

August 2017



Endowment Fund Investment Board

Second Quarter 2017
Performance Review

Janet Becker-Wold, CFA
Senior Vice President

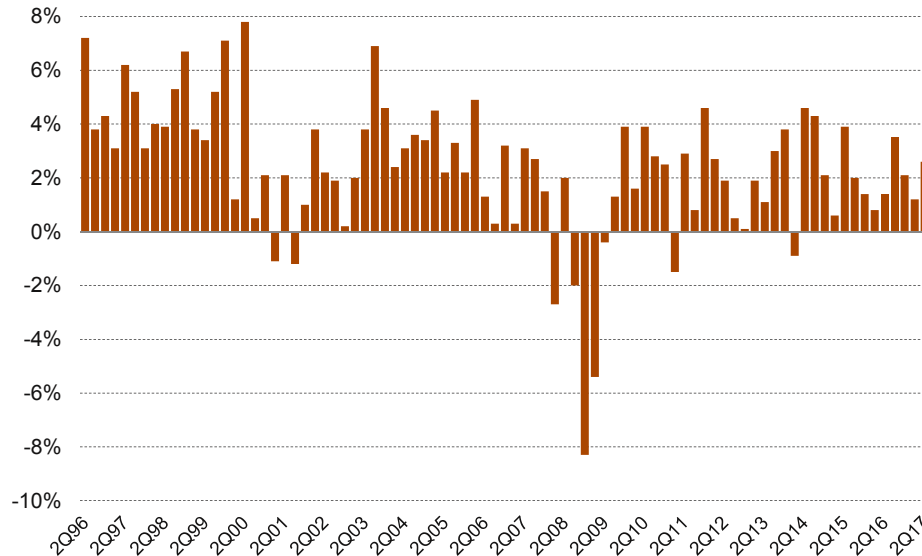
Callan Activity & Research Update

- Blog Posts (<https://www.callan.com/blog/>)
 - Highlights: How Index Changes May Affect Investors; Hunt for Yield Drove Bonds in 2nd Quarter; Equities Up Around the World in 2nd Quarter; Strong Start for Private Equity
- Market Intelligence Call: quarterly survey of Generalist Consultants, Manager Research and Capital Markets to highlight trends we are seeing from the markets, plan sponsors and investment managers.
- Research Highlights -(<https://www.callan.com/library/>)
 - **Capital Market Review** –macroeconomic newsletter providing thoughtful insights on the economy and recent performance of the capital markets
 - **Market Pulse Flipbook** - quarterly reference guide covering investment and fund sponsor trends
 - **Private Market Trends** - author Gary Robertson reports that the private equity market is off to a roaring start in 2017, and new partnership commitments may exceed the level of 2016
 - **DC Observer** - discusses how to manage DC plan recordkeepers, explaining that one of the best ways is to conduct periodic searches
 - **Slide deck** from Callan's June 2017 Workshop – Why Diversify
 - **Periodic Table of Investment Returns** - Second Quarter 2017
 - **Hedge Fund Monitor** - discusses "false charges," or bear markets that come and go quickly but can leave unprepared investors at significant risk

U.S. Economy

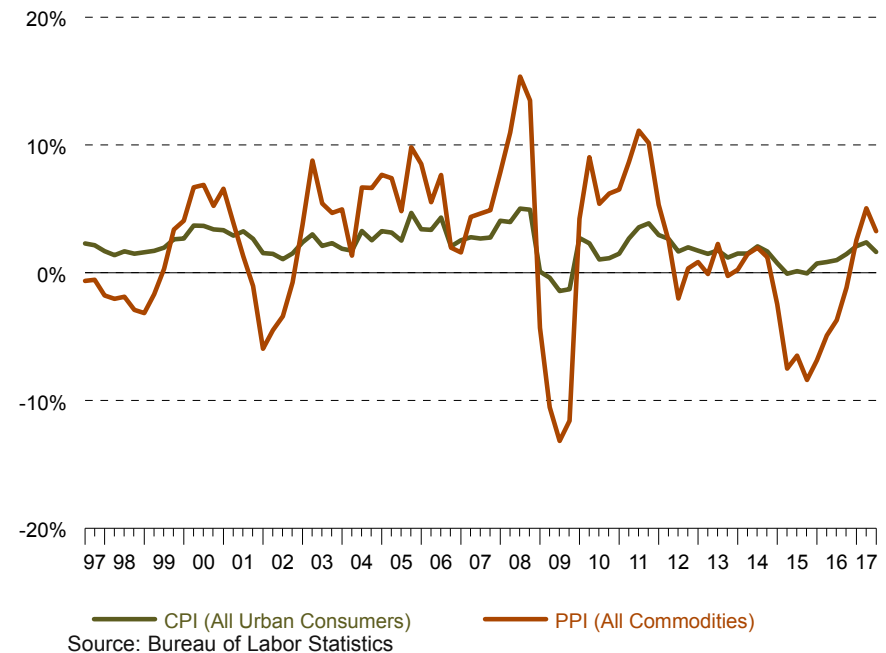
Periods Ending June 30, 2017

Quarterly Real GDP Growth (20 Years)



Source: Bureau of Economic Analysis

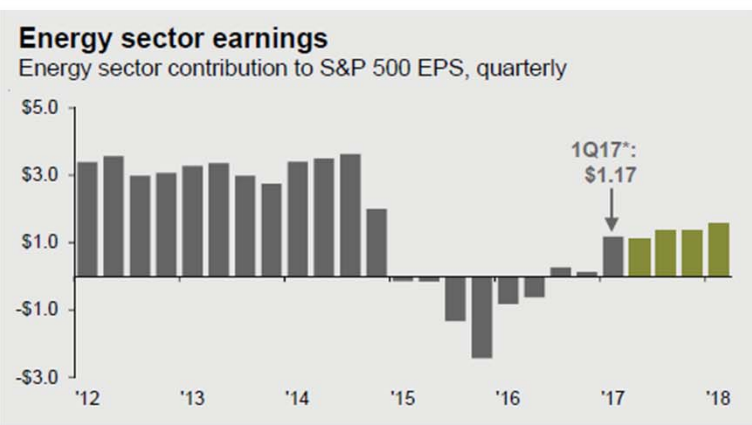
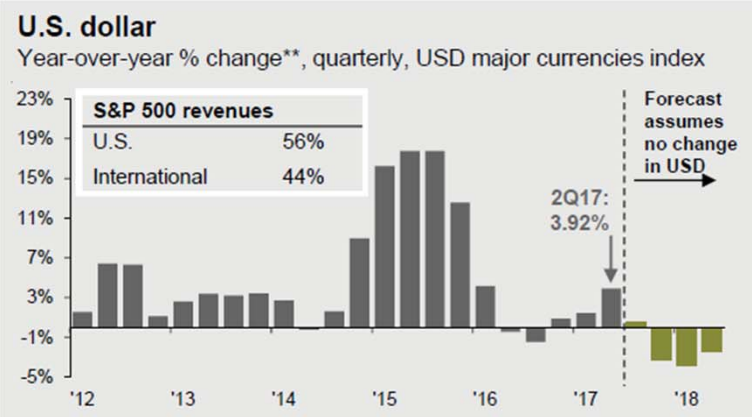
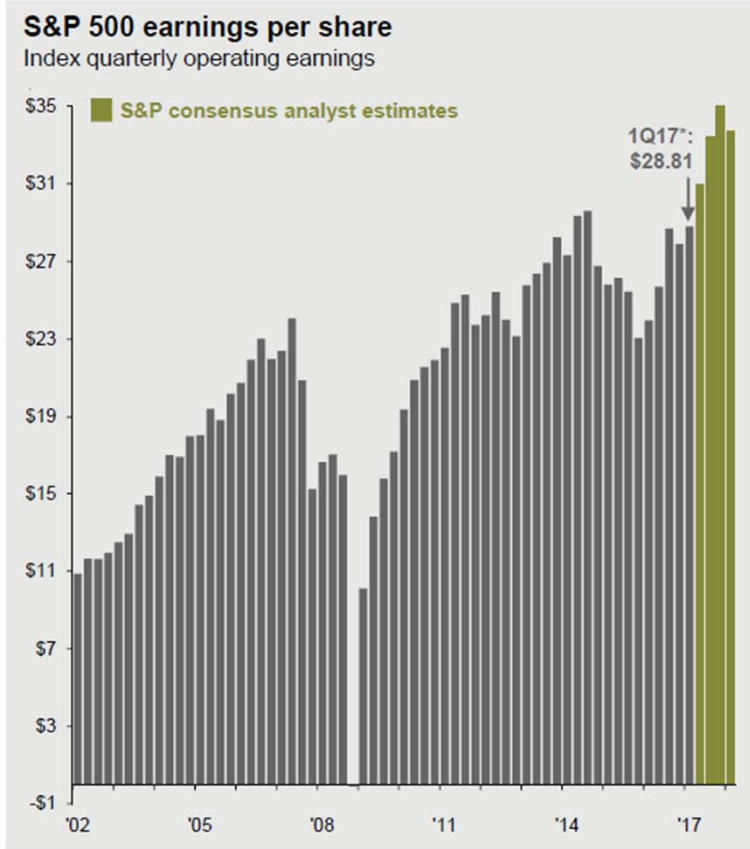
Inflation Year-Over-Year



Source: Bureau of Labor Statistics

- The initial estimate of 2nd quarter GDP was 2.6%, in-line with expectations and stronger than Q1's 1.2%.
- June headline inflation rose 1.6% over the trailing twelve months. Core CPI increased 1.7%.
- June unemployment was 4.4% (down 0.1% from March) while the labor force participation rate fell to 62.8% (down 0.2%).
- The Fed increased the target overnight rate to 1.00% - 1.25% on June 15.

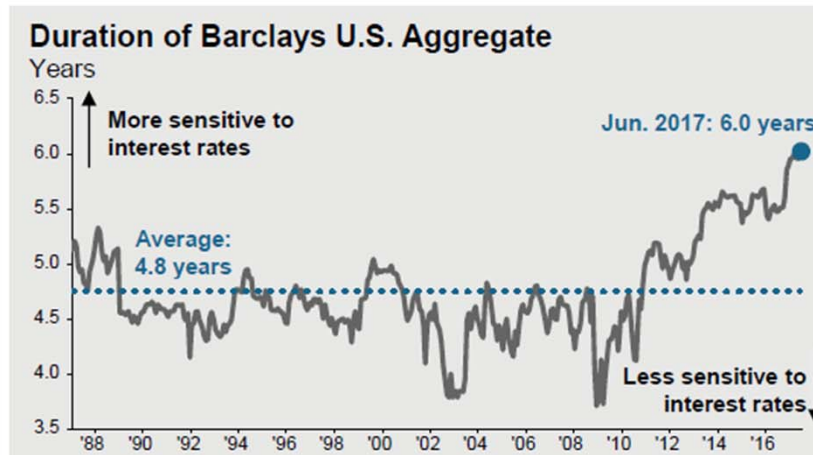
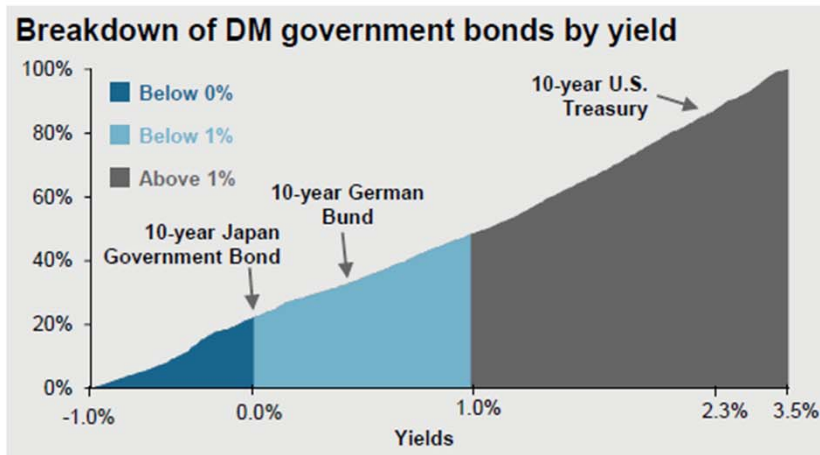
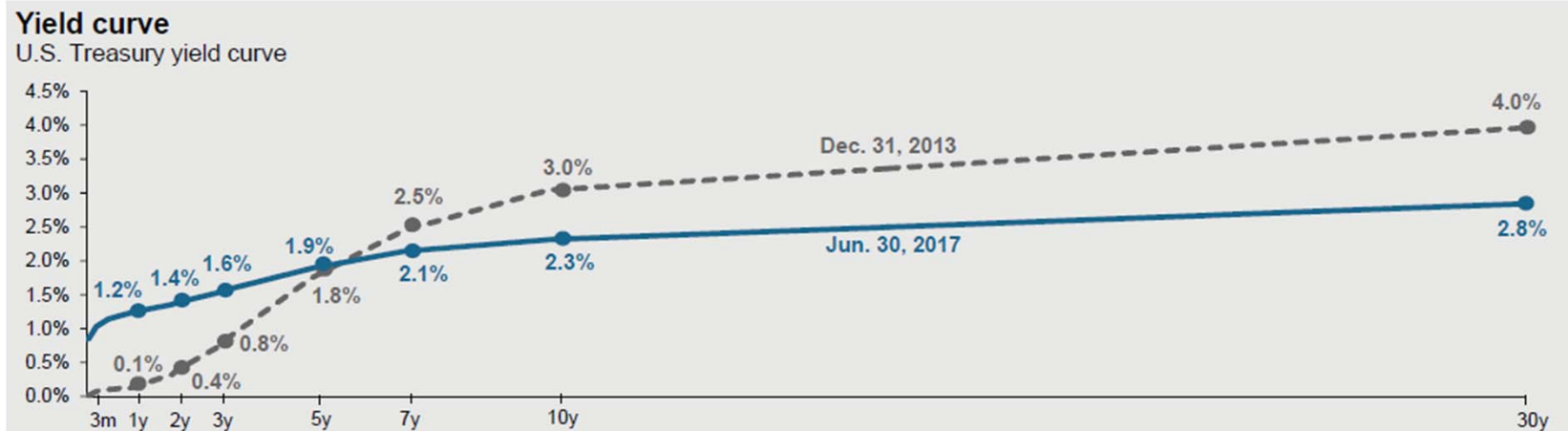
Corporate Earnings



- Earnings lifted U.S. equities higher in the quarter, driven by a few key factors:
 - A boost to exports from a weaker dollar
 - Wages have increased enough to support consumer spending yet labor costs have not weighed on profits
 - The energy sector's earnings drag at the broad index level has abated
 - Companies are benefitting from years of extensive cost-cutting

Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management; (Top right) Federal Reserve, S&P 500 individual company 10k filings, S&P Index Alert. EPS levels are based on operating earnings per share. Earnings estimates are Standard & Poor's consensus analyst expectations. Past performance is not indicative of future returns. Currencies in the Trade Weighted U.S. Dollar Major Currencies Index are: British pound, euro, Swedish krona, Australian dollar, Canadian dollar, Japanese yen and Swiss franc. *1Q17 earnings are calculated using actual earnings for 98.6% of S&P 500 market cap and earnings estimates for the remaining companies. **Year-over-year change is calculated using the quarterly average for each period. USD forecast assumes no change in the U.S. dollar from its June 30, 2017 level. Guide to the Markets – U.S. Data are as of June 30, 2017.

Bond Market Dynamics




- Historically high duration means the U.S. Agg is more sensitive to interest rate changes; however, higher yields in the U.S. relative to other developed markets increases global demand which could slow the pace at which long rates rise

Source: FactSet, J.P. Morgan Asset Management; (Bottom left) Bloomberg, BofA/Merrill Lynch. (Bottom right) Barclays, Bloomberg. The Developed Market Government Bond Index is the Bank of America/Merrill Lynch Global Government Index. Duration measures the sensitivity of the price of a bond to a change in interest rates. The higher the duration the greater the sensitivity bond is to movements in the interest rate. Guide to the Markets – U.S. Data are as of June 30, 2017.

Asset Class Performance

Periodic Table of Investment Returns
for Periods Ended June 30, 2017

Best



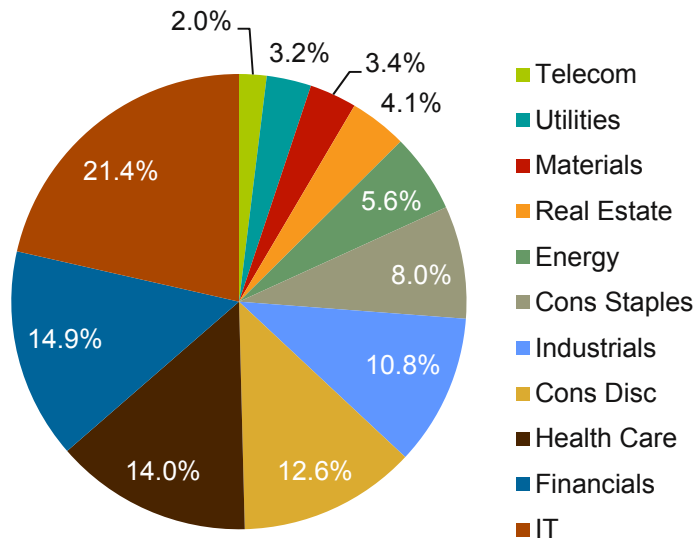
Worst

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
	MSCI:EM Gross 6.4%	Russell:2000 Index 24.6%	S&P:500 9.6%	S&P:500 14.6%	S&P:500 7.2%	Russell:2000 Index 8.0%
	MSCI:EAFE 6.1%	MSCI:EM Gross 24.2%	Russell:2000 Index 7.4%	Russell:2000 Index 13.7%	Russell:2000 Index 6.9%	S&P:500 7.2%
	S&P:500 3.1%	MSCI:EAFE 20.3%	Blmbg:Aggregate 2.5%	MSCI:EAFE 8.7%	Blmbg:Aggregate 4.5%	MSCI:EM Gross 5.8%
	Russell:2000 Index 2.5%	S&P:500 17.9%	MSCI:EM Gross 1.4%	MSCI:EM Gross 4.3%	MSCI:EM Gross 2.2%	Blmbg:Aggregate 5.2%
	Blmbg:Aggregate 1.4%	3 Month T-Bill 0.5%	MSCI:EAFE 1.1%	Blmbg:Aggregate 2.2%	MSCI:EAFE 1.0%	MSCI:EAFE 4.3%
	3 Month T-Bill 0.2%	Blmbg:Aggregate (0.3%)	3 Month T-Bill 0.2%	3 Month T-Bill 0.2%	3 Month T-Bill 0.6%	3 Month T-Bill 2.2%
	Blmbg:Commodity Price Idx (3.2%)	Blmbg:Commodity Price Idx (7.0%)	Blmbg:Commodity Price Idx (15.0%)	Blmbg:Commodity Price Idx (9.4%)	Blmbg:Commodity Price Idx (6.9%)	Blmbg:Commodity Price Idx (1.8%)

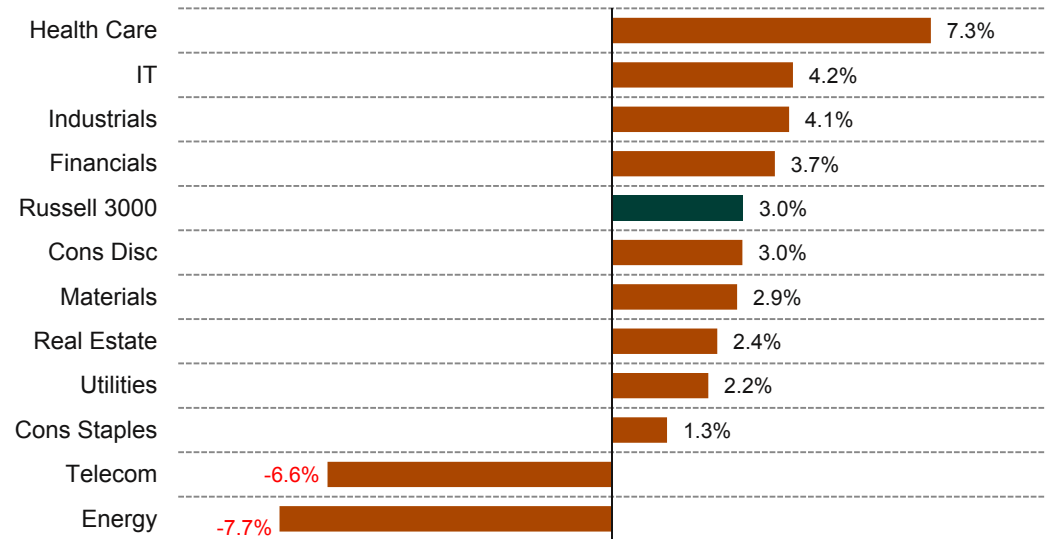
U.S. Equity Returns

Periods Ending June 30, 2017

Economic Sector Exposure (Russell 3000)



Quarterly Returns (Russell 3000)

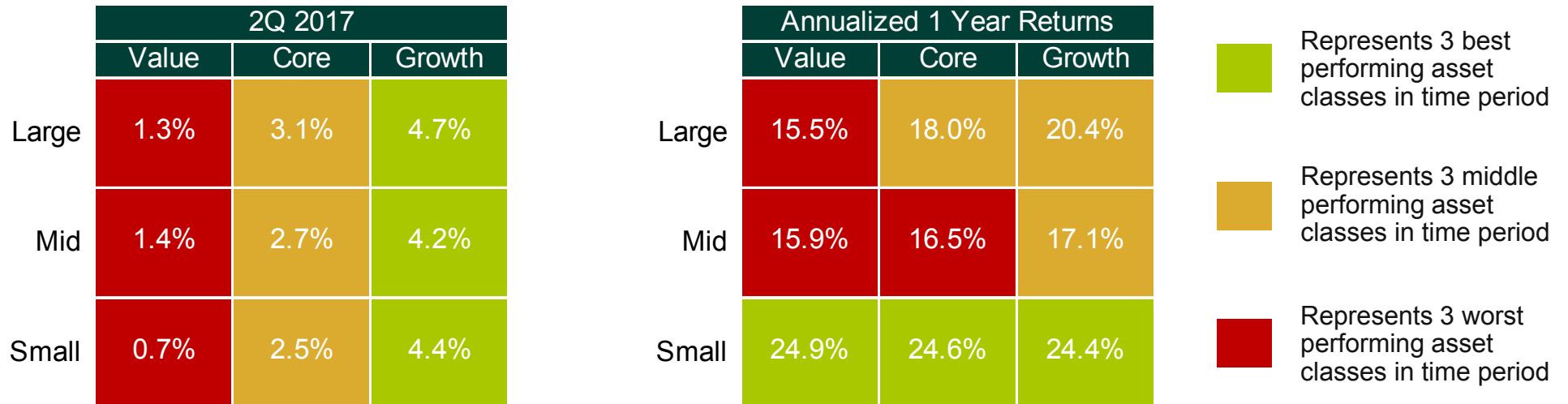


Source: Barrow Hanley Quarterly Benchmark Review

- The RU 1000 was up 3.1% - Health Care (+7.2%) and Industrials (+4.3%) were the best performing sectors.
- The RU 2000 was up 2.5% - Telecom (+15.5%) and Health Care (+8.8%) were the best performing sectors.
- S&P 500 companies reported the strongest quarterly earnings growth rate in six years and 70% of companies reported earnings above expectations.

U.S. Equity Style Returns

Periods Ending June 30, 2017



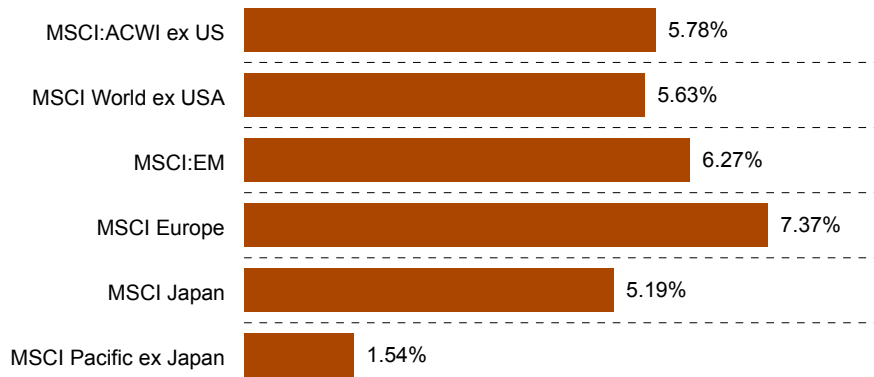
- Last Quarter: Large outperformed except in value, which was led by mid; growth outperformed
 - Strong earnings and continued flows into passive strategies, particularly ETFs, buoyed large cap
 - Growth stocks Facebook, Amazon, Apple, Microsoft, and Google accounted for 22% of the S&P 500's quarterly return
- Last Year: Small outperformed; growth outperformed except in small cap where value edged growth

Large Cap Core is represented by the Russell 1000 Index, Large Cap Value is represented by the Russell 1000 Value Index and Large Cap Growth is represented by the Russell 1000 Growth Index. Mid Cap Core is represented by the Russell Midcap Index, Mid Cap Value is represented by the Russell Midcap Value Index and Mid Cap Growth is represented by the Russell Midcap Growth Index. Small Cap Core is represented by the Russell 2000 Index, Small Cap Value is represented by the Russell 2000 Value Index and Small Cap Growth is represented by the Russell 2000 Growth Index.

International Equity Returns

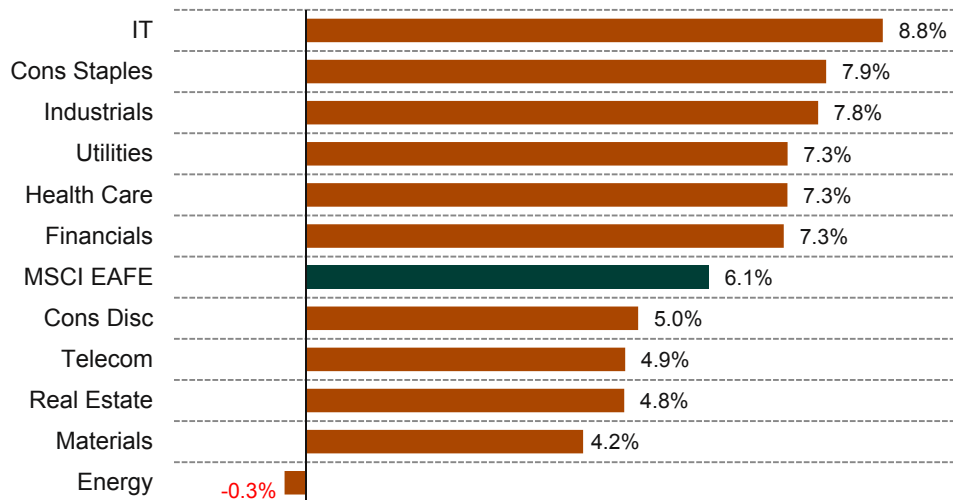
Periods Ending June 30, 2017

Regional Quarterly Performance (U.S. Dollar)



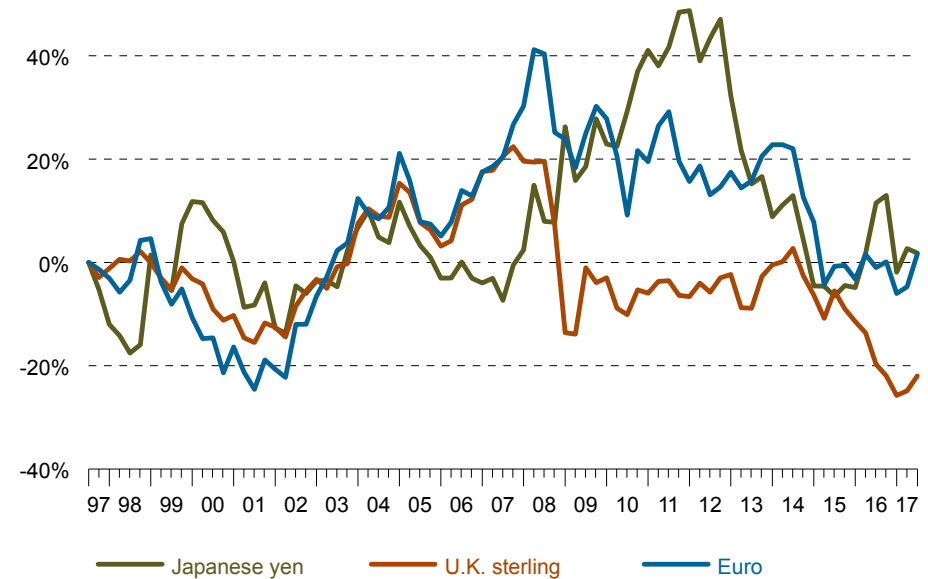
Source: MSCI

MSCI EAFE Sector Returns



Source: Barrow Hanley Quarterly Benchmark Review

Major Currencies' Cumulative Returns (vs. U.S. Dollar)



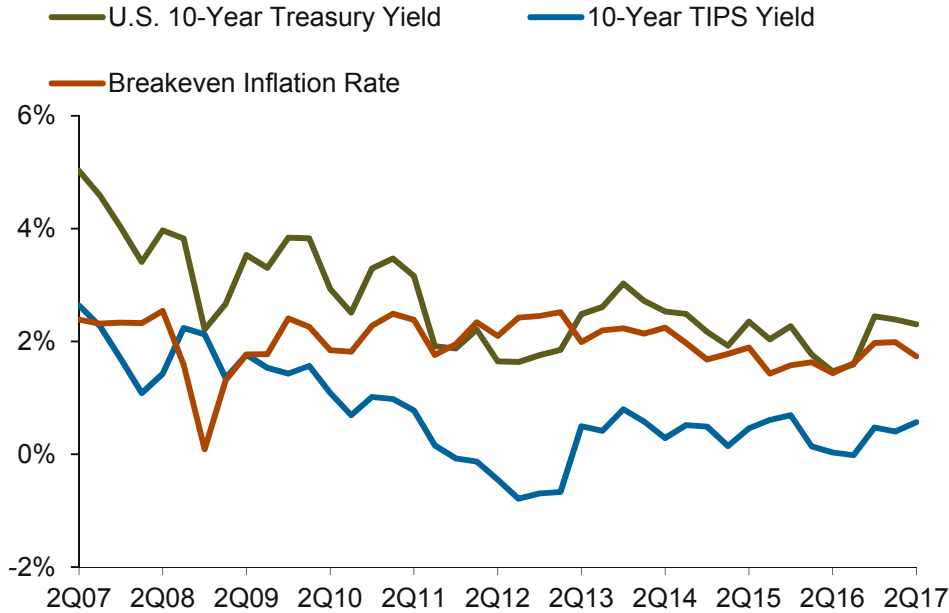
*Euro returns from 1Q99. German mark prior to 1Q99.
Source: MSCI

- The best performing region was Europe (+7.4%).
- The euro (+6.6%) and pound (3.9%) strengthened versus the dollar while the yen weakened (-0.8%).
- Economic recovery and market-friendly election outcomes spurred non-U.S. equities past U.S. equities for the second consecutive quarter.

Yield Curve Changes

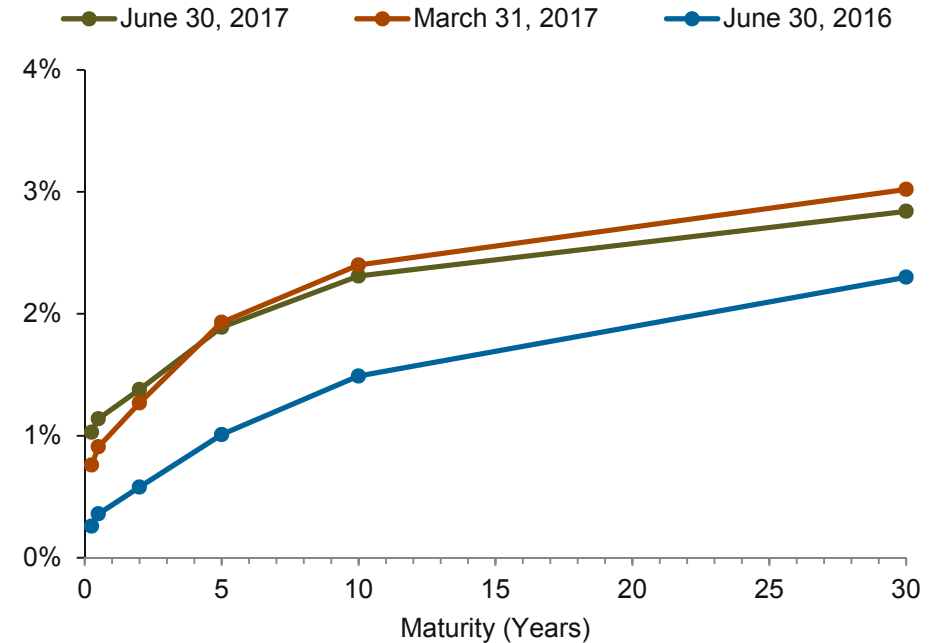
Periods Ending June 30, 2017

Historical 10-Year Yields



Source: Bloomberg

U.S. Treasury Yield Curves



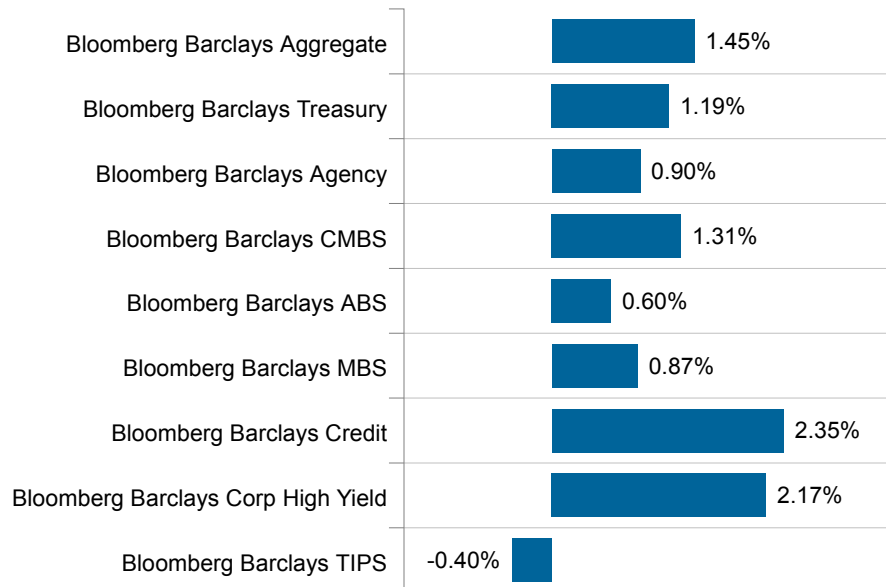
Source: U.S. Department of the Treasury

- The Treasury yield curve flattened with short term rates rising with Fed action and the long term falling on expectations of a slower growth trajectory. The yield on the 10-year and 30-year dropped 9 bps and 18 bps, respectively. The 3-month rose 27 bps.
- Breakeven inflation fell as expectations for policy-driven growth have softened.
- Worldwide, rates remain low.

Total Rates of Return by Bond Sector

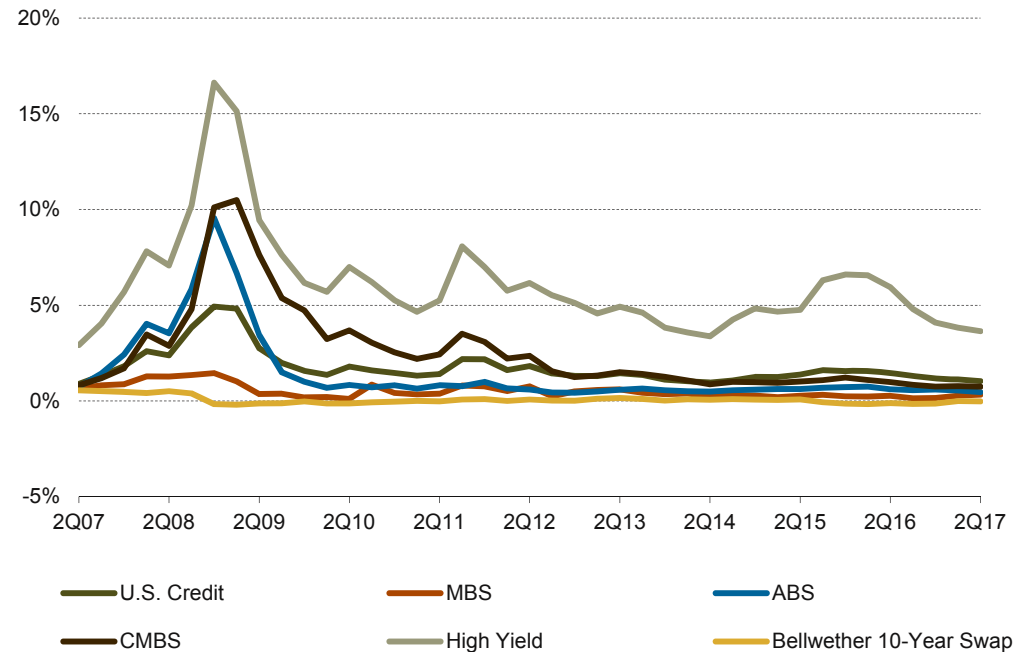
Periods Ending June 30, 2017

Total Returns



Source: Bloomberg Barclays

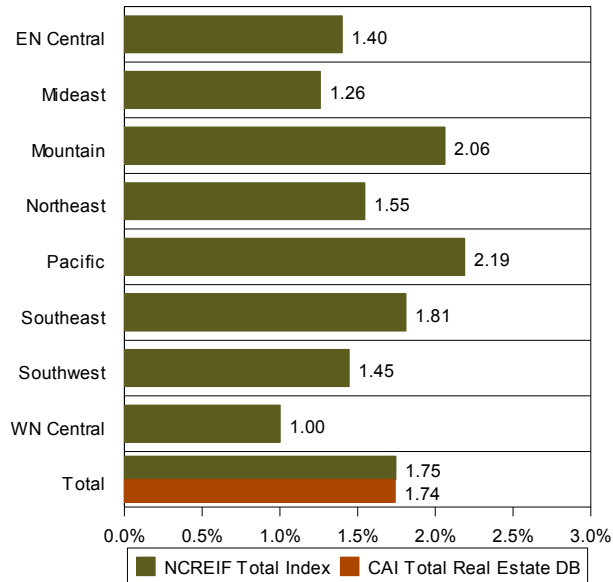
Effective Yield Over Treasuries



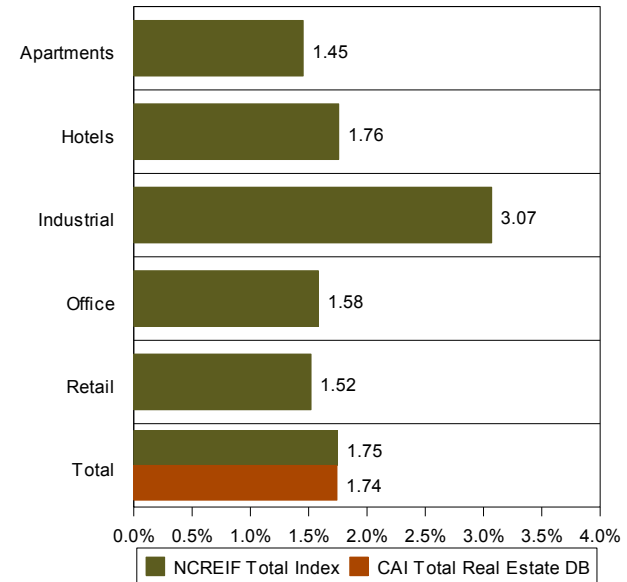
- Credit (+2.4%) and high yield (+2.2%) were the best performing sectors on solid earnings and as global demand for yield provided support for spread sectors.
- Treasury Inflation Protected Securities (TIPS) (-0.4%) underperformed on lower inflation expectations following weak CPI and retail sales data.
- Demand for yield saw spreads contract in most sectors; MBS widened moderately.

Real Estate Overview

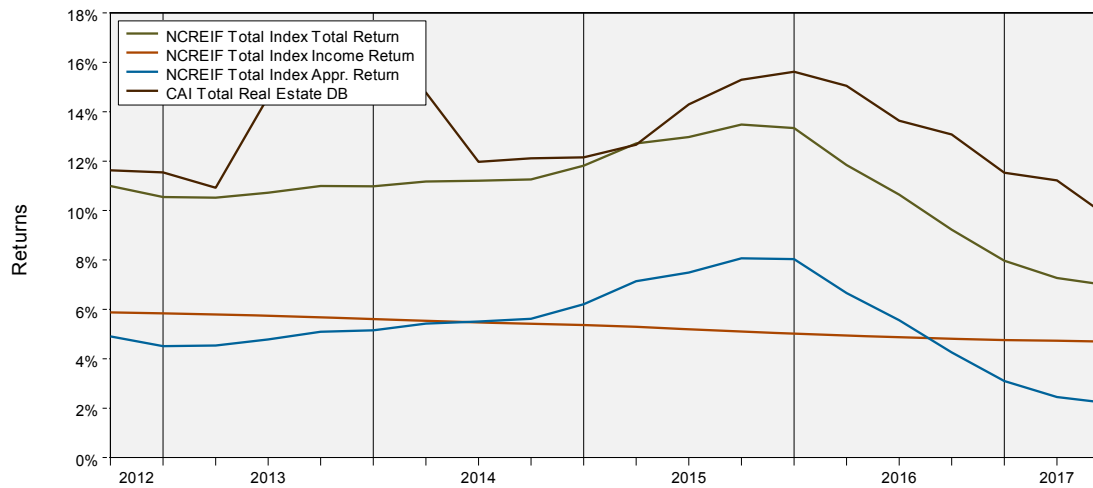
NCREIF Total Index Returns by Geographic Area
Quarter Ended June 30, 2017



NCREIF Total Index Returns by Property Type
Quarter Ended June 30, 2017



Rolling 1 Year Returns





Fund Specific Review

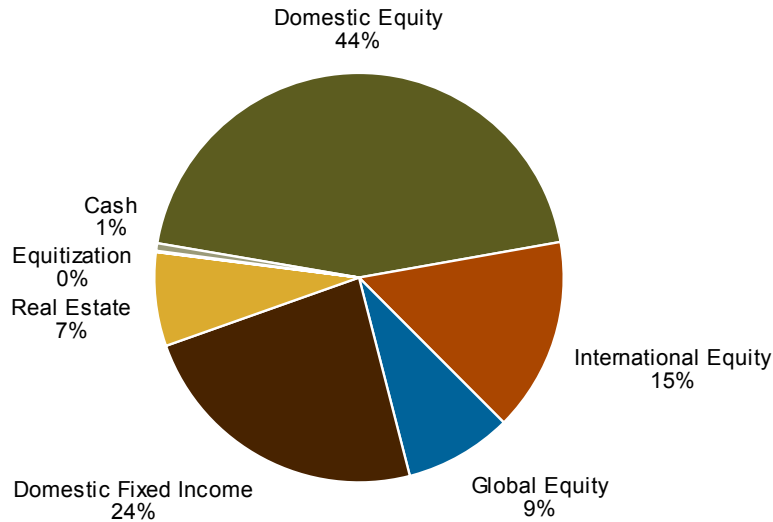
Endowments – Asset Allocation

	June 30, 2017			Inv. Return	March 31, 2017	
	Market Value	Weight	Net New Inv.		Market Value	Weight
Total Equity	\$1,439,712,723	68.31%	\$(20,000,000)	\$56,548,154	\$1,403,164,569	68.47%
Domestic Equity	\$936,880,500	44.45%	\$(20,000,000)	\$26,867,557	\$930,012,943	45.38%
Large Cap	\$640,291,275	30.38%	\$(9,000,000)	\$21,856,631	\$627,434,644	30.62%
NTGI S&P 500 SMA	272,607,644	12.93%	(6,000,000)	8,105,314	270,502,330	13.20%
LSV Asset Mgmt	120,383,066	5.71%	(3,000,000)	2,082,637	121,300,428	5.92%
Boston Partners	123,138,666	5.84%	0	3,208,652	119,930,014	5.85%
Sands Capital	124,161,900	5.89%	0	8,460,028	115,701,872	5.65%
Mid Cap	\$189,519,242	8.99%	\$(5,500,000)	\$3,834,064	\$191,185,178	9.33%
Systematic Financial	91,696,965	4.35%	(4,000,000)	(187,814)	95,884,779	4.68%
Times Square	97,822,277	4.64%	(1,500,000)	4,021,878	95,300,399	4.65%
Small Cap	\$107,069,982	5.08%	\$(5,500,000)	\$1,176,862	\$111,393,121	5.44%
Barow, Hanley	52,856,159	2.51%	(2,000,000)	(1,027,546)	55,883,705	2.73%
Eagle Asset Management	54,213,824	2.57%	(3,500,000)	2,204,408	55,509,415	2.71%
International Equity	\$323,265,398	15.34%	\$0	\$20,752,722	\$302,512,676	14.76%
Allianz	127,497,396	6.05%	0	6,203,059	121,294,337	5.92%
SSgA MSCI EAFE	41,490,287	1.97%	0	2,444,262	39,046,025	1.91%
WCM	154,277,715	7.32%	0	12,105,401	142,172,315	6.94%
Global Equity	\$179,566,825	8.52%	\$0	\$8,927,875	\$170,638,950	8.33%
Aberdeen	88,996,957	4.22%	0	4,751,094	84,245,863	4.11%
Lazard	90,569,868	4.30%	0	4,176,781	86,393,087	4.22%
Domestic Fixed Income	\$496,459,038	23.55%	\$0	\$5,838,819	\$490,620,219	23.94%
State Street Global Advisors	496,459,038	23.55%	0	5,838,819	490,620,219	23.94%
Real Estate	\$156,640,159	7.43%	\$0	\$1,902,351	\$154,737,809	7.55%
RREEF America REIT II	79,580,754	3.78%	0	976,639	78,604,115	3.84%
UBS Trumbull Property	77,059,405	3.66%	0	925,712	76,133,694	3.72%
Equitization	\$1,441,095	0.07%	\$496,145	\$206,029	\$738,922	0.04%
Cash	\$13,448,264	0.64%	\$13,389,928	\$19,075	\$39,261	0.00%
Total Plan ex Equitization	\$2,106,260,184	99.93%	\$(6,610,072)	\$64,308,398	\$2,048,561,857	99.96%
Total Plan	\$2,107,701,279	100.0%	\$(6,113,927)	\$64,514,427	\$2,049,300,779	100.0%

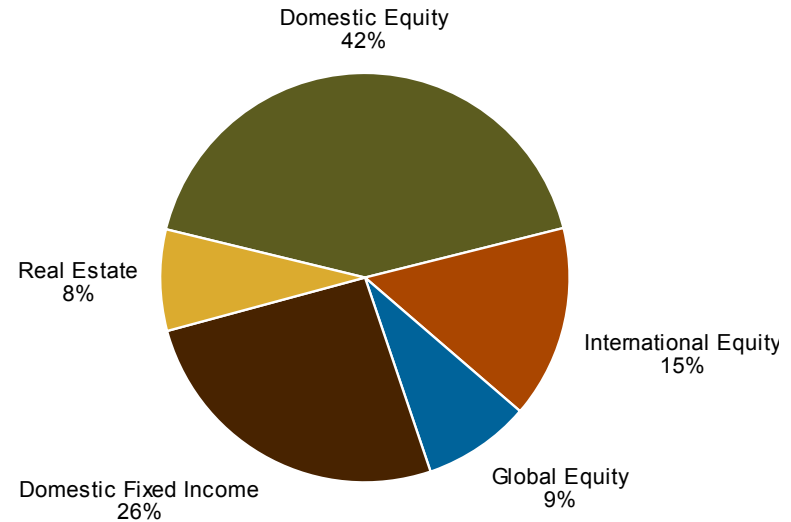
+\$58.4 million

Endowments – Asset Allocation

Actual Asset Allocation



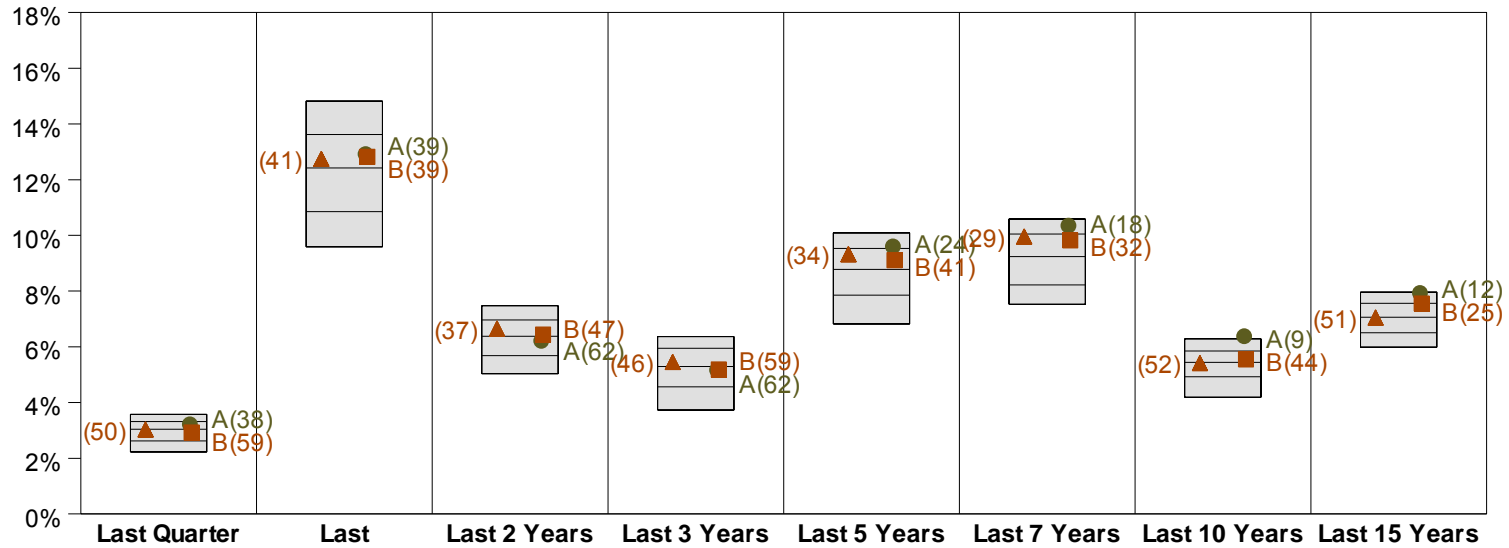
Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	936,880	44.5%	42.3%	2.2%	45,323
International Equity	323,265	15.3%	15.2%	0.1%	2,895
Global Equity	179,567	8.5%	8.5%	0.0%	412
Domestic Fixed Income	496,459	23.6%	26.0%	(2.4%)	(51,543)
Real Estate	156,640	7.4%	8.0%	(0.6%)	(11,976)
Equitization	1,441	0.1%	0.0%	0.1%	1,441
Cash	13,448	0.6%	0.0%	0.6%	13,448
Total	2,107,701	100.0%	100.0%		

Endowments – Total Fund Performance

Performance vs CAI Public Fund Sponsor Database (Gross)



	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years
10th Percentile	3.57	14.82	7.48	6.37	10.09	10.59	6.29	7.96
25th Percentile	3.31	13.62	6.97	5.95	9.53	10.04	5.85	7.56
Median	3.04	12.42	6.38	5.30	8.78	9.24	5.44	7.06
75th Percentile	2.62	10.86	5.68	4.56	7.86	8.22	4.93	6.51
90th Percentile	2.23	9.59	5.03	3.73	6.82	7.53	4.19	5.99

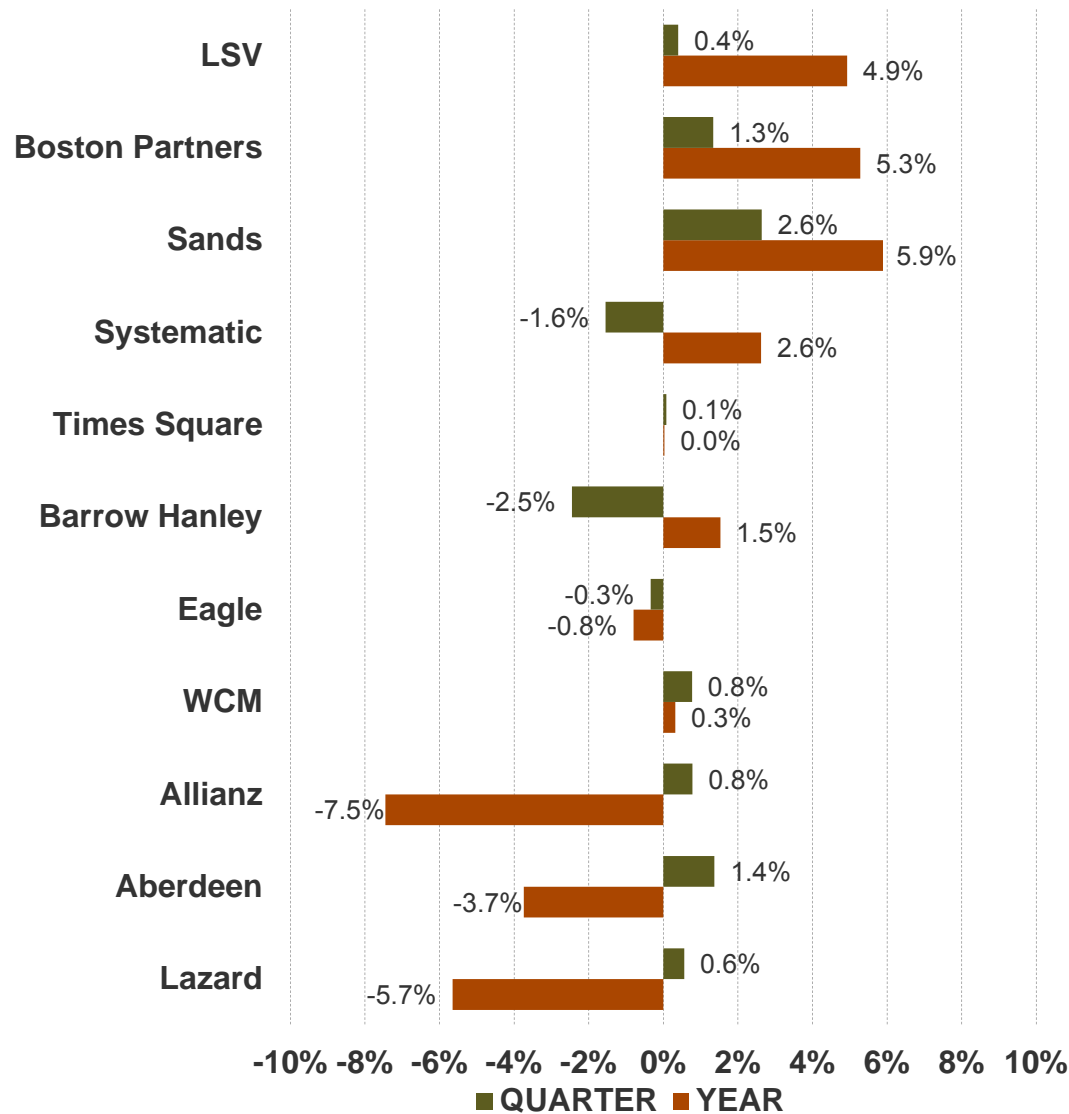
Total Plan Secondary Benchmark	● A	3.15	12.86	6.15	5.10	9.54	10.28	6.31	7.87
	■ B	2.92	12.82	6.44	5.18	9.11	9.82	5.54	7.55

Total Plan Target	▲	3.03	12.75	6.65	5.46	9.32	9.96	5.42	7.05
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- For the quarter, outperformed the target by 12 basis points, ranking 38th percentile.
- For the fiscal year, beat the target by 11 basis points, ranking 39th percentile.
- Fund ranked 48th percentile against the Endowment/Foundation database for the fiscal year.

Dashboard – All Managers

% Deviation from Benchmark



Quarter:

Below Benchmark:

- Systematic
- Barrow Hanley
- Eagle

Year:

Below Benchmark:

- Eagle
- Allianz
- Aberdeen
- Lazard

Endowments – U.S. Equity Manager Performance

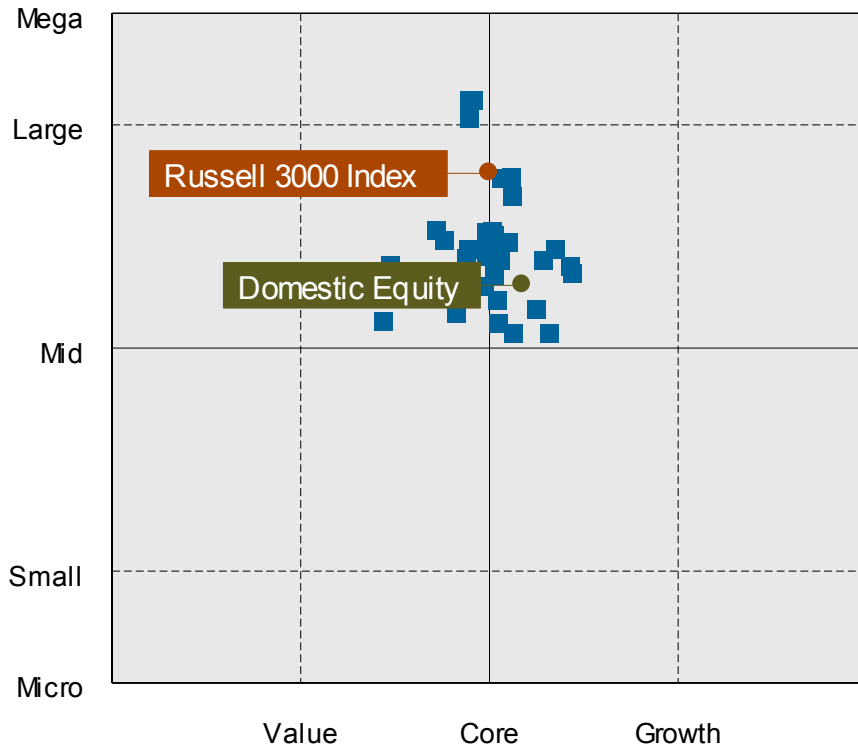
		Last Quarter	Last Year	Last 3 Years	Last 4 Years	Last 5 Years	
-0.1%	Domestic Equity	2.94%	20.21%	8.32%	12.56%	14.77%	
		Russell 3000	3.02%	18.51%	9.10%	12.93%	14.58%
+0.5%	Large Cap	3.53%	20.11%	8.86%	13.14%	14.93%	
		Russell 1000	3.06%	18.03%	9.26%	13.08%	14.67%
	Large Cap Core	3.07%	17.84%	9.60%	13.14%	14.60%	
		NTGI S&P 500 SMA	3.07%	17.84%	9.60%	13.14%	-
		S&P 500	3.09%	17.90%	9.61%	13.18%	14.63%
	Large Cap Value	2.21%	20.64%	7.82%	11.97%	15.39%	
		LSV Asset Management	1.74%	20.46%	8.01%	12.75%	16.20%
		Boston Partners	2.68%	20.81%	7.63%	11.22%	14.61%
		Russell 1000 Value	1.34%	15.53%	7.36%	11.26%	13.94%
	Large Cap Growth	7.31%	22.00%	9.25%	14.25%	14.74%	
Sands Capital		7.31%	26.31%	8.29%	14.23%	14.88%	
Russell 1000 Growth		4.67%	20.42%	11.11%	14.87%	15.30%	
-0.6%	Mid Cap	2.06%	17.78%	6.18%	10.90%	13.63%	
		Russell MidCap Index	2.70%	16.48%	7.69%	12.19%	14.72%
		Systematic Financial	(0.18%)	18.55%	4.46%	9.88%	12.49%
		Russell MidCap Value Idx	1.37%	15.93%	7.46%	12.21%	15.14%
		Times Square	4.29%	17.08%	7.83%	11.85%	14.70%
	Russell MidCap Growth Idx	4.21%	17.05%	7.83%	12.12%	14.19%	
-1.4%	Small Cap	1.11%	25.05%	8.74%	11.95%	15.93%	
		Russell 2000	2.46%	24.60%	7.36%	11.22%	13.70%
		Barrow, Hanley	(1.78%)	26.39%	7.98%	12.01%	16.66%
		Russell 2000 Value	0.67%	24.86%	7.02%	10.71%	13.39%
		Eagle Asset Management	4.05%	23.60%	9.49%	11.85%	15.01%
		Russell 2000 Growth	4.39%	24.40%	7.64%	11.68%	13.98%

- Small cap fell out of favor this quarter, but is still top returner for the fiscal year.
- Active management was particularly strong in large cap growth.

U.S. Equity Style Map

(\$937 Million; 44.5% of the Portfolio)

Style Map vs Pub Pln- Dom Equity Holdings as of June 30, 2017



- U.S. Equity composite exhibits a modest growth and smaller capitalization bias.
- Index performance for quarter: large cap led mid and small cap.
- Russell 2000 worst market segment for quarter but best for the fiscal year.

Returns
for Periods Ended June 30, 2017

	Last Quarter	Last Year	Last 5 Years	Last 10 Years
Russell:1000 Index	3.1	18.0	14.7	7.3
Russell:Midcap Index	2.7	16.5	14.7	7.7
Russell:2000 Index	2.5	24.6	13.7	6.9

Endowments – International, Fixed Income & RE Performance

	Last Quarter	Last Year	Last 3 Years	Last 4 Years	Last 5 Years
International Equity	6.86%	18.20%	1.73%	6.14%	7.85%
International Equity Target (1)	5.78%	20.45%	0.80%	5.68%	7.22%
MSCI ACWI x US (Net)	5.78%	20.45%	0.80%	5.68%	7.22%
SSgA MSCI EAFE	6.26%	-	-	-	-
MSCI EAFE - Net	6.12%	20.27%	1.15%	6.34%	8.69%
WCM	8.51%	18.11%	7.98%	-	-
MSCI ACWI ex US Growth	7.74%	17.79%	2.92%	6.89%	8.42%
Allianz	5.11%	16.86%	(4.43%)	1.04%	-
MSCI ACWI ex US Value	4.33%	24.31%	(0.44%)	5.35%	6.94%
Global Equity	5.23%	14.07%	2.22%	6.51%	7.98%
Aberdeen	5.64%	15.04%	0.91%	5.44%	6.90%
Lazard	4.83%	13.13%	3.45%	7.55%	9.03%
MSCI ACWI - Net	4.27%	18.78%	4.82%	9.09%	10.54%
Domestic Fixed Income	1.19%	(0.42%)	2.21%	2.75%	1.91%
State Street Global Advisors	1.19%	(0.42%)	2.21%	2.75%	1.91%
Blmbg Aggregate	1.45%	(0.31%)	2.48%	2.95%	2.21%
85% Agg/ 15% TIPS	1.17%	(0.36%)	2.21%	2.75%	1.93%
Real Estate	1.23%	5.29%	-	-	-
RREEF America REIT II	1.24%	6.46%	-	-	-
UBS Trumbull Property	1.22%	-	-	-	-
NCREIF ODCE Value Wt Lag	1.77%	8.34%	-	-	-
Cash	0.16%	0.37%	0.17%	0.13%	0.14%
3-month Treasury Bill	0.20%	0.49%	0.23%	0.19%	0.17%
Total Plan ex Equitization	3.14%	12.75%	4.90%	8.20%	9.40%
Total Plan	3.15%	12.86%	5.10%	8.37%	9.54%
Total Plan Target	3.03%	12.75%	5.46%	8.46%	9.32%
Secondary Benchmark	2.92%	12.82%	5.18%	8.21%	9.11%
CPI All Urban Consumers	0.47%	1.63%	0.92%	1.20%	1.31%

- International equity outperformed the benchmark for the quarter but trailed for the fiscal year.
- Global equity beat the benchmark for the quarter but lagged for the fiscal year.
- Fixed income posted modest returns during the quarter, as did real estate.

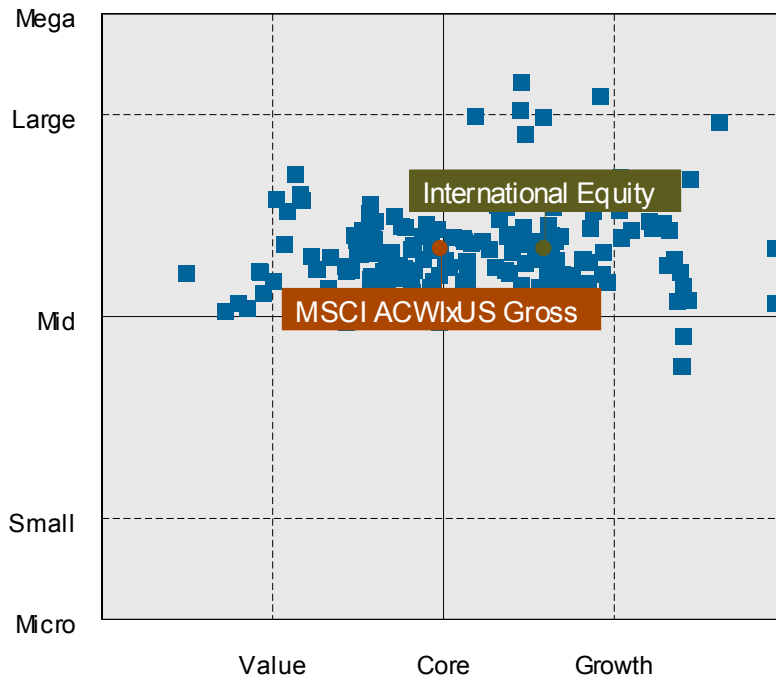
*Total Plan Target = 42.3% Russell 3000; 26.0% BB Barclays Aggregate; 15.2% MSCI ACWI ex-US (net); 8.5% MSCI All Country World (net), and 8.0% NCREIF NFI-ODCE Val Wt Gr lagged 3 months.

**Secondary Benchmark = 29.3% Russell 1000 Index, 22.0% BB Barclays Aggregate Index, 15.2% MSCI ACWI x US (Net), 8.5% MSCI All Count Wld-Net, 8.4% Russell Mid Cap Index, 4.6% Russell 2000 Index, 4.0% BB Barclays US TIPS Index and 8.0% NCREIF NFI-ODCE Val Wt Gr lagged 3 months.

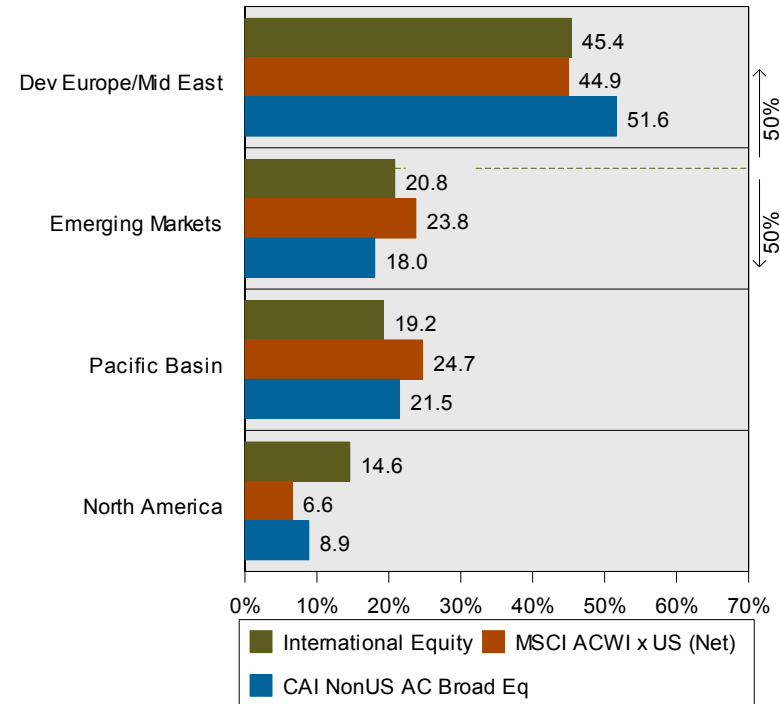
International Equity

(\$323 Million; 15.3% of the Portfolio)

Style Map vs CAI NonUS Eq Holdings as of June 30, 2017



Regional Allocation June 30, 2017

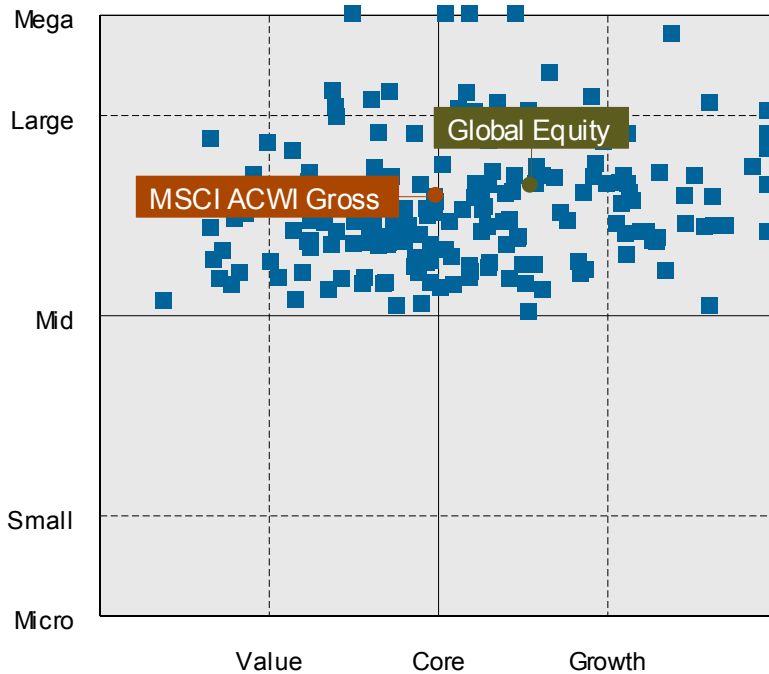


- International composite exhibits a growth bias relative to the Index.
- Portfolio's regional exposure deviates from the benchmark with an overweight to North America (WCM).
- Pacific Basin is underweight versus the benchmark (WCM).

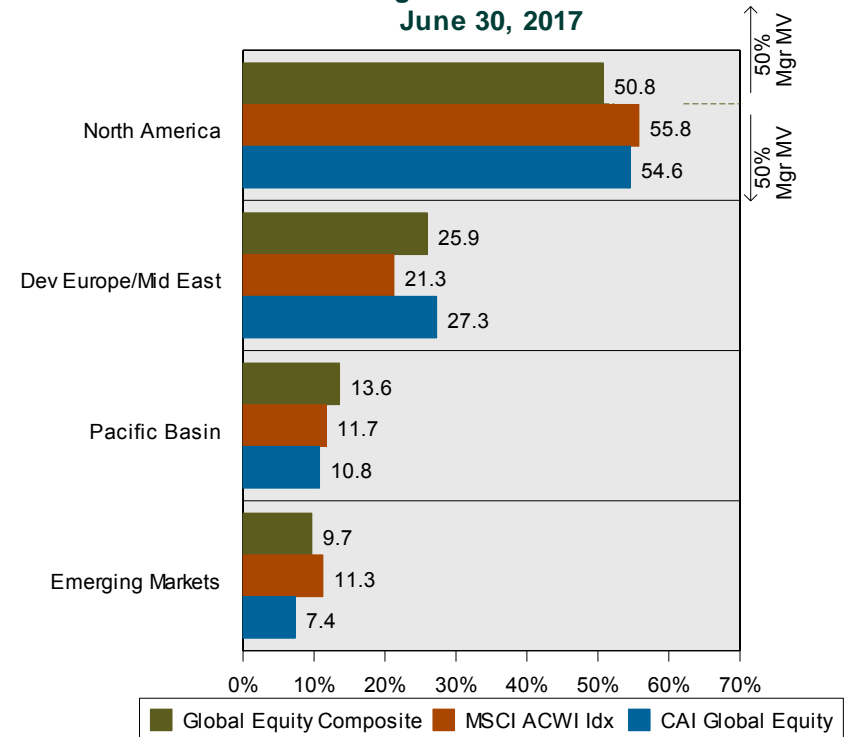
Global Equity

(\$180 Million; 8.5% of the Portfolio)

Style Map vs CAI Global Equity Holdings as of June 30, 2017

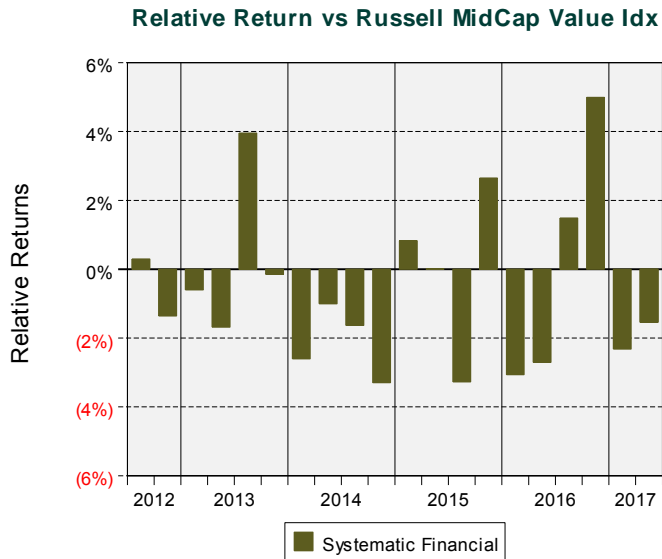


Regional Allocation June 30, 2017



- Global composite exhibits a growth bias relative to the Index.
- Portfolio's regional exposure maintains a non-U.S. bias.

Systematic – Mid Cap Growth (\$91.7mm, 4.4%)



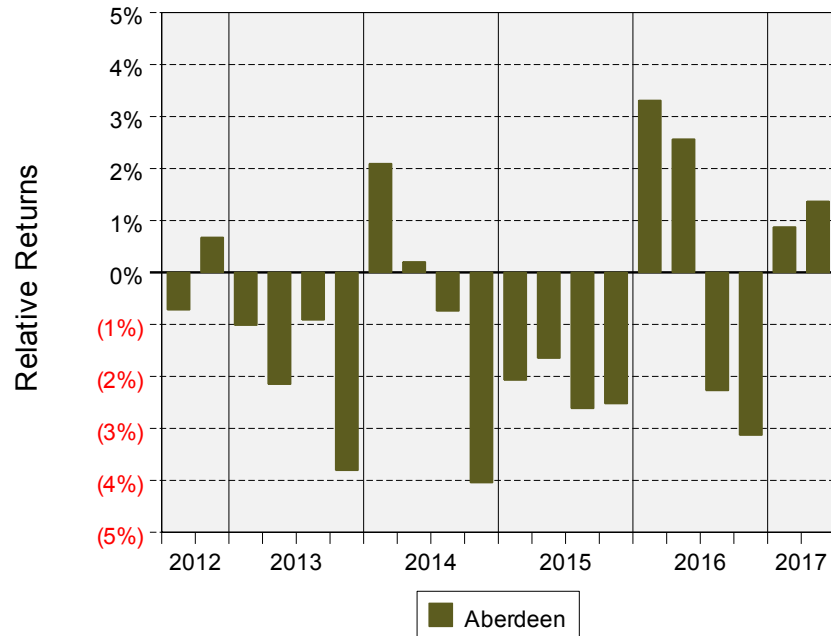
Attribution Effects by Sector vs. Russell Midcap Value Index
One Quarter Ended June 30, 2017

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	10.97%	8.82%	5.03%	4.39%	0.08%	0.09%	-
Consumer Staples	3.65%	3.26%	0.89%	0.12%	0.01%	(0.00)%	-
Energy	11.51%	9.24%	(18.38)%	(11.89)%	(0.33)%	(0.80)%	-
Financials	15.39%	19.66%	2.25%	3.30%	(0.10)%	(0.14)%	-
Health Care	6.74%	4.55%	12.35%	7.83%	0.17%	0.30%	-
Industrials	12.35%	12.27%	2.09%	3.09%	0.00%	(0.12)%	-
Information Technology	13.16%	9.41%	0.37%	3.45%	0.02%	(0.35)%	-
Materials	8.65%	6.05%	(0.43)%	0.14%	(0.01)%	(0.05)%	-
Real Estate	9.95%	14.05%	0.07%	1.38%	0.02%	(0.14)%	-
Telecommunications	0.28%	1.20%	(4.24)%	(1.02)%	0.02%	(0.01)%	-
Utilities	7.35%	11.50%	(0.54)%	1.78%	(0.06)%	(0.16)%	-
Non Equity	1.17%	0.00%	-	-	-	-	0.04%
Total	-	-	(0.18)%	1.37%	(0.19)%	(1.39)%	0.04%

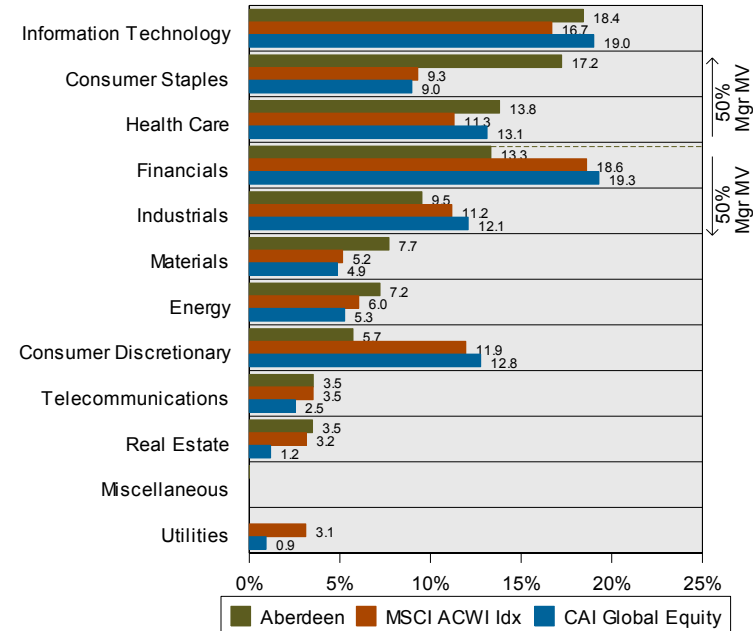
- Underperformance this quarter came from poor stock selection in every sector except for Consumer Discretionary and Health Care.
- Sector concentration netted 19 basis points of negative attribution, though Health Care and Consumer Discretionary were a boost to performance.
- Systematic's strategy is to invest in companies experiencing positive estimate revisions. This was not rewarded during the quarter while low volatility stocks were in favor.

Aberdeen – Global Equity (\$89.0mm, 4.2%)

Relative Return vs MSCI ACWI - Net



Sector Allocation June 30, 2017



- Deep value, dividend payers only, low P/E investment approach.
- Regional allocations were a positive contributor to relative performance, while sector allocation was not.
- Stock selection, particularly in Consumer Staples, Information Technology, and Telecommunications was additive.

Endowments Compliance Report

For Period Ending June 30, 2017

Asset Allocation			
Category	Range	Target	Actual
Equities	63%-69%	66.0%	68.3%
Domestic	37%-47%	42.0%	44.5%
Large cap	24%-34%	29.0%	30.4%
Mid cap	4%-12%	8.0%	9.0%
Small cap	2%-7%	5.0%	5.1%
International	11%-19%	15.0%	15.3%
Global	5-13%	9.0%	8.5%
Fixed Income	23%-29%	26.0%	23.6%
Real Estate	5%-12%	8.0%	7.4%
Cash and Equivalents	0%-5%	0.0%	0.6%

Rebalancing		
Applied when appropriate	Yes	

Performance		
Managers remain in specified style	Yes	
Active managers above median/indices for 3-years	No	See 1 below

Note 1: Sands, Systematic, Allianz, Aberdeen and Lazard are below their respective benchmarks and below median in their peer groups. Times Square is even with its benchmark but is above median. Barrow Hanley outperformed its benchmark but is below peer group median.

Note 2: The new target for Real Estate is 8.0% with a range of 5-12%. It was added on January 1, 2017. The first investment in Real Estate occurred during the second quarter of 2016.