

Spokane Employees' Retirement System

Second Quarter 2016 Performance Report

August 2016



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Section 1



Markets and Economic Update Second Quarter 2016

Brexit Perspective

In the short-term, global financial markets are simply pricing in more uncertainty and higher volatility with initial broad-based declines in risk assets resulting from the UK's recent vote to withdraw from the European Union. This includes declines in domestic and international equities and lower quality bonds. In addition, we've seen a flight to perceived safe haven currencies including the US Dollar, Swiss Franc and Yen while the Euro and most specifically the British Pound have declined sharply.

Longer-term, most economists expect the UK's isolationist decision to remove themselves from the European Union after 40+ years to create lower economic growth rates in the UK, weaker local currency and higher rates of inflation. Most would agree that in a global economy this would appear to be a drag on future growth.

As the financial markets react to this basic premise, it is important to place perspective around the impact this may have on US and global economic growth and production. The US represents the largest single global economy with nearly \$18 trillion of gross domestic product (GDP) annually, followed by the European Union at \$16 trillion (excluding UK) and China at \$11 trillion. In contrast, the UK represents a modest \$2.8 trillion in annual GDP. Hence, the direct influence on a global economy from an isolated UK event is modest at best.

So why is "the vote" getting so much attention across global financial markets? Beyond the media loving a story, the genuine concern is whether others will follow suit and whether this represents a trend toward broader isolationist policies in the European Union. It's this unknown that is creating continued uncertainty/volatility in financial markets. While the broad-based benefits of globalization are generally well acknowledged by economists and financial markets, this is often not the case in the general populist. In times of localized economic stress, these global benefits are often disregarded.

While the recent vote has created significant uncertainty and volatility we would highlight that the direct fundamental impact to global growth remains modest and the actual process to legally remove itself from the European Union lengthy. The risk of a broader exodus from the EU remains; however, this is also an excellent opportunity for the EU to reflect and improve upon current structure and policy. At the end of the day, we believe economic globalization is here to stay and those electing to isolate themselves from the rest of the world do so at great economic risk.

Economic Landscape

- Mixed signals continue to dominate the economic landscape.
- Real GDP growth was initially reported at 1.1% (annualized quarter-over-quarter) in the first quarter of 2016, which continues to be below the long-term historical average of 2.8%. This rate was subsequently revised downward to 0.8% and initial second quarter GDP growth came in at 1.2%, well below forecasts of 2.6%. Yet unemployment rates continue to fall, resting at 4.7% as of May 2016.

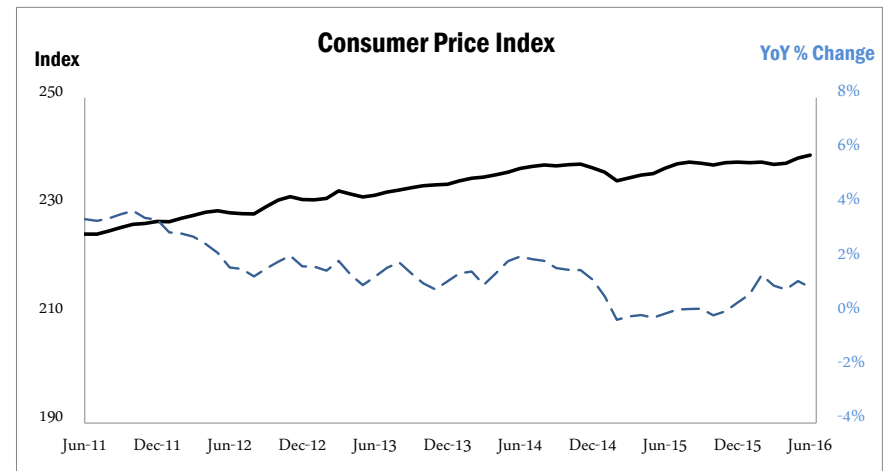
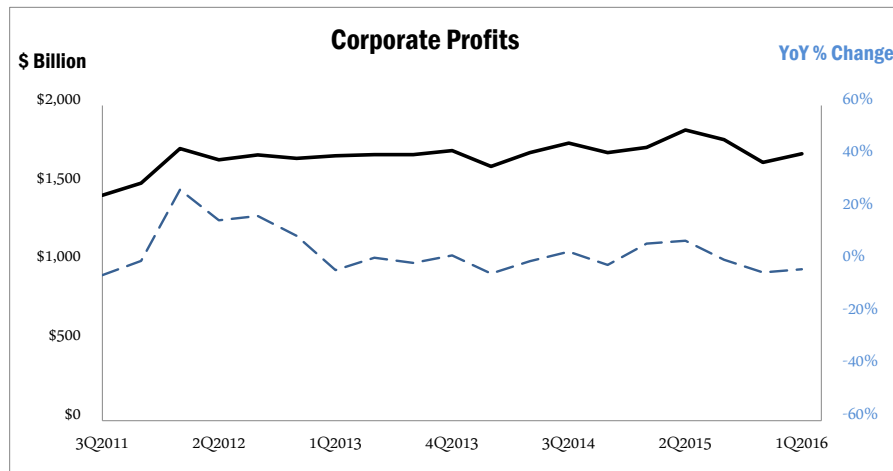
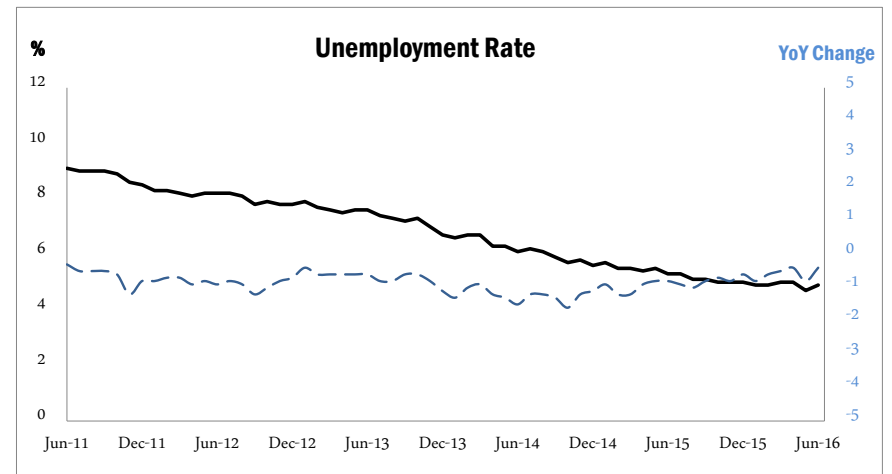
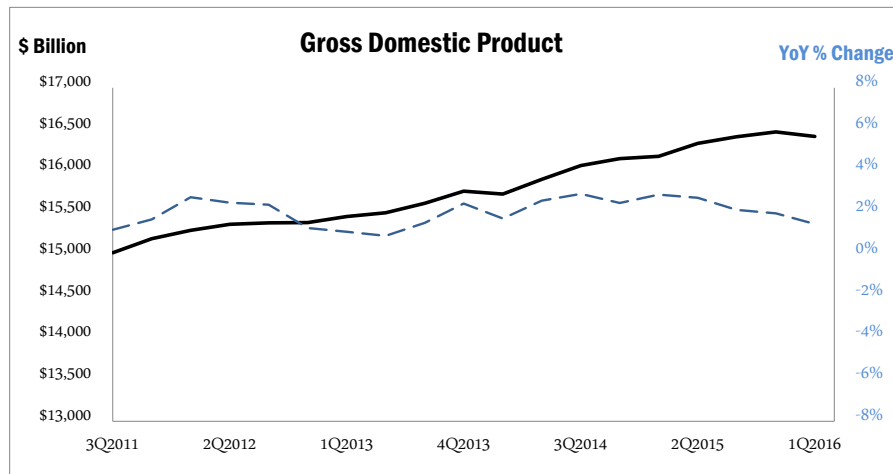
- Consumer balance sheets are as robust as ever with household net worth at all-time highs and household debt service at 30-year lows. In contrast, the Federal balance sheet continues to be stretched to historical extremes. The US continues to run a Federal deficit, though it's declined sharply from 10% of GDP in 2009 to 2.5% today. Federal debt as a percent of GDP is at a 60-year high.
- On the inflation front, core CPI is up 2.3% year-over-year as of June 2016, but headline CPI, which includes the volatile components of food and energy prices, is up only 1.0%. Wholesale inflation as represented by the PPI jumped 0.5% in June – the largest increase in over a year. However, most of this increase was driven by higher oil prices. The Fed has indicated it wants to see higher sustained rates of inflation before it raises interest rates; however, trends in wholesale and consumer inflation continue to be muted and inconsistent.
- The May jobs report came in well below expectations with 38,000 new jobs created, increasing already heightened anxieties around the soundness of the U.S. economy. The June jobs report, on the other hand, easily exceeded expectations with the addition of 287,000 jobs vs. the estimate of 180,000. Perhaps most importantly, recent wage growth came in at a rather benign 2.4%, stubbornly below the Fed's aspired rate.

Global Financial Markets

- Global fixed income markets are increasingly seeing negative nominal yields. Japan's 20-year government bond yields went negative for the first time in history. Globally, 26% of sovereign (government) bonds are currently yielding less than zero percent. In contrast, only 6% of outstanding sovereign debt yields above 2.0%.
- Domestic interest rates declined sharply this quarter as global investors sought out the safety of US government bonds. The yield on the 10-year Treasury bond declined from 1.78% to 1.49% during the quarter propelling bond prices upward.
- Domestic equity markets headed into the Brexit vote up slightly for the quarter; within two days following the announcement they had dropped 5%, only to rally into the final three trading days of the quarter. The end result was a domestic equity market virtually unchanged from pre-announcement levels.
- Historically defensive sectors including Utilities, Consumer Staples and Healthcare were again among the best performing sectors this quarter. However, many active managers are increasingly underweight these sectors based on historically high valuations.

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2Q2016 Economic Data



Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	287,000	423,000	11,000	207,700	Jun-16
Unemployment Rate	4.9%	9.1%	4.7%	6.8%	Jun-16
Median Unemployment Length (Weeks)	8.3	22.3	8.3	15.6	Jun-16
Average Hourly Earnings	\$25.61	\$25.61	\$23.07	\$24.25	Jun-16

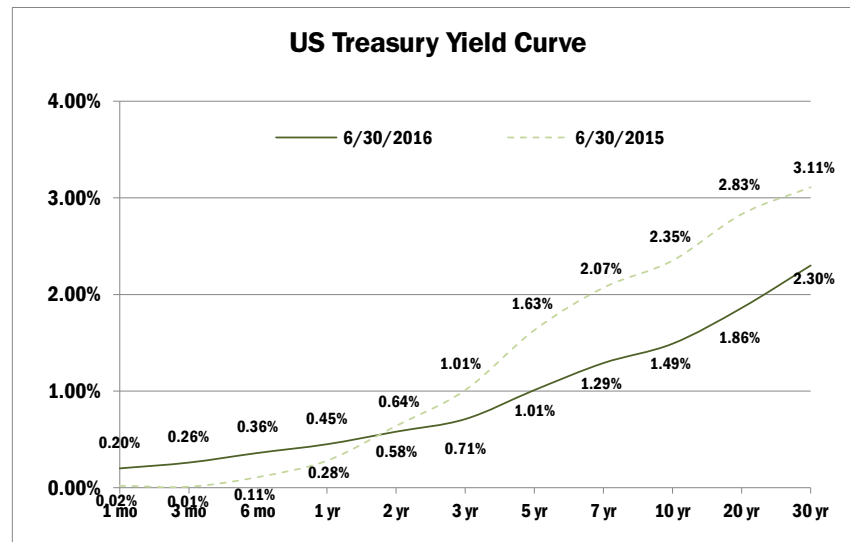
Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.41	\$3.89	\$1.79	-38.2%	Jun-16
Spot Oil	\$48.76	\$106.57	\$30.32	-54.2%	Jun-16
Case-Shiller Home Price Index	189.0	189.0	136.9	38.1%*	Apr-16
Medical Care CPI	462.3	462.3	400.4	15.4%*	Jun-16

Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

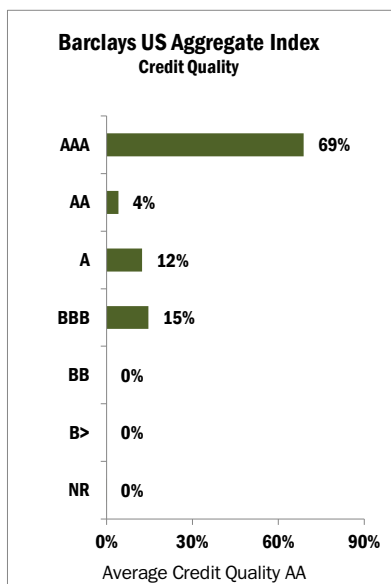
*% Off Low

2Q2016 Bond Market Data

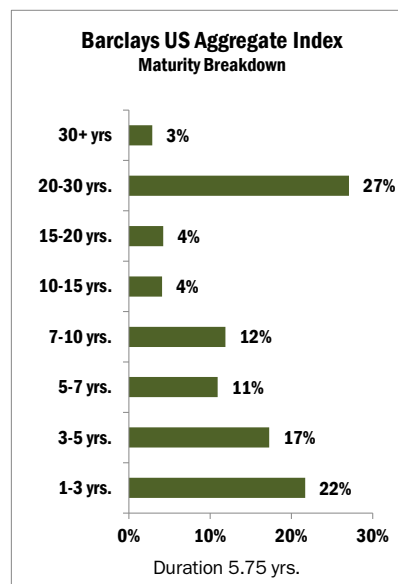
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.05%	0.11%	0.12%	0.07%	0.07%	1.02%
Barclays US Aggregate	2.21%	5.31%	6.00%	4.06%	3.76%	5.13%
Barclays Short US Treasury	0.16%	0.34%	0.38%	0.21%	0.19%	1.23%
Barclays Int. US Treasury	1.28%	3.66%	4.04%	2.44%	2.40%	4.15%
Barclays Long US Treasury	6.44%	15.12%	19.30%	10.46%	10.31%	8.77%
Barclays US TIPS	1.71%	6.24%	4.35%	2.31%	2.63%	4.75%
Barclays US Credit	3.48%	7.54%	7.55%	5.26%	5.20%	6.11%
Barclays US Mortgage-Backed	1.11%	3.10%	4.34%	3.76%	3.01%	4.96%
Barclays US Asset-Backed	1.17%	2.54%	2.72%	2.05%	2.34%	3.48%
Barclays US 20-Yr Municipal	3.59%	5.61%	9.73%	7.33%	7.00%	5.93%
Barclays US High Yield	5.52%	9.06%	1.62%	4.18%	5.84%	7.56%
Barclays Global	2.89%	8.96%	8.87%	2.80%	1.77%	4.40%
Barclays International	3.40%	11.94%	11.24%	1.85%	0.35%	3.83%
Barclays Emerging Market	4.67%	9.40%	7.83%	5.99%	5.99%	7.74%



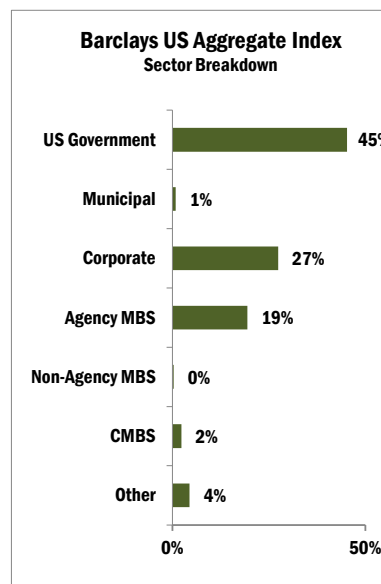
Source: Department of US Treasury



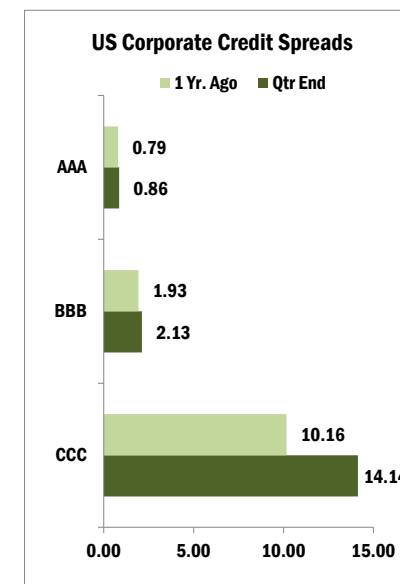
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

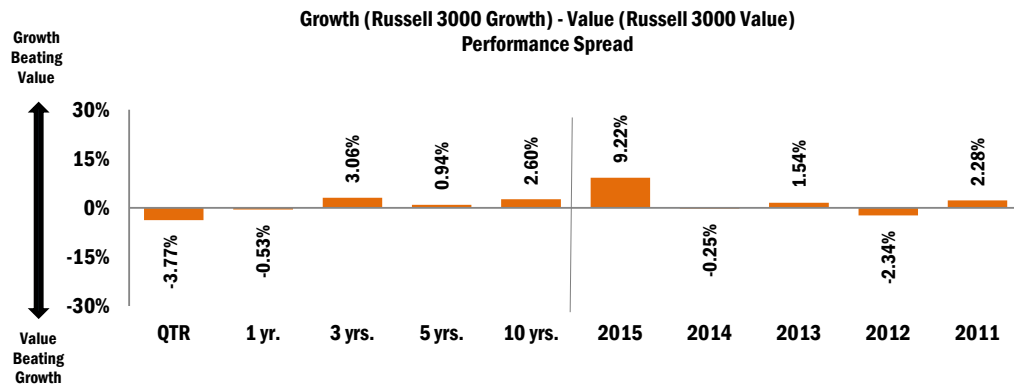
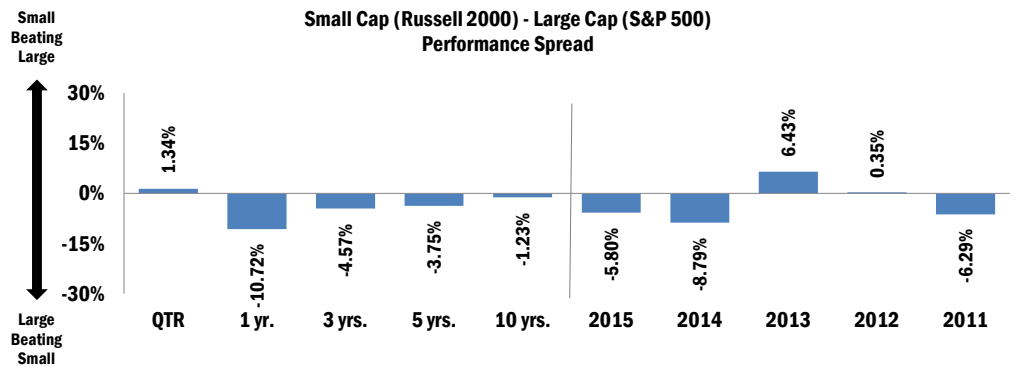
2Q2016 US Equity Market Data

Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	1 Yr.
S&P 500 Index	7%	Energy	11.62%	-3.92%
	3%	Telecom Services	7.06%	25.14%
	4%	Utilities	6.79%	31.47%
	15%	Health Care	6.27%	-2.02%
	11%	Consumer Staples	4.63%	18.66%
	3%	Materials	3.71%	-2.04%
	16%	Financials	2.12%	-4.17%
	10%	Industrials	1.40%	7.04%
	12%	Consumer Discretionary	-0.91%	3.78%
	20%	Information Technology	-2.84%	4.79%
S&P Midcap 400 Index	5%	Consumer Staples	10.49%	7.07%
	6%	Utilities	9.36%	35.66%
	8%	Materials	7.74%	9.00%
	4%	Energy	6.04%	-27.34%
	9%	Health Care	5.94%	-1.69%
	27%	Financials	5.92%	7.93%
	17%	Information Technology	2.93%	-3.06%
	13%	Industrials	0.49%	0.50%
	0%	Telecom Services	-0.90%	3.07%
	12%	Consumer Discretionary	-3.26%	-11.07%
S&P Smallcap 600 Index	5%	Utilities	10.47%	44.89%
	1%	Telecom Services	10.45%	20.09%
	3%	Consumer Staples	10.34%	17.70%
	5%	Materials	9.40%	-9.88%
	3%	Energy	8.55%	-37.88%
	13%	Health Care	6.68%	-0.41%
	23%	Financials	4.04%	3.47%
	18%	Industrials	1.95%	-2.38%
	15%	Information Technology	0.88%	6.81%
	14%	Consumer Discretionary	-2.03%	-11.86%

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	2.46%	3.84%	3.99%	11.66%	12.10%	7.42%
Russell 1000 Value	4.58%	6.30%	2.86%	9.87%	11.35%	6.13%
Russell 1000 Growth	0.61%	1.36%	3.02%	13.07%	12.35%	8.78%
Russell Mid Cap	3.18%	5.50%	0.56%	10.80%	10.90%	8.07%
Russell Mid Cap Value	4.77%	8.87%	3.25%	11.00%	11.70%	7.79%
Russell Mid Cap Growth	1.56%	2.15%	-2.14%	10.52%	9.98%	8.12%
Russell 2000	3.79%	2.22%	-6.73%	7.09%	8.35%	6.20%
Russell 2000 Value	4.31%	6.08%	-2.58%	6.36%	8.15%	5.15%
Russell 2000 Growth	3.24%	-1.59%	-10.75%	7.74%	8.51%	7.14%
Russell 3000	2.63%	3.62%	2.14%	11.13%	11.60%	7.40%
DJ US Select REIT	5.42%	10.82%	22.85%	13.55%	12.30%	6.86%

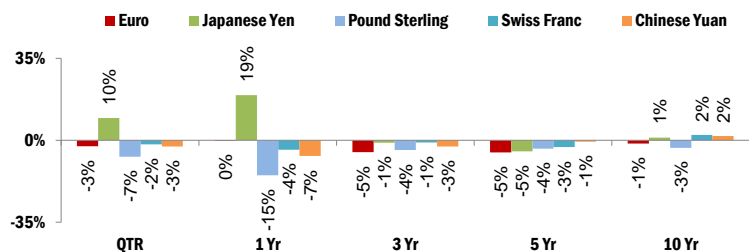


2Q2016 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	-0.64%	-1.02%	-10.24%	1.16%	0.10%	1.87%
MSCI EAFE	-1.46%	-4.42%	-10.16%	2.06%	1.68%	1.58%
Europe	-2.69%	-5.13%	-11.22%	1.96%	1.02%	1.52%
United Kingdom	-0.73%	-3.05%	-12.14%	0.67%	1.71%	1.43%
Germany	-5.57%	-7.94%	-11.64%	1.11%	-0.03%	3.11%
France	-4.31%	-4.19%	-8.87%	1.80%	-1.01%	0.33%
Pacific	0.87%	-2.94%	-8.19%	2.16%	2.98%	1.72%
Japan	1.01%	-5.58%	-8.94%	2.71%	4.21%	0.14%
Hong Kong	0.94%	0.38%	-10.78%	5.69%	4.94%	7.59%
Australia	0.46%	2.57%	-4.50%	-0.34%	-0.55%	4.41%
Canada	3.40%	15.06%	-6.26%	0.08%	-2.78%	2.50%
MSCI EM	0.66%	6.41%	-12.06%	-1.56%	-3.78%	3.54%
MSCI EM Latin America	5.31%	25.47%	-7.57%	-8.28%	-10.13%	2.31%
MSCI EM Asia	0.30%	2.25%	-12.21%	1.84%	-0.61%	5.26%
MSCI EM Eur/Mid East	-3.61%	8.50%	-12.56%	-10.90%	-11.26%	-3.29%
MSCI ACWI Value ex-US	-1.76%	-2.17%	-14.26%	-0.84%	-1.36%	0.88%
MSCI ACWI Growth ex-US	0.46%	0.13%	-6.20%	3.11%	1.52%	2.81%
MSCI AC World Sm Cap ex-US	-0.87%	-0.20%	-5.46%	4.93%	2.28%	4.09%

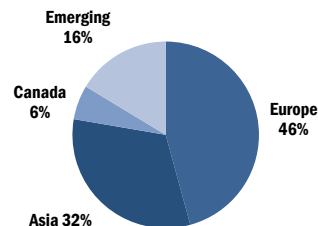
Foreign Currency v. US\$ Returns



Exchange Rates	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
Japanese Yen	102.77	112.42	120.27	119.81	122.10	119.96
Euro	0.91	0.88	0.92	0.89	0.90	0.93
British Pound	0.76	0.70	0.68	0.66	0.64	0.67
Swiss Franc	0.98	0.96	1.00	0.98	0.93	0.97
Chinese Yuan	6.65	6.45	6.48	6.36	6.20	6.20

Regional Exposure

MSCI ACWI ex-USA

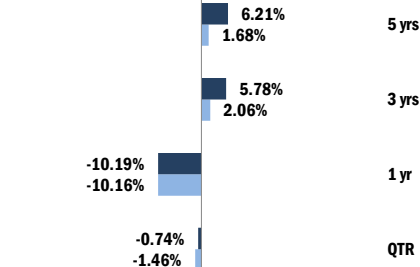


Top 10 Countries (MSCI AC World ex-USA)

Japan	17%
UK	13%
Canada	7%
France	7%
Switzerland	6%
Germany	6%
China	6%
Australia	5%
South Korea	3%
Hong Kong	3%

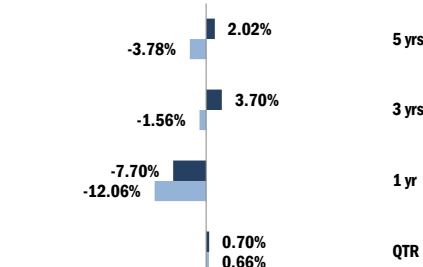
MSCI EAFE Index Return

Local vs US\$

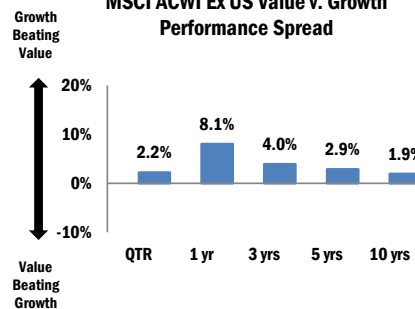


MSCI Emerging Index Return

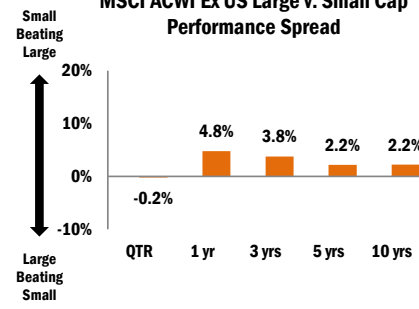
Local vs US\$



MSCI ACWI Ex US Value v. Growth Performance Spread



MSCI ACWI Ex US Large v. Small Cap Performance Spread



Historical Market Returns

Ranked by Performance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	YTD	2Q16
Commod. 25.91%	Emerging Markets 55.82%	Emerging Markets 25.55%	Emerging Markets 34.00%	Emerging Markets 32.14%	Emerging Markets 39.42%	US Bonds 5.24%	Emerging Markets 78.51%	Small Cap 26.85%	Core Real Estate 14.96%	Emerging Markets 18.22%	Small Cap 38.82%	Large Cap 13.68%	Core Real Estate 13.95%	Commod. 13.25%	Commod. 12.78%
TIPS 16.57%	Small Cap 47.25%	Intl 20.91%	Commod. 21.36%	Intl 26.65%	Intl 16.65%	Global Bonds 4.79%	High Yield 58.21%	Mid Cap 25.48%	TIPS 13.56%	Mid Cap 17.28%	Mid Cap 34.76%	Mid Cap 13.21%	Large Cap 1.38%	High Yield 9.06%	High Yield 5.52%
Global Bonds 16.52%	Intl 40.83%	Mid Cap 20.22%	Core Real Estate 20.15%	Small Cap 18.37%	Commod. 16.23%	Cash 1.39%	Intl 41.45%	Emerging Markets 18.88%	US Bonds 7.84%	Intl 16.83%	Large Cap 32.39%	Core Real Estate 11.44%	US Bonds 0.55%	Global Bonds 8.96%	Small Cap 3.79%
US Bonds 10.26%	Mid Cap 40.06%	Small Cap 18.33%	Intl 16.62%	Large Cap 15.79%	Core Real Estate 14.84%	TIPS -2.35%	Mid Cap 40.48%	Commod. 16.83%	Global Bonds 5.64%	Small Cap 16.35%	Intl 15.29%	US Bonds 5.97%	Cash 0.03%	Emerging Markets 6.41%	Mid Cap 3.18%
Core Real Estate 4.58%	High Yield 28.97%	Global Balanced 12.18%	Mid Cap 12.65%	Core Real Estate 15.27%	TIPS 11.64%	Core Real Estate -10.70%	Small Cap 27.17%	Core Real Estate 15.26%	High Yield 4.98%	Large Cap 16.00%	Global Balanced 14.46%	Small Cap 4.89%	TIPS -1.43%	TIPS 6.24%	Global Bonds 2.89%
Cash 1.63%	Large Cap 28.68%	Core Real Estate 12.00%	Large Cap 4.91%	Mid Cap 15.26%	Global Bonds 9.48%	Global Balanced -24.51%	Large Cap 26.46%	High Yield 15.12%	Large Cap 2.11%	High Yield 15.81%	Core Real Estate 12.95%	TIPS 3.64%	Global Balanced -1.45%	Mid Cap 5.50%	Large Cap 2.46%
High Yield -1.41%	Global Balanced 24.27%	High Yield 11.13%	Small Cap 4.55%	Global Balanced 14.53%	Global Balanced 9.07%	High Yield -26.16%	Global Balanced 20.49%	Large Cap 15.06%	Cash 0.06%	Global Balanced 11.06%	High Yield 7.44%	Global Balanced 3.17%	Mid Cap -2.43%	US Bonds 5.31%	US Bonds 2.21%
Emerging Markets -6.17%	Commod. 23.93%	Large Cap 10.88%	Global Balanced 4.16%	High Yield 11.85%	US Bonds 6.97%	Small Cap -33.79%	Commod. 18.91%	Intl 11.15%	Global Balanced -0.97%	Core Real Estate 9.76%	Cash 0.07%	High Yield 2.45%	Global Bonds -3.15%	Core Real Estate 3.92%	Core Real Estate 1.91%
Global Balanced -6.58%	Global Bonds 12.51%	Global Bonds 9.27%	Cash 3.25%	Global Bonds 6.64%	Mid Cap 5.60%	Commod. -35.65%	TIPS 11.41%	Global Balanced 9.40%	Mid Cap -1.55%	TIPS 6.98%	US Bonds -2.02%	Global Bonds 0.59%	Small Cap -4.41%	Large Cap 3.84%	TIPS 1.71%
Intl -14.95%	TIPS 8.40%	Commod. 9.15%	TIPS 2.84%	Cash 4.85%	Large Cap 5.49%	Large Cap -37.00%	Global Bonds 6.93%	US Bonds 6.54%	Small Cap -4.18%	Global Bonds 4.32%	Global Bonds -2.60%	Cash 0.04%	High Yield -4.46%	Global Balanced 3.51%	Global Balanced 1.62%
Mid Cap -16.19%	Core Real Estate 8.28%	TIPS 8.46%	High Yield 2.74%	US Bonds 4.33%	Cash 4.44%	Mid Cap -41.46%	US Bonds 5.93%	TIPS 6.31%	Commod. -13.32%	US Bonds 4.21%	Emerging Markets -2.60%	Emerging Markets -2.18%	Intl -5.66%	Small Cap 2.22%	Emerging Markets 0.66%
Small Cap -20.48%	US Bonds 4.10%	US Bonds 4.34%	US Bonds 2.43%	Commod. 2.07%	High Yield 1.87%	Intl -45.53%	Cash 0.16%	Global Bonds 5.54%	Intl -13.71%	Cash 0.08%	TIPS -8.61%	Intl -3.86%	Emerging Markets -14.90%	Cash 0.11%	Cash 0.05%
Large Cap -22.10%	Cash 1.03%	Cash 1.44%	Global Bonds -4.49%	TIPS 0.41%	Small Cap -1.57%	Emerging Markets -53.33%	Core Real Estate -30.40%	Cash 0.15%	Emerging Markets -18.42%	Commod. -1.06%	Commod. -9.52%	Commod. -17.00%	Commod. -24.60%	Intl -1.01%	Intl -0.64%

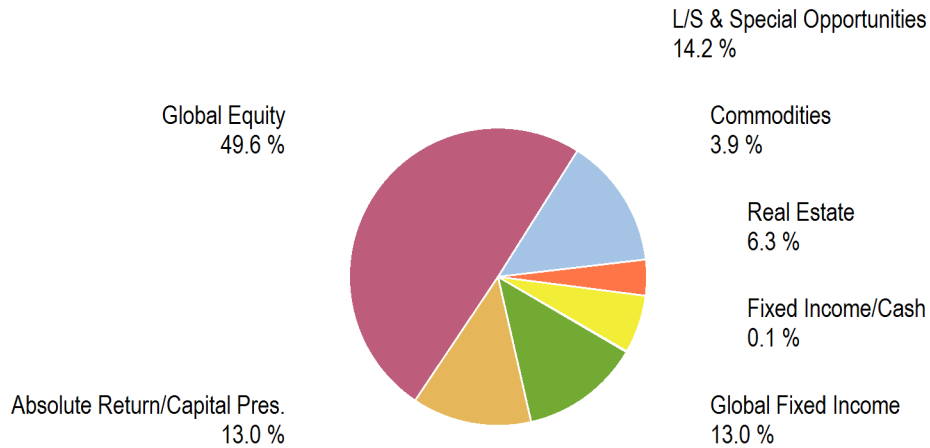
Global Balanced is composed of 60% MSCI World Stock Index, 35% Barclays Global Aggregate Bond Index, and 5% US 90-Day T-Bills.

Section 2

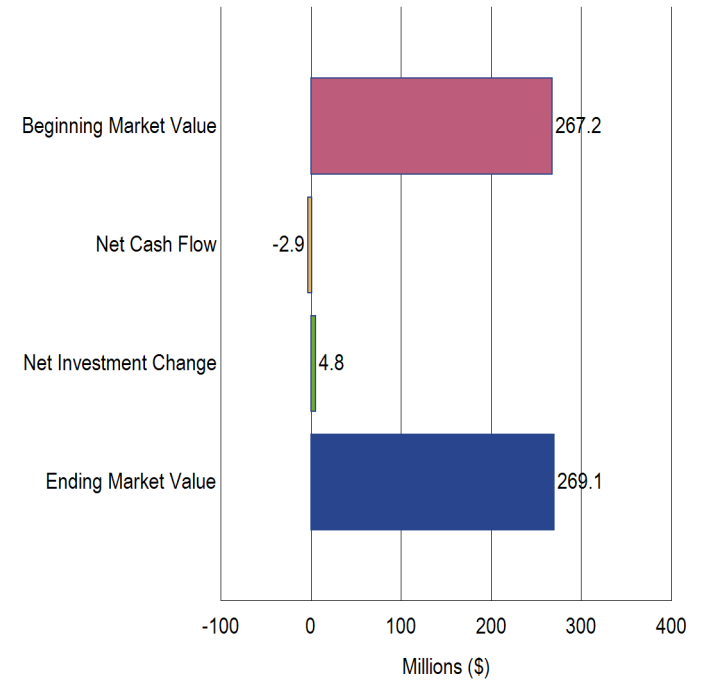
Spokane Employees' Retirement System

As of June 30, 2016

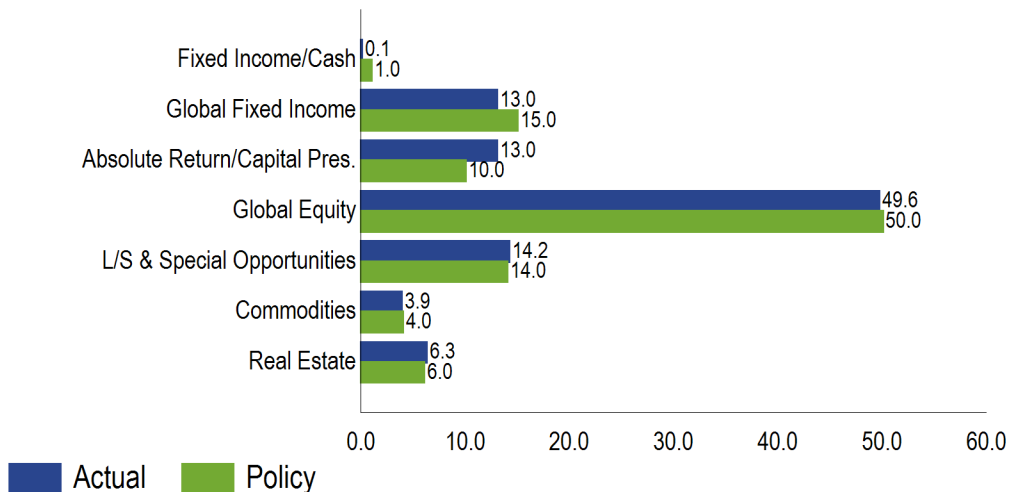
Current Allocation



Current Quarter



Actual vs Target Allocation (%)



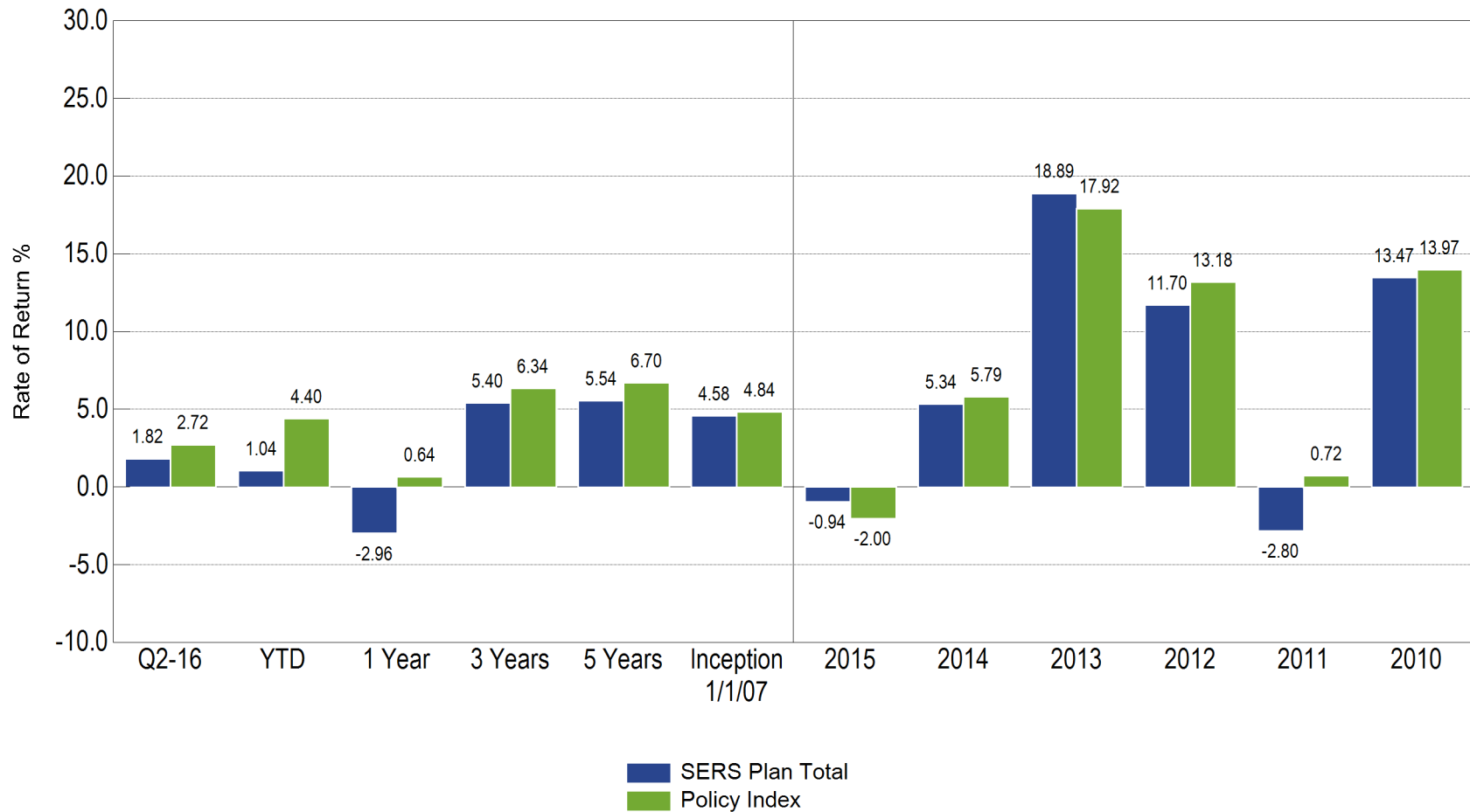
Current Market Value:

\$269,104,875

Policy Index

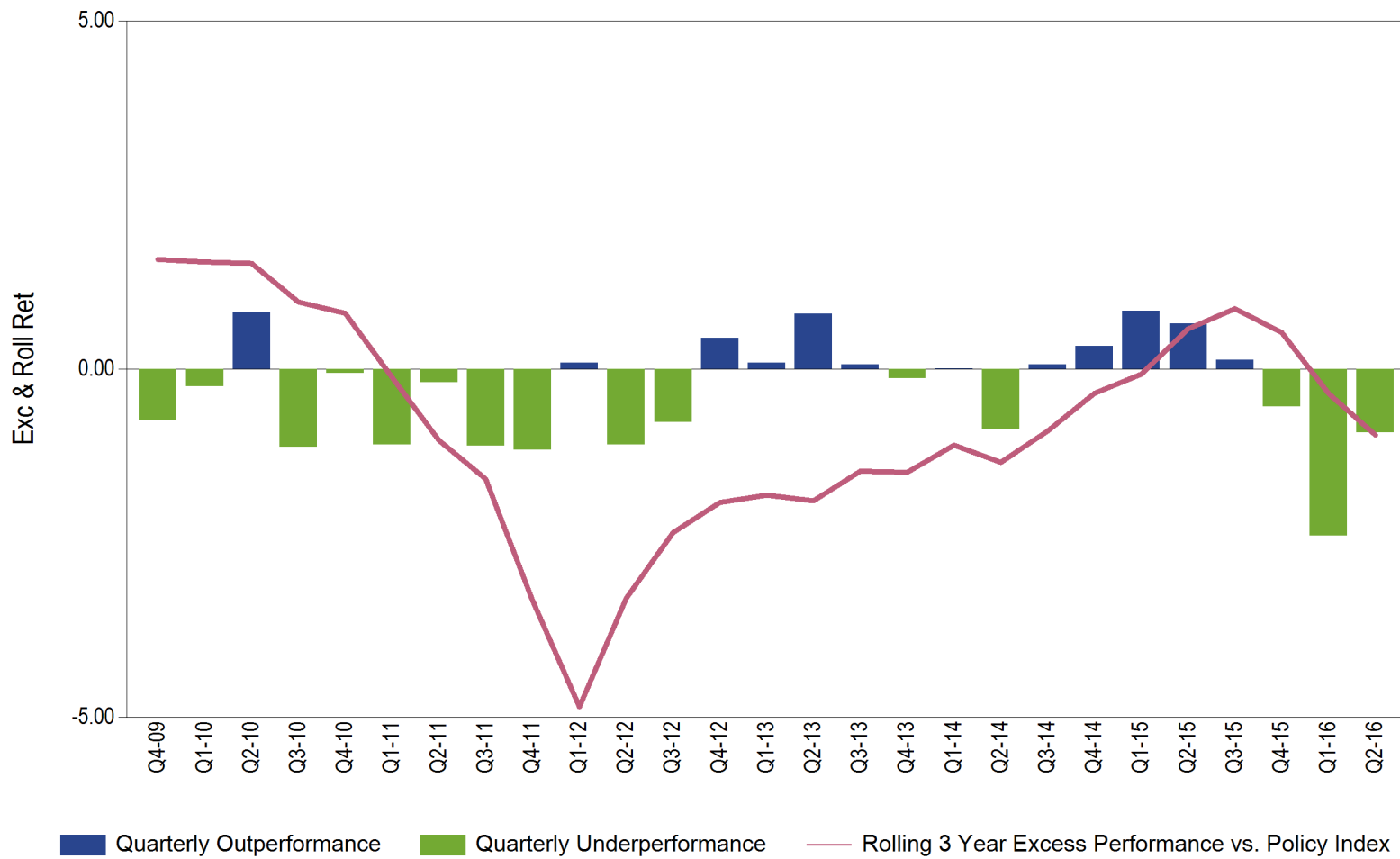
Index	Weight
US 90 Day T-Bill	1%
Barclays US Aggregate Bond Index	15%
Barclays Corporate High Yield Index	5%
Barclays Global Aggregate Bond Index	5%
S&P 500 Index	34%
Russell Mid Cap Index	8%
Russell 2000 Index	5%
MSCI ACWI ex-US	17%
S&P GSCI Index	4%
NAREIT Composite	3%
NCREIF Property Index	3%

Return Summary
Ending June 30, 2016



Performance Net of Fees
Performance greater than 1 year is annualized

Rolling Annualized Excess Performance



RISK RETURN STATISTICS

January 01, 2007 Through June 30, 2016

	SERS Plan Total	Policy Index
RETURN SUMMARY STATISTICS		
Number of Periods	38	38
Maximum Return	12.42	17.68
Minimum Return	-14.46	-17.18
Annualized Return	4.58	4.84
Total Return	53.04	56.65
Annualized Excess Return Over Risk Free	3.91	4.17
Annualized Excess Return	-0.26	0.00
RISK SUMMARY STATISTICS		
Beta	0.85	1.00
Upside Deviation	6.52	8.43
Downside Deviation	8.95	10.23
RISK/RETURN SUMMARY STATISTICS		
Annualized Standard Deviation	11.80	13.65
Alpha	0.10	0.00
Sharpe Ratio	0.33	0.31
Excess Return Over Market / Risk	-0.02	0.00
Tracking Error	3.03	0.00
Information Ratio	-0.08	--
CORRELATION STATISTICS		
R-Squared	0.96	1.00
Correlation	0.98	1.00

Market Proxy: Policy Index

Risk-Free Proxy: 91 Day T-Bills

Spokane Employees' Retirement System

As of June 30, 2016

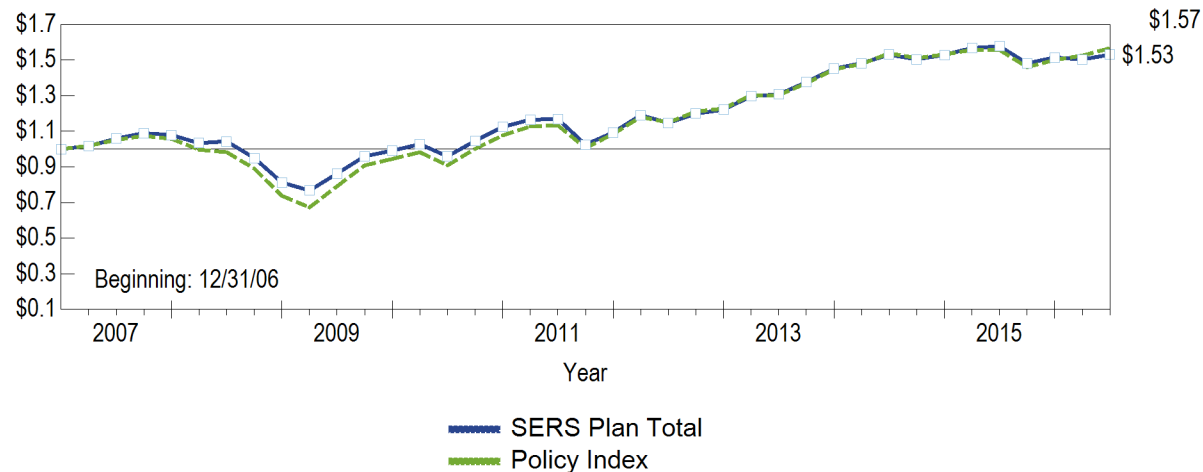
Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
SERS Plan Total	1.82	1.04	-2.96	5.40	5.54	-0.94	5.34	18.89	11.70	-2.80	13.47	21.99	4.58	Jan-07
Policy Index	2.72	4.40	0.64	6.34	6.70	-2.00	5.79	17.92	13.18	0.72	13.97	28.11	4.84	Jan-07
Over/Under	-0.90	-3.36	-3.60	-0.94	-1.16	1.06	-0.45	0.97	-1.48	-3.52	-0.50	-6.12	-0.26	
Fixed Income Total	3.16	5.59	2.00	1.60	2.27	-3.85	0.28	1.22	8.22	3.12	5.99	10.76	4.32	Apr-07
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	4.83	Apr-07
Over/Under	0.95	0.28	-4.00	-2.46	-1.49	-4.40	-5.69	3.24	4.01	-4.72	-0.55	4.83	-0.51	
Absolute Return/Capital Pres	1.86	1.90	1.14	2.60	3.55	0.41	3.15	4.65	6.68	2.63	-0.34	-0.05	0.79	Jan-08
HFRI FOF: Conservative Index	0.62	-1.48	-3.24	1.97	1.94	0.37	3.14	7.70	4.22	-3.55	5.07	9.65	0.22	Jan-08
Over/Under	1.24	3.38	4.38	0.63	1.61	0.04	0.01	-3.05	2.46	6.18	-5.41	-9.70	0.57	
Long Short/Special Opps Total	0.38	-6.09	-8.30	4.23	3.11	3.14	8.31	15.23	3.81	-6.31	7.61	17.81	2.33	Apr-08
HFRI Fund of Funds Composite Index	0.50	-2.63	-5.45	1.89	1.62	-0.27	3.36	8.96	4.79	-5.72	5.70	11.47	0.54	Apr-08
Over/Under	-0.12	-3.46	-2.85	2.34	1.49	3.41	4.95	6.27	-0.98	-0.59	1.91	6.34	1.79	
Large Cap Equity Total	0.60	-0.90	-3.78	9.56	10.41	-0.32	12.85	34.81	15.42	-0.61	15.76	27.61	6.30	Apr-07
S&P 500	2.46	3.84	3.99	11.66	12.10	1.38	13.69	32.39	16.00	2.11	15.06	26.46	6.58	Apr-07
Over/Under	-1.86	-4.74	-7.77	-2.10	-1.69	-1.70	-0.84	2.42	-0.58	-2.72	0.70	1.15	-0.28	
Mid Cap Equity Total	-0.54	-0.09	-5.55	8.75	8.94	-1.01	10.16	37.51	14.18	-2.95	22.88	37.22	7.34	Apr-07
Russell MidCap	3.18	5.50	0.56	10.80	10.90	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48	7.14	Apr-07
Over/Under	-3.72	-5.59	-6.11	-2.05	-1.96	1.43	-3.06	2.75	-3.10	-1.40	-2.60	-3.26	0.20	
Small Cap Equity Total	4.74	4.21	-0.05	10.20	9.74	0.02	6.32	40.29	12.78	-3.08	26.03	24.96	5.08	Apr-07
Russell 2000	3.79	2.22	-6.73	7.09	8.35	-4.41	4.89	38.82	16.35	-4.18	26.86	27.17	5.47	Apr-07
Over/Under	0.95	1.99	6.68	3.11	1.39	4.43	1.43	1.47	-3.57	1.10	-0.83	-2.21	-0.39	

Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
International Equity Total	0.02	-0.73	-7.79	3.15	2.61	-1.32	-3.58	20.93	18.48	-13.72	17.28	38.62	2.91	Apr-07
MSCI ACWI ex USA	-0.64	-1.02	-10.24	1.16	0.10	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	0.05	Apr-07
Over/Under	0.66	0.29	2.45	1.99	2.51	4.34	0.29	5.64	1.65	-0.01	6.13	-2.83	2.86	
Commodities Total	13.44	13.68	-18.83	-13.43	-10.83	-28.02	-24.83	-3.39	-1.87	-3.28	7.17	--	-3.71	Apr-09
S&P GSCI Total Return Index	12.67	9.86	-26.08	-19.81	-14.03	-32.86	-33.06	-1.22	0.08	-1.18	9.03	13.48	-5.41	Apr-09
Over/Under	0.77	3.82	7.25	6.38	3.20	4.84	8.23	-2.17	-1.95	-2.10	-1.86		1.70	
Real Estate Total	4.27	8.77	16.70	13.41	12.99	6.66	25.00	8.71	15.17	9.44	23.35	13.84	5.14	Apr-07
RE Index (50/50 NAREIT Comp REIT/NCREIF PI)	4.70	9.00	16.78	12.64	12.26	7.96	19.55	7.30	15.38	11.44	20.65	5.56	6.98	Apr-07
Over/Under	-0.43	-0.23	-0.08	0.77	0.73	-1.30	5.45	1.41	-0.21	-2.00	2.70	8.28	-1.84	

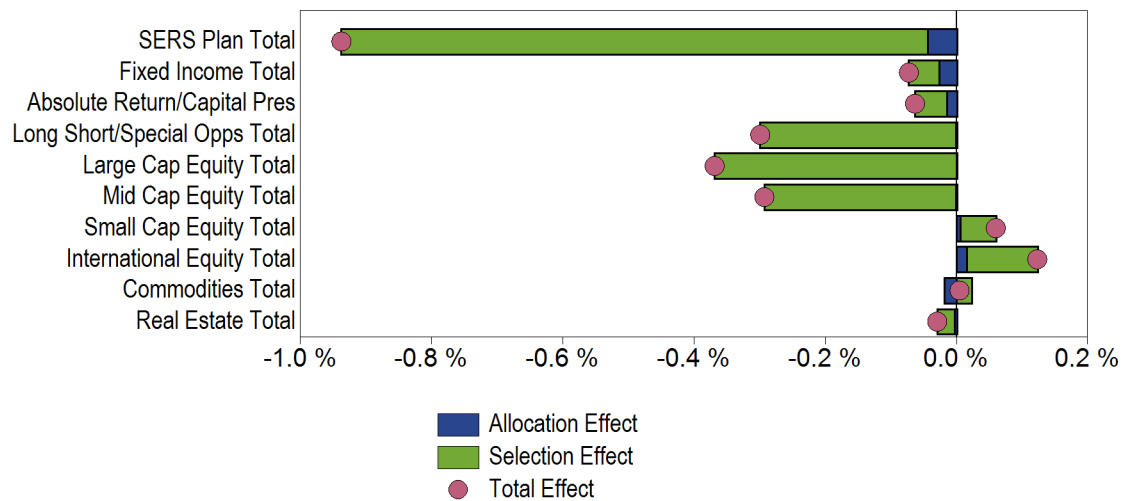
GROWTH OF A DOLLAR



Attribution Summary
3 Months Ending June 30, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Fixed Income Total	3.2%	3.5%	-0.4%	0.0%	0.0%	-0.1%
Absolute Return/Capital Pres	1.9%	2.2%	-0.4%	0.0%	0.0%	-0.1%
Long Short/Special Opps Total	0.4%	2.5%	-2.1%	-0.3%	0.0%	-0.3%
Large Cap Equity Total	0.6%	2.5%	-1.9%	-0.4%	0.0%	-0.4%
Mid Cap Equity Total	-0.5%	3.2%	-3.7%	-0.3%	0.0%	-0.3%
Small Cap Equity Total	4.7%	3.8%	0.9%	0.1%	0.0%	0.1%
International Equity Total	0.0%	-0.6%	0.7%	0.1%	0.0%	0.1%
Commodities Total	13.4%	12.7%	0.8%	0.0%	0.0%	0.0%
Real Estate Total	4.3%	4.7%	-0.4%	0.0%	0.0%	0.0%
Total	1.8%	2.8%	-0.9%	-0.9%	0.0%	-0.9%

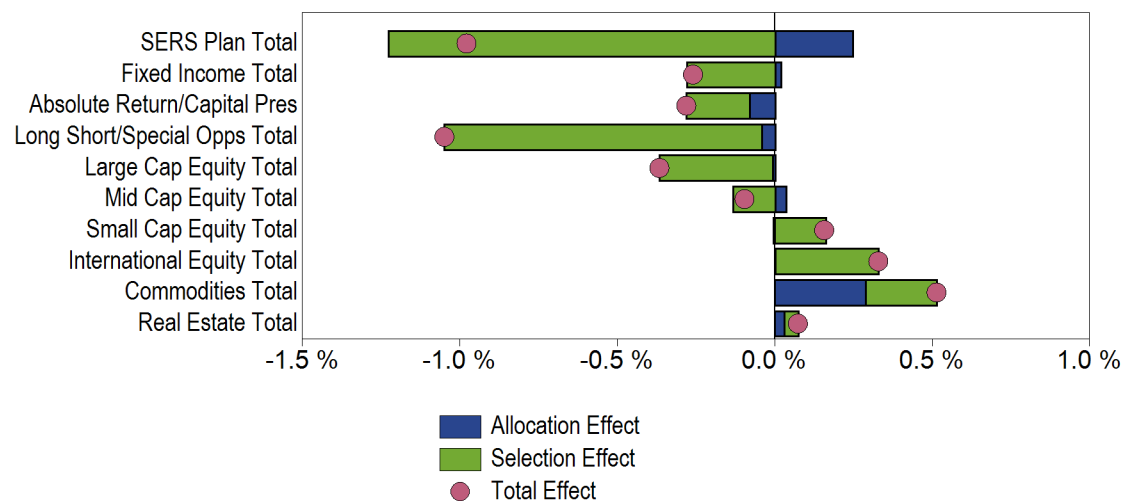
Attribution Effects
3 Months Ending June 30, 2016



Attribution Summary
3 Years Ending June 30, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Fixed Income Total	1.6%	3.7%	-2.1%	-0.3%	0.0%	-0.3%
Absolute Return/Capital Pres	2.6%	4.1%	-1.5%	-0.2%	-0.1%	-0.3%
Long Short/Special Opps Total	4.2%	11.7%	-7.4%	-1.0%	0.0%	-1.0%
Large Cap Equity Total	9.6%	11.7%	-2.1%	-0.4%	0.0%	-0.4%
Mid Cap Equity Total	8.8%	10.8%	-2.0%	-0.1%	0.0%	-0.1%
Small Cap Equity Total	10.2%	7.1%	3.1%	0.2%	0.0%	0.2%
International Equity Total	3.1%	1.2%	2.0%	0.3%	0.0%	0.3%
Commodities Total	-13.4%	-19.8%	6.4%	0.2%	0.3%	0.5%
Real Estate Total	13.4%	12.6%	0.8%	0.0%	0.0%	0.1%
Total	5.4%	6.4%	-1.0%	-1.2%	0.2%	-1.0%

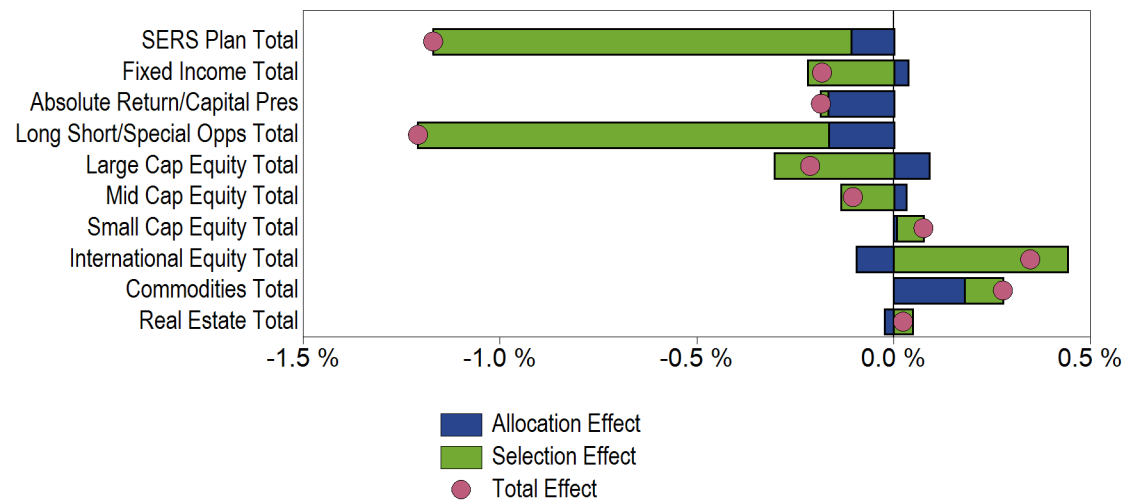
Attribution Effects
3 Years Ending June 30, 2016



Attribution Summary
5 Years Ending June 30, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Fixed Income Total	2.3%	3.8%	-1.5%	-0.2%	0.0%	-0.2%
Absolute Return/Capital Pres	3.6%	3.8%	-0.2%	0.0%	-0.2%	-0.2%
Long Short/Special Opps Total	3.1%	12.1%	-9.0%	-1.0%	-0.2%	-1.2%
Large Cap Equity Total	10.4%	12.1%	-1.7%	-0.3%	0.1%	-0.2%
Mid Cap Equity Total	8.9%	10.9%	-2.0%	-0.1%	0.0%	-0.1%
Small Cap Equity Total	9.7%	8.4%	1.4%	0.1%	0.0%	0.1%
International Equity Total	2.6%	0.1%	2.5%	0.4%	-0.1%	0.3%
Commodities Total	-10.8%	-14.0%	3.2%	0.1%	0.2%	0.3%
Real Estate Total	13.0%	12.3%	0.7%	0.0%	0.0%	0.0%
Total	5.6%	6.8%	-1.2%	-1.1%	-0.1%	-1.2%

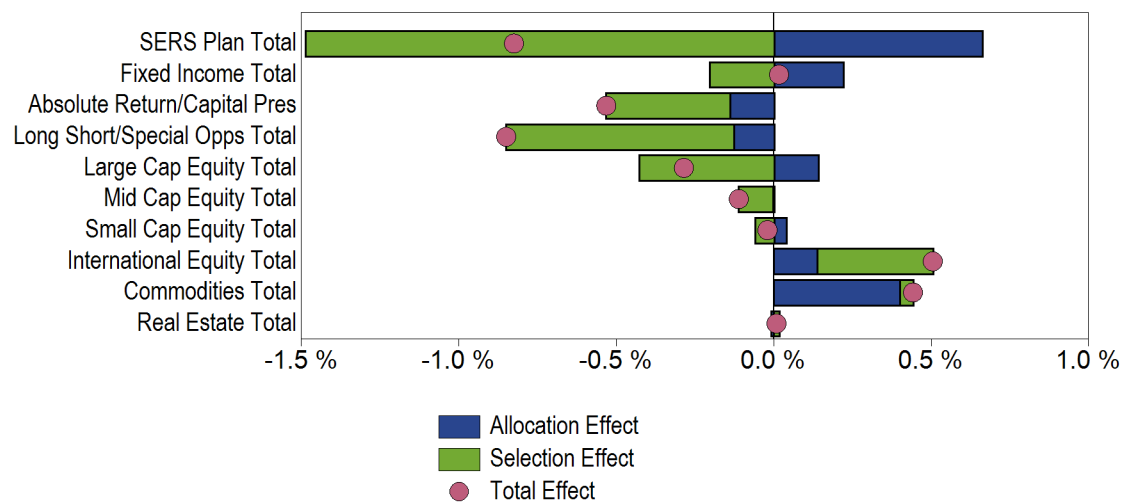
Attribution Effects
5 Years Ending June 30, 2016



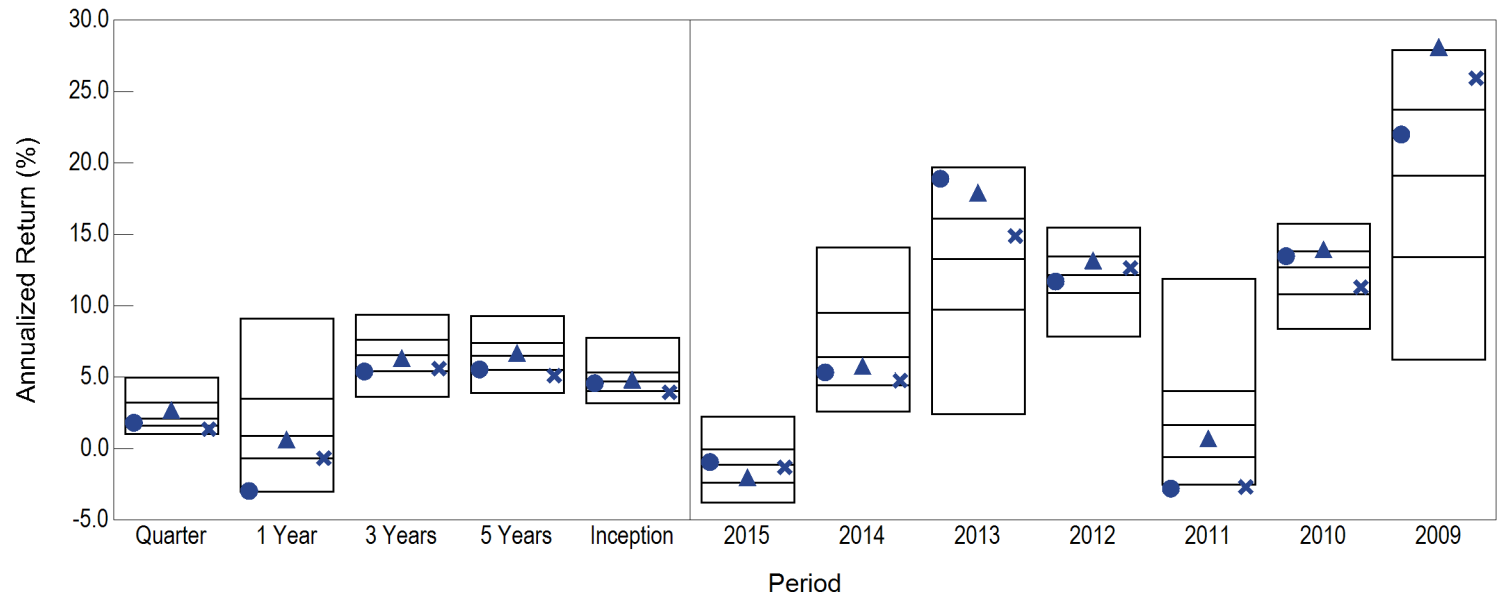
Attribution Summary
8 Years Ending June 30, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Fixed Income Total	4.2%	5.6%	-1.4%	-0.2%	0.2%	0.0%
Absolute Return/Capital Pres	0.4%	4.8%	-4.3%	-0.4%	-0.1%	-0.5%
Long Short/Special Opps Total	2.4%	8.7%	-6.3%	-0.7%	-0.1%	-0.8%
Large Cap Equity Total	6.9%	8.7%	-1.8%	-0.4%	0.1%	-0.3%
Mid Cap Equity Total	7.3%	9.2%	-1.9%	-0.1%	0.0%	-0.1%
Small Cap Equity Total	7.6%	8.1%	-0.5%	-0.1%	0.0%	0.0%
International Equity Total	2.3%	-0.1%	2.4%	0.4%	0.1%	0.5%
Commodities Total	--	-4.9%	--	0.0%	0.4%	0.4%
Real Estate Total	8.9%	9.0%	-0.1%	0.0%	0.0%	0.0%
Total	5.0%	5.8%	-0.8%	-1.5%	0.7%	-0.8%

Attribution Effects
8 Years Ending June 30, 2016

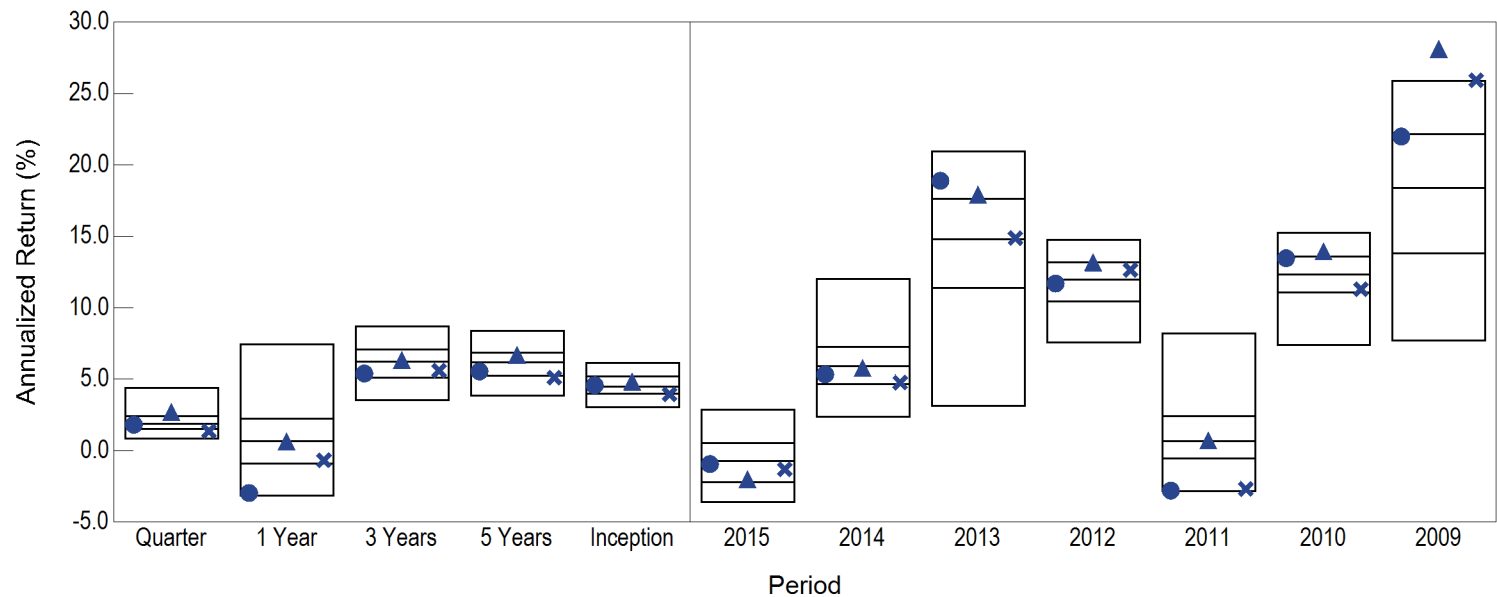


InvestorForce All DB \$250mm-\$1B Net Accounts
Ending June 30, 2016



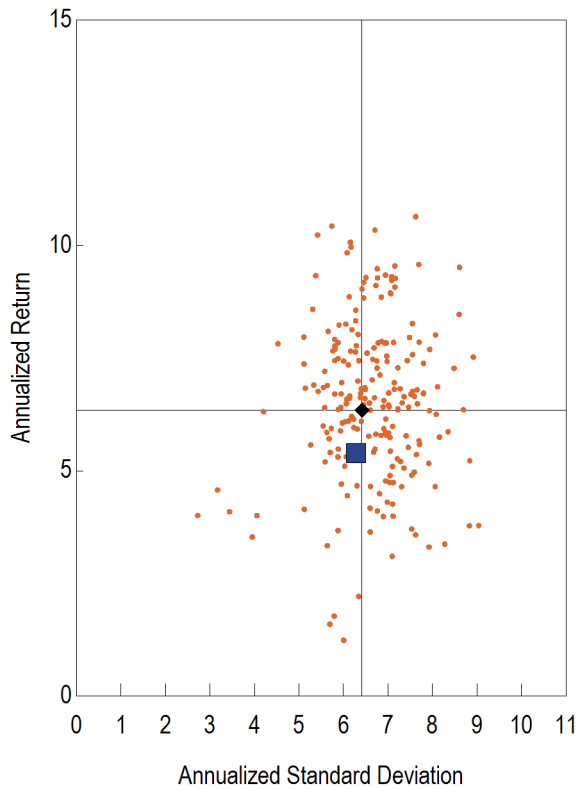
	Quarter	1 Year	3 Years	5 Years	Inception	2015	2014	2013	2012	2011	2010	2009
Return (Rank)												
5th Percentile	5.0	9.1	9.4	9.3	7.7	2.2	14.1	19.7	15.5	11.9	15.7	27.9
25th Percentile	3.3	3.5	7.7	7.4	5.4	0.0	9.6	16.1	13.5	4.1	13.9	23.8
Median	2.1	1.0	6.6	6.5	4.7	-1.1	6.4	13.3	12.2	1.7	12.7	19.1
75th Percentile	1.6	-0.6	5.5	5.6	4.1	-2.4	4.5	9.8	10.9	-0.5	10.9	13.4
95th Percentile	1.1	-2.9	3.7	4.0	3.2	-3.7	2.6	2.5	7.9	-2.5	8.4	6.3
# of Portfolios	229	228	219	206	165	231	212	190	178	157	148	136
● SERS Plan Total	1.8 (63)	-3.0 (96)	5.4 (77)	5.5 (76)	4.6 (57)	-0.9 (47)	5.3 (63)	18.9 (8)	11.7 (61)	-2.8 (97)	13.5 (28)	22.0 (37)
▲ Policy Index	2.7 (36)	0.6 (54)	6.3 (58)	6.7 (47)	4.8 (48)	-2.0 (69)	5.8 (61)	17.9 (14)	13.2 (32)	0.7 (62)	14.0 (24)	28.1 (5)
× 70/30 ACWI/Barclays Aggregate Bon	1.4 (87)	-0.7 (76)	5.6 (72)	5.1 (82)	3.9 (80)	-1.3 (56)	4.8 (73)	14.9 (37)	12.7 (43)	-2.7 (97)	11.3 (70)	25.9 (12)

InvestorForce All DB \$50mm-\$250mm Net Accounts
Ending June 30, 2016

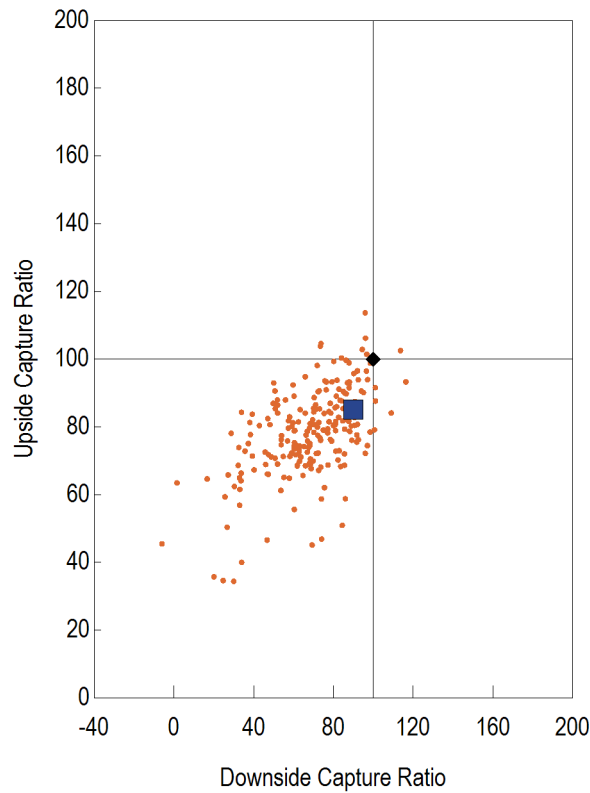


	Return (Rank)											
	Quarter	1 Year	3 Years	5 Years	Inception	2015	2014	2013	2012	2011	2010	2009
5th Percentile	4.4	7.5	8.7	8.4	6.1	2.9	12.0	20.9	14.8	8.2	15.3	25.9
25th Percentile	2.4	2.3	7.1	6.9	5.2	0.6	7.3	17.7	13.2	2.5	13.6	22.2
Median	1.9	0.7	6.3	6.2	4.5	-0.7	6.0	14.9	12.0	0.7	12.4	18.4
75th Percentile	1.6	-0.8	5.2	5.3	4.0	-2.1	4.7	11.4	10.5	-0.5	11.1	13.9
95th Percentile	0.9	-3.1	3.6	3.9	3.1	-3.5	2.4	3.2	7.6	-2.8	7.5	7.7
# of Portfolios	298	297	274	255	218	330	285	268	261	227	219	213
● SERS Plan Total	1.8 (59)	-3.0 (95)	5.4 (72)	5.5 (70)	4.6 (47)	-0.9 (55)	5.3 (66)	18.9 (17)	11.7 (55)	-2.8 (95)	13.5 (28)	22.0 (26)
▲ Policy Index	2.7 (21)	0.6 (52)	6.3 (49)	6.7 (32)	4.8 (38)	-2.0 (72)	5.8 (54)	17.9 (24)	13.2 (26)	0.7 (50)	14.0 (19)	28.1 (3)
× 70/30 ACWI/Barclays Aggregate Bon	1.4 (85)	-0.7 (74)	5.6 (67)	5.1 (78)	3.9 (78)	-1.3 (60)	4.8 (74)	14.9 (50)	12.7 (36)	-2.7 (95)	11.3 (72)	25.9 (5)

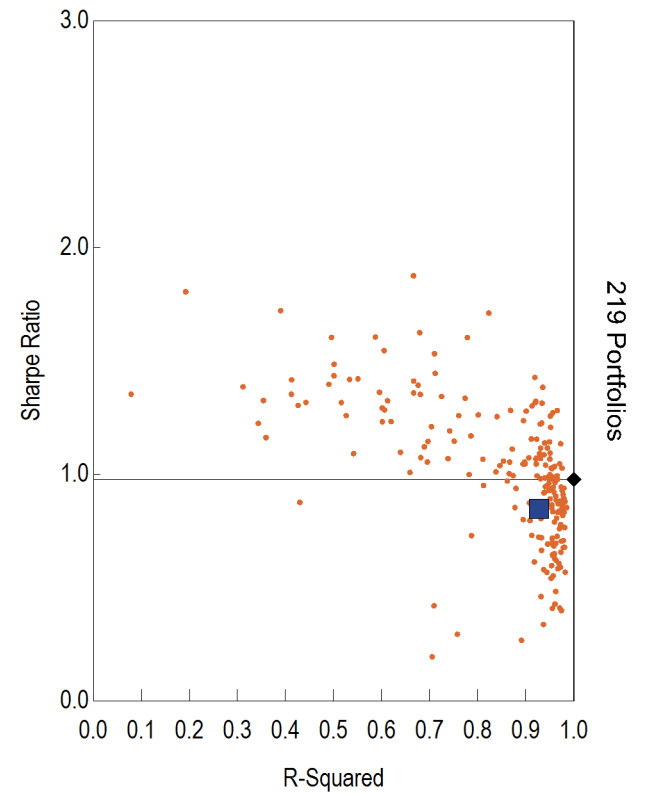
Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2016



Upside Capture Ratio vs. Downside Capture Ratio
3 Years Ending June 30, 2016



Sharpe Ratio vs. R-Squared
3 Years Ending June 30, 2016

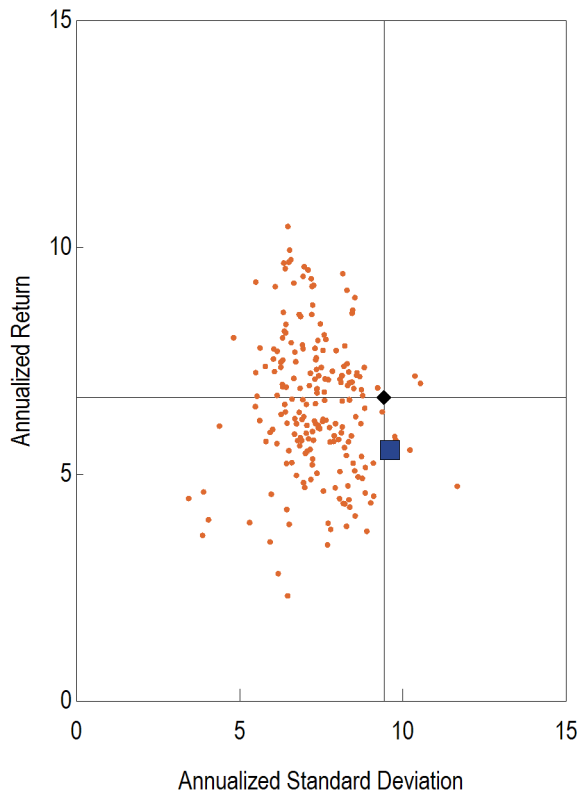


- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

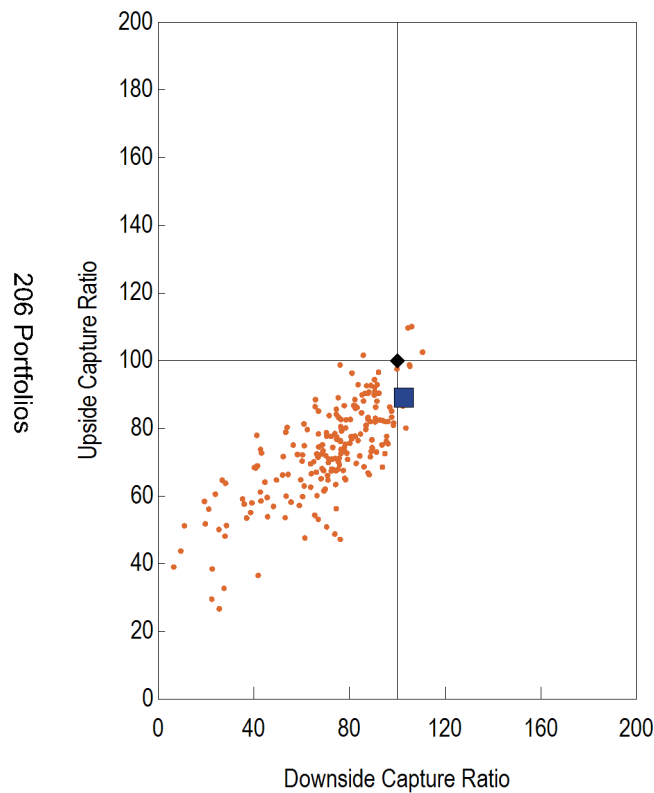
- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

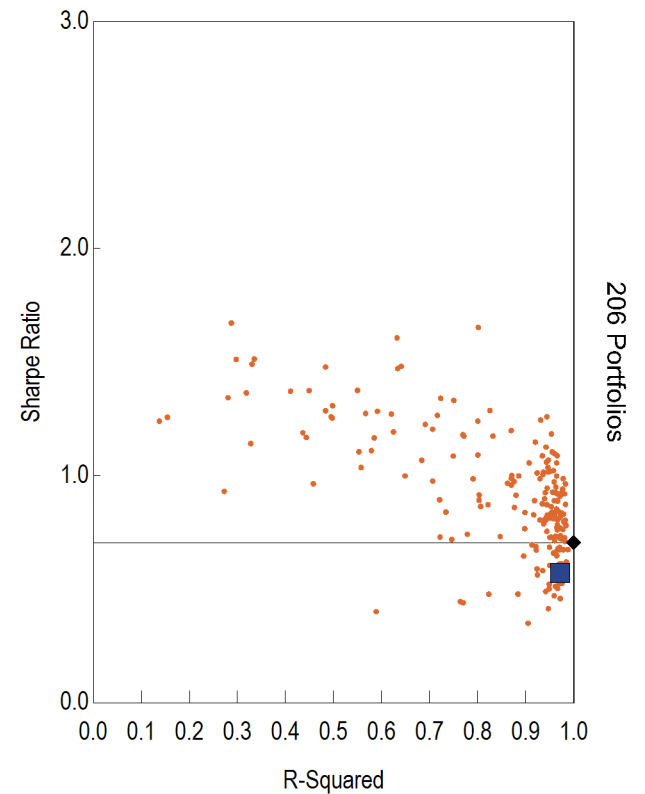
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2016



Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending June 30, 2016



Sharpe Ratio vs. R-Squared
5 Years Ending June 30, 2016

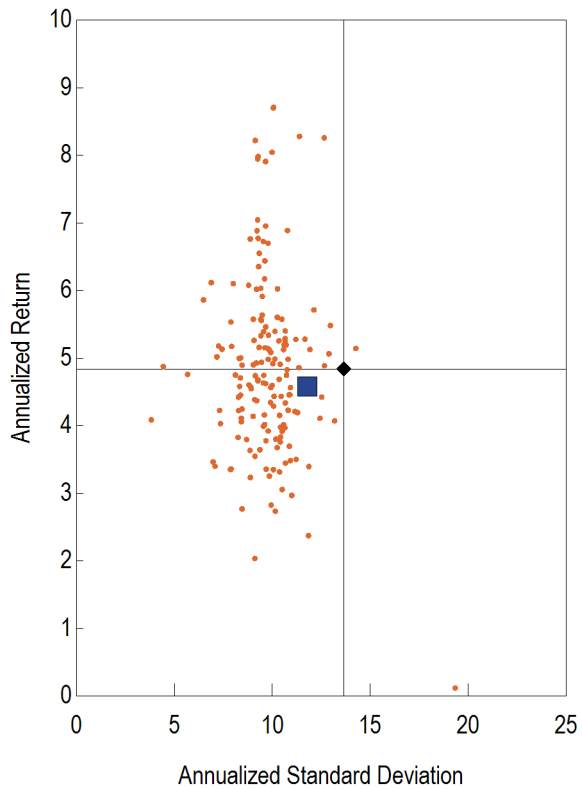


- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

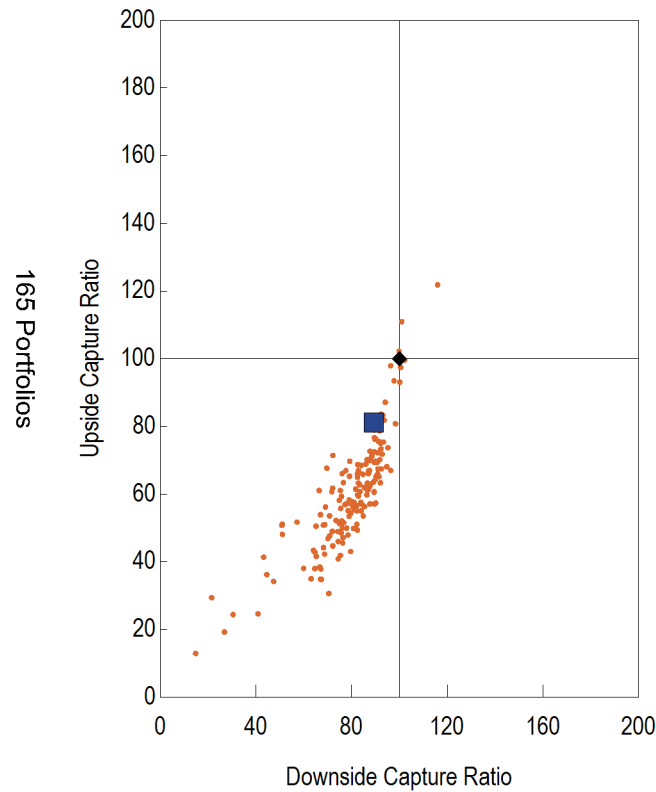
- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index
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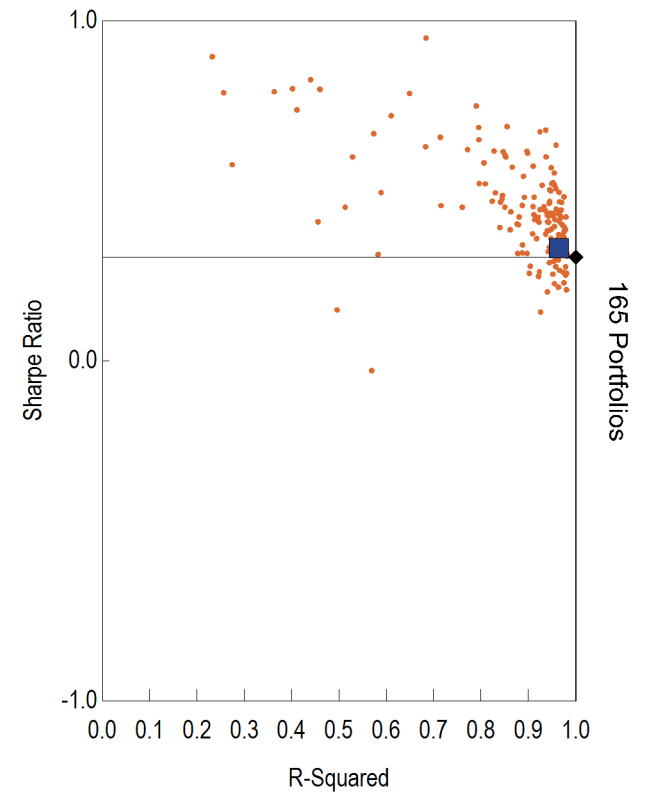
Annualized Return vs. Annualized Standard Deviation
9 Years 6 Months Ending June 30, 2016



Upside Capture Ratio vs. Downside Capture Ratio
9 Years 6 Months Ending June 30, 2016



Sharpe Ratio vs. R-Squared
9 Years 6 Months Ending June 30, 2016



- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index
- InvestorForce All DB \$250mm-\$1B Net

Non-Marketable Securities Overview

As of June 30, 2016

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Legacy Partners Realty Fund III, LLC	2008	\$2,356,350	\$2,084,282	\$925,073	\$144,734	\$1,069,807	\$272,068	88.45%	-10.04

Time and Dollar Weighted Returns

Legacy Partners Realty Fund III, LLC	Q2-16	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Time Weighted	3.38%	0.19%	-28.15%	-14.38%	-3.75%	1.10%	7.07%
Dollar Weighted	3.24%	-0.01%	-28.33%	-14.47%	-3.48%	1.51%	7.75%
NCREIF Property Index	2.03%	4.28%	10.64%	11.79%	11.60%	11.38%	11.51%

Legacy Partners Realty Fund III, LLC	2015	2014	2013	2012	2011	2010	Inception 5/31/08
Time Weighted	-26.87%	3.09%	21.14%	18.41%	29.91%	-99.80%	-71.79%
Dollar Weighted	-26.87%	3.09%	20.46%	18.35%	54.53%		-10.04%
NCREIF Property Index	13.33%	11.81%	10.99%	10.54%	14.26%	13.11%	6.02%

Effective 4Q2013, Legacy Partners reduced SERS commitment by \$143,650 due to increased Fund reserves.

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview

As of March 31, 2016

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Metropolitan Real Estate Partners V	2007	\$2,000,000	\$1,885,000	\$1,639,482	\$625,534	\$2,265,016	\$115,000	94.25%	3.73

Time and Dollar Weighted Returns

Metropolitan Real Estate Partners V	Q1-16	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Time Weighted	-0.55%	-0.55%	4.14%	13.33%	13.75%	13.88%	13.80%
Dollar Weighted	-0.54%	-0.54%	5.36%	15.78%	15.03%	14.74%	14.44%
NCREIF Property Index	2.21%	2.21%	11.84%	12.28%	11.91%	11.56%	11.93%

Metropolitan Real Estate Partners V	2015	2014	2013	2012	2011	2010	Inception 11/30/07
Time Weighted	9.75%	20.70%	14.26%	13.32%	13.40%	7.07%	-5.49%
Dollar Weighted	11.04%	19.67%	13.59%	13.15%	14.07%	8.78%	3.73%
NCREIF Property Index	13.33%	11.81%	10.99%	10.54%	14.26%	13.11%	6.18%

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview
As of June 30, 2016

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Morrison Street Fund IV Q, LP	2012	\$5,200,000	\$5,038,214	\$4,644,330	\$2,447,595	\$7,091,925	\$161,786	96.89%	16.39

Time and Dollar Weighted Returns

Morrison Street Fund IV Q, LP	Q2-16	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	0.02%	7.21%	17.40%	18.86%	16.79%
Dollar Weighted	2.44%	10.14%	20.06%	20.86%	17.26%
NCREIF Property Index	2.03%	4.28%	10.64%	11.79%	11.60%

Morrison Street Fund IV Q, LP	2015	2014	2013	2012	Inception 7/1/12
Time Weighted	18.03%	18.77%	19.04%		19.10%
Dollar Weighted	17.41%	18.88%	18.85%		16.39%
NCREIF Property Index	13.33%	11.81%	10.99%	10.54%	11.38%

Contributions paid into Morrison Street Fund IV Q, LP are higher than what is reflected on the Manager statement. This is due to the interest charge of \$122,762.15 paid at the time of initial investment. Therefore the Unfunded Commitment also varies from the Manager statement.

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview

As of June 30, 2016

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Morrison Street Fund V, LP	2014	\$6,080,000	\$5,180,673	\$1,408,357	\$4,507,793	\$5,916,150	\$899,327	85.21%	11.07

Time and Dollar Weighted Returns

Morrison Street Fund V, LP	Q2-16	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	4.07%	6.51%	15.27%	9.27%	
Dollar Weighted	4.27%	6.70%	15.83%	11.80%	
NCREIF Property Index	2.03%	4.28%	10.64%	11.79%	11.60%

Morrison Street Fund V, LP	2015	2014	2013	2012	Inception 6/30/14
Time Weighted	11.89%				9.27%
Dollar Weighted	13.31%				11.07%
NCREIF Property Index	13.33%	11.81%	10.99%	10.54%	11.79%

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview

As of June 30, 2016

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Special Situations	Orbimed Royalty Opportunities	2011	\$5,000,000	\$5,000,000	\$1,781,156	\$4,460,440	\$6,241,596	\$0	100.00%	10.18

Time and Dollar Weighted Returns

Orbimed Royalty Opportunities	Q2-16	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	2.42%	4.99%	8.73%	10.02%	9.75%
Dollar Weighted	2.42%	4.97%	8.57%	10.00%	9.87%
S&P 500	2.46%	3.84%	3.99%	5.69%	11.66%

Orbimed Royalty Opportunities	2015	2014	2013	2012	Inception 9/1/11
Time Weighted	9.95%	9.99%	6.17%	12.99%	11.39%
Dollar Weighted	9.99%	10.00%	6.90%	14.12%	10.18%
S&P 500	1.38%	13.69%	32.39%	16.00%	14.34%

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview
As of June 30, 2016

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Absolute Return	Orbimed Royalty Opportunities II	2015	\$5,000,000	\$805,000	\$120,048	\$739,939	\$859,987	\$4,195,000	16.10%	11.11

Time and Dollar Weighted Returns

Orbimed Royalty Opportunities II	Q2-16	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	1.33%	1.47%	20.92%		
Dollar Weighted	1.30%	1.84%	15.05%		
HFRI FOF: Conservative Index	0.62%	-1.48%	-3.24%	-0.31%	1.97%

Orbimed Royalty Opportunities II	2015	2014	2013	2012	Inception 4/1/15
Time Weighted					14.33%
Dollar Weighted					11.11%
HFRI FOF: Conservative Index	0.37%	3.14%	7.70%	4.22%	-2.39%

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
Fixed Income															
Vanguard Short Term Bond Fd	1.31	3.11	3.29	2.58	2.45	3.77	1.16	1.90	1.11	4.66	2.06	5.37	14.21	3.94	Sep-08
Barclays U.S. Aggregate 1-3 Years	<u>0.68</u>	<u>1.66</u>	<u>1.59</u>	<u>1.26</u>	<u>1.14</u>	<u>2.88</u>	<u>0.66</u>	<u>0.82</u>	<u>0.64</u>	<u>1.33</u>	<u>1.73</u>	<u>2.62</u>	<u>5.01</u>	<u>2.16</u>	Sep-08
Excess Return	0.63	1.45	1.70	1.32	1.31	0.89	0.50	1.08	0.47	3.33	0.33	2.75	9.20	1.78	
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	4.99	Sep-08
Short-Term Bond MStar MF Rank	26	18	6	9	21	31	7	16	33	31	43	27	14	24	Sep-08
PIMCO Global Advantage Bond	2.51	5.49	2.70	0.30	0.56	--	-5.45	-1.21	-2.60	7.75	4.70	7.59	--	1.46	Dec-10
Barclays Global Aggregate	<u>2.89</u>	<u>8.96</u>	<u>8.87</u>	<u>2.80</u>	<u>1.77</u>	<u>4.40</u>	<u>-3.16</u>	<u>0.59</u>	<u>-2.60</u>	<u>4.32</u>	<u>5.64</u>	<u>5.54</u>	<u>6.93</u>	<u>2.40</u>	Dec-10
Excess Return	-0.38	-3.47	-6.17	-2.50	-1.21		-2.29	-1.80	0.00	3.43	-0.94	2.05		-0.94	
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	3.92	Dec-10
World Bond MStar MF Rank	49	71	78	90	79	--	72	83	50	45	28	28	--	73	Dec-10
Hotchkis & Wiley High Yield	5.40	7.27	-1.12	3.22	5.43	--	-4.30	1.09	8.71	17.96	2.28	19.10	--	-2.17	Jun-15
Barclays High Yield	<u>5.52</u>	<u>9.06</u>	<u>1.62</u>	<u>4.18</u>	<u>5.84</u>	<u>7.56</u>	<u>-4.47</u>	<u>2.45</u>	<u>7.44</u>	<u>15.81</u>	<u>4.98</u>	<u>15.12</u>	<u>58.21</u>	<u>0.10</u>	Jun-15
Excess Return	-0.12	-1.79	-2.74	-0.96	-0.41		0.17	-1.36	1.27	2.15	-2.70	3.98		-2.27	
High Yield Bond MStar MF Rank	16	33	76	57	34	--	61	65	20	11	72	3	--	76	Jun-15

Spokane Employees' Retirement System

As of June 30, 2016

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
Absolute Return/Capital Pres															
Post Lmted Term High Yield	1.43	3.26	1.21	3.94	5.11	6.39	0.84	2.96	7.49	9.61	6.16	12.36	21.17	6.18	Jun-10
HFRI FOF: Conservative Index	0.62	-1.48	-3.24	1.97	1.94	1.37	0.37	3.14	7.70	4.22	-3.55	5.07	9.65	2.47	Jun-10
Excess Return	0.81	4.74	4.45	1.97	3.17	5.02	0.47	-0.18	-0.21	5.39	9.71	7.29	11.52	3.71	
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	3.79	Jun-10
Rimrock Low Volatility Offshore	2.01	0.48	-2.39	1.29	3.83	--	-1.90	2.31	7.82	11.33	2.29	14.97	26.85	5.01	Jun-10
HFRI FOF: Conservative Index	0.62	-1.48	-3.24	1.97	1.94	1.37	0.37	3.14	7.70	4.22	-3.55	5.07	9.65	2.47	Jun-10
Excess Return	1.39	1.96	0.85	-0.68	1.89		-2.27	-0.83	0.12	7.11	5.84	9.90	17.20	2.54	
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	3.79	Jun-10
Castine Partners II	4.37	1.22	7.12	6.12	4.35	6.04	6.57	7.48	6.16	2.53	2.14	-3.31	6.61	4.35	Jun-11
HFRI FOF: Conservative Index	0.62	-1.48	-3.24	1.97	1.94	1.37	0.37	3.14	7.70	4.22	-3.55	5.07	9.65	1.94	Jun-11
Excess Return	3.75	2.70	10.36	4.15	2.41	4.67	6.20	4.34	-1.54	-1.69	5.69	-8.38	-3.04	2.41	
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	3.76	Jun-11
Polar Altairis Offshore	0.42	4.35	5.11	4.38	4.01	6.10	1.73	3.46	5.60	4.42	2.02	1.04	14.74	4.69	Sep-11
HFRI FOF: Conservative Index	0.62	-1.48	-3.24	1.97	1.94	1.37	0.37	3.14	7.70	4.22	-3.55	5.07	9.65	2.90	Sep-11
Excess Return	-0.20	5.83	8.35	2.41	2.07	4.73	1.36	0.32	-2.10	0.20	5.57	-4.03	5.09	1.79	
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	3.15	Sep-11
American Beacon Flex Bond Inst	1.23	1.88	-1.54	0.05	--	--	-2.73	1.32	-1.19	9.01	--	--	--	-0.65	Jun-13
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	3.43	Jun-13
Excess Return	-0.98	-3.43	-7.54	-4.01			-3.28	-4.65	0.83	4.80				-4.08	

Spokane Employees' Retirement System

As of June 30, 2016

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
Large Cap Equity															
Hotchkis & Wiley Diversified Value I	1.06	0.77	-8.59	6.35	9.29	3.93	-7.90	12.74	36.54	19.78	-5.67	19.50	37.46	9.74	Sep-08
Russell 1000 Value	<u>4.58</u>	<u>6.30</u>	<u>2.86</u>	<u>9.87</u>	<u>11.35</u>	<u>6.13</u>	<u>-3.83</u>	<u>13.45</u>	<u>32.53</u>	<u>17.51</u>	<u>0.39</u>	<u>15.51</u>	<u>19.69</u>	<u>9.01</u>	Sep-08
Excess Return	-3.52	-5.53	-11.45	-3.52	-2.06	-2.20	-4.07	-0.71	4.01	2.27	-6.06	3.99	17.77	0.73	
S&P 500	2.46	3.84	3.99	11.66	12.10	7.42	1.38	13.69	32.39	16.00	2.11	15.06	26.46	10.26	Sep-08
Large Value MStar MF Rank	86	87	96	87	66	95	90	20	14	8	87	7	6	23	Sep-08
Vanguard Institutional Index	2.45	3.82	3.97	11.63	12.07	7.43	1.37	13.65	32.35	15.98	2.09	15.04	26.63	8.74	Jun-08
S&P 500	<u>2.46</u>	<u>3.84</u>	<u>3.99</u>	<u>11.66</u>	<u>12.10</u>	<u>7.42</u>	<u>1.38</u>	<u>13.69</u>	<u>32.39</u>	<u>16.00</u>	<u>2.11</u>	<u>15.06</u>	<u>26.46</u>	<u>8.73</u>	Jun-08
Excess Return	-0.01	-0.02	-0.02	-0.03	-0.03	0.01	-0.01	-0.04	-0.04	-0.02	-0.02	-0.02	0.17	0.01	
Large Blend MStar MF Rank	29	22	16	15	17	26	24	21	45	41	23	31	51	21	Jun-08
MFS Blended Research Core	0.95	1.50	-0.13	11.50	11.50	8.05	1.34	12.44	36.37	15.68	2.21	16.92	25.31	14.30	Dec-11
S&P 500	<u>2.46</u>	<u>3.84</u>	<u>3.99</u>	<u>11.66</u>	<u>12.10</u>	<u>7.42</u>	<u>1.38</u>	<u>13.69</u>	<u>32.39</u>	<u>16.00</u>	<u>2.11</u>	<u>15.06</u>	<u>26.46</u>	<u>14.48</u>	Dec-11
Excess Return	-1.51	-2.34	-4.12	-0.16	-0.60	0.63	-0.04	-1.25	3.98	-0.32	0.10	1.86	-1.15	-0.18	
Large Blend MStar MF Rank	79	65	58	19	40	10	25	44	16	51	22	13	67	26	Dec-11
Delaware Large Cap Growth Eq	-1.33	-7.63	-6.84	10.18	11.53	7.42	5.19	12.76	34.81	16.51	8.04	14.14	43.14	11.29	Sep-12
Russell 1000 Growth	<u>0.61</u>	<u>1.36</u>	<u>3.02</u>	<u>13.07</u>	<u>12.35</u>	<u>8.78</u>	<u>5.67</u>	<u>13.05</u>	<u>33.48</u>	<u>15.26</u>	<u>2.64</u>	<u>16.71</u>	<u>37.21</u>	<u>13.52</u>	Sep-12
Excess Return	-1.94	-8.99	-9.86	-2.89	-0.82	-1.36	-0.48	-0.29	1.33	1.25	5.40	-2.57	5.93	-2.23	
S&P 500	2.46	3.84	3.99	11.66	12.10	7.42	1.38	13.69	32.39	16.00	2.11	15.06	26.46	13.40	Sep-12
Large Growth MStar MF Rank	90	97	91	68	28	58	44	29	43	38	1	67	19	69	Sep-12

Spokane Employees' Retirement System

As of June 30, 2016

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
Mid Cap Equity															
Sterling Mid Cap Value	-1.54	1.44	-4.44	7.86	9.31	7.75	-1.71	5.85	46.25	12.50	-3.37	20.40	38.70	10.68	Sep-08
Russell MidCap Value	<u>4.77</u>	<u>8.87</u>	<u>3.25</u>	<u>11.00</u>	<u>11.70</u>	<u>7.79</u>	<u>-4.78</u>	<u>14.75</u>	<u>33.46</u>	<u>18.51</u>	<u>-1.38</u>	<u>24.75</u>	<u>34.21</u>	<u>11.11</u>	Sep-08
Excess Return	-6.31	-7.43	-7.69	-3.14	-2.39	-0.04	3.07	-8.90	12.79	-6.01	-1.99	-4.35	4.49	-0.43	
Russell MidCap	3.18	5.50	0.56	10.80	10.90	8.07	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48	11.50	Sep-08
Mid-Cap Value MStar MF Rank	97	84	72	70	53	23	19	87	2	85	49	74	30	38	Sep-08
Vanguard Mid Cap Index	2.32	3.53	-0.89	10.78	10.57	7.83	-1.33	13.78	35.17	16.01	-1.95	25.66	40.52	13.80	Sep-09
Russell MidCap	<u>3.18</u>	<u>5.50</u>	<u>0.56</u>	<u>10.80</u>	<u>10.90</u>	<u>8.07</u>	<u>-2.44</u>	<u>13.22</u>	<u>34.76</u>	<u>17.28</u>	<u>-1.55</u>	<u>25.48</u>	<u>40.48</u>	<u>13.92</u>	Sep-09
Excess Return	-0.86	-1.97	-1.45	-0.02	-0.33	-0.24	1.11	0.56	0.41	-1.27	-0.40	0.18	0.04	-0.12	
Mid-Cap Blend MStar MF Rank	50	47	37	13	10	29	18	7	47	62	35	35	25	11	Sep-09
Vanguard Mid Cap Growth	-1.33	-3.96	-9.66	7.82	8.52	7.75	0.21	10.86	34.15	14.84	1.17	23.83	38.42	2.74	Jun-14
Russell MidCap Growth	<u>1.56</u>	<u>2.15</u>	<u>-2.14</u>	<u>10.52</u>	<u>9.98</u>	<u>8.12</u>	<u>-0.20</u>	<u>11.90</u>	<u>35.74</u>	<u>15.81</u>	<u>-1.65</u>	<u>26.38</u>	<u>46.29</u>	<u>4.89</u>	Jun-14
Excess Return	-2.89	-6.11	-7.52	-2.70	-1.46	-0.37	0.41	-1.04	-1.59	-0.97	2.82	-2.55	-7.87	-2.15	
Mid-Cap Growth MStar MF Rank	96	90	79	61	47	37	41	21	61	47	22	61	58	54	Jun-14

Spokane Employees' Retirement System

As of June 30, 2016

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
Small Cap Equity															
Frontier Phocas Small Cap Value I	3.34	3.72	-1.29	9.73	9.32	--	-4.35	7.19	45.63	9.75	-5.99	29.94	24.28	12.30	Dec-11
Russell 2000 Value	<u>4.31</u>	<u>6.08</u>	<u>-2.58</u>	<u>6.36</u>	<u>8.15</u>	<u>5.15</u>	<u>-7.47</u>	<u>4.22</u>	<u>34.52</u>	<u>18.05</u>	<u>-5.50</u>	<u>24.50</u>	<u>20.58</u>	<u>11.54</u>	Dec-11
Excess Return	-0.97	-2.36	1.29	3.37	1.17		3.12	2.97	11.11	-8.30	-0.49	5.44	3.70	0.76	
Russell 2000	3.79	2.22	-6.73	7.09	8.35	6.20	-4.41	4.89	38.82	16.35	-4.18	26.86	27.17	11.78	Dec-11
Small Value MStar MF Rank	30	54	26	8	23	--	36	23	3	95	75	24	81	37	Dec-11
Vanguard Small Cap Index	3.98	5.02	-2.88	8.95	9.91	7.78	-3.63	7.53	37.80	18.26	-2.65	27.95	36.40	13.13	Sep-09
Russell 2000	<u>3.79</u>	<u>2.22</u>	<u>-6.73</u>	<u>7.09</u>	<u>8.35</u>	<u>6.20</u>	<u>-4.41</u>	<u>4.89</u>	<u>38.82</u>	<u>16.35</u>	<u>-4.18</u>	<u>26.86</u>	<u>27.17</u>	<u>11.54</u>	Sep-09
Excess Return	0.19	2.80	3.85	1.86	1.56	1.58	0.78	2.64	-1.02	1.91	1.53	1.09	9.23	1.59	
Small Blend MStar MF Rank	19	28	32	18	24	13	42	15	56	22	49	30	24	18	Sep-09
Champlain Small Cap	8.89	6.20	1.01	8.88	9.78	9.56	-0.65	4.43	36.61	11.06	4.01	24.59	24.52	9.73	Sep-08
Russell 2000	<u>3.79</u>	<u>2.22</u>	<u>-6.73</u>	<u>7.09</u>	<u>8.35</u>	<u>6.20</u>	<u>-4.41</u>	<u>4.89</u>	<u>38.82</u>	<u>16.35</u>	<u>-4.18</u>	<u>26.86</u>	<u>27.17</u>	<u>8.57</u>	Sep-08
Excess Return	5.10	3.98	7.74	1.79	1.43	3.36	3.76	-0.46	-2.21	-5.29	8.19	-2.27	-2.65	1.16	
Russell 2000 Growth	3.24	-1.59	-10.75	7.74	8.51	7.14	-1.38	5.60	43.30	14.59	-2.91	29.09	34.47	9.76	Sep-08
Small Blend MStar MF Rank	1	13	7	19	25	2	11	60	68	88	5	62	81	38	Sep-08
Bridge City Small Growth	2.46	2.74	1.87	12.95	10.87	--	6.81	7.06	40.81	10.99	3.16	31.97	--	14.46	Dec-11
Russell 2000 Growth	<u>3.24</u>	<u>-1.59</u>	<u>-10.75</u>	<u>7.74</u>	<u>8.51</u>	<u>7.14</u>	<u>-1.38</u>	<u>5.60</u>	<u>43.30</u>	<u>14.59</u>	<u>-2.91</u>	<u>29.09</u>	<u>34.47</u>	<u>12.26</u>	Dec-11
Excess Return	-0.78	4.33	12.62	5.21	2.36		8.19	1.46	-2.49	-3.60	6.07	2.88		2.20	
Russell 2000	3.79	2.22	-6.73	7.09	8.35	6.20	-4.41	4.89	38.82	16.35	-4.18	26.86	27.17	11.85	Dec-11
Small Growth MStar MF Rank	74	23	5	2	8	--	4	15	61	79	10	22	--	7	Dec-11

Spokane Employees' Retirement System

As of June 30, 2016

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
International Equity															
Artisan International Value	-1.43	-0.60	-6.26	5.40	6.65	6.58	-1.49	-0.39	30.72	22.48	-6.98	19.15	33.81	8.99	Sep-08
MSCI ACWI ex USA Value	<u>-1.76</u>	<u>-2.17</u>	<u>-14.26</u>	<u>-0.84</u>	<u>-1.36</u>	<u>0.88</u>	<u>-10.06</u>	<u>-5.10</u>	<u>15.04</u>	<u>16.97</u>	<u>-13.20</u>	<u>7.84</u>	<u>44.29</u>	<u>2.16</u>	Sep-08
Excess Return	0.33	1.57	8.00	6.24	8.01	5.70	8.57	4.71	15.68	5.51	6.22	11.31	-10.48	6.83	
MSCI ACWI ex USA	-0.64	-1.02	-10.24	1.16	0.10	1.87	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	3.17	Sep-08
Foreign Small/Mid Value MStar MF Rank	33	20	38	55	4	1	80	10	18	28	8	63	82	29	Sep-08
EuroPacific Growth R6	-0.32	-2.63	-9.57	3.76	2.50	3.87	-0.48	-2.29	20.58	19.64	-13.31	9.76	39.35	2.29	Jun-08
MSCI ACWI ex USA	<u>-0.64</u>	<u>-1.02</u>	<u>-10.24</u>	<u>1.16</u>	<u>0.10</u>	<u>1.87</u>	<u>-5.66</u>	<u>-3.87</u>	<u>15.29</u>	<u>16.83</u>	<u>-13.71</u>	<u>11.15</u>	<u>41.45</u>	<u>-0.07</u>	Jun-08
Excess Return	0.32	-1.61	0.67	2.60	2.40	2.00	5.18	1.58	5.29	2.81	0.40	-1.39	-2.10	2.36	
Foreign Large Blend MStar MF Rank	31	41	48	16	24	11	42	18	50	28	43	63	19	16	Jun-08
Victory Trivalent International Small Cap	-1.92	-3.76	-7.74	8.44	7.10	--	8.20	-0.20	32.98	24.32	-11.55	25.49	37.58	-2.42	Aug-15
MSCI ACWI xUS Small (net)	<u>-0.87</u>	<u>-0.20</u>	<u>-5.46</u>	<u>4.93</u>	<u>2.28</u>	<u>4.09</u>	<u>2.60</u>	<u>-4.03</u>	<u>19.73</u>	<u>18.52</u>	<u>-18.50</u>	<u>25.21</u>	<u>62.91</u>	<u>2.07</u>	Aug-15
Excess Return	-1.05	-3.56	-2.28	3.51	4.82		5.60	3.83	13.25	5.80	6.95	0.28	-25.33	-4.49	
MSCI ACWI ex USA	-0.64	-1.02	-10.24	1.16	0.10	1.87	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	-2.54	Aug-15
Foreign Small/Mid Growth MStar MF Rank	59	63	82	15	14	--	60	26	24	22	25	32	82	73	Aug-15
Berens Global Value Ltd	4.47	4.39	-7.48	-0.30	-0.59	4.43	-8.84	-1.50	6.16	10.77	-14.07	20.68	43.00	-0.28	Dec-07
MSCI ACWI ex USA	<u>-0.64</u>	<u>-1.02</u>	<u>-10.24</u>	<u>1.16</u>	<u>0.10</u>	<u>1.87</u>	<u>-5.66</u>	<u>-3.87</u>	<u>15.29</u>	<u>16.83</u>	<u>-13.71</u>	<u>11.15</u>	<u>41.45</u>	<u>-1.31</u>	Dec-07
Excess Return	5.11	5.41	2.76	-1.46	-0.69	2.56	-3.18	2.37	-9.13	-6.06	-0.36	9.53	1.55	1.03	
MSCI Emerging Markets	0.66	6.41	-12.05	-1.56	-3.78	3.54	-14.92	-2.19	-2.60	18.23	-18.42	18.88	78.51	-2.25	Dec-07
Commodities															
PIMCO CommoditiesPlus Fund	13.42	12.58	-19.61	-13.80	-10.64	--	-28.24	-24.83	-1.43	5.18	-2.35	--	--	-13.80	Jun-13
Bloomberg Commodity Index TR USD	<u>12.78</u>	<u>13.25</u>	<u>-13.32</u>	<u>-10.55</u>	<u>-10.82</u>	<u>-5.59</u>	<u>-24.66</u>	<u>-17.01</u>	<u>-9.52</u>	<u>-1.06</u>	<u>-13.32</u>	<u>16.83</u>	<u>18.91</u>	<u>-10.55</u>	Jun-13
Excess Return	0.64	-0.67	-6.29	-3.25	0.18		-3.58	-7.82	8.09	6.24	10.97			-3.25	
Commodities Broad Basket MStar MF Rank	22	56	98	91	58	--	95	94	8	9	5	--	--	91	Jun-13

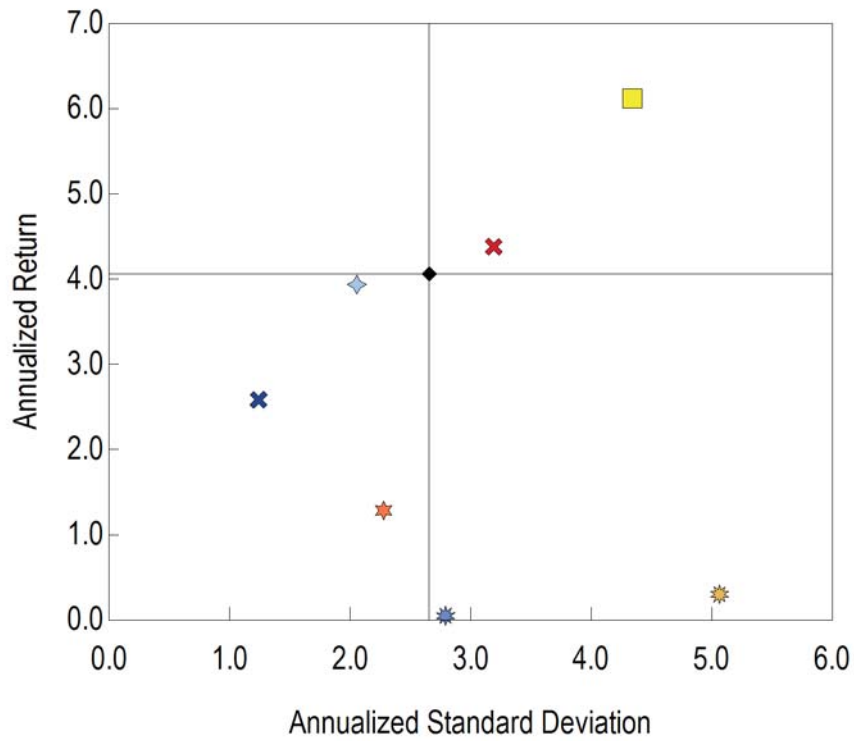
Spokane Employees' Retirement System

As of June 30, 2016

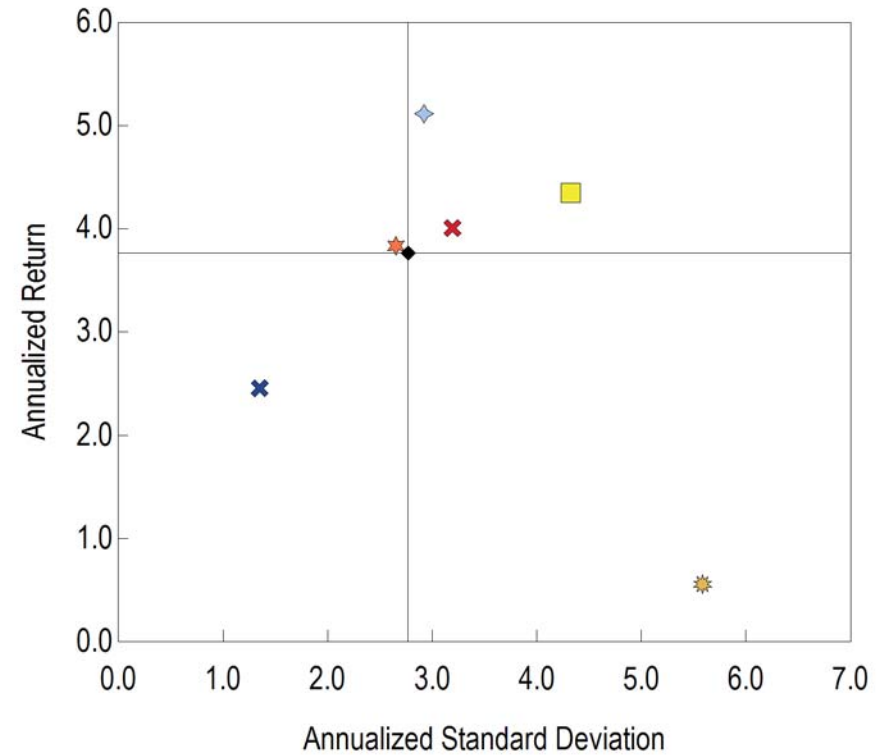
Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
Long Short/Special Opps Total															
Weatherlow Offshore	1.39	-3.67	-6.83	3.06	3.69	4.85	1.49	4.91	13.56	8.47	-5.89	9.69	20.99	3.01	Mar-08
HFRI Fund of Funds Composite Index	<u>0.50</u>	<u>-2.63</u>	<u>-5.45</u>	<u>1.89</u>	<u>1.62</u>	<u>1.58</u>	<u>-0.27</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>11.47</u>	<u>0.54</u>	Mar-08
Excess Return	0.89	-1.04	-1.38	1.17	2.07	3.27	1.76	1.55	4.60	3.68	-0.17	3.99	9.52	2.47	
S&P 500	2.46	3.84	3.99	11.66	12.10	7.42	1.38	13.69	32.39	16.00	2.11	15.06	26.46	8.09	Mar-08
OrbiMed Partners II	-1.23	-18.07	-25.02	8.37	9.54	10.42	2.14	25.88	32.19	16.19	8.28	9.78	34.15	10.73	Dec-10
HFRI Fund of Funds Composite Index	<u>0.50</u>	<u>-2.63</u>	<u>-5.45</u>	<u>1.89</u>	<u>1.62</u>	<u>1.58</u>	<u>-0.27</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>11.47</u>	<u>1.42</u>	Dec-10
Excess Return	-1.73	-15.44	-19.57	6.48	7.92	8.84	2.41	22.52	23.23	11.40	14.00	4.08	22.68	9.31	
S&P Composite 1500 Health Care	6.26	0.58	-1.96	16.70	17.32	11.40	7.41	24.79	42.19	18.35	11.88	5.20	20.76	18.46	Dec-10
S&P 500	2.46	3.84	3.99	11.66	12.10	7.42	1.38	13.69	32.39	16.00	2.11	15.06	26.46	12.13	Dec-10
TCM Partners	-9.23	-20.83	-11.75	-8.96	-9.97	--	6.29	-4.02	-1.84	-17.15	-6.55	13.44	35.59	-9.87	Mar-12
HFRI Fund of Funds Composite Index	<u>0.50</u>	<u>-2.63</u>	<u>-5.45</u>	<u>1.89</u>	<u>1.62</u>	<u>1.58</u>	<u>-0.27</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>11.47</u>	<u>2.46</u>	Mar-12
Excess Return	-9.73	-18.20	-6.30	-10.85	-11.59		6.56	-7.38	-10.80	-21.94	-0.83	7.74	24.12	-12.33	
S&P 500	2.46	3.84	3.99	11.66	12.10	7.42	1.38	13.69	32.39	16.00	2.11	15.06	26.46	12.22	Mar-12
Beach Point Select Fund	3.61	5.70	3.18	6.22	--	--	2.58	2.35	15.93	17.58	--	--	--	5.46	Oct-13
HFRI ED: Distressed/Restructuring Index	<u>5.20</u>	<u>3.50</u>	<u>-5.34</u>	<u>0.10</u>	<u>2.16</u>	<u>3.42</u>	<u>-8.06</u>	<u>-1.39</u>	<u>14.05</u>	<u>10.12</u>	<u>-1.79</u>	<u>12.12</u>	<u>28.14</u>	<u>-0.76</u>	Oct-13
Excess Return	-1.59	2.20	8.52	6.12			10.64	3.74	1.88	7.46				6.22	
HFRX Distressed Securities Index	9.02	7.39	-5.39	-0.51	-1.42	-3.11	-11.14	0.42	5.37	0.94	-8.04	8.34	-5.60	-1.30	Oct-13
Real Estate															
SERS Principal Global Investors REIT	5.65	11.94	23.40	14.82	12.93	7.91	4.19	32.23	3.91	16.99	9.03	25.31	27.67	6.47	Dec-06
FTSE NAREIT All REIT	<u>7.36</u>	<u>13.65</u>	<u>22.68</u>	<u>13.11</u>	<u>12.33</u>	<u>6.97</u>	<u>2.29</u>	<u>27.15</u>	<u>3.21</u>	<u>20.14</u>	<u>7.28</u>	<u>27.58</u>	<u>27.45</u>	<u>5.39</u>	Dec-06
Excess Return	-1.71	-1.71	0.72	1.71	0.60	0.94	1.90	5.08	0.70	-3.15	1.75	-2.27	0.22	1.08	
DJ REIT Index	5.42	10.82	22.85	13.55	12.30	6.86	4.48	32.00	1.22	17.12	9.37	28.07	28.46	5.31	Dec-06
US Real Estate Equity Rank	53	32	40	18	52	54	54	37	26	87	72	81	74	53	Dec-06

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2016



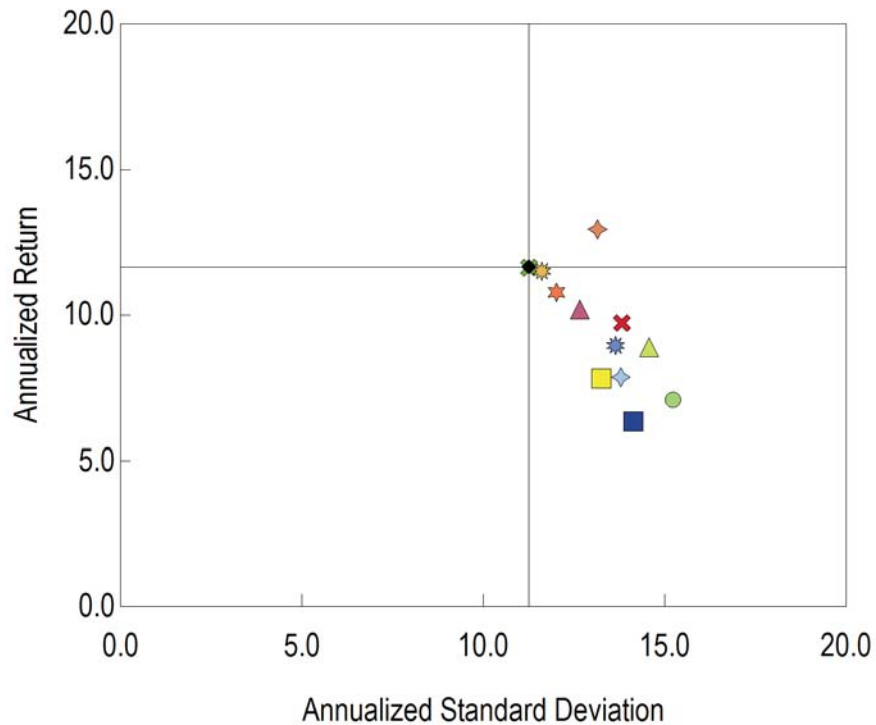
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2016



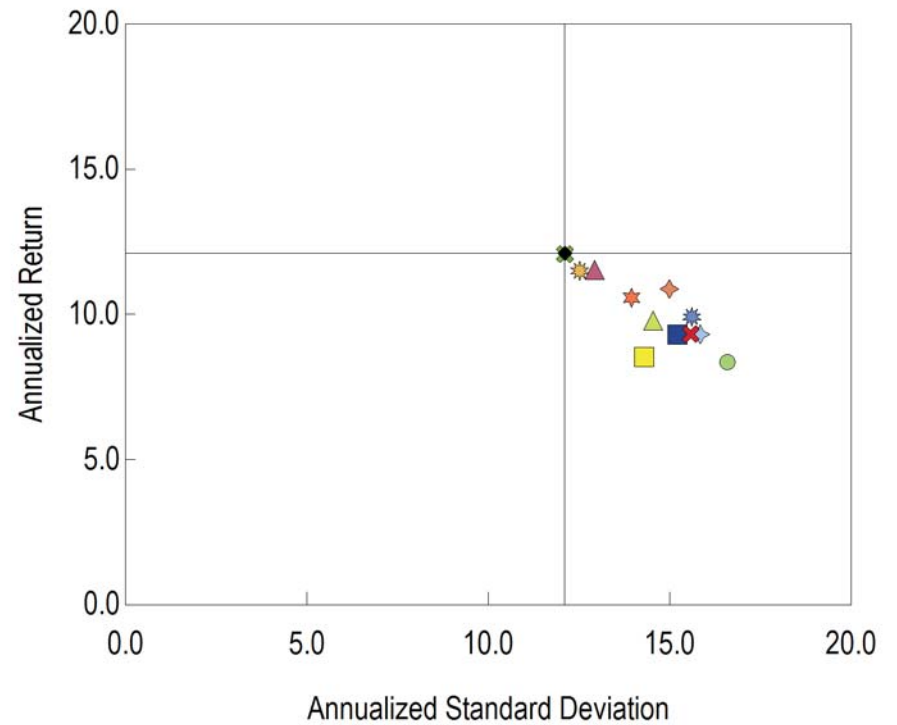
- ✖ Vanguard Short Term Bond Fd
- ☀ PIMCO Global Advantage Bond
- ◇ Post Lmtd Term High Yield
- ★ Rimrock Low Volatility Offshore
- Castine Partners II
- ✖ Polar Altairis Offshore
- ✱ American Beacon Flex Bond Inst
- ◆ Barclays Aggregate

- ✖ Vanguard Short Term Bond Fd
- ☀ PIMCO Global Advantage Bond
- ◇ Post Lmtd Term High Yield
- ★ Rimrock Low Volatility Offshore
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- ✖ Polar Altairis Offshore
- ◆ Barclays Aggregate

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2016



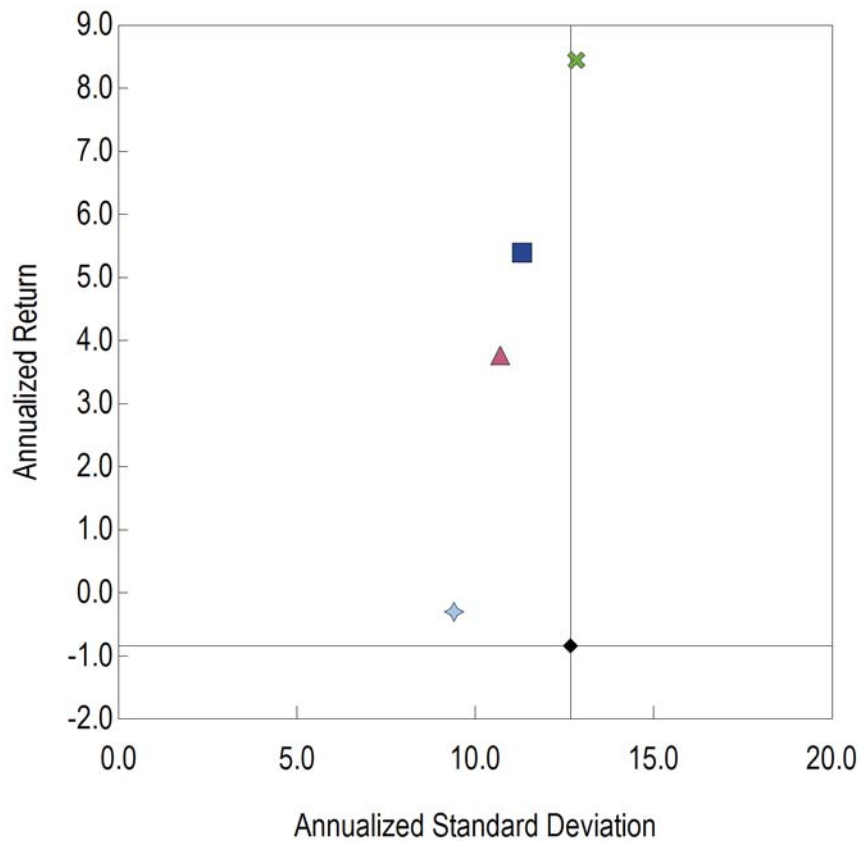
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2016



- Hotchkis & Wiley Diversified Value I
- ✱ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Delaware Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
- ★ Vanguard Mid Cap Index
- Vanguard Mid Cap Growth
- ✱ Frontier Phocas Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500
- Russell 2000

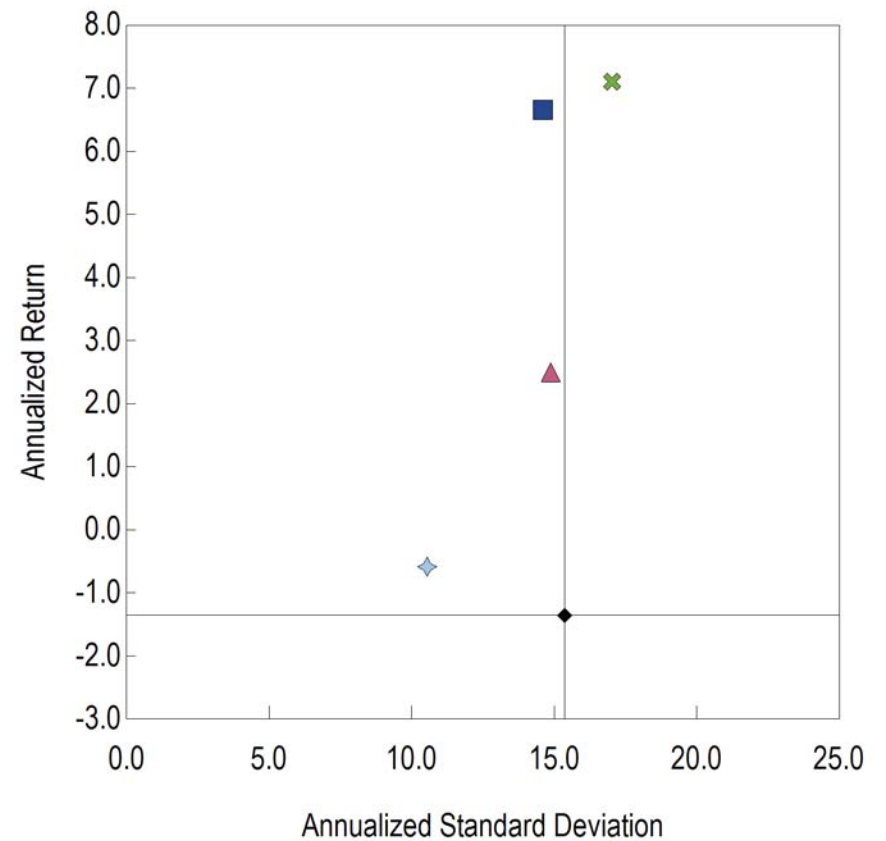
- Hotchkis & Wiley Diversified Value I
- ✱ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Delaware Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
- ★ Vanguard Mid Cap Index
- Vanguard Mid Cap Growth
- ✱ Frontier Phocas Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500
- Russell 2000

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2016



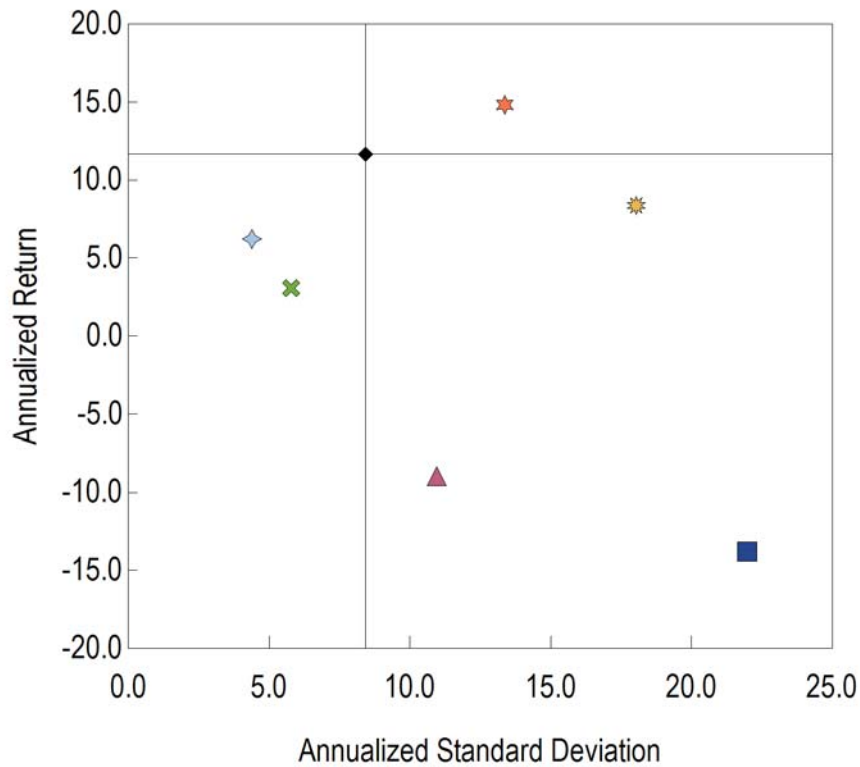
- Artisan International Value
- ✕ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA Value

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2016



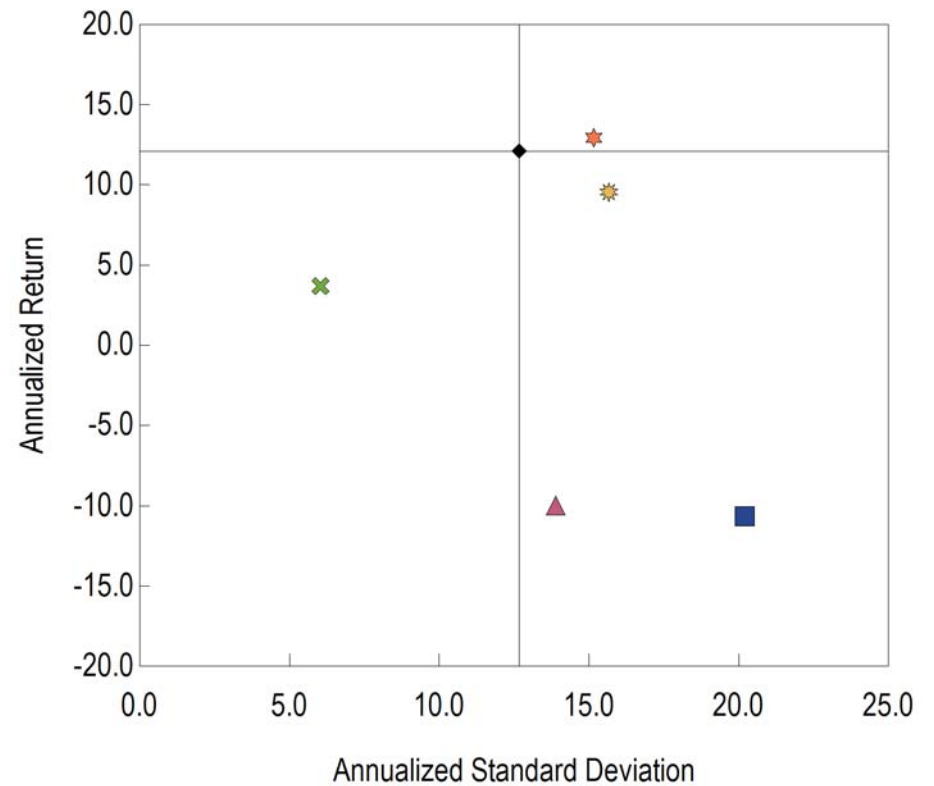
- Artisan International Value
- ✕ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA Value

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2016



- PIMCO CommoditiesPlus Fund
- ✕ Weatherlow Offshore
- ⊛ OrbiMed Partners II
- ▲ TCM Partners
- ◆ Beach Point Select Fund
- ★ SERS Principal Global Investors REIT
- ◆ S&P 500

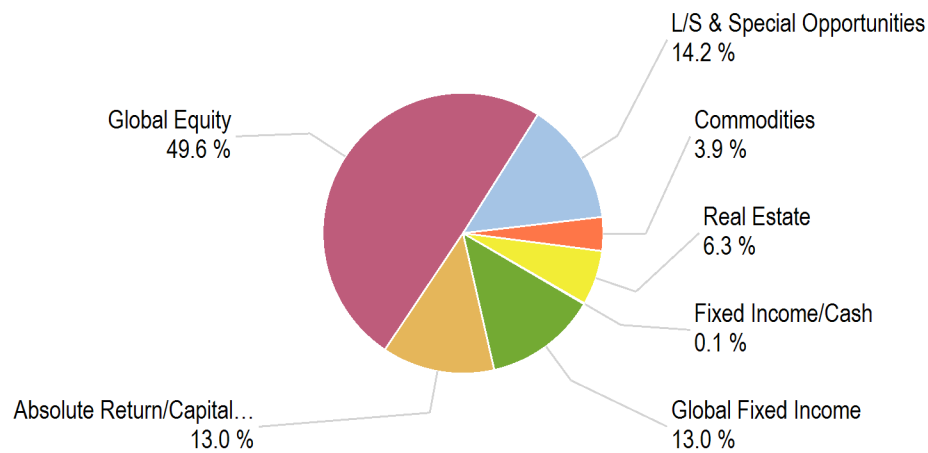
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2016



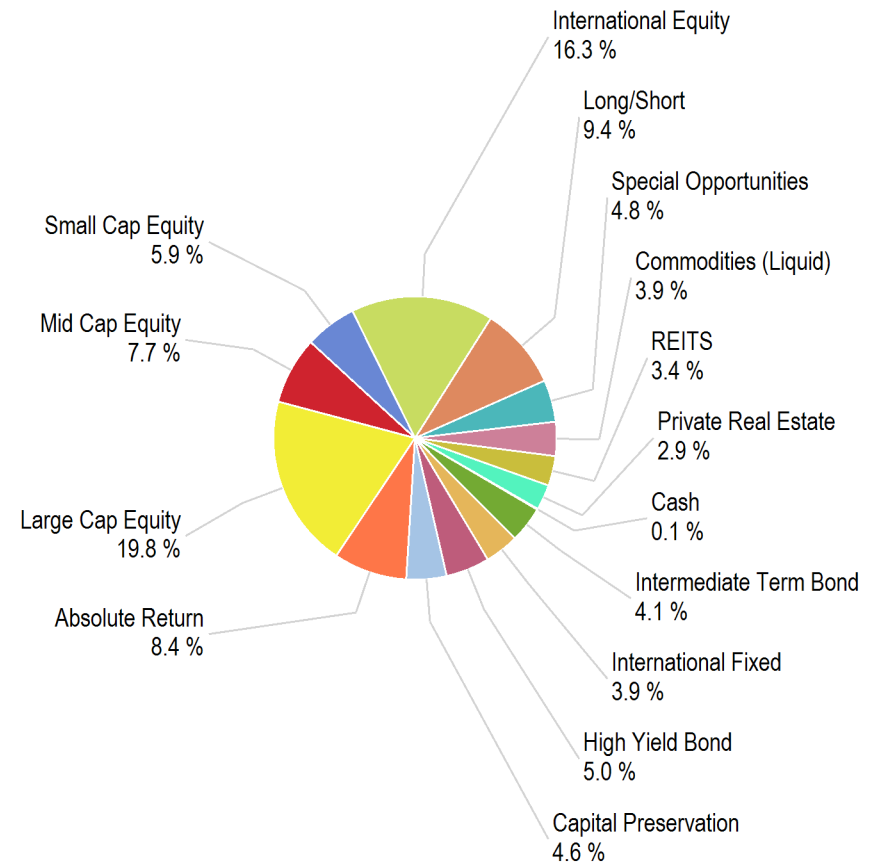
- PIMCO CommoditiesPlus Fund
- ✕ Weatherlow Offshore
- ⊛ OrbiMed Partners II
- ▲ TCM Partners
- ★ SERS Principal Global Investors REIT
- ◆ S&P 500

Section 3

Current Allocation



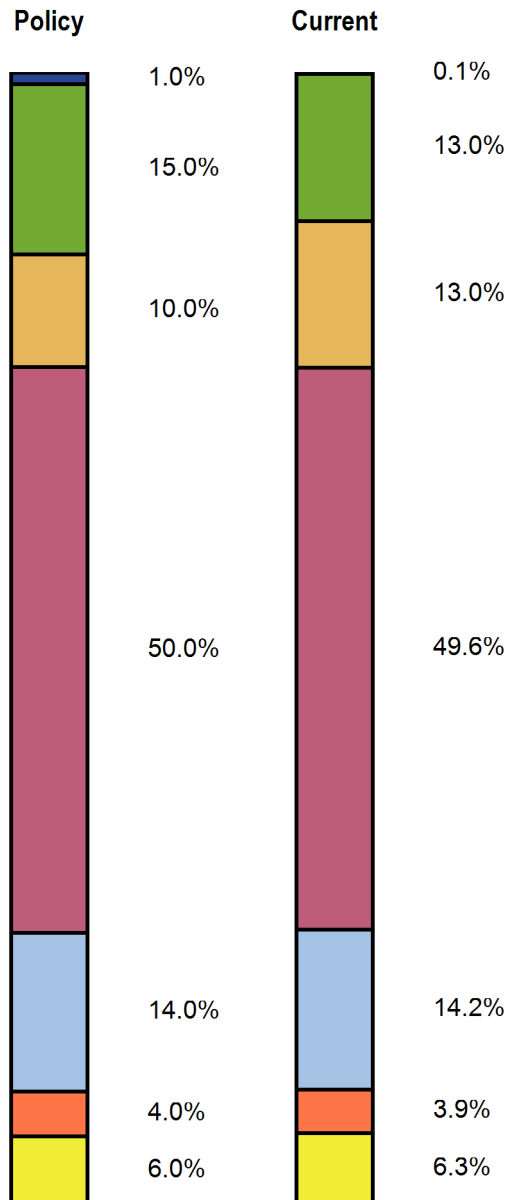
Current Implementation Allocation



Spokane Employees' Retirement System

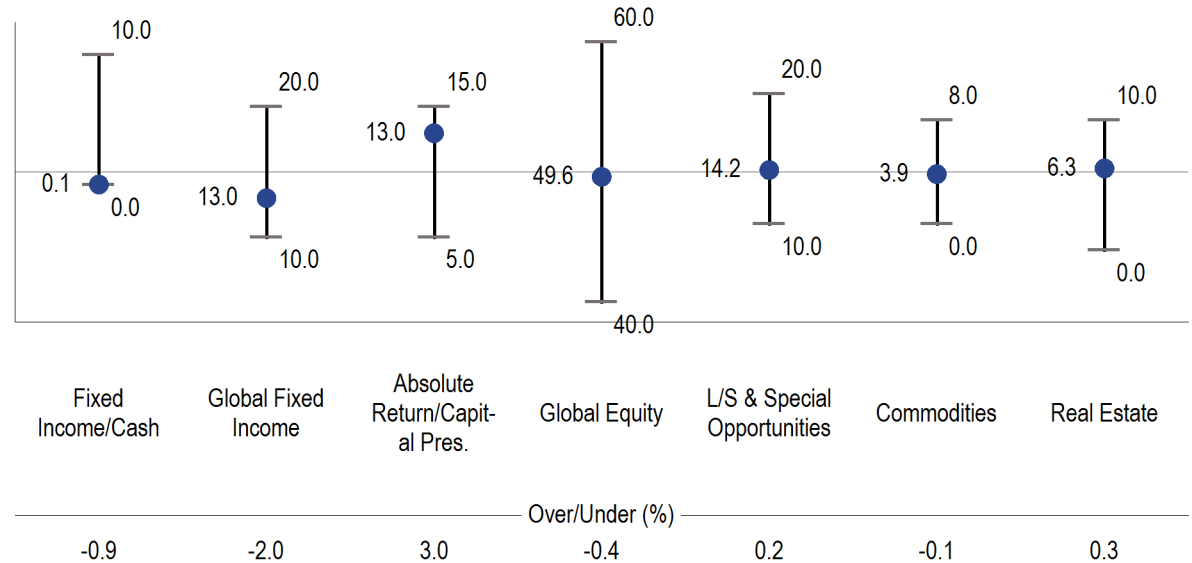
As of June 30, 2016

Asset Allocation vs. Target



	Inv Pol Stmt	%	Inv Pol Stmt Range	Current	%	Difference	%
Fixed Income/Cash	\$2,691,049	1.0%	0.0% - 10.0%	\$138,336	0.1%	-\$2,552,713	-0.9%
Global Fixed Income	\$40,365,731	15.0%	10.0% - 20.0%	\$34,994,812	13.0%	-\$5,370,920	-2.0%
Absolute Return/Capital Pres.	\$26,910,487	10.0%	5.0% - 15.0%	\$34,967,262	13.0%	\$8,056,775	3.0%
Global Equity	\$134,552,437	50.0%	40.0% - 60.0%	\$133,592,033	49.6%	-\$960,404	-0.4%
L/S & Special Opportunities	\$37,674,682	14.0%	10.0% - 20.0%	\$38,125,887	14.2%	\$451,205	0.2%
Commodities	\$10,764,195	4.0%	0.0% - 8.0%	\$10,362,901	3.9%	-\$401,294	-0.1%
Real Estate	\$16,146,292	6.0%	0.0% - 10.0%	\$16,923,645	6.3%	\$777,352	0.3%
Total	\$269,104,875	100.0%		\$269,104,875	100.0%		

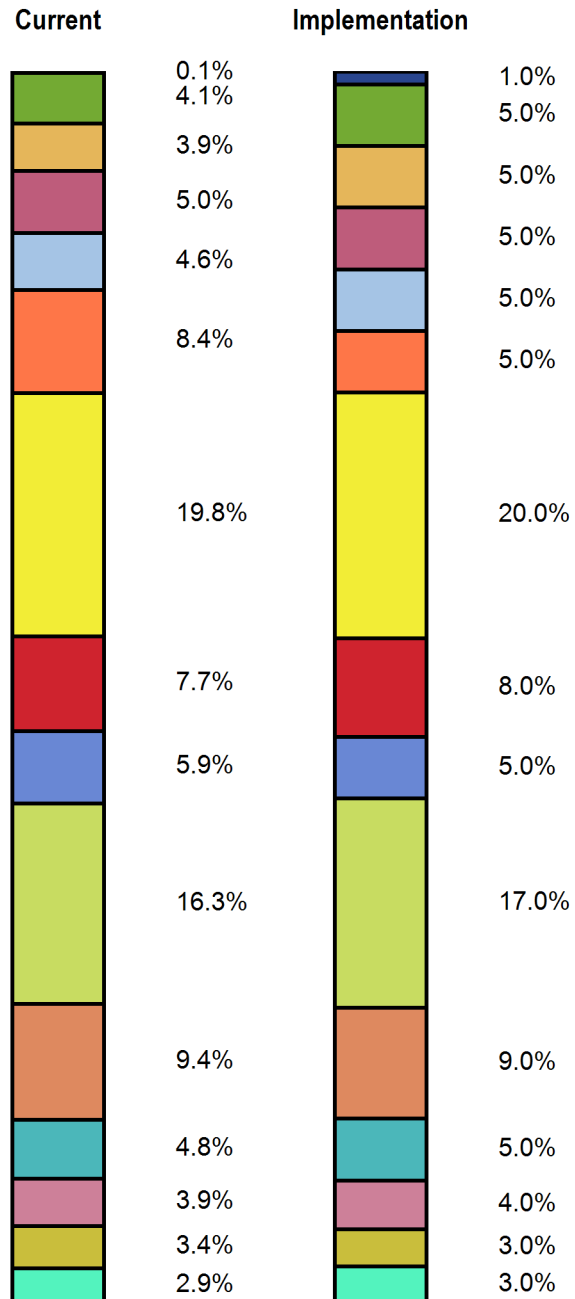
Actual vs. Target



— Target I Range ● Current

Spokane Employees' Retirement System

As of June 30, 2016



Asset Allocation on June 30, 2016

	Actual (\$)	Actual %	Target %
Cash	\$138,336	0.1%	1.0%
Intermediate Term Bond	\$11,010,274	4.1%	5.0%
International Fixed	\$10,400,825	3.9%	5.0%
High Yield Bond	\$13,583,713	5.0%	5.0%
Capital Preservation	\$12,408,752	4.6%	5.0%
Absolute Return	\$22,558,510	8.4%	5.0%
Large Cap Equity	\$53,173,526	19.8%	20.0%
Mid Cap Equity	\$20,734,098	7.7%	8.0%
Small Cap Equity	\$15,777,319	5.9%	5.0%
International Equity	\$43,907,090	16.3%	17.0%
Long/Short	\$25,260,065	9.4%	9.0%
Special Opportunities	\$12,865,822	4.8%	5.0%
Commodities (Liquid)	\$10,362,901	3.9%	4.0%
REITS	\$9,188,408	3.4%	3.0%
Private Real Estate	\$7,735,236	2.9%	3.0%
Total	\$269,104,875	100.0%	100.0%

Spokane Employees' Retirement System

As of June 30, 2016

Asset Allocation vs. Target

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Fixed Income/Cash	\$2,691,049	1.0%	0.0% - 10.0%	\$138,336	0.1%	-\$2,552,713	-0.9%	Yes
Cash	\$2,691,049	1.0%	0.0% - 3.0%	\$138,336	0.1%	-\$2,552,713	-0.9%	Yes
Fidelity Instl Money Market				\$138,336	0.1%			
Global Fixed Income	\$40,365,731	15.0%	10.0% - 20.0%	\$34,994,812	13.0%	-\$5,370,920	-2.0%	Yes
Intermediate Term Bond	\$13,455,244	5.0%	0.0% - 10.0%	\$11,010,274	4.1%	-\$2,444,970	-0.9%	Yes
Vanguard Short-Term Bond Fd				\$11,010,274	4.1%			
International Fixed	\$13,455,244	5.0%	0.0% - 10.0%	\$10,400,825	3.9%	-\$3,054,419	-1.1%	Yes
Pimco Global Adv Bond Fd				\$10,400,825	3.9%			
High Yield Bond	\$13,455,244	5.0%	0.0% - 10.0%	\$13,583,713	5.0%	\$128,469	0.0%	Yes
Hotchkis & Wiley High Yield				\$13,583,713	5.0%			
Absolute Return/Capital Pres.	\$26,910,487	10.0%	5.0% - 15.0%	\$34,967,262	13.0%	\$8,056,775	3.0%	Yes
Capital Preservation	\$13,455,244	5.0%	0.0% - 10.0%	\$12,408,752	4.6%	-\$1,046,491	-0.4%	Yes
Castine Partners				\$6,201,694	2.3%			
Polar Long/Short Fund				\$6,207,058	2.3%			
Absolute Return	\$13,455,244	5.0%	0.0% - 10.0%	\$22,558,510	8.4%	\$9,103,266	3.4%	Yes
Post Lmtd Term High Yield				\$5,695,113	2.1%			
Rimrock Low Volatility Offshore				\$8,874,536	3.3%			
Amer Beacon Flexible Bond Inst				\$7,248,922	2.7%			
OrbiMed Royalty Opps II				\$739,939	0.3%			

Spokane Employees' Retirement System

As of June 30, 2016

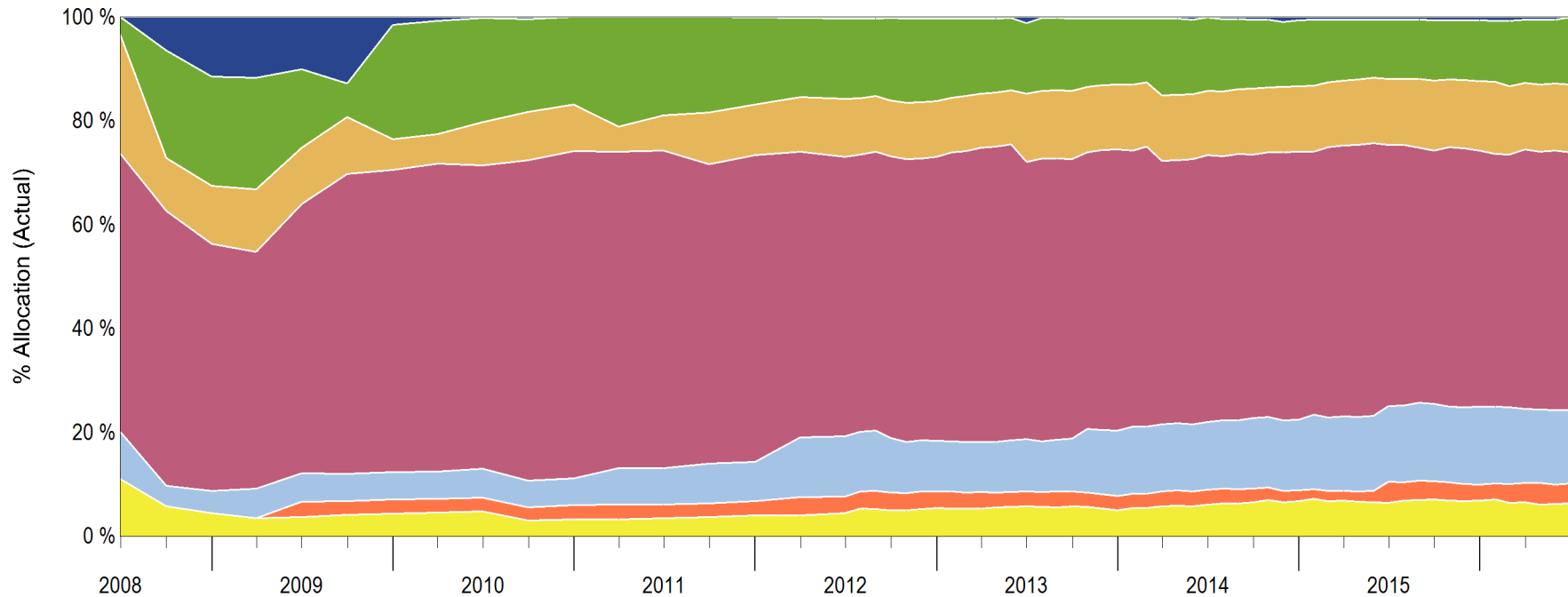
	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Global Equity	\$134,552,437	50.0%	40.0% - 60.0%	\$133,592,033	49.6%	-\$960,404	-0.4%	Yes
Large Cap Equity	\$53,820,975	20.0%	10.0% - 30.0%	\$53,173,526	19.8%	-\$647,449	-0.2%	Yes
Hotchkis & Wiley Div Value I				\$14,317,923	5.3%			
Vanguard Institutional Index				\$8,294,146	3.1%			
MFS Blended Research Core				\$16,674,022	6.2%			
Delaware Large Cap Growth Equity				\$13,887,435	5.2%			
Mid Cap Equity	\$21,528,390	8.0%	0.0% - 20.0%	\$20,734,098	7.7%	-\$794,292	-0.3%	Yes
Sterling Mid Cap Value				\$8,103,864	3.0%			
Vanguard Mid Cap Index				\$5,267,257	2.0%			
Vanguard Mid Cap Growth				\$7,362,977	2.7%			
Small Cap Equity	\$13,455,244	5.0%	0.0% - 15.0%	\$15,777,319	5.9%	\$2,322,075	0.9%	Yes
Frontier Sm Cap Value I				\$4,165,277	1.5%			
Vanguard Small Cap Index				\$1,801,660	0.7%			
Champlain Small Cap				\$5,190,048	1.9%			
Bridge City Small Growth				\$4,620,334	1.7%			
International Equity	\$45,747,829	17.0%	5.0% - 25.0%	\$43,907,090	16.3%	-\$1,840,739	-0.7%	Yes
Victory Trivalent International Small Cap				\$8,280,858	3.1%			
EuroPacific Growth R6				\$11,595,476	4.3%			
Berens Global Value				\$9,745,111	3.6%			
Artisan Int'l Value				\$14,285,645	5.3%			

Spokane Employees' Retirement System

As of June 30, 2016

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
L/S & Special Opportunities	\$37,674,682	14.0%	10.0% - 20.0%	\$38,125,887	14.2%	\$451,205	0.2%	Yes
Long/Short	\$24,219,439	9.0%	0.0% - 20.0%	\$25,260,065	9.4%	\$1,040,626	0.4%	Yes
Weatherlow Offshore				\$13,940,112	5.2%			
TCM Partners				\$3,247,728	1.2%			
Beach Point Select Fund LP				\$8,072,225	3.0%			
Special Opportunities	\$13,455,244	5.0%	0.0% - 15.0%	\$12,865,822	4.8%	-\$589,422	-0.2%	Yes
Orbimed Partners II				\$8,405,382	3.1%			
OrbiMed Royalty Opportunities				\$4,460,440	1.7%			
Commodities	\$10,764,195	4.0%	0.0% - 8.0%	\$10,362,901	3.9%	-\$401,294	-0.1%	Yes
Commodities (Liquid)	\$10,764,195	4.0%	0.0% - 10.0%	\$10,362,901	3.9%	-\$401,294	-0.1%	Yes
PIMCO CommoditiesPlus Strat Fd				\$10,362,901	3.9%			
Real Estate	\$16,146,292	6.0%	0.0% - 10.0%	\$16,923,645	6.3%	\$777,352	0.3%	Yes
REITS	\$8,073,146	3.0%	0.0% - 10.0%	\$9,188,408	3.4%	\$1,115,262	0.4%	Yes
Principal Global Investors REIT				\$9,188,408	3.4%			
Private Real Estate	\$8,073,146	3.0%	0.0% - 10.0%	\$7,735,236	2.9%	-\$337,910	-0.1%	Yes
Legacy Partners Realty III				\$144,734	0.1%			
Morrison Street Fund IV				\$2,471,236	0.9%			
Metropolitan Realty V				\$554,286	0.2%			
Morrison Street Fund V				\$4,564,980	1.7%			
Total	\$269,104,875	100.0%		\$269,104,875	100.0%			

Asset Allocation History
8 Years Ending June 30, 2016

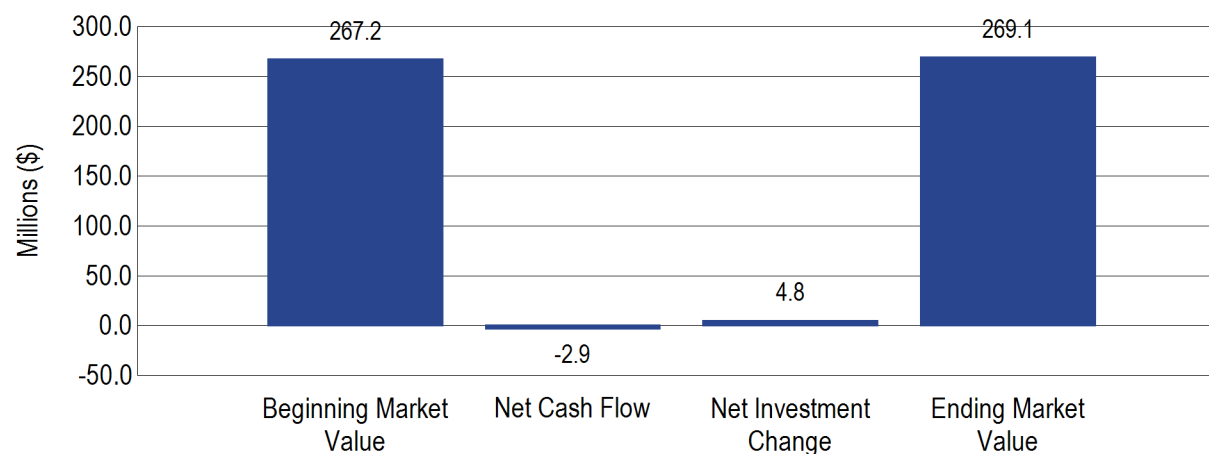


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20.	21.	21.	15.	6.5	22.	21.	20.	17.	16.	21.	19.	18.	16.	15.	15.	15.	15.	14.	13.	13.	12.	14.	14.	13.	12.	11.	11.	11.	11.	12.	13.	
10.	11.	12.	10.	11.	6.0	5.7	8.3	9.3	8.9	4.8	6.8	10.	9.7	10.	11.	10.	10.	10.	13.	13.	12.	12.	12.	12.	12.	12.	12.	12.	13.	13.	12.	13.
52.	47.	45.	51.	57.	58.	59.	58.	61.	63.	60.	61.	57.	59.	54.	53.	54.	54.	56.	53.	53.	54.	50.	51.	50.	51.	52.	50.	48.	49.	49.	49.	
4.0	4.2	5.6	5.4	5.2	5.2	5.2	5.6	5.2	5.2	7.0	7.1	7.6	7.5	11.	11.	10.	9.8	9.7	10.	10.	12.	13.	13.	13.	13.	14.	14.	14.	15.	14.	14.	
--	--	0.0	3.0	2.7	2.8	2.6	2.6	2.5	2.7	2.8	2.6	2.6	2.7	3.5	3.2	3.4	3.2	3.1	2.8	2.9	2.7	2.8	2.9	2.6	2.0	1.9	4.1	3.6	3.1	3.8	3.9	
5.7	4.5	3.5	3.7	4.1	4.3	4.6	4.8	3.0	3.3	3.3	3.5	3.7	4.1	4.1	4.4	5.1	5.4	5.4	5.8	5.8	5.0	5.8	6.1	6.6	6.8	6.9	6.4	7.1	6.9	6.5	6.3	

- Fixed Income/Cash
 Absolute Return/Capital Pres.
 L/S & Special Opportunities
 Real Estate
- Global Fixed Income
 Global Equity
 Commodities

Section 4

**Change in Market Value
From April 1, 2016 To June 30, 2016**



Cash Flow Summary

	Beginning Market Value (\$)	Withdrawals (\$)	Contributions (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Amer Beacon Flexible Bond Inst	7,161,075	0	0	0	87,847	7,248,922
Artisan Int'l Value	14,493,469	0	0	0	-207,824	14,285,645
Beach Point Select Fund LP	7,791,344	0	0	0	280,881	8,072,225
Berens Global Value	9,329,551	0	0	0	415,560	9,745,111
Bridge City Small Growth	4,549,641	0	0	0	70,693	4,620,334
Castine Partners	5,941,514	0	0	0	260,180	6,201,694
Champlain Small Cap	4,763,087	0	0	0	426,960	5,190,048
Delaware Large Cap Growth Equity	14,075,103	0	0	0	-187,668	13,887,435
EuroPacific Growth R6	11,632,262	0	0	0	-36,786	11,595,476
Fidelity Instl Money Market	1,551,661	-1,514,375	99,732	-1,414,643	1,318	138,336
Frontier Sm Cap Value I	4,030,796	0	0	0	134,481	4,165,277
Hotchkis & Wiley Div Value I	14,167,840	0	0	0	150,083	14,317,923
Hotchkis & Wiley High Yield	12,888,371	0	0	0	695,342	13,583,713

Spokane Employees' Retirement System

As of June 30, 2016

	Beginning Market Value (\$)	Withdrawals (\$)	Contributions (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Legacy Partners Realty III	949,195	-804,407	0	-804,407	-54	144,734
Metropolitan Realty V	639,495	-71,251	0	-71,251	-13,958	554,286
MFS Blended Research Core	16,515,505	0	0	0	158,517	16,674,022
Morrison Street Fund IV	2,986,431	-576,965	0	-576,965	61,770	2,471,236
Morrison Street Fund V	4,218,259	-218,350	386,661	168,311	178,410	4,564,980
Orbimed Partners II	8,510,566	0	0	0	-105,184	8,405,382
OrbiMed Royalty Opportunities	4,452,619	-99,732	0	-99,732	107,553	4,460,440
OrbiMed Royalty Opps II	771,785	-41,813	0	-41,813	9,967	739,939
PIMCO CommoditiesPlus Strat Fd	10,031,646	-1,000,000	0	-1,000,000	1,331,255	10,362,901
Pimco Global Adv Bond Fd	10,146,614	0	0	0	254,211	10,400,825
Polar Long/Short Fund	6,178,263	0	0	0	28,796	6,207,058
Post Lmted Term High Yield	5,615,320	0	0	0	79,793	5,695,113
Principal Global Investors REIT	8,696,401	0	0	0	492,008	9,188,408
Rimrock Low Volatility Offshore	8,703,114	0	0	0	171,421	8,874,536
Sterling Mid Cap Value	8,237,798	0	0	0	-133,934	8,103,864
TCM Partners	3,574,848	0	0	0	-327,119	3,247,728
Vanguard Institutional Index	8,095,905	0	0	0	198,241	8,294,146
Vanguard Mid Cap Growth	7,462,016	0	0	0	-99,038	7,362,977
Vanguard Mid Cap Index	5,147,870	0	0	0	119,387	5,267,257
Vanguard Short-Term Bond Fd	9,353,401	0	1,528,893	1,528,893	127,980	11,010,274
Vanguard Small Cap Index	2,312,041	-600,000	0	-600,000	89,619	1,801,660
Victory Trivalent International Small Cap	8,442,621	0	0	0	-161,764	8,280,858
Weatherlow Offshore	13,752,424	0	0	0	187,688	13,940,112
Total	267,169,850	-4,926,891	2,015,286	-2,911,605	4,846,630	269,104,875