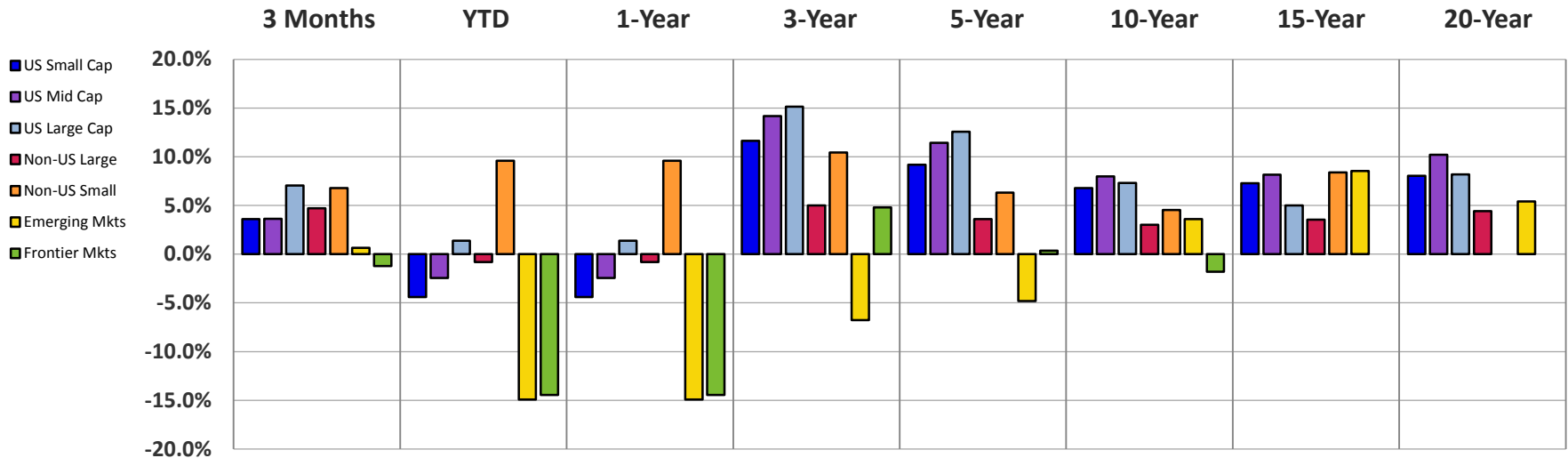


## World Equity Performance

Quarter Ending December 31, 2015

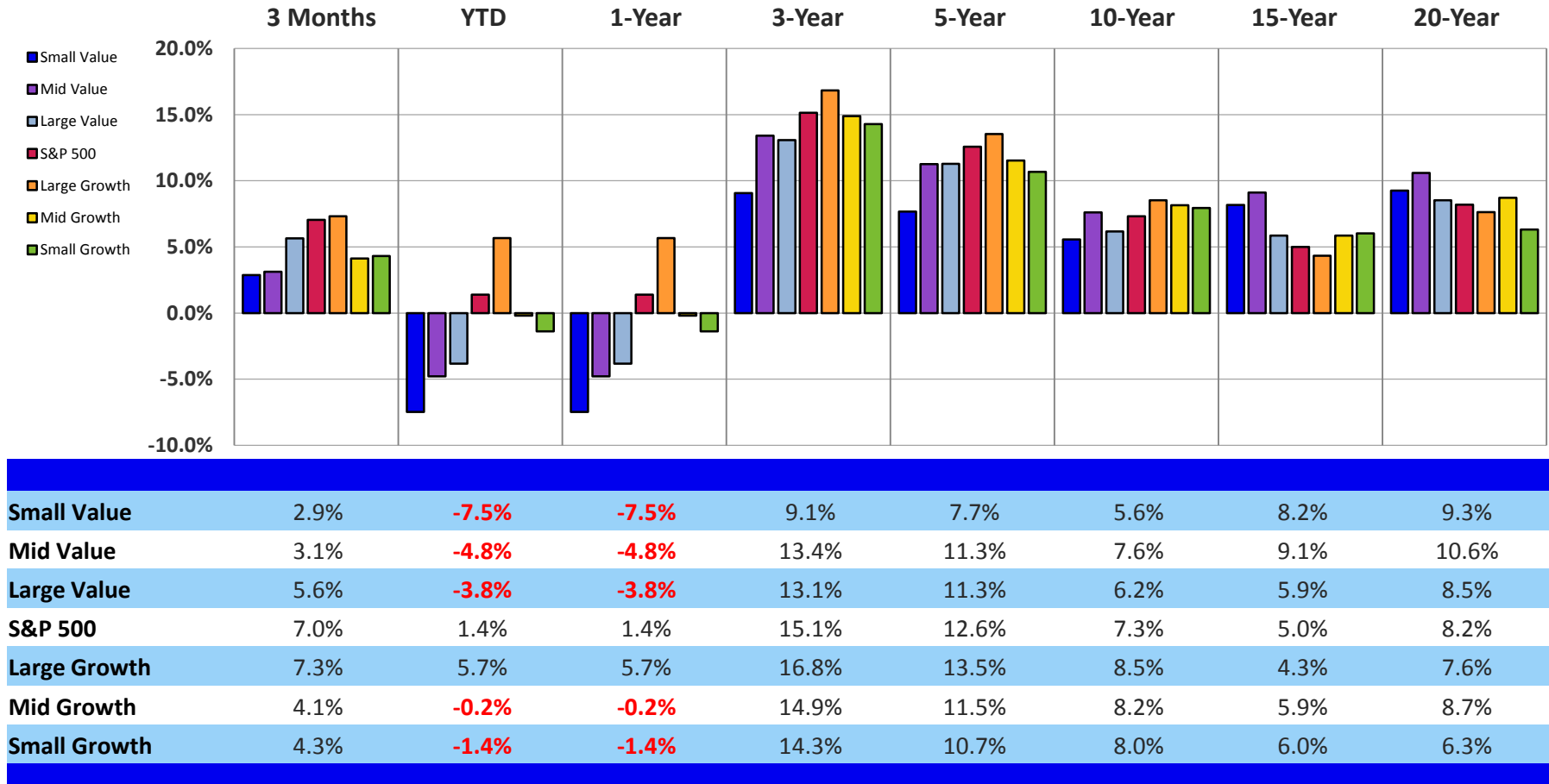


<b>US Small Cap</b>	3.6%	<b>-4.4%</b>	<b>-4.4%</b>	11.7%	9.2%	6.8%	7.3%	8.0%
<b>US Mid Cap</b>	3.6%	<b>-2.4%</b>	<b>-2.4%</b>	14.2%	11.4%	8.0%	8.2%	10.2%
<b>US Large Cap</b>	7.0%	1.4%	1.4%	15.1%	12.6%	7.3%	5.0%	8.2%
<b>Non-US Large</b>	4.7%	<b>-0.8%</b>	<b>-0.8%</b>	5.0%	3.6%	3.0%	3.5%	4.4%
<b>Non-US Small</b>	6.8%	9.6%	9.6%	10.4%	6.3%	4.6%	8.4%	
<b>Emerging Mkts</b>	0.7%	<b>-14.9%</b>	<b>-14.9%</b>	<b>-6.8%</b>	<b>-4.8%</b>	3.6%	8.5%	5.4%
<b>Frontier Mkts</b>	<b>-1.2%</b>	<b>-14.5%</b>	<b>-14.5%</b>	4.8%	0.4%	<b>-1.8%</b>		

World equity indices ended what was, by all accounts, a volatile year with strong performance in the 4<sup>th</sup> quarter. US Large Cap led for the quarter, posting a robust 7.0% return, followed closely by Non-US Small which returned 6.8% for the quarter. Frontier Markets posted the only negative return for the quarter, returning -1.2%. Annual results for 2015 were mixed, as slow but steady growth in the US was offset by recessionary pressures in China and other Emerging Market countries, continued falling commodity prices, and global geopolitical unrest.

## U.S. Equity Style Performance

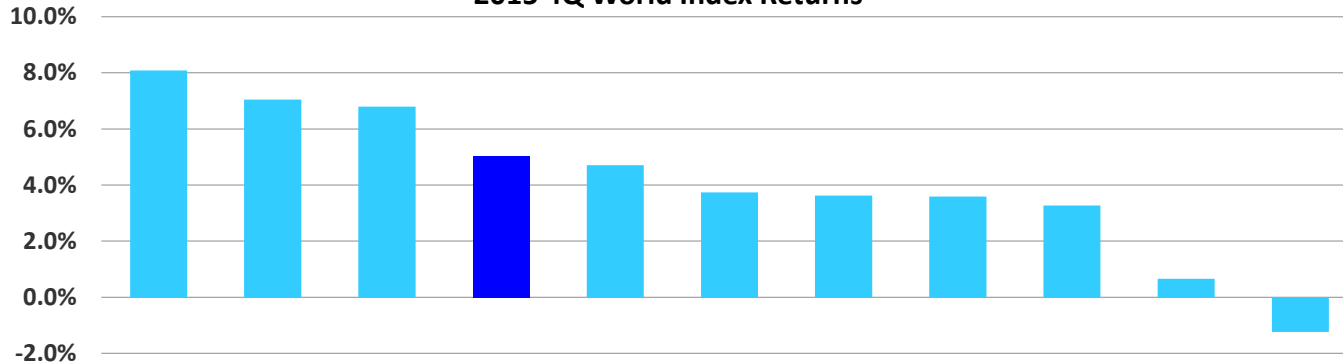
Quarter Ending December 31, 2015



Uncertainty regarding US monetary policy finally ended in December as the Federal Reserve boosted its key interest rate 0.25%. In terms of equity performance, the 4<sup>th</sup> quarter brought no major changes as investors continued to favor growth stocks over value and larger companies over their smaller counterparts. The outperformance of growth and large cap has now persisted for five full years. However, looking out to the long term (15 years), significant performance premiums still exist in both small cap and value stocks.

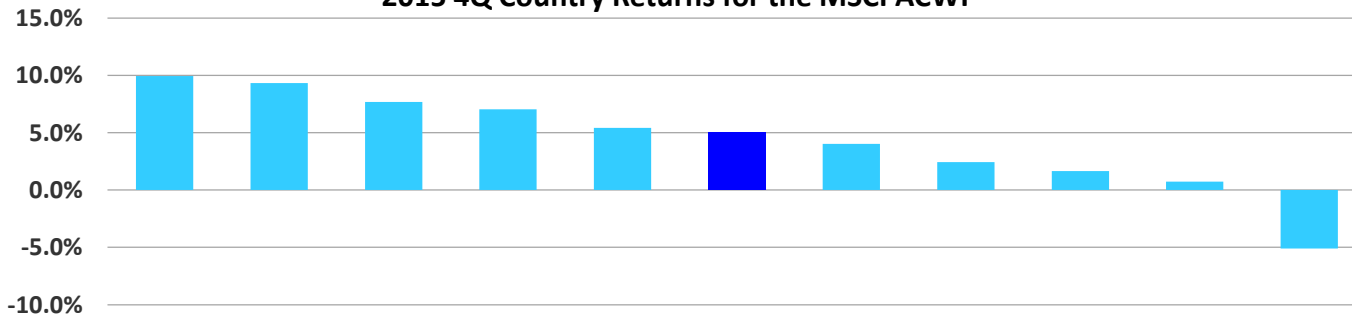
## Equity Performance Breakdown

### 2015 4Q World Index Returns



	S&P 100	S&P 500	MSCI EAFE Small Cap	MSCI ACWI	MSCI EAFE	Russell Micro Cap	Russell Mid Cap	Russell 2000	MSCI Emrg Small Cap	MSCI Emerging Markets	MSCI Frontier Markets
<b>2015 4Q Return</b>	8.1%	7.0%	6.8%	5.0%	4.7%	3.7%	3.6%	3.6%	3.3%	0.7%	<b>-1.2%</b>

### 2015 4Q Country Returns for the MSCI ACWI



	Australia	Japan	Germany	U.S.	South Korea	MSCI ACWI Index	China	Switzerland	France	United Kingdom	Canada
<b>2015 4Q Return</b>	10.0%	9.3%	7.7%	7.0%	5.4%	5.0%	4.0%	2.4%	1.7%	0.7%	<b>-5.1%</b>
<b>Weight in ACWI</b>	2.4%	8.1%	3.1%	53.1%	1.5%	-	2.6%	3.3%	3.4%	6.7%	2.8%

The MSCI All Country World Index returned 5.0% for the 4<sup>th</sup> quarter. Emerging and Frontier Market stock performance was particularly hurt by falling commodity prices and renewed China growth concerns. World markets were led by US Large Cap (S&P 100 & S&P 500) and International Small Cap stocks.

Japanese equities, boosted by a weak Yen and increased stimulus measures introduced by the Bank of Japan, had a particularly strong quarter returning 9.3%. Many large European countries lagged for the quarter despite the European Central Bank cutting the key deposit rate to -0.3% and extending the already massive stimulus program as investors expected an even larger easing in monetary policy.

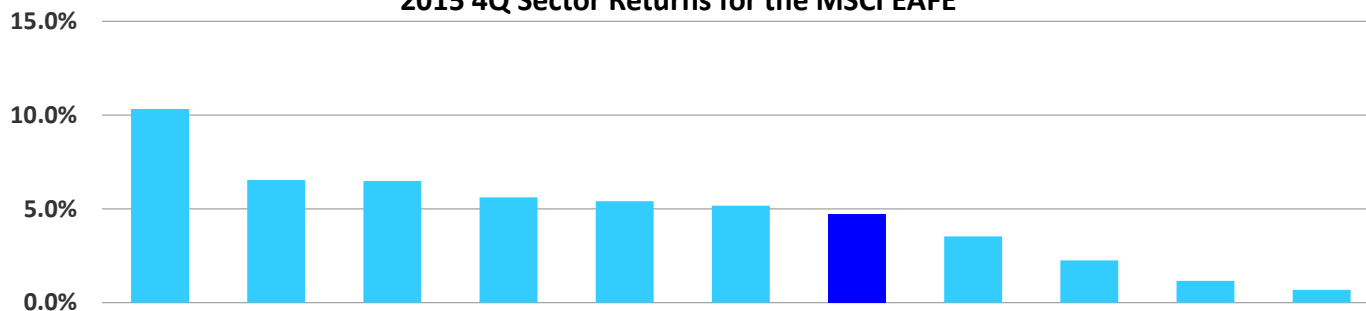
## Equity Performance Breakdown

### 2015 4Q Sector Returns for the S&P 500



	Materials	Health Care	Technology	Industrials	Consumer Staples	Telecomm	S&P 500 Index	Financials	Consumer Discretionary	Utilities	Energy
<b>2015 4Q Return</b>	9.7%	9.2%	9.2%	8.0%	7.6%	7.6%	7.0%	6.0%	5.8%	1.1%	0.2%
<b>Weight in S&amp;P</b>	2.8%	15.2%	20.7%	10.0%	10.1%	2.4%	-	16.5%	12.9%	3.0%	6.5%

### 2015 4Q Sector Returns for the MSCI EAFE



	Technology	Industrials	Telecomm	Consumer Discretionary	Health Care	Consumer Staples	MSCI EAFE Index	Financials	Utilities	Materials	Energy
<b>2015 4Q Return</b>	10.3%	6.5%	6.5%	5.6%	5.4%	5.2%	4.7%	3.5%	2.2%	1.2%	0.7%
<b>Weight in EAFE</b>	5.2%	12.6%	4.9%	13.2%	11.9%	11.9%	-	25.6%	3.8%	6.4%	4.5%

Despite a strong start to the quarter, when it looked like Energy stocks may have finally found a bottom, renewed fears over China's economy and global commodity demand sent Energy stocks to the bottom of the heap once again. Rate sensitive sectors such as Utilities lagged as the Fed finally moved rates slightly higher in December. Materials (9.7%), Healthcare (9.2%), and Technology (9.2%) led for the quarter mostly on positive company specific news and increased M&A activity. Merger activity continued at a record pace during the quarter, led by the \$160 billion Pfizer/Allergan deal.

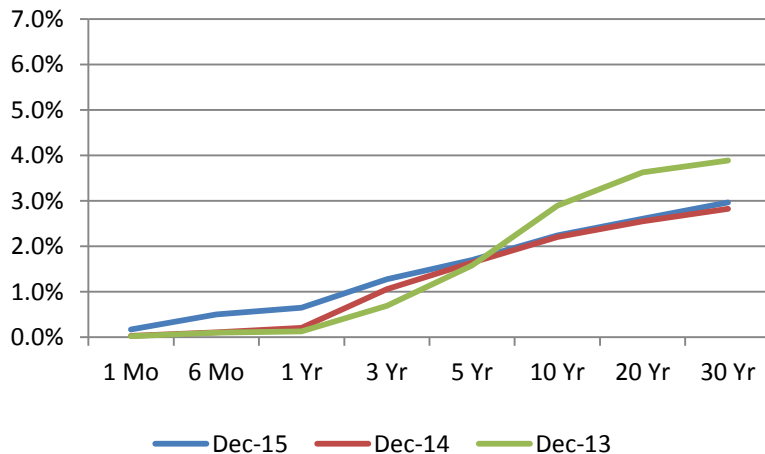
Energy stocks started strong but finished the quarter lagging the broad markets significantly, mirroring their performance in the US markets. Technology returned 10.3% for the quarter and led all other sectors by a wide margin, fueled mostly by improving profit outlooks for specific companies. Also of note, beverage stocks rallied as AB InBev announced plans to acquire rival SABMiller for \$104 billion.

## Fixed Income Performance

Fixed Income Rates of Return		2015 4Q	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Market Indices</b>	Barclays Aggregate Bond	-0.57%	0.55%	0.55%	1.44%	3.25%	4.51%
	Barclays Government/Credit	-0.74%	0.15%	0.15%	1.21%	3.39%	4.47%
<b>Intermediate Indices</b>	Barclays Intermediate Aggregate	-0.51%	1.21%	1.21%	1.41%	2.74%	4.26%
	Barclays Intermediate Govt/Credit	-0.69%	1.07%	1.07%	1.10%	2.58%	4.04%
<b>Government Only Indices</b>	Citi 3 Month Treasury	0.01%	0.03%	0.03%	0.04%	0.05%	1.17%
	Barclays 1-3 Year Government	-0.43%	0.57%	0.57%	0.53%	0.73%	2.51%
	Barclays Intermediate Government	-0.84%	1.18%	1.18%	0.81%	2.02%	3.70%
	Barclays US TIPS	-0.64%	-1.44%	-1.44%	-2.28%	2.54%	3.93%
	Barclays Long Term Government	-1.38%	-1.16%	-1.16%	2.55%	7.65%	6.67%
<b>Municipal Indices</b>	Barclays Municipal	1.50%	3.30%	3.30%	3.16%	5.35%	4.72%
	Barclays 1 Year Municipal	-0.04%	0.61%	0.61%	0.67%	0.88%	2.11%
	Barclays 10 Year Municipal	1.60%	3.76%	3.76%	3.34%	5.55%	5.20%
	Barclays 20 Year Municipal	2.12%	3.93%	3.93%	3.94%	7.08%	5.39%
<b>Mortgage Backed Indices</b>	Barclays Mortgage Backed Securities	-0.10%	1.51%	1.51%	2.01%	2.96%	4.63%
<b>Corporate Bond Indices</b>	Barclays Credit	-0.52%	-0.77%	-0.77%	1.49%	4.38%	5.18%
	Barclays High Yield US Corporate	-2.07%	-4.47%	-4.47%	1.69%	5.04%	6.96%
<b>World Bond Indices</b>	Citi World Government Bond	-1.23%	-3.57%	-3.57%	-2.69%	-0.08%	3.44%
	Citi Global Emerging Market Sovereign	1.19%	0.62%	0.62%	0.34%	5.21%	6.99%

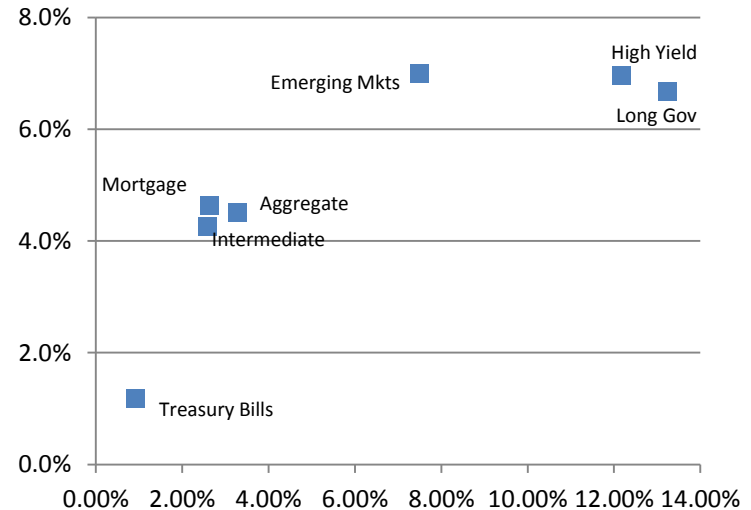
Source: PSN Enterprise

### United States Yield Curve



Source: United States Federal Reserve

### 10 Yr Risk vs Return - Selected Indices



# Annual Returns of Major Indices for Last 20 Years

Ranked from Highest Return to Lowest

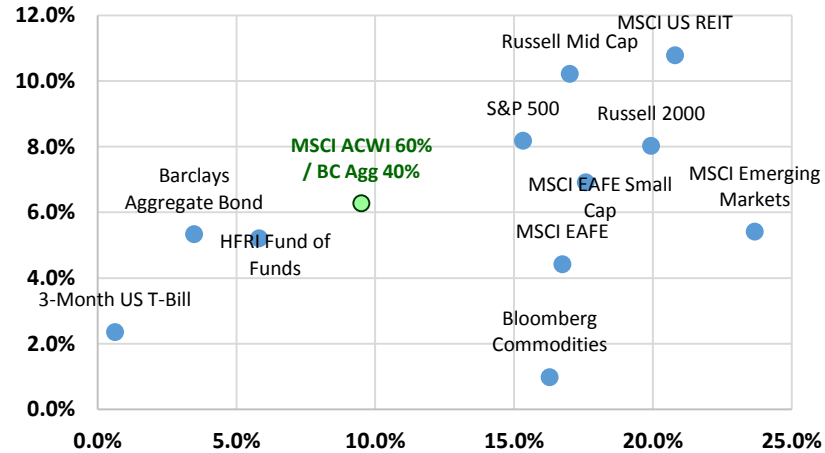
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
							MSCI EAFE Sml 61.3%	MSCI US REIT 31.5%	MSCI Frntr Mkt 72.8%				MSCI Emrg Mkt 79.0%	MSCI US REIT 28.5%					
MSCI US REIT 35.9%							MSCI Emrg Mkt 56.3%	MSCI EAFE Sml 31.4%	MSCI Emrg Mkt 34.6%	MSCI US REIT 35.9%			MSCI EAFE Sml 46.8%	Russell 2000 26.9%		MSCI EAFE Sml 20.0%			
DJ UBS Cmdty 23.2%							Russell 2000 47.3%	MSCI Emrg Mkt 25.9%	MSCI EAFE Sml 26.2%	MSCI Emrg Mkt 32.6%	MSCI Frntr Mkt 42.1%		Russell Mid Cap 40.5%	Russell Mid Cap 25.5%		MSCI Emrg Mkt 18.6%			
S&P 500 23.0%			MSCI Emrg Mkt 66.4%				MSCI Frntr Mkt 43.6%	MSCI Frntr Mkt 22.7%	DJ UBS Cmdty 21.4%	MSCI EAFE 26.3%	MSCI Emrg Mkt 39.8%		Russell Mid Cap 31.8%	MSCI Frntr Mkt 24.2%		MSCI US REIT 17.8%	Russell 2000 38.8%		
Russell Mid Cap 19.0%	S&P 500 33.4%		MSCI EAFE 27.0%				Russell Mid Cap 40.1%	MSCI EAFE 20.3%	MSCI EAFE 13.5%	MSCI EAFE Sml 19.4%	DJ UBS Cmdty 16.2%		MSCI US REIT 28.6%	MSCI EAFE Sml 22.1%		MSCI EAFE 17.3%	Russell Mid Cap 34.8%	MSCI US REIT 30.4%	
Russell 2000 16.5%	Russell Mid Cap 29.0%		HFRI Hedge FoF 26.5%				MSCI EAFE 38.6%	Russell Mid Cap 20.2%	Russell Mid Cap 12.7%	Russell 2000 18.4%	MSCI EAFE 11.2%		Russell 2000 27.2%	MSCI Emrg Mkt 19.2%		Russell Mid Cap 17.3%	S&P 500 32.4%	S&P 500 13.7%	
HFRI Hedge FoF 14.4%	Russell 2000 22.4%	S&P 500 28.6%	DJ UBS Cmdty 24.4%				MSCI US REIT 36.8%	Russell 2000 18.3%	MSCI US REIT 12.1%	S&P 500 15.8%	HFRI Hedge FoF 10.3%		S&P 500 26.5%	DJ UBS Cmdty 16.8%		Russell 2000 16.4%	MSCI EAFE Sml 29.3%	Russell Mid Cap 13.2%	
60/40 Mix 9.5%	MSCI US REIT 18.6%	MSCI EAFE 20.0%	Russell 2000 21.3%	DJ UBS Cmdty 31.8%			S&P 500 28.7%	60/40 Mix 10.9%	60/40 Mix 7.5%	Russell Mid Cap 15.3%	60/40 Mix 9.9%		60/40 Mix 23.3%	S&P 500 15.1%		S&P 500 16.0%	MSCI Frntr Mkt 26.3%	MSCI Frntr Mkt 7.2%	
MSCI EAFE 6.1%	HFRI Hedge FoF 16.2%	60/40 Mix 18.9%	S&P 500 21.0%	MSCI US REIT 26.8%	MSCI US REIT 12.8%	DJ UBS Cmdty 25.9%	DJ UBS Cmdty 23.9%	S&P 500 10.9%	HFRI Hedge FoF 7.5%	60/40 Mix 14.2%	Lehman Aggr 7.0%		DJ UBS Cmdty 18.9%	60/40 Mix 10.8%		60/40 Mix 11.5%	MSCI EAFE 22.8%	Barclays Aggr 5.9%	MSCI EAFE Sml 9.6%
MSCI Emrg Mkt 6.0%	60/40 Mix 13.5%	MSCI EAFE Sml 15.9%	MSCI EAFE Sml 19.7%	Lehman Aggr 11.6%	Lehman Aggr 8.4%	Lehman Aggr 10.3%	60/40 Mix 21.8%	DJ UBS Cmdty 9.2%	S&P 500 4.9%	HFRI Hedge FoF 10.4%	Russell Mid Cap 5.6%		MSCI Frntr Mkt 11.7%	MSCI EAFE 7.8%	MSCI US REIT 8.7%	MSCI Frntr Mkt 9.3%	60/40 Mix 12.4%	60/40 Mix 4.9%	MSCI US REIT 2.5%
3-Month T-Bill 5.2%	Lehman Aggr 9.7%	Russell Mid Cap 10.1%	Russell Mid Cap 18.2%	Russell Mid Cap 8.3%	3-Month T-Bill 3.3%	MSCI US REIT 3.7%	HFRI Hedge FoF 11.6%	HFRI Hedge FoF 6.9%	Russell 2000 4.6%	3-Month T-Bill 4.9%	S&P 500 5.5%		HFRI Hedge FoF 11.5%	Barclays Aggr 6.6%	Barclays Aggr 7.9%	HFRI Hedge FoF 4.8%	HFRI Hedge FoF 9.0%	Russell 2000 4.9%	S&P 500 1.4%
Lehman Aggr 3.6%	3-Month T-Bill 5.2%	Lehman Aggr 8.7%	60/40 Mix 15.2%	3-Month T-Bill 5.9%	HFRI Hedge FoF 2.8%	3-Month T-Bill 1.6%	Lehman Aggr 4.1%	Lehman Aggr 4.3%	3-Month T-Bill 3.3%	Lehman Aggr 4.3%	3-Month T-Bill 4.4%	Barclays Aggr 5.2%	Barclays Aggr 5.9%	HFRI Hedge FoF 5.7%	S&P 500 2.1%	Barclays Aggr 4.2%	MSCI US REIT 2.5%	HFRI Hedge FoF 3.4%	Barclays Aggr 0.6%
MSCI EAFE Sml 2.4%	MSCI EAFE 1.8%	3-Month T-Bill 4.9%	3-Month T-Bill 4.8%	HFRI Hedge FoF 4.1%	Russell 2000 2.5%	HFRI Hedge FoF 1.0%	3-Month T-Bill 1.0%	3-Month T-Bill 1.5%	Lehman Aggr 2.4%	DJ UBS Cmdty 2.1%	MSCI EAFE Sml 1.4%	3-Month T-Bill 1.3%	3-Month T-Bill 0.1%	3-Month T-Bill 0.1%	3-Month T-Bill 0.1%	3-Month T-Bill 0.1%	3-Month T-Bill 0.1%	3-Month T-Bill 0.0%	3-Month T-Bill 0.1%
	DJ UBS Cmdty -3.4%	Russell 2000 -2.6%	Lehman Aggr -0.8%	Russell 2000 -3.0%	MSCI Emrg Mkt -2.4%	MSCI Emrg Mkt -6.0%				MSCI Frntr Mkt -8.9%	Russell 2000 -1.6%	HFRI Hedge FoF -21.4%			60/40 Mix -0.9%	DJ UBS Cmdty -1.1%	Barclays Aggr -2.0%	MSCI Emrg Mkt -2.2%	HFRI Hedge FoF -0.4%
	MSCI Emrg Mkt -11.6%	HFRI Hedge FoF -5.1%	MSCI US REIT -4.5%	60/40 Mix -4.4%	Russell Mid Cap -5.6%	60/40 Mix -7.7%					MSCI US REIT -16.8%	60/40 Mix -25.3%		Russell Mid Cap -1.6%			MSCI Emrg Mkt -2.3%	MSCI EAFE -4.9%	MSCI EAFE -0.8%
	MSCI EAFE Sml -14.0%	MSCI US REIT -16.9%		MSCI EAFE Sml -7.6%	60/40 Mix -6.2%	MSCI EAFE Sml -7.8%						Russell 2000 -33.8%		Russell 2000 -4.2%			DJ UBS Cmdty -9.5%	MSCI EAFE Sml -5.0%	60/40 Mix -1.0%
		MSCI Emrg Mkt -25.3%		S&P 500 -9.1%	S&P 500 -11.9%	MSCI EAFE -15.9%						DJ UBS Cmdty -35.7%		HFRI Hedge FoF -5.7%					BB Commodity -17.0%
		DJ UBS Cmdty -27.0%		MSCI EAFE -14.2%	MSCI EAFE Sml -12.5%	Russell Mid Cap -16.2%						MSCI US REIT -38.0%		MSCI EAFE -12.1%					Russell 2000 -4.4%
				MSCI Emrg Mkt -30.6%	DJ UBS Cmdty -19.5%	Russell 2000 -20.5%						Russell Mid Cap -41.5%		DJ UBS Cmdty -13.3%					MSCI Frntr Mkt -14.1%
					MSCI EAFE -21.4%	S&P 500 -22.1%						MSCI EAFE -43.4%		MSCI EAFE Sml -15.9%					MSCI Emrg Mkt -14.9%
												MSCI EAFE Sml -47.0%		MSCI Emrg Mkt -18.2%					BB Commodity -24.7%
												MSCI Emrg Mkt -53.2%		MSCI Frntr Mkt -18.4%					
												MSCI Frntr Mkt -54.1%							

60/40 Mix uses the MSCI World Index for stocks prior to 1999 (MSCI ACWI Index thereafter) and the Barclays Aggregate Index for bonds; International Small Cap stocks are represented by the MSCI EAFE SMID Index prior to 1999, MSCI EAFE Small Cap Index thereafter; MSCI Frontier Index inception is June 2002; HFRI FoF Index return for 2015 is an estimate as of 1/8/16

## 20-Year Risk-Reward and Monthly Correlation

	20-Year St Dev	20-Year Return
MSCI US REIT	20.8%	10.8%
Russell Mid Cap	17.0%	10.2%
S&P 500	15.3%	8.2%
Russell 2000	19.9%	8.0%
MSCI EAFE Small Cap	17.6%	6.9%
MSCI ACWI 60% / BC Agg 40%	9.5%	6.3%
MSCI Emerging Markets	23.7%	5.4%
Barclays Aggregate Bond	3.5%	5.3%
HFRI Fund of Funds	5.8%	5.2%
MSCI EAFE	16.7%	4.4%
3-Month US T-Bill	0.6%	2.4%
Bloomberg Commodities	16.3%	1.0%

### 20-Year Risk-Reward: Jan 1996 - Dec 2015



### Monthly Correlation: Jan 1996 - Dec 2015

	S&P 500	Russell Mid Cap	Russell 2000	MSCI EAFE	MSCI EAFE Small Cap	MSCI Emerging Markets	MSCI US REIT	Barclays Aggregate Bond	3-Month US T-Bill	HFRI Fund of Funds	Bloomberg Commoditi es	MSCI ACWI 60% / BC Agg 40%
S&P 500	1.00											
Russell Mid Cap	0.93	1.00										
Russell 2000	0.81	0.93	1.00									
MSCI EAFE	0.84	0.84	0.75	1.00								
MSCI EAFE Small Cap	0.71	0.77	0.71	0.91	1.00							
MSCI Emerging Markets	0.74	0.78	0.72	0.82	0.80	1.00						
MSCI US REIT	0.55	0.64	0.62	0.55	0.51	0.48	1.00					
Barclays Aggregate Bond	-0.02	-0.02	-0.08	0.01	0.03	-0.02	0.16	1.00				
3-Month US T-Bill	0.02	0.01	-0.01	0.01	-0.05	-0.01	-0.02	0.07	1.00			
HFRI Fund of Funds	0.61	0.70	0.66	0.67	0.66	0.73	0.32	0.01	0.18	1.00		
Bloomberg Commodities	0.32	0.40	0.33	0.45	0.50	0.48	0.25	0.05	0.11	0.46	1.00	
MSCI ACWI 60% / BC Agg 40%	0.94	0.90	0.79	0.95	0.85	0.84	0.58	0.15	0.03	0.68	0.43	1.00

MSCI EAFE Small Cap Returns prior to 1999 are for the MSCI EAFE Small-Mid Index; 60/40 Mix uses the MSCI World Index prior to 1999 (MSCI ACWI inception January 1999)