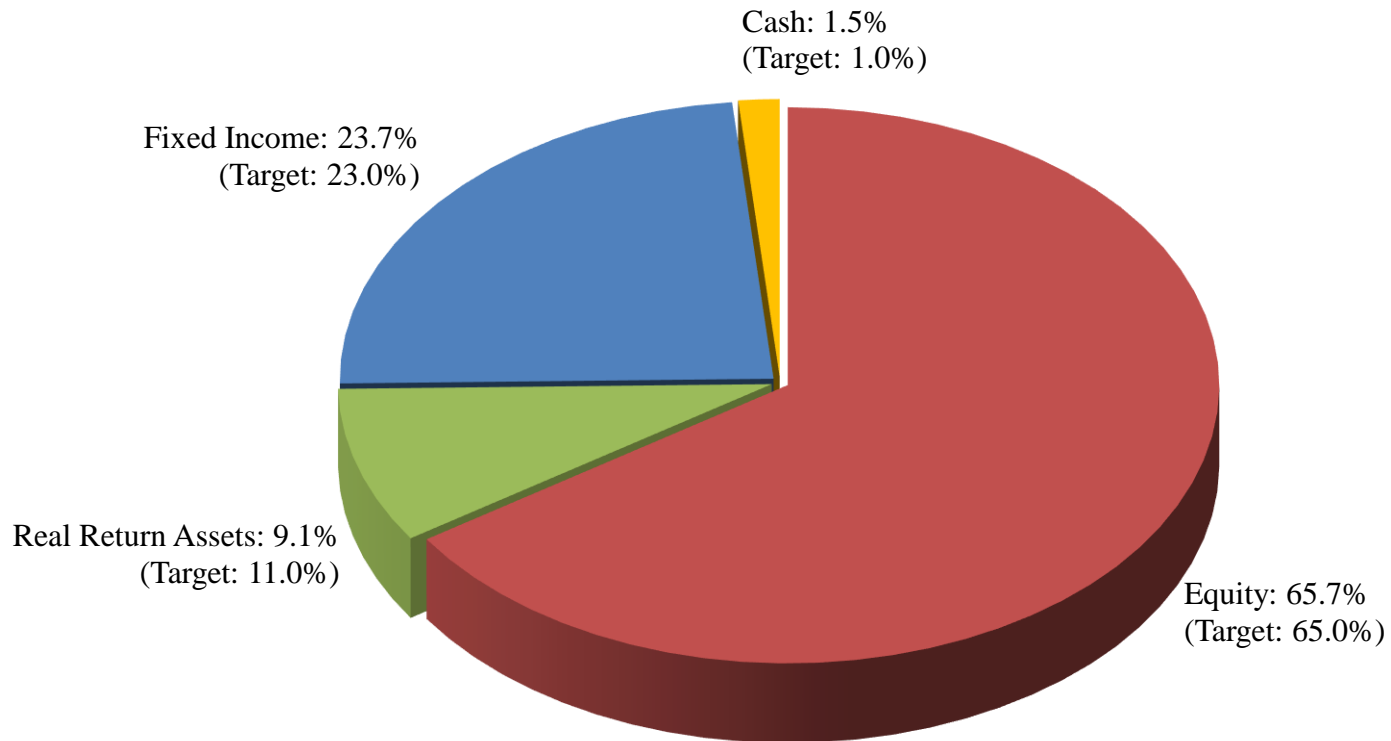


Community Foundation of Tompkins County

Investment Review

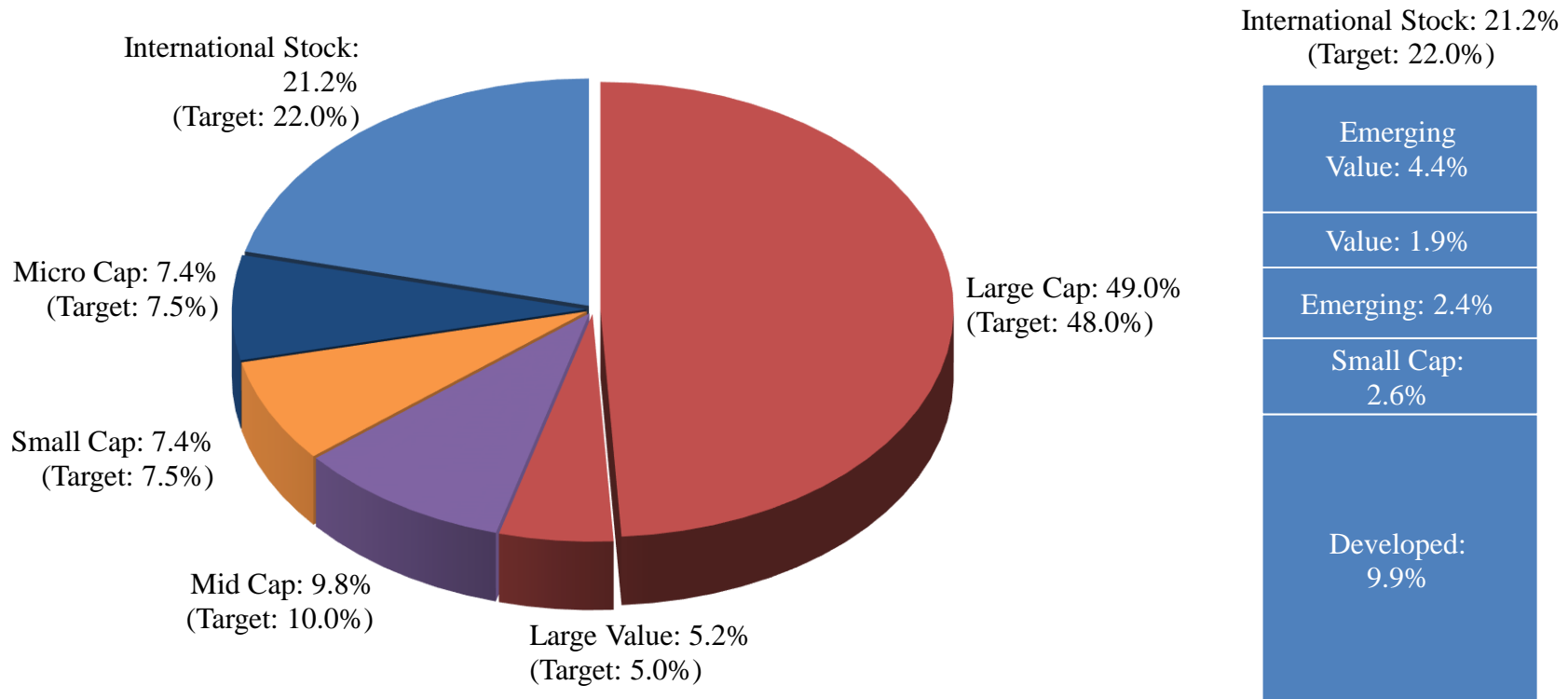
As of 12/31/2015

Overall Portfolio



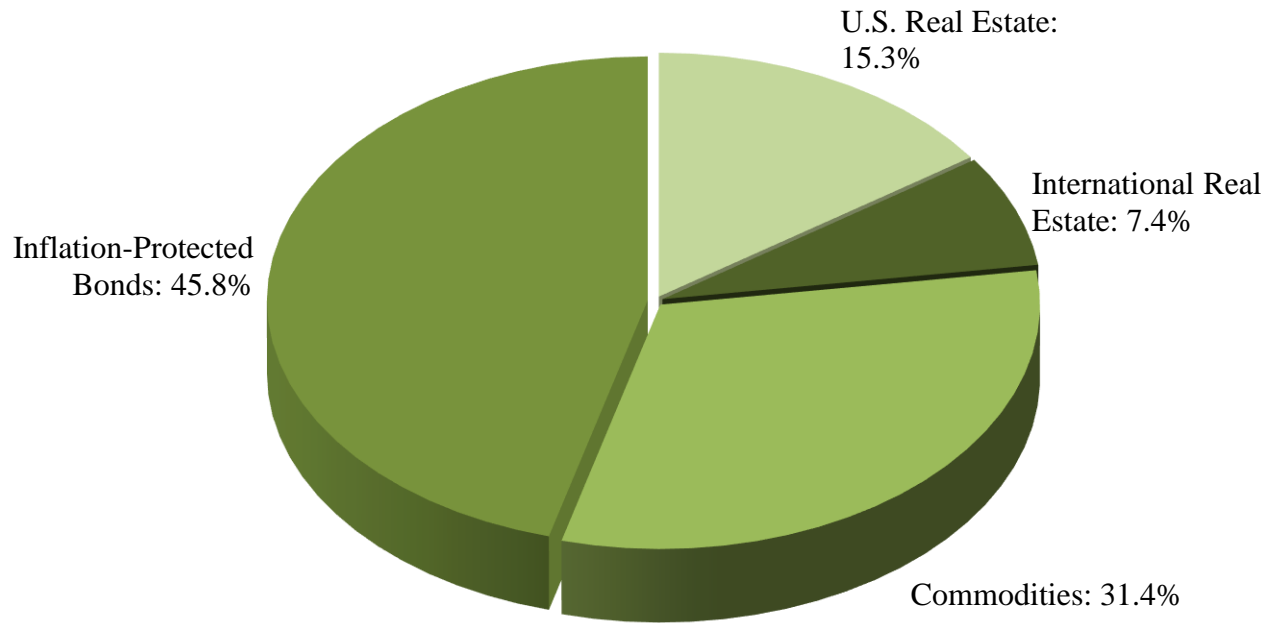
The sum of the values may not equal 100% due to rounding.

Equities



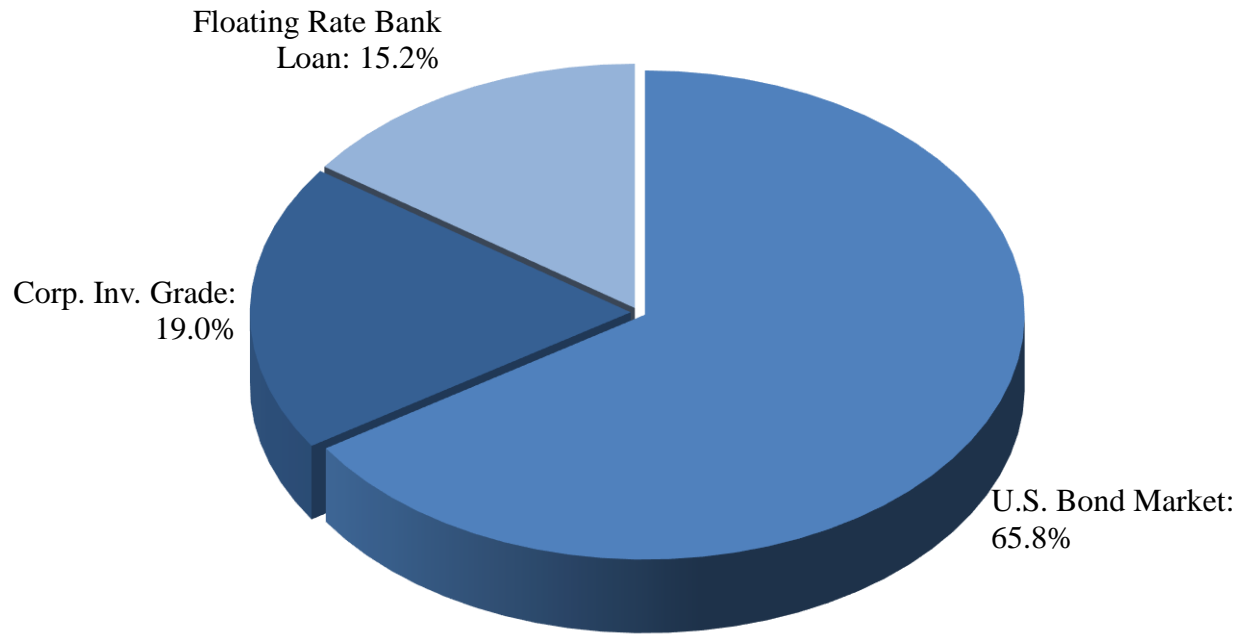
The sum of the values may not equal 100% due to rounding.

Real Return Assets



The sum of the values may not equal 100% due to rounding.

Fixed Income



The sum of the values may not equal 100% due to rounding.

Portfolio Activity and Performance

Activity	4Q 2015 (\$)	2015 (\$)	3 Years (\$)	5 Years (\$)	Since Inception (\$)
Value at Beginning of Period	9,385,307.66	9,918,544.97	8,611,071.60	5,863,951.17	2,666,367.95
Contributions	75,705.82	589,698.30	1,112,273.79	3,628,730.20	7,093,129.94
Withdrawals	-21,128.26	-520,214.96	-1,759,053.47	-2,323,013.61	-3,169,954.48
Income Received	139,534.12	225,682.72	654,222.17	945,267.70	1,255,579.56
Capital Gain/Loss	138,877.53	-495,414.16	1,099,782.78	1,603,361.41	1,873,173.90
Value at End of Period	9,718,296.87	9,718,296.87	9,718,296.87	9,718,296.87	9,718,296.87
Total Investment Gain after Fees	278,411.65	-269,731.44	1,754,004.95	2,548,629.11	3,128,753.46
Performance					
Portfolio	2.97%	-2.70%	6.69%	6.56%	4.25%
Weighted Benchmark Return ¹	3.59%	-0.07%	8.29%	7.59%	4.97%

Inception Date: 02/13/2007

Periods greater than 12 months are annualized

Performance is net of fees.

¹Weighted Benchmark is comprised of 55.25% Russell 3000, 9.75% MSCI ACW exUS, 11% CPI, 24% Barclays Aggregate from inception - 11/30/10, 53.62% Russell 3000, 11.38% MSCI ACW exUS, 11% CPI, 24% Barclays Aggregate from 12/1/10 - 12/31/12 and 52% Russell 3000, 13% MSCI ACW exUS, 11% CPI, 24% Barclays Aggregate from 1/1/13 - present.

Performance

	4Q 2015	2015	3 Year Annualized	5 Year Annualized	Since Inception Annualized
EQUITIES	5.29%	-1.55%	11.54%	9.57%	4.73%
Weighted Equity Benchmark	5.66%	-0.74%	12.02%	10.00%	5.14%
S&P 500	7.04%	1.38%	15.14%	12.57%	6.25%
S&P 400	2.60%	-2.18%	12.76%	10.67%	7.37%
Russell 2000	3.59%	-4.41%	11.66%	9.19%	5.29%
MSCI EAFE	4.71%	-0.81%	5.02%	3.60%	0.45%
FIXED INCOME	-0.77%	0.27%	1.18%	2.97%	4.51%
Barclays Aggregate	-0.57%	0.55%	1.44%	3.25%	4.57%
REAL RETURN ASSETS	-3.02%	-13.55%	-5.60%	0.15%	-0.40%
Weighted RRA Benchmark	-3.03%	-14.53%	-6.01%	NA	NA
Consumer Price Index	0.12%	0.66%	0.95%	1.53%	1.77%
TOTAL PORTFOLIO	2.97%	-2.70%	6.69%	6.56%	4.25%

Inception Date: 02/13/2007

Weighted Equity Benchmark is comprised of 85% Russell 3000, 15% MSCI ACW exUS from inception - 11/30/10, 82.5% Russell 3000, 17.5% MSCI ACW exUS from 12/1/10 - 12/31/12 and 80% Russell 3000, 20% MSCI ACW exUS from 1/1/13 - present.

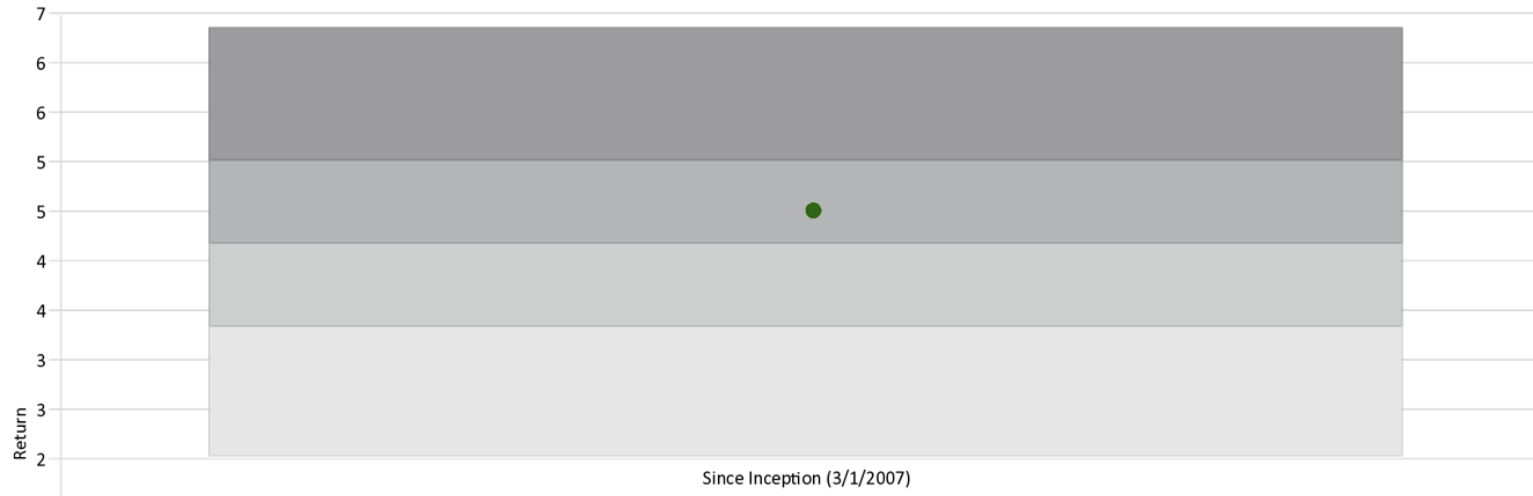
Weighted RRA Benchmark is currently comprised of 13.90% DJ U.S. REIT/ 8.33% DJ Global ex U.S. Real Estate/ 33.33% CS Commodity/ 44.44% Barclays TIPS.

Total portfolio performance is net of fees.

Performance Relative to Peer Group

Peer Group (5-95%): Asset Allocation Funds: 55% - 75% Equity

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



● Community Foundation of Tompkins County

Trailing Returns

As of Date: 12/31/2015

	Since Inception (3/1/07)
Community Foundation of Tompkins County	4.5
Peer group percentile	40
Count	861

Source: Morningstar Direct

Community Foundation Survey

As of September 30, 2015

	<u>Quarter to Date</u>	<u>Year to Date</u>	<u>Latest 3 Years</u>	<u>Latest 5 Years</u>
Alesco Advisors				
Tompkins County Non-SRI Portfolio	-6.7%	-5.5%	6.1%	7.5%
Tompkins County SRI Portfolio	-6.4%	-5.2%	6.9%	7.5%
Community Foundation Survey				
\$5.0 Million - \$24.9 Million	-5.3%	-4.7%	5.7%	6.2%

Data available only as of previous quarter.
Community Foundation Survey results published by Colonial Consulting/FAOG

Portfolio Holdings

Security	Symbol	Quantity	Unit Cost (\$)	Total Cost (\$)	Price (\$)	Value (\$)	Percent of Portfolio
CASH AND EQUIVALENTS							
Schwab Advisor Cash Reserves-Premier	SWZXX			124,858.73		124,858.73	1.28%
CASH	cash			23,476.05		23,476.05	0.24%
TOTAL				148,334.78		148,334.78	1.53%
EQUITIES							
ISHARES CORE S&P 500 INDEX	IVV	15,275	166.17	2,538,289.46	204.87	3,129,389.25	32.20%
ISHARES CORE MSCI EAFE	IEFA	11,625	60.11	698,813.24	54.38	632,167.50	6.50%
ISHARES CORE S&P 400 MIDCAP INDEX	IJH	4,475	72.43	324,124.13	139.32	623,457.00	6.42%
ISHARES CORE S&P 600 SMALLCAP INDEX	IJR	4,275	60.05	256,718.45	110.11	470,720.25	4.84%
DFA US Large-Cap Value Fund	DFLVX	10,763	19.00	204,513.14	30.82	331,707.77	3.41%
DFA Emerging Markets Value Fund	DFEVX	13,636	26.67	363,697.88	20.40	278,175.77	2.86%
DFA US Micro-Cap Fund	DFSCX	15,674	11.06	173,380.04	17.51	274,451.60	2.82%
BRIDGEWAY Ultra-Small Company Market Fund	BRSIX	15,509	13.82	214,352.70	12.90	200,064.53	2.06%

Portfolio Holdings: Continued...

Security	Symbol	Quantity	Unit Cost (\$)	Total Cost (\$)	Price (\$)	Value (\$)	Percent of Portfolio
DFA INTERNATIONAL SMALL-CAP FUND	DFISX	9,623	15.73	151,389.26	17.21	165,614.10	1.70%
ISHARES CORE MSCI EMERGING MKTS ETF	IEMG	3,900	47.34	184,623.67	39.39	153,621.00	1.58%
DFA INTERNATIONAL VALUE PORTFOLIO	DFIVX	7,532	17.65	132,923.67	16.03	120,733.14	1.24%
INTERNATIONAL BUSINESS MACHINES	IBM	3	137.62	412.86	137.62	412.86	0.00%
TOTAL				5,243,238.50		6,380,514.76	65.65%

FIXED INCOME

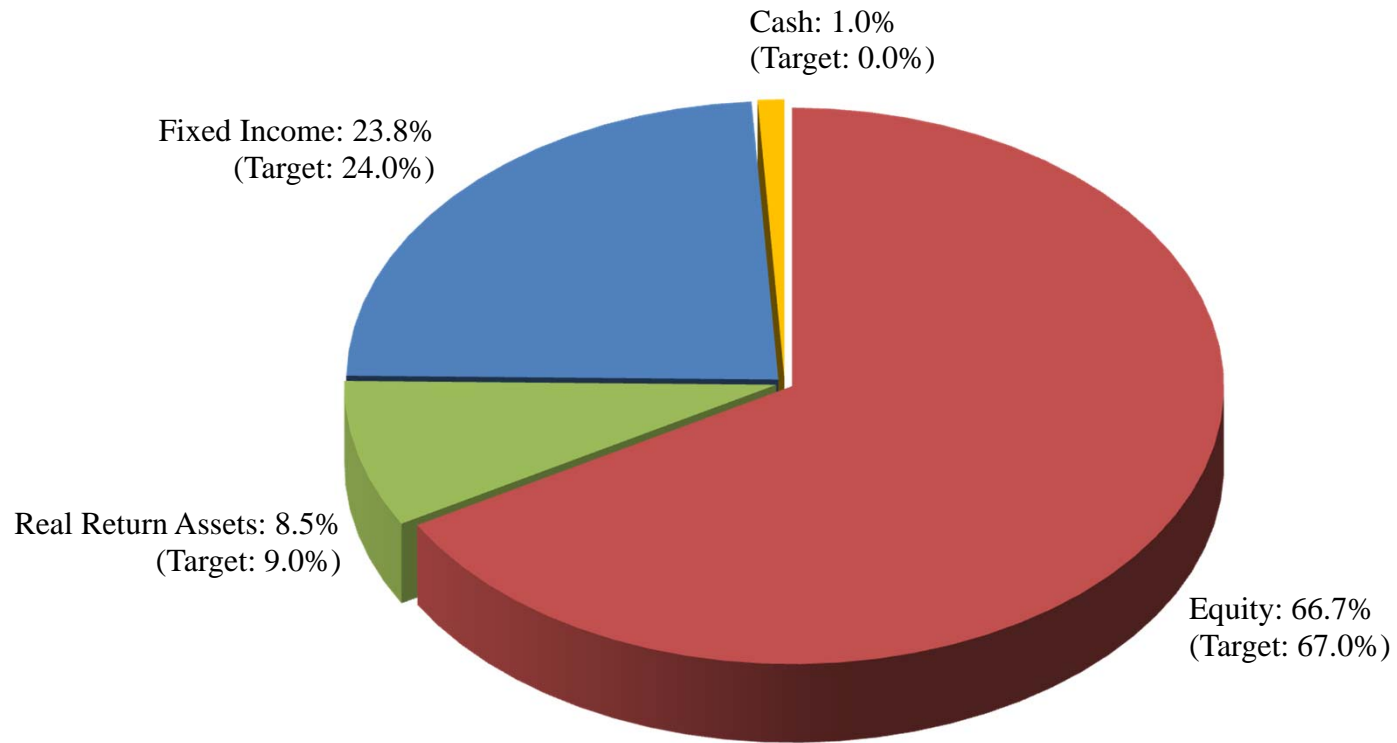
VANGUARD TOTAL BOND MARKET-ADM	VBTLX	135,421	10.33	1,399,123.27	10.64	1,440,877.57	14.83%
RIDGEWORTH SEIX FLOATING RATE I	SAMBX	42,386	8.92	378,109.54	8.26	350,108.10	3.60%
ISHARES FLOATING RATE BOND	FLOT	4,350	50.70	220,552.29	50.44	219,414.00	2.26%
VANGUARD SHORT-TERM INVESTMENT GRADE FUND	VFSUX	20,771	10.74	223,073.99	10.56	219,340.29	2.26%
SCHWAB US AGGREGATE BOND ETF	SCHZ	1,500	52.00	77,993.85	51.50	77,250.00	0.79%
TOTAL				2,298,852.94		2,306,989.96	23.74%

REAL RETURN ASSETS

Portfolio Holdings: Continued...

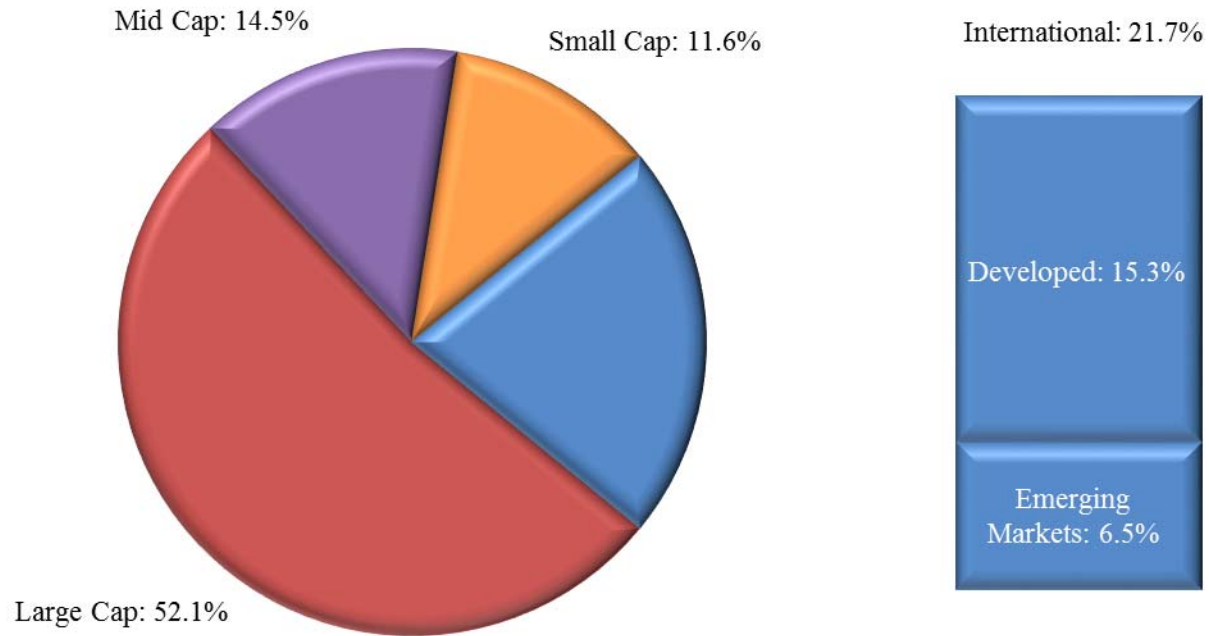
Security	Symbol	Quantity	Unit Cost (\$)	Total Cost (\$)	Price (\$)	Value (\$)	Percent of Portfolio
PIMCO COMMODITIESPLUS STRATEGY FUND - INST	PCLIX	51,266	8.95	458,679.76	5.41	277,350.01	2.85%
VANGUARD SHORT-TERM TIPS	VTIP	4,225	50.09	211,647.39	48.35	204,278.75	2.10%
VANGUARD INFLATION PROTECTED SECURITIES FD	VAIPX	7,939	24.39	193,639.58	25.21	200,148.37	2.06%
SPDR DOW JONES REIT ETF	RWR	1,475	42.50	62,692.81	91.63	135,154.25	1.39%
SPDR DJ INTERNATIONAL REAL ESTATE	RWX	1,675	35.97	60,253.57	39.12	65,526.00	0.67%
TOTAL				986,913.11		882,457.38	9.08%
GRAND TOTAL				8,677,339.33		9,718,296.87	100.00%

Overall Portfolio



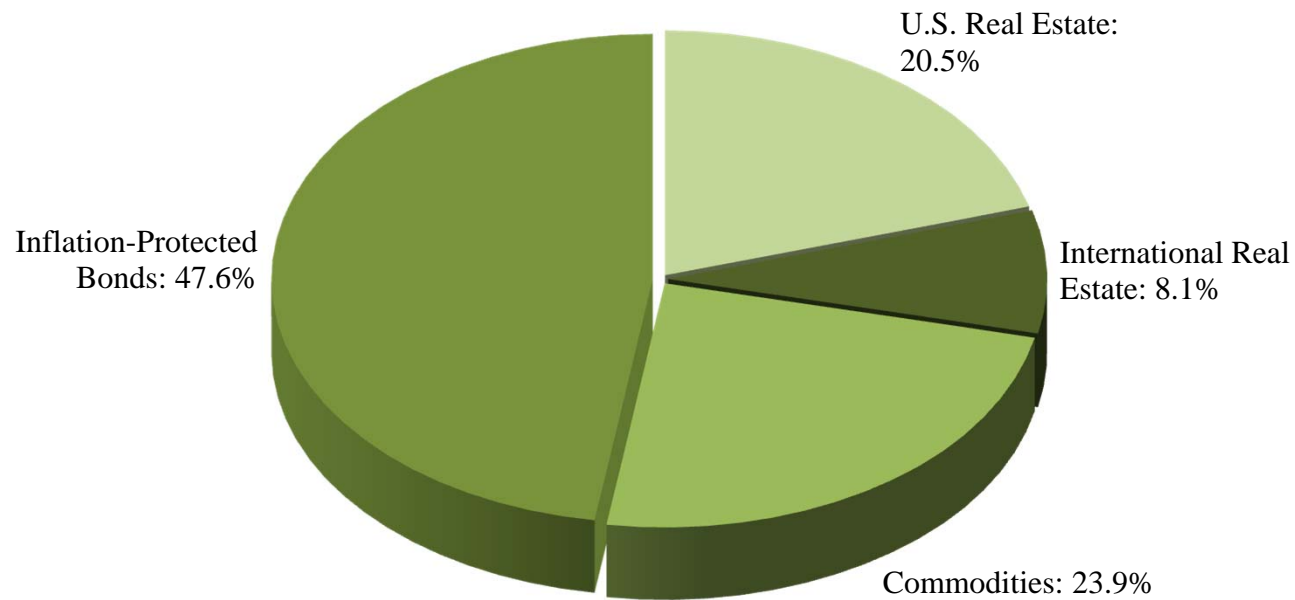
The sum of the values may not equal 100% due to rounding.

Equities



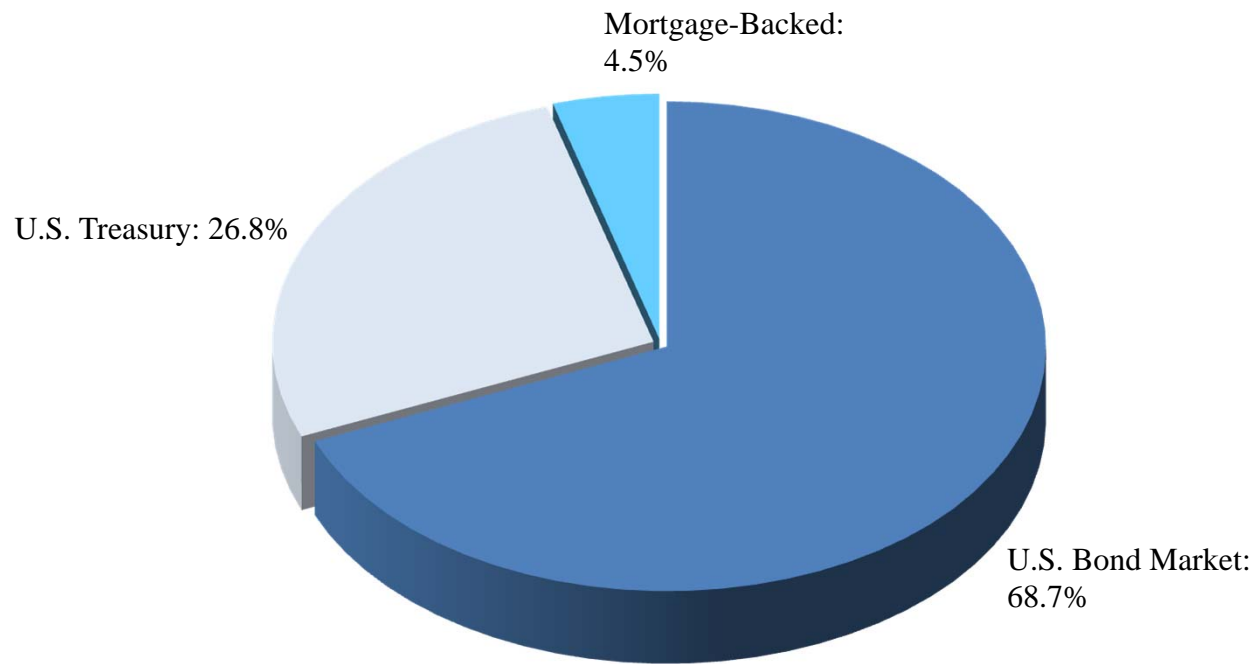
The sum of the values may not equal 100% due to rounding.

Real Return Assets



The sum of the values may not equal 100% due to rounding.

Fixed Income



The sum of the values may not equal 100% due to rounding.

Portfolio Activity and Performance

Activity	4Q 2015 (\$)	2015 (\$)	3 Years (\$)	5 Years (\$)	Since Inception (\$)
Value at Beginning of Period	1,769,710.80	1,852,725.61	1,395,082.23	1,363,850.80	730,662.31
Contributions	31,989.35	97,587.71	312,090.79	363,470.62	1,077,361.77
Withdrawals	-7,013.27	-59,212.28	-217,251.60	-389,868.79	-653,351.21
Income Received	20,820.96	34,928.78	103,790.71	150,759.07	255,365.81
Capital Gain/Loss	24,398.39	-86,123.59	246,194.10	351,694.53	429,867.55
Value at End of Period	1,839,906.23	1,839,906.23	1,839,906.23	1,839,906.23	1,839,906.23
Total Investment Gain after Fees	45,219.35	-51,194.81	349,984.81	502,453.60	685,233.36
Performance					
Portfolio	2.58%	-2.71%	7.04%	6.48%	4.08%

Inception Date: 01/31/2007

Periods greater than 12 months are annualized

Portfolio performance is net of fees.

Performance

	4Q 2015	2015	3 Year Annualized	5 Year Annualized	Since Inception Annualized
EQUITIES	4.31%	-2.89%	11.40%	9.22%	4.48%
Broad Market Social Index	5.41%	-1.71%	11.74%	9.17%	4.75%
S&P 500	7.04%	1.38%	15.14%	12.57%	6.04%
S&P 400	2.60%	-2.18%	12.76%	10.67%	7.15%
Russell 2000	3.59%	-4.41%	11.66%	9.19%	5.35%
MSCI EAFE	4.71%	-0.81%	5.02%	NA	NA
FIXED INCOME	-0.50%	0.90%	1.76%	3.27%	3.87%
Barclays Aggregate	-0.57%	0.55%	1.44%	3.25%	4.58%
REAL RETURN ASSETS	-1.92%	-7.83%	-4.52%	NA	NA
Weighted RRA Benchmark	-3.10%	-9.47%	-6.21%	NA	NA
Consumer Price Index	0.12%	0.66%	0.95%	NA	NA
TOTAL PORTFOLIO	2.58%	-2.71%	7.04%	6.48%	4.08%

Inception Date: 01/31/2007

Inception Dates: 05/01/2007 for Equities, 01/31/2007 for Fixed Income and Total Portfolio, 08/01/2011 for Real Return Assets.

Broad Market Social Index is comprised of KLD All-Cap Sustainability index (discontinued) from inception through 6/30/10, MSCI USA Broad ESG Index from 7/1/10 - 7/31/11, and 80% MSCI USA Broad ESG Index/20% MSCI World ex USA ESG Index from 8/1/11 - present. International position inception on 8/1/11.

Weighted RRA Benchmark is comprised of 13.89% DJ U.S. REIT/ 8.33% DJ Global ex U.S. Real Estate/ 33.33% DB Commodity/ 44.45%

Barclays TIPS.

Total portfolio performance is net of fees.



Portfolio Holdings

Security	Symbol	Quantity	Unit Cost (\$)	Total Cost (\$)	Price (\$)	Value (\$)	Percent of Portfolio
CASH AND EQUIVALENTS							
Schwab Advisor Cash Reserves-Premier	SWZXX			18,148.52		18,148.52	0.99%
CASH	cash			34.82		34.82	0.00%
TOTAL				18,183.34		18,183.34	0.99%
EQUITIES							
DFA U.S. Social Core Equity 2 Portfolio	DFUEX	49,041	9.14	448,397.51	12.10	593,391.16	32.25%
Vanguard FTSE Social Indx-IV	VFTSX	27,809	7.80	216,922.79	13.21	367,358.32	19.97%
DFA Intl Sustainability Core	DFSPX	20,969	8.73	183,012.37	8.88	186,203.19	10.12%
DFA Emerging Markets Social Core Equity	DFESX	8,024	12.89	103,449.14	10.01	80,316.18	4.37%
TOTAL				951,781.81		1,227,268.85	66.70%
FIXED INCOME							
TIAA-CREF Social Bond Instl	TSBIX	29,713	9.88	293,425.01	10.12	300,696.34	16.34%
iShares Barclays Short Treasury Bond Fund	SHV	875	110.26	96,479.60	110.22	96,442.50	5.24%

Portfolio Holdings: Continued...

Security	Symbol	Quantity	Unit Cost (\$)	Total Cost (\$)	Price (\$)	Value (\$)	Percent of Portfolio
ISHARES BARCLAYS 3-7 YEAR TREASURY BOND	IEI	170	119.46	20,308.65	122.61	20,843.70	1.13%
VANGUARD GNMA FUND-ADMIRAL	VFIJX	1,852	10.86	20,120.90	10.66	19,744.48	1.07%
TOTAL				430,334.16		437,727.02	23.79%
REAL RETURN ASSETS							
VANGUARD SHORT-TERM TIPS	VTIP	775	50.09	38,817.15	48.35	37,471.25	2.04%
POWERSHARES DB COMMODITY INDEX TRACKING FD	DBC	2,800	25.99	72,778.22	13.36	37,408.00	2.03%
VANGUARD INFLATION PROTECTED SECURITIES FD	VAIPX	1,470	27.22	40,015.24	25.21	37,063.27	2.01%
SPDR DOW JONES REIT ETF	RWR	350	65.80	23,029.81	91.63	32,070.50	1.74%
SPDR DJ INTERNATIONAL REAL ESTATE	RWX	325	39.03	12,683.31	39.12	12,714.00	0.69%
TOTAL				187,323.73		156,727.02	8.52%
GRAND TOTAL				1,587,623.04		1,839,906.23	100.00%

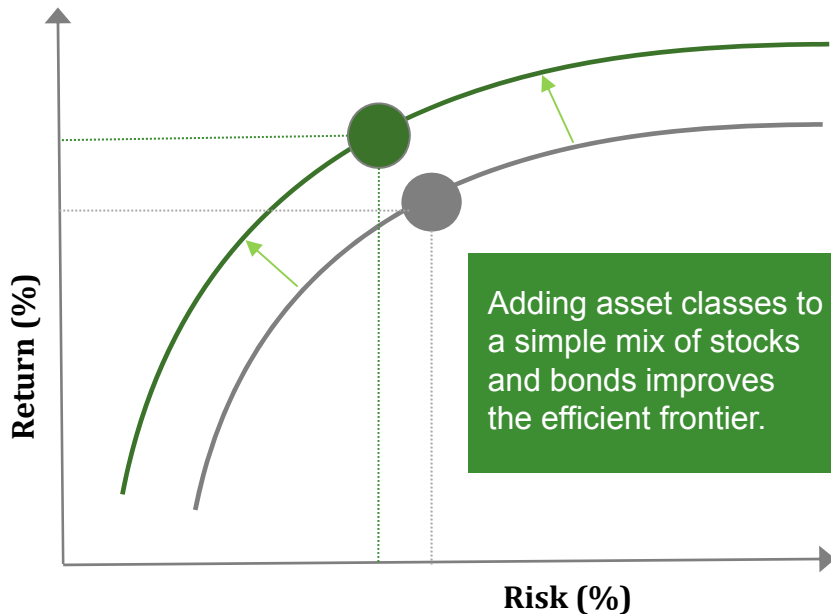
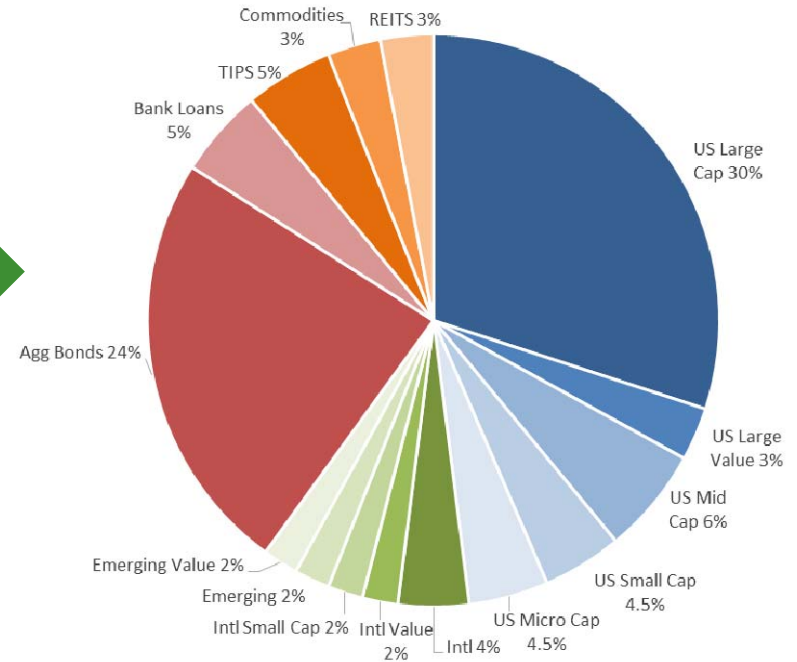
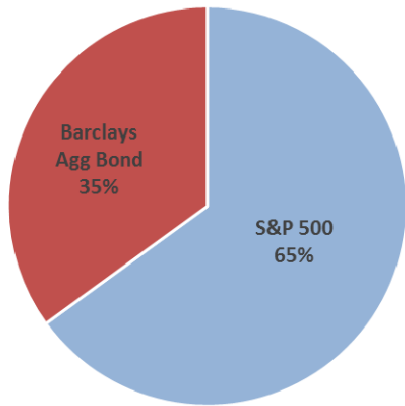
Capital Markets Review

- Global equity markets finished a volatile 2015 with the lowest returns since 2008 amid concerns a slowdown in China would hurt worldwide economic growth. Also, the impact of low oil prices and a strong U.S. dollar negatively impacted corporate profits.
- Domestic large cap stocks outperformed smaller capitalization and international equities. The U.S. bond market return was essentially flat as Treasury yields rose slightly.
- The U.S. economy has exhibited strength in the housing market, a record year for auto sales and an expanding service sector. The strong dollar resulted in weakened exports and contraction in the manufacturing sector.
- In December, the Federal Open Market Committee raised the federal funds rate to a range of between 0.25% and 0.5%. It was the first increase since 2006. The rate had been near zero since December of 2008.
- China's economy is slowing, the yuan has been further devalued, debt is climbing, and the efforts to regulate China's stock market have failed.

Diversification Works (Over Time)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10 Yr (Ann)
REITS 36.0%	Emerging 39.4%	Agg Bonds 5.2%	Emerging 78.5%	REITS 28.1%	TIPS 13.6%	Emerging 18.2%	Small Cap 38.8%	REITS 32.0%	REITS 4.5%	Large Cap 7.3%
Emerging 32.1%	Commodities 32.3%	Cash 2.4%	International 31.8%	Small Cap 26.9%	REITS 9.4%	International 17.3%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	REITS 7.2%
International 26.3%	TIPS 11.6%	TIPS -2.4%	REITS 28.5%	Emerging 18.9%	Agg Bonds 7.8%	REITS 17.1%	International 22.8%	Agg Bonds 6.0%	Agg Bonds 0.5%	Small Cap 6.8%
Small Cap 18.4%	International 11.2%	Hedge Funds -23.3%	Small Cap 27.2%	Commodities 15.2%	Large Cap 2.1%	Small Cap 16.3%	Alesco Balanced 16.9%	Alesco Balanced 5.3%	Cash 0.1%	Alesco Balanced 5.4%
Large Cap 15.8%	Agg Bonds 7.0%	Alesco Balanced -25.0%	Large Cap 26.5%	Large Cap 15.1%	Alesco Balanced 1.4%	Large Cap 16%	Hedge Funds 6.7%	Small Cap 4.9%	International -0.8%	Agg Bonds 4.5%
Alesco Balanced 12.7%	Large Cap 5.5%	Small Cap -33.8%	Commodities 26.1%	Alesco Balanced 15.1%	Cash 0.1%	Alesco Balanced 12.3%	REITS 1.2%	TIPS 3.6%	TIPS -1.4%	TIPS 3.9%
Hedge Funds 9.3%	Cash 5.0%	Large Cap -37.0%	Alesco Balanced 21.4%	International 7.8%	Commodities -3.5%	TIPS 7%	Cash 0.1%	Cash 0.1%	Alesco Balanced -2.4%	Emerging 3.6%
Commodities 6.1%	Alesco Balanced 4.5%	Commodities -38.4%	Hedge Funds 13.4%	Agg Bonds 6.5%	Small Cap -4.2%	Agg Bonds 4.2%	Commodities -1.8%	Hedge Funds -0.6%	Hedge Funds -3.6%	International 3.0%
Cash 4.8%	Hedge Funds 4.2%	REITS -39.2%	TIPS 11.4%	TIPS 6.3%	Hedge Funds -8.9%	Hedge Funds 3.5%	Agg Bonds -2.0%	Emerging -2.2%	Small Cap -4.4%	Cash 1.3%
Agg Bonds 4.3%	Small Cap -1.6%	International -43.4%	Agg Bonds 5.9%	Hedge Funds 5.2%	International -12.1%	Commodities 2.1%	Emerging -2.6%	International -4.9%	Emerging -14.9%	Hedge Funds 0.1%
TIPS 0.4%	REITS -17.6%	Emerging -53.3%	Cash 0.3%	Cash 0.2%	Emerging -18.4%	Cash 0.1%	TIPS -8.6%	Commodities -26%	Commodities -29.4%	Commodities -4.4%

Disclosures: see page 17



Adding asset classes to a simple mix of stocks and bonds improves the efficient frontier.

Over time the broadly diversified portfolio shown above produced higher returns with lower volatility than a simple portfolio comprised of the S&P 500 and Barclays Aggregate Bond Index *

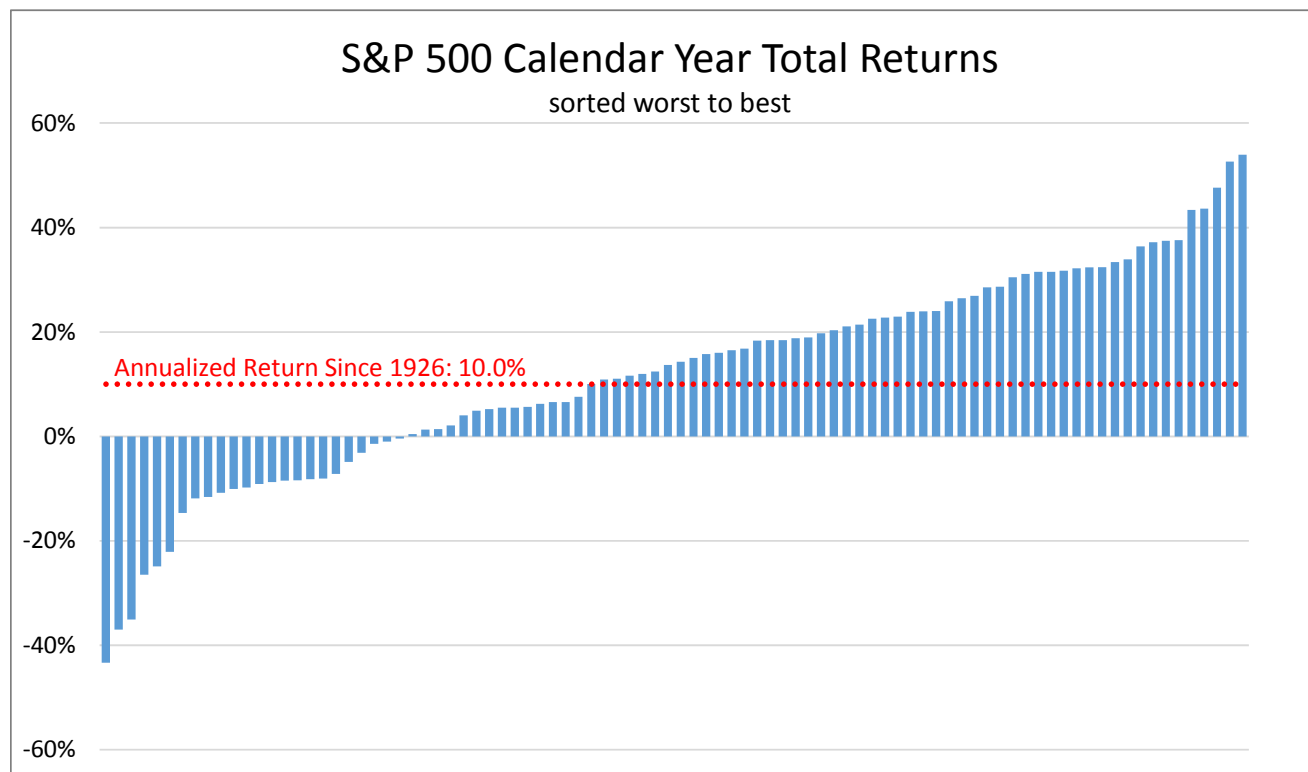
*Asset class returns are represented by the following indices: S&P 500, S&P 500 Value, S&P MidCap 400, S&P SmallCap 600, Russell MicroCap, MSCI EAFE, MSCI EAFE Value, MSCI EAFE Small Cap, MSCI EM, MSCI EM Value, Barclays US Agg Bond, Credit Suisse Leveraged Loan, Barclays US Treasury US TIPS, Credit Suisse Commodity Benchmark, DJ US Select REIT. Asset classes were not included in the return series until the indices became available.

Source: Morningstar

Stock Returns

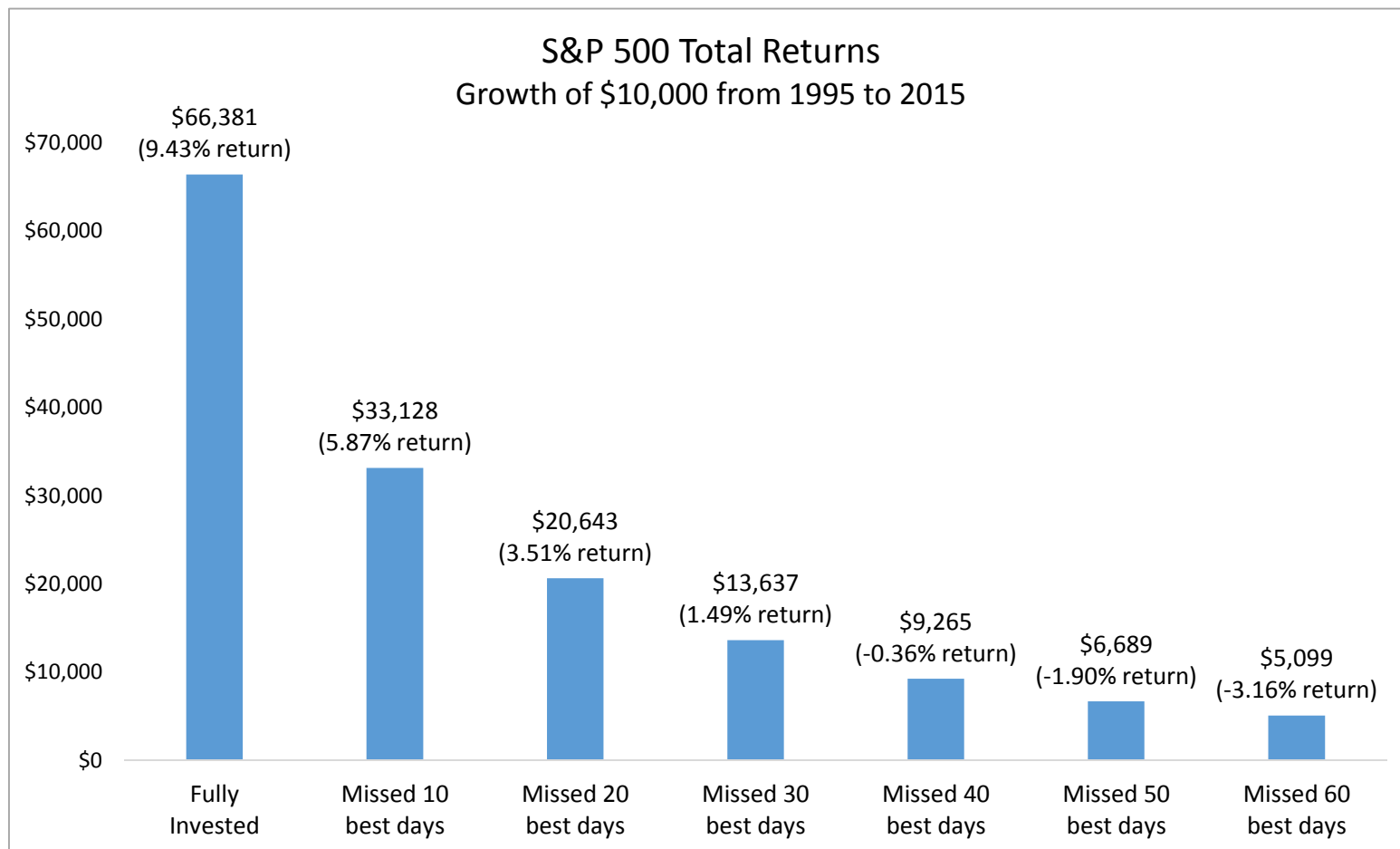
- **The annualized return for equities from 1926 to 2015 is 10.0%, but that is rarely the experience**

- Only twice have we experienced calendar year returns between 9% and 11% and only seven times between 7% and 13%



Source: Dimensional Fund Advisors

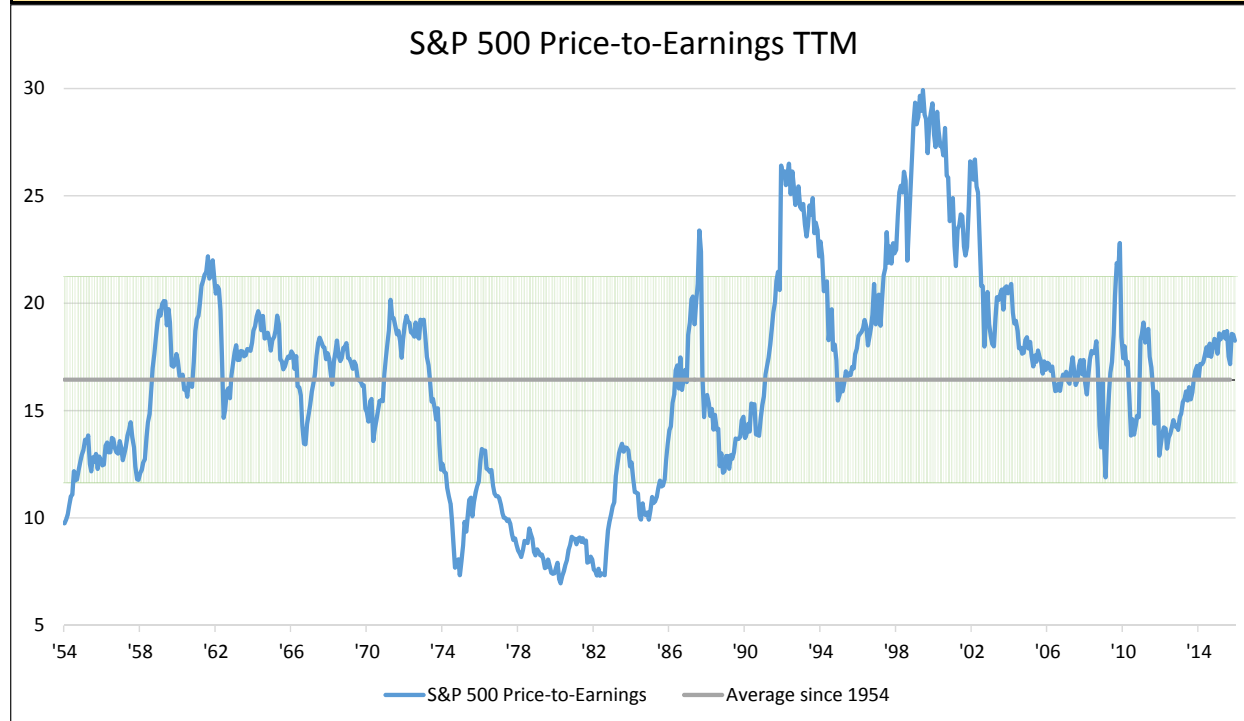
Staying Invested



Source: Bloomberg

Equity Valuations

Valuation Metric for S&P 500	12/31/2015	25 Year Average	Standard Deviation: over/under valued
Price to Earnings TTM	18.26	19.75	-0.4
Shiller's P/E (CAPE)	25.93	25.68	0.0
Dividend Yield (%)	2.15	2.03	0.2
Price to Book	2.76	2.88	-0.2
Price to Cash Flow	10.71	11.02	-0.1
Baa Corp Yield - S&P 500 Yield (%)	2.14	4.24	-1.3



Source: Bloomberg, Shiller, Robert. <http://www.econ.yale.edu/~shiller/data.htm>, Baa Corp Yield: Barclays U.S. Baa Corp Bond Index. Green shaded area ± 1 standard deviation.

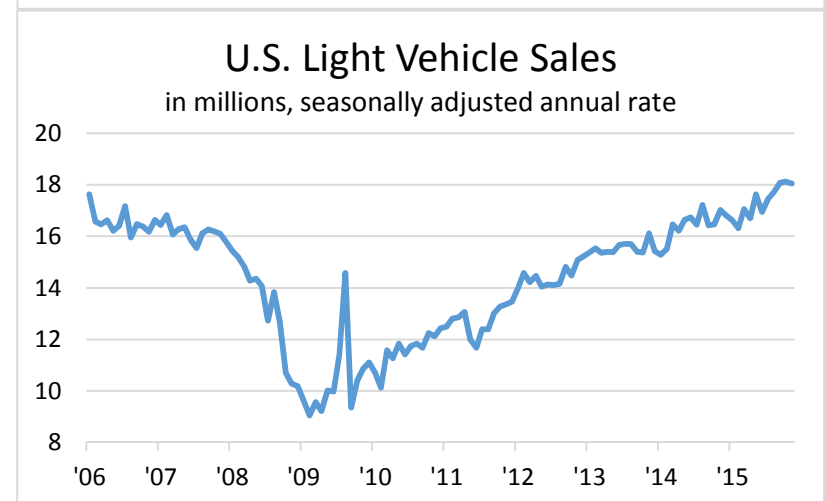
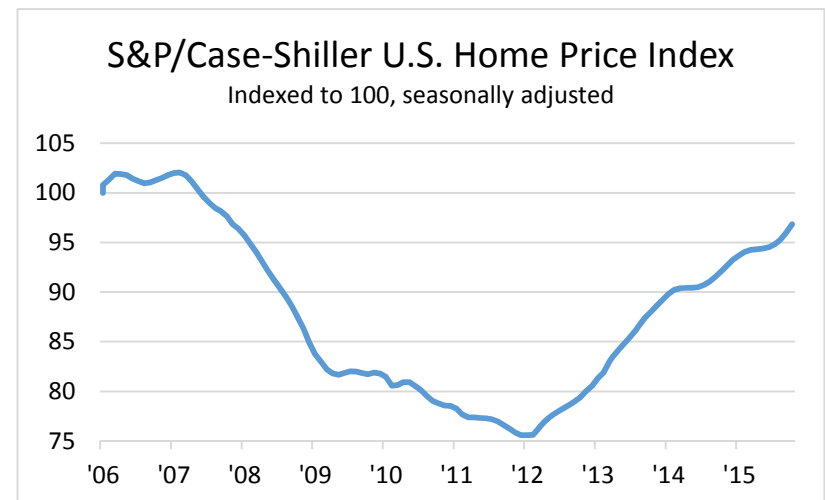
U.S. Economy

- **Home prices closing in on pre-2008 levels**

- Economists predict home prices will rise another 3% to 4% in 2016
- New home construction picked up in the second half of 2015
- The potential of rising rates, along with increasing home prices, may challenge future first time home buyers

- **U.S. auto sales have record year in 2015**

- Americans spent almost \$570 billion on new vehicles
- Low gasoline prices, moderate economic growth and easy credit contributed to the demand
- SUVs, crossovers and trucks continued to gain market share over sedans



Source: Bloomberg, S&P Dow Jones Indices.

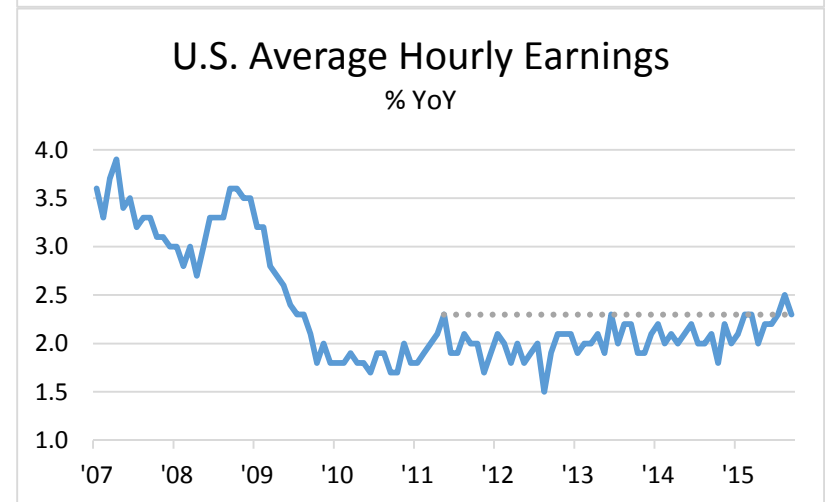
U.S. Labor Market

- **Unemployment has fallen to 5%, lowest since April 2008**

- The service sectors and construction have been adding jobs
- Mining/logging sector has been losing jobs and manufacturing has been flat for most of 2015
- Unemployment is expected to break below 5% in 2016

- **Wage growth still low, but improving**

- The Federal Reserve considers wage growth of 3.5% to be healthy
- Wage growth had been less than 2.3% for most of the recovery, only recently breaking out
- Higher wages can lead to higher inflation, if workers are willing to spend their increases



Source: Bloomberg.

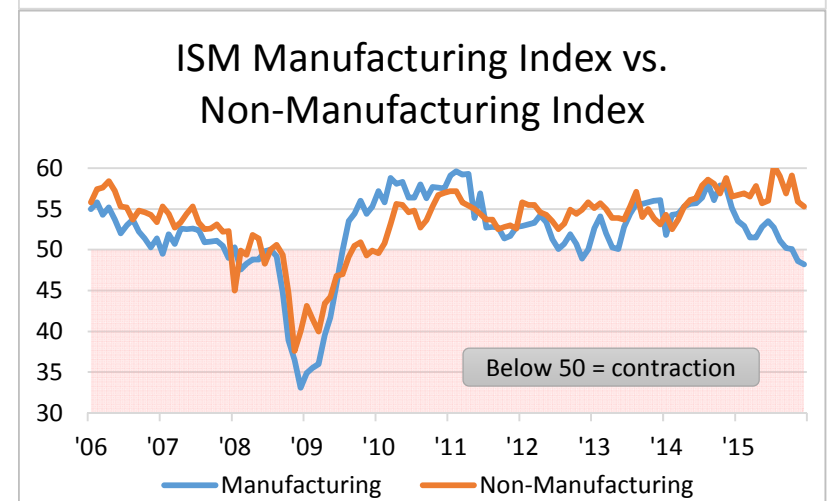
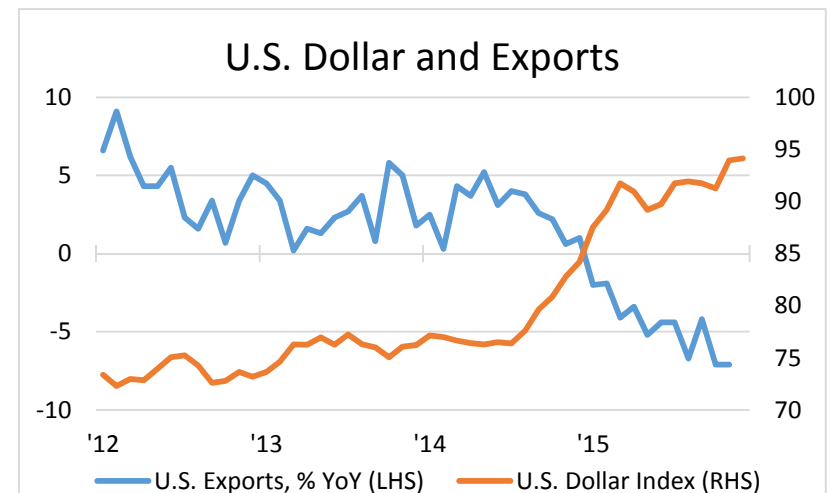
U.S. Dollar Impact

• The U.S. Dollar strength continues

- A stronger dollar is a headwind for U.S. manufacturers and exporters, making our goods more expensive overseas
- U.S. exports declined for 2015
- Higher interest rates in the U.S. and continued quantitative easing in Europe, Japan, and China could result in further U.S. dollar strength
- Overseas revenue for U.S. companies has increased from 42% of total revenues in 2003 to 48% in 2014

• Divergence in U.S. manufacturing from rest of the economy

- November and December of 2015 saw the first contractions in the manufacturing sector since late 2012 – mostly due to the stronger dollar and weaker commodity sector
- The service sector continues to be healthy and expanded in 2015 at the highest rate since the recession



Source: Bloomberg, S&P Dow Jones Indices.

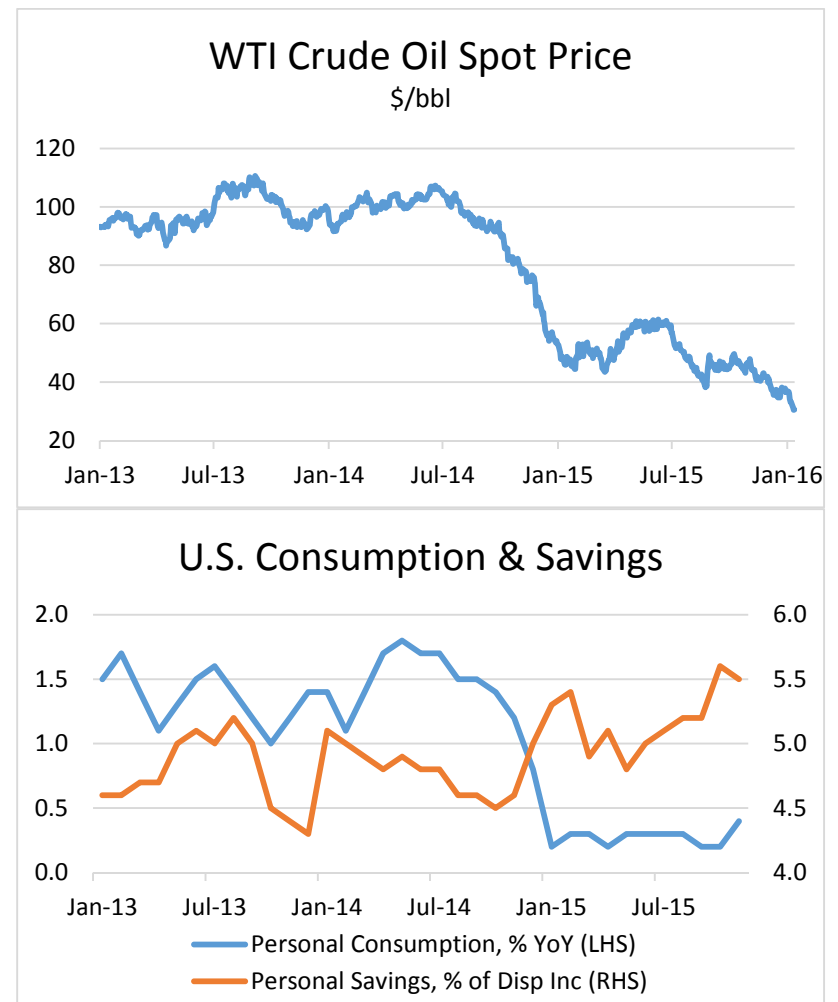
Oil

• Oil prices near 12 year low

- Oil traded below \$30 a barrel in January 2016, after trading in a range of between \$40 and \$60 for most of 2015
- The recent decline in oil prices has been driven by an increase in supply, not a decrease in demand
- Since 2013 global oil consumption increased by 4.3% and production increased by 5.4%

• Only recently has the energy savings started to translate into increased consumption

- The estimated annual savings on gasoline is \$550 per driver, for a total of \$115 billion
- Consumers initially were concerned the lower prices wouldn't remain and increased savings
- Recent data shows an increase in spending, with restaurants and grocery stores benefiting the most



Source: Bloomberg, JP Morgan Asset Management, EIA, Federal Reserve Bank of St. Louis. Wee, Heesun. "As energy savings pile up, hope for a lift in consumer spending". CNBC 12/21/15.

The Federal Reserve

- **On December 16 the Federal Open Market Committee raised the federal funds rate to a range of between 0.25% and 0.50%**

- It was the first increase since 2006. The rate had been near zero since December of 2008
- The FOMC cited economic activity that expanded at a moderate pace, as well as improvements in household spending, housing and labor markets
- A slow pace of hikes is expected, with rate estimates between 0.75% and 1.25% by the end of 2016

Historical Impact of Rate Increases

Median Performance During Fed Tightening Cycles, 1950-2010				
Asset Class	3 Months Prior	6 Months After	12 Months After	24 Months After
U.S. Equities	7%	9%	10%	22%
DM Equities	6%	7%	14%	38%
EM Equities	5%	8%	16%	23%
Commodities	3%	4%	7%	34%
IG Bonds	0%	1%	3%	14%

Source: Fidelity Investments (AART), using data from Barclays, Fidelity Investments, MSCI, Ibbotson, Bloomberg, BoA ML as of 9/30/2015

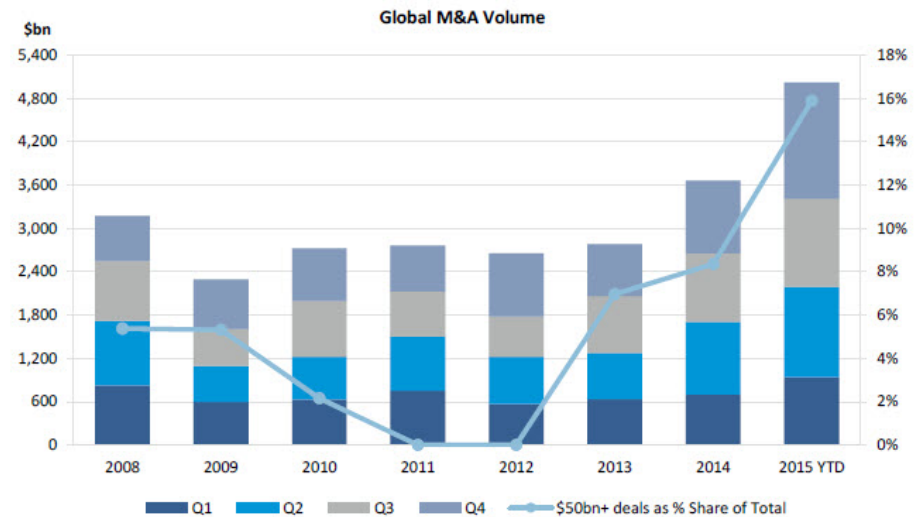
Record Year for Global Mergers & Acquisitions (M&A)

- **Global M&A hit a record high of \$5 trillion in 2015**

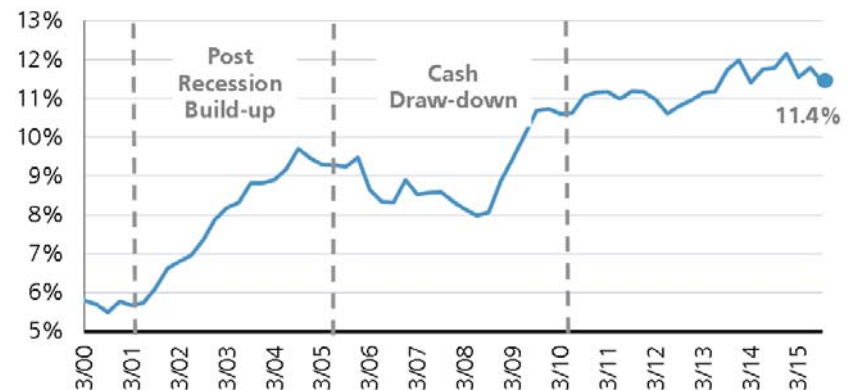
- U.S. and Asia targets had record years, with \$2.5 trillion and \$1.0 trillion respectively
- Healthcare, technology and real estate were the most targeted industries

- **M&A fueled by high corporate cash and inexpensive financing**

- U.S. corporate cash (ex-financials) was 11.4% of total assets and close to a new nominal high at \$1.4 trillion
- Companies are looking for ways to put their cash to work, instead of earning nearly zero
- In this low growth environment companies are looking for alternative ways to grow and reduce costs
- High levels of M&A activity typically is an indicator of CEO optimism



Cash as a % of Total Assets (S&P 500 ex Fin)



Source: Liu, Fidelia. "Global M&A Surpasses \$5tr for the First Time on Record". Dealogic, 12/29/15. Emanuel et al. "Pictures Tell the Story: January 2016". UBS, 1/4/2016.

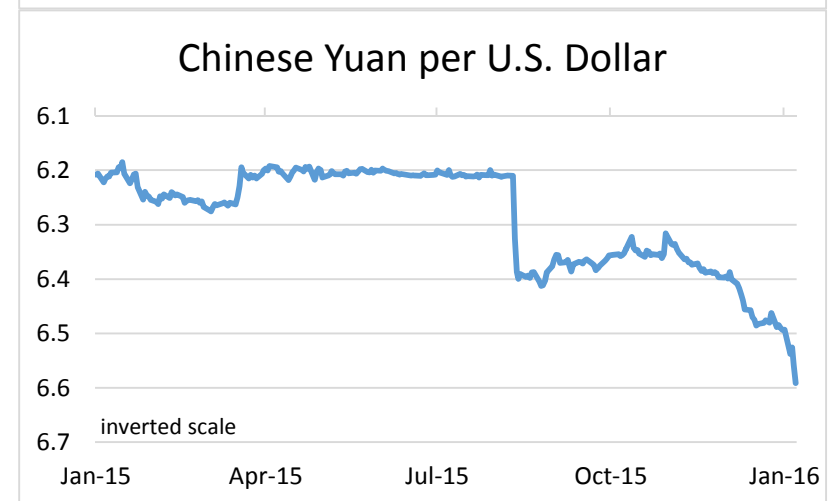
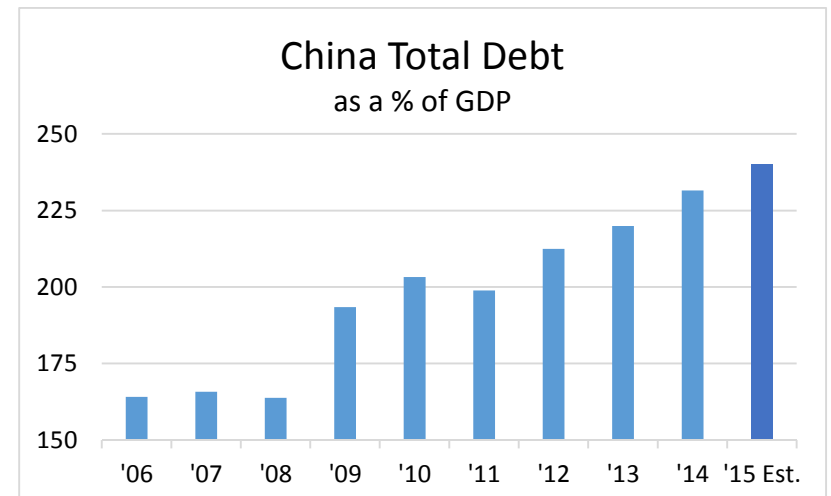
China

• China's debt is rising rapidly

- Estimates vary on the size of China's total debt
- More concerning than the size is the acceleration of debt accumulation over a short time period accompanied by slower economic growth
- Off-balance sheet borrowing by local governments, rise of shadow banking, and high real estate debts are potential areas of trouble
- Majority of debts and creditors are government controlled entities

• Chinese Yuan devaluation continues

- China's foreign exchange reserves fell \$513 billion during 2015 to \$3.3 trillion, as a result of the government intervening and market forces
- The devaluation is stemming from slower growth prospects and falling Chinese stock prices
- A declining currency will help Chinese exporters

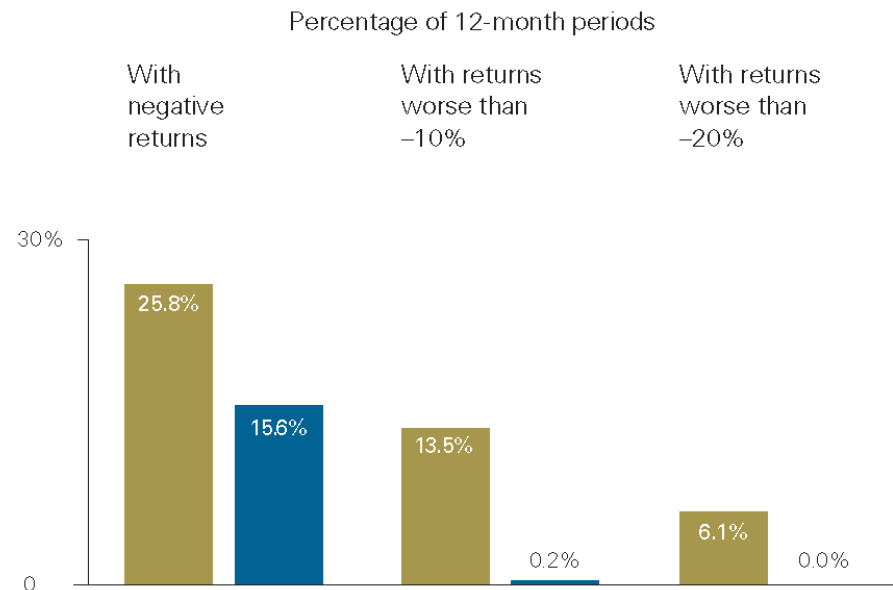
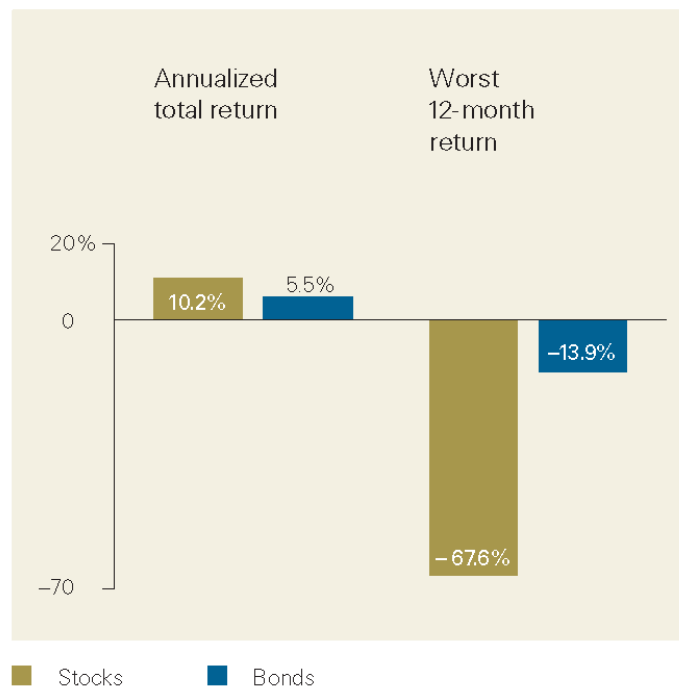


Source: Bloomberg. Yap, Chuin-Wei. "China's Forex Reserves Fall by Record \$107.9 Billion on Yuan Fears" Wall Street Journal. 1/7/2016. 2015 Debt to GDP Estimate by *The Economist*.

Bonds

- Historically, bonds have experienced fewer negative returns compared to equities with a significantly smaller magnitude of decline

U.S. financial markets, 1926–2014



The following indexes were used for U.S. stock market returns: S&P 90 Index, 1926 through March 3, 1957; S&P 500 Index, March 4, 1957, through 1974; Dow Jones Wilshire 5000 Index, 1975 through April 22, 2005; MSCI US Broad Market Index, April 23, 2005, through April 30, 2011; and CRSP US Total Market Index thereafter. For U.S. bond market returns: S&P High Grade Corporate Index, 1926 through 1968; Citigroup High Grade Index, 1969 through 1972; Lehman Brothers U.S. Long Credit AA Index, 1973 through 1975; Barclays U.S. Aggregate Bond Index, 1976 through 2009; and Barclays U.S. Aggregate Float Adjusted Index thereafter.

Source: Vanguard calculations using data from S&P, MSCI, CRSP, Citigroup, and Barclays, as of December 31, 2014.

SPIVA Scorecard

Percent of Mutual Funds Outperformed by Benchmark

Fund Category	Comparison Index	One Year (%)	Three Year (%)	Five Year (%)	Ten Year (%)
All Large Cap Funds	S&P 500	65.3	64.5	80.8	79.6
All Mid Cap Funds	S&P MidCap 400	48.2	67.7	78.4	87.0
All Small Cap Funds	S&P SmallCap 600	58.5	73.2	78.8	80.6
All Multi Cap Funds	S&P Composite 1500	67.1	66.6	83.1	84.1
International Funds	S&P 700	34.4	55.3	60.7	82.5
Emerging Market Funds	S&P/IFCI Composite	73.3	70.9	74.5	92.2
Government Intermediate Funds	Barclays Intermediate Government	88.9	82.9	70.0	75.6
Government Long Funds	Barclays Long Government	98.8	85.4	97.8	93.3
New York Municipal Debt Funds	S&P New York AMT-Free Municipal Bond	41.9	61.3	66.7	94.3

Source: S&P Dow Jones Indices, CRSP. For periods ending June 30, 2015. Outperformance is based upon equal weighted fund counts. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

SPIVA Persistence

Performance Persistence over Five Consecutive 12-Month Periods

Top Quartile Performing Funds

Fund Category	Fund Count at Start September 2011	Percent Remaining in Top Quartile			
		September 2012	September 2013	September 2014	September 2015
All Large Cap Funds	268	16.0	5.2	0.8	0.0
All Mid Cap Funds	98	19.4	10.2	2.0	0.0
All Small Cap Funds	148	21.6	8.1	1.4	0.7

Top Half Performing Funds

Fund Category	Fund Count at Start September 2011	Percent Remaining in Top Half			
		September 2012	September 2013	September 2014	September 2015
All Large Cap Funds	535	39.8	19.6	12.3	7.5
All Mid Cap Funds	196	36.2	19.4	8.7	3.1
All Small Cap Funds	296	48.3	26.7	11.5	7.4

Source: S&P Dow Jones Indices, CRSP. Data as of September 30, 2015. Tables are for illustrative purposes.

Financial Market Performance

<i>Total Returns through December 31, 2015</i>							
Asset Class	Index Description	QTD	1 Year	Annualized Returns			
				3 Year	5 Year	10 Year	15 Year
U.S. Equity							
Large-Cap Core	S&P 500	7.0%	1.4%	15.1%	12.6%	7.3%	5.0%
Large-Cap Growth	S&P 500 Growth	7.9%	5.5%	17.2%	14.1%	8.7%	5.2%
Large-Cap Value	S&P 500 Value	6.1%	-3.1%	12.8%	11.0%	5.8%	4.7%
Mid-Cap Core	S&P MidCap 400	2.6%	-2.2%	12.8%	10.7%	8.2%	8.3%
Mid-Cap Growth	S&P MidCap 400 Growth	2.9%	2.0%	13.4%	11.1%	8.9%	7.5%
Mid-Cap Value	S&P MidCap 400 Value	2.2%	-6.7%	12.0%	10.2%	7.4%	9.0%
Small-Cap Core	Russell 2000	3.6%	-4.4%	11.7%	9.2%	6.8%	7.3%
Small-Cap Growth	Russell 2000 Growth	4.3%	-1.4%	14.3%	10.7%	8.0%	6.0%
Small-Cap Value	Russell 2000 Value	2.9%	-7.5%	9.1%	7.7%	5.6%	8.2%
Micro-Cap Core	Russell Microcap	3.7%	-5.2%	12.7%	9.2%	5.1%	8.0%
International Equity							
Developed Markets	MSCI EAFE	4.7%	-0.8%	5.0%	3.6%	3.0%	3.5%
Emerging Markets	MSCI Emerging Markets	0.7%	-14.9%	-6.8%	-4.8%	3.6%	8.5%
Fixed Income							
Short-Term Treasury (1-3 mo.)	Barclays Short Treasury	0.0%	0.1%	0.1%	0.1%	1.4%	1.8%
Intermediate-Term Corporate	Barclays Intermediate Corporate	-0.4%	1.1%	1.8%	3.9%	5.0%	5.5%
Diversified Bonds	Barclays U.S. Aggregate	-0.6%	0.5%	1.4%	3.2%	4.5%	5.0%
Municipal Bonds	Barclays Municipal Bonds	1.5%	3.3%	3.2%	5.3%	4.7%	5.0%
Real Return							
Domestic Real Estate (REITs)	Dow Jones Select US REIT	7.5%	4.5%	11.8%	12.3%	7.2%	11.0%
International Real Estate	Dow Jones Global ex-U.S. Select Real Estate	1.0%	-3.0%	2.7%	5.1%	3.9%	8.6%
Inflation-Protected Treasuries (TIPS)	Barclays U.S. Treasury Inflation Notes	-0.6%	-1.4%	-2.3%	2.5%	3.9%	5.5%
Short-Term Inflation-Protected Treasuries (TIPS)	Barclays U.S. Treasury TIPS 0-5 Years	-0.3%	0.0%	-0.9%	0.8%	2.8%	-
Commodities	Credit Suisse Commodity Benchmark	-13.9%	-29.4%	-20.0%	-12.8%	-4.4%	2.6%

Source: Bloomberg.

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Disclosures

Year	Net of Fees Returns	Benchmark ²	Number of Portfolios	Dispersion	Total Composite Assets	Total Firm AUM
2001	1.52%	-5.87%	3	1.81%	\$13,984,267	\$68,976,597
2002	-7.15%	-10.39%	8	1.99%	\$48,906,445	\$124,235,515
2003	21.36%	21.18%	11	2.65%	\$64,096,276	\$209,618,830
2004	11.16%	9.87%	13	0.93%	\$72,367,420	\$297,934,619
2005	5.90%	5.61%	14	0.56%	\$87,025,768	\$357,957,387
2006	12.70%	13.05%	23	0.94%	\$266,612,976	\$610,699,244
2007	4.47%	7.57%	29	0.58%	\$297,344,492	\$736,950,410
2008	-24.97%	-25.35%	33	2.84%	\$225,299,891	\$611,255,101
2009	21.42%	21.26%	38	2.98%	\$310,025,168	\$938,275,015
2010	15.10%	12.07%	37	1.21%	\$348,186,232	\$1,178,228,552
2011	1.38%	2.19%	40	0.84%	\$361,082,858	\$1,299,009,260
2012	12.32%	12.08%	46	0.73%	\$473,675,848	\$1,524,622,010
2013	16.91%	17.23%	58	1.78%	\$811,289,748	\$1,975,905,236
2014	5.33%	8.61%	65	0.48%	\$892,312,709	\$2,173,256,865
2015	-2.41%	0.41%	74	-	\$1,193,462,026	\$2,384,965,490

Past performance is not indicative of future results. Alesco Advisors LLC ("Alesco") claims compliance with the Global Investment Performance Standards ("GIPS® standards") and has prepared and presented this report in compliance with the GIPS standards. Alesco has been independently verified by DeJoy, Knauf & Blood, LLP for the period from January 1, 2001 through December 31, 2014. In addition, the Global Balanced Composite was examined for the same time period. Alesco was founded in 2000 and is an independent Registered Investment Adviser under the Adviser's Act of 1940. The Global Balanced Composite ("the composite") is comprised of portfolios that meet certain inclusion criteria, thus performance-related data is a subset of the overall firm data. The composite performance may not be representative of portfolios that do not meet all inclusion criteria. The composite inception date was January 1, 2001. The composite does not include portfolios for which Alesco acts as a consultant only or portfolios where the client has established certain restrictions or a portion of the account is managed by firms other than Alesco. To be included in performance history, portfolios must be tax-exempt, fee-paying, and have an initial market value of \$1 million (or have achieved this market value). The composite is comprised of portfolios that meet an investment objective of long-term capital appreciation with a target mix of 50-70% weighting in equity securities. Due to this range, portfolios in the composite may not reflect the historical performance of portfolios with the asset allocation targets stated in the "Portfolio Highlights" section of this document. The objective of the composite is to create a diversified balanced portfolio with representation of United States and global securities. Rates of return are calculated using the time-weighted return method. Internal dispersion is calculated using the equal-weighted standard deviation of all portfolios that were included in the composite for the entire year. Valuations are computed and performance reported in U.S. dollars. The S&P 500 Index is a market-cap weighted index tracking the returns of 500 large-cap common stocks traded in the United States. The MSCI All Country World ex US Index is a market-cap weighted index tracking the returns of equities in developed and emerging markets countries excluding the United States. The Barclays Aggregate Bond Index is a market-cap weighted index representing a broad range of fixed income instruments (i.e. corporates, Treasuries, agencies, asset-backed, etc.). The allocation of the benchmark most accurately represents a "standard allocation" for clients with the Global Balanced model. (However, certain client portfolios may vary from this allocation because of differing client suitability requirements.) Prior to December 31, 2013, Alesco did not include the MSCI All Country World Index ex-US component in its custom benchmark. This index was added for all periods and is presented retroactively (the previous benchmark was 65% Standard and Poor's 500® Index, 35% Barclays Aggregate Bond Index). The results of the prior custom benchmark are available from Alesco upon request. As of December 31, 2015, the three-year annualized ex-post standard deviation of the composite and the benchmark are 7.3% and 7.0%, respectively. The Morningstar universe comparison data has not been reviewed by Alesco's independent verification firm. Alesco's standard annual fee schedule (for accounts outside of a wrap program) is .60% for assets under \$1 million, .40% for assets \$1 million-\$10 million, .35% for assets \$10 million-\$50 million, and .30% for assets above \$50 million (this fee schedule may vary as the result of an agreed-upon rate at the client level). **All results shown are net of Alesco's fees, fund expenses and trading costs, and before the deduction of advisor and sponsor fees. This document is not intended for distribution to clients in a wrap program and other managed account programs. Additional information regarding the firm's policies and procedures for calculating and reporting performance returns is available upon request**

Return Source: Morningstar Direct. Indices used: S&P 500, Russell 2000, MSCI EAFE, MSCI Emerging Markets, DJ US Select REIT, Credit Suisse Commodity, Barclays U.S. Treasury TIPS, Barclays U.S. Aggregate Bond, Barclays U.S. Treasury Bills, HFRX Global Hedge Fund