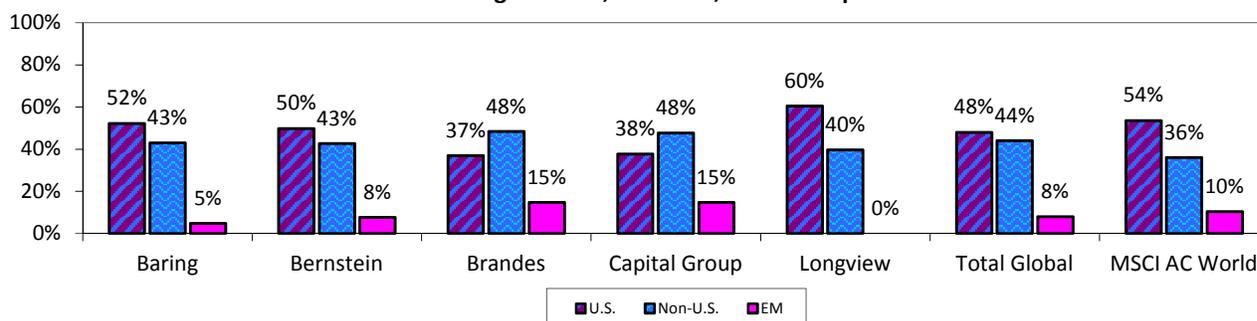
(* Annualized)

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|--------------------------------|---------------|------------------|----------------|------------------|------------------|
| Total Global Equity | -2.3% | -0.4% | -5.8% | 6.5% | 5.6% |
| Russell 3000 | 0.2% | 2.6% | 2.1% | 11.1% | 11.6% |
| Wilshire 5000 | 0.2% | 2.6% | 2.1% | 11.0% | 11.6% |
| MSCI World | -1.1% | 1.2% | -2.2% | 7.5% | 7.2% |
| MSCI AC World (ACWI) | -0.6% | 1.2% | -3.2% | 6.6% | 6.0% |
| Baring (Wil 5000) | -1.1% | 1.7% | -4.8% | 6.8% | 5.5% |
| Bernstein (MSCI ACWI) | -3.2% | -1.4% | -9.7% | 7.2% | 5.1% |
| Brandes (Wil 5000) | -2.9% | -1.4% | -9.1% | 4.4% | 5.3% |
| Capital Group (RU 3000) | -0.4% | -0.2% | -4.8% | 6.6% | 6.7% |
| Longview (MSCI ACWI) | -3.5% | -0.3% | -1.0% | 12.5% | 12.7% |

Country Allocation Summary

| Overweight Countries | Total Global | MSCI ACW | Underweight Countries | Total Global | MSCI ACW |
|-------------------------|-----------------|-------------|--------------------------|-----------------|-------------|
| United Kingdom | 11.3% | 6.4% | United States | 48.0% | 53.6% |
| Netherlands | 3.3% | 1.0% | China | 0.8% | 2.7% |
| Ireland | 1.9% | 0.2% | Australia | 0.7% | 2.4% |

Global managers: U.S., Non-U.S., and EM Exposure

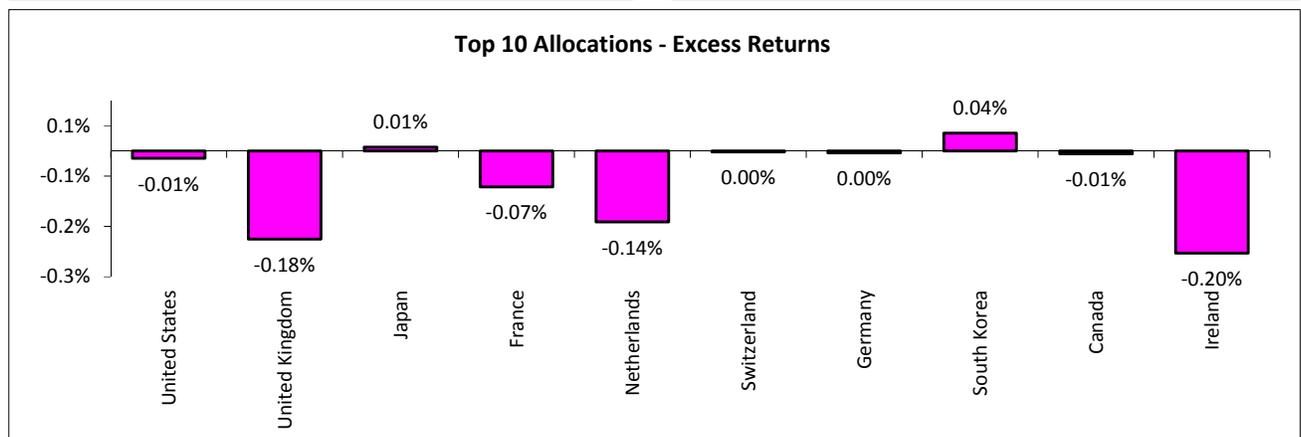
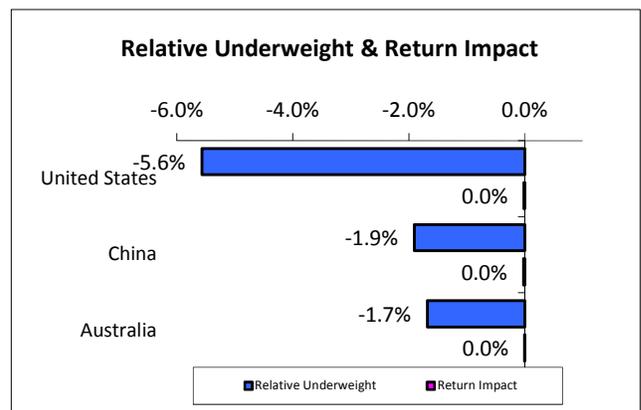
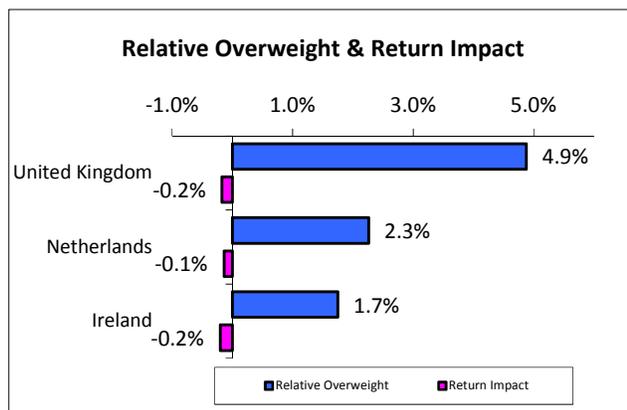
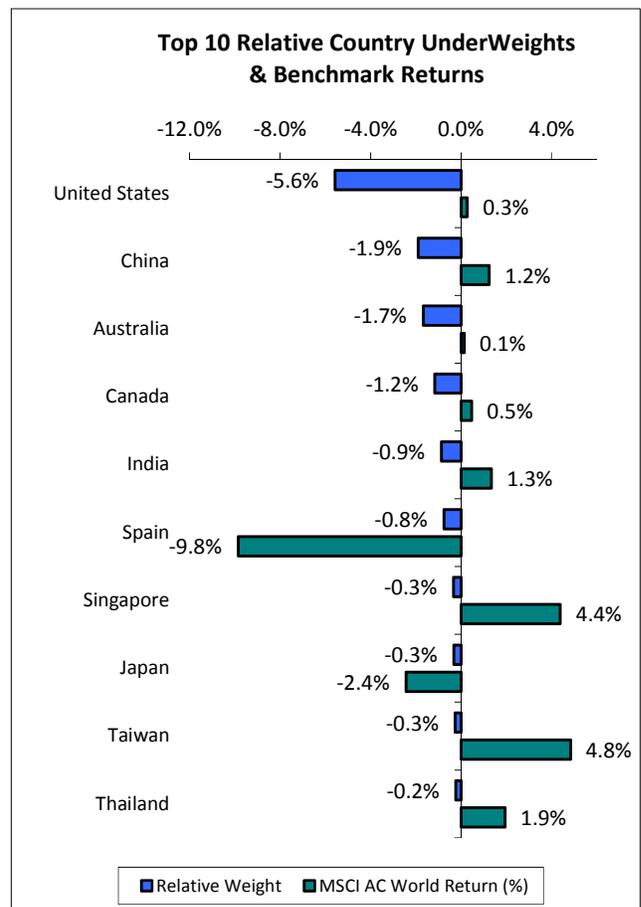
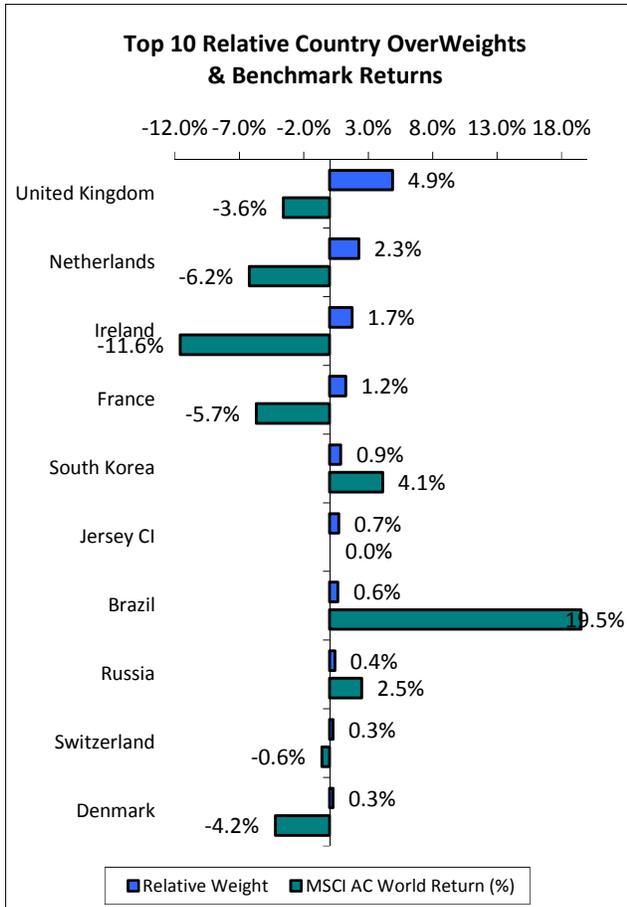


Performance Commentary:

During the month, the Global Equity portfolio underperformed both the Russell 3000 and MSCI World indexes by approximately 250 and 120 basis points, respectively. Capital Group was the best performing manager, underperforming relative to the Russell 3000 index, but outperforming the MSCI World index by approximately 70 basis points. Barings underperformed the Russell 3000 index, but kept pace with the MSCI World index. Brandes, Bernstein, and Longview underperformed both benchmarks for the month. Over the last year, Longview added some value, outperforming the MSCI World index, but trailing the Russell 3000 index.

Total Global Equity Country Allocations versus MSCI AC World Index

Jun 2016



Total International Equity MSCI EAFE Benchmark & MSCI ACWI xUS Index

Jun 2016

Performance Calculations

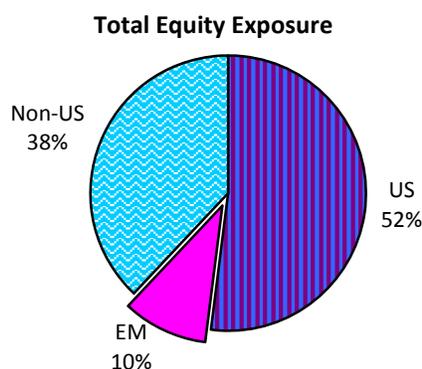
blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|--------------------------------------|---------------|------------------|----------------|------------------|------------------|
| Total International Equity | 0.9% | 0.4% | -10.0% | 1.0% | -0.7% |
| Total Intl Equity ex Pareto | 0.9% | 0.4% | -10.0% | 1.0% | -0.7% |
| MSCI EAFE | -3.3% | -1.2% | -9.7% | 2.5% | 2.2% |
| MSCI ACWI ex US | -1.5% | -0.4% | -9.8% | 1.6% | 0.6% |
| MCM EAFE Index (MSCI EAFE) | -3.3% | -1.3% | -9.8% | 2.4% | 2.0% |
| Mondrian (MSCI EAFE) | -1.7% | 0.1% | -6.9% | 4.2% | 3.3% |
| MCM Emg Mkts Index (MSCI EMF) | 3.9% | 0.7% | -12.0% | -1.5% | n/a |
| Bernstein (MSCI EMF) | 3.7% | 0.0% | -14.4% | 0.1% | -4.9% |
| Genesis (MSCI EMF) | 2.9% | 3.5% | -6.3% | -1.2% | -1.9% |
| MSCI EMF | 4.1% | 0.8% | -11.7% | -1.2% | -3.4% |

Emerging Markets Exposures

| | MV | EM Exposure | EM Return |
|------------------------|-------------|----------------|--------------|
| Total Intl Eq x Pareto | \$ 1,920.8 | 47% | 4.1% |
| Total Global | \$ 2,255.9 | 8% | 6.2% |
| Total Equity | \$ 10,786.0 | 10% | 4.2% |



Performance Commentary:

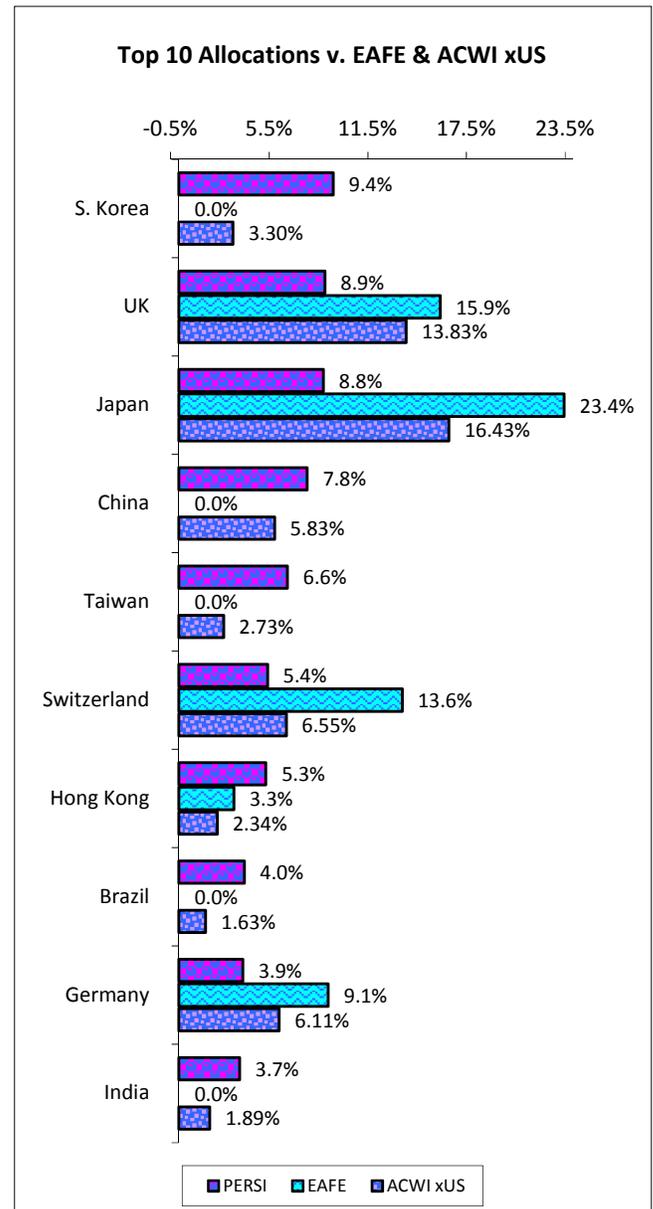
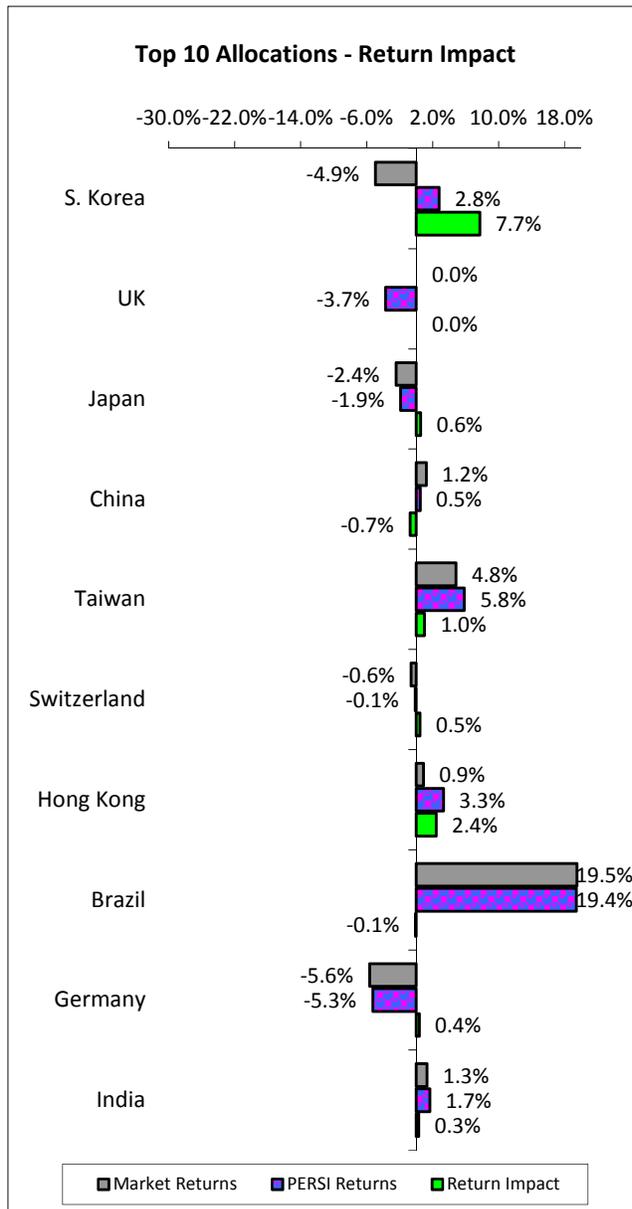
The Total International Equity portfolio outperformed the MSCI EAFE index by approximately 240 basis points during the month, primarily due to our emerging markets exposure. Mondrian, our only active developed markets manager, added value, outperforming the MSCI EAFE index by approximately 160 basis points. The emerging markets added significant value - the MSCI EMF index outperformed the MSCI EAFE index by approximately 740 basis points during the month. Both Bernstein and Genesis underperformed the MSCI EMF index by about 40 and 120 basis points, respectively, but added value over the MSCI EAFE index. Over the last year, Genesis and Mondrian added value, with the Total International Equity portfolio slightly trailing the MSCI EAFE benchmark.

Total International Equity

Country Allocations vs MSCI EAFE Benchmark & MSCI ACWI xUS Index Jun 2016

Top 10 Country Allocations by \$ Invested

| Country | Mkt Return | PERSI Return | Return Impact | PERSI Weight | EAFE | | ACWI xUS | |
|-------------|------------|--------------|---------------|--------------|--------------|-------------------|--------------|-------------------|
| | | | | | Index Weight | Over/Under Weight | Index Weight | Over/Under Weight |
| S. Korea | -4.93% | 2.78% | 7.71% | 9.40% | - | 9.40% | 3.30% | 6.10% |
| UK | n/a | -3.70% | #VALUE! | 8.90% | 15.91% | -7.01% | 13.83% | -4.93% |
| Japan | -2.44% | -1.89% | 0.56% | 8.80% | 23.44% | -14.64% | 16.43% | -7.63% |
| China | 1.23% | 0.48% | -0.75% | 7.80% | - | 7.80% | 5.83% | 1.97% |
| Taiwan | 4.83% | 5.85% | 1.01% | 6.60% | - | 6.60% | 2.73% | 3.87% |
| Switzerland | -0.60% | -0.12% | 0.48% | 5.40% | 13.59% | -8.19% | 6.55% | -1.15% |
| Hong Kong | 0.89% | 3.31% | 2.42% | 5.30% | 3.35% | 1.95% | 2.34% | 2.96% |
| Brazil | 19.50% | 19.42% | -0.08% | 4.00% | - | 4.00% | 1.63% | 2.37% |
| Germany | -5.65% | -5.26% | 0.39% | 3.90% | 9.09% | -5.19% | 6.11% | -2.21% |
| India | 1.33% | 1.66% | 0.33% | 3.70% | - | 3.70% | 1.89% | 1.81% |



Total Fixed Income Barclays Capital Aggregate Benchmark

Jun 2016

Performance Calculation: blue = outperform by 10 bp; red = underperform by 10 bp

(* Annualized)

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---------------|------------------|----------------|------------------|------------------|
| Total Fixed Income | 2.2% | 2.3% | 6.1% | 3.7% | 4.0% |
| BC Aggregate | 1.8% | 2.2% | 6.0% | 4.1% | 3.8% |
| SSGA G/C (BC G/C) | 2.2% | 2.7% | 6.8% | 4.3% | 4.2% |
| BC Govt/Credit Bond | 2.2% | 2.7% | 6.7% | 4.2% | 4.1% |
| DBF MBS (BC Mortgage) | 0.9% | 1.1% | 3.9% | 3.5% | 2.9% |
| BC MBS | 0.8% | 1.1% | 4.3% | 3.8% | 3.0% |
| DBF Mortgages (BC Mortgage) | 2.5% | 2.6% | 9.4% | 5.9% | 5.2% |
| BC Treasury | 2.2% | 2.1% | 6.2% | 3.5% | 3.5% |
| SSGA TIPS (BC TIPS) | 2.2% | 1.9% | 4.6% | 2.5% | 4.3% |
| Western TIPS (BC TIPS) | 2.0% | 1.4% | 2.5% | 1.5% | 2.1% |
| BC US TIPS | 2.1% | 1.7% | 4.4% | 2.3% | 2.6% |
| Baring (BC Aggregate) | 1.8% | 2.2% | 6.0% | 4.0% | 3.8% |
| Western Core Full + (BC Aggregate) | 2.0% | 3.0% | 8.0% | 5.7% | 5.5% |
| Clearwater Agg (BC Aggregate)** | 1.7% | 2.4% | 5.9% | 4.3% | 3.1% |
| BC Aggregate | 1.8% | 2.2% | 6.0% | 4.1% | 3.8% |
| LIBOR + 300 bp | 0.1% | 0.2% | 0.5% | 0.3% | 0.4% |

** Clearwater Agg performance begins 1/2014; previous period returns reflect Clearwater TBA portfolio

Portfolio Attributes*** (as reported by Russell/Mellon)

*** excludes ID Mortgages

| | Coupon | Moody Quality | Current Yield | Yield to Maturity | Option Adj Duration | Modified Duration | Effective Convexity | # of Holdings |
|----------------|--------|------------------|------------------|----------------------|------------------------|----------------------|------------------------|------------------|
| Total Fixed | 2.12% | Aa1 | 2.35% | 1.70% | 6.00 | 7.22 | 0.85 | 3,964 |
| SSGA G/C | 3.62% | Aa2 | 3.17% | 1.85% | 6.63 | 6.54 | 0.88 | 2,642 |
| DBF MBS | 3.06% | Aaa | 2.86% | 1.33% | 2.10 | 2.81 | (1.72) | 29 |
| SSGA TIPS | 1.10% | Aaa | 0.97% | 1.33% | 6.12 | 8.56 | 1.26 | 38 |
| Western TIPS | 0.87% | Aaa | 0.77% | 1.19% | 5.80 | 7.99 | 1.18 | 55 |
| Clearwater TBA | 3.26% | Aa3 | 3.01% | 2.00% | 5.07 | 5.41 | n/a | 93 |
| Baring | 3.86% | Aa3 | 3.51% | 1.96% | 5.33 | 5.64 | 0.26 | 132 |
| Western | 6.41% | A2 | 6.71% | 3.64% | 4.89 | 6.54 | (0.57) | 974 |

Performance Commentary:

The Total Fixed Income portfolio outperformed the Barclays Aggregate benchmark by approximately 40 basis points during the month. The SSGA G/C portfolio kept pace with the BC Govt/Credit index; the DBF MBS portfolio outperformed the BC MBS index by about 10 basis points; the DBF Mortgage portfolio outpaced the BC MBS index by about 170 basis and the BC Treasury index by 30; the SSGA TIPS portfolio added 10 basis points over the BC US TIPS index while Western trailed by 10; Barings kept pace with the BC Aggregate while Western Core Full+ outperformed by 10 and Clearwater underperformed by roughly the same amount. The Total Fixed Income portfolio edged out the index over the last year and continues to outperform the BC Aggregate index for longer time periods.

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ADELANTE (PUBLIC RE - REITS)
DOMESTIC EQUITY: WILSHIRE REIT BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

| MANAGER PERFORMANCE CALCULATIONS | <i>* Annualized returns</i> | | | | |
|---|-----------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
| Adelante Total Return | 4.82% | 3.14% | 8.59% | 15.83% | 13.96% |
| Wilshire REIT Index | 6.49% | 5.60% | 11.09% | 13.63% | 12.48% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

For the month ended June 30, 2016 – The Account underperformed the Wilshire US REIT Index by 167 basis points, gross of fees, as the REIT market advanced 6.49%.

- Contributors: sector allocation within Triple-Net Lease, Diversified and security selection in Storage.
- Detractors: security selection within Lodging, Apartments and Industrial Mixed.
- Best performing holding: Store Capital Corp., +16.3%.
- Worst performing holding: Brookdale Senior Living, -13.8%.

For the trailing quarter ended June 30, 2016 – The Account underperformed the Wilshire US REIT Index by 246 basis points, gross of fees, as the REIT market advanced 5.60%.

- Contributors: sector allocation within Triple-Net Lease and Industrial Mixed.
- Detractors: security selection within Apartments, Industrial Mixed and the sector allocation in Healthcare.
- Best performing holding: Equinix Inc., +18.2%.
- Worst performing holding: Chesapeake Lodging Trust, -10.1%.

Comments – With the REIT industry GIC reclassification coming in late August, this year’s bi-annual NAREIT Investor Forum in New York had record attendance as **equity generalists have begun to focus on the themes and companies within the listed property sector.** Year-to-date, **the core property types, office, retail, industrial and apartments, have been laggards** and trade at attractive discounts to NAV, while **the specialty property types like data centers, health care and triple net lease REITs have been leaders** and are using their cost of capital advantage to grow accretively. **The spread between best and worst performing property sector is an eye-popping 3,649 bps year to date and 4,543 bps over the last 12 months.**

June 2016 will be remembered for the BREXIT vote, falling equity markets and a renewed search for yield as investors confront slowing global growth and negative interest rates. In this environment, **domestically focused REIT strategies will flourish backed by best-in-class economic growth in the US and providing a well-protected dividend yield.** REITs were more resilient than most equity measures during the immediate sell-off and rose over 3% in the last five trading sessions of June. Also worth noting are the **7 UK property funds (open-ended non-listed funds) that have suspended redemptions following the BREXIT vote.** We will be monitoring this over the coming year. At month-end, we had a 4.7% cash position in anticipation of equity offerings in early July.

MANAGER STYLE SUMMARY

Adelante (formerly Lend Lease Rosen) manages the public real estate portfolio, comprised of publicly-traded real estate companies, primarily real estate investment trusts (REITs). Investments will generally fall into one of three categories as described in the Portfolio Attributes section: Core holdings, Takeover/Privatization candidates, and Trading Opportunities. Typical portfolio characteristics include current pricing at a discount relative to the underlying real estate value, attractive dividend prospects, low multiple valuations (P/FFO), and expert management. Chadwick Saylor (in conjunction with Hamilton Lane) oversees the investments in this portfolio, along with the private real estate portion.

ADELANTE (PUBLIC RE - REITS)
DOMESTIC EQUITY: WILSHIRE REIT BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Adelante | Wilshire REIT | Calc | Min | Max | Compliance |
|---|----------|---------------|------|-------|------|---|
| B2. All securities are publicly-traded real estate companies, primarily real estate investment trusts | | | | | | ok |
| B3. Mkt Cap of Issuers of Securities in the Account | | | | \$250 | | ok |
| B4. Single Security Positions <= 30% @ purchase | | | | | | ok |
| B6a. P/FFO (12-mo trail) | 22.45 | 19.98 | 1.12 | | 1.30 | ok |
| B6b. Beta | 0.95 | 1.00 | 0.95 | 0.70 | 1.30 | ok |
| B6c. Dividend Yield | 2.79 | 3.38 | 0.83 | 0.80 | 2.00 | ok |
| B6d. Expected FFO Growth | 21.00 | 18.95 | 111% | 80% | 120% | ok |
| E2. Commissions not to exceed \$0.06/share | | | | | | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

PORTFOLIO ATTRIBUTES

Portfolio Guidelines section B5

Core Holdings (40% - 100%)

Actual: **79%** **ok**

Consists of investments with the following characteristics: premier asset portfolios and management teams, attractive dividend yields, low multiple valuations, real estate property types or regions that are less prone to experience the impact of an economic slowdown.

Takeover/Privatization Candidates (0% - 15%)

Actual: **12%** **ok**

Focuses on smaller companies which may be attractive merger candidates or lack the resources to grow the company in the longer-term. Also focuses on companies which may have interest in returning to the private market due to higher private market valuations.

Trading Arbitrage (0% - 20%)

Actual: **4%** **ok**

Focuses on high quality companies which may become over-sold as investors seek liquidity.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

| | | |
|---------|-----------------------|--------------------------------|
| Gained: | Number of Accounts: 0 | Total Market Value (\$m): \$ - |
| Lost: | Number of Accounts: 0 | Total Market Value (\$m): \$ - |
| | Reason(s): | |

BARING ASSET MANAGEMENT
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

MANAGER PERFORMANCE CALCULATIONS

| | * Annualized returns | | | | |
|---------------|----------------------|------------------|----------------|------------------|------------------|
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Baring Equity | -1.1% | 1.7% | -4.9% | 6.7% | 5.5% |
| Wilshire 5000 | -1.1% | 1.4% | 1.5% | 10.8% | 11.3% |
| MSCI ACWI | -0.6% | 1.2% | -3.2% | 6.6% | 6.0% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Markets were essentially flat during June, but that belies the monumental shifts in indices and currencies that we saw in the run up to the UK referendum, and the even wilder gyrations that we experienced in the days following the result. Against that backdrop, headline performance is difficult to gauge, but there were areas that represented safe havens, namely the US, and surprisingly Emerging Markets, and sectors that also benefitted, primarily those that were considered bond proxies, such as Utilities, Telcos and Consumer Staples, as investors recognized that the uncertainty caused by Brexit would dictate interest rates staying lower for longer. While we were not over represented in these areas, we did hold high quality companies that would not be overly buffeted by likely economic turbulence.

The referendum was such a binary event and outcome that positioning our portfolio for one outlook over another was always going to be a high risk strategy. Ostensibly, the fund was more positioned for a 'Brexit' vote, if one looks at our overweight to the UK. However, an offsetting factor is we owned various UK companies within the fund, many of which are strong overseas earners, specifically our pharmaceutical companies. A weaker Sterling / US Dollar exchange rate helps flatter their earnings.

Going into the Referendum we could only look at the world as it appeared to us, and choose companies that would benefit from what we saw to be a low growth, low inflation outlook. That scenario has only intensified in the last few weeks, and we see global growth being ever more elusive, as post Brexit uncertainty has increased, and economic dislocation becomes more likely. While the specter of higher US rates has seemingly rescinded, it is unsure whether the traditional engine of world growth, namely the US, can overcome the inevitable slowdowns elsewhere.

It is tempting to opine as to what happens next, and wiser heads and commentators have written at great length about likely scenarios. Much needs to be worked through, as the geopolitical, social, and economic ramifications unfold. The UK and Europe are in uncharted waters, and this is hopefully the time of maximum uncertainty. It would be foolish to predict the roadmap, or eventual end point of negotiations, which is why we revert to the fundamentals of our underlying companies, and have charged our analysts with reevaluating them on a stock by stock basis.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

| | | | | | |
|---------|---------------------|-----|---------------------------|----|---|
| Gained: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| | Reason(s): | n/a | | | |

MANAGER STYLE SUMMARY

Baring tends to be a "top-down" manager, focusing on country and sector allocations with individual stock selection as a secondary consideration. Until the second half of 2004, Barings was asked to customize their portfolio to maintain a large cap growth exposure. Since then, Barings has implemented their fully integrated approach, which should result in portfolio characteristics similar to that of the benchmark, although they may have a tendency toward mid-capitalization stocks. Barings is not a "closet indexer" and is willing to have no presence in a country/region if they feel prospects are poor - this implies more volatility in returns compared to other global managers. Barings will actively hedge foreign currency exposures.

BARING ASSET MANAGEMENT
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Index | Baring EQ | Calc | Min | Max | Compliance |
|---|--------|-----------|------|-----|---|------------|
| A1. ETF Security position <= 5% of the account @ purchase | | | | | | ok |
| B3. Security position <= 5% of the account @ purchase | | | | | | ok |
| B4. Number of issues | | 85 | | 85 | 120 | ok |
| B5. Normal Regional Exposures: | | | | | | |
| United States & Canada | | 56% | | 30% | 80% | ok |
| United Kingdom | | 13% | | 0% | 30% | ok |
| Europe ex U.K. & Developed Middle East | | 14% | | 5% | 40% | ok |
| Japan | | 10% | | 0% | 25% | ok |
| Pacific ex Japan (Developed Index) | | 2% | | 0% | 20% | ok |
| Emerging | | 5% | | 0% | 15% | ok |
| Cash & Hedges | | | | | | |
| Total | | 100% | | | | |
| B6. Normal Global Portfolio Characteristics (MSCI All Country World) | | | | | | |
| Capitalization | 87,564 | 51,949 | 59% | 70% | 130% | check |
| Price/Book Value | 2.0 | 3.2 | 158% | 80% | 140% | check |
| Price/Earnings (Next 12 mo) | 15.5 | 17.8 | 115% | 90% | 120% | ok |
| Price/Cash Flow | 9.5 | 13.3 | 140% | 80% | 140% | check |
| Dividend Yield | 2.6 | 1.6 | 59% | 60% | 120% | check |
| Return on Equity | 16.7 | 20.1 | 120% | 75% | 150% | ok |
| Return on Equity (5-Yr Avg) | 13.4 | 17.8 | 133% | 75% | 150% | ok |
| C1. Currency or cross-currency position <= value of hedged securities | | | | | | ok |
| No executed forward w/o a corresponding securities position. | | | | | | ok |
| C2. Max forward w/ counterpart <= 30% of total mv of account | | | | | | ok |
| F3. Annual turnover | | 44% | | | 120% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

- B6. Capitalization: Multinational companies generate significant cash flow, but offer relatively anemic growth and face FX headwinds. We are therefore currently underweight these complexes. We have found more opportunities in secular growth stories, that use cash flow to reinvest and grow their businesses. This has led to a greater mix of mid cap holdings, as well as higher price/cash flow metrics. These stocks have performed well, and we are mindful of their underlying valuations.
- B6. Price/Book Value: The portfolio is significantly underweight those European banks that are currently selling on depressed P/B levels, (primarily because no one believes that these Book levels are robust). This, allied with our better than index ROE, results in our portfolio having a higher P/B level.
- B6. Price/Cash Flow: The change in this metric reflects our addition to the energy complex, primarily via our purchase of service company Halliburton, that are trading on elevated price/cash flow multiples, because cash flow is depressed in the current environment. Application software company Adobe also sells on a higher P/Cf multiple, although this will come down quickly over the coming years.
- B6. Dividend Yield: With Treasury yields being so low, investors have embarked upon a search for yield and dividend bearing securities have rallied accordingly. The current candidates that still show an above market yield tend to be Telcos/ REITs and Utilities. These are not attractive from a GARP perspective, and we are underweight them within the portfolios, thereby skewing the dividend yield measure.

BARING ASSET MANAGEMENT, INC.
GLOBAL FIXED: BARCLAYS CAPITAL AGGREGATE BENCHMARK

FOR THE MONTH OF:

JUNE

2016

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|-------------------------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Baring FX | 1.95% | 2.19% | 6.18% | 4.02% | 3.77% |
| Barclays Capital US Aggregate | 1.80% | 2.21% | 6.00% | 4.06% | 3.76% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Portfolio performance was ahead of the US aggregate benchmark in June (+1.95% versus +1.80%). Global government bond yields fell to record lows as investors sought the relative safety of this asset class. The UK's referendum on its membership of the European Union (EU) was the catalyst for the heightened level of risk aversion which afflicted financial markets. The UK voted to leave the EU in a 51.9% to 48.1% vote split, causing political and economic turmoil, with a fresh round of stimulus now expected from global central banks.

The portfolio's US asset allocation resulted in positive performance. This was specifically due to our allocation to US dollar denominated emerging market debt. The environment of lower rates for longer is conducive for these higher yielding asset classes. We took some profit, selling our position in Indonesia. We used the strong performance of the treasury market, which strengthened following the release of disappointing labor market data, to reduce interest rate risk in the US.

Given the flight to safety bid, Mexican spreads widened relative to the US, with our position here detracting. However, being positioned in the longer end of the curve negated some of the losses. The Mexican government bond yield curve flattened, as the central bank tightened monetary policy more aggressively than expected in a preemptive move to support the Peso. Our allocation to Poland also detracted on a spread basis, as yields in Germany fell further into negative territory.

Looking forward, familiar macroeconomic themes, such as US monetary policy and the oil price are likely to continue to influence financial markets. Brexit, should not have a significant impact on the US economy, (exports to the UK account for less than 0.7% of the US' GDP). However, the associated financial turbulence will likely prompt the Fed to keep monetary policy supportive for even longer.

ORGANIZATIONAL/PERSONNEL CHANGES

MANAGER STYLE SUMMARY

Barings is the only manager with a global fixed income mandate. They will make interest rate bets, not only within the U.S., but also between countries. As a result, Barings will sometimes hold foreign, non-dollar denominated securities, and will also take currency positions as part of their strategy. Added value is sought through investments in high-yield debt and mortgage-backed securities. Due to the periodic investments in foreign securities, currency positions, high-yield debt instruments, and the concentrated nature of the portfolio, we can expect Barings to go through long (1-2 years) periods of underperformance and then make up the underperformance within a matter of months.

BARING ASSET MANAGEMENT, INC.
GLOBAL FIXED: BARCLAYS CAPITAL AGGREGATE BENCHMARK

JUNE 2016

PORTFOLIO GUIDELINE COMPLIANCE

| Portfolio Guideline: | Baring FX | Min | Max | Compliance |
|---|-----------|------|--|------------|
| A3. Rule 144A securities | 0% | | 3% | ok |
| B2a. Regional/Sector Allocations: | 100% | | | |
| NORTH AMERICA | 89% | 20% | 100% | ok |
| Governments (incl Agy & Supranatl) | 36% | 0% | 100% | ok |
| Mortgages (incl MBS & 1st Mtg Deb) | 20% | 0% | 60% | ok |
| Corporates | 28% | 0% | 50% | ok |
| US\$ Denominated Foreign Sovereigns | 4% | 0% | 20% | ok |
| Canada | 0% | 0% | 30% | ok |
| Cash | 2% | | | |
| JAPAN | 0% | 0% | 40% | ok |
| MEMBERS OF EMU AND UK | 4% | 0% | 60% | ok |
| OTHER (ABS, CMBS, munis & other non\$ | 7% | 0% | 15% | ok |
| Quality Allocations: | | | | |
| SUB-INVESTMENT GRADE ^Y | N 0% | 0% | 35% | ok |
| US \$ Denominated Corporates | 0% | 0% | 100% | ok |
| US \$ Denominated Foreign Sovereigns | 0% | 0% | 100% | ok |
| Non-US \$ Denominated Corporates | 0% | 0% | 100% | ok |
| Non-US \$ Denominated Sovereigns | 0% | 0% | 100% | ok |
| B2b. Effective Duration +/- 40% of Benchmark | | 3.28 | 7.66 | |
| | | 5.47 | ◀ Barclays Capital US Aggregate Duration | check |
| B3a. Corporate securities of one issuer <=5% | | | | ok |
| B3b. Number of positions | 115 | 30 | | ok |
| B3ci. Regional allocations above also apply to forwards | | | | ok |
| B3cii. Max forward w/single counterpart <=25% | | | | ok |
| E2. Annual Turnover | 42% | | 250% | ok |
| 84 | | | | |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

E2. Annual Turnover: Annual turnover INCLUDING Mortgage B'kd - 161.39%

ACCOUNT TURNOVER

| | | | | | |
|---------|---------------------|-----|---------------------------|----|---|
| Gained: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| | Reason(s): | N/A | | | |

BERNSTEIN EMERGING MARKETS VALUE
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|---------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Bernstein EMV | 3.48% | -0.16% | -14.36% | 0.04% | -4.91% |
| MSCI EMF | 4.00% | 0.66% | -12.05% | -1.56% | -3.78% |

COUNTRY ALLOCATION COMPARISON

| <u>Over-weight</u> | <u>Bernstein</u> | <u>EMF</u> | <u>Under-weight</u> | <u>Bernstein</u> | <u>EMF</u> |
|--------------------|------------------|------------|---------------------|------------------|------------|
| Korea | 24.55% | 14.61% | South Africa | 0.77% | 7.17% |
| Russia | 8.53% | 3.74% | India | 4.59% | 8.37% |
| Hong Kong | 3.24% | 0.00% | Malaysia | 0.00% | 2.95% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

PORTFOLIO PERFORMANCE

The Emerging Markets Value Portfolio increased in absolute terms, but underperformed its benchmark in June. Security selection drove the underperformance, particularly within the finance, consumer-staples and industrial- commodities sectors. Our overweight to Russia hurt returns.

South Korean bank KB Financial was the leading detractor from relative returns. Shares underperformed after the South Korean central bank unexpectedly cut interest rates, which would likely put further pressure on net interest margins.

PICC Property and Casualty detracted from relative returns after it announced it would acquire new shares in a related entity—PICC Health Insurance, which is currently performing at a loss.

Within the energy sector, YPF tracked the broader sector lower, as oil prices declined in the second half of the month.

In contrast, Chinese TV-maker Skyworth Digital Technology reported better-than-expected earnings, as gross margins at its TV business came in above forecasts.

Improved sentiment helped Brazilian stock market operator BM&FBOVESPA. Shares were buoyed by positive signs of change in government and encouraged by announced measures to improve the country's fiscal conditions, which would drive stock market volumes and revenues.

Largan Precision, a major supplier of smartphone lenses, continued to benefit from increasing confidence that the adoption of dual cameras in newer smartphones would drive growth.

OUTLOOK

The global economy faces new challenges. For the UK, the chances of recession have clearly increased after the Brexit vote. However, the British economy only represented about 2.3% of world output in 2015, according to the International Monetary Fund. The euro-area economy's moderate recovery is also facing a new threat. Yet consensus global economic forecasts didn't change much after the Brexit vote. In our view, the bigger concerns for investors are the potential domino effects of the British decision on currency markets and interest rates. The US Federal Reserve, which was expected to raise interest rates in the coming months, is likely to defer a hike until at least next year. Other major central banks will also be reluctant to tighten monetary policy, in our view.

Within our Emerging Markets Value Portfolio, although we have a procyclical bias, we are underweight countries which run large account deficits—particularly South Africa, which we believe represents some of the biggest tail risk in a risk-off environment. We will continue to carefully monitor how our holdings are reacting to the uncertainty created by the UK's vote and will make any further changes necessary. We are also working hard to analyze where markets may have overreacted and created significant new return opportunities.

MANAGER STYLE SUMMARY

Bernstein a value-oriented, "bottom-up" manager, focusing on individual security selection, where country and sector allocations are an outgrowth of stock selection. As with their global product, they seek companies which are undervalued relative to their long-term earnings prospects due overreaction by the market. Although country selection is a by-product of the stock selection process, Bernstein seeks to reduce risk and enhance returns by limiting country concentration and maintaining stable country weights, as compared to the historical volatility of country weightings in the MSCI Em Index.

BERNSTEIN EMERGING MARKETS VALUE
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

| PORTFOLIO GUIDELINE COMPLIANCE | | | | JUNE | | 2016 |
|---|---------------|---------------|------|------|---|-----------------------------|
| Portfolio Guideline: | Index | Bernstein | Calc | Min | Max | Compliance |
| B3. Security position <= 8% of the account @ purchase | | | | | | ok |
| B4. Number of issues | | 88 | | 70 | 100 | ok |
| B5. Normal Regional Exposures (* benchmark +/- min/max): | | | | | | |
| Latin America * | 13% | 13% | | 15% | 15% | ok |
| Asia * | 70% | 70% | | 15% | 15% | ok |
| EMEA * | 16% | 14% | | 15% | 15% | ok |
| Other | | 2% | | 0% | 20% | ok |
| Total | | 100% | | | | |
| B6. Normal Portfolio Characteristics (MSCI EM) | | | | | | |
| Capitalization | 40,106 | 28,148 | 70% | 25% | 100% | ok |
| Price/Book Value | 1.5 | 1.0 | 70% | 30% | 100% | ok |
| Price/Earnings (Next 12 mo) | 12.9 | 9.5 | 74% | 30% | 100% | ok |
| Price/Cash Flow | 8.2 | 4.7 | 57% | 30% | 100% | ok |
| Dividend Yield | 2.8 | 2.8 | 100% | 75% | 200% | ok |
| C1. Currency or cross-currency position <= value of hedged securities | | | | | | ok |
| No executed forward w/o a corresponding securities position. | | | | | | ok |
| C2. Max forward w/ counterparty <= 30% of total mv of account | | | | | | ok |
| F3. Annual turnover | | 67% | | 30% | 40% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

F3. Annual Turnover: Turnover will vary throughout market cycles based on the level of volatility in markets and the changing nature of the value opportunity.

ORGANIZATIONAL/PERSONNEL CHANGES

Investment decisions for Emerging Markets Value are made by the Chief Investment Officer and Director of Research. For the month of June 2016, there were no personnel changes for the EMV portfolio.

ACCOUNT TURNOVER

Gained: Number of Accounts: 0 Total Market Value (\$m) \$ -
 Lost: Number of Accounts: 0 Total Market Value (\$m) \$ -
 Reason(s): The numbers above represent 1Q16.

Please note that the Data is Preliminary in this report.

BERNSTEIN GLOBAL STRATEGIC VALUE
GLOBAL EQUITY: MSCI ACWI BENCHMARK

FOR THE MONTH OF: JUNE 2016

| MANAGER PERFORMANCE CALCULATIONS | | | | | * Annualized returns |
|---|---------------|------------------|----------------|------------------|----------------------|
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Bernstein GSV | -3.20% | -1.40% | -9.74% | 7.27% | 5.17% |
| MSCI ACWI | -0.61% | 0.99% | -3.73% | 6.03% | 5.38% |
| Russell 3000 | 0.21% | 2.63% | 2.14% | 11.13% | 11.60% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

PORTFOLIO PERFORMANCE

The Global Strategic Value Portfolio declined in absolute terms and underperformed the benchmark in June. Security selection drove the underperformance, particularly in the finance, transportation and telecom sectors. Underweights in the utilities and consumer-staples sectors hurt relative returns.

Risk aversion, following the UK's decision to leave the EU, hit the portfolio's largest detractors including International Airlines Group (IAG), Magna International and Synchrony Financial. British Airways' parent, IAG, warned on profits amid a slowdown in traffic in the weeks leading up to the UK's EU referendum. The weakness in sterling further pressured the stock. For Magna International the vote to leave caused investors to question the viability of its plans to expand in the UK. In May the Canadian auto manufacturer revealed that it would build an aluminum casting facility in England, where it already employs more than 2,500 people.

In the finance sector, concerns about the outlook for consumer credit losses hurt shares of Synchrony Financial. Shares detracted after the company warned that credit card losses would be slightly worse over the next 12 months and following a weak US May jobs report. Our research suggests that while consumer credit is vulnerable in a weakening economy, the situation should remain stable in the near term if jobs hold up.

In contrast, oil major Royal Dutch Shell was the leading contributor to relative returns. Investors cheered an optimistic capital markets day, in which the company highlighted capital discipline and reassured investors about its balance sheet. The company also benefited from the fall in sterling as its revenues are in US dollars.

Cigarette manufacturer British American Tobacco similarly did well, as investors rotated into more defensive stocks, and on the benefit to the company's earnings from weaker sterling.

In the technology sector, Samsung Electronics outperformed in June due to better-than-expected shipment for flagship smartphone model Galaxy S7, while NAND market pricing was more resilient due to strong demand for enterprise SSD (solid state drive). In addition, Samsung's clear leadership in OLED technology is positive for market sentiment.

OUTLOOK

The global economy faces new challenges. For the UK, the chances of recession have clearly increased after the Brexit vote. However, the British economy only represented about 2.3% of world output in 2015, according to the International Monetary Fund. The euro-area economy's moderate recovery is also facing a new threat. Yet consensus global economic forecasts didn't change much after the Brexit vote. In our view, the bigger concerns for investors are the potential domino effects of the British decision on currency markets and interest rates. The US Federal Reserve, which was expected to raise interest rates in the coming months, is likely to defer a hike until at least next year. Other major central banks will also be reluctant to tighten monetary policy, in our view.

We carefully reviewed portfolio holdings in the run-up to the UK referendum and added some exposure to more defensive parts of the market that are holding up better in volatile markets. We will continue to carefully monitor how our holdings are reacting to the uncertainty created by the UK's vote and will make any further changes necessary. We are also working hard to analyze where markets may have over-reacted and created significant new return opportunities.

ORGANIZATIONAL/PERSONNEL CHANGES

Investment decisions for Global Strategic Value are made by the cross border team of Chief Investment Officers and Directors of Research. For the month of June 2016, there were no personnel changes for the GSV portfolio.

ACCOUNT TURNOVER

| | | | | | |
|---------|---------------------|---------------------|---------------------------|----|---|
| Gained: | Number of Accounts: | - | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | - | Total Market Value (\$m): | \$ | - |
| | Reason(s): | 1Q 2016 data above. | | | |

MANAGER STYLE SUMMARY

Bernstein is a research-driven, value-based, "bottom-up" manager, whose process is driven by individual security selection. Country allocations are a by-product of the stock selection process, which drives the portfolio country over and under weights. They invest in companies with long-term earnings power, which are undervalued due to an overreaction by the market. This value bias will result in a portfolio which will tend to have lower P/E and P/B ratios and higher dividend yields, relative to the market. The Global Strategic Value product is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

**BERNSTEIN GLOBAL STRATEGIC VALUE
GLOBAL EQUITY: MSCI ACWI BENCHMARK**

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Index | Bernstein | Calc | Min | Max | Compliance |
|---|--------|-----------|------|-----|---|-----------------------------|
| B3. Security position <= 10% of the account @ purchase | | | | | | ok |
| B4. Number of issues | | 70.0 | | 25 | 75 | ok |
| B5. Normal Regional Exposures (* benchmark +/- min/max): | | | | | | |
| United States * | 54% | 51% | | 25% | 25% | ok |
| Europe ex U.K. * | 15% | 18% | | 15% | 15% | ok |
| UK * | 6% | 9% | | 10% | 10% | ok |
| Japan * | 8% | 12% | | 10% | 10% | ok |
| Emerging Markets | | 7% | | 0% | 20% | ok |
| Other | | 3% | | 0% | 20% | ok |
| Total | | 100% | | | | |
| B6. Normal Global Portfolio Characteristics (MSCI ACWI) | | | | | | |
| Capitalization | 87,847 | 61,055 | 70% | 50% | 100% | ok |
| Price/Book Value | 2.0 | 1.5 | 77% | 50% | 100% | ok |
| Price/Earnings (Next 12 mo) | 16.3 | 13.7 | 84% | 50% | 100% | ok |
| Price/Cash Flow | 10.9 | 7.9 | 73% | 50% | 100% | ok |
| Dividend Yield | 2.7 | 2.6 | 99% | 75% | 200% | ok |
| C1. Currency or cross-currency position <= value of hedged securities | | | | | | |
| No executed forward w/o a corresponding securities position. | | | | | | ok |
| C2. Max forward w/ counterparty <= 30% of total mv of account | | | | | | |
| Forwards executed with Custodian <= 100% of the total mv of account, given credit check | | | | | | ok |
| F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities | | | | | | |
| F3. Annual turnover | | 69% | | 30% | 40% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:

F3. Annual Turnover:

Turnover will vary throughout market cycles based on the level of volatility in markets and the changing nature of the value opportunity.

BRANDES INVESTMENT PARTNERS, L.P.
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|--------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Brandes | -3.15% | -1.65% | -9.49% | 4.29% | 5.32% |
| Russell 3000 | 0.21% | 2.63% | 2.14% | 11.13% | 11.60% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

In June 2016 the portfolio trailed world markets. While the performance gap can go either way in the short term, Brandes believes that its philosophy has the potential for long-term outperformance as good periods can outweigh bad periods over the long-term.

The portfolio's holdings in Capital Markets, Food & Staples Retailing and Banks were the largest detractors to performance relative to the index on an industry basis, while on a country basis holdings in the United States and United Kingdom had the largest negative impact on relative returns for the month. Conversely, holdings in Korea and Brazil contributed positively to performance on a country basis, while holdings in Oil Gas & Consumable Fuels and Technology Hardware were among those industries with the largest positive impact on relative returns for the month.

As of 6/30/16, the largest absolute weightings were in the US (although underweight) and United Kingdom on a country basis, and Pharmaceuticals, Oil Gas & Consumable Fuels and Banks on an industry basis. Overall, Brandes believes that the portfolio is well positioned to deliver favorable long-term results.

While Brandes monitors short-term and top-down events, its investment philosophy focuses on company-by-company analysis with a long-term perspective. This summary includes shorter-term and top-down information, but Brandes continues to focus on applying its bottom-up, value philosophy over the long term with the goal of delivering better-than-benchmark results.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

| | | | | |
|---------|---------------------|---------------------------|----|---|
| Gained: | Number of Accounts: | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | Total Market Value (\$m): | \$ | - |
| | Reason(s): | | | |

MANAGER STYLE SUMMARY

Brandes is a classic "bottom-up" manager, focusing primarily on individual security selection (while country allocation is a secondary consideration), with a "value" bias, purchasing stocks primarily on the perceived undervaluation of their existing assets or current earnings. Consequently, the securities in the portfolio will tend to have a higher dividend yield and lower P/E and P/Book ratios compared to the market. Brandes' classic Graham and Dodd value investment style combined with the relatively low number of stocks in the portfolio results in large gains or losses on the portfolio. What has been encouraging is that Brandes has turned in good returns when the markets generally have rewarded growth, rather than value, styles.

BRANDES INVESTMENT PARTNERS, L.P.
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Index | Brandes | Calc | Min | Max | Compliance |
|---|-----------|-----------|------|-----|---|-----------------------------|
| B3. Security position <= 5% of the account @ purchase | | | | | | ok |
| B4. Number of issues | | 56 | | 40 | 70 | ok |
| B5. Normal Country Exposures: | | | | | | |
| United States & Canada | | 34% | | 30% | 100% | ok |
| Americas ex U.S. | | 4% | | 0% | 40% | ok |
| United Kingdom | | 15% | | 0% | 25% | ok |
| Europe ex U.K. | | 26% | | 0% | 50% | ok |
| Japan | | 7% | | 0% | 45% | ok |
| Pacific ex Japan | | 11% | | 0% | 40% | ok |
| Non-Index Countries | | 0% | | 0% | 20% | ok |
| Cash & Hedges | | 3% | | | | |
| Total | | 100% | | | | |
| B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large") | | | | | | |
| Capitalization | \$48,377 | \$54,523 | 113% | 30% | 125% | ok |
| Price/Book Value | 1.5 | 1.0 | 65% | 50% | 100% | ok |
| Price/Earnings | 14.8 | 12.9 | 87% | 50% | 100% | ok |
| Price/Cash Flow | 8.7 | 4.6 | 53% | 50% | 100% | ok |
| Dividend Yield | 3.3 | 4.3 | 131% | 90% | 150% | ok |
| B7. Normal U.S. Portfolio Characteristics (Russell 3000) | | | | | | |
| Capitalization | \$122,556 | \$110,412 | 90% | 30% | 125% | ok |
| Price/Book Value | 2.8 | 1.4 | 49% | 50% | 100% | check |
| Price/Earnings | 19.5 | 14.3 | 73% | 50% | 100% | ok |
| Price/Cash Flow | 13.0 | 10.4 | 80% | 50% | 100% | ok |
| Dividend Yield | 2.1 | 2.4 | 113% | 90% | 150% | ok |
| C1. Currency or cross-currency position <= value of hedged securities | | | | | | ok |
| No executed forward w/o a corresponding securities position. | | | | | | ok |
| C2. Max forward w/ counterpart <= 30% of total mv of account | | | | | | ok |
| F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.) | | | | | | ok |
| F2. Annual turnover | | 14% | | | 100% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

Due to data availability, the characteristics above are for the MSCI AC World ex US and MSCI US respectively, but this doesn't materially change the situation.

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **JUNE** 2016

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|------------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Capital Guardian | -0.44% | -0.27% | -4.87% | 6.48% | 6.68% |
| MSCI World | -0.61% | 0.99% | -3.73% | 6.03% | 5.38% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

2Q 2016 Market Review - Global stocks rose modestly in a volatile quarter marked by heightened concerns about threats to worldwide economic growth. Stocks initially dropped sharply after British voters on June 23 approved a ballot measure to leave the European Union, but a strong bounce-back rally erased most of the losses. Rising oil prices fueled gains in the energy sector while consumer discretionary stocks declined. High-grade bonds, the U.S. dollar and gold rallied. U.S. stocks ended the second quarter with modest gains overall despite weakening economic data and the turmoil caused by the U.K.'s vote to exit the European Union. The broad Standard & Poor's 500 Composite Index and the Dow Jones Industrial Average both advanced 2% while the Nasdaq composite was flat. The quarter was characterized by a flight to safety as investors shifted into defensive sectors and safe-haven investments. Given the unemployment data and the Brexit vote, the Federal Reserve opted to maintain the fed funds target rate in a range of 0.25% to 0.50% at its June meeting. In bond markets, the Barclays U.S. Aggregate Index rose 2.2%. The yield on the benchmark 10-year Treasury note fell 29 basis points to 1.49%. European stocks declined after British voters approved a ballot measure to leave the European Union, raising questions about EU stability and the potential for an economic downturn. Equity markets fell sharply following the June 23 referendum and the pound sterling plunged to levels not seen since the 1980s. However, markets staged a strong bounce-back rally in the final few days of the quarter, erasing some of the losses. Overall, the MSCI Europe Index rose 1% in local currency terms, but fell 3% for U.S. dollar-based investors. European government bonds rallied on expectations for interest rate reductions from the ECB, the BOE and potentially other central banks. The yield on Germany's benchmark 10-year note moved into negative territory for the first time in history, ending the quarter at -0.13%. S&P downgraded the U.K.'s credit rating to double-A from triple-A. Japan was among the worst returning developed equity markets in the second quarter, sinking amid a strengthening yen and a sluggish economy. Concerns over geopolitical risk in Europe as well as slowing global growth further pressured stocks. Overall, the MSCI Japan Index fell 8%, while the MSCI Pacific Index sank 4%. The Japanese yen gained 10% against the U.S. dollar. Emerging markets edged higher in a volatile quarter as investors weighed the timing of the next Federal Reserve rate hike and gauged the impact of Britain's decision to exit the European Union. The MSCI Emerging Markets IMI rose 1%, elevating its year-to-date return to 6% — the best among major global equity indices. In the second quarter, the consumer staples sector led gains, while industrials led declines. U.S. dollar-denominated bonds, as measured by the J.P. Morgan EMBI Global index, rose 5.4% as investors searched for higher yields in a low-rate environment. Local currency debt, as measured by the J.P. Morgan GBI-EM Global Diversified index, gained 3% in dollar terms.

2Q 2016 Portfolio Review - Over benchmark position and stock selection in the Consumer Discretionary sector (Norwegian Cruise Lines - 27.94%, Stella Intl Holdings -22.61% and Daimler AG -18.32%) detracted the most from quarterly performance. However, returns from Minth Group (+42.00%) advanced relative returns. Overweight position and stock selection in the Materials sector (ISR:Vale +25.01% and Newcrest Mining +31.27%) boosted Q2 returns. Stock selection in Brazil helped on a relative basis. Aside from ISR:Vale, contributors included holdings in ISR: Banco Bradesco (+14.51%), CCR SA (+32.46%) and ISR:Itau Unibanco (+8.80%). Stock selection in the United States weighed on relative returns. In addition to Norwegian Cruise Line, investments in stocks of Tiffany & Co. and NetApp were down 16.75% and 9.28%, respectively. Below benchmark positions in Exxon Mobil (+13.09%) and Pfizer (+19.87%) also undermined Q2 performance. On an individual security basis, the top 3 contributors to relative returns were holdings in ISR:Vale, Minth Group and NTT DoCoMo (+18.74%). The three holdings that most negatively impacted relative returns were Norwegian Cruise Lines, ISR:America Movil (-21.72%) and Adecco Group (-20.31%). From a country perspective, stock selections in Brazil, China and Japan enhanced relative performance, while holdings in the United States, Mexico and Switzerland hurt relative results.

ORGANIZATIONAL/PERSONNEL CHANGES

Jeremy Burge was named portfolio manager and David I. Fisher transitioned out of ACWE effective June 30, 2016.

ACCOUNT TURNOVER

| | | | | |
|---------|---------------------|--|---------------------------|------|
| Gained: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ - |
| Lost: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ - |
| | Reason(s): | The account turnover reflects data for Capital's ACWE strategy during the month of May 2016. | | |

MANAGER STYLE SUMMARY

Capital Guardian is a "bottom-up" manager, focusing on individual security selection in light of macroeconomic factors (country, sectors, currency). Capital Guardian's investment process is unique in that it is essentially a portfolio of 10 independently managed portfolios consisting of one U.S., one North America, three non-U.S., and five global managers (one of which is the research portfolio). Portfolio manager allocations are based on portfolio management experience.

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Index | CGTC | Calc | Min | Max | Compliance |
|---|-------|-------|------|-----|---|-----------------------------|
| B3. Security position <= 5% of the account @ purchase | | | | | | ok |
| B4. Number of issues | | 216 | | 200 | 250 | ok |
| B5. Normal Country Exposures: | | | | | | |
| United States | | 35% | | | 75% | ok |
| Emerging Markets | | 17% | | | 10% | check |
| The following are limited to the larger of 25% of the total portfolio or 2 times the MSCI World benchmark weight: | | | | | | |
| Japan | 8% | 10% | 1.3 | | 25% | ok |
| United Kingdom | 6% | 7% | 1.0 | | 25% | ok |
| Germany | 3% | 2% | 0.8 | | 25% | ok |
| France | 3% | 3% | 0.9 | | 25% | ok |
| Switzerland | 3% | 5% | 1.7 | | 25% | ok |
| The following are limited to the larger of 10% of the total portfolio or 3 times the MSCI World benchmark weight: | | | | | | |
| Other MSCI World (incl Can) | 13% | 21% | 1.6 | | 10% | ok |
| B6. Normal International Portfolio Characteristics (MSCI EAFE) | | | | | | |
| Capitalization (wtd avg) | 48.4 | 37.8 | 78% | 60% | 100% | ok |
| Price/Earnings (trail) | 14.5 | 14.1 | 98% | 80% | 135% | ok |
| Dividend Yield | 3.3 | 3.2 | 96% | 80% | 105% | ok |
| Price/Book Value | 1.4 | 1.7 | 123% | 90% | 120% | check |
| B7. Normal U.S. Portfolio Characteristics (Russell 3000) | | | | | | |
| Capitalization (wtd avg) | 106.9 | 120.8 | 113% | 40% | 75% | check |
| Price/Earnings (trail) | 18.1 | 19.4 | 107% | 90% | 125% | ok |
| Dividend Yield | 2.0 | 2.1 | 104% | 70% | 110% | ok |
| Price/Book Value | 2.4 | 2.9 | 121% | 70% | 105% | check |
| C1. Currency or cross-currency position <= value of hedged securities | | | | | | ok |
| No executed forward w/o a corresponding securities position. | | | | | | ok |
| C2. Max forward w/ counterpart <= 30% of total mv of account | | | | | | ok |
| F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities | | | | | | ok |
| F3. Annual turnover | | 55% | | | 120% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

- B6. Dividend Yield: Through our bottom-up stock selection process, we are holding names that on average have a relatively low dividend yield.
- B6. Price/Book Value: Through our bottom-up stock selection process, we are holding names that on average have a relatively high price to book value.
- B7. Capitalization (wtd avg): Through our bottom-up stock selection process, we are holding names that on average have a relatively high market capitalization.
- B7. Price/Book Value: Through our bottom-up stock selection process, we are holding names that on average have a relatively high price to book value.
- B4. Number of Issues:
- F2. Commissions:

CLEARWATER ADVISORS, LLP
CASH: MERRILL LYNCH 0-3 MONTH TREASURY BILL BENCHMARK

FOR THE MONTH OF: JUNE 2016

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|-------------------------|---------------|------------------|----------------|------------------|------------------|
| Clearwater - PERSI STIF | 0.01% | 0.22% | 0.65% | 0.42% | 0.37% |
| ML 0-3 Month T-bill | 0.06% | 0.16% | 0.41% | 0.30% | 0.34% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Short-term markets were affected by events both at home and abroad in June, although Brexit has had a much greater impact on markets than the FOMC's decision to keep rates steady. The Brexit vote on June 23rd triggered a flight to quality that caused a rout in risk assets and sent treasury rates lower across the yield curve. Risk assets largely recovered in June with the SPX declining 5.3% to 2,000 following the vote, only to end the month up 4.9%. Unlike risk assets, short-term rates have not recovered. The three-month and 12 month Treasury bills were 28.7 and 57.8 basis points (bps) preceding the vote and ended June at 18.4 bps and 26.1 bps respectively. Three-month LIBOR ended the month down 4.5% at 65.4 bps. The June FOMC statement and dot-plot which were released on the 15th were more dovish than expected citing a possible slowdown in the labor market. Combined, the two events had the market discounting a rate hike to less than 10% as of the end of June.

PORTFOLIO GUIDELINE COMPLIANCE

| Portfolio Guideline: | Clearwater | Min | Max | Compliance |
|---|------------|-----|---|-----------------------------|
| B2a. Sector Allocations: | 100% | | | |
| Treasuries | 11% | 0% | 100% | ok |
| Agencies | 4% | 0% | 100% | ok |
| Corporates | 56% | 0% | 100% | ok |
| Mortgage Backed Securities (MBSs) | 0% | 0% | 60% | ok |
| Asset Backed Securities (ABSs) | 0% | 0% | 40% | ok |
| Cash | 10% | 0% | 100% | ok |
| Commercial Paper | 20% | 0% | 100% | ok |
| B2b. Quality: Securities must be rated investment grade by S&P or Moody's at time of purchase | | | | ok |
| B2c. Effective Duration <=18 months | 4 | | 18 | ok |
| B2d. Number of securities | 28 | 10 | 50 | ok |
| B3a. Allocation of corporate securities to one issuer | 4% | | 5% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

MANAGER STYLE SUMMARY

The enhanced cash portfolio was created with the expectation that the portfolio will generate returns similar to, or in slight excess of, the Mellon Short-Term Investment Fund (STIF), while providing PERSI with an increased level of transparency into the cash portfolio.

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Clearwater Advisors, LLCCore Fixed: Barclays Capital Aggregate Benchmark

For the month of:

June

2016

Manager Performance Calculations

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|--------------------|---------------|------------------|----------------|------------------|------------------|
| Clearwater Agg | 1.75% | 2.45% | 6.06% | 4.33% | 3.31% |
| Barclays Aggregate | 1.80% | 2.21% | 6.00% | 4.10% | 3.20% |

Performance Attribution & Strategy Comments

Portfolio performance trailed the benchmark by five basis points in June. U.S. Treasury yields caught a bid early in the month after a weak May jobs report refocused attention on possible weakness in the U.S. economy. Yields fell further after a dovish FOMC meeting mid-month. Markets were caught flat-footed by the British vote to exit (“Brexit”) the European Union late in the month pushing safe haven Treasury yields close to record lows. Risk assets stumbled badly before recovering almost as quickly into month-end albeit on shaky footing.

The portfolio’s corporate exposure was the primary driver of underperformance in June. U.S. Treasury and agency exposure aided in performance while industrial exposure, more specifically, the portfolio’s holdings in metals and mining as well as energy sectors boosted performance as commodity prices stabilized. Mortgage-backed security and financial sector positioning detracted from performance. Further, the lowest quality investment grade credits outperformed their higher-quality counterparts. However, investment grade performance exceeded that of high yield on the month.

The Brexit vote will keep global monetary policy accommodative and slow the Federal Reserve’s path to less accommodative policy. The strength of the recovery from weak Q1 growth bears monitoring and will factor into the pace of policy normalization. Markets remain unconvinced that the Fed will act which will continue to contribute to volatility. We look to take advantage of attractive relative value opportunities mindful of evolving monetary policy impacts.

Organizational/Personnel Changes**Manager Style Summary**

Clearwater manages a core Aggregate portfolio which is not expected to deviate significantly from the benchmark, although issuer concentration is expected to be much larger. They seek to add value through sector allocation and security selection rather than duration bets. Prior to January 2014, Clearwater managed a TBA mortgage portfolio. The historical returns through December 2013 reflects the performance of the TBA portfolio while performance beginning January 2014 reflects the Aggregate portfolio.

Clearwater Advisors, LLC

Core Fixed: Barclays Capital Aggregate Benchmark

Portfolio Guideline Compliance

June 2016

| Portfolio Guideline: | Clearwater | BC Agg | Min | Max | Compliance |
|---|------------|--------|------|---|-----------------------------|
| A1. The account shall consist of dollar denominated fixed income securities | | | | | ok |
| B2. Duration: | 5.4 | 5.5 | 5.0 | 6.0 | ok |
| B3. Sector Diversification: | | | | | |
| Treasuries | 24% | 37% | 22% | 52% | ok |
| Agencies | 6% | 4% | -11% | 19% | ok |
| Supra/Sovereign | 2% | 4% | -6% | 14% | ok |
| Corporates | 35% | 25% | 5% | 45% | ok |
| Industrial | 17% | 16% | 1% | 31% | ok |
| Financial | 14% | 8% | -7% | 23% | ok |
| Utility | 4% | 2% | -8% | 12% | ok |
| MBS | 28% | 28% | 13% | 43% | ok |
| ABS | 1% | 0% | -5% | 5% | ok |
| (CMBS | 3% | 2% | -3% | 7% | ok |
| B4. Issuer Concentration: <=5% all corporate issuers | | | | 5% | ok |
| B5. Number of positions | 92 | | 100 | 200 | ok |
| B6. Non-Investment Grade alloc | 1% | | | 10% | ok |
| B7. Out of index sector alloc | 0% | | | 10% | ok |
| B7. TIPS allocation | 2% | | | 20% | ok |
| E2. Annual Turnover (ex TBA rolls) | 45% | | 80% | 120% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Manager Explanations for Deviations from Portfolio Guidelines

Annual Turnover (ex TBA rolls) Portfolio turnover has been below expectations. This measure may increase as the portfolio ages.

Account Turnover

| | | | | |
|---------------------|---------------------|---|------------------------|------|
| Gained: | Number of Accounts: | 0 | Total Mkt Value (\$m): | \$ - |
| Lost: | Number of Accounts: | 0 | Total Mkt Value (\$m): | |
| Reason(s) for loss: | N/A | | | |

D.B. FITZPATRICK & Co., INC. - IDAHO COMMERCIAL MORTGAGE PORTFOLIO
DOMESTIC FIXED: BARCLAYS CAPITAL MORTGAGE BENCHMARK

FOR THE MONTH OF: **JUNE** 2016

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|----------------------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Idaho Commercial Mortgages | 2.61% | 2.63% | 9.56% | 5.89% | 5.17% |
| BC Mortgage | 0.81% | 1.11% | 4.34% | 3.76% | 3.01% |

PORTFOLIO SUMMARY

Market Value \$ 705,632,467

Delinquencies/REOs

| Originations/Payoffs | | | <u>\$ Amt</u> | <u>% of Portfolio</u> |
|-----------------------------|---------------|-----------|---------------|-----------------------|
| | | 30 days | \$ - | 0.00% |
| Month: | \$ 8,314,304 | 60 days | \$ - | 0.00% |
| Year to Date: | \$ 68,869,138 | 90 days | \$ - | 0.00% |
| | | 120+ days | \$ - | 0.00% |
| Payoffs: | \$ - | REOs | \$ - | 0.00% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The Treasury yield curve flattened in June and long rates have reached historic lows, having dropped 30-38 basis points during the month. The Commercial Mortgage Portfolio returned 9.56% during the last year and 5.17% (annualized) during the last five years, 216 basis points above the Barclays U.S. MBS Index. The portfolio has a weighted average coupon of 4.47% and zero delinquencies.

Idaho commercial real estate is in a bull market, and continues to benefit from falling vacancy rates, increasing rents, and compressed capitalization rates. Low interest rates have been a major driver of commercial real estate in recent years, both in Idaho and across the country, and the bull market is likely to continue as long as rates remain low. We have remained conservative in our underwriting and selective with our fundings, despite very positive market dynamics. Industrial properties remain our preferred property type and eastern Idaho is our preferred region today.

MANAGER STYLE SUMMARY

The Idaho Commercial Mortgage portfolio is managed by DBF and consists of directly owned Idaho commercial mortgages. DBF oversees the origination process, the monitoring of the portfolio, and services 50% of the portfolio.

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D.B. FITZPATRICK & Co., INC. - MBS PORTFOLIO
DOMESTIC FIXED: BARCLAYS CAPITAL MORTGAGE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE 2016

| Portfolio Guideline: | DBF | Min | Max | Compliance | |
|---|------------|------|---|-----------------------------|----|
| B2. Minimum portfolio size | \$74 | \$50 | | ok | |
| B2a. Security Type: | | | | | |
| MORTGAGE RELATED | 83% | 80% | 100% | ok | |
| Generic MBSs | 83% | 75% | 100% | ok | |
| GNMAs | 17.0% | | | | |
| FNMAs | 36.7% | | | | |
| FHLMCs | 28.8% | | | | |
| CMOs | 0.0% | 0% | 25% | ok | |
| NON-MORTGAGE RELATED | 0.0% | 0% | 20% | ok | |
| Treasuries | 0.0% | 0% | 20% | ok | |
| Agencies | 0.0% | 0% | 20% | ok | |
| Cash | 17.5% | 0% | 10% | check | |
| Attributes: | ▼ Leh Mtge | | | | |
| Duration | 2.5 | 3.5 | 0.5 | 4.5 | ok |
| Coupon | 3.6% | 3.6% | 2.6% | 4.6% | ok |
| Quality | AAA | AAA | AAA | | ok |
| B3. Individual Securities excluding Treasuries as a % of portfolio | | 0% | 5% | ok | |
| B4. Number of securities | 28 | 25 | 50 | ok | |
| E2. Annual Turnover | 11% | 0% | 25% | ok | |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B2a. Security Type: The portfolio held \$12.9 million or 17.5% in cash as of 6/30/2016 to fund commercial mortgage loans on 7/1/2016.

ORGANIZATIONAL/PERSONNEL CHANGES

There were no organizational or personnel changes in June.

ACCOUNT TURNOVER

| | | | | | |
|---------|---------------------|---|---------------------------|----|---|
| Gained: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| | Reason(s): | | | | |

DONALD SMITH & Co., INC.
DOMESTIC EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

MANAGER PERFORMANCE CALCULATIONS

| | <i>* Annualized returns</i> | | | | |
|--------------------|-----------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
| Donald Smith & Co. | -2.14% | 6.12% | 0.90% | 6.57% | 8.92% |
| Russell 3000 | 0.21% | 2.63% | 2.14% | 11.12% | 11.60% |

PORTFOLIO ATTRIBUTES

| <u>Characteristics</u> | <u>DSCO</u> | <u>RU 3000</u> | <u>Sector Analysis</u> | | |
|------------------------|-------------|----------------|------------------------|-------------|----------------|
| | | | <u>Over-weight</u> | <u>DSCO</u> | <u>RU 3000</u> |
| Mkt Value (\$m) | 459.45 | N/A | Financials | 40.51% | 14.78% |
| Wtd Cap (\$b) | 34.33 | 114.60 | Energy | 5.26% | 6.27% |
| P/E | 7.70 | 20.60 | Utilities | 11.63% | 3.28% |
| Beta | 0.93 | N/A | | | |
| Yield (%) | 1.19 | 2.02 | | | |
| Earnings Growth | | | <u>Under-weight</u> | <u>DSCO</u> | <u>RU 3000</u> |
| | | | Healthcare | 0.00% | 15.63% |
| | | | Technology | 8.13% | 17.48% |
| | | | Consumer Staj | 0.00% | 10.29% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The account's decline of 2.1% in June lagged both the Russell 3000 (+0.2%) and Russel 3000 Value (+0.8%). It remains ahead of both indices for the year-to-date. Precious metal stocks were again the top performers, with Yamana rising 24.4% and Kinross 14.8%. Brexit has led to lower interest rates and concerns regarding economic growth. Citibank (-9.0%) and Unum (-13.9%) would be negatively impacted by lower rates, and Air France (-20.6%) and Aercap (-14.1%) would be hurt by less air travel.

The position in Aercap was increased on weakness. A new name, Goldman Sachs (cost = \$141.70), was added at 89% of tangible book value. Goldman has consistently earned 11%+ ROEs and we believe that they will be able to continue to earn these levels, justifying a price in excess of book value. They have a world class franchise with a strong and deep management team. The doubling of the tangible equity to asset ratio to over 8% has made them a "safer" company.

The portfolio continues to sell at a very attractive valuation relative to the market. It sells at only 83% of book value, 10.2x this year's earnings and 7.7x normalized 2-4 year earnings. This compares favorably with the S&P 500 at 704% of tangible book value, 17.9x this year's earnings and 16.8x normalized 2-4 year earnings. Large industry weightings include insurance, precious metals, utilities and airlines/aircraft leasing

MANAGER STYLE SUMMARY

Donald Smith & Co manages an all-cap portfolio, employing a bottom-up, deep value investment strategy. They invest in stocks with low P/B ratios and which are undervalued given their long-term earnings potential. Consequently, the portfolio will consist of securities with higher dividend yield and lower P/B and P/E ratios relative to the market. This is a concentrated portfolio, consisting of approximately 15-35 issues, and as a result, may experience more volatility than the market.

DONALD SMITH & Co., INC.
DOMESTIC EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | DSCO | RU 3000 | Calc | Min | Max | Compliance |
|--|------|---------|---------|-----|------|--|
| B2. Security Market Cap (in \$m) > \$100 m @ purchase | | | | | | ok |
| B3. Security Positions <= 15% @ purchase | | | | | | ok |
| B4. Number of issues | 20 | | | 15 | 35 | ok |
| B5. Portfolio Characteristics | | | | | | |
| P/B | 0.83 | 2.75 | 30% | 30% | 100% | ok |
| P/E (1 Year Forward) | 7.70 | 20.60 | 37% | 50% | 100% | check |
| Dividend Yield | 1.19 | 2.02 | 59% | 50% | 150% | ok |
| Beta | 0.93 | N/A | #VALUE! | 70% | 130% | #VALUE! |
| F2. Commissions not to exceed \$0.05/share; explanation required for commissions >\$0.07/share | | | | | | ok |
| F3. Annual Turnover | 9% | | | 20% | 40% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | | <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

- B5. P/E (1 Yr Forward): We focus on normalized EPS looking out 2-4 years. On this basis, we are significantly below the market.
- F3. Annual Turnover: As we are long-term investors, our turnovers are always on the lower end.
- B5. Beta: Note: We do not have access to the Russell beta anymore.

ORGANIZATIONAL/PERSONNEL CHANGES

None.

ACCOUNT TURNOVER

Gained: Number of Accounts: 0 Total Market Value (\$m): \$ -

Lost: Number of Accounts: 1 Total Market Value (\$m): \$ 98.0

Reason(s): Recent underperformance, despite outperformance since inception

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

FOR THE MONTH OF: JUNE 2016

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|---------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Genesis | 3.80% | 3.53% | -6.28% | -1.16% | -1.92% |
| MSCI EM | 4.10% | 0.80% | -11.71% | -1.21% | -3.44% |

COUNTRY ALLOCATION COMPARISON

| <u>Over-weight</u> | <u>Genesis</u> | <u>EM</u> | <u>Under-weight</u> | <u>Genesis</u> | <u>EM</u> |
|--------------------|----------------|-----------|---------------------|----------------|-----------|
| Thailand | 8.11% | 2.26% | China | 15.80% | 25.80% |
| Turkey | 3.68% | 1.34% | Taiwan | 7.72% | 12.07% |
| Russia | 5.18% | 3.74% | Malaysia | 0.50% | 2.95% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Over the month the portfolio underperformed the MSCI EM index by 0.3%. Stock contributors to the portfolio's monthly return were led by its two largest positions, the IT giants TSMC and Samsung Electronics. All of the portfolio's Brazilian holdings posted double-digit returns with stand-out gains coming from Grupo Pão de Açúcar and OdontoPrev. Two Chinese holdings were also prominent, namely ICBC and China Mengniu Dairy, while South African pharmaceutical company Aspen soared following its acquisition of a number of anaesthetic products from AstraZeneca. The impact of Nigeria devaluing its currency was acutely seen, with the list of detractors being headed by Guaranty Trust Bank. Elsewhere, the Indian IT services duo of Cognizant and Infosys retreated relating to concerns around IT spending by financial services firms, particularly large European banks given the potential uncertainty about the future relationship between the UK and Europe. Relative to the benchmark, alongside the losses incurred in Nigeria, value was lost in Brazil due to the underweight position and in India due to underperforming stocks. However, these losses were partially offset by stock selection gains in China and Taiwan, where MediaTek assisted TSMC, and also in Mexico where the smaller positions of First Cash and Torex Gold performed well. By sector, there were sizeable losses in consumer staples, telecoms and financials with smaller gains in health care, industrials and IT. Over the quarter the portfolio outperformed the MSCI EM index by 2.7%. Two positions from each of Thailand (Central Pattana and Thai Beverage) and Russia (Sberbank and Novatek) were among the top contributors to the portfolio's Q2 return. It was a similar story for the mining duo of Anglo American and First Quantum Minerals as their share prices rose. Elsewhere, Axis Bank, Credicorp and Tullow Oil also performed well. Turning to detractors, poor numbers from Mexican telco América Móvil saw it retreat while the Chinese pair Tingyi and Anhui Conch Cement were also prominent. There were share price falls in the Turkish bank Garanti and Indian position Cognizant, but the largest detractor was South Korean insurer Samsung Fire & Marine. The Korean bank Shinhan also held the portfolio back. Relative to the benchmark, There were sizeable stock selection gains from Thailand, where Robinson Department Store and CP ALL supported those positions mentioned earlier, while stock performance in South Africa and Russia also added value. Less significant gains were made across a number of other markets but these were countered by small losses sustained in the Philippines and India from a few underperforming stocks. The overweight position in Turkey also hindered the portfolio. Financials was the stand-out alpha generator by sector followed by industrials and materials, with telecoms the only notable detractor.

MANAGER STYLE SUMMARY

Genesis utilizes a "bottom-up" investment approach, whereby security selection is primarily based on individual stocks rather than country or regional prospects. An unusual aspect of their style is that they will limit the countries within their selection set to the World Bank list of emerging markets (based on per capita GDP), rather than the standard emerging markets indices. Thus, some of the countries within the emerging markets indices (i.e. Israel), are not a major focus of Genesis. Their unique style tends to keep Genesis out of fast-growing countries included in the emerging markets indices or country or regional successes rather than individual companies (i.e. Asia). Consequently, they can have periods of underperformance when these types of countries perform well.

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE 2016

| Portfolio Guideline: | Genesis | Compliance |
|---|---|-----------------------------|
| B2. Country allocations <=15% of value at cost | | ok |
| B3. EAFE securities <=10% of value at cost | | ok |
| B4. Security position <=4% of the account at purchase | | ok |
| B5. Number of Issues > 75 | 108 | ok |
| C1. Currency or cross-currency position <= value of hedged securities | | ok |
| No executed forward w/o corresponding securities position | | ok |
| C2. Maximum forward with counterpart <= 30% of total mv of account | | ok |
| F2. Annual Turnover <= 100% | 23% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

Karen Yerburgh, Genesis Managing Partner, has decided that she will retire from Genesis and the industry on 30th June 2017. Andrew Elder will succeed Karen as Managing Partner from that date; he will become Deputy Managing Partner with effect 1st July this year and will work closely with Karen over the twelve-month handover period.

ACCOUNT TURNOVER

| | | | | | |
|---------|---------------------|-----|---------------------------|----|---|
| Gained: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| | Reason(s): | N/A | | | |

LONGVIEW PARTNERS
GLOBAL EQUITY: MSCI ACWI BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|-----------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Longview | -3.54% | -0.36% | -0.95% | 12.39% | 12.78% |
| MSCI ACWI | -0.61% | 0.99% | -3.73% | 6.03% | 5.38% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Our zero weight in Consumer Staples was the largest detractor from relative performance in June. At a stock level, Lloyds, Continental and Bank of New York Mellon were amongst the largest detracting stocks. UK bank Lloyds, was negatively impacted by Britain's decision to leave the EU, as a result of its exposure to the UK economy and more specifically its sensitivity to UK interest rates and UK unemployment. Two thirds of Lloyds' business is UK mortgages. Autoparts company, Continental underperformed on general macroeconomic concerns and the potential impact that Brexit is expected to have on car sales in Europe. US Bank, Bank of New York Mellon also underperformed on lower interest rate expectations, in line with the majority of Financials companies.

On the positive side, Compass Group, United Health and Fiserv were amongst the largest contributors to relative returns. UK company, Compass Group was rewarded for the global nature of its business and benefitted from a weak sterling. Health insurance company, UnitedHealth outperformed following the announcement of a 25% increase in its quarterly dividend. Financial software company, Fiserv continued to outperform, despite no new stock specific news. Fiserv reported solid Q1 2016 earnings in mid-May.

At the end of the first quarter, global uncertainty appeared to be on the wane, however the UK's shock decision to leave the EU reversed that dramatically. In the short term, uncertainty has increased considerably in the UK and a domestic slowdown would seem to be likely. However, the largest uncertainties in this outlook are likely to be the upcoming US elections and the Chinese growth outlook. Our research efforts remain focused on individual stocks, with few themes. Many of these ideas seem to be in Healthcare, following the poor performance seen in the first quarter. However, risk controls suggest that it will be difficult for us to add much further exposure to Healthcare, especially with the uncertainty that the US election brings. Industrials look less interesting than perhaps they did before, following a strong first quarter. Finally, we continue to avoid bond surrogates.

ORGANIZATIONAL/PERSONNEL CHANGES

There were no organizational or personnel changes during June 2016.

ACCOUNT TURNOVER

| | | | | |
|---------|---------------------|--|---------------------------|----------|
| Gained: | Number of Accounts: | 1 | Total Market Value (\$m): | \$ 372.9 |
| Lost: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ - |
| | Reason(s): | N.B. Data shown does not include transfers between products, contributions or withdrawals. | | |

MANAGER STYLE SUMMARY

Longview is a "bottom-up" manager, whose process is driven by individual security selection. Country allocations are by-product of the stock selection process, which drives the portfolio country over and under weights, and is unconstrained by the index weights. The portfolio holds 30-35 securities at a time, and stocks are equally weighted. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

LONGVIEW PARTNERS
GLOBAL EQUITY: MSCI ACWI BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Index | Longview | Calc | Min | Max | Compliance |
|---|-------|----------|------|------|------|---|
| B3. Security position <= 5% of the account @ purchase | | | | | | Yes |
| B4. Number of issues | | 35.0 | | 30 | 35 | ok |
| B5. Normal Regional Exposures (* benchmark +/- min/max): | | | | | | |
| United States & Canada | | 77% | | 35% | 70% | check |
| Europe incl U.K. | | 23% | | 20% | 50% | ok |
| Japan | | 0% | | 0% | 20% | ok |
| Emerging Markets | | 0% | | 0% | 15% | ok |
| Non-Index Countries | | 0% | | 0% | 10% | ok |
| Total | | 100% | | | | |
| B6. Normal Global Portfolio Characteristics | | | | | | |
| Median Mkt Cap (in billions) | | 28,937 | | \$10 | | ok |
| Price/Earnings (Trailing) | | 18.1 | | 10 | 17 | check |
| Dividend Yield | | 2% | | 0.5% | 2.0% | check |
| Price/Cash Flow (Trailing) | | 12.3 | | 10 | 14 | ok |
| C1. No executed forward w/o a corresponding securities position. | | | | | | Yes |
| C2. Foreign Currency (cash or cash equiv) <= 8% of Account value | | | | | | Yes |
| F2. Brokerage commissions not to exceed \$0.06/share for U.S. equities | | | | | | Yes |
| F3. Annual turnover | | 21% | | 25% | 50% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

- B5. Regional Exposures: The US currently offers more attractive opportunities, based upon our bottom-up process, which favours companies with recurring revenues & free cash flow.
- B6. Price/Earnings: P/E ratio is not targeted and stands at 18.14 in June.
- B6. Dividend Yield: Dividend Yield is not targeted and stands at 2.37% in June.
- F3. Annual Turnover: Activity level is driven by the bottom-up stock selection process and is affected by both stocks in the portfolio hitting their predetermined price targets (or

MONDRIAN INVESTMENT PARTNERS
INTERNATIONAL EQUITY: MSCI EAFE BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|-----------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Mondrian | -1.64% | 0.20% | -6.96% | 4.22% | 3.34% |
| MSCI EAFE | -3.36% | -1.46% | -10.16% | 2.06% | 1.68% |

COUNTRY ALLOCATION COMPARISON

| <u>Over-weight</u> | <u>Mondrian</u> | <u>EAFE</u> | <u>Under-weight</u> | <u>Mondrian</u> | <u>EAFE</u> |
|--------------------|-----------------|-------------|---------------------|-----------------|-------------|
| UK | 25.20% | 19.59% | Australia | 1.32% | 7.26% |
| Singapore | 6.70% | 1.36% | Japan | 17.57% | 23.27% |
| Switzerland | 13.87% | 9.27% | France | 5.85% | 9.62% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

In a weak month for equities, portfolio returns exceeded index returns. For June, the principal drivers of relative returns were:

Country allocation added to relative investment returns

The positive impact of the overweight positions in the UK and Singapore and the underweight position in Japan more than offset the impact of the overweight position in Spain.

Stock selection within markets added to relative investment returns

Stock selection within markets added to relative returns, led by strong stock selection in the UK, Italy and Japan. At the sector level, allocation between sectors added to relative returns, driven by the overweight position in the energy sector and the underweight position in the financials sector. Stock selection within sectors also added to relative returns. The positive impact of stock selection in the energy, utilities and information technology sectors more than offset the impact of stock selection in the financials sector.

Currency allocation held back relative investment returns

Currency allocation effects were held back by the overweight position in the British pound and the underweight position in the strong Japanese yen.

MANAGER STYLE SUMMARY

Mondrian (formerly Delaware International) employs a top-down/bottom-up approach, with focus on security selection. The firm identifies attractive investments based on their fundamental, long-term flow of income. Dividend yield and future growth prospects are critical to the decision making process. The portfolio is expected to be fairly concentrated (40-60 securities), with a value bias. As such, we can expect the portfolio characteristics to exhibit low P/B, low P/E and high dividend yield ratios relative to the market.

MONDRIAN INVESTMENT PARTNERS
INTERNATIONAL EQUITY: MSCI EAFE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Index | Mondrian | Calc | Min | Max | Compliance |
|---|-----------|-----------|------|------|------|---|
| B3. Security position <= 5% of the account @ purchase | | | | | | ok |
| B4. Number of issues | | 51 | | 40 | 60 | ok |
| B5. Normal Regional Exposures: | | | | | | ok |
| United Kingdom | | 25% | | 0% | 45% | ok |
| Europe ex U.K. | | 45% | | 0% | 75% | ok |
| Japan | | 18% | | 0% | 45% | ok |
| Pacific ex Japan | | 8% | | 0% | 40% | ok |
| Non-Index Countries | | 3% | | 0% | 20% | ok |
| Cash | | 1% | | 0% | 5% | ok |
| Total | | 100% | | | | |
| B6. Normal Portfolio Characteristics | | | | | | |
| Capitalization | 51,585.38 | 62,561.35 | 121% | 25% | 100% | check |
| Price/Book Value | 1.5 | 1.5 | 100% | 50% | 125% | ok |
| Price/Earnings (Trailing) | 17.5 | 20.4 | 117% | 50% | 100% | check |
| Price/Cash Flow | 8.9 | 8.4 | 94% | 50% | 100% | ok |
| Dividend Yield | 3.5 | 4.1 | 117% | 100% | 200% | ok |
| C1. Currency or cross-currency position <= value of hedged securities | | | | | | ok |
| No executed forward w/o a corresponding securities position. | | | | | | ok |
| C2. Max forward w/ counterpart <= 30% of total mv of account | | | | | | ok |
| F2. Annual turnover | | 15% | | | 40% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B6. Price/Earnings (Trailing): Overweight energy sector (impairment cycle) and underweight financials sector both weigh on relative portfolio P/E.

B6. Capitalization: Above

ORGANIZATIONAL/PERSONNEL CHANGES

Our Chief Operating Officer, John Emberson, will retire from Mondrian in early 2017. John is a founding director of the organization and has made a significant contribution in providing strong financial and operational support to the investment management team over the last twenty five years. John will become a non-executive director on the board of Mondrian Investment Partners Limited. We will wish him well in his retirement.

ACCOUNT TURNOVER

Gained: Number of Accounts: 0 Total Market Value (\$m): \$ -
 Lost: Number of Accounts: 0 Total Market Value (\$m): \$ -
 Reason(s):

MOUNTAIN PACIFIC INVESTMENT ADVISERS
DOMESTIC EQUITY: RUSSELL 2500 BENCHMARK

FOR THE MONTH OF: **JUNE** **2016**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|------------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Mountain Pacific | -0.68% | 2.60% | 7.99% | 14.51% | 13.47% |
| Russell 2500 | -0.04% | 3.57% | -3.67% | 8.61% | 9.48% |

PORTFOLIO ATTRIBUTES

| <u>Characteristics</u> | <u>Mtn Pac</u> | <u>RU 2500</u> | <u>Sector Analysis</u> | | |
|------------------------|----------------|----------------|------------------------|----------------|----------------|
| | | | <u>Over-weight</u> | <u>Mtn Pac</u> | <u>RU 2500</u> |
| Mkt Value (\$m) | 552.52 | N/A | Technology | 21.03% | 11.54% |
| Wtd Cap (\$b) | 14.76 | 4.35 | Capital Goods | 29.14% | 22.63% |
| P/E | 18.88 | 17.49 | Healthcare | 14.39% | 11.32% |
| Beta | 1.02 | 1.00 | <u>Under-weight</u> | <u>Mtn Pac</u> | <u>RU 2500</u> |
| Yield (%) | 0.94 | 1.66 | Financial | 7.92% | 27.40% |
| Earnings Growth | 11.14 | 9.12 | Consumer | 14.11% | 17.77% |
| | | | Utilities | 0.00% | 6.29% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Our portfolio fell less than 1% in June, underperforming our index, the RU 2500, by 64 bps. During the month, our consumer, technology, and health care holdings outpaced the index. Teleflex, a niche medical device company jumped 10% during the month. The company has reaffirmed its organic revenue growth outlook of 5-6% and raised its full year earnings guidance after reporting first quarter results. Gross margin continues to improve due to an effective pricing strategy, facility closures, and higher margin acquisitions. Vantiv rose 5% during the month. The merchant card processor continues to experience strong revenue trends based on solid retail sales growth from e-commerce, mobile, and mid-sized businesses. The company is in an attractive position in today's marketplace with 100% of revenue based in the U.S and a heavy emphasis on debit card transactions that are considered less risky than credit. Wabtec, a provider of rail technology products and services, declined 9% due largely to uncertainty related to the company's proposed acquisition of Faivley, a French rail equipment company. Fiserv, an information services technology provider rose 3%. The company's payments revenue is expected to continue to provide solid revenue growth from mobile banking, person-to-person, and other advanced payment services. Over the past three months, our portfolio underperformed the RU 2500 by 97 bps. Fundamentals of the U.S. economy appear stable due to employment gains, the firming of oil prices, and strength in housing, and autos. With few exceptions, we believe the uncertainty surrounding the full impact of BREXIT should not have a major impact on the U.S. economy.

MANAGER STYLE SUMMARY

Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.

MOUNTAIN PACIFIC INVESTMENT ADVISERS
DOMESTIC EQUITY: RUSSELL 2500 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | Mtn Pac | RU 2500 | Calc | Min | Max | Compliance |
|---|---------|---------|------|---------|-----------|---|
| B2. Security Market Cap (in \$m) | | | | \$100.0 | \$7,500.0 | ok |
| B3. Wtd Avg Cap | 14761 | 4347 | 340% | 80% | 120% | check |
| B4. Number of issues | 41 | | | 35 | 55 | ok |
| B5. Security Positions <= 4% @ purchase | | | | | | ok |
| B6a. P/E (12-mo trail) | 23.21 | 25.07 | 93% | 80% | 120% | ok |
| B6b. Beta | 1.02 | 1.00 | 1.02 | 0.80 | 1.20 | ok |
| B6c. Yield | 0.94 | 1.66 | 57% | 80% | 120% | check |
| B6d. Expected Earnings Growth | 11.14 | 9.12 | 122% | 80% | 120% | ok |
| E2. Commissions not to exceed \$0.06/share | | | | | | ok |
| E3. Annual Turnover | 11% | | | | 60% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation of securities purchased. The median cap of the portfolio is \$10.6 BN.

B6c. Yield: Our yield is slightly below the guideline range but not significantly so. Most of our companies pay little in dividends, and instead reinvest earnings for growth.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

| | | | | | |
|---------|---------------------|-----|---------------------------|----|---|
| Gained: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| | Reason(s): | N/A | | | |

PEREGRINE CAPITAL MANAGEMENT
DOMESTIC EQUITY: RUSSELL 1000 GROWTH BENCHMARK

FOR THE MONTH OF: JUNE 2016

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|---------------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Peregrine | -2.09% | 3.82% | 6.62% | 15.27% | 13.36% |
| Russell 1000 Growth | -0.39% | 0.61% | 3.02% | 13.07% | 12.35% |

PORTFOLIO ATTRIBUTES

| <u>Characteristics</u> | <u>Peregrine</u> | <u>RU 1000G</u> | <u>Sector Analysis</u> | | |
|------------------------|------------------|-----------------|------------------------|------------------|-----------------|
| | | | <u>Over-weight</u> | <u>Peregrine</u> | <u>RU 1000G</u> |
| Mkt Value (\$m) | 528.22 | N/A | | | |
| Wtd Cap (\$b) | 125.92 | 133.18 | Financial Svcs | 26.00% | 9.80% |
| P/E | 24.20 | 23.30 | Technology | 32.00% | 23.60% |
| Beta | 1.10 | 1.00 | | | |
| Yield (%) | 0.50 | 1.50 | | | |
| Earnings Growth | 13.50 | 11.00 | <u>Under-weight</u> | <u>Peregrine</u> | <u>RU 1000G</u> |
| | | | Energy | 0.00% | 0.60% |
| | | | Consumer Stapl | 0.00% | 9.70% |
| | | | Producer Durab | 9.00% | 11.50% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

June finished dramatically after the UK voted to leave the European Union – or Brexit. Yet the dramatic sell-off following the vote was mostly recovered by month's end. The S&P 500 produced a 0.3% return while the Russell 1000® Growth was down -0.4%. Peregrine's Large Cap Growth was down -2.09%. The majority of the strategy's underperformance came during the days following the Brexit results.

In a dramatic month for the market, the portfolio holdings displayed some drama of their own. LinkedIn, a company we had added only 5 weeks earlier, announced they are to be acquired by Microsoft for nearly a 50% premium. Countering a part of this portfolio benefit, Alexion announced disappointing results on a drug in their development pipeline, causing a 25% decline in its value – a move we believe is more than overdone. Other holdings which suffered declines, primarily as fall-out from the Brexit results, were Charles Schwab, Visa, Mastercard. Chipotle also underperformed in the month. We added Activision to replace LinkedIn.

Markets are now digesting the implications of the UK vote. Firm expectations will take time to materialize. It is unlikely that this change will benefit regional or global economic growth. U.S. economic growth should only feel a modest impact from the change. We expect the S&P 500 to produce earnings growth at a mid-single-digit rate in 2016. It is unlikely its growth rate will accelerate in 2017. Peregrine Large Cap Growth should generate better than 12% underlying portfolio earnings growth in 2016 – a significant gap to the broader market. We expect this growth to be sustained in future years. Long-term portfolio absolute and relative performance is expected to reflect the strategy's outstanding fundamentals.

MANAGER STYLE SUMMARY

Peregrine manages a large cap growth equity portfolio, utilizing a "bottom up" strategy, and focusing more on the future growth prospects of a firm rather than current earnings. We can expect the portfolio to include 30-50 securities, the P/E and P/B ratios to be slightly higher than that of the market, stock volatility to be slightly higher than the market, and dividend yield to be lower than average. Their style encourages overweight positions in traditional growth sectors such as technology, retail, business services, and financial services. Due to the concentrated nature of the portfolio, it will tend to be more volatile than more diversified portfolios.

PEREGRINE CAPITAL MANAGEMENT
DOMESTIC EQUITY: RUSSELL 1000 GROWTH BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | S&P 500 | Peregrine | Calc | Min | Max | Compliance |
|---|---------|-----------|------|------|------|---|
| B2. Security Market Cap > \$1 billion | | | | | | ok |
| B3. Security position <=5% @ purchase, excluding contributions | | | | | | ok |
| B4. Number of issues | | 30 | | 30 | 50 | ok |
| B5. P/B | 2.70 | 5.10 | 1.9 | 1.2 | 2.0 | ok |
| B5. P/E (Projected) | 17.30 | 24.20 | 1.4 | 1.0 | 2.0 | ok |
| B5. Dividend Yield | 2.20 | 0.50 | 0.2 | 0.1 | 0.8 | ok |
| B5. Beta | 1.00 | 1.10 | 1.1 | 1.10 | 1.35 | ok |
| B5. Earnings Growth (5-year) | | 12% | | 11% | 22% | ok |
| F2. Commissions not to exceed \$0.05/share | | | | | | ok |
| F3. Annual Turnover | | 28% | | 15% | 30% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained: Number of Accounts:
 Lost: Number of Accounts:
 Reason(s):

Total Market Value (\$m):
 Total Market Value (\$m):

TUKMAN CAPITAL MANAGEMENT, INC.
DOMESTIC EQUITY: S&P 500 BENCHMARK

FOR THE MONTH OF: JUNE 2016

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last <u>Month</u> | Last <u>3 Months</u> | Last <u>1 Year</u> | Last <u>3 Years*</u> | Last <u>5 Years*</u> |
|---------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Tukman | 0.58% | 2.24% | 0.58% | 8.86% | 11.38% |
| S&P 500 | 0.26% | 2.46% | 3.99% | 11.66% | 12.10% |

PORTFOLIO ATTRIBUTES

| <u>Characteristics</u> | <u>Tukman</u> | <u>S&P 500</u> | <u>Sector Analysis</u> | | |
|------------------------|---------------|--------------------|------------------------|---------------|--------------------|
| | | | <u>Over-weight</u> | <u>Tukman</u> | <u>S&P 500</u> |
| Mkt Value (\$m) | 477.63 | N/A | | | |
| Wtd Cap (\$b) | 146.85 | 140.40 | Consumer Stapl | 15.90% | 10.60% |
| P/E | 16.50 | 17.30 | Industrials | 14.60% | 10.20% |
| Beta | 0.80 | 1.00 | Financials | 19.80% | 15.70% |
| Yield (%) | 2.27 | 2.16 | | | |
| Earnings Growth | 8.20 | 10.80 | <u>Under-weight</u> | <u>Tukman</u> | <u>S&P 500</u> |
| | | | Technology | 9.10% | 19.80% |
| | | | Utilities | 0.00% | 3.60% |
| | | | Telecom | 0.00% | 2.90% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Global markets suffered major losses after the unexpected results of the June 23rd Brexit referendum in the United Kingdom. However, markets recovered quickly following several days of volatile trading with the U.S. equity markets, as measured by the S&P 500 Index, closing slightly positive for the month. The top performing sectors of the Index for the month were Telecom, Utilities and Consumer Staples while the bottom performing sectors were Financials, Technology and Consumer Discretionary.

The Tukman Grossman portfolio outperformed the S&P 500 Index for the month of June and slightly underperformed for the second quarter. The top performing stocks during June were Stryker Corporation, Johnson & Johnson and Automatic Data Processing. Stryker raised its 2016 guidance when the company announced earnings in April and the stock's price has continued to rise reaching a new 52-week high in June. Johnson & Johnson and Automatic Data Processing benefited from market unrest as their blue chip defensive nature was highly rewarded in June's volatile trading activity. Johnson & Johnson's share price reached a new high during the month.

The bottom performing stocks for the month were AerCap Holdings, American International Group (AIG) and Goldman Sachs. AerCap's share price continued to decline given the negative global sentiment and market volatility in June. AIG and Goldman Sachs both suffered as the financial sector declined given the uncertainty of the Brexit situation as well as the Fed's decision to further delay interest rate hikes.

We sold our remaining shares of Bed Bath & Beyond during June and used some of the proceeds to purchase additional shares of Goldman Sachs at a favorable valuation.

MANAGER STYLE SUMMARY

Tukman's investment strategy is "Concentrated Quality GARP" (Growth At a Reasonable Price), whereby the portfolio is a concentrated mix of about 10-20 large capitalization stocks of quality companies who are leaders in their sectors, have demonstrated consistent earnings growth, have clear prospects for future earnings growth, and trade at values at or slightly below the average S&P 500 company. This style is similar to that of Warren Buffet. Due to the portfolio concentration, it tends to be more volatile than other widely diversified portfolios. Consequently, they can lag significantly behind their benchmark for a period of time, then rapidly make up the difference and/or outperform relative to their benchmark.

TUKMAN CAPITAL MANAGEMENT, INC.
DOMESTIC EQUITY: S&P 500 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

JUNE

2016

| Portfolio Guideline: | S&P 500 | Tukman | Calc | Min | Max | Compliance |
|---|---------|--------|------|-----|------|---|
| B2. Security Market Cap (in \$m) | | | | | | ok |
| B3. Wtd Avg Cap > \$10 billion | | | | | | ok |
| B4. Number of issues | | 17 | | 10 | 20 | ok |
| B5. Security Positions <= 15% @ purchase | | | | | | ok |
| B6a. P/E (projected) | 17.30 | 16.50 | 1.0 | 0.8 | 1.3 | ok |
| B6b. Beta | 1.00 | 0.80 | 1.3 | 0.8 | 1.3 | ok |
| B6c. Yield | 2.16 | 2.27 | 95% | 50% | 150% | ok |
| B6d. Expected Earnings Growth | 10.60 | 8.20 | 1.3 | 0.7 | 1.3 | ok |
| E2. Commissions not to exceed \$0.05/share | | | | | | ok |
| E3. Annual Turnover | | 10% | | 5% | 45% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained: Number of Accounts: 0
 Lost: Number of Accounts: 0
 Reason(s):

Total Market Value (\$m):
 Total Market Value (\$m):

**WESTERN ASSET MANAGEMENT- US TIPS FULL DISCRETION
DOMESTIC FIXED: BARCLAYS TIPS BENCHMARK**

PORTFOLIO GUIDELINE COMPLIANCE

JUNE 2016

| Portfolio Guideline: | Barclays TIPS | Western | Min | Max | Compliance |
|---|---------------|------------|------|---|-----------------------------|
| C2. Weighted average duration including futures | 8.05 | | 5.64 | 10.47 | ok |
| Weighted average duration with options | | | 6.44 | 9.66 | ok |
| C3. Credit Quality | | | | | |
| (1) Rated securities: % invested in investment grade | | | 80% | 100% | ok |
| C4. Diversification | | | | | |
| (2a) Sector: % invested in IPS and/or floating rate securities | | | 80% | 100% | ok |
| (2b) Sector: % invested in US TIPS and/or floating rate securities | | | 80% | 100% | ok |
| (2c) Sector: % invested in non-IL bonds and MBS | | | 0% | 20% | ok |
| (2d) Sector: % invested in extended sectors including emg mkts | | | 0% | 20% | ok |
| Max invested in any one of the extended sectors | | | | | check |
| (2e) Sector: % invested in un-hedged non-dollar exposure | | | 0% | 15% | ok |
| (3a) Issuer: Limit of obligations of non-benchmark issuers | | | 0% | 5% | ok |
| (4) Credit: % invested in issues rated below Baa3 or BBB- / A2 or | | | 0% | 20% | ok |
| (5) Derivatives: % invested in orig futures margin & option prem | | | 0% | 5% | ok |
| Max net credit derivative exposure (as % of mkt value) | | | 0% | 40% | ok |
| F2. Annual Turnover | | 65% | 150% | 250% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

F2. Annual Turnover: Please provide explanation.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

| | | |
|---------|---------------------|--------------------------|
| Gained: | Number of Accounts: | Total Market Value (\$m) |
| Lost: | Number of Accounts: | Total Market Value (\$m) |
| | Reason(s): | |

**WESTERN ASSET MANAGEMENT- CORE FULL DISCRETION
GLOBAL FIXED: BARCLAYS AGGREGATE BENCHMARK**

PORTFOLIO GUIDELINE COMPLIANCE

JUNE 2016

| Portfolio Guideline: | Western | Min | Max | Compliance |
|--|----------------|------------|------------|---|
| C. Weighted average duration including futures positions | 5.23 | -30.00 | 30.00 | ok |
| C4 (2): Sector Allocation | | | | |
| a. Non-dollar denominated securities | | 0% | 40% | ok |
| Un-hedged non-dollar denominated securities | | 0% | 20% | ok |
| b. U.S. securities rated below investment grade (BIG) | | 0% | 40% | ok |
| c. Non-dollar, Non-U.S. securities rated BIG | | 0% | 20% | ok |
| d. Non-dollar denominated+emerging mkt+high yield | | 0% | 50% | ok |
| C4 (3): Issuer | | | | |
| a. Guaranteed by US gov, agencies, gov-sponsored corp or G-7 | | 0% | 100% | ok |
| b. Other national governments - limit per issuer | | 0% | 10% | ok |
| c. Private MBS/ABS - limit per issuer | | 0% | 10% | ok |
| If collateral is credit-independent of issuer & security's credit enhancement is generated internally - limit per issuer | | 0% | 25% | ok |
| d. Obligations of other issuers subject to per issuer limit | | 0% | 5% | ok |
| C4 (5): Credit | | | | |
| No more than 40% of portfolio below Baa3 or BBB-/A2 or P2 | | 0% | 40% | ok |
| C4 (7): Derivatives | | | | |
| Original futures margin and options premiums, exclusive of any in-the-money portion of the premiums | | 0% | 5% | ok |
| F2. Annual Turnover | 82% | 100% | 200% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

Annual Turnover: percentages are based off market values that have not yet been reconciled

Other:

E5. Derivatives:

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained: Number of Accounts: Total Market Value (\$m):
 Lost: Number of Accounts: Total Market Value (\$m):
 Reason(s):

PERSI Choice Plan Summary

Jun 2016

Performance - Net of fees

blue = outperform by 50 bp; red = underperform by 50 bp

(*Annualized)

| | Ticker * | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|--|----------|--------------|---------------|---------------|---------------|---------------|
| Balanced | | | | | | |
| PERSI Total Return Fund [▲] | n/a | 0.6% | 1.6% | 1.6% | 7.0% | 6.3% |
| Strategic Policy [★] | | 0.9% | 1.7% | 3.5% | 6.4% | 6.3% |
| Policy (55% R3000, 15% MSCI EAFE, 30% BCAgg) | | 0.2% | 1.9% | 1.5% | 7.7% | 7.8% |
| Calvert Balanced Fund ¹ | CBAIX | 0.3% | 2.1% | -0.2% | 7.3% | 7.7% |
| Custom Bench (60% R1000, 40% BCAgg) | | 0.9% | 2.4% | 4.2% | 8.5% | 8.6% |
| Capital Preservation | | | | | | |
| PERSI Short-Term Investment Portfolio ^{2▲} | n/a | 0.1% | 0.2% | 0.5% | 0.4% | 0.3% |
| ML 91-day T-bills | | 0.0% | 0.1% | 0.2% | 0.1% | 0.1% |
| Bond | | | | | | |
| US Bond Index Fund | n/a | 1.8% | 2.2% | 5.8% | 4.0% | 3.6% |
| BC Aggregate | | 1.8% | 2.2% | 6.0% | 4.1% | 3.8% |
| US TIPS Index Fund [▲] | n/a | 2.0% | 1.6% | 4.6% | n/a | n/a |
| BC US TIPS Index | | 2.1% | 1.7% | 4.4% | n/a | n/a |
| Dodge and Cox Fixed Income Fund | DODIX | 1.5% | 2.7% | 4.5% | 4.0% | 4.0% |
| U.S. Equity | | | | | | |
| U.S. Broad Market Equity Index Fund ³ | n/a | 0.2% | 2.7% | 2.2% | 11.0% | 11.6% |
| Russell 3000 | | 0.2% | 2.6% | 2.1% | 11.1% | 11.6% |
| Large Cap | | | | | | |
| U.S. Large Cap Equity Index Fund | n/a | 0.2% | 2.7% | 2.2% | 11.0% | 11.6% |
| Vanguard Growth & Income Fund ⁴ | VGIAX | 0.5% | 2.4% | 4.3% | 12.1% | 12.6% |
| S&P 500 | | 0.3% | 2.5% | 4.0% | 11.7% | 12.1% |
| Small/Mid Cap | | | | | | |
| U.S. Small/Mid Cap Equity Index Fund ⁵ | n/a | -0.2% | 3.3% | -5.7% | 8.3% | 9.3% |
| Dow Jones U.S. Completion Total Stock Market Index | | -0.2% | 3.3% | -5.6% | 8.3% | 9.2% |
| Small Cap | | | | | | |
| T. Rowe Price Small Cap Stock Fund ⁶ | OTCFX | 0.5% | 4.2% | -2.1% | 8.7% | 10.0% |
| Russell 2000 | | -0.1% | 3.8% | -6.7% | 7.1% | 8.4% |
| Specialty | | | | | | |
| US REIT Index Fund [▲] | n/a | 6.4% | 5.3% | 19.7% | n/a | n/a |
| Dow Jones U.S. Select REIT | | 6.5% | 5.4% | 22.9% | n/a | n/a |
| International Equity | | | | | | |
| International Equity Index Fund | n/a | -2.5% | -0.4% | -9.5% | n/a | n/a |
| Emerging Markets Equity Index Fund [▲] | n/a | 4.0% | 0.6% | -12.1% | n/a | n/a |
| Brandes Institutional Int'l Equity Fund | BIIEIX | -2.9% | -2.1% | -10.6% | 3.6% | 2.2% |
| MSCI EAFE net dividend | | -3.4% | -1.5% | -10.2% | 2.1% | 1.7% |
| MSCI EMF | | 4.1% | 0.8% | -11.7% | n/a | n/a |

* Performance reported by Custodian; mutual funds identified by corresponding tickers

[★] Strategic Policy Benchmark = 8% R2500, 13% S&P500, 4% REIT, 4% PRE, 8% PE, 9% EM, 6% EAFE, 18% World, 15% Agg, 5% ID Mtg, 10% TIPS

[▲] Fund returns reflect fees beginning 05/01/15

[▲] Fund performance begins 05/01/15: US TIPS Index fund, US REIT Index Fund, Emerging Markets Equity Index Fund

¹ Calvert Balanced Social Investment (Sudan-Free) Fund performance begins 10/12/07

² PERSI Short-Term Investment Portfolio performance begins 11/01/10

³ US Broad Market Equity Index Fund benchmark changed to R3000 effective 05/01/15

⁴ Vanguard Growth & Income Admiral Shares (VGIAX) performance begins 08/01/03; previous periods reflect Vanguard Growth & Income Investor Shares (VQNPX)

⁵ US Small/Mid Cap Equity Index Fund managed by MCM performance begins 10/12/07; previous periods reflect Dreyfus Premier Midcap Stock R Fund (DDMRX)

⁶ T. Rowe Price Small Cap Stock Fund (OTCFX) performance begins 8/01/03; previous periods reflect ING Small Company Fund (AESGX)

PERSI Choice Plan Summary

Jun 2016

Asset Allocation

| | Month-end Mkt Value | Alloc by Fund | Alloc by Asset Class |
|--|------------------------|------------------|-------------------------|
| Balanced | | | 80.7% |
| PERSI Total Return Fund | \$ 578,038,714 | 80.4 % | |
| Calvert Balanced Fund | \$ 2,127,477 | 0.3 % | |
| Capital Preservation | | | 2.1% |
| PERSI Short-Term Investment Portfolio (ML 91-day T-bills) | \$ 14,931,091 | 2.1 % | |
| Bonds | | | 3.3% |
| U.S. Bond Index Fund (BC Aggregate) | \$ 11,356,667 | 1.6 % | |
| U.S. TIPS Index Fund (BC US TIPS) | \$ 468,076 | 0.1 % | |
| Dodge and Cox Fixed Income Fund (BC Aggregate) | \$ 11,935,119 | 1.7 % | |
| U.S. Equity | | | 11.0 % |
| U.S. Broad Market Equity Index Fund (R3000) <i>Large Cap</i> | \$ 7,104,845 | 1.0 % | |
| U.S. Large Cap Equity Index Fund (S&P 500) | \$ 18,681,693 | 2.6 % | |
| Vanguard Growth & Income Fund (S&P 500) <i>Small/Mid Cap</i> | \$ 21,098,302 | 2.9 % | |
| U.S. Small/Mid Cap Equity Index Fund (DJ USTSMI) <i>Small Cap</i> | \$ 10,930,621 | 1.5 % | |
| T. Rowe Price Small Cap Stock Fund (R2000) <i>Specialty</i> | \$ 19,068,645 | 2.7 % | |
| U.S. REIT Index Fund (DJ US Select REIT) | \$ 2,291,869 | 0.3 % | |
| International Equity | | | 1.7 % |
| International Equity Index Fund (MSCI EAFE) | \$ 5,195,762 | 0.7 % | |
| Emerging Markets Equity Index Fund (MSCI EMF) | \$ 400,527 | 0.1 % | |
| Brandes International Equity Fund (MSCI EAFE) | \$ 6,339,460 | 0.9 % | |
| Other | | | |
| Loans | \$ 8,765,185 | 1.2 % | 1.2 % |
| Total DC Plan | \$ 718,734,055 | 100% | 100.0 % |

