

Notice of Meeting

UNIVERSITY OF HAWAI'I

BOARD OF REGENTS COMMITTEE ON BUDGET AND FINANCE

Date: Thursday, August 04, 2016

Time: 2:00 p.m.

Place: University of Hawai'i at Mānoa
Information Technology Building
1st Floor Conference Room 105A/B
2520 Correa Road
Honolulu, Hawai'i 96822

AGENDA

I. Call Meeting to Order

II. Approval of Minutes of the May 18, 2016 Meeting

III. Public Comment Period for Agenda Items: All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Registration for oral testimony on agenda items will be provided at the meeting location 15 minutes prior to the meeting and closed once the meeting begins. Written testimony may be submitted via US mail, email at bor@hawaii.edu, or facsimile at 956-5156. Oral testimony is limited to three (3) minutes.

IV. Agenda Items

A. For Information:

1. Fiscal Year 2016 4th Quarter UBS Investment Report on Legacy Endowment Fund as of June 30, 2016

B. For Approval:

1. University of Hawai'i Operating Budget Proposal (Forecast) for Fiscal Year 2017

University Operating Budget Forecast for Fiscal Year 2016-17
Presentation

http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudget.pdf

Fiscal Year 2016-2017 Operating Budget Narrative

http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudgetNarrative.pdf

Appendix University of Hawai'i System Fiscal Year 2016-17 Operating
Budget Proposal
http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudgetWorksheets.pdf

V. Adjournment



UNIVERSITY of HAWAI'I SYSTEM

UNIVERSITY OF HAWAII BOARD OF REGENTS

KALBERT K. YOUNG VICE PRESIDENT FOR BUDGET & FINANCE CHIEF FINANCIAL OFFICER

16 JUL 29 2016 July 29, 2016

TO: Jan N. Sullivan, Chairperson Board of Regents, Committee on Budget & Finance

Barry T. Mizuno, Vice-Chairperson Board of Regents, Committee on Budget & Finance

VIA: David Lassner President

Handwritten signature of David Lassner

FROM: Kalbert K. Young Vice President for B&F/CFO

Handwritten signature of Kalbert K. Young

SUBJECT: FY16 Fourth Quarter UBS Investment Report on the Legacy Endowment Fund as of June 30, 2016

UNIVERSITY OF HAWAII PRESIDENT'S OFFICE

16 JUL 29 AM 1:39

RECEIVED

Attached is a report on the investment performance for the Legacy Endowment Fund provide by UBS for period which constitutes the fourth quarter of the fiscal year which concluded June 30, 2016. The report highlights performance of the overall portfolio and the specific funds or investments that comprise the Legacy Endowment Fund portfolio. The material also reports performance for the period of the calendar year-to-date and for the fiscal year July 1, 2015 to June 30, 2016. This report is to be discussed as an information item at the Committee on Budget & Finance meeting on August 4, 2016.

Mr. Paul Yamashita, UBS Account Vice President and Portfolio Manager, and other representatives from UBS will be presenting this item to the Committee. They are also expecting to answer any questions the Regents may have on the report or on the portfolio.

Attachments

- 1. Portfolio Value and Investment Performance, June 30, 2016. Pages 1-6.
2. Review of Investment Policy Compliance. Pages 7-31.

c: University Budget Office (w/o Attachment) University Controller (w/o Attachment)



Branch office:
 733 Bishop Street
 Suite 1600
 Honolulu, HI 968134068

Financial Advisor:
 The Kikawa Group
 808 536-4511

UBS Client Review

as of June 30, 2016

Prepared for

University of Hawaii

Accounts included in this review

Account	Name	Type
JX XX518	• University of Hawaii	• Portfolio Management Program
Risk profile:	Moderate	
Return Objective:	Current Income and Capital Appreciation	

What's inside

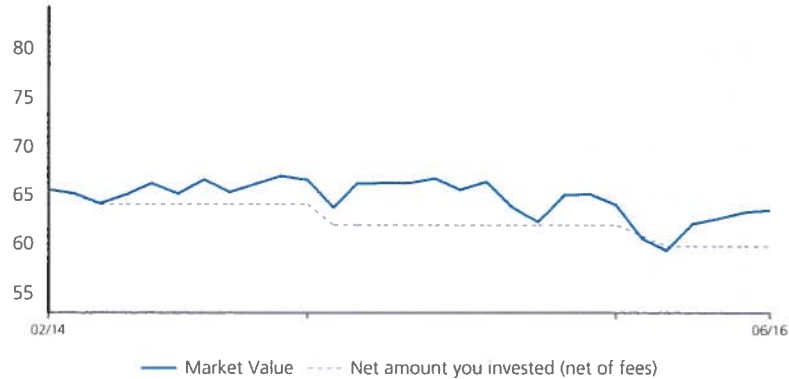
Performance review.	2
Security performance.	3
Additional information about your performance.	4
Important information about this report.	5



as of June 30, 2016

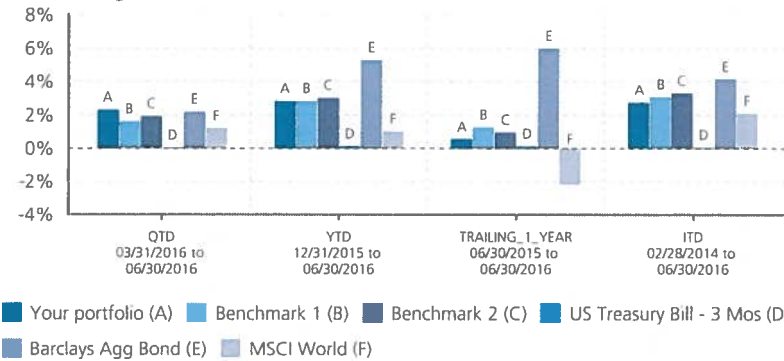
Sources of portfolio value

\$ Millions



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

Performance returns (annualized > 1 year)

	QTD 03/31/2016 to 06/30/2016	YTD 12/31/2015 to 06/30/2016	1 Year 06/30/2015 to 06/30/2016	ITD 02/28/2014 to 06/30/2016
Opening value	62,069,093.07	64,037,211.16	65,556,976.74	65,577,366.93
Net deposits/withdrawals	-30,447.01	-2,246,560.25	-2,310,934.59	-6,103,762.82
Div./interest income	483,998.67	813,667.09	2,105,654.46	4,496,202.37
Change in accr. interest	0.00	0.00	0.00	0.00
Change in value	956,505.05	874,831.78	-1,872,546.83	-490,656.70
Closing value	63,479,149.78	63,479,149.78	63,479,149.78	63,479,149.78
Gross Time-weighted ROR	2.32	2.84	0.56	2.76
Net Time-weighted ROR	2.27	2.74	0.36	2.57

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	QTD 03/31/2016 to 06/30/2016	YTD 12/31/2015 to 06/30/2016	1 Year 06/30/2015 to 06/30/2016	ITD 02/28/2014 to 06/30/2016
Your portfolio(%)	2.27	2.74	0.36	2.57
Benchmark 1	1.62	2.84	1.28	3.09
Benchmark 2	1.93	3.03	0.97	3.30
US Treasury Bill - 3 Mos	0.05	0.12	0.14	0.07
Barclays Agg Bond	2.21	5.31	6.00	4.16
MSCI World	1.21	1.02	-2.19	2.10

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.



as of June 30, 2016

	Value on 06/30/2016	% of portfolio	Gross time-weighted returns (annualized > 1 year)				Start date to 06/30/2016	Start date
			QTD	YTD	1 Year	ITD		
			03/31/2016 to 06/30/2016	12/31/2015 to 06/30/2016	06/30/2015 to 06/30/2016			
BLACKROCK STRATEGIC INCOME**	6,118,594.48	9.64	1.36	0.80	-0.28	1.26	Mar 11, 2014	
DEUTSCHE X-TRACKERS MSCIEAFE HEDGED EQUITY ETF	2,722,610.52	4.29	0.71	-5.29	-9.38	-1.88	Dec 23, 2014	
ISHARES CORE U.S. AGGREGATE BOND ETF	1,810,849.20	2.85	1.09*	1.09*	1.09*	1.09	Jun 21, 2016	
JANUS FLEXIBLE BOND FUND**	3,495,866.19	5.51	2.32	4.60	4.22	3.38	Dec 23, 2014	
OPPENHEIMER SR FLOATING RATE FD**	5,683,423.16	8.95	3.89	5.06	1.14	1.23	Mar 10, 2014	
PIMCO INCOME FUND CLASS P	3,661,309.74	5.77	2.42	4.01	3.91*	3.91	Dec 29, 2015	
PRUDENTIAL GLOBAL TOTAL RETURN FUND INC**	3,541,954.34	5.58	3.66	9.47	10.38	2.29	Sep 11, 2014	
SPDR SER TR SP500 FOSL ETF	9,939,798.40	15.66	1.89	3.06*	3.06*	3.06	Mar 24, 2016	
TOUCHSTONE ULTRA SHORT DURATION FIXED INCOME FUND CLASS Y	1,077,647.01	1.70	0.61	1.11	1.25	0.96	Jul 14, 2014	
UBS BANK USA BUSINESS ACCOUNT	194,189.84	0.31	0.00	0.00	0.00	0.00	Dec 30, 2014	
VANGUARD FTSE DEVELOPED MKT ETF	2,681,136.64	4.22	-0.08	-1.94	-7.07	-3.08	Mar 11, 2014	
VANGUARD INDEX FDS S&P 500 ETF	10,041,489.00	15.82	2.80	4.26	4.25	7.53	Mar 11, 2014	
VANGUARD INDEX FUNDS VANGUARD MID CAP ETF	8,563,973.73	13.49	2.37	3.56	-0.92	5.21	Mar 11, 2014	
VANGUARD INDEX FUNDS VANGUARD SMALL CAP ETF	3,946,307.52	6.22	4.03	5.12	-2.86	2.33	Mar 11, 2014	
Total portfolio	\$63,479,149.78	100%	2.32%	2.84%	0.56%	2.76%	Feb 28, 2014	

Benchmarks - Annualized time-weighted returns	QTD	YTD	1 Year	ITD
	03/31/2016 to 06/30/2016	12/31/2015 to 06/30/2016	06/30/2015 to 06/30/2016	Start date to 06/30/2016
Benchmark 1	1.62	2.84	1.28	3.09
Benchmark 2	1.93	3.03	0.97	3.30
US Treasury Bill - 3 Mos	0.05	0.12	0.14	0.07
Barclays Agg Bond	2.21	5.31	6.00	4.16
MSCI World	1.21	1.02	-2.19	2.10

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

*Performance is partially available for the selected time period and is based on the performance start date.

**Please note, performance is inclusive of multiple securities.



Additional information about your performance

as of June 30, 2016

Prepared for University of Hawaii

JX XX518 • University of Hawaii • Portfolio Management Program

Risk profile: Moderate

Return Objective: Current Income and Capital Appreciation

Benchmark composition

Consolidated

Benchmark 1

Start - 03/03/2014: 60% MSCI World; 40% Barclays Agg Bond

03/03/2014 - Current: 60% MSCI World; 40% Barclays Agg Bond

Benchmark 2

Start - Current: 10% US Treasury Bill - 3 Mos; 24% S&P 500; 12% Russell 2000; 12% Russell Mid Cap; 12% MSCI EAFE-NR; 30% Barclays Agg Bond



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding

these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier. Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance: Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Asset Class Performance: If you selected the Manager Roll-up option, even though the asset manager may invest in more than one asset class, the asset manager will be included in an asset class based upon the asset manager's investment style/category. The Manager Roll-up option is not available in the Asset Allocation section of the report. All assets in the Asset Allocation are classified at the security level. Therefore, the values/percentages of asset classes presented within this report may not match if you selected the Manager Roll-up option.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and

performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement. When shown on Client summary and/or Portfolio review report, program fees (including wrap fees) may not be included in net deposits/withdrawals.

Dividends/Interest: Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Change in Accrued Interest: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest. Change in Value may include programs fees (including wrap fees) and other fees.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed.



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as "Review Required" and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Account Performance: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that

security.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

Equity Style: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Equity Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Variable Annuity Asset Allocation: If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please

consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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University of Hawaii Endowment Fund
 Review of Investment Policy Compliance
 June 30, 2016

TOTAL PORTFOLIO

Asset Allocation - Section RP 8.207 III.C.1.a.(3).(c)

A balanced portfolio will be maintained with a minimum of 30% and a maximum of 70% in either the equity or fixed income investments and a maximum of 40% in cash and equivalents.

	Minimum		Maximum		Current	In Compliance
Equities	30%	70%	60%	70%	60%	In Compliance
Fixed Income	30%	70%	40%	70%	40%	In Compliance
Floating Rate Securities	0%	20%	9%	20%	9%	In Compliance
Municipal Bonds	0%	10%	0%	10%	0%	In Compliance
High Yield Bonds	0%	20%	0%	20%	0%	In Compliance
Cash	0%	40%	0%	40%	0%	In Compliance

INDIVIDUAL MANAGERS

Specific Performance Test - Section RP 8.207 III.D.3.f

Equity/Balanced Managers: Annualized return no lower than 30% below the return of the Policy Index on a 3 year basis, gross of fees or ranking no lower than the 65th percentile of a universe of peers.

Type	Fund Name	Morningstar Benchmark Index	BM 3 year return	Fund 3 year return	In Compliance
ETF	Vanguard S&P 500 Index	S&P 500	11.66	11.67	In Compliance
ETF	SPDR S&P 500 Fossil Fuel Free	S&P 500	11.66	N/A (See Note 1)	In Compliance
ETF	Vanguard Mid Cap Index	Russell MidCap	10.80	10.78	In Compliance
ETF	Vanguard Small Cap Index	Russell 2000	7.09	8.98	In Compliance
ETF	Vanguard FTSE Developed Mkts	MSCI ACWI ex US	1.62	2.78	In Compliance
ETF	Deutsche X-Trackers MSCI	MSCI ACWI ex US	1.62	5.26	In Compliance

Note 1: There is no 3 year fund history. Exception to policy granted at 2/25/16 Board Meeting.

Fixed Income Managers: Annualized return no lower than 10% below the return of the Policy Index on a 3 year basis, gross of fees or ranking no lower than the 65th percentile of a universe of peers.

Type	Fund Name	Morningstar Benchmark Index	BM 3 year return	Fund 3 year return	In Compliance
MF	BlackRock Strategic Income	Barclays US Universal Index	4.19	2.39	In Compliance
MF	PIMCO Income Fund	3 Month USD LIBOR	0.32	5.72	In Compliance
MF	Prudential Global Total Return	Barclays Global Aggregate	2.80	4.91	In Compliance
MF	Janus Flexible Bond	Barclays US Aggregate	4.06	3.70	In Compliance
MF	Oppenheimer Sr. Floating	Credit Suisse Leveraged Loan	3.05	2.46	In Compliance
MF	Touchstone Ultra Short	BofAML 3 Month US T Bill	0.06	1.05	In Compliance
ETF	iShares Core US Aggregate	Barclays US Aggregate	4.06	4.10	In Compliance

Prohibited Investments/Transactions - Section RP 8.207 III.C.1.a.(3).(e).(5)
 None per Investment Policy Statement or prospectus.

Qualitative Criteria - Section RP 8.207 III.D.3

Changes in ownership
 Changes in investment management team
 Any pending litigation
 Unaware or not notified of any changes in ownership.
 Unaware or not notified of any changes in management.
 Unaware or not notified of any pending litigation.

Managers on Probation - Section 8.207 III.D.3

Manager under probation
 Last Probation Period within 6 years
 Initial Date of Probation
 6 Month Review
 12 Month Review
 12 Month Extension
 None as of 6/30/2016
 None as of 6/30/2016
 None as of 6/30/2016
 None as of 6/30/2016
 None as of 6/30/2016

Diversification Section - Section RP 8.207 III.C.1.a.(3).(e).(3)

Individual Bond positions other than US Government no greater than 5% of Total Fixed Income Portfolio.
 Individual equities should comprise no more than 5% of the total market value of the stock portfolio. In addition, investments in any one stock are not to exceed 5% of the corporation's outstanding common stock.
 Stocks limited to 15% of total equities in any one industry.

Fossil Free Divestment - Section RP 8.207 III.C.1.a.(3).(e).(6)

Goal of reaching <1% exposure to the energy sector.

Exposure	March 2015	June 2015	September 2015	December 2015	March 2016	June 2016
5% March 2015 exposure	5%	4%	3%	3%	5%	4%
4% June 2015 exposure	4%	3%	3%	3%	4%	3%
3% September 2015 exposure	3%	3%	3%	3%	3%	3%
3% December 2015 exposure	3%	3%	3%	3%	3%	3%

Not Applicable: The total portfolio does not use separately managed portfolios. Only mutual funds and exchange traded funds are currently used. The guidelines established by the mutual fund's prospectus or the pooled fund's guidelines will take precedence, and may not fully comply with the policies established for the Endowment Fund.

University of Hawaii Endowment Fund
Report of Energy Allocation, Net Expense Ratio and Historical Quarterly Fees
As of June 30, 2016

Class/Sector	Description	Symbol	Market Value \$ a/o 6/30/16	Current Allocation %	% in Energy	Weighted Energy Position	Net Expense Ratio	Weighted Net Expense Ratio
<u>CASH</u>	Cash		\$194,190	0%	0.00%	0%	0.000%	0.00%
<u>FIXED INCOME</u>								
Short Term Bond	Touchstone Ultra Short Duration	TSYYX	\$1,076,243	2%	0.00%	0.00%	0.440%	0.01%
Floating Rate	Oppenheimer Senior Floating Rate	OOSYX	\$5,658,303	9%	0.00%	0.00%	0.720%	0.06%
Intermediate Term Bond	iShares Core US Aggregate	AGG	\$1,810,849	3%	0.00%	0.00%	0.080%	0.00%
Intermediate Term Bond	Janus Flexible Bond	JFLEX	\$3,487,832	6%	0.00%	0.00%	0.570%	0.03%
Flexible Fixed	BlackRock Strategic Income Opps	BSIIX	\$6,102,934	10%	0.00%	0.00%	0.590%	0.06%
Flexible Fixed	Prudential Global Total Return	PZTRX	\$3,531,370	6%	0.00%	0.00%	0.800%	0.04%
Flexible Fixed	PIMCO Income Fund	PONPX	\$3,644,606	6%	0.00%	0.00%	0.550%	0.03%
<u>EQUITIES</u>								
Large Cap Blend	Vanguard S&P 500 ETF	VOO	\$10,041,489	16%	7.40%	1.17%	0.050%	0.01%
Large Cap Blend	SPDR S&P 500 Fossil Fuel Free ETF	SPYX	\$9,939,798	16%	0.00%	0.00%	0.200%	0.03%
Mid Cap Blend	Vanguard Mid Cap ETF	VO	\$8,563,974	14%	5.50%	0.74%	0.080%	0.01%
Small Cap Blend	Vanguard Small Cap ETF	VB	\$3,946,308	6%	4.70%	0.29%	0.080%	0.00%
Developed Markets	Vanguard FTSE Developed Markets ETF	VEA	\$2,681,137	4%	6.40%	0.27%	0.090%	0.00%
Developed Markets	Deutsche X-Trackers MSCI EAFE Hedged	DBEF	\$2,722,611	4%	5.40%	0.23%	0.350%	0.02%
			\$63,401,641	100%		2.71%		0.31%
				Fixed Income/ Cash	40%			
				Equities	60%			
					100%			

Approximately 3% of the entire portfolio is invested in Energy stocks.
Weighted Net Expense Ratio is 31 bps.

Historical Quarterly Fees: (calculation based on prior quarter end balance times fee rate of 20 bps. divided by # of days in year times # of days in current quarter)

2Q 2016	\$31,874
1Q 2016	\$31,813
4Q 2015	\$31,360
3Q 2015	\$33,015
2Q 2015	\$32,998
1Q 2015	\$32,795

This is a personal service of your broker and some of the data may be incorrect. This statement is being provided for informational purposes only. It should not be relied upon for tax, trading, income, net worth, or any other purposes. Please rely on your regular monthly UBS statement(s), the official record of your account. Please consult your personal tax advisor on all tax matters.

BlackRock Strategic Income Opps Instl (USD)

Morningstar Analyst Rating™
Bronze
 04-08-2016

Overall Morningstar Rating™
★★★★
 240 US OE Nontraditional Bond

Standard Index
 Barclays US Agg Bond TR USD

Category Index
 BofAML USD LIBOR 3 Mon CM

Morningstar Cat
 US OE Nontraditional Bond

Performance 06-30-2016					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.67	1.65	-0.10	0.62	3.89
2015	1.57	-0.78	-0.97	-0.10	-0.30
2016	-0.55	1.36	—	—	0.80
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-0.28	2.39	3.02	—	4.25
Std 06-30-2016	-0.28	—	3.02	—	4.25
Total Return	-0.28	2.39	3.02	—	4.25
+/- Std Index	-6.28	-1.67	-0.74	—	—
+/- Cat Index	-0.69	2.09	2.69	—	—
% Rank Cat	58	23	18	—	—
No. in Cat	406	240	163	—	—
7-day Yield		Subsized		Unsubsidized	
30-day SEC Yield		2.73		1.92	

Performance Disclosure
 The Overall Morningstar Rating is based on risk adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.
 The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate, thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.
 Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month end, please call 800 411-7762 or visit www.blackrock.com.

Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.46
12b1 Expense %	NA
Gross Expense Ratio %	0.80

Risk and Return Profile

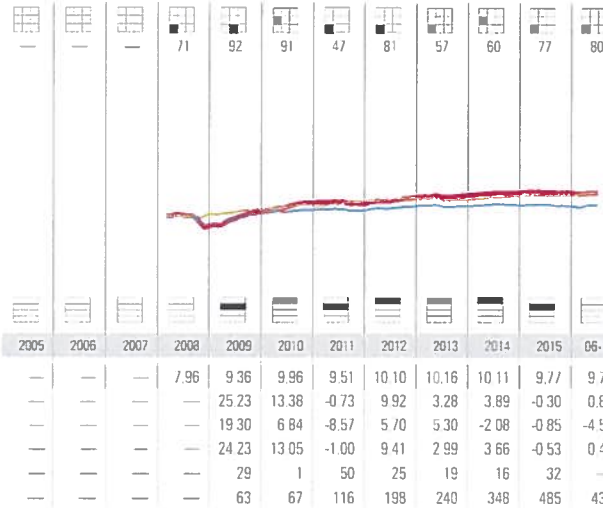
Morningstar Rating™	4★	4★	—
Morningstar Risk	-Avg	-Avg	—
Morningstar Return	+Avg	+Avg	—
Standard Deviation	1.71	2.48	—
Mean	2.39	3.02	—
Sharpe Ratio	1.34	1.18	—

MPT Statistics

	Standard Index	Best Fit Index Morningstar Lifetime Mod 2015 1R USD
Alpha	1.50	1.09
Beta	0.20	0.22
R-Squared	9.74	53.93
12-Month Yield		2.42%
Potential Cap Gains Exp		-5.42%

Operations

Family:	BlackRock	Base Currency:	USD	Incept:	02-05-2008
Manager:	Multiple	Ticker:	BSIIX	Type:	MF
Tenure:	5.9 Years	Minimum Initial Purchase:	\$2 mil	Total Assets:	\$28,369.24 mil
Objective:	Income	Purchase Constraints:	A		



Portfolio Analysis 06-30-2016

Asset Allocation % 05-31-2016

	Net %	Long %	Short %
Cash	28.47	37.87	9.41
US Stocks	0.38	0.38	0.00
Non-US Stocks	0.03	0.05	0.02
Bonds	67.34	82.97	15.63
Other/Not Clsfd	3.79	4.22	0.42
Total	100.00	125.48	25.48

Equity Style

P/E Ratio TTM	8.1	—	—
P/C Ratio TTM	7.0	—	—
P/B Ratio TTM	2.0	—	1.36
Geo Avg Mkt Cap \$mil	24400	—	4.18

Fixed-Income Style

Avg Eff Maturity	5.06
Avg Eff Duration	1.28
Avg Wtd Coupon	3.39
Avg Wtd Price	105.44

Credit Quality Breakdown 03-31-2016

	Bond %
AAA	51.80
AA	3.10
A	7.70
BBB	14.20
BB	11.30
B	0.00
Below B	3.70
NR	8.20

Regional Exposure

	Stock %	Rel Std Index
Americas	77.2	—
Greater Europe	16.7	—
Greater Asia	6.1	—

Top Holdings 05-31-2016

Share Chg since 05-2016	Share Amount	Holdings	% Net Assets
	124 Total Stocks	4.746 Total Fixed Income	1856% Turnover Ratio
		394 mil Italy (Rep Of) 2%	1.62
		395 mil US Treasury Note	1.42
		352 mil Fed Natl Mort Assc 3.5%	1.29
		370 mil US Treasury Note 1.375%	-1.28
		348 mil US Treasury Note	1.22
		58 mil Mexico Utd Mex St 5.75%	1.08
		293 mil US Treasury Bond 2.5%	0.99
		274 mil US Treasury Note	0.96
		219 mil Italy (Republic Of)	0.87
		2 mil SPDR® Gold Shares	0.76
		1,380 mil Fannie Mae Single Family TBA 3% 20	-4.98
		1,067 mil US Treasury Note 0.875%	-3.67
		987 mil Fannie Mae Single Family TBA 2.5%	-3.50
		56,644 mil Japan (Government Of) #356	1.77

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	13.4	—
Basic Materials	1.6	—
Consumer Cyclical	1.6	—
Financial Services	7.5	—
Real Estate	2.7	—
Sensitive	33.7	—
Communication Services	11.2	—
Energy	7.4	—
Industrials	13.8	—
Technology	1.2	—
Defensive	52.9	—
Consumer Defensive	0.0	—
Healthcare	52.9	—
Utilities	0.0	—

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Deutsche X-trackers MSCI EAFE Hedged Eq (USD)

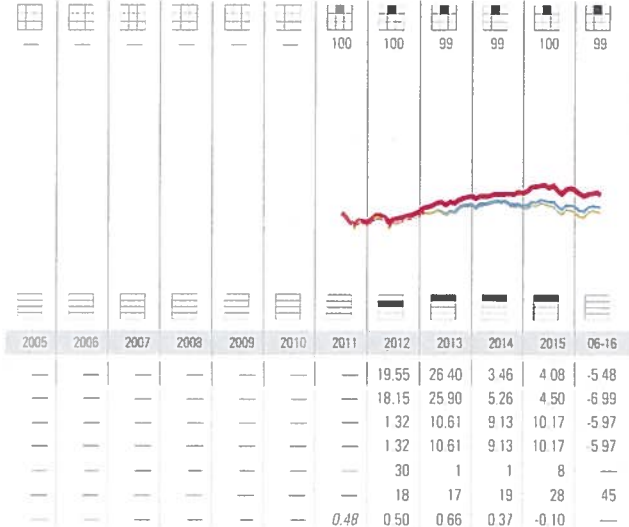
Overall Morningstar Rating™ Standard Index
 ★★★★★
 720 Foreign Large Blend

MSCI ACWI Ex USA NR USD
 Category Index
 MSCI ACWI Ex USA NR USD
 Morningstar Cat
 Foreign Large Blend

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	-0.37	3.27	0.80	1.49	5.26
2015	10.48	-2.10	-9.00	6.18	4.50
2016	-6.32	-0.71	—	—	-6.99

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-16	-9.57	—	6.26	—	5.88
Std NAV 06-30-16	-10.12	—	5.78	—	5.97
Mkt Total Ret	-9.57	5.26	6.26	—	5.88
NAV Total Ret	-10.12	5.24	5.78	—	5.97
+/- Std Index	0.12	4.08	5.68	—	—
+/- Cat Index	0.12	4.08	5.68	—	—
% Rank Cat	78	6	1	—	—
No. in Cat	33	18	12	—	—



Investment Style
 Equity Stock %

Growth of \$10,000

Deutsche X-trackers MSCI EAFE Hedged Eq 13,245
 Category Average 10,868
 Standard Index 10,051

Performance Quartile (within category)

History

Year	Mkt Total Ret %	NAV Total Ret %	+/- Standard Index	+/- Category Index	% Rank Cat	No. of Funds in Cat	Avg Prem/Discount %
2011	19.55	26.40	3.46	4.08	-5.48	—	—
2012	18.15	25.90	5.26	4.50	-6.99	—	—
2013	1.32	10.61	9.13	10.17	-5.97	—	—
2014	1.32	10.61	9.13	10.17	-5.97	—	—
2015	30	1	1	8	—	—	—
2016	18	17	19	28	45	—	—

30-day SEC Yield

Performance Disclosure
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 Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 855-329-3837 or visit www.deutsche-etfs.com

Fees and Expenses

Fund Expenses

Management Fees %	0.35
Expense Ratio %	0.35
12b1 Expense %	NA

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	—
Morningstar Risk	-Avg	Low	—
Morningstar Return	High	High	—

	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	11.80	12.73	—
Standard Deviation MKT	11.92	13.73	—
Mean NAV	5.24	5.78	—
Mean MKT	5.26	6.26	—
Sharpe Ratio	0.48	0.50	—

MPT Statistics

	Standard Index	Best Fit Index
NAV	—	MSCI EAFE Growth NR USD
Alpha	4.32	1.70
Beta	0.73	0.84
R-Squared	66.85	80.27

12-Month Yield

Potential Cap Gains Exp

Leveraged No

Leverage Type

Leverage % 100.00

Primary Prospectus Benchmark MSCI EAFE 100% Hedged NR USD

Operations

Family:	Deutsche Asset Management	Ticker:	DBEF	Prem/Discount:	0.81
Manager:	Multiple	Incept:	06-09-2011	Mkt Price:	24.99
Tenure:	0.9 Year	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$10,304.8 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	399.15 mil	NAV:	24.79	Backing Bank:	DBX Advisors LLC

Portfolio Analysis 06-30-2016

Asset Allocation % 04-30-2016

	Net %	Long %	Short %
Cash	0.01	0.01	0.00
US Stocks	0.53	0.53	0.00
Non-US Stocks	99.12	99.12	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.33	0.33	0.00
Total	100.00	100.00	0.00

Top Holdings 05-31-2016

Share Amount	Holdings	% Net Assets
3 mil	Nestle SA	1.95
691,569	Roche Holding AG Dividend Right Ce	1.53
2 mil	Novartis AG	1.50
3 mil	Toyota Motor Corp	1.15
19 mil	HSBC Holdings PLC	1.05
2 mil	British American Tobacco PLC	0.94
2 mil	Total SA	0.89
2 mil	Novo Nordisk A/S B	0.86
5 mil	GlaxoSmithKline PLC	0.84
791,538	Anheuser-Busch Inbev SA	0.84
4 mil	Royal Dutch Shell PLC Class A	0.84
1 mil	Sanofi SA	0.80
18 mil	BP PLC	0.79
2 mil	Commonwealth Bank of Australia	0.79
4 mil	Royal Dutch Shell PLC B	0.75

Equity Style

Val at	Blnd	Grwth
—	—	—

Fixed-Income Style

1st	1kth	5th
—	—	—

Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stock %	Rel Std Index
Americas	1.2	0.12
Greater Europe	63.5	1.30
Greater Asia	35.2	0.86

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	41.1	0.96
Basic Materials	7.4	0.95
Consumer Cyclical	11.3	1.04
Financial Services	18.4	0.89
Real Estate	4.0	1.07
Sensitive	29.4	0.90
Communication Services	5.4	0.99
Energy	5.4	0.79
Industrials	12.4	1.19
Technology	6.1	0.63
Defensive	29.4	1.20
Consumer Defensive	13.4	1.15
Healthcare	12.2	1.31
Utilities	3.8	1.08

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iShares Core US Aggregate Bond (USD)

Overall Morningstar Rating™
★★★
953 Intermediate-Term Bond

Standard Index
Barclays US Agg
Bond TR USD

Category Index
Barclays US Agg
Bond TR USD

Morningstar Cat
Intermediate-Term
Bond

Performance 06-30-2016					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.87	2.06	0.17	1.82	6.04
2015	1.63	-1.72	1.22	-0.61	0.48
2016	3.02	2.21	—	—	5.30
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-16	6.17	—	3.72	5.00	4.45
Std NAV 06-30-16	5.93	—	3.69	4.99	4.44
Mkt Total Ret	6.17	4.10	3.72	5.00	4.45
NAV Total Ret	5.93	4.04	3.69	4.99	4.44
+/- Std Index	-0.07	-0.02	-0.08	-0.14	—
+/- Cat Index	-0.07	-0.02	-0.08	-0.14	—
% Rank Cat	30	34	34	1	—
No. in Cat	18	13	10	1	—

30-day SEC Yield

Performance Disclosure

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Fees and Expenses

Fund Expenses	
Management Fees %	0.08
Expense Ratio %	0.09
12b1 Expense %	NA

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	953 funds	836 funds	603 funds
Morningstar Rating™	4★	3★	3★
Morningstar Risk	Avg	Avg	-Avg
Morningstar Return	+Avg	Avg	Avg
Standard Deviation NAV	2.68	2.80	3.29
Standard Deviation MKT	2.75	2.90	3.89
Mean NAV	4.04	3.69	4.99
Mean MKT	4.10	3.72	5.00
Sharpe Ratio	1.46	1.28	1.21

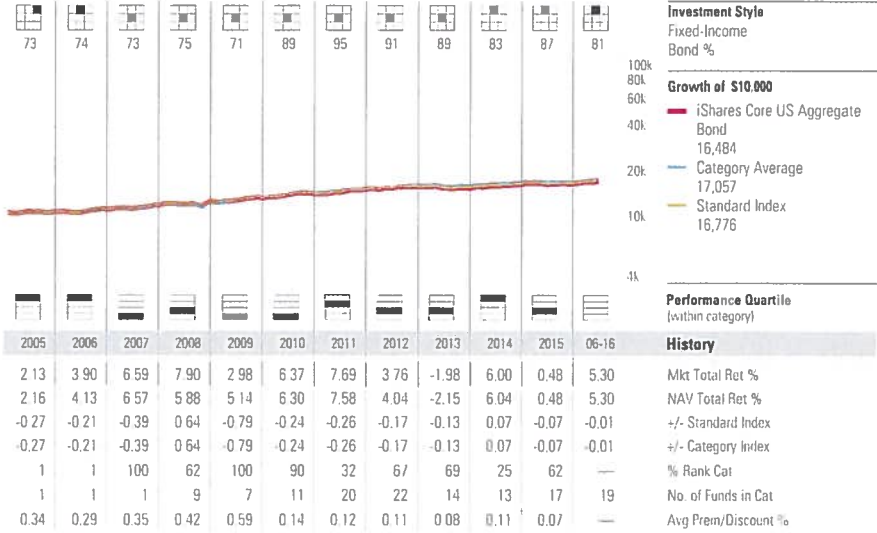
MPT Statistics	
NAV	Standard Index
Alpha	-0.06
Beta	1.01
R-Squared	99.97

12-Month Yield	—
Potential Cap Gains Exp	—

Leveraged	No
Leverage Type	—
Leverage %	100.00
Primary Prospectus Benchmark	Barclays US Agg Bond TR USD

Operations

Family	iShares	Ticker:	AGG
Manager	Multiple	Incept:	09-22-2003
Tenure	6.0 Years	Expiration Date:	—
Total Assets:	\$40,238.2 mil	Exchange:	NYSE ARCA
Shares Outstanding	357.40 mil	NAV:	112.41



Portfolio Analysis 06-30-2016

Asset Allocation % 06-22-2016	Net %	Long %	Short %
Cash	11.49	20.55	9.06
US Stocks	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	88.49	88.49	0.00
Other/Not Clsfd	0.01	0.01	0.00
Total	100.00	109.06	9.06

Equity Style

Value	Blend	Growth
—	—	—

Portfolio Statistics

P/E Ratio TTM	—
P/C Ratio TTM	—
P/B Ratio TTM	—
Geo Avg Mkt Cap Sml	—

Fixed-Income Style

1st	2nd	3rd
—	—	—

Avg Eff Maturity	7.45
Avg Eff Duration	5.24
Avg Wtd Coupon	—
Avg Wtd Price	109.48

Credit Quality Breakdown —

	Bond %
AAA	72.33
AA	3.39
A	10.93
BBB	13.33
BB	0.02
B	0.00
Below B	0.00
NR	0.00

Regional Exposure

	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Top Holdings 06-29-2016

Share Ovg since 06-2016	Share Amount	Holdings	% Net Assets
—	620 mil	Fmna 30yr 2015 Production	1.69
—	556 mil	US Treasury Note 3.625%	1.62
—	616 mil	US Treasury Note 0.265%	1.60
—	504 mil	Fgold 30yr 2015 Production	1.37
—	414 mil	Gnma2 30yr 2015 Production	1.13
—	328 mil	US Treasury Note 2.125%	0.89
—	320 mil	Fmna 30yr 2013 Production	0.86
—	230 mil	US Treasury Bond 4.25%	0.84
—	254 mil	Fmna 30yr 4% Fico <660 2015	0.70
—	253 mil	Gnma2 30yr 2015 Production	0.70
—	250 mil	Fmna 15yr 2015 Production	0.68
—	255 mil	US Treasury Note 0.75%	0.66
—	229 mil	Fgold 30yr 2015 Production	0.63
—	238 mil	US Treasury Note 1.25%	0.62
—	226 mil	US Treasury Note 2%	0.61

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
Sensitive	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
Defensive	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

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Janus Flexible Bond I (USD)

Morningstar Analyst Rating™ Neutral
Overall Morningstar Rating™ ★★ ★★
Standard Index Barclays US Agg Bond TR USD
Category Index Barclays US Agg Bond TR USD
Morningstar Cat US OE Intermediate-Term Bond

Performance 06-30-2016					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.92	2.16	-0.27	1.05	4.93
2015	1.75	-1.26	0.47	-0.82	0.11
2016	2.22	2.32	—	—	4.60
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	4.22	3.70	4.17	—	5.56
Std 06-30-2016	4.22	—	4.17	—	5.56
Total Return	4.22	3.70	4.17	6.16	5.56
+/- Std Index	-1.78	-0.36	0.41	1.02	—
+/- Cat Index	-1.78	-0.36	0.41	1.02	—
% Rank Cat	68	48	22	6	—
No. in Cat	1061	953	836	603	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	2.17	2.53

Performance Disclosure
 The Overall Morningstar Rating is based on risk-adjusted returns derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.
 The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate, thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.
 Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month end, please call 877 335 2687 or visit www.janus.com.

Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.40
12b1 Expense %	NA
Gross Expense Ratio %	0.57

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	953 funds	836 funds	603 funds
Morningstar Rating™	3★	4★	5★
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	Avg	+Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	2.45	2.62	3.28
Mean	3.70	4.17	6.16
Sharpe Ratio	1.47	1.55	1.54

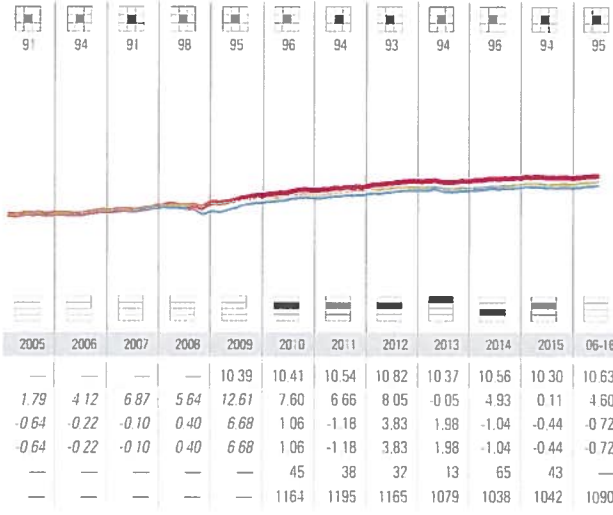
MPT Statistics

	Standard Index	Best Fit Index Barclays US Agg Bond TR USD
Alpha	0.10	0.10
Beta	0.89	0.89
R-Squared	92.41	92.41

12-Month Yield	2.67%
Potential Cap Gains Exp	1.17%

Operations

Family:	Janus	Base Currency:	USD	Incept:	07-06-2009
Manager:	Multiple	Ticker:	JFLEX	Type:	MF
Tenure:	9.2 Years	Minimum Initial Purchase:	\$1 mil	Total Assets:	\$9,614.81 mil
Objective:	Multisector Bond	Purchase Constraints:	—		



Investment Style
 Fixed Income
 Bond %

Growth of \$10,000

- Janus Flexible Bond I: 18,347
- Category Average: 15,771
- Standard Index: 16,776

Performance Quartile
 (within category)

History

NAV/Price	—
Total Return %	—
+/- Standard Index	—
+/- Category Index	—
% Rank Cat	—
No. of Funds in Cat	—

Portfolio Analysis 03-31-2016

Asset Allocation %	Net %	Long %	Short %	Share Chg since 12-2015	Share Amount	Holdings	% Net Assets
Cash	3.04	3.04	0.00	—	—	2 Total Stocks, 439 Total Fixed-Income, 121% Turnover Ratio	—
US Stocks	0.28	0.28	0.00	—	—	—	—
Non-US Stocks	0.00	0.00	0.00	+	307 mil	US Treasury Note 2.25%	3.44
Bonds	94.72	94.72	0.00	+	268 mil	US Treasury Note 1.125%	2.88
Other/Not Clsfd	1.96	1.96	0.00	—	207 mil	US Treasury Note 1.5%	2.26
Total	100.00	100.00	0.00	—	189 mil	US Treasury Note 1.5%	2.07
				—	180 mil	US Treasury Note 1%	1.95

Equity Style

Valuation	Style	Growth	Part Avg	Rel Index	Rel Cat	Share Chg since 12-2015	Share Amount	Holdings	% Net Assets
—	—	—	—	—	—	—	160 mil	US Treasury Note 1.75%	1.77
—	—	—	—	—	—	—	148 mil	US Treasury Note 1%	1.60
—	—	—	—	—	—	—	136 mil	US Treasury Bond 3%	1.58
—	—	—	—	—	—	—	140 mil	US Treasury Note 1.375%	1.52
—	—	—	—	—	—	—	106 mil	US Treasury Bond 3.125%	1.26
—	—	—	—	—	—	—	112 mil	US Treasury Note 1.625%	1.24
—	—	—	—	—	—	—	103 mil	US Treasury Bond 3%	1.19
—	—	—	—	—	—	—	82 mil	US Treasury Bond 3.625%	1.07
—	—	—	—	—	—	—	96 mil	US Treasury Note 1.5%	1.05
—	—	—	—	—	—	—	67 mil	FNMA 3.403%	0.80

Credit Quality Breakdown 03-31-2016

	Bond %
AAA	33.56
AA	24.15
A	4.99
BBB	27.31
BB	7.13
B	1.19
Below B	0.00
NR	1.67

Regional Exposure

	Stock %	Rel Std Index
Americas	100.0	—
Greater Europe	0.0	—
Greater Asia	0.0	—

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	100.0	—
Basic Materials	0.0	—
Consumer Cyclical	0.0	—
Financial Services	100.0	—
Real Estate	0.0	—
Sensitive	0.0	—
Communication Services	0.0	—
Energy	0.0	—
Industrials	0.0	—
Technology	0.0	—
Defensive	0.0	—
Consumer Defensive	0.0	—
Healthcare	0.0	—
Utilities	0.0	—

Oppenheimer Senior Floating Rate Y (USD)

Morningstar Analyst Rating™ Neutral
Overall Morningstar Rating™ ★★★★★
 04-22-2016 215 US OE Bank Loan

Standard Index Barclays US Agg Bond TR USD
Category Index S&P/LSTA Leveraged Loan TR
Morningstar Cat US OE Bank Loan

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.05	1.11	-0.55	-0.80	0.79
2015	1.61	0.36	-1.09	-2.67	-1.83
2016	1.12	3.89	—	—	5.06

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.14	2.46	3.66	4.17	4.35
Std 06-30-2016	1.14	—	3.66	4.17	4.35
Total Return	1.14	2.46	3.66	4.17	4.35
+/- Std Index	-4.86	-1.61	-0.10	-0.97	—
+/- Cat Index	0.20	-0.31	-0.13	-0.30	—
% Rank Cat	30	32	29	2	—
No. in Cat	259	215	170	66	—

7-day Yield —
 30-day SEC Yield 6.42

Performance Disclosure

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month end, please call 800-225-5677 or visit www.oppenheimerfunds.com

Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.59
12b1 Expense %	NA
Gross Expense Ratio %	0.83

Risk and Return Profile

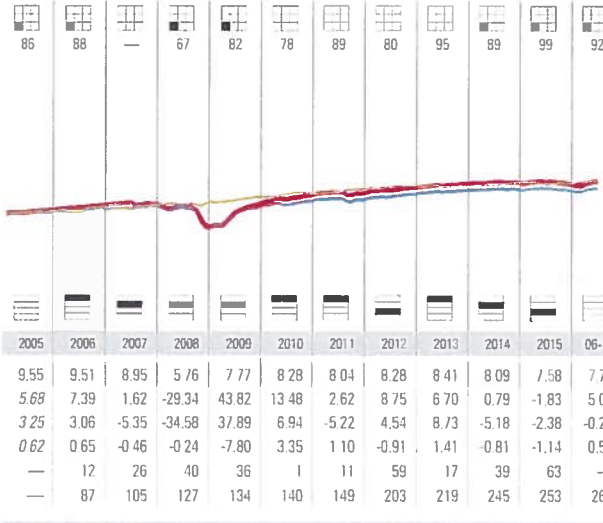
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	5★
Morningstar Risk	+Avg	Avg	Avg
Morningstar Return	+Avg	+Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	3.27	3.65	7.56
Mean	2.46	3.66	4.17
Sharpe Ratio	0.73	0.98	0.45

MPT Statistics	Standard Index	Best Fit Index S&P/LSTA Leveraged Loan TR
Alpha	2.14	-0.64
Beta	0.06	1.13
R-Squared	0.27	94.56
12-Month Yield		4.72%
Potential Cap Gains Exp		-16.07%

Operations

Family: OppenheimerFunds
 Manager: Multiple
 Tenure: 16.8 Years
 Objective: Corporate Bond - General



Investment Style	Fixed Income	Bond %
Growth of \$10,000	Oppenheimer Senior Floating Rate Y	16,465
	Category Average	14,779
	Standard Index	16,776

Performance Quartile (within category)	History
NAV/Price	7.75
Total Return %	5.06
+/- Standard Index	-0.25
+/- Category Index	1.14
% Rank Cat	—
No. of Funds in Cat	265

Portfolio Analysis 06-30-2016

Asset Allocation % 05-31-2016	Net %	Long %	Short %
Cash	7.12	7.12	0.00
US Stocks	1.09	1.09	0.00
Non-US Stocks	0.04	0.04	0.00
Bonds	88.01	88.01	0.00
Other/Not Clsfd	3.73	3.73	0.00
Total	100.00	100.00	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—	—
P/C Ratio TTM	23.0	—	—	—
P/B Ratio TTM	1.6	—	—	—
Geo Avg Mkt Cap \$mil	1090	—	—	—

Fixed-Income Style	Port Avg	Rel Index	Rel Cat
Avg Eff Maturity	—	—	—
Avg Eff Duration	0.04	—	—
Avg Wtd Coupon	5.45	—	—
Avg Wtd Price	—	—	—

Credit Quality Breakdown 03-31-2016	Bond %
AAA	1.84
AA	0.00
A	0.00
BBB	0.31
BB	27.01
B	60.10
Below B	6.63
NR	4.12

Regional Exposure	Stock %	Rel Std Index
Americas	100.0	—
Greater Europe	0.0	—
Greater Asia	0.0	—

Top Holdings 05-31-2016

Share Amount	Share Chg since 05-31-2016	Holdings	% Net Assets
3 Total Stocks, 364 Total Fixed-Income, 39% Turnover Ratio			
297 mil		T/L Clear Channel TI D-Ext II	1.90
167 mil		T/L Western Express TI 2I	1.41
152 mil		T/L Czir (Cerp 1st Lien)	1.23
180 mil		T/L Avaya Inc TI B7 II	1.10
7 mil		Media General Inc A	1.01
168 mil		T/L Murray Energy TI B2 II	0.98
113 mil		T/L Lts Buyer T/L 1st Lien	0.95
234 mil		T/L Arch Coal TI II	0.90
140 mil		T/L Weight Watchers TI B2 II	0.86
102 mil		T/L Laureate Education Inc TI B II	0.83
103 mil		T/L Federal Mogul TI C II	0.82
94 mil		T/L Navistar Inc TI B II	0.75
90 mil		T/L Amaya Gaming TI II	0.73
87 mil		T/L Tpf Power TI B II	0.73
83 mil		T/L Alinta Energy Fin TI B II	0.68

Sector Weightings	Stocks %	Rel Std Index
Cyclical	100.0	—
Basic Materials	0.0	—
Consumer Cyclical	100.0	—
Financial Services	0.0	—
Real Estate	0.0	—
Sensitive	0.0	—
Communication Services	0.0	—
Energy	0.0	—
Industrials	0.0	—
Technology	0.0	—
Defensive	0.0	—
Consumer Defensive	0.0	—
Healthcare	0.0	—
Utilities	0.0	—

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PIMCO Income P (USD)

Morningstar Analyst Rating™
 Silver
 06-02-2016

Overall Morningstar Rating™
 ★★★★★
 248 US OE Multisector Bond

Standard Index
 Barclays US Agg
 Bond TR USD

Category Index
 Barclays US
 Universal TR USD

Morningstar Cat
 US OE Multisector
 Bond

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	3.06	3.25	0.74	-0.10	7.09
2015	1.90	0.99	-0.87	0.51	2.53
2016	1.75	2.42	—	—	4.21

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	3.82	5.72	8.06	—	9.40
Std 06-30-2016	3.82	—	8.06	—	9.40
Total Return	3.82	5.72	8.06	—	9.40
+/- Std Index	-2.18	1.66	4.30	—	—
+/- Cat Index	-2.00	1.53	4.05	—	—
% Rank Cat	20	5	1	—	—
No. in Cat	337	248	192	—	—

7-day Yield
 30-day SEC Yield

Performance Disclosure

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Fees and Expenses

Sales Charges

Front-End Load % **NA**
 Deferred Load % **NA**

Fund Expenses

Management Fees % 0.55
 12b1 Expense % NA
 Gross Expense Ratio % **0.55**

Risk and Return Profile

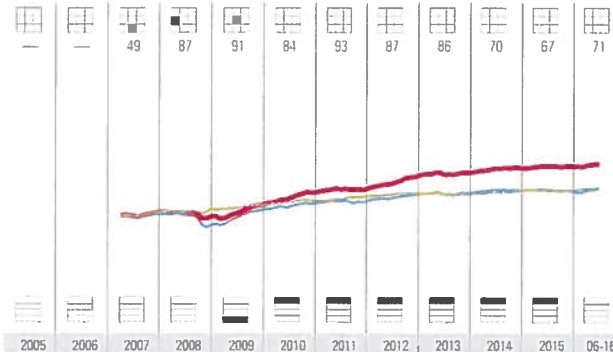
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	—
Morningstar Risk	-Avg	Avg	—
Morningstar Return	High	High	—

	3 Yr	5 Yr	10 Yr
Standard Deviation	2.85	3.82	—
Mean	5.72	8.06	—
Sharpe Ratio	1.94	2.04	—

MPI Statistics	Standard Index	Best F-T Index Morningstar Lifetime Mod Incm TR USD
Alpha	3.92	3.35
Beta	0.41	0.52
R-Squared	14.55	63.75
12-Month Yield	—	—
Potential Cap Gains Exp	—	-0.69%

Operations

Family: Pimco
 Manager: Multiple
 Tenure: 9.3 Years
 Objective: Multisector Bond



Investment Style	Fixed-Income	Bond %
Growth of \$10,000	PIMCO Income P: 22,047	Category Average: 15,105
	Standard Index: 15,465	

Performance Quartile (within category)	History
NAV/Price	11.89
Total Return %	4.21
+/- Standard Index	-1.10
+/- Category Index	-1.47
% Rank Cat	3
No. of Funds in Cat	360

Portfolio Analysis 03-31-2016

Asset Allocation %	Net %	Long %	Short %	Share Chg since 12-2015	Share Amount	Holdings	% Net Assets
Cash	-20.30	46.74	67.04			1 Total Stocks, 3,638 Total Fixed-Income, 52% Turnover Ratio	
US Stocks	0.00	0.00	0.00				
Non-US Stocks	0.00	0.00	0.00	⊕	5,037 mil	Cdx Hy25 5y Ice	9.27
Bonds	114.34	131.94	17.60	⊗	4,448 mil	Irs Usd 1.50000 06/15/16-3y Cme	-8.06
Other/Not Clsfd	5.96	5.96	0.00		2,727 mil	Irs Usd 2.50000 06/15/16-30y Cme	-5.24
Total	100.00	184.64	84.64		2,459 mil	Irs Usd 3.00000 06/18/14-10y Cme	4.94
					3,175 mil	Irs Aud 4.00000 03/15/13-10y Cme	4.80

Equity Style

Value	Weight	Growth
P/E Ratio TTM	—	—
P/C Ratio TTM	—	—
P/B Ratio TTM	—	—
Geo Avg Mkt Cap Sml	—	—

Fixed-Income Style

	Port Avg	Rel Index	Rel Cat
Avg Eff Maturity	—	5.27	—
Avg Eff Duration	—	3.06	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	—	—	—

Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stock %	Rel Std Index
Americas	100.0	—
Greater Europe	0.0	—
Greater Asia	0.0	—

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	100.0	—
Basic Materials	0.0	—
Consumer Cyclical	0.0	—
Financial Services	100.0	—
Real Estate	0.0	—
Sensitive	0.0	—
Communication Services	0.0	—
Energy	0.0	—
Industrials	0.0	—
Technology	0.0	—
Defensive	0.0	—
Consumer Defensive	0.0	—
Healthcare	0.0	—
Utilities	0.0	—

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Prudential Global Total Return Z (USD)

Overall Morningstar Rating™
★★★★★
 329 US OE World Bond

Standard Index
 Barclays US Agg Bond TR USD

Category Index
 Citi WGBI NonUSD

Morningstar Cat
 US OE World Bond

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	3.78	4.31	-3.01	-0.66	4.29
2015	-1.18	-2.64	1.75	-0.91	-2.99
2016	5.61	3.66	—	—	9.47

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	10.38	4.91	3.73	6.48	5.40
Std 06-30-2016	10.38	—	3.73	6.48	5.40
Total Return	10.38	4.91	3.73	6.48	5.40

+/- Std Index	4.38	0.85	-0.03	1.35	—
+/- Cat Index	-3.47	2.55	3.42	2.52	—

% Rank Cat	4	8	19	4	—
No. in Cat	364	329	253	152	—

7-day Yield

30-day SEC Yield

1 Contractual waiver. Expires 02-28-2017

Performance Disclosure
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Fees and Expenses

Sales Charges

Front-End Load % NA

Deferred Load % NA

Fund Expenses

Management Fees % 0.60

12b1 Expense % NA

Gross Expense Ratio % 0.96

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	5★
Morningstar Risk	+Avg	+Avg	High
Morningstar Return	+Avg	+Avg	High

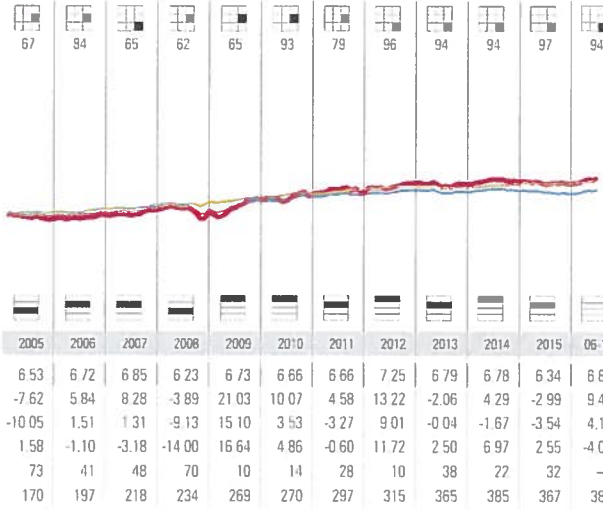
	3 Yr	5 Yr	10 Yr
Standard Deviation	5.65	6.87	8.62
Mean	4.91	3.73	6.48
Sharpe Ratio	0.86	0.56	0.66

MPT Statistics

	Standard Index	Best Fit Index Citi WGBI NonUSD USD
Alpha	-0.30	3.15
Beta	1.31	0.70
R-Squared	38.01	72.40
12-Month Yield	—	3.21%
Potential Cap Gains Exp	—	3.29%

Operations

Family:	Prudential Investments	Base Currency:	USD	Incept:	03-17-1997
Manager:	Multiple	Ticker:	PZTRX	Type:	MF
Tenure:	13.8 Years	Minimum Initial Purchase:	\$5 mil	Total Assets:	\$457.37 mil
Objective:	Worldwide Bond	Purchase Constraints:	A		



Investment Style
 Fixed Income
 Bond %

Growth of \$10,000
 Prudential Global Total Return Z 17,407
 Category Average 14,594
 Standard Index 16,776

Performance Quartile
 (within category)

History
 NAV/Price
 Total Return %
 +/- Standard Index
 +/- Category Index
 % Rank Cat
 No. of Funds in Cat

Portfolio Analysis 06-30-2016

Asset Allocation % 05-31-2016	Net %	Long %	Short %	Share Chg since 05-2016	Share Amount	Holdings	% Net Assets
Cash	9.43	9.43	0.00	—	—	0 Total Stocks, 961 Total Fixed Income, 95% Turnover Ratio	—
US Stocks	0.00	0.00	0.00	—	129 mil	Payb Usd 1.55561 12/31/21	-21.57
Non-US Stocks	0.00	0.00	0.00	—	980	US 10 Year Note (CBT) Sept16	21.15
Bonds	86.70	224.83	138.14	—	1,065	US 5 Year Note (CBT) Sept16	21.12
Other/Not Clsfd	3.88	4.40	0.53	—	129 mil	Recv Usd 1.55561 12/31/21	20.97
Total	100.00	238.67	138.67	—	84 mil	Recv Usd 1.13089 5/31/20	13.74

Equity Style	Portfolio Statistics	Perr Avg	Rel Index	Rel Cat	% Net Assets
P/E Ratio TTM	—	—	—	—	84 mil
P/C Ratio TTM	—	—	—	—	283
P/B Ratio TTM	—	—	—	—	42 mil
Geo Avg Mkt Cap \$mil	—	—	—	—	42 mil
					35 mil

Fixed-Income Style	Rel Std Index	% Net Assets
Avg Eff Maturity	—	—
Avg Eff Duration	8.14	—
Avg Wtd Coupon	2.28	—
Avg Wtd Price	—	—
		35 mil
		35 mil
		35 mil
		146
		25 mil

Credit Quality Breakdown 06-30-2016

	Bond %
AAA	27.16
AA	11.13
A	14.02
BBB	23.00
BB	12.06
B	5.85
Below B	0.36
NR	6.42

Regional Exposure

	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
Sensitive	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
Defensive	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

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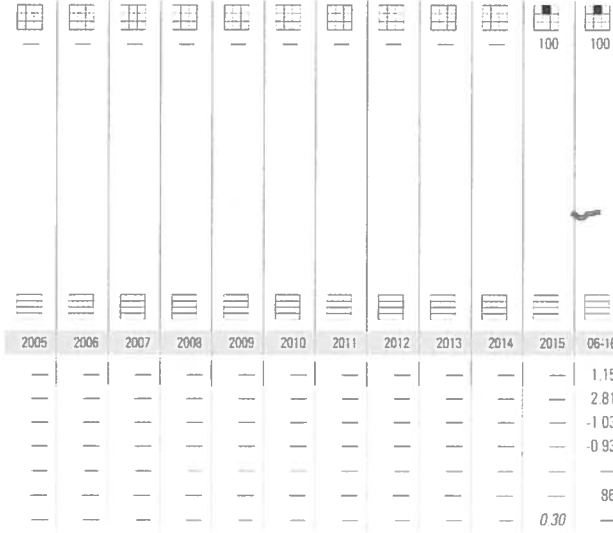
SPDR® S&P 500 Fossil Fuel Free ETF (USD)

Overall Morningstar Rating™ Standard Index
S&P 500 TR USD
Russell 1000 TR USD
Large Blend

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	—	—	—	—	—
2015	—	—	—	—	—
2016	0.99	1.80	—	—	2.81

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-16	—	—	—	—	-0.16
Std NAV 06-30-16	—	—	—	—	1.47
Mkt Total Ret	—	—	—	—	-0.16
NAV Total Ret	—	—	—	—	1.47
+/- Std Index	—	—	—	—	—
+/- Cat Index	—	—	—	—	—
% Rank Cat	—	—	—	—	—
No. in Cat	—	—	—	—	—



Investment Style
Equity
Stock %

Growth of \$10,000
— SPDR S&P 500 Fossil Fuel Free ETF 10,147
— Category Average 10,214
— Standard Index 10,220

Performance Quartile
(within category)

History

Mkt Total Ret %	1.15
NAV Total Ret %	2.81
+/- Standard Index	-1.03
+/- Category Index	-0.93
% Rank Cat	—
No. of Funds in Cat	86
Avg Prem/Discount %	0.30

30-day SEC Yield

Performance Disclosure
The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.
The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.
Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866 787 2257 or visit www.spdrs.com.

Fees and Expenses

Fund Expenses

Management Fees %	0.25
12b1 Expense %	0.00
Expense Ratio %	0.25

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	1392 funds	1206 funds	895 funds
Morningstar Risk	—	—	—
Morningstar Return	—	—	—
Standard Deviation NAV	—	—	—
Standard Deviation MKT	—	—	—
Mean NAV	—	—	—
Mean MKT	—	—	—
Sharpe Ratio	—	—	—

MPT Statistics

	Standard Index	Best Fit Index
NAV	—	—
Alpha	—	—
Beta	—	—
R-Squared	—	—
12-Month Yield	—	—
Potential Cap Gains Exp	—	—
Leveraged	—	No
Leverage Type	—	—
Leverage %	100.00	—
Primary Prospectus Benchmark	S&P 500 Fossil Fuel Free NR USD	—

Portfolio Analysis 06-30-2016

Asset Allocation %

	Net %	Long %	Short %
Cash	0.16	0.16	0.00
US Stocks	99.21	99.21	0.00
Non-US Stocks	0.64	0.64	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style

Val at	Blnd	Grwth	Stk	PN	Stk
P/E Ratio TTM	19.0	0.98	0.99	—	—
P/C Ratio TTM	12.2	1.01	1.00	—	—
P/B Ratio TTM	2.8	1.03	7.97	—	—
Geo Avg Mkt Cap Sml	72822	0.98	0.72	—	—

Fixed-Income Style

1st	1A.d	1st	1st	PN	1st
Avg Eff Maturity	—	—	—	—	—
Avg Eff Duration	—	—	—	—	—
Avg Wtd Coupon	—	—	—	—	—
Avg Wtd Price	—	—	—	—	—

Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stock %	Rel Std Index
Americas	99.4	1.00
Greater Europe	0.6	1.07
Greater Asia	0.0	1.08

Share Chg since 06/2016	Share Amount	Holdings	% Total Assets
—	—	475 Total Stocks, 0 Total Fixed-Income, — Turnover Ratio	—
—	32,090	Apple Inc	3.06
—	46,057	Microsoft Corp	2.35
—	16,104	Johnson & Johnson	1.95
—	53,803	General Electric Co	1.69
—	2,263	Amazon.com Inc	1.62
—	10,971	Berkshire Hathaway Inc B	1.58
—	36,053	AT&T Inc	1.55
—	13,565	Facebook Inc A	1.55
—	23,889	Verizon Communications Inc	1.33
—	21,382	JPMorgan Chase & Co	1.33
—	15,585	Procter & Gamble Co	1.32
—	27,015	Wells Fargo & Co	1.28
—	35,762	Pfizer Inc	1.26
—	1,713	Alphabet Inc A	1.20
—	1,724	Alphabet Inc C	1.19

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	31.8	1.06
Basic Materials	2.8	1.03
Consumer Cyclical	11.6	1.06
Financial Services	14.7	1.06
Real Estate	2.8	1.06
Sensitive	37.4	0.92
Communication Services	4.7	1.06
Energy	2.2	0.29
Industrials	11.7	1.06
Technology	18.7	1.06
Defensive	30.8	1.05
Consumer Defensive	11.3	1.07
Healthcare	16.2	1.07
Utilities	3.3	0.91

Operations

Family:	SPDR State Street Global Advisors	Ticker:	SPYX	Prem/Discount:	-1.31
Manager:	Multiple	Incept:	11-30-2015	Mkt Price:	49.51
Tenure:	0.7 Year	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$99.0 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	1.90 mil	NAV:	50.16	Backing Bank:	SSGA Funds Management Inc

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Touchstone Ultra Short Dur F/I Y (USD)

Overall Morningstar Rating™
★★★★
 123 US OE Ultrashort Bond

Standard Index
 Barclays US Agg Bond TR USD

Category Index
 Barclays Govt/Corp 1 Yr Duration TR USD

Morningstar Cat
 US OE Ultrashort Bond

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.40	0.28	0.14	0.02	0.85
2015	0.25	0.26	0.03	0.11	0.65
2016	0.50	0.61	—	—	1.11

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.25	1.05	—	—	1.10
Std 06-30-2016	1.25	—	—	—	1.10
Total Return	1.25	1.05	1.20	2.07	1.10
+/- Std Index	-4.75	-3.02	-2.56	-3.07	—
+/- Cat Index	0.46	0.48	0.68	0.22	—
% Rank Cat	5	10	16	21	—
No. in Cat	147	123	88	60	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	1.28 ¹	1.18

¹ Contractual waiver, Expires 01-29-2017

Performance Disclosure
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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month end, please call 800-543-0407 or visit www.touchstoneinvestments.com

Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA

Fund Expenses	
Management Fees %	0.25
12b1 Expense %	NA
Gross Expense Ratio %	0.52

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	4★
Morningstar Risk	Avg	-Avg	-Avg
Morningstar Return	+Avg	+Avg	+Avg

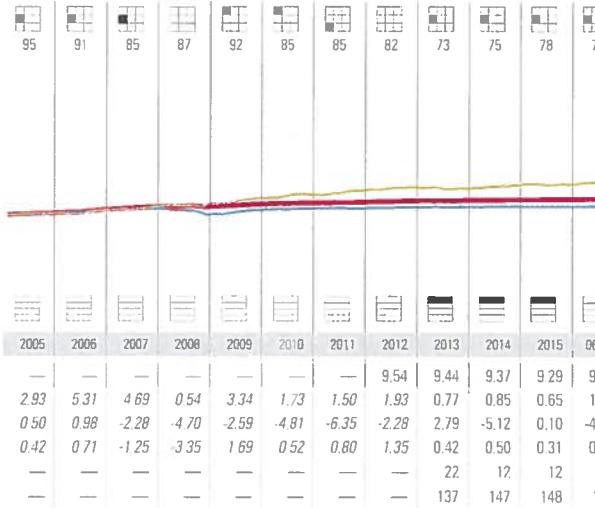
	3 Yr	5 Yr	10 Yr
Standard Deviation	0.33	0.35	1.07
Mean	1.05	1.20	2.07
Sharpe Ratio	3.02	3.25	1.11

MPT Statistics	Standard Index	Best Fit Index
	Barclays Govt/Corp	1 Yr Duration TR
	USD	USD

Alpha	0.70	0.58
Beta	0.07	0.77
R-Squared	30.51	47.91
12-Month Yield	1.57%	
Potential Cap Gains Exp	-4.83%	

Operations

Family:	Touchstone	Ticker:	TSYYX	Incept:	04-16-2012
Manager:	Multiple	Minimum Initial Purchase:	\$2,500	Type:	MF
Tenure:	7.8 Years	Min Auto Investment Plan:	\$100	Total Assets:	\$594.13 mil
Objective:	Government Bond - General	Minimum IRA Purchase:	\$1,000		
Base Currency:	USD	Purchase Constraints:	—		



Investment Style
 Fixed-Income Bond %

Growth of \$10,000
 Touchstone Ultra Short Dur F/I Y: 12,831
 Category Average: 11,480
 Standard Index: 16,776

Performance Quartile
 (within category)

History
 NAV/Price
 Total Return %
 +/- Standard Index
 +/- Category Index
 % Rank Cat
 No. of Funds in Cat

Portfolio Analysis 06-30-2016

Asset Allocation % 03-31-2016	Net %	Long %	Short %	Share Chg since 03-2016	Share Amount	Holdings	% Net Assets
Cash	27.92	27.92	0.00	—	—	0 Total Stocks, 348 Total Fixed-Income, 132% Turnover Ratio	—
US Stocks	0.00	0.00	0.00	—	7 mil	Blue Hen Hotel FRN	1.13
Non-US Stocks	0.00	0.00	0.00	—	6 mil	Great Amer Lease Rec 2016-1 1.57%	1.09
Bonds	72.08	72.08	0.00	—	6 mil	Santander Drive Auto 2015-1 1.97%	1.07
Other/Not Clsfd	0.00	0.00	0.00	—	6 mil	Jp Morgan Chase Cmbis 2014-Inn CMO	0.98
Total	100.00	100.00	0.00	—	6 mil	Ascentium Equip Recv 2016-1 1.75%	0.96

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	% Net Assets
P/E Ratio TTM	—	—	—	—	0.94
P/C Ratio TTM	—	—	—	—	0.90
P/B Ratio TTM	—	—	—	—	0.90
Geo Avg Mkt Cap \$mil	—	—	—	—	0.89
Fixed-Income Style	Avg Eff Maturity	—	—	—	0.89
	Avg Eff Duration	0.69	—	—	0.88
	Avg Wtd Coupon	2.49	—	—	0.88
	Avg Wtd Price	100.27	—	—	0.86
					0.84

Credit Quality Breakdown 06-30-2016	Bond %	Rel Std Index
AAA	33.49	—
AA	12.02	—
A	23.43	—
BBB	23.74	—
BB	0.12	—
B	0.00	—
Below B	0.26	—
NR	6.94	—

Regional Exposure	Stock %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Sector Weightings	Stocks %	Rel Std Index
Cyclical	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
Sensitive	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
Defensive	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

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Vanguard 500 ETF (USD)

Overall Morningstar Rating™ Standard Index Category Index Morningstar Cat
 ★★★★★ S&P 500 TR USD Russell 1000 TR USD Large Blend
 1,392 Large Blend

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	1.80	5.22	1.12	4.91	13.63
2015	0.94	0.28	-6.46	7.03	1.35
2016	1.34	2.44	—	—	3.81

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-16	3.99	—	12.07	—	14.04
Std NAV 06-30-16	3.94	—	12.06	—	14.27
Mkt Total Ret	3.99	11.67	12.07	—	14.04
NAV Total Ret	3.94	11.61	12.06	—	14.27
+/- Std Index	-0.05	-0.04	-0.04	—	—
+/- Cat Index	1.01	0.13	0.18	—	—
% Rank Cat	34	13	21	—	—
No. in Cat	71	48	39	—	—

30-day SEC Yield Subsidized 2.11 Unsubsidized —

Performance Disclosure
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.
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Fees and Expenses

Fund Expenses	
Management Fees %	0.04
Expense Ratio %	0.05
12b1 Expense %	NA

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	—
Morningstar Risk	Avg	Avg	—
Morningstar Return	High	High	—

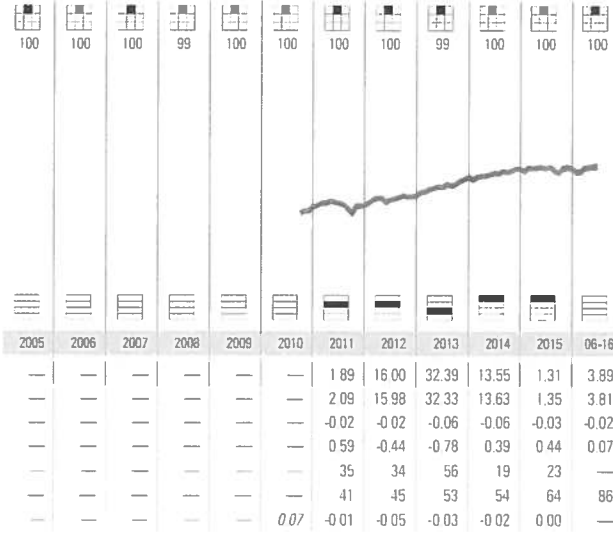
	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	11.26	12.10	—
Standard Deviation MKT	11.33	12.10	—
Mean NAV	11.61	12.06	—
Mean MKT	11.67	12.07	—
Sharpe Ratio	1.03	1.00	—

MPT Statistics

	Standard Index	Best Fit Index
NAV	S&P 500 TR USD	S&P 500 TR USD
Alpha	-0.04	-0.04
Beta	1.00	1.00
R-Squared	100.00	100.00
12-Month Yield	—	2.08%
Potential Cap Gains Exp	—	—
Leveraged	—	No
Leverage Type	—	—
Leverage %	—	100.00
Primary Prospectus Benchmark	S&P 500 TR USD	—

Operations

Family:	Vanguard	Ticker:	VVO	Prem/Discount:	0.01
Manager:	Multiple	Incept:	09-07-2010	Mkt Price:	192.20
Tenure:	0.3 Year	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$49,260.0 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	247.61 mil	NAV:	192.19	Backing Bank:	Vanguard Group Inc



Portfolio Analysis 06-30-2016

Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2016	Share Amount	Holdings	507 Total Stocks, 5 Total Fixed-Income, 3% Turnover Ratio	% Net Assets
Cash	0.44	0.44	0.00	—	—	—	—	—
US Stocks	98.97	98.97	0.00	⊕	72 mil	Apple Inc	—	2.86
Non-US Stocks	0.59	0.59	0.00	⊕	103 mil	Microsoft Corp	—	2.20
Bonds	0.00	0.00	0.00	⊕	54 mil	Exxon Mobil Corp	—	2.13
Other/Not Clsfd	0.00	0.00	0.00	⊕	36 mil	Johnson & Johnson	—	1.82
Total	100.00	100.00	0.00	⊕	121 mil	General Electric Co	—	1.58

Equity Style

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	19.4	1.00	1.01
P/C Ratio TTM	12.1	1.00	0.99
P/B Ratio TTM	2.7	1.00	7.75
Geo Avg Mkt Cap \$mil	73842	1.00	0.73

Fixed-Income Style

	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
	—	—	—	—
	—	—	—	—
	—	—	—	—

Credit Quality Breakdown —

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stock %	Rel Std Index
Americas	99.4	1.00
Greater Europe	0.6	1.00
Greater Asia	0.0	1.00

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	30.1	1.00
Basic Materials	2.7	1.02
Consumer Cyclical	10.9	1.00
Financial Services	13.8	1.00
Real Estate	2.6	1.00
Sensitive	40.5	1.00
Communication Services	4.4	1.00
Energy	7.4	1.00
Industrials	11.0	1.00
Technology	17.6	1.00
Defensive	29.4	1.00
Consumer Defensive	10.6	1.00
Healthcare	15.1	1.00
Utilities	3.7	1.01

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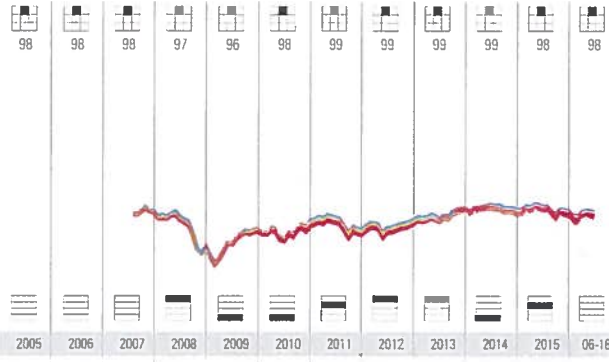
Vanguard FTSE Developed Markets ETF (USD)

Overall Morningstar Rating™ **★★★★** Standard Index MSCI ACWI Ex USA NR USD
 720 Foreign Large Blend Category Index MSCI ACWI Ex USA NR USD
 Morningstar Cat Foreign Large Blend

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	0.43	4.25	-6.05	-4.14	-5.71
2015	5.54	1.03	-9.94	3.92	-0.21
2016	-1.99	-0.24	—	—	-2.23

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-16	-8.22	—	2.00	—	-0.81
Std NAV 06-30-16	-8.50	—	2.06	—	-0.77
Mkt Total Ret	-8.22	2.78	2.00	—	-0.81
NAV Total Ret	-8.50	2.76	2.06	—	-0.77
+/- Std Index	1.75	1.60	1.96	—	—
+/- Cat Index	1.75	1.60	1.96	—	—
% Rank Cat	35	24	10	—	—
No. in Cat	33	18	12	—	—



Investment Style
Equity Stock %

Growth of \$10,000

Vanguard FTSE Developed Markets ETF: 9,759
 Category Average: 10,547
 Standard Index: 9,315

Performance Quartile (within category)

History

Year	Mkt Total Ret %	NAV Total Ret %	+/- Standard Index	+/- Category Index	% Rank Cat	No. of Funds in Cat	Avg Prem/Discount %
2015	-1.93	-0.21	-1.21	-1.21	—	45	—
2014	-0.38	-0.21	-1.21	-1.21	—	37	—
2013	21.83	18.60	6.83	6.83	—	25	—
2012	18.56	12.57	6.83	6.83	—	18	—
2011	-12.30	-12.57	1.14	1.77	—	13	—
2010	8.35	8.47	-1.14	1.77	—	13	—
2009	27.49	28.34	-8.47	1.77	—	15	—
2008	-40.65	-41.25	6.00	1.77	—	15	—
2007	—	—	0.28	0.51	—	15	—
2006	—	—	—	—	—	15	—
2005	—	—	—	—	—	15	—

30-day SEC Yield: Subsidized —, Unsubsidized —

Performance Disclosure
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 Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month end, please call 866-499-8473 or visit www.vanguard.com

Fees and Expenses

Fund Expenses

Management Fees %	0.06
Expense Ratio %	0.09
12b1 Expense %	NA

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	—
Morningstar Risk	Avg	Avg	—
Morningstar Return	+Avg	+Avg	—

	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	12.86	15.13	—
Standard Deviation MKT	13.03	15.27	—
Mean NAV	2.76	2.06	—
Mean MKT	2.78	2.00	—
Sharpe Ratio	0.27	0.21	—

MPT Statistics

	Standard Index	Best Fit Index
NAV	MSCI EAFE NR USD	—
Alpha	1.61	0.75
Beta	0.95	0.96
R-Squared	95.64	97.51

12-Month Yield: —
 Potential Cap Gains Exp: —
 Leveraged: No
 Leverage Type: —
 Leverage %: 100.00
 Primary Prospectus Benchmark: FTSE Developed ex US All Cap NR USD

Operations

Family:	Vanguard	Ticker:	VEA
Manager:	Multiple	Incept:	07-20-2007
Tenure:	3.4 Years	Expiration Date:	—
Total Assets:	\$34,789.0 mil	Exchange:	NYSE ARCA
Shares Outstanding:	956.53 mil	NAV:	35.28

Portfolio Analysis 06-30-2016

Asset Allocation % 05/31/2016

	Net %	Long %	Short %	Share Chg since 05/2016	Share Amount	Holdings: 3,643 Total Stocks, 6 Total Fixed-Income, 3% Turnover Ratio	% Net Assets
Cash	1.58	1.58	0.00	—	—	—	—
US Stocks	0.58	0.58	0.00	—	—	—	—
Non-US Stocks	96.17	96.17	0.00	+	12 mil	Nestle SA	1.54
Bonds	0.00	0.00	0.00	+	9 mil	Novartis AG	1.26
Other/Not Clsfd	1.67	1.67	0.00	+	3 mil	Roche Holding AG Dividend Right Ce	1.20
Total	100.00	100.00	0.00	+	10 mil	Toyota Motor Corp	0.89
				+	75 mil	HSBC Holdings PLC	0.80
				+	7 mil	British American Tobacco PLC	0.79
				+	16 mil	Royal Dutch Shell PLC Class A	0.75
				+	333,682	Samsung Electronics Co Ltd	0.71
				+	70 mil	BP PLC	0.70
				+	3 mil	Anheuser-Busch Inbev SA	0.68
				+	18 mil	GlaxoSmithKline PLC	0.68
				+	8 mil	Total SA	0.67
				+	14 mil	Royal Dutch Shell PLC B	0.66
				+	7 mil	Novo Nordisk A/S B	0.64
				+	6 mil	Commonwealth Bank of Australia	0.62

Equity Style

	Val	Blnd	Grwth
P/E Ratio TTM	14.9	1.02	1.01
P/C Ratio TTM	7.6	0.99	0.89
P/B Ratio TTM	1.4	0.96	2.23
Geo Avg Mkt Cap \$mil	20011	0.74	0.59

Fixed-Income Style

	1-3Y	3-5Y	5-10Y
Avg Eff Maturity	—	—	—
Avg Eff Duration	—	—	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	—	—	—

Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stock %	Rel Std Index
Americas	9.8	0.94
Greater Europe	53.9	1.10
Greater Asia	36.2	0.89

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	42.5	0.99
Basic Materials	8.5	1.09
Consumer Cyclical	11.5	1.06
Financial Services	18.1	0.88
Real Estate	4.3	1.14
Sensitive	31.2	0.96
Communication Services	4.4	0.80
Energy	6.4	0.93
Industrials	13.0	1.25
Technology	7.4	0.76
Defensive	26.3	1.08
Consumer Defensive	12.2	1.05
Healthcare	10.8	1.16
Utilities	3.3	0.95

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Vanguard Mid-Cap ETF (USD)

Overall Morningstar Rating™ Standard Index
 Category Index Morningstar Cat
 S&P 500 TR USD
 Russell Mid Cap TR Mid-Cap Blend
 USD

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	3.28	4.51	-1.15	6.63	13.76
2015	4.29	-1.18	-7.45	3.44	-1.34
2016	1.17	2.34	—	—	3.53

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-16	-0.95	—	10.58	7.79	8.97
Std NAV 06-30-16	-0.88	—	10.56	7.79	8.96
Mkt Total Ret	-0.95	10.78	10.58	7.79	8.97
NAV Total Ret	-0.88	10.77	10.56	7.79	8.96
+/- Std Index	-4.88	-0.89	-1.54	0.37	—
+/- Cat Index	-1.44	-0.03	-0.34	-0.27	—
% Rank Cat	46	18	30	56	—
No. in Cat	29	24	21	10	—



Investment Style
Equity Stock %

Growth of \$10,000

Vanguard Mid-Cap EIF: 25,233
 Category Average: 25,786
 Standard Index: 22,051

Performance Quartile
(within category)

History

Mkt Total Ret %
 NAV Total Ret %
 +/- Standard Index
 +/- Category Index
 % Rank Cat
 No. of Funds in Cat
 Avg Prem/Discount %

30-day SEC Yield

Subsidized	Unsubsidized
1.51	—

Performance Disclosure
 The Overall Morningstar Rating is based on risk-adjusted returns derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.
 The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate, thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.
 Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month end, please call 866-499-8473 or visit www.vanguard.com

Fees and Expenses

Fund Expenses

Management Fees %	0.06
Expense Ratio %	0.08
12b1 Expense %	NA

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	4★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	+Avg	+Avg	+Avg
Standard Deviation NAV	12.02	13.94	17.89
Standard Deviation MKT	12.42	14.12	18.00
Mean NAV	10.77	10.56	7.79
Mean MKT	10.78	10.58	7.79
Sharpe Ratio	0.91	0.79	0.46

MPT Statistics

	Standard Index	Best Fit Index
NAV	—	Morningstar US Mid Cap TR USD
Alpha	-0.82	-0.23
Beta	1.01	0.99
R-Squared	89.12	99.25
12-Month Yield	—	2.02%
Potential Cap Gains Exp	—	—
Leveraged	No	—
Leverage Type	—	—
Leverage %	—	100.00
Primary Prospectus Benchmark	CRSP US Mid Cap TR USD	—

Portfolio Analysis 06-30-2016

Asset Allocation %

	Net %	Long %	Short %	Share Chg since 05-2016	Share Amount	Holdings	% Net Assets
Cash	0.12	0.12	0.00	—	—	344 Total Stocks, 2 Total Fixed-Income, 15% Turnover Ratio	—
US Stocks	98.51	98.51	0.00	—	2 mil	Equinix Inc	0.87
Non-US Stocks	1.37	1.37	0.00	+	5 mil	Fiserv Inc	0.78
Bonds	0.00	0.00	0.00	+	7 mil	Fidelity National Information Serv	0.78
Other/Not Clsfd	0.00	0.00	0.00	+	11 mil	NVIDIA Corp	0.77
Total	100.00	100.00	0.00	+	11 mil	Newell Brands Inc	0.75

Equity Style

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	20.8	1.08	1.20
P/C Ratio TTM	11.5	0.95	1.19
P/B Ratio TTM	2.5	0.91	5.27
Geo Avg Mkt Cap \$mil	11241	0.15	1.70

Fixed-Income Style

	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
	—	—	—	—

Credit Quality Breakdown

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stock %	Rel Std Index
Americas	98.6	0.99
Greater Europe	1.0	1.83
Greater Asia	0.4	9.05

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	41.4	1.38
Basic Materials	5.6	2.07
Consumer Cyclical	17.7	1.62
Financial Services	10.5	0.76
Real Estate	7.6	2.90
Sensitive	36.5	0.90
Communication Services	1.3	0.28
Energy	5.5	0.74
Industrials	14.8	1.34
Technology	15.0	0.85
Defensive	22.0	0.75
Consumer Defensive	7.5	0.70
Healthcare	8.9	0.59
Utilities	5.6	1.56

Operations

Family:	Vanguard	Ticker:	VO	Prem/Discount:	0.07
Manager:	Multiple	Incept:	01-26-2004	Mkt Price:	123.63
Tenure:	18.2 Years	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$14,808.4 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	114.72 mil	NAV:	123.54	Backing Bank:	Vanguard Group Inc

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Vanguard Small-Cap ETF (USD)

Overall Morningstar Rating™ **★★★★** Standard Index S&P 500 TR USD Category Index Russell 2000 TR USD Morningstar Cat Small Blend

Performance 06-30-2016

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2014	2.60	3.77	-5.48	6.84	7.51
2015	4.80	-0.56	-10.32	3.10	-3.65
2016	1.01	3.98	—	—	5.03

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 06-30-16	-2.87	—	9.92	7.79	8.37
Std NAV 06-30-16	-2.89	—	9.90	7.75	8.37
Mkt Total Ret	-2.87	8.98	9.92	7.79	8.37
NAV Total Ret	-2.89	8.94	9.90	7.75	8.37
+/- Std Index	-6.88	-2.72	-2.20	0.33	—
+/- Cat Index	3.84	1.85	1.54	1.56	—
% Rank Cat	35	28	25	34	—
No. in Cat	27	19	17	7	—

30-day SEC Yield

Subsidized 1.61
Unsubsidized —

Performance Disclosure

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month end, please call 866 499 8473 or visit www.vanguard.com

Fees and Expenses

Fund Expenses

Management Fees %	0.06
Expense Ratio %	0.08
12b1 Expense %	NA

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	4★
Morningstar Risk	-Avg	Avg	Avg
Morningstar Return	+Avg	+Avg	+Avg
Standard Deviation NAV	13.65	15.61	19.70
Standard Deviation MKT	13.73	15.66	19.73
Mean NAV	8.94	9.90	7.75
Mean MKT	8.98	9.92	7.79
Sharpe Ratio	0.69	0.68	0.43

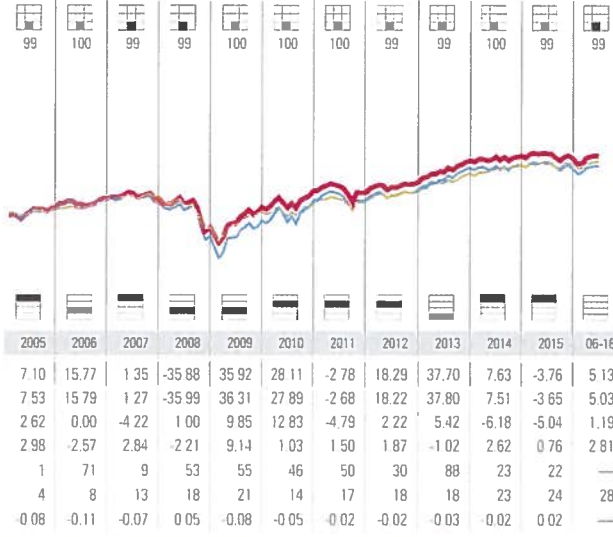
MPT Statistics	Standard Index	Best Fit Index
NAV	—	Morningstar US Small Cap TR USD
Alpha	-2.92	0.87
Beta	1.06	0.95
R-Squared	76.86	99.12

12-Month Yield 1.90%
Potential Cap Gains Exp —

Leveraged No
Leverage Type —
Leverage % 100.00
Primary Prospectus Benchmark CRSP US Small Cap TR USD

Operations

Family:	Vanguard	Ticker:	VB
Manager:	Multiple	Incept:	01-26-2004
Tenure:	0.3 Year	Expiration Date:	—
Total Assets:	\$13,652.2 mil	Exchange:	NYSE ARCA
Shares Outstanding:	112.73 mil	NAV:	115.64



Investment Style

Equity Stock %

Growth of \$10,000

Vanguard Small-Cap ETF 24,272
Category Average 20,635
Standard Index 22,051

Performance Quartile (within category)

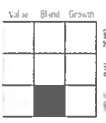
History

Mkt Total Ret %	5.13
NAV Total Ret %	5.03
+/- Standard Index	1.19
+/- Category Index	2.81
% Rank Cat	—
No. of Funds in Cat	28
Avg Prem/Discount %	—

Portfolio Analysis 06-30-2016

Asset Allocation %	Net %	Long %	Short %	Share Chg since 05-2016	Share Amount	Holdings 1-465 Total Stocks, 5 Total Fixed-Income 11% Turnover Ratio	% Net Assets
Cash	0.42	0.42	0.00	—	—	—	—
US Stocks	98.74	98.74	0.00	—	—	—	—
Non-US Stocks	0.69	0.69	0.00	+	1 mil	Ingredion Inc	0.33
Bonds	0.01	0.01	0.00	+	7 mil	Duke Realty Corp	0.33
Other/Not Clsfd	0.14	0.14	0.00	+	4 mil	Newfield Exploration Co	0.31
Total	100.00	100.00	0.00	+	4 mil	Arthur J. Gallagher & Co	0.30
				+	2 mil	Atmos Energy Corp	0.30

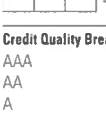
Equity Style



Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	20.1	1.04	0.98
P/C Ratio TTM	9.6	0.80	0.90
P/B Ratio TTM	2.1	0.78	4.42
Geo Avg Mkt Cap Sml	2987	0.04	1.09
Avg Eff Maturity	—	—	—
Avg Eff Duration	—	—	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	99.93	—	—

Fixed-Income Style



Credit Quality Breakdown —

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure

	Stock %	Rel Std Index
Americas	99.6	1.00
Greater Europe	0.2	0.39
Greater Asia	0.2	5.73

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	45.3	1.51
Basic Materials	5.0	1.87
Consumer Cyclical	13.7	1.25
Financial Services	12.4	0.90
Real Estate	14.1	5.41
Sensitive	35.5	0.88
Communication Services	0.9	0.20
Energy	4.7	0.64
Industrials	15.6	1.41
Technology	14.3	0.81
Defensive	19.2	0.65
Consumer Defensive	4.4	0.41
Healthcare	9.7	0.64
Utilities	5.1	1.41

Prem/Discount:	0.03
Mkt Price:	115.68
Base Currency:	USD
Legal Structure:	Open Ended Investment Company
Backing Bank:	Vanguard Group Inc

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Standardized and Tax Adjusted Returns Disclosure Statement

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit <http://advisor.morningstar.com/familyinfo.asp>

An investment in a money-market vehicle is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation reflects the current earnings of the money market more closely than the total return quotation. Although money markets seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them.

Standardized Returns assume reinvestment of dividends and capital gains. They depict performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses.

If adjusted for taxation, the performance quoted would be significantly reduced. For variable annuities, additional expenses will be taken into account, including M&E risk charges, fund-level expenses such as management fees and operating fees, contract-level administration fees, and charges such as surrender, contract, and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution are as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before-tax returns. After-tax returns for exchange-traded funds are based on net asset value.

Annualized returns 06-30-2016

Standardized Returns (%)	7-day Yield Subsidized	7-day Yield Unsubsidized	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
BlackRock Strategic Income Opps Instl	—	—	-0.28	3.02	—	4.25	02-05-2008	NA	NA	—	0.80
Deutsche X-trackers MSCI EAFE Hedged Eq-NAV	—	—	-10.12	5.78	—	5.97	06-09-2011	NA	NA	0.35	0.35
Deutsche X-trackers MSCI EAFE Hedged Eq-Market	—	—	-9.57	6.26	—	5.88	06-09-2011	NA	NA	0.35	0.35
iShares Core US Aggregate Bond-NAV	—	—	5.93	3.69	4.99	4.44	09-22-2003	NA	NA	0.08 ¹	0.09
iShares Core US Aggregate Bond-Market	—	—	6.17	3.72	5.00	4.45	09-22-2003	NA	NA	0.08 ¹	0.09
Janus Flexible Bond I	—	—	4.22	4.17	—	5.56	07-06-2009	NA	NA	0.57	0.57
Oppenheimer Senior Floating Rate Y	—	—	1.14	3.66	4.17	4.35	11-28-2005	NA	NA	—	0.83
PIMCO Income P	—	—	3.82	8.06	—	9.40	04-30-2008	NA	NA	0.55	0.55
Prudential Global Total Return Z	—	—	10.38	3.73	6.48	5.40	03-17-1997	NA	NA	0.76 ²	0.96
SPDR® S&P 500 Fossil Fuel Free ETF-NAV	—	—	—	—	—	1.47	11-30-2015	NA	NA	0.20 ³	0.25
SPDR® S&P 500 Fossil Fuel Free ETF-Market	—	—	—	—	—	-0.16	11-30-2015	NA	NA	0.20 ³	0.25
Touchstone Ultra Short Dur F/I Y	—	—	1.25	—	—	1.10	04-16-2012	NA	NA	0.44 ⁴	0.52
Vanguard 500 ETF-NAV	—	—	3.94	12.06	—	14.27	09-07-2010	NA	NA	0.05	0.05
Vanguard 500 ETF-Market	—	—	3.99	12.07	—	14.04	09-07-2010	NA	NA	0.05	0.05
Vanguard FTSE Developed Markets ETF-NAV	—	—	-8.50	2.06	—	-0.77	07-20-2007	NA	NA	0.09	0.09
Vanguard FTSE Developed Markets ETF-Market	—	—	-8.22	2.00	—	-0.81	07-20-2007	NA	NA	0.09	0.09
Vanguard Mid-Cap ETF-NAV	—	—	-0.88	10.56	7.79	8.96	01-26-2004	NA	NA	0.08	0.08
Vanguard Mid-Cap ETF-Market	—	—	-0.95	10.58	7.79	8.97	01-26-2004	NA	NA	0.08	0.08
Vanguard Small-Cap ETF-NAV	—	—	-2.89	9.90	7.75	8.37	01-26-2004	NA	NA	0.08	0.08
Vanguard Small-Cap ETF-Market	—	—	-2.87	9.92	7.79	8.37	01-26-2004	NA	NA	0.08	0.08
Barclays Govt/Corp 1 Yr Duration TR USD			0.79	0.52	1.84	—	—				
Barclays US Agg Bond TR USD			6.00	3.76	5.13	—	—				
Barclays US Universal TR USD			5.82	4.01	5.30	—	—				
BofAML USD LIBOR 3 Mon CM			0.41	0.34	1.52	—	—				
Citi WGBI NonUSD USD			13.85	0.31	3.97	—	—				
Morningstar Lifetime Mod 2015 TR USD			2.82	5.76	5.90	—	—				
Morningstar Lifetime Mod Incm TR USD			2.55	4.46	5.31	—	—				

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Annualized returns 06-30-2016

Standardized Returns (%)	7-day Yield Subsidized	7-Day Yield Unsubsidized	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
Morningstar US Mid Cap TR USD			0.48	11.08	8.16	—	—				
Morningstar US Small Cap TR USD			-3.77	9.16	7.41	—	—				
MSCI ACWI Ex USA NR USD			-10.24	0.10	1.87	—	—				
MSCI EAFE Growth NR USD			-4.80	3.24	2.88	—	—				
MSCI EAFE NR USD			-10.16	1.68	1.58	—	—				
Russell 1000 TR USD			2.93	11.88	7.51	—	—				
Russell 2000 TR USD			-6.73	8.35	6.20	—	—				
Russell Mid Cap TR USD			0.56	10.90	8.07	—	—				
S&P 500 TR USD			3.99	12.10	7.42	—	01-30-1970				
S&P/LSTA Leveraged Loan TR			0.94	3.79	4.47	—	—				
USTREAS T-Bill Auction Ave 3 Mon			0.19	0.08	0.95	—	—				

1. Contractual waiver, Expires 06-30-2021
2. Contractual waiver, Expires 02-28-2017
3. Contractual waiver, Expires 10-31-2017
4. Contractual waiver, Expires 01-29-2017

Return after Tax (%)	On Distribution					On Distribution and Sales of Shares				
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception	
BlackRock Strategic Income Opps Instl	-1.72	1.64	—	2.52	02-05-2008	-0.16	1.74	—	2.58	
Deutsche X-trackers MSCI EAFE Hedged Eq-NAV	-11.39	3.71	—	3.92	06-09-2011	-5.62	3.80	—	3.95	
iShares Core US Aggregate Bond-NAV	4.78	2.62	3.67	3.12	09-22-2003	3.33	2.38	3.37	2.93	
Janus Flexible Bond I	3.00	2.69	—	3.90	07-06-2009	2.37	2.65	—	3.72	
Oppenheimer Senior Floating Rate Y	-1.10	1.56	1.80	1.97	11-28-2005	0.61	1.90	2.21	2.35	
PIMCO Income P	0.47	5.17	—	6.59	04-30-2008	2.12	4.98	—	6.19	
Prudential Global Total Return Z	8.64	1.98	4.26	2.97	03-17-1997	5.82	2.10	4.16	3.11	
SPDR® S&P 500 Fossil Fuel Free ETF-NAV	—	—	—	1.00	11-30-2015	—	—	—	0.85	
Touchstone Ultra Short Dur F/I Y	0.57	—	—	0.38	04-16-2012	0.71	—	—	0.53	
Vanguard 500 ETF-NAV	3.41	11.44	—	13.67	09-07-2010	2.64	9.47	—	11.44	
Vanguard FTSE Developed Markets ETF-NAV	-9.21	1.14	—	-1.57	07-20-2007	-4.40	1.45	—	-0.71	
Vanguard Mid-Cap ETF-NAV	-1.41	10.10	7.30	8.51	01-26-2004	-0.17	8.26	6.11	7.25	
Vanguard Small-Cap ETF-NAV	-3.45	9.36	7.22	7.89	01-26-2004	-1.40	7.66	6.06	6.71	

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Mutual Fund Detail Report Disclosure Statement

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Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's Performance section.

When pre-inception data are presented in the report, the header at the top of the report will indicate this. In addition, the pre-inception data included in the report will appear in italics.

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures of a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Performance

The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

Total Return and Quarterly Return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Standardized Return is reflected as of the quarter-end. It depicts performance without adjusting for the effects of taxation, but is adjusted for sales charges and all ongoing fund expenses, and assumes reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the performance quoted would be reduced. The sales charge used in the calculation was obtained from the fund's most recent prospectus and/or shareholder report available to Morningstar. Standardized Returns never include pre-inception history.

Load-Adjusted Monthly Return is calculated applying the same methodology as Standardized Returns, except that it represents return through month-end. As with Standardized Returns, it reflects the impact of sales charges and ongoing fund expenses, but not taxation. If adjusted for the effects of taxation, the performance quoted would be significantly reduced.

Morningstar % Rank within Morningstar Category does not account for a fund's

sales charge (if applicable). Rankings will not be provided for periods less than one year.

Growth of 10,000

This graph compares the growth of an investment of 10,000 (in the base currency of the fund) with that of an index and with that of the average for all funds in its Morningstar category. The total returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual ongoing fund expenses, and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

If pre-inception data is included in the analysis, it will be graphed.

Risk and Return

The Morningstar Rating is calculated for funds with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Please note that some Morningstar proprietary calculations, including the Morningstar Rating, may be calculated based on adjusted historical returns (pre-inception returns). If the extended performance rating is in effect, the "stars" are represented as unshaded stars. For each mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's adjusted monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. This investment's independent Morningstar Rating metric is then compared against the open-end mutual fund universe's actual performance breakpoints to determine its extended performance rating. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the actual performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Morningstar Return rates a mutual fund's performance relative to other funds in its Morningstar Category. It is an assessment of a fund's excess return over a risk-free rate (the return of the 90-day Treasury Bill), after adjusting for all applicable loads and sales charges, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return (HIGH), the next 22.5% Above Average (+AVG), the middle 35% Average (AVG), the next 22.5% Below Average (-AVG), and the bottom 10% Low (LOW). Morningstar Return is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

Morningstar Risk evaluates a mutual fund's downside volatility relative to that of other funds in its Morningstar Category. It is an assessment of the variations in a fund's monthly returns, with an emphasis on downside variations, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the 10% of funds with the lowest measured risk are

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described as Low Risk (LOW), the next 22.5% Below Average (-AVG), the middle 35% Average (AVG), the next 22.5% Above Average (+AVG), and the top 10% High (HIGH). Morningstar Risk is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

If pre-inception data is included in the analysis, it will be graphed.

Morningstar Analyst Rating

The Morningstar Analyst Rating is not a credit or risk rating. It is a subjective evaluation performed by the mutual fund analysts of Morningstar, Inc. Morningstar evaluates funds based on five key pillars, which are process, performance, people, parent, and price. Morningstar's analysts use this five pillar evaluation to identify funds they believe are more likely to outperform over the long term on a risk-adjusted basis. Analysts consider quantitative and qualitative factors in their research, and the weighting of each pillar may vary. The Analyst Rating ultimately reflects the analyst's overall assessment and is overseen by Morningstar's Analyst Rating Committee. The approach serves not as a formula but as a framework to ensure consistency across Morningstar's global coverage universe.

The Analyst Rating scale ranges from Gold to Negative, with Gold being the highest rating and Negative being the lowest rating. A fund with a Gold rating distinguishes itself across the five pillars and has garnered the analysts' highest level of conviction. A fund with a Silver rating has notable advantages across several, but perhaps not all, of the five pillars-strengths that give the analysts a high level of conviction. A Bronze-rated fund has advantages that outweigh the disadvantages across the five pillars, with sufficient level of analyst conviction to warrant a positive rating. A fund with a Neutral rating isn't seriously flawed across the five pillars, nor does it distinguish itself very positively. A Negative rated fund is flawed in at least one if not more pillars and is considered an inferior offering to its peers. Analyst Ratings are reevaluated at least every 14 months.

For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf>.

The Morningstar Analyst Rating should not be used as the sole basis in evaluating a mutual fund. Morningstar Analyst Ratings are based on Morningstar's current expectations about future events; therefore, in no way does Morningstar represent ratings as a guarantee nor should they be viewed by an investor as such. Morningstar Analyst Ratings involve unknown risks and uncertainties which may cause Morningstar's expectations not to occur or to differ significantly from what we expected.

Risk Measures

The risk measures below are calculated for funds with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Mean represents the annualized geometric return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of a fund's movements that is explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Best fit index: Alpha, beta, and R-squared statistics are presented for a broad market index and a "Best fit" index. The Best-Fit index identified in this report was determined by Morningstar by calculating R-squared for the fund against approximately 100 indexes tracked by Morningstar. The index representing the highest R-squared is identified as the best-fit index. The best-fit index may not be the fund's benchmark, nor does it necessarily contain the types of securities that may be held by the fund.

Risk measures calculated using pre-inception data, if included in the analysis, will be presented in italics.

Asset Allocation

The weighting of the portfolio in various asset classes, including "Other" is shown in the table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks.

In the table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

Most managed product portfolios hold fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short position, so funds that short often have a large cash position, sometimes even exceeding 100% cash.

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Note that all other portfolio statistics presented in this report are based on the long holdings of the fund only.

Style Analysis

The Morningstar Style Box reveals a fund's investment style as of the date noted on this report.

For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit

<http://www.sec.gov/divisions/marketreg/ratingagency.htm>. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii)

Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

Equity Portfolio Statistics

The referenced data elements below are a weighted average of the long equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying 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.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying 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.

The geometric average market capitalization of a fund's equity portfolio offers a measure of the size of the companies in which the mutual fund invests.

Fixed-Income Portfolio Statistics

The referenced data elements below are a weighted average of the long fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Credit quality breakdowns are shown for corporate-bond holdings and depict the quality of bonds in the underlying portfolio. The report shows the percentage of fixed-income securities that fall within each credit quality rating as assigned by an NRSRO. Bonds not rated by an NRSRO are included in the not rated (NR) category.

Turnover Ratio is a decent proxy for how frequently a manager trades his or her portfolio. The inverse of a fund's turnover ratio is the average holding period for a security in the fund. As turnover increases, a fund's brokerage costs typically rise as well.

Operations

Purchase constraints denote if a mutual fund has any of the following qualities: Qualified Access (A), Institutional (T), Closed to New Investments, (C) or Closed

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to All Investments (L). Because these qualities can all act as restrictions and/or requirements for investment, they are grouped together.

Potential capital gains exposure is the percentage of a mutual fund's total assets that represents capital appreciation.

Fees and Expenses

Prospectus Gross Expense Ratio reflects the annual percentage of a fund's assets paid out in expenses. Expenses include management, 12B-1, transfer agent and all other asset-based fees associated with the fund's daily operations and distribution, with the exception of brokerage commissions. It does not reflect expenses that have been reimbursed by the investment advisor, reductions from brokerage service arrangements or other expense offset arrangements.

Prospectus Net Expense Ratio reflects actual expenses paid by the fund as well as any voluntary waivers, reductions from brokerage service arrangements and any other expense offset arrangements.

ETF/ETN Detail Report Disclosure Statement

The Exchange-traded Fund (ETF)/Exchange Traded Note (ETN) Detail report is supplemental sales literature, and therefore must be preceded or accompanied by the fund/note's current prospectus or an equivalent statement. Please read this information carefully. In all cases, this disclosure statement should accompany the ETF/ETN Detail Report. Morningstar is not itself a FINRA-member firm. All data presented is based on the most recent information available to Morningstar.

Exchange Traded Notes (ETN) are unsecured debt obligations of a particular issuer with returns that generally track the total return of an underlying index. Unlike standard debt securities, ETNs may not return the principal amount at maturity and, therefore, depending on the specific terms of the product, investors could lose all or a substantial portion of their investment based on the performance of the underlying index. Investors could also lose their entire investment if the issuer becomes insolvent. UBS Financial Services Inc. does not guarantee in any way the obligations or the financial condition of any issuer or the accuracy of any financial information provided by any issuer of ETNs. ETNs are not traditional investments and investing in ETNs can contain a call feature which allows the issuer to repurchase the ETN at its option prior to maturity. If this call feature is exercised, investors may not be able to reinvest the proceeds received at a comparable rate of return. While ETNs are generally listed on an exchange, the issuer is not obligated to maintain such listing or to ensure that there is a secondary market for the ETNs. As a result, there may be limited or no liquidity in the ETNs and investors should be prepared to hold their investment to maturity.

ETF/ETN's trading on a secondary market may trade at, above, or below their net asset value (NAV) or closing indicative note value. If an ETF/ETN's shares trade at a price above their NAV they are said to be trading at a "premium." Conversely, if they are trading at a price below their NAV, they are said to be trading at a "discount."

Holding company depository receipts (HOLDRs) are similar to ETF/ETNs, but they focus on narrow industry groups. HOLDRs initially own 20 stocks, which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

The market price noted on the Detail Report is the price of the ETF/ETN as of the close of trading on the last business day at month-end. This date is listed at the top of the Detail Report.

Performance

The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares, when sold, may be worth more or less than the original investment. Portfolio statistics change over time. ETFs, ETNs and HOLDRs are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution.

For ETF/ETNs, standardized total return is reflected as of month- and quarter-end time periods. It depicts performance without adjusting for brokerage commissions and the effects of taxation, but is adjusted to reflect all actual ongoing ETF/ETN expenses and assumes reinvestment of dividends and capital gains. If adjusted, the effects of brokerage commissions and taxation would reduce the performance quoted.

For HOLDRs, the standardized total return reflects performance at market price, without adjusting for the effects of taxation or brokerage commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The 12-month yield is derived by summing the trailing 12-months' 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.

Growth of 10,000

This graph compares the growth of an investment of 10,000 (in the base currency of the fund) with that of an index and with that of the average for all funds in its Morningstar category. The NAV total returns are not adjusted to reflect the effects of taxation, but they are adjusted to reflect actual ongoing fund expenses and assume reinvestment of dividends and capital gains. If adjusted, the effect of taxation would reduce the performance quoted. Please note, while the investor obtaining an ETF/ETN through the secondary market does not obtain it at NAV, the purpose in presenting this graph based on NAV is to provide an illustration of the historical performance of the ETF strategy. In no way should this performance be considered indicative of or a guarantee of the future performance of this ETF/ETN nor should it be viewed as a substitute for an actual investor experience.

The index is an unmanaged portfolio of specified securities, and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

Risk Measures

The risk measures below are calculated for ETF/ETNs with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the ETF/ETN's NAV returns.

Mean represents the annualized geometric NAV return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

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Alpha measures the difference between an ETF/ETN's NAV returns and its expected performance, given its level of risk as measured by beta. Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of an ETF/ETN's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of an ETF/ETN's movements that is explained by movements in its benchmark index, showing the degree of correlation between the ETF/ETN and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Best fit index: Alpha, beta, and R-squared statistics are presented for a broad market index and a "Best fit" index. The Best-Fit index identified in this report was determined by Morningstar by calculating R-squared for the fund/note against approximately 100 indexes tracked by Morningstar. The index representing the highest R-squared is identified as the best-fit index. The best-fit index may not be the fund/note's benchmark, nor does it necessarily contain the types of securities that may be held or tracked by the fund/note.

Asset Allocation

The weighting of the portfolio in various asset classes, including "Other" is shown in the table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks.

In the table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the fund/notes' exposure and risk.

Most managed product portfolios hold or track fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use or track other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take or track long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short

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Style Analysis

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For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit <http://www.sec.gov/divisions/marketreg/ratingagency.htm>. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These

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breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

Equity Portfolio Statistics

The referenced data elements below are a weighted average of the long equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying 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.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying 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.

The geometric average market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which the mutual fund invests.

Fixed-Income Portfolio Statistics

The referenced data elements below are a weighted average of the long fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Credit quality breakdowns are shown for corporate-bond holdings and depict the quality of bonds in the underlying portfolio. The report shows the percentage of fixed-income securities that fall within each credit quality rating as assigned by an NRSRO. Bonds not rated by an NRSRO are included in the not rated (NR) category.

Investment Risks

International/Emerging Market Equities: Investing in international securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Strategies: Portfolios that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Strategies: Portfolios that invest a significant percentage of assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Equities: Portfolios that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Mid Cap Equities: Portfolios that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bonds: Portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Tax-Free Municipal Bonds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Bonds: Bonds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio declines. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates.

HOLDERS: The investor should note that these are narrow industry-focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDR might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

Hedge Funds: The investor should note that hedge fund investing involves specialized risks that are dependent upon the type of strategies undertaken by the manager. This can include distressed or event-driven strategies, long/short strategies, using arbitrage (exploiting price inefficiencies), international investing, and use of leverage, options and/or derivatives. Although the goal of hedge fund managers may be to reduce volatility and produce positive absolute return under a variety of market conditions, hedge funds may involve a high degree of risk and are suitable only for investors of substantial financial means who could bear the entire loss of their investment.

Bank Loan/Senior Debt: Bank loans and senior loans are impacted by the risks associated with fixed income in general, including interest rate risk and default risk. They are often non-investment grade, therefore, the risk of default is high. These securities are also relatively illiquid. Managed products that invest in bank loans/senior debt are often highly leveraged, producing a high risk of return volatility.

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Exchange Traded Notes (ETNs): ETNs are unsecured debt obligations. Any repayment of notes is subject to the issuer's ability to repay its obligations. ETNs do not typically pay interest.

Leveraged ETFs: Leveraged investments are designed to meet multiples of the return performance of the index they track and seek to meet their fund objectives on a daily basis (or other time period stated within the prospectus objective). The leverage/gearing ratio is the amount of excess return that a leveraged investment is designed to achieve in comparison to its index performance (i.e. 200%, 300%, -200%, or -300% or 2X, 3X, -2X, -3X). Compounding has the ability to affect the performance of the fund to be either greater or less than the index performance multiplied by the multiple stated within the funds objective over a stated time period.

Short Positions: When a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker may demand more collateral and a manager might have to close out a short position at an inopportune time to limit further losses.

Long-Short: Due to the strategies used by long-short funds, which may include but are not limited to leverage, short selling, short-term trading, and investing in derivatives, these funds may have greater risk, volatility, and expenses than those focusing on traditional investment strategies.

Liquidity Risk: Closed-end fund, ETF, and HOLDR trading may be halted due to market conditions, impacting an investor's ability to sell a fund.

Market Price Risk: The market price of ETFs, HOLDRs, and closed-end funds traded on the secondary market is subject to the forces of supply and demand and thus independent of the NAV. This can result in the market price trading at a premium or discount to the NAV, which will affect an investor's value.

Market Risk: The market prices of ETFs and HOLDRs can fluctuate as a result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

Target-Date Funds: Target-date funds typically invest in other mutual funds and are designed for investors who are planning to retire during the target date year. The fund's target date is the approximate date when investors expect to begin withdrawing their money. A target-date fund's investment objective/strategy typically becomes more conservative over time, primarily by reducing its allocation to equity mutual funds and increasing its allocations in fixed-income mutual funds. An investor's principal value in a target-date fund is not guaranteed at any time, including at the fund's target date.

High double- and triple-digit returns: High double- and triple-digit returns were the result of extremely favorable market conditions, which may not continue to be the case. High returns for short time periods must not be a major factor when making investment decisions.

Benchmark Disclosure

Barclays Govt/Corp 1 Yr Duration TR USD

Description unavailable.

Barclays US Agg Bond TR USD

This index is composed of the BarCap Government/Credit Index, the Mortgage-

Backed Securities Index, and the Asset-Backed Securities Index. The returns we publish for the index are total returns, which includes the daily reinvestment of dividends. The constituents displayed for this index are from the following proxy: iShares Core US Aggregate Bond.

Barclays US Universal TR USD

BarCap U.S. Universal Bond Index: The U.S. Universal Index mirrors the increasingly popular "Core Plus" choice set used by many U.S.-dollar investors. It is the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, the non-ERISA portion of the CMBS Index, and the CMBS High Yield Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index.

BofAML USD LIBOR 3 Mon CM

The BofA Merrill Lynch USD LIBOR 3 Month Constant Maturity Index represents the London intrabank offered rate (LIBOR) with a constant 3-month average maturity. LIBOR is a composite of the rates of interest at which banks borrow from one another in the London market.

Citi WGBI NonUSD USD

A market-capitalization weighted index consisting of the government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, and United Kingdom. Country eligibility is determined based upon market capitalization and investability criteria. The index includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of US\$25 million. Government securities typically exclude floating or variable rate bonds.

Morningstar Lifetime Mod 2015 TR USD

The Morningstar Lifetime Moderate 2015 Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is about five years away from retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Morningstar Lifetime Mod Incm TR USD

The Morningstar Lifetime Moderate Income Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a U.S. investor who is at least ten years into retirement. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility.

Morningstar US Mid Cap TR USD

The Morningstar Mid Cap Index tracks the performance of U.S. mid-cap stocks. These stocks fall between the 70th and 90th percentile in market capitalization of the investable universe. In aggregate, the Mid-Cap Index represents 20 percent of the investable universe.

Morningstar US Small Cap TR USD

The Morningstar Small Cap Index tracks the performance of U.S. small-cap stocks. These stocks fall between the 90th and 97th percentile in market capitalization of the investable universe. In aggregate, the Small Cap Index represents 7 percent of the investable universe.

MSCI ACWI Ex USA NR USD

The MSCI AC World ex USA is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The index consists of 48 developed and emerging market country indices. The returns we publish for the index are total returns, which include reinvestment of dividends. The constituents displayed for this index are

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from the following proxy: iShares MSCI ACWI.

MSCI EAFE Growth NR USD

The MSCI EAFE Growth Index is a market capitalization-weighted index that measures the performance of the leading growth stocks in 21 developed countries outside of North America. (The 21 countries include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Australia, New Zealand, Hong Kong, Japan and Singapore.) The constituents displayed for this index are from the following proxy: iShares MSCI EAFE Growth.

MSCI EAFE NR USD

This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes.

This disclosure applies to all MSCI indices: Certain information included herein is derived by Morningstar in part from MSCI's Index Constituents (the "Index Data"). However, MSCI has not reviewed any information contained herein and does not endorse or express any opinion such information or analysis. MSCI does not make any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived therefrom, and in no event will MSCI have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information.

Russell 1000 TR USD

Consists of the 1000 largest companies within the Russell 3000 index, which represents approximately 98% of the investable US equity market. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose. The constituents displayed for this index are from the following proxy: iShares Russell 1000.

Russell 2000 TR USD

Consists of the 2000 smallest companies in the Russell 3000 Index. The constituents displayed for this index are from the following proxy: iShares Russell 2000.

Russell Mid Cap TR USD

Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. The constituents displayed for this index are from the following proxy: iShares Russell Mid-Cap.

S&P 500 TR USD

A market capitalization-weighted index composed of the 500 most widely held stocks whose assets and/or revenues are based in the US; it's often used as a proxy for the stock market. TR (Total Return) indexes include daily reinvestment of dividends. The constituents displayed for this index are from the following proxy: iShares Core S&P 500.

S&P/LSTA Leveraged Loan TR

Description unavailable.

USTREAS T-Bill Auction Ave 3 Mon

Three-month T-bills are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months. Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.

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UNIVERSITY of HAWAI'I SYSTEM

UNIVERSITY OF HAWAII BOARD OF REGENTS

KALBERT K. YOUNG VICE PRESIDENT FOR BUDGET & FINANCE CHIEF FINANCIAL OFFICER

16 JUL 29 AM 11:43

July 29, 2016

TO: Jan N. Sullivan, Chairperson Board of Regents, Committee on Budget & Finance

Barry T. Mizuno, Vice-Chairperson Board of Regents, Committee on Budget & Finance

VIA: David Lassner President

Handwritten signature of David Lassner

FROM: Kalbert K. Young Vice President for B&F/CFO

Handwritten signature of Kalbert K. Young

SUBJECT: University of Hawai'i Operating Budget Proposal (Forecast) for Fiscal Year 2017

UNIVERSITY OF HAWAII PRESIDENT'S OFFICE

16 JUL 29 AM 11:27

RECEIVED

The Administration hereby submits for consideration by the Board of Regents Committee on Budget & Finance its Fiscal Year 2017 (FY17) operating budget proposal (forecast). This budget submission replaces the proposal previously provided to the Committee on Budget & Finance for its May 18, 2016 meeting.

At its May 18th meeting, the Committee elected to defer action on the budget proposal at that time, directing that the Administration further review and refine the budget proposal accounting for items that were previously not included, assumed, or in other ways not fully incorporated. Specifically, the Committee desired to see further refinements to campus operating expenditures and the inclusion of distributed funding for scheduled collective bargaining adjustments, distribution of performance-based funding, and the distribution of funding support for athletics - all of which are legislatively-appropriated to Systemwide Administration. (The Committee also desired to see a more vigorous implementation of Act 236 incorporated into the budget to satisfy both Board and Administration.)

This recommended budget proposal represents significant efforts on the part of campuses and the Administration to refine the forecasted operating budget for expenditures. There remain instances with fiscal imbalances within the upcoming year. The situations in which expenditures are more than revenues vary for each campus - and circumstances are specific to each campus. In some cases, the fiscal year expenditure of reserves in FY17 is intentional and was anticipated (i.e. saved for) years in advance as planned investment.

Over the last 60 days, UH System Administration and every campus's finance team attempted to refine the budget proposal. The result is rational. And, while not eliminating all fiscal shortfalls in all funds, the budget does present an estimation and target for units to execute their operating plans with opportunities to achieve savings or increase revenue development in the course of the year. The Administration will continue providing quarterly financial reports in FY17 on campus variances of actual revenue and expenditures to these forecasted budgets.

Individual materials comprising the budget proposal will be part of the Administration's presentation and may be referenced as appendix items. These items are:

- Slide Presentation entitled "University Operating Budget Forecast for Fiscal Year 2016-17"
(http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudget.pdf)
- Budget narrative document to supplement the slide presentation
(http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudgetNarrative.pdf)
- Supporting informational spreadsheets for all campuses (labeled as an appendix)
(http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudgetWorksheets.pdf)

The Vice President for Budget & Finance will introduce this agenda item and provide the presentation entitled "University of Hawai'i Fiscal Year 2017 Operating Budget Forecast." Senior management members for each campus are also expected to be present to answer any specific, detailed, or technical questions related to their individual campuses.

The FY17 University of Hawai'i Budget Proposal (Forecast) is hereby submitted to the Committee on Budget & Finance for its recommendation of approval to the Board of Regents.

- Attachment 1: FY17 University of Hawai'i Operating Budget Summary
Attachment 2: Presentation, "University of Hawai'i Fiscal Year 2017 Operating Budget Forecast."