

The Procurement Division of Knox County Tennessee will receive sealed Request for Qualifications (RFQ) for the provision of **Investment Advisory Services** as specified herein. Qualifications must be received by **2:00 p.m.** on **July 28, 2017**. Late qualifications will neither be considered nor returned.

**Deliver Qualifications To:**

**RFQ Number 2562  
Knox County Procurement Division  
Suite 100  
1000 North Central Street  
Knoxville, Tennessee 37917**

**The Envelope must show the Request for Qualifications Name, Number & Closing Date.**

**SECTION I GENERAL TERMS AND CONDITIONS**

**1.1 ADDITIONAL INFORMATION:** Requests for additional information should be routed to Matt Myers, Director of Procurement at 865.215.5750. Questions may be emailed to [matt.myers@knoxcounty.org](mailto:matt.myers@knoxcounty.org). Information about the Knox County Procurement Division may be obtained on the internet at [www.knoxcounty.org/procurement](http://www.knoxcounty.org/procurement).

**1.2 AUDIT HOTLINE:** Knox County has established an Audit Hotline to report potential fraud and waste. To report potential fraud, waste, or abuse, please call 1-866-858-4443 (toll-free). You can also file a report online by accessing <http://www.knoxcounty.org/hotline/index.php>.

**Vendors are hereby cautioned that this Audit Hotline does not replace the Award Protest Procedures found in Section VI, Item M of the Knox County Procurement Regulations.**

**1.3 AWARD:** The result of this Request for Qualifications may result in a contractual agreement.

**1.4 BUSINESS OUTREACH PROGRAM:** Knox County has established a Business Outreach Program which has the responsibility of increasing opportunity for small, minority and women owned businesses. This is being accomplished through community education programs, policy edification, active recruitment of interested businesses and process re-engineering.

Knox County is committed to ensuring full and equitable participation for all disadvantaged businesses. Knox County welcomes submittals from those disadvantaged businesses that have an interest in providing the goods and/or services listed herein. In addition, Knox County strongly encourages the inclusion of disadvantaged businesses by non-disadvantaged Contractors who may wish to partner or subcontract portions of this agreement in order to accomplish the successful delivery of goods and/or services.

If you are a disadvantaged business and would like additional information about our Business Outreach Program, please contact:

Diane Woods, Business Outreach Administrator  
Knox County Procurement  
Telephone: 865.215.5760  
Fax: 865.215.5778  
E-Mail: [diane.woods@knoxcounty.org](mailto:diane.woods@knoxcounty.org)

Lori Holmann, Business Outreach Coordinator  
Knox County Procurement  
Telephone: 865.215.5757  
Fax: 865.215.5778  
E-Mail: [lori.holmann@knoxcounty.org](mailto:lori.holmann@knoxcounty.org)

**1.5 CONFLICT OF INTEREST:** Vendors must have read and complied with the "non-conflict of interest" statement provided in the vendor registration process prior to the closing of this solicitation.

**1.6 COPIES:** Knox County **requires** that qualifications being submitted include one (1) marked original and eight (8) exact copies. An electronic copy on CD/flash-drive, in one complete file, is also required. Knox County requests that responses be concise and not include unnecessary documents.

**1.7 DECLARATIVE STATEMENT:** Any statement or words (e.g.: must, shall, will) are declarative statements and the vendor must comply with the condition. Failure to comply with any such condition may result in the qualifications being deemed non-responsive and disqualified.

- 1.8 **DEFAULT:** KCRPB reserves the right, in case of vendor default, to terminate the Contract and hold the defaulting vendor responsible for any excess costs occasioned thereby. Should the vendor default be due to a failure to perform or because of a request for a price increase, Knox County reserves the right to remove the vendor from the County's bidders' list for twenty-four (24) months.
- 1.9 **ELECTRONICALLY SUBMIT RESPONSE:** Due to the nature of this solicitation, the Knox County Procurement Division **will not** accept electronically submitted responses. An electronic copy on CD/flash-drive, in one complete file, is required with the vendor's physical submittal. Facsimile submission is strictly prohibited.
- 1.10 **ENVELOPE COVER SHEET:** Vendors must attach the RFQ Envelope Cover Sheet to their submittal envelope. Complete all blanks on the cover. Insert "not applicable" if the category does not apply.
- 1.11 **HOW TO DO BUSINESS:** Knox County utilizes a web-based Procurement software system, "Knox Procurement On-Line." The system provides our clients (vendors, county departments and the citizens of Knox County) with a more enhanced and end-user friendly means of accessing our services. The system allows for on-line vendor registration and maintenance, electronic receipt of purchase orders, on-line retrieval and submittal of quotes, bids and proposals for our vendor-clients and on-line requisitioning and receiving for our county departments. In order for the County to maximize its investment and minimize the cost associated with office operations we need your help. When doing business with Knox County we are urging you to please go to our website at [www.knoxcounty.org/procurement](http://www.knoxcounty.org/procurement), register as a vendor in our on-line Procurement system, "Knox Procurement On-Line," if you have not done so and whenever possible to conduct your business with the County through this site. If you have any questions please contact the Procurement Division Representative listed in subsection 1.1 of this document.
- 1.12 **INCLEMENT WEATHER:** During periods of inclement weather in Knox County, the Procurement Division will enact the following procedures in regards to solicitations and weather delays:
- If the Mayor closes the Administrative offices prior to the time set for solicitation closing of any business day, all solicitations due that same day will be moved to the next operational business day.
  - Other weather issues shall be at the sole discretion of the Procurement Director.
  - Knox County shall not be liable for any commercial carrier's decision regarding deliveries during inclement weather.
- 1.13 **INCURRED COSTS:** Knox County/KCRPB will not be liable in any way for costs incurred by any respondent in the preparation and submission of its submittal in response to this RFQ, nor for the presentation of its qualifications and/or participation in any required meetings, discussions or negotiations. If any oral presentations are required, Knox County advises vendors to be thorough and complete in submission of information.
- 1.14 **NO CONTACT POLICY:** After the date and time the firm receives this Request for Qualifications, any contact initiated by any firm with any Knox County or Knox County Retirement and Pension Board (KCRPB) representative, other than the Procurement Division representative listed herein, concerning this Request for Qualifications **is strictly prohibited**. Any such unauthorized contact may cause the disqualification of the firm from this process. If the firm is found in violation of this section for any reason, it could result in debarment from Knox County's bidders' list for twenty-four (24) months.
- 1.15 **NON-COLLUSION:** Vendors, by submitting a signed qualification, certify that the accompanying qualifications are not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Tennessee or United States law.
- 1.16 **OPEN RECORDS ACT:** Knox County and KCRPB are subject to the Tennessee Open Records Act TCA §10-7-503 et seq. Respondents are cautioned that all documents submitted pursuant to this Request for Qualifications shall be open to the public for viewing and inspection and Knox County will comply with all legitimate requests.
- 1.17 **POSSESSION OF WEAPONS:** All vendors and their employees and their agents are prohibited from possessing any weapons on Knox County property without prior written consent from the County. In the case of a vendor whose contract requires possession of firearms or other weapons to successfully complete their contract, vendor must provide personnel who are bonded to bear said weaponry.
- 1.18 **PROCESSING TIME FOR PAYMENT:** Vendors are advised that a minimum of thirty (30) days may be required to process invoices for payment.

- 1.19 PROOF OF FINANCIAL AND BUSINESS CAPABILITY:** Vendors must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these specifications. Knox County will make the final determination as to the vendor's ability.
- 1.20 QUALIFICATIONS DELIVERY:** Knox County requires vendors, when hand delivering qualifications, to time and date stamp the envelope before depositing it in the bid box. Knox County and KCRPB will not be responsible for any lost or misdirected mail. The time clock in the Procurement Division shall serve as the official record of time. Knox County shall not be responsible for technical difficulties experienced by vendors trying to register electronically less than one (1) hour prior to the qualifications closing time.
- Solicitations must be in a sealed envelope/box prior to entering the Procurement Division office. Procurement Division personnel are not allowed to see the submittal nor assist in placing documents in an envelope/box. Additionally, the Procurement Division is not responsible for providing materials (e.g. envelopes, boxes, tape) for submittals.**
- 1.21 RECYCLING:** Knox County, in its continuing efforts to lessen the amount of landfill waste and to further recycling efforts, request that qualifications be submitted on paper and shall:
- 1.21.1** Be submitted on recycled paper
  - 1.21.2** Not include pages of unnecessary advertising
  - 1.21.3** Be made on both sides of each sheet of paper
- 1.22 RESTRICTIVE OR AMBIGUOUS SPECIFICATIONS:** It is the responsibility of the prospective respondent to review the entire Request for Qualifications (RFQ) packet and to notify the Procurement Division if the specifications are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the qualifications or procedures must be received in the Procurement Division by **July 7, 2017 at 4:30 p.m.** local time. These requirements also apply to specifications that are ambiguous.
- 1.23 SIGNING OF QUALIFICATIONS:** **In order to be considered all qualifications must be signed. Please sign the original in blue ink.** By signing the response document, the respondent acknowledges and accepts the term and conditions stated in the RFQ document. It is suggested that mailed qualifications be sent by certified or registered mail with return receipt requested or qualifications sent via common carrier include tracking and delivery confirmation.
- 1.24 TAXES:** Knox County purchases are not subject to taxation. Tax exemption certificates will be provided upon request.
- 1.25 TITLE VI OF THE CIVIL RIGHTS ACT:** "Nondiscrimination in Federally Assisted Programs" - "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." 42 U.S.C. section 2000 et seq. It is the policy of Knox County Government that all its services and activities be administered in conformance with the requirements of Title VI.
- 1.26 VENDOR REGISTRATION:** Prior to the closing of this solicitation, **ALL INTERESTED FIRMS** must be registered with the Procurement Division. Please register on-line at our website at [www.knoxcounty.org/procurement](http://www.knoxcounty.org/procurement) and click on "Online Vendor Registration." All interested firms must be registered with the Procurement Division **prior** to submitting their response.
- 1.27 WAIVING OF INFORMALITIES:** Knox County reserves the right to waive minor informalities or technicalities when it is in the best interest of Knox County.

## **SECTION II OBLIGATIONS, RIGHTS AND REMEDIES**

**These terms and conditions shall be part of the Contract. Knox County and KCRPB reserves the right to negotiate other terms and conditions it deems appropriate and necessary under the circumstances to protect the public's trust.**

- 2.1 ALTERATIONS OR AMENDMENTS:** No alterations, amendments, changes, modifications or additions to this Contract shall be binding on Knox County/KCRPB without the prior written approval of the County and/or KCRPB.

- 2.2 APPROPRIATION:** In the event no funds are appropriated by KCRPB for the goods or services in any fiscal year, or insufficient funds exist to purchase the goods or services, then the Contract shall expire upon the expenditure of previously appropriated funds or the end of the current fiscal year, whichever occurs first, with no further obligations owed to or by either party.
- 2.3 ASSIGNMENT:** Contractor shall not assign or sub-contract this agreement, its obligations or rights hereunder to any party, company, partnership, incorporation or person without the prior written specific consent of KCRPB.
- 2.4 BOOKS AND RECORDS:** Contractor shall maintain all books, documents, accounting records and other evidence pertaining to the goods and services provided under this Contract and make such materials available at its offices at all reasonable times during the Contract period and for five (5) years from the date of the final payment under this agreement for inspection by County or by any other governmental entity or agency participating in the funding of this agreement, or any authorized agents thereof; copies of said records to be furnished if requested. Such records shall not include those books, documents and accounting records that represent the Contractor's costs of manufacturing, acquiring or delivering the products and services governed by this agreement.
- 2.5 CHILD LABOR:** Contractor agrees that no products or services will be provided or performed under this Contract that have been manufactured or assembled by child labor.
- 2.6 COMPLIANCE WITH ALL LAWS:** Contractor is assumed to be familiar with and agrees to observe and comply with all Federal, State, and Local laws, statutes, ordinances, and regulations in any manner affecting the provision of goods and/or services, and all instructions and prohibitive orders issued regarding this work and shall obtain all necessary permits.
- 2.7 DEFAULT:** If Contractor fails to perform or comply with any provision of this Contract or the terms or conditions of any documents referenced and made a part hereof, KCRPB may terminate this Contract, in whole or in part, and may consider such failure or noncompliance a breach of Contract. Knox County and KCRPB expressly retain all rights and remedies provided by law in case of such breach, and no action by Knox County or KCRPB shall constitute a waiver of any such rights or remedies. In the event of termination for default, KCRPB reserves the right to purchase its requirements elsewhere, with or without competitive bidding.
- 2.8 GOVERNING LAW:** The laws of the State of Tennessee shall govern this Contract, and all obligations of the parties are performable in Knox County, Tennessee. The Chancery Court and/or the Circuit Court of Knox County, Tennessee, shall have exclusive and concurrent jurisdiction of any disputes, which arise hereunder.
- 2.9 INCORPORATION:** All specifications, drawings, technical information, Request for Qualifications, Submittal, Award and similar items referred to or attached or which are the basis for this Contract are deemed incorporated by reference as if set out fully herein.
- 2.10 INDEMNIFICATION—HOLD HARMLESS:** Contractor shall indemnify, defend, save and hold harmless Knox County and KCRPB, its officers, agents and employees from all suits, claims, actions or damages of any nature brought because of, arising out of, or due to breach of the agreement by Contractor, its subcontractors, suppliers, agents, or employees or due to any negligent act or occurrence or any omission or commission of Contractor, its subcontractors, suppliers, agents or employees.
- 2.11 INDEPENDENT CONTRACTOR:** Contractor shall acknowledge that it and its employees serve as independent contractors and that Knox County and/or KCRPB shall not be responsible for any payment, insurance or incurred liability.
- 2.12 INSPECTION AND ACCEPTANCE:** Warranty periods shall not commence until KCRPB inspects and formally accepts the goods and/or services. The terms, conditions and timing of acceptance shall be determined by KCRPB. Knox County and KCRPB reserves the right to reject any or all items or services not in conformance with applicable specifications, and Contractor assumes the costs associated with such nonconformance. Acceptance of goods or services does not constitute a waiver of latent or hidden defects or defects not readily detectable by a reasonable person under the circumstances.

- 2.13 IRAN DIVESTMENT ACT:** By submission of this RFQ, each respondent and each person signing on behalf of any respondent certifies, and in the case of a joint submittal each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each respondent is not on the list created pursuant to Tennessee Code Annotated § 12-12-106. All respondents must complete and submit with their response the Affidavit of Compliance with Iran Divestment Act, attached to the RFQ as Exhibit B.
- 2.14 LIMITATIONS OF LIABILITY:** In no event shall Knox County or KCRPB be liable for any indirect, incidental, consequential, special or exemplary damages or lost profits, even if Knox County and/or KCRPB has been advised of the possibility of such damages.
- 2.15 NON-DISCRIMINATION AND NON-CONFLICT STATEMENT:** Contractor agrees that no person on the grounds of handicap, age, race, color, religion, sex or national origin, shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this agreement, or in the employment practices of vendor. Contractor shall upon request show proof of such non-discrimination, and shall post in conspicuous places available to all employees and applicants notices of non-discrimination.
- Contractor covenants that it complies with the Fair Wage and Hour Laws, the National Labor Relations Act, and other federal and state employment laws as applicable. Contractor covenants that it does not engage in any illegal employment practices.
- Contractor covenants that it has no public or private interest, and shall not acquire directly or indirectly any interest that would conflict in any manner with the provision of its goods or performance of its services. Contractor warrants that no part of the total Contract amount provided herein shall be paid directly or indirectly to any officer or employee of Knox County or KCRPB as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor or consultant to Contractor in connection with any goods provided or work contemplated or performed relative to the agreement.
- 2.16 ORDER OF PRECEDENCE:** In the event of inconsistent or conflicting provision of this Contract and referenced documents, the following descending order of precedence shall prevail: (1) Written Contract, (2) Request for Qualifications, (3) Vendor's Response, (4) Award, (5) Special Terms and Conditions, (6) General Terms and Conditions, (7) Specifications, (8) Drawings.
- 2.17 REMEDIES:** Knox County and KCRPB shall have all rights and remedies afforded under the U.C.C. and Tennessee law in Contract and in tort, including but not limited to, rejection of goods, rescission, and right of set-off, refund, incidental, consequential and compensatory damages and reasonable attorney's fees.
- 2.18 RIGHT TO INSPECT:** KCRPB reserves the right to make periodic inspections of the manner and means the service is performed or the goods are supplied and warehoused.
- 2.19 SEVERABILITY:** If any provision of this Contract is declared illegal, void or unenforceable, the remaining provisions shall not be affected but shall remain in force and in effect.
- 2.20 TAX COMPLIANCE:** Pursuant to Resolution R-07-1-903 passed by the Commission of Knox County, Tennessee, Contractor hereby acknowledges, by submission of its bid or proposal and signature, it is current in its respective Federal, State, County, and City taxes of whatever kind or nature, and is not delinquent in any way. Delinquent status must be disclosed or risk debarment by the Knox County Procurement Division.
- 2.21 TERMINATION:** KCRPB may terminate this agreement with or without cause at any time. In the event of termination by either party, fees due for services satisfactorily performed or goods accepted prior to the termination date shall be paid.
- 2.22 WARRANTY:** Contractor warrants to KCRPB that all items delivered and all services rendered shall conform to the specifications, drawings, bid and/or other descriptions furnished and/or incorporated by reference, and will be fit for the particular purpose purchased of merchantable quality, good workmanship, and free from defects. Contractor extends to KCRPB all warranties allowed under the U.C.C. Contractor shall provide copies of warranties to KCRPB upon request. Return of merchandise not meeting warranties shall be at Contractor's expense.

### SECTION III OBJECTIVES

**3.1 INTENT:** The intent of this solicitation is to identify firms who are capable of providing Investment Advisory Services for Knox County Retirement & Pension Board (KCRPB). The successful firm will be responsible for all aspects of investment advisory services on the Knox County Closed Defined Benefit Plan, Knox County Teachers Retirement Plan and Knox County Uniformed Officers Pension Plan as directed by the Knox County Retirement & Pension Board. The Knox County Retirement & Pension Board wishes to have the same Contractor personnel work with all plans as opposed to assigning different Contractor personnel to each plan.

**3.2 AWARD STATUS:** Knox County and KCRPB intend to issue a one-year (1) award. Thereafter, the term shall automatically renew for successive one (1) year periods, unless either party terminates the contract as prescribed herein. The renewal option is at the discretion of KCRPB. Should KCRPB desire not to renew, no reason needs to be given. KCRPB also reserves the right to terminate the agreement with thirty (30) days written notice. KCRPB reserves the right to purchase these items and services from other sources if the need arises. KCRPB reserves the right to revoke the award if a pattern of unavailability arises with the vendor.

**3.3 COMPLIANCE WITH ALL APPLICABLE REGULATIONS:** Contractor agrees and covenants that the company, its agents and employees will comply with all City, County, State, and Federal codes, laws, ordinances, rules, and regulations applicable to the business to be conducted under this Contract. If the vendor performs any work knowing it to be contrary to such codes, laws, ordinances, rules and regulations, the vendor shall bear all costs arising from them.

**3.4 CONTACT INFORMATION:** For purposes of this solicitation, all information regarding these Qualifications shall be directed to the Knox County Procurement Division representative listed.

Knox County and/or KCRPB shall not be responsible for oral interpretations given by any Knox County Government or KCRPB employee, representative, or others. The issuance of a written addendum by Knox County Procurement is the only official method whereby interpretation, clarification or additional information can be given.

**3.5 CONTRACT EXECUTION:** The award of this RFQ may result in a contract between KCRPB and the successful vendor. KCRPB and Knox County will draft the contract.

**3.6 EVALUATION:** Knox County and KCRPB reserve the right to use all pertinent information (also learned from sources other than disclosed in the RFQ process) that might affect the County's and/or KCRPB's judgment as to the appropriateness of a qualified vendor. This information may be appended to the evaluation process results. Information on a service provider from reliable sources, and not within the service provider's submittal, may also be noted and made part of the evaluation file. Knox County and KCRPB shall have sole responsibility for determining a reliable source.

Knox County and KCRPB reserve the right to conduct written and/or oral discussions/interviews after the submittals have been reviewed. The purpose of such discussions/interviews is to provide clarification and/or additional information, which is in the best interest of Knox County and KCRPB.

**3.7 EVALUATION CRITERIA:** Submitted responses to this Request for Qualifications will be evaluated by the following criteria. Knox County/KCRPB also reserves the right to include any information learned from outside sources in evaluating the responses.

- **Organizational / Experience**                      **25 Points**
- **Personnel / Qualifications**                      **25 Points**
- **Performance**    **15 Points**
- **Pension Plan Clients**                                      **15 Points**
- **Consulting Services**                                      **10 Points**
- **References**    **10 Points**

**3.8 EXCEPTIONS:** Vendors taking exception to any part or section of this solicitation shall indicate such exceptions in their submittal. Failure to indicate any exceptions shall be interpreted as the vendor's intent to fully comply with the solicitation as written. Conditional or qualified offers are subject to rejection in whole or in part. Any exceptions shall be included in Part X of the submittal as instructed in Section V, Submittal Requirements. Do not strike through

or in any way alter the RFQ. Exceptions listed within other sections of the submittal shall not be reviewed or considered.

- 3.9 INSURANCE:** The successful vendor must carry the insurance as indicated on the Insurance Attachment hereto – Exhibit A. As proof of the vendor’s willingness to obtain and maintain the insurance, the vendor must complete, sign and have its insurance agent sign the attachment and submit it with their qualifications. Upon receipt of the Notification of Intent to Award, the successful vendor will be required to submit a Certificate of Insurance (COI) showing the specified coverage and naming Knox County Retirement and Pension Board as an additional insured; all endorsement pages shall be included. It shall be the successful vendor’s responsibility to keep a current COI and endorsement pages on file with the Knox County Procurement Division during the life/term of the Contract.
- 3.10 NEGOTIATIONS:** Knox County and KCRPB reserve the right to enter into Contract negotiations with the highest-rated vendor. If Knox County/KCRPB and the selected vendor cannot negotiate a successful agreement, Knox County and KCRPB may terminate said negotiations and begin negotiations with the next highest-rated vendor. This process will continue until a Contract has been executed or all submittals have been rejected. No vendor shall have any rights against Knox County and/or KCRPB arising from such negotiations.
- 3.11 NEWS RELEASES BY VENDORS:** As a matter of policy, Knox County and/or KCRPB does not endorse the services of a Contractor. A Contractor will not make news releases concerning any resultant Contract from this solicitation without the prior written approval of Knox County and KCRPB.
- 3.12 OWNER REPRESENTATIVE:** The successful firm/personnel will be Knox County’s representative. As such, the awarded firm/personnel will have, and keep, Knox County’s interest a priority during any and all projects. Knox County seeks a trusted partner for the services to be provided to ensure the best value for the taxpayer.
- 3.13 OWNERSHIP OF DOCUMENTS:** Any and all reports, specifications, drawings, blueprints, negatives, electronic files or other documents prepared by the Contractor in the performance of its obligations under the Contract shall be the exclusive property of KCRPB, and all such materials shall be returned to KCRPB upon completion, termination, or cancellation of this Contract within a reasonable timeframe as determined by the County. The Contractor shall not use, willingly allow, or cause such materials to be used for any purpose other than performance of all contractor’s obligations under the resulting Contract without the prior written consent of KCRPB.
- 3.14 PROHIBITION AGAINST DISSEMINATING INFORMATION:** Contractor shall not sell, disburse, disseminate or in any other way provide information to any outside party without the expressed written consent of KCRPB.
- 3.15 PREPARATION OF QUALIFICATIONS:** The respondent must bear all costs associated with the preparation of the qualifications and any oral presentation if required by KCRPB.
- 3.16 QUALIFICATION FORMAT:** This solicitation is in the Request for Qualifications (RFQ) format. At the specified date and time, each participating vendor’s name will be publicly read aloud. No further information will be given at that time. Evaluation of the qualifications will proceed as expeditiously as possible and successful, as well as unsuccessful, notification will be given. Upon the Contract being fully executed, all submissions will be made public and open for viewing. Interested individuals may call the Procurement Division to schedule a time to review the submissions.
- 3.17 REJECTION OF QUALIFICATIONS:** Knox County and KCRPB reserve the right to reject any and all qualifications received as a result of this request and to waive any informality, technical, defect or clerical error in any submittal, as the interests of the County may require. Non-acceptance of any submittal will be devoid of any criticism of the submittal and of any implication that the submittal is deficient in any manner. Non-acceptance of any submittal shall be construed as meaning simply that the County does not deem the submittal to be acceptable or that another submittal was deemed to be more advantageous to Knox County for the qualifications submitted.
- 3.18 REMOVAL OF CONTRACTOR’S EMPLOYEES:** Contractor agrees to utilize only experienced, responsible and capable people in the performance of the work. KCRPB may require that the contractor remove from the job covered by this Contract, employees who endanger persons or property or whose continued employment under this Contract is inconsistent with the interest of KCRPB.
- 3.19 SUBMIT QUESTIONS:** Prospective vendors may submit questions concerning this solicitation until **July 7, 2017 at 4:30 p.m. local time**. Submit questions as noted in Section 1.1.

- 3.20 SUB-CONTRACTORS:** Any sub-contracting must be approved, in advance, by Knox County Retirement and Pension Board. KCRPB may terminate the contract if any work or services is sub-contracted without express written approval.
- 3.21 VENDOR OBLIGATION:** Each vendor shall become fully acquainted with conditions relating to the scope and restriction attending the execution of the work under this RFQ. The failure or omission of a vendor to become acquainted with existing conditions shall in no way relieve the vendor of any obligations with respect to this RFQ or to the Contract.

#### **SECTION IV SPECIFICATIONS**

**4.1 SCOPE OF WORK:** Knox County and the Knox County Retirement & Pension Board are releasing this Request for Qualification (RFQ) to solicit firms interested in performing Investment Advisory Services for KCRPB's three (3) defined benefit plans. This solicitation is for Investment Advisory Services only and should **not** include proposals for Actuarial Services, Record-keeping, or Administration Services.

**4.2 DESCRIPTION OF THE PLANS:** The following is meant to give an overview of each of the three (3) defined benefit plans requiring investment advisory services to be performed (**NOTE: Both the Knox County Closed Defined Benefit Plan and the Knox County Teachers Retirement Plan are currently housed in a master trust with the same asset allocation**):

**4.2.1 Knox County Closed Defined Benefit Plan:**

The plan was closed to new entrants on 9/30/1991. The expected actuarial life of the plan is approximately fifteen (15) years.

- Market Value of Assets: \$43,428,729 (12/31/2016)
- Funding Ratio Discount Rate: 7.00%
- Annual Contributions (approximate): \$3.25MM
- Annual Benefit Payments & Expenses (approximate): \$7.90MM

**4.2.2 Knox County Teachers Retirement Plan:**

The plan was closed to new entrants on 6/26/1990. The expected actuarial life of the plan is approximately fifteen (15) years.

- Market Value of Assets: \$57,734,604 (12/31/2016)
- Funding Ratio Discount Rate: 7.00%
- Annual Contributions (approximate): \$730K
- Annual Benefit Payments & Expenses (approximate): \$7.10MM

**4.2.3 Knox County Uniformed Officers Pension Plan (UOPP):**

The plan was closed to new entrants on 1/1/2014. The expected actuarial life of the plan is approximately thirty-five (35) years.

- Market Value of Assets: \$159,237,917 (12/31/2016)
- Funding Ratio Discount Rate: 7.00%
- Annual Contributions (approximate): \$5.70MM
- Annual Benefit Payments & Expenses (approximate): \$7.30MM



## SECTION V SUBMITTAL REQUIREMENTS

Interested firms are to use the following format for the preparation and submission of their qualifications. Failure to follow this format may be just cause for rejection of qualifications. Cost of preparation of qualifications is the sole responsibility of the respondent. Knox County requires that qualifications being submitted be one (1) marked original and eight (8) exact copies. An electronic copy in one complete file, on CD/flash-drive, is also required.

### Part I SIGNED LETTER AUTHORIZING SUBMISSION OF THE QUALIFICATIONS

### Part II VENDOR INFORMATION:

- Company Name, Address, and telephone/fax numbers
- Contact name(s) and telephone number(s)
- Contact email address
- Firm's Vendor Number as assigned by the Knox County Procurement Division
- Firm's Knox County Business License (if applicable)
- Firm's Employer Identification Number (EIN)
- Tennessee Contractor's License Number (if applicable)
- Acknowledgment of Addenda (if applicable)

### Part III ORGANIZATIONAL / EXPERIENCE:

- Provide a completed Exhibit C, Organizational Questionnaire and any materials requested within the questionnaire.
- Provide a two (2) page summary detailing the strengths of your firm's organizational make-up and experience in providing similar services to similar clients in both the private and public sectors.

### Part IV PERSONNEL / QUALIFICATIONS:

- Provide a completed Exhibit D, Personnel Questionnaire and any materials requested within the questionnaire.
- Provide a two (2) page summary detailing the strengths of your firm's personnel in regards to experience and qualifications.

### Part V PENSION PLAN CLIENTS:

- Provide a completed Exhibit E, Pension Plan Clients Questionnaire and any materials requested within the questionnaire.
- Provide a two (2) page summary listing a similar client and/or scope of work that your firm has successfully provided investment advisory services for and detail how you feel the success of that project would translate to success for a similar project with Knox County.

### Part VI CONSULTING SERVICES:

- Provide a completed Exhibit F, Consulting Services Questionnaire and any materials requested within the questionnaire.
- Provide a two (2) page summary clearly describing your firm's consulting services and describe how your firm's are unique and/or desirable.

### Part VII REFERENCES:

- Provide three (3) client references. Show the asset size, years with your firm, and services provided. Include name of entity, address, telephone number and contact. **Do not list Knox County or KCRPB as a reference. Failure for references to respond may result in a deduction of points.**

### Part VIII AFFIDAVITS AND CHECKLISTS (ATTACHMENTS):

Firms are to complete and provide the following attachments here:

- Knox County Insurance Checklist, Exhibit A
- Affidavit of Compliance with Iran Divestment Act, Exhibit B

### Part IX ADDITIONAL INFORMATION

Respondents should submit, in narrative format, a description of what differentiates your firm from other investment consulting firms. In this section, vendor may submit additional information regarding their Firm and the services they offer that may add value to their submittal.

**Part X**

**EXCEPTIONS**

Respondents are to include any and all exceptions taken to this solicitation under this part. Do not mark through or otherwise alter the language of this RFQ in your response.

**Failure to provide the information may be considered by the selection committee as a negative factor in their decision-making process. Please leave out any additional information not pertinent to the RFQ.**

**Request for Qualification Envelope Cover Sheet**

**Name of Request for Qualifications: Investment Advisory Services**

**RFQ Number: 2562**

**Request For Qualification Submittals Will Be Received By:**

**Knox County Procurement Division  
1000 N. Central Street, Suite 100  
Knoxville, Tennessee 37917**

**Until: 2:00 pm (Local Time)  
Time**

**July 28, 2017  
Date**

**Please complete all blanks!**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City/State/Zip Code:** \_\_\_\_\_

**Knox County Purchasing Vendor Number:** \_\_\_\_\_

**Knox County Business License Number (if applicable):** \_\_\_\_\_

**EXHIBIT A  
KNOX COUNTY PROCUREMENT DIVISION  
INSURANCE CHECKLIST  
RFQ NUMBER 2562**

THE CERTIFICATE OF INSURANCE MUST SHOW ALL COVERAGES & ENDORSEMENTS WITH "YES" AND ITEMS 20 TO 24.

REQUIRED:	NUMBER	TYPE OF COVERAGE	COVERAGE LIMITS																																																							
YES	1.	WORKERS COMPENSATION	STATUTORY LIMITS OF TENNESSEE																																																							
YES	2.	EMPLOYERS LIABILITY	\$100,000 PER ACCIDENT \$100,000 PER DISEASE \$500,000 DISEASE POLICY LIMIT																																																							
YES	3.	<p style="text-align: center;"><b>AUTOMOBILE LIABILITY</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>ANY AUTO-SYMBOL (1)</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>	<input checked="" type="checkbox"/>	ANY AUTO-SYMBOL (1)														<table border="1" style="width: 100%;"> <tr> <td>COMBINE SINGLE LIMIT (Per -Accident)</td> <td style="text-align: center;">\$1,000,000</td> </tr> <tr> <td>BODY INJURY (Per -Person)</td> <td></td> </tr> <tr> <td>BODY INJURY (Per-Accident)</td> <td></td> </tr> <tr> <td>PROPERTY DAMAGE (Per-Accident)</td> <td></td> </tr> </table>	COMBINE SINGLE LIMIT (Per -Accident)	\$1,000,000	BODY INJURY (Per -Person)		BODY INJURY (Per-Accident)		PROPERTY DAMAGE (Per-Accident)																																	
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PROPERTY DAMAGE (Per-Accident)																																																										
YES	4.	<table border="1" style="width: 100%;"> <tr> <td colspan="4" style="text-align: center;"><b>COMMERCIAL GENERAL LIABILITY</b></td> <td></td> <td></td> <td style="text-align: center;"><b>LIMITS</b></td> </tr> <tr> <td></td> <td>CLAIM MADE</td> <td></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>OCCUR</td> <td></td> <td>EACH OCCURRENCE</td> <td style="text-align: center;">\$ 1,000,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>FIRE LEGAL LIABILITY</td> <td style="text-align: center;">\$ 100,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>MED EXP (Per person)</td> <td style="text-align: center;">\$ 5,000</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">GEN'L AGGREGATE LIMITS APPLIES PER</td> <td></td> <td>PERSONAL &amp; ADV INJURY</td> <td style="text-align: center;">\$ 1,000,000</td> </tr> <tr> <td></td> <td>POLICY</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>PROJECT</td> <td></td> <td>LOC</td> <td>GENERAL AGGREGATE</td> <td style="text-align: center;">\$ 2,000,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>PRODUCTS-COMPLETED OPERATIONS/AGGREGATE</td> <td style="text-align: center;">\$ 2,000,000</td> </tr> </table>	<b>COMMERCIAL GENERAL LIABILITY</b>						<b>LIMITS</b>		CLAIM MADE		<input checked="" type="checkbox"/>	OCCUR		EACH OCCURRENCE	\$ 1,000,000							FIRE LEGAL LIABILITY	\$ 100,000							MED EXP (Per person)	\$ 5,000		GEN'L AGGREGATE LIMITS APPLIES PER					PERSONAL & ADV INJURY	\$ 1,000,000		POLICY	<input checked="" type="checkbox"/>	PROJECT		LOC	GENERAL AGGREGATE	\$ 2,000,000							PRODUCTS-COMPLETED OPERATIONS/AGGREGATE	\$ 2,000,000	
<b>COMMERCIAL GENERAL LIABILITY</b>						<b>LIMITS</b>																																																				
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						PRODUCTS-COMPLETED OPERATIONS/AGGREGATE	\$ 2,000,000																																																			
YES	5.	PREMISES/OPERATIONS	\$1,000,000 CSL BI/PD EACH OCCURRENCE \$2,000,000 ANNUAL AGGREGATE																																																							
YES	6.	INDEPENDENT CONTRACTOR	\$1,000,000 CSL BI/PD EACH OCCURRENCE \$1,000,000 ANNUAL AGGREGATE																																																							
YES	7.	CONTRACTUAL LIABILITY (MUST BE SHOWN ON CERTIFICATE)	\$1,000,000 CSL BI/PD EACH OCCURRENCE \$1,000,000 ANNUAL AGGREGATE																																																							
NO	8.	XCU COVERAGE	NOT TO BE EXCLUDED																																																							
YES	9.	UMBRELLA LIABILITY COVERAGE	\$1,000,000.00																																																							
		<b>PROFESSIONAL LIABILITY</b>																																																								
NO	10.	ARCHITECTS & ENGINEERS	\$1,000,000 PER OCCURRENCE/CLAIM																																																							
NO		ASBESTOS & REMOVAL LIABILITY	\$2,000,000 PER OCCURRENCE/CLAIM																																																							
NO		MEDICAL MALPRACTICE	\$1,000,000 PER OCCURRENCE/CLAIM																																																							
NO		MEDICAL PROFESSIONAL LIABILITY	\$1,000,000 PER OCCURRENCE/CLAIM																																																							
YES	11.	MISCELLANEOUS E & O	\$500,000 PER OCCURRENCE/CLAIM																																																							
NO	12.	MOTOR CARRIER ACT ENDORSEMENT	\$1,000,000 BI/PD EACH OCCURRENCE UNINSURED MOTORIST (MCS-90)																																																							
NO	13.	MOTOR CARGO INSURANCE																																																								
NO	14.	GARAGE LIABILITY	\$1,000,000 BODILY INJURY, PROPERTY DAMAGE PER OCCURRENCE																																																							
NO	15.	GARAGEKEEPER'S LIABILITY	\$500,000 COMPREHENSIVE \$500,000 COLLISION																																																							
NO	16.	INLAND MARINE BAILEE'S INSURANCE	\$																																																							
NO	17.	DISHONESTY BOND	\$																																																							
NO	18.	BUILDERS RISK	PROVIDE COVERAGE IN THE FULL AMOUNT OF THE CONTRACT UNLESS PROVIDED BY OWNER.																																																							
NO	19.	USL&H	FEDERAL STATUTORY LIMITS																																																							

20. CARRIER RATING SHALL BE BEST'S RATING OF A-VII OR BETTER OR ITS EQUIVALENT.

21. NOTICE OF CANCELLATION OR NON-RENEWAL OF ANY OR ALL OF THE ABOVE REQUIRED POLICIES SHALL BE PROVIDED TO COUNTY IN ACCORDANCE WITH THE POLICY PROVISIONS. A COPY OF THE CURRENT CANCELLATION ENDORSEMENT FOR THE ABOVE REQUIRED POLICIES SHALL BE ATTACHED TO THIS COMPLETED INSURANCE CHECKLIST.

22. KNOX COUNTY, TENNESSEE SHALL BE NAMED AS AN ADDITIONAL INSURED ON ALL COMMERCIAL, GENERAL LIABILITY, AUTOMOBILE LIABILITY, AND UMBRELLA LIABILITY POLICIES. ENDORSEMENT PAGES SHALL BE PROVIDED/INCLUDED WITH COI FOR THE TERM OF THE CONTRACT.

23. CERTIFICATE OF INSURANCE SHALL SHOW THE RFQ NUMBER AND TITLE.

24. OTHER INSURANCE REQUIRED \_\_\_\_\_.

**INSURANCE AGENT'S STATEMENT AND CERTIFICATION:** I HAVE REVIEWED THE ABOVE REQUIREMENTS WITH THE VENDOR NAMED BELOW.

**AGENCY NAME:** \_\_\_\_\_ **AUTHORIZING SIGNATURE:** \_\_\_\_\_

**VENDOR'S STATEMENT AND CERTIFICATION:** IF AWARDED THE CONTRACT, I WILL COMPLY WITH THE CONTRACT INSURANCE REQUIREMENTS.

**VENDOR NAME:** \_\_\_\_\_ **AUTHORIZING SIGNATURE:** \_\_\_\_\_

**EXHIBIT B  
RFQ 2562  
AFFIDAVIT OF COMPLIANCE**

**WITH**

**IRAN DIVESTMENT ACT**

**TENNESSEE CODE ANNOTATED, SECTION 12-12-106**

(To be submitted with bid by contractor)

I, \_\_\_\_\_, President or other Principal

Officer of \_\_\_\_\_, swear or affirm that the  
Name of Company

Company is in compliance with Tennessee Code Annotated § 12-12-106, in effect at the time of this submission.

\_\_\_\_\_  
President or Principal Officer

For: \_\_\_\_\_  
Name of Company

**EXHIBIT C**  
**ORGANIZATIONAL QUESTIONNAIRE**  
**RFQ 2562**

1. Provide the firm's name, office address, name of contact person, phone number, fax number and email address. If you have a web-site, please provide the URL.
2. Where is the office located that will serve as Knox County Retirement and Pension Board's primary contact?
3. How many years has your firm been in business? How many years has your firm provided investment advisory services for public entities specifically?
4. Discuss whether your firm is registered as an investment adviser under the federal Investment Advisers Act of 1940 or exempt from registration? If so, when was the firm first so registered? Please provide a copy of your most recent Form ADV, Parts I & II.
5. Describe the ownership of your organization, its size, and its relationship to other firms. Would any services provided to Knox County through a resulting contract be sub-contracted out? If so, please list the services and sub-contractors.
6. Describe your errors and omissions insurance and investment advisor professional liability coverage.
7. Describe the procedures you have in place that would mitigate or eliminate potential conflicts of interest.
8. Has your firm been involved in any regulatory or litigation events in the past five (5) years? Has any member of your firm been fined, disciplined and/or suspended by the SEC, the NASD or any regulatory agency? If yes, please explain.
9. Does your firm have a business continuation and disaster recovery plan? Please describe.
10. What objectives does your firm set with respect to serving your clients?
11. Please include an organizational chart with your response.

**EXHIBIT D**  
**PERSONNEL QUESTIONNAIRE**  
**RFQ 2562**

1. Describe the size of the firm's professional staff and any specializations.
2. Provide a biography and/or resume of the key personnel who will be responsible for servicing this account and their location. Be sure to distinguish their qualifications for this particular scope of work. Include industry and firm tenure.
3. How many accounts does each consultant in your firm handle and how often does he/she typically meet with each client? Contractor will be required to attend/present at a quarterly meeting.
4. List the turnover in key personnel that has occurred during the past three (3) years. Include the length of employment and reason for departure. How would your firm, if awarded the Knox County contract, handle communication with Knox County regarding their account if your firm's account manager were to leave?
5. Describe the firm's compensation and incentive program for hiring and retaining key consultant personnel. How does the firm tie client performance and satisfaction?
6. Describe the efforts made to keep all members of the firm's staff current with and informed of developments related to qualified plan governance and practices.



**EXHIBIT E**  
**PENSION PLAN CLIENTS QUESTIONNAIRE**  
**RFQ 2562**

1. Provide the total number of investment advisory clients that your firm currently services.
2. How many public/governmental clients do you currently service and how many private clients?
3. How many clients do you represent in the state of Tennessee and how many of these are public/governmental clients?
4. Describe any unique expertise your organization has with respect to defined benefit retirement plan consulting.
5. What are your client retention statistics for the last two (2) years?
6. How many defined benefit plans does your firm currently service?
7. What are your firm's average assets under management?

**EXHIBIT F**  
**CONSULTING SERVICES QUESTIONNAIRE**  
**RFQ 2562**

1. Outline the full range of investment consulting services provided by your firm, and the frequency with which they are generally provided.
2. Do you intend to act as a fiduciary for the plan and/or its participants? In what capacity?
3. Do you offer Board committee training, education, and support? Please describe your approach to employee education.
4. Discuss your asset allocation recommendation process, including your overall philosophy, determination of investment objectives and risk tolerance, selection of asset classes and styles, and evaluation of the appropriateness/effectiveness of the Plan's current asset allocation strategy.
5. Discuss your investment manager selection process, including your overall philosophy, manager research process and the determination of search-specific criteria.
6. Discuss how you monitor the portfolio on an ongoing basis and what would trigger a recommendation for an asset allocation or manager change.
7. Can you meet the Retirement Board's monthly and quarterly reporting requirements? Are your reports customizable to accommodate the Plan's information needs? Please describe. KCRPB requires attendance/presentation at each quarterly meeting and monthly rate of return report. A sample of the current monthly report is included in Attachment G.
8. Please describe your firm's experience helping clients through complex process such as Department of Labor audits, Internal Revenue Service audits, plan terminations, and plan de-risking strategies.
9. Included is a copy of the December 31, 2016 Investment Performance Report (as Attachment G) with the current asset allocation. Please discuss any allocation strategies which you would recommend which may differ from the current Plan allocation, and explain your rationale. Please include how the risk associated with your recommendations compare with the risk of the Knox County Defined Benefit Plan and The Knox County Uniformed Officer Pension Plan (UOPP). The current Plan return assumption is 7.00% for both plans.
10. Please describe your firm's actuarial experience and how you would integrate this experience with the investment of plan assets.
11. Include a description of how you would approach the transition (if applicable) from the current Investment Consultant if you were to be selected.
12. How does your firm define and measure the success of retirement plan consulting relationships?
13. Please submit samples of reports that your firm would provide to Knox County's defined benefit plans.



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***Knox County***  
*Executive Summary of Investment Performance*



*Quarter Ending December 31, 2016*

# Table of Contents



<b>Capital Market Update</b>	<b>Tab 1</b>
<b>Defined Benefit and Teachers Plan</b>	<b>Tab 2</b>
<b>Uniformed Officers Pension Plan</b>	<b>Tab 3</b>

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# *Capital Market Update*

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# Asset Class Performance



Annual Asset Class Returns - Best to Worst

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	YTD 2016	Annualized 5-Year as of Dec '16
Emrg Mrkts 56.3%	REITs 33.2%	Emrg Mrkts 34.5%	REITs 36.0%	Emrg Mrkts 39.8%	Core Bond 5.2%	Emrg Mrkts 79.0%	MLPs 35.9%	MLPs 13.9%	Emrg Mrkts 18.6%	U.S. Equity 33.1%	REITs 31.8%	REITs 4.2%	MLPs 18.3%	U.S. Equity 14.7%
MLPs 44.5%	Emrg Mrkts 25.9%	Commodities 21.4%	Emrg Mrkts 32.6%	Commodities 16.2%	T-Bills 2.0%	MLPs 76.4%	REITs 28.6%	U.S. TIPS 13.6%	Developed 17.9%	MLPs 27.6%	U.S. Equity 12.7%	U.S. Equity 0.7%	High Yield 17.1%	REITs 12.0%
Developed 39.2%	Developed 20.7%	Developed 14.0%	Developed 26.9%	MLPs 12.7%	U.S. TIPS -2.3%	High Yield 58.2%	Emrg Mrkts 19.2%	REITs 9.2%	REITs 17.6%	Developed 23.3%	Core Bond 6.0%	Core Bond 0.6%	U.S. Equity 13.4%	High Yield 7.4%
REITs 36.2%	MLPs 16.7%	REITs 13.8%	MLPs 26.1%	U.S. TIPS 11.6%	High Yield -26.2%	Developed 32.5%	U.S. Equity 17.2%	Core Bond 7.8%	U.S. Equity 16.1%	High Yield 7.4%	MLPs 4.8%	T-Bills 0.1%	Commodities 11.8%	Developed 7.0%
U.S. Equity 31.6%	U.S. Equity 12.5%	U.S. Equity 6.4%	U.S. Equity 15.8%	Developed 11.6%	Commodities -35.6%	REITs 28.6%	Commodities 16.8%	High Yield 5.0%	High Yield 15.8%	REITs 1.9%	U.S. TIPS 3.6%	Developed -0.4%	Emrg Mrkts 11.6%	MLPs 2.2%
High Yield 29.0%	High Yield 11.2%	MLPs 6.3%	High Yield 11.9%	Core Bond 7.0%	MLPs -36.9%	U.S. Equity 28.3%	High Yield 15.1%	U.S. Equity 1.0%	U.S. TIPS 7.0%	T-Bills 0.1%	High Yield 2.5%	U.S. TIPS -1.4%	REITs 7.2%	Core Bond 2.2%
Commodities 23.9%	Commodities 9.2%	T-Bills 3.1%	T-Bills 4.8%	U.S. Equity 5.6%	U.S. Equity -37.2%	Commodities 18.9%	Developed 8.2%	T-Bills 0.1%	MLPs 4.8%	Core Bond -2.0%	T-Bills 0.0%	High Yield -4.5%	U.S. TIPS 4.7%	Emrg Mrkts 1.6%
U.S. TIPS 8.4%	U.S. TIPS 8.5%	U.S. TIPS 2.8%	Core Bond 4.3%	T-Bills 5.0%	REITs -39.2%	U.S. TIPS 11.4%	Core Bond 6.5%	Developed -11.7%	Core Bond 4.2%	Emrg Mrkts -2.3%	Emrg Mrkts -1.8%	Emrg Mrkts -14.6%	Core Bond 2.6%	U.S. TIPS 0.9%
Core Bond 4.1%	Core Bond 4.3%	High Yield 2.7%	Commodities 2.1%	High Yield 1.9%	Developed -43.1%	Core Bond 5.9%	U.S. TIPS 6.3%	Commodities -13.3%	T-Bills 0.1%	U.S. TIPS -8.6%	Developed -4.5%	Commodities -24.7%	Developed 1.5%	T-Bills 0.1%
T-Bills 1.2%	T-Bills 1.3%	Core Bond 2.4%	U.S. TIPS 0.4%	REITs -17.5%	Emrg Mrkts -53.2%	T-Bills 0.2%	T-Bills 0.1%	Emrg Mrkts -18.2%	Commodities -1.0%	Commodities -9.5%	Commodities -17.0%	MLPs -32.6%	T-Bills 0.3%	Commodities -9.0%

Data Sources: Wilshire Compass

Note: Developed asset class is developed markets ex-U.S., ex-Canada.

## U.S. Equity

The U.S. stock market was up for the fourth quarter by 4.5% and by 13.4% for all of 2016. This marks the fifth straight quarterly gain and, more remarkably, eighth straight annual gain for the broad U.S. market. A portion of that “winning streak” is due to a rebound from the global financial crisis sell-off. However, the market has continued to produce strong returns after the recovery period, with a 14% annualized gain for the past four years. Following a couple of rocky months to begin 2016, U.S. equities trended upward during the rest of the year.

Large capitalization stocks underperformed smaller shares while growth stocks trailed value. Sector performance was varied during the quarter. The best performing sector was Financials (+21.2%) while the main laggard was Health Care (-3.6%).

After trending downward for nearly three years, the 10-Year Treasury yield pushed higher during the fourth quarter, as did the breakeven inflation rate. Both shifts this year occurred largely after November 8th. Whether it was the election or the removal of an unknown that spurred the change is uncertain, but the timing is unmistakable. The Federal Reserve increased the Fed-funds rate in December to a range of 0.5%-0.75%, just the second increase since year-end 2008.

## Non-U.S. Equity

Equity markets outside of the U.S. were in mostly positive territory for both the fourth quarter and year-to-date in local currency terms. However, a strong U.S. dollar resulted in losses for U.S. investors. The European Central Bank announced that they would be buying less per month than previously scheduled as part of their current quantitative easing but extended the buying period to December 2017. Despite a strong 2016, emerging market equities suffered during the fourth quarter following the U.S. election as investors feared weakening prospects for global trade and exports from emerging market countries.

## Fixed Income

After falling for much of the first half of 2016, U.S. Treasury yields reversed course and moved higher for the remainder of the year. The bellwether 10-year Treasury yield reached a historic low of 1.37% in early July before climbing to end the year at 2.45%, accelerating its rise after the election. The Fed increased their overnight rate by 0.25% at their December meeting while credit spreads tightened during the quarter in both investment grade and high yield bonds. The move was dramatic enough within high yield to result in a net quarterly gain.

# December 2016 Asset Class Assumptions



	Equity						Fixed Income						Real Assets					US CPI
	US Stock	Dev	Emg Stock	Global ex-US Stock	Global Stock	Private Markets	Cash	Core Bond	LT		High Yield	ex-US Bond (Hdg)	Real Estate			Cmdty	Real Assets	
		ex-US Stock							Core Bond	Core Bond			TIPS	US RES	Global RES			
<b>Expected Compound Return (%)</b>	6.50	6.50	6.50	6.70	6.70	9.40	1.55	3.65	4.10	2.95	5.35	1.35	5.40	5.60	6.00	3.50	6.30	1.95
<b>Expected Arithmetic Return (%)</b>	7.80	7.95	9.45	8.30	8.05	12.60	1.55	3.80	4.55	3.10	5.80	1.40	6.75	6.75	6.90	4.55	6.65	1.95
<b>Expected Risk (%)</b>	17.00	18.00	26.00	18.75	17.15	27.50	1.25	5.15	9.85	6.00	10.00	3.50	17.00	15.80	14.00	15.00	8.40	1.75
<b>Cash Yield (%)</b>	2.00	3.00	2.25	2.85	2.40	0.00	1.55	3.80	5.05	3.30	8.40	1.80	3.95	3.95	2.85	1.55	2.85	
<b>Correlations:</b>																		
US Stock	1.00																	
Dev ex-US Stock	0.83	1.00																
Emerging Mkt Stock	0.75	0.75	1.00															
Global ex-US Stock	0.85	0.96	0.87	1.00														
Global Stock	0.96	0.94	0.84	0.96	1.00													
Private Markets	0.75	0.65	0.63	0.68	0.74	1.00												
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.07	0.00	1.00											
Core Bond	0.29	0.13	0.00	0.10	0.20	0.32	0.19	1.00										
LT Core Bond	0.32	0.16	0.01	0.12	0.23	0.33	0.11	0.95	1.00									
TIPS	-0.05	0.00	0.15	0.05	0.00	-0.03	0.20	0.61	0.48	1.00								
High Yield Bond	0.55	0.40	0.50	0.45	0.52	0.34	-0.10	0.25	0.33	0.05	1.00							
Non-US Bond (Hdg)	0.16	0.26	-0.01	0.19	0.18	0.27	0.10	0.68	0.65	0.40	0.27	1.00						
US RE Securities	0.60	0.48	0.45	0.50	0.57	0.51	-0.05	0.17	0.23	0.10	0.57	0.05	1.00					
Global RE Securities	0.66	0.60	0.57	0.63	0.67	0.58	-0.05	0.16	0.22	0.11	0.63	0.04	0.96	1.00				
Private Real Estate	0.55	0.45	0.45	0.48	0.53	0.51	-0.05	0.19	0.26	0.09	0.58	0.05	0.79	0.77	1.00			
Commodities	0.15	0.25	0.30	0.28	0.22	0.15	0.00	-0.04	-0.05	0.20	0.20	-0.05	0.26	0.29	0.25	1.00		
Real Asset Basket	0.40	0.41	0.48	0.46	0.45	0.38	0.02	0.24	0.26	0.41	0.51	0.08	0.66	0.70	0.70	0.56	1.00	
Inflation (CPI)	-0.10	-0.15	-0.13	-0.15	-0.13	-0.10	0.10	-0.12	-0.12	0.15	-0.08	-0.08	0.05	0.04	0.05	0.40	0.25	1.00

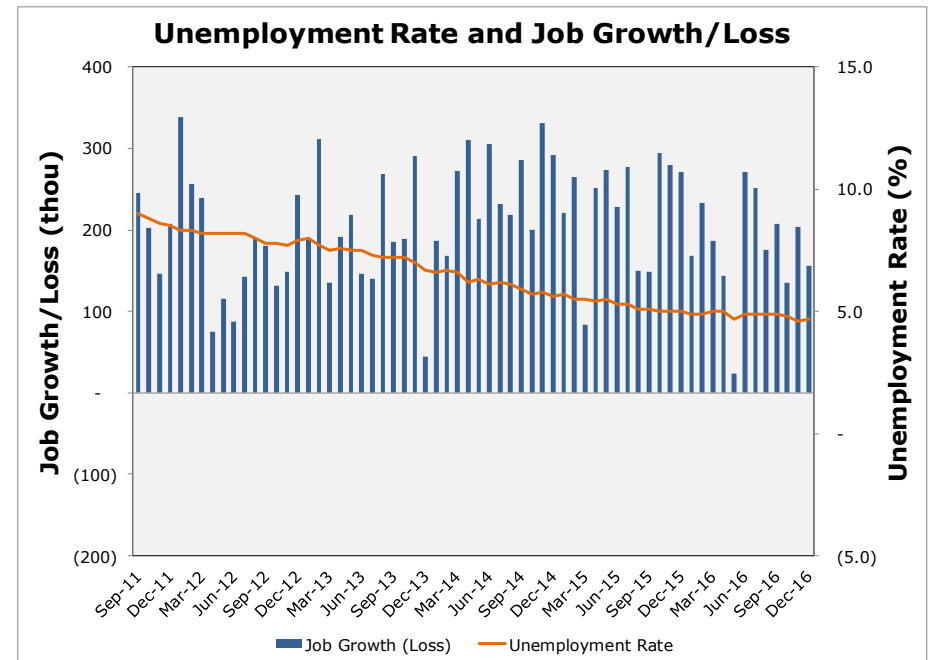
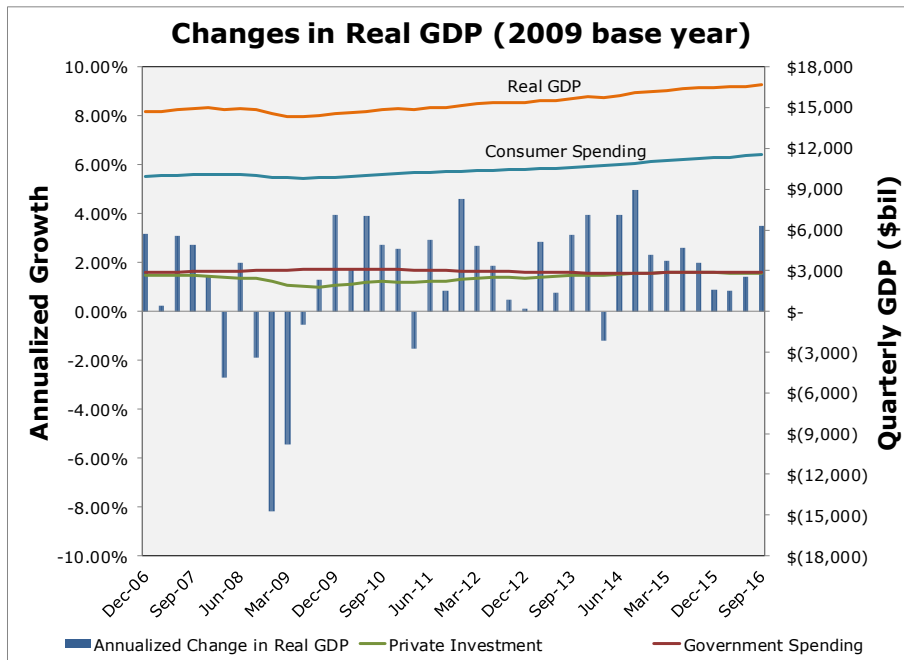


# Economic Review



December 31, 2016	Key Economic Indicators			
<b>CPI (all items)</b> Seasonally adjusted	Monthly Change		Cumulative Change	
	Dec-16	0.3	3-Month	0.8
	Nov-16	0.2	12-Month	2.1
	Oct-16	0.4	10-Yr Annual	1.8
Breakeven Inflation	10-Year	2.0		
<b>Consumer Sentiment</b> Unv. of Michigan Survey	Dec-16	98.2		
	Nov-16	93.8		
	1-Yr Ago	92.6	10-Yr Avg	77.9
<b>Manufacturing</b> Inst. for Supply Mgmt Purchasing Mngrs' Idx	Dec-16	54.7	Change in Manufacturing Sector	
	Nov-16	53.2	>50	Expansion
	1-Yr Avg	51.5	<50	Contraction

Note: Seasonally adjusted CPI data is utilized to better reflect short-term pricing activity.

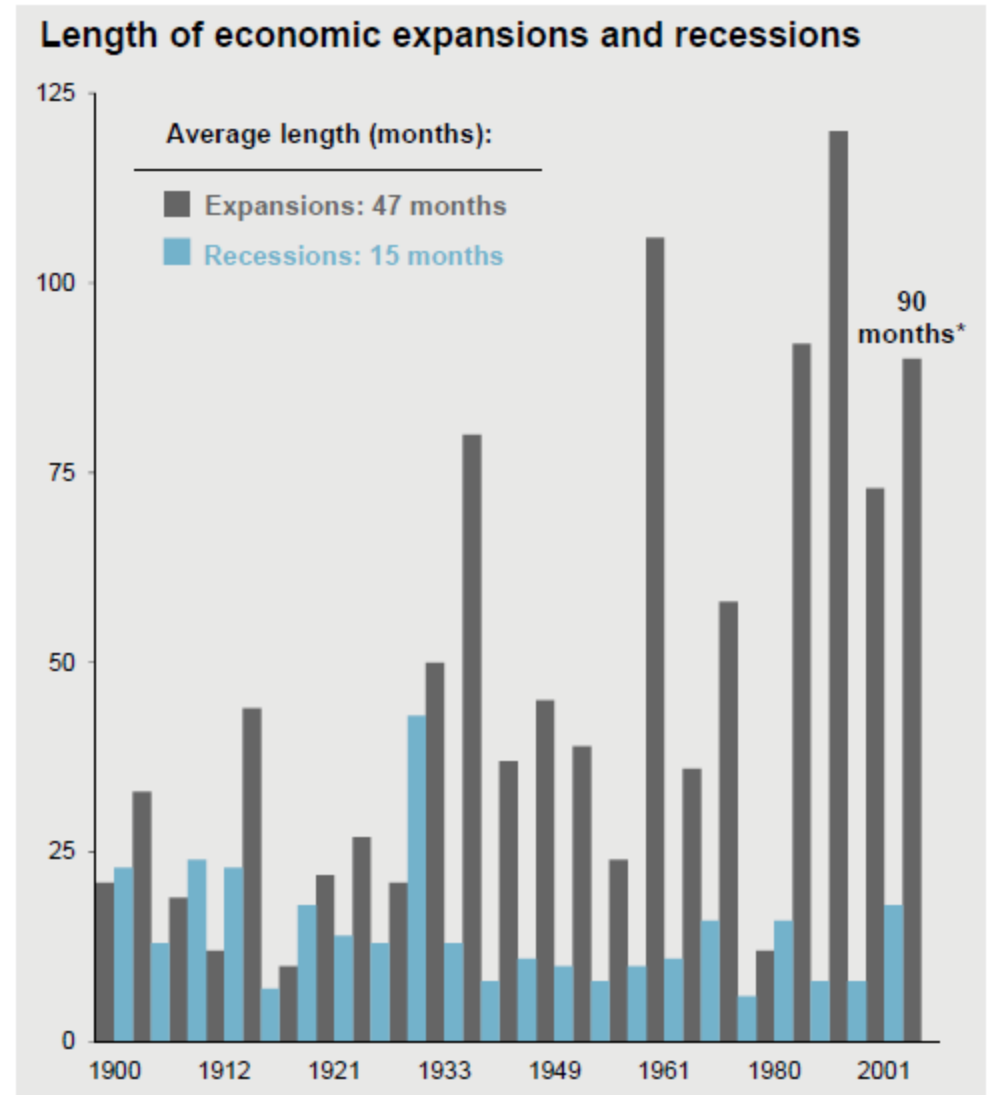


Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

# U.S. Economic Growth



- Current economic expansion began during the second quarter of 2009
- Annualized real growth during that period is 2.1%
- Although it is one of the lengthiest expansions of the past 100+ years, cycles have been trending longer, in general
- Recessions typically last 1-2 years



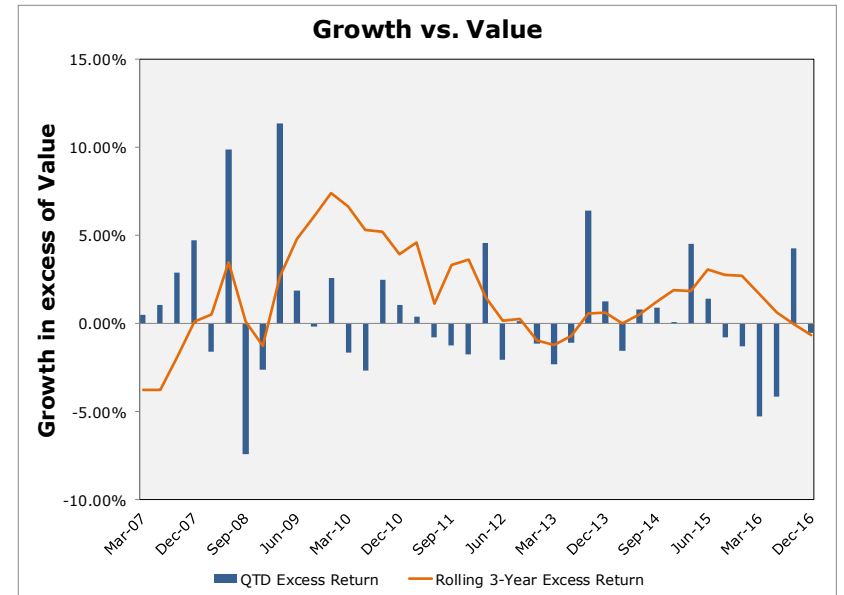
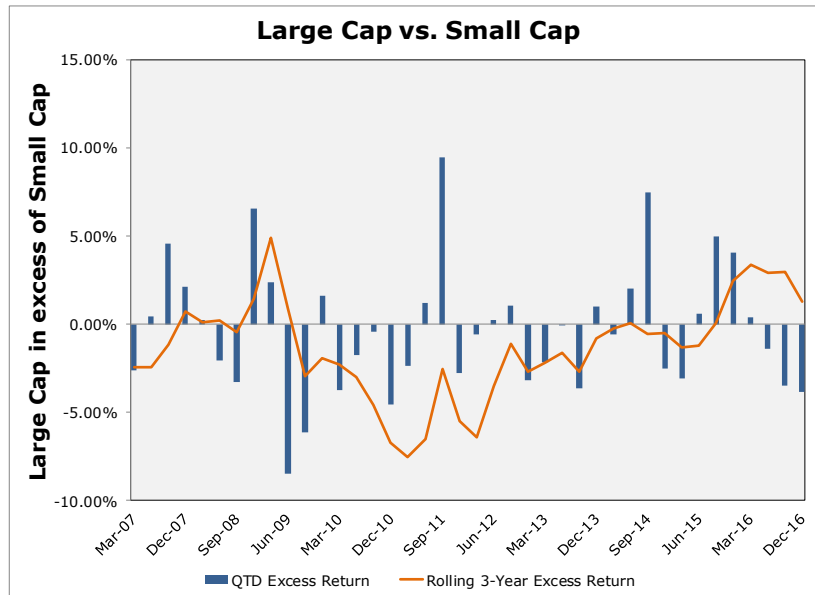
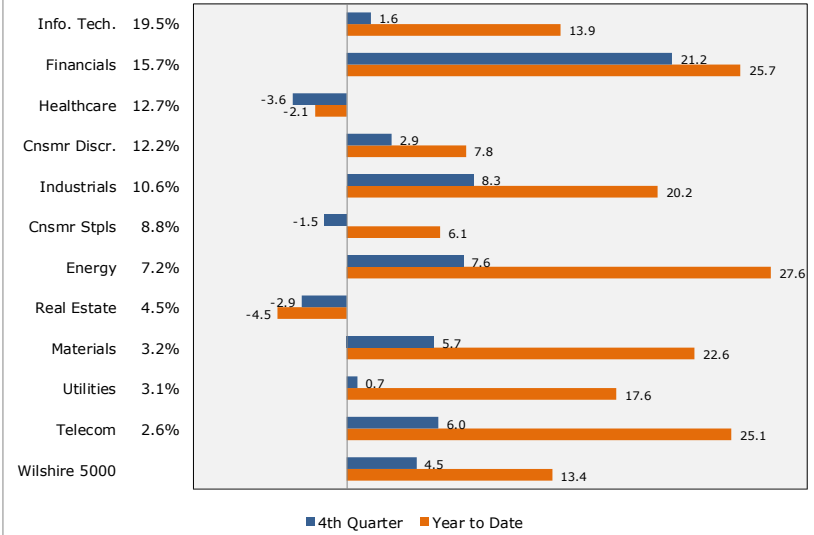
\*Chart assumes that growth during Q4 2016 will be positive

# U.S. Equity Market



December 31, 2016	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	4.5	13.4	13.4	8.8	14.7	7.2
Wilshire U.S. Large Cap	4.1	12.5	12.5	8.9	14.6	7.1
Wilshire U.S. Small Cap	8.3	22.4	22.4	7.5	15.5	8.7
Wilshire U.S. Large Growth	3.9	9.0	9.0	8.7	15.2	8.2
Wilshire U.S. Large Value	4.4	15.4	15.4	9.0	14.1	5.8
Wilshire U.S. Small Growth	7.6	17.0	17.0	4.9	14.1	8.8
Wilshire U.S. Small Value	9.0	27.7	27.7	10.0	16.7	8.5
Wilshire REIT Index	-2.3	7.2	7.2	13.8	12.0	4.8
MSCI USA Minimum Volatility Index	0.0	9.8	9.8	10.1	12.8	7.5
FTSE RAFI U.S. 1000 Index	7.3	17.6	17.6	8.9	15.5	8.0

Wilshire 5000 Sector Weight & Return (%)

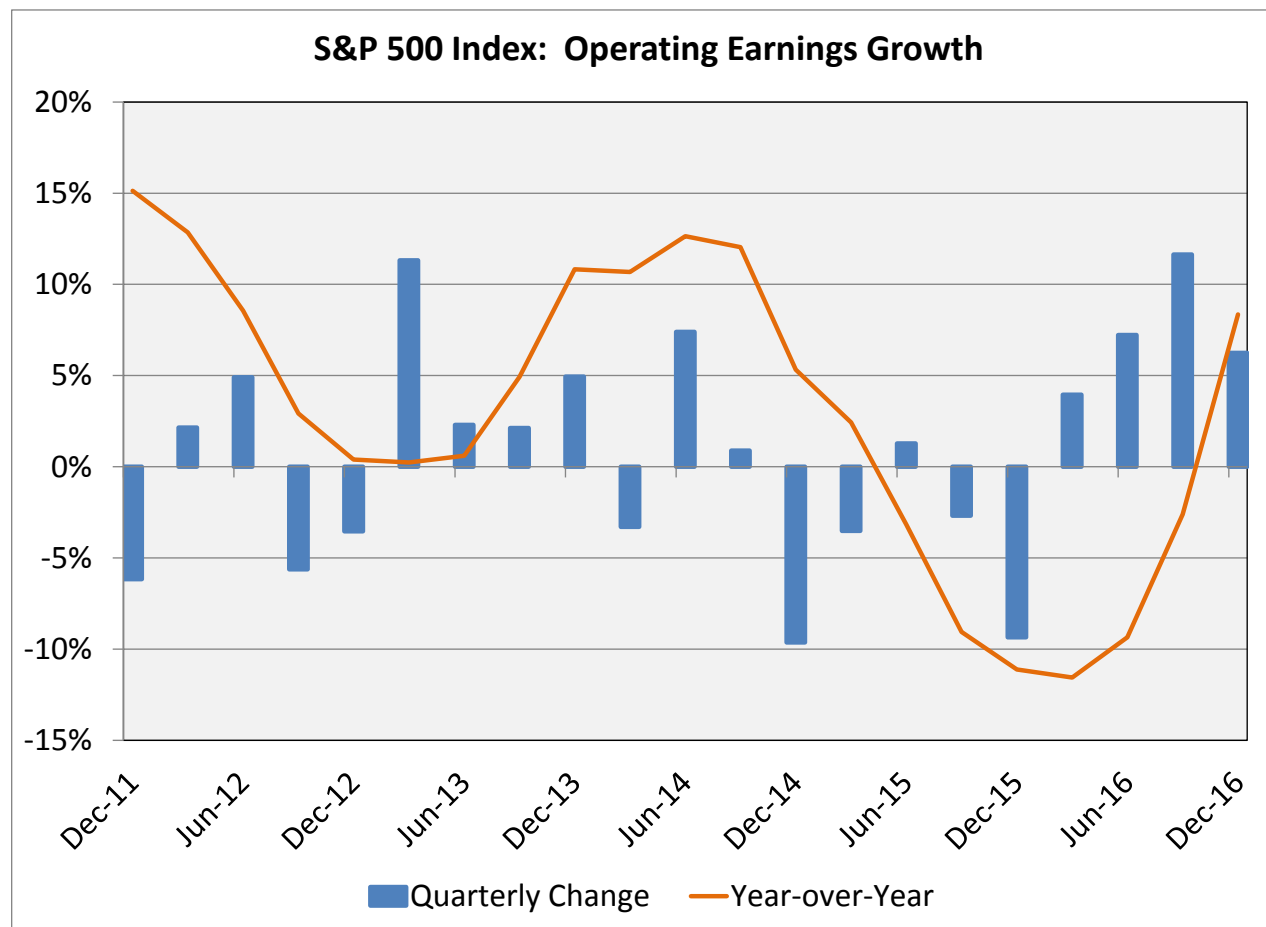


Data sources: Wilshire Compass, Wilshire Atlas

# U.S. Corporate Earnings



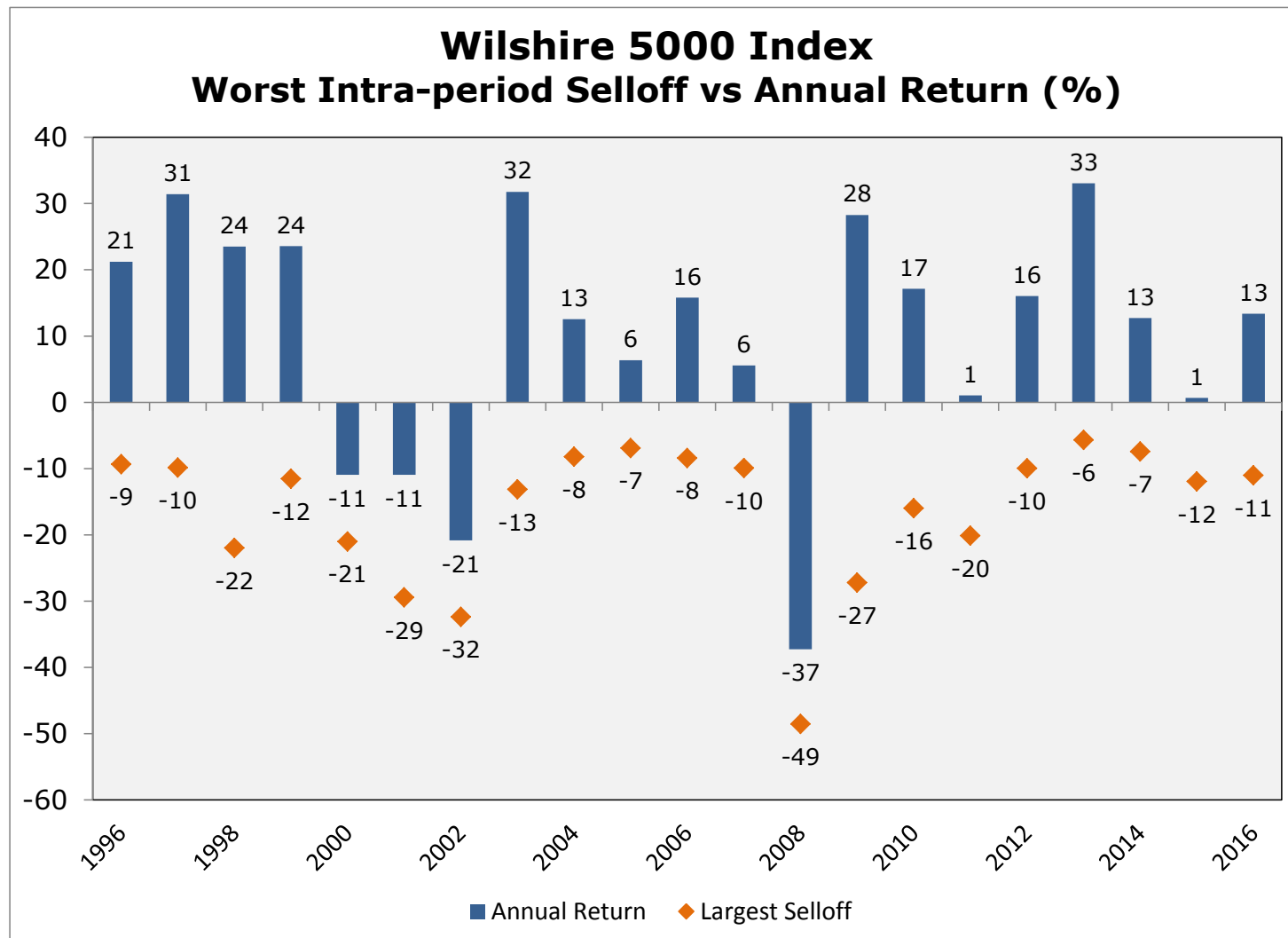
- Troubling trend in the U.S. equity market reversed course during the year
- Operating earnings had been on the decline for approximately a year and a half before returning to growth in 2016



# Annual Equity Returns



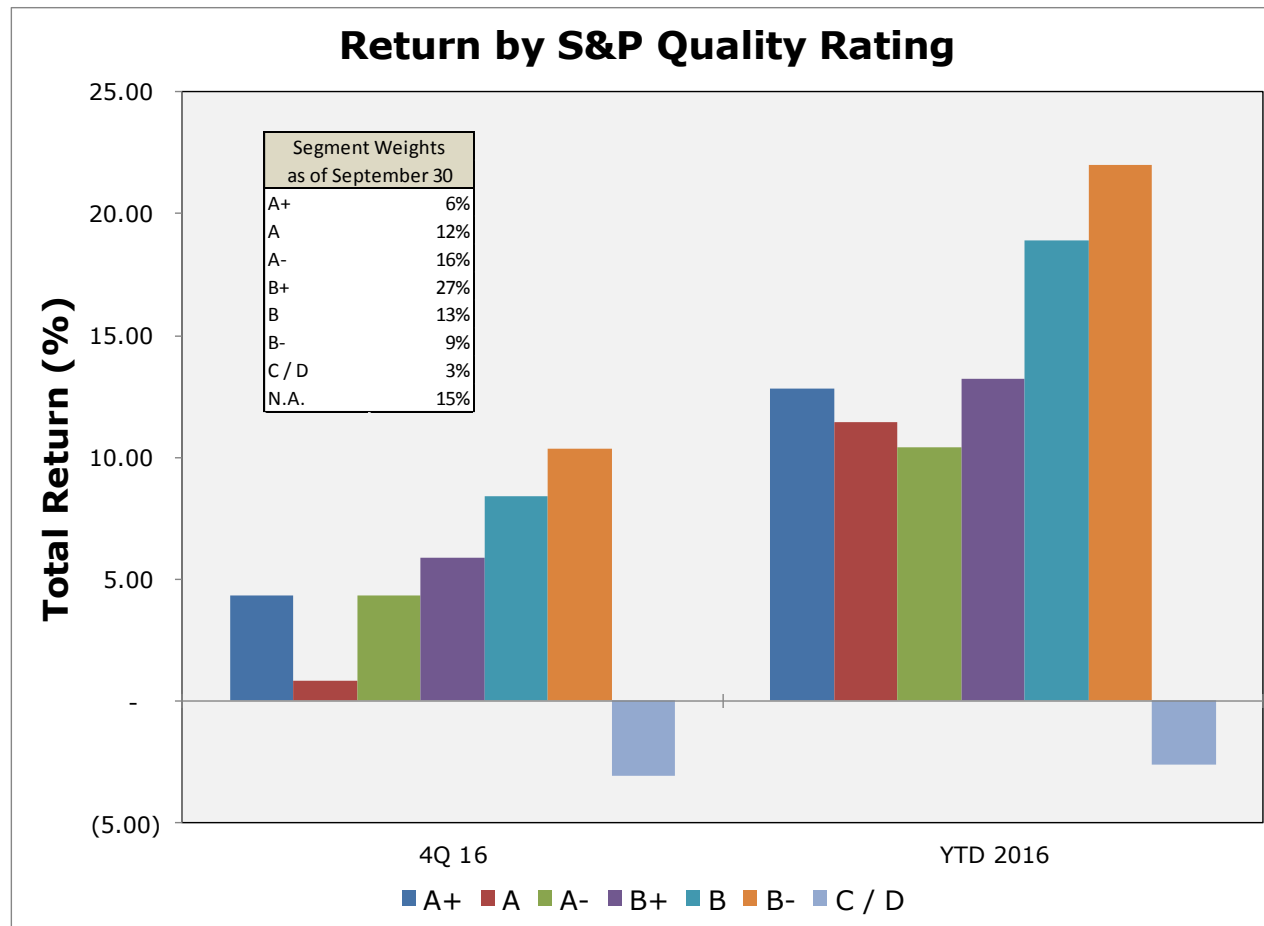
- U.S. Equity has now produced 8 straight years of positive returns since 2008
- Median selloff during the periods included below is -12%



# Returns by Quality Segment



Relatively strong returns across most quality ratings for 2016; best performers in the B-range

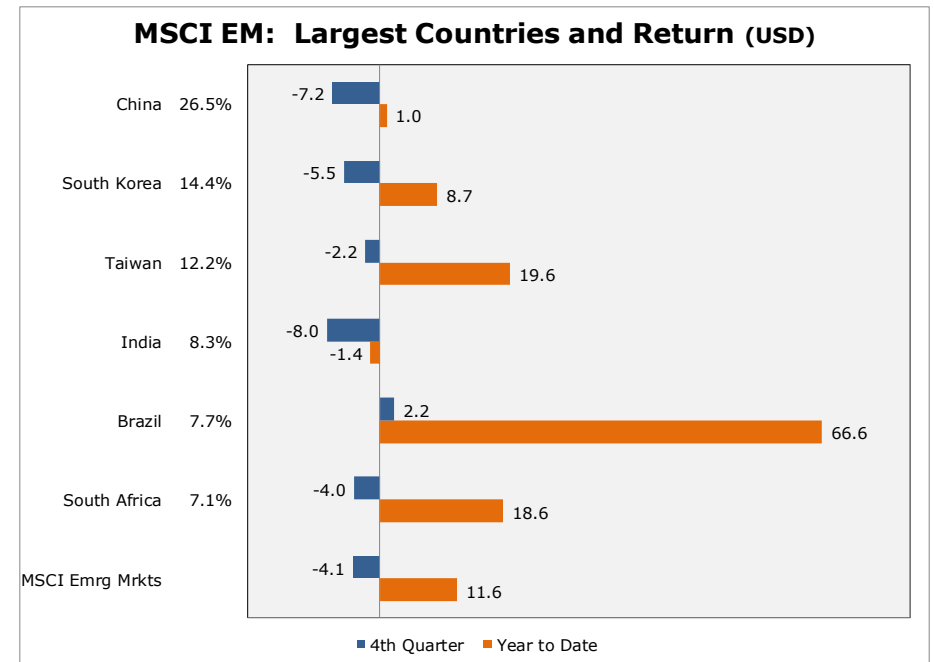
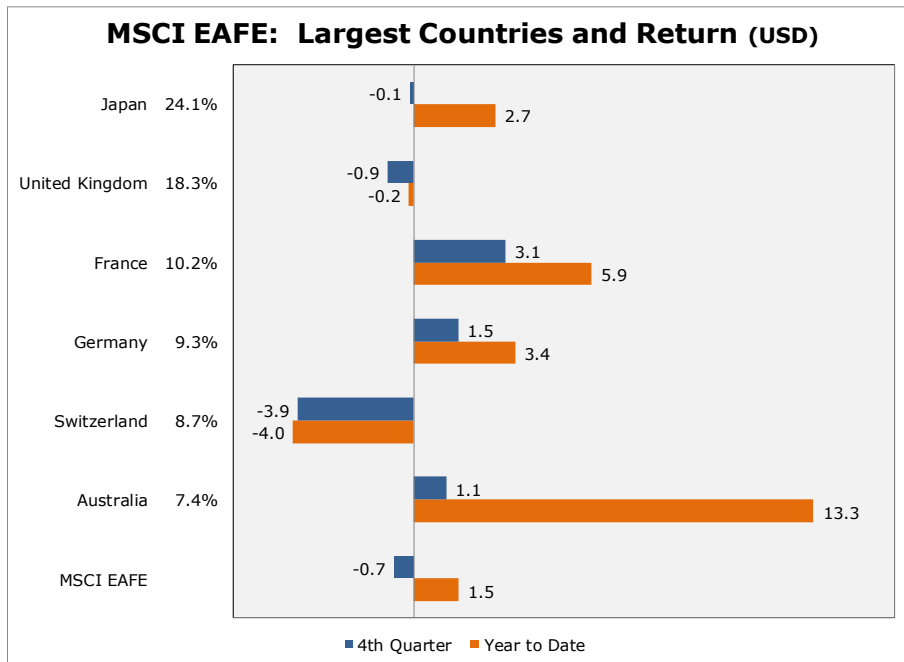


Data sources: Wilshire Atlas

# Non-U.S. Equity Market

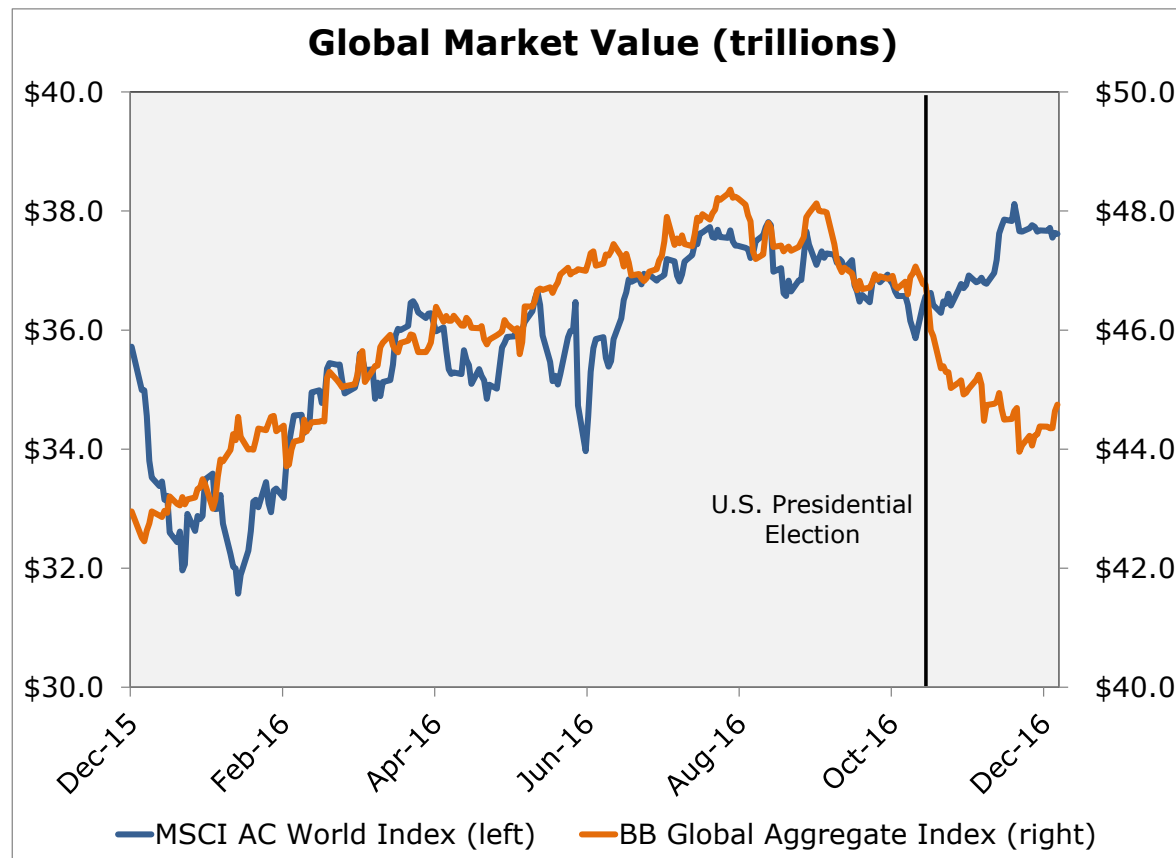


December 31, 2016	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	-1.2	5.0	5.0	-1.3	5.5	1.4
MSCI EAFE (\$g)	-0.7	1.5	1.5	-1.2	7.0	1.2
MSCI Emerging Markets (\$g)	-4.1	11.6	11.6	-2.2	1.6	2.2
MSCI Frontier Markets (\$g)	0.5	3.2	3.2	-1.7	5.6	0.0
MSCI ACWI ex-US Growth (\$g)	-5.7	0.5	0.5	-0.9	5.7	1.9
MSCI ACWI ex-US Value (\$g)	3.4	9.6	9.6	-1.9	5.2	0.9
MSCI ACWI ex-US Small (\$g)	-3.5	4.8	4.8	1.3	8.2	3.3
MSCI EAFE Minimum Volatility Idx	-6.5	-1.4	-1.4	3.9	8.0	4.2
FTSE RAFI Developed ex-US Index	3.7	7.3	7.3	-0.9	7.2	1.9
MSCI EAFE LC (g)	7.1	5.9	5.9	6.0	12.4	2.7
MSCI Emerging Markets LC (g)	-1.4	10.1	10.1	3.2	6.0	4.7



Data sources: Wilshire Compass

- Major shift in asset values since November 8<sup>th</sup>
  - Global equity up \$1 trillion
  - Global investment grade fixed income down \$2 trillion
- Various sources have reported strong fund flows into equities

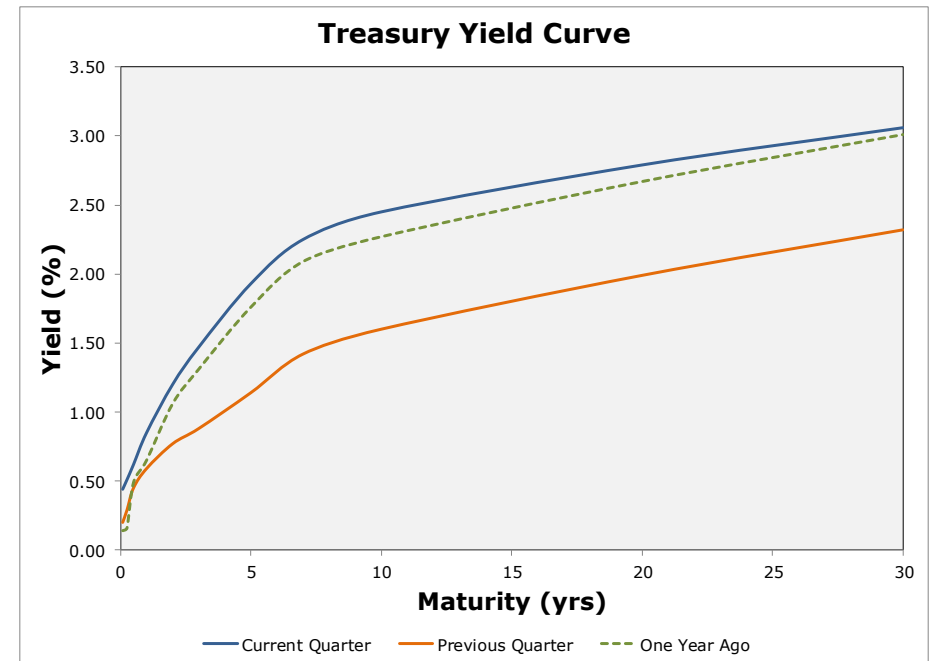
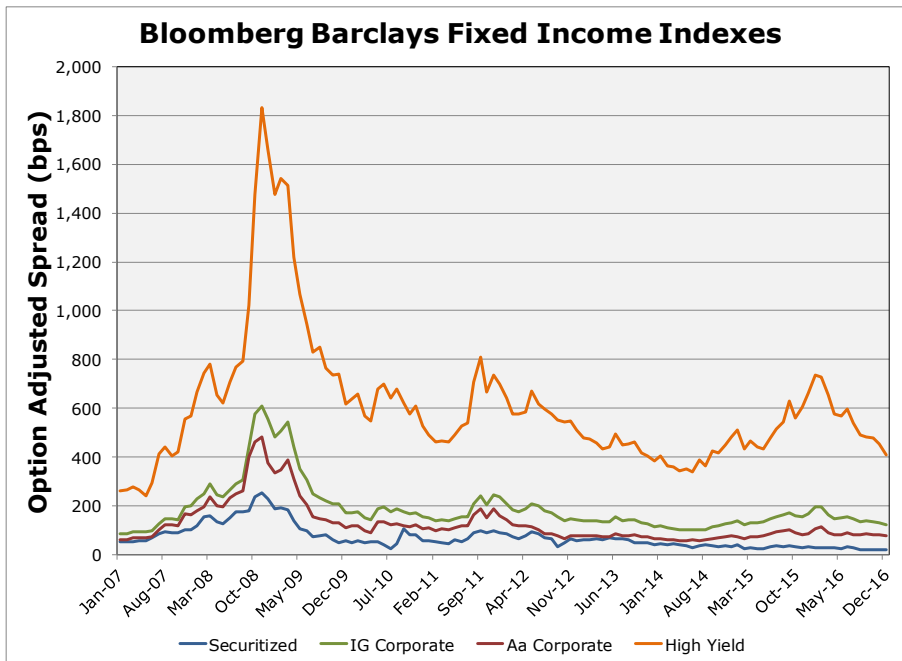




# U.S. Fixed Income Market



December 31, 2016	YTM	Duration	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Bloomberg Barclays Aggregate	2.6	5.9	-3.0	2.6	2.6	3.0	2.2	4.3
Bloomberg Barclays Treasury	1.9	6.1	-3.8	1.0	1.0	2.3	1.2	4.0
Bloomberg Barclays Govt-Related	2.6	5.4	-3.1	2.7	2.7	2.8	2.1	4.1
Bloomberg Barclays Securitized	2.8	4.6	-2.0	1.8	1.8	3.0	2.1	4.2
Bloomberg Barclays Corporate IG	3.4	7.3	-2.8	6.1	6.1	4.2	4.1	5.5
Bloomberg Barclays LT Govt/Credit	4.0	15.0	-7.8	6.7	6.7	7.2	4.1	6.9
Bloomberg Barclays LT Treasury	3.0	17.4	-11.7	1.3	1.3	7.8	2.5	6.7
Bloomberg Barclays LT Govt-Rel.	4.5	12.0	-7.5	6.0	6.0	6.6	4.2	6.7
Bloomberg Barclays LT Corp. IG	4.5	13.8	-5.0	11.0	11.0	7.0	5.4	6.9
Bloomberg Barclays U.S. TIPS	0.6	8.2	-2.4	4.7	4.7	2.3	0.9	4.4
Bloomberg Barclays High Yield	6.5	4.1	1.8	17.1	17.1	4.7	7.4	7.4
Treasury Bills	0.5	0.25	0.1	0.3	0.3	0.1	0.1	0.8



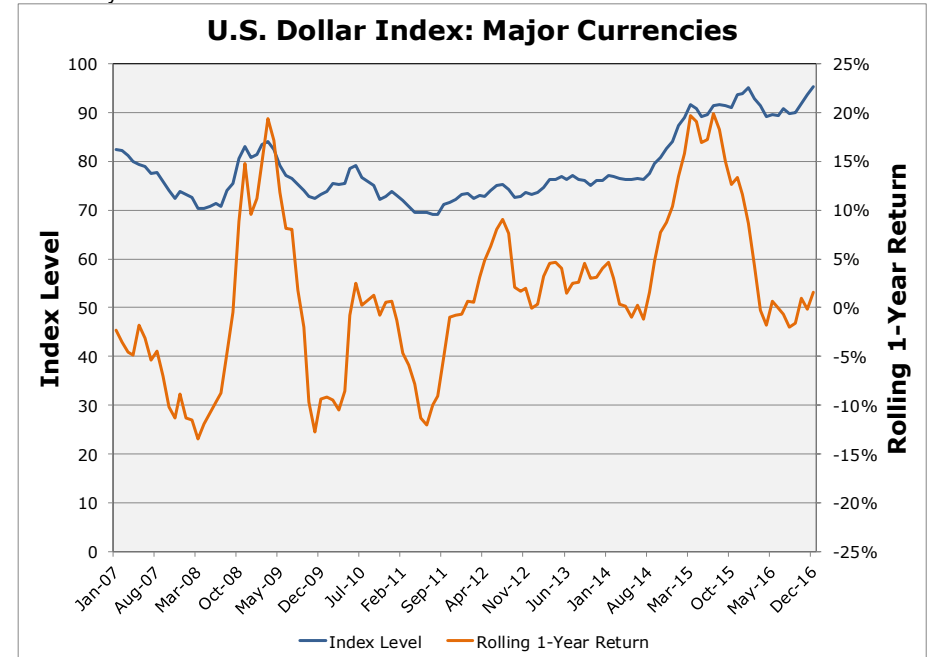
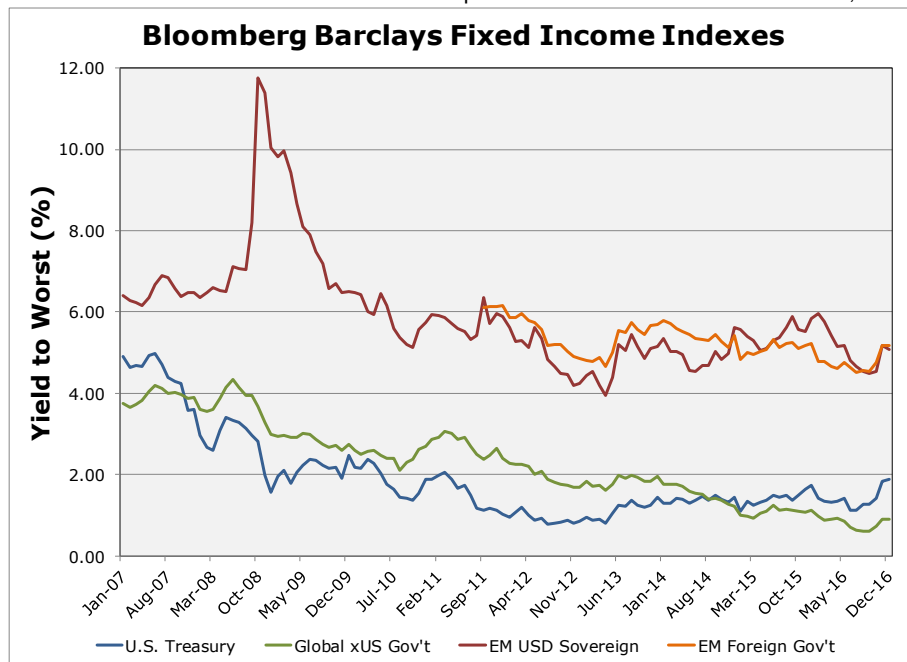
Data sources: Wilshire Compass, Bloomberg Barclays, U.S. Treasury

# Non-U.S. Fixed Income Market



December 31, 2016	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
<i>Developed Markets</i>						
Bloomberg Barclays Global Aggregate xUS	-10.3	1.5	1.5	-2.6	-1.4	2.4
Bloomberg Barclays Global Aggregate xUS *	-1.9	4.9	4.9	5.0	4.5	4.4
Bloomberg Barclays Wrld Govt xUS IL Bond	-7.4	3.3	3.3	-0.2	1.1	3.0
Bloomberg Barclays Wrld Govt xUS IL Bond *	-1.8	14.4	14.4	9.0	5.9	5.9
<i>Emerging Mrkts (Hard Currency)</i>						
Bloomberg Barclays EM USD Aggregate	-2.6	9.9	9.9	5.3	5.7	6.7
<i>Emerging Mrkts (Foreign Currency)</i>						
Bloomberg Barclays EM Local Currency Govt	-7.5	5.9	5.9	-2.4	0.5	n.a.
Bloomberg Barclays EM Local Currency Govt *	-2.8	3.3	3.3	2.7	2.5	n.a.
Euro vs. Dollar	-6.1	-2.9	-2.9	-8.5	-4.1	-2.2
Yen vs. Dollar	-13.2	3.1	3.1	-3.4	-8.0	0.2
Pound vs. Dollar	-4.9	-16.2	-16.2	-9.3	-4.5	-4.5

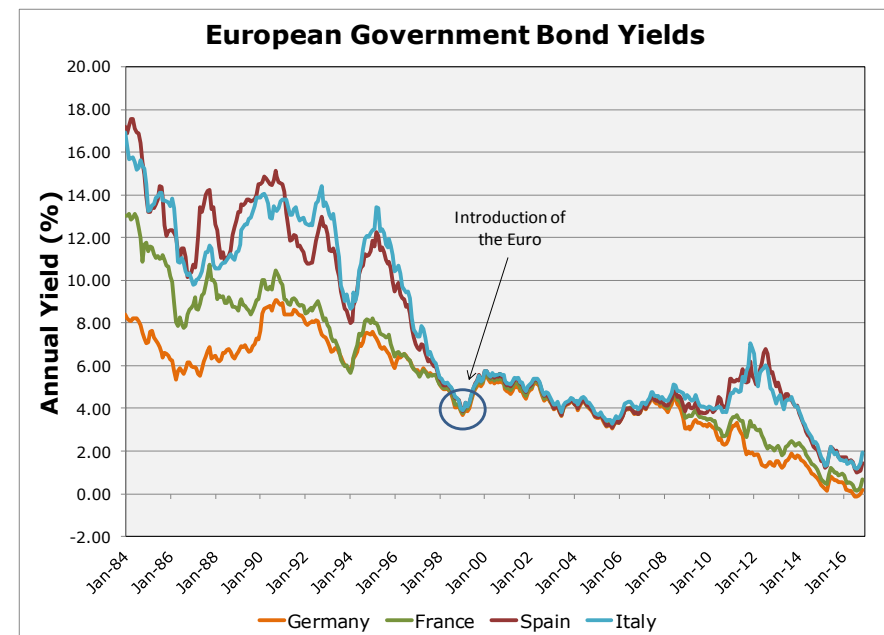
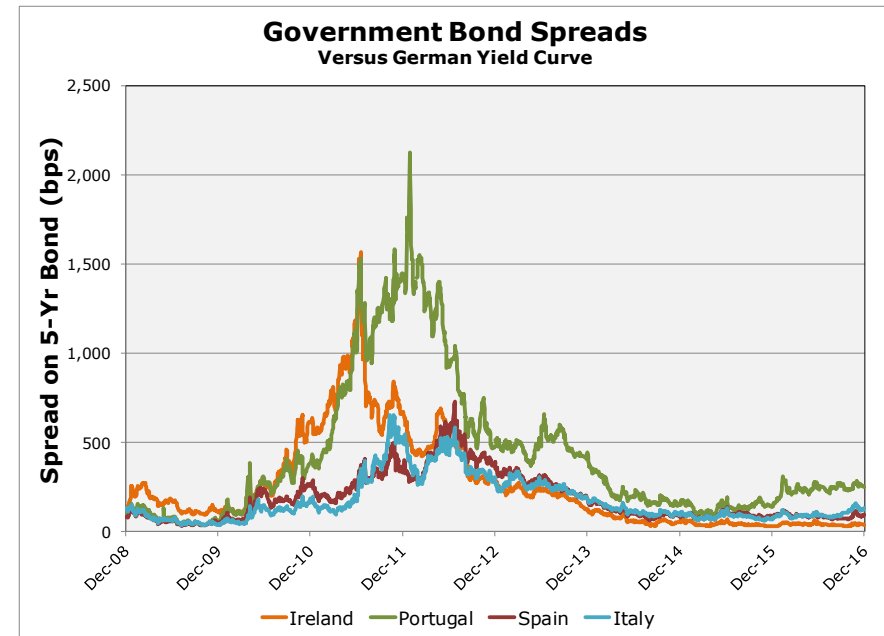
\* Returns are reported in terms of local market investors, which removes currency effects.



Data sources: Wilshire Compass, Bloomberg Barclays

# European Debt

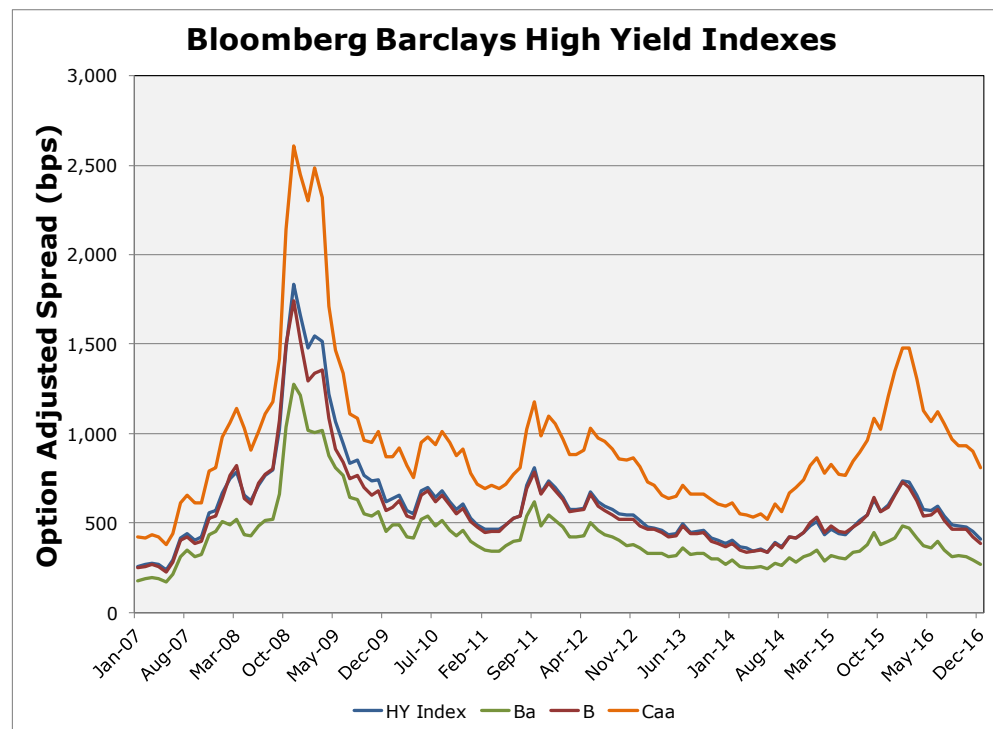
- Spreads on Portugal's government debt have risen as the country faces the possibility of a downgrade, which would disqualify them from the European Central Bank's bond purchase program
- Yields on government bonds have edged higher with German yields back above zero



# High Yield Bond Market

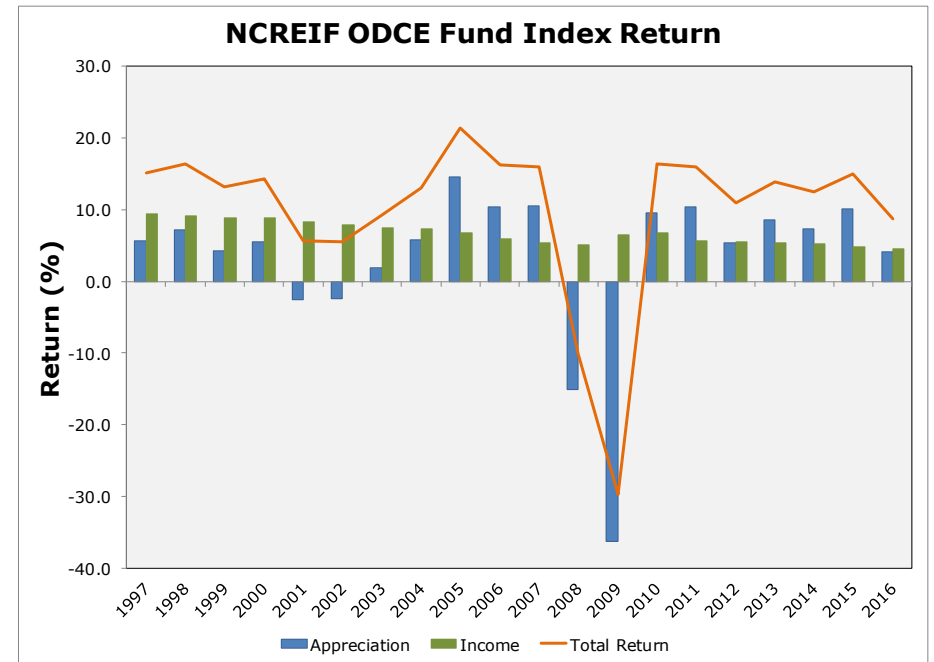
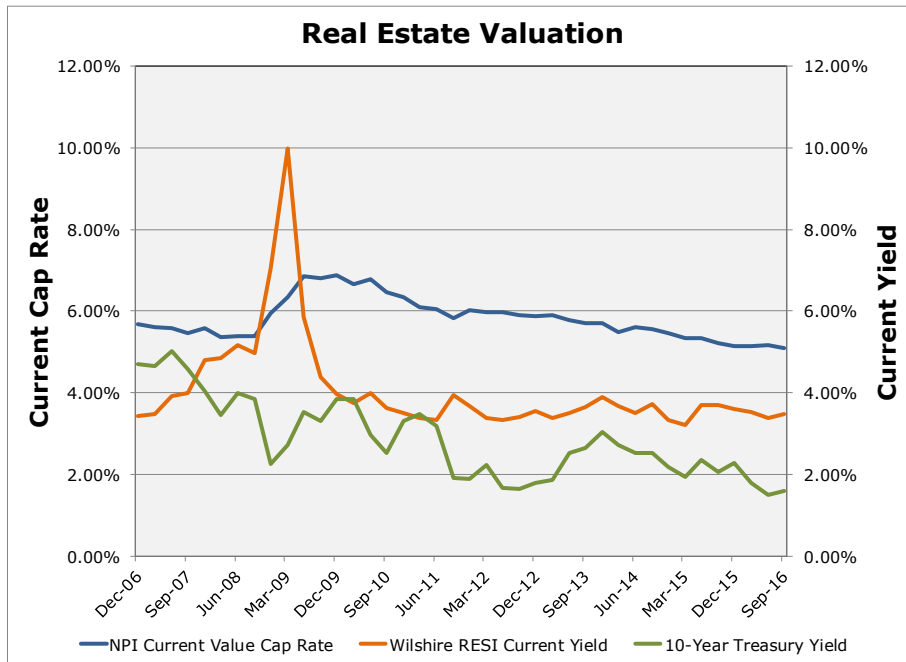


December 31, 2016	Weight	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Bloomberg Barclays High Yield Idx	100%	1.8	17.1	17.1	4.7	7.4	7.4
Quality Distribution							
Ba U.S. High Yield	45.4%	0.4	12.8	12.8	5.6	7.2	7.8
B U.S. High Yield	38.1%	2.0	15.8	15.8	3.8	6.8	6.2
Caa U.S. High Yield	15.6%	4.7	31.5	31.5	4.5	9.0	6.7
Ca to D U.S. High Yield	0.7%	12.2	83.1	83.1	-21.1	-7.7	-2.4
Non-Rated U.S. High Yield	0.3%	1.4	5.8	5.8	-4.0	3.2	0.3



Data sources: Bloomberg Barclays

December 31, 2016	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	-2.4	4.7	4.7	2.3	0.9	4.4
Bloomberg Commodity Index	2.7	11.8	11.8	-11.3	-9.0	-5.6
Wilshire Global RESI Index	-3.9	5.8	5.8	9.0	11.2	3.2
NCREIF ODCE Fund Index	2.1	8.7	8.7	12.0	12.2	5.8
NCREIF Timberland Index	1.2	2.6	2.6	6.0	7.1	5.8
Alerian MLP Index (Oil & Gas)	2.0	18.3	18.3	-5.8	2.2	8.0



Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

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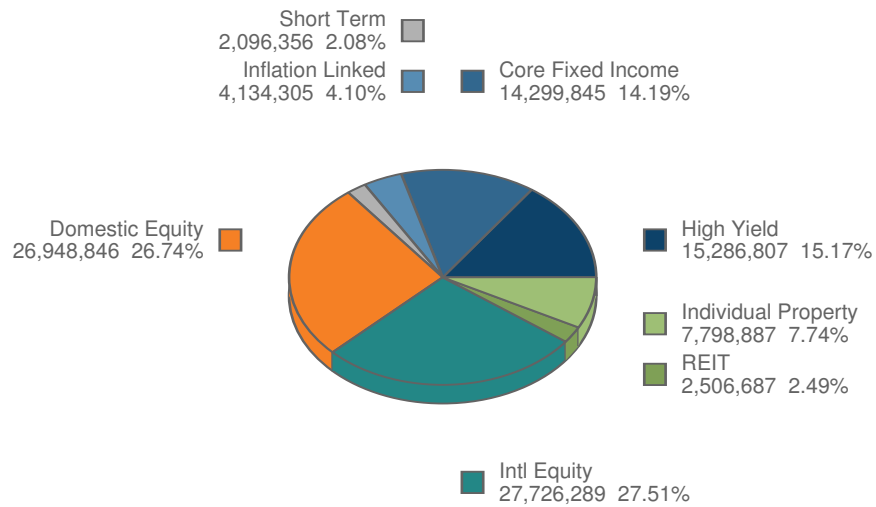
*Defined Benefit and Teachers Plan  
Total Fund*

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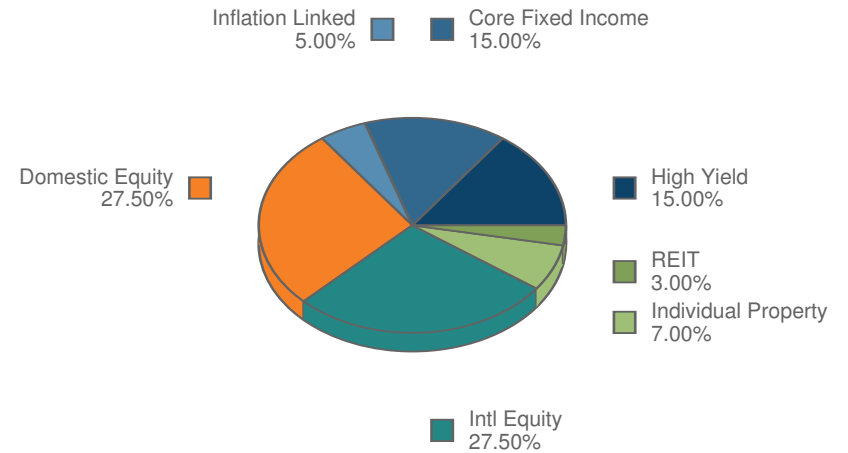
# Actual Allocation vs Policy Allocation

## Total Fund Composite As of December 31, 2016

### Total Fund



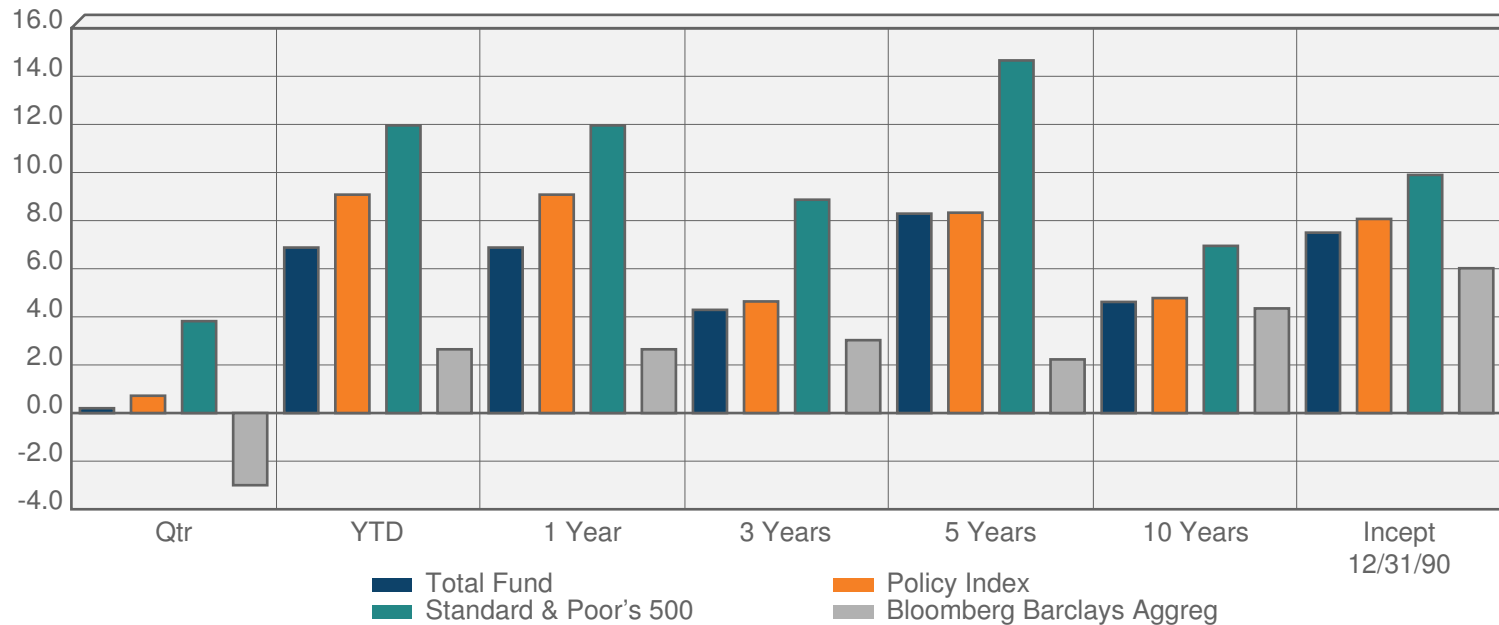
### Policy Index



\$100,798,022

## Total Fund Composite

Periods Ended December 31, 2016



Total Returns	Qtr	YTD	1 Year	3 Years	5 Years	10 Years	Incept 12/31/90
Total Fund	0.20	6.88	6.88	4.29	8.29	4.62	7.50
Policy Index	0.72	9.08	9.08	4.64	8.33	4.78	8.07
Standard & Poor's 500	3.82	11.96	11.96	8.87	14.66	6.95	9.90
Bloomberg Barclays Aggregate	-2.98	2.65	2.65	3.03	2.23	4.35	6.02

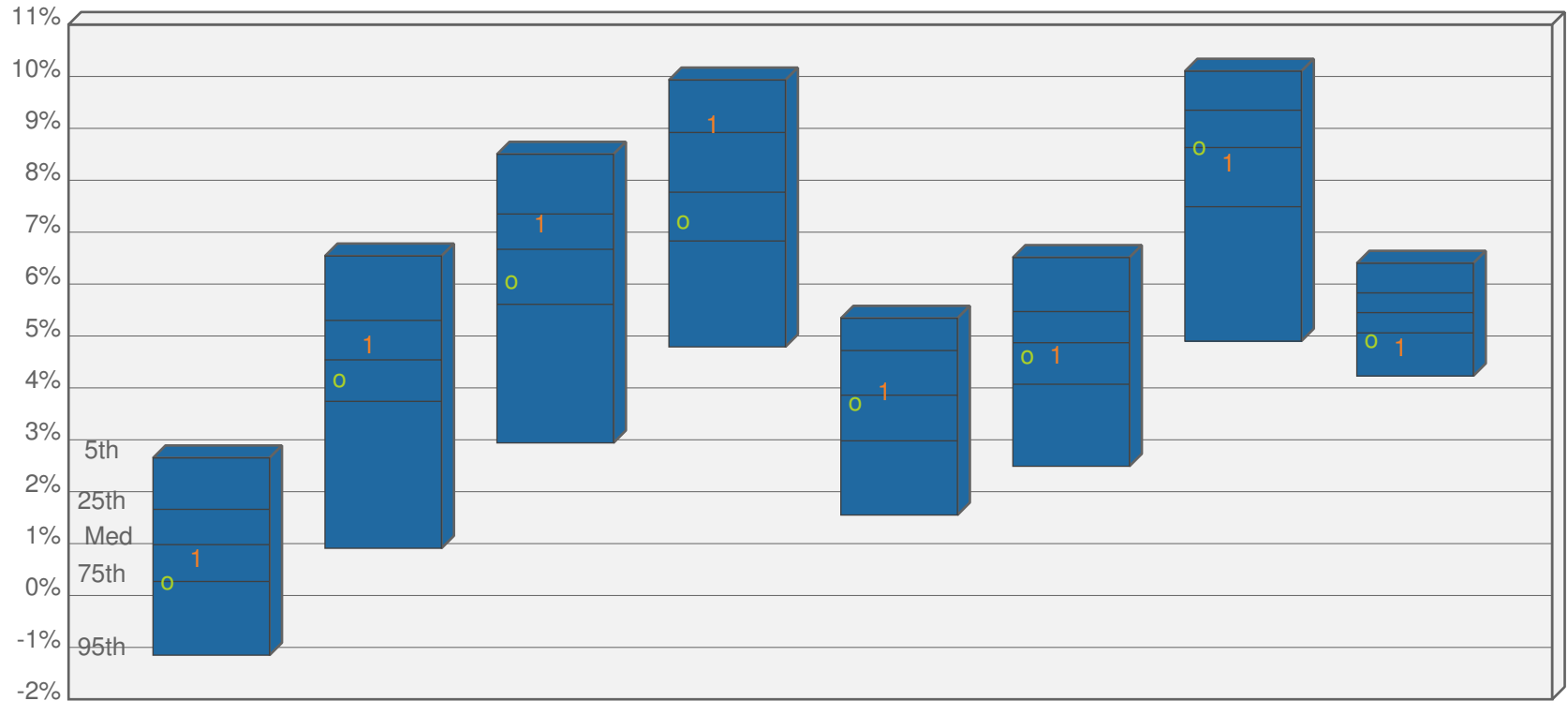


# Performance Comparison



## Total Fund Composite

Periods Ended December 31, 2016



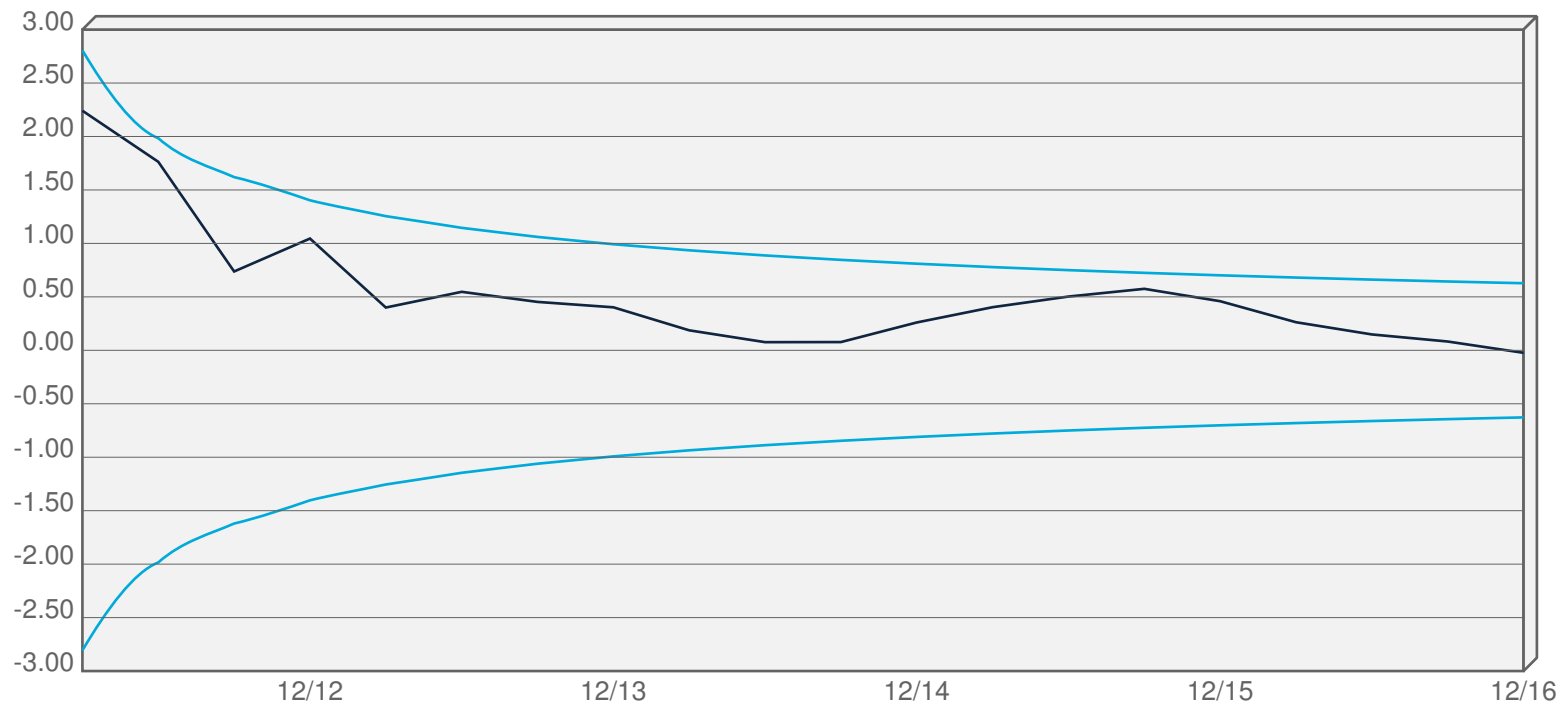
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
○ Total Fund	0.28 (74)	4.18 (59)	6.08 (66)	7.24 (65)	3.74 (57)	4.63 (56)	8.67 (49)	4.94 (79)
1 Policy Index	0.72 (59)	4.83 (37)	7.16 (31)	9.08 (18)	3.94 (47)	4.64 (55)	8.33 (63)	4.78 (84)
5th %tile	2.65	6.54	8.50	9.93	5.34	6.51	10.10	6.40
25th %tile	1.66	5.30	7.35	8.92	4.72	5.47	9.35	5.83
Median	0.98	4.54	6.67	7.77	3.86	4.87	8.63	5.45
75th %tile	0.27	3.74	5.61	6.83	2.98	4.07	7.49	5.06
95th %tile	-1.15	0.91	2.94	4.79	1.55	2.49	4.90	4.23
Number of Funds	178	178	178	173	169	168	166	136

\*TUCS Total Ret of Master Trusts - Public Universe - Gross of Fees

# Cumulative Skill Analysis

## Total Fund Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>-0.02</b>	<b>Information Ratio:</b>	<b>-0.03</b>
<b>Excess Risk:</b>	<b>0.85</b>	<b>T-Stat:</b>	<b>-0.06</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>Domestic Equity Composite</b>									
<b>Net of Fee Return</b>	<b>4.50</b>	<b>8.97</b>	<b>12.04</b>	<b>13.25</b>	<b>8.55</b>	<b>14.83</b>	<b>7.62</b>	<b>3/31/98</b>	<b>6.41</b>
Wilshire 5000	4.54	9.03	12.06	13.37	8.76	14.71	7.17	3/31/98	6.19
Value Added	-0.04	-0.06	-0.01	-0.12	-0.21	0.12	0.45	3/31/98	0.22
<b>International Equity Composite</b>									
<b>Net of Fee Return</b>	<b>-2.01</b>	<b>4.58</b>	<b>4.09</b>	<b>2.03</b>	<b>-2.31</b>	<b>5.64</b>	<b>0.18</b>	<b>3/31/98</b>	<b>2.43</b>
Policy Index	-1.25	5.57	4.89	4.50	-1.77	5.00	-0.10	3/31/98	3.06
Value Added	-0.76	-0.99	-0.80	-2.47	-0.54	0.64	0.28	3/31/98	-0.63
<b>Fixed Income Composite</b>									
<b>Net of Fee Return</b>	<b>-1.60</b>	<b>0.48</b>	<b>3.41</b>	<b>6.42</b>	<b>3.20</b>	<b>3.56</b>	<b>4.83</b>	<b>3/31/98</b>	<b>5.12</b>
Policy Index	-0.70	1.90	5.62	9.05	3.66	4.00	5.53	3/31/98	5.68
Value Added	-0.90	-1.42	-2.22	-2.63	-0.46	-0.44	-0.70	3/31/98	-0.56
<b>Real Estate Composite</b>									
<b>Net of Fee Return</b>	<b>0.60</b>	<b>1.74</b>	<b>4.13</b>	<b>7.12</b>	<b>13.62</b>	<b>12.11</b>	<b>2.61</b>	<b>12/31/94</b>	<b>10.21</b>
Policy Index	0.47	1.36	4.84	9.79	13.33	12.25	4.73	12/31/94	10.81
Value Added	0.12	0.38	-0.71	-2.67	0.30	-0.13	-2.12	12/31/94	-0.60
<b>Cash Account</b>									
<b>Net of Fee Return</b>	<b>0.14</b>	<b>0.20</b>	<b>0.36</b>	<b>0.48</b>	<b>0.18</b>	<b>0.14</b>	<b>0.92</b>	<b>9/30/00</b>	<b>1.64</b>
91 Day T-Bill Index	0.08	0.18	0.25	0.33	0.14	0.12	0.80	9/30/00	1.61
Value Added	0.05	0.02	0.10	0.15	0.04	0.02	0.12	9/30/00	0.04
<b>Defined Benefit Total Fund</b>									
<b>Net of Fee Return</b>	<b>0.20</b>	<b>4.01</b>	<b>5.83</b>	<b>6.88</b>	<b>4.29</b>	<b>8.29</b>	<b>4.62</b>	<b>12/31/90</b>	<b>7.50</b>
Policy Index	0.72	4.83	7.16	9.08	4.64	8.33	4.78	12/31/90	8.07
Value Added	-0.52	-0.83	-1.33	-2.20	-0.36	-0.04	-0.15	12/31/90	-0.57

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>Teachers Total Fund</b>									
<b>Net of Fee Return</b>	<b>0.20</b>	<b>4.01</b>	<b>5.83</b>	<b>6.88</b>	<b>4.29</b>	<b>8.29</b>	<b>4.62</b>	<b>9/30/92</b>	<b>7.43</b>
Policy Index	0.72	4.83	7.16	9.08	4.64	8.33	4.78	9/30/92	7.45
Value Added	-0.52	-0.83	-1.33	-2.20	-0.36	-0.04	-0.15	9/30/92	-0.03
<b>Total Fund</b>									
<b>Net of Fee Return</b>	<b>0.20</b>	<b>4.01</b>	<b>5.83</b>	<b>6.88</b>	<b>4.29</b>	<b>8.29</b>	<b>4.62</b>	<b>12/31/90</b>	<b>7.50</b>
Policy Index	0.72	4.83	7.16	9.08	4.64	8.33	4.78	12/31/90	8.07
Value Added	-0.52	-0.83	-1.33	-2.20	-0.36	-0.04	-0.15	12/31/90	-0.57

# Custom Benchmark Specification



## Total Fund

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	12/90	6/01	41.00	Wilshire 5000
			41.00	Bloomberg Barclays Aggregate
			5.00	NAREIT Equity
			13.00	MSCI ACWI X US (G)
	9/01	9/01	40.00	Wilshire 5000
			35.00	Bloomberg Barclays Aggregate
			20.00	MSCI ACWI X US (G)
			5.00	NAREIT Equity
	12/01	12/07	40.00	Wilshire 5000
			35.00	Bloomberg Barclays Aggregate
			20.00	MSCI EAFE Index (N)
			5.00	NAREIT Equity
	3/08	12/10	5.00	NCREIF ODCE NOF
			5.00	NAREIT Equity
			20.00	MSCI EAFE Index (N)
			5.00	Bloomberg Barclays 1-10 Yrs TIPS
			5.00	ML High Yld II Tot Ret
			20.00	Bloomberg Barclays Aggregate
	3/11	9/11	40.00	Wilshire 5000
			5.00	NCREIF ODCE NOF
			25.00	MSCI ACWI X US (N)
			20.00	Bloomberg Barclays Aggregate
			35.00	Wilshire 5000
			5.00	NAREIT Equity
5.00			ML High Yld II Tot Ret	
12/11	12/11	5.00	Bloomberg Barclays 1-10 Yrs TIPS	
		5.00	NCREIF ODCE NOF	
		30.00	MSCI ACWI X US (N)	
			10.00	NAREIT Equity

# Custom Benchmark Specification



## Total Fund

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)			10.00	ML High Yld II Tot Ret
			12.00	Bloomberg Barclays Aggregate
			28.00	Wilshire 5000
			5.00	Bloomberg Barclays 1-10 Yrs TIPS
	3/12	3/16	5.00	NCREIF ODCE NOF
			5.00	Bloomberg Barclays 1-10 Yrs TIPS
			24.00	Wilshire 5000
			12.00	Bloomberg Barclays Aggregate
			10.00	ML High Yld II Tot Ret
			10.00	NAREIT Equity
			34.00	MSCI ACWI X US (N)
	6/16	12/16	5.00	Bloomberg Barclays 1-10 Yrs TIPS
			3.00	NAREIT Equity
			7.00	NCREIF ODCE NOF
			15.00	ML High Yld II Tot Ret
		27.50	MSCI ACWI X US (N)	
		27.50	Wilshire 5000	
		15.00	Bloomberg Barclays Aggregate	

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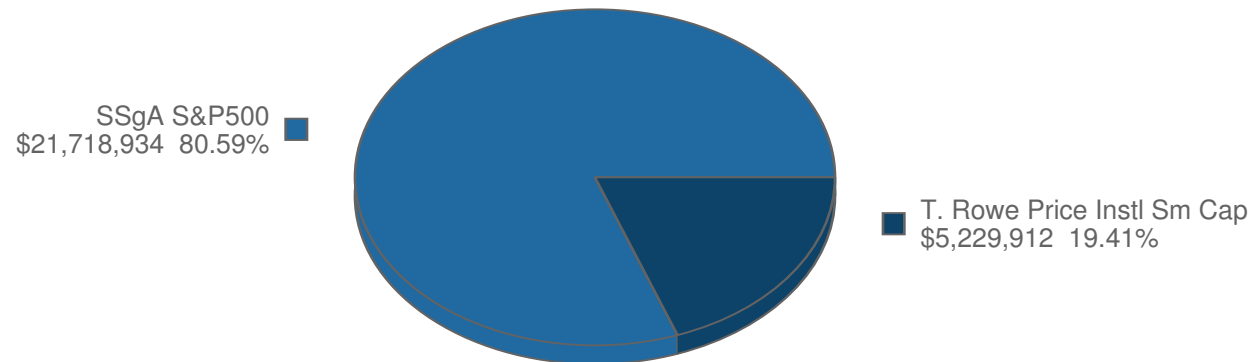
# *Domestic Equity*

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# Manager Allocation

## Domestic Equity Composite

As of December 31, 2016

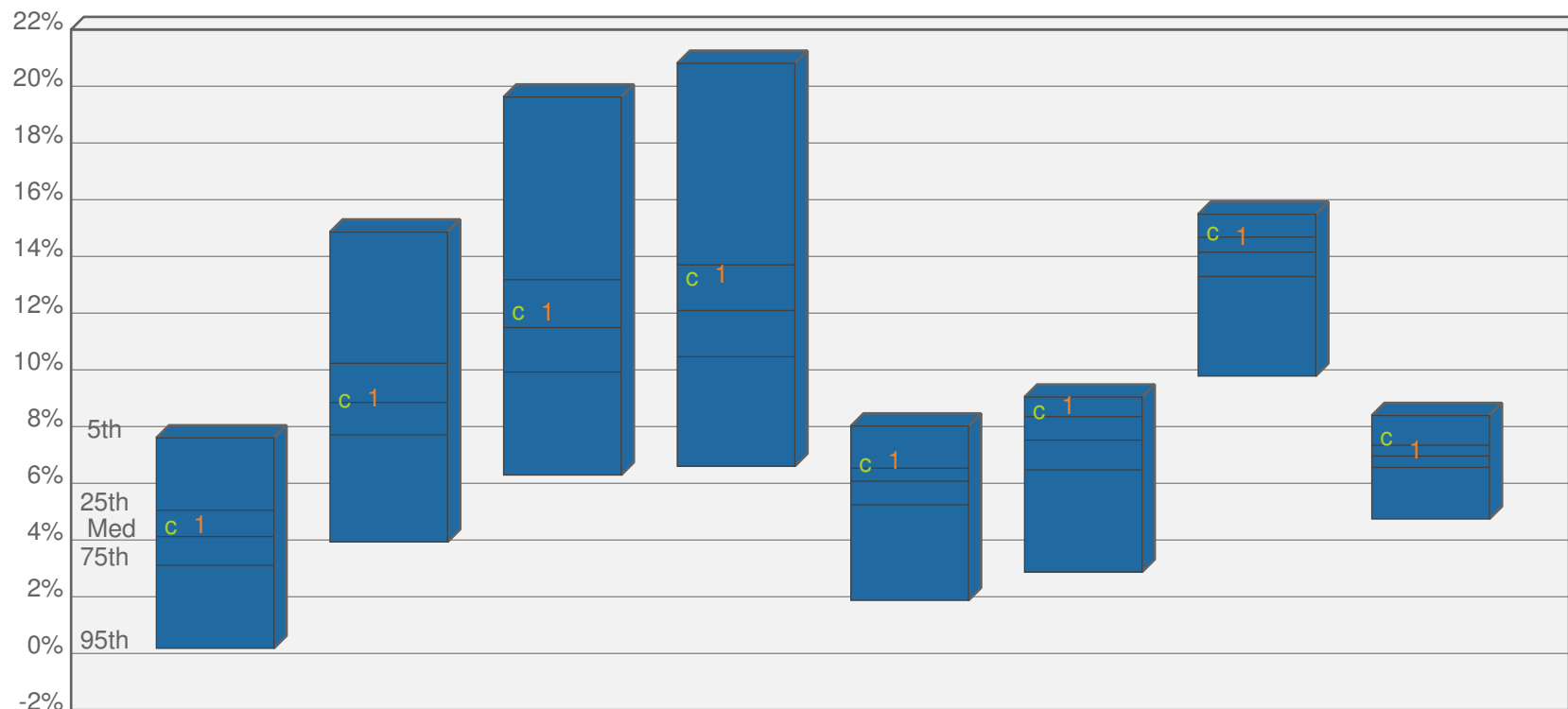




# Performance Comparison



## Domestic Equity Composite Periods Ended December 31, 2016

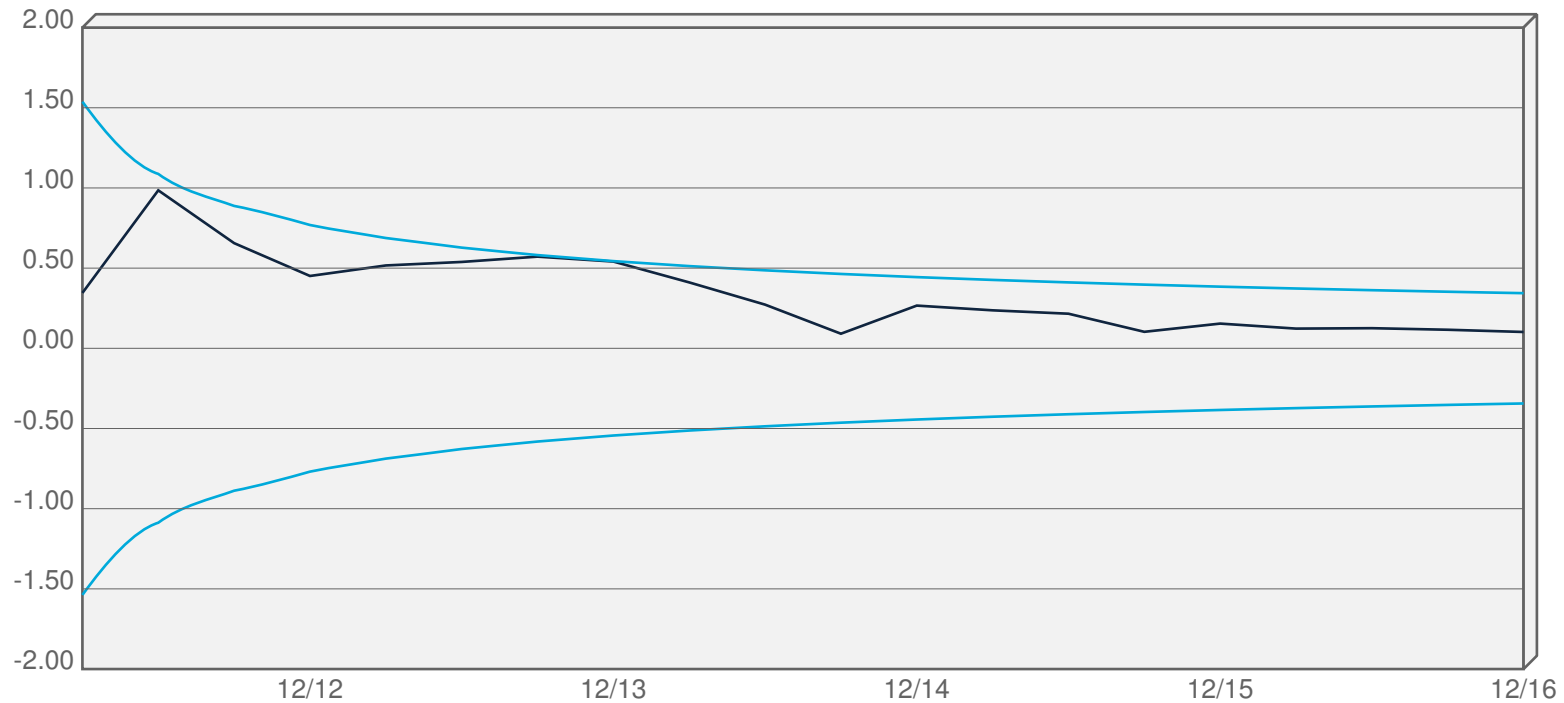


	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
<b>c</b> Domestic Equity Composit	4.51 (34)	8.99 (45)	12.08 (36)	13.30 (28)	6.72 (18)	8.59 (15)	14.88 (16)	7.66 (15)
<b>1</b> Wilshire 5000	4.54 (34)	9.03 (43)	12.06 (37)	13.37 (26)	6.83 (16)	8.76 (13)	14.71 (23)	7.17 (40)
5th %tile	7.60	14.86	19.62	20.81	8.02	9.04	15.49	8.39
25th %tile	5.05	10.23	13.18	13.70	6.53	8.35	14.68	7.34
Median	4.12	8.85	11.49	12.09	6.07	7.52	14.15	6.96
75th %tile	3.11	7.71	9.92	10.46	5.24	6.47	13.29	6.56
95th %tile	0.18	3.93	6.29	6.60	1.87	2.87	9.78	4.74
Number of Funds	181	175	172	165	153	146	121	88

# Cumulative Skill Analysis

## Domestic Equity Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Wilshire 5000

— 80% Confidence Band

<b>Excess Return:</b>	<b>0.10</b>	<b>Information Ratio:</b>	<b>0.22</b>
<b>Excess Risk:</b>	<b>0.47</b>	<b>T-Stat:</b>	<b>0.49</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>SSgA S&amp;P500</b>									
<b>Net of Fee Return</b>	<b>3.85</b>	<b>7.86</b>	<b>10.49</b>	<b>11.99</b>	<b>8.90</b>	<b>14.68</b>		<b>9/30/09</b>	<b>13.29</b>
Standard & Poor's 500	3.82	7.82	10.47	11.96	8.87	14.66		9/30/09	13.28
Value Added	0.02	0.04	0.02	0.03	0.02	0.02		9/30/09	0.02
<b>T. Rowe Price Instl Sm Cap</b>									
<b>Net of Fee Return</b>	<b>7.57</b>	<b>14.20</b>	<b>19.16</b>	<b>18.97</b>	<b>7.40</b>	<b>15.45</b>	<b>9.58</b>	<b>12/31/01</b>	<b>10.09</b>
Russell 2000 Index	8.83	18.68	23.18	21.31	6.74	14.46	7.07	12/31/01	8.49
Value Added	-1.26	-4.47	-4.02	-2.34	0.65	1.00	2.51	12/31/01	1.60
<b>Domestic Equity Composite</b>									
<b>Net of Fee Return</b>	<b>4.50</b>	<b>8.97</b>	<b>12.04</b>	<b>13.25</b>	<b>8.55</b>	<b>14.83</b>	<b>7.62</b>	<b>3/31/98</b>	<b>6.41</b>
Wilshire 5000	4.54	9.03	12.06	13.37	8.76	14.71	7.17	3/31/98	6.19
Value Added	-0.04	-0.06	-0.01	-0.12	-0.21	0.12	0.45	3/31/98	0.22

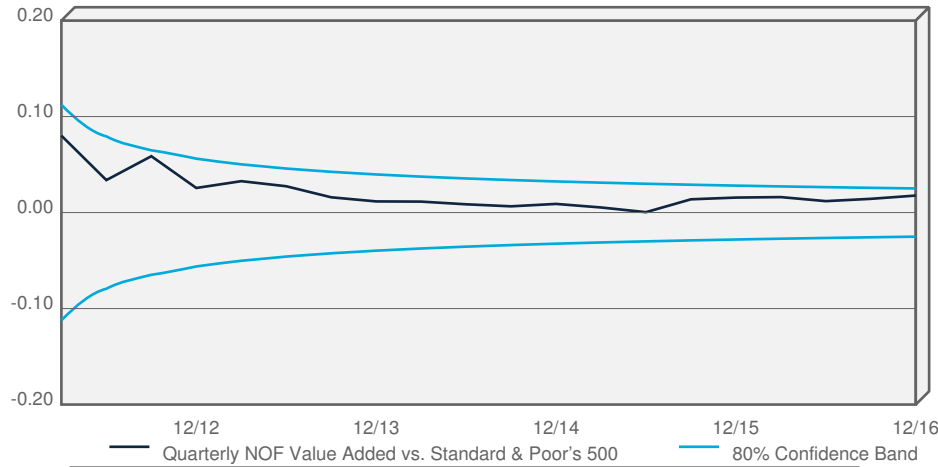
# Investment Manager Analysis



## SSgA S&P500

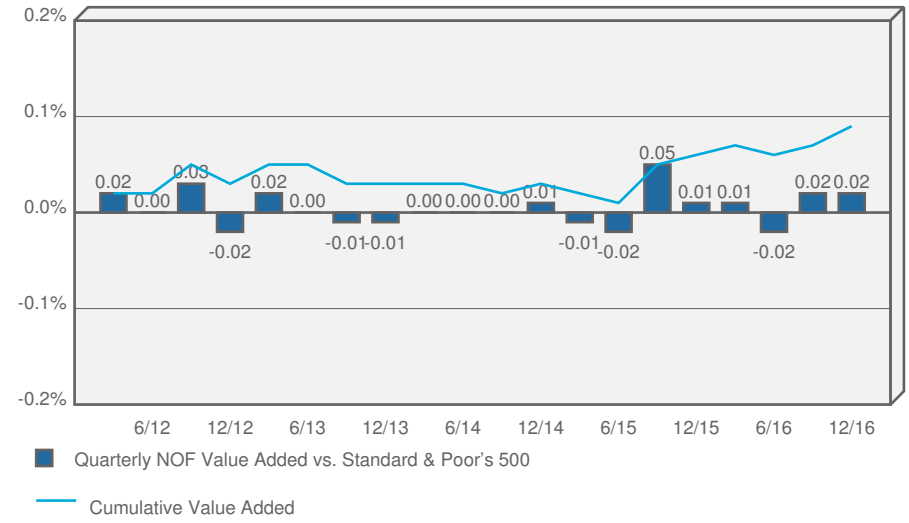
December 31, 2016

Cumulative Skill Analysis vs Benchmark

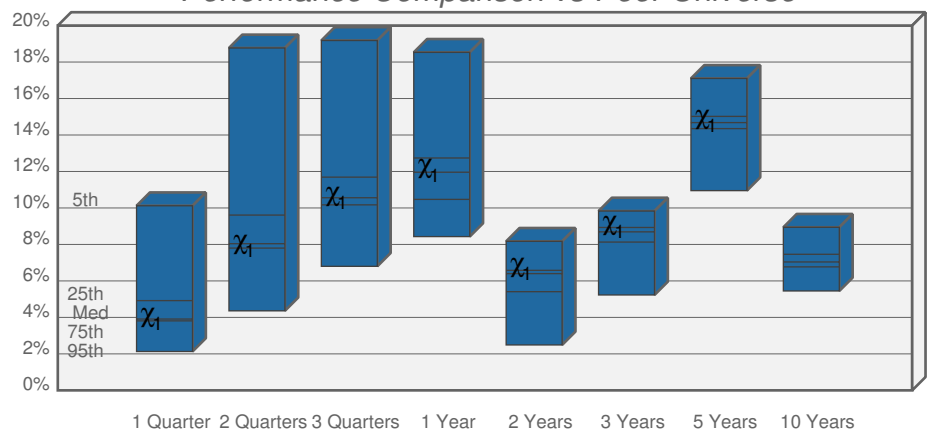


Excess Return:	0.02	Information Ratio:	0.52
Excess Risk:	0.03	T-Stat:	1.16

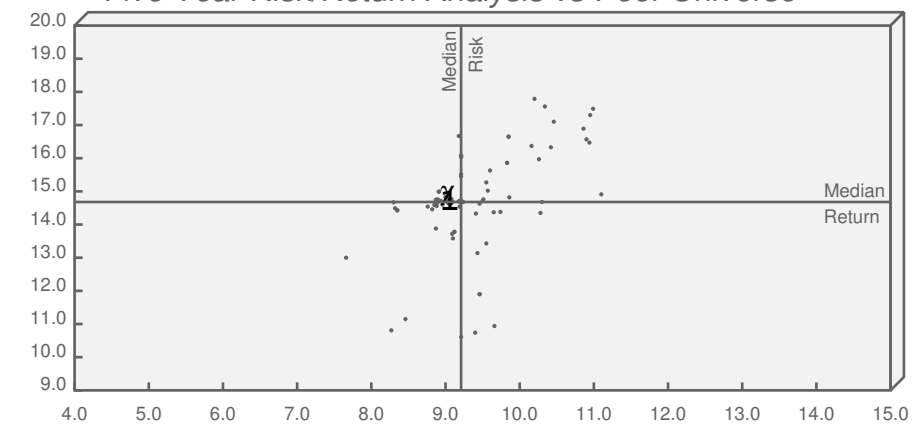
Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe\*



Five Year Risk/Return Analysis vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
$\chi$ SSgA S&P500	3.86 (53)	7.89 (58)	10.52 (52)	12.03 (43)	6.62 (22)	8.94 (23)	14.73 (38)	
<b>1</b> Standard & Poo	3.82 (71)	7.82 (67)	10.47 (59)	11.96 (50)	6.54 (31)	8.87 (32)	14.66 (55)	
Median	3.91	8.04	10.56	11.96	6.40	8.69	14.68	7.04
Number of Funds	238	237	235	231	227	223	192	112

Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
SSgA S&P500	$\chi$	14.73	38	9.13	53
Standard & Poor's 500	<b>1</b>	14.66	55	9.13	53
Median		14.68		9.21	

\*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

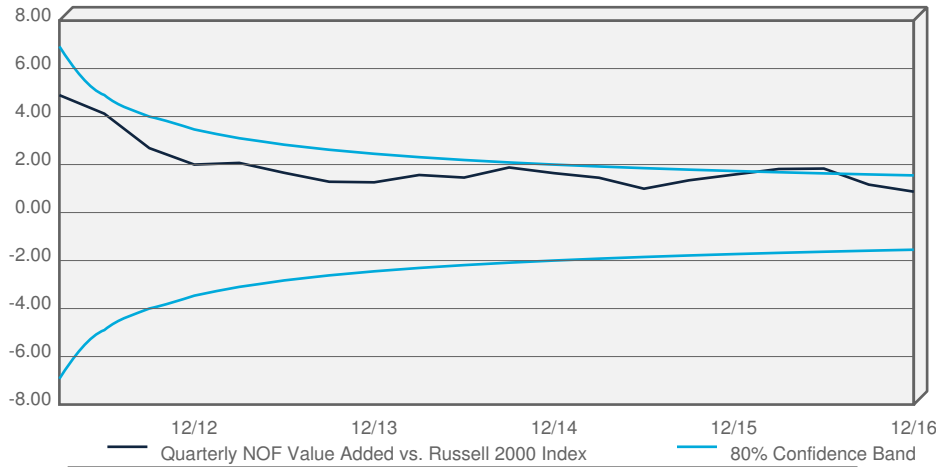
# Investment Manager Analysis



## T. Rowe Price Instl Sm Cap

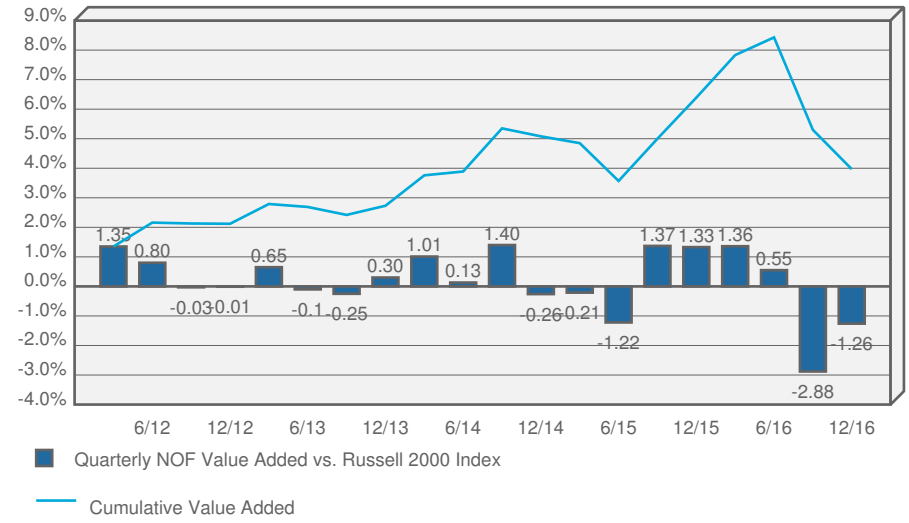
December 31, 2016

Cumulative Skill Analysis vs Benchmark

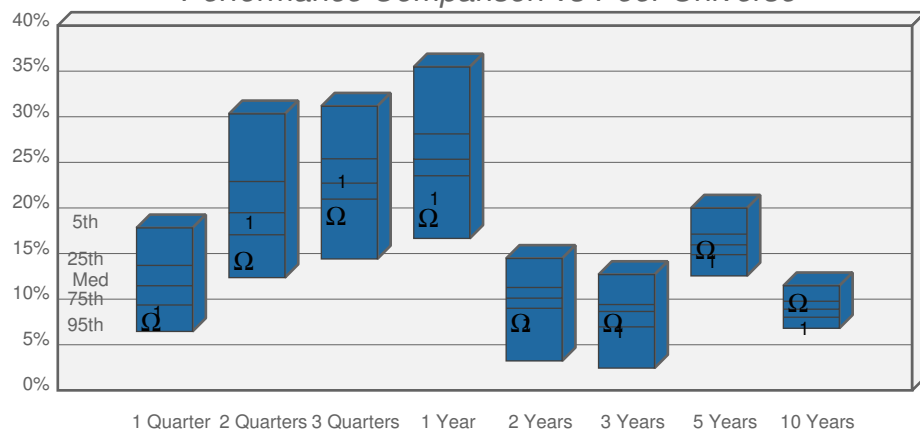


Excess Return:	0.87	Information Ratio:	0.41
Excess Risk:	2.10	T-Stat:	0.92

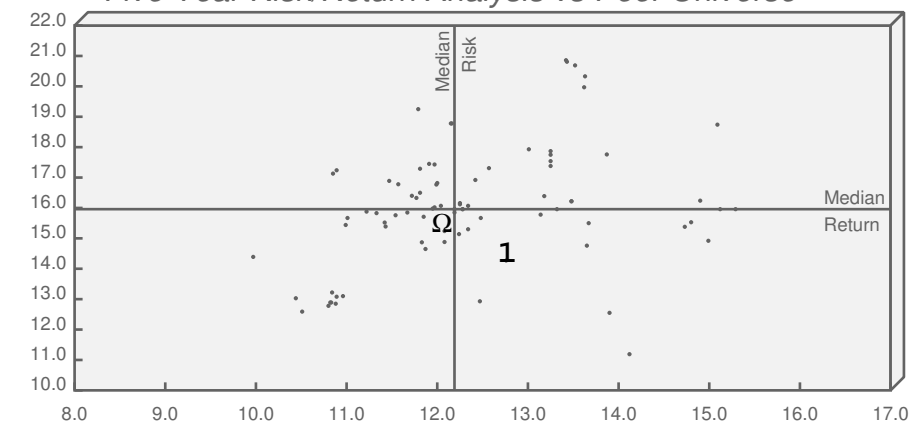
Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe\*



Five Year Risk/Return Analysis vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
$\Omega$ T. Rowe Price	7.57 (93)	14.20 (91)	19.16 (81)	18.97 (88)	7.38 (80)	7.40 (69)	15.45 (65)	9.59 (27)
<b>1</b> Russell 2000 I	8.83 (86)	18.68 (63)	23.18 (45)	21.31 (84)	7.68 (80)	6.74 (79)	14.46 (79)	7.07 (91)
Median	11.47	19.48	22.72	25.34	10.11	8.65	15.96	8.90
Number of Funds	112	112	112	110	105	103	84	43

Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
T. Rowe Price Instl Sm Cap	$\Omega$	15.45	65	12.10	52
Russell 2000 Index	<b>1</b>	14.46	79	12.83	34
Median		15.96		12.19	

\*TUCS Total Returns of Small Neutral Equity Portfolios Universe - Gross of Fees

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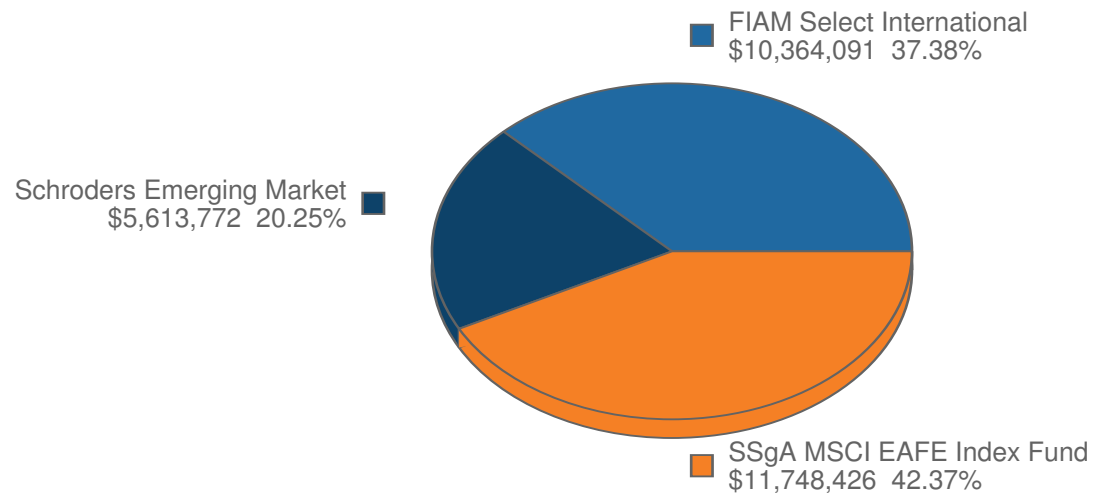
# *International Equity*

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# Manager Allocation

## International Equity Composite

As of December 31, 2016

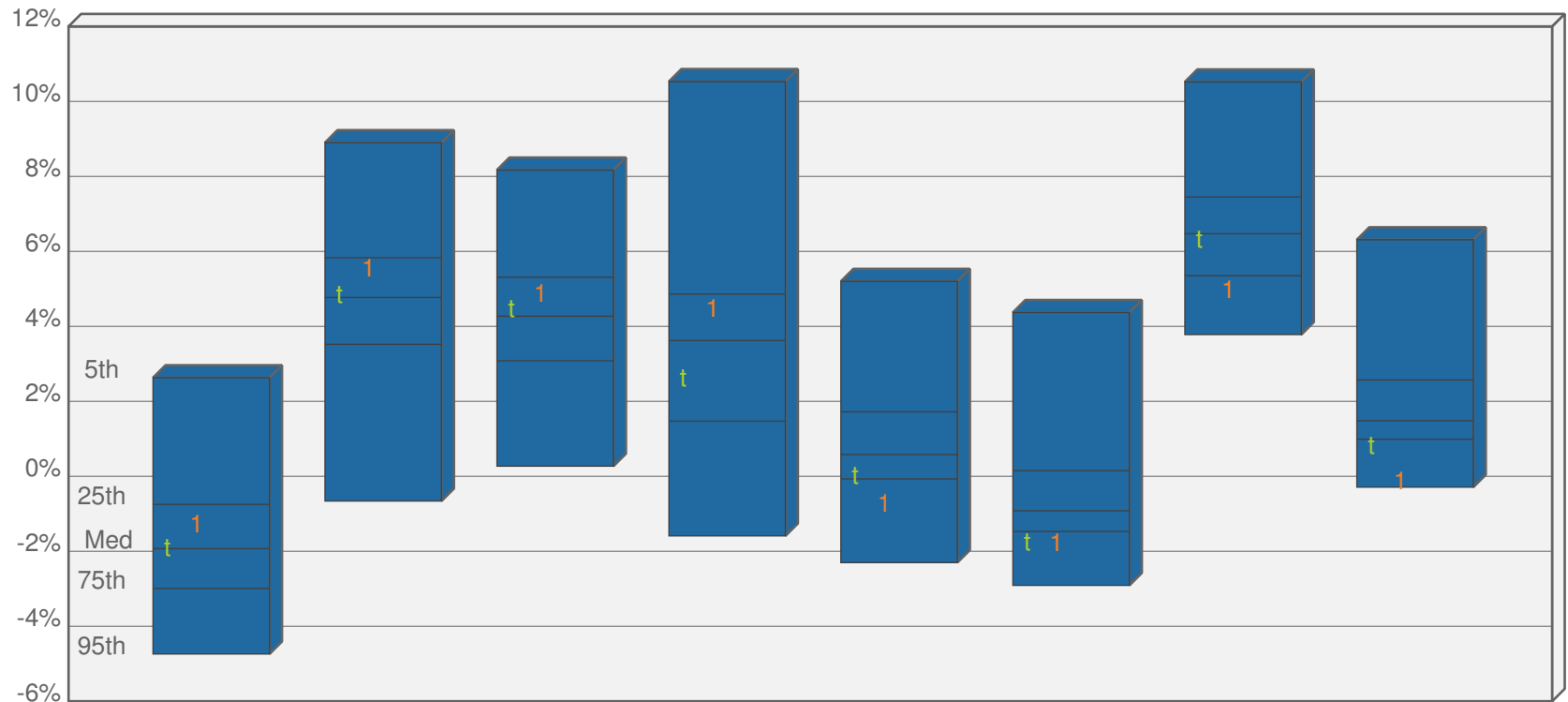


# Performance Comparison



## International Equity Composite

Periods Ended December 31, 2016

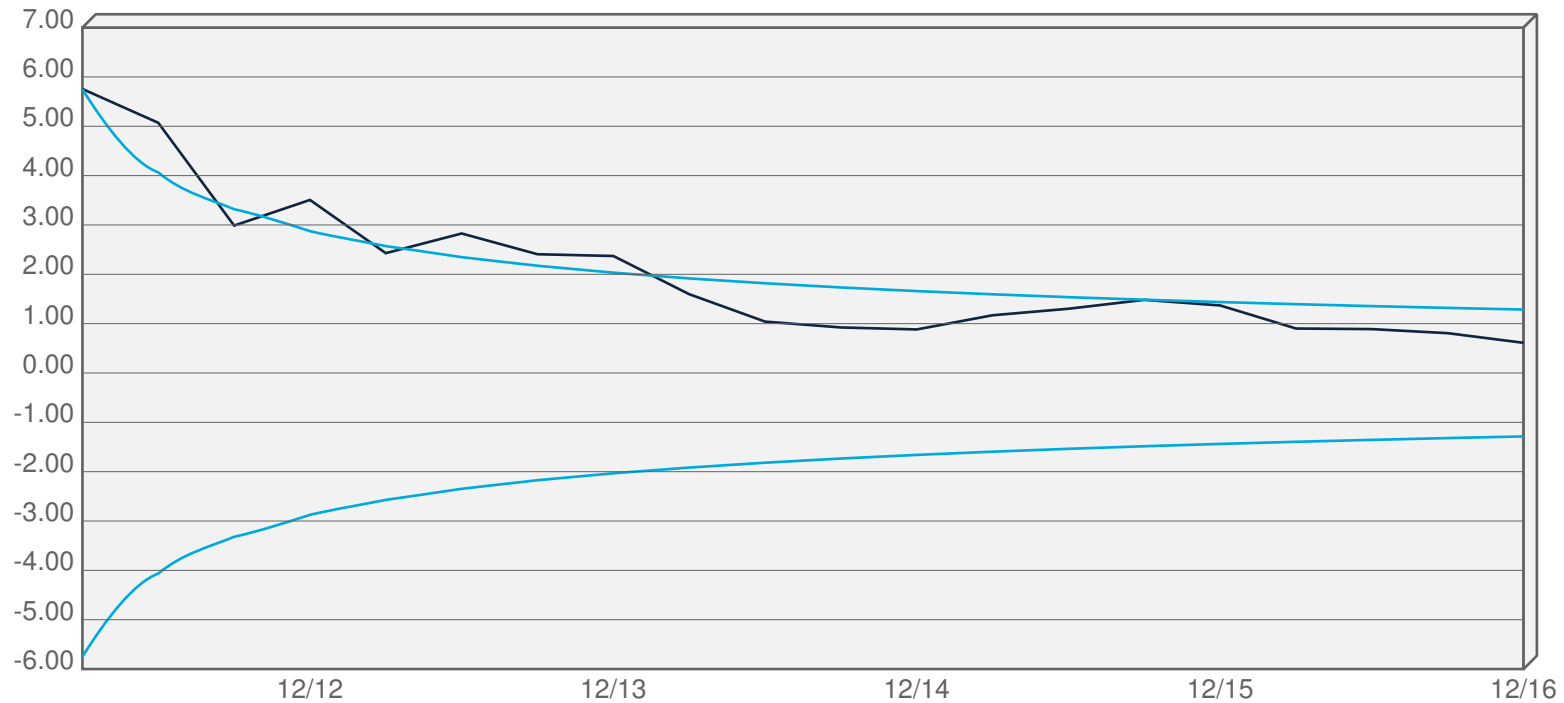


	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
† International Equity Com † Policy Index	-1.88 (47) -1.25 (34)	4.87 (49) 5.57 (34)	4.50 (44) 4.89 (33)	2.65 (62) 4.50 (36)	0.04 (72) -0.71 (83)	-1.74 (83) -1.77 (84)	6.33 (55) 5.00 (83)	0.84 (77) -0.10 (93)
5th %tile	2.63	8.90	8.17	10.53	5.20	4.37	10.52	6.31
25th %tile	-0.75	5.83	5.31	4.86	1.72	0.15	7.45	2.57
Median	-1.93	4.77	4.27	3.62	0.58	-0.92	6.47	1.48
75th %tile	-2.99	3.52	3.08	1.47	-0.07	-1.47	5.35	0.99
95th %tile	-4.74	-0.66	0.27	-1.59	-2.30	-2.91	3.78	-0.29
Number of Funds	141	138	133	129	114	111	95	71



# Cumulative Skill Analysis

## International Equity Composite Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>0.61</b>	<b>Information Ratio:</b>	<b>0.35</b>
<b>Excess Risk:</b>	<b>1.75</b>	<b>T-Stat:</b>	<b>0.78</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>SSgA MSCI EAFE Index Fund</b>									
<b>Net of Fee Return</b>	<b>-0.70</b>	<b>5.71</b>	<b>4.38</b>	<b>1.30</b>				<b>9/30/14</b>	<b>-1.30</b>
MSCI EAFE Index (N)	-0.71	5.67	4.13	1.00				9/30/14	-1.53
Value Added	0.01	0.03	0.25	0.30				9/30/14	0.23
<b>FIAM Select International</b>									
<b>Net of Fee Return</b>	<b>-2.34</b>	<b>2.55</b>	<b>1.25</b>	<b>-2.92</b>	<b>-3.06</b>	<b>6.13</b>		<b>6/30/08</b>	<b>0.02</b>
MSCI EAFE Index (N)	-0.71	5.67	4.13	1.00	-1.60	6.53		6/30/08	1.00
Value Added	<b>-1.63</b>	<b>-3.12</b>	<b>-2.88</b>	<b>-3.92</b>	<b>-1.46</b>	<b>-0.40</b>		6/30/08	<b>-0.98</b>
<b>Schroders Emerging Market</b>									
<b>Net of Fee Return</b>	<b>-4.07</b>	<b>5.76</b>	<b>7.58</b>	<b>10.38</b>	<b>-2.29</b>	<b>2.18</b>		<b>9/30/10</b>	<b>0.04</b>
MSCI Emerging Mkts (N)	-4.17	4.48	5.17	11.18	-2.56	1.28		9/30/10	-1.10
Value Added	0.10	1.28	2.41	<b>-0.81</b>	0.26	0.90		9/30/10	1.14
<b>International Equity Composite</b>									
<b>Net of Fee Return</b>	<b>-2.01</b>	<b>4.58</b>	<b>4.09</b>	<b>2.03</b>	<b>-2.31</b>	<b>5.64</b>	<b>0.18</b>	<b>3/31/98</b>	<b>2.43</b>
Policy Index	-1.25	5.57	4.89	4.50	-1.77	5.00	-0.10	3/31/98	3.06
Value Added	<b>-0.76</b>	<b>-0.99</b>	<b>-0.80</b>	<b>-2.47</b>	<b>-0.54</b>	0.64	0.28	3/31/98	<b>-0.63</b>

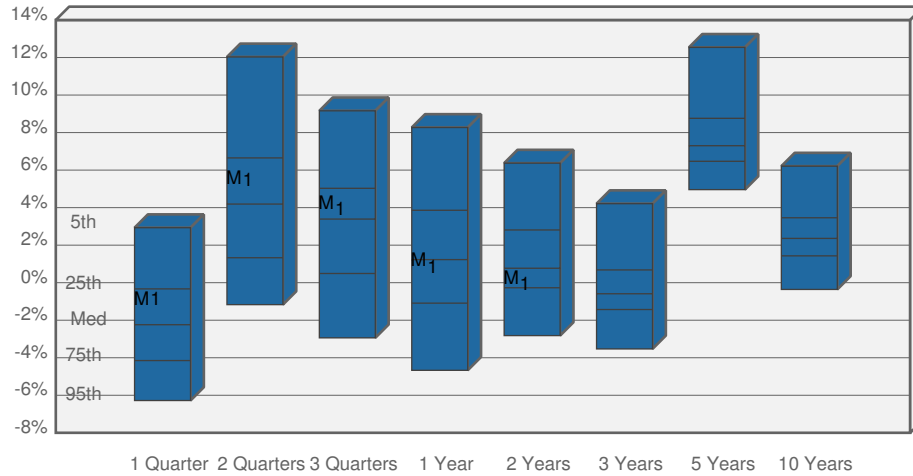
# Investment Manager Analysis



## SSgA MSCI EAFE Index Fund

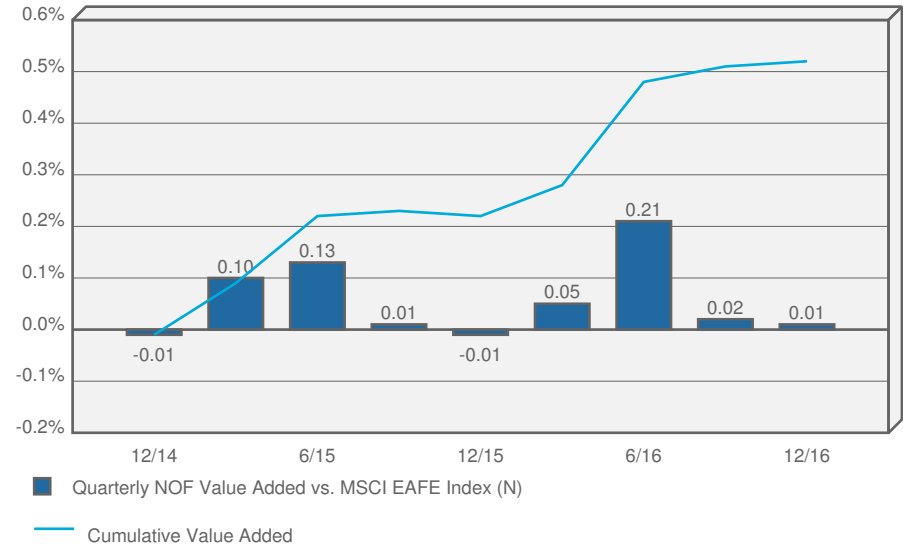
December 31, 2016

Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
<b>M</b> SSgA MSCI EAFE	0.68 (29)	5.75 (34)	4.43 (34)	1.37 (47)	0.42 (58)			
<b>I</b> MSCI EAFE Inde	-0.71 (31)	5.67 (36)	4.13 (38)	1.00 (55)	0.09 (69)			
Median	-2.24	4.19	3.39	1.23	0.77	-0.59	7.30	2.36
Number of Funds	488	486	485	483	474	459	380	223

Value-Added Analysis vs Benchmark



\*TUCS Total Returns of Intl Equity Portfolios - EAFE Universe - Gross of Fees

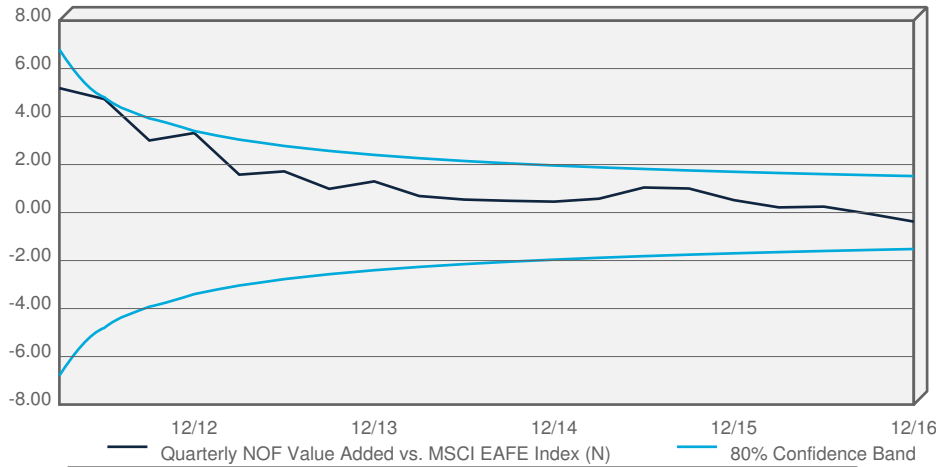
# Investment Manager Analysis



## FIAM Select International

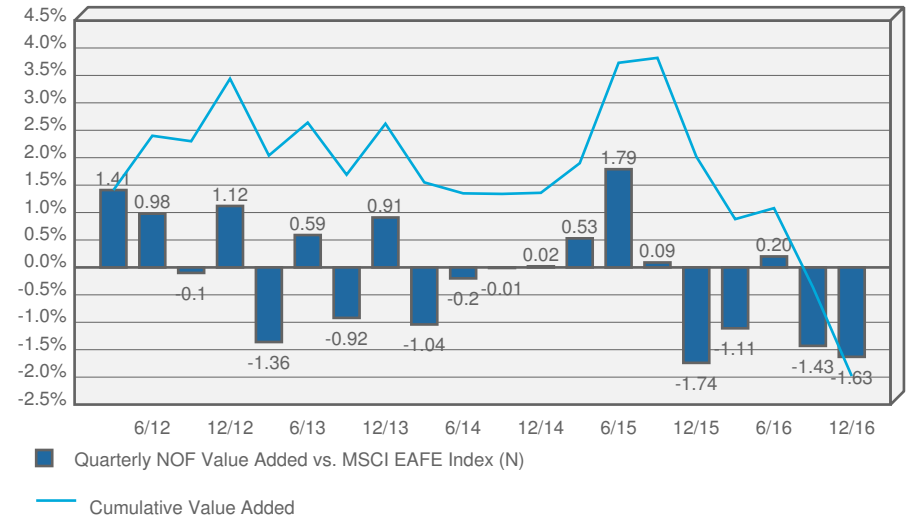
December 31, 2016

Cumulative Skill Analysis vs Benchmark

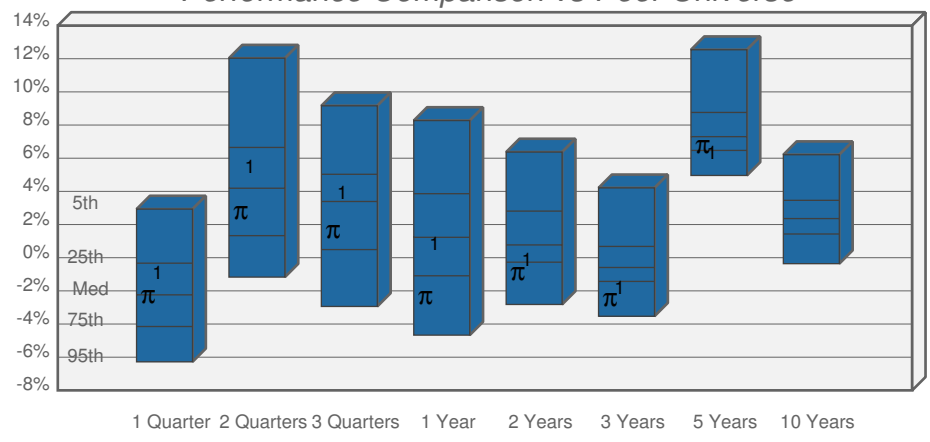


Excess Return:	-0.38	Information Ratio:	-0.18
Excess Risk:	2.07	T-Stat:	-0.41

Value-Added Analysis vs Benchmark

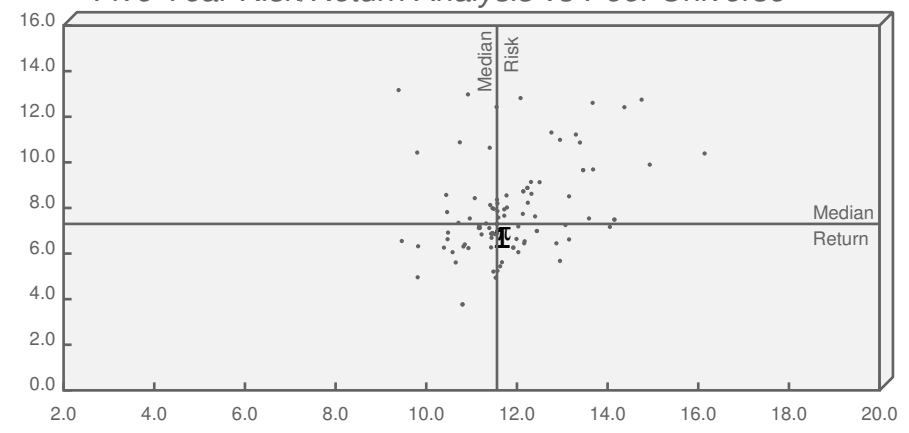


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
$\pi$ FIAM Select In	-2.16 (49)	2.92 (65)	1.78 (67)	-2.22 (85)	-0.80 (81)	-2.35 (88)	6.89 (64)	
<b>1</b> MSCI EAFE Inde	-0.71 (31)	5.67 (36)	4.13 (38)	1.00 (55)	0.09 (69)	-1.60 (78)	6.53 (74)	
Median	-2.24	4.19	3.39	1.23	0.77	-0.59	7.30	2.36
Number of Funds	488	486	485	483	474	459	380	223

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
FIAM Select International	$\pi$	6.89	64	11.87	42
MSCI EAFE Index (N)	<b>1</b>	6.53	74	11.79	43
Median		7.30		11.56	

\*TUCS Total Returns of Intl Equity Portfolios - EAFE Universe - Gross of Fees

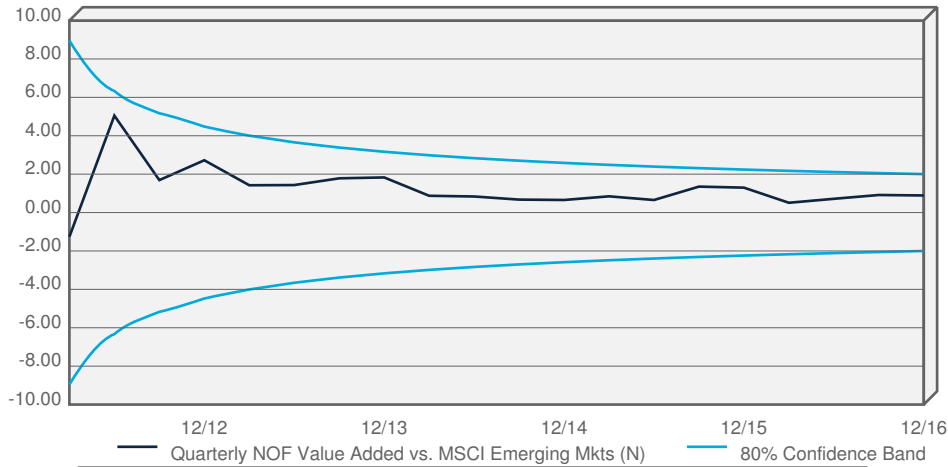
# Investment Manager Analysis



## Schroders Emerging Market

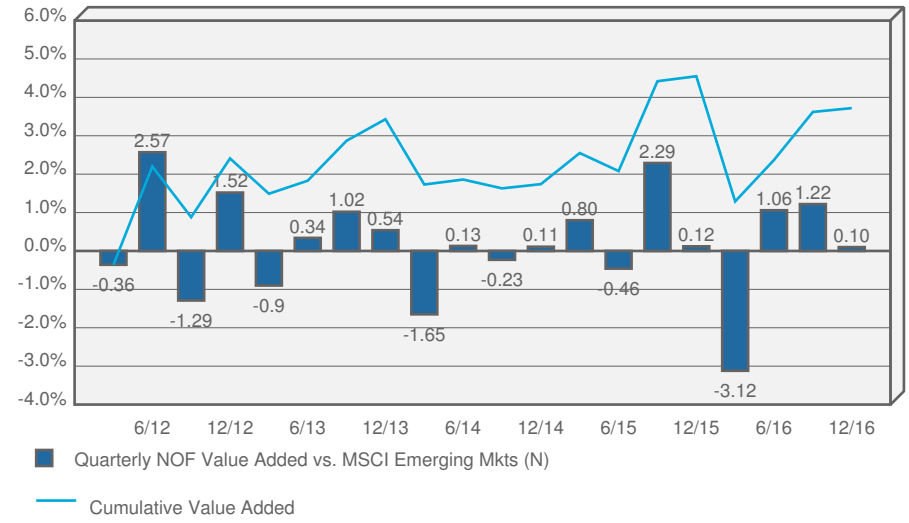
December 31, 2016

Cumulative Skill Analysis vs Benchmark

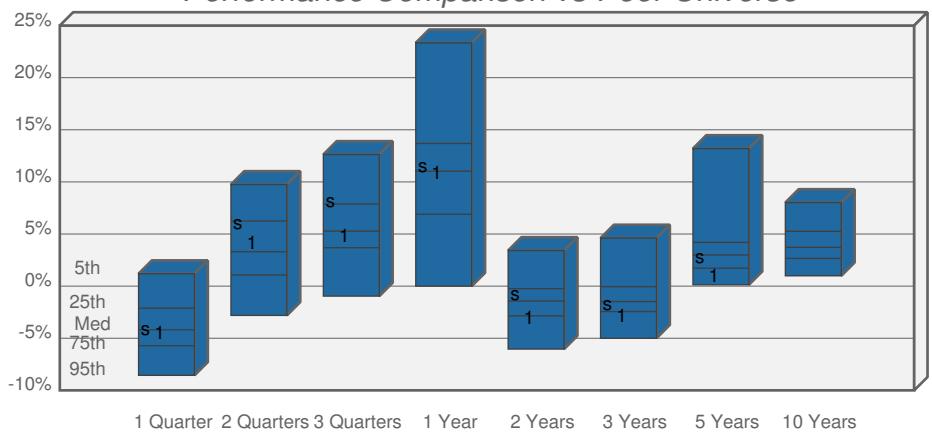


Excess Return:	0.89	Information Ratio:	0.33
Excess Risk:	2.72	T-Stat:	0.73

Value-Added Analysis vs Benchmark

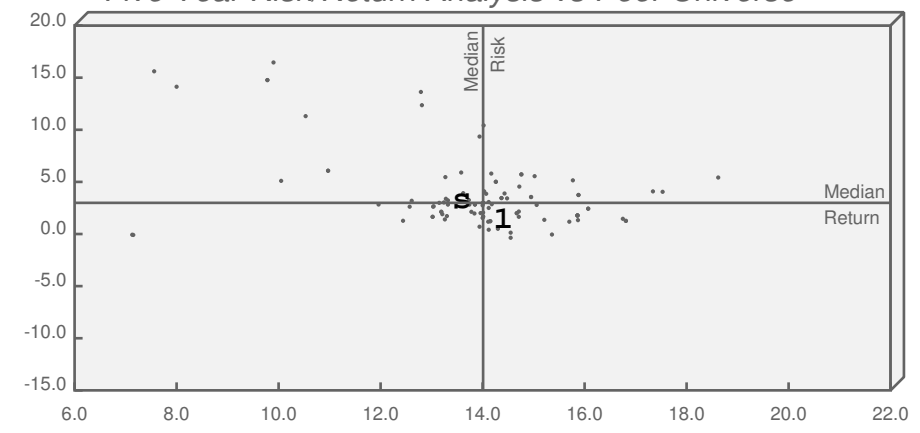


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
<b>s</b> Schroders Emer	-3.79 (41)	6.34 (24)	8.44 (20)	11.87 (41)	-0.48 (29)	-1.37 (48)	3.12 (46)	
<b>1</b> MSCI Emerging	-4.17 (49)	4.48 (39)	5.17 (53)	11.18 (47)	-2.74 (72)	-2.56 (75)	1.28 (83)	
Median	-4.19	3.30	5.28	11.03	-1.43	-1.48	2.99	3.72
Number of Funds	248	241	240	239	213	205	190	107

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Schroders Emerging Market	<b>s</b>	3.12	46	13.70	62
MSCI Emerging Mkts (N)	<b>1</b>	1.28	83	14.51	33
Median		2.99		14.01	

\*TUCS Total Returns of Intl Equity Portfolios - Emerging Markets Universe - Gross of Fees

# Custom Benchmark Specification



## International Equity Composite

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	3/95	9/01	100.00	MSCI ACWI X US (G)
	12/01	9/10	100.00	MSCI EAFE Index (N)
	12/10	12/16	100.00	MSCI ACWI X US (N)

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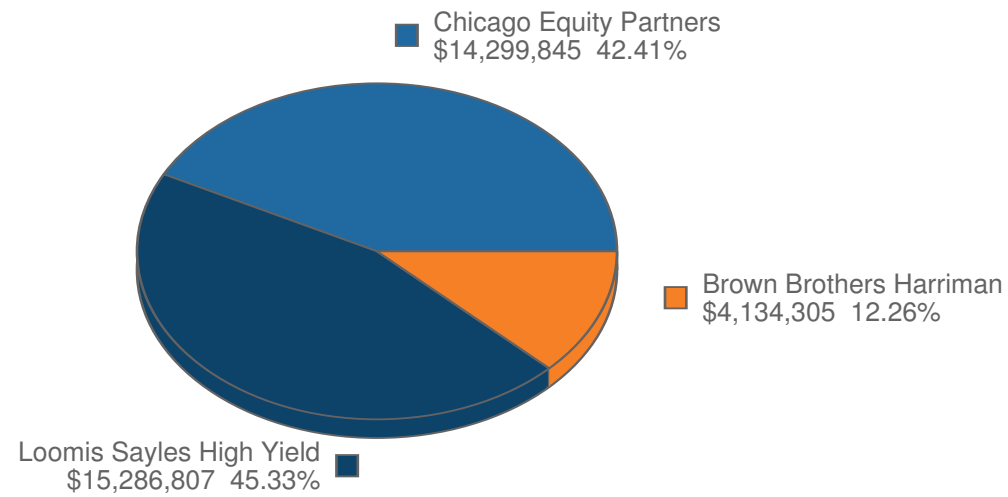
*Fixed Income*

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# Manager Allocation

## Fixed Income Composite

As of December 31, 2016



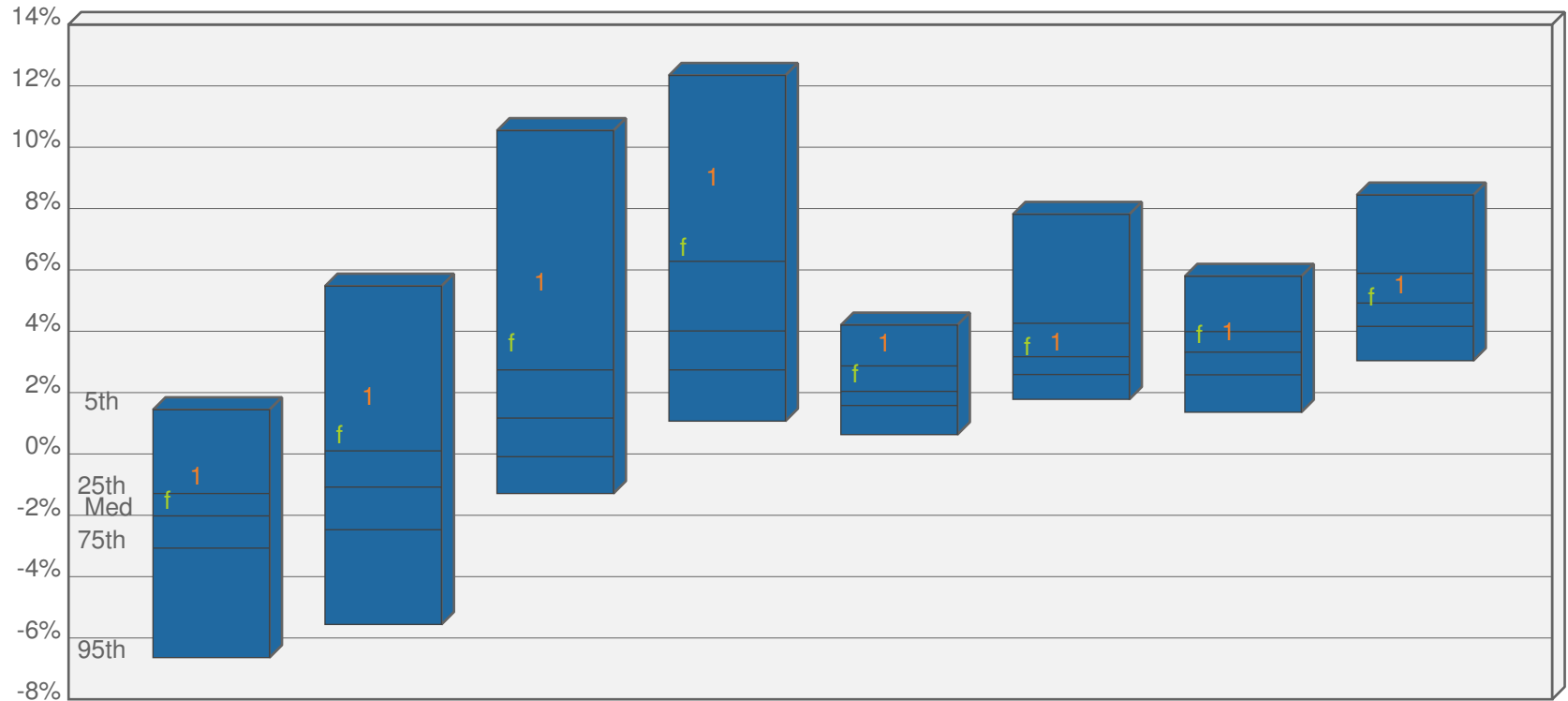


# Performance Comparison



## Fixed Income Composite

Periods Ended December 31, 2016



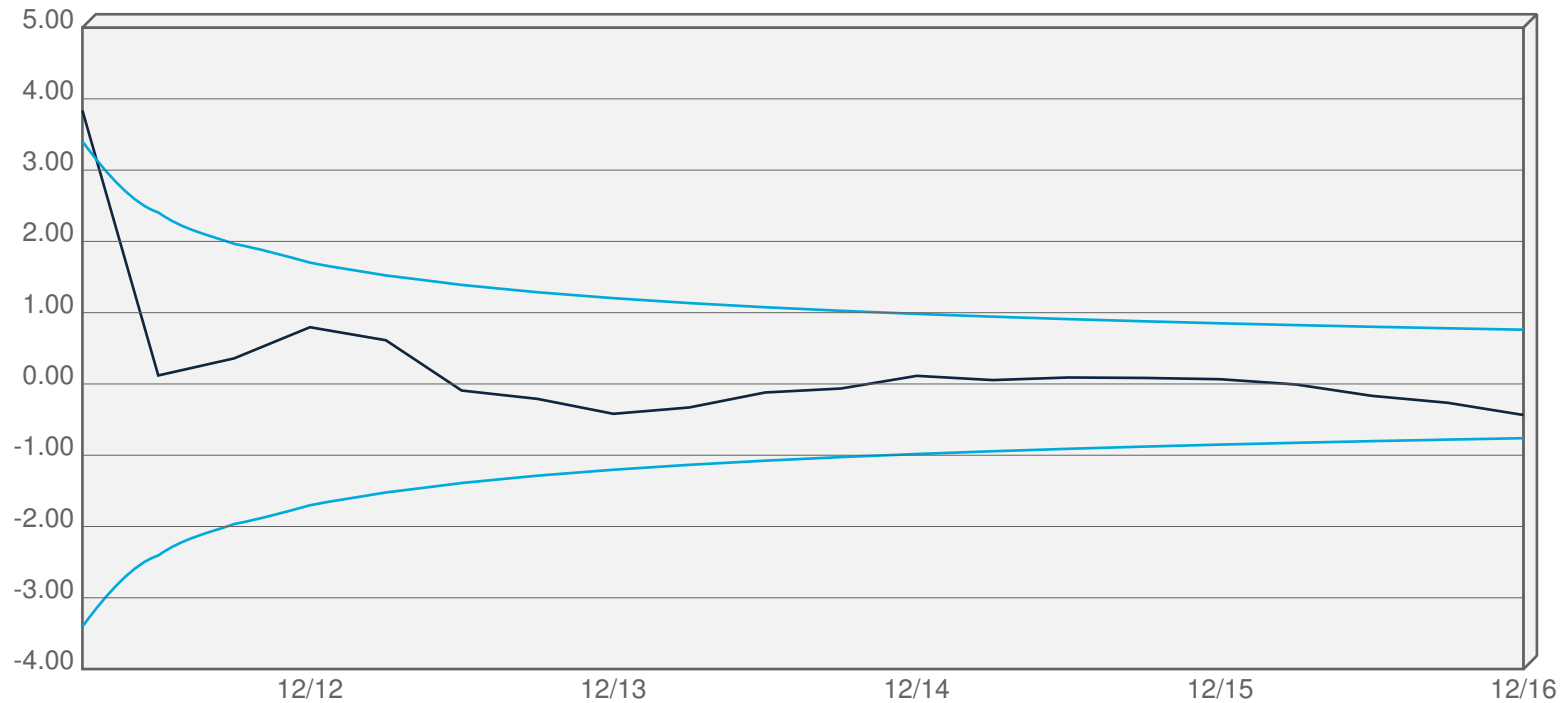
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
<span style="color: green;">f</span> Fixed Income Composite	-1.52 (33)	0.63 (17)	3.63 (13)	6.73 (21)	2.63 (26)	3.52 (36)	3.90 (29)	5.12 (41)
<span style="color: orange;">1</span> Policy Index	-0.70 (15)	1.90 (10)	5.62 ( 9)	9.05 ( 9)	3.62 ( 7)	3.66 (33)	4.00 (24)	5.53 (34)
5th %tile	1.44	5.47	10.54	12.34	4.20	7.81	5.79	8.44
25th %tile	-1.29	0.10	2.74	6.28	2.87	4.26	3.99	5.89
Median	-2.02	-1.08	1.17	4.01	2.04	3.17	3.32	4.92
75th %tile	-3.07	-2.47	-0.09	2.74	1.58	2.59	2.58	4.16
95th %tile	-6.64	-5.56	-1.29	1.07	0.63	1.78	1.36	3.04
Number of Funds	170	165	161	157	148	143	112	72

\*TUCS Total Ret of Fixed Income Investment Pools Universe - Gross of Fees

# Cumulative Skill Analysis

## Fixed Income Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>-0.44</b>	<b>Information Ratio:</b>	<b>-0.42</b>
<b>Excess Risk:</b>	<b>1.03</b>	<b>T-Stat:</b>	<b>-0.94</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>Chicago Equity Partners</b>									
<b>Net of Fee Return</b>	<b>-3.61</b>	<b>-3.67</b>	<b>-1.78</b>	<b>1.12</b>	<b>2.48</b>	<b>1.38</b>		<b>3/31/11</b>	<b>2.71</b>
Barclays Aggregate	-2.98	-2.53	-0.37	2.65	3.03	2.23		3/31/11	3.21
Value Added	-0.64	-1.14	-1.40	-1.53	-0.55	-0.85		3/31/11	-0.50
<b>Loomis Sayles High Yield</b>									
<b>Net of Fee Return</b>	<b>0.56</b>	<b>5.51</b>	<b>10.47</b>	<b>12.62</b>	<b>3.85</b>	<b>7.44</b>		<b>12/31/07</b>	<b>7.86</b>
ML High Yld II Tot Ret	1.88	7.47	13.79	17.49	4.72	7.35		12/31/07	7.93
Value Added	-1.32	-1.97	-3.32	-4.87	-0.87	0.09		12/31/07	-0.06
<b>Brown Brothers Harriman</b>									
<b>Net of Fee Return</b>	<b>-2.26</b>	<b>-1.30</b>	<b>0.33</b>	<b>4.94</b>	<b>2.67</b>			<b>12/31/12</b>	<b>-0.48</b>
Barclays U.S. TIPS	-2.41	-1.47	0.22	4.68	2.26			12/31/12	-0.57
Value Added	0.15	0.17	0.11	0.26	0.41			12/31/12	0.09
<b>Fixed Income Composite</b>									
<b>Net of Fee Return</b>	<b>-1.60</b>	<b>0.48</b>	<b>3.41</b>	<b>6.42</b>	<b>3.20</b>	<b>3.56</b>	<b>4.83</b>	<b>3/31/98</b>	<b>5.12</b>
Policy Index	-0.70	1.90	5.62	9.05	3.66	4.00	5.53	3/31/98	5.68
Value Added	-0.90	-1.42	-2.22	-2.63	-0.46	-0.44	-0.70	3/31/98	-0.56

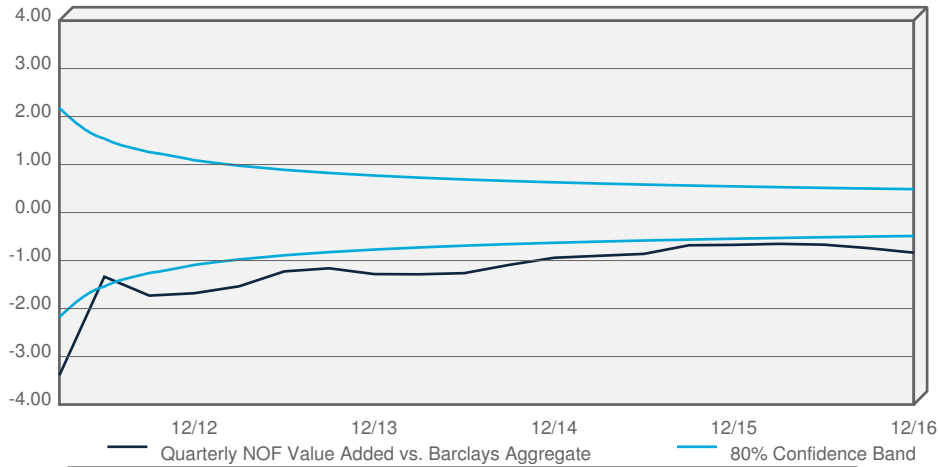
# Investment Manager Analysis



## Chicago Equity Partners

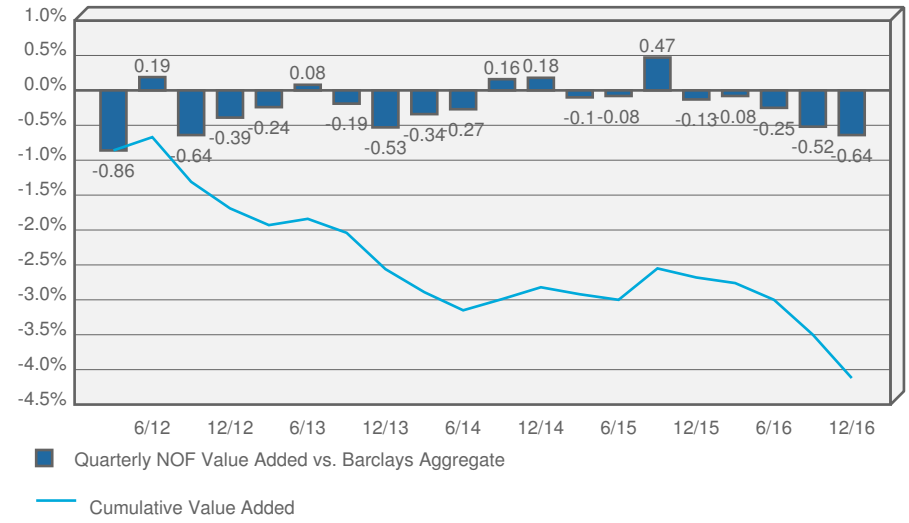
December 31, 2016

Cumulative Skill Analysis vs Benchmark

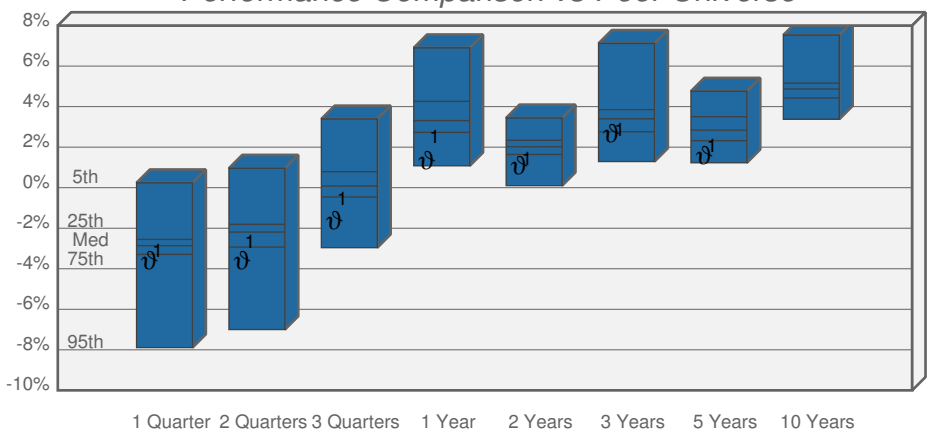


<b>Excess Return:</b>	-0.84	<b>Information Ratio:</b>	-1.26
<b>Excess Risk:</b>	0.66	<b>T-Stat:</b>	-2.82

Value-Added Analysis vs Benchmark

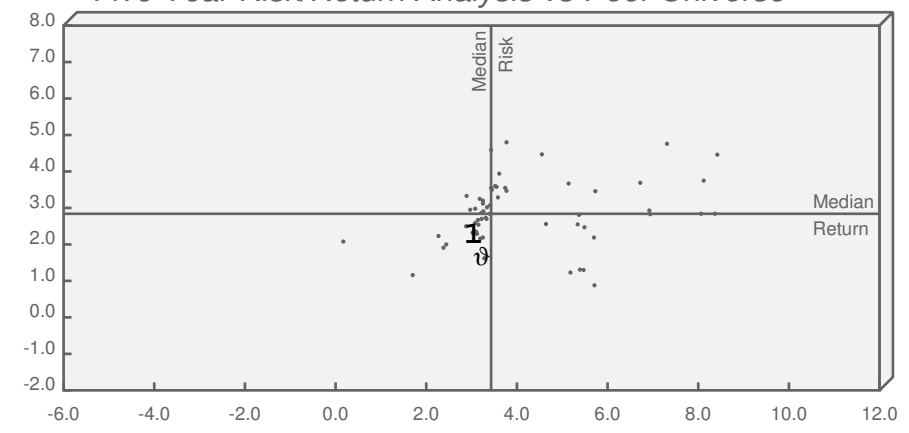


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
0 Chicago Equity	-3.56 (78)	-3.56 (82)	-1.60 (83)	1.36 (92)	1.14 (88)	2.72 (77)	1.62 (90)	
1 Barclays Aggre	-2.98 (58)	-2.53 (60)	-0.37 (72)	2.65 (75)	1.59 (77)	3.03 (65)	2.23 (78)	
Median	-2.86	-2.19	0.08	3.31	2.02	3.40	2.84	4.87
Number of Funds	83	83	83	79	78	73	60	34

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Chicago Equity Partners	0	1.62	90	3.36	53
Barclays Aggregate	1	2.23	78	3.16	73
Median		2.84		3.43	

\*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees

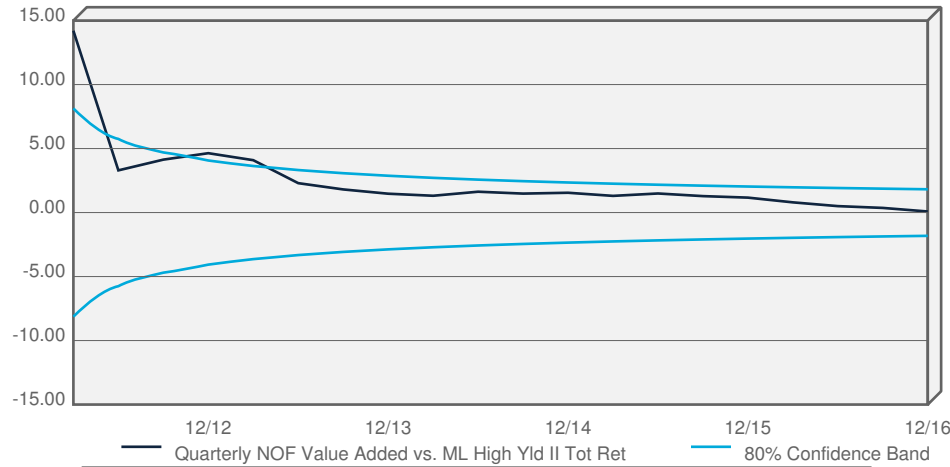
# Investment Manager Analysis



## Loomis Sayles High Yield

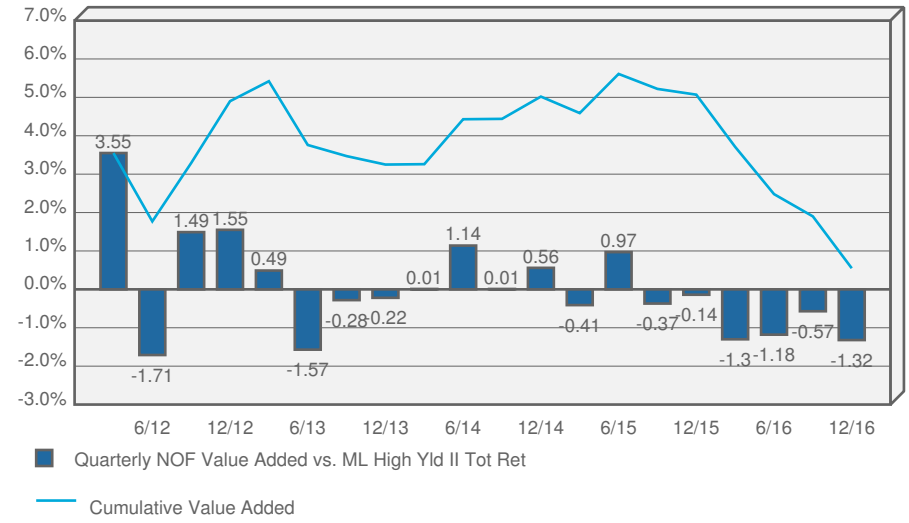
December 31, 2016

Cumulative Skill Analysis vs Benchmark

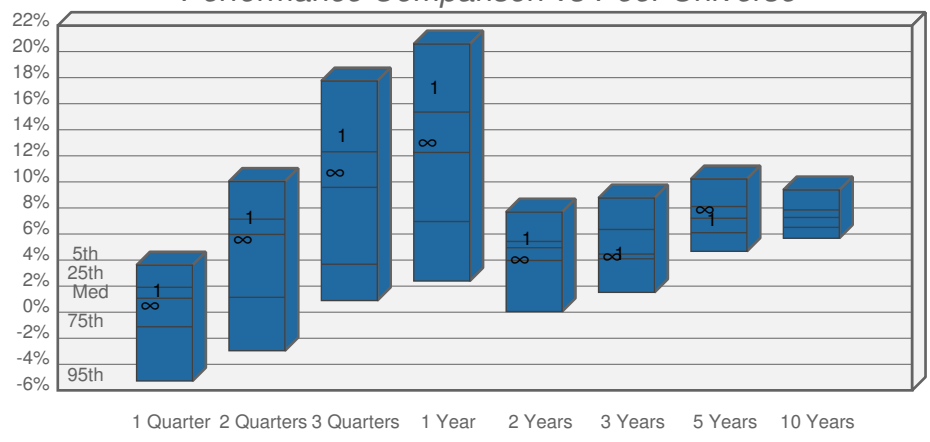


<b>Excess Return:</b>	0.08	<b>Information Ratio:</b>	0.03
<b>Excess Risk:</b>	2.47	<b>T-Stat:</b>	0.07

Value-Added Analysis vs Benchmark

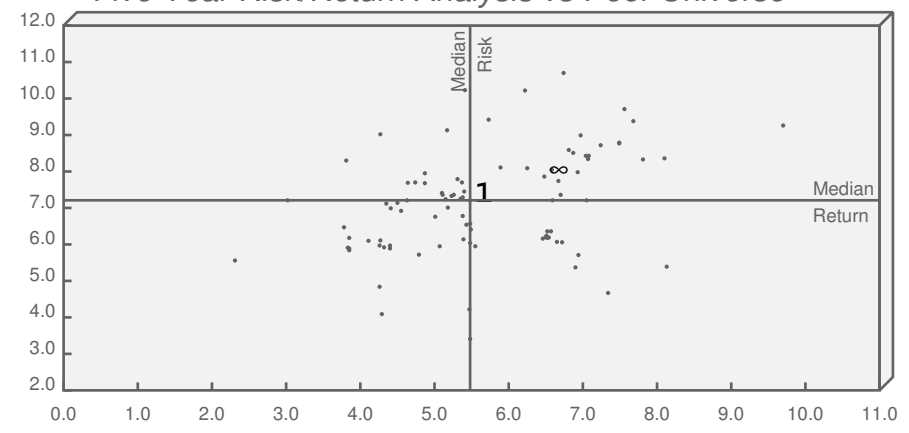


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
∞ Loomis Sayles	0.67 (61)	5.75 (56)	10.85 (45)	13.18 (43)	4.20 (67)	4.41 (55)	8.05 (27)	
1 ML High Yld II	1.88 (26)	7.47 (22)	13.79 (18)	17.49 (11)	5.85 (14)	4.72 (45)	7.35 (43)	
Median	1.07	5.97	9.58	12.26	4.95	4.46	7.21	7.27
Number of Funds	163	161	157	156	142	128	93	35

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Loomis Sayles High Yield	∞	8.05	27	6.75	25
ML High Yld II Tot Ret	1	7.35	43	5.74	45
Median		7.21		5.48	

\*TUCS Total Returns of Fixed Income Portfolios - High Yield Universe - Gross of Fees

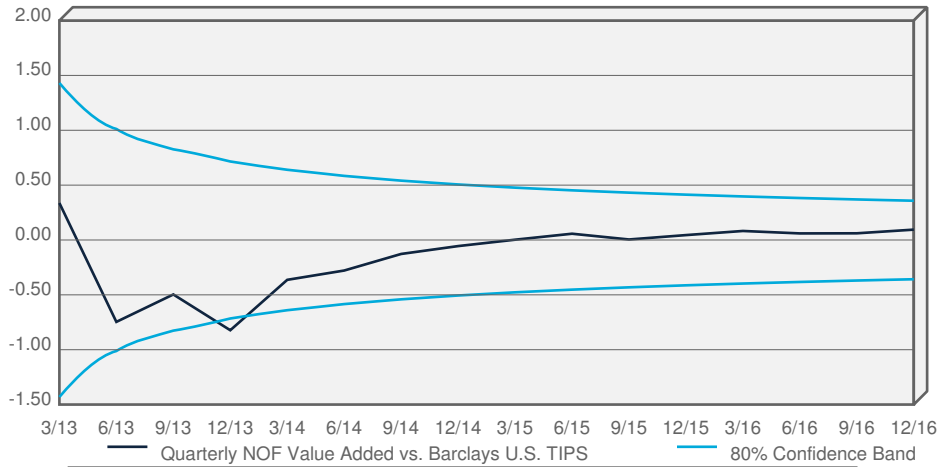
# Investment Manager Analysis



## Brown Brothers Harriman

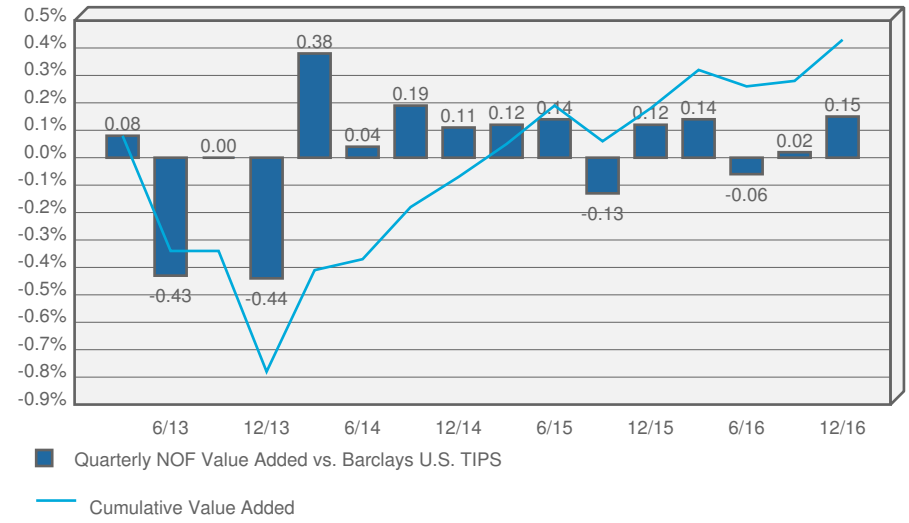
December 31, 2016

Cumulative Skill Analysis vs Benchmark

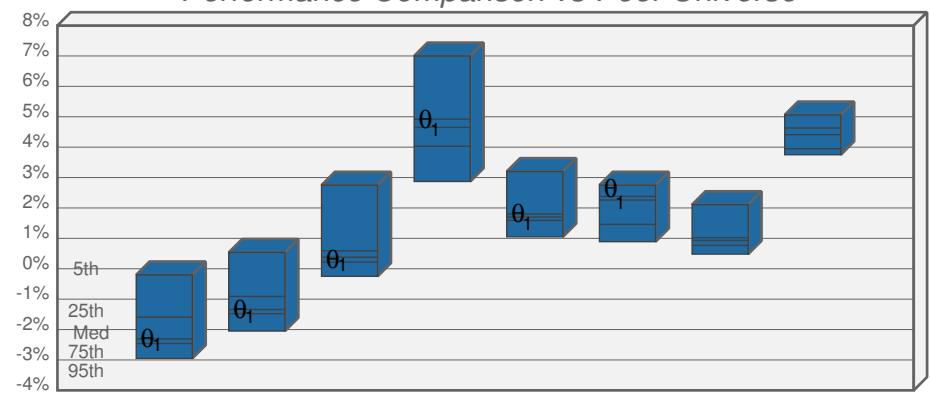


Excess Return:	0.09	Information Ratio:	0.22
Excess Risk:	0.44	T-Stat:	0.43

Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
$\theta$ Brown Brothers	-2.26 (48)	-1.30 (44)	0.33 (60)	4.94 (24)	1.83 (21)	2.67 ( 7)		
$\mathbf{1}$ Barclays U.S.	-2.41 (58)	-1.47 (72)	0.22 (78)	4.68 (46)	1.58 (78)	2.26 (53)		
Median	-2.31	-1.34	0.38	4.65	1.70	2.26	0.93	4.41
Number of Funds	29	29	28	28	28	28	28	22

\*Compass Total Returns of Active TIPS Portfolios Universe - Gross of Fees

# Custom Benchmark Specification



## Fixed Income Composite

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	3/95	12/07	100.00	Bloomberg Barclays Aggregate
	3/08	12/10	66.67	Bloomberg Barclays Aggregate
			16.67	ML High Yld II Tot Ret
			16.66	Bloomberg Barclays 1-10 Yrs TIPS
	3/11	9/11	16.67	ML High Yld II Tot Ret
			16.67	Bloomberg Barclays 1-10 Yrs TIPS
			66.66	Bloomberg Barclays Aggregate
	12/11	3/16	44.44	Bloomberg Barclays Aggregate
			37.04	ML High Yld II Tot Ret
			18.52	Bloomberg Barclays 1-10 Yrs TIPS
	6/16	12/16	42.86	Bloomberg Barclays Aggregate
			14.29	Bloomberg Barclays 1-10 Yrs TIPS
42.85			ML High Yld II Tot Ret	

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*Real Estate*

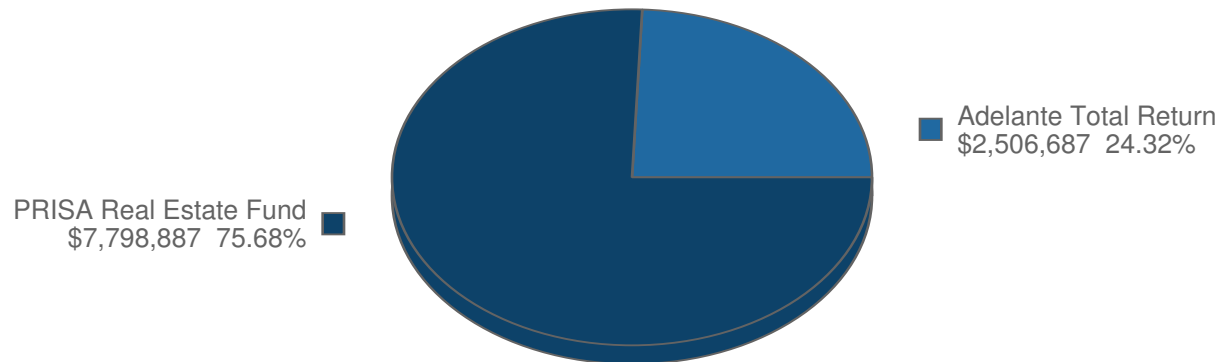
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# Manager Allocation

## Real Estate Composite

As of December 31, 2016

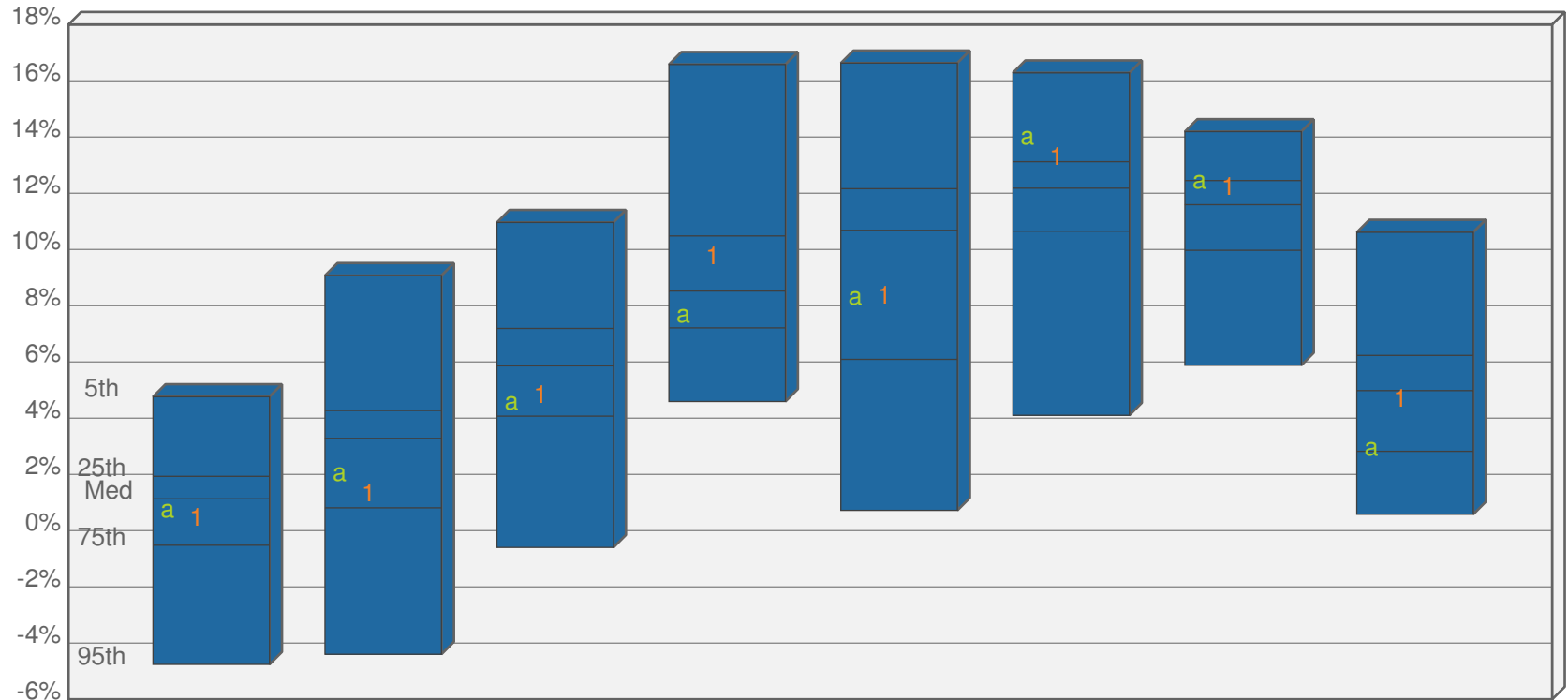


# Performance Comparison



## Real Estate Composite

Periods Ended December 31, 2016



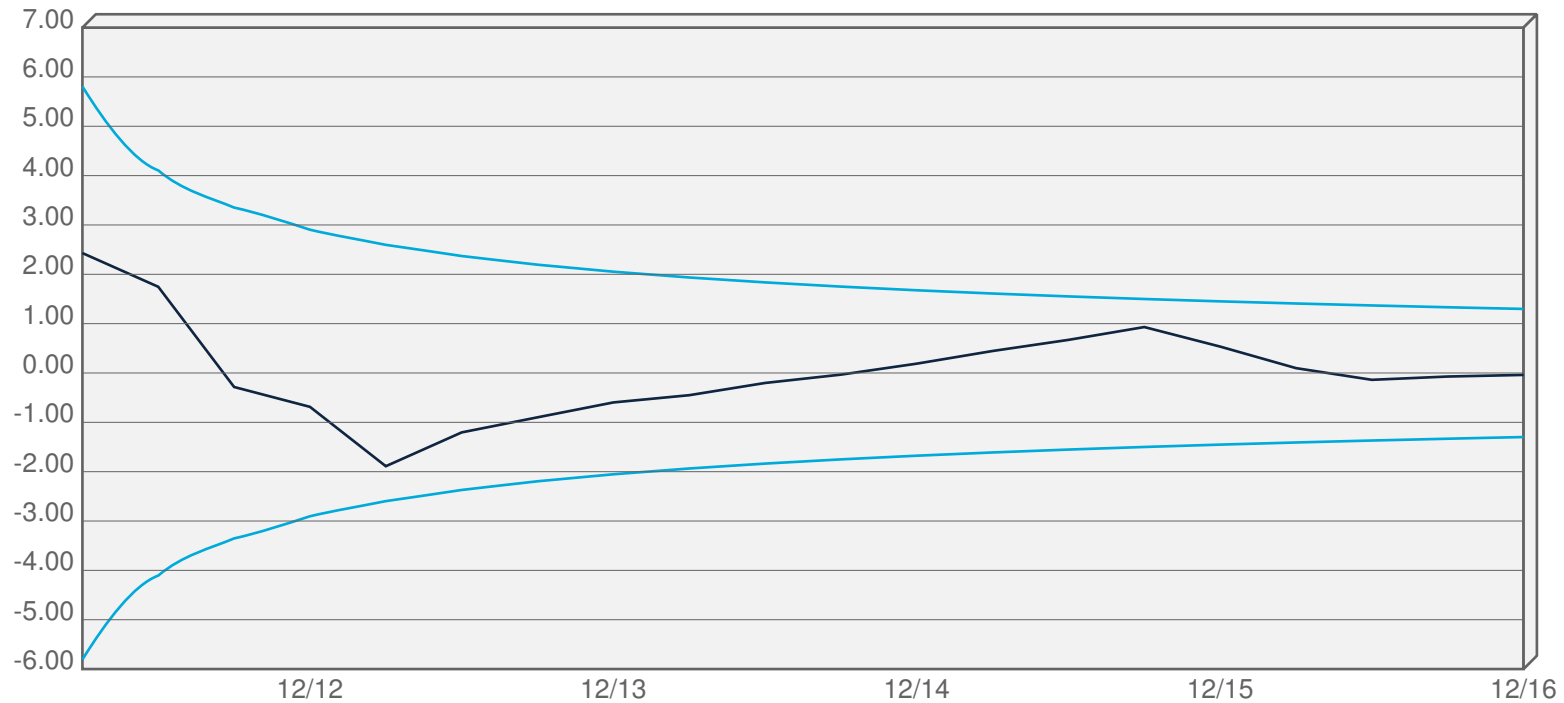
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
<b>a</b> Real Estate Composite	0.78 (61)	2.10 (65)	4.62 (67)	7.72 (66)	8.35 (67)	14.06 (10)	12.49 (23)	2.97 (72)
<b>1</b> Policy Index	0.47 (65)	1.36 (67)	4.84 (63)	9.79 (33)	8.37 (67)	13.33 (20)	12.25 (26)	4.73 (55)
5th %tile	4.76	9.07	10.96	16.58	16.63	16.28	14.19	10.61
25th %tile	1.93	4.27	7.19	10.48	12.16	13.12	12.45	6.23
Median	1.13	3.28	5.86	8.52	10.68	12.18	11.59	4.98
75th %tile	-0.52	0.81	4.07	7.21	6.09	10.65	9.97	2.82
95th %tile	-4.76	-4.40	-0.60	4.59	0.72	4.10	5.88	0.58
Number of Funds	77	76	71	71	64	62	53	36

\*TUCS Total Ret of Real Estate Investment Pools Universe - Gross of Fees

# Cumulative Skill Analysis

## Real Estate Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>-0.04</b>	<b>Information Ratio:</b>	<b>-0.02</b>
<b>Excess Risk:</b>	<b>1.76</b>	<b>T-Stat:</b>	<b>-0.05</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>Adelante Total Return</b>									
<b>Net of Fee Return</b>	<b>-2.74</b>	<b>-3.79</b>	<b>-0.34</b>	<b>3.20</b>	<b>12.38</b>	<b>11.14</b>	<b>3.20</b>	<b>3/31/02</b>	<b>9.54</b>
Wilshire REIT Index	-2.28	-3.46	1.94	7.24	13.78	12.02	4.80	3/31/02	10.37
Value Added	<b>-0.46</b>	<b>-0.33</b>	<b>-2.28</b>	<b>-4.04</b>	<b>-1.40</b>	<b>-0.88</b>	<b>-1.60</b>	3/31/02	<b>-0.83</b>
<b>PRISA Real Estate Fund</b>									
<b>Net of Fee Return</b>	<b>2.19</b>	<b>3.94</b>	<b>5.73</b>	<b>7.86</b>	<b>11.51</b>	<b>11.33</b>		<b>12/31/07</b>	<b>3.18</b>
NCREIF ODCE NOF	1.88	3.74	5.73	7.79	11.04	11.16		12/31/07	3.79
Value Added	0.31	0.19	0.01	0.07	0.47	0.17		12/31/07	<b>-0.61</b>
<b>Real Estate Composite</b>									
<b>Net of Fee Return</b>	<b>0.60</b>	<b>1.74</b>	<b>4.13</b>	<b>7.12</b>	<b>13.62</b>	<b>12.11</b>	<b>2.61</b>	<b>12/31/94</b>	<b>10.21</b>
Policy Index	0.47	1.36	4.84	9.79	13.33	12.25	4.73	12/31/94	10.81
Value Added	0.12	0.38	<b>-0.71</b>	<b>-2.67</b>	0.30	<b>-0.13</b>	<b>-2.12</b>	12/31/94	<b>-0.60</b>

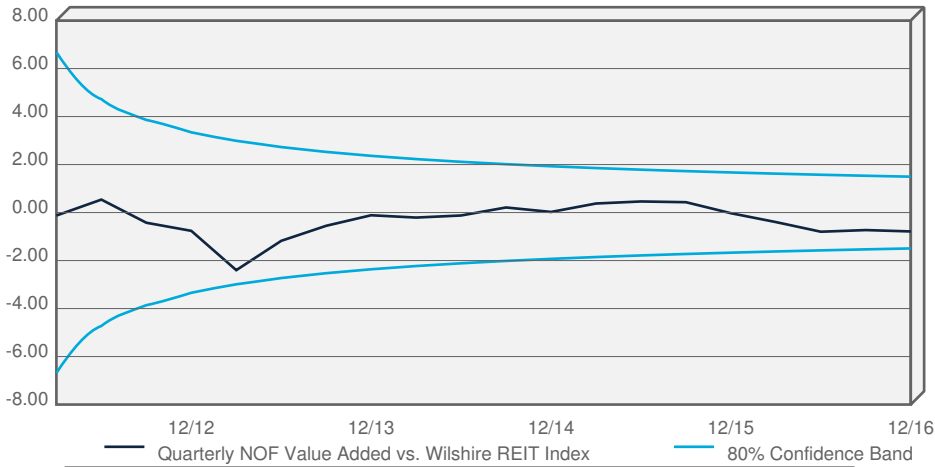
# Investment Manager Analysis



## Adelante Total Return

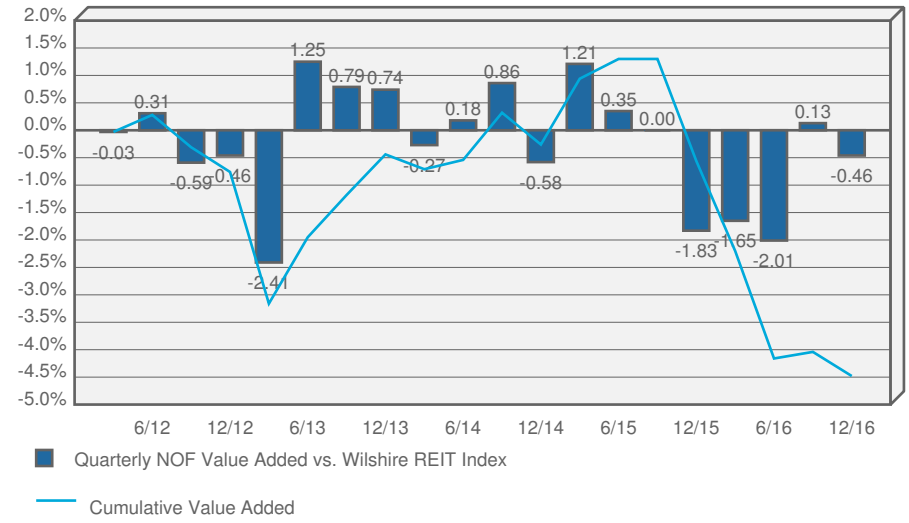
December 31, 2016

Cumulative Skill Analysis vs Benchmark

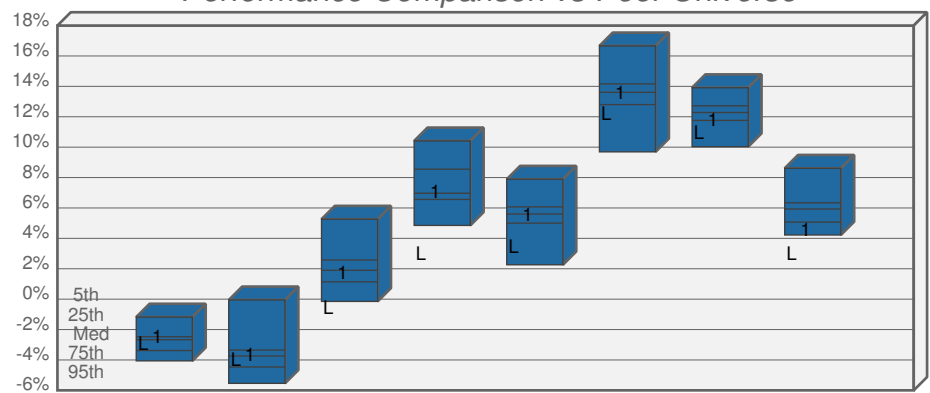


Excess Return:	-0.79	Information Ratio:	-0.39
Excess Risk:	2.03	T-Stat:	-0.87

Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
I. Adelante Total	-2.74 (51)	-3.79 (54)	-0.34 (100)	3.20 (100)	3.62 (87)	12.38 (81)	11.14 (87)	3.20 (100)
I Wilshire REIT	-2.28 (15)	-3.46 (30)	1.94 (48)	7.24 (42)	5.73 (42)	13.78 (39)	12.02 (63)	4.80 (79)
Median	-2.67	-3.74	1.90	6.97	5.60	13.61	12.28	5.93
Number of Funds	33	33	33	33	33	33	33	29

\*Compass Total Returns of REIT Equity Portfolios Universe - Gross of Fees

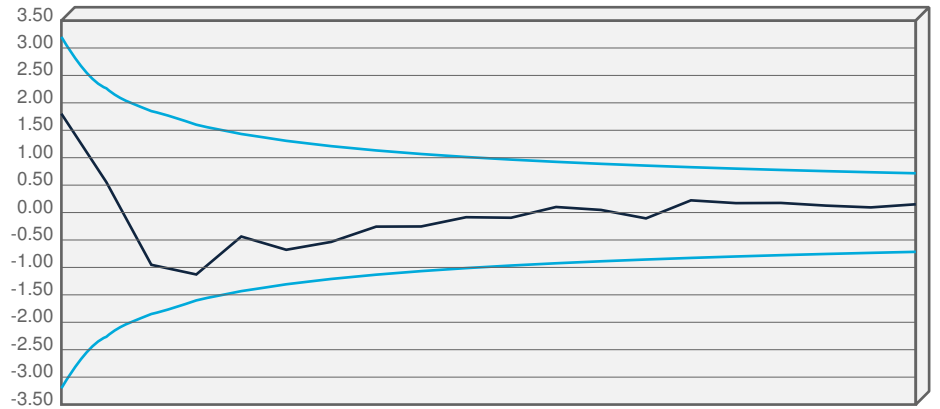
# Investment Manager Analysis



## PRISA Real Estate Fund

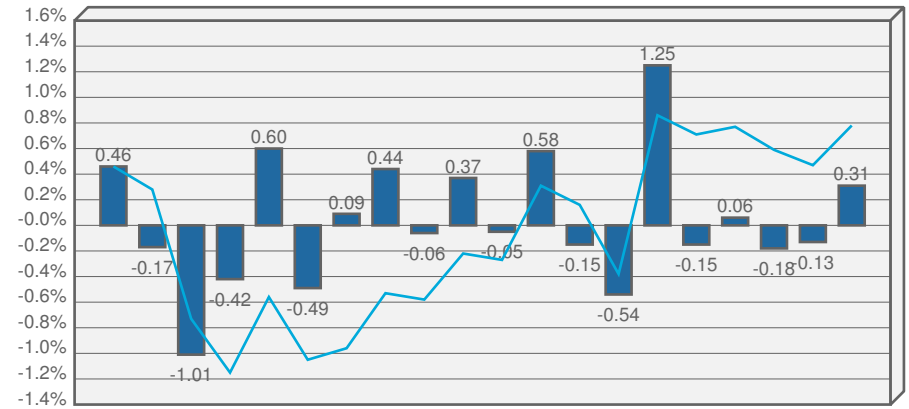
December 31, 2016

Cumulative Skill Analysis vs Benchmark



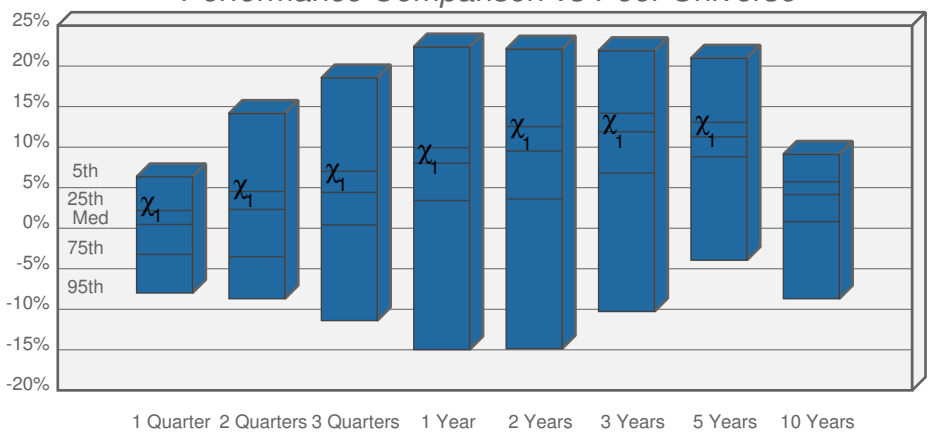
Excess Return:	0.15	Information Ratio:	0.15
Excess Risk:	0.97	T-Stat:	0.35

Value-Added Analysis vs Benchmark

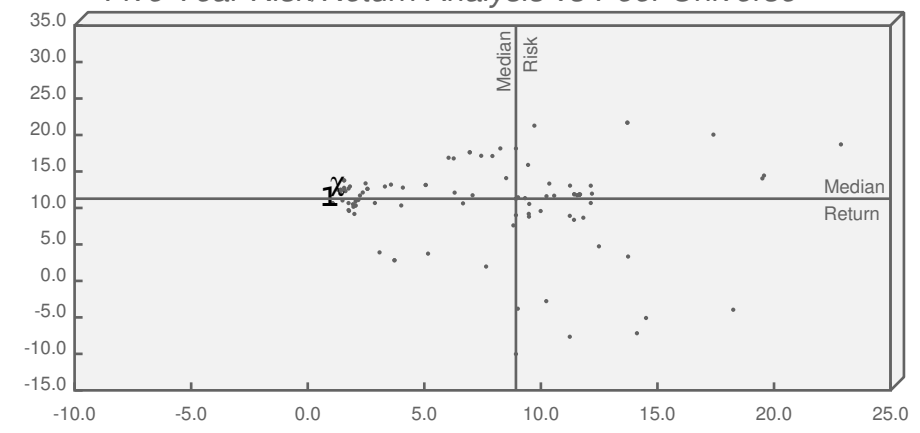


■ Quarterly NOF Value Added vs. NCREIF ODCE NOF  
 — Cumulative Value Added

Performance Comparison vs Peer Universe\*



Five Year Risk/Return Analysis vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
χ PRISA Real Est	2.44 (20)	4.45 (25)	6.46 (30)	8.81 (38)	12.04 (28)	12.47 (42)	12.35 (31)	
1 NCREIF ODCE NO	0.88 (29)	3.74 (35)	5.73 (38)	7.79 (53)	10.82 (41)	11.04 (59)	11.16 (51)	
Median	0.47	2.32	4.42	8.02	9.52	11.89	11.27	4.15
Number of Funds	517	546	540	537	498	472	320	145

Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
PRISA Real Estate Fund	χ	12.35	31	1.61	92
NCREIF ODCE NOF	1	11.16	51	1.18	99
Median		11.27		8.93	

\*TUCS Total Returns of Real Estate Portfolios Universe - Gross of Fees

# Custom Benchmark Specification



## Real Estate Composite

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	3/95	12/07	100.00	NAREIT Equity
	3/08	12/10	50.00	NCREIF ODCE NOF
			50.00	NAREIT Equity
	3/11	9/11	50.00	NCREIF ODCE NOF
			50.00	NAREIT Equity
	12/11	3/16	33.33	NCREIF ODCE NOF
6/16	12/16	66.67	NAREIT Equity	
		30.00	NAREIT Equity	
		70.00	NCREIF ODCE NOF	

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*Uniformed Officers Pension Plan*  
*Total Fund*

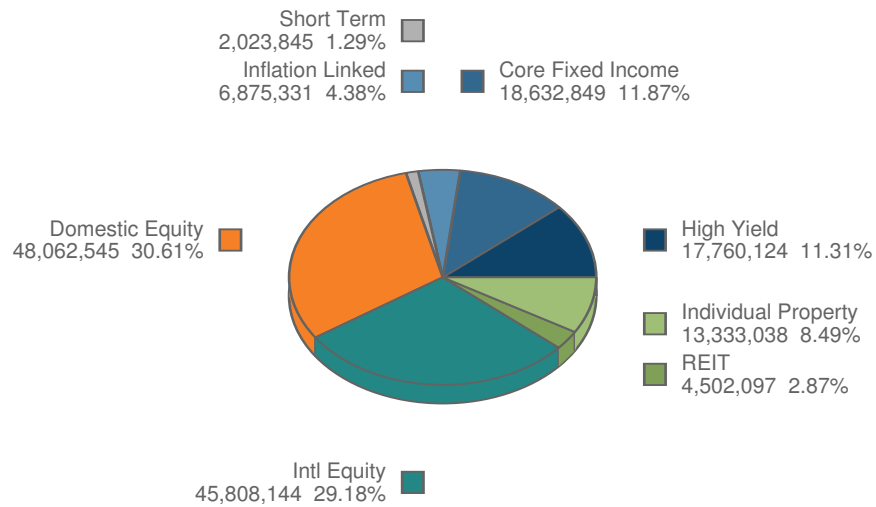
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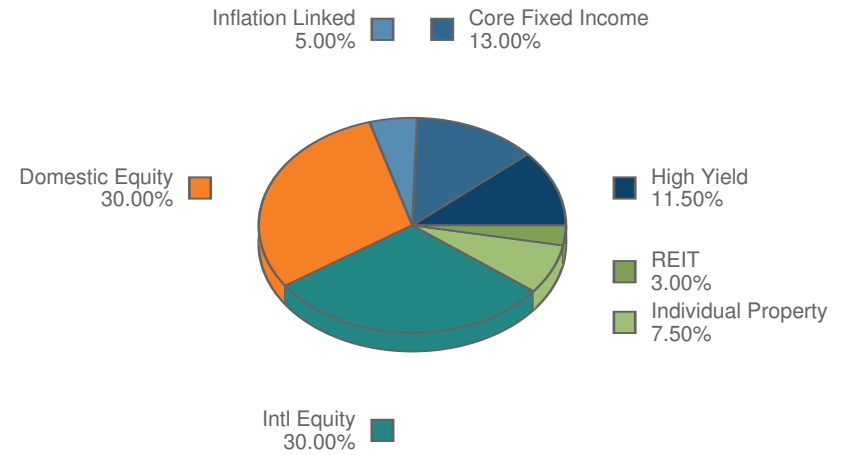
# Actual Allocation vs Policy Allocation

## Total Fund Composite As of December 31, 2016

### Total Fund



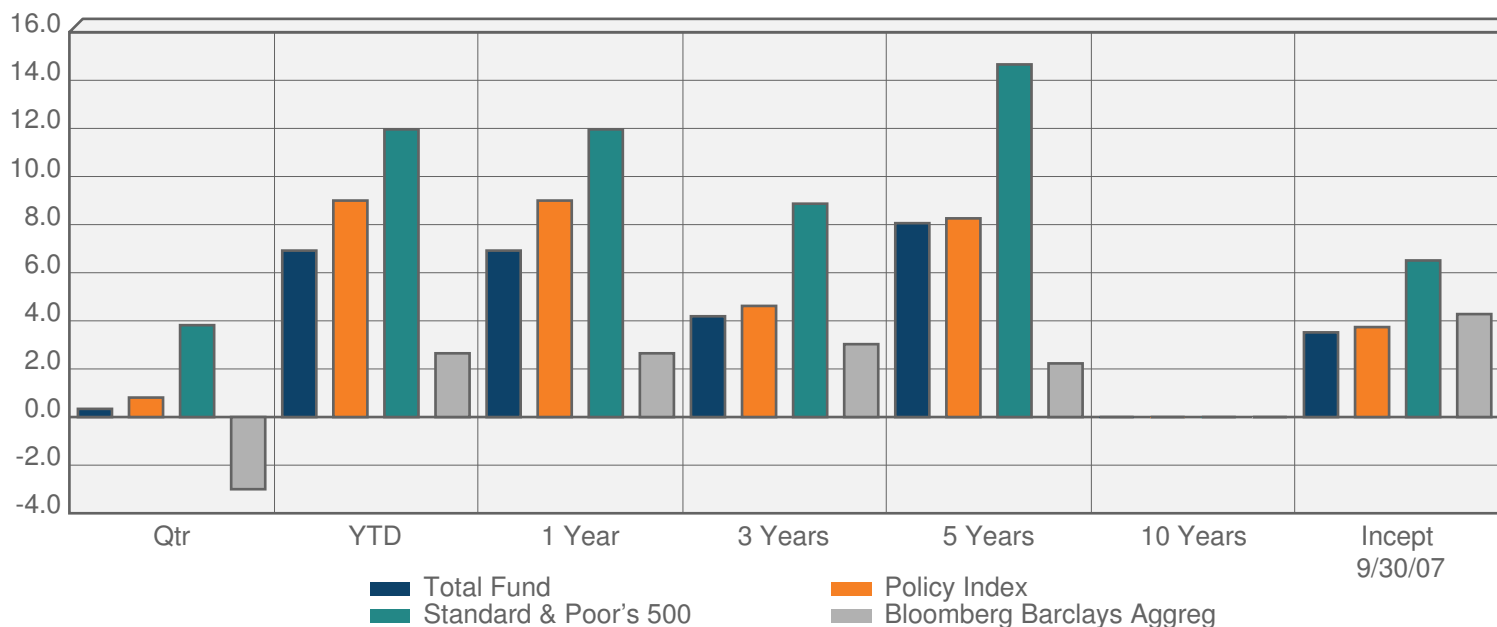
### Policy Index



**\$156,997,973**

## Total Fund Composite

Periods Ended December 31, 2016



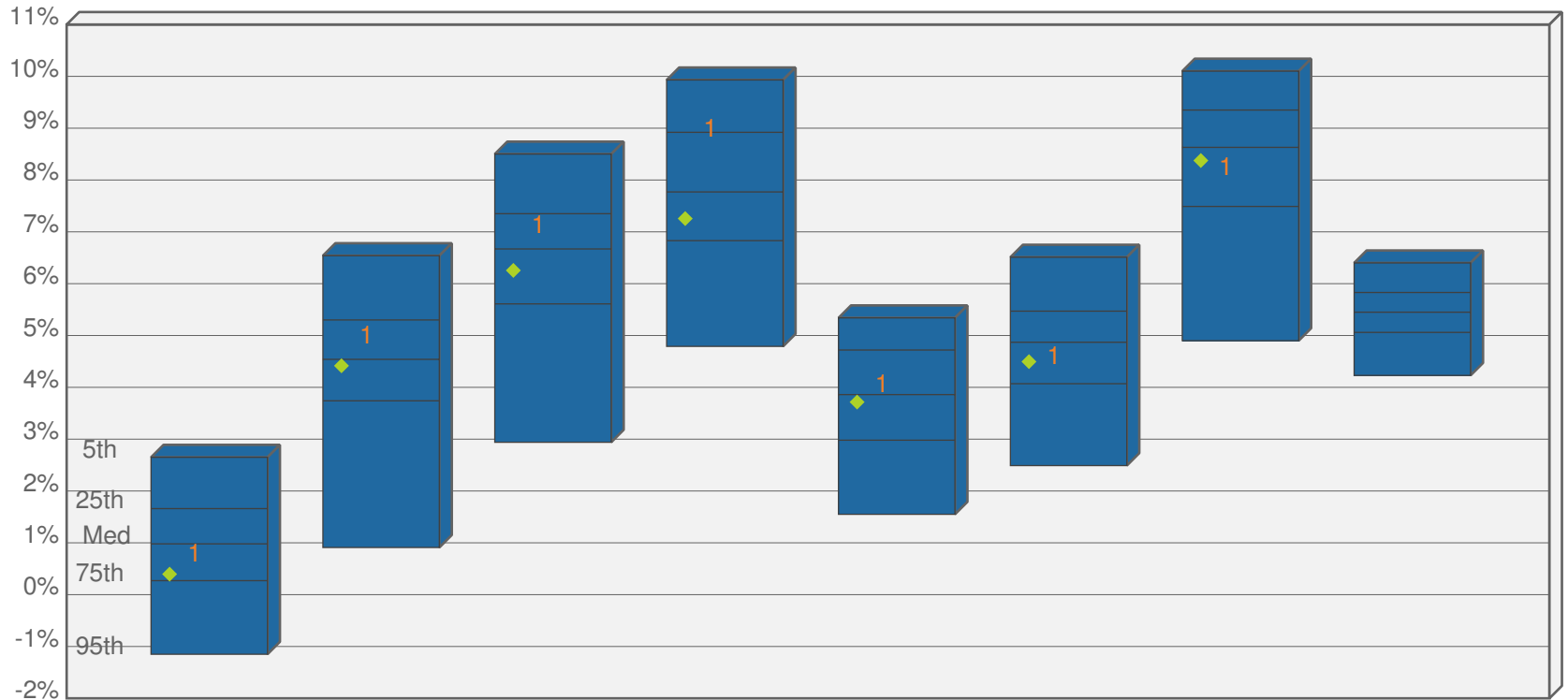
Total Returns	Qtr	YTD	1 Year	3 Years	5 Years	10 Years	Incept 9/30/07
Total Fund	0.34	6.92	6.92	4.19	8.06		3.52
Policy Index	0.81	9.01	9.01	4.62	8.26		3.74
Standard & Poor's 500	3.82	11.96	11.96	8.87	14.66		6.51
Bloomberg Barclays Aggregate	-2.98	2.65	2.65	3.03	2.23		4.28

# Performance Comparison



## Total Fund Composite

Periods Ended December 31, 2016



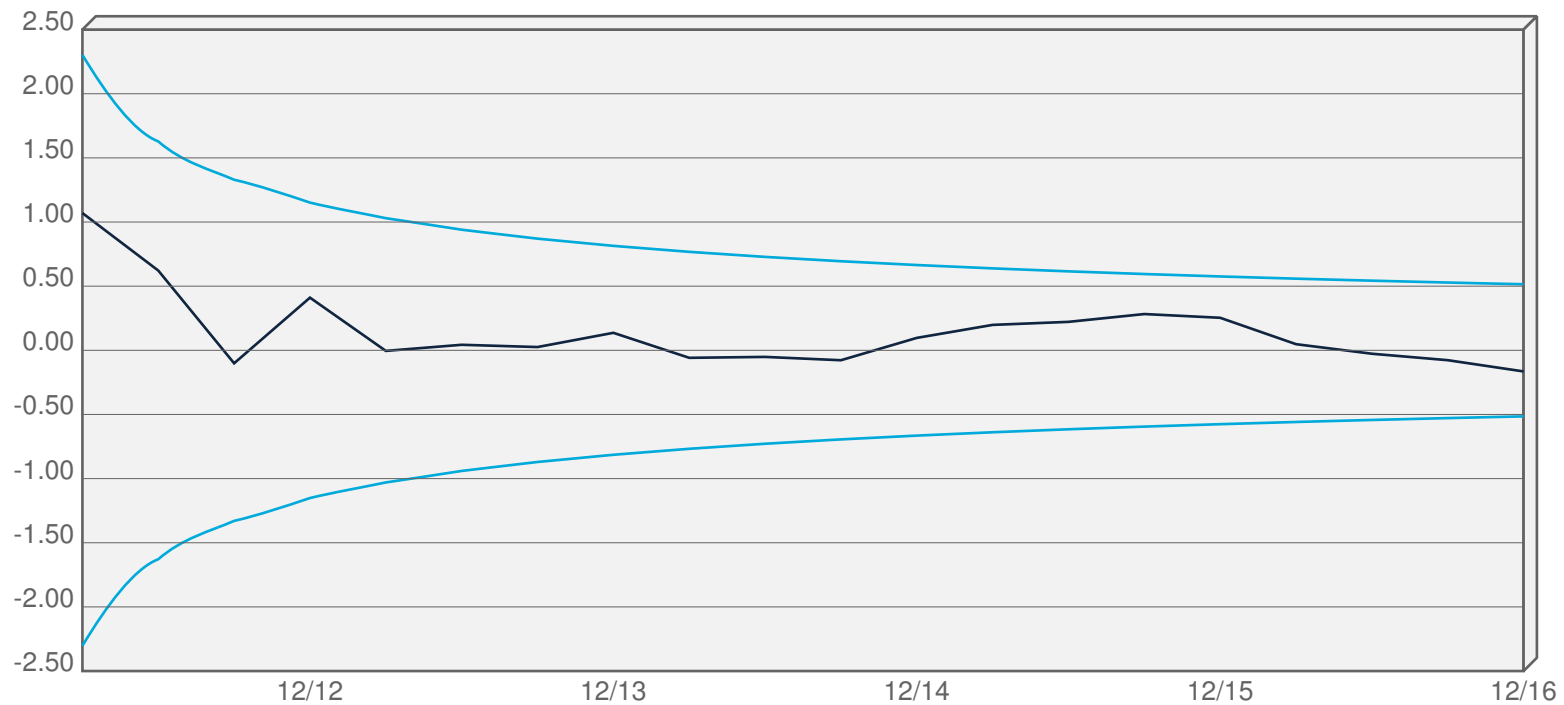
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ Total Fund	0.42 (68)	4.44 (53)	6.28 (62)	7.28 (65)	3.74 (57)	4.52 (60)	8.40 (61)	
1 Policy Index	0.81 (56)	5.01 (32)	7.15 (31)	9.01 (20)	4.07 (44)	4.62 (56)	8.26 (66)	
5th %tile	2.65	6.54	8.50	9.93	5.34	6.51	10.10	6.40
25th %tile	1.66	5.30	7.35	8.92	4.72	5.47	9.35	5.83
Median	0.98	4.54	6.67	7.77	3.86	4.87	8.63	5.45
75th %tile	0.27	3.74	5.61	6.83	2.98	4.07	7.49	5.06
95th %tile	-1.15	0.91	2.94	4.79	1.55	2.49	4.90	4.23
Number of Funds	178	178	178	173	169	168	166	136

\*TUCS Total Ret of Master Trusts - Public Universe - Gross of Fees

# Cumulative Skill Analysis

## Total Fund Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>-0.16</b>	<b>Information Ratio:</b>	<b>-0.24</b>
<b>Excess Risk:</b>	<b>0.70</b>	<b>T-Stat:</b>	<b>-0.53</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>Domestic Equity Composite</b>									
<b>Net of Fee Return</b>	<b>4.58</b>	<b>9.11</b>	<b>12.18</b>	<b>13.36</b>	<b>8.59</b>	<b>14.50</b>		<b>9/30/07</b>	<b>6.24</b>
Wilshire 5000	4.54	9.03	12.06	13.37	8.76	14.71		9/30/07	6.76
Value Added	0.04	0.08	0.12	-0.01	-0.16	-0.22		9/30/07	-0.52
<b>International Equity Composite</b>									
<b>Net of Fee Return</b>	<b>-2.09</b>	<b>4.51</b>	<b>3.87</b>	<b>1.54</b>	<b>-2.21</b>	<b>5.45</b>		<b>9/30/07</b>	<b>-1.18</b>
Policy Index	-1.25	5.57	4.89	4.50	-1.77	5.00		9/30/07	-1.43
Value Added	-0.84	-1.06	-1.02	-2.95	-0.43	0.45		9/30/07	0.25
<b>Fixed Income Composite</b>									
<b>Net of Fee Return</b>	<b>-1.75</b>	<b>0.17</b>	<b>3.05</b>	<b>6.01</b>	<b>3.09</b>	<b>3.34</b>		<b>9/30/07</b>	<b>4.79</b>
Policy Index	-0.84	1.56	5.10	8.50	3.54	3.88		9/30/07	5.40
Value Added	-0.90	-1.39	-2.05	-2.49	-0.45	-0.54		9/30/07	-0.62
<b>Real Estate Composite</b>									
<b>Net of Fee Return</b>	<b>0.91</b>	<b>2.24</b>	<b>4.65</b>	<b>7.58</b>	<b>12.74</b>	<b>11.69</b>		<b>12/31/07</b>	<b>2.90</b>
Policy Index	0.54	1.47	4.89	9.14	12.78	12.02		12/31/07	4.18
Value Added	0.37	0.77	-0.24	-1.55	-0.04	-0.33		12/31/07	-1.28
<b>Cash Account</b>									
<b>Net of Fee Return</b>	<b>0.12</b>	<b>0.21</b>	<b>0.30</b>	<b>0.37</b>	<b>0.14</b>	<b>0.10</b>		<b>9/30/07</b>	<b>0.55</b>
91 Day T-Bill Index	0.08	0.18	0.25	0.33	0.14	0.12		9/30/07	0.45
Value Added	0.03	0.03	0.05	0.05	-0.00	-0.02		9/30/07	0.10
<b>Total Fund</b>									
<b>Net of Fee Return</b>	<b>0.34</b>	<b>4.27</b>	<b>6.03</b>	<b>6.92</b>	<b>4.19</b>	<b>8.06</b>		<b>9/30/07</b>	<b>3.52</b>
Policy Index	0.81	5.01	7.15	9.01	4.62	8.26		9/30/07	3.74
Value Added	-0.47	-0.74	-1.12	-2.09	-0.43	-0.20		9/30/07	-0.22

# Custom Benchmark Specification



Total Fund

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	9/07	12/07	25.00	MSCI EAFE Index (N)
			25.00	Bloomberg Barclays Aggregate
			50.00	Wilshire 5000
	3/08	12/10	10.00	NCREIF ODCE NOF
			5.00	ML High Yld II Tot Ret
			5.00	Bloomberg Barclays 1-10 Yrs TIPS
			15.00	Bloomberg Barclays Aggregate
			25.00	MSCI EAFE Index (N)
			40.00	Wilshire 5000
	3/11	6/11	7.50	NCREIF ODCE NOF
			30.00	MSCI ACWI X US (N)
			32.50	Wilshire 5000
			5.00	NAREIT Equity
			5.00	Bloomberg Barclays 1-10 Yrs TIPS
			5.00	ML High Yld II Tot Ret
			15.00	Bloomberg Barclays Aggregate
	9/11	9/11	7.50	NCREIF ODCE NOF
			30.00	MSCI ACWI X US (N)
			15.00	Bloomberg Barclays Aggregate
			30.00	Wilshire 5000
5.00			NAREIT Equity	
7.50			ML High Yld II Tot Ret	
5.00			Bloomberg Barclays 1-10 Yrs TIPS	
12/11	12/11	7.50	NCREIF ODCE NOF	
		30.00	MSCI ACWI X US (N)	
		7.50	NAREIT Equity	
		10.00	ML High Yld II Tot Ret	
		25.00	Wilshire 5000	
		15.00	Bloomberg Barclays Aggregate	

# Custom Benchmark Specification



## Total Fund

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)			5.00	Bloomberg Barclays 1-10 Yrs TIPS
	3/12	3/16	7.50	NCREIF ODCE NOF
			23.90	Wilshire 5000
			13.10	Bloomberg Barclays Aggregate
			5.00	Bloomberg Barclays 1-10 Yrs TIPS
			10.00	ML High Yld II Tot Ret
			7.50	NAREIT Equity
			33.00	MSCI ACWI X US (N)
	6/16	12/16	7.50	NCREIF ODCE NOF
			30.00	Wilshire 5000
			13.00	Bloomberg Barclays Aggregate
			5.00	Bloomberg Barclays 1-10 Yrs TIPS
			11.50	ML High Yld II Tot Ret
			3.00	NAREIT Equity
30.00			MSCI ACWI X US (N)	

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# *Domestic Equity*

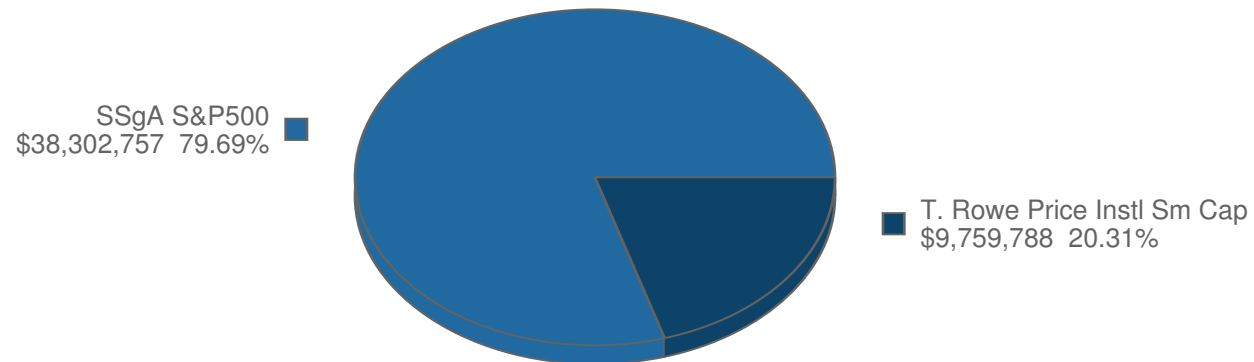
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# Manager Allocation

## Domestic Equity Composite

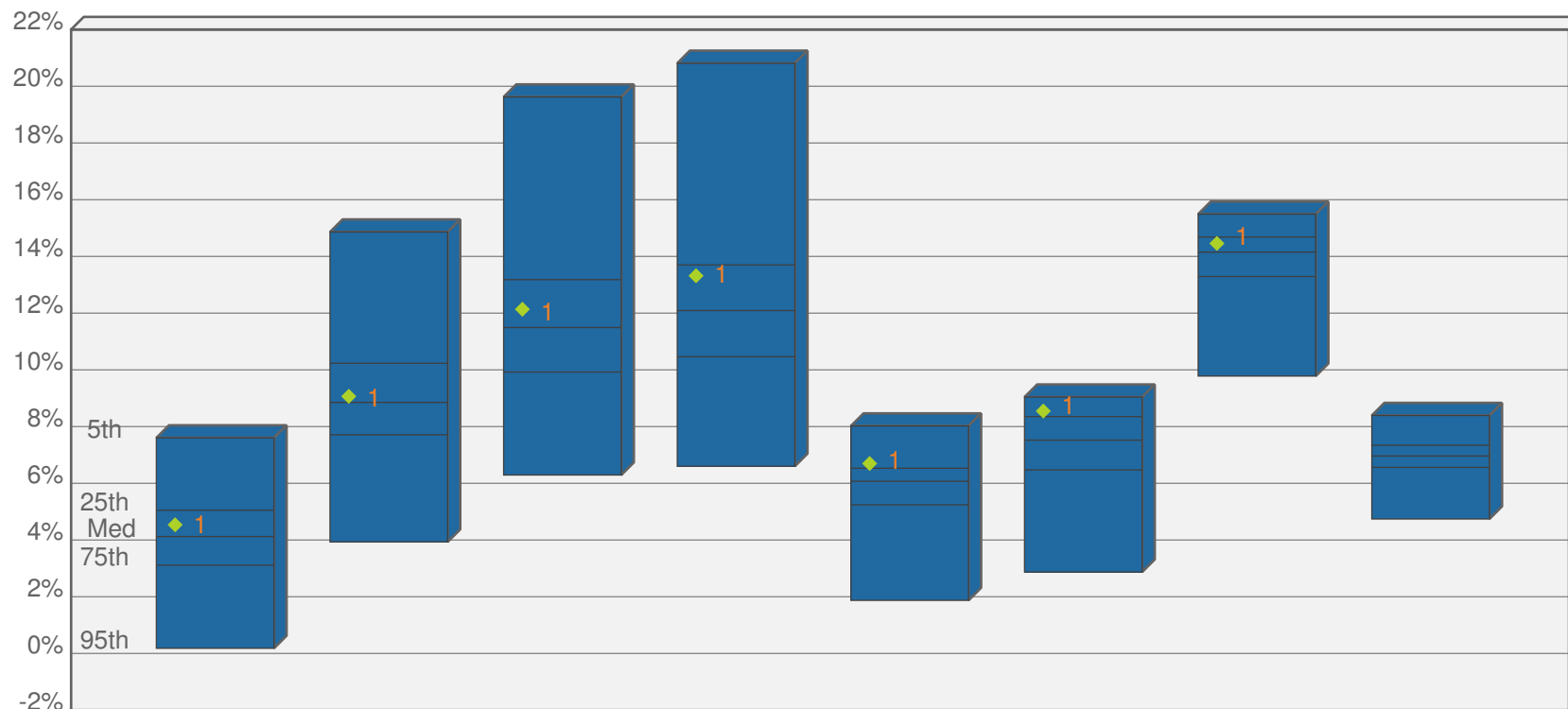
As of December 31, 2016



# Performance Comparison



## Domestic Equity Composite Periods Ended December 31, 2016



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ Domestic Equity Compos	4.58 (34)	9.11 (41)	12.18 (34)	13.36 (27)	6.74 (18)	8.59 (15)	14.50 (40)	
┆ Wilshire 5000	4.54 (34)	9.03 (43)	12.06 (37)	13.37 (26)	6.83 (16)	8.76 (13)	14.71 (23)	
5th %tile	7.60	14.86	19.62	20.81	8.02	9.04	15.49	8.39
25th %tile	5.05	10.23	13.18	13.70	6.53	8.35	14.68	7.34
Median	4.12	8.85	11.49	12.09	6.07	7.52	14.15	6.96
75th %tile	3.11	7.71	9.92	10.46	5.24	6.47	13.29	6.56
95th %tile	0.18	3.93	6.29	6.60	1.87	2.87	9.78	4.74
Number of Funds	181	175	172	165	153	146	121	88

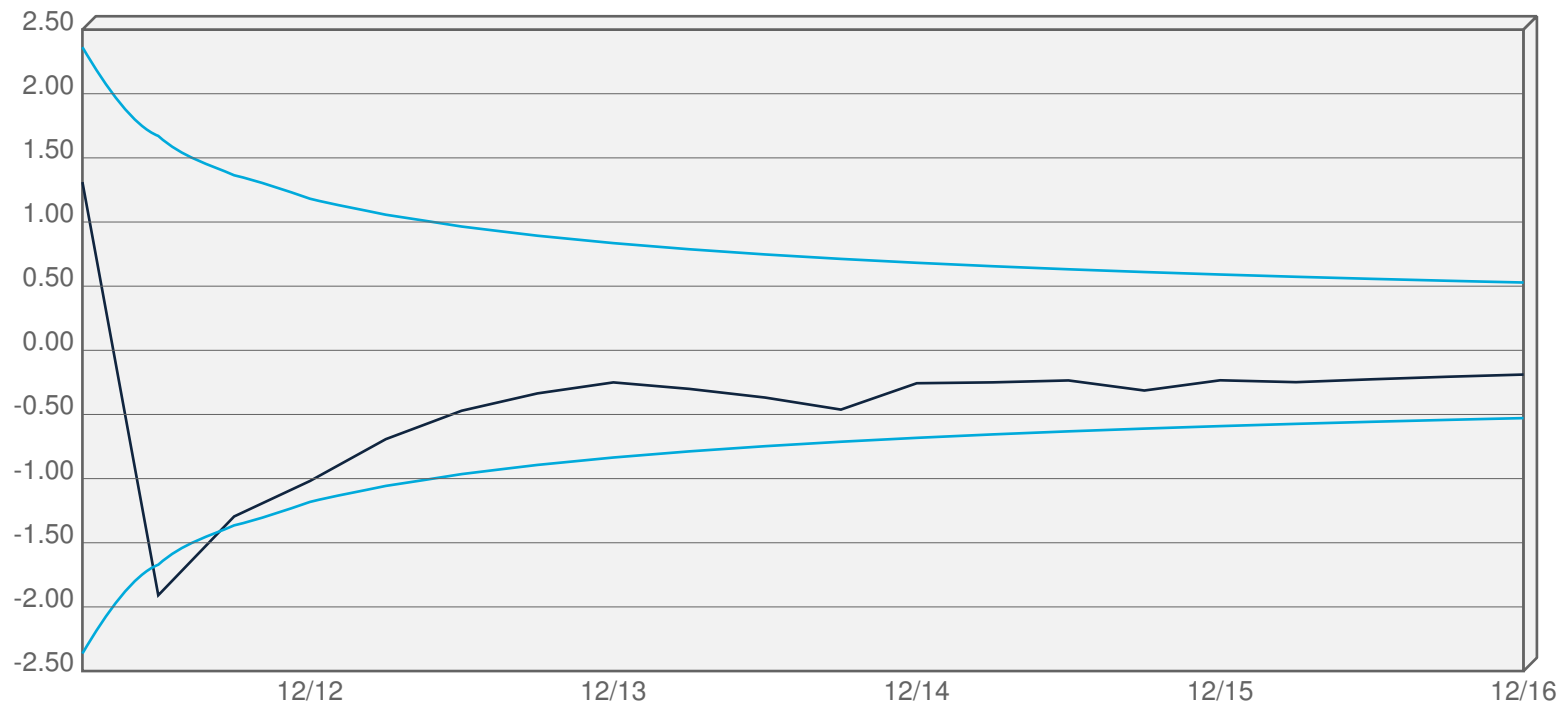
\*TUCS Total Ret of US Equity Investment Pools Universe - Gross of Fees

# Cumulative Skill Analysis



## Domestic Equity Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Wilshire 5000

— 80% Confidence Band

<b>Excess Return:</b>	<b>-0.19</b>	<b>Information Ratio:</b>	<b>-0.26</b>
<b>Excess Risk:</b>	<b>0.72</b>	<b>T-Stat:</b>	<b>-0.59</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>SSgA S&amp;P500</b>									
<b>Net of Fee Return</b>	<b>3.84</b>	<b>7.86</b>	<b>10.49</b>	<b>11.98</b>	<b>8.89</b>	<b>14.67</b>		<b>9/30/09</b>	<b>13.29</b>
Standard & Poor's 500	3.82	7.82	10.47	11.96	8.87	14.66		9/30/09	13.28
Value Added	0.02	0.03	0.02	0.02	0.01	0.01		9/30/09	0.02
<b>T. Rowe Price Instl Sm Cap</b>									
<b>Net of Fee Return</b>	<b>7.57</b>	<b>14.20</b>	<b>19.17</b>	<b>18.98</b>	<b>7.40</b>			<b>9/30/12</b>	<b>14.24</b>
Russell 2000	8.83	18.68	23.18	21.31	6.74			9/30/12	13.61
Value Added	-1.26	-4.48	-4.01	-2.33	0.66			9/30/12	0.63
<b>Domestic Equity Composite</b>									
<b>Net of Fee Return</b>	<b>4.58</b>	<b>9.11</b>	<b>12.18</b>	<b>13.36</b>	<b>8.59</b>	<b>14.50</b>		<b>9/30/07</b>	<b>6.24</b>
Wilshire 5000	4.54	9.03	12.06	13.37	8.76	14.71		9/30/07	6.76
Value Added	0.04	0.08	0.12	-0.01	-0.16	-0.22		9/30/07	-0.52

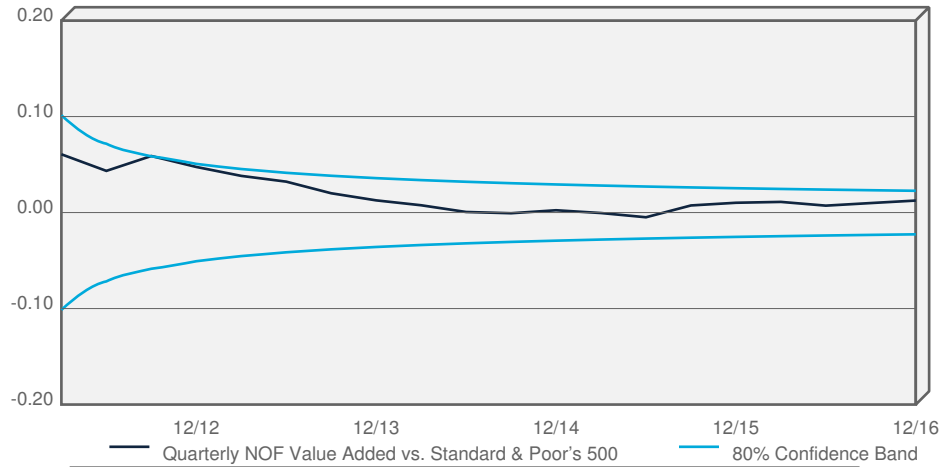
# Investment Manager Analysis



## SSgA S&P500

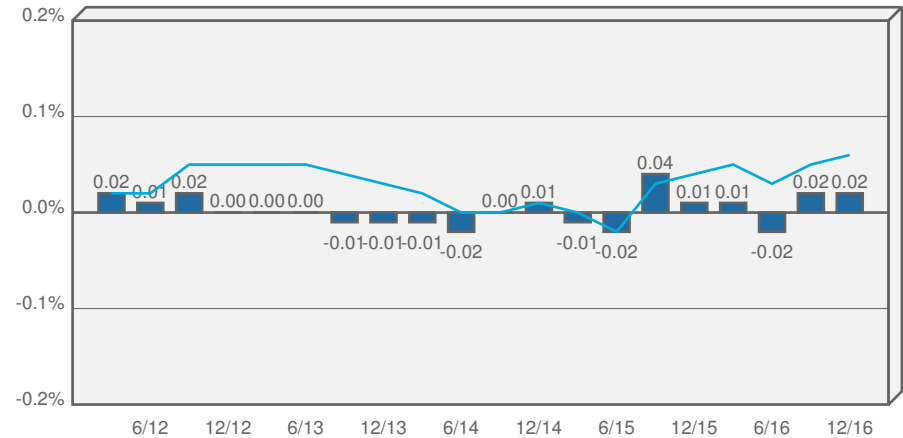
December 31, 2016

Cumulative Skill Analysis vs Benchmark



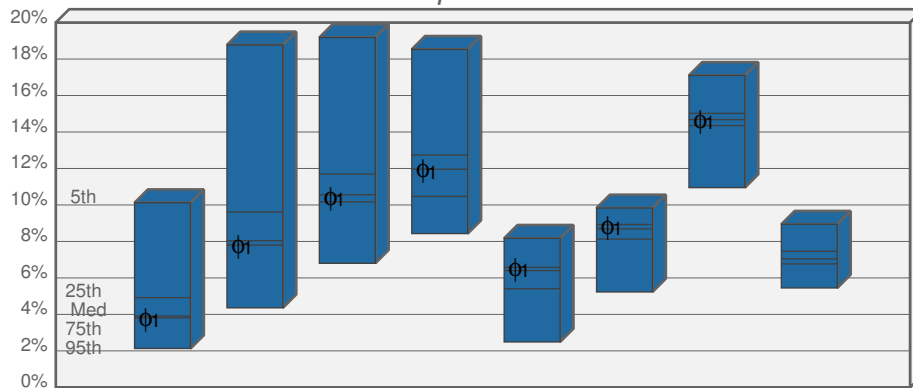
Excess Return:	0.01	Information Ratio:	0.41
Excess Risk:	0.03	T-Stat:	0.91

Value-Added Analysis vs Benchmark



■ Quarterly NOF Value Added vs. Standard & Poor's 500  
 — Cumulative Value Added

Performance Comparison vs Peer Universe\*

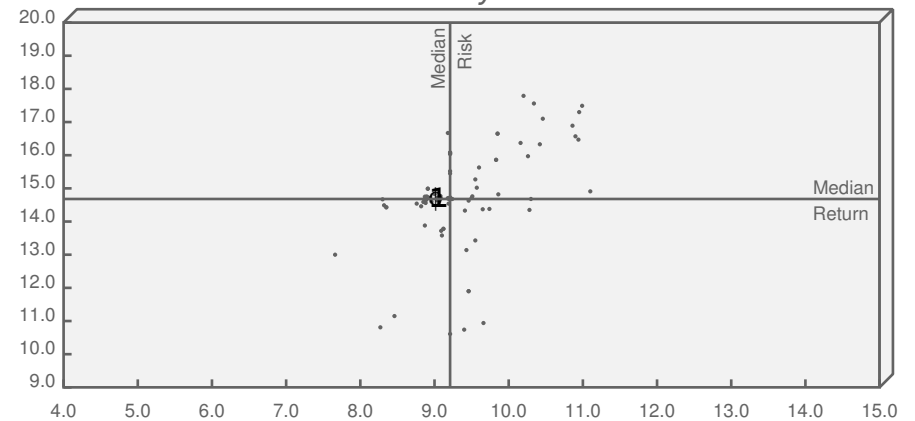


1 Quarter 2 Quarters 3 Quarters 1 Year 2 Years 3 Years 5 Years 10 Years

φ SSgA S&P500	3.85 (56)	7.88 (59)	10.51 (53)	12.03 (43)	6.62 (22)	8.93 (25)	14.72 (40)
1 Standard & Poo	3.82 (71)	7.82 (67)	10.47 (59)	11.96 (50)	6.54 (31)	8.87 (32)	14.66 (55)

Median	3.91	8.04	10.56	11.96	6.40	8.69	14.68	7.04
Number of Funds	238	237	235	231	227	223	192	112

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
SSgA S&P500	φ	14.72	40	9.12	54
Standard & Poor's 500	1	14.66	55	9.13	53
Median		14.68		9.21	

\*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

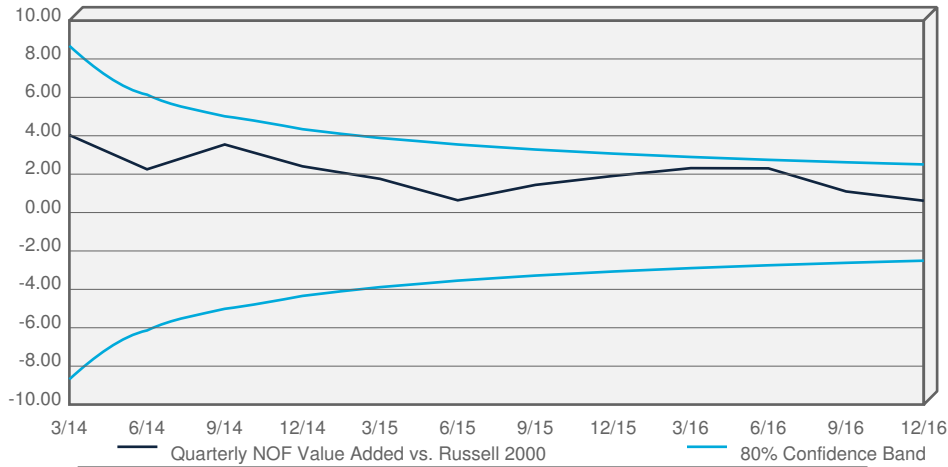
# Investment Manager Analysis



## T. Rowe Price Instl Sm Cap

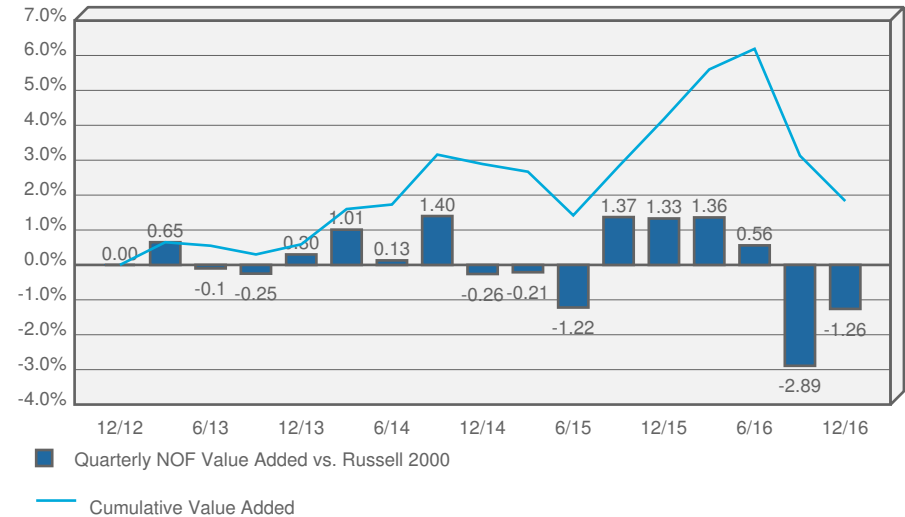
December 31, 2016

Cumulative Skill Analysis vs Benchmark

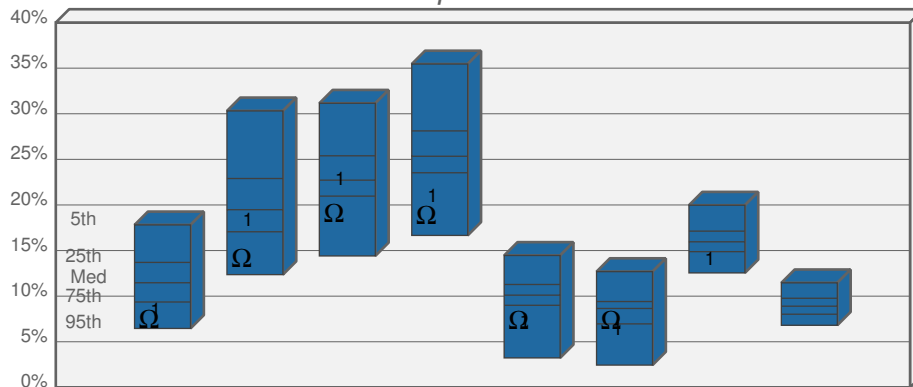


Excess Return:	0.62	Information Ratio:	0.23
Excess Risk:	2.64	T-Stat:	0.40

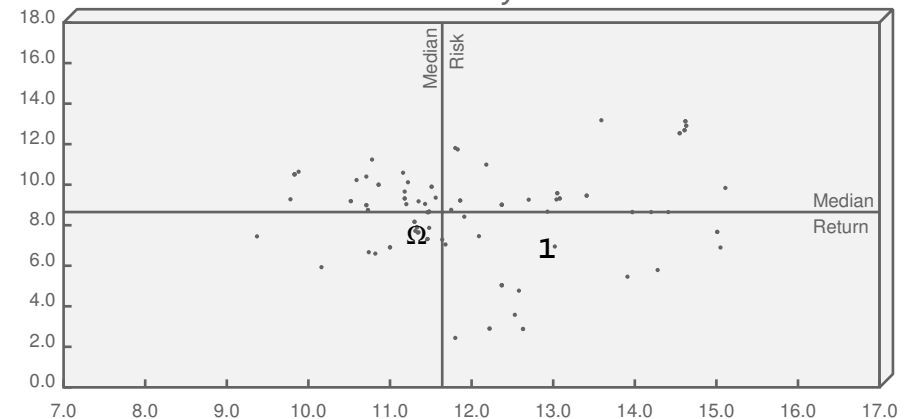
Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe\*



Three Year Risk/Return Analysis vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
Ω T. Rowe Price	7.57 (93)	14.20 (91)	19.17 (81)	18.98 (88)	7.39 (80)	7.40 (69)	14.46 (79)	
1 Russell 2000	8.83 (86)	18.68 (63)	23.18 (45)	21.31 (84)	7.68 (80)	6.74 (79)		
Median	11.47	19.48	22.72	25.34	10.11	8.65	15.96	8.90
Number of Funds	112	112	112	110	105	103	84	43

Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
T. Rowe Price Instl Sm Cap	Ω	7.40	69	11.38	62
Russell 2000	1	6.74	79	12.99	24
Median		8.65		11.64	

\*TUCS Total Returns of Small Neutral Equity Portfolios Universe - Gross of Fees

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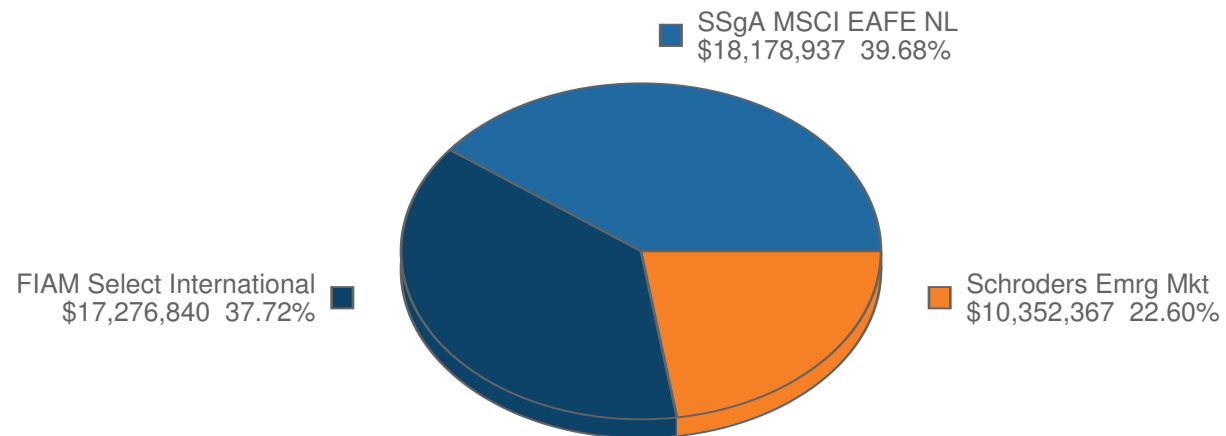
# *International Equity*

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# Manager Allocation

## International Equity Composite

As of December 31, 2016



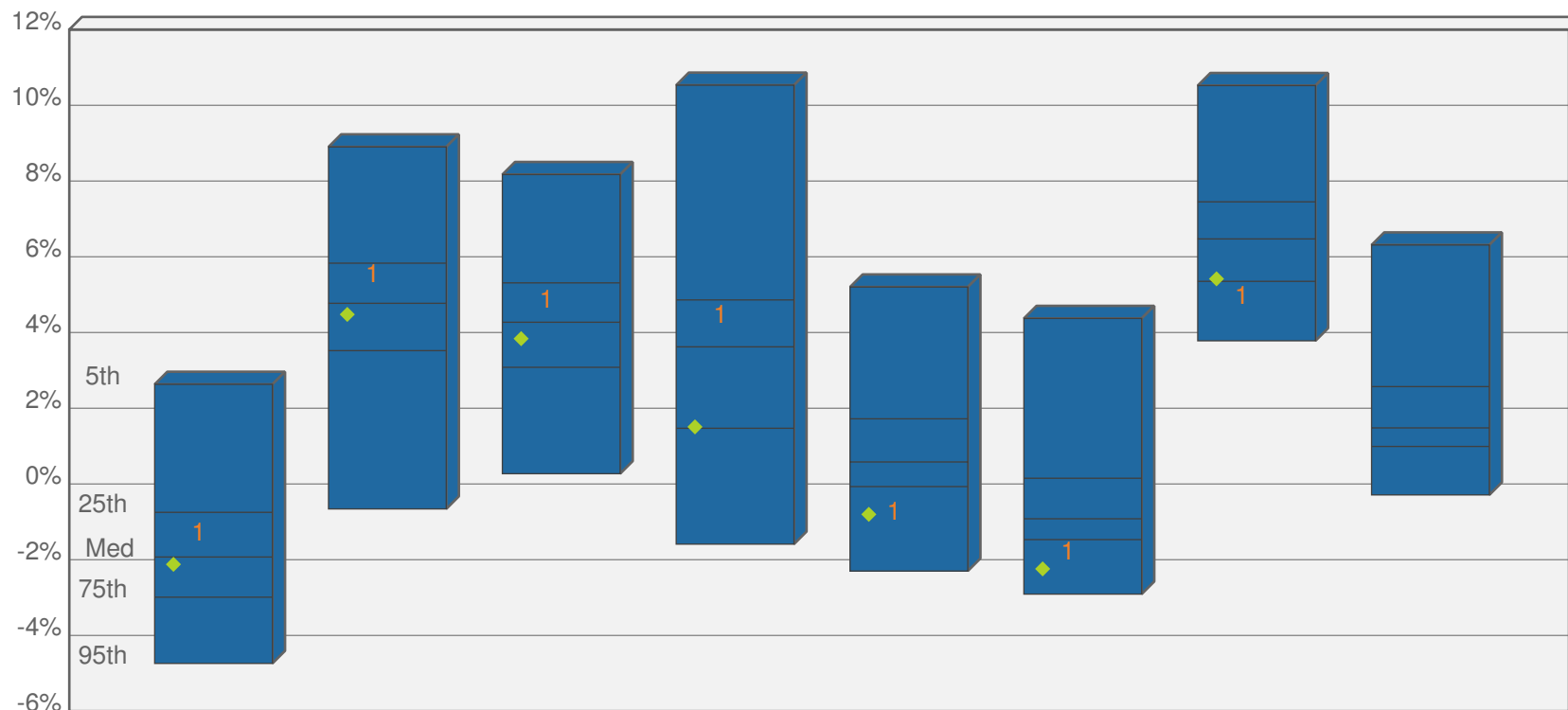


# Performance Comparison



## International Equity Composite

Periods Ended December 31, 2016

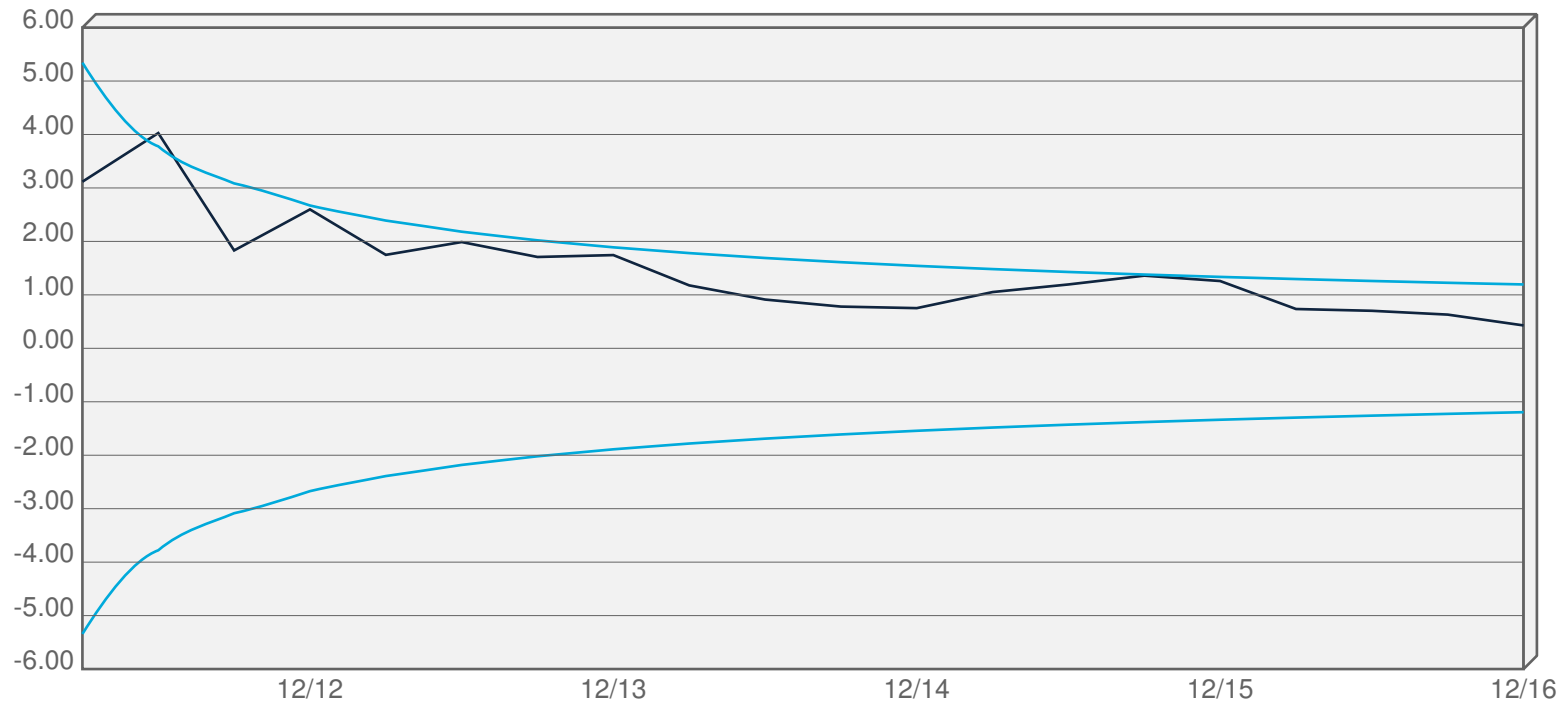


	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ International Equity Com	-2.09 (58)	4.51 (58)	3.87 (59)	1.54 (74)	-0.77 (83)	-2.21 (87)	5.45 (71)	
1 Policy Index	-1.25 (34)	5.57 (34)	4.89 (33)	4.50 (36)	-0.71 (83)	-1.77 (84)	5.00 (83)	
5th %tile	2.63	8.90	8.17	10.53	5.20	4.37	10.52	6.31
25th %tile	-0.75	5.83	5.31	4.86	1.72	0.15	7.45	2.57
Median	-1.93	4.77	4.27	3.62	0.58	-0.92	6.47	1.48
75th %tile	-2.99	3.52	3.08	1.47	-0.07	-1.47	5.35	0.99
95th %tile	-4.74	-0.66	0.27	-1.59	-2.30	-2.91	3.78	-0.29
Number of Funds	141	138	133	129	114	111	95	71

\*TUCS Total Ret of Non-US Equity Investment Pools Universe - Gross of Fees

# Cumulative Skill Analysis

## International Equity Composite Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>0.43</b>	<b>Information Ratio:</b>	<b>0.26</b>
<b>Excess Risk:</b>	<b>1.62</b>	<b>T-Stat:</b>	<b>0.59</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>SSgA MSCI EAFE NL</b>									
<b>Net of Fee Return</b>	<b>-0.71</b>	<b>5.70</b>	<b>4.37</b>	<b>1.29</b>	<b>-1.37</b>	<b>6.78</b>		<b>9/30/09</b>	<b>4.21</b>
MSCI EAFE Index (N)	-0.71	5.67	4.13	1.00	-1.60	6.53		9/30/09	3.98
Value Added	0.01	0.03	0.24	0.29	0.23	0.25		9/30/09	0.22
<b>FIAM Select International</b>									
<b>Net of Fee Return</b>	<b>-2.34</b>	<b>2.55</b>	<b>1.25</b>	<b>-2.92</b>	<b>-3.03</b>	<b>6.14</b>		<b>6/30/08</b>	<b>0.03</b>
MSCI EAFE Index (N)	-0.71	5.67	4.13	1.00	-1.60	6.53		6/30/08	1.00
Value Added	<b>-1.63</b>	<b>-3.12</b>	<b>-2.88</b>	<b>-3.92</b>	<b>-1.43</b>	<b>-0.40</b>		6/30/08	<b>-0.97</b>
<b>Schroders Emrg Mkt</b>									
<b>Net of Fee Return</b>	<b>-4.03</b>	<b>5.79</b>	<b>7.62</b>	<b>10.42</b>	<b>-2.29</b>	<b>2.18</b>		<b>9/30/10</b>	<b>0.04</b>
MSCI Emerging Mkts (N)	-4.17	4.48	5.17	11.18	-2.56	1.28		9/30/10	-1.10
Value Added	0.14	1.31	2.45	<b>-0.77</b>	0.26	0.90		9/30/10	1.14
<b>International Equity Composite</b>									
<b>Net of Fee Return</b>	<b>-2.09</b>	<b>4.51</b>	<b>3.87</b>	<b>1.54</b>	<b>-2.21</b>	<b>5.45</b>		<b>9/30/07</b>	<b>-1.18</b>
Policy Index	-1.25	5.57	4.89	4.50	-1.77	5.00		9/30/07	-1.43
Value Added	<b>-0.84</b>	<b>-1.06</b>	<b>-1.02</b>	<b>-2.95</b>	<b>-0.43</b>	0.45		9/30/07	0.25

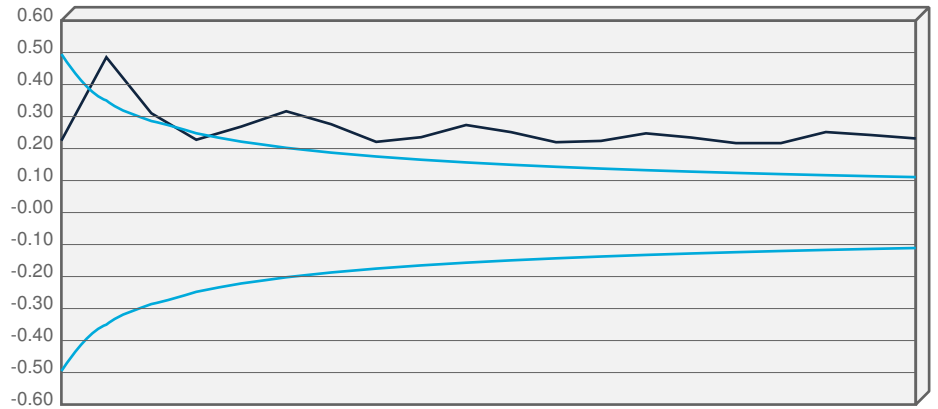
# Investment Manager Analysis



## SSgA MSCI EAFE NL

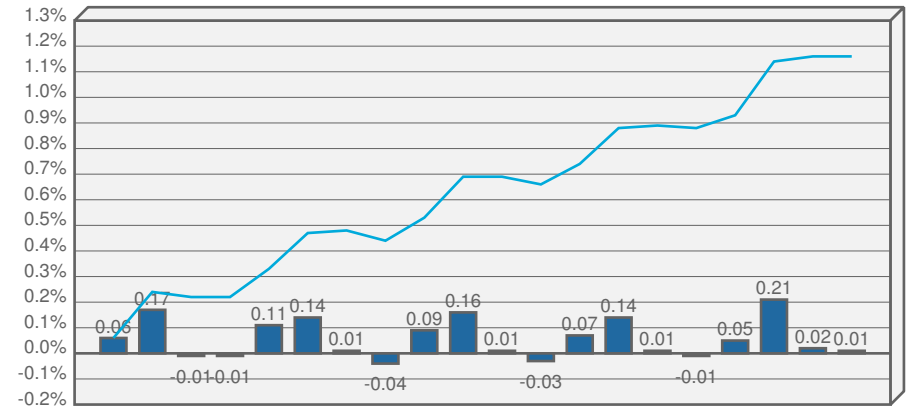
December 31, 2016

Cumulative Skill Analysis vs Benchmark

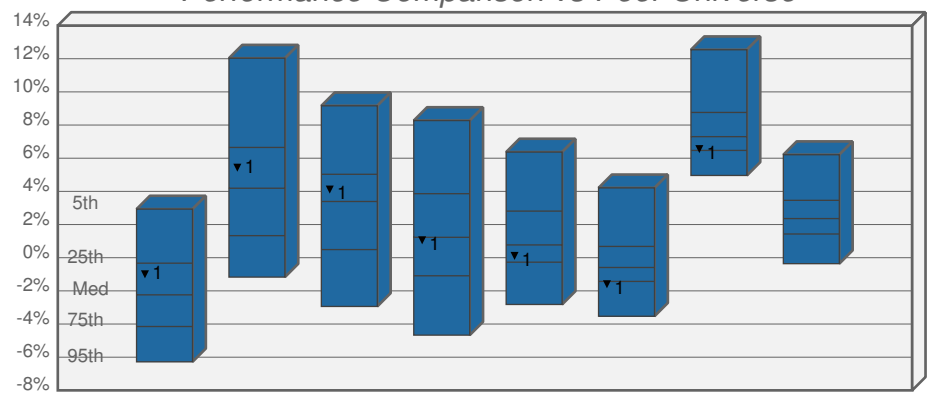


Excess Return:	0.23	Information Ratio:	1.54
Excess Risk:	0.15	T-Stat:	3.44

Value-Added Analysis vs Benchmark

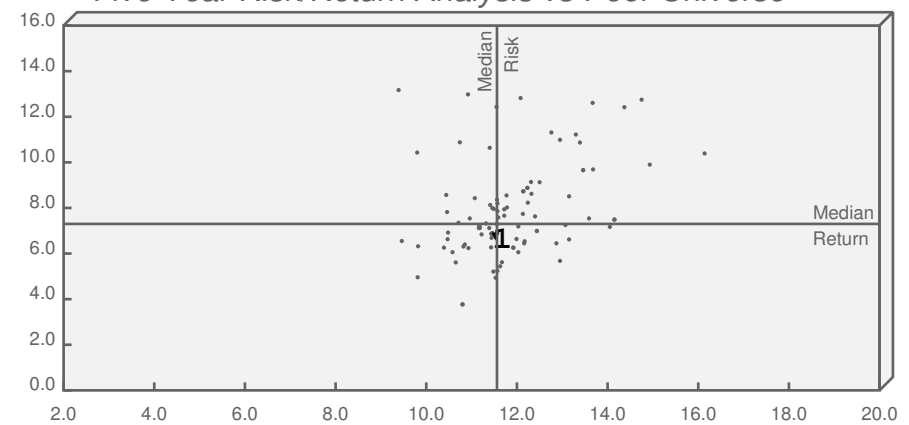


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
▼ SSgA MSCI EAFE	0.68 (29)	5.75 (34)	4.43 (34)	1.37 (47)	0.43 (57)	-1.28 (70)	6.87 (66)	
1 MSCI EAFE Inde	-0.71 (31)	5.67 (36)	4.13 (38)	1.00 (55)	0.09 (69)	-1.60 (78)	6.53 (74)	
Median	-2.24	4.19	3.39	1.23	0.77	-0.59	7.30	2.36
Number of Funds	488	486	485	483	474	459	380	223

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
SSgA MSCI EAFE NL	▼	6.87	66	11.76	45
MSCI EAFE Index (N)	1	6.53	74	11.79	43
Median		7.30		11.56	

\*TUCS Total Returns of Intl Equity Portfolios - EAFE Universe - Gross of Fees

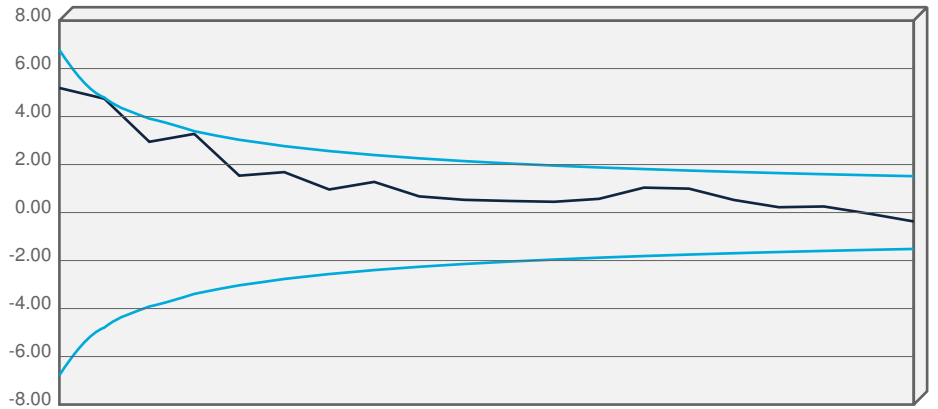
# Investment Manager Analysis



## FIAM Select International

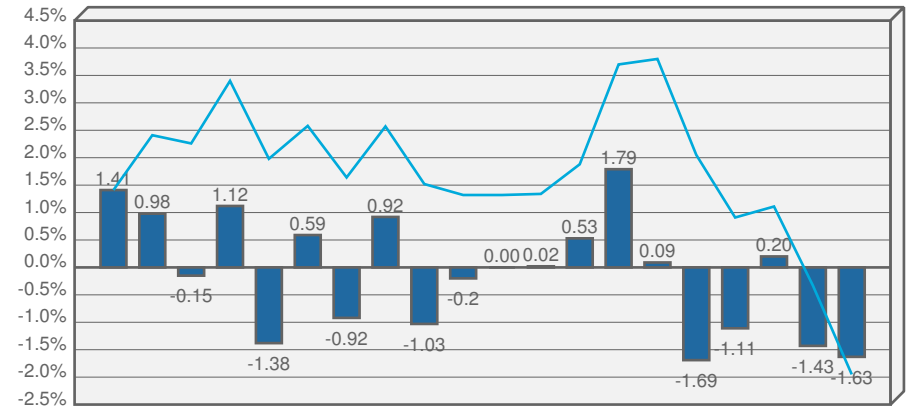
December 31, 2016

Cumulative Skill Analysis vs Benchmark



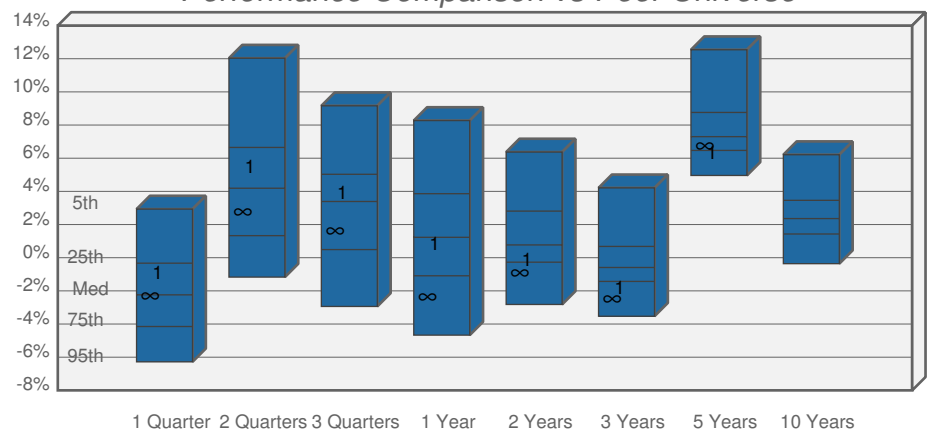
Excess Return:	-0.37	Information Ratio:	-0.18
Excess Risk:	2.06	T-Stat:	-0.40

Value-Added Analysis vs Benchmark



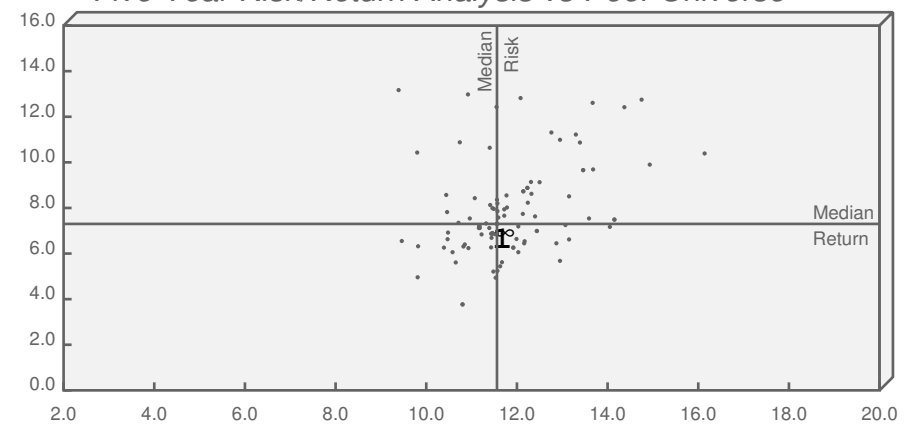
■ Quarterly NOF Value Added vs. MSCI EAFE Index (N)  
 — Cumulative Value Added

Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
∞ FIAM Select In	-2.16 (49)	2.92 (65)	1.78 (67)	-2.22 (85)	-0.80 (81)	-2.35 (88)	6.88 (64)	
1 MSCI EAFE Inde	-0.71 (31)	5.67 (36)	4.13 (38)	1.00 (55)	0.09 (69)	-1.60 (78)	6.53 (74)	
Median	-2.24	4.19	3.39	1.23	0.77	-0.59	7.30	2.36
Number of Funds	488	486	485	483	474	459	380	223

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
FIAM Select International	∞	6.88	64	11.86	42
MSCI EAFE Index (N)	1	6.53	74	11.79	43
Median		7.30		11.56	

\*TUCS Total Returns of Intl Equity Portfolios - EAFE Universe - Gross of Fees

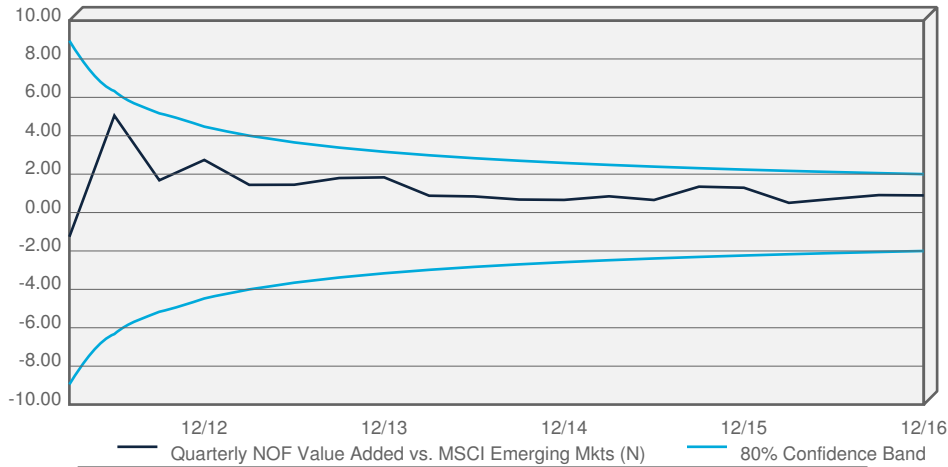
# Investment Manager Analysis



## Schroders Emrg Mkt

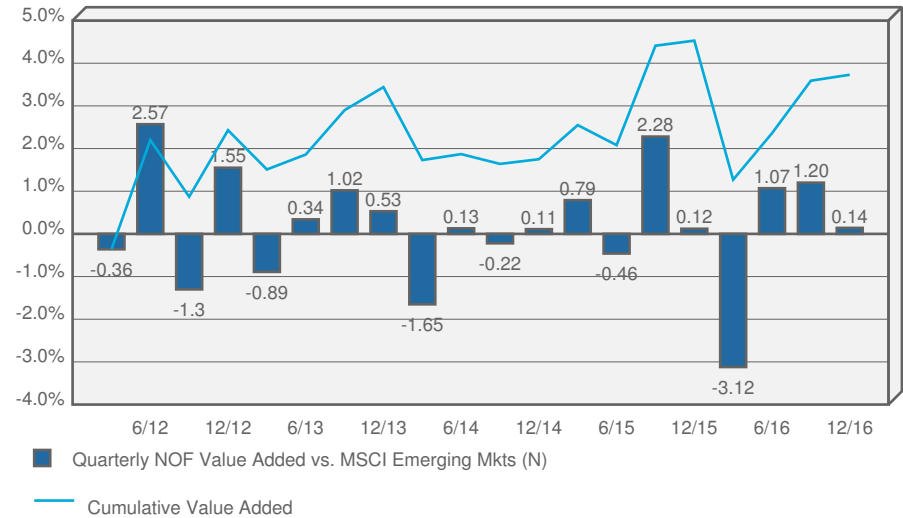
December 31, 2016

Cumulative Skill Analysis vs Benchmark

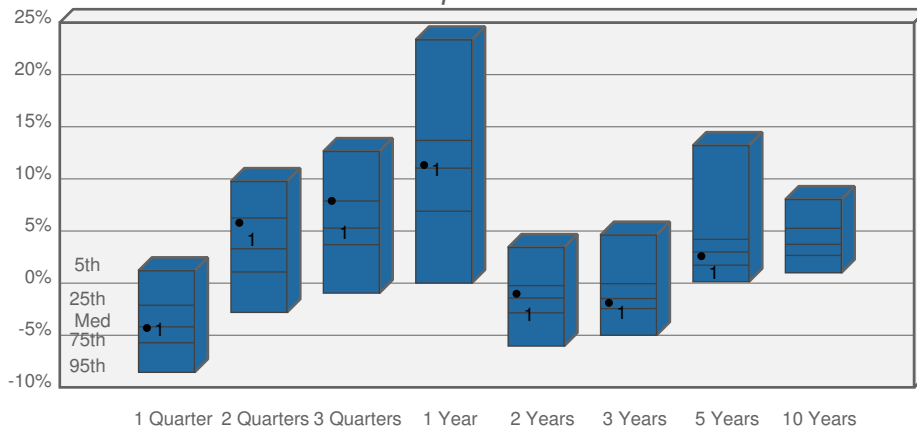


<b>Excess Return:</b>	0.89	<b>Information Ratio:</b>	0.33
<b>Excess Risk:</b>	2.72	<b>T-Stat:</b>	0.73

Value-Added Analysis vs Benchmark

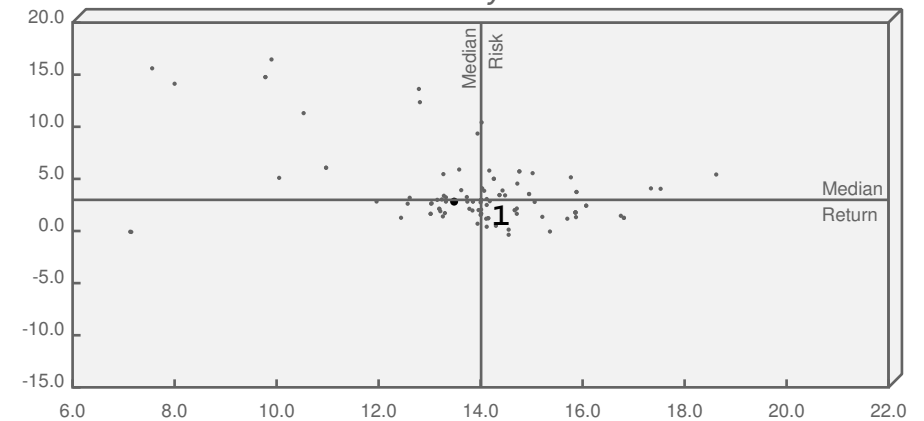


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
● Schroders Emrg	-3.79 (41)	6.30 (24)	8.40 (21)	11.84 (41)	-0.51 (29)	-1.38 (49)	3.10 (46)	
1 MSCI Emerging	-4.17 (49)	4.48 (39)	5.17 (53)	11.18 (47)	-2.74 (72)	-2.56 (75)	1.28 (83)	
Median	-4.19	3.30	5.28	11.03	-1.43	-1.48	2.99	3.72
Number of Funds	248	241	240	239	213	205	190	107

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Schroders Emrg Mkt	●	3.10	46	13.69	62
MSCI Emerging Mkts (N)	1	1.28	83	14.51	33
Median		2.99		14.01	

\*TUCS Total Returns of Intl Equity Portfolios - Emerging Markets Universe - Gross of Fees

# Custom Benchmark Specification



## International Equity Composite

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	9/07	9/10	100.00	MSCI EAFE Index (N)
	12/10	12/16	100.00	MSCI ACWI X US (N)

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*Fixed Income*

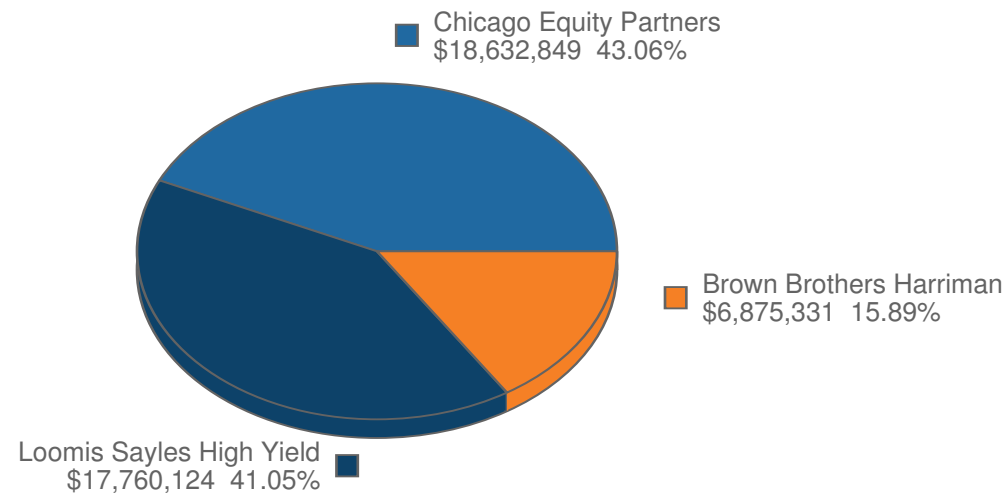
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# Manager Allocation

## Fixed Income Composite

As of December 31, 2016

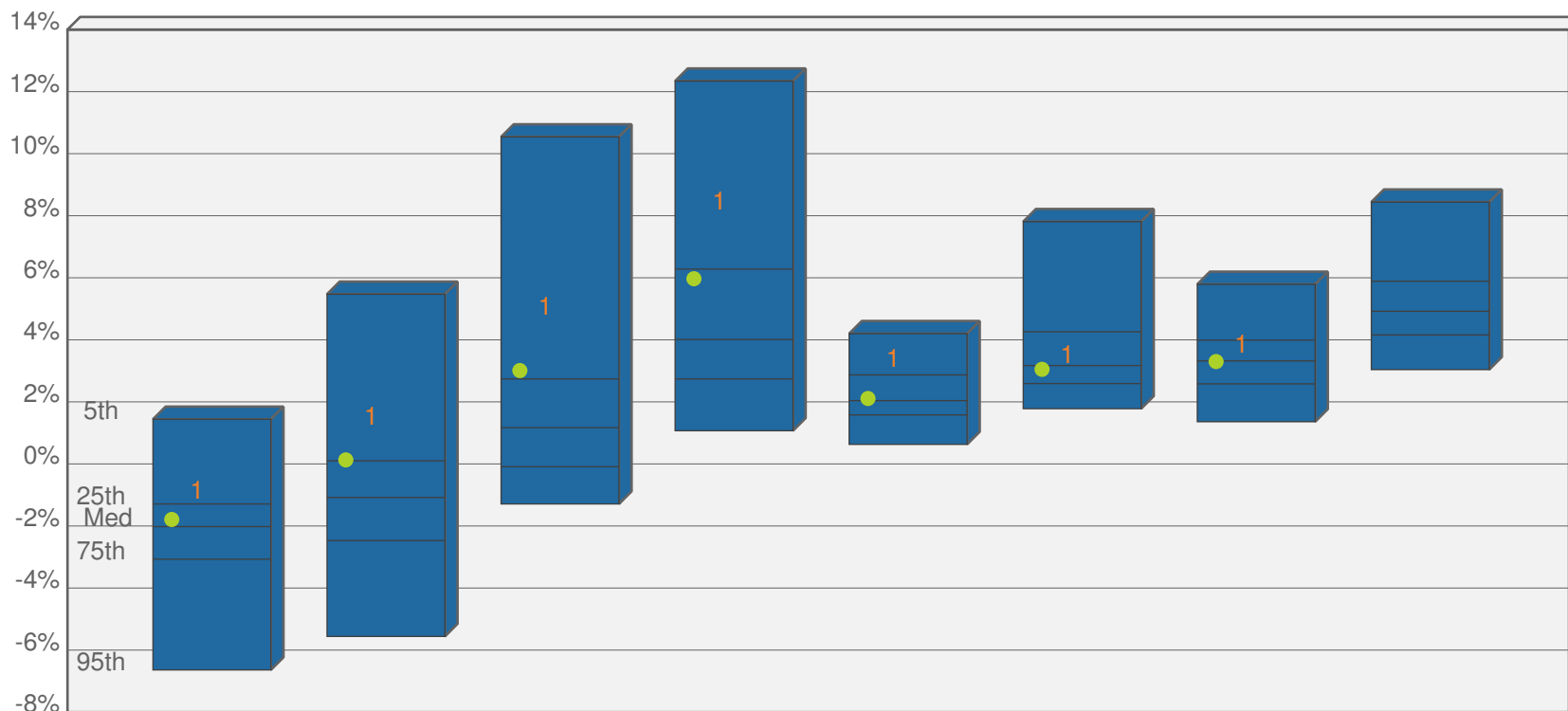


# Performance Comparison



## Fixed Income Composite

Periods Ended December 31, 2016



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
● Fixed Income Composite	-1.75 (39)	0.17 (23)	3.05 (22)	6.01 (26)	2.15 (43)	3.09 (56)	3.34 (49)	
1 Policy Index	-0.84 (17)	1.56 (11)	5.10 (10)	8.50 (11)	3.40 (12)	3.54 (35)	3.88 (29)	
5th %tile	1.44	5.47	10.54	12.34	4.20	7.81	5.79	8.44
25th %tile	-1.29	0.10	2.74	6.28	2.87	4.26	3.99	5.89
Median	-2.02	-1.08	1.17	4.01	2.04	3.17	3.32	4.92
75th %tile	-3.07	-2.47	-0.09	2.74	1.58	2.59	2.58	4.16
95th %tile	-6.64	-5.56	-1.29	1.07	0.63	1.78	1.36	3.04
Number of Funds	170	165	161	157	148	143	112	72

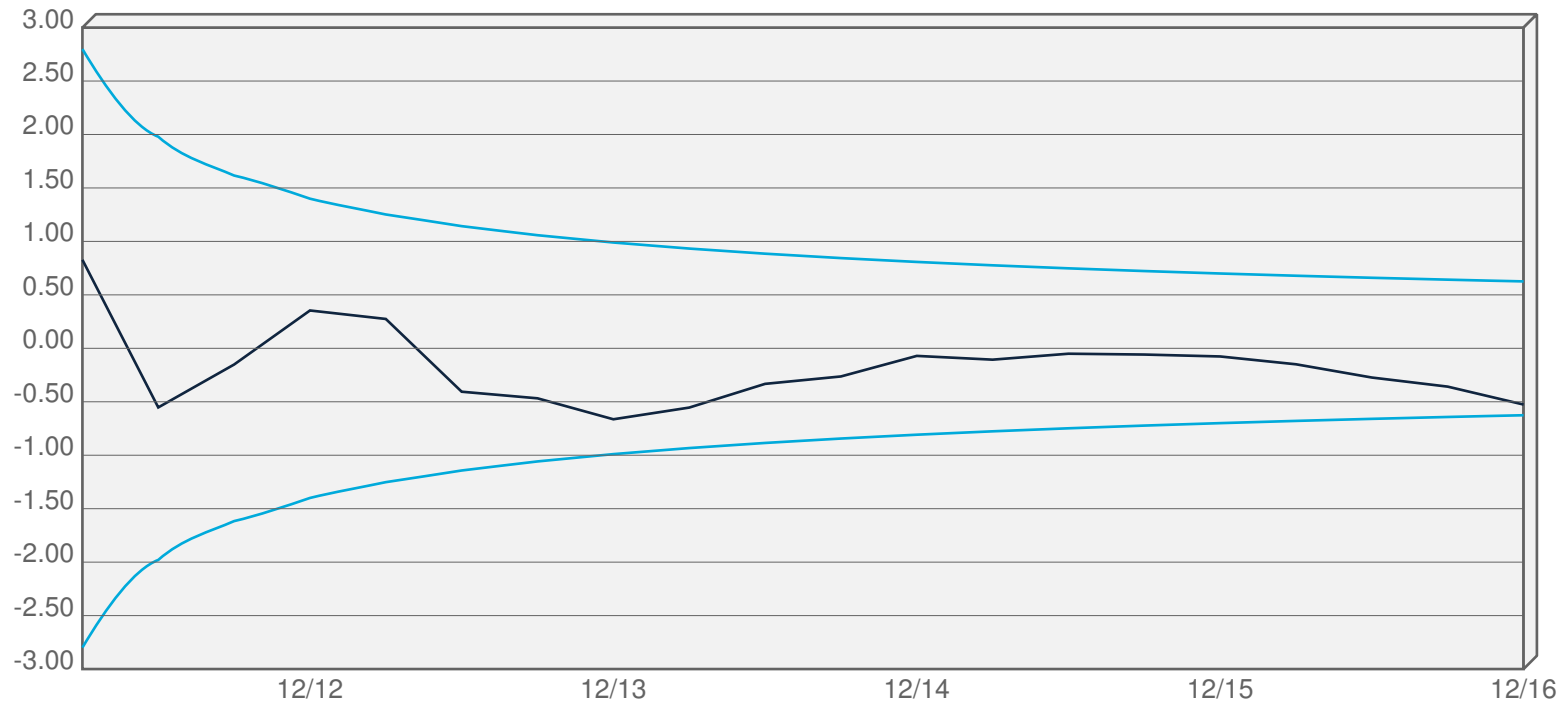
\*TUCS Total Ret of Fixed Income Investment Pools Universe - Gross of Fees

# Cumulative Skill Analysis



## Fixed Income Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>-0.53</b>	<b>Information Ratio:</b>	<b>-0.62</b>
<b>Excess Risk:</b>	<b>0.85</b>	<b>T-Stat:</b>	<b>-1.38</b>

# Performance Comparison



## Trailing Returns

Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>Chicago Equity Partners</b>									
<b>Net of Fee Return</b>	<b>-3.66</b>	<b>-3.75</b>	<b>-1.87</b>	<b>1.01</b>	<b>2.44</b>	<b>1.38</b>		<b>3/31/11</b>	<b>2.72</b>
Barclays Aggregate	-2.98	-2.53	-0.37	2.65	3.03	2.23		3/31/11	3.21
Value Added	-0.69	-1.22	-1.50	-1.64	-0.59	-0.86		3/31/11	-0.49
<b>Loomis Sayles High Yield</b>									
<b>Net of Fee Return</b>	<b>0.55</b>	<b>5.50</b>	<b>10.48</b>	<b>12.64</b>	<b>3.85</b>	<b>7.44</b>		<b>12/31/07</b>	<b>7.87</b>
ML High Yld II Tot Ret	1.88	7.47	13.79	17.49	4.72	7.35		12/31/07	7.93
Value Added	-1.33	-1.97	-3.32	-4.85	-0.87	0.09		12/31/07	-0.05
<b>Brown Brothers Harriman</b>									
<b>Net of Fee Return</b>	<b>-2.26</b>	<b>-1.31</b>	<b>0.33</b>	<b>4.93</b>	<b>2.67</b>			<b>12/31/12</b>	<b>-0.47</b>
Barclays U.S. TIPS	-2.41	-1.47	0.22	4.68	2.26			12/31/12	-0.57
Value Added	0.15	0.16	0.11	0.25	0.41			12/31/12	0.10
<b>Fixed Income Composite</b>									
<b>Net of Fee Return</b>	<b>-1.75</b>	<b>0.17</b>	<b>3.05</b>	<b>6.01</b>	<b>3.09</b>	<b>3.34</b>		<b>9/30/07</b>	<b>4.79</b>
Policy Index	-0.84	1.56	5.10	8.50	3.54	3.88		9/30/07	5.40
Value Added	-0.90	-1.39	-2.05	-2.49	-0.45	-0.54		9/30/07	-0.62

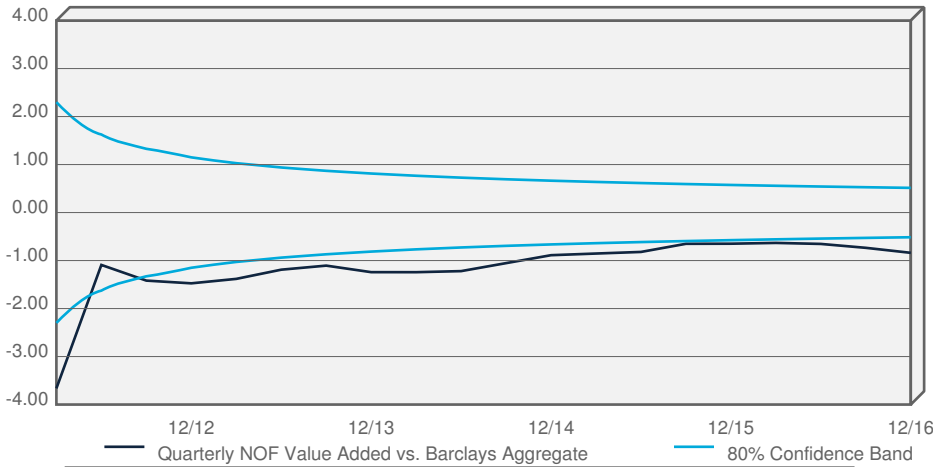
# Investment Manager Analysis



## Chicago Equity Partners

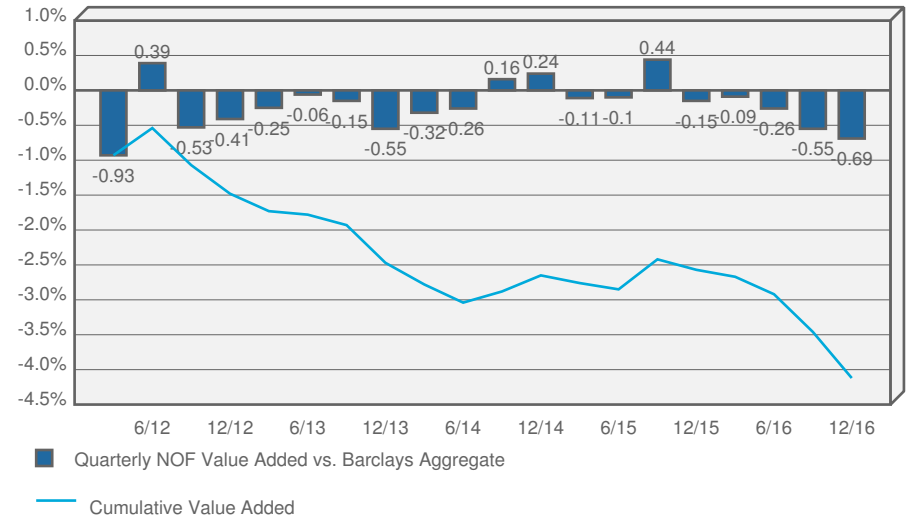
December 31, 2016

Cumulative Skill Analysis vs Benchmark

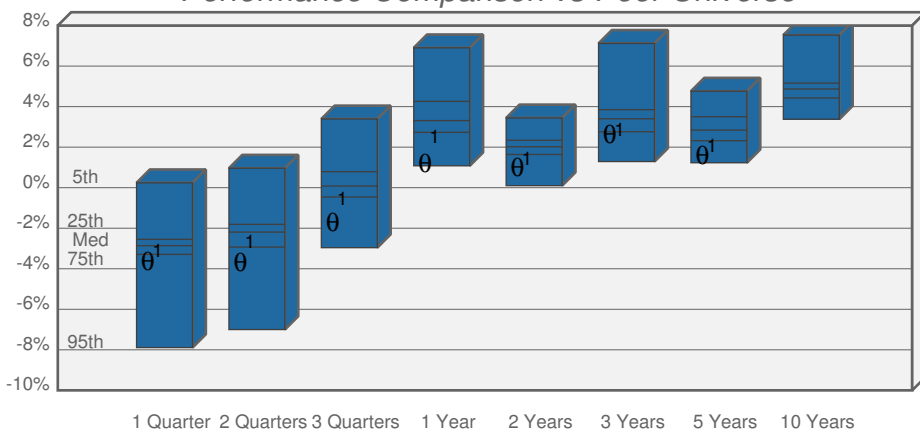


Excess Return:	-0.84	Information Ratio:	-1.20
Excess Risk:	0.70	T-Stat:	-2.68

Value-Added Analysis vs Benchmark

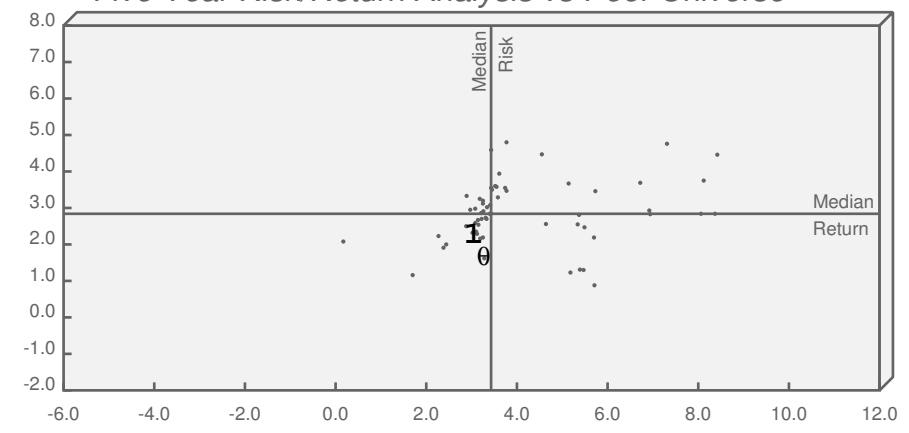


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
Chicago Equity Partners	-3.60 (78)	-3.64 (82)	-1.70 (84)	1.25 (92)	1.06 (88)	2.69 (77)	1.62 (90)	
Barclays Aggregate	-2.98 (58)	-2.53 (60)	-0.37 (72)	2.65 (75)	1.59 (77)	3.03 (65)	2.23 (78)	
Median	-2.86	-2.19	0.08	3.31	2.02	3.40	2.84	4.87
Number of Funds	83	83	83	79	78	73	60	34

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Chicago Equity Partners	$\theta$	1.62	90	3.44	48
Barclays Aggregate	<b>1</b>	2.23	78	3.16	73
Median		2.84		3.43	

\*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees

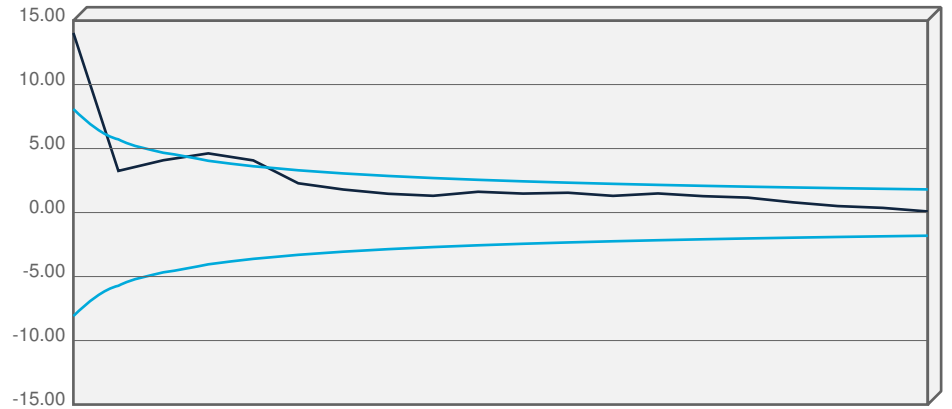
# Investment Manager Analysis



## Loomis Sayles High Yield

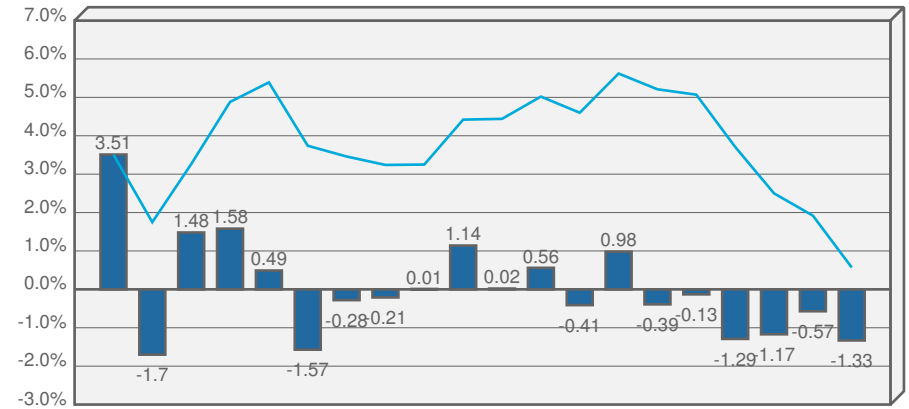
December 31, 2016

Cumulative Skill Analysis vs Benchmark



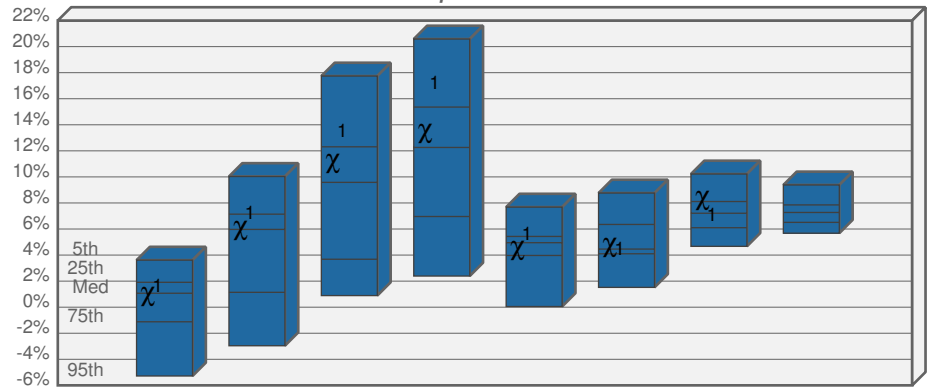
Excess Return:	0.08	Information Ratio:	0.03
Excess Risk:	2.46	T-Stat:	0.08

Value-Added Analysis vs Benchmark

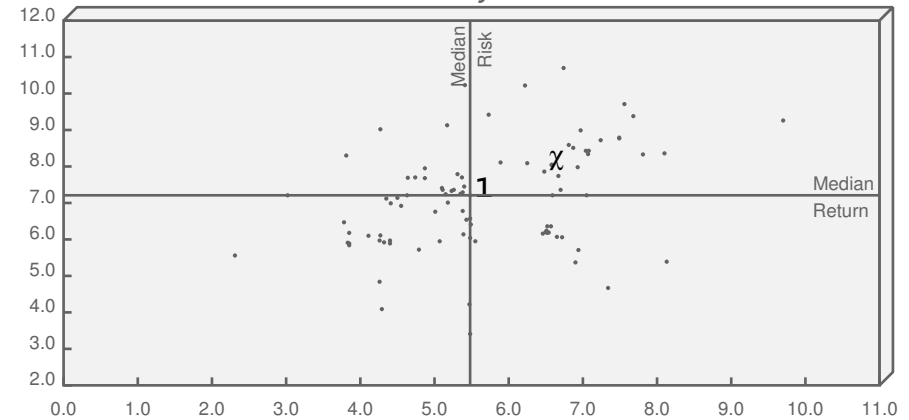


■ Quarterly NOF Value Added vs. ML High Yld II Tot Ret  
 — Cumulative Value Added

Performance Comparison vs Peer Universe\*



Five Year Risk/Return Analysis vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
<b>X</b> Loomis Sayles	0.67 (61)	5.75 (56)	10.87 (44)	13.20 (42)	4.20 (67)	4.41 (55)	8.04 (28)	
<b>1</b> ML High Yld II	1.88 (26)	7.47 (22)	13.79 (18)	17.49 (11)	5.85 (14)	4.72 (45)	7.35 (43)	
Median	1.07	5.97	9.58	12.26	4.95	4.46	7.21	7.27
Number of Funds	163	161	157	156	142	128	93	35

Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Loomis Sayles High Yield	<b>X</b>	8.04	28	6.75	25
ML High Yld II Tot Ret	<b>1</b>	7.35	43	5.74	45
Median		7.21		5.48	

\*TUCS Total Returns of Fixed Income Portfolios - High Yield Universe - Gross of Fees

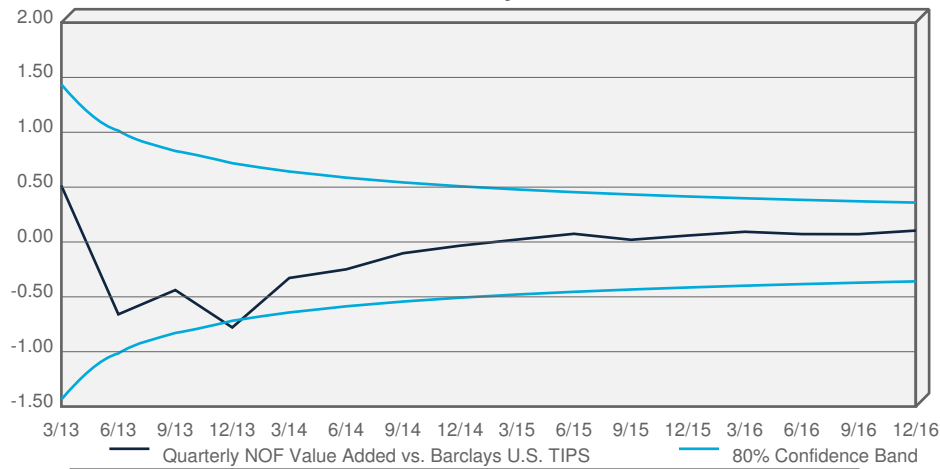
# Investment Manager Analysis



## Brown Brothers Harriman

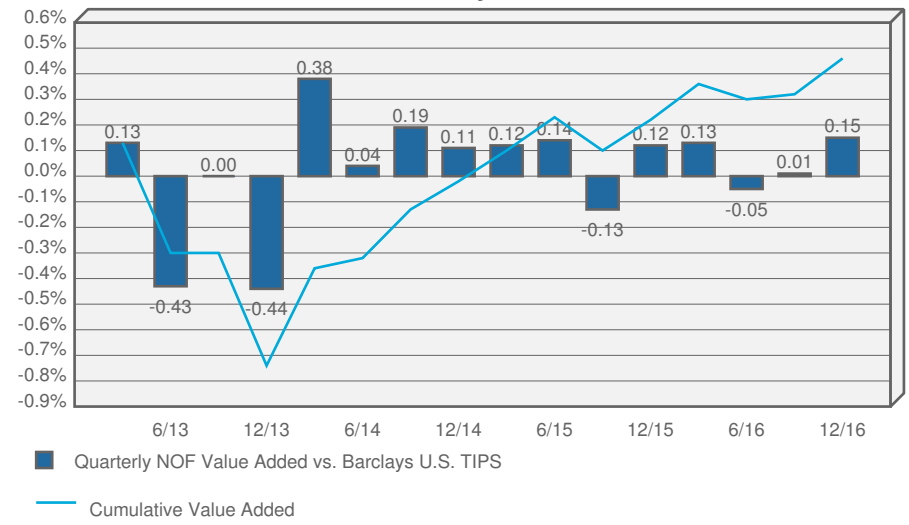
December 31, 2016

Cumulative Skill Analysis vs Benchmark

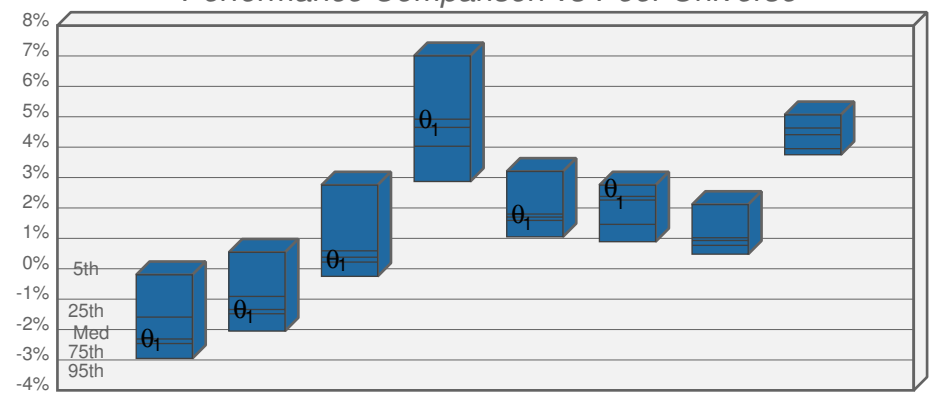


Excess Return:	0.10	Information Ratio:	0.24
Excess Risk:	0.44	T-Stat:	0.48

Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
$\theta$ Brown Brothers	-2.26 (48)	-1.31 (44)	0.33 (60)	4.93 (24)	1.82 (21)	2.67 ( 7)		
$\mathbf{1}$ Barclays U.S.	-2.41 (58)	-1.47 (72)	0.22 (78)	4.68 (46)	1.58 (78)	2.26 (53)		
Median	-2.31	-1.34	0.38	4.65	1.70	2.26	0.93	4.41
Number of Funds	29	29	28	28	28	28	28	22

\*Compass Total Returns of Active TIPS Portfolios Universe - Gross of Fees

# Custom Benchmark Specification



## Fixed Income Composite

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	9/07	12/07	100.00	Bloomberg Barclays Aggregate
	3/08	12/10	20.00	Bloomberg Barclays 1-10 Yrs TIPS
			20.00	ML High Yld II Tot Ret
			60.00	Bloomberg Barclays Aggregate
	3/11	6/11	20.00	ML High Yld II Tot Ret
			20.00	Bloomberg Barclays 1-10 Yrs TIPS
			60.00	Bloomberg Barclays Aggregate
	9/11	9/11	18.18	Bloomberg Barclays 1-10 Yrs TIPS
			54.55	Bloomberg Barclays Aggregate
			27.27	ML High Yld II Tot Ret
	12/11	12/11	16.67	Bloomberg Barclays 1-10 Yrs TIPS
			50.00	Bloomberg Barclays Aggregate
33.33			ML High Yld II Tot Ret	
3/12	3/16	46.62	Bloomberg Barclays Aggregate	
		17.79	Bloomberg Barclays 1-10 Yrs TIPS	
		35.59	ML High Yld II Tot Ret	
6/16	12/16	16.95	Bloomberg Barclays 1-10 Yrs TIPS	
		44.07	Bloomberg Barclays Aggregate	
		38.98	ML High Yld II Tot Ret	



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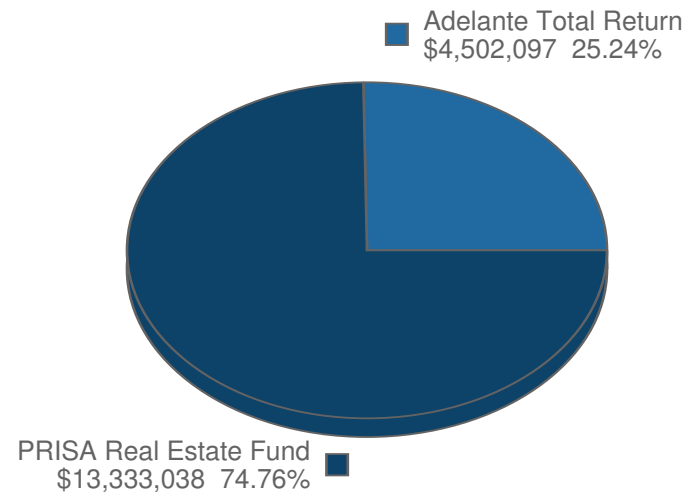
*Real Estate*

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# Manager Allocation

## Real Estate Composite

As of December 31, 2016

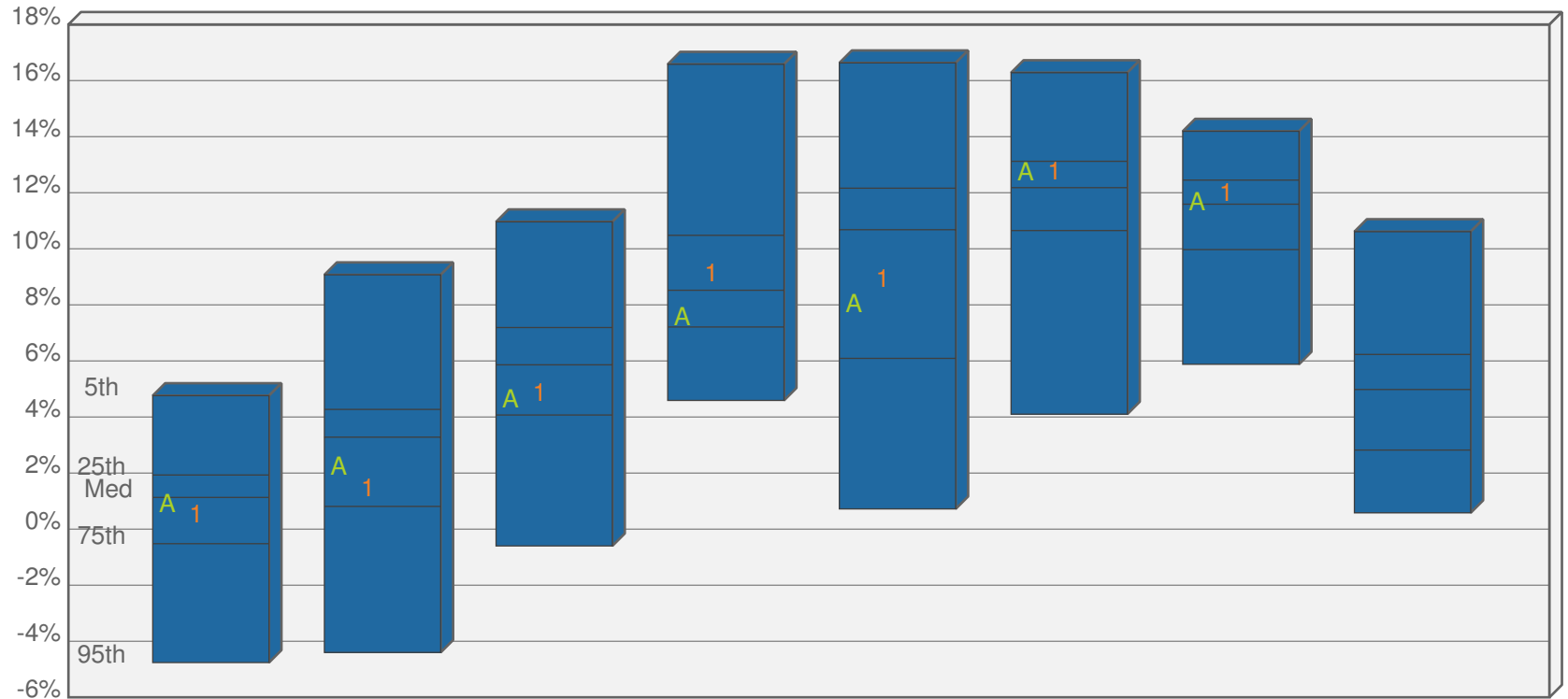


# Performance Comparison



## Real Estate Composite

Periods Ended December 31, 2016



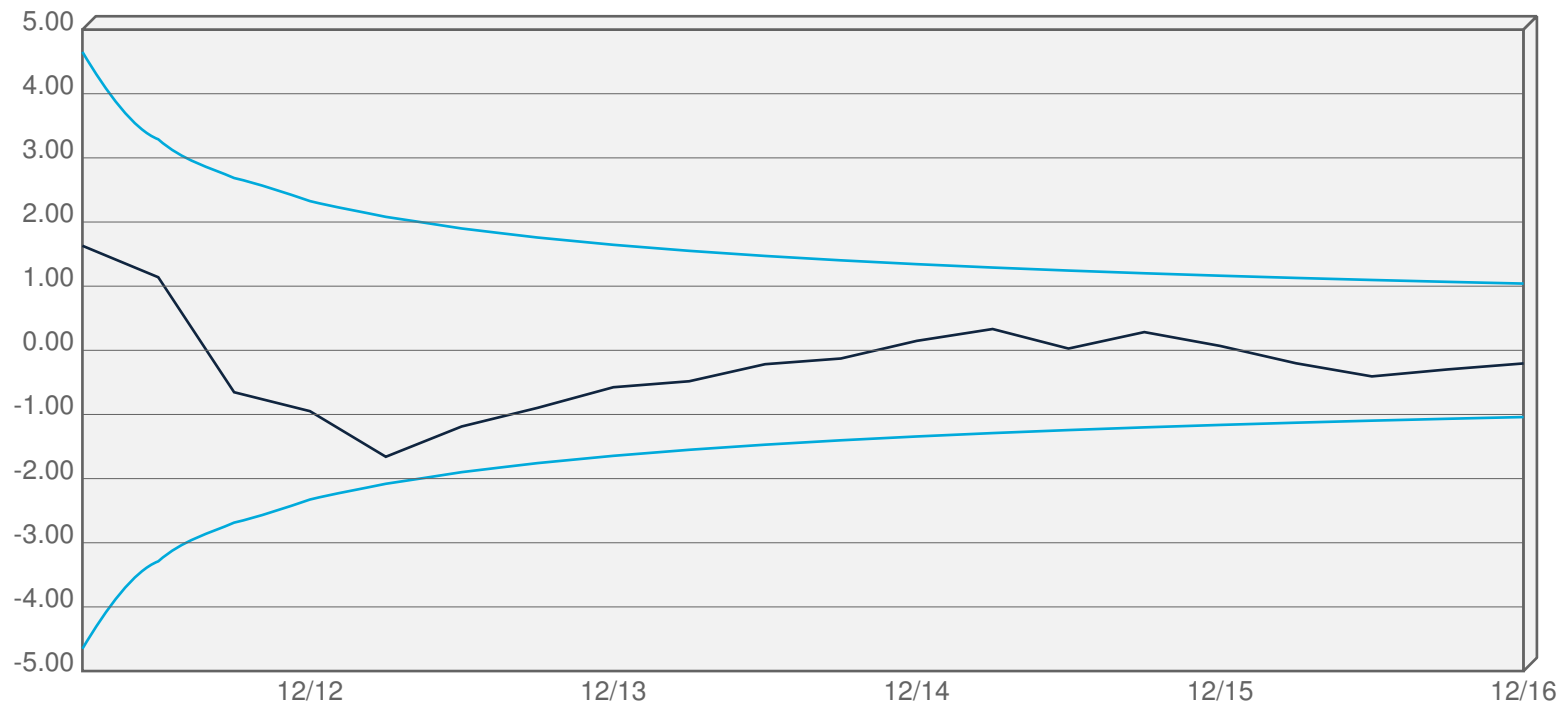
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
<b>A</b> Real Estate Composite	0.91 (60)	2.24 (61)	4.65 (66)	7.58 (66)	8.06 (68)	12.74 (33)	11.69 (48)	
<b>1</b> Policy Index	0.54 (61)	1.47 (67)	4.89 (63)	9.14 (37)	8.96 (65)	12.78 (31)	12.02 (40)	
5th %tile	4.76	9.07	10.96	16.58	16.63	16.28	14.19	10.61
25th %tile	1.93	4.27	7.19	10.48	12.16	13.12	12.45	6.23
Median	1.13	3.28	5.86	8.52	10.68	12.18	11.59	4.98
75th %tile	-0.52	0.81	4.07	7.21	6.09	10.65	9.97	2.82
95th %tile	-4.76	-4.40	-0.60	4.59	0.72	4.10	5.88	0.58
Number of Funds	77	76	71	71	64	62	53	36

\*TUCS Total Ret of Real Estate Investment Pools Universe - Gross of Fees

# Cumulative Skill Analysis

## Real Estate Composite

Five Years Ending December 31, 2016



— Quarterly NOF Value Added vs. Policy Index

— 80% Confidence Band

<b>Excess Return:</b>	<b>-0.20</b>	<b>Information Ratio:</b>	<b>-0.14</b>
<b>Excess Risk:</b>	<b>1.41</b>	<b>T-Stat:</b>	<b>-0.32</b>

# Performance Comparison



## Trailing Returns

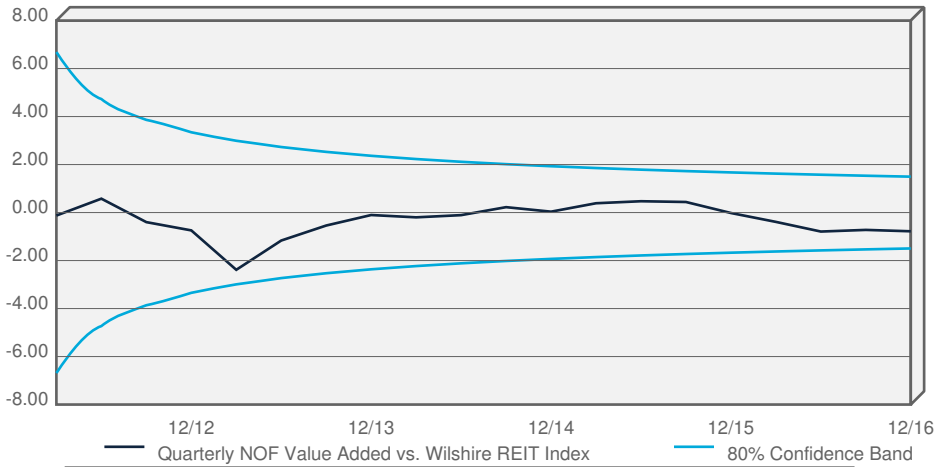
Periods Ended December 31, 2016

	Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Incept Date	Incept Ret
<b>Adelante Total Return</b>									
<b>Net of Fee Return</b>	<b>-2.74</b>	<b>-3.79</b>	<b>-0.34</b>	<b>3.20</b>	<b>12.38</b>	<b>11.15</b>		<b>12/31/10</b>	<b>10.89</b>
Wilshire REIT Index	-2.28	-3.46	1.94	7.24	13.78	12.02		12/31/10	11.56
Value Added	<b>-0.46</b>	<b>-0.33</b>	<b>-2.28</b>	<b>-4.04</b>	<b>-1.40</b>	<b>-0.87</b>		12/31/10	<b>-0.66</b>
<b>PRISA Real Estate Fund</b>									
<b>Net of Fee Return</b>	<b>2.19</b>	<b>3.94</b>	<b>5.73</b>	<b>7.86</b>	<b>11.50</b>	<b>11.33</b>		<b>12/31/07</b>	<b>3.17</b>
NCREIF ODCE NOF	1.88	3.74	5.73	7.79	11.04	11.16		12/31/07	3.79
Value Added	0.31	0.19	0.01	0.07	0.47	0.17		12/31/07	<b>-0.62</b>
<b>Real Estate Composite</b>									
<b>Net of Fee Return</b>	<b>0.91</b>	<b>2.24</b>	<b>4.65</b>	<b>7.58</b>	<b>12.74</b>	<b>11.69</b>		<b>12/31/07</b>	<b>2.90</b>
Policy Index	0.54	1.47	4.89	9.14	12.78	12.02		12/31/07	4.18
Value Added	0.37	0.77	<b>-0.24</b>	<b>-1.55</b>	<b>-0.04</b>	<b>-0.33</b>		12/31/07	<b>-1.28</b>

## Adelante Total Return

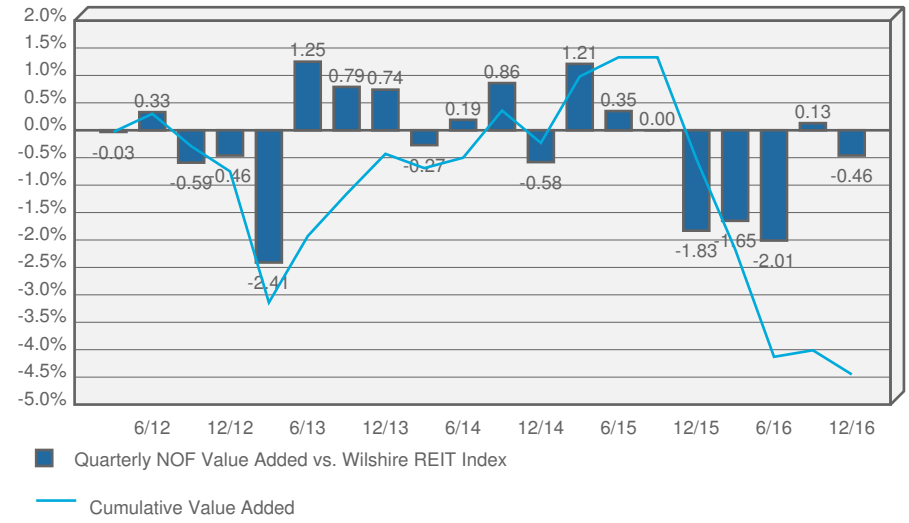
December 31, 2016

Cumulative Skill Analysis vs Benchmark

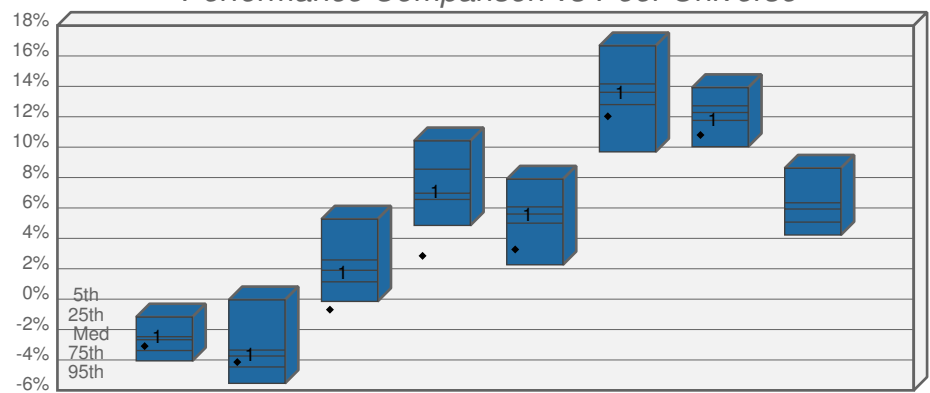


Excess Return:	-0.78	Information Ratio:	-0.38
Excess Risk:	2.03	T-Stat:	-0.86

Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ Adelante Total	-2.74 (51)	-3.79 (54)	-0.34 (100)	3.20 (100)	3.62 (87)	12.38 (81)	11.15 (87)	
▮ Wilshire REIT	-2.28 (15)	-3.46 (30)	1.94 (48)	7.24 (42)	5.73 (42)	13.78 (39)	12.02 (63)	
Median	-2.67	-3.74	1.90	6.97	5.60	13.61	12.28	5.93
Number of Funds	33	33	33	33	33	33	33	29

\*Compass Total Returns of REIT Equity Portfolios Universe - Gross of Fees

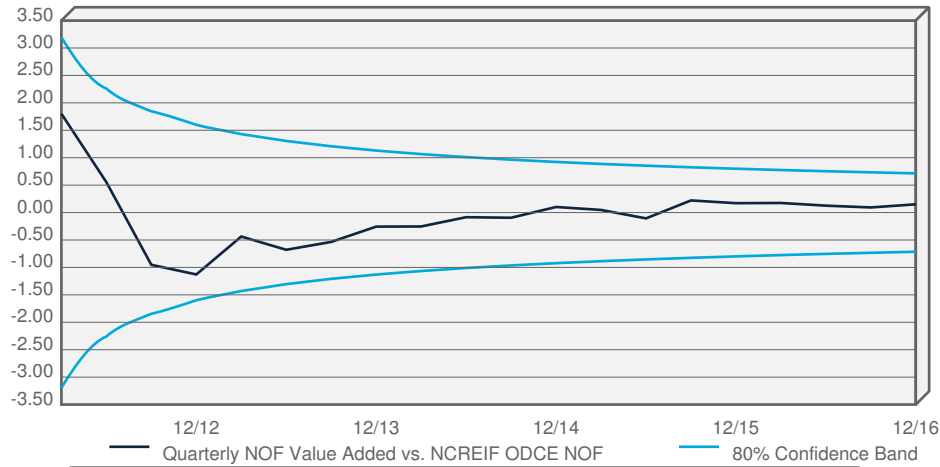
# Investment Manager Analysis



## PRISA Real Estate Fund

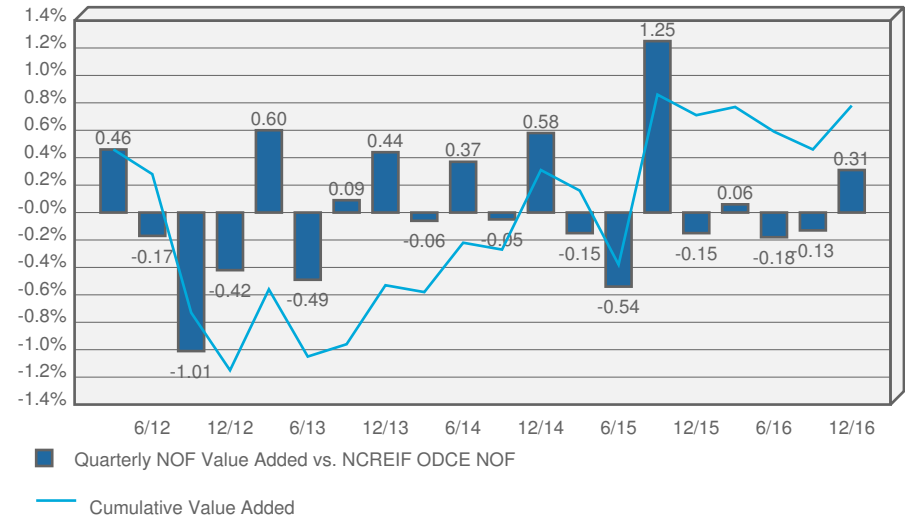
December 31, 2016

Cumulative Skill Analysis vs Benchmark

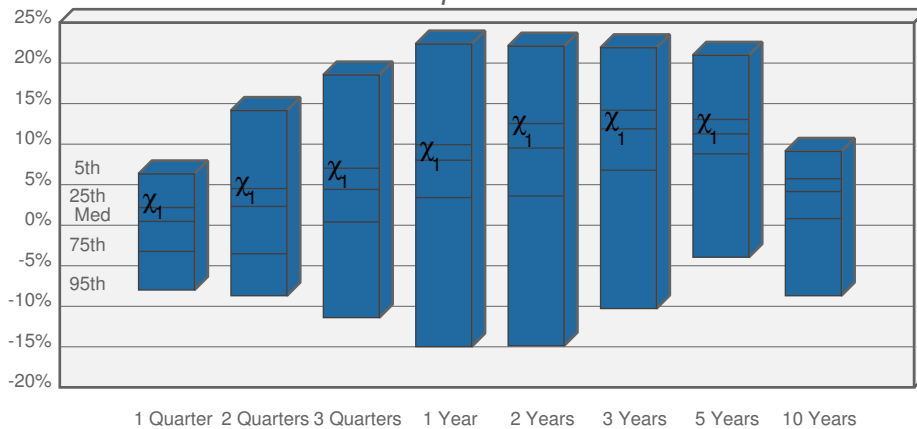


Excess Return:	0.15	Information Ratio:	0.15
Excess Risk:	0.97	T-Stat:	0.35

Value-Added Analysis vs Benchmark

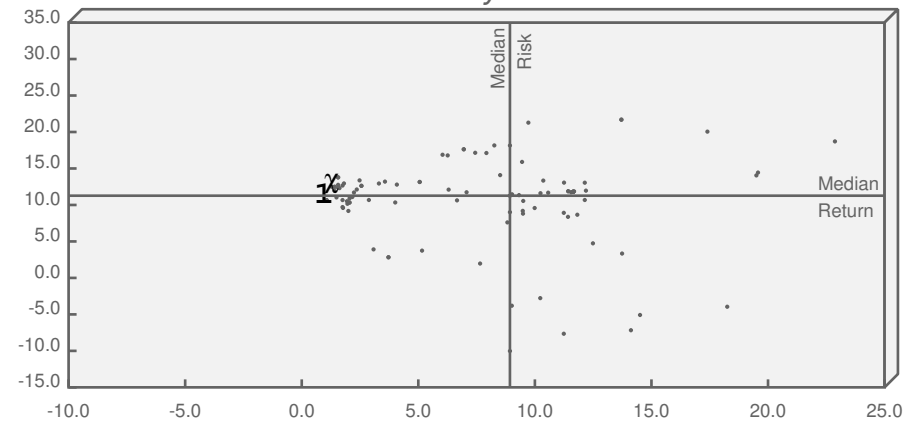


Performance Comparison vs Peer Universe\*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
$\chi$ PRISA Real Est	2.44 (20)	4.45 (25)	6.46 (30)	8.81 (38)	12.03 (29)	12.47 (42)	12.34 (32)	
<b>1</b> NCREIF ODCE NOF	0.88 (29)	3.74 (35)	5.73 (38)	7.79 (53)	10.82 (41)	11.04 (59)	11.16 (51)	
Median	0.47	2.32	4.42	8.02	9.52	11.89	11.27	4.15
Number of Funds	517	546	540	537	498	472	320	145

Five Year Risk/Return Analysis vs Peer Universe\*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
PRISA Real Estate Fund	$\chi$	12.34	32	1.61	92
NCREIF ODCE NOF	<b>1</b>	11.16	51	1.18	99
Median		11.27		8.93	

\*TUCS Total Returns of Real Estate Portfolios Universe - Gross of Fees

# Custom Benchmark Specification



## Real Estate Composite

December 31, 2016

	Quarter Start	Quarter End	Percent	Description
Policy Index	12/07	12/07	100.00	NCREIF Property Index
	3/08	12/10	100.00	NCREIF ODCE NOF
	3/11	9/11	60.00	NCREIF ODCE NOF
			40.00	NAREIT Equity
	12/11	3/16	50.00	NAREIT Equity
			50.00	NCREIF ODCE NOF
6/16	12/16	28.57	NAREIT Equity	
		71.43	NCREIF ODCE NOF	





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*Knox County Retirement*  
*Monthly Performance Summary*  
*December 31, 2016*

# Monthly Summary



## Investment Performance and Market Values

For Periods Ending December 31, 2016

	Net of Fee Returns								Market Value	
	Month	QTD	3 Months	CYTD	1 Year	3 Years	5 Years	10 Years	\$(000)	Percent
<b>SSgA S&amp;P500</b>	1.99	3.85	3.85	11.99	11.99	8.90	14.68		21,719	21.55
Standard & Poor's 500	1.98	3.82	3.82	11.96	11.96	8.87	14.66			
Value Added	0.01	0.02	0.02	0.03	0.03	0.02	0.02			
<b>T. Rowe Price Instl Sm Cap</b>	1.63	7.57	7.57	18.97	18.97	7.40	15.45	9.58	5,230	5.19
Russell 2000 Index	2.80	8.83	8.83	21.31	21.31	6.74	14.46	7.07		
Value Added	-1.17	-1.26	-1.26	-2.34	-2.34	0.65	1.00	2.51		
<b>Domestic Equity Composite</b>	1.92	4.50	4.50	13.25	13.25	8.55	14.83	7.62	26,949	26.74
Wilshire 5000	2.06	4.54	4.54	13.37	13.37	8.76	14.71	7.17		
Value Added	-0.14	-0.04	-0.04	-0.12	-0.12	-0.21	0.12	0.45		
<b>Chicago Equity Partners</b>	-0.08	-3.61	-3.61	1.12	1.12	2.48	1.38		14,300	14.19
Barclays Aggregate	0.14	-2.98	-2.98	2.65	2.65	3.03	2.23			
Value Added	-0.22	-0.64	-0.64	-1.53	-1.53	-0.55	-0.85			
<b>Loomis Sayles High Yield</b>	1.65	0.56	0.56	12.62	12.62	3.85	7.44		15,287	15.17
ML High Yld II Tot Ret	1.97	1.88	1.88	17.49	17.49	4.72	7.35			
Value Added	-0.32	-1.32	-1.32	-4.87	-4.87	-0.87	0.09			
<b>Brown Brothers Harriman</b>	-0.08	-2.26	-2.26	4.94	4.94	2.67			4,134	4.10
Barclays U.S. TIPS	-0.10	-2.41	-2.41	4.68	4.68	2.26				
Value Added	0.02	0.15	0.15	0.26	0.26	0.41				
<b>Fixed Income Composite</b>	0.70	-1.60	-1.60	6.42	6.42	3.20	3.56	4.83	33,721	33.45
Policy Index	0.92	-0.70	-0.70	9.05	9.05	3.66	4.00	5.53		
Value Added	-0.22	-0.90	-0.90	-2.63	-2.63	-0.46	-0.44	-0.70		

Returns are preliminary, unaudited, and subject to change

# Monthly Summary



## Investment Performance and Market Values

For Periods Ending December 31, 2016

	Net of Fee Returns								Market Value	
	Month	QTD	3 Months	CYTD	1 Year	3 Years	5 Years	10 Years	\$(000)	Percent
<b>SSgA MSCI EAFE Index Fund</b>	3.42	-0.70	-0.70	1.30	1.30				11,748	11.66
MSCI EAFE Index (N)	3.42	-0.71	-0.71	1.00	1.00					
Value Added	0.00	0.01	0.01	0.30	0.30					
<b>FIAM Select International</b>	2.82	-2.34	-2.34	-2.92	-2.92	-3.06	6.13		10,364	10.28
MSCI EAFE Index (N)	3.42	-0.71	-0.71	1.00	1.00	-1.60	6.53			
Value Added	-0.60	-1.63	-1.63	-3.92	-3.92	-1.46	-0.40			
<b>Schroders Emerging Market</b>	0.70	-4.07	-4.07	10.38	10.38	-2.29	2.18		5,614	5.57
MSCI Emerging Mkts (N)	0.22	-4.17	-4.17	11.18	11.18	-2.56	1.28			
Value Added	0.48	0.10	0.10	-0.81	-0.81	0.26	0.90			
<b>International Equity Composite</b>	2.64	-2.01	-2.01	2.03	2.03	-2.31	5.64	0.18	27,726	27.51
Policy Index	2.56	-1.25	-1.25	4.50	4.50	-1.77	5.00	-0.10		
Value Added	0.08	-0.76	-0.76	-2.47	-2.47	-0.54	0.64	0.28		
<b>Adelante Total Return</b>	4.82	-2.74	-2.74	3.20	3.20	12.38	11.14	3.20	2,507	2.49
Wilshire REIT Index	4.86	-2.28	-2.28	7.24	7.24	13.78	12.02	4.80		
Value Added	-0.04	-0.46	-0.46	-4.04	-4.04	-1.40	-0.88	-1.60		
<b>PRISA Real Estate Fund</b>	2.19	2.19	2.19	7.86	7.86	11.51	11.33		7,799	7.74
NCREIF ODCE NOF	0.00	0.00	0.00	5.80	5.80	10.35	10.74			
Value Added	2.19	2.19	2.19	2.06	2.06	1.16	0.58			
<b>Real Estate Composite</b>	2.83	0.60	0.60	7.12	7.12	13.62	12.11	2.61	10,306	10.22
Policy Index	1.41	-0.82	-0.82	8.38	8.38	12.84	11.96	4.60		
Value Added	1.42	1.41	1.41	-1.26	-1.26	0.78	0.16	-1.99		

Returns are preliminary, unaudited, and subject to change

# Monthly Summary



## Investment Performance and Market Values For Periods Ending December 31, 2016

	Net of Fee Returns								Market Value	
	Month	QTD	3 Months	CYTD	1 Year	3 Years	5 Years	10 Years	\$(000)	Percent
<b>Cash Account</b>	0.09	0.14	0.14	0.48	0.48	0.18	0.14	0.92	2,096	2.08
91 Day T-Bill Index	0.04	0.08	0.08	0.33	0.33	0.14	0.12	0.80		
Value Added	0.05	0.05	0.05	0.15	0.15	0.04	0.02	0.12		
<b>Defined Benefit Total Fund</b>	1.77	0.20	0.20	6.88	6.88	4.29	8.29	4.62	43,011	42.67
Policy Index	1.73	0.59	0.59	8.94	8.94	4.60	8.30	4.76		
Value Added	0.04	-0.39	-0.39	-2.06	-2.06	-0.31	-0.01	-0.14		
<b>Teachers Total Fund</b>	1.77	0.20	0.20	6.88	6.88	4.29	8.29	4.62	57,787	57.33
Policy Index	1.73	0.59	0.59	8.94	8.94	4.60	8.30	4.76		
Value Added	0.04	-0.39	-0.39	-2.06	-2.06	-0.31	-0.01	-0.14		
<b>Total Fund</b>	1.77	0.20	0.20	6.88	6.88	4.29	8.29	4.62	100,798	100.00
Policy Index	1.73	0.59	0.59	8.94	8.94	4.60	8.30	4.76		
Value Added	0.04	-0.39	-0.39	-2.06	-2.06	-0.31	-0.01	-0.14		

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