JOINT GENERAL EMPLOYEE PENSION PLAN BOARD OF TRUSTEES, POLICE PENSION PLAN - RETIREMENT COMMITTEE, AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) BOARD AGENDA

AUGUST 11, 2016 - 9:00 A.M.

CITY HALL CONFERENCE ROOM
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

PUBLIC COMMENTS ARE WELCOMED ON ANY ITEM AND WILL BE PERMITTED AT APPROPRIATE TIMES. WHEN POSSIBLE, PLEASE NOTIFY THE CITY CLERK (736-7008 OR E-MAIL AT CITYCLERK@DOVER.DE.US) SHOULD YOU WISH TO BE RECOGNIZED.

AGENDA ADDITIONS/DELETIONS

1. **ADOPTION OF MINUTES - JOINT CIVILIAN/POLICE PENSION AND OPEB BOARDS MEETING OF APRIL 28, 2016**

2. **ORGANIZATIONAL ISSUES - ELECTION OF CHAIRS**
   - **A. GENERAL EMPLOYEE PENSION PLAN BOARD OF TRUSTEES**
   - **B. POLICE PENSION PLAN - RETIREMENT COMMITTEE**
   - **C. OPEB BOARD**

3. **QUARTERLY PERFORMANCE REVIEWS (QUARTER ENDING JUNE 30, 2016) *(MILLIMAN, INC.)***
   (STAFF RECOMMENDS ACCEPTANCE OF THE BELOW REPORTS)
   - **A. GENERAL EMPLOYEE PENSION PLAN**
   - **B. POLICE PENSION PLAN**
   - **C. OPEB PLAN**

4. **ANNUAL REVIEW OF INVESTMENT POLICY *(MILLIMAN, INC.)***
   - **A. GENERAL EMPLOYEE PENSION PLAN**
   - **B. POLICE PENSION PLAN**
   - **C. OPEB PLAN**

5. **FUTURE MEETING DATES**
   (STAFF RECOMMENDS SETTING DATES FOR NOVEMBER 10, 2016; FEBRUARY 9, 2017; APRIL 27, 2017; AUGUST 10, 2017)

6. **DISCUSSION ITEMS RELATED TO THE GENERAL EMPLOYEE PENSION PLAN BOARD OF TRUSTEES *(REQUESTED BY MR. LESTER BLAKEMAN DURING THE JOINT CIVILIAN/POLICE PENSION AND OPEB BOARDS MEETING OF APRIL 28, 2016)***
   - **A. CIVILIAN (GENERAL EMPLOYEE) PENSION FUND ANNUAL REPORT**
   - **B. TEN-YEAR FINANCIAL HISTORY FOR THE CIVILIAN (GENERAL EMPLOYEE) PENSION FUND**

7. **ADJOURNMENT**

TO ASSURE THAT THERE WILL BE A QUORUM,
PLEASE RSVP BY CONTACTING THE CITY CLERK'S OFFICE
BY EMAIL AT CITYCLERK@DOVER.DE.US OR BY CALLING 736-7008
AS SOON AS POSSIBLE.

/JS
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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. PURSUANT TO 29 DEL. C. §10004(E)(2), THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS, WHICH ARISE AT THE TIME OF THE MEETING.

JOINT CIVILIAN/POLICE PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) BOARDS

A Joint Meeting of the Civilian Pension, Police Pension, and Other Post-Employment Benefits (OPEB) Boards was held on April 28, 2016, at 9:03 a.m. with Mr. Koenig, Chair of the OPEB Board, presiding. Members present were Mr. Anderson (arrived at 9:05 a.m., departed at 9:20 a.m., returned at 9:25 a.m., departed at 9:26 a.m.; and returned at 9:29 a.m.), Mr. Hosfelt (departed at 9:24 a.m.), Mr. Blakeman, Mrs. Mullaney, Mr. Mullaney (departed at 9:24 a.m.), Mr. Sigler (departed at 9:24 a.m.), Mr. Stallings (departed at 9:24 a.m.), Chief Bernat (departed at 9:24 a.m.), Mrs. Mitchell, and Mrs. Hawkins. Mr. Cole and Mrs. Tieman were absent.

AGENDA ADDITIONS/DELETIONS

Mr. Mullaney moved for approval of the agenda, seconded by Mr. Sigler and unanimously carried.

ADOPTION OF MINUTES - JOINT CIVILIAN/POLICE PENSION AND OPEB BOARDS MEETING - FEBRUARY 11, 2016

Mr. Mullaney moved for adoption of the minutes of the Joint Civilian/Police Pension and OPEB Boards Meeting of February 11, 2016. The motion was seconded by Mr. Blakeman and unanimously carried.

Quarterly Performance Reviews (Quarter Ending March 31, 2016) *(Milliman, Inc.)*

Mr. Jeff Marzinsky, Principal and Employee Benefits Consultant, Milliman, Inc., reviewed the memorandum from Milliman Investment Consulting dated April 13, 2016, regarding Department of Labor 2016 Fiduciary Rule, explaining that the Department of Labor had released an issuance related to fiduciaries for retirement plans. He stated that Milliman acts as an advisor and fiduciary to all three (3) of the City's retirement plans and that, as a plan sponsor, the City of Dover is also a fiduciary. Mr. Marzinsky indicated that the Department of Labor had developed this issuance because some brokers, advisors, and agents had been receiving commissions and other types of compensation that they were not disclosing, and some also had undisclosed conflicts of interest. In addition, he indicated that some agents and advisors had previously acted in a fiduciary capacity but had not stated this in their contracts. Mr. Marzinsky clarified that Milliman's contract includes the word fiduciary and states that Milliman acts as a fiduciary and investment advisor. He assured members that Milliman discloses their compensation, does not receive anything from the mutual funds or Wells Fargo, and states their fee clearly in their contract.

Mr. Marzinsky reviewed the market conditions related to the investments held in the Civilian Pension, Police Pension, and OPEB Funds. Referring to page 3, Market Indices - 1st Quarter 2016 of the Quarterly Investment Monitor - Summary Report for the Quarter Ending March 31, 2016 included in each of the reports for the Employee Pension, Police Pension, and OPEB Plans, he explained that there was a lot of volatility in the markets starting at the beginning of 2016. The markets declined approximately 5% - 6% during the first week in January, and the decline continued into February. Mr. Marzinsky indicated that equity markets were down approximately 10% to 11%, which was driven by a couple of factors. The Federal Reserve implemented a 25 basis point increase in interest rates in December. Mr. Marzinsky advised that there were thoughts they would do this again in quick succession and that this would slow economic activity in the United States. He noted that commodity prices were also falling, affecting oil prices. Mr. Marzinsky indicated that there had been a correlation over the last couple of years between oil prices and the market, and as

oil was going down last year, the market was going down as well. He stated that there was also concern that the growth rate in China would affect global economic activity, noting that China is a big purchaser of goods from Europe, and there was concern that if China did not buy goods from Europe, this would affect European markets and the European economy. Mr. Marzinsky explained that this was somewhat of a reflection of what happened last August, when the markets declined about 10% over a couple of days and the results of this were seen in January and February. He advised that there was a very big rebound going into March. Mr. Marzinsky informed members that the Federal Reserve indicated that they would slow down, watch what was happening economically, and adjust interest rates when they thought it was right, but probably not in the near term. He noted that this helped to ease some of the fears in the United States. Interest rates were also reduced in Asia to help economic activity and oil prices started to increase, which helped the markets as well.

Mr. Marzinsky advised that there was a good rebound in equity markets following the dip. He pointed out that the Standard and Poor 500 and Dow Jones Industrial Average finished the quarter up a little over 1%, after being down 10% - 11%. In addition, because the Federal Reserve indicated they would not raise interest rates, rates actually declined a bit, which helped bonds. Mr. Marzinsky advised that there were positive returns for Barclays bond investments over the three (3) month period. In summary, he stated that although there was a lot of volatility during the quarter, the markets finished satisfactorily.

Referring to page 1 of the Board Meeting Notes for the City of Dover Employee Pension Plan, Police Pension Plan, and OPEB Plan, Mr. Marzinsky explained that item #1-b included statements from Wells Fargo that are used to perform accounting to show cash flows and calculate the monthly return. He stated that item #1-c reflected the asset allocation for the plan, noting that Milliman reviews asset allocation once each year. Mr. Marzinsky indicated that he had been in contact with the actuary regarding this and would obtain projected benefit cash flows, do an asset liability study, and develop portfolio scenarios to consider during the August 2016 meeting of the Joint Civilian Pension, Police Pension, and OPEB Boards. He reminded members that the plan is rebalanced to asset allocation targets every quarter and when contributions are made to the plan.

Mr. Marzinsky advised that items #1-d-i and #1-d-ii on page 2 of the Board Meeting Notes applied to all three (3) plans, noting that two (2) funds were being watched for underperformance. He informed members that the Prudential Small Cap Value Fund is an equity fund that focuses on smaller companies in the $100M to $2B market capitalization range. Mr. Marzinsky indicated that this fund had experienced slight underperformance but had picked up some last year. He stated that Quantitative Management Associates, LLC (QMA) manages this fund for Prudential, and he met with the fund's portfolio manager a couple of weeks ago. Mr. Marzinsky stated that their economic model involves picking individual stocks and they have a very good portfolio; however, last year's concerns about oil and some consumer-driven goods had affected performance.

Mr. Marzinsky advised that the Ivy High Income Fund fits into the fixed income side of the portfolios of each of the City's plans. He noted that Milliman had been watching the Ivy Fund for a while, noting that the fund had changed some of the portfolio managers that select their bond investments. Referring to the High Yield Bond Manager Due Diligence Summary on page 2 of the Board Meeting Notes, Mr. Marzinsky explained that he had done a review and comparison related to the Ivy High Income I Fund. He indicated that it may not be necessary to make a change in this

fund at this time; however, if performance improvements were not seen by the next meeting, any of the other funds reviewed in the summary, including Eaton Vance High Income Opportunities I, Vova High Yield Bond I, Columbia High Yield Bond Y, or Prudential High-Yield Z funds, would be suitable replacements for the Ivy Fund. Mr. Marzinsky stated that Milliman had started doing their due diligence on the Ivy Fund, which meant they were very concerned with the performance for that fund. He explained that all of the other investment managers ranked very well. Although returns had been somewhat volatile because of the markets, investments were generally in line with their benchmarks for returns for three (3) and five (5) years.

Referring to the page 10 of the Quarterly Investment Monitor Summary Reports - Investment Policy Review - Active Management, Mr. Marzinsky explained that this information provided a score card for active investments. He noted that the first two (2) columns reflect the Return Rank and compare the fund's actual return to the benchmarks over three (3) and five (5) year periods. He noted that a zero (0) is the best possible number, 99 is the worst, and the majority of the funds ranked well compared to other funds. Mr. Marzinsky explained that the Excess Return columns compared the return of each fund to the return of its benchmark. He stated that there was some underperformance; however, return ranks showed that the funds ranked very well, indicating that there were not many other options available that were performing as well as these funds. Mr. Marzinsky advised that the Relative Standard Deviation columns reflected the level of risk and the movements in the return, which are compared to the volatility of the benchmark. He explained that if a fund is moving up and down much more than the benchmark, higher performance than the benchmark should be expected. Mr. Marzinsky stated that a number lower than one (1) would reflect less volatility than the benchmark. He advised that the standard deviation is run through formulas to develop alpha and Sharpe ranks, which provide an idea of how effective a manager is at managing volatility. In general the funds ranked fairly well in this regard.

Mr. Marzinsky stated that there were slight differences in the General Employee, Police, and OPEB portfolios. He noted that data from the actuary is run through a model to determine the duration of each plan, which causes slight differences in asset allocation. For example, because the Police and the Employee Pension Plans have benefit payments coming out on a monthly basis, there is more cash in those plans than in the OPEB fund. He noted that the OPEB fund is not actively making benefit payments at this time.

Civilian Pension Board

Referring to the Board Meeting Notes for the City of Dover Employee Pension Plan, Mr. Marzinsky noted a return of approximately 2.59% for the quarter, which was in line with the plan's benchmark, in spite of market volatility early in the year. Mr. Marzinsky advised that this showed the importance of asset allocation. He noted that the one-year return was slightly negative because the markets were still down approximately 1.5% from their position early last year, but this was generally in line with the benchmark and with the performance of other retirement plans.

Police Pension Board

Referring to the Board Meeting Notes for the Police Pension Plan, Mr. Marzinsky advised members that the quarterly return for the plan was approximately 2.6% and the plan was in line with the market. Returns were slightly different from the Civilian Pension Plan because each portfolio varies slightly due to the varying liability structures. He indicated that performance for the Police Pension

Plan was slightly negative for the one-year period, but otherwise performance had generally been in line with the benchmarks.

OPEB Board

Mr. Marzinsky stated that the performance for the OPEB portfolio was approximately 2.38% net and 2.45% gross for the quarter, which reflected slight underperformance for the one-year period, but this was generally in line with the plan benchmarks. He indicated that performance was in line with, if not a little better than, expectations for the portfolio in place.

Staff recommended acceptance of the General Employee Pension Plan, Police Pension Plan, and OPEB Plan Quarterly Performance Review for the quarter ending March 31, 2016.

Mr. Blakeman moved to accept staff's recommendation, seconded by Mr. Hosfelt and unanimously carried.

Discussion Items Related to the Civilian Pension Board *(Blakeman)*

Responding to Mr. Koenig, Mr. Blakeman stated that these discussion items would not affect members of the Police or OPEB Boards.

Mr. Mullaney moved to adjourn the Police Pension and OPEB Boards, seconded by Mr. Sigler and unanimously carried.

Civilian Pension Fund Annual Report

Mr. Blakeman suggested that a separate annual report be created for the Civilian Pension Board. Members were provided a sample Civilian Pension Fund Annual Report - Year Ending June 30, 2014 ***(Attachment #1)***. Mr. Blakeman advised that he had pulled pages from the City of Dover Comprehensive Annual Financial Report (CAFR) to develop an example of what this might look like. He indicated that the cost of producing this 17-page report at Staples would be $117 for 10 copies; however, he felt it could be produced by staff for $100 at the most. Mr. Blakeman advised that he did not expect any action on this today and it was being presented for discussion purposes.

Ten-Year Financial History for Civilian Pension Fund

Mr. Blakeman suggested the development of a ten-year history of the Civilian Pension Fund, which would provide the ability to see what the plan had been doing over time. Members were provided a sample Ten-Year History of the Civilian Pension Fund ***(Attachment #2)***. Mr. Blakeman indicated that page B-3 included a Combining Statement of Changes in Pension Trust Fund Net Position for the Year Ended June 30, 2015 from the City of Dover Comprehensive Annual Financial Report (CAFR). He noted that the Statements of Change in Pension Trust - General Pension - Year Ending June 30th (pages B-1 and B-2) included the information from page B-3 in the form of a spreadsheet over several years. Mr. Blakeman explained that page B-1 included the information exactly the way it appears in the CAFR. He stated that page B-2 was almost identical to page B-1; however, he had moved the line items for interest and income down lower in the spreadsheet so that the City's contributions, benefit payments, nets, and positives could be better seen. Mr. Blakeman advised that this information, which comes directly out of the CAFR, could be used to give a history of the fund.

Civilian Pension Fund Trust Modeled After the OPEB Fund/Pension Payments

Mr. Blakeman stated that the Other Post-Employment Benefit (OPEB) Fund was established as a trust fund, expressed his belief that the General Employee Pension Fund was not actually a trust fund, and requested that it be made a trust fund modeled after the OPEB Fund. Members were provided excerpts from the City of Dover Code related to the establishment of the OPEB Fund (C-1) and City Employee Pension Fund (C-2) ***(Attachment #3).*** Mr. Blakeman stated that he did not see why the Civilian Pension Fund should not be a trust fund. He believed that the only distinction between the two (2) funds was that City funds and interest from the General Employee Pension Fund were being used to make pension payments, which does not happen in the OPEB plan. Mr. Blakeman noted that the OPEB plan requires that all interest and earnings stay in the trust fund, as opposed to being spent.

Members were provided a handout from Mr. Blakeman with sample Employee Contributions (D-1), Pension Contributions (D-2), and IRS Form 1099R - Distributions From Pensions, Annuities, Retirement of Profit-Sharing (D-3) ***(Attachment #4)***. Mr. Blakeman indicated that portions of the handout had been redacted; however, he assured members that the information included was from a reliable source and was accurate. Mr. Blakeman stated that 1% of a retiree's contributions were being credited to the retiree each year as a non-taxable part of their pension, explaining that these funds are not part of the plan but reduce the retiree's taxable income. He advised that it would take 64.5 years for the sample retiree to be credited with all of the money they had contributed to the plan and, in this case, this person would be 123.5 years old when this is accomplished. Mr. Blakeman suggested that if the Social Security life expectancy table was used to make this calculation rather than the current annual contributions as reported by the City, the amount credited every year would be approximately 2.4%, or $1,335.41 in this case versus $546. He felt this would be a way to give current pensioners a little extra income without the City having to spend additional money, noting that these funds do not come out of the Pension Plan but become a permanent part of the fund once the employee retires. Mr. Blakeman suggested that if the Social Security life expectancy table was used, the nontaxable would be a little higher, which he hoped would slightly reduce the retirees' tax burden, resulting in a slight increase over what they were currently receiving.

Mrs. Hawkins advised members that the exclusion on the sample 1099 related to post-tax contributions made by employees; however, all contributions made after May 1994 were pre-taxed. For example, she explained that when Mr. Blakeman retired, the Payroll Department would have looked at his age at retirement and the mortality rates issued by the Internal Revenue Service. Based on this, they would have taken the post-tax contribution and divided it out based on his estimated life expectancy. Mrs. Hawkins advised that this exclusion would not appear on the 1099's of employees hired after May 1994 because contributions for these employees had been taxed.

Mrs. Mitchell clarified that separate records are kept of post-tax and pre-tax contribution amounts. She indicated that pension reports show what the employee contributed every year, and reports from prior to the 1994 date are pulled and amounts are calculated. Mrs. Mitchell explained that, for the most part, the mortality table indicates approximately 1% of what the payments were. She stated that these calculations are made every time someone retires under this pension plan, noting that if there is a spouse, their mortality is also calculated and included.

Mrs. Hawkins noted that the plan did not become contributory until July of 1983.

In response to Mr. Koenig, Mrs. Mitchell stated that the establishment of the City's OPEB trust was a legal requirement. She indicated that the pension fund is also a trust fund, noting that the portion of the Dover Code that applies to the General Employee Pension Fund references a section of the Internal Revenue Code. Mr. Blakeman stated that the Code indicates that the plan will be treated as a trust fund; however, he stated his understanding that there were no trust documents and it had not been written up as a trust fund. Responding, Mrs. Mitchell explained that the Code is the trust document.

Mr. Blakeman indicated that there is a distinction between the pension plan and the OPEB plan since one clearly states that it is a trust fund and the other indicates that it will be treated as a trust fund. Responding, Mrs. Mitchell stated that she would look at this and get an answer; however, technically and legally they are all trust funds. She noted that the wording in the Code is different, but they are all trust funds under Internal Revenue recognition standards.

Mr. Blakeman noted that the OPEB trust fund states very clearly that all of the earnings, including the interest, will accrue to the trust fund and stay in the trust fund; however, the General Employee Pension Plan's interest is used to pay pensions and does not go to the trust fund. Responding, Mrs. Mitchell explained that trust funds receive all revenues, which are combined and used together to pay the benefits. She indicated that there was a difference in the wording. Mrs. Mitchell advised that funds in the trust fund were being used, along with the City's contributions and investment earnings, to pay pensions. Although the wording may be different, all of these funds are used to pay pensions in the same way.

Mr. Blakeman stated his understanding that the purpose of both funds is for earnings and City contributions to build the trust funds to a point where they are self-sustaining. Mrs. Mitchell indicated this was true and that employee contributions, earnings, City appropriations, interest, and investment earnings are all used to pay the expenses of the funds, which are the benefits.

Mr. Blakeman commented that no deductions were coming out of the OPEB plan. In response, Mrs. Mitchell explained that before the Government Accounting Standards Board (GASB) required the OPEB trust, the City had always used a pay-as-you-go approach for employee and retiree health care. These monies are kept in the funds to pay the monthly health care premiums to the State. Mrs. Mitchell advised that moving these allocations to the trust and having to pull money every month to pay the health care bill to the State would drive up the percentage of payroll used for future retirement benefits and the premium, and this percentage would be higher if the active portion were being pulled out. For these reasons, these monies do not go through the OPEB plan. Mrs. Mitchell assured members that this was not shorting anything to the trust fund but meant that the current portion was being taken from the current year budget, rather than from the trust fund.

Mr. Blakeman stated his understanding that GASB wrote the trust fund requirement to put the money into a fund that would be out of the reach of the sponsoring organization. He felt that this money could be accessed at any time by the organization. In response, Mrs. Mitchell stated that she did not believe that the organization would not pay retirees' monthly premiums in the current year budget, and this would be the only aspect that could be accessed.

Mr. Koenig stated his understanding that the City was not accruing OPEB liability for employees hired since 2009. The current backlog of liability was for employees hired prior to 2009 because the City had not put money away for their future benefits. He indicated that another difference between the two (2) plans was that the Civilian Pension Plan was now closed, there would be no new entries, and this plan would be sunsetted at some point. The OPEB plan still has new entries as people are employed by the City; therefore, the sunset on this program would be much further into the future. In Mr. Koenig's opinion, the distinction was that the liabilities for the Civilian Pension had been calculated, although they are always subject to market changes, etc., so the variables for calculating future liabilities are greatly reduced, other than market conditions and additional wages that will be paid to current employees that are in the plan. He noted that the plans were equal in some ways and unequal in others.

Mr. Blakeman stated that it appeared that the goal to have the pension fund fully funded was being seriously slowed by the City spending the interest money that is accruing to the plan to pay current pensions. Responding, Mr. Koenig stated that the City would still have to accelerate that fund, estimating that the plan was currently 60+% funded.

Mrs. Mitchell stated that the purpose of having earnings in the plan was to help pay the benefits and that not only the City's and employees' contributions are used to help pay benefits. When the actuary projects the earnings rate, he looks at cash flows to determine how those benefits will be paid, and the earnings are part of that calculation.

Mr. Blakeman stated that the City had set up trust funds to be fully funded at some point, so the City would no longer have to make contributions and all checks would come out of the trust fund. If interest money earned by the trust fund is being used to pay current pensions, he felt that this would slow the process of fully funding the plan. Responding, Mrs. Mitchell stated that all this is taken into consideration when the actuary provides the percentages, including revenues being used, to determine the contribution that must be made to get the plan where it needs to be.

Mr. Koenig stated his understanding that if interest earnings were not part of the calculation, the percent of payroll would go up, with the potential to increase significantly in some cases. He indicated that if there were negative earnings, which there sometimes are, the percent of payroll would also go up. Mr. Koenig explained that the City makes contributions to accommodate and guarantee the pensions from the same pool of dollars.

Mr. Blakeman stated that he agreed with Mr. Koenig, noting that every year enough money was put into the pension plan to pay the current pensions; however, there were only seven (7) out of 13 years when there were sufficient funds and the rest had to come from the interest. In response, Mrs. Mitchell stated that this was true and explained that she did not know of any pension plans that pull out interest earnings, noting that the State and other pension plans use applicable income to help pay the plan benefits.

Mr. Blakeman suggested that the City consider borrowing enough money to fully fund the plan to obtain a levelized pension payment for the length of the loan, so that the City would know exactly what would be paid out. Responding, Mrs. Mitchell explained that previously there was a craze to obtain pension obligation bonds to fully pay off pension plans. The market subsequently took a drop

and these organizations went right back to having unfunded losses, plus paying on the pension obligation bonds. They had to pay twice, once to bring their plan up to the funding level and again because the market dropped. She did not recommend this approach.

Mr. Blakeman stated his understanding that a long-term view did not exist for a possibility for any kind of help for current retirees facing large inflation against a fixed dollar amount. He felt the plan would never reach the point of being fully funded so the City could provide assistance to retirees.

Mr. Koenig stated his belief that these were two (2) separate discussions. Mr. Blakeman agreed; however, he indicated that when cost-of-living increases are discussed, the response is always that this can occur only when the plan is fully funded. He indicated that the cost-of-living increases that the police enjoy every year at 2% are denied to the Civilian Pension Plan employees because the fund is not fully funded, and it appeared that it will never be fully funded because the City keeps pulling money out of the interest earnings and not putting in enough money to cover pensions for that year. Responding, Mr. Koenig recalled that discussions on pension benefits were not related to the plan having to be fully funded but that the amount of the new contribution must be. For example, if a $20 increase was awarded by vote of Council, the cost of this increase would be known. Mr. Koenig recalled that when Council made this decision, the cost of funding an increase was to be fully funded, so that there was not an associated growing wave of liability. He did not recall the discussion being that an increase would only be considered when the pension plan was 100% funded.

Mr. Blakeman indicated that Mrs. Mitchell had stated to him on several occasions that she would not consider a cost-of-living increase until the fund was fully funded, which left the impression that this would never happen. Responding, Mr. Koenig stated his belief that this would be Mrs. Mitchell's recommendation.

Mrs. Mitchell expressed her feeling that the plan must not be 100% funded but it must be much closer than where it was currently. She advised that very few pension plans are 100% funded, although some are close. Mrs. Mitchell felt that decisions would be made based on how close the City was to the funding level, noting that her preferences might not be Council's preferences. In response, Mr. Blakeman felt that Mrs. Mitchell's preferences were reflected by Council. He congratulated Council for this and did not have a problem with it; however, he expressed concerns that there were many people who were struggling. Mr. Blakeman advised that when inflation goes up 2%, they lose 2% value, and when this occurs over 20 years, people are hurting. Mr. Blakeman noted that most employees retire with the understanding that Council will address that concern occasionally. He indicated that he had raised it several times and the response was that this was not going to be done. Mr. Blakeman stated that there used to be a requirement that a cost-of-living adjustment (COLA) would be discussed during the first meeting in February, and this was approved by the Pension Board; however, he stated that the Board had ignored this requirement without overturning the recommendation, and there was no schedule for this.

Mrs. Mitchell noted that the City had to implement new GASB requirements this year, which had been onerous for the City. She explained that by granting an ad hoc COLA, the City would be running the risk of having to do a calculation that fits a permanent COLA, noting that this is part of a GASB requirement that was just issued.

Mr. Blakeman commented that the police receive a 2% COLA every year. In response, Mrs. Mitchell noted that the police COLA was built into the liability.

Mr. Blakeman expressed his feeling that there was a serious issue that had been addressed for everyone working or retired from the City, other than the retirees in the General Employee Pension Plan, indicating that the police receive a COLA every year and current employees receive pay raises to help offset costs. He stated that the civilian retirees had not had an increase since 2006 or 2007, were facing the same financial problems as everyone else in the City, and were not receiving anything. Responding, Mr. Koenig stated that this was not true and indicated that there was a philosophical difference. He explained that there are retired employees in the deferred compensation plan who would never receive any consideration regarding this issue. Mr. Blakeman stated that everyone in the defined compensation plan had the choice to go with the deferred or the defined plan.
Mr. Koenig stated that the police plan that Mr. Blakeman had referred to was a closed plan, and that this decision was made many years ago. Mr. Koenig felt that if this decision were being considered now, there might be a different outcome. Mr. Blakeman advised that neither of these plans were negotiated but were written by Council, and Council gave the police an automatic 2%; however, they did not do that for civilian employees. He stated that, for years, the City acknowledged that the civilian retirees needed help once in a while with the cost of living, noting that every two (2) or three (3) years there was consideration that small increases would help a little bit. Mr. Blakeman indicated that since 2007 this had not been given any consideration and expressed concern that retirees were suffering as much as every other employee and were not being addressed.

Mrs. Mitchell stated that the retirees in the Civilian Plan had not had an increase, and neither had those who retired under the City's 401 plan. She indicated that Mr. Blakeman was correct that employees had a choice to join whatever plan they wanted, noting that the Civilian Plan does not have an automatic COLA. Mrs. Mitchell explained that this was just like the choice of those in the 401 plan, who made their choice knowing that they would not have any increases. She felt that those in the defined benefit plan should have understood that there was nothing in the plan guaranteeing an increase. Responding, Mr. Blakeman agreed that these individuals knew this was not written into the plan and there was a distinction between the plans; however, Council was at least aware that they were not getting any increases and would address this issue from time to time. He stated this issue was now unaddressed. Mr. Blakeman felt that Council should talk about it, noting that they may decide that this cannot be afforded.

Mrs. Mitchell advised that anyone can make a request for this matter to be considered, and this ability had not been taken away. She explained that this matter should go through the Legislative, Finance, and Administration Committee, not through the Civilian Pension Board. Responding, Mr. Blakeman advised that in the past the Pension Board had recommended to the Legislative, Finance, and Administration Committee that some consideration for retired employees should be made, and there was not even discussion about making that recommendation anymore. He stated that it was in the minutes that this was supposed to be discussed every February. Mr. Blakeman advised that he had raised this issue at a prior meeting and it was ignored. He indicated that every time the Board meets in February, they are ignoring the action of a previous Board without overturning it. Mr. Blakeman felt that this was a slap in the face.

Mrs. Mitchell moved that any requests for COLA increases go through the Legislative, Finance, and Administration Committee, not as a recommendation of the Pension Board. The motion failed for lack of a second.

Mr. Blakeman stated that the Pension Board would not address it, but they had voted to do so. Mrs. Mitchell stated that this is not the purview of the Board, whose purview is to manage the investments of the plan and make sure the money is there to pay the benefit changes. She stated that benefit changes go through Council.

Mr. Anderson moved that a cost-of-living increase (COLA) for retirees be referred to the Legislative, Finance, and Administration Committee for consideration, seconded by Mr. Blakeman and unanimously carried.

Mr. Blakeman moved for adjournment, seconded by Mr. Anderson and unanimously carried.

Meeting adjourned at 9:51 a.m.

Scott D. Koenig
Chair, OPEB Board

SDK/JS/dd
S:\AGENDAS-MINUTES-PACKETS-PRESENTATIONS-ATT&EXH\Misc-Minutes\PENSION AND OPEB\2016\04-28-2016 Joint Civilian-Police Pension and OPEB Boards.wpd

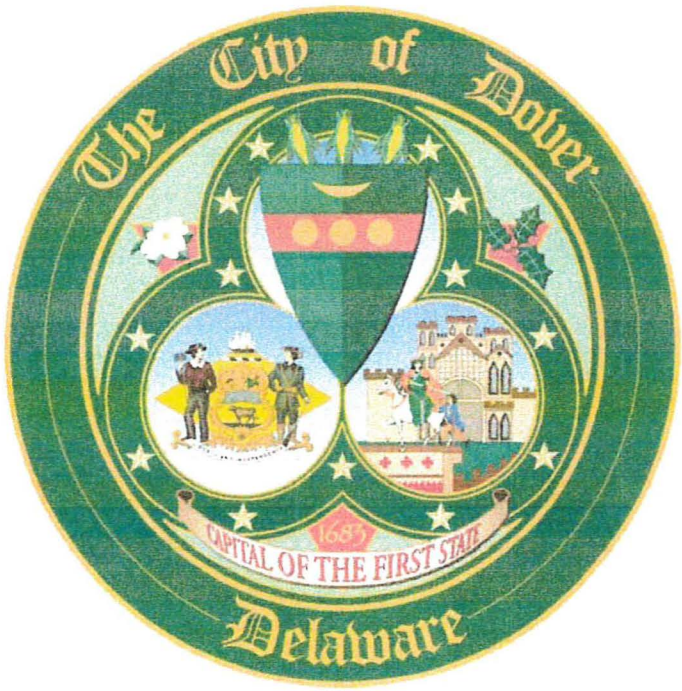
Attachments
Attachment #1 - Sample Civilian Pension Fund Annual Report - Year Ending June 30, 2014, provided by Mr. Blakeman
Attachment #2 - Sample Ten-Year History of the Civilian Pension Fund, provided by Mr. Blakeman
Attachment #3 - Excerpts from the City of Dover Code related to the establishment of the OPEB Fund (C-1) and City Employee Pension Fund (C-2), , provided by Mr. Blakeman
Attachment #4 - Sample Employee Contributions (D-1), Pension Contributions (D-2), and IRS Form 1099R - Distributions From Pensions, Annuities, Retirement of Profit-Sharing (D-3), provided by Mr. Blakeman

A

SAMPLE CIVILIAN PENSION FUND ANNUAL REPOR
Year ending June 30, 2014

1. Cover Sheet
2. Directory
3. SB & Company letter (19-20)
4. Basic Financial Statement Part C (48-49) [47]
5. Notes to Financial Statement (80-87) [82] [9]
6. Required Supplementary Information Part D (96-97)

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

2

GENERAL EMPLOYEES PENSION PLAN

FINANCIAL SECTION

THIS SECTION INCLUDES THE FOLLOWING:

PART A
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

PART B
MANAGEMENT'S DISCUSSION AND ANALYSIS

PART C
BASIC FINANCIAL STATEMENTS
Government-wide Financial Statements
Fund Financial Statements
Notes to Financial Statements

PART D
REQUIRED SUPPLEMENTARY INFORMATION

PART E
SUPPLEMENTARY INFORMATION
Combined Fund Statements
Budgetary Schedules

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis; the general fund – schedule of revenues, expenditures, and changes in fund balances – budget and actual; schedules of change in net pension liability, related ratios, and investment returns, and the schedules of employer contributions for the general pension plans funds and police pension fund; and the schedule of funding status and progress for other postemployment plan; be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual fund statements, budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

SB & COMPANY, LLC

The accompanying combining and individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hunt Valley, Maryland
December 16, 2014

SB & Company, LLC

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

City of Dover
Statement of Net Position
Fiduciary Funds
June 30, 2014

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
Assets			
Cash and Cash Equivalents	$ 2,149,308	$ 792,984	$ 499,406
Investments at Fair Value - Mutual Funds	44,538,782	17,965,795	-
Receivables	20,200	-	53,530
Total Assets	46,708,290	18,758,779	552,936
Liabilities			
Accounts Payable	3,334	6,583	76,079
Due to Agencies	-	-	476,857
Total Liabilities	3,334	6,583	$ 552,936
Net Position			
Net Position Held in Trust for Retirement Benefits	$ 46,704,956	$ 18,752,196	

The notes to financial statements are an integral part of this statement.

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

City of Dover
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Pension Trust Funds	OPEB Trust Fund
Additions:		
Net Investment Income	$ 5,717,136	$ 2,169,596
City's Contribution-Payroll Based	278,036	1,715,327
City's Contribution-Lump Sum	3,884,100	3,325,500
Employee Contribution	211,550	-
State Insurance Premium Tax Proceeds	471,461	-
Other	68,502	45,353
Total Additions	10,630,785	7,255,776
Deductions:		
Benefit Payments	5,181,969	2,113,303
General Administration	21,543	17,500
Refund of Pension Contribution	20,376	-
Total Deductions	5,223,888	2,130,803
Change in Net Position	5,406,897	5,124,973
Net Position - Beginning	41,298,059	13,627,223
Net Position - Ending	$ 46,704,956	$ 18,752,196

The notes to financial statements are an integral part of this statement.

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by the City. The plan is administered by the International City Management Retirement Corporation (RC). The assets are held in the name of each participant with the ICMA (International City/County Management Associations) Retirement Trust. Quarterly statements are mailed to each participant by RC. All administration fees are borne by the participants.

The City provides a 3% match of the employees required contribution to the 401a Plan, and up to an additional 3% to the 401a Plan for a potential total contribution of 6%, if the employee contributes up to an additional 3% to their 457 Plan (see note 17 – Deferred Compensation Plan). The 401a Plan and 457 Plan contributions are calculated on base wages plus on-call pay, pay adjustments, and scheduled overtime. All full-time regular employees are eligible, excluding law enforcement personnel. Personnel that elect the defined contribution plan are not eligible for the defined benefit plan. All contributions are 100% vested upon election of the plan. To be eligible for benefit payments, the participant must meet the same eligibility requirements as the participants in the defined benefit plan. Employees are eligible to withdraw or rollover to another plan the employer and employee benefits upon separation of service. Withdrawals prior to age 59 ½ could be subject to penalty.

As of June 30, 2014, there were 112 full-time employees enrolled in the 401a plan. The City contributed a total of $247,841 on wages of approximately $4.7 million. Employees contributed $140,602 to the 401a Money Purchase Plan and $487,332 to the 457 Deferred Compensation Plans (see also Note 17). The market value of the 401a plan assets totaled $4,477,709 as of June 30, 2014.

B. Defined Benefit Plans

The City participates in three defined benefit pension plans: City of Dover Police Pension Plan (closed), City of Dover General Employee Pension Plan (closed), and State of Delaware County and Municipal Police Pension Plan. The City of Dover Police Pension Plan, a single employee defined benefit plan, covers all uniformed police officers hired prior to September 1, 1982. The City of Dover General Employee Pension Plan, a single employer defined benefit plan, covers all full-time permanent employees, other than police officers. The State of Delaware County and Municipal Police Pension Plan, a multi-employer cost sharing defined benefit plan, covers all uniformed police officers hired on or after September 1, 1982. The City makes employer contributions to all three plans.

The City holds on behalf of the Pension Boards of Trustees the assets of the two single-employer defined benefit plans and, accordingly, is required to prepare pension trust fund financial statements using the accrual basis of accounting. Investments are reported at fair value based on quoted market prices. Receivables and payables represent year end accruals of short-term receipts or charges. The administration of plan assets for both the Police Pension Plan and the General Employee Pension Plan is conducted by the Pension Boards as described in the subsequent disclosures.

Separate pension fund financial statements for each plan have not been issued; accordingly, they are presented as required by GASB Statement No. 34, as follows:

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

The City of Dover, Delaware
Combining Statement of Pension Trust Fund Net Position
June 30, 2014

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 559,525	$ 1,589,783	$ 2,149,308
Investments at fair value - Mutual Funds	11,699,622	32,839,160	44,538,782
Receivables	20,200	-	20,200
Total Assets	12,279,347	34,428,943	46,708,290
LIABILITIES:			
Accounts Payable	-	(3,334)	(3,334)
Net position held in trust for pension benefits	$ 12,279,347	$ 34,425,609	$ 46,704,956

Investment Policy Statements are adopted by the Board of Trustees for each pension plan. At the current time, both plans have the same category allocations as follows:

Category Allocation	Target Percentage
Money Market	4.50%
Short Term Bonds	5.50%
Inflation Protected Bonds	6.00%
Intermediate Term Bonds	8.00%
Long Term Bonds	9.00%
High Yield Bond	6.00%
Large Cap Value	10.00%
Large Cap Growth	11.00%
Mid Cap	5.00%
Small Cap	7.00%
Real Estate Investment	8.00%
Foreign Equity	10.00%
Emerging Markets	10.00%
	100.00%

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Pension
For the Year Ended June 30, 2014

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 1,568,176	$ 4,148,960	$ 5,717,136
City's contribution - payroll based	-	278,036	278,036
City's contribution - lump sum	689,400	3,194,700	3,884,100
Employee contribution	-	211,550	211,550
State contributions	471,461	-	471,461
Other	68,502	-	68,502
Total Additions to Net Position	2,797,539	7,833,246	10,630,785
Deductions			
Benefit payments	1,548,151	3,633,818	5,181,969
General administration	5,247	16,296	21,543
Refund of pension contribution	-	20,376	20,376
Total Deductions From Net Position	1,553,398	3,670,490	5,223,888
Change in net position	1,244,141	4,162,756	5,406,897
Net Position - Beginning	11,035,206	30,262,853	41,298,059
Net Position - Ending	$ 12,279,347	$ 34,425,609	$ 46,704,956

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, pursuant to formal commitments, to provide contributions. Benefits or refunds are recognized when due and payable in accordance with the terms of each plan. Investment management and consultant fees are paid from the Pension Trusts Funds. All actuarial costs are paid from other City funds.

The State contributes to the City of Dover certain grants on behalf of law enforcement programs. The State assesses a .25% surcharge on insurance policies issued in the State. Each year this amount is allocated to the municipalities in Delaware in direct ratio to the number of officers employed. The State also provides 75% for the annual cost of living increase (COLA) granted to police retirees on January 1 each year. The Police Pension Ordinance provides for these grants to be transferred to the Police Pension Trust. These amounts are included as grants received revenue and Public Safety and Law Enforcement expenditures in the General Fund.

Total eligible full-time employee wages covered by the two active defined benefit pension plans were $13.4 million this fiscal year.

I. City of Dover Police Pension Plan

Plan Description

This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 through 62-84. The contribution and funding requirements of the plan are established by the City and may be amended by the City Council. It is a closed plan. The last active employee retired June 29, 2006. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2014, there are 48

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retirees and beneficiaries receiving benefits.

Fully vested employees who have completed 20 to 25 years of continuous service are entitled to annual benefits equal to 2 ½% of their average earnings for each year of continuous service. The maximum benefit is 62 ½% of average earnings. If a participant terminates after completing 15 years of service, the participant will be eligible for a deferred benefit commencing at age 60 with a benefit accrued at the date of termination. In place of this vesting, participants may elect to receive their accumulated contributions.

Disability benefits are paid to a participant who is totally or partially disabled in the performance of his or her duties. The total duty-connected disability benefit is payable monthly and equal to 75% of the monthly rate of earning at the time of disability. The partial duty-connected disability benefit is the accrued benefit at the date of disability if not less than 50% of average earnings. Disability benefits cease if the participant recovers or dies. If the disabled participant reaches his normal retirement date, the benefit is reduced by one-third.

Survivor's benefits are payable monthly in an amount equal to 75% of the participant's rate of earnings, for a duty related death. Survivor's benefits are payable monthly in an amount not to exceed 25% of the participant's rate of earnings, for a non-duty related death, if the participant has completed 10 years of service. If a retired participant dies, his or her spouse receives 50% of the benefit. All benefits under the plan, including survivor's benefits, are increased 2% per annum.

There have been no changes in benefits during the valuation period by City Council.

Plan Administration

Management of the plan investments are fully vested with the City of Dover Police Pension Board as established in the City Code, which consists of three elected by plan members, two Council members appointed by the Council President, the Chief of Police, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

Funding Policy

The City intends to continue to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The current year contributions are based on the parameters set forth in the actuarial valuation report as of June 30, 2014 in accordance with GASB Statement 67. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution. In addition, the City has adopted in its financial policies to have any surplus in the budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension obligation.

The ADC conforms to the entry age normal cost method as defined in GASB Statement 67. The City has interim valuations completed each year between the required biennial valuations to monitor the progress of the net pension obligation. The City's actuary is Milliman of Wayne, Pennsylvania. The calculation of the net pension asset for June 30, 2014 is presented below.

	Governmental Activities
Actuarially determined contribution	$ 1,155,110
Employer contributions	(1,229,363)
Contribution deficiency/(excess)	(74,253)
Net pension (asset) at beginning of year	(106,065)
Net pension (asset) at end of year	$ (180,318)

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

Net Pension Liability

As of June 30, 2014, the most recent measurement date for the actuarial valuation, the plan was 62.97% funded. The total pension liability for benefits was $19.5 million, and the fiduciary net position was $12.3 million, resulting in a net pension liability (NPL) of $7.2 million for the primary government. There are no active officers, therefore there is no covered payroll or ratio of the net pension liability to cover payroll. There have been no changes in actuarial assumptions or methods since the prior valuation.

The following presents the net pension liability of the City of Dover Police Pension Plan, calculated using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate 7.00%	1% Increase (8.00%)
Net pension liability	$ 9,203,000	$ 7,220,000	$ 5,539,000

The schedule of changes in the net pension liability, schedule of City contributions, and a schedule of investment returns are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

For the year ended June 30, 2014, the annual money weighted rate of return on the general employee pension plan investments, net of investment expense was 14.76%. The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by proportion of time they are available to earn a return during that period.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar of projected payroll
Remaining amortization period	11 years
Amortization period	Closed
Asset valuation method	Current market value
Actuarial assumptions:	
Investment rate of return	7.0% (See supplementary schedule in RSI)
Discount rate	7.0%
Projected salary increases	none, no remaining active participants
Includes inflation at	none, no remaining active participants
Automatic Cost of Living (retirees)	2.0%
Mortality	RP-2000 Healthy Annuitant Mortality Table

The July 1, 2012 valuation date determines the June 30, 2013 and June 30, 2014 fiscal year end contributions.

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

ii. City of Dover General Employee Pension Plan

Plan Description

The City of Dover General Employee Pension Plan started on July 1, 1967, under the authority of the City Council, Municipal Code, Chapter 2, Article IV, Division 7, General Employee Pension Plan, Sections 2-321 through 2-370, and was made contributory on July 1, 1983. Employees contribute 3.5% of gross salary, exclusive of unscheduled overtime. An employee's pension right is vested upon completion of 10 years of continuous service. At the present time, 120 employees and 205 retirees participate in the plan, while 112 employees are enrolled in the defined contribution plan, which began July 1, 2000. Current membership in the General Employee Pension Plan as of June 30, 2014, is comprised of the following:

Retired and beneficiaries currently receiving benefits		205
Active employees	Fully Vested	80
	Non-Vested	40
Deferred vested		15

The percentage of covered payroll which employees contribute is stated in the City Code, and is considered by the actuaries in their determination of the actuarial determined contribution for service cost. For the year ended June 30, 2014, gross payroll earnings of $6.0 million were reported to and covered by this plan.

An employee hired before May 1, 1994 is eligible for normal retirement benefits under this plan: when he/she attains the age of 65 with 10 years of continuous service. This same employee is eligible for early retirement when he/she attains the age of 50 with 20 years of continuous service or has completed 25 years of service.

Employees hired on or after May 1, 1994 who attained age 55 and whose attained age plus years of continuous service is equal to or greater than 80 are eligible for early-unreduced retirement benefits under this plan. The monthly benefits are 1/50 of the average actual monthly earnings multiplied by years and months of credited service upon retirement (highest 36 consecutive months in his/her final 10 years of continuous service). The monthly benefit shall not be less than $200 per month. Benefits are paid for the lifetime of the participant. Upon the death of the participant, 50% of the payments to which the participant was or would have been entitled shall be made to his eligible survivor.

An employee may also take an early-reduced retirement on any date following the attainment of age 55 and the completion of 10 years of continuous service. However, the early retirement benefit is calculated in the same manner as the normal retirement benefit, at a reduced rate of one-half percent for each month computed from the date of early retirement to age 65 years.

Survivor's benefits are payable to eligible survivors of a participant who dies after completing 10 years of continuous service. The amount of the death benefit is equal to 50% of the retirement benefit the participant would have received had he retired the day before he died. A participant is vested in the pension plan after completing 10 years of continuous service, with survivor benefits commencing when the employee would have attained the age of 65.

The benefit is calculated using the normal retirement benefit formula and service at date of termination. If an employee terminated before becoming vested in the plan, they are eligible to withdraw this total contribution with interest compounded annually.

On May 1, 1994, a deferred compensation option was offered to employees in lieu of participation in the General Employee Pension Plan, and at that time 41 employees elected to switch to the deferred compensation plan. (See Note 17 – Deferred Compensation Plan)

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

Effective September 29, 2009 the City Council voted to close the General Employee's Pension plan to new hires.

There have been no changes in benefits during the valuation period by City Council.

Plan Administration

Management of the plan investments are fully vested with the City of Dover Employees" Police Pension Board as established in the City Code, which consists of three elected by plan members, two Council members appointed by the Council President, the City Controller/Treasurer, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

Funding Policy

The City intends to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The City uses the percentage of payroll determined by the actuary for its contributions. The current year contributions are based on the parameters set forth in the actuarial valuation report as of June 30, 2014 in accordance with GASB Statement 67. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution. In addition, the City has adopted in its financial policies to have any surplus in the budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension obligation.

The ADC conforms to the entry age normal cost method as defined in GASB Statement 67. The City has interim valuations completed each year between the required biennial valuations to monitor the progress of the net pension obligation. The City's actuary is Milliman of Wayne, Pennsylvania. The calculation of the net pension asset for June 30, 2014 is presented below.

	Total	Governmental Activities	Water/ Wastewater Fund Activities	Electric Fund Activities
Actuarially determined contribution	$ 2,628,694	$ 1,746,129	$ 243,216	$ 639,349
Employer contributions	(3,472,736)	(1,711,281)	(368,565)	(1,392,890)
Contribution deficiency/(excess)	(844,042)	34,848	(125,349)	(753,541)
Net pension (asset) at beginning of year	(6,914,326)	(191,820)	(479,537)	(6,242,969)
Net pension (asset) at end of year	$ (7,758,368)	$ (156,972)	$ (604,886)	$ (6,996,510)

Net Pension Liability

As of June 30, 2014, the most recent measurement date for the actuarial valuation, the plan was 60.91% funded. The total pension liability for benefits was $56.5 million, and the fiduciary net position was $34.4 million, resulting in a net pension liability (NPL) of $22.1 million for the primary government. The covered payroll (annual payroll of active employees covered by the plan) was $6 million, and the ratio of the NPL to the covered payroll was 370.03%. There have been no changes in actuarial assumptions or methods since the prior valuation.

The following presents the net pension liability of the City of Dover General Employee Pension Plan, calculated using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

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	1% Decrease (6.00%)	Current Discount Rate 7.00%	1% Increase (8.00%)
Net pension liability	$ 29,114,000	$ 22,093,000	$ 16,260,000

The City's amortization period for fiscal year 2014 was 21 years of a 30 year amortization period. Due to the additional City contributions over the past three years, the actuaries have changed the amortization period to 15 years effective fiscal year 2015. The schedule of changes in the net pension liability, schedule of City contributions, and a schedule of investment returns are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

For the year ended June 30, 2014, the annual money weighted rate of return on the general employee pension plan investments, net of investment expense was 13.84%. The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by proportion of time they are available to earn a return during that period.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Aggregate entry age normal
Amortization method	Level dollar of projected payroll
Remaining amortization period	15 years
Amortization period	Closed
Asset valuation method	Smoothes gains and losses over a 5-year period
Actuarial Assumptions:	
Investment rate of return	7.0% (See supplementary schedule in RSI)
Discount rate	7.0%
Projected salary increases	4.0%
Includes inflation at	3.5%
Mortality	RP-2000 Healthy Annuitant Mortality Table

The July 1, 2012 valuation date determines the June 30, 2013 and June 30, 2014 fiscal year end contributions.

iii. State of Delaware Police Pension Plan

The City participates in the State of Delaware "County and Municipal Police Pension Plan" for uniformed police officers whose employment with the City started on or after September 1, 1982 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71. This is a cost–sharing multiple-employer defined benefit pension plan. The State of Delaware enacted legislation to provide for the plan and is responsible for setting benefits, contributions and amending plan provisions. This is a contributory plan with the employee contributing 7% of gross salary, exclusive of overtime. For the year ended June 30, 2014, $6.4 million in payroll earnings were reported to and covered by this plan.

The City's contribution percentages were 14.53%, 14.75% and 15.52% for the fiscal years ended June 30, 2012, 2013 and 2014, respectively. The City's contributions to the plan for years ended June 30, 2012, 2013 and 2014 were $940,562, $936,894 and $990,588 respectively and were equal to the required contributions for each year. These contributions cover the City's total liability for funding, as determined by the State of Delaware's actuary.

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

B. Employee Pension Plan

The net pension liability for this plan was being amortized over 25 years beginning July 1, 2010, 21 of which remained as of July 30, 2014 with payments increased at 3 ½% per year. Investment gains and losses are spread over five years. Upon completion of the GASB 67 Disclosure report, the actuary is recommending a 15 year amortization schedule effective fiscal year 2015. The amortization period is closed.

Schedule of Changes in Net Pension Liability, Related Ratios and Investment Returns
GENERAL PENSION
Fiscal Year Ended June 30, 2014

Total Pension Liability		
Service cost	$	484,166
Interest on total pension liability		3,809,755
Effect of economic/demographic (gains) or losses		111,273
Benefit payments		(3,654,194)
Net change in total pension liability		751,000
Total pension liability, beginning		55,768,000
Total pension liability, ending (a)	$	56,519,000
Fiduciary Net Position		
Employer contributions	$	3,472,736
Member contributions		211,550
Investment income net of investment expenses		4,153,081
Benefit payments		(3,654,194)
Administrative expenses		(20,417)
Net change in plan fiduciary net position		4,162,756
Fiduciary net position, beginning		30,262,853
Fiduciary net position, ending (b)	$	34,425,609
Net pension liability, ending = (a) - (b)	$	22,093,391
Fiduciary net position as a % of total pension liability		60.91%
Covered payroll	$	5,970,703
Net pension liability as a % of covered payroll		370.03%
Annual money-weighted rate of return, net of investment expense		13.84%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

General Employee Pension Plan
Required Supplementary Information
Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2005	$ 1,726,989	$ 1,566,845	$ 160,144	$ 7,320,938	21.40%
2006	2,022,614	1,739,448	283,166	7,380,629	23.57%
2007	2,231,594	2,767,177	(535,583)	7,612,121	36.35%
2008	2,269,802	2,908,080	(638,278)	8,006,103	36.32%
2009	2,356,529	2,491,393	(134,864)	8,716,361	28.58%
2010	2,564,767	2,270,623	294,144	8,786,981	25.84%
2011	3,149,493	3,347,728	(198,235)	8,256,751	40.55%
2012	3,130,022	3,142,951	(12,929)	7,974,057	39.41%
2013	3,217,964	9,788,571	(6,570,607)	7,076,322	138.33%
2014	2,628,694	3,472,736	(844,042)	5,970,703	58.16%

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Aggregate entry age normal
Amortization method	Level dollar of projected payroll
Remaining amortization period	15 years
Amortization period	Closed
Asset valuation method	Smooth gains and losses over a 5-year period
Actuarial Assumptions:	
Investment rate of return	7.0% (See supplementary schedule in RSI)
Discount rate	7.0%
Projected salary increases	4.0%
Includes inflation at	3.5%
Mortality	RP-2000 Healthy Annuitant Mortality Table

The July 1, 2012 valuation date determines the June 30, 2013 and June 30, 2014 fiscal year end contributions.

3. OTHER POSTEMPLOYMENT PLAN

The following information presents additional information related to funding status and progress of Other Postemployment Benefits. It is intended to help readers assess the individual plans' funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due.

The amount shown below as actuarial accrued liability is a measure of the difference between the actuarial present value of future plan benefits, and the actuarial present value of future normal cost.

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

B-1

ATTACHMENT #2
Joint Civilian/Police Pension and OPEB
Boards Meeting of 04/28/2016

Statement of Change in Pension Trust Fund – General Pension Year Ending June 30th	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Additions													
Net Investment Income	-$322,374	$1,198,899	$762,461	$1,574,496	$2,688,851	-$1,157,304	-$2,172,453	$1,963,709	$3,776,674	-$4,991	$1,751,243	$4,148,960	$954,989
City contribution – payroll based	$611,910	$1,041,470	$1,566,845	$1,738,682	$2,093,293	$2,383,080	$2,491,393	$2,270,623	$415,273	$354,034	$310,963	$278,036	$2,876,512
City contribution – lump sum	$330,000	$0	$0	$0	$683,242	$525,000	$0	$0	$2,932,455	$2,788,900	$9,477,500	$3,194,700	$543,000
Employee contribution	$237,368	$249,820	$255,209	$259,427	$267,718	$286,818	$309,195	$294,599	$293,546	$279,092	$233,097	$211,550	$209,446
Other						$4,266				$17	$108		
Total Additions to Net Assets	$856,904	$2,490,189	$2,584,515	$3,572,605	$5,733,104	$2,041,860	$628,135	$4,528,931	$7,417,948	$3,417,052	$11,772,911	$7,833,246	$4,583,947
Deductions													
Benefit payments	$2,073,202	$2,223,259	$2,354,778	$2,698,570	$2,360,730	$2,680,533	$2,716,752	$2,932,388	$3,077,877	$3,249,878	$3,456,551	$3,633,818	$3,699,842
General administration	$18,494	$15,128	$19,630	$19,600	$22,070	$22,109	$22,943	$26,387	$26,670	$18,149	$21,280	$16,296	$18,792
Refund of pension contribution	$6,482	$5,330	$18,492	$60,216	$26,609	$16,303	$39,517	$38,955	$10,374	$109,354	$80,813	$20,376	
Total Deductions From Net Assets	$2,098,178	$2,243,717	$2,392,900	$2,778,386	$2,409,409	$2,718,945	$2,779,212	$2,997,730	$3,114,921	$3,377,381	$3,558,644	$3,670,490	$3,718,634
Changes in net assets	-$1,241,274	$246,472	$191,615	$794,219	$3,323,695	-$677,085	-$2,151,077	$1,531,201	$4,303,027	$39,671	$8,214,267	$4,162,756	$865,313
Net assets – beginning	$15,688,122	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609
net assets - ending	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609	$35,290,922

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

B-2

1	Statement of Change in Pension													
2	Trust Fund – General Pension	1	2	3	4	5	6	7	8	9	10	11	12	13
3	Year Ending June 30th	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
4	By Funding Source													
5	Additions													
6	Net Investment Income													
7	City contribution – payroll based	$611,910	$1,041,470	$1,566,845	$1,738,682	$2,093,293	$2,383,080	$2,491,393	$2,270,623	$415,273	$354,034	$310,963	$278,036	$2,876,512
8	City contribution – lump sum	$330,000	$0	$0	$0	$683,242	$525,000	$0	$0	$2,932,455	$2,788,900	$9,477,500	$3,194,700	$543,000
9	Employee contribution	$237,368	$249,820	$255,209	$259,427	$267,718	$286,818	$309,195	$294,599	$293,546	$279,092	$233,097	$211,550	$209,446
10	Other						$4,266				$17	$108		
11														
12	Total Additions to Net Assets	$1,179,278	$1,291,290	$1,822,054	$1,998,109	$3,044,253	$3,199,164	$2,800,588	$2,565,222	$3,641,274	$3,422,043	$10,021,668	$3,684,286	$3,628,958
13														
14	Benefit payments	$2,073,202	$2,223,259	$2,354,778	$2,698,570	$2,360,730	$2,680,533	$2,716,752	$2,932,388	$3,077,877	$3,249,878	$3,456,551	$3,633,818	$3,699,842
15														
16	City funding level	-$893,924	-$931,969	-$532,724	-$700,461	$683,523	$518,631	$83,836	-$367,166	$563,397	$172,165	$6,565,117	$50,468	-$70,884
17	City cumulative funding level		-$1,825,893	-$2,358,617	-$3,059,078	-$2,375,555	-$1,856,924	-$1,773,088	-$2,140,254	-$1,576,857	-$1,404,692	$5,160,425	$5,210,893	$5,140,009
18														
19														
20	TRUST FUND – Interest													
21	Investment income/loss	-$322,374	$1,198,899	$762,461	$1,574,496	$2,688,851	-$1,157,304	-$2,172,453	$1,963,709	$3,776,674	-$4,991	$1,751,243	$4,148,960	$954,989
22	cumulative interest		$876,525	$1,638,986	$3,213,482	$5,902,333	$4,745,029	$2,572,576	$4,536,285	$8,312,959	$8,307,968	$10,059,211	$14,208,171	$15,163,160
23														
24														
25	Expenses													
26	General administration	$18,494	$15,128	$19,630	$19,600	$22,070	$22,109	$22,943	$26,387	$26,670	$18,149	$21,280	$16,296	$18,792
27	Refund of pension contribution	$6,482	$5,330	$18,492	$60,216	$26,609	$16,303	$39,517	$38,955	$10,374	$109,354	$80,813	$20,376	
28														
29	Total expenses	$24,976	$20,458	$38,122	$79,816	$48,679	$38,412	$62,460	$65,342	$37,044	$127,503	$102,093	$36,672	$18,792
30	cumulative expenses		$45,434	$83,556	$163,372	$212,051	$250,463	$312,923	$378,265	$415,309	$542,812	$644,905	$681,577	$700,369
31														
32														
33	Changes in net assets	-$1,241,274	$246,472	$191,615	$794,219	$3,323,695	-$677,085	-$2,151,077	$1,531,201	$4,303,027	$39,671	$8,214,267	$4,162,756	$865,313
34	Net assets – beginning	$15,688,122	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609
35	net assets - ending	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609	$35,290,922

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

B-3

Pension Trusts	
Category Allocation	Target Percentage
Money Market	4.50%
Short Term Bonds	5.50%
Inflation Protected Bonds	5.00%
Intermediate Term Bonds	8.00%
Long Term Bonds	9.00%
High Yield Bond	8.00%
Large Cap Value	10.00%
Large Cap Growth	10.00%
Mid Cap	5.00%
Small Cap	8.00%
Real Estate Investment	7.00%
Foreign Equity	10.00%
Emerging Markets	10.00%
	100.00%

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2015

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 283,144	$ 954,989	$ 1,238,133
City's contribution - payroll based	-	2,876,512	2,876,512
City's contribution - lump sum	755,000	543,000	1,298,000
Employee contribution	-	209,446	209,446
State contributions	629,910	-	629,910
State contributions - COLA increases	-	-	-
Other	879	-	879
Total Additions to Net Position	1,668,933	4,583,947	6,252,880
Deductions			
Benefit payments	1,557,641	3,699,842	5,257,483
General administration	5,794	18,792	24,586
Refund of pension contribution	-	-	-
Change in net position	105,498	865,313	970,811
Net Position - Beginning	12,279,347	34,425,609	46,704,956
Net Position - Ending	$ 12,384,845	$ 35,290,922	$ 47,675,767

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, pursuant to formal commitments, to provide contributions. Benefits or refunds are recognized when due and payable in accordance with the terms of each plan. Investment management and consultant fees are paid from the Pension Trust Funds. All actuarial costs are paid from other City funds.

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

C-1

Sec. 2-502. - Establishment of fund.

(a) There shall be established an OPEB fund, a trust fund, separate and distinct from the funds established under chapter 2, article IV, division 7, and chapter 62, article III of the City of Dover Code of Ordinances, the contributions to which are subject to city appropriations and rules regarding employer and/or employee contributions as may be promulgated, changed or amended from time to time, and to which earnings on investments, refunds and reimbursements shall be deposited upon receipt, and from which the city's premiums shall be paid, and any fees and expenses authorized by the board shall be paid. No money shall be disbursed from this fund except for the purpose of payment of the city's premiums for postretirement health insurance for employees retired under chapters 2 and 62.

(b) The amounts remaining in the OPEB fund, if any, after all premiums, fees, and expenses have been paid for any year shall be retained in such trust for future payments until all city liabilities for post-retirement health insurance premium benefits have been satisfied.

(c) The OPEB fund shall be an irrevocable trust exempt from federal income tax under § 115 of the Internal Revenue Code [26 U.S.C. § 115], remote from city creditors, and subject to the financial reporting, disclosure and actuarial requirements of government accounting standards board statements 43 and 45 or any subsequent government accounting standards board updates or statements that may be applicable.

(Ord. No. 2009-10, 5-11-2009)

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C-2

Sec. 2-322. - Established; purpose.

(a) *Generally.* There is hereby established the city employee pension plan. The purpose of the plan is to establish the terms and conditions under which retirement and disability benefits and other benefits shall be provided to eligible employees of the city. The benefits under the plan shall be in addition to amounts received as social security benefits or from any other pension plan.

(b) *For employee exclusively.* This plan is created for the exclusive benefit of the employees of the city and shall be interpreted in a manner consistent with it being an employee's trust, as defined in section 401(a) of the Internal Revenue Code (26 USC 401(a)). Therefore, under no circumstances shall any funds contributed to this plan or any assets of the plan or trust ever revert to or be used or enjoyed by the city, nor shall any such funds or assets ever be used other than for the benefits of the employees of the city and their beneficiaries, prior to the satisfaction of all liabilities under this plan to the employees.

(Code 1968, § 2-88; Ord. of 1-12-1970; Code 1981, § 2-177; Ord. of 7-26-1993, § 2)

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D-1

* EMPLOYEE CONTRIBUTIONS

Social Security Online Retirement & Survivors Benefit

> Male born 1946 Age 69 years 6 months life expediency

85.4 years

> Age at time of retirement

59

> Expected years in retirement

85.4 – 59 = 26.4 years

> Total Employee Contributions

1971 – 2004 $35,254.89

> Current annual contributions as reported by the City

$546.24 (1.0%) $35,254.89 / $546.24 = 64.5 years
(64.5 + 59) = 123.5 years old

> Social Security life expediency

$35,254.89 / 26.4 = $1,335.41 (2.4%) = 26.4 years
(59 + 26.4) = 85.4 years old

* Form 1099-R Department of the Treasury – Internal Revenue Service

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

CITY OF DOVER
PENSION CONTRIBUTIONS

Pension Type: P4 PENSION/GENERAL

Employee: [redacted]

BALANCE BROUGHT FORWARD AS OF	12/31/2002		29590.03
		1/03	211.90
		2/03	211.90
		3/03	211.90
		4/03	317.85
		5/03	211.90
		6/03	211.90
		7/03	211.90
		8/03	211.90
		9/03	245.14
		10/03	336.33
		11/03	224.22
		12/03	224.22
TOTAL EMPLOYEE CONTRIBUTIONS AS OF	12/31/2003		32421.09

2,833.80

* 12-31-04 2,833.80

35,254.89

Paid in

* no statement

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

D-3

This document was provided by Mr. Lester Blakeman, and the information included has not been verified by City staff.

☐CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code

RETIREMENT SERVICES
CITY OF DOVER EMPLOYEE PENSION PLAN
733 MARQUETTE AVE, N9306-042
MINNEAPOLIS, MN 55479

PAYER'S federal identification number: [redacted]

RECIPIENT'S identification number: [redacted]

RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code

[redacted]

1 Gross distribution $ 54622.44	2b Taxable amount not determined ☐
2a Taxable amount $ 54076.20	Total distribution ☐
3 Capital gain (included in box 2a) $	4 Federal income tax withheld $ 6618.96
5 Employee contributions /Designated Roth contributions or insurance premiums $ 546.24	6 Net unrealized appreciation in employer's securities $
7 Distribution code(s) 7 IRA/SEP/SIMPLE	8 Other $ %
9a Your percentage of total distribution %	9b Total employee contributions $
12 State tax withheld $ 2253.96 $	13 State/Payer's state no. [redacted]
15 Local tax withheld $ $	16 Name of locality

10 Amount allocable to IRR within 5 years $

11 1st year of desig. Roth contrib.

Account number (see instructions): [redacted]

Tracking #: [redacted]

FORM 1099-R Department of the Treasury - Internal Revenue Service

OMB No. 1545-0119
2015

Form 1099-R Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

This information is being furnished to the Internal Revenue Service

COPY B

Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

14 State distribution $ 54076.20 $

17 Local distribution $ $

☐CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code

RETIREMENT SERVICES
CITY OF DOVER EMPLOYEE PENSION PLAN
733 MARQUETTE AVE, N9306-042
MINNEAPOLIS, MN 55479

PAYER'S federal identification number: [redacted]

RECIPIENT'S identification number: [redacted]

RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code

[redacted]

1 Gross distribution $ 54622.44	2b Taxable amount not determined ☐
2a Taxable amount $ 54076.20	Total distribution ☐
3 Capital gain (included in box 2a) $	4 Federal income tax withheld $ 6618.96
5 Employee contributions /Designated Roth contributions or insurance premiums $ 546.24	6 Net unrealized appreciation in employer's securities $
7 Distribution code(s) 7 IRA/SEP/SIMPLE	8 Other $ %
9a Your percentage of total distribution %	9b Total employee contributions $
12 State tax withheld $ 2253.96 $	13 State/Payer's state no. [redacted]
15 Local tax withheld $ $	16 Name of locality

10 Amount allocable to IRR within 5 years $

11 1st year of desig. Roth contrib.

Account number (see instructions): [redacted]

Tracking #: [redacted]

FORM 1099-R Department of the Treasury - Internal Revenue Service

OMB No. 1545-0119
2015

Form 1099-R Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

This information is being furnished to the Internal Revenue Service

COPY C

For Recipient's Records

14 State distribution $ 54076.20 $

17 Local distribution $ $

☐CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code

RETIREMENT SERVICES
CITY OF DOVER EMPLOYEE PENSION PLAN
733 MARQUETTE AVE, N9306-042
MINNEAPOLIS, MN 55479

PAYER'S federal identification number: [redacted]

RECIPIENT'S identification number: [redacted]

RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code

[redacted]

1 Gross distribution $ 54622.44	2b Taxable amount not determined ☐
2a Taxable amount $ 54076.20	Total distribution ☐
3 Capital gain (included in box 2a) $	4 Federal income tax withheld $ 6618.96
5 Employee contributions /Designated Roth contributions or insurance premiums $ 546.24	6 Net unrealized appreciation in employer's securities $
7 Distribution code(s) 7 IRA/SEP/SIMPLE	8 Other $ %
9a Your percentage of total distribution %	9b Total employee contributions $
12 State tax withheld $ 2253.96 $	13 State/Payer's state no. [redacted]
15 Local tax withheld $ $	16 Name of locality

10 Amount allocable to IRR within 5 years $

11 1st year of desig. Roth contrib.

Account number (see instructions): [redacted]

Tracking #: [redacted]

FORM 1099-R Department of the Treasury - Internal Revenue Service

OMB No. 1545-0119
2015

Form 1099-R Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

This information is being furnished to the Internal Revenue Service

COPY 2

File this copy with your state, city, or local income tax return when required.

14 State distribution $ 54076.20 $

17 Local distribution $ $

S7408

250 Washington Ave Ext
Albany, NY 12203
USA

Tel +1 518 514 7157
Fax +1 518 514 7200

milliman.com

MEMO

To:	City of Dover, Delaware Employees' Pension Plan – Board
From:	Jeff Marzinsky – Milliman
Re:	Board Meeting Notes

Enclosures: Milliman Quarterly Investment Monitor Report (QIM)

1. General Employees' Pension Plan Investment Review through quarter end:

a. As of quarter end, the plan had approximately $35.5 million in assets, up slightly from $33.6 million at the prior quarter end. During the quarter, the plan had contributions of $2.04 million, withdrawals/payments of approximately $925 thousand, and fees of approximately $3.9 thousand.

b. Total performance of the plan portfolio was 2.56% net (2.63% gross) for the quarter, generally in line with the Plan's benchmark index performance of 2.63%.

City of Dover
General Employees Pension Plan
Quarterly Return Summary

Month End	BMV	Contribution	Withdrawls	Fees	Gain	EMV	CIVILIAN-NET RETURN	CIVILIAN-GROSS RETURN
7/31/2015	$ 35,320,547.52	$ -	$ 309,689.50	$ 1,571.41	$ 234,232.21	$ 35,243,518.82	0.67%	0.69%
8/31/2015	$ 35,243,518.82	$ -	$ 307,525.20	$ 1,354.08	$ (1,608,818.57)	$ 33,325,820.97	-4.60%	-4.58%
9/30/2015	$ 33,325,820.97	$ 500,000.00	$ 315,851.91	$ 1,313.85	$ (473,506.37)	$ 33,035,148.84	-1.41%	-1.39%
10/31/2015	$ 33,035,148.84	$ -	$ 308,594.82	$ 1,302.16	$ 1,687,243.73	$ 34,412,495.59	5.15%	5.18%
11/30/2015	$ 34,412,495.59	$ 580,000.00	$ 306,434.84	$ 1,335.61	$ (82,993.60)	$ 34,601,731.54	-0.24%	-0.22%
12/31/2015	$ 34,601,731.54	$ -	$ 309,317.71	$ 1,337.88	$ (604,584.64)	$ 33,686,491.31	-1.76%	-1.74%
1/31/2016	$ 33,686,491.31	$ -	$ 307,814.61	$ 1,314.76	$ (1,247,371.78)	$ 32,129,990.16	-3.73%	-3.71%
2/29/2016	$ 32,129,990.16	$ -	$ 318,479.78	$ 1,274.54	$ 68,744.17	$ 31,878,980.01	0.22%	0.24%
3/31/2016	$ 31,878,980.01	$ -	$ 309,883.38	$ 1,296.39	$ 2,003,059.79	$ 33,570,860.03	6.34%	6.37%
4/30/2016	$ 33,570,860.03	$ 765,000.00	$ 308,211.06	$ 1,302.73	$ 238,784.41	$ 34,265,130.65	0.71%	0.74%
5/31/2016	$ 34,265,130.65	$ -	$ 308,211.06	$ 1,315.95	$ 204,857.29	$ 34,160,460.93	0.60%	0.63%
6/30/2016	$ 34,160,460.93	$ 1,275,000.00	$ 308,211.06	$ 1,320.77	$ 425,395.16	$ 35,551,324.26	1.22%	1.25%
		$ 2,040,000.00	$ 924,633.18	$ 3,939.45	$ 869,036.86	Quarterly Return	2.56%	2.63%
		$ 3,120,000.00	$ 3,718,224.93	$ 16,040.13	$ 845,041.80	One Year Return	2.66%	2.94%

c. The chart below describes the current target allocation for the plan. An asset allocation analysis for current and possible future asset allocations is included with this memo.

Category Description	Fund Category	Investment Name	Target Allocation with Additional Asset Classes	Asset Allocation Range
Money Market	CA	Wells Fargo Advtg Treas Plus MMkt	4.50%	0-12%; target 7% Cash + STB
Short Term Bonds	STB	Vanguard Short Term Bond	2.50%	0-12%; target 7% Cash + STB
Non-traditional bond	NTB	Columbia Strategic Income	5.00%	0-10%; target of 5% NTB
Inflation Protected Bonds	TIPS	Vanguard Inflation Prot Sec	5.00%	0-10%; target of 5% TIPS
Intermediate Term Bonds	INTB	Vanguard Intermediate Bond	5.00%	0-10%; target 5% INTB
Long Term Bonds	LTB	PIMCO Long Duration	2.50%	0-10%; target 5% LTB
Long Term Bonds	LTB	Vanguard Long Duration	2.50%	0-10%; target 5% LTB
High Yield Bond	HYB	Ivy High Income I	6.00%	1-11%; target 6% HYB
Large Cap Value	LCV	Vanguard Equity Income	11.00%	6-16%; target 11% LCV
Large Cap Growth	LCG	Vanguard Primecap	5.88%	CLOSED - no longer accepting contributions
Large Cap Growth	LCG	Vanguard Growth Index	8.12%	9-19%; target 14% LCG
Mid Cap	MCB	Vanguard Mid Cap Index	3.00%	1-11%; target 6% MC
Mid Cap	MCV	Vanguard Mid Cap Value Index	3.00%	1-11%; target 6% MC
Small Cap	SCV	Prudential Small Cap Val	7.00%	0-10%; target 7% SC
Real Estate Investment	REIT	Vanguard REIT Index	8.00%	3-13%; target 8% REIT
Foreign Equity	GLB	American Funds New Perspective	6.00%	6-18%; target 12% FOR
Foreign Equity	FLG	Oppenheimber International Growth Y	6.00%	6-18%; target 12% FOR
Emerging Markets	EMG	Vanguard Emerging Mkts	9.00%	4-14%; target 9% Emg Mkts

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d. The majority of plan investments have performance and rankings generally in line with their peer groups and benchmarks, as well as risk analytics that rank well to their peer groups.

   i. For the past three quarters, the Prudential Small Cap Value (formerly Target Small Cap) has been on watch. During 2015, the fund management structure has changed and Prudential merged the former Target Small Cap Value with the Prudential Small Cap. Performance results are mixed, on a returns basis the fund is trailing its small cap value benchmark while its rank to peers has risen to the top half of its peer group. The three and five year risk adjusted measures Alpha and Sharpe fall just slightly below the peer group median. We have seen improvements and will continue to monitor the fund.

   ii. The Ivy High Income fund is on watch. The fund trailed its benchmark during 2015 and the first quarter of 2016, but it has improved over the last quarter and now slightly outperforms the benchmark. The fund's five-year return ranks in the top 10% of its peer group, however three year returns have fallen to the bottom quartile. Changes to the portfolio have been made under the new management team. A manager due diligence report has been prepared for review; the report compared the fund to other high yield bond options. The details of the report are summarized below (**Exhibit 1**).

2. General Employees' Pension – Asset Allocation and Investment Policy Review

a. We have conducted an asset liability review of the pension plan. The review assessed the actuarial structure of plan liabilities, as well as the interest rate for valuing plan liabilities and forward-looking expectations of market returns and risk.
   i. The actuarial report indicates that during 2014, interest rate expectations were lowered to 6.5%. For the plan we assessed the duration of plan liabilities to be 17.7years, with approximate monthly beneficiary payments of $300,000. The allocation of liabilities is approximately 19% to shorter-term (less than 5years), 48% to intermediate term and 33% to longer term (20+ years).
   ii. Within the context of these factors, we developed a model to determine optional asset allocation scenarios, one being the current allocation, which has an expected return of 6.64% (slightly above the actuarial target interest rate). Page 1 of the memo shows the current allocation among investment managers.
   iii. Constraints were set so that the various asset classes, when optimized were within reason in creating efficient portfolios. **Exhibit 3** shows the constraints used.
   iv. The system uses a MVO (mean-variance optimization) process to create scenarios that maximize the level of return at a given level of risk.

b. Based on the outputs of the analysis, we do not recommend a change at this time.
   i. As noted above, optional scenarios were created, and the current portfolio is optimal, even though it has a focus, to some degree to factor in the duration structure of plan liabilities in its design. **Exhibit 2** below shows the output of the allocation study. **Exhibit 4** shows the relationship of liability duration and approximate allocation of asset duration.
   ii. The Expected Return/Arithmetic Mean, falls in line with the actuarial interest rate from the most recent valuation. In addition, the level of risk falls within the range of the level of risk for the two optional scenarios (one less and one more risky).
   iii. Even though the funded status of the plan, per the latest actuarial valuation has improved to 56.7%, the focus of the portfolio is moderate growth.

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Exhibit 1 – High Yield Manager Due Diligence

Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond Calculation Benchmark: Barclays High Yield Corporate TR USD



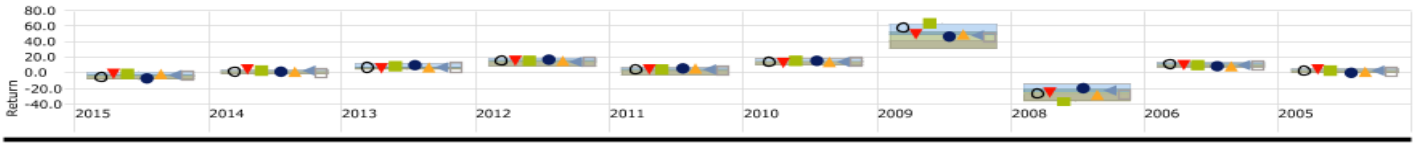
Trailing Peer Group Performance

As of Date: 6/30/2016 Data Point: Return

	3 Month	% Rank	YTD	% Rank	1 Year	% Rank	3 Years	% Rank	5 Years	% Rank	10 Years	% Rank	15 Years	% Rank
Ivy High Income I	5.60	13	7.30	29	-2.41	85	2.57	69	5.85	11	7.73	2	7.42	12
Eaton Vance High Income Opportunities I	3.41	74	6.77	43	2.23	10	5.34	1	6.49	4	6.34	41	7.09	25
Voya High Yield Bond I	3.62	67	6.62	47	2.07	12	4.38	12	6.28	6	6.84	21	6.58	53
Columbia High Yield Bond Y	2.67	86	5.64	71	1.88	15	4.56	9	6.13	7	7.04	12	7.14	23
Prudential High-Yield Z	4.45	35	7.92	17	2.42	8	4.57	9	5.90	10	7.38	6	7.40	13
Barclays High Yield Corporate TR USD	5.52	15	9.06	4	1.62	19	4.18	16	5.84	12	7.56	4	7.93	5
US OE High Yield Bond	4.17	47	6.39	54	-0.33	55	2.86	60	4.52	60	5.55	73	6.12	73
Median	4.10		6.55		-0.07		3.13		4.71		6.08		6.62	

Calendar Year Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



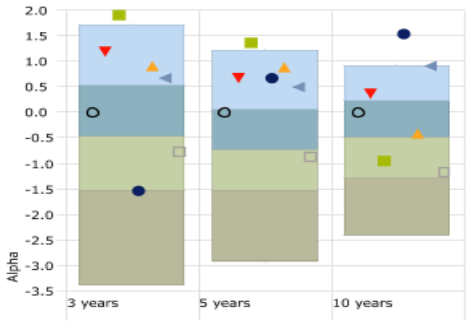
Calendar Year Returns

Data Point: Return Peer Group: Open End Funds - U.S. - High Yield Bond

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ivy High Income I	-7.13	1.74	10.46	17.16	6.44	15.62	46.56	-19.73	4.05	9.70
Eaton Vance High Income Opportunities I	-0.87	3.71	8.58	15.96	4.13	16.43	63.56	-37.22	0.72	10.99
Voya High Yield Bond I	-1.25	1.84	8.27	15.89	5.71	14.75	49.40	-27.90	2.49	9.54
Columbia High Yield Bond Y	-1.15	4.10	6.33	15.65	5.08	13.38	49.91	-24.58	2.06	10.76
Prudential High-Yield Z	-2.59	2.84	7.23	14.16	5.07	14.72	48.35	-22.14	2.70	10.51
Barclays High Yield Corporate TR USD	-4.47	2.45	7.44	15.81	4.98	15.12	58.21	-26.16	1.87	11.85
US OE High Yield Bond	-4.07	1.11	6.92	14.69	2.75	14.13	45.68	-27.06	1.32	10.09
Median	-3.82	1.48	6.61	14.77	3.48	14.26	48.28	-24.58	2.00	10.27

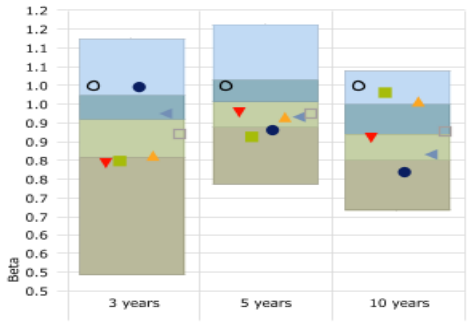
Alpha

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



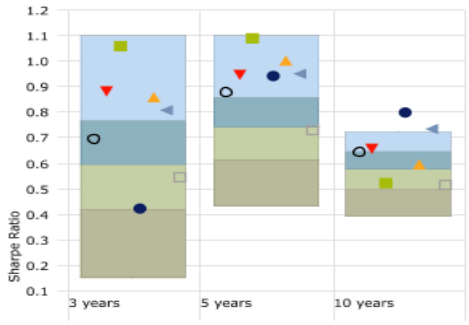
Beta

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Sharpe Ratio

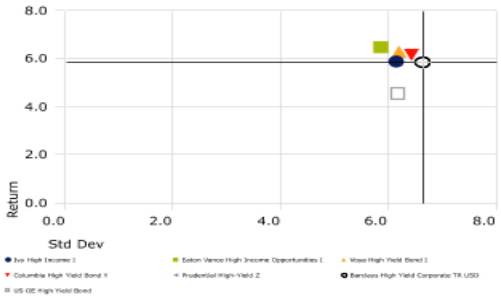
As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Risk-Reward

Time Period: 7/1/2011 to 6/30/2016

Calculation Benchmark: Barclays High Yield Corporate TR USD



3-Year Risk Return

Time Period: 7/1/2013 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.23	-1.53	1.00	91.79	0.42	87.75	104.00	41.67
Eaton Vance High Income Opportunities I	4.95	1.90	0.80	94.00	1.06	94.39	74.25	66.67
Voya High Yield Bond I	5.03	0.92	0.81	94.11	0.86	90.83	82.42	50.00
Columbia High Yield Bond Y	5.12	1.19	0.79	86.26	0.88	90.12	78.68	50.00
Prudential High-Yield Z	5.60	0.67	0.93	98.10	0.81	95.02	86.38	50.00
Barclays High Yield Corporate TR USD	6.00	0.00	1.00	100.00	0.70	100.00	100.00	100.00
US OE High Yield Bond	5.24	-0.77	0.87	98.77	0.55	83.84	93.43	36.11
Median	5.57	-0.46	0.91	93.79	0.59	88.19	95.61	41.67

5-Year Risk Return

Time Period: 7/1/2011 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.15	0.67	0.88	90.91	0.94	91.48	84.44	48.33
Eaton Vance High Income Opportunities I	5.87	1.36	0.86	95.56	1.09	94.15	80.52	60.00
Voya High Yield Bond I	6.21	0.88	0.92	96.13	1.00	97.88	90.09	55.00
Columbia High Yield Bond Y	6.43	0.67	0.93	92.18	0.95	97.79	92.11	53.33
Prudential High-Yield Z	6.14	0.51	0.92	98.69	0.95	94.21	88.70	45.00
Barclays High Yield Corporate TR USD	6.65	0.00	1.00	100.00	0.88	100.00	100.00	100.00
US OE High Yield Bond	6.18	-0.85	0.92	98.83	0.73	88.10	96.89	33.33
Median	6.51	-0.72	0.95	95.26	0.74	91.79	99.44	41.67

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Exhibit 2 – Analysis of Portfolio Allocation

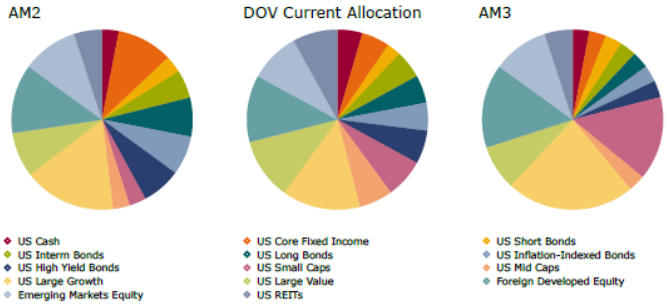
Asset Allocation Analysis

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Composition

	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs
AM2	3.00	10.00	3.00	5.08	7.00	7.00	7.00	3.00	3.00	16.52	8.00	12.40	10.00	5.00
DOV Current Allocation	4.50	5.00	2.50	5.00	5.00	5.00	6.00	7.00	6.00	14.00	11.00	12.00	9.00	8.00
AM3	3.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	3.00	23.00	8.00	15.00	10.00	5.00

Composition



Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

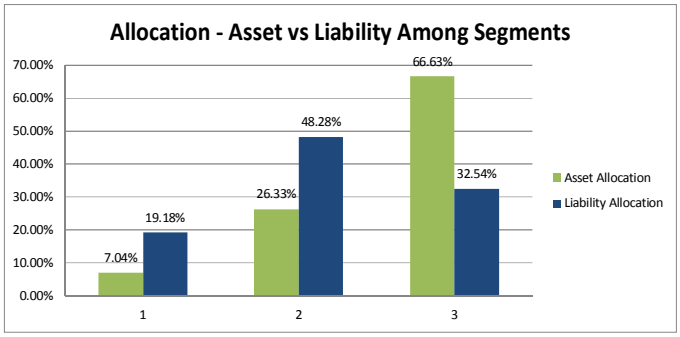
	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
AM2	6.33	11.00	0.49	0.47	0.58
DOV Current Allocation	6.64	12.44	0.50	0.50	0.53
AM3	7.28	14.63	0.54	0.53	0.50

Exhibit 3 – Allocation Model Constraints

Asset Allocation Constraints & Expectations

Asset Class	Minimum	Maximum	Exp Ret	Exp Risk (SD)
Cash	3	5	0.5	1.0
Core/Special Fixed	3	10	3.2	4.7
Short Bonds	3	10	2.9	2.7
Interm Bonds	3	10	3.0	4.1
Long Bonds	3	7	3.7	10.1
Inflation Index Bonds	3	7	3.0	4.8
High Yield Bond	3	7	6.4	10.1
US Small Caps	3	15	8.5	21.6
US Mid Caps	3	15	7.9	19.3
US Large Growth	8	25	8.1	18.6
US Large Value	8	25	7.3	16.7
Foreign Developed	5	10	8.3	19.5
Emerging Mkts	5	10	10.3	27.9
US REITS	5	10	7.4	20.4

Exhibit 4 – Duration Assessment



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The analysis in this report was prepared utilizing data from third parties and other sources including but not limited to internal computer software and databases, including among others mpiStylus Pro©, software designed by Markov Processes International, Morningstar. Reasonable care has been taken to assure the accuracy of the data contained herein, and comments are objectively stated and are based on facts gathered in good faith. These reports do not constitute investment advice with respect to the sale or disposition of individual securities. Milliman disclaims responsibility, financial or otherwise, for the accuracy or completeness of this report.

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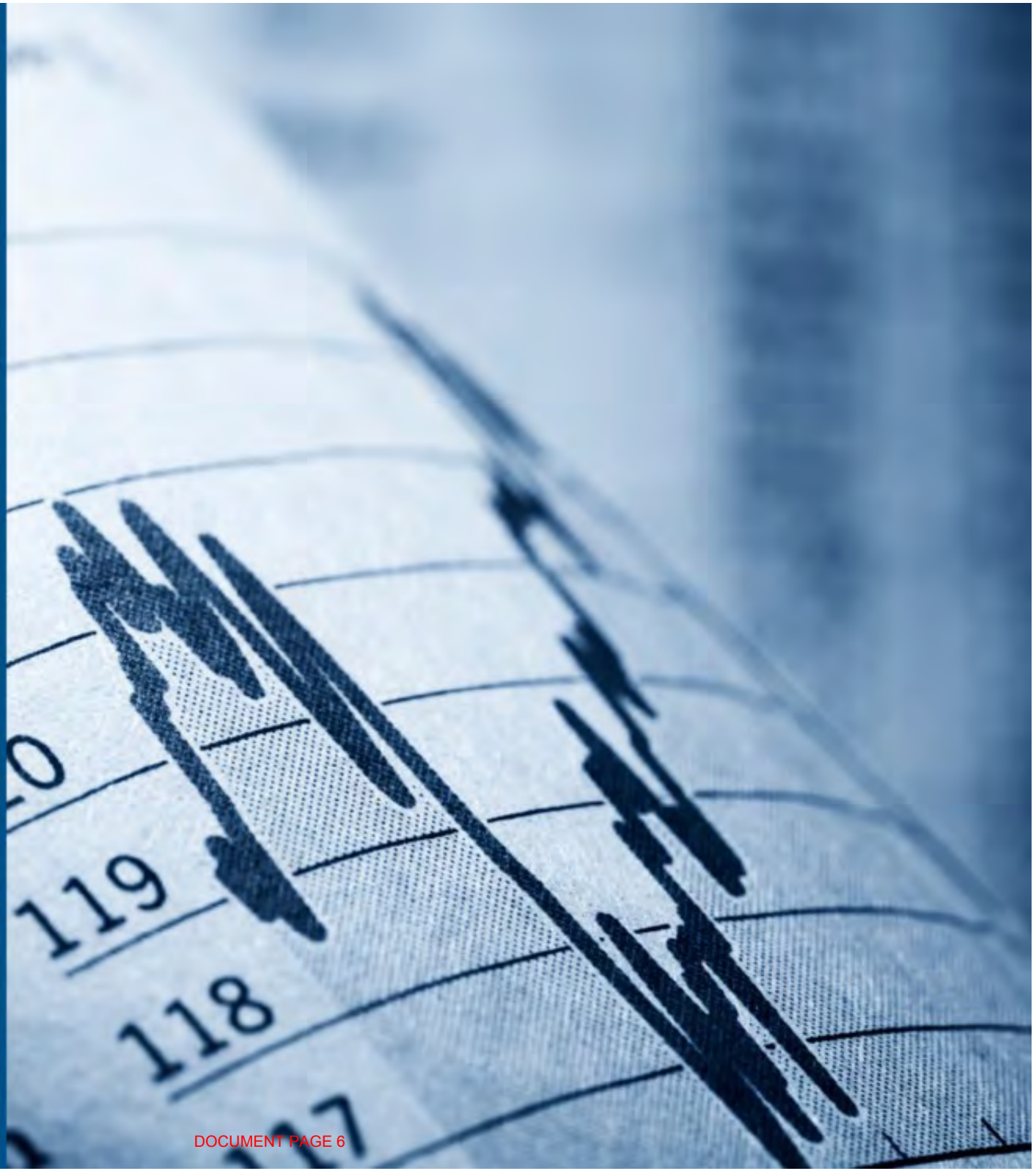
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Quarterly Investment Monitor

Summary Report for the Quarter Ending June 30, 2016

Prepared for
City of Dover, Delaware General Employee Pension Plan

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Section B: Performance Summary

Section C: Core Fund Review

Section D: Glossary

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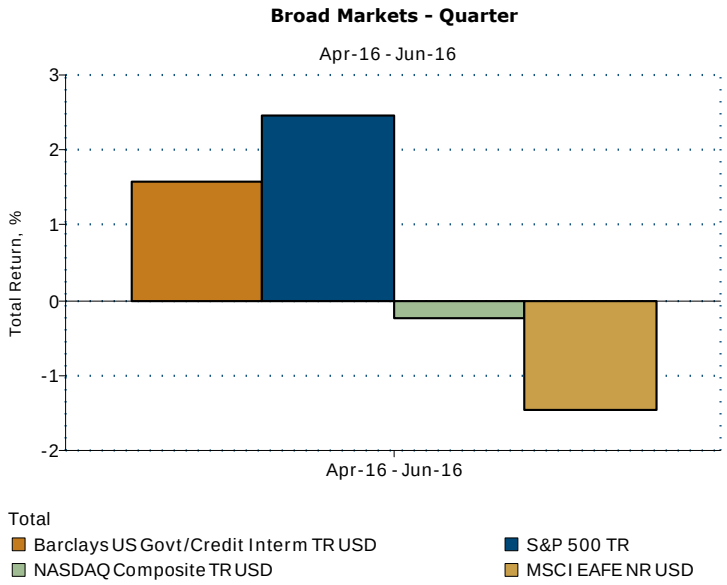
Market Indices - 2nd Quarter 2016

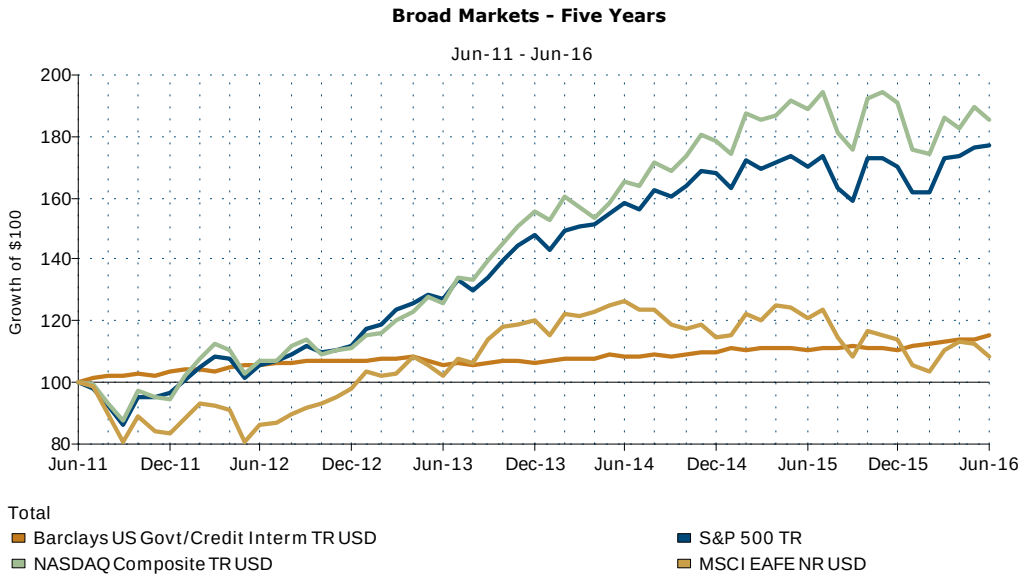


Index	YTD	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BofAML US Treasury Bill 3 Mon	0.15	0.07	0.15	0.19	0.09	0.09	1.04
Barclays US Govt 1-3 Yr TR USD	1.42	0.52	1.42	1.31	1.00	0.84	2.54
Barclays US Treasury US TIPS TR USD	6.24	1.71	6.24	4.35	2.31	2.63	4.75
Barclays US Agg Float Adj TR USD	5.52	2.32	5.52	6.12	4.07	3.81	NA
Barclays US Govt/Credit Interm TR USD	4.07	1.59	4.07	4.33	2.95	2.90	4.48
Barclays US Government Long TR USD	14.94	6.37	14.94	18.98	10.38	10.17	8.69
Barclays US Long Credit TR USD	13.92	6.65	13.92	13.76	8.70	8.45	8.14
Barclays US Corporate High Yield TR USD	9.06	5.52	9.06	1.62	4.18	5.84	7.56
DJ Industrial Average TR USD	4.31	2.07	4.31	4.50	8.99	10.41	7.65
S&P 500 TR	3.84	2.46	3.84	3.99	11.66	12.10	7.42
NASDAQ Composite TR USD	-2.66	-0.23	-2.66	-1.68	13.85	13.18	9.48
Russell 1000 Value TR USD	6.30	4.58	6.30	2.86	9.87	11.35	6.13
Russell 1000 TR USD	3.74	2.54	3.74	2.93	11.48	11.88	7.51
Russell 1000 Growth TR USD	1.36	0.61	1.36	3.02	13.07	12.35	8.78
Russell 2000 Value TR USD	6.08	4.31	6.08	-2.58	6.36	8.15	5.15
Russell 2000 TR USD	2.22	3.79	2.22	-6.73	7.09	8.35	6.20
Russell 2000 Growth TR USD	-1.59	3.24	-1.59	-10.75	7.74	8.51	7.14
MSCI EAFE NR USD	-4.42	-1.46	-4.42	-10.16	2.06	1.68	1.58
MSCI EAFE Small Cap NR USD	-3.18	-2.60	-3.18	-3.67	7.26	4.84	3.57
MSCI EM NR USD	6.41	0.66	6.41	-12.05	-1.56	-3.78	3.54
FTSE NAREIT All REITs TR	13.65	7.36	13.65	22.68	13.11	12.33	6.97

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Broad Market Commentary - 2nd Quarter 2016



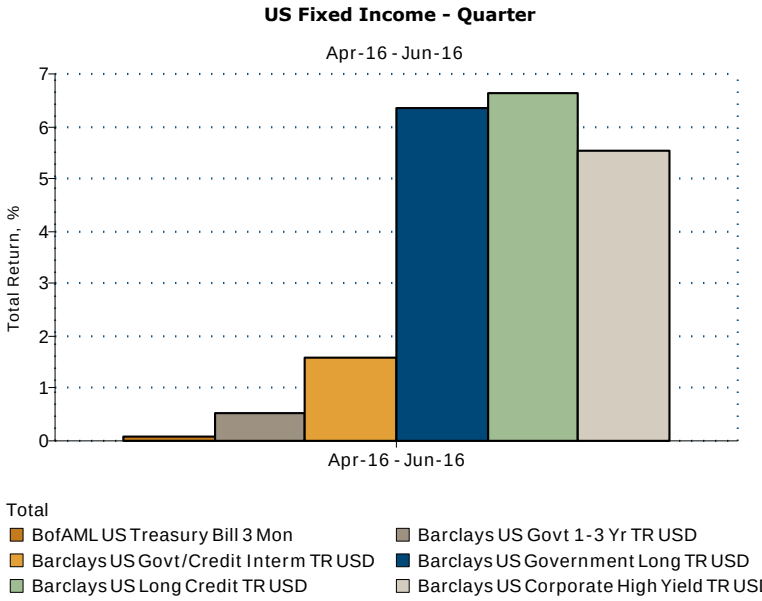


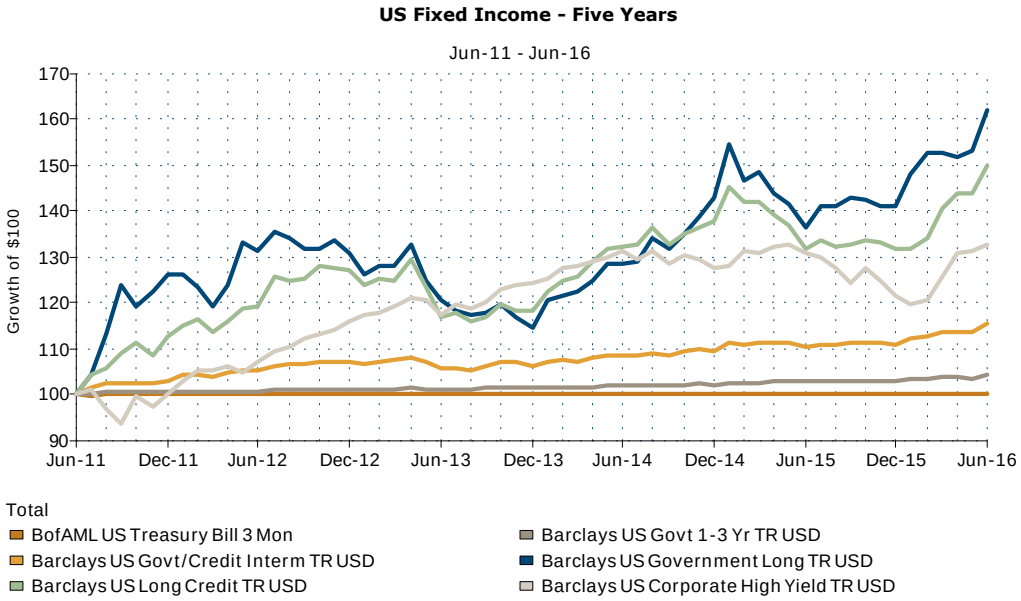
Market Commentary

- Despite the uncertainty stemming from Britain's decision to leave the European Union, U.S. stocks finished the quarter up 2.46% as investors anticipated further positive economic data and low interest rates.
- In contrast, developed international equity markets were down on news of the Brexit and the forecasted negative effect it will have on growth in Europe.
- Emerging markets were up as commodities continued to rebound from last year's lows and interest rates in the U.S. remained near zero.
- The Fed deferred further rate increases on weaker-than-expected May unemployment figures and Brexit-related uncertainties within the global economy.
- Mutual fund investors increased their holdings in both stocks and bonds. For the quarter, stocks had a net inflow of $16.1 billion and bonds had a net inflow of $11.3 billion. Total money market mutual fund assets decreased by $47 billion to $2.7 trillion.
- The unemployment rate feel from 5.0% to 4.9%, as total employment increased by 453,000 jobs this quarter.
- The price of oil rose from $37 per barrel to $48 during the quarter.

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US Fixed Income Market Commentary - 2nd Quarter 2016



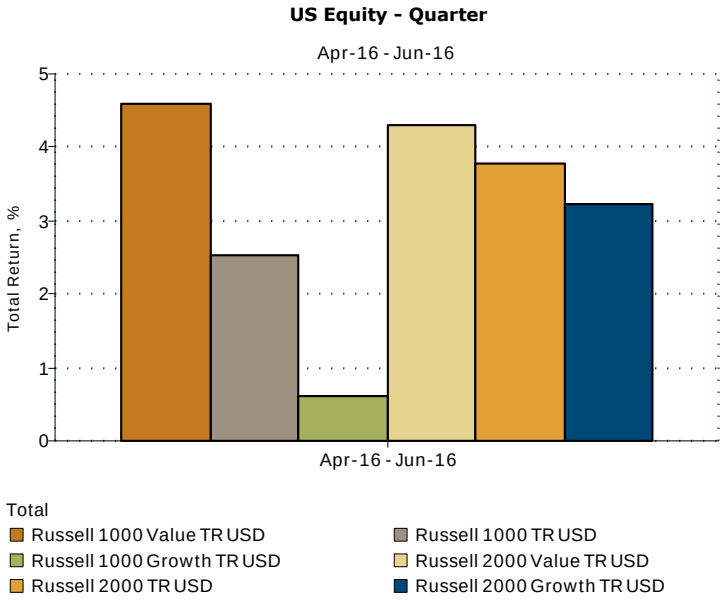


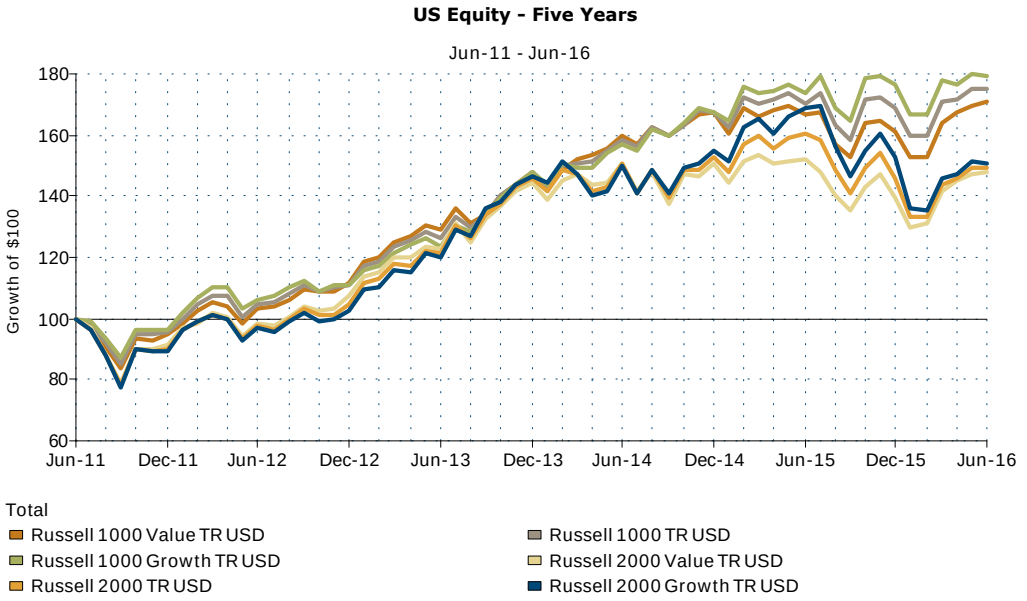
US Bond Market

- The broad fixed income market rose 2.32% as investors sought refuge from volatile equity markets.
- The yield curve continued to flatten as global investor demand for Treasuries was heightened on uncertainty related to the Brexit.
- Yields on 10-year and 30-year Treasuries dropped nearly 30-basis points to 1.49% and 2.30%, respectively.
- Long-term Treasuries were the best performing sector, up 6.77%, as rates continued to remain low.
- High Yield bonds rose 5.52% as positive domestic economic news encouraged investors to focus on lower rated debt.

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US Equity Market Commentary - 2nd Quarter 2016

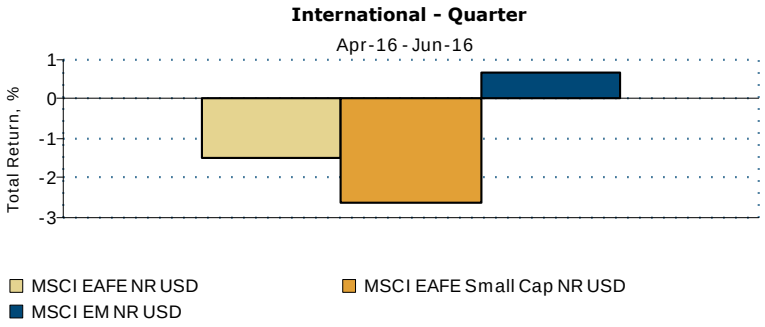


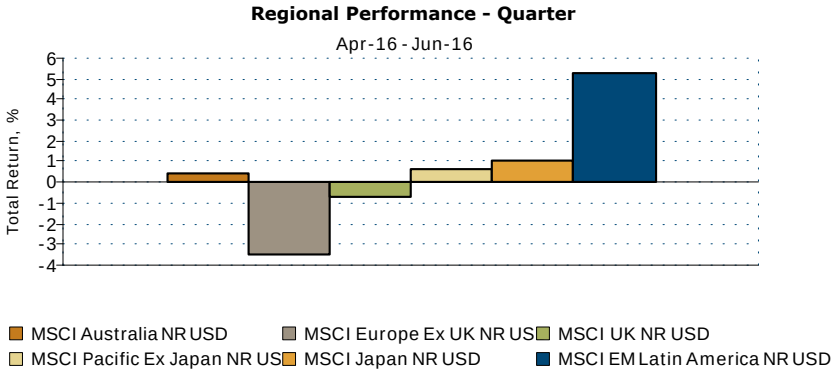


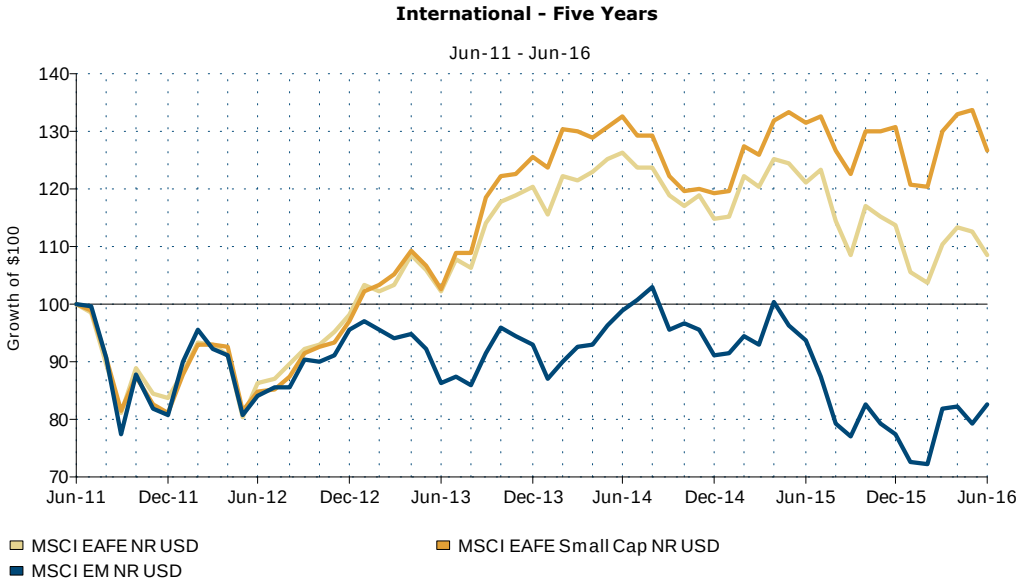
US Stock Market

- All major domestic equity indices posted gains for the quarter. The large-cap Russell 1000 Value Index had the best return, up 4.58%.
- In terms of capitalization, small-cap stocks seemingly benefited from volatility and generally outperformed large-cap stocks.
- In comparing styles, value outperformed growth in both the large-cap and small-cap areas of the market.
- REITs were positive, benefitting from low rates, as the Fed opted not to raise rates in the near term.
- Energy stocks were the best performing sector, up 10.99%, as commodity prices rebounded from last quarter's lows.
- Technology was the worst performing sector, down 2.24% during the quarter.

International Market Commentary - 2nd Quarter 2016







International Markets

- The dollar was up against major currencies, specifically the Euro and the Pound.
- For the quarter, the EAFE Index was down 1.46% while Emerging Markets were up 0.66%. Local currency returns for the EAFE and Emerging Markets Indicies were down 0.47% and 0.83%, respectively, for the quarter.
- Among the major international regions, European stocks fared the worst, down 2.69%, as the prospect for growth came into question when the UK voted to leave the EU.
- Chinese stocks continued to be the largest detractor on an annual basis, down 23.37%, as the prior rapid pace of growth appears unsustainable.
- Small-cap international stocks were down 2.60% during the quarter.

Performance Summary

Asset Allocation

	Balances As of 06/30/2016	Percent As of 06/30/2016	Balances As of 03/31/2016	Percent As of 03/31/2016	Notes
Wells Fargo Treasury Plus MMkt Inst	$1,605,426	4.52%	$1,478,106	4.40%	PISXX
Vanguard Short-Term Bond Index Adm	$896,832	2.52%	$829,957	2.47%	VBIRX
Vanguard Inflation-Protected Secs I	$1,800,380	5.07%	$1,684,461	5.02%	VIPIX
Vanguard Interm-Term Bond Index Adm	$1,806,458	5.08%	$1,679,215	5.00%	VBILX
Columbia Strategic Income Y	$1,784,144	5.02%	$1,654,902	4.93%	CPHUX
Vanguard Long-Term Bond Index I	$916,085	2.58%	$850,931	2.53%	VBLLX
PIMCO Long Duration Total Return Instl	$916,414	2.58%	$846,774	2.52%	PLRIX
Ivy High Income I	$2,135,232	6.01%	$2,008,172	5.98%	IVHIX
Vanguard Equity-Income Adm	$3,937,365	11.08%	$3,676,150	10.95%	VEIRX
Vanguard Growth Index Adm	$2,861,147	8.05%	$2,670,408	7.95%	VIGAX
Vanguard PRIMECAP Core Inv	$2,041,943	5.75%	$2,038,992	6.07%	VPCCX
Vanguard Mid-Cap Value Index Admiral	$1,053,640	2.96%	$1,002,412	2.99%	VMVAX
Vanguard Mid Cap Index Adm	$1,052,113	2.96%	$1,007,046	3.00%	VIMAX
Prudential QMA Small-Cap Value Z	$2,393,920	6.74%	$2,326,276	6.93%	TASVX
Oppenheimer International Growth Y	$2,028,567	5.71%	$2,011,940	5.99%	OIGYX
American Funds New Perspective R6	$2,080,649	5.85%	$2,000,806	5.96%	RNPGX
Vanguard Emerging Mkts Stock Idx I	$3,220,577	9.06%	$3,063,244	9.12%	VEMIX
Vanguard REIT Index I	$3,010,847	8.47%	$2,742,921	8.17%	VGSNX
Plan Total	**$35,541,738**		**$33,572,714**		

Investment Policy Review - Active Management

Fund Name	Return Rank 3Y	Return Rank 5Y	Excess Return 3Y	Excess Return 5Y	Relative StdDev 3Y	Relative StdDev 5Y	Alpha Rank 3Y	Sharpe Rank 3Y	Alpha Rank 5Y	Sharpe Rank 5Y
Vanguard Inflation-Protected Secs I	6	4	0.11	0.06	1.05	1.03	2	2	0	0
Columbia Strategic Income Y	0	NA	1.33	NA	0.92	NA	7	13	NA	NA
PIMCO Long Duration Total Return Instl	18	18	-0.22	-0.63	1.01	0.96	73	73	82	45
Ivy High Income I	78	9	-1.62	0.01	1.04	0.93	80	80	15	15
Vanguard Equity-Income Adm	6	4	1.11	1.37	0.93	0.86	7	6	4	4
Vanguard PRIMECAP Core Inv	35	17	-1.22	-0.52	0.97	0.98	13	13	6	6
Prudential QMA Small-Cap Value Z	47	51	0.45	0.10	1.01	0.97	54	55	54	58
Oppenheimer International Growth Y	19	6	-0.29	1.26	1.03	0.97	20	20	6	6
American Funds New Perspective R6	18	12	2.19	2.68	1.00	0.96	22	17	11	11

Definitions

Return Rank - Fund's category percentile return rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

Relative StdDev - Fund's standard deviation relative to its benchmark, a value less than 1 implies the fund's standard deviation is lower than its benchmark.

Alpha Rank - Fund's category percentile Alpha rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Sharpe Rank - Fund's category percentile Sharpe Ratio rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Investment Policy Review - Passive Management

Fund Name	Excess Return 3Y	Excess Return 5Y	Beta 3Y	Tracking Error 3Y	Beta 5Y	Tracking Error 5Y	Expense Ratio
Vanguard Short-Term Bond Index Adm	-0.12	-0.11	1.03	0.15	1.01	0.16	0.09
Vanguard Interm-Term Bond Index Adm	-0.02	-0.05	1.04	0.44	1.03	0.40	0.09
Vanguard Long-Term Bond Index I	0.03	0.05	1.05	0.93	1.03	0.90	0.06
Vanguard Growth Index Adm	-0.08	0.51	1.00	0.03	0.99	0.55	0.08
Vanguard Mid-Cap Value Index Admiral	-0.04	NA	1.00	0.04	NA	NA	0.08
Vanguard Mid Cap Index Adm	-0.06	-0.21	1.00	0.03	1.02	0.57	0.08
Vanguard Emerging Mkts Stock Idx I	0.06	-0.28	0.99	1.32	1.00	2.64	0.12
Vanguard REIT Index I	1.34	1.28	1.00	0.24	1.00	0.24	0.10

Definitions

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

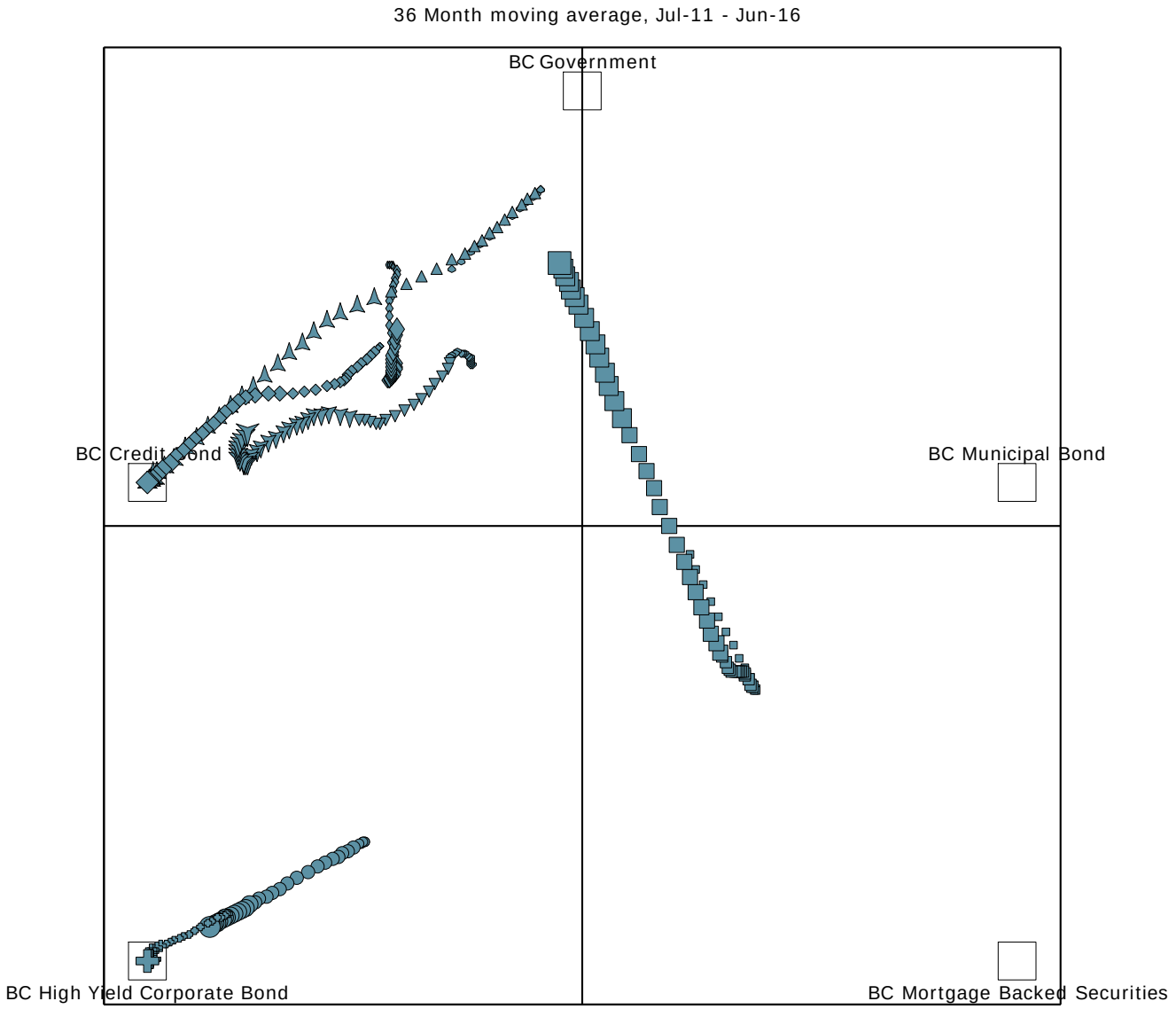
Beta - Fund's Beta or sensitivity to movements compared to its benchmark, a value of 1 implies its moving in sync with its benchmark.

Tracking Error - Fund's Tracking Error versus its benchmark, a value of 0 implies the Fund's ups and downs are the same size as its benchmark.

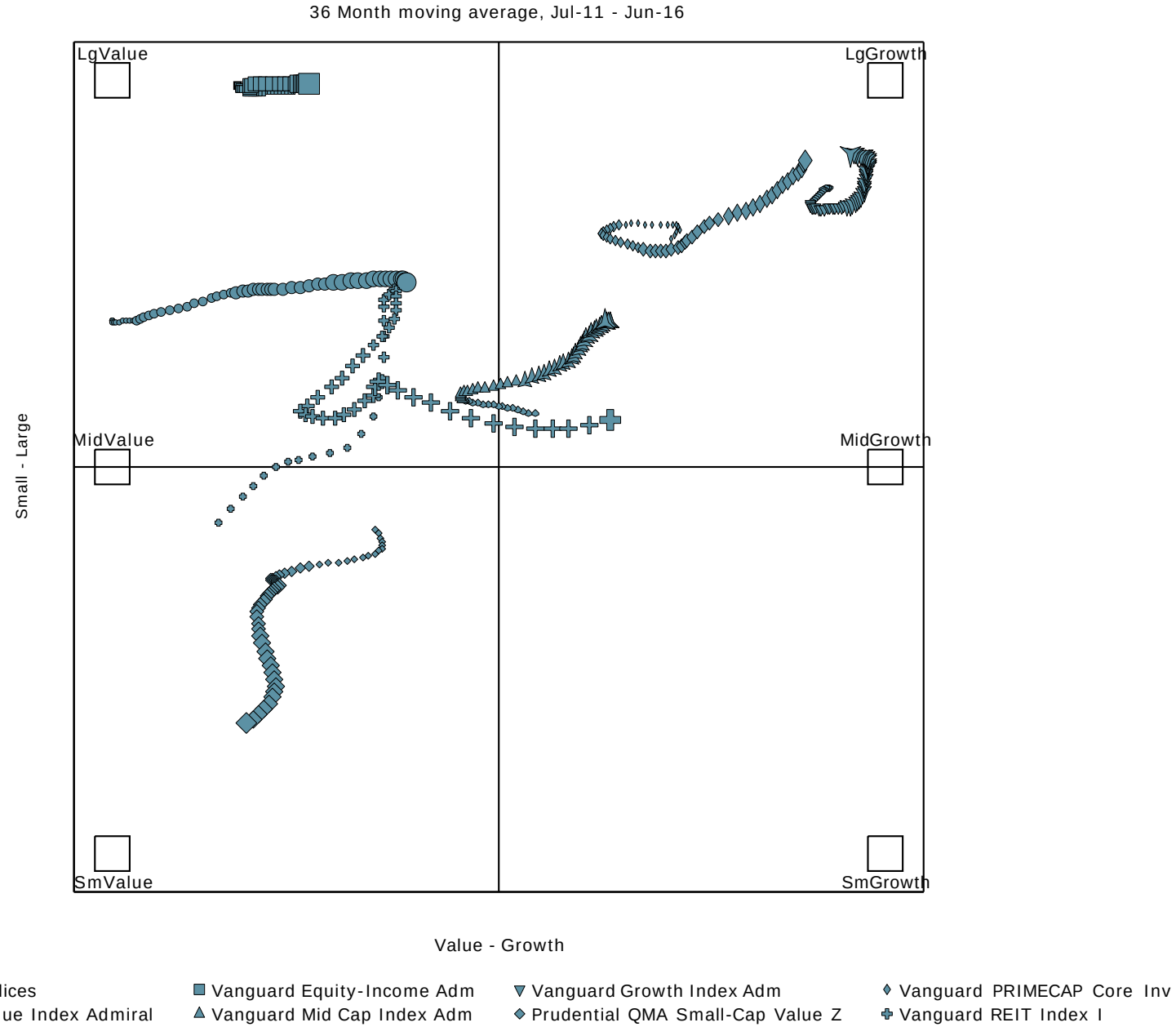
Investment Option Return Summary

Asset Class	Fund Name	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Ticker	Mstar Rating	Expense Ratio
Money Market-Taxable	Wells Fargo Treasury Plus MMkt Inst	0.04	0.07	0.08	0.03	0.02	0.90	PISXX	NA	0.20
	BofA ML 91-day Tbill Auction Avg	*0.07*	*0.15*	*0.19*	*0.09*	*0.09*	*1.04*	*N/A*	*NA*	*NA*
Short-term Bond	Vanguard Short-Term Bond Index Adm	0.93	2.55	2.52	1.81	1.66	3.47	VBIRX	4.00	0.09
	Barclays US 1-5Y GovCredit FlAdj TR USD	*0.98*	*2.61*	*2.63*	*1.93*	*1.77*	*NA*	*N/A*	*NA*	*NA*
Inflation-Protected Bond	Vanguard Inflation-Protected Secs I	1.79	6.44	4.73	2.42	2.70	4.66	VIPIX	4.00	0.07
	Barclays US Treasury US TIPS TR USD	*1.71*	*6.24*	*4.35*	*2.31*	*2.63*	*4.75*	*N/A*	*NA*	*NA*
Intermediate-term Bond	Vanguard Interm-Term Bond Index Adm	2.71	6.88	7.71	5.06	5.03	6.39	VBILX	5.00	0.09
	Barclays US 5-10Y GovCredit FlAdj TR USD	*2.74*	*6.93*	*7.68*	*5.08*	*5.08*	*NA*	*N/A*	*NA*	*NA*
Nontraditional Bond	Columbia Strategic Income Y	2.85	5.20	2.29	4.13	NA	NA	CPHUX	5.00	0.62
	Barclays Global Aggregate TR USD	*2.89*	*8.96*	*8.87*	*2.80*	*1.77*	*4.40*	*N/A*	*NA*	*NA*
Long-term Bond	Vanguard Long-Term Bond Index I	6.62	14.54	16.08	9.36	9.24	8.52	VBLLX	4.00	0.06
Long-term Bond	PIMCO Long Duration Total Return Instl	6.82	13.99	14.50	9.10	8.55	NA	PLRIX	3.00	0.50
	BC Long Government/Credit	*6.55*	*14.33*	*15.72*	*9.33*	*9.18*	*8.42*	*N/A*	*NA*	*NA*
High Yield Bond	Ivy High Income I	5.60	7.30	(2.41)	2.57	5.85	NA	IVHIX	4.00	0.69
	BC High Yield Corporate Bond	*5.52*	*9.06*	*1.62*	*4.18*	*5.84*	*7.56*	*N/A*	*NA*	*NA*
Large Value	Vanguard Equity-Income Adm	4.02	7.71	9.05	10.97	12.72	8.21	VEIRX	5.00	0.17
	Russell 1000 Value Index	*4.58*	*6.30*	*2.86*	*9.87*	*11.35*	*6.13*	*N/A*	*NA*	*NA*
Large Growth	Vanguard Growth Index Adm	1.02	1.36	1.46	12.50	12.12	8.67	VIGAX	4.00	0.08
	CRSP US Large Cap Growth TR USD	*1.02*	*1.39*	*1.52*	*12.58*	*11.61*	*8.31*	*N/A*	*NA*	*NA*
Large Growth	Vanguard PRIMECAP Core Inv	0.14	(0.29)	1.03	11.85	11.83	8.85	VPCCX	4.00	0.47
	Russell 1000 Growth Index	*0.61*	*1.36*	*3.02*	*13.07*	*12.35*	*8.78*	*N/A*	*NA*	*NA*
Mid-Cap Value	Vanguard Mid-Cap Value Index Admiral	2.75	4.47	1.27	11.25	NA	NA	VMVAX	5.00	0.08
	CRSP US Mid Cap Value TR USD	*2.75*	*4.44*	*1.29*	*11.30*	*12.10*	*7.66*	*N/A*	*NA*	*NA*
Mid-Cap Blend	Vanguard Mid Cap Index Adm	2.33	3.52	(0.89)	10.76	10.56	7.80	VIMAX	4.00	0.08
	CRSP US Mid Cap TR USD	*2.34*	*3.52*	*(0.87)*	*10.82*	*10.77*	*NA*	*N/A*	*NA*	*NA*
Small Value	Prudential QMA Small-Cap Value Z	2.62	4.93	(3.29)	6.81	8.25	7.08	TASVX	3.00	0.71
	Russell 2000 Value Index	*4.31*	*6.08*	*(2.58)*	*6.36*	*8.15*	*5.15*	*N/A*	*NA*	*NA*
Foreign Large Growth	Oppenheimer International Growth Y	(3.50)	(2.48)	(5.59)	3.48	4.38	5.42	OIGYX	4.00	0.89
	MSCI EAFE Large Growth NR USD	*0.44*	*(2.08)*	*(5.20)*	*3.77*	*3.13*	*2.96*	*N/A*	*NA*	*NA*
World Stock	American Funds New Perspective R6	0.85	(1.55)	(1.60)	8.22	8.05	NA	RNPGX	5.00	0.45
	MSCI AC World Index ND USD	*0.99*	*1.23*	*(3.73)*	*6.03*	*5.38*	*4.26*	*N/A*	*NA*	*NA*
Diversified Emerging Mkts	Vanguard Emerging Mkts Stock Idx I	2.33	7.84	(12.08)	(0.71)	(3.49)	3.59	VEMIX	3.00	0.12
	FTSE Emerging NR USD	*1.71*	*7.87*	*(12.18)*	*(0.77)*	*(3.21)*	*4.06*	*N/A*	*NA*	*NA*
Real Estate	Vanguard REIT Index I	6.78	13.47	23.94	13.44	12.47	7.61	VGSNX	4.00	0.10
	MSCI US REIT NR USD	*6.51*	*12.76*	*22.40*	*12.10*	*11.19*	*5.94*	*N/A*	*NA*	*NA*
Total Plan	CIVILIAN-GROSS RETURN	2.63	5.36	2.94	6.67	5.20	5.53	N/A	NA	NA
Total Plan	CIVILIAN-NET RETURN	2.56	5.22	2.66	6.38	4.88	5.13	N/A	NA	NA
	Employee Plan Policy Index	*2.63*	*5.33*	*2.48*	*6.60*	*5.99*	*5.24*	*N/A*	*NA*	*NA*

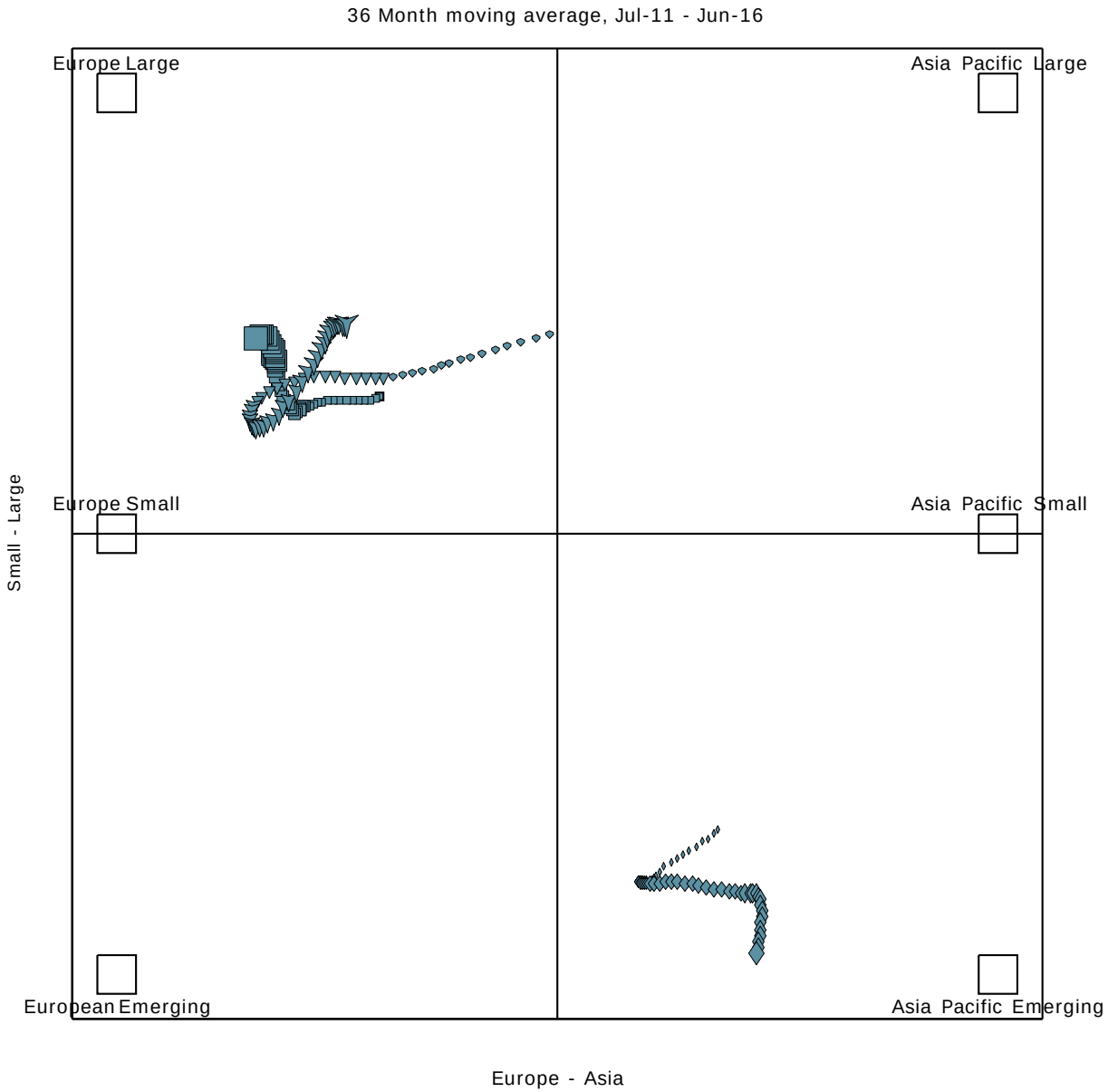
U.S. Fixed Income Style Map



U.S. Equity Style Map



International Equity Style Map

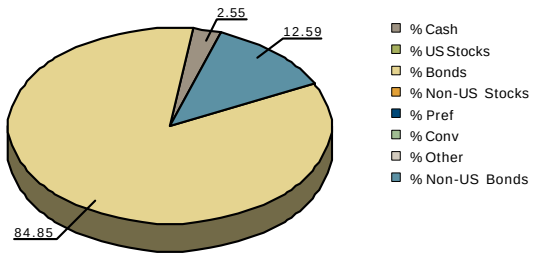


Core Fund Review

Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Short-Term Bond Index Adm



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	2.55
% US Stocks	0.00
% Bonds	84.85
% Non-US Stocks	0.00
% Pref	0.01
% Conv	0.00
% Other	0.00
% Non-US Bonds	12.59

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

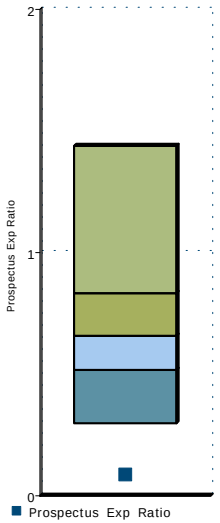
Credit Quality	
Avg Eff Duration	2.74
Effective Maturity	2.80
Avg Credit Quality	AA
AAA	69.97
AA	4.74
A	12.96
BBB	12.33
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note 1.375%	1.97%
US Treasury Note 1.25%	1.67%
US Treasury Note 1.5%	1.63%
US Treasury Note 1.25%	1.56%
US Treasury Note 1.625%	1.49%
US Treasury Note 1.375%	1.44%
US Treasury Note 0.625%	1.25%
US Treasury Note 1.625%	1.22%
US Treasury Note 1%	1.21%
US Treasury Note 1.375%	1.19%

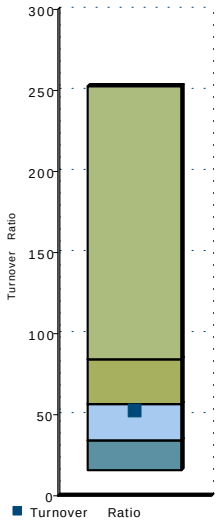
Portfolio Information	
Ticker	VBIRX
Morningstar Category	Short-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	45369.39
Net Assets $MM	44901.48
Turnover Ratio	52.00
% Assets in Top 10 Holdings	14.63
Total Number of Holdings	2367.00
Manager Name	Joshua C. Barrickman
Manager Tenure	3.35
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.09
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	25
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	41
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	26

Expense Ratio vs. Peer Group



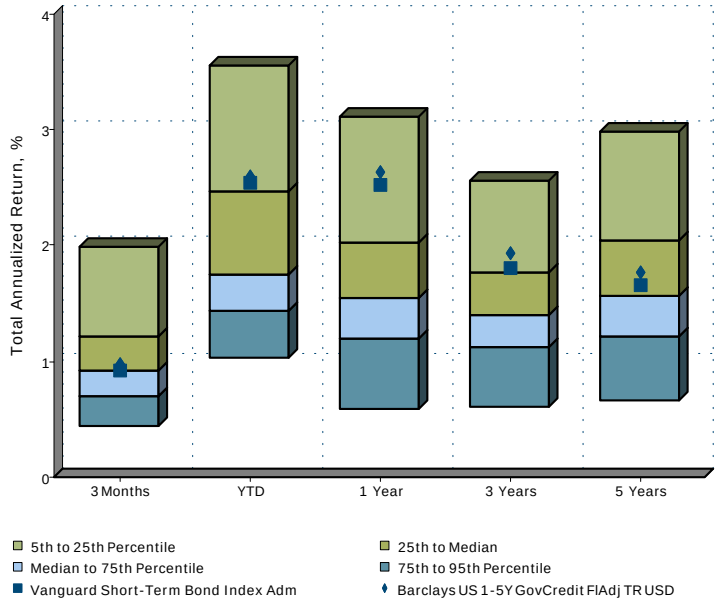
Turnover Ratio vs. Peer Group



Investment Strategy Summary

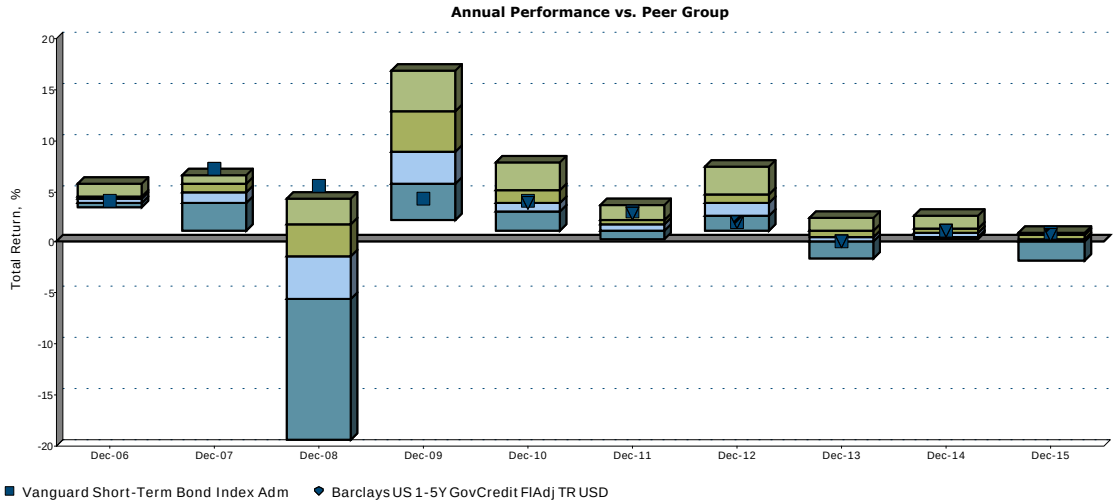
The investment seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

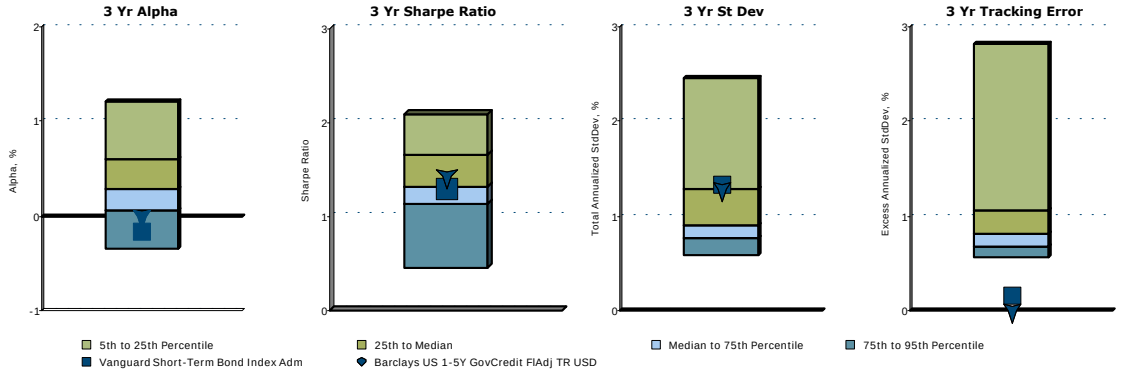


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Short-Term Bond Index Adm	0.93	2.55	2.52	1.81	1.66
Barclays US 1-5Y GovCredit FIAdj TR USD	0.98	2.61	2.63	1.93	1.77
Universe(5%)	1.99	3.56	3.11	2.56	2.99
Universe(25%)	1.21	2.48	2.04	1.77	2.04
Universe(Median)	0.92	1.75	1.55	1.40	1.57
Universe(75%)	0.69	1.44	1.20	1.13	1.21
Universe(95%)	0.43	1.04	0.59	0.61	0.66

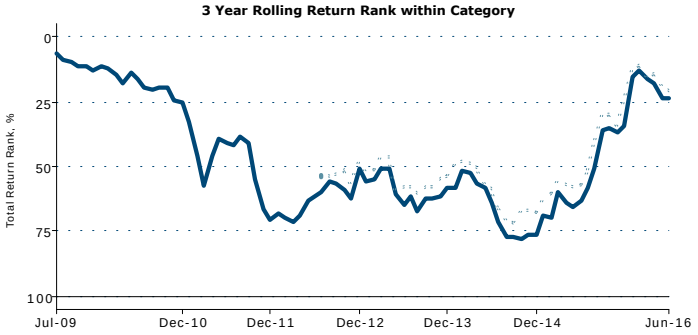
Vanguard Short-Term Bond Index Adm

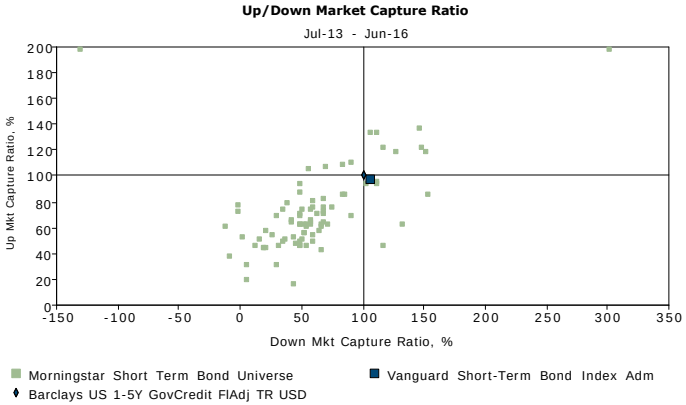


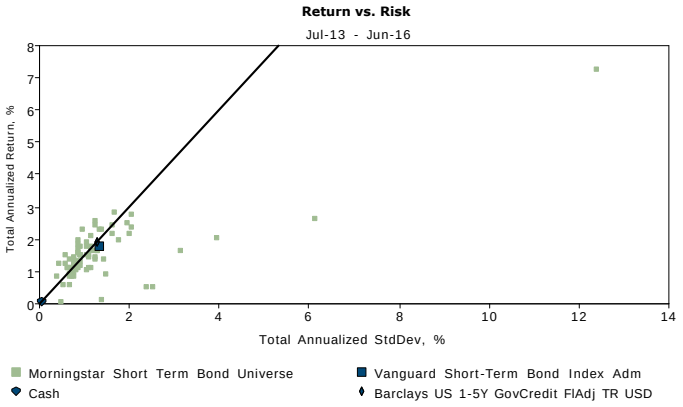
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Short-Term Bond Index Adm	4.16	7.31	5.51	4.38	4.03	3.08	2.05	0.17	1.26	0.92
Barclays US 1-5Y GovCredit FIAdj TR USD	NA	NA	NA	NA	4.08	3.13	2.24	0.29	1.43	0.97



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Short-Term Bond Index Adm	-0.16	1.03	98.69	1.30	1.32	0.15
Barclays US 1-5Y GovCredit FIAdj TR USD	0.00	1.00	100.00	1.43	1.28	0.00
Universe(5%)	1.20	1.18	92.14	2.09	2.47	2.82
Universe(25%)	0.59	0.67	79.87	1.66	1.29	1.06
Universe(Median)	0.28	0.55	62.28	1.33	0.91	0.82
Universe(75%)	0.06	0.44	38.83	1.13	0.76	0.67
Universe(95%)	-0.34	0.23	5.16	0.46	0.58	0.57



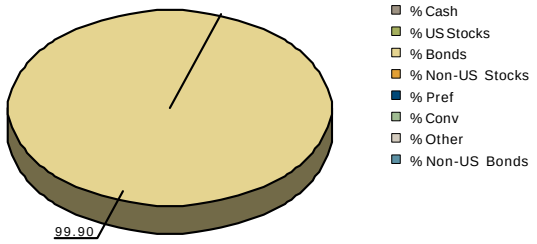




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Inflation-Protected Secs I



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	0.10
% US Stocks	0.00
% Bonds	99.90
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

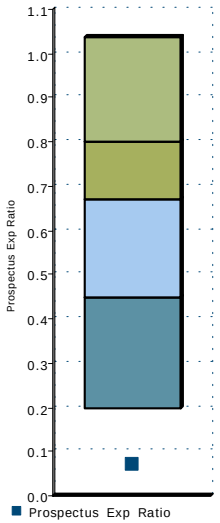
Credit Quality	
Avg Eff Duration	8.12
Effective Maturity	8.60
Avg Credit Quality	Government
AAA	100.00
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note	5.53%
US Treasury Note	5.12%
US Treasury Note	4.97%
US Treasury Note	4.96%
US Treasury Note	4.18%
US Treasury Note	4.08%
US Treasury Note	4.05%
US Treasury Note	4.01%
US Treasury Note	3.99%
US Treasury Note	3.89%

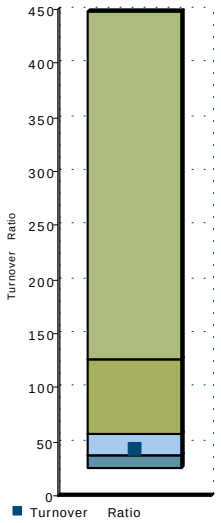
Portfolio Information	
Ticker	VIPIX
Morningstar Category	Inflation-Protected Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	12178.60
Net Assets $MM	24375.95
Turnover Ratio	43.00
% Assets in Top 10 Holdings	44.78
Total Number of Holdings	38.00
Manager Name	Gemma Wright-Casparius
Manager Tenure	4.87
Fund Incept Date	12/12/2003
Prospectus Exp Ratio	0.07
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	7
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	3
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	5

Expense Ratio vs. Peer Group



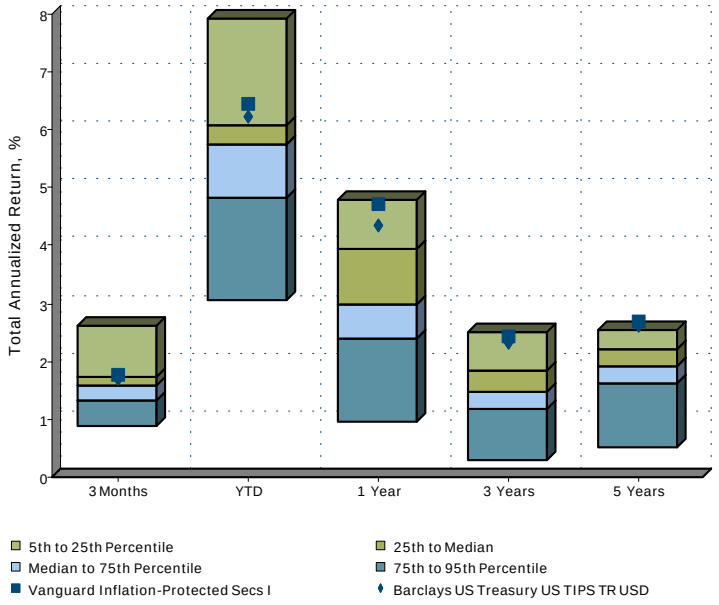
Turnover Ratio vs. Peer Group



Investment Strategy Summary

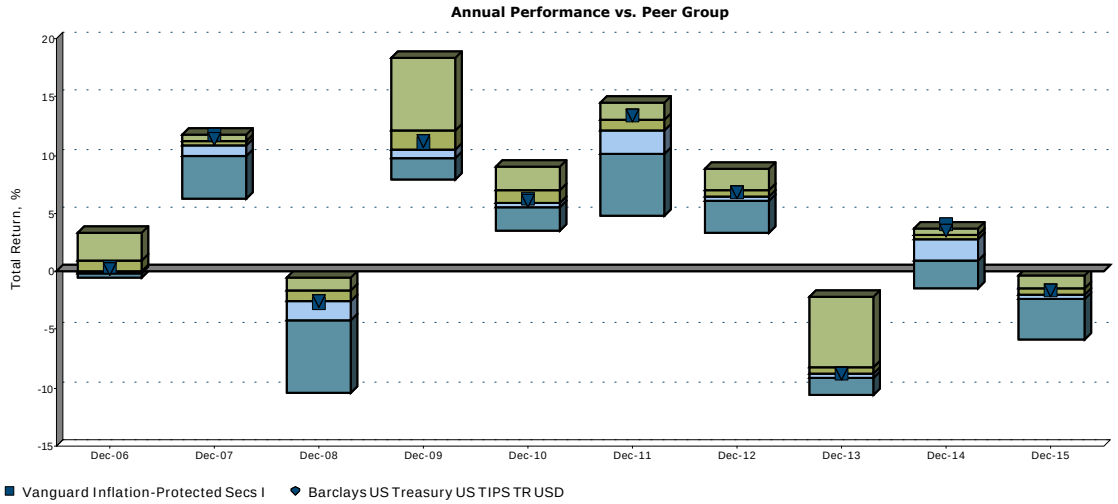
The investment seeks to provide inflation protection and income consistent with investment in inflation-indexed securities. The fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. It may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the fund will be rated investment-grade or, if unrated, will be considered by the advisor to be investment-grade.

Performance vs. Peer Group

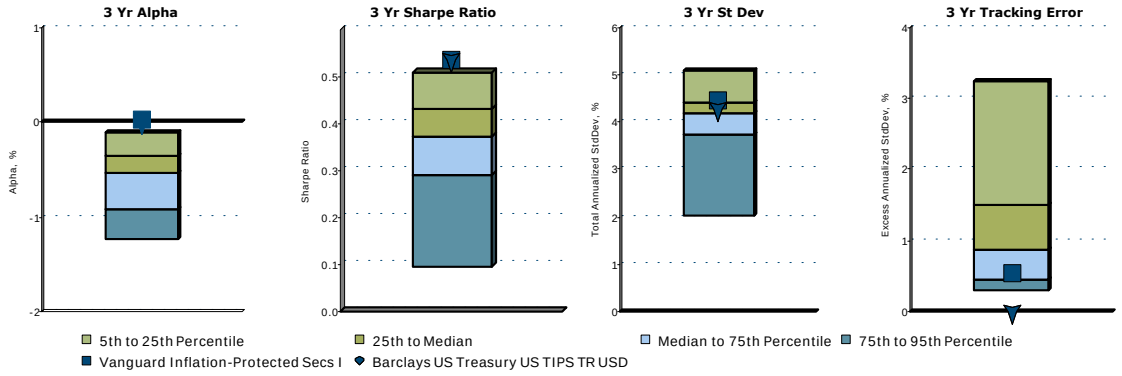


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Inflation-Protected Secs I	1.79	6.44	4.73	2.42	2.70
Barclays US Treasury US TIPS TR USD	1.71	6.24	4.35	2.31	2.63
Universe(5%)	2.60	7.92	4.80	2.52	2.55
Universe(25%)	1.73	6.08	3.94	1.85	2.22
Universe(Median)	1.60	5.75	2.97	1.46	1.93
Universe(75%)	1.33	4.85	2.39	1.19	1.64
Universe(95%)	0.87	3.07	0.94	0.30	0.51

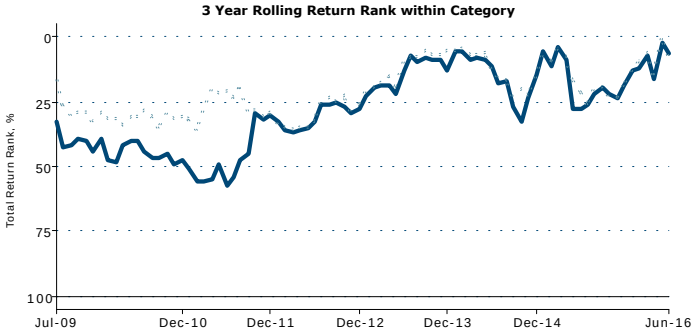
Vanguard Inflation-Protected Secs I

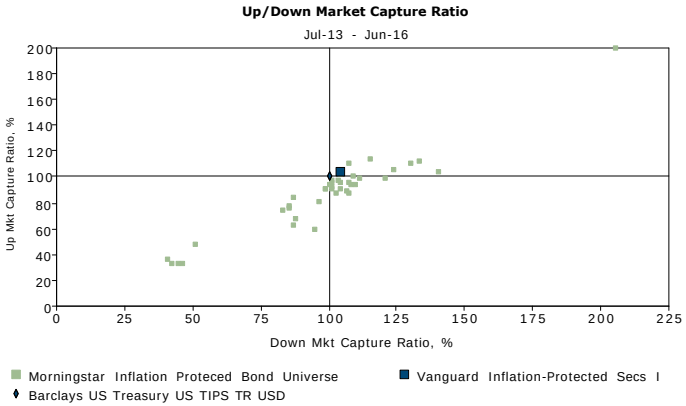


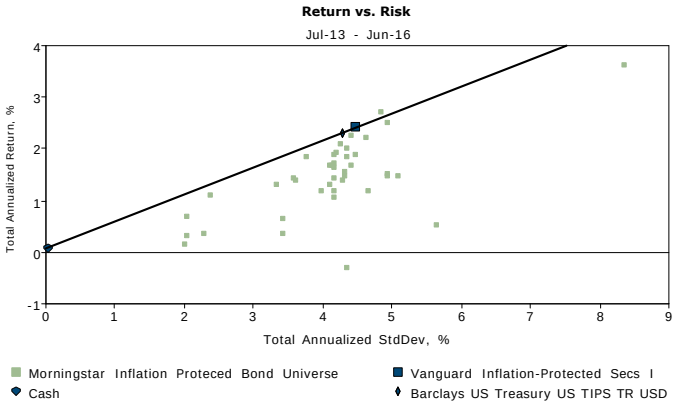
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Inflation-Protected Secs I	0.46	11.82	-2.81	11.03	6.33	13.39	6.87	-8.83	4.07	-1.67
Barclays US Treasury US TIPS TR USD	0.41	11.64	-2.35	11.41	6.31	13.56	6.98	-8.61	3.64	-1.44



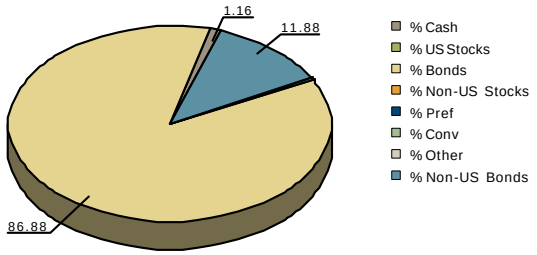
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Inflation-Protected Secs I	0.02	1.04	98.64	0.54	4.48	0.55
Barclays US Treasury US TIPS TR USD	0.00	1.00	100.00	0.54	4.27	0.00
Universe(5%)	-0.10	1.14	99.51	0.51	5.08	3.25
Universe(25%)	-0.35	1.03	98.98	0.43	4.42	1.51
Universe(Median)	-0.54	0.97	96.99	0.37	4.18	0.87
Universe(75%)	-0.92	0.82	91.47	0.29	3.76	0.46
Universe(95%)	-1.23	0.40	65.96	0.10	2.04	0.31







Vanguard Interm-Term Bond Index Adm



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	1.16
% US Stocks	0.00
% Bonds	86.88
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.08
% Other	0.00
% Non-US Bonds	11.88

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

Credit Quality	
Avg Eff Duration	6.53
Effective Maturity	7.30
Avg Credit Quality	A
AAA	55.63
AA	4.22
A	16.29
BBB	23.84
BB	0.00
B	0.00
Below B	0.02
NR/NA	0.00

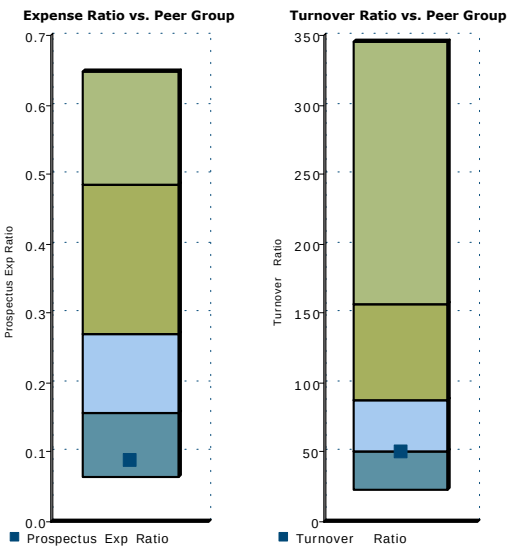
Top Ten Holdings	
US Treasury Note 2.5%	3.01%
US Treasury Note 1.75%	2.69%
US Treasury Note 1.625%	2.28%
US Treasury Note 2.125%	2.20%
US Treasury Note 2.75%	2.19%
US Treasury Note 2.25%	1.86%
US Treasury Note 2.5%	1.78%
US Treasury Note 2%	1.70%
US Treasury Note 2.25%	1.63%
US Treasury Note 2%	1.63%

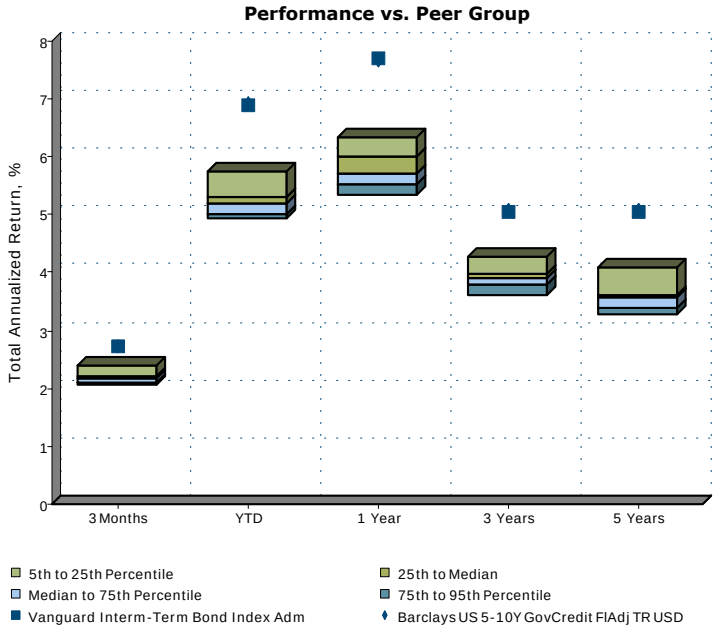
Portfolio Information	
Ticker	VBILX
Morningstar Category	Intermediate-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	27623.33
Turnover Ratio	51.00
% Assets in Top 10 Holdings	20.97
Total Number of Holdings	1899.00
Manager Name	Joshua C. Barrickman
Manager Tenure	8.19
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.09
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	4
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	4
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	4

Investment Strategy Summary

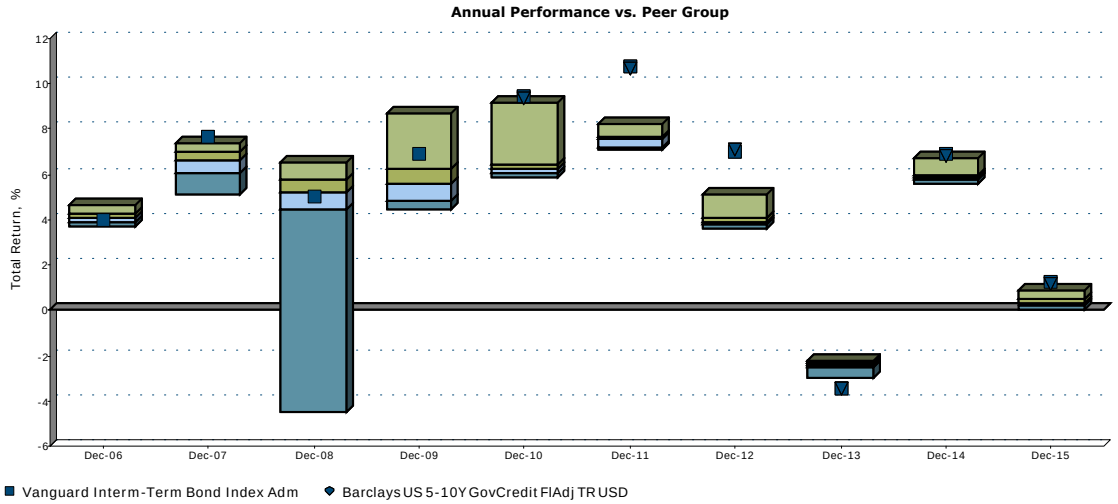
The investment seeks the performance of a market-weighted bond index with an intermediate-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 5-10 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 5 and 10 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.



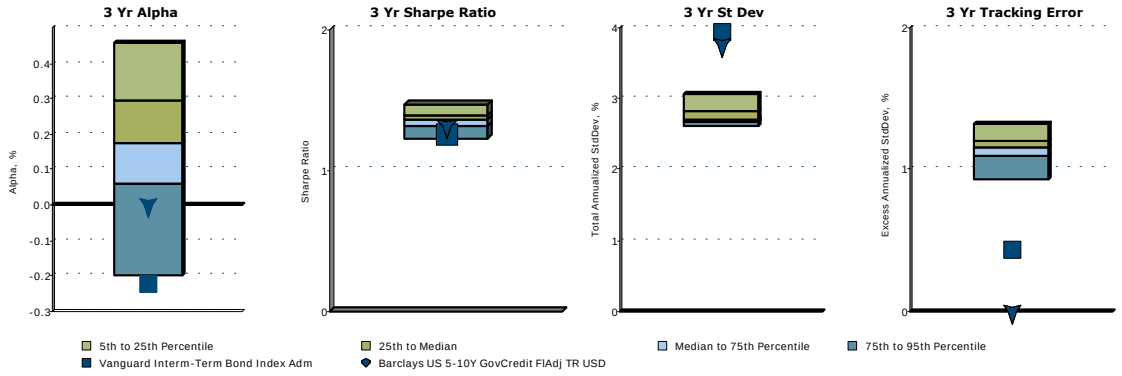


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Interm-Term Bond Index Adm	2.71	6.88	7.71	5.06	5.03
Barclays US 5-10Y GovCredit FlAdj TR USD	2.74	6.93	7.68	5.08	5.08
Universe(5%)	2.41	5.76	6.35	4.28	4.08
Universe(25%)	2.22	5.32	5.99	3.97	3.62
Universe(Median)	2.16	5.19	5.72	3.91	3.57
Universe(75%)	2.09	5.02	5.53	3.79	3.40
Universe(95%)	2.06	4.94	5.34	3.60	3.28

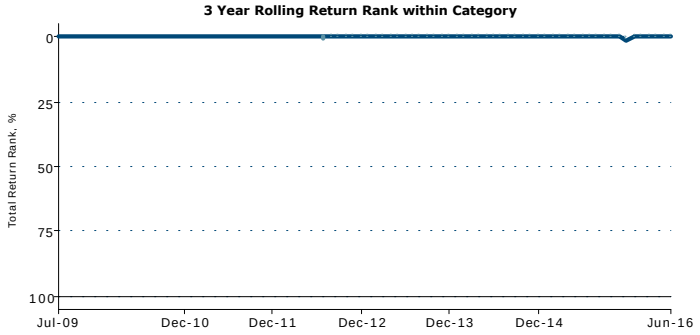
Vanguard Interm-Term Bond Index Adm

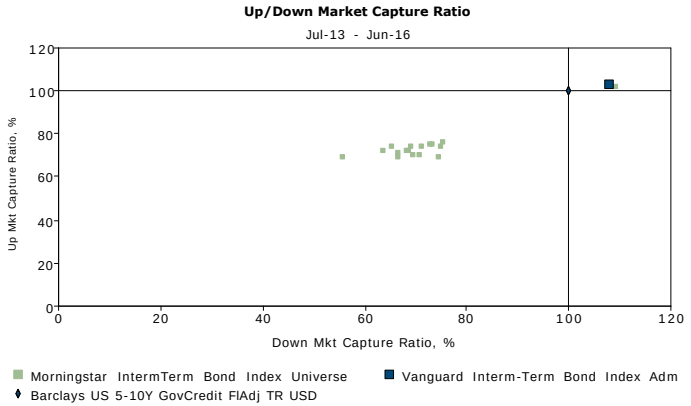


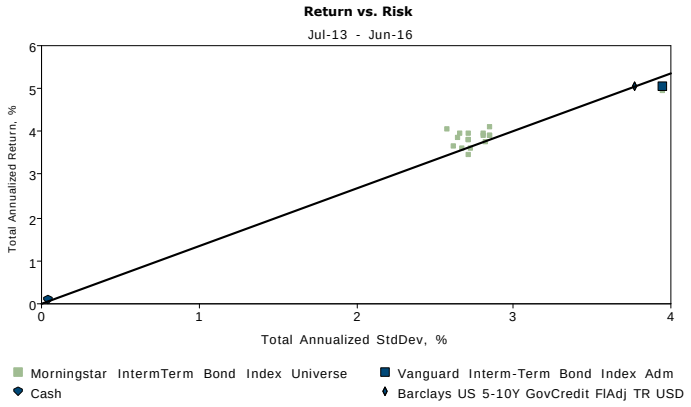
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Interm-Term Bond Index Adm	3.98	7.70	5.01	6.89	9.49	10.73	7.02	-3.45	6.96	1.27
Barclays US 5-10Y GovCredit FIAdj TR USD	NA	NA	NA	NA	9.44	10.79	7.22	-3.37	6.91	1.28



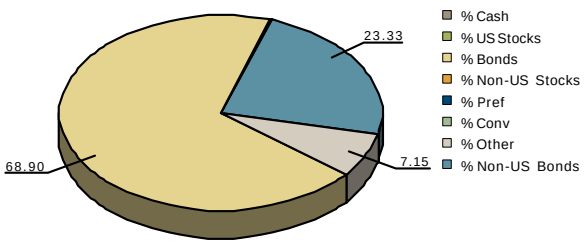
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Interm-Term Bond Index Adm	-0.22	1.04	98.95	1.25	3.95	0.44
Barclays US 5-10Y GovCredit FIAdj TR USD	0.00	1.00	100.00	1.31	3.77	0.00
Universe(5%)	0.46	0.81	98.37	1.46	3.07	1.32
Universe(25%)	0.30	0.74	97.85	1.40	2.82	1.20
Universe(Median)	0.17	0.71	97.45	1.36	2.71	1.16
Universe(75%)	0.06	0.70	97.27	1.32	2.67	1.09
Universe(95%)	-0.20	0.68	95.04	1.23	2.61	0.94







Columbia Strategic Income Y



Portfolio Region	
% United States	96.73
% Canada	0.00
% Latin America	0.00
% United Kingdom	3.27
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.18
% US Stocks	0.43
% Bonds	68.90
% Non-US Stocks	0.01
% Pref	0.00
% Conv	0.00
% Other	7.15
% Non-US Bonds	23.33

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

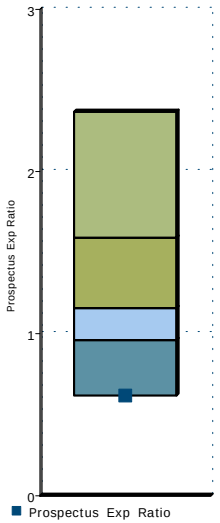
Credit Quality	
Avg Eff Duration	3.10
Effective Maturity	7.23
Avg Credit Quality	BB
AAA	12.03
AA	0.09
A	2.27
BBB	21.70
BB	23.92
B	21.12
Below B	6.46
NR/NA	12.40

Top Ten Holdings	
FNMA	3.53%
Ginnie Mae Jumbos TBA 3% 2046-04-01	1.35%
FNMA	1.04%
Five Corners Fdg Tr 144A 4.419%	0.99%
At&T 4.35%	0.83%
Fannie Mae Single Family TBA 3% 2031-04-01	0.81%
Hungary (Rep Of) 5.5%	0.74%
Csmc Tr 2014-Rpl1 CMO	0.73%
British Sky Broadcstg Grp 144A 3.125%	0.70%
Gs Mtg Coml 2007-Gg10 CMO	0.69%

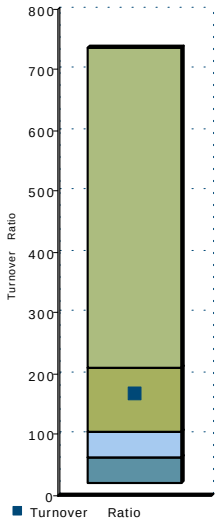
Portfolio Information	
Ticker	CPHUX
Morningstar Category	Nontraditional Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	6060.61
Net Assets $MM	2797.85
Turnover Ratio	169.00
% Assets in Top 10 Holdings	11.40
Total Number of Holdings	906.00
Manager Name	Colin J. Lundgren
Manager Tenure	6.10
Fund Incept Date	06/13/2013
Prospectus Exp Ratio	0.62
Phone Number	800-345-6611

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	2
5 Year Mstar Rating	NA
% Rank Cat 5 Yr	NA
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



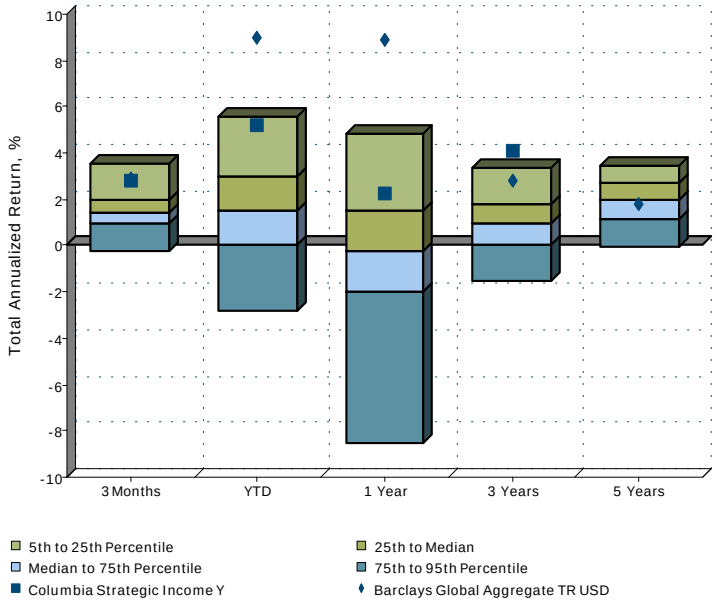
Turnover Ratio vs. Peer Group



Investment Strategy Summary

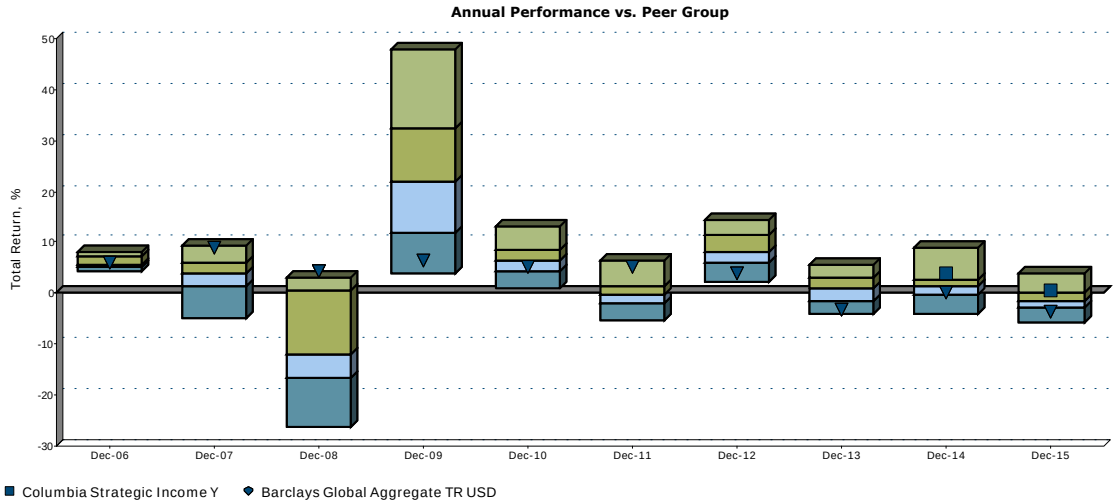
The investment seeks total return, consisting of current income and capital appreciation. Under normal circumstances, the fund has substantial exposure to fixed-income/debt markets. It may invest in U.S. government bonds and notes, U.S. and international bonds and notes, investment grade corporate (or similar) bonds and notes, mortgage- and other asset-backed securities, high yield (i.e., junk) instruments, floating rate loans and other floating rate debt securities, inflation-protected/linked securities, convertible securities, cash/cash equivalents, as well as foreign government, sovereign and quasi-sovereign debt investments.

Performance vs. Peer Group

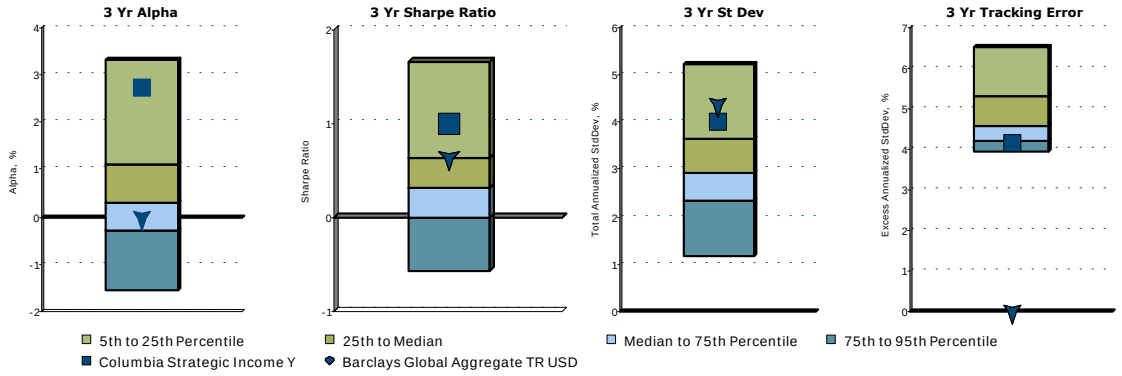


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Columbia Strategic Income Y	2.85	5.20	2.29	4.13	NA
Barclays Global Aggregate TR USD	2.89	8.96	8.87	2.80	1.77
Universe(5%)	3.55	5.56	4.80	3.36	3.46
Universe(25%)	2.00	3.00	1.54	1.81	2.73
Universe(Median)	1.43	1.56	-0.26	0.99	1.95
Universe(75%)	1.00	0.05	-1.99	0.08	1.18
Universe(95%)	-0.19	-2.82	-8.53	-1.51	-0.02

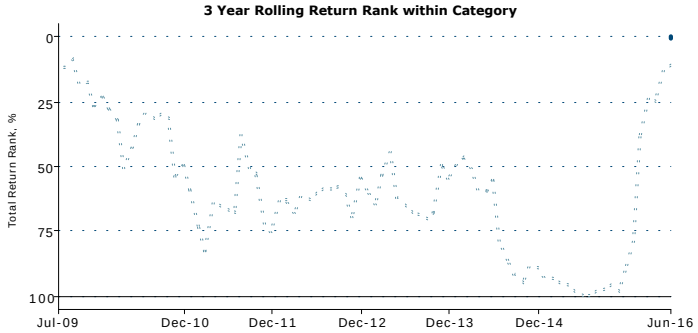
Columbia Strategic Income Y

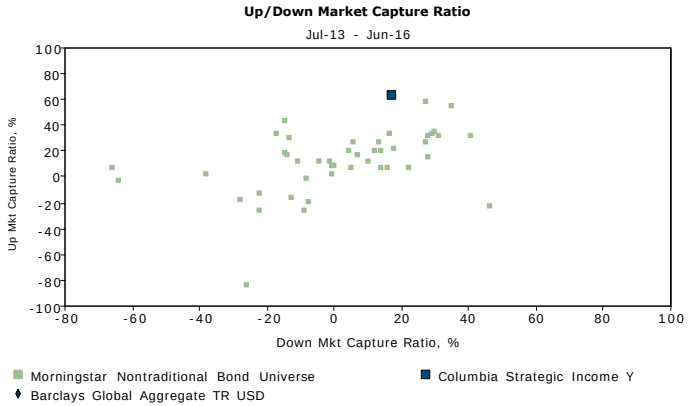


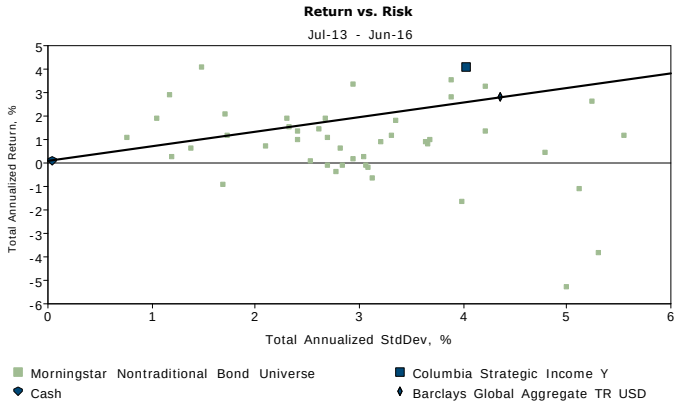
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Columbia Strategic Income Y	NA	NA	NA	NA	NA	NA	NA	NA	3.99	0.66
Barclays Global Aggregate TR USD	6.64	9.48	4.79	6.93	5.54	5.64	4.32	-2.60	0.59	-3.15



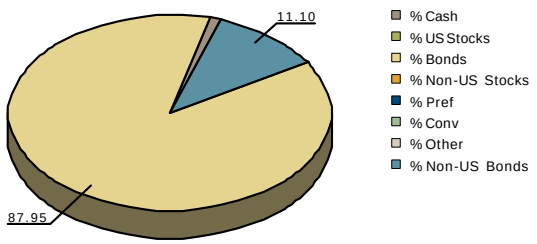
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Columbia Strategic Income Y	2.75	0.47	25.36	1.00	4.03	4.18
Barclays Global Aggregate TR USD	0.00	1.00	100.00	0.63	4.36	0.00
Universe(5%)	3.31	0.38	24.04	1.66	5.21	6.55
Universe(25%)	1.10	0.25	15.75	0.63	3.67	5.34
Universe(Median)	0.29	0.13	7.89	0.33	2.93	4.58
Universe(75%)	-0.27	0.06	3.58	0.01	2.33	4.21
Universe(95%)	-1.57	-0.18	0.57	-0.56	1.17	3.95







Vanguard Long-Term Bond Index I



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	0.93
% US Stocks	0.00
% Bonds	87.95
% Non-US Stocks	0.00
% Pref	0.02
% Conv	0.00
% Other	0.00
% Non-US Bonds	11.10

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

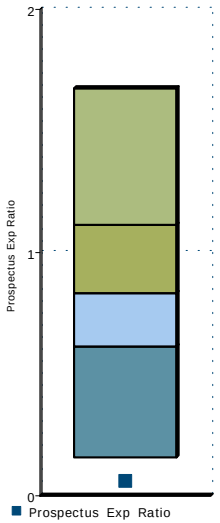
Credit Quality	
Avg Eff Duration	15.24
Effective Maturity	24.10
Avg Credit Quality	A
AAA	41.51
AA	7.00
A	23.15
BBB	28.34
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Bond 2.875%	1.93%
US Treasury Bond 2.5%	1.88%
US Treasury Bond 3.625%	1.82%
US Treasury Bond 2.875%	1.64%
US Treasury Bond 3%	1.58%
US Treasury Bond 3%	1.56%
US Treasury Bond 3.75%	1.55%
US Treasury Bond 3.125%	1.54%
US Treasury Bond 2.75%	1.51%
US Treasury Bond 3.375%	1.40%

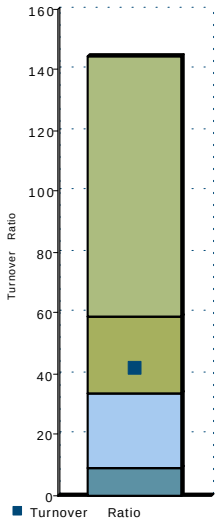
Portfolio Information	
Ticker	VBLLX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	10174.86
Turnover Ratio	42.00
% Assets in Top 10 Holdings	16.40
Total Number of Holdings	2039.00
Manager Name	Joshua C. Barrickman
Manager Tenure	3.35
Fund Incept Date	02/02/2006
Prospectus Exp Ratio	0.06
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	27
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	17
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	40

Expense Ratio vs. Peer Group



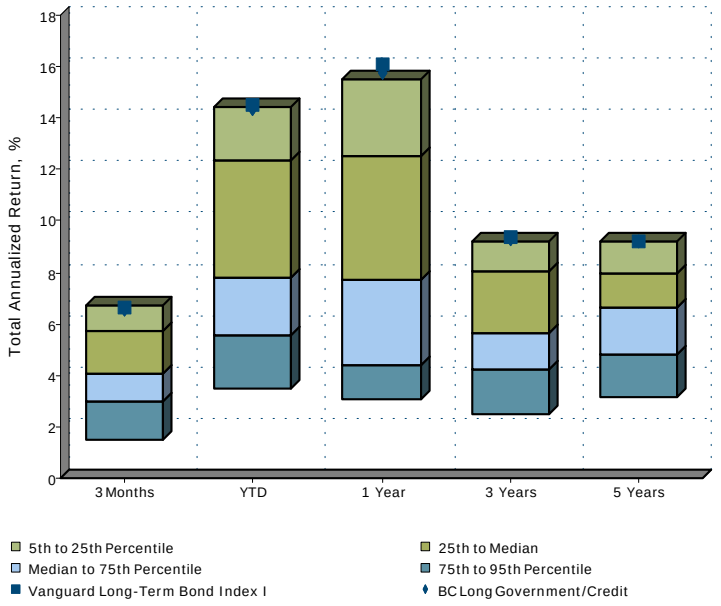
Turnover Ratio vs. Peer Group



Investment Strategy Summary

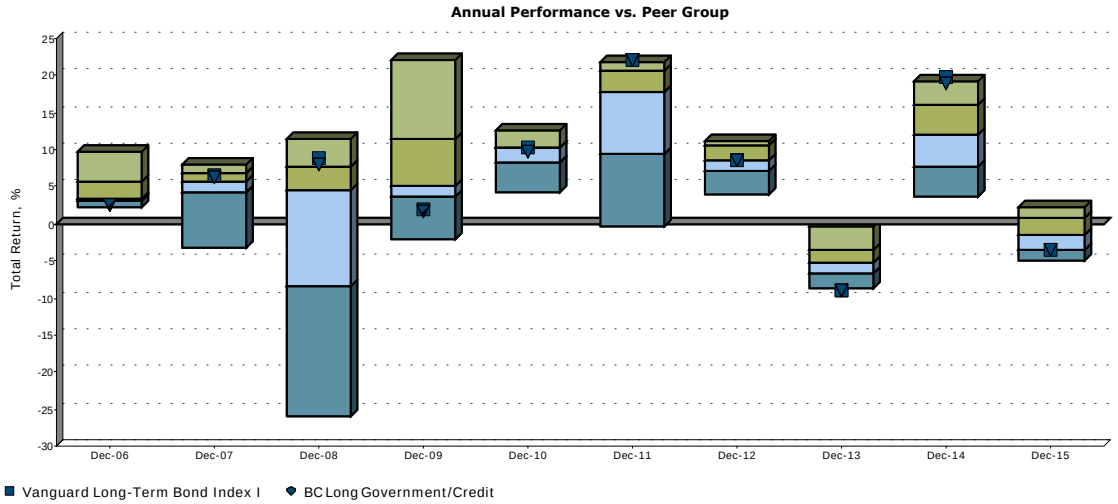
The investment seeks to track the performance of a market-weighted bond index with a long-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Long Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of greater than 10 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

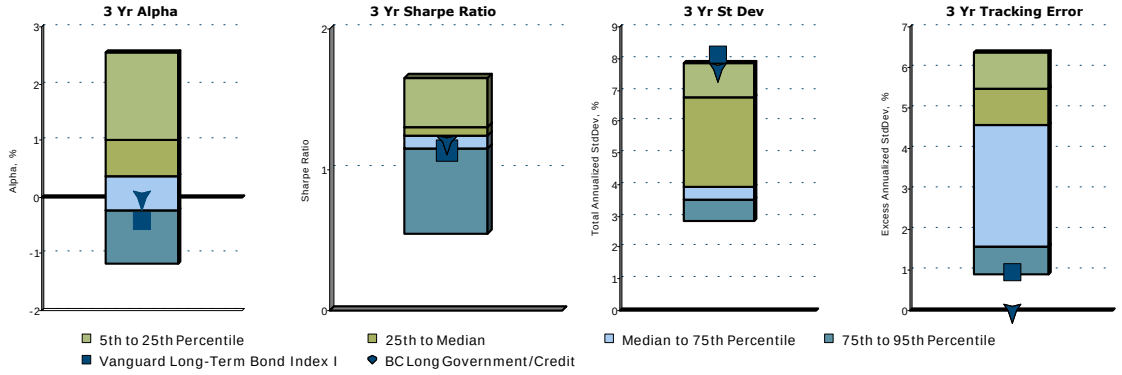


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Long-Term Bond Index I	6.62	14.54	16.08	9.36	9.24
BC Long Government/Credit	6.55	14.33	15.72	9.33	9.18
Universe(5%)	6.73	14.40	15.48	9.23	9.19
Universe(25%)	5.70	12.34	12.55	8.08	8.00
Universe(Median)	4.10	7.82	7.74	5.66	6.67
Universe(75%)	2.95	5.59	4.36	4.21	4.84
Universe(95%)	1.47	3.49	3.09	2.48	3.12

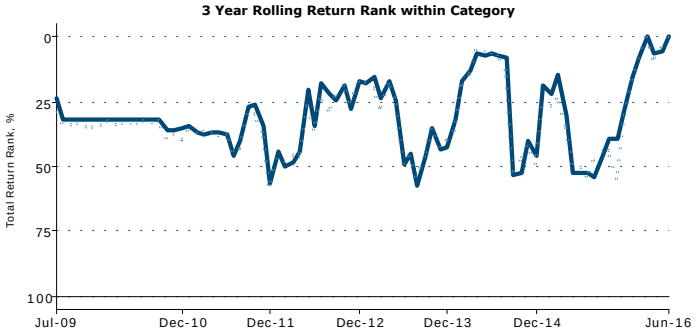
Vanguard Long-Term Bond Index I

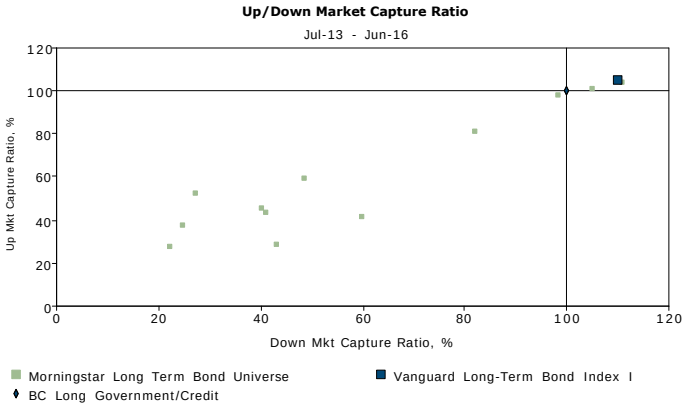


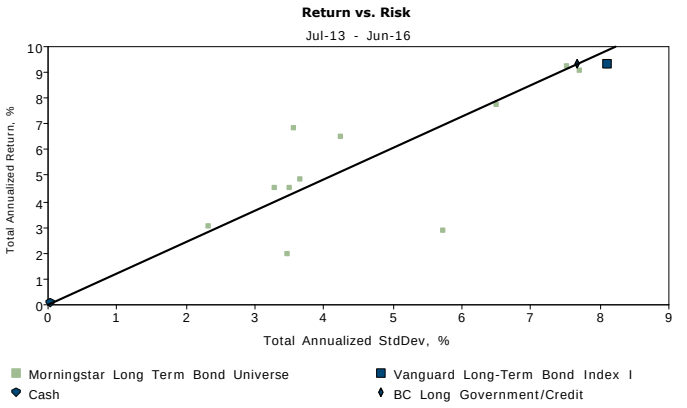
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Long-Term Bond Index I	NA	6.71	8.77	1.91	10.43	22.23	8.63	-9.01	19.87	-3.37
BC Long Government/Credit	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83	19.31	-3.30



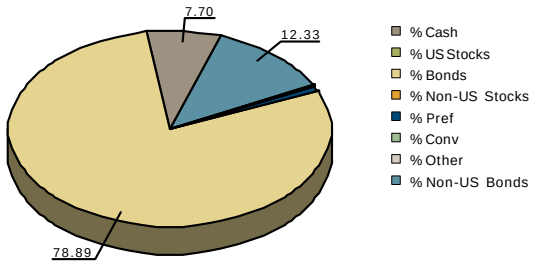
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Long-Term Bond Index I	-0.41	1.05	98.92	1.14	8.10	0.93
BC Long Government/Credit	0.00	1.00	100.00	1.19	7.66	0.00
Universe(5%)	2.55	1.02	98.87	1.66	7.88	6.37
Universe(25%)	0.99	0.87	97.13	1.31	6.75	5.47
Universe(Median)	0.35	0.44	79.21	1.24	3.94	4.60
Universe(75%)	-0.25	0.40	71.30	1.15	3.49	1.56
Universe(95%)	-1.18	0.25	32.93	0.54	2.84	0.89







PIMCO Long Duration Total Return Instl



Portfolio Region

% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure

% Cash	7.70
% US Stocks	0.12
% Bonds	78.89
% Non-US Stocks	0.00
% Pref	0.81
% Conv	0.00
% Other	0.15
% Non-US Bonds	12.33

Sector Allocation

% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.00
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	0.00
% Real Estate	0.00
% Technology	0.00
% Energy	0.00
% Financial Services	4.58
% Utilities	95.42

Credit Quality

Avg Eff Duration	14.32
Effective Maturity	22.89
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings

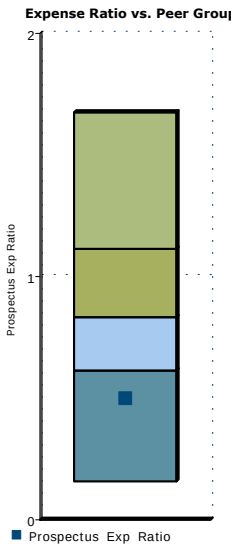
Irs Usd 2.25000 06/15/16-10y Cme	5.97%
US Treasury Note 1.625%	4.84%
Resolution Fdg Fed Bk Prin Stp	3.97%
Fin Fut Us Ultra 30yr Cbt 06/21/16	3.67%
Resolution Fdg Fed Bk Prin Stp	3.56%
US Treasury Bond 2.75%	2.95%
US Treasury Bond 3%	2.77%
US Treasury Note 2.25%	2.55%
U S Treas Bd Stripped Prin Pmt	2.37%
US Treasury Bond	2.30%

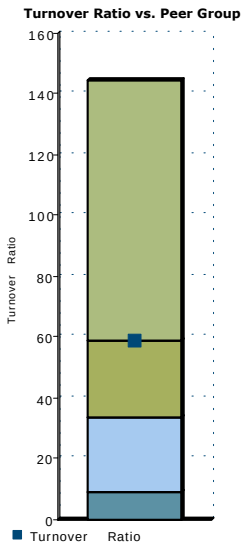
Portfolio Information

Ticker	PLRIX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	3120.52
Turnover Ratio	59.00
% Assets in Top 10 Holdings	34.96
Total Number of Holdings	680.00
Manager Name	Stephen A. Rodosky
Manager Tenure	8.92
Fund Incept Date	08/31/2006
Prospectus Exp Ratio	0.50
Phone Number	888-877-4626

Portfolio Ratings

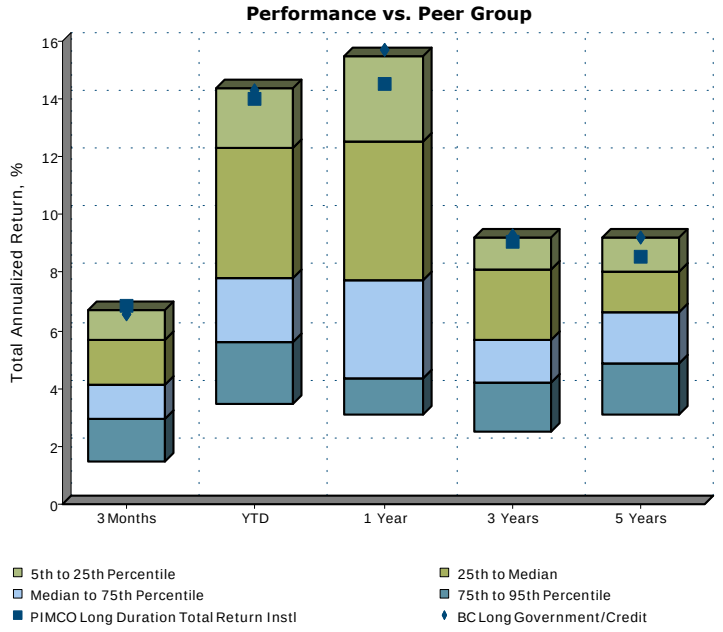
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	47
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	42
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA





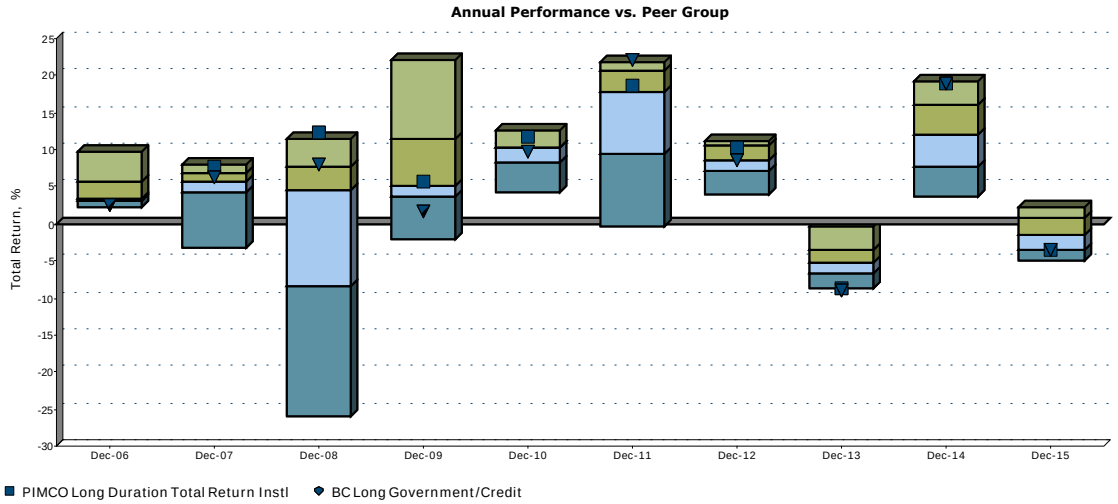
Investment Strategy Summary

The investment seeks maximum total return, consistent with prudent investment management. The fund invests at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. It may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers.

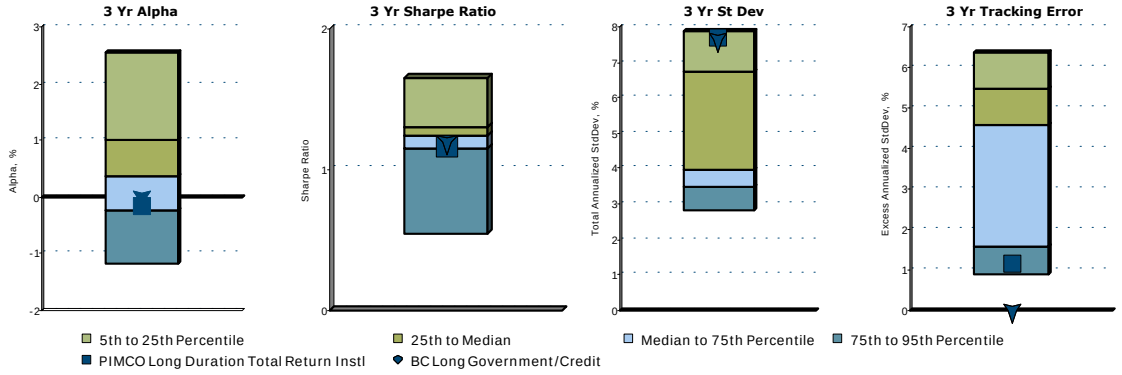


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
PIMCO Long Duration Total Return Instl	6.82	13.99	14.50	9.10	8.55
BC Long Government/Credit	6.55	14.33	15.72	9.33	9.18
Universe(5%)	6.73	14.40	15.48	9.23	9.19
Universe(25%)	5.70	12.34	12.55	8.08	8.00
Universe(Median)	4.10	7.82	7.74	5.66	6.67
Universe(75%)	2.95	5.59	4.36	4.21	4.84
Universe(95%)	1.47	3.49	3.09	2.48	3.12

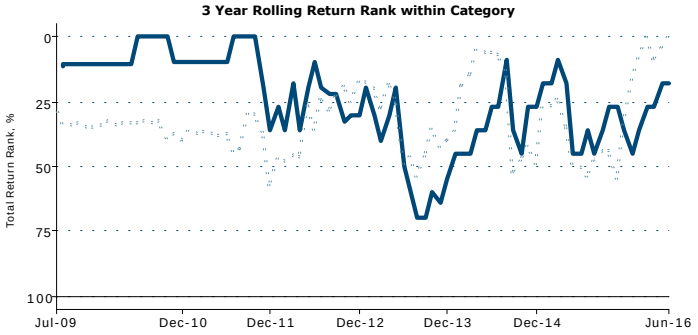
PIMCO Long Duration Total Return Instl

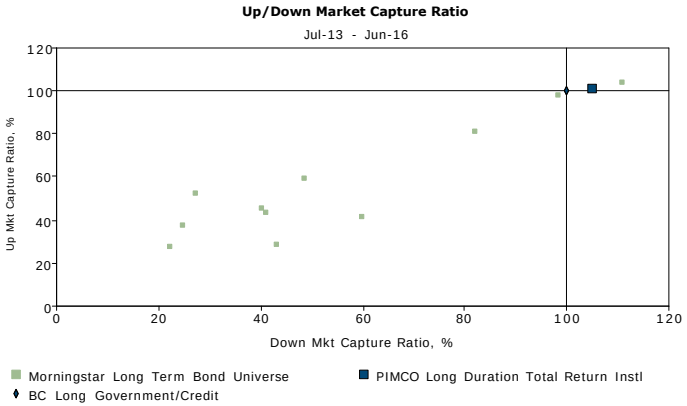


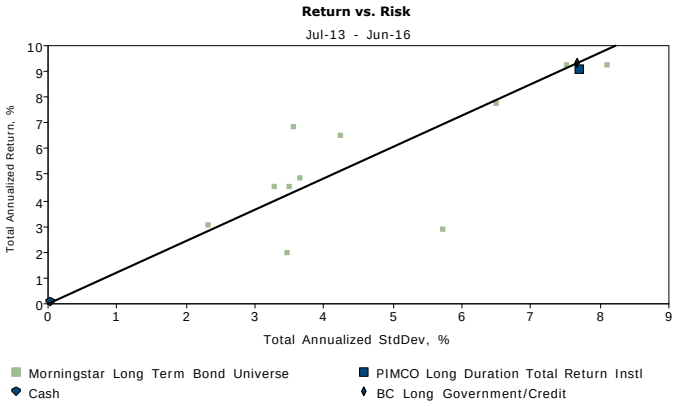
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PIMCO Long Duration Total Return Instl	NA	7.83	12.38	5.62	11.64	18.57	10.28	-8.56	19.02	-3.44
BC Long Government/Credit	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83	19.31	-3.30



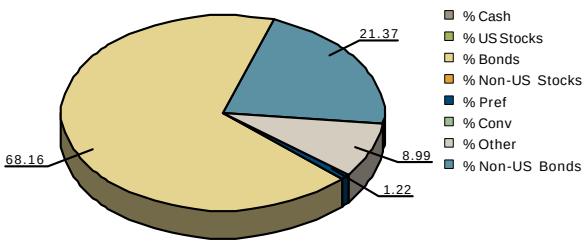
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
PIMCO Long Duration Total Return Instl	-0.16	0.99	97.83	1.16	7.70	1.13
BC Long Government/Credit	0.00	1.00	100.00	1.19	7.66	0.00
Universe(5%)	2.55	1.02	98.87	1.66	7.88	6.37
Universe(25%)	0.99	0.87	97.13	1.31	6.75	5.47
Universe(Median)	0.35	0.44	79.21	1.24	3.94	4.60
Universe(75%)	-0.25	0.40	71.30	1.15	3.49	1.56
Universe(95%)	-1.18	0.25	32.93	0.54	2.84	0.89







Ivy High Income I



Portfolio Region	
% United States	0.64
% Canada	0.00
% Latin America	99.36
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.20
% US Stocks	0.00
% Bonds	68.16
% Non-US Stocks	0.06
% Pref	1.22
% Conv	0.00
% Other	8.99
% Non-US Bonds	21.37

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

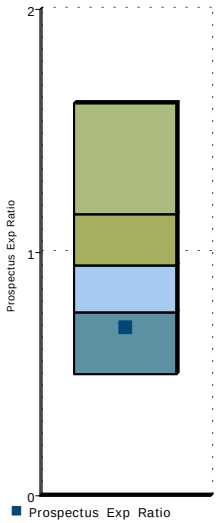
Credit Quality	
Avg Eff Duration	3.20
Effective Maturity	4.50
Avg Credit Quality	B
AAA	0.00
AA	0.00
A	0.00
BBB	0.90
BB	14.80
B	31.10
Below B	49.30
NR/NA	3.90

Top Ten Holdings	
Misys Plc And Magic Newco Llc	3.42%
Laureate Educ 144A 9.25%	2.73%
Jo-Ann Stores 144A 9.75%	1.56%
New Cotai Llc / New Cotai C 144A 10.625%	1.51%
Altice Sa 144A 7.75%	1.44%
Bakercorp Intl 144A 8.25%	1.44%
Pinnacle Operating Corporation 144A 9%	1.32%
Tmx Fin Llc/Titlemax Fin 144A 8.5%	1.22%
Frontier Comms Cv	1.22%
Talbots Inc. (The)	1.20%

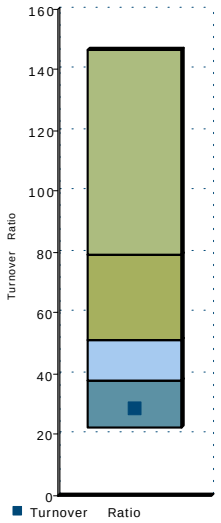
Portfolio Information	
Ticker	IVHIX
Morningstar Category	High Yield Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	20160.52
Net Assets $MM	4866.76
Turnover Ratio	29.00
% Assets in Top 10 Holdings	17.06
Total Number of Holdings	279.00
Manager Name	Chad A. Gunther
Manager Tenure	1.98
Fund Incept Date	04/02/2007
Prospectus Exp Ratio	0.69
Phone Number	800-777-6472

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	69
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



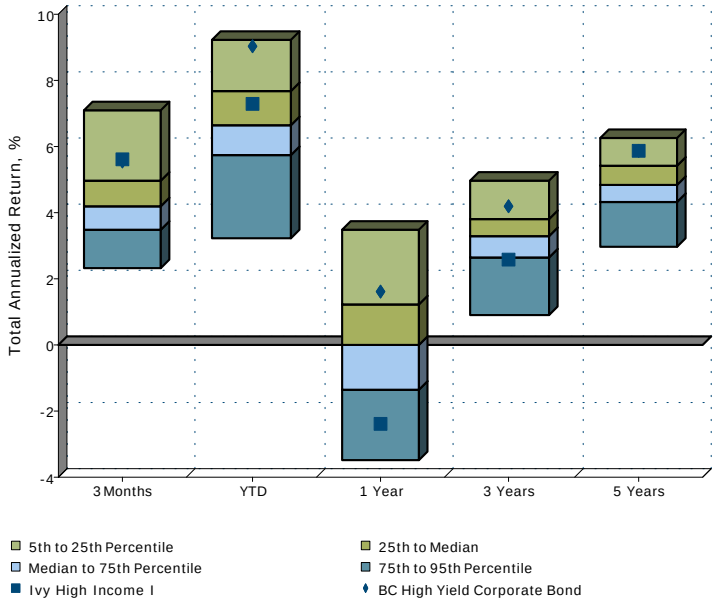
Turnover Ratio vs. Peer Group



Investment Strategy Summary

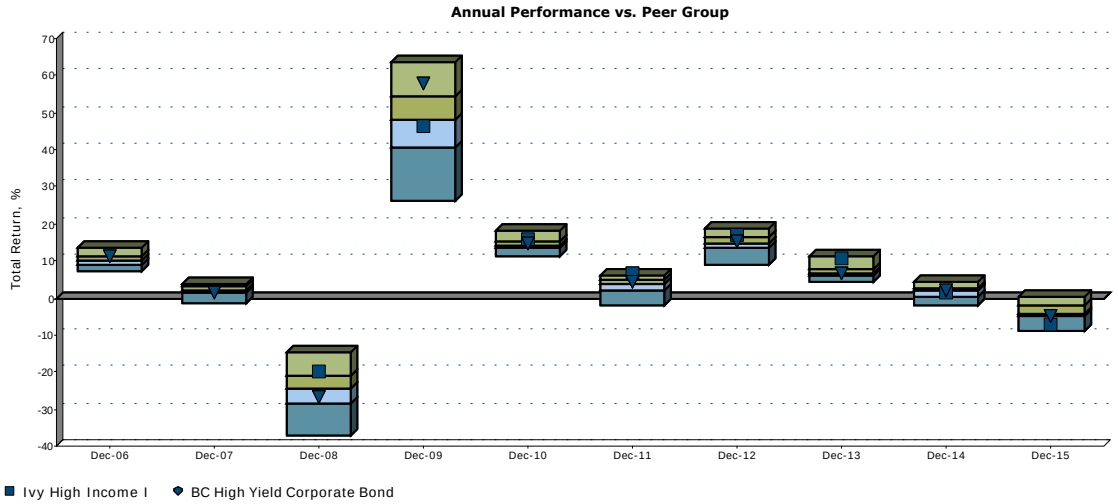
The investment seeks to provide total return through a combination of high current income and capital appreciation. The fund invests primarily in a diversified portfolio of high-yield, high-risk, fixed-income securities, including secured and unsecured loan assignments, loan participations and other loan instruments (loans), of U.S. and foreign corporate issuers, the risks of which are, in the judgment of the adviser consistent with the fund's objective. It may invest up to 100% of its total assets in non-investment grade debt securities. The fund may invest in fixed-income securities of any maturity and in companies of any size.

Performance vs. Peer Group

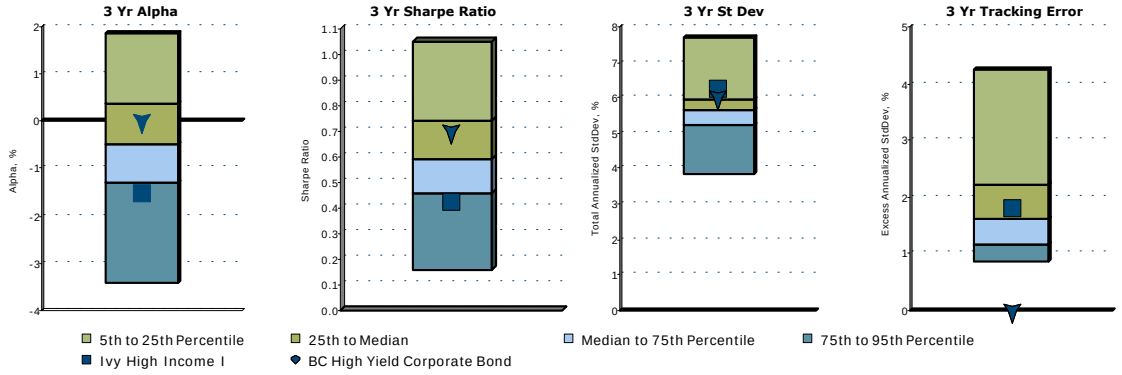


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Ivy High Income I	5.60	7.30	-2.41	2.57	5.85
BC High Yield Corporate Bond	5.52	9.06	1.62	4.18	5.84
Universe(5%)	7.13	9.25	3.49	4.96	6.23
Universe(25%)	4.95	7.69	1.23	3.83	5.41
Universe(Median)	4.18	6.64	0.02	3.29	4.85
Universe(75%)	3.48	5.74	-1.34	2.67	4.33
Universe(95%)	2.29	3.25	-3.48	0.92	2.95

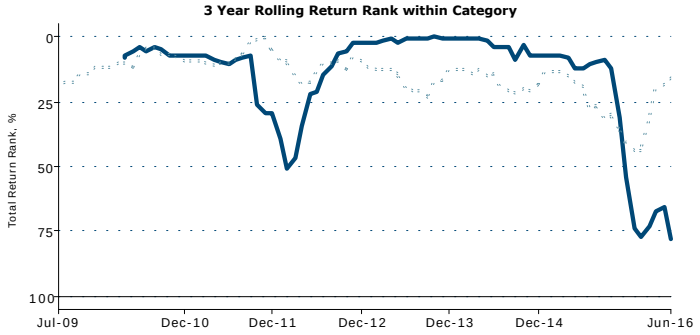
Ivy High Income I

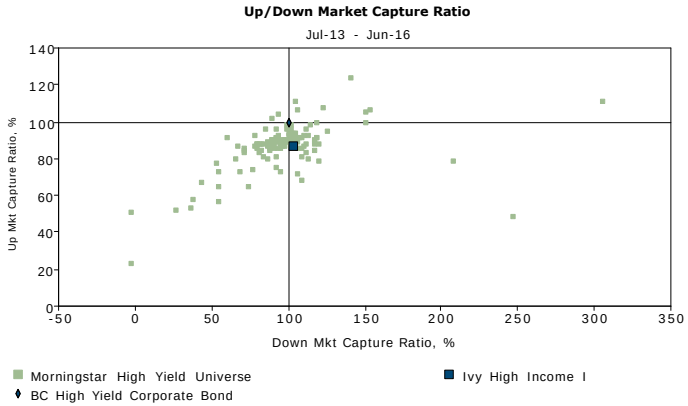


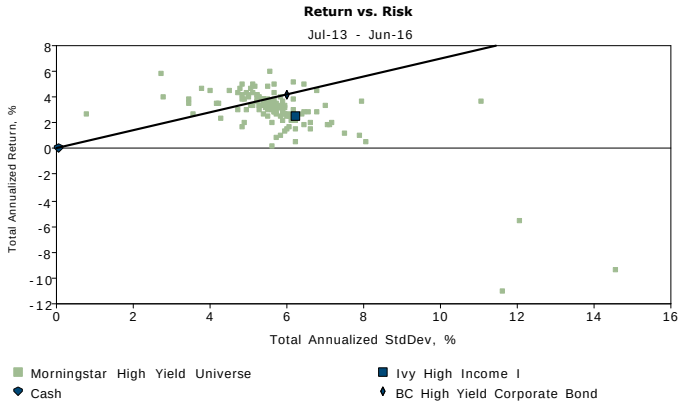
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Ivy High Income I	NA	NA	-19.73	46.56	15.62	6.44	17.16	10.46	1.74	-7.13
BC High Yield Corporate Bond	11.85	1.87	-26.16	58.21	15.12	4.98	15.81	7.44	2.45	-4.47



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Ivy High Income I	-1.53	1.00	91.77	0.42	6.23	1.79
BC High Yield Corporate Bond	0.00	1.00	100.00	0.70	6.00	0.00
Universe(5%)	1.87	1.23	98.30	1.05	7.70	4.26
Universe(25%)	0.35	0.97	96.73	0.75	5.97	2.20
Universe(Median)	-0.47	0.91	93.65	0.59	5.63	1.63
Universe(75%)	-1.29	0.83	89.83	0.46	5.23	1.16
Universe(95%)	-3.40	0.58	58.24	0.16	3.87	0.87



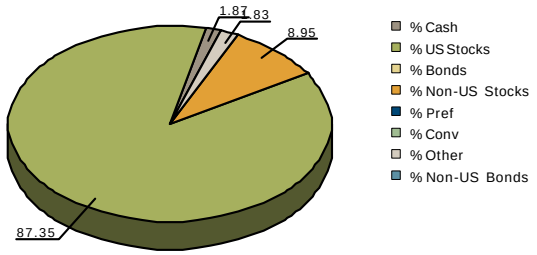




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Equity-Income Adm



Portfolio Region	
% United States	90.70
% Canada	4.26
% Latin America	0.00
% United Kingdom	2.61
% Eurozone	0.00
% Europe - ex Euro	2.22
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.04
% Asia - Emerging	0.16

Portfolio Structure	
% Cash	1.87
% US Stocks	87.35
% Bonds	0.00
% Non-US Stocks	8.95
% Pref	0.00
% Conv	0.00
% Other	1.83
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	1.85
% Communication Services	4.88
% Consumer Cyclical	5.92
% Consumer Defensive	12.34
% Healthcare	12.00
% Industrials	13.50
% Real Estate	0.00
% Technology	13.62
% Energy	10.78
% Financial Services	15.72
% Utilities	9.37

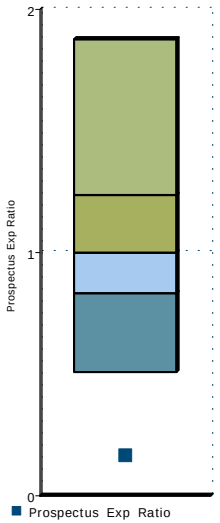
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Microsoft Corp	4.72%
Johnson & Johnson	3.29%
General Electric Co	3.13%
Wells Fargo & Co	2.97%
JPMorgan Chase & Co	2.86%
Verizon Communications Inc	2.78%
Cisco Systems Inc	2.48%
Exxon Mobil Corp	2.47%
Intel Corp	2.25%
Merck & Co Inc	2.16%

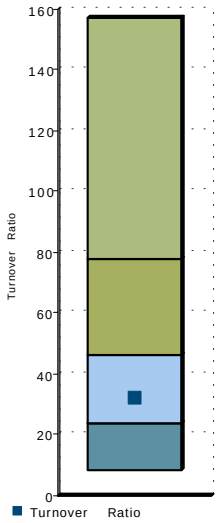
Portfolio Information	
Ticker	VEIRX
Morningstar Category	Large Value
Avg Mkt Cap $MM	78335.54
Cat Med Mkt Cap $MM	78659.23
Net Assets $MM	22207.06
Turnover Ratio	32.00
% Assets in Top 10 Holdings	29.11
Total Number of Holdings	218.00
Manager Name	James P. Stetler
Manager Tenure	12.51
Fund Incept Date	08/13/2001
Prospectus Exp Ratio	0.17
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	6
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	3
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	4

Expense Ratio vs. Peer Group



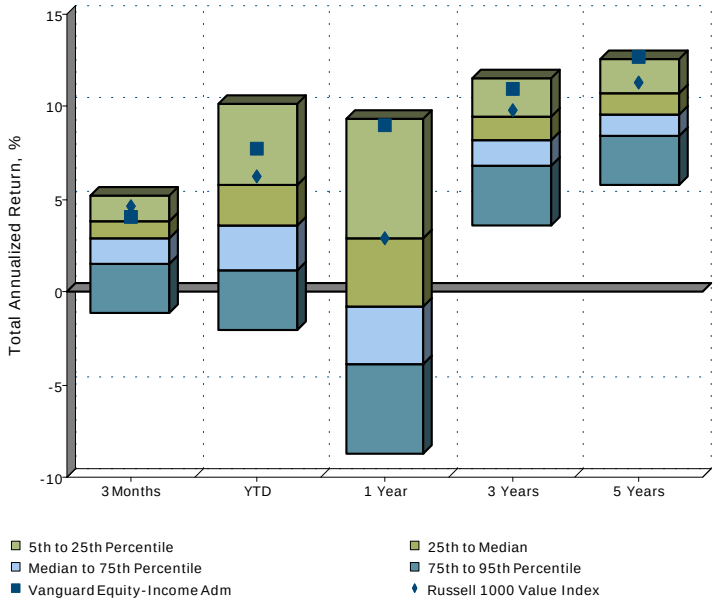
Turnover Ratio vs. Peer Group



Investment Strategy Summary

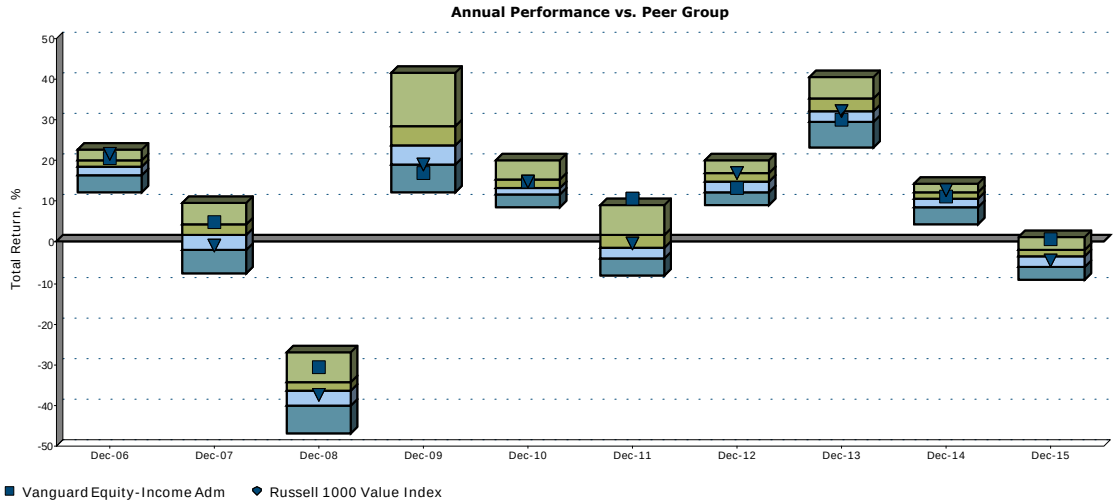
The investment seeks to provide an above-average level of current income and reasonable long-term capital appreciation. The fund invests mainly in common stocks of mid-size and large companies whose stocks typically pay above-average levels of dividend income and are, in the opinion of the purchasing advisor, undervalued relative to other such stocks. In addition, the advisors generally look for companies that they believe are committed to paying dividends consistently. Under normal circumstances, it will invest at least 80% of its assets in equity securities. The fund uses multiple investment advisors.

Performance vs. Peer Group

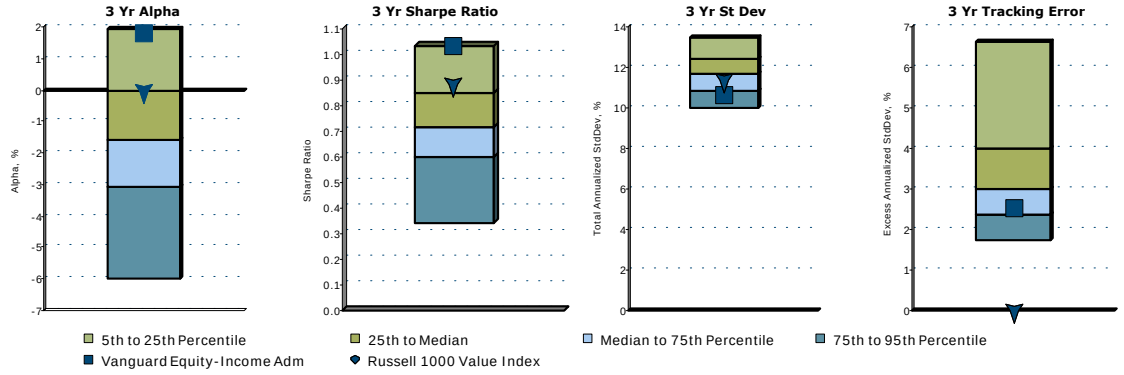


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Equity-Income Adm	4.02	7.71	9.05	10.97	12.72
Russell 1000 Value Index	4.58	6.30	2.86	9.87	11.35
Universe(5%)	5.19	10.17	9.33	11.54	12.63
Universe(25%)	3.82	5.83	2.91	9.49	10.76
Universe(Median)	2.93	3.59	-0.77	8.19	9.55
Universe(75%)	1.55	1.19	-3.86	6.87	8.44
Universe(95%)	-1.18	-2.02	-8.76	3.58	5.78

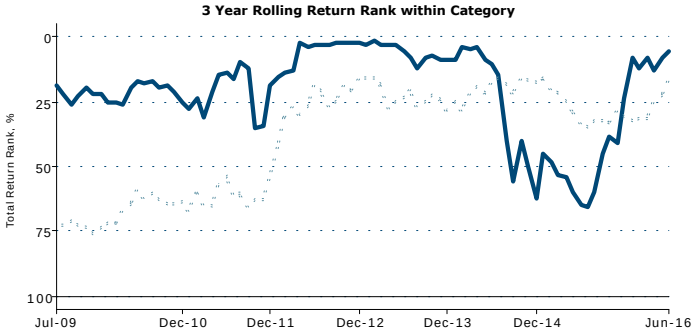
Vanguard Equity-Income Adm

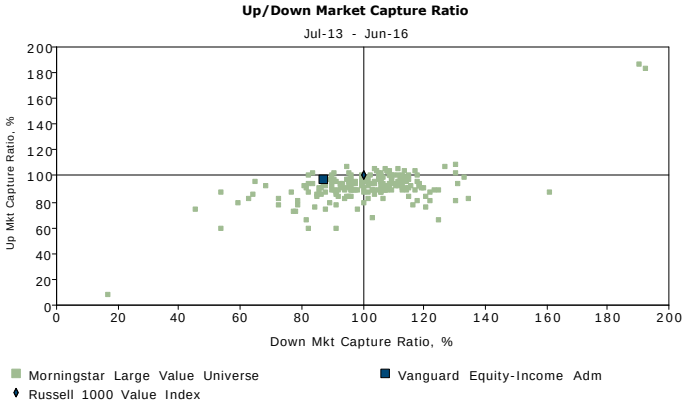


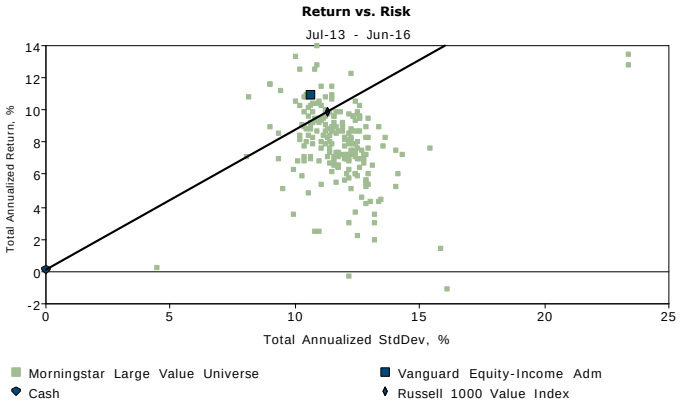
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Equity-Income Adm	20.77	4.99	-30.86	17.26	14.99	10.69	13.58	30.19	11.38	0.86
Russell 1000 Value Index	22.25	-0.17	-36.85	19.69	15.51	0.39	17.51	32.53	13.45	-3.83



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Equity-Income Adm	1.82	0.91	95.15	1.03	10.59	2.54
Russell 1000 Value Index	0.00	1.00	100.00	0.88	11.34	0.00
Universe(5%)	1.95	1.13	97.82	1.03	13.45	6.63
Universe(25%)	-0.06	1.06	96.35	0.85	12.45	3.98
Universe(Median)	-1.61	1.00	94.17	0.72	11.67	2.98
Universe(75%)	-3.10	0.93	90.39	0.60	10.87	2.35
Universe(95%)	-6.01	0.77	77.12	0.34	9.95	1.76



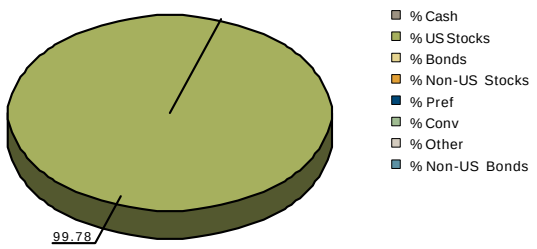




Milliman | Quarterly Investment Monitor

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Vanguard Growth Index Adm



Portfolio Region	
% United States	99.80
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.20
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.02
% US Stocks	99.78
% Bonds	0.00
% Non-US Stocks	0.20
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	2.48
% Communication Services	3.98
% Consumer Cyclical	18.78
% Consumer Defensive	9.48
% Healthcare	15.26
% Industrials	10.00
% Real Estate	5.01
% Technology	25.84
% Energy	2.98
% Financial Services	6.11
% Utilities	0.06

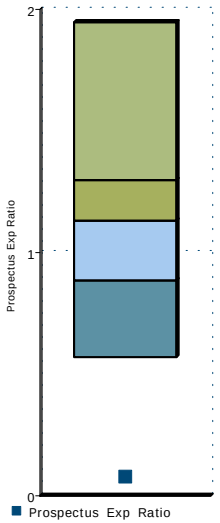
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Apple Inc	5.86%
Amazon.com Inc	3.03%
Facebook Inc A	2.89%
Alphabet Inc A	2.44%
Alphabet Inc C	2.40%
Coca-Cola Co	1.94%
The Home Depot Inc	1.87%
Comcast Corp Class A	1.72%
Philip Morris International Inc	1.70%
Visa Inc Class A	1.69%

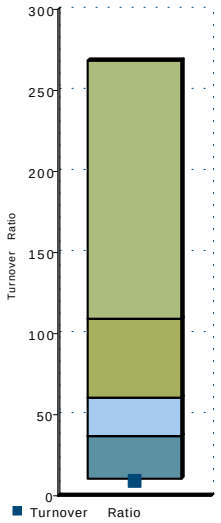
Portfolio Information	
Ticker	VIGAX
Morningstar Category	Large Growth
Avg Mkt Cap $MM	61034.93
Cat Med Mkt Cap $MM	88572.61
Net Assets $MM	50077.32
Turnover Ratio	9.00
% Assets in Top 10 Holdings	25.54
Total Number of Holdings	337.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	21.51
Fund Incept Date	11/13/2000
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	19
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	16

Expense Ratio vs. Peer Group



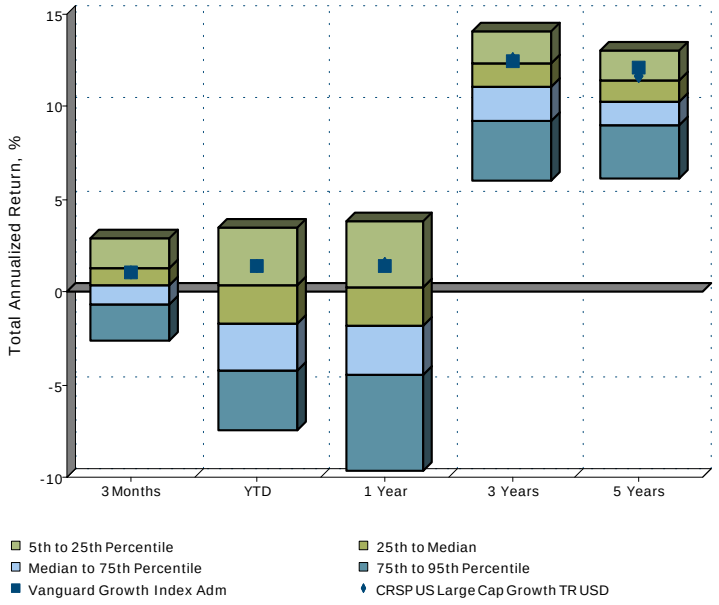
Turnover Ratio vs. Peer Group



Investment Strategy Summary

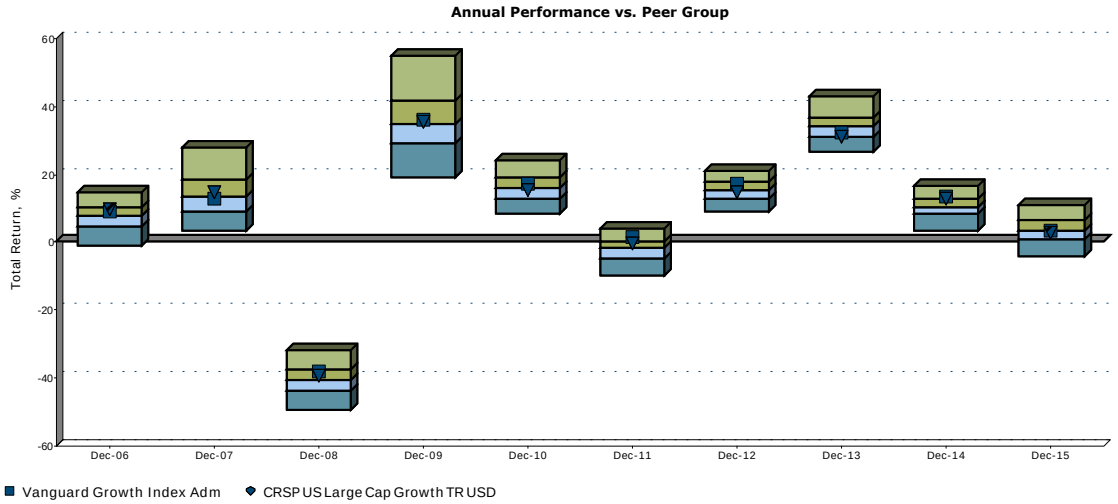
The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

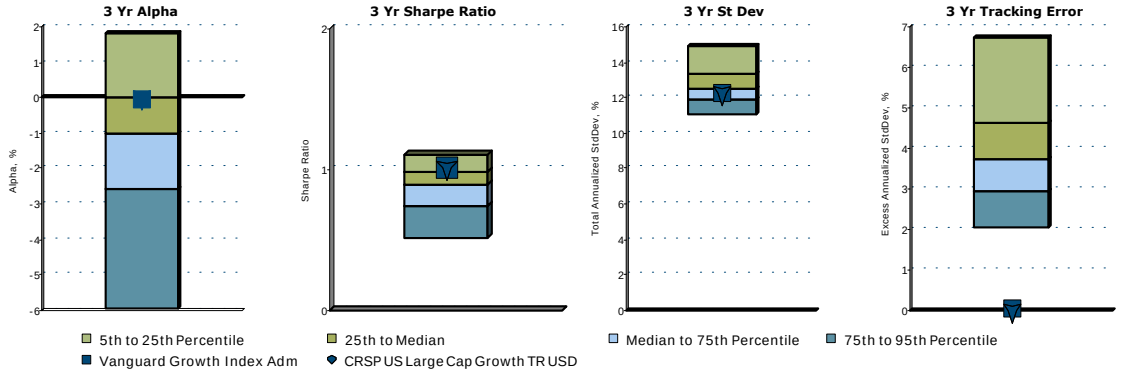


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Growth Index Adm	1.02	1.36	1.46	12.50	12.12
CRSP US Large Cap Growth TR USD	1.02	1.39	1.52	12.58	11.61
Universe(5%)	2.87	3.51	3.83	14.13	13.02
Universe(25%)	1.34	0.35	0.29	12.34	11.37
Universe(Median)	0.35	-1.73	-1.83	11.10	10.30
Universe(75%)	-0.69	-4.18	-4.47	9.24	9.00
Universe(95%)	-2.60	-7.48	-9.68	6.07	6.16

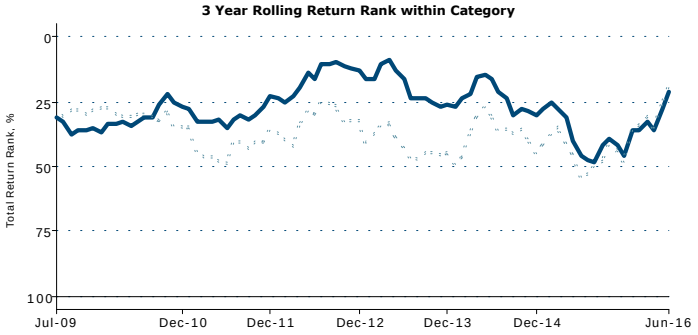
Vanguard Growth Index Adm

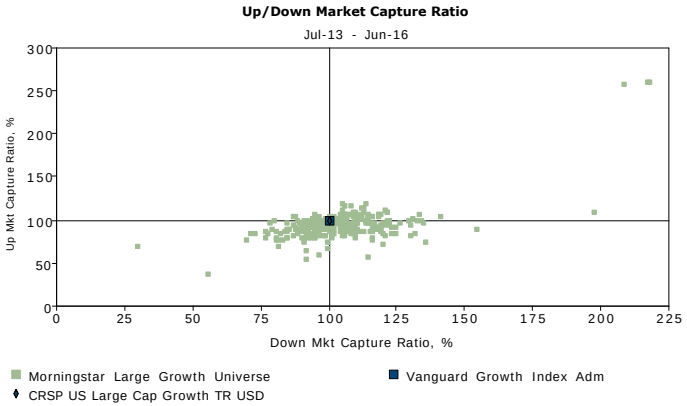


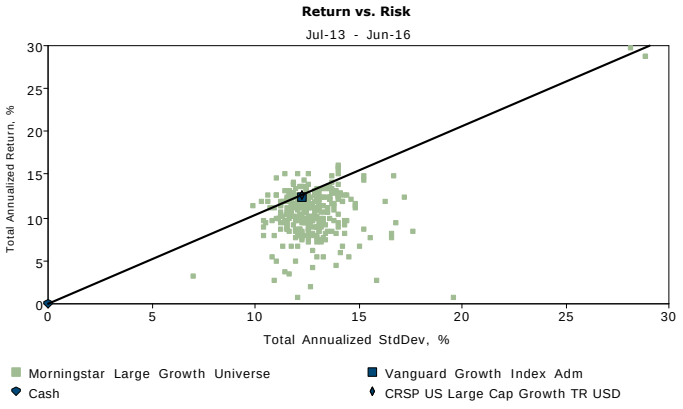
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Growth Index Adm	9.13	12.70	-38.22	36.42	17.12	1.87	17.01	32.40	13.63	3.30
CRSP US Large Cap Growth TR USD	10.32	15.66	-38.67	35.92	15.77	0.58	15.20	31.75	13.69	3.38



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Growth Index Adm	-0.07	1.00	100.00	1.01	12.31	0.03
CRSP US Large Cap Growth TR USD	0.00	1.00	100.00	1.02	12.32	0.00
Universe(5%)	1.80	1.12	97.29	1.11	14.97	6.72
Universe(25%)	0.04	1.03	94.57	0.98	13.38	4.62
Universe(Median)	-1.00	0.98	92.09	0.90	12.55	3.72
Universe(75%)	-2.56	0.93	88.37	0.75	11.90	2.95
Universe(95%)	-5.93	0.84	79.91	0.51	11.02	2.04



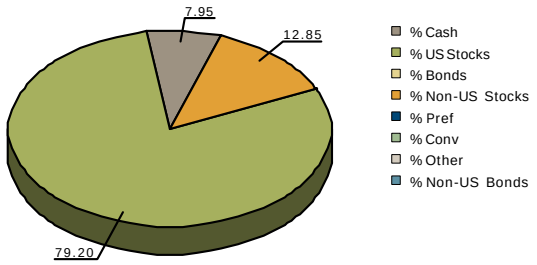




Milliman | Quarterly Investment Monitor

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Vanguard PRIMECAP Core Inv



Portfolio Region	
% United States	86.05
% Canada	0.83
% Latin America	0.01
% United Kingdom	0.74
% Eurozone	2.68
% Europe - ex Euro	6.35
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	1.32
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	2.04

Portfolio Structure	
% Cash	7.95
% US Stocks	79.20
% Bonds	0.00
% Non-US Stocks	12.85
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	2.43
% Communication Services	0.93
% Consumer Cyclical	11.79
% Consumer Defensive	0.48
% Healthcare	24.82
% Industrials	19.32
% Real Estate	0.00
% Technology	30.03
% Energy	1.09
% Financial Services	9.11
% Utilities	0.00

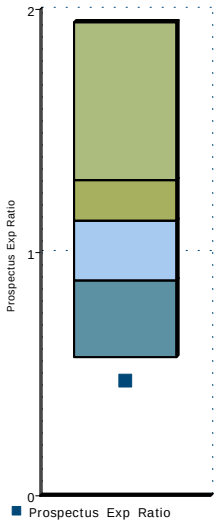
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Southwest Airlines Co	5.01%
Amgen Inc	4.41%
Eli Lilly and Co	3.79%
Roche Holding AG Dividend Right Cert.	3.28%
Biogen Inc	2.82%
Texas Instruments Inc	2.77%
JPMorgan Chase & Co	2.06%
Microsoft Corp	2.03%
FedEx Corp	2.01%
CarMax Inc	1.86%

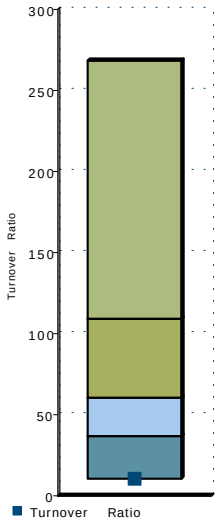
Portfolio Information	
Ticker	VPCCX
Morningstar Category	Large Growth
Avg Mkt Cap $MM	49801.23
Cat Med Mkt Cap $MM	88572.61
Net Assets $MM	7883.58
Turnover Ratio	10.00
% Assets in Top 10 Holdings	30.04
Total Number of Holdings	149.00
Manager Name	Alfred W. Mordecai
Manager Tenure	11.56
Fund Incept Date	12/09/2004
Prospectus Exp Ratio	0.47
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	31
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	14
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	13

Expense Ratio vs. Peer Group



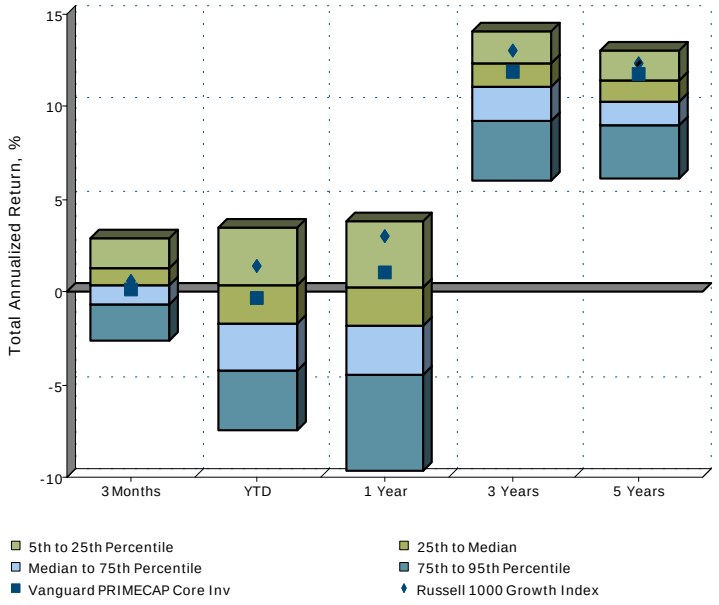
Turnover Ratio vs. Peer Group



Investment Strategy Summary

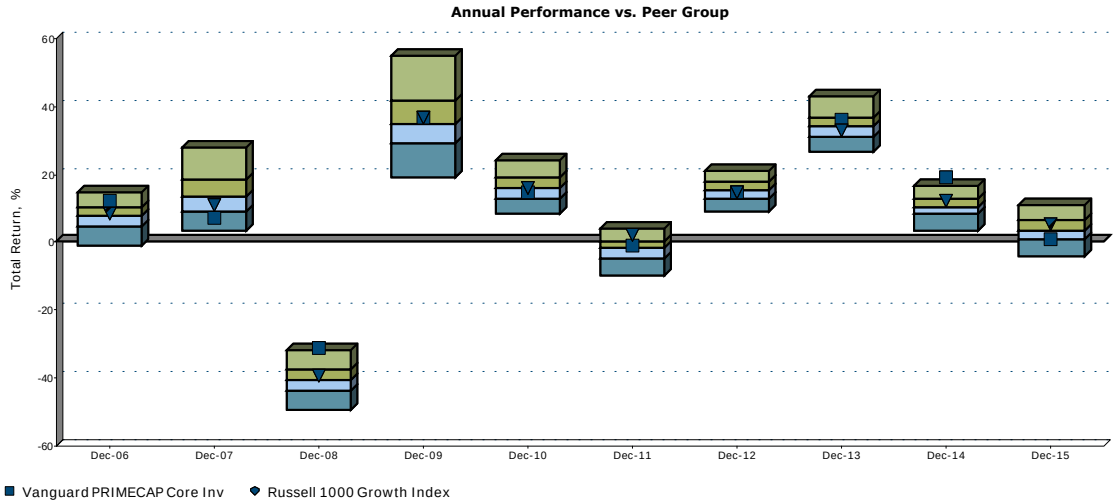
The investment seeks to provide long-term capital appreciation. The fund invests in stocks that its advisor believes offer a good balance between reasonable valuations and attractive growth prospects relative to their peers. Stocks selected for the fund typically have earnings growth potential that, in the advisor's view, is not reflected in their current market prices. It can invest in stocks across all industry sectors and market capitalizations.

Performance vs. Peer Group

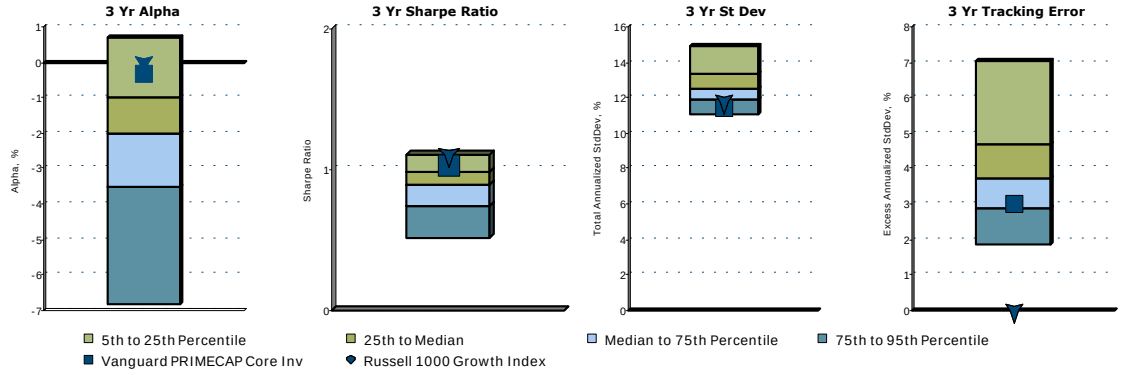


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard PRIMECAP Core Inv	0.14	-0.29	1.03	11.85	11.83
Russell 1000 Growth Index	0.61	1.36	3.02	13.07	12.35
Universe(5%)	2.87	3.51	3.83	14.13	13.02
Universe(25%)	1.34	0.35	0.29	12.34	11.37
Universe(Median)	0.35	-1.73	-1.83	11.10	10.30
Universe(75%)	-0.69	-4.18	-4.47	9.24	9.00
Universe(95%)	-2.60	-7.48	-9.68	6.07	6.16

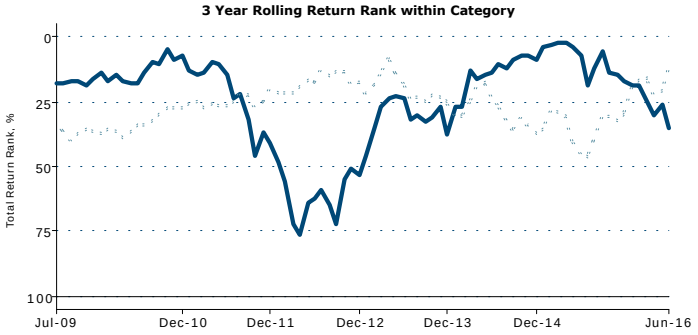
Vanguard PRIMECAP Core Inv

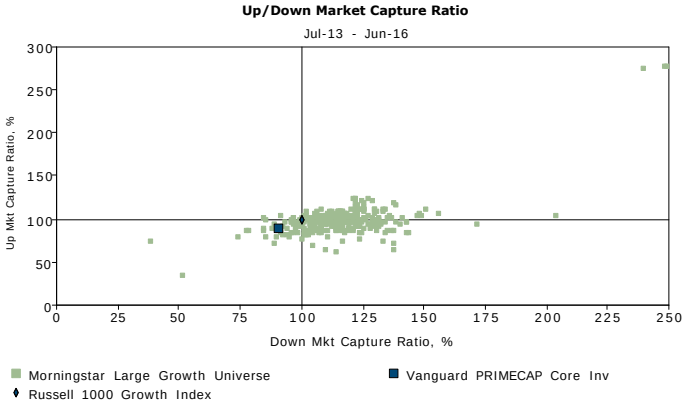


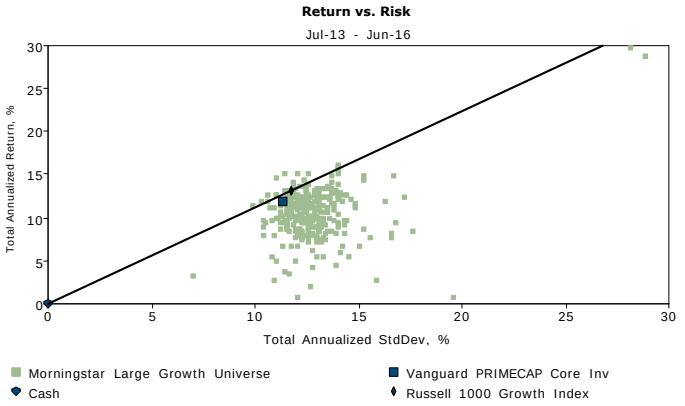
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard PRIMECAP Core Inv	12.31	7.04	-31.32	36.96	14.88	-0.86	14.57	36.14	19.29	0.94
Russell 1000 Growth Index	9.07	11.81	-38.44	37.21	16.71	2.64	15.26	33.48	13.05	5.67



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard PRIMECAP Core Inv	-0.33	0.94	93.54	1.03	11.39	2.99
Russell 1000 Growth Index	0.00	1.00	100.00	1.10	11.75	0.00
Universe(5%)	0.68	1.17	97.58	1.11	14.97	7.05
Universe(25%)	-0.97	1.08	94.71	0.98	13.38	4.69
Universe(Median)	-1.98	1.03	91.85	0.90	12.55	3.75
Universe(75%)	-3.49	0.98	87.83	0.75	11.90	2.87
Universe(95%)	-6.83	0.88	78.86	0.51	11.02	1.87



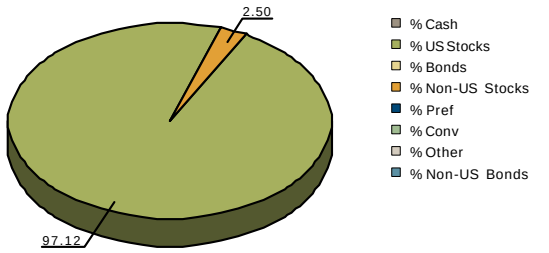




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Mid-Cap Value Index Admiral



Portfolio Region	
% United States	97.49
% Canada	0.00
% Latin America	0.00
% United Kingdom	1.70
% Eurozone	0.00
% Europe - ex Euro	0.40
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.41
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.38
% US Stocks	97.12
% Bonds	0.00
% Non-US Stocks	2.50
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	7.85
% Communication Services	0.37
% Consumer Cyclical	18.01
% Consumer Defensive	9.95
% Healthcare	5.90
% Industrials	10.32
% Real Estate	3.79
% Technology	9.69
% Energy	5.59
% Financial Services	19.09
% Utilities	9.44

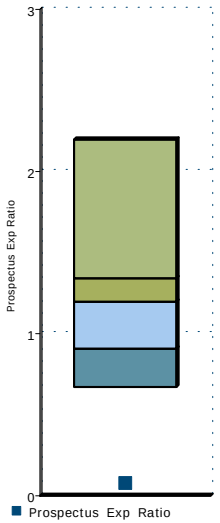
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
NVIDIA Corp	1.45%
Fidelity National Information Services Inc	1.27%
Newell Brands Inc	1.26%
ConAgra Foods Inc	1.21%
WEC Energy Group Inc	1.15%
Tyson Foods Inc Class A	1.14%
The Hartford Financial Services Group Inc	1.12%
Nielsen Holdings PLC	1.12%
Eversource Energy	1.06%
Molson Coors Brewing Co B	1.05%

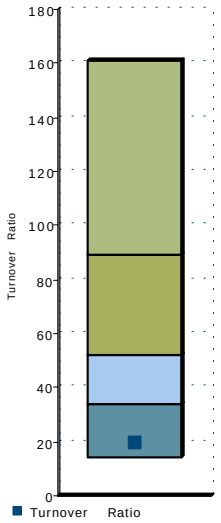
Portfolio Information	
Ticker	VMVAX
Morningstar Category	Mid-Cap Value
Avg Mkt Cap $MM	10693.67
Cat Med Mkt Cap $MM	9384.15
Net Assets $MM	10483.61
Turnover Ratio	20.00
% Assets in Top 10 Holdings	11.83
Total Number of Holdings	207.00
Manager Name	Donald M. Butler
Manager Tenure	9.88
Fund Incept Date	09/27/2011
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	7
5 Year Mstar Rating	NA
% Rank Cat 5 Yr	NA
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



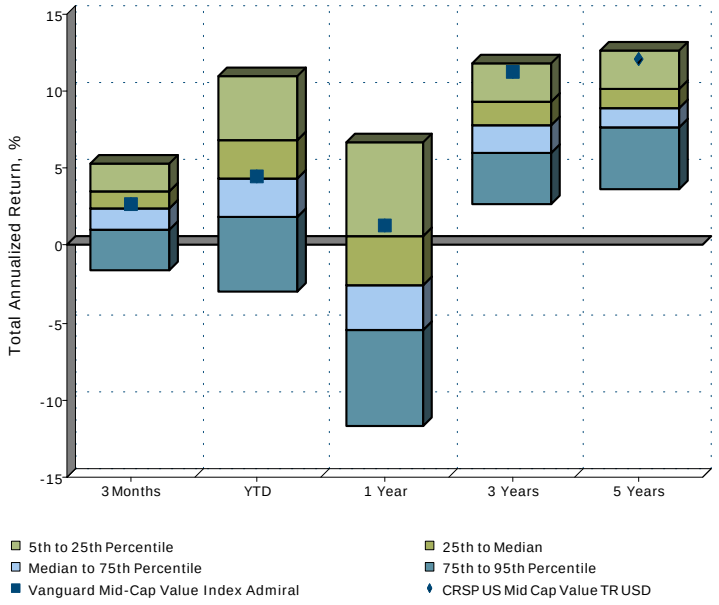
Turnover Ratio vs. Peer Group



Investment Strategy Summary

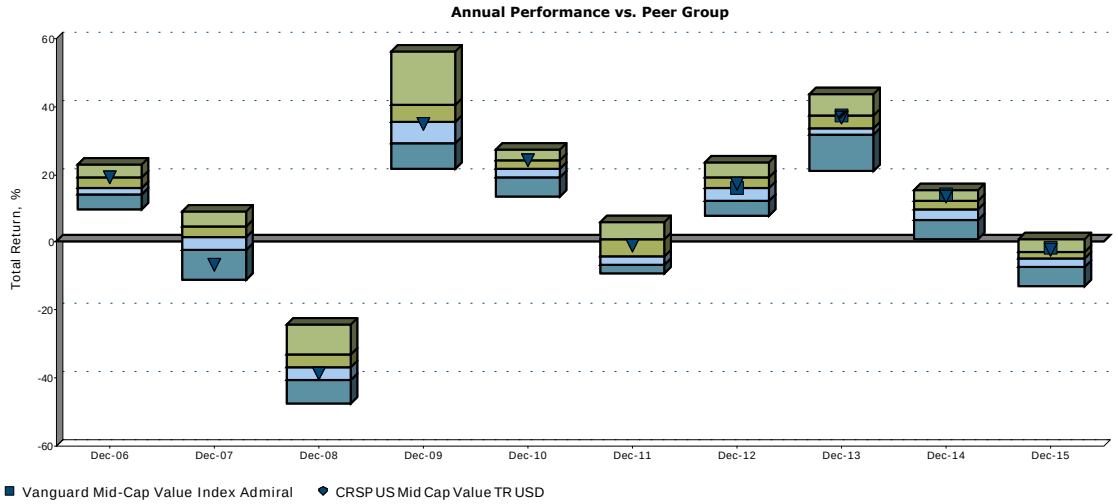
The investment seeks to track the performance of the CRSP US Mid Cap Value Index that measures the investment return of mid-capitalization value stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Value Index, a broadly diversified index of value stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

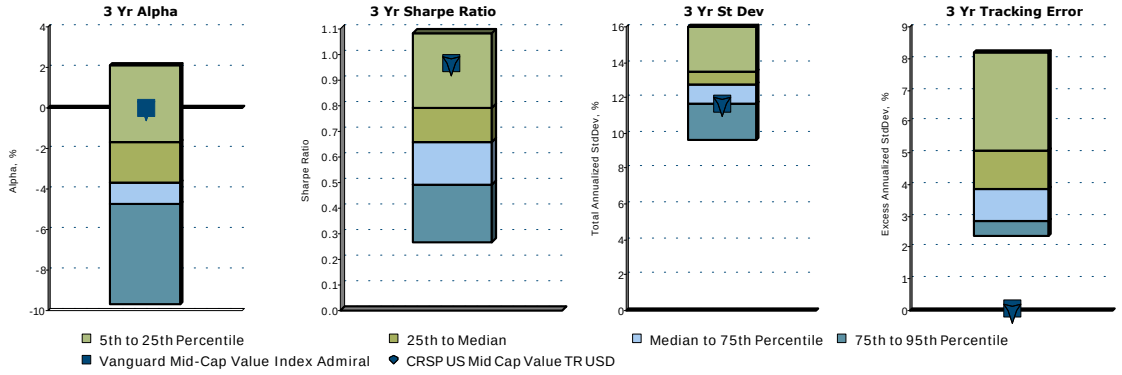


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Mid-Cap Value Index Admiral	2.75	4.47	1.27	11.25	NA
CRSP US Mid Cap Value TR USD	2.75	4.44	1.29	11.30	12.10
Universe(5%)	5.32	10.97	6.73	11.81	12.58
Universe(25%)	3.49	6.86	0.64	9.38	10.14
Universe(Median)	2.48	4.34	-2.54	7.83	8.97
Universe(75%)	1.03	1.88	-5.51	6.01	7.67
Universe(95%)	-1.65	-2.94	-11.74	2.71	3.68

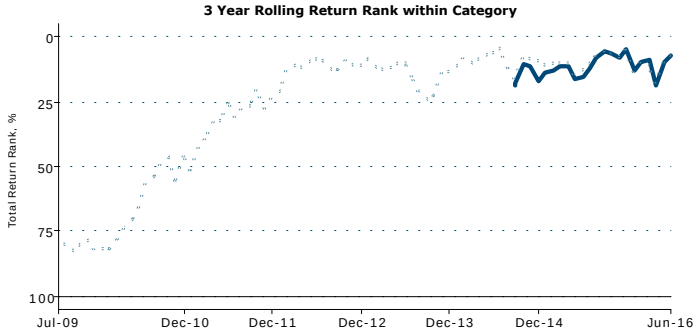
Vanguard Mid-Cap Value Index Admiral

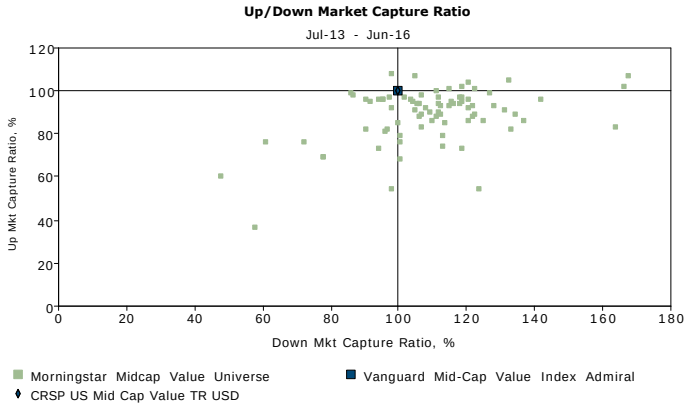


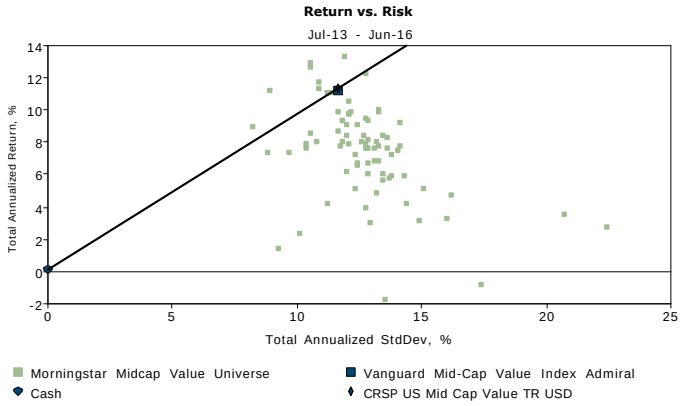
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Mid-Cap Value Index Admiral	NA	NA	NA	NA	NA	NA	16.02	37.66	13.98	-1.80
CRSP US Mid Cap Value TR USD	19.91	-6.07	-37.95	35.21	24.58	-0.39	17.90	37.38	14.05	-1.75



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Mid-Cap Value Index Admiral	-0.03	1.00	100.00	0.97	11.65	0.04
CRSP US Mid Cap Value TR USD	0.00	1.00	100.00	0.97	11.66	0.00
Universe(5%)	2.14	1.24	96.19	1.09	15.98	8.20
Universe(25%)	-1.67	1.10	94.92	0.79	13.42	5.09
Universe(Median)	-3.64	1.02	91.26	0.66	12.70	3.84
Universe(75%)	-4.78	0.94	83.90	0.49	11.63	2.82
Universe(95%)	-9.70	0.70	62.38	0.26	9.66	2.35



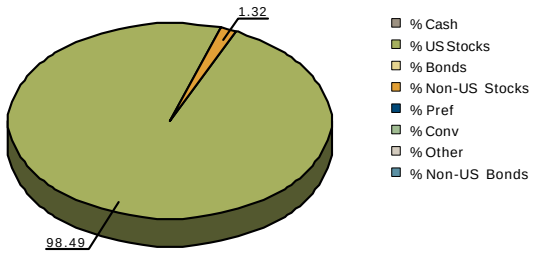




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Mid Cap Index Adm



Portfolio Region	
% United States	98.68
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.90
% Eurozone	0.00
% Europe - ex Euro	0.21
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.22
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.19
% US Stocks	98.49
% Bonds	0.00
% Non-US Stocks	1.32
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	5.55
% Communication Services	1.21
% Consumer Cyclical	17.88
% Consumer Defensive	7.49
% Healthcare	9.45
% Industrials	14.90
% Real Estate	7.24
% Technology	14.60
% Energy	5.13
% Financial Services	11.37
% Utilities	5.16

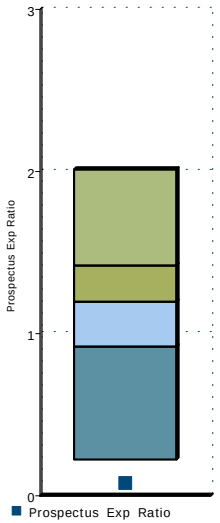
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
NVIDIA Corp	0.77%
Fiserv Inc	0.76%
Electronic Arts Inc	0.73%
Equinix Inc	0.72%
Ross Stores Inc	0.70%
Edwards Lifesciences Corp	0.68%
Fidelity National Information Services Inc	0.68%
Newell Brands Inc	0.67%
Dollar Tree Inc	0.65%
ConAgra Foods Inc	0.64%

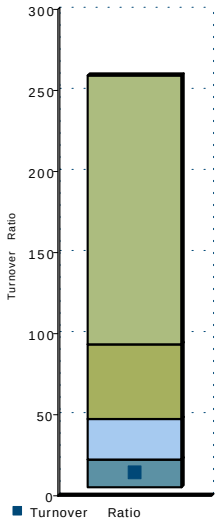
Portfolio Information	
Ticker	VIMAX
Morningstar Category	Mid-Cap Blend
Avg Mkt Cap $MM	11249.43
Cat Med Mkt Cap $MM	6729.15
Net Assets $MM	68967.48
Turnover Ratio	15.00
% Assets in Top 10 Holdings	6.98
Total Number of Holdings	356.00
Manager Name	Donald M. Butler
Manager Tenure	18.12
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	8
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	9
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	24

Expense Ratio vs. Peer Group



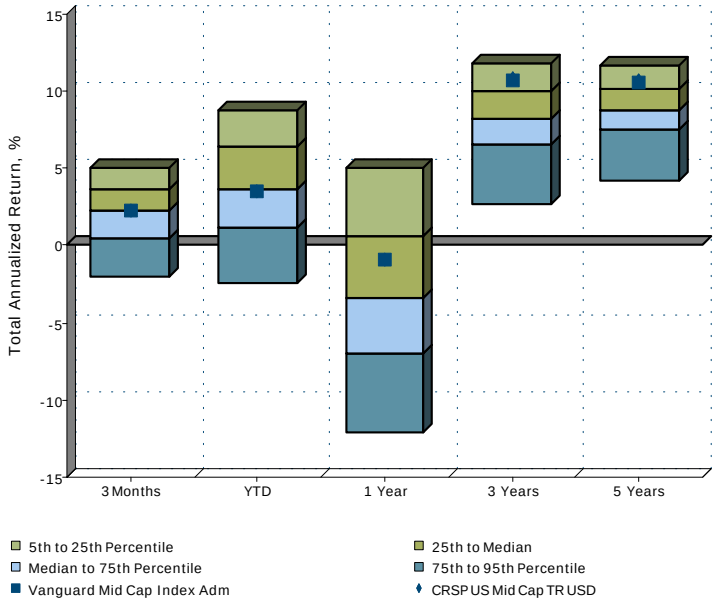
Turnover Ratio vs. Peer Group



Investment Strategy Summary

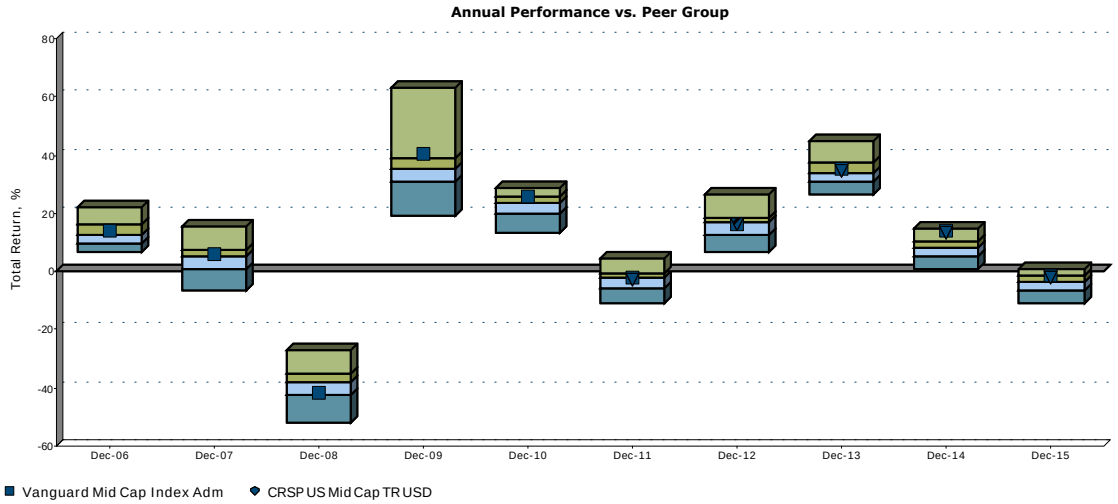
The investment seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

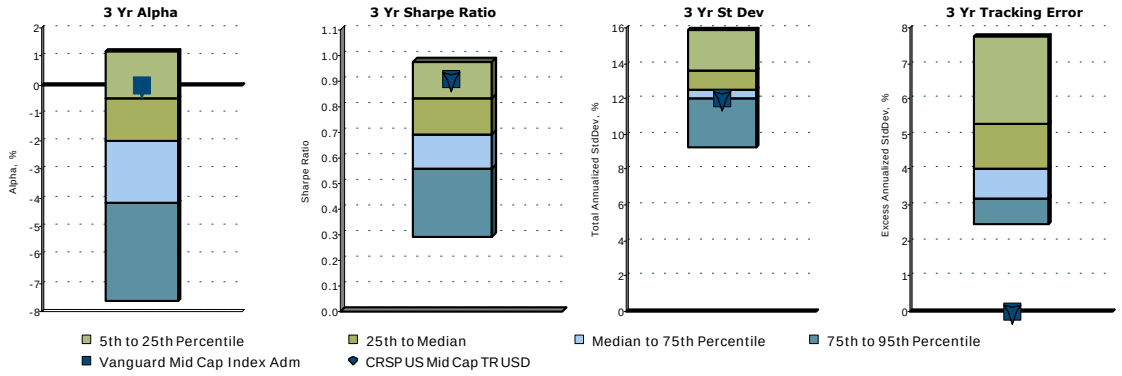


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Mid Cap Index Adm	2.33	3.52	-0.89	10.76	10.56
CRSP US Mid Cap TR USD	2.34	3.52	-0.87	10.82	10.77
Universe(5%)	5.11	8.80	5.01	11.81	11.62
Universe(25%)	3.69	6.49	0.66	10.07	10.09
Universe(Median)	2.25	3.73	-3.42	8.28	8.77
Universe(75%)	0.53	1.23	-7.00	6.52	7.54
Universe(95%)	-2.01	-2.40	-12.09	2.65	4.23

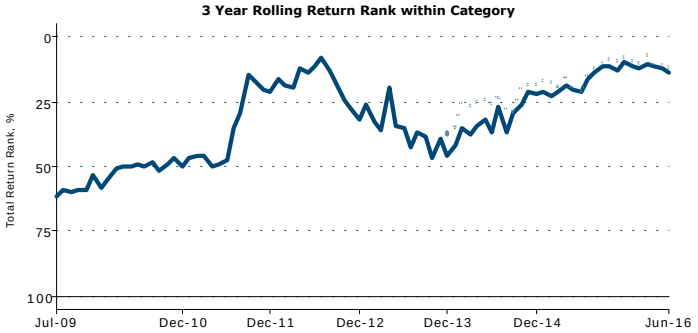
Vanguard Mid Cap Index Adm

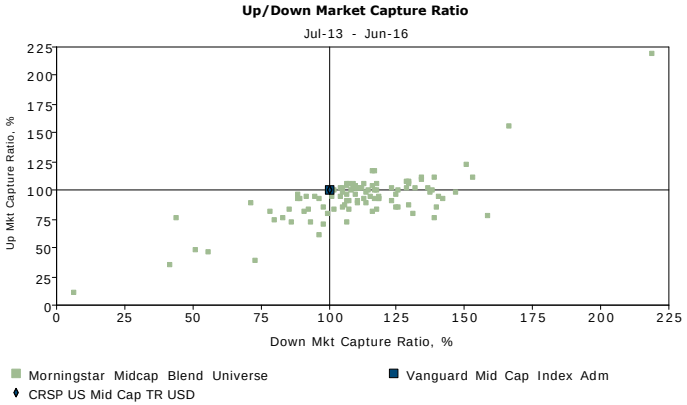


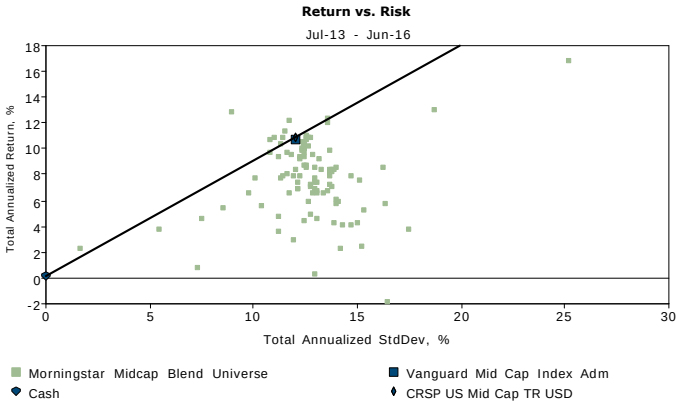
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Mid Cap Index Adm	13.69	6.17	-41.78	40.48	25.59	-1.97	15.99	35.15	13.76	-1.34
CRSP US Mid Cap TR USD	NA	NA	NA	NA	NA	-1.79	16.69	35.27	13.83	-1.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Mid Cap Index Adm	-0.04	1.00	100.00	0.91	12.02	0.03
CRSP US Mid Cap TR USD	0.00	1.00	100.00	0.91	12.03	0.00
Universe(5%)	1.18	1.19	96.01	0.98	15.85	7.76
Universe(25%)	-0.49	1.07	93.85	0.83	13.60	5.31
Universe(Median)	-1.96	1.00	90.82	0.69	12.54	4.04
Universe(75%)	-4.14	0.95	85.27	0.56	11.99	3.17
Universe(95%)	-7.65	0.71	72.96	0.29	9.31	2.48



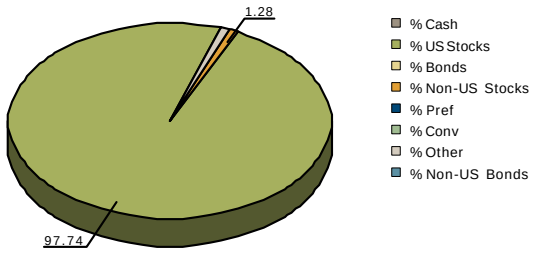




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Prudential QMA Small-Cap Value Z



Portfolio Region	
% United States	98.71
% Canada	0.00
% Latin America	0.37
% United Kingdom	0.41
% Eurozone	0.03
% Europe - ex Euro	0.02
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.46

Portfolio Structure	
% Cash	0.39
% US Stocks	97.74
% Bonds	0.00
% Non-US Stocks	1.28
% Pref	0.00
% Conv	0.00
% Other	0.59
% Non-US Bonds	0.00

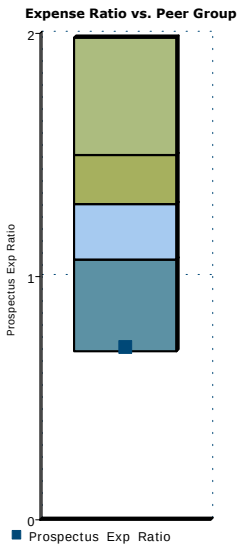
Sector Allocation	
% Basic Materials	4.56
% Communication Services	1.66
% Consumer Cyclical	5.56
% Consumer Defensive	4.17
% Healthcare	2.84
% Industrials	15.36
% Real Estate	13.72
% Technology	5.50
% Energy	5.03
% Financial Services	39.91
% Utilities	1.69

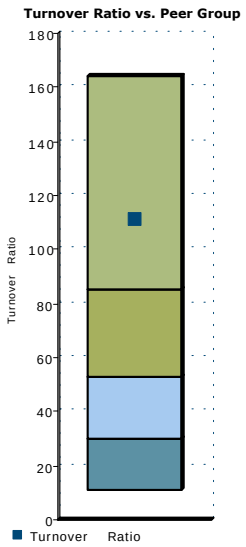
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Sanmina Corp	1.24%
Washington Federal Inc	1.17%
Select Income REIT	1.09%
Atlas Air Worldwide Holdings Inc	1.04%
Lexington Realty Trust	1.03%
LaSalle Hotel Properties	1.02%
Aircastle Ltd	1.00%
CNO Financial Group Inc	1.00%
SkyWest Inc	0.98%
Time Inc	0.96%

Portfolio Information	
Ticker	TASVX
Morningstar Category	Small Value
Avg Mkt Cap $MM	1316.65
Cat Med Mkt Cap $MM	2451.13
Net Assets $MM	1318.37
Turnover Ratio	111.00
% Assets in Top 10 Holdings	10.54
Total Number of Holdings	348.00
Manager Name	Stephen Courtney
Manager Tenure	1.46
Fund Incept Date	01/05/1993
Prospectus Exp Ratio	0.71
Phone Number	800-225-1852

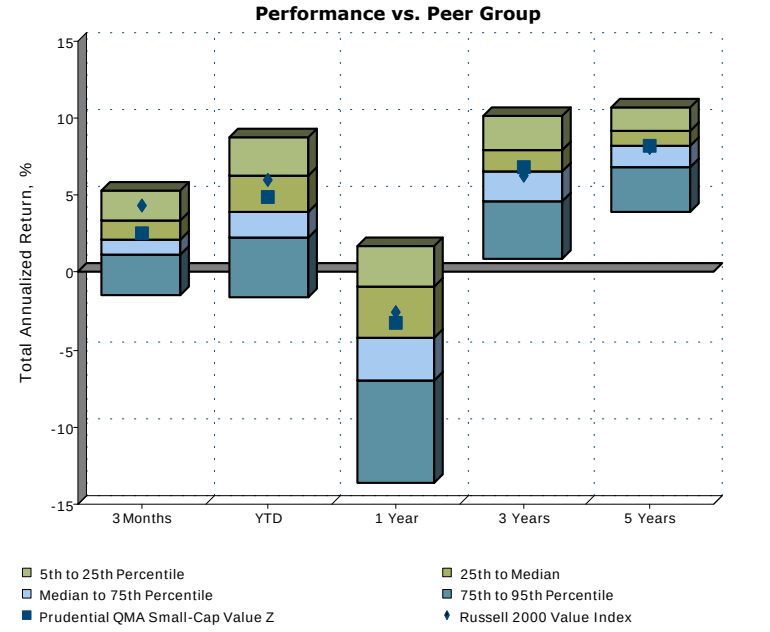
Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	43
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	40
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	15





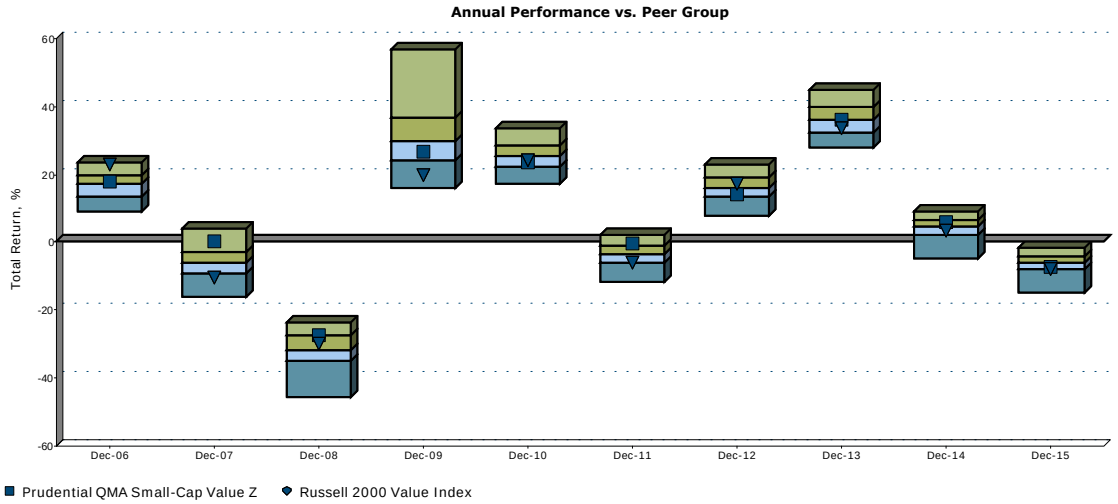
Investment Strategy Summary

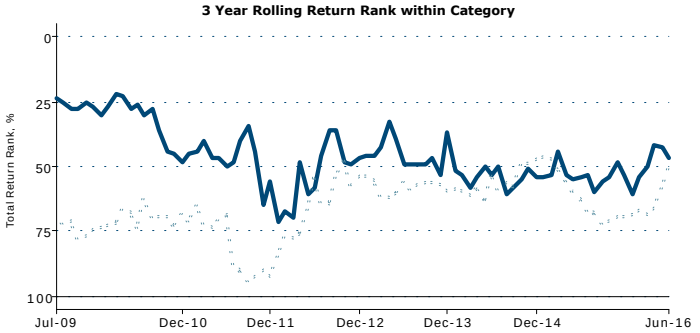
The investment seeks above-average capital appreciation. The fund normally invests at least 80% of its investable assets in equity and equity-related securities of small-cap companies. The subadviser considers small cap companies to be companies with market capitalizations within the market cap range of companies included in the Russell 2000 Index or the Standard & Poor's SmallCap 600 Index. While most assets will typically be invested in U.S. equity and equity-related securities, including real estate investment trusts (REITs), the fund may also invest in foreign equity and equity-related securities.



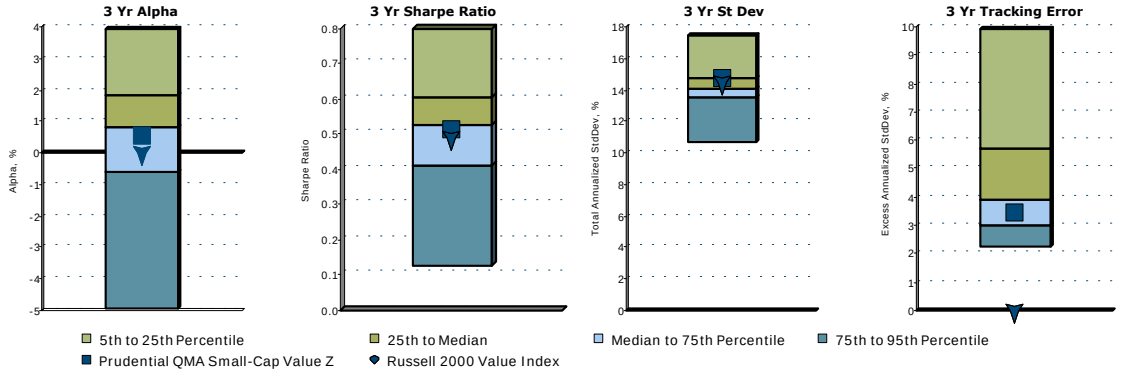
Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Prudential QMA Small-Cap Value Z	2.62	4.93	-3.29	6.81	8.25
Russell 2000 Value Index	4.31	6.08	-2.58	6.36	8.15
Universe(5%)	5.38	8.79	1.80	10.18	10.75
Universe(25%)	3.37	6.28	-0.89	7.97	9.20
Universe(Median)	2.11	3.90	-4.19	6.50	8.26
Universe(75%)	1.11	2.24	-7.00	4.65	6.82
Universe(95%)	-1.40	-1.65	-13.55	0.94	3.92

Prudential QMA Small-Cap Value Z

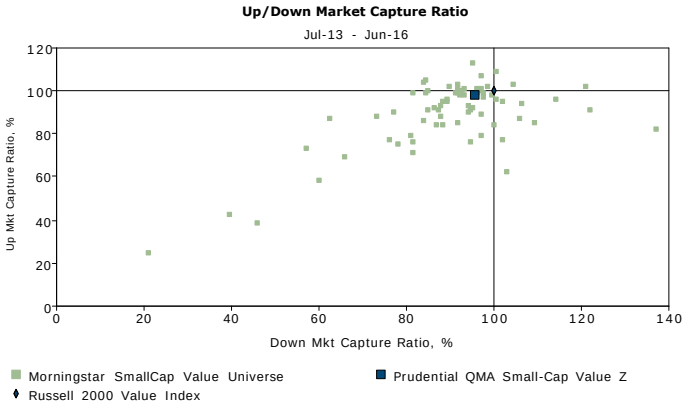


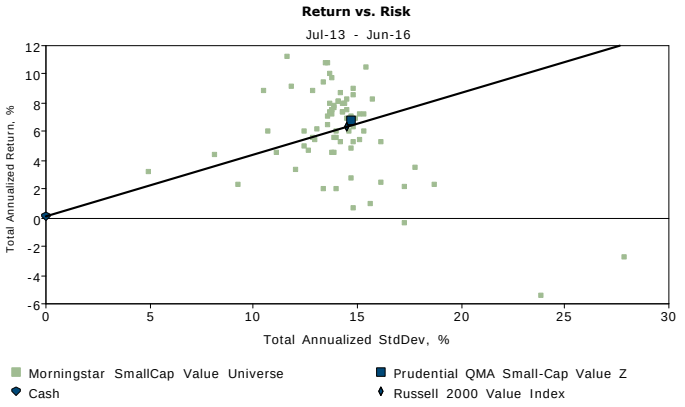


Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Prudential QMA Small-Cap Value Z	17.72	0.52	-27.45	26.69	23.63	-0.48	14.14	35.87	5.89	-7.04
Russell 2000 Value Index	23.48	-9.78	-28.92	20.58	24.50	-5.50	18.05	34.52	4.22	-7.47

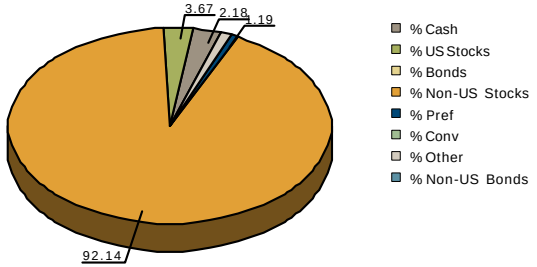


MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Prudential QMA Small-Cap Value Z	0.56	0.99	94.49	0.52	14.69	3.46
Russell 2000 Value Index	0.00	1.00	100.00	0.49	14.49	0.00
Universe(5%)	3.95	1.08	97.71	0.80	17.45	9.95
Universe(25%)	1.80	0.99	95.83	0.61	14.80	5.73
Universe(Median)	0.85	0.93	93.04	0.53	14.05	3.88
Universe(75%)	-0.60	0.88	85.94	0.41	13.50	3.00
Universe(95%)	-4.94	0.67	57.50	0.13	10.65	2.23





Oppenheimer International Growth Y



Portfolio Region	
% United States	3.83
% Canada	5.16
% Latin America	1.07
% United Kingdom	23.74
% Eurozone	33.90
% Europe - ex Euro	18.53
% Europe - Emerging	0.00
% Africa	0.80
% Middle East	0.00
% Japan	6.20
% Australasia	3.37
% Asia - Developed	0.00
% Asia - Emerging	3.41

Portfolio Structure	
% Cash	2.18
% US Stocks	3.67
% Bonds	0.00
% Non-US Stocks	92.14
% Pref	1.19
% Conv	0.00
% Other	0.82
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	6.69
% Communication Services	8.13
% Consumer Cyclical	20.50
% Consumer Defensive	16.28
% Healthcare	9.58
% Industrials	17.13
% Real Estate	0.00
% Technology	17.02
% Energy	0.40
% Financial Services	4.27
% Utilities	0.00

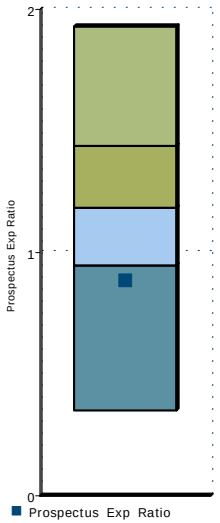
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Dollarama Inc	1.81%
Infineon Technologies AG	1.80%
Nippon Telegraph & Telephone Corp	1.65%
Continental AG	1.54%
Heineken NV	1.40%
Vodafone Group PLC	1.37%
Valeo SA	1.37%
Amadeus IT Holding SA A	1.36%
Aalberts Industries NV	1.36%
Bunzl PLC	1.33%

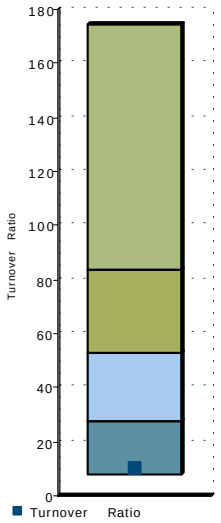
Portfolio Information	
Ticker	OIGYX
Morningstar Category	Foreign Large Growth
Avg Mkt Cap $MM	15853.21
Cat Med Mkt Cap $MM	31473.92
Net Assets $MM	22349.70
Turnover Ratio	10.00
% Assets in Top 10 Holdings	14.99
Total Number of Holdings	110.00
Manager Name	George R. Evans
Manager Tenure	20.28
Fund Incept Date	09/07/2005
Prospectus Exp Ratio	0.89
Phone Number	800-225-5677

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	38
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	16
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	1

Expense Ratio vs. Peer Group



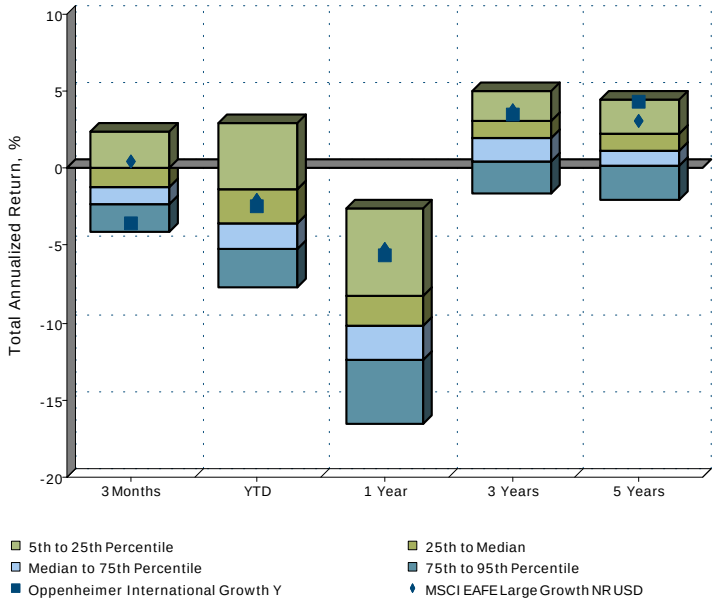
Turnover Ratio vs. Peer Group



Investment Strategy Summary

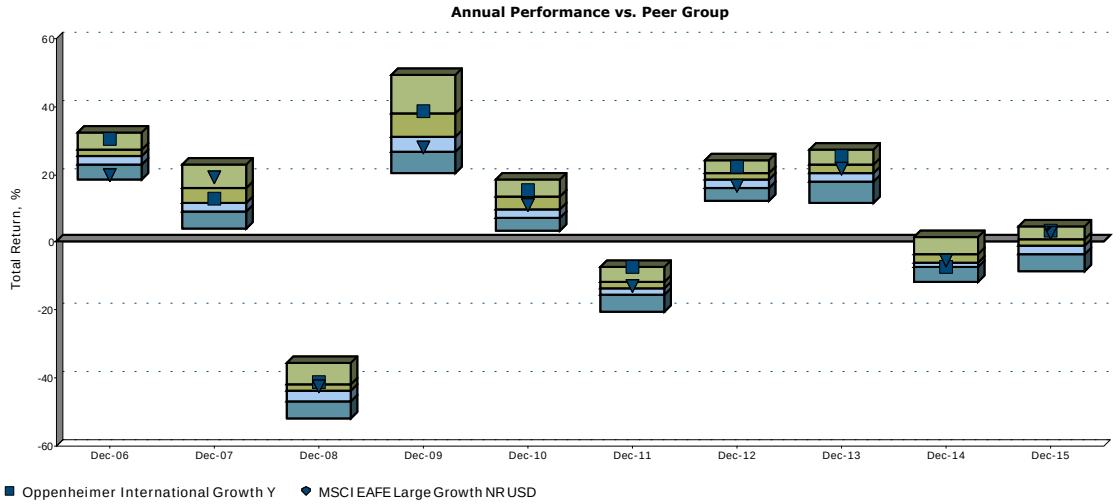
The investment seeks capital appreciation. The fund mainly invests in the common stock of growth companies that are domiciled or have their primary operations outside of the United States. It may invest 100% of its assets in securities of foreign companies. The fund may invest in emerging markets as well as in developed markets throughout the world. It normally will invest at least 65% of its total assets in common and preferred stocks of issuers in at least three different countries outside of the United States, and emphasize investments in common stocks of issuers that the portfolio managers consider to be "growth" companies.

Performance vs. Peer Group

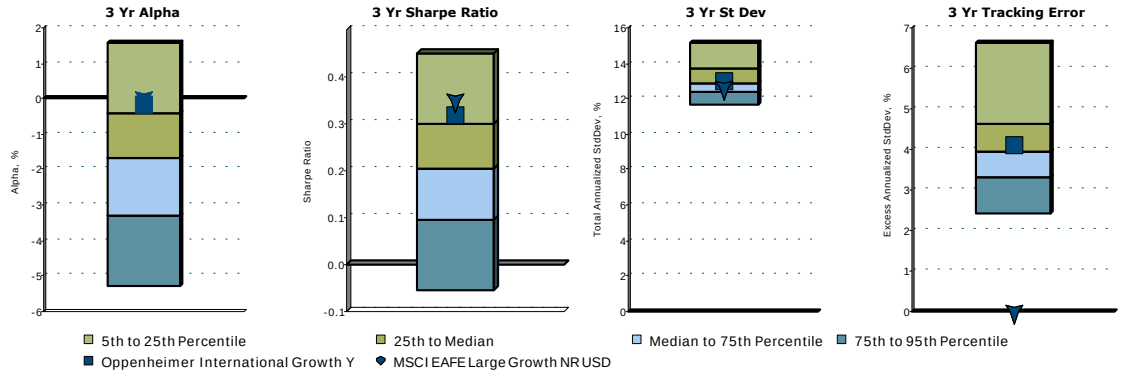


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Oppenheimer International Growth Y	-3.50	-2.48	-5.59	3.48	4.38
MSCI EAFE Large Growth NR USD	0.44	-2.08	-5.20	3.77	3.13
Universe(5%)	2.33	2.99	-2.58	5.05	4.45
Universe(25%)	-0.02	-1.34	-8.18	3.13	2.32
Universe(Median)	-1.24	-3.57	-10.12	1.92	1.22
Universe(75%)	-2.35	-5.26	-12.34	0.49	0.17
Universe(95%)	-4.12	-7.64	-16.61	-1.57	-2.09

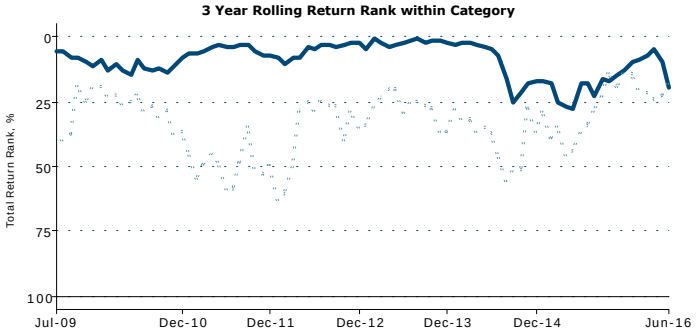
Oppenheimer International Growth Y

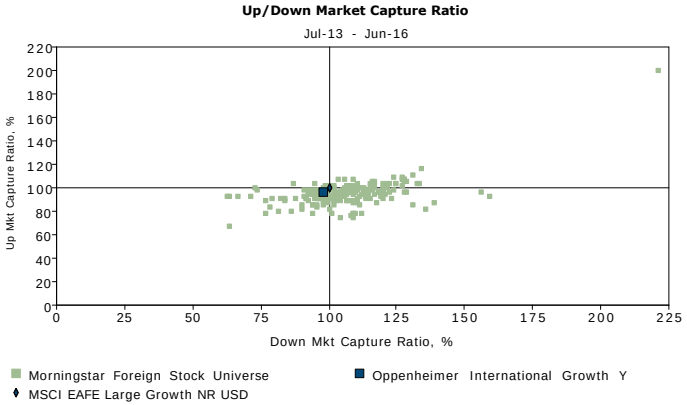


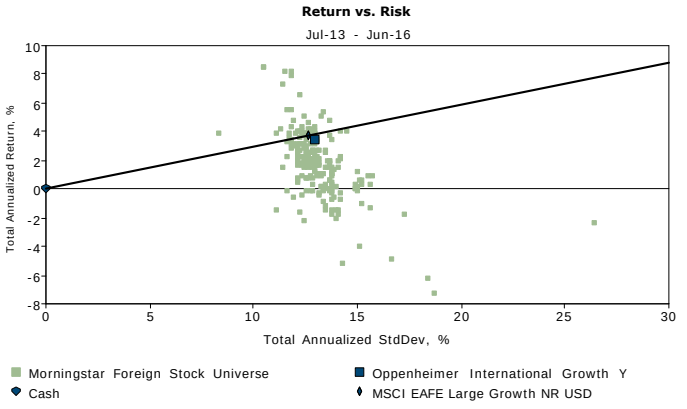
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oppenheimer International Growth Y	30.18	12.93	-41.22	38.44	15.35	-7.31	22.10	25.46	-6.99	3.44
MSCI EAFE Large Growth NR USD	20.44	19.51	-41.74	28.81	11.48	-12.04	17.06	22.28	-4.70	3.28



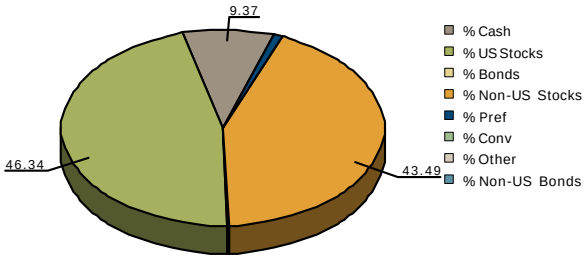
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Oppenheimer International Growth Y	-0.14	0.98	90.09	0.32	12.98	4.10
MSCI EAFE Large Growth NR USD	0.00	1.00	100.00	0.35	12.61	0.00
Universe(5%)	1.57	1.12	96.50	0.45	15.19	6.61
Universe(25%)	-0.40	1.02	93.67	0.30	13.66	4.63
Universe(Median)	-1.69	0.98	91.31	0.20	12.89	3.92
Universe(75%)	-3.30	0.94	88.35	0.09	12.37	3.33
Universe(95%)	-5.29	0.86	79.26	-0.05	11.64	2.41







American Funds New Perspective R6



Portfolio Region	
% United States	51.58
% Canada	1.91
% Latin America	0.55
% United Kingdom	8.53
% Eurozone	10.79
% Europe - ex Euro	11.56
% Europe - Emerging	0.00
% Africa	2.06
% Middle East	0.00
% Japan	5.76
% Australasia	0.11
% Asia - Developed	5.56
% Asia - Emerging	1.59

Portfolio Structure	
% Cash	9.37
% US Stocks	46.34
% Bonds	0.16
% Non-US Stocks	43.49
% Pref	0.46
% Conv	0.01
% Other	0.18
% Non-US Bonds	0.00

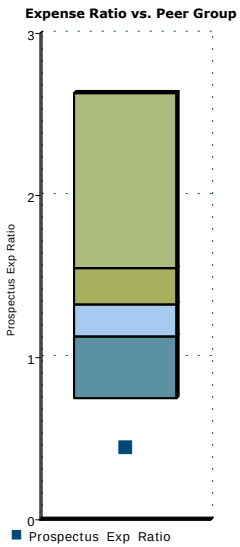
Sector Allocation	
% Basic Materials	4.30
% Communication Services	2.83
% Consumer Cyclical	17.66
% Consumer Defensive	12.34
% Healthcare	15.54
% Industrials	9.54
% Real Estate	0.00
% Technology	21.08
% Energy	4.32
% Financial Services	11.87
% Utilities	0.52

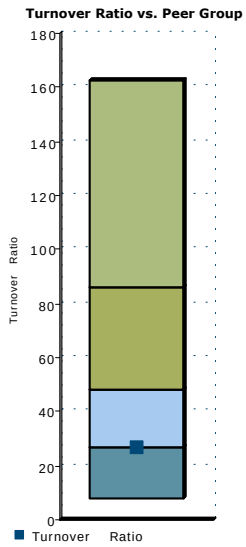
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Novo Nordisk A/S B	5.18%
Amazon.com Inc	3.98%
Microsoft Corp	1.97%
Taiwan Semiconductor Manufacturing Co Ltd	1.68%
Regeneron Pharmaceuticals Inc	1.60%
Naspers Ltd Class N	1.59%
The Priceline Group Inc	1.46%
Associated British Foods PLC	1.35%
AIA Group Ltd	1.34%
JPMorgan Chase & Co	1.29%

Portfolio Information	
Ticker	RNPGX
Morningstar Category	World Stock
Avg Mkt Cap $MM	55125.32
Cat Med Mkt Cap $MM	41969.68
Net Assets $MM	58478.77
Turnover Ratio	27.00
% Assets in Top 10 Holdings	21.45
Total Number of Holdings	337.00
Manager Name	Robert W. Lovelace
Manager Tenure	15.59
Fund Incept Date	05/01/2009
Prospectus Exp Ratio	0.45
Phone Number	800-421-4225

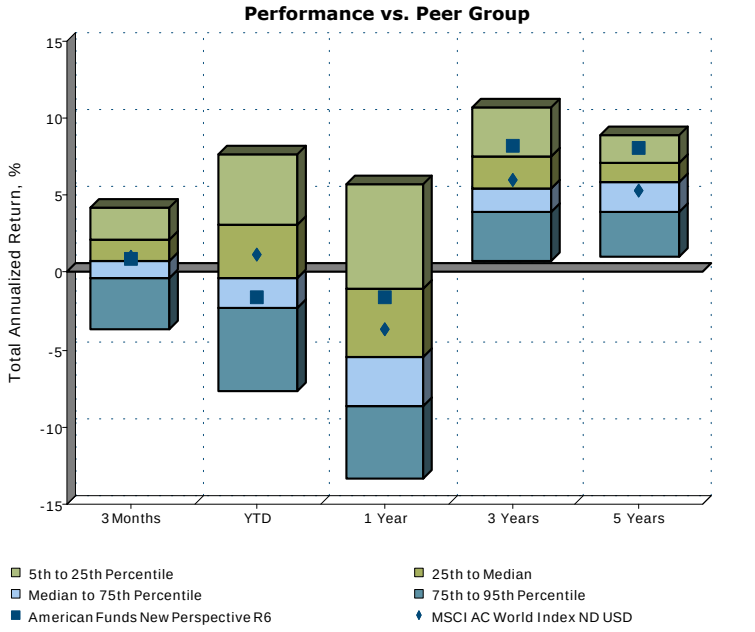
Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	12
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	8
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA





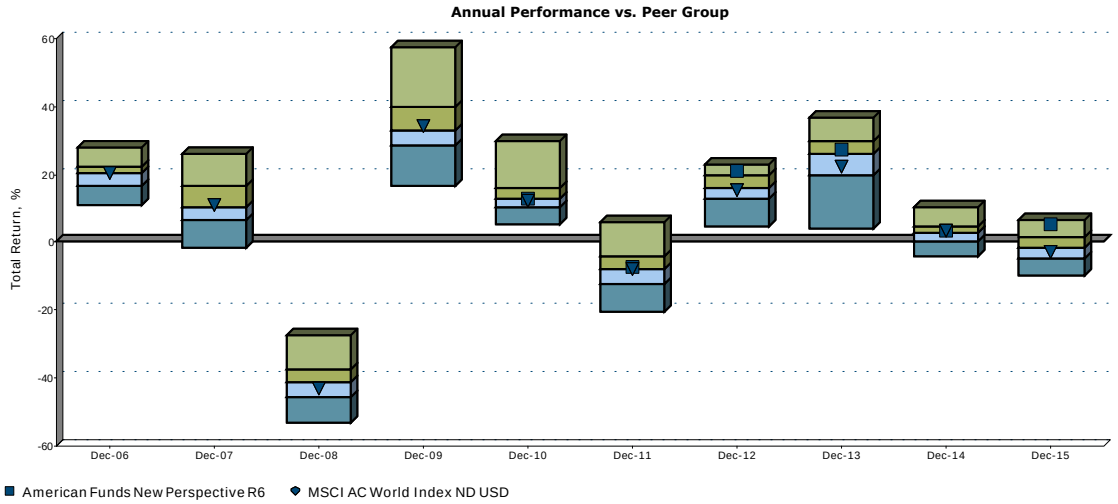
Investment Strategy Summary

The investment seeks long-term growth of capital; future income is a secondary objective. The fund seeks to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships by investing in common stocks of companies located around the world. In pursuing its primary investment objective, it invests primarily in common stocks that the investment adviser believes have the potential for growth. In pursuing its secondary objective, the fund invests in common stocks of companies with the potential to pay dividends in the future.

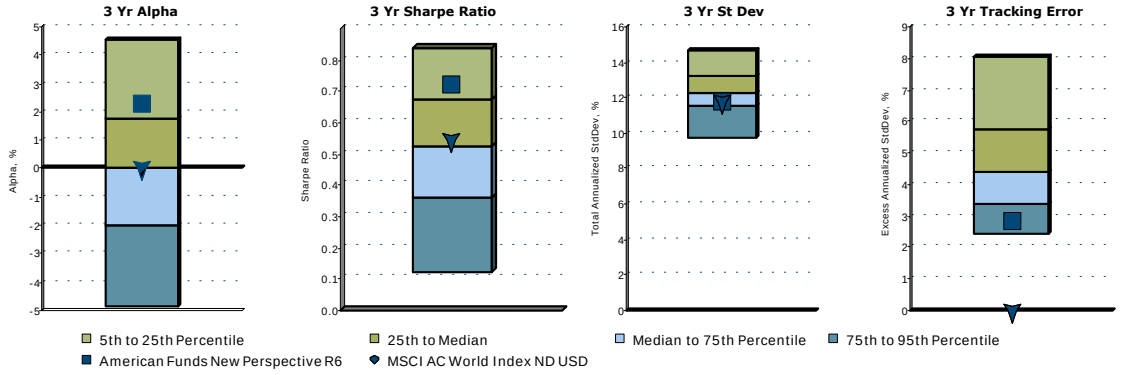


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
American Funds New Perspective R6	0.85	-1.55	-1.60	8.22	8.05
MSCI AC World Index ND USD	0.99	1.23	-3.73	6.03	5.38
Universe(5%)	4.26	7.61	5.80	10.78	8.91
Universe(25%)	2.11	3.09	-1.00	7.55	7.09
Universe(Median)	0.77	-0.38	-5.42	5.45	5.86
Universe(75%)	-0.39	-2.30	-8.69	3.90	3.98
Universe(95%)	-3.67	-7.63	-13.38	0.82	1.09

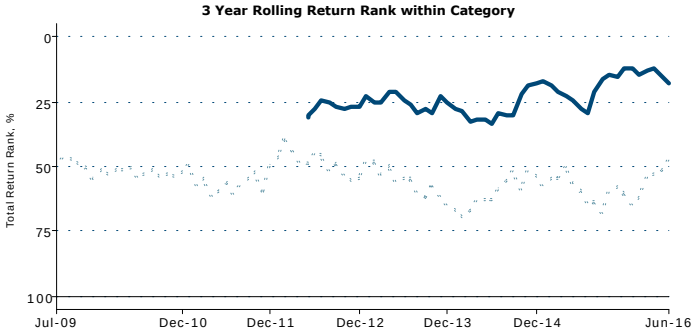
American Funds New Perspective R6

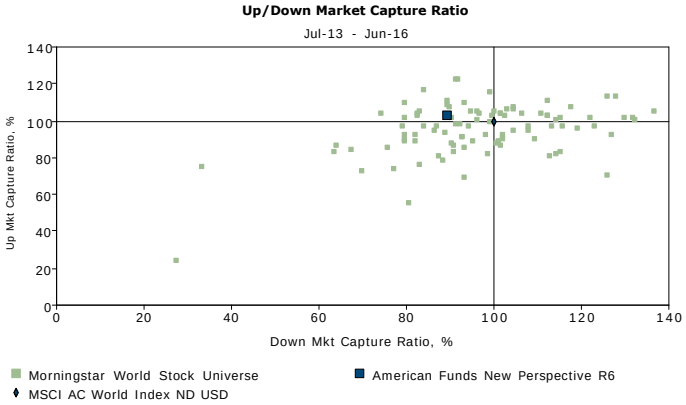


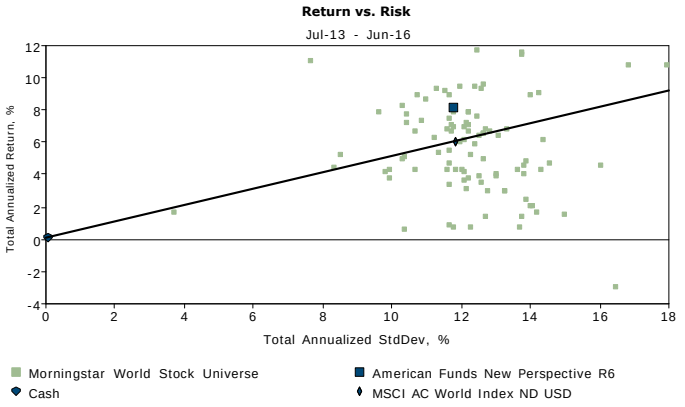
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
American Funds New Perspective R6	NA	NA	NA	NA	13.11	-7.33	21.19	27.23	3.56	5.63
MSCI AC World Index ND USD	20.95	11.66	-42.20	34.63	12.67	-7.35	16.13	22.80	4.16	-2.36



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
American Funds New Perspective R6	2.27	0.97	94.17	0.72	11.76	2.87
MSCI AC World Index ND USD	0.00	1.00	100.00	0.55	11.82	0.00
Universe(5%)	4.55	1.13	95.87	0.84	14.62	8.02
Universe(25%)	1.79	1.03	93.58	0.67	13.25	5.76
Universe(Median)	0.03	0.97	88.22	0.52	12.22	4.40
Universe(75%)	-1.96	0.91	81.87	0.36	11.59	3.38
Universe(95%)	-4.87	0.70	62.03	0.12	9.77	2.46



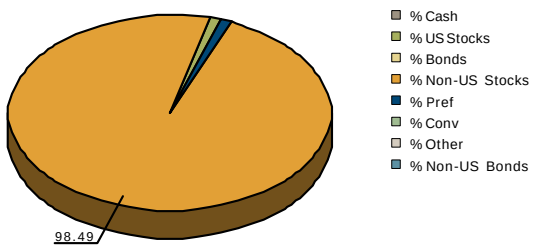




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Emerging Mkts Stock Idx I



Portfolio Region	
% United States	0.43
% Canada	0.00
% Latin America	14.07
% United Kingdom	0.00
% Eurozone	0.25
% Europe - ex Euro	0.02
% Europe - Emerging	7.28
% Africa	8.63
% Middle East	0.95
% Japan	0.00
% Australasia	0.00
% Asia - Developed	16.70
% Asia - Emerging	51.68

Portfolio Structure	
% Cash	0.32
% US Stocks	0.42
% Bonds	0.00
% Non-US Stocks	98.49
% Pref	0.60
% Conv	0.00
% Other	0.17
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	8.37
% Communication Services	7.05
% Consumer Cyclical	8.48
% Consumer Defensive	8.10
% Healthcare	3.22
% Industrials	6.25
% Real Estate	4.00
% Technology	19.03
% Energy	7.50
% Financial Services	24.15
% Utilities	3.87

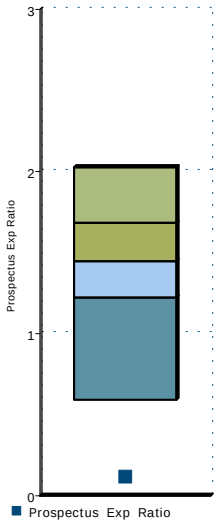
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Tencent Holdings Ltd	3.53%
Taiwan Semiconductor Manufacturing Co Ltd	2.39%
Naspers Ltd Class N	1.85%
China Mobile Ltd	1.80%
China Construction Bank Corp H	1.76%
Industrial And Commercial Bank Of China Ltd H	1.18%
Taiwan Semiconductor Manufacturing Co Ltd ADR	1.05%
Infosys Ltd	1.05%
Hon Hai Precision Industry Co Ltd	1.01%
Bank Of China Ltd. H	0.94%

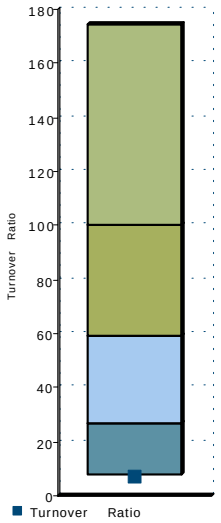
Portfolio Information	
Ticker	VEMIX
Morningstar Category	Diversified Emerging Mkts
Avg Mkt Cap $MM	13314.59
Cat Med Mkt Cap $MM	17891.01
Net Assets $MM	54366.82
Turnover Ratio	7.00
% Assets in Top 10 Holdings	16.57
Total Number of Holdings	4055.00
Manager Name	Michael Perre
Manager Tenure	7.84
Fund Incept Date	06/22/2000
Prospectus Exp Ratio	0.12
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	37
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	54
10 Year Mstar Rating	★★★
% Rank Cat 10 Yr	41

Expense Ratio vs. Peer Group



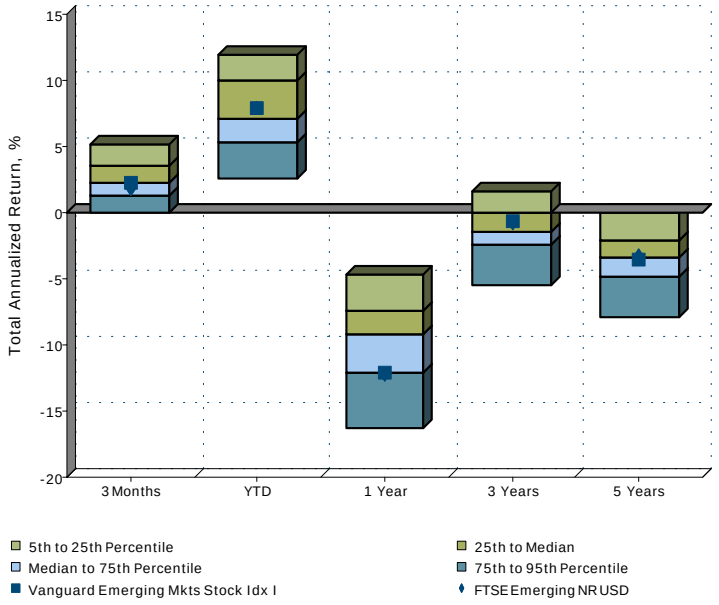
Turnover Ratio vs. Peer Group



Investment Strategy Summary

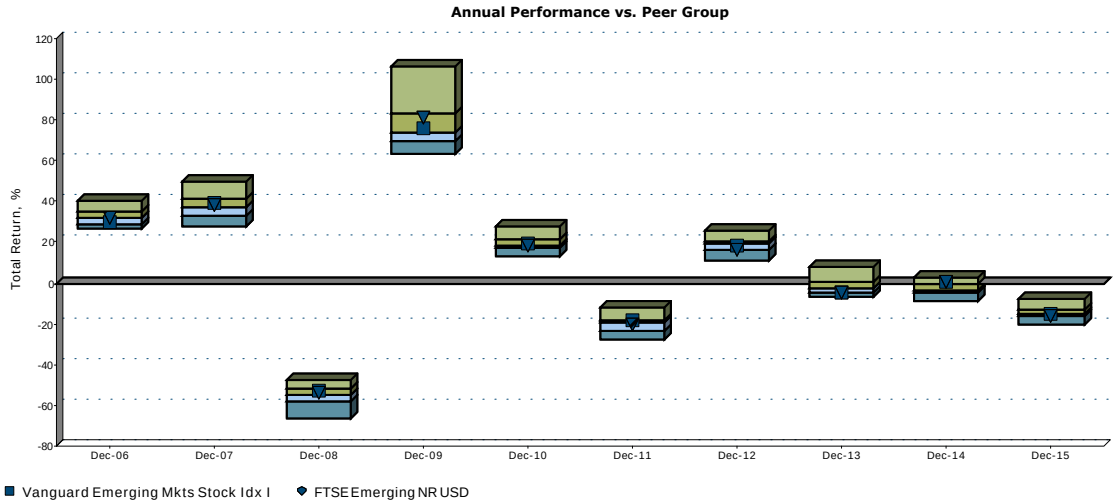
The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries. The fund employs an indexing investment approach designed to track the performance of the FTSE Emerging Markets All Cap China A Transition Index, an interim index that will gradually increase exposure to small-capitalization stocks and China A-shares while proportionately reducing exposure to other stocks based on their weightings in the index. The index is a market-capitalization-weighted index.

Performance vs. Peer Group

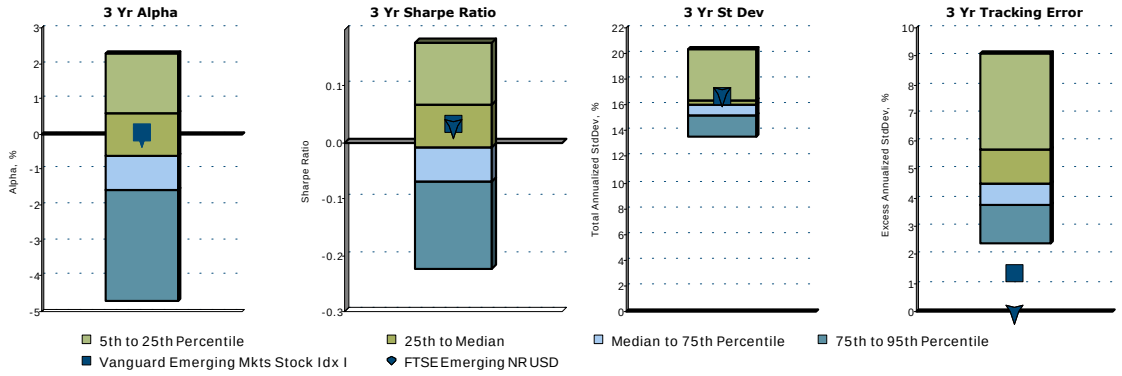


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Emerging Mkts Stock Idx I	2.33	7.84	-12.08	-0.71	-3.49
FTSE Emerging NR USD	1.71	7.87	-12.18	-0.77	-3.21
Universe(5%)	5.09	11.89	-4.65	1.68	-0.06
Universe(25%)	3.60	9.96	-7.34	-0.07	-2.15
Universe(Median)	2.31	7.16	-9.19	-1.38	-3.33
Universe(75%)	1.29	5.26	-12.16	-2.44	-4.87
Universe(95%)	0.00	2.62	-16.30	-5.47	-7.96

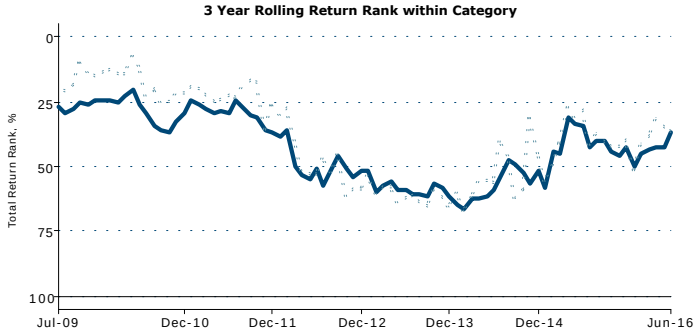
Vanguard Emerging Mkts Stock Idx I

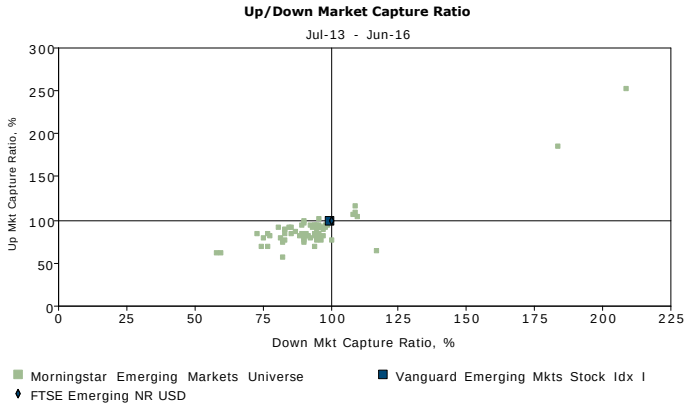


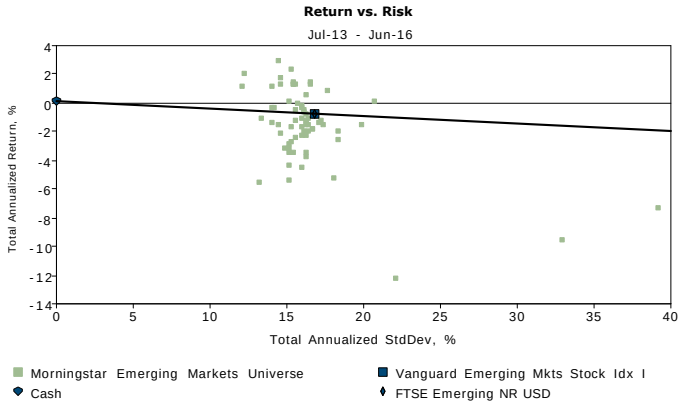
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Emerging Mkts Stock Idx I	29.57	39.15	-52.74	76.35	19.06	-18.63	18.90	-4.99	0.67	-15.34
FTSE Emerging NR USD	32.84	39.41	-53.03	82.15	19.60	-19.15	17.58	-3.79	1.21	-15.51



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Emerging Mkts Stock Idx I	0.05	0.99	99.39	0.03	16.79	1.32
FTSE Emerging NR USD	0.00	1.00	100.00	0.03	16.87	0.00
Universe(5%)	2.26	1.12	98.20	0.18	20.36	9.09
Universe(25%)	0.57	0.95	95.76	0.07	16.38	5.75
Universe(Median)	-0.62	0.91	93.56	-0.01	15.99	4.48
Universe(75%)	-1.55	0.87	89.76	-0.07	15.15	3.72
Universe(95%)	-4.71	0.73	76.93	-0.22	13.55	2.38



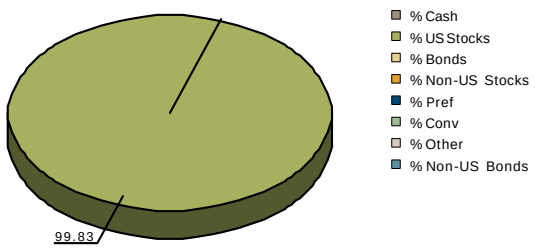




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard REIT Index I



Portfolio Region	
% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.17
% US Stocks	99.83
% Bonds	0.00
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.14
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	1.18
% Real Estate	98.68
% Technology	0.00
% Energy	0.00
% Financial Services	0.00
% Utilities	0.00

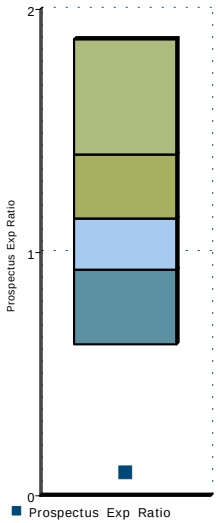
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Simon Property Group Inc	7.75%
Public Storage	4.74%
Equity Residential	3.20%
Equinix Inc	3.17%
Prologis Inc	3.16%
AvalonBay Communities Inc	3.13%
Welltower Inc	3.10%
Ventas Inc	2.83%
Boston Properties Inc	2.45%
Vornado Realty Trust	2.06%

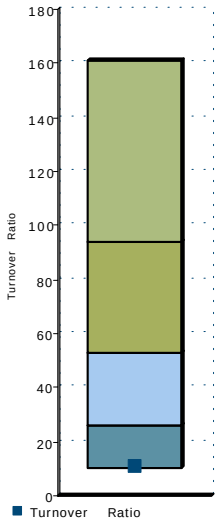
Portfolio Information	
Ticker	VGSNX
Morningstar Category	Real Estate
Avg Mkt Cap $MM	10241.38
Cat Med Mkt Cap $MM	14217.71
Net Assets $MM	63604.77
Turnover Ratio	11.00
% Assets in Top 10 Holdings	35.59
Total Number of Holdings	154.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	20.15
Fund Incept Date	12/02/2003
Prospectus Exp Ratio	0.10
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	24
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	13

Expense Ratio vs. Peer Group



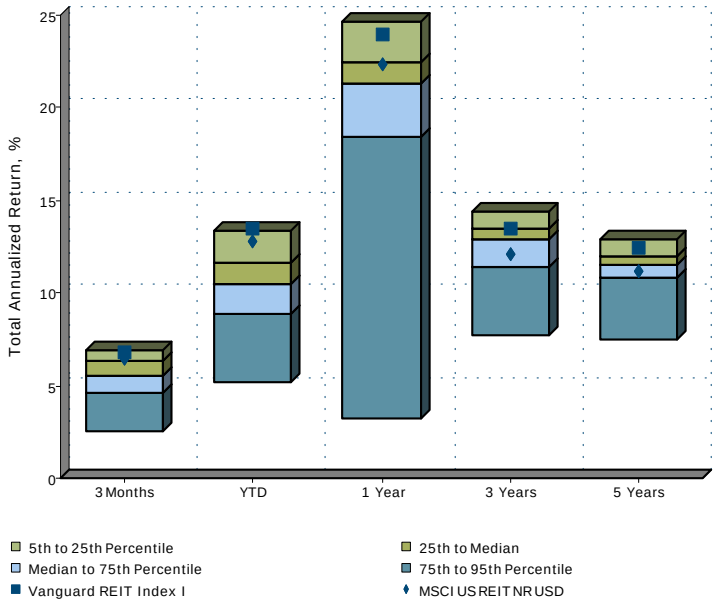
Turnover Ratio vs. Peer Group



Investment Strategy Summary

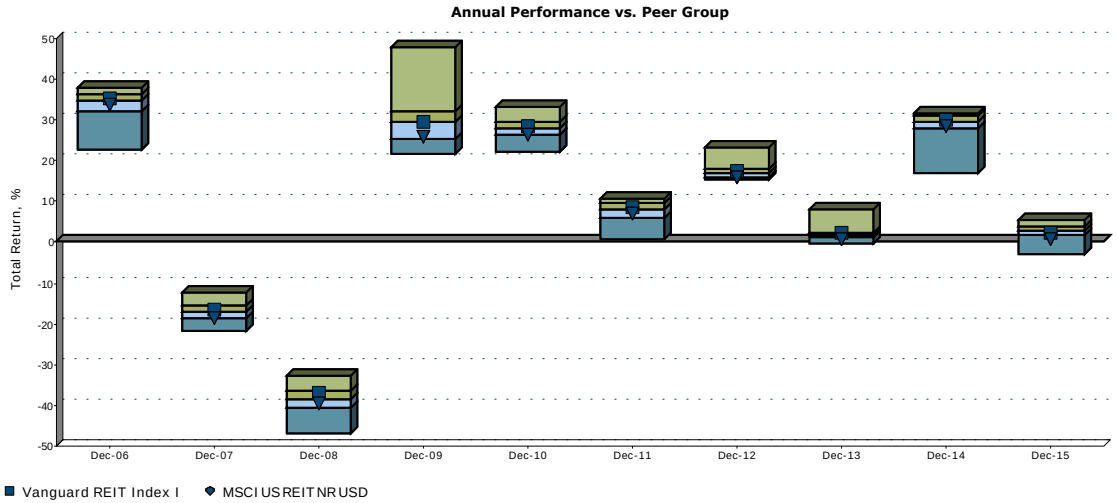
The investment seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs. The fund employs an indexing investment approach designed to track the performance of the MSCI US REIT Index. The index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs). The adviser attempts to replicate the index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

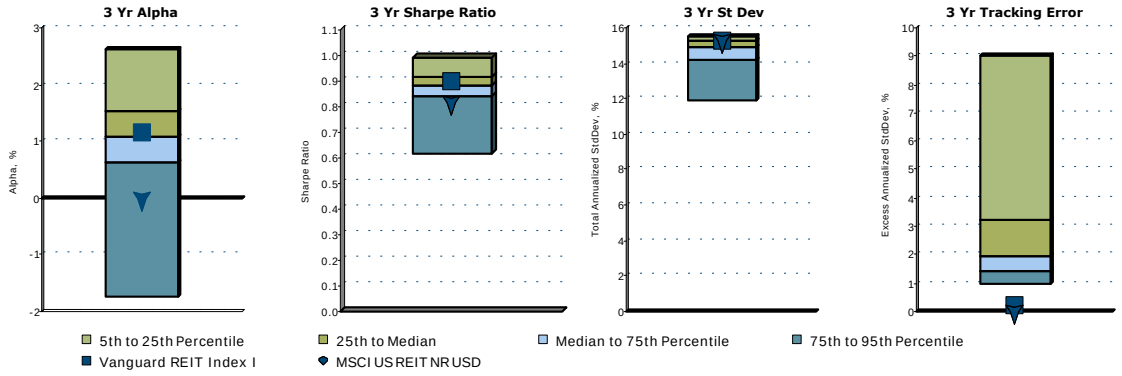


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard REIT Index I	6.78	13.47	23.94	13.44	12.47
MSCI US REIT NR USD	6.51	12.76	22.40	12.10	11.19
Universe(5%)	6.94	13.32	24.66	14.35	12.85
Universe(25%)	6.28	11.60	22.44	13.48	12.00
Universe(Median)	5.53	10.50	21.31	12.95	11.56
Universe(75%)	4.62	8.89	18.47	11.37	10.79
Universe(95%)	2.50	5.23	3.22	7.70	7.49

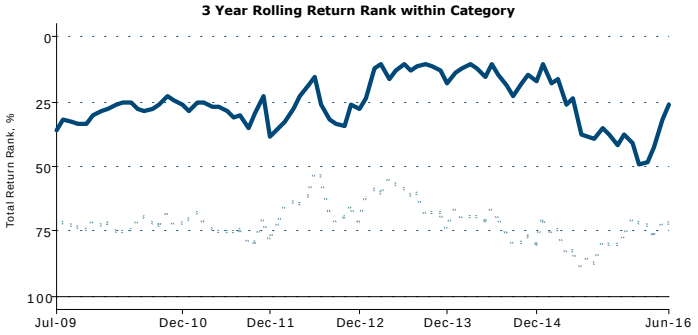
Vanguard REIT Index I

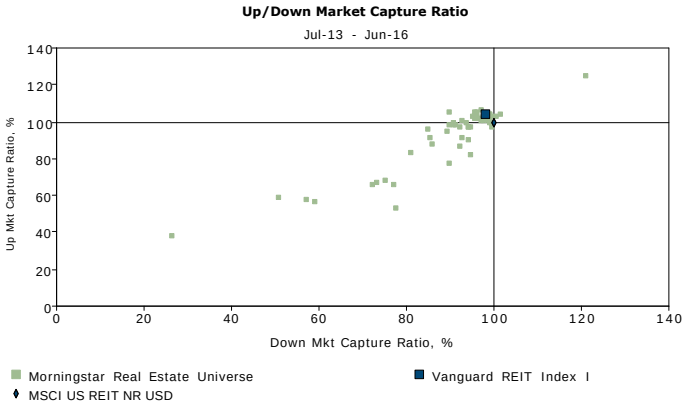


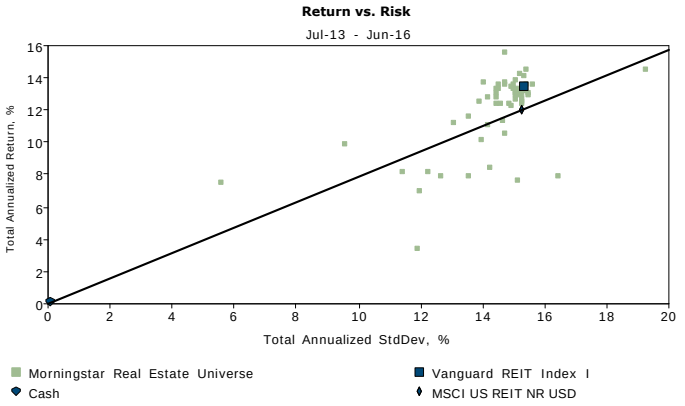
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard REIT Index I	35.15	-16.38	-36.95	29.76	28.56	8.70	17.65	2.48	30.28	2.45
MSCI US REIT NR USD	34.18	-17.84	-39.05	26.27	26.97	7.48	16.47	1.26	28.82	1.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard REIT Index I	1.17	1.00	99.98	0.90	15.31	0.24
MSCI US REIT NR USD	0.00	1.00	100.00	0.82	15.26	0.00
Universe(5%)	2.63	1.01	99.64	0.99	15.48	9.05
Universe(25%)	1.53	1.00	99.16	0.92	15.27	3.25
Universe(Median)	1.10	0.97	98.63	0.88	14.92	1.96
Universe(75%)	0.61	0.90	95.90	0.84	14.22	1.40
Universe(95%)	-1.75	0.60	73.79	0.62	11.87	0.95







Glossary

Alpha (3 Yr)

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative alpha indicates the portfolio has underperformed, given the expectations established by beta.

Average Effective Duration

A measure of a fund's interest-rate sensitivity--the longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Duration is determined by a formula that includes coupon rates and bond maturities. Small coupons tend to increase duration, while shorter maturities and higher coupons shorten duration. The relationship between funds with different durations is straightforward: A fund with a duration of 10 years is twice as volatile as a fund with a five-year duration. Morningstar prints an average effective duration statistic that incorporates call, put, and prepayment possibilities.

Average Effective Maturity

Average effective maturity is a weighted average of all the effective maturities of the bonds in a portfolio. Effective maturity takes into consideration mortgage prepayments, puts, calls, adjustable coupons, and other features of individual bonds and is thus a more accurate measure of interest-rate sensitivity. Longer-maturity funds are generally considered more interest-rate sensitive than their shorter counterparts.

Beta

A measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a fund's excess return over Treasury bills to the market's excess return over Treasury bills, so a beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund's excess return is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

The Morningstar Rating

Commonly called the Star Rating, is a measure of a fund's risk-adjusted return, relative to funds in its category. Funds are rated from one to five stars, with the best performers receiving five stars and the worst performers receiving a single star.

Risk-adjusted return is calculated by subtracting a risk penalty from each fund total return, after accounting for all loads, sales charges, and redemption fees. The risk penalty is determined by the amount of variation in the fund's monthly return, with emphasis on downward variation. The greater the variation, the larger the penalty. Funds are ranked within their categories and stars are assigned as follows: Top 10% five stars; Next 22.5% four stars; Middle 35% three stars; Next 22.5% two stars; Bottom 10% one star.

Audited Expense Ratio

The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV . Sales charges are not included in the expense ratio.

Geometric Average Market Capitalization

Morningstar defines the overall "size" of a stock fund's portfolio as the geometric mean of the market capitalization for all of the stocks it owns. It's calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.
This number is different from the fund's median market cap--the capitalization of the median stock in its portfolio. The geometric mean better identifies the portfolio's "center of gravity." That is, it provides more accurate insight into how market trends (as defined by capitalization) might affect the portfolio.

Net Assets

The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

% Assets in Top 10 Holdings

The aggregate assets, expressed as a percentage, of the fund's top 10 portfolio holdings. This figure is meant to be a measure of portfolio risk. Specifically, the higher the percentage, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. The figure is calculated from the most recent available fund holdings.

Price/Book Ratio TTM

The weighted average of the price/book ratios of all the stocks in a fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation. In theory, a high P/B ratio indicates that the price of the stock exceeds the actual worth of the company's assets, while a low P/B ratio indicates that the stock is a bargain.

Price/Earnings Ratio TTM

The weighted average of the price/earnings ratios of the stocks in a fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents, so that larger positions have proportionately greater influence on the fund's final P/E.

R-Squared

Reflects the percentage of a fund's movements that can be explained by movements in its benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index. Thus, index funds that invest only in S&P 500 stocks will have an R-squared very close to 100. Conversely, a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index. An R-squared measure of 35, for example, means that only 35% of the fund's movements can be explained by movements in the benchmark index.

Sharpe Ratio

The Sharpe Ratio is a risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. It can be used to compare two portfolios directly on how much excess return each portfolio achieved for a certain level of risk.

Standard Deviation

Standard deviation is the statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that is most likely for a given investment. When a stock or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Total Number of Holdings

The total number of different holdings of a fund. This figure is meant to be a measure of portfolio risk. Specifically, the lower the figure, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. This figure also provides a context for the importance of % assets in top 10 holdings. The figure is calculated from the most recent available fund holdings. It does not include a fund's short positions.

Total Return

Expressed in percentage terms, Morningstar's calculation of total return is determined each month by taking the change in monthly net asset value, reinvesting all income and capital-gains distributions during that month, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly.

Turnover Ratio

This is a measure of the fund's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

12-Month Yield

Also known as a distribution yield, Morningstar computes this figure by summing the trailing 12-month's income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

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Asset Allocation Analysis
City of Dover - Employee Pension

August 2016

Prepared by
Milliman, Inc.



Asset Allocation Analysis

Asset Class Statistics

Time Period: 7/31/2011 to 7/31/2016

	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
US Cash	0.50	0.98	0.00	-0.12	0.51
US Core Fixed Income	3.20	4.65	0.08	-0.03	0.69
US Short Bonds	2.93	2.71	0.02	-0.08	1.08
US Interm Bonds	3.02	4.10	0.05	-0.05	0.74
US Long Bonds	3.65	10.06	0.31	0.24	0.36
US Inflation-Indexed Bonds	3.00	4.84	0.22	0.26	0.62
US High Yield Bonds	6.44	10.12	0.31	0.18	0.64
US Small Caps	8.54	21.59	0.68	0.98	0.40
US Mid Caps	7.94	19.32	0.59	0.70	0.41
US Large Growth	8.06	18.55	0.54	0.60	0.43
US Large Value	7.27	16.70	0.44	0.42	0.44
Foreign Developed Equity	8.30	19.48	0.56	0.49	0.43
Emerging Markets Equity	10.29	27.94	0.77	0.73	0.37
US REITs	7.42	20.42	0.58	0.74	0.36

Asset Class Correlation Matrix

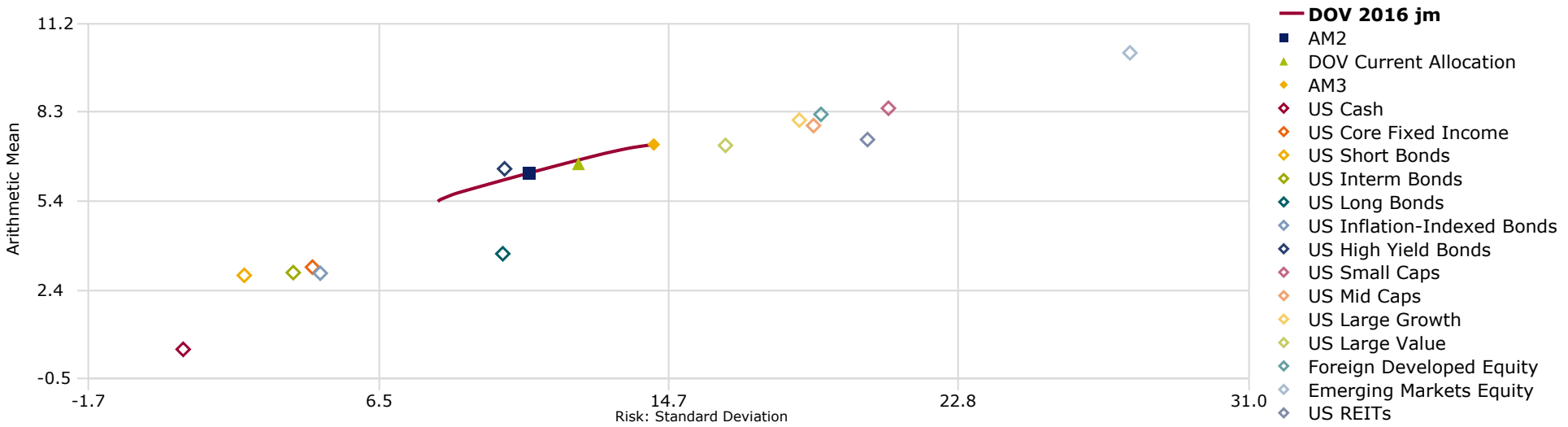
Time Period: 6/1/2005 to 9/1/2014

Asset Class	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 US Cash	1.00													
2 US Core Fixed Income	0.20	1.00												
3 US Short Bonds	0.55	0.86	1.00											
4 US Interm Bonds	0.25	0.99	0.90	1.00										
5 US Long Bonds	-0.02	0.90	0.58	0.84	1.00									
6 US Inflation-Indexed Bonds	0.23	0.62	0.50	0.61	0.53	1.00								
7 US High Yield Bonds	-0.06	0.24	0.19	0.22	0.14	0.21	1.00							
8 US Small Caps	-0.06	-0.11	-0.11	-0.13	-0.14	-0.17	0.66	1.00						
9 US Mid Caps	-0.04	-0.03	-0.04	-0.05	-0.07	-0.08	0.74	0.97	1.00					
10 US Large Growth	-0.05	-0.07	-0.09	-0.10	-0.10	-0.14	0.63	0.86	0.92	1.00				
11 US Large Value	0.01	0.01	0.00	-0.01	-0.05	-0.13	0.68	0.92	0.96	0.83	1.00			
12 Foreign Developed Equity	0.01	-0.01	0.00	-0.01	-0.07	-0.07	0.65	0.76	0.82	0.76	0.78	1.00		
13 Emerging Markets Equity	0.05	-0.10	-0.03	-0.07	-0.14	0.02	0.59	0.69	0.71	0.65	0.63	0.73	1.00	
14 US REITs	-0.05	0.12	0.03	0.08	0.11	0.10	0.64	0.73	0.73	0.52	0.75	0.57	0.44	1.00

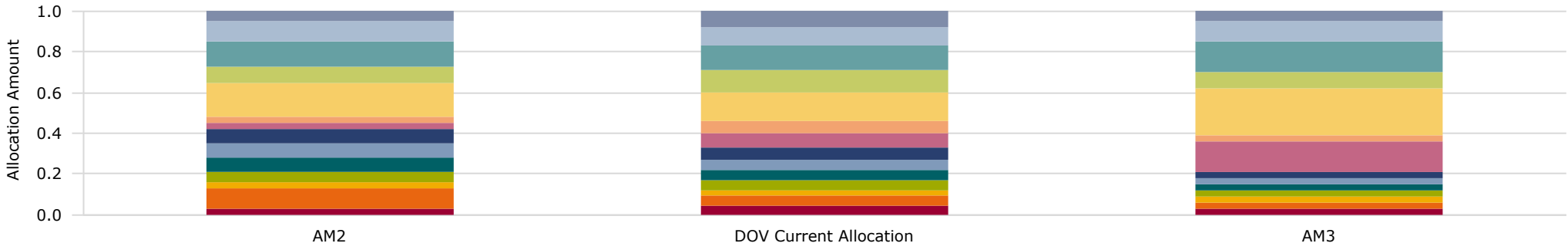
1.00 to 0.80 | 0.80 to 0.60 | 0.60 to 0.40 | 0.40 to 0.20 | 0.20 to 0.00
0.00 to -0.20 | -0.20 to -0.40 | -0.40 to -0.60 | -0.60 to -0.80 | -0.80 to -1.00

Asset Allocation Analysis

Efficient Frontier



Stacked Bar Chart



US Cash
US Core Fixed Income
US Short Bonds
US Interm Bonds
US Long Bonds
US Inflation-Indexed Bonds
US High Yield Bonds
US Small Caps
US Mid Caps
US Large Growth
US Large Value
Foreign Developed Equity
Emerging Markets Equity
US REITs

Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

	AM2	DOV Current Allocation	AM3
Arithmetic Mean	6.33	6.64	7.28
Standard Deviation	11.00	12.44	14.63
Sharpe Ratio	0.58	0.53	0.50

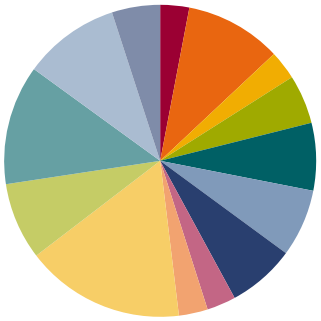
Asset Allocation Analysis

Composition

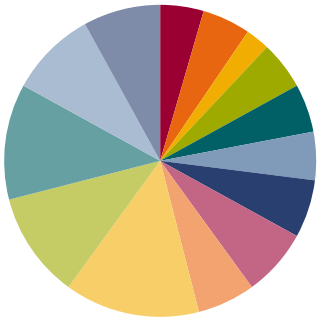
	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs
AM2	3.00	10.00	3.00	5.08	7.00	7.00	7.00	3.00	3.00	16.52	8.00	12.40	10.00	5.00
DOV Current Allocation	4.50	5.00	2.50	5.00	5.00	5.00	6.00	7.00	6.00	14.00	11.00	12.00	9.00	8.00
AM3	3.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	3.00	23.00	8.00	15.00	10.00	5.00

Composition

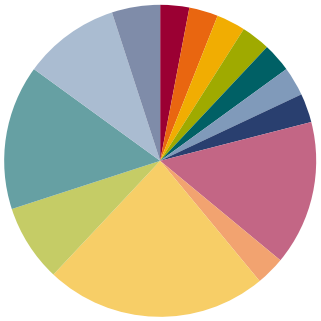
AM2



DOV Current Allocation



AM3



- US Cash
- US Core Fixed Income
- US Short Bonds
- US Interm Bonds
- US Long Bonds
- US Inflation-Indexed Bonds
- US High Yield Bonds
- US Small Caps
- US Mid Caps
- US Large Growth
- US Large Value
- Foreign Developed Equity
- Emerging Markets Equity
- US REITs

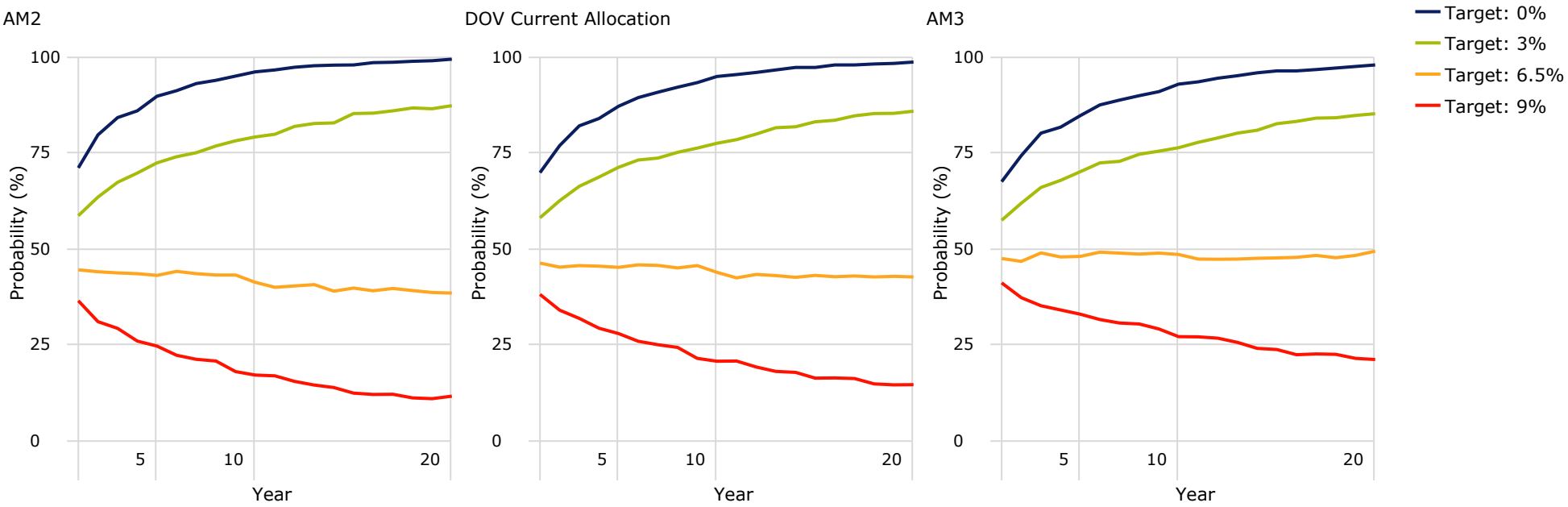
Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
AM2	6.33	11.00	0.49	0.47	0.58
DOV Current Allocation	6.64	12.44	0.50	0.50	0.53
AM3	7.28	14.63	0.54	0.53	0.50

Asset Allocation Analysis

Target Return



Target Return

	Target Return			
	0%	3%	6.5%	9%
AM2				
5 Year	89.95	72.60	43.30	24.90
10 Year	96.30	79.35	41.50	17.35
20 Year	99.60	87.50	38.70	11.85
DOV Current Allocation				
5 Year	87.35	71.45	45.40	28.15
10 Year	95.10	77.70	44.10	20.95
20 Year	98.85	86.05	42.90	14.85
AM3				
5 Year	84.90	70.30	48.25	33.20
10 Year	93.10	76.55	48.75	27.35
20 Year	98.10	85.40	49.60	21.40

Asset Allocation Analysis

Trailing Returns

As of Date: 7/31/2016

	YTD	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011	2010	2009	2008
US Cash	0.17	0.22	0.09	0.08	0.91	0.05	0.03	0.06	0.09	0.06	0.14	0.16	1.51
US Core Fixed Income	5.98	5.94	4.23	3.57	5.06	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
US Short Bonds	1.67	1.54	1.15	1.05	2.72	0.65	0.77	0.64	1.26	1.59	2.80	3.82	4.97
US Interm Bonds	4.36	4.25	2.94	2.66	4.39	1.07	3.13	-0.86	3.89	5.80	5.89	5.24	5.08
US Long Bonds	17.25	16.14	10.30	8.79	8.48	-3.30	19.31	-8.83	8.78	22.49	10.16	1.92	8.44
US Inflation-Indexed Bonds	7.16	5.04	2.36	2.02	4.67	-1.44	3.64	-8.61	6.98	13.56	6.31	11.41	-2.35
US High Yield Bonds	4.70	-4.61	-3.46	-1.87	-1.71	-11.32	-4.24	-0.11	6.21	-1.84	4.32	23.03	-28.42
US Small Caps	8.32	0.00	6.74	10.43	7.17	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79
US Mid Caps	10.31	4.37	10.37	12.73	8.79	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48	-41.46
US Large Growth	6.15	4.35	12.86	13.62	9.50	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44
US Large Value	9.38	5.38	8.99	12.75	6.18	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
Foreign Developed Equity	0.42	-7.53	2.00	3.02	1.98	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38
Emerging Markets Equity	11.77	-0.75	-0.29	-2.75	3.91	-14.92	-2.19	-2.60	18.22	-18.42	18.88	78.51	-53.33
US REITs	18.09	22.29	14.76	13.17	7.53	3.20	30.14	2.47	18.06	8.29	27.96	27.99	-37.73
AM2	7.49	3.55	5.74	6.10	5.74	-1.82	6.37	10.57	12.23	0.89	12.79	26.12	-26.65
DOV Current Allocation	7.82	3.72	6.28	6.96	5.93	-1.88	7.24	13.75	13.21	0.04	14.49	27.50	-29.43
AM3	7.20	2.44	6.72	7.62	6.29	-1.44	6.51	18.87	14.35	-1.78	15.74	30.79	-33.11

Monthly Return

Time Period: 8/1/2015 to 7/31/2016

	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs	AM2	DOV Current Allocation	AM3
2015-08	0.01	-0.14	-0.06	-0.08	-0.80	-0.76	-2.58	-6.28	-5.28	-6.07	-5.96	-7.36	-9.04	-6.19	-4.26	-4.70	-5.42
2015-09	0.00	0.68	0.30	0.67	0.81	-0.59	-3.22	-4.91	-3.60	-2.47	-3.02	-5.08	-3.01	2.93	-1.79	-1.99	-2.61
2015-10	0.00	0.02	-0.03	-0.10	0.41	0.25	2.34	5.63	6.20	8.61	7.55	7.82	7.13	5.87	4.56	5.02	5.88
2015-11	0.01	-0.26	-0.20	-0.26	-0.56	-0.10	-2.54	3.25	0.25	0.28	0.38	-1.56	-3.90	-0.52	-0.70	-0.47	-0.18
2015-12	0.02	-0.32	-0.13	-0.33	-0.79	-0.79	-3.12	-5.02	-2.68	-1.47	-2.15	-1.35	-2.23	1.84	-1.32	-1.47	-1.84
2016-01	0.02	1.38	0.52	1.22	2.10	1.48	-1.61	-8.79	-6.55	-5.58	-5.17	-7.23	-6.49	-3.35	-3.15	-3.85	-4.96
2016-02	0.03	0.71	0.09	0.49	2.19	1.11	-0.53	0.00	1.13	-0.04	-0.03	-1.83	-0.16	-0.42	0.05	-0.01	-0.17
2016-03	0.03	0.92	0.36	0.72	2.84	1.80	2.78	7.98	8.19	6.74	7.20	6.51	13.23	10.14	5.47	6.06	6.66
2016-04	0.02	0.38	0.14	0.27	1.23	0.35	2.19	1.57	1.06	-0.91	2.10	2.90	0.54	-2.39	0.71	0.73	0.73
2016-05	0.02	0.03	-0.07	-0.11	0.32	-0.71	-0.48	2.25	1.64	1.94	1.55	-0.91	-3.73	2.43	0.13	0.40	0.54
2016-06	0.02	1.80	0.60	1.43	4.92	2.08	0.56	-0.06	0.46	-0.39	0.86	-3.36	4.00	6.98	1.15	1.14	0.57
2016-07	0.03	0.63	0.02	0.28	2.55	0.87	1.78	5.97	4.57	4.72	2.90	5.07	5.03	4.15	3.11	3.39	4.01

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Competitor Analysis Report

High Yield Bond

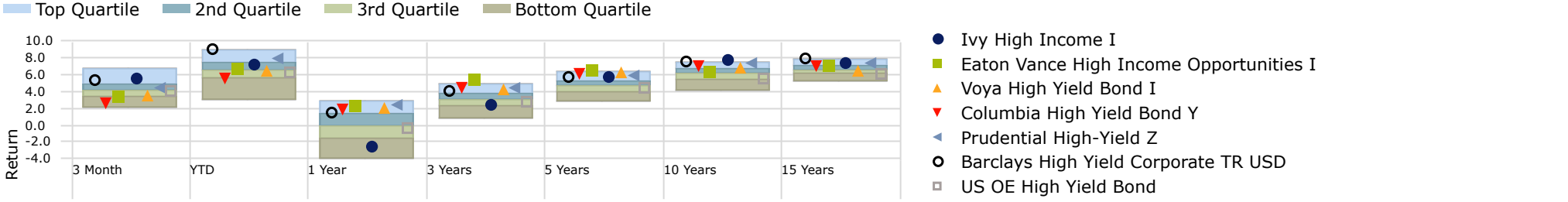
Prepared By

Milliman, Inc.



Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond Calculation Benchmark: Barclays High Yield Corporate TR USD



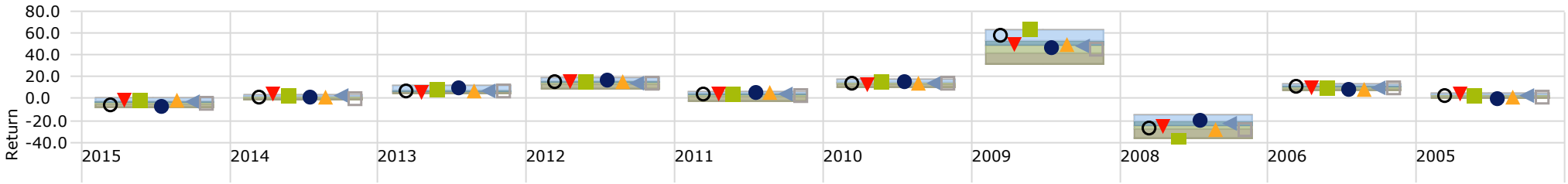
Trailing Peer Group Performance

As of Date: 6/30/2016 Data Point: Return

	3 Month	% Rank	YTD	% Rank	1 Year	% Rank	3 Years	% Rank	5 Years	% Rank	10 Years	% Rank	15 Years	% Rank
Ivy High Income I	5.60	13	7.30	29	-2.41	85	2.57	69	5.85	11	7.73	2	7.42	12
Eaton Vance High Income Opportunities I	3.41	74	6.77	43	2.23	10	5.34	1	6.49	4	6.34	41	7.09	25
Voya High Yield Bond I	3.62	67	6.62	47	2.07	12	4.38	12	6.28	6	6.84	21	6.58	53
Columbia High Yield Bond Y	2.67	86	5.64	71	1.88	15	4.56	9	6.13	7	7.04	12	7.14	23
Prudential High-Yield Z	4.45	35	7.92	17	2.42	8	4.57	9	5.90	10	7.38	6	7.40	13
Barclays High Yield Corporate TR USD	5.52	15	9.06	4	1.62	19	4.18	16	5.84	12	7.56	4	7.93	5
US OE High Yield Bond	4.17	47	6.39	54	-0.33	55	2.86	60	4.52	60	5.55	73	6.12	73
Median	4.10		6.55		-0.07		3.13		4.71		6.08		6.62	

Calendar Year Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Calendar Year Returns

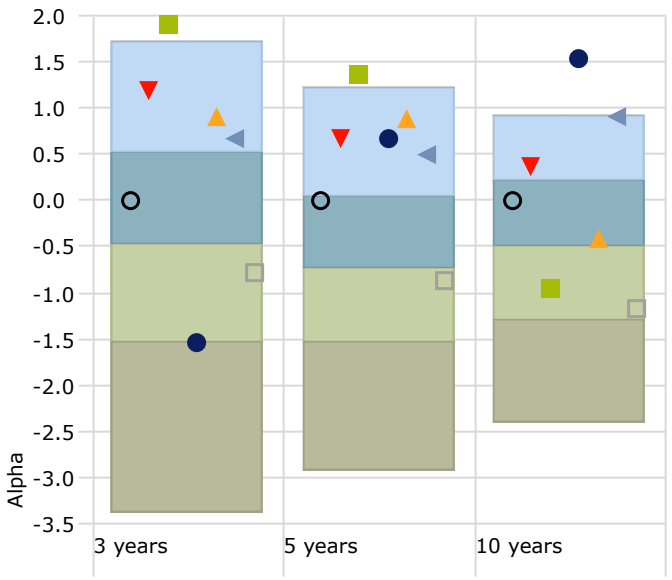
Data Point: Return Peer Group: Open End Funds - U.S. - High Yield Bond

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ivy High Income I	-7.13	1.74	10.46	17.16	6.44	15.62	46.56	-19.73	4.05	9.70
Eaton Vance High Income Opportunities I	-0.87	3.71	8.58	15.96	4.13	16.43	63.56	-37.22	0.72	10.99
Voya High Yield Bond I	-1.25	1.84	8.27	15.89	5.71	14.75	49.40	-27.90	2.49	9.54
Columbia High Yield Bond Y	-1.15	4.10	6.33	15.65	5.08	13.38	49.91	-24.58	2.06	10.76
Prudential High-Yield Z	-2.59	2.84	7.23	14.16	5.07	14.72	48.35	-22.14	2.70	10.51
Barclays High Yield Corporate TR USD	-4.47	2.45	7.44	15.81	4.98	15.12	58.21	-26.16	1.87	11.85
US OE High Yield Bond	-4.07	1.11	6.92	14.69	2.75	14.13	45.68	-27.06	1.32	10.09
Median	-3.82	1.48	6.61	14.77	3.48	14.26	48.28	-24.58	2.00	10.27

Source: Morningstar Direct

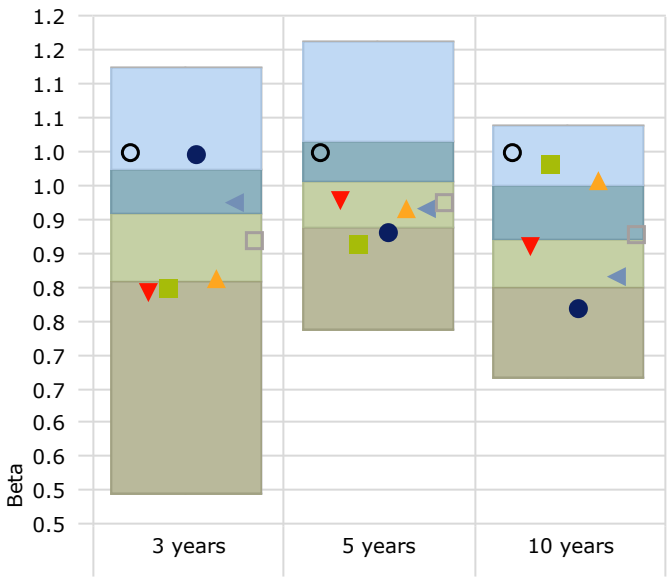
Alpha

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



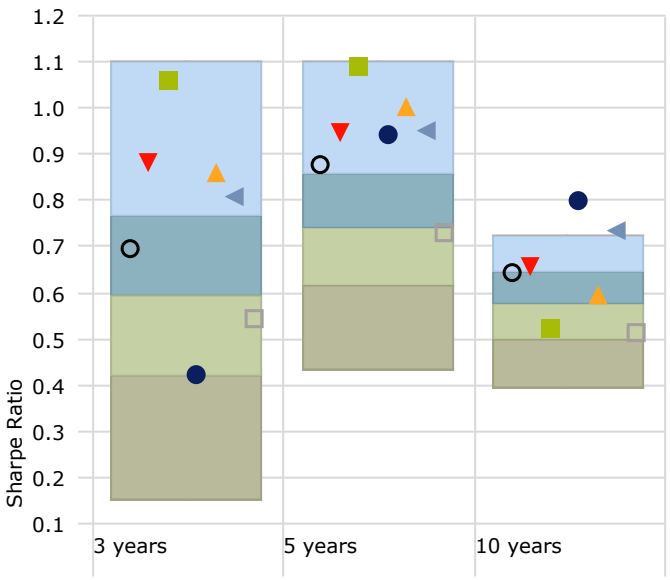
Beta

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Sharpe Ratio

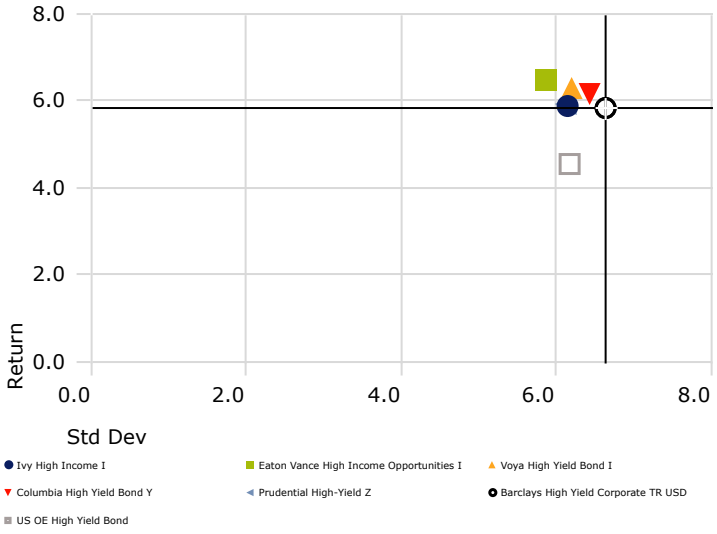
As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Risk-Reward

Time Period: 7/1/2011 to 6/30/2016

Calculation Benchmark: Barclays High Yield Corporate TR USD



3-Year Risk Return

Time Period: 7/1/2013 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.23	-1.53	1.00	91.79	0.42	87.75	104.00	41.67
Eaton Vance High Income Opportunities I	4.95	1.90	0.80	94.00	1.06	94.39	74.25	66.67
Voya High Yield Bond I	5.03	0.92	0.81	94.11	0.86	90.83	82.42	50.00
Columbia High Yield Bond Y	5.12	1.19	0.79	86.26	0.88	90.12	78.68	50.00
Prudential High-Yield Z	5.60	0.67	0.93	98.10	0.81	95.02	86.38	50.00
Barclays High Yield Corporate TR USD	6.00	0.00	1.00	100.00	0.70	100.00	100.00	100.00
US OE High Yield Bond	5.24	-0.77	0.87	98.77	0.55	83.84	93.43	36.11
Median	5.57	-0.46	0.91	93.79	0.59	88.19	95.61	41.67

5-Year Risk Return

Time Period: 7/1/2011 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.15	0.67	0.88	90.91	0.94	91.48	84.44	48.33
Eaton Vance High Income Opportunities I	5.87	1.36	0.86	95.56	1.09	94.15	80.52	60.00
Voya High Yield Bond I	6.21	0.88	0.92	96.13	1.00	97.88	90.09	55.00
Columbia High Yield Bond Y	6.43	0.67	0.93	92.18	0.95	97.79	92.11	53.33
Prudential High-Yield Z	6.14	0.51	0.92	98.69	0.95	94.21	88.70	45.00
Barclays High Yield Corporate TR USD	6.65	0.00	1.00	100.00	0.88	100.00	100.00	100.00
US OE High Yield Bond	6.18	-0.85	0.92	98.83	0.73	88.10	96.89	33.33
Median	6.51	-0.72	0.95	95.26	0.74	91.79	99.44	41.67

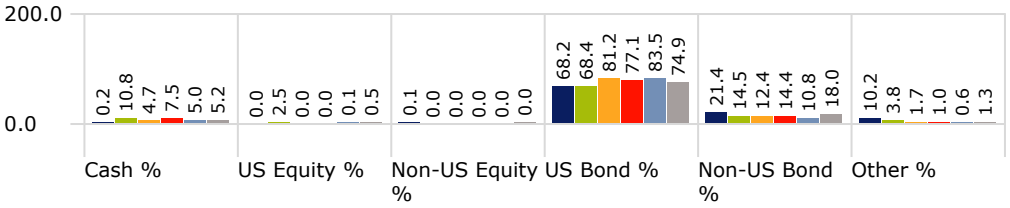
Source: Morningstar Direct

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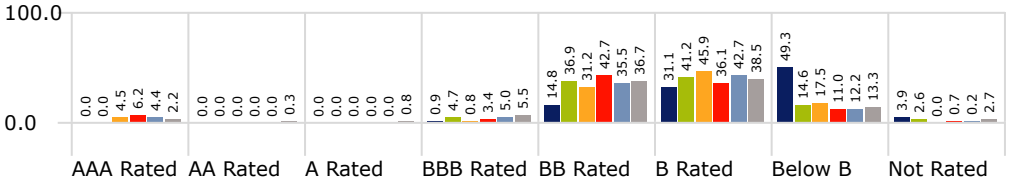
Holdings Statistics

	Fixed Inc Style Box	Govt%	Munic%	Corp%	Secritzd%	Cash & Equiv%	Deriv%	% Asset Top 10%	# of Stocks	# of Bonds	Average Eff Duration	Average Eff Maturity	Average Credit Quality
Ivy High Income I		2.51	0.00	87.61	0.63	0.20	0.00	17.06	2	227	3.20	4.50	B
Eaton Vance High Income Opportunities I		0.86	0.00	82.78	0.48	10.76	0.00	6.92	12	519	3.61	4.98	B
Voya High Yield Bond I		1.52	0.00	91.35	0.00	4.66	0.00	5.08	0	457	3.95	4.86	B
Columbia High Yield Bond Y		0.27	0.00	98.05	0.58	0.08	0.00	8.61	1	372	4.04	5.17	B
Prudential High-Yield Z		6.87	0.00	87.58	0.26	5.05	0.00	11.94	6	621	4.27	5.01	B
Barclays High Yield Corporate TR USD													
US OE High Yield Bond		3.15	0.00	87.07	1.43	6.11	3.30	65.97	44	308	3.68	5.51	B

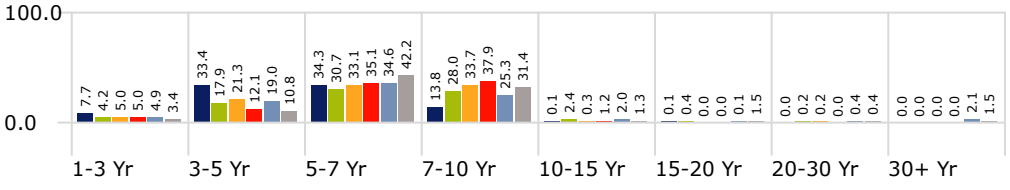
Asset Allocation



Credit Quality



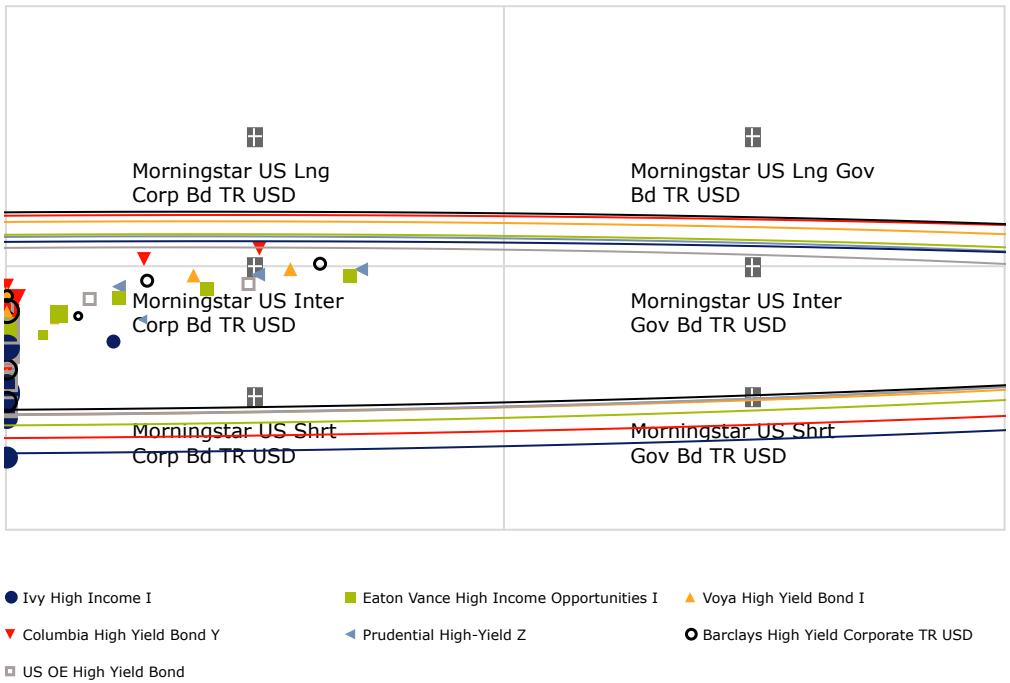
Maturity Breakdown



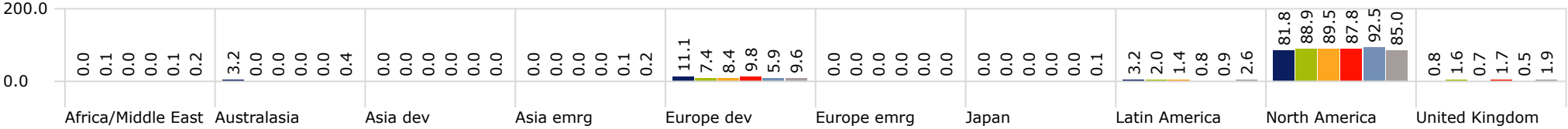
Returns-Based Style

Time Period: 7/1/2011 to 6/30/2016

Rolling Window: 3 Years 2 Months shift



Regional Exposure



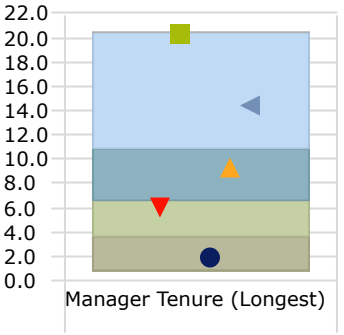
Source: Morningstar Direct

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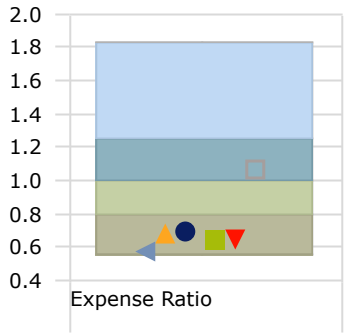
Manager

	Inception Date	Ticker	Advisor	Subadvisor	Manager Name
Ivy High Income I	4/2/2007	IVHIX	Ivy Investment Management Co		Chad A. Gunther
Eaton Vance High Income Opportunities I	10/1/2009	EIHIX	Boston Management and Research		Multiple
Voya High Yield Bond I	7/31/2008	IHYIX	Voya Investments, LLC	Voya Investment Management Co. LLC	Multiple
Columbia High Yield Bond Y	11/8/2012	CHYYX	Columbia Mgmt Investment Advisers, LLC		Multiple
Prudential High-Yield Z	3/1/1996	PHYZX	Prudential Investments LLC	Prudential Fixed Income	Multiple
Barclays High Yield Corporate TR USD	1/31/1995				
US OE High Yield Bond	9/1/1935				

Manager Tenure



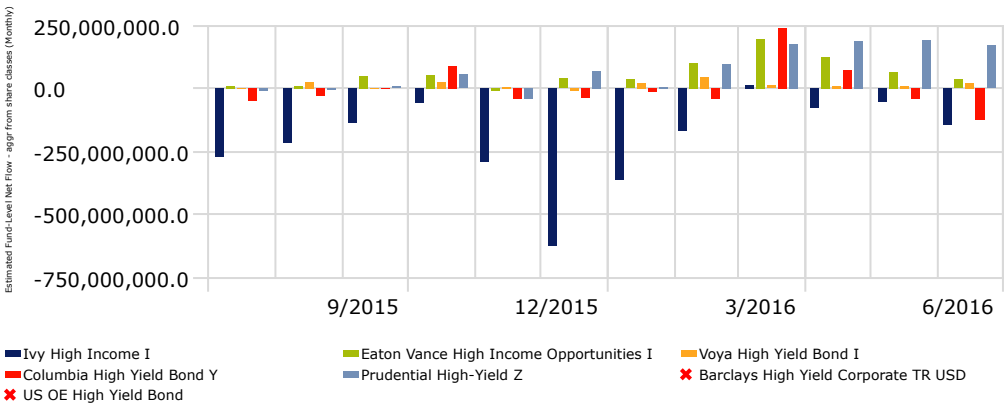
Expense Ratio



	Net Expense Ratio	Mstar Ret 3 Yr	Mstar Ret 5 Yr	Mstar Ret 10 Yr	Mstar Ret Overall	Mstar Risk 3 Yr	Mstar Risk 5 Yr	Mstar Risk 10 Yr	Mstar Rating Overall	Turnover Ratio %	% Cash	% Equity	% Bond	% Other	Closed to New Inv
Ivy High Income I	0.69	Average	Above Avg	High	Above Avg	Above Avg	Average	Below Avg	★★★★	29.00	0.19	0.06	89.53	10.22	No
Eaton Vance High Income Opportunities I	0.65	High	High	Average	High	Below Avg	Below Avg	High	★★★★★	38.00	10.77	2.49	82.93	3.82	No
Voya High Yield Bond I	0.68	High	High	Above Avg	High	Below Avg	Average	Above Avg	★★★★★	22.00	4.66	0.00	93.61	1.73	No
Columbia High Yield Bond Y	0.65	High	High	Above Avg	High	Below Avg	Average	Average	★★★★★	64.00	7.46	0.00	91.51	1.03	No
Prudential High-Yield Z	0.58	High	Above Avg	High	High	Average	Average	Below Avg	★★★★★	48.00	5.05	0.06	94.30	0.59	No
Barclays High Yield Corporate TR USD															No
US OE High Yield Bond	1.10	Average	Average	Average		Average	Average	Average	★★★	69.69	5.18	0.55	92.93	1.34	No

Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2015 to 6/30/2016



Net Money Flow

	Fund Size	Est Fund-Level Net Flow YTD	Est Fund-Level Net Flow 1 Yr	Est Fund-Level Net Flow 5 Yr	Est Fund-Level Net Flow 10 Yr
Ivy High Income I	4,740	-791	-2,390	1,669	3,479
Eaton Vance High Income Opportunities I	1,393	560	711	813	615
Voya High Yield Bond I	721	123	162	497	408
Columbia High Yield Bond Y	2,056	87	20	-355	-1,388
Prudential High-Yield Z	4,558	825	895	2,002	1,744
Barclays High Yield Corporate TR USD					
US OE High Yield Bond					

Source: Morningstar Direct

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milliman.com

MEMO

To:	City of Dover, Delaware Police Pension Plan – Board
From:	Jeff Marzinsky – Milliman
Re:	Board Meeting Notes

Enclosures: Milliman Quarterly Investment Monitor Report (QIM)

1. Police Pension Plan Investment Review through quarter end:

a. As of quarter end, the plan had $11.7 million, up slightly from $11.4 million at the prior quarter end. During the quarter, the plan had contributions of $437 thousand, withdrawals of approximately $378 thousand, and fees of $1.2 thousand.

b. Total performance of the plan portfolio was 2.56% net (2.63% gross) for the quarter, generally in line with the Plan's benchmark index performance of 2.57%.

City of Dover
Police Pension Plan
Quarterly Return Summary

Month End	BMV	Contribution	Withdrawls	Fees	Gain	EMV	POLICE-NET RETURN	POLICE GROSS-RETURN
7/31/2015	$ 12,297,410.15	$ -	$ 128,401.75	$ 489.41	$ 110,255.14	$ 12,278,774.13	0.91%	0.93%
8/31/2015	$ 12,278,774.13	$ -	$ 128,401.75	$ 407.39	$ (551,355.54)	$ 11,598,609.45	-4.53%	-4.51%
9/30/2015	$ 11,598,609.45	$ 150,000.00	$ 128,401.75	$ 393.61	$ (163,718.97)	$ 11,456,095.12	-1.41%	-1.38%
10/31/2015	$ 11,456,095.12	$ -	$ 127,289.75	$ 389.85	$ 583,301.43	$ 11,911,716.95	5.15%	5.17%
11/30/2015	$ 11,911,716.95	$ 50,500.00	$ 127,289.75	$ 406.79	$ (27,181.61)	$ 11,807,338.80	-0.23%	-0.21%
12/31/2015	$ 11,807,338.80	$ -	$ 127,362.69	$ 403.65	$ (208,513.01)	$ 11,471,059.45	-1.78%	-1.76%
1/31/2016	$ 11,471,059.45	$ -	$ 128,214.19	$ 392.98	$ (421,995.22)	$ 10,920,457.06	-3.71%	-3.69%
2/29/2016	$ 10,920,457.06	$ -	$ 126,747.57	$ 382.52	$ 22,207.21	$ 10,815,534.18	0.21%	0.23%
3/31/2016	$ 10,815,534.18	$ -	$ 127,517.35	$ 380.63	$ 679,854.77	$ 11,367,490.97	6.36%	6.38%
4/30/2016	$ 11,367,490.97	$ 380,000.00	$ 126,094.34	$ 388.17	$ 76,856.92	$ 11,697,865.38	0.68%	0.70%
5/31/2016	$ 11,697,865.38	$ -	$ 126,094.34	$ 395.83	$ 68,977.99	$ 11,640,353.20	0.60%	0.62%
6/30/2016	$ 11,640,353.20	$ 57,000.00	$ 126,094.34	$ 399.81	$ 146,628.62	$ 11,717,487.67	1.27%	1.29%
		$ 437,000.00	$ 378,283.02	$ 1,183.81	$ 292,463.53	Quarterly Return	2.56%	2.63%
		$ 637,500.00	$ 1,527,909.57	$ 4,830.64	$ 315,317.73	One Year Return	2.99%	3.27%

c. The chart below describes the current target allocation for the plan. An asset allocation analysis for current and possible future allocations is included with this memo.

Category Description	Fund Category	Investment Name	Target Allocation with Additional Asset Classes	Asset Allocation Range
Money Market	CA	Wells Fargo Advtg Treas Plus MMkt	4.00%	3-13%; target 8% Cash + STB
Short Term Bonds	STB	Vanguard Short Term Bond	4.00%	3-13%; target 8% Cash + STB
Non-traditional Bond	NTB	Columbia Strategic Income	5.00%	0-5%; target of 5% NTB
Inflation Protected Bonds	TIPS	Vanguard Inflation Prot Sec	5.00%	5-10%; target of 5% TIPS
Intermediate Term Bonds	INTB	Vanguard Intermediate Bond	4.50%	2-11%; target 4.5% INTB
Long Term Bonds	LTB	PIMCO Long Duration	2.50%	0-10%; target 5% LTB
Long Term Bonds	LTB	Vanguard Long Duration	2.50%	0-10%; target 5% LTB
High Yield Bond	HYB	Ivy High Income I	5.50%	0-11%; target 5.5% HYB
Large Cap Value	LCV	Vanguard Equity Income	11.00%	6-16%; target 11% LCV
Large Cap Growth	LCG	Vanguard Primecap	5.44%	CLOSED - no longer accepting contributions
Large Cap Growth	LCG	Vanguard Growth Index	8.56%	9-19%; target 14% LCG
Mid Cap	MCB	Vanguard Mid Cap Index	3.00%	1-11%; target 6% MC
Mid Cap	MCV	Vanguard Mid Cap Value Index	3.00%	1-11%; target 6% MC
Small Cap	SCV	Prudential Small Cap Val	7.00%	2-12%; target 7% SC
Real Estate Investment	REIT	Vanguard REIT Index	8.00%	3-13%; target 8% REIT
Foreign Equity	GLB	American Funds New Perspective	6.00%	7-17%; target 12% FOR
Foreign Equity	FLG	Oppenheimber International Growth Y	6.00%	7-17%; target 12% FOR
Emerging Markets	EMG	Vanguard Emerging Mkts	9.00%	4-14%; target 9% Emg Mkts

d. The majority of plan investments have performance and rankings generally in line with their peer groups and benchmarks, as well as risk analytics that rank well to their peer groups.

   i. For the past three quarters, the Prudential Small Cap Value (formerly Target Small Cap) has been on watch. During 2015, the fund management structure has changed and Prudential merged the former Target Small Cap Value with the Prudential Small Cap. Performance results are mixed, on a returns basis the fund is trailing its small cap value benchmark while its rank to peers has risen to the top half of its peer group. The three and five year risk adjusted measures Alpha and Sharpe fall just slightly below the peer group median. We have seen improvements and will continue to monitor the fund.

   ii. The Ivy High Income fund is on watch. The fund trailed its benchmark during 2015 and the first quarter of 2016, but it has improved over the last quarter and now slightly outperforms the benchmark. The fund's five-year return ranks in the top 10% of its peer group, however three year returns have fallen to the bottom quartile. Changes to the portfolio have been made under the new management team. A manager due diligence report has been prepared for review; the report compared the fund to other high yield bond options. The details of the report are summarized below.

2. Police Pension Plan – Asset Allocation and Investment Policy Review

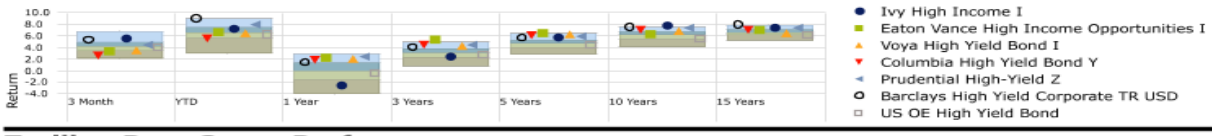
a. We have conducted an asset liability review of the pension plan. The review assessed the actuarial structure of plan liabilities, as well as the interest rate for valuing plan liabilities and forward-looking expectations of market returns and risk.
   i. The actuarial report indicates that during 2014, interest rate expectations were lowered to 6.5%. For the plan we assessed the duration of plan liabilities to be 13.8years, with approximate monthly beneficiary payments of $100,000. The allocation of liabilities is approximately 26% to shorter-term (less than 5years), 55% to intermediate term and 19% to longer term (20+ years).
   ii. Within the context of these factors, we developed a model to determine optional asset allocation scenarios, one being the current allocation, which has an expected return of 6.64% (slightly above the actuarial target interest rate). Page 1 of the memo shows the current allocation among investment managers.
   iii. Constraints were set so that the various asset classes, when optimized were within reason in creating efficient portfolios. **Exhibit 3** shows the constraints used.
   iv. The system uses a MVO (mean-variance optimization) process to create scenarios that maximize the level of return at a given level of risk.

b. Based on the outputs of the analysis, we do not recommend a change at this time.
   i. As noted above, optional scenarios were created, and the current portfolio is optimal, even though it has a focus, to some degree to factor in the duration structure of plan liabilities in its design. **Exhibit 2** below shows the output of the allocation study. **Exhibit 4** shows the relationship of liability duration and approximate allocation of asset duration.
   ii. The Expected Return/Arithmetic Mean, falls in line with the actuarial interest rate from the most recent valuation. In addition, the level of risk falls within the range of the level of risk for the two optional scenarios (one less and one more risky).
   iii. Even though the funded status of the plan, per the latest actuarial valuation has improved to 59.2%, the focus of the portfolio is moderate growth.

Exhibit 1 - High Yield Bond Manager Due Diligence Summary

Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond Calculation Benchmark: Barclays High Yield Corporate TR USD



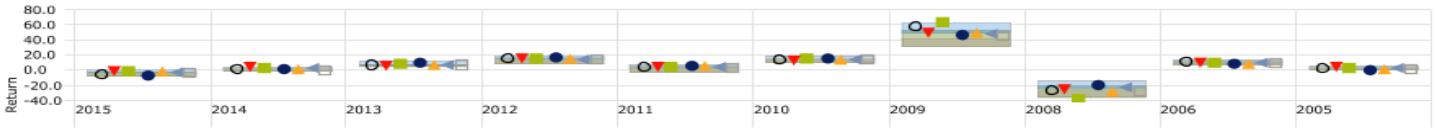
Trailing Peer Group Performance

As of Date: 6/30/2016 Data Point: Return

	3 Month	% Rank	YTD	% Rank	1 Year	% Rank	3 Years	% Rank	5 Years	% Rank	10 Years	% Rank	15 Years	% Rank
Ivy High Income I	5.60	13	7.30	29	-2.41	85	2.57	69	5.85	11	7.73	2	7.42	12
Eaton Vance High Income Opportunities I	3.41	74	6.77	43	2.23	10	5.34	1	6.49	4	6.34	41	7.09	25
Voya High Yield Bond I	3.62	67	6.62	47	2.07	12	4.38	12	6.28	6	6.84	21	6.58	53
Columbia High Yield Bond Y	2.67	86	5.64	71	1.88	15	4.56	9	6.13	7	7.04	12	7.14	23
Prudential High-Yield Z	4.45	35	7.92	17	2.42	8	4.57	9	5.90	10	7.38	6	7.40	13
Barclays High Yield Corporate TR USD	5.52	15	9.06	4	1.62	19	4.18	16	5.84	12	7.56	4	7.93	5
US OE High Yield Bond	4.17	47	6.39	54	-0.33	55	2.86	60	4.52	60	5.55	73	6.12	73
Median	4.10		6.55		-0.07		3.13		4.71		6.08		6.62	

Calendar Year Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



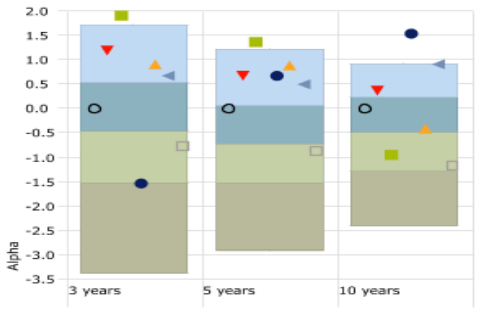
Calendar Year Returns

Data Point: Return Peer Group: Open End Funds - U.S. - High Yield Bond

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ivy High Income I	-7.13	1.74	10.46	17.16	6.44	15.62	46.56	-19.73	4.05	9.70
Eaton Vance High Income Opportunities I	-0.87	3.71	8.58	15.96	4.13	16.43	63.56	-37.22	0.72	10.99
Voya High Yield Bond I	-1.25	1.84	8.27	15.89	5.71	14.75	49.40	-27.90	2.49	9.54
Columbia High Yield Bond Y	-1.15	4.10	6.33	15.65	5.08	13.38	49.91	-24.58	2.06	10.76
Prudential High-Yield Z	-2.59	2.84	7.23	14.16	5.07	14.72	48.35	-22.14	2.70	10.51
Barclays High Yield Corporate TR USD	-4.47	2.45	7.44	15.81	4.98	15.12	58.21	-26.16	1.87	11.85
US OE High Yield Bond	-4.07	1.11	6.92	14.69	2.75	14.13	45.68	-27.06	1.32	10.09
Median	-3.82	1.48	6.61	14.77	3.48	14.26	48.28	-24.58	2.00	10.27

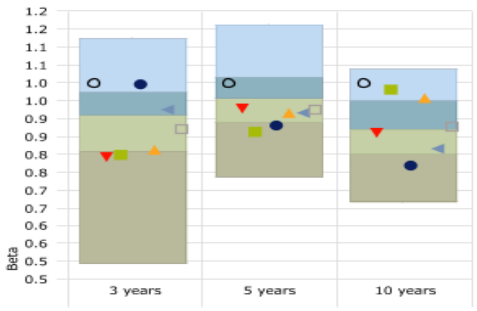
Alpha

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



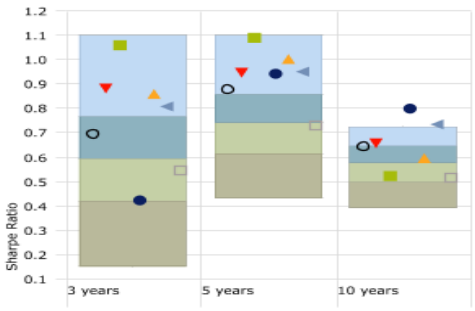
Beta

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Sharpe Ratio

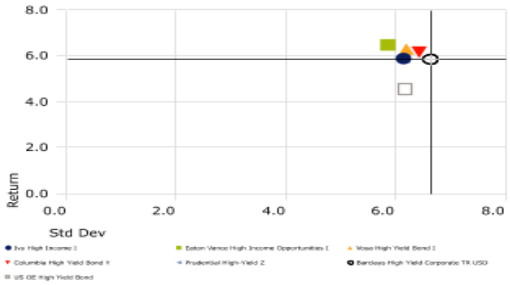
As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Risk-Reward

Time Period: 7/1/2011 to 6/30/2016

Calculation Benchmark: Barclays High Yield Corporate TR USD



3-Year Risk Return

Time Period: 7/1/2013 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.23	-1.53	1.00	91.79	0.42	87.75	104.00	41.67
Eaton Vance High Income Opportunities I	4.95	1.90	0.80	94.00	1.06	94.39	74.25	66.67
Voya High Yield Bond I	5.03	0.92	0.81	94.11	0.86	90.83	82.42	50.00
Columbia High Yield Bond Y	5.12	1.19	0.79	86.26	0.88	90.12	78.68	50.00
Prudential High-Yield Z	5.60	0.67	0.93	98.10	0.81	95.02	86.38	50.00
Barclays High Yield Corporate TR USD	6.00	0.00	1.00	100.00	0.70	100.00	100.00	100.00
US OE High Yield Bond	5.24	-0.77	0.87	98.77	0.55	83.84	93.43	36.11
Median	5.57	-0.46	0.91	93.79	0.59	88.19	95.61	41.67

5-Year Risk Return

Time Period: 7/1/2011 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.15	0.67	0.88	90.91	0.94	91.48	84.44	48.33
Eaton Vance High Income Opportunities I	5.87	1.36	0.86	95.56	1.09	94.15	80.52	60.00
Voya High Yield Bond I	6.21	0.88	0.92	96.13	1.00	97.88	90.09	55.00
Columbia High Yield Bond Y	6.43	0.67	0.93	92.18	0.95	97.79	92.11	53.33
Prudential High-Yield Z	6.14	0.51	0.92	98.69	0.95	94.21	88.70	45.00
Barclays High Yield Corporate TR USD	6.65	0.00	1.00	100.00	0.88	100.00	100.00	100.00
US OE High Yield Bond	6.18	-0.85	0.92	98.83	0.73	88.10	96.89	33.33
Median	6.51	-0.72	0.95	95.26	0.74	91.79	99.44	41.67

Exhibit 2 – Analysis of Portfolio Allocation

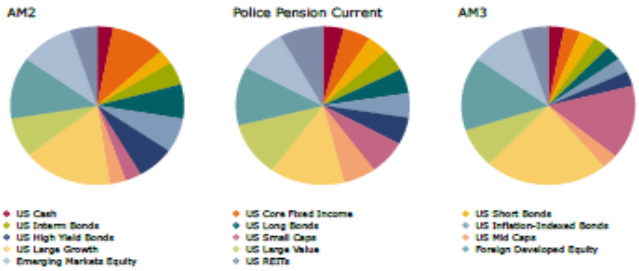
Asset Allocation Analysis

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Composition

	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs
AM2	3.00	10.00	3.00	4.70	7.00	7.00	7.00	3.00	3.00	16.71	8.00	12.59	10.00	5.00
Police Pension Current	4.00	5.00	4.00	4.50	5.00	5.00	5.50	7.00	6.00	14.00	11.00	12.00	9.00	8.00
AM3	3.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	3.00	23.00	8.00	15.00	10.00	5.00

Composition



Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

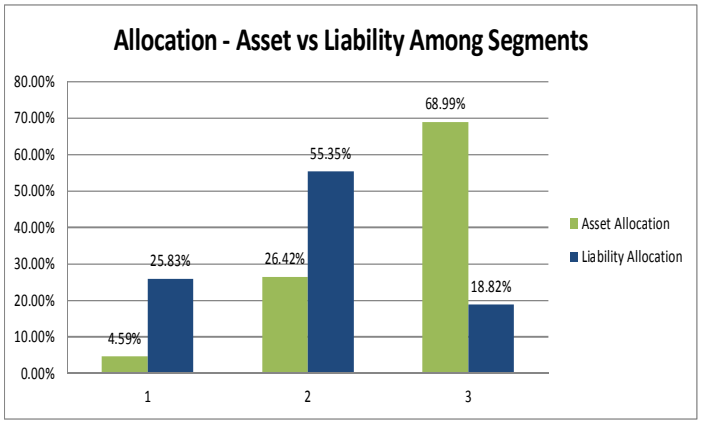
	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
AM2	6.35	11.07	0.49	0.47	0.57
Police Pension Current	6.64	12.40	0.51	0.50	0.54
AM3	7.28	14.63	0.54	0.53	0.50

Exhibit 3 – Analysis of Portfolio Allocation

Asset Allocation Constraints & Expectations

Asset Class	Minimum	Maximum	Exp Ret	Exp Risk (SD)
Cash	3	5	0.5	1.0
Core/Special Fixed	3	10	3.2	4.7
Short Bonds	3	10	2.9	2.7
Interm Bonds	3	10	3.0	4.1
Long Bonds	3	7	3.7	10.1
Inflation Index Bonds	3	7	3.0	4.8
High Yield Bond	3	7	6.4	10.1
US Small Caps	3	15	8.5	21.6
US Mid Caps	3	15	7.9	19.3
US Large Growth	8	25	8.1	18.6
US Large Value	8	25	7.3	16.7
Foreign Developed	5	10	8.3	19.5
Emerging Mkts	5	10	10.3	27.9
US REITS	5	10	7.4	20.4

Exhibit 4 – Analysis of Portfolio Allocation



The analysis in this report was prepared utilizing data from third parties and other sources including but not limited to internal computer software and databases, including among others mpiStylus Pro©,, software designed by Markov Processes International. Reasonable care has been taken to assure the accuracy of the data contained herein, and comments are objectively stated and are based on facts gathered in good faith. These reports do not constitute investment advice with respect to the sale or disposition of individual securities. Milliman disclaims responsibility, financial or otherwise, for the accuracy or completeness of this report.

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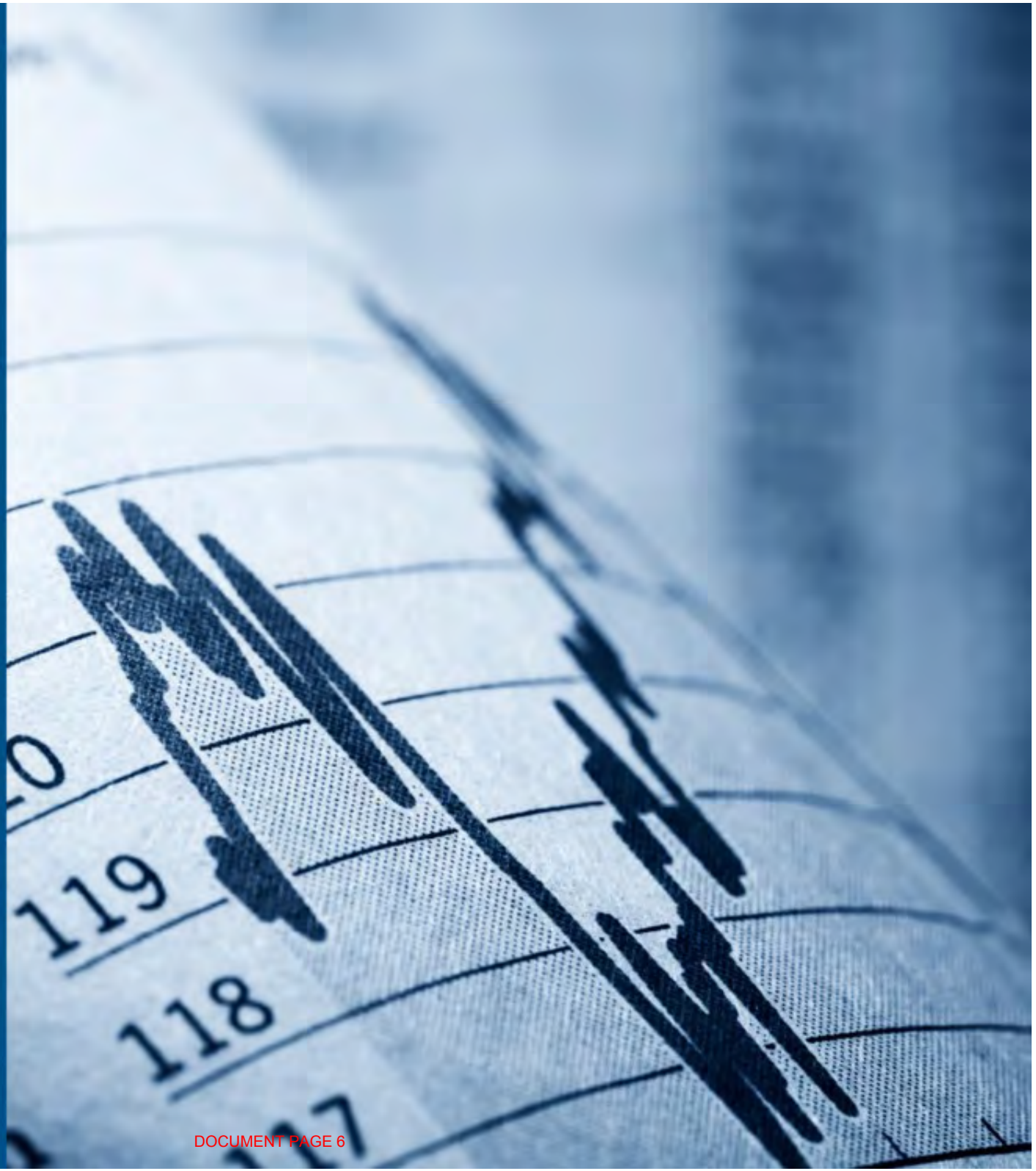
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Quarterly Investment Monitor

Summary Report for the Quarter Ending June 30, 2016

Prepared for
City of Dover, Delaware Police Pension Plan



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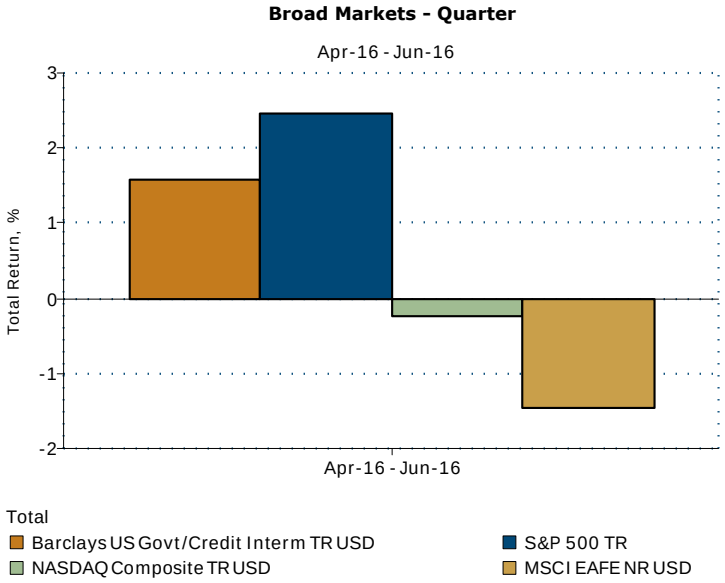
Market Indices - 2nd Quarter 2016

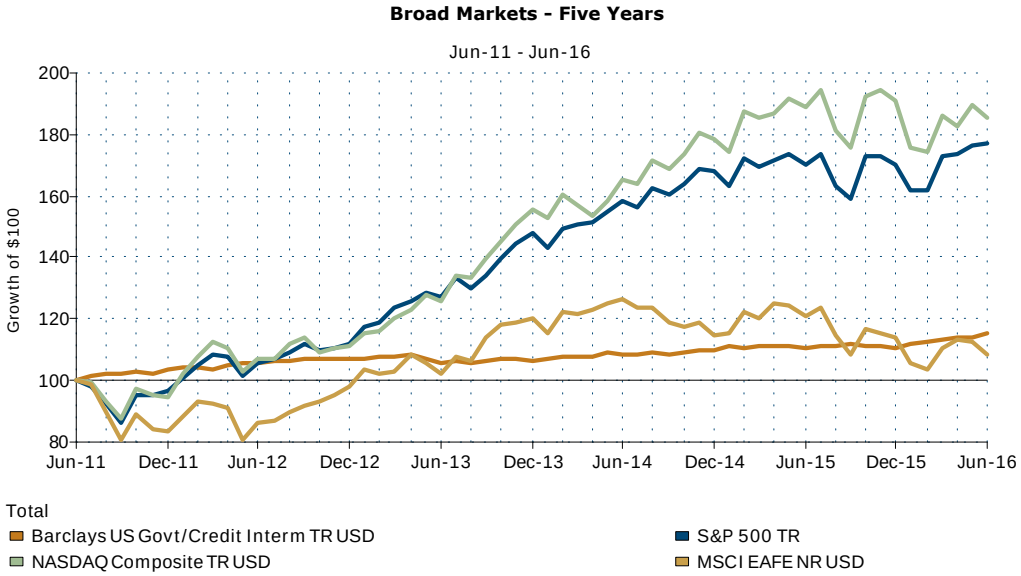


Index	YTD	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BofAML US Treasury Bill 3 Mon	0.15	0.07	0.15	0.19	0.09	0.09	1.04
Barclays US Govt 1-3 Yr TR USD	1.42	0.52	1.42	1.31	1.00	0.84	2.54
Barclays US Treasury US TIPS TR USD	6.24	1.71	6.24	4.35	2.31	2.63	4.75
Barclays US Agg Float Adj TR USD	5.52	2.32	5.52	6.12	4.07	3.81	NA
Barclays US Govt/Credit Interm TR USD	4.07	1.59	4.07	4.33	2.95	2.90	4.48
Barclays US Government Long TR USD	14.94	6.37	14.94	18.98	10.38	10.17	8.69
Barclays US Long Credit TR USD	13.92	6.65	13.92	13.76	8.70	8.45	8.14
Barclays US Corporate High Yield TR USD	9.06	5.52	9.06	1.62	4.18	5.84	7.56
DJ Industrial Average TR USD	4.31	2.07	4.31	4.50	8.99	10.41	7.65
S&P 500 TR	3.84	2.46	3.84	3.99	11.66	12.10	7.42
NASDAQ Composite TR USD	-2.66	-0.23	-2.66	-1.68	13.85	13.18	9.48
Russell 1000 Value TR USD	6.30	4.58	6.30	2.86	9.87	11.35	6.13
Russell 1000 TR USD	3.74	2.54	3.74	2.93	11.48	11.88	7.51
Russell 1000 Growth TR USD	1.36	0.61	1.36	3.02	13.07	12.35	8.78
Russell 2000 Value TR USD	6.08	4.31	6.08	-2.58	6.36	8.15	5.15
Russell 2000 TR USD	2.22	3.79	2.22	-6.73	7.09	8.35	6.20
Russell 2000 Growth TR USD	-1.59	3.24	-1.59	-10.75	7.74	8.51	7.14
MSCI EAFE NR USD	-4.42	-1.46	-4.42	-10.16	2.06	1.68	1.58
MSCI EAFE Small Cap NR USD	-3.18	-2.60	-3.18	-3.67	7.26	4.84	3.57
MSCI EM NR USD	6.41	0.66	6.41	-12.05	-1.56	-3.78	3.54
FTSE NAREIT All REITs TR	13.65	7.36	13.65	22.68	13.11	12.33	6.97

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Broad Market Commentary - 2nd Quarter 2016



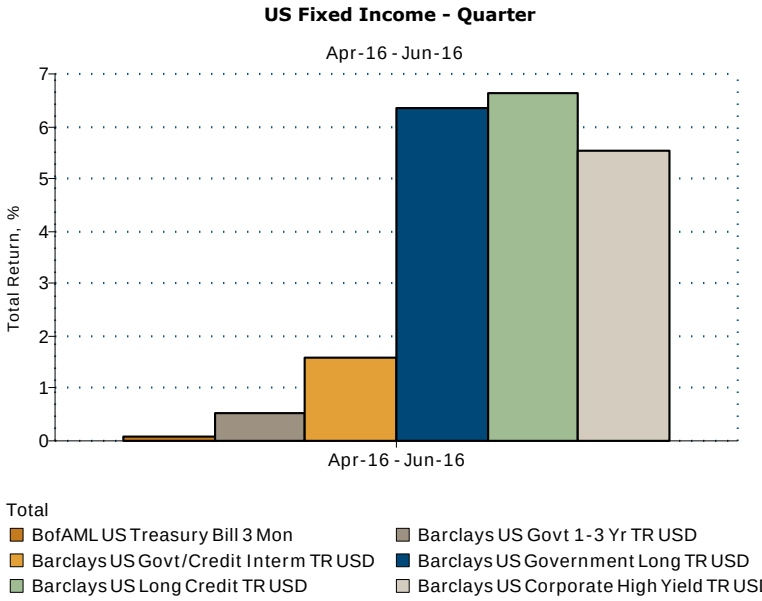


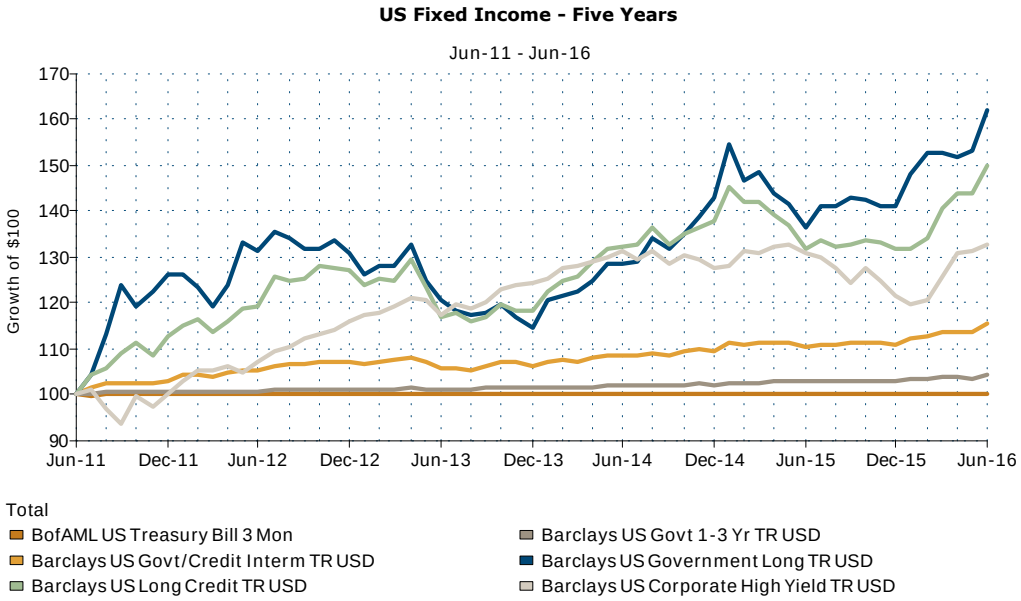
Market Commentary

- Despite the uncertainty stemming from Britain's decision to leave the European Union, U.S. stocks finished the quarter up 2.46% as investors anticipated further positive economic data and low interest rates.
- In contrast, developed international equity markets were down on news of the Brexit and the forecasted negative effect it will have on growth in Europe.
- Emerging markets were up as commodities continued to rebound from last year's lows and interest rates in the U.S. remained near zero.
- The Fed deferred further rate increases on weaker-than-expected May unemployment figures and Brexit-related uncertainties within the global economy.
- Mutual fund investors increased their holdings in both stocks and bonds. For the quarter, stocks had a net inflow of $16.1 billion and bonds had a net inflow of $11.3 billion. Total money market mutual fund assets decreased by $47 billion to $2.7 trillion.
- The unemployment rate feel from 5.0% to 4.9%, as total employment increased by 453,000 jobs this quarter.
- The price of oil rose from $37 per barrel to $48 during the quarter.

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US Fixed Income Market Commentary - 2nd Quarter 2016



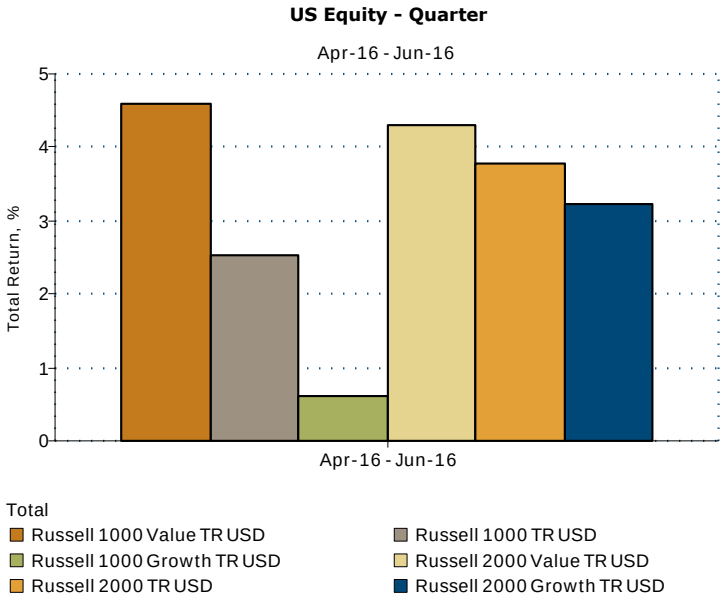


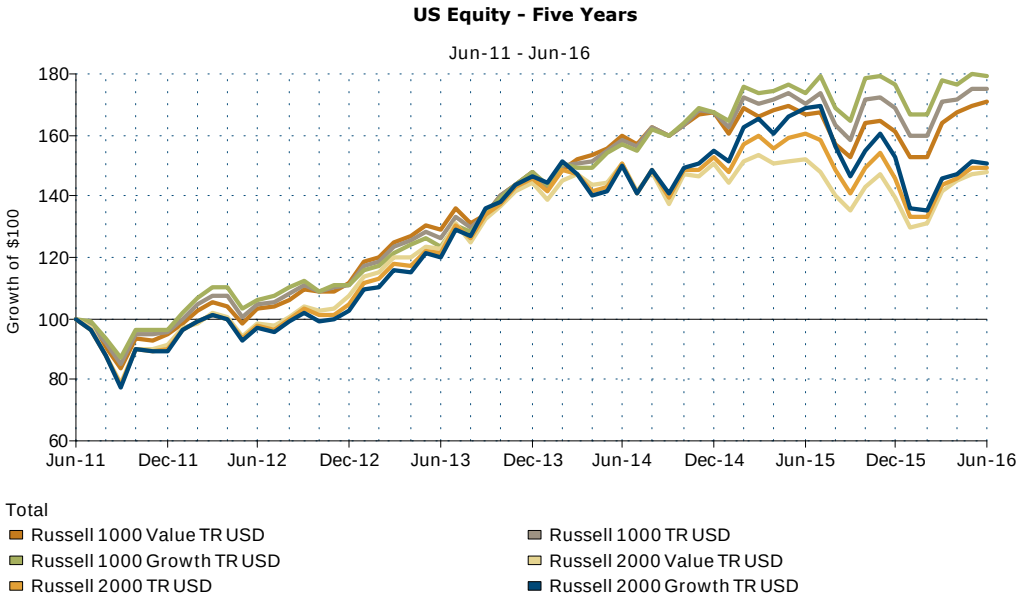
US Bond Market

- The broad fixed income market rose 2.32% as investors sought refuge from volatile equity markets.
- The yield curve continued to flatten as global investor demand for Treasuries was heightened on uncertainty related to the Brexit.
- Yields on 10-year and 30-year Treasuries dropped nearly 30-basis points to 1.49% and 2.30%, respectively.
- Long-term Treasuries were the best performing sector, up 6.77%, as rates continued to remain low.
- High Yield bonds rose 5.52% as positive domestic economic news encouraged investors to focus on lower rated debt.

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US Equity Market Commentary - 2nd Quarter 2016

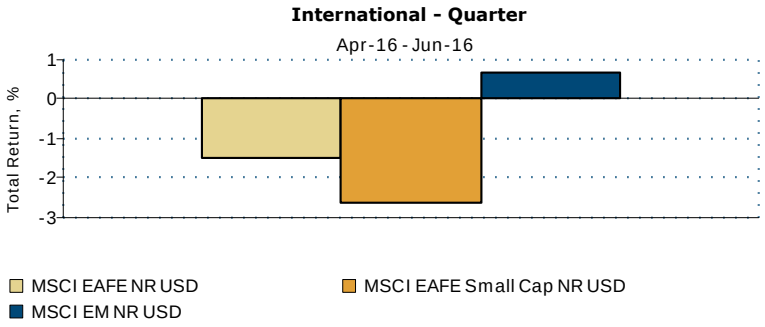


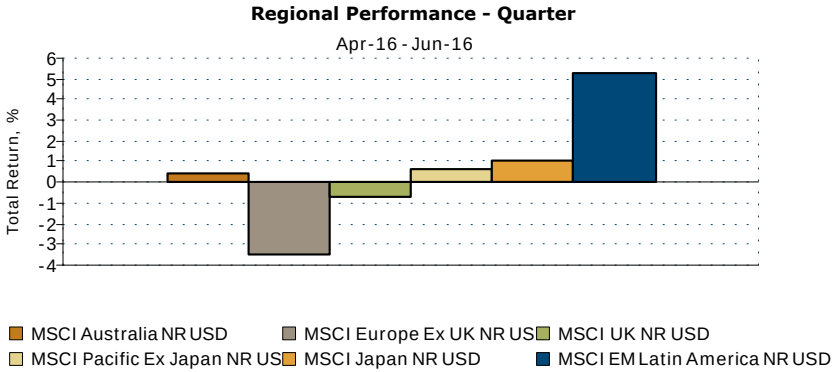


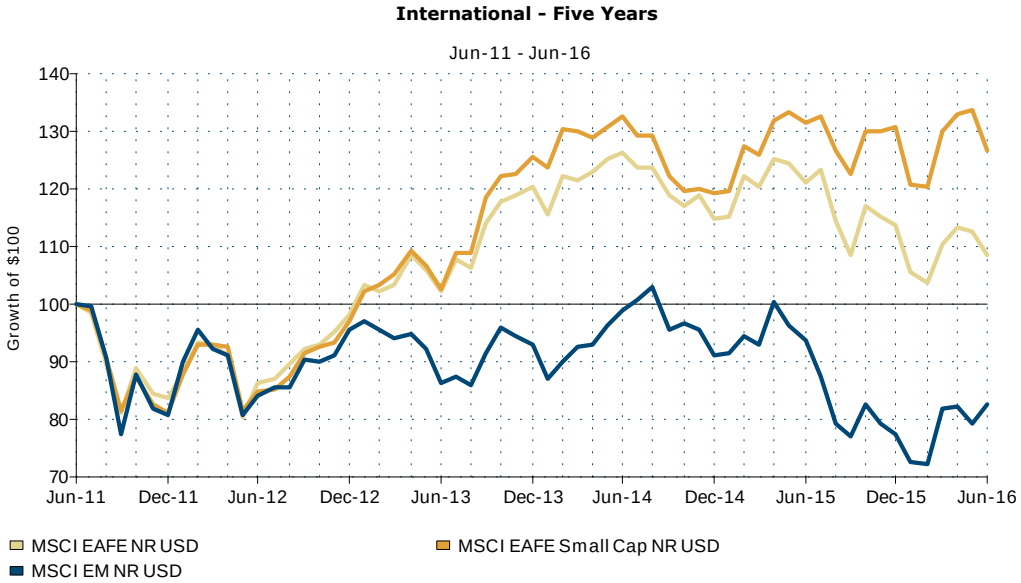
US Stock Market

- All major domestic equity indices posted gains for the quarter. The large-cap Russell 1000 Value Index had the best return, up 4.58%.
- In terms of capitalization, small-cap stocks seemingly benefited from volatility and generally outperformed large-cap stocks.
- In comparing styles, value outperformed growth in both the large-cap and small-cap areas of the market.
- REITs were positive, benefitting from low rates, as the Fed opted not to raise rates in the near term.
- Energy stocks were the best performing sector, up 10.99%, as commodity prices rebounded from last quarter's lows.
- Technology was the worst performing sector, down 2.24% during the quarter.

International Market Commentary - 2nd Quarter 2016







International Markets

- The dollar was up against major currencies, specifically the Euro and the Pound.
- For the quarter, the EAFE Index was down 1.46% while Emerging Markets were up 0.66%. Local currency returns for the EAFE and Emerging Markets Indicies were down 0.47% and 0.83%, respectively, for the quarter.
- Among the major international regions, European stocks fared the worst, down 2.69%, as the prospect for growth came into question when the UK voted to leave the EU.
- Chinese stocks continued to be the largest detractor on an annual basis, down 23.37%, as the prior rapid pace of growth appears unsustainable.
- Small-cap international stocks were down 2.60% during the quarter.

Performance Summary

Asset Allocation

	Balances As of 06/30/2016	Percent As of 06/30/2016	Balances As of 03/31/2016	Percent As of 03/31/2016	Notes
Wells Fargo Treasury Plus MMkt Inst	$43,896	0.37%	$444,935	3.91%	PISXX
Vanguard Short-Term Bond Index Adm	$494,210	4.22%	$449,691	3.96%	VBIRX
Vanguard Inflation-Protected Secs I	$621,823	5.31%	$570,414	5.02%	VIPIX
Vanguard Interm-Term Bond Index Adm	$559,860	4.78%	$511,789	4.50%	VBILX
Columbia Strategic Income Y	$606,646	5.18%	$560,413	4.93%	CPHUX
Vanguard Long-Term Bond Index Inv	$316,395	2.70%	$288,144	2.53%	VBLTX
PIMCO Long Duration Total Return Instl	$317,255	2.71%	$286,758	2.52%	PLRIX
Ivy High Income I	$673,073	5.75%	$623,394	5.48%	IVHIX
Vanguard Equity-Income Adm	$1,344,888	11.48%	$1,244,866	10.95%	VEIRX
Vanguard Growth Index Adm	$1,002,038	8.55%	$940,469	8.27%	VIGAX
Vanguard PRIMECAP Core Inv	$655,626	5.60%	$654,678	5.76%	VPCCX
Vanguard Mid-Cap Value Index Admiral	$363,293	3.10%	$339,432	2.99%	VMVAX
Vanguard Mid Cap Index Adm	$360,258	3.07%	$341,006	3.00%	VIMAX
Prudential QMA Small-Cap Value Z	$823,255	7.03%	$787,532	6.93%	TASVX
Oppenheimer International Growth Y	$695,650	5.94%	$681,278	5.99%	OIGYX
American Funds New Perspective R6	$707,358	6.04%	$677,530	5.96%	RNPGX
Vanguard Emerging Mkts Stock Idx I	$1,070,768	9.14%	$1,037,213	9.12%	VEMIX
Vanguard REIT Index I	$1,059,471	9.04%	$928,854	8.17%	VGSNX
Plan Total	**$11,715,763**		**$11,368,397**		

Investment Policy Review - Active Management

Fund Name	Return Rank 3Y	Return Rank 5Y	Excess Return 3Y	Excess Return 5Y	Relative StdDev 3Y	Relative StdDev 5Y	Alpha Rank 3Y	Sharpe Rank 3Y	Alpha Rank 5Y	Sharpe Rank 5Y
Vanguard Inflation-Protected Secs I	6	4	0.11	0.06	1.05	1.03	2	2	0	0
Columbia Strategic Income Y	0	NA	1.33	NA	0.92	NA	7	13	NA	NA
PIMCO Long Duration Total Return Instl	18	18	-0.22	-0.63	1.01	0.96	73	73	82	45
Ivy High Income I	78	9	-1.62	0.01	1.04	0.93	80	80	15	15
Vanguard Equity-Income Adm	6	4	1.11	1.37	0.93	0.86	7	6	4	4
Vanguard PRIMECAP Core Inv	35	17	-1.22	-0.52	0.97	0.98	13	13	6	6
Prudential QMA Small-Cap Value Z	47	51	0.45	0.10	1.01	0.97	54	55	54	58
Oppenheimer International Growth Y	19	6	-0.29	1.26	1.03	0.97	20	20	6	6
American Funds New Perspective R6	18	12	2.19	2.68	1.00	0.96	22	17	11	11

Definitions

Return Rank - Fund's category percentile return rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

Relative StdDev - Fund's standard deviation relative to its benchmark, a value less than 1 implies the fund's standard deviation is lower than its benchmark.

Alpha Rank - Fund's category percentile Alpha rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Sharpe Rank - Fund's category percentile Sharpe Ratio rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Investment Policy Review - Passive Management

Fund Name	Excess Return 3Y	Excess Return 5Y	Beta 3Y	Tracking Error 3Y	Beta 5Y	Tracking Error 5Y	Expense Ratio
Vanguard Short-Term Bond Index Adm	-0.12	-0.11	1.03	0.15	1.01	0.16	0.09
Vanguard Interm-Term Bond Index Adm	-0.02	-0.05	1.04	0.44	1.03	0.40	0.09
Vanguard Long-Term Bond Index Inv	-0.09	-0.08	1.05	0.93	1.03	0.90	0.16
Vanguard Growth Index Adm	-0.08	0.51	1.00	0.03	0.99	0.55	0.08
Vanguard Mid-Cap Value Index Admiral	-0.04	NA	1.00	0.04	NA	NA	0.08
Vanguard Mid Cap Index Adm	-0.06	-0.21	1.00	0.03	1.02	0.57	0.08
Vanguard Emerging Mkts Stock Idx I	0.06	-0.28	0.99	1.32	1.00	2.64	0.12
Vanguard REIT Index I	1.34	1.28	1.00	0.24	1.00	0.24	0.10

Definitions

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

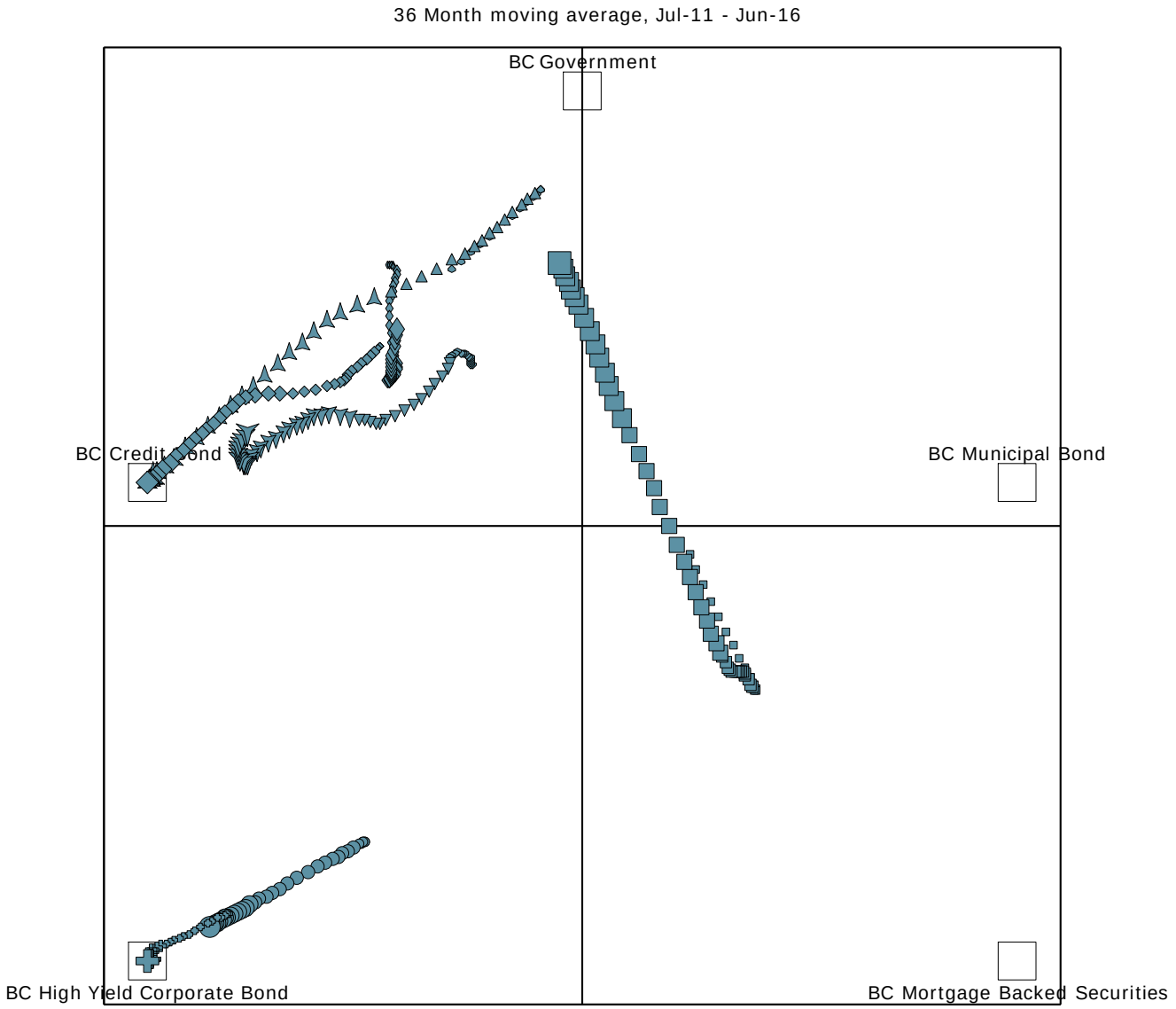
Beta - Fund's Beta or sensitivity to movements compared to its benchmark, a value of 1 implies its moving in sync with its benchmark.

Tracking Error - Fund's Tracking Error versus its benchmark, a value of 0 implies the Fund's ups and downs are the same size as its benchmark.

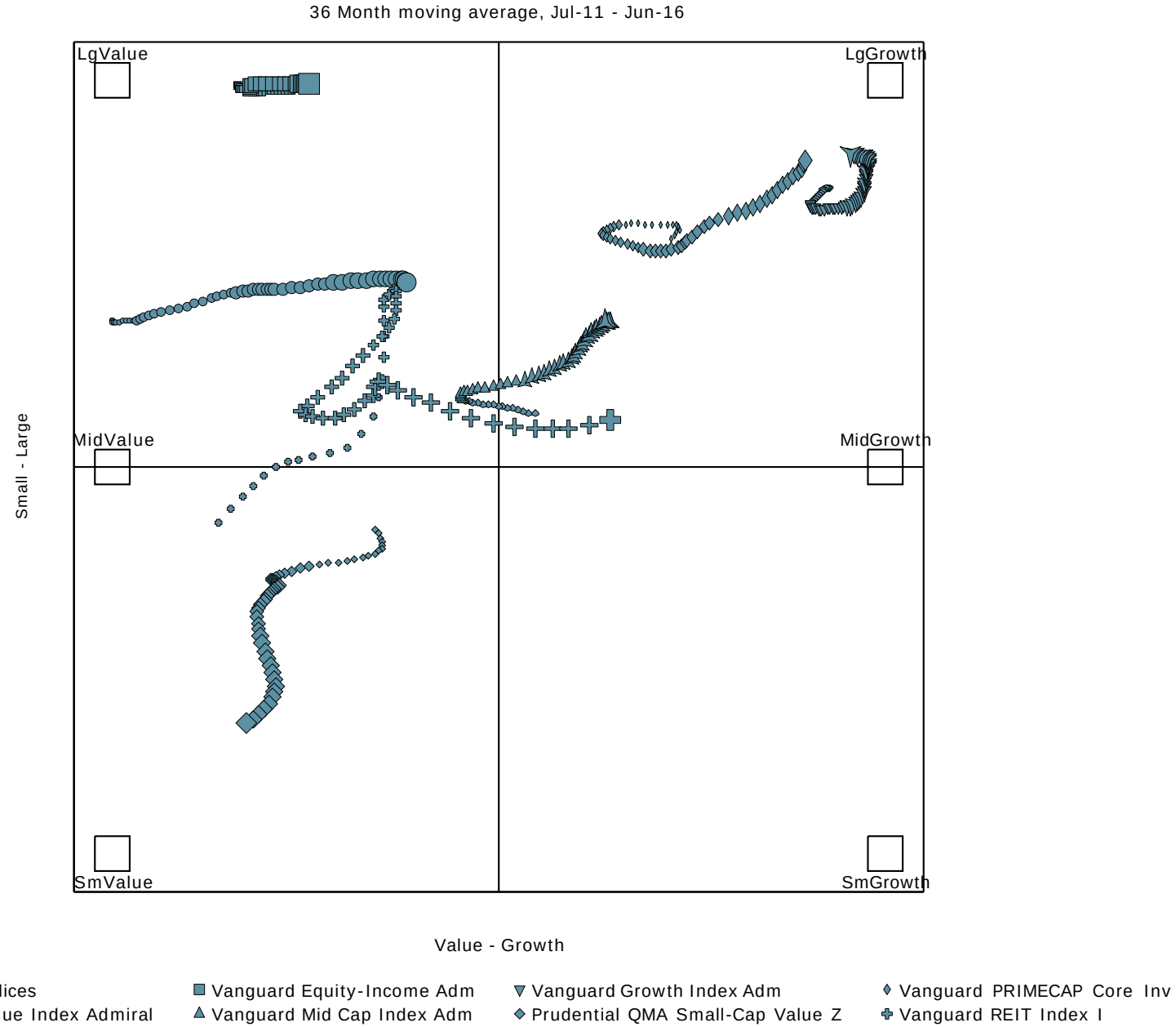
Investment Option Return Summary

Asset Class	Fund Name	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Ticker	Mstar Rating	Expense Ratio
Money Market-Taxable	Wells Fargo Treasury Plus MMkt Inst	0.04	0.07	0.08	0.03	0.02	0.90	PISXX	NA	0.20
	BofA ML 91-day Tbill Auction Avg	*0.07*	*0.15*	*0.19*	*0.09*	*0.09*	*1.04*	*N/A*	*NA*	*NA*
Short-term Bond	Vanguard Short-Term Bond Index Adm	0.93	2.55	2.52	1.81	1.66	3.47	VBIRX	4.00	0.09
	Barclays US 1-5Y GovCredit FlAdj TR USD	*0.98*	*2.61*	*2.63*	*1.93*	*1.77*	*NA*	*N/A*	*NA*	*NA*
Inflation-Protected Bond	Vanguard Inflation-Protected Secs I	1.79	6.44	4.73	2.42	2.70	4.66	VIPIX	4.00	0.07
	Barclays US Treasury US TIPS TR USD	*1.71*	*6.24*	*4.35*	*2.31*	*2.63*	*4.75*	*N/A*	*NA*	*NA*
Intermediate-term Bond	Vanguard Interm-Term Bond Index Adm	2.71	6.88	7.71	5.06	5.03	6.39	VBILX	5.00	0.09
	Barclays US 5-10Y GovCredit FlAdj TR USD	*2.74*	*6.93*	*7.68*	*5.08*	*5.08*	*NA*	*N/A*	*NA*	*NA*
Nontraditional Bond	Columbia Strategic Income Y	2.85	5.20	2.29	4.13	NA	NA	CPHUX	5.00	0.62
	Barclays Global Aggregate TR USD	*2.89*	*8.96*	*8.87*	*2.80*	*1.77*	*4.40*	*N/A*	*NA*	*NA*
Long-term Bond	Vanguard Long-Term Bond Index Inv	6.60	14.49	15.98	9.24	9.10	8.38	VBLTX	3.00	0.16
Long-term Bond	PIMCO Long Duration Total Return Instl	6.82	13.99	14.50	9.10	8.55	NA	PLRIX	3.00	0.50
	BC Long Government/Credit	*6.55*	*14.33*	*15.72*	*9.33*	*9.18*	*8.42*	*N/A*	*NA*	*NA*
High Yield Bond	Ivy High Income I	5.60	7.30	(2.41)	2.57	5.85	NA	IVHIX	4.00	0.69
	BC High Yield Corporate Bond	*5.52*	*9.06*	*1.62*	*4.18*	*5.84*	*7.56*	*N/A*	*NA*	*NA*
Large Value	Vanguard Equity-Income Adm	4.02	7.71	9.05	10.97	12.72	8.21	VEIRX	5.00	0.17
	Russell 1000 Value Index	*4.58*	*6.30*	*2.86*	*9.87*	*11.35*	*6.13*	*N/A*	*NA*	*NA*
Large Growth	Vanguard Growth Index Adm	1.02	1.36	1.46	12.50	12.12	8.67	VIGAX	4.00	0.08
	CRSP US Large Cap Growth TR USD	*1.02*	*1.39*	*1.52*	*12.58*	*11.61*	*8.31*	*N/A*	*NA*	*NA*
Large Growth	Vanguard PRIMECAP Core Inv	0.14	(0.29)	1.03	11.85	11.83	8.85	VPCCX	4.00	0.47
	Russell 1000 Growth Index	*0.61*	*1.36*	*3.02*	*13.07*	*12.35*	*8.78*	*N/A*	*NA*	*NA*
Mid-Cap Value	Vanguard Mid-Cap Value Index Admiral	2.75	4.47	1.27	11.25	NA	NA	VMVAX	5.00	0.08
	CRSP US Mid Cap Value TR USD	*2.75*	*4.44*	*1.29*	*11.30*	*12.10*	*7.66*	*N/A*	*NA*	*NA*
Mid-Cap Blend	Vanguard Mid Cap Index Adm	2.33	3.52	(0.89)	10.76	10.56	7.80	VIMAX	4.00	0.08
	CRSP US Mid Cap TR USD	*2.34*	*3.52*	*(0.87)*	*10.82*	*10.77*	*NA*	*N/A*	*NA*	*NA*
Small Value	Prudential QMA Small-Cap Value Z	2.62	4.93	(3.29)	6.81	8.25	7.08	TASVX	3.00	0.71
	Russell 2000 Value Index	*4.31*	*6.08*	*(2.58)*	*6.36*	*8.15*	*5.15*	*N/A*	*NA*	*NA*
Foreign Large Growth	Oppenheimer International Growth Y	(3.50)	(2.48)	(5.59)	3.48	4.38	5.42	OIGYX	4.00	0.89
	MSCI EAFE Large Growth NR USD	*0.44*	*(2.08)*	*(5.20)*	*3.77*	*3.13*	*2.96*	*N/A*	*NA*	*NA*
World Stock	American Funds New Perspective R6	0.85	(1.55)	(1.60)	8.22	8.05	NA	RNPGX	5.00	0.45
	MSCI AC World Index ND USD	*0.99*	*1.23*	*(3.73)*	*6.03*	*5.38*	*4.26*	*N/A*	*NA*	*NA*
Diversified Emerging Mkts	Vanguard Emerging Mkts Stock Idx I	2.33	7.84	(12.08)	(0.71)	(3.49)	3.59	VEMIX	3.00	0.12
	FTSE Emerging NR USD	*1.71*	*7.87*	*(12.18)*	*(0.77)*	*(3.21)*	*4.06*	*N/A*	*NA*	*NA*
Real Estate	Vanguard REIT Index I	6.78	13.47	23.94	13.44	12.47	7.61	VGSNX	4.00	0.10
	MSCI US REIT NR USD	*6.51*	*12.76*	*22.40*	*12.10*	*11.19*	*5.94*	*N/A*	*NA*	*NA*
Total Plan	POLICE GROSS-RETURN	2.63	5.39	3.27	6.79	5.36	5.54	N/A	NA	NA
Total Plan	POLICE-NET RETURN	2.56	5.25	2.99	6.49	5.06	5.24	N/A	NA	NA
	Police Plan Policy Index	*2.57*	*5.19*	*2.33*	*6.37*	*5.86*	*5.18*	*N/A*	*NA*	*NA*

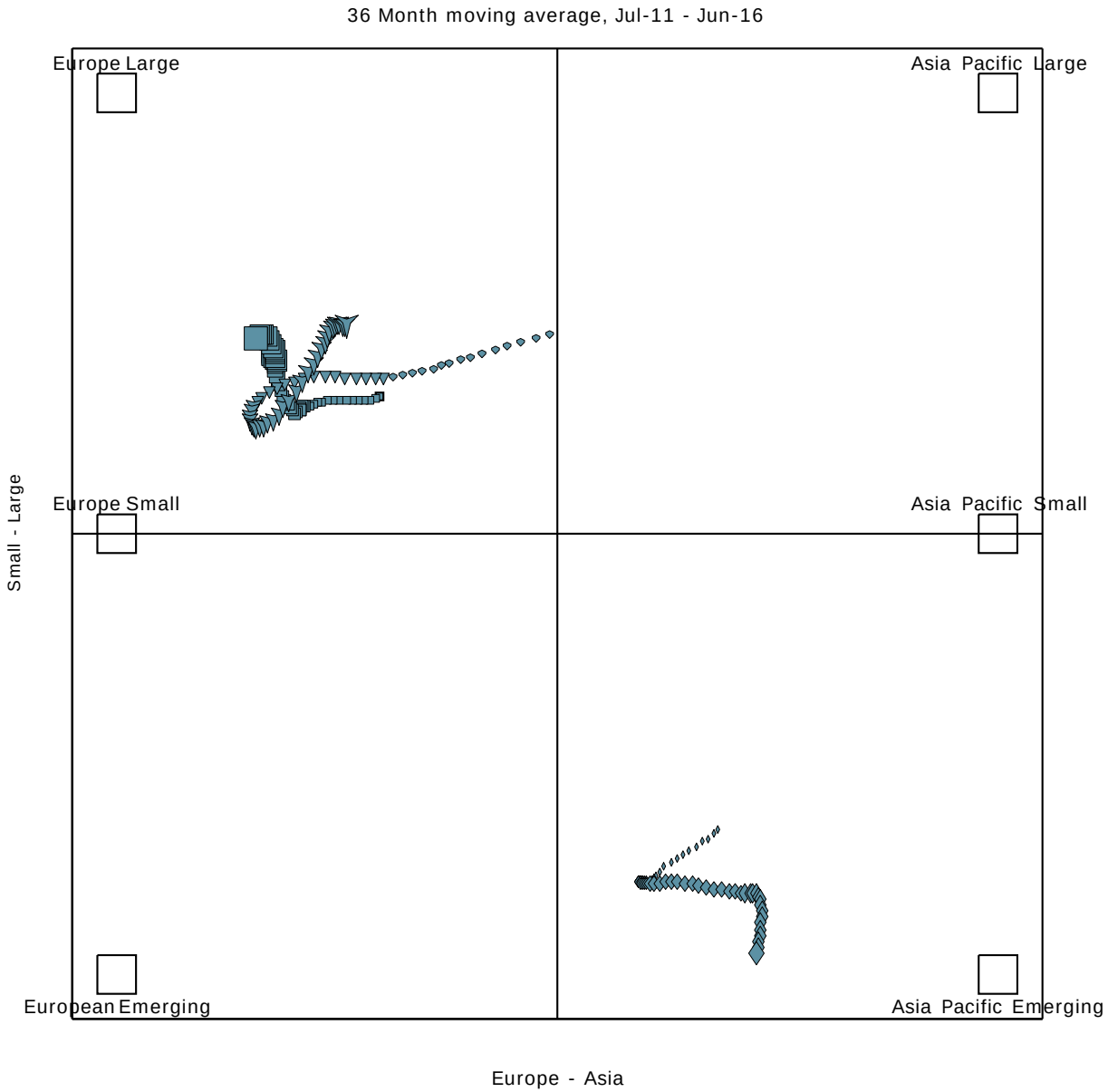
U.S. Fixed Income Style Map



U.S. Equity Style Map



International Equity Style Map

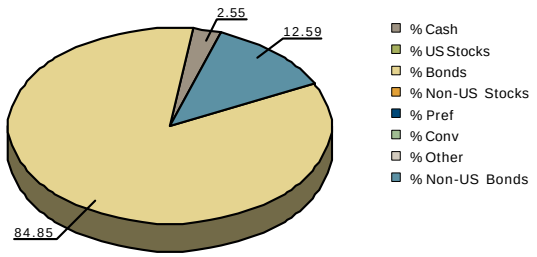


Core Fund Review

Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Short-Term Bond Index Adm



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	2.55
% US Stocks	0.00
% Bonds	84.85
% Non-US Stocks	0.00
% Pref	0.01
% Conv	0.00
% Other	0.00
% Non-US Bonds	12.59

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

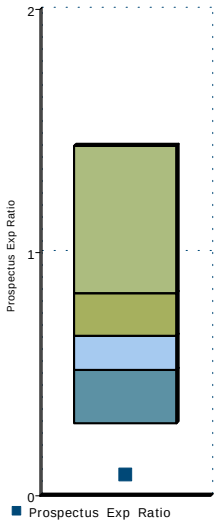
Credit Quality	
Avg Eff Duration	2.74
Effective Maturity	2.80
Avg Credit Quality	AA
AAA	69.97
AA	4.74
A	12.96
BBB	12.33
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note 1.375%	1.97%
US Treasury Note 1.25%	1.67%
US Treasury Note 1.5%	1.63%
US Treasury Note 1.25%	1.56%
US Treasury Note 1.625%	1.49%
US Treasury Note 1.375%	1.44%
US Treasury Note 0.625%	1.25%
US Treasury Note 1.625%	1.22%
US Treasury Note 1%	1.21%
US Treasury Note 1.375%	1.19%

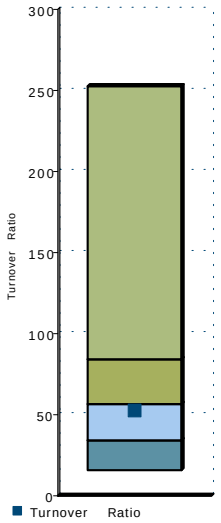
Portfolio Information	
Ticker	VBIRX
Morningstar Category	Short-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	45369.39
Net Assets $MM	44901.48
Turnover Ratio	52.00
% Assets in Top 10 Holdings	14.63
Total Number of Holdings	2367.00
Manager Name	Joshua C. Barrickman
Manager Tenure	3.35
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.09
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	25
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	41
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	26

Expense Ratio vs. Peer Group



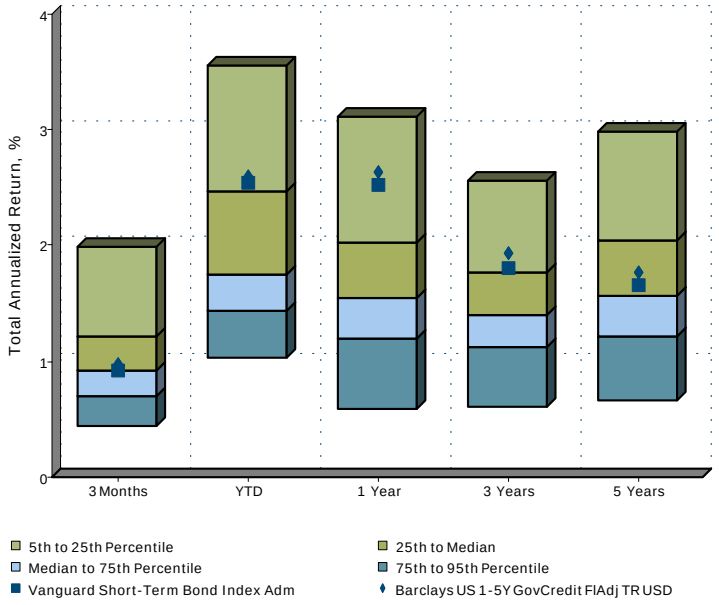
Turnover Ratio vs. Peer Group



Investment Strategy Summary

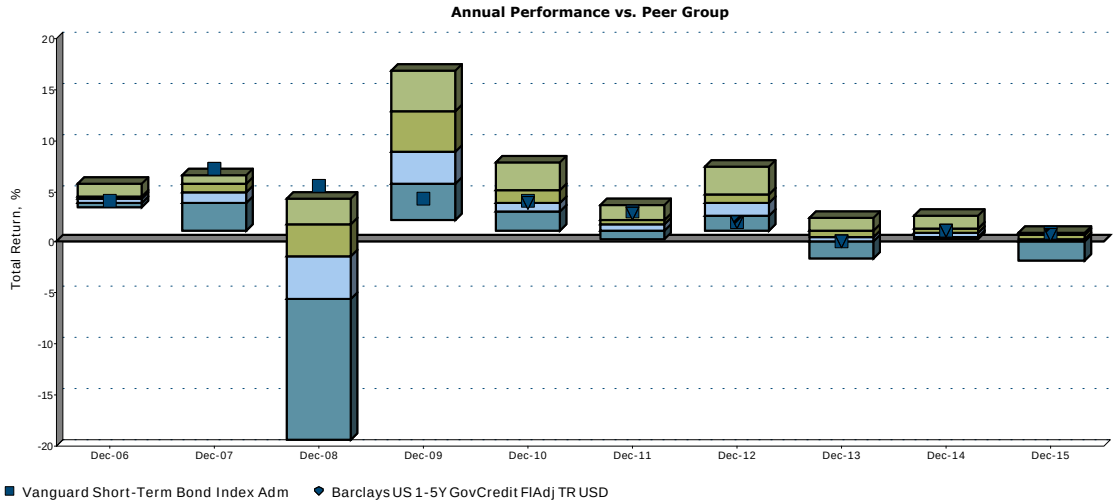
The investment seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

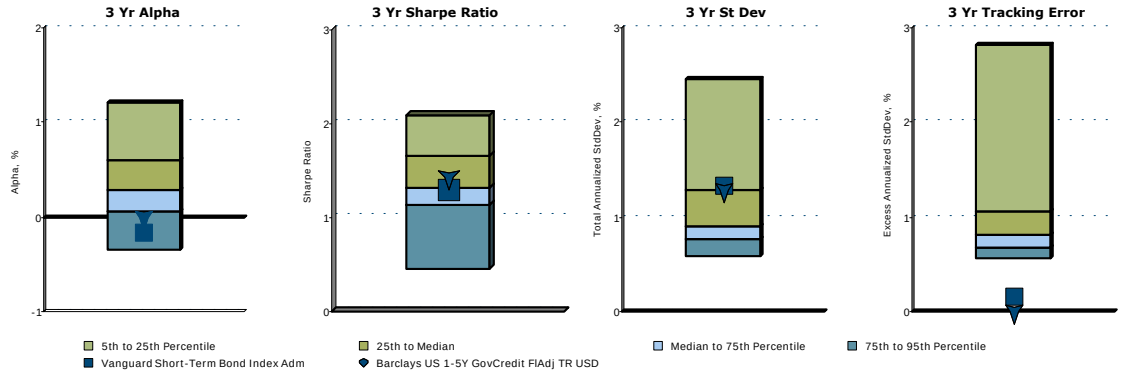


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Short-Term Bond Index Adm	0.93	2.55	2.52	1.81	1.66
Barclays US 1-5Y GovCredit FIAdj TR USD	0.98	2.61	2.63	1.93	1.77
Universe(5%)	1.99	3.56	3.11	2.56	2.99
Universe(25%)	1.21	2.48	2.04	1.77	2.04
Universe(Median)	0.92	1.75	1.55	1.40	1.57
Universe(75%)	0.69	1.44	1.20	1.13	1.21
Universe(95%)	0.43	1.04	0.59	0.61	0.66

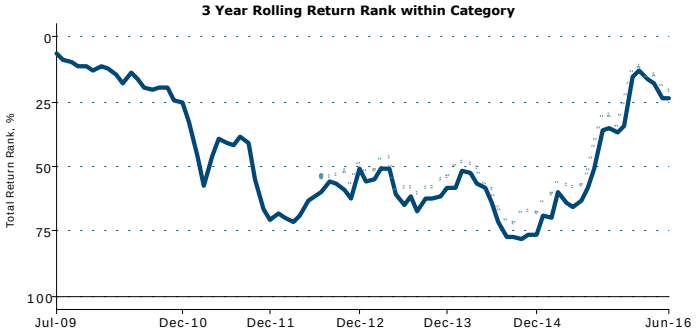
Vanguard Short-Term Bond Index Adm

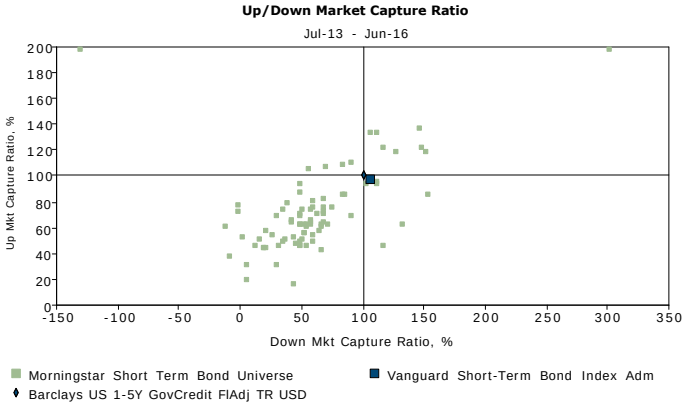


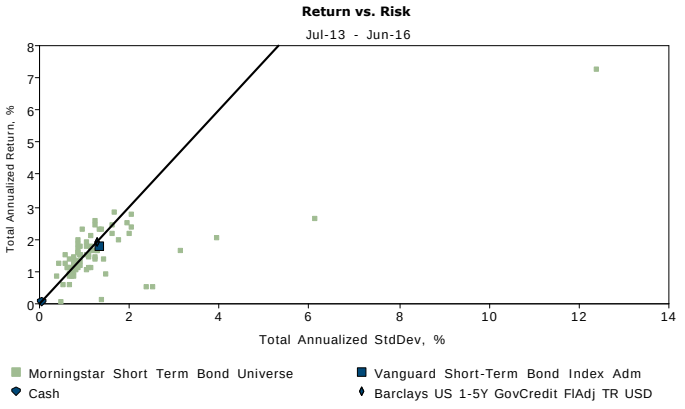
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Short-Term Bond Index Adm	4.16	7.31	5.51	4.38	4.03	3.08	2.05	0.17	1.26	0.92
Barclays US 1-5Y GovCredit FIAdj TR USD	NA	NA	NA	NA	4.08	3.13	2.24	0.29	1.43	0.97



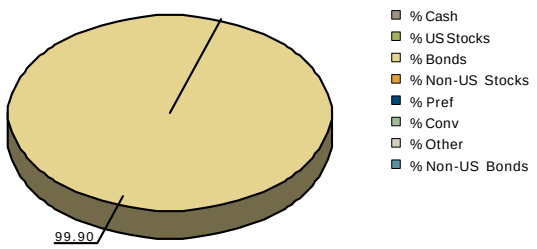
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Short-Term Bond Index Adm	-0.16	1.03	98.69	1.30	1.32	0.15
Barclays US 1-5Y GovCredit FIAdj TR USD	0.00	1.00	100.00	1.43	1.28	0.00
Universe(5%)	1.20	1.18	92.14	2.09	2.47	2.82
Universe(25%)	0.59	0.67	79.87	1.66	1.29	1.06
Universe(Median)	0.28	0.55	62.28	1.33	0.91	0.82
Universe(75%)	0.06	0.44	38.83	1.13	0.76	0.67
Universe(95%)	-0.34	0.23	5.16	0.46	0.58	0.57







Vanguard Inflation-Protected Secs I



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	0.10
% US Stocks	0.00
% Bonds	99.90
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

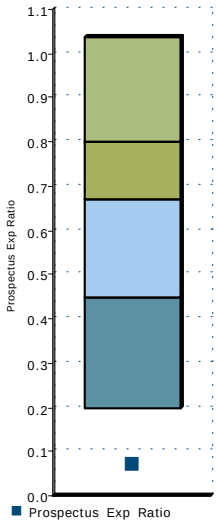
Credit Quality	
Avg Eff Duration	8.12
Effective Maturity	8.60
Avg Credit Quality	Government
AAA	100.00
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note	5.53%
US Treasury Note	5.12%
US Treasury Note	4.97%
US Treasury Note	4.96%
US Treasury Note	4.18%
US Treasury Note	4.08%
US Treasury Note	4.05%
US Treasury Note	4.01%
US Treasury Note	3.99%
US Treasury Note	3.89%

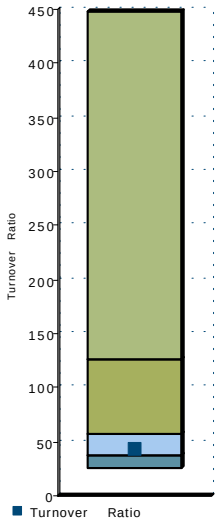
Portfolio Information	
Ticker	VIPIX
Morningstar Category	Inflation-Protected Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	12178.60
Net Assets $MM	24375.95
Turnover Ratio	43.00
% Assets in Top 10 Holdings	44.78
Total Number of Holdings	38.00
Manager Name	Gemma Wright-Casparius
Manager Tenure	4.87
Fund Incept Date	12/12/2003
Prospectus Exp Ratio	0.07
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	7
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	3
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	5

Expense Ratio vs. Peer Group



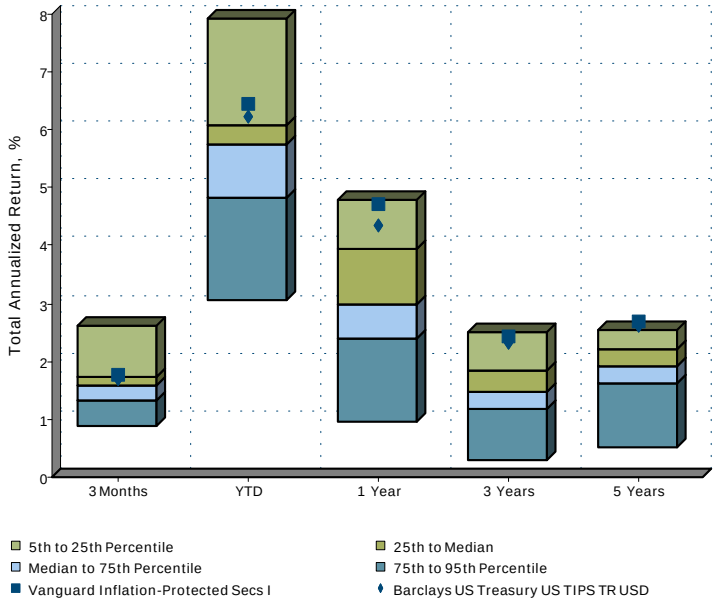
Turnover Ratio vs. Peer Group



Investment Strategy Summary

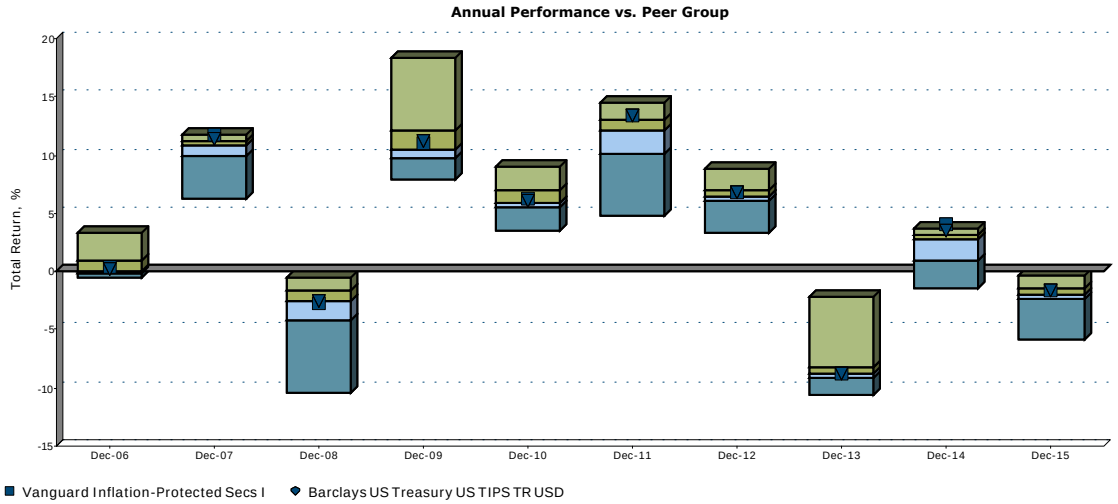
The investment seeks to provide inflation protection and income consistent with investment in inflation-indexed securities. The fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. It may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the fund will be rated investment-grade or, if unrated, will be considered by the advisor to be investment-grade.

Performance vs. Peer Group

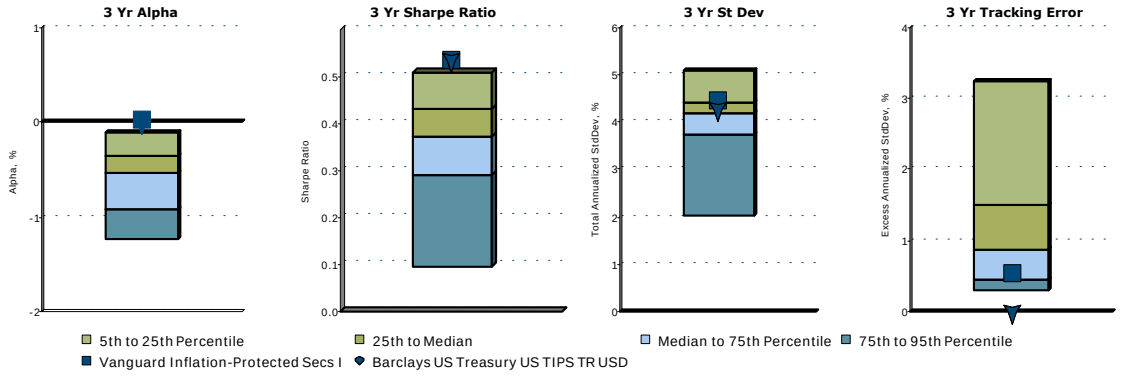


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Inflation-Protected Secs I	1.79	6.44	4.73	2.42	2.70
Barclays US Treasury US TIPS TR USD	1.71	6.24	4.35	2.31	2.63
Universe(5%)	2.60	7.92	4.80	2.52	2.55
Universe(25%)	1.73	6.08	3.94	1.85	2.22
Universe(Median)	1.60	5.75	2.97	1.46	1.93
Universe(75%)	1.33	4.85	2.39	1.19	1.64
Universe(95%)	0.87	3.07	0.94	0.30	0.51

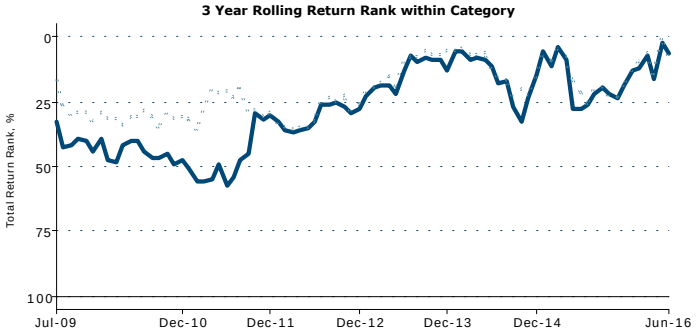
Vanguard Inflation-Protected Secs I

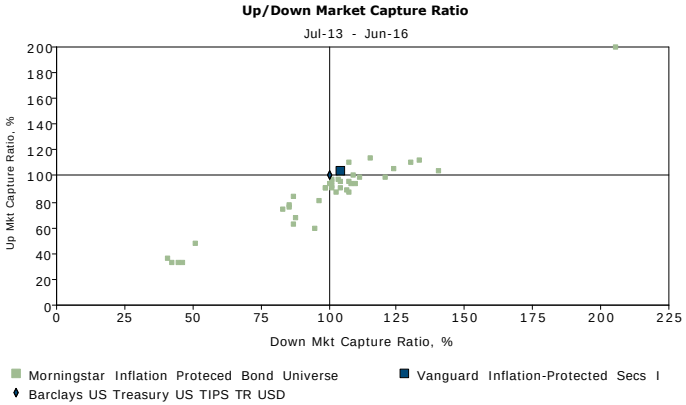


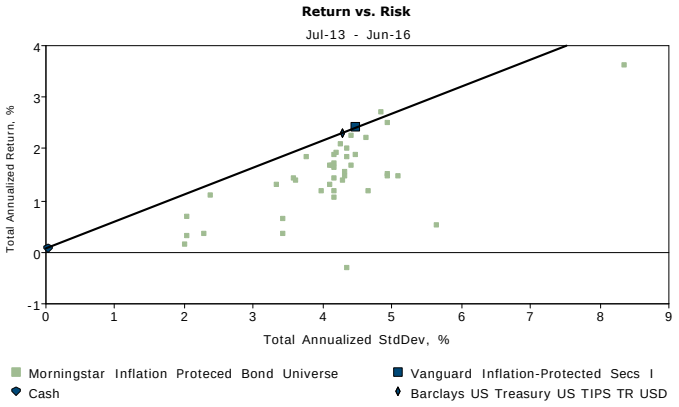
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Inflation-Protected Secs I	0.46	11.82	-2.81	11.03	6.33	13.39	6.87	-8.83	4.07	-1.67
Barclays US Treasury US TIPS TR USD	0.41	11.64	-2.35	11.41	6.31	13.56	6.98	-8.61	3.64	-1.44



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Inflation-Protected Secs I	0.02	1.04	98.64	0.54	4.48	0.55
Barclays US Treasury US TIPS TR USD	0.00	1.00	100.00	0.54	4.27	0.00
Universe(5%)	-0.10	1.14	99.51	0.51	5.08	3.25
Universe(25%)	-0.35	1.03	98.98	0.43	4.42	1.51
Universe(Median)	-0.54	0.97	96.99	0.37	4.18	0.87
Universe(75%)	-0.92	0.82	91.47	0.29	3.76	0.46
Universe(95%)	-1.23	0.40	65.96	0.10	2.04	0.31



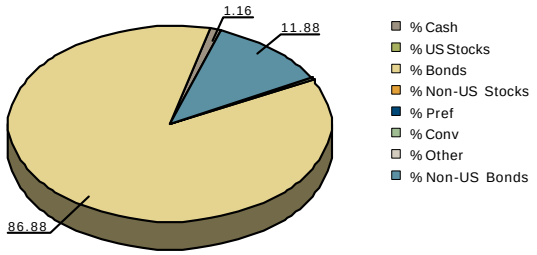




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Interm-Term Bond Index Adm



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	1.16
% US Stocks	0.00
% Bonds	86.88
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.08
% Other	0.00
% Non-US Bonds	11.88

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

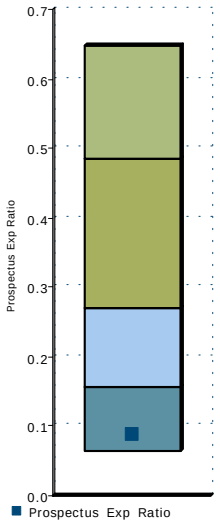
Credit Quality	
Avg Eff Duration	6.53
Effective Maturity	7.30
Avg Credit Quality	A
AAA	55.63
AA	4.22
A	16.29
BBB	23.84
BB	0.00
B	0.00
Below B	0.02
NR/NA	0.00

Top Ten Holdings	
US Treasury Note 2.5%	3.01%
US Treasury Note 1.75%	2.69%
US Treasury Note 1.625%	2.28%
US Treasury Note 2.125%	2.20%
US Treasury Note 2.75%	2.19%
US Treasury Note 2.25%	1.86%
US Treasury Note 2.5%	1.78%
US Treasury Note 2%	1.70%
US Treasury Note 2.25%	1.63%
US Treasury Note 2%	1.63%

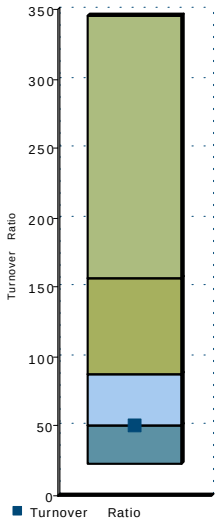
Portfolio Information	
Ticker	VBILX
Morningstar Category	Intermediate-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	27623.33
Turnover Ratio	51.00
% Assets in Top 10 Holdings	20.97
Total Number of Holdings	1899.00
Manager Name	Joshua C. Barrickman
Manager Tenure	8.19
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.09
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	4
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	4
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	4

Expense Ratio vs. Peer Group



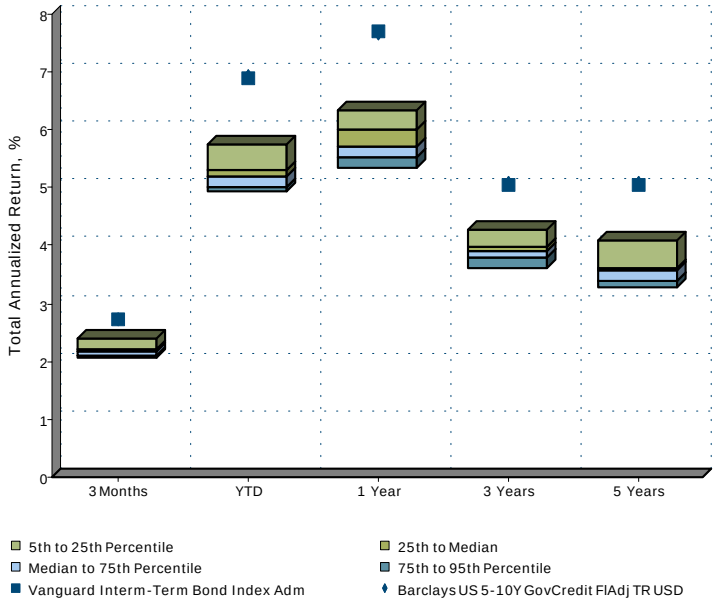
Turnover Ratio vs. Peer Group



Investment Strategy Summary

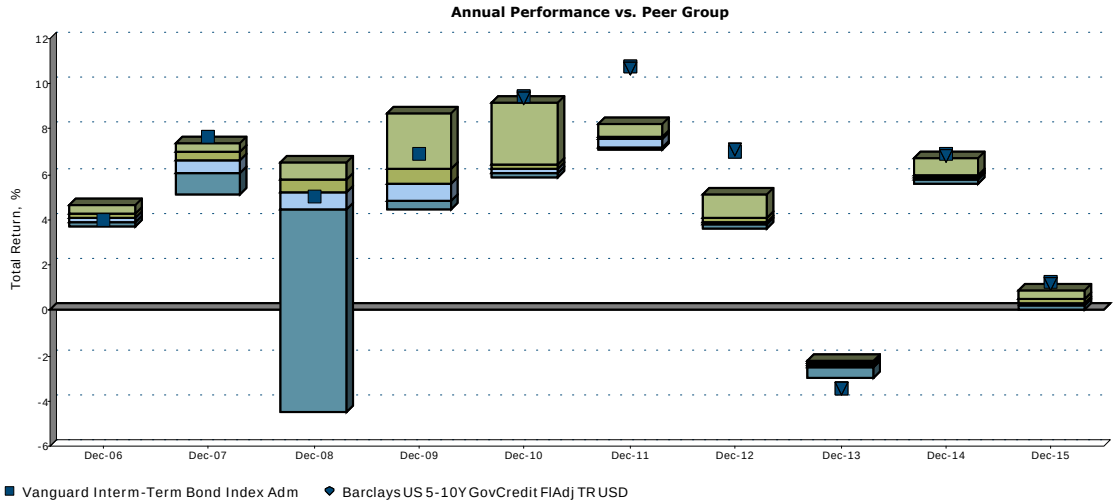
The investment seeks the performance of a market-weighted bond index with an intermediate-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 5-10 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 5 and 10 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

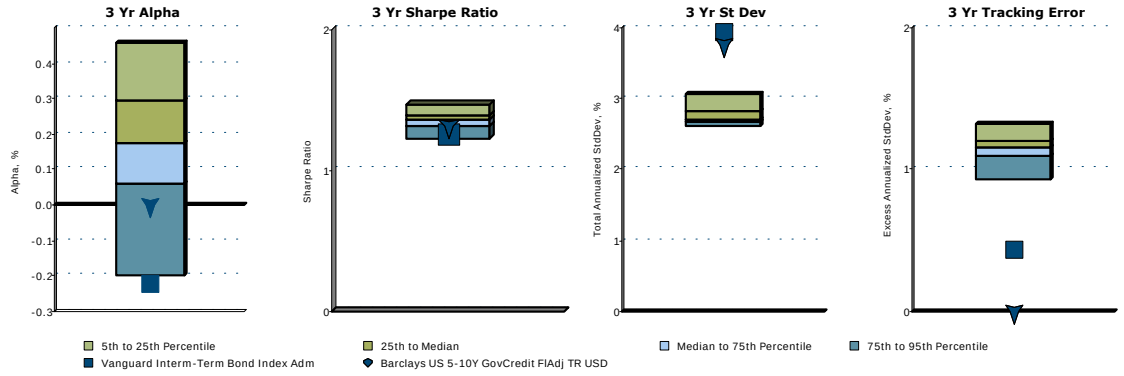


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Interm-Term Bond Index Adm	2.71	6.88	7.71	5.06	5.03
Barclays US 5-10Y GovCredit FlAdj TR USD	2.74	6.93	7.68	5.08	5.08
Universe(5%)	2.41	5.76	6.35	4.28	4.08
Universe(25%)	2.22	5.32	5.99	3.97	3.62
Universe(Median)	2.16	5.19	5.72	3.91	3.57
Universe(75%)	2.09	5.02	5.53	3.79	3.40
Universe(95%)	2.06	4.94	5.34	3.60	3.28

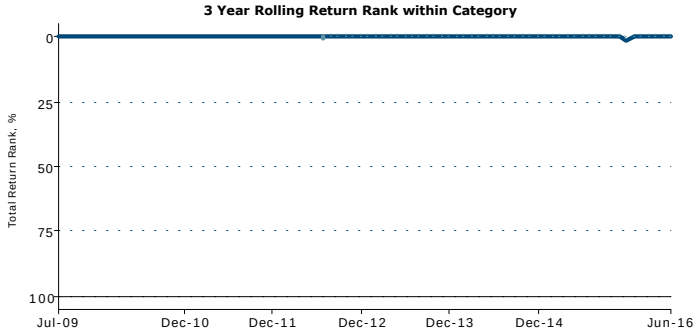
Vanguard Interm-Term Bond Index Adm

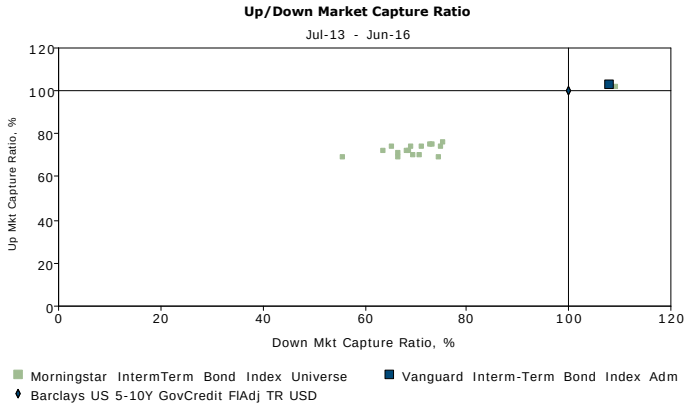


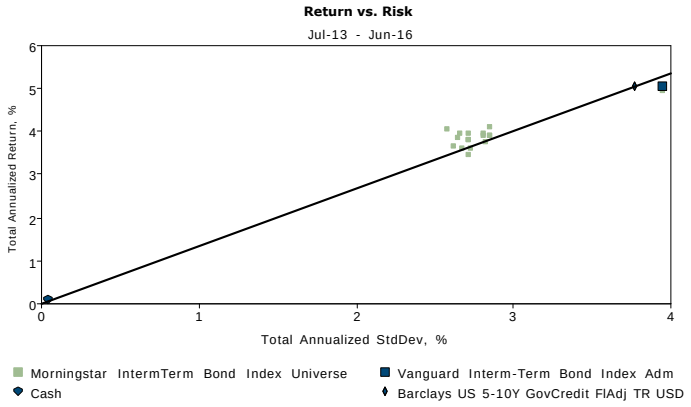
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Interm-Term Bond Index Adm	3.98	7.70	5.01	6.89	9.49	10.73	7.02	-3.45	6.96	1.27
Barclays US 5-10Y GovCredit FIAdj TR USD	NA	NA	NA	NA	9.44	10.79	7.22	-3.37	6.91	1.28



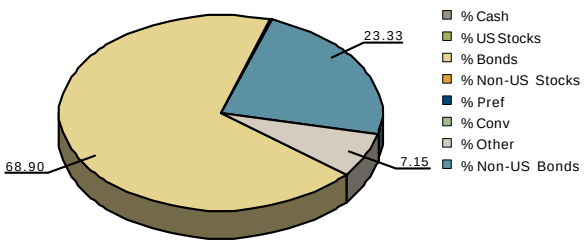
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Interm-Term Bond Index Adm	-0.22	1.04	98.95	1.25	3.95	0.44
Barclays US 5-10Y GovCredit FIAdj TR USD	0.00	1.00	100.00	1.31	3.77	0.00
Universe(5%)	0.46	0.81	98.37	1.46	3.07	1.32
Universe(25%)	0.30	0.74	97.85	1.40	2.82	1.20
Universe(Median)	0.17	0.71	97.45	1.36	2.71	1.16
Universe(75%)	0.06	0.70	97.27	1.32	2.67	1.09
Universe(95%)	-0.20	0.68	95.04	1.23	2.61	0.94







Columbia Strategic Income Y



Portfolio Region	
% United States	96.73
% Canada	0.00
% Latin America	0.00
% United Kingdom	3.27
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.18
% US Stocks	0.43
% Bonds	68.90
% Non-US Stocks	0.01
% Pref	0.00
% Conv	0.00
% Other	7.15
% Non-US Bonds	23.33

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

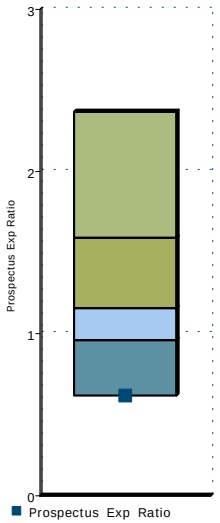
Credit Quality	
Avg Eff Duration	3.10
Effective Maturity	7.23
Avg Credit Quality	BB
AAA	12.03
AA	0.09
A	2.27
BBB	21.70
BB	23.92
B	21.12
Below B	6.46
NR/NA	12.40

Top Ten Holdings	
FNMA	3.53%
Ginnie Mae Jumbos TBA 3% 2046-04-01	1.35%
FNMA	1.04%
Five Corners Fdg Tr 144A 4.419%	0.99%
At&T 4.35%	0.83%
Fannie Mae Single Family TBA 3% 2031-04-01	0.81%
Hungary (Rep Of) 5.5%	0.74%
Csmc Tr 2014-Rpl1 CMO	0.73%
British Sky Broadcstg Grp 144A 3.125%	0.70%
Gs Mtg Coml 2007-Gg10 CMO	0.69%

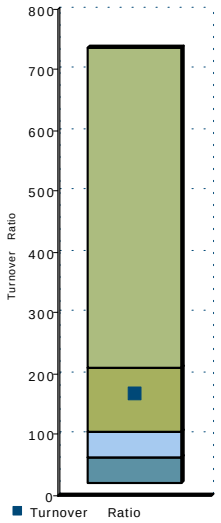
Portfolio Information	
Ticker	CPHUX
Morningstar Category	Nontraditional Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	6060.61
Net Assets $MM	2797.85
Turnover Ratio	169.00
% Assets in Top 10 Holdings	11.40
Total Number of Holdings	906.00
Manager Name	Colin J. Lundgren
Manager Tenure	6.10
Fund Incept Date	06/13/2013
Prospectus Exp Ratio	0.62
Phone Number	800-345-6611

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	2
5 Year Mstar Rating	NA
% Rank Cat 5 Yr	NA
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



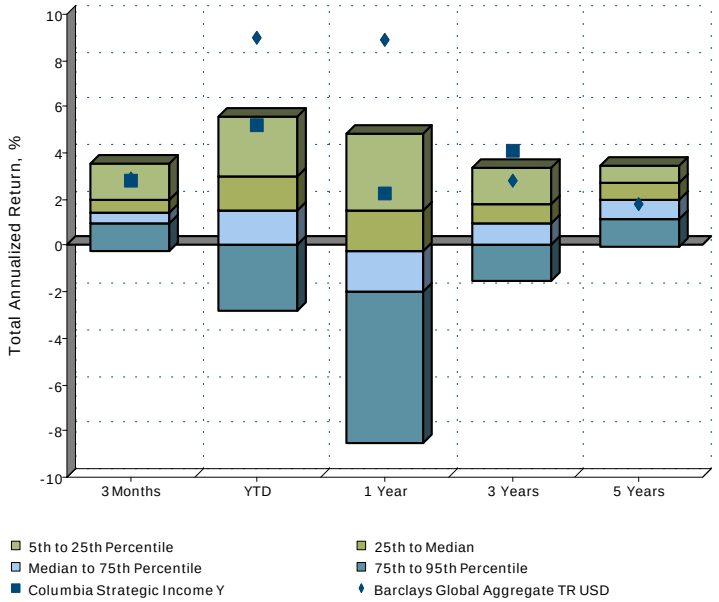
Turnover Ratio vs. Peer Group



Investment Strategy Summary

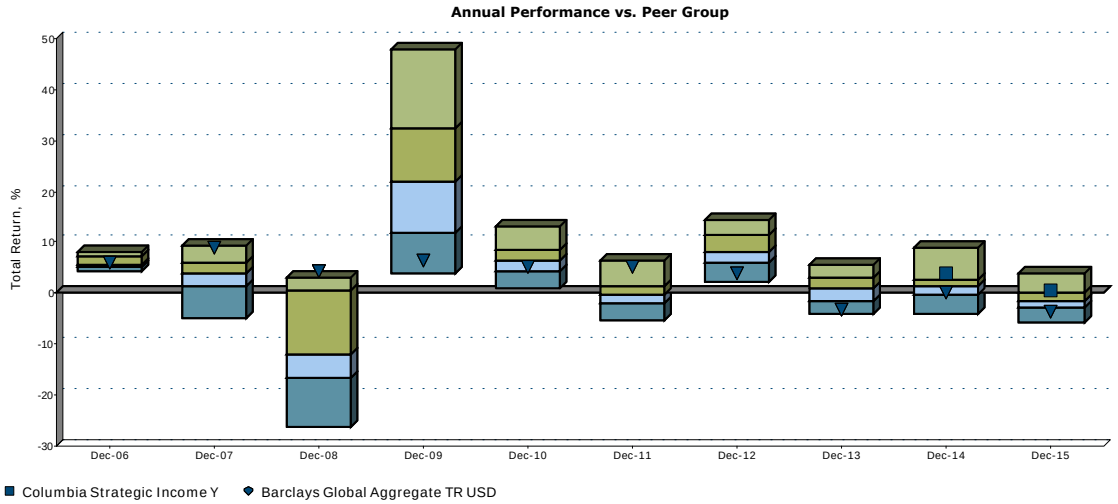
The investment seeks total return, consisting of current income and capital appreciation. Under normal circumstances, the fund has substantial exposure to fixed-income/debt markets. It may invest in U.S. government bonds and notes, U.S. and international bonds and notes, investment grade corporate (or similar) bonds and notes, mortgage- and other asset-backed securities, high yield (i.e., junk) instruments, floating rate loans and other floating rate debt securities, inflation-protected/linked securities, convertible securities, cash/cash equivalents, as well as foreign government, sovereign and quasi-sovereign debt investments.

Performance vs. Peer Group

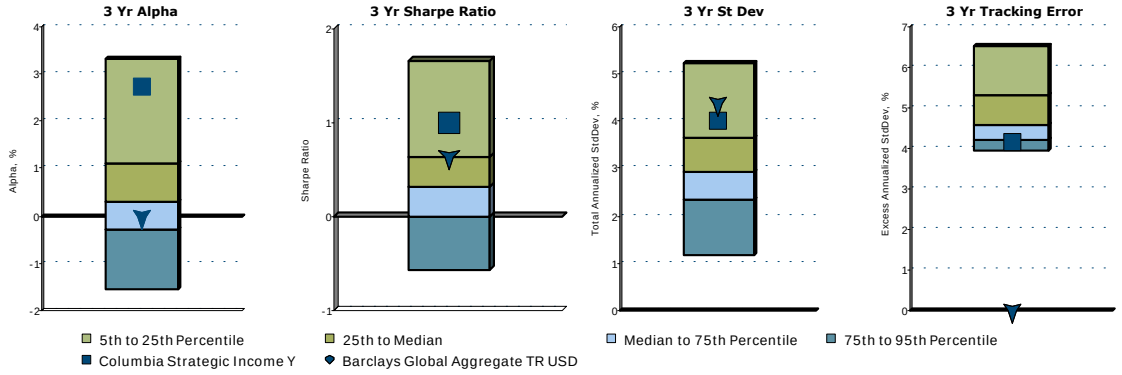


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Columbia Strategic Income Y	2.85	5.20	2.29	4.13	NA
Barclays Global Aggregate TR USD	2.89	8.96	8.87	2.80	1.77
Universe(5%)	3.55	5.56	4.80	3.36	3.46
Universe(25%)	2.00	3.00	1.54	1.81	2.73
Universe(Median)	1.43	1.56	-0.26	0.99	1.95
Universe(75%)	1.00	0.05	-1.99	0.08	1.18
Universe(95%)	-0.19	-2.82	-8.53	-1.51	-0.02

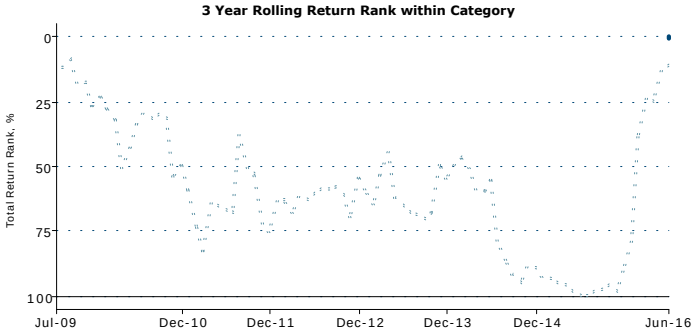
Columbia Strategic Income Y

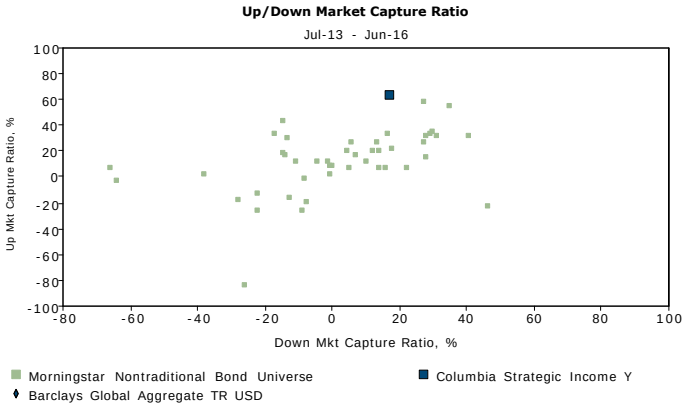


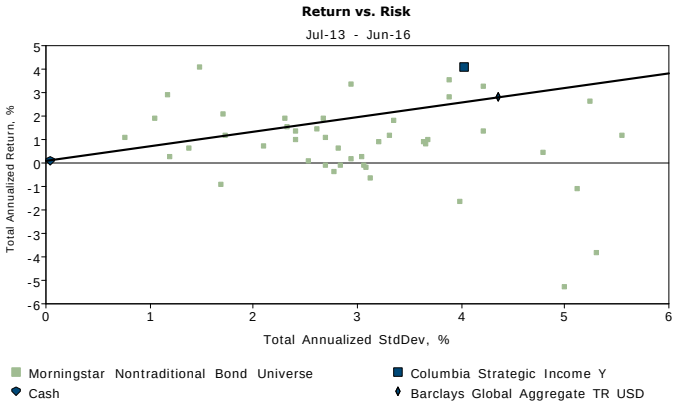
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Columbia Strategic Income Y	NA	NA	NA	NA	NA	NA	NA	NA	3.99	0.66
Barclays Global Aggregate TR USD	6.64	9.48	4.79	6.93	5.54	5.64	4.32	-2.60	0.59	-3.15



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Columbia Strategic Income Y	2.75	0.47	25.36	1.00	4.03	4.18
Barclays Global Aggregate TR USD	0.00	1.00	100.00	0.63	4.36	0.00
Universe(5%)	3.31	0.38	24.04	1.66	5.21	6.55
Universe(25%)	1.10	0.25	15.75	0.63	3.67	5.34
Universe(Median)	0.29	0.13	7.89	0.33	2.93	4.58
Universe(75%)	-0.27	0.06	3.58	0.01	2.33	4.21
Universe(95%)	-1.57	-0.18	0.57	-0.56	1.17	3.95



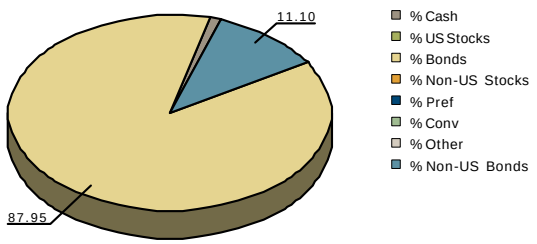




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Long-Term Bond Index Inv



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	0.93
% US Stocks	0.00
% Bonds	87.95
% Non-US Stocks	0.00
% Pref	0.02
% Conv	0.00
% Other	0.00
% Non-US Bonds	11.10

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

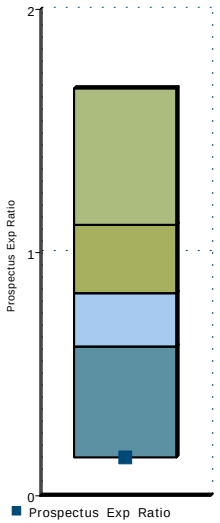
Credit Quality	
Avg Eff Duration	15.24
Effective Maturity	24.10
Avg Credit Quality	A
AAA	41.51
AA	7.00
A	23.15
BBB	28.34
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Bond 2.875%	1.93%
US Treasury Bond 2.5%	1.88%
US Treasury Bond 3.625%	1.82%
US Treasury Bond 2.875%	1.64%
US Treasury Bond 3%	1.58%
US Treasury Bond 3%	1.56%
US Treasury Bond 3.75%	1.55%
US Treasury Bond 3.125%	1.54%
US Treasury Bond 2.75%	1.51%
US Treasury Bond 3.375%	1.40%

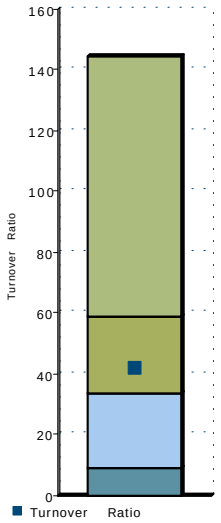
Portfolio Information	
Ticker	VBLTX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	10174.86
Turnover Ratio	42.00
% Assets in Top 10 Holdings	16.40
Total Number of Holdings	2039.00
Manager Name	Joshua C. Barrickman
Manager Tenure	3.35
Fund Incept Date	03/01/1994
Prospectus Exp Ratio	0.16
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	34
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	25
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	60

Expense Ratio vs. Peer Group



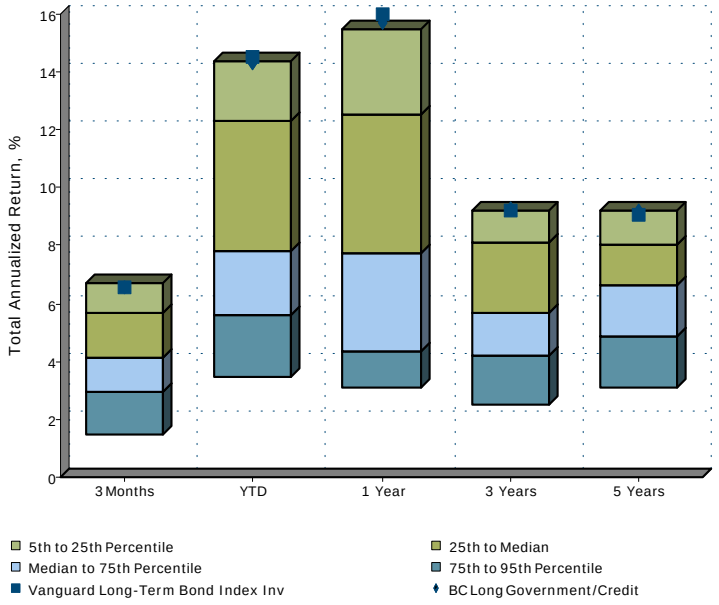
Turnover Ratio vs. Peer Group



Investment Strategy Summary

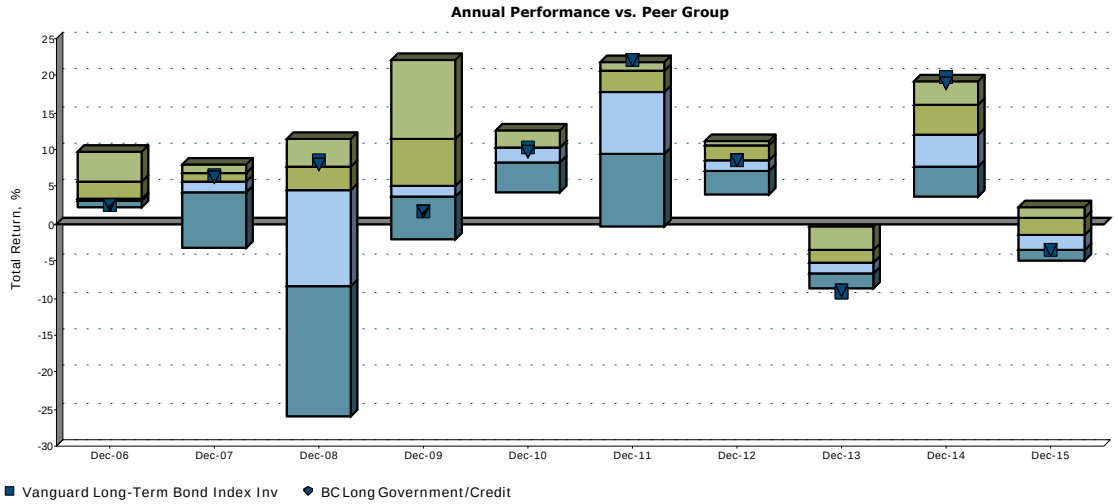
The investment seeks to track the performance of a market-weighted bond index with a long-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Long Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of greater than 10 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

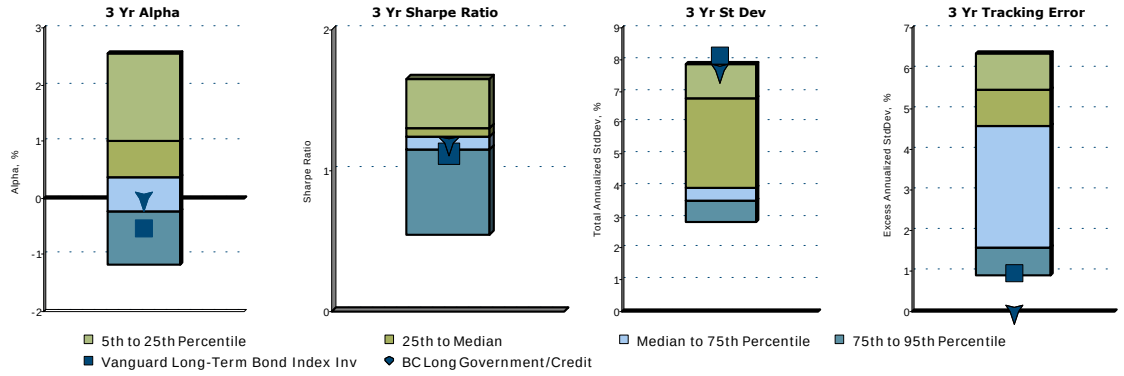


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Long-Term Bond Index Inv	6.60	14.49	15.98	9.24	9.10
BC Long Government/Credit	6.55	14.33	15.72	9.33	9.18
Universe(5%)	6.73	14.40	15.48	9.23	9.19
Universe(25%)	5.70	12.34	12.55	8.08	8.00
Universe(Median)	4.10	7.82	7.74	5.66	6.67
Universe(75%)	2.95	5.59	4.36	4.21	4.84
Universe(95%)	1.47	3.49	3.09	2.48	3.12

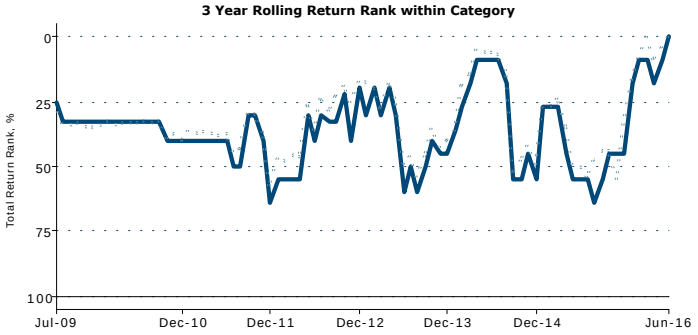
Vanguard Long-Term Bond Index Inv

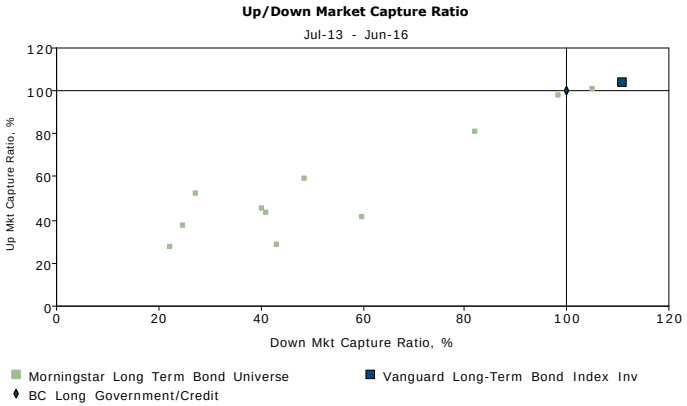


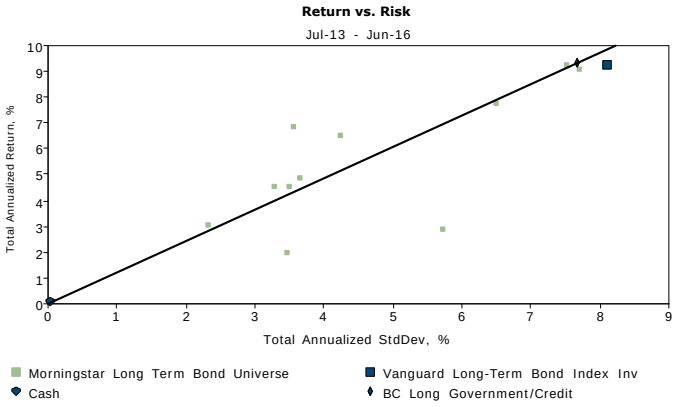
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Long-Term Bond Index Inv	2.67	6.59	8.64	1.76	10.27	22.05	8.49	-9.13	19.72	-3.47
BC Long Government/Credit	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83	19.31	-3.30



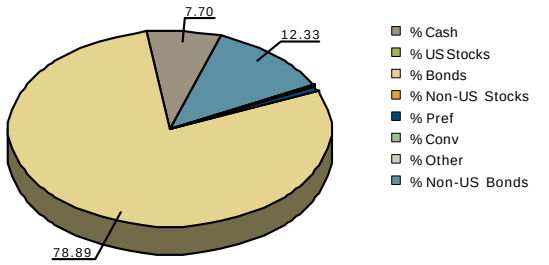
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Long-Term Bond Index Inv	-0.53	1.05	98.92	1.12	8.10	0.93
BC Long Government/Credit	0.00	1.00	100.00	1.19	7.66	0.00
Universe(5%)	2.55	1.02	98.87	1.66	7.88	6.37
Universe(25%)	0.99	0.87	97.13	1.31	6.75	5.47
Universe(Median)	0.35	0.44	79.21	1.24	3.94	4.60
Universe(75%)	-0.25	0.40	71.30	1.15	3.49	1.56
Universe(95%)	-1.18	0.25	32.93	0.54	2.84	0.89







PIMCO Long Duration Total Return Instl



Portfolio Region

% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure

% Cash	7.70
% US Stocks	0.12
% Bonds	78.89
% Non-US Stocks	0.00
% Pref	0.81
% Conv	0.00
% Other	0.15
% Non-US Bonds	12.33

Sector Allocation

% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.00
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	0.00
% Real Estate	0.00
% Technology	0.00
% Energy	0.00
% Financial Services	4.58
% Utilities	95.42

Credit Quality

Avg Eff Duration	14.32
Effective Maturity	22.89
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings

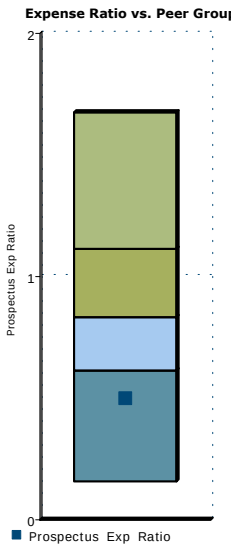
Irs Usd 2.25000 06/15/16-10y Cme	5.97%
US Treasury Note 1.625%	4.84%
Resolution Fdg Fed Bk Prin Stp	3.97%
Fin Fut Us Ultra 30yr Cbt 06/21/16	3.67%
Resolution Fdg Fed Bk Prin Stp	3.56%
US Treasury Bond 2.75%	2.95%
US Treasury Bond 3%	2.77%
US Treasury Note 2.25%	2.55%
U S Treas Bd Stripped Prin Pmt	2.37%
US Treasury Bond	2.30%

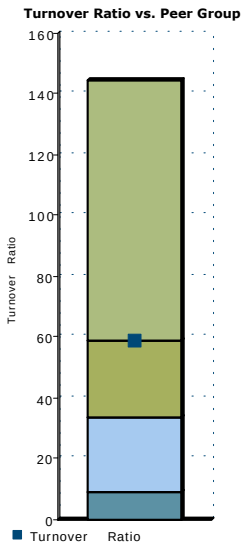
Portfolio Information

Ticker	PLRIX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	3120.52
Turnover Ratio	59.00
% Assets in Top 10 Holdings	34.96
Total Number of Holdings	680.00
Manager Name	Stephen A. Rodosky
Manager Tenure	8.92
Fund Incept Date	08/31/2006
Prospectus Exp Ratio	0.50
Phone Number	888-877-4626

Portfolio Ratings

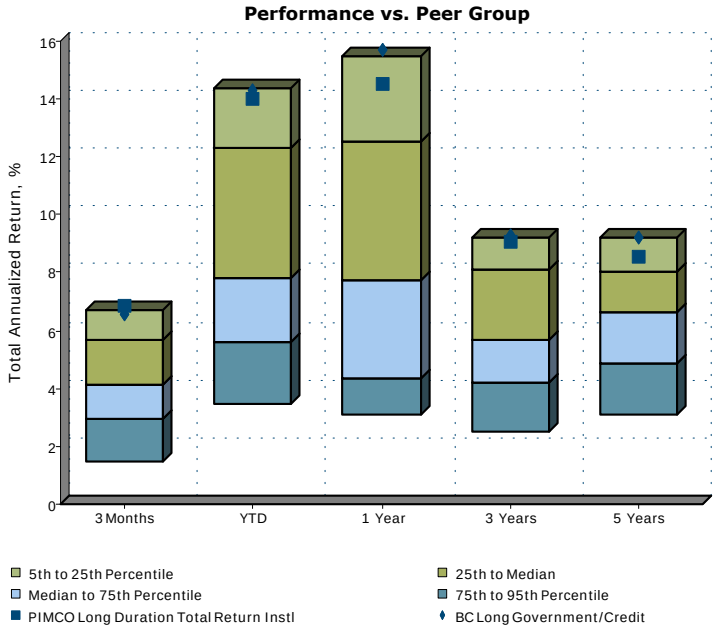
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	47
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	42
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA





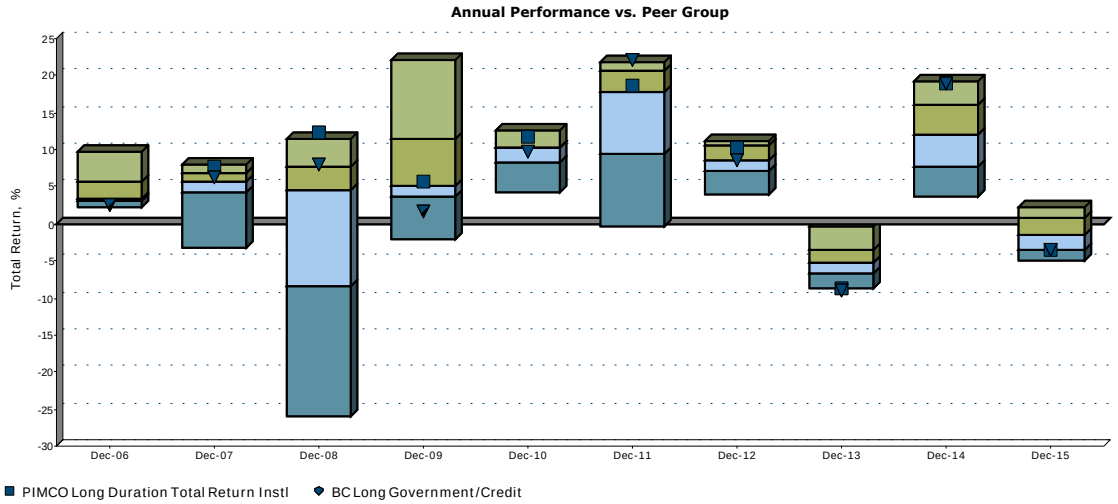
Investment Strategy Summary

The investment seeks maximum total return, consistent with prudent investment management. The fund invests at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. It may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers.

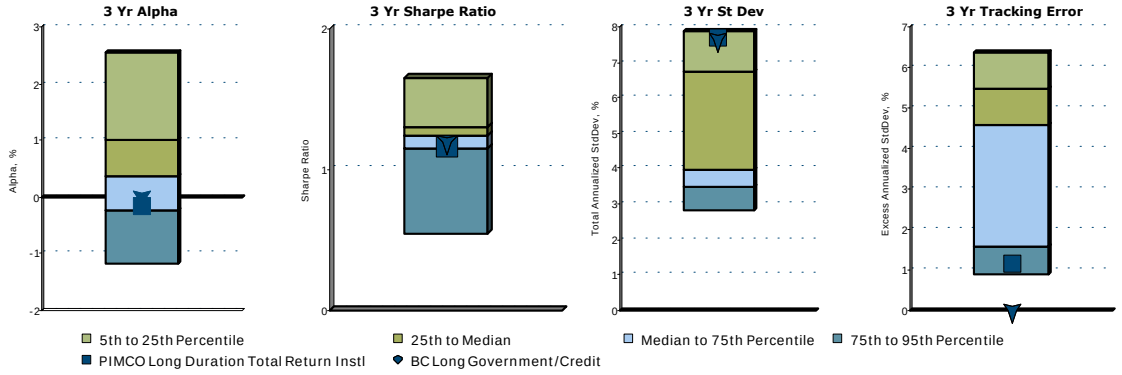


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
PIMCO Long Duration Total Return Instl	6.82	13.99	14.50	9.10	8.55
BC Long Government/Credit	6.55	14.33	15.72	9.33	9.18
Universe(5%)	6.73	14.40	15.48	9.23	9.19
Universe(25%)	5.70	12.34	12.55	8.08	8.00
Universe(Median)	4.10	7.82	7.74	5.66	6.67
Universe(75%)	2.95	5.59	4.36	4.21	4.84
Universe(95%)	1.47	3.49	3.09	2.48	3.12

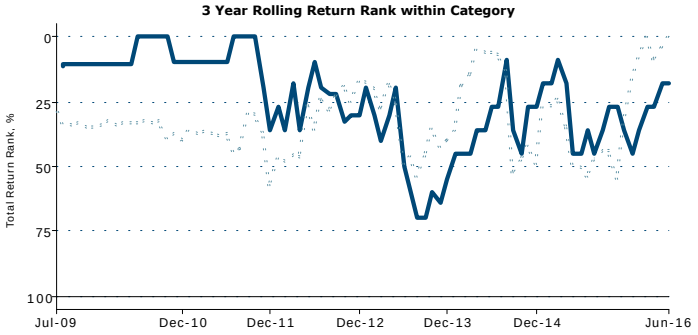
PIMCO Long Duration Total Return Instl

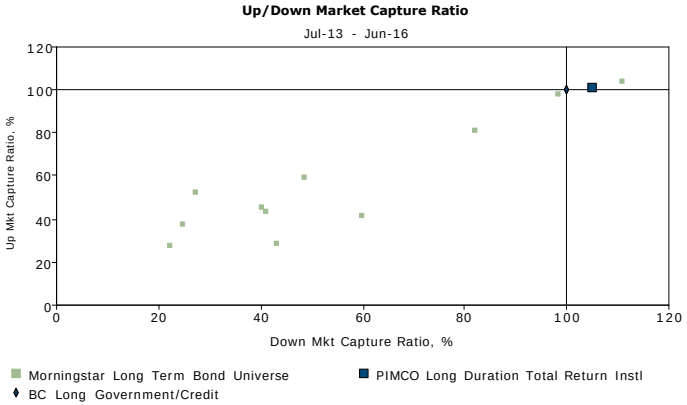


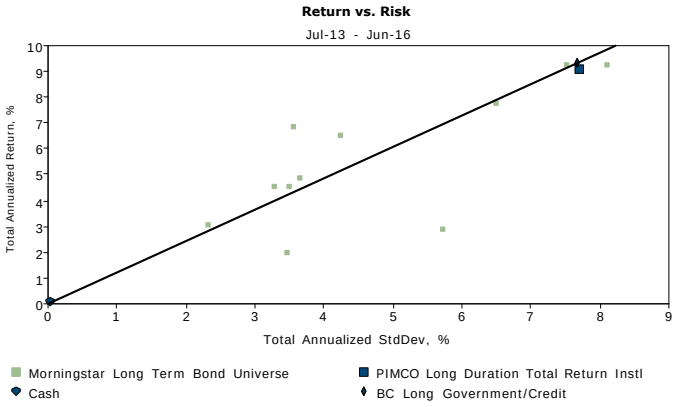
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PIMCO Long Duration Total Return Instl	NA	7.83	12.38	5.62	11.64	18.57	10.28	-8.56	19.02	-3.44
BC Long Government/Credit	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83	19.31	-3.30



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
PIMCO Long Duration Total Return Instl	-0.16	0.99	97.83	1.16	7.70	1.13
BC Long Government/Credit	0.00	1.00	100.00	1.19	7.66	0.00
Universe(5%)	2.55	1.02	98.87	1.66	7.88	6.37
Universe(25%)	0.99	0.87	97.13	1.31	6.75	5.47
Universe(Median)	0.35	0.44	79.21	1.24	3.94	4.60
Universe(75%)	-0.25	0.40	71.30	1.15	3.49	1.56
Universe(95%)	-1.18	0.25	32.93	0.54	2.84	0.89



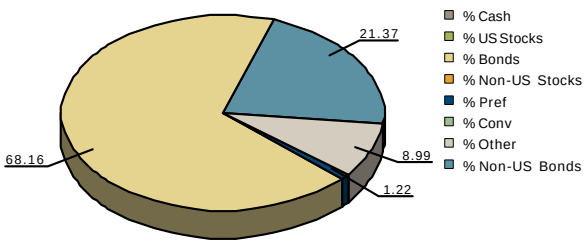




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Ivy High Income I



Portfolio Region	
% United States	0.64
% Canada	0.00
% Latin America	99.36
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.20
% US Stocks	0.00
% Bonds	68.16
% Non-US Stocks	0.06
% Pref	1.22
% Conv	0.00
% Other	8.99
% Non-US Bonds	21.37

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

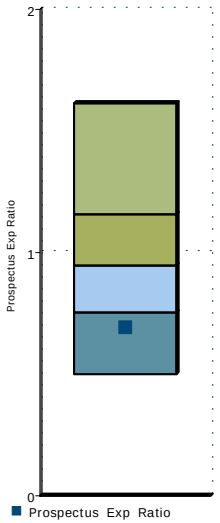
Credit Quality	
Avg Eff Duration	3.20
Effective Maturity	4.50
Avg Credit Quality	B
AAA	0.00
AA	0.00
A	0.00
BBB	0.90
BB	14.80
B	31.10
Below B	49.30
NR/NA	3.90

Top Ten Holdings	
Misys Plc And Magic Newco Llc	3.42%
Laureate Educ 144A 9.25%	2.73%
Jo-Ann Stores 144A 9.75%	1.56%
New Cotai Llc / New Cotai C 144A 10.625%	1.51%
Altice Sa 144A 7.75%	1.44%
Bakercorp Intl 144A 8.25%	1.44%
Pinnacle Operating Corporation 144A 9%	1.32%
Tmx Fin Llc/Titlemax Fin 144A 8.5%	1.22%
Frontier Comms Cv	1.22%
Talbots Inc. (The)	1.20%

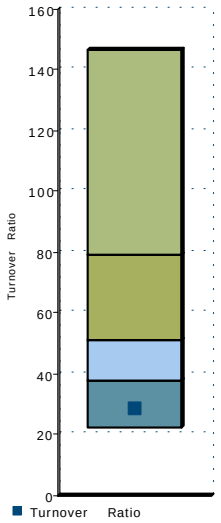
Portfolio Information	
Ticker	IVHIX
Morningstar Category	High Yield Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	20160.52
Net Assets $MM	4866.76
Turnover Ratio	29.00
% Assets in Top 10 Holdings	17.06
Total Number of Holdings	279.00
Manager Name	Chad A. Gunther
Manager Tenure	1.98
Fund Incept Date	04/02/2007
Prospectus Exp Ratio	0.69
Phone Number	800-777-6472

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	69
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



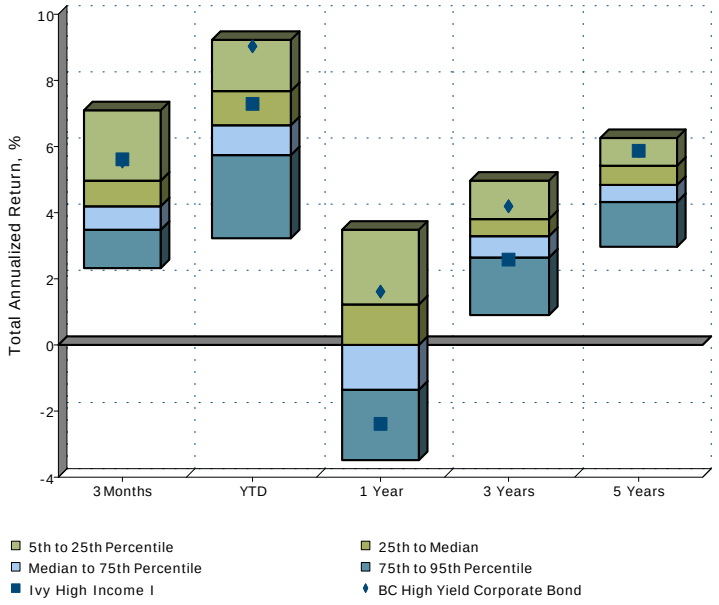
Turnover Ratio vs. Peer Group



Investment Strategy Summary

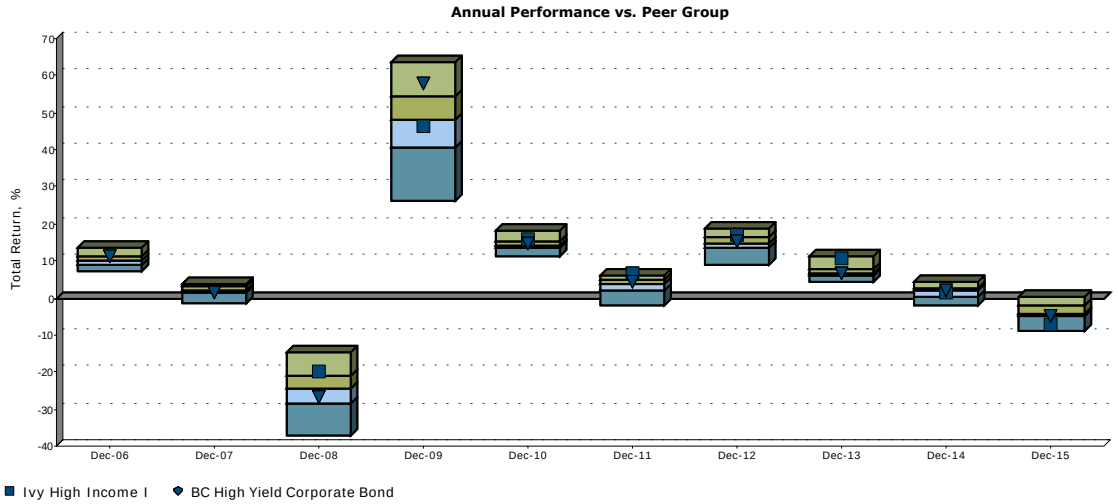
The investment seeks to provide total return through a combination of high current income and capital appreciation. The fund invests primarily in a diversified portfolio of high-yield, high-risk, fixed-income securities, including secured and unsecured loan assignments, loan participations and other loan instruments (loans), of U.S. and foreign corporate issuers, the risks of which are, in the judgment of the adviser consistent with the fund's objective. It may invest up to 100% of its total assets in non-investment grade debt securities. The fund may invest in fixed-income securities of any maturity and in companies of any size.

Performance vs. Peer Group

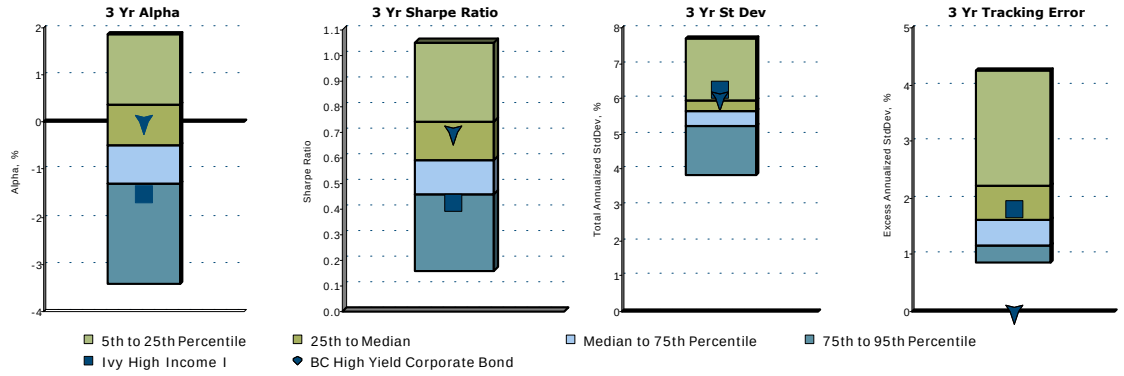


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Ivy High Income I	5.60	7.30	-2.41	2.57	5.85
BC High Yield Corporate Bond	5.52	9.06	1.62	4.18	5.84
Universe(5%)	7.13	9.25	3.49	4.96	6.23
Universe(25%)	4.95	7.69	1.23	3.83	5.41
Universe(Median)	4.18	6.64	0.02	3.29	4.85
Universe(75%)	3.48	5.74	-1.34	2.67	4.33
Universe(95%)	2.29	3.25	-3.48	0.92	2.95

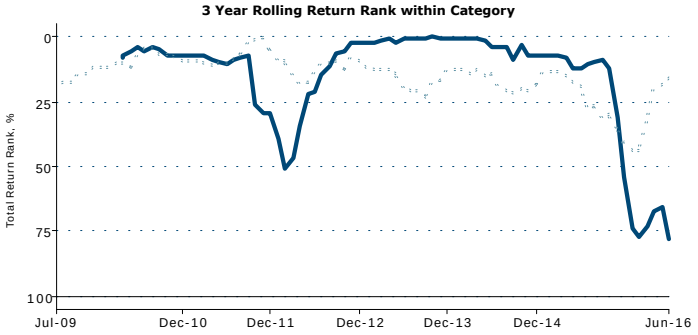
Ivy High Income I

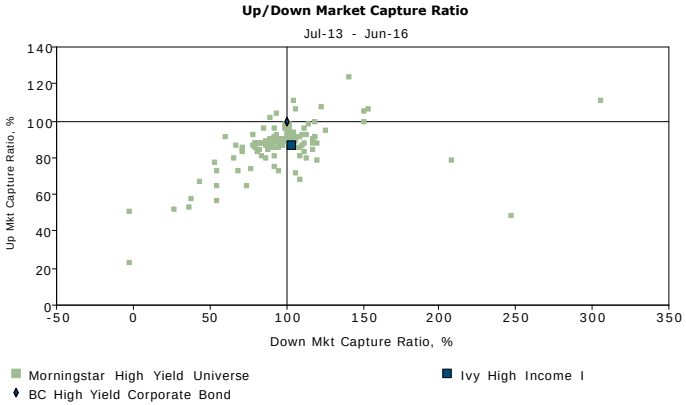


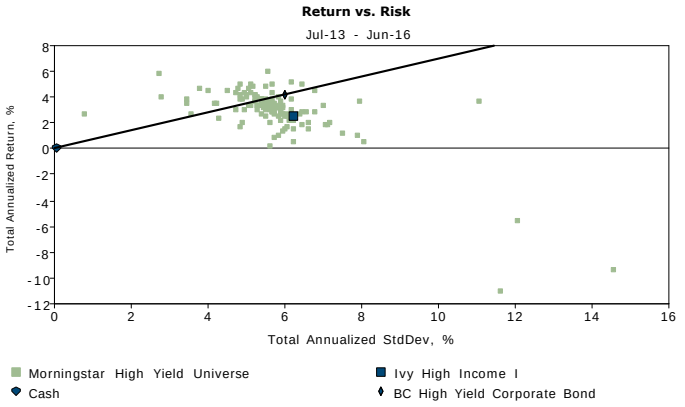
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Ivy High Income I	NA	NA	-19.73	46.56	15.62	6.44	17.16	10.46	1.74	-7.13
BC High Yield Corporate Bond	11.85	1.87	-26.16	58.21	15.12	4.98	15.81	7.44	2.45	-4.47



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Ivy High Income I	-1.53	1.00	91.77	0.42	6.23	1.79
BC High Yield Corporate Bond	0.00	1.00	100.00	0.70	6.00	0.00
Universe(5%)	1.87	1.23	98.30	1.05	7.70	4.26
Universe(25%)	0.35	0.97	96.73	0.75	5.97	2.20
Universe(Median)	-0.47	0.91	93.65	0.59	5.63	1.63
Universe(75%)	-1.29	0.83	89.83	0.46	5.23	1.16
Universe(95%)	-3.40	0.58	58.24	0.16	3.87	0.87



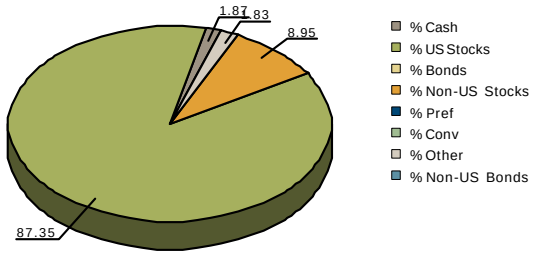




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Equity-Income Adm



Portfolio Region	
% United States	90.70
% Canada	4.26
% Latin America	0.00
% United Kingdom	2.61
% Eurozone	0.00
% Europe - ex Euro	2.22
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.04
% Asia - Emerging	0.16

Portfolio Structure	
% Cash	1.87
% US Stocks	87.35
% Bonds	0.00
% Non-US Stocks	8.95
% Pref	0.00
% Conv	0.00
% Other	1.83
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	1.85
% Communication Services	4.88
% Consumer Cyclical	5.92
% Consumer Defensive	12.34
% Healthcare	12.00
% Industrials	13.50
% Real Estate	0.00
% Technology	13.62
% Energy	10.78
% Financial Services	15.72
% Utilities	9.37

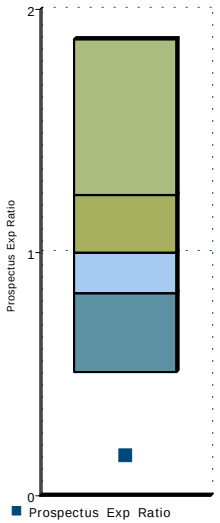
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Microsoft Corp	4.72%
Johnson & Johnson	3.29%
General Electric Co	3.13%
Wells Fargo & Co	2.97%
JPMorgan Chase & Co	2.86%
Verizon Communications Inc	2.78%
Cisco Systems Inc	2.48%
Exxon Mobil Corp	2.47%
Intel Corp	2.25%
Merck & Co Inc	2.16%

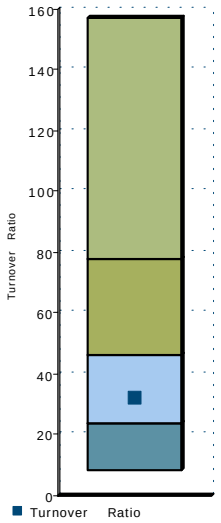
Portfolio Information	
Ticker	VEIRX
Morningstar Category	Large Value
Avg Mkt Cap $MM	78335.54
Cat Med Mkt Cap $MM	78659.23
Net Assets $MM	22207.06
Turnover Ratio	32.00
% Assets in Top 10 Holdings	29.11
Total Number of Holdings	218.00
Manager Name	James P. Stetler
Manager Tenure	12.51
Fund Incept Date	08/13/2001
Prospectus Exp Ratio	0.17
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	6
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	3
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	4

Expense Ratio vs. Peer Group



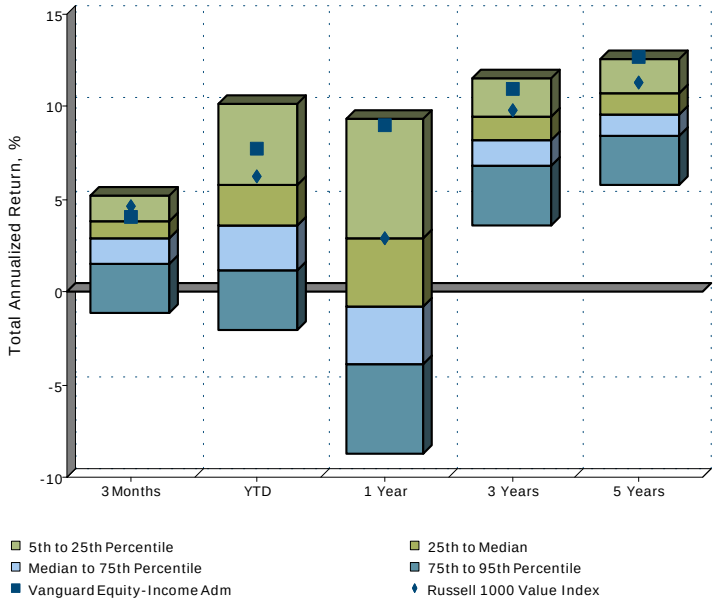
Turnover Ratio vs. Peer Group



Investment Strategy Summary

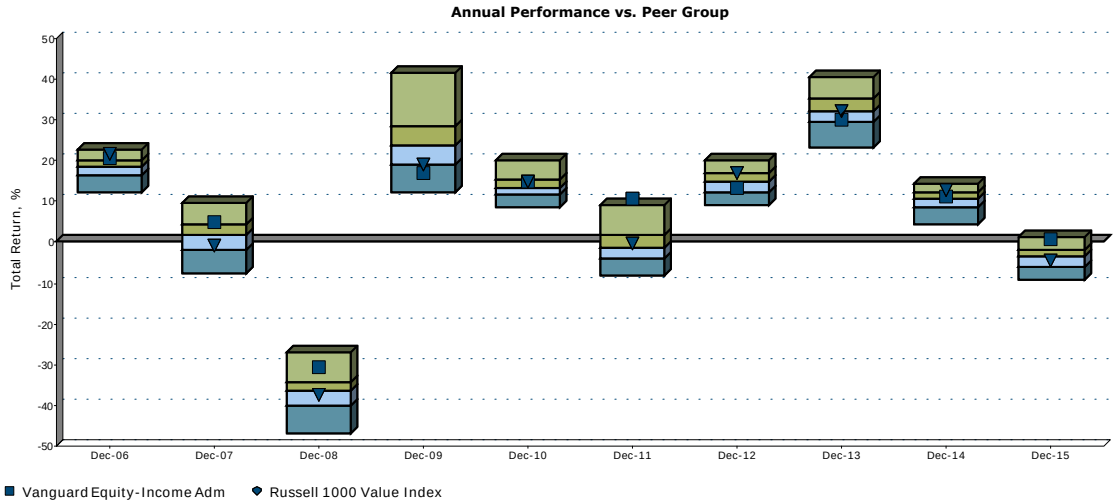
The investment seeks to provide an above-average level of current income and reasonable long-term capital appreciation. The fund invests mainly in common stocks of mid-size and large companies whose stocks typically pay above-average levels of dividend income and are, in the opinion of the purchasing advisor, undervalued relative to other such stocks. In addition, the advisors generally look for companies that they believe are committed to paying dividends consistently. Under normal circumstances, it will invest at least 80% of its assets in equity securities. The fund uses multiple investment advisors.

Performance vs. Peer Group

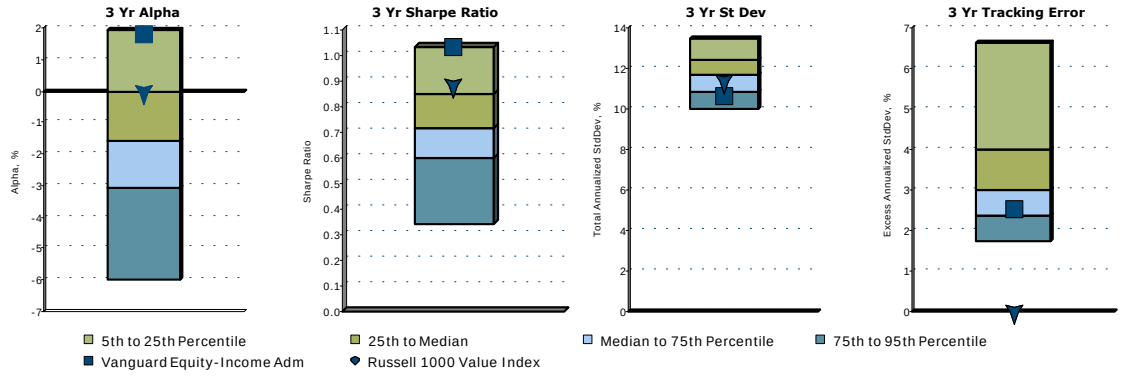


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Equity-Income Adm	4.02	7.71	9.05	10.97	12.72
Russell 1000 Value Index	4.58	6.30	2.86	9.87	11.35
Universe(5%)	5.19	10.17	9.33	11.54	12.63
Universe(25%)	3.82	5.83	2.91	9.49	10.76
Universe(Median)	2.93	3.59	-0.77	8.19	9.55
Universe(75%)	1.55	1.19	-3.86	6.87	8.44
Universe(95%)	-1.18	-2.02	-8.76	3.58	5.78

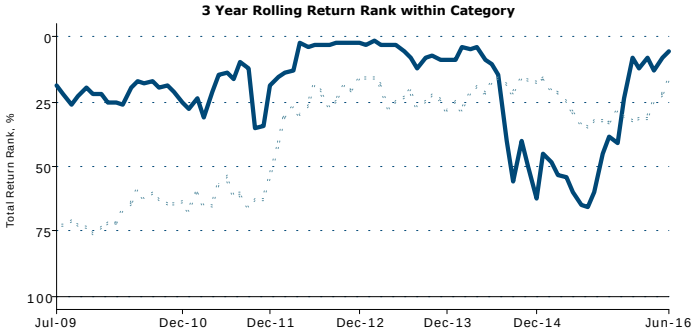
Vanguard Equity-Income Adm

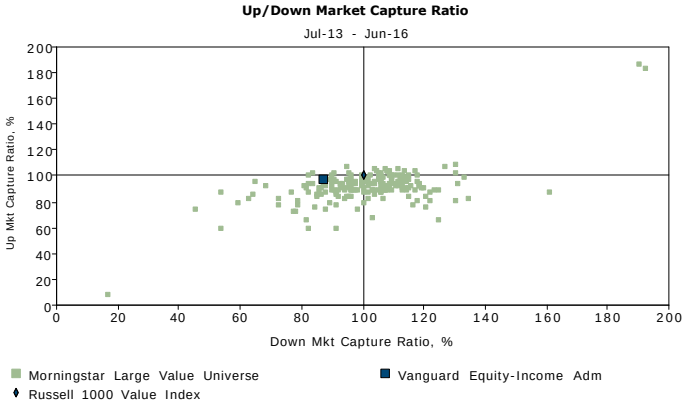


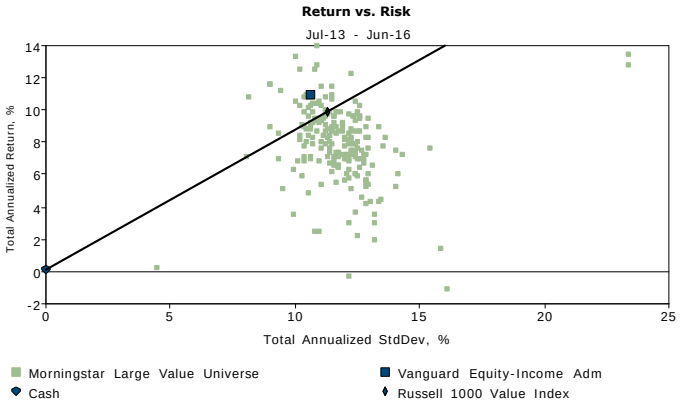
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Equity-Income Adm	20.77	4.99	-30.86	17.26	14.99	10.69	13.58	30.19	11.38	0.86
Russell 1000 Value Index	22.25	-0.17	-36.85	19.69	15.51	0.39	17.51	32.53	13.45	-3.83



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Equity-Income Adm	1.82	0.91	95.15	1.03	10.59	2.54
Russell 1000 Value Index	0.00	1.00	100.00	0.88	11.34	0.00
Universe(5%)	1.95	1.13	97.82	1.03	13.45	6.63
Universe(25%)	-0.06	1.06	96.35	0.85	12.45	3.98
Universe(Median)	-1.61	1.00	94.17	0.72	11.67	2.98
Universe(75%)	-3.10	0.93	90.39	0.60	10.87	2.35
Universe(95%)	-6.01	0.77	77.12	0.34	9.95	1.76



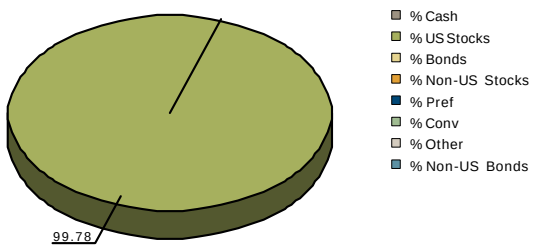




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Growth Index Adm



Portfolio Region	
% United States	99.80
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.20
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.02
% US Stocks	99.78
% Bonds	0.00
% Non-US Stocks	0.20
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	2.48
% Communication Services	3.98
% Consumer Cyclical	18.78
% Consumer Defensive	9.48
% Healthcare	15.26
% Industrials	10.00
% Real Estate	5.01
% Technology	25.84
% Energy	2.98
% Financial Services	6.11
% Utilities	0.06

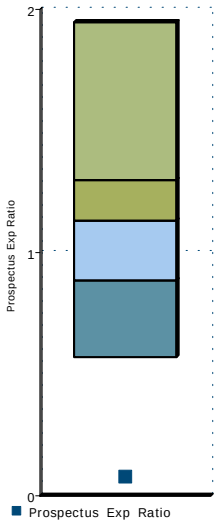
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Apple Inc	5.86%
Amazon.com Inc	3.03%
Facebook Inc A	2.89%
Alphabet Inc A	2.44%
Alphabet Inc C	2.40%
Coca-Cola Co	1.94%
The Home Depot Inc	1.87%
Comcast Corp Class A	1.72%
Philip Morris International Inc	1.70%
Visa Inc Class A	1.69%

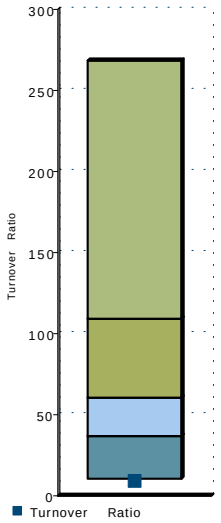
Portfolio Information	
Ticker	VIGAX
Morningstar Category	Large Growth
Avg Mkt Cap $MM	61034.93
Cat Med Mkt Cap $MM	88572.61
Net Assets $MM	50077.32
Turnover Ratio	9.00
% Assets in Top 10 Holdings	25.54
Total Number of Holdings	337.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	21.51
Fund Incept Date	11/13/2000
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	19
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	16

Expense Ratio vs. Peer Group



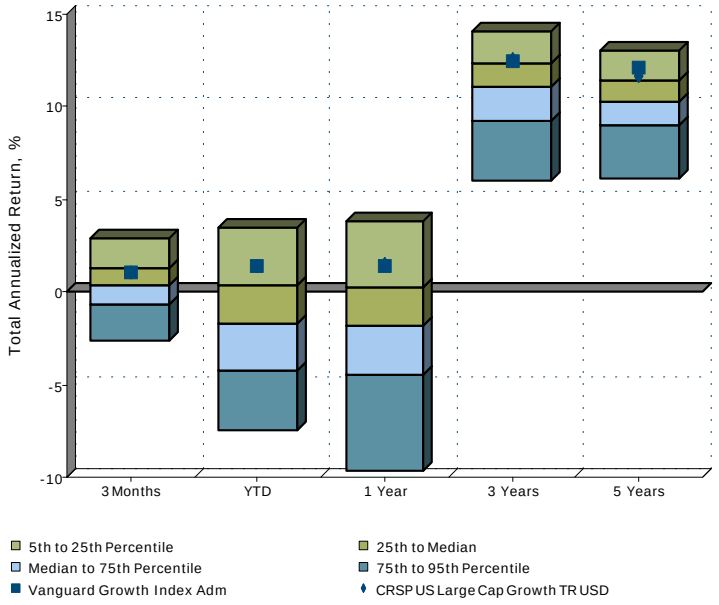
Turnover Ratio vs. Peer Group



Investment Strategy Summary

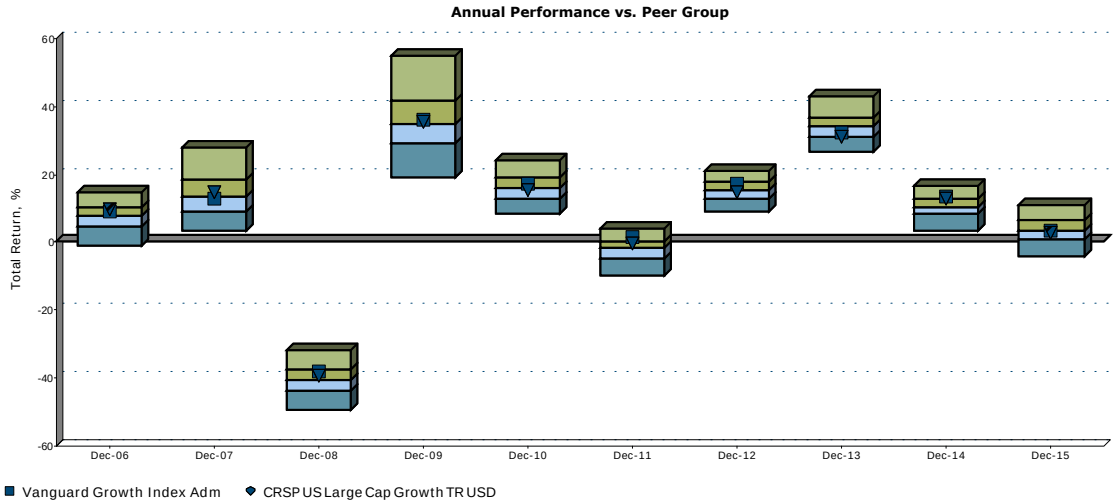
The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

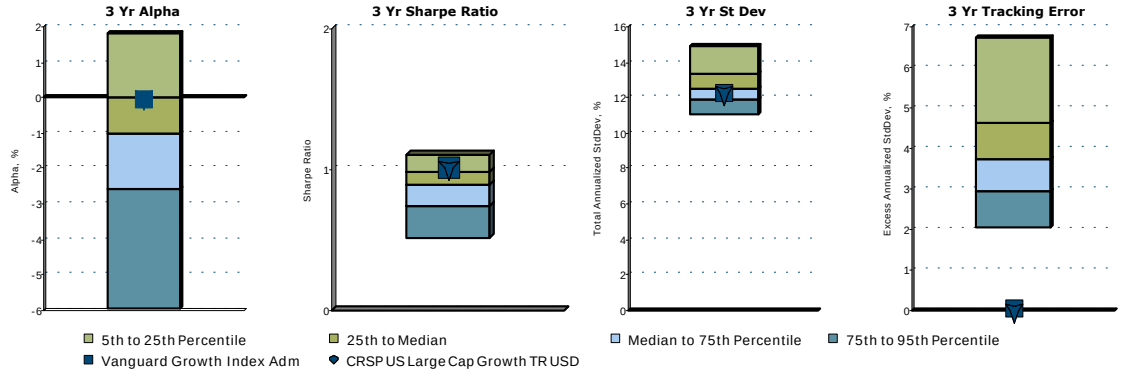


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Growth Index Adm	1.02	1.36	1.46	12.50	12.12
CRSP US Large Cap Growth TR USD	1.02	1.39	1.52	12.58	11.61
Universe(5%)	2.87	3.51	3.83	14.13	13.02
Universe(25%)	1.34	0.35	0.29	12.34	11.37
Universe(Median)	0.35	-1.73	-1.83	11.10	10.30
Universe(75%)	-0.69	-4.18	-4.47	9.24	9.00
Universe(95%)	-2.60	-7.48	-9.68	6.07	6.16

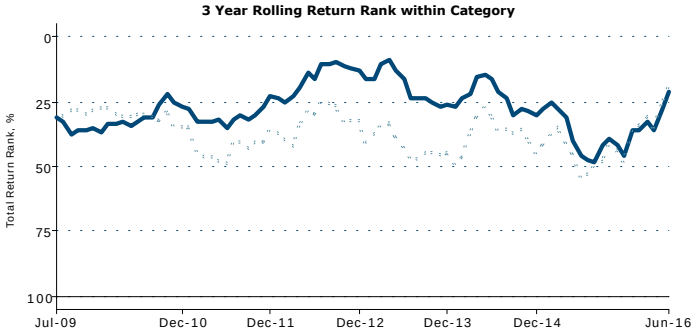
Vanguard Growth Index Adm

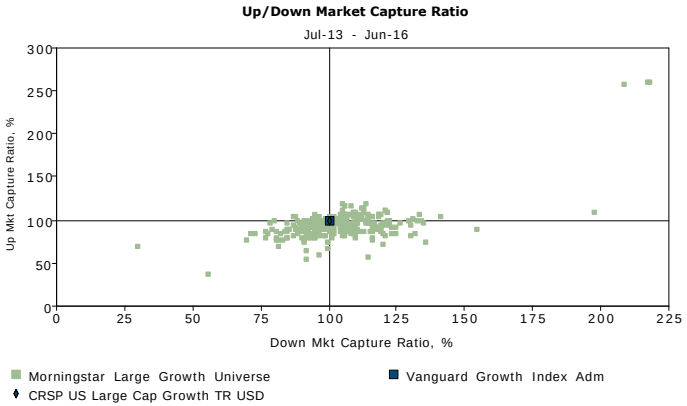


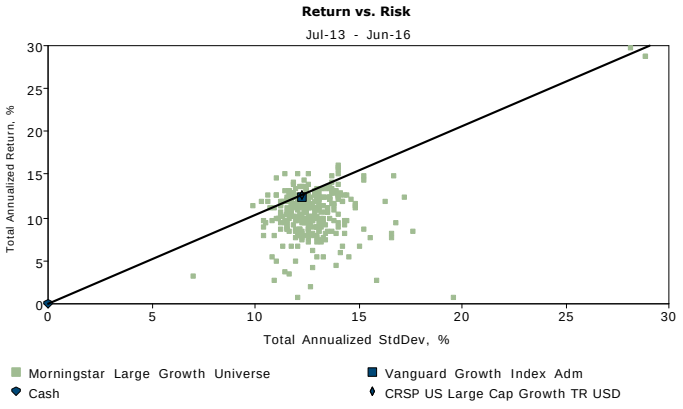
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Growth Index Adm	9.13	12.70	-38.22	36.42	17.12	1.87	17.01	32.40	13.63	3.30
CRSP US Large Cap Growth TR USD	10.32	15.66	-38.67	35.92	15.77	0.58	15.20	31.75	13.69	3.38



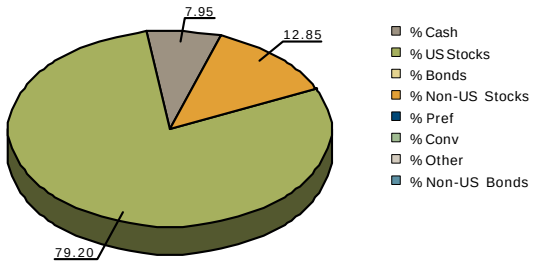
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Growth Index Adm	-0.07	1.00	100.00	1.01	12.31	0.03
CRSP US Large Cap Growth TR USD	0.00	1.00	100.00	1.02	12.32	0.00
Universe(5%)	1.80	1.12	97.29	1.11	14.97	6.72
Universe(25%)	0.04	1.03	94.57	0.98	13.38	4.62
Universe(Median)	-1.00	0.98	92.09	0.90	12.55	3.72
Universe(75%)	-2.56	0.93	88.37	0.75	11.90	2.95
Universe(95%)	-5.93	0.84	79.91	0.51	11.02	2.04







Vanguard PRIMECAP Core Inv



Portfolio Region

% United States	86.05
% Canada	0.83
% Latin America	0.01
% United Kingdom	0.74
% Eurozone	2.68
% Europe - ex Euro	6.35
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	1.32
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	2.04

Portfolio Structure

% Cash	7.95
% US Stocks	79.20
% Bonds	0.00
% Non-US Stocks	12.85
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation

% Basic Materials	2.43
% Communication Services	0.93
% Consumer Cyclical	11.79
% Consumer Defensive	0.48
% Healthcare	24.82
% Industrials	19.32
% Real Estate	0.00
% Technology	30.03
% Energy	1.09
% Financial Services	9.11
% Utilities	0.00

Credit Quality

Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings

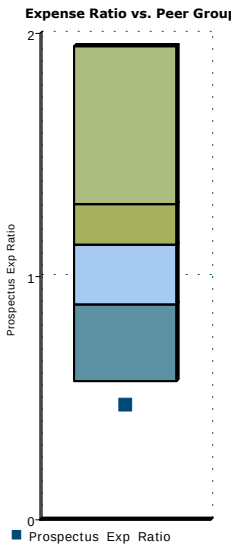
Southwest Airlines Co	5.01%
Amgen Inc	4.41%
Eli Lilly and Co	3.79%
Roche Holding AG Dividend Right Cert.	3.28%
Biogen Inc	2.82%
Texas Instruments Inc	2.77%
JPMorgan Chase & Co	2.06%
Microsoft Corp	2.03%
FedEx Corp	2.01%
CarMax Inc	1.86%

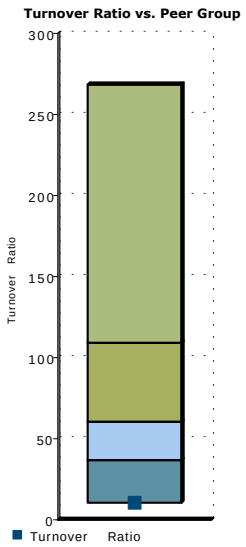
Portfolio Information

Ticker	VPCCX
Morningstar Category	Large Growth
Avg Mkt Cap $MM	49801.23
Cat Med Mkt Cap $MM	88572.61
Net Assets $MM	7883.58
Turnover Ratio	10.00
% Assets in Top 10 Holdings	30.04
Total Number of Holdings	149.00
Manager Name	Alfred W. Mordecai
Manager Tenure	11.56
Fund Incept Date	12/09/2004
Prospectus Exp Ratio	0.47
Phone Number	800-662-7447

Portfolio Ratings

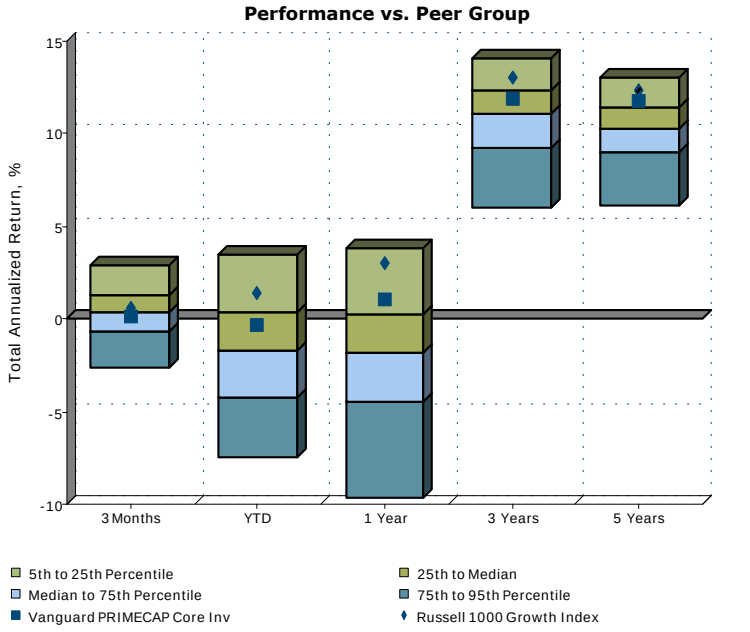
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	31
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	14
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	13





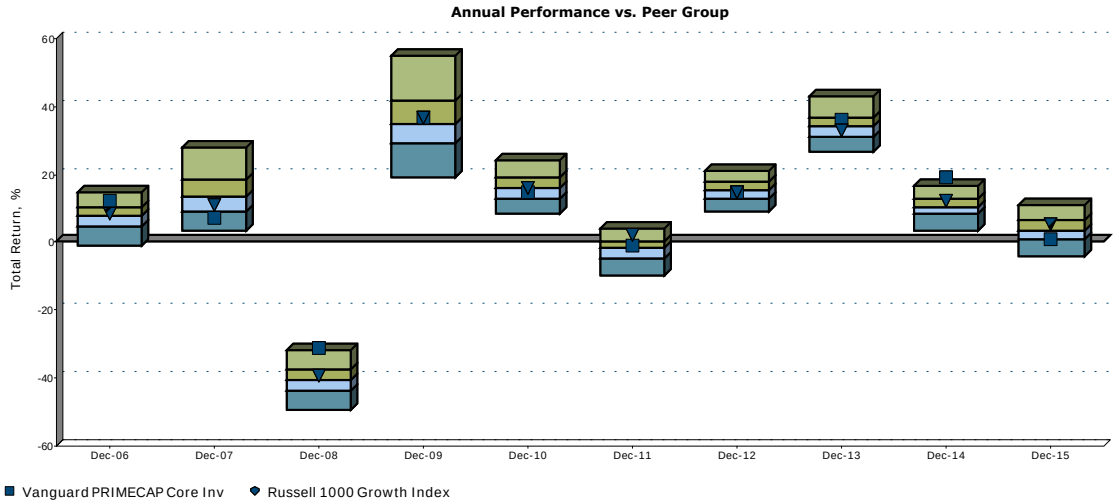
Investment Strategy Summary

The investment seeks to provide long-term capital appreciation. The fund invests in stocks that its advisor believes offer a good balance between reasonable valuations and attractive growth prospects relative to their peers. Stocks selected for the fund typically have earnings growth potential that, in the advisor's view, is not reflected in their current market prices. It can invest in stocks across all industry sectors and market capitalizations.

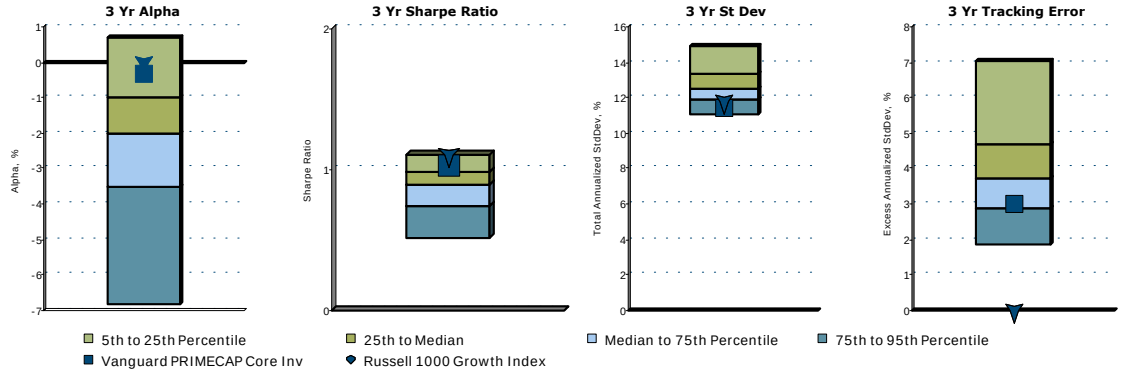


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard PRIMECAP Core Inv	0.14	-0.29	1.03	11.85	11.83
Russell 1000 Growth Index	0.61	1.36	3.02	13.07	12.35
Universe(5%)	2.87	3.51	3.83	14.13	13.02
Universe(25%)	1.34	0.35	0.29	12.34	11.37
Universe(Median)	0.35	-1.73	-1.83	11.10	10.30
Universe(75%)	-0.69	-4.18	-4.47	9.24	9.00
Universe(95%)	-2.60	-7.48	-9.68	6.07	6.16

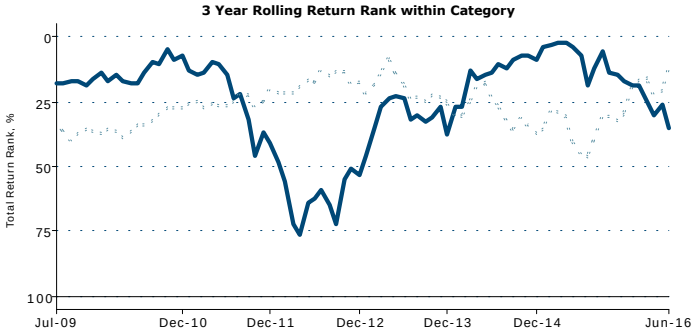
Vanguard PRIMECAP Core Inv

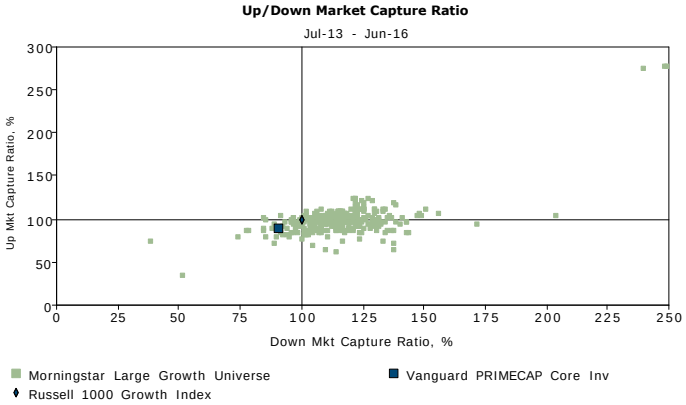


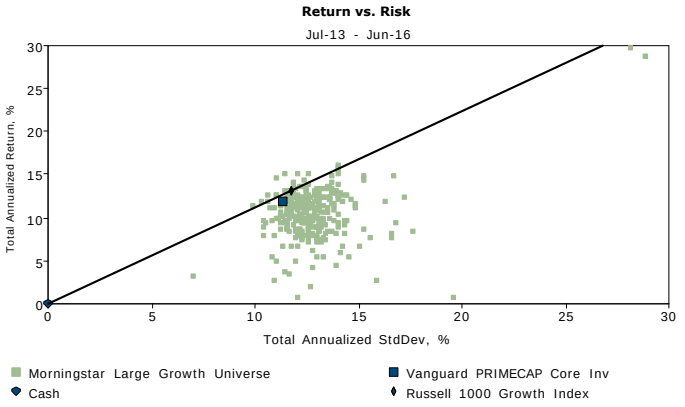
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard PRIMECAP Core Inv	12.31	7.04	-31.32	36.96	14.88	-0.86	14.57	36.14	19.29	0.94
Russell 1000 Growth Index	9.07	11.81	-38.44	37.21	16.71	2.64	15.26	33.48	13.05	5.67



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard PRIMECAP Core Inv	-0.33	0.94	93.54	1.03	11.39	2.99
Russell 1000 Growth Index	0.00	1.00	100.00	1.10	11.75	0.00
Universe(5%)	0.68	1.17	97.58	1.11	14.97	7.05
Universe(25%)	-0.97	1.08	94.71	0.98	13.38	4.69
Universe(Median)	-1.98	1.03	91.85	0.90	12.55	3.75
Universe(75%)	-3.49	0.98	87.83	0.75	11.90	2.87
Universe(95%)	-6.83	0.88	78.86	0.51	11.02	1.87



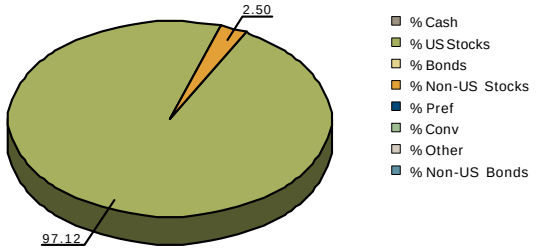




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Mid-Cap Value Index Admiral



Portfolio Region	
% United States	97.49
% Canada	0.00
% Latin America	0.00
% United Kingdom	1.70
% Eurozone	0.00
% Europe - ex Euro	0.40
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.41
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.38
% US Stocks	97.12
% Bonds	0.00
% Non-US Stocks	2.50
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	7.85
% Communication Services	0.37
% Consumer Cyclical	18.01
% Consumer Defensive	9.95
% Healthcare	5.90
% Industrials	10.32
% Real Estate	3.79
% Technology	9.69
% Energy	5.59
% Financial Services	19.09
% Utilities	9.44

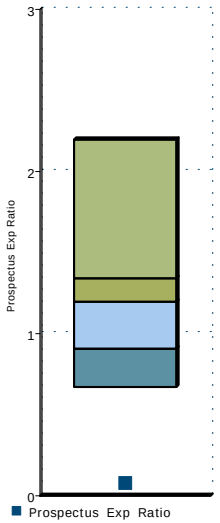
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
NVIDIA Corp	1.45%
Fidelity National Information Services Inc	1.27%
Newell Brands Inc	1.26%
ConAgra Foods Inc	1.21%
WEC Energy Group Inc	1.15%
Tyson Foods Inc Class A	1.14%
The Hartford Financial Services Group Inc	1.12%
Nielsen Holdings PLC	1.12%
Eversource Energy	1.06%
Molson Coors Brewing Co B	1.05%

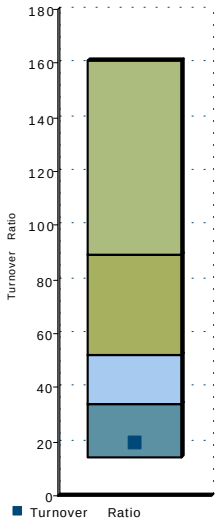
Portfolio Information	
Ticker	VMVAX
Morningstar Category	Mid-Cap Value
Avg Mkt Cap $MM	10693.67
Cat Med Mkt Cap $MM	9384.15
Net Assets $MM	10483.61
Turnover Ratio	20.00
% Assets in Top 10 Holdings	11.83
Total Number of Holdings	207.00
Manager Name	Donald M. Butler
Manager Tenure	9.88
Fund Incept Date	09/27/2011
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	7
5 Year Mstar Rating	NA
% Rank Cat 5 Yr	NA
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



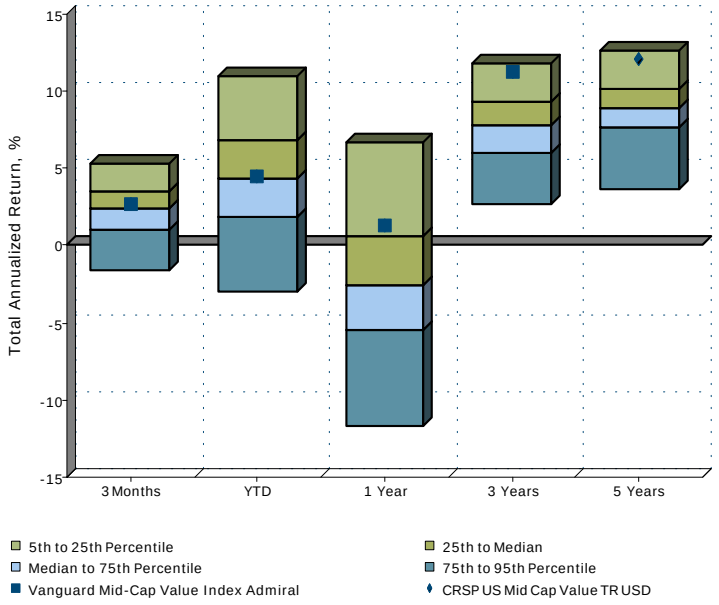
Turnover Ratio vs. Peer Group



Investment Strategy Summary

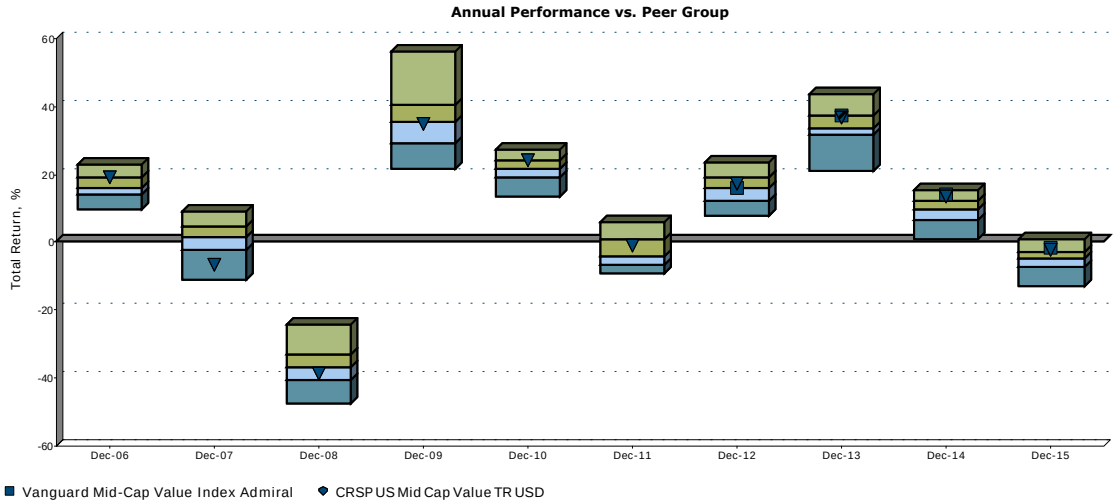
The investment seeks to track the performance of the CRSP US Mid Cap Value Index that measures the investment return of mid-capitalization value stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Value Index, a broadly diversified index of value stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

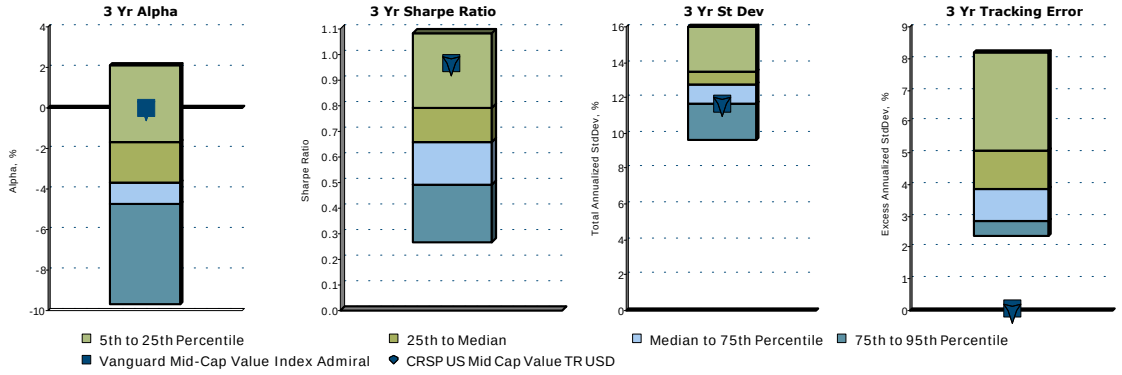


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Mid-Cap Value Index Admiral	2.75	4.47	1.27	11.25	NA
CRSP US Mid Cap Value TR USD	2.75	4.44	1.29	11.30	12.10
Universe(5%)	5.32	10.97	6.73	11.81	12.58
Universe(25%)	3.49	6.86	0.64	9.38	10.14
Universe(Median)	2.48	4.34	-2.54	7.83	8.97
Universe(75%)	1.03	1.88	-5.51	6.01	7.67
Universe(95%)	-1.65	-2.94	-11.74	2.71	3.68

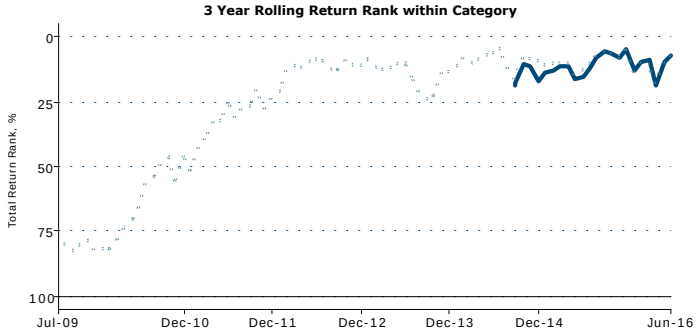
Vanguard Mid-Cap Value Index Admiral

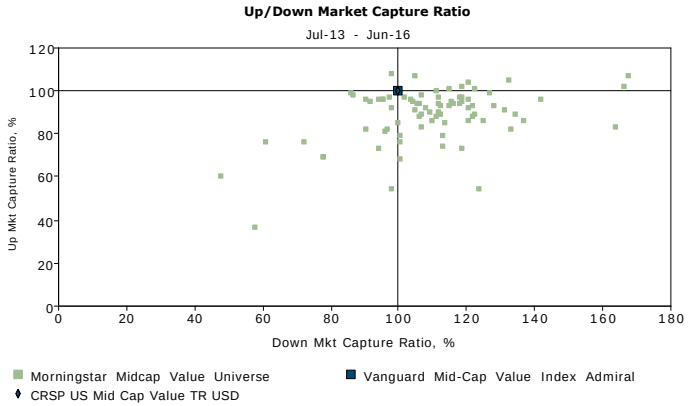


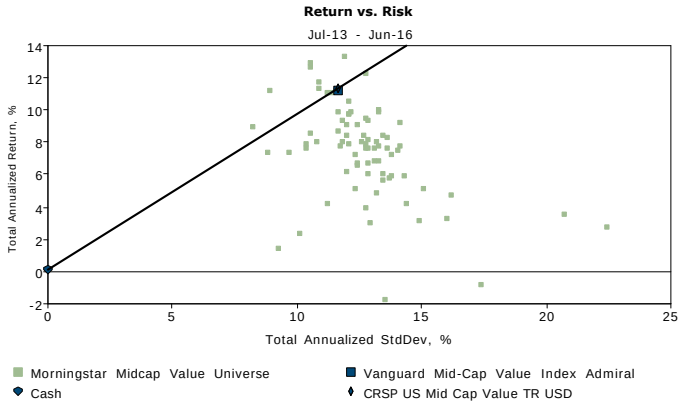
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Mid-Cap Value Index Admiral	NA	NA	NA	NA	NA	NA	16.02	37.66	13.98	-1.80
CRSP US Mid Cap Value TR USD	19.91	-6.07	-37.95	35.21	24.58	-0.39	17.90	37.38	14.05	-1.75



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Mid-Cap Value Index Admiral	-0.03	1.00	100.00	0.97	11.65	0.04
CRSP US Mid Cap Value TR USD	0.00	1.00	100.00	0.97	11.66	0.00
Universe(5%)	2.14	1.24	96.19	1.09	15.98	8.20
Universe(25%)	-1.67	1.10	94.92	0.79	13.42	5.09
Universe(Median)	-3.64	1.02	91.26	0.66	12.70	3.84
Universe(75%)	-4.78	0.94	83.90	0.49	11.63	2.82
Universe(95%)	-9.70	0.70	62.38	0.26	9.66	2.35



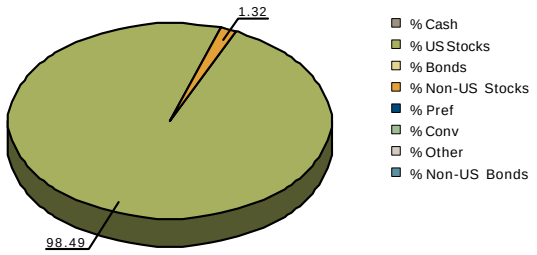




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Data as of 06/30/2016

Vanguard Mid Cap Index Adm



Portfolio Region	
% United States	98.68
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.90
% Eurozone	0.00
% Europe - ex Euro	0.21
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.22
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.19
% US Stocks	98.49
% Bonds	0.00
% Non-US Stocks	1.32
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	5.55
% Communication Services	1.21
% Consumer Cyclical	17.88
% Consumer Defensive	7.49
% Healthcare	9.45
% Industrials	14.90
% Real Estate	7.24
% Technology	14.60
% Energy	5.13
% Financial Services	11.37
% Utilities	5.16

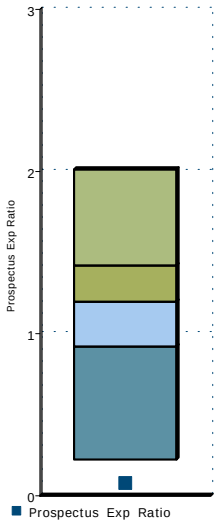
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
NVIDIA Corp	0.77%
Fiserv Inc	0.76%
Electronic Arts Inc	0.73%
Equinix Inc	0.72%
Ross Stores Inc	0.70%
Edwards Lifesciences Corp	0.68%
Fidelity National Information Services Inc	0.68%
Newell Brands Inc	0.67%
Dollar Tree Inc	0.65%
ConAgra Foods Inc	0.64%

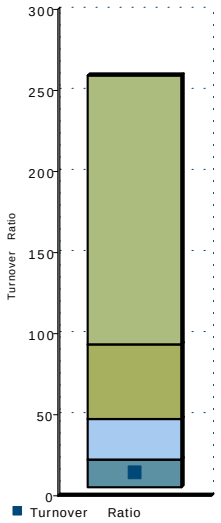
Portfolio Information	
Ticker	VIMAX
Morningstar Category	Mid-Cap Blend
Avg Mkt Cap $MM	11249.43
Cat Med Mkt Cap $MM	6729.15
Net Assets $MM	68967.48
Turnover Ratio	15.00
% Assets in Top 10 Holdings	6.98
Total Number of Holdings	356.00
Manager Name	Donald M. Butler
Manager Tenure	18.12
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	8
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	9
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	24

Expense Ratio vs. Peer Group



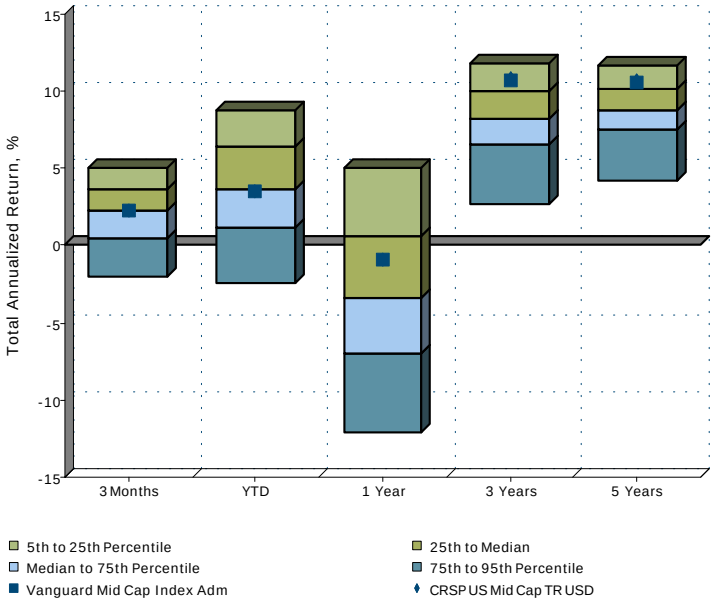
Turnover Ratio vs. Peer Group



Investment Strategy Summary

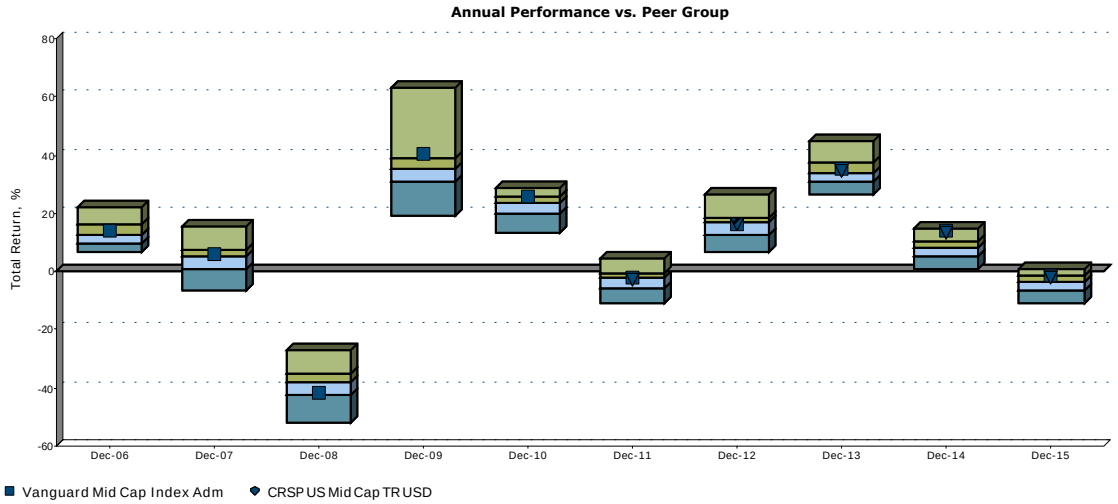
The investment seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

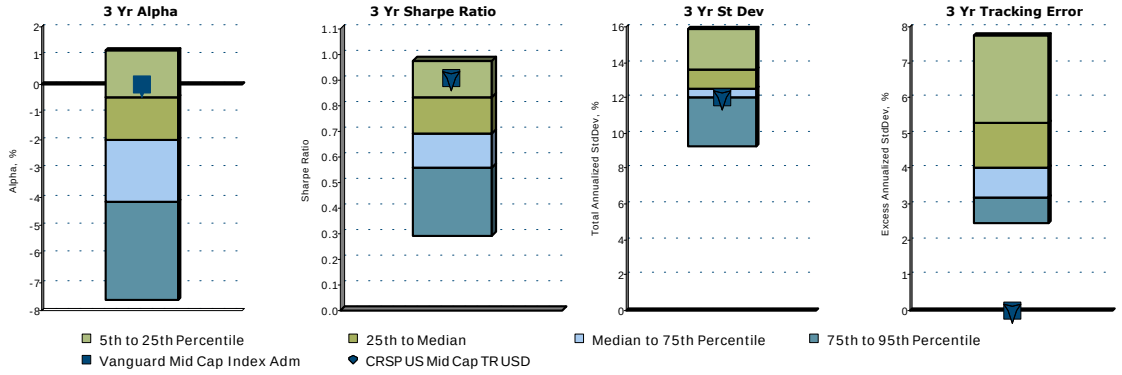


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Mid Cap Index Adm	2.33	3.52	-0.89	10.76	10.56
CRSP US Mid Cap TR USD	2.34	3.52	-0.87	10.82	10.77
Universe(5%)	5.11	8.80	5.01	11.81	11.62
Universe(25%)	3.69	6.49	0.66	10.07	10.09
Universe(Median)	2.25	3.73	-3.42	8.28	8.77
Universe(75%)	0.53	1.23	-7.00	6.52	7.54
Universe(95%)	-2.01	-2.40	-12.09	2.65	4.23

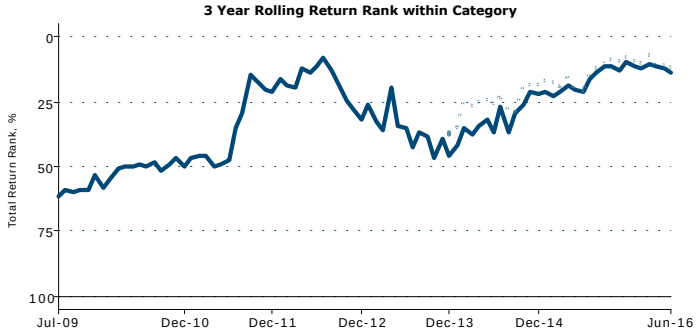
Vanguard Mid Cap Index Adm

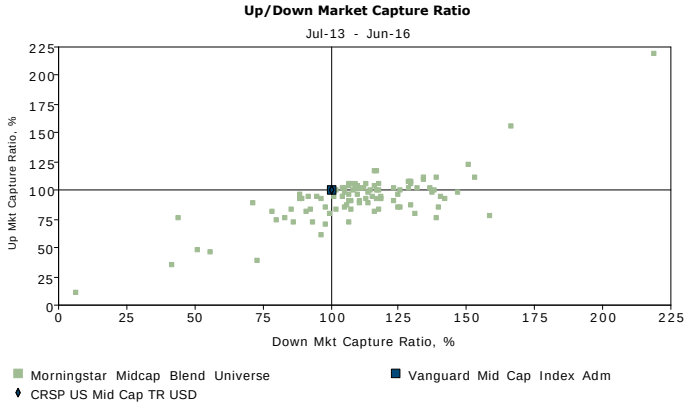


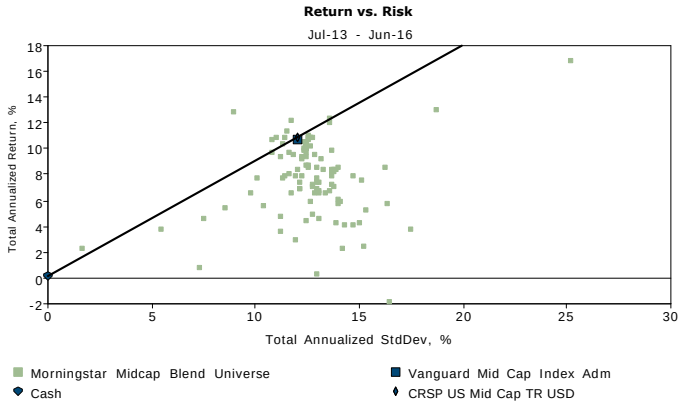
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Mid Cap Index Adm	13.69	6.17	-41.78	40.48	25.59	-1.97	15.99	35.15	13.76	-1.34
CRSP US Mid Cap TR USD	NA	NA	NA	NA	NA	-1.79	16.69	35.27	13.83	-1.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Mid Cap Index Adm	-0.04	1.00	100.00	0.91	12.02	0.03
CRSP US Mid Cap TR USD	0.00	1.00	100.00	0.91	12.03	0.00
Universe(5%)	1.18	1.19	96.01	0.98	15.85	7.76
Universe(25%)	-0.49	1.07	93.85	0.83	13.60	5.31
Universe(Median)	-1.96	1.00	90.82	0.69	12.54	4.04
Universe(75%)	-4.14	0.95	85.27	0.56	11.99	3.17
Universe(95%)	-7.65	0.71	72.96	0.29	9.31	2.48



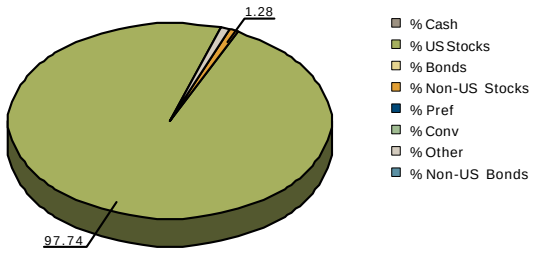




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Prudential QMA Small-Cap Value Z



Portfolio Region	
% United States	98.71
% Canada	0.00
% Latin America	0.37
% United Kingdom	0.41
% Eurozone	0.03
% Europe - ex Euro	0.02
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.46

Portfolio Structure	
% Cash	0.39
% US Stocks	97.74
% Bonds	0.00
% Non-US Stocks	1.28
% Pref	0.00
% Conv	0.00
% Other	0.59
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	4.56
% Communication Services	1.66
% Consumer Cyclical	5.56
% Consumer Defensive	4.17
% Healthcare	2.84
% Industrials	15.36
% Real Estate	13.72
% Technology	5.50
% Energy	5.03
% Financial Services	39.91
% Utilities	1.69

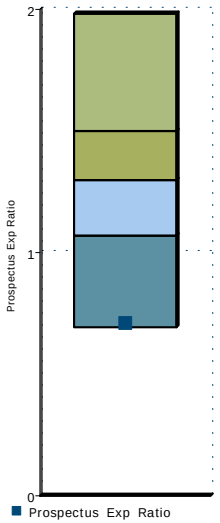
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Sanmina Corp	1.24%
Washington Federal Inc	1.17%
Select Income REIT	1.09%
Atlas Air Worldwide Holdings Inc	1.04%
Lexington Realty Trust	1.03%
LaSalle Hotel Properties	1.02%
Aircastle Ltd	1.00%
CNO Financial Group Inc	1.00%
SkyWest Inc	0.98%
Time Inc	0.96%

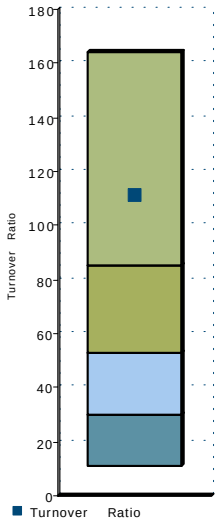
Portfolio Information	
Ticker	TASVX
Morningstar Category	Small Value
Avg Mkt Cap $MM	1316.65
Cat Med Mkt Cap $MM	2451.13
Net Assets $MM	1318.37
Turnover Ratio	111.00
% Assets in Top 10 Holdings	10.54
Total Number of Holdings	348.00
Manager Name	Stephen Courtney
Manager Tenure	1.46
Fund Incept Date	01/05/1993
Prospectus Exp Ratio	0.71
Phone Number	800-225-1852

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	43
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	40
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	15

Expense Ratio vs. Peer Group



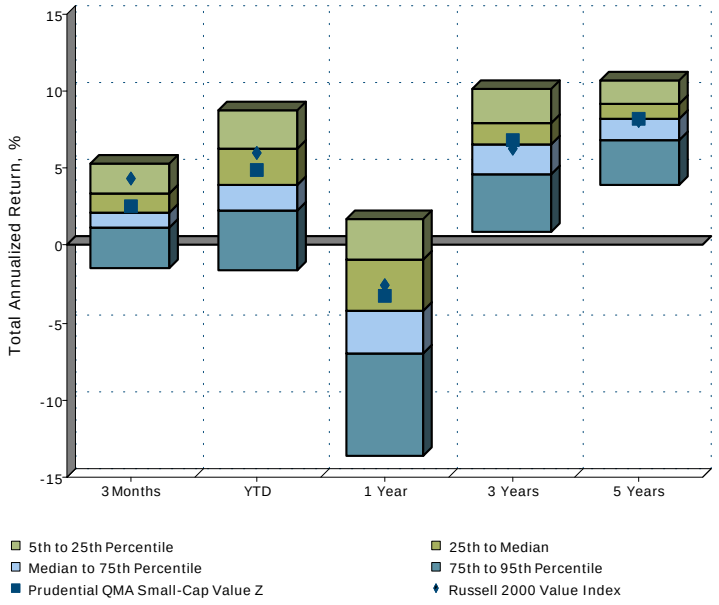
Turnover Ratio vs. Peer Group



Investment Strategy Summary

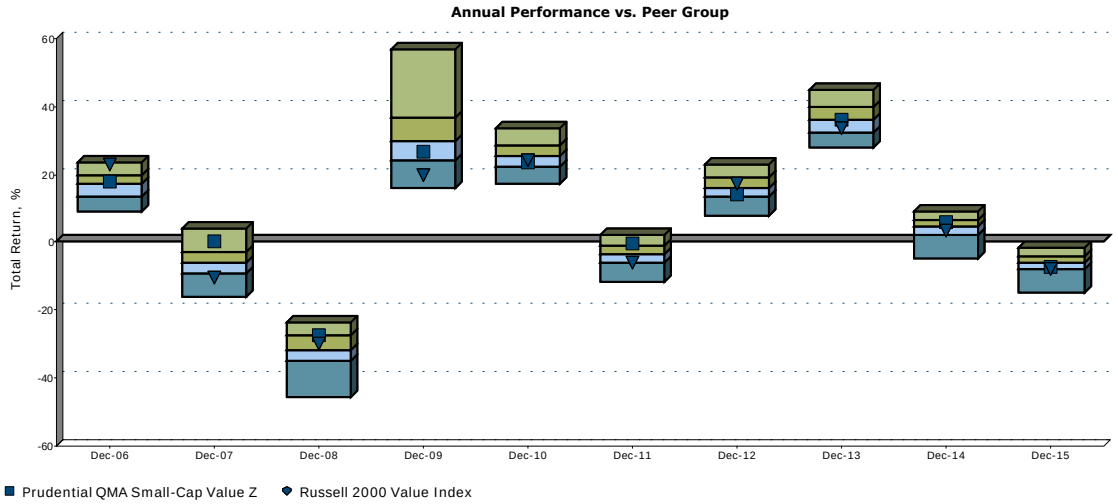
The investment seeks above-average capital appreciation. The fund normally invests at least 80% of its investable assets in equity and equity-related securities of small-cap companies. The subadviser considers small cap companies to be companies with market capitalizations within the market cap range of companies included in the Russell 2000 Index or the Standard & Poor's SmallCap 600 Index. While most assets will typically be invested in U.S. equity and equity-related securities, including real estate investment trusts (REITs), the fund may also invest in foreign equity and equity-related securities.

Performance vs. Peer Group

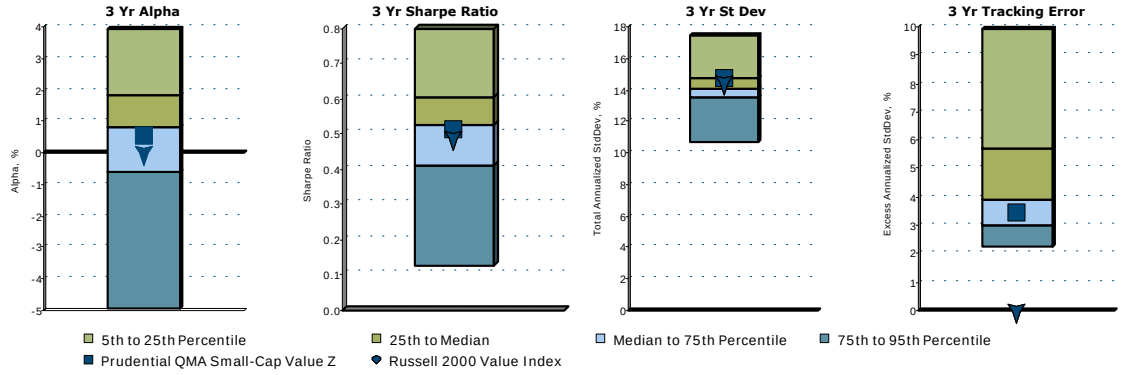


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Prudential QMA Small-Cap Value Z	2.62	4.93	-3.29	6.81	8.25
Russell 2000 Value Index	4.31	6.08	-2.58	6.36	8.15
Universe(5%)	5.38	8.79	1.80	10.18	10.75
Universe(25%)	3.37	6.28	-0.89	7.97	9.20
Universe(Median)	2.11	3.90	-4.19	6.50	8.26
Universe(75%)	1.11	2.24	-7.00	4.65	6.82
Universe(95%)	-1.40	-1.65	-13.55	0.94	3.92

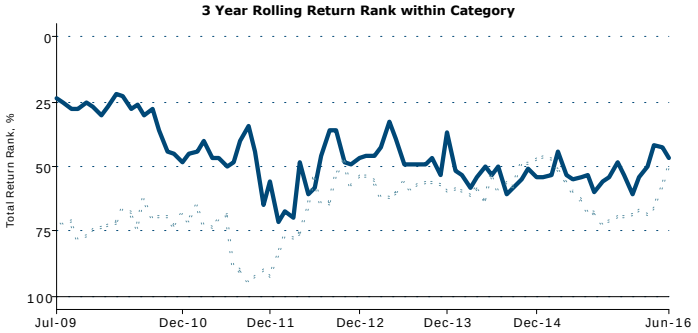
Prudential QMA Small-Cap Value Z

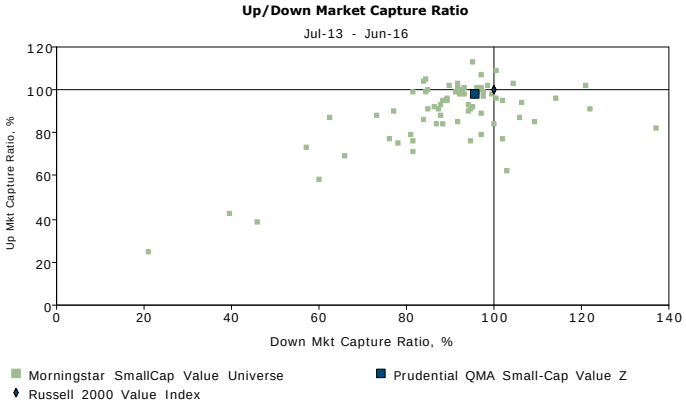


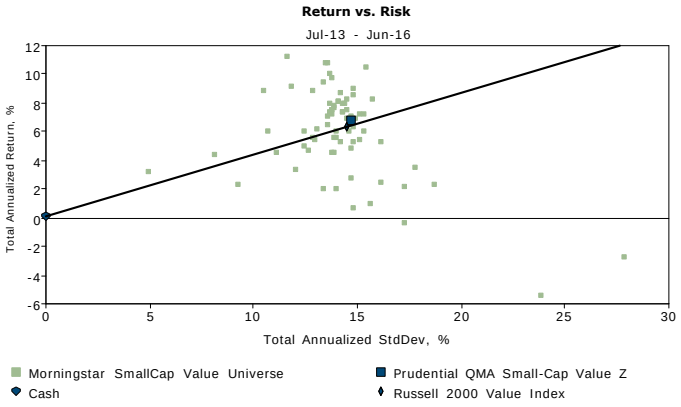
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Prudential QMA Small-Cap Value Z	17.72	0.52	-27.45	26.69	23.63	-0.48	14.14	35.87	5.89	-7.04
Russell 2000 Value Index	23.48	-9.78	-28.92	20.58	24.50	-5.50	18.05	34.52	4.22	-7.47



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Prudential QMA Small-Cap Value Z	0.56	0.99	94.49	0.52	14.69	3.46
Russell 2000 Value Index	0.00	1.00	100.00	0.49	14.49	0.00
Universe(5%)	3.95	1.08	97.71	0.80	17.45	9.95
Universe(25%)	1.80	0.99	95.83	0.61	14.80	5.73
Universe(Median)	0.85	0.93	93.04	0.53	14.05	3.88
Universe(75%)	-0.60	0.88	85.94	0.41	13.50	3.00
Universe(95%)	-4.94	0.67	57.50	0.13	10.65	2.23



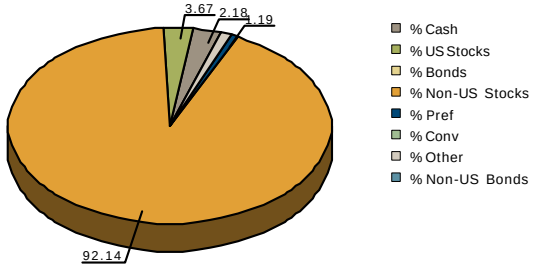




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Oppenheimer International Growth Y



Portfolio Region	
% United States	3.83
% Canada	5.16
% Latin America	1.07
% United Kingdom	23.74
% Eurozone	33.90
% Europe - ex Euro	18.53
% Europe - Emerging	0.00
% Africa	0.80
% Middle East	0.00
% Japan	6.20
% Australasia	3.37
% Asia - Developed	0.00
% Asia - Emerging	3.41

Portfolio Structure	
% Cash	2.18
% US Stocks	3.67
% Bonds	0.00
% Non-US Stocks	92.14
% Pref	1.19
% Conv	0.00
% Other	0.82
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	6.69
% Communication Services	8.13
% Consumer Cyclical	20.50
% Consumer Defensive	16.28
% Healthcare	9.58
% Industrials	17.13
% Real Estate	0.00
% Technology	17.02
% Energy	0.40
% Financial Services	4.27
% Utilities	0.00

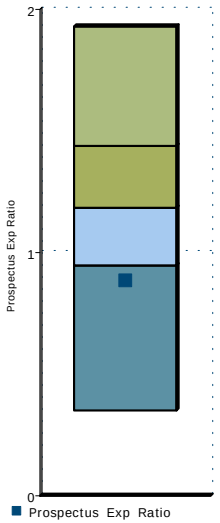
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Dollarama Inc	1.81%
Infineon Technologies AG	1.80%
Nippon Telegraph & Telephone Corp	1.65%
Continental AG	1.54%
Heineken NV	1.40%
Vodafone Group PLC	1.37%
Valeo SA	1.37%
Amadeus IT Holding SA A	1.36%
Aalberts Industries NV	1.36%
Bunzl PLC	1.33%

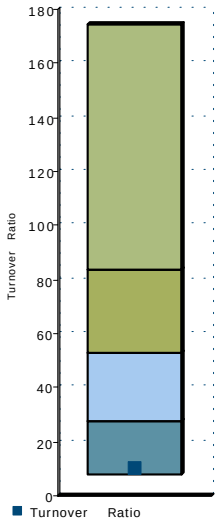
Portfolio Information	
Ticker	OIGYX
Morningstar Category	Foreign Large Growth
Avg Mkt Cap $MM	15853.21
Cat Med Mkt Cap $MM	31473.92
Net Assets $MM	22349.70
Turnover Ratio	10.00
% Assets in Top 10 Holdings	14.99
Total Number of Holdings	110.00
Manager Name	George R. Evans
Manager Tenure	20.28
Fund Incept Date	09/07/2005
Prospectus Exp Ratio	0.89
Phone Number	800-225-5677

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	38
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	16
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	1

Expense Ratio vs. Peer Group



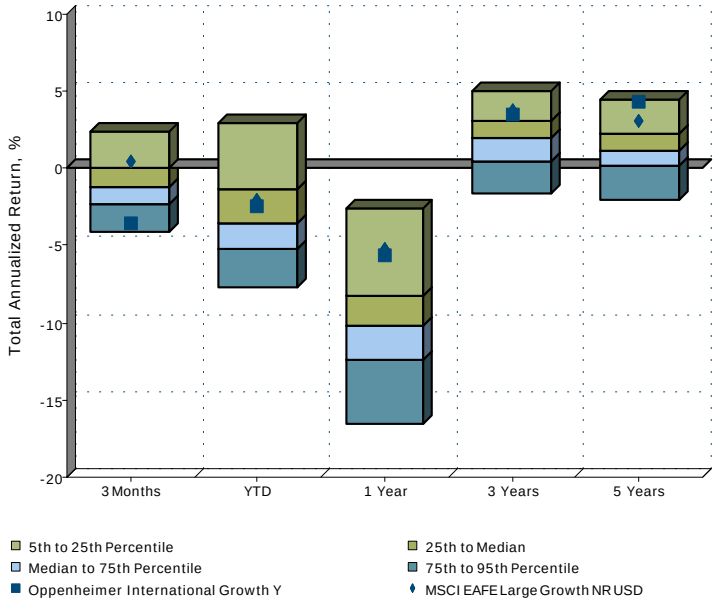
Turnover Ratio vs. Peer Group



Investment Strategy Summary

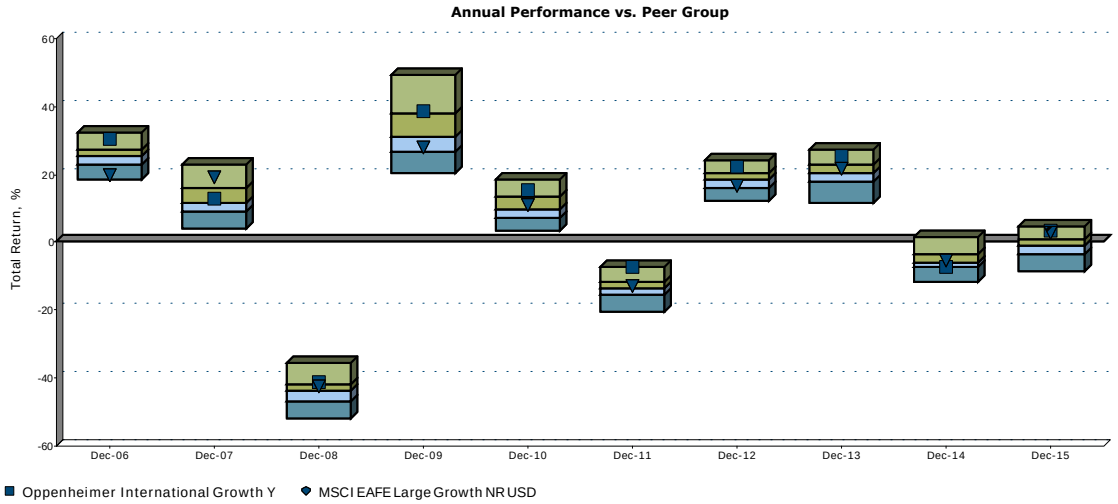
The investment seeks capital appreciation. The fund mainly invests in the common stock of growth companies that are domiciled or have their primary operations outside of the United States. It may invest 100% of its assets in securities of foreign companies. The fund may invest in emerging markets as well as in developed markets throughout the world. It normally will invest at least 65% of its total assets in common and preferred stocks of issuers in at least three different countries outside of the United States, and emphasize investments in common stocks of issuers that the portfolio managers consider to be "growth" companies.

Performance vs. Peer Group

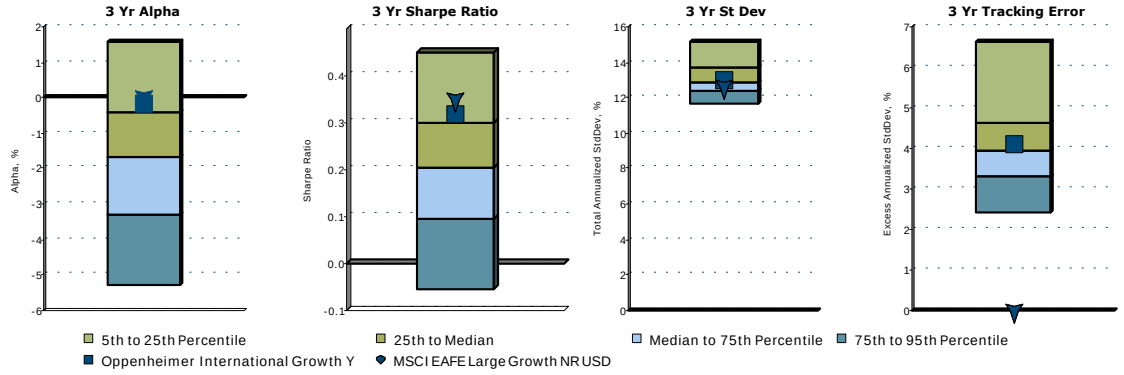


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Oppenheimer International Growth Y	-3.50	-2.48	-5.59	3.48	4.38
MSCI EAFE Large Growth NR USD	0.44	-2.08	-5.20	3.77	3.13
Universe(5%)	2.33	2.99	-2.58	5.05	4.45
Universe(25%)	-0.02	-1.34	-8.18	3.13	2.32
Universe(Median)	-1.24	-3.57	-10.12	1.92	1.22
Universe(75%)	-2.35	-5.26	-12.34	0.49	0.17
Universe(95%)	-4.12	-7.64	-16.61	-1.57	-2.09

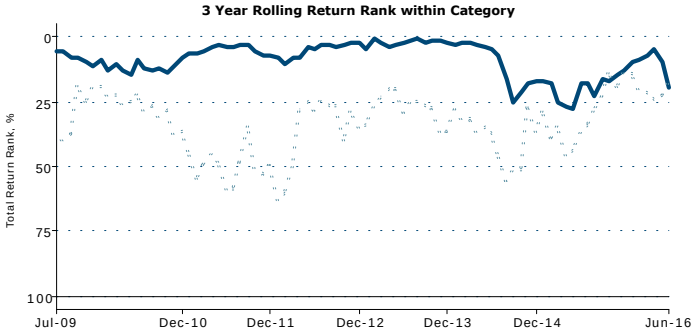
Oppenheimer International Growth Y

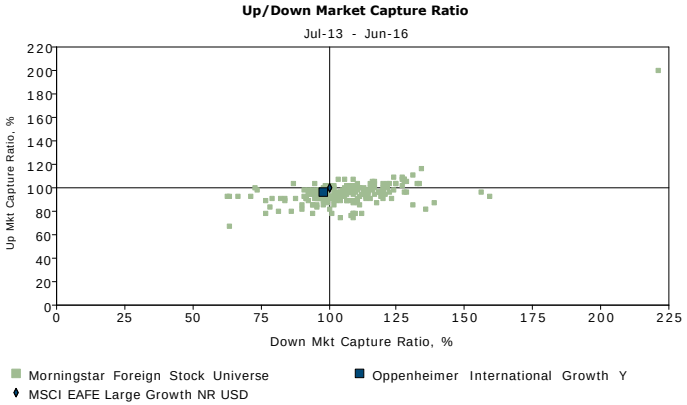


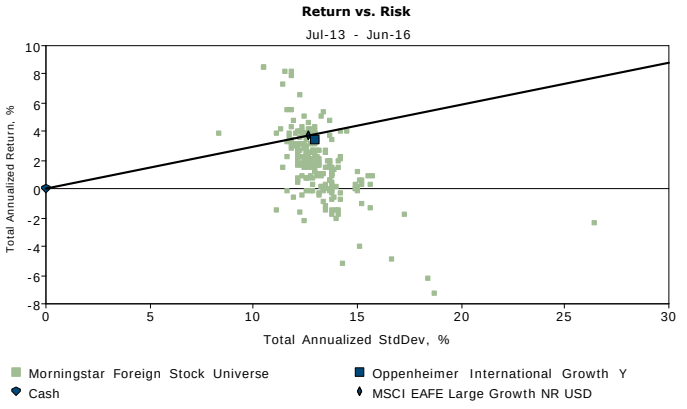
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oppenheimer International Growth Y	30.18	12.93	-41.22	38.44	15.35	-7.31	22.10	25.46	-6.99	3.44
MSCI EAFE Large Growth NR USD	20.44	19.51	-41.74	28.81	11.48	-12.04	17.06	22.28	-4.70	3.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Oppenheimer International Growth Y	-0.14	0.98	90.09	0.32	12.98	4.10
MSCI EAFE Large Growth NR USD	0.00	1.00	100.00	0.35	12.61	0.00
Universe(5%)	1.57	1.12	96.50	0.45	15.19	6.61
Universe(25%)	-0.40	1.02	93.67	0.30	13.66	4.63
Universe(Median)	-1.69	0.98	91.31	0.20	12.89	3.92
Universe(75%)	-3.30	0.94	88.35	0.09	12.37	3.33
Universe(95%)	-5.29	0.86	79.26	-0.05	11.64	2.41



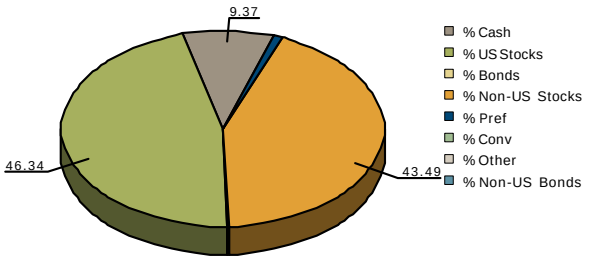




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

American Funds New Perspective R6



Portfolio Region	
% United States	51.58
% Canada	1.91
% Latin America	0.55
% United Kingdom	8.53
% Eurozone	10.79
% Europe - ex Euro	11.56
% Europe - Emerging	0.00
% Africa	2.06
% Middle East	0.00
% Japan	5.76
% Australasia	0.11
% Asia - Developed	5.56
% Asia - Emerging	1.59

Portfolio Structure	
% Cash	9.37
% US Stocks	46.34
% Bonds	0.16
% Non-US Stocks	43.49
% Pref	0.46
% Conv	0.01
% Other	0.18
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	4.30
% Communication Services	2.83
% Consumer Cyclical	17.66
% Consumer Defensive	12.34
% Healthcare	15.54
% Industrials	9.54
% Real Estate	0.00
% Technology	21.08
% Energy	4.32
% Financial Services	11.87
% Utilities	0.52

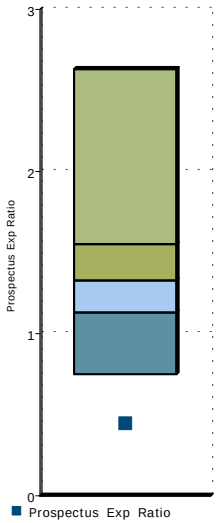
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Novo Nordisk A/S B	5.18%
Amazon.com Inc	3.98%
Microsoft Corp	1.97%
Taiwan Semiconductor Manufacturing Co Ltd	1.68%
Regeneron Pharmaceuticals Inc	1.60%
Naspers Ltd Class N	1.59%
The Priceline Group Inc	1.46%
Associated British Foods PLC	1.35%
AIA Group Ltd	1.34%
JPMorgan Chase & Co	1.29%

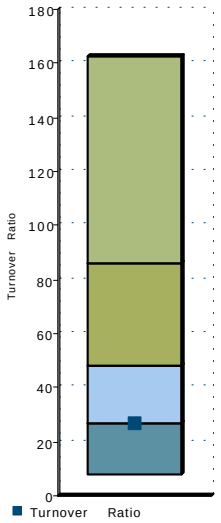
Portfolio Information	
Ticker	RNPGX
Morningstar Category	World Stock
Avg Mkt Cap $MM	55125.32
Cat Med Mkt Cap $MM	41969.68
Net Assets $MM	58478.77
Turnover Ratio	27.00
% Assets in Top 10 Holdings	21.45
Total Number of Holdings	337.00
Manager Name	Robert W. Lovelace
Manager Tenure	15.59
Fund Incept Date	05/01/2009
Prospectus Exp Ratio	0.45
Phone Number	800-421-4225

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	12
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	8
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



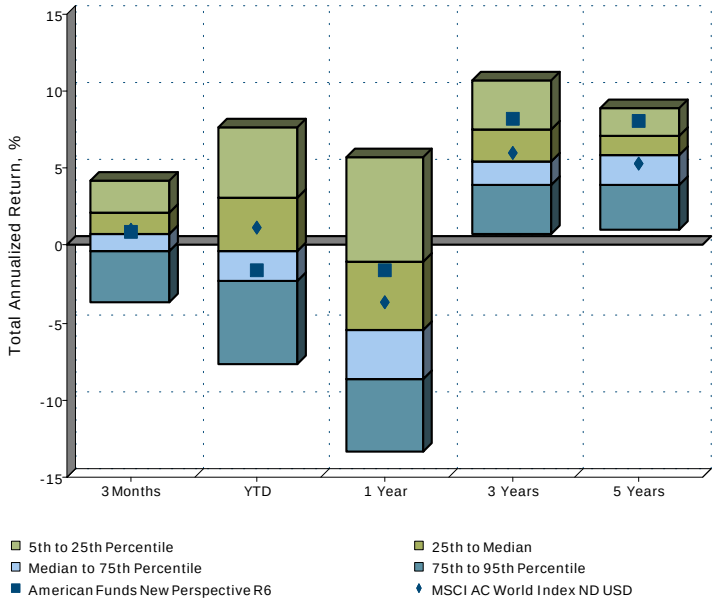
Turnover Ratio vs. Peer Group



Investment Strategy Summary

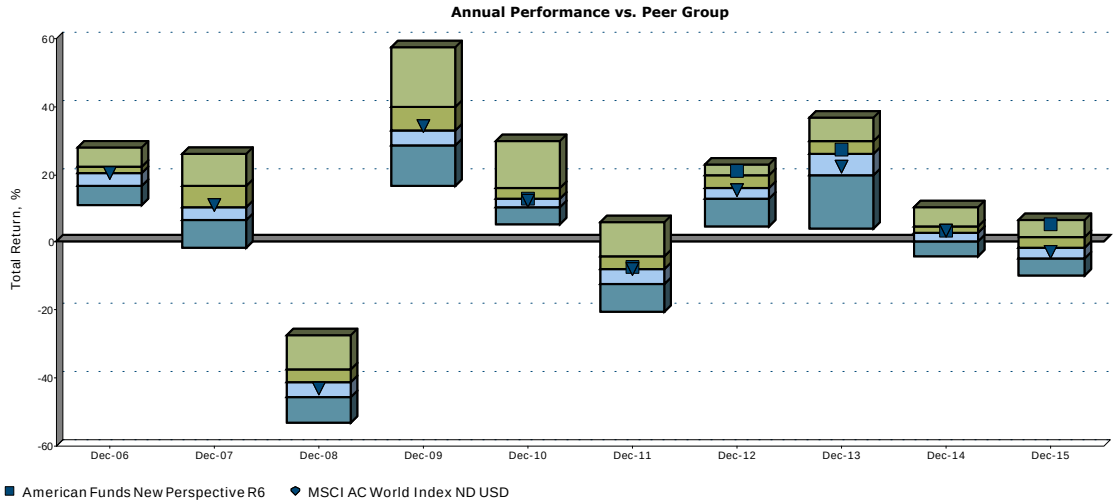
The investment seeks long-term growth of capital; future income is a secondary objective. The fund seeks to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships by investing in common stocks of companies located around the world. In pursuing its primary investment objective, it invests primarily in common stocks that the investment adviser believes have the potential for growth. In pursuing its secondary objective, the fund invests in common stocks of companies with the potential to pay dividends in the future.

Performance vs. Peer Group

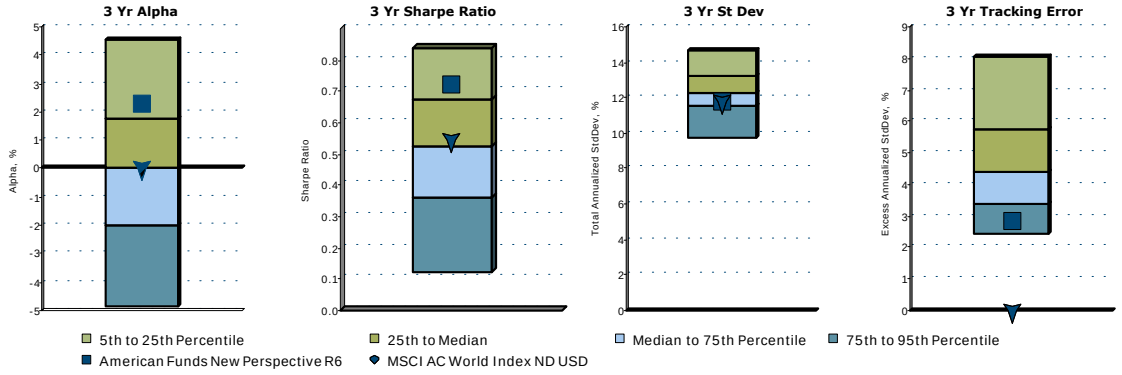


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
American Funds New Perspective R6	0.85	-1.55	-1.60	8.22	8.05
MSCI AC World Index ND USD	0.99	1.23	-3.73	6.03	5.38
Universe(5%)	4.26	7.61	5.80	10.78	8.91
Universe(25%)	2.11	3.09	-1.00	7.55	7.09
Universe(Median)	0.77	-0.38	-5.42	5.45	5.86
Universe(75%)	-0.39	-2.30	-8.69	3.90	3.98
Universe(95%)	-3.67	-7.63	-13.38	0.82	1.09

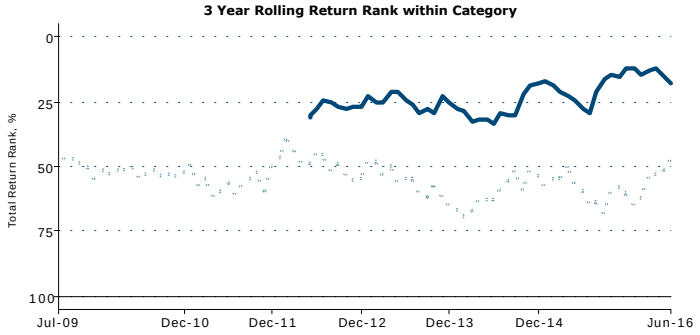
American Funds New Perspective R6

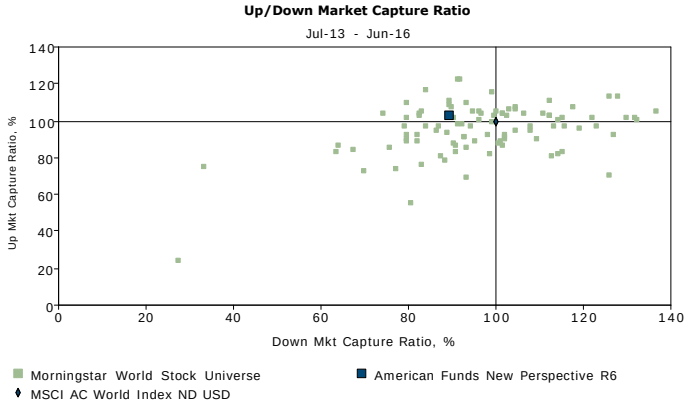


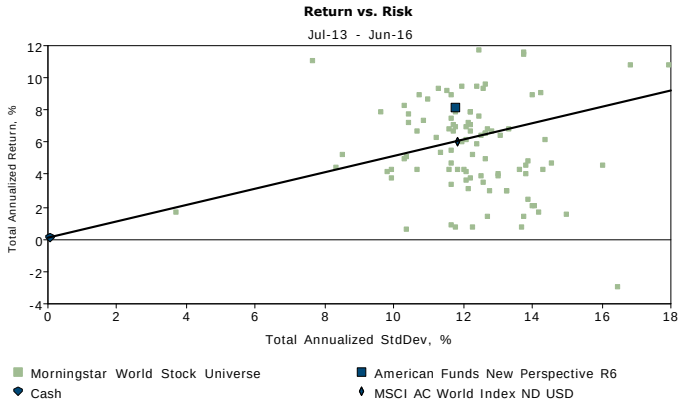
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
American Funds New Perspective R6	NA	NA	NA	NA	13.11	-7.33	21.19	27.23	3.56	5.63
MSCI AC World Index ND USD	20.95	11.66	-42.20	34.63	12.67	-7.35	16.13	22.80	4.16	-2.36



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
American Funds New Perspective R6	2.27	0.97	94.17	0.72	11.76	2.87
MSCI AC World Index ND USD	0.00	1.00	100.00	0.55	11.82	0.00
Universe(5%)	4.55	1.13	95.87	0.84	14.62	8.02
Universe(25%)	1.79	1.03	93.58	0.67	13.25	5.76
Universe(Median)	0.03	0.97	88.22	0.52	12.22	4.40
Universe(75%)	-1.96	0.91	81.87	0.36	11.59	3.38
Universe(95%)	-4.87	0.70	62.03	0.12	9.77	2.46



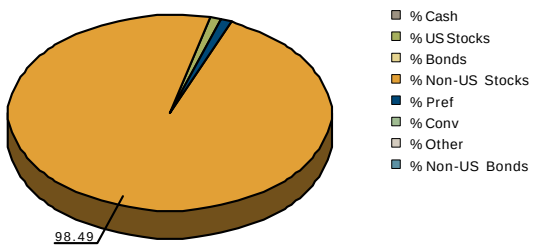




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Emerging Mkts Stock Idx I



Portfolio Region	
% United States	0.43
% Canada	0.00
% Latin America	14.07
% United Kingdom	0.00
% Eurozone	0.25
% Europe - ex Euro	0.02
% Europe - Emerging	7.28
% Africa	8.63
% Middle East	0.95
% Japan	0.00
% Australasia	0.00
% Asia - Developed	16.70
% Asia - Emerging	51.68

Portfolio Structure	
% Cash	0.32
% US Stocks	0.42
% Bonds	0.00
% Non-US Stocks	98.49
% Pref	0.60
% Conv	0.00
% Other	0.17
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	8.37
% Communication Services	7.05
% Consumer Cyclical	8.48
% Consumer Defensive	8.10
% Healthcare	3.22
% Industrials	6.25
% Real Estate	4.00
% Technology	19.03
% Energy	7.50
% Financial Services	24.15
% Utilities	3.87

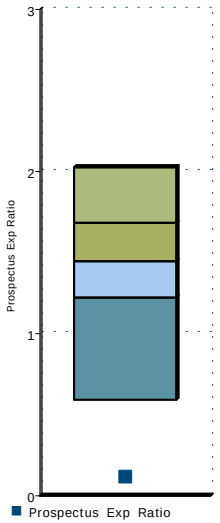
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Tencent Holdings Ltd	3.53%
Taiwan Semiconductor Manufacturing Co Ltd	2.39%
Naspers Ltd Class N	1.85%
China Mobile Ltd	1.80%
China Construction Bank Corp H	1.76%
Industrial And Commercial Bank Of China Ltd H	1.18%
Taiwan Semiconductor Manufacturing Co Ltd ADR	1.05%
Infosys Ltd	1.05%
Hon Hai Precision Industry Co Ltd	1.01%
Bank Of China Ltd. H	0.94%

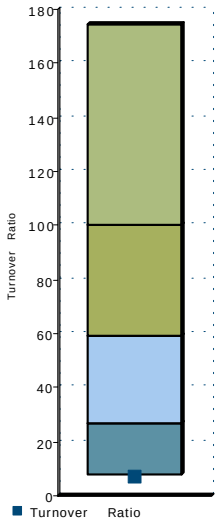
Portfolio Information	
Ticker	VEMIX
Morningstar Category	Diversified Emerging Mkts
Avg Mkt Cap $MM	13314.59
Cat Med Mkt Cap $MM	17891.01
Net Assets $MM	54366.82
Turnover Ratio	7.00
% Assets in Top 10 Holdings	16.57
Total Number of Holdings	4055.00
Manager Name	Michael Perre
Manager Tenure	7.84
Fund Incept Date	06/22/2000
Prospectus Exp Ratio	0.12
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	37
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	54
10 Year Mstar Rating	★★★
% Rank Cat 10 Yr	41

Expense Ratio vs. Peer Group



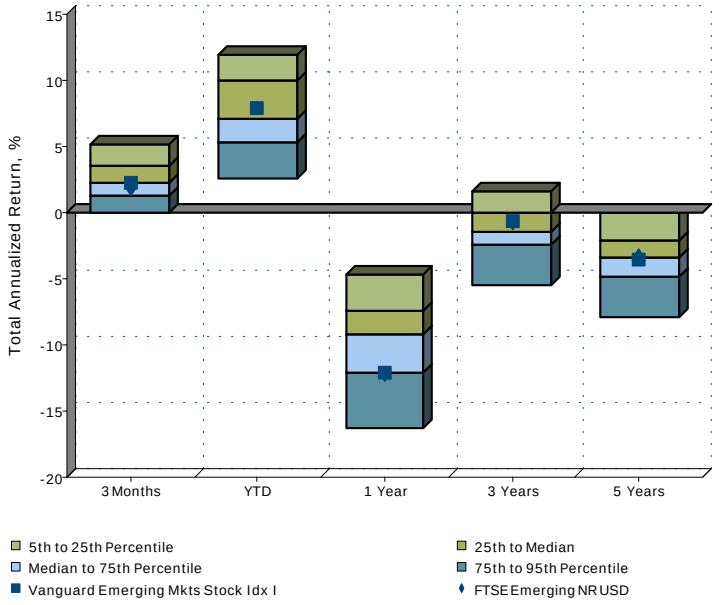
Turnover Ratio vs. Peer Group



Investment Strategy Summary

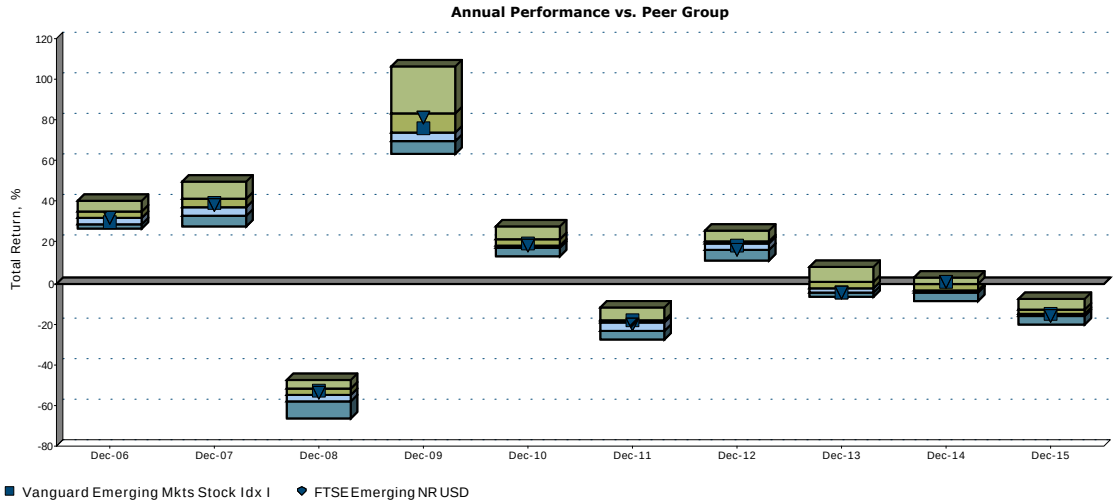
The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries. The fund employs an indexing investment approach designed to track the performance of the FTSE Emerging Markets All Cap China A Transition Index, an interim index that will gradually increase exposure to small-capitalization stocks and China A-shares while proportionately reducing exposure to other stocks based on their weightings in the index. The index is a market-capitalization-weighted index.

Performance vs. Peer Group

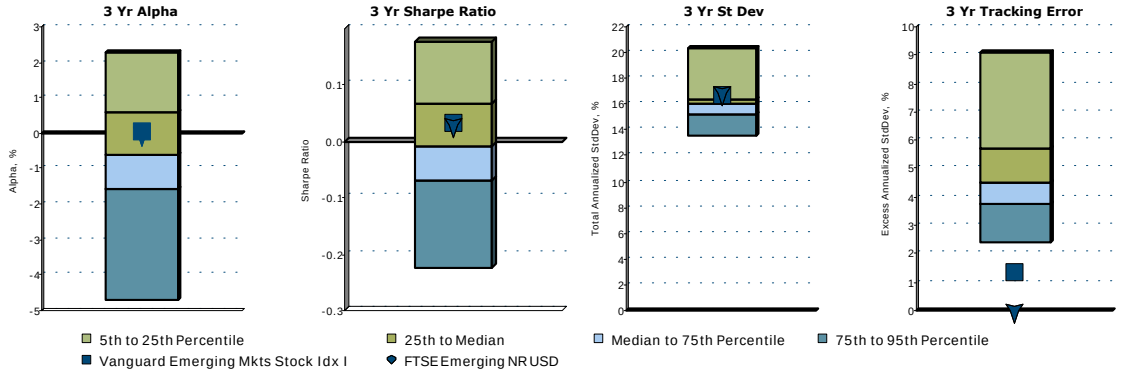


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Emerging Mkts Stock Idx I	2.33	7.84	-12.08	-0.71	-3.49
FTSE Emerging NR USD	1.71	7.87	-12.18	-0.77	-3.21
Universe(5%)	5.09	11.89	-4.65	1.68	-0.06
Universe(25%)	3.60	9.96	-7.34	-0.07	-2.15
Universe(Median)	2.31	7.16	-9.19	-1.38	-3.33
Universe(75%)	1.29	5.26	-12.16	-2.44	-4.87
Universe(95%)	0.00	2.62	-16.30	-5.47	-7.96

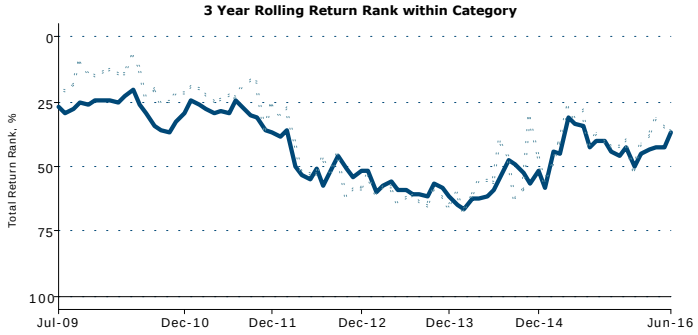
Vanguard Emerging Mkts Stock Idx I

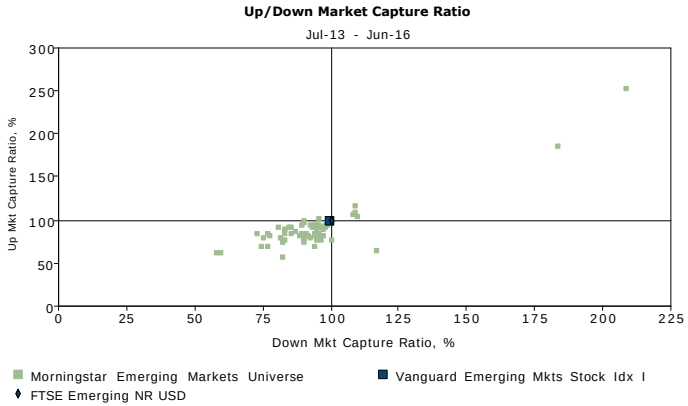


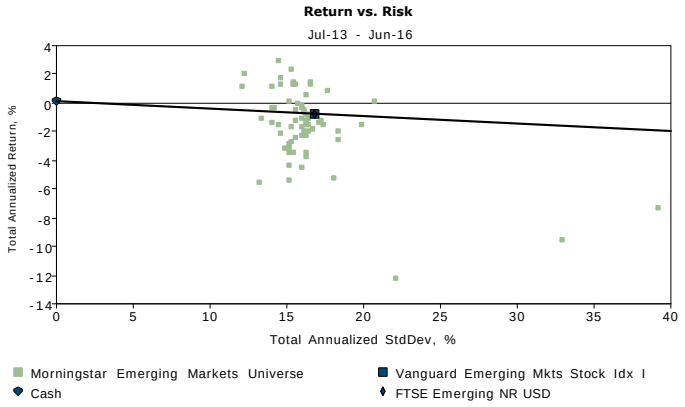
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Emerging Mkts Stock Idx I	29.57	39.15	-52.74	76.35	19.06	-18.63	18.90	-4.99	0.67	-15.34
FTSE Emerging NR USD	32.84	39.41	-53.03	82.15	19.60	-19.15	17.58	-3.79	1.21	-15.51



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Emerging Mkts Stock Idx I	0.05	0.99	99.39	0.03	16.79	1.32
FTSE Emerging NR USD	0.00	1.00	100.00	0.03	16.87	0.00
Universe(5%)	2.26	1.12	98.20	0.18	20.36	9.09
Universe(25%)	0.57	0.95	95.76	0.07	16.38	5.75
Universe(Median)	-0.62	0.91	93.56	-0.01	15.99	4.48
Universe(75%)	-1.55	0.87	89.76	-0.07	15.15	3.72
Universe(95%)	-4.71	0.73	76.93	-0.22	13.55	2.38



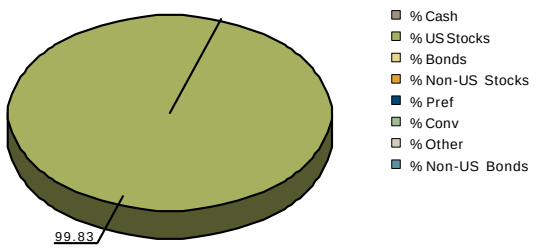




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard REIT Index I



Portfolio Region	
% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.17
% US Stocks	99.83
% Bonds	0.00
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

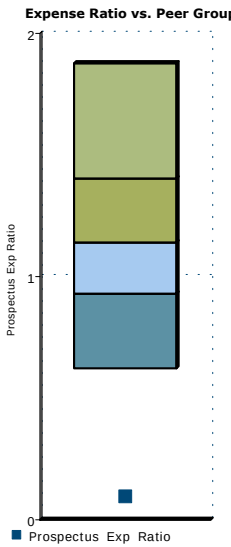
Sector Allocation	
% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.14
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	1.18
% Real Estate	98.68
% Technology	0.00
% Energy	0.00
% Financial Services	0.00
% Utilities	0.00

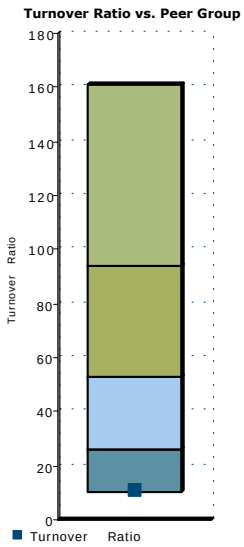
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Simon Property Group Inc	7.75%
Public Storage	4.74%
Equity Residential	3.20%
Equinix Inc	3.17%
Prologis Inc	3.16%
AvalonBay Communities Inc	3.13%
Welltower Inc	3.10%
Ventas Inc	2.83%
Boston Properties Inc	2.45%
Vornado Realty Trust	2.06%

Portfolio Information	
Ticker	VGSNX
Morningstar Category	Real Estate
Avg Mkt Cap $MM	10241.38
Cat Med Mkt Cap $MM	14217.71
Net Assets $MM	63604.77
Turnover Ratio	11.00
% Assets in Top 10 Holdings	35.59
Total Number of Holdings	154.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	20.15
Fund Incept Date	12/02/2003
Prospectus Exp Ratio	0.10
Phone Number	888-809-8102

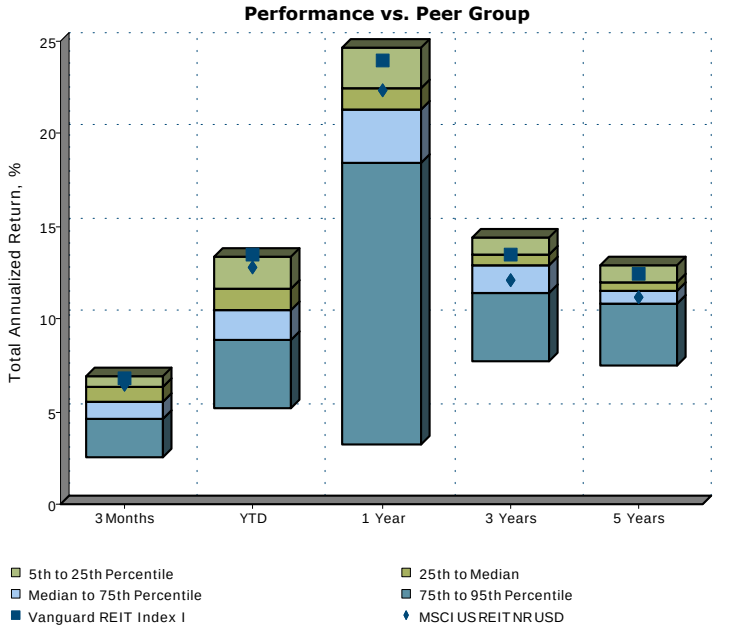
Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	24
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	13





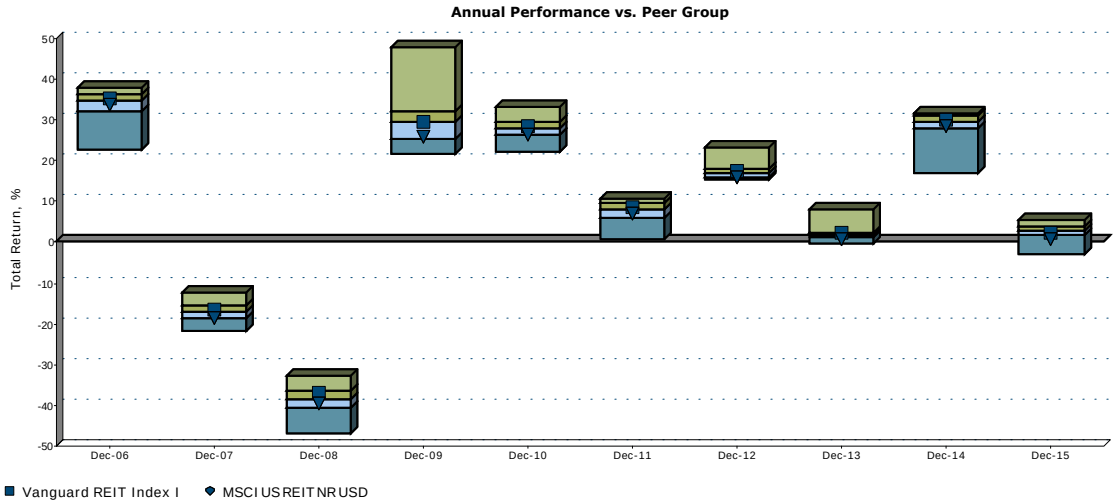
Investment Strategy Summary

The investment seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs. The fund employs an indexing investment approach designed to track the performance of the MSCI US REIT Index. The index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs). The adviser attempts to replicate the index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

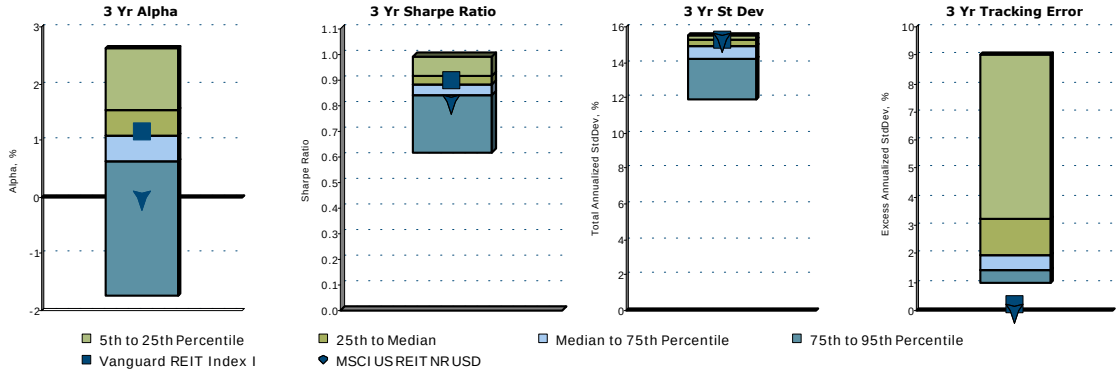


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard REIT Index I	6.78	13.47	23.94	13.44	12.47
MSCI US REIT NR USD	6.51	12.76	22.40	12.10	11.19
Universe(5%)	6.94	13.32	24.66	14.35	12.85
Universe(25%)	6.28	11.60	22.44	13.48	12.00
Universe(Median)	5.53	10.50	21.31	12.95	11.56
Universe(75%)	4.62	8.89	18.47	11.37	10.79
Universe(95%)	2.50	5.23	3.22	7.70	7.49

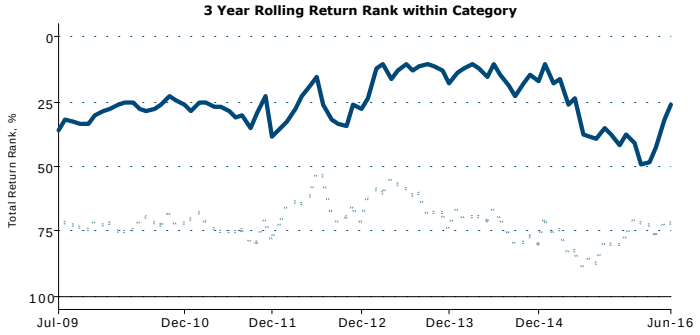
Vanguard REIT Index I

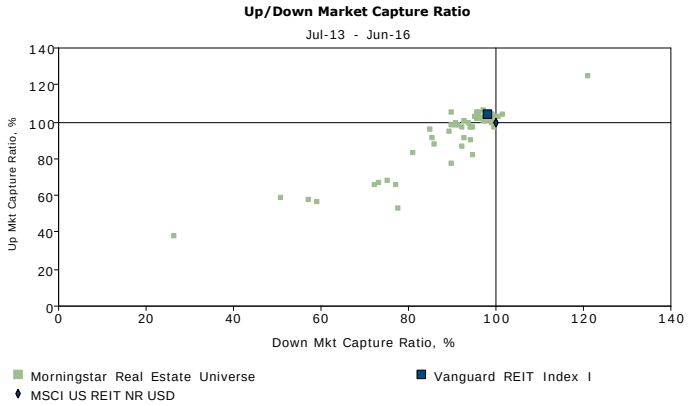


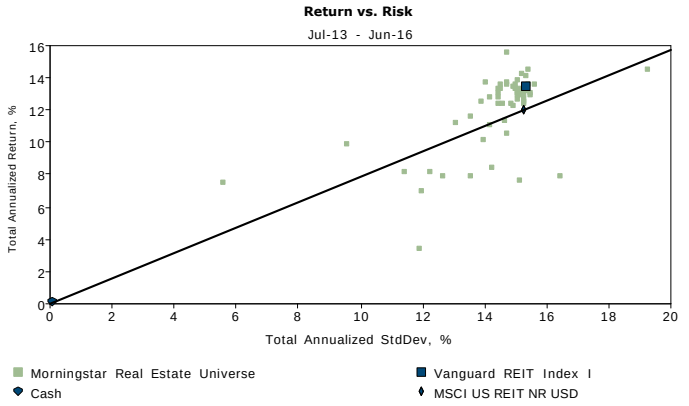
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard REIT Index I	35.15	-16.38	-36.95	29.76	28.56	8.70	17.65	2.48	30.28	2.45
MSCI US REIT NR USD	34.18	-17.84	-39.05	26.27	26.97	7.48	16.47	1.26	28.82	1.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard REIT Index I	1.17	1.00	99.98	0.90	15.31	0.24
MSCI US REIT NR USD	0.00	1.00	100.00	0.82	15.26	0.00
Universe(5%)	2.63	1.01	99.64	0.99	15.48	9.05
Universe(25%)	1.53	1.00	99.16	0.92	15.27	3.25
Universe(Median)	1.10	0.97	98.63	0.88	14.92	1.96
Universe(75%)	0.61	0.90	95.90	0.84	14.22	1.40
Universe(95%)	-1.75	0.60	73.79	0.62	11.87	0.95







Glossary

Alpha (3 Yr)

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative alpha indicates the portfolio has underperformed, given the expectations established by beta.

Average Effective Duration

A measure of a fund's interest-rate sensitivity--the longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Duration is determined by a formula that includes coupon rates and bond maturities. Small coupons tend to increase duration, while shorter maturities and higher coupons shorten duration. The relationship between funds with different durations is straightforward: A fund with a duration of 10 years is twice as volatile as a fund with a five-year duration. Morningstar prints an average effective duration statistic that incorporates call, put, and prepayment possibilities.

Average Effective Maturity

Average effective maturity is a weighted average of all the effective maturities of the bonds in a portfolio. Effective maturity takes into consideration mortgage prepayments, puts, calls, adjustable coupons, and other features of individual bonds and is thus a more accurate measure of interest-rate sensitivity. Longer-maturity funds are generally considered more interest-rate sensitive than their shorter counterparts.

Beta

A measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a fund's excess return over Treasury bills to the market's excess return over Treasury bills, so a beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund's excess return is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

The Morningstar Rating

Commonly called the Star Rating, is a measure of a fund's risk-adjusted return, relative to funds in its category. Funds are rated from one to five stars, with the best performers receiving five stars and the worst performers receiving a single star.

Risk-adjusted return is calculated by subtracting a risk penalty from each fund total return, after accounting for all loads, sales charges, and redemption fees. The risk penalty is determined by the amount of variation in the fund's monthly return, with emphasis on downward variation. The greater the variation, the larger the penalty. Funds are ranked within their categories and stars are assigned as follows: Top 10% five stars; Next 22.5% four stars; Middle 35% three stars; Next 22.5% two stars; Bottom 10% one star.

Audited Expense Ratio

The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV . Sales charges are not included in the expense ratio.

Geometric Average Market Capitalization

Morningstar defines the overall "size" of a stock fund's portfolio as the geometric mean of the market capitalization for all of the stocks it owns. It's calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.
This number is different from the fund's median market cap--the capitalization of the median stock in its portfolio. The geometric mean better identifies the portfolio's "center of gravity." That is, it provides more accurate insight into how market trends (as defined by capitalization) might affect the portfolio.

Net Assets

The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

% Assets in Top 10 Holdings

The aggregate assets, expressed as a percentage, of the fund's top 10 portfolio holdings. This figure is meant to be a measure of portfolio risk. Specifically, the higher the percentage, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. The figure is calculated from the most recent available fund holdings.

Price/Book Ratio TTM

The weighted average of the price/book ratios of all the stocks in a fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation. In theory, a high P/B ratio indicates that the price of the stock exceeds the actual worth of the company's assets, while a low P/B ratio indicates that the stock is a bargain.

Price/Earnings Ratio TTM

The weighted average of the price/earnings ratios of the stocks in a fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents, so that larger positions have proportionately greater influence on the fund's final P/E.

R-Squared

Reflects the percentage of a fund's movements that can be explained by movements in its benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index. Thus, index funds that invest only in S&P 500 stocks will have an R-squared very close to 100. Conversely, a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index. An R-squared measure of 35, for example, means that only 35% of the fund's movements can be explained by movements in the benchmark index.

Sharpe Ratio

The Sharpe Ratio is a risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. It can be used to compare two portfolios directly on how much excess return each portfolio achieved for a certain level of risk.

Standard Deviation

Standard deviation is the statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that is most likely for a given investment. When a stock or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Total Number of Holdings

The total number of different holdings of a fund. This figure is meant to be a measure of portfolio risk. Specifically, the lower the figure, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. This figure also provides a context for the importance of % assets in top 10 holdings. The figure is calculated from the most recent available fund holdings. It does not include a fund's short positions.

Total Return

Expressed in percentage terms, Morningstar's calculation of total return is determined each month by taking the change in monthly net asset value, reinvesting all income and capital-gains distributions during that month, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly.

Turnover Ratio

This is a measure of the fund's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

12-Month Yield

Also known as a distribution yield, Morningstar computes this figure by summing the trailing 12-month's income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

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Asset Allocation Analysis
City of Dover - Police Pension

August 2016

Prepared by
Milliman, Inc.



Asset Allocation Analysis

Asset Class Statistics

Time Period: 7/31/2011 to 7/31/2016

	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
US Cash	0.50	0.98	0.00	-0.12	0.51
US Core Fixed Income	3.20	4.65	0.08	-0.03	0.69
US Short Bonds	2.93	2.71	0.02	-0.08	1.08
US Interm Bonds	3.02	4.10	0.05	-0.05	0.74
US Long Bonds	3.65	10.06	0.31	0.24	0.36
US Inflation-Indexed Bonds	3.00	4.84	0.22	0.26	0.62
US High Yield Bonds	6.44	10.12	0.31	0.18	0.64
US Small Caps	8.54	21.59	0.68	0.98	0.40
US Mid Caps	7.94	19.32	0.59	0.70	0.41
US Large Growth	8.06	18.55	0.54	0.60	0.43
US Large Value	7.27	16.70	0.44	0.42	0.44
Foreign Developed Equity	8.30	19.48	0.56	0.49	0.43
Emerging Markets Equity	10.29	27.94	0.77	0.73	0.37
US REITs	7.42	20.42	0.58	0.74	0.36

Asset Class Correlation Matrix

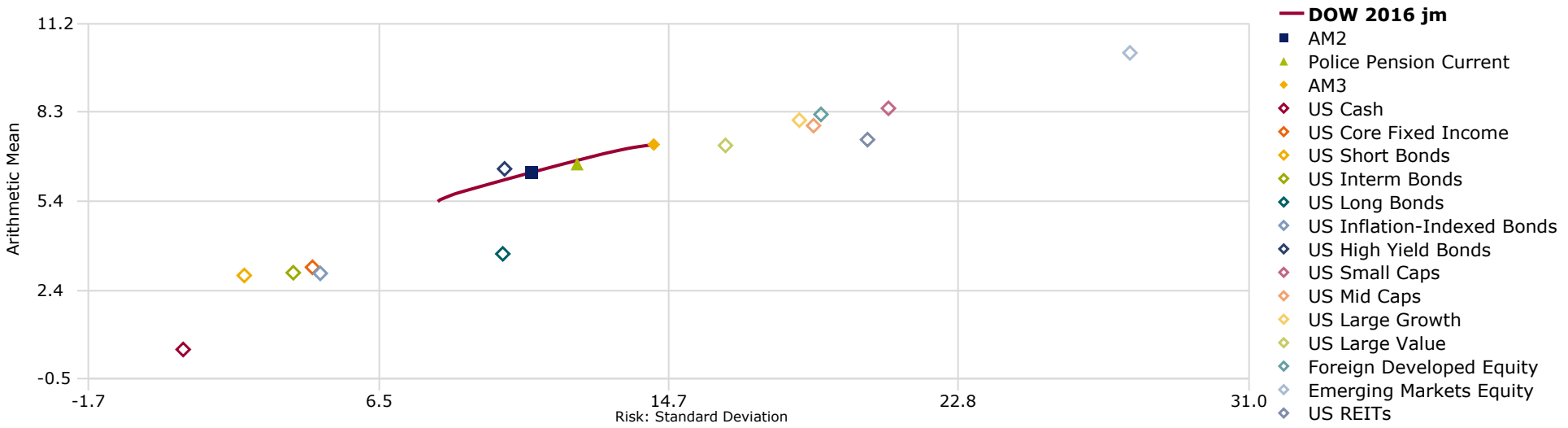
Time Period: 6/1/2005 to 9/1/2014

Asset Class	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 US Cash	1.00													
2 US Core Fixed Income	0.20	1.00												
3 US Short Bonds	0.55	0.86	1.00											
4 US Interm Bonds	0.25	0.99	0.90	1.00										
5 US Long Bonds	-0.02	0.90	0.58	0.84	1.00									
6 US Inflation-Indexed Bonds	0.23	0.62	0.50	0.61	0.53	1.00								
7 US High Yield Bonds	-0.06	0.24	0.19	0.22	0.14	0.21	1.00							
8 US Small Caps	-0.06	-0.11	-0.11	-0.13	-0.14	-0.17	0.66	1.00						
9 US Mid Caps	-0.04	-0.03	-0.04	-0.05	-0.07	-0.08	0.74	0.97	1.00					
10 US Large Growth	-0.05	-0.07	-0.09	-0.10	-0.10	-0.14	0.63	0.86	0.92	1.00				
11 US Large Value	0.01	0.01	0.00	-0.01	-0.05	-0.13	0.68	0.92	0.96	0.83	1.00			
12 Foreign Developed Equity	0.01	-0.01	0.00	-0.01	-0.07	-0.07	0.65	0.76	0.82	0.76	0.78	1.00		
13 Emerging Markets Equity	0.05	-0.10	-0.03	-0.07	-0.14	0.02	0.59	0.69	0.71	0.65	0.63	0.73	1.00	
14 US REITs	-0.05	0.12	0.03	0.08	0.11	0.10	0.64	0.73	0.73	0.52	0.75	0.57	0.44	1.00

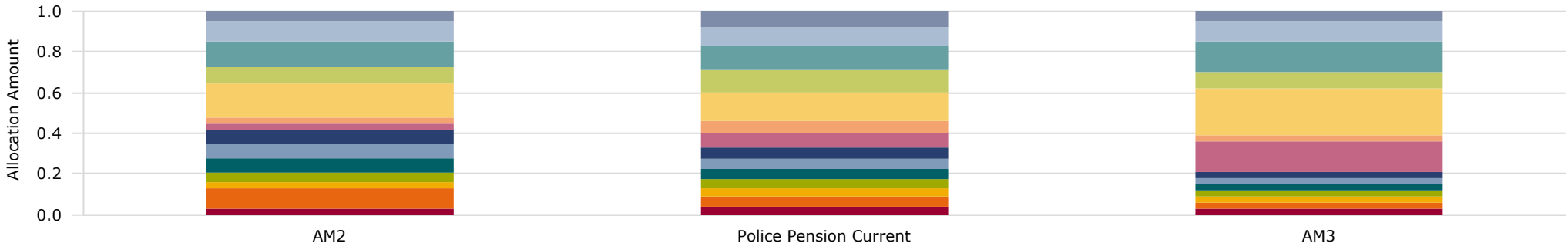
1.00 to 0.80 | 0.80 to 0.60 | 0.60 to 0.40 | 0.40 to 0.20 | 0.20 to 0.00
0.00 to -0.20 | -0.20 to -0.40 | -0.40 to -0.60 | -0.60 to -0.80 | -0.80 to -1.00

Asset Allocation Analysis

Efficient Frontier



Stacked Bar Chart



- US Cash
- US Core Fixed Income
- US Short Bonds
- US Interm Bonds
- US Long Bonds
- US Inflation-Indexed Bonds
- US High Yield Bonds
- US Small Caps
- US Mid Caps
- US Large Growth
- US Large Value
- Foreign Developed Equity
- Emerging Markets Equity
- US REITs

Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

	AM2	Police Pension Current	AM3
Arithmetic Mean	6.35	6.64	7.28
Standard Deviation	11.07	12.40	14.63
Sharpe Ratio	0.57	0.54	0.50

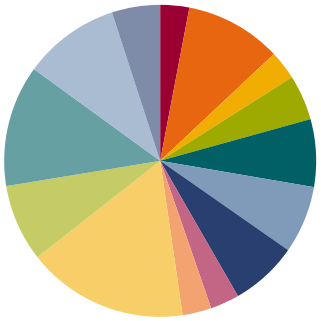
Asset Allocation Analysis

Composition

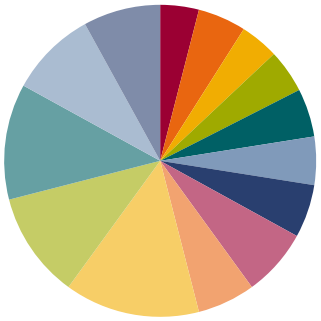
	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs
AM2	3.00	10.00	3.00	4.70	7.00	7.00	7.00	3.00	3.00	16.71	8.00	12.59	10.00	5.00
Police Pension Current	4.00	5.00	4.00	4.50	5.00	5.00	5.50	7.00	6.00	14.00	11.00	12.00	9.00	8.00
AM3	3.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	3.00	23.00	8.00	15.00	10.00	5.00

Composition

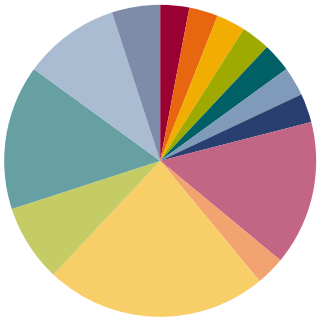
AM2



Police Pension Current



AM3



- US Cash
- US Core Fixed Income
- US Short Bonds
- US Interm Bonds
- US Long Bonds
- US Inflation-Indexed Bonds
- US High Yield Bonds
- US Small Caps
- US Mid Caps
- US Large Growth
- US Large Value
- Foreign Developed Equity
- Emerging Markets Equity
- US REITs

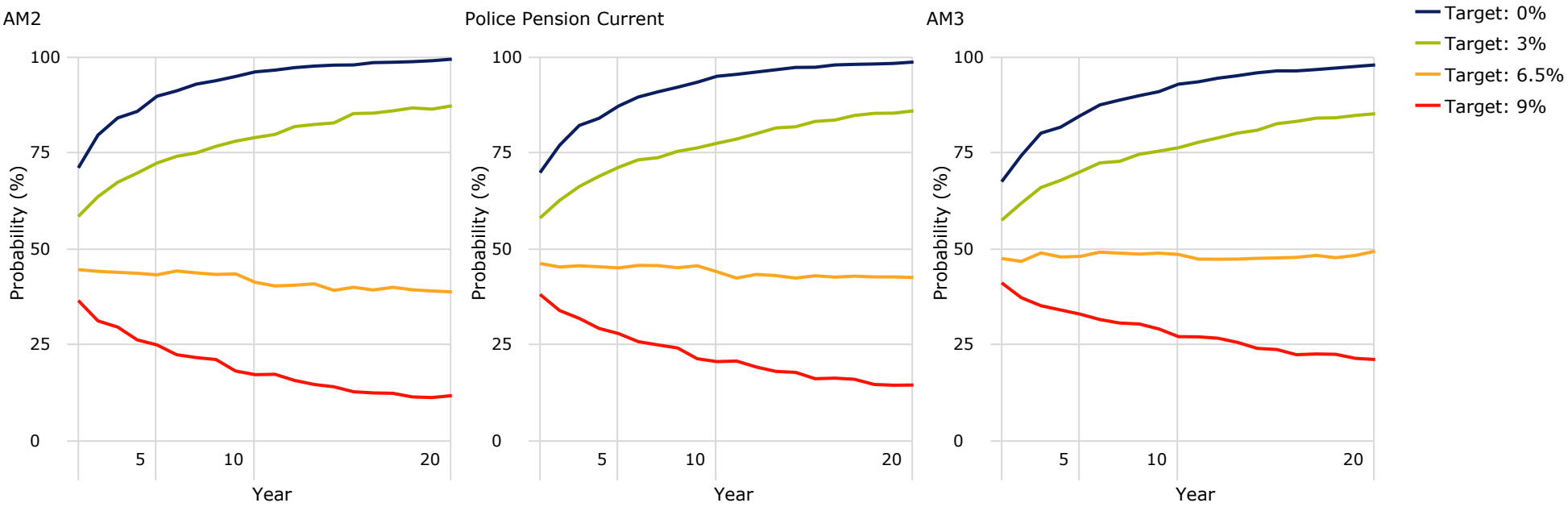
Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
AM2	6.35	11.07	0.49	0.47	0.57
Police Pension Current	6.64	12.40	0.51	0.50	0.54
AM3	7.28	14.63	0.54	0.53	0.50

Asset Allocation Analysis

Target Return



Target Return

	Target Return			
	0%	3%	6.5%	9%
AM2				
5 Year	89.95	72.55	43.45	25.20
10 Year	96.30	79.20	41.50	17.45
20 Year	99.60	87.45	39.00	12.00
Police Pension Current				
5 Year	87.40	71.45	45.25	28.15
10 Year	95.15	77.70	44.25	20.85
20 Year	98.85	86.15	42.75	14.75
AM3				
5 Year	84.90	70.30	48.25	33.20
10 Year	93.10	76.55	48.75	27.35
20 Year	98.10	85.40	49.60	21.40

Asset Allocation Analysis

Trailing Returns

As of Date: 7/31/2016

	YTD	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011	2010	2009	2008
US Cash	0.17	0.22	0.09	0.08	0.91	0.05	0.03	0.06	0.09	0.06	0.14	0.16	1.51
US Core Fixed Income	5.98	5.94	4.23	3.57	5.06	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
US Short Bonds	1.67	1.54	1.15	1.05	2.72	0.65	0.77	0.64	1.26	1.59	2.80	3.82	4.97
US Interm Bonds	4.36	4.25	2.94	2.66	4.39	1.07	3.13	-0.86	3.89	5.80	5.89	5.24	5.08
US Long Bonds	17.25	16.14	10.30	8.79	8.48	-3.30	19.31	-8.83	8.78	22.49	10.16	1.92	8.44
US Inflation-Indexed Bonds	7.16	5.04	2.36	2.02	4.67	-1.44	3.64	-8.61	6.98	13.56	6.31	11.41	-2.35
US High Yield Bonds	4.70	-4.61	-3.46	-1.87	-1.71	-11.32	-4.24	-0.11	6.21	-1.84	4.32	23.03	-28.42
US Small Caps	8.32	0.00	6.74	10.43	7.17	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79
US Mid Caps	10.31	4.37	10.37	12.73	8.79	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48	-41.46
US Large Growth	6.15	4.35	12.86	13.62	9.50	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44
US Large Value	9.38	5.38	8.99	12.75	6.18	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
Foreign Developed Equity	0.42	-7.53	2.00	3.02	1.98	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38
Emerging Markets Equity	11.77	-0.75	-0.29	-2.75	3.91	-14.92	-2.19	-2.60	18.22	-18.42	18.88	78.51	-53.33
US REITs	18.09	22.29	14.76	13.17	7.53	3.20	30.14	2.47	18.06	8.29	27.96	27.99	-37.73
AM2	7.48	3.53	5.76	6.13	5.74	-1.82	6.37	10.68	12.28	0.85	12.81	26.23	-26.82
Police Pension Current	7.80	3.75	6.31	6.98	5.95	-1.82	7.26	13.76	13.18	0.05	14.48	27.41	-29.27
AM3	7.20	2.44	6.72	7.62	6.29	-1.44	6.51	18.87	14.35	-1.78	15.74	30.79	-33.11

Monthly Return

Time Period: 8/1/2015 to 7/31/2016

	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs	AM2	Police Pension Current	AM3
2015-08	0.01	-0.14	-0.06	-0.08	-0.80	-0.76	-2.58	-6.28	-5.28	-6.07	-5.96	-7.36	-9.04	-6.19	-4.29	-4.69	-5.42
2015-09	0.00	0.68	0.30	0.67	0.81	-0.59	-3.22	-4.91	-3.60	-2.47	-3.02	-5.08	-3.01	2.93	-1.81	-1.97	-2.61
2015-10	0.00	0.02	-0.03	-0.10	0.41	0.25	2.34	5.63	6.20	8.61	7.55	7.82	7.13	5.87	4.59	5.01	5.88
2015-11	0.01	-0.26	-0.20	-0.26	-0.56	-0.10	-2.54	3.25	0.25	0.28	0.38	-1.56	-3.90	-0.52	-0.70	-0.46	-0.18
2015-12	0.02	-0.32	-0.13	-0.33	-0.79	-0.79	-3.12	-5.02	-2.68	-1.47	-2.15	-1.35	-2.23	1.84	-1.33	-1.46	-1.84
2016-01	0.02	1.38	0.52	1.22	2.10	1.48	-1.61	-8.79	-6.55	-5.58	-5.17	-7.23	-6.49	-3.35	-3.18	-3.84	-4.96
2016-02	0.03	0.71	0.09	0.49	2.19	1.11	-0.53	0.00	1.13	-0.04	-0.03	-1.83	-0.16	-0.42	0.05	-0.01	-0.17
2016-03	0.03	0.92	0.36	0.72	2.84	1.80	2.78	7.98	8.19	6.74	7.20	6.51	13.23	10.14	5.49	6.05	6.66
2016-04	0.02	0.38	0.14	0.27	1.23	0.35	2.19	1.57	1.06	-0.91	2.10	2.90	0.54	-2.39	0.71	0.72	0.73
2016-05	0.02	0.03	-0.07	-0.11	0.32	-0.71	-0.48	2.25	1.64	1.94	1.55	-0.91	-3.73	2.43	0.13	0.40	0.54
2016-06	0.02	1.80	0.60	1.43	4.92	2.08	0.56	-0.06	0.46	-0.39	0.86	-3.36	4.00	6.98	1.14	1.14	0.57
2016-07	0.03	0.63	0.02	0.28	2.55	0.87	1.78	5.97	4.57	4.72	2.90	5.07	5.03	4.15	3.13	3.38	4.01

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Competitor Analysis Report

High Yield Bond

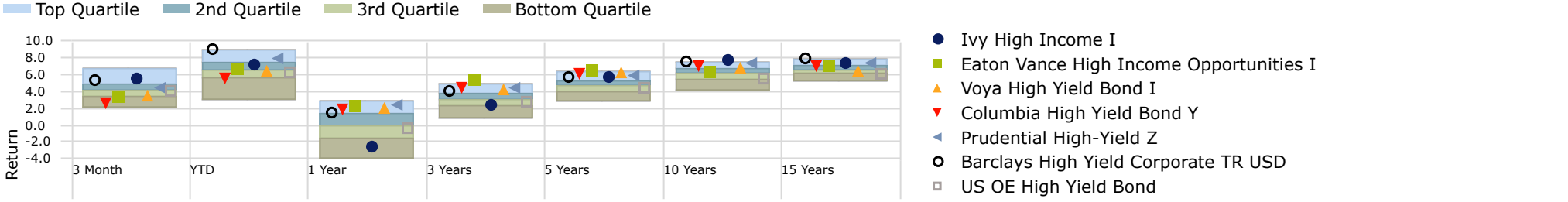
Prepared By

Milliman, Inc.



Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond Calculation Benchmark: Barclays High Yield Corporate TR USD



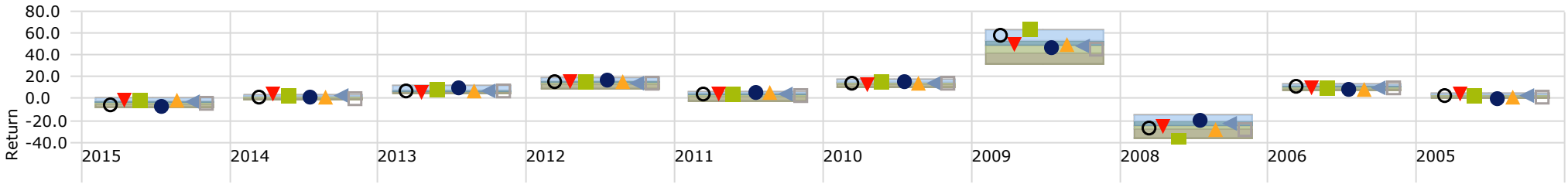
Trailing Peer Group Performance

As of Date: 6/30/2016 Data Point: Return

	3 Month	% Rank	YTD	% Rank	1 Year	% Rank	3 Years	% Rank	5 Years	% Rank	10 Years	% Rank	15 Years	% Rank
Ivy High Income I	5.60	13	7.30	29	-2.41	85	2.57	69	5.85	11	7.73	2	7.42	12
Eaton Vance High Income Opportunities I	3.41	74	6.77	43	2.23	10	5.34	1	6.49	4	6.34	41	7.09	25
Voya High Yield Bond I	3.62	67	6.62	47	2.07	12	4.38	12	6.28	6	6.84	21	6.58	53
Columbia High Yield Bond Y	2.67	86	5.64	71	1.88	15	4.56	9	6.13	7	7.04	12	7.14	23
Prudential High-Yield Z	4.45	35	7.92	17	2.42	8	4.57	9	5.90	10	7.38	6	7.40	13
Barclays High Yield Corporate TR USD	5.52	15	9.06	4	1.62	19	4.18	16	5.84	12	7.56	4	7.93	5
US OE High Yield Bond	4.17	47	6.39	54	-0.33	55	2.86	60	4.52	60	5.55	73	6.12	73
Median	4.10		6.55		-0.07		3.13		4.71		6.08		6.62	

Calendar Year Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Calendar Year Returns

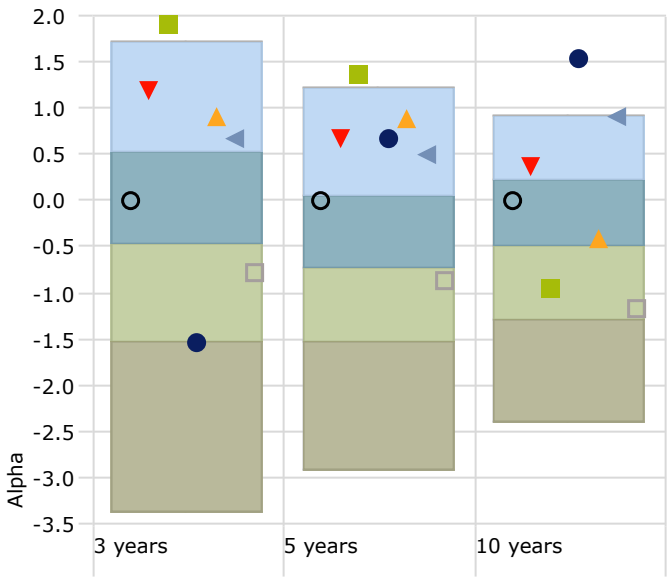
Data Point: Return Peer Group: Open End Funds - U.S. - High Yield Bond

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ivy High Income I	-7.13	1.74	10.46	17.16	6.44	15.62	46.56	-19.73	4.05	9.70
Eaton Vance High Income Opportunities I	-0.87	3.71	8.58	15.96	4.13	16.43	63.56	-37.22	0.72	10.99
Voya High Yield Bond I	-1.25	1.84	8.27	15.89	5.71	14.75	49.40	-27.90	2.49	9.54
Columbia High Yield Bond Y	-1.15	4.10	6.33	15.65	5.08	13.38	49.91	-24.58	2.06	10.76
Prudential High-Yield Z	-2.59	2.84	7.23	14.16	5.07	14.72	48.35	-22.14	2.70	10.51
Barclays High Yield Corporate TR USD	-4.47	2.45	7.44	15.81	4.98	15.12	58.21	-26.16	1.87	11.85
US OE High Yield Bond	-4.07	1.11	6.92	14.69	2.75	14.13	45.68	-27.06	1.32	10.09
Median	-3.82	1.48	6.61	14.77	3.48	14.26	48.28	-24.58	2.00	10.27

Source: Morningstar Direct

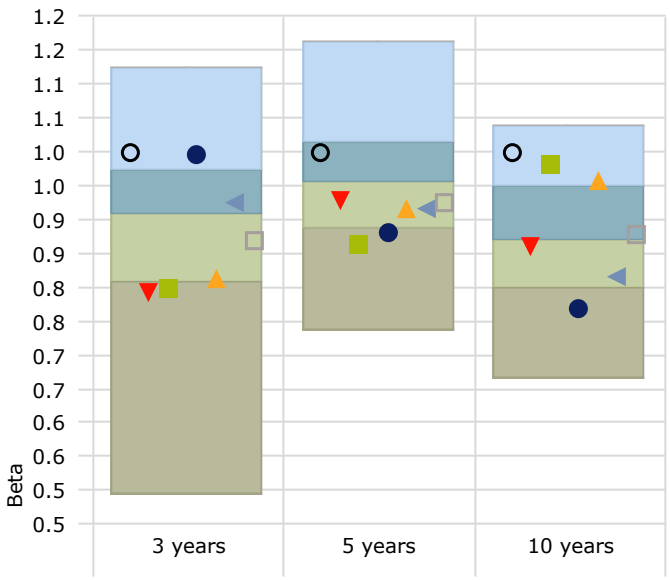
Alpha

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



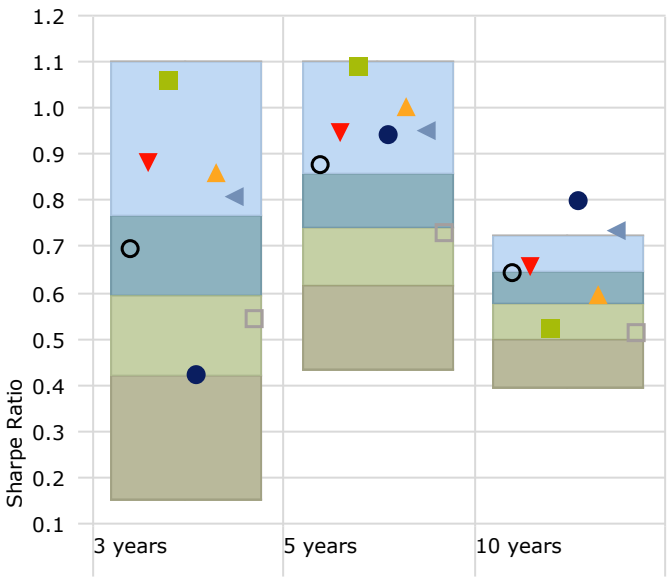
Beta

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Sharpe Ratio

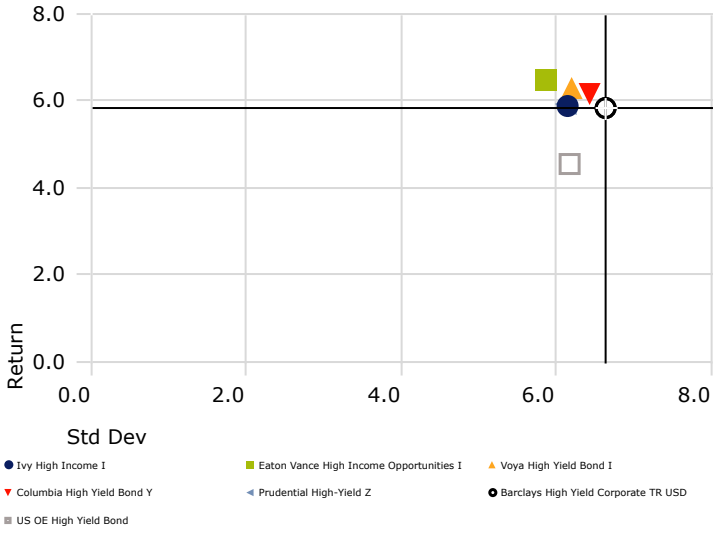
As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Risk-Reward

Time Period: 7/1/2011 to 6/30/2016

Calculation Benchmark: Barclays High Yield Corporate TR USD



3-Year Risk Return

Time Period: 7/1/2013 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.23	-1.53	1.00	91.79	0.42	87.75	104.00	41.67
Eaton Vance High Income Opportunities I	4.95	1.90	0.80	94.00	1.06	94.39	74.25	66.67
Voya High Yield Bond I	5.03	0.92	0.81	94.11	0.86	90.83	82.42	50.00
Columbia High Yield Bond Y	5.12	1.19	0.79	86.26	0.88	90.12	78.68	50.00
Prudential High-Yield Z	5.60	0.67	0.93	98.10	0.81	95.02	86.38	50.00
Barclays High Yield Corporate TR USD	6.00	0.00	1.00	100.00	0.70	100.00	100.00	100.00
US OE High Yield Bond	5.24	-0.77	0.87	98.77	0.55	83.84	93.43	36.11
Median	5.57	-0.46	0.91	93.79	0.59	88.19	95.61	41.67

5-Year Risk Return

Time Period: 7/1/2011 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.15	0.67	0.88	90.91	0.94	91.48	84.44	48.33
Eaton Vance High Income Opportunities I	5.87	1.36	0.86	95.56	1.09	94.15	80.52	60.00
Voya High Yield Bond I	6.21	0.88	0.92	96.13	1.00	97.88	90.09	55.00
Columbia High Yield Bond Y	6.43	0.67	0.93	92.18	0.95	97.79	92.11	53.33
Prudential High-Yield Z	6.14	0.51	0.92	98.69	0.95	94.21	88.70	45.00
Barclays High Yield Corporate TR USD	6.65	0.00	1.00	100.00	0.88	100.00	100.00	100.00
US OE High Yield Bond	6.18	-0.85	0.92	98.83	0.73	88.10	96.89	33.33
Median	6.51	-0.72	0.95	95.26	0.74	91.79	99.44	41.67

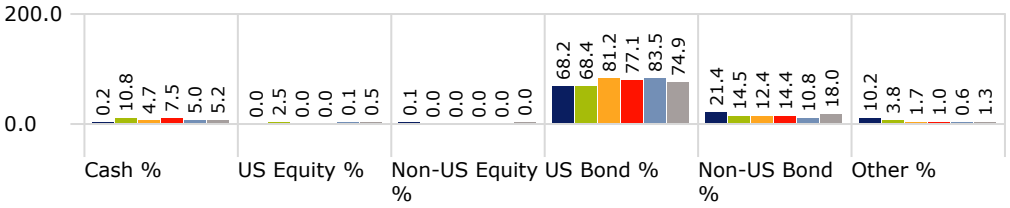
Source: Morningstar Direct

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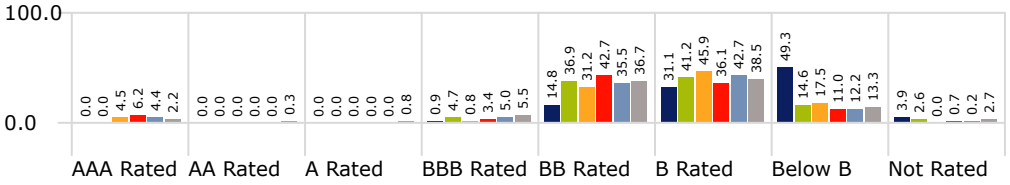
Holdings Statistics

	Fixed Inc Style Box	Govt%	Munic%	Corp%	Secritzd%	Cash & Equiv%	Deriv%	% Asset Top 10%	# of Stocks	# of Bonds	Average Eff Duration	Average Eff Maturity	Average Credit Quality
Ivy High Income I		2.51	0.00	87.61	0.63	0.20	0.00	17.06	2	227	3.20	4.50	B
Eaton Vance High Income Opportunities I		0.86	0.00	82.78	0.48	10.76	0.00	6.92	12	519	3.61	4.98	B
Voya High Yield Bond I		1.52	0.00	91.35	0.00	4.66	0.00	5.08	0	457	3.95	4.86	B
Columbia High Yield Bond Y		0.27	0.00	98.05	0.58	0.08	0.00	8.61	1	372	4.04	5.17	B
Prudential High-Yield Z		6.87	0.00	87.58	0.26	5.05	0.00	11.94	6	621	4.27	5.01	B
Barclays High Yield Corporate TR USD													
US OE High Yield Bond		3.15	0.00	87.07	1.43	6.11	3.30	65.97	44	308	3.68	5.51	B

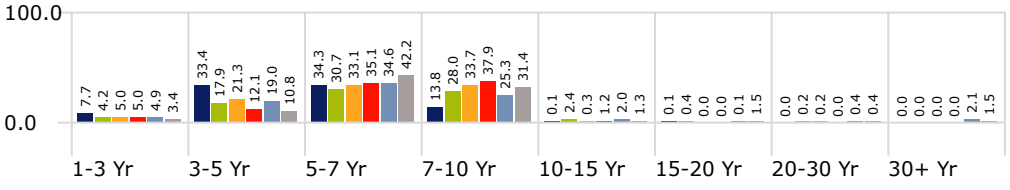
Asset Allocation



Credit Quality



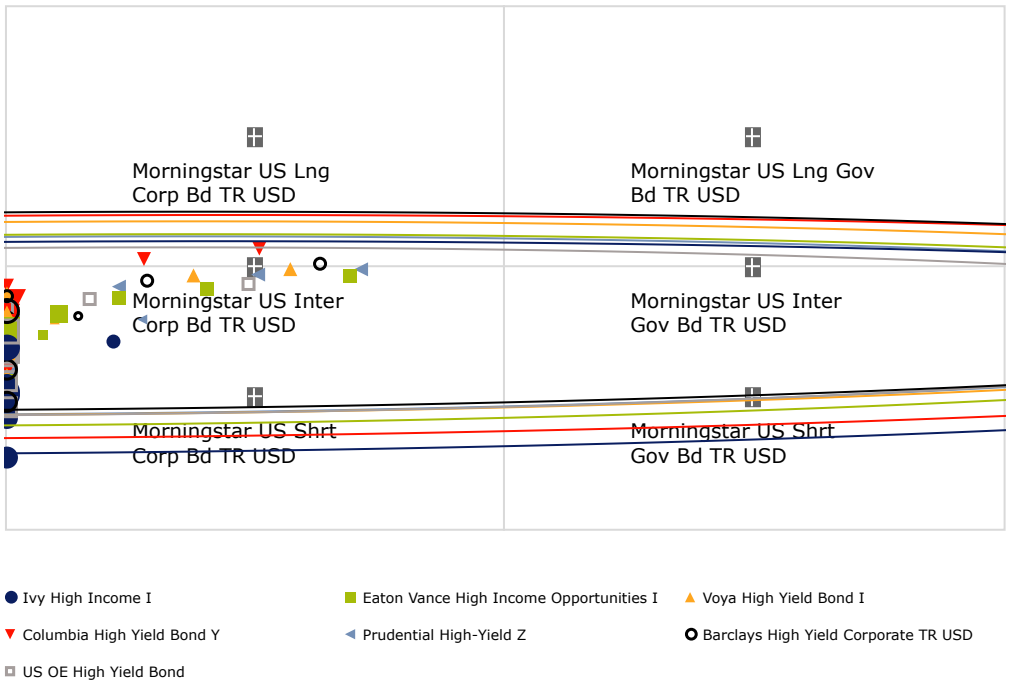
Maturity Breakdown



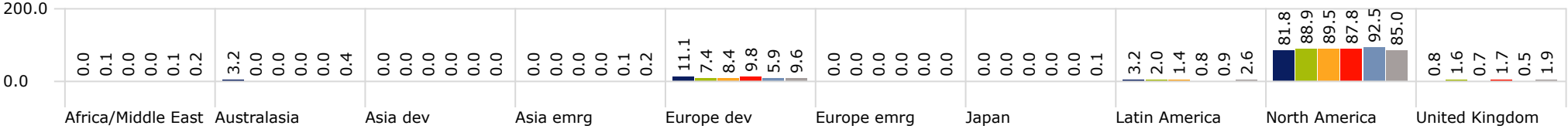
Returns-Based Style

Time Period: 7/1/2011 to 6/30/2016

Rolling Window: 3 Years 2 Months shift



Regional Exposure



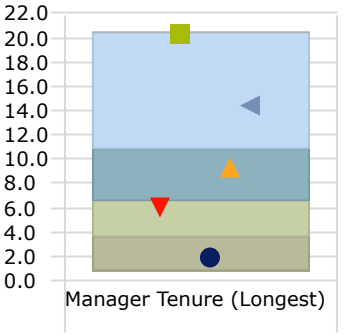
Source: Morningstar Direct

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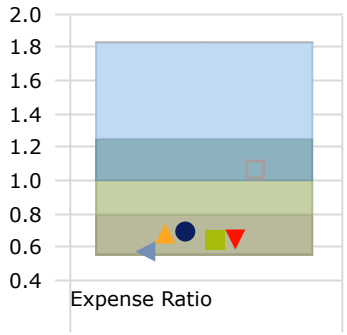
Manager

	Inception Date	Ticker	Advisor	Subadvisor	Manager Name
Ivy High Income I	4/2/2007	IVHIX	Ivy Investment Management Co		Chad A. Gunther
Eaton Vance High Income Opportunities I	10/1/2009	EIHIX	Boston Management and Research		Multiple
Voya High Yield Bond I	7/31/2008	IHYIX	Voya Investments, LLC	Voya Investment Management Co. LLC	Multiple
Columbia High Yield Bond Y	11/8/2012	CHYYX	Columbia Mgmt Investment Advisers, LLC		Multiple
Prudential High-Yield Z	3/1/1996	PHYZX	Prudential Investments LLC	Prudential Fixed Income	Multiple
Barclays High Yield Corporate TR USD	1/31/1995				
US OE High Yield Bond	9/1/1935				

Manager Tenure



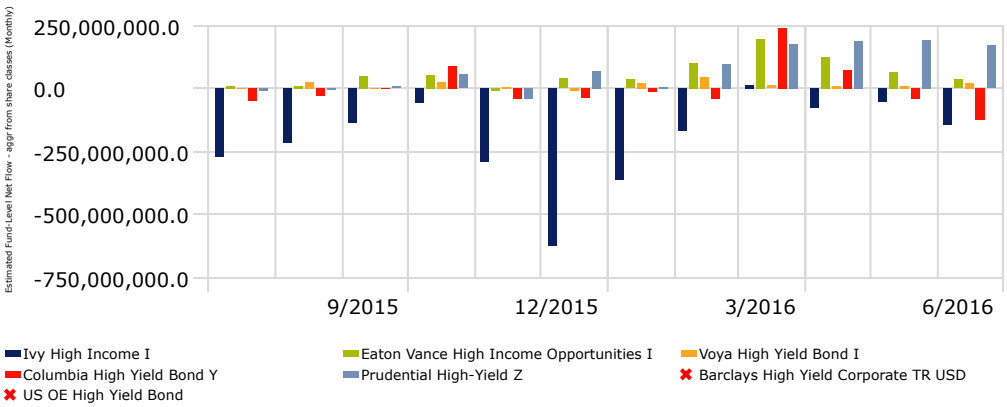
Expense Ratio



	Net Expense Ratio	Mstar Ret 3 Yr	Mstar Ret 5 Yr	Mstar Ret 10 Yr	Mstar Ret Overall	Mstar Risk 3 Yr	Mstar Risk 5 Yr	Mstar Risk 10 Yr	Mstar Rating Overall	Turnover Ratio %	% Cash	% Equity	% Bond	% Other	Closed to New Inv
Ivy High Income I	0.69	Average	Above Avg	High	Above Avg	Above Avg	Average	Below Avg	★★★★	29.00	0.19	0.06	89.53	10.22	No
Eaton Vance High Income Opportunities I	0.65	High	High	Average	High	Below Avg	Below Avg	High	★★★★★	38.00	10.77	2.49	82.93	3.82	No
Voya High Yield Bond I	0.68	High	High	Above Avg	High	Below Avg	Average	Above Avg	★★★★★	22.00	4.66	0.00	93.61	1.73	No
Columbia High Yield Bond Y	0.65	High	High	Above Avg	High	Below Avg	Average	Average	★★★★★	64.00	7.46	0.00	91.51	1.03	No
Prudential High-Yield Z	0.58	High	Above Avg	High	High	Average	Average	Below Avg	★★★★★	48.00	5.05	0.06	94.30	0.59	No
Barclays High Yield Corporate TR USD															No
US OE High Yield Bond	1.10	Average	Average	Average		Average	Average	Average	★★★	69.69	5.18	0.55	92.93	1.34	No

Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2015 to 6/30/2016



Net Money Flow

	Fund Size	Est Fund-Level Net Flow YTD	Est Fund-Level Net Flow 1 Yr	Est Fund-Level Net Flow 5 Yr	Est Fund-Level Net Flow 10 Yr
Ivy High Income I	4,740	-791	-2,390	1,669	3,479
Eaton Vance High Income Opportunities I	1,393	560	711	813	615
Voya High Yield Bond I	721	123	162	497	408
Columbia High Yield Bond Y	2,056	87	20	-355	-1,388
Prudential High-Yield Z	4,558	825	895	2,002	1,744
Barclays High Yield Corporate TR USD					
US OE High Yield Bond					

Source: Morningstar Direct

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MEMO

To:	City of Dover, Delaware OPEB Plan – Board
From:	Jeff Marzinsky – Milliman
Re:	Board Meeting Notes

Enclosures: Milliman Quarterly Investment Monitor Report (QIM)

1. OPEB Plan Investment Review through quarter end:

a. At quarter end, the plan had assets of $23.4 million, up from $22.8 million at the beginning of the quarter. During the quarter, the plan had no contributions, no withdrawals/adjustments, and fees of approximately $1.7 thousand.

b. Total performance of the plan portfolio was 2.62% net (2.69% gross) for the quarter, generally in line with the Plan's benchmark index performance of 2.66%.

City of Dover
OPEB Trust
Quarterly Return Summary

Month End	BMV	Contribution	Withdrawls	Fees	Gain	EMV	OPEB-NET RETURN	OPEB-GROSS RETURN
7/31/2015	$ 22,390,685.20	$ -	$ -	$ 1,250.00	$ 148,576.63	$ 22,538,011.83	0.66%	0.69%
8/31/2015	$ 22,538,011.83	$ -	$ -	$ -	$ (1,022,030.98)	$ 21,515,980.85	-4.53%	-4.51%
9/30/2015	$ 21,515,980.85	$ 550,000.00	$ 257,499.00	$ -	$ (359,410.40)	$ 21,449,071.45	-1.65%	-1.62%
10/31/2015	$ 21,449,071.45	$ -	$ -	$ 1,585.96	$ 1,111,413.90	$ 22,558,899.39	5.18%	5.21%
11/30/2015	$ 22,558,899.39	$ 230,000.00	$ -	$ -	$ (30,466.38)	$ 22,758,433.01	-0.13%	-0.11%
12/31/2015	$ 22,758,433.01	$ -	$ -	$ -	$ (454,992.24)	$ 22,303,440.77	-2.00%	-1.98%
1/31/2016	$ 22,303,440.77	$ -	$ -	$ 1,639.65	$ (874,509.83)	$ 21,427,291.29	-3.92%	-3.90%
2/29/2016	$ 21,427,291.29	$ -	$ -	$ -	$ 48,188.94	$ 21,475,480.23	0.22%	0.25%
3/31/2016	$ 21,475,480.23	$ -	$ -	$ -	$ 1,356,960.21	$ 22,832,440.44	6.32%	6.34%
4/30/2016	$ 22,832,440.44	$ -	$ -	$ 1,678.87	$ 188,660.75	$ 23,019,422.32	0.83%	0.85%
5/31/2016	$ 23,019,422.32	$ -	$ -	$ -	$ 124,313.98	$ 23,143,736.30	0.54%	0.56%
6/30/2016	$ 23,143,736.30	$ -	$ -	$ -	$ 285,192.21	$ 23,428,928.51	1.23%	1.26%
		$ -	$ -	$ 1,678.87	$ 598,166.94	Quarterly Return	2.62%	2.69%
		$ 780,000.00	$ 257,499.00	$ 6,154.48	$ 521,896.79	One Year Return	2.22%	2.51%

c. The chart below describes the current target allocation for the plan. An asset allocation analysis for current and possible future allocations is included with this memo.

Category Description	Fund Category	Investment Name	Target Asset Allocation	Asset Allocation Range
Money Market	CA	WELLS FARGO ADVANTAGE CASH INVESTMENT FUND	2.00%	3-13%; target 8% Cash + STB
Short Term Bonds	STB	Vanguard Short Term Bond	6.00%	3-13%; target 8% Cash + STB
Non-traditional Bond	NTB	Columbia Strategic Income	5.00%	0-10%; target of 5% NTB
Inflation Protected Bonds	TIPS	Vanguard Inflation Prot Sec	4.00%	0-9%; target of 4% TIPS
Intermediate Term Bonds	INTB	Dodge & Cox Income	2.50%	0-10%; target 5% INTB
Intermediate Term Bonds	INTB	Vanguard Total Bond Mkt Index Adm	2.50%	0-10%; target 5% INTB
Long Term Bonds	LTB	PIMCO Long Duration	2.50%	0-10%; target 5% LTB
Long Term Bonds	LTB	Vanguard Long Duration	2.50%	0-10%; target 5% LTB
High Yield Bond	HYB	Ivy High Income I	6.00%	1-11%; target 6% HYB
Large Cap Value	LCV	American Funds Washington Mutual	12.00%	7-17%; target 12% LCV
Large Cap Growth	LCG	Vanguard Growth Index	13.00%	8-18%; target 13% LCG
Mid Cap	MCV	Vanguard Mid Cap Value Index	7.00%	2-12%; target 7% MC
Small Cap	SCV	Prudential Small Cap Value	9.00%	4-14%; target 9% SC
Real Estate Investment	REIT	Vanguard REIT Index	7.00%	2-12%; target 7% REIT
Foreign Equity	GLB	American Funds New Perspective	5.00%	5-15%; target 10% FOR
Foreign Equity	FLG	Oppenheimer Intl Growth Y	5.00%	5-15%; target 10% FOR
Emerging Markets	EMG	Vanguard Emerging Mkts	9.00%	4-14%; target 9% Emg Mkts

d. The majority of the plan investments have performance and rankings in line with their peer groups and benchmarks, as well as risk analytics that rank well to their peer groups.
    i. For the past three quarters, the Prudential Small Cap Value (formerly Target Small Cap) has been on watch. During 2015, the fund management structure has changed and Prudential merged the former Target Small Cap Value with the Prudential Small Cap. Performance results are mixed, on a returns basis the fund is trailing its small cap value benchmark while its rank to peers has risen to the top half of its peer group. The three and five year risk adjusted measures Alpha and Sharpe fall just slightly below the peer group median. We have seen improvements and will continue to monitor the fund.

    ii. The Ivy High Income fund is on watch. The fund trailed its benchmark during 2015 and the first quarter of 2016, but it has improved over the last quarter and now slightly outperforms the benchmark. The fund's five-year return ranks in the top 10% of its peer group, however three year returns have fallen to the bottom quartile. Changes to the portfolio have been made under the new management team. A manager due diligence report has been prepared for review; the report compared the fund to other high yield bond options. The details of the report are summarized below.

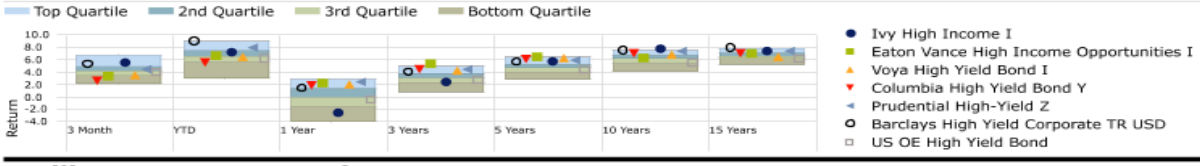
2. OPEB Plan – Asset Allocation and Investment Policy Review
    a. We have conducted an asset liability review of the OPEB plan. The review assessed the actuarial structure of plan liabilities, as well as the interest rate for valuing plan liabilities and forward-looking expectations of market returns and risk.
        i. The actuarial report indicates that during 2014, interest rate expectations were lowered to 6.5%. For the plan we assessed the duration of plan liabilities to be 7.19 years and the plan is currently not paying benefits. The allocation of liabilities is approximately 11% to shorter-term (less than 5years), 39% to intermediate term and 50% to longer term (greater than 20 years).
        ii. Within the context of these factors, we developed a model to determine optional asset allocation scenarios, one being the current allocation, which has an expected return of 6.70% (slightly above the actuarial target interest rate). Page 1 of the memo shows the current allocation among investment managers.
        iii. Constraints were set so that the various asset classes, when optimized were within reason in creating efficient portfolios. **Exhibit 3** shows the constraints used.
        iv. The system uses a mean-variance optimization process to create scenarios that maximize the level of return at a given level of risk.
    b. Based on the outputs of the analysis, we do not recommend a change at this time.
        i. As noted above, optional scenarios were created, and the current portfolio is optimal, even though it has a focus, to some degree to factor in the duration structure of plan liabilities in its design. **Exhibit 2** below shows the output of the allocation study. **Exhibit 4** shows the relationship of liability duration and approximate allocation of asset duration.
        ii. The Expected Return/Arithmetic Mean, falls in line with the actuarial interest rate from the most recent valuation. In addition, the level of risk falls within the range of the level of risk for the two optional scenarios (one less and one more risky).
        iii. Funded status of the plan, per the latest actuarial valuation has improved to 36.6%, the focus of the portfolio is moderate growth.

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Exhibit 1 - High Yield Bond Manager Due Diligence Summary

Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond Calculation Benchmark: Barclays High Yield Corporate TR USD



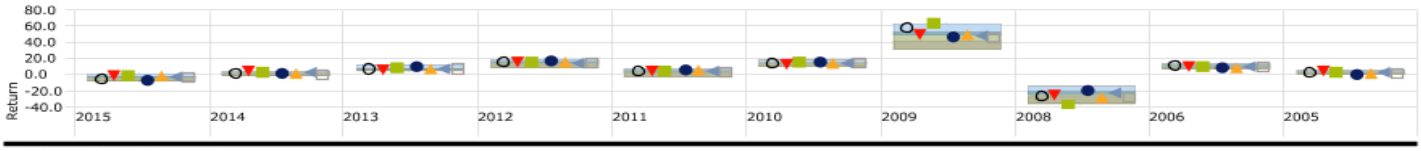
Trailing Peer Group Performance

As of Date: 6/30/2016 Data Point: Return

	3 Month	% Rank	YTD	% Rank	1 Year	% Rank	3 Years	% Rank	5 Years	% Rank	10 Years	% Rank	15 Years	% Rank
Ivy High Income I	5.60	13	7.30	29	-2.41	85	2.57	69	5.85	11	7.73	2	7.42	12
Eaton Vance High Income Opportunities I	3.41	74	6.77	43	2.23	10	5.34	1	6.49	4	6.34	41	7.09	25
Voya High Yield Bond I	3.62	67	6.62	47	2.07	12	4.38	12	6.28	6	6.84	21	6.58	53
Columbia High Yield Bond Y	2.67	86	5.64	71	1.88	15	4.56	9	6.13	7	7.04	12	7.14	23
Prudential High-Yield Z	4.45	35	7.92	17	2.42	8	4.57	9	5.90	10	7.38	6	7.40	13
Barclays High Yield Corporate TR USD	5.52	15	9.06	4	1.62	19	4.18	16	5.84	12	7.56	4	7.93	5
US OE High Yield Bond	4.17	47	6.39	54	-0.33	55	2.86	60	4.52	60	5.55	73	6.12	73
Median	4.10		6.55		-0.07		3.13		4.71		6.08		6.62	

Calendar Year Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



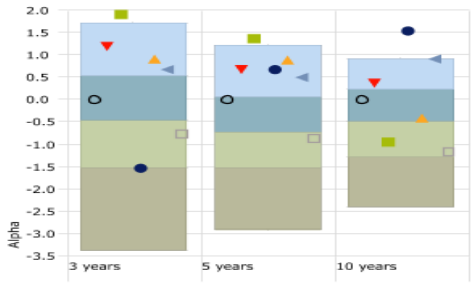
Calendar Year Returns

Data Point: Return Peer Group: Open End Funds - U.S. - High Yield Bond

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ivy High Income I	-7.13	1.74	10.46	17.16	6.44	15.62	46.56	-19.73	4.05	9.70
Eaton Vance High Income Opportunities I	-0.87	3.71	8.58	15.96	4.13	16.43	63.56	-37.22	0.72	10.99
Voya High Yield Bond I	-1.25	1.84	8.27	15.89	5.71	14.75	49.40	-27.90	2.49	9.54
Columbia High Yield Bond Y	-1.15	4.10	6.33	15.65	5.08	13.38	49.91	-24.58	2.06	10.76
Prudential High-Yield Z	-2.59	2.84	7.23	14.16	5.07	14.72	48.35	-22.14	2.70	10.51
Barclays High Yield Corporate TR USD	-4.47	2.45	7.44	15.81	4.98	15.12	58.21	-26.16	1.87	11.85
US OE High Yield Bond	-4.07	1.11	6.92	14.69	2.75	14.13	45.68	-27.06	1.32	10.09
Median	-3.82	1.48	6.61	14.77	3.48	14.26	48.28	-24.58	2.00	10.27

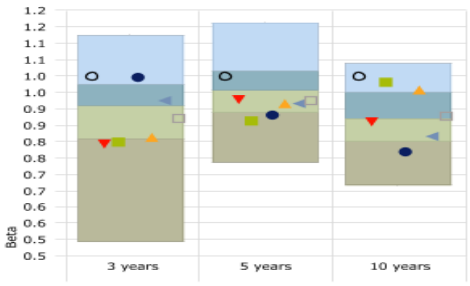
Alpha

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



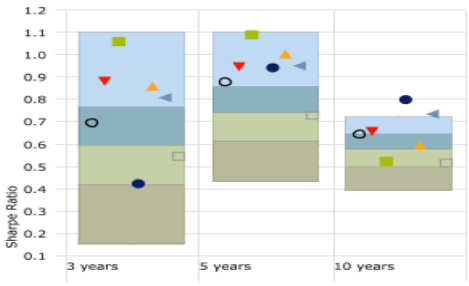
Beta

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Sharpe Ratio

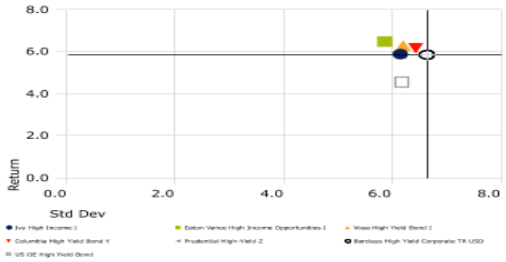
As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Risk-Reward

Time Period: 7/1/2011 to 6/30/2016

Calculation Benchmark: Barclays High Yield Corporate TR USD



3-Year Risk Return

Time Period: 7/1/2013 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.23	-1.53	1.00	91.79	0.42	87.75	104.00	41.67
Eaton Vance High Income Opportunities I	4.95	1.90	0.80	94.00	1.06	94.39	74.25	66.67
Voya High Yield Bond I	5.03	0.92	0.81	94.11	0.86	90.83	82.42	50.00
Columbia High Yield Bond Y	5.12	1.19	0.79	86.26	0.88	90.12	78.68	50.00
Prudential High-Yield Z	5.60	0.67	0.93	98.10	0.81	95.02	86.38	50.00
Barclays High Yield Corporate TR USD	6.00	0.00	1.00	100.00	0.70	100.00	100.00	100.00
US OE High Yield Bond	5.24	-0.77	0.87	98.77	0.55	83.84	93.43	36.11
Median	5.57	-0.46	0.91	93.79	0.59	88.19	95.61	41.67

5-Year Risk Return

Time Period: 7/1/2011 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.15	0.67	0.88	90.91	0.94	91.48	84.44	48.33
Eaton Vance High Income Opportunities I	5.87	1.36	0.86	95.56	1.09	94.15	80.52	60.00
Voya High Yield Bond I	6.21	0.88	0.92	96.13	1.00	97.88	90.09	55.00
Columbia High Yield Bond Y	6.43	0.67	0.93	92.18	0.95	97.79	92.11	53.33
Prudential High-Yield Z	6.14	0.51	0.92	98.69	0.95	94.21	88.70	45.00
Barclays High Yield Corporate TR USD	6.65	0.00	1.00	100.00	0.88	100.00	100.00	100.00
US OE High Yield Bond	6.18	-0.85	0.92	98.83	0.73	88.10	96.89	33.33
Median	6.51	-0.72	0.95	95.26	0.74	91.79	99.44	41.67

Exhibit 2 – Analysis of Portfolio Allocation

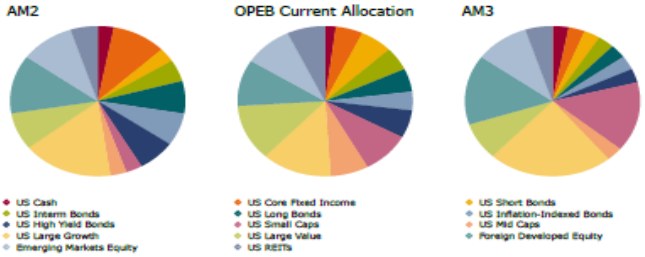
Asset Allocation Analysis

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Composition

	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs
AM2	3.00	10.00	3.00	4.70	7.00	7.00	7.00	3.00	3.00	16.71	8.00	12.59	10.00	5.00
OPEB Current Allocation	2.00	5.00	6.00	5.00	5.00	4.00	6.00	9.00	7.00	13.00	12.00	10.00	9.00	7.00
AM3	3.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	3.00	23.00	8.00	15.00	10.00	5.00

Composition



Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

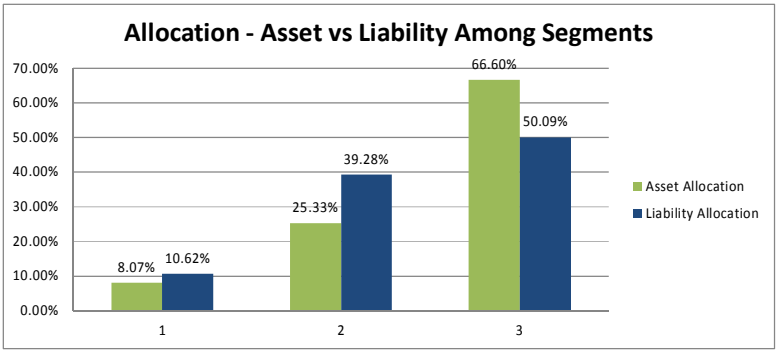
	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
AM2	6.35	11.07	0.49	0.47	0.57
OPEB Current Allocation	6.70	12.52	0.51	0.51	0.54
AM3	7.28	14.63	0.54	0.53	0.50

Exhibit 3 – Analysis of Portfolio Allocation

Asset Allocation Constraints & Expectations

Asset Class	Minimum	Maximum	Exp Ret	Exp Risk (SD)
Cash	3	5	0.5	1.0
Core/Special Fixed	3	10	3.2	4.7
Short Bonds	3	10	2.9	2.7
Interm Bonds	3	10	3.0	4.1
Long Bonds	3	7	3.7	10.1
Inflation Index Bonds	3	7	3.0	4.8
High Yield Bond	3	7	6.4	10.1
US Small Caps	3	15	8.5	21.6
US Mid Caps	3	15	7.9	19.3
US Large Growth	8	25	8.1	18.6
US Large Value	8	25	7.3	16.7
Foreign Developed	5	10	8.3	19.5
Emerging Mkts	5	10	10.3	27.9
US REITS	5	10	7.4	20.4

Exhibit 4 – Analysis of Portfolio Allocation



The analysis in this report was prepared utilizing data from third parties and other sources including but not limited to internal computer software and databases, including among others mpiStylus Pro©,, software designed by Markov Processes International. Reasonable care has been taken to assure the accuracy of the data contained herein, and comments are objectively stated and are based on facts gathered in good faith. These reports do not constitute investment advice with respect to the sale or disposition of individual securities. Milliman disclaims responsibility, financial or otherwise, for the accuracy or completeness of this report.

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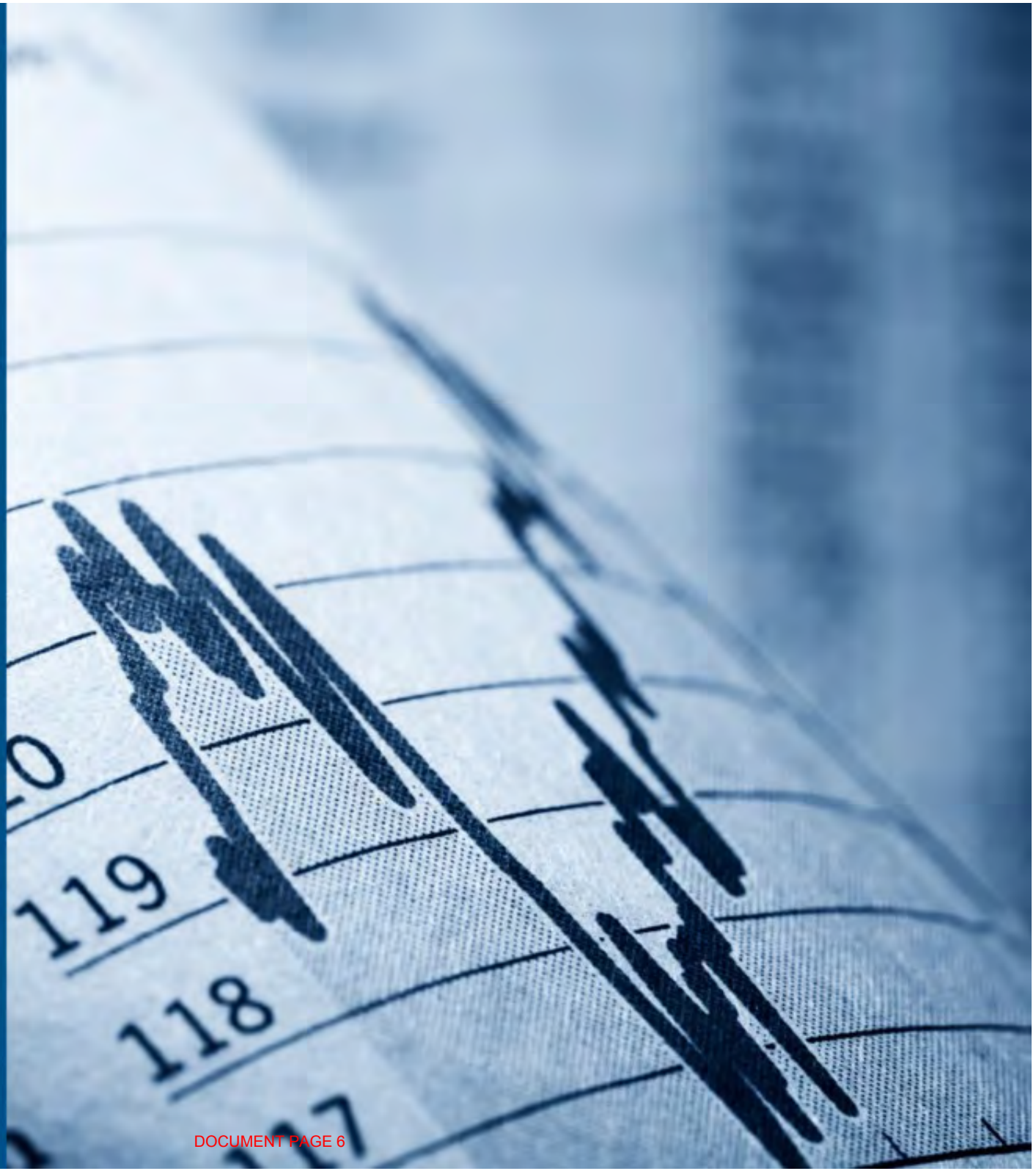
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Quarterly Investment Monitor

Summary Report for the Quarter Ending June 30, 2016

Prepared for
City of Dover, Delaware Other Postemployment Benefit (OPEB)
GASB 45



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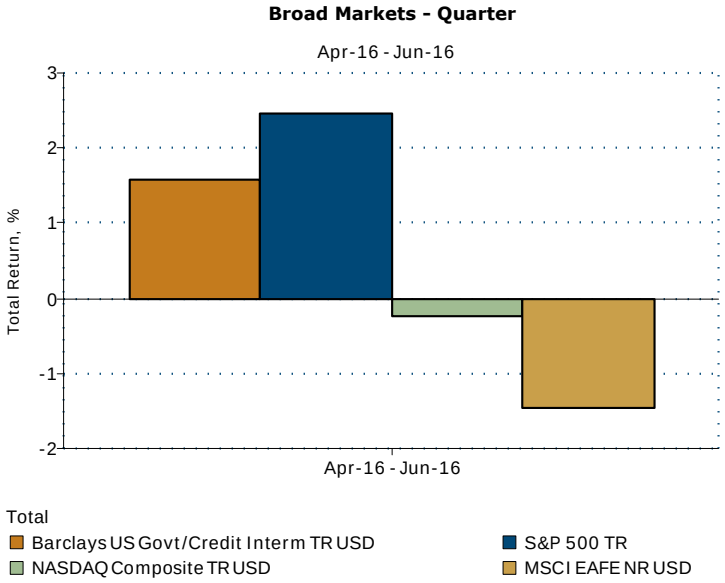
Market Indices - 2nd Quarter 2016

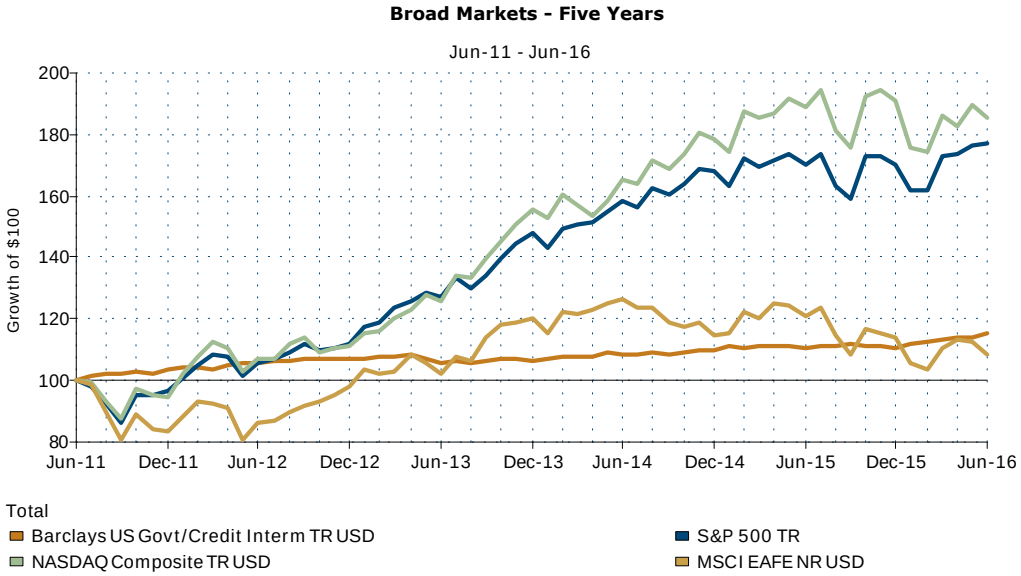


Index	YTD	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BofAML US Treasury Bill 3 Mon	0.15	0.07	0.15	0.19	0.09	0.09	1.04
Barclays US Govt 1-3 Yr TR USD	1.42	0.52	1.42	1.31	1.00	0.84	2.54
Barclays US Treasury US TIPS TR USD	6.24	1.71	6.24	4.35	2.31	2.63	4.75
Barclays US Agg Float Adj TR USD	5.52	2.32	5.52	6.12	4.07	3.81	NA
Barclays US Govt/Credit Interm TR USD	4.07	1.59	4.07	4.33	2.95	2.90	4.48
Barclays US Government Long TR USD	14.94	6.37	14.94	18.98	10.38	10.17	8.69
Barclays US Long Credit TR USD	13.92	6.65	13.92	13.76	8.70	8.45	8.14
Barclays US Corporate High Yield TR USD	9.06	5.52	9.06	1.62	4.18	5.84	7.56
DJ Industrial Average TR USD	4.31	2.07	4.31	4.50	8.99	10.41	7.65
S&P 500 TR	3.84	2.46	3.84	3.99	11.66	12.10	7.42
NASDAQ Composite TR USD	-2.66	-0.23	-2.66	-1.68	13.85	13.18	9.48
Russell 1000 Value TR USD	6.30	4.58	6.30	2.86	9.87	11.35	6.13
Russell 1000 TR USD	3.74	2.54	3.74	2.93	11.48	11.88	7.51
Russell 1000 Growth TR USD	1.36	0.61	1.36	3.02	13.07	12.35	8.78
Russell 2000 Value TR USD	6.08	4.31	6.08	-2.58	6.36	8.15	5.15
Russell 2000 TR USD	2.22	3.79	2.22	-6.73	7.09	8.35	6.20
Russell 2000 Growth TR USD	-1.59	3.24	-1.59	-10.75	7.74	8.51	7.14
MSCI EAFE NR USD	-4.42	-1.46	-4.42	-10.16	2.06	1.68	1.58
MSCI EAFE Small Cap NR USD	-3.18	-2.60	-3.18	-3.67	7.26	4.84	3.57
MSCI EM NR USD	6.41	0.66	6.41	-12.05	-1.56	-3.78	3.54
FTSE NAREIT All REITs TR	13.65	7.36	13.65	22.68	13.11	12.33	6.97

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Broad Market Commentary - 2nd Quarter 2016



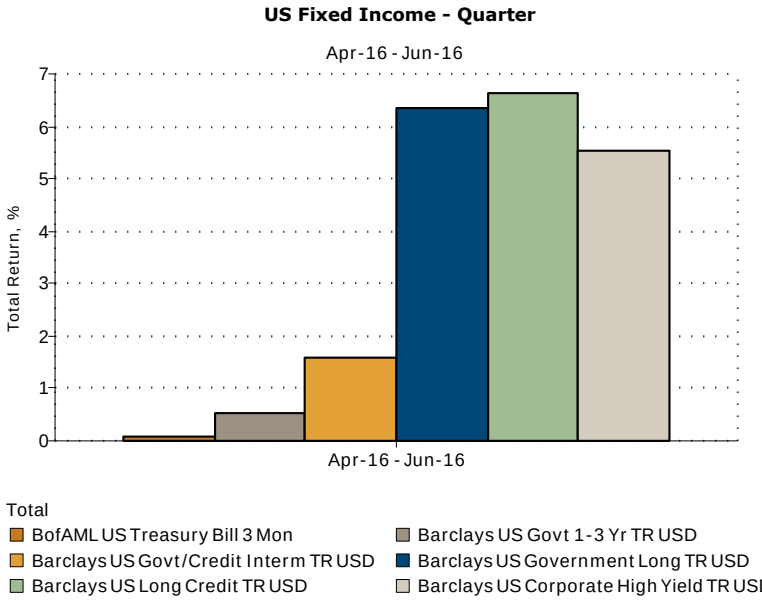


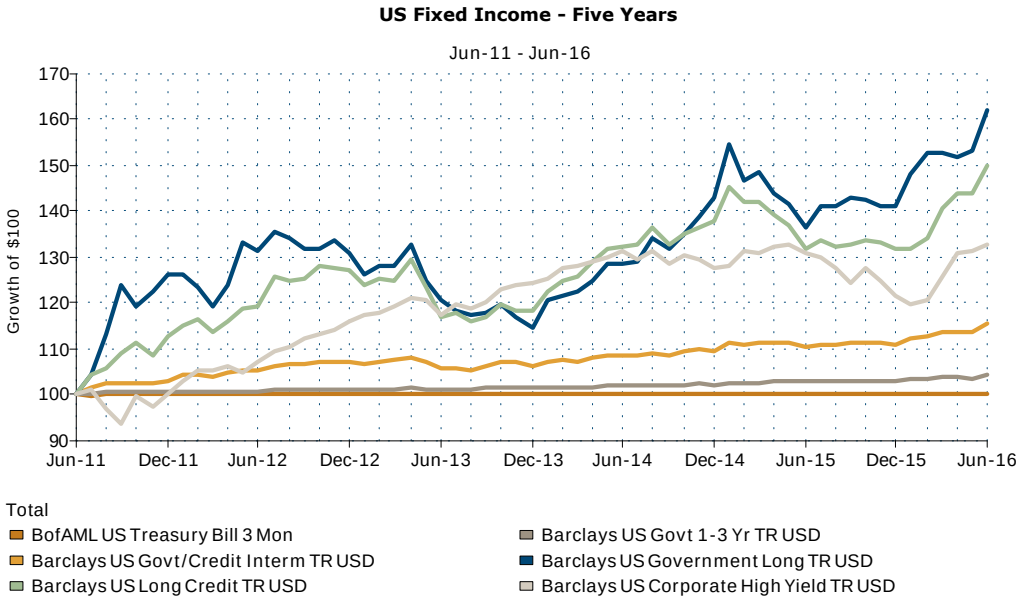
Market Commentary

- Despite the uncertainty stemming from Britain's decision to leave the European Union, U.S. stocks finished the quarter up 2.46% as investors anticipated further positive economic data and low interest rates.
- In contrast, developed international equity markets were down on news of the Brexit and the forecasted negative effect it will have on growth in Europe.
- Emerging markets were up as commodities continued to rebound from last year's lows and interest rates in the U.S. remained near zero.
- The Fed deferred further rate increases on weaker-than-expected May unemployment figures and Brexit-related uncertainties within the global economy.
- Mutual fund investors increased their holdings in both stocks and bonds. For the quarter, stocks had a net inflow of $16.1 billion and bonds had a net inflow of $11.3 billion. Total money market mutual fund assets decreased by $47 billion to $2.7 trillion.
- The unemployment rate feel from 5.0% to 4.9%, as total employment increased by 453,000 jobs this quarter.
- The price of oil rose from $37 per barrel to $48 during the quarter.

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US Fixed Income Market Commentary - 2nd Quarter 2016



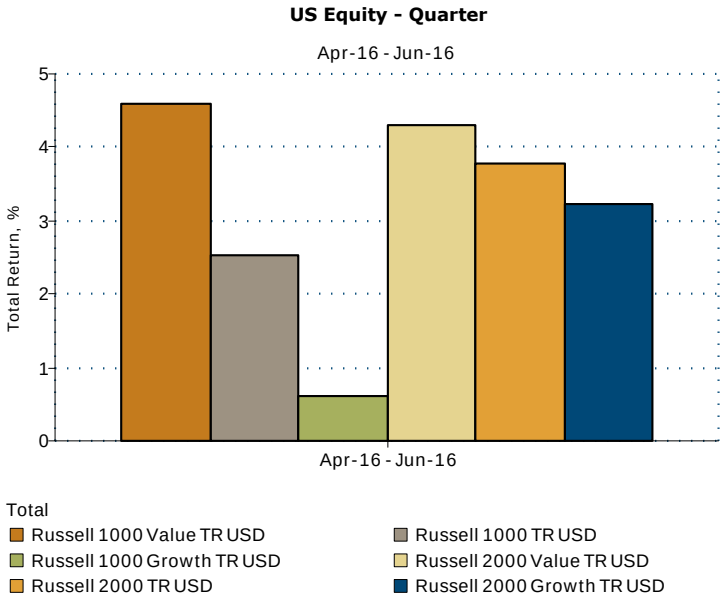


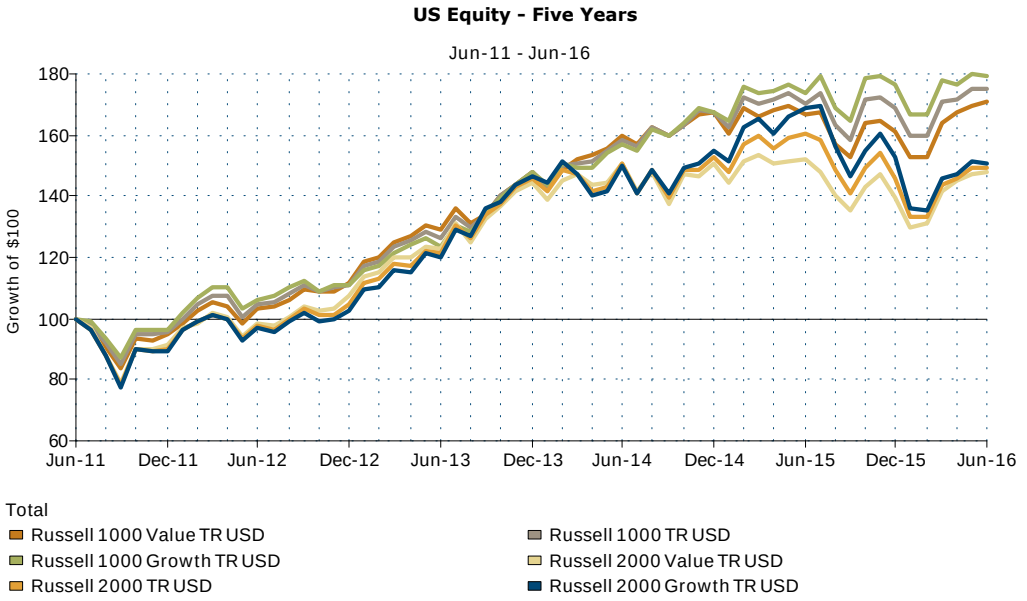
US Bond Market

- The broad fixed income market rose 2.32% as investors sought refuge from volatile equity markets.
- The yield curve continued to flatten as global investor demand for Treasuries was heightened on uncertainty related to the Brexit.
- Yields on 10-year and 30-year Treasuries dropped nearly 30-basis points to 1.49% and 2.30%, respectively.
- Long-term Treasuries were the best performing sector, up 6.77%, as rates continued to remain low.
- High Yield bonds rose 5.52% as positive domestic economic news encouraged investors to focus on lower rated debt.

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US Equity Market Commentary - 2nd Quarter 2016

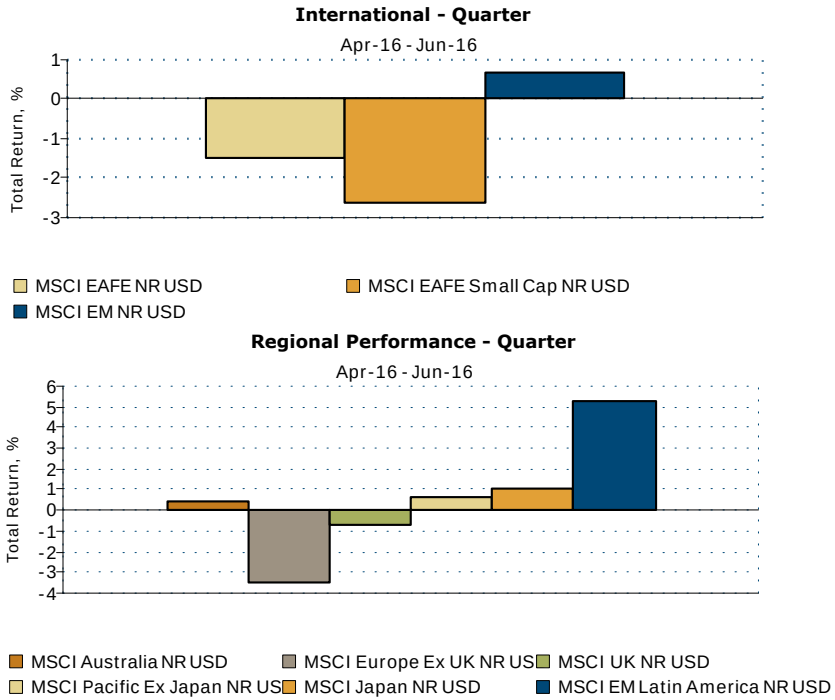


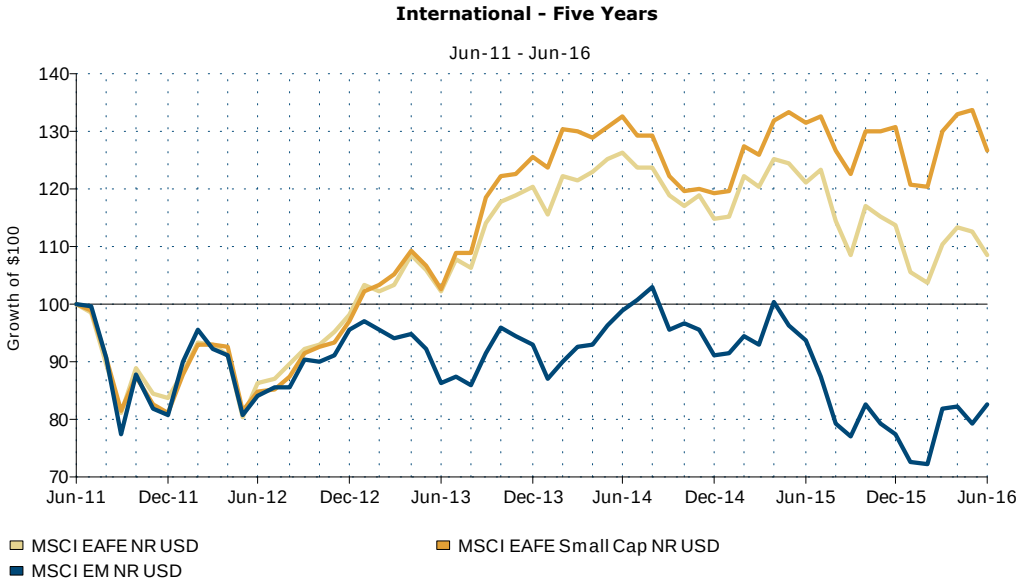


US Stock Market

- All major domestic equity indices posted gains for the quarter. The large-cap Russell 1000 Value Index had the best return, up 4.58%.
- In terms of capitalization, small-cap stocks seemingly benefited from volatility and generally outperformed large-cap stocks.
- In comparing styles, value outperformed growth in both the large-cap and small-cap areas of the market.
- REITs were positive, benefitting from low rates, as the Fed opted not to raise rates in the near term.
- Energy stocks were the best performing sector, up 10.99%, as commodity prices rebounded from last quarter's lows.
- Technology was the worst performing sector, down 2.24% during the quarter.

International Market Commentary - 2nd Quarter 2016





International Markets

- The dollar was up against major currencies, specifically the Euro and the Pound.
- For the quarter, the EAFE Index was down 1.46% while Emerging Markets were up 0.66%. Local currency returns for the EAFE and Emerging Markets Indicies were down 0.47% and 0.83%, respectively, for the quarter.
- Among the major international regions, European stocks fared the worst, down 2.69%, as the prospect for growth came into question when the UK voted to leave the EU.
- Chinese stocks continued to be the largest detractor on an annual basis, down 23.37%, as the prior rapid pace of growth appears unsustainable.
- Small-cap international stocks were down 2.60% during the quarter.

Performance Summary

Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Asset Allocation

	Balances As of 06/30/2016	Percent As of 06/30/2016	Balances As of 03/31/2016	Percent As of 03/31/2016	Notes
Wells Fargo Cash Investment MMkt Inst	$471,241	2.01%	$447,303	1.96%	WFIXX
Vanguard Short-Term Bond Index Adm	$1,420,355	6.06%	$1,355,017	5.93%	VBIRX
Vanguard Inflation-Protected Secs I	$950,454	4.06%	$916,831	4.01%	VIPIX
Dodge & Cox Income	$593,559	2.53%	$568,073	2.49%	DODIX
Vanguard Total Bond Market Index Adm	$594,909	2.54%	$567,580	2.49%	VBTLX
Columbia Strategic Income Y	$1,177,327	5.03%	$1,125,826	4.93%	CPHUX
PIMCO Long Duration Total Return Instl	$604,814	2.58%	$575,958	2.52%	PLRIX
Vanguard Long-Term Bond Index Inv	$604,612	2.58%	$578,667	2.53%	VBLTX
Ivy High Income I	$1,409,043	6.01%	$1,365,867	5.98%	IVHIX
American Funds Washington Mutual R6	$2,814,960	12.01%	$2,725,554	11.93%	RWMGX
Vanguard Growth Index I	$3,016,085	12.87%	$2,988,107	13.08%	VIGIX
Vanguard Mid-Cap Value Index Admiral	$1,621,911	6.92%	$1,591,797	6.97%	VMVAX
Prudential QMA Small-Cap Value Z	$2,029,439	8.66%	$2,036,845	8.92%	TASVX
Oppenheimer International Growth Y	$1,115,011	4.76%	$1,141,005	5.00%	OIGYX
American Funds New Perspective R6	$1,143,578	4.88%	$1,134,474	4.97%	RNPGX
Vanguard Emerging Mkts Stock Idx I	$2,123,079	9.06%	$2,085,264	9.13%	VEMIX
Vanguard REIT Index I	$1,738,478	7.42%	$1,632,782	7.15%	VGSNX
Plan Tota	**$23,428,856**		**$22,836,948**		

Investment Policy Review - Active Management

Fund Name	Return Rank 3Y	Return Rank 5Y	Excess Return 3Y	Excess Return 5Y	Relative StdDev 3Y	Relative StdDev 5Y	Alpha Rank 3Y	Sharpe Rank 3Y	Alpha Rank 5Y	Sharpe Rank 5Y
Vanguard Inflation-Protected Secs I	6	4	0.11	0.06	1.05	1.03	2	2	0	0
Dodge & Cox Income	33	37	1.01	1.08	1.28	1.33	8	32	11	36
Columbia Strategic Income Y	0	NA	1.33	NA	0.92	NA	7	13	NA	NA
PIMCO Long Duration Total Return Instl	18	18	-0.22	-0.63	1.01	0.96	73	73	82	45
Ivy High Income I	78	9	-1.62	0.01	1.04	0.93	80	80	15	15
American Funds Washington Mutual R6	9	9	0.83	0.42	0.94	0.86	9	8	7	6
Prudential QMA Small-Cap Value Z	47	51	0.45	0.10	1.01	0.97	54	55	54	58
Oppenheimer International Growth Y	19	6	-0.29	1.26	1.03	0.97	20	20	6	6
American Funds New Perspective R6	18	12	2.19	2.68	1.00	0.96	22	17	11	11

Definitions

Return Rank - Fund's category percentile return rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

Relative StdDev - Fund's standard deviation relative to its benchmark, a value less than 1 implies the fund's standard deviation is lower than its benchmark.

Alpha Rank - Fund's category percentile Alpha rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Sharpe Rank - Fund's category percentile Sharpe Ratio rank, a value less than 50 (1 is the best and 100 is the worst) implies the fund is beating more than 50% of its peer group.

Investment Policy Review - Passive Management

Fund Name	Excess Return 3Y	Excess Return 5Y	Beta 3Y	Tracking Error 3Y	Beta 5Y	Tracking Error 5Y	Expense Ratio
Vanguard Short-Term Bond Index Adm	-0.12	-0.11	1.03	0.15	1.01	0.16	0.09
Vanguard Total Bond Market Index Adm	-0.04	-0.08	1.03	0.26	1.02	0.25	0.06
Vanguard Long-Term Bond Index Inv	-0.09	-0.08	1.05	0.93	1.03	0.90	0.16
Vanguard Growth Index I	-0.06	0.53	1.00	0.03	0.99	0.55	0.07
Vanguard Mid-Cap Value Index Admiral	-0.04	NA	1.00	0.04	NA	NA	0.08
Vanguard Emerging Mkts Stock Idx I	0.06	-0.28	0.99	1.32	1.00	2.64	0.12
Vanguard REIT Index I	1.34	1.28	1.00	0.24	1.00	0.24	0.10

Definitions

Excess Return - Fund's excess return over its benchmark, a value greater than 0 implies the fund's return is higher than its benchmark.

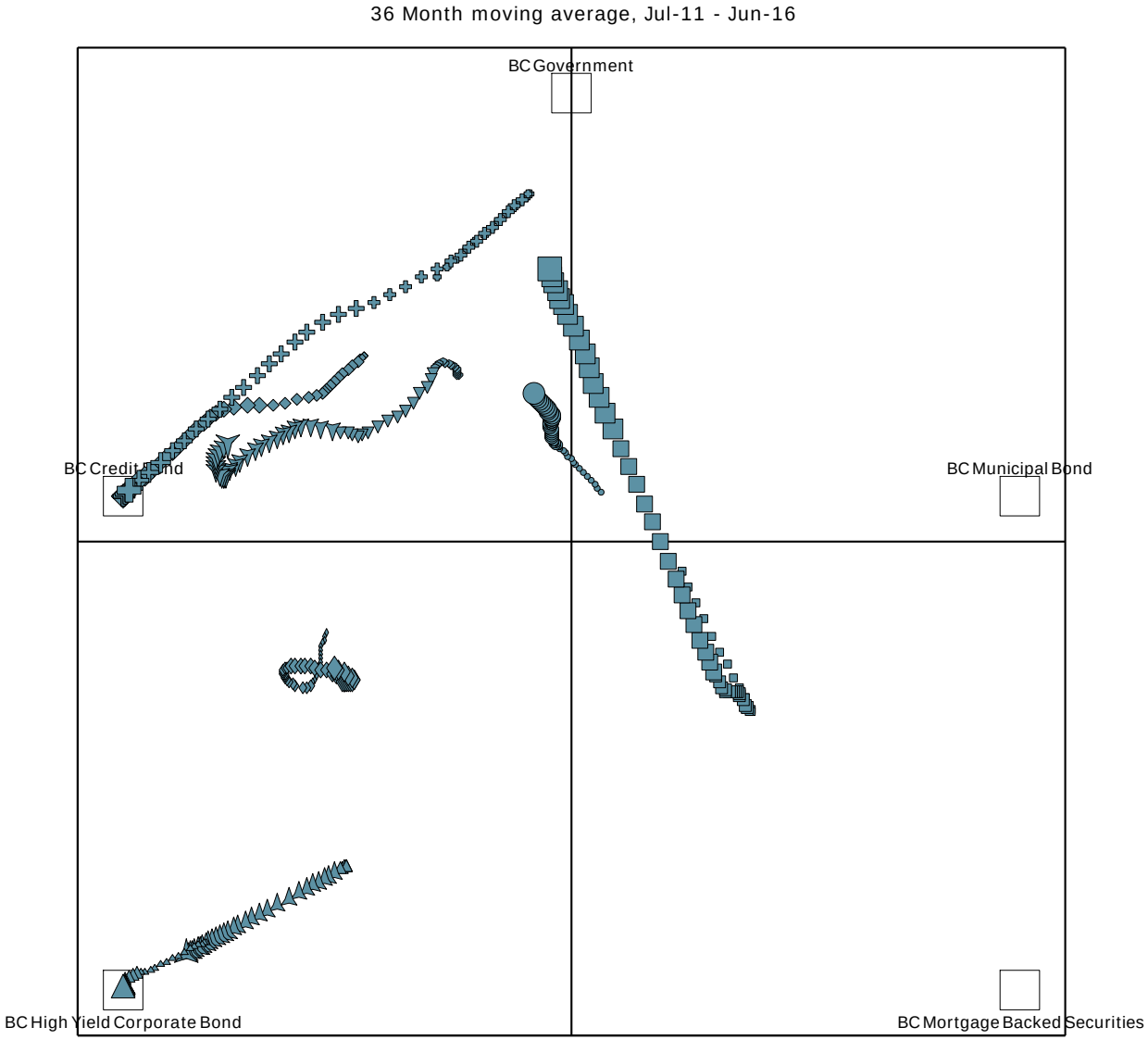
Beta - Fund's Beta or sensitivity to movements compared to its benchmark, a value of 1 implies its moving in sync with its benchmark.

Tracking Error - Fund's Tracking Error versus its benchmark, a value of 0 implies the Fund's ups and downs are the same size as its benchmark.

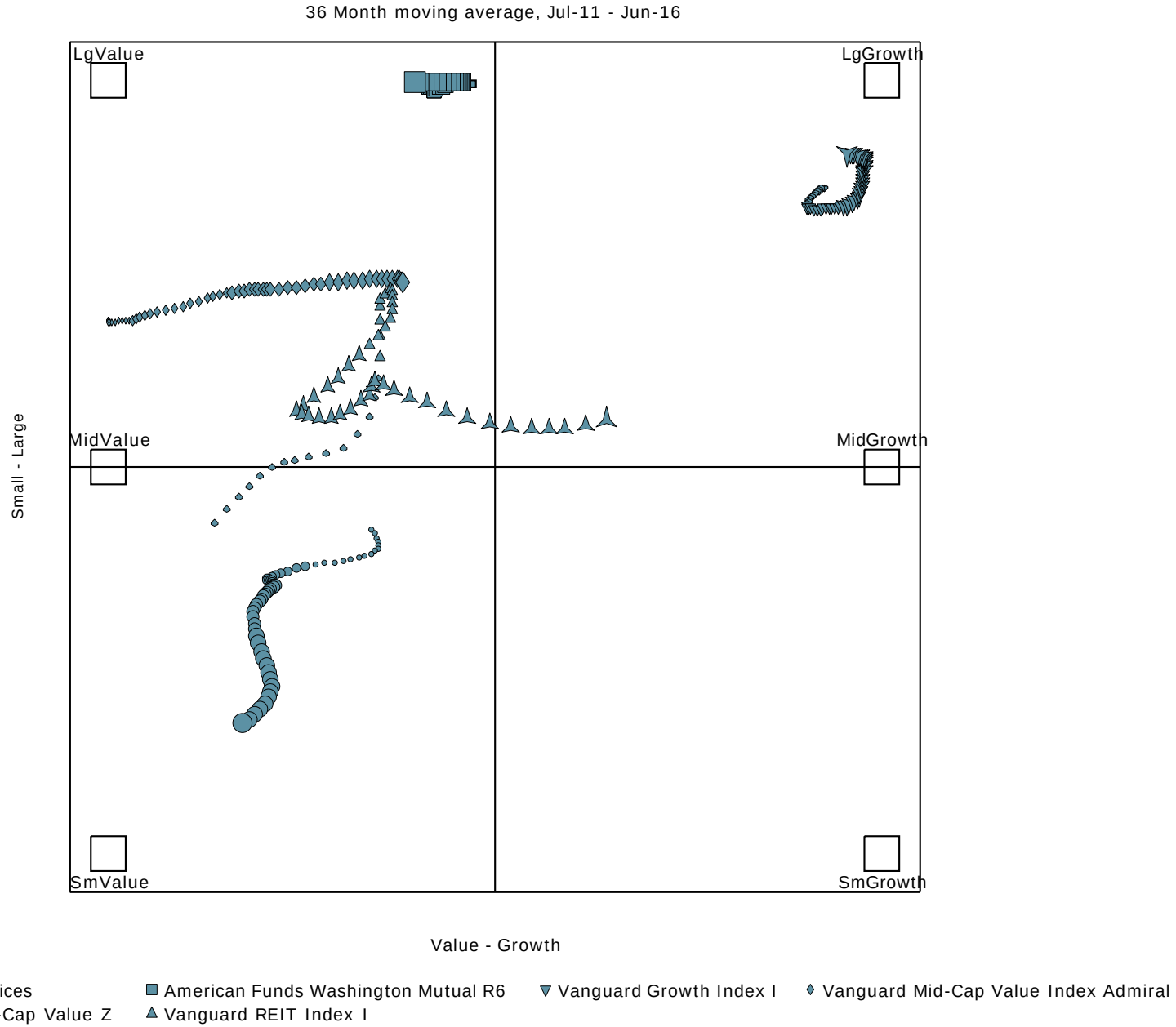
Investment Option Return Summary

Asset Class	Fund Name	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Ticker	Mstar Rating	Expense Ratio
Prime Money Market	Wells Fargo Cash Investment MMkt Inst	0.09	0.18	0.23	0.09	0.07	1.16	WFIXX	NA	0.20
	BofA ML 91-day Tbill Auction Avg	*0.07*	*0.15*	*0.19*	*0.09*	*0.09*	*1.04*	*N/A*	*NA*	*NA*
Short-term Bond	Vanguard Short-Term Bond Index Adm	0.93	2.55	2.52	1.81	1.66	3.47	VBIRX	4.00	0.09
	Barclays US 1-5Y GovCredit FlAdj TR USD	*0.98*	*2.61*	*2.63*	*1.93*	*1.77*	*NA*	*N/A*	*NA*	*NA*
Inflation-Protected Bond	Vanguard Inflation-Protected Secs I	1.79	6.44	4.73	2.42	2.70	4.66	VIPIX	4.00	0.07
	Barclays US Treasury US TIPS TR USD	*1.71*	*6.24*	*4.35*	*2.31*	*2.63*	*4.75*	*N/A*	*NA*	*NA*
Intermediate-term Bond	Dodge & Cox Income	2.64	5.07	4.36	3.96	3.98	5.53	DODIX	4.00	0.43
	BC Intermediate Government/Credit	*1.58*	*4.07*	*4.33*	*2.95*	*2.90*	*4.48*	*N/A*	*NA*	*NA*
Intermediate-term Bond	Vanguard Total Bond Market Index Adm	2.36	5.52	6.12	4.03	3.73	5.12	VBTLX	3.00	0.06
	Barclays US Agg Float Adj TR USD	*2.32*	*5.52*	*6.12*	*4.07*	*3.81*	*NA*	*N/A*	*NA*	*NA*
Nontraditional Bond	Columbia Strategic Income Y	2.85	5.20	2.29	4.13	NA	NA	CPHUX	5.00	0.62
	Barclays Global Aggregate TR USD	*2.89*	*8.96*	*8.87*	*2.80*	*1.77*	*4.40*	*N/A*	*NA*	*NA*
Long-term Bond	PIMCO Long Duration Total Return Instl	6.82	13.99	14.50	9.10	8.55	NA	PLRIX	3.00	0.50
Long-term Bond	Vanguard Long-Term Bond Index Inv	6.60	14.49	15.98	9.24	9.10	8.38	VBLTX	3.00	0.16
	BC Long Government/Credit	*6.55*	*14.33*	*15.72*	*9.33*	*9.18*	*8.42*	*N/A*	*NA*	*NA*
High Yield Bond	Ivy High Income I	5.60	7.30	(2.41)	2.57	5.85	NA	IVHIX	4.00	0.69
	BC High Yield Corporate Bond	*5.52*	*9.06*	*1.62*	*4.18*	*5.84*	*7.56*	*N/A*	*NA*	*NA*
Large Value	American Funds Washington Mutual R6	3.55	5.51	6.50	10.69	11.77	NA	RWMGX	5.00	0.30
	Russell 1000 Value Index	*4.58*	*6.30*	*2.86*	*9.87*	*11.35*	*6.13*	*N/A*	*NA*	*NA*
Large Growth	Vanguard Growth Index I	1.02	1.37	1.47	12.52	12.14	8.70	VIGIX	4.00	0.07
	CRSP US Large Cap Growth TR USD	*1.02*	*1.39*	*1.52*	*12.58*	*11.61*	*8.31*	*N/A*	*NA*	*NA*
Mid-Cap Value	Vanguard Mid-Cap Value Index Admiral	2.75	4.47	1.27	11.25	NA	NA	VMVAX	5.00	0.08
	CRSP US Mid Cap Value TR USD	*2.75*	*4.44*	*1.29*	*11.30*	*12.10*	*7.66*	*N/A*	*NA*	*NA*
Small Value	Prudential QMA Small-Cap Value Z	2.62	4.93	(3.29)	6.81	8.25	7.08	TASVX	3.00	0.71
	Russell 2000 Value Index	*4.31*	*6.08*	*(2.58)*	*6.36*	*8.15*	*5.15*	*N/A*	*NA*	*NA*
Foreign Large Growth	Oppenheimer International Growth Y	(3.50)	(2.48)	(5.59)	3.48	4.38	5.42	OIGYX	4.00	0.89
	MSCI EAFE Large Growth NR USD	*0.44*	*(2.08)*	*(5.20)*	*3.77*	*3.13*	*2.96*	*N/A*	*NA*	*NA*
World Stock	American Funds New Perspective R6	0.85	(1.55)	(1.60)	8.22	8.05	NA	RNPGX	5.00	0.45
	MSCI AC World Index ND USD	*0.99*	*1.23*	*(3.73)*	*6.03*	*5.38*	*4.26*	*N/A*	*NA*	*NA*
Diversified Emerging Mkts	Vanguard Emerging Mkts Stock Idx I	2.33	7.84	(12.08)	(0.71)	(3.49)	3.59	VEMIX	3.00	0.12
	FTSE Emerging NR USD	*1.71*	*7.87*	*(12.18)*	*(0.77)*	*(3.21)*	*4.06*	*N/A*	*NA*	*NA*
Real Estate	Vanguard REIT Index I	6.78	13.47	23.94	13.44	12.47	7.61	VGSNX	4.00	0.10
	MSCI US REIT NR USD	*6.51*	*12.76*	*22.40*	*12.10*	*11.19*	*5.94*	*N/A*	*NA*	*NA*
Total Plan	OPEB-GROSS RETURN	2.69	5.21	2.51	6.87	5.95	NA	N/A	NA	NA
Total Plan	OPEB-NET RETURN	2.62	5.06	2.22	6.56	5.61	NA	N/A	NA	NA
	OPEB Plan Policy Index	*2.66*	*5.41*	*2.32*	*6.67*	*5.96*	*5.18*	*N/A*	*NA*	*NA*

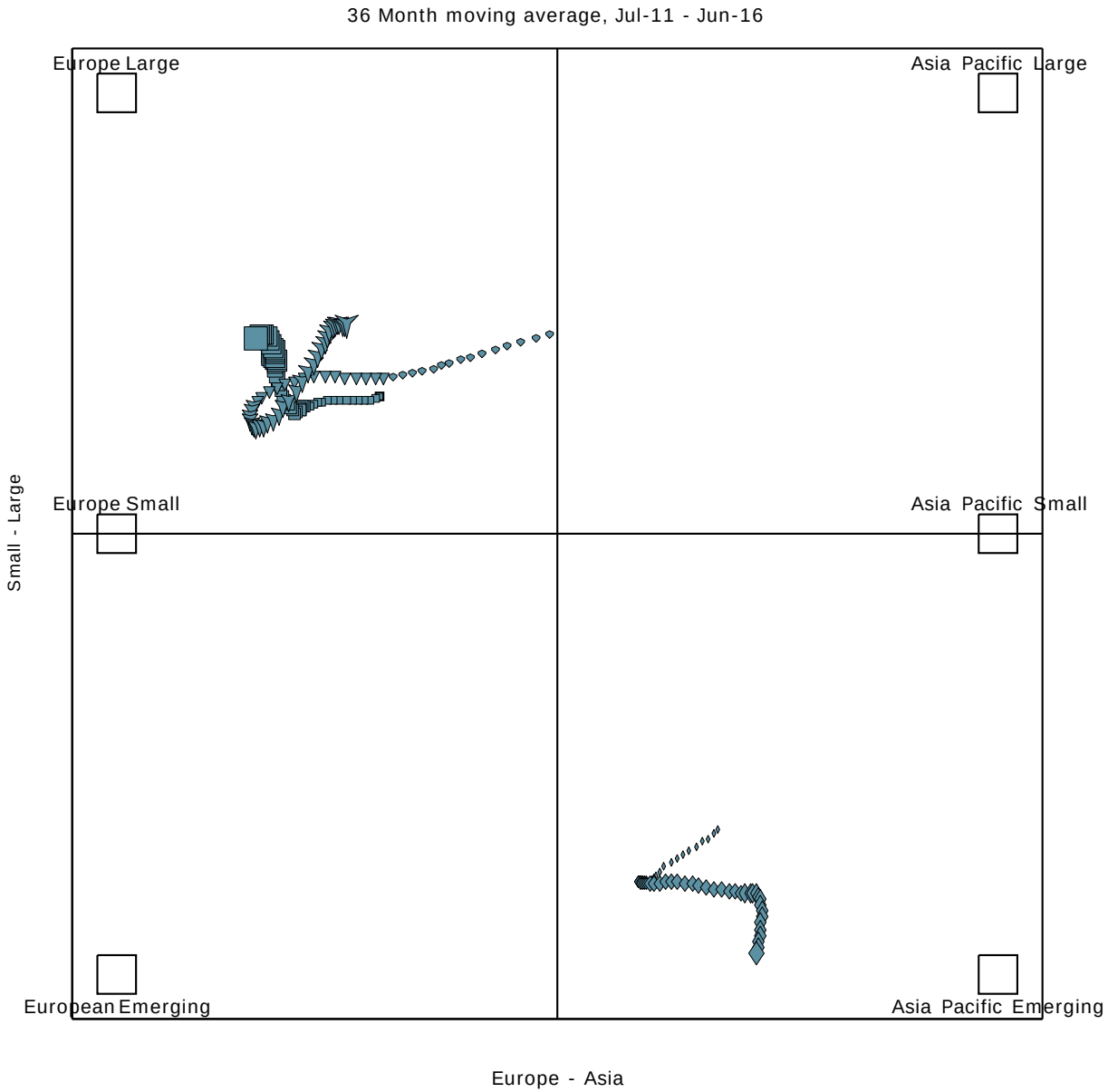
U.S. Fixed Income Style Map



U.S. Equity Style Map

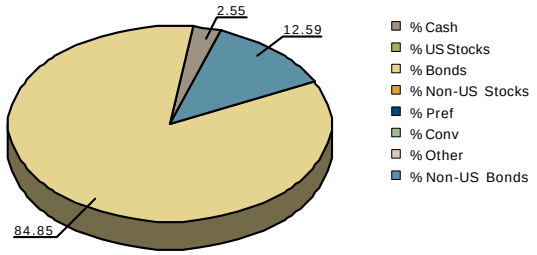


International Equity Style Map



Core Fund Review

Vanguard Short-Term Bond Index Adm



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	2.55
% US Stocks	0.00
% Bonds	84.85
% Non-US Stocks	0.00
% Pref	0.01
% Conv	0.00
% Other	0.00
% Non-US Bonds	12.59

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

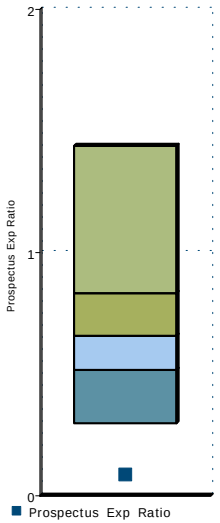
Credit Quality	
Avg Eff Duration	2.74
Effective Maturity	2.80
Avg Credit Quality	AA
AAA	69.97
AA	4.74
A	12.96
BBB	12.33
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note 1.375%	1.97%
US Treasury Note 1.25%	1.67%
US Treasury Note 1.5%	1.63%
US Treasury Note 1.25%	1.56%
US Treasury Note 1.625%	1.49%
US Treasury Note 1.375%	1.44%
US Treasury Note 0.625%	1.25%
US Treasury Note 1.625%	1.22%
US Treasury Note 1%	1.21%
US Treasury Note 1.375%	1.19%

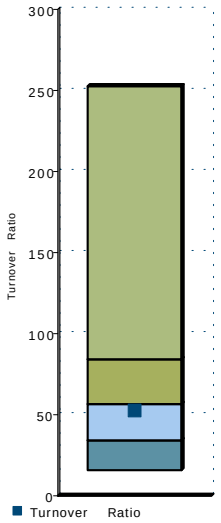
Portfolio Information	
Ticker	VBIRX
Morningstar Category	Short-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	45369.39
Net Assets $MM	44901.48
Turnover Ratio	52.00
% Assets in Top 10 Holdings	14.63
Total Number of Holdings	2367.00
Manager Name	Joshua C. Barrickman
Manager Tenure	3.35
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.09
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	25
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	41
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	26

Expense Ratio vs. Peer Group



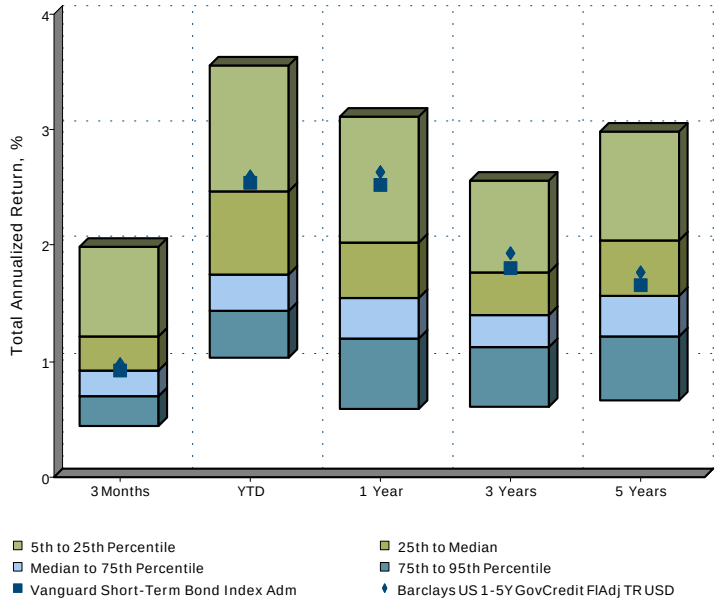
Turnover Ratio vs. Peer Group



Investment Strategy Summary

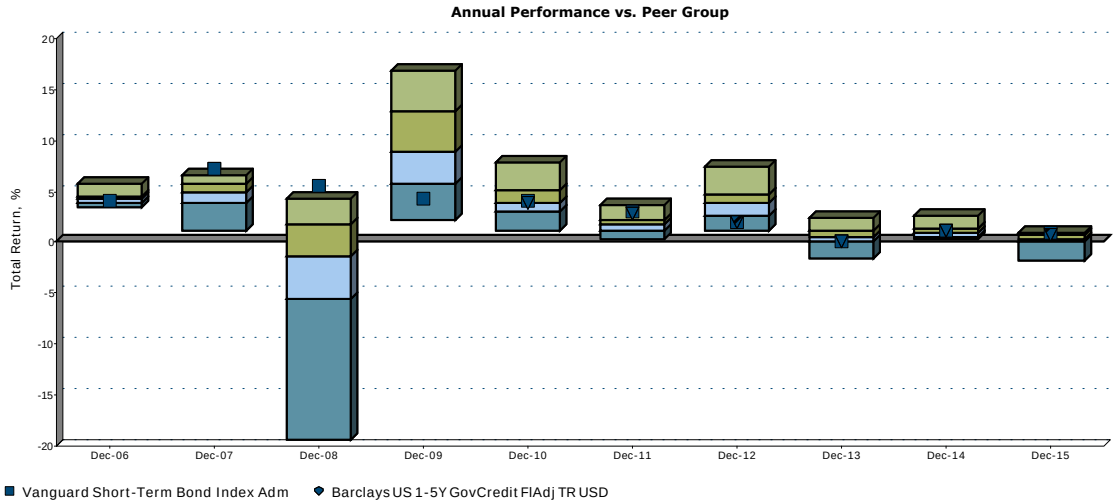
The investment seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

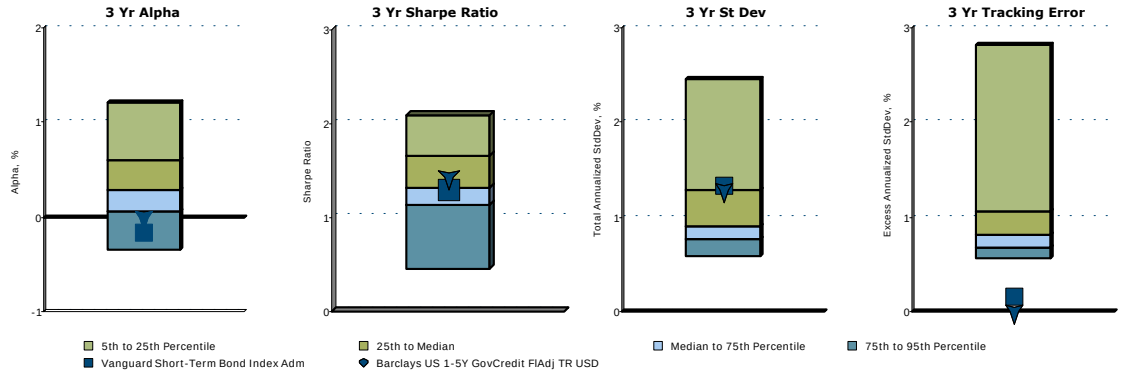


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Short-Term Bond Index Adm	0.93	2.55	2.52	1.81	1.66
Barclays US 1-5Y GovCredit FIAdj TR USD	0.98	2.61	2.63	1.93	1.77
Universe(5%)	1.99	3.56	3.11	2.56	2.99
Universe(25%)	1.21	2.48	2.04	1.77	2.04
Universe(Median)	0.92	1.75	1.55	1.40	1.57
Universe(75%)	0.69	1.44	1.20	1.13	1.21
Universe(95%)	0.43	1.04	0.59	0.61	0.66

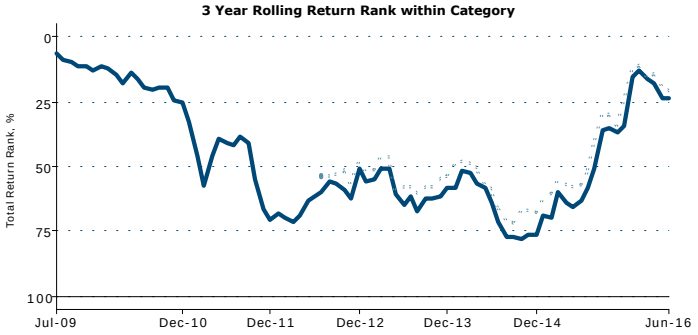
Vanguard Short-Term Bond Index Adm

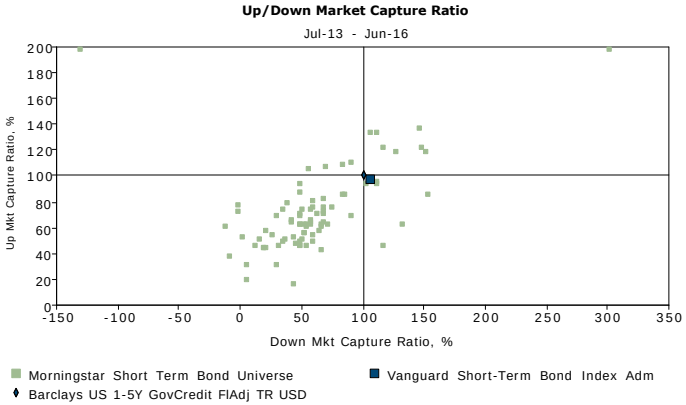


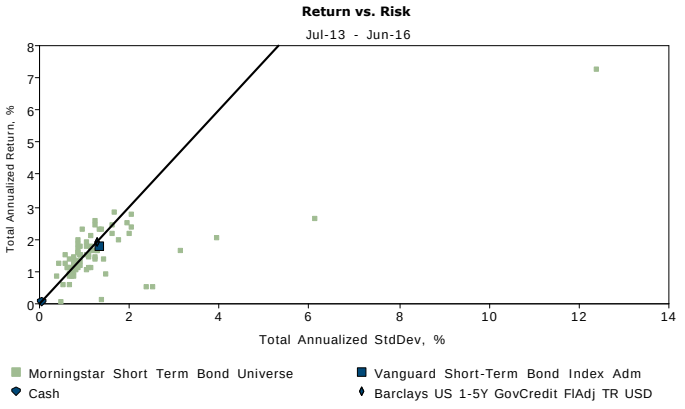
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Short-Term Bond Index Adm	4.16	7.31	5.51	4.38	4.03	3.08	2.05	0.17	1.26	0.92
Barclays US 1-5Y GovCredit FIAdj TR USD	NA	NA	NA	NA	4.08	3.13	2.24	0.29	1.43	0.97



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Short-Term Bond Index Adm	-0.16	1.03	98.69	1.30	1.32	0.15
Barclays US 1-5Y GovCredit FIAdj TR USD	0.00	1.00	100.00	1.43	1.28	0.00
Universe(5%)	1.20	1.18	92.14	2.09	2.47	2.82
Universe(25%)	0.59	0.67	79.87	1.66	1.29	1.06
Universe(Median)	0.28	0.55	62.28	1.33	0.91	0.82
Universe(75%)	0.06	0.44	38.83	1.13	0.76	0.67
Universe(95%)	-0.34	0.23	5.16	0.46	0.58	0.57



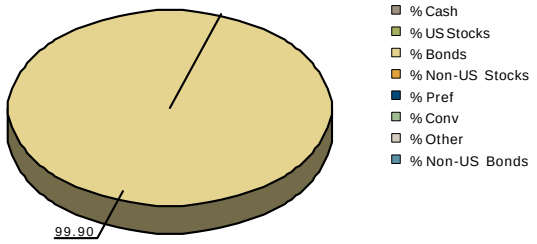




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Inflation-Protected Secs I



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	0.10
% US Stocks	0.00
% Bonds	99.90
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

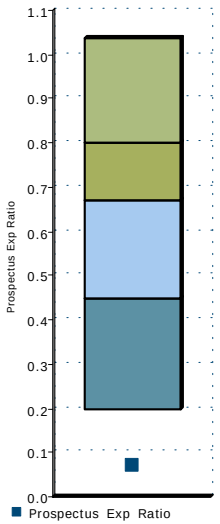
Credit Quality	
Avg Eff Duration	8.12
Effective Maturity	8.60
Avg Credit Quality	Government
AAA	100.00
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Note	5.53%
US Treasury Note	5.12%
US Treasury Note	4.97%
US Treasury Note	4.96%
US Treasury Note	4.18%
US Treasury Note	4.08%
US Treasury Note	4.05%
US Treasury Note	4.01%
US Treasury Note	3.99%
US Treasury Note	3.89%

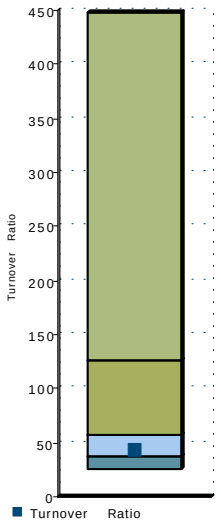
Portfolio Information	
Ticker	VIPIX
Morningstar Category	Inflation-Protected Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	12178.60
Net Assets $MM	24375.95
Turnover Ratio	43.00
% Assets in Top 10 Holdings	44.78
Total Number of Holdings	38.00
Manager Name	Gemma Wright-Casparius
Manager Tenure	4.87
Fund Incept Date	12/12/2003
Prospectus Exp Ratio	0.07
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	7
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	3
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	5

Expense Ratio vs. Peer Group



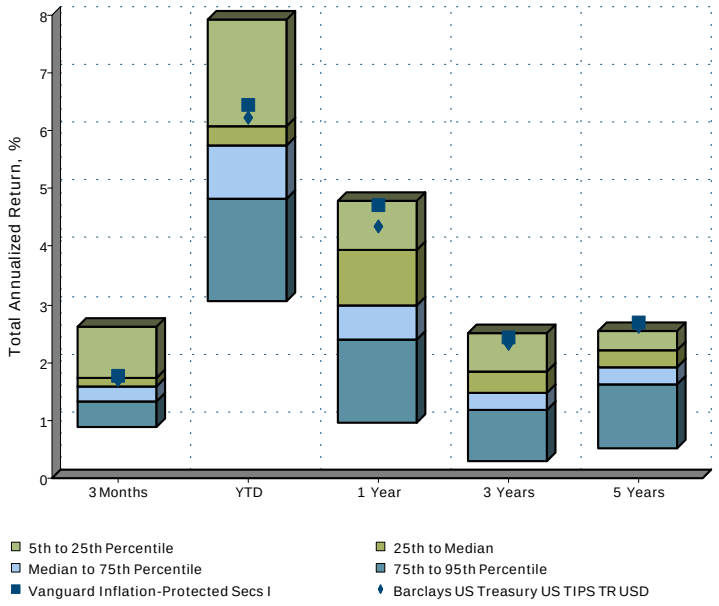
Turnover Ratio vs. Peer Group



Investment Strategy Summary

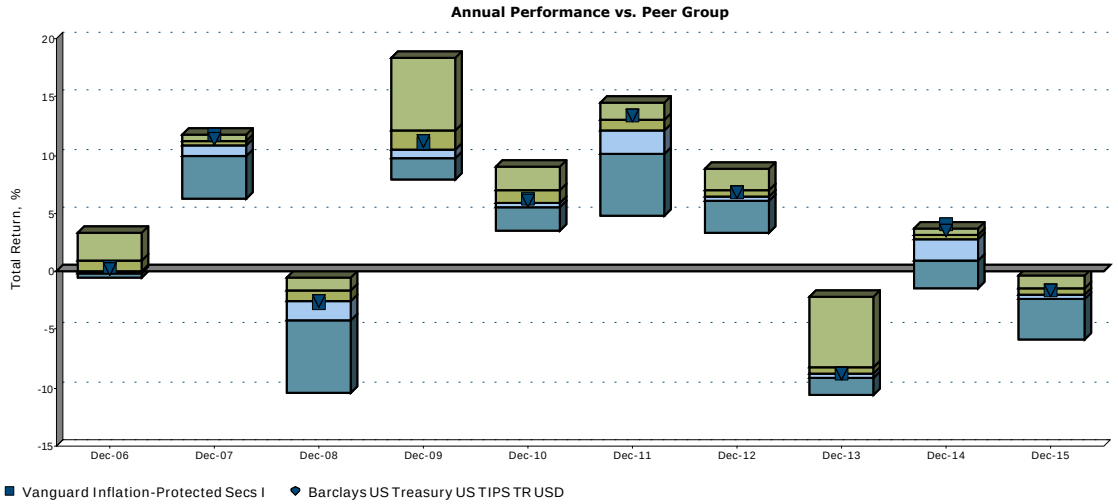
The investment seeks to provide inflation protection and income consistent with investment in inflation-indexed securities. The fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. It may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the fund will be rated investment-grade or, if unrated, will be considered by the advisor to be investment-grade.

Performance vs. Peer Group

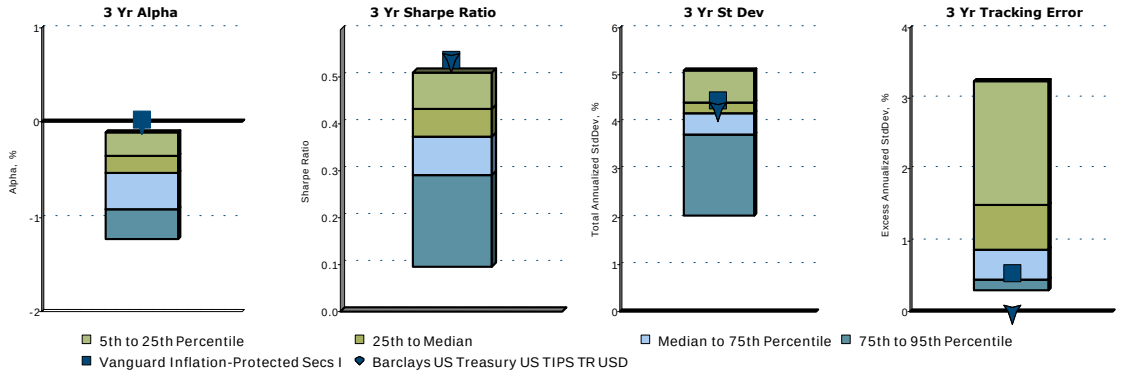


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Inflation-Protected Secs I	1.79	6.44	4.73	2.42	2.70
Barclays US Treasury US TIPS TR USD	1.71	6.24	4.35	2.31	2.63
Universe(5%)	2.60	7.92	4.80	2.52	2.55
Universe(25%)	1.73	6.08	3.94	1.85	2.22
Universe(Median)	1.60	5.75	2.97	1.46	1.93
Universe(75%)	1.33	4.85	2.39	1.19	1.64
Universe(95%)	0.87	3.07	0.94	0.30	0.51

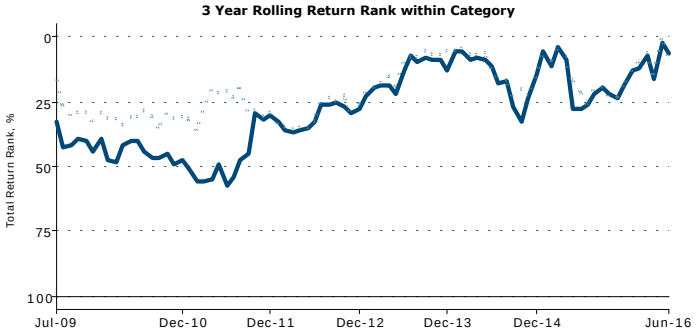
Vanguard Inflation-Protected Secs I

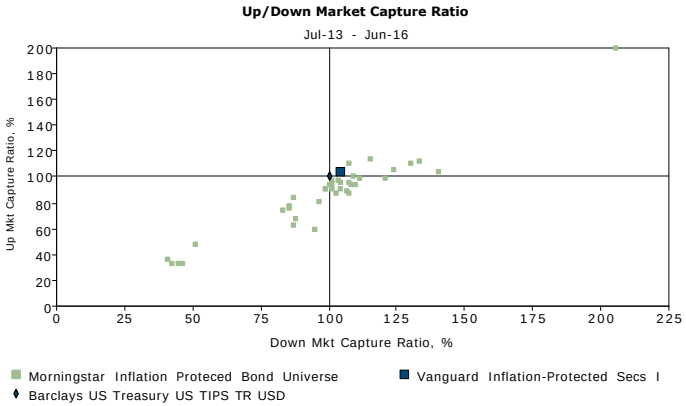


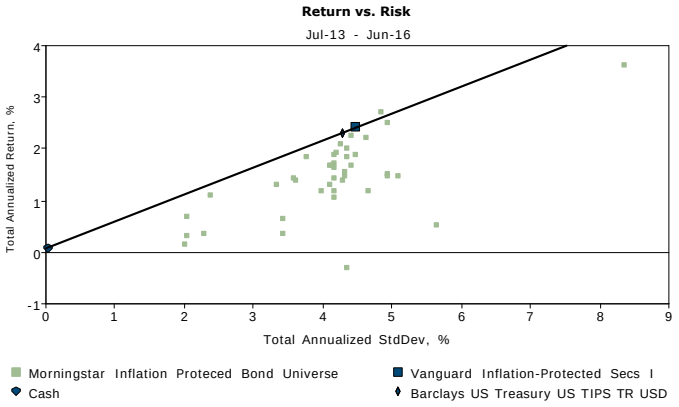
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Inflation-Protected Secs I	0.46	11.82	-2.81	11.03	6.33	13.39	6.87	-8.83	4.07	-1.67
Barclays US Treasury US TIPS TR USD	0.41	11.64	-2.35	11.41	6.31	13.56	6.98	-8.61	3.64	-1.44



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Inflation-Protected Secs I	0.02	1.04	98.64	0.54	4.48	0.55
Barclays US Treasury US TIPS TR USD	0.00	1.00	100.00	0.54	4.27	0.00
Universe(5%)	-0.10	1.14	99.51	0.51	5.08	3.25
Universe(25%)	-0.35	1.03	98.98	0.43	4.42	1.51
Universe(Median)	-0.54	0.97	96.99	0.37	4.18	0.87
Universe(75%)	-0.92	0.82	91.47	0.29	3.76	0.46
Universe(95%)	-1.23	0.40	65.96	0.10	2.04	0.31



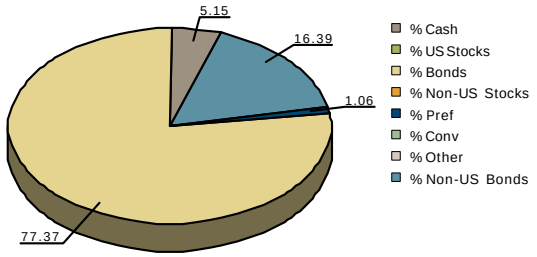




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Dodge & Cox Income



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	5.15
% US Stocks	0.00
% Bonds	77.37
% Non-US Stocks	0.00
% Pref	1.06
% Conv	0.00
% Other	0.03
% Non-US Bonds	16.39

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

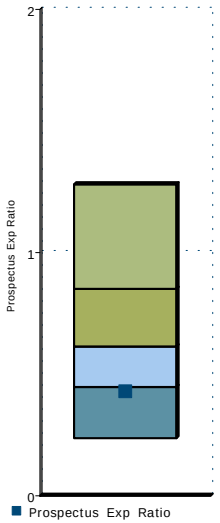
Credit Quality	
Avg Eff Duration	4.39
Effective Maturity	7.84
Avg Credit Quality	BBB
AAA	46.96
AA	2.38
A	4.04
BBB	35.26
BB	6.68
B	4.68
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
FNMA	1.69%
US Treasury Note 1.625%	1.38%
Verizon Comms 6.55%	1.24%
US Treasury Note 1.625%	1.15%
US Treasury Note 1.5%	1.14%
Imperial Tobacco Fin 144A 4.25%	0.92%
Citigroup Cap Xiii Pfd	0.90%
Bnp Paribas Us Mtn 4.25%	0.86%
Rio Oil Fin Tr 144A 6.25%	0.85%
FNMA 3.5%	0.85%

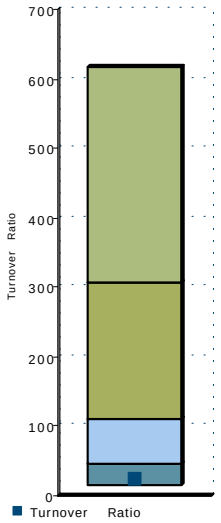
Portfolio Information	
Ticker	DODIX
Morningstar Category	Intermediate-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	44918.29
Turnover Ratio	24.00
% Assets in Top 10 Holdings	10.98
Total Number of Holdings	941.00
Manager Name	Dana M. Emery
Manager Tenure	27.51
Fund Incept Date	01/03/1989
Prospectus Exp Ratio	0.43
Phone Number	800-621-3979

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	31
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	31
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	20

Expense Ratio vs. Peer Group



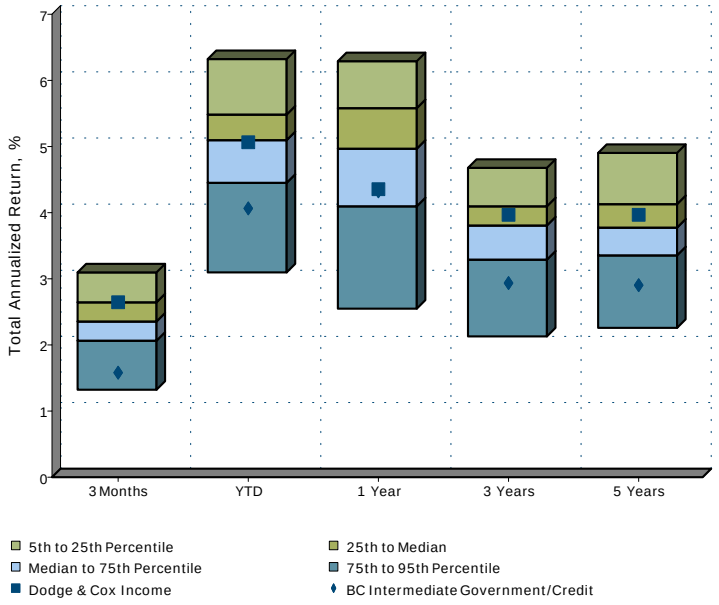
Turnover Ratio vs. Peer Group



Investment Strategy Summary

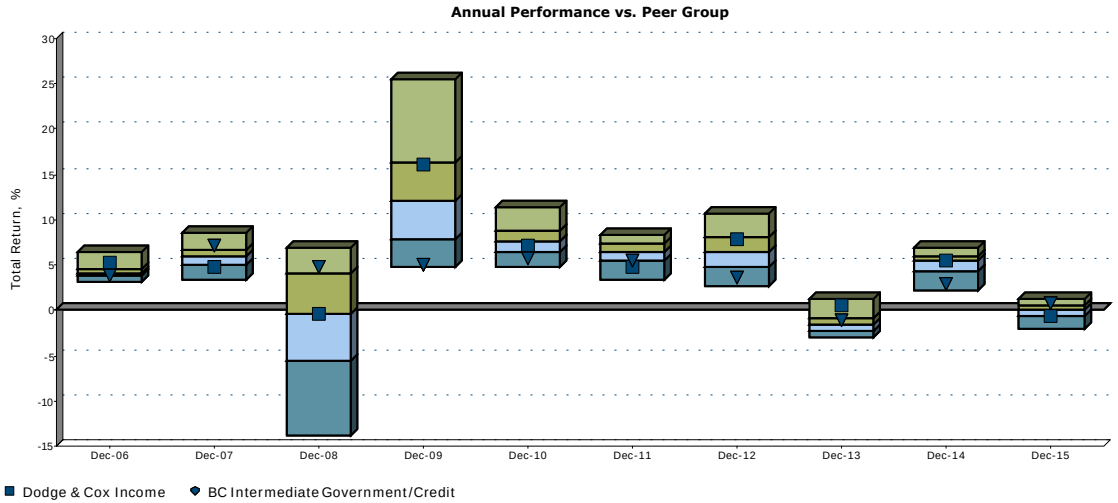
The investment seeks a high and stable rate of current income, consistent with long-term preservation of capital. The fund invests in a diversified portfolio of high-quality bonds and other debt securities. Under normal circumstances, the fund will invest at least 80% of its total assets in (1) investment-grade debt securities and (2) cash equivalents. "Investment grade" means securities rated Baa3 or higher by Moody's Investors Service, or BBB- or higher by Standard & Poor's Ratings Group or Fitch Ratings, or equivalently rated by any nationally recognized statistical rating organization, or, if unrated, deemed to be of similar quality by Dodge & Cox.

Performance vs. Peer Group

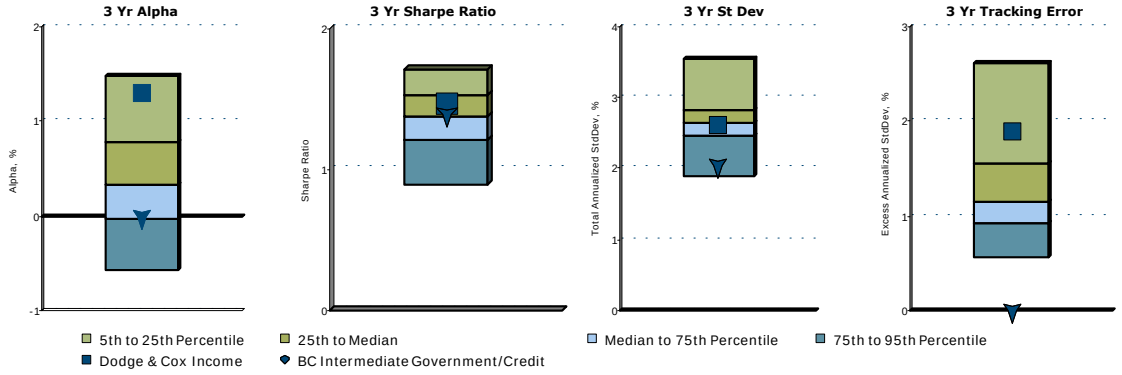


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Dodge & Cox Income	2.64	5.07	4.36	3.96	3.98
BC Intermediate Government/Credit	1.58	4.07	4.33	2.95	2.90
Universe(5%)	3.10	6.33	6.28	4.69	4.90
Universe(25%)	2.64	5.50	5.59	4.10	4.14
Universe(Median)	2.34	5.09	4.97	3.81	3.77
Universe(75%)	2.08	4.46	4.11	3.28	3.35
Universe(95%)	1.31	3.09	2.54	2.14	2.27

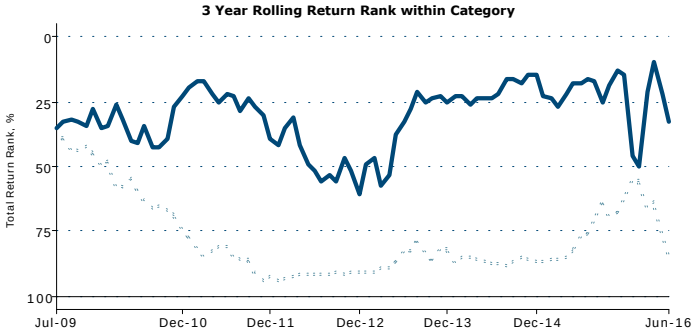
Dodge & Cox Income

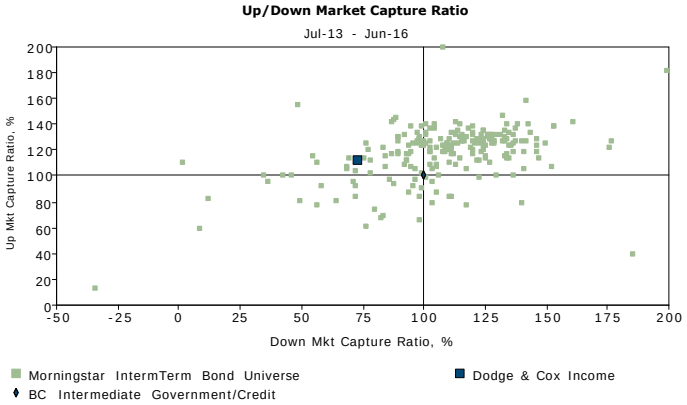


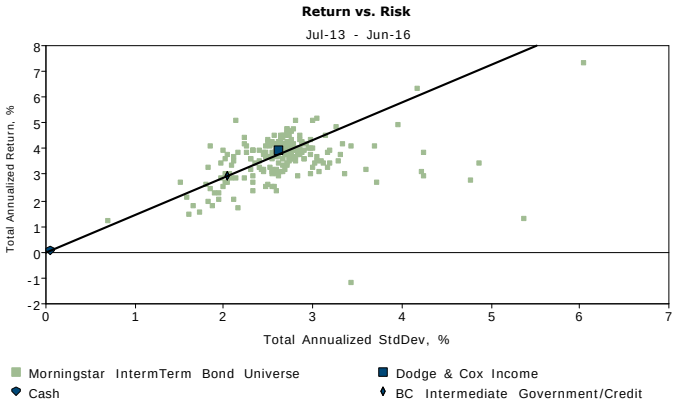
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dodge & Cox Income	5.30	4.68	-0.29	16.05	7.17	4.76	7.94	0.64	5.48	-0.59
BC Intermediate Government/Credit	4.08	7.39	5.08	5.24	5.89	5.80	3.89	-0.86	3.13	1.07



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Dodge & Cox Income	1.31	0.89	48.32	1.46	2.62	1.89
BC Intermediate Government/Credit	0.00	1.00	100.00	1.39	2.05	0.00
Universe(5%)	1.47	1.35	94.52	1.71	3.55	2.62
Universe(25%)	0.79	1.25	90.40	1.52	2.81	1.55
Universe(Median)	0.32	1.16	83.39	1.38	2.65	1.16
Universe(75%)	-0.03	0.99	71.88	1.22	2.45	0.93
Universe(95%)	-0.58	0.74	29.84	0.89	1.88	0.56



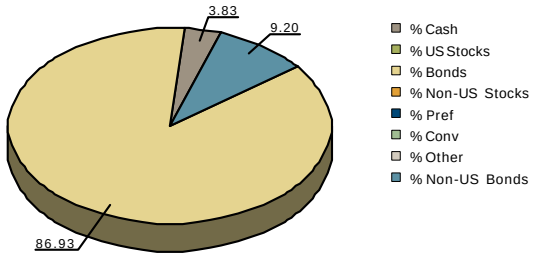




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Data as of 06/30/2016

Vanguard Total Bond Market Index Adm



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	3.83
% US Stocks	0.00
% Bonds	86.93
% Non-US Stocks	0.00
% Pref	0.01
% Conv	0.03
% Other	0.00
% Non-US Bonds	9.20

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

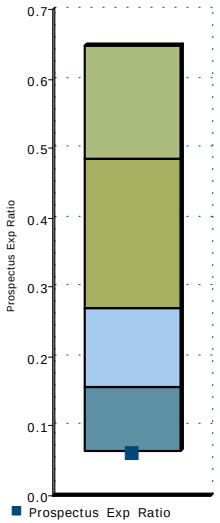
Credit Quality	
Avg Eff Duration	5.75
Effective Maturity	8.00
Avg Credit Quality	AA
AAA	68.86
AA	4.14
A	12.41
BBB	14.58
BB	0.00
B	0.00
Below B	0.01
NR/NA	0.00

Top Ten Holdings	
Ginnie Mae Jumbos TBA 3.5% 2046-06-01	0.91%
US Treasury Note 2.125%	0.55%
US Treasury Note 3.625%	0.47%
US Treasury Note 1%	0.47%
US Treasury Note 2.25%	0.46%
US Treasury Note 1%	0.44%
US Treasury Note 1.25%	0.43%
US Treasury Note 2.625%	0.43%
US Treasury Note 1.375%	0.41%
US Treasury Note 2.5%	0.41%

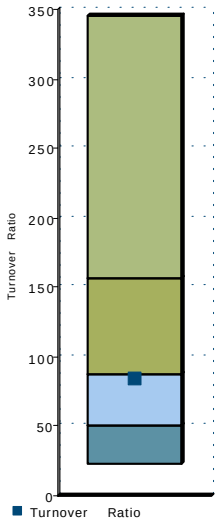
Portfolio Information	
Ticker	VBTLX
Morningstar Category	Intermediate-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	166722.46
Turnover Ratio	84.00
% Assets in Top 10 Holdings	4.97
Total Number of Holdings	17369.00
Manager Name	Joshua C. Barrickman
Manager Tenure	3.35
Fund Incept Date	11/12/2001
Prospectus Exp Ratio	0.06
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	27
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	48
10 Year Mstar Rating	★★★
% Rank Cat 10 Yr	41

Expense Ratio vs. Peer Group



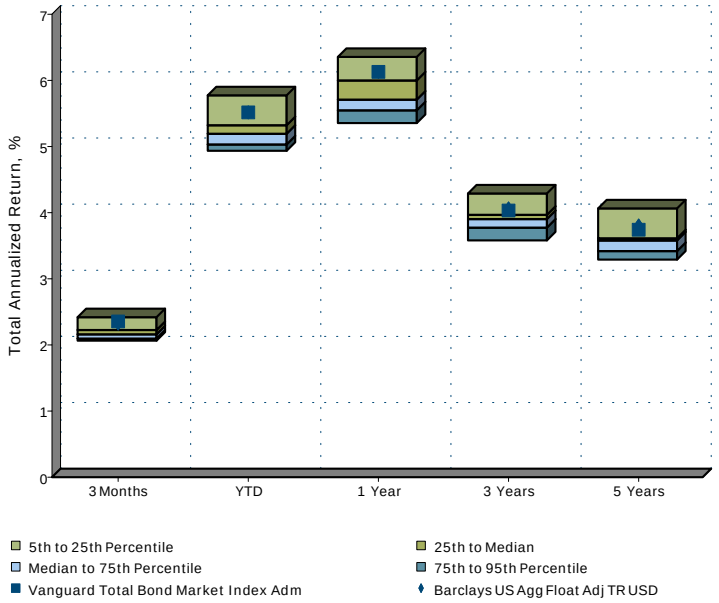
Turnover Ratio vs. Peer Group



Investment Strategy Summary

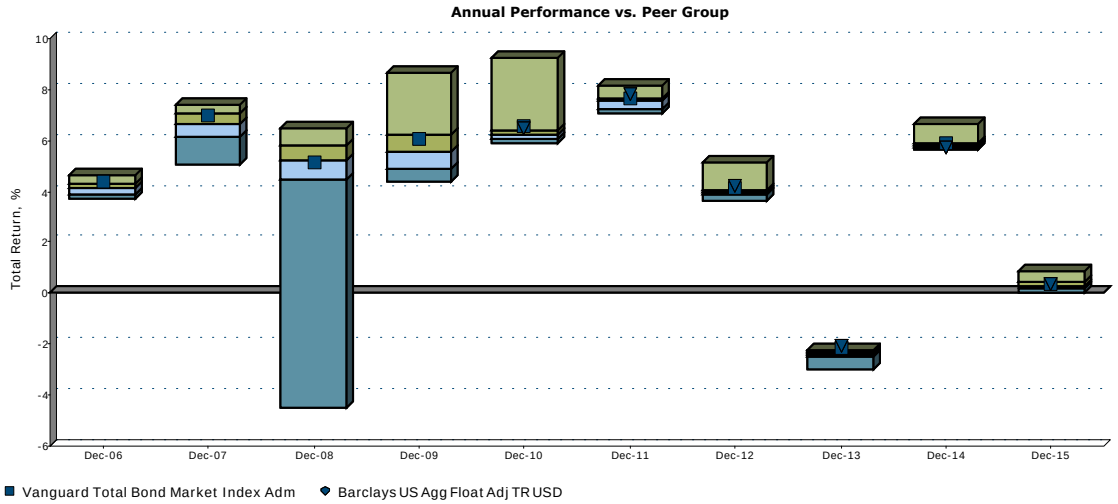
The investment seeks the performance of a broad, market-weighted bond index. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

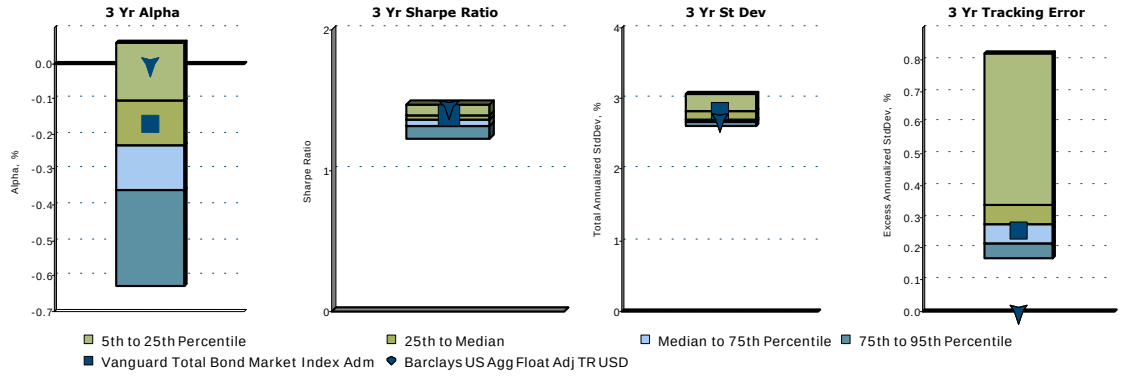


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Total Bond Market Index Adm	2.36	5.52	6.12	4.03	3.73
Barclays US Agg Float Adj TR USD	2.32	5.52	6.12	4.07	3.81
Universe(5%)	2.41	5.76	6.35	4.28	4.08
Universe(25%)	2.22	5.32	5.99	3.97	3.62
Universe(Median)	2.16	5.19	5.72	3.91	3.57
Universe(75%)	2.09	5.02	5.53	3.79	3.40
Universe(95%)	2.06	4.94	5.34	3.60	3.28

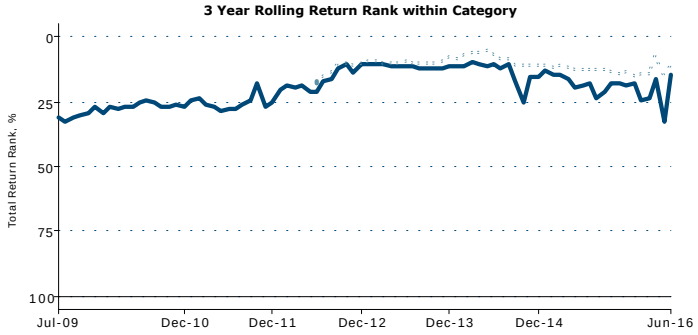
Vanguard Total Bond Market Index Adm

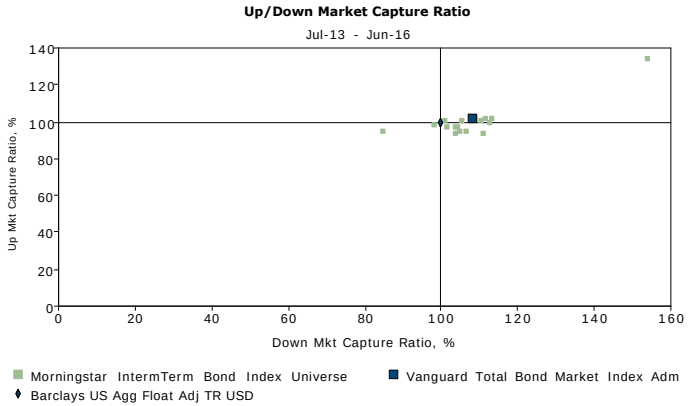


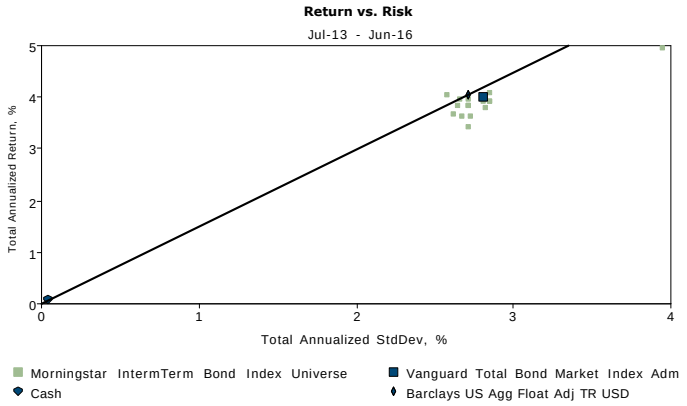
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Total Bond Market Index Adm	4.36	7.02	5.15	6.04	6.54	7.68	4.15	-2.15	5.89	0.40
Barclays US Agg Float Adj TR USD	NA	NA	NA	NA	6.58	7.92	4.32	-1.97	5.85	0.44



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Total Bond Market Index Adm	-0.17	1.03	99.26	1.39	2.81	0.26
Barclays US Agg Float Adj TR USD	0.00	1.00	100.00	1.45	2.71	0.00
Universe(5%)	0.06	1.12	99.62	1.46	3.07	0.82
Universe(25%)	-0.11	1.03	99.39	1.40	2.82	0.34
Universe(Median)	-0.23	1.00	99.09	1.36	2.71	0.28
Universe(75%)	-0.36	0.98	98.76	1.32	2.67	0.22
Universe(95%)	-0.63	0.95	96.05	1.23	2.61	0.17



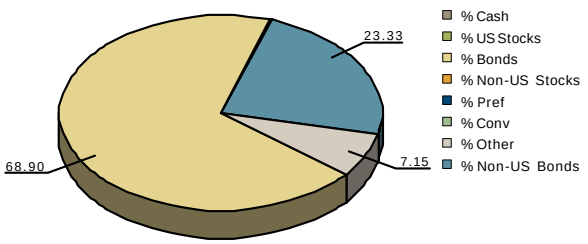




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Columbia Strategic Income Y



Portfolio Region	
% United States	96.73
% Canada	0.00
% Latin America	0.00
% United Kingdom	3.27
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.18
% US Stocks	0.43
% Bonds	68.90
% Non-US Stocks	0.01
% Pref	0.00
% Conv	0.00
% Other	7.15
% Non-US Bonds	23.33

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

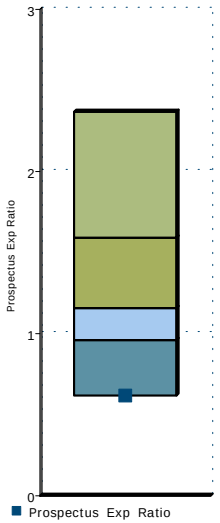
Credit Quality	
Avg Eff Duration	3.10
Effective Maturity	7.23
Avg Credit Quality	BB
AAA	12.03
AA	0.09
A	2.27
BBB	21.70
BB	23.92
B	21.12
Below B	6.46
NR/NA	12.40

Top Ten Holdings	
FNMA	3.53%
Ginnie Mae Jumbos TBA 3% 2046-04-01	1.35%
FNMA	1.04%
Five Corners Fdg Tr 144A 4.419%	0.99%
At&T 4.35%	0.83%
Fannie Mae Single Family TBA 3% 2031-04-01	0.81%
Hungary (Rep Of) 5.5%	0.74%
Csmc Tr 2014-Rpl1 CMO	0.73%
British Sky Broadcstg Grp 144A 3.125%	0.70%
Gs Mtg Coml 2007-Gg10 CMO	0.69%

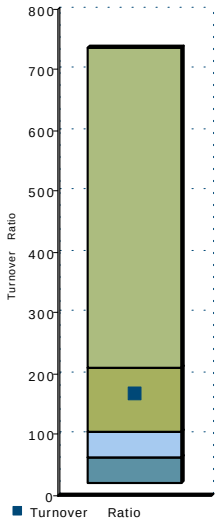
Portfolio Information	
Ticker	CPHUX
Morningstar Category	Nontraditional Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	6060.61
Net Assets $MM	2797.85
Turnover Ratio	169.00
% Assets in Top 10 Holdings	11.40
Total Number of Holdings	906.00
Manager Name	Colin J. Lundgren
Manager Tenure	6.10
Fund Incept Date	06/13/2013
Prospectus Exp Ratio	0.62
Phone Number	800-345-6611

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	2
5 Year Mstar Rating	NA
% Rank Cat 5 Yr	NA
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



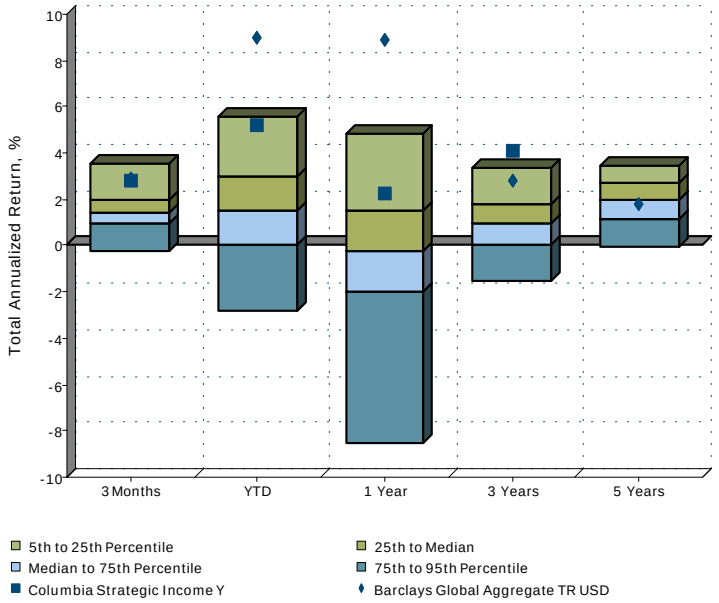
Turnover Ratio vs. Peer Group



Investment Strategy Summary

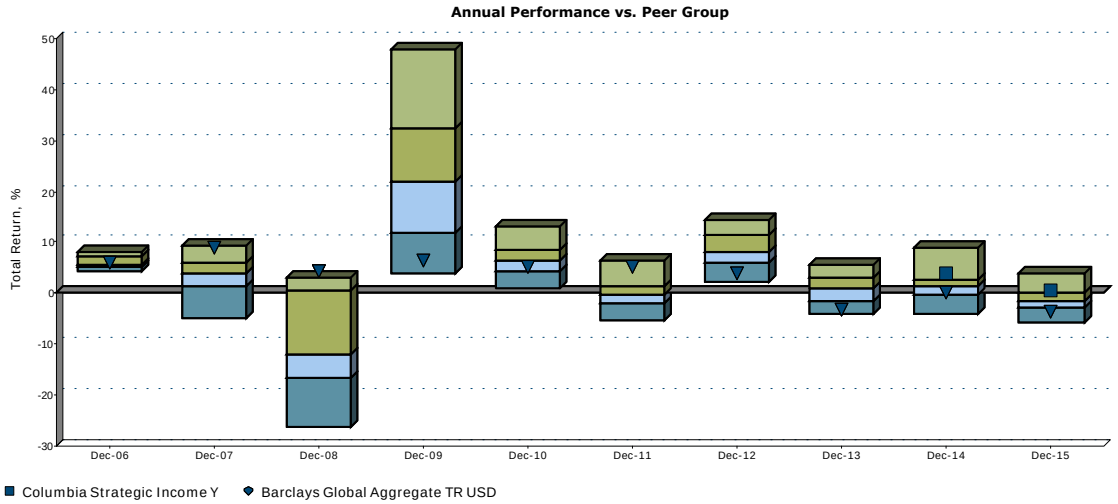
The investment seeks total return, consisting of current income and capital appreciation. Under normal circumstances, the fund has substantial exposure to fixed-income/debt markets. It may invest in U.S. government bonds and notes, U.S. and international bonds and notes, investment grade corporate (or similar) bonds and notes, mortgage- and other asset-backed securities, high yield (i.e., junk) instruments, floating rate loans and other floating rate debt securities, inflation-protected/linked securities, convertible securities, cash/cash equivalents, as well as foreign government, sovereign and quasi-sovereign debt investments.

Performance vs. Peer Group

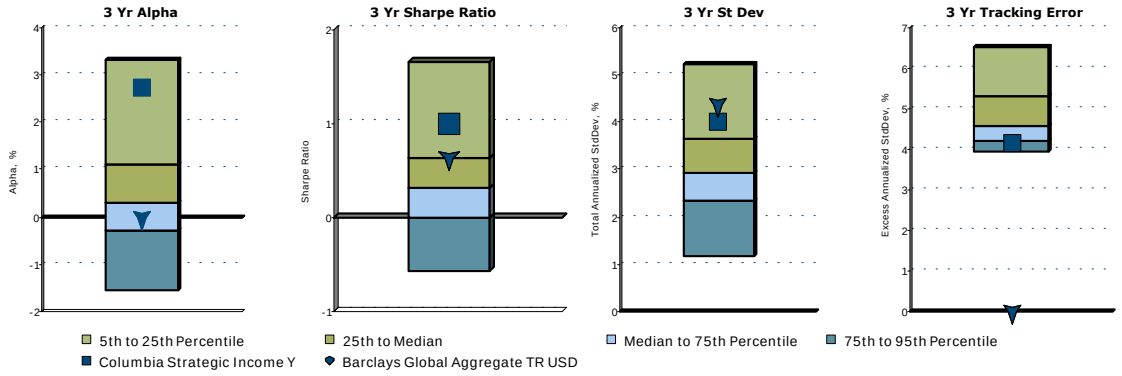


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Columbia Strategic Income Y	2.85	5.20	2.29	4.13	NA
Barclays Global Aggregate TR USD	2.89	8.96	8.87	2.80	1.77
Universe(5%)	3.55	5.56	4.80	3.36	3.46
Universe(25%)	2.00	3.00	1.54	1.81	2.73
Universe(Median)	1.43	1.56	-0.26	0.99	1.95
Universe(75%)	1.00	0.05	-1.99	0.08	1.18
Universe(95%)	-0.19	-2.82	-8.53	-1.51	-0.02

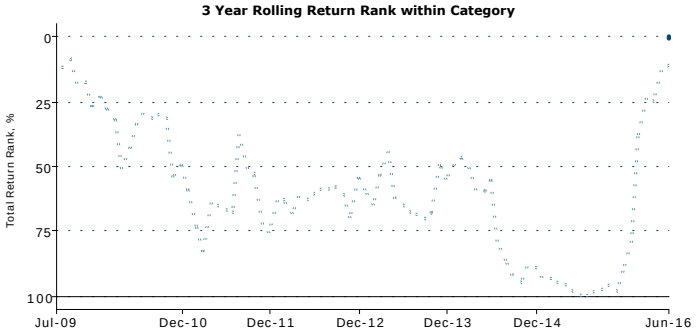
Columbia Strategic Income Y

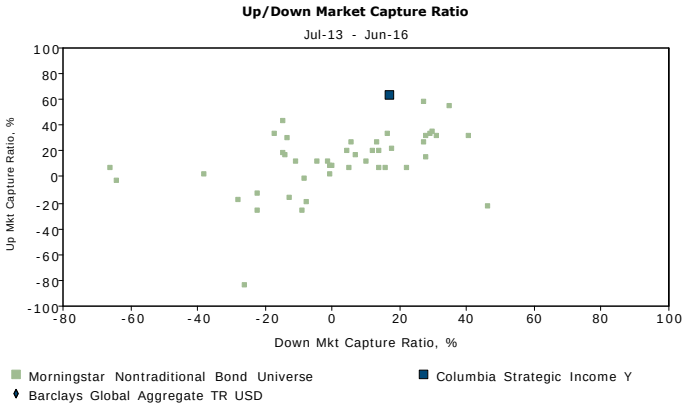


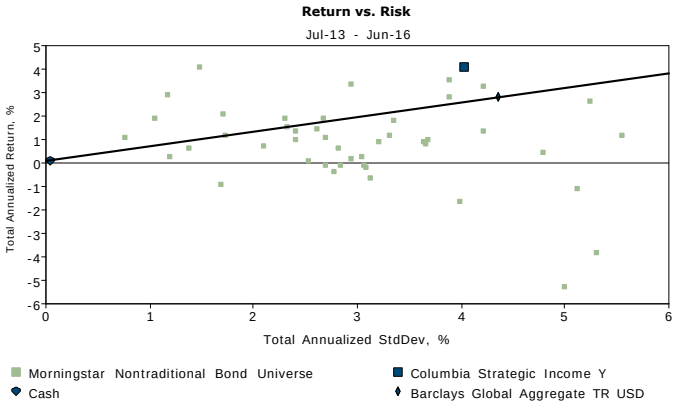
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Columbia Strategic Income Y	NA	NA	NA	NA	NA	NA	NA	NA	3.99	0.66
Barclays Global Aggregate TR USD	6.64	9.48	4.79	6.93	5.54	5.64	4.32	-2.60	0.59	-3.15



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Columbia Strategic Income Y	2.75	0.47	25.36	1.00	4.03	4.18
Barclays Global Aggregate TR USD	0.00	1.00	100.00	0.63	4.36	0.00
Universe(5%)	3.31	0.38	24.04	1.66	5.21	6.55
Universe(25%)	1.10	0.25	15.75	0.63	3.67	5.34
Universe(Median)	0.29	0.13	7.89	0.33	2.93	4.58
Universe(75%)	-0.27	0.06	3.58	0.01	2.33	4.21
Universe(95%)	-1.57	-0.18	0.57	-0.56	1.17	3.95



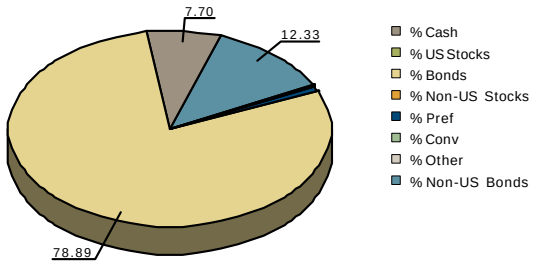




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PIMCO Long Duration Total Return Instl



Portfolio Region	
% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	7.70
% US Stocks	0.12
% Bonds	78.89
% Non-US Stocks	0.00
% Pref	0.81
% Conv	0.00
% Other	0.15
% Non-US Bonds	12.33

Sector Allocation	
% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.00
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	0.00
% Real Estate	0.00
% Technology	0.00
% Energy	0.00
% Financial Services	4.58
% Utilities	95.42

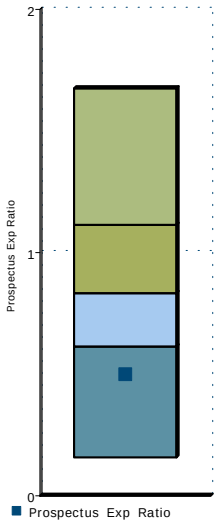
Credit Quality	
Avg Eff Duration	14.32
Effective Maturity	22.89
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Irs Usd 2.25000 06/15/16-10y Cme	5.97%
US Treasury Note 1.625%	4.84%
Resolution Fdg Fed Bk Prin Stp	3.97%
Fin Fut Us Ultra 30yr Cbt 06/21/16	3.67%
Resolution Fdg Fed Bk Prin Stp	3.56%
US Treasury Bond 2.75%	2.95%
US Treasury Bond 3%	2.77%
US Treasury Note 2.25%	2.55%
U S Treas Bd Stripped Prin Pmt	2.37%
US Treasury Bond	2.30%

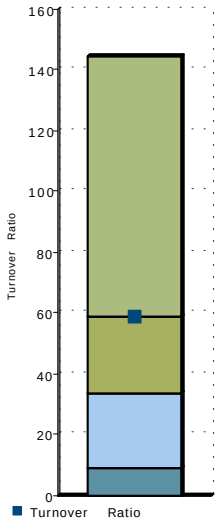
Portfolio Information	
Ticker	PLRIX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	3120.52
Turnover Ratio	59.00
% Assets in Top 10 Holdings	34.96
Total Number of Holdings	680.00
Manager Name	Stephen A. Rodosky
Manager Tenure	8.92
Fund Incept Date	08/31/2006
Prospectus Exp Ratio	0.50
Phone Number	888-877-4626

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	47
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	42
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



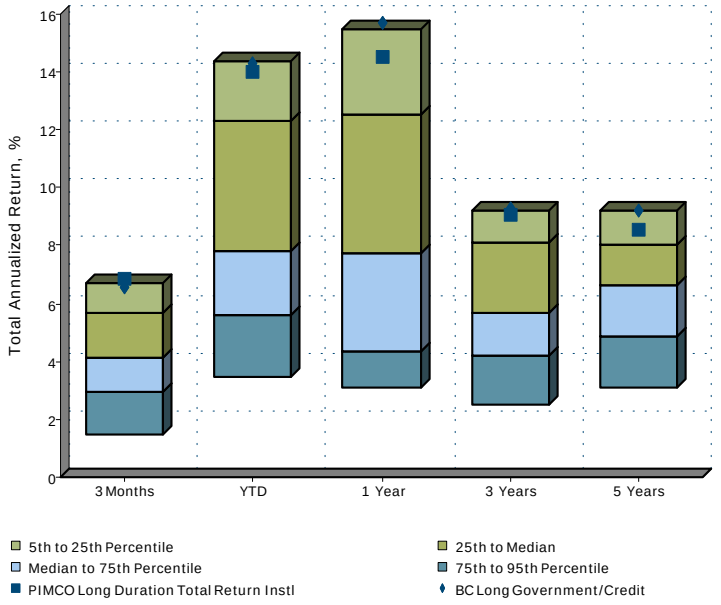
Turnover Ratio vs. Peer Group



Investment Strategy Summary

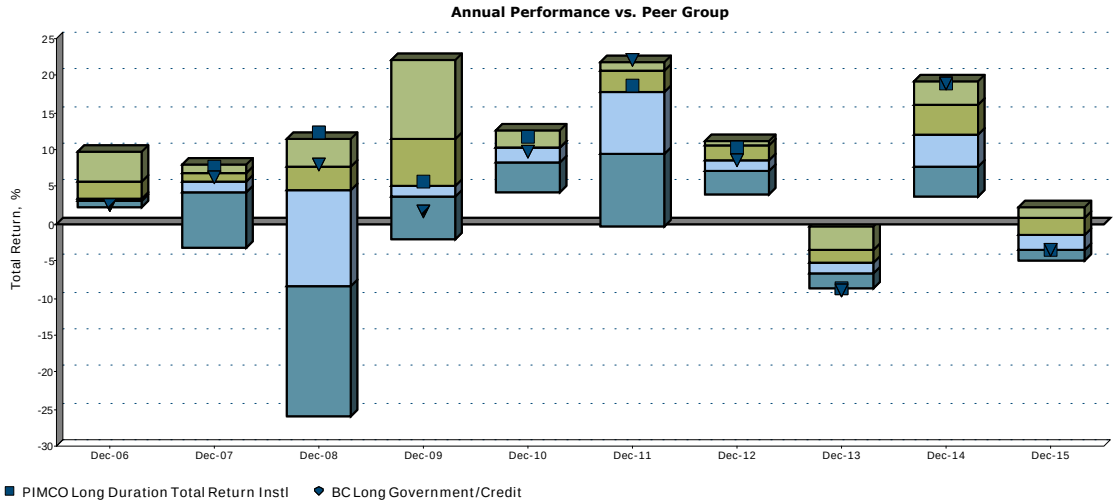
The investment seeks maximum total return, consistent with prudent investment management. The fund invests at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. It may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers.

Performance vs. Peer Group

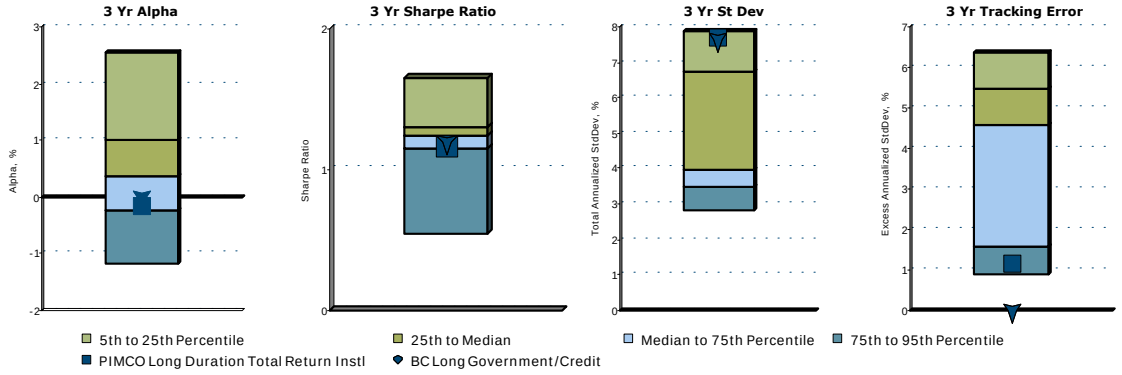


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
PIMCO Long Duration Total Return Instl	6.82	13.99	14.50	9.10	8.55
BC Long Government/Credit	6.55	14.33	15.72	9.33	9.18
Universe(5%)	6.73	14.40	15.48	9.23	9.19
Universe(25%)	5.70	12.34	12.55	8.08	8.00
Universe(Median)	4.10	7.82	7.74	5.66	6.67
Universe(75%)	2.95	5.59	4.36	4.21	4.84
Universe(95%)	1.47	3.49	3.09	2.48	3.12

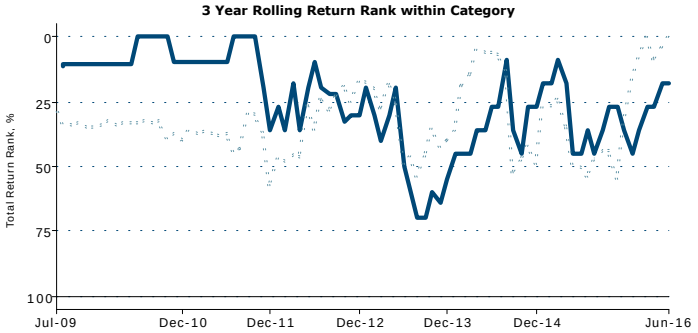
PIMCO Long Duration Total Return Instl

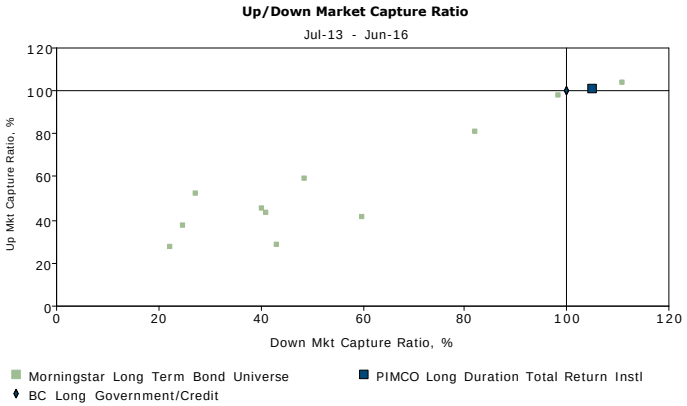


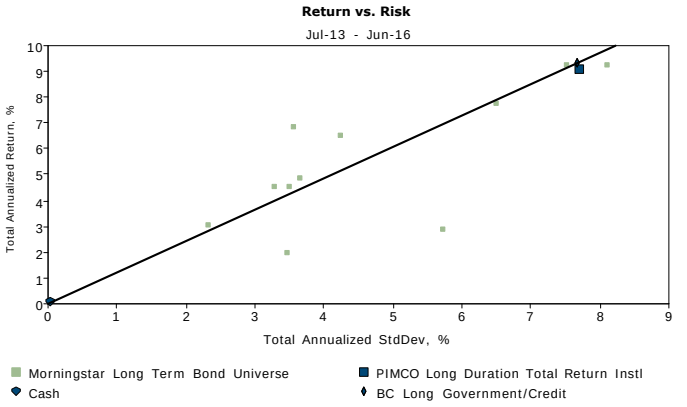
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PIMCO Long Duration Total Return Instl	NA	7.83	12.38	5.62	11.64	18.57	10.28	-8.56	19.02	-3.44
BC Long Government/Credit	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83	19.31	-3.30



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
PIMCO Long Duration Total Return Instl	-0.16	0.99	97.83	1.16	7.70	1.13
BC Long Government/Credit	0.00	1.00	100.00	1.19	7.66	0.00
Universe(5%)	2.55	1.02	98.87	1.66	7.88	6.37
Universe(25%)	0.99	0.87	97.13	1.31	6.75	5.47
Universe(Median)	0.35	0.44	79.21	1.24	3.94	4.60
Universe(75%)	-0.25	0.40	71.30	1.15	3.49	1.56
Universe(95%)	-1.18	0.25	32.93	0.54	2.84	0.89



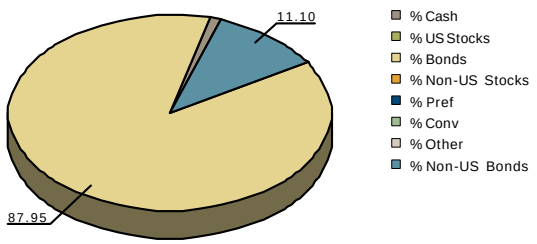




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Vanguard Long-Term Bond Index Inv



Portfolio Region	
% United States	NA
% Canada	NA
% Latin America	NA
% United Kingdom	NA
% Eurozone	NA
% Europe - ex Euro	NA
% Europe - Emerging	NA
% Africa	NA
% Middle East	NA
% Japan	NA
% Australasia	NA
% Asia - Developed	NA
% Asia - Emerging	NA

Portfolio Structure	
% Cash	0.93
% US Stocks	0.00
% Bonds	87.95
% Non-US Stocks	0.00
% Pref	0.02
% Conv	0.00
% Other	0.00
% Non-US Bonds	11.10

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

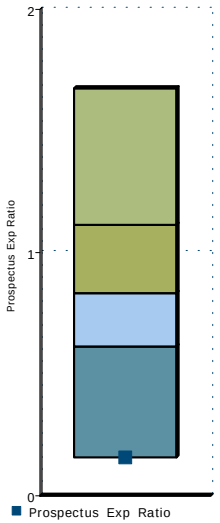
Credit Quality	
Avg Eff Duration	15.24
Effective Maturity	24.10
Avg Credit Quality	A
AAA	41.51
AA	7.00
A	23.15
BBB	28.34
BB	0.00
B	0.00
Below B	0.00
NR/NA	0.00

Top Ten Holdings	
US Treasury Bond 2.875%	1.93%
US Treasury Bond 2.5%	1.88%
US Treasury Bond 3.625%	1.82%
US Treasury Bond 2.875%	1.64%
US Treasury Bond 3%	1.58%
US Treasury Bond 3%	1.56%
US Treasury Bond 3.75%	1.55%
US Treasury Bond 3.125%	1.54%
US Treasury Bond 2.75%	1.51%
US Treasury Bond 3.375%	1.40%

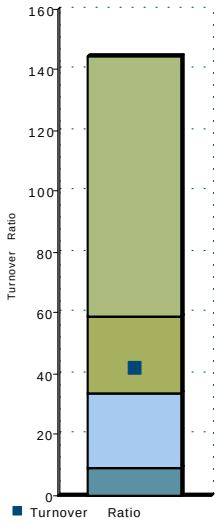
Portfolio Information	
Ticker	VBLTX
Morningstar Category	Long-term Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	NA
Net Assets $MM	10174.86
Turnover Ratio	42.00
% Assets in Top 10 Holdings	16.40
Total Number of Holdings	2039.00
Manager Name	Joshua C. Barrickman
Manager Tenure	3.35
Fund Incept Date	03/01/1994
Prospectus Exp Ratio	0.16
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	34
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	25
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	60

Expense Ratio vs. Peer Group



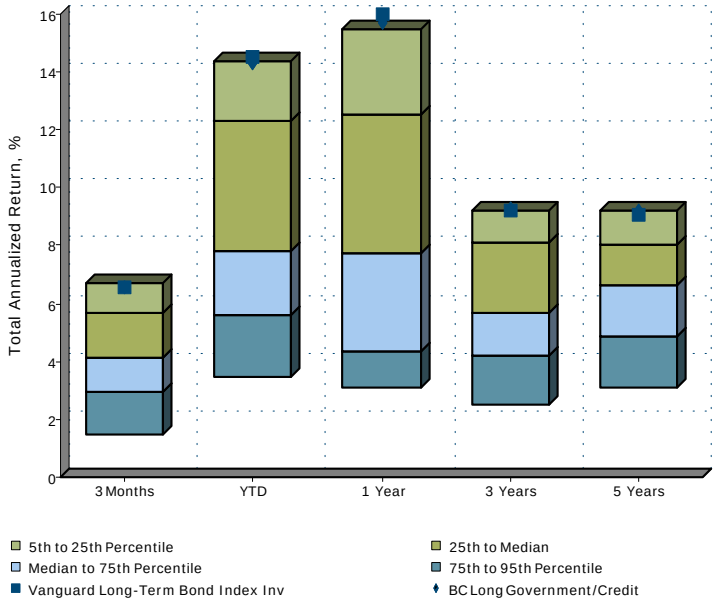
Turnover Ratio vs. Peer Group



Investment Strategy Summary

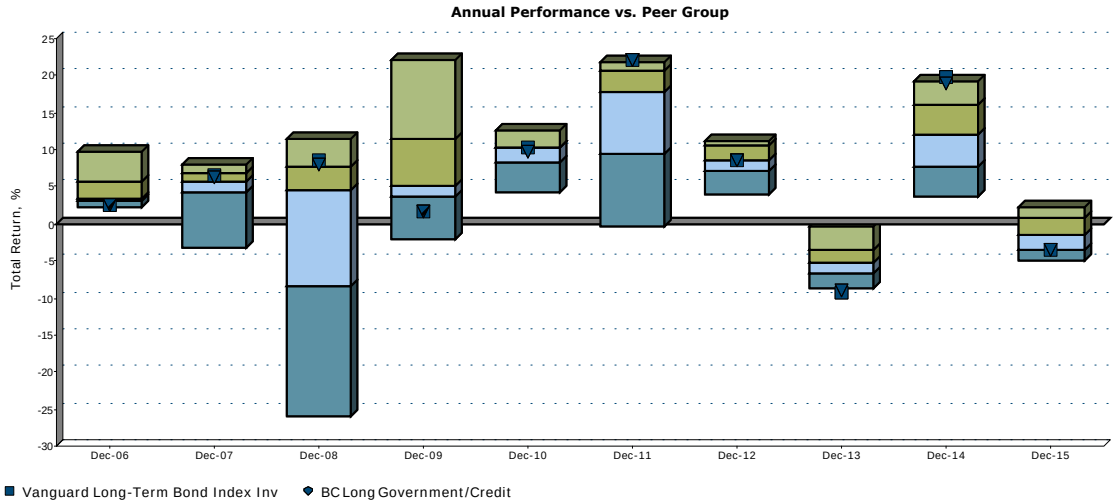
The investment seeks to track the performance of a market-weighted bond index with a long-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Long Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of greater than 10 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Performance vs. Peer Group

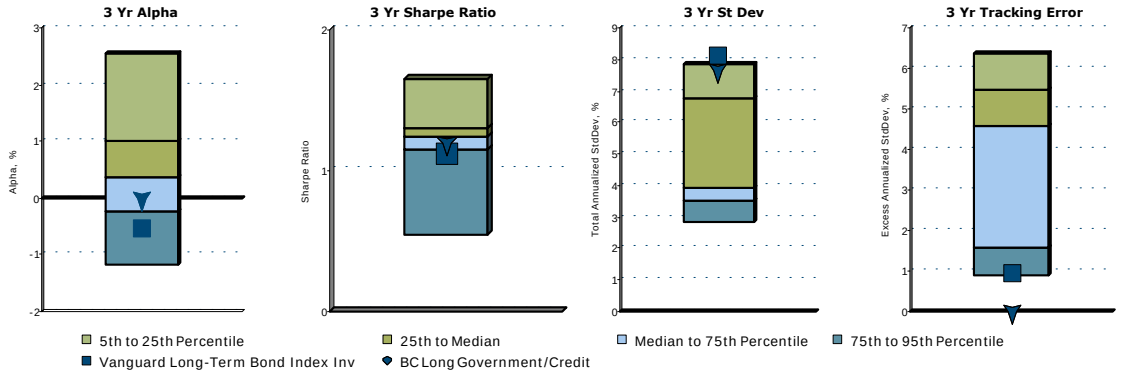


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Long-Term Bond Index Inv	6.60	14.49	15.98	9.24	9.10
BC Long Government/Credit	6.55	14.33	15.72	9.33	9.18
Universe(5%)	6.73	14.40	15.48	9.23	9.19
Universe(25%)	5.70	12.34	12.55	8.08	8.00
Universe(Median)	4.10	7.82	7.74	5.66	6.67
Universe(75%)	2.95	5.59	4.36	4.21	4.84
Universe(95%)	1.47	3.49	3.09	2.48	3.12

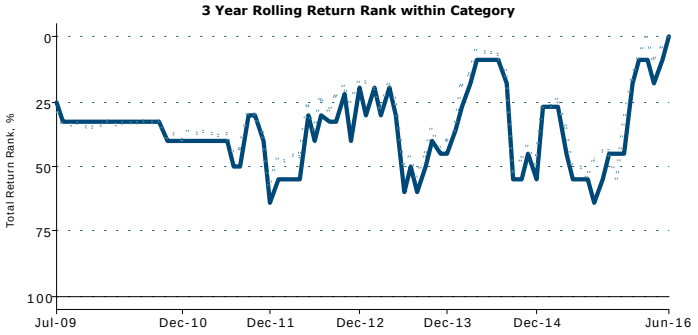
Vanguard Long-Term Bond Index Inv

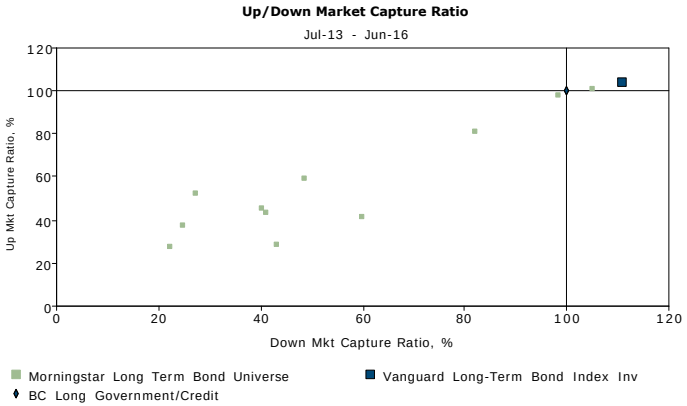


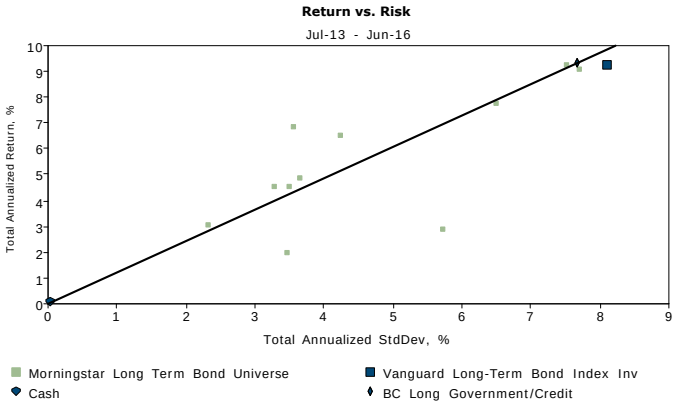
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Long-Term Bond Index Inv	2.67	6.59	8.64	1.76	10.27	22.05	8.49	-9.13	19.72	-3.47
BC Long Government/Credit	2.71	6.60	8.44	1.92	10.16	22.49	8.78	-8.83	19.31	-3.30



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Long-Term Bond Index Inv	-0.53	1.05	98.92	1.12	8.10	0.93
BC Long Government/Credit	0.00	1.00	100.00	1.19	7.66	0.00
Universe(5%)	2.55	1.02	98.87	1.66	7.88	6.37
Universe(25%)	0.99	0.87	97.13	1.31	6.75	5.47
Universe(Median)	0.35	0.44	79.21	1.24	3.94	4.60
Universe(75%)	-0.25	0.40	71.30	1.15	3.49	1.56
Universe(95%)	-1.18	0.25	32.93	0.54	2.84	0.89



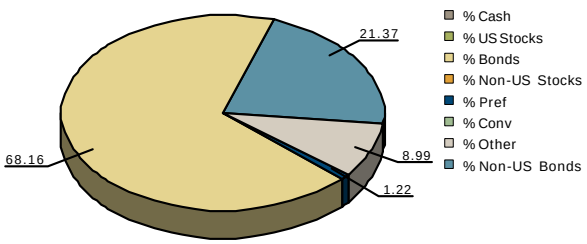




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Ivy High Income I



Portfolio Region	
% United States	0.64
% Canada	0.00
% Latin America	99.36
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.20
% US Stocks	0.00
% Bonds	68.16
% Non-US Stocks	0.06
% Pref	1.22
% Conv	0.00
% Other	8.99
% Non-US Bonds	21.37

Sector Allocation	
% Basic Materials	NA
% Communication Services	NA
% Consumer Cyclical	NA
% Consumer Defensive	NA
% Healthcare	NA
% Industrials	NA
% Real Estate	NA
% Technology	NA
% Energy	NA
% Financial Services	NA
% Utilities	NA

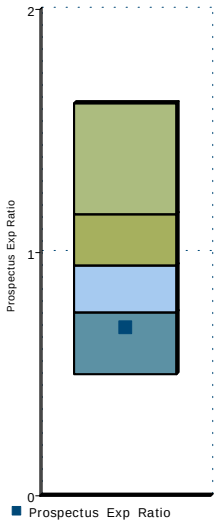
Credit Quality	
Avg Eff Duration	3.20
Effective Maturity	4.50
Avg Credit Quality	B
AAA	0.00
AA	0.00
A	0.00
BBB	0.90
BB	14.80
B	31.10
Below B	49.30
NR/NA	3.90

Top Ten Holdings	
Misys Plc And Magic Newco Llc	3.42%
Laureate Educ 144A 9.25%	2.73%
Jo-Ann Stores 144A 9.75%	1.56%
New Cotai Llc / New Cotai C 144A 10.625%	1.51%
Altice Sa 144A 7.75%	1.44%
Bakercorp Intl 144A 8.25%	1.44%
Pinnacle Operating Corporation 144A 9%	1.32%
Tmx Fin Llc/Titlemax Fin 144A 8.5%	1.22%
Frontier Comms Cv	1.22%
Talbots Inc. (The)	1.20%

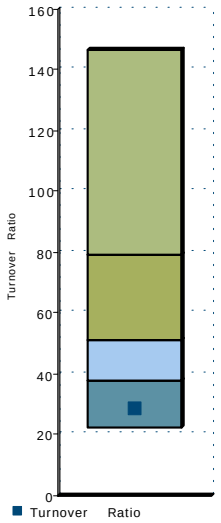
Portfolio Information	
Ticker	IVHIX
Morningstar Category	High Yield Bond
Avg Mkt Cap $MM	NA
Cat Med Mkt Cap $MM	20160.52
Net Assets $MM	4866.76
Turnover Ratio	29.00
% Assets in Top 10 Holdings	17.06
Total Number of Holdings	279.00
Manager Name	Chad A. Gunther
Manager Tenure	1.98
Fund Incept Date	04/02/2007
Prospectus Exp Ratio	0.69
Phone Number	800-777-6472

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	69
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



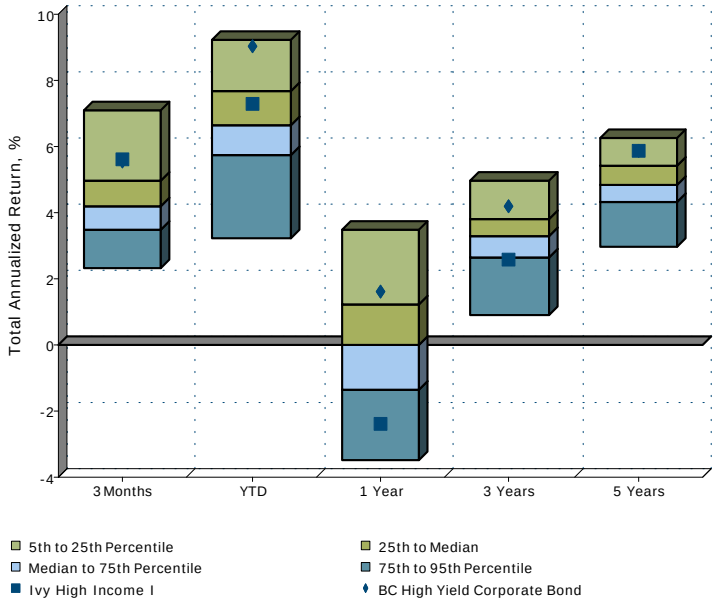
Turnover Ratio vs. Peer Group



Investment Strategy Summary

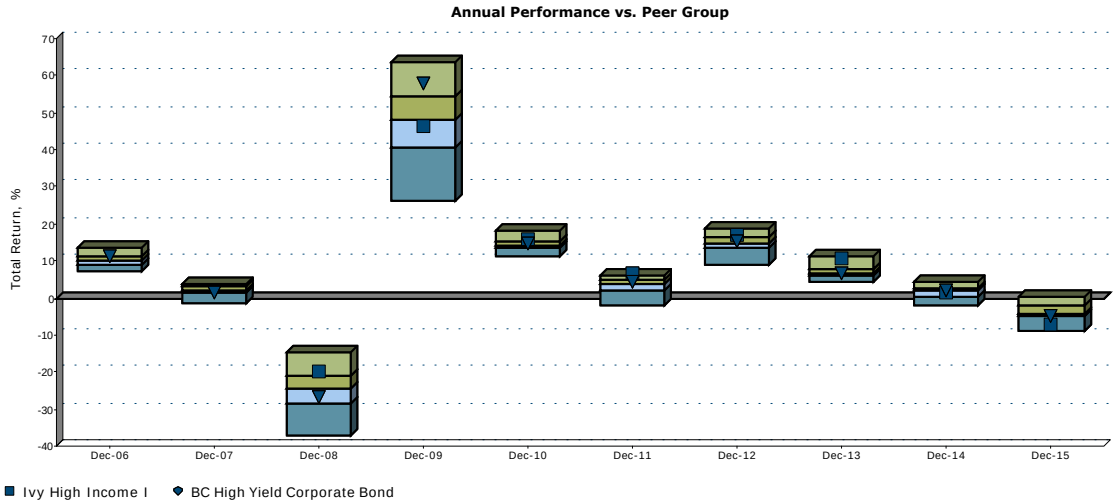
The investment seeks to provide total return through a combination of high current income and capital appreciation. The fund invests primarily in a diversified portfolio of high-yield, high-risk, fixed-income securities, including secured and unsecured loan assignments, loan participations and other loan instruments (loans), of U.S. and foreign corporate issuers, the risks of which are, in the judgment of the adviser consistent with the fund's objective. It may invest up to 100% of its total assets in non-investment grade debt securities. The fund may invest in fixed-income securities of any maturity and in companies of any size.

Performance vs. Peer Group

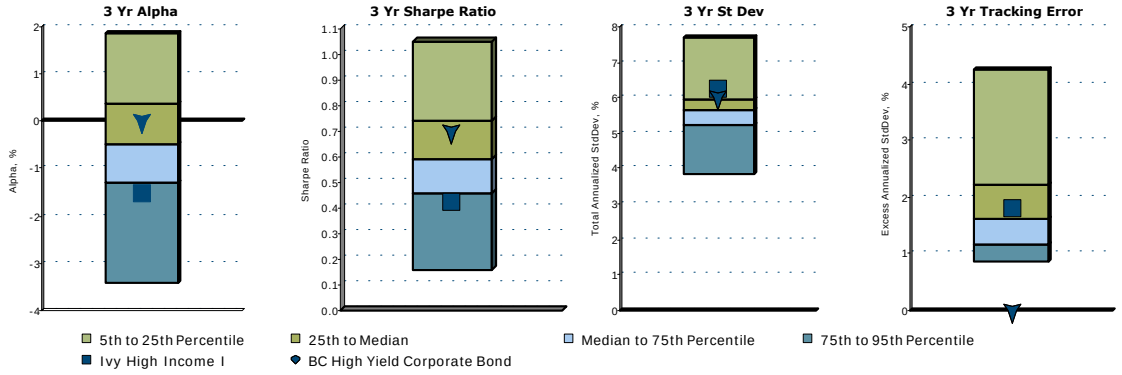


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Ivy High Income I	5.60	7.30	-2.41	2.57	5.85
BC High Yield Corporate Bond	5.52	9.06	1.62	4.18	5.84
Universe(5%)	7.13	9.25	3.49	4.96	6.23
Universe(25%)	4.95	7.69	1.23	3.83	5.41
Universe(Median)	4.18	6.64	0.02	3.29	4.85
Universe(75%)	3.48	5.74	-1.34	2.67	4.33
Universe(95%)	2.29	3.25	-3.48	0.92	2.95

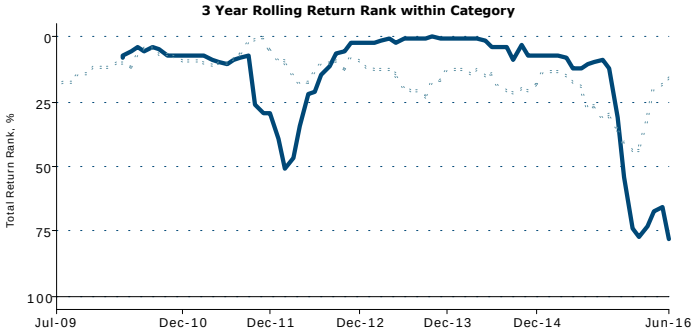
Ivy High Income I

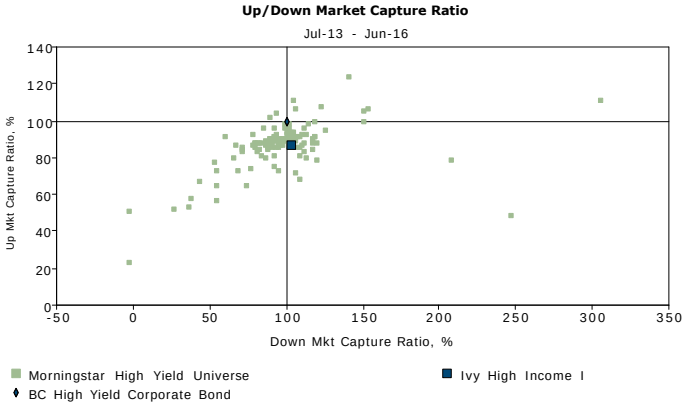


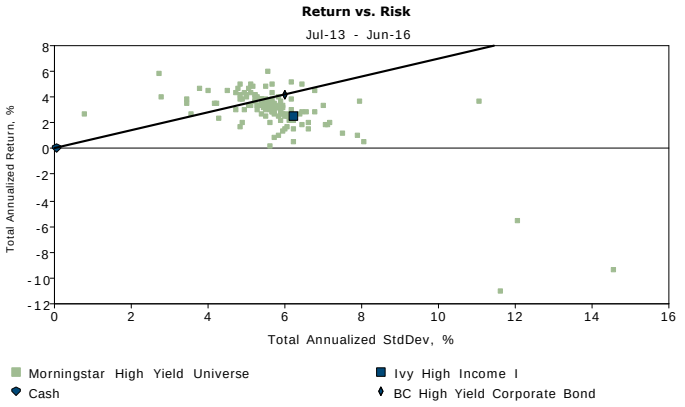
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Ivy High Income I	NA	NA	-19.73	46.56	15.62	6.44	17.16	10.46	1.74	-7.13
BC High Yield Corporate Bond	11.85	1.87	-26.16	58.21	15.12	4.98	15.81	7.44	2.45	-4.47



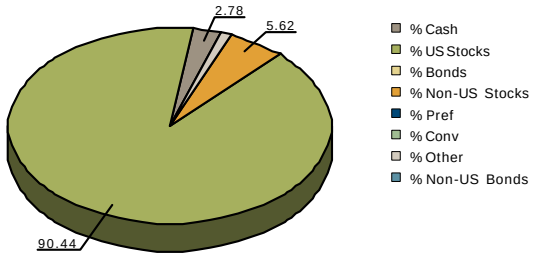
MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Ivy High Income I	-1.53	1.00	91.77	0.42	6.23	1.79
BC High Yield Corporate Bond	0.00	1.00	100.00	0.70	6.00	0.00
Universe(5%)	1.87	1.23	98.30	1.05	7.70	4.26
Universe(25%)	0.35	0.97	96.73	0.75	5.97	2.20
Universe(Median)	-0.47	0.91	93.65	0.59	5.63	1.63
Universe(75%)	-1.29	0.83	89.83	0.46	5.23	1.16
Universe(95%)	-3.40	0.58	58.24	0.16	3.87	0.87







American Funds Washington Mutual R6



Portfolio Region	
% United States	94.15
% Canada	1.61
% Latin America	0.00
% United Kingdom	1.90
% Eurozone	0.40
% Europe - ex Euro	1.94
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	2.78
% US Stocks	90.44
% Bonds	0.39
% Non-US Stocks	5.62
% Pref	0.00
% Conv	0.00
% Other	0.77
% Non-US Bonds	0.00

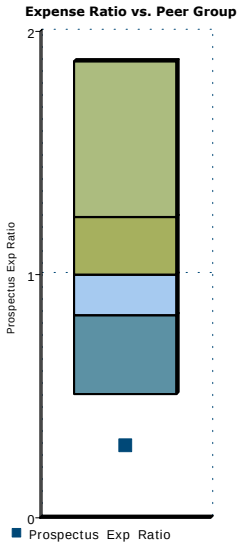
Sector Allocation	
% Basic Materials	5.49
% Communication Services	7.49
% Consumer Cyclical	10.17
% Consumer Defensive	9.56
% Healthcare	13.71
% Industrials	14.71
% Real Estate	0.00
% Technology	12.65
% Energy	10.94
% Financial Services	12.10
% Utilities	3.17

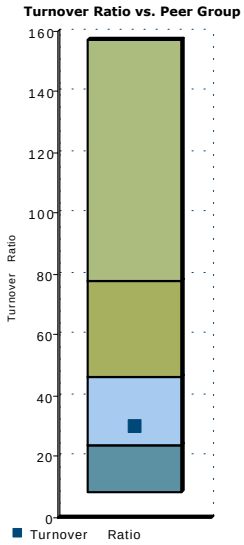
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Microsoft Corp	5.92%
Home Depot Inc	4.66%
Verizon Communications Inc	3.71%
Coca-Cola Co	3.16%
Boeing Co	3.07%
Comcast Corp Class A	2.83%
Lockheed Martin Corp	2.59%
Merck & Co Inc	2.42%
JPMorgan Chase & Co	2.14%
Wells Fargo & Co	2.13%

Portfolio Information	
Ticker	RWMGX
Morningstar Category	Large Value
Avg Mkt Cap $MM	90084.20
Cat Med Mkt Cap $MM	78659.23
Net Assets $MM	80416.21
Turnover Ratio	30.00
% Assets in Top 10 Holdings	32.63
Total Number of Holdings	180.00
Manager Name	Alan N. Berro
Manager Tenure	19.01
Fund Incept Date	05/01/2009
Prospectus Exp Ratio	0.30
Phone Number	800-421-4225

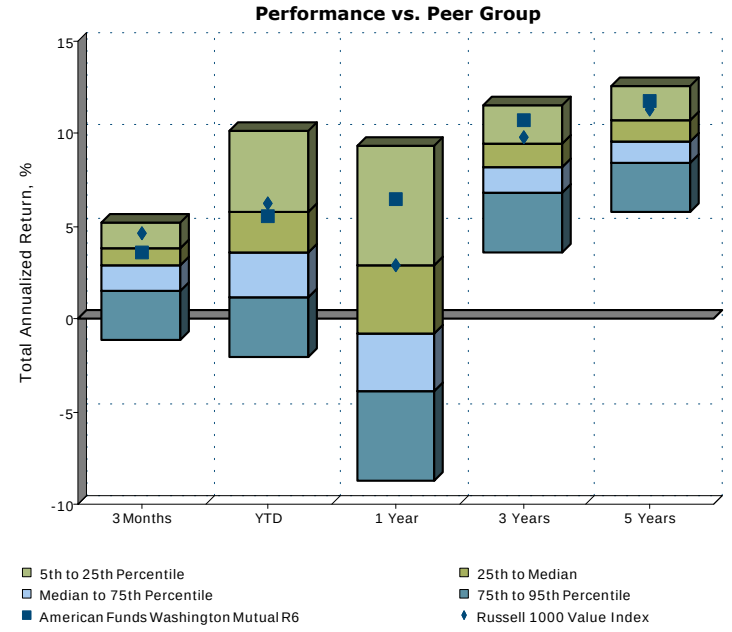
Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	9
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	7
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA





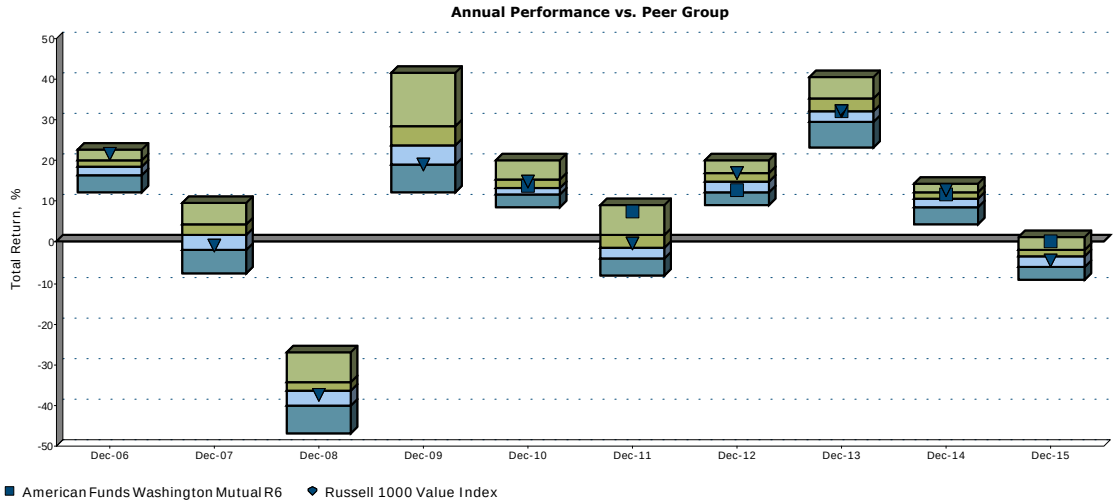
Investment Strategy Summary

The investment seeks to produce income and to provide an opportunity for growth of principal consistent with sound common stock investing. The fund invests primarily in common stocks of established companies that are listed on, or meet the financial listing requirements of, the New York Stock Exchange and have a strong record of earnings and dividends. Its advisor strives to maintain a fully invested, diversified portfolio, consisting primarily of high-quality common stocks.

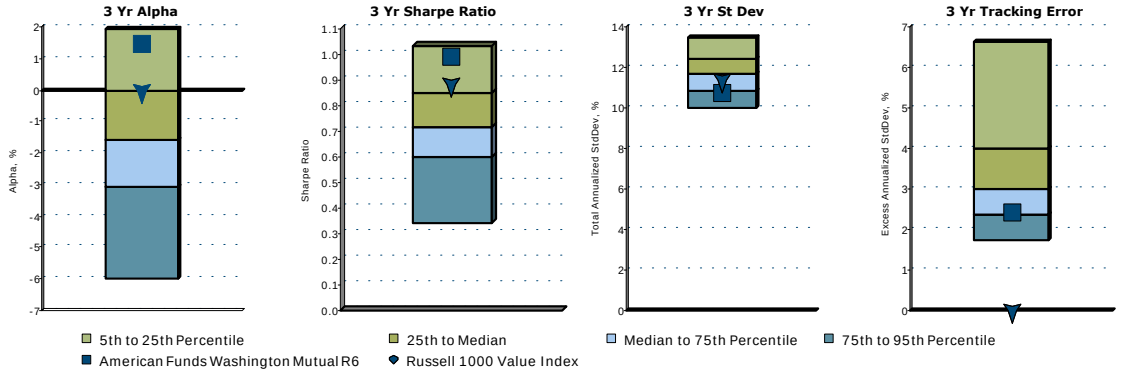


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
American Funds Washington Mutual R6	3.55	5.51	6.50	10.69	11.77
Russell 1000 Value Index	4.58	6.30	2.86	9.87	11.35
Universe(5%)	5.19	10.17	9.33	11.54	12.63
Universe(25%)	3.82	5.83	2.91	9.49	10.76
Universe(Median)	2.93	3.59	-0.77	8.19	9.55
Universe(75%)	1.55	1.19	-3.86	6.87	8.44
Universe(95%)	-1.18	-2.02	-8.76	3.58	5.78

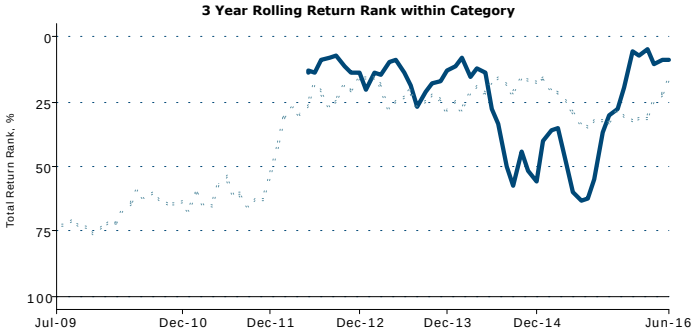
American Funds Washington Mutual R6

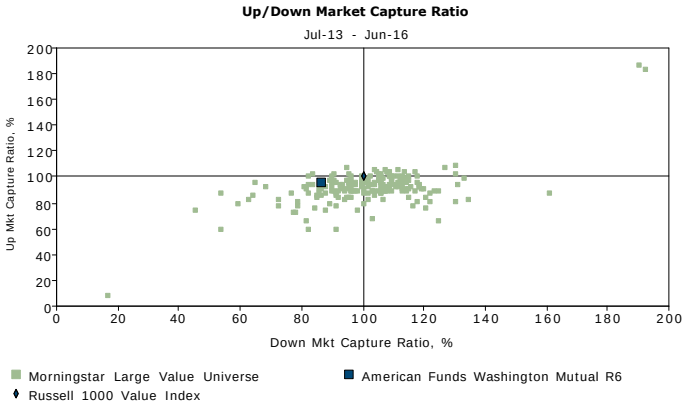


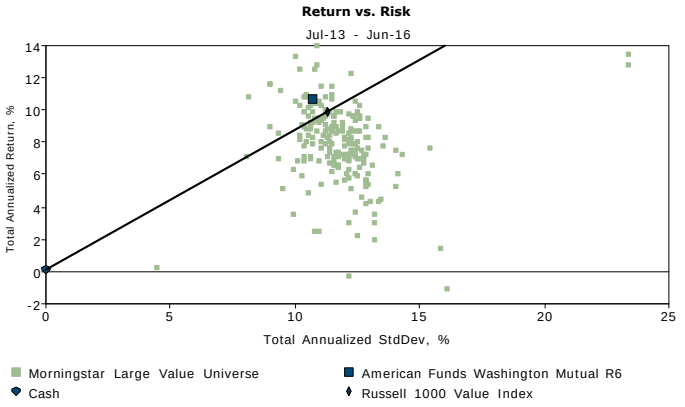
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
American Funds Washington Mutual R6	NA	NA	NA	NA	13.69	7.35	12.85	32.34	11.53	0.12
Russell 1000 Value Index	22.25	-0.17	-36.85	19.69	15.51	0.39	17.51	32.53	13.45	-3.83



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
American Funds Washington Mutual R6	1.45	0.92	95.57	1.00	10.72	2.42
Russell 1000 Value Index	0.00	1.00	100.00	0.88	11.34	0.00
Universe(5%)	1.95	1.13	97.82	1.03	13.45	6.63
Universe(25%)	-0.06	1.06	96.35	0.85	12.45	3.98
Universe(Median)	-1.61	1.00	94.17	0.72	11.67	2.98
Universe(75%)	-3.10	0.93	90.39	0.60	10.87	2.35
Universe(95%)	-6.01	0.77	77.12	0.34	9.95	1.76



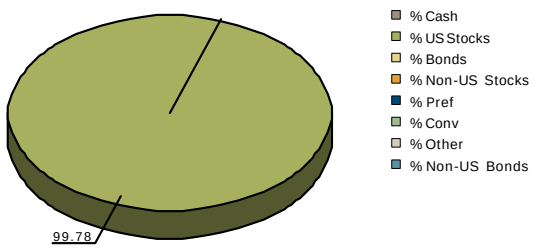




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Growth Index I



Portfolio Region	
% United States	99.80
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.20
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.02
% US Stocks	99.78
% Bonds	0.00
% Non-US Stocks	0.20
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	2.48
% Communication Services	3.98
% Consumer Cyclical	18.78
% Consumer Defensive	9.48
% Healthcare	15.26
% Industrials	10.00
% Real Estate	5.01
% Technology	25.84
% Energy	2.98
% Financial Services	6.11
% Utilities	0.06

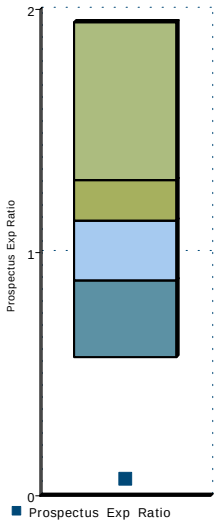
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Apple Inc	5.86%
Amazon.com Inc	3.03%
Facebook Inc A	2.89%
Alphabet Inc A	2.44%
Alphabet Inc C	2.40%
Coca-Cola Co	1.94%
The Home Depot Inc	1.87%
Comcast Corp Class A	1.72%
Philip Morris International Inc	1.70%
Visa Inc Class A	1.69%

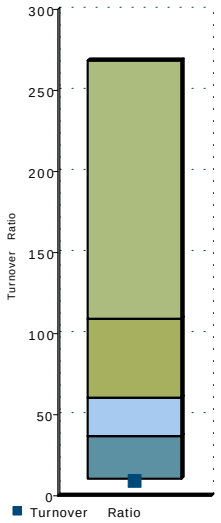
Portfolio Information	
Ticker	VIGIX
Morningstar Category	Large Growth
Avg Mkt Cap $MM	61034.93
Cat Med Mkt Cap $MM	88572.61
Net Assets $MM	50077.32
Turnover Ratio	9.00
% Assets in Top 10 Holdings	25.54
Total Number of Holdings	337.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	21.51
Fund Incept Date	05/14/1998
Prospectus Exp Ratio	0.07
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	18
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	15

Expense Ratio vs. Peer Group



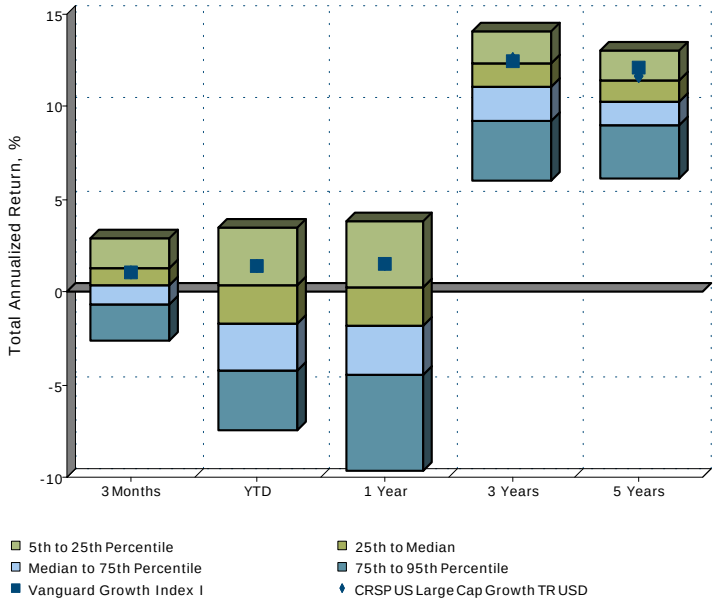
Turnover Ratio vs. Peer Group



Investment Strategy Summary

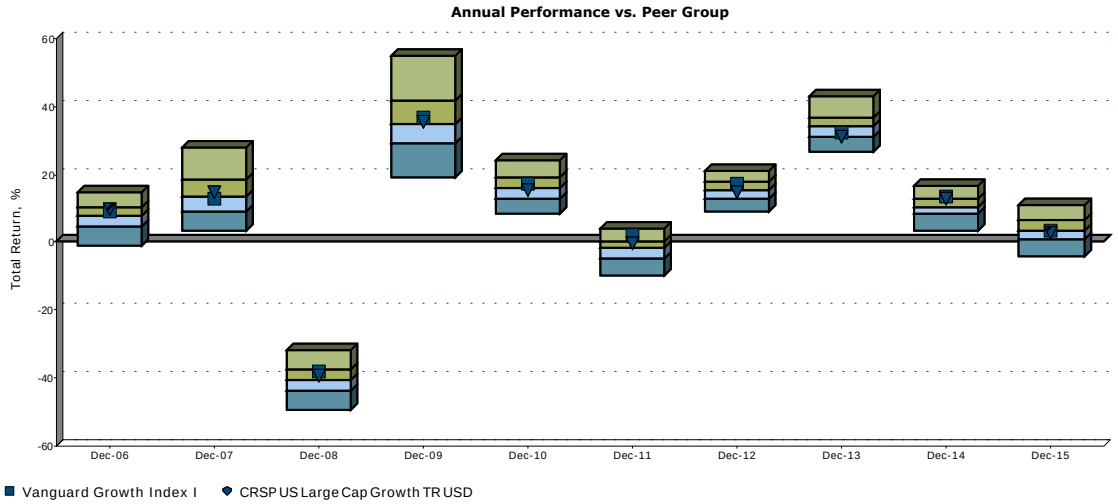
The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

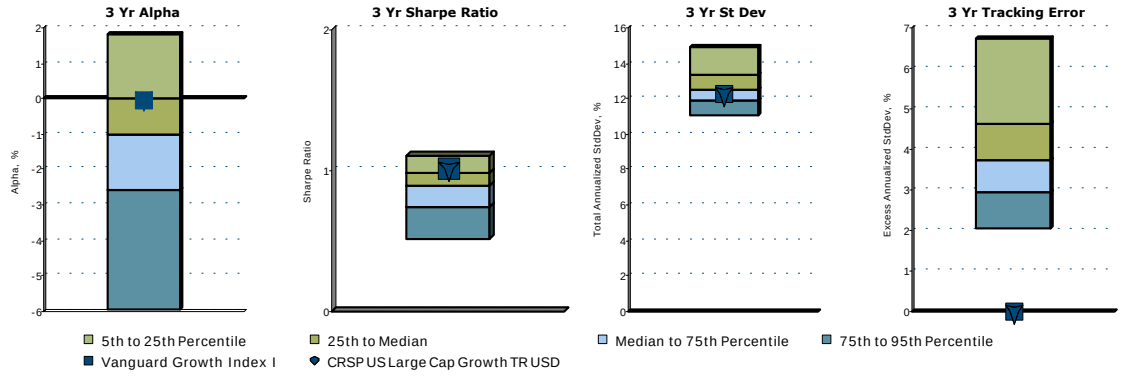


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Growth Index I	1.02	1.37	1.47	12.52	12.14
CRSP US Large Cap Growth TR USD	1.02	1.39	1.52	12.58	11.61
Universe(5%)	2.87	3.51	3.83	14.13	13.02
Universe(25%)	1.34	0.35	0.29	12.34	11.37
Universe(Median)	0.35	-1.73	-1.83	11.10	10.30
Universe(75%)	-0.69	-4.18	-4.47	9.24	9.00
Universe(95%)	-2.60	-7.48	-9.68	6.07	6.16

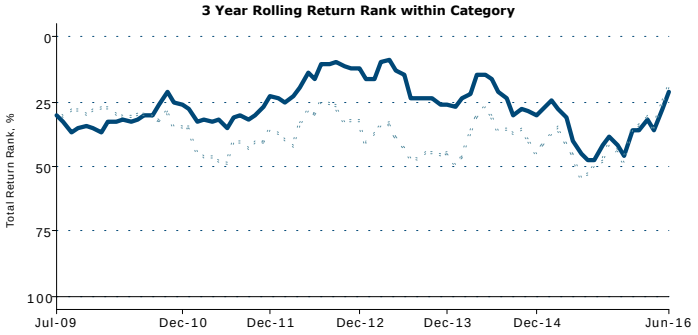
Vanguard Growth Index I

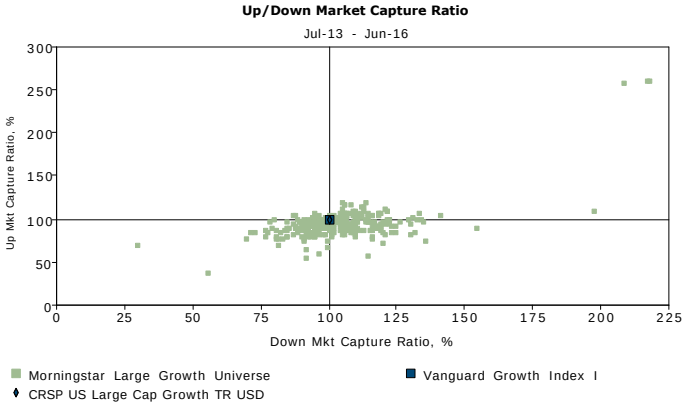


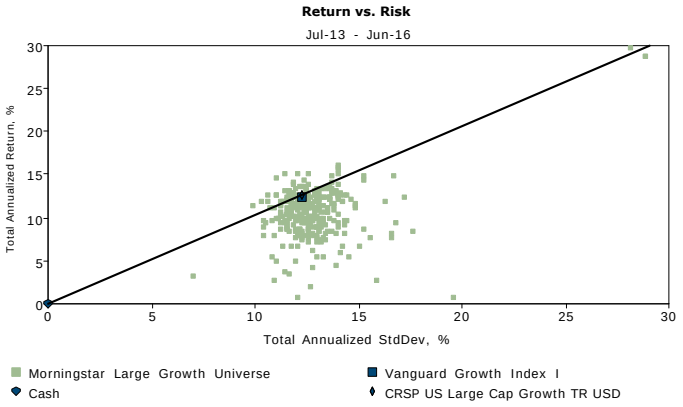
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Growth Index I	9.16	12.73	-38.19	36.50	17.17	1.89	17.04	32.41	13.62	3.33
CRSP US Large Cap Growth TR USD	10.32	15.66	-38.67	35.92	15.77	0.58	15.20	31.75	13.69	3.38



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Growth Index I	-0.05	1.00	100.00	1.01	12.32	0.03
CRSP US Large Cap Growth TR USD	0.00	1.00	100.00	1.02	12.32	0.00
Universe(5%)	1.80	1.12	97.29	1.11	14.97	6.72
Universe(25%)	0.04	1.03	94.57	0.98	13.38	4.62
Universe(Median)	-1.00	0.98	92.09	0.90	12.55	3.72
Universe(75%)	-2.56	0.93	88.37	0.75	11.90	2.95
Universe(95%)	-5.93	0.84	79.91	0.51	11.02	2.04



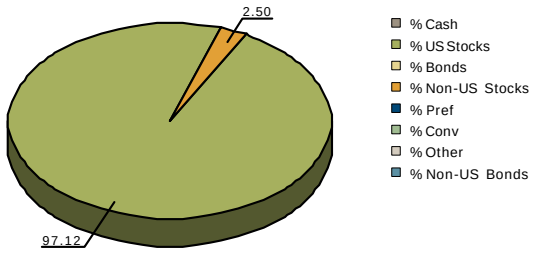




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Mid-Cap Value Index Admiral



Portfolio Region	
% United States	97.49
% Canada	0.00
% Latin America	0.00
% United Kingdom	1.70
% Eurozone	0.00
% Europe - ex Euro	0.40
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.41
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.38
% US Stocks	97.12
% Bonds	0.00
% Non-US Stocks	2.50
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	7.85
% Communication Services	0.37
% Consumer Cyclical	18.01
% Consumer Defensive	9.95
% Healthcare	5.90
% Industrials	10.32
% Real Estate	3.79
% Technology	9.69
% Energy	5.59
% Financial Services	19.09
% Utilities	9.44

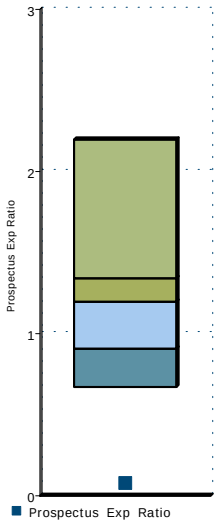
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
NVIDIA Corp	1.45%
Fidelity National Information Services Inc	1.27%
Newell Brands Inc	1.26%
ConAgra Foods Inc	1.21%
WEC Energy Group Inc	1.15%
Tyson Foods Inc Class A	1.14%
The Hartford Financial Services Group Inc	1.12%
Nielsen Holdings PLC	1.12%
Eversource Energy	1.06%
Molson Coors Brewing Co B	1.05%

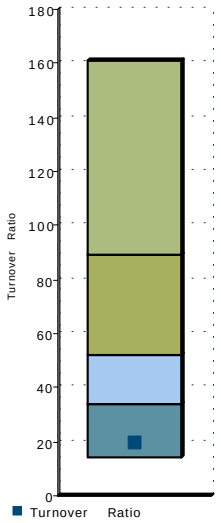
Portfolio Information	
Ticker	VMVAX
Morningstar Category	Mid-Cap Value
Avg Mkt Cap $MM	10693.67
Cat Med Mkt Cap $MM	9384.15
Net Assets $MM	10483.61
Turnover Ratio	20.00
% Assets in Top 10 Holdings	11.83
Total Number of Holdings	207.00
Manager Name	Donald M. Butler
Manager Tenure	9.88
Fund Incept Date	09/27/2011
Prospectus Exp Ratio	0.08
Phone Number	800-662-7447

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★★
% Rank Cat 3 Yr	7
5 Year Mstar Rating	NA
% Rank Cat 5 Yr	NA
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



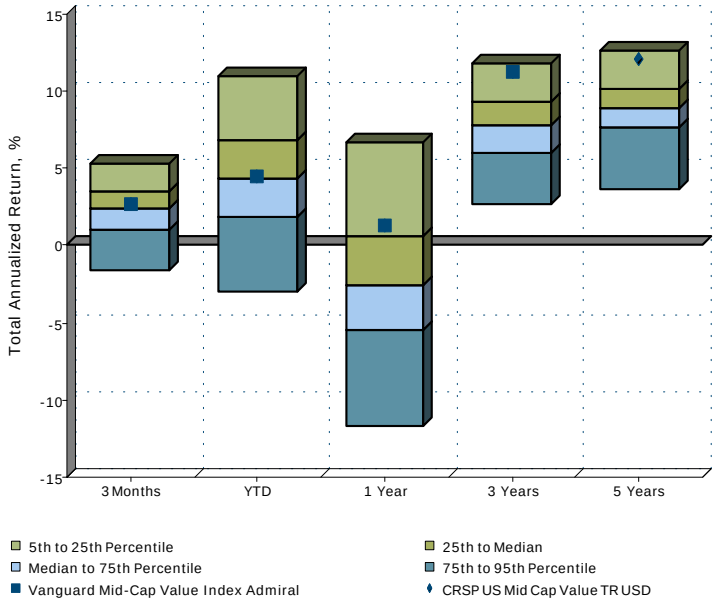
Turnover Ratio vs. Peer Group



Investment Strategy Summary

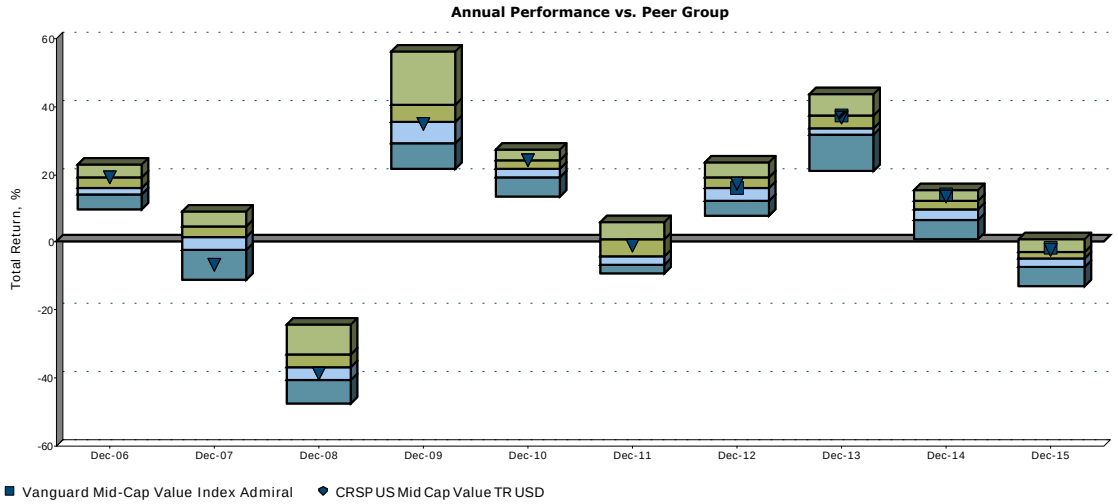
The investment seeks to track the performance of the CRSP US Mid Cap Value Index that measures the investment return of mid-capitalization value stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Value Index, a broadly diversified index of value stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

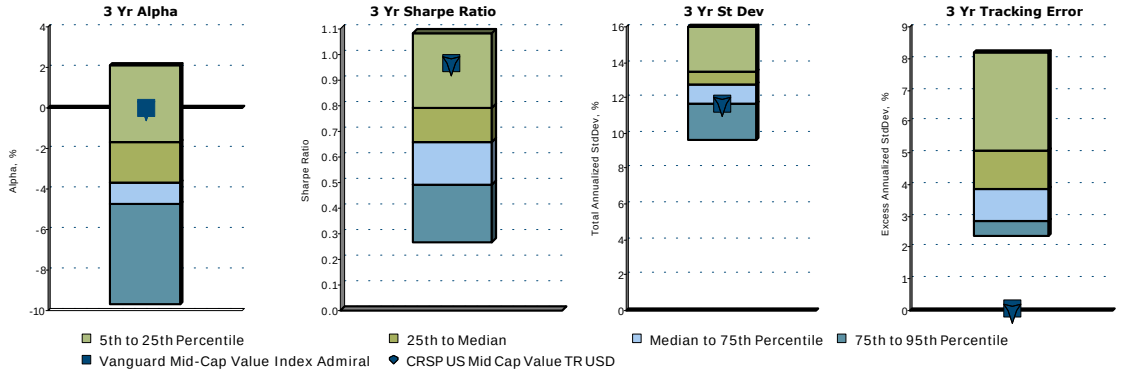


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Mid-Cap Value Index Admiral	2.75	4.47	1.27	11.25	NA
CRSP US Mid Cap Value TR USD	2.75	4.44	1.29	11.30	12.10
Universe(5%)	5.32	10.97	6.73	11.81	12.58
Universe(25%)	3.49	6.86	0.64	9.38	10.14
Universe(Median)	2.48	4.34	-2.54	7.83	8.97
Universe(75%)	1.03	1.88	-5.51	6.01	7.67
Universe(95%)	-1.65	-2.94	-11.74	2.71	3.68

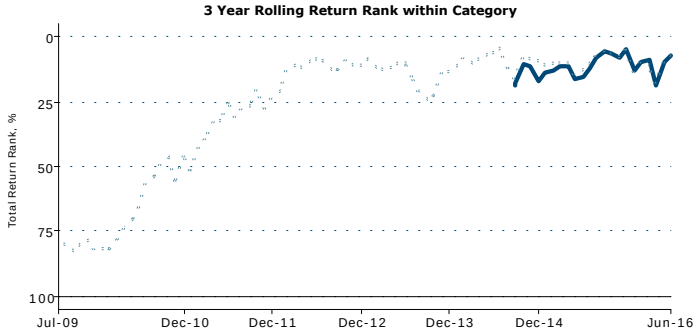
Vanguard Mid-Cap Value Index Admiral

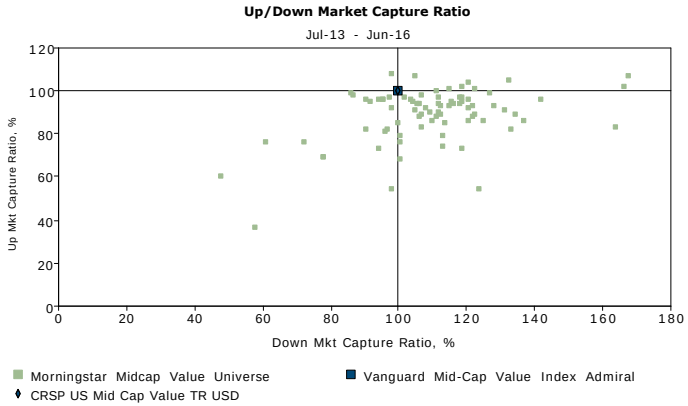


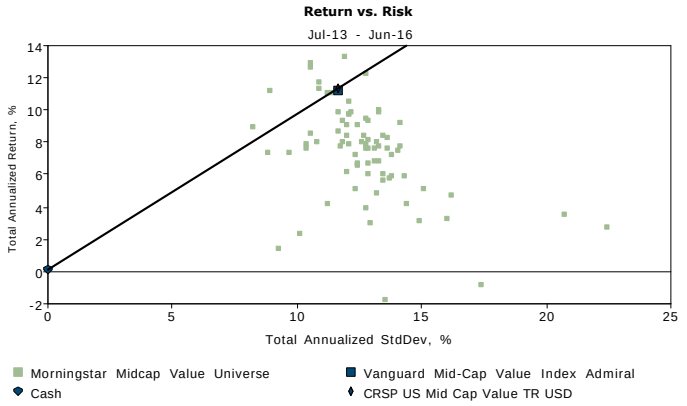
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Mid-Cap Value Index Admiral	NA	NA	NA	NA	NA	NA	16.02	37.66	13.98	-1.80
CRSP US Mid Cap Value TR USD	19.91	-6.07	-37.95	35.21	24.58	-0.39	17.90	37.38	14.05	-1.75



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Mid-Cap Value Index Admiral	-0.03	1.00	100.00	0.97	11.65	0.04
CRSP US Mid Cap Value TR USD	0.00	1.00	100.00	0.97	11.66	0.00
Universe(5%)	2.14	1.24	96.19	1.09	15.98	8.20
Universe(25%)	-1.67	1.10	94.92	0.79	13.42	5.09
Universe(Median)	-3.64	1.02	91.26	0.66	12.70	3.84
Universe(75%)	-4.78	0.94	83.90	0.49	11.63	2.82
Universe(95%)	-9.70	0.70	62.38	0.26	9.66	2.35



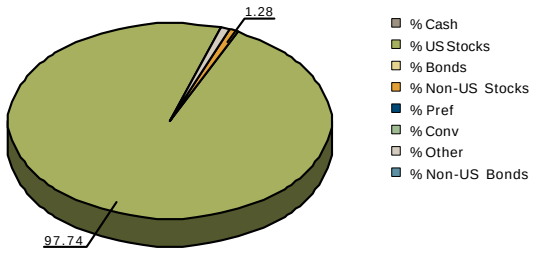




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Prudential QMA Small-Cap Value Z



Portfolio Region	
% United States	98.71
% Canada	0.00
% Latin America	0.37
% United Kingdom	0.41
% Eurozone	0.03
% Europe - ex Euro	0.02
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.46

Portfolio Structure	
% Cash	0.39
% US Stocks	97.74
% Bonds	0.00
% Non-US Stocks	1.28
% Pref	0.00
% Conv	0.00
% Other	0.59
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	4.56
% Communication Services	1.66
% Consumer Cyclical	5.56
% Consumer Defensive	4.17
% Healthcare	2.84
% Industrials	15.36
% Real Estate	13.72
% Technology	5.50
% Energy	5.03
% Financial Services	39.91
% Utilities	1.69

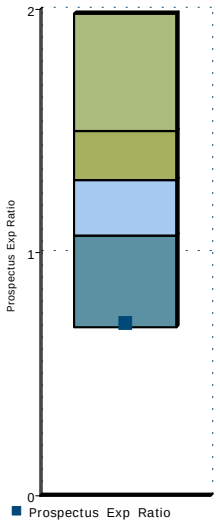
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Sanmina Corp	1.24%
Washington Federal Inc	1.17%
Select Income REIT	1.09%
Atlas Air Worldwide Holdings Inc	1.04%
Lexington Realty Trust	1.03%
LaSalle Hotel Properties	1.02%
Aircastle Ltd	1.00%
CNO Financial Group Inc	1.00%
SkyWest Inc	0.98%
Time Inc	0.96%

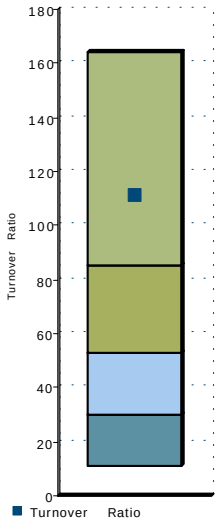
Portfolio Information	
Ticker	TASVX
Morningstar Category	Small Value
Avg Mkt Cap $MM	1316.65
Cat Med Mkt Cap $MM	2451.13
Net Assets $MM	1318.37
Turnover Ratio	111.00
% Assets in Top 10 Holdings	10.54
Total Number of Holdings	348.00
Manager Name	Stephen Courtney
Manager Tenure	1.46
Fund Incept Date	01/05/1993
Prospectus Exp Ratio	0.71
Phone Number	800-225-1852

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	43
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	40
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	15

Expense Ratio vs. Peer Group



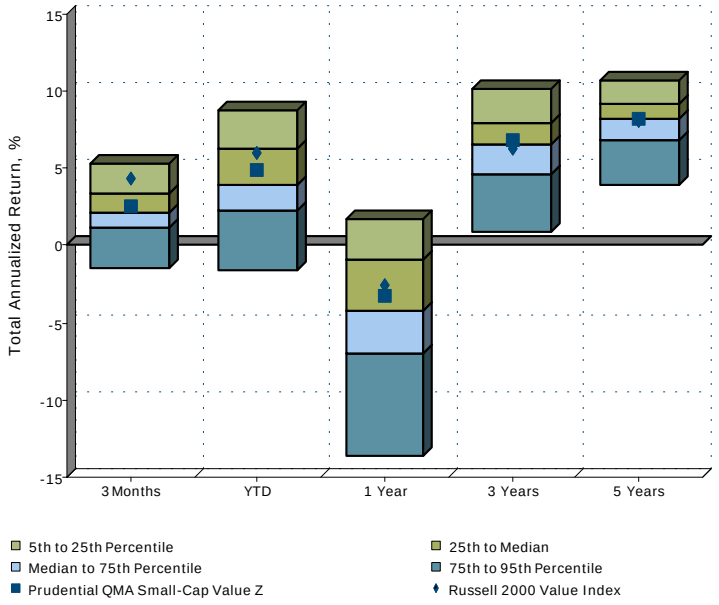
Turnover Ratio vs. Peer Group



Investment Strategy Summary

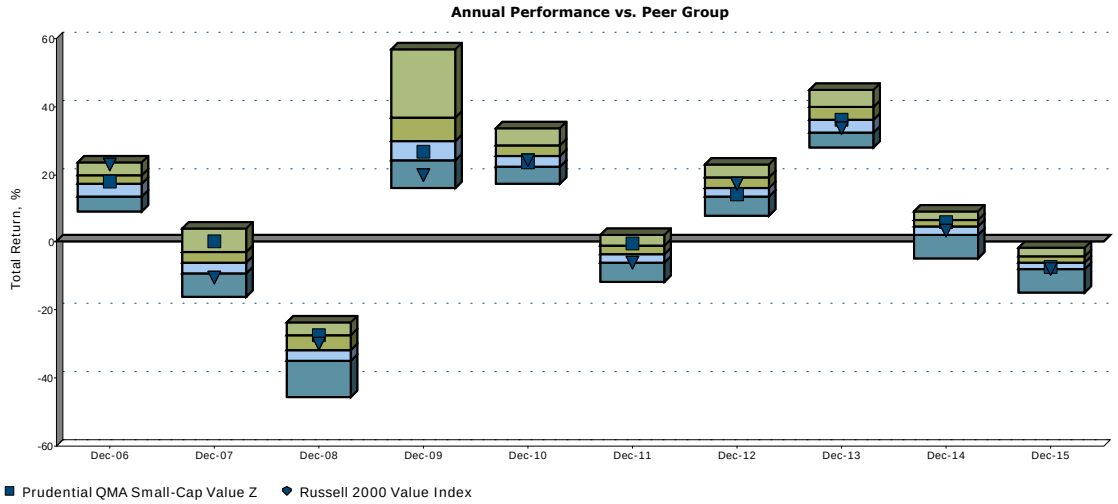
The investment seeks above-average capital appreciation. The fund normally invests at least 80% of its investable assets in equity and equity-related securities of small-cap companies. The subadviser considers small cap companies to be companies with market capitalizations within the market cap range of companies included in the Russell 2000 Index or the Standard & Poor's SmallCap 600 Index. While most assets will typically be invested in U.S. equity and equity-related securities, including real estate investment trusts (REITs), the fund may also invest in foreign equity and equity-related securities.

Performance vs. Peer Group

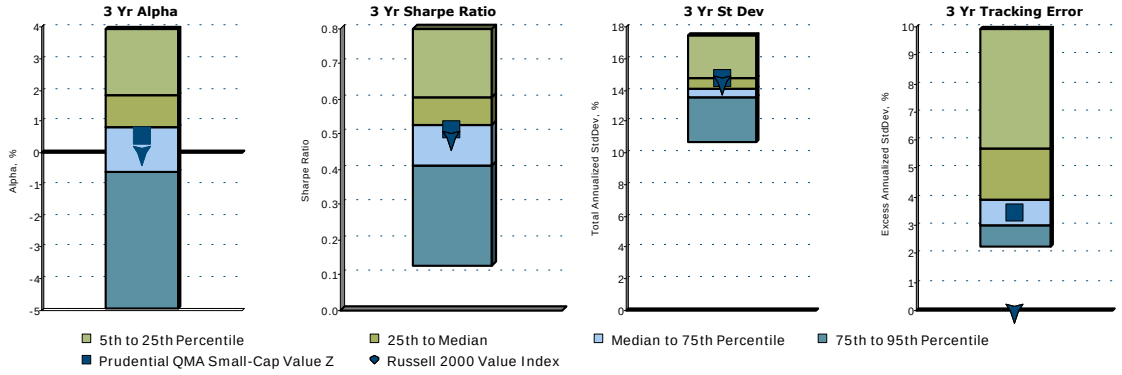


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Prudential QMA Small-Cap Value Z	2.62	4.93	-3.29	6.81	8.25
Russell 2000 Value Index	4.31	6.08	-2.58	6.36	8.15
Universe(5%)	5.38	8.79	1.80	10.18	10.75
Universe(25%)	3.37	6.28	-0.89	7.97	9.20
Universe(Median)	2.11	3.90	-4.19	6.50	8.26
Universe(75%)	1.11	2.24	-7.00	4.65	6.82
Universe(95%)	-1.40	-1.65	-13.55	0.94	3.92

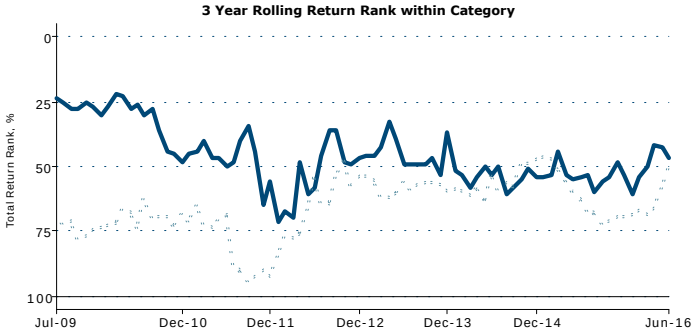
Prudential QMA Small-Cap Value Z

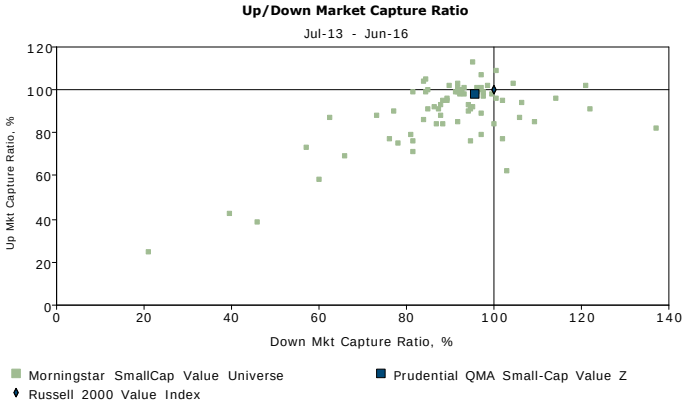


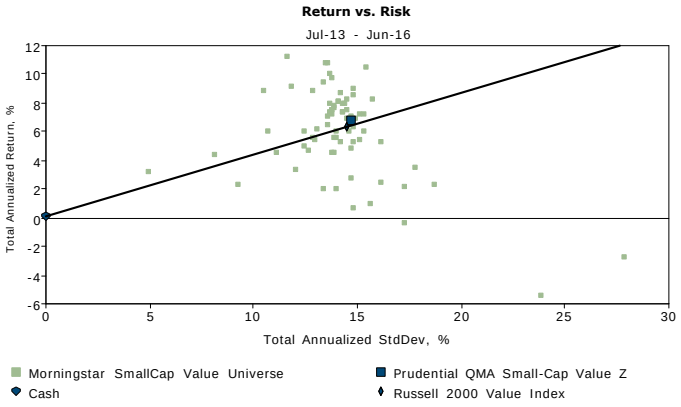
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Prudential QMA Small-Cap Value Z	17.72	0.52	-27.45	26.69	23.63	-0.48	14.14	35.87	5.89	-7.04
Russell 2000 Value Index	23.48	-9.78	-28.92	20.58	24.50	-5.50	18.05	34.52	4.22	-7.47



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Prudential QMA Small-Cap Value Z	0.56	0.99	94.49	0.52	14.69	3.46
Russell 2000 Value Index	0.00	1.00	100.00	0.49	14.49	0.00
Universe(5%)	3.95	1.08	97.71	0.80	17.45	9.95
Universe(25%)	1.80	0.99	95.83	0.61	14.80	5.73
Universe(Median)	0.85	0.93	93.04	0.53	14.05	3.88
Universe(75%)	-0.60	0.88	85.94	0.41	13.50	3.00
Universe(95%)	-4.94	0.67	57.50	0.13	10.65	2.23



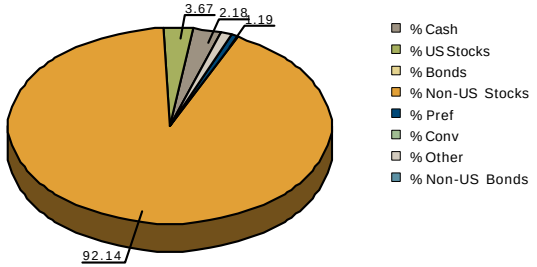




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Oppenheimer International Growth Y



Portfolio Region	
% United States	3.83
% Canada	5.16
% Latin America	1.07
% United Kingdom	23.74
% Eurozone	33.90
% Europe - ex Euro	18.53
% Europe - Emerging	0.00
% Africa	0.80
% Middle East	0.00
% Japan	6.20
% Australasia	3.37
% Asia - Developed	0.00
% Asia - Emerging	3.41

Portfolio Structure	
% Cash	2.18
% US Stocks	3.67
% Bonds	0.00
% Non-US Stocks	92.14
% Pref	1.19
% Conv	0.00
% Other	0.82
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	6.69
% Communication Services	8.13
% Consumer Cyclical	20.50
% Consumer Defensive	16.28
% Healthcare	9.58
% Industrials	17.13
% Real Estate	0.00
% Technology	17.02
% Energy	0.40
% Financial Services	4.27
% Utilities	0.00

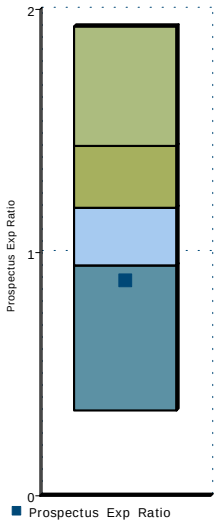
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Dollarama Inc	1.81%
Infineon Technologies AG	1.80%
Nippon Telegraph & Telephone Corp	1.65%
Continental AG	1.54%
Heineken NV	1.40%
Vodafone Group PLC	1.37%
Valeo SA	1.37%
Amadeus IT Holding SA A	1.36%
Aalberts Industries NV	1.36%
Bunzl PLC	1.33%

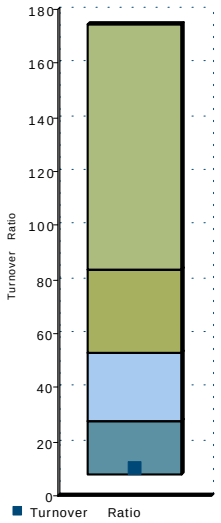
Portfolio Information	
Ticker	OIGYX
Morningstar Category	Foreign Large Growth
Avg Mkt Cap $MM	15853.21
Cat Med Mkt Cap $MM	31473.92
Net Assets $MM	22349.70
Turnover Ratio	10.00
% Assets in Top 10 Holdings	14.99
Total Number of Holdings	110.00
Manager Name	George R. Evans
Manager Tenure	20.28
Fund Incept Date	09/07/2005
Prospectus Exp Ratio	0.89
Phone Number	800-225-5677

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	38
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	16
10 Year Mstar Rating	★★★★★
% Rank Cat 10 Yr	1

Expense Ratio vs. Peer Group



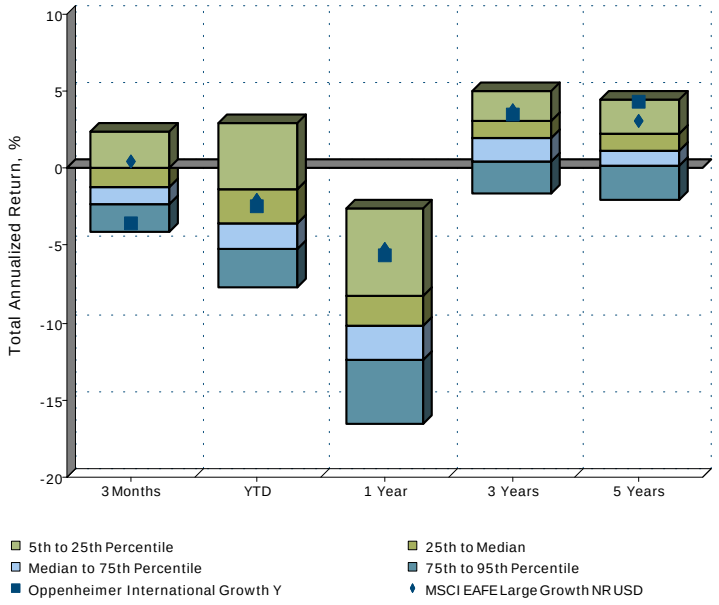
Turnover Ratio vs. Peer Group



Investment Strategy Summary

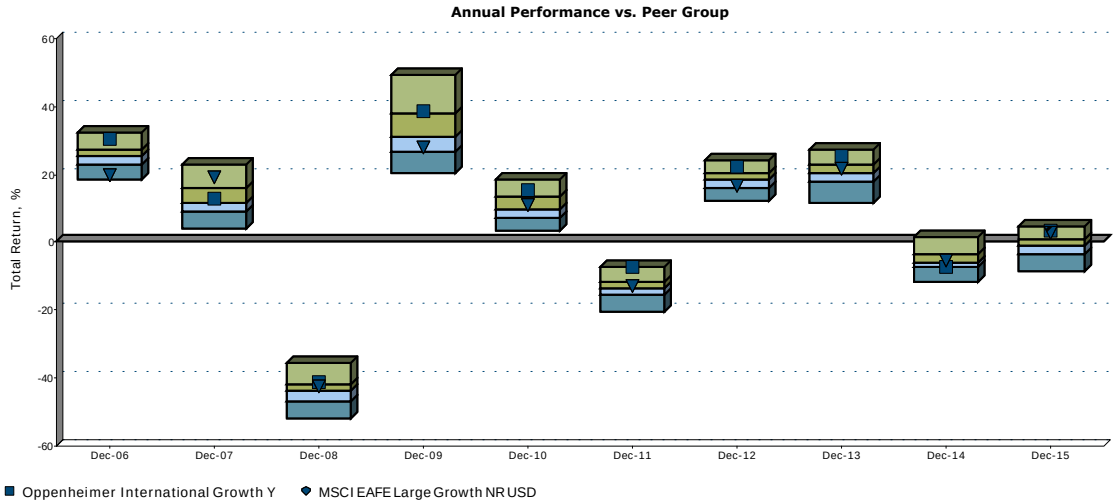
The investment seeks capital appreciation. The fund mainly invests in the common stock of growth companies that are domiciled or have their primary operations outside of the United States. It may invest 100% of its assets in securities of foreign companies. The fund may invest in emerging markets as well as in developed markets throughout the world. It normally will invest at least 65% of its total assets in common and preferred stocks of issuers in at least three different countries outside of the United States, and emphasize investments in common stocks of issuers that the portfolio managers consider to be "growth" companies.

Performance vs. Peer Group

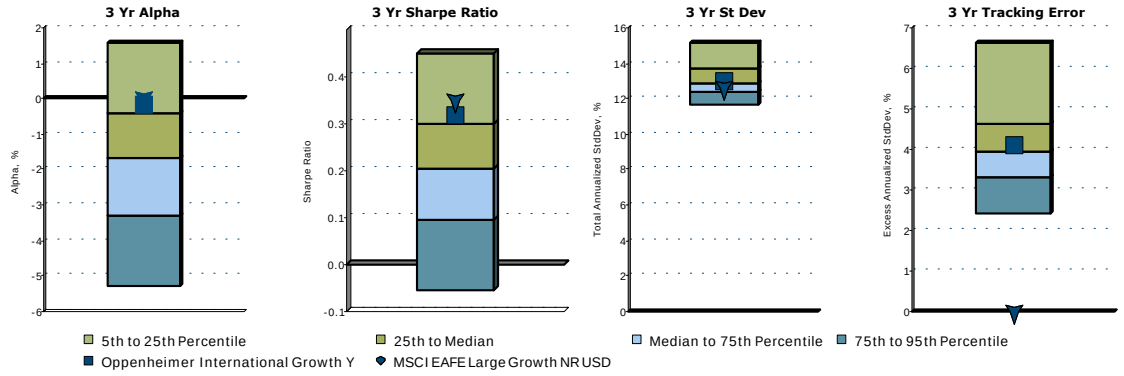


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Oppenheimer International Growth Y	-3.50	-2.48	-5.59	3.48	4.38
MSCI EAFE Large Growth NR USD	0.44	-2.08	-5.20	3.77	3.13
Universe(5%)	2.33	2.99	-2.58	5.05	4.45
Universe(25%)	-0.02	-1.34	-8.18	3.13	2.32
Universe(Median)	-1.24	-3.57	-10.12	1.92	1.22
Universe(75%)	-2.35	-5.26	-12.34	0.49	0.17
Universe(95%)	-4.12	-7.64	-16.61	-1.57	-2.09

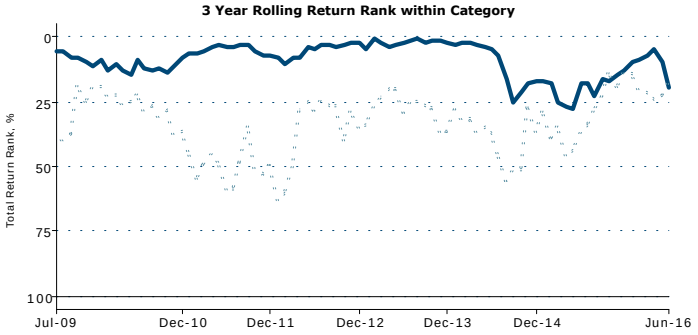
Oppenheimer International Growth Y

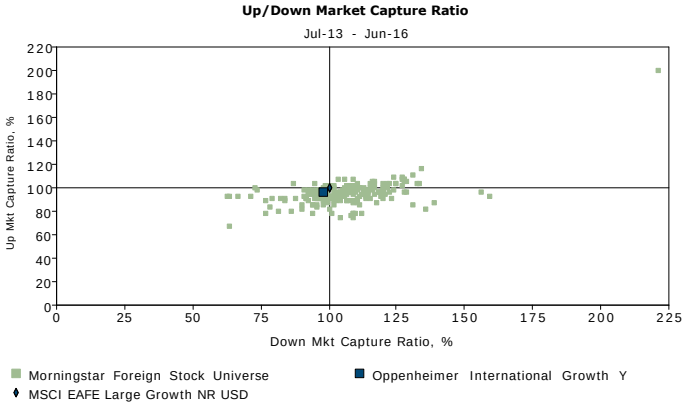


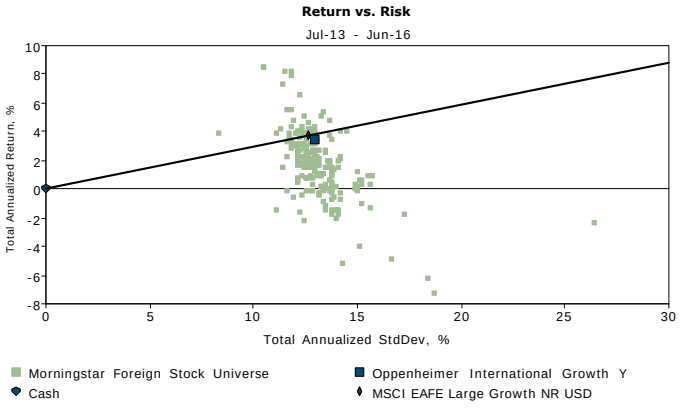
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oppenheimer International Growth Y	30.18	12.93	-41.22	38.44	15.35	-7.31	22.10	25.46	-6.99	3.44
MSCI EAFE Large Growth NR USD	20.44	19.51	-41.74	28.81	11.48	-12.04	17.06	22.28	-4.70	3.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Oppenheimer International Growth Y	-0.14	0.98	90.09	0.32	12.98	4.10
MSCI EAFE Large Growth NR USD	0.00	1.00	100.00	0.35	12.61	0.00
Universe(5%)	1.57	1.12	96.50	0.45	15.19	6.61
Universe(25%)	-0.40	1.02	93.67	0.30	13.66	4.63
Universe(Median)	-1.69	0.98	91.31	0.20	12.89	3.92
Universe(75%)	-3.30	0.94	88.35	0.09	12.37	3.33
Universe(95%)	-5.29	0.86	79.26	-0.05	11.64	2.41



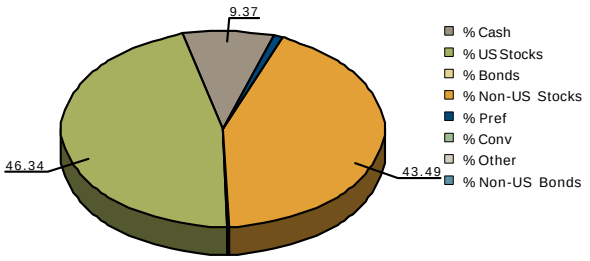




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

American Funds New Perspective R6



Portfolio Region	
% United States	51.58
% Canada	1.91
% Latin America	0.55
% United Kingdom	8.53
% Eurozone	10.79
% Europe - ex Euro	11.56
% Europe - Emerging	0.00
% Africa	2.06
% Middle East	0.00
% Japan	5.76
% Australasia	0.11
% Asia - Developed	5.56
% Asia - Emerging	1.59

Portfolio Structure	
% Cash	9.37
% US Stocks	46.34
% Bonds	0.16
% Non-US Stocks	43.49
% Pref	0.46
% Conv	0.01
% Other	0.18
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	4.30
% Communication Services	2.83
% Consumer Cyclical	17.66
% Consumer Defensive	12.34
% Healthcare	15.54
% Industrials	9.54
% Real Estate	0.00
% Technology	21.08
% Energy	4.32
% Financial Services	11.87
% Utilities	0.52

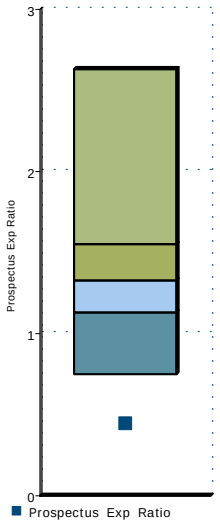
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Novo Nordisk A/S B	5.18%
Amazon.com Inc	3.98%
Microsoft Corp	1.97%
Taiwan Semiconductor Manufacturing Co Ltd	1.68%
Regeneron Pharmaceuticals Inc	1.60%
Naspers Ltd Class N	1.59%
The Priceline Group Inc	1.46%
Associated British Foods PLC	1.35%
AIA Group Ltd	1.34%
JPMorgan Chase & Co	1.29%

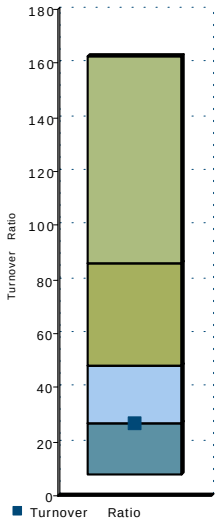
Portfolio Information	
Ticker	RNPGX
Morningstar Category	World Stock
Avg Mkt Cap $MM	55125.32
Cat Med Mkt Cap $MM	41969.68
Net Assets $MM	58478.77
Turnover Ratio	27.00
% Assets in Top 10 Holdings	21.45
Total Number of Holdings	337.00
Manager Name	Robert W. Lovelace
Manager Tenure	15.59
Fund Incept Date	05/01/2009
Prospectus Exp Ratio	0.45
Phone Number	800-421-4225

Portfolio Ratings	
Mstar Rating	★★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	12
5 Year Mstar Rating	★★★★★
% Rank Cat 5 Yr	8
10 Year Mstar Rating	NA
% Rank Cat 10 Yr	NA

Expense Ratio vs. Peer Group



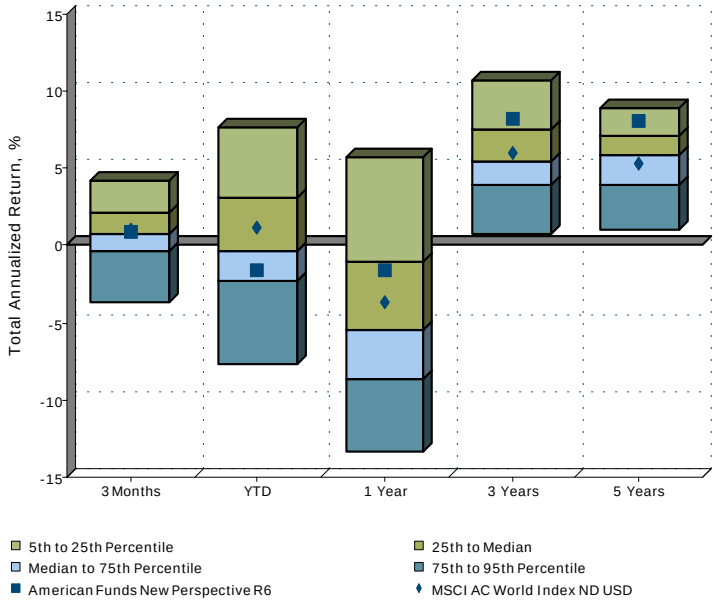
Turnover Ratio vs. Peer Group



Investment Strategy Summary

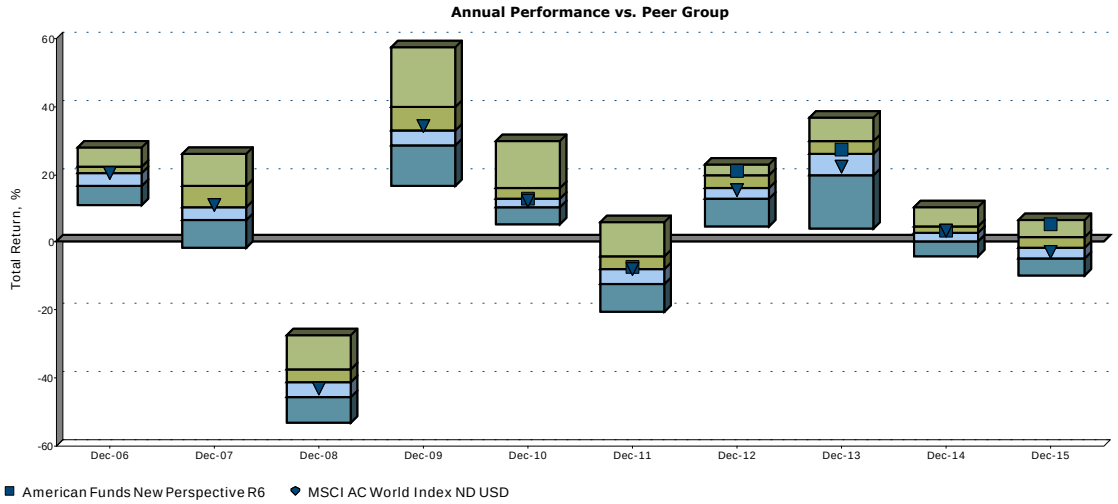
The investment seeks long-term growth of capital; future income is a secondary objective. The fund seeks to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships by investing in common stocks of companies located around the world. In pursuing its primary investment objective, it invests primarily in common stocks that the investment adviser believes have the potential for growth. In pursuing its secondary objective, the fund invests in common stocks of companies with the potential to pay dividends in the future.

Performance vs. Peer Group

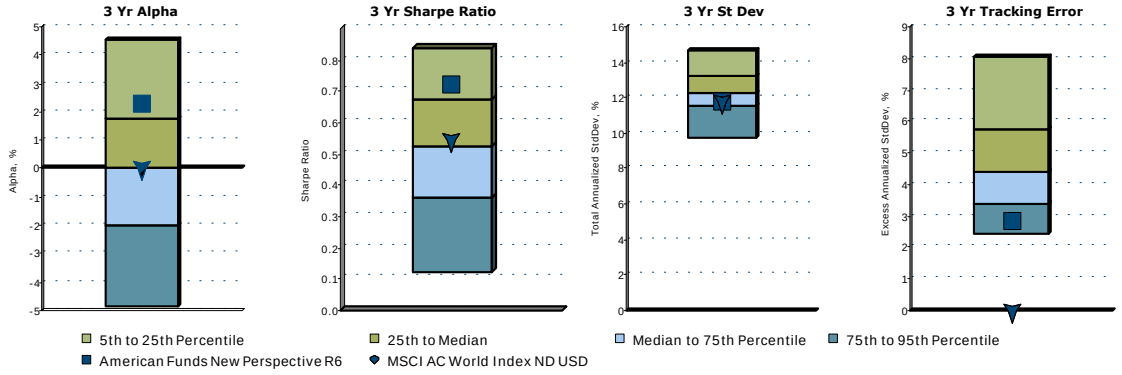


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
American Funds New Perspective R6	0.85	-1.55	-1.60	8.22	8.05
MSCI AC World Index ND USD	0.99	1.23	-3.73	6.03	5.38
Universe(5%)	4.26	7.61	5.80	10.78	8.91
Universe(25%)	2.11	3.09	-1.00	7.55	7.09
Universe(Median)	0.77	-0.38	-5.42	5.45	5.86
Universe(75%)	-0.39	-2.30	-8.69	3.90	3.98
Universe(95%)	-3.67	-7.63	-13.38	0.82	1.09

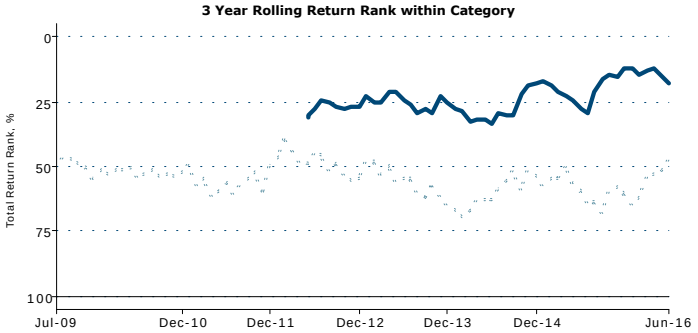
American Funds New Perspective R6

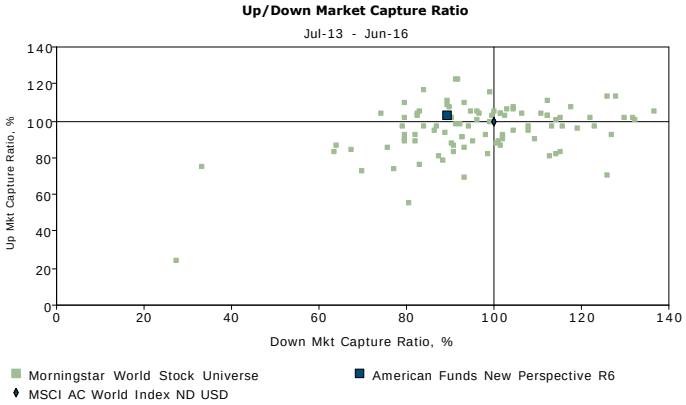


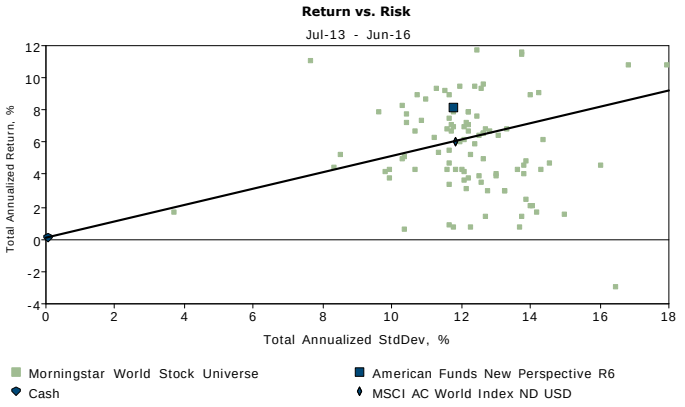
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
American Funds New Perspective R6	NA	NA	NA	NA	13.11	-7.33	21.19	27.23	3.56	5.63
MSCI AC World Index ND USD	20.95	11.66	-42.20	34.63	12.67	-7.35	16.13	22.80	4.16	-2.36



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
American Funds New Perspective R6	2.27	0.97	94.17	0.72	11.76	2.87
MSCI AC World Index ND USD	0.00	1.00	100.00	0.55	11.82	0.00
Universe(5%)	4.55	1.13	95.87	0.84	14.62	8.02
Universe(25%)	1.79	1.03	93.58	0.67	13.25	5.76
Universe(Median)	0.03	0.97	88.22	0.52	12.22	4.40
Universe(75%)	-1.96	0.91	81.87	0.36	11.59	3.38
Universe(95%)	-4.87	0.70	62.03	0.12	9.77	2.46



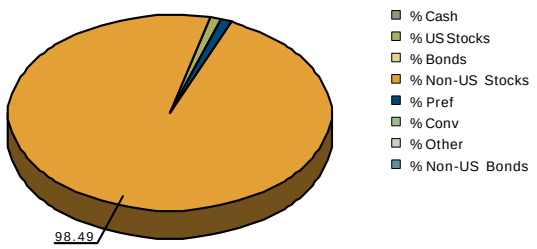




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard Emerging Mkts Stock Idx I



Portfolio Region	
% United States	0.43
% Canada	0.00
% Latin America	14.07
% United Kingdom	0.00
% Eurozone	0.25
% Europe - ex Euro	0.02
% Europe - Emerging	7.28
% Africa	8.63
% Middle East	0.95
% Japan	0.00
% Australasia	0.00
% Asia - Developed	16.70
% Asia - Emerging	51.68

Portfolio Structure	
% Cash	0.32
% US Stocks	0.42
% Bonds	0.00
% Non-US Stocks	98.49
% Pref	0.60
% Conv	0.00
% Other	0.17
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	8.37
% Communication Services	7.05
% Consumer Cyclical	8.48
% Consumer Defensive	8.10
% Healthcare	3.22
% Industrials	6.25
% Real Estate	4.00
% Technology	19.03
% Energy	7.50
% Financial Services	24.15
% Utilities	3.87

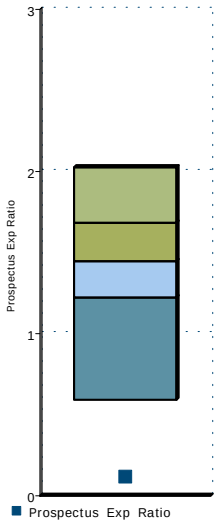
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Tencent Holdings Ltd	3.53%
Taiwan Semiconductor Manufacturing Co Ltd	2.39%
Naspers Ltd Class N	1.85%
China Mobile Ltd	1.80%
China Construction Bank Corp H	1.76%
Industrial And Commercial Bank Of China Ltd H	1.18%
Taiwan Semiconductor Manufacturing Co Ltd ADR	1.05%
Infosys Ltd	1.05%
Hon Hai Precision Industry Co Ltd	1.01%
Bank Of China Ltd. H	0.94%

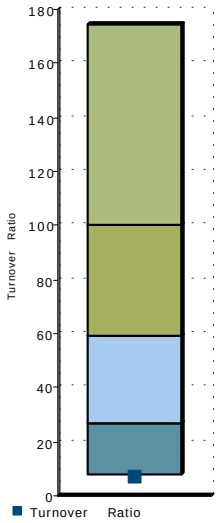
Portfolio Information	
Ticker	VEMIX
Morningstar Category	Diversified Emerging Mkts
Avg Mkt Cap $MM	13314.59
Cat Med Mkt Cap $MM	17891.01
Net Assets $MM	54366.82
Turnover Ratio	7.00
% Assets in Top 10 Holdings	16.57
Total Number of Holdings	4055.00
Manager Name	Michael Perre
Manager Tenure	7.84
Fund Incept Date	06/22/2000
Prospectus Exp Ratio	0.12
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★
3 Year Mstar Rating	★★★
% Rank Cat 3 Yr	37
5 Year Mstar Rating	★★★
% Rank Cat 5 Yr	54
10 Year Mstar Rating	★★★
% Rank Cat 10 Yr	41

Expense Ratio vs. Peer Group



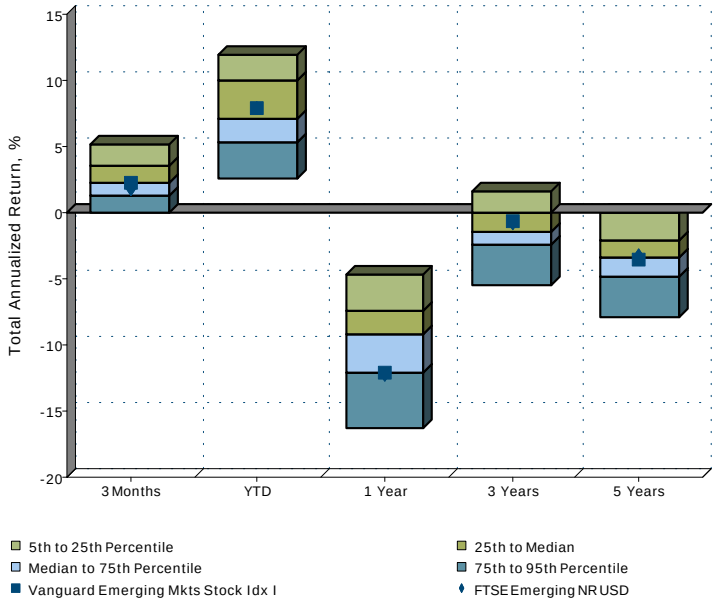
Turnover Ratio vs. Peer Group



Investment Strategy Summary

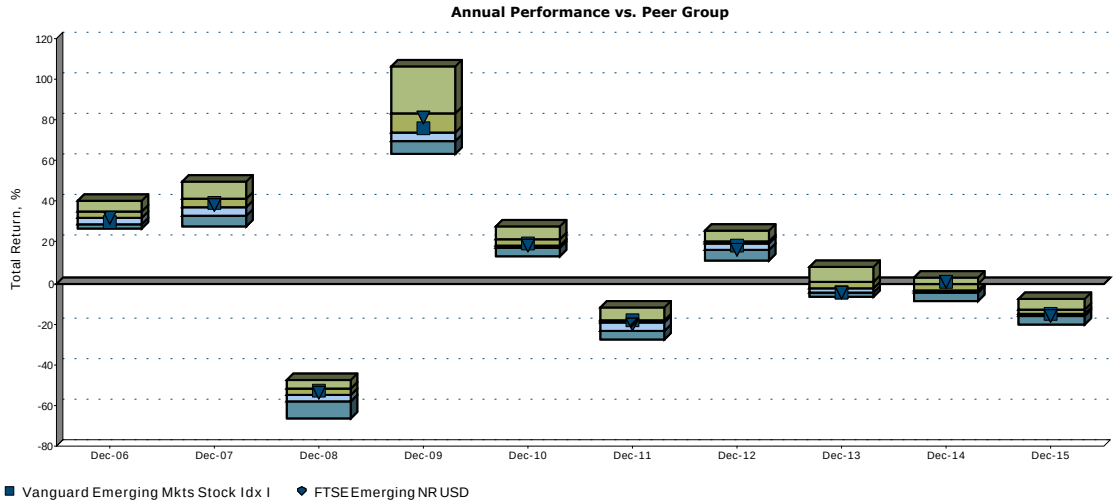
The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries. The fund employs an indexing investment approach designed to track the performance of the FTSE Emerging Markets All Cap China A Transition Index, an interim index that will gradually increase exposure to small-capitalization stocks and China A-shares while proportionately reducing exposure to other stocks based on their weightings in the index. The index is a market-capitalization-weighted index.

Performance vs. Peer Group

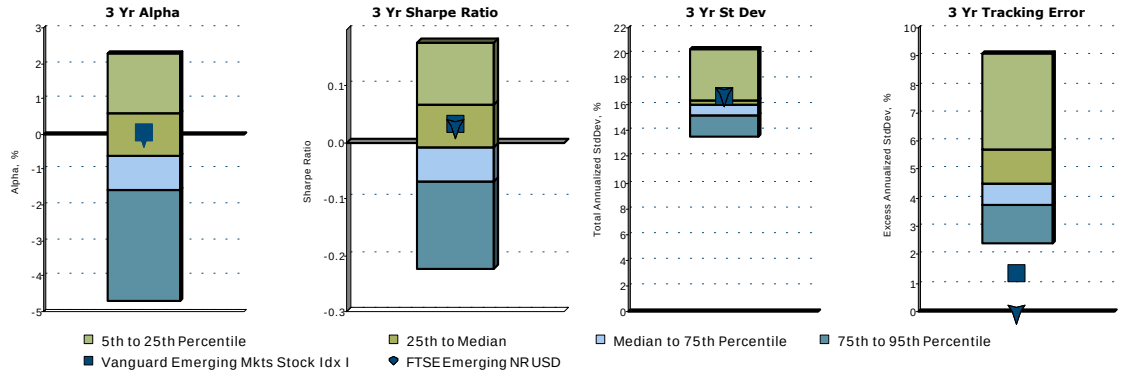


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard Emerging Mkts Stock Idx I	2.33	7.84	-12.08	-0.71	-3.49
FTSE Emerging NR USD	1.71	7.87	-12.18	-0.77	-3.21
Universe(5%)	5.09	11.89	-4.65	1.68	-0.06
Universe(25%)	3.60	9.96	-7.34	-0.07	-2.15
Universe(Median)	2.31	7.16	-9.19	-1.38	-3.33
Universe(75%)	1.29	5.26	-12.16	-2.44	-4.87
Universe(95%)	0.00	2.62	-16.30	-5.47	-7.96

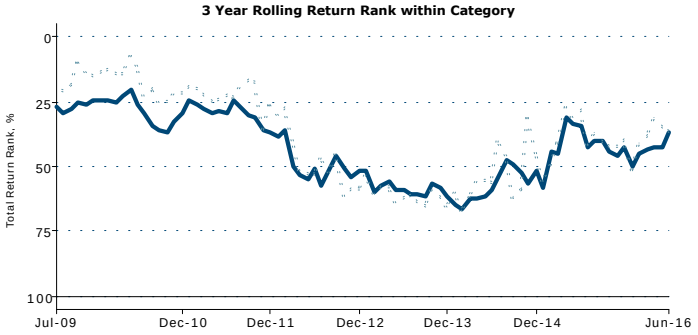
Vanguard Emerging Mkts Stock Idx I

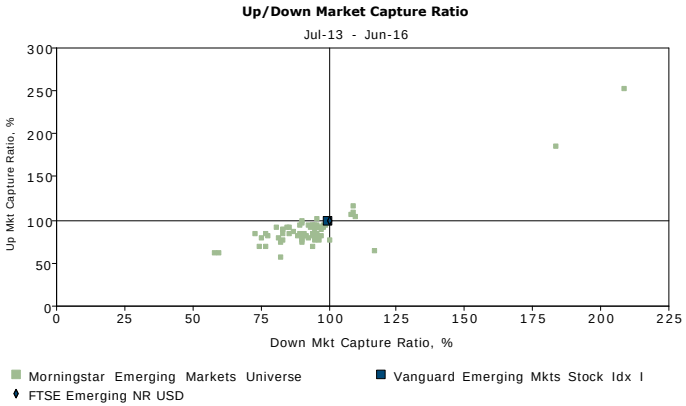


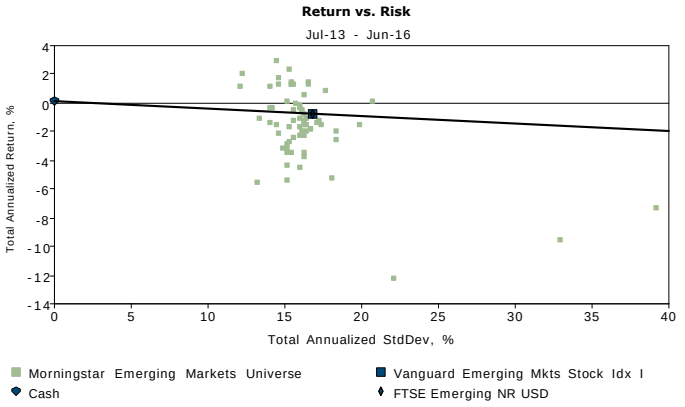
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard Emerging Mkts Stock Idx I	29.57	39.15	-52.74	76.35	19.06	-18.63	18.90	-4.99	0.67	-15.34
FTSE Emerging NR USD	32.84	39.41	-53.03	82.15	19.60	-19.15	17.58	-3.79	1.21	-15.51



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard Emerging Mkts Stock Idx I	0.05	0.99	99.39	0.03	16.79	1.32
FTSE Emerging NR USD	0.00	1.00	100.00	0.03	16.87	0.00
Universe(5%)	2.26	1.12	98.20	0.18	20.36	9.09
Universe(25%)	0.57	0.95	95.76	0.07	16.38	5.75
Universe(Median)	-0.62	0.91	93.56	-0.01	15.99	4.48
Universe(75%)	-1.55	0.87	89.76	-0.07	15.15	3.72
Universe(95%)	-4.71	0.73	76.93	-0.22	13.55	2.38



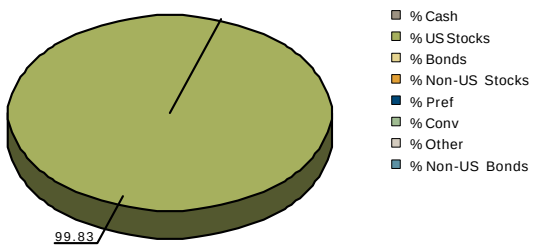




Milliman | Quarterly Investment Monitor

Data as of 06/30/2016

Vanguard REIT Index I



Portfolio Region	
% United States	100.00
% Canada	0.00
% Latin America	0.00
% United Kingdom	0.00
% Eurozone	0.00
% Europe - ex Euro	0.00
% Europe - Emerging	0.00
% Africa	0.00
% Middle East	0.00
% Japan	0.00
% Australasia	0.00
% Asia - Developed	0.00
% Asia - Emerging	0.00

Portfolio Structure	
% Cash	0.17
% US Stocks	99.83
% Bonds	0.00
% Non-US Stocks	0.00
% Pref	0.00
% Conv	0.00
% Other	0.00
% Non-US Bonds	0.00

Sector Allocation	
% Basic Materials	0.00
% Communication Services	0.00
% Consumer Cyclical	0.14
% Consumer Defensive	0.00
% Healthcare	0.00
% Industrials	1.18
% Real Estate	98.68
% Technology	0.00
% Energy	0.00
% Financial Services	0.00
% Utilities	0.00

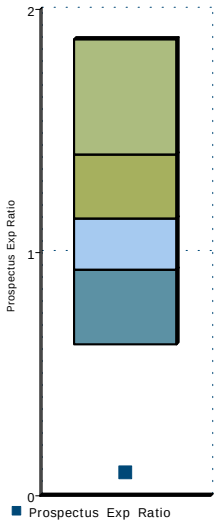
Credit Quality	
Avg Eff Duration	NA
Effective Maturity	NA
Avg Credit Quality	NA
AAA	NA
AA	NA
A	NA
BBB	NA
BB	NA
B	NA
Below B	NA
NR/NA	NA

Top Ten Holdings	
Simon Property Group Inc	7.75%
Public Storage	4.74%
Equity Residential	3.20%
Equinix Inc	3.17%
Prologis Inc	3.16%
AvalonBay Communities Inc	3.13%
Welltower Inc	3.10%
Ventas Inc	2.83%
Boston Properties Inc	2.45%
Vornado Realty Trust	2.06%

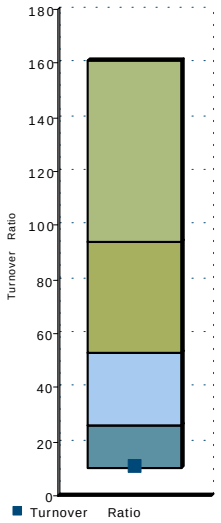
Portfolio Information	
Ticker	VGSNX
Morningstar Category	Real Estate
Avg Mkt Cap $MM	10241.38
Cat Med Mkt Cap $MM	14217.71
Net Assets $MM	63604.77
Turnover Ratio	11.00
% Assets in Top 10 Holdings	35.59
Total Number of Holdings	154.00
Manager Name	Gerard C. O'Reilly
Manager Tenure	20.15
Fund Incept Date	12/02/2003
Prospectus Exp Ratio	0.10
Phone Number	888-809-8102

Portfolio Ratings	
Mstar Rating	★★★★
3 Year Mstar Rating	★★★★
% Rank Cat 3 Yr	24
5 Year Mstar Rating	★★★★
% Rank Cat 5 Yr	11
10 Year Mstar Rating	★★★★
% Rank Cat 10 Yr	13

Expense Ratio vs. Peer Group



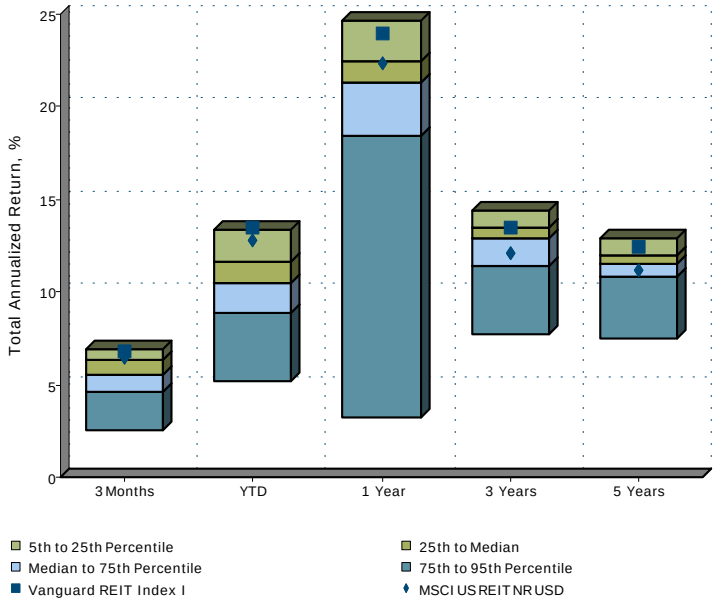
Turnover Ratio vs. Peer Group



Investment Strategy Summary

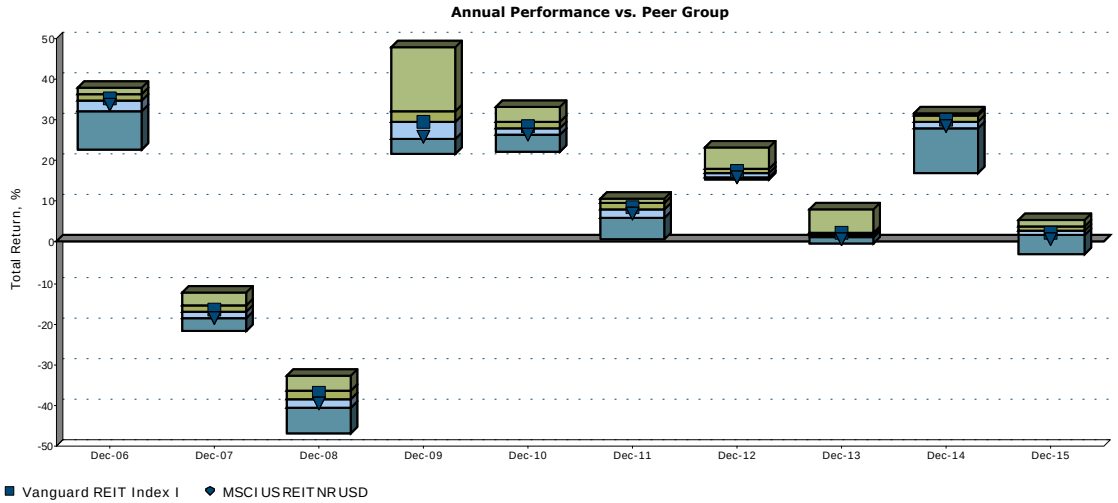
The investment seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs. The fund employs an indexing investment approach designed to track the performance of the MSCI US REIT Index. The index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs). The adviser attempts to replicate the index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Performance vs. Peer Group

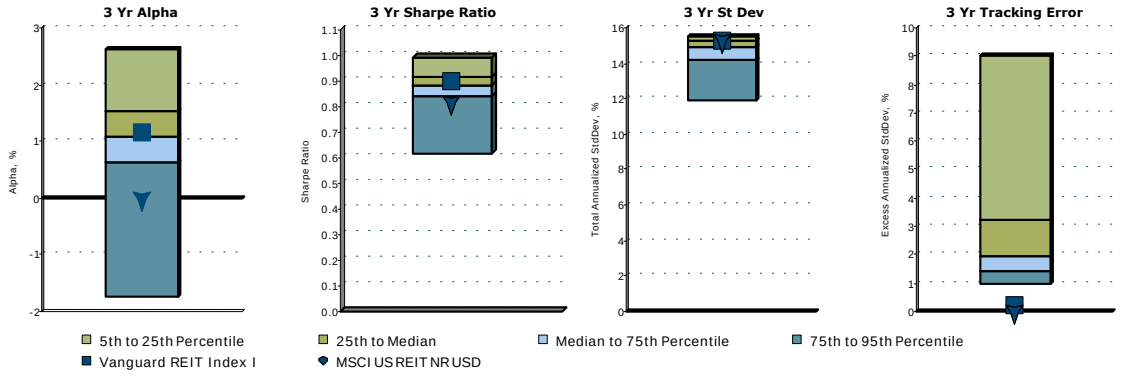


Performance	3 Months	Year to Date	1 Year	3 Years	5 Years
Vanguard REIT Index I	6.78	13.47	23.94	13.44	12.47
MSCI US REIT NR USD	6.51	12.76	22.40	12.10	11.19
Universe(5%)	6.94	13.32	24.66	14.35	12.85
Universe(25%)	6.28	11.60	22.44	13.48	12.00
Universe(Median)	5.53	10.50	21.31	12.95	11.56
Universe(75%)	4.62	8.89	18.47	11.37	10.79
Universe(95%)	2.50	5.23	3.22	7.70	7.49

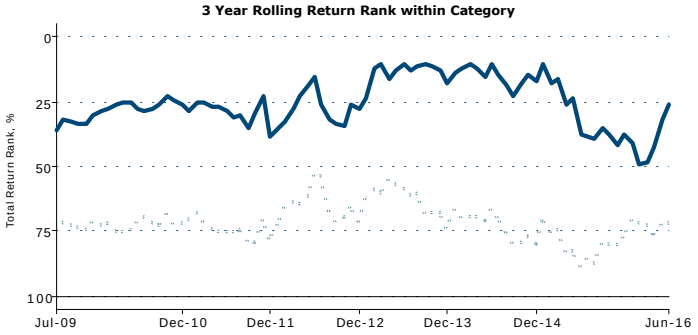
Vanguard REIT Index I

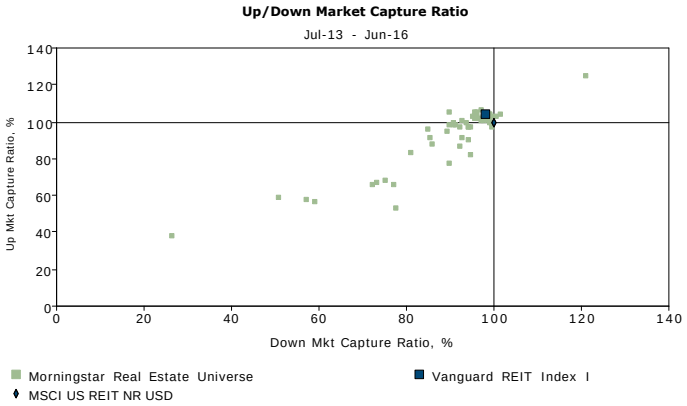


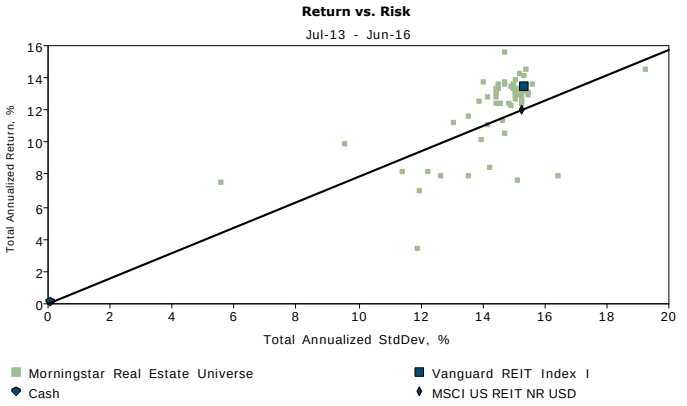
Annual Return %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vanguard REIT Index I	35.15	-16.38	-36.95	29.76	28.56	8.70	17.65	2.48	30.28	2.45
MSCI US REIT NR USD	34.18	-17.84	-39.05	26.27	26.97	7.48	16.47	1.26	28.82	1.28



MPT Statistics	3 Yr Alpha	3 Yr Beta	3 Yr R-Squared	3 Yr Sharpe Ratio	3 Yr St Dev	3 Yr Tracking Error
Vanguard REIT Index I	1.17	1.00	99.98	0.90	15.31	0.24
MSCI US REIT NR USD	0.00	1.00	100.00	0.82	15.26	0.00
Universe(5%)	2.63	1.01	99.64	0.99	15.48	9.05
Universe(25%)	1.53	1.00	99.16	0.92	15.27	3.25
Universe(Median)	1.10	0.97	98.63	0.88	14.92	1.96
Universe(75%)	0.61	0.90	95.90	0.84	14.22	1.40
Universe(95%)	-1.75	0.60	73.79	0.62	11.87	0.95







Glossary

Alpha (3 Yr)

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative alpha indicates the portfolio has underperformed, given the expectations established by beta.

Average Effective Duration

A measure of a fund's interest-rate sensitivity--the longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Duration is determined by a formula that includes coupon rates and bond maturities. Small coupons tend to increase duration, while shorter maturities and higher coupons shorten duration. The relationship between funds with different durations is straightforward: A fund with a duration of 10 years is twice as volatile as a fund with a five-year duration. Morningstar prints an average effective duration statistic that incorporates call, put, and prepayment possibilities.

Average Effective Maturity

Average effective maturity is a weighted average of all the effective maturities of the bonds in a portfolio. Effective maturity takes into consideration mortgage prepayments, puts, calls, adjustable coupons, and other features of individual bonds and is thus a more accurate measure of interest-rate sensitivity. Longer-maturity funds are generally considered more interest-rate sensitive than their shorter counterparts.

Beta

A measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a fund's excess return over Treasury bills to the market's excess return over Treasury bills, so a beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund's excess return is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

The Morningstar Rating

Commonly called the Star Rating, is a measure of a fund's risk-adjusted return, relative to funds in its category. Funds are rated from one to five stars, with the best performers receiving five stars and the worst performers receiving a single star.

Risk-adjusted return is calculated by subtracting a risk penalty from each fund total return, after accounting for all loads, sales charges, and redemption fees. The risk penalty is determined by the amount of variation in the fund's monthly return, with emphasis on downward variation. The greater the variation, the larger the penalty. Funds are ranked within their categories and stars are assigned as follows: Top 10% five stars; Next 22.5% four stars; Middle 35% three stars; Next 22.5% two stars; Bottom 10% one star.

Audited Expense Ratio

The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV . Sales charges are not included in the expense ratio.

Geometric Average Market Capitalization

Morningstar defines the overall "size" of a stock fund's portfolio as the geometric mean of the market capitalization for all of the stocks it owns. It's calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.
This number is different from the fund's median market cap--the capitalization of the median stock in its portfolio. The geometric mean better identifies the portfolio's "center of gravity." That is, it provides more accurate insight into how market trends (as defined by capitalization) might affect the portfolio.

Net Assets

The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

% Assets in Top 10 Holdings

The aggregate assets, expressed as a percentage, of the fund's top 10 portfolio holdings. This figure is meant to be a measure of portfolio risk. Specifically, the higher the percentage, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. The figure is calculated from the most recent available fund holdings.

Price/Book Ratio TTM

The weighted average of the price/book ratios of all the stocks in a fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation. In theory, a high P/B ratio indicates that the price of the stock exceeds the actual worth of the company's assets, while a low P/B ratio indicates that the stock is a bargain.

Price/Earnings Ratio TTM

The weighted average of the price/earnings ratios of the stocks in a fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents, so that larger positions have proportionately greater influence on the fund's final P/E.

R-Squared

Reflects the percentage of a fund's movements that can be explained by movements in its benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index. Thus, index funds that invest only in S&P 500 stocks will have an R-squared very close to 100. Conversely, a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index. An R-squared measure of 35, for example, means that only 35% of the fund's movements can be explained by movements in the benchmark index.

Sharpe Ratio

The Sharpe Ratio is a risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. It can be used to compare two portfolios directly on how much excess return each portfolio achieved for a certain level of risk.

Standard Deviation

Standard deviation is the statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that is most likely for a given investment. When a stock or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Total Number of Holdings

The total number of different holdings of a fund. This figure is meant to be a measure of portfolio risk. Specifically, the lower the figure, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. This figure also provides a context for the importance of % assets in top 10 holdings. The figure is calculated from the most recent available fund holdings. It does not include a fund's short positions.

Total Return

Expressed in percentage terms, Morningstar's calculation of total return is determined each month by taking the change in monthly net asset value, reinvesting all income and capital-gains distributions during that month, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly.

Turnover Ratio

This is a measure of the fund's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

12-Month Yield

Also known as a distribution yield, Morningstar computes this figure by summing the trailing 12-month's income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

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Asset Allocation Analysis
City of Dover - OPEB

August 2016

Prepared by
Milliman, Inc.



Asset Allocation Analysis

Asset Class Statistics

Time Period: 7/31/2011 to 7/31/2016

	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
US Cash	0.50	0.98	0.00	-0.12	0.51
US Core Fixed Income	3.20	4.65	0.08	-0.03	0.69
US Short Bonds	2.93	2.71	0.02	-0.08	1.08
US Interm Bonds	3.02	4.10	0.05	-0.05	0.74
US Long Bonds	3.65	10.06	0.31	0.24	0.36
US Inflation-Indexed Bonds	3.00	4.84	0.22	0.26	0.62
US High Yield Bonds	6.44	10.12	0.31	0.18	0.64
US Small Caps	8.54	21.59	0.68	0.98	0.40
US Mid Caps	7.94	19.32	0.59	0.70	0.41
US Large Growth	8.06	18.55	0.54	0.60	0.43
US Large Value	7.27	16.70	0.44	0.42	0.44
Foreign Developed Equity	8.30	19.48	0.56	0.49	0.43
Emerging Markets Equity	10.29	27.94	0.77	0.73	0.37
US REITs	7.42	20.42	0.58	0.74	0.36

Asset Class Correlation Matrix

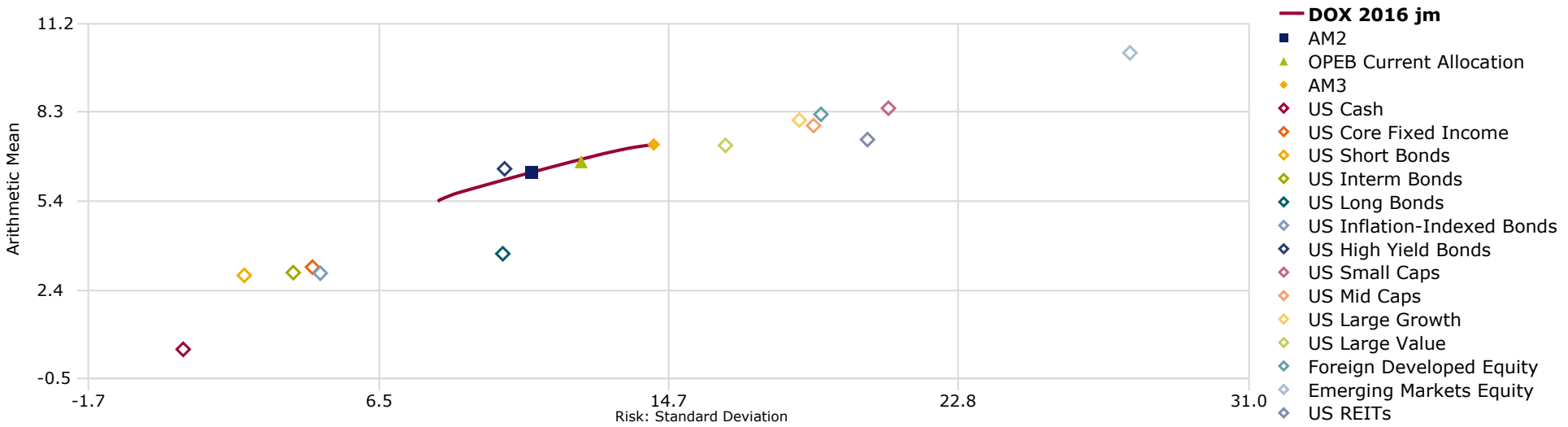
Time Period: 6/1/2005 to 9/1/2014

Asset Class	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 US Cash	1.00													
2 US Core Fixed Income	0.20	1.00												
3 US Short Bonds	0.55	0.86	1.00											
4 US Interm Bonds	0.25	0.99	0.90	1.00										
5 US Long Bonds	-0.02	0.90	0.58	0.84	1.00									
6 US Inflation-Indexed Bonds	0.23	0.62	0.50	0.61	0.53	1.00								
7 US High Yield Bonds	-0.06	0.24	0.19	0.22	0.14	0.21	1.00							
8 US Small Caps	-0.06	-0.11	-0.11	-0.13	-0.14	-0.17	0.66	1.00						
9 US Mid Caps	-0.04	-0.03	-0.04	-0.05	-0.07	-0.08	0.74	0.97	1.00					
10 US Large Growth	-0.05	-0.07	-0.09	-0.10	-0.10	-0.14	0.63	0.86	0.92	1.00				
11 US Large Value	0.01	0.01	0.00	-0.01	-0.05	-0.13	0.68	0.92	0.96	0.83	1.00			
12 Foreign Developed Equity	0.01	-0.01	0.00	-0.01	-0.07	-0.07	0.65	0.76	0.82	0.76	0.78	1.00		
13 Emerging Markets Equity	0.05	-0.10	-0.03	-0.07	-0.14	0.02	0.59	0.69	0.71	0.65	0.63	0.73	1.00	
14 US REITs	-0.05	0.12	0.03	0.08	0.11	0.10	0.64	0.73	0.73	0.52	0.75	0.57	0.44	1.00

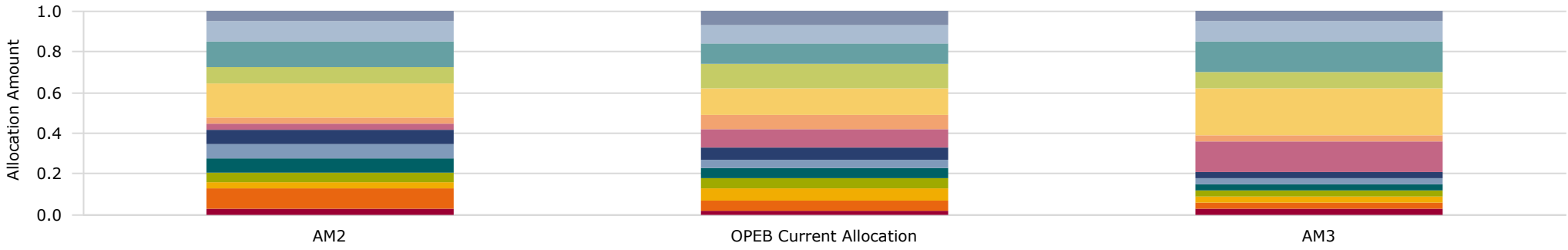
1.00 to 0.80 | 0.80 to 0.60 | 0.60 to 0.40 | 0.40 to 0.20 | 0.20 to 0.00
0.00 to -0.20 | -0.20 to -0.40 | -0.40 to -0.60 | -0.60 to -0.80 | -0.80 to -1.00

Asset Allocation Analysis

Efficient Frontier



Stacked Bar Chart



- US Cash
- US Core Fixed Income
- US Short Bonds
- US Interm Bonds
- US Long Bonds
- US Inflation-Indexed Bonds
- US High Yield Bonds
- US Small Caps
- US Mid Caps
- US Large Growth
- US Large Value
- Foreign Developed Equity
- Emerging Markets Equity
- US REITs

Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

	AM2	OPEB Current Allocation	AM3
Arithmetic Mean	6.35	6.70	7.28
Standard Deviation	11.07	12.52	14.63
Sharpe Ratio	0.57	0.54	0.50

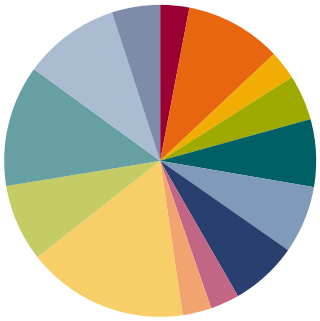
Asset Allocation Analysis

Composition

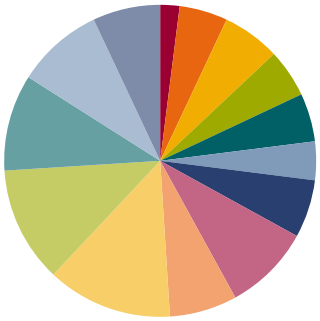
	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs
AM2	3.00	10.00	3.00	4.70	7.00	7.00	7.00	3.00	3.00	16.71	8.00	12.59	10.00	5.00
OPEB Current Allocation	2.00	5.00	6.00	5.00	5.00	4.00	6.00	9.00	7.00	13.00	12.00	10.00	9.00	7.00
AM3	3.00	3.00	3.00	3.00	3.00	3.00	3.00	15.00	3.00	23.00	8.00	15.00	10.00	5.00

Composition

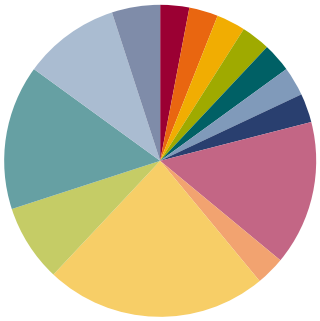
AM2



OPEB Current Allocation



AM3



- US Cash
- US Core Fixed Income
- US Short Bonds
- US Interm Bonds
- US Long Bonds
- US Inflation-Indexed Bonds
- US High Yield Bonds
- US Small Caps
- US Mid Caps
- US Large Growth
- US Large Value
- Foreign Developed Equity
- Emerging Markets Equity
- US REITs

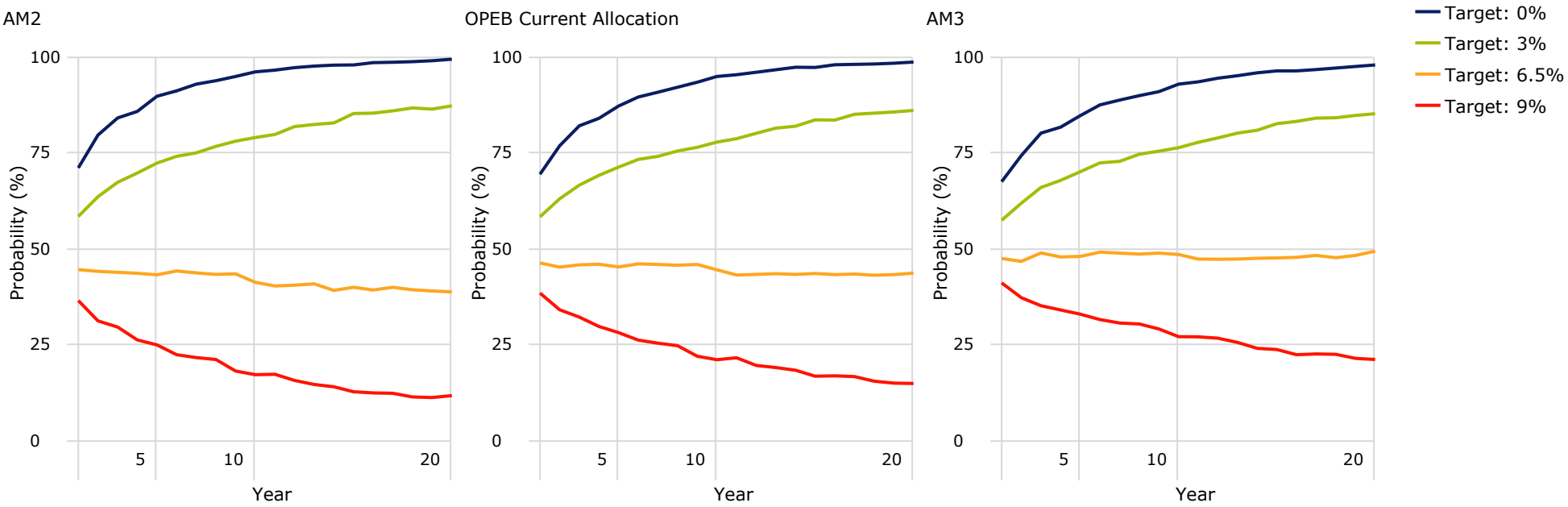
Asset Mix Statistics

Time Period: 7/31/2011 to 7/31/2016

	Arithmetic Mean	Standard Deviation	Skewness	Excess Kurtosis	Sharpe Ratio
AM2	6.35	11.07	0.49	0.47	0.57
OPEB Current Allocation	6.70	12.52	0.51	0.51	0.54
AM3	7.28	14.63	0.54	0.53	0.50

Asset Allocation Analysis

Target Return



Target Return

	Target Return			
	0%	3%	6.5%	9%
AM2				
5 Year	89.95	72.55	43.45	25.20
10 Year	96.30	79.20	41.50	17.45
20 Year	99.60	87.45	39.00	12.00
OPEB Current Allocation				
5 Year	87.40	71.50	45.50	28.40
10 Year	95.10	78.00	44.75	21.35
20 Year	98.85	86.25	43.90	15.15
AM3				
5 Year	84.90	70.30	48.25	33.20
10 Year	93.10	76.55	48.75	27.35
20 Year	98.10	85.40	49.60	21.40

Asset Allocation Analysis

Trailing Returns

As of Date: 7/31/2016

	YTD	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011	2010	2009	2008
US Cash	0.17	0.22	0.09	0.08	0.91	0.05	0.03	0.06	0.09	0.06	0.14	0.16	1.51
US Core Fixed Income	5.98	5.94	4.23	3.57	5.06	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
US Short Bonds	1.67	1.54	1.15	1.05	2.72	0.65	0.77	0.64	1.26	1.59	2.80	3.82	4.97
US Interm Bonds	4.36	4.25	2.94	2.66	4.39	1.07	3.13	-0.86	3.89	5.80	5.89	5.24	5.08
US Long Bonds	17.25	16.14	10.30	8.79	8.48	-3.30	19.31	-8.83	8.78	22.49	10.16	1.92	8.44
US Inflation-Indexed Bonds	7.16	5.04	2.36	2.02	4.67	-1.44	3.64	-8.61	6.98	13.56	6.31	11.41	-2.35
US High Yield Bonds	4.70	-4.61	-3.46	-1.87	-1.71	-11.32	-4.24	-0.11	6.21	-1.84	4.32	23.03	-28.42
US Small Caps	8.32	0.00	6.74	10.43	7.17	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79
US Mid Caps	10.31	4.37	10.37	12.73	8.79	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48	-41.46
US Large Growth	6.15	4.35	12.86	13.62	9.50	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44
US Large Value	9.38	5.38	8.99	12.75	6.18	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
Foreign Developed Equity	0.42	-7.53	2.00	3.02	1.98	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38
Emerging Markets Equity	11.77	-0.75	-0.29	-2.75	3.91	-14.92	-2.19	-2.60	18.22	-18.42	18.88	78.51	-53.33
US REITs	18.09	22.29	14.76	13.17	7.53	3.20	30.14	2.47	18.06	8.29	27.96	27.99	-37.73
AM2	7.48	3.53	5.76	6.13	5.74	-1.82	6.37	10.68	12.28	0.85	12.81	26.23	-26.82
OPEB Current Allocation	7.92	3.72	6.31	7.11	6.03	-2.07	7.30	14.46	13.17	0.03	14.86	27.34	-29.14
AM3	7.20	2.44	6.72	7.62	6.29	-1.44	6.51	18.87	14.35	-1.78	15.74	30.79	-33.11

Monthly Return

Time Period: 8/1/2015 to 7/31/2016

	US Cash	US Core Fixed Income	US Short Bonds	US Interm Bonds	US Long Bonds	US Inflation-Indexed Bonds	US High Yield Bonds	US Small Caps	US Mid Caps	US Large Growth	US Large Value	Foreign Developed Equity	Emerging Markets Equity	US REITs	AM2	OPEB Current Allocation	AM3
2015-08	0.01	-0.14	-0.06	-0.08	-0.80	-0.76	-2.58	-6.28	-5.28	-6.07	-5.96	-7.36	-9.04	-6.19	-4.29	-4.66	-5.42
2015-09	0.00	0.68	0.30	0.67	0.81	-0.59	-3.22	-4.91	-3.60	-2.47	-3.02	-5.08	-3.01	2.93	-1.81	-2.04	-2.61
2015-10	0.00	0.02	-0.03	-0.10	0.41	0.25	2.34	5.63	6.20	8.61	7.55	7.82	7.13	5.87	4.59	4.96	5.88
2015-11	0.01	-0.26	-0.20	-0.26	-0.56	-0.10	-2.54	3.25	0.25	0.28	0.38	-1.56	-3.90	-0.52	-0.70	-0.37	-0.18
2015-12	0.02	-0.32	-0.13	-0.33	-0.79	-0.79	-3.12	-5.02	-2.68	-1.47	-2.15	-1.35	-2.23	1.84	-1.33	-1.59	-1.84
2016-01	0.02	1.38	0.52	1.22	2.10	1.48	-1.61	-8.79	-6.55	-5.58	-5.17	-7.23	-6.49	-3.35	-3.18	-3.91	-4.96
2016-02	0.03	0.71	0.09	0.49	2.19	1.11	-0.53	0.00	1.13	-0.04	-0.03	-1.83	-0.16	-0.42	0.05	0.03	-0.17
2016-03	0.03	0.92	0.36	0.72	2.84	1.80	2.78	7.98	8.19	6.74	7.20	6.51	13.23	10.14	5.49	6.07	6.66
2016-04	0.02	0.38	0.14	0.27	1.23	0.35	2.19	1.57	1.06	-0.91	2.10	2.90	0.54	-2.39	0.71	0.77	0.73
2016-05	0.02	0.03	-0.07	-0.11	0.32	-0.71	-0.48	2.25	1.64	1.94	1.55	-0.91	-3.73	2.43	0.13	0.45	0.54
2016-06	0.02	1.80	0.60	1.43	4.92	2.08	0.56	-0.06	0.46	-0.39	0.86	-3.36	4.00	6.98	1.14	1.15	0.57
2016-07	0.03	0.63	0.02	0.28	2.55	0.87	1.78	5.97	4.57	4.72	2.90	5.07	5.03	4.15	3.13	3.39	4.01

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Competitor Analysis Report

High Yield Bond

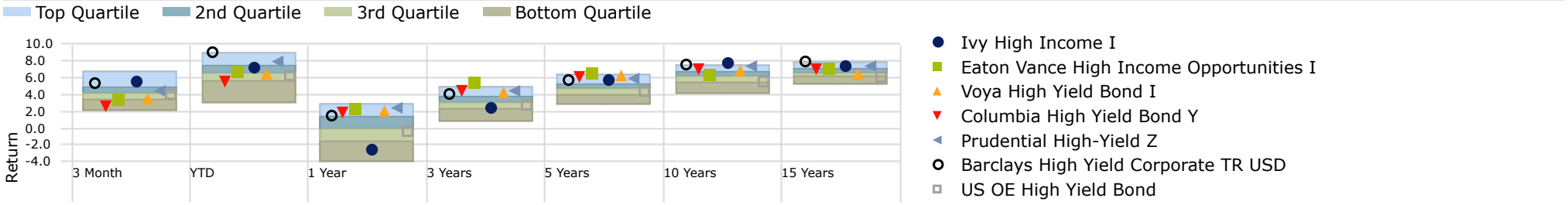
Prepared By

Milliman, Inc.



Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond Calculation Benchmark: Barclays High Yield Corporate TR USD



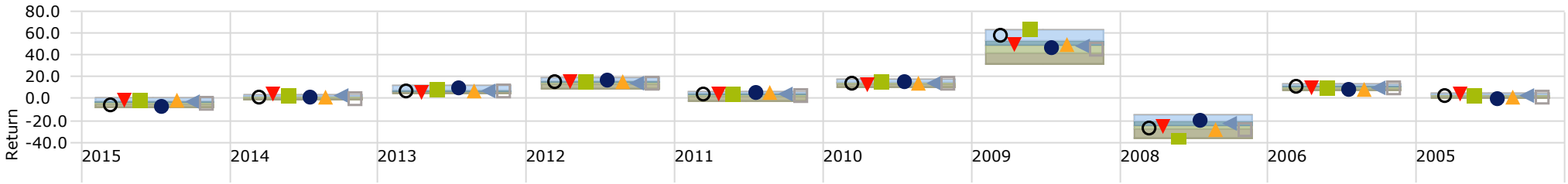
Trailing Peer Group Performance

As of Date: 6/30/2016 Data Point: Return

	3 Month	% Rank	YTD	% Rank	1 Year	% Rank	3 Years	% Rank	5 Years	% Rank	10 Years	% Rank	15 Years	% Rank
Ivy High Income I	5.60	13	7.30	29	-2.41	85	2.57	69	5.85	11	7.73	2	7.42	12
Eaton Vance High Income Opportunities I	3.41	74	6.77	43	2.23	10	5.34	1	6.49	4	6.34	41	7.09	25
Voya High Yield Bond I	3.62	67	6.62	47	2.07	12	4.38	12	6.28	6	6.84	21	6.58	53
Columbia High Yield Bond Y	2.67	86	5.64	71	1.88	15	4.56	9	6.13	7	7.04	12	7.14	23
Prudential High-Yield Z	4.45	35	7.92	17	2.42	8	4.57	9	5.90	10	7.38	6	7.40	13
Barclays High Yield Corporate TR USD	5.52	15	9.06	4	1.62	19	4.18	16	5.84	12	7.56	4	7.93	5
US OE High Yield Bond	4.17	47	6.39	54	-0.33	55	2.86	60	4.52	60	5.55	73	6.12	73
Median	4.10		6.55		-0.07		3.13		4.71		6.08		6.62	

Calendar Year Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Calendar Year Returns

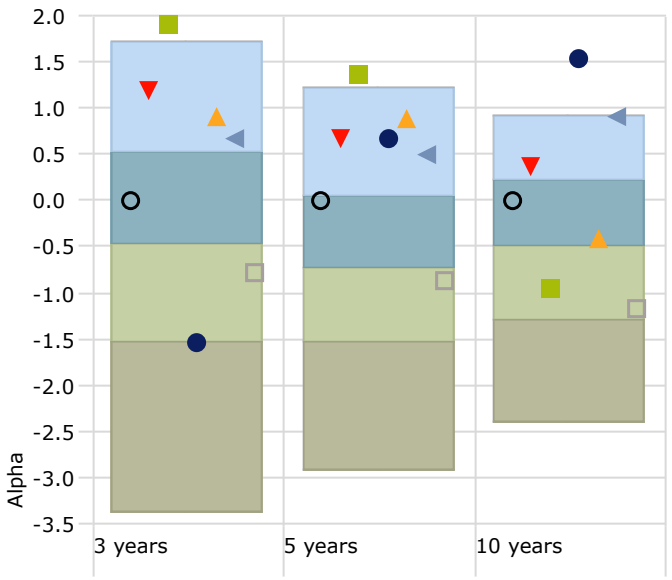
Data Point: Return Peer Group: Open End Funds - U.S. - High Yield Bond

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ivy High Income I	-7.13	1.74	10.46	17.16	6.44	15.62	46.56	-19.73	4.05	9.70
Eaton Vance High Income Opportunities I	-0.87	3.71	8.58	15.96	4.13	16.43	63.56	-37.22	0.72	10.99
Voya High Yield Bond I	-1.25	1.84	8.27	15.89	5.71	14.75	49.40	-27.90	2.49	9.54
Columbia High Yield Bond Y	-1.15	4.10	6.33	15.65	5.08	13.38	49.91	-24.58	2.06	10.76
Prudential High-Yield Z	-2.59	2.84	7.23	14.16	5.07	14.72	48.35	-22.14	2.70	10.51
Barclays High Yield Corporate TR USD	-4.47	2.45	7.44	15.81	4.98	15.12	58.21	-26.16	1.87	11.85
US OE High Yield Bond	-4.07	1.11	6.92	14.69	2.75	14.13	45.68	-27.06	1.32	10.09
Median	-3.82	1.48	6.61	14.77	3.48	14.26	48.28	-24.58	2.00	10.27

Source: Morningstar Direct

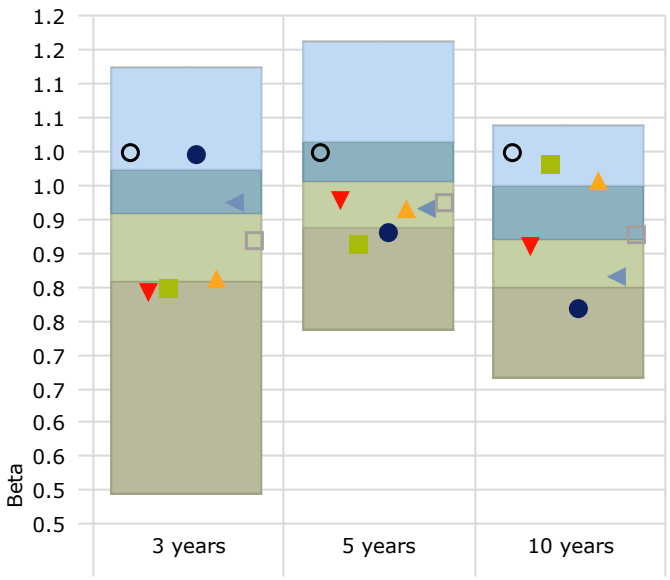
Alpha

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



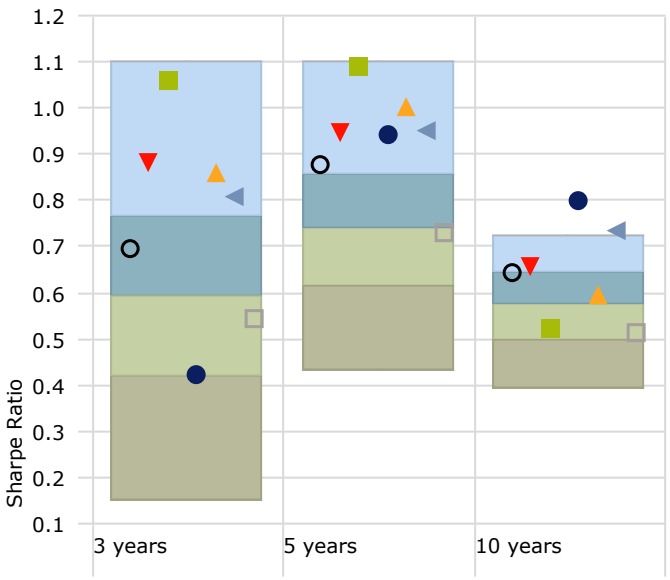
Beta

As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Sharpe Ratio

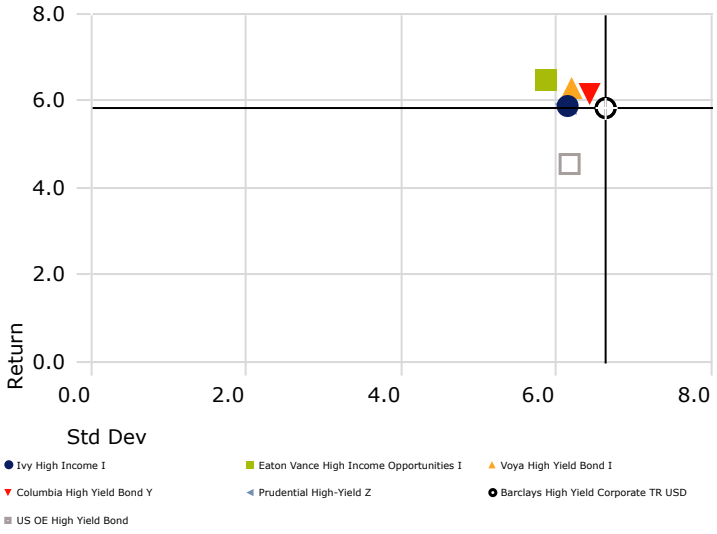
As of Date: 6/30/2016 Peer Group (5-95%): Open End Funds - U.S. - High Yield Bond



Risk-Reward

Time Period: 7/1/2011 to 6/30/2016

Calculation Benchmark: Barclays High Yield Corporate TR USD



3-Year Risk Return

Time Period: 7/1/2013 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.23	-1.53	1.00	91.79	0.42	87.75	104.00	41.67
Eaton Vance High Income Opportunities I	4.95	1.90	0.80	94.00	1.06	94.39	74.25	66.67
Voya High Yield Bond I	5.03	0.92	0.81	94.11	0.86	90.83	82.42	50.00
Columbia High Yield Bond Y	5.12	1.19	0.79	86.26	0.88	90.12	78.68	50.00
Prudential High-Yield Z	5.60	0.67	0.93	98.10	0.81	95.02	86.38	50.00
Barclays High Yield Corporate TR USD	6.00	0.00	1.00	100.00	0.70	100.00	100.00	100.00
US OE High Yield Bond	5.24	-0.77	0.87	98.77	0.55	83.84	93.43	36.11
Median	5.57	-0.46	0.91	93.79	0.59	88.19	95.61	41.67

5-Year Risk Return

Time Period: 7/1/2011 to 6/30/2016

	Std Dev	Alpha	Beta	R2	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Batting Average
Ivy High Income I	6.15	0.67	0.88	90.91	0.94	91.48	84.44	48.33
Eaton Vance High Income Opportunities I	5.87	1.36	0.86	95.56	1.09	94.15	80.52	60.00
Voya High Yield Bond I	6.21	0.88	0.92	96.13	1.00	97.88	90.09	55.00
Columbia High Yield Bond Y	6.43	0.67	0.93	92.18	0.95	97.79	92.11	53.33
Prudential High-Yield Z	6.14	0.51	0.92	98.69	0.95	94.21	88.70	45.00
Barclays High Yield Corporate TR USD	6.65	0.00	1.00	100.00	0.88	100.00	100.00	100.00
US OE High Yield Bond	6.18	-0.85	0.92	98.83	0.73	88.10	96.89	33.33
Median	6.51	-0.72	0.95	95.26	0.74	91.79	99.44	41.67

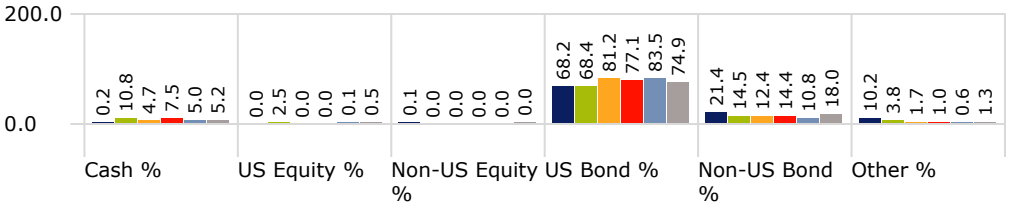
Source: Morningstar Direct

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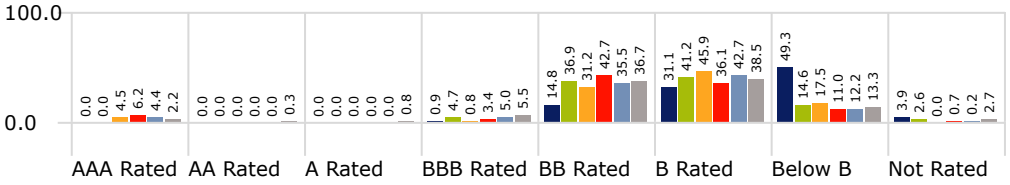
Holdings Statistics

	Fixed Inc Style Box	Govt%	Munic%	Corp%	Secritzd%	Cash & Equiv%	Deriv%	% Asset Top 10%	# of Stocks	# of Bonds	Average Eff Duration	Average Eff Maturity	Average Credit Quality
Ivy High Income I		2.51	0.00	87.61	0.63	0.20	0.00	17.06	2	227	3.20	4.50	B
Eaton Vance High Income Opportunities I		0.86	0.00	82.78	0.48	10.76	0.00	6.92	12	519	3.61	4.98	B
Voya High Yield Bond I		1.52	0.00	91.35	0.00	4.66	0.00	5.08	0	457	3.95	4.86	B
Columbia High Yield Bond Y		0.27	0.00	98.05	0.58	0.08	0.00	8.61	1	372	4.04	5.17	B
Prudential High-Yield Z		6.87	0.00	87.58	0.26	5.05	0.00	11.94	6	621	4.27	5.01	B
Barclays High Yield Corporate TR USD													
US OE High Yield Bond		3.15	0.00	87.07	1.43	6.11	3.30	65.97	44	308	3.68	5.51	B

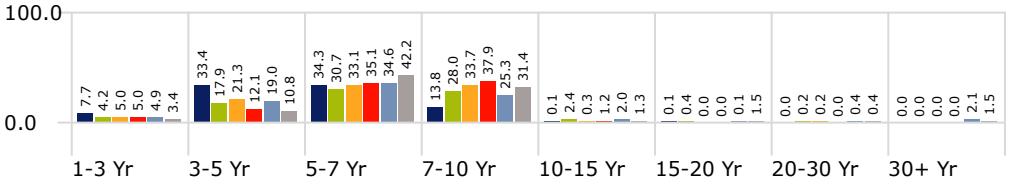
Asset Allocation



Credit Quality



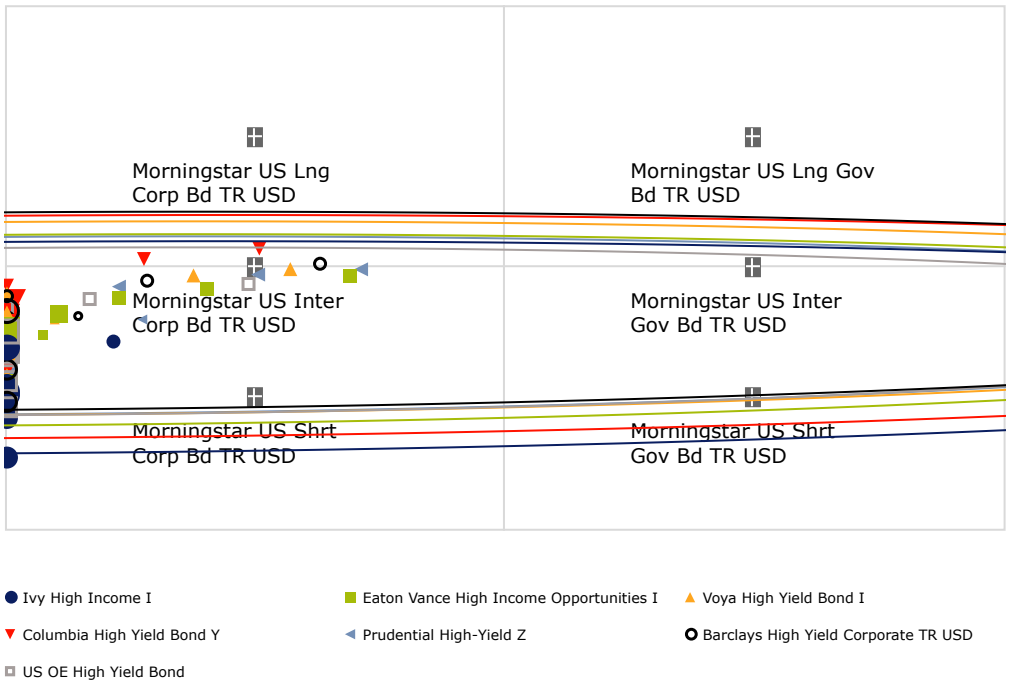
Maturity Breakdown



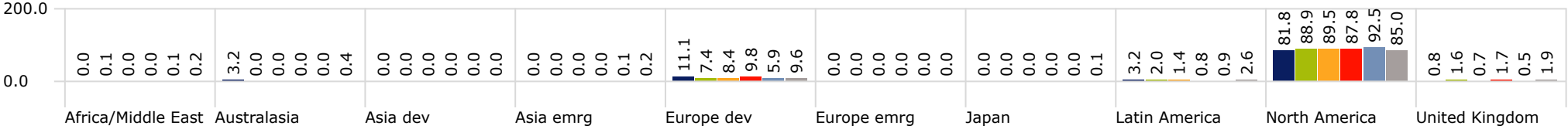
Returns-Based Style

Time Period: 7/1/2011 to 6/30/2016

Rolling Window: 3 Years 2 Months shift



Regional Exposure



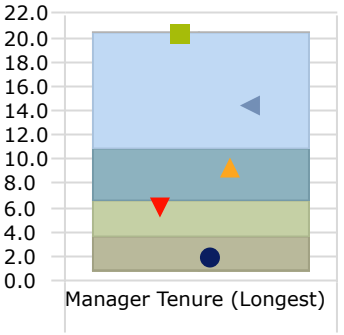
Source: Morningstar Direct

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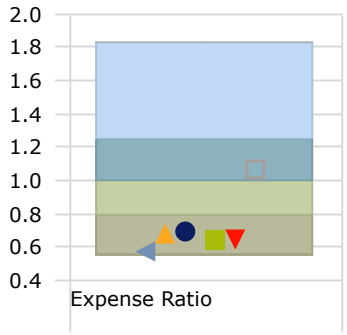
Manager

	Inception Date	Ticker	Advisor	Subadvisor	Manager Name
Ivy High Income I	4/2/2007	IVHIX	Ivy Investment Management Co		Chad A. Gunther
Eaton Vance High Income Opportunities I	10/1/2009	EIHIX	Boston Management and Research		Multiple
Voya High Yield Bond I	7/31/2008	IHYIX	Voya Investments, LLC	Voya Investment Management Co. LLC	Multiple
Columbia High Yield Bond Y	11/8/2012	CHYYX	Columbia Mgmt Investment Advisers, LLC		Multiple
Prudential High-Yield Z	3/1/1996	PHYZX	Prudential Investments LLC	Prudential Fixed Income	Multiple
Barclays High Yield Corporate TR USD	1/31/1995				
US OE High Yield Bond	9/1/1935				

Manager Tenure



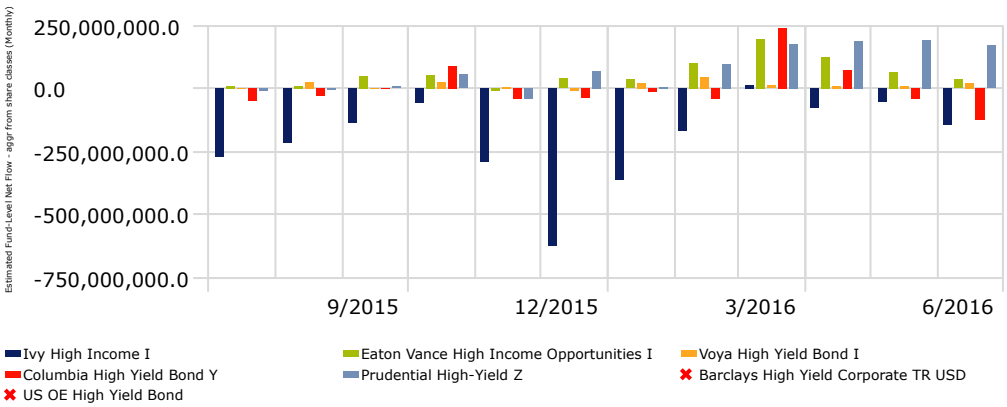
Expense Ratio



	Net Expense Ratio	Mstar Ret 3 Yr	Mstar Ret 5 Yr	Mstar Ret 10 Yr	Mstar Ret Overall	Mstar Risk 3 Yr	Mstar Risk 5 Yr	Mstar Risk 10 Yr	Mstar Rating Overall	Turnover Ratio %	% Cash	% Equity	% Bond	% Other	Closed to New Inv
Ivy High Income I	0.69	Average	Above Avg	High	Above Avg	Above Avg	Average	Below Avg	★★★★	29.00	0.19	0.06	89.53	10.22	No
Eaton Vance High Income Opportunities I	0.65	High	High	Average	High	Below Avg	Below Avg	High	★★★★★	38.00	10.77	2.49	82.93	3.82	No
Voya High Yield Bond I	0.68	High	High	Above Avg	High	Below Avg	Average	Above Avg	★★★★★	22.00	4.66	0.00	93.61	1.73	No
Columbia High Yield Bond Y	0.65	High	High	Above Avg	High	Below Avg	Average	Average	★★★★★	64.00	7.46	0.00	91.51	1.03	No
Prudential High-Yield Z	0.58	High	Above Avg	High	High	Average	Average	Below Avg	★★★★★	48.00	5.05	0.06	94.30	0.59	No
Barclays High Yield Corporate TR USD															No
US OE High Yield Bond	1.10	Average	Average	Average		Average	Average	Average	★★★	69.69	5.18	0.55	92.93	1.34	No

Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2015 to 6/30/2016



Net Money Flow

	Fund Size	Est Fund-Level Net Flow YTD	Est Fund-Level Net Flow 1 Yr	Est Fund-Level Net Flow 5 Yr	Est Fund-Level Net Flow 10 Yr
Ivy High Income I	4,740	-791	-2,390	1,669	3,479
Eaton Vance High Income Opportunities I	1,393	560	711	813	615
Voya High Yield Bond I	721	123	162	497	408
Columbia High Yield Bond Y	2,056	87	20	-355	-1,388
Prudential High-Yield Z	4,558	825	895	2,002	1,744
Barclays High Yield Corporate TR USD					
US OE High Yield Bond					

Source: Morningstar Direct

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Source: Morningstar Direct

INVESTMENT POLICY STATEMENT

CITY OF DOVER EMPLOYEES PENSION PLAN

August 2016

INVESTMENT POLICY STATEMENT

CITY OF DOVER EMPLOYEES' PENSION PLAN

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I. PURPOSE & BACKGROUND

The Plan is a public employee retirement plan governed by The City of Dover Code of Ordinances.

The purpose of this Investment Policy Statement ("IPS") is to assist the participants of the plan who serve as members of the Employees' Pension Board of the City of Dover ("Board") under Section 2-202 of the City of Dover Code of Ordinances, this Investment Policy Statement ("Statement") presents investment objectives, policies, guidelines, and monitoring and review procedures relating to financial assets (the "Fund") of the City of Dover Employees' Pension Plan ("Plan").

The IPS will function to:

1. State in a written document the Board's expectations, objectives, and guidelines for the investment of Plan assets which the Board judges to be appropriate and prudent, in consideration of the needs of the Plan.
2. Define and assign the responsibilities for the oversight of the Plan's assets.
3. Set forth an investment structure for managing Plan assets. This structure will help to define asset class, Investment Manager styles, asset allocation and acceptable ranges that, combined, will help to generate the risk/return profile needed to meet the objectives of this policy.
4. Encourage effective communication between the Board and the Investment Consultant, as well as any other interested parties.
5. Establish formalized performance criteria that the Investment Managers selected are expected to meet and against which they are to be measured on a regular basis.
6. Serve as a review document to guide Board and Investment Consultant oversight of the investment options of the Plan's assets.
7. Establish the relevant investment time horizon, risk tolerances and performance expectations of the Plan assets and the Board.

II. STATEMENT OF OBJECTIVES

The assets of the Plan are invested under the supervision of the Board.

After reviewing expected short-term and long-term cash flow requirements of the plan, as well as considering the investment time horizon and risk tolerance level believed to be appropriate for the invested assets, the following set of objectives has been established:

1. Preservation of capital.

2. Pay all benefit and expense obligations when due.

3. Achieve a funding cushion to reduce the impact of possible future downturns in the plan's funded status.

4. Achieve or exceed actuarial earnings assumptions.

5. If applicable, effectively manage the funded status volatility and mitigate undue risk exposure under a Liability Driven Investment (LDI) strategy. The approach can assist in managing interest rate and inflationary risks.

6. Control risk exposure through reasonable and rational diversification of the assets into various asset classes.

7. Establish policies based on total return and expected projected payouts rather than current income.

8. Contain costs of administering and managing the portfolio.

9. Attain a funded status such that the employer has the option to discontinue contributions to the plan if deemed appropriate and fully funded.

III. CONTROL PROCEDURES & RESPONSIBILITIES

Disclosure

Any member of the Board, Custodian/Directed Trustee or Investment Consultant must make full disclosure of any potential conflicts of interest, including any financial gain that may be received as a result of investment decisions made by those entities, which may be required by applicable law. This disclosure should be made before the investment of the plan assets governed by this Investment Policy Statement. Disclosure should be in written form and presented to the members of the Board.

Delegation of Authority and Responsibilities

The Board is charged under Section 18-51 of the City of Dover Code of Ordinances with overall responsibility for investment of the Fund. To assist the Board in this function, it is authorized and permitted by said Ordinances to appoint an Investment Advisor, Investment Manager or IM(s), including for this purpose banks, insurance companies, and firms registered under the Investment Advisers Act of 1940 and/or Delaware State law, to manage (including the power to acquire and dispose of) Plan assets. Any appointed Investment Advisor must agree to conduct itself in accordance with all applicable City of Dover Ordinances.

The Board shall be responsible for approving any changes to this Investment Policy Statement, and shall be responsible for reviewing the implementation of the Investment Policy Statement not less frequently than annually.

These responsibilities include, but are not limited to:

Board The Board will be responsible for establishing investment objectives, investment policy and monitoring and review procedures. The establishment of standards for measuring, monitoring, evaluating and comparing absolute and relative investment performance to assure that investment returns are reviewed on a regular basis and investment return objectives are met during acceptable periods of time. The establishment of authorization, reporting, control, review and general governance procedures to assure that investment policies and guidelines are reviewed on a regular basis and conformed to at all times. All modifications of policies and/or guidelines shall be in writing, signed by all Board members, and delivered on a timely basis to any IM and/or Custodian affected by such changes. The establishment of, through contractual relationships with recognized and carefully selected professional organizations, or by alternative means satisfactory to the Board, a retirement plan management structure which will assure appropriate investment management, custody, and surveillance or compliance procedures to meet investment objectives in conformity with the Board's stated investment policies and guidelines. The Board will have discretion to select, add, replace or remove Investment Managers that will be used to meet the Plan's investment objectives, consistent with the recommendations and advice of the Investment Consultant.

Investment Consultant The Investment Consultant will be responsible for: providing recommendations to the Board for the selection of Investment Managers and appropriate asset allocation, consistent with the Investment Policy Statement objectives and guidelines; reviewing the performance of such Investment Managers over time; periodically reviewing and providing recommendations to the Board for revisions to the Investment Policy Statement; and other tasks as deemed appropriate by the Board. The Investment Consultant will act in a non-discretionary capacity.

Custodian/Directed Trustee The Custodian/Directed Trustee appointed by the Board will be responsible for the safekeeping of the fund assets, including all transaction settlements and deliveries and will perform regular accounting of all assets owned, purchased or sold, as well as transactions and movement of assets into and out of the Plan account.

Fund safekeeping and securities settlement procedures shall include direct Custodian participation in one or more appropriate securities depositories (e.g., Depository Trust Company, New York) and, as necessary, correspondent participation in other major depositories (e.g., the Federal Reserve System). The Plan's beneficial ownership of all assets shall be inviolate and in all circumstances perfected. Board or designated IM authority to direct all investment transactions shall similarly be protected.

The Directed Trustee will maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Directed Trustee will also be responsible for the payments to such persons and for such purposes in order to provide benefits to plan participants and the remittance of any tax related payments to the applicable State and Federal bodies.

Fiduciary insurance, and officer liability and omissions and errors insurance coverages, of any Custodian, must meet standards set by the Board from time to time.

Investment Manager(s)
The specific responsibilities of the Investment Manager(s) relating to the investment management of the fund include:

1. Managing the Plan assets under its care, custody, and/or control in accordance with their Investment Policy Statement ('IPS') or Prospectus objectives and guidelines set forth herein.

2. Exercising investment discretion (including holding cash equivalents as an alternative) within their IPS or Prospectus objectives and guidelines set forth herein.

3. Promptly communicating all significant and/or material matters and changes pertaining to the investment of Plan assets, including, but not limited to:

    i. Investment strategy.
    ii. Portfolio structure.
    iii. Tactical approaches.
    iv. Ownership.
    v. Organizational structure.

vi. Financial condition.
vii. Professional staff.
viii. All legal material and SEC and other regulatory agency proceedings affecting the firm.

4. Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan set forth herein. Each manager shall keep detailed records of said voting and proxies and related actions and will comply with all regulatory obligations related thereto.

5. Utilize the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like benefit plans with like aims in accordance and compliance with all applicable laws, rules, and regulations from local, state, and federal political entities as the pertain to fiduciary duties and responsibilities.

The investments should be relatively liquid, or with a reasonable amount of notice, should be capable of liquidating to cash. There should be no fees or penalties for regular trading or liquidation.

IV. INVESTMENT AND ALLOCATION POLICY

***Investment Horizon*:** The investment guidelines are based on the expectation that the investment horizon will be several years in length. Short-term variability in returns should be expected.

Because of this, the Plan's strategic asset allocation is established with moderate to long-term perspective in mind. The Plan is required to pay retirement benefits to participants as they come due. Therefore, sufficient liquid reserves must be available to satisfy this obligation.

1. The actuary will provide future benefit payment amounts, funding and contribution requirements.

2. The plan should hold a portion of assets in short-term and cash holdings to provide for the schedule of future benefit payments.

***Risk Tolerances*:** It is understood by the Board that achieving the Plan's investment objectives is not guaranteed and there will be time periods for which these objectives will not be met. The Board also recognizes that some risk must be assumed to achieve the Plan's investment objectives and accepts the inevitable fluctuations in returns that will occur. While it is understood that a certain level of risk is expected in the Plan's portfolio, the ability to withstand short and intermediate term variability was specifically considered in the development of the IPS risk tolerances. Factors considered were:

1. It is the intention to fund at least the minimum required contribution (MRC) each year providing ample liquidity.
2. Due to the amount of payouts to occur for many years into the future, the Plan's liabilities exhibit a longer duration (sensitivity to changes in interest rates). As a result, extending durations in the fixed income portion of Plan assets should be considered.
3. The cash balance portion of the plan's liabilities grows at the rate of T-bill + 1%. Future liability growth will be factored into all investment decisions.

As a result of the above-named considerations, the Board believes that the Plan can tolerate some interim variability in market value and rates of return in order to achieve its long-term objectives.

Allowable Investments: Cash and Equivalents, Mutual Funds, Separate Accounts, Options and Futures Contracts, Stocks, Bonds, Commingled Funds, and Collective Trusts, Exchange Traded Funds (ETFs)

Liquidity Policy: The trust will be required to provide periodic distributions in the form of retirement benefit payments to participants. The actuary provides annual assessments of the funding requirements and payments necessary to meet the plans benefit obligations.

Overall Asset Allocation Policy

Based on the Plan's time horizon, risk tolerances, liquidity needs, and asset class preferences and constraints, an efficient or optimal portfolio was identified. This allocation shall be reviewed at least annually and modified as necessary to meet the needs of the Board.

[See Appendix A for the Strategic Asset Allocation Policy of the Plan.]

The current allocation strategy is dynamic in nature under a Liability Drive Investment (LDI) approach. The allocation shall be reviewed periodically, at least annually, and modified as necessary to de-risk the plan, based on the funded status. The overall performance of the portfolio relative to the liabilities will be reviewed in addition to actual performance of the managers.

***Rebalancing*:** Rebalancing is the periodic adjustment of the portfolio to restore a pre-defined Target asset allocation, and will be reviewed at least once per calendar quarter, or as such when the allocation of any asset class exceeds the range around its respective target.

Change in Funding Target Level

Based on the asset allocation glidepath and funding target levels outlined in the Asset Allocation Policy, an increase in the Plan funding ratio that elevates the plan to a new increment level will trigger a rebalancing of Plan assets to the new targets. If the Plan funding ratio decreases and meets a lower target level, the plan will not rebalance to the new target asset allocation.

Timing

Rebalancing reviews generally take place quarterly, or at a frequency determined by appropriate by the Board. Generally, the rebalancing transactions will occur over a period of time to reduce undue market timing risk.

The Plan will diversify its investment portfolio to avoid incurring unreasonable risks. Investment maturities should be scheduled to coincide with projected cash flow requirements. As funded status improves, the asset allocation policy targets will reduce equity investments and increase fixed income investments and "de-risk" the plan portfolio.

V. INVESTMENT MANAGER GUIDELINES

Every Investment Manager selected to manage Plan assets shall be selected by their policy or ability to adhere to these general guidelines; however will have discretion to meet the investment objectives of their portfolio or investment fund. Unless receiving prior Board approval, the only allowable investments of the Plan will be in cash and equivalents, mutual funds, separate accounts, options and futures, stocks, bonds, commingled funds, and collective trusts, exchange traded funds (ETFs):

Cash Policy

Cash equivalents will be invested in an appropriate cash-like fund. Returns should be equal to or better than the 90-day Treasury Bill Index (3-month).

Money market mutual funds may be used, so long as these funds meet the high standards suitable for funds of this nature.

Fixed Income Policy

Investment Objectives

These assets are to be invested in a mutual fund, commingled funds, separate accounts, or collective trusts of high-grade index or active fixed income portfolio subject to the limitations set forth below. The investment objectives of the fixed income portion in order of importance are:

1. Preservation of capital
2. Provide for regular dividend and or interest payments
3. Stability of returns – obtain fairly consistent annual returns.

Investment Guidelines

The Plan's fixed income assets will be managed in accordance with the following:

1. All funds selected for the fixed income portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Investment Managers will be evaluated against their peers on the performance of the total funds under their direct management.

Equity Policy

Investment Objectives

Equity assets are to be invested in cash and equivalents, mutual funds, separate accounts, options and futures, stocks, bonds, commingled funds, and collective trusts, exchange traded funds (ETFs). Within this framework, the investment objectives of the equity portion are:

1. Long Term Growth of Capital – Assets, exclusive of contribution and withdrawals, should grow in the long run and earn returns equal to the market while risk should be less than the market.

2. Follow a predefined market style (e.g. large cap vs. small cap, value vs. growth) strategy.

Investment Guidelines

The Plan's equity assets will be managed in accordance with the following:

1. All funds selected for the equity portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Fund Managers will be evaluated against their peers on the performance of the total funds under their direct management.

VI. SELECTION OF INVESTMENT MANAGERS

The Board, with the assistance of the Investment Consultant, will select appropriate Investment Managers to manage the Plan assets. Investment Managers must meet the following minimum criteria:

1. Is a bank, insurance company, investment management company, or investment advisor as defined by the Registered Investment Advisers Act of 1940.

2. Provide at a minimum, historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all the fully discretionary accounts of similar investment style, and reported net and gross of fees.

3. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the Investment Manager relative to other managers of like investment style.

4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel. This information can be supplied by a third party vendor comparable to Lipper or Morningstar.

5. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

6. Investment Managers will be ranked within the top 50 percent of their respective styles on the Investment Consultant's internal ranking program when available.

7. Some of the measures that may be included in the statistical analysis of a fund would be:

    a. *Alpha* – a measure of fund performance compared to its expected return
    b. *Beta* – the general level of influence a fund's market has over its performance
    c. *Standard Deviation* – a measure of a fund's variation of returns over time
    d. *Sharpe Ratio* – a measure of a fund's risk-adjusted return compared to its risk
    e. *Duration* – a measure of sensitivity to interest rate fluctuations over time

8. The Board will consider replacing an actively managed fund if the rank versus its peer group remains in the bottom 50 percent for four consecutive quarters versus its peer group and if statistical analysis concludes that the fund's level of return does not provide an acceptable ratio as compared to its general level of risk.

9. The Board may consider a fund for replacement when the Investment Manager or policy of the fund is changed. In addition, if there are any substantial transactions with regard to the fund management company or holding, or other types of instabilities in the fund company, replacement will be considered.

10. The Board may also consider replacing a fund if its relative performance over a complete market cycle trails its benchmark.

VII. INVESTMENT EVALUATION

Not more than 90 days after the end of each calendar quarter, the Investment Consultant shall report investment positions and performance results to the Board, based on performance reported by each Fund Manager, to monitor and evaluate progress toward the attainment of longer-term targets.

The target rate of return for the Plan has been based on the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the IPS. The real rate of return is the return in excess of the anticipated rate of inflation as measured by the Consumer Price Index (CPI).

Total Plan Portfolio Performance: Over a complete business cycle, the Plan's overall annualized total return (net of expenses) should perform at or above the Plan Benchmark. The Plan Benchmark is a customized index composed of the following benchmarks for each target asset class and based on the current and prior target asset allocation policy for the Plan:

Asset Category	Index*
Cash & Money Market	BofA ML 3-month T-bill Total Return Index
Short-term Bond	Barclays US Govt/Credit 1-3 Yr TR USD
Inflation Protected Bond	Barclays US Treasury US TIPS TR USD
Intermediate-term Bond	Barclays US Govt 5-10 Yr TR USD
Long-term Bond	BC Long Government/Credit
High Yield Bond	BC High Yield Corporate Bond
Large Cap Value	S&P 500 Value
Large Cap Blend	S&P 500 Index
Large Cap Growth	S&P 500 Growth
Mid Cap Value	S&P 400 Value
Mid Cap Blend	S&P 400 Index
Mid Cap Growth	S&P 400 Growth
Small Cap Value	S&P 600 Value
Small Cap Blend	S&P 600 Index
Small Cap Growth	S&P 600 Growth
World Stock	MSCI AC World Index ND USD
Diversified Emerging Markets	FTSE Emerging NR USD
REIT/Real Estate	MSCI US REIT NR USD

**Or other index as designated by the fund and/or fund manager as an appropriate target benchmark for the investment portfolio or fund.*

Individual Investment Managers: During its periodic meetings but not less than annually, the Board will review the following specifics with regard to each Investment Manager:

1. The manager's adherence to their prospectus.
2. Material changes in the manager's organization, investment philosophy, and/or personnel.
3. Performance compared against an appropriate peer group and benchmark, as listed in the Executive Summary of this IPS, over various time periods.

The Board expects the following criteria to be met by each Investment Manager. If a manager fails to meet these, a further review of the manager will be warranted. The Board reserves the right to replace an Investment Manager at their discretion at any time.

1. The Investment Manager's rank (3-year and 5-year return) versus its peer group is over 50 *(where a percentile ranking of 1 would be the highest a fund could achieve and 100 would be the lowest*). If a fund or Investment Manager's rank (3-year and 5-year return) versus its peer g*roup is over 50, the fund will warrant a closer analytic review. The Board's review will* be comprised of a further analysis of the fund's statistical performance and risk measures.

2. The Investment Manager's risk over 3 to 5 years, as measured by standard deviation, should be equal to or lower than the comparative index. If the standard deviation is higher than the index, an increase in performance is expected.

3. The Investment Manager's Sharpe ratio should be positive over 3 to 5 years and ranked above the peer group median.

4. The Investment Manager's Alpha should be positive over a 3 to 5 year period and ranked above the peer group median.

SIGNATURE

This Statement of Investment Policy approved by action of the Board.

Approved by: _____
Chairman or representative of the Board

_____
Controller/Treasurer

Date approved: _____

APPENDIX A

This Appendix to the Investment Policy Statement has been reviewed and approved by the Board:

STRATEGIC ASSET ALLOCATION POLICY

Asset Class	Target
Cash & Short-Term Bond	7%
Non-traditional Bond	5%
Inflation-Protected Bond	5%
Intermediate Term Bond	5%
Long-Term Bond	5%
High Yield Bond	6%
Large Value	11%
Large Growth	14%
Mid Cap Equity	6%
Small Cap Equity	7%
Foreign Equity	12%
Diversified Emerging Mkts	9%
Real Estate	8%
	100.00%

The above ranges will be considered the long-term or policy allocation. The current "Policy" is the Target for such respective Asset Class of investment. There will be a Range of +/- 5% to the Target to allow for modest market fluctuations before rebalancing of the portfolio. The portfolio will be reviewed at least quarterly and adjusted as necessary to maintain alignment with the target allocations. Any deviations beyond the "Range" must have prior approval by the Board, unless caused by market actions.

To indicate approval of this amendment to the Investment Policy Statement, the appropriate designated Board member shall sign below.

This Appendix to the Statement of Investment Policy approved by action of the Board.

Approved by: _____

Chairman or representative of the Board

Date approved: _____

_____

Controller/Treasurer

INVESTMENT POLICY STATEMENT

CITY OF DOVER POLICE PENSION PLAN

August 2016

INVESTMENT POLICY STATEMENT

CITY OF DOVER POLICE PENSION PLAN

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VI.	Selection of Investment Managers	11
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I. PURPOSE & BACKGROUND

The Plan is a public employee retirement plan governed by The City of Dover Code of Ordinances.

The purpose of this Investment Policy Statement ("IPS") is to assist the participants of the plan who serve as members of the Police Pension Board of the City of Dover ("Board") under Section 2-202 of the City of Dover Code of Ordinances, this Investment Policy Statement ("Statement") presents investment objectives, policies, guidelines, and monitoring and review procedures relating to financial assets (the "Fund") of the City of Dover Police Pension Plan ("Plan").

The IPS will function to:

1. State in a written document the Board's expectations, objectives, and guidelines for the investment of Plan assets which the Board judges to be appropriate and prudent, in consideration of the needs of the Plan.
2. Define and assign the responsibilities for the oversight of the Plan's assets.
3. Set forth an investment structure for managing Plan assets. This structure will help to define asset class, Investment Manager styles, asset allocation and acceptable ranges that, combined, will help to generate the risk/return profile needed to meet the objectives of this policy.
4. Encourage effective communication between the Board and the Investment Consultant, as well as any other interested parties.
5. Establish formalized performance criteria that the Investment Managers selected are expected to meet and against which they are to be measured on a regular basis.
6. Serve as a review document to guide Board and Investment Consultant oversight of the investment options of the Plan's assets.
7. Establish the relevant investment time horizon, risk tolerances and performance expectations of the Plan assets and the Board.

II. STATEMENT OF OBJECTIVES

The assets of the Plan are invested under the supervision of the Board.

After reviewing expected short-term and long-term cash flow requirements of the plan, as well as considering the investment time horizon and risk tolerance level believed to be appropriate for the invested assets, the following set of objectives has been established:

1. Preservation of capital.

2. Pay all benefit and expense obligations when due.

3. Achieve a funding cushion to reduce the impact of possible future downturns in the plan's funded status.

4. Achieve or exceed actuarial earnings assumptions.

5. If applicable, effectively manage the funded status volatility and mitigate undue risk exposure under a Liability Driven Investment (LDI) strategy. The approach can assist in managing interest rate and inflationary risks.

6. Control risk exposure through reasonable and rational diversification of the assets into various asset classes.

7. Establish policies based on total return and expected projected payouts rather than current income.

8. Contain costs of administering and managing the portfolio.

9. Attain a funded status such that the employer has the option to discontinue contributions to the plan if deemed appropriate and fully funded.

III. CONTROL PROCEDURES & RESPONSIBILITIES

Disclosure

Any member of the Board, Custodian/Directed Trustee or Investment Consultant must make full disclosure of any potential conflicts of interest, including any financial gain that may be received as a result of investment decisions made by those entities, which may be required by applicable law. This disclosure should be made before the investment of the plan assets governed by this Investment Policy Statement. Disclosure should be in written form and presented to the members of the Board.

Delegation of Authority and Responsibilities

The Board is charged under Section 18-51 of the City of Dover Code of Ordinances with overall responsibility for investment of the Fund. To assist the Board in this function, it is authorized and permitted by said Ordinances to appoint an Investment Advisor, Investment Manager or IM(s), including for this purpose banks, insurance companies, and firms registered under the Investment Advisers Act of 1940 and/or Delaware State law, to manage (including the power to acquire and dispose of) Plan assets. Any appointed Investment Advisor must agree to conduct itself in accordance with all applicable City of Dover Ordinances.

The Board shall be responsible for approving any changes to this Investment Policy Statement, and shall be responsible for reviewing the implementation of the Investment Policy Statement not less frequently than annually.

These responsibilities include, but are not limited to:

Board The Board will be responsible for establishing investment objectives, investment policy and monitoring and review procedures. The establishment of standards for measuring, monitoring, evaluating and comparing absolute and relative investment performance to assure that investment returns are reviewed on a regular basis and investment return objectives are met during acceptable periods of time. The establishment of authorization, reporting, control, review and general governance procedures to assure that investment policies and guidelines are reviewed on a regular basis and conformed to at all times. All modifications of policies and/or guidelines shall be in writing, signed by all Board members, and delivered on a timely basis to any IM and/or Custodian affected by such changes. The establishment of, through contractual relationships with recognized and carefully selected professional organizations, or by alternative means satisfactory to the Board, a retirement plan management structure which will assure appropriate investment management, custody, and surveillance or compliance procedures to meet investment objectives in conformity with the Board's stated investment policies and guidelines. The Board will have discretion to select, add, replace or remove Investment Managers that will be used to meet the Plan’s investment objectives, consistent with the recommendations and advice of the Investment Consultant.

Investment Consultant The Investment Consultant will be responsible for: providing recommendations to the Board for the selection of Investment Managers and appropriate asset allocation, consistent with the Investment Policy Statement objectives and guidelines; reviewing the performance of such Investment Managers over time; periodically reviewing and providing recommendations to the Board for revisions to the Investment Policy Statement; and other tasks as deemed appropriate by the Board. The Investment Consultant will act in a non-discretionary capacity.

Custodian/Directed Trustee The Custodian/Directed Trustee appointed by the Board will be responsible for the safekeeping of the fund assets, including all transaction settlements and deliveries and will perform regular accounting of all assets owned, purchased or sold, as well as transactions and movement of assets into and out of the Plan account.

Fund safekeeping and securities settlement procedures shall include direct Custodian participation in one or more appropriate securities depositories (e.g., Depository Trust Company, New York) and, as necessary, correspondent participation in other major depositories (e.g., the Federal Reserve System). The Plan's beneficial ownership of all assets shall be inviolate and in all circumstances perfected. Board or designated IM authority to direct all investment transactions shall similarly be protected.

The Directed Trustee will maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Directed Trustee will also be responsible for the payments to such persons and for such purposes in order to provide benefits to plan participants and the remittance of any tax related payments to the applicable State and Federal bodies.

Fiduciary insurance, and officer liability and omissions and errors insurance coverages, of any Custodian, must meet standards set by the Board from time to time.

Investment Manager(s)
The specific responsibilities of the Investment Manager(s) relating to the investment management of the fund include:

1. Managing the Plan assets under its care, custody, and/or control in accordance with their Investment Policy Statement ('IPS') or Prospectus objectives and guidelines set forth herein.

2. Exercising investment discretion (including holding cash equivalents as an alternative) within their IPS or Prospectus objective and guidelines set forth herein.

3. Promptly communicating all significant and/or material matters and changes pertaining to the investment of Plan assets, including, but not limited to:

    i. Investment strategy.
    ii. Portfolio structure.
    iii. Tactical approaches.
    iv. Ownership.
    v. Organizational structure.

vi. Financial condition.
vii. Professional staff.
viii. All legal material and SEC and other regulatory agency proceedings affecting the firm.

4. Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan set forth herein. Each manager shall keep detailed records of said voting and proxies and related actions and will comply with all regulatory obligations related thereto.

5. Utilize the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like benefit plans with like aims in accordance and compliance with all applicable laws, rules, and regulations from local, state, and federal political entities as the pertain to fiduciary duties and responsibilities.

The investments should be relatively liquid, or with a reasonable amount of notice, should be capable of liquidating to cash. There should be no fees or penalties for regular trading or liquidation.

IV. INVESTMENT AND ALLOCATION POLICY

***Investment Horizon*:** The investment guidelines are based on the expectation that the investment horizon will be several years in length. Short-term variability in returns should be expected.

Because of this, the Plan's strategic asset allocation is established with moderate to long-term perspective in mind. The Plan is required to pay retirement benefits to participants as they come due. Therefore, sufficient liquid reserves must be available to satisfy this obligation.

1. The actuary will provide future benefit payment amounts, funding and contribution requirements.

2. The plan should hold a portion of assets in short-term and cash holdings to provide for the schedule of future benefit payments.

***Risk Tolerances*:** It is understood by the Board that achieving the Plan's investment objectives is not guaranteed and there will be time periods for which these objectives will not be met. The Board also recognizes that some risk must be assumed to achieve the Plan's investment objectives and accepts the inevitable fluctuations in returns that will occur. While it is understood that a certain level of risk is expected in the Plan's portfolio, the ability to withstand short and intermediate term variability was specifically considered in the development of the IPS risk tolerances. Factors considered were:

1. It is the intention to fund at least the minimum required contribution (MRC) each year providing ample liquidity.
2. Due to the amount of payouts to occur for many years into the future, the Plan's liabilities exhibit a longer duration (sensitivity to changes in interest rates). As a result, extending durations in the fixed income portion of Plan assets should be considered.
3. The cash balance portion of the plan's liabilities grows at the rate of T-bill + 1%. Future liability growth will be factored into all investment decisions.

As a result of the above-named considerations, the Board believes that the Plan can tolerate some interim variability in market value and rates of return in order to achieve its long-term objectives.

Allowable Investments: Cash and Equivalents, Mutual Funds, Separate Accounts, Options and Futures Contracts, Stocks, Bonds, Commingled Funds, and Collective Trusts, Exchange Traded Funds (ETFs)

Liquidity Policy: The trust will be required to provide periodic distributions in the form of retirement benefit payments to participants. The actuary provides annual assessments of the funding requirements and payments necessary to meet the plans benefit obligations.

Overall Asset Allocation Policy

Based on the Plan's time horizon, risk tolerances, liquidity needs, and asset class preferences and constraints, an efficient or optimal portfolio was identified. This allocation shall be reviewed at least annually and modified as necessary to meet the needs of the Board.

[See Appendix A for the Strategic Asset Allocation Policy of the Plan.]

The current allocation strategy is dynamic in nature under a Liability Drive Investment (LDI) approach. The allocation shall be reviewed periodically, at least annually, and modified as necessary to de-risk the plan, based on the funded status. The overall performance of the portfolio relative to the liabilities will be reviewed in addition to actual performance of the managers.

***Rebalancing*:** Rebalancing is the periodic adjustment of the portfolio to restore a pre-defined Target asset allocation, and will be reviewed at least once per calendar quarter, or as such when the allocation of any asset class exceeds the range around its respective target.

Change in Funding Target Level

Based on the asset allocation glidepath and funding target levels outlined in the Asset Allocation Policy, an increase in the Plan funding ratio that elevates the plan to a new increment level will trigger a rebalancing of Plan assets to the new targets. If the Plan funding ratio decreases and meets a lower target level, the plan will not rebalance to the new target asset allocation.

Timing

Rebalancing reviews generally take place quarterly, or at a frequency determined by appropriate by the Board. Generally, the rebalancing transactions will occur over a period of time to reduce undue market timing risk.

The Plan will diversify its investment portfolio to avoid incurring unreasonable risks. Investment maturities should be scheduled to coincide with projected cash flow requirements. As funded status improves, the asset allocation policy targets will reduce equity investments and increase fixed income investments and "de-risk" the plan portfolio.

V. INVESTMENT MANAGER GUIDELINES

Every Investment Manager selected to manage Plan assets shall be selected by their policy or ability to adhere to these general guidelines; however will have discretion to meet the investment objectives of their portfolio or investment fund. Unless receiving prior Board approval, the only allowable investments of the Plan will be in cash and equivalents, mutual funds, separate accounts, commingled funds, options and futures, stocks, bonds, exchange traded funds (ETFs) and collective trusts:

Cash Policy

Cash equivalents will be invested in an appropriate cash-like fund. Returns should be equal to or better than the 90-day Treasury Bill Index (3-month).

Money market mutual funds may be used, so long as these funds meet the high standards suitable for funds of this nature.

Fixed Income Policy

Investment Objectives

These assets are to be invested in a mutual fund, commingled funds, separate accounts, or collective trusts of high-grade index or active fixed income portfolio subject to the limitations set forth below. The investment objectives of the fixed income portion in order of importance are:

1. Preservation of capital
2. Provide for regular dividend and or interest payments
3. Stability of returns – obtain fairly consistent annual returns.

Investment Guidelines

The Plan's fixed income assets will be managed in accordance with the following:

1. All funds selected for the fixed income portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Investment Managers will be evaluated against their peers on the performance of the total funds under their direct management.

Equity Policy

Investment Objectives

Equity assets are to be invested in mutual funds, commingled funds, separate accounts, stocks, bonds, options and futures, exchange traded funds (ETFs) or collective trusts. Within this framework, the investment objectives of the equity portion are:

1. Long Term Growth of Capital – Assets, exclusive of contribution and withdrawals, should grow in the long run and earn returns equal to the market while risk should be less than the market.

2. Follow a predefined market style (e.g. large cap vs. small cap, value vs. growth) strategy.

Investment Guidelines

The Plan's equity assets will be managed in accordance with the following:

1. All funds selected for the equity portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Fund Managers will be evaluated against their peers on the performance of the total funds under their direct management.

VI. SELECTION OF INVESTMENT MANAGERS

The Board, with the assistance of the Investment Consultant, will select appropriate Investment Managers to manage the Plan assets. Investment Managers must meet the following minimum criteria:

1. Is a bank, insurance company, investment management company, or investment advisor as defined by the Registered Investment Advisers Act of 1940.

2. Provide at a minimum, historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all the fully discretionary accounts of similar investment style, and reported net and gross of fees.

3. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the Investment Manager relative to other managers of like investment style.

4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel. This information can be supplied by a third party vendor comparable to Lipper or Morningstar.

5. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

6. Investment Managers will be ranked within the top 50 percent of their respective styles on the Investment Consultant's internal ranking program when available.

7. Some of the measures that may be included in the statistical analysis of a fund would be:

    a. *Alpha* – a measure of fund performance compared to its expected return
    b. *Beta* – the general level of influence a fund's market has over its performance
    c. *Standard Deviation* – a measure of a fund's variation of returns over time
    d. *Sharpe Ratio* – a measure of a fund's risk-adjusted return compared to its risk
    e. *Duration* – a measure of sensitivity to interest rate fluctuations over time

8. The Board will consider replacing an actively managed fund if the rank versus its peer group remains in the bottom 50 percent for four consecutive quarters versus its peer group and if statistical analysis concludes that the fund's level of return does not provide an acceptable ratio as compared to its general level of risk.

9. The Board may consider a fund for replacement when the Investment Manager or policy of the fund is changed. In addition, if there are any substantial transactions with regard to the fund management company or holding, or other types of instabilities in the fund company, replacement will be considered.

10. The Board may also consider replacing a fund if its relative performance over a complete market cycle trails its benchmark.

VII. INVESTMENT EVALUATION

Not more than 90 days after the end of each calendar quarter, the Investment Consultant shall report investment positions and performance results to the Board, based on performance reported by each Fund Manager, to monitor and evaluate progress toward the attainment of longer-term targets.

The target rate of return for the Plan has been based on the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the IPS. The real rate of return is the return in excess of the anticipated rate of inflation as measured by the Consumer Price Index (CPI).

Total Plan Portfolio Performance: Over a complete business cycle, the Plan's overall annualized total return (net of expenses) should perform at or above the Plan Benchmark. The Plan Benchmark is a customized index composed of the following benchmarks for each target asset class and based on the current and prior target asset allocation policy for the Plan:

Asset Category	Index*
Cash & Money Market	BofA ML 3-month T-bill Total Return Index
Short-term Bond	Barclays US Govt/Credit 1-3 Yr TR USD
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Long-term Bond	BC Long Government/Credit
High Yield Bond	BC High Yield Corporate Bond
Large Cap Value	S&P 500 Value
Large Cap Blend	S&P 500 Index
Large Cap Growth	S&P 500 Growth
Mid Cap Value	S&P 400 Value
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REIT/Real Estate	MSCI US REIT NR USD

**Or other index as designated by the fund and/or fund manager as an appropriate target benchmark for the investment portfolio or fund.*

Individual Investment Managers: During its periodic meetings but not less than annually, the Board will review the following specifics with regard to each Investment Manager:

1. The manager's adherence to their prospectus.
2. Material changes in the manager's organization, investment philosophy, and/or personnel.
3. Performance compared against an appropriate peer group and benchmark, as listed in the Executive Summary of this IPS, over various time periods.

The Board expects the following criteria to be met by each Investment Manager. If a manager fails to meet these, a further review of the manager will be warranted. The Board reserves the right to replace an Investment Manager at their discretion at any time.

1. The Investment Manager's rank (3-year and 5-year return) versus its peer group is over 50 *(where a percentile ranking of 1 would be the highest a fund could achieve and 100 would be the lowest*). If a fund or Investment Manager's rank (3-year and 5-year return) versus its peer g*roup is over 50, the fund will warrant a closer analytic review. The Board's review will* be comprised of a further analysis of the fund's statistical performance and risk measures.

2. The Investment Manager's risk over 3 to 5 years, as measured by standard deviation, should be equal to or lower than the comparative index. If the standard deviation is higher than the index, an increase in performance is expected.

3. The Investment Manager's Sharpe ratio should be positive over 3 to 5 years and ranked above the peer group median.

4. The Investment Manager's Alpha should be positive over a 3 to 5 year period and ranked above the peer group median.

SIGNATURE

This Statement of Investment Policy approved by action of the Board.

Approved by: _____
Chairman or representative of the Board

_____
Controller/Treasurer

Date approved: _____

APPENDIX A

This Appendix to the Investment Policy Statement has been reviewed and approved by the Board:

STRATEGIC ASSET ALLOCATION POLICY

Asset Class	Target
Cash & Short-Term Bond	8%
Non-traditional Bond	5%
Inflation-Protected Bond	5%
Intermediate Term Bond	4.5%
Long-Term Bond	5%
High Yield Bond	5.5%
Large Value	11%
Large Growth	14%
Mid Cap Equity	6%
Small Cap Equity	7%
Foreign Equity	12%
Diversified Emerging Mkts	9%
Real Estate	8%
	100%

The above ranges will be considered the long-term or policy allocation. The current "Policy" is the Target for such respective Asset Class of investment. There will be a Range of +/- 5% to the Target to allow for modest market fluctuations before rebalancing of the portfolio. The portfolio will be reviewed at least quarterly and adjusted as necessary to maintain alignment with the target allocations. Any deviations beyond the "Range" must have prior approval by the Board, unless caused by market actions.

To indicate approval of this amendment to the Investment Policy Statement, the appropriate designated Board member shall sign below.

This Appendix to the Statement of Investment Policy approved by action of the Board.

Approved by: _____
Chairman or representative of the Board

_____
Controller/Treasurer

Date approved: _____

INVESTMENT POLICY STATEMENT

CITY OF DOVER OPEB BOARD

August 2016

INVESTMENT POLICY STATEMENT

CITY OF DOVER OPEB PLAN

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I. PURPOSE & BACKGROUND

The City of Dover OPEB Plan is a post retirement employee benefit program established for the purpose of funding retiree health care and life insurance as provided for in Article VI of Chapter 2 of the City Ordinances. The OPEB fund shall constitute a trust fund that shall be separate and distinct from all other funds, including the pension funds established by Article IV of Chapter 2 (General Employee Pension Plan) and Article III of Chapter 62 (OPEB Plan) of the City Ordinances (City Code).

The purpose of this Investment Policy Statement ("IPS") is to assist the participants of the plan who serve as members of the OPEB Board of the City of Dover ("Board") under Section 2-202 of the City of Dover Code of Ordinances, this Investment Policy Statement ("Statement") presents investment objectives, policies, guidelines, and monitoring and review procedures relating to financial assets (the "Fund") of the City of Dover OPEB Plan ("Plan").

The IPS will function to:

1. State in a written document the Board's expectations, objectives, and guidelines for the investment of Plan assets which the Board judges to be appropriate and prudent, in consideration of the needs of the Plan.
2. Define and assign the responsibilities for the oversight of the Plan's assets.
3. Set forth an investment structure for managing Plan assets. This structure will help to define asset class, Investment Manager styles, asset allocation and acceptable ranges that, combined, will help to generate the risk/return profile needed to meet the objectives of this policy.
4. Encourage effective communication between the Board and the Investment Consultant, as well as any other interested parties.
5. Establish formalized performance criteria that the Investment Managers selected are expected to meet and against which they are to be measured on a regular basis.
6. Serve as a review document to guide Board and Investment Consultant oversight of the investment options of the Plan's assets.
7. Establish the relevant investment time horizon, risk tolerances and performance expectations of the Plan assets and the Board.

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The assets of the Plan are invested under the supervision of the Board.

After reviewing expected short-term and long-term cash flow requirements of the plan, as well as considering the investment time horizon and risk tolerance level believed to be appropriate for the invested assets, the following set of objectives has been established:

1. Preservation of capital.

2. Pay all benefit and expense obligations when due.

3. Achieve a funding cushion to reduce the impact of possible future downturns in the plan's funded status.

4. Achieve or exceed actuarial earnings assumptions.

5. If applicable, effectively manage the funded status volatility and mitigate undue risk exposure under a Liability Driven Investment (LDI) strategy. The approach can assist in managing interest rate and inflationary risks.

6. Control risk exposure through reasonable and rational diversification of the assets into various asset classes.

7. Establish policies based on total return and expected projected payouts rather than current income.

8. Contain costs of administering and managing the portfolio.

9. Attain a funded status such that the employer has the option to discontinue contributions to the plan if deemed appropriate.

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The Board shall be responsible for approving any changes to this Investment Policy Statement, and shall be responsible for reviewing the implementation of the Investment Policy Statement not less frequently than annually.

These responsibilities include, but are not limited to:

Board The Board will be responsible for establishing investment objectives, investment policy and monitoring and review procedures. The establishment of standards for measuring, monitoring, evaluating and comparing absolute and relative investment performance to assure that investment returns are reviewed on a regular basis and investment return objectives are met during acceptable periods of time. The establishment of authorization, reporting, control, review and general governance procedures to assure that investment policies and guidelines are reviewed on a regular basis and conformed to at all times. All modifications of policies and/or guidelines shall be in writing, signed by all Board members, and delivered on a timely basis to any IM and/or Custodian affected by such changes. The establishment of, through contractual relationships with recognized and carefully selected professional organizations, or by alternative means satisfactory to the Board, a retirement plan management structure which will assure appropriate investment management, custody, and surveillance or compliance procedures to meet investment objectives in conformity with the Board's stated investment policies and guidelines. The Board will have discretion to select, add, replace or remove Investment Managers that will be used to meet the Plan’s investment objectives, consistent with the recommendations and advice of the Investment Consultant.

Investment Consultant The Investment Consultant will be responsible for: providing recommendations to the Board for the selection of Investment Managers and appropriate asset allocation, consistent with the Investment Policy Statement objectives and guidelines; reviewing the performance of such Investment Managers over time; periodically reviewing and providing recommendations to the Board for revisions to the Investment Policy Statement; and other tasks as deemed appropriate by the Board. The Investment Consultant will act in a non-discretionary capacity.

Custodian/Directed Trustee The Custodian/Directed Trustee appointed by the Board will be responsible for the safekeeping of the fund assets, including all transaction settlements and deliveries and will perform regular accounting of all assets owned, purchased or sold, as well as transactions and movement of assets into and out of the Plan account.

Fund safekeeping and securities settlement procedures shall include direct Custodian participation in one or more appropriate securities depositories (e.g., Depository Trust Company, New York) and, as necessary, correspondent participation in other major depositories (e.g., the Federal Reserve System). The Plan's beneficial ownership of all assets shall be inviolate and in all circumstances perfected. Board or designated IM authority to direct all investment transactions shall similarly be protected.

The Directed Trustee will maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Directed Trustee will also be responsible for the payments to such persons and for such purposes in order to provide benefits to plan participants and the remittance of any tax related payments to the applicable State and Federal bodies.

Fiduciary insurance, and officer liability and omissions and errors insurance coverages, of any Custodian, must meet standards set by the Board from time to time.

Investment Manager(s)
The specific responsibilities of the Investment Manager(s) relating to the investment management of the fund include:

1. Managing the Plan assets under its care, custody, and/or control in accordance with their Investment Policy Statement ('IPS') or Prospectus objectives and guidelines set forth herein.

2. Exercising investment discretion (including holding cash equivalents as an alternative) within their IPS or Prospectus objective and guidelines set forth herein.

3. Promptly communicating all significant and/or material matters and changes pertaining to the investment of Plan assets, including, but not limited to:

    i. Investment strategy.
    ii. Portfolio structure.
    iii. Tactical approaches.
    iv. Ownership.
    v. Organizational structure.

vi. Financial condition.
vii. Professional staff.
viii. All legal material and SEC and other regulatory agency proceedings affecting the firm.

4. Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan set forth herein. Each manager shall keep detailed records of said voting and proxies and related actions and will comply with all regulatory obligations related thereto.

5. Utilize the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like benefit plans with like aims in accordance and compliance with all applicable laws, rules, and regulations from local, state, and federal political entities as the pertain to fiduciary duties and responsibilities.

The investments should be relatively liquid, or with a reasonable amount of notice, should be capable of liquidating to cash. There should be no fees or penalties for regular trading or liquidation.

IV. INVESTMENT AND ALLOCATION POLICY

***Investment Horizon*:** The investment guidelines are based on the expectation that the investment horizon will be several years in length. Short-term variability in returns should be expected.

Because of this, the Plan's strategic asset allocation is established with moderate to long-term perspective in mind. The Plan is required to pay retirement benefits to participants as they come due. Therefore, sufficient liquid reserves must be available to satisfy this obligation.

1. The actuary will provide future benefit payment amounts, funding and contribution requirements.

2. The plan should hold a portion of assets in short-term and cash holdings to provide for the schedule of future benefit payments.

***Risk Tolerances*:** It is understood by the Board that achieving the Plan's investment objectives is not guaranteed and there will be time periods for which these objectives will not be met. The Board also recognizes that some risk must be assumed to achieve the Plan's investment objectives and accepts the inevitable fluctuations in returns that will occur. While it is understood that a certain level of risk is expected in the Plan's portfolio, the ability to withstand short and intermediate term variability was specifically considered in the development of the IPS risk tolerances. Factors considered were:

1. It is the intention to fund at least the minimum required contribution (MRC) each year providing ample liquidity.
2. Due to the amount of payouts to occur for many years into the future, the Plan's liabilities exhibit a longer duration (sensitivity to changes in interest rates). As a result, extending durations in the fixed income portion of Plan assets should be considered.
3. The cash balance portion of the plan's liabilities grows at the rate of T-bill + 1%. Future liability growth will be factored into all investment decisions.

As a result of the above-named considerations, the Board believes that the Plan can tolerate some interim variability in market value and rates of return in order to achieve its long-term objectives.

Allowable Investments: Cash and Equivalents, Mutual Funds, Separate Accounts, Options and Futures Contracts, Stocks, Bonds, Commingled Funds, and Collective Trusts, Exchange Traded Funds (ETFs)

Liquidity Policy: The trust will be required to provide periodic distributions in the form of retirement benefit payments to participants. The actuary provides annual assessments of the funding requirements and payments necessary to meet the plans benefit obligations.

Overall Asset Allocation Policy

Based on the Plan's time horizon, risk tolerances, liquidity needs, and asset class preferences and constraints, an efficient or optimal portfolio was identified. This allocation shall be reviewed at least annually and modified as necessary to meet the needs of the Board.

[See Appendix A for the Strategic Asset Allocation Policy of the Plan.]

The current allocation strategy is dynamic in nature under a Liability Drive Investment (LDI) approach. The allocation shall be reviewed periodically, at least annually, and modified as necessary to de-risk the plan, based on the funded status. The overall performance of the portfolio relative to the liabilities will be reviewed in addition to actual performance of the managers.

***Rebalancing*:** Rebalancing is the periodic adjustment of the portfolio to restore a pre-defined Target asset allocation, and will be reviewed at least once per calendar quarter, or as such when the allocation of any asset class exceeds the range around its respective target.

Change in Funding Target Level

Based on the asset allocation glidepath and funding target levels outlined in the Asset Allocation Policy, an increase in the Plan funding ratio that elevates the plan to a new increment level will trigger a rebalancing of Plan assets to the new targets. If the Plan funding ratio decreases and meets a lower target level, the plan will not rebalance to the new target asset allocation.

Timing

Rebalancing reviews generally take place quarterly, or at a frequency determined by appropriate by the Board. Generally, the rebalancing transactions will occur over a period of time to reduce undue market timing risk.

The Plan will diversify its investment portfolio to avoid incurring unreasonable risks. Investment maturities should be scheduled to coincide with projected cash flow requirements. As funded status improves, the asset allocation policy targets will reduce equity investments and increase fixed income investments and "de-risk" the plan portfolio.

V. INVESTMENT MANAGER GUIDELINES

Every Investment Manager selected to manage Plan assets shall be selected by their policy or ability to adhere to these general guidelines; however will have discretion to meet the investment objectives of their portfolio or investment fund. Unless receiving prior Board approval, the only allowable investments of the Plan will be in cash and equivalents, mutual funds, separate accounts, commingled funds, options and futures, stocks, bonds, exchange traded funds (ETFs) and collective trusts:

Cash Policy

Cash equivalents will be invested in an appropriate cash-like fund. Returns should be equal to or better than the 90-day Treasury Bill Index (3-month).

Money market mutual funds may be used, so long as these funds meet the high standards suitable for funds of this nature.

Fixed Income Policy

Investment Objectives

These assets are to be invested in a mutual fund, commingled funds, separate accounts, or collective trusts of high-grade index or active fixed income portfolio subject to the limitations set forth below. The investment objectives of the fixed income portion in order of importance are:

1. Preservation of capital
2. Provide for regular dividend and or interest payments
3. Stability of returns – obtain fairly consistent annual returns.

Investment Guidelines

The Plan's fixed income assets will be managed in accordance with the following:

1. All funds selected for the fixed income portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Investment Managers will be evaluated against their peers on the performance of the total funds under their direct management.

Equity Policy

Investment Objectives

Equity assets are to be invested in mutual funds, commingled funds, separate accounts, stocks, bonds, options and futures, exchange traded funds (ETFs) or collective trusts. Within this framework, the investment objectives of the equity portion are:

1. Long Term Growth of Capital – Assets, exclusive of contribution and withdrawals, should grow in the long run and earn returns equal to the market while risk should be less than the market.

2. Follow a predefined market style (e.g. large cap vs. small cap, value vs. growth) strategy.

Investment Guidelines

The Plan's equity assets will be managed in accordance with the following:

1. All funds selected for the equity portion must have a readily ascertainable market value and must be readily marketable.

2. Investment Managers selected will be diversified and generally conform to industry guidelines.

3. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the Fund Managers will be evaluated against their peers on the performance of the total funds under their direct management.

VI. SELECTION OF INVESTMENT MANAGERS

The Board, with the assistance of the Investment Consultant, will select appropriate Investment Managers to manage the Plan assets. Investment Managers must meet the following minimum criteria:

1. Is a bank, insurance company, investment management company, or investment advisor as defined by the Registered Investment Advisers Act of 1940.

2. Provide at a minimum, historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all the fully discretionary accounts of similar investment style, and reported net and gross of fees.

3. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the Investment Manager relative to other managers of like investment style.

4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel. This information can be supplied by a third party vendor comparable to Lipper or Morningstar.

5. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

6. Investment Managers will be ranked within the top 50 percent of their respective styles on the Investment Consultant's internal ranking program when available.

7. Some of the measures that may be included in the statistical analysis of a fund would be:

    a. *Alpha* – a measure of fund performance compared to its expected return
    b. *Beta* – the general level of influence a fund's market has over its performance
    c. *Standard Deviation* – a measure of a fund's variation of returns over time
    d. *Sharpe Ratio* – a measure of a fund's risk-adjusted return compared to its risk
    e. *Duration* – a measure of sensitivity to interest rate fluctuations over time

8. The Board will consider replacing an actively managed fund if the rank versus its peer group remains in the bottom 50 percent for four consecutive quarters versus its peer group and if statistical analysis concludes that the fund's level of return does not provide an acceptable ratio as compared to its general level of risk.

9. The Board may consider a fund for replacement when the Investment Manager or policy of the fund is changed. In addition, if there are any substantial transactions with regard to the fund management company or holding, or other types of instabilities in the fund company, replacement will be considered.

10. The Board may also consider replacing a fund if its relative performance over a complete market cycle trails its benchmark.

VII. INVESTMENT EVALUATION

Not more than 90 days after the end of each calendar quarter, the Investment Consultant shall report investment positions and performance results to the Board, based on performance reported by each Fund Manager, to monitor and evaluate progress toward the attainment of longer-term targets.

The target rate of return for the Plan has been based on the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the IPS. The real rate of return is the return in excess of the anticipated rate of inflation as measured by the Consumer Price Index (CPI).

Total Plan Portfolio Performance: Over a complete business cycle, the Plan's overall annualized total return (net of expenses) should perform at or above the Plan Benchmark. The Plan Benchmark is a customized index composed of the following benchmarks for each target asset class and based on the current and prior target asset allocation policy for the Plan:

Asset Category	Index*
Cash & Money Market	BofA ML 3-month T-bill Total Return Index
Short-term Bond	Barclays US Govt/Credit 1-3 Yr TR USD
Inflation Protected Bond	Barclays US Treasury US TIPS TR USD
Intermediate-term Bond	Barclays US Govt 5-10 Yr TR USD
Long-term Bond	BC Long Government/Credit
High Yield Bond	BC High Yield Corporate Bond
Large Cap Value	S&P 500 Value
Large Cap Blend	S&P 500 Index
Large Cap Growth	S&P 500 Growth
Mid Cap Value	S&P 400 Value
Mid Cap Blend	S&P 400 Index
Mid Cap Growth	S&P 400 Growth
Small Cap Value	S&P 600 Value
Small Cap Blend	S&P 600 Index
Small Cap Growth	S&P 600 Growth
World Stock	MSCI AC World Index ND USD
Diversified Emerging Markets	FTSE Emerging NR USD
REIT/Real Estate	MSCI US REIT NR USD

**Or other index as designated by the fund and/or fund manager as an appropriate target benchmark for the investment portfolio or fund.*

Individual Investment Managers: During its periodic meetings but not less than annually, the Board will review the following specifics with regard to each Investment Manager:

1. The manager's adherence to their prospectus.
2. Material changes in the manager's organization, investment philosophy, and/or personnel.
3. Performance compared against an appropriate peer group and benchmark, as listed in the Executive Summary of this IPS, over various time periods.

The Board expects the following criteria to be met by each Investment Manager. If a manager fails to meet these, a further review of the manager will be warranted. The Board reserves the right to replace an Investment Manager at their discretion at any time.

1. The Investment Manager's rank (3-year and 5-year return) versus its peer group is over 50 *(where a percentile ranking of 1 would be the highest a fund could achieve and 100 would be the lowest*). If a fund or Investment Manager's rank (3-year and 5-year return) versus its peer g*roup is over 50, the fund will warrant a closer analytic review. The Board's review will* be comprised of a further analysis of the fund's statistical performance and risk measures.

2. The Investment Manager's risk over 3 to 5 years, as measured by standard deviation, should be equal to or lower than the comparative index. If the standard deviation is higher than the index, an increase in performance is expected.

3. The Investment Manager's Sharpe ratio should be positive over 3 to 5 years and ranked above the peer group median.

4. The Investment Manager's Alpha should be positive over a 3 to 5 year period and ranked above the peer group median.

SIGNATURE

This Statement of Investment Policy approved by action of the Board.

Approved by: _____

Chairman or representative of the Board

_____

Controller/Treasurer

Date approved: _____

APPENDIX A

This Appendix to the Investment Policy Statement has been reviewed and approved by the Board:

STRATEGIC ASSET ALLOCATION POLICY (1)

Asset Class	Target
Cash & Short-Term Bond	8%
Non-traditional Bond	5%
Inflation-Protected Bond	4%
Intermediate Term Bond	5%
Long-Term Bond	5%
High Yield Bond	6%
Large Value	12%
Large Growth	13%
Mid Cap Equity	7%
Small Cap Equity	9%
Foreign Equity	10%
Diversified Emerging Mkts	9%
Real Estate	7%
	100%

The above ranges will be considered the long-term or policy allocation. The current "Policy" is the Target for such respective Asset Class of investment. There will be a Range of +/- 5% to the Target to allow for modest market fluctuations before rebalancing of the portfolio. The portfolio will be reviewed at least quarterly and adjusted as necessary to maintain alignment with the target allocations. Any deviations beyond the "Range" must have prior approval by the Board, unless caused by market actions.

To indicate approval of this amendment to the Investment Policy Statement, the appropriate designated Board member shall sign below.

This Appendix to the Statement of Investment Policy approved by action of the Board.

Approved by: _____

Chairman or representative of the Board

Date approved: _____

_____

Controller/Treasurer