

AGENDA

Investment Committee Meeting Of the El Camino Hospital Board

Monday, February 8, 2016, **5:30 p.m.**

Conference Room A, Ground Floor

2500 Grant Road, Mountain View, California

Jeffrey Davis, MD will be participating via teleconference from the following address:

Diamante' Beachfront, Cabo San Lucas, Mexico

MISSION: The purpose of the Investment Committee is to develop and recommend to the El Camino Hospital Board of Directors the organization's investment policies, maintain current knowledge of the management and investment of the invested funds of the hospital and its pension plan(s), provide guidance to management in its investment management role, and provide oversight of the allocation of the investment assets.

AGENDA ITEM		PRESENTED BY		
1.	CALL TO ORDER/ROLL CALL	John Zoglin, Chair		5:30 – 5:31
2.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	John Zoglin, Chair		5:31 – 5:32
3.	PUBLIC COMMUNICATION	John Zoglin, Chair		5:32 – 5:33
4.	CONSENT CALENDAR: <i>Any committee member may remove an item for discussion before a motion is made.</i>	John Zoglin, Chair	<i>public comment</i>	Motion 5:33 – 5:38
	Approval: a. Minutes of Investment Committee - November 9, 2015 Minutes Information: b. Updated 2016 Pacing Plan c. Investment Committee Charter d. December Financial Report e. Article of Interest Discussion: f. FY2017 Committee Meeting Dates ATTACHMENT 4			
5.	REPORT ON BOARD ACTIONS	John Zoglin, Chair		Information 5:38 – 5:43
6.	INVESTMENT COMMITTEE SCORECARD and PERFORMANCE REVIEW a. Investment Committee Scorecard b. Fourth Quarter Performance Review c. Surplus Cash Hedge Fund Portfolio d. Hedge Fund Research Note on BlackRock's The 32 Capital Fund, Ltd. ATTACHMENT 6	Antonio DiCosola, Pavilion Advisory Group	<i>public comment</i>	Motion(s) for recommendation required 5:43 – 6:20

A copy of the agenda for the Regular Committee Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at 650-988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM		PRESENTED BY		
7.	REVIEW CURRENT INVESTMENT STRATEGY OF USING ACTIVE MANAGERS VS. PASSIVE ALLOCATION ATTACHMENT 7	Antonio DiCosola, Pavilion Advisory Group	<i>public comment</i>	Information 6:20 – 7:00
8.	COMMITTEE GOALS a. Approved 2016 Goals b. Proposed 2017 Goals ATTACHMENT 8	John Zoglin, Chair		Discussion 7:00 – 7:15
9.	ADJOURN TO CLOSED SESSION			7:15
10.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	John Zoglin, Chair		7:15 - 7:16
11.	CONSENT CALENDAR: <i>Any committee member may remove an item for discussion before a motion is made.</i> Approval: Meeting Minutes of the Closed Session Gov't Code Section 54957.2. - November 9 th , 2015	John Zoglin, Chair		Motion 7:16 – 7:20
12.	RECONVENE OPEN SESSION			7:20 – 7:30
	To report any required disclosures regarding permissible actions taken during Closed Session.	John Zoglin, Chair		
13.	ADJOURNMENT	John Zoglin, Chair		7:30 p.m.

Important Dates:

Semi-Annual Board and All Committee Meeting

- March 23, 2016

FY2016 Investment Committee Meeting:

- May 9, 2016

FY 2017 Investment Committee Meetings

Tentative (upon Committee and Board approval):

- August 8, 2016
- November 14, 2016
- February 13, 2017
- May 8, 2017

a. Minutes of Investment Committee - November 9, 2015

Minutes

**Minutes of the Open Session of the
 Investment Committee of the Board of Directors
 Monday, November 9th, 2015
 El Camino Hospital, 2500 Grant Road, Mountain View, California
 Medical Staff Conference Room**

Members Present

John Zoglin, Nicki Boone, Jeff Davis,
 Brooks Nelson, John Conover, and
 Gary Kalbach.

Members Absent
Members Excused

A quorum was present at the El Camino Hospital Investment Committee on the 9th day of November, 2015 meeting.

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The meeting of the Investment Committee of El Camino Hospital (the "Committee") was called to order by Committee Chair John Zoglin at 5:28 p.m. Silent roll call was taken.	<i>None</i>
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Zoglin asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.	<i>None</i>
3. PUBLIC COMMUNICATION	Chair Zoglin if there was any public communication to present. None were noted.	<i>None</i>
4. CONSENT CALENDAR ITEMS	<p>Chair Zoglin asked if any Committee member wished to remove any items from the consent calendar for discussion. None were noted.</p> <p><u>Motion:</u> To approve the consent calendar (Open Minutes of the January 26th Joint Finance and Investment meeting, February 9th, August 10th, 2015, meetings, and the FY16 Investment Committee Pacing Plan).</p> <p><u>Movant:</u> Kalbach</p> <p><u>Second:</u> Conover</p> <p><u>Ayes:</u> Boone, Davis, Nelson, Conover, Kalbach, and Zoglin.</p> <p><u>Abstentions:</u> None</p> <p><u>Absent:</u> None</p> <p><u>Excused:</u> None</p> <p><u>Recused:</u> None</p>	<i>The Open Minutes of the January 26th Joint Finance and Investment meeting, February 9th, August 10th, 2015, meetings, and the FY16 Investment Committee Pacing Plan were approved.</i>
5. REPORT ON BOARD ACTIONS	Chair Zoglin reported that the Board is currently focused on the development of Strategies in relation to Physician	<i>None</i>

Agenda Item	Comments/Discussion	Approvals/Action
	Strategy and Risk Management, review of Organizational Goals, and Epic Go-Live which was implemented on November 7 th .	
6. EL CAMINO FINANCIAL PERFORMANCE	<p>Iftikhar Hussain, Chief Financial Officer, reviewed El Camino's Financial Performance through September 30, 2015. Mr. Hussain reported:</p> <ul style="list-style-type: none"> a. Volume remained slow in the first three months, the operating margin is \$3.8 ahead of target due to higher revenues. b. Labor expenses are running high in preparation for EPIC go live. c. Non-operating income is \$34 million behind target due to investment market downturn. d. Our cash position remains strong and allows us to keep a long term view on returns. e. Days in AR improved and recovered to the 48 days net days in AR target. <p>Mr. Hussain asked if any of the Committee Members had any questions. Mr. Zoglin asked if the higher revenues were due in part to payor mix. Mr. Hussain explained that this was due to higher yield per patient.</p>	<p><i>None</i></p>
7. INVESTMENT COMMITTEE SCORECARD AND PERFORMANCE REVIEW	<p>Antonio DiCosola, Pavilion Advisory Group, reviewed the Investment Committee Scorecard and Performance Review as of September 30, 2015 and reported the following:</p> <ul style="list-style-type: none"> a. Scorecard: Investment performance for the Surplus Cash portfolio was in-line with the benchmark for the quarter with a return of -4.0%. The portfolio remains ahead of the benchmark since inception (Nov. 1, 2012) with a return of 4.1% annualized versus 3.9% for the benchmark. The assets within the Surplus Cash account ended the quarter at \$733.9 million, well ahead of the budgeted amount for June 30, 2016. The Cash Balance Plan's performance lagged its benchmark for the quarter by 20 basis points, but has outperformed its benchmark since inception. The since inception annualized return stands at 7.1%, 90 bps ahead of its benchmark per year. The assets within the Cash Balance Plan ended the quarter at \$209.4 million, \$14.8 million below the budgeted amount for June 30, 2016. The 403(b) balance decreased \$19.0 million during the quarter, roughly 6%. 	

Agenda Item	Comments/Discussion	Approvals/Action
	<p>b. Second Quarter Performance Review: Surplus Cash; The Surplus Cash portfolio excluding District assets returned -4.0% for the quarter, performing in line with its benchmark. Asset allocation differences relative to the benchmark had a positive impact on returns, while manager performance offset the positive impact and detracted from results. An average underweight allocation to international equity combined with an average overweight allocation to short duration fixed income benefited the Plan as equity managers experienced heightened volatility during the quarter. International equity manager performance also proved accretive as Walter Scott (Dreyfus) outpaced its benchmark by 320 basis points due to both strong stock selection and beneficial sector positioning. Additionally, the Alternatives composite added value during the quarter as the Direct Hedge Fund composite outperformed the HFRI Fund of Funds Index by 70 basis points. Real estate performance was not available at the time of report production. Domestic equity and fixed income managers, however, offset the positive impact from asset allocation differences and strong relative performance from the portfolio's international equity and alternatives managers. Market duration fixed income managers had the largest negative impact during the quarter as both Dodge & Cox and MetWest failed to keep pace with the Barclays U.S. Aggregate. Both managers were hindered by underweight duration positioning as rates fell during the quarter. Within domestic equities, large-cap growth manager Sands notably lagged its benchmark as an overweight allocation to energy and poor stock selection within information technology and health care weighed on returns. Cash Balance Plan; The Cash Balance Plan returned +0.2% during the quarter, outperforming its benchmark by 20 basis points. Relative results were driven by favorable manager performance, while asset allocation differences relative to the benchmark had a negligible impact on the portfolio.</p> <ul style="list-style-type: none"> • Pavilion recommended no changes at this time, but will keep a close watch on developments and performance at Cortina. Pavilion also recommended committing \$13.0 million to the Walton Street Real Estate Fund VIII. 	

Agenda Item	Comments/Discussion	Approvals/Action
	<p>Cash Balance Plan; The Cash Balance Plan returned -4.9% during the quarter, underperforming its benchmark by 20 basis points. Relative results were driven by asset allocation differences relative to the benchmark, while manager performance combined to have a negligible impact on overall portfolio results. An average underweight allocation to short duration fixed income drove underperformance for the quarter as fixed income performed better than other asset classes. Domestic equity and market duration fixed income managers further hindered results. Market duration fixed income managers had the largest negative impact during the quarter as both Dodge & Cox and MetWest failed to keep pace with the Barclays U.S. Aggregate. Both managers were hindered by underweight duration positioning as rates fell during the quarter. Within domestic equities, large-cap growth manager Sands notably lagged its benchmark as an overweight allocation to energy and poor stock selection within information technology and health care weighed on returns. International equity and hedge fund-of-funds managers, however, offset the impact of domestic equity and market duration fixed income managers. International equity manager Walter Scott (Dreyfus) outpaced its benchmark by 320 basis points due to both strong stock selection and beneficial sector positioning. Hedge fund-of-funds managers Lighthouse and Pointer outpaced the HFRI Fund of Funds Composite Index by 150 and 190 basis points, respectively. Real estate performance was yet to be updated at time of report production.</p> <ul style="list-style-type: none"> • Pavilion recommended no changes to the existing manager lineup at this time, but will keep a close watch on developments and performance at Cortina. Pavilion also recommended committing \$10.0 million to the Walton Street Real Estate Fund VIII. <p>c. Hedge Fund; The Hedge Fund Portfolio returned -3.0% during the third quarter, outperforming the HFRI Fund of Funds Composite Index, which returned -3.7%. All of the Portfolio's hedge fund strategies, with the exception of the relative value strategy, outperformed their benchmarks. The equity and macro segments, which make up 61.3% of the Portfolio, were the most notable contributors as the segments outperformed their benchmarks by</p>	

Agenda Item	Comments/Discussion	Approvals/Action
	<p>200 and 170 basis points, respectively. Year-to-date, the Hedge Fund Portfolio has outperformed the FRI Fund of Funds Composite Index by 70 basis points. All of the Portfolio's hedge fund strategies, with the exception of the relative value strategy, have outperformed their benchmark year-to-date, with two of the composites providing positive absolute returns, compared to negative returns for their benchmarks. Mr. DiCosola described in further detail the performance of the hedge fund as submitted in the committee packet.</p> <p>d. Private Real Estate Marketing: Mr. DiCosola presented an overview of Private Real Estate Assumptions and Exposure for:</p> <ul style="list-style-type: none"> • Surplus Cash with the recommended commitment level of \$13 million per year in 2015 & 2016 and 1.50% of total assets thereafter to the Walton Street Real Estate Fund VIII. • Cash Balance Plan with a recommended commitment level of \$10 million in 2015, \$8 million in 2016, and 3.25% of total assets thereafter to the Walton Street Real Estate Fund VIII. <p>Mr. DiCosola further clarified the need for reinvestment of capital and asked if the Committee members had any questions. A brief discussion ensued.</p> <p>e. Current ESG Process: Mr. DiCosola briefly reviewed the Investment Committee's current Environmental & Social Governance Process of Investing to include the incorporation of negative screening criteria in the Investment Policy Statement for both the Surplus Cash (operating assets) and El Camino Hospital Cash Balance Plan (pension). The screens are designed to exclude companies:</p> <ul style="list-style-type: none"> • whose major product is tobacco (greater than 50% of company revenues), or • who engage in the manufacture of firearms that are illegal for sale to or possession by civilians in the state of California. <p>The separate account investment managers are provided with a list of securities on an annual basis that they may not invest in based on the guidelines established. Mr. DiCosola described in further detailed the ESG considerations for the list of separately managed accounts as submitted in the committee packet.</p>	

Agenda Item	Comments/Discussion	Approvals/Action
8. PREPARATION FOR THREE YEAR ANALYSIS OF CURRENT INVESTMENT STRATEGY	<p>Mr. Zoglin asked the Committee members for feedback on materials to be submitted by the Pavilion Group for the Three Year Analysis of Current Investment Strategy agenda item for the February 8th, 2016 meeting and discussion ensued. The Committee is looking for returns and risk comparison of our active manager approach vs. the alternative of using passive managers with same asset allocation.</p>	<p><i>None</i></p>
9. COMMITTEE EDUCATION – ENVIRONMENT, SOCIAL AND GOVERNANCE TRENDS	<p>Mr. Hussain introduced Lauryn Agnew and Toby Cooper from Seal Cove Financial and asked that Ms. Agnew present further education on Environment, Social, and Governance Trends. Ms. Agnew reviewed various aspects of ESG and Impact Investing to include:</p> <ul style="list-style-type: none"> a. Evolution of ESG & Impact Investing b. Fiduciary Duty c. Evolution of Fiduciary Duty d. ESG Analysis and Integration e. Typical ESG considerations f. Customized ESG Screens: UWBA g. Impact Investing h. Intentional Impact Across Asset Classes i. Impact Investing Continuum j. Impact Investing Themes k. Green Bonds l. Resources <p>Ms. Agnew asked if the Committee Members had any questions and discussion ensued.</p>	<p><i>None</i></p>
10. ADJOURN TO CLOSED SESSION	<p><u>Motion:</u> To adjourn to closed session at 7:20.m. <u>Movant:</u> Kalbach <u>Second:</u> Nelson <u>Ayes:</u> Boone, Conover, Davis, Kalbach, Nelson and Zoglin <u>Abstentions:</u> None <u>Absent:</u> None <u>Excused:</u> None <u>Recused:</u> None</p>	<p><i>A motion to adjourn to closed session at 7:20p.m. was approved.</i></p>
11. AGENDA ITEM 14 RECONVENE OPEN SESSION/ REPORT OUT	<p><i>Agenda Items 11 through 13 were conducted in closed session.</i></p> <p>Chair Zoglin reported that the February 9th and August 10th, 2015 Investment Committee Closed Minutes were approved. Chair Zoglin also congratulated Nikki Boone on her unanimous appointment to Vice Chair of the Investment Committee.</p>	<p><i>None</i></p>

Agenda Item	Comments/Discussion	Approvals/Action
12. AGENDA ITEM 15 ADJOURNMENT	There being no further business to come before the Committee, the meeting was adjourned at 7:30pm.	<i>None</i>

Attest as to the approval of the Foregoing minutes by the Investment Committee and by the Board of Directors of El Camino Hospital:

John Zoglin, Chairman
ECH Investment Committee of the Board of Directors

Updated 2016 Pacing Plan

**INVESTMENT COMMITTEE
FY 2016 PACING**

FY2016: Q1		
JULY – NO MEETING	AUGUST 10, 2015 Meeting	SEPTEMBER – NO MEETING
N/A	<ul style="list-style-type: none"> ▪ Review hospital financial performance ▪ Review investment performance ▪ Review manager selection as needed 	N/A
FY2016: Q2		
NOVEMBER 9, 2015 Meeting	NOVEMBER 18, 2015	DECEMBER – NO MEETING
<ul style="list-style-type: none"> ▪ Review hospital financial performance ▪ Review investment performance ▪ Review manager selection as needed ▪ Educate Committee on trends regarding environment, social and governance (socially responsible investing) 	<ul style="list-style-type: none"> ▪ <i>Board and Committee Educational Gathering</i> 	N/A
FY2016: Q3		
JANUARY 25, 2016	FEBRUARY 8, 2016 Meeting	MARCH 23, 2015
<ul style="list-style-type: none"> ▪ <i>Joint Finance Committee and Investment Committee meeting.</i> 	<ul style="list-style-type: none"> ▪ Review hospital financial performance ▪ Review investment performance ▪ Review manager selection as needed ▪ Set goals for next Fiscal Year ▪ Propose FY2017 meeting dates ▪ Review current investment strategy of using active managers vs. passive allocation 	<ul style="list-style-type: none"> ▪ <i>Board/committee educational gathering</i>
FY2016: Q4		
APRIL – NO MEETING	MAY 9, 2016 Meeting	JUNE – NO MEETING
N/A	<ul style="list-style-type: none"> ▪ Review investment performance ▪ Review manager selection as needed ▪ Review performance of investment advisor ▪ Review self-assessment results ▪ 403(b) Investment Performance 	N/A

Investment Committee Charter



Investment Committee Charter

Purpose

The purpose of the Investment Committee is to develop and recommend to the El Camino Hospital (ECH) Board of Directors (“Board”) the organization’s investment policies, maintain current knowledge of the management and investment of the invested funds of the hospital and its pension plan(s), provide guidance to management in its investment management role, and provide oversight of the allocation of the investment assets.

Authority

All governing authority for ECH resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee or subcommittee. All of the recommendations of the Committee flow to the El Camino Hospital Board for action. Reports of the Committee will be provided to the subsequently scheduled Board meeting. The Committee has the authority to recommend one or more investment managers for the hospital, monitor the performance of such investment managers, and monitor adherence to the investment policies of the hospital.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

The Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

The Investment Committee shall be comprised of at least 2 Hospital Board members. The Chair of the Committee shall be appointed by the Board Chair, subject to approval by the Board. All members of the Committee shall be eligible to serve as Chair of the Committee.

The Committee may also include 2- 4 external (non-director) members with expertise in areas such as finance, banking, and investment management.

All Committee members shall be appointed by the Board Chair, subject to approval by the Board, for a term of one year expiring on June 30th each year, renewable annually.

It shall be within the discretion of the Chair of the Committee to appoint a Vice-Chair from among the members of the Committee. If the Chair of the Committee is not a Hospital Board member, the Vice-Chair must be a Hospital Board member. All members of the Committee must be independent with no conflict of interest regarding hospital investments. Should there be

a potential conflict, the determination regarding independence shall follow the criteria approved by the Board.

Staff Support and Participation

The CFO shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the management team may participate in the Committee meetings as deemed necessary.

General Responsibilities

The Committee's primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall work with its investment advisor(s) to develop dashboard metrics that will be used to measure and track investment performance for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. The Committee is responsible for ensuring that performance metrics are being met to the Board's expectations and that the Board is apprised of any deviations therefrom.

Specific Duties

The specific duties of the Investment Committee include the following:

A. Investment

- Review and recommend for approval by the Board the investment policies for corporate assets and Cash Balance Plan assets.
- Review and make recommendations to the Board regarding the selection of an independent investment advisor. The Board will appoint the investment advisor, and management, in consultation with the Committee, will appoint the investment managers.
- Monitor the performance of the investment managers through reports from the independent investment advisor, and make recommendations for change when appropriate.
- Monitor investment allocations and make recommendations to the Board if assets are managed inconsistently with approved investment policies.
- Monitor the financial stability and safety of the institutions which have custody of the Hospital's assets, and make recommendations for change when appropriate.
- Monitor the investment performance of the specific investment vehicles made available to employees through their 403(b) Retirement Plan.

- Review recommendations from the Retirement Plan Administrative Committee (RPAC) regarding the selection of an independent investment advisor for the employees' 403(b) Retirement Plan and make recommendations to the Board. The Board will appoint the investment advisor, and the RPAC will monitor, select, and replace the Core investment choices.

B. Ongoing Education

- Endorse and encourage Investment Committee education and dialog relative to the work of the Committee.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair, in collaboration with hospital management, shall determine the frequency of meetings based on the Committee's annual goals and work plan, and the operating needs of the organization. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee. Minutes may be approved via email by unanimous consent of those attending the meeting, or by majority vote at regular meetings, as determined by the Committee Chair. The approved minutes shall be forwarded to the Board for review and approval.

Meetings and actions of all advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board or by the Committee Chair. Notice of special meetings of advisory committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24 hour notice.

Approved as Revised: November 12, 2014, June 10, 2015

December Financial Report



El Camino Hospital

THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2016 – Period 6
7/1/2015 to 12/31/2015

EL CAMINO HOSPITAL

(Excludes Controlled Affiliates)

EXECUTIVE FINANCIAL SUMMARY

Period Ending December 31, 2015

YTD STATEMENT OF REVENUE AND EXPENSES (\$000s)					BALANCE SHEET (\$000s)		
	Prior Year	Actual	Budget	Var F(U)		December 31, 2015	Jun 30, 2015
Gross Revenue	\$1,268,583	\$1,351,701	\$1,343,279	\$8,422	Cash and Investments	693,355	707,865
Deductions from Revenue	(914,831)	(971,430)	(971,807)	378	Non Cash Current Assets	160,468	143,766
Net Patient Revenue	353,752	380,271	371,472	8,800	Property, Plant & Equipment (Net)	692,751	686,537
Other Operating Revenue	9,949	11,927	10,341	1,585	Other Assets	90,883	94,707
Total Operating Revenue	363,702	392,198	381,813	10,385	Total Assets	1,637,458	1,632,874
Salaries & Wages	201,685	213,330	212,895	(435)	Current Liabilities	102,385	107,925
Supplies	54,447	58,356	55,572	(2,784)	Long-Term Liabilities	274,863	272,696
Fees & Purchased Services	37,577	43,106	41,655	(1,451)	Fund Balance/Capital Accounts	1,260,209	1,252,254
Other Operating Expense	19,159	26,915	20,840	(6,075)	Total Liabilities & Equity	1,637,458	1,632,874
Total Non Capital Operating Expense	312,868	341,706	330,963	(10,743)	KEY ECH STATISTICS - YTD		
OPERATING EBITDA	50,834	50,492	50,850	(359)	Balance Sheet	Actual	Target ⁽¹⁾
Interest, Depreciation & Amortization	26,198	25,925	24,467	(1,458)	Debt Service Coverage Ratio (MADS)	7.7	1.2
NET OPERATING SURPLUS	24,636	24,567	26,383	(1,816)	Debt to Capitalization	14.2%	29.0%
Non Operating Income	1,253	(17,162)	11,161	(28,323)	Days of Cash	370	262
TOTAL NET SURPLUS	25,889	7,405	37,544	(30,140)	Net AR Days	54.6	48.0
EBITDA Margin	14.0%	12.9%	13.3%	-0.4%	Other	Prior Year	Actual
Operating Margin	6.8%	6.3%	6.9%	-0.6%	Acute Discharges	9,451	9,244
Total Margin	7.1%	1.9%	9.8%	-7.9%	Acute Average Daily Census	237	234
					Deliveries	2,646	2,377
					Emergency Department Visits	29,455	29,463
					Surgical Cases	5,504	5,459
					Full Time Equivalent Employees	2,424	2,544
					Worked Hrs/Adjusted Patient Day	29.53	30.78
						29.79	

⁽¹⁾ For Debt Service Coverage Ratio and Debt to Capitalization, Target represents Bond Covenants
For Days Cash and Net AR Days, Target represents S&P A Rated Stand-Alone Hospital Medians

⁽¹⁾ Hospital entity only, excludes controlled affiliates

Financial Trends and Commentary

Volume:

Volume rebounded in December after a weak November. For the year, inpatient volume remains 2.2% lower than prior year primarily due to lower deliveries. Outpatient volume remains soft.

Operating Margin:

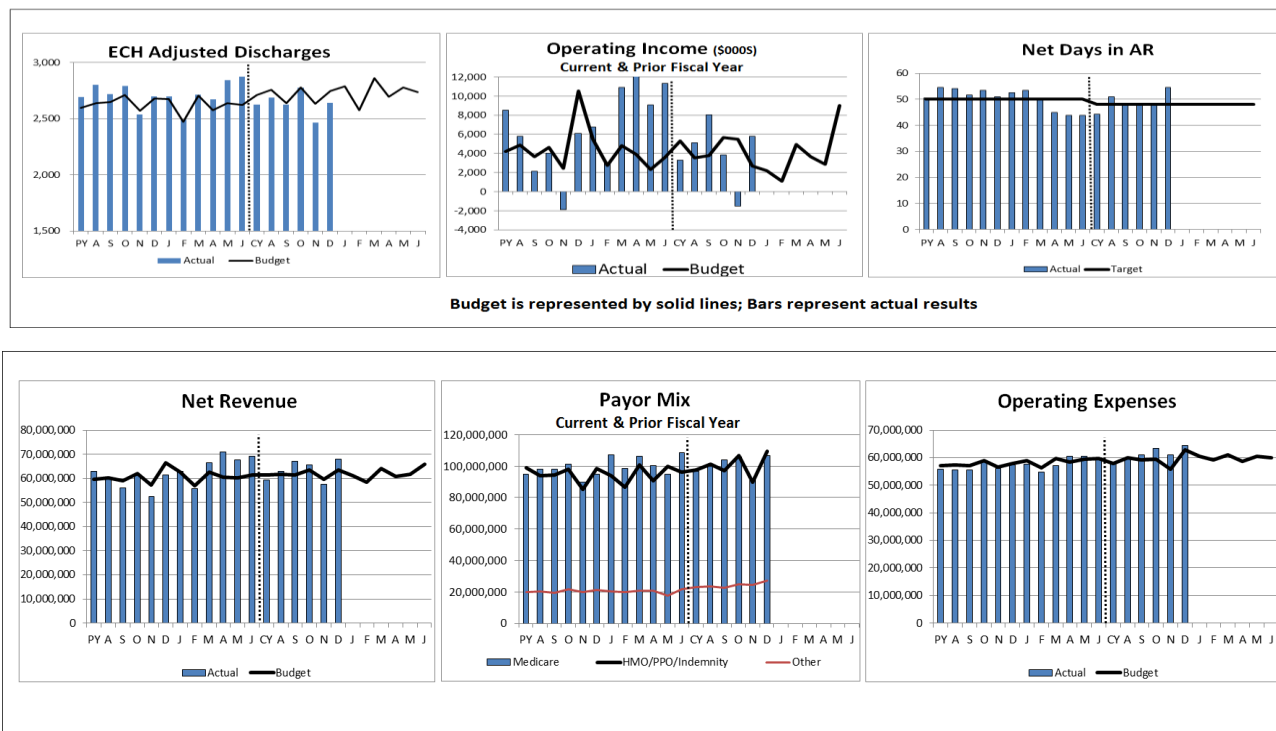
Operating margin is \$3 million favorable for the month due to higher volume and improved productivity. Margin for the year is \$2 million unfavorable primarily due to pharmacy and surgical medical supply expenses, and EPIC related expenses in labor and training.

Non-Operating Margin:

Non operating income is \$28.3 million behind target primarily due to \$12.2 million in investment loss. Our cash position remains strong allowing a long term investment strategy.

Net Days in AR:

In December, receivables increased \$12.3 million from November. Net days in A/R increased to 54.6 due EPIC conversion.

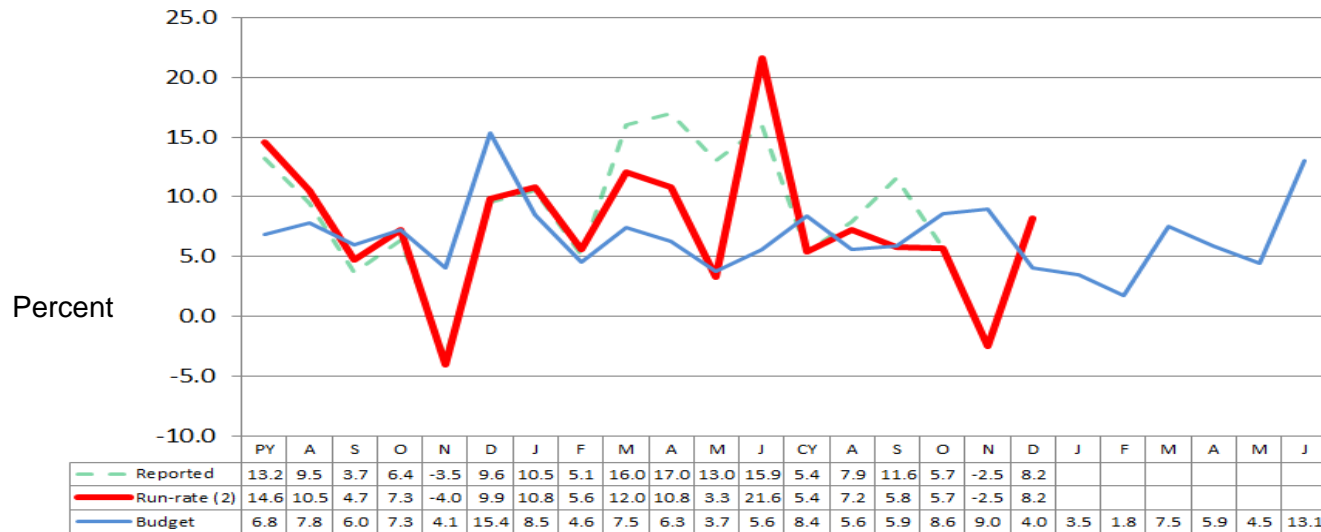


Non-Labor Expenses:

Supplies are high primarily due to pharmacy and surgical supplies. EPIC training makes up -\$3.0 million year to date variance for other general and administrative expenses. Depreciation is higher due to completion of the data center project and accelerated depreciation on the old hospital that will be demolished to build the iMOB.

ECH Operating Margin

Run rate is booked operating income adjusted for material non-recurring transactions



FY 2016 Actual Run Rate Adjustments (in thousands)													
		J	A	S	O	N	D	J	F	M	A	M	J
Revenue Adjustments	RAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cost Reports Settlements	-\$49	-\$569	-\$616	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	IGT-Inter Government Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Insurance Overpayment Released	\$0	\$0	-\$4,913	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	-\$49	-\$569	-\$5,530	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Adjustments	Pay-For-Performance Bonus	\$76	\$69	\$1,183	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$76	\$69	\$1,183	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- No revenue/expense adjustments for December.

Summary of Financial Results

\$ in Thousands

	Period 6 - Month			Period 6 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	6,722	2,091	4,631	12,278	22,032	(9,754)
Los Gatos	(953)	554	(1,507)	12,289	4,351	7,938
Sub Total - El Camino Hospital, excl. Affiliates	5,769	2,645	3,124	24,567	26,383	(1,816)
Operating Margin %	8.2%	4.0%		6.3%	6.9%	
El Camino Hospital Non Operating Income						
Investments	(4,475)	2,298	(6,773)	(12,232)	13,786	(26,018)
Swap Adjustments	394	0	394	(753)	0	(753)
Community Benefit	(62)	(233)	172	(1,510)	(1,400)	(110)
Other	(726)	(204)	(522)	(2,667)	(1,225)	(1,442)
Sub Total - Non Operating Income	(4,869)	1,860	(6,729)	(17,162)	11,161	(28,323)
El Camino Hospital Net Income (Loss)	901	4,505	(3,605)	7,405	37,544	(30,140)
ECH Net Margin %	1.3%	6.9%		1.9%	9.8%	
Concern	(8)	(12)	4	1,115	(12)	1,126
ECSC	5	0	5	16	0	16
Foundation	(185)	56	(241)	(66)	724	(790)
Silicon Valley Medical Development	(2)	0	(2)	(10)	0	(10)
Net Income Hospital Affiliates	(190)	44	(234)	1,055	712	343
Total Net Income Hospital & Affiliates	711	4,549	(3,838)	8,459	38,256	(29,797)

Actual to Budget Variance for hospital affiliates primarily due to drug, medical supplies, and EPIC labor/training expenses offset by unrealized gain.

ECH Volume Statistics ⁽¹⁾

ECH COMBINED

Discharges ⁽²⁾

ADC ⁽²⁾

Deliveries

ED Visits

Surgical Cases

Month of Dec, 2015		
Act	Bud	Var
1,594	1,617	-1.4%
246	245	0.1%
410	414	-0.9%
4,927	5,135	-4.1%
948	979	-3.2%

Year to Date			Prior Year	
Act	Bud	Var	Act	Var%
9,244	9,552	-3.2%	9,451	-2.2%
234	238	-1.7%	237	-1.1%
2,377	2,602	-8.6%	2,646	-10.2%
29,463	29,825	-1.2%	29,455	0.0%
5,459	5,607	-2.6%	5,504	-0.8%

Discharges ⁽²⁾

ADC ⁽²⁾

Deliveries

ED Visits

Surgical Cases

Month of Dec, 2015		
Act	Bud	Var%
1,323	1,322	0.1%
204	200	1.8%
361	357	1.0%
3,897	4,103	-5.0%
587	608	-3.4%

MOUNTAIN VIEW

Year to Date			Prior Year	
Act	Bud	Var%	Act	Var%
7,567	7,817	-3.2%	7,743	-2.3%
192	194	-0.9%	193	-0.2%
2,041	2,249	-9.2%	2,276	-10.3%
23,420	23,829	-1.7%	23,520	-0.4%
3,349	3,482	-3.8%	3,356	-0.2%

Discharges ⁽²⁾

ADC ⁽²⁾

Deliveries

ED Visits

Surgical Cases

Month of Dec, 2015		
Act	Bud	Var
271	295	-8.1%
42	45	-7.2%
49	56	-12.7%
1,030	1,032	-0.2%
361	371	-2.7%

LOS GATOS

Year to Date			Prior Year	
Act	Bud	Var	Act	Var%
1,677	1,735	-3.3%	1,708	-1.8%
42	44	-4.8%	44	-4.7%
336	353	-4.8%	370	-9.2%
6,043	5,995	0.8%	5,935	1.8%
2,110	2,125	-0.7%	2,148	-1.8%

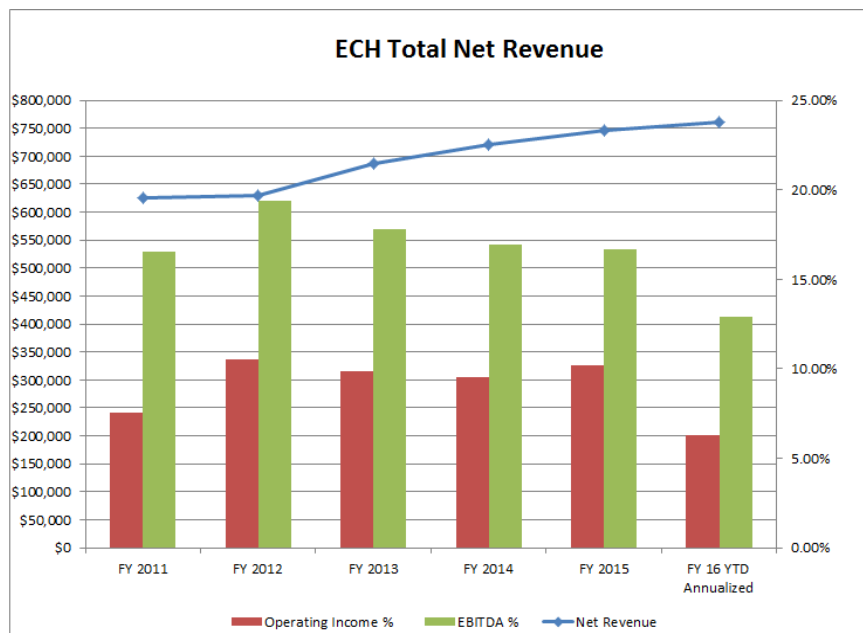
⁽¹⁾ Hospital entity only, excludes controlled affiliates

⁽²⁾ Excludes normal newborns, includes discharges from L&D

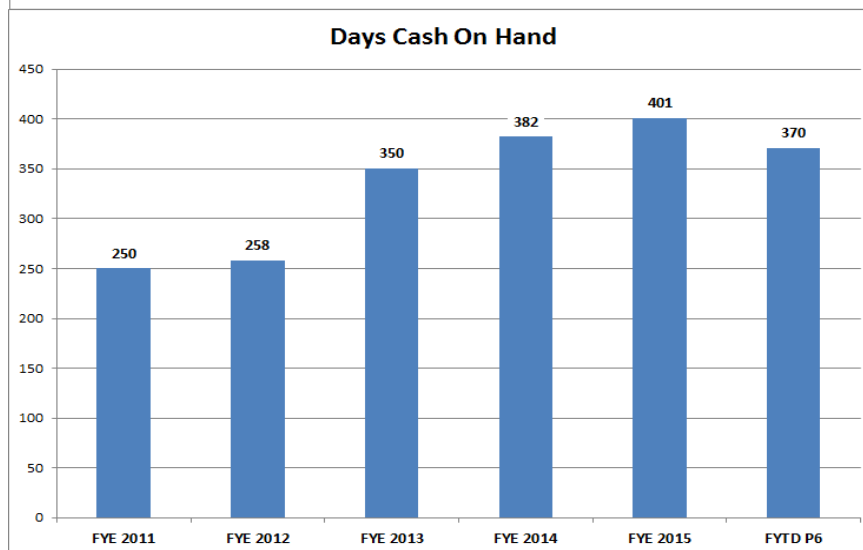
El Camino Hospital Financial Metrics Trend ⁽¹⁾

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Revenue growth remains strong but pharmacy drug and EPIC related costs are driving down 2016 margin



Cash position remains strong with a \$12.2 million investment loss

⁽¹⁾ Hospital entity only, excludes controlled affiliates

Key Hospital Indicators⁽¹⁾

Statistic	FYE 2013	FYE 2014	FYE 2015	FYTD 2016	Annual Target (2)	+/-
Operating Margin	9.9%	9.5%	10.2%	6.3%	6.5%	
EBITDA Margin	17.8%	16.9%	16.7%	12.9%	13.3%	
Days of Cash	350	382	401	370	262	
Debt Service Coverage Ratio (MADS)	7.9	9.5	8.9	7.7	4.8	
Debt to Capitalization	14.0%	12.6%	13.6%	14.2%	29.4%	
Net AR Days	48.3	50.9	43.6	54.6	48.0	
In Patient Operating Margin	-1.1%	-3.2%	-4.5%	-13.6%	-1.0%	
Out Patient Operating Margin	25.9%	25.2%	28.1%	24.4%	25.0%	

⁽¹⁾ Hospital Only - Excludes Affiliates

⁽²⁾ Due to timing of month end costing, In Patient and Out Patient Operating Margin % for FYTD 2016 are one month in arrears

⁽³⁾ Target source: Annual Budget for Operating Margin and EBITDA Margin

Target source: S&P 2014 A Rated Stand-Alone Hospital Median Ratios (last published 9/9/2015)

*Prior Year numbers represent full year

Tracking Smart Growth

COMBINED CAMPUS					Result away from Goal
	FY15 Year to Date	FY16 Year to Date	Change	Annual Goal	
Inpatient Discharges	9,451	9,244	(207)	300	(507)
Surgical Outpatient Cases (incl Litho)	3,272	3,156	(116)	290	(406)
Endo Outpatient procedures	1,462	1,276	(186)	0	(186)
Outpatient Interventional Cases	941	937	(4)	10	(14)
Total Case Volume	15,126	14,613	(513)	600	(1,113)
NEW Physician Volume		153	153		
Pre-Existing Physician Volume	15,126	14,460	(666)		
# New Physicians*		3		15	

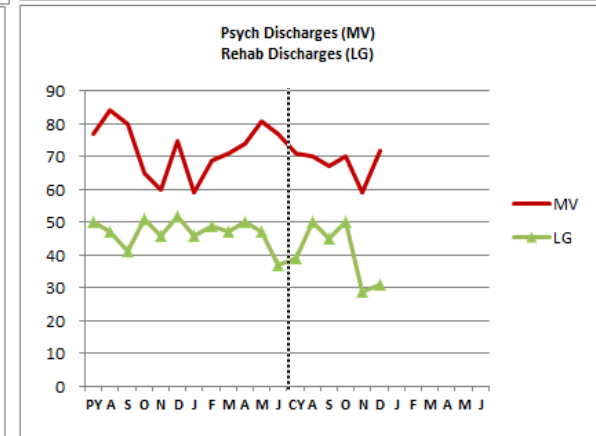
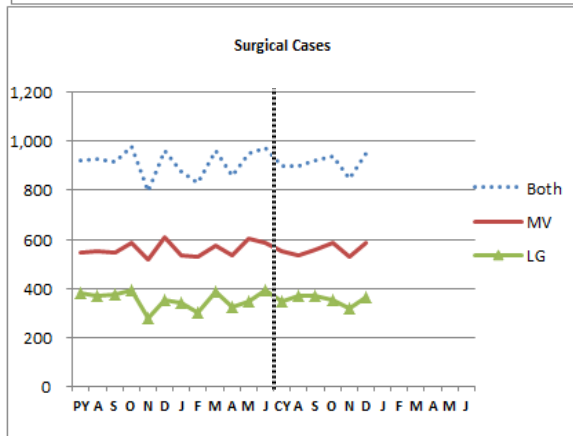
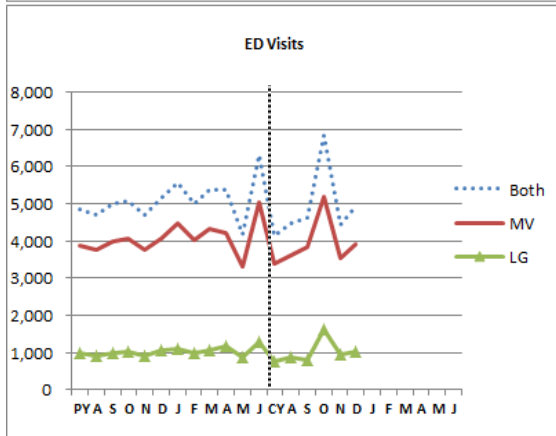
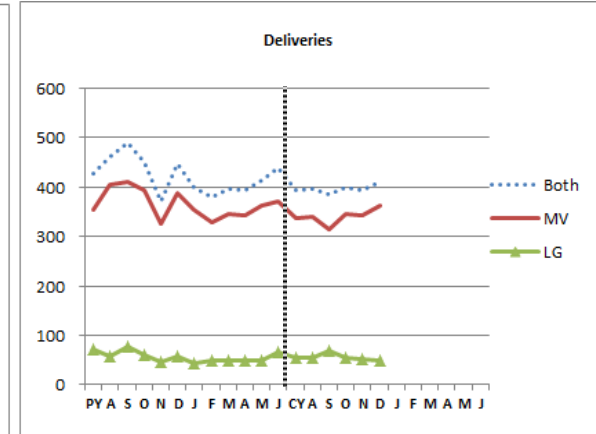
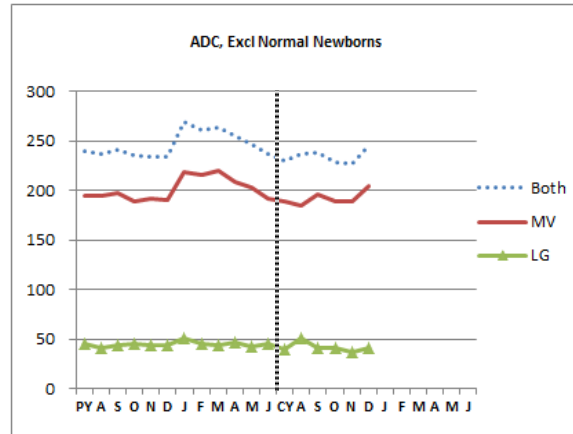
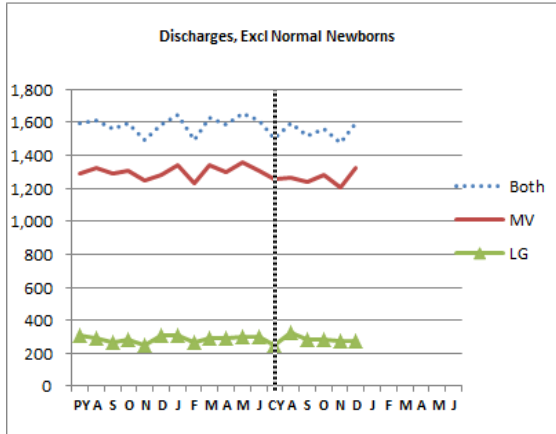
* New Physicians: MDs with 20% or more inpatient or procedural (above definition) cases (at least 10) and/or New PCP (OB, Internal Med, Fam Prac)

Mountain View Campus			
	FY15 Year to Date	FY16 Year to Date	Change
Inpatient Discharges	7,743	7,567	(176)
Surgical Outpatient Cases (incl Litho)	1,702	1,688	(14)
Endo Outpatient procedures	1,352	1,198	(154)
Outpatient Interventional Cases	933	930	(3)
Total Case Volume	11,730	11,383	(347)

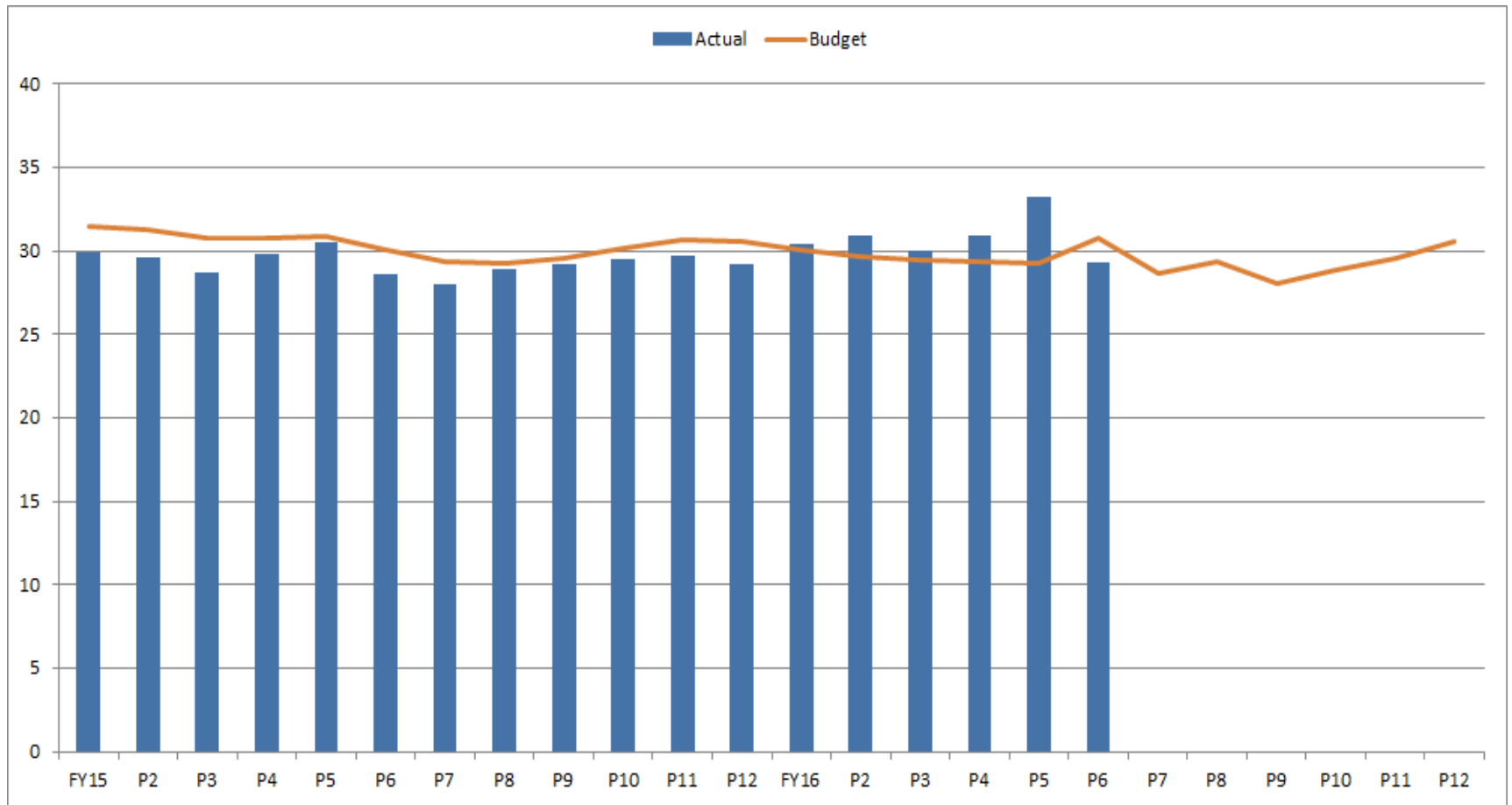
Los Gatos Campus			
	FY15 Year to Date	FY16 Year to Date	Change
Inpatient Discharges	1,708	1,677	(31)
Surgical Outpatient Cases (incl Litho)	1,570	1,468	(102)
Endo Outpatient procedures	110	78	(32)
Outpatient Interventional Cases	8	7	(1)
Total Case Volume	3,396	3,230	(166)

APPENDIX

El Camino Hospital Volume Trends Prior and Current Fiscal Years



Worked Hours per Adjusted Patient Day

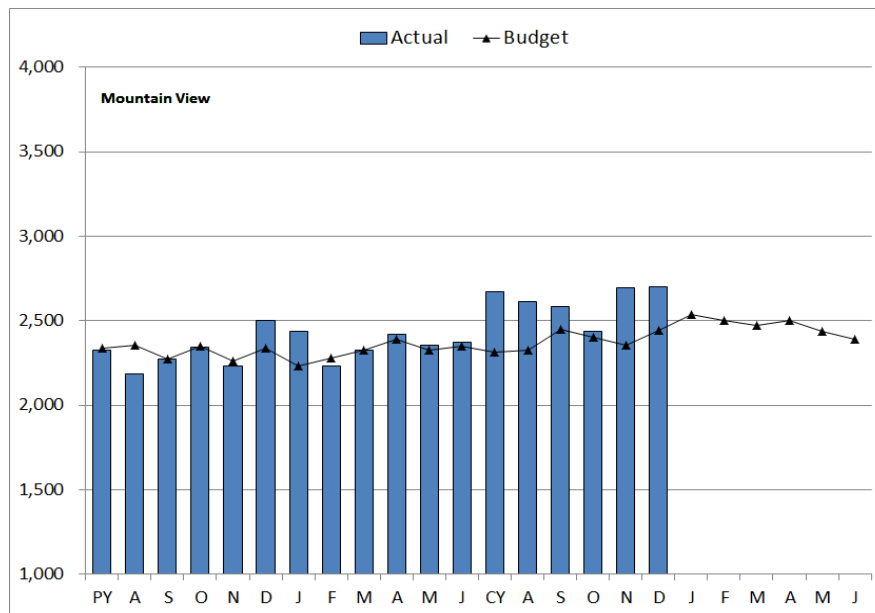


Worked Hours per Adjusted Patient Day: Worked hours are favorable to budget for the new fiscal year.

Supply Cost per CMI Adjusted Discharges ⁽¹⁾

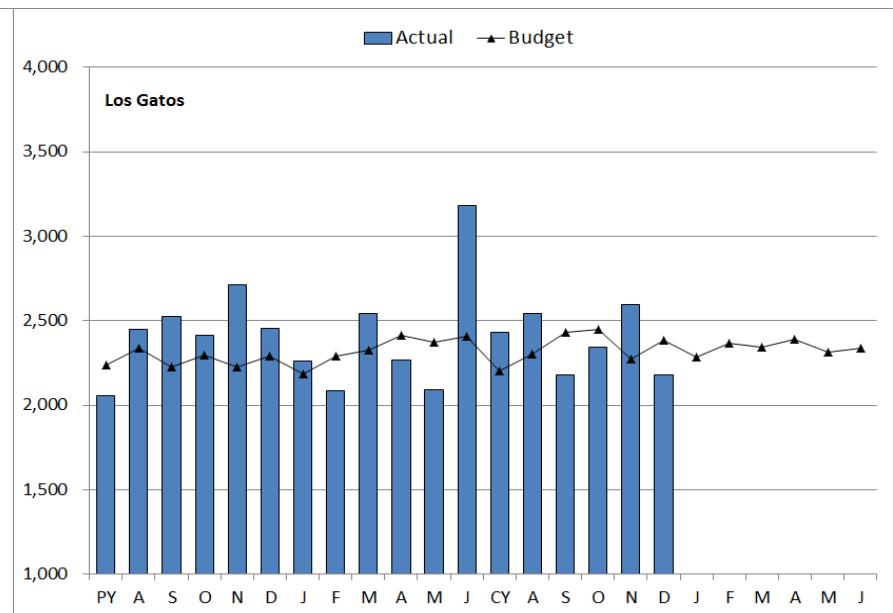
YTD: 9.8% over budget

Mountain View



YTD: 1.6% over budget

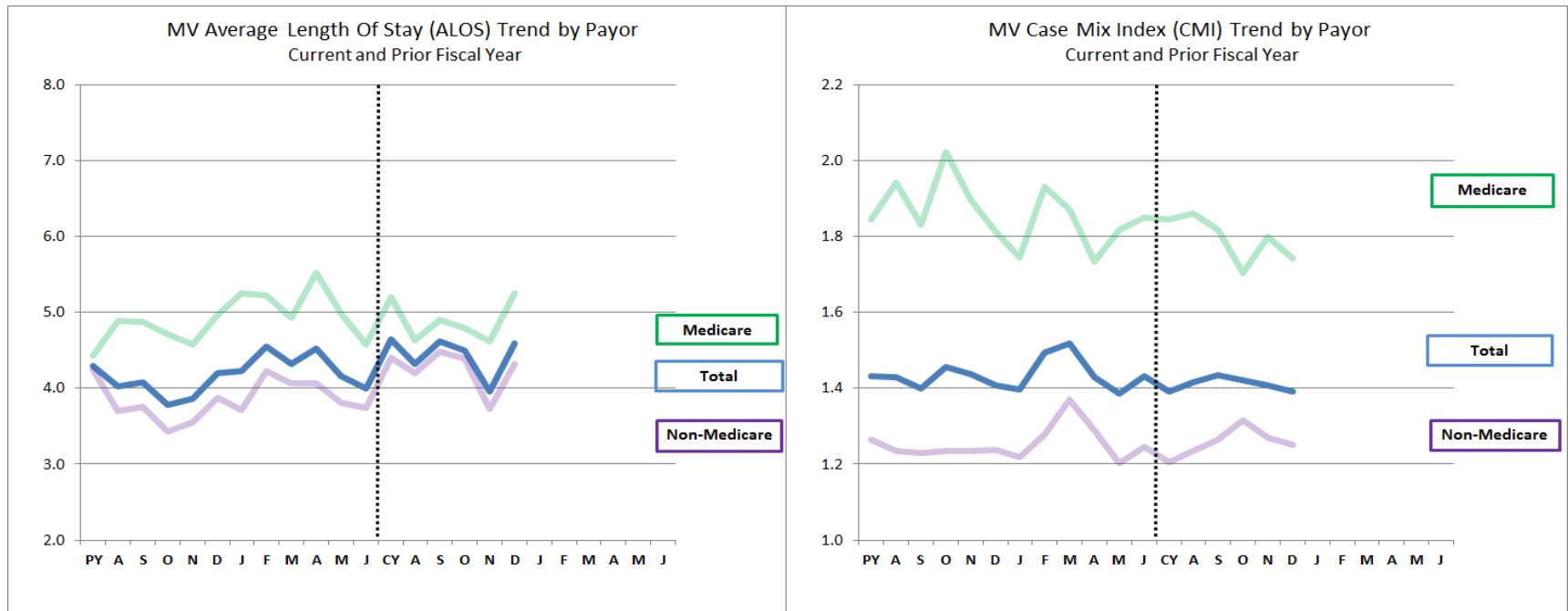
Los Gatos



Continued high cost in December related to pharmacy and general surgery supplies.

⁽¹⁾ Hospital entity only, excludes controlled affiliates

Mountain View LOS & CMI Trend⁽¹⁾



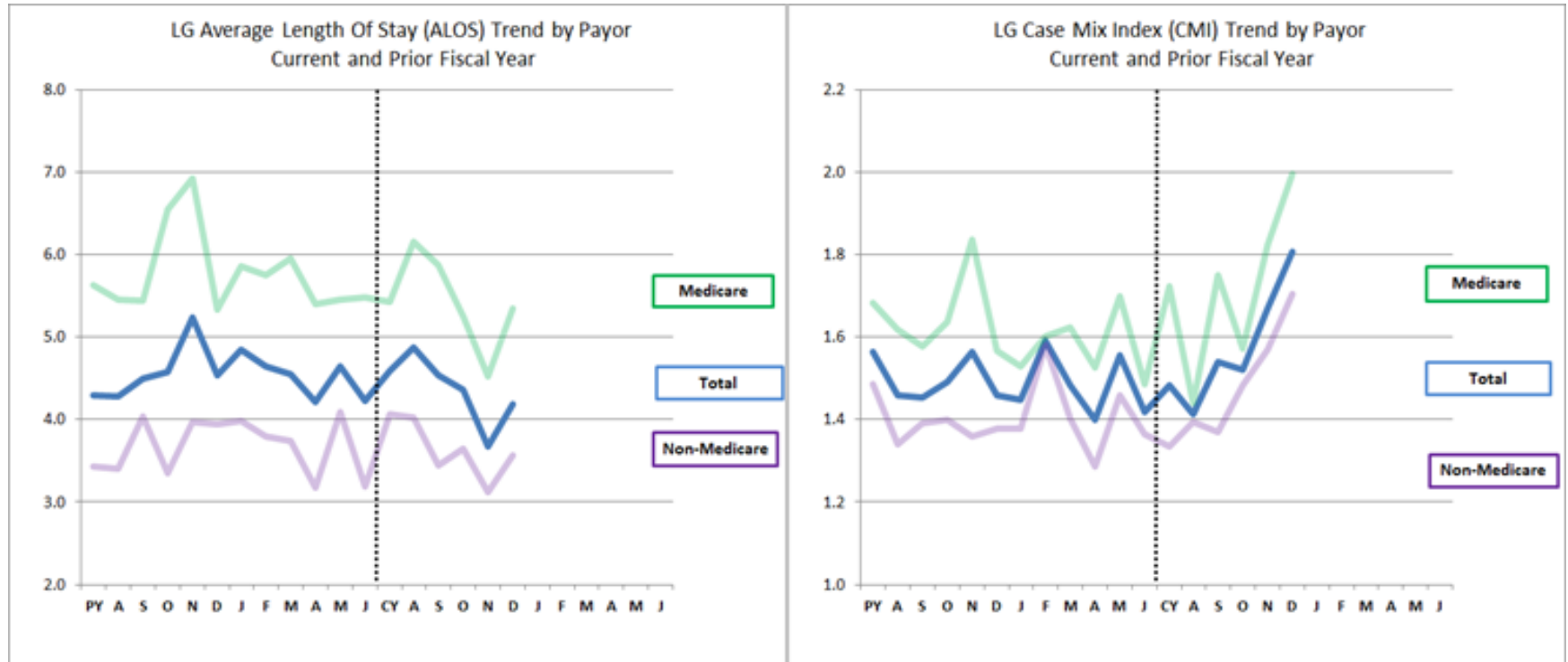
- Medicare: Due to DRG reimbursement, financial results usually improve with decreased LOS and increased CMI
- Non-Medicare: Reimbursement varies; financial results usually improve when both LOS & CMI increase

Length of stay has a sharp upward trend while CMI remains relatively flat .

⁽¹⁾ Hospital entity only, excludes controlled affiliates

All data excludes normal newborns (MS-DRG=795), Medicare data excludes Medicare HMOs and PPOs

Los Gatos LOS & CMI Trend⁽¹⁾



- Medicare: Due to DRG reimbursement, financial results usually improve with decreased LOS and increased CMI
- Non-Medicare: Reimbursement varies; financial results usually improve when both LOS & CMI increase

The Los Gatos Medicare caseload shows a sharp increase in length of stay and increasing case complexity. The non-Medicare caseload also shows an upward trend in length of stay. The small campus is impacted by relatively slight shifts in surgical volume.

⁽¹⁾ Hospital entity only, excludes controlled affiliates

All data excludes normal newborns (MS-DRG=795), Medicare data excludes Medicare HMOs and PPOs

El Camino Hospital⁽¹⁾

Results from Operations vs. Prior Year
6 months ending 12/31/2015

\$000s	FY 2016	FY 2015	Variance Fav (Unfav)	Var%
OPERATING REVENUE:				
Gross Revenue	1,351,701	1,268,583	83,118	6.6%
Deductions	(971,430)	(914,831)	(56,598)	6.2%
Net Patient Revenue	380,271	353,752	26,519	7.5%
Other Operating Revenue	11,927	9,949	1,977	19.9%
Total Operating Revenue	392,198	363,702	28,496	7.8%
OPERATING EXPENSE:				
Salaries & Wages	213,330	201,685	(11,645)	-5.8%
Supplies	58,356	54,447	(3,909)	-7.2%
Fees & Purchased Services	43,106	37,577	(5,529)	-14.7%
Other Operating Expense	52,840	45,356	(7,483)	-16.5%
Total Operating Expense	367,631	339,066	(28,566)	-8.4%
Net Operating Income/(Loss)	24,567	24,636	(69)	-0.3%
Non Operating Income	(17,162)	1,253	(18,415)	-1469.8%
Net Income(Loss)	7,405	25,889	(18,484)	-71.4%
Collection Rate	28.1%	27.9%	0.2%	
Operating Margin	6.3%	6.8%	-0.5%	
Net Margin	1.9%	7.1%	-5.2%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital – Mountain View⁽¹⁾

Results from Operations vs. Prior Year
6 months ending 12/31/2015

\$000s	FY 2016	FY 2015	Variance Fav (Unfav)	Var%
OPERATING REVENUE:				
Gross Revenue	1,100,090	1,035,622	64,468	6.2%
Deductions	(797,708)	(750,802)	(46,906)	6.2%
Net Patient Revenue	302,382	284,820	17,562	6.2%
Other Operating Revenue	10,682	8,883	1,799	20.2%
Total Operating Revenue	313,064	293,703	19,361	6.6%
OPERATING EXPENSE:				
Salaries & Wages	177,629	167,350	(10,279)	-6.1%
Supplies	47,830	43,921	(3,909)	-8.9%
Fees & Purchased Services	35,153	30,123	(5,030)	-16.7%
Other Operating Expense	40,175	35,175	(5,000)	-14.2%
Total Operating Expense	300,786	276,568	(24,218)	-8.8%
Net Operating Income/(Loss)	12,278	17,135	(4,857)	-28.3%
Non Operating Income	(17,162)	1,253	(18,415)	-1469.8%
Net Income(Loss)	(4,885)	18,388	(23,273)	-126.6%
 Collection Rate	 27.5%	 27.5%	 0.0%	
Operating Margin	3.9%	5.8%	-1.9%	
Net Margin	-1.6%	6.3%	-7.8%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital – Los Gatos⁽¹⁾

Results from Operations vs. Prior Year
6 months ending 12/31/2015

\$000s	FY 2016	FY 2015	Variance Fav (Unfav)	Var%
OPERATING REVENUE:				
Gross Revenue	251,611	232,962	18,650	8.0%
Deductions	(173,722)	(164,029)	(9,693)	5.9%
Net Patient Revenue	77,890	68,933	8,957	13.0%
Other Operating Revenue	1,244	1,066	179	16.8%
Total Operating Revenue	79,134	69,998	9,136	13.1%
OPERATING EXPENSE:				
Salaries & Wages	35,701	34,335	(1,366)	-4.0%
Supplies	10,526	10,526	(0)	0.0%
Fees & Purchased Services	7,953	7,454	(499)	-6.7%
Other Operating Expense	12,664	10,182	(2,483)	-24.4%
Total Operating Expense	66,845	62,497	(4,347)	-7.0%
Net Operating Income/(Loss)	12,289	7,501	4,788	63.8%
Non Operating Income	0	0	0	0.0%
Net Income(Loss)	12,289	7,501	4,788	63.8%
 Collection Rate	 31.0%	 29.6%	 1.4%	
Operating Margin	15.5%	10.7%	4.8%	
Net Margin	15.5%	10.7%	4.8%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital⁽¹⁾

Results from Operations vs. Budget
6 months ending 12/31/2015

\$000s	FY 2016	Budget 2016	Variance Fav (Unfav)	Var%
OPERATING REVENUE:				
Gross Revenue	1,351,701	1,343,279	8,422	0.6%
Deductions	(971,430)	(971,807)	378	0.0%
Net Patient Revenue	380,271	371,472	8,800	2.4%
Other Operating Revenue	11,927	10,341	1,585	15.3%
Total Operating Revenue	392,198	381,813	10,385	2.7%
OPERATING EXPENSE:				
Salaries & Wages	213,330	212,895	(435)	-0.2%
Supplies	58,356	55,572	(2,784)	-5.0%
Fees & Purchased Services	43,106	41,655	(1,451)	-3.5%
Other Operating Expense	52,840	45,307	(7,532)	-16.6%
Total Operating Expense	367,631	355,430	(12,201)	-3.4%
Net Operating Income/(Loss)	24,567	26,383	(1,816)	-6.9%
Non Operating Income	(17,162)	11,161	(28,323)	-253.8%
Net Income(Loss)	7,405	37,544	(30,140)	-80.3%
Collection Rate	28.1%	27.7%	0.5%	
Operating Margin	6.3%	6.9%	-0.6%	
Net Margin	1.9%	9.8%	-7.9%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital – Mountain View⁽¹⁾

Results from Operations vs. Budget
6 months ending 12/31/2015

\$000s	FY 2016	Budget 2016	Variance Fav (Unfav)	Var%
OPERATING REVENUE:				
Gross Revenue	1,100,090	1,099,593	497	0.0%
Deductions	(797,708)	(798,458)	750	-0.1%
Net Patient Revenue	302,382	301,135	1,247	0.4%
Other Operating Revenue	10,682	9,211	1,471	16.0%
Total Operating Revenue	313,064	310,346	2,718	0.9%
OPERATING EXPENSE:				
Salaries & Wages	177,629	176,756	(873)	-0.5%
Supplies	47,830	45,182	(2,647)	-5.9%
Fees & Purchased Services	35,153	33,524	(1,628)	-4.9%
Other Operating Expense	40,175	32,852	(7,323)	-22.3%
Total Operating Expense	300,786	288,314	(12,472)	-4.3%
Net Operating Income/(Loss)	12,278	22,032	(9,754)	-44.3%
Non Operating Income	(17,162)	11,161	(28,323)	-253.8%
Net Income(Loss)	(4,885)	33,193	(38,078)	-114.7%
 Collection Rate	 27.5%	 27.4%	 0.1%	
Operating Margin	3.9%	7.1%	-3.2%	
Net Margin	-1.6%	10.7%	-12.3%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital – Los Gatos⁽¹⁾

Results from Operations vs. Budget
6 months ending 12/31/2015

\$000s	FY 2016	Budget 2016	Variance Fav (Unfav)	Var%
OPERATING REVENUE:				
Gross Revenue	251,611	243,686	7,925	3.3%
Deductions	(173,722)	(173,349)	(372)	0.2%
Net Patient Revenue	77,890	70,337	7,553	10.7%
Other Operating Revenue	1,244	1,130	114	10.1%
Total Operating Revenue	79,134	71,467	7,667	10.7%
OPERATING EXPENSE:				
Salaries & Wages	35,701	36,139	438	1.2%
Supplies	10,526	10,390	(136)	-1.3%
Fees & Purchased Services	7,953	8,131	178	2.2%
Other Operating Expense	12,664	12,455	(209)	-1.7%
Total Operating Expense	66,845	67,116	271	0.4%
Net Operating Income/(Loss)	12,289	4,351	7,938	182.4%
Non Operating Income	0	0	0	0.0%
Net Income(Loss)	12,289	4,351	7,938	182.4%
Collection Rate	31.0%	28.9%	2.1%	
Operating Margin	15.5%	6.1%	9.4%	
Net Margin	15.5%	6.1%	9.4%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital⁽¹⁾

Balance Sheet (\$ Thousands)

ASSETS

	December 31, 2015	Audited June 30, 2015
CURRENT ASSETS		
Cash	50,682	55,224
Short Term Investments	122,850	145,027
Patient Accounts Receivable, net	110,455	95,737
Other Accounts and Notes Receivable	2,617	2,378
Intercompany Receivables	1,161	1,595
Inventories and Prepaids	46,236	44,055
Total Current Assets	334,001	344,016
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	121,408	117,965
Operational Reserve Fund	100,196	100,196
Community Benefit Fund	13,193	2,085
Workers Compensation Reserve Fund	25,951	24,719
Postretirement Health/Life Reserve Fund	18,027	17,197
PTO Liability Fund	23,577	22,212
Malpractice Reserve Fund	1,800	1,800
Catastrophic Reserves Fund	13,732	14,150
Total Board Designated Assets	317,884	300,324
FUNDS HELD BY TRUSTEE	34,878	37,676
LONG TERM INVESTMENTS	201,938	207,290
INVESTMENTS IN AFFILIATES	31,088	31,808
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,152,850	1,077,951
Less: Accumulated Depreciation	(493,824)	(473,920)
Construction in Progress	33,725	82,506
Property, Plant & Equipment - Net	692,751	686,537
DEFERRED OUTFLOWS	24,918	25,218
RESTRICTED ASSETS - CASH	(1)	5
TOTAL ASSETS	1,637,458	1,632,874

LIABILITIES AND FUND BALANCE

	December 31, 2015	Audited June 30, 2015
CURRENT LIABILITIES		
Accounts Payable	22,870	30,142
Salaries and Related Liabilities	25,144	20,812
Accrued PTO	23,577	22,212
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	14,499	20,253
Intercompany Payables	72	108
Malpractice Reserves	1,800	1,800
Bonds Payable - Current	5,475	5,475
Bond Interest Payable	3,402	1,711
Other Liabilities	3,245	3,111
Total Current Liabilities	102,385	107,925
LONG TERM LIABILITIES		
Post Retirement Benefits	18,027	17,197
Worker's Comp Reserve	23,651	22,419
Other L/T Obligation (Asbestos)	3,584	3,531
Other L/T Liabilities (IT/Medl Leases)	-	7,102
Bond Payable	229,601	222,446
Total Long Term Liabilities	274,863	272,696
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	942,326	951,924
Board Designated	317,884	300,324
Restricted	(1)	5
Total Fund Bal & Capital Accts	1,260,209	1,252,254
TOTAL LIABILITIES AND FUND BALANCE	1,637,458	1,632,874

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital

Capital Spending (in millions)

Category	Detail	Approved	Total		Spent from Inception	FY 16 Proj		FY 16 Remaining
			Total Estimated Cost of Project	Authorized Active		Spend	FY 16 YTD Spent	
CIP	EPIC Installation			73.8	51.7	35.9	15.5	20.4
	IT Hardware, Software, Equipment*			6.9		6.9	2.2	4.7
	Medical & Non Medical Equipment			12.6		12.6	3.0	9.6
	Facility Projects							
	0908 NPCR3 Seismic Upgrades	FY12	6.7	6.7	5.0	0.2	0.2	0.0
	0907 LG Imaging Masterplan	FY12	0.0	3.1	2.8	0.0	0.0	0.0
	0906 Slot Build-Out	FY13	0.0	19.0	18.7	1.2	1.2	0.0
	1307 LG Upgrades	FY13	15.5	13.0	8.7	9.5	1.9	7.6
	1219 LG Spine OR	FY13	4.1	4.1	0.6	4.1	0.0	4.1
	1400 Oak Pavilion Cancer Ctr TI	FY14	0.0	5.9	5.8	0.4	0.4	0.0
	1414 Integrated MOB	FY15	232.0	28.0	6.4	13.7	3.8	9.9
	1413 North Drive Parking Expansion	FY15	15.0	3.0	0.9	2.2	0.7	1.5
	1245 Behavioral Health Bldg	FY16	62.5	9.0	6.1	4.5	0.7	3.8
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	6.8	0.0	0.0	1.6	0.0	1.6
	1313/1224 LG Rehab HVAC System & Structural	FY16	3.7	3.7	0.1	3.4	0.1	3.3
	1502 Cabling & Wireless Upgrades	FY16	2.5	2.8	1.0	2.2	1.0	1.2
	1425 IMOB Preparation Project - Old Main	FY16	2.3	0.5	0.0	1.0	0.0	1.0
	1430 Women's Hospital Expansion	FY16	91.0	0.0	0.0	1.5	0.0	1.5
	1422 CUP Upgrade	FY16	4.0	1.5	0.5	2.9	0.4	2.5
	1503 Willow Pavilion Tomosynthesis	FY16	0.3	1.3	0.0	0.3	0.0	0.3
	1519/1314 LG Electrical Systems Upgrade	FY16	1.2	0.0	0.0	0.0	0.0	0.0
	1347 LG Central Sterile Upgrades	FY15	3.7	0.2	0.2	1.2	0.0	1.2
	1508 LG NICU 4 Bed Expansion	FY16	7.0	0.0	0.0	0.5	0.0	0.5
	1520 Facilities Planning Allowance	FY16	1.0	0.0	0.0	1.0	0.0	1.0
	Land Acquisition Approved in 12/15	FY16	24.1	24.1	0.0	24.1	0.0	24.1
	All Other Projects under \$1M		9.5	5.8	2.4	7.5	0.6	6.9
			492.9	131.7	59.2	83.1	10.9	72.1
GRAND TOTAL				225.0		138.5	31.6	106.9
Forecast at start of fiscal year						125.8		

El Camino Hospital Capital Spending (in thousands) FY 2011 – FY 2015

Category	2011	2012	2013	2014	2015
IT Hardware/Software Equipment	3,544	7,289	8,019	2,788	4,660
Medical/Non Medical Equipment	6,632	11,203	10,284	12,891	13,340
Non CIP Land, Land I, BLDG, Additions	2,518	7,311	0	22,292	0
Facilities Projects CIP					
0101 - Hosp Replace	232	313	0	0	0
0317 - Melchor TI's	925	117	0	0	0
0701 - Cyberknife	735	0	0	0	0
0704 - 1 South Upgrade	0	2	0	0	0
0802 - Willow Pavillion Upgrades	7	0	0	0	0
0805 - Women's Hospital Finishes	51	0	0	0	0
0809 - Hosp Renovations	262	0	0	0	0
0815 - Orc Pav Water Heater	29	0	0	0	0
0816 - Hospital Signage	41	0	0	0	0
0904 - LG Facilities Upgrade	254	41	2	0	0
0907 - LG Imaging Masterplan	0	162	244	774	1,402
1000 - LG Rehab Building	258	0	0	0	0
1104 - New Main CDU TV's	124	0	0	0	0
9900 - Unassigned Costs	921	279	734	470	3,717
0803 - Park Pav Foundation	207	270	0	0	0
1005 - LG OR Light Upgrd	89	108	14	0	0
1101 - Melchor Pavilion - Genomics	15	0	0	0	0
1102 - LG Joint Hotel	359	657	0	0	0
1106 - SHC Project	0	2,245	0	0	0
1108 - Cooling Towers	4	932	450	0	0
1115 - Womens Hosp TI's	0	50	0	0	0
1118 - Park Pav Roto Care	0	119	0	0	0
1120 - BHS Out Patient TI's	0	472	66	0	0
1122 - LG Sleep Studies	0	147	7	0	0
1129 - Old Main Card Rehab	0	400	9	0	0
0817 - Womens Hosp Upgrds	132	1,242	645	1	0
0906 - Slot Build-Out	0	0	1,003	1,576	15,101
1107 - Boiler Replacement	0	49	0	0	0
1109 - New Main Upgrades	0	589	423	393	2
1111 - Mom/Baby Overflow	0	267	212	29	0
1129 - Cardiac Rehab Improv	0	0	0	0	0
1132 - Pheumatic Tube Prj	0	78	0	0	0
1204 - Elevator Upgrades	0	24	25	30	0
1210 - Los Gatos VOIP	0	1	147	89	0
0800 - Womens L&D Expansion	27	129	2,104	1,531	269
1116 - LG Ortho Pavillion	0	44	177	24	21
1124 - LG Rehab BLDG	0	11	49	458	0
1128 - LG Boiler Replacement	0	3	0	0	0
1131 - MV Equipment Replace	0	190	216	0	0
1135 - Park Pavilion HVAC	0	47	0	0	0
1208 - Willow Pav. High Risk	0	0	110	0	0
1213 - LG Sterilizers	0	0	102	0	0
1225 - Rehab BLDG Roofing	0	0	7	241	4
1227 - New Main eICU	0	0	96	21	0
1230 - Fog Shop	0	0	339	80	0
1247 - LG Infant Security	0	0	134	0	0
1307 - LG Upgrades	0	0	376	2,979	3,282
1308 - LG Infrastructure	0	0	0	114	0
1315 - 205 So. Drive TI's	0	0	0	500	2
0908 - NPCR3 Seismic Upgrds	0	554	1,302	1,224	1,328

Category	2011	2012	2013	2014	2015
Facilities Projects CIP cont.					
1125 - Will Pav Fire Sprinkler	0	9	57	39	0
1211 - SIS Monitor Install	0	0	215	0	0
1216 - New Main Process Imp Office	0	0	19	1	16
1217 - MV Campus MEP Upgrades FY13	0	0	0	181	274
1219 - LG Spine OR	0	0	0	214	323
1221 - LG Kitchen Refrig	0	0	0	85	0
1224 - Rehab Bldg HVAC Upgrades	0	0	11	202	81
1245 - Behavioral Health Bldg Replace	0	0	0	1,257	3,775
1248 - LG - CT Upgrades	0	0	0	26	345
1249 - LG Mobile Imaging	0	0	0	146	0
1301 - Desktop Virtual	0	0	0	13	0
1304 - Rehab Wander Mgmt	0	0	0	87	0
1310 - Melchor Cancer Center Expansion	0	0	0	44	13
1318 - Women's Hospital TI	0	0	0	48	48
1327 - Rehab Building Upgrades	0	0	0	0	15
1320 - 2500 Hosp Dr Roofing	0	0	0	75	81
1328 - LG Ortho Canopy FY14	0	0	0	255	209
1340 - New Main ED Exam Room TVs	0	0	0	8	193
1341 - New Main Admin	0	0	0	32	103
1344 - New Main AV Upgrd	0	0	0	243	0
1345 - LG Lab HVAC	0	0	0	112	0
1346 - LG OR 5, 6, and 7 Lights Replace	0	0	0	0	285
1347 - LG Central Sterile Upgrades	0	0	0	0	181
1400 - Oak Pav Cancer Center	0	0	0	0	5,208
1403 - Hosp Drive BLDG 11 TI's	0	0	0	86	103
1404 - Park Pav HVAC	0	0	0	64	7
1408 - New Main Accessibility Upgrades	0	0	0	0	7
1413 - North Drive Parking Structure Exp	0	0	0	0	167
1414 - Integrated MOB	0	0	0	0	2,009
1421 - LG MOB Improvements	0	0	0	0	198
1429 - 2500 Hospital Dr Bldg 8 TI	0	0	0	0	101
1432 - 205 South Dr BHS TI	0	0	0	0	8
1501 - Women's Hospital NPC Comp	0	0	0	0	4
1504 - Equipment Support Infrastructure	0	0	0	0	61
Subtotal Facilities Projects CIP	4,674	9,553	9,294	13,753	38,940
Grand Total	17,368	35,357	27,598	51,723	56,940
Forecast at Beginning of year		47,138	49,399	47,300	65,420

Article of Interest

Employer Health Benefits

2015 Summary of Findings

Employer-sponsored insurance covers over half of the non-elderly population, 147 million people in total.¹ To provide current information about employer-sponsored health benefits, the Kaiser Family Foundation (Kaiser) and the Health Research & Educational Trust (HRET) conduct an annual survey of private and nonfederal public employers with three or more workers. This is the seventeenth Kaiser/HRET survey and reflects employer-sponsored health benefits in 2015.

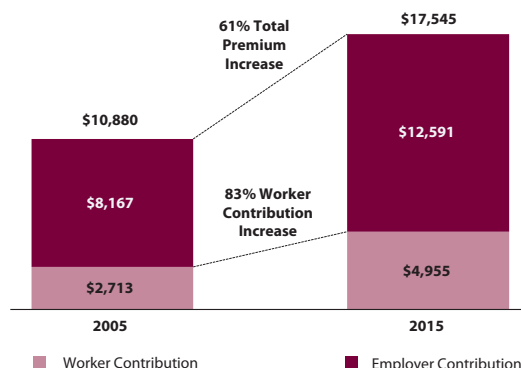
The key findings from the survey, conducted from January through June 2015, include a modest increase (4%) in the average premiums for both single and family coverage in the past year. The average annual single coverage premium is \$6,251 and the average family coverage premium is \$17,545. The percentage of firms that offer health benefits to at least some of their employees (57%) and the percentage of workers covered at those firms (63%) are statistically unchanged from 2014. Relatively small percentages of employers with 50 or more full-time equivalent employees reported switching full-time employees to part time status (4%), changing part-time workers to full-time workers (10%), reducing the number of full-time employees they intended to hire (5%) or increasing waiting periods (2%) in response to the employer shared responsibility provision which took effect for some firms this year. Employers continue to be interested in programs addressing the health and behaviors of their employees, such as health risk assessments, biometric screenings, and health promotion and wellness programs. Meaningful numbers of employers which offer one of these screening programs now offer incentives to employees who complete them; 31% of large firms offering health benefits provide an incentive to complete a health risk assessment and 28% provide an incentive to complete a biometric screening. A majority of large employers (200 or more workers) (53%) have analyzed their health benefits to see if they would be subject to the high-cost plan tax when it takes effect in 2018, with some already making changes to their benefit plans in response to the tax.

HEALTH INSURANCE PREMIUMS AND WORKER CONTRIBUTIONS

In 2015, the average annual premiums for employer-sponsored health insurance are \$6,251 for single coverage and \$17,545

EXHIBIT A

Exhibit A: Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 2005–2015



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2005–2015.

for family coverage (Exhibit A). Each rose 4% over the 2014 average premiums. During the same period, workers' wages increased 1.9% and inflation declined by 0.2%.² Premiums for family coverage increased 27% during the last five years, the same rate they grew between 2005 and 2010 but significantly less than they did between 2000 to 2005 (69%) (Exhibit B).

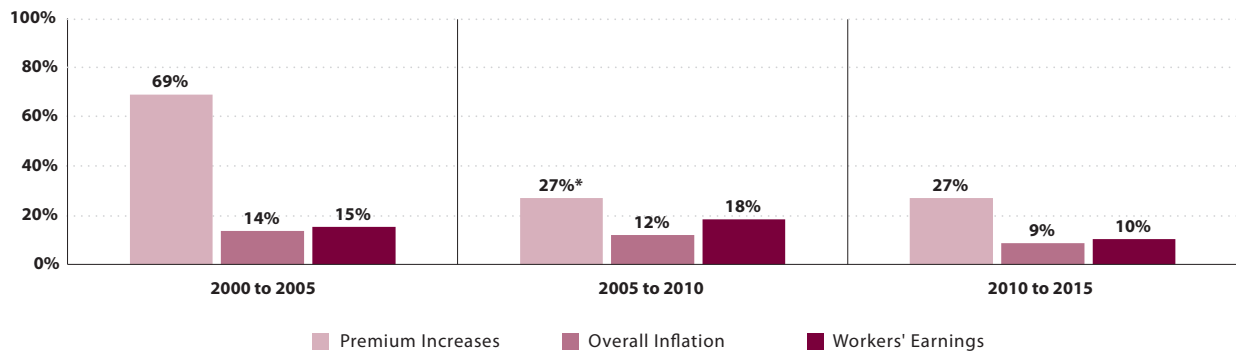
Average premiums for high-deductible health plans with a savings option (HDHP/SOs) are lower than the overall average for all plan types for both single and family coverage (Exhibit C), at \$5,567 and \$15,970, respectively. The average premium for family coverage is lower for covered workers in small firms (3-199 workers) than for workers in large firms (200 or more workers) (\$16,625 vs. \$17,938).

As a result of differences in benefits, cost sharing, covered populations, and geographical location, premiums vary significantly around the averages for both single and family coverage. Eighteen percent of covered workers are in plans with an annual total premium for family coverage of at least \$21,054 (120% or more of the average family premium), and

22% of covered workers are in plans where the family premium is less than \$14,036 (less than 80% of the average family premium). The distribution is similar around the average for single coverage premiums (Exhibit D).

Employers generally require that workers make a contribution towards the cost of the premium. Covered workers contribute on average 18% of the premium for single coverage and 29% of the premium for family coverage, the same percentages as 2014 and statistically similar to those reported in 2010. Workers in small firms contribute a lower average percentage for single coverage compared to workers in large firms (15% vs. 19%), but they contribute a higher average percentage for family coverage (36% vs. 26%). Workers in firms with a higher percentage of lower-wage workers (at least 35% of workers earn \$23,000 a year or less) contribute higher percentages of the premium for family coverage (41% vs. 28%) than workers in firms with a smaller share of lower-wage workers.

As with total premiums, the share of the premium contributed by workers varies considerably. For single coverage, 61% of

EXHIBIT B**Average Premium Increases for Covered Workers with Family Coverage, 2000-2015**

* Premium change is statistically different from previous period shown ($p < .05$).

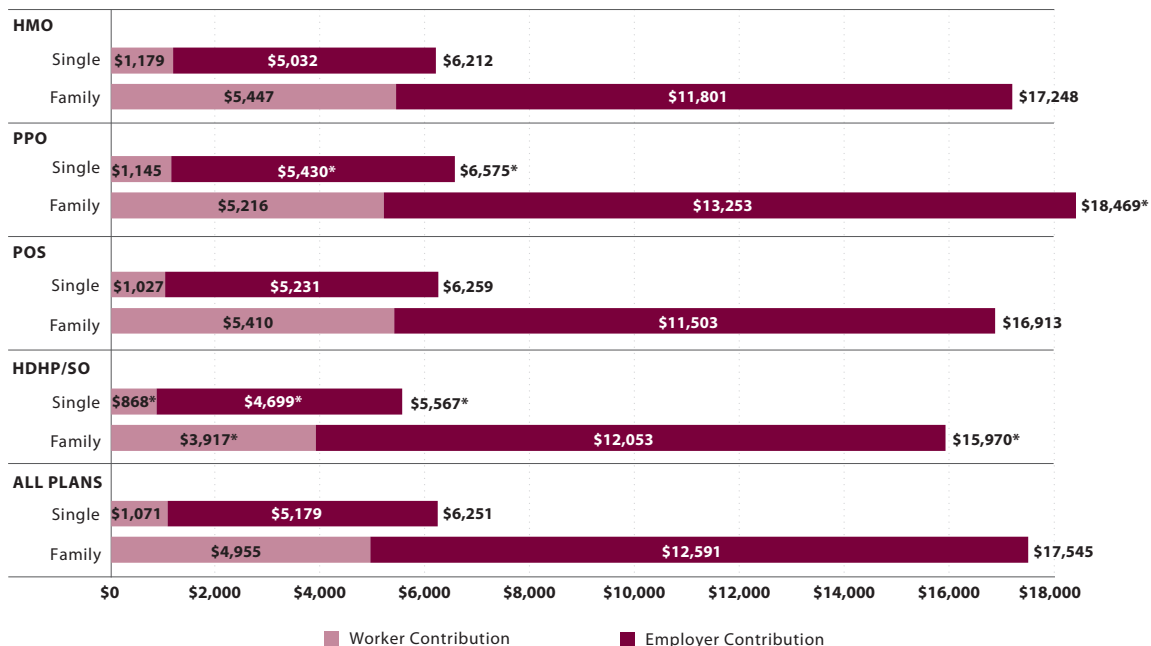
SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2015; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 2000-2015; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2000-2015 (April to April).

covered workers are in plans that require them to make a contribution of less than or equal to a quarter of the total premium, 2% are in plans that require more than half of the premium, and 16% are in plans that require no contribution at all. For family coverage, 44% of covered workers are in plans that require them to make a contribution of less than or equal to a quarter of the total premium and 15% are in plans that require more than half of the premium, while only 6% are in plans that require no contribution at all (Exhibit E).

Employers use different strategies to structure their employer contributions; 45% of small employers offering health benefits indicated that they contribute the same dollar amount for family coverage as single coverage, 34% contributed a larger dollar amount for family than single coverage, and 18% used some other approach.

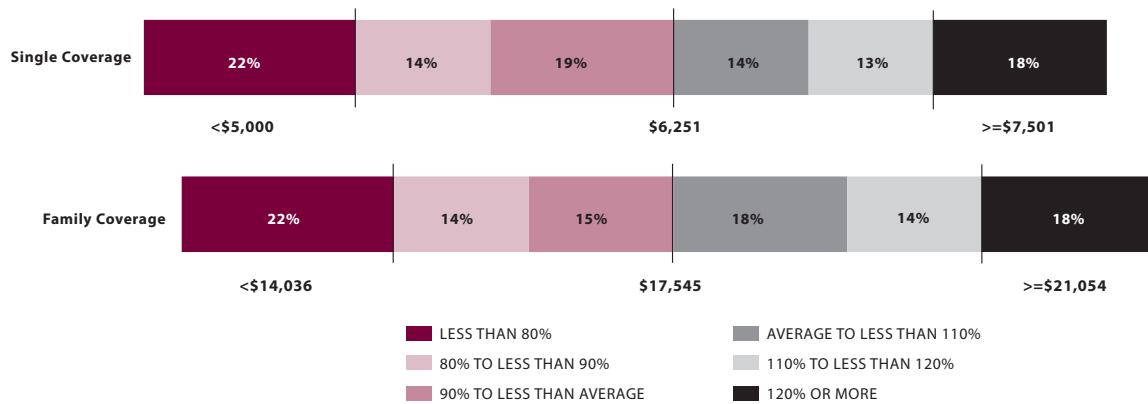
Looking at the dollar amounts that workers contribute, the average annual premium contributions in 2015 are

\$1,071 for single coverage and \$4,955 for family coverage. Covered workers' average dollar contribution to family coverage has increased 83% since 2005 and 24% since 2010 (Exhibit A). Workers in small firms have lower average contributions for single coverage than workers in large firms (\$899 vs. \$1,146), but higher average contributions for family coverage (\$5,904 vs. \$4,549). Workers in firms with a higher percentage of lower-wage workers have higher average contributions for family coverage (\$6,382 vs. \$4,829) than workers

EXHIBIT C**Average Annual Firm and Worker Premium Contributions and Total Premiums for Covered Workers for Single and Family Coverage, by Plan Type, 2015**

* Estimate is statistically different from All Plans estimate by coverage type ($p < .05$).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

EXHIBIT D**Distribution of Annual Premiums for Single and Family Coverage Relative to the Average Annual Single or Family Premium, 2015**

NOTE: The average annual premium is \$6,251 for single coverage and \$17,545 for family coverage. The premium distribution is relative to the average single or family premium. For example, \$5,000 is 80% of the average single premium, \$5,625 is 90% of the average single premium, \$6,876 is 110% of the average single premium, and \$7,501 is 120% of the average single premium. The same break points relative to the average are used for the distribution for family coverage.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

in firms with lower percentages of lower-wage workers.

PLAN ENROLLMENT

PPO plans remain the most common plan type, enrolling 52% of covered workers in 2015, although a smaller percentage than 2014. Twenty-four percent of covered workers are enrolled in a high-deductible plan with a savings options (HDHP/SO), 14% in an HMO, 10% in a POS plan, and 1% in a conventional (also known as an indemnity) plan (Exhibit F). Enrollment distribution varies by firm size; for example, PPOs are relatively more

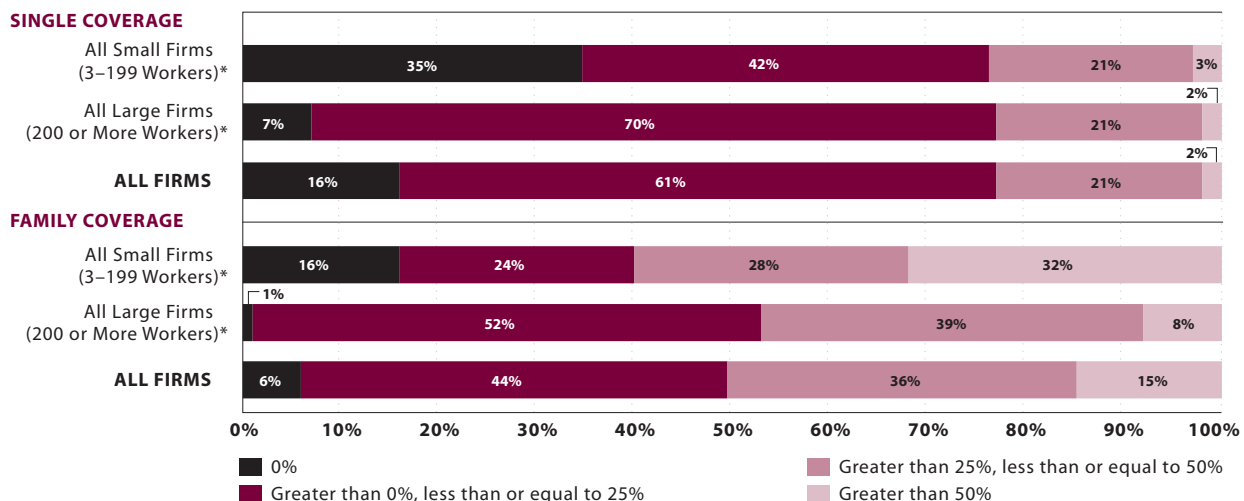
popular for covered workers at large firms than small firms (56% vs. 41%) and POS plans are relatively more popular among small firms than large firms (19% vs. 6%).

Almost a quarter (24%) of covered workers are enrolled in HDHP/SOs in 2015; enrollment in these plans has increased over time from 13% of covered workers in 2010. In 2015, 7% of firms offering health benefits offered a high-deductible health plan with a health reimbursement arrangement (HDHP/HRA), and 20% offered a health savings (HSA) qualified HDHP.

EMPLOYEE COST SHARING

Most covered workers face additional out-of-pocket costs when they use health care services. Eighty-one percent of covered workers have a general annual deductible for single coverage that must be met before most services are paid for by the plan. Even workers without a general annual deductible often face other types of cost sharing when they use services, such as copayments or coinsurance for office visits and hospitalizations.

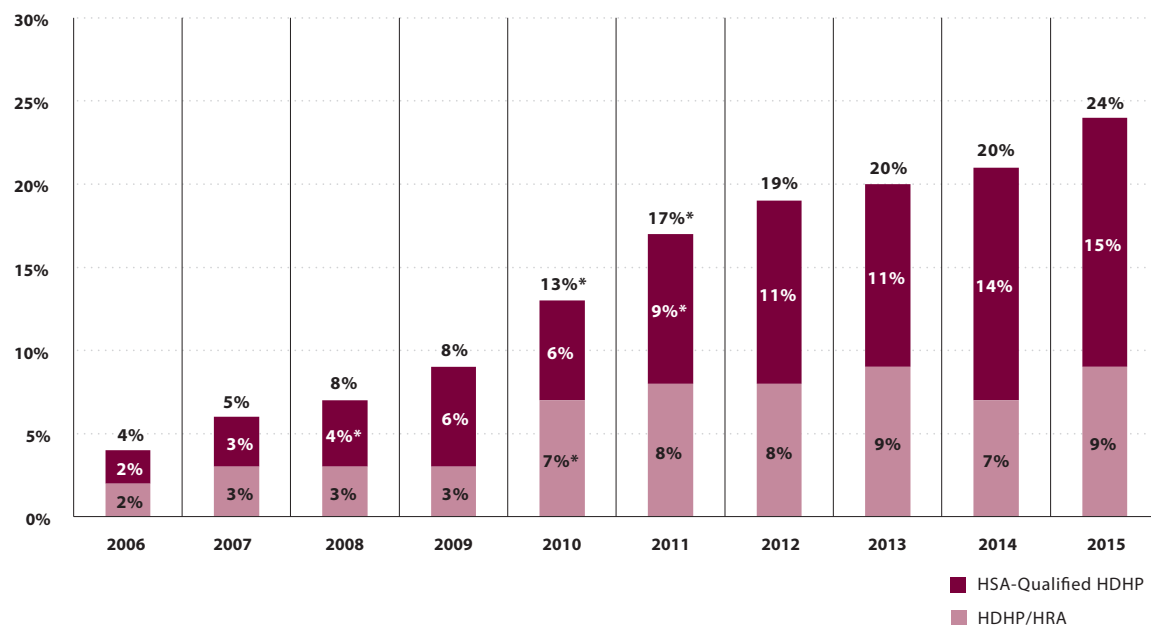
Among covered workers with a general annual deductible, the average deductible

EXHIBIT E**Distribution of Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 2015**

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

EXHIBIT F

Percentage of Covered Workers Enrolled in an HDHP/HRA or HSA-Qualified HDHP, 2006-2015



*Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: Covered Workers enrolled in an HDHP/SO are enrolled in either an HDHP/HRA or a HSA-Qualified HDHP. For more information see the Survey Methodology Section. The percentages of covered workers enrolled in an HDHP/SO may not equal the sum of HDHP/HRA and HSA-Qualified HDHP enrollment estimates due to rounding.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2015.

amount for single coverage is \$1,318. The average annual deductible is similar to last year (\$1,217), but has increased from \$917 in 2010. Deductibles differ by firm size; for workers in plans with a deductible, the average deductible for single coverage is \$1,836 in small firms, compared to \$1,105 for workers in large firms. Sixty-three percent of covered workers in small firms are in a plan with a deductible of at least \$1,000 for single coverage compared to 39% in large firms; a similar pattern exists for those in plans with a deductible of at least \$2,000 (36% for small firms vs. 12% for large firms) (Exhibit G).

Looking at the increase in deductible amounts over time does not capture the full impact for workers because the share of covered workers in plans with a general annual deductible also has increased significantly, from 55% in 2006 to 70% in 2010 to 81% in 2015. If we look at the change in deductible amounts for all covered workers (assigning a zero value to workers in plans with no deductible), we can look at the impact of both trends together. Using this approach, the average deductible for all covered workers in 2015 is \$1,077, up 67% from \$646 in 2010 and 255% from \$303 in 2006.

A large majority of workers also have to pay a portion of the cost of physician office visits. Almost 68% of covered workers pay a copayment (a fixed dollar amount) for office visits with a primary care or specialist physician, in addition to any general annual deductible their plan may have. Smaller shares of workers pay coinsurance (a percentage of the covered amount) for primary care office visits (23%) or specialty care visits (24%). For in-network office visits, covered workers with a copayment pay an average of \$24 for primary care and \$37 for specialty care. For covered workers with coinsurance, the average coinsurance for office visits is 18% for primary and 19% for specialty care. While the survey collects information only on in-network cost sharing, it is generally understood that out-of-network cost sharing is higher.

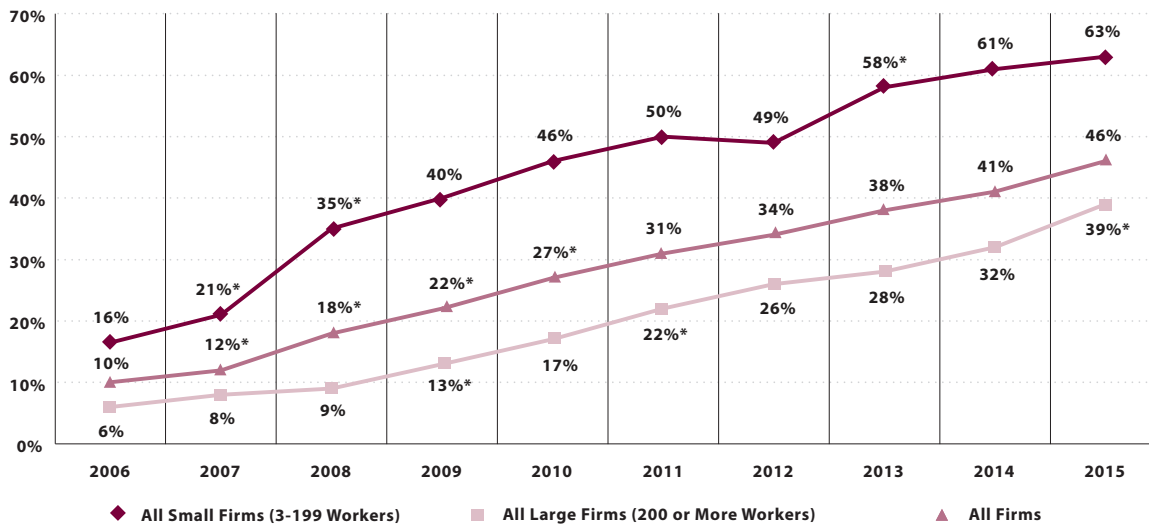
Virtually all (99%) of covered workers are enrolled in a plan that covers some prescription drugs. Cost sharing for filling a prescription usually varies with the type of drug – for example, whether it is a generic, brand-name, or specialty drug – and whether the drug is considered preferred or not on the plan's formulary. These factors result in each drug being assigned to a tier that represents a

different level, or type, of cost sharing. Eighty-one percent of covered workers are in plans with three or more tiers of cost sharing. Twenty-three percent of covered workers are enrolled in a plan with four or more cost sharing tiers compared to 13% in 2010. Copayments are the most common form of cost sharing for tiers one through three. Among workers with plans with three or more tiers, the average copayments in these plans are \$11 for first tier drugs, \$31 for second tier drugs, \$54 for third tier drugs, and \$93 for fourth tier drugs. HDHP/SOs have a somewhat different cost sharing pattern for prescription drugs than other plan types; just 61% of covered workers are enrolled in a plan with three or more tiers of cost sharing, 12% are in plans that pay the full cost of prescriptions once the plan deductible is met, and 22% are in a plan with the same cost sharing for all prescription drugs.

Most covered workers with drug coverage are enrolled in a plan which covers specialty drugs such as biologics (94%). Large employers have used a variety of strategies for containing the cost of specialty drugs including utilization management programs (31%), step therapies where enrollees must first try

EXHIBIT G

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of \$1,000 or More for Single Coverage, By Firm Size, 2006-2015



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: These estimates include workers enrolled in HDHP/SO and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2015.

alternatives (30%) and tight limits on the number of units administered at a single time (25%).

Twelve percent of covered workers enrolled in a plan with prescription drug coverage are enrolled in a plan with a separate annual drug deductible that applies only to prescription drugs. Among these workers, the average separate annual deductible for prescription drug coverage is \$231. Five percent of covered workers are enrolled in a plan with an annual deductible for prescription drug coverage of \$500 or more.

Most workers also face additional cost sharing for a hospital admission or an outpatient surgery episode. After any general annual deductible is met, 65% of covered workers have a coinsurance and 14% have a copayment for hospital admissions. Lower percentages have per day (per diem) payments (4%), a separate hospital deductible (2%), or both copayments and coinsurance (11%). The average coinsurance rate for hospital admissions is 19%. The average copayment is \$308 per hospital admission, the average per diem charge is \$281, and the average separate annual hospital deductible is \$1,006. The cost sharing provisions for outpatient surgery are similar to those for hospital

admissions, as most covered workers have either coinsurance (67%) or copayments (15%). For covered workers with cost sharing, for each outpatient surgery episode, the average coinsurance is 19% and the average copayment is \$181.

Almost all (98%) of covered workers are in plans with an out-of-pocket maximum for single coverage, significantly more than the 88% in 2013. While almost all workers have an out-of-pocket limit, the actual dollar limits differ considerably. For example, among covered workers in plans that have an out-of-pocket maximum for single coverage, 13% are in plans with an annual out-of-pocket maximum of \$6,000 or more, and 9% are in plans with an out-of-pocket maximum of less than \$1,500.

AVAILABILITY OF EMPLOYER-SPONSORED COVERAGE

Fifty-seven percent of firms offer health benefits to their workers, statistically unchanged from 55% last year and 60% in 2005 (Exhibit H). The likelihood of offering health benefits differs significantly by size of firm, with only 47% of employers with 3 to 9 workers offering coverage, but virtually all employers with 1,000 or more workers offering coverage to at least some of their employees. Ninety percent of workers are in a firm that offers health benefits to at least some of its

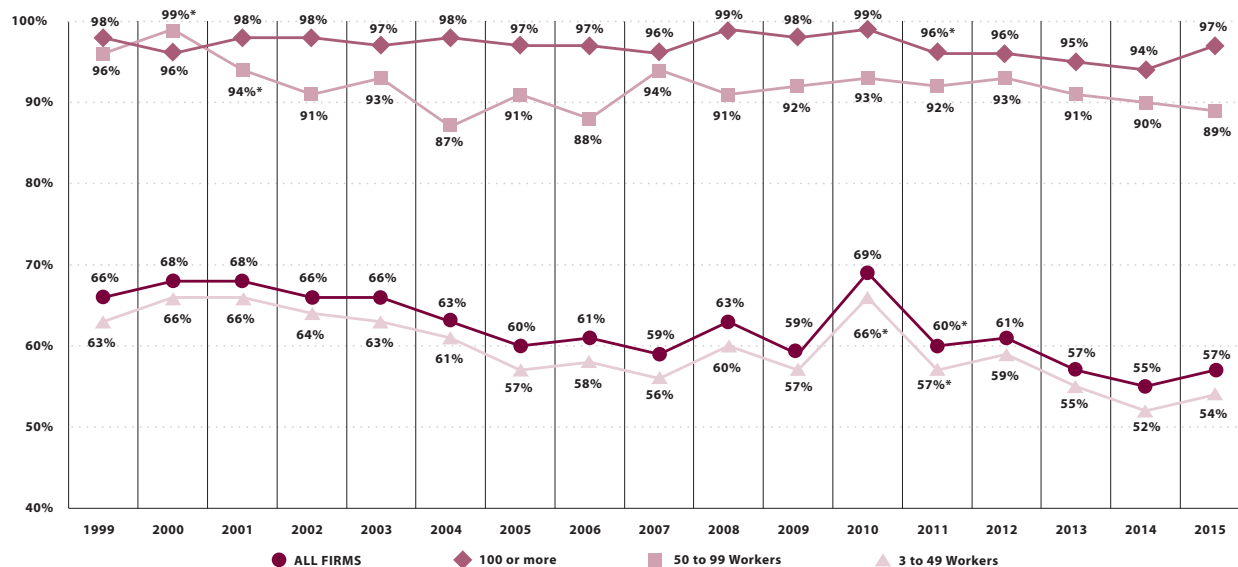
employees, similar to 2014 (90%).

Even in firms that offer health benefits, not all workers are covered. Some workers are not eligible to enroll as a result of waiting periods or minimum work-hour rules. Other workers do not enroll in coverage offered to them because of the cost of coverage or because they are covered through a spouse. Among firms that offer coverage, an average of 79% of workers are eligible for the health benefits offered by their employer. Of those eligible, 79% take up their employer's coverage, resulting in 63% of workers in offering firms having coverage through their employer. Among both firms that offer and those that do not offer health benefits, 56% of workers are covered by health plans offered by their employer, similar to 2014 (55%).

Beginning in 2015, employers with at least 100 full-time equivalent employees (FTEs) must offer health benefits to their full-time workers that meet minimum standards for value and affordability or pay a penalty. The requirement applies to employers with 50 or more FTEs beginning in 2016. Of firms reporting at least 100 FTEs (or, if they did not know FTEs, of firms with at least 100 employees), 96% report that they offer one health plan that would meet these

EXHIBIT H

Percentage of Firms Offering Health Benefits, by Firm Size, 1999-2015



*Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: Estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question. For more information see the Survey Methods Section

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2015.

requirements, two percent did not and three percent reported “don’t know.” Five percent of these firms reported that this year they offered more comprehensive benefits to some workers who previously were only offered a limited benefit plan. Twenty-one percent reported that they extended eligibility to groups of workers not previously eligible because of the employer shared responsibility provision.

We asked firms reporting 50 or more FTEs (or, if they did not know how many FTEs, firms with at least 50 employees) about changes to their workforce in response to the employer requirement. Four percent reported that they changed some job classifications from full-time to part-time so employees would not be eligible for health benefits while 10% reported changing some job classifications from part-time to full-time so that they would become eligible. Four percent also reported reducing the number of full-time employees that they intended to hire because of the cost of health benefits.

RETIREE COVERAGE

Twenty-three percent of large firms that offer health benefits in 2015 also offer retiree health benefits, similar to the percentage in 2014 (25%). Among large firms that offer retiree health benefits,

92% offer health benefits to early retirees (workers retiring before age 65), 73% offer health benefits to Medicare-age retirees, and 2% offer a plan that covers only prescription drugs. Employers offering retiree benefits report interest in new ways of delivering them. Among large firms offering retiree benefits, seven percent offer them through a private exchange and 26% are considering changing the way they offer retiree coverage because of the new health insurance exchanges established by the ACA.

WELLNESS, HEALTH RISK ASSESSMENTS AND BIOMETRIC SCREENINGS

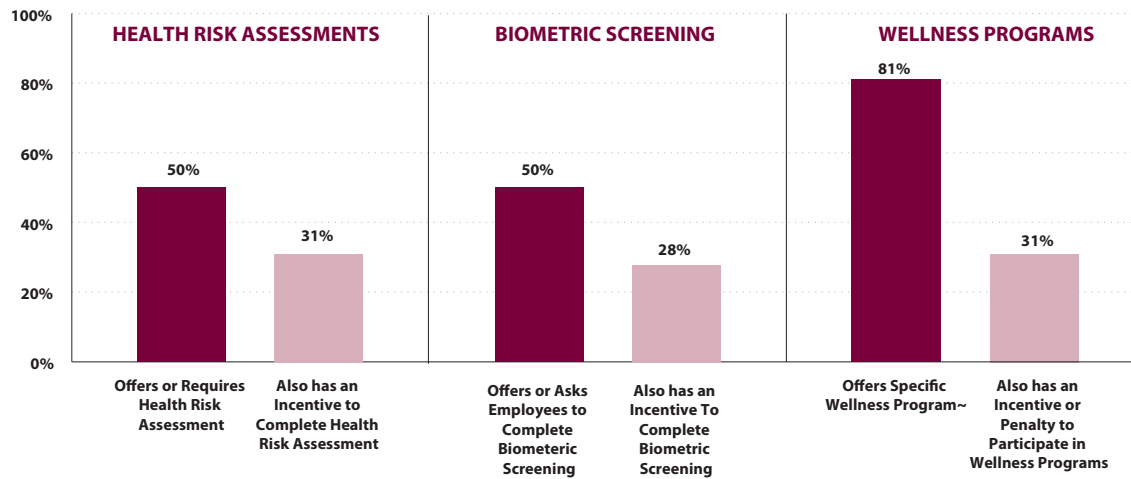
Health Risk Assessment. Employers continue to offer programs that encourage employees to identify health issues and to manage chronic conditions. A majority of larger employers now offer health screening programs including health risk assessments, which are questionnaires asking employees about lifestyle, stress or physical health, and in-person examinations such as biometric screenings. Some employers have incentive programs that reward or penalize employees for a range of activities including participating in wellness programs or meeting biometric outcomes.

Fifty percent of large employers offering health benefits provide employees with an opportunity or require employees to complete a health risk assessment. A health risk assessment includes questions about medical history, health status, and lifestyle, and is designed to identify the health risks of the person being assessed. Large firms are more likely than small firms to offer an opportunity or require employees to complete a health risk assessment (50% vs. 18%). Among firms with a health risk assessment, 62% of large firms report that they provide incentives to employees that complete the assessment. There is significant variation in the percentage of employees that complete a health risk assessment among firms; 27% of large firms with a health risk assessment report that more than three-quarters of employees complete the screening while 41% report that a quarter or less complete it.

Biometric Screening. Fifty percent of large firms and 13% of small firms offering health benefits ask or offer employee the opportunity to complete a biometric screening. Biometric screening is a health examination that measures an employee’s risk factors such as body weight, cholesterol, blood pressure, stress, and nutrition. Among large firms

EXHIBIT I

Among Large Firms (200 or more workers) Offering Health Benefits, Percentage of Firms Offering Incentives for Various Wellness and Health Promotion Activities, 2015



~ Firms which offer either "Programs to Help Employees Stop Smoking", "Programs to Help Employees Lose Weight", or "Other Lifestyle or Behavioral Coaching"

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

with biometric screening programs, 56% offer employees incentives to complete a biometric screening. Among firms with a biometric screening program and an incentive to complete it, 20% have a reward or penalty for meeting specified biometric outcomes such as achieving a target body mass index (BMI) or cholesterol level. The maximum financial value for meeting biometric outcomes ranges considerably across these firms: 16% have a maximum annual incentive of \$150 or less and 28% have a maximum annual incentive of more than \$1,000.

Wellness Programs. Many employers offer wellness or health promotion programs to improve their employees' health. Eighty-

one percent of large employers and 49% of small employers offer employees programs to help them stop smoking, lose weight, or make other lifestyle or behavioral changes. Of firms offering health benefits and a wellness program, 38% of large firms and 15% of small firms offer employees a financial incentive to participate in or complete a wellness program. Among large firms with an incentive to participate in or complete a wellness program, 27% believe that incentives are "very effective" at encouraging employees to participate (Exhibit I).

Disease management programs. Disease management programs try to improve the health and reduce the costs for enrollees

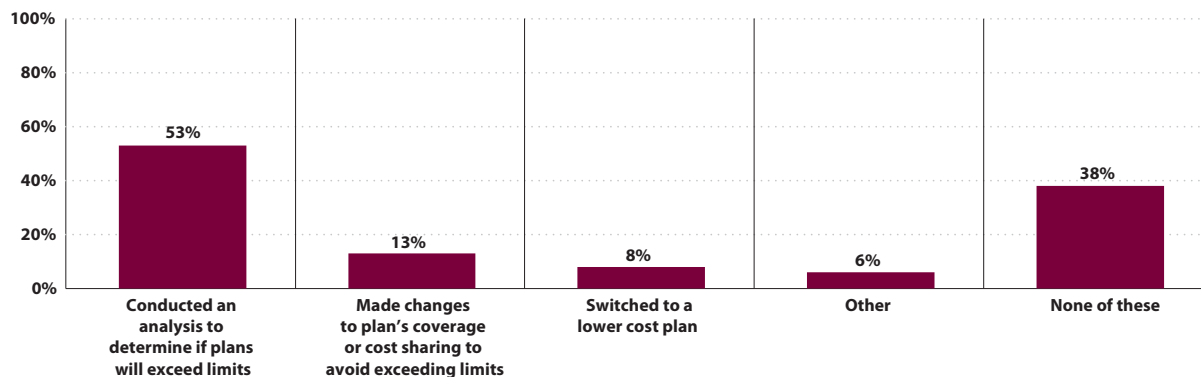
with chronic conditions. Thirty-two percent of small employers and 68% of large employers offer disease management programs. Among firms with disease management programs, eight percent of large firms and 24% of firms with 5,000 or more workers offer a financial incentive to employees who participate.

PROVIDER NETWORKS**High Performance or Tiered Networks.**

Seventeen percent of employers offering health benefits have high performance or tiered networks in their largest health plan. These programs identify providers that are more efficient or have higher quality care, and may provide financial or other

EXHIBIT J

Among Large Firms (200 or more Workers) Offering Health Benefits, Percentage of Firms Who Have Taken Various Actions in Anticipation of the Excise Tax on High Cost Plans, by Firm Size, 2015



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

incentives for enrollees to use the selected providers. Firms with 1,000–4,999 workers employees are more likely to have a largest plan that includes a high performance or tiered network (33%) than firms in other size categories.

Narrow Networks. Some employers limit their provider networks to reduce the cost of the plan. Nine percent of employers reported that their plan eliminated hospitals or a health system to reduce cost and seven percent offer a plan considered a narrow network plan. These plans typically have a provider network more limited than the standard HMO network.

Telemedicine. Telemedicine includes exchanging health information electronically, including through smart phones or webcasts in order to improve a patient's health. The largest health plan at 27% of large firms (200 or more workers) offering health benefits covers telemedicine.

OTHER TOPICS

Pre-Tax Premium Contributions. Thirty-seven percent of small firms and 90% of large firms have a plan under section 125 of the Internal Revenue Service Code (sometimes called a premium-only plan) to allow employees to use pre-tax dollars to pay for a share of health insurance premiums.

Flexible Spending Accounts. Seventeen percent of small firms and 74% of large firms offer employees the option of contributing to a flexible spending account (FSA). FSAs permit employees to make pre-tax contributions that may be used during the year to pay for eligible medical expenses. The Affordable Care Act put some additional limits on FSAs, including capping the amount that could be contributed in a year (\$2,550 in 2015) and limits on the use of FSA dollars for non-prescribed over the counter medications and premiums.³ Three percent of firms not offering health benefits offered an FSA in 2015.

Waiting Periods and Enrollment. With exceptions for orientation periods and variable hour employees, the ACA limits waiting periods to no more than 90 days for all group health plans.⁴ The average waiting period for covered workers who face a waiting period decreased from 2.1 months in 2014 to 2 months in 2015. The provision of the Affordable Care Act

requiring employers with 200 or more full-time employees to automatically enroll eligible new full-time employees in one of the firm's health plans after any waiting period has not yet taken effect. In 2015, 13% of large employers (200 or more workers) and 42% of small employers automatically enroll eligible employees.

Self-Funding. Seventeen percent of covered workers at small firms and 83% of covered workers at large firms are enrolled in plans that are either partially or completely self-funded. Overall, 63% of covered workers are enrolled in a plan that is either partially or completely self-funded, 60 percent of whom are covered by additional insurance against high claims, sometimes known as stop loss coverage. The percentage of covered workers at both small and large firms in self-funded plans is similar to the percentage reported in 2010.

Private Exchanges. Private exchanges are arrangements created by consultants, brokers or insurers that allow employers to offer their employees a choice of different benefit options, often from different insurers. While these arrangements are fairly new, 17% of firms with more than 50 employees offering health benefits say they are considering offering benefits through a private exchange. Twenty-two percent of employers with 5,000 or more employees are considering this option. Enrollment to this point has been modest: 2% of covered workers in firms with more than 50 employees are enrolled in a private exchange.

Professional Employment Organization. Some firms provide for health and other benefits by entering into a co-employment relationship with a Professional Employer Organization (PEO). Under this arrangement, the firm manages the day-to-day responsibilities of employees but the PEO hires the employees and acts as the employer for insurance, benefits, and other administrative purposes. Five percent of employers offering health benefits with between three and 499 workers offer coverage through a PEO.

Grandfathered Health Plans. The ACA exempts "grandfathered" health plans from a number of its provisions, such as the requirements to cover preventive benefits without cost sharing or the new rules for small employers' premiums ratings and benefits. An employer-sponsored health

plan can be grandfathered if it covered a worker when the ACA became law (March 23, 2010) and if the plan has not made significant changes that reduce benefits or increase employee costs.⁵ Thirty-five percent of firms offering health benefits offer at least one grandfathered health plan in 2015. Twenty-five percent of covered workers are enrolled in a grandfathered health plan in 2015.

EXCISE TAX ON HIGH-COST HEALTH PLANS

Beginning in 2018, employer health plans will be subject to an excise tax of 40% on the amount by which their cost exceeds specified thresholds (\$10,200 for single coverage and \$27,000 for family coverage in 2018).⁶ The tax is calculated with respect to each employee based on the combinations of health benefits received by that employee, including the employer and employee share of health plan premiums (or premium equivalents for self-funded plans), FSA contributions, and employer contributions to health savings accounts and health reimbursement arrangement contributions. Fifty-three percent of large firms (200 or more workers) offering health benefits have conducted an analysis to determine if they will exceed the 2018 thresholds, with 19% of these firms saying that their largest health plan would exceed the 2018 threshold. A small percentage of large employers offering health benefits report that they already have made changes to their plans' coverage or cost-sharing requirements (13%) or switched to a lower cost plan (8%) in response to the anticipated tax (Exhibit J).

CONCLUSION

The continuing implementation of the ACA has brought about a number of changes for employer-based coverage, ranging from benefits changes (such as the requirement to cover certain preventive care without cost sharing or have an out-of-pocket limit) to the requirement for larger employers to offer coverage to their full-time workers or face financial penalties. Even with these new requirements, most market fundamentals have stayed consistent with prior trends, suggesting that the implementation has not caused significant disruption for most market participants. Premiums for single and family coverage increased by 4% in 2015, continuing a fairly long period (2005 to 2015) where annual premium

growth has averaged about 5%. The percentage of employers offering coverage (57%) is similar to recent years,⁷ as is the percentage of workers in offering firms covered by their own employer (63%). The offer and coverage rates have been declining very gradually since we have been doing the survey, with the current values generally below those we saw prior to 2005.

The stability we have seen over the last several years does not mean that no changes are occurring. Employers continue to focus on wellness and health promotion and extend their programs to assess health risk; here programs that collect personal health information and provide financial incentives for employees to undertake health programs or meet biometric targets have the potential to significantly alter how people with employer-based coverage interact with their health plan. Employers, particularly large employers, continue to show interest in private exchanges, although enrollment to date is not very large. If these exchanges succeed, they have the potential to move some of the decision-making about benefits away from employers, which could transform how employees and employers interact over benefits.

While the ACA has not transformed the market, changes are occurring and more are likely to come. Some employers report that they have modified job classifications in reaction to the employer requirement to offer benefits, with more reporting that they increased the number of jobs with full-time status than decreasing it. Additionally, five percent of large firms (200 or more workers) employers reported that they intend to reduce the number of full-time employees that they intend to hire because of the cost of providing health care benefits. Employers also are considering the potential impacts that the high-cost plan tax may have on their health benefits, with small percentages already taking action to lower plan costs. Over a longer period, the high-cost plan tax has the potential to cause significant changes in employer-sponsored coverage

as employers and workers look for ways to keep cost increases to inflation far below the even moderate premium increases we have seen in recent years.

Whether the period of moderate premium growth will continue as the economy improves is one the biggest questions facing the employer market. Higher costs tend to follow improvements in economic growth,⁸ and recent increases in spending for health services will put upward pressure on premiums.⁹ At the same time, concerns about the high-cost plan tax will have employers and insurers looking for savings. These competing pressures may well lead to plan changes such as tighter networks, stricter management and higher cost sharing as employers and insurers struggle to contain these higher costs.

METHODOLOGY

The Kaiser Family Foundation/Health Research & Educational Trust 2015 Annual Employer Health Benefits Survey (Kaiser/HRET) reports findings from a telephone survey of 1,997 randomly selected public and private employers with three or more workers. Researchers at the Health Research & Educational Trust, NORC at the University of Chicago, and the Kaiser Family Foundation designed and analyzed the survey. National Research, LLC conducted the fieldwork between January and June 2015. In 2015, the overall response rate is 42%, which includes firms that offer and do not offer health benefits. Among firms that offer health benefits, the survey's response rate is also 41%.

We asked all firms with which we made phone contact, even if the firm declined to participate in the survey: "Does your company offer a health insurance program as a benefit to any of your employees?" A total of 3,191 firms responded to this question (including the 1,997 who responded to the full survey and 1,194 who responded to this one question). Their responses are included in our estimates of the percentage of firms offering health coverage. The response rate

for this question is 67%.

Since firms are selected randomly, it is possible to extrapolate from the sample to national, regional, industry, and firm size estimates using statistical weights. In calculating weights, we first determine the basic weight, then apply a nonresponse adjustment, and finally apply a post-stratification adjustment. We use the U.S. Census Bureau's Statistics of U.S. Businesses as the basis for the stratification and the post-stratification adjustment for firms in the private sector, and we use the Census of Governments as the basis for post-stratification for firms in the public sector. Some numbers in the report's exhibits do not sum up to totals because of rounding effects, and, in a few cases, numbers from distribution exhibits referenced in the text may not add due to rounding effects. Unless otherwise noted, differences referred to in the text and exhibits use the 0.05 confidence level as the threshold for significance.

For more information on the survey methodology, please visit the Methodology section at <http://ehbs.kff.org/>.

The Kaiser Family Foundation, a leader in health policy analysis, health journalism and communication, is dedicated to filling the need for trusted, independent information on the major health issues facing our nation and its people. The Foundation is a non-profit private operating foundation based in Menlo Park, California.

The Health Research & Educational Trust (HRET) is a private, not-for-profit organization involved in research, education, and demonstration programs addressing health management and policy issues. Founded in 1944, HRET, an affiliate of the American Hospital Association, collaborates with health care, government, academic, business, and community organizations across the United States to conduct research and disseminate findings that help shape the future of health care.

- ¹ Majerol, Melissa, Newkirk, Vann and Garfield, Rachel. "The uninsured: A primer—key facts about health insurance on the eve of coverage expansions." Kaiser Commission on Medicaid and the Uninsured. Dec 2014. <http://kff.org/uninsured/report/the-uninsured-a-primer/> See supplemental tables - Table 1: 268.9 million non-elderly people, 54.6% of whom are covered by ESI.
- ² Kaiser/HRET surveys use the April-to-April time period, as do the sources in this and the following note. The inflation numbers are not seasonally adjusted. Bureau of Labor Statistics. Consumer Price Index - All Urban Consumers: Department of Labor; 2015. [cited 2015 September 2] http://data.bls.gov/timeseries/CUUR0000SA0?output_view=pct_1mth. Wage data are from the Bureau of Labor Statistics and based on the change in total average hourly earnings of production and nonsupervisory employees. Employment, hours, and earnings from the Current Employment Statistics survey: Department of Labor; 2015 [cited 2015 September 2]. <http://data.bls.gov/timeseries/CES0500000008>
- ³ "Application of Market Reform and other Provisions of the Affordable Care Act to HRAs, Health FSAs, and Certain other Employer Healthcare Arrangements." Notice 2013-54. Internal Revenue Service. <http://www.irs.gov/pub/irs-drop/n-13-54.pdf>
- ⁴ Federal Register. Volume 79, No 36, February 24, 2014. <http://webapps.dol.gov/FederalRegister/HtmlDisplay.aspx?DocId=27369&Month=2&Year=2014>
- ⁵ Federal Register. Vol. 75, No 221, November 17, 2010, <http://www.gpo.gov/fdsys/pkg/FR-2010-11-17/pdf/2010-28861.pdf>.
- ⁶ Claxton, Gary & Levitt, Larry. "How Many Employers Could be Affected by the Cadillac Plan Tax?" Kaiser Family Foundation. Apr 2015. <http://kff.org/health-reform/issue-brief/how-many-employers-could-be-affected-by-the-cadillac-plan-tax/>
- ⁷ The 2015 offer rate is significantly lower than the 69% of firms which indicated that they offered benefits in 2010. The increase in the 2010 estimate was primarily driven by a 12 percentage point increase in firms with between 3 and 9 employees offering coverage. Given the number of small firms in the country, statistics weighted by the number of employers tend to be volatile - for more information see the survey design section.
- ⁸ "Assessing the Effects of the Economy on the Recent Slowdown in Health Spending." Kaiser Family Foundation. Apr 2013. <http://kff.org/health-costs/issue-brief/assessing-the-effects-of-the-economy-on-the-recent-slowdown-in-health-spending-2/>
- ⁹ "How has health spending changed over time?" Peterson-Kaiser Health System Tracker. June 2015. <http://www.healthsystemtracker.org/chart-collection/how-has-health-spending-changed-over-time/?slide=1>



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Filling the need for trusted information on national health issues, the Kaiser Family Foundation is a nonprofit organization based in Menlo Park, California.

- AND -



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The Health Research & Educational Trust is a private, not-for-profit organization involved in research, education, and demonstration programs addressing health management and policy issues. Founded in 1944, HRET, an affiliate of the American Hospital Association, collaborates with health care, government, academic, business, and community organizations across the United States to conduct research and disseminate findings that help shape the future of health care.

*The full report of survey findings (#8775) is available on the Kaiser Family Foundation's website at www.kff.org.
This summary (#8776) is also available at www.kff.org.*

FY2017 Committee Meeting Dates

Memorandum

Date: February 8, 2016
To: Investment Committee
From: Iftikhar Hussain
Re: Proposed FY 2017 Meeting Dates

Following are proposed meeting dates for fiscal year 2017. The Investment Committee meets quarterly, typically the second Monday every three months, but the Committee should feel free to suggest alternative meeting dates.

- August 8, 2016
- November 14, 2016
- February 13, 2017
- May 8, 2017
- Joint Meeting – to be discussed

The next Investment Committee meeting is scheduled for May 9, 2016.

Investment Committee Scorecard

El Camino Hospital Investment Committee Scorecard

December 31, 2015

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY16 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		4Q 2015		Fiscal Year-to-date		Since Inception (annualized)		Mar 2014/2012	
Surplus cash balance & op. cash (millions)		\$735.5	--	--	--	--	--	\$699.8	--
Surplus cash return		1.8%	2.1%	-2.2%	-1.8%	4.4%	4.3%	4.0%	5.0%
Cash balance plan balance (millions)		\$216.4	--	--	--	--	--	\$224.2	--
Cash balance plan return		3.1%	2.6%	-1.8%	-2.0%	7.6%	6.6%	6.0%	6.7%
403(b) plan balance (millions)		\$314.8	--	--	--	--	--	--	--
Risk vs. Return		3-year		Since Inception (annualized)		Mar 2014/2012			
Surplus cash Sharpe ratio		0.99	0.98	--	--	1.05	1.03	--	0.66
Net of fee return		4.2%	4.2%	--	--	4.4%	4.3%	--	5.0%
Standard deviation		4.2%	4.2%	--	--	4.1%	4.1%	--	7.2%
Cash balance Sharpe ratio		1.21	1.11	--	--	1.29	1.17	--	0.54
Net of fee return		7.3%	6.4%	--	--	7.6%	6.6%	--	6.7%
Standard deviation		5.9%	5.7%	--	--	5.8%	5.6%	--	10.6%
Asset Allocation		4Q 2015							
Surplus cash absolute variances to target		5.4%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		5.4%	< 10%	--	--	--	--	--	--
Manager Compliance		4Q 2015							
Surplus cash manager flags		14	< 18	--	--	--	--	--	--
Cash balance plan manager flags		15	< 18	--	--	--	--	--	--

Glossary of Terms for Scorecard

Key Performance Indicator	Definition / Explanation
Investment Performance	
Surplus cash balance (millions)	Investment performance for the Surplus Cash portfolio was 30 basis points lower than the benchmark for the quarter with a return of +1.8%. The portfolio remains ahead of the benchmark since inception (Nov. 1, 2012) with a return of +4.4% annualized versus +4.3% for the benchmark. The assets within the Surplus Cash account ended the quarter at \$735.5 million, well ahead of the budgeted amount for June 30, 2016.
Surplus cash return	
Cash balance plan balance (millions)	The Cash Balance Plan's performance outperformed its benchmark for the quarter by 50 basis points with a return of +3.1% and has outperformed its benchmark since inception. The since inception annualized return stands at 7.6%, 1% ahead of its benchmark per year. The assets within the Cash Balance Plan ended the quarter at \$216.4 million, \$7.8 million below the budgeted amount for June 30, 2016.
Cash balance plan return	
403(b) plan balance (millions)	The 403(b) balance increased \$13.9.0 million during the quarter, roughly 5%.
Risk vs. Return	
Surplus cash 3-year Sharpe ratio	The Sharpe ratio is the excess return of an investment over the risk free rate (US Treasuries) generated per unit of risk (standard deviation) taken to obtain that return. The higher the value, the better the risk-adjusted return. It is important to view returns in this context because it takes into account the risk associated with a particular return rather than simply focusing on the absolute level of return.
3-year return	
3-year standard deviation	Sharpe ratio = (actual return - risk free rate) / standard deviation
Cash balance 3-year Sharpe ratio	
3-year return	The Surplus Cash portfolio's 3-year Sharpe ratio was above that of its benchmark and well above the expected Sharpe ratio modeled. This was more so due to very little volatility over the period with adequate returns. The Cash Balance Plan's 3-year Sharpe ratio exceeded modeling expectations and its benchmark as the Plan took on slightly more risk (standard deviation) than the benchmark, but with greater success. Both accounts have demonstrated strong risk-adjusted returns since inception.
3-year standard deviation	
Asset Allocation	
Surplus cash absolute variances to target	This represents the sum of the absolute differences between the portfolio's allocations to various asset classes and the target benchmark's allocations to those asset classes. The higher the number, the greater the portfolio's allocations deviate from the target benchmark's allocations, indicating a higher possibility for the portfolio's risk and return characteristics to differ from the Board's expectations.
Cash balance absolute variances to target	The threshold for an alert "yellow" status is set at 10% and the threshold for more severe "red" status is set at 20%. Both portfolios are well below the 10% threshold as the private real estate managers have continued to call capital and are nearly fully invested.
Manager Compliance	
Surplus cash manager flags	This section represents how individual investment managers have fared and draws attention to elevated concerns regarding performance, organizational stability, investment personnel, accounting and regulatory issues, and portfolio characteristics all at the individual manager level. The number of flags are aggregated and a percentage of the total is used to highlight an alert "yellow" status (40% of the performance flags) and a more severe "red" status (50%). In total there are 99 potential flags for the Surplus Cash account (44 performance based) and 108 for the Cash Balance Plan (48 performance based).
Cash balance plan manager flags	
	Currently, both accounts are within the threshold.

Fourth Quarter Performance Review

Performance Review



El Camino Hospital

4th Quarter 2015

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PAVILION

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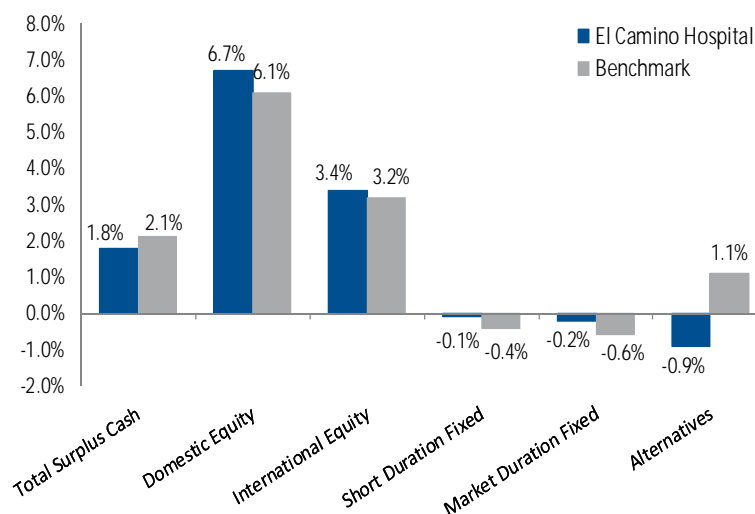
Executive Summary

Surplus Cash Executive Summary

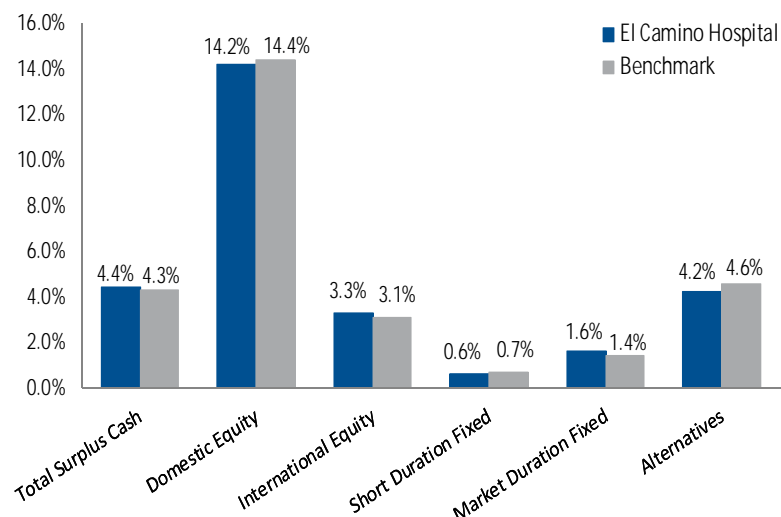
Dashboard

As of December 31, 2015

Performance: Most Recent Quarter



Performance: Since Inception¹



¹ Reflects the date Pavilion's recommended portfolio was implemented (November 1, 2012).

Asset Allocation

Manager	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Variance to Target	Target Range	Within Policy Range
Domestic Equity	\$172.2	25.4%	25.0%	+ 0.4%	20-30%	Yes
International Equity	\$ 93.4	13.8%	15.0%	- 1.2%	10-20%	Yes
Short-Duration Fixed	\$ 78.4	11.6%	10.0%	+ 1.6%	8-12%	Yes
Market-Duration Fixed	\$207.8	30.7%	30.0%	+ 0.7%	25-35%	Yes
Alternatives	\$125.0	18.5%	20.0%	- 1.5%	17-23%	Yes
Total (X District)	\$676.8	100.0%				

Portfolio Updates

Manager News/Issues

- Domestic equity managers Sands and Wellington notably outperformed during the quarter relative to their benchmarks and peers. Sands benefited from strong stock selection within information technology, while Wellington's health care sector stock selection proved accretive to results.
- Market duration fixed income managers Dodge & Cox and MetWest both outperformed the BC Aggregate as a result of underweight duration positioning as interest rates rose during the quarter.
- The Direct Hedge Fund composite underperformed the HFRI Fund of Funds Index by 180 basis points.

Funding News/Issues

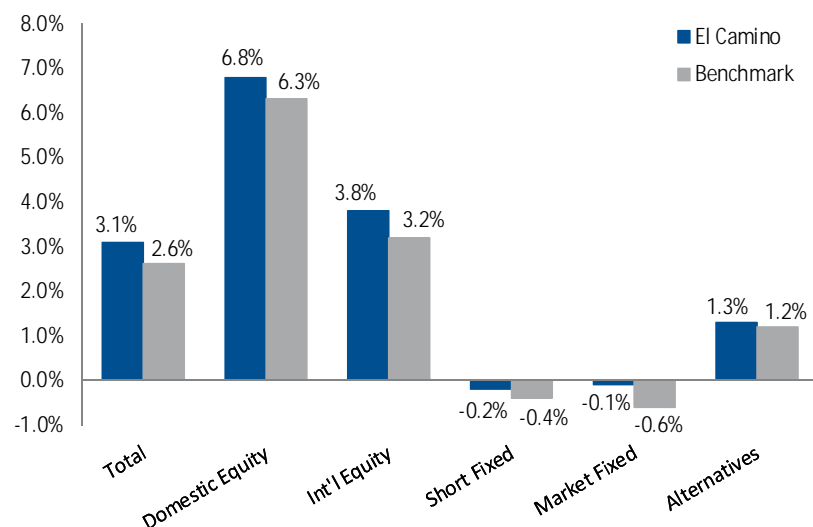
- In October, \$1.4 million of the capital committed to the Walton Street Real Estate Fund VII was called. The unfunded commitment stands at \$2.3 million.
- Walton Street made distribution payments of \$1.6 million during October, which were used to make additional contributions to the Harbor International (Northern Cross) Fund.
- Oaktree Real Estate Opportunities Fund VI made distributions totaling \$2.0 million during the quarter.
- In January, a \$13.0 million commitment was made to the Walton Street Real Estate Fund VIII.
- \$30 million of redemptions were made in January from a combination of Dodge & Cox (\$8.0 million), MetWest (\$8.0 million), and Barrow Hanley Short Duration (\$14.0 million) to fund operating needs.

Cash Balance Plan Executive Summary

Dashboard

As of December 31, 2015

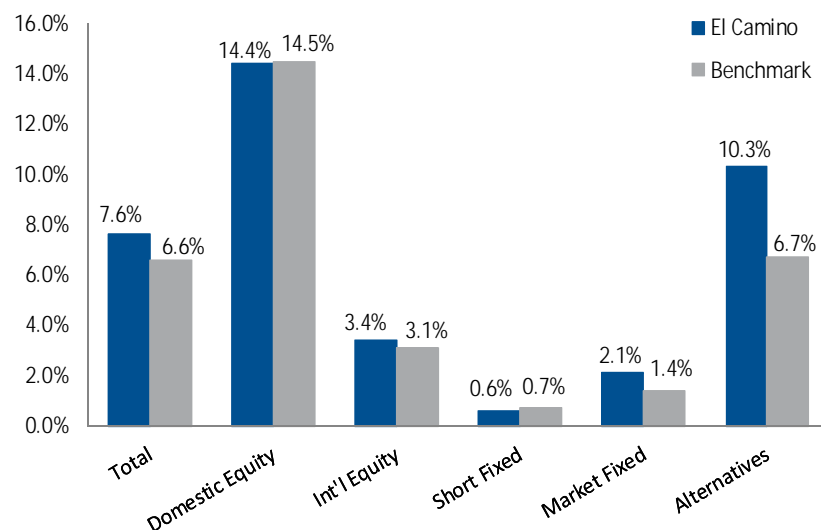
Performance: Most Recent Quarter



Asset Allocation

Manager	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Variance to Target	Target Range	Within Policy Range
Domestic Equity	\$ 72.6	33.6%	32.0%	+ 1.6%	27-37%	Yes
International Equity	\$ 36.8	17.0%	18.0%	- 1.0%	15-21%	Yes
Short-Duration Fixed	\$ 8.9	4.1%	5.0%	- 0.9%	0-8%	Yes
Market-Duration Fixed	\$ 52.4	24.2%	25.0%	- 0.8%	20-30%	Yes
Alternatives	\$ 45.6	21.1%	20.0%	+ 1.1%	17-23%	Yes
Total	\$216.4	100.0%				

Performance: Since Inception¹



Portfolio Updates

Manager News/Issues

- Domestic equity managers Sands and Wellington notably outperformed during the quarter relative to their benchmarks and peers. Sands benefited from strong stock selection within information technology, while Wellington's health care sector stock selection proved accretive to results.
- Market duration fixed income managers Dodge & Cox and MetWest both outperformed the BC Aggregate as a result of underweight duration positioning as interest rates rose during the quarter.
- Hedge fund-of-funds managers, Lighthouse and Pointer, outperformed the HFRI Fund of Funds Composite Index. The hedge fund-of-funds composite outperformed by 140 basis points.

Funding News/Issues

- In October, \$0.8 million of the capital committed to the Walton Street Real Estate Fund VII was called. The unfunded commitment stands at \$1.4 million.
- Walton Street made distribution payments of \$1.6 million during October, which were used to make additional contributions to the Barrow Hanley Short-Term Fixed account.
- Employer contributions of \$2.4 million each were made in October and January with the proceeds invested in the Barrow Hanley Short-Term Fixed account.
- Oaktree Real Estate Opportunities Fund VI made distributions totaling \$1.2 million during the quarter.
- In January, a \$10.0 million commitment was made to the Walton Street Real Estate Fund VIII.

¹ Reflects the date Pavilion's recommended portfolio was implemented (November 1, 2012).



Investment Outlook Dashboard

First Quarter 2016

Market Segment	Valuations	Fundamentals	Sentiment
Growth – Value	In most market segments, valuations are neutral. In emerging markets growth stocks appear overvalued. Within the U.S., there is a wide valuation disparity among the cheapest quintile stocks relative to the market, suggesting above average return potential for the value style.	A modest recovery in the U.S. and stagnant growth in Europe and Japan suggest that growth stocks should perform better. While economic growth is strong overall in the emerging markets, it is decelerating and varies significantly by country. Combined with uncertainties related to the global recovery and Fed tightening, the environment for earnings growth becomes less certain, and tends to favor growth stocks at the margin.	Sentiment has favored growth for the past two years in the U.S. and developed international equity markets. Growth stocks have been in favor since late 2010 in emerging markets.
Large cap – Small cap	Relative valuations are neutral.	With the exception of a strong U.S. dollar, fundamentals generally favor large cap stocks. Global M&A activity as well as significant cash positions allow large companies to better support earnings growth.	A more risk averse environment favors large cap.
Global equities	Emerging markets and developed international stocks look cheap relative to U.S. stocks.	Economic growth trends favor the U.S. and select emerging markets countries. Earnings growth potential is stronger in Europe and Japan.	Sentiment favors U.S. stocks, but may be shifting toward foreign developed stocks.
Fixed Income	Interest rates are low, making fixed income not particularly attractive. Spreads on high yield and emerging market debt have widened, offering active investment managers an improved opportunity set.	Continued low interest rates, wider spreads, and low (though slightly rising) default rates favor the credit sector, especially investment grade. Continued dollar strength as well as heightened currency volatility is a negative for foreign and emerging market debt.	Sentiment is with high quality bonds, especially in a risk averse environment.



Current Market Environment

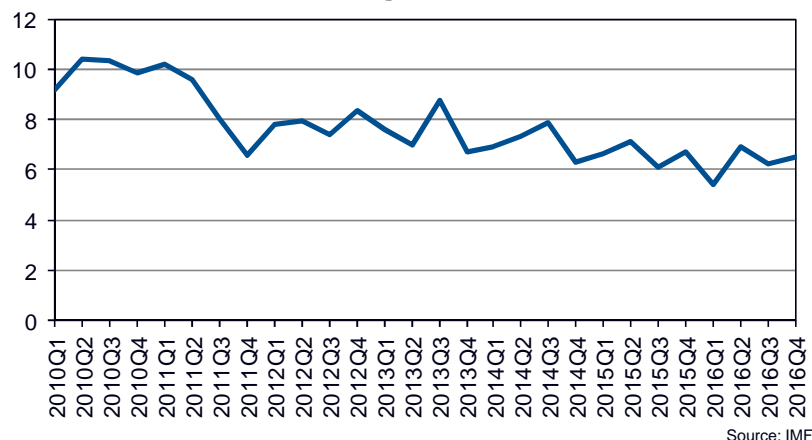
- Global growth low for longer.
- Low inflation.
- Low interest rates.
- China in transition to consumer/service-oriented economy causing its economy to slow. At one-third of global GDP growth, a slowdown in China has worldwide ramifications.
- Low oil prices are problematic for a number of oil-exporting countries. Countries in desperate need of cash continue to pump oil, keeping supplies ahead of demand.
- Increasing political tension in the Middle East is raising anxiety levels worldwide.

Implications

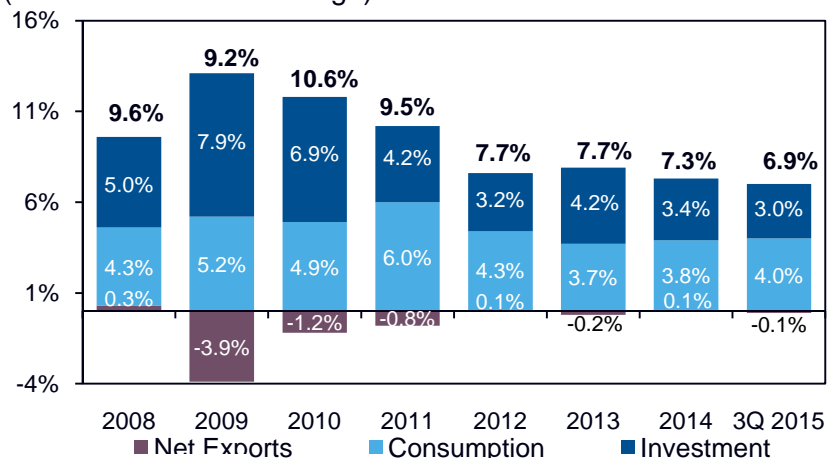
- Increased volatility across markets – stocks, bonds, currencies, commodities.
- Potential for more frequent rebalancing.
- Opportunities building.

China rebalancing its economy toward consumption and services and away from manufacturing and investment driven growth

China GDP Growth Moderating



China Real GDP Contribution Has Been Moderating as Investment Declines (Year-Over-Year % Change)



The Chinese Yuan is Weakening as Growth Slows

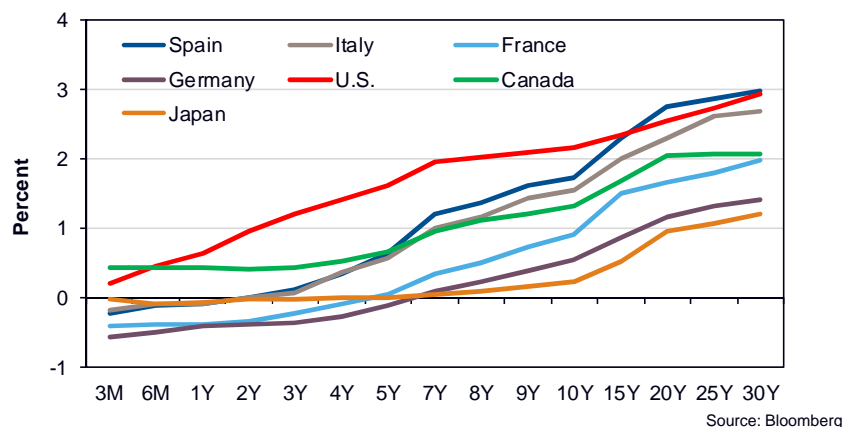


Observations

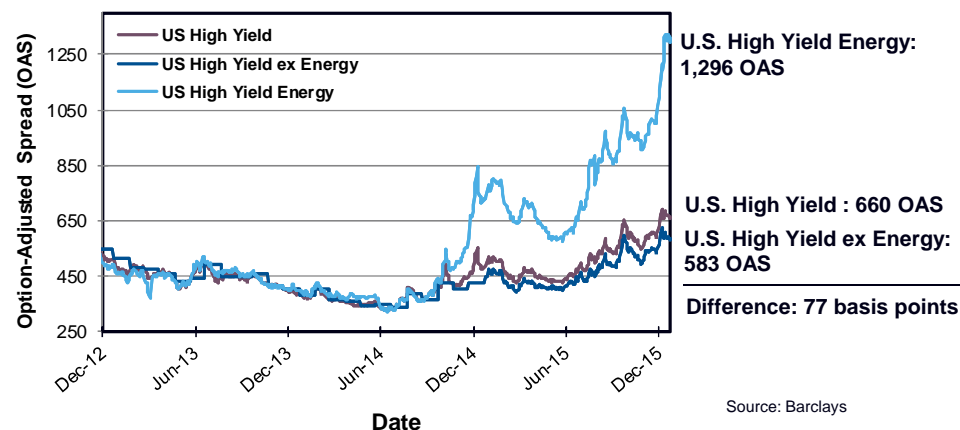
- China's GDP growth remains strong, but is moderating to more sustainable levels. Representing one-third of global economic growth, a slowdown in China negatively impacts world growth and in particular other emerging market countries that export to China.
- As China transitions to a consumer and services oriented economy, commodity exporting countries are affected most negatively, particularly countries exporting metals, which is highly correlated to industrial activity. China represented 44% of metals and 22% of energy consumption during the five years ended 2014. There will be winning industries and economies coming out of the transition but change of this magnitude creates uncertainty and volatility.
- A slowdown in China is causing the yuan to weaken against the U.S. dollar. Chinese authorities are intervening to support the yuan through various means, including selling of foreign reserves. This is having spill-over effects to other emerging markets that may be forced to devalue too.

Low Returns Projected from Fixed Income

U.S. and Developed Markets Yield Curves



U.S. High Yield Credit Spreads ex Energy



Bond Returns Highly Correlated with Starting Yields (Rolling Period Bond Returns Less Starting Yield)

	5 Years	10 Years	20 Years
Min	-2.48%	-1.77%	-4.32%
Max	4.48%	3.61%	3.50%
Median	0.81%	0.58%	0.81%
Average	0.66%	0.59%	0.66%

Index: IA U.S. Intermediate Term Gov't Bond Index (1926 – 2014)

Observations

- In December, the Federal Reserve increased the Fed Funds rate for the first time in nearly a decade. The Fed anticipates raising rates four times in 2016 for a total of one percentage point, although market expectations are for rates to increase by no more than half a percentage point. Meanwhile, monetary policy in most of the rest of the world remains accommodative. U.S. interest rates already are among the highest in the developed world. Further rate increases and resulting U.S. dollar appreciation are destabilizing for emerging market countries, raising their cost of capital and potentially leading to capital outflows. Many emerging market countries already are in a weakened financial state from the impact of commodity price declines. Safe haven demand is rising for U.S. Treasuries as geopolitical tensions grow. In combination, we believe these factors place a ceiling on rate increases in 2016 that is below Fed projections.
- We anticipate that returns from investment grade fixed income will be low, as they tend to be highly correlated with starting yields. The starting yield on the Barclays Aggregate Bond Index was 2.6% at December 31, 2015.
- The high yield bond market suffered in 2015 from rising defaults, declining liquidity and capital outflows. Fitch forecasts the U.S. high yield default rate for 2016 at 4.5%, although excluding mining and energy, defaults are expected to be just 1.5%, well below historical averages. The default rate for the energy sector is expected to reach 11% in 2016. The fallout from commodity price declines along with concerns over rising U.S. interest rates caused investors to pull money from junk bond funds. Unfortunately, liquidity has been declining, particularly within the high yield sector, as regulatory changes and bank capital requirements have reduced bank bond inventories. Yields have spiked to more attractive levels. Core plus and global unconstrained managers should benefit from an increased opportunity set.

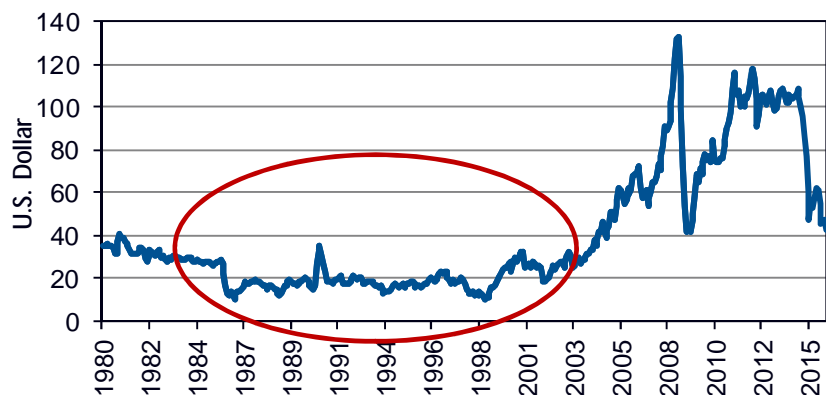
Commodities: Energy Prices at Cycle Lows and Could Remain So During 2016

World Oil Supply & Demand (million barrels per day) – Supply Expected to Decline Slowly

	2012	2013	2014	2015	2016
Supply					
OECD	19.8	21.0	22.9	23.6	23.1
Non-OECD	29.5	29.4	29.7	30.1	29.9
Other	4.0	4.2	4.4	4.5	4.7
OPEC	37.5	36.6	36.6	N/A	N/A
Total	90.8	91.2	93.6	N/A	N/A
Demand					
OECD	45.9	46	45.7	46.3	46.3
Non-OECD	44.8	45.9	47.1	48.3	49.5
Total	90.7	91.9	92.8	94.6	95.8

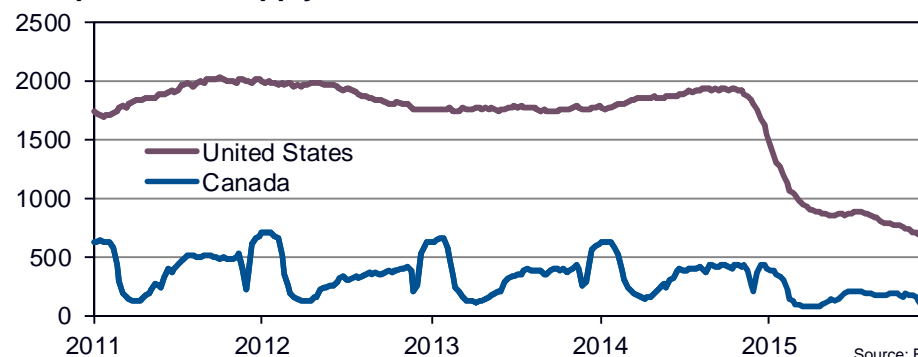
Source: IMF

Crude Oil Prices Declined Dramatically in 2015



Source: IMF. Simple average of three spot prices: Dated Brent, WTI and Dubai Fateh

North American Rotary Weekly Rig Count Down Significantly – Will Help Balance Supply



Source: Baker Hughes

Observations

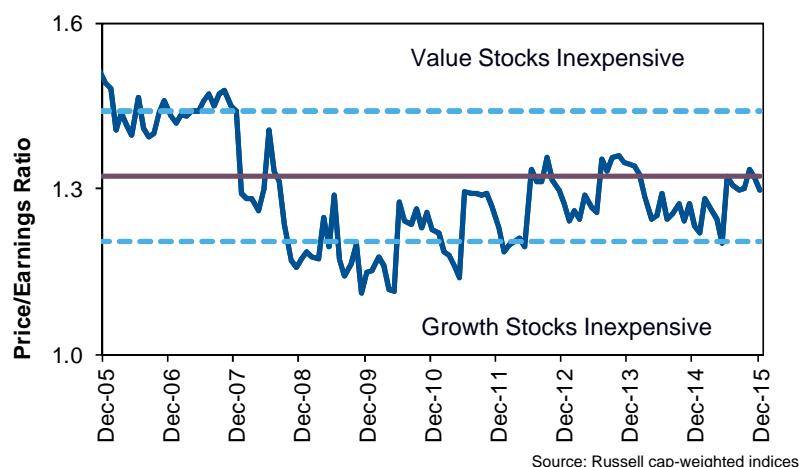
- Oil prices declined more than 50% during the past 18 months, mainly as a result of oversupply conditions. Rig counts are down and expectations are that supply should fall to levels more supportive of price increases in the second half of 2016. Supply conditions remain uncertain, however. OPEC countries are dependent on oil revenues for budget spending. IMF rough calculations show that prior to the oil price decline, countries of the Gulf Cooperation Council (GCC) were projected to have a combined fiscal surplus of about \$100 billion in 2015 and about \$200 billion between 2015 and 2020. Now, they are likely to have a combined deficit of \$145 billion in 2015 and over \$750 billion in 2015-20. OPEC expects to continue producing without a cap and with Iran sanctions having come off, more oil could flood the market near term. OPEC forecasts that it will reduce production by 2019. Demand remains relatively steady.
- Some current forecasts suggest oil will rebound to \$70 per barrel sometime between 2017 and 2020. Other forecasts call for \$20 oil. We note that oil price forecasts have wide error bands and oil prices have remained low for long periods.
- Default rates are picking up in the energy sector, reaching an estimated 11% for below-investment-grade bonds in 2016 with leveraged loans reaching a similar level of defaults on a trailing twelve months basis.

Recommendation

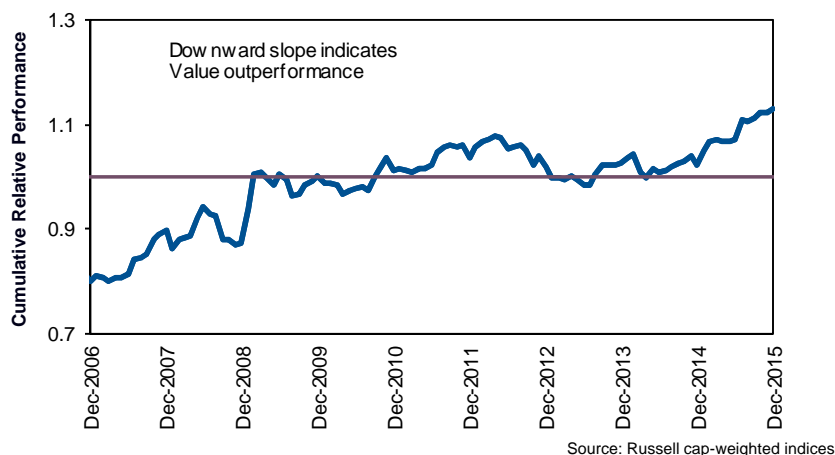
- While oil prices may be near lows for the cycle, a rebound is difficult to predict – particularly in the face of OPEC's plan to maintain production capacity and put higher cost producers out of business. We believe there will be continued pain for North American producers and do not yet see an energy opportunity just yet. Tighter financing and more limited bond market liquidity, as well as increased risk aversion factor into our thinking.
- Sentiment is very negative and commodity prices low, so a rebound is possible. However, with global growth and inflation remaining low, we believe upside is limited.

U.S. Large Cap Equities Growth and Value Styles (Tilt to Value)

U.S. Large Growth vs. Value Price/Earnings Ratios – Growth and Value Stocks Appear Fairly Priced



U.S. Growth-Value Stock Performance Favoring Growth Since 2014



Price/Book: Cheapest Quintile of 1000 Stock Universe to S&P 500 is Reaching Peak Levels



Observations

- U.S. large cap growth stocks began noticeably outperforming value stocks in 2015, largely as a result of strong performance from healthcare and IT (traditional growth sectors), and very weak performance from the energy sector, which makes up a larger portion of the value index. For the prior five years, the performance of growth and value stocks had not been significantly different.
- Overall, valuations between growth and value stocks are average, however, we note that the opportunity within the value style appears above average. The valuation disparity between the cheapest quintile of 1000 stocks and the S&P 500 is approaching the one standard deviation band, with the cheapest stocks trading near 35% of the S&P 500's value. Energy, materials, and other cyclical companies have fallen significantly in price during the past year. We believe these companies have more upside potential than downside. Sentiment toward these companies is very negative as well. In combination, we believe these factors suggest a turning point in the value/growth cycle in the U.S.

Recommendation

- Tilt toward value stocks within the U.S.



Emerging Markets Equities (Underweight to Target)

Emerging Markets Valuations Look Average



Source: MSCI

EM Currencies Continue to Decline



Source: JP Morgan, Bloomberg

Emerging Markets Sentiment at Extreme Negative Levels



Source: BofA Merrill Lynch Global Fund Survey

Observations

- Emerging market equities are trading near fair value. Relative to the U.S. and EAFE, emerging markets look inexpensive, but not as cheap as they have been at prior troughs on either P/E or P/BV measures.
- Emerging market economic growth is slowing at a time when developed markets growth is accelerating. Combined with a strengthening U.S. dollar, tighter lending conditions and low commodity prices, the economic outlook for emerging market countries as well as various sectors is mixed.
- Market volatility has picked up and is likely to stay high as China's economy shifts toward domestic consumption and away from exports and government fixed investment, while the Fed looks to normalize monetary policy.
- The markets are in a risk-off mode — a period when emerging markets tend to underperform. However, sentiment on emerging markets is very negative, suggesting that a bottom could be approaching.

Recommendation

- Country-specific risks are high (Brazil, Russia, China) favoring stock-picking managers to find true values. Maintain underweights to target for the time being.

Surplus Cash Executive Summary

Portfolio Update - December 2015

The Surplus Cash portfolio excluding District assets returned +1.8% for the quarter, underperforming its benchmark by 30 basis points. Asset allocation differences relative to the benchmark drove underperformance; however, manager performance also negatively impacted relative returns. An average overweight allocation to both short and market duration fixed income coupled with an underweight allocation to international equity weighed on performance. The Alternatives composite hindered performance results as the Direct Hedge Fund composite underperformed the HFRI Fund of Funds Index by 180 basis points. Real estate performance was not available at time of report production. Domestic equity managers partially offset the negative impact of alternative managers. Active large-cap managers Sands and Barrow Hanley outperformed their respective benchmarks. Strong stock selection within the information technology sector proved accretive for Sands, while Barrow Hanley was aided by beneficial sector positioning. Small-cap value manager Wellington also performed well and ranked in the top decile amongst its peers as strong selection, particularly within the health care sector, helped. Market duration fixed income managers positively contributed to performance. Dodge & Cox experienced flat investment performance for the quarter, preserving capital as the Barclays U.S. Aggregate Index was down 0.6%. MetWest also added value, outpacing the benchmark by 20 basis points. Both managers benefited from shorter-than-benchmark duration positioning as interest rates rose. International equity managers combined to have a marginally positive impact on relative results. Walter Scott (Dreyfus) outperformed the MSCI AC World ex U.S. Index; however, the positive impact was partially offset by Northern Cross (Harbor). In its first full quarter since inception, Harding Loevner Emerging Markets performed in line with its benchmark.

Investment Activity

In October, \$1.4 million of the capital committed to the Walton Real Estate Fund VII was called. The unfunded commitment to Walton Street stands at \$2.3 million. Additionally, Walton Street made distribution payments of \$1.6 million, which were used to make additional contributions to the Northern Cross (Harbor) Fund. In November and December, the Oaktree Real Estate Opportunities Fund VI made distribution payments of \$1.4 million and \$0.6 million, respectively. In January 2016, a \$13.0 million commitment was made to the Walton Street Real Estate Fund VIII. Also in January 2016, \$30.0 million of redemptions were made from a combination of Dodge & Cox (\$8.0 million), MetWest (\$8.0 million), and Barrow Hanley Short Duration (\$14.0 million) to fund operating needs.

Recommendations or Action Items

Pavilion recommends no changes to the traditional asset manager lineup at this time, but will keep a close watch on developments and performance at Cortina. Please see the Surplus Cash Hedge Fund Portfolio report for recommendations specific to that program.

Cash Balance Plan Executive Summary

Portfolio Update - December 2015

The Cash Balance Plan returned +3.1% during the quarter, outperforming its benchmark by 50 basis points. Outperformance was driven by manager results; however, asset allocation differences relative to the benchmark also added marginal value. Domestic equity managers positively contributed to performance most during the quarter. Active large-cap managers Sands and Barrow Hanley outperformed their respective benchmarks. Strong stock selection within the information technology sector proved accretive for Sands, while Barrow Hanley was aided by beneficial sector positioning. Small-cap value manager Wellington also performed well and ranked in the top decile amongst its peers as strong selection, particularly within the health care sector, helped. International equity managers added value as Walter Scott (Dreyfus) outperformed the MSCI AC World ex U.S. Index by 150 basis points. Walter Scott's stock selection, particularly within the European region, proved beneficial. Northern Cross (Harbor), however, trailed its benchmark by 30 basis points and partially offset the positive impact of other managers. The market duration fixed income composite positively contributed to results during the quarter as both Dodge & Cox and MetWest outperformed the Barclays U.S. Aggregate. The managers' shorter-than-benchmark duration positioning aided relative results as interest rates increased during the quarter. Alternative managers had a negligible impact on relative performance. Hedge fund-of-funds managers Lighthouse and Pointer outpaced the HFRI Fund of Funds Composite Index by 140 and 150 basis points, respectively; however, real estate performance was not available at time report production.

Investment Activity

During October, \$0.8 million of the capital committed to the Walton Real Estate Fund VII was called. The unfunded commitment to Walton Street stands at \$1.4 million. Walton Street made distribution payments of \$1.0 million during October, which were used to make additional contributions to the Barrow Hanley Short-Term Fixed account. An employer contribution of \$2.4 million was made in October with the proceeds invested in the Barrow Hanley Short-Term Fixed account. In November and December, the Oaktree Real Estate Opportunities Fund VI made distribution payments of \$0.8 million and \$0.3 million, respectively. In January 2016, a \$10.0 million commitment was made to the Walton Real Estate Fund VIII. An additional \$2.4 million employer contribution was made in January with the proceeds invested in the Barrow Hanley Short-Term Fixed account.

Recommendations or Action Items

Pavilion recommends no changes to the existing manager lineup at this time, but will keep a close watch on developments and performance at Cortina.

Surplus Cash Executive Summary

Manager Compliance Checklist

As of December 31, 2015

Managers	Vanguard S&P 500 Index	Sands Large Cap Growth (Touchstone)	Barrow Hanley LCV	Cortina Small Cap Growth	Wellington Small Cap Value	Walter Scott Int'l (Dreyfus)	Northern Cross (Harbor Int'l)
Organizational/Product Issues							
No changes to investment team	+	-	-	+	+	+	+
No organizational changes	+	+	+	+	+	+	+
No accounting or regulatory concerns	+	+	+	+	+	+	+
Currently in adherence to guidelines	+	+	+	+	+	+	+
Characteristics meet stylistic expectations	+	+	+	+	+	+	+
Relative Performance ^{1,2}							
Three-year return > benchmark	In Line	-150 bps	+	-590 bps	+	-30 bps	+
Three-year ranking > peer group median	+	68th	+	94th	+	65th	64th
Five year return > benchmark	In Line	+	+	-390 bps	+	+	+
Five year ranking > peer group median	+	+	+	89th	+	+	+
Performance Status	+	+	+	-	+	+	+
Date performance status changed	3Q14						
Summary Status	+	+	+	-	+	+	+
Date summary status changed	1Q15						

¹ Manager performance is evaluated net of investment management fees.

² For each manager that underperformed its benchmark and/or peer group, the magnitude of underperformance and/or peer group ranking is shown.

Surplus Cash Executive Summary

Manager Compliance Checklist

As of December 31, 2015

Managers	Harding Loevner	Barrow Hanley Short Fixed	Dodge & Cox Fixed	MetWest Fixed
----------	--------------------	---------------------------------	----------------------	------------------

Organizational/Product Issues

No changes to investment team	+	+	+	+
No organizational changes	+	+	+	+
No accounting or regulatory concerns	+	+	+	+
Currently in adherence to guidelines	+	+	+	+
Characteristics meet stylistic expectations	+	+	+	+

Relative Performance^{1,2}

Three-year return > benchmark	+	-10 bps	+	In Line
Three-year ranking > peer group median	+	+	+	+
Five year return > benchmark	+	-10 bps	+	+
Five year ranking > peer group median	+	71st	+	+

Performance Status

+	+	+	+
---	---	---	---

Date performance status changed

Summary Status

+	+	+	+
---	---	---	---

Date summary status changed

¹ Manager performance is evaluated net of investment management fees.

² For each manager that underperformed its benchmark and/or peer group, the magnitude of underperformance and/or peer group ranking is shown.

Cash Balance Plan Executive Summary

Manager Compliance Checklist

As of December 31, 2015

Managers	Vanguard S&P 500 Index	Sands Large Cap Growth (Touchstone)	Barrow Hanley LCV	Cortina Small Cap Growth	Wellington Small Cap Value	Walter Scott Int'l (Dreyfus)	Northern Cross (Harbor Int'l)
Organizational/Product Issues							
No changes to investment team	+	-	-	+	+	+	+
No organizational changes	+	+	+	+	+	+	+
No accounting or regulatory concerns	+	+	+	+	+	+	+
Currently in adherence to guidelines	+	+	+	+	+	+	+
Characteristics meet stylistic expectations	+	+	+	+	+	+	+
Relative Performance ^{1,2}							
Three-year return > benchmark	In Line	-150 bps	+	-590 bps	+	-30 bps	+
Three-year ranking > peer group median	+	68th	+	94th	+	65th	64th
Five year return > benchmark	In Line	+	+	-390 bps	+	+	+
Five year ranking > peer group median	+	+	+	89th	+	+	+
Performance Status	+	+	+	-	+	+	+
Date performance status changed	3Q14						
Summary Status	+	+	+	-	+	+	+
Date summary status changed	1Q15						

¹ Manager performance is evaluated net of investment management fees.

² For each manager that underperformed its benchmark and/or peer group, the magnitude of underperformance and/or peer group ranking is shown.

Cash Balance Plan Executive Summary

Manager Compliance Checklist

As of December 31, 2015

Managers	Barrow Hanley Short Fixed	Dodge & Cox Fixed	MetWest Fixed	Lighthouse	Pointer
Organizational/Product Issues					
No changes to investment team	+	+	+	+	+
No organizational changes	+	+	+	+	+
No accounting or regulatory concerns	+	+	+	+	+
Currently in adherence to guidelines	+	+	+	+	+
Characteristics meet stylistic expectations	+	+	+	+	+
Relative Performance ^{1, 2}					
Three-year return > benchmark	-20 bps	+	+	+	+
Three-year ranking > peer group median	52nd	+	+	N/A	N/A
Five year return > benchmark	-20 bps	+	+	+	+
Five year ranking > peer group median	73rd	+	+	N/A	N/A
Performance Status	+	+	+	+	+
Date performance status changed					
Summary Status	+	+	+	+	+
Date summary status changed					

¹ Manager performance is evaluated net of investment management fees.

² For each manager that underperformed its benchmark and/or peer group, the magnitude of underperformance and/or peer group ranking is shown.

Executive Summary

Manager Compliance Checklist

As of December 31, 2015

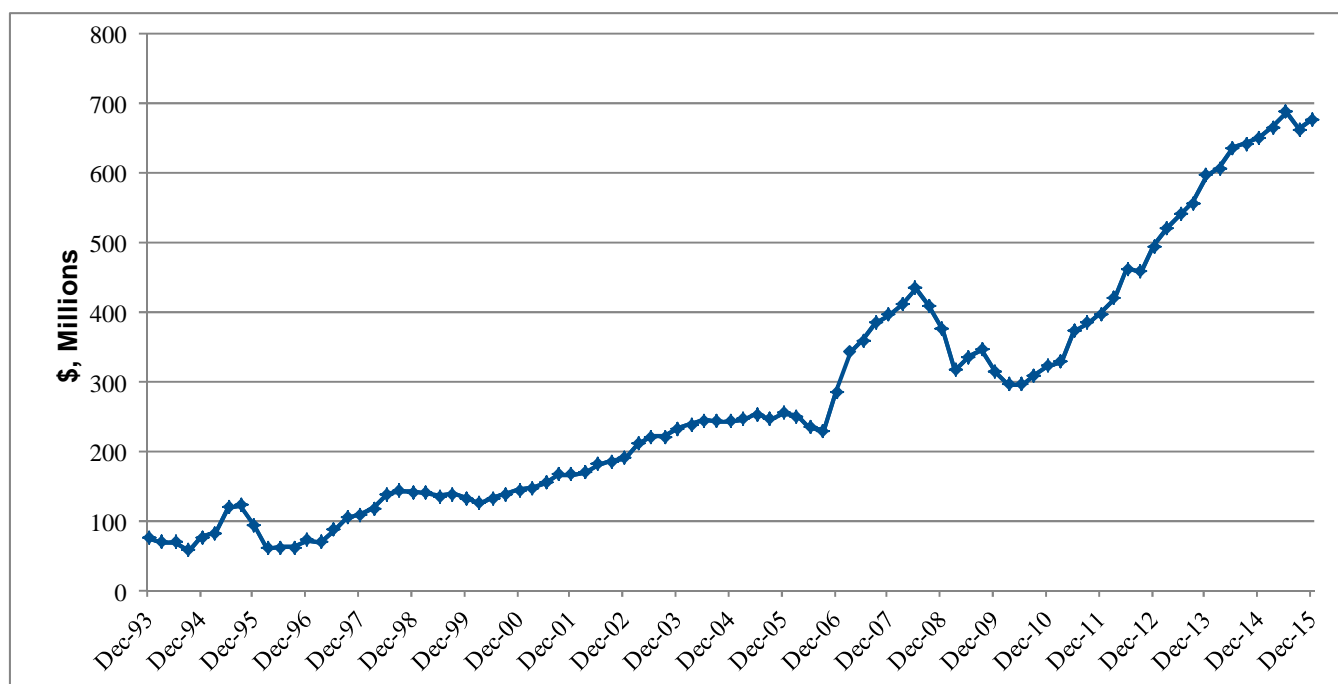
Manager	Compliance Issue	Explanation	Recommended Action	Comments
Sands Large Cap Growth (Touchstone)	Investment Team Change	Tom Ricketts, one the three portfolio managers and member of the Executive Management Team, has decided to leave Sands Capital. Mr. Ricketts will continue to work at Sands Capital through June 30, 2016.	Hold	<p>All departures at the portfolio management level on any investment team are worth noting, however, Sands has maintained a proven investment philosophy and stable investment team up until this point.</p> <p>Our research team will be conducting further due diligence on this departure in the coming weeks. Until then, Pavilion recommends no action at this time and will monitor this situation closely moving forward.</p>
Barrow Hanley LCV	Investment Team Change	El Camino's Barrow Hanley Large-Cap Value separate account portfolio manager, Tim Culler, will be retiring on March 31, 2016. Lewis Ropp, who has 34 years of industry experience and has been a part of Barrow Hanley since 2001, will take over portfolio management duties from Tim Culler upon his retirement.	Hold	<p>While investment team turnover is not desirable, Mr. Culler has over 30 years of industry experience and after this length of time, it is not surprising to see him step down from his portfolio management role. Lewis Ropp, who will replace Mr. Culler upon his retirement, has significant investment experience and has been a part of Barrow Hanley for over 15 years. Given Barrow Hanley's deep bench of portfolio managers and analysts and strong track record, Pavilion recommends no action as this time. Pavilion will continue to closely monitor the transition over the next year.</p>

Surplus Cash Executive Summary

Market Value Reconciliation

As of December 31, 2015

\$ in Millions	2008	2009	2010	2011	2012 ¹	2013	2014	1st Quarter 2015	2nd Quarter 2015	3rd Quarter 2015	4th Quarter 2015
Beginning Market Value	\$395.6	\$374.4	\$313.5	\$322.6	\$396.7	\$493.8	\$596.3	\$651.6	\$664.9	\$688.1	\$662.5
Net Cash Flow	(\$16.3)	(\$91.8)	(\$10.5)	\$55.6	\$67.8	\$55.3	\$27.4	\$2.1	\$21.9	\$1.2	\$1.8
Income	n/a	n/a	n/a	n/a	n/a	n/a	\$12.3	\$3.3	\$2.6	\$2.6	\$4.1
Realized Gain/(Loss)	n/a	n/a	n/a	n/a	n/a	n/a	\$10.4	\$1.6	(\$0.4)	\$0.4	\$2.7
Unrealized Gain/(Loss)	n/a	n/a	n/a	n/a	n/a	n/a	\$5.3	\$6.4	(\$0.9)	(\$29.8)	\$5.5
Capital App/(Dep)	(\$5.0)	\$30.9	\$19.6	\$18.5	\$29.3	\$47.2	\$27.9	\$11.3	\$1.3	(\$26.7)	\$12.4
End of Period Market Value	\$374.4	\$313.5	\$322.6	\$396.7	\$493.8	\$596.3	\$651.6	\$664.9	\$688.1	\$662.5	\$676.8
Return Net of Fees	-1.2%	11.3%	6.4%	5.1%	6.6%	8.8%	4.4%	1.7%	0.2%	-3.9%	1.8%



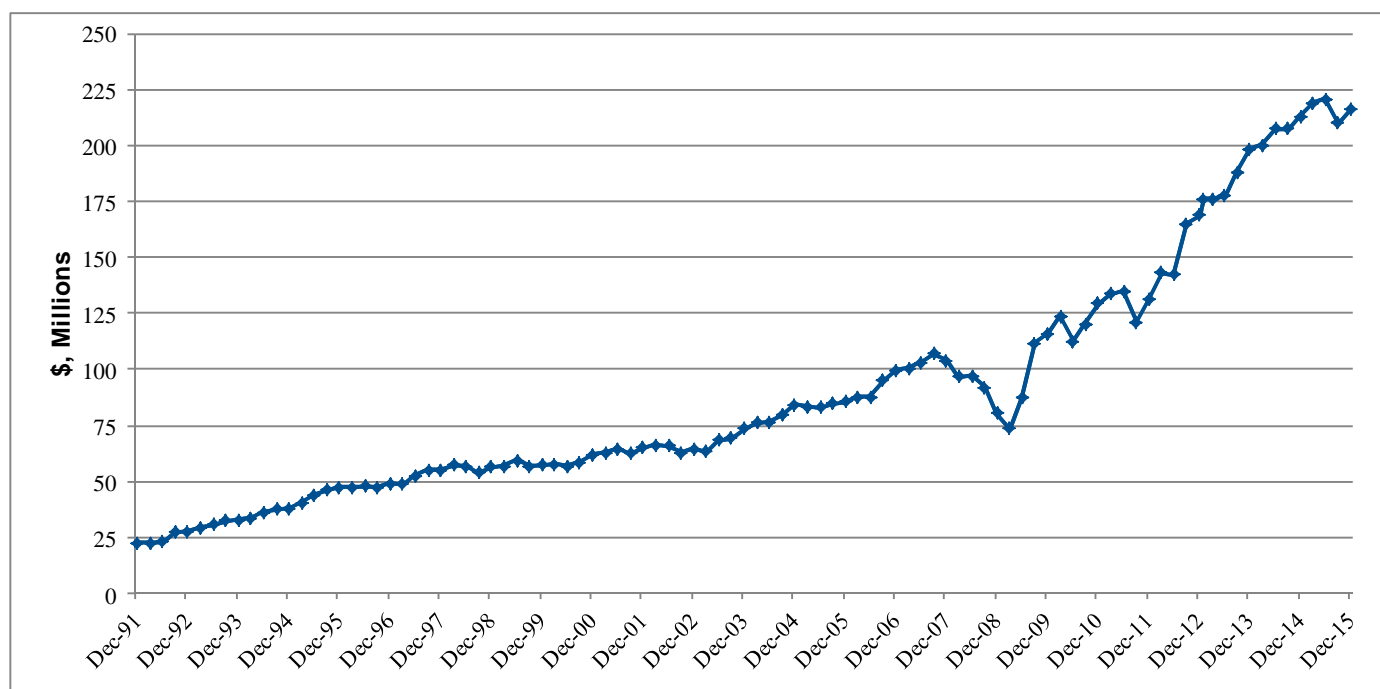
¹ Beginning 8/1/2012, market values represent the Surplus Cash portfolio excluding District assets, with \$13.9 million of District assets shown as a cash outflow in the third quarter of 2012.

Cash Balance Plan Executive Summary

Market Value Reconciliation

As of December 31, 2015

\$ in Millions	2008	2009	2010	2011	2012	2013	2014	1st Quarter 2015	2nd Quarter 2015	3rd Quarter 2015	4th Quarter 2015
Beginning Market Value	\$104.0	\$80.5	\$116.1	\$129.2	\$130.9	\$168.8	\$198.3	\$213.7	\$218.9	\$221.4	\$209.8
Net Cash Flow	\$4.3	\$11.8	(\$0.8)	\$2.3	\$14.7	\$2.4	\$3.8	\$0.4	\$1.2	(\$1.1)	\$0.1
Income	n/a	n/a	n/a	n/a	n/a	n/a	\$3.4	\$0.7	\$0.6	\$0.6	\$1.3
Realized Gain/(Loss)	n/a	n/a	n/a	n/a	n/a	n/a	\$4.7	\$0.1	\$0.2	\$0.1	\$1.6
Unrealized Gain/(Loss)	n/a	n/a	n/a	n/a	n/a	n/a	\$3.4	\$4.0	\$0.4	(\$11.2)	\$3.6
Capital App/(Dep)	(\$27.8)	\$23.8	\$13.9	(\$0.6)	\$23.2	\$27.2	\$11.5	\$4.8	\$1.3	(\$10.5)	\$6.5
End of Period Market Value	\$80.5	\$116.1	\$129.2	\$130.9	\$168.8	\$198.3	\$213.7	\$218.9	\$221.4	\$209.8	\$216.4
Return Net of Fees	-25.9%	28.2%	11.7%	-0.9%	17.0%	15.8%	5.6%	2.2%	0.5%	-4.7%	3.1%



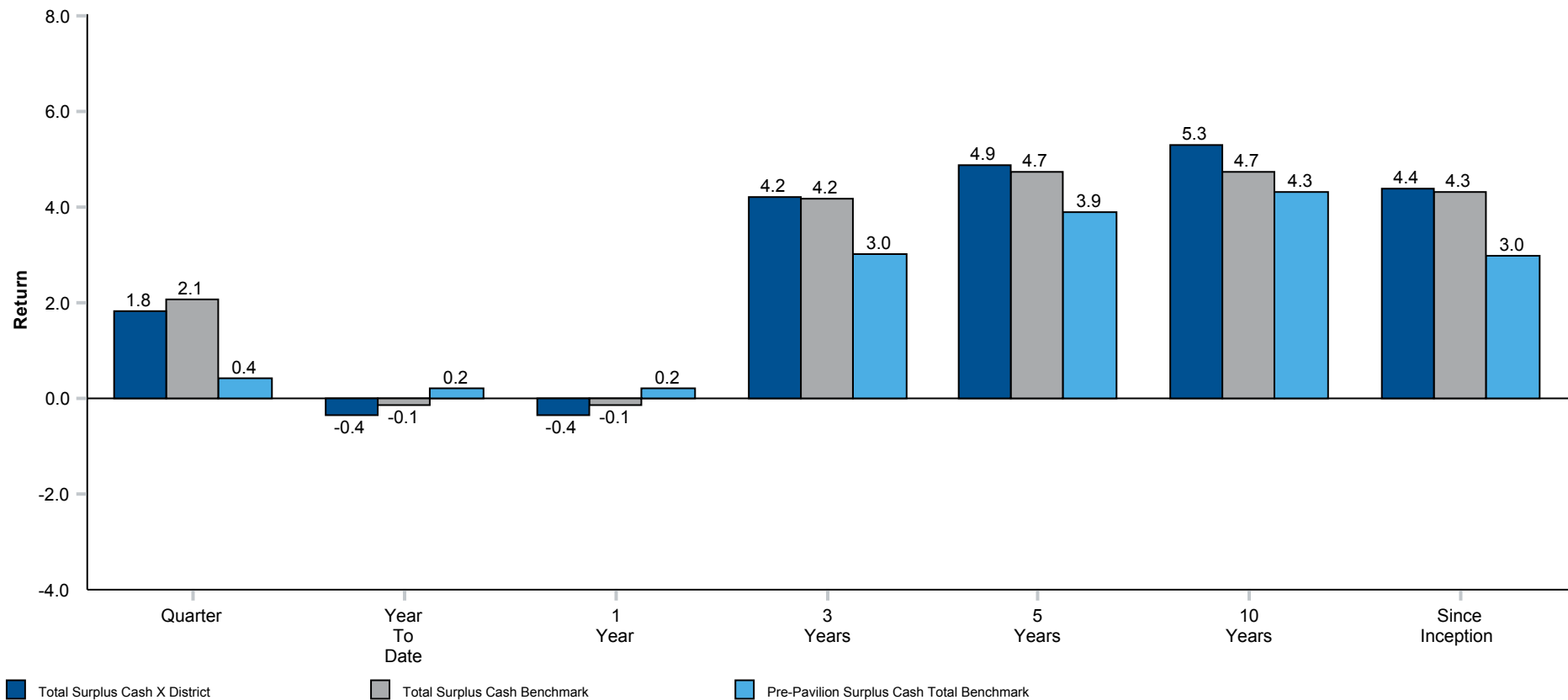


Surplus Cash - Performance Summary

Performance Summary

Total Surplus Cash X District vs. Total Surplus Cash Benchmark*

As of December 31, 2015



	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Total Surplus Cash X District	1.8	-0.4	-0.4	4.2	4.9	5.3	4.4	3y 2m
Total Surplus Cash Benchmark	2.1	-0.1	-0.1	4.2	4.7	4.7	4.3	
Pre-Pavilion Surplus Cash Total Benchmark	0.4	0.2	0.2	3.0	3.9	4.3	3.0	

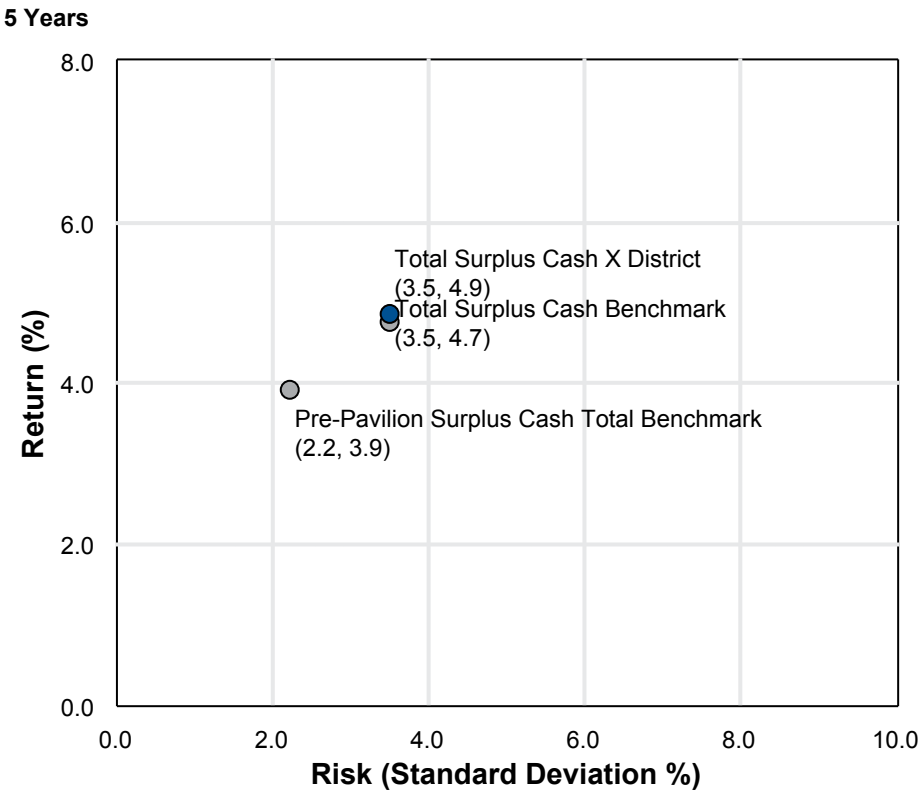
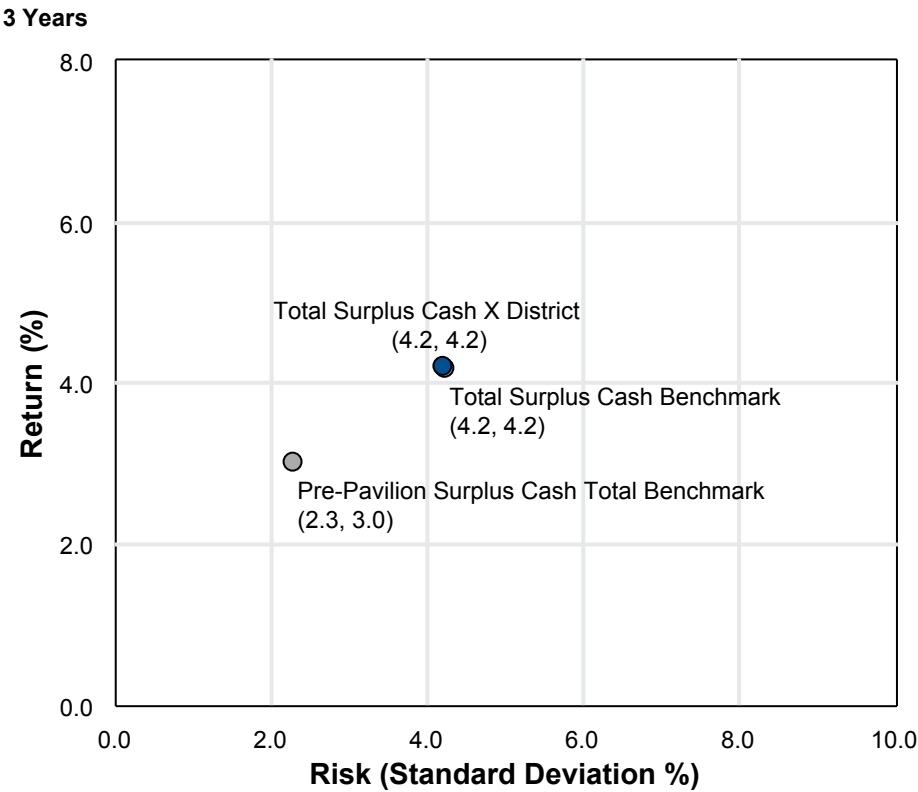
* Returns prior to August 1, 2012 include District assets. All returns are net of investment management fees.

* Since inception returns reflect the date Pavilion's recommended portfolio was implemented (11/1/2012).

Performance Summary

Risk and Return Summary (Net of Fees)

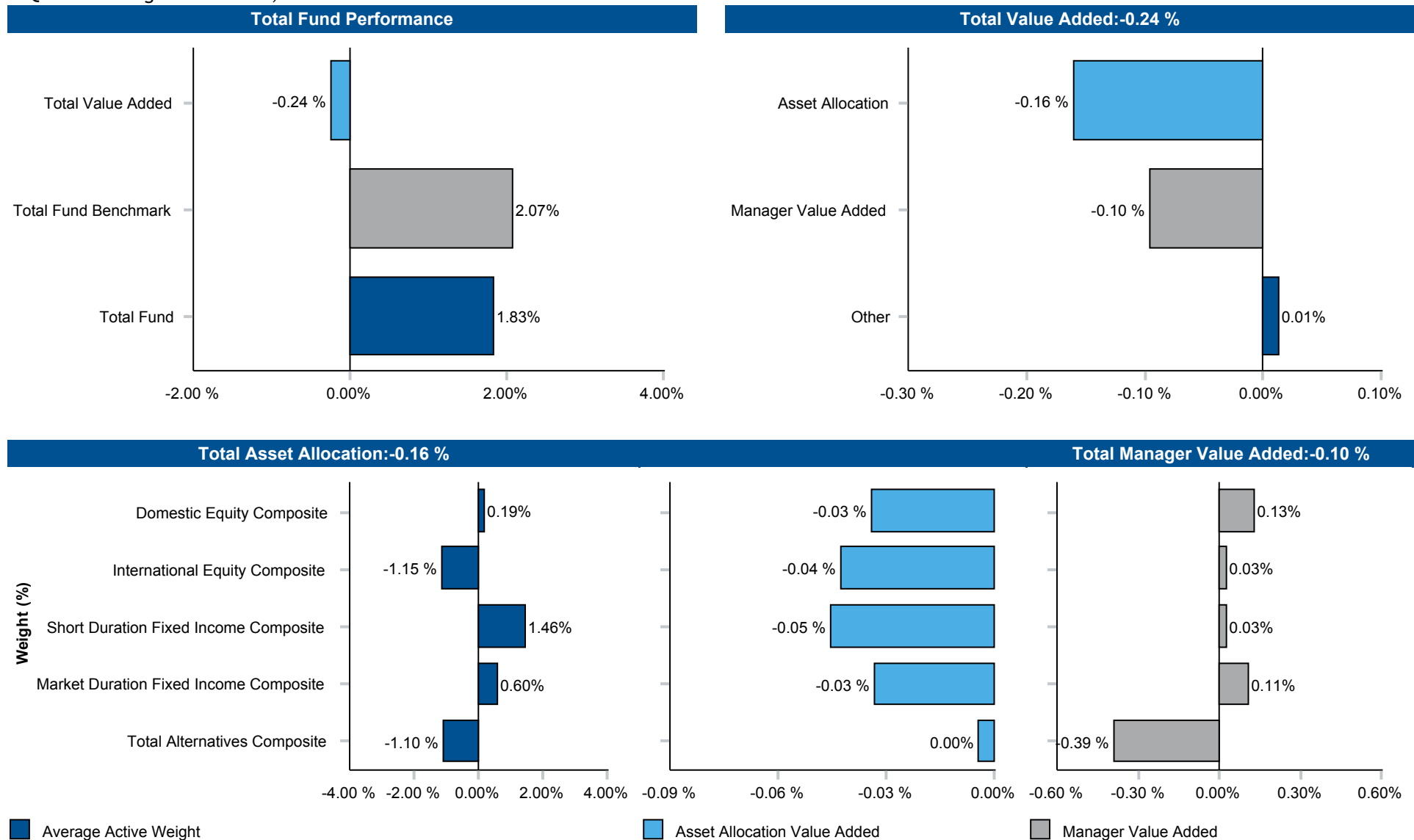
As of December 31, 2015



Performance Summary

Total Surplus Cash X District Attribution

1 Quarter Ending December 31, 2015

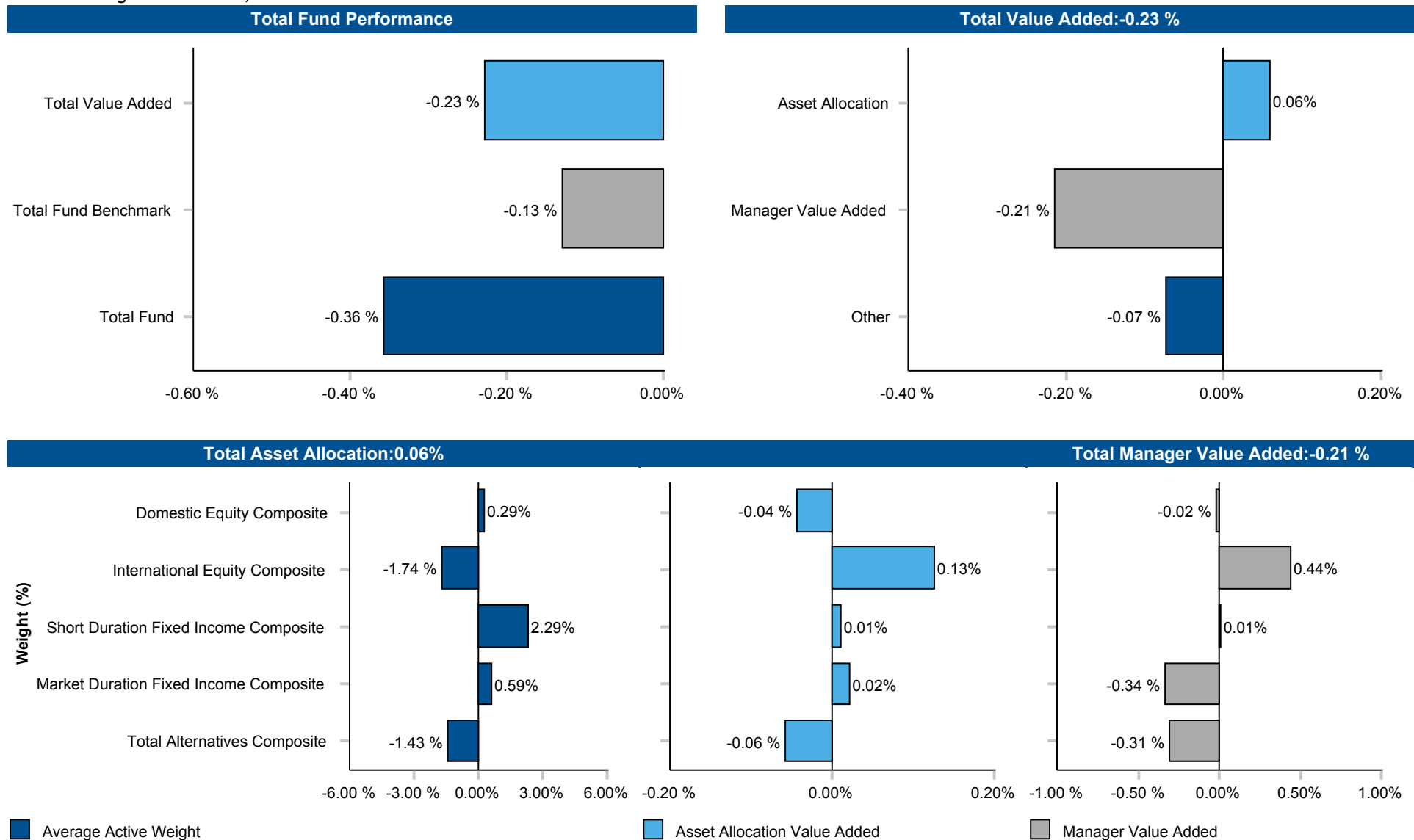


“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Performance Summary

Total Surplus Cash X District Attribution

1 Year Ending December 31, 2015

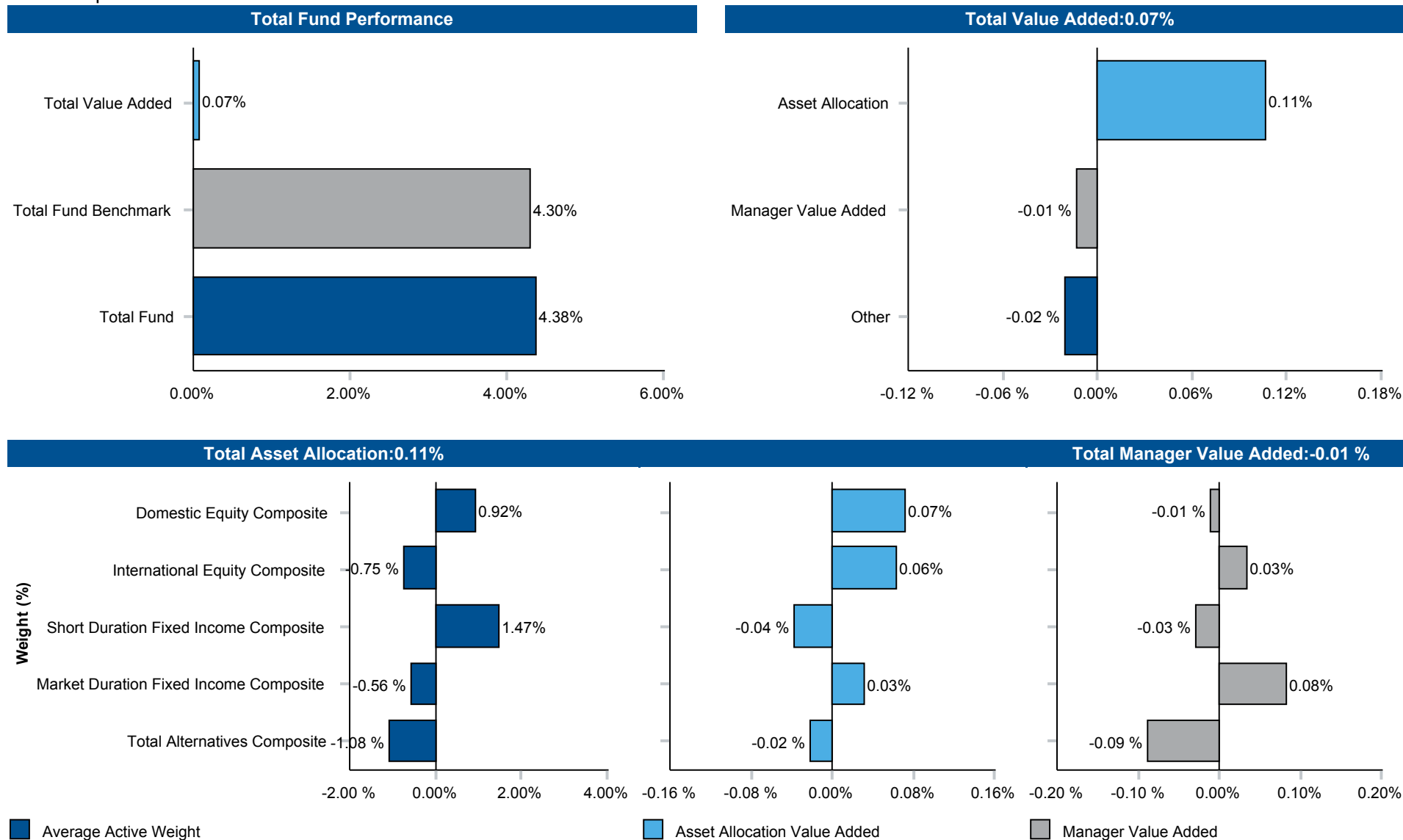


“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Performance Summary

Total Surplus Cash X District Attribution

Since Inception



“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Total Surplus Cash X District	676,765,431	100.0	1.8	-0.4	-0.4	4.2	4.9	5.3	4.4	3y 2m
Surplus Cash Total Benchmark			2.1	-0.1	-0.1	4.2	4.7	4.7	4.3	
Pre-Pavilion Surplus Cash Total Benchmark			0.4	0.2	0.2	3.0	3.9	4.3	3.0	
Total Surplus Cash X District X Privates	648,810,736	95.9	1.9	-0.8	-0.8	3.9	4.7	5.2	4.1	3y 2m
Surplus Cash Total Benchmark x Privates			2.1	-0.3	-0.3	4.1	4.7	4.7	4.2	
Total Equity Composite	265,577,937	39.2	5.5	-1.0	-1.0	10.0	9.9	5.2	10.7	3y 2m
Total Equity Benchmark - Surplus			5.1	-2.2	-2.2	9.9	9.6	5.4	10.5	
Domestic Equity Composite	172,197,481	25.4	6.7	-0.2	-0.2	14.1	12.1	6.2	14.2	3y 2m
Domestic Equity Benchmark - Surplus			6.1	0.0	0.0	14.4	12.1	6.5	14.4	
Large Cap Equity Composite	142,430,864	21.0	7.2	0.5	0.5	15.1	12.7	6.5	15.2	3y 2m
Large Cap Equity Benchmark			6.8	1.1	1.1	15.0	12.4	6.7	14.8	
Small Cap Equity Composite	29,766,617	4.4	4.3	-3.4	-3.4	10.6	N/A	N/A	10.4	3y 2m
Small Cap Equity Benchmark			3.6	-4.4	-4.4	11.7	9.2	6.8	12.5	
International Equity Composite	93,380,456	13.8	3.4	-1.9	-1.9	1.5	N/A	N/A	3.3	3y 2m
MSCI AC World ex USA (Net)			3.2	-5.7	-5.7	1.5	1.1	2.9	3.1	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Total Fixed Income Composite	286,174,010	42.3	-0.2	0.0	0.0	1.3	2.7	4.3	1.3	3y 2m
Total Fixed Income Benchmark - Surplus			-0.5	0.6	0.6	1.4	2.6	4.1	1.3	
 Short Duration Fixed Income Composite	 78,356,397	 11.6	 -0.1	 0.7	 0.7	 0.6	 1.9	 3.6	 0.6	 3y 2m
Short Duration Fixed Income Benchmark - Surplus			-0.4	0.7	0.7	0.7	1.8	3.6	0.7	
 Market Duration Fixed Income Composite	 207,817,613	 30.7	 -0.2	 -0.4	 -0.4	 1.5	 4.0	 N/A	 1.6	 3y 2m
Barclays U.S. Aggregate			-0.6	0.5	0.5	1.4	3.2	4.5	1.4	
 Total Alternatives Composite	 125,013,484	 18.5	 -0.9	 1.1	 1.1	 N/A	 N/A	 N/A	 4.2	 2y 8m
Total Alternatives Benchmark - Surplus			1.1	2.8	2.8	N/A	N/A	N/A	4.6	
 Real Estate Composite	 27,954,695	 4.1	 0.0	 11.3	 11.3	 N/A	 N/A	 N/A	 14.0	 2y 4m
NCREIF Property Index			2.4	12.8	12.8	11.9	12.1	7.7	12.1	
 Hedge Fund Composite	 97,058,789	 14.3	 -1.2	 -1.6	 -1.6	 N/A	 N/A	 N/A	 2.3	 2y 8m
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	3.9	2.1	2.3	2.8	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.

Performance Summary

Manager Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Large-Cap Equity										
Vanguard S&P 500 Index	87,135,164	12.9	7.0 (23)	1.4 (27)	1.4 (27)	15.1 (17)	12.5 (16)	7.3 (23)	14.8 (17)	3y 2m
S&P 500			7.0 (23)	1.4 (27)	1.4 (27)	15.1 (16)	12.6 (15)	7.3 (23)	14.8 (17)	
IM U.S. Large Cap Core Equity			6.2	-0.5	-0.5	13.6	11.0	6.4	13.5	
Sands Large Cap Growth (Touchstone)	27,988,487	4.1	9.0 (19)	0.2 (93)	0.2 (93)	15.3 (68)	14.2 (16)	9.2 (11)	16.4 (44)	3y 2m
Russell 1000 Growth Index			7.3 (62)	5.7 (48)	5.7 (48)	16.8 (37)	13.5 (25)	8.5 (22)	16.5 (41)	
IM U.S. Large Cap Growth Equity			7.7	5.5	5.5	16.2	12.3	7.5	16.1	
Barrow Hanley Large Cap Value	27,307,213	4.0	5.8 (20)	-2.3 (21)	-2.3 (21)	14.1 (12)	11.9 (7)	6.2 (30)	8.7 (1)	15y 5m
Russell 1000 Value Index			5.6 (25)	-3.8 (51)	-3.8 (51)	13.1 (24)	11.3 (18)	6.2 (29)	6.4 (43)	
IM U.S. Large Cap Value Equity			5.1	-3.8	-3.8	12.2	9.9	5.5	6.1	
Small-Cap Equity										
Cortina Small Cap Growth	13,463,567	2.0	2.8 (49)	-6.3 (74)	-6.3 (74)	8.4 (94)	6.8 (89)	6.8 (40)	7.0 (95)	3y 2m
Russell 2000 Growth Index			4.3 (28)	-1.4 (47)	-1.4 (47)	14.3 (31)	10.7 (34)	8.0 (14)	14.8 (25)	
IM U.S. Small Cap Growth Equity			2.5	-2.3	-2.3	13.2	9.8	6.5	13.3	
Wellington Small Cap Value	16,303,050	2.4	5.5 (5)	-0.8 (1)	-0.8 (1)	12.3 (4)	10.6 (2)	8.9 (1)	13.3 (4)	3y 2m
Russell 2000 Value Index			2.9 (44)	-7.5 (56)	-7.5 (56)	9.1 (50)	7.7 (52)	5.6 (50)	10.1 (49)	
IM U.S. Small Cap Value Equity			2.5	-7.1	-7.1	9.0	7.8	5.5	10.0	
International Equity										
Walter Scott Int'l (Dreyfus)	42,949,566	6.3	4.7 (26)	-0.6 (37)	-0.6 (37)	1.2 (65)	2.5 (49)	N/A	2.9 (66)	3y 2m
MSCI AC World ex USA (Net)			3.2 (51)	-5.7 (61)	-5.7 (61)	1.5 (64)	1.1 (65)	2.9 (56)	3.1 (65)	
IM International Equity			3.3	-2.8	-2.8	3.1	2.3	3.2	4.8	
Northern Cross Int'l (Harbor)	42,143,430	6.2	2.9 (58)	-3.8 (55)	-3.8 (55)	1.6 (64)	2.4 (50)	4.9 (23)	3.7 (60)	3y 2m
MSCI AC World ex USA (Net)			3.2 (51)	-5.7 (61)	-5.7 (61)	1.5 (64)	1.1 (65)	2.9 (56)	3.1 (65)	
IM International Equity			3.3	-2.8	-2.8	3.1	2.3	3.2	4.8	
Harding Loevner Emerging Markets	8,287,460	1.2	0.7 (47)	-13.5 (42)	-13.5 (42)	-4.0 (29)	-2.1 (17)	4.2 (29)	-2.2 (50)	0y 4m
MSCI EM (net)			0.7 (47)	-14.9 (56)	-14.9 (56)	-6.8 (51)	-4.8 (51)	3.6 (41)	-2.4 (54)	
IM Emerging Markets Equity			0.2	-14.2	-14.2	-6.6	-4.8	3.3	-2.2	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

Performance Summary

Manager Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Short Duration Fixed Income										
Barrow Hanley Short Fixed	76,407,885	11.3	-0.1 (36)	0.7 (18)	0.7 (18)	0.6 (39)	0.9 (71)	2.6 (38)	5.0 (13)	24y 9m
Barclays 1-3 Year Gov/Credit			-0.4 (68)	0.7 (21)	0.7 (21)	0.7 (32)	1.0 (64)	2.7 (36)	4.5 (18)	
<i>IM U.S. Short Term Investment Grade</i>			-0.2	0.3	0.3	0.5	1.2	2.3	4.0	
Cash Composite	1,948,512	0.3	0.0	0.3	0.3	0.2	N/A	N/A	-0.2	3y 2m
90 Day U.S. Treasury Bill			0.0	0.0	0.0	0.0	0.1	1.2	0.0	
Market Duration Fixed Income										
Dodge & Cox Fixed	101,259,855	15.0	0.0 (15)	-0.6 (59)	-0.6 (59)	1.8 (24)	3.6 (50)	5.0 (44)	1.8 (28)	3y 2m
Barclays U.S. Aggregate			-0.6 (57)	0.5 (11)	0.5 (11)	1.4 (44)	3.2 (64)	4.5 (65)	1.4 (51)	
<i>IM U.S. Broad Market Core+ Fixed Income</i>			-0.5	-0.5	-0.5	1.3	3.6	4.9	1.4	
MetWest Fixed	106,557,758	15.7	-0.4 (42)	0.2 (26)	0.2 (26)	1.4 (47)	4.1 (27)	6.1 (3)	1.5 (45)	3y 2m
Barclays U.S. Aggregate			-0.6 (57)	0.5 (11)	0.5 (11)	1.4 (44)	3.2 (64)	4.5 (65)	1.4 (51)	
<i>IM U.S. Broad Market Core+ Fixed Income</i>			-0.5	-0.5	-0.5	1.3	3.6	4.9	1.4	
Real Estate										
Oaktree Real Estate Opportunities Fund VI	15,437,644	2.3	0.0	11.1	11.1	N/A	N/A	N/A	12.6	2y 4m
NCREIF Property Index			2.4	12.8	12.8	11.9	12.1	7.7	12.1	
Walton Street Real Estate Fund VII, L.P.	12,517,051	1.8	0.0	11.4	11.4	N/A	N/A	N/A	21.7	2y 2m
NCREIF Property Index			2.4	12.8	12.8	11.9	12.1	7.7	12.2	
Hedge Funds										
Hedge Fund Composite	97,058,789	14.3	-1.2	-1.6	-1.6	N/A	N/A	N/A	2.3	2y 8m
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	3.9	2.1	2.3	2.8	
Total Plan										
Total Surplus Cash X District	676,765,431	100.0	1.8	-0.4	-0.4	4.2	4.9	5.3	4.4	3y 2m
Total Surplus Cash Benchmark			2.1	-0.1	-0.1	4.2	4.7	4.7	4.3	
Pre-Pavilion Total Surplus Cash Benchmark			0.4	0.2	0.2	3.0	3.9	4.3	3.0	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.



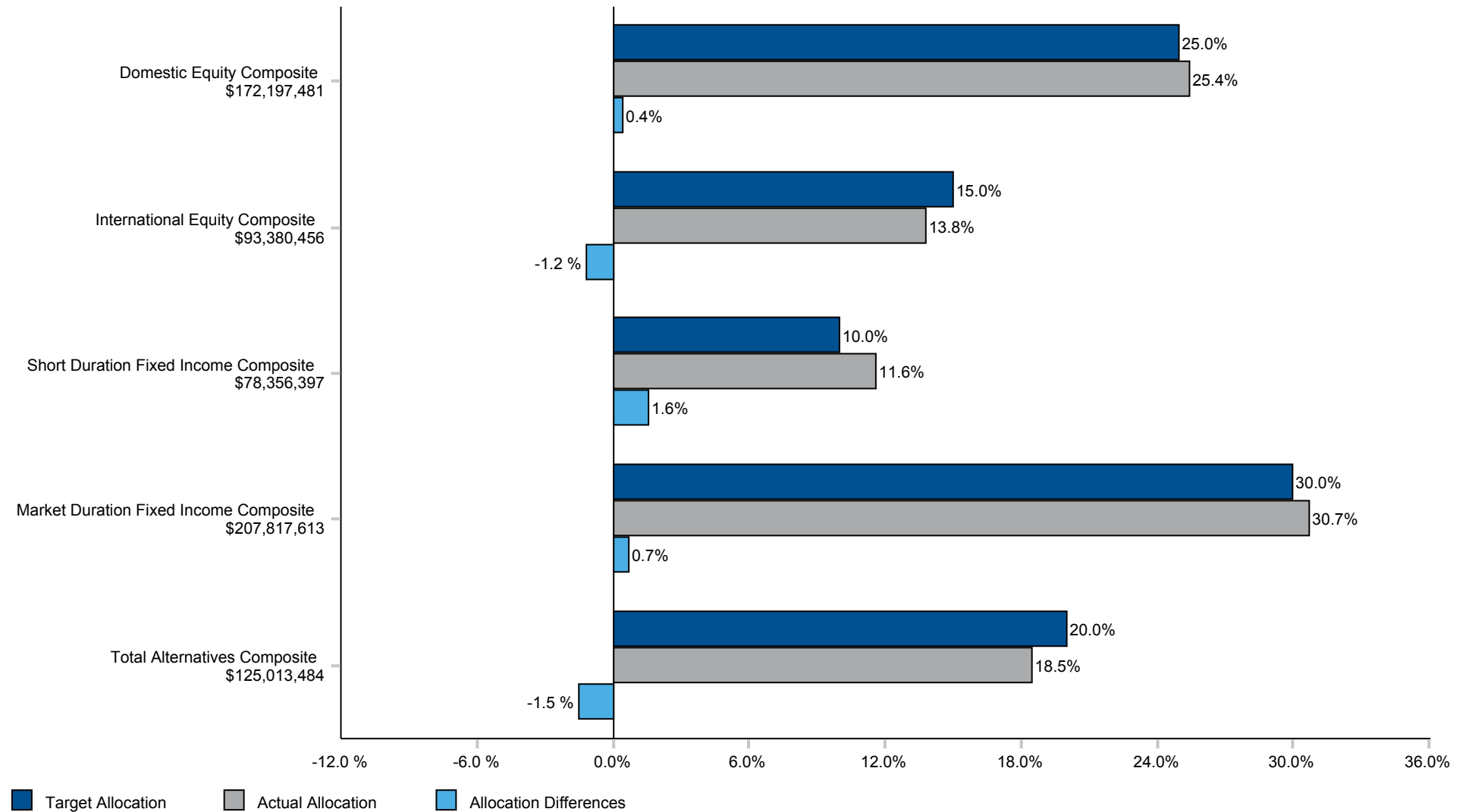
Surplus Cash - Asset Class Diversification

Asset Class Diversification

Total Surplus Cash X District vs. Surplus Cash Target Allocation

As of December 31, 2015

December 31, 2015 : \$676,765,431



Asset Class Diversification

Surplus Cash Investment Program Structure

As of December 31, 2015

Manager	Asset Class/Type	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Weighting Relative to Target	Target Range
Large-Cap Domestic Equity		\$142.4	21.0%	20.0%	+ 1.0%	20-30%
Vanguard S&P 500 Index	Large-Cap Index	\$ 87.1	12.9%	10.0%	+ 2.9%	
Sands	Large-Cap Growth	\$ 28.0	4.1%	5.0%	- 0.9%	
Barrow Hanley	Large-Cap Value	\$ 27.3	4.0%	5.0%	- 1.0%	
Small-Cap Domestic Equity		\$ 29.8	4.4%	5.0%	- 0.6%	
Cortina	Small-Cap Growth	\$ 13.5	2.0%	2.5%	- 0.5%	
Wellington	Small-Cap Value	\$ 16.3	2.4%	2.5%	- 0.1%	
International Equity		\$ 93.4	13.8%	15.0%	- 1.2%	10-20%
Walter Scott	Developed and Emerging	\$ 42.9	6.3%	7.5%	- 1.2%	
Harbor	Developed and Emerging	\$ 42.1	6.2%	7.5%	- 1.3%	
Harding Loevner	Emerging	\$ 8.3	1.2%	0.0%	+ 1.2%	
Short-Duration Fixed Income		\$ 78.4	11.6%	10.0%	+ 1.6%	8-12%
Barrow Hanley	Short Duration	\$ 76.4	11.3%	10.0%	+ 1.3%	
Cash	Money Market	\$ 1.9	0.3%	0.0%	+ 0.3%	
Market-Duration Fixed Income		\$207.8	30.7%	30.0%	+ 0.7%	25-35%
Dodge & Cox	Market Duration	\$101.3	15.0%	15.0%	- 0.0%	
MetWest	Market Duration	\$106.6	15.7%	15.0%	+ 0.7%	
Alternatives		\$125.0	18.5%	20.0%	- 1.5%	17-23%
Oaktree RE Opportunities	Real Estate	\$ 15.4	2.3%	2.5%	- 0.2%	
Walton Street	Real Estate	\$ 12.5	1.8%	2.5%	- 0.7%	
Direct Hedge Fund Composite	Hedge Fund	\$ 97.1	14.3%	15.0%	- 0.7%	
Total (X District)		\$676.8	100.0%			
District Assets - Barrow Hanley	Short Duration	\$ 26.6				
Debt Reserves - Ponder	Short Duration	\$ 34.8				
Total Surplus Cash		\$738.2				

*Totals may not add due to rounding.

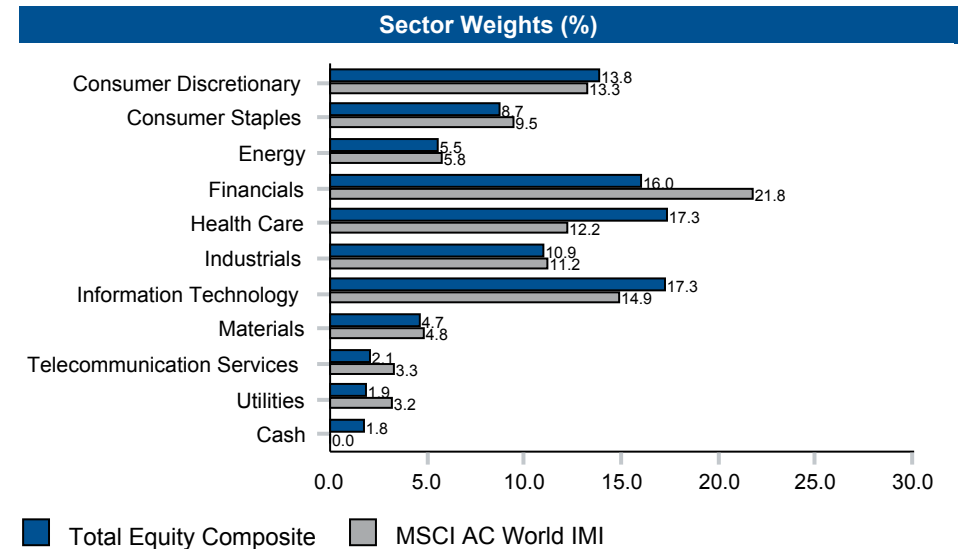
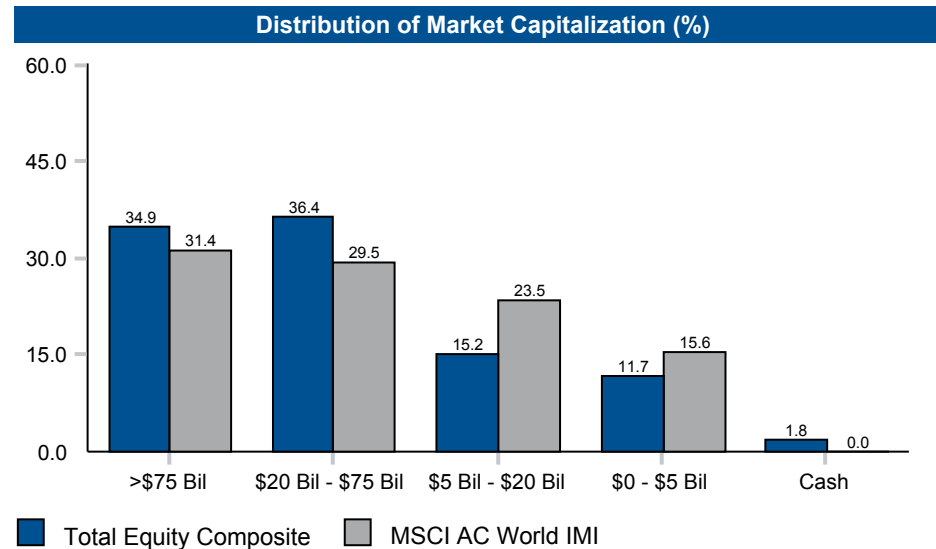
Equity Portfolio - Characteristics

Surplus Cash Equity Composite vs. MSCI AC World IMI

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	88,761	80,877
Median Mkt. Cap (\$M)	13,326	1,344
Price/Earnings ratio	19.9	17.2
Price/Book ratio	2.9	2.6
5 Yr. EPS Growth Rate (%)	7.9	8.1
Current Yield (%)	2.0	2.5
Debt to Equity	1.1	1.9
Number of Stocks	866	8,716
Beta (5 Years, Monthly)	0.87	1.00
Consistency (5 Years, Monthly)	56.67	1.00
Sharpe Ratio (5 Years, Monthly)	0.85	0.56
Information Ratio (5 Years, Monthly)	0.70	-
Up Market Capture (5 Years, Monthly)	99.10	-
Down Market Capture (5 Years, Monthly)	77.94	-

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Visa Inc	1.5	0.4	1.1	11.5
Microsoft Corp	1.2	1.0	0.2	26.2
Apple Inc	1.1	1.5	-0.4	-4.2
Novo Nordisk A/S	1.0	0.3	0.7	8.6
Amazon.com Inc	1.0	0.7	0.3	32.0
Roche Holding AG	0.9	0.5	0.4	5.0
Facebook Inc	0.9	0.5	0.3	16.4
Wells Fargo & Co	0.8	0.6	0.2	6.6
JPMorgan Chase & Co	0.8	0.6	0.2	9.1
Johnson & Johnson	0.8	0.7	0.1	10.8
% of Portfolio	9.8	6.7		



Equity Portfolio - Country/Region Allocation

Surplus Cash Equity Composite vs. MSCI AC World IMI

As of December 31, 2015

	Total Equity Composite	MSCI AC World IMI
Australia	0.5	2.3
Hong Kong	1.5	1.1
Japan	5.0	8.4
New Zealand	0.0	0.1
Singapore	0.3	0.5
Pacific	7.3	12.4
Austria	0.2	0.1
Belgium	0.3	0.5
Finland	0.3	0.3
France	5.3	3.1
Germany	2.3	3.0
Ireland	0.4	0.2
Italy	0.0	0.9
Netherlands	0.6	1.0
Portugal	0.0	0.1
Spain	0.7	1.1
EMU	10.2	10.2
Denmark	1.0	0.7
Norway	0.0	0.2
Sweden	0.9	1.1
Switzerland	5.1	3.0
United Kingdom	5.2	6.8
Europe ex EMU	12.2	11.8
Canada	0.4	2.8
United States	62.2	52.6
Israel	0.6	0.3
Middle East	0.6	0.3
Developed Markets	93.0	90.1

	Total Equity Composite	MSCI AC World IMI
Brazil	0.2	0.5
Cayman Islands	0.0	0.0
Chile	0.0	0.1
Colombia	0.4	0.0
Mexico	0.3	0.4
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	0.9	1.1
China	2.1	2.7
India	0.3	0.9
Indonesia	0.1	0.2
Korea	0.2	1.6
Malaysia	0.1	0.3
Philippines	0.0	0.1
Taiwan	0.6	1.2
Thailand	0.0	0.2
EM Asia	3.5	7.3
Czech Republic	0.0	0.0
Egypt	0.0	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.1
Qatar	0.0	0.1
Russia	0.1	0.3
South Africa	0.3	0.6
Turkey	0.1	0.1
United Arab Emirates	0.0	0.1
EM Europe + Middle East + Africa	0.7	1.5
Emerging Markets	5.1	9.9
Frontier Markets	0.0	0.0
Cash	1.8	0.0
Other	0.2	0.0
Total	100.0	100.0

Fixed Income Portfolio - Characteristics

Surplus Cash Fixed Income Composite vs. Total Fixed Income Bmk - Surplus

As of December 31, 2015

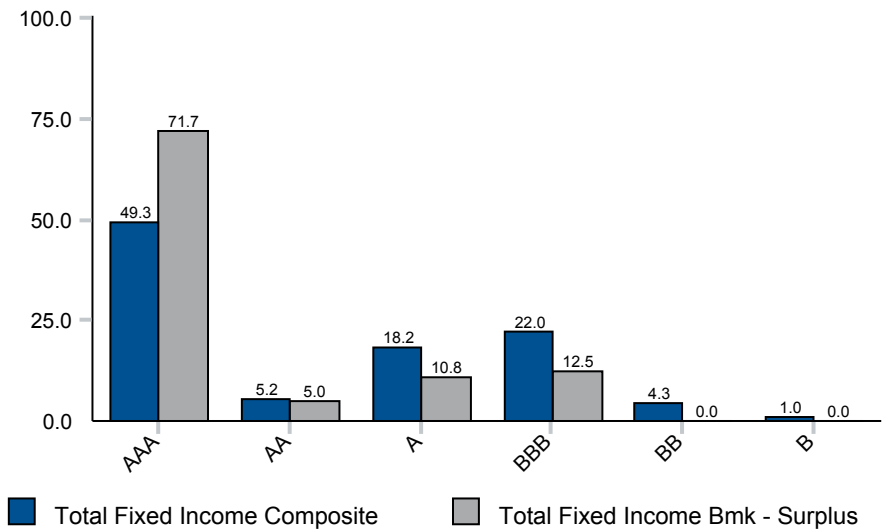
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	3.9	4.8
Avg. Maturity	6.2	6.4
Avg. Quality	AA-	AA+
Yield To Maturity (%)	2.7	2.3

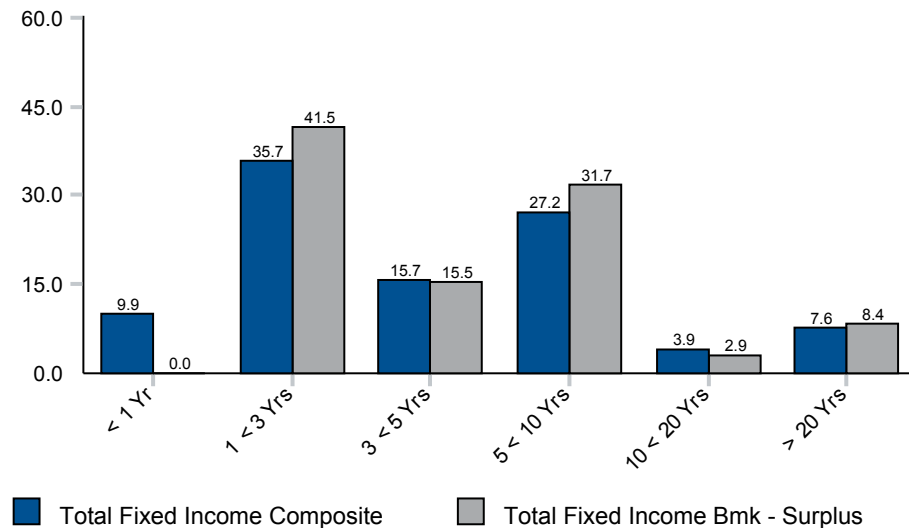
Risk Characteristics - 5 Years

	Consistency	Sharpe Ratio	Information Ratio	Up Market Capture	Down Market Capture
Total Fixed Income Composite	55.0	1.5	0.2	92.2	71.7
Total Fixed Income Bmk - Surplus	0.0	1.3	N/A	100.0	100.0

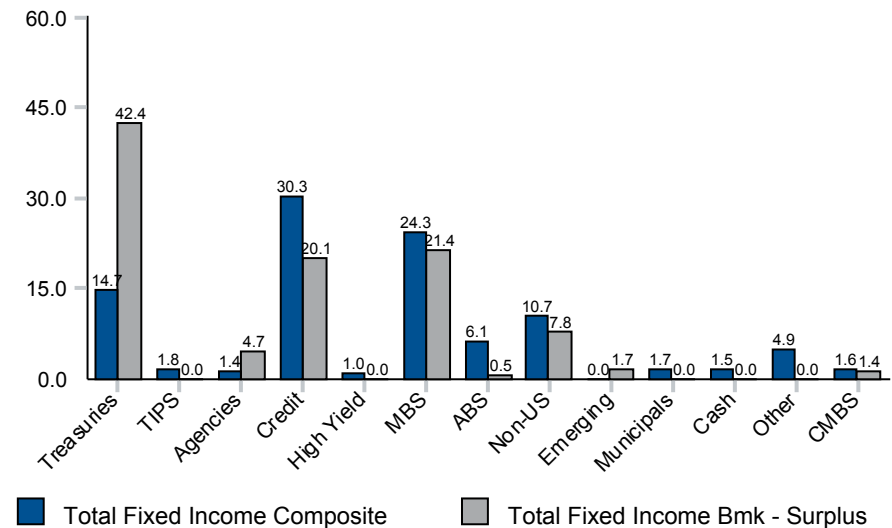
Credit Quality Distribution (%)



Maturity Distribution (%)



Sector Distribution (%)



Performance Summary

Surplus Cash Private Real Estate Investment

As of December 31, 2015 (\$ in Millions)

Partnership	Vintage Year	Fund Type	Committed Capital	Paid-in Capital	Outstanding Commitment	Market Value ¹	Distributions	Total Value	Net IRR ²	TV / PI	D / PI
Oaktree RE Opportunities VI	2012	Private RE	\$14.0	\$15.0	\$0.0	\$15.4	\$2.9	\$16.3	17.7%	1.1	0.2
Walton Street RE Fund VII	2012	Private RE	\$14.0	\$11.7	\$2.3	\$12.5	\$1.9	\$14.4	22.8%	1.2	0.2

¹ If a market value has not yet been released for a particular fund, the previous quarter's value is adjusted according to subsequent contributions and distributions.

² Net IRR is through the previous quarter end.

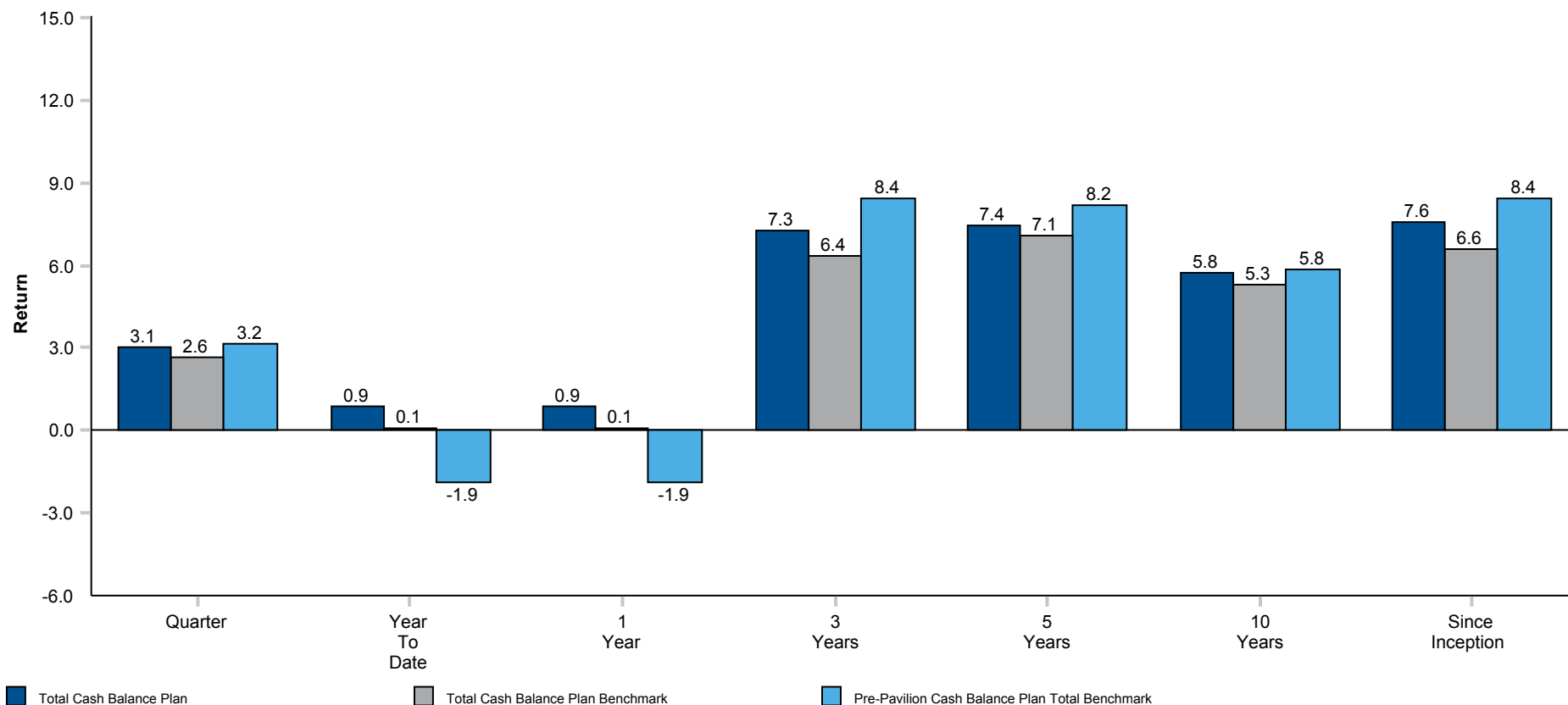


Cash Balance Plan - Performance Summary

Performance Summary

Total Cash Balance Plan vs. Total Cash Balance Plan Benchmark*

As of December 31, 2015



	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Total Cash Balance Plan	3.1	0.9	0.9	7.3	7.4	5.8	7.6	3y 2m
Total Cash Balance Plan Benchmark	2.6	0.1	0.1	6.4	7.1	5.3	6.6	
Pre-Pavilion Cash Balance Plan Total Benchmark	3.2	-1.9	-1.9	8.4	8.2	5.8	8.4	

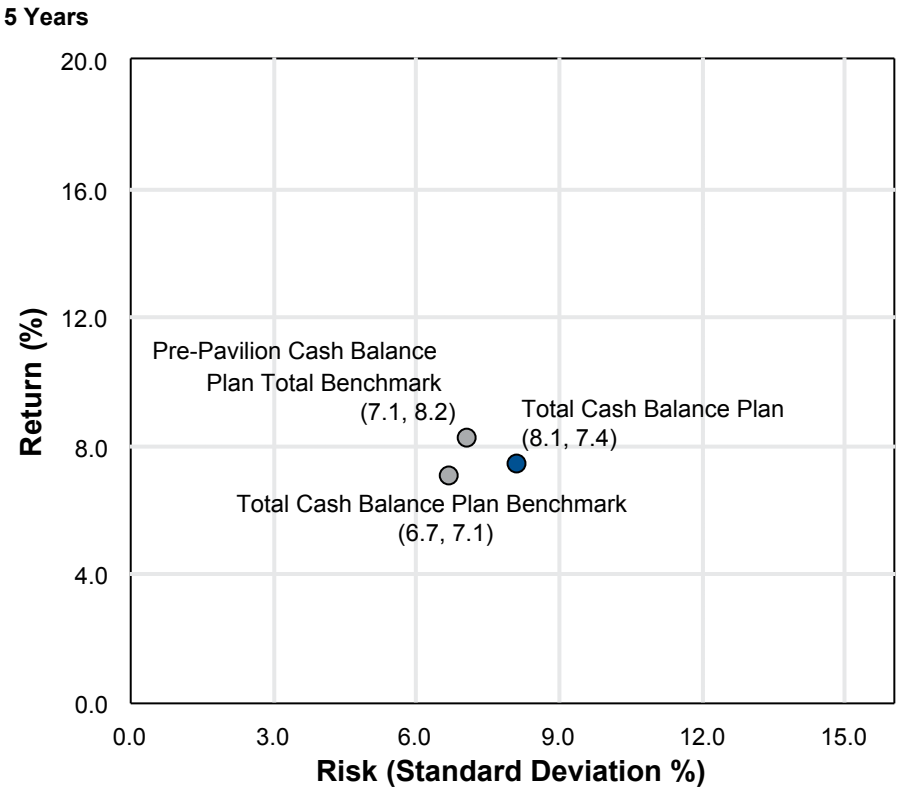
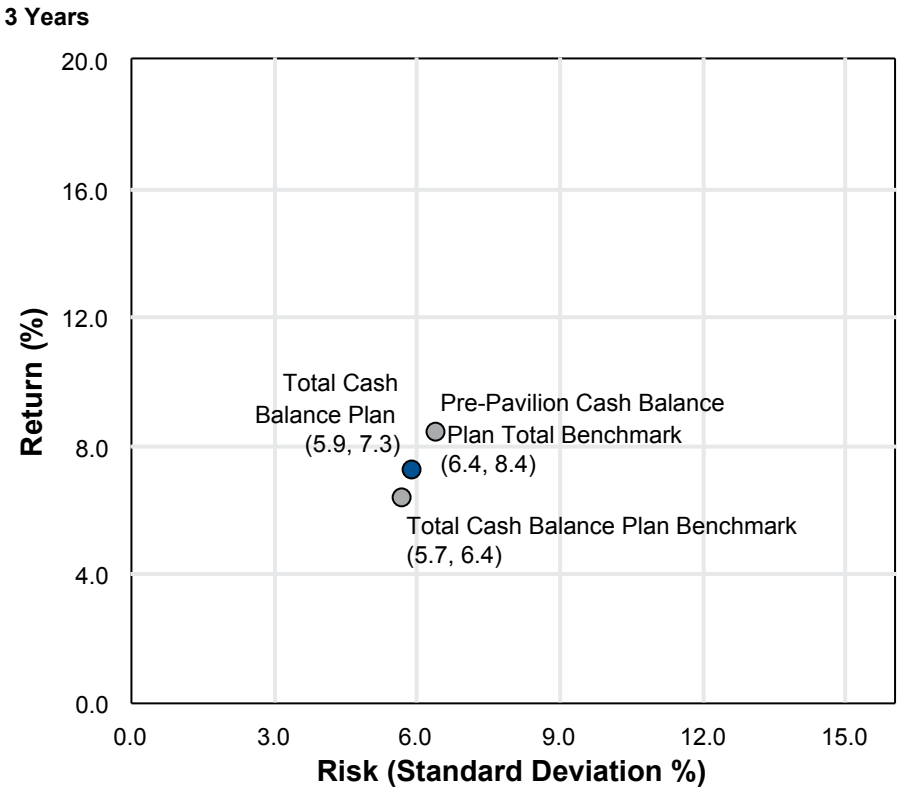
* Returns are net of investment management fees.

* Since inception returns reflect the date Pavilion's recommended portfolio was implemented (11/1/2012).

Performance Summary

Risk and Return Summary (Net of Fees)

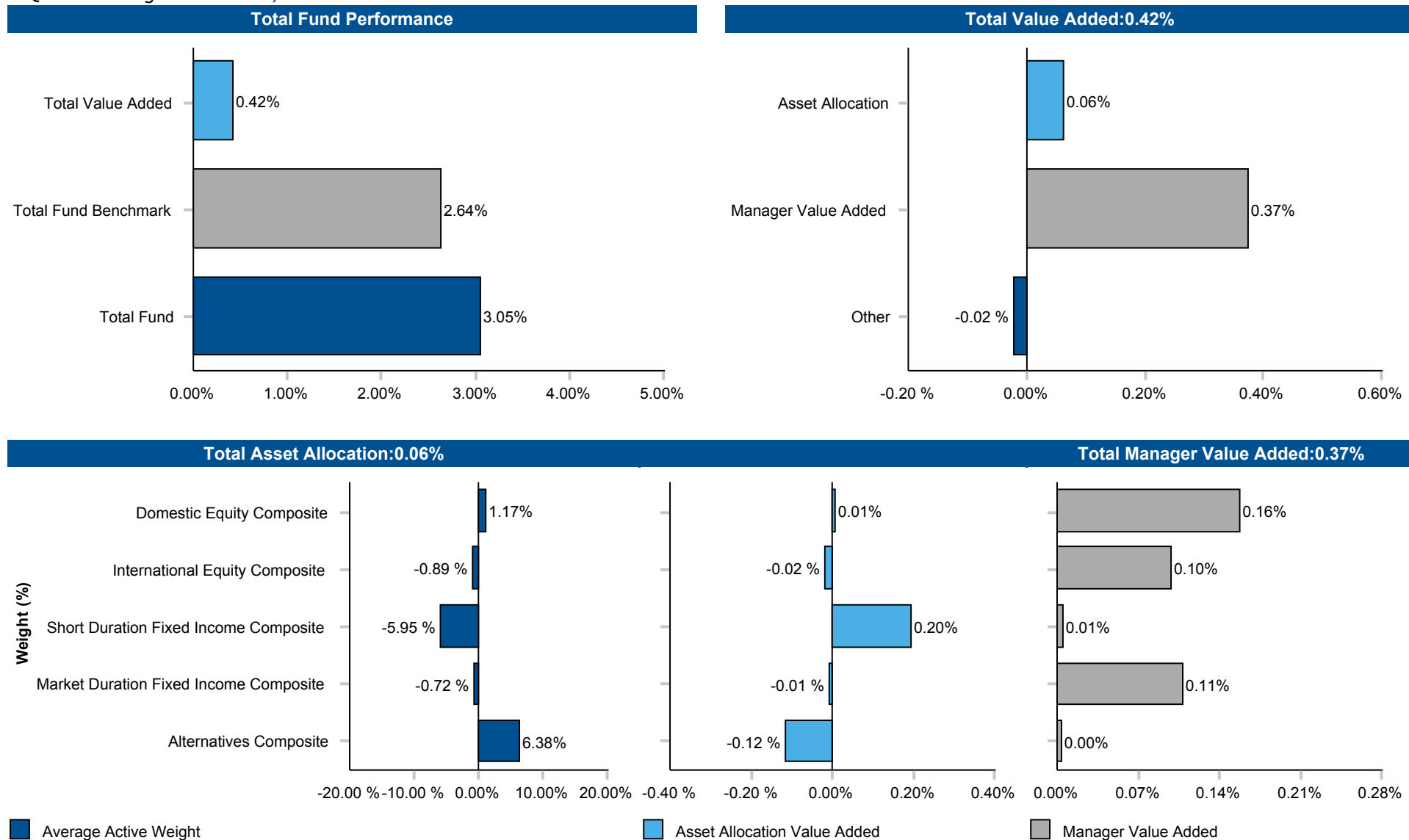
As of December 31, 2015



Performance Summary

Total Cash Balance Plan Attribution

1 Quarter Ending December 31, 2015

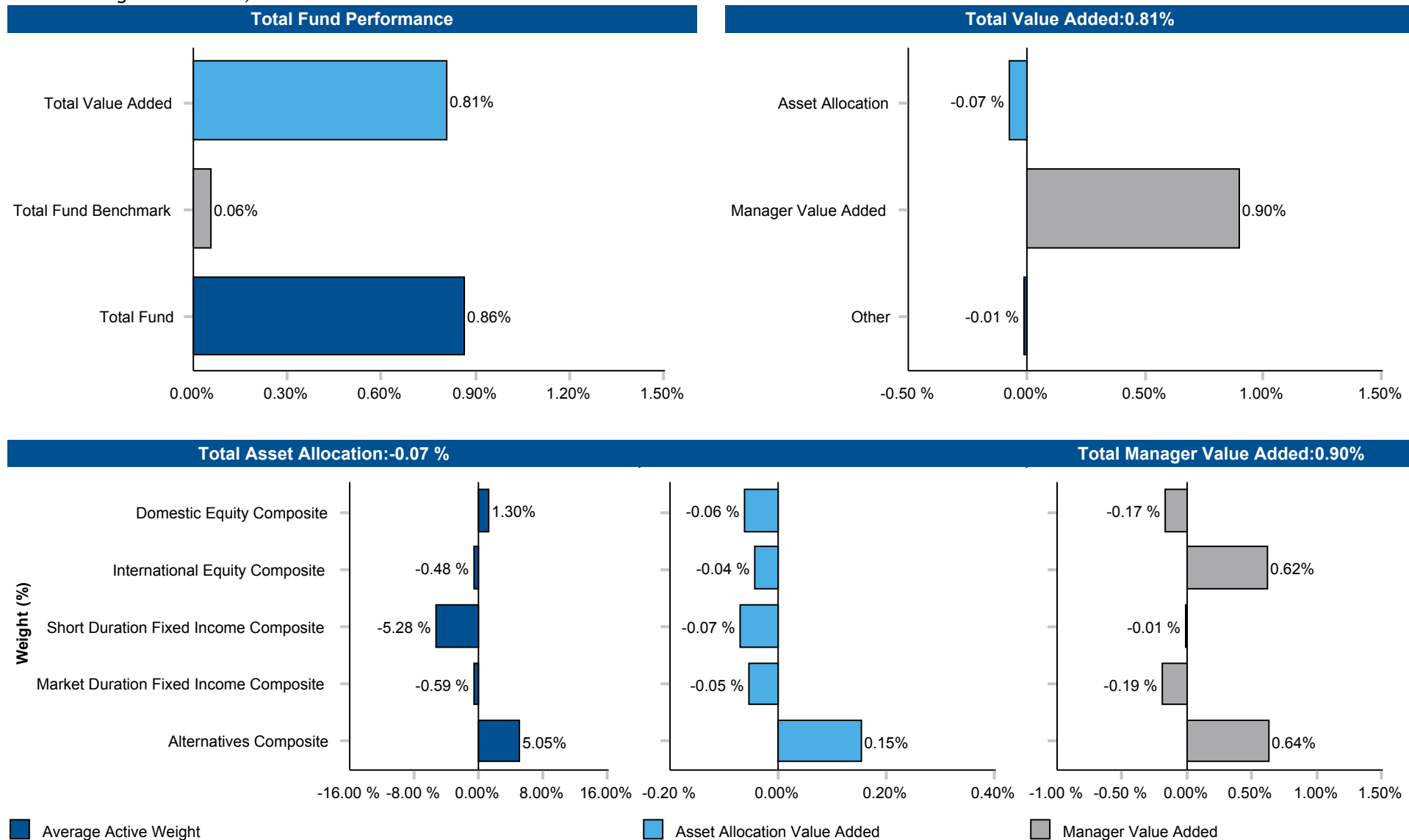


“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Performance Summary

Total Cash Balance Plan Attribution

1 Year Ending December 31, 2015

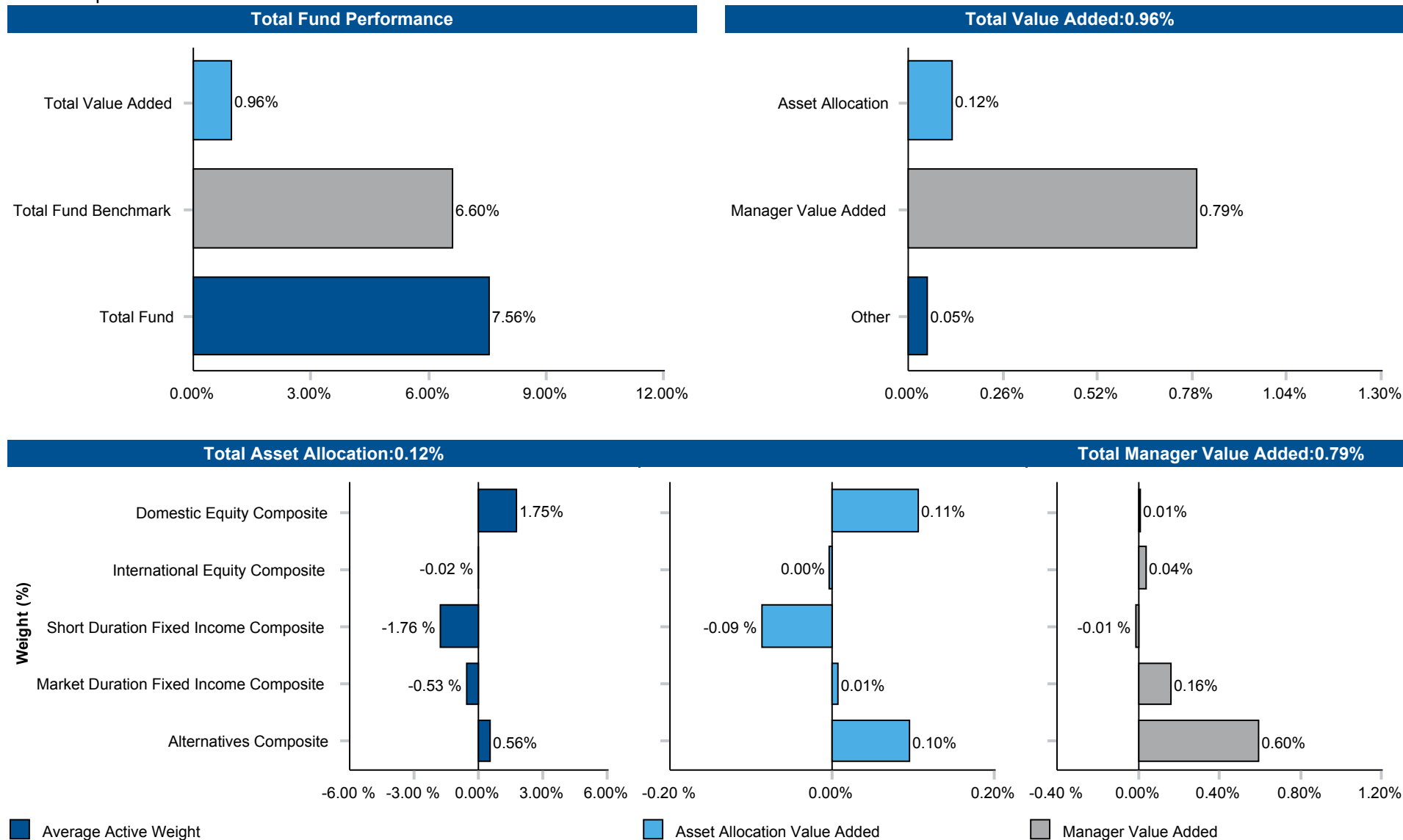


“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Performance Summary

Total Cash Balance Plan Attribution

Since Inception



“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Total Cash Balance Plan	216,367,319	100.0	3.1	0.9	0.9	7.3	7.4	5.8	7.6	3y 2m
Total Cash Balance Plan Benchmark			2.6	0.1	0.1	6.4	7.1	5.3	6.6	
Pre-Pavilion Total Cash Balance Plan Benchmark			3.2	-1.9	-1.9	8.4	8.2	5.8	8.4	
Total Cash Balance Plan X Private Structures	199,599,349	92.3	3.3	0.1	0.1	6.8	7.2	5.6	7.1	3y 2m
Cash Balance Plan Total X Privates Benchmark			2.6	-0.6	-0.6	6.1	6.9	5.2	6.3	
Total Equity Composite	109,419,856	50.6	5.8	-1.0	-1.0	9.8	9.4	5.0	10.5	3y 2m
Total Equity Benchmark			5.2	-1.8	-1.8	9.8	9.6	5.3	10.3	
Domestic Equity Composite	72,618,682	33.6	6.8	-0.3	-0.3	14.4	11.8	6.1	14.4	3y 2m
Domestic Equity Benchmark			6.3	0.3	0.3	14.6	12.2	6.6	14.5	
Large Cap Equity Composite	62,507,702	28.9	7.2	0.3	0.3	15.1	12.3	6.3	15.1	3y 2m
Large Cap Equity Benchmark			6.8	1.1	1.1	15.0	12.4	6.7	14.8	
Small Cap Equity Composite	10,110,980	4.7	4.2	-3.4	-3.4	10.5	N/A	N/A	10.3	3y 2m
Small Cap Equity Benchmark			3.6	-4.4	-4.4	11.7	9.2	6.8	12.5	
International Equity Composite	36,801,174	17.0	3.8	-2.3	-2.3	1.5	N/A	N/A	3.4	3y 2m
MSCI AC World ex USA (Net)			3.2	-5.7	-5.7	1.5	1.1	2.9	3.1	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Total Fixed Income Composite	61,304,553	28.3	-0.1	-0.1	-0.1	1.6	3.6	5.2	1.6	3y 2m
Total Fixed Income Benchmark			-0.5	0.6	0.6	1.2	3.1	4.5	1.2	
 Short Duration Fixed Income Composite	 8,941,773	 4.1	 -0.2	 0.6	 0.6	 0.6	 N/A	 N/A	 0.6	 3y 2m
Short Duration Fixed Income Benchmark			-0.4	0.7	0.7	0.7	0.5	1.4	0.7	
 Market Duration Fixed Income Composite	 52,362,780	 24.2	 -0.1	 -0.1	 -0.1	 2.0	 3.9	 5.4	 2.1	 3y 2m
Barclays U.S. Aggregate			-0.6	0.5	0.5	1.4	3.2	4.5	1.4	
 Total Alternatives Composite	 45,642,910	 21.1	 1.3	 7.1	 7.1	 10.5	 N/A	 N/A	 10.3	 3y 2m
Total Alternatives Benchmark			1.2	3.9	3.9	6.5	N/A	N/A	6.7	
 Hedge Fund of Fund Composite	 28,874,940	 13.3	 2.0	 4.7	 4.7	 8.9	 N/A	 N/A	 8.8	 3y 2m
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	3.9	2.1	2.3	4.2	
 Real Estate Composite	 16,767,970	 7.7	 0.0	 11.3	 11.3	 13.1	 N/A	 N/A	 13.1	 3y
NCREIF Property Index			2.4	12.8	12.8	11.9	12.1	7.7	11.9	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.

Performance Summary

Manager Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Large-Cap Equity										
Vanguard Institutional Index Fund	32,259,437	14.9	7.0 (23)	1.4 (27)	1.4 (27)	15.1 (17)	12.5 (16)	7.3 (23)	14.8 (17)	3y 2m
S&P 500			7.0 (23)	1.4 (27)	1.4 (27)	15.1 (16)	12.6 (15)	7.3 (23)	14.8 (17)	
IM U.S. Large Cap Core Equity			6.2	-0.5	-0.5	13.6	11.0	6.4	13.5	
Sands Large Cap Growth (Touchstone)	15,006,369	6.9	9.0 (19)	0.2 (93)	0.2 (93)	15.3 (68)	14.2 (16)	9.2 (11)	16.4 (44)	3y 2m
Russell 1000 Growth Index			7.3 (62)	5.7 (48)	5.7 (48)	16.8 (37)	13.5 (25)	8.5 (22)	16.5 (41)	
IM U.S. Large Cap Growth Equity			7.7	5.5	5.5	16.2	12.3	7.5	16.1	
Barrow Hanley Large Cap Value	15,241,896	7.0	5.8 (20)	-2.1 (20)	-2.1 (20)	14.4 (7)	12.0 (6)	6.2 (28)	14.1 (9)	3y 2m
Russell 1000 Value Index			5.6 (25)	-3.8 (51)	-3.8 (51)	13.1 (24)	11.3 (18)	6.2 (29)	13.1 (23)	
IM U.S. Large Cap Value Equity			5.1	-3.8	-3.8	12.2	9.9	5.5	12.2	
Small-Cap Equity										
Cortina Small Cap Growth	4,601,414	2.1	2.8 (50)	-6.3 (74)	-6.3 (74)	8.4 (94)	6.8 (89)	6.8 (40)	7.0 (95)	3y 2m
Russell 2000 Growth Index			4.3 (28)	-1.4 (47)	-1.4 (47)	14.3 (31)	10.7 (34)	8.0 (14)	14.8 (25)	
IM U.S. Small Cap Growth Equity			2.5	-2.3	-2.3	13.2	9.8	6.5	13.3	
Wellington Small Cap Value	5,509,566	2.5	5.4 (6)	-0.9 (1)	-0.9 (1)	12.3 (4)	10.6 (2)	8.9 (1)	13.2 (4)	3y 2m
Russell 2000 Value Index			2.9 (44)	-7.5 (56)	-7.5 (56)	9.1 (50)	7.7 (52)	5.6 (50)	10.1 (49)	
IM U.S. Small Cap Value Equity			2.5	-7.1	-7.1	9.0	7.8	5.5	10.0	
International Equity										
Walter Scott Int'l (Dreyfus)	18,855,022	8.7	4.7 (26)	-0.6 (37)	-0.6 (37)	1.2 (65)	2.5 (49)	N/A	2.9 (66)	3y 2m
MSCI AC World ex USA (Net)			3.2 (51)	-5.7 (61)	-5.7 (61)	1.5 (64)	1.1 (65)	2.9 (56)	3.1 (65)	
IM International Equity			3.3	-2.8	-2.8	3.1	2.3	3.2	4.8	
Northern Cross Int'l (Harbor)	17,946,152	8.3	2.9 (58)	-3.8 (55)	-3.8 (55)	1.6 (64)	2.4 (50)	4.9 (23)	3.7 (60)	3y 2m
MSCI AC World ex USA (Net)			3.2 (51)	-5.7 (61)	-5.7 (61)	1.5 (64)	1.1 (65)	2.9 (56)	3.1 (65)	
IM International Equity			3.3	-2.8	-2.8	3.1	2.3	3.2	4.8	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.

Performance Summary

Manager Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)							
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Period
Short Duration Fixed Income										
Barrow Hanley Short Fixed	7,786,664	3.6	-0.3 (60)	0.5 (33)	0.5 (33)	0.5 (52)	0.8 (73)	2.6 (39)	0.5 (50)	3y 2m
Barclays 1-3 Year Gov/Credit			-0.4 (68)	0.7 (21)	0.7 (21)	0.7 (32)	1.0 (64)	2.7 (36)	0.7 (34)	
<i>IM U.S. Short Term Investment Grade</i>			-0.2	0.3	0.3	0.5	1.2	2.3	0.5	
Cash Composite	1,155,109	0.5	0.9	3.2	3.2	1.8	N/A	N/A	1.8	3y 2m
90 Day U.S. Treasury Bill			0.0	0.0	0.0	0.0	0.1	1.2	0.0	
Market Duration Fixed Income										
Dodge & Cox Income Fund	26,421,698	12.2	0.1 (8)	-0.6 (57)	-0.6 (57)	1.8 (24)	3.6 (50)	5.0 (44)	6.9 (18)	27y
Barclays U.S. Aggregate			-0.6 (57)	0.5 (11)	0.5 (11)	1.4 (44)	3.2 (64)	4.5 (65)	6.6 (45)	
<i>IM U.S. Broad Market Core+ Fixed Income</i>			-0.5	-0.5	-0.5	1.3	3.6	4.9	6.3	
Met West Total Return Fund I	25,941,082	12.0	-0.4 (44)	0.3 (22)	0.3 (22)	2.2 (11)	4.7 (7)	6.4 (2)	2.4 (7)	3y 2m
Barclays U.S. Aggregate			-0.6 (57)	0.5 (11)	0.5 (11)	1.4 (44)	3.2 (64)	4.5 (65)	1.4 (51)	
<i>IM U.S. Broad Market Core+ Fixed Income</i>			-0.5	-0.5	-0.5	1.3	3.6	4.9	1.4	
Hedge Fund of Funds										
Lighthouse Diversified	15,323,552	7.1	2.0	3.0	3.0	7.3	5.4	4.6	7.3	3y 2m
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	3.9	2.1	2.3	4.2	
Pointer Offshore LTD	13,551,388	6.3	2.1	6.8	6.8	10.6	8.6	8.8	10.6	3y
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	3.9	2.1	2.3	3.9	
Real Estate										
Oaktree RE Opportunities Fund VI	9,262,587	4.3	0.0	11.1	11.1	12.4	N/A	N/A	12.7	2y 11m
NCREIF Property Index			2.4	12.8	12.8	11.9	12.1	7.7	11.9	
Walton Street Real Estate Fund VII, L.P.	7,505,383	3.5	0.0	11.3	11.3	N/A	N/A	N/A	19.0	2y 6m
NCREIF Property Index			2.4	12.8	12.8	11.9	12.1	7.7	12.0	
Total Plan										
Total Cash Balance Plan	216,367,319	100.0	3.1	0.9	0.9	7.3	7.4	5.8	7.6	3y 2m
Total Cash Balance Plan Benchmark			2.6	0.1	0.1	6.4	7.1	5.3	6.6	
Pre-Pavilion Total Cash Balance Plan Benchmark			3.2	-1.9	-1.9	8.4	8.2	5.8	8.4	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.



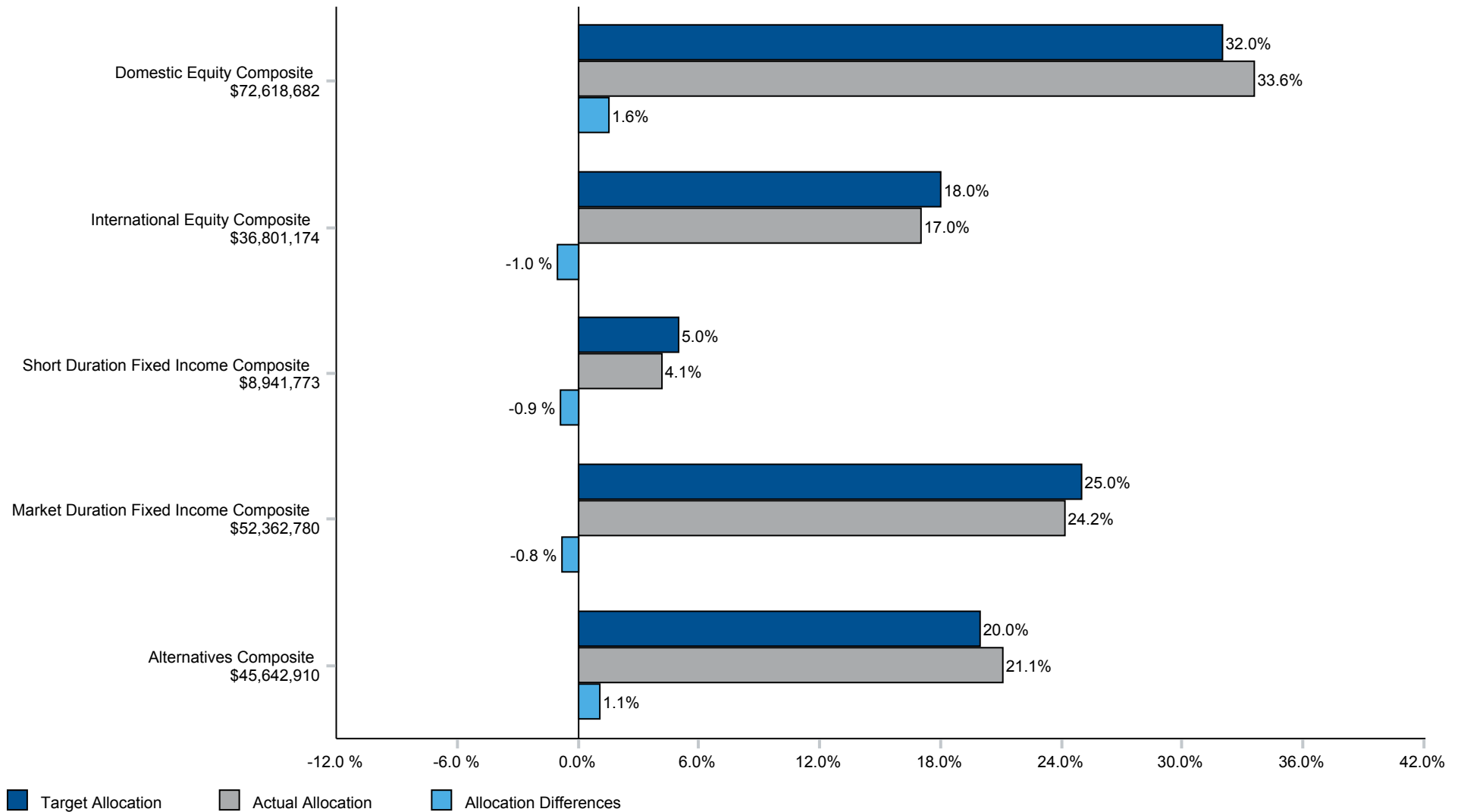
Cash Balance Plan - Asset Class Diversification

Asset Class Diversification

Total Cash Balance Plan vs. Cash Balance Plan Target Allocation

As of December 31, 2015

December 31, 2015 : \$216,367,319



Asset Class Diversification

Cash Balance Plan Investment Program Structure

As of December 31, 2015

Manager	Asset Class/Type	Total Assets (\$, mil.)	Percent of Total	Target Allocation ¹	Weighting Relative to Target	Target Range ¹
Large-Cap Domestic Equity		\$ 62.5	29.0%	27.0%	+ 2.0%	27-37%
Vanguard S&P 500 Index	Large-Cap Index	\$ 32.3	14.9%	13.5%	+ 1.4%	
Sands	Large-Cap Growth	\$ 15.0	6.9%	6.8%	+ 0.1%	
Barrow Hanley	Large-Cap Value	\$ 15.2	7.0%	6.8%	+ 0.2%	
Small-Cap Domestic Equity		\$ 10.1	4.7%	5.0%	- 0.3%	
Cortina	Small-Cap Growth	\$ 4.6	2.1%	2.5%	- 0.4%	15-21%
Wellington	Small-Cap Value	\$ 5.5	2.5%	2.5%	+ 0.0%	
International Equity		\$ 36.8	17.0%	18.0%	- 1.0%	0-8%
Walter Scott	Developed and Emerging	\$ 18.9	8.7%	9.0%	- 0.3%	
Harbor	Developed and Emerging	\$ 17.9	8.3%	9.0%	- 0.7%	20-30%
Short-Duration Fixed Income		\$ 8.9	4.1%	5.0%	- 0.9%	
Barrow Hanley	Short Duration	\$ 7.8	3.6%	5.0%	- 1.4%	
Cash	Money Market	\$ 1.2	0.5%	0.0%	+ 0.5%	17-23%
Market-Duration Fixed Income		\$ 52.4	24.2%	25.0%	- 0.8%	
Dodge & Cox	Market Duration	\$ 26.4	12.2%	12.5%	- 0.3%	
MetWest	Market Duration	\$ 25.9	12.0%	12.5%	- 0.5%	17-23%
Alternatives		\$ 45.6	21.1%	20.0%	+ 1.1%	
Lighthouse	HFOF	\$ 15.3	7.1%	5.0%	+ 2.1%	
Pointer	HFOF	\$ 13.6	6.3%	5.0%	+ 1.3%	
Oaktree RE Opportunities	Real Estate	\$ 9.3	4.3%	5.0%	- 0.7%	
Walton Street	Real Estate	\$ 7.5	3.5%	5.0%	- 1.5%	
Total		\$216.4	100.0%			

*Totals may not add due to rounding.

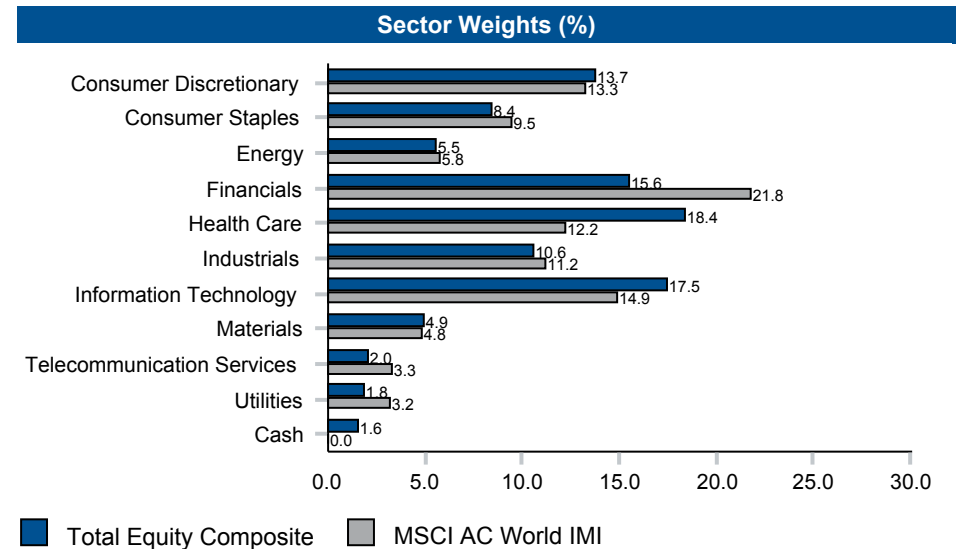
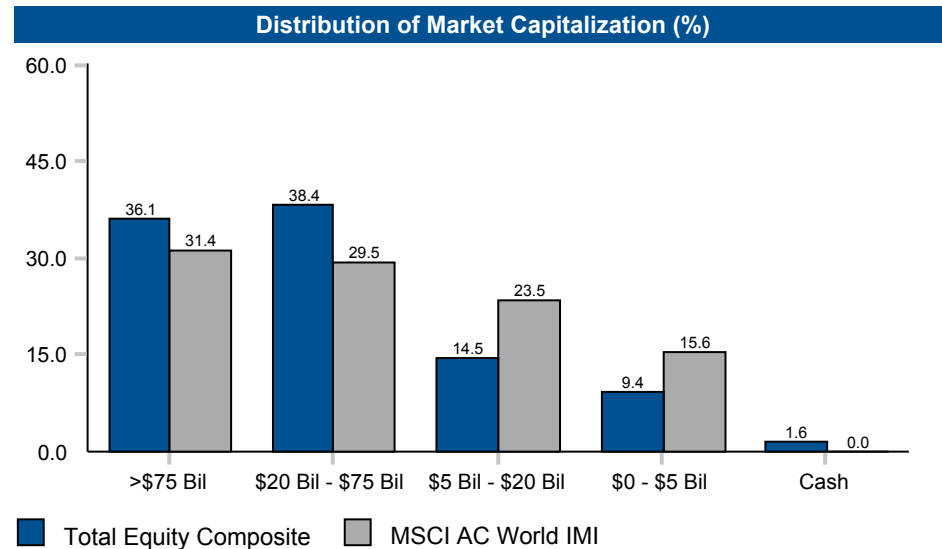
Equity Portfolio - Characteristics

Cash Balance Plan Equity Composite vs. MSCI AC World IMI

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	91,094	80,877
Median Mkt. Cap (\$M)	13,509	1,344
Price/Earnings ratio	20.2	17.2
Price/Book ratio	3.0	2.6
5 Yr. EPS Growth Rate (%)	7.8	8.1
Current Yield (%)	2.0	2.5
Debt to Equity	1.0	1.9
Number of Stocks	792	8,716
Beta (5 Years, Monthly)	0.97	1.00
Consistency (5 Years, Monthly)	60.00	1.00
Sharpe Ratio (5 Years, Monthly)	0.76	0.56
Information Ratio (5 Years, Monthly)	0.94	-
Up Market Capture (5 Years, Monthly)	105.46	-
Down Market Capture (5 Years, Monthly)	90.09	-

Top Ten Equity Holdings			
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)
Visa Inc	1.8	0.4	1.4
Microsoft Corp	1.2	1.0	0.2
Amazon.com Inc	1.0	0.7	0.4
Novo Nordisk A/S	1.0	0.3	0.7
Regeneron Pharmaceuticals Inc	1.0	0.1	0.9
Apple Inc	1.0	1.5	-0.5
Facebook Inc	1.0	0.5	0.4
Roche Holding AG	0.9	0.5	0.5
Wells Fargo & Co	0.9	0.6	0.3
Alibaba Group Holding Ltd	0.9	0.2	0.7
% of Portfolio	10.7	5.7	



Equity Portfolio - Country/Region Allocation

Cash Balance Plan Equity Composite vs. MSCI AC World IMI

As of December 31, 2015

	Total Equity Composite	MSCI AC World IMI
Australia	0.5	2.3
Hong Kong	1.3	1.1
Japan	5.3	8.4
New Zealand	0.0	0.1
Singapore	0.3	0.5
Pacific	7.5	12.4
Austria	0.2	0.1
Belgium	0.4	0.5
Finland	0.4	0.3
France	5.6	3.1
Germany	2.4	3.0
Ireland	0.4	0.2
Italy	0.0	0.9
Netherlands	0.7	1.0
Portugal	0.0	0.1
Spain	0.8	1.1
EMU	10.9	10.2
Denmark	1.0	0.7
Norway	0.0	0.2
Sweden	0.9	1.1
Switzerland	5.3	3.0
United Kingdom	5.4	6.8
Europe ex EMU	12.6	11.8
Canada	0.4	2.8
United States	63.3	52.6
Israel	0.8	0.3
Middle East	0.8	0.3
Developed Markets	95.4	90.1

	Total Equity Composite	MSCI AC World IMI
Brazil	0.0	0.5
Cayman Islands	0.0	0.0
Chile	0.0	0.1
Colombia	0.3	0.0
Mexico	0.1	0.4
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	0.4	1.1
China	2.0	2.7
India	0.0	0.9
Indonesia	0.0	0.2
Korea	0.0	1.6
Malaysia	0.2	0.3
Philippines	0.0	0.1
Taiwan	0.4	1.2
Thailand	0.0	0.2
EM Asia	2.5	7.3
Czech Republic	0.0	0.0
Egypt	0.0	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.1
Qatar	0.0	0.1
Russia	0.0	0.3
South Africa	0.0	0.6
Turkey	0.0	0.1
United Arab Emirates	0.0	0.1
EM Europe + Middle East + Africa	0.0	1.5
Emerging Markets	2.9	9.9
Frontier Markets	0.0	0.0
Cash	1.6	0.0
Other	0.1	0.0
Total	100.0	100.0

Fixed Income Portfolio - Characteristics

Cash Balance Plan Fixed Income Composite vs. Total Fixed Income Benchmark

As of December 31, 2015

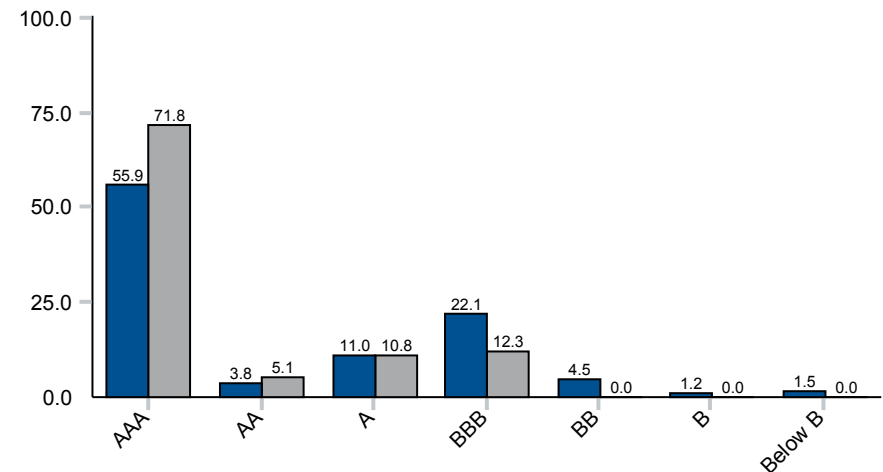
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	4.1	4.6
Avg. Maturity	7.4	6.2
Avg. Quality	AA-	AA+
Yield To Maturity (%)	3.0	2.3

Risk Characteristics - 5 Years

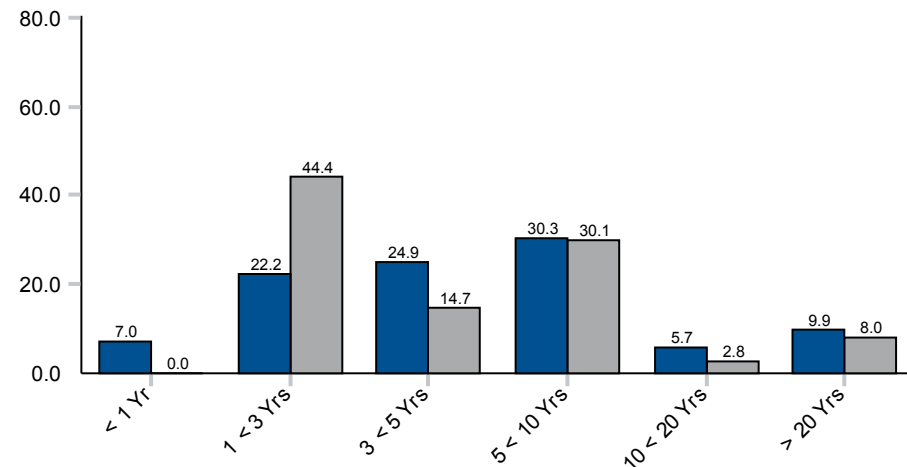
	Consistency	Sharpe Ratio	Information Ratio	Up Market Capture	Down Market Capture
Total Fixed Income Composite	55.0	1.6	0.3	101.5	78.0
Total Fixed Income Benchmark	0.0	1.3	N/A	100.0	100.0

Credit Quality Distribution (%)



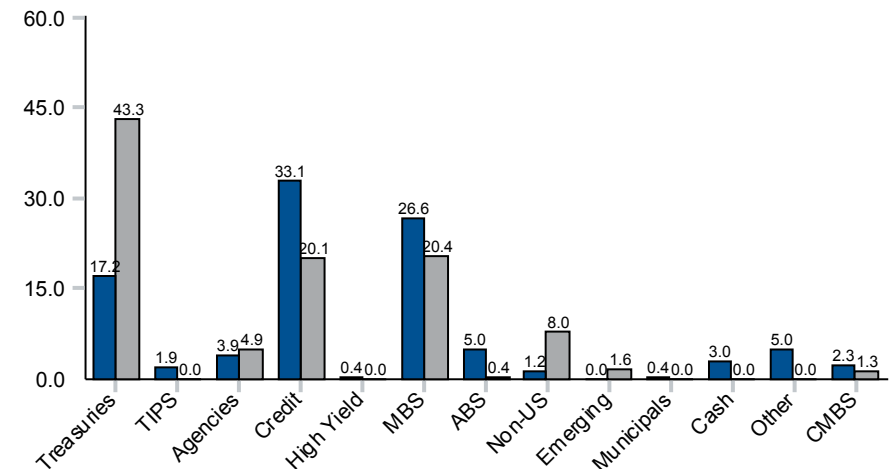
■ Total Fixed Income Composite ■ Total Fixed Income Benchmark

Maturity Distribution (%)



■ Total Fixed Income Composite ■ Total Fixed Income Benchmark

Sector Distribution (%)



■ Total Fixed Income Composite ■ Total Fixed Income Benchmark

Performance Summary

Cash Balance Plan Private Real Estate Investment

As of December 31, 2015 (\$ in Millions)

Partnership	Vintage Year	Fund Type	Committed Capital	Paid-in Capital	Outstanding Commitment	Market Value ¹	Distributions	Total Value	Net IRR ²	TV / PI	D / PI
Oaktree RE Opportunities VI	2012	Private RE	\$8.4	\$10.9	\$0.0	\$9.3	\$4.0	\$13.3	14.1%	1.2	0.4
Walton Street RE Fund VII	2012	Private RE	\$8.4	\$7.0	\$1.4	\$7.5	\$1.3	\$8.8	21.7%	1.3	0.2

¹ If a market value has not yet been released for a particular fund, the previous quarter's value is adjusted according to subsequent contributions and distributions.

² Net IRR is through the previous quarter end.



Manager Evaluation

Manager Evaluation

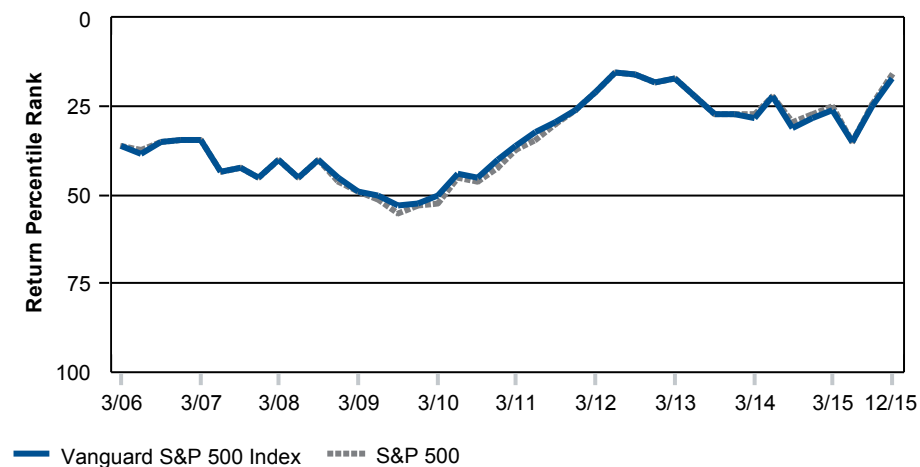
Vanguard S&P 500 Index vs. S&P 500

As of December 31, 2015

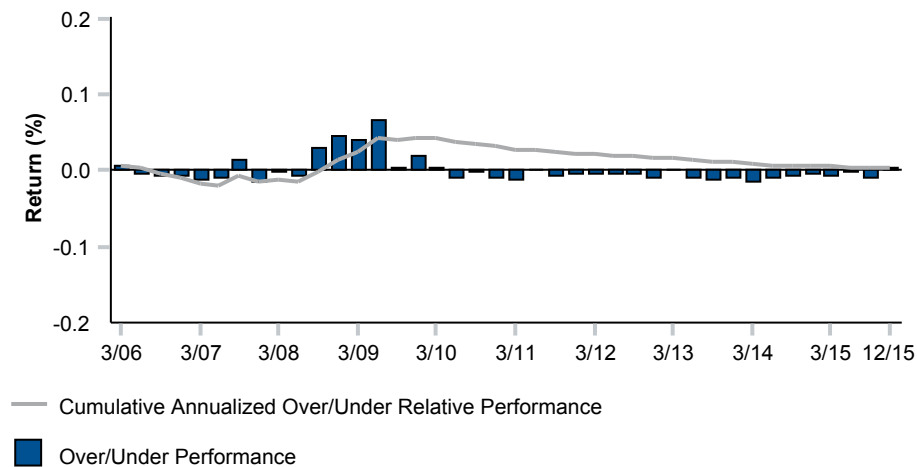
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Vanguard S&P 500 Index	7.0	1.4	1.4	15.1	12.5	7.3	13.7	32.3	16.0	2.1	15.0	26.6	-37.0	5.5	15.8	4.9
S&P 500	7.0	1.4	1.4	15.1	12.6	7.3	13.7	32.4	16.0	2.1	15.1	26.5	-37.0	5.5	15.8	4.9
IM U.S. Large Cap Core Equity	6.2	-0.5	-0.5	13.6	11.0	6.4	11.4	31.8	15.4	-0.4	13.2	26.5	-37.2	5.9	14.0	5.1
Vanguard S&P 500 Index Rank	23	27	27	17	16	23	17	41	40	24	26	50	48	55	28	53

Three Year Rolling Percentile Ranking



Relative Performance



Historical Statistics (Jan-2011 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Vanguard S&P 500 Index	12.5	12.5	12.7	0.0	1.0	1.0	0.0	-2.5	7.0	15.0	25y 5m
S&P 500	12.6	12.5	12.7	0.0	1.0	1.0	0.0	N/A	6.9	0.0	25y 5m

Manager Evaluation

Vanguard S&P 500 Index vs. S&P 500

As of December 31, 2015

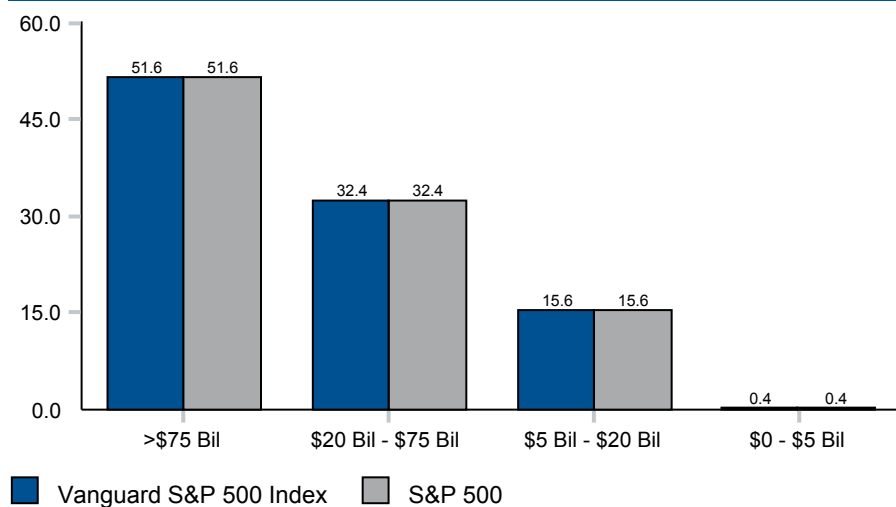
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	137,326	137,342
Median Mkt. Cap (\$M)	17,732	17,669
Price/Earnings ratio	19.3	19.3
Price/Book ratio	3.1	3.1
5 Yr. EPS Growth Rate (%)	8.2	7.9
Current Yield (%)	2.2	2.2
Debt to Equity	1.6	1.6
Number of Stocks	503	504
Beta (5 Years, Monthly)	1.00	1.00
Consistency (5 Years, Monthly)	28.33	1.00
Sharpe Ratio (5 Years, Monthly)	1.08	1.08
Information Ratio (5 Years, Monthly)	-1.75	-
Up Market Capture (5 Years, Monthly)	99.93	-
Down Market Capture (5 Years, Monthly)	100.06	-

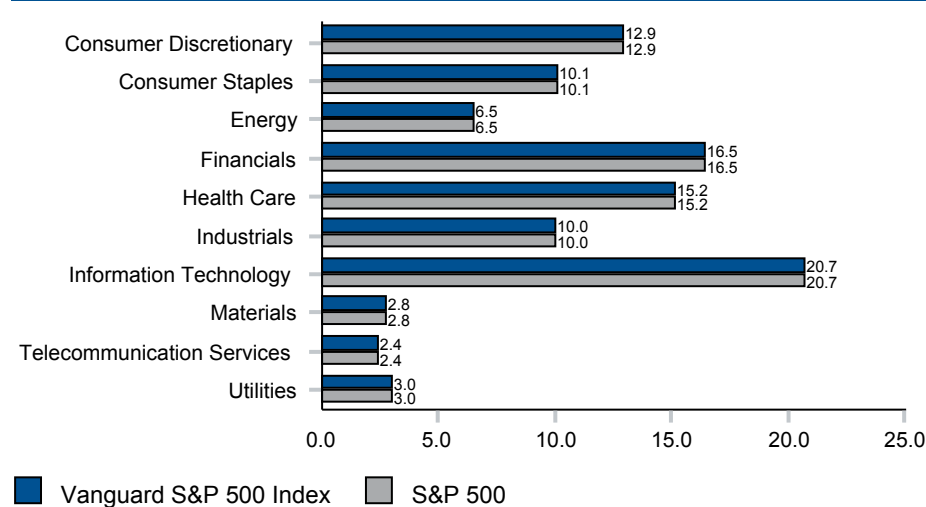
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	3.3	3.3	0.0	-4.2
Microsoft Corp	2.5	2.5	0.0	26.2
Exxon Mobil Corp	1.8	1.8	0.0	5.8
General Electric Co	1.6	1.6	0.0	24.4
Johnson & Johnson	1.6	1.6	0.0	10.8
Amazon.com Inc	1.5	1.5	0.0	32.0
Wells Fargo & Co	1.4	1.4	0.0	6.6
JPMorgan Chase & Co	1.4	1.4	0.0	9.1
Facebook Inc	1.3	1.3	0.0	16.4
Berkshire Hathaway Inc	1.3	1.4	-0.1	1.3
% of Portfolio	17.7	17.7		

Distribution of Market Capitalization (%)



Sector Weights (%)



Manager Evaluation

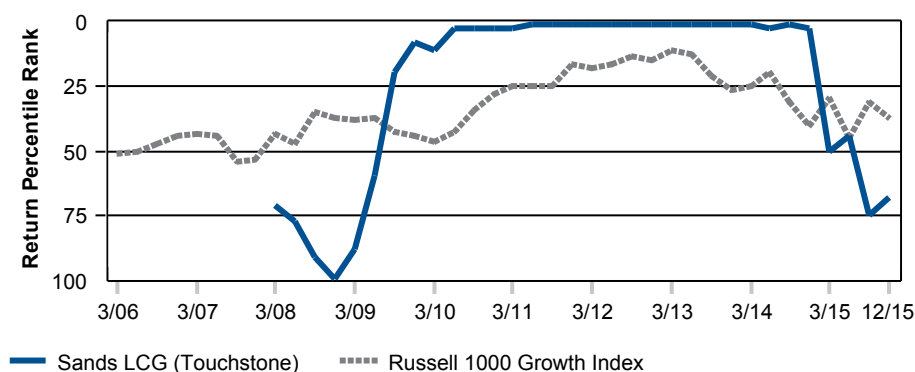
Sands Large Cap Growth (Touchstone) vs. Russell 1000 Growth Index

As of December 31, 2015

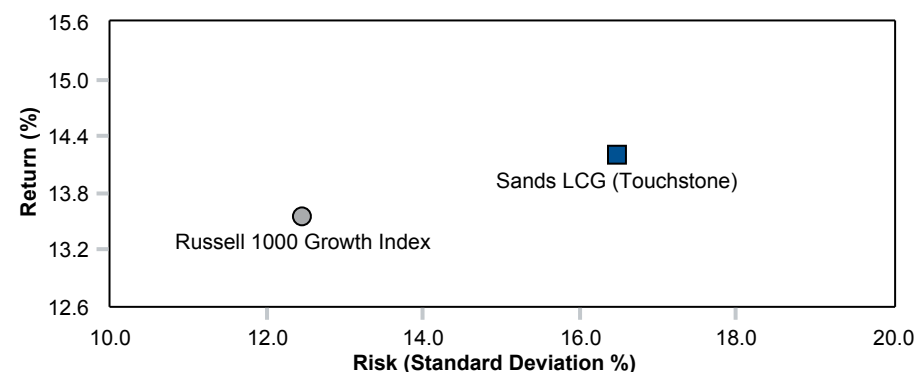
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Sands LCG (Touchstone)	9.0	0.2	0.2	15.3	14.2	9.2	8.4	41.3	23.8	2.3	26.3	71.1	-48.5	18.7	-5.9	N/A
Russell 1000 Growth Index	7.3	5.7	5.7	16.8	13.5	8.5	13.1	33.5	15.3	2.6	16.7	37.2	-38.4	11.8	9.1	5.3
IM U.S. Large Cap Growth Equity	7.7	5.5	5.5	16.2	12.3	7.5	10.5	34.1	14.9	-1.8	15.1	35.0	-39.8	13.8	6.7	5.7
Sands LCG (Touchstone) Rank	19	93	93	68	16	11	81	7	1	13	2	1	95	22	99	N/A

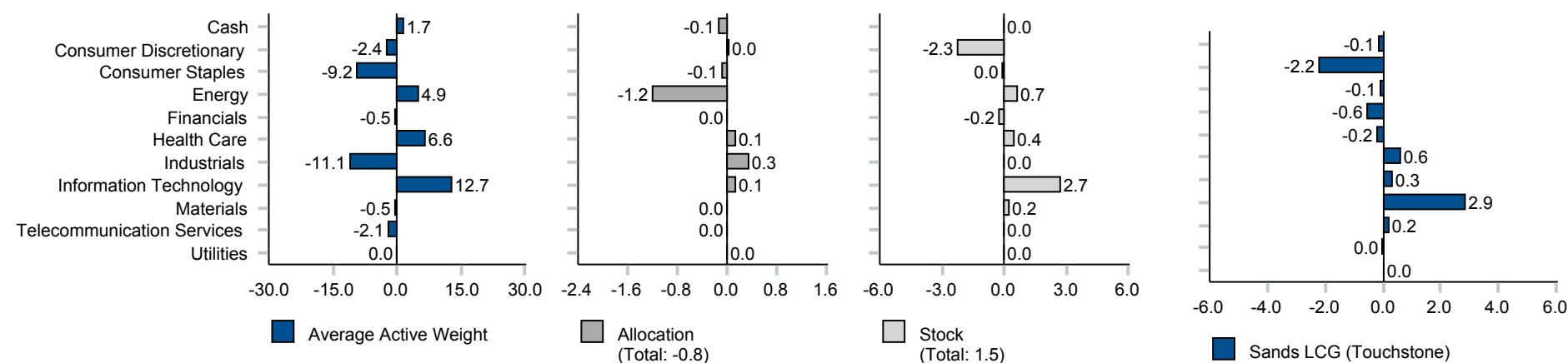
Three Year Rolling Percentile Ranking



Risk and Return (Jan - 2011 - Dec - 2015)



Buy and Hold Attribution



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading.

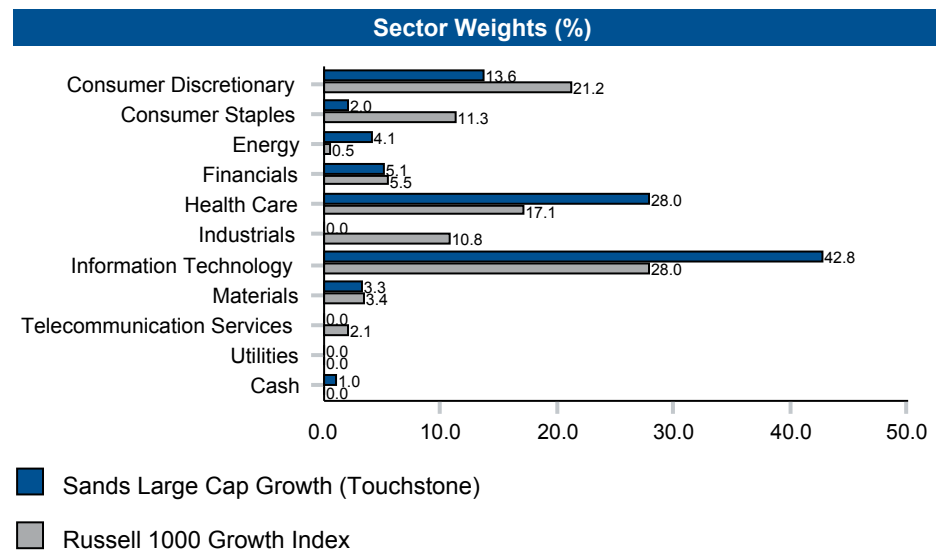
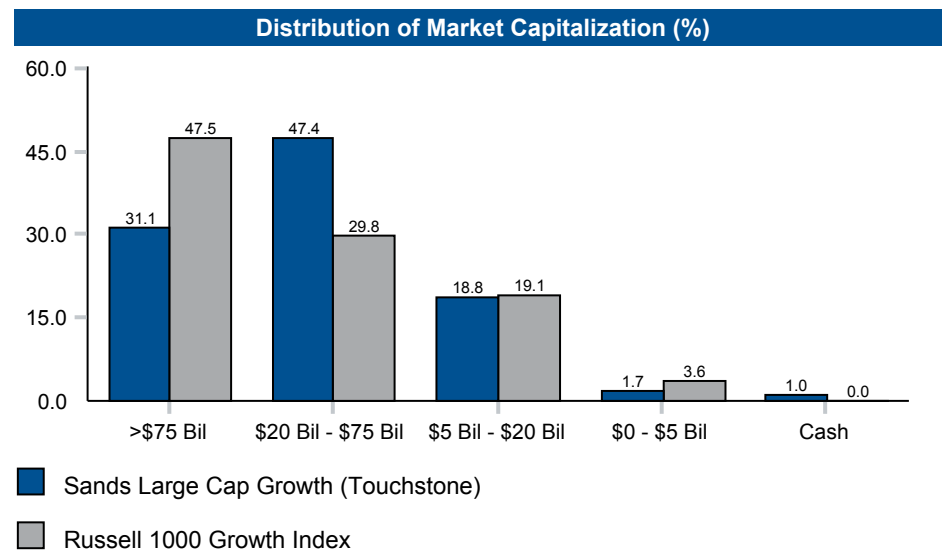
Manager Evaluation

Sands Large Cap Growth (Touchstone) vs. Russell 1000 Growth Index

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	94,847	133,865
Median Mkt. Cap (\$M)	43,375	8,546
Price/Earnings ratio	37.4	22.2
Price/Book ratio	6.5	5.4
5 Yr. EPS Growth Rate (%)	14.6	12.5
Current Yield (%)	0.3	1.6
Debt to Equity	0.4	2.6
Number of Stocks	32	644
Beta (5 Years, Monthly)	1.17	1.00
Consistency (5 Years, Monthly)	43.33	1.00
Sharpe Ratio (5 Years, Monthly)	0.95	1.12
Information Ratio (5 Years, Monthly)	0.16	-
Up Market Capture (5 Years, Monthly)	109.52	-
Down Market Capture (5 Years, Monthly)	111.98	-

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Visa Inc	11.3	1.4	9.9	11.5
Regeneron Pharmaceuticals Inc	6.6	0.4	6.2	16.7
Priceline Group Inc (The)	4.8	0.6	4.2	3.1
Alexion Pharmaceuticals Inc	4.7	0.4	4.3	22.0
Amazon.com Inc	4.5	2.4	2.0	32.0
Facebook Inc	4.1	2.2	2.0	16.4
Salesforce.com Inc.	3.8	0.5	3.4	12.9
Baidu Inc	3.6	0.0	3.6	37.6
Biomarin Pharmaceutical Inc	3.6	0.2	3.4	-0.5
Biogen Inc	3.5	0.7	2.8	5.0
% of Portfolio	50.6	8.8		



Characteristics are as of June 30, 2015. Holdings as of September 30, 2015 unavailable at time of report production.

Manager Evaluation

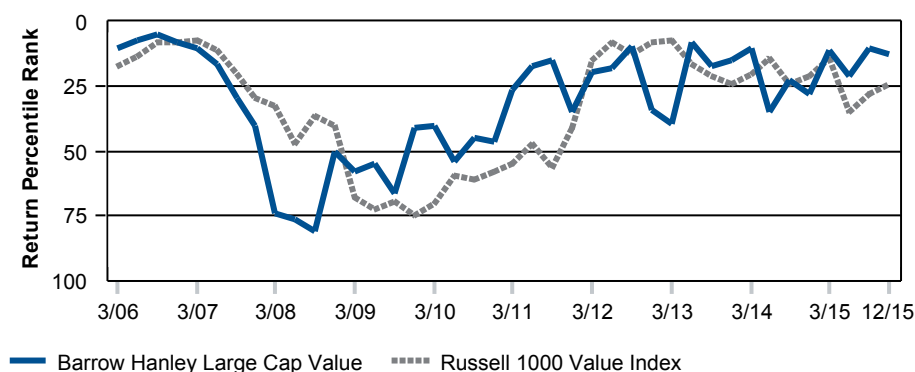
Barrow Hanley Large Cap Value vs. Russell 1000 Value Index

As of December 31, 2015

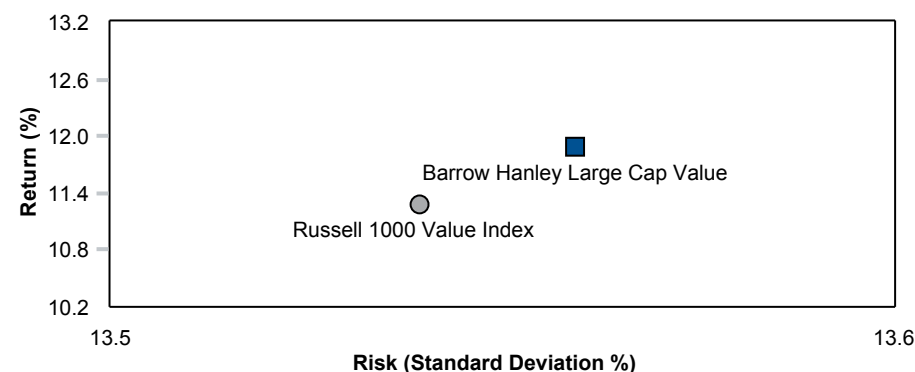
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Barrow Hanley Large Cap Value	5.8	-2.3	-2.3	14.1	11.9	6.2	12.8	34.7	15.3	2.3	10.8	23.7	-35.3	1.9	14.6	10.0
Russell 1000 Value Index	5.6	-3.8	-3.8	13.1	11.3	6.2	13.5	32.5	17.5	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1
IM U.S. Large Cap Value Equity	5.1	-3.8	-3.8	12.2	9.9	5.5	10.9	32.7	15.3	-2.3	12.6	24.1	-36.8	1.7	17.9	5.3
Barrow Hanley Large Cap Value Rank	20	21	21	12	7	30	15	31	49	15	82	54	33	48	88	11

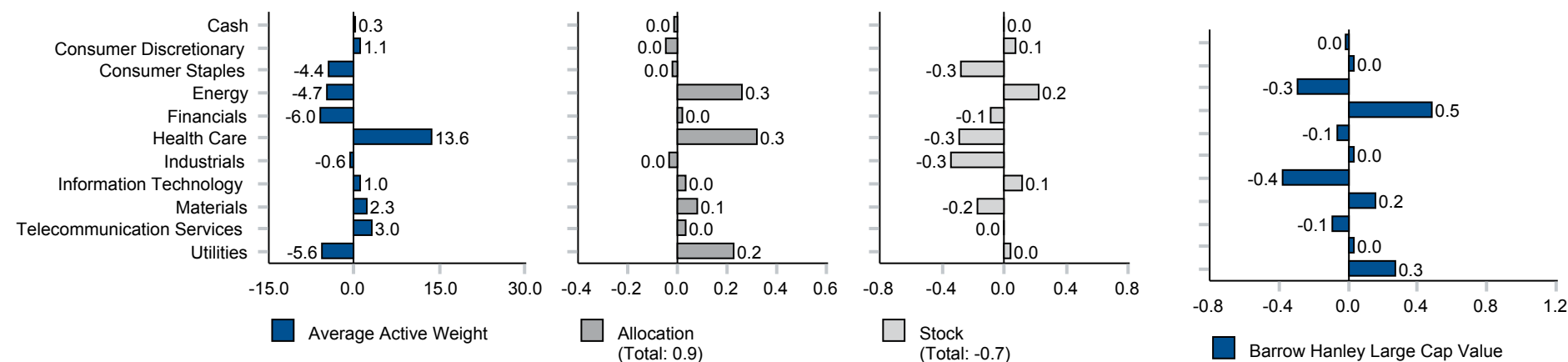
Three Year Rolling Percentile Ranking



Risk and Return (Jan - 2011 - Dec - 2015)



Buy and Hold Attribution



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading.

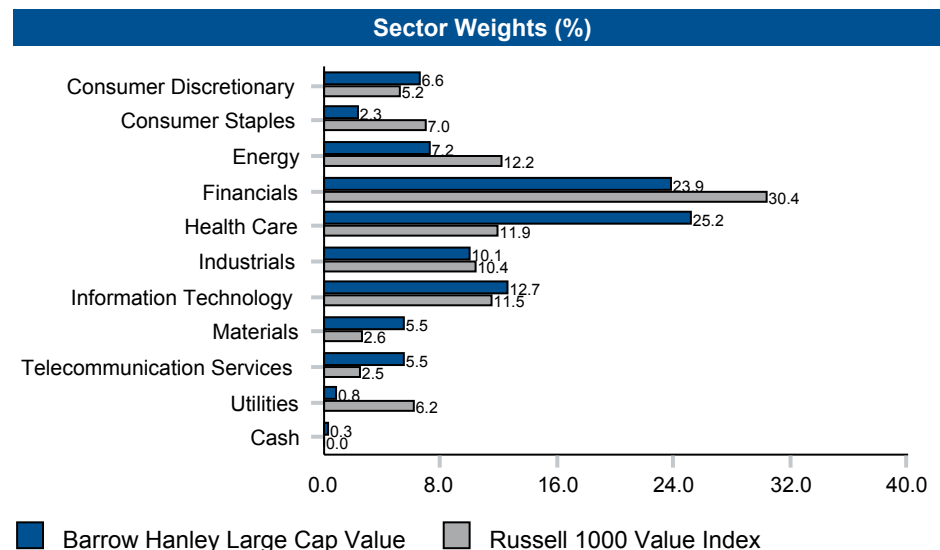
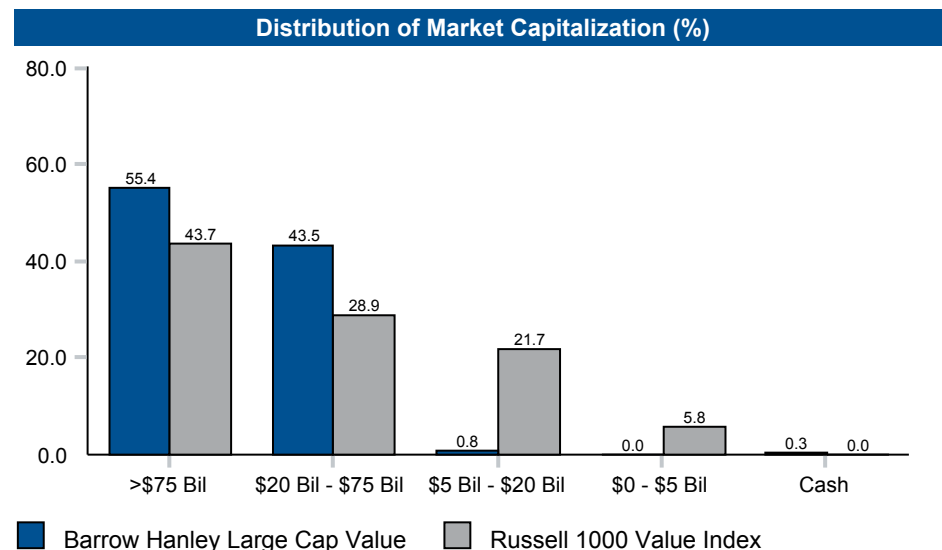
Manager Evaluation

Barrow Hanley Large Cap Value vs. Russell 1000 Value Index

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	119,393	109,988
Median Mkt. Cap (\$M)	75,132	7,068
Price/Earnings ratio	16.7	16.9
Price/Book ratio	2.3	2.0
5 Yr. EPS Growth Rate (%)	3.7	3.9
Current Yield (%)	2.8	2.7
Debt to Equity	1.2	1.2
Number of Stocks	44	691
Beta (5 Years, Monthly)	0.97	1.00
Consistency (5 Years, Monthly)	46.67	1.00
Sharpe Ratio (5 Years, Monthly)	1.00	0.95
Information Ratio (5 Years, Monthly)	0.21	-
Up Market Capture (5 Years, Monthly)	98.10	-
Down Market Capture (5 Years, Monthly)	91.68	-

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Unitedhealth Group Inc	4.6	0.1	4.5	1.8
Microsoft Corp	3.8	2.0	1.9	26.2
Medtronic PLC	3.6	1.1	2.4	15.5
Wells Fargo & Co	3.4	2.6	0.8	6.6
JPMorgan Chase & Co	3.3	2.5	0.8	9.1
Carnival Corp	3.3	0.2	3.0	10.3
Teva Pharmaceutical Industries Ltd	3.1	0.0	3.1	16.9
Travelers Companies Inc (The)	3.1	0.4	2.7	14.0
Verizon Communications Inc	3.0	0.1	2.9	7.6
Pfizer Inc	2.9	2.0	0.9	3.6
% of Portfolio	34.0	10.9		



Manager Evaluation

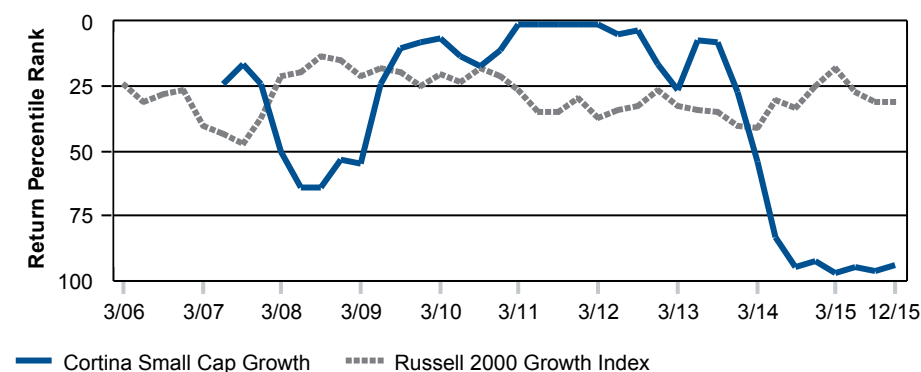
Cortina Small Cap Growth vs. Russell 2000 Growth Index

As of December 31, 2015

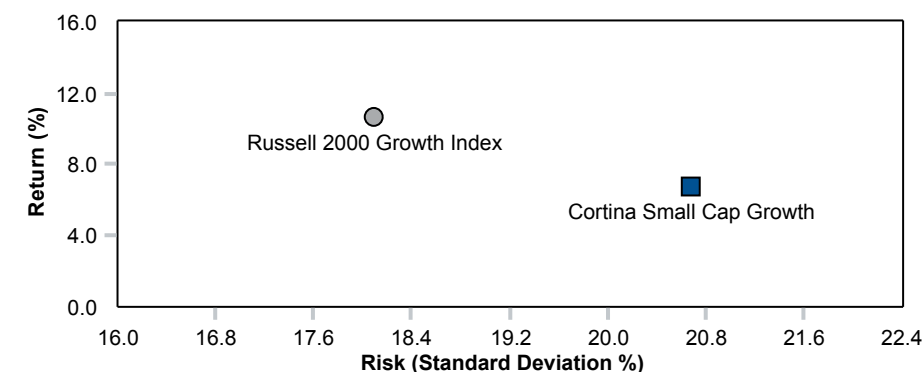
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Cortina Small Cap Growth	2.8	-6.3	-6.3	8.4	6.8	6.8	-8.9	49.2	6.5	2.2	36.1	50.8	-45.4	11.5	11.4	5.0
Russell 2000 Growth Index	4.3	-1.4	-1.4	14.3	10.7	8.0	5.6	43.3	14.6	-2.9	29.1	34.5	-38.5	7.0	13.3	4.2
IM U.S. Small Cap Growth Equity	2.5	-2.3	-2.3	13.2	9.8	6.5	1.8	43.2	12.1	-4.3	27.0	33.1	-42.7	7.8	9.6	4.9
Cortina Small Cap Growth Rank	49	74	74	94	89	40	99	22	89	6	5	8	75	28	37	50

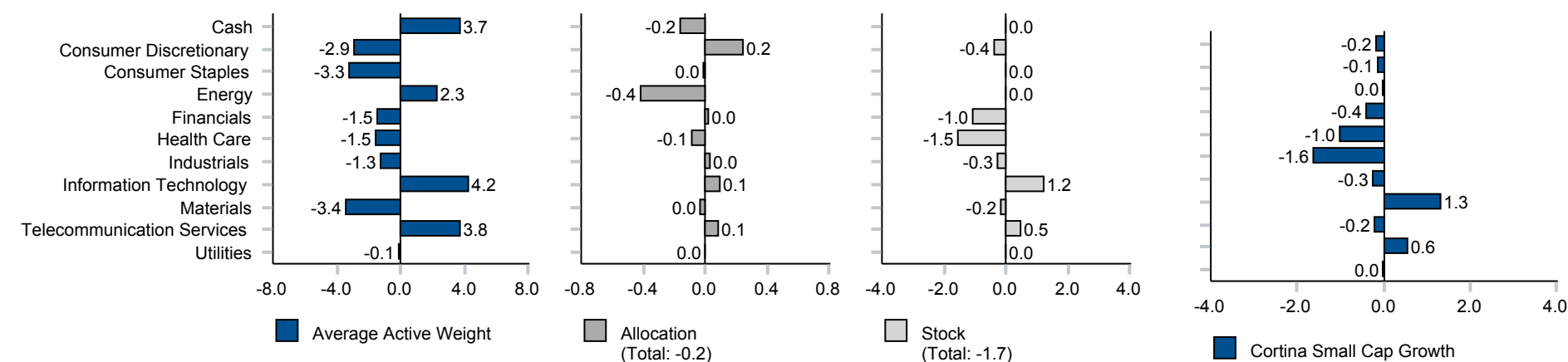
Three Year Rolling Percentile Ranking



Risk and Return (Jan - 2011 - Dec - 2015)



Buy and Hold Attribution



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading.

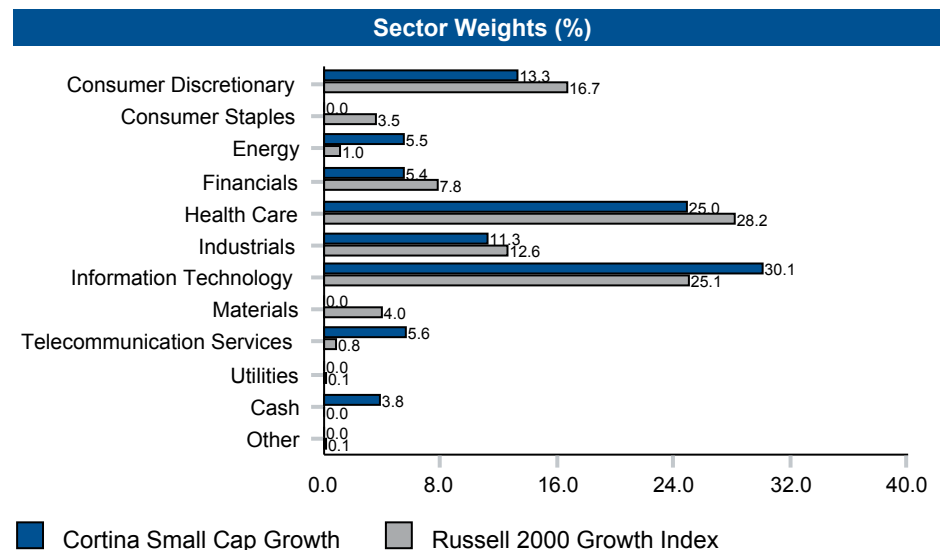
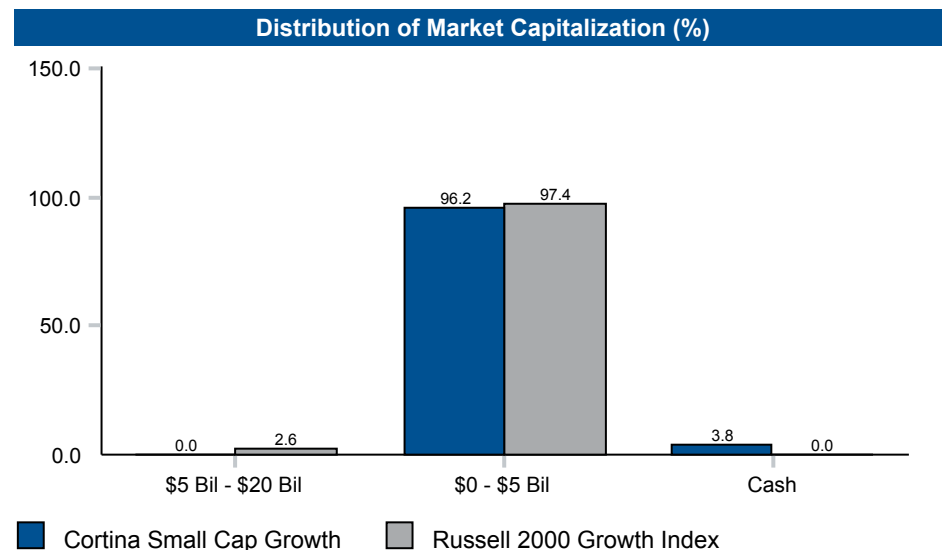
Manager Evaluation

Cortina Small Cap Growth vs. Russell 2000 Growth Index

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	1,066	2,081
Median Mkt. Cap (\$M)	814	742
Price/Earnings ratio	25.9	23.5
Price/Book ratio	3.2	3.8
5 Yr. EPS Growth Rate (%)	12.0	14.6
Current Yield (%)	0.1	0.7
Debt to Equity	5.2	1.9
Number of Stocks	104	1,194
Beta (5 Years, Monthly)	0.96	1.00
Consistency (5 Years, Monthly)	45.00	1.00
Sharpe Ratio (5 Years, Monthly)	0.46	0.69
Information Ratio (5 Years, Monthly)	-0.50	-
Up Market Capture (5 Years, Monthly)	87.51	-
Down Market Capture (5 Years, Monthly)	98.68	-

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NxStage Medical Inc	2.4	0.2	2.3	38.9
AtriCure Inc	2.1	0.1	2.0	2.4
Imperva Inc	1.7	0.2	1.5	-3.3
M/A-Com Technology Solutions	1.7	0.1	1.6	41.0
Q2 Holdings Inc	1.7	0.1	1.6	6.7
inContact Inc	1.7	0.1	1.6	27.0
RingCentral Inc	1.7	0.2	1.5	29.9
K2M Group Holdings Inc	1.5	0.0	1.5	6.1
MaxLinear Inc	1.5	0.1	1.5	18.4
BroadSoft Inc	1.5	0.1	1.4	18.0
% of Portfolio	17.6	1.1		



Manager Evaluation

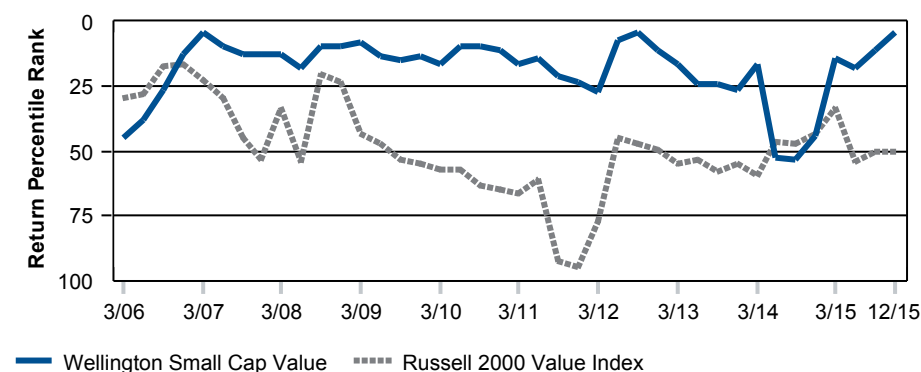
Wellington Small Cap Value vs. Russell 2000 Value Index

As of December 31, 2015

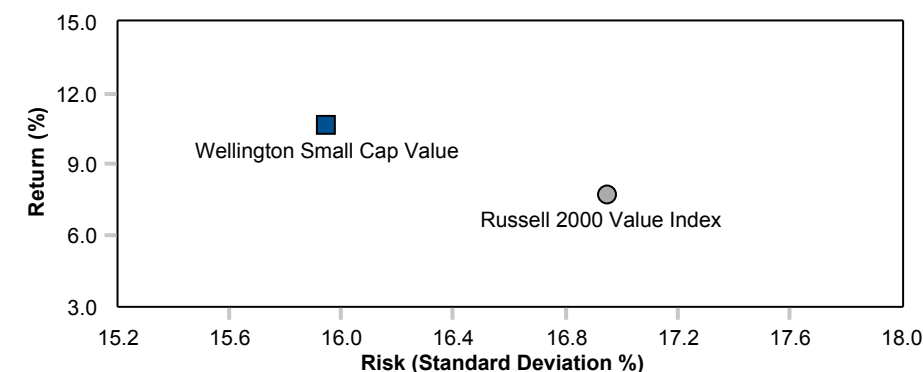
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Wellington Small Cap Value	5.5	-0.8	-0.8	12.3	10.6	8.9	6.8	33.7	15.6	1.2	26.4	31.2	-26.5	-3.0	19.9	10.4
Russell 2000 Value Index	2.9	-7.5	-7.5	9.1	7.7	5.6	4.2	34.5	18.1	-5.5	24.5	20.6	-28.9	-9.8	23.5	4.7
IM U.S. Small Cap Value Equity	2.5	-7.1	-7.1	9.0	7.8	5.5	3.3	35.1	16.3	-3.8	25.0	28.3	-32.2	-6.0	16.9	5.9
Wellington Small Cap Value Rank	5	1	1	4	2	1	10	68	57	7	33	37	4	23	19	12

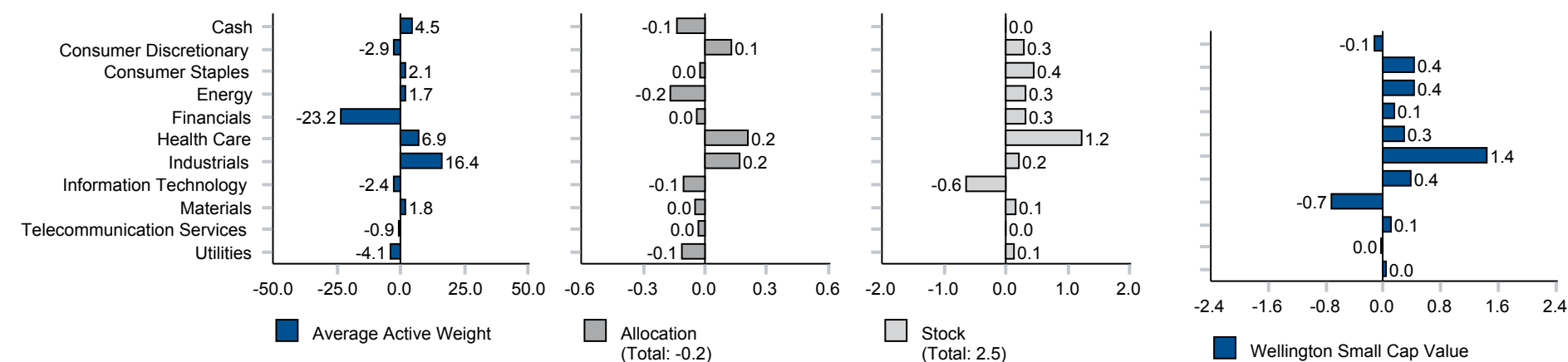
Three Year Rolling Percentile Ranking



Risk and Return (Jan - 2011 - Dec - 2015)



Buy and Hold Attribution



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading.

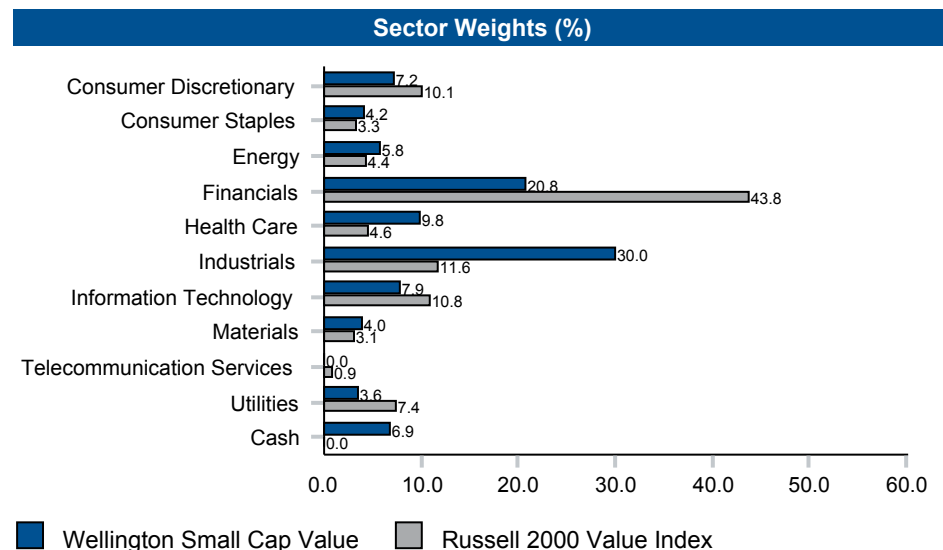
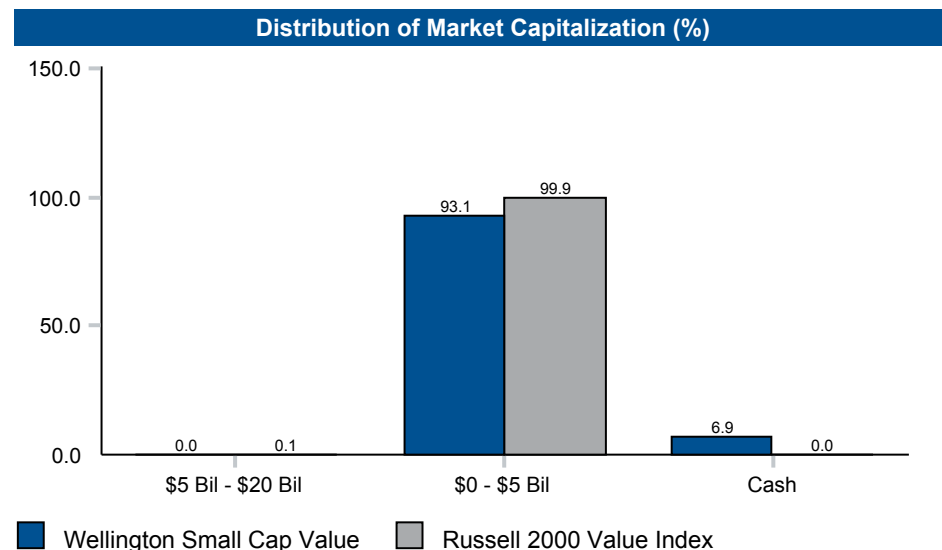
Manager Evaluation

Wellington Small Cap Value vs. Russell 2000 Value Index

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	1,532	1,678
Median Mkt. Cap (\$M)	1,357	603
Price/Earnings ratio	19.7	16.8
Price/Book ratio	1.8	1.6
5 Yr. EPS Growth Rate (%)	6.0	7.6
Current Yield (%)	1.7	2.3
Debt to Equity	1.0	0.7
Number of Stocks	75	1,351
Beta (5 Years, Monthly)	0.96	1.00
Consistency (5 Years, Monthly)	63.33	1.00
Sharpe Ratio (5 Years, Monthly)	0.75	0.56
Information Ratio (5 Years, Monthly)	0.88	-
Up Market Capture (5 Years, Monthly)	104.17	-
Down Market Capture (5 Years, Monthly)	90.50	-

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Webster Financial Corp	2.4	0.4	2.0	5.0
G&K Services Inc	2.4	0.0	2.4	-5.1
Mueller Industries Inc.	2.2	0.1	2.2	-8.2
Cubic Corp	2.0	0.1	1.9	12.7
Albany International Corp.	2.0	0.1	1.9	28.4
Belden Inc	1.9	0.0	1.9	2.2
International Bancshares Corp	1.9	0.2	1.7	2.7
Allscripts Healthcare Solutions Inc	1.8	0.0	1.8	24.0
Sensient Technologies Corp	1.8	0.1	1.7	2.9
Charles River Laboratories International	1.8	0.0	1.8	26.6
% of Portfolio	20.4	1.0		



Manager Evaluation

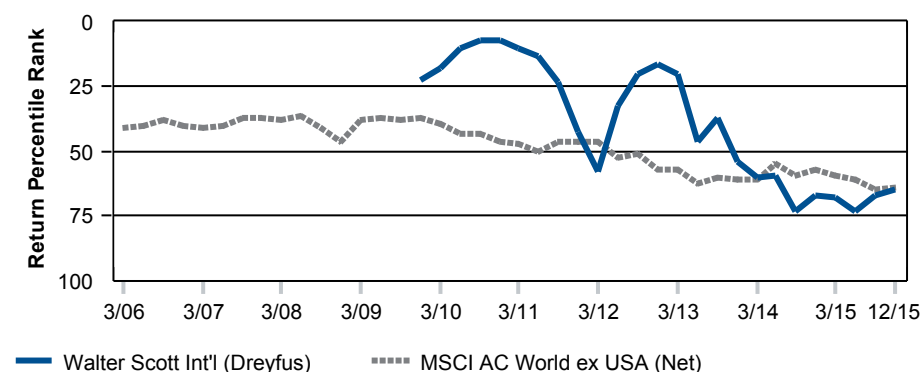
Walter Scott Int'l (Dreyfus) vs. MSCI AC World ex USA (Net)

As of December 31, 2015

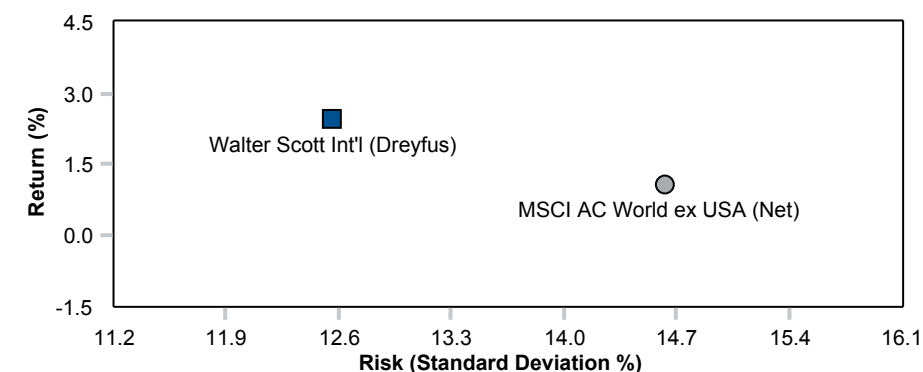
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Walter Scott Int'l (Dreyfus)	4.7	-0.6	-0.6	1.2	2.5	N/A	-4.4	9.0	21.0	-9.9	14.0	34.9	-31.6	8.5	N/A	N/A
MSCI AC World ex USA (Net)	3.2	-5.7	-5.7	1.5	1.1	2.9	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6
IM International Equity	3.3	-2.8	-2.8	3.1	2.3	3.2	-4.5	17.4	18.6	-14.9	12.9	36.4	-46.0	13.2	26.2	15.7
Walter Scott Int'l (Dreyfus) Rank	26	37	37	65	49	N/A	49	70	28	13	44	54	3	78	N/A	N/A

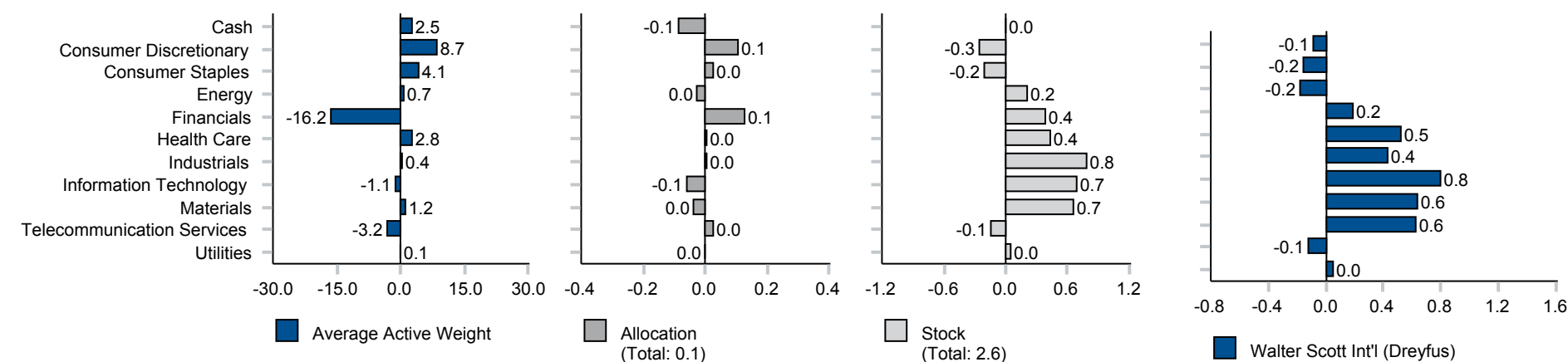
Three Year Rolling Percentile Ranking



Risk and Return (Jan - 2011 - Dec - 2015)



Buy and Hold Attribution



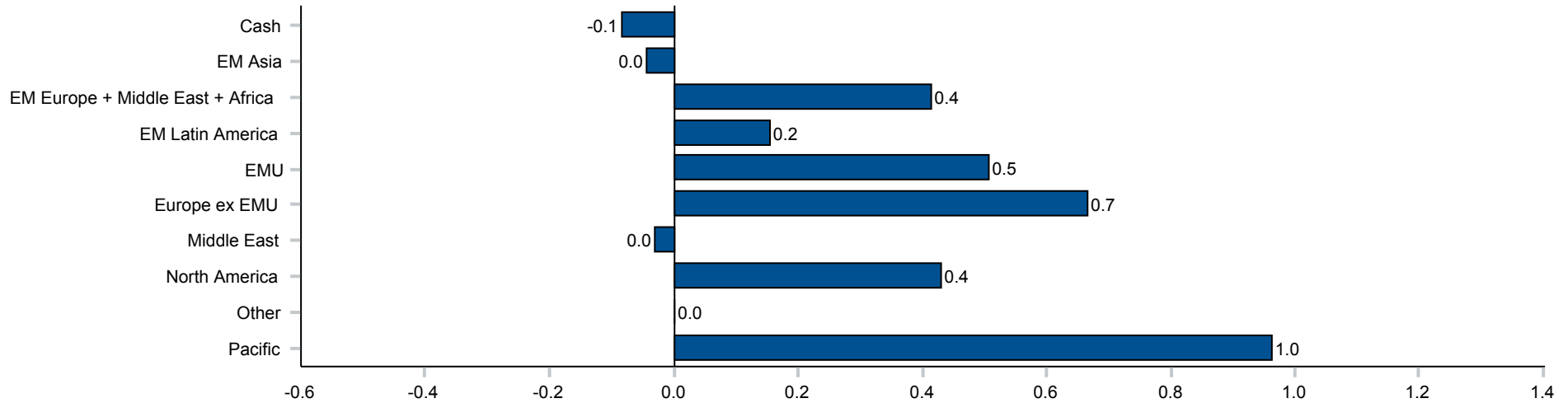
Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading.

Manager Evaluation

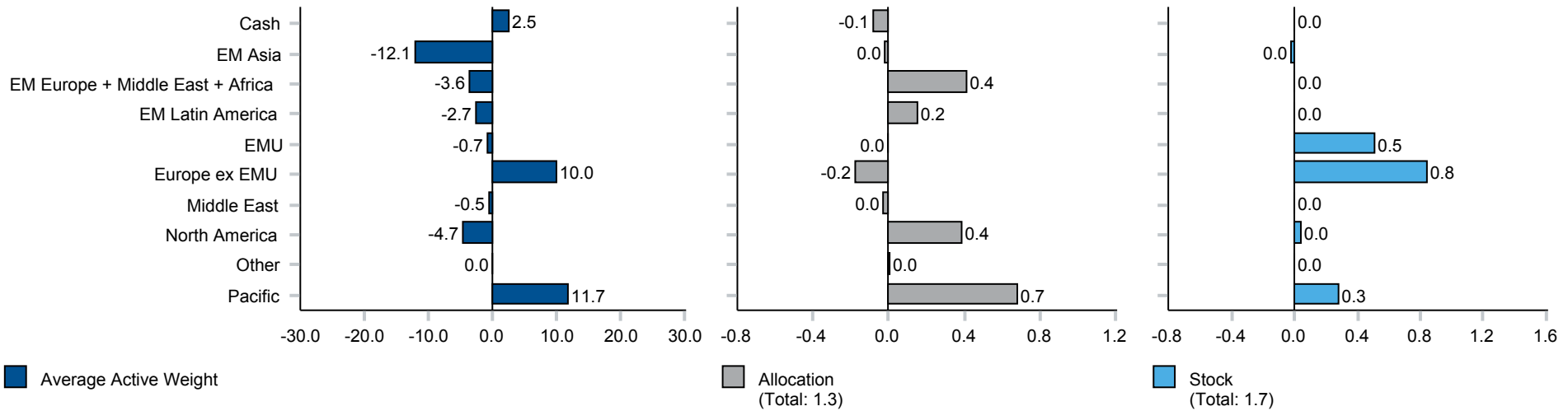
Walter Scott Int'l (Dreyfus) vs. MSCI AC World ex USA (Net)

1 Quarter Ending December 31, 2015

Total Attribution



Performance Attribution



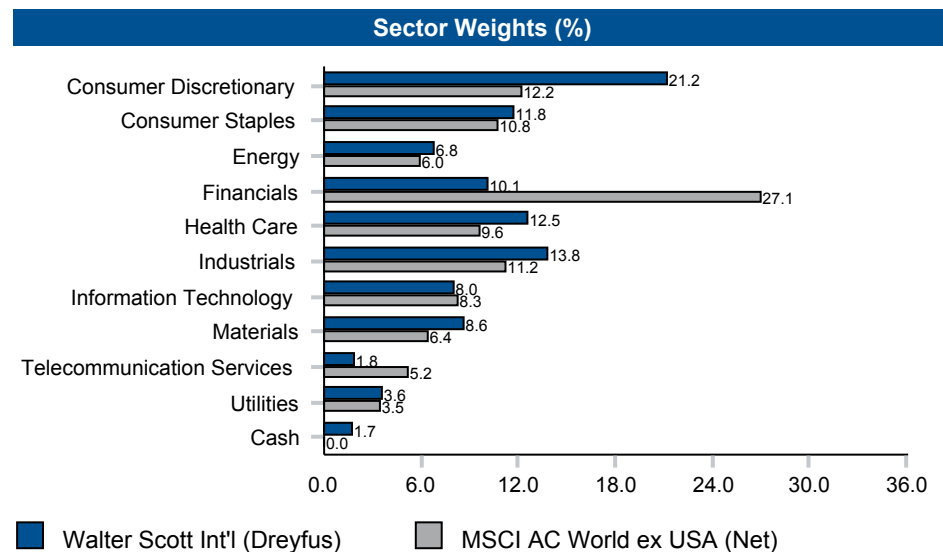
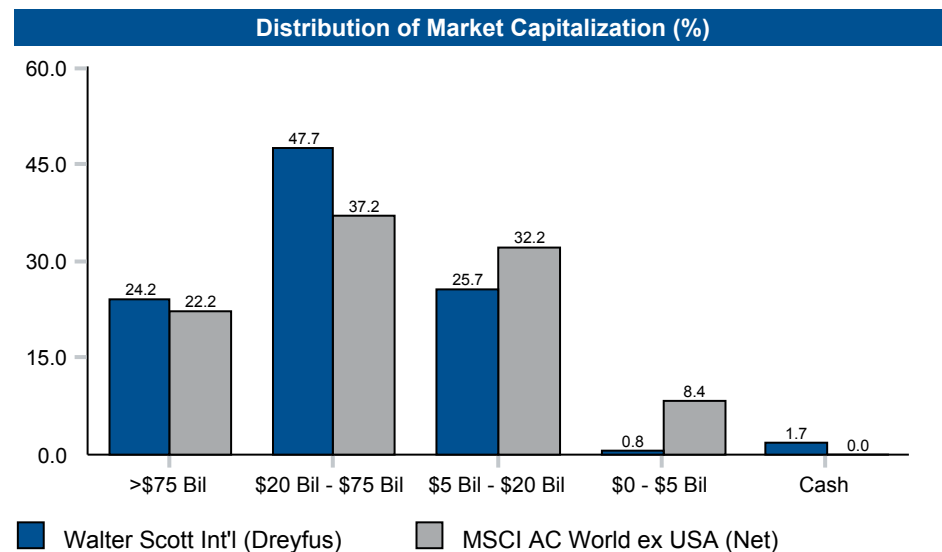
Manager Evaluation

Walter Scott Int'l (Dreyfus) vs. MSCI AC World ex USA (Net)

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	58,173	51,667
Median Mkt. Cap (\$M)	29,679	6,742
Price/Earnings ratio	20.5	15.1
Price/Book ratio	3.1	2.3
5 Yr. EPS Growth Rate (%)	5.4	7.5
Current Yield (%)	2.5	3.1
Debt to Equity	0.5	2.1
Number of Stocks	54	1,858
Beta (5 Years, Monthly)	0.85	1.00
Consistency (5 Years, Monthly)	53.33	1.00
Sharpe Ratio (5 Years, Monthly)	0.25	0.14
Information Ratio (5 Years, Monthly)	0.25	-
Up Market Capture (5 Years, Monthly)	88.34	-
Down Market Capture (5 Years, Monthly)	80.83	-

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Adidas AG	2.8	0.1	2.7	21.5
Reckitt Benckiser Group PLC	2.6	0.4	2.2	2.1
SAP AG Systeme Anwendungen	2.6	0.5	2.1	23.2
Industria De Diseno Textil Inditex SA	2.5	0.2	2.3	3.8
Syngenta AG, Basel	2.5	0.2	2.3	22.7
Keyence Corp	2.4	0.2	2.3	25.6
Experian Plc	2.4	0.1	2.3	11.2
CSL Ltd	2.4	0.2	2.2	22.3
Compass Group PLC	2.3	0.2	2.2	8.6
Roche Holding AG	2.3	1.2	1.1	5.0
% of Portfolio	24.8	3.2		



Manager Evaluation

Walter Scott Int'l (Dreyfus) vs. MSCI AC World ex USA (Net) - Country/Region Allocation

As of December 31, 2015

	Walter Scott Int'l (Dreyfus)	MSCI AC World ex USA (Net)
Australia	3.1	5.0
Hong Kong	7.7	2.3
Japan	22.6	17.3
New Zealand	0.0	0.1
Singapore	1.9	0.9
Pacific	35.3	25.7
Austria	0.0	0.1
Belgium	0.0	1.1
Finland	2.0	0.7
France	11.8	7.2
Germany	5.4	6.7
Ireland	0.0	0.3
Italy	0.0	1.7
Netherlands	0.0	2.1
Portugal	0.0	0.1
Spain	2.5	2.3
EMU	21.8	22.3
Denmark	2.1	1.4
Norway	0.0	0.4
Sweden	1.9	2.1
Switzerland	15.3	6.9
United Kingdom	14.8	14.3
Europe ex EMU	34.1	25.1
Canada	1.6	5.9
United States	0.0	0.0
Israel	0.0	0.6
Middle East	0.0	0.6
Developed Markets	92.7	79.5

	Walter Scott Int'l (Dreyfus)	MSCI AC World ex USA (Net)
Brazil	0.0	1.1
Cayman Islands	0.0	0.0
Chile	0.0	0.2
Colombia	0.0	0.1
Mexico	0.0	0.9
Peru	0.0	0.1
Virgin Islands	0.0	0.0
EM Latin America	0.0	2.4
China	3.5	5.4
India	0.0	1.8
Indonesia	0.0	0.5
Korea	0.0	3.2
Malaysia	0.0	0.7
Philippines	0.0	0.3
Taiwan	2.1	2.5
Thailand	0.0	0.4
EM Asia	5.6	14.7
Czech Republic	0.0	0.0
Egypt	0.0	0.0
Greece	0.0	0.1
Hungary	0.0	0.1
Poland	0.0	0.3
Qatar	0.0	0.2
Russia	0.0	0.7
South Africa	0.0	1.4
Turkey	0.0	0.3
United Arab Emirates	0.0	0.2
EM Europe + Middle East + Africa	0.0	3.3
Emerging Markets	5.6	20.4
Frontier Markets	0.0	0.0
Cash	1.7	0.0
Other	0.0	0.0
Total	100.0	100.0

Manager Evaluation

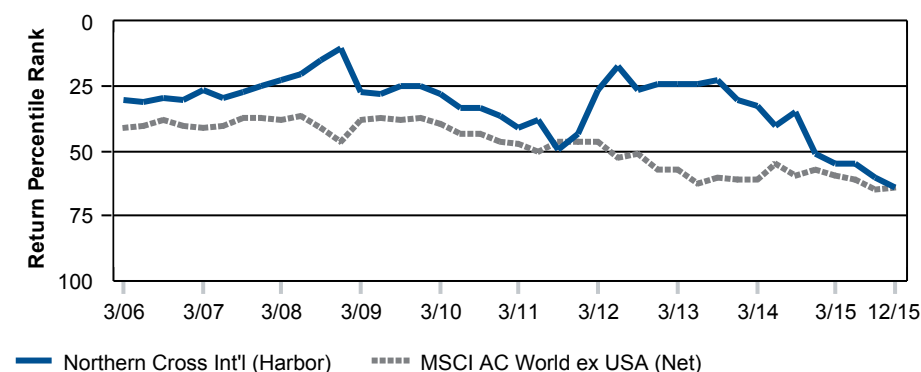
Northern Cross Int'l (Harbor) vs. MSCI AC World ex USA (Net)

As of December 31, 2015

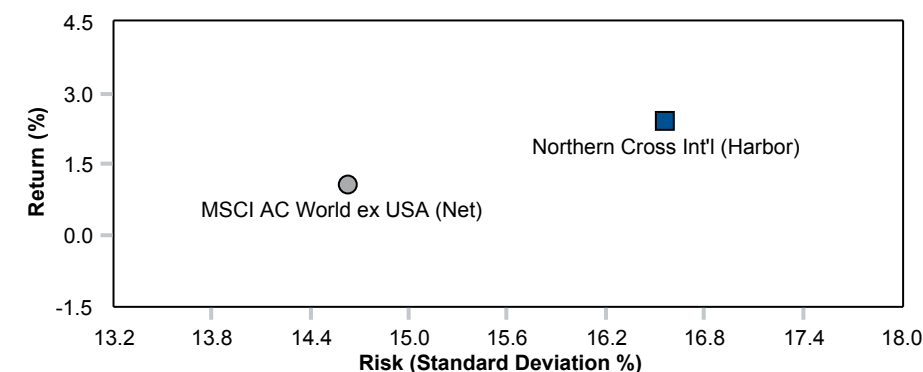
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Northern Cross Int'l (Harbor)	2.9	-3.8	-3.8	1.6	2.4	4.9	-6.8	16.8	20.9	-11.1	12.0	38.6	-42.7	21.8	32.7	20.8
MSCI AC World ex USA (Net)	3.2	-5.7	-5.7	1.5	1.1	2.9	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6
IM International Equity	3.3	-2.8	-2.8	3.1	2.3	3.2	-4.5	17.4	18.6	-14.9	12.9	36.4	-46.0	13.2	26.2	15.7
Northern Cross Int'l (Harbor) Rank	58	55	55	64	50	23	76	52	30	20	55	45	28	26	19	29

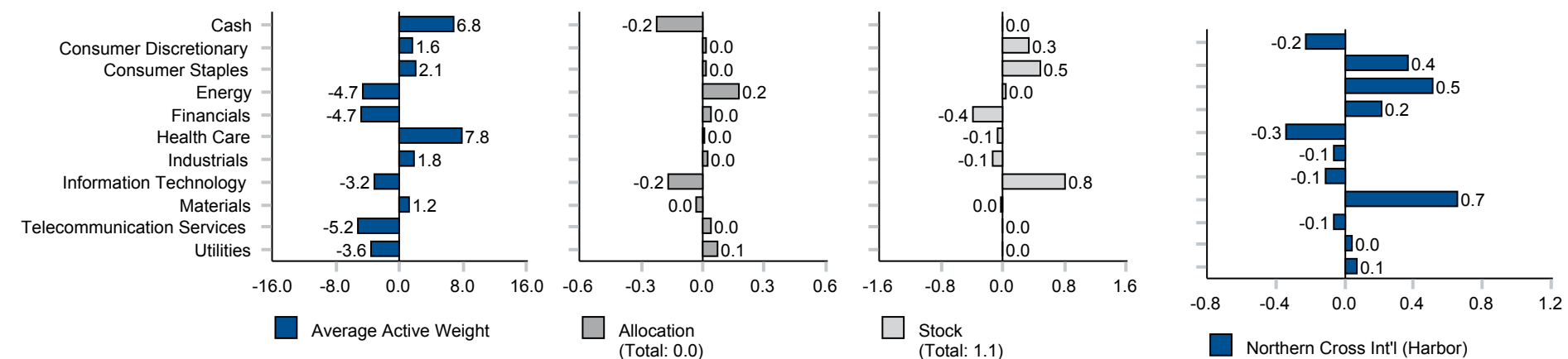
Three Year Rolling Percentile Ranking



Risk and Return (Jan - 2011 - Dec - 2015)



Buy and Hold Attribution



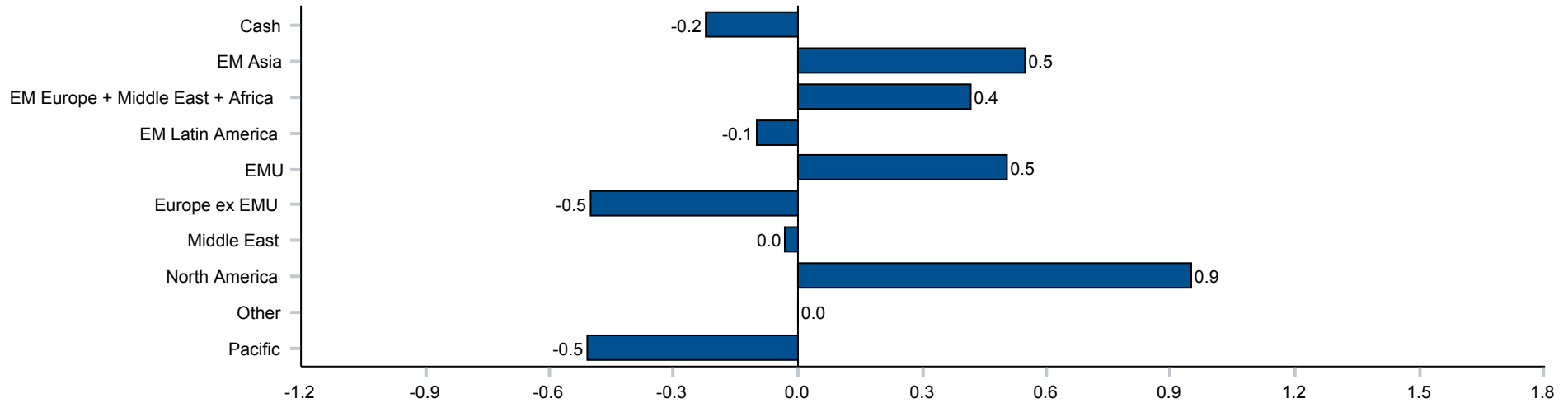
Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading.

Manager Evaluation

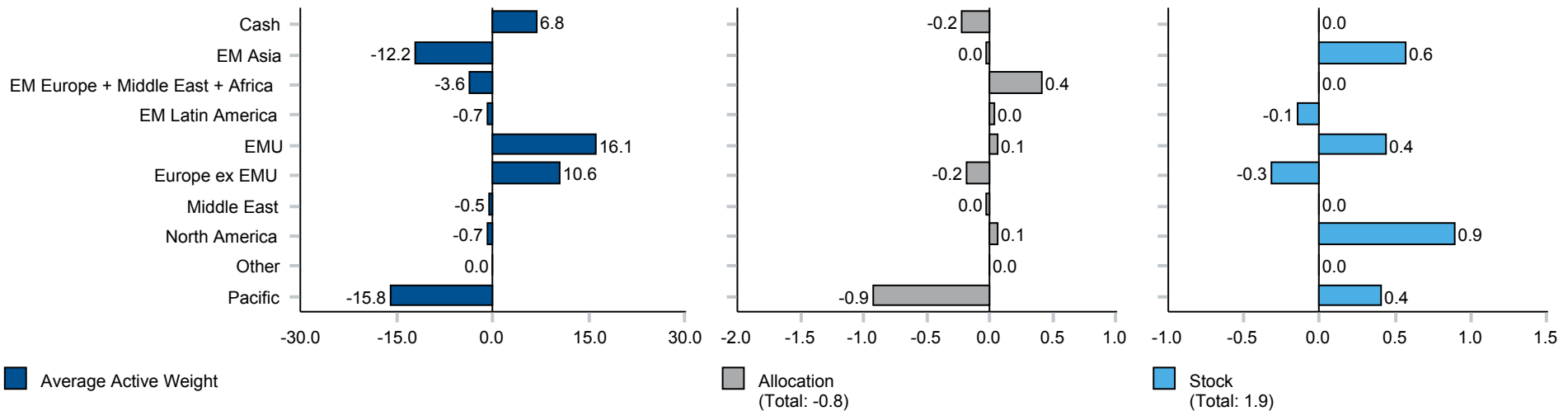
Northern Cross Int'l (Harbor) vs. MSCI AC World ex USA (Net)

1 Quarter Ending December 31, 2015

Total Attribution



Performance Attribution



Manager Evaluation

Northern Cross Int'l (Harbor) vs. MSCI AC World ex USA (Net)

As of December 31, 2015

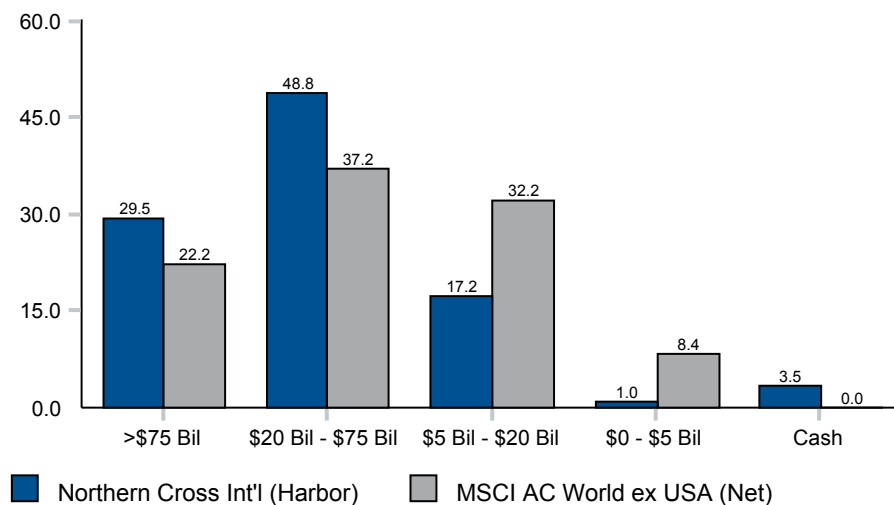
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	67,376	51,667
Median Mkt. Cap (\$M)	29,679	6,742
Price/Earnings ratio	18.1	15.1
Price/Book ratio	2.6	2.3
5 Yr. EPS Growth Rate (%)	8.7	7.5
Current Yield (%)	2.6	3.1
Debt to Equity	-0.3	2.1
Number of Stocks	66	1,858
Beta (5 Years, Monthly)	1.03	1.00
Consistency (5 Years, Monthly)	51.67	1.00
Sharpe Ratio (5 Years, Monthly)	0.23	0.14
Information Ratio (5 Years, Monthly)	0.41	-
Up Market Capture (5 Years, Monthly)	106.43	-
Down Market Capture (5 Years, Monthly)	99.46	-

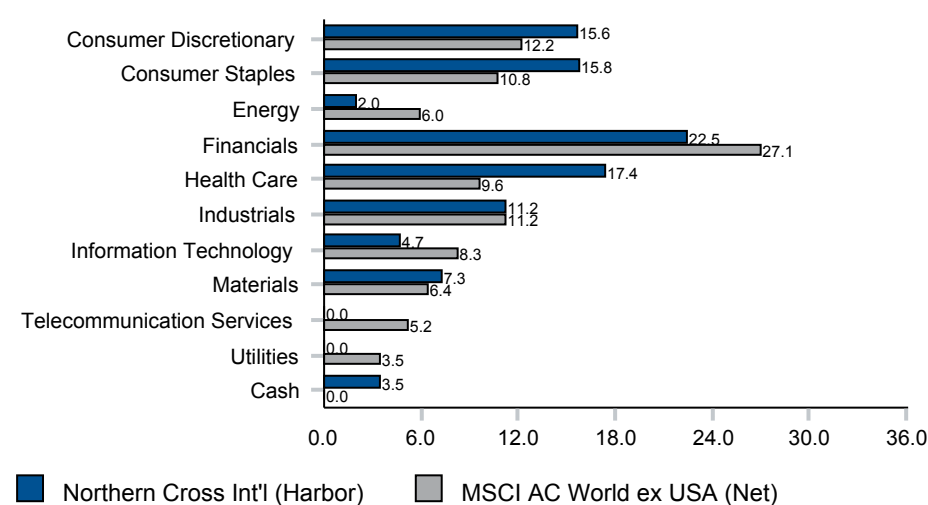
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	3.9	0.7	3.2	8.6
Las Vegas Sands Corp	3.4	0.0	3.4	17.3
Roche Holding AG	3.3	1.2	2.1	5.0
Unibail Rodamco	2.7	0.2	2.6	-1.4
Novartis AG	2.7	1.2	1.5	-5.2
Allianz SE	2.6	0.5	2.1	13.5
CIE Generale D""Optique Essilor Int'l	2.5	0.2	2.4	2.8
Diageo PLC	2.5	0.4	2.1	2.0
Alibaba Group Holding Ltd	2.5	0.2	2.2	37.8
Shire PLC	2.4	0.2	2.2	1.5
% of Portfolio	28.5	4.7		

Distribution of Market Capitalization (%)



Sector Weights (%)



Manager Evaluation

Northern Cross (Harbor Int'l) vs. MSCI AC World ex USA (Net) - Country/Region Allocation

As of December 31, 2015

	Harbor International Fund	MSCI AC World ex USA
Australia	0.0	5.0
Hong Kong	0.0	2.3
Japan	8.7	17.3
New Zealand	0.0	0.1
Singapore	0.0	0.9
Pacific	8.7	25.7
Austria	1.4	0.1
Belgium	2.2	1.1
Finland	0.0	0.7
France	19.9	7.2
Germany	9.2	6.7
Ireland	0.0	0.3
Italy	0.0	1.7
Netherlands	2.1	2.1
Portugal	0.0	0.1
Spain	2.1	2.3
EMU	36.8	22.3
Denmark	3.9	1.4
Norway	0.0	0.4
Sweden	3.8	2.1
Switzerland	16.5	6.9
United Kingdom	13.2	14.3
Europe ex EMU	37.3	25.1
Canada	0.2	5.9
United States	8.0	0.0
Israel	0.0	0.6
Middle East	0.0	0.6
Developed Markets	91.0	79.5

	Harbor International Fund	MSCI AC World ex USA
Brazil	0.0	1.1
Cayman Islands	0.0	0.0
Chile	0.0	0.2
Colombia	2.1	0.1
Mexico	0.0	0.9
Peru	0.0	0.1
Virgin Islands	0.0	0.0
EM Latin America	2.1	2.4
China	2.5	5.4
India	0.0	1.8
Indonesia	0.0	0.5
Korea	0.0	3.2
Malaysia	0.9	0.7
Philippines	0.0	0.3
Taiwan	0.0	2.5
Thailand	0.0	0.4
EM Asia	3.4	14.7
Czech Republic	0.0	0.0
Egypt	0.0	0.0
Greece	0.0	0.1
Hungary	0.0	0.1
Poland	0.0	0.3
Qatar	0.0	0.2
Russia	0.0	0.7
South Africa	0.0	1.4
Turkey	0.0	0.3
United Arab Emirates	0.0	0.2
EM Europe + Middle East + Africa	0.0	3.3
Emerging Markets	5.5	20.4
Frontier Markets	0.0	0.0
Cash	3.5	0.0
Other	0.0	0.0
Total	100.0	100.0

Manager Evaluation

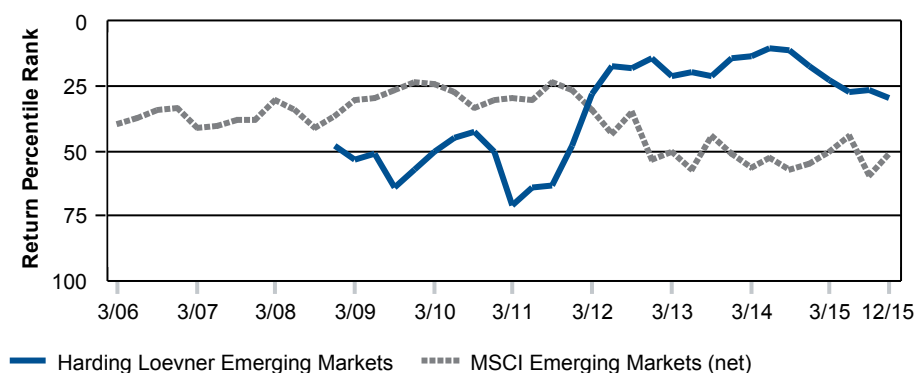
Harding Loevner Emerging Markets vs. MSCI Emerging Markets (net)

As of December 31, 2015

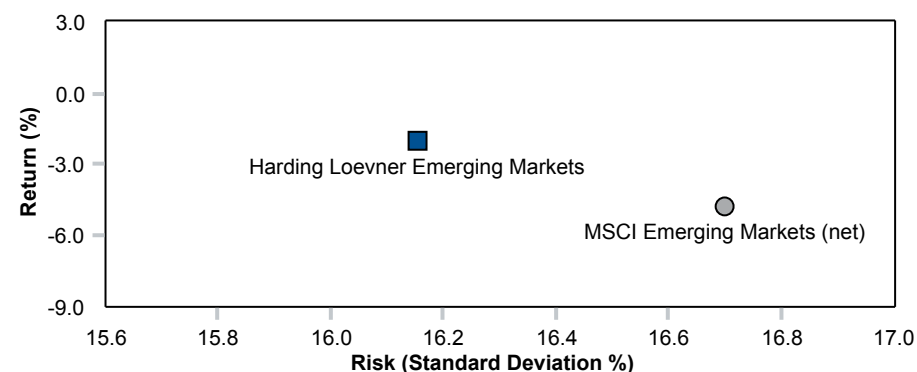
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Harding Loevner Emerging Markets	0.7	-13.5	-13.5	-4.0	-2.1	4.2	-1.9	4.3	22.5	-17.0	20.8	64.0	-52.5	36.3	30.1	N/A
MSCI Emerging Markets (net)	0.7	-14.9	-14.9	-6.8	-4.8	3.6	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0
IM Emerging Markets Equity	0.2	-14.2	-14.2	-6.6	-4.8	3.3	-3.0	-1.5	18.8	-19.5	18.3	72.9	-54.7	36.9	32.3	32.0
Harding Loevner Emerging Markets Rank	47	42	42	29	17	29	41	20	17	21	31	83	37	55	67	N/A

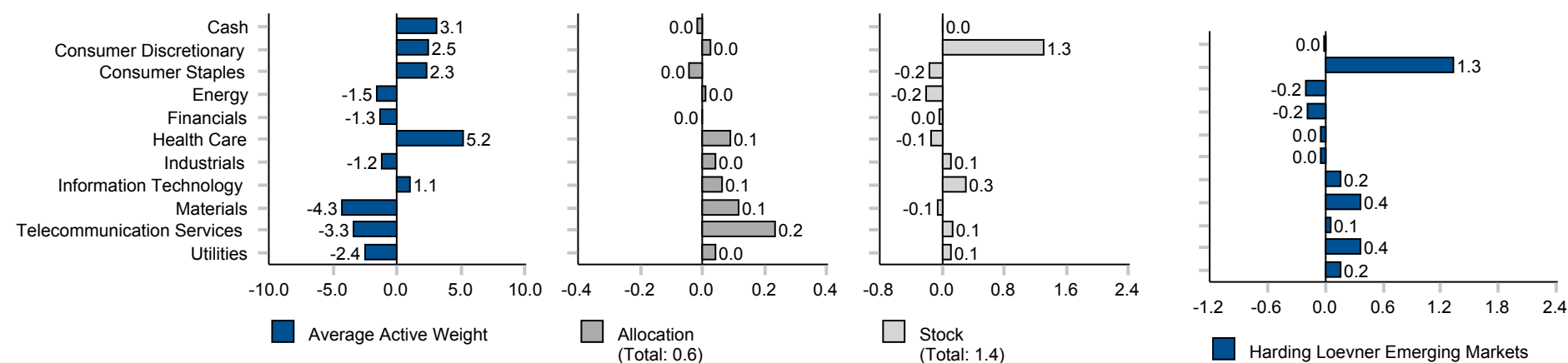
Three Year Rolling Percentile Ranking



Risk and Return (Jan - 2011 - Dec - 2015)



Buy and Hold Attribution



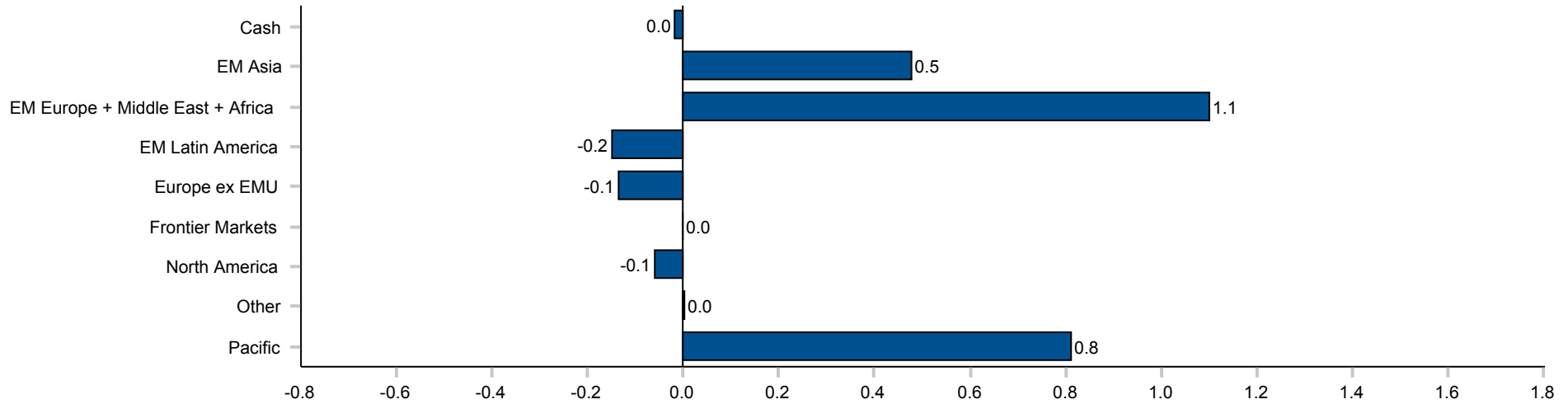
Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading.

Manager Evaluation

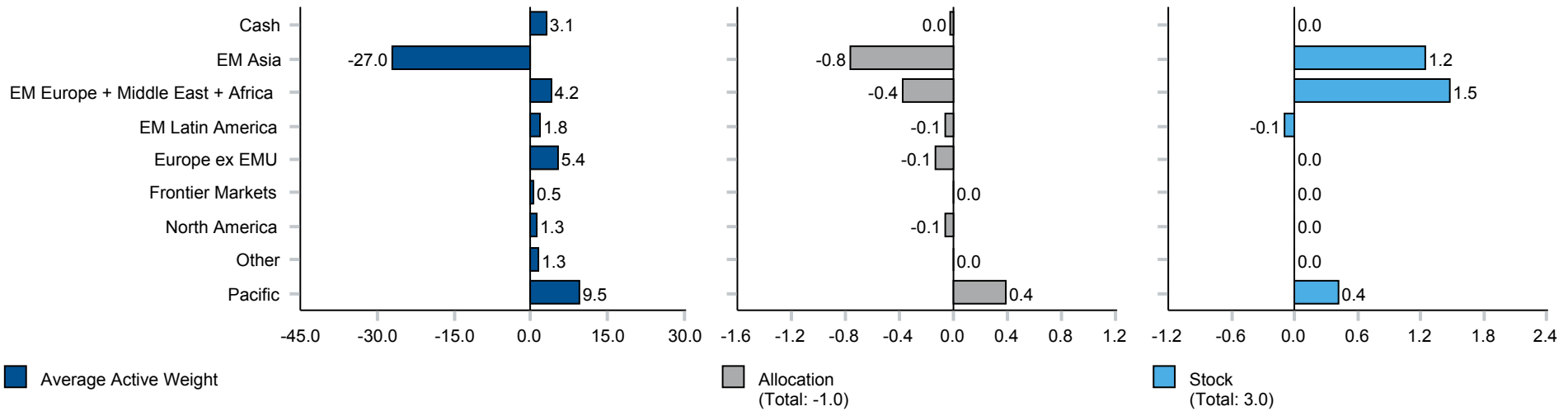
Harding Loevner Emerging Markets vs. MSCI EM (net)

1 Quarter Ending December 31, 2015

Total Attribution



Performance Attribution



Manager Evaluation

Harding Loevner Emerging Markets vs. MSCI EM (net)

As of December 31, 2015

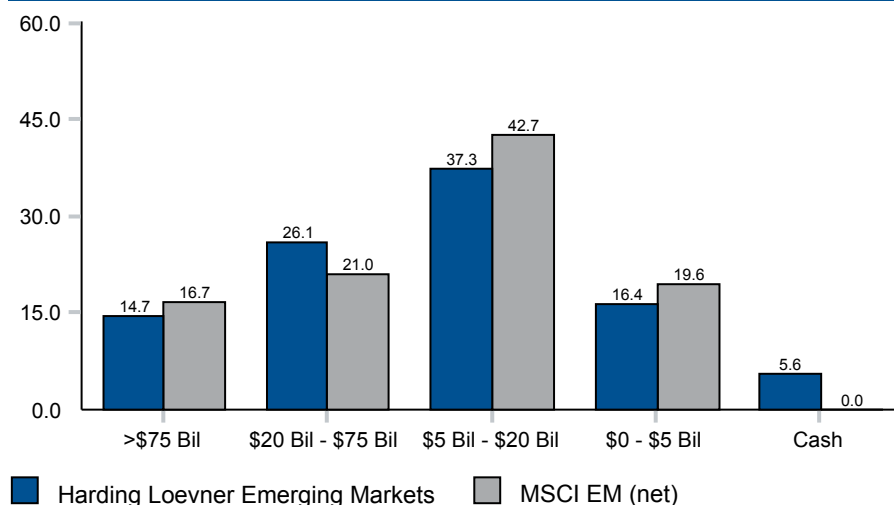
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	37,961	41,067
Median Mkt. Cap (\$M)	10,896	4,735
Price/Earnings ratio	13.4	11.4
Price/Book ratio	2.6	2.4
5 Yr. EPS Growth Rate (%)	11.4	10.7
Current Yield (%)	2.5	2.8
Debt to Equity	0.8	0.9
Number of Stocks	78	838
Beta (5 Years, Monthly)	0.89	1.00
Consistency (5 Years, Monthly)	56.67	1.00
Sharpe Ratio (5 Years, Monthly)	-0.05	-0.19
Information Ratio (5 Years, Monthly)	0.54	-
Up Market Capture (5 Years, Monthly)	94.15	-
Down Market Capture (5 Years, Monthly)	84.54	-

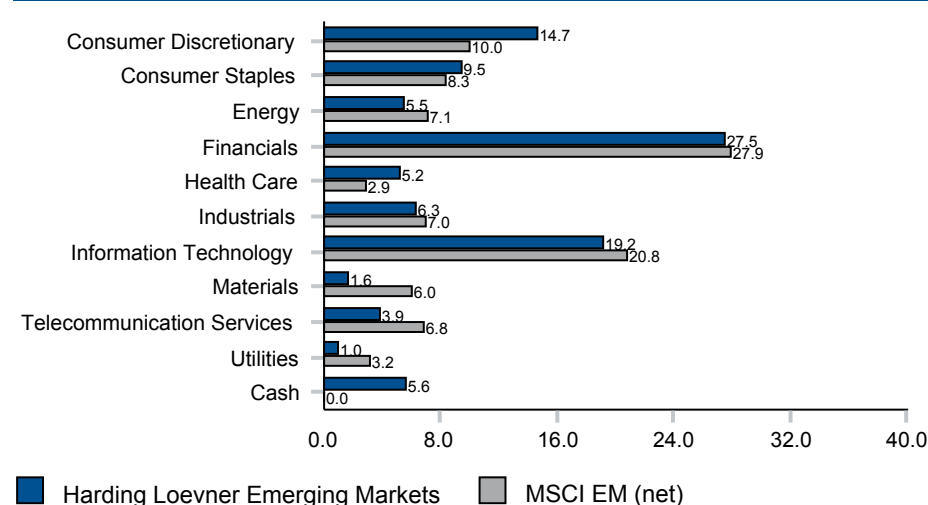
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semiconductor Manufacturing	3.9	3.1	0.8	10.0
Samsung Electronics Co Ltd (B)	3.7	3.4	0.2	12.5
AIA Group Ltd	3.0	0.0	3.0	16.3
Tencent Holdings LTD	2.9	3.0	0.0	17.9
Ctrip.com International Ltd	2.2	0.2	2.0	46.7
China Mobile Ltd	2.1	2.0	0.1	-5.3
Naspers Ltd	2.1	1.6	0.5	9.3
Grupo Financiero Banorte	2.0	0.4	1.6	13.0
PT Bank Rakyat Indonesia TBK	1.8	0.3	1.5	40.3
Baidu Inc	1.8	0.8	1.0	37.6
% of Portfolio	25.4	14.7		

Distribution of Market Capitalization (%)



Sector Weights (%)



Manager Evaluation

Harding Loevner Emerging Markets vs. MSCI Emerging Markets (net) - Country/Region Allocation

As of December 31, 2015

	Harding Loevner Emerging Markets	MSCI Emerging Markets (net)
Australia	0.0	0.0
Hong Kong	7.6	0.3
Japan	0.0	0.0
New Zealand	0.0	0.0
Singapore	0.0	0.0
Pacific	7.6	0.3
Austria	0.0	0.0
Belgium	0.0	0.0
Finland	0.0	0.0
France	0.0	0.0
Germany	0.0	0.0
Ireland	0.0	0.0
Italy	0.0	0.0
Netherlands	0.0	0.0
Portugal	0.0	0.0
Spain	0.0	0.0
EMU	0.0	0.0
Denmark	0.0	0.0
Norway	0.0	0.0
Sweden	0.0	0.0
Switzerland	0.0	0.0
United Kingdom	4.3	0.0
Europe ex EMU	4.3	0.0
Canada	1.2	0.0
United States	0.0	0.0
Israel	0.0	0.0
Middle East	0.0	0.0
Developed Markets	13.2	0.3

	Harding Loevner Emerging Markets	MSCI Emerging Markets (net)
Brazil	6.0	5.5
Cayman Islands	0.0	0.0
Chile	0.9	1.2
Colombia	0.7	0.4
Mexico	6.4	4.5
Peru	1.1	0.3
Virgin Islands	0.0	0.0
EM Latin America	15.1	11.9
China	13.7	26.2
India	9.6	8.7
Indonesia	2.6	2.6
Korea	6.0	15.6
Malaysia	0.0	3.3
Philippines	0.0	1.4
Taiwan	9.5	12.1
Thailand	1.3	2.0
EM Asia	42.6	71.8
Czech Republic	1.3	0.2
Egypt	0.4	0.2
Greece	0.0	0.5
Hungary	1.2	0.3
Poland	1.1	1.3
Qatar	1.0	1.0
Russia	4.0	3.4
South Africa	8.4	6.8
Turkey	2.4	1.4
United Arab Emirates	0.5	0.9
EM Europe + Middle East + Africa	20.4	16.0
Emerging Markets	78.1	99.7
Frontier Markets	0.3	0.0
Cash	5.6	0.0
Other	2.8	0.0
Total	100.0	100.0

Manager Evaluation

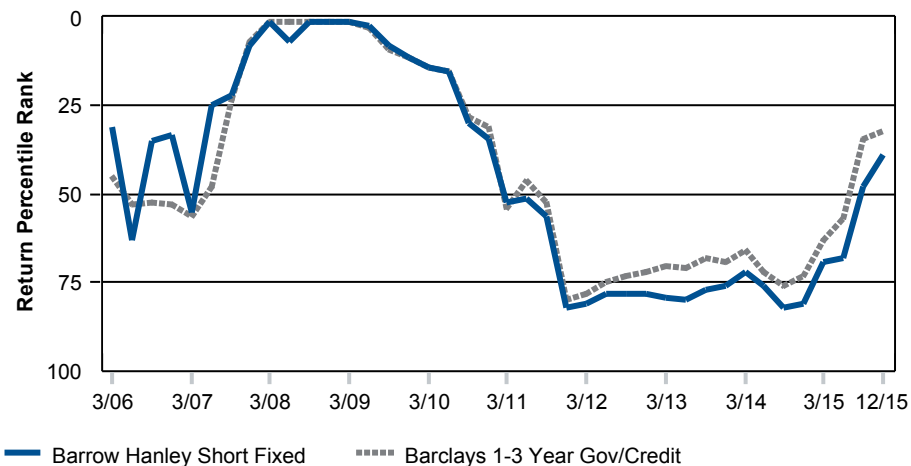
Barrow Hanley Short Fixed vs. Barclays 1-3 Year Gov/Credit

As of December 31, 2015

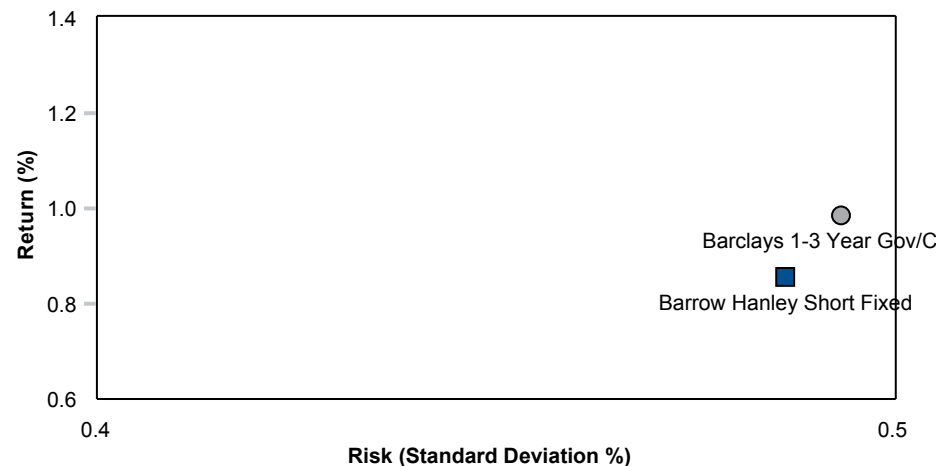
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Barrow Hanley Short Fixed	-0.1	0.7	0.7	0.6	0.9	2.6	0.6	0.4	1.0	1.5	2.4	4.0	4.9	6.8	4.3	1.8
Barclays 1-3 Year Gov/Credit	-0.4	0.7	0.7	0.7	1.0	2.7	0.8	0.6	1.3	1.6	2.8	3.8	5.0	6.8	4.3	1.8
IM U.S. Short Term Investment Grade	-0.2	0.3	0.3	0.5	1.2	2.3	0.6	0.5	3.1	1.1	3.5	8.6	-2.7	4.5	4.2	1.8
Barrow Hanley Short Fixed Rank	36	18	18	39	71	38	50	51	89	34	72	87	4	4	46	52

Three Year Rolling Percentile Ranking



Risk and Return (Jan-2011 - Dec-2015)



Historical Statistics (Jan-2011 - Dec-2015)

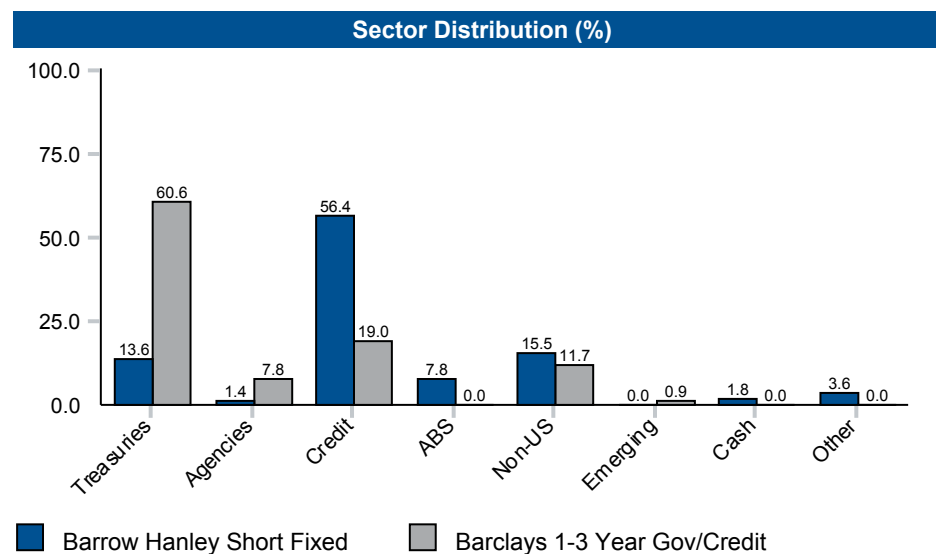
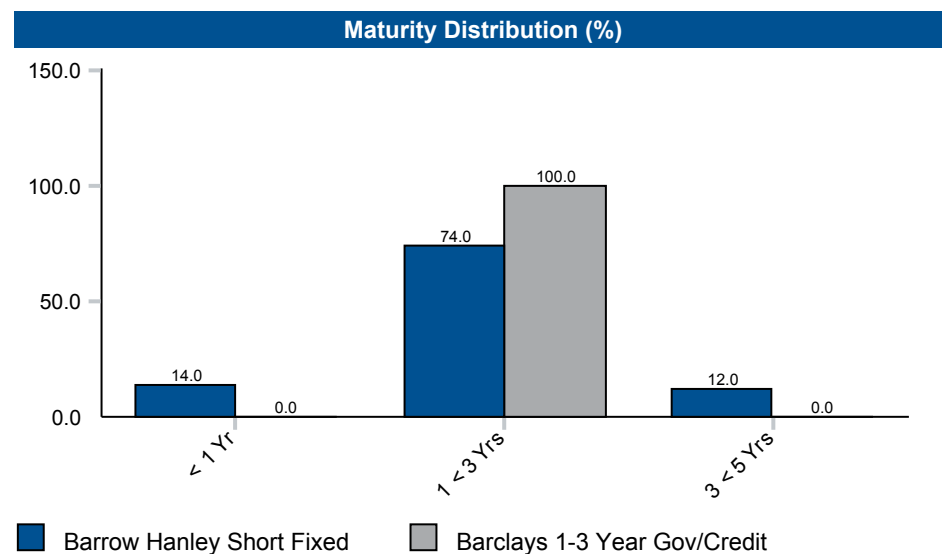
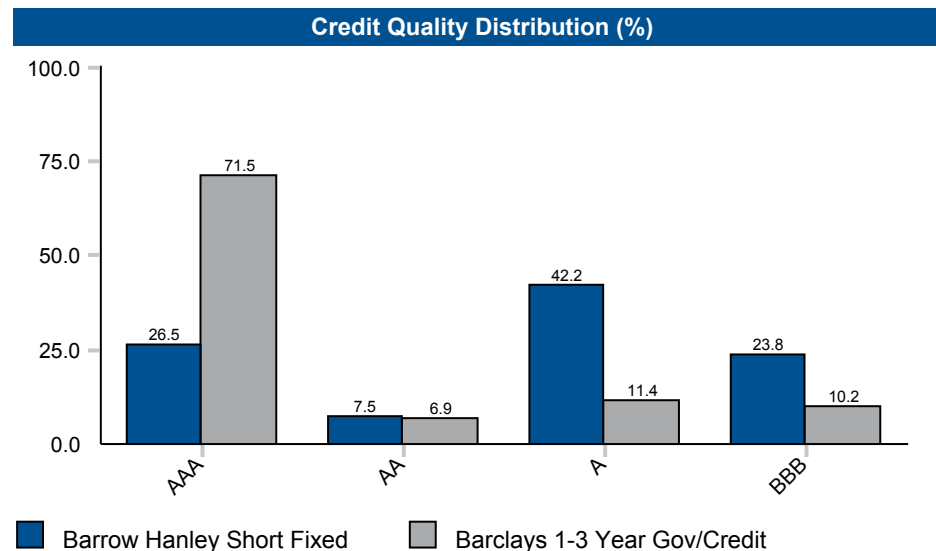
	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Barrow Hanley Short Fixed	0.9	0.5	0.8	0.0	0.9	1.6	0.2	-0.7	0.2	25.0	24y 9m
Barclays 1-3 Year Gov/Credit	1.0	0.5	0.9	0.0	1.0	1.9	0.0	N/A	0.2	0.0	24y 9m

Manager Evaluation

Barrow Hanley Short Fixed vs. Barclays 1-3 Year Gov/Credit

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	1.8	1.9
Avg. Maturity	1.8	1.9
Avg. Quality	A+	AA+
Yield To Maturity (%)	1.6	1.4



Manager Evaluation

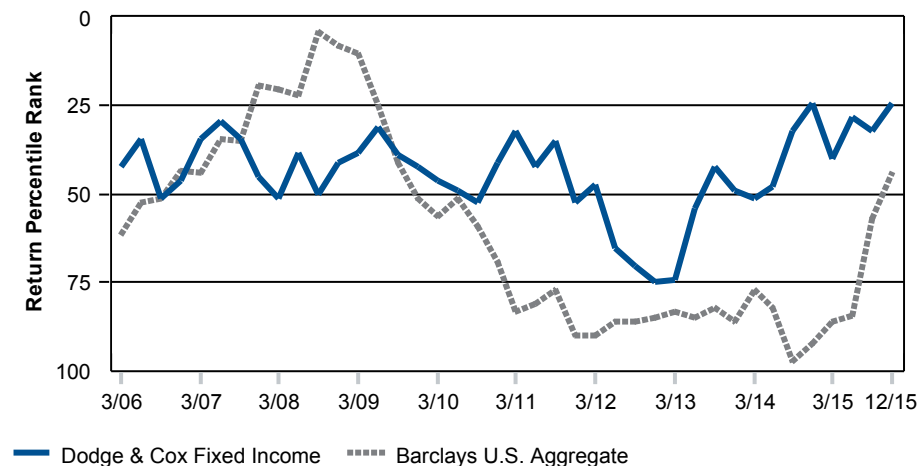
Dodge & Cox Fixed Income vs. Barclays U.S. Aggregate

As of December 31, 2015

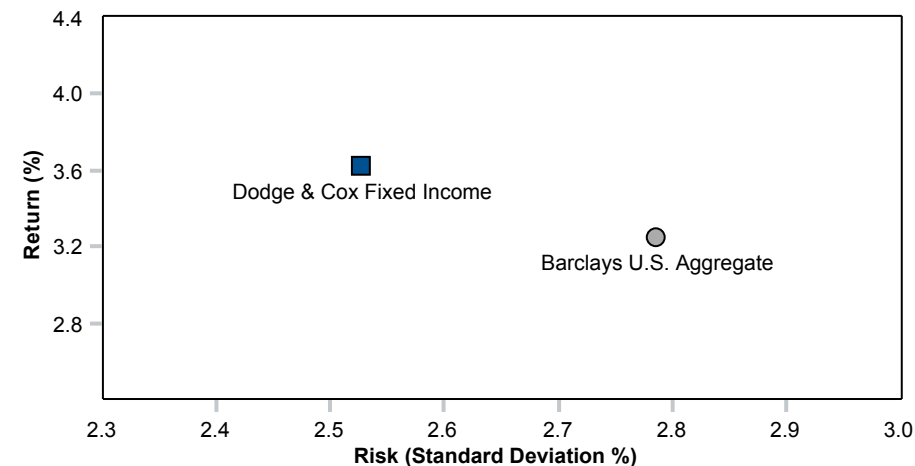
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Dodge & Cox Fixed Income	0.0	-0.6	-0.6	1.8	3.6	5.0	5.9	0.3	8.1	4.8	7.2	16.1	-0.3	4.7	5.3	2.0
Barclays U.S. Aggregate	-0.6	0.5	0.5	1.4	3.2	4.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
IM U.S. Broad Market Core+ Fixed Income	-0.5	-0.5	-0.5	1.3	3.6	4.9	5.4	-1.1	8.2	6.2	8.2	14.2	-2.2	5.6	4.0	1.8
Dodge & Cox Fixed Income Rank	15	59	59	24	50	44	36	19	55	76	74	34	39	76	17	43

Three Year Rolling Percentile Ranking



Risk and Return (Jan-2011 - Dec-2015)



Historical Statistics (Jan-2011 - Dec-2015)

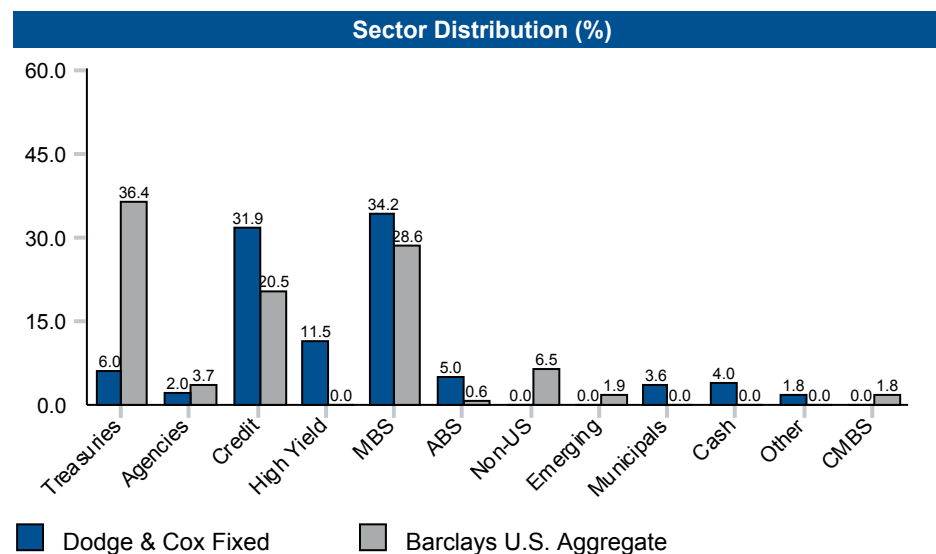
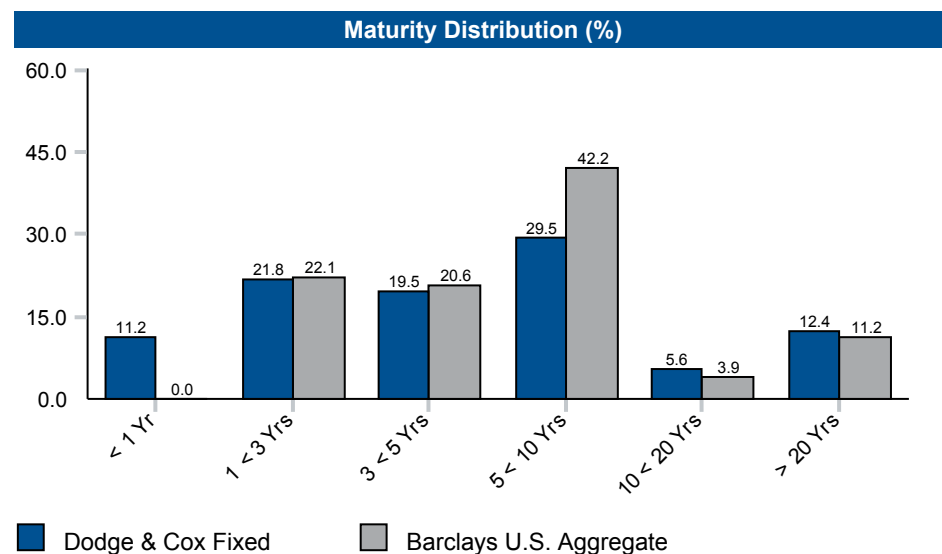
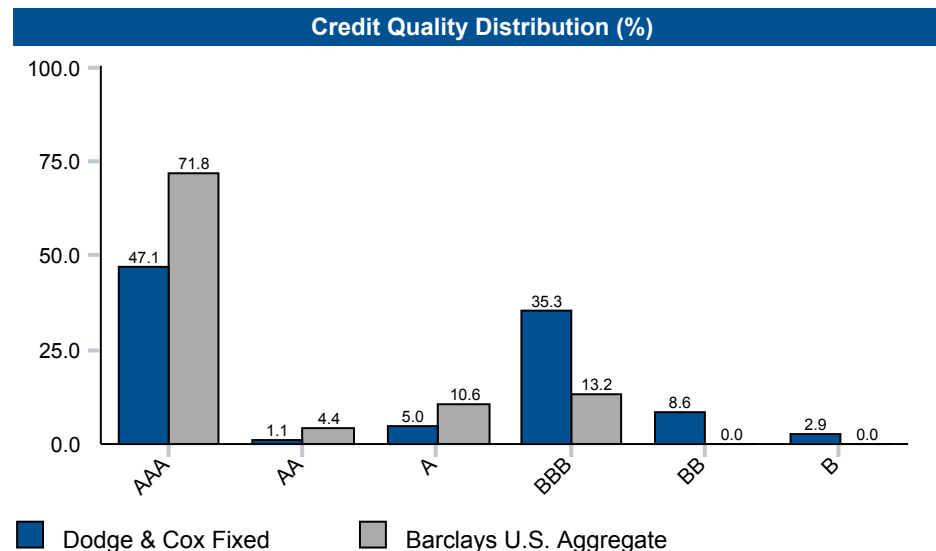
	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Dodge & Cox Fixed Income	3.6	2.5	3.5	1.9	0.5	1.4	2.5	0.1	1.2	65.0	27y
Barclays U.S. Aggregate	3.2	2.8	3.2	0.0	1.0	1.1	0.0	N/A	1.3	0.0	27y

Manager Evaluation

Dodge & Cox Fixed vs. Barclays U.S. Aggregate

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.4	5.7
Yield To Maturity (%)	3.5	2.6
Avg. Maturity	7.8	7.9
Avg. Quality	A+	AA+



Manager Evaluation

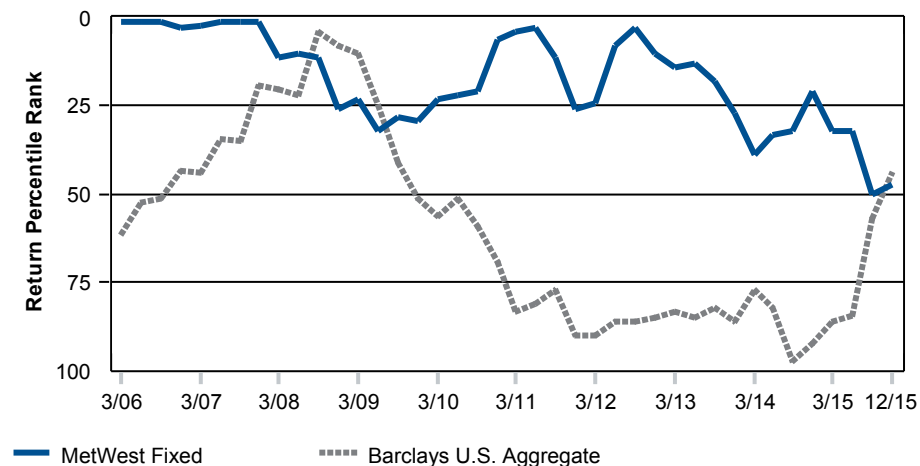
MetWest Fixed vs. Barclays U.S. Aggregate

As of December 31, 2015

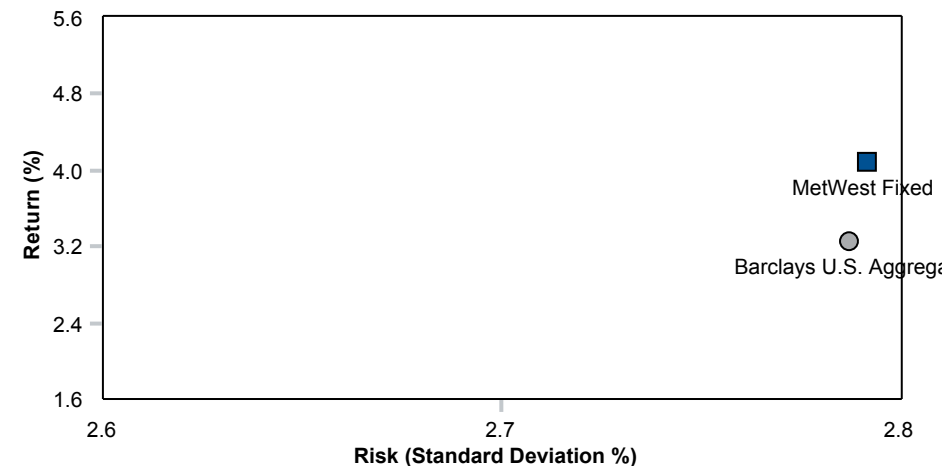
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
MetWest Fixed	-0.4	0.2	0.2	1.4	4.1	6.1	5.6	-1.5	11.0	5.5	11.7	17.3	-1.3	6.5	7.2	3.3
Barclays U.S. Aggregate	-0.6	0.5	0.5	1.4	3.2	4.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
IM U.S. Broad Market Core+ Fixed Income	-0.5	-0.5	-0.5	1.3	3.6	4.9	5.4	-1.1	8.2	6.2	8.2	14.2	-2.2	5.6	4.0	1.8
MetWest Fixed Rank	42	26	26	47	27	3	44	65	9	66	5	30	40	30	1	4

Three Year Rolling Percentile Ranking



Risk and Return (Jan-2011 - Dec-2015)



Historical Statistics (Jan-2011 - Dec-2015)

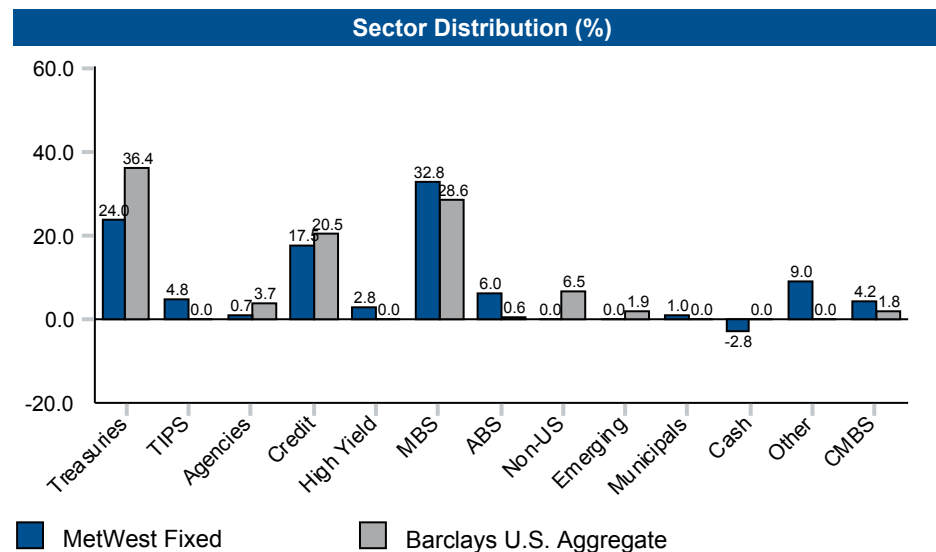
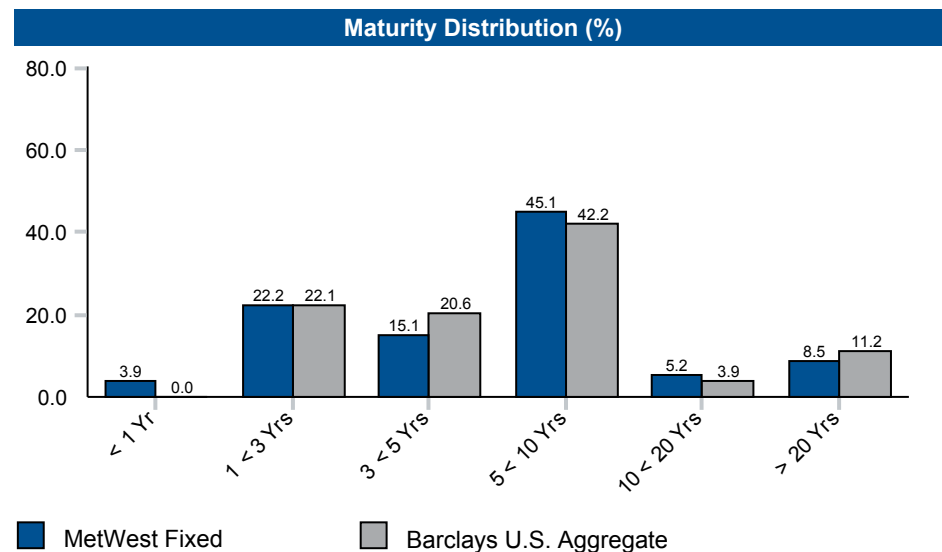
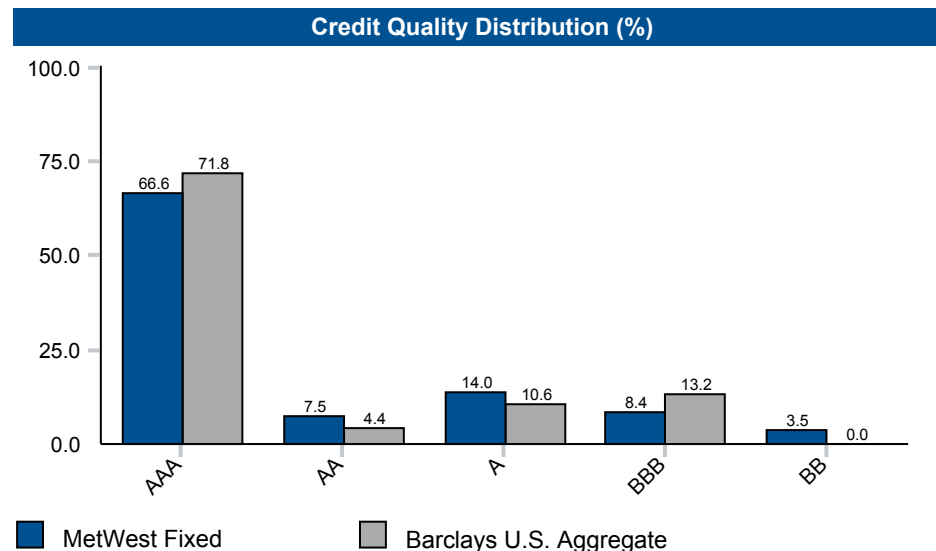
	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
MetWest Fixed	4.1	2.8	4.0	1.8	0.7	1.4	2.2	0.4	1.1	55.0	18y 9m
Barclays U.S. Aggregate	3.2	2.8	3.2	0.0	1.0	1.1	0.0	N/A	1.3	0.0	18y 9m

Manager Evaluation

MetWest Fixed vs. Barclays U.S. Aggregate

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.0	5.7
Yield To Maturity (%)	2.9	2.6
Avg. Maturity	7.9	7.9
Avg. Quality	AA+	AA+



Manager Evaluation

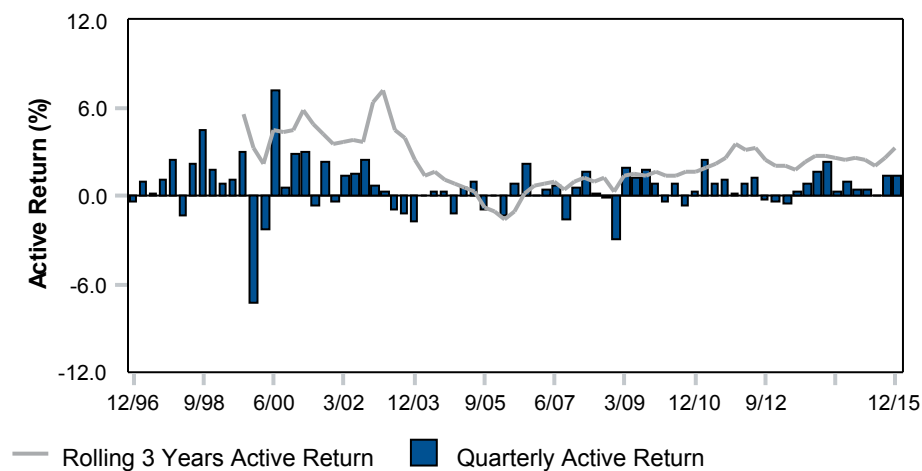
Lighthouse Diversified vs. HFRI Fund of Funds Composite Index

As of December 31, 2015

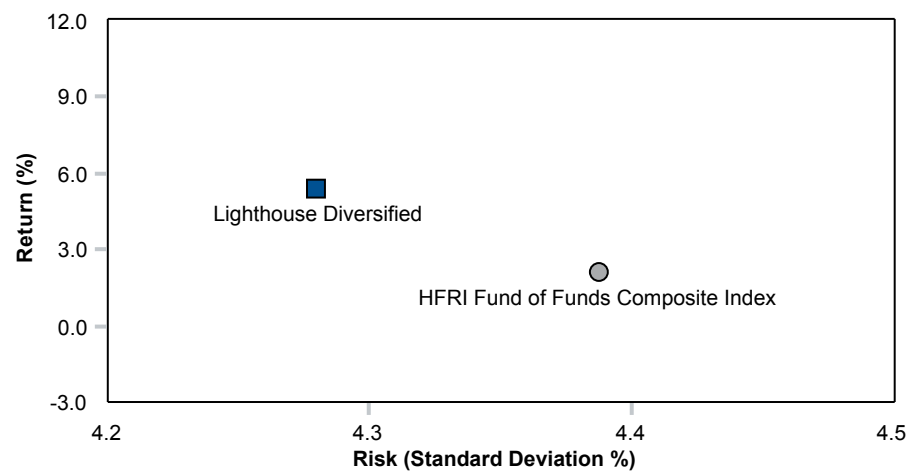
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Lighthouse Diversified	2.0	3.0	3.0	7.3	5.4	4.6	7.7	11.4	6.4	-1.2	6.0	18.0	-22.6	10.4	12.5	8.4
HFRI Fund of Funds Composite Index	0.6	-0.3	-0.3	3.9	2.1	2.3	3.4	9.0	4.8	-5.7	5.7	11.5	-21.4	10.3	10.4	7.5

Comparative Performance and Rolling Return



Risk and Return (Jan-2011 - Dec-2015)



Historical Statistics (Jan-2011 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Lighthouse Diversified	5.4	4.3	5.3	3.4	0.9	1.2	1.6	2.0	2.1	85.0	19y 5m
HFRI Fund of Funds Composite Index	2.1	4.4	2.1	0.0	1.0	0.5	0.0	N/A	3.0	0.0	19y 5m

Manager Evaluation

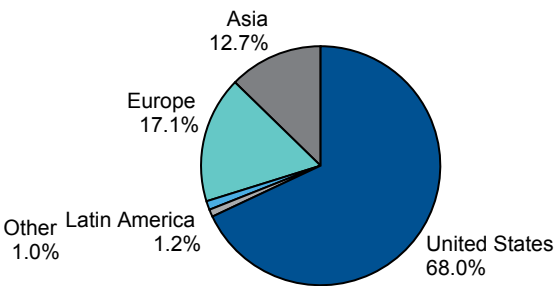
Lighthouse Diversified

As of December 31, 2015

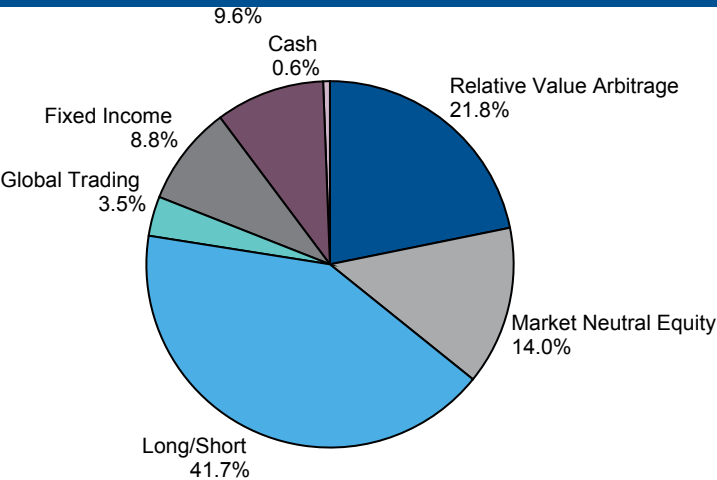
Portfolio Characteristics

	Portfolio
Net Exposure %	38.6
Leverage	1.3
Manager Count	29
# Managers Funded	3
# Managers Redeemed	2

Region Allocation



Asset Breakdown



Manager Evaluation

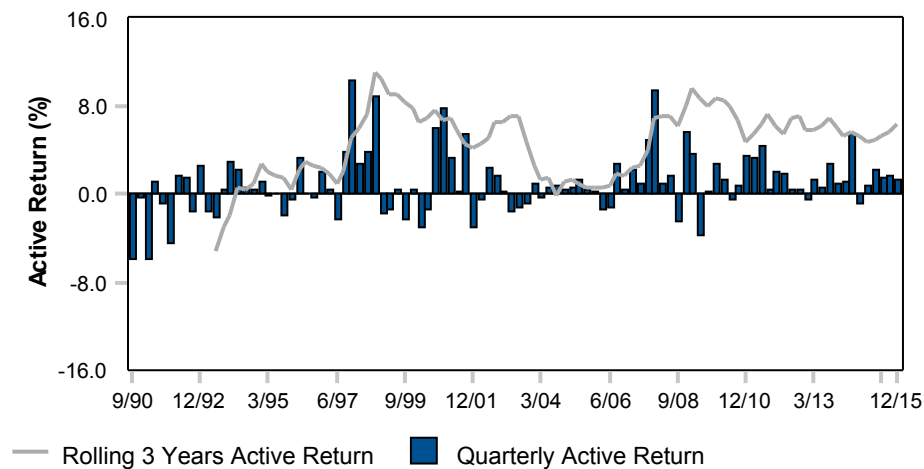
Pointer Offshore LTD vs. HFRI Fund of Funds Composite Index

As of December 31, 2015

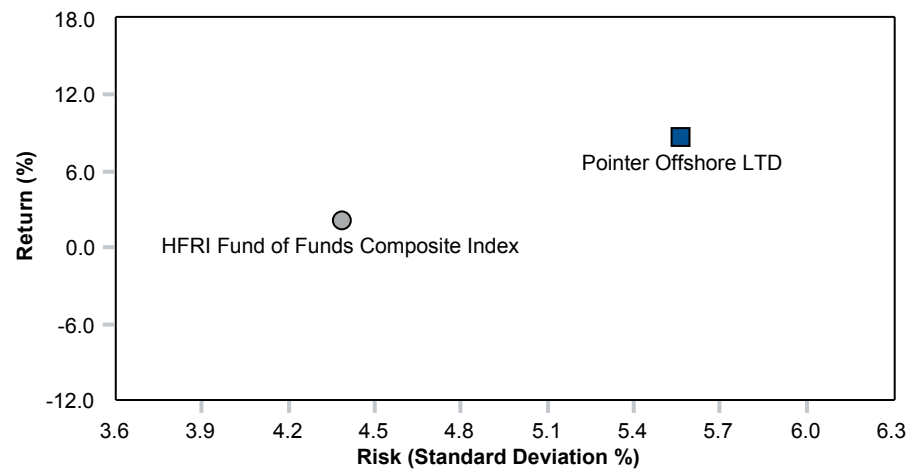
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Pointer Offshore LTD	2.1	6.8	6.8	10.6	8.6	8.8	10.2	15.1	7.0	4.3	11.2	14.8	-16.5	30.4	11.1	10.5
HFRI Fund of Funds Composite Index	0.6	-0.3	-0.3	3.9	2.1	2.3	3.4	9.0	4.8	-5.7	5.7	11.5	-21.4	10.3	10.4	7.5

Comparative Performance and Rolling Return



Risk and Return (Jan-2011 - Dec-2015)



Historical Statistics (Jan-2011 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Pointer Offshore LTD	8.6	5.6	8.5	6.3	1.1	1.5	3.0	2.1	2.4	90.0	25y 6m
HFRI Fund of Funds Composite Index	2.1	4.4	2.1	0.0	1.0	0.5	0.0	N/A	3.0	0.0	25y 6m

Manager Evaluation

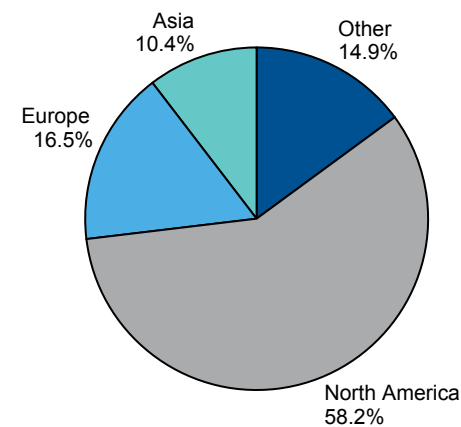
Pointer Offshore LTD

As of December 31, 2015

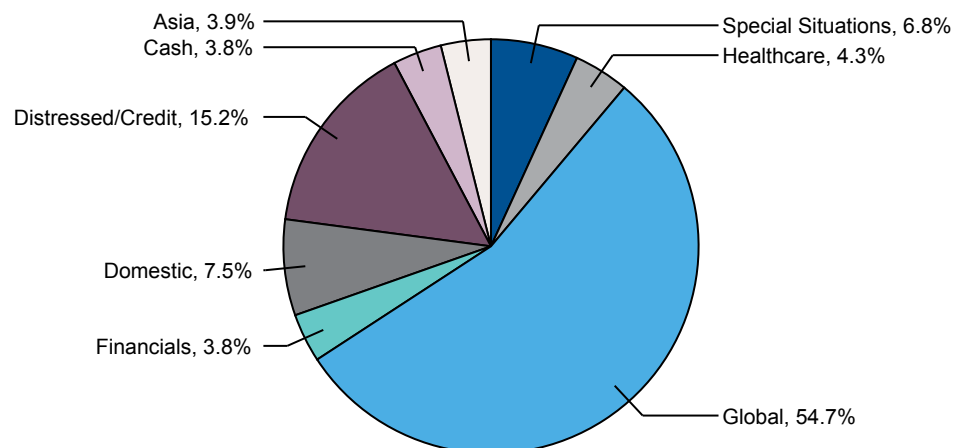
Portfolio Characteristics

	Portfolio
Net Exposure %	48.0
Gross Exposure %	150.0
Gross Long %	99.0
Gross Short %	51.0
Leverage	1.5
Manager Count	27
# Managers Funded	0
# Managers Redeemed	0

Region Allocation



Strategy Allocation



Manager Evaluation

Oaktree Real Estate Opportunities Fund VI

As of September 30, 2015*

Administrative Facts

Commencement of Operations	9/20/2012
Final Closing Date	9/20/2013
Investment Period End Date	9/20/2016
Fund Closing Date ¹	9/20/2022
Fund Type	Closed-end
Total Committed Capital	\$2,677
% Drawn ²	100%
% Distributed	0%
GP and Affiliates % of the Fund	3.0%

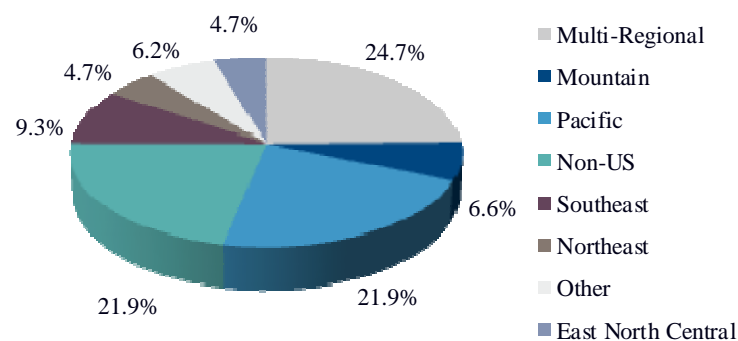
Historical Investment Profile

Investment Category	# of Investments	Net Invested Capital	
		Total (\$)	% of Total
Commercial	51	1394.5	51.3%
Non-US	18	605.8	22.2%
Residential	10	335.3	12.3%
Residential NPLs	15	139.0	5.1%
Commercial NPLs	11	134.0	4.9%
Corporate	2	115.3	4.2%
Total	107	2723.9	100%

Top Ten Holdings

	Asset Type	Property Type	Market Value	%
Anglesea Logistic	Equity	Industrial	\$136.3	3.9%
STORE Platform	Equity	Retail	\$125.6	3.6%
Bascom Platform	Equity	Multi-Family	\$115.3	3.3%
Wells Fargo Master Lease Portfolio	Equity	Office	\$101.2	2.9%
Genesis Platform	Equity	Residential	\$97.9	2.8%
Philadelphia Marriott	Equity	Hotel/Gaming/Leisure	\$97.4	2.8%
Mark Hopkins InterContinental	Equity	Hotel/Gaming/Leisure	\$90.0	2.6%
Chicago Board of Trade Building	Equity	Office	\$84.7	2.4%
Albion NPL Portfolio	Equity	Mixed	\$83.6	2.4%
Southeast Office Portfolio	Equity	Office	\$78.0	2.2%
Total			\$1,010.0	28.9%

Geographic Exposure



* Characteristics as of December 31, 2015 were unavailable at time of report production.

¹ Fund Closing Date is subject to two possible one-year add-ons after September 20, 2022.

² The percent drawn is as of September 29, 2015.

Manager Evaluation

Walton Street Real Estate Fund VII

As of September 30, 2015*

Administrative Facts

Commencement of Operations	5/2/2013
Final Closing Date	12/31/2013
Investment Period End Date	11/2/2017
Fund Closing Date ¹	11/2/2023
Fund Type	Closed-end
Total Committed Capital	\$1,278
% Drawn ²	83.4%
% Distributed	0%
GP and Affiliates % of the Fund	7.7%

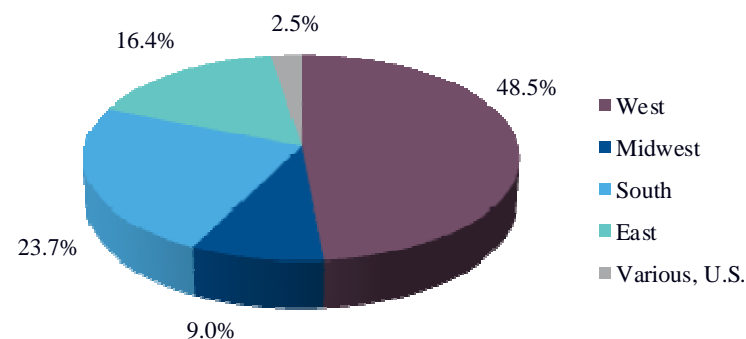
Historical Investment Profile

Investment Category	# of Investments	Invested Capital		Projected Committed Equity
		Total (\$)	% of Total	Total (\$)
Office	17	374.4	39.6%	440.3
Residential	17	207.0	21.9%	226.9
Retail	8	88.5	9.4%	108.0
Hotel	8	199.9	21.2%	226.5
NPLs	1	23.4	2.5%	23.4
Industrial	2	44.0	4.7%	44.6
Parking Garage	1	7.2	0.8%	7.2
Total	54	944.4	100%	1076.8

Top Ten Holdings

	Investment Date	Investment Category	Invested Equity	% of Total
237 Park Avenue	Oct-13	Office	\$78.0	8.3%
Hyatt Regency	May-15	Hotel	\$46.0	4.9%
Torrey Ridge Science Center	Aug-12	Office	\$36.0	3.8%
Milestone Business Park	Dec-13	Office	\$33.6	3.6%
Uptown Station	Jun-14	Office	\$32.0	3.4%
Hilton Alexandria	Jun-14	Hotel	\$30.4	3.2%
Crown Pointe	Jun-13	Office	\$30.3	3.2%
3800 Chapman	Mar-15	Office	\$30.0	3.2%
Continental Towers	May-13	Office	\$28.0	3.0%
DoubleTree New Orleans	Jan-15	Hotel	\$25.4	2.7%
Total			\$369.8	39.2%

Geographic Exposure³



* Characteristics as of December 31, 2015 were unavailable at time of report production.

¹ Fund Closing Date is subject to two possible one-year add-ons after November 2, 2023.

² The percent drawn is as of October 8, 2015.

³ Reflects only those holdings with invested equity.

Manager Evaluation

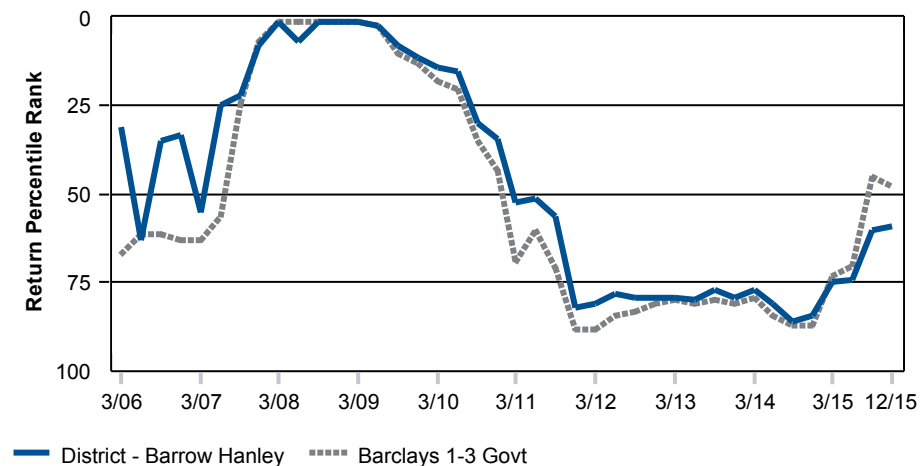
District - Barrow Hanley vs. Barclays 1-3 Govt

As of December 31, 2015

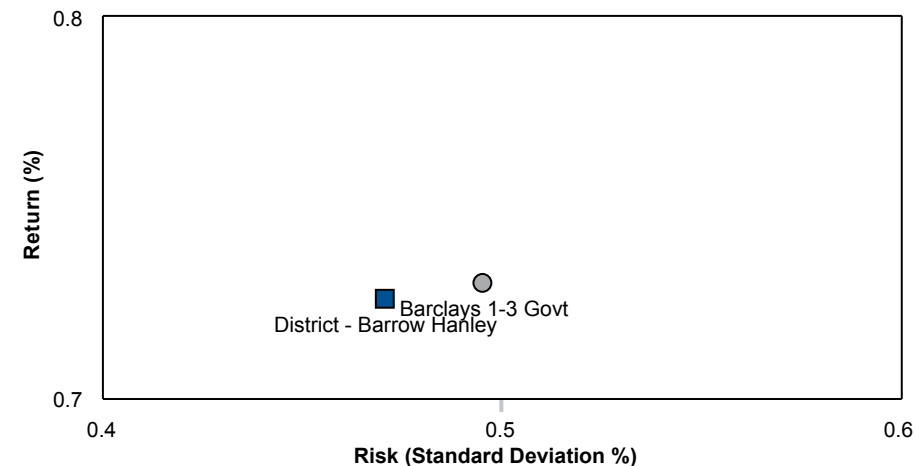
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District - Barrow Hanley	-0.3	0.5	0.5	0.4	0.7	2.6	0.4	0.3	0.9	1.5	2.4	4.0	4.9	6.8	4.3	1.8
Barclays 1-3 Govt	-0.4	0.6	0.6	0.5	0.7	2.5	0.6	0.4	0.5	1.6	2.4	1.4	6.7	7.1	4.1	1.7
IM U.S. Short Term Investment Grade	-0.2	0.3	0.3	0.5	1.2	2.3	0.6	0.5	3.1	1.1	3.5	8.6	-2.7	4.5	4.2	1.8
<i>District - Barrow Hanley Rank</i>	<i>66</i>	<i>33</i>	<i>33</i>	<i>59</i>	<i>76</i>	<i>43</i>	<i>66</i>	<i>62</i>	<i>90</i>	<i>34</i>	<i>72</i>	<i>87</i>	<i>4</i>	<i>4</i>	<i>46</i>	<i>52</i>

Three Year Rolling Percentile Ranking



Risk and Return (Jan-2011 - Dec-2015)



Historical Statistics (Jan-2011 - Dec-2015)

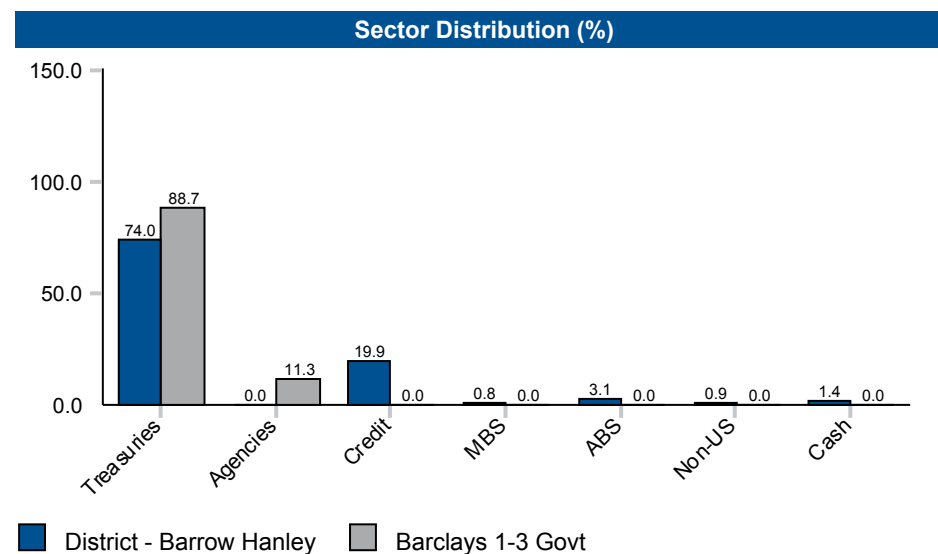
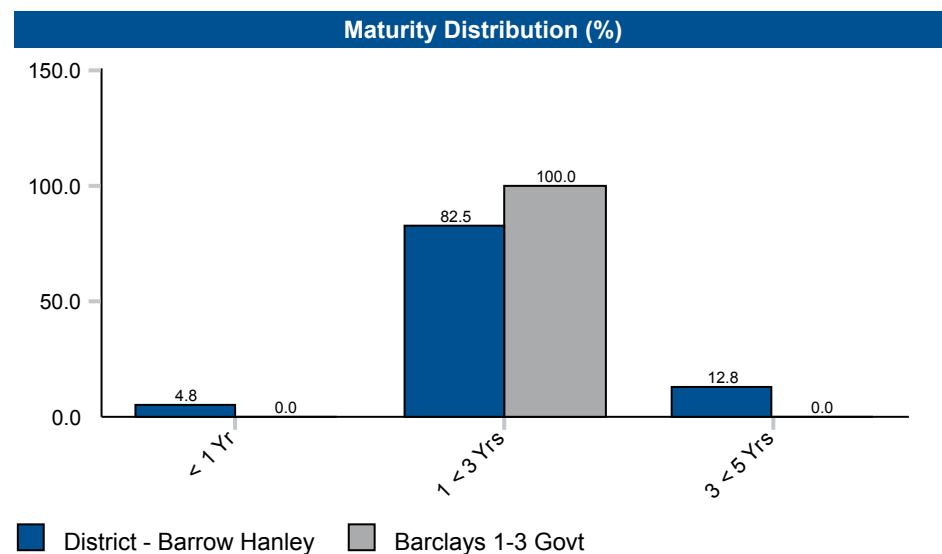
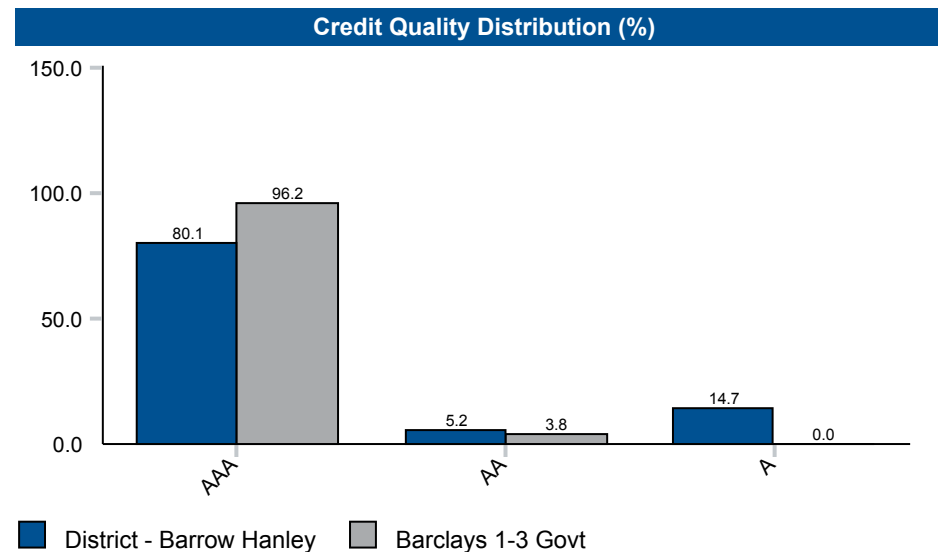
	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
District - Barrow Hanley	0.7	0.5	0.7	0.1	0.9	1.4	0.2	0.0	0.2	35.0	24y 9m
Barclays 1-3 Govt	0.7	0.5	0.7	0.0	1.0	1.4	0.0	N/A	0.2	0.0	24y 9m

Manager Evaluation

District - Barrow Hanley vs. Barclays 1-3 Govt

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	1.8	1.9
Avg. Maturity	1.8	1.9
Avg. Quality	AA	AAA
Yield To Maturity (%)	1.2	1.1



Manager Evaluation

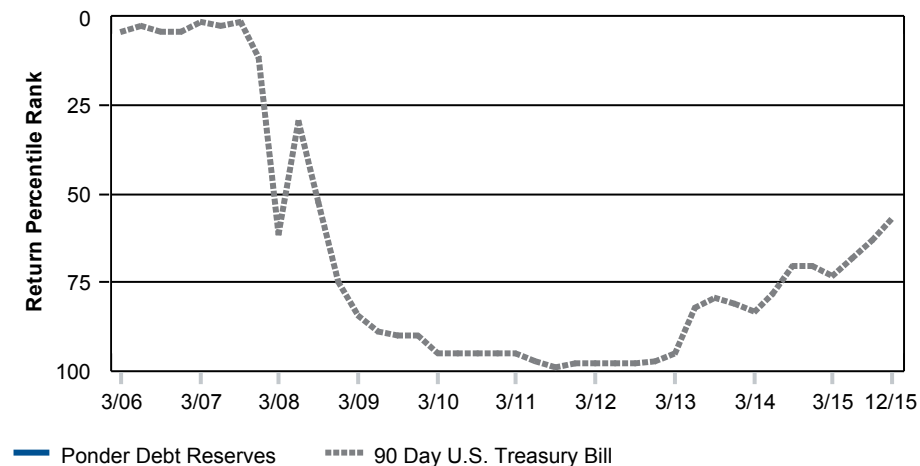
Ponder Debt Reserves vs. 90 Day U.S. Treasury Bill

As of December 31, 2015

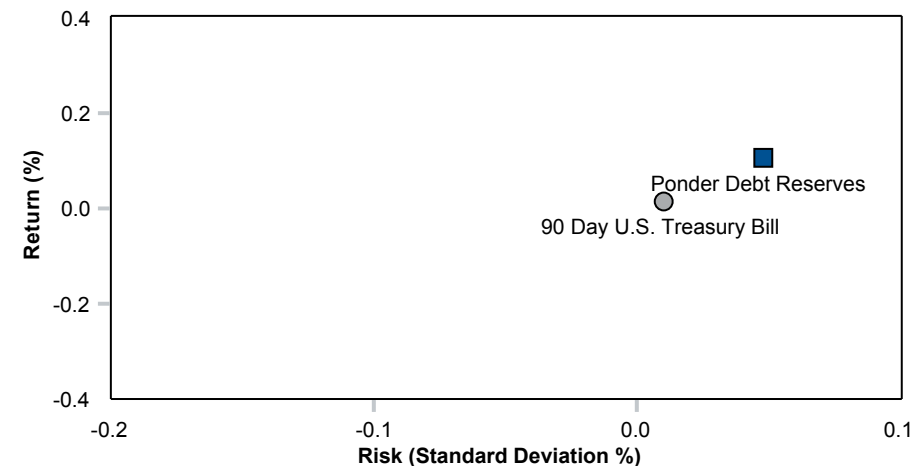
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Ponder Debt Reserves	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90 Day U.S. Treasury Bill	0.0	0.0	0.0	0.0	0.1	1.2	0.0	0.0	0.1	0.1	0.1	0.2	2.1	4.9	4.8	2.9
IM U.S. Short Term Treasury/Govt Bonds (MF) Median	-0.5	0.2	0.2	0.1	0.6	2.4	0.5	-0.6	0.9	1.4	2.3	2.8	4.7	5.8	3.7	1.3
Ponder Debt Reserves Rank	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Three Year Rolling Percentile Ranking



Risk and Return (Jul-2015 - Dec-2015)



Historical Statistics (May-2015 - Dec-2015)

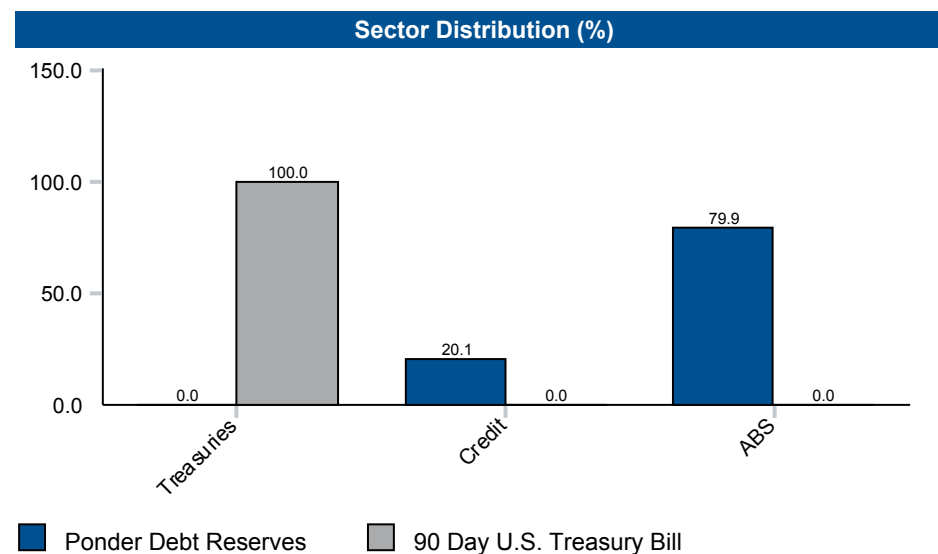
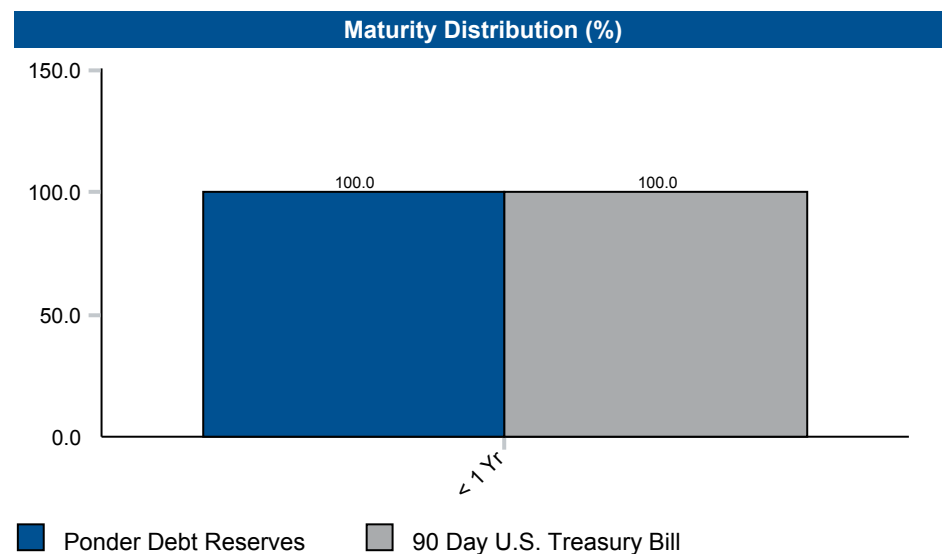
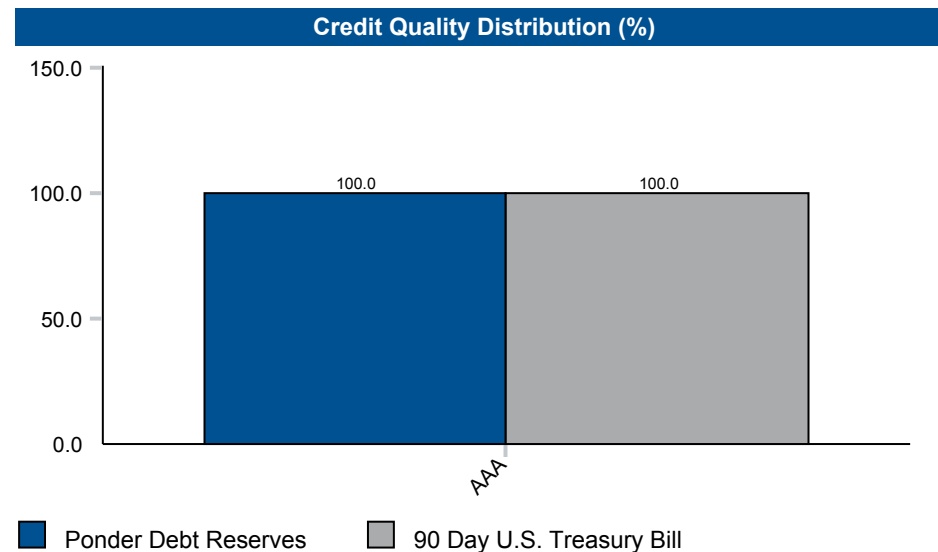
	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Ponder Debt Reserves	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0y 8m
90 Day U.S. Treasury Bill	0.0	0.0	0.0	0.0	1.0	N/A	0.0	N/A	0.0	0.0	0y 8m

Manager Evaluation

Ponder Debt Reserves vs. 90 Day U.S. Treasury Bill

As of December 31, 2015

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	0.2	0.3
Avg. Maturity	0.2	0.3
Avg. Quality	AAA	AAA
Yield To Maturity (%)	0.9	0.0



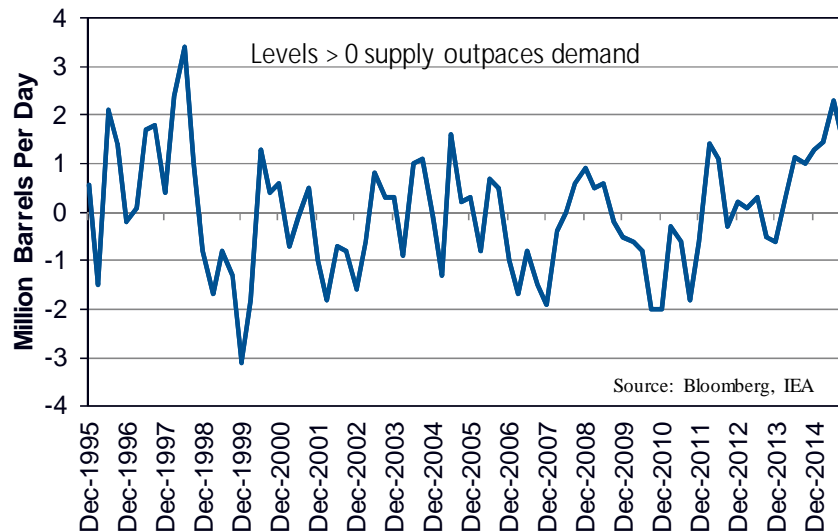


Capital Markets Review

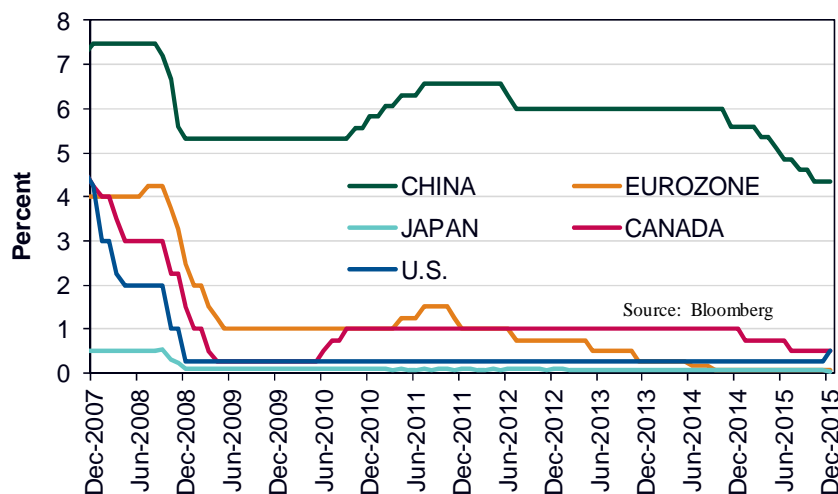
Capital Markets Review

Economy

Oil Supply - Demand Balance



Central Bank Interest Rates



Equity Index Levels



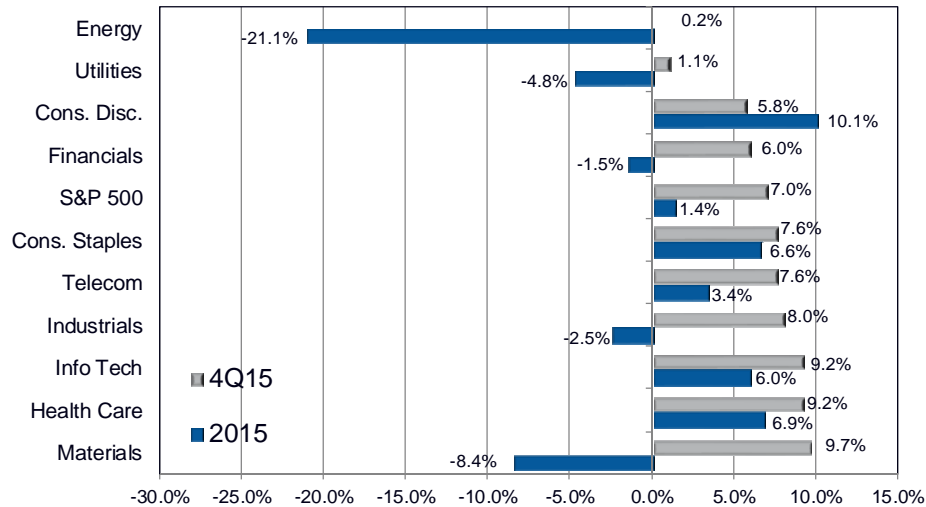
Too Much Oil Now a Problem as World Growth Slows

- Oil producers worldwide maintained or grew production amidst falling crude prices. Saudi Arabia's attempt to lower oil prices by increasing supply went well beyond expectations. As oil prices fell, OPEC producers increased production to maintain cashflow, causing oil supply to outpace demand for a second consecutive year. With global growth weakening and oil demand falling below forecasts, negative effects rippled through industries that benefited from the once resilient oil production industry.
- The Federal Reserve raised interest rates 25 bps in December, placing its policy trajectory at odds with other central banks. China's central bank lowered its lending rate to a record low; the European Central Bank stood poised to enact further stimulus; the Bank of England stated that rate increases were not necessary as economic uncertainty spread. The disparity between rising U.S. rates and the rest of the world sent major currencies lower versus the dollar and furthered oil's decline, as it is traded in USD.
- China's policy to force stock purchases and restrict selling temporarily boosted its stock market after a summer rout. Investors remained leery of government directives to dictate asset prices, which detach asset prices from actual values and eventually lead to rapid selloffs if growth does not rebound to levels supporting stock valuations. Investors remain cautious as growth prospects for 2016 continue to look weaker.

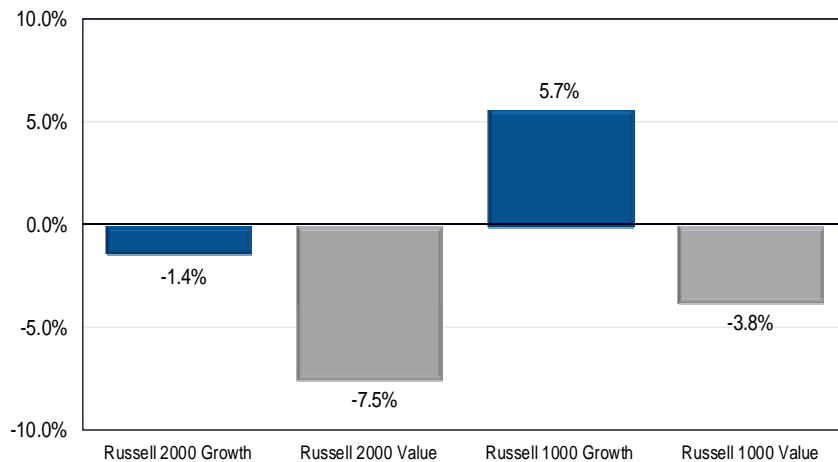
Capital Markets Review

Equities

4th Quarter and 2015 Sector Returns

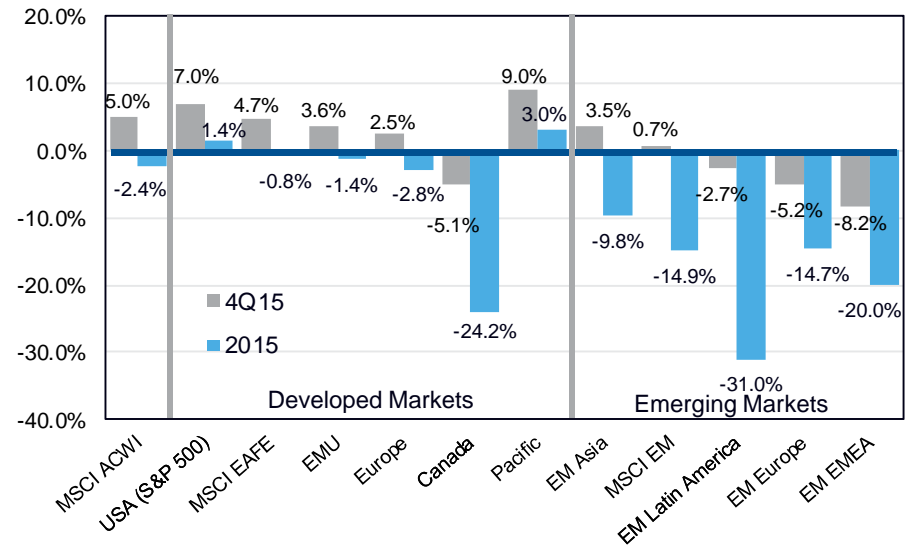


2015 Value vs. Growth Returns



Source: Investment Metrics PARIS

4th Quarter and 2015 World Equity Returns (USD)



Stocks Post a Strong Fourth Quarter to End the Year Flat

- The S&P finished the year strong, posting a fourth quarter return of 7.0% to end the year at 1.4%. While the market retreated slightly in the latter two months of the quarter, strong economic data (especially in the labor market) helped push markets to near all-time highs. Overall, in the fourth quarter nearly all sectors posted sizable gains, except utilities and energy, where rising rates and low oil prices dampened gains. Energy was the worst performing sector for the year, down -21.1%, followed by materials, which was down -8.4%.
- Non-U.S. equities finished the year mixed. In general, the developed markets did well during the fourth quarter. European indices saw modest gains as growth finally showed signs of picking up amidst heavy stimulus measures from the ECB. The MSCI Pacific Index, benefiting from the BOJ's strong monetary easing, returned 9% for the quarter. Most emerging markets declined during the fourth quarter and year, with both local market returns and currency depreciation contributing to losses for U.S. investors.
- 2015 saw a large divergence between growth and value stocks. U.S. large growth stocks performed especially well versus other market segments. During periods of weak economic growth, the growth style tends to outperform the value style. Growth stocks also performed well within non-U.S. markets.

Capital Markets Review

Fixed Income

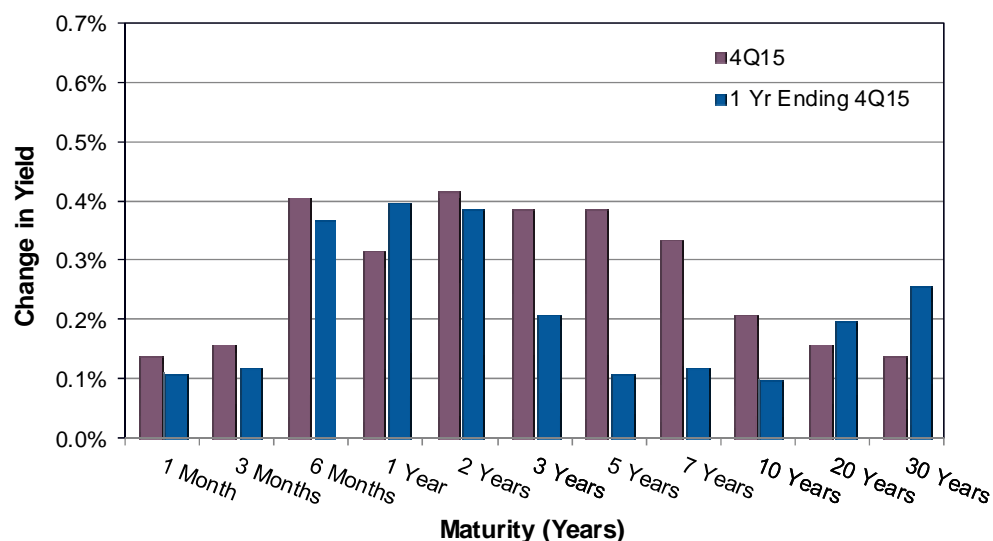
Duration-adjusted Excess Returns to Treasuries (bps)

	2009	2010	2011	2012	2013	2014	2015	4Q15
Aggregate	746	171	-114	226	93	10	-53	32
Agency	288	77	-25	166	1	10	-133	-4
MBS	495	225	-106	91	98	40	-5	61
ABS	2496	169	52	246	24	53	44	-7
CMBS	2960	1501	47	841	97	108	-28	-28
Credit	1990	192	-322	693	226	-18	-169	50
High Yield	5955	974	-240	1394	923	-112	-577	-119
Emerging	3797	508	-537	1503	-32	-120	3	200

Best Period
 Second Best Period
 Worst Period
 Second Worst Period

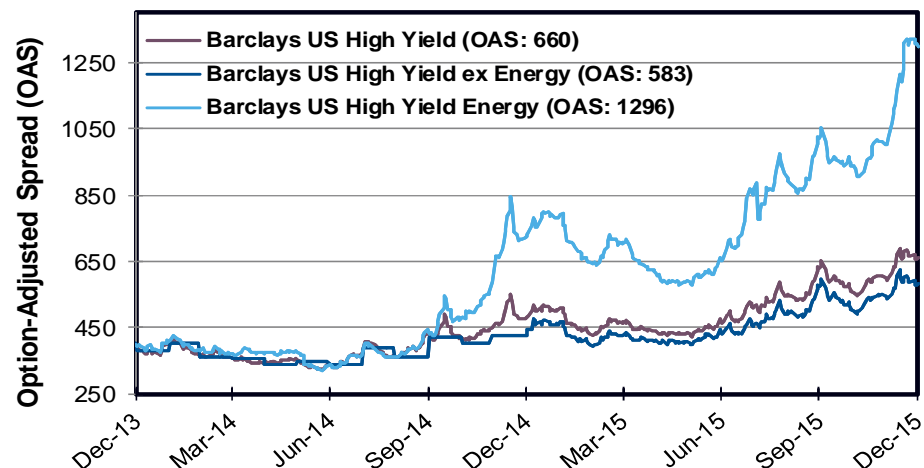
Source: Barclays

U.S. Treasury Yield Curve Change



Source: U.S. Dept of The Treasury

Trailing Ten-Year Credit Spreads



Source: Barclays

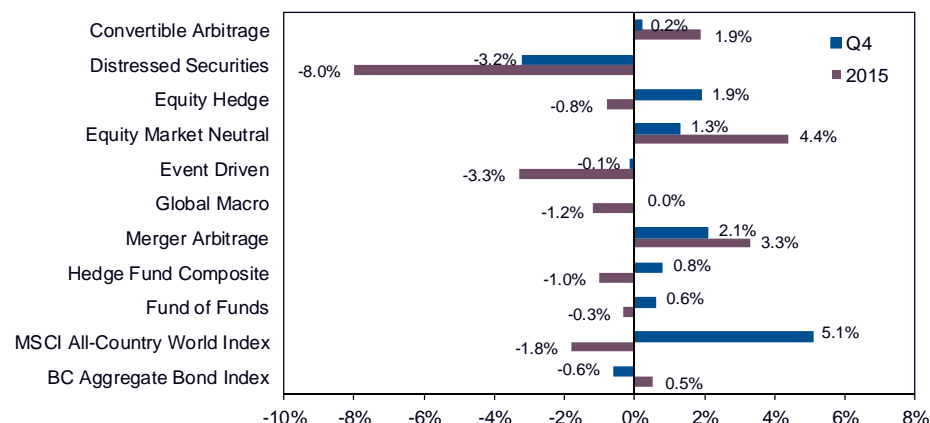
The Long Wait is Over, Fed Lift-Off Ensues

- Fixed income markets were turbulent during the fourth quarter as the Fed embarked on its first rate increase since 2006, while the slowing Chinese economy and ongoing commodity selloff pressured spread sectors. Rates increased across the curve, particularly in the six-month to five-year segment, while long rates rose moderately.
- The Barclays Aggregate Index returned -0.6% for the quarter and +0.5% for the year. Investment grade corporate spreads tightened 4 bps during Q4, although rising interest rates offset spread tightening, leading to negative total returns for the sector (-0.6%). Within investment grade credit, financials outpaced industrials and utilities for both the quarter and the year. High yield (-2.1%) continued to face headwinds driven largely by commodity-related sectors such as metals/mining (-9.5%) and energy (-12.9%), where spreads increased nearly 300 bps during the quarter.
- MBS (-0.1%) outperformed credit during the quarter, buoyed by strong investor demand, slowing prepayment speeds, and the Fed's commitment to continue its reinvestment program until the normalization of the federal funds rate is well under way.
- Locally denominated emerging debt ended the quarter flat, although U.S. Dollar strength drove significant negative results for the year (-14.9%). Local sovereign bond indices for Turkey, South Africa, Columbia, and Brazil each ended the year down more than 20%.

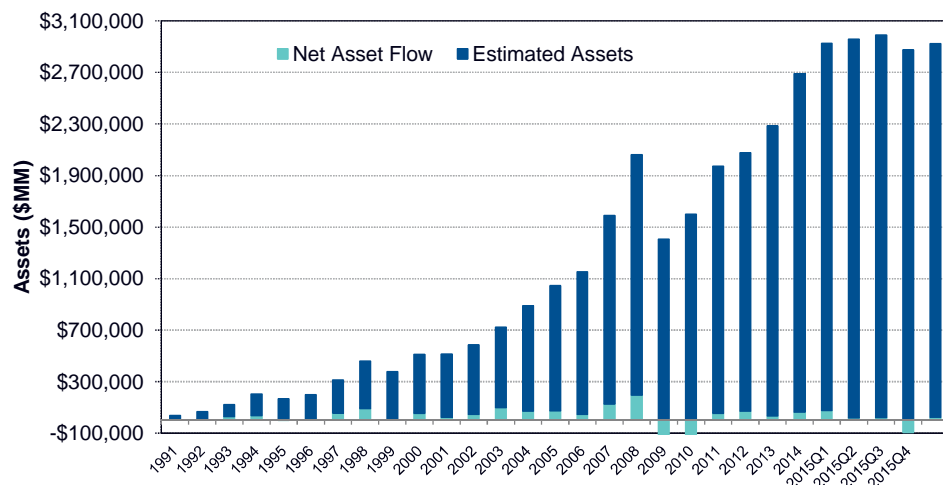
Capital Markets Review

Hedge Funds

HFRI Index Performance – Fourth Quarter and 2015



Hedge Fund Assets and Flows



Source: HFR Inc.

Hedge Fund Strategy Dispersion

2009	2010	2011	2012	2013	2014	2015
Distressed 28.1%	Distressed 12.1%	Multi-Strategy 4.2%	Relative Value 10.0%	Long/Short 14.6%	Macro 6.4%	Multi-Strategy 0.6%
Relative Value 25.8%	Event Driven 11.9%	Relative Value 0.1%	Distressed 10.3%	Distressed 13.6%	Relative Value 4.5%	Fund of Funds -0.3%
Event Driven 25.0%	Relative Value 11.4%	Distressed -1.8%	Multi-Strategy 9.2%	Event Driven 12.5%	Multi-Strategy 3.6%	Relative Value -0.3%
Long/Short 24.6%	Long/Short 10.5%	Event Driven -3.3%	Event Driven 8.5%	Multi-Strategy 11.2%	Fund of Funds 3.2%	Long/Short -0.8%
Multi-Strategy 24.6%	Multi-Strategy 9.3%	Macro -4.2%	Long/Short 7.4%	Fund of Funds 9.0%	Long/Short 2.3%	Macro -1.2%
Fund of Funds 11.5%	Macro 8.1%	Fund of Funds -5.7%	Fund of Funds 5.3%	Relative Value 7.2%	Event Driven 1.1%	Event Driven -3.3%
Macro 4.3%	Fund of Funds 5.7%	Long/Short -8.4%	Macro -0.2%	Macro -0.3%	Distressed -1.1%	Distressed -8.0%

Source: HFR Inc.

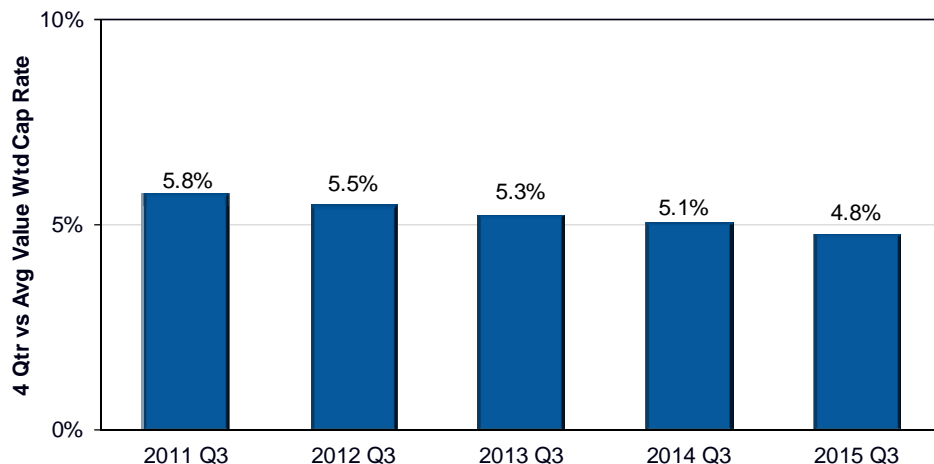
Macroeconomic Volatility Weighs on Hedge Fund Returns

- Hedge fund manager performance was positive across all strategies during the fourth quarter, with the exception of event driven (-0.1%) and distressed (-3.2%). Hedge funds (+0.8%) provided mixed results overall compared to broad market indices, as they underperformed the MSCI All-Country World Index (+5.1%), but outperformed the Barclays Capital Aggregate Bond Index (-0.6%). During 2015, broad hedge fund indices provided mostly negative results (see above).
- Equity market neutral and merger arbitrage were among the top performing strategies during the quarter, returning +1.3% and +1.9%, respectively. Both strategies were also top performers in 2015. Equity market neutral managers benefited from low net exposure and stock dispersion across sectors and geographies. Merger arbitrage managers provided positive results due in part to continued deal activity during the quarter. 2015 was a record year for mergers and acquisitions with \$4.9 trillion in transactions announced, breaking the previous record of \$4.3 trillion in 2007.
- Distressed and event driven managers were the worst performing strategy during the quarter and 2015. Distressed managers returned -8.0% in 2015. Many managers suffered as a result of unfavorable positioning in the energy sector. Event driven managers saw a wide dispersion in returns in 2015.
- Hedge fund assets increased by \$23 billion during the fourth quarter. The rise in assets can be attributed wholly to performance as investors redeemed approximately \$1.5 billion during the quarter, according to HFR Inc.

Capital Markets Review

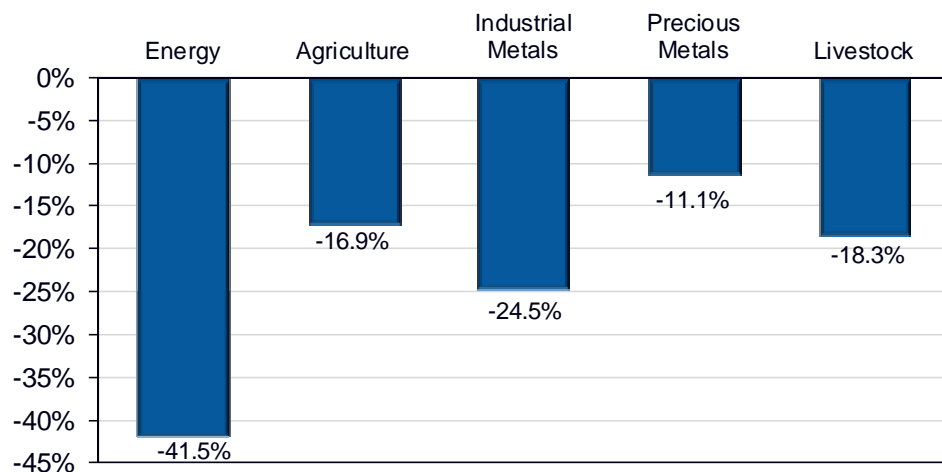
Real Assets

NCREIF Property Index (NPI) – Implied Appraisal Cap Rates Touch a New Low



Source: NCREIF

S&P GSCI Returns – All Five Commodity Sectors Post Double Digit Declines in 2015



Source: S&P GSCI

Real Estate Returns as of Third Quarter 2015

	3 Mon.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
NCREIF	3.1%	13.5%	11.9%	12.5%	8.0%
Apartments	2.9%	12.0%	10.9%	12.6%	7.6%
Industrials	3.7%	15.6%	13.2%	13.2%	7.9%
Office	3.0%	13.1%	11.1%	11.7%	7.8%
Retail	3.1%	14.4%	13.6%	13.6%	9.0%
East	2.6%	11.5%	9.9%	11.2%	7.4%
Midwest	2.9%	12.8%	11.4%	11.5%	7.1%
South	3.1%	14.2%	13.2%	13.0%	8.3%
West	3.6%	15.2%	13.2%	13.9%	8.7%

Source: NCREIF

Real Estate Performs Well; Commodities Decline Dramatically

- Private real estate returned 3.1% during the third quarter and 13.5% during the trailing 12 months. By sector, industrial properties experienced the best returns for the quarter and year. By region, the West was once again the top performing region for the quarter, year, and longer term. For the trailing one-year period, income and appreciation accounted for 5% and 8% of the index return, respectively. Low interest rates and strong property fundamentals drove cap rates down to 4.8% from 4.9% the prior quarter.
- Despite a rise in U.S. interest rates in December, U.S. REITs performed well during the fourth quarter, with the FTSE All Equity REIT Index returning 7.7%, bringing the year to date return to 2.8%. At year end, the Index yielded 3.8%. U.S. REITs traded at approximately a 3% discount to NAV at December 31, 2015. The FTSE Global REIT Index returned 4.9% during the fourth quarter and -0.4% for the year. The yield of the Global Index was 3.6%, slightly less than the yield to U.S. REITs.
- Commodities experienced one of their worst performing years in 2015, with 22 of 24 commodities having negative returns. Energy related commodities performed the worst, down 41.5%, while precious metals performed best, down 11.1%. Demand concerns, particularly relating to China and a stronger U.S. dollar, affected energy and industrial metals prices. Oversupply conditions weighed heavily on energy prices. S&P reports that on December 22, 2015, the S&P GSCI Total Return recorded a new maximum drawdown of -80.5% from its peak on July 3, 2008. On that day, the Index reached its lowest point in more than 16 years.

Capital Markets Review

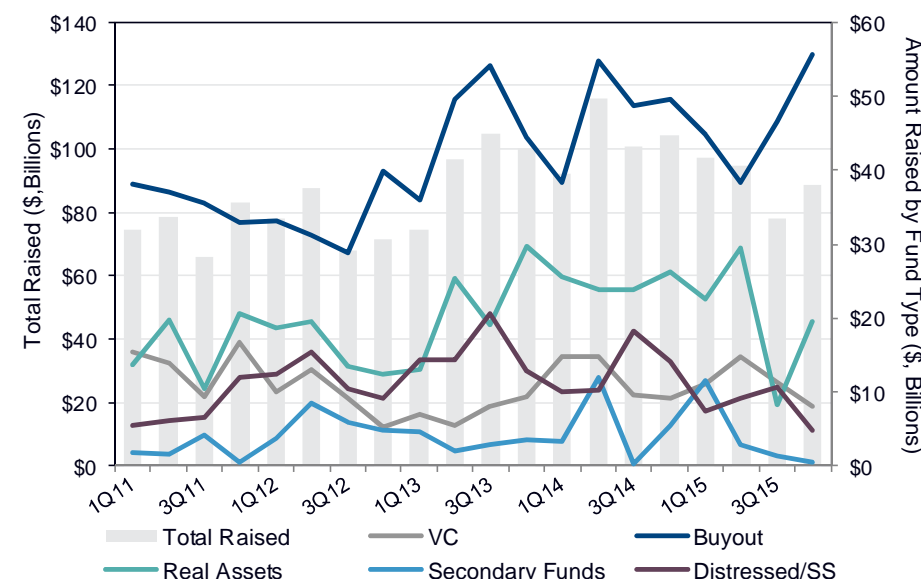
Private Equity

Investment Horizon Pooled IRR (As of 9/30/15)

Fund Type	3 Months	1 Year	3 Years	5 Years	10 Years	20 Years
Early Stage VC	0.1%	30.6%	23.2%	19.6%	11.3%	52.7%
Late/Expansion Stage VC	-0.6%	11.9%	16.7%	14.8%	12.8%	10.0%
Multi-Stage VC	-0.9%	18.9%	19.6%	16.1%	10.3%	11.5%
All Venture Capital	-0.3%	25.1%	21.4%	18.0%	11.1%	25.5%
Small Buyouts	0.3%	7.1%	11.0%	13.6%	17.3%	14.5%
Medium Buyouts	-0.4%	7.1%	10.6%	11.0%	13.4%	15.1%
Large Buyouts	-0.9%	5.0%	12.3%	13.0%	13.1%	15.5%
Mega Buyouts	-0.6%	10.5%	15.9%	14.8%	10.3%	11.0%
All Buyouts	-0.6%	8.4%	13.9%	13.7%	11.8%	13.0%
Mezzanine/Sub Debt	1.0%	6.8%	10.5%	11.4%	10.3%	9.8%
Distressed	-1.8%	2.0%	10.8%	10.8%	9.8%	10.9%
All Private Equity	-1.5%	7.3%	13.5%	13.2%	11.2%	13.7%
MSCI AC World Index	-9.3%	-5.8%	8.4%	7.9%	5.5%	5.8%

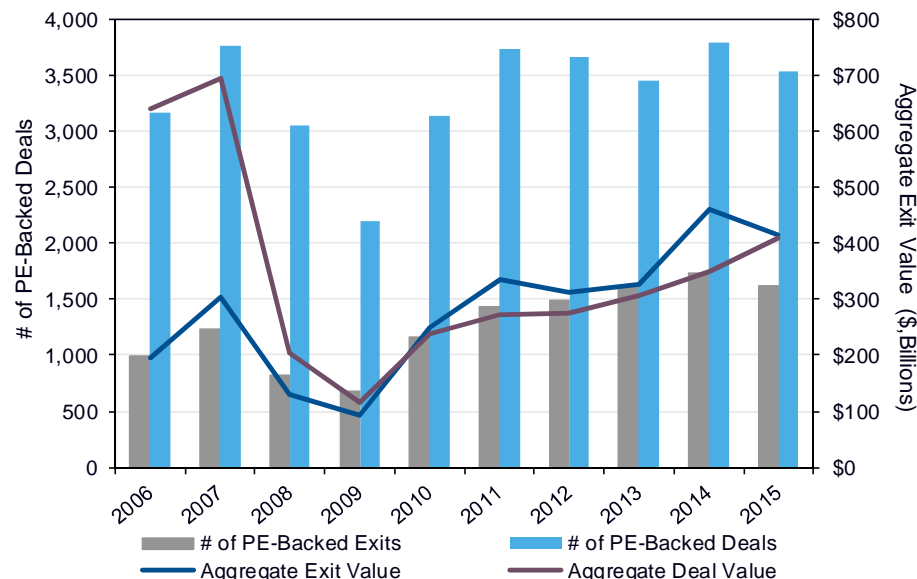
Source: ThomsonOne/Cambridge Associates database, January 2016.
Note: Data is continuously updated and is therefore subject to change.

Global Fundraising



Source: Thomson Reuters, ThomsonOne database, January 2016.

Private-Equity Backed Deal & Exit Activity



Source: Preqin, 2016 Private Equity-Backed Buyout Deals and Exits

Fundraising & Exit Activity Slowed in 2015, Total Value of Deals Up

- The pooled IRR for private equity funds significantly outperformed the MSCI All Country World Index during the third quarter and trailing one-year period through 3Q15, as public equity markets experienced substantial declines globally. For the quarter, most fund types experienced modest negative returns. There was a narrow range of returns by fund type as mezzanine/subordinated debt was the top performing segment (pooled IRR of 1.0%) while turnaround/distressed funds (pooled IRR of -1.8%) were the worst performers.
- Private equity fundraising picked up during the fourth quarter of 2015 as investor concerns were alleviated by a rebound in public equity markets. However, total fundraising for 2015 dropped off considerably from the robust levels seen in 2014. In total, private equity funds raised \$89bn in 4Q15, 14% more than the prior quarter. For the 2015 calendar year, private equity funds raised \$359bn, representing a 13% decline from 2014.
- Private equity exit activity slowed in 2015 while private equity-backed deal activity increased based on aggregate deal value. Deal activity in 2015 was dominated by large deals, or those representing more than \$1 billion, as those valuations tend to be more closely tied to public equity markets. The aggregate value of exits totaled \$416bn in 2015, down from \$460bn the prior year, while deal activity reached \$409bn in 2015, up from \$348bn the prior year.

Capital Markets Review

Index Returns

As of December 31, 2015

(Percentage Return)

	Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Domestic Equity Indices								
Dow Jones Wilshire 5000	6.4	0.7	0.7	6.5	14.7	12.1	15.0	7.4
S&P 500	7.0	1.4	1.4	7.4	15.1	12.6	14.8	7.3
Russell 1000 Index	6.5	0.9	0.9	6.9	15.0	12.4	15.1	7.4
Russell 1000 Growth Index	7.3	5.7	5.7	9.3	16.8	13.5	17.1	8.5
Russell 1000 Value Index	5.6	-3.8	-3.8	4.5	13.1	11.3	13.0	6.2
Russell Midcap Index	3.6	-2.4	-2.4	5.1	14.2	11.4	17.2	8.0
Russell Midcap Growth Index	4.1	-0.2	-0.2	5.7	14.9	11.5	18.0	8.2
Russell Midcap Value Index	3.1	-4.8	-4.8	4.5	13.4	11.3	16.2	7.6
Russell 2000 Index	3.6	-4.4	-4.4	0.1	11.7	9.2	14.0	6.8
Russell 2000 Growth Index	4.3	-1.4	-1.4	2.1	14.3	10.7	16.3	8.0
Russell 2000 Value Index	2.9	-7.5	-7.5	-1.8	9.1	7.7	11.7	5.6
International Equity Indices								
MSCI EAFE	4.7	-0.8	-0.8	-2.9	5.0	3.6	7.8	3.0
MSCI EAFE Growth Index	6.7	4.1	4.1	-0.3	6.8	4.6	8.9	4.0
MSCI EAFE Value Index	2.7	-5.7	-5.7	-5.5	3.1	2.5	6.7	2.0
MSCI EAFE Small Cap	6.8	9.6	9.6	2.1	10.4	6.3	13.5	4.6
MSCI AC World Index	5.0	-2.4	-2.4	0.8	7.7	6.1	10.7	4.8
MSCI AC World ex US	3.2	-5.7	-5.7	-4.8	1.5	1.1	7.5	2.9
MSCI Emerging Markets Index	0.7	-14.9	-14.9	-8.8	-6.8	-4.8	7.5	3.6
Fixed Income Indices								
Barclays U.S. Aggregate	-0.6	0.5	0.5	3.2	1.4	3.2	4.1	4.5
Barcap Intermediate U.S. Government/Credit	-0.7	1.1	1.1	2.1	1.1	2.6	3.4	4.0
Barclays U.S. Long Government/Credit	-0.9	-3.3	-3.3	7.4	1.7	7.0	6.7	6.4
Barclays US Corp: High Yield	-2.1	-4.5	-4.5	-1.1	1.7	5.0	12.8	7.0
BofA Merrill Lynch 3 Month U.S. T-Bill	0.0	0.1	0.1	0.0	0.1	0.1	0.1	1.2
Barclays U.S. TIPS	-0.6	-1.4	-1.4	1.1	-2.3	2.5	4.3	3.9
Citigroup Non-U.S. World Government Bond	-1.4	-5.5	-5.5	-4.1	-4.3	-1.3	0.4	3.0
JPM EMBI Global Diversified (external currency)	1.3	1.2	1.2	4.3	1.0	5.4	9.5	6.9
JPM GBI-EM Global Diversified (local currency)	0.0	-14.9	-14.9	-10.4	-10.0	-3.5	2.4	4.3
Real Asset Indices								
Bloomberg Commodity Index Total Return	-10.5	-24.7	-24.7	-20.9	-17.3	-13.5	-5.5	-6.4
Dow Jones Wilshire REIT	7.5	4.2	4.2	17.2	11.8	12.4	16.8	7.3

Returns for periods greater than one year are annualized.



Appendix

Appendix

Surplus Cash Summary of Investment Decisions

Date	Decision
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July 2011 El Camino retained Stratford Advisory Group, Inc. (Stratford) as investment consultant for its Surplus Cash Plan.

May 2012 Stratford and El Camino management and Investment Committee recommended and the Board approved the following asset allocation:

Asset Class	Target Allocation	Range
Domestic Equity	20%	17% to 23%
International Equity	10%	8% to 12%
Alternatives	20%	17% to 23%
Broad Fixed Income	40%	35% to 45%
Short Fixed Income	10%	8% to 12%
Total Fund	100%	---

September 2012 Stratford changed its name to Pavilion Advisory Group, Inc. (Pavilion).

Pavilion recommended, the Investment Committee reviewed, and management approved the following investment lineup:

Manager	Asset Class	Target Allocation
Vanguard S&P 500 Index	Domestic Equity	7.5%
Sands Large Cap Growth (Touchstone)	Domestic Equity	3.75%
Barrow Hanley Large Cap Value	Domestic Equity	3.75%
Cortina Small Cap Growth	Domestic Equity	2.5%
Wellington Small Cap Value	Domestic Equity	2.5%
Walter Scott Int'l (Dreyfus)	International Equity	5.0%
Northern Cross Int'l (Harbor)	International Equity	5.0%
Barrow Hanley Short Fixed	Short Fixed Income	30% *
Dodge & Cox Fixed	Broad Fixed Income	20.0%
MetWest Fixed	Broad Fixed Income	20.0%
Total		100.0%

*20% of the allocation is an interim election until the alternatives portfolio construction methodology is determined.

October 2012 Management hired Citigroup to transition assets from Barrow Hanley Large Cap Value to Wellington Small Cap Value and Cortina Small Cap Growth. Barrow Hanley Intermediate Duration Fixed Income and the Wells Capital Montgomery Fund were fully redeemed.

Appendix

Surplus Cash Summary of Investment Decisions

Date	Decision																		
October 2012	<p>The Citigroup equity transition was completed.</p> <p>The following managers were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Vanguard S&P 500 Index</td><td>\$37.3</td></tr> <tr> <td>Sands Large Cap Growth (Touchstone)</td><td>\$17.1</td></tr> <tr> <td>Cortina Small Cap Growth</td><td>\$11.4</td></tr> <tr> <td>Wellington Small Cap Value</td><td>\$11.4</td></tr> <tr> <td>Walter Scott Int'l (Dreyfus)</td><td>\$22.8</td></tr> <tr> <td>Northern Cross Int'l (Harbor)</td><td>\$23.0</td></tr> <tr> <td>Dodge & Cox Fixed</td><td>\$90.4</td></tr> <tr> <td>MetWest Fixed</td><td>\$91.1</td></tr> </table>	Manager	Amount Funded (millions)	Vanguard S&P 500 Index	\$37.3	Sands Large Cap Growth (Touchstone)	\$17.1	Cortina Small Cap Growth	\$11.4	Wellington Small Cap Value	\$11.4	Walter Scott Int'l (Dreyfus)	\$22.8	Northern Cross Int'l (Harbor)	\$23.0	Dodge & Cox Fixed	\$90.4	MetWest Fixed	\$91.1
Manager	Amount Funded (millions)																		
Vanguard S&P 500 Index	\$37.3																		
Sands Large Cap Growth (Touchstone)	\$17.1																		
Cortina Small Cap Growth	\$11.4																		
Wellington Small Cap Value	\$11.4																		
Walter Scott Int'l (Dreyfus)	\$22.8																		
Northern Cross Int'l (Harbor)	\$23.0																		
Dodge & Cox Fixed	\$90.4																		
MetWest Fixed	\$91.1																		
November 2012	<p>The following additional contributions were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Vanguard S&P 500 Index</td><td>\$3.0</td></tr> <tr> <td>Dodge & Cox Fixed</td><td>\$5.0</td></tr> <tr> <td>MetWest Fixed</td><td>\$5.0</td></tr> <tr> <td>Walter Scott Int'l (Dreyfus)</td><td>\$1.0</td></tr> <tr> <td>Northern Cross Int'l (Harbor)</td><td>\$1.0</td></tr> <tr> <td>Barrow Hanley Short Duration Fixed</td><td>\$5.0</td></tr> </table>	Manager	Amount Funded (millions)	Vanguard S&P 500 Index	\$3.0	Dodge & Cox Fixed	\$5.0	MetWest Fixed	\$5.0	Walter Scott Int'l (Dreyfus)	\$1.0	Northern Cross Int'l (Harbor)	\$1.0	Barrow Hanley Short Duration Fixed	\$5.0				
Manager	Amount Funded (millions)																		
Vanguard S&P 500 Index	\$3.0																		
Dodge & Cox Fixed	\$5.0																		
MetWest Fixed	\$5.0																		
Walter Scott Int'l (Dreyfus)	\$1.0																		
Northern Cross Int'l (Harbor)	\$1.0																		
Barrow Hanley Short Duration Fixed	\$5.0																		
December 2012	<p>The following additional contributions were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>MetWest Fixed</td><td>\$2.8</td></tr> <tr> <td>Barrow Hanley Short Duration Fixed</td><td>\$5.1</td></tr> </table>	Manager	Amount Funded (millions)	MetWest Fixed	\$2.8	Barrow Hanley Short Duration Fixed	\$5.1												
Manager	Amount Funded (millions)																		
MetWest Fixed	\$2.8																		
Barrow Hanley Short Duration Fixed	\$5.1																		

Appendix

Surplus Cash Summary of Investment Decisions

Date	Decision												
January 2013	<p>The following additional contributions were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Sands Large Cap Growth (Touchstone)</td><td>\$1.0</td></tr> <tr> <td>Barrow Hanley Large Cap Value</td><td>\$1.0</td></tr> <tr> <td>Cortina Small Cap Growth</td><td>\$1.3</td></tr> <tr> <td>Dodge & Cox Fixed</td><td>\$5.5</td></tr> <tr> <td>MetWest Fixed</td><td>\$2.4</td></tr> </table>	Manager	Amount Funded (millions)	Sands Large Cap Growth (Touchstone)	\$1.0	Barrow Hanley Large Cap Value	\$1.0	Cortina Small Cap Growth	\$1.3	Dodge & Cox Fixed	\$5.5	MetWest Fixed	\$2.4
Manager	Amount Funded (millions)												
Sands Large Cap Growth (Touchstone)	\$1.0												
Barrow Hanley Large Cap Value	\$1.0												
Cortina Small Cap Growth	\$1.3												
Dodge & Cox Fixed	\$5.5												
MetWest Fixed	\$2.4												
February 2013	<p>The Investment Committee recommended El Camino retain Pavilion for direct hedge fund advisory services.</p> <p>The following additional contribution was funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Wellington Small Cap Value</td><td>\$1.2</td></tr> </table>	Manager	Amount Funded (millions)	Wellington Small Cap Value	\$1.2								
Manager	Amount Funded (millions)												
Wellington Small Cap Value	\$1.2												
March 2013	<p>The following additional contribution was funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>MetWest Fixed</td><td>\$1.6</td></tr> </table>	Manager	Amount Funded (millions)	MetWest Fixed	\$1.6								
Manager	Amount Funded (millions)												
MetWest Fixed	\$1.6												
May 2013	Eight hedge funds (\$5 million each) were funded on May 1, 2013 for a total of \$40 million.												
July 2013	<p>The remaining two hedge fund strategies (\$5 million each) were funded on July 1, 2013 and August 1, 2013, respectively.</p> <p>The Direct Hedge Fund portfolio became fully invested.</p>												
September 2013	<p>\$14.0 million was committed to the Oaktree Real Estate Opportunities Fund VI and \$6.6 million was called in September.</p> <p>\$14.0 million was committed to the Walton Street Real Estate Fund VII.</p>												
October 2013	<p>The following additional contributions were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>MetWest Fixed</td><td>\$7.6</td></tr> <tr> <td>Dodge & Cox Fixed</td><td>\$5.5</td></tr> <tr> <td>Barrow Hanley Short Term Fixed - Non-District</td><td>\$3.0</td></tr> </table>	Manager	Amount Funded (millions)	MetWest Fixed	\$7.6	Dodge & Cox Fixed	\$5.5	Barrow Hanley Short Term Fixed - Non-District	\$3.0				
Manager	Amount Funded (millions)												
MetWest Fixed	\$7.6												
Dodge & Cox Fixed	\$5.5												
Barrow Hanley Short Term Fixed - Non-District	\$3.0												

Appendix

Surplus Cash Summary of Investment Decisions

Date	Decision												
November 2013	\$1.1 million of the capital committed to the Walton Street Real Estate Fund VII was called in November.												
December 2013	<p>The Indus Japan Fund was funded with an initial contribution of \$5.0 million.</p> <p>An additional contribution of \$1.5 million was made to the York Credit Opportunities Unit Trust.</p> <p>An additional contribution of \$1.5 million was made to the Fir Tree International Value Fund.</p> <p>An additional contribution of \$3.5 million was made to Barrow Hanley Short Term Fixed - District.</p>												
January 2014	<p>The portfolio was rebalanced back towards target allocation with \$16.0 million transferred out of domestic equity and into a combination of international equity (\$2.5 million) and short term fixed income (\$13.5 million).</p> <p>\$1.4 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in January.</p>												
February 2014	\$2.5 million was transferred from the Wellington Small Cap Value Fund to the Cash Account.												
March 2014	<p>\$1.4 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in March.</p> <p>\$2.8 million of the capital committed to the Walton Street Real Estate Fund VII was called in March.</p> <p>A distribution payment of \$0.2 million was made by the Walton Street Real Estate Fund VII in March.</p>												
April 2014	<p>\$1.4 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in April.</p> <p>\$1.6 million was contributed to the Barrow Hanley - District Assets.</p> <p>The following hedge funds were funded on April 1, 2014:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Marathon Special Opportunity Fund</td><td>\$5.5</td></tr> <tr> <td>Bloom Tree Offshore Fund</td><td>\$4.5</td></tr> <tr> <td>Tiger Eye Fund</td><td>\$4.5</td></tr> <tr> <td>Moore Macro Managers Fund</td><td>\$6.0</td></tr> <tr> <td>Pine River Fund</td><td>\$6.0</td></tr> </table> <p>Additional contributions of \$1.0 million were made to both Brevan Howard Multi-Strategy Fund and Robeco Transtrend Diversified Fund.</p>	Manager	Amount Funded (millions)	Marathon Special Opportunity Fund	\$5.5	Bloom Tree Offshore Fund	\$4.5	Tiger Eye Fund	\$4.5	Moore Macro Managers Fund	\$6.0	Pine River Fund	\$6.0
Manager	Amount Funded (millions)												
Marathon Special Opportunity Fund	\$5.5												
Bloom Tree Offshore Fund	\$4.5												
Tiger Eye Fund	\$4.5												
Moore Macro Managers Fund	\$6.0												
Pine River Fund	\$6.0												

Appendix

Surplus Cash Summary of Investment Decisions

Date	Decision												
May 2014	\$1.4 million of the capital committed to the Walton Street Real Estate Fund VII was called in May.												
June 2014	<p>The following additional contributions were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Vanguard Institutional Index</td><td>\$2.0</td></tr> <tr> <td>Touchstone Sands</td><td>\$3.0</td></tr> <tr> <td>Barrow Hanley LCV</td><td>\$2.0</td></tr> <tr> <td>Dodge & Cox</td><td>\$5.0</td></tr> <tr> <td>MetWest</td><td>\$3.0</td></tr> </table>	Manager	Amount Funded (millions)	Vanguard Institutional Index	\$2.0	Touchstone Sands	\$3.0	Barrow Hanley LCV	\$2.0	Dodge & Cox	\$5.0	MetWest	\$3.0
Manager	Amount Funded (millions)												
Vanguard Institutional Index	\$2.0												
Touchstone Sands	\$3.0												
Barrow Hanley LCV	\$2.0												
Dodge & Cox	\$5.0												
MetWest	\$3.0												
July 2014	\$8.0 million was transferred from the Barrow Hanley - District account into the Surplus Cash Account.												
October 2014	An additional contribution of \$2.6 million was made to the Davidson Kempner Distressed Opportunities International Fund.												
November 2014	\$0.8 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in November.												
December 2014	\$1.1 million of the capital committed to the Walton Street Real Estate Fund VII was called in December.												
February 2015	\$3.0 million of the capital committed to the Walton Street Real Estate Fund VII was called in February.												
March 2015	<p>The portfolio was rebalanced to newly initiated policy targets with \$63.0 million transferred out of market duration fixed income (\$29.0 million redeemed from Dodge & Cox and \$34.0 million redeemed from MetWest) and into domestic and international equity [\$33.0 million contributed to Vanguard Institutional Index, \$15.0 million contributed to Walter Scott (Dreyfus), and \$15.0 million contributed to Northern Cross (Harbor)].</p> <p>\$5.0 million was withdrawn from the Barrow Hanley Short-Term Fixed account with the proceeds used to fund an initial investment in Stone Milliner, a macro hedge fund manager, as of April 1, 2015.</p> <p>\$1.3 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in March.</p>												

Appendix

Surplus Cash Summary of Investment Decisions

Date	Decision								
May 2015	<p>The Surplus Cash account received an inflow of \$20 million.</p> <p>The following additional contributions were funded utilizing the inflow:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Dodge & Cox</td><td>\$5.1</td></tr> <tr> <td>MetWest</td><td>\$4.7</td></tr> </table> <p>\$9.0 million of the proceeds remained in the cash account in order to fund a dedicated emerging markets manager.</p>	Manager	Amount Funded (millions)	Dodge & Cox	\$5.1	MetWest	\$4.7		
Manager	Amount Funded (millions)								
Dodge & Cox	\$5.1								
MetWest	\$4.7								
June 2015	<p>\$0.7 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in June.</p> <p>\$1.1 million of the capital committed to the Walton Street Real Estate Fund VII was called in June.</p>								
August 2015	<p>A contribution of \$1.2 million was made to the MetWest Total Return Fixed Income account.</p> <p>Harding Loevner, the Surplus Cash Plan's dedicated emerging markets manager, was funded on August 13th with an initial \$9.0 million.</p>								
September 2015	<p>\$1.4 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in September. All of the capital committed to the Oaktree Real Estate Opportunities Fund VI has now been called.</p>								
October 2015	<p>\$1.4 million of the capital committed to the Walton Street Real Estate Fund VII was called in October.</p> <p>The Walton Street Real Estate Fund VII made a distribution payment in the amount of \$1.6 million, which was allocated to the Harbor International Fund.</p>								
November 2015	<p>The Oaktree Real Estate Opportunities Fund VI made a distribution payment in the amount of \$1.4 million.</p>								
December 2015	<p>The Oaktree Real Estate Opportunities Fund VI made a distribution payment in the amount of \$0.6 million.</p>								
January 2016	<p>A \$13.0 million commitment was made to the Walton Street Real Estate Fund VIII in January.</p> <p>The following redemptions were made during January for operating needs:</p> <table> <tr> <th>Manager</th><th>Amount Redeemed (millions)</th></tr> <tr> <td>Dodge & Cox</td><td>\$8.0</td></tr> <tr> <td>MetWest</td><td>\$8.0</td></tr> <tr> <td>Barrow Hanley Short Duration</td><td>\$14.0</td></tr> </table>	Manager	Amount Redeemed (millions)	Dodge & Cox	\$8.0	MetWest	\$8.0	Barrow Hanley Short Duration	\$14.0
Manager	Amount Redeemed (millions)								
Dodge & Cox	\$8.0								
MetWest	\$8.0								
Barrow Hanley Short Duration	\$14.0								

Appendix

Cash Balance Plan Summary of Investment Decisions

Date	Decision																																																
July 2011	El Camino retained Stratford Advisory Group, Inc. (Stratford) as investment consultant for its Cash Balance Plan.																																																
May 2012	Stratford and El Camino management and Investment Committee recommended and the Board approved the following asset allocation: <table><tr><th>Asset Class</th><th>Target Allocation</th><th>Range</th></tr><tr><td>Domestic Equity</td><td>32%</td><td>27% to 37%</td></tr><tr><td>International Equity</td><td>18%</td><td>15% to 21%</td></tr><tr><td>Alternatives</td><td>20%</td><td>17% to 23%</td></tr><tr><td>Broad Fixed Income</td><td>25%</td><td>20% to 30%</td></tr><tr><td>Short Fixed Income</td><td>5%</td><td>0% to 8%</td></tr><tr><td>Total Fund</td><td>100%</td><td>---</td></tr></table>	Asset Class	Target Allocation	Range	Domestic Equity	32%	27% to 37%	International Equity	18%	15% to 21%	Alternatives	20%	17% to 23%	Broad Fixed Income	25%	20% to 30%	Short Fixed Income	5%	0% to 8%	Total Fund	100%	---																											
Asset Class	Target Allocation	Range																																															
Domestic Equity	32%	27% to 37%																																															
International Equity	18%	15% to 21%																																															
Alternatives	20%	17% to 23%																																															
Broad Fixed Income	25%	20% to 30%																																															
Short Fixed Income	5%	0% to 8%																																															
Total Fund	100%	---																																															
September 2012	Stratford changed its name to Pavilion Advisory Group, Inc. (Pavilion). \$5.6 million and \$7.0 million employer contributions for Plan Year 2012 were made on September 13th and 14th, 2012, respectively. Pavilion recommended, the Investment Committee reviewed, and management approved the following investment lineup: <table><tr><th>Manager</th><th>Asset Class</th><th>Target Allocation</th></tr><tr><td>Vanguard S&P 500 Index</td><td>Domestic Equity</td><td>13.5%</td></tr><tr><td>Sands Large Cap Growth (Touchstone)</td><td>Domestic Equity</td><td>6.75%</td></tr><tr><td>Barrow Hanley Large Cap Value</td><td>Domestic Equity</td><td>6.75%</td></tr><tr><td>Cortina Small Cap Growth</td><td>Domestic Equity</td><td>2.5%</td></tr><tr><td>Wellington Small Cap Value</td><td>Domestic Equity</td><td>2.5%</td></tr><tr><td>Walter Scott Int'l (Dreyfus)</td><td>International Equity</td><td>9.0%</td></tr><tr><td>Northern Cross Int'l (Harbor)</td><td>International Equity</td><td>9.0%</td></tr><tr><td>Barrow Hanley Short Fixed</td><td>Short Fixed Income</td><td>5.0%</td></tr><tr><td>Dodge & Cox Fixed</td><td>Broad Fixed Income</td><td>12.5%</td></tr><tr><td>MetWest Fixed</td><td>Broad Fixed Income</td><td>12.5%</td></tr><tr><td>Pointer*</td><td>Hedge Fund of Funds</td><td>5.0%</td></tr><tr><td>Lighthouse Diversified</td><td>Hedge Fund of Funds</td><td>5.0%</td></tr><tr><td>Oaktree Real Estate*</td><td>Real Estate</td><td>5.0%</td></tr><tr><td>Walton Street*</td><td>Real Estate</td><td>5.0%</td></tr><tr><td>Total</td><td></td><td>100.0%</td></tr></table>	Manager	Asset Class	Target Allocation	Vanguard S&P 500 Index	Domestic Equity	13.5%	Sands Large Cap Growth (Touchstone)	Domestic Equity	6.75%	Barrow Hanley Large Cap Value	Domestic Equity	6.75%	Cortina Small Cap Growth	Domestic Equity	2.5%	Wellington Small Cap Value	Domestic Equity	2.5%	Walter Scott Int'l (Dreyfus)	International Equity	9.0%	Northern Cross Int'l (Harbor)	International Equity	9.0%	Barrow Hanley Short Fixed	Short Fixed Income	5.0%	Dodge & Cox Fixed	Broad Fixed Income	12.5%	MetWest Fixed	Broad Fixed Income	12.5%	Pointer*	Hedge Fund of Funds	5.0%	Lighthouse Diversified	Hedge Fund of Funds	5.0%	Oaktree Real Estate*	Real Estate	5.0%	Walton Street*	Real Estate	5.0%	Total		100.0%
Manager	Asset Class	Target Allocation																																															
Vanguard S&P 500 Index	Domestic Equity	13.5%																																															
Sands Large Cap Growth (Touchstone)	Domestic Equity	6.75%																																															
Barrow Hanley Large Cap Value	Domestic Equity	6.75%																																															
Cortina Small Cap Growth	Domestic Equity	2.5%																																															
Wellington Small Cap Value	Domestic Equity	2.5%																																															
Walter Scott Int'l (Dreyfus)	International Equity	9.0%																																															
Northern Cross Int'l (Harbor)	International Equity	9.0%																																															
Barrow Hanley Short Fixed	Short Fixed Income	5.0%																																															
Dodge & Cox Fixed	Broad Fixed Income	12.5%																																															
MetWest Fixed	Broad Fixed Income	12.5%																																															
Pointer*	Hedge Fund of Funds	5.0%																																															
Lighthouse Diversified	Hedge Fund of Funds	5.0%																																															
Oaktree Real Estate*	Real Estate	5.0%																																															
Walton Street*	Real Estate	5.0%																																															
Total		100.0%																																															

*Barrow Hanley Short Fixed will be utilized as the interim holding for alternatives holdings that have not yet funded.

Appendix

Cash Balance Plan Summary of Investment Decisions

Date	Decision																						
October 2012	<p>A \$2.7 million employer contribution for Plan Year 2012 was made on October 12, 2012.</p> <p>Management hired Citigroup to transition assets from Dodge & Cox Large Cap Value to Barrow Hanley Large Cap Value and Cortina Small Cap Growth.</p> <p>The Citigroup equity transition was completed.</p> <p>The following managers were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Vanguard S&P 500 Index</td><td>\$22.7</td></tr> <tr> <td>Sands Large Cap Growth (Touchstone)</td><td>\$11.3</td></tr> <tr> <td>Barrow Hanley Large Cap Value</td><td>\$11.3</td></tr> <tr> <td>Cortina Small Cap Growth</td><td>\$4.2</td></tr> <tr> <td>Wellington Small Cap Value</td><td>\$4.2</td></tr> <tr> <td>Walter Scott Int'l (Dreyfus)</td><td>\$15.1</td></tr> <tr> <td>Northern Cross Int'l (Harbor)</td><td>\$15.1</td></tr> <tr> <td>Barrow Hanley Short Fixed</td><td>\$19.4</td></tr> <tr> <td>MetWest Fixed</td><td>\$21.0</td></tr> <tr> <td>Lighthouse Diversified</td><td>\$8.4</td></tr> </table>	Manager	Amount Funded (millions)	Vanguard S&P 500 Index	\$22.7	Sands Large Cap Growth (Touchstone)	\$11.3	Barrow Hanley Large Cap Value	\$11.3	Cortina Small Cap Growth	\$4.2	Wellington Small Cap Value	\$4.2	Walter Scott Int'l (Dreyfus)	\$15.1	Northern Cross Int'l (Harbor)	\$15.1	Barrow Hanley Short Fixed	\$19.4	MetWest Fixed	\$21.0	Lighthouse Diversified	\$8.4
Manager	Amount Funded (millions)																						
Vanguard S&P 500 Index	\$22.7																						
Sands Large Cap Growth (Touchstone)	\$11.3																						
Barrow Hanley Large Cap Value	\$11.3																						
Cortina Small Cap Growth	\$4.2																						
Wellington Small Cap Value	\$4.2																						
Walter Scott Int'l (Dreyfus)	\$15.1																						
Northern Cross Int'l (Harbor)	\$15.1																						
Barrow Hanley Short Fixed	\$19.4																						
MetWest Fixed	\$21.0																						
Lighthouse Diversified	\$8.4																						
December 2012	<p>The following commitments were made:</p> <table> <tr> <th>Manager</th><th>Amount Committed (millions)</th></tr> <tr> <td>Oaktree Real Estate Opps Fund VI</td><td>\$8.4</td></tr> <tr> <td>Walton Street Real Estate Fund VII</td><td>\$8.4</td></tr> </table>	Manager	Amount Committed (millions)	Oaktree Real Estate Opps Fund VI	\$8.4	Walton Street Real Estate Fund VII	\$8.4																
Manager	Amount Committed (millions)																						
Oaktree Real Estate Opps Fund VI	\$8.4																						
Walton Street Real Estate Fund VII	\$8.4																						
January 2013	<p>The following managers were funded:</p> <table> <tr> <th>Manager</th><th>Amount Funded (millions)</th></tr> <tr> <td>Pointer</td><td>\$8.4</td></tr> <tr> <td>Oaktree Real Estate Opps Fund VI</td><td>\$5.9</td></tr> </table>	Manager	Amount Funded (millions)	Pointer	\$8.4	Oaktree Real Estate Opps Fund VI	\$5.9																
Manager	Amount Funded (millions)																						
Pointer	\$8.4																						
Oaktree Real Estate Opps Fund VI	\$5.9																						

Appendix

Cash Balance Plan Summary of Investment Decisions

Date	Decision						
January 2013	A \$2.7 million employer contribution for Plan Year 2012 was made on January 14, 2013.						
April 2013	A \$3.0 million employer contribution for Plan Year 2012 was made on April 12, 2013 to the following managers: <table> <tr> <th>Manager</th><th>Amount Contributed (millions)</th></tr> <tr> <td>Dodge & Cox Fixed</td><td>\$1.5</td></tr> <tr> <td>MetWest Fixed</td><td>\$1.5</td></tr> </table>	Manager	Amount Contributed (millions)	Dodge & Cox Fixed	\$1.5	MetWest Fixed	\$1.5
Manager	Amount Contributed (millions)						
Dodge & Cox Fixed	\$1.5						
MetWest Fixed	\$1.5						
June 2013	Walton Street Real Estate was funded with an initial contribution of \$0.8 million						
July 2013	A \$3.0 million employer contribution and \$4.3 million transfer from the cash account was made to the Barrow Hanley Short-Term Fixed Fund.						
October 2013	A \$3.0 million employer contribution was made to Dodge & Cox (\$1.5 million) and MetWest (\$1.5 million).						
January 2014	The portfolio was rebalanced, reducing equity exposure and distributing proceeds to fixed income and hedge fund of funds managers. \$0.8 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in March.						
February 2014	\$0.8 million was transferred from the Wellington Small Cap Value Fund to the Cash Account.						
March 2014	Distribution payments of \$0.1 million were made by the Walton Street Real Estate Fund VII. \$1.7 million of the capital committed to the Walton Street Real Estate Fund VII was called in March. \$0.8 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in March.						
April 2014	A \$3.6 million employer contribution was made to the Barrow Hanley Short-Term Fixed account. \$0.8 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in April.						
May 2014	\$0.8 million of the capital committed to the Walton Street Real Estate Fund VII was called in May.						
July 2014	A \$3.6 million employer contribution was made on July 14, 2014.						
August 2014	A \$1.6 million contribution was made to the Lighthouse Diversified Fund.						

Appendix

Cash Balance Plan Summary of Investment Decisions

Date	Decision
October 2014	<p>A \$3.6 million employer contribution was made in October with the proceeds split between Walter Scott (Dreyfus) (\$0.9 million), Northern Cross (Harbor) (\$1.3 million), and Barrow Hanley Short-Term Fixed (\$1.4 million).</p> <p>\$2 million was transferred out of the Barrow Hanley Short-Term Fixed account and reallocated to the Pointer Offshore Fund.</p>
November 2014	\$0.5 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in November.
December 2014	\$0.7 million of the capital committed to the Walton Real Estate Fund VII was called in December.
January 2015	A \$3.6 million employer contribution was made in January with the proceeds split between the Vanguard Institutional Index Fund (\$1.3 million), the Barrow Hanley Short-Term Fixed account (\$0.3 million), and the Lighthouse Diversified Fund (\$2.0 million).
February 2015	\$1.8 million of the capital committed to the Walton Real Estate Fund VII was called in February.
March 2015	\$0.8 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in March.
April 2015	A \$3.6 million employer contribution was made in March with the proceeds split between Walter Scott (Dreyfus) (\$0.7 million), Northern Cross (Harbor) (\$0.5 million), and Barrow Hanley Short-Term Fixed (\$2.4 million).
June 2015	<p>\$0.4 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in June.</p> <p>\$0.6 million of the capital committed to the Walton Street Real Estate Fund VII was called in June.</p>
July 2015	A \$2.4 million employer contribution was made in July with the proceeds invested in the Barrow Hanley Short-Term Fixed account.
September 2015	\$0.8 million of the capital committed to the Oaktree Real Estate Opportunities Fund VI was called in September. All of the committed capital to the Oaktree Real Estate Opportunities Fund VI has now been called.
October 2015	<p>\$0.8 million of the capital committed to the Walton Street Real Estate Fund VII was called in October</p> <p>The Walton Street Real Estate Fund VII made a distribution payment in the amount of \$1.0 million, which was allocated to the Barrow Hanley Short-Term Fixed account.</p> <p>A \$2.4 million employer contribution was made in October with the proceeds invested in the Barrow Hanley Short-Term Fixed account.</p>

Appendix

Cash Balance Plan Summary of Investment Decisions

Date	Decision
November 2015	The Oaktree Real Estate Opportunities Fund VI made a \$0.8 million distribution payment in December.
December 2015	The Oaktree Real Estate Opportunities Fund VI made a \$0.3 million distribution payment in December.
January 2016	A \$10.0 million commitment was made to the Walton Street Real Estate Fund VIII in January. A \$2.4 million employer contribution was made in January with the proceeds invested in the Barrow Hanley Short-Term Fixed account.

Appendix

Benchmark Descriptions

As of December 31, 2015

Surplus Cash

Surplus Cash Total Benchmark

Beginning March 2015, the Surplus Cash Total Benchmark consists of 40% Total Equity Benchmark - Surplus, 30% Barclays Capital Aggregate, 10% Short Duration Fixed Income Benchmark - Surplus, and 20% Total Alternatives Benchmark - Surplus. From April 2014 to February 2015, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 10% Short Duration Fixed Income Benchmark - Surplus, and 20% Total Alternatives Benchmark - Surplus. From August 2013 to March 2014, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 20% Short Duration Fixed Income Benchmark - Surplus, and 10% Total Alternatives Benchmark - Surplus. During July 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 21% Short Duration Fixed Income Benchmark - Surplus, and 9% Total Alternatives Benchmark - Surplus. From May 2013 to June 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 22% Short Duration Fixed Income Benchmark - Surplus, and 8% HFRI Fund of Funds Composite Index. From November 2012 to April 2013, the Surplus Cash Total Benchmark consists of 30% Total Equity Benchmark - Surplus and 70% Total Fixed Income Benchmark - Surplus. From January 2007 to October 2012, the Surplus Cash Total Benchmark consisted of 15% Total Equity Benchmark - Surplus and 85% Total Fixed Income Benchmark - Surplus. From August 2000 to December 2006, the Surplus Cash Total Benchmark consisted of 2% Total Equity Benchmark - Surplus and 98% Total Fixed Income Benchmark - Surplus. From April 1991 to July 2000, the Surplus Cash Total Benchmark consisted of 100% Total Fixed Income Benchmark - Surplus.

Surplus Cash Total Benchmark X Privates

Beginning March 2015 the Surplus Cash Total Benchmark consists of 42.1% Total Equity Benchmark - Surplus, 31.6% Barclays Capital Aggregate, 10.5% Short Duration Fixed Income Benchmark - Surplus, and 15.8% Total Alternatives Benchmark - Surplus. From April 2014 to February 2015 the Surplus Cash Total Benchmark consisted of 31.6% Total Equity Benchmark - Surplus, 42.1% Barclays Capital Aggregate, 10.5% Short Duration Fixed Income Benchmark - Surplus, and 15.8% Total Alternatives Benchmark - Surplus. From August 2013 to March 2014, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 20% Short Duration Fixed Income Benchmark - Surplus, and 10% Total Alternatives Benchmark - Surplus. During July 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 21% Short Duration Fixed Income Benchmark - Surplus, and 9% Total Alternatives Benchmark - Surplus. From May 2013 to June 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 22% Short Duration Fixed Income Benchmark - Surplus, and 8% HFRI Fund of Funds Composite Index. From November 2012 to April 2013, the Surplus Cash Total Benchmark consists of 30% Total Equity Benchmark - Surplus and 70% Total Fixed Income Benchmark - Surplus. From January 2007 to October 2012, the Surplus Cash Total Benchmark consisted of 15% Total Equity Benchmark - Surplus and 85% Total Fixed Income Benchmark - Surplus. From August 2000 to December 2006, the Surplus Cash Total Benchmark consisted of 2% Total Equity Benchmark - Surplus and 98% Total Fixed Income Benchmark - Surplus. From April 1991 to July 2000, the Surplus Cash Total Benchmark consisted of 100% Total Fixed Income Benchmark - Surplus.

Pre-Pavilion Surplus Cash Total Benchmark

Beginning January 2007, the Pre-Pavilion Surplus Cash Total Benchmark consists of 15% Total Equity Benchmark - Surplus and 85% Total Fixed Income Benchmark - Surplus. From August 2000 to December 2006, the Pre-Pavilion Surplus Cash Total Benchmark consisted of 2% Total Equity Benchmark - Surplus and 98% Total Fixed Income Benchmark - Surplus. From April 1991 to July 2000, the Pre-Pavilion Surplus Cash Total Benchmark consisted of 100% Total Fixed Income Benchmark - Surplus.

Total Equity Benchmark - Surplus

Beginning March 2015, the Total Equity Benchmark - Surplus consists of 50% Large Cap Equity Benchmark, 12.5% Small Cap Equity Benchmark, and 37.5% MSCI AC World ex USA (Net). From November 2012 to February 2015, the Total Equity Benchmark - Surplus consisted of 50% Large Cap Equity Benchmark, 16.67% Small Cap Equity Benchmark, and 33.33% MSCI AC World ex USA (Net). From April 1991 to October 2012, the Total Equity Benchmark - Surplus consisted of 100% Large Cap Equity Benchmark.

Domestic Equity Benchmark - Surplus

Beginning March 2015, the Domestic Equity Benchmark - Surplus consists of 80% Large Cap Equity Benchmark and 20% Small Cap Equity Benchmark. From November 2012 to February 2015, the Domestic Equity Benchmark - Surplus consisted of 75% Large Cap Equity Benchmark and 25% Small Cap Equity Benchmark. From April 1991 to October 2012, the Domestic Equity Benchmark - Surplus consisted of 100% Large Cap Equity Benchmark.

Appendix

Benchmark Descriptions

As of December 31, 2015

Large Cap Equity Benchmark

Beginning November 2012, the Large Cap Equity Benchmark consists of 25% Russell 1000 Value Index, 25% Russell 1000 Growth Index, and 50% S&P 500 Index. From April 1991 to October 2012, the Large Cap Equity Benchmark consisted of 100% Russell 1000 Value Index.

Small Cap Equity Benchmark

Beginning November 2012, the Small Cap Equity Benchmark consists of 50% Russell 2000 Growth Index and 50% Russell 2000 Value Index.

Total Fixed Income Benchmark - Surplus

Beginning March 2015, the Total Fixed Income Benchmark - Surplus consists of 75% Barclays Capital Aggregate and 25% Short Duration Fixed Income Benchmark - Surplus. From April 2014 to February 2015, the Total Fixed Income Benchmark - Surplus consisted of 80% Barclays Capital Aggregate and 20% Short Duration Fixed Income Benchmark - Surplus. From August 2013 to March 2014, the Total Fixed Income Benchmark - Surplus consisted of 66.67% Barclays Capital Aggregate and 33.33% Short Duration Fixed Income Benchmark - Surplus. During July 2013, the Total Fixed Income Benchmark - Surplus consisted of 65.57% Barclays Capital Aggregate and 34.43% Short Duration Fixed Income Benchmark - Surplus. From May 2013 to June 2013, the Total Fixed Income Benchmark - Surplus consisted of 64.52% Barclays Capital Aggregate and 35.48% Short Duration Fixed Income Benchmark - Surplus. From November 2012 to April 2013, the Total Fixed Income Benchmark - Surplus consisted of 57.14% Barclays Capital Aggregate and 42.86% Short Duration Fixed Income Benchmark - Surplus. From January 2007 to October 2012, the Total Fixed Income Benchmark - Surplus consisted of 40% Barclays Capital Aggregate and 60% Short Duration Fixed Income Benchmark - Surplus. From April 1991 to December 2006, the Total Fixed Income Benchmark - Surplus consisted of 100% Short Duration Fixed Income Benchmark - Surplus.

Short Duration Fixed Income Benchmark - Surplus

Beginning in November 2012, the Short Duration Fixed Income Benchmark - Surplus consists of 100% Barclays Capital 1-3 Year Gov't/Credit. From January 2007 to October 2012, the Short Duration Fixed Income Benchmark - Surplus consisted of 66.67% Barclays Capital Intermediate Aggregate and 33.33% Barclays Capital Gov't 1-3 Year. From May 2001 to December 2006, the Short Duration Fixed Income Benchmark - Surplus consisted of 84.69% Barclays Capital Intermediate Aggregate and 15.31% Barclays Capital Gov't 1-3 Year. From April 1991 to April 2001, the Short Duration Fixed Income Benchmark - Surplus consisted of 100% Barclays Capital Gov't 1-3 Year.

Total Alternatives Benchmark - Surplus

Beginning April 2014 the Total Alternatives Benchmark - Surplus consists of 75% HFRI Fund of Funds Composite Index and 25% NCREIF Property Index. From May 2013 to March 2014, the Total Alternatives Benchmark - Surplus consisted of 100% HFRI Fund of Funds Composite Index.

Appendix

Benchmark Descriptions

As of December 31, 2015

Cash Balance Plan

Cash Balance Plan Total Benchmark

Beginning January 2013, the Cash Balance Plan Total Benchmark consists of 50% Total Equity Benchmark, 35% Total Fixed Income Benchmark, and 15% Alternatives Benchmark. From November 2012 to December 2012, the Cash Balance Plan Total Benchmark consisted of 50% Total Equity Benchmark, 45% Total Fixed Income Benchmark, and 5% Alternatives Benchmark. From October 1990 to October 2012, the Cash Balance Plan Total Benchmark consisted of 60% Russell 1000 Value Index and 40% Barclays Capital Aggregate.

Cash Balance Plan Total X Privates Benchmark

Beginning January 2013, the Cash Balance Plan Total Benchmark consists of 52.63% Total Equity Benchmark, 36.84% Total Fixed Income Benchmark, and 10.53% Alternatives Benchmark. From November 2012 to December 2012, the Cash Balance Plan Total Benchmark consisted of 50% Total Equity Benchmark, 45% Total Fixed Income Benchmark, and 5% Alternatives Benchmark. From October 1990 to October 2012

Pre-Pavilion Cash Balance Plan Total Benchmark

Beginning October 1990, the Cash Balance Plan Total Benchmark consists of 60% Russell 1000 Value Index and 40% Barclays Capital Aggregate.

Total Equity Benchmark

Beginning November 2012, the Total Equity Benchmark consists of 54% Large Cap Equity Benchmark, 10% Small Cap Equity Benchmark, and 36% MSCI AC World ex USA (Net). From October 1990 to October 2012, the Total Equity Benchmark consisted of 100% Large Cap Equity Benchmark.

Domestic Equity Benchmark

Beginning November 2012, the Domestic Equity Benchmark consists of 84.38% Large Cap Equity Benchmark and 15.62% Small Cap Equity Benchmark. From October 1990 to October 2012, the Domestic Equity Benchmark consisted of 100% Large Cap Equity Benchmark.

Large Cap Equity Benchmark

Beginning November 2012, the Large Cap Equity Benchmark consists of 25% Russell 1000 Value Index, 25% Russell 1000 Growth Index, and 50% S&P 500 Index. From October 1990 to October 2012, the Large Cap Equity Benchmark consisted of 100% Russell 1000 Value Index.

Small Cap Equity Benchmark

Beginning November 2012, the Small Cap Equity Benchmark consists of 50% Russell 2000 Growth Index and 50% Russell 2000 Value Index.

Total Fixed Income Benchmark

Beginning January 2013, the Total Fixed Income Benchmark consists of 71.43% Barclays Capital Aggregate and 28.57% Short Duration Fixed Income Benchmark. From November 2012 to December 2012, the Total Fixed Income Benchmark consists of 55.56% Barclays Capital Aggregate and 44.44% Short Duration Fixed Income Benchmark. From October 1990 to October 2012, the Total Fixed Income Benchmark consisted of 100% Barclays Aggregate.

Short Duration Fixed Income Benchmark

Beginning November 2012, the Short Duration Fixed Income Benchmark consists of 100% Barclays Capital 1-3 Year Gov't/Credit. From October 1990 to October 2012, the Short Duration Fixed Income Benchmark consisted of 100% 90 Day U.S. Treasury Bills.

Appendix

Benchmark Descriptions

As of December 31, 2015

Total Alternatives Benchmark

Beginning January 2013, the Alternatives Benchmark consists of 66.67% HFRI Fund of Funds Composite Index and 33.33% NCREIF Property Index. From November 2012 to December 2012, the Alternatives Benchmark consisted of 100% HFRI Fund of Funds Composite Index.

Appendix

Surplus Cash Calendar Year Composite Performance

As of December 31, 2015

	Performance(%)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Surplus Cash X District	-0.4	4.4	8.8	6.6	5.1	6.4	11.3	-1.2	6.3	6.0	1.5
Total Surplus Cash Benchmark	-0.1	5.3	7.5	6.0	5.2	7.3	7.7	-2.0	6.0	4.8	2.1
Pre-Pavilion Total Surplus Cash Benchmark	0.2	5.5	3.4	5.3	5.2	7.3	7.7	-2.0	6.0	4.8	2.1
Total Surplus Cash X District X Privates	-0.8	4.0	8.8	6.6	5.1	6.4	11.3	-1.2	6.3	6.0	1.5
Surplus Cash Total Benchmark x Privates	-0.3	5.3	7.5	6.0	5.2	7.3	7.7	-2.0	6.0	4.8	2.1
Total Equity Composite	-1.0	4.4	28.8	17.7	2.3	10.8	23.7	-35.3	1.9	14.6	10.0
Total Equity Benchmark - Surplus	-2.2	6.1	27.7	19.0	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1
Domestic Equity Composite	-0.2	9.0	36.7	16.3	2.3	10.8	23.7	-35.3	1.9	14.6	10.0
Domestic Equity Benchmark - Surplus	0.0	11.4	34.3	17.8	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1
Large Cap Equity Composite	0.5	12.2	35.1	16.5	2.3	10.8	23.7	-35.3	1.9	14.6	10.0
Large Cap Equity Benchmark	1.1	13.5	32.7	17.1	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1
Small Cap Equity Composite	-3.4	-0.9	41.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Small Cap Equity Benchmark	-4.4	5.0	38.9	16.3	-4.2	26.8	27.5	-33.8	-1.7	18.4	4.4
International Equity Composite	-1.9	-5.6	13.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA (Net)	-5.7	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

Appendix

Surplus Cash Calendar Year Composite Performance

As of December 31, 2015

	Performance(%)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Fixed Income Composite	0.0	4.3	-0.3	4.4	5.5	5.8	7.6	4.1	6.8	5.6	1.7
Total Fixed Income Benchmark - Surplus	0.6	4.7	-1.1	3.2	5.8	5.5	5.2	5.4	7.0	4.5	2.0
 Short Duration Fixed Income Composite	 0.7	 0.6	 0.5	 3.5	 4.3	 4.8	 5.3	 4.5	 6.8	 5.6	 1.7
Short Duration Fixed Income Benchmark - Surplus	0.7	0.8	0.6	2.5	4.5	4.9	4.8	5.5	7.0	4.5	2.0
 Market Duration Fixed Income Composite	 -0.4	 5.8	 -0.6	 6.9	 8.8	 8.1	 12.6	 2.5	 6.9	 N/A	 N/A
Barclays U.S. Aggregate	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
 Alternatives Composite	 1.1	 5.1	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
Total Alternatives Benchmark -Surplus	3.9	6.1	9.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
 Real Estate Composite	 11.3	 22.8	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
NCREIF Property Index	12.8	11.8	11.0	10.5	14.3	13.1	-16.8	-6.5	15.8	16.6	20.1
 Hedge Fund Composite	 -1.6	 2.2	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
HFRI Fund of Funds Composite Index	-0.3	3.4	9.0	4.8	-5.7	5.7	11.5	-21.4	10.3	10.4	7.5

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

Appendix

Cash Balance Plan Calendar Year Composite Performance

As of December 31, 2015

	Performance(%)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Cash Balance Plan	0.9	5.6	15.8	17.0	-0.9	11.7	28.2	-25.9	2.4	12.6	6.0
Total Cash Balance Plan Benchmark	0.1	5.7	13.8	12.7	3.7	12.4	14.8	-22.0	2.8	14.8	5.3
Pre-Pavilion Total Cash Balance Plan Benchmark	-1.9	10.5	17.7	12.2	3.7	12.4	14.8	-22.0	2.8	14.8	5.3
Total Cash Balance Plan X Private Structures	0.1	4.8	16.2	17.0	-0.9	11.7	28.2	-25.9	2.4	12.6	6.0
Cash Balance Plan Total X Privates Benchmark	-0.6	5.3	14.0	12.7	3.7	12.4	14.8	-22.0	2.8	14.8	5.3
Total Equity Composite	-1.0	4.6	27.7	23.3	-3.9	14.2	33.0	-43.0	0.3	19.5	9.7
Total Equity Benchmark	-1.8	6.2	26.9	18.9	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1
Domestic Equity Composite	-0.3	10.2	36.3	21.5	-3.9	14.2	33.0	-43.0	0.3	19.5	9.7
Domestic Equity Benchmark	0.3	12.2	33.7	17.5	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1
Large Cap Equity Composite	0.3	12.3	35.4	21.8	-3.9	14.2	33.0	-43.0	0.3	19.5	9.7
Large Cap Equity Benchmark	1.1	13.5	32.7	17.1	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1
Small Cap Equity Composite	-3.4	-0.9	41.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Small Cap Equity Benchmark	-4.4	5.0	38.9	16.3	-4.2	26.8	27.5	-33.8	-1.7	18.4	4.4
International Equity Composite	-2.3	-5.3	13.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA (Net)	-5.7	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

Appendix

Cash Balance Plan Calendar Year Composite Performance

As of December 31, 2015

	Performance(%)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Fixed Income Composite	-0.1	4.3	0.6	7.0	6.4	7.8	17.6	-0.3	4.9	5.4	2.3
Total Fixed Income Benchmark	0.6	4.5	-1.3	4.3	7.8	6.5	5.9	5.2	7.0	4.3	2.4
 Short Duration Fixed Income Composite	 0.6	 0.5	 0.6	 0.2	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
Short Duration Fixed Income Benchmark	0.7	0.8	0.6	0.2	0.1	0.1	0.2	2.1	4.9	4.8	2.9
 Market Duration Fixed Income Composite	 -0.1	 5.7	 0.6	 8.0	 5.4	 7.8	 17.6	 -0.3	 4.9	 5.4	 2.3
Barclays U.S. Aggregate	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
 Total Alternatives Composite	 7.1	 13.1	 11.4	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
Total Alternatives Benchmark	3.9	6.1	9.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
 Hedge Fund of Fund Composite	 4.7	 8.8	 13.3	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
HFRI Fund of Funds Composite Index	-0.3	3.4	9.0	4.8	-5.7	5.7	11.5	-21.4	10.3	10.4	7.5
 Real Estate Composite	 11.3	 23.9	 5.0	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
NCREIF Property Index	12.8	11.8	11.0	10.5	14.3	13.1	-16.8	-6.5	15.8	16.6	20.1

Returns are expressed as percentages. Returns for periods greater than one year are annualized.
Peer group percentile ranks are shown in parentheses.

Surplus Cash Hedge Fund Portfolio

Surplus Cash Hedge Fund Portfolio



El Camino Hospital

4th Quarter 2015

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PAVILION

Hedge Fund Portfolio Executive Summary

Portfolio Update - Fourth Quarter 2015

The Hedge Fund Portfolio returned -1.2% during the fourth quarter, underperforming the HFRI Fund of Funds Composite Index, which returned +0.6%. All of the Portfolio's hedge fund strategies, with the exception of the macro strategy, underperformed their benchmarks. The equity and credit segments were notable laggards as the strategies underperformed their benchmarks by 190 and 170 basis points, respectively. The macro strategy returned +0.3%, outperforming its benchmark by 30 basis points. In 2015, the Hedge Fund Portfolio underperformed the HFRI Fund of Funds Composite Index by 130 basis points. The Portfolio's relative value and credit managers underperformed during the year, while the equity and macro strategies outperformed their respective benchmarks.

The Portfolio's equity and credit managers were the most notable detractors to relative performance during the fourth quarter. Event driven equity manager Luxor was the largest source of negative attribution during the quarter and in 2015. The manager's stock selection accounted for nearly all of its losses. RCS Capital Corporation, where Luxor is on the board of directors, was the largest detractor for the Fund after it filed for Chapter 11 bankruptcy following a strategic review that determined it was in the best interest of the company. Additionally, a position in Golar LNG hampered results as energy stocks continued to decline in the fourth quarter. Seven of the nine equity funds were positive for the quarter but could not make up for the losses suffered by Luxor. The credit strategy also provided negative attribution during the quarter. All three credit managers underperformed their benchmarks due to exposure to high yield and commodity-related distressed companies. The relative value strategy also dampened results returning -1.5%. Fir Tree (-3.0%) was a notable laggard within the strategy as the manager's exposure to MLPs and U.S. car rental companies accounted for nearly all of the Fund's losses during the quarter.

The Portfolio's macro strategy outperformed its benchmark by 30 basis points. Moore and Stone Milliner were notable contributors during the quarter. Moore benefited from trading within the global opportunistic strategy. The strategy added approximately 320 basis points to results. Stone Milliner, a discretionary macro manager, returned 2.5% during the quarter. FX and equity trading strategies were the primary drivers of performance for the manager.

Investment Activity

No investment activity occurred during the third quarter.

Recommendations or Action Items

Pavilion has moved Luxor to a SELL rating and recommends that the El Camino submit a full redemption when the Fund's lock-up expires on June 30, 2017. The redemption notice would need to be submitted by April 1, 2017. Additionally, Pavilion is recommending that El Camino redeem from Carlson's Double Black Diamond Fund Ltd. El Camino's investment is nearing the end of its lockup and Pavilion believes there are better opportunities for the capital. Pavilion would recommend that El Camino replace Carlson's Double Black Diamond with BlackRock's The 32 Capital Fund, Ltd., an equity market neutral manager. El Camino can get out of Carlson's Double Black Diamond Ltd. on April 30, 2016. The redemption notice would need to be submitted by March 1, 2016.

Asset Allocation & Performance

El Camino Hedge Fund Portfolio

As of December 31, 2015

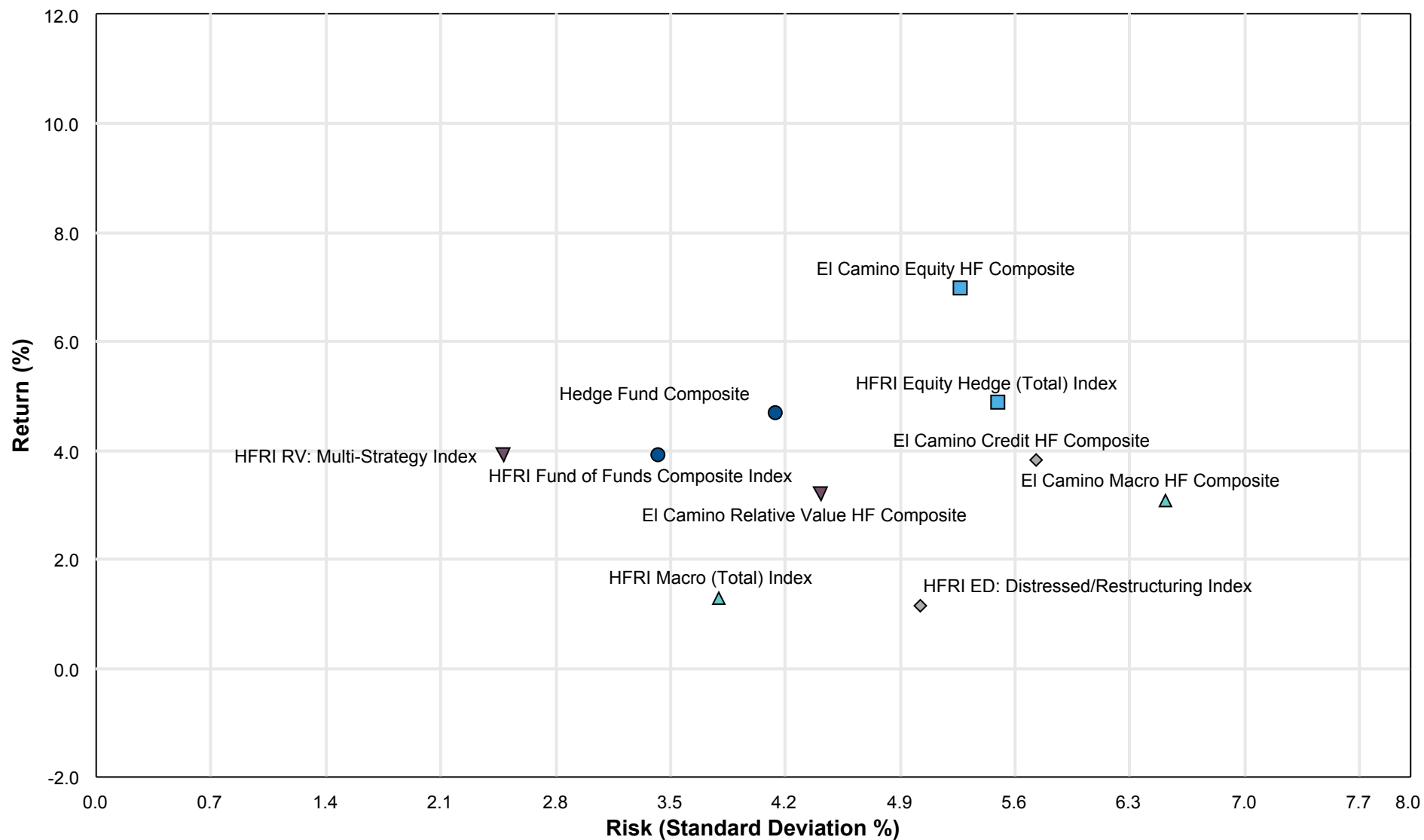
	Allocation		Performance(%)						
	Market Value (\$)	%	Quarter	Year To Date	1 Year	3 Years	5 Years	Since Invested	Inception Period
Hedge Fund Composite	97,065,647	100.0	-1.2	-1.6	-1.6	N/A	N/A	2.3	2y 8m
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	3.9	2.1	2.8	
El Camino HF Composite Benchmark			0.1	-2.0	-2.0	3.2	2.2	1.9	
Credit HF Composite	18,932,114	19.5	-4.9	-8.2	-8.2	N/A	N/A	1.3	2y 8m
HFRI ED: Distressed/Restructuring Index			-3.2	-8.0	-8.0	1.1	2.3	-0.8	
Equity HF Composite	36,138,177	37.2	0.0	2.0	2.0	N/A	N/A	3.7	2y 8m
HFRI Equity Hedge (Total) Index			1.9	-0.8	-0.8	4.9	2.6	3.5	
Macro HF Composite	24,170,230	24.9	0.3	1.0	1.0	N/A	N/A	1.7	2y 8m
HFRI Macro (Total) Index			0.0	-1.2	-1.2	1.3	-0.1	0.7	
Relative Value HF Composite	17,825,126	18.4	-1.5	-4.0	-4.0	N/A	N/A	1.9	2y 8m
HFRI RV: Multi-Strategy Index			0.1	0.6	0.6	3.9	3.4	2.6	

The El Camino HF Composite Benchmark consists of 40% HFRI Equity Hedge (Total) Index, 20% HFRI ED: Distressed/Restructuring Index, 20% HFRI Macro (Total) Index, and 20% HFRI RV: Multi-Strategy Index

Performance Summary

Hedge Fund Composite Risk and Return Summary (Net of Fees)

3 Years Ending December 31, 2015

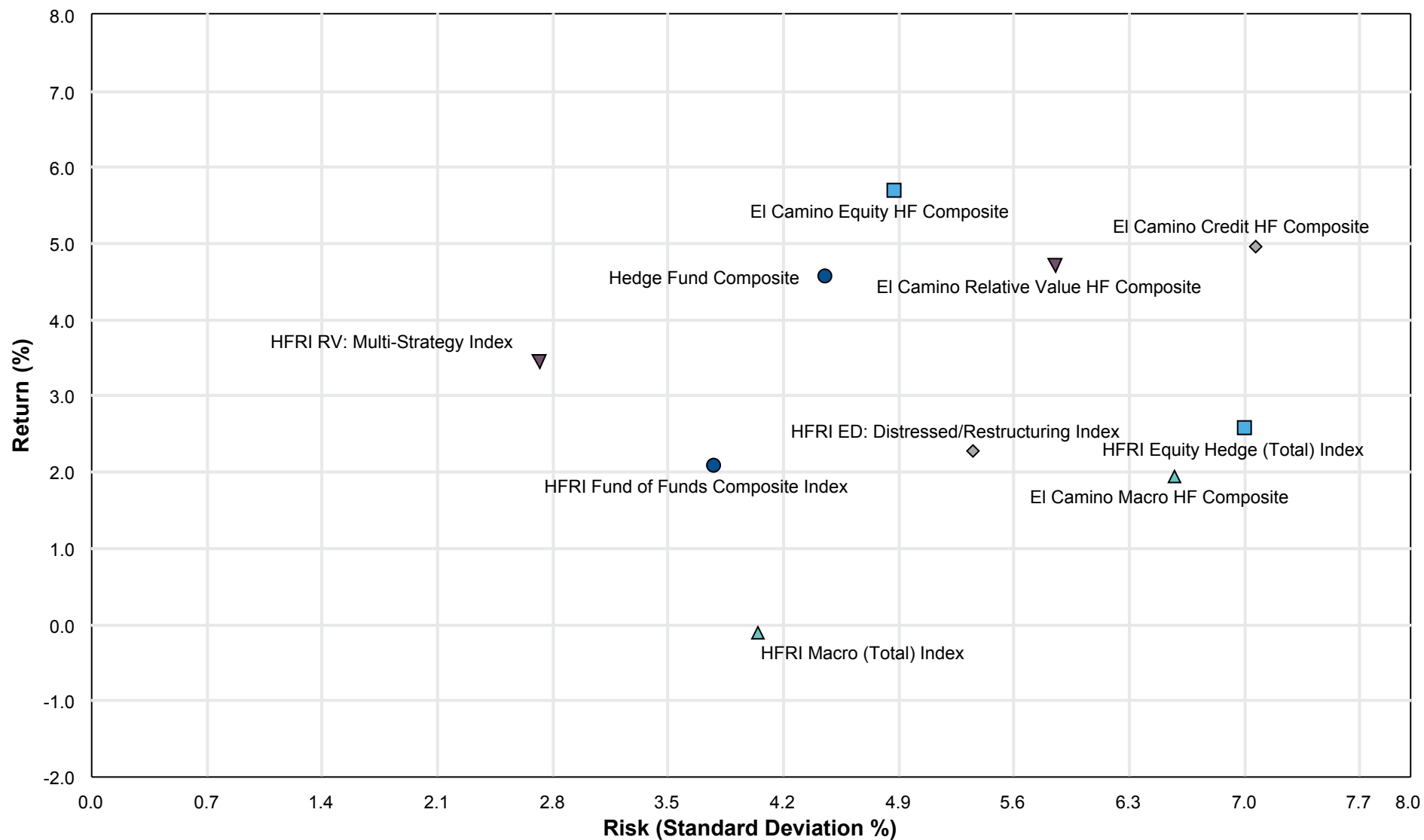


After May 1, 2013, results are actual El Camino Hedge Fund Portfolio returns.

Performance Summary

Hedge Fund Composite Risk and Return Summary (Net of Fees)

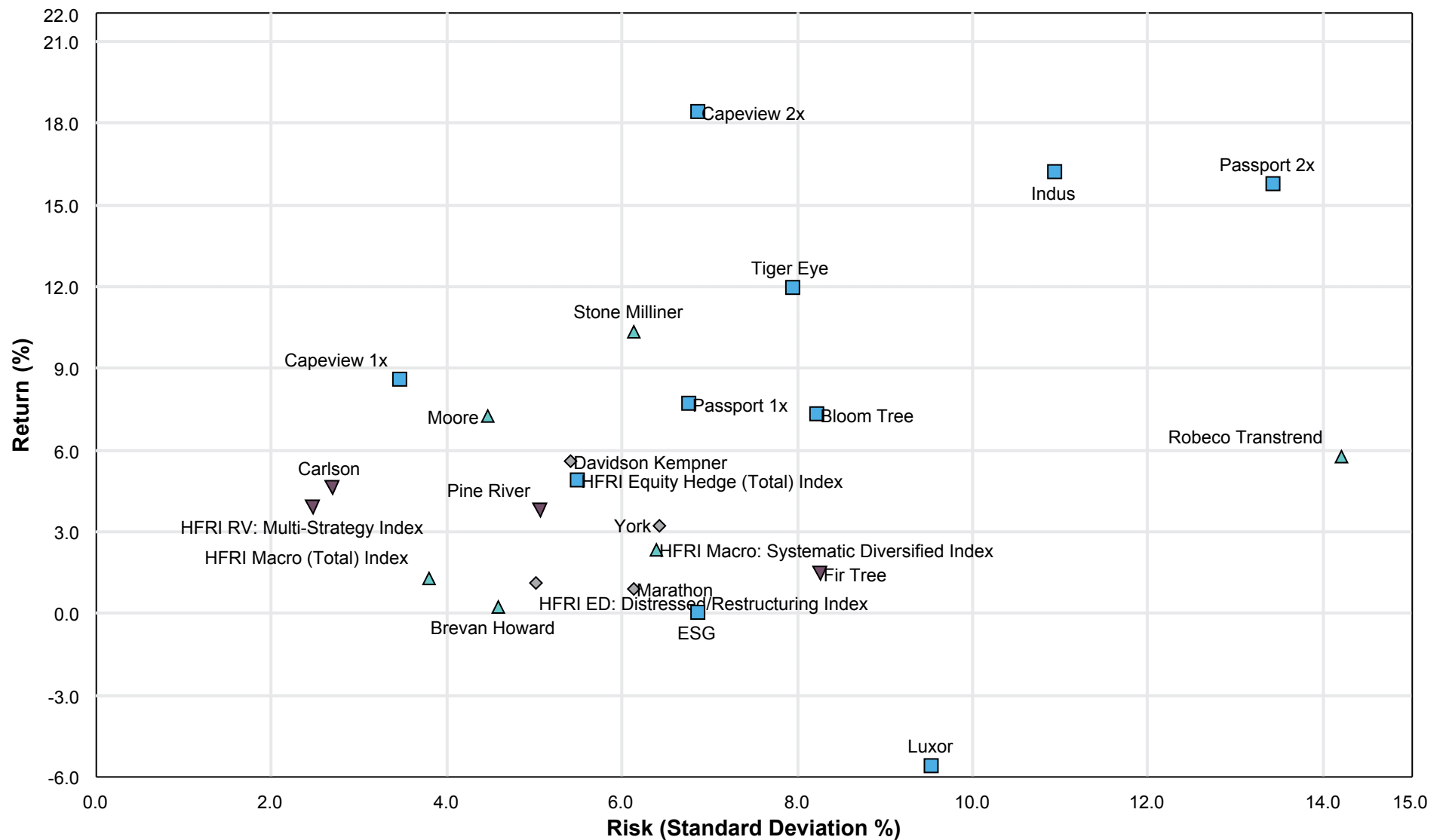
5 Years Ending December 31, 2015



Risk and Return

Hedge Fund Managers Risk Return (Net of Fees)

3 Years Ending December 31, 2015

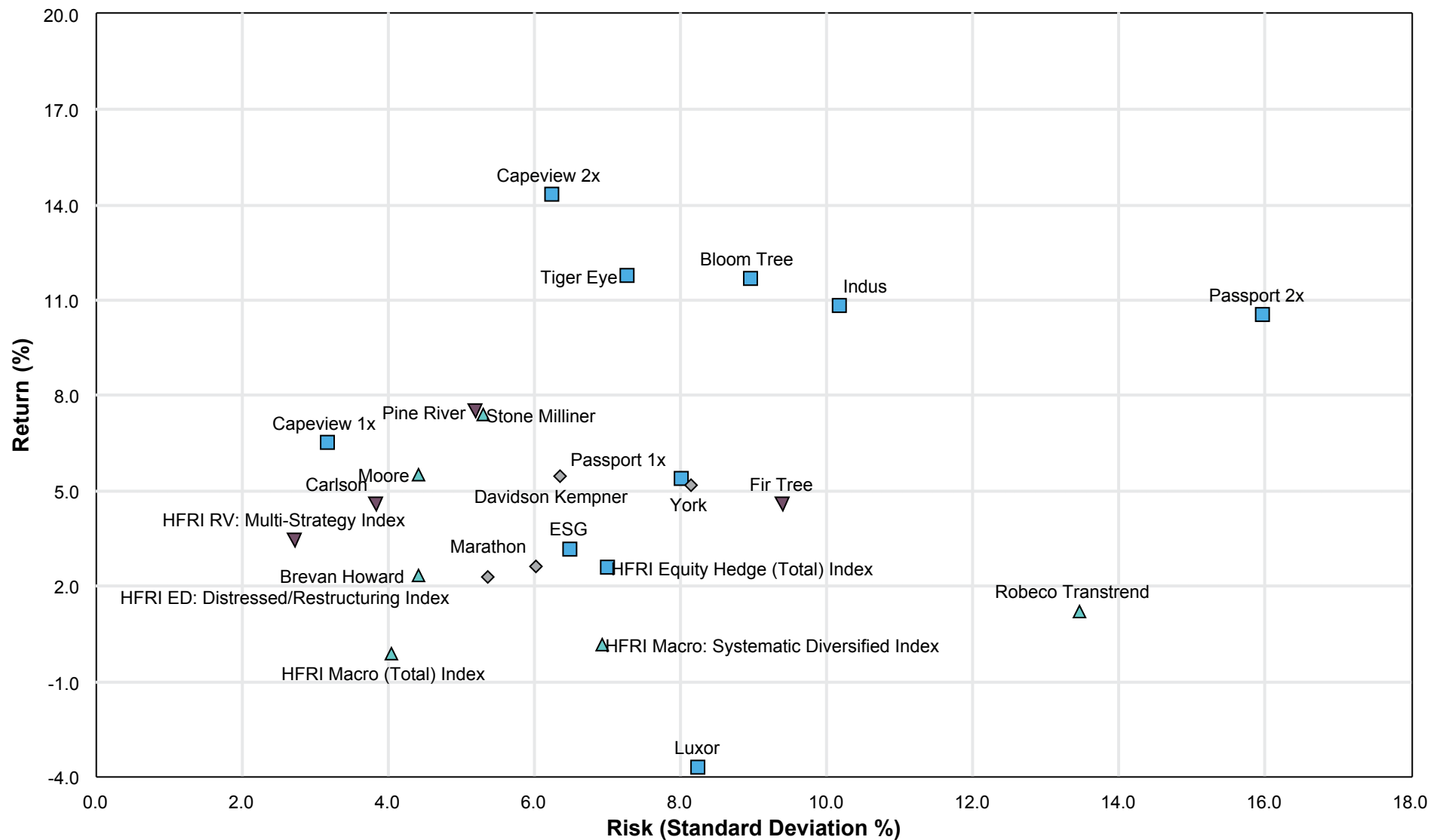


After May 1, 2013, results are actual El Camino Hedge Fund Portfolio returns.

Risk and Return

Hedge Fund Managers Risk Return (Net of Fees)

5 Years Ending December 31, 2015



After May 1, 2013, results are actual El Camino Hedge Fund Portfolio returns.

El Camino Hedge Fund Portfolio Risk Statistics

As of December 31, 2015

	5 Years Return	5 Years Standard Deviation	5 Years Maximum Drawdown	5 Years Best Quarter	5 Years Worst Quarter	5 Years Sharpe Ratio	5 Years Sortino Ratio
Total Portfolio							
Hedge Fund Composite	4.6	4.5	-6.3	6.0	-4.6	1.0	1.0
HFRI Fund of Funds Composite Index	2.1	3.8	-7.7	3.8	-5.0	0.5	0.5
Equity Long/Short							
El Camino Equity HF Composite	5.7	4.9	-5.1	9.1	-5.0	1.1	1.4
HFRI Equity Hedge (Total) Index	2.6	7.0	-13.2	6.9	-10.9	0.4	0.4
Credit							
El Camino Credit HF Composite	5.0	7.1	-14.9	8.0	-10.4	0.7	0.6
HFRI ED: Distressed/Restructuring Index	2.3	5.4	-14.0	5.3	-7.8	0.4	0.4
Macro							
El Camino Macro HF Composite	1.9	6.6	-7.4	7.9	-4.8	0.3	0.3
HFRI Macro (Total) Index	-0.1	4.0	-8.0	5.1	-3.5	0.0	0.0
Relative Value							
El Camino Relative Value HF Composite	4.7	5.9	-8.7	6.9	-7.4	0.8	0.8
HFRI RV: Multi-Strategy Index	3.4	2.7	-4.6	3.8	-3.0	1.2	1.3

After May 1, 2013, results are actual El Camino Hedge Fund Portfolio returns.

Asset Class Diversification

Hedge Fund Portfolio

As of December 31, 2015

Manager	Asset Class/Type	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Weighting Relative to Target
Equity Hedge Funds		\$ 36.1	37.2%	40.0%	- 2.8%
ESG	Emerging Market Equity	\$ 4.7	4.8%		
Luxor	Event Driven Equity	\$ 4.0	4.1%		
CapeView 1x	European Equity	\$ 3.0	3.1%		
CapeView 2x	European Equity	\$ 3.7	3.8%		
Passport 1x	US Equity	\$ 2.7	2.8%		
Passport 2x	US Equity	\$ 2.8	2.9%		
Bloom Tree	Global Equity	\$ 5.0	5.2%		
Tiger Eye	US Equity	\$ 4.6	4.8%		
Indus Japan	Japanese Equity	\$ 5.6	5.8%		
Credit Hedge Funds		\$ 18.9	19.5%	20.0%	- 0.5%
Davidson Kempner	Distressed Credit	\$ 7.7	8.0%		
York	Multi-Strategy Credit	\$ 6.6	6.8%		
Marathon	Multi-Strategy Credit	\$ 4.6	4.8%		
Macro Hedge Funds		\$ 24.2	24.9%	20.0%	+ 4.9%
Brevan Howard	Discretionary Macro	\$ 5.9	6.0%		
Moore	Discretionary Macro	\$ 6.5	6.6%		
Stone Milliner	Discretionary Macro	\$ 5.0	5.2%		
Transtrend	Systematic Macro	\$ 6.8	7.0%		
Relative Value Hedge Funds		\$ 17.8	18.4%	20.0%	- 1.6%
Carlson	Multi-Strategy	\$ 5.6	5.7%		
Fir Tree	Multi-Strategy	\$ 6.3	6.5%		
Pine River	Multi-Strategy	\$ 6.0	6.2%		
Total Hedge Fund Portfolio		\$ 97.1	100.0%		

Totals may not add up due to rounding.

Pro Forma Performance Summary

As of December 31, 2015

	Quarter	Year To Date	1 Year	3 Years	5 Years	Since Invested	2014	2013	2012	2011	2010	2009	Inception Period
Total Portfolio													
Hedge Fund Composite	-1.2	-1.6	-1.6	4.7	4.6	2.3	2.2	14.0	9.9	-0.9	11.4	19.7	2y 8m
HFRI Fund of Funds Composite Index	0.6	-0.3	-0.3	3.9	2.1	2.8	3.4	9.0	4.8	-5.7	5.7	11.5	
Equity Long/Short													
El Camino Equity HF Composite	0.0	2.0	2.0	7.0	5.7	3.7	-0.4	20.6	7.7	0.0	11.3	16.8	2y 8m
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	
ESG Cross Border Equity Offshore Fund, Ltd.	2.5	-5.1	-5.1	0.0	3.2	-2.5	-7.0	13.4	6.7	9.3	11.0	7.9	2y 8m
Luxor Capital Partners Offshore, Ltd.	-11.3	-21.0	-21.0	-5.6	-3.7	-8.3	-8.4	16.1	1.7	-3.2	4.6	43.9	2y 8m
Capeview Azri Fund	1.3	9.8	9.8	8.6	6.5	7.9	4.6	11.4	5.8	1.3	12.8	8.7	2y 6m
Capeview Azri 2X Fund	2.8	21.6	21.6	18.4	14.3	17.0	9.8	24.4	12.7	4.3	26.9	18.0	2y 6m
Passport Long Short Fund, Ltd.	1.9	10.6	10.6	7.7	5.4	2.9	-5.7	19.8	12.1	-7.2	N/A	N/A	2y 5m
Passport Long Short Fund, Ltd. 2x	3.9	21.8	21.8	15.8	10.5	5.6	-11.1	43.4	24.4	-14.5	N/A	N/A	2y 5m
Bloom Tree Offshore Fund Ltd.	1.3	6.3	6.3	7.3	11.7	6.4	3.0	12.8	13.7	23.7	5.8	9.1	1y 9m
Tiger Eye Fund, Ltd.	-2.4	-2.0	-2.0	11.9	11.8	1.5	3.9	37.7	17.7	5.6	10.1	N/A	1y 9m
Indus Japan Fund Ltd.	2.7	1.8	1.8	16.2	10.8	5.6	6.3	45.0	8.1	-1.6	8.1	8.6	2y 1m
Credit													
El Camino Credit HF Composite	-4.9	-8.2	-8.2	3.8	5.0	1.3	2.8	18.6	16.2	-2.1	10.8	42.6	2y 8m
HFRI ED: Distressed/Restructuring Index	-3.2	-8.0	-8.0	1.1	2.3	-0.8	-1.4	14.0	10.1	-1.8	12.1	28.1	
DK Distressed Opportunities International, Ltd.	-4.7	-6.2	-6.2	5.6	5.5	2.9	3.2	21.7	13.5	-2.4	10.2	46.2	2y 8m
Marathon Special Opportunity Fund Ltd.	-4.3	-11.6	-11.6	0.9	2.6	-9.5	-2.8	19.6	16.5	-4.8	9.1	43.8	1y 9m
York Credit Opportunities Unit Trust	-5.5	-8.0	-8.0	3.2	5.2	1.1	3.4	15.6	18.9	-1.8	11.4	38.8	2y 8m

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parenthesis.

After May 1, 2013, results are actual El Camino Hedge Fund Portfolio returns.

Returns for Passport Long Short Fund, Ltd. 2x prior to January 2013 represent Passport Long Short Fund, Ltd., returns for CapeView Azri 2x Fund prior to October 2010 represent CapeView Azri Fund, and returns for Robeco Transtrend Diversified Fund, LLC prior to April 2008 represent Transtrend Diversified Trend Program Enhanced Risk (USD) Fund.

Pro Forma Performance Summary

As of December 31, 2015

	Quarter	Year To Date	1 Year	3 Years	5 Years	Since Invested	2014	2013	2012	2011	2010	2009	Inception Period
Macro													
El Camino Macro HF Composite	0.3	1.0	1.0	3.1	1.9	1.7	7.7	0.7	3.4	-2.9	10.4	0.6	2y 8m
HFRI Macro (Total) Index	0.0	-1.2	-1.2	1.3	-0.1	0.7	5.6	-0.4	-0.1	-4.2	8.1	4.3	
Brevan Howard Multi-Strategy Fund Limited	-1.2	-1.9	-1.9	0.2	2.4	-1.2	1.8	0.8	5.3	6.0	2.3	17.4	2y 8m
Moore Macro Managers Fund	1.3	3.1	3.1	7.2	5.5	4.3	5.4	13.4	8.9	-2.6	11.6	17.1	1y 9m
Stone Milliner Macro Inc	2.5	5.7	5.7	10.3	7.4	2.4	14.3	11.2	8.1	-1.6	5.9	4.6	0y 10m
Robeco Transtrend Diversified Fund LLC	-1.0	-1.1	-1.1	5.8	1.2	4.5	18.9	0.6	1.2	-11.3	18.6	-14.1	2y 8m
Relative Value													
El Camino Relative Value HF Composite	-1.5	-4.0	-4.0	3.2	4.7	1.9	1.6	12.7	14.3	0.2	13.1	24.9	2y 8m
HFRI RV: Multi-Strategy Index	0.1	0.6	0.6	3.9	3.4	2.6	3.4	7.9	8.2	-2.4	13.2	24.7	
Double Black Diamond, Ltd. Series E	-0.3	0.9	0.9	4.6	4.6	4.0	4.9	8.1	11.6	-2.2	9.5	28.3	2y 8m
Fir Tree International Value Fund (Non-US), L.P.	-3.0	-9.0	-9.0	1.4	4.6	-0.6	-2.1	17.2	16.9	2.4	16.7	21.1	2y 8m
Pine River Fund Ltd.	-1.0	-2.7	-2.7	3.8	7.5	-0.3	4.7	9.7	21.7	5.7	13.9	91.0	1y 9m

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parenthesis.

After May 1, 2013, results are actual El Camino Hedge Fund Portfolio returns.

Returns for Passport Long Short Fund, Ltd. 2x prior to January 2013 represent Passport Long Short Fund, Ltd., returns for CapeView Azri 2x Fund prior to October 2010 represent CapeView Azri Fund, and returns for Robeco Transtrend Diversified Fund, LLC prior to April 2008 represent Transtrend Diversified Trend Program Enhanced Risk (USD) Fund.



Hedge Fund Manager Performance

Manager Evaluation

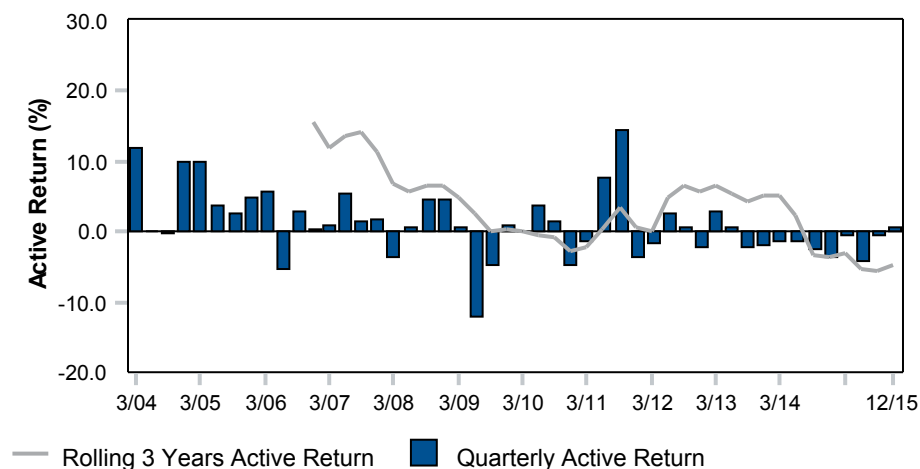
ESG Cross Border Equity Offshore Fund, Ltd. vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

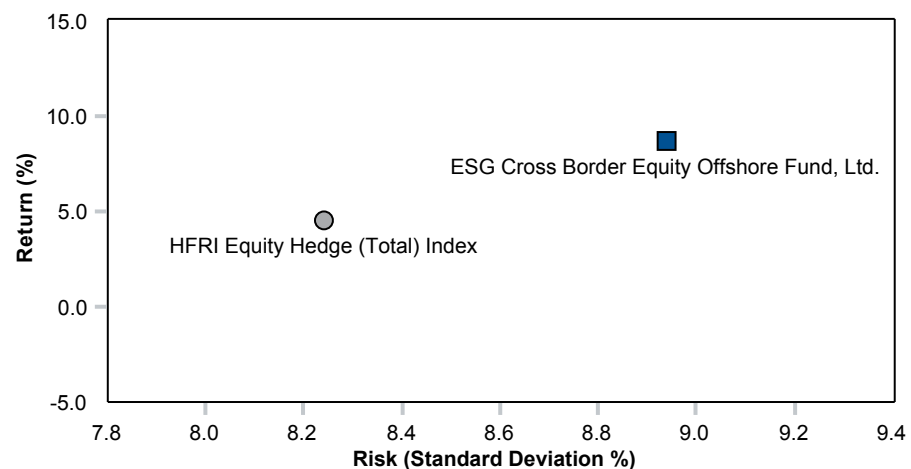
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
ESG Cross Border Equity Offshore Fund, Ltd.	2.5	-5.1	-5.1	0.0	3.2	4.3	-7.0	13.4	6.7	9.3	11.0	7.9	-21.2	21.0	14.8	35.1
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
MSCI Emerging Markets Index	0.7	-14.6	-14.6	-6.4	-4.5	3.9	-1.8	-2.3	18.6	-18.2	19.2	79.0	-53.2	39.8	32.6	34.5

Comparative Performance and Rolling Return



Risk and Return (Jan-2004 - Dec-2015)



Historical Statistics (Jan-2004 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
ESG Cross Border Equity Offshore Fund, Ltd.	8.7	8.9	7.4	6.5	0.5	0.8	8.7	0.5	5.4	54.9	12y
HFRI Equity Hedge (Total) Index	4.4	8.2	3.4	0.0	1.0	0.4	0.0	N/A	5.8	0.0	12y

Manager Evaluation

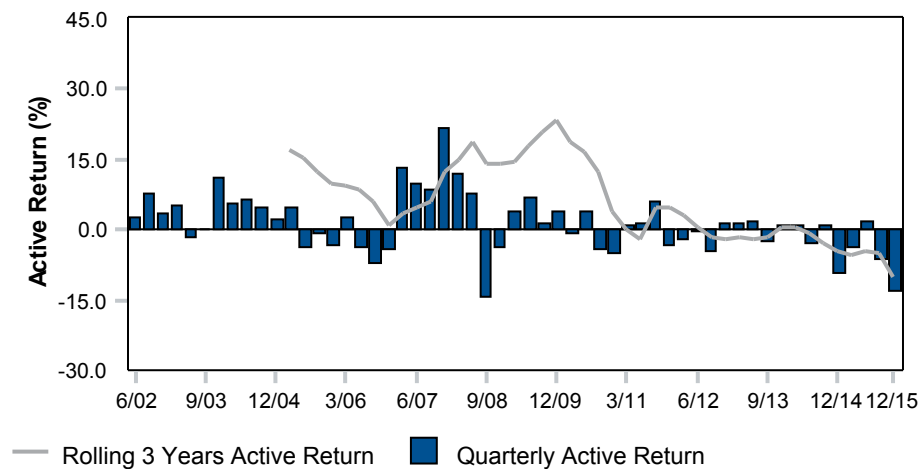
Luxor Capital Partners Offshore, Ltd. vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

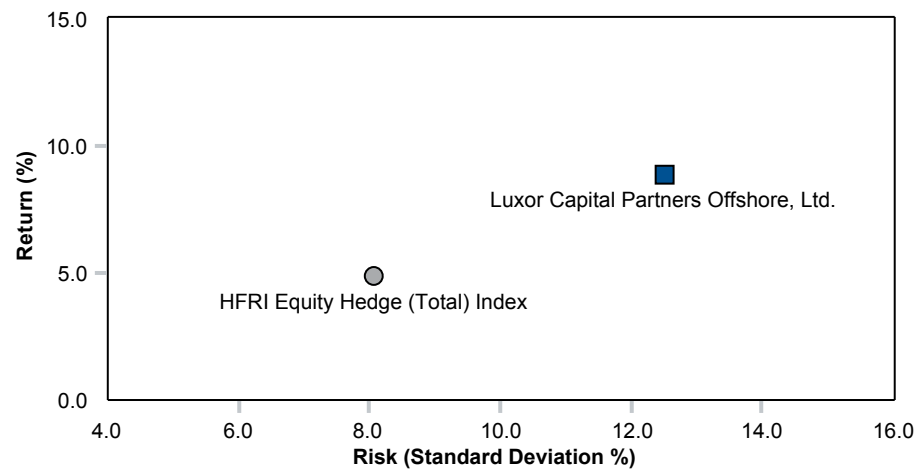
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Luxor Capital Partners Offshore, Ltd.	-11.3	-21.0	-21.0	-5.6	-3.7	4.6	-8.4	16.1	1.7	-3.2	4.6	43.9	-29.0	79.3	-1.4	6.9
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
DJ Credit Suisse Event Driven Index	-2.3	-6.3	-6.3	3.2	2.0	4.9	1.6	15.5	10.6	-9.1	12.6	20.4	-17.7	13.2	15.7	8.9

Comparative Performance and Rolling Return



Risk and Return (Apr-2002 - Dec-2015)



Historical Statistics (Apr-2002 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Luxor Capital Partners Offshore, Ltd.	8.8	12.5	7.9	5.3	0.8	0.6	10.8	0.4	8.1	53.9	13y 9m
HFRI Equity Hedge (Total) Index	4.8	8.1	3.7	0.0	1.0	0.5	0.0	N/A	5.6	0.0	13y 9m

Manager Evaluation

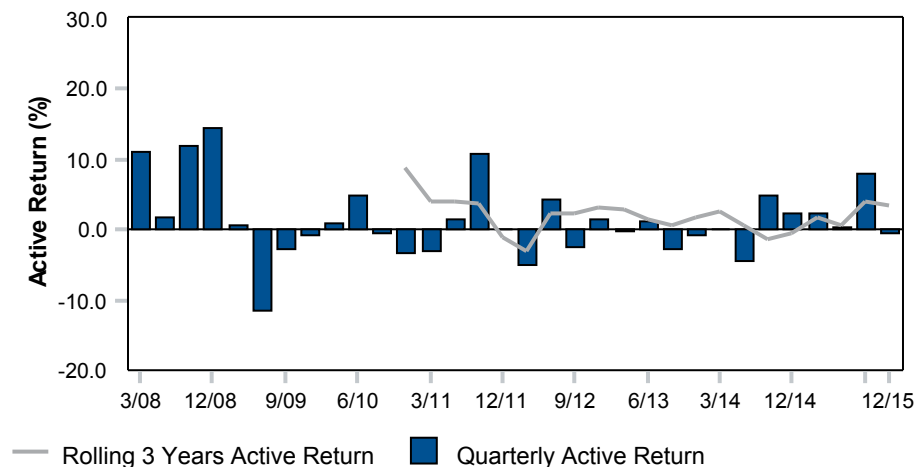
Capeview Azri Fund vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

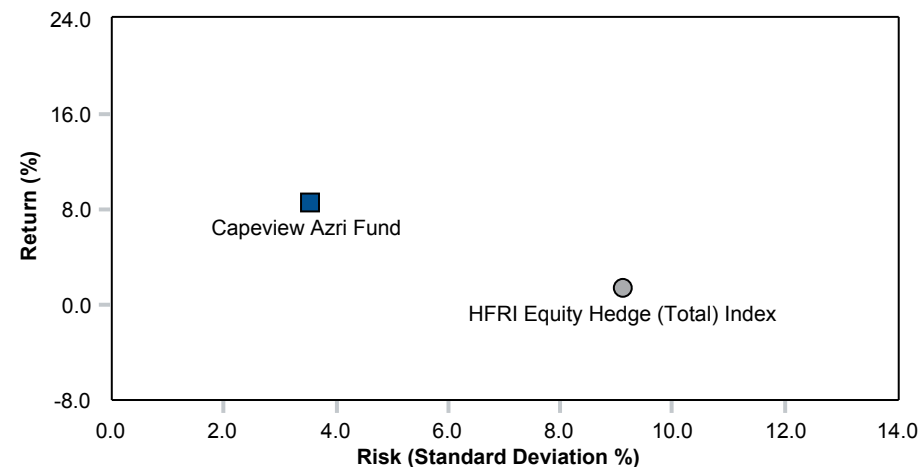
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Capeview Azri Fund	1.3	9.8	9.8	8.6	6.5	N/A	4.6	11.4	5.8	1.3	12.8	8.7	10.5	N/A	N/A	N/A
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
MSCI Europe Index	2.5	-2.3	-2.3	5.1	4.5	4.0	-5.7	26.0	19.9	-10.5	4.5	36.8	-46.1	14.4	34.4	9.9

Comparative Performance and Rolling Return



Risk and Return (Nov-2007 - Dec-2015)



Historical Statistics (Nov-2007 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Capeview Azri Fund	8.6	3.6	7.9	8.5	0.1	2.3	9.1	0.7	1.2	51.0	8y 2m
HFRI Equity Hedge (Total) Index	1.4	9.1	1.4	0.0	1.0	0.1	0.0	N/A	6.8	0.0	8y 2m

Manager Evaluation

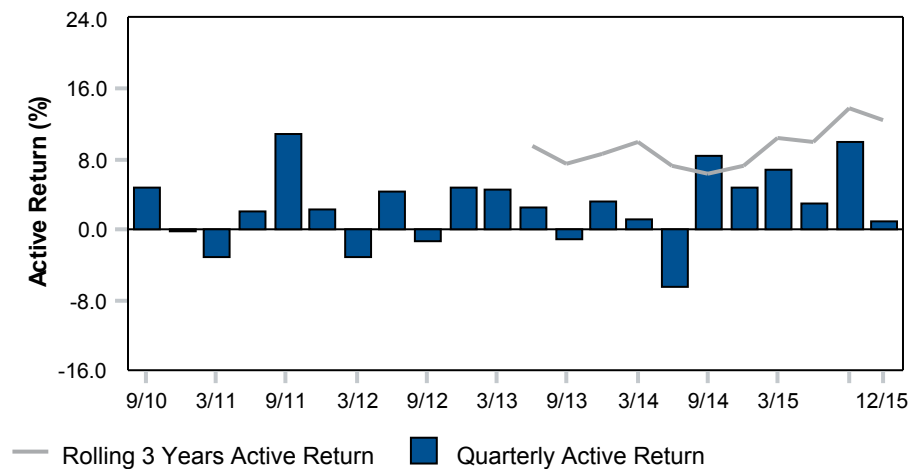
Capeview Azri 2X Fund vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

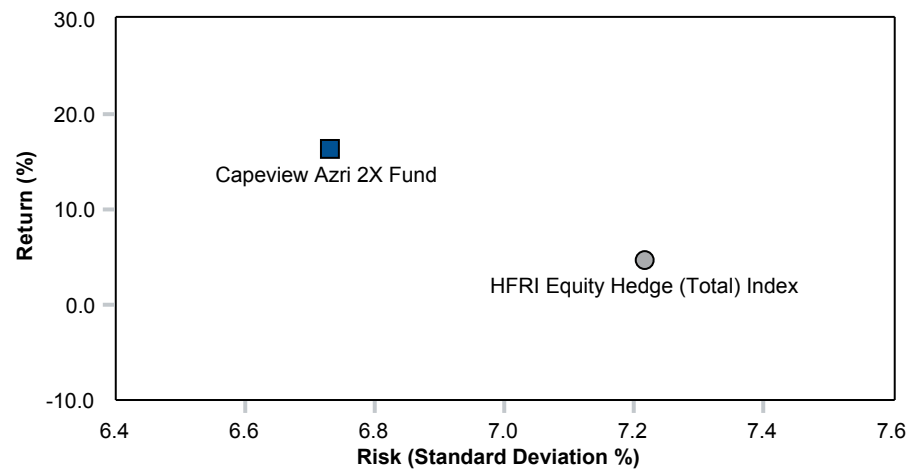
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Capeview Azri 2X Fund	2.8	21.6	21.6	18.4	14.3	N/A	9.8	24.4	12.7	4.3	26.9	18.0	21.8	N/A	N/A	N/A
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
MSCI Europe Index	2.5	-2.3	-2.3	5.1	4.5	4.0	-5.7	26.0	19.9	-10.5	4.5	36.8	-46.1	14.4	34.4	9.9

Comparative Performance and Rolling Return



Risk and Return (Jul-2010 - Dec-2015)



Historical Statistics (Jul-2010 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Capeview Azri 2X Fund	16.3	6.7	15.4	15.1	0.3	2.3	8.4	1.3	2.5	65.2	5y 6m
HFRI Equity Hedge (Total) Index	4.6	7.2	4.7	0.0	1.0	0.7	0.0	N/A	4.7	0.0	5y 6m

Prior to October 2010, returns represent CapeView Azri Fund, Ltd. multiplied by 2.

Manager Evaluation

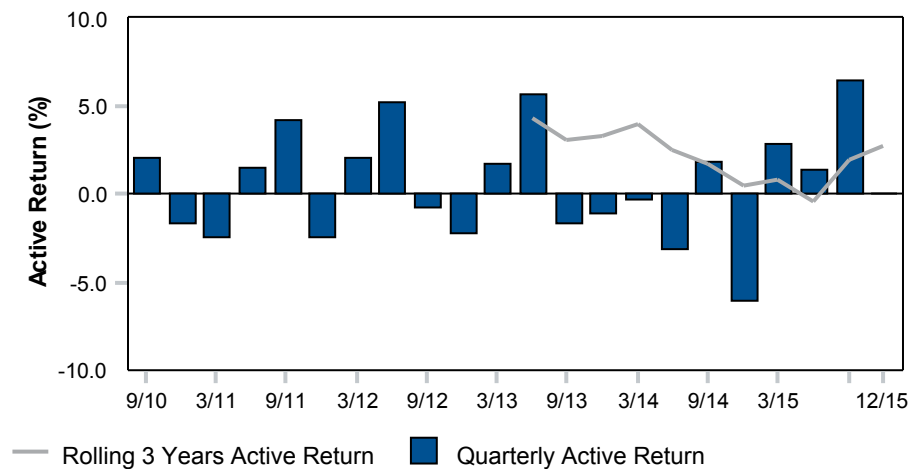
Passport Long Short Fund, Ltd. vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

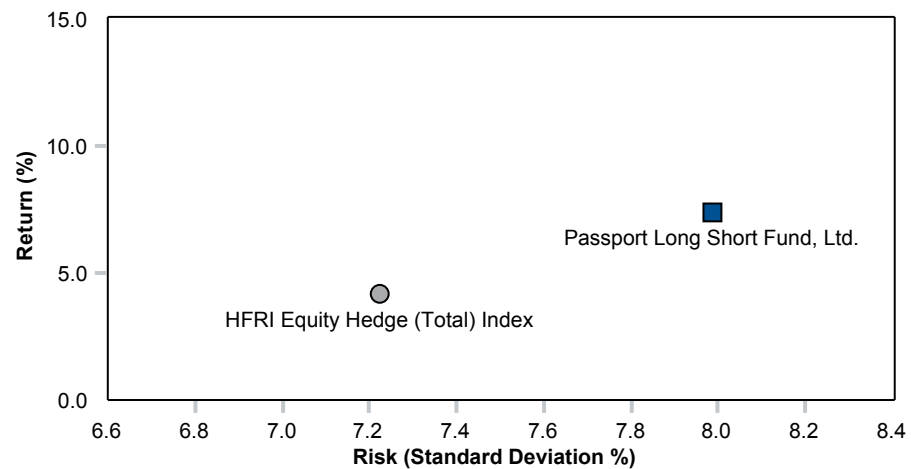
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Passport Long Short Fund, Ltd.	1.9	10.6	10.6	7.7	5.4	N/A	-5.7	19.8	12.1	-7.2	N/A	N/A	N/A	N/A	N/A	N/A
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
MSCI AC World Index	5.1	-1.8	-1.8	8.3	6.7	5.3	4.7	23.4	16.8	-6.9	13.2	35.4	-41.8	12.2	21.5	11.4

Comparative Performance and Rolling Return



Risk and Return (Jun-2010 - Dec-2015)



Historical Statistics (Jun-2010 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Passport Long Short Fund, Ltd.	7.3	8.0	7.3	5.9	0.4	0.9	8.7	0.3	4.8	50.7	5y 7m
HFRI Equity Hedge (Total) Index	4.2	7.2	4.3	0.0	1.0	0.6	0.0	N/A	4.7	0.0	5y 7m

Manager Evaluation

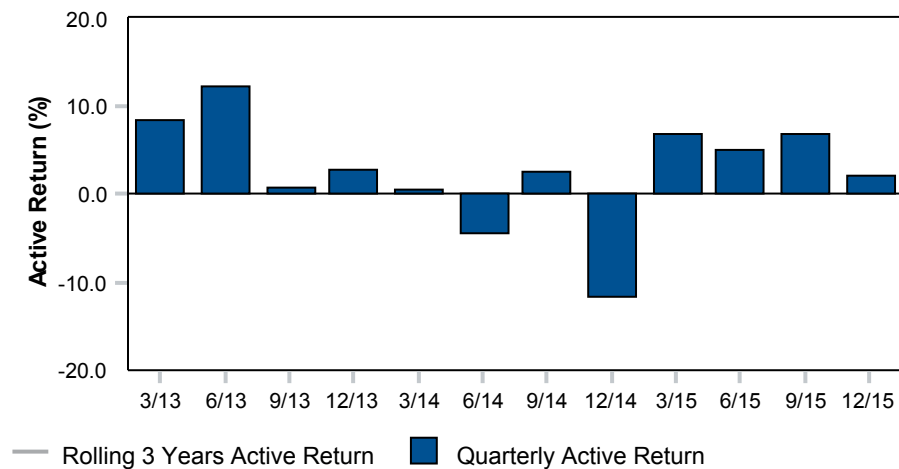
Passport Long Short Fund, Ltd. 2x vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

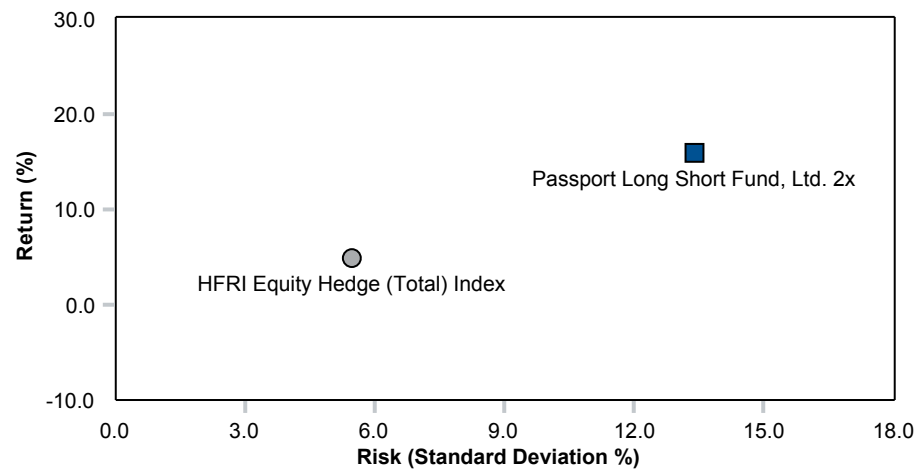
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Passport Long Short Fund, Ltd. 2x	3.9	21.8	21.8	15.8	10.5	N/A	-11.1	43.4	24.4	-14.5	N/A	N/A	N/A	N/A	N/A	N/A
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
MSCI AC World Index	5.1	-1.8	-1.8	8.3	6.7	5.3	4.7	23.4	16.8	-6.9	13.2	35.4	-41.8	12.2	21.5	11.4

Comparative Performance and Rolling Return



Risk and Return (Jan-2013 - Dec-2015)



Historical Statistics (Jan-2013 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Passport Long Short Fund, Ltd. 2x	15.8	13.4	15.6	16.4	0.1	1.2	14.4	0.7	7.7	63.9	3y
HFRI Equity Hedge (Total) Index	4.9	5.5	4.9	0.0	1.0	0.9	0.0	N/A	3.1	0.0	3y

Prior to January 2013, returns represent Passport Long Short Fund, Ltd. multiplied by 2.

Manager Evaluation

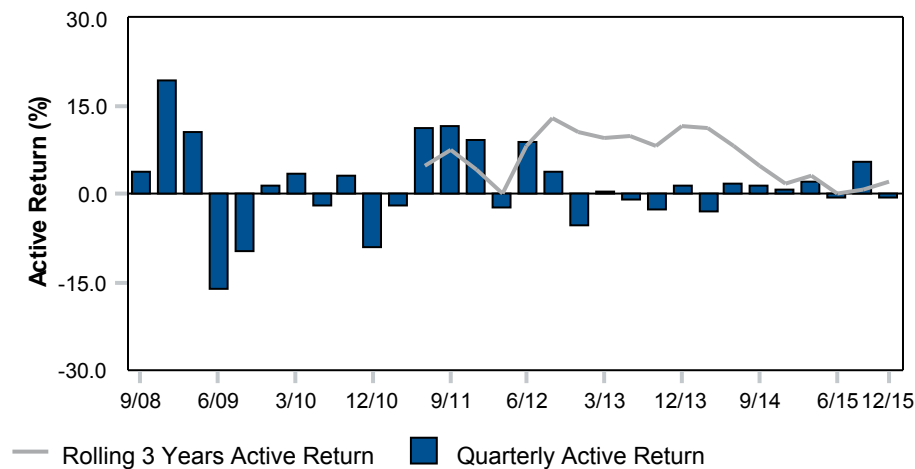
Bloom Tree Offshore Fund Ltd. vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

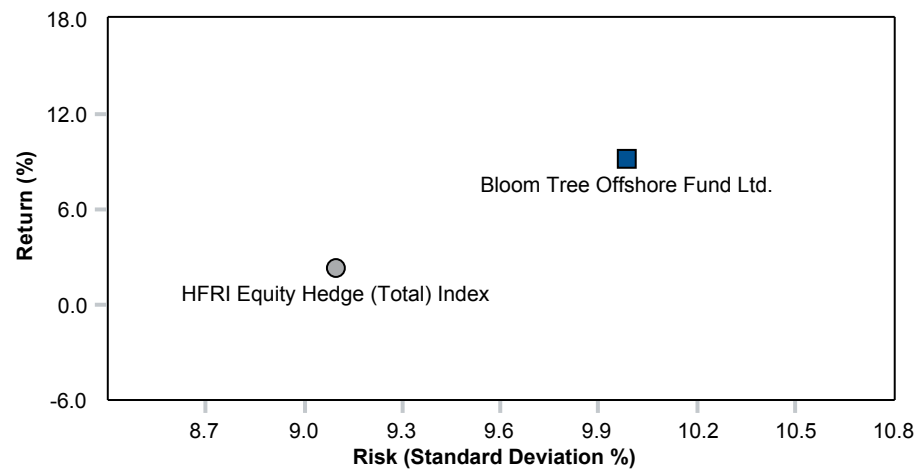
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Bloom Tree Offshore Fund Ltd.	1.3	6.3	6.3	7.3	11.7	N/A	3.0	12.8	13.7	23.7	5.8	9.1	N/A	N/A	N/A	N/A
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
MSCI AC World Index	5.1	-1.8	-1.8	8.3	6.7	5.3	4.7	23.4	16.8	-6.9	13.2	35.4	-41.8	12.2	21.5	11.4

Comparative Performance and Rolling Return



Risk and Return (May-2008 - Dec-2015)



Historical Statistics (May-2008 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Bloom Tree Offshore Fund Ltd.	9.1	10.0	9.0	9.1	0.2	0.9	12.3	0.5	5.8	58.7	7y 8m
HFRI Equity Hedge (Total) Index	2.3	9.1	2.5	0.0	1.0	0.3	0.0	N/A	6.6	0.0	7y 8m

Manager Evaluation

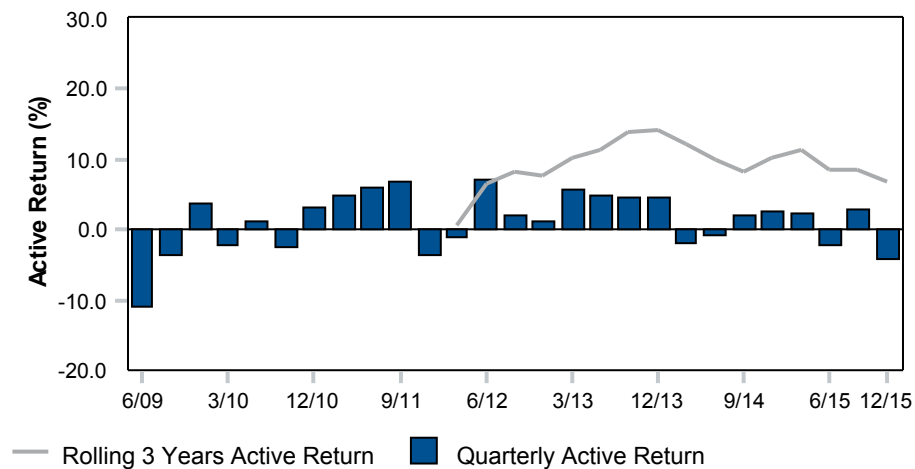
Tiger Eye Fund, Ltd. vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

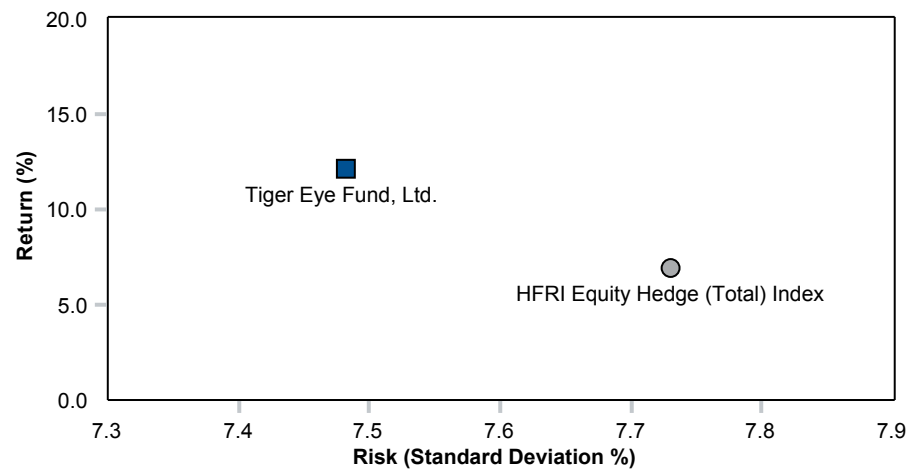
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tiger Eye Fund, Ltd.	-2.4	-2.0	-2.0	11.9	11.8	N/A	3.9	37.7	17.7	5.6	10.1	N/A	N/A	N/A	N/A	N/A
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
Russell 3000 Index	6.3	0.5	0.5	14.7	12.2	7.4	12.6	33.6	16.4	1.0	16.9	28.3	-37.3	5.1	15.7	6.1

Comparative Performance and Rolling Return



Risk and Return (Apr-2009 - Dec-2015)



Historical Statistics (Apr-2009 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Tiger Eye Fund, Ltd.	12.1	7.5	11.7	8.4	0.5	1.6	7.2	0.7	3.2	61.7	6y 9m
HFRI Equity Hedge (Total) Index	6.9	7.7	6.9	0.0	1.0	0.9	0.0	N/A	4.6	0.0	6y 9m

Manager Evaluation

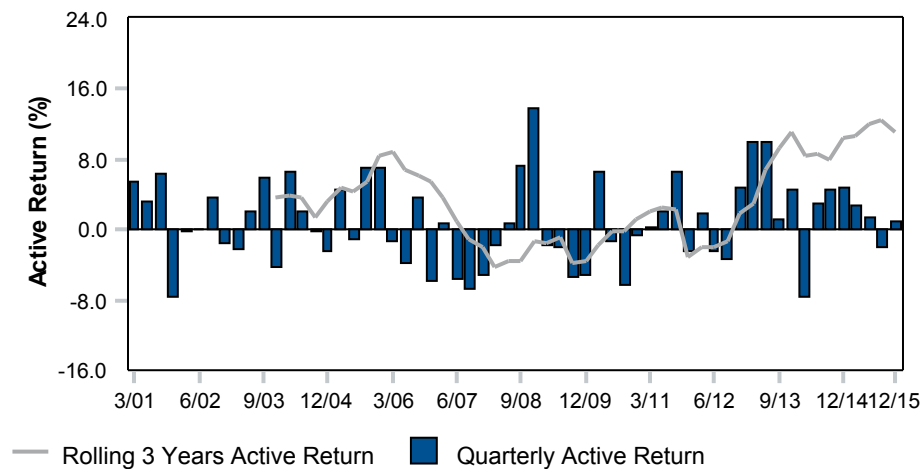
Indus Japan Fund Ltd. vs. HFRI Equity Hedge (Total) Index

As of December 31, 2015

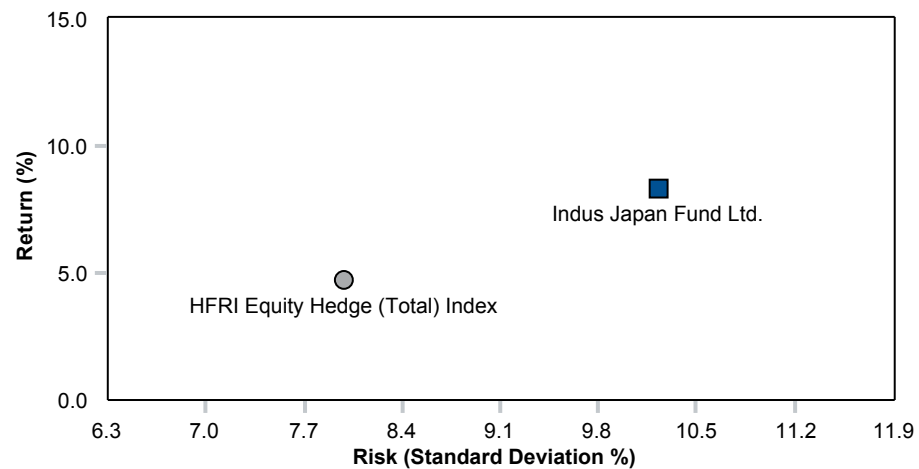
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Indus Japan Fund Ltd.	2.7	1.8	1.8	16.2	10.8	5.6	6.3	45.0	8.1	-1.6	8.1	8.6	-9.1	-6.5	3.8	30.8
HFRI Equity Hedge (Total) Index	1.9	-0.8	-0.8	4.9	2.6	3.5	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
MSCI Japan Index	9.4	9.9	9.9	10.5	4.6	1.1	-3.7	27.3	8.4	-14.2	15.6	6.4	-29.1	-4.1	6.3	25.6

Comparative Performance and Rolling Return



Risk and Return (Dec-2000 - Dec-2015)



Historical Statistics (Dec-2000 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Indus Japan Fund Ltd.	8.3	10.2	6.9	5.4	0.7	0.7	9.2	0.4	6.0	53.6	15y 1m
HFRI Equity Hedge (Total) Index	4.7	8.0	3.4	0.0	1.0	0.4	0.0	N/A	5.5	0.0	15y 1m

Manager Evaluation

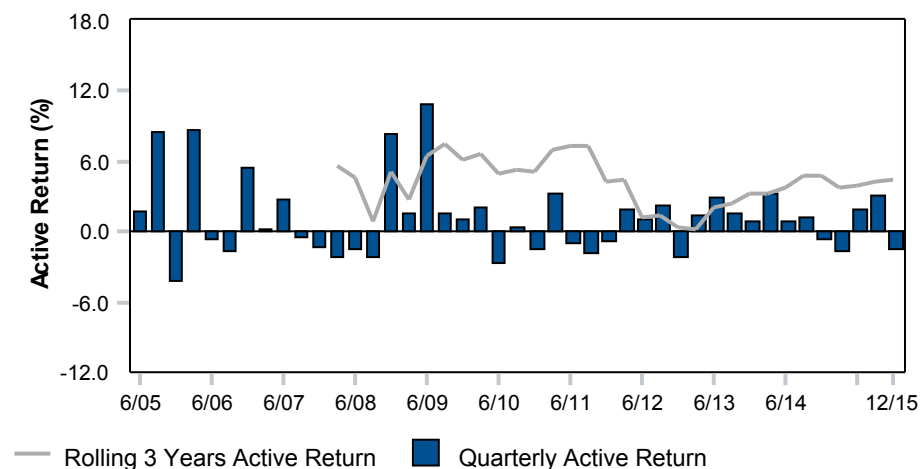
DK Distressed Opportunities International, Ltd. vs. HFRI ED: Distressed/Restructuring Index

As of December 31, 2015

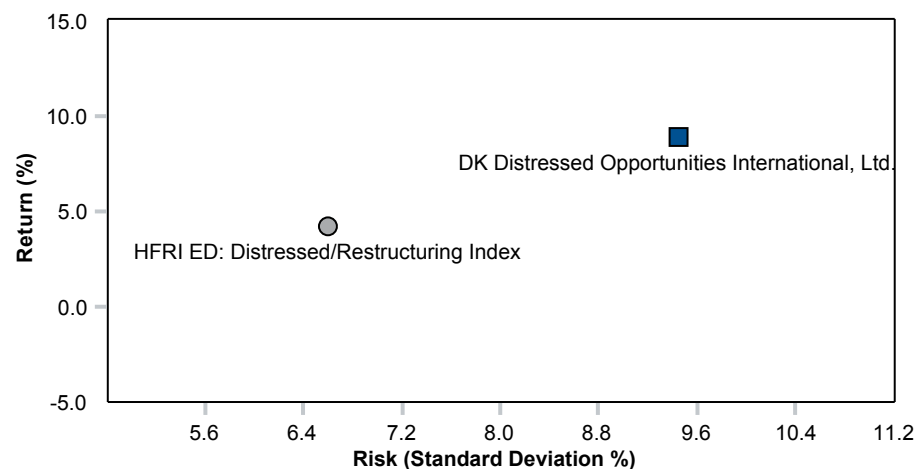
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
DK Distressed Opportunities International, Ltd.	-4.7	-6.2	-6.2	5.6	5.5	8.3	3.2	21.7	13.5	-2.4	10.2	46.2	-22.8	6.0	29.1	N/A
HFRI ED: Distressed/Restructuring Index	-3.2	-8.0	-8.0	1.1	2.3	3.9	-1.4	14.0	10.1	-1.8	12.1	28.1	-25.2	5.1	15.9	8.3
Barclays Global High Yield Index	-0.9	-2.7	-2.7	1.5	5.2	7.3	0.0	7.3	19.6	3.1	14.8	59.4	-26.9	3.2	13.7	3.6

Comparative Performance and Rolling Return



Risk and Return (Apr-2005 - Dec-2015)



Historical Statistics (Apr-2005 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
DK Distressed Opportunities International, Ltd.	8.9	9.5	7.6	4.0	1.2	0.8	5.6	0.8	5.4	59.7	10y 9m
HFRI ED: Distressed/Restructuring Index	4.2	6.6	3.0	0.0	1.0	0.5	0.0	N/A	4.7	0.0	10y 9m

Manager Evaluation

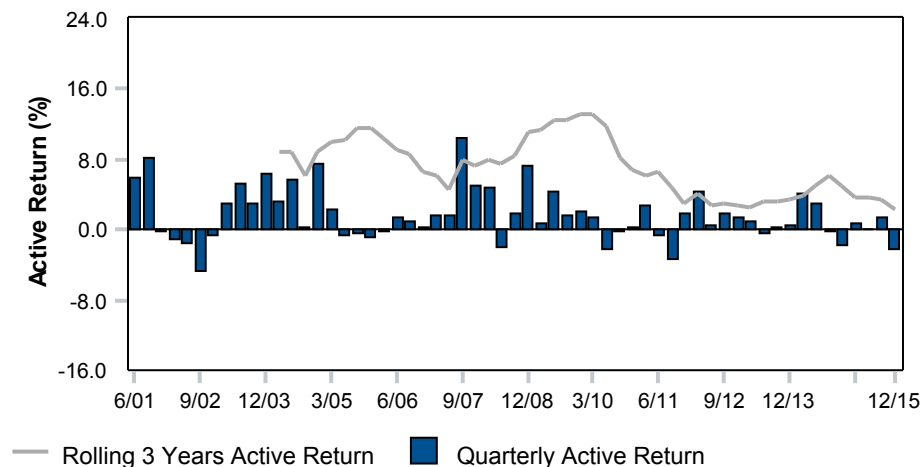
York Credit Opportunities Unit Trust vs. HFRI ED: Distressed/Restructuring Index

As of December 31, 2015

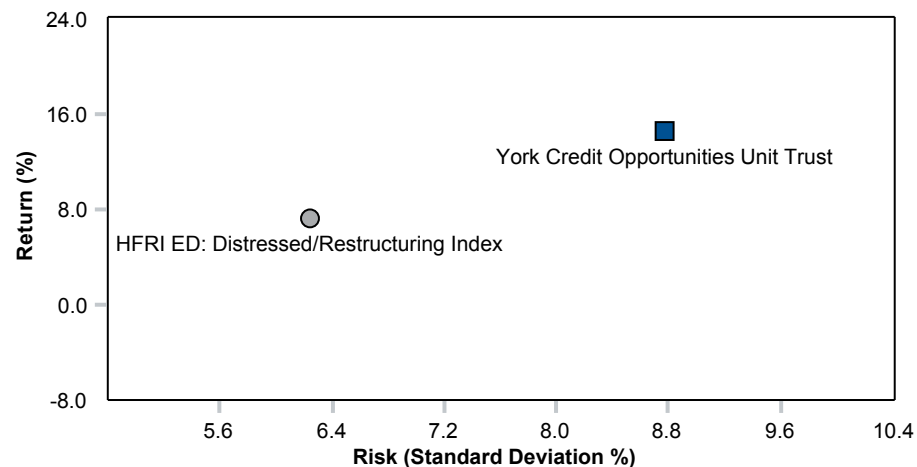
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
York Credit Opportunities Unit Trust	-5.5	-8.0	-8.0	3.2	5.2	9.8	3.4	15.6	18.9	-1.8	11.4	38.8	-14.6	25.8	19.0	8.5
HFRI ED: Distressed/Restructuring Index	-3.2	-8.0	-8.0	1.1	2.3	3.9	-1.4	14.0	10.1	-1.8	12.1	28.1	-25.2	5.1	15.9	8.3
Barclays Global High Yield Index	-0.9	-2.7	-2.7	1.5	5.2	7.3	0.0	7.3	19.6	3.1	14.8	59.4	-26.9	3.2	13.7	3.6

Comparative Performance and Rolling Return



Risk and Return (Feb-2001 - Dec-2015)



Historical Statistics (Feb-2001 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
York Credit Opportunities Unit Trust	14.5	8.8	12.5	5.9	1.1	1.4	5.2	1.3	4.6	65.4	14y 11m
HFRI ED: Distressed/Restructuring Index	7.2	6.2	5.7	0.0	1.0	0.9	0.0	N/A	4.1	0.0	14y 11m

Manager Evaluation

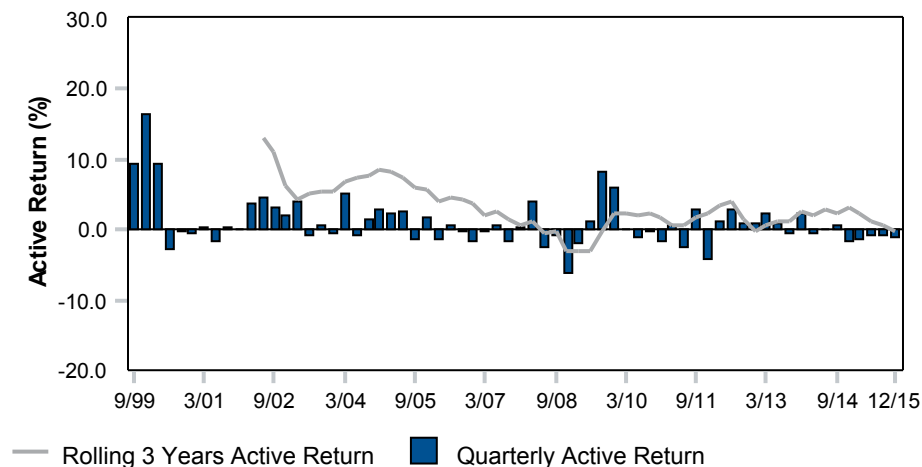
Marathon Special Opportunity Fund Ltd. vs. HFRI ED: Distressed/Restructuring Index

As of December 31, 2015

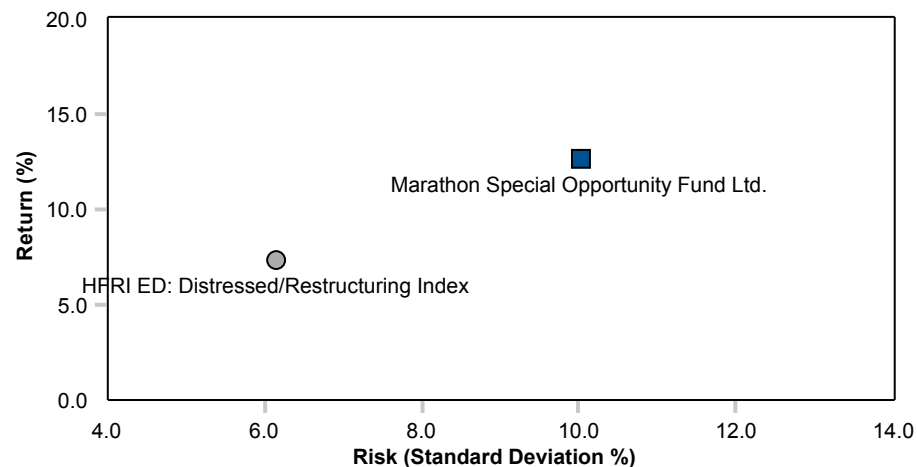
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Marathon Special Opportunity Fund Ltd.	-4.3	-11.6	-11.6	0.9	2.6	3.9	-2.8	19.6	16.5	-4.8	9.1	43.8	-30.1	4.0	13.3	14.1
HFRI ED: Distressed/Restructuring Index	-3.2	-8.0	-8.0	1.1	2.3	3.9	-1.4	14.0	10.1	-1.8	12.1	28.1	-25.2	5.1	15.9	8.3
Barclays Global High Yield Index	-0.9	-2.7	-2.7	1.5	5.2	7.3	0.0	7.3	19.6	3.1	14.8	59.4	-26.9	3.2	13.7	3.6

Comparative Performance and Rolling Return



Risk and Return (May-1999 - Dec-2015)



Historical Statistics (May-1999 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Marathon Special Opportunity Fund Ltd.	12.6	10.1	10.4	4.6	1.1	1.0	7.5	0.7	5.2	58.0	16y 8m
HFRI ED: Distressed/Restructuring Index	7.3	6.2	5.3	0.0	1.0	0.9	0.0	N/A	4.0	0.0	16y 8m

Manager Evaluation

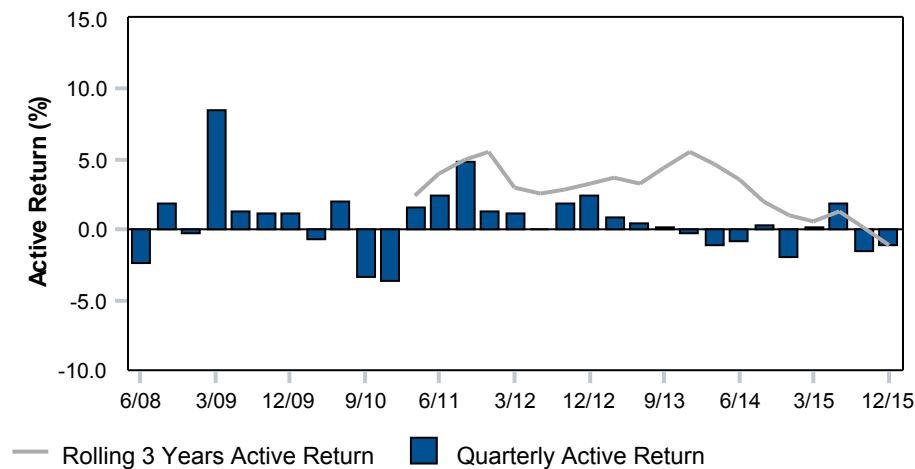
Brevan Howard Multi-Strategy Fund Limited vs. HFRI Macro (Total) Index

As of December 31, 2015

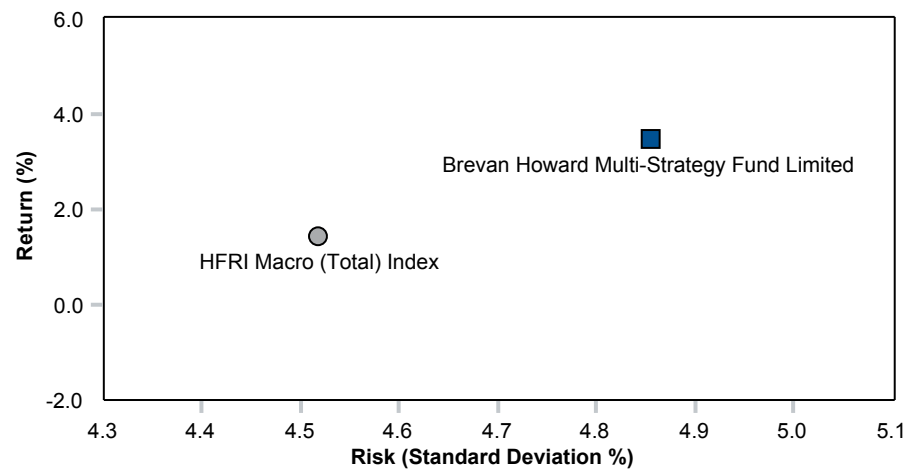
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Brevan Howard Multi-Strategy Fund Limited	-1.2	-1.9	-1.9	0.2	2.4	N/A	1.8	0.8	5.3	6.0	2.3	17.4	N/A	N/A	N/A	N/A
HFRI Macro (Total) Index	0.0	-1.2	-1.2	1.3	-0.1	3.5	5.6	-0.4	-0.1	-4.2	8.1	4.3	4.8	11.1	8.2	6.8
DJ Credit Suisse Global Macro Index	0.6	0.2	0.2	2.5	3.7	6.8	3.1	4.3	4.6	6.4	13.5	11.5	-4.6	17.4	13.5	9.2

Comparative Performance and Rolling Return



Risk and Return (Mar-2008 - Dec-2015)



Historical Statistics (Mar-2008 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Brevan Howard Multi-Strategy Fund Limited	3.5	4.9	3.3	2.7	0.6	0.7	4.6	0.4	3.0	56.4	7y 10m
HFRI Macro (Total) Index	1.4	4.5	1.3	0.0	1.0	0.3	0.0	N/A	2.8	0.0	7y 10m

Manager Evaluation

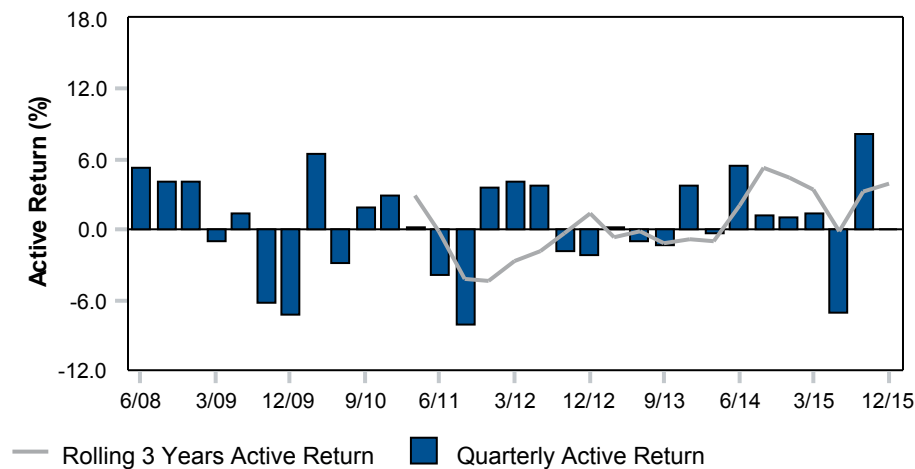
Robeco Transtrend Diversified Fund LLC vs. HFRI Macro: Systematic Diversified Index

As of December 31, 2015

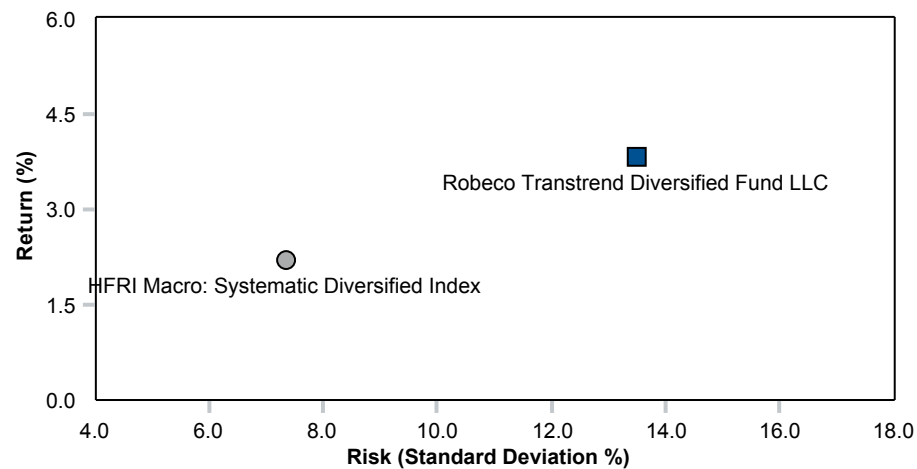
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Robeco Transtrend Diversified Fund LLC	-1.0	-1.1	-1.1	5.8	1.2	7.3	18.9	0.6	1.2	-11.3	18.6	-14.1	25.3	27.9	16.3	12.1
HFRI Macro: Systematic Diversified Index	-1.0	-2.3	-2.3	2.4	0.2	5.2	10.7	-0.9	-2.5	-3.5	9.8	-1.7	18.1	10.3	16.8	14.4
DJ Credit Suisse Managed Futures Index	-1.1	-0.9	-0.9	4.5	1.2	4.2	18.4	-2.6	-2.9	-4.2	12.2	-6.6	18.3	6.0	8.1	-0.1

Comparative Performance and Rolling Return



Risk and Return (Apr-2008 - Dec-2015)



Historical Statistics (Apr-2008 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Robeco Transtrend Diversified Fund LLC	3.8	13.5	4.4	1.0	1.5	0.3	8.6	0.3	8.6	51.6	7y 9m
HFRI Macro: Systematic Diversified Index	2.2	7.4	2.2	0.0	1.0	0.3	0.0	N/A	4.6	0.0	7y 9m

Prior to April 2008, returns represent Transtrend Diversified Trend Program Enhanced Risk (USD) Fund.

Manager Evaluation

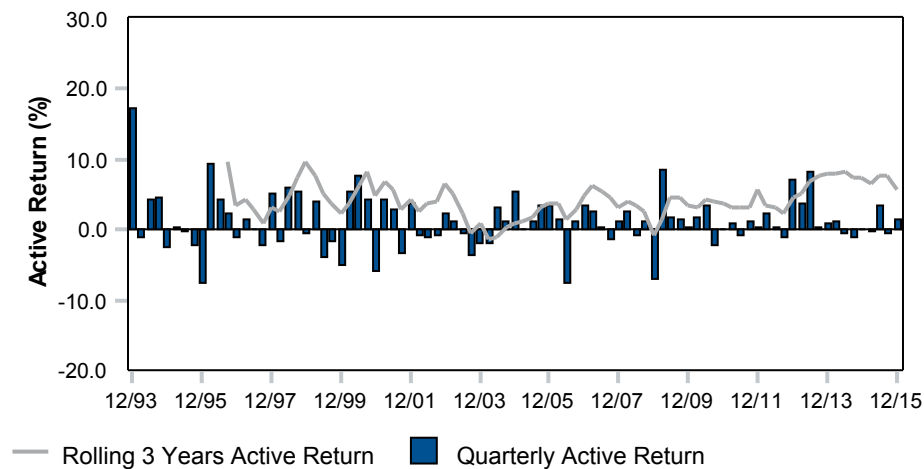
Moore Macro Managers Fund vs. HFRI Macro (Total) Index

As of December 31, 2015

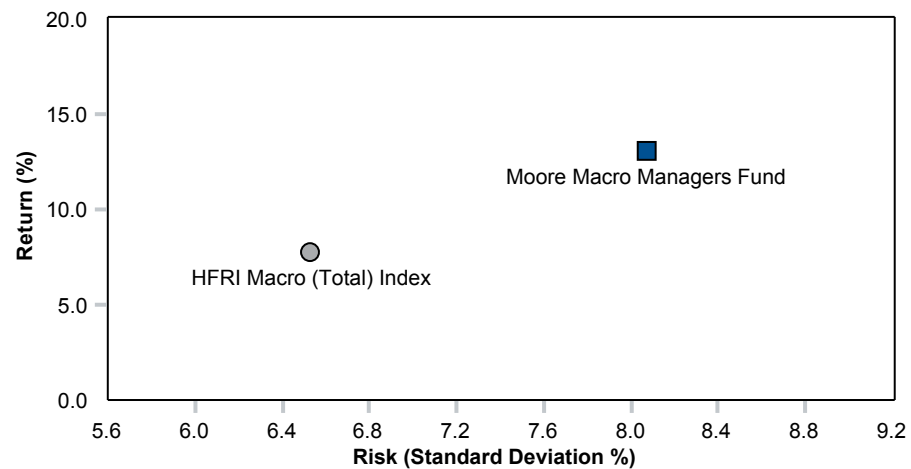
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Moore Macro Managers Fund	1.3	3.1	3.1	7.2	5.5	7.6	5.4	13.4	8.9	-2.6	11.6	17.1	0.4	14.4	6.2	15.5
HFRI Macro (Total) Index	0.0	-1.2	-1.2	1.3	-0.1	3.5	5.6	-0.4	-0.1	-4.2	8.1	4.3	4.8	11.1	8.2	6.8
DJ Credit Suisse Global Macro Index	0.6	0.2	0.2	2.5	3.7	6.8	3.1	4.3	4.6	6.4	13.5	11.5	-4.6	17.4	13.5	9.2

Comparative Performance and Rolling Return



Risk and Return (Aug-1993 - Dec-2015)



Historical Statistics (Aug-1993 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Moore Macro Managers Fund	13.0	8.1	9.9	7.7	0.7	1.2	7.1	0.7	4.1	58.7	22y 5m
HFRI Macro (Total) Index	7.7	6.5	4.9	0.0	1.0	0.8	0.0	N/A	3.2	0.0	22y 5m

Manager Evaluation

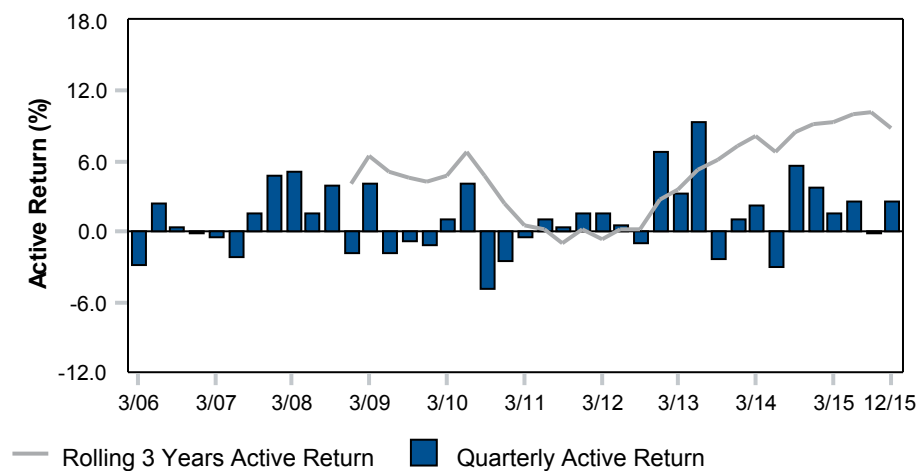
Stone Milliner Macro Fund Inc. vs. HFRI Macro (Total) Index

As of December 31, 2015

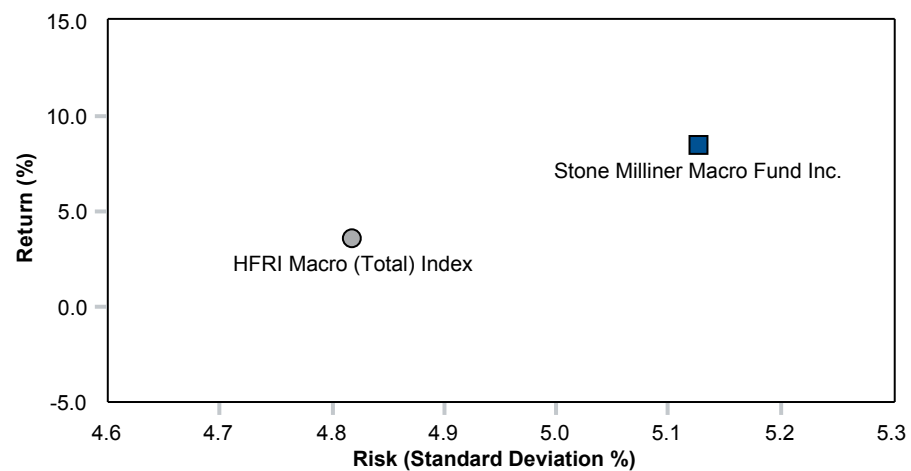
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Stone Milliner Macro Fund Inc.	2.5	5.7	5.7	10.3	7.4	8.4	14.3	11.2	8.1	-1.6	5.9	4.6	14.3	15.2	8.0	N/A
HFRI Macro (Total) Index	0.0	-1.2	-1.2	1.3	-0.1	3.5	5.6	-0.4	-0.1	-4.2	8.1	4.3	4.8	11.1	8.2	6.8
DJ Credit Suisse Global Macro Index	0.6	0.2	0.2	2.5	3.7	6.8	3.1	4.3	4.6	6.4	13.5	11.5	-4.6	17.4	13.5	9.2

Comparative Performance and Rolling Return



Risk and Return (Jan-2006 - Dec-2015)



Historical Statistics (Jan-2006 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Stone Milliner Macro Fund Inc.	8.4	5.1	7.0	7.0	0.4	1.4	5.5	0.9	1.7	60.0	10y
HFRI Macro (Total) Index	3.5	4.8	2.4	0.0	1.0	0.5	0.0	N/A	2.6	0.0	10y

Manager Evaluation

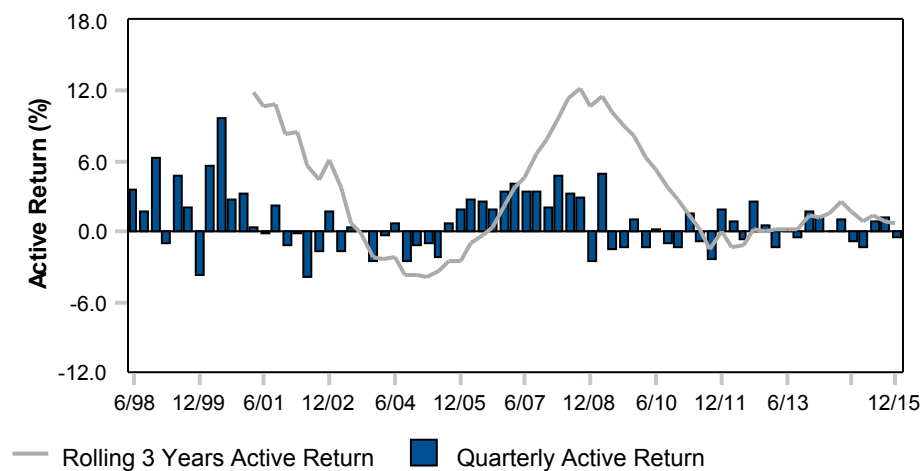
Double Black Diamond, Ltd. Series E vs. HFRI RV: Multi-Strategy Index

As of December 31, 2015

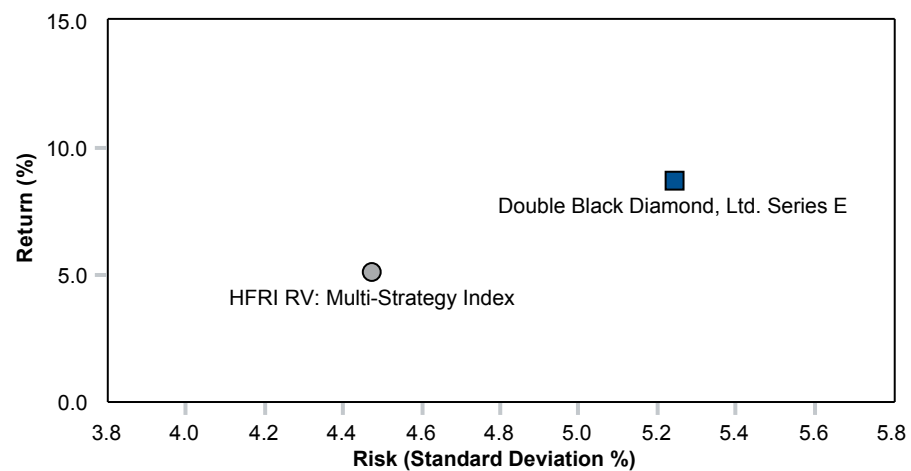
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Double Black Diamond, Ltd. Series E	-0.3	0.9	0.9	4.6	4.6	7.8	4.9	8.1	11.6	-2.2	9.5	28.3	-13.4	15.7	20.9	5.1
HFRI RV: Multi-Strategy Index	0.1	0.6	0.6	3.9	3.4	4.0	3.4	7.9	8.2	-2.4	13.2	24.7	-20.3	1.8	9.0	5.7
DJ Credit Suisse Multi-Strategy Index	0.5	3.2	3.2	6.8	6.5	6.0	6.1	11.2	8.1	4.2	9.3	24.6	-23.6	10.1	14.5	7.5

Comparative Performance and Rolling Return



Risk and Return (Apr-1998 - Dec-2015)



Historical Statistics (Apr-1998 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Double Black Diamond, Ltd. Series E	8.7	5.2	6.4	4.9	0.7	1.2	4.2	0.8	3.1	55.9	17y 9m
HFRI RV: Multi-Strategy Index	5.1	4.5	2.9	0.0	1.0	0.6	0.0	N/A	3.2	0.0	17y 9m

Manager Evaluation

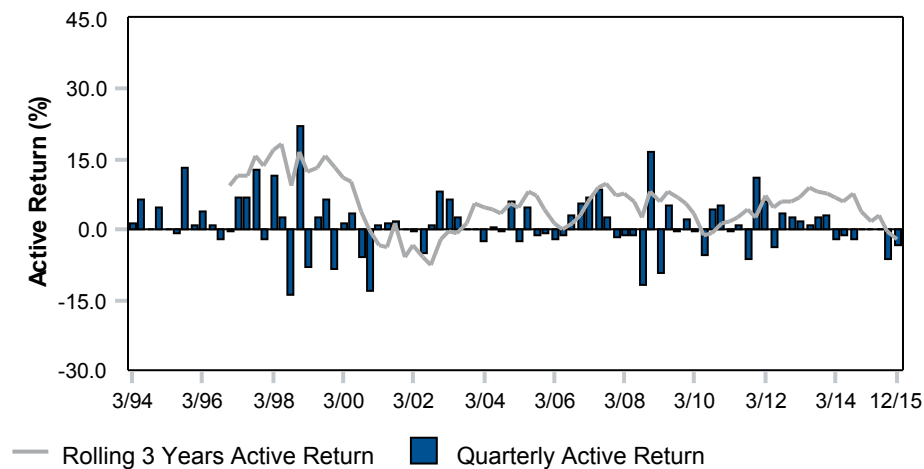
Fir Tree International Value Fund (Non-US), L.P. vs. HFRI RV: Multi-Strategy Index

As of December 31, 2015

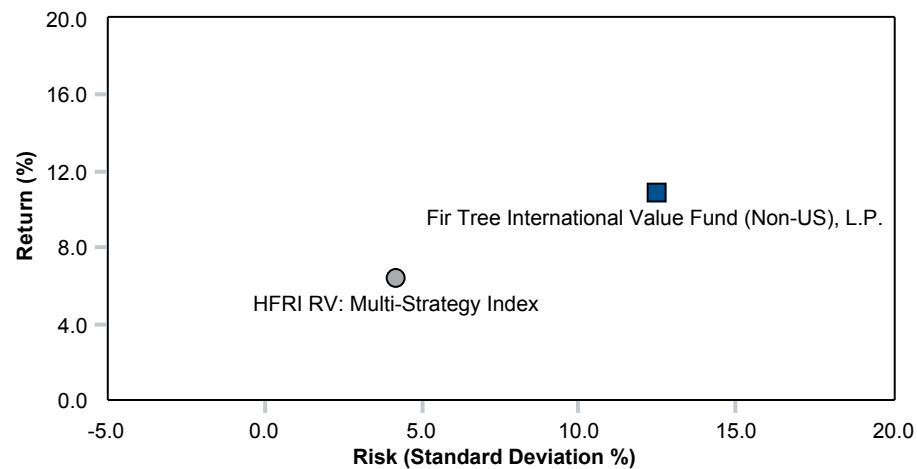
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fir Tree International Value Fund (Non-US), L.P.	-3.0	-9.0	-9.0	1.4	4.6	6.9	-2.1	17.2	16.9	2.4	16.7	21.1	-19.4	19.4	14.6	5.7
HFRI RV: Multi-Strategy Index	0.1	0.6	0.6	3.9	3.4	4.0	3.4	7.9	8.2	-2.4	13.2	24.7	-20.3	1.8	9.0	5.7
DJ Credit Suisse Multi-Strategy Index	0.5	3.2	3.2	6.8	6.5	6.0	6.1	11.2	8.1	4.2	9.3	24.6	-23.6	10.1	14.5	7.5

Comparative Performance and Rolling Return



Risk and Return (Jan-1994 - Dec-2015)



Historical Statistics (Jan-1994 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Fir Tree International Value Fund (Non-US), L.P.	10.8	12.5	8.4	2.7	1.4	0.7	11.2	0.4	7.7	56.4	22y
HFRI RV: Multi-Strategy Index	6.3	4.2	3.6	0.0	1.0	0.8	0.0	N/A	2.9	0.0	22y

Manager Evaluation

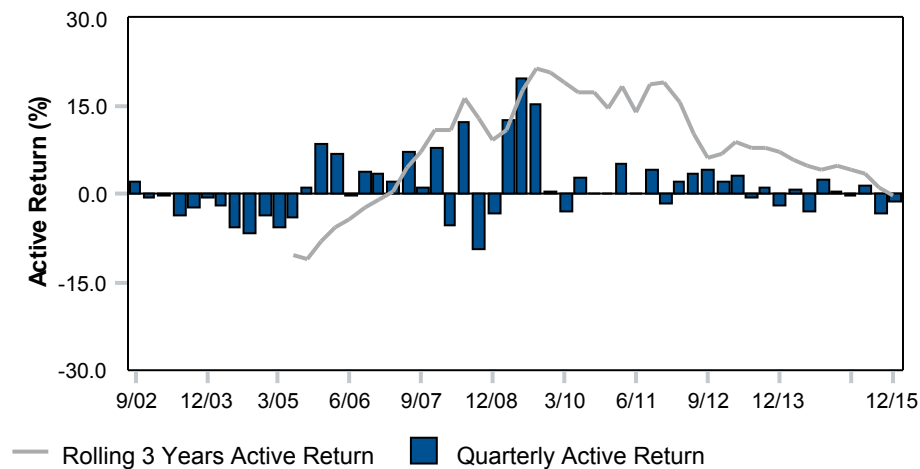
Pine River Fund Ltd. vs. HFRI RV: Multi-Strategy Index

As of December 31, 2015

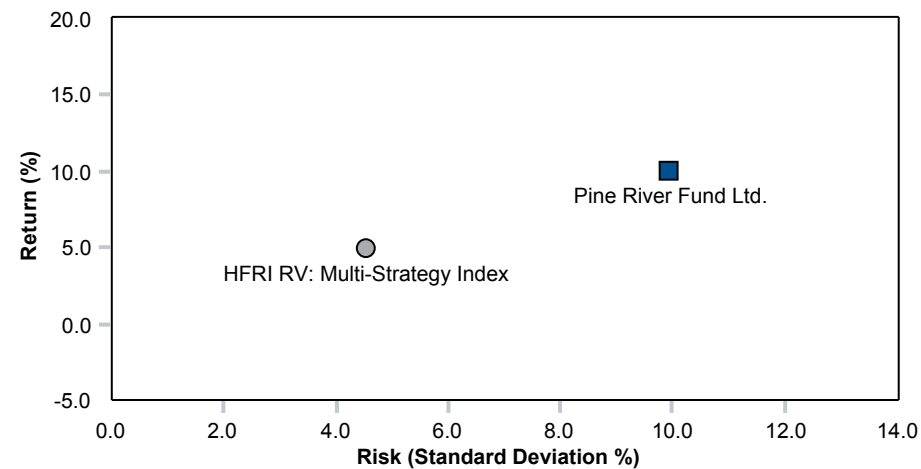
Historical Performance

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Pine River Fund Ltd.	-1.0	-2.7	-2.7	3.8	7.5	13.3	4.7	9.7	21.7	5.7	13.9	91.0	-26.7	21.6	25.2	5.4
HFRI RV: Multi-Strategy Index	0.1	0.6	0.6	3.9	3.4	4.0	3.4	7.9	8.2	-2.4	13.2	24.7	-20.3	1.8	9.0	5.7
DJ Credit Suisse Multi-Strategy Index	0.5	3.2	3.2	6.8	6.5	6.0	6.1	11.2	8.1	4.2	9.3	24.6	-23.6	10.1	14.5	7.5

Comparative Performance and Rolling Return



Risk and Return (Jun-2002 - Dec-2015)



Historical Statistics (Jun-2002 - Dec-2015)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Pine River Fund Ltd.	10.0	9.9	8.7	2.9	1.5	0.9	7.6	0.7	6.0	57.7	13y 7m
HFRI RV: Multi-Strategy Index	4.9	4.6	3.5	0.0	1.0	0.8	0.0	N/A	3.4	0.0	13y 7m



Hedge Fund Manager Portfolio Characteristics

Manager Evaluation

ESG Cross Border Equity Offshore Fund, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$4.3 billion
Fund Assets	\$2.4 billion
Gross Exposure	167.0%
Net Exposure	30.8%
Long Exposure	98.9%
Short Exposure	-68.1%

Performance Attribution by Industry**

	4Q Gross Attribution	YTD Gross Attribution
Basic Materials	0.1%	-1.3%
Business Services	-0.4%	-0.4%
Consumer	-1.7%	-0.4%
Financials	0.8%	-0.5%
Gaming and Leisure	0.3%	-0.1%
Healthcare	0.6%	1.0%
Industrial	0.0%	-3.1%
Real Estate	0.0%	0.0%
Retail	0.8%	-0.1%
TMT	-1.1%	-3.0%
Index	-0.5%	0.4%

** Attribution excludes cost of currency hedging.

Regional Exposure

	Longs	Shorts	Gross	Net
Global	44.8%	-32.8%	78.6%	12.0%
Latam	4.5%	-4.2%	8.7%	0.3%
EMEA	4.5%	-2.3%	6.8%	2.2%
Asia	24.8%	-16.9%	41.7%	7.9%
Pan EM	20.3%	-11.8%	32.1%	8.5%

Industry Exposure

	Longs	Shorts	Gross	Net
Basic Materials	0.0%	-1.1%	1.1%	-1.1%
Business Services	0.0%	-2.8%	2.8%	-2.8%
Consumer	40.4%	-9.4%	49.8%	31.0%
Financials	13.8%	-9.5%	23.3%	4.3%
Gaming and Leisure	7.1%	-2.7%	9.8%	4.4%
Healthcare	9.8%	-3.9%	13.7%	5.9%
Industrial	0.0%	-5.6%	5.6%	-5.6%
Real Estate	0.0%	0.0%	0.0%	0.0%
Retail	16.9%	-9.6%	26.5%	7.3%
TMT	10.9%	-6.4%	17.3%	4.5%
Index	0.1%	-17.2%	17.3%	-17.1%

Manager Evaluation

Luxor Capital Partners Offshore, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$4.4 billion
Fund Assets	\$1.8 billion
Gross Exposure	320.6%
Net Exposure	-48.2%
Long Exposure	136.2%
Short Exposure ¹	-184.4%

Performance Attribution by Strategy

	4Q Gross Attribution	YTD Gross Attribution
Equity	-4.1%	-8.0%
Credit		
Bank Debt and Loans	-3.8%	-6.8%
Investment Grade	0.0%	0.0%
High Yield	-1.3%	-1.7%
Convertible Bonds	-2.9%	-4.3%
Mortgage Backed Securities	0.0%	0.0%
Other	0.0%	0.0%
Commodity and FX Hedges	0.9%	1.5%

Regional Exposure

	Longs	Shorts	Gross	Net
North America	94.6%	-47.5%	143.1%	47.1%
Europe	31.7%	-55.6%	87.3%	-23.9%
Asia	9.8%	-73.1%	82.9%	-63.3%
South America	0.0%	-0.4%	0.4%	-0.4%
Other	0.0%	-7.8%	7.8%	-7.8%

Industry Exposure

	Longs	Shorts	Gross	Net
Financial Services	11.1%	-2.3%	13.4%	8.8%
Media	19.6%	-6.2%	25.8%	13.4%
Internet	43.7%	-13.9%	57.6%	29.8%
Real Estate/REITS	9.1%	-1.9%	11.0%	7.2%
Utilities	0.6%	-0.2%	0.8%	0.4%
Consumer Products	8.7%	-10.1%	18.8%	-1.4%
Oil and Gas Services	5.0%	-2.8%	7.8%	2.2%
Retail	7.2%	-0.4%	7.6%	6.8%
Software and Technology	1.9%	-0.3%	2.2%	1.6%
Lodging and Gaming	1.1%	-0.3%	1.4%	0.8%
Transportation	3.5%	-8.5%	12.0%	-5.0%
Exploration and Production	9.2%	-2.1%	11.3%	7.1%
Engineering and Construction	0.0%	0.0%	0.0%	0.0%
Mortgage Backed Securities	0.0%	0.0%	0.0%	0.0%
Insurance	3.0%	-10.2%	13.2%	-7.2%
Chemicals	0.0%	-5.4%	5.4%	-5.4%
Commodity	0.0%	-7.8%	7.8%	-7.8%
Basic Materials	0.0%	-0.4%	0.4%	-0.4%
Industrial	3.4%	-12.3%	15.7%	-8.9%
Mining	1.6%	-1.4%	3.0%	0.2%
Communications	1.9%	-3.9%	5.8%	-2.0%
Health and BioTech	1.8%	-1.2%	3.0%	0.6%
Sovereign	0.9%	-22.1%	23.0%	-21.2%
Alternative Energy	4.3%	-2.0%	6.3%	2.3%
Index ¹	1.5%	-78.9%	80.4%	-77.4%

¹ Short exposure includes short derivatives positions

Manager Evaluation

CapeView Azri Fund, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$2.0 billion
Fund Assets	\$1.6 billion
Gross Exposure	163.8%
Net Exposure	46.8%
Long Exposure	105.3%
Short Exposure	-58.5%

Regional Exposure

	Longs	Shorts	Gross	Net
UK	43.1%	-24.5%	67.6%	18.6%
Continental Europe	59.8%	-27.4%	87.2%	32.4%
Europe (Index)	2.4%	-6.6%	9.0%	-4.2%
Other	0.0%	0.0%	0.0%	0.0%

Industry Exposure

	Longs	Shorts	Gross	Net
Basic Materials	4.5%	-2.9%	7.4%	1.6%
Commodity	0.0%	0.0%	0.0%	0.0%
Communications	19.8%	-3.4%	23.2%	16.4%
Consumer, Cyclical	31.5%	-6.2%	37.7%	25.3%
Consumer, Non-cyclical	8.4%	-9.6%	18.0%	-1.2%
Currency	0.0%	0.0%	0.0%	0.0%
Diversified	0.0%	-1.1%	1.1%	-1.1%
Energy	0.0%	-1.7%	1.7%	-1.7%
Financial	20.8%	-10.3%	31.1%	10.5%
Government	0.0%	0.0%	0.0%	0.0%
Index	4.7%	-10.9%	15.6%	-6.2%
Industrial	7.3%	-7.2%	14.5%	0.1%
Technology	8.4%	-1.9%	10.3%	6.5%
Utilities	0.0%	-3.1%	3.1%	-3.1%

Manager Evaluation

Passport Long Short Fund, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$4.4 billion
Fund Assets	\$1.0 billion
Gross Exposure	149.0%
Net Exposure	17.0%
Long Exposure	83.0%
Short Exposure	-66.0%

Performance Attribution by Industry

	4Q Gross Attribution	YTD Gross Attribution
Internet / Technology	4.3%	5.8%
Basic Materials	-1.0%	10.1%
Consumer	2.1%	3.7%
Energy	1.3%	-0.7%
Diversified	-2.9%	-1.2%
Industrials	0.6%	-0.1%
Healthcare	-1.3%	-1.6%
Utilities	0.0%	-1.7%
MENA	-0.5%	-1.0%
Financials	0.3%	0.3%

Regional Exposure

	Longs	Shorts	Gross	Net
US	74.0%	-51.0%	126.0%	23.0%
EM	0.0%	0.0%	0.0%	0.0%
MENA	2.0%	0.0%	2.0%	2.0%
Europe	0.0%	-6.0%	6.0%	-6.0%
Asia	5.0%	-3.0%	8.0%	2.0%
Canada	2.0%	-3.0%	5.0%	-1.0%
Other	0.0%	0.0%	0.0%	0.0%

Industry Exposure

	Longs	Shorts	Gross	Net
Internet / Technology	22.0%	-9.0%	31.0%	13.0%
Basic Materials	9.0%	-7.0%	16.0%	2.0%
Consumer	27.0%	-17.0%	44.0%	10.0%
Energy	7.0%	-2.0%	9.0%	5.0%
Diversified	0.0%	-16.0%	16.0%	-16.0%
Industrials	11.0%	-4.0%	15.0%	7.0%
Healthcare	5.0%	-3.0%	8.0%	2.0%
Utilities	0.0%	0.0%	0.0%	0.0%
MENA	2.0%	0.0%	2.0%	2.0%
Financial	0.0%	-8.0%	8.0%	-8.0%

Manager Evaluation

Bloom Tree Offshore Fund, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$1.6 billion
Fund Assets	\$794 million
Gross Exposure	161.3%
Net Exposure	23.7%
Long Exposure	92.5%
Short Exposure	-68.8%

Performance Attribution by Industry

	4Q Gross Attribution	YTD Gross Attribution
Business Services	0.0%	0.0%
Consumer Discretionary	-0.9%	-1.5%
Consumer Staples	-0.4%	1.1%
Energy	-1.6%	-1.8%
Financials	0.7%	0.9%
Health Care	-0.7%	0.0%
Industrials	0.9%	3.8%
Information Technology	2.5%	9.6%
LED	0.0%	0.0%
Materials	0.1%	0.3%
REIT	0.0%	0.0%
Solar	0.0%	0.0%
Telecommunication Services	0.1%	-0.4%
Utilities	1.1%	0.1%
Other Assets	0.5%	0.0%
Credit/Risk Arb/Other	0.1%	-0.1%

Industry Exposure

	Longs	Shorts	Gross	Net
Business Services	0.0%	0.0%	0.0%	0.0%
Consumer Discretionary	16.3%	-9.3%	25.6%	7.0%
Consumer Staples	0.0%	-7.4%	7.4%	-7.4%
Energy	3.3%	-4.9%	8.2%	-1.6%
Financials	12.2%	-2.0%	14.2%	10.2%
Health Care	15.4%	-4.4%	19.8%	11.0%
Industrials	10.2%	-14.0%	24.2%	-3.8%
Information Technology	17.9%	-12.1%	30.0%	5.8%
LED	0.0%	0.0%	0.0%	0.0%
Materials	0.7%	-5.4%	6.1%	-4.7%
REIT	0.0%	0.0%	0.0%	0.0%
Solar	0.0%	0.0%	0.0%	0.0%
Telecommunication Services	1.8%	-4.1%	5.9%	-2.3%
Utilities	4.6%	0.0%	4.6%	4.6%
Other Assets	2.1%	0.0%	2.1%	2.1%
Credit/Risk Arb/Other	0.2%	-2.5%	2.7%	-2.3%

Regional Exposure

	Longs	Shorts	Gross	Net
North America	59.2%	-44.3%	103.5%	14.9%
Europe	13.2%	-11.2%	24.4%	2.0%
Asia	12.3%	-8.2%	20.5%	4.1%
Emerging Markets/Other	0.0%	0.0%	0.0%	0.0%

Manager Evaluation

Tiger Eye Fund, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$1.4 billion
Fund Assets	\$1.4 billion
Gross Exposure	93.7%
Net Exposure	47.5%
Long Exposure	70.6%
Short Exposure	-23.1%

Performance Attribution by Industry

	4Q Gross Attribution	YTD Gross Attribution
Consumer	-0.3%	-1.5%
Energy	-0.6%	-0.5%
Financials	0.7%	0.4%
Healthcare	-0.6%	-1.0%
Industrials	-1.0%	1.3%
Materials	-0.4%	-0.1%
Real Estate & Lodging	0.2%	0.0%
TMT	-0.1%	-1.2%
Other	-0.4%	-1.6%

Regional Exposure

	Longs	Shorts	Gross	Net
US	69.7%	-21.4%	92.1%	48.3%
Europe	0.0%	-0.3%	0.3%	-0.3%
Asia	0.0%	-0.1%	0.1%	-0.1%
Canada	0.9%	-1.2%	2.1%	-0.3%
South America	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%

Industry Exposure

	Longs	Shorts	Gross	Net
Consumer	10.3%	-6.7%	17.0%	3.6%
Energy	1.2%	-1.5%	2.7%	-0.3%
Financials	13.4%	0.0%	13.4%	13.4%
Healthcare	1.3%	-0.8%	2.1%	0.5%
Industrials	11.2%	-5.7%	16.9%	5.5%
Materials	0.0%	-0.3%	0.3%	-0.3%
Real Estate & Lodging	4.1%	-3.4%	7.5%	0.7%
TMT	29.1%	-4.6%	33.7%	24.5%
Other	0.0%	0.0%	0.0%	0.0%

Manager Evaluation

Indus Japan Fund, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$6.2 billion
Fund Assets	\$1.6 billion
Gross Exposure	138.0%
Net Exposure	62.0%
Long Exposure	100.0%
Short Exposure	-38.0%

Regional Exposure

	Longs	Shorts	Gross	Net
Japan	99.2%	-38.3%	138.5%	60.9%
North America	0.8%	0.0%	0.8%	0.8%
Hong Kong/China	0.3%	0.0%	0.3%	0.3%
India	0.0%	0.0%	0.0%	0.0%
Europe	0.0%	0.0%	0.0%	0.0%
Philippines	0.0%	0.0%	0.0%	0.0%
Korea	0.0%	0.0%	0.0%	0.0%

Industry Exposure

	Longs	Shorts	Gross	Net
Technology	20.7%	-6.0%	26.7%	14.7%
Cyclicals	26.6%	-13.3%	39.9%	13.3%
Real Estate & Construction	11.2%	0.0%	11.2%	11.2%
Autos & Auto Parts	3.6%	-3.0%	6.6%	0.6%
Banks	8.0%	-0.9%	8.9%	7.1%
Finance	0.9%	-1.4%	2.3%	-0.5%
Telecoms/Media	4.7%	0.0%	4.7%	4.7%
Pharmaceuticals/Healthcare	6.0%	0.0%	6.0%	6.0%
Utilities	0.3%	0.0%	0.3%	0.3%
Transportation	0.0%	0.0%	0.0%	0.0%
Consumer	16.3%	-4.0%	20.3%	12.3%
Energy	0.4%	0.0%	0.4%	0.4%
Diversified	1.6%	-9.5%	11.1%	-7.9%

Manager Evaluation

DK Distressed Opportunities International, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$25.8 billion
Fund Assets	\$1.1 billion
Gross Exposure	93.0%
Net Exposure	83.0%
Long Exposure	88.0%
Short Exposure	-5.0%

Top Positions

Top Longs		Top Shorts	
MGM Studios	5.4%	Building Material Hedge	-1.2%
Lehman Brother	4.8%	US Industrial #10	-0.7%
Building Materials	4.2%	US Energy #6	-0.7%
Ligitigation Play #1	3.0%	Eircom Hedge	-0.6%
Eircom	2.9%	Ithaca Energy Hedge	-0.4%
Top 5 Total	20.3%	Top 5 Total	-3.6%
Number of Longs	159	Number of Shorts	18

Regional Exposure

	Longs	Shorts	Gross	Net
North America	45.5%	-3.7%	50.2%	41.8%
Europe	26.9%	-0.8%	27.7%	26.1%
Other	15.5%	-0.6%	16.1%	14.9%

Asset Class Exposure

	Longs	Shorts	Gross	Net
Common Stock	19.6%	-4.0%	23.6%	15.6%
Corporate Bonds	42.6%	-1.1%	43.7%	41.5%
Bank Debt	19.3%	0.0%	19.3%	19.3%
Trade Claims	6.5%	0.0%	6.5%	6.5%
Other	0.0%	0.0%	0.0%	0.0%

Manager Evaluation

York Credit Opportunities Unit Trust

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$22.3 billion
Fund Assets	\$2.9 billion
Gross Exposure	111.6%
Net Exposure	52.0%
Long Exposure	81.8%
Short Exposure	-29.8%

Top Positions

Top Longs		Top Shorts	
TXU	5.7%	Materials - Bonds	-1.2%
Greece	5.5%	Utilities - Bonds	-1.0%
Lehman Brothers	3.4%	Energy - Equity	-0.8%
Shelf Drilling	3.2%	Materials - CDS	-0.4%
Kaupthing Bank	2.7%	Consumer Disc - CDS	-0.4%
Top 5 Total	20.5%	Top 5 Total	-3.8%
Number of Longs	67	Number of Shorts	16

Regional Exposure

	Longs	Shorts	Gross	Net
North America	30.0%	-12.8%	43.8%	17.2%
Europe	33.9%	-10.0%	43.9%	23.9%
Asia	9.7%	-1.4%	11.1%	8.3%
Other	10.1%	-5.6%	15.7%	4.5%

Strategy Exposure

	Longs	Shorts	Gross	Net
Public Equity	6.8%	-2.6%	9.4%	4.2%
Options & Futures	0.5%	-0.1%	0.6%	0.4%
Bank Debt	9.8%	0.0%	9.8%	9.8%
Bonds	37.7%	-8.4%	46.1%	29.3%
CDS	0.8%	-18.7%	19.5%	-17.9%
Asset Banked	0.8%	0.0%	0.8%	0.8%
Non-Public Equity	25.5%	-0.1%	25.6%	25.4%

Manager Evaluation

Marathon Special Opportunities Fund, Ltd.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$12.5 billion
Fund Assets	\$1.1 billion
Gross Exposure	97.5%
Net Exposure	49.3%
Long Exposure	73.4%
Short Exposure	-24.1%

Top Positions

Top Longs		Top Shorts	
Puerto Rico Electric Power	6.3%	MBIA Insurance	-3.6%
San Jose	5.0%	Range Resources	-1.5%
CMBS	4.6%	Ensco	-1.5%
Casear's Entertainment	4.3%	Horizon Pharma	-1.4%
Texas Competitive Electric	3.1%	Valeant Pharam	-1.3%
Top 5 Total	23.3%	Top 5 Total	-9.3%

Regional Exposure

	Longs	Shorts	Gross	Net
North America	53.1%	-23.0%	77.1%	30.1%
Europe	17.7%	-0.8%	18.5%	16.9%
Asia	0.8%	-0.2%	1.0%	0.6%
Other	0.9%	0.0%	0.9%	0.9%

Asset Class Exposure

	Longs	Shorts	Gross	Net
ABS	8.6%	0.0%	8.6%	8.6%
Credit Derivatives	0.4%	-7.3%	7.7%	-6.9%
Equity	10.8%	-2.2%	13.0%	8.6%
Fixed	45.5%	-14.0%	59.5%	31.5%
Fund	5.0%	0.0%	5.0%	5.0%
Futures	0.0%	0.0%	0.0%	0.0%
FX	0.0%	0.0%	0.0%	0.0%
Options	3.1%	-0.6%	3.7%	2.5%
Structured Product	0.0%	0.0%	0.0%	0.0%
Swaps	0.0%	0.0%	0.0%	0.0%

Manager Evaluation

Brevan Howard Multi-Strategy Fund Limited

As of December 31, 2015

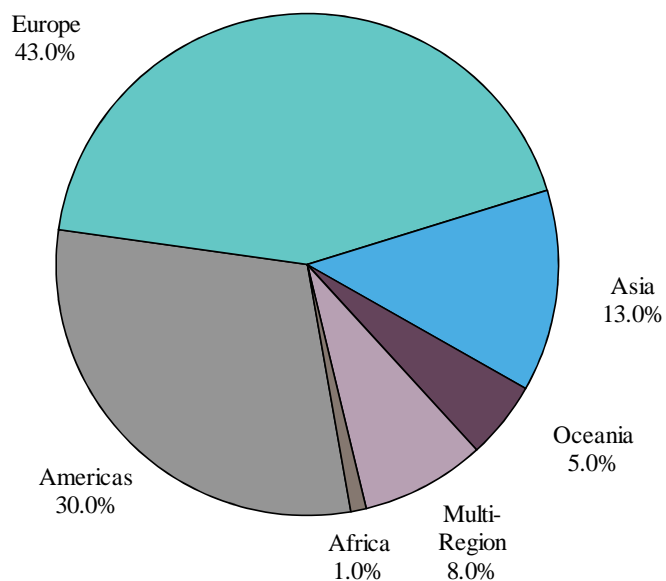
Portfolio Characteristics

Firm Assets	\$24.6 billion
Fund Assets	\$2.6 billion
	VaR
Brevan Howard Multi-Strategy Fund	0.25%
Master Fund	0.24%
DW Catalyst Offshore Fund, Ltd.	0.55%
Asia Master Fund	0.32%
Systematic Trading Master Fund	0.82%
Direct Investment Portfolio	0.30%

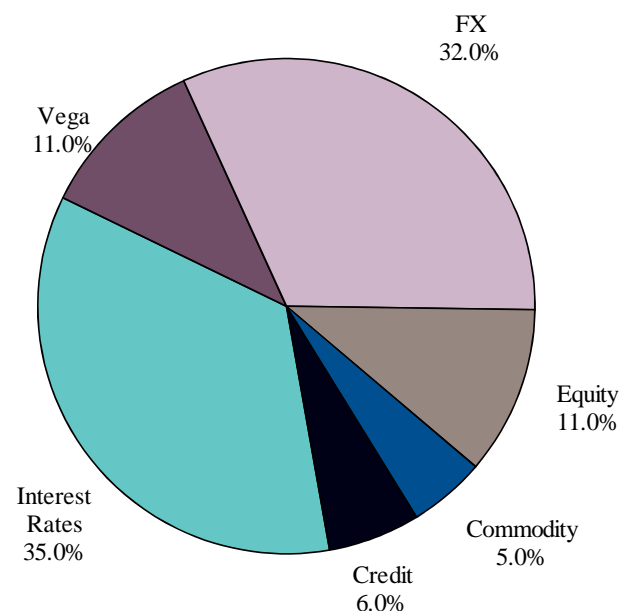
Underlying Fund Allocation

	% NAV Q3	% NAV Q4
Master Fund	38.2%	44.7%
Credit Catalyst Master Fund	8.4%	3.8%
Systematic Trading Master Fund	8.7%	8.5%
Asia Master Fund	11.2%	12.6%
Direct Investment Portfolio	33.6%	30.5%

Regional Exposure



Strategy Exposure



Manager Evaluation

Robeco Transtrend Diversified Fund LLC

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$5.8 billion
Fund Assets	\$625.6 million
Margin/ Net Assets	22.7%
VaR	7.8%

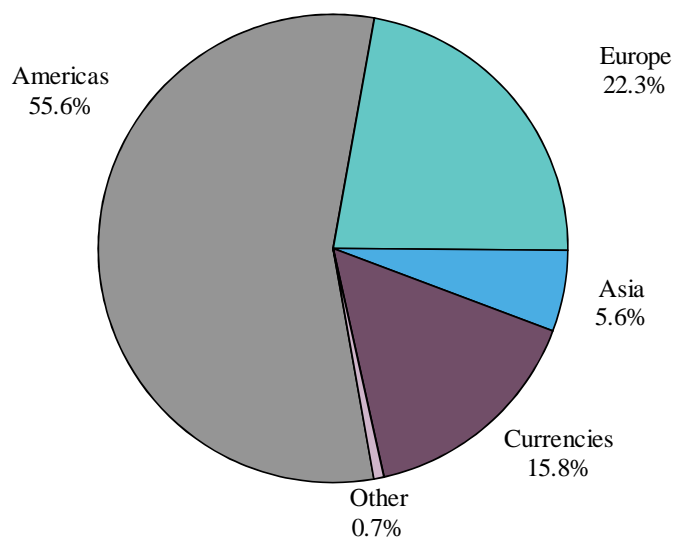
VaR by Strategy

	VaR
Commodities	2.8%
Currencies	1.1%
Interest Rates	1.5%
Equity Related	2.4%

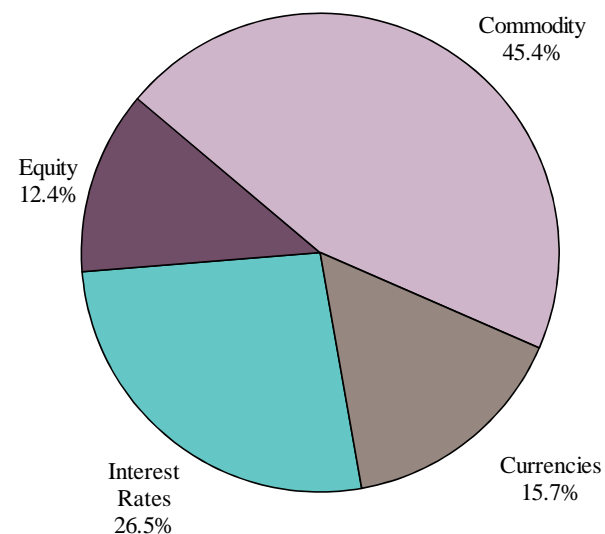
Attribution by Strategy

	4Q Gross Attribution	YTD Gross Attribution
Commodities	8.0%	13.7%
Currencies	-2.8%	-6.3%
Interest Rates	-1.4%	-1.9%
Equity Related	-2.9%	-1.2%

Regional Exposure



Strategy Exposure



Manager Evaluation

Moore Macro Managers Fund, Ltd.

As of December 31, 2015

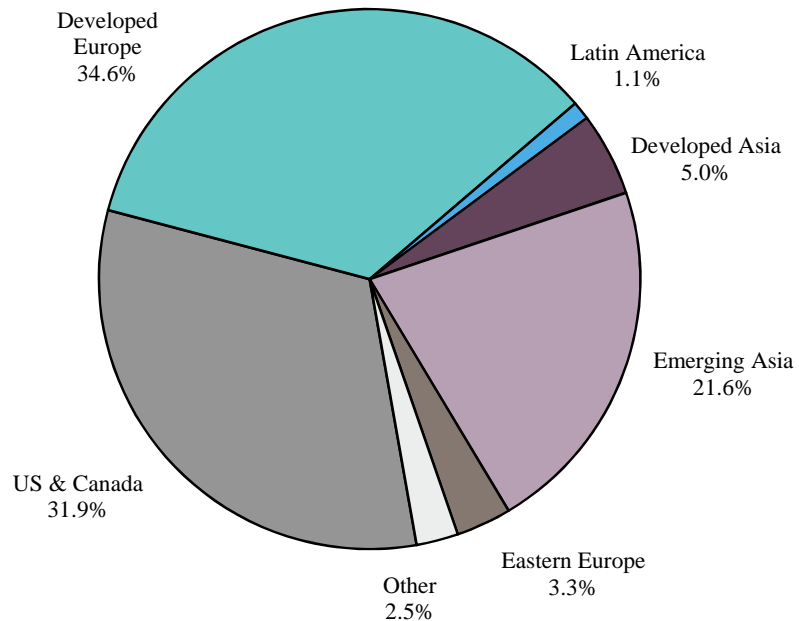
Portfolio Characteristics

Firm Assets	\$13.9 billion
Fund Assets	\$5.7 billion
Gross Exposure	361.0%
Net Exposure	-85.0%
Long Exposure	138.0%
Short Exposure	-223.0%

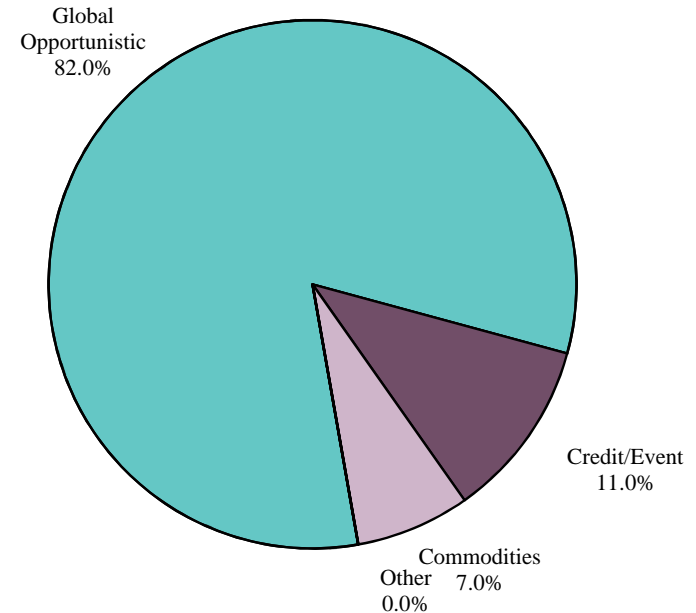
Attribution by Strategy - YTD

	Gross Attribution
Global Opportunistic	3.2%
Credit/Event	0.2%
Commodities	-0.4%
Other	0.0%

Regional Exposure



Strategy Exposure



Manager Evaluation

Stone Milliner Macro Fund Inc.

As of December 31, 2015

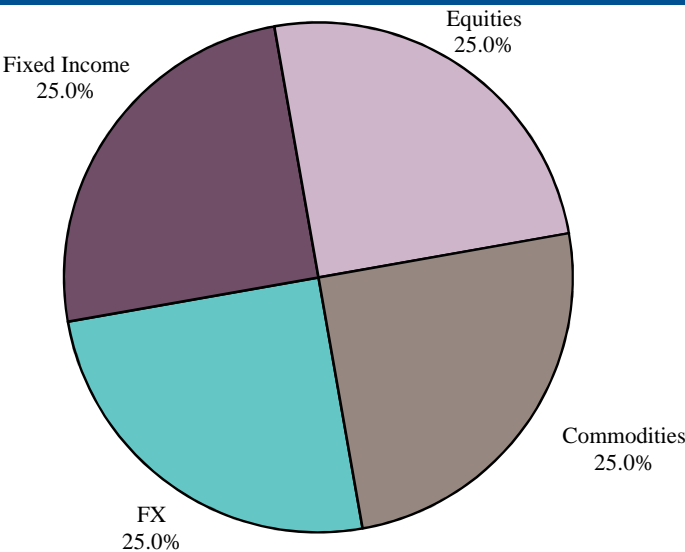
Portfolio Characteristics

Firm Assets	\$5.5 billion
Fund Assets	\$2.8 billion

Attribution by Strategy - Q4

	Gross Attribution
FX	3.1%
Fixed Income	-0.1%
Equities	0.3%
Commodities	-0.1%

Strategy Exposure



Manager Evaluation

Double Black Diamond, Ltd. Series E

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$8.5 billion
Fund Assets	\$2.9 billion
Gross Exposure	323.5%
Net Exposure	34.1%
Long Exposure	178.8%
Short Exposure	-144.7%

Performance Attribution by Strategy - Q4

	Gross Attribution
Equity Relative Value	0.5%
Equity Long/Short	-1.4%
Cross-Asset RV	-0.2%
Credit Long/Short	-0.2%
Event-Driven	1.4%
Strategic Investments	0.0%
Macro Strategies	0.0%

Regional Exposure

	Longs	Shorts	Gross	Net
North America	137.4%	-104.3%	242.7%	33.1%
Europe	39.0%	-34.6%	73.6%	4.4%
Asia	1.0%	-3.9%	4.9%	-2.9%
Other	1.5%	-1.9%	3.4%	-0.4%

Strategy Exposure

	Longs	Shorts	Gross	Net
Equity Relative Value	48.6%	-48.9%	97.5%	-0.3%
Equity Long/Short	26.6%	-26.8%	53.4%	-0.2%
Cross-Asset RV	24.5%	-30.1%	54.6%	-5.6%
Credit Long/Short	13.7%	-5.3%	19.0%	8.4%
Event-Driven	54.8%	-28.7%	83.5%	26.1%
Strategic Investments	4.9%	-1.0%	5.9%	3.9%
Macro Strategies	5.7%	-3.7%	9.4%	2.0%

Manager Evaluation

Fir Tree International Value Fund (Non-US), L.P.

As of December 31, 2015

Portfolio Characteristics

Firm Assets	\$11.3 billion
Fund Assets	\$7.6 billion
Gross Exposure	173.7%
Net Exposure	40.3%
Long Exposure	107.0%
Short Exposure	-66.7%

Performance Attribution by Strategy - YTD

	Gross Attribution
Value Equities	0.0%
Special Situations	-6.7%
Long-Term Arbitrage	0.5%
Yielding Securities	-3.9%
Corporate Credit	0.0%
Capital Structure Arbitrage	-0.1%
Structured/Mortgage Credit	-0.1%
Portfolio Hedges	1.3%
Credit Shorts	0.3%

Regional Exposure

	Longs	Shorts	Gross	Net
North America	87.4%	-41.9%	130.3%	45.5%
Europe/UK	7.6%	-3.9%	11.5%	3.7%
Asia	3.5%	-15.1%	18.6%	-11.6%
Latin America	8.5%	-3.5%	12.0%	5.0%
Other	0.0%	-2.3%	2.3%	-2.3%

Strategy Exposure

	Longs	Shorts	Gross	Net
Value Equities	17.5%	-11.3%	28.8%	6.2%
Special Situations	50.4%	-11.7%	62.1%	38.7%
Long-Term Arbitrage	7.8%	-4.7%	12.5%	3.1%
Yielding Securities	18.9%	-2.7%	21.6%	16.2%
Corporate Credit	5.4%	-0.6%	6.0%	4.8%
Capital Structure Arbitrage	3.7%	-1.7%	5.4%	2.0%
Structured / Mortgage Credit	2.9%	0.0%	2.9%	2.9%
Portfolio Hedges	0.4%	-17.7%	18.1%	-17.3%
Credit Shorts	0.0%	-13.5%	13.5%	-13.5%

Manager Evaluation

Pine River Fund, Ltd.

As of December 31, 2015

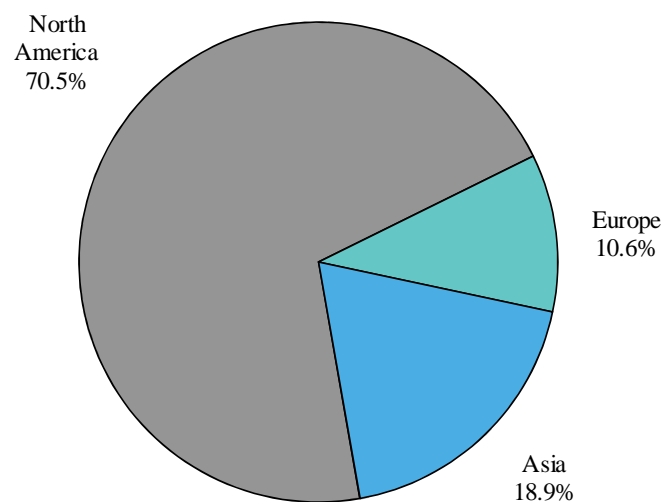
Portfolio Characteristics

Firm Assets	\$13.9 billion
Fund Assets	\$4.0 billion
Gross Exposure	360.0%
Total Number of Positions	3,346
Weighted Average Credit Weighting of Rated Bonds	AA

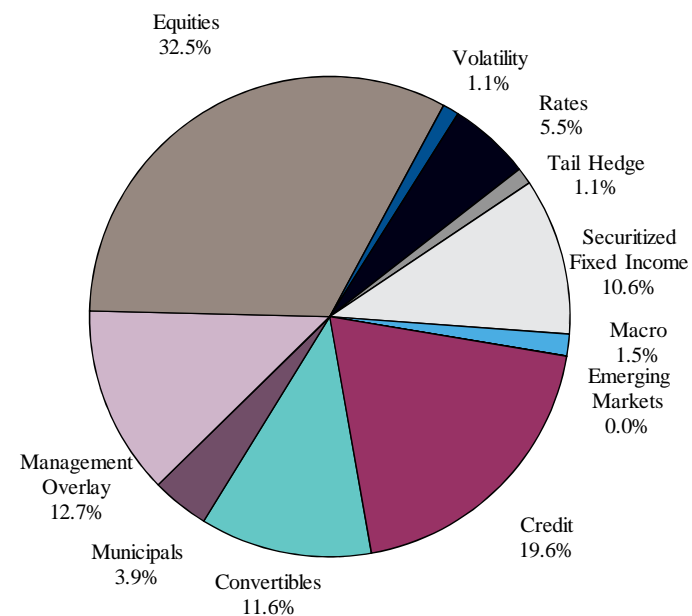
Performance Attribution by Strategy - Q4

	Gross Attribution
Equities	-0.5%
Volatility	0.0%
Convertibles	-0.4%
Credit	-0.9%
Securitized Fixed Income	-0.1%
Municipals	0.8%
Rates	0.2%
Emerging Markets FX	0.0%
Commodities/Macro	0.3%
Tail Hedge	-0.6%
Management Overlay	0.7%
Cash	0.0%

Regional Allocation



Strategy Allocation



Hedge Fund Strategy Definitions

The **Equity Strategy** is comprised of Equity Long/Short strategies. Equity hedge strategies typically have a directional bias (long or short) and trade in equities and equity-related derivatives. Managers seek to buy undervalued equities with improving fundamentals and short overvalued equities with deteriorating fundamentals.

Trade Example: Long a basket of energy stocks and short a basket of consumer electronics stocks.

The **Credit Strategy** is comprised of Distressed Securities, Credit Long/Short, Emerging Market Debt and Credit Event Driven. Credit strategies typically have a directional bias and involve the purchase of various types of debt, equity, trade claims and fixed income securities. Hedging using various instruments such as Credit Default swaps is frequently employed.

Trade Example: Buying the distressed bonds of a company which has defaulted and participating in the corporate restructuring.

The **Macro Strategy** consists of Global Macro, Managed Futures, Commodities and Currencies. Macro strategies usually have a directional bias (which can be either long or short) and involve the purchase of a variety of securities and/or derivatives related to major markets. Managed futures strategies trade similar instruments but are typically implemented by computerized systems.

Trade Example: Long the US Dollar and short the Japanese Yen

The **Relative Value Strategy** typically does not display a distinct directional bias. Relative Value encompasses a range of strategies covering different asset classes. Arbitrage strategies focus on capturing movements or anomalies in the price spreads between related or similar instruments. The rationale for Arbitrage trades is the ultimate convergence of the market price relationship to a known, theoretical or equilibrium relationship.

Trade Example: Long the stock of a merger bid target and short the stock of the acquirer.

Statistical Definitions

Risk Statistics

As of December 31, 2015

Statistics	Definition
Alpha	- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Best Quarter	- The best of rolling 3 months(or 1 quarter) cumulative return.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Downside Risk	- A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative set of returns. The higher the factor, the riskier the product.
Excess Return	- Arithmetic difference between the managers return and the risk-free return over a specified time period.
Information Ratio	- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Maximum Drawdown	- The drawdown is defined as the percent retrenchment from a fund's peak value to the fund's valley value. It is in effect from the time the fund's retrenchment begins until a new fund high is reached. The maximum drawdown encompasses both the period from the fund's peak to the fund's valley (length), and the time from the fund's valley to a new fund high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Sortino Ratio	- A ratio developed by Frank A. Sortino to differentiate between good and bad volatility in the Sharpe ratio. This differentiation of upwards and downwards volatility allows the calculation to provide a risk-adjusted measure of a security or fund's performance without penalizing it for upward price changes.
Standard Deviation	- A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.
Tracking Error	- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Worst Quarter	- The worst of rolling 3 months(or 1 quarter) cumulative return.

d. Hedge Fund Research Note on BlackRock's The 32 Capital Fund, Ltd.

Strategy inception	August 2002
Firm / strategy AUM	\$4.5 trillion / \$1.1 billion (December 1, 2015)

EXECUTIVE SUMMARY

The 32 Capital Fund utilizes a quantitative top down equity market neutral strategy. The fund is managed by BlackRock's Scientific Active Equity (SAE) team, led by Dr. Ron Kahn (Global Head of Equity Research). The SAE team was originally part of Barclays's Global Investors (BGI) before BGI was bought by BlackRock. BGI was one of the leading quant shops and is still run in much the same way. The team uses quantitative techniques which have been developed over the 18 years since the team started working together.

Forecast returns for each of the individual stocks in the Fund's investable universe are made and then a highly diversified portfolio of currently 7,000 securities is constructed. The portfolio is designed to be market neutral on both a beta adjusted and dollar neutral basis. It will also be neutral to most other factors such as industry sectors, market cap and country risk. The manager will run with between 200%-400% exposure on both the long and short side. The Fund has exposure to four core market neutral sleeves: Global Large Cap, Global Small Cap, Emerging Markets, Regional Mid-Horizon. Within each of the four market neutral sleeves there are a number of what SAE calls "insights". (These can each be thought of as models or as signals.) There are currently about 20 of these insights which can be divided into four broad categories 1) Sentiment 2) Value 3) Quality and 4) Themes. These are described in more detail on page three.

The quantitative strategies used are continually evolving and the SAE team is focused on constant innovation. In order to remain competitive, a deep and experienced team with substantial infrastructure is required. The research is extremely hardware intensive. For example some of the models pull down terabytes of Google search data daily in an effort to determine future investment trends. Portfolio construction has also changed considerably over recent years and is now more robust. Historically a return targeting approach was used where leverage was dialed up or down to achieve a certain return. This used recent historical volatility so the portfolios geared up in periods of low volatility with inevitable consequences when volatility spiked. Now maximum position sizes are determined using a stress based correlation matrix which leads to smaller maximum positions and a more robust portfolio.

POSITIVES

- Favorable liquidity (monthly with 30 days' notice and no lock-up)
- Well established investment process, which is focused on constant innovation and rigorous testing.
- Strong institutional infrastructure

NEGATIVES

- Leverage is significant (400%-800% gross exposure); however, this is mitigated by being market neutral and highly diversified across many thousands of stocks

RECOMMENDATION

- Approved for all clients; continue to monitor.



TEAM STRUCTURE AND KEY PROFESSIONALS

The Fund is run by the Scientific Active Equity Team, which is comprised of 85 investment professionals located in San Francisco, London, Tokyo, Sydney, and Hong Kong. The group does seem to derive some genuine benefit from being able to leverage BlackRock's risk management, portfolio optimization, data management and portfolio engineering systems as well as BlackRock's prime brokerage resources. The SAE team runs approximately \$80.0 billion in quantitative equity strategies with the bulk of this in long only funds. The Scientific Active Equity Team is led by Ronald Kahn and Raffaele Savi. The investment research team consists of four Managing Directors responsible for different geographies and 81 researchers responsible for improving the systems.

KEY INVESTMENT PROFESSIONALS

Ronald Kahn, PhD.

- BlackRock, Managing Director and Global Head of Equity Research, 1998 to present
- BARRA, Director, 1989 to 1998
- University of California, Berkley, Post-Doctoral Fellow, 1989
- Harvard University, PhD. 1985
- Princeton University, AB, 1978

Raffaele Savi

- BlackRock, Managing Director and Head of US Equity, 2006 to present
- Capitalia Investment Management, CEO and CIO, 1997 to 2006
- University of Rome, Professor, 2002 to 2006
- University of Rome, BS, 1997

Jeff Shen, PhD

- BlackRock, Managing Director and Head of Asia Pacific and Emerging Market Equity, 2004 to present
- JPMorgan, Global Head of Asset Allocation Research, 1997 to 2004
- New York University, PhD, 2000
- University of Massachusetts, 1995 MA
- Hobart College, BA, 1993

Ken Kroner, PhD

- BlackRock, Managing Director and CIO and head of BlackRock Scientific Active Equity, 1994 to present
- University of Arizona, Professor, 1988 to 1994
- University of California, PhD, 1988
- University of Alberta, BA, 1983



INVESTMENT PROCESS

The 32 Capital Fund is a quantitative top down equity market neutral strategy. BlackRock's Scientific Active Equity (SAE) team, led by Dr. Ron Kahn (Global Head of Equity Research), is responsible for management of the Fund and develops a trading strategy based on its assessment of current market conditions and likely drivers of stock returns. The manager uses quantitative techniques, which have been developed over the 18 years since the team started working together, to forecast the valuation of each individual stock in the Fund's investable universe.

BlackRock uses computer optimization models to determine the optimal portfolio construction. The optimization models factor in both fundamental and behavioral investment insights and are targeted to have an investment horizon of three to six months. These investment insights are comprised of four main categories:

- 1) **Sentiment:** The behavior of the investment analysts, company management, and other well informed market participants, which are used as a guide for likely share price performance in the future. The SAE team combines information on market sentiment with analysts' views on a company's future outlook to select the stocks that are believed to have the greatest potential to outperform the market.
- 2) **Value:** A disciplined approach to valuing each company allows BlackRock to buy stocks that they believe are trading at a discount to the companies' intrinsic value, and similarly to short stocks that are trading above their intrinsic value.
- 3) **Quality:** The team uses a systematic and comprehensive analysis of reported financials and corporate activity, which is used to identify companies with persistent earning power, as well as avoid those where there is an increased risk of future earnings disappointment.
- 4) **Themes:** The team seeks to identify and exploit collections of stocks that move together because they share a common exposure.

The SAE team will review the trades recommended by the optimizer and then will send them to the equity trading desk. The 32 Capital Fund will typically hold between 2,000 and 4,000 securities on each of both the long and the short side of the book. The portfolio currently holds over 7,000 stocks. The manager will run with between 200%-400% exposure on both the long and short side but will generally have a net exposure between -5% and 5%. The Fund is currently running approximately \$1.1 billion.

These insights are combined with the return forecasts from the SAE team's Industry selection model. The Industry model is comprised of two components: a bottom-up stock selection component, which is focused on individual stocks in an industry and a top-down view of each industry based on its sensitivity to macro-economic variables. Additionally, the Fund utilizes the Mid Horizon model, which focuses on a time horizon of less than one month within large capitalization securities. The model factors in statistical patterns, trade value, events, and themes, which include industrial momentum and style rotation. Once these models have been run a risk target for the Fund is set of 8%-10% volatility and the models generate an optimal portfolio. The SAE team will review the trades recommended by the optimizer and then will send them to the equity trading desk.

BlackRock's Risk and Quantitative Analysis Group monitors the portfolio providing top down and bottom up risk oversight. The group is also responsible for counterparty and operational risk management. The risk team also monitors liquidity risk.



FEES AND TERMS

Management Fee	B-1: 2.0%; B-2: 0.5%
Incentive Fee	B-1: 20.0% over hurdle (Federal Funds Target Rate); B-2: 30.0% over hurdle
Minimum Investment	\$1 million
Valuation	Monthly
Subscriptions	Monthly
Redemptions	Monthly, with 30 days' written notice
Lock-up Period	None
Entry/Exit Fees	-
Advisory Fee	-
High Water Mark	Yes

SERVICE PROVIDERS

Fund Administrator	Northern Trust Global Fund Services Cayman Limited
Auditor	PricewaterhouseCoopers
Prime Brokers / Custodians	Morgan Stanley, Goldman Sachs, Citigroup, Deutsche Bank, RBC Dominion, UBS
Legal Counsel	U.S.: Schulte Roth & Zabel LLP Cayman Islands: Walkers

RISK AND RETURN HISTORY

See attached performance sheets.



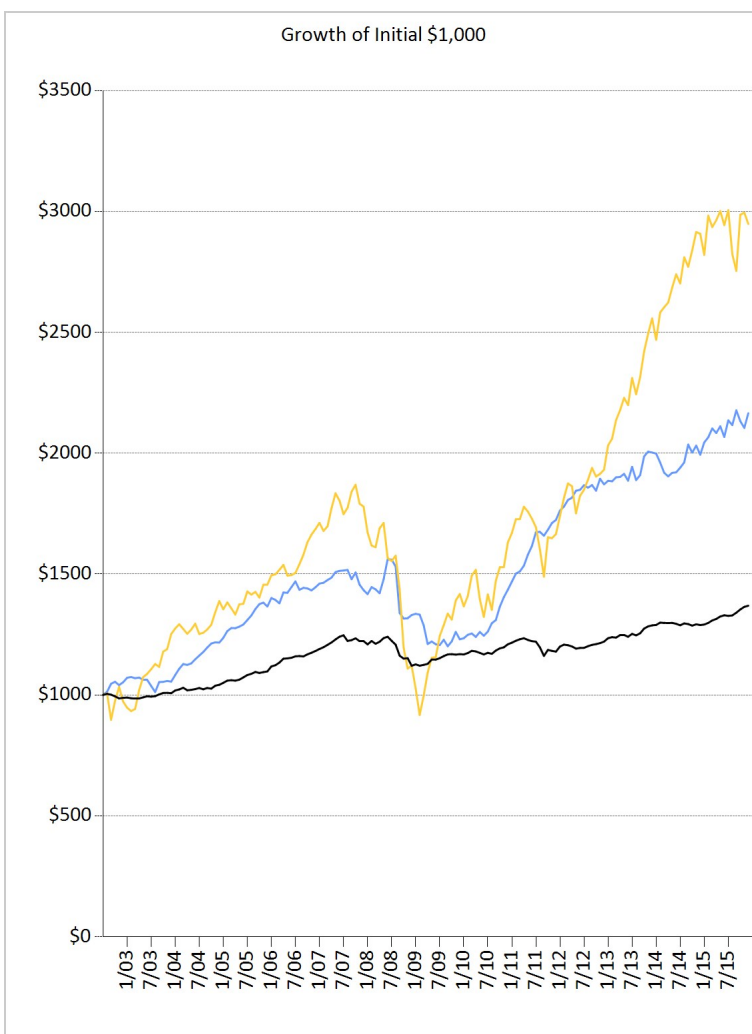
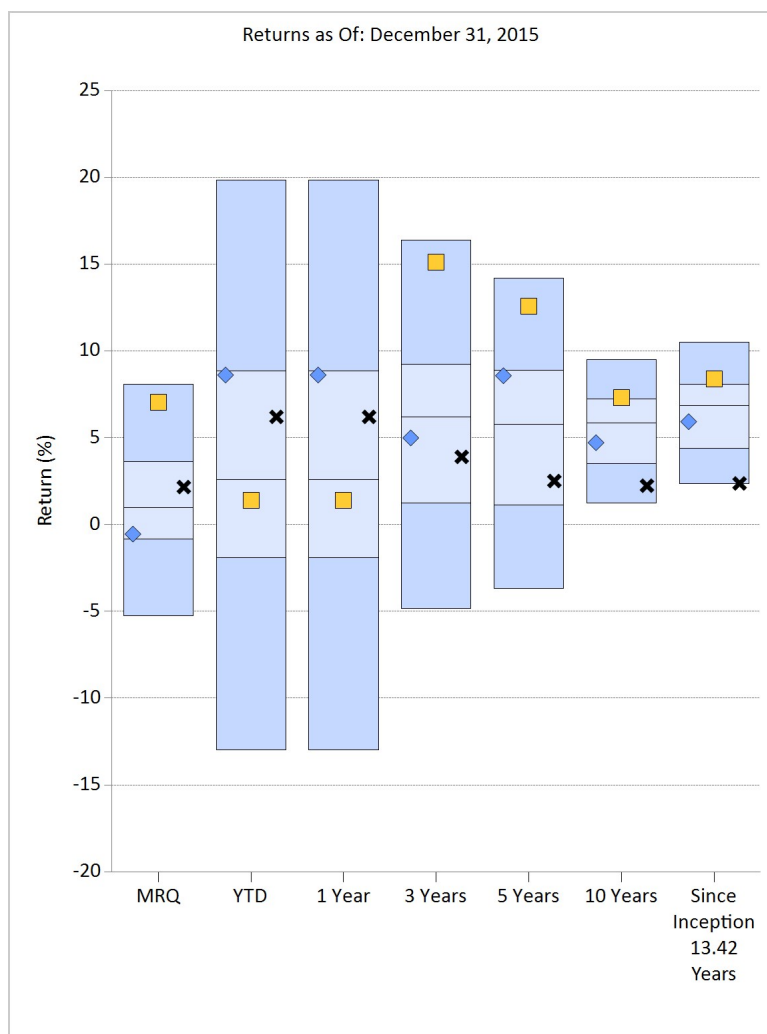
PAVILION

BlackRock - The 32 Capital Fund, Ltd.

Equity Market Neutral Hedge Fund

December 31, 2015

Returns are shown in USD net of fees.



Returns - Blackrock 32

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015	2.56%	1.02%	1.79%	-0.90%	1.34%	-2.09%	3.32%	-0.91%	2.89%	-2.06%	-1.30%	2.89%	8.61%
2014	-0.22%	-1.86%	-2.14%	-0.79%	0.77%	0.11%	0.99%	1.14%	3.76%	-1.62%	1.43%	-1.86%	-0.46%
2013	0.79%	-0.11%	0.87%	0.08%	0.67%	-1.46%	3.03%	-2.82%	1.08%	4.06%	1.00%	-0.19%	7.04%
2012	2.24%	0.94%	1.54%	0.51%	1.60%	0.19%	1.04%	-0.56%	0.60%	-1.25%	2.67%	-1.22%	8.53%
2011	2.34%	2.26%	0.60%	1.56%	2.97%	2.26%	3.56%	0.07%	-0.94%	1.48%	1.65%	0.75%	20.12%
2010	0.34%	1.15%	0.44%	-1.13%	1.64%	-1.23%	1.37%	2.75%	1.02%	4.22%	2.88%	2.19%	16.65%
2009	0.37%	-0.26%	-3.31%	-6.01%	0.87%	-0.93%	-0.29%	1.81%	-2.17%	1.68%	3.19%	-2.40%	-7.54%
2008	-1.16%	2.02%	-0.63%	-1.11%	4.06%	5.53%	-0.02%	-1.85%	-12.54%	-1.73%	0.10%	1.02%	-7.20%
2007	1.05%	0.24%	0.76%	0.69%	1.52%	0.36%	0.09%	0.15%	-2.52%	1.88%	-3.35%	-1.53%	-0.80%
2006	2.57%	-0.55%	-1.02%	3.25%	-0.09%	1.65%	1.64%	-2.38%	0.58%	-0.16%	-0.58%	0.91%	5.83%
2005	1.60%	2.26%	1.01%	-0.05%	0.50%	0.69%	1.43%	1.44%	1.99%	1.51%	0.45%	-1.16%	12.26%
2004	2.57%	2.39%	1.77%	-0.31%	0.54%	1.51%	1.33%	1.28%	1.58%	1.37%	0.42%	-0.09%	15.29%
2003	1.77%	0.29%	-0.45%	0.24%	-0.86%	0.00%	-2.39%	-2.43%	4.06%	0.10%	0.35%	-0.25%	0.27%
2002	--	--	--	--	--	--	--	1.33%	3.25%	0.80%	-1.32%	1.13%	5.24%

◆ Blackrock 32 ■ S&P 500 ✕ ¹HFRI EH: Equity Market Neutral Index (Offshore)



PAVILION

BlackRock - The 32 Capital Fund, Ltd.

Equity Market Neutral Hedge Fund

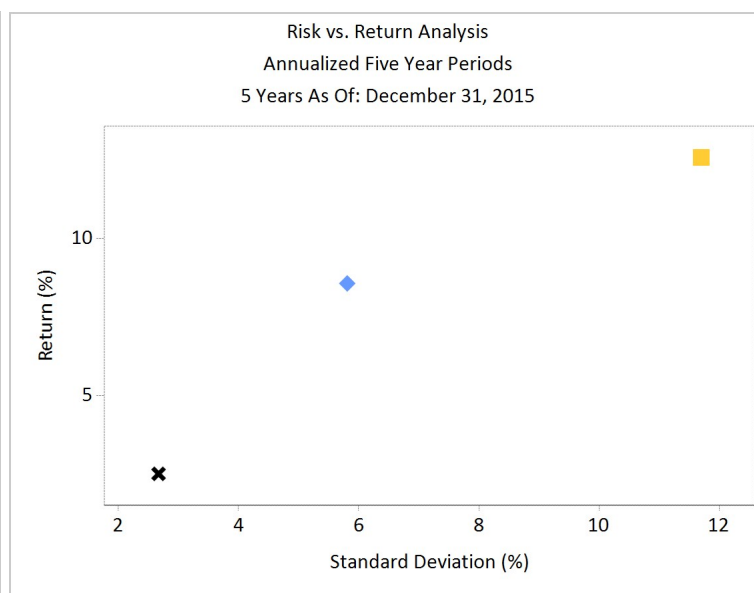
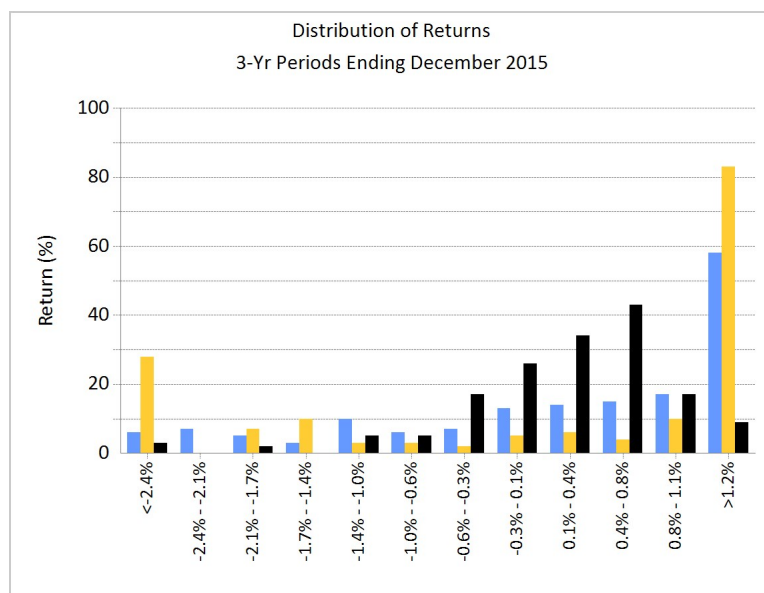
December 31, 2015

Returns are shown in USD net of fees.

Product Name	Blackrock 32	S&P 500	HFRI EH: Equity Market Neutral Index (Offshore)
2015 (8/2015)	8.61	1.38	6.20
2014	-0.46	13.69	0.11
2013	7.04	32.39	5.49
2012	8.53	16.00	3.52
2011	20.12	2.11	-2.51
2010	16.65	15.06	3.48
2009	-7.54	26.46	4.31
2008	-7.20	-37.00	-8.36
2007	-0.80	5.49	3.47
2006	5.83	15.79	7.70
2005	12.26	4.91	5.31
2004	15.29	10.88	3.46
2003	0.27	28.68	1.94
2002	---	-22.10	0.13
2001	---	-11.89	7.81
2000	---	7.77	0.68

Statistical Analysis	Blackrock 32	S&P 500	HFRI EH: Equity Market Neutral Index (Offshore)
Cumulative Return	116.54	194.80	36.92
Best Period	5.53	10.93	2.14
Worst Period	-12.54	-16.79	-3.78
Positive Periods	106.00	106.00	110.00
Negative Periods	54.00	55.00	51.00

Annualized Returns	Blackrock 32	S&P 500	HFRI EH: Equity Market Neutral Index (Offshore)
1 Year	8.61	1.38	6.20
2 Years	3.98	7.36	3.11
3 Years	4.99	15.13	3.90
5 Years	8.57	12.57	2.51
10 Years	4.72	7.31	2.24
Inception	5.93	8.39	2.37



Risk	Blackrock 32	S&P 500	HFRI EH: Equity Market Neutral Index (Offshore)
Standard Deviation	7.0	14.4	2.8
Sharpe Ratio	0.7	0.5	0.4
Sortino Ratio	0.9	0.7	0.5
Max Drawdown	23.0	50.9	10.1
Max Drawdown Length	15.0	16.0	17.0
Max Drawdown Recovery Period	20.0	37.0	52.0
Gain/Loss Ratio	1.0	0.8	0.9
Skewness	-1.8	-0.7	-1.5
Kurtosis	10.3	1.9	5.3

Comparison to Benchmark	Blackrock 32	S&P 500	HFRI EH: Equity Market Neutral Index (Offshore)
Alpha	3.6	3.6	0.0
Beta	1.0	2.3	1.0
Correlation	0.4	0.5	1.0
R-Squared	0.2	0.2	1.0
Tracking Error	6.4	13.4	0.0
Information Ratio	0.6	0.4	—
Up Market Capture	119.7	287.3	100.0
Down Market Capture	2.2	193.9	100.0
VaR @ 95%	-6.3	-9.6	-2.3

◆ Blackrock 32 ■ S&P 500 ✕ HFRI EH: Equity Market Neutral Index (Offshore)

ATTACHMENT 7

Performance Review



El Camino Hospital

4th Quarter 2015

Pavilion Advisory Group Inc.
227 W. Monroe Street, Suite 2020
Chicago, IL 60606
Phone: 312-798-3200
Fax: 312-902-1984
www.pavilioncorp.com



PAVILION

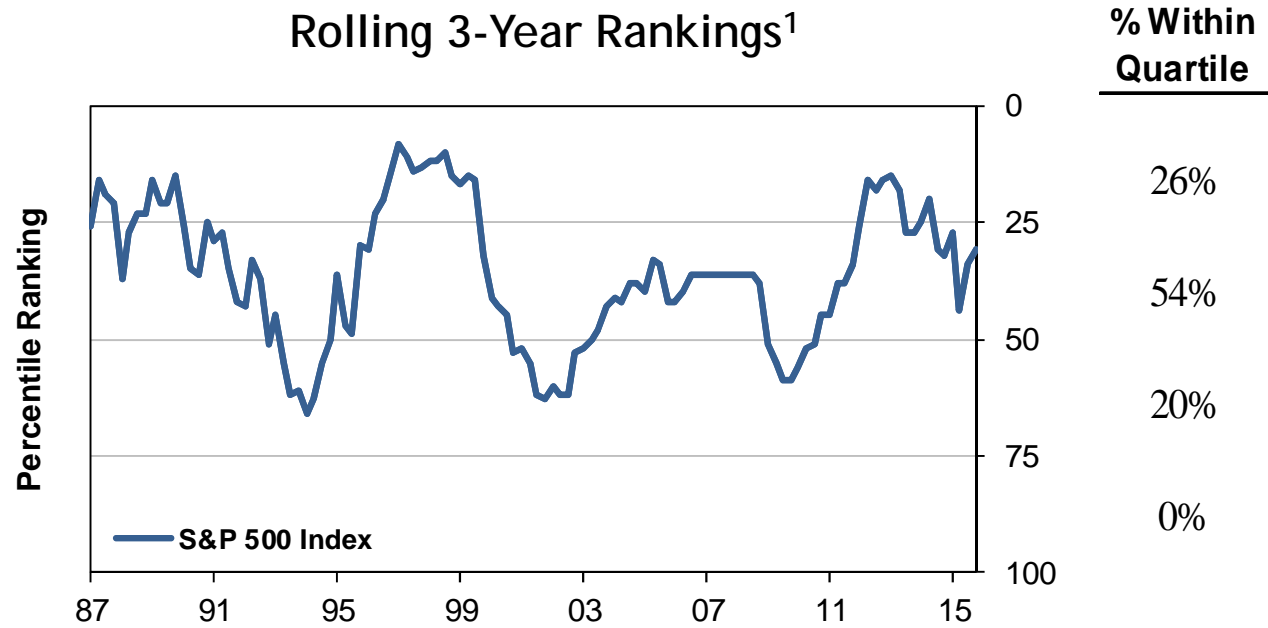


Active vs. Passive Performance

Active vs. Passive Performance

Large Cap Equity

Through December 31, 2015



¹ Within the IM U.S. Large Cap Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

Large Cap Growth Equity

Through December 31, 2015

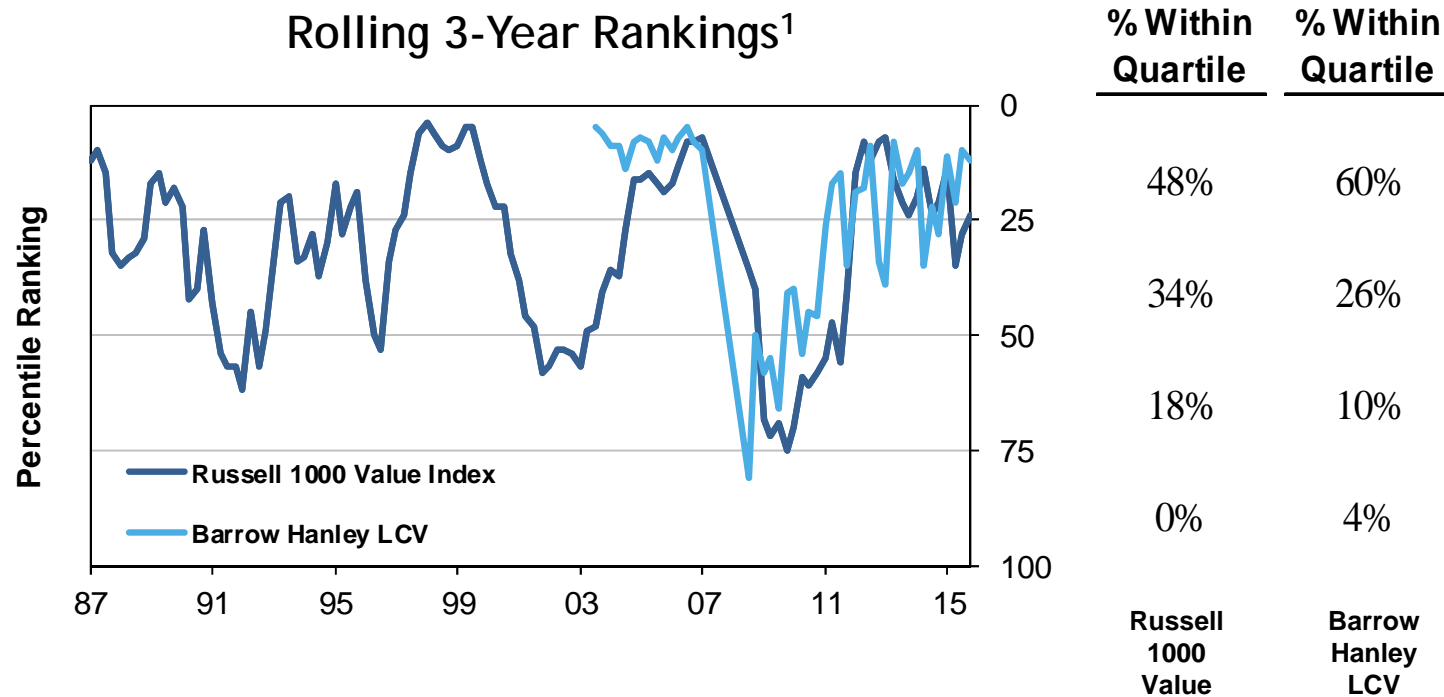


¹ Within the IM U.S. Large Cap Growth Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

Large Cap Value Equity

Through December 31, 2015

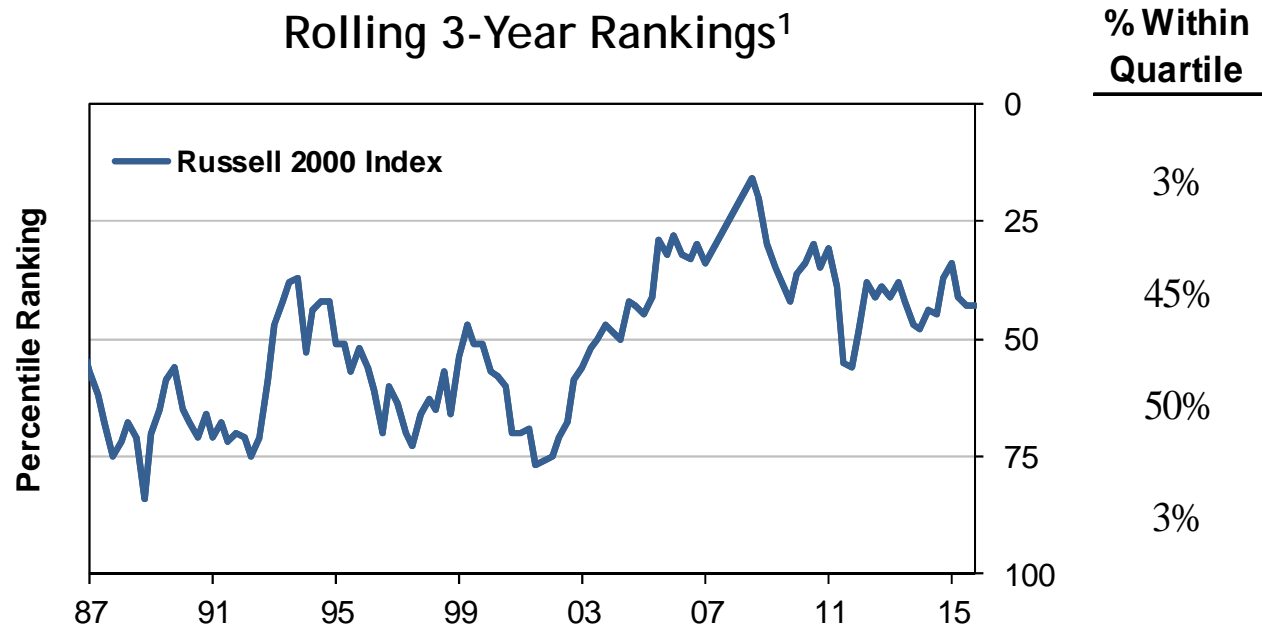


¹ Within the IM U.S. Large Cap Value Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

Small Cap Equity

Through December 31, 2015

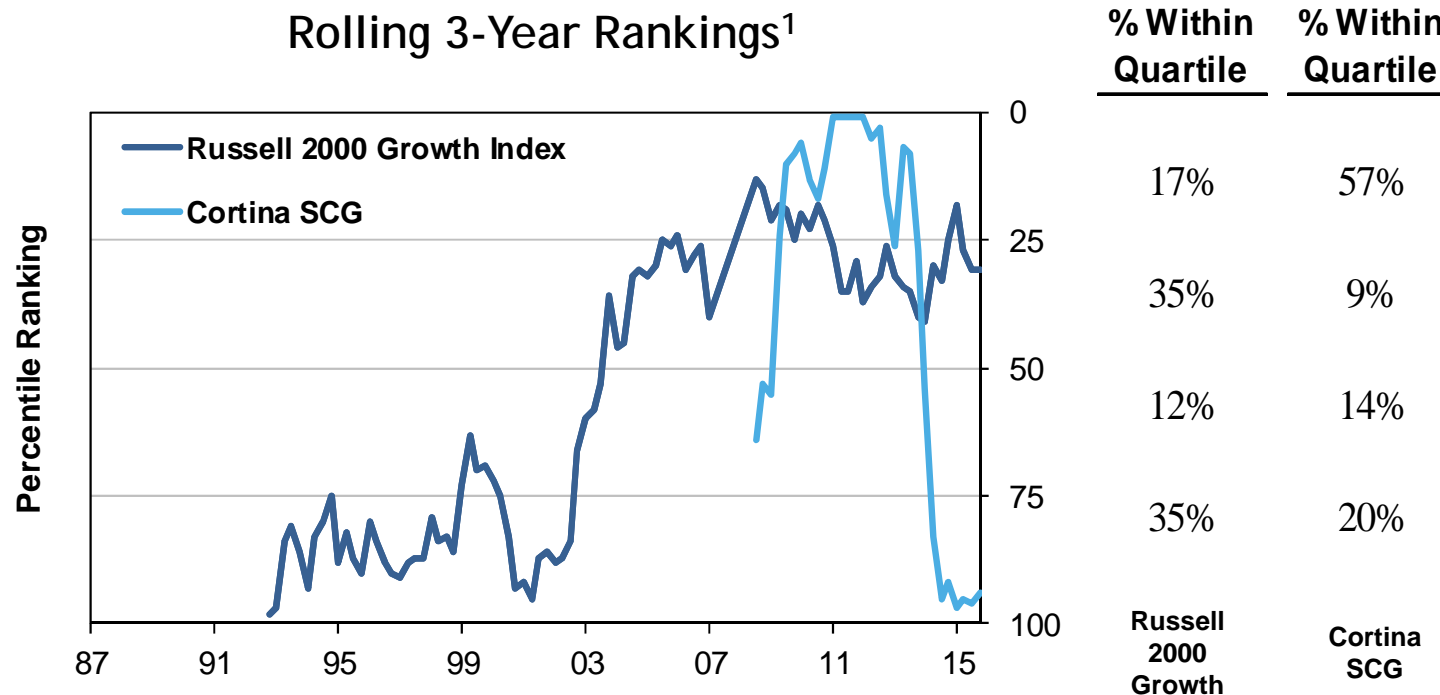


¹ Within the IM U.S. Small Cap Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

Small Cap Growth Equity

Through December 31, 2015

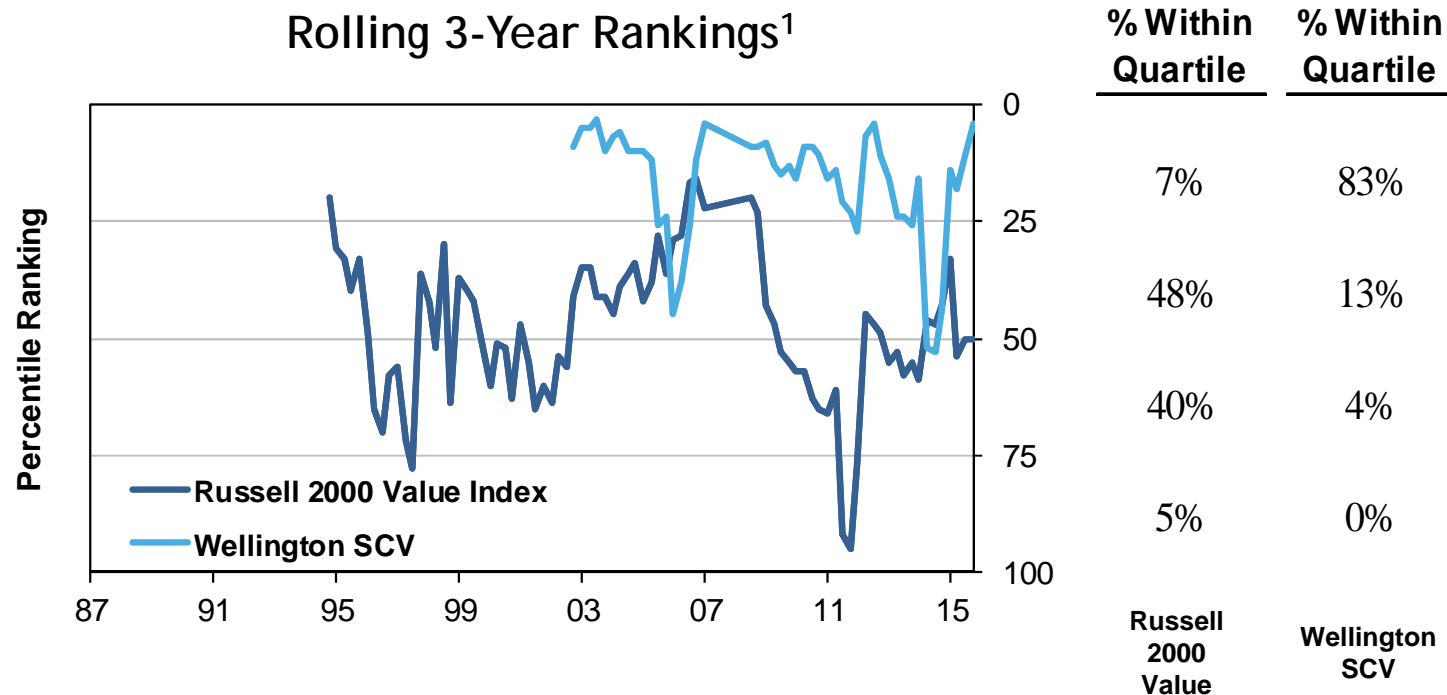


¹ Within the IM U.S. Small Cap Growth Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

Small Cap Value Equity

Through December 31, 2015

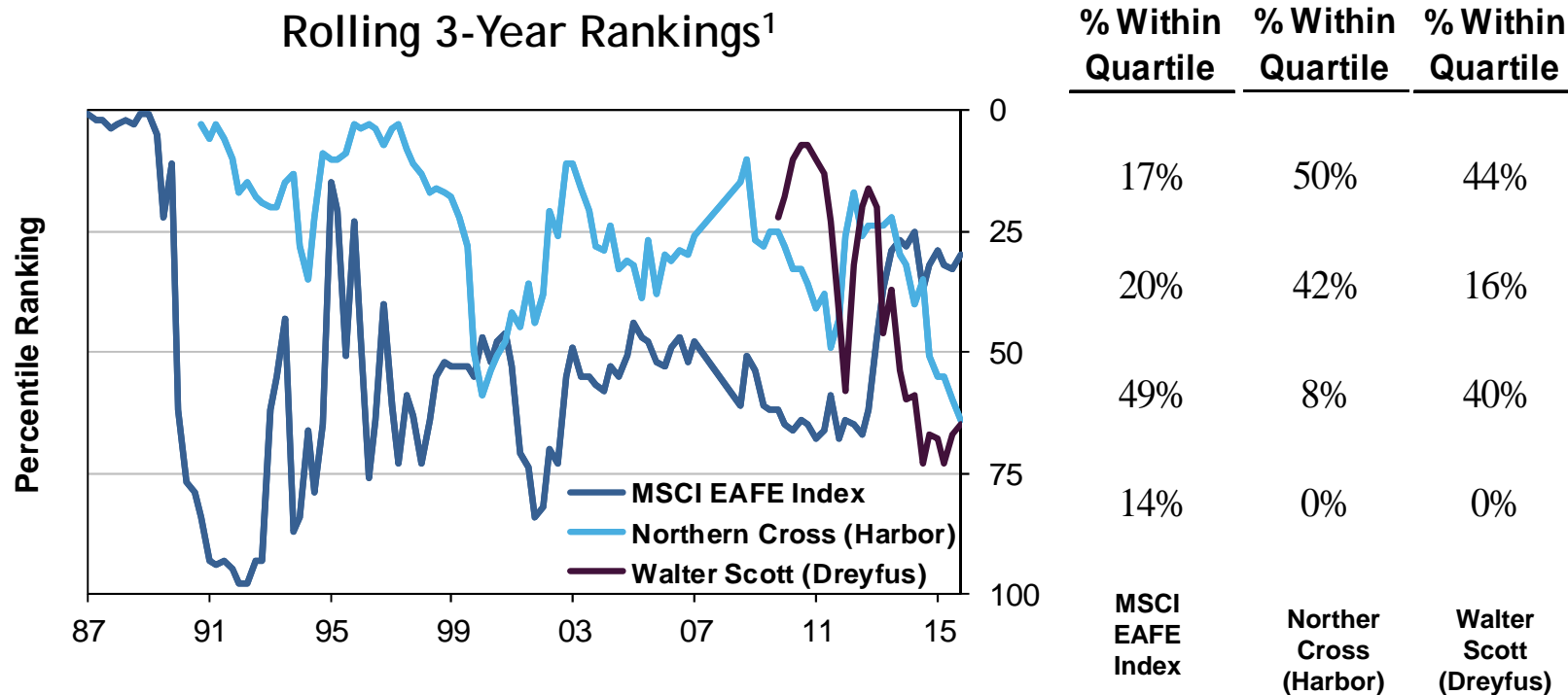


¹ Within the IM U.S. Small Cap Value Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

International Equity

Through December 31, 2015



¹ Within the IM International Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

Emerging Markets Equity

Through December 31, 2015

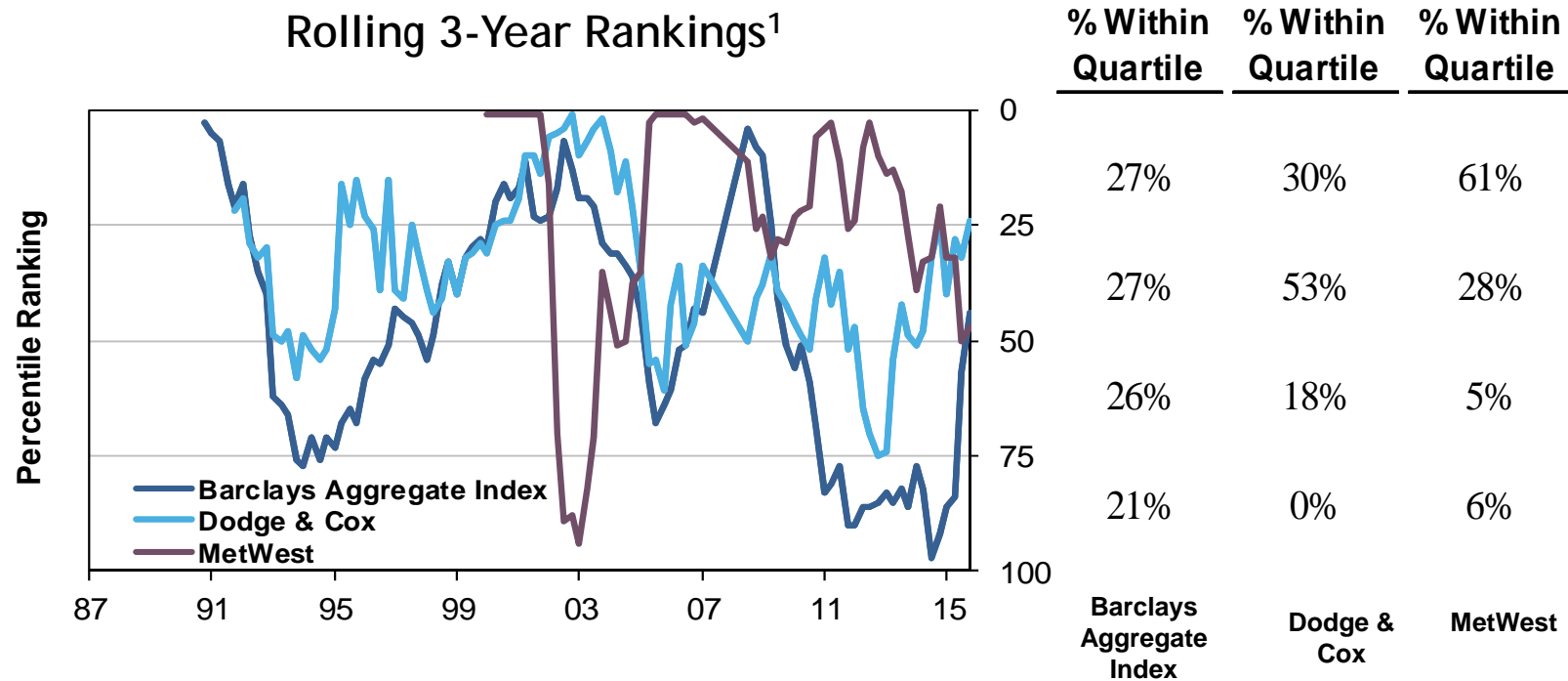


¹ Within the IM Emerging Markets Equity Peer Group; quarter-by-quarter basis. Note: Past performance is no guarantee of future results.

Active vs. Passive Performance

U.S. Fixed Income

Through December 31, 2015



¹ Within the IM U.S. Broad Market Core Plus Fixed Income Peer Group; quarter-by-quarter basis. Note: past performance is no guarantee of future results.



Surplus Cash Plan Comparison

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)				
	Market Value (\$)	%	Quarter	Year To Date	1 Year	Since Inception	Inception Period
Total Surplus Cash X District	676,772,289	100.0	1.8 (60)	-0.4 (42)	-0.4 (42)	4.4 (85)	3y 2m
Pre-Pavilion Surplus Cash Total Benchmark			0.4 (90)	0.2 (6)	0.2 (6)	3.0 (100)	
Surplus Cash Total Benchmark			2.1 (43)	-0.1 (35)	-0.1 (35)	4.3 (85)	
<i>All Health Care Plans > \$250 million Median*</i>			1.9	-0.5	-0.5	5.2	
Total Equity Composite	265,577,937	39.2	5.5	-1.0	-1.0	10.7	3y 2m
Russell 1000 Value Index (Pre-Pavilion)			5.6	-3.8	-3.8	13.1	
Total Equity Benchmark - Surplus			5.1	-2.2	-2.2	10.5	
Domestic Equity Composite	172,197,481	25.4	6.7	-0.2	-0.2	14.2	3y 2m
Russell 1000 Value Index (Pre-Pavilion)			5.6	-3.8	-3.8	13.1	
Domestic Equity Benchmark - Surplus			6.1	0.0	0.0	14.4	
Large Cap Equity Composite	142,430,864	21.0	7.2	0.5	0.5	15.2	3y 2m
Russell 1000 Value Index (Pre-Pavilion)			5.6	-3.8	-3.8	13.1	
Large Cap Equity Benchmark			6.8	1.1	1.1	14.8	
Small Cap Equity Composite	29,766,617	4.4	4.3	-3.4	-3.4	10.4	3y 2m
Small Cap Equity Benchmark			3.6	-4.4	-4.4	12.5	
International Equity Composite	93,380,456	13.8	3.4	-1.9	-1.9	3.3	3y 2m
MSCI AC World ex USA (Net)			3.2	-5.7	-5.7	3.1	
Total Fixed Income Composite	286,174,010	42.3	-0.2	0.0	0.0	1.3	3y 2m
Pre-Pavilion Total Fixed Income Benchmark - Surplus			-0.5	0.8	0.8	1.2	
Total Fixed Income Benchmark - Surplus			-0.5	0.6	0.6	1.3	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

The Pre-Pavilion Surplus Cash Total Benchmark consists of 15% Russell 1000 Value Index, 34% Barcalys U.S. Aggregate Index, 34% Barclays U.S. Intermediate Aggregate, and 17% Barclays 1-3 Year Government Index.

* All Health Care Plans > \$250 Million Median results are gross of fees.

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)				
	Market Value (\$)	%	Quarter	Year To Date	1 Year	Since Inception	Inception Period
Short Duration Fixed Income Composite	78,356,397	11.6	-0.1	0.7	0.7	0.6	3y 2m
Pre-Pavilion Short Duration Fixed Income Benchmark - Surplus			-0.5	1.0	1.0	1.1	
Short Duration Fixed Income Benchmark - Surplus			-0.4	0.7	0.7	0.7	
Market Duration Fixed Income Composite	207,817,613	30.7	-0.2	-0.4	-0.4	1.6	3y 2m
Barclays U.S. Aggregate			-0.6	0.5	0.5	1.4	
Total Alternatives Composite	125,020,342	18.5	-0.9	1.1	1.1	4.3	2y 8m
Total Alternatives Benchmark - Surplus			1.1	2.8	2.8	4.6	
Real Estate Composite	27,954,695	4.1	0.0	11.3	11.3	14.0	2y 4m
NCREIF Property Index			2.4	12.8	12.8	12.1	
Hedge Fund Composite	97,065,647	14.3	-1.2	-1.6	-1.6	2.3	2y 8m
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	2.8	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

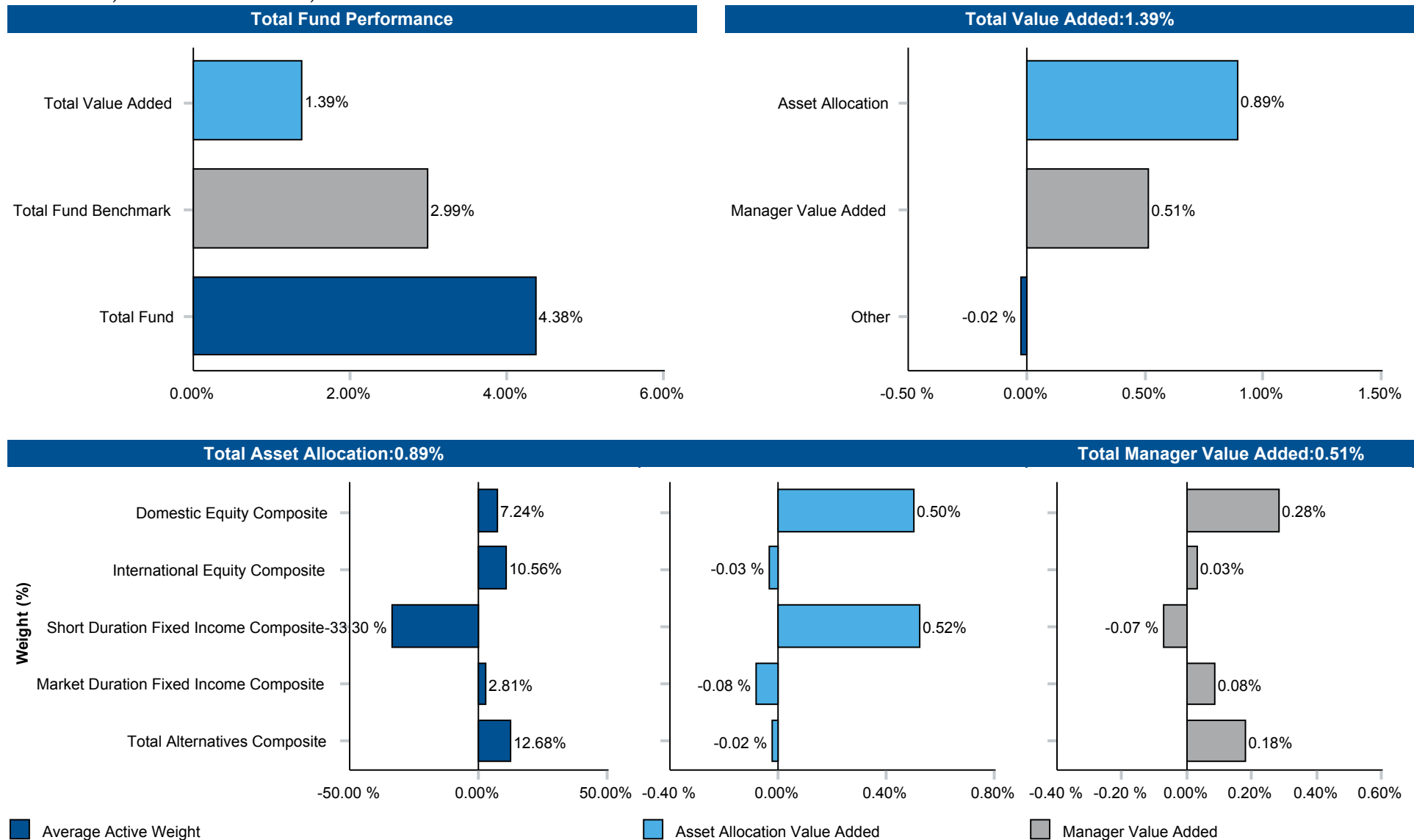
The Pre-Pavilion Surplus Cash Total Benchmark consists of 15% Russell 1000 Value Index, 34% Barclays U.S. Aggregate Index, 34% Barclays U.S. Intermediate Aggregate, and 17% Barclays 1-3 Year Government Index.

* All Health Care Plans > \$250 Million Median results are gross of fees.

Performance Summary

Total Surplus Cash X District Attribution

November 1, 2012 To December 31, 2015

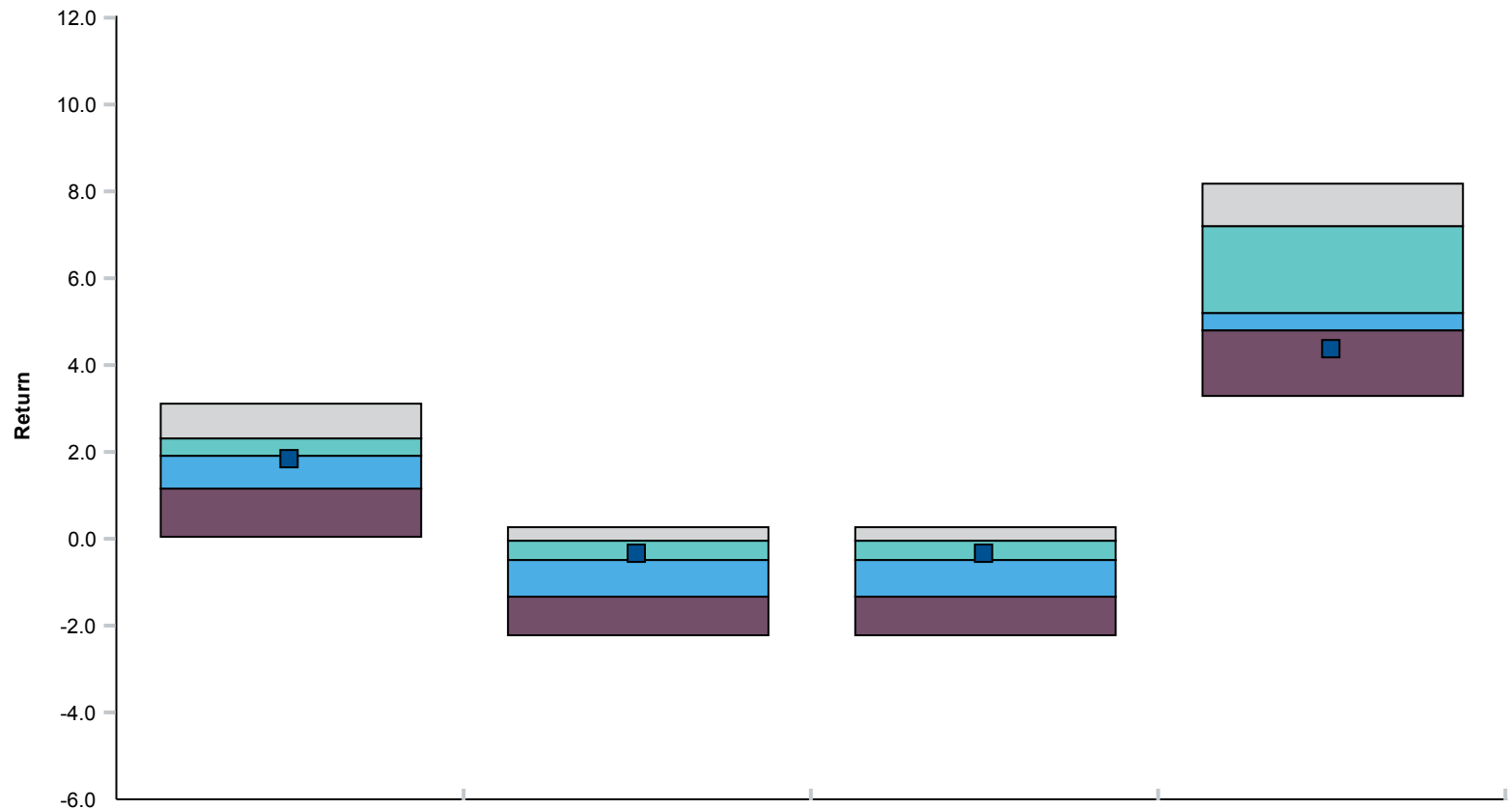


“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Plan Sponsor Peer Group Analysis

Total Surplus Cash X District Plan vs. Healthcare Plans - Return Comparison

As of December 31, 2015



■ Total Surplus Cash X District

	Quarter 1.8 (60)	Year To Date -0.4 (42)	1 Year -0.4 (42)	Since Inception 4.4 (85)
5th Percentile	3.1	0.3	0.3	8.2
1st Quartile	2.3	0.0	0.0	7.2
Median	1.9	-0.5	-0.5	5.2
3rd Quartile	1.2	-1.3	-1.3	4.8
95th Percentile	0.0	-2.2	-2.2	3.3

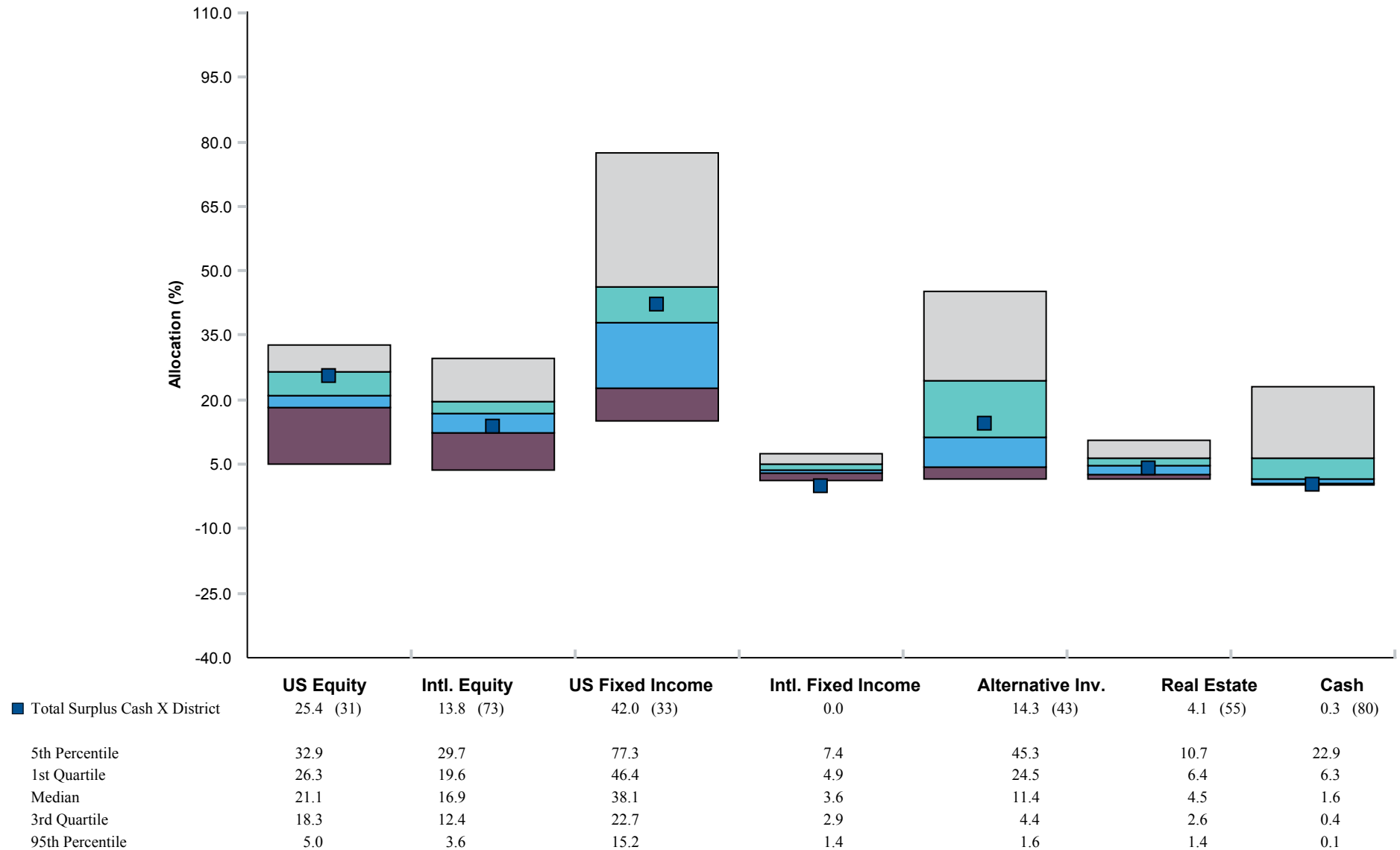
Parentheses contain percentile rankings.

The Healthcare Plans peer group contains 63 members. The information was sourced from BNY Mellon using only healthcare plans.

Plan Sponsor Peer Group Analysis

Total Surplus Cash X District Plan vs. Healthcare Plans - Asset Allocation Comparison

As of December 31, 2015



Parentheses contain percentile rankings.

The Healthcare Plans peer group contains 63 members. The information was sourced from BNY Mellon using only healthcare plans.

Performance Summary

Portfolio Risk Statistics

As of December 31, 2015

	Since Inception Return	Since Inception Standard Deviation	Since Inception Maximum Drawdown	Since Inception Best Quarter	Since Inception Worst Quarter	Since Inception Sharpe Ratio	Since Inception Sortino Ratio	Inception Period
Total Surplus Cash X District	4.4	4.1	-4.9	4.7	-3.9	1.1	1.1	3y 2m
Pre-Pavilion Surplus Cash Total Benchmark	3.0	2.2	-1.7	2.5	-1.4	1.3	4.1	
Surplus Cash Total Benchmark	4.3	4.1	-5.0	4.4	-3.8	1.0	1.1	
Total Equity Composite	10.7	10.4	-10.7	11.4	-9.0	1.0	1.2	3y 2m
Russell 1000 Value Index (Pre-Pavilion)	13.1	10.4	-10.2	12.3	-8.4	1.2	1.2	
Total Equity Benchmark - Surplus	10.5	10.5	-11.1	11.5	-9.4	1.0	1.0	
Domestic Equity Composite	14.2	10.6	-9.2	12.9	-8.0	1.3	1.5	3y 2m
Russell 1000 Value Index (Pre-Pavilion)	13.1	10.4	-10.2	12.3	-8.4	1.2	1.2	
Domestic Equity Benchmark - Surplus	14.4	10.6	-9.0	11.7	-7.7	1.3	1.4	
International Equity Composite	3.3	11.8	-14.3	10.6	-11.0	0.3	0.3	3y 2m
MSCI AC World ex USA (Net)	3.1	12.0	-16.8	11.1	-12.2	0.3	0.3	
Total Fixed Income Composite	1.3	1.8	-2.2	1.7	-1.9	0.7	0.7	3y 2m
Pre-Pavilion Total Fixed Income Benchmark - Surplus	1.2	2.0	-2.5	2.0	-2.2	0.6	0.7	
Total Fixed Income Benchmark - Surplus	1.3	2.1	-2.4	2.4	-2.1	0.6	0.7	
Short Duration Fixed Income Composite	0.6	0.5	-0.4	0.6	-0.3	1.0	1.2	3y 2m
Pre-Pavilion Short Duration Fixed Income Benchmark - Surplus	1.1	1.5	-1.8	1.3	-1.5	0.7	0.8	
Short Duration Fixed Income Benchmark - Surplus	0.7	0.6	-0.4	0.6	-0.4	1.2	1.4	
Market Duration Fixed Income Composite	1.6	2.4	-3.3	2.1	-2.8	0.6	0.6	3y 2m
Barclays U.S. Aggregate	1.4	2.8	-3.7	2.9	-3.2	0.5	0.5	
Total Alternatives Composite	4.3	3.1	-3.4	4.3	-2.6	1.3	4.7	2y 8m
Total Alternatives Benchmark - Surplus	4.6	2.9	-2.5	3.7	-1.9	1.6	6.0	
Real Estate Composite	14.0	7.3	-0.6	6.9	-0.5	1.8	34.4	2y 4m
NCREIF Property Index	12.1	0.4	0.0	3.6	2.4	29.9	N/A	
Hedge Fund Composite	2.3	3.8	-5.5	4.9	-3.9	0.6	0.6	2y 8m
HFRI Fund of Funds Composite Index	2.8	3.4	-4.6	3.7	-3.6	0.8	0.8	



Cash Balance Plan Comparison

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)				
	Market Value (\$)	%	Quarter	Year To Date	1 Year	Since Inception	Inception Period
Total Cash Balance Plan	216,367,319	100.0	3.1 (20)	0.9 (1)	0.9 (1)	7.6 (33)	3y 2m
Pre-Pavilion Total Cash Balance Plan Benchmark			3.2 (16)	-1.9 (63)	-1.9 (63)	8.4 (24)	
Total Cash Balance Plan Benchmark			2.6 (30)	0.1 (14)	0.1 (14)	6.6 (54)	
<i>All Corporate Plans \$100-500 Million Median*</i>			2.0	-1.5	-1.5	6.8	
Total Equity Composite	109,419,856	50.6	5.8	-1.0	-1.0	10.5	3y 2m
Russell 1000 Value Index (Pre-Pavilion)			5.6	-3.8	-3.8	13.1	
Total Equity Benchmark			5.2	-1.8	-1.8	10.3	
Domestic Equity Composite	72,618,682	33.6	6.8	-0.3	-0.3	14.4	3y 2m
Russell 1000 Value Index (Pre-Pavilion)			5.6	-3.8	-3.8	13.1	
Domestic Equity Benchmark			6.3	0.3	0.3	14.5	
Large Cap Equity Composite	62,507,702	28.9	7.2	0.3	0.3	15.1	3y 2m
Russell 1000 Value Index (Pre-Pavilion)			5.6	-3.8	-3.8	13.1	
Large Cap Equity Benchmark			6.8	1.1	1.1	14.8	
Small Cap Equity Composite	10,110,980	4.7	4.2	-3.4	-3.4	10.3	3y 2m
Small Cap Equity Benchmark			3.6	-4.4	-4.4	12.5	
International Equity Composite	36,801,174	17.0	3.8	-2.3	-2.3	3.4	3y 2m
MSCI AC World ex USA (Net)			3.2	-5.7	-5.7	3.1	
Total Fixed Income Composite	61,304,553	28.3	-0.1	-0.1	-0.1	1.6	3y 2m
Barclays U.S. Aggregate (Pre-Pavilion)			-0.6	0.5	0.5	1.4	
Total Fixed Income Benchmark			-0.5	0.6	0.6	1.2	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

The Pre-Pavilion Total Cash Balance Plan Benchmark consists of 60% Russell 1000 Value Index and 40% Barclays U.S. Aggregate Index.

* All Corporate Plans \$100-500 Million Median returns are gross of fees.

Performance Summary

Composite Asset Allocation & Performance

As of December 31, 2015

	Allocation		Performance(%)				
	Market Value (\$)	%	Quarter	Year To Date	1 Year	Since Inception	Inception Period
Short Duration Fixed Income Composite	8,941,773	4.1	-0.2	0.6	0.6	0.6	3y 2m
Short Duration Fixed Income Benchmark			-0.4	0.7	0.7	0.7	
Market Duration Fixed Income Composite	52,362,780	24.2	-0.1	-0.1	-0.1	2.1	3y 2m
Barclays U.S. Aggregate (Pre-Pavilion)			-0.6	0.5	0.5	1.4	
Total Alternatives Composite	45,642,910	21.1	1.3	7.1	7.1	10.3	3y 2m
Total Alternatives Benchmark			1.2	3.9	3.9	6.7	
Hedge Fund of Fund Composite	28,874,940	13.3	2.0	4.7	4.7	8.8	3y 2m
HFRI Fund of Funds Composite Index			0.6	-0.3	-0.3	4.2	
Real Estate Composite	16,767,970	7.7	0.0	11.3	11.3	13.1	3y
NCREIF Property Index			2.4	12.8	12.8	11.9	

Returns are expressed as percentages. Returns for periods greater than one year are annualized.

Peer group percentile ranks are shown in parentheses.

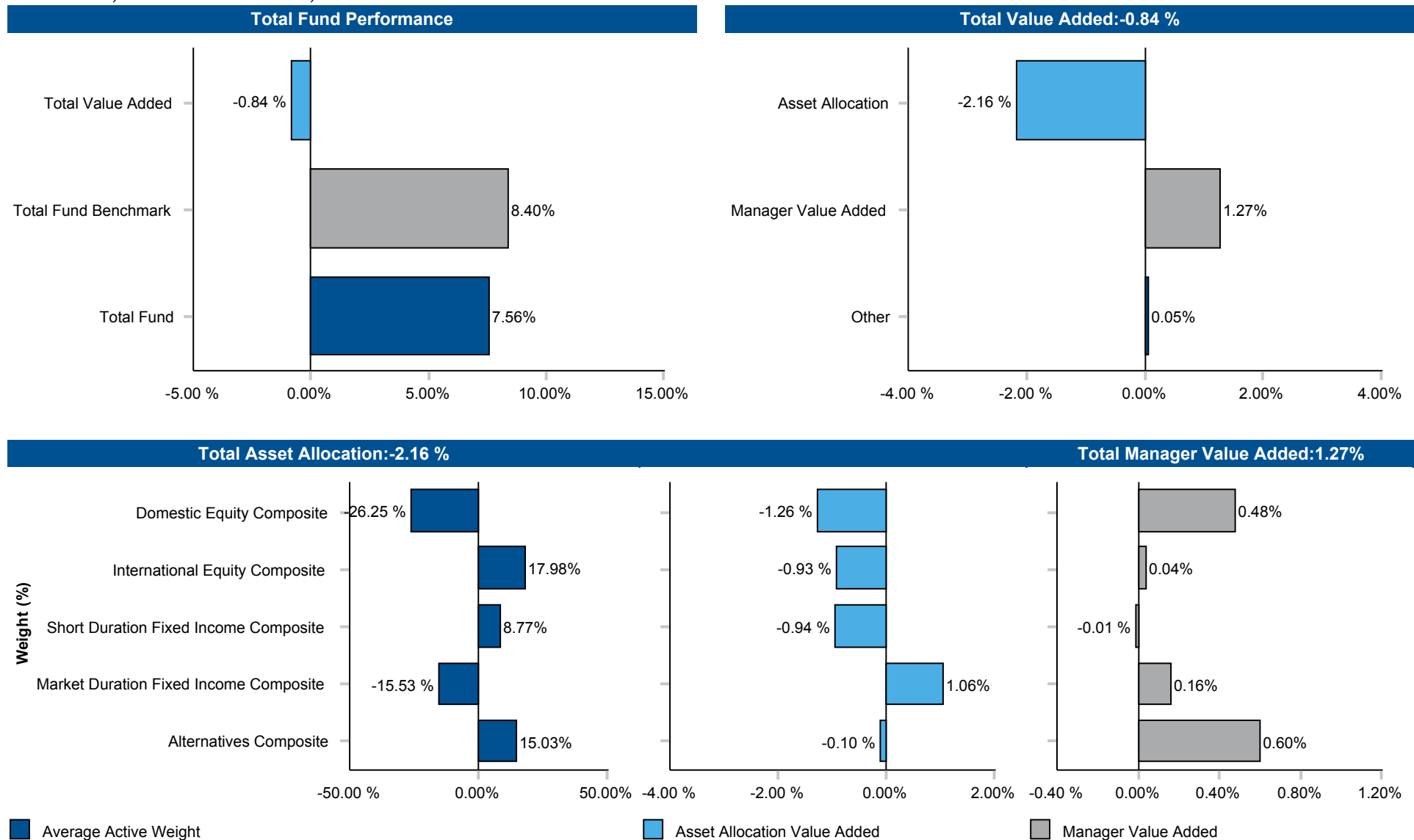
The Pre-Pavilion Total Cash Balance Plan Benchmark consists of 60% Russell 1000 Value Index and 40% Barclays U.S. Aggregate Index.

* All Corporate Plans \$100-500 Million Median returns are gross of fees.

Performance Summary

Total Cash Balance Plan Attribution

November 1, 2012 To December 31, 2015

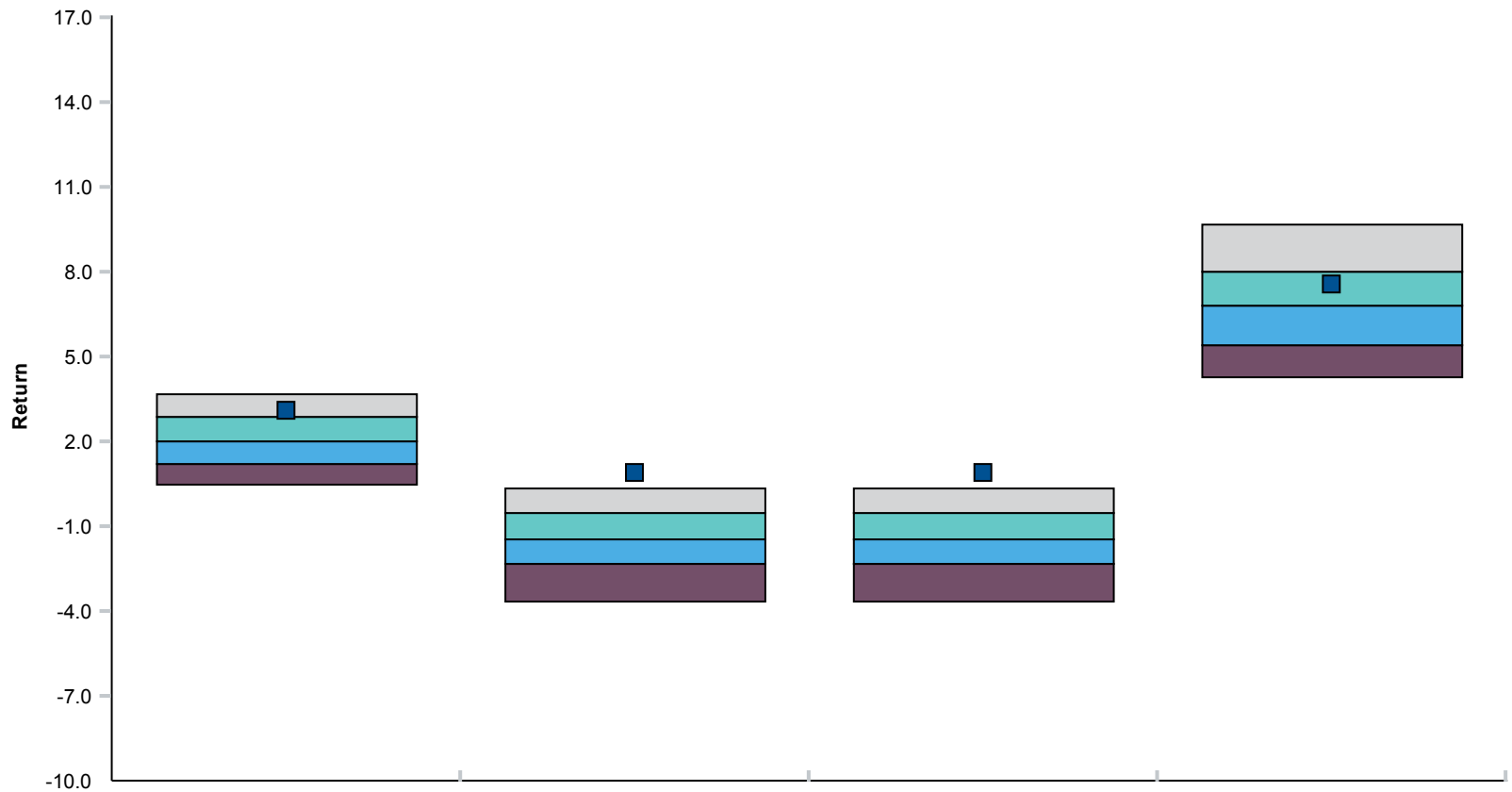


“Other” includes the effects of all other factors on the Fund’s relative return, including rebalancing and other trading activity.

Plan Sponsor Peer Group Analysis

Total Cash Balance Plan vs. Corporate Plans - Return Comparison

As of December 31, 2015



■ Total Cash Balance Plan

5th Percentile
1st Quartile
Median
3rd Quartile
95th Percentile

Quarter
3.1 (20)

Year To Date
0.9 (1)

1 Year
0.9 (1)

Since Inception
7.6 (33)

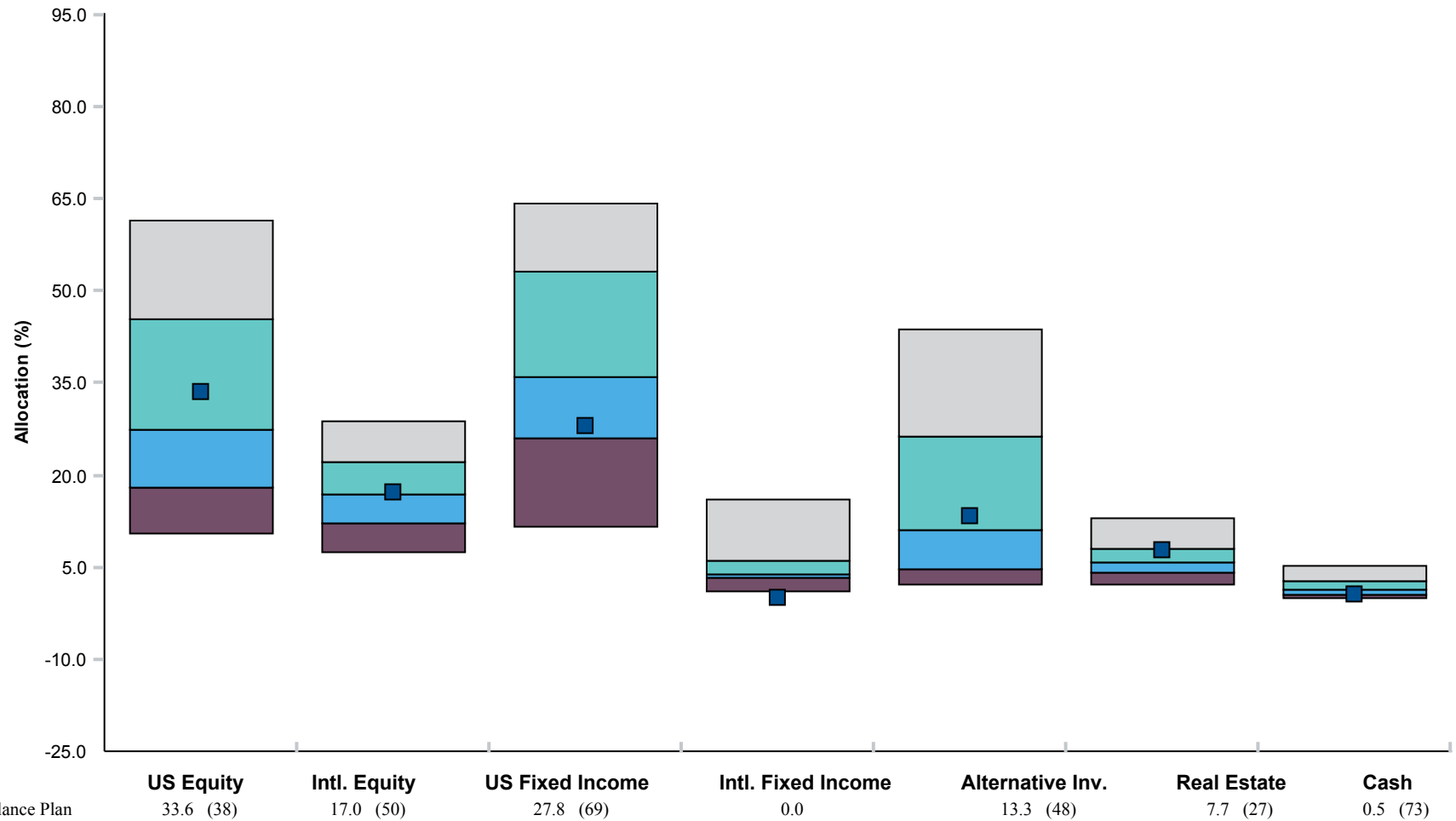
Parentheses contain percentile rankings.

The Corporate Plans peer group contains 25 members. The information was sourced from BNY Mellon using only corporate plans with assets in between \$150-250 million.

Plan Sponsor Peer Group Analysis

Total Cash Balance Plan vs. Corporate Plans - Asset Allocation Comparison

As of December 31, 2015



Parentheses contain percentile rankings.

The Corporate Plans peer group contains 25 members. The information was sourced from BNY Mellon using only corporate plans with assets in between \$150-250 million.

Performance Summary

Portfolio Risk Statistics

As of December 31, 2015

	Since Inception Return	Since Inception Standard Deviation	Since Inception Maximum Drawdown	Since Inception Best Quarter	Since Inception Worst Quarter	Since Inception Sharpe Ratio	Since Inception Sortino Ratio	Inception Period
Total Cash Balance Plan	7.6	5.8	-5.6	7.2	-4.7	1.3	1.5	3y 2m
Pre-Pavilion Total Cash Balance Plan Benchmark	8.4	6.3	-6.2	7.2	-4.7	1.3	4.5	
Total Cash Balance Plan Benchmark	6.6	5.6	-5.8	6.5	-4.5	1.2	1.2	
Total Equity Composite	10.5	10.4	-10.8	11.2	-9.0	1.0	1.2	3y 2m
Russell 1000 Value Index (Pre-Pavilion)	13.1	10.4	-10.2	12.3	-8.4	1.2	1.2	
Total Equity Benchmark	10.3	10.4	-11.0	11.4	-9.2	1.0	1.0	
Domestic Equity Composite	14.4	10.6	-9.3	12.9	-8.0	1.3	1.5	3y 2m
Russell 1000 Value Index (Pre-Pavilion)	13.1	10.4	-10.2	12.3	-8.4	1.2	1.2	
Domestic Equity Benchmark	14.5	10.4	-8.9	11.5	-7.5	1.4	1.5	
International Equity Composite	3.4	11.9	-14.3	9.8	-11.0	0.3	0.3	3y 2m
MSCI AC World ex USA (Net)	3.1	12.0	-16.8	11.1	-12.2	0.3	0.3	
Total Fixed Income Composite	1.6	1.9	-2.2	1.7	-1.8	0.8	0.8	3y 2m
Barclays U.S. Aggregate (Pre-Pavilion)	1.4	2.8	-3.7	2.9	-3.2	0.5	0.5	
Total Fixed Income Benchmark	1.2	2.1	-2.7	2.2	-2.3	0.5	0.6	
Short Duration Fixed Income Composite	0.6	0.5	-0.3	0.5	-0.2	1.1	1.3	3y 2m
Short Duration Fixed Income Benchmark	0.7	0.6	-0.4	0.6	-0.4	1.2	1.4	
Market Duration Fixed Income Composite	2.1	2.5	-3.1	2.2	-2.6	0.8	0.8	3y 2m
Barclays U.S. Aggregate (Pre-Pavilion)	1.4	2.8	-3.7	2.9	-3.2	0.5	0.5	
Total Alternatives Composite	10.3	3.4	-1.1	5.2	-0.4	2.9	22.4	3y 2m
Total Alternatives Benchmark	6.7	2.2	-1.9	3.4	-1.4	2.9	12.7	
Hedge Fund of Fund Composite	8.8	4.0	-3.1	6.2	-2.1	2.1	9.5	3y 2m
HFRI Fund of Funds Composite Index	4.2	3.4	-4.6	3.8	-3.6	1.2	1.2	
Real Estate Composite	13.1	7.0	-0.7	6.9	-0.7	1.8	28.0	3y
NCREIF Property Index	11.9	0.4	0.0	3.6	2.4	31.3	N/A	



Appendix

Statistical Definitions

Risk Statistics

As of December 31, 2015

Statistics	Definition
Return	- Compounded rate of return for the period.
Standard Deviation	- A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.
Maximum Drawdown	- The drawdown is defined as the percent retrenchment from a fund's peak value to the fund's valley value. It is in effect from the time the fund's retrenchment begins until a new fund high is reached. The maximum drawdown encompasses both the period from the fund's peak to the fund's valley (length), and the time from the fund's valley to a new fund high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record.
Best Quarter	- The best of rolling 3 months(or 1 quarter) cumulative return.
Worst Quarter	- The worst of rolling 3 months(or 1 quarter) cumulative return.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Sortino Ratio	- A ratio developed by Frank A. Sortino to differentiate between good and bad volatility in the Sharpe ratio. This differentiation of upwards and downwards volatility allows the calculation to provide a risk-adjusted measure of a security or fund's performance without penalizing it for upward price changes.

Approved 2016 Goals



INVESTMENT COMMITTEE

Goals for FY 2016 - Progress as of January 13, 2016

Purpose

The purpose of the Investment Committee is to develop and recommend to El Camino Hospital Board of Directors the investment policies governing the Hospital's assets, maintain current knowledge of the management and investment of the invested funds of the Hospital, and provide oversight of the allocation of the investment assets.

Staff: Iftikhar Hussain, CFO

The CFO shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the hospital staff may participate in the Committee meetings upon the recommendation of the CFO and subsequent approval from the Committee Chair. The CEO is an ex-officio member of this Committee.

Goals	Timeline by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable)	Metrics
1. Review performance of consultant recommendations of managers and asset allocations.	▪ Each quarter –Ongoing	▪ Investment Committee to review selection of money managers; recommendations are made to CFO
2. Review current investment strategy of using active managers vs. passive allocation.	▪ Q3 – Committee to review at February 2016 meeting	▪ Recommend to the Board by December 2015 (Recommendation will be brought to the Board in March 2016)
3. Educate Board and Committee on trends regarding environment, social, and governance (socially responsible investing).	▪ Q1- Completed at November meeting for the Committee.	▪ To be completed by September 2015
4. Review/revise Executive Dashboard.	▪ Each quarter - Ongoing	▪ To be completed by June 2016
5. At least once a year meet with the Finance Committee to help align investment philosophy with capital and cash flow needs.	▪ No later than Q4 – On track, scheduled for January 2016.	▪ To be completed by Q4

Submitted by: Iftikhar Hussain, Executive Sponsor, Investment Committee

Board Approved – June 10, 2015

Proposed 2017 Goals



INVESTMENT COMMITTEE

Goals for FY 2017

Purpose

The purpose of the Investment Committee is to develop and recommend to El Camino Hospital Board of Director the investment policies governing the Hospital's assets, maintain current knowledge of the management and investment of the invested funds of the Hospital, and provide oversight of the allocation of the investment assets.

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Goals	Timeline by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable)	Metrics
1. Review performance of consultant recommendations of managers and asset allocations.	▪ Each quarter –Ongoing	▪ Investment Committee to review selection of money managers; recommendations are made to CFO
2. Educate Board and Committee: Investment strategy adjustments in low return environment	▪ Q1	▪ Complete by end of Q1
3. Review/revise Executive Dashboard.	▪ Each quarter - Ongoing	▪ Completed by June 2017
4. Meet with the Finance Committee to help align investment philosophy with capital and cash flow needs.	▪ Q4.	▪ Completed by end of Q4

Submitted by: Iftikhar Hussain, Executive Sponsor, Investment Committee