

Amended
Notice of Meeting

UNIVERSITY OF HAWAI'I

BOARD OF REGENTS COMMITTEE ON BUDGET AND FINANCE

Members: Regent Ben Kudo (Chair), Regent Higaki (Vice-Chair), and
Regents Acoba, McEnerney, Moore, and Tagorda

Date: Wednesday, May 17, 2017

Time: 10:00 a.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 February 9, 2017 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. FY17 Q3 UBS Legacy Endowment Investment Performance Report
2. FY17 Q3 Financial Status Reports
https://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_BOR_Qtrly_Report_Qtr3_1.pdf
3. Update on UHM Finances

B. To Recommend Board Approval:

1. Proposed Change in the LLM Tuition Rate
2. Establish Higher Tuition Rate as Standard for Community College Upper Division
3. Revisions to RP 6.208 Board Exemptions to Non-Resident Tuition
4. To Reprice and Increase University Housing Rates and Meal Plan Rate at the University of Hawai'i at Hilo
5. Revision to Board of Regents Policy, RP 6.203, Fees, to Provide Consistent Guidance on Authority to Establish Student Housing Room Rates

V. Adjournment



UNIVERSITY
of HAWAII
SYSTEM

UNIVERSITY OF HAWAII
BOARD OF REGENTS

17 MAY -9 P4:08

DTJ 18222

May 9, 2017

TO: Benjamin Kudo
Chair, Budget and Finance Committee

VIA: David Lassner
President

FROM: Kalbert Young
Vice President of Budget and Finance/Chief Financial Officer

David Lassner

[Signature]

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

17 MAY -9 P3:58

RECEIVED

SUBJECT: FY17 Q3 UBS Investment Report

Attached is a report on investment performance of the Legacy Endowment Fund provided by UBS for the third quarter of the current fiscal year ending in March 31, 2017. The report highlights performance of the overall portfolio and the specific funds or investment products that comprise the Legacy Endowment Fund portfolio. This report is an information item for discussion at the Budget and Finance Committee meeting on May 17, 2017.

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

Attachment

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 March 31, 2017

Prepared for

University of Hawaii

Accounts included in this review

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

What's inside

- Performance review
- Security performance
- Additional information about your performance
- Important information about this report

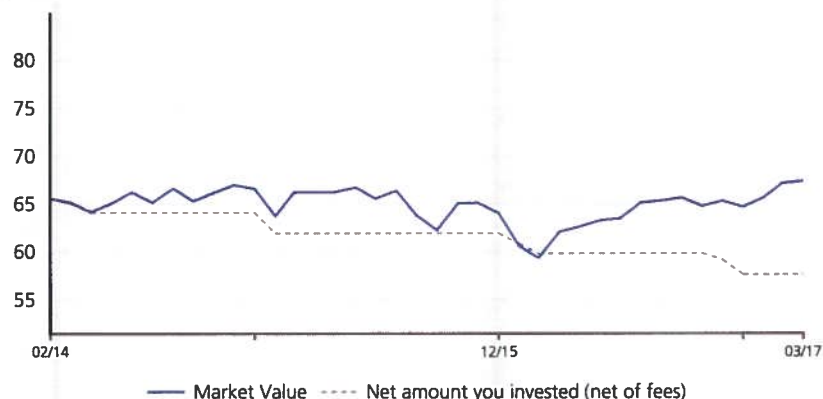


Performance review

as of March 31, 2017

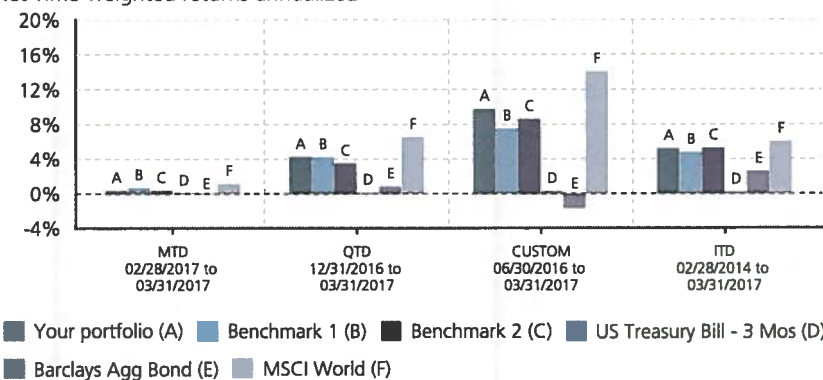
Sources of portfolio value

\$ Millions



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

Performance returns (annualized > 1 year)

	MTD 02/28/2017 to 03/31/2017	QTD 12/31/2016 to 03/31/2017	For period of 06/30/2016 to 03/31/2017	ITD 02/28/2014 to 03/31/2017
Opening value	67,147,162.89	64,661,398.99	63,479,149.78	65,577,366.93
Net deposits/withdrawals	0.00	-31,577.07	-2,185,875.34	-8,289,638.16
Div./interest income	189,644.58	332,977.01	1,185,467.13	5,681,669.50
Change in accr. interest	0.00	0.00	0.00	0.00
Change in value	35,963.43	2,409,971.97	4,894,029.33	4,403,372.63
Closing value	67,372,770.90	67,372,770.90	67,372,770.90	67,372,770.90
Gross Time-weighted ROR	0.34	4.24	9.75	5.20
Net Time-weighted ROR	0.34	4.19	9.58	5.00

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	MTD 02/28/2017 to 03/31/2017	QTD 12/31/2016 to 03/31/2017	For period of 06/30/2016 to 03/31/2017	ITD 02/28/2014 to 03/31/2017
Your portfolio(%)	0.34	4.19	9.58	5.00
Benchmark 1	0.66	4.22	7.51	4.76
Benchmark 2	0.34	3.48	8.59	5.26
US Treasury Bill - 3 Mos	0.02	0.10	0.25	0.13
Barclays Agg Bond	-0.05	0.82	-1.73	2.55
MSCI World	1.14	6.53	14.05	6.01

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



Security performance

as of March 31, 2017

	Value on 03/31/2017	% of portfolio	Gross time-weighted returns (annualized > 1 year)				Start date to 03/31/2017	Start date
			MTD	QTD	For period of	ITD		
			02/28/2017 to 03/31/2017	12/31/2016 to 03/31/2017	06/30/2016 to 03/31/2017			
BLACKROCK STRATEGIC INCOME**	6,379,889.02	9.47	0.08	1.45	4.27	2.34	Mar 11, 2014	
DEUTSCHE X-TRACKERS MSCIEAFE HEDGED EQUITY ETF	2,015,907.52	2.99	2.67	5.45	18.46	6.38	Dec 23, 2014	
ISHARES CORE U.S. AGGREGATE BOND ETF	4,281,883.32	6.36	-0.14	0.72	-2.04	-0.97	Jun 21, 2016	
OPPENHEIMER SR FLOATING RATE FD**	6,194,111.89	9.19	-0.12	1.31	8.99	3.81	Mar 10, 2014	
PIMCO INCOME FUND CLASS P	3,924,940.52	5.83	0.77	2.86	7.20	8.98	Dec 29, 2015	
PRUDENTIAL GLOBAL TOTAL RETURN FUND INC**	3,457,265.34	5.13	0.94	3.92	-2.39	0.65	Sep 11, 2014	
SPDR S&P 500 FOSSIL FUELFREE ETF	16,199,132.76	24.04	0.42	7.04	15.44	18.59	Mar 24, 2016	
TOUCHSTONE ULTRA SHORT DURATION FIXED INCOME FUND CLASS Y	2,599,642.50	3.86	0.14	0.50	0.99	1.06	Jul 14, 2014	
UBS BANK USA BUSINESS ACCOUNT	97,373.65	0.14	0.00	0.00	0.00	0.00	Dec 30, 2014	
VANGUARD FTSE DEVELOPED MKT ETF	1,879,168.80	2.79	3.06	7.96	12.90	1.62	Mar 11, 2014	
VANGUARD MID-CAP ETF	9,730,787.40	14.44	-0.29	5.78	13.63	8.34	Mar 11, 2014	
VANGUARD S&P 500 ETF	6,003,712.50	8.91	0.13	5.87	14.25	10.33	Mar 11, 2014	
VANGUARD SMALL-CAP ETF	4,608,955.68	6.84	-0.20	3.68	16.80	7.05	Mar 11, 2014	
Total portfolio	\$67,372,770.90	100%	0.34%	4.24%	9.75%	5.20%	Feb 28, 2014	

Benchmarks - Annualized time-weighted returns	MTD	QTD	For period of	ITD
	02/28/2017 to 03/31/2017	12/31/2016 to 03/31/2017	06/30/2016 to 03/31/2017	Start date to 03/31/2017
Benchmark 1	0.66	4.22	7.51	4.76
Benchmark 2	0.34	3.48	8.59	5.26
US Treasury Bill - 3 Mos	0.02	0.10	0.25	0.13
Barclays Agg Bond	-0.05	0.82	-1.73	2.55
MSCI World	1.14	6.53	14.05	6.01

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

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



Prepared for University of Hawaii

JX XX518 • University of Hawaii • Portfolio Management Program

Risk profile: Moderate

Return Objective: Current Income and Capital Appreciation

Additional information about your performance

as of March 31, 2017

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 program 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 '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
December 31, 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	
Equities	30%	70%	60%	In Compliance
Fixed Income	30%	70%	40%	In Compliance
Floating Rate Securities	0%	20%	9%	In Compliance
Municipal Bonds	0%	10%	0%	In Compliance
High Yield Bonds	0%	20%	0%	In Compliance
Cash	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	
ETF	Vanguard S&P 500 Index	S&P 500	10.37	10.31	In Compliance
ETF	SPDR S&P 500 Fossil Fuel Free	S&P 500	10.37	N/A	(See Note 1)
ETF	Vanguard Mid Cap Index	Russell MidCap	8.48	8.67	In Compliance
ETF	Vanguard Small Cap Index	Russell 2000	7.22	7.38	In Compliance
ETF	Vanguard FTSE Developed	MSCI ACWI ex US	1.03	1.24	In Compliance
ETF	Deutsche X-Trackers MSCI	MSCI ACWI ex US	1.03	6.84	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	
MF	BlackRock Strategic Income	Barclays US Universal Index	2.98	2.31	In Compliance
MF	PIMCO Income Fund	3 Month USD LIBOR	0.47	5.98	In Compliance
MF	Prudential Global Total Return	Barclays Global Aggregate	-0.39	1.37	In Compliance
MF	Oppenheimer Sr. Floating	Credit Suisse Leveraged Loan	3.72	3.89	In Compliance
MF	Touchstone Ultra Short	BofAML 3 Month US T Bill	0.14	1.09	In Compliance
ETF	iShares Core US Aggregate	Barclays US Aggregate	2.68	2.61	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	Unaware or not notified of any changes in ownership.
Changes in investment management team	Unaware or not notified of any changes in management.
Any pending litigation	Unaware or not notified of any pending litigation.

Managers on Probation - Section 8.207 III.D.3

Manager under probation	None as of 03/31/2017
Last Probation Period within 6 years	None as of 03/31/2017
Initial Date of Probation	None as of 03/31/2017
6 Month Review	None as of 03/31/2017
12 Month Review	None as of 03/31/2017
12 Month Extension	None as of 03/31/2017

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.

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.

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

Goal of reaching <1% exposure to the energy sector.	Mar 2015	5%	Mar 2016	3%	Mar 2017	2%
	June 2015	4%	June 2016	3%		
	Sept 2015	3%	Sept 2016	2%		
	Dec 2015	3%	Dec 2016	2%		

**University of Hawaii Endowment Fund
Report of Energy Allocation, Net Expense Ratio and Historical Quarterly Fees
As of March 31, 2017**

Class/Sector	Description	Symbol	Market Value \$ a/o 03/31/2017	Current Allocation %	% in Energy	Weighted Energy Position	Net Expense Ratio	Weighted Net Expense Ratio
<u>CASH</u>	Cash		\$97,374	0%	0.00%	0%	0.00%	0.00%
<u>FIXED INCOME</u>								
Short Term Bond	Touchstone Ultra Short Duration	TSYYX	\$2,595,933	4%	0.00%	0.00%	0.44%	0.02%
Floating Rate	Oppenheimer Senior Floating Rate	OOSYX	\$6,171,153	9%	0.00%	0.00%	0.73%	0.07%
Intermediate Term Bond	iShares Core US Aggregate	AGG	\$4,281,883	6%	0.00%	0.00%	0.05%	0.00%
Flexible Fixed	BlackRock Strategic Income Opps	BSIIX	\$6,362,079	9%	0.00%	0.00%	0.60%	0.06%
Flexible Fixed	Prudential Global Total Return	PZTRX	\$3,446,415	5%	0.00%	0.00%	0.72%	0.04%
Flexible Fixed	PIMCO Income Fund	PONPX	\$3,907,542	6%	0.00%	0.00%	0.55%	0.03%
<u>EQUITIES</u>								
Large Cap Blend	Vanguard S&P 500 ETF	VOO	\$6,003,713	9%	6.60%	0.59%	0.05%	0.00%
Large Cap Blend	SPDR S&P 500 Fossil Fuel Free ETF	SPYX	\$16,199,133	24%	0.00%	0.00%	0.20%	0.05%
Mid Cap Blend	Vanguard Mid Cap ETF	VO	\$9,730,787	14%	4.80%	0.69%	0.08%	0.01%
Small Cap Blend	Vanguard Small Cap ETF	VB	\$4,608,956	7%	5.10%	0.35%	0.08%	0.01%
Developed Markets	Vanguard FTSE Developed Markets ETF	VEA	\$1,879,169	3%	6.20%	0.17%	0.07%	0.00%
Developed Markets	Deutsche X-Trackers MSCI EAFE Hedged	DBEF	\$2,015,908	3%	5.10%	0.15%	0.35%	0.01%
			<u>\$67,300,044</u>	<u>100%</u>		<u>1.96%</u>		<u>0.29%</u>
				Fixed Income/ Cash	40%			
				Equities	60%			
					<u>100%</u>			

Approximately 2% of the entire portfolio is invested in Energy stocks.
Weighted Net Expense Ratio is 29 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)

1Q 2015	\$32,795	1Q 2016	\$31,813	1Q 2017	\$31,577
2Q 2015	\$32,998	2Q 2016	\$30,828		
3Q 2015	\$33,015	3Q 2016	\$31,874		
4Q 2015	\$31,360	4Q 2016	\$32,954		

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)

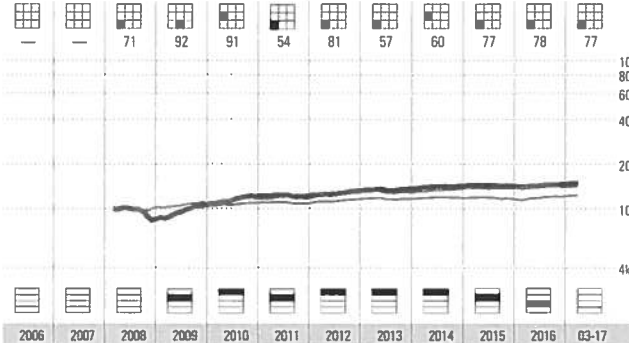
Morningstar Analyst Rating™ **Silver** **Overall Morningstar Rating™** **★★★★** **Standard Index** **Category Index** **Morningstar Cat**
 03-21-2017 248 US Fund Nontraditional BofA ML USD US Fund
 Bond Bond TR USD LIBOR 3 Mon CM Nontraditional Bond

Performance 03-31-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	1.57	-0.78	-0.97	-0.10	-0.30
2016	-0.55	1.36	1.63	1.13	3.61
2017	1.45	—	—	—	1.45

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	5.69	2.31	3.56	—	4.38
Std 03-31-2017	5.69	—	3.56	—	4.38
Total Return	5.69	2.31	3.56	—	4.38

+/- Std Index	+/- Cat Index	% Rank Cat	No. in Cat
5.25	-0.38	1.22	—
4.95	1.88	3.16	—
55	40	21	—
363	248	164	—



Investment Style
 Fixed-Income Bond %

Growth of \$10,000
 — BlackRock Strategic Income Opps Instl 14,902
 — Category Average 12,352
 — Standard Index 14,163

Performance Quartile
 (w/ this category)

History

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	3.26	3.26

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 800-441-7762 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 %	0.76

Risk and Return Profile

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

	3 Yr	5 Yr	10 Yr
Standard Deviation	1.62	1.98	—
Mean	2.31	3.56	—
Sharpe Ratio	1.31	1.71	—

MPT Statistics

	Standard Index	Best Fit Index BofA ML US HY Master II TR USD
Alpha	1.74	1.23
Beta	0.15	0.19
R-Squared	7.26	53.46
12-Month Yield	—	3.05%
Potential Cap Gains Exp	—	-2.11%

Operations

Family:	BlackRock	Base Currency:	USD	Incept:	02-05-2008
Manager:	Multiple	Ticker:	BSIX	Type:	MF
Tenure:	6.8 Years	Minimum Initial Purchase:	\$2 mil	Total Assets:	\$28,084.06 mil
Objective:	Income	Purchase Constraints:	A		

Portfolio Analysis 03-31-2017

Asset Allocation % 02-28-2017	Net %	Long %	Short %
Cash	8.16	34.09	25.92
US Stocks	3.44	3.44	0.00
Non-US Stocks	0.11	0.11	0.01
Bonds	84.19	101.66	17.47
Other/Not Clsfd	4.10	4.30	0.19
Total	100.00	143.60	43.60

Equity Style

Value	Bond	Growth	Port Avg	Rel Index	Rel Cat
Value	—	—	14.3	—	0.85
P/E Ratio TTM	—	—	10.9	—	1.50
P/C Ratio TTM	—	—	1.9	—	1.16
P/B Ratio TTM	—	—	70217	—	13.03
Geo Avg Mkt Cap \$mil	—	—	—	—	—

Fixed-Income Style

Int	Mod	Ext	Avg Eff Maturity	Avg Eff Duration	Avg Wtd Coupon	Avg Wtd Price
Int	—	—	6.01	0.30	3.93	—
Mod	—	—	—	—	—	—
Ext	—	—	—	—	—	—

Credit Quality Breakdown 12-31-2016

	Bond %
AAA	44.56
AA	3.81
A	8.04
BBB	13.04
BB	8.62
B	7.49
Below B	3.86
NR	10.58

Regional Exposure

	Stocks %	Rel Std Index
Americas	89.2	—
Greater Europe	3.8	—
Greater Asia	7.0	—

Top Holdings 02-28-2017

Share since 02-2017	Share Amount	Holdings	650 Total Stocks, 4,771 Total Fixed Income, 1541% Turnover Ratio	Net Assets %
☆	2,582 mil	US Treasury Note 1.375%		-9.54
☆	1,972 mil	US Treasury Note		7.45
☆	1,253 mil	Freddie Mac Gold Single Family TBA		4.88
☆	1,065 mil	Ginnie Mae Jumbos TBA 3.5% 2047-03		4.11
☆	806 mil	FHLMC 3.5%		-3.06
☆	609 mil	US Treasury Bond 3%		2.27
☆	56,644 mil	Japan (Government Of) 2yr #356		1.88
☆	334 mil	US Treasury Note 2.25%		1.23
☆	3 mil	PowerShares QQQ ETF		1.22
☆	1 mil	SPDR® S&P 500 ETF		1.18
☆	3 mil	iShares iBoxx \$ High Yield Corpora		1.10
☆	269 mil	US Treasury Note		1.02
☆	196 mil	FHLMC 4%		0.77
☆	188 mil	US Treasury Note		0.72
☆	179 mil	Ginnie Mae Jumbos TBA 4.5% 2047-03		-0.71

Sector Weights

	Stocks %	Rel Std Index
Cyclical	52.0	—
Basic Materials	0.7	—
Consumer Cyclical	8.8	—
Financial Services	42.3	—
Real Estate	0.2	—
Sensitive	37.5	—
Communication Services	3.6	—
Energy	7.3	—
Industrials	5.1	—
Technology	21.5	—
Defensive	10.4	—
Consumer Defensive	3.5	—
Healthcare	6.6	—
Utilities	0.2	—

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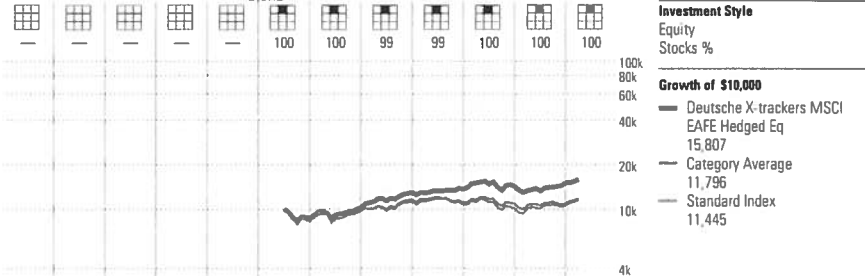
Deutsche X-trackers MSCI EAFE Hedged Eq (USD)

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

Performance 03-31-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	10.48	-2.10	-9.00	6.18	4.50
2016	-6.32	-0.71	6.21	7.04	5.75
2017	4.97	—	—	—	4.97

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-17	19.16	—	10.19	—	8.23
Std NAV 03-31-17	18.49	—	10.40	—	8.43
Mkt Total Ret	19.16	6.84	10.19	—	8.23
NAV Total Ret	18.49	7.02	10.40	—	8.43
+/- Std Index	5.36	6.45	6.04	—	—
+/- Cat Index	5.36	6.45	6.04	—	—
% Rank Cat	3	1	2	—	—
No. in Cat	735	586	525	—	—



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17	History
Mkt Total Ret %	—	—	—	—	—	—	19.55	26.40	3.46	4.08	6.26	5.45	Mkt Total Ret %
NAV Total Ret %	—	—	—	—	—	—	18.15	25.90	5.26	4.50	5.75	4.97	NAV Total Ret %
+/- Standard Index	—	—	—	—	—	—	1.32	10.61	9.13	10.17	1.25	-2.89	+/- Standard Index
+/- Category Index	—	—	—	—	—	—	1.32	10.61	9.13	10.17	1.25	-2.89	+/- Category Index
% Rank Cat	—	—	—	—	—	—	51	9	1	6	7	—	% Rank Cat
No. of Funds in Cat	—	—	—	—	—	—	786	791	750	788	762	790	No. of Funds in Cat
Avg Prem/Discount %	—	—	—	—	—	—	0.48	0.50	0.66	0.37	-0.10	-0.12	Avg Prem/Discount %

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.
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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	Value	Blend	Growth
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	-Avg	—
Morningstar Return	High	High	—
Standard Deviation NAV	11.38	11.14	—
Standard Deviation MKT	11.02	12.20	—
Mean NAV	7.02	10.40	—
Mean MKT	6.84	10.19	—
Sharpe Ratio	0.64	0.93	—

MPT Statistics

NAV	Standard Index	Best Fit Index
Alpha	6.46	6.43
Beta	0.71	0.79
R-Squared	59.26	72.65

12-Month Yield —
 Potential Cap Gains Exp —
 Leveraged No
 Leverage Type —
 Leverage % 100.00
 Primary Prospectus Benchmark MSCI EAFE 100% Hedged NR USD

Portfolio Analysis 03-31-2017

Asset Allocation % 02-28-2017	Net %	Long %	Short %
Cash	0.01	0.01	0.00
US Stocks	1.25	1.25	0.00
Non-US Stocks	98.53	98.53	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.21	0.21	0.00
Total	100.00	100.00	0.00

Equity Style

Value	Blend	Growth	
P/E Ratio TTM	18.4	1.06	1.00
P/C Ratio TTM	8.6	1.01	0.88
P/B Ratio TTM	1.7	1.00	2.93
Geo Avg Mkt Cap \$mil	33220	1.09	0.84

Fixed-Income Style

LM	Mult	Ext
Avg Eff Maturity	—	—
Avg Eff Duration	—	—
Avg Wtd Coupon	—	—
Avg Wtd Price	—	—

Credit Quality Breakdown

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

Regional Exposure

Region	Stocks %	Rel Std Index
Americas	1.3	0.12
Greater Europe	62.5	1.33
Greater Asia	36.2	0.86

Top Holdings 02-28-2017

Share Amount	Share Chg since 02-2017	Holdings	923 Total Stocks, 0 Total Fixed-Income, 15% Turnover Ratio	Net Assets %
2 mil	—	Nestle SA	—	1.79
1 mil	—	Novartis AG	—	1.36
446,838	—	Roche Holding AG Dividend Right Ce	—	1.33
13 mil	—	HSBC Holdings PLC	—	1.24
2 mil	—	Toyota Motor Corp	—	1.15
1 mil	—	British American Tobacco PLC	—	0.91
1 mil	—	Total SA	—	0.88
3 mil	—	Royal Dutch Shell PLC Class A	—	0.88
1 mil	—	Commonwealth Bank of Australia	—	0.85
12 mil	—	BP PLC	—	0.83
2 mil	—	Royal Dutch Shell PLC B	—	0.79
738,084	—	Sanofi SA	—	0.78
3 mil	—	GlaxoSmithKline PLC	—	0.78
486,549	—	Siemens AG	—	0.77
625,075	—	SAP SE	—	0.71

Sector Weightings

Sector	Stocks %	Rel Std Index
Cyclical	45.3	0.98
Basic Materials	8.6	1.01
Consumer Cyclical	11.8	1.06
Financial Services	21.2	0.92
Real Estate	3.7	1.07
Sensitive	29.4	0.90
Communication Services	4.6	0.98
Energy	5.1	0.76
Industrials	13.1	1.21
Technology	6.6	0.63
Defensive	25.3	1.20
Consumer Defensive	11.6	1.16
Healthcare	10.3	1.30
Utilities	3.4	1.08

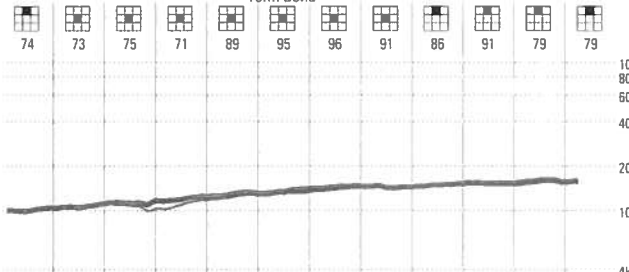
Operations
 Family: Deutsche Asset Management
 Manager: Multiple
 Tenure: 0.4 Year
 Total Assets: \$8,436.4 mil
 Shares Outstanding: 280.75 mil
 Ticker: DBEF
 Incept: 06-09-2011
 Expiration Date: —
 Exchange: NYSE ARCA
 NAV: 29.55
 Prem/Discount: 0.14
 Mkt Price: 29.59
 Base Currency: USD
 Legal Structure: Open Ended Investment Company
 Backing Bank: DBX Advisors LLC



iShares Core US Aggregate Bond (USD)

Overall Morningstar Rating™ Standard Index Category Index Morningstar Cat
 ★★★ 851 US Fund Intermediate-Term Bond BbgBarc US Agg Bond TR USD BbgBarc US Agg Bond TR USD US Fund Intermediate-Term Bond

Performance 03-31-2017					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	1.63	-1.72	1.22	-0.61	0.48
2016	3.02	2.21	0.42	-3.00	2.56
2017	0.82	—	—	—	0.82
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-17	0.21	—	2.23	4.12	4.04
Std NAV 03-31-17	0.37	—	2.27	4.14	4.05
Mkt Total Ret	0.21	2.61	2.23	4.12	4.04
NAV Total Ret	0.37	2.64	2.27	4.14	4.05
+/- Std Index	-0.07	-0.04	-0.07	-0.13	—
+/- Cat Index	-0.07	-0.04	-0.07	-0.13	—
% Rank Cat	79	37	63	52	—
No. in Cat	972	851	750	538	—



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17
Value	3.90	6.59	7.90	2.98	6.37	7.69	3.76	-1.98	6.00	0.48	2.41	0.81
Blended	4.13	6.57	5.88	5.14	6.30	7.58	4.04	-2.15	6.04	0.48	2.56	0.82
Growth	-0.21	-0.39	0.64	-0.79	-0.24	-0.26	-0.17	-0.13	0.07	-0.07	-0.09	0.00
Net %	-0.21	-0.39	0.64	-0.79	-0.24	-0.26	-0.17	-0.13	0.07	-0.07	-0.09	0.00
Long %	42	16	5	94	76	14	84	68	25	24	64	—
Short %	1092	1097	1135	1123	1164	1195	1165	1079	1038	1042	985	1025
Net Assets	0.29	0.35	0.42	0.59	0.14	0.12	0.11	0.08	0.11	0.07	0.09	—

30-day SEC Yield Subsidized 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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 Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-474-2737 or visit www.ishares.com.

Fees and Expenses

Management Fees %	0.05
Expense Ratio %	0.06
12b1 Expense %	NA

Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3★	3★
Morningstar Risk	Avg	Avg	-Avg
Morningstar Return	Avg	Avg	Avg
Standard Deviation NAV	2.96	2.91	3.35
Standard Deviation MKT	3.04	3.01	3.95
Mean NAV	2.64	2.27	4.14
Mean MKT	2.61	2.23	4.12
Sharpe Ratio	0.83	0.74	1.05

MPT Statistics

	Standard Index	Best Fit Index
NAV	—	BbgBarc US Agg Bond TR USD
Alpha	-0.06	-0.06
Beta	1.01	1.01
R-Squared	99.97	99.97
12-Month Yield	—	—
Potential Cap Gains Exp	—	—
Leveraged	No	—
Leverage Type	—	—
Leverage %	—	100.00
Primary Prospectus Benchmark	—	BbgBarc US Agg Bond TR USD

Portfolio Analysis 03-31-2017

Asset Allocation %	03-24-2017	Net %	Long %	Short %
Cash	10.84	20.85	10.01	—
US Stocks	0.00	0.00	0.00	—
Non-US Stocks	0.00	0.00	0.00	—
Bonds	89.15	89.15	0.00	—
Other/Not Clsfd	0.01	0.01	0.00	—
Total	100.00	110.01	10.01	—

Equity Style

Value	Blend	Growth
Value	—	—
Blend	—	—
Growth	—	—

Portfolio Statistics

Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—
P/C Ratio TTM	—	—
P/B Ratio TTM	—	—
Geo Avg Mkt Cap \$mil	—	—

Fixed-Income Style

Lat	Med	Ext
Lat	—	—
Med	—	—
Ext	—	—

Credit Quality Breakdown

Credit Quality	Bond %
AAA	71.65
AA	3.94
A	10.82
BBB	13.57
BB	0.02
B	0.00
Below B	0.00
NR	0.00

Regional Exposure

Region	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Top Holdings 03-30-2017

Share Chg since 03-2017	Share Amount	Holdings	0 Total Stocks	6,087 Total Fixed-Income	278% Turnover Ratio	Net Assets %
524 mil	Fnma 30yr 2015 Production	1.24	—	—	—	1.24
493 mil	Fgold 30Yr 2015 Production	1.17	—	—	—	1.17
485 mil	Gnma2 30Yr 2016 Production	1.16	—	—	—	1.16
462 mil	US Treasury Note 3.625%	1.15	—	—	—	1.15
328 mil	US Treasury Note 2.125%	0.77	—	—	—	0.77
235 mil	US Treasury Bond 4.25%	0.67	—	—	—	0.67
284 mil	US Treasury Note 1.375%	0.63	—	—	—	0.63
259 mil	US Treasury Note 1.5%	0.60	—	—	—	0.60
247 mil	Fgold 30Yr 2016 Production	0.60	—	—	—	0.60
244 mil	Gnma2 30Yr 2015 Production	0.59	—	—	—	0.59
271 mil	US Treasury Note 1.5%	0.58	—	—	—	0.58
239 mil	Fnma 15yr 2015 Production	0.57	—	—	—	0.57
242 mil	US Treasury Note 1.25%	0.56	—	—	—	0.56
241 mil	US Treasury Note 1.375%	0.56	—	—	—	0.56
230 mil	US Treasury Note 0.875%	0.53	—	—	—	0.53

Sector Weightings

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

Operations

Family:	iShares	Ticker:	AGG	Prem/Discount:	0.03
Manager:	Multiple	Incept:	09-22-2003	Mkt Price:	108.49
Tenure:	6.8 Years	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$44,021.2 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	405.30 mil	NAV:	108.46	Backing Bank:	BlackRock Fund Advisors

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Oppenheimer Senior Floating Rate Y (USD)

Morningstar Analyst Rating™ Neutral
Overall Morningstar Rating™ ★★★★★
Standard Index BBgBarc US Agg Bond TR USD
Category Index S&P/LSTA Leveraged Loan TR
Morningstar Cat US Fund Bank Loan

Performance 03-31-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	1.61	0.36	-1.09	-2.67	-1.83
2016	1.12	3.89	4.05	3.39	13.02
2017	1.31	---	---	---	1.31

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	13.23	3.89	4.85	4.46	4.85
Std 03-31-2017	13.23	---	4.85	4.46	4.85
Total Return	13.23	3.89	4.85	4.46	4.85

+/- Std Index	12.79	1.20	2.51	0.19	---
+/- Cat Index	3.51	0.32	0.27	-0.09	---
% Rank Cat	7	4	10	1	---
No. in Cat	225	206	155	61	---

	Subsidized	Unsubsidized
7-day Yield	---	---
30-day SEC Yield	4.30	4.29

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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 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

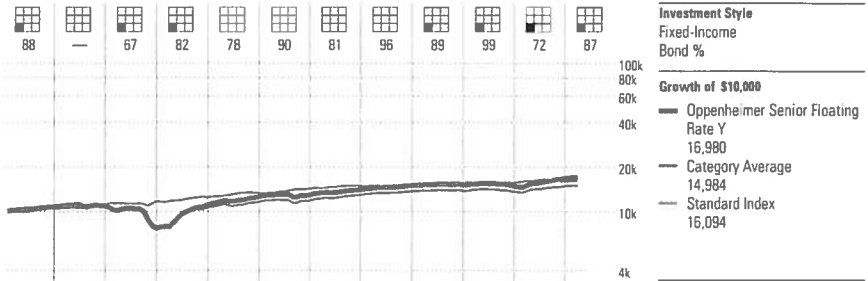
Fund Expenses	
Management Fees %	0.59
12b1 Expense %	NA
Gross Expense Ratio %	0.87

Risk and Return Profile

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

	3 Yr	5 Yr	10 Yr
Standard Deviation	3.57	2.91	7.60
Mean	3.89	4.85	4.46
Sharpe Ratio	1.04	1.60	0.53

MPT Statistics	Standard Index	Best Fit Index S&P/LSTA Leveraged Loan TR
Alpha	3.74	-0.27
Beta	-0.02	1.18
R-Squared	0.03	93.77
12-Month Yield		4.43%
Potential Cap Gains Exp		-6.31%



Performance Quartile (within category)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17	History
NAV/Price	9.51	8.95	5.76	7.77	8.28	8.04	8.28	8.41	8.09	7.58	8.13	8.15	NAV/Price
Total Return %	7.39	1.62	-29.34	43.82	13.48	2.62	8.75	6.70	0.79	-1.83	13.02	1.31	Total Return %
+/- Standard Index	3.06	-5.35	-34.58	37.89	6.94	-5.22	4.54	8.73	-5.18	-2.38	10.37	0.49	+/- Standard Index
+/- Category Index	0.65	-0.46	-0.24	-7.80	3.35	1.10	-0.91	1.41	-0.81	-1.14	2.86	0.16	+/- Category Index
% Rank Cat	12	26	40	36	1	11	59	17	39	63	4	---	% Rank Cat
No. of Funds in Cat	87	105	127	134	140	149	203	219	245	253	225	235	No. of Funds in Cat

Portfolio Analysis 03-31-2017

Asset Allocation % 02-28-2017

	Net %	Long %	Short %
Cash	14.42	14.42	0.00
US Stocks	1.70	1.70	0.00
Non-US Stocks	0.05	0.05	0.00
Bonds	82.73	82.73	0.00
Other/Not Clsfd	1.10	1.10	0.00
Total	100.00	100.00	0.00

Equity Style

Value	Bond	Growth
Value	Bond	Growth

Fixed-Income Style

Lst	Med	Ext
Lst	Med	Ext

Credit Quality Breakdown 12-31-2015

	Bond %
AAA	15.80
AA	0.00
A	0.00
BBB	2.75
BB	29.04
B	40.03
Below B	6.09
NR	6.28

Regional Exposure

	Stocks %	Rel Std Index
Americas	100.0	---
Greater Europe	0.0	---
Greater Asia	0.0	---

Top Holdings 02-28-2017

Share Chg since 02-2017	Share Amount	Holdings	4 Total Stocks, 509 Total Fixed-Income, 28% Turnover Ratio	Net Assets %
	311 mil	T/L Clear Channel Tl D-Ext	11	1.66
	3 mil	Arch Coal Inc		1.29
	182 mil	T/L Murray Energy Tl B2	11	1.12
	167 mil	T/L Western Express Tl Zl		1.03
	141 mil	T/L Avolon Hldgs Ltd Tl B	11	0.87
	161 mil	T/L Avaya Inc Tl B7	11	0.79
	122 mil	T/L Sprint Comms Tl B	11	0.75
	118 mil	T/L Csr (Cerp 1st Lien)		0.74
	115 mil	T/L Nexstar Broadcast Tl B	11	0.71
	114 mil	T/L Dell International Tl	11	0.70
	113 mil	T/L Lts Buyer T/L 1st Lien		0.70
	128 mil	T/L Weight Watchers Tl B2	11	0.69
	113 mil	T/L Nrg Energy Inc Tl B	11	0.69
	109 mil	T/L Change Healthcare Tl B	11	0.67
	106 mil	T/L Wideopenwest Fin Tl B	11	0.65

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	100.0	---
Basic Materials	81.3	---
Consumer Cyclical	18.7	---
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	---

Operations
 Family: OppenheimerFunds Base Currency: USD Incept: 11-28-2005
 Manager: Multiple Ticker: OOSYX Type: MF
 Tenure: 17.7 Years Minimum Initial Purchase: \$0 Total Assets: \$14,982.53 mil
 Objective: Corporate Bond - General Purchase Constraints: A

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PIMCO Income P (USD)

Morningstar Analyst Rating™
Silver
 06-02-2016

Overall Morningstar Rating™
 ★★★★★
 227 US Fund Multisector Bond

Standard Index
 BBgBarc US Agg Bond TR USD

Category Index
 BBgBarc US Universal TR USD

Morningstar Cat
 US Fund Multisector Bond

Performance 03-31-2017					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	1.90	0.99	-0.87	0.51	2.53
2016	1.75	2.42	2.82	1.36	8.61
2017	2.86	—	—	—	2.86

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	9.79	5.98	8.29	—	9.42
Std 03-31-2017	9.79	—	8.29	—	9.42
Total Return	9.79	5.98	8.29	9.02	9.42

	3 Yr	5 Yr	10 Yr	
+/- Std Index	9.35	3.29	5.96	4.75
+/- Cat Index	7.87	2.99	5.46	4.50

% Rank Cat	21	4	1	3
No. in Cat	315	227	174	95

	Subsidized	Unsubsidized
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

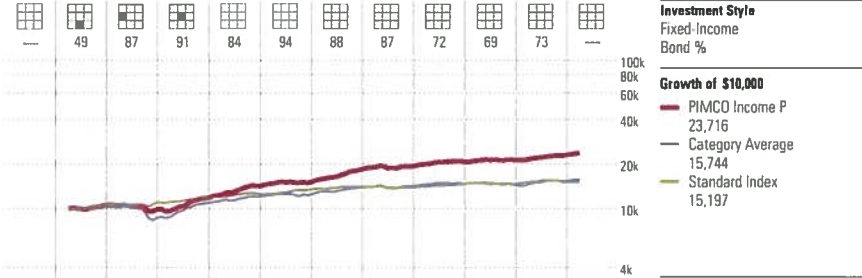
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	5★	5★	5★
Morningstar Risk	-Avg	Avg	-Avg
Morningstar Return	High	High	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	2.61	3.52	4.81
Mean	5.98	8.29	9.02
Sharpe Ratio	2.18	2.25	1.68

MPT Statistics	Standard Index	Best Fit Index BofAML US HY Master II TR USD
Alpha	5.08	4.08
Beta	0.23	0.35
R-Squared	6.93	67.69

12-Month Yield	—
Potential Cap Gains Exp	2.05%

Operations	
Family:	Pimco
Manager:	Multiple
Tenure:	10.2 Years
Objective:	Multisector Bond



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17	History
NAV/Price	—	—	8.91	9.84	11.04	10.85	12.36	12.26	12.33	11.73	12.06	12.24	NAV/Price
Total Return %	—	—	-5.57	19.09	20.35	6.28	22.07	4.72	7.09	2.53	8.61	2.86	Total Return %
+/- Standard Index	—	—	-10.81	13.16	13.81	-1.57	17.85	6.75	1.13	1.98	5.96	2.04	+/- Standard Index
+/- Category Index	—	—	-7.95	10.48	13.18	-1.13	16.54	6.07	1.53	2.10	4.70	1.77	+/- Category Index
% Rank Cat	—	—	—	83	1	7	1	19	7	3	33	—	% Rank Cat
No. of Funds in Cat	—	—	—	242	268	250	283	308	276	304	299	328	No. of Funds in Cat

Portfolio Analysis 12-31-2016

Asset Allocation %	Net %	Long %	Short %	Share Chg since 09-2016	Share Amount	Holdings	13 Total Stocks, 4,617 Total Fixed-Income, 52% Turnover Ratio	Net Assets %
Cash	-15.89	33.04	48.93	—	—	Cdx Hy25 5y Ice	—	5.63
US Stocks	0.00	0.00	0.00	—	—	IRS USD 1.25000 12/21/16-3Y CME_Pay	—	-5.62
Non-US Stocks	0.00	0.00	0.00	—	3,727 mil	IRS USD 1.75000 12/21/16-10Y LCH_P	—	-4.77
Bonds	114.08	115.38	1.29	—	4,024 mil	US 10 Year Note (CBT) Mar17	—	4.38
Other/Not Clsfd	1.80	1.80	0.00	—	3,562 mil	CIRS USD 5.25Y MAT 2 10% 2/2017 DU	—	4.21
Total	100.00	150.22	50.22	—	2,491 mil	FNMA	—	4.02

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

Fixed-Income Style	Avg Eff Maturity	6.01
Avg Eff Duration	3.67	
Avg Wtd Coupon	—	
Avg Wtd Price	—	

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

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	—

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

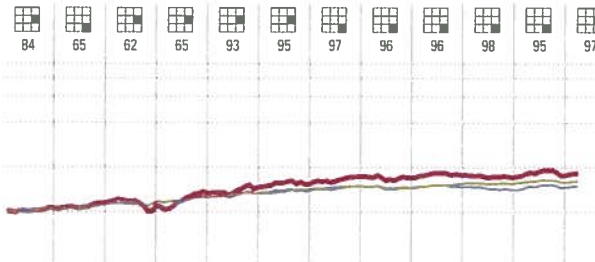
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Prudential Global Total Return Z (USD)

Overall Morningstar Rating™ ★★★★★
Standard Index BBgBarc US Agg Bond TR USD
Category Index Citi WGBI NonUSD USD
Morningstar Cat US Fund World Bond

Performance 03-31-2017					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	-1.18	-2.64	1.75	-0.91	-2.99
2016	5.61	3.66	1.80	-7.73	2.83
2017	3.92	—	—	—	3.92
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mithly	1.18	1.37	2.84	5.55	5.07
Std 03-31-2017	1.18	—	2.84	5.55	5.07
Total Return	1.18	1.37	2.84	5.55	5.07
+/- Std Index	0.74	-1.31	0.51	1.28	—
+/- Cat Index	5.97	3.93	4.35	2.92	—
% Rank Cat	51	32	23	11	—
No. in Cat	334	312	247	128	—



Investment Style
 Fixed-Income Bond %

Growth of \$10,000

- Prudential Global Total Return Z 18,393
- Category Average 15,020
- Standard Index 16,094

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	2.20 ¹	2.15

Performance Disclosure
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Fees and Expenses

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

Fund Expenses	
Management Fees %	0.50
12b1 Expense %	NA
Gross Expense Ratio %	0.80

	Risk and Return Profile		
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	4★	4★
Morningstar Risk	+Avg	+Avg	High
Morningstar Return	Avg	+Avg	+Avg
Standard Deviation	6.13	6.52	8.82
Mean	1.37	2.84	5.55
Sharpe Ratio	0.22	0.44	0.59

MPT Statistics	Standard Index	Best Fit Index Citi WGBI NonUSD USD
Alpha	-2.52	3.10
Beta	1.55	0.70
R-Squared	55.35	79.59
12-Month Yield		3.38%
Potential Cap Gains Exp		-2.83%

Operations		
Family:	PGIM Investments	Base Currency: USD
Manager:	Multiple	Ticker: PZTRX
Tenure:	14.7 Years	Minimum Initial Purchase: \$5 mil
Objective:	Worldwide Bond	Min Auto Investment Plan: \$50

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17
NAV/Price	6.72	6.85	6.23	6.73	6.66	6.66	7.25	6.79	6.78	6.34	6.28	6.47
Total Return %	5.84	8.28	-3.89	21.03	10.07	4.58	13.22	-2.06	4.29	-2.99	2.83	3.92
+/- Standard Index	1.51	1.31	-9.13	15.10	3.53	-3.27	9.01	-0.04	-1.67	-3.54	0.18	3.10
+/- Category Index	-1.10	-3.18	-14.00	16.64	4.86	-0.60	11.72	2.50	6.97	2.55	1.02	1.89
% Rank Cat	41	48	70	10	14	28	10	38	22	32	57	—
No. of Funds in Cat	197	218	234	269	270	297	315	365	385	367	339	356

Portfolio Analysis 03-31-2017				Top Holdings 02-28-2017			
Asset Allocation % 02-28-2017	Net %	Long %	Short %	Share Chg since 02-2017	Share Amount	Holdings	Net Assets %
Cash	5.35	6.52	1.17		1 Total Stocks, 978 Total Fixed-Income, 86% Turnover Ratio		
US Stocks	0.00	0.00	0.00		1,599 US 10 Year Note (CBT) June17	20.96	
Non-US Stocks	0.00	0.00	0.00	✖	3,570 mil Recv Fra 0 25 6x9 080917	14.73	
Bonds	91.71	149.55	57.84		3,570 mil Payb Fra 0 25 6x9 080917	-14.73	
Other/Not Clsid	2.94	3.47	0.53		506 2 Year US Treasury Note Future Jun	-11.52	
Total	100.00	159.54	59.54	✖	853 US 5 Year Note (CBT) June17	10.57	

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Share Chg since 02-2017	Share Amount	Holdings	Net Assets %
	P/E Ratio TTM	0.7	—	—	✖	23,481 mil	Recv Ois 2.92 2/9/18	3.80
	P/C Ratio TTM	—	—	—	✖	23,481 mil	Payb Ois 2.92 2/9/18	-3.80
	P/B Ratio TTM	1.1	—	—	✖	222	US Ultra Bond (CBT) June17	3.78
	Geo Avg Mkt Cap \$mil	1593	—	—	✖	199	Euro BUND Future Mar17	-3.68
					✖	30 mil	Recv Ois 08/02/23	3.16
					✖	30 mil	Payb Ois 08/02/23	-3.16
					✖	169	Euro OAT Mar17	2.83
					✖	161	Long Gilt Future Jun17	2.68
					⊕	165	Euro BÖBL Future Mar17	-2.48
						25 mil	Recv Cs Nzdsud 01/20/21	1.93

Credit Quality Breakdown 03-31-2017			Sector Weightings		
AAA	31.72	Bond %	Cyclical	0.0	Rel Std Index
AA	10.93		Basic Materials	0.0	—
A	19.80		Consumer Cyclical	0.0	—
BBB	17.84		Financial Services	0.0	—
BB	9.67		Real Estate	0.0	—
B	4.66		Sensitive	100.0	—
Below B	0.60		Communication Services	0.0	—
NR	4.78		Energy	100.0	—
			Industrials	0.0	—
			Technology	0.0	—
Regional Exposure	Stocks %	Rel Std Index	Defensive	0.0	—
Americas	100.0	—	Consumer Defensive	0.0	—
Greater Europe	0.0	—	Healthcare	0.0	—
Greater Asia	0.0	—	Utilities	0.0	—

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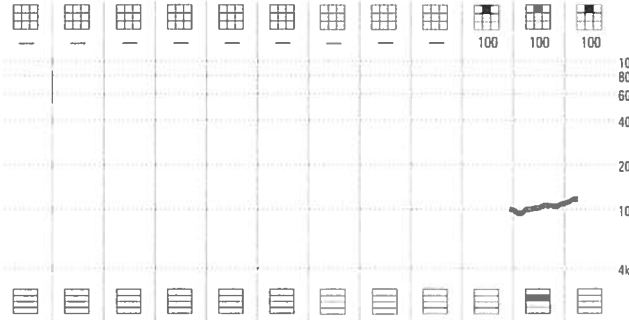
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF (USD)

Overall Morningstar Rating™ Standard Index Category Index Morningstar Cat
 S&P 500 TR USD Russell 1000 TR US Fund Large Blend
 1,248 US Fund Large Blend

Performance 03-31-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	—	—	—	—	—
2016	0.99	1.80	4.07	3.66	10.91
2017	6.76	—	—	—	6.76

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-17	17.28	—	—	—	12.12
Std NAV 03-31-17	17.25	—	—	—	12.40
Mkt Total Ret	17.28	—	—	—	12.12
NAV Total Ret	17.25	—	—	—	12.40
+/- Std Index	0.08	—	—	—	—
+/- Cat Index	-0.18	—	—	—	—
% Rank Cat	31	—	—	—	—
No. in Cat	1,404	—	—	—	—



Investment Style
 Equity
 Stocks %

Growth of \$10,000
 SPDR® S&P 500 Fossil Fuel Rsrv Free ETF 11,687
 Category Average 11,382
 Standard Index 11,688

Performance Quartile (within category)
 History

30-day SEC Yield

Subsidized Unsubsidized

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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 866-787-2257 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™	1248 funds	1113 funds	822 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	No
Leverage Type	---	---
Leverage %	100.00	100.00
Primary Prospectus Benchmark	S&P 500 Fossil Fuel Free NR USD	S&P 500 Fossil Fuel Free NR USD

Portfolio Analysis 03-30-2017

Asset Allocation % 03-27-2017	Net %	Long %	Short %	Share Chg since 03-2017	Share Amount	Holdings 472 Total Stocks, 0 Total Fixed-Income	Net Assets %
Cash	0.05	0.05	0.00	—	—	—	—
US Stocks	98.99	98.99	0.00	—	36,691	Apple Inc	3.94
Non-US Stocks	0.96	0.96	0.00	—	53,856	Microsoft Corp	2.64
Bonds	0.00	0.00	0.00	—	2,753	Amazon.com Inc	1.80
Other/Not Clsid	0.00	0.00	0.00	—	18,977	Johnson & Johnson	1.77
Total	100.00	100.00	0.00	0.30	16,345	Facebook Inc A	1.74

Equity Style

Value	Blend	Growth
—	—	—

Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.0	0.99	0.97
P/C Ratio TTM	13.1	1.00	0.99
P/B Ratio TTM	3.1	1.04	0.928
Geo Avg Mkt Cap \$mil	85790	1.00	0.79

Fixed-Income Style

Int	Med	Ext
—	—	—

Credit Quality Breakdown

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

Regional Exposure

	Stocks %	Rel Std Index
Americas	99.0	1.00
Greater Europe	0.4	1.06
Greater Asia	0.5	1.05

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	34.0	1.05
Basic Materials	3.0	1.02
Consumer Cyclical	11.7	1.06
Financial Services	17.1	1.06
Real Estate	2.3	0.99
Sensitive	38.1	0.93
Communication Services	4.3	1.04
Energy	2.1	0.31
Industrials	11.0	1.06
Technology	20.8	1.05
Defensive	27.8	1.04
Consumer Defensive	10.0	1.06
Healthcare	14.9	1.05
Utilities	2.9	0.91

Operations

Family:	SPDR State Street Global	Ticker:	SPYX	Prem/Discount:	0.22
Manager:	Multiple	Incept:	11-30-2015	Mkt Price:	57.08
Tenure:	1.5 Years	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$141.5 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	2.45 mil	NAV:	56.96	Backing Bank:	SSgA Funds Management Inc

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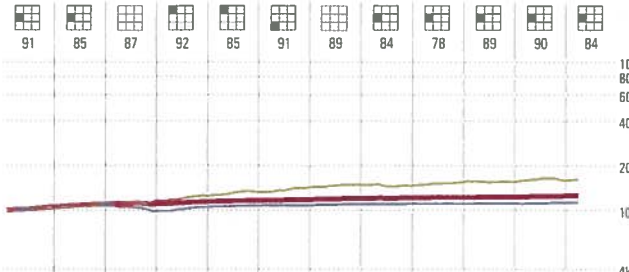
Touchstone Ultra Short Dur F/I Y (USD)

Overall Morningstar Rating™ ★★★★★
Standard Index BBgBarc US Agg Bond TR USD
Category Index BBgBarc Govt/Corp 1 Yr Duration TR USD
Morningstar Cat US Fund Ultrashort Bond

Performance 03-31-2017					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	0.25	0.26	0.03	0.11	0.65
2016	0.50	0.61	0.37	0.18	1.67
2017	0.50	—	—	—	0.50

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.67	1.09	—	—	1.15
Std 03-31-2017	1.67	—	—	—	1.15
Total Return	1.67	1.09	1.16	1.67	1.15
+/- Std Index	1.23	-1.60	-1.18	-2.61	—
+/- Cat Index	1.09	0.55	0.66	0.22	—

% Rank Cat	35	22	27	29
No. in Cat	157	135	93	53



Investment Style
 Fixed-Income Bond %

Growth of \$10,000
 Touchstone Ultra Short Dur F/I Y
 12.598
 Category Average
 11.306
 Standard Index
 16.094

Performance Quartile
 (within category)
 History

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	1.69 ¹	1.62

¹ Contractual waiver. Expires 01-29-2018

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	NA
Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.25
12b1 Expense %	NA
Gross Expense Ratio %	0.53

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	0.34	0.33	0.98
Mean	1.09	1.16	1.67
Sharpe Ratio	2.69	3.15	1.10

MPT Statistics

	Standard Index	Best Fit Index
Alpha	0.75	0.63
Beta	0.06	0.76
R-Squared	27.46	50.62
12-Month Yield	—	1.41%
Potential Cap Gains Exp	—	-4.28%

Operations

Family:	Touchstone	Ticker:	TSYYX	Incept:	04-16-2012
Manager:	Multiple	Minimum Initial Purchase:	\$2,500	Type:	MF
Tenure:	8.6 Years	Min Auto Investment Plan:	\$100	Total Assets:	\$674.54 mil
Objective:	Multisector Bond	Minimum IRA Purchase:	\$1,000		
Base Currency:	USD	Purchase Constraints:	—		

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17
NAV/Price	—	—	—	—	—	—	9.54	9.44	9.37	9.29	9.30	9.31
Total Return %	5.31	4.69	0.54	3.34	1.73	1.50	1.93	0.77	0.85	0.65	1.67	0.50
+/- Standard Index	0.98	-2.28	-4.70	-2.59	-4.81	-6.35	-2.28	2.79	-5.12	0.10	-0.98	-0.31
+/- Category Index	0.71	-1.25	-3.35	1.69	0.52	0.80	1.35	0.42	0.50	0.31	0.86	0.28
% Rank Cat	—	—	—	—	—	—	—	22	12	12	32	—
No. of Funds in Cat	—	—	—	—	—	—	—	137	147	148	152	176

Portfolio Analysis 03-31-2017

Asset Allocation %	12-31-2016	Net %	Long %	Short %
Cash	10.14	10.14	0.00	0.00
US Stocks	0.00	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00	0.00
Bonds	89.86	89.86	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00	0.00
Total	100.00	100.00	0.00	0.00

Top Holdings 12-31-2016

Share Chg since 12-2016	Share Amount	Holdings	0 Total Stocks, 398 Total Fixed-Income, 169% Turnover Ratio	Net Assets %
★	9 mil	Santander Drive Auto 2014-1	3.92%	1.63
★	9 mil	Jersey Cent Pwr & Lt	5.65%	1.60
★	9 mil	Mountain Agy 5	31%	1.52
★	8 mil	Chrysler Cap Auto Recv 2013-B	2.89%	1.49
★	8 mil	Bluemountain Clo 2006-2	FRN	1.41
★	8 mil	Cabot 2	55%	1.38
★	8 mil	Dignity Health 2	637%	1.36
★	7 mil	Eqty Mtg Tr 2014-Inns	CMO	1.29
★	7 mil	Cap Auto Recv Abn 2014-1	4.09%	1.19
★	7 mil	Navitas Eqpy Recv 2016-1	2.2%	1.15
⊖	6 mil	Temple Inland 0	9021%	1.13
⊖	6 mil	Bamll Re-Remic Tr 2014-Frr7	CMO	1.12
★	6 mil	Amer Cr Accept Recv Tr 2014-2	0.27	1.10
★	6 mil	Blue Hen Hotel	FRN	1.09
★	6 mil	Lam Rsrch 2	75%	1.07

Fixed-Income Style

Value	Blend	Growth
Value	Blend	Growth

Portfolio Statistics

Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—
P/C Ratio TTM	—	—
P/B Ratio TTM	—	—
Geo Avg Mkt Cap \$mil	—	—

Credit Quality Breakdown 03-31-2017

Bond %	
AAA	34.35
AA	12.41
A	18.68
BBB	28.01
BB	0.00
B	0.04
Below B	0.16
NR	6.36

Regional Exposure

Stocks %	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 FTSE Developed Markets ETF (USD)

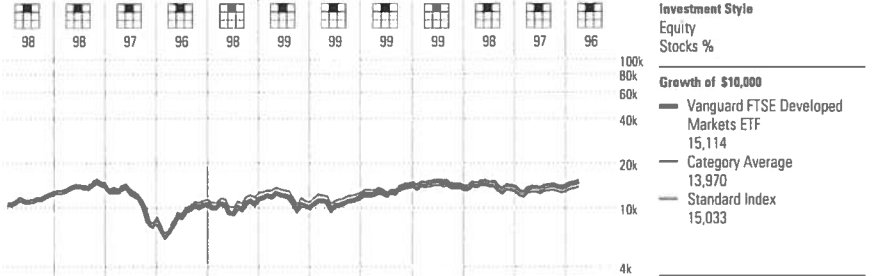
Overall Morningstar Rating™ Standard Index Category Index Morningstar Cat
 ★★★★★ 586 US Fund Foreign Large Blend MSCI ACWI Ex USA NR USD MSCI ACWI Ex USA NR USD US Fund Foreign Large Blend

Performance 03-31-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	5.54	1.03	-9.94	3.92	-0.21
2016	-1.99	-0.24	6.38	-1.44	2.51
2017	7.81	—	—	—	7.81

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-17	12.94	—	6.18	—	0.51
Std NAV 03-31-17	12.75	—	6.19	1.39	0.56

Mkt Total Ret	12.94	1.24	6.18	—	0.51
NAV Total Ret	12.75	1.16	6.19	1.39	0.56
+/- Std Index	-0.38	0.60	1.84	0.03	—
+/- Cat Index	-0.38	0.60	1.84	0.03	—
% Rank Cat	25	29	18	30	—
No. in Cat	735	586	525	327	—



Performance Quartile (within category)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17	History
Mkt Total Ret %	—	—	-40.65	27.49	8.35	-12.30	18.56	21.83	-5.98	-0.38	2.67	7.96	Mkt Total Ret %
NAV Total Ret %	—	—	-41.25	28.34	8.47	-12.57	18.60	22.12	-5.71	-0.21	2.51	7.81	NAV Total Ret %
+/- Standard Index	—	—	4.28	-13.11	-2.68	1.14	1.77	6.83	-1.84	5.45	-1.99	-0.05	+/- Standard Index
+/- Category Index	—	—	4.28	-13.11	-2.68	1.14	1.77	6.83	-1.84	5.45	-1.99	-0.05	+/- Category Index
% Rank Cat	—	—	20	63	67	32	41	23	56	36	28	—	% Rank Cat
No. of Funds in Cat	—	—	778	823	829	817	786	791	750	788	762	790	No. of Funds in Cat
Avg Prem/Discount %	—	—	0.28	0.52	0.17	0.02	0.27	0.21	0.10	0.06	0.06	0.07	Avg Prem/Discount %

30-day SEC Yield Subsidized Unsubsidized

Performance Disclosure
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Fees and Expenses

Fund Expenses	
Management Fees %	0.05
Expense Ratio %	0.07
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

	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	11.54	12.89	18.95
Standard Deviation MKT	11.53	12.93	—
Mean NAV	1.16	6.19	1.39
Mean MKT	1.24	6.18	—
Sharpe Ratio	0.14	0.52	0.14

MPT Statistics

	Standard Index	Best Fit Index
NAV	MSCI EAFE NR USD	MSCI EAFE NR USD
Alpha	0.60	0.66
Beta	0.91	0.93
R-Squared	95.27	96.68

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

Portfolio Analysis 03-31-2017

Asset Allocation % 02-28-2017	Net %	Long %	Short %
Cash	1.95	1.95	0.00
US Stocks	1.17	1.17	0.00
Non-US Stocks	95.48	95.48	0.00
Bonds	0.01	0.01	0.00
Other/Not Clsfd	1.40	1.40	0.00
Total	100.00	100.00	0.00

Top Holdings 02-28-2017

Share since 02-2017	Share Amount	Holdings	3,690 Total Stocks, 7 Total Fixed-Income, 11% Turnover Ratio	Net Assets %
+	13 mil	Nestle SA		1.33
+	10 mil	Novartis AG		1.08
+	3 mil	Roche Holding AG Dividend Right Ce		0.99
+	88 mil	HSBC Holdings PLC		0.94
+	405,038	Samsung Electronics Co Ltd		0.92
+	12 mil	Toyota Motor Corp		0.90
+	8 mil	British American Tobacco PLC		0.69
+	19 mil	Royal Dutch Shell PLC Class A		0.65
+	8 mil	Commonwealth Bank of Australia		0.63
+	9 mil	Total SA		0.63
+	83 mil	BP PLC		0.63
+	6 mil	Royal Bank of Canada		0.63
+	17 mil	Royal Dutch Shell PLC B		0.61
+	21 mil	GlaxoSmithKline PLC		0.58
+	3 mil	Siemens AG		0.58

Equity Style

Value	Blend	Growth
Value	Blend	Growth

Portfolio Statistics

Port Avg	Rel Index	Rel Cat	
P/E Ratio TTM	17.9	1.03	0.97
P/C Ratio TTM	8.5	1.00	0.87
P/B Ratio TTM	1.6	0.98	2.88
Geo Avg Mkt Cap \$mil	21838	0.72	0.55

Fixed-Income Style

Lat	Mod	Ext
Lat	Mod	Ext

Credit Quality Breakdown

	Bond %
AAA	47.95
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR	52.05

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	45.7	0.99
Basic Materials	9.3	1.09
Consumer Cyclical	11.9	1.07
Financial Services	20.7	0.90
Real Estate	3.9	1.12
Sensitive	31.5	0.96
Communication Services	3.8	0.80
Energy	6.2	0.93
Industrials	13.4	1.23
Technology	8.2	0.78
Defensive	22.7	1.08
Consumer Defensive	10.4	1.04
Healthcare	9.3	1.18
Utilities	3.0	0.96

Regional Exposure

	Stocks %	Rel Std Index
Americas	9.8	0.90
Greater Europe	53.5	1.14
Greater Asia	36.7	0.87

Operations

Family:	Vanguard	Ticker:	VEA	Prem/Discount:	0.23
Manager:	Multiple	Incept:	07-20-2007	Mkt Price:	39.30
Tenure:	4.3 Years	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$50,355.5 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	1,252.31 mil	NAV:	39.21	Backing Bank:	Vanguard Group Inc

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Vanguard Mid-Cap ETF (USD)

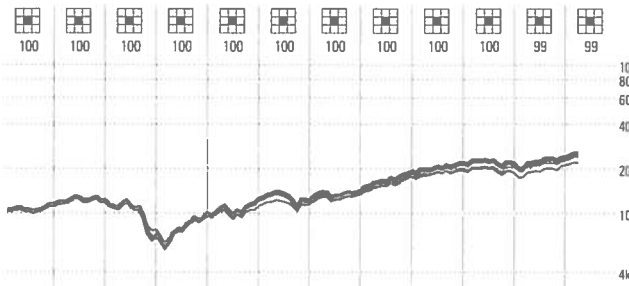
Overall Morningstar Rating™ Standard Index
 ★★★★★ S&P 500 TR USD
 377 US Fund Mid-Cap Blend
 Category Index Morningstar Cat
 Russell Mid Cap TR USD US Fund Mid-Cap Blend

Performance 03-31-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	4.29	-1.18	-7.45	3.44	-1.34
2016	1.17	2.34	5.18	2.14	11.23
2017	6.18	—	—	—	6.18

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-17	16.71	—	12.89	7.81	9.52
Std NAV 03-31-17	16.74	—	12.87	7.82	9.52

Mkt Total Ret	16.71	8.67	12.89	7.81	9.52
NAV Total Ret	16.74	8.68	12.87	7.82	9.52
+/- Std Index	-0.43	-1.69	-0.43	0.31	—
+/- Cat Index	-0.29	0.19	-0.21	-0.12	—
% Rank Cat	58	21	25	33	—
No. in Cat	441	377	340	219	—



Investment Style
 Equity
 Stocks %

Growth of \$10,000
 — Vanguard Mid-Cap ETF
 — Category Average
 — Standard Index

30-day SEC Yield
 Subsidized 1.49
 Unsubsidized —

Performance Disclosure
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Fees and Expenses

Fund Expenses	
Management Fees %	0.05
Expense Ratio %	0.06
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

	3 Yr	5 Yr	10 Yr
Standard Deviation NAV	11.40	11.15	17.93
Standard Deviation MKT	11.76	11.38	18.04
Mean NAV	8.68	12.87	7.82
Mean MKT	8.67	12.89	7.81
Sharpe Ratio	0.77	1.13	0.48

MPT Statistics

	Standard Index	Best Fit Index
NAV	—	Morningstar US Mid Cap TR USD
Alpha	-1.77	-0.14
Beta	1.03	0.99
R-Squared	88.75	98.92
12-Month Yield	—	1.50%
Potential Cap Gains Exp	—	—
Leveraged	—	No
Leverage Type	—	—
Leverage %	—	100.00
Primary Prospectus Benchmark	—	CRSP US Mid Cap TR USD

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17	History
Mkt Total Ret %	13.48	5.83	-41.56	40.44	25.68	-2.08	16.22	35.04	13.75	-1.35	11.26	6.13	Mkt Total Ret %
NAV Total Ret %	13.69	6.14	-41.79	40.49	25.57	-1.96	15.98	35.15	13.76	-1.34	11.23	6.18	NAV Total Ret %
+/- Standard Index	-2.10	0.65	-4.79	14.02	10.51	-4.08	-0.02	2.76	0.07	-2.72	-0.73	0.12	+/- Standard Index
+/- Category Index	-1.57	0.54	-0.33	0.01	0.10	-0.42	-1.30	0.38	0.54	1.10	-2.57	1.03	+/- Category Index
% Rank Cat	45	44	69	24	28	33	55	41	6	18	72	—	% Rank Cat
No. of Funds in Cat	464	494	512	451	433	424	412	399	369	432	427	482	No. of Funds in Cat
Avg Prem/Discount %	-0.01	-0.03	-0.06	-0.01	0.00	0.00	0.02	0.01	0.01	0.28	0.01	—	Avg Prem/Discount %

Portfolio Analysis 03-31-2017

Asset Allocation %	Net %	Long %	Short %
Cash	0.71	0.71	0.00
US Stocks	98.73	98.73	0.00
Non-US Stocks	0.55	0.55	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

Value	Blend	Growth
High	Low	High

Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	22.9	1.08	1.09
P/C Ratio TTM	11.9	0.91	1.07
P/B Ratio TTM	2.6	0.89	6.62
Geo Avg Mkt Cap \$mil	12551	0.15	1.78

Fixed-Income Style

Yld	Mod	Ext
Low	Low	Low

Credit Quality Breakdown

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

Top Holdings 02-28-2017

Share Chg since 02-28-2017	Share Amount	Holdings	343 Total Stocks, 8 Total Fixed-Income, 15% Turnover Ratio	Net Assets %
+	2 mil	Equinix Inc		0.77
+	5 mil	Fiserv Inc		0.72
+	7 mil	Electronic Arts Inc		0.72
+	12 mil	Newell Brands Inc		0.68
+	3 mil	M&T Bank Corp		0.67
+	7 mil	Western Digital Corp		0.63
+	7 mil	Amphenol Corp Class A		0.62
+	4 mil	Incyte Corp		0.61
+	2 mil	Roper Technologies Inc		0.61
+	26 mil	KeyCorp		0.59
+	5 mil	Edwards Lifesciences Corp		0.58
+	4 mil	Concho Resources Inc		0.56
+	4 mil	Lam Research Corp		0.56
+	12 mil	Citizens Financial Group Inc		0.55
+	8 mil	WEC Energy Group Inc		0.55

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	43.6	1.35
Basic Materials	5.3	1.83
Consumer Cyclical	16.4	1.49
Financial Services	14.3	0.89
Real Estate	7.5	3.19
Sensitive	36.2	0.89
Communication Services	1.5	0.37
Energy	4.8	0.73
Industrials	13.4	1.30
Technology	16.5	0.83
Defensive	20.2	0.75
Consumer Defensive	6.6	0.70
Healthcare	8.7	0.61
Utilities	5.0	1.55

Regional Exposure

	Stocks %	Rel Std Index
Americas	99.4	1.00
Greater Europe	0.0	0.00
Greater Asia	0.6	1.12

Operations

Family:	Vanguard	Ticker:	VO	Prem/Discount:	0.01
Manager:	Multiple	Incept:	01-26-2004	Mkt Price:	139.24
Tenure:	19.0 Years	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$19,063.6 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	135.23 mil	NAV:	139.22	Backing Bank:	Vanguard Group Inc

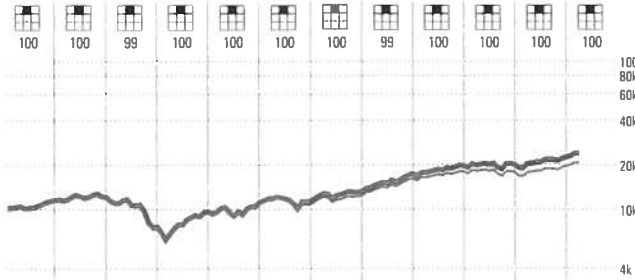
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Vanguard S&P 500 ETF (USD)

Overall Morningstar Rating™ Standard Index Category Index Morningstar Cat
 ★★★★★ S&P 500 TR USD Russell 1000 TR US Fund Large Blend

Performance 03-31-2017					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	0.94	0.28	-6.46	7.03	1.35
2016	1.34	2.44	3.85	3.82	11.93
2017	6.05	—	—	—	6.05
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-17	17.10	—	13.27	—	14.66
Std NAV 03-31-17	17.14	—	13.26	7.47	14.86
Mkt Total Ret	17.10	10.31	13.27	—	14.66
NAV Total Ret	17.14	10.33	13.26	7.47	14.86
+/- Std Index	-0.03	-0.04	-0.04	-0.04	—
+/- Cat Index	-0.29	0.34	0.00	-0.11	—
% Rank Cat	33	7	11	20	—
No. in Cat	1,404	1,248	1,113	822	—



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17	History
Mkt Total Ret %	—	—	—	—	1.89	16.00	32.39	13.55	1.31	12.17	5.87	—	Mkt Total Ret %
NAV Total Ret %	—	—	—	—	2.09	15.98	32.33	13.63	1.35	11.93	6.05	—	NAV Total Ret %
+/- Standard Index	—	—	—	—	-0.02	-0.02	-0.06	-0.06	-0.03	-0.03	-0.02	—	+/- Standard Index
+/- Category Index	—	—	—	—	0.59	-0.44	-0.78	0.39	0.44	-0.12	0.02	—	+/- Category Index
% Rank Cat	—	—	—	—	17	35	42	18	20	27	—	—	% Rank Cat
No. of Funds in Cat	—	—	—	—	1786	1686	1559	1568	1606	1409	1503	—	No. of Funds in Cat
Avg Prem/Discount %	—	—	—	—	0.07	-0.01	-0.05	-0.02	0.00	0.01	—	—	Avg Prem/Discount %

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 %	0.03
Expense Ratio %	0.04
12b1 Expense %	NA

Risk and Return Profile				
	3 Yr	5 Yr	10 Yr	
Morningstar Rating™	5★	5★	4★	1248 funds 1113 funds 822 funds
Morningstar Risk	Avg	-Avg	Avg	
Morningstar Return	High	+Avg	+Avg	
Standard Deviation NAV	10.41	10.20	15.30	
Standard Deviation MKT	10.40	10.26	—	
Mean NAV	10.33	13.26	7.47	
Mean MKT	10.31	13.27	—	
Sharpe Ratio	0.98	1.26	0.51	

MPT Statistics		
NAV	Standard Index	Best Fit Index
Alpha	-0.04	-0.04
Beta	1.00	1.00
R-Squared	100.00	100.00
12-Month Yield	—	1.91%
Potential Cap Gains Exp	—	—
Leveraged	—	No
Leverage Type	—	—
Leverage %	—	100.00
Primary Prospectus Benchmark	S&P 500 TR USD	S&P 500 TR USD

Portfolio Analysis 03-31-2017									
Asset Allocation %	Net %	Long %	Short %	Share Chg since 02-2017	Share Amount	Holdings 510 Total Stocks	5 Total Fixed-Income, 4% Turnover Ratio	Net Assets %	
Cash	0.42	0.42	0.00	—	—	—	—	—	—
US Stocks	98.68	98.68	0.00	⊕	80 mil	Apple Inc	—	—	3.57
Non-US Stocks	0.88	0.88	0.00	⊕	117 mil	Microsoft Corp	—	—	2.43
Bonds	0.01	0.01	0.00	⊕	62 mil	Exxon Mobil Corp	—	—	1.65
Other/Not Clsfd	0.00	0.00	0.00	⊕	6 mil	Amazon.com Inc	—	—	1.63
Total	100.00	100.00	0.00	⊕	41 mil	Johnson & Johnson	—	—	1.63

Top Holdings 02-28-2017									
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Holdings	Company	Rel Std Index		
Value Blend Growth	P/E Ratio TTM	21.3	1.00	0.98	⊕	54 mil	JPMorgan Chase & Co	—	1.59
	P/C Ratio TTM	13.1	1.00	0.99	⊕	35 mil	Facebook Inc A	—	1.55
	P/B Ratio TTM	3.0	1.00	8.93	⊕	27 mil	Berkshire Hathaway Inc B	—	1.51
	Geo Avg Mkt Cap \$mil	85597	1.00	0.78	⊕	133 mil	General Electric Co	—	1.29
					⊕	68 mil	Wells Fargo & Co	—	1.28
					⊕	92 mil	AT&T Inc	—	1.26
					⊕	4 mil	Alphabet Inc A	—	1.22
					⊕	152 mil	Bank of America Corporation	—	1.22
					⊕	4 mil	Alphabet Inc C	—	1.20
					⊕	40 mil	Procter & Gamble Co	—	1.19

Credit Quality Breakdown —			Bond %	
AAA	—	—	—	—
AA	—	—	—	—
A	—	—	—	—
BBB	—	—	—	—
BB	—	—	—	—
B	—	—	—	—
Below B	—	—	—	—
NR	—	—	—	—

Regional Exposure			Stocks %	Rel Std Index
Americas	99.1	—	1.00	—
Greater Europe	0.4	—	0.94	—
Greater Asia	0.5	—	1.00	—

Sector Weightings			Stocks %	Rel Std Index
Cyclical			32.4	1.00
Basic Materials	2.9	—	1.00	—
Consumer Cyclical	11.0	—	1.00	—
Financial Services	16.1	—	1.00	—
Real Estate	2.3	—	1.00	—
Sensitive			40.9	1.00
Communication Services	4.1	—	1.00	—
Energy	6.6	—	1.00	—
Industrials	10.4	—	1.00	—
Technology	19.8	—	1.00	—
Defensive			26.8	1.00
Consumer Defensive	9.4	—	1.00	—
Healthcare	14.2	—	1.00	—
Utilities	3.2	—	1.00	—

Operations					
Family:	Vanguard	Ticker:	VOO	Prem/Discount:	-0.02
Manager:	Multiple	Incept:	09-07-2010	Mkt Price:	216.35
Tenure:	1.1 Years	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$66,048.6 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	301.61 mil	NAV:	216.40	Backing Bank:	Vanguard Group Inc

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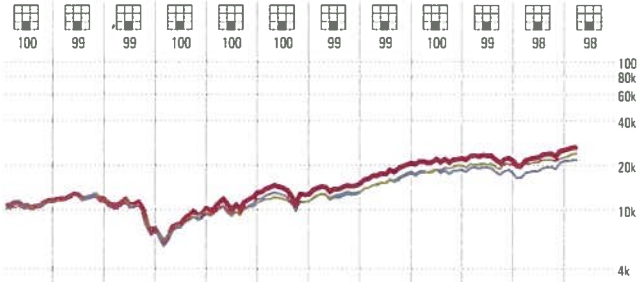
Vanguard Small-Cap ETF (USD)

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

Performance 03-31-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	4.80	-0.56	-10.32	3.10	-3.65
2016	1.01	3.98	6.16	6.11	18.31
2017	3.74	—	—	—	3.74

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Mkt 03-31-17	21.52	—	12.89	8.22	9.16
Std NAV 03-31-17	21.51	—	12.89	8.21	9.16
Mkt Total Ret	21.52	7.38	12.89	8.22	9.16
NAV Total Ret	21.51	7.41	12.89	8.21	9.16
+/- Std Index	4.34	-2.96	-0.41	0.70	—
+/- Cat Index	-4.70	0.19	0.54	1.09	—
% Rank Cat	56	34	25	15	—
No. in Cat	757	625	537	377	—



Investment Style
Equity
Stocks %

Growth of \$10,000

- Vanguard Small-Cap ETF: 26,378
- Category Average: 21,793
- Standard Index: 24,038

30-day SEC Yield

Subs-dized	Unsubs-dized
1.44	—

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 %	0.05
Expense Ratio %	0.06
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	13.56	12.78	19.86
Standard Deviation MKT	13.59	12.83	19.93
Mean NAV	7.41	12.89	8.21
Mean MKT	7.38	12.89	8.22
Sharpe Ratio	0.58	1.01	0.47

MPT Statistics

	Standard Index	Best Fit Index
NAV	—	Morningstar US Small Cap TR USD
Alpha	-3.56	0.39
Beta	1.12	0.93
R-Squared	73.41	99.10
12-Month Yield	—	1.54%
Potential Cap Gains Exp	—	—
Leveraged	No	No
Leverage Type	—	—
Leverage %	—	100.00
Primary Prospectus Benchmark	CRSP US Small Cap TR USD	—

Performance Quartile (within category)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	03-17	History
Mkt Total Ret %	15.77	1.35	-35.88	35.92	28.11	-2.78	18.29	37.70	7.63	-3.76	18.44	3.69	Mkt Total Ret %
NAV Total Ret %	15.79	1.27	-35.99	36.31	27.89	-2.68	18.22	37.80	7.51	-3.65	18.31	3.74	NAV Total Ret %
+/- Standard Index	0.00	-4.22	1.00	9.85	12.83	-4.79	2.22	5.42	-6.18	-5.04	6.35	-2.32	+/- Standard Index
+/- Category Index	-2.57	2.84	-2.21	9.14	1.03	1.50	1.87	-1.02	2.62	0.76	-3.00	1.28	+/- Category Index
% Rank Cat	41	29	52	25	23	42	21	46	13	35	70	—	% Rank Cat
No. of Funds in Cat	608	645	670	649	649	650	662	681	737	780	750	811	No. of Funds in Cat
Avg Prem/Discount %	-0.11	-0.07	0.05	0.06	-0.05	-0.02	-0.02	-0.03	-0.02	0.02	0.00	—	Avg Prem/Discount %

Portfolio Analysis 03-31-2017

Asset Allocation %

	Net %	Long %	Short %
Cash	2.20	2.20	0.00
US Stocks	97.31	97.31	0.00
Non-US Stocks	0.47	0.47	0.00
Bonds	0.01	0.01	0.00
Other/Not Clsfd	0.01	0.01	0.00
Total	100.00	100.00	0.00

Equity Style

Value	Blend	Growth
Value	Blend	Growth

Portfolio Statistics

	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.9	1.03	1.03
P/C Ratio TTM	10.7	0.82	0.86
P/B Ratio TTM	2.3	0.79	5.54
Geo Avg Mkt Cap \$mil	3429	0.04	1.10

Top Holdings 02-28-2017

Share since 02-2017	Share Amount	Holdings	1,428 Total Stocks, 6 Total Fixed-Income, 14% Turnover Ratio	Net Assets %
+	18 mil	Advanced Micro Devices Inc		0.35
+	1 mil	Huntington Ingalls Industries Inc		0.31
+	1 mil	SVB Financial Group		0.30
+	4 mil	Targa Resources Corp		0.30
+	4 mil	CDW Corp		0.29
+	1 mil	Domino's Pizza Inc		0.28
+	2 mil	Diamondback Energy Inc		0.27
+	7 mil	Cadence Design Systems Inc		0.27
+	2 mil	Packaging Corp of America		0.26
+	5 mil	HD Supply Holdings Inc		0.26
+	5 mil	Steel Dynamics Inc		0.26
+	1 mil	Teleflex Inc		0.26
+	4 mil	UGI Corp		0.25
+	3 mil	Broadridge Financial Solutions Inc		0.25
+	1 mil	Signature Bank		0.25

Fixed-Income Style

Low	Med	Ext
Low	Med	Ext

Credit Quality Breakdown

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

Regional Exposure

	Stocks %	Rel Std Index
Americas	99.7	1.01
Greater Europe	0.2	0.37
Greater Asia	0.1	0.22

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	45.4	1.40
Basic Materials	6.1	2.09
Consumer Cyclical	13.4	1.21
Financial Services	13.8	0.86
Real Estate	12.2	5.19
Sensitive	36.9	0.90
Communication Services	0.7	0.17
Energy	5.1	0.77
Industrials	15.9	1.53
Technology	15.3	0.77
Defensive	17.7	0.66
Consumer Defensive	3.9	0.42
Healthcare	10.1	0.71
Utilities	3.7	1.15

Operations

Family:	Vanguard	Ticker:	VB	Prem/Discount:	-0.01
Manager:	Multiple	Incept:	01-26-2004	Mkt Price:	133.28
Tenure:	1.1 Years	Expiration Date:	—	Base Currency:	USD
Total Assets:	\$18,398.9 mil	Exchange:	NYSE ARCA	Legal Structure:	Open Ended Investment Company
Shares Outstanding:	136.40 mil	NAV:	133.29	Backing Bank:	Vanguard Group Inc

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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>

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.

Money Market Fund Disclosures

If money market fund(s) are included in the Standardized Returns table below, each money market fund's name will be followed by a superscripted letter that links it to the applicable disclosure below:

Institutional Money Market Funds (designated by an "S"):

You could lose money by investing in the fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Government Money Market Funds that have chosen to rely on the ability to impose liquidity fees and suspend redemptions (designated by an "L") and

Retail Money Market Funds (designated by an "L"):

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Government Money Market Funds that have chosen not to rely on the ability to impose liquidity fees and suspend redemptions (designated by an "N"):

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Annualized returns 03-31-2017

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 Inst ¹	—	—	5.69	3.56	—	4.38	02-05-2008	NA	NA	0.62 ¹	0.76
Deutsche X-trackers MSCI EAFE Hedged Eq-NAV	—	—	18.49	10.40	—	8.43	06-09-2011	NA	NA	0.35	0.35
Deutsche X-trackers MSCI EAFE Hedged Eq-Market	—	—	19.16	10.19	—	8.23	06-09-2011	NA	NA	0.35	0.35
iShares Core US Aggregate Bond-NAV	—	—	0.37	2.27	4.14	4.05	09-22-2003	NA	NA	0.05 ²	0.06
iShares Core US Aggregate Bond-Market	—	—	0.21	2.23	4.12	4.04	09-22-2003	NA	NA	0.05 ²	0.06
Oppenheimer Senior Floating Rate Y	—	—	13.23	4.85	4.46	4.85	11-28-2005	NA	NA	0.73	0.87
PIMCO Income P	—	—	9.79	8.29	—	9.42	04-30-2008	NA	NA	0.55	0.55
Prudential Global Total Return Z	—	—	1.18	2.84	5.55	5.07	03-17-1997	NA	NA	0.63 ³	0.80

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Annualized returns 03-31-2017												
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 %	
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF-NAV	—	—	17.25	—	—	12.40	11-30-2015	NA	NA	0.20 ⁴	0.25	
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF-Market	—	—	17.28	—	—	12.12	11-30-2015	NA	NA	0.20 ⁴	0.25	
Touchstone Ultra Short Dur F/I Y	—	—	1.67	—	—	1.15	04-16-2012	NA	NA	0.44 ⁵	0.53	
Vanguard FTSE Developed Markets ETF-NAV	—	—	12.75	6.19	1.39	0.56	07-20-2007	NA	NA	0.07	0.07	
Vanguard FTSE Developed Markets ETF-Market	—	—	12.94	6.18	—	0.51	07-20-2007	NA	NA	0.07	0.07	
Vanguard Mid-Cap ETF-NAV	—	—	16.74	12.87	7.82	9.52	01-26-2004	NA	NA	0.06	0.06	
Vanguard Mid-Cap ETF-Market	—	—	16.71	12.89	7.81	9.52	01-26-2004	NA	NA	0.06	0.06	
Vanguard S&P 500 ETF-NAV	—	—	17.14	13.26	7.47	14.86	09-07-2010	NA	NA	0.04	0.04	
Vanguard S&P 500 ETF-Market	—	—	17.10	13.27	—	14.66	09-07-2010	NA	NA	0.04	0.04	
Vanguard Small-Cap ETF-NAV	—	—	21.51	12.89	8.21	9.16	01-26-2004	NA	NA	0.06	0.06	
Vanguard Small-Cap ETF-Market	—	—	21.52	12.89	8.22	9.16	01-26-2004	NA	NA	0.06	0.06	
BBgBarc Govt/Corp 1 Yr Duration TR USD			0.57	0.50	1.45	—	—					
BBgBarc US Agg Bond TR USD			0.44	2.34	4.27	—	—					
BBgBarc US Universal TR USD			1.92	2.83	4.52	—	—					
BofAML USD LIBOR 3 Mon CM			0.74	0.40	1.17	—	—					
Citi WGBI NonUSD USD			-4.79	-1.50	2.64	—	—					
MSCI ACWI Ex USA NR USD			13.13	4.36	1.35	—	—					
MSCI EAFE NR USD			11.67	5.83	1.05	—	—					
Russell 1000 TR USD			17.43	13.26	7.58	—	—					
Russell 2000 TR USD			26.22	12.35	7.12	—	—					
Russell Mid Cap TR USD			17.03	13.09	7.94	—	—					
S&P 500 TR USD			17.17	13.30	7.51	—	09-11-1989					
S&P/LSTA Leveraged Loan TR			9.72	—	—	—	—					
USTREAS T-Bill Auction Ave 3 Mon			0.42	0.14	0.60	—	—					

1. Contractual waiver; Expires 04-30-2018; Interest expense 0.13%
2. Contractual waiver; Expires 06-30-2021
3. Contractual waiver; Expires 02-28-2018
4. Contractual waiver; Expires 10-31-2017
5. Contractual waiver; Expires 01-29-2018

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	4.29	2.16	—	2.67	02-05-2008	3.20	2.11	—	2.67
Deutsche X-trackers MSCI EAFE Hedged Eq-NAV	17.06	8.26	—	6.59	06-09-2011	10.35	7.33	—	5.89
iShares Core US Aggregate Bond-NAV	-0.65	1.23	2.89	2.75	09-22-2003	0.21	1.28	2.72	2.63
Oppenheimer Senior Floating Rate Y	10.84	2.70	2.15	2.48	11-28-2005	7.43	2.74	2.41	2.71
PIMCO Income P	7.24	5.50	—	6.64	04-30-2008	5.48	5.16	—	6.20
Prudential Global Total Return Z	-0.39	1.12	3.32	2.67	03-17-1997	0.67	1.42	3.41	2.88
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF-NAV	16.28	—	—	11.49	11-30-2015	9.72	—	—	9.05
Touchstone Ultra Short Dur F/I Y	0.99	—	—	0.44	04-16-2012	0.94	—	—	0.57
Vanguard FTSE Developed Markets ETF-NAV	11.81	5.24	—	-0.25	07-20-2007	7.66	4.59	—	0.24
Vanguard Mid-Cap ETF-NAV	16.28	12.39	7.34	9.06	01-26-2004	9.78	10.14	6.14	7.77
Vanguard S&P 500 ETF-NAV	16.57	12.61	—	14.26	09-07-2010	10.11	10.43	—	12.02
Vanguard Small-Cap ETF-NAV	20.94	12.32	7.68	8.67	01-26-2004	12.42	10.10	6.43	7.42

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All data presented is based on the most recent information available to Morningstar as of the release date and may or may not be an accurate reflection of current data for securities included in the fund's portfolio. There is no assurance that the data will remain the same.

Unless otherwise specified, the definition of "funds" used throughout this Disclosure Statement includes closed-end funds, exchange-traded funds, grantor trusts, index mutual funds, open-ended mutual funds, and unit investment trusts. It does not include exchange-traded notes or exchange-traded commodities.

Prior to 2016, Morningstar's methodology evaluated open-end mutual funds and exchange-traded funds as separate groups. Each group contained a subset of the current investments included in our current comparative analysis. In this report, historical data presented on a calendar-year basis and trailing periods ending at the most-recent month-end reflect the updated methodology.

Risk measures (such as alpha, beta, r-squared, standard deviation, mean, or Sharpe ratio) are calculated for securities or portfolios that have at least a three-year history.

Most Morningstar rankings do not include any adjustment for one-time sales charges, or loads. Morningstar does publish load-adjusted returns, and ranks such returns within a Morningstar Category in certain reports. The total returns for ETFs and fund share classes without one-time loads are equal to Morningstar's calculation of load-adjusted returns. Share classes that are subject to one-time loads relating to advice or sales commissions have their returns adjusted as part of the load-adjusted return calculation to reflect those loads.

Comparison of Fund Types

Funds, including closed-end funds, exchange-traded funds (ETFs), money market funds, open-end funds, and unit investment trusts (UITs), have many similarities, but also many important differences. In general, publically-offered funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Funds pool money from their investors and manage it according to an investment strategy or objective, which can vary greatly from fund to fund. Funds have the ability to offer diversification and professional management, but also involve risk, including the loss of principal.

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these 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. A closed-end mutual fund's expense ratio is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. Closed-end funds may also have 12b-1 fees. Income distributions and capital gains of the closed-end fund are subject

to income tax, if held in a taxable account.

An ETF is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, an ETF can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these 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. ETFs are not actively managed, so their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to vary from that of its underlying index. The expense ratio of an ETF is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. ETFs do not have 12b-1 fees or sales loads. Capital gains from funds held in a taxable account are subject to income tax. In many, but not all cases, ETFs are generally considered to be more tax-efficient when compared to similarly invested mutual funds.

Holding company depository receipts (HOLDRs) are similar to ETFs, 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.

A money-market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution.

An open-end fund is an investment company that issues shares on a continuous basis. Shares can be purchased from the open-end mutual fund itself, or through an intermediary, but cannot be traded on a secondary market, such as the New York Stock Exchange. Investors pay the open-end mutual fund's current net asset value plus any initial sales loads. Net asset value is calculated daily, at the close of business. Open-end mutual fund shares can be redeemed, or sold back to the fund or intermediary, at their current net asset value minus any deferred sales loads or redemption fees. The expense ratio for an open-end mutual fund is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. Open-end funds may also have 12b-1 fees. Income distributions and capital gains of the open-end fund are subject to income tax, if held in a taxable account.

A unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units. A one-time initial sales charge is deducted from an investment made into the trust. UIT investors may also pay creation and development fees, organization costs, and/or trustee and operation expenses. UIT units may be redeemed by the sponsor at their net

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asset value minus a deferred sales charge, and sold to other investors. UITs have set termination dates, at which point the underlying securities are sold and the sales proceeds are paid to the investor. Typically, a UIT investment is rolled over into successive trusts as part of a long-term strategy. A rollover fee may be charged for the exercise of rollover purchases. There are tax consequences associated with rolling over an investment from one trust to the next.

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. Fund portfolio statistics change over time. Funds are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution.

Morningstar calculates after-tax returns using the highest applicable federal marginal income tax rate plus the Medicare surcharge. As of 2016, this rate is 39.6% plus 0.9% Medicare surcharge, or 40.5%, this has been unchanged since 2013. This rate changes periodically in accordance with changes in federal law.

Pre-Inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the inception of the share class of the fund shown in this report ("Report Share Class"). If pre-inception returns are shown, a performance stream consisting of the Report Share Class and older share class(es) is created. Morningstar adjusts pre-inception returns downward to reflect higher expenses in the Report Share Class, we do not hypothetically adjust returns upwards for lower expenses. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

When pre-inception data is 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. The underlying investments in the share classes used to calculate the pre-performance string will likely vary from the underlying investments held in the fund after inception. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

12b1 Expense %

A 12b-1 fee is a fee used to pay for a mutual fund's distribution costs. It is often used as a commission to brokers for selling the fund. The amount of the fee is taken from a fund's returns.

Alpha

Alpha is a measure of the difference between a security or portfolio'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.

Asset Allocation

Asset Allocation reflects asset class weightings of the portfolio. The "Other" category includes security types that are not neatly classified in the other asset

classes, such as convertible bonds and preferred stocks, or cannot be classified by Morningstar as a result of missing data. Morningstar may display asset allocation data in several ways, including tables or pie charts. In addition, Morningstar may compare the asset class breakdown of the fund against its three-year average, category average, and/or index proxy.

Asset allocations shown in tables may include a breakdown among the long, short, and net (long positions net of short) positions. These statistics summarize what the fund's managers are buying and how they are positioning the fund's portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the fund's exposure and risk. Long positions involve buying the security outright and selling it later, with the hope the security's price rises over time. Short positions are taken with the hope of benefitting from anticipated price declines. 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 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 a loss buying it at a higher price than the sale price.

Most fund portfolios hold fairly conventional securities, such as long positions in equities and bonds. Morningstar may generate a colored pie chart for these portfolios. Other portfolios use other investment strategies or securities, such as short positions or derivatives, in an attempt to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while other have unique return and risk characteristics. Portfolios that incorporate investment strategies resulting in short positions or portfolio with relatively exotic derivative positions often report data to Morningstar that does not meet the parameters of the calculation underlying a pie chart's generation. Because of the nature of how these securities are reported to Morningstar, we may not always get complete portfolio information to report asset allocation. Morningstar, at its discretion, may determine if unidentified characteristics of fund holdings are material. Asset allocation and other breakdowns may be rescaled accordingly so that percentages total to 100 percent. (Morningstar used discretion to determine if unidentified characteristics of fund holdings are material, pie charts and other breakdowns may rescale identified characteristics to 100% for more intuitive presentation.)

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

Average Effective Duration

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

Average Effective Maturity

Average Effective Maturity is a weighted average of the maturities of all bonds in a portfolio.

Average Weighted Coupon

A coupon is the fixed annual percentage paid out on a bond. The average weighted coupon is the asset-weighted coupon of each bond in the portfolio.

Average Weighted Price

Average Weighted Price is the asset-weighted price of bonds held in a portfolio, expressed as a percentage of par (face) value. This number reveals if the portfolio favors bonds selling at prices above or below par value (premium or discount securities respectively.)

Best Fit Index

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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 or portfolio.

Beta

Beta is a measure of a security or portfolio's sensitivity to market movements (proxied using an index.) A beta of greater than 1 indicates more volatility than the market, and a beta of less than 1 indicates less volatility than the market.

Credit Quality Breakdown

Credit Quality breakdowns are shown for corporate-bond holdings in the fund's portfolio and depict the quality of bonds in the underlying portfolio. It shows the percentage of fixed-income securities that fall within each credit-quality rating as assigned by a Nationally Recognized Statistical Rating Organization (NRSRO). Bonds not rated by an NRSRO are included in the Other/Not-Classified category.

Deferred Load %

The back-end sales charge or deferred load is imposed when an investor redeems shares of a fund. The percentage of the load charged generally declines the longer the fund's shares are held by the investor. This charge, coupled with 12b-1 fees, commonly serves as an alternative to a traditional front-end load.

Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, includes interest and dividends on borrowed securities but does not reflect any fee waivers in effect during the time period.

Front-end Load %

The initial sales charge or front-end load is a deduction made from each investment in the fund and is generally based on the amount of the investment.

Geometric Average Market Capitalization

Geometric Average Market Capitalization is a measure of the size of the companies in which a portfolio invests.

Growth of 10,000

For funds, this graph compares the growth of an investment of 10,000 (in the base currency of the fund) with that of an index and/or 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 they assume reinvestment of dividends and capital gains. If adjusted, effects of sales charges and taxation would reduce the performance quoted. If pre-inception data is included in the analysis, it will be graphed.

The index in the Growth of 10,000 graph is an unmanaged portfolio of specified securities and cannot be invested in directly. The index does 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.

Management Fees %

The management fee includes the management and administrative fees listed in the Management Fees section of a fund's prospectus. Typically, these fees represent the costs shareholders paid for management and administrative services over the fund's prior fiscal year.

Maximum Redemption Fee %

The Maximum Redemption Fee is the maximum amount a fund may charge if redeemed in a specific time period after the fund's purchase (for example, 30, 180, or 365 days).

Mean

Mean is the annualized geometric return for the period shown.

Morningstar Analyst Rating™

The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to global.morningstar.com/managerdisclosures/.

The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

Morningstar Category

Morningstar Category is assigned by placing funds into peer groups based on their underlying holdings. The underlying securities in each portfolio are the primary factor in our analysis as the investment objective and investment strategy stated in a fund's prospectus may not be sufficiently detailed for our proprietary classification methodology. Funds are placed in a category based on their portfolio statistics and compositions over the past three years. Analysis of performance and other indicative facts are also considered. If the fund is new and has no portfolio history, Morningstar estimates where it will fall before giving it a permanent category assignment. Categories may be changed based on recent changes to the portfolio.

Morningstar Rank

Morningstar Rank is the total return percentile rank within each Morningstar Category. The highest (or most favorable) percentile rank is zero and the lowest (or least favorable) percentile rank is 100. Historical percentile ranks are based on a snapshot of a fund at the time of calculation.

Morningstar Rating™

The Morningstar Rating™ for funds, or "star rating", is calculated for managed

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products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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 managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Morningstar Return

The Morningstar Return rates a fund's performance relative to other managed products in its Morningstar Category. It is an assessment of a product's excess return over a risk-free rate (the return of the 90-day Treasury Bill) in comparison with the products in its Morningstar category. In each Morningstar category, the top 10% of products earn a High Morningstar Return (High), the next 22.5% Above Average (+Avg), the middle 35% Average (Avg), the next 22.5% Below Average (-Ave), 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 product. Products with less than three years of performance history are not rated.

Morningstar Risk

Morningstar Risk evaluates a fund's downside volatility relative to that of other products in its Morningstar Category. It is an assessment of the variations in monthly returns, with an emphasis on downside variations, in comparison with the products in its Morningstar category. In each Morningstar category, the 10% of products with the lowest measured risk are 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 product. Products with less than three years of performance history are not rated.

Morningstar Style Box™

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

For equity funds, the vertical axis shows the market capitalization of the long stocks owned, and the horizontal axis shows the investment style (value, blend, or growth.) A darkened square in the style box indicates the weighted average style of the portfolio.

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 (for example, 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. 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 an NRSRO nor does it issue a credit rating on the fund. 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, 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 used. 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-U.S. taxable and non-U.S. domiciled fixed-income funds, static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: more than 3.5 years but less than or equal to 6 years; (iii) Extensive: more than 6 years.

Interest-rate sensitivity for non-U.S. domiciled funds (excluding funds in convertible categories) may be measured with modified duration when effective duration is not available.

P/B Ratio TTM

The Price/Book Ratio (or P/B Ratio) for a fund is the weighted average of the P/B Ratio of the stocks in its portfolio. Book value is the total assets of a company, less total liabilities. The P/B ratio of a company is calculated by dividing the market price of its outstanding stock by the company's book value, and then adjusting for the number of shares outstanding. Stocks with negative book values are excluded from this calculation. It shows approximately how much an investor is paying for a company's assets based on historical valuations.

P/C Ratio TTM

The Price/Cash Flow Ratio (or P/C Ratio) for a fund is the weighted average of

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the P/C Ratio of the stocks in its portfolio. The P/C Ratio of a stock represents the amount an investor is willing to pay for a dollar generated from a company's operations. It shows the ability of a company to generate cash and acts as a gauge of liquidity and solvency.

P/E Ratio TTM

The Price/Earnings Ratio (or P/E Ratio) for a fund is the weighted average of the P/E Ratios of the stocks in its portfolio. The P/E Ratio of a stock is the stock's current price divided by the company's trailing 12-month earnings per share. A high P/E Ratio usually indicates the market will pay more to obtain the company's earnings because it believes in the company's abilities to increase their earnings. A low P/E Ratio indicates the market has less confidence that the company's earnings will increase, however value investors may believe such stocks have an overlooked or undervalued potential for appreciation.

Percentile Rank in Category

Percentile Rank is a standardized way of ranking items within a peer group, in this case, funds within the same Morningstar Category. The observation with the largest numerical value is ranked zero the observation with the smallest numerical value is ranked 100. The remaining observations are placed equal distance from one another on the rating scale. Note that lower percentile ranks are generally more favorable for returns (high returns), while higher percentile ranks are generally more favorable for risk measures (low risk).

Performance Quartile

Performance Quartile reflects a fund's Morningstar Rank.

Potential Capital Gains Exposure

Potential Capital Gains Exposure is an estimate of the percent of a fund's assets that represent gains. It measures how much the fund's assets have appreciated, and it can be an indicator of possible future capital gains distributions. A positive potential capital gains exposure value means that the fund's holdings have generally increased in value while a negative value means that the fund has reported losses on its book.

Quarterly Returns

Quarterly Return is calculated applying the same methodology as Total Return except it represents return through each quarter-end.

R-Squared

R-squared is the percentage of a security or portfolio's return movements that are explained by movements in its benchmark index, showing the degree of correlation between the security or portfolio and the benchmark. This figure is helpful in assessing how likely it is that beta and alpha are statistically significant. A value of 1 indicates perfect correlation between the security or portfolio and its benchmark. The lower the R-squared value, the lower the correlation.

Regional Exposure

The regional exposure is a display of the portfolio's assets invested in the regions shown on the report.

Sector Weightings

Super Sectors represent Morningstar's broadest classification of equity sectors by assigning the 11 equity sectors into three classifications. The Cyclical Super Sector includes industries significantly impacted by economic shifts, and the stocks included in these sectors generally have betas greater than 1. The Defensive Super Sector generally includes industries that are relatively immune to economic cycles, and the stocks in these industries generally have betas less than 1. The Sensitive Super Sector includes industries that ebb and flow with the overall economy, but not severely so. Stocks in the Sensitive Super Sector generally have betas that are close to 1.

Share Change

Shares Change represents the number of shares of a stock bought or sold by a fund since the previously reported portfolio of the fund.

Sharpe Ratio

Sharpe Ratio uses standard deviation and excess return (a measure of a security or portfolio's return in excess of the U.S. Treasury three-month Treasury Bill) to determine the reward per unit of risk.

Standard Deviation

Standard deviation is a statistical measure of the volatility of the security or portfolio's returns. The larger the standard deviation, the greater the volatility of return.

Standardized Returns

Standardized Return applies the methodology described in the Standardized Returns page of this report. Standardized Return is calculated through the most recent calendar-quarter end for one-year, five-year, 10-year, and/or since-inception periods, and it demonstrates the impact of sales charges (if applicable) and ongoing fund expenses. Standardized Return reflects the return an investor may have experienced if the security was purchased at the beginning of the period and sold at the end, incurring transaction charges.

Total Return

Total Return, or "Non Load-Adjusted Return", reflects performance without adjusting for sales charges (if applicable) or the effects of taxation, but it is adjusted to reflect all actual ongoing security expenses and assumes reinvestment of dividends and capital gains. It is the return an investor would have experienced if the fund was held throughout the period. If adjusted for sales charges and the effects of taxation, the performance quoted would be significantly reduced.

Total Return +/- indicates how a fund has performed relative to its peers (as measure by its Standard Index and/or Morningstar Category Index) over the time periods shown.

Trailing Returns

Standardized Return applies the methodology described in the Standardized Returns page of this report. Standardized Return is calculated through the most recent calendar-quarter end for one-year, five-year, 10-year, and/or since-inception periods, and it demonstrates the impact of sales charges (if applicable) and ongoing fund expenses. Standardized Return reflects the return an investor may have experienced if the fund was purchased at the beginning of the period and sold at the end, incurring transaction charges.

Load-Adjusted Monthly Return is calculated applying the same methodology as Standardized Return, except that it represents return through month-end. As with Standardized Return, 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 different.

Trailing Return +/- indicates how a fund has performed relative to its peers (as measure by its Standard Index and/or Morningstar Category Index) over the time periods shown.

ETF Detail Report Disclosure Statement

The Exchange-Traded Fund (ETF) Detail Report is supplemental sales literature,

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and therefore must be preceded or accompanied by the mutual fund's current prospectus or an equivalent statement. Please read this information carefully. In all cases, this disclosure statement should accompany the ETF Detail Report. Morningstar is not itself a FINRA-member firm. All data presented is based on the most recent information available to Morningstar as of the release date and may or may not be an accurate reflection of current data for securities included in the fund's portfolio. There is no assurance that the data will remain the same.

Unless otherwise specified, the definition of "funds" used throughout this Disclosure Statement includes closed-end funds, exchange-traded funds, grantor trusts, index mutual funds, open-ended mutual funds, and unit investment trusts. It does not include exchange-traded notes or exchange-traded commodities.

Prior to 2016, Morningstar's methodology evaluated open-end mutual funds and exchange-traded funds as separate groups. Each group contained a subset of the current investments included in our current comparative analysis. In this report, historical data presented on a calendar-year basis and trailing periods ending at the most-recent month-end reflect the updated methodology.

Risk measures (such as alpha, beta, r-squared, standard deviation, mean, or Sharpe ratio) are calculated for securities or portfolios that have at least a three-year history.

Most Morningstar rankings do not include any adjustment for one-time sales charges, or loads. Morningstar does publish load-adjusted returns, and ranks such returns within a Morningstar Category in certain reports. The total returns for ETFs and fund share classes without one-time loads are equal to Morningstar's calculation of load-adjusted returns. Share classes that are subject to one-time loads relating to advice or sales commissions have their returns adjusted as part of the load-adjusted return calculation to reflect those loads.

Comparison of Fund Types

Funds, including closed-end funds, exchange-traded funds (ETFs), money market funds, open-end funds, and unit investment trusts (UITs), have many similarities, but also many important differences. In general, publically-offered funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Funds pool money from their investors and manage it according to an investment strategy or objective, which can vary greatly from fund to fund. Funds have the ability to offer diversification and professional management, but also involve risk, including the loss of principal.

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these 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. A closed-end mutual fund's expense ratio is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. Closed-end funds may also have 12b-1 fees. Income distributions and capital gains of the closed-end fund are subject to income tax, if held in a taxable account.

An ETF is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, an ETF can be traded on a secondary market and thus have a market price that may be higher or lower than

its net asset value. If these 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. ETFs are not actively managed, so their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to vary from that of its underlying index. The expense ratio of an ETF is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. ETFs do not have 12b-1 fees or sales loads. Capital gains from funds held in a taxable account are subject to income tax. In many, but not all cases, ETFs are generally considered to be more tax-efficient when compared to similarly invested mutual funds.

Holding company depository receipts (HOLDRs) are similar to ETFs, 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.

A money-market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution.

An open-end fund is an investment company that issues shares on a continuous basis. Shares can be purchased from the open-end mutual fund itself, or through an intermediary, but cannot be traded on a secondary market, such as the New York Stock Exchange. Investors pay the open-end mutual fund's current net asset value plus any initial sales loads. Net asset value is calculated daily, at the close of business. Open-end mutual fund shares can be redeemed, or sold back to the fund or intermediary, at their current net asset value minus any deferred sales loads or redemption fees. The expense ratio for an open-end mutual fund is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. Open-end funds may also have 12b-1 fees. Income distributions and capital gains of the open-end fund are subject to income tax, if held in a taxable account.

A unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units. A one-time initial sales charge is deducted from an investment made into the trust. UIT investors may also pay creation and development fees, organization costs, and/or trustee and operation expenses. UIT units may be redeemed by the sponsor at their net asset value minus a deferred sales charge, and sold to other investors. UITs have set termination dates, at which point the underlying securities are sold and the sales proceeds are paid to the investor. Typically, a UIT investment is rolled over into successive trusts as part of a long-term strategy. A rollover fee may be charged for the exercise of rollover purchases. There are tax consequences associated with rolling over an investment from one trust to the next.

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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. Fund portfolio statistics change over time. Funds are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution.

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

Morningstar calculates after-tax returns using the highest applicable federal marginal income tax rate plus the Medicare surcharge. As of 2016, this rate is 39.6% plus 0.9% Medicare surcharge, or 40.5%, this has been unchanged since 2013. This rate changes periodically in accordance with changes in federal law.

12 Month Yield

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.

12b1 Expense %

A 12b-1 fee is a fee used to pay for a mutual fund's distribution costs. It is often used as a commission to brokers for selling the fund. The amount of the fee is taken from a fund's returns.

30-Day SEC Yield

The 30-day SEC Yield is a calculation based on a 30-day period ending on the last day of the previous month. It is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The figure listed lags by one month. When a dash appears, the yield available is more than 30 days old. This information is taken from fund surveys.

Alpha

Alpha is a measure of the difference between a security or portfolio'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.

Asset Allocation

Asset Allocation reflects asset class weightings of the portfolio. The "Other" category includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks, or cannot be classified by Morningstar as a result of missing data. Morningstar may display asset allocation data in several ways, including tables or pie charts. In addition, Morningstar may compare the asset class breakdown of the fund against its three-year average, category average, and/or index proxy.

Asset allocations shown in tables may include a breakdown among the long, short, and net (long positions net of short) positions. These statistics summarize what the fund's managers are buying and how they are positioning the fund's portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the fund's exposure and risk. Long positions involve buying the security outright and selling it later, with the hope the security's price rises over time. Short positions are taken with the hope of benefitting from anticipated price declines. 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 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 a loss buying it at a higher price than the sale price.

Most fund portfolios hold fairly conventional securities, such as long positions in equities and bonds. Morningstar may generate a colored pie chart for these portfolios. Other portfolios use other investment strategies or securities, such as short positions or derivatives, in an attempt to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while other have unique return and risk characteristics. Portfolios that incorporate investment strategies resulting in short positions or portfolio with relatively exotic derivative positions often report data to Morningstar that does not meet the parameters of the calculation underlying a pie chart's generation. Because of the nature of how these securities are reported to Morningstar, we may not always get complete portfolio information to report asset allocation. Morningstar, at its discretion, may determine if unidentified characteristics of fund holdings are material. Asset allocation and other breakdowns may be rescaled accordingly so that percentages total to 100 percent. (Morningstar used discretion to determine if unidentified characteristics of fund holdings are material, pie charts and other breakdowns may rescale identified characteristics to 100% for more intuitive presentation.)

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

Average Effective Duration

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

Average Effective Maturity

Average Effective Maturity is a weighted average of the maturities of all bonds in a portfolio.

Average Weighted Coupon

A coupon is the fixed annual percentage paid out on a bond. The average weighted coupon is the asset-weighted coupon of each bond in the portfolio.

Average Weighted Price

Average Weighted Price is the asset-weighted price of bonds held in a portfolio, expressed as a percentage of par (face) value. This number reveals if the portfolio favors bonds selling at prices above or below par value (premium or discount securities respectively.)

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 or portfolio.

Beta

Beta is a measure of a security or portfolio's sensitivity to market movements (proxied using an index.) A beta of greater than 1 indicates more volatility than the market, and a beta of less than 1 indicates less volatility than the market.

Credit Quality Breakdown

Credit Quality breakdowns are shown for corporate-bond holdings in the fund's portfolio and depict the quality of bonds in the underlying portfolio. It shows the

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percentage of fixed-income securities that fall within each credit-quality rating as assigned by a Nationally Recognized Statistical Rating Organization (NRSRO). Bonds not rated by an NRSRO are included in the Other/Not-Classified category.

Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, includes interest and dividends on borrowed securities but does not reflect any fee waivers in effect during the time period.

Geometric Average Market Capitalization

Geometric Average Market Capitalization is a measure of the size of the companies in which a portfolio invests.

Growth of 10,000

For funds, this graph compares the growth of an investment of 10,000 (in the base currency of the fund) with that of an index and/or 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 they assume reinvestment of dividends and capital gains. If adjusted, effects of sales charges and taxation would reduce the performance quoted. If pre-inception data is included in the analysis, it will be graphed.

The index in the Growth of 10,000 graph is an unmanaged portfolio of specified securities and cannot be invested in directly. The index does 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.

Management Fees %

The management fee includes the management and administrative fees listed in the Management Fees section of a fund's prospectus. Typically, these fees represent the costs shareholders paid for management and administrative services over the fund's prior fiscal year.

Maximum Redemption Fee %

The Maximum Redemption Fee is the maximum amount a fund may charge if redeemed in a specific time period after the fund's purchase (for example, 30, 180, or 365 days).

Mean

Mean is the annualized geometric return for the period shown.

Morningstar Analyst Rating™

The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of

Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to global.morningstar.com/managerdisclosures/.

The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

Morningstar Category

Morningstar Category is assigned by placing funds into peer groups based on their underlying holdings. The underlying securities in each portfolio are the primary factor in our analysis as the investment objective and investment strategy stated in a fund's prospectus may not be sufficiently detailed for our proprietary classification methodology. Funds are placed in a category based on their portfolio statistics and compositions over the past three years. Analysis of performance and other indicative facts are also considered. If the fund is new and has no portfolio history, Morningstar estimates where it will fall before giving it a permanent category assignment. Categories may be changed based on recent changes to the portfolio.

Morningstar Rank

Morningstar Rank is the total return percentile rank within each Morningstar Category. The highest (or most favorable) percentile rank is zero and the lowest (or least favorable) percentile rank is 100. Historical percentile ranks are based on a snapshot of a fund at the time of calculation.

Morningstar Rating™

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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 managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Morningstar Return

The Morningstar Return rates a fund's performance relative to other managed products in its Morningstar Category. It is an assessment of a product's excess return over a risk-free rate (the return of the 90-day Treasury Bill) in comparison with the products in its Morningstar category. In each Morningstar category, the top 10% of products earn a High Morningstar Return (High), the next 22.5% Above Average (+Avg), the middle 35% Average (Avg), the next 22.5% Below Average (-Ave), and the bottom 10% Low (Low). Morningstar Return is

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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 product. Products with less than three years of performance history are not rated.

Morningstar Risk

Morningstar Risk evaluates a fund's downside volatility relative to that of other products in its Morningstar Category. It is an assessment of the variations in monthly returns, with an emphasis on downside variations, in comparison with the products in its Morningstar category. In each Morningstar category, the 10% of products with the lowest measured risk are 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 product. Products with less than three years of performance history are not rated.

Morningstar Style Box™

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

For equity funds, the vertical axis shows the market capitalization of the long stocks owned, and the horizontal axis shows the investment style (value, blend, or growth.) A darkened square in the style box indicates the weighted average style of the portfolio.

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 (for example, 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. 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 an NRSRO nor does it issue a credit rating on the fund. 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, 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 used. 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-U.S. taxable and non-U.S. domiciled fixed-income funds, static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: more than 3.5 years but less than or equal to 6 years; (iii) Extensive: more than 6 years.

Interest-rate sensitivity for non-U.S. domiciled funds (excluding funds in convertible categories) may be measured with modified duration when effective duration is not available.

P/B Ratio TTM

The Price/Book Ratio (or P/B Ratio) for a fund is the weighted average of the P/B Ratio of the stocks in its portfolio. Book value is the total assets of a company, less total liabilities. The P/B ratio of a company is calculated by dividing the market price of its outstanding stock by the company's book value, and then adjusting for the number of shares outstanding. Stocks with negative book values are excluded from this calculation. It shows approximately how much an investor is paying for a company's assets based on historical valuations.

P/C Ratio TTM

The Price/Cash Flow Ratio (or P/C Ratio) for a fund is the weighted average of the P/C Ratio of the stocks in its portfolio. The P/C Ratio of a stock represents the amount an investor is willing to pay for a dollar generated from a company's operations. It shows the ability of a company to generate cash and acts as a gauge of liquidity and solvency.

P/E Ratio TTM

The Price/Earnings Ratio (or P/E Ratio) for a fund is the weighted average of the P/E Ratios of the stocks in its portfolio. The P/E Ratio of a stock is the stock's current price divided by the company's trailing 12-month earnings per share. A high P/E Ratio usually indicates the market will pay more to obtain the company's earnings because it believes in the company's abilities to increase their earnings. A low P/E Ratio indicates the market has less confidence that the company's earnings will increase, however value investors may believe such stocks have an overlooked or undervalued potential for appreciation.

Percentile Rank in Category

Percentile Rank is a standardized way of ranking items within a peer group, in this case, funds within the same Morningstar Category. The observation with the largest numerical value is ranked zero the observation with the smallest numerical value is ranked 100. The remaining observations are placed equal distance from one another on the rating scale. Note that lower percentile ranks are generally more favorable for returns (high returns), while higher percentile ranks are generally more favorable for risk measures (low risk).

Performance Quartile

Performance Quartile reflects a fund's Morningstar Rank.

Potential Capital Gains Exposure

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Potential Capital Gains Exposure is an estimate of the percent of a fund's assets that represent gains. It measures how much the fund's assets have appreciated, and it can be an indicator of possible future capital gains distributions. A positive potential capital gains exposure value means that the fund's holdings have generally increased in value while a negative value means that the fund has reported losses on its book.

Quarterly Returns

Quarterly Return is calculated applying the same methodology as Total Return except it represents return through each quarter-end.

R-Squared

R-squared is the percentage of a security or portfolio's return movements that are explained by movements in its benchmark index, showing the degree of correlation between the security or portfolio and the benchmark. This figure is helpful in assessing how likely it is that beta and alpha are statistically significant. A value of 1 indicates perfect correlation between the security or portfolio and its benchmark. The lower the R-squared value, the lower the correlation.

Regional Exposure

The regional exposure is a display of the portfolio's assets invested in the regions shown on the report.

Sector Weightings

Super Sectors represent Morningstar's broadest classification of equity sectors by assigning the 11 equity sectors into three classifications. The Cyclical Super Sector includes industries significantly impacted by economic shifts, and the stocks included in these sectors generally have betas greater than 1. The Defensive Super Sector generally includes industries that are relatively immune to economic cycles, and the stocks in these industries generally have betas less than 1. The Sensitive Super Sector includes industries that ebb and flow with the overall economy, but not severely so. Stocks in the Sensitive Super Sector generally have betas that are close to 1.

Share Change

Shares Change represents the number of shares of a stock bought or sold by a fund since the previously reported portfolio of the fund.

Sharpe Ratio

Sharpe Ratio uses standard deviation and excess return (a measure of a security or portfolio's return in excess of the U.S. Treasury three-month Treasury Bill) to determine the reward per unit of risk.

Standard Deviation

Standard deviation is a statistical measure of the volatility of the security or portfolio's returns. The larger the standard deviation, the greater the volatility of return.

Standardized Returns

Standardized Return applies the methodology described in the Standardized Returns page of this report. Standardized Return is calculated through the most recent calendar-quarter end for one-year, five-year, 10-year, and/or since-inception periods, and it demonstrates the impact of sales charges (if applicable) and ongoing fund expenses. Standardized Return reflects the return an investor may have experience if the security was purchased at the beginning of the period and sold at the end, incurring transaction charges.

Total Return

Total Return, or "Non Load-Adjusted Return", reflects performance without adjusting for sales charges (if applicable) or the effects of taxation, but it is adjusted to reflect all actual ongoing security expenses and assumes

reinvestment of dividends and capital gains. It is the return an investor would have experienced if the fund was held throughout the period. If adjusted for sales charges and the effects of taxation, the performance quoted would be significantly reduced.

Total Return +/- indicates how a fund has performed relative to its peers (as measure by its Standard Index and/or Morningstar Category Index) over the time periods shown.

Trailing Returns

Standardized Return applies the methodology described in the Standardized Returns page of this report. Standardized Return is calculated through the most recent calendar-quarter end for one-year, five-year, 10-year, and/or since-inception periods, and it demonstrates the impact of sales charges (if applicable) and ongoing fund expenses. Standardized Return reflects the return an investor may have experienced if the fund was purchased at the beginning of the period and sold at the end, incurring transaction charges.

Load-Adjusted Monthly Return is calculated applying the same methodology as Standardized Return, except that it represents return through month-end. As with Standardized Return, 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 different.

Trailing Return +/- indicates how a fund has performed relative to its peers (as measure by its Standard Index and/or Morningstar Category Index) over the time periods shown.

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

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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 HOLDER 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.

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 HOLDER 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, HOLDERS, 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 HOLDERS 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

BBgBarc Govt/Corp 1 Yr Duration TR USD Description unavailable.

BBgBarc 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.

BBgBarc 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.

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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 from the following proxy: iShares MSCI ACWI.

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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Kalbert K. Young
Vice President for Budget and Finance
Chief Financial Officer

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May 11, 2017

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TO: Benjamin Kudo, Chair
Budget and Finance Committee

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

VIA: David Lassner
President

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

SUBJECT: FY17 THIRD QUARTER FINANCIAL REPORT AS OF MARCH 31, 2017

Attached is the Quarterly Financial Report as of March 31, 2017 for the University of Hawai'i System. This report is an information item for discussion at the Budget and Finance Committee meeting on May 17, 2017.

A Quarterly Financial Report presentation is included to summarize a high-level analysis of the report.

Attachments

- c: University Budget Office (w/o Attachments)
- University Controller (w/o Attachments)

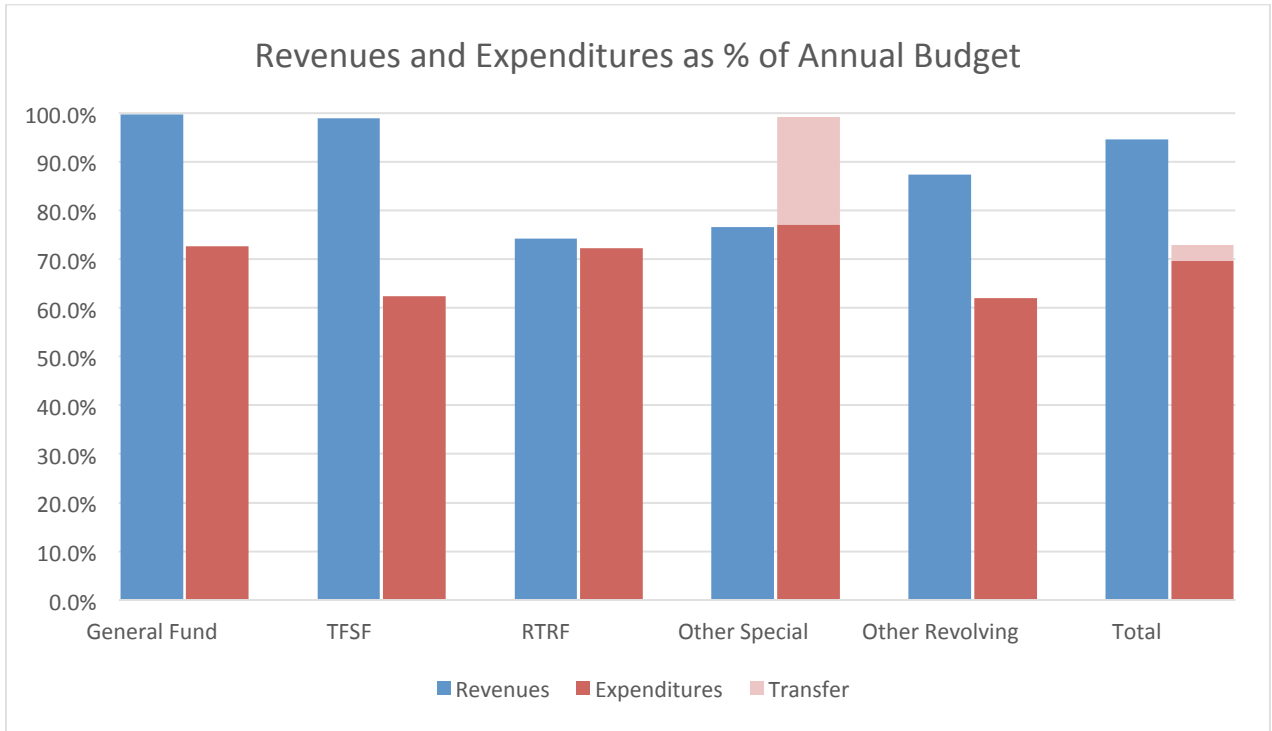


FY17 Third Quarter Financial Report

UNIVERSITY SYSTEM SUMMARY

Introduction

After three quarters of the fiscal year, we are in a good position to forecast year-end cash balances and revenues and expenditures.

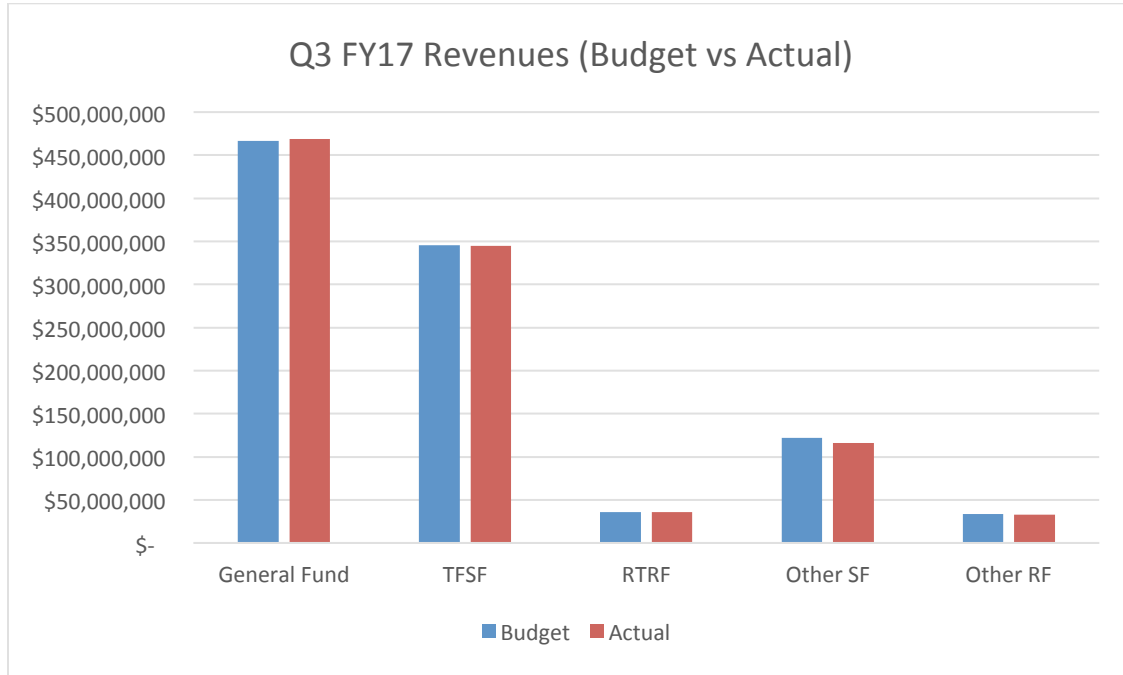


Fund	Revenues	Expenditures
General Fund	99.8%	72.7%
TFSS	99.0%	62.4%
RTRF	74.2%	72.3%
Other Special	76.6%	99.2%
Other Revolving	87.4%	62.1%
Total	94.6%	72.9%

Revenues for the General Fund and Tuition and Fees Special Fund (TFSS) are at or above 99% for the year. Revenues for other funds vary between 74% to 88% of their annual projections. Expenditures from most funds are below the 75% level through three quarters of the fiscal year. The notable exception is the Other Special Funds category at 99.2%. Once an anticipated transfer into the Scholarship Fund of approximately \$35.5 million in Q4 is accounted for, Other Special Funds would be at 77.1% of their annual budget.

Revenues

The following chart shows revenues through Q3 FY17, comparing budgeted and actual amounts.



Fund	Budget	Actual	Difference	%age
General Fund	\$ 466,807,031	\$ 469,022,020	\$ 2,214,989	0.47%
TFSF	\$ 345,310,602	\$ 345,085,265	\$ (225,337)	-0.07%
RTRF	\$ 35,931,957	\$ 35,512,320	\$ (419,637)	-1.17%
Other SF	\$ 121,694,369	\$ 116,180,646	\$ (5,513,723)	-4.53%
Other RF	\$ 33,460,052	\$ 33,082,297	\$ (377,755)	-1.13%
Total	\$ 1,003,204,011	\$ 998,882,548	\$ (4,321,463)	-0.43%

Actual revenues are slightly lower than projections for all funds except for the General Fund. These variances are considered small and within the tolerable range of this report. The variance identified for Other Special Funds is primarily attributable to a procedural technicality.

Income from the cigarette tax to the Cancer Center Special Fund and from the barrel tax to the Energy Systems Development Special Fund are recorded as transfers-in. However, when the budget was being formulated, those amounts were budgeted as revenue rather than transfers. This amount of the transfer is approximately \$12 million. Once the correction is accounted for, Other Special Fund revenue would be higher than budgeted.

In looking at Tuition & Fees Special Fund (TFSF) revenues in the aggregate across all campuses, TFSF revenue is very slightly (0.07%) below projections. Analysis of campus-specific TFSF revenues points to Community Colleges with a positive variance in excess of \$3.1 million, or 5.19%, above their beginning of the year forecast. The reason for the variance may be rooted in the methodology used to predict the forecast since net enrollment change (i.e. decrease) does not adequately explain the positive revenue variance. In the upcoming FY18 budget, the methodology will be revised to eliminate such discrepancies and to approach greater predictability of TFSF revenues. It is expected that final FY17 TFSF revenues will be slightly lower than beginning of the year projections.

**Tuition and Fees Special Fund (TFSF) Revenues
FY2017 – Q3**

Campus	Budget	Actual	Difference	%age
Mānoa	\$ 229,678,531	\$ 226,996,239	\$ (2,682,292)	-1.17%
Hilo	\$ 37,332,528	\$ 35,973,908	\$ (1,358,620)	-3.64%
West O‘ahu	\$ 16,259,743	\$ 16,735,519	\$ 475,776	2.93%
Community Colleges	\$ 61,499,610	\$ 64,692,372	\$ 3,192,762	5.19%
Systemwide Admin	\$ 540,190	\$ 687,227	\$ 147,037	27.22%
Total	\$ 345,310,602	\$ 345,085,265	\$ (225,337)	-0.07%

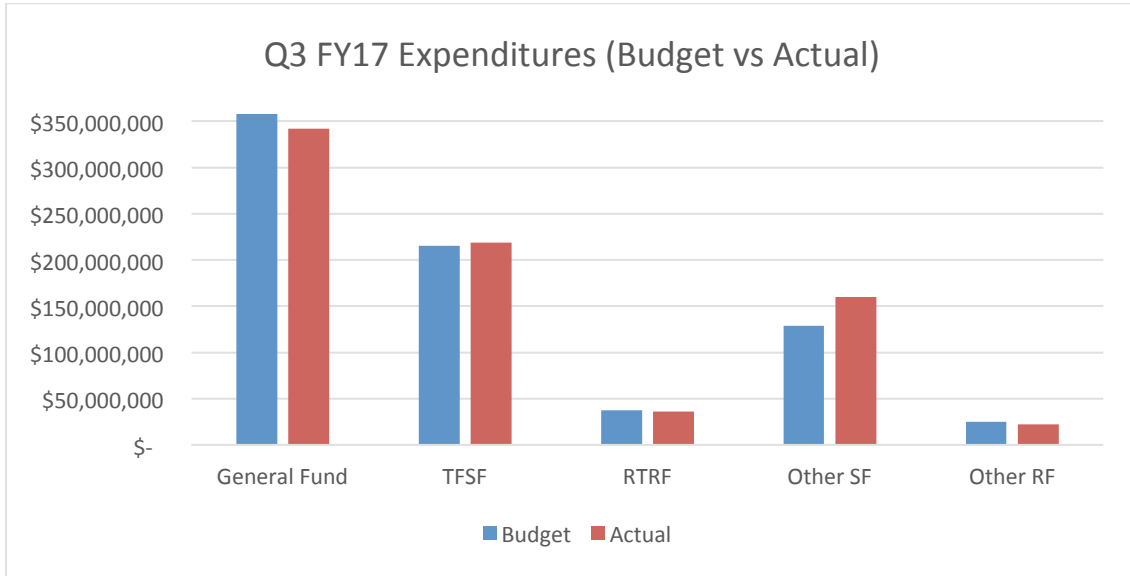
A comparison of actual revenue collections of the current fiscal year with that of the prior year (FY16 versus FY17) through Q3 indicates that total TFSF revenues for UH are lower in FY17 than FY16 by \$2.1 million or 0.6%.

**Tuition and Fees Special Fund (TFSF) Revenues
FY2016 vs. FY2017 for Q3**

Campus	Q3 FY16	Q3 FY17	Difference	%age
Mānoa	\$ 229,263,987	\$ 226,996,239	\$ (2,267,748)	-1.0%
Hilo	\$ 36,259,583	\$ 35,973,908	\$ (285,675)	-0.8%
West O‘ahu	\$ 14,732,947	\$ 16,735,519	\$ 2,002,572	13.6%
Community Colleges	\$ 66,395,617	\$ 64,692,372	\$ (1,703,245)	-2.6%
Systemwide Admin	\$ 555,540	\$ 687,227	\$ 131,687	23.7%
Total	\$ 347,207,674	\$ 345,085,265	\$ (2,122,409)	-0.6%

Expenditures

The following chart compares budgeted and actual expenditures through Q3 FY17:



Fund	Budget	Actual	Difference	% of budget
General Fund	\$ 357,941,101	\$ 341,731,092	\$ (16,210,009)	-4.5%
TFSF	\$ 215,150,948	\$ 219,039,935	\$ 3,888,987	1.8%
RTRF	\$ 37,359,862	\$ 36,158,383	\$ (1,201,479)	-3.2%
Other SF	\$ 129,097,648	\$ 159,689,945	\$ 30,592,297	23.7%
Other RF	\$ 24,854,039	\$ 22,154,332	\$ (2,699,707)	-10.9%
Total	\$ 764,403,598	\$ 778,773,687	\$ 14,370,089	1.9%

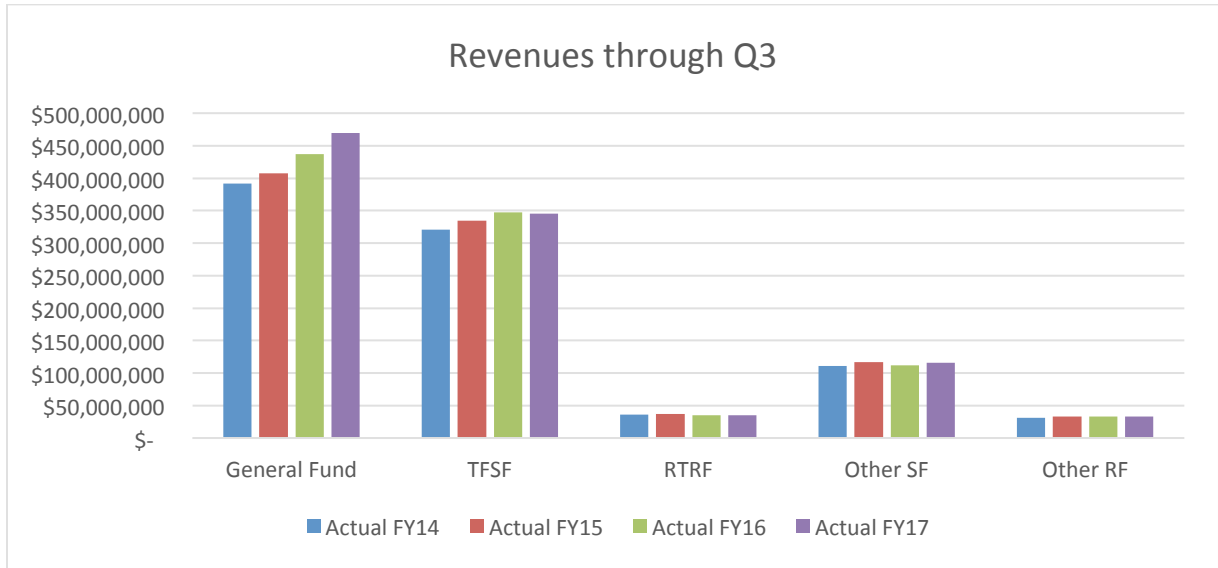
Aggregate General Fund expenditures are lower than budgeted amounts anticipated through the third quarter. Management believes the underspending in this revenue category is the result of a combination of factors that are more thoroughly discussed in the appropriate sections for Mānoa, Community Colleges, and Systemwide Administration sections of this document. These factors include either conservative budget forecasting, realization of performance funding allocation delays, procurement delays, and/or unanticipated personnel changes.

Expenditures from the Tuition and Fees Special Fund are also higher than budgeted (1.8%) through the third quarter, primarily due to timing of transfers and one-time costs. Additional detail is provided in the respective campus sections.

Other Special Funds expenditures are significantly higher than projected due to a transfer (in) of \$35.5 million from TFSF to the Scholarship Special Fund at Mānoa that was budgeted in Q1 but will be realized in Q4.

Historical Context

This report includes comparisons to prior years in order to provide historical context to current fiscal year performance. The following charts show actual revenues and expenditures through Q3 of the current and three prior fiscal years (FY14-FY17):

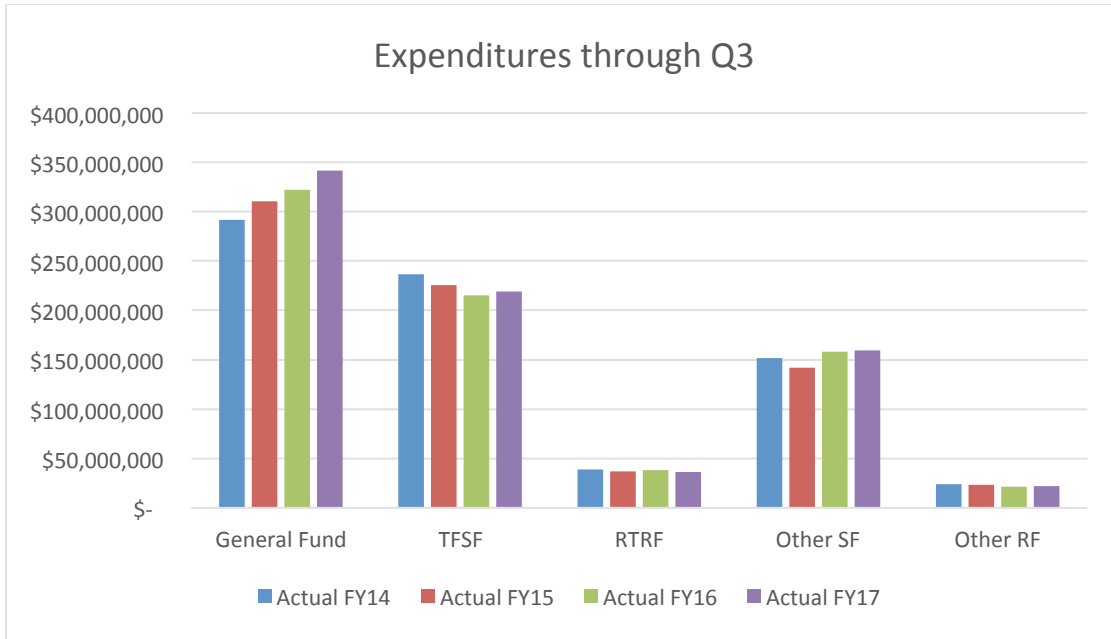


Fund	Actual FY14	Actual FY15	Actual FY16	Actual FY17
General Fund	\$ 391,271,407	\$ 407,787,629	\$ 437,402,339	\$ 469,022,020
TFSF	\$ 320,620,457	\$ 334,692,182	\$ 347,207,674	\$ 345,085,265
RTRF	\$ 36,428,607	\$ 37,417,682	\$ 34,963,227	\$ 35,512,320
Other SF	\$ 111,006,249	\$ 117,151,700	\$ 112,374,820	\$ 116,180,646
Other RF	\$ 30,784,620	\$ 32,743,291	\$ 33,099,614	\$ 33,082,297
Total	\$ 890,111,340	\$ 929,792,484	\$ 965,047,674	\$ 998,882,548

While General Fund appropriations have increased in the most recent four fiscal years, the large majority of those increases have been for collective bargaining. Increases for performance funding, athletics, Title IX, the Academy for Creative Media, STEM, and support for the Community Colleges and West O’ahu campus account for roughly \$28.8 million, or 37 percent, of the \$77.8 million increase in General Fund support from FY14 to FY17.

The leveling off and slight decline for TFSF revenue is a cause for concern although not unanticipated. Enrollment at UH has declined in recent years, a trend consistent with other higher education institutions across the country. This UH enrollment decline was anticipated consistent with the improving state economy following the last national recession. Economic down cycles have historically coincided with enrollment increases at colleges and universities – including UH. Additionally, UH’s successful efforts to shorten time to graduation could also be contributing to overall declining enrollment. In planning for future budgets, the TFSF revenue trend will need

to be monitored carefully and UH Administration is focused on increasing overall enrollment even in light of the factors noted above.



Fund	Actual FY14	Actual FY15	Actual FY16	Actual FY17
General Fund	\$ 291,896,797	\$ 310,588,648	\$ 322,500,191	\$ 341,731,092
TFSF	\$ 236,853,862	\$ 225,762,385	\$ 215,429,870	\$ 219,039,935
RTRF	\$ 38,569,533	\$ 37,075,413	\$ 38,541,473	\$ 36,158,383
Other SF	\$ 151,820,269	\$ 142,082,877	\$ 158,172,182	\$ 159,689,945
Other RF	\$ 23,988,334	\$ 23,238,606	\$ 21,643,799	\$ 22,154,332
Total	\$ 743,128,795	\$ 738,747,929	\$ 756,287,515	\$ 778,773,687

Mirroring its revenue trend, General Fund expenditures have increased steadily for the past several fiscal years. Similarly, TFSF expenditures through Q3 have declined in recent years, also in recognition of its revenue trend. Expenditures for the other funds have held relatively steady.

MĀNOA

General Fund

Non-personnel costs are \$1,974,776 (47%) lower than projected due to conservative budgeting of costs and the delay in receipt of performance fund allocations. Performance fund allocations were released to campus units on November 15, 2016. The majority of the non-personnel costs projected on general funds are for performance funding related expenditures and other fund maximization costs at the end of the fiscal year. Funds are expected to be reallocated for expenditure on utilities by fiscal year-end.

Tuition and Fees Special Fund

Non-personnel costs are \$3,980,756 (11%) higher than budgeted due to changes in the timing of expenditures between quarters for multiple units. These expenditures include contracts for library journals, electronic database subscriptions, the UH share of a tripartite telescope agreement, and facilities repair costs.

The variance in budget to actual transfer amounts (\$10,161,107) is due to the timing of transfers between quarters. The largest of these variances is \$8.4 million in transfers from Mānoa to System that were budgeted to occur in Q4 but instead were recorded in the first three quarters of the year. YTD transfers for FY17 are in line with those of FY16.

Research & Training Revolving Fund

Actual revenues are \$1,648,266 (7%) higher than projected due to awards from the Vice President of Research and Innovation (VPRI) to Mānoa units that were not budgeted as revenue.

RTRF budgets for both personnel and non-personnel expenditures are traditionally conservative in nature due to uncertainty of the timing of expenditures. Most of these costs are associated with start-up packages for PIs and as such actual expenditures vary depending on the needs of the PI. These expenditures are budgeted to be relatively evenly spread over the year, resulting in these variances.

Utility expenditures on RTRF are typically paid throughout the year with the exception of the amount paid centrally by the Office of Planning and Facilities (OPF). OPF had projected to expend funds on utilities in the first quarter, but that charge usually happens in the last quarter. The variance will decrease as the year progresses.

Transfer budgets for RTRF cash transfers were not entered on the BOR approved budget sheet due to an administrative oversight.

Other Special Funds

Actual revenues are lower than projected due to \$12 million in tax revenues that were budgeted as revenue but recorded as transfers-in from the State. These tax revenues are the cigarette tax (Cancer Center Special Fund) and the barrel tax (Energy Systems Development Special Fund).

Actual non-personnel costs are \$5,520,733 (7%) lower than projected due to conservative projections of operating costs.

Transfers for other special funds include transfers for debt service, assessments to UH System and for Tuition based scholarships. The transfer of the scholarship funds was entered as a budgeted item in the first quarter, but typically the transfer occurs in the fourth quarter once the revenues for the year have been received. The amount budgeted in Q1 was \$35.5 million. Accounting for this timing difference yields a variance of approximately \$2 million (10%). The additional variance is due to the difference between the tax revenues that were budgeted as revenue but recorded as transfers, and debt service transfers that were not included in the transfer budget projection.

Other Revolving Funds

Non-personnel costs are lower than projected due to budget to actual variances in expenditures from the State Higher Education Loan Fund (approximately \$600,000) and the Student Activities Revolving Fund, UPASS Program (approximately \$600,000).

HILO

Tuition and Fees Special Fund

Non-personnel expenditures are \$3,172,912 (30%) less than projected, as a result of cautious spending due to a decline in the Spring 2017 enrollment. Also contributing to the lower expenditure is the timing of when encumbrances are liquidated and recorded as expenditures, as it is difficult to accurately project when payments are made for capital renewal and deferred maintenance (CRDM) projects. Additionally, the Daniel K. Inouye College of Pharmacy will be expending less than planned in order to set aside funds to furnish their new building and meet their upcoming repair and renovation funding requirements.

Utility expenditures are \$713,655 (19%) lower than projected mainly due to a decrease in electricity usage.

Other Special Funds

Other special funds revenue is \$9,748,584 (30%) more than projected due to the recording of student housing rental and meal plans for Fall 2017. The budgeted revenue for FY17 does not account for revenue collected for future terms.

WEST O'AHU

Tuition and Fees Special Fund

TFSF expenditures are lower than projected particularly in the areas of Non-Personnel and Utility costs. Timing of Non-Personnel expenditures vary from year to year depending on the requirements of the instructional and support units. Actual utilities costs were lower than projected due to the Tokai University assessment for water costs and lower than projected utility rates and usage.

Other Special Funds

The transfer variance was largely due to a timing issue with the transfer of scholarships. An increase in transfers for scholarships during the fourth quarter is expected and should reduce the variance.

COMMUNITY COLLEGES

General Funds

Non-personnel expenditures are \$1,927,659 (97%) lower than projected primarily due to delays in budgeted equipment expenditures through Q3. The Community Colleges received a general fund appropriation of \$1.25 million in FY17 to establish a pool of funding to cover equipment replacement needs at the campuses. The funds were allocated to the campuses, however, the initial budget projection underestimated the time needed to procure these items.

Tuition and Fees Special Fund

The year-to-date quarterly revenue budget of \$61.50 million was projected on a cash basis, creating an automatic variance against reported actual revenue amounts that included receivables. Future revenue projections will be changed to eliminate this difference so that it does not obscure real revenue trends. TFSF revenue is currently projected to be lower overall due to enrollment decreases.

Non-personnel expenditures are \$4,888,119 (19%) lower than projected, due to more conservative spending caused by the decline in enrollment. The original budget also included projected expenditures associated with new facility and facility renovation costs funded through the operating budget. These expenditures include telecom, non-built-in equipment and furniture costs that cannot be charged to CIP construction funds. The actual costs for some of these items are lower than originally projected and will occur later in the fiscal year.

Utilities expenditure are \$1,608,006 (19%) lower than projected, due to lower than expected electricity costs in FY17. The projected utilities budget was increased in FY17 to account for potential increases in energy costs, however, actual expenditures have remained near FY16 levels.

Transfer variances are primarily due to timing differences. System assessments and debt service transfers that were budgeted in the fourth quarter actually occurred in the third quarter.

Research & Training Revolving Fund

Non-personnel expenditures are \$604,710 (58%) lower than projected. Although non-personnel costs have increased by 11.3% over the same period last year, the increases were still less than projected at the beginning of the year. The level of operating expenses that support research and training grants and contracts are dependent on the supplemental funding needs of each individual grant and may change during the life of these projects. The timing of these expenses can also vary creating additional year-to-date variances.

Other Special Funds

The year-to-date quarterly revenue projection of \$11.52 million is on a cash basis, creating an automatic variance against reported actual revenue amounts that include receivables. Future revenue projections will be changed to eliminate this difference so that it does not obscure real revenue trends. Other Special Fund revenue is currently projected to be slightly lower overall due to a decrease in the demand for services.

Non-personnel expenditure variances are due to operational adjustments made to self-sustaining programs to deal with natural fluctuations in the demand for services. Revenue generating programs are implementing improved cost center based budgeting for revenues and expenses, in line with internal auditor recommendations.

Transfer variances are related to debt service requirements for the Culinary Institute of the Pacific (approximately \$412,000) and UHCC energy conservation projects (\$1.3 million) and for a new one-time culinary venture (approximately \$600,000). The transfer of debt service for the Culinary Institute of the Pacific was budgeted in Q2 instead of Q3, creating a timing variance. The debt service transfer for energy conservation projects was processed in Q2 but an offsetting transfer from the TFSF was not recorded by the end of Q3. This transfer has since been executed and will be reflected in Q4. The new culinary venture was an opportunity that became available after the initial budget was developed and was not included in the initial budget. Funds were transferred to the Commercial Enterprise fund to provide working capital for the new venture.

Other Revolving Funds

The transfer variance is related to the transfer of funds from Other Special Funds to the Commercial Enterprise Revolving Fund to provide working capital for the new culinary venture mentioned above (approximately \$600,000). As mentioned previously, the culinary program was an opportunity that became available after the initial budget was developed and was not included in the initial budget.

SYSTEMWIDE ADMINISTRATION

General Funds

Personnel expenditures are \$1,685,512 (6%) lower than projected due to numerous retirements at the end of the calendar year and unanticipated resignations. Subsequently, there has been a delay in filling vacancies due to pending position re-descriptions that strategically align with recent reorganizations.

Non-personnel expenditures are \$1,368,652 (37%) less than projected due in large part to a change in strategy to book Information Technology Service (ITS) General Fund expenditures to Tuition and Fees Special Funds (TFSF) accounts to improve budget management. In addition, there were unrealized expenses in areas such as travel, equipment, fee-based services, and printing.

Tuition and Fees Special Funds (TFSF)

Personnel expenditures continue to surpass the budgeted amount due to the new implementation of the vacation pool fringe assessment. Dollars for System employees are accounted for in the General Funds; however the fringe must be charged to a Non-General Fund account. The total vacation fringe will be cleared prior to the end of the fiscal year.

The Transfer variance is attributable to the discontinuation of funding support from Mānoa for the System-level International Education program and pending campus assessments for a document imaging contract that is expected to be awarded in Q4.

The Utilities expenditure variance was the result of unbudgeted telecommunications payments to external vendors and unbudgeted internal UH telecommunications charges.

Research and Training Revolving Fund (RTRF)

RTRF Revenue and Transfers have been impacted by the lingering effects of sequestration, the current issues surrounding the Federal budget, and a rise in competition for Federal grants. Due to these factors, there has been a decrease in the anticipated levels of RTRF expenditures and consequently, a related drop in overhead collections through FY17.

The Non-personnel expenditure variance was attributed to a timing issue with expenses that were planned for Q2 and Q3 but actually executed in Q1 and Q2; and unbudgeted purchases that required review, such as software renewals, memberships and cohort payments for the Hawaii Innovation Initiative.

The Utilities expenditure variance was the result of unbudgeted telecommunications contract payments.

Other Special Funds

Revenues are \$2,257,132 (104%) higher than projected due to a timing issue in which the Build America Bonds distribution to the campuses did not occur in the same quarter as the recognized revenue.

The variance in Non-personnel expenditures was due to unanticipated expenses on the Risk Management Special Fund (RMSF) and on the University Revenue Undertakings Fund. Payments on the RMSF totaling nearly \$460,000 towards the Mauna Kea legal services contract were made in Q1, but were budgeted in Q4. In addition, settlement payments on the RMSF of approximately \$55,000 were made in Q1. Variances are inherent on the RMSF due to its self-insurance nature. It is difficult to accurately project the amount and timing of expenditures on the RMSF, as claims of loss, settlements, judgments, and legal expenses invariably fluctuate throughout the year.

Approximately \$80,000 in unbudgeted contract payments occurred in Q1 on the University Revenue Undertakings Fund. The contract payments were for accounting and tax advisory services for post issuance compliance and legal advice and counsel on the University's revenue bonds.

The Utilities expenditure variance was the result of unbudgeted telecommunications contract payments.



FY17 Third Quarter Financial Report

May 17, 2017

Committee on Budget and Finance

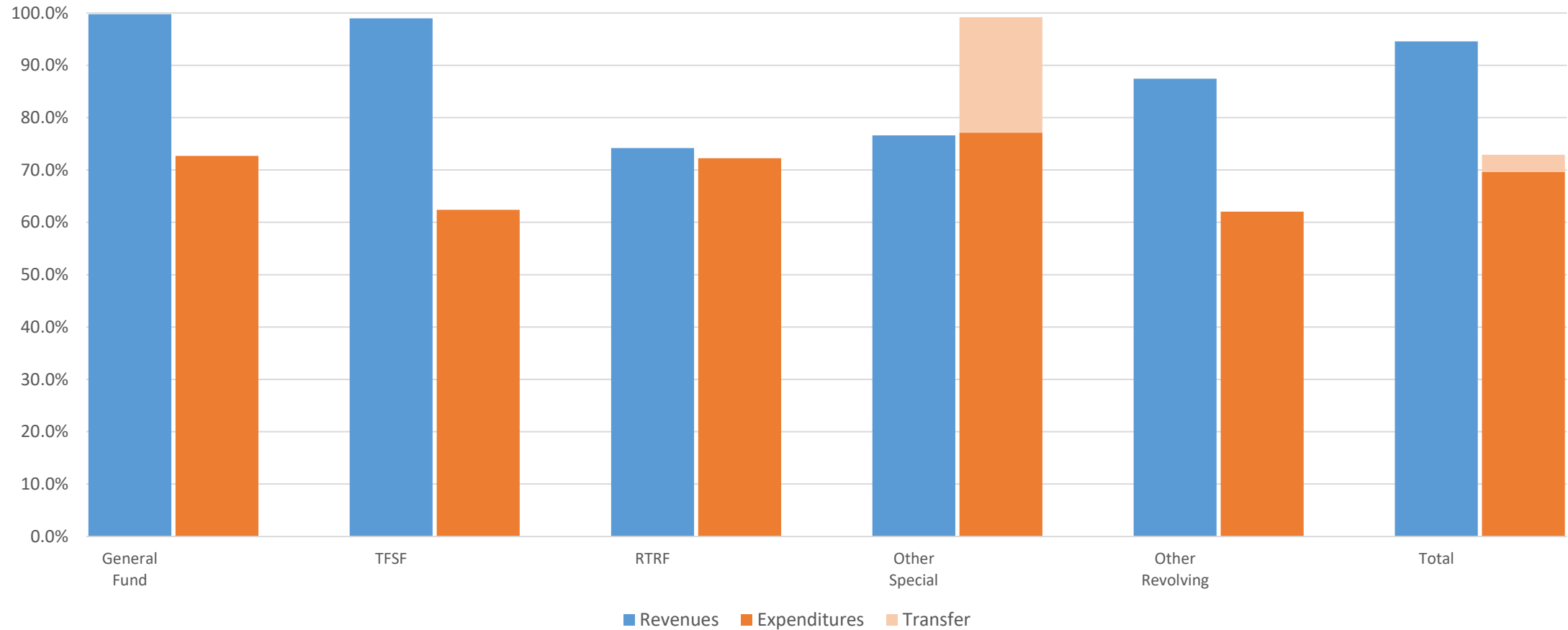


Fund Overview

1. Total Revenues are \$4.3 million (0.43%) lower than projections.
2. Expenditures are \$14.4 million (1.9%) higher than projections.
 - However, \$35.5 million is due to a transfer from TFSF to Scholarship SF that was budgeted in Q1 that will be effectuated in Q4.
 - Once accounted for, Expenditures are \$21.1 million (2.8%) lower than projections.
3. No major concerns for FY17, although some concerns regarding enrollment/TFSF for future years.

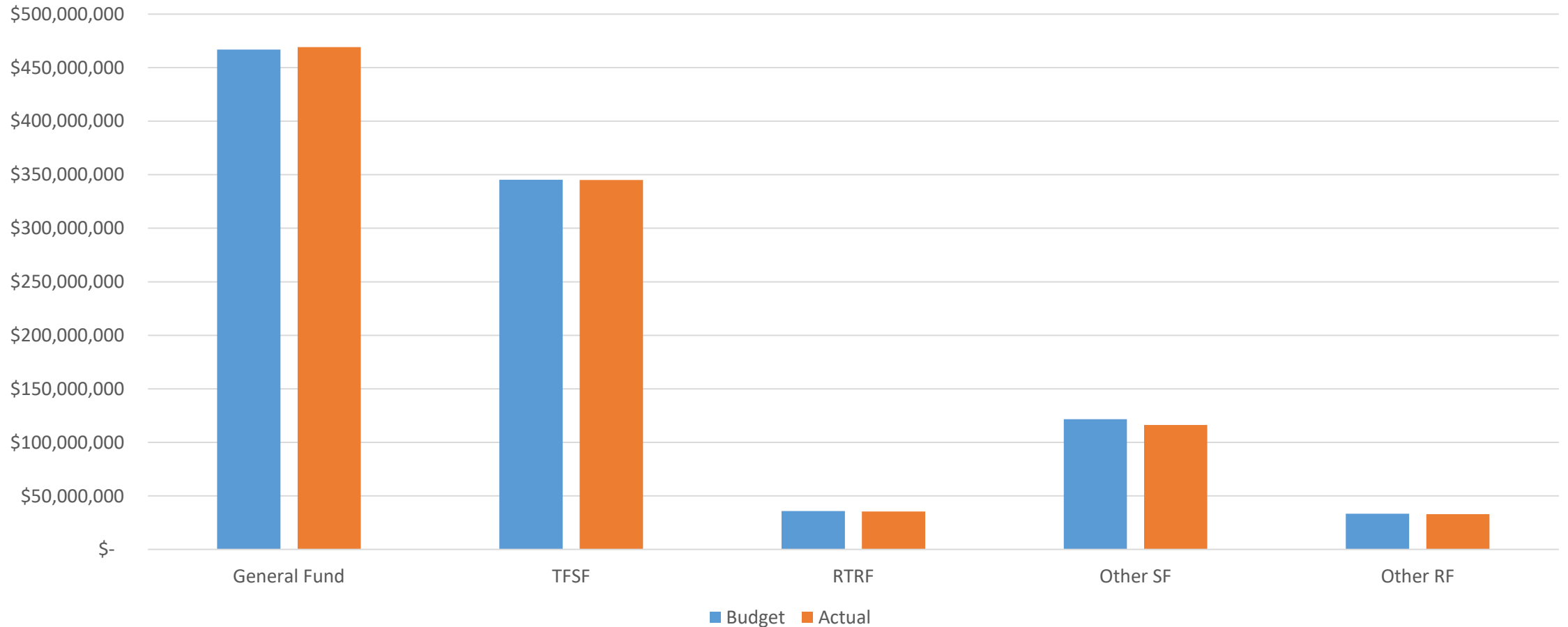


YTD Revenues and Expenditures as % of Annual Budget



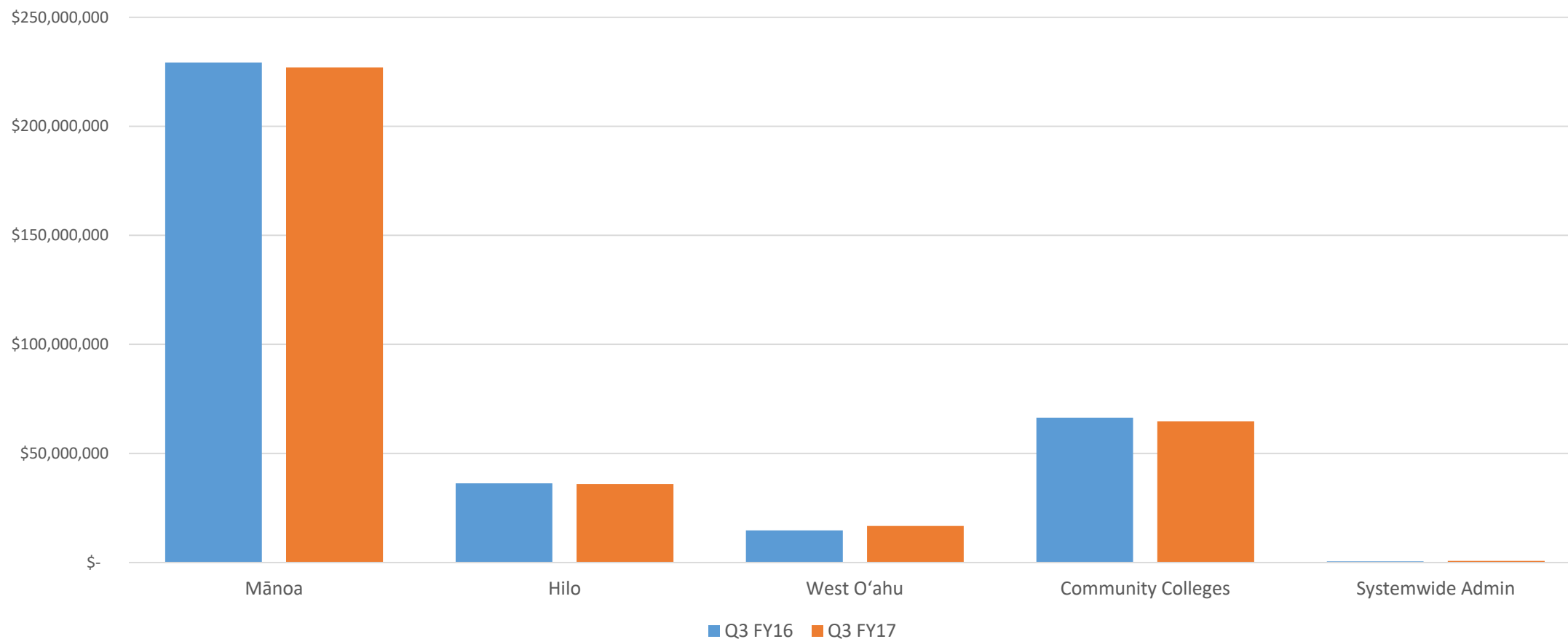


YTD Revenues (Budget vs. Actual)





Comparison of TFSF Revenue by campus Q3 FY16 vs. Q3 FY17





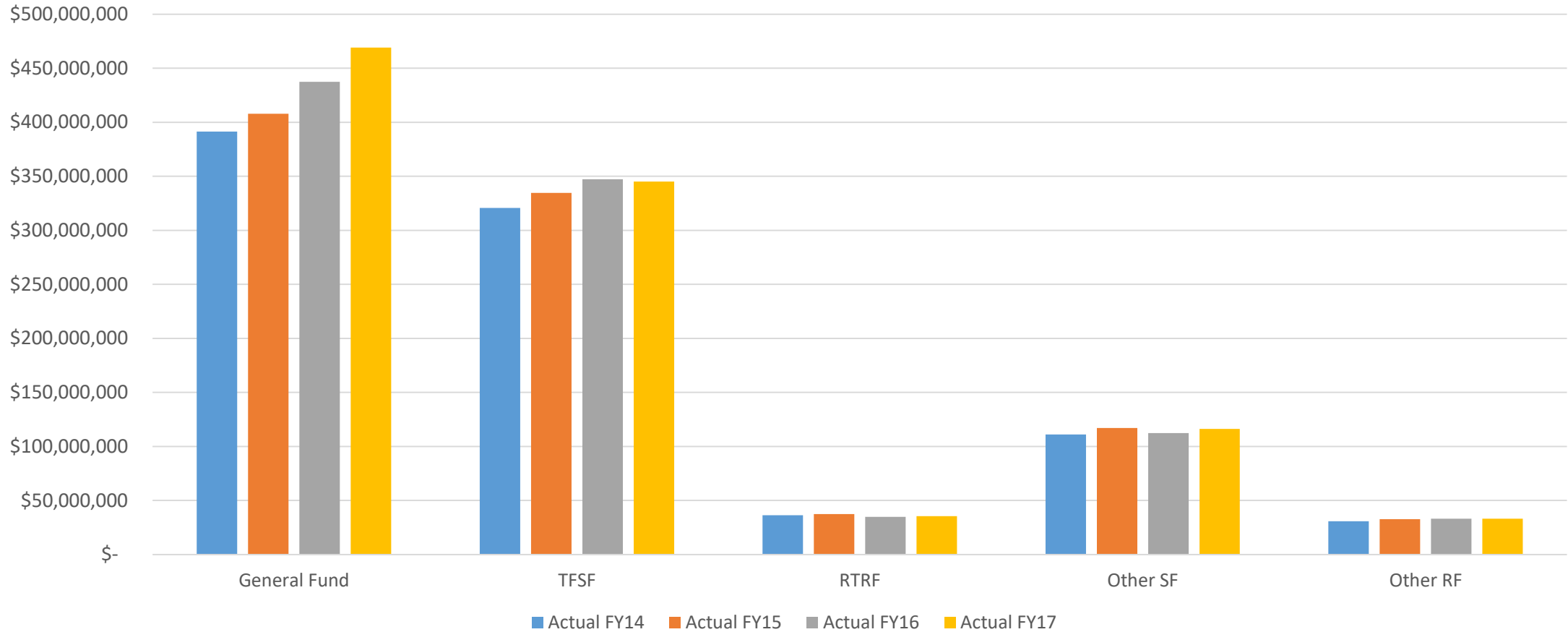
Revenue Analysis

1. Across all of UH's funds, actual revenues are lower than budget projections by \$4.3 million (0.43%).
2. Largest difference is in Other Special Funds (\$5.5 million, or 4.5%) due to cigarette tax and barrel tax income recorded as transfers but were budgeted as revenues.
3. TFSF Revenue is lower than FY16 by \$2.1 million (0.6%).

Campus	Q3 FY16	Q3 FY17	Difference	%age
Mānoa	\$ 229,263,987	\$ 226,996,239	\$ (2,267,748)	-1.0%
Hilo	\$ 36,259,583	\$ 35,973,908	\$ (285,675)	-0.8%
West O'ahu	\$ 14,732,947	\$ 16,735,519	\$ 2,002,572	13.6%
Community Colleges	\$ 66,395,617	\$ 64,692,372	\$ (1,703,245)	-2.6%
Systemwide Admin	\$ 555,540	\$ 687,227	\$ 131,687	23.7%
Total	\$ 347,207,674	\$ 345,085,265	\$ (2,122,409)	-0.6%

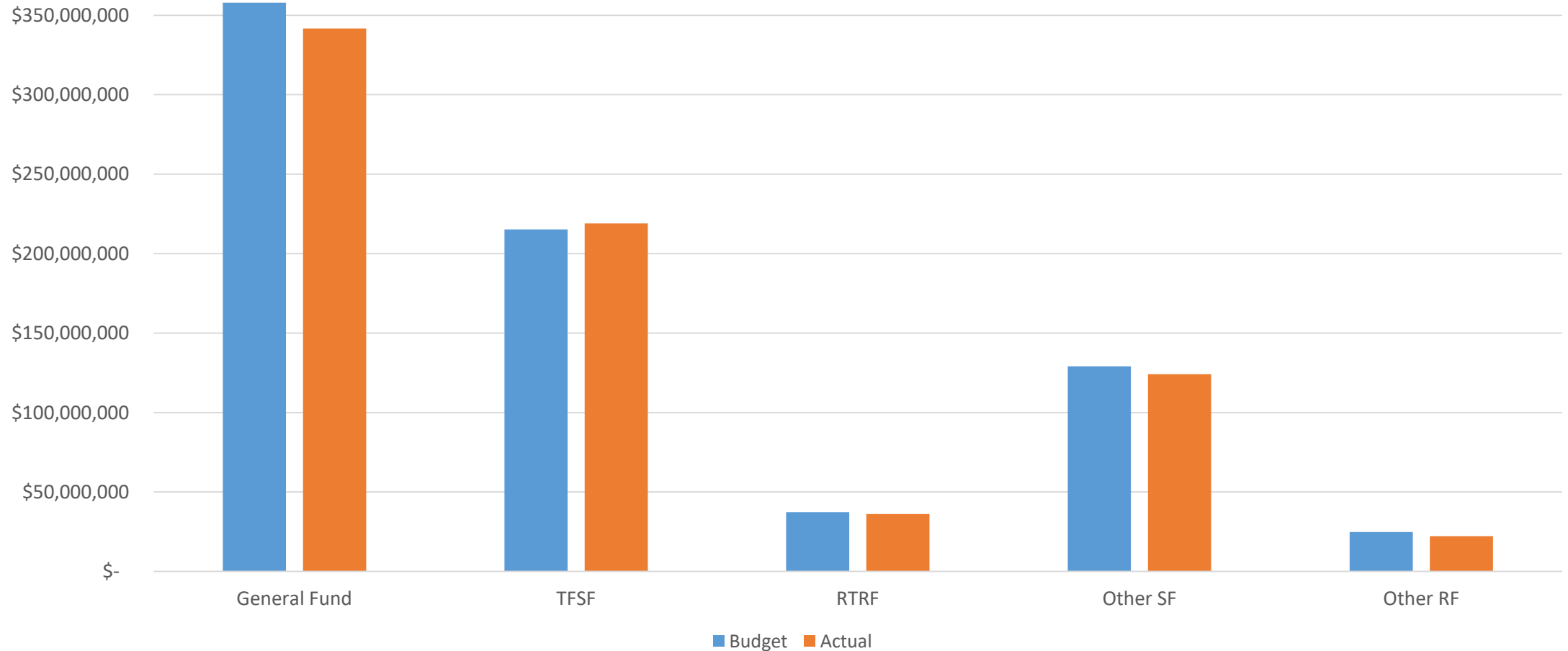


Q3 YTD Revenues vs. Prior FYs



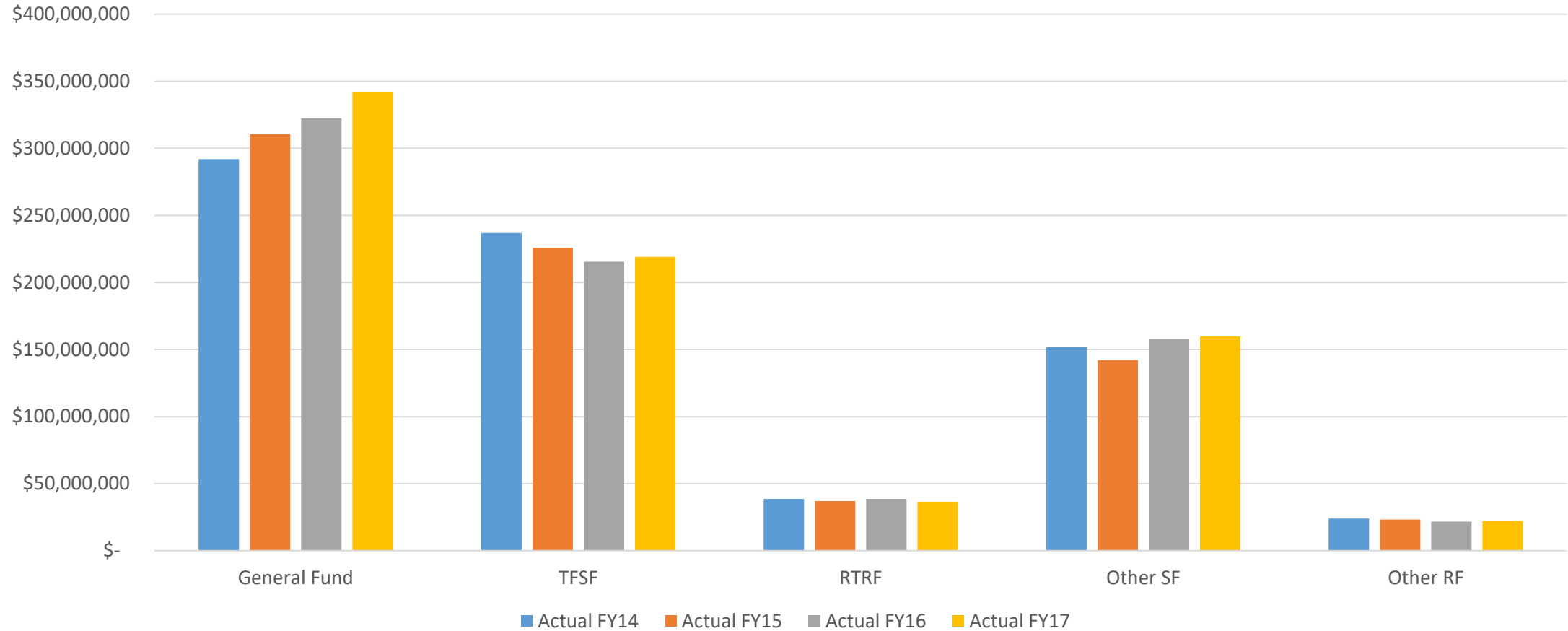


YTD Expenditures (Budget vs. Actual)





Q3 YTD Expenditures vs. prior FYs





Mānoa

1. General Fund Non-personnel expenditures are lower than projections (\$2.0 million or 47%) due to delay in receipt of performance funding allocations.
2. TFSF Non-personnel expenditures are higher than budgeted (\$4.0 million or 11%) due to changes in the timing of expenditures between quarters.
3. TFSF Transfers are higher than budgeted (\$10.1 million) due primarily to transfers from Mānoa to System that were budgeted for Q4 but were recorded in Q1-Q3.



Mānoa (continued)

1. RTRF revenues are higher than projected due to unbudgeted awards from VPRI. Total RTRF expenditures are lower than projections by \$4.0 million, or 17%.
2. \$35.5 million transfer for Scholarship Fund was budgeted in Q1 but is anticipated for Q4, causing the large variance.
3. Other Revolving Funds expenditures are lower than projections to due to variances in State Higher Education Loan Fund and the Student Activities Revolving Fund, UPASS Program.



Hilo

1. TFSF Non-personnel expenditures are \$3.1 million (30%) lower than projected as a result of Spring enrollment decline.
2. Other Special Fund revenues are \$9.7 million (30%) higher than projected, as budgeted revenues for Student Housing Rental and Meal Plans do not account for revenue collected for future terms.



West O'ahu

1. TFSF Revenues are \$475,776 (3%) higher than projections, and \$2.2 million (15.7%) higher than prior FY.
2. TFSF Expenditures are \$3.6 million (26%) lower than projections, as all expenditure categories are lower than projections.
3. Other Special Funds transfers variance is due to a timing issue with the transfer of scholarships and should be resolved in Q4.



Community Colleges

1. GF Non-personnel expenditures are \$1.9 M (97%) lower than projected due to delays in procurement of equipment.
2. TFSF Revenues are \$3.2 M (5%) higher than projections because actual revenues reported includes receivables while projections are based solely on cash. As the fiscal year continues, the variance will shrink as those receivables are collected.
3. TFSF Expenditures are \$4.5 M (9%) lower than anticipated due to enrollment decline and timing issues with transfers.
4. Other Special Funds transfer variance of \$2.3 M due to debt service transfers occurring in Q2 rather than Q3 or Q4, as originally anticipated.



Systemwide Administration

1. General Fund Personnel expenditures are \$1.7 M (6%) lower than anticipated due to unanticipated vacancies and delays in filling them. Non-personnel expenditures are \$1.4 M (37%) lower than projected due to a change in strategy to book ITS expenditures to TFSF.
2. RTRF revenues are \$2.4 M (27%) lower due to drop in overhead collections through FY17.
3. Other special funds non-personnel expenditures are \$1.0 M (19%) higher than projected due to unanticipated expenses from the Risk Management Special Fund during Q1.
4. Other Special Fund revenue is \$2.3 M (104%) higher than projected due to a timing issue with Build America Bonds distribution.



Next Steps

1. Fiscal Year end report for B&F Committee in early September.
2. FY18 Budget Approval in early August.
 - Efforts are being made to improve transfer projections so that transfers are budgeted in the appropriate quarters.
3. Administration will continue to monitor enrollment/TFSF revenue.



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BOARD OF REGENTS

Kalbert K. Young
Vice President for Budget and Finance
Chief Financial Officer

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RECEIVED

May 15, 2017

'17 MAY 15 P4:19

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

TO: Benjamin Kudo, Chair
Budget and Finance Committee

VIA: David Lassner
President

David Lassner

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

Kalbert K. Young

SUBJECT: Supplement to FY17 Q3 Quarterly Report

Attached is a supplement that was inadvertently not included in the original submission to the Board of Regents (filed on Thursday, May 11, 2017) for agenda item IV.A.2. and is in addition to the narrative document and slide deck summary. It provides additional detailed information regarding UH's finances.

Attachments

- c: University Budget Office (w/o Attachments)
- University Controller (w/o Attachments)

UNIVERSITY OF HAWAI'I SYSTEM REPORT



**Report to the University of Hawai'i Board of Regents
Committee on Budget and Finance**

**FY 2017 Third Quarter Financial Report
For the Period Ending March 31, 2017**

UNIVERSITY OF HAWAII
FY 2017 Third Quarter Financial Report for the Period Ending March 31, 2017

GENERAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Allocation	466,807,031	469,022,020	2,214,989	0%	437,402,339	407,787,629	391,271,407
Expenditures							
Personnel	345,333,240	334,684,981	(10,648,259)	-3%	316,915,627	305,502,438	287,382,375
Non-Personnel (incl. trfs for B+)	11,906,213	6,200,285	(5,705,928)	-48%	5,000,909	4,843,097	3,759,357
Utilities	701,648	845,826	144,178	21%	583,655	243,113	755,065
Total Expenditures	357,941,101	341,731,092	(16,210,009)	-5%	322,500,191	310,588,648	291,896,797
Revenue - Expenditures	108,865,930	127,290,928			114,902,148	97,198,981	99,374,610

TUITION & FEES SF (TF SF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	345,310,602	345,085,265	(225,337)	0%	347,207,674	334,692,182	320,620,457
Expenditures/Transfers							
Personnel	95,787,502	97,093,496	1,305,994	1%	94,039,015	105,631,634	110,273,078
Non-Personnel	81,467,529	76,162,632	(5,304,897)	-7%	74,819,071	71,586,040	77,212,604
Utilities	37,946,042	34,852,403	(3,093,639)	-8%	32,892,399	39,527,564	42,914,706
Transfers	(50,125)	10,931,404	10,981,529	-21908%	13,679,385	9,017,147	6,453,474
Total Expenditures/Transfers	215,150,948	219,039,935	3,888,987	2%	215,429,870	225,762,385	236,853,862
Revenue - Expenditures/Transfers	130,159,654	126,045,330			131,777,804	108,929,797	83,766,595

RESEARCH & TRAINING RF (RTRF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	35,931,957	35,512,320	(419,637)	-1%	34,963,227	37,417,682	36,428,607
Expenditures/Transfers							
Personnel	10,881,222	13,204,565	2,323,343	21%	11,976,573	12,999,606	15,293,522
Non-Personnel	25,804,955	18,001,883	(7,803,072)	-30%	20,029,262	17,946,888	21,768,798
Utilities	5,616,939	2,995,142	(2,621,797)	-47%	4,545,010	4,346,334	267,087
Transfers	(4,943,254)	1,956,793	6,900,047	-140%	1,990,628	1,782,585	1,240,126
Total Expenditures/Transfers	37,359,862	36,158,383	(1,201,479)	-3%	38,541,473	37,075,413	38,569,533
Revenue - Expenditures/Transfers	(1,427,905)	(646,063)			(3,578,246)	342,269	(2,140,926)

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OTHER SPECIAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	121,694,369	116,180,646	(5,513,723)	-5%	112,374,820	117,151,700	111,006,249
Expenditures/Transfers							
Personnel	40,305,079	41,139,184	834,105	2%	39,995,859	39,209,842	40,312,303
Non-Personnel	104,141,969	97,908,112	(6,233,857)	-6%	103,934,873	81,950,919	98,738,277
Utilities	7,225,081	6,839,472	(385,609)	-5%	4,752,076	7,028,614	6,473,924
Transfers	(22,574,481)	13,803,177	36,377,658	-161%	9,489,374	13,893,502	6,295,765
Total Expenditures/Transfers	129,097,648	159,689,945	30,592,297	24%	158,172,182	142,082,877	151,820,269
Revenue - Expenditures/Transfers	(7,403,279)	(43,509,299)			(45,797,362)	(24,931,177)	(40,814,020)

OTHER REVOLVING FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	33,460,052	33,082,297	(377,755)	-1%	33,099,614	32,743,291	30,784,620
Expenditures/Transfers							
Personnel	7,838,649	7,468,604	(370,045)	-5%	7,289,175	7,346,736	6,371,389
Non-Personnel	17,121,845	15,121,832	(2,000,013)	-12%	14,286,611	15,448,229	17,022,768
Utilities	203,383	227,306	23,923	12%	42,522	44,146	49,618
Transfers	(309,838)	(663,410)	(353,572)	114%	25,491	399,495	544,559
Total Expenditures/Transfers	24,854,039	22,154,332	(2,699,707)	-11%	21,643,799	23,238,606	23,988,334
Revenue - Expenditures/Transfers	8,606,013	10,927,965			11,455,815	9,504,685	6,796,286

TOTAL, UOH	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	1,003,204,011	998,882,548	(4,321,463)	0%	965,047,674	929,792,484	890,111,340
Expenditures/Transfers							
Personnel	500,145,692	493,590,830	(6,554,862)	-1%	470,216,249	470,690,256	459,632,667
Non-Personnel	240,442,511	213,394,744	(27,047,767)	-11%	218,070,726	191,775,173	218,501,804
Utilities	51,693,093	45,760,149	(5,932,944)	-11%	42,815,662	51,189,771	50,460,400
Transfers	(27,877,698)	26,027,964	53,905,662	-193%	25,184,878	25,092,729	14,533,924
Total Expenditures/Transfers	764,403,598	778,773,687	14,370,089	2%	756,287,515	738,747,929	743,128,795
Revenue - Expenditures/Transfers	238,800,413	220,108,861			208,760,159	191,044,555	146,982,545

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GENERAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Allocation (including net transfers)	238,220,819	237,389,707	(831,112)	0%	223,007,041	206,983,231	197,519,270
Expenditures							
Personnel	181,715,758	175,646,015	(6,069,743)	-3%	170,497,971	161,207,383	154,681,032
Non-Personnel	4,235,994	2,261,218	(1,974,776)	-47%	772,305	22,888	14,052
Utilities	-	216	216	budget = 0	-	-	-
Total Expenditures	185,951,752	177,907,449	(8,044,303)	-4%	171,270,276	161,230,271	154,695,084
Revenue - Expenditures	52,269,067	59,482,258			51,736,765	45,752,960	42,824,186

TUITION & FEES SF (TFSF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	229,678,531	226,996,239	(2,682,292)	-1%	229,263,987	218,335,829	208,256,989
Expenditures/Transfers							
Personnel	64,051,687	64,962,953	911,266	1%	61,368,464	74,195,536	76,344,646
Non-Personnel	36,200,413	40,181,169	3,980,756	11%	38,478,806	35,741,333	40,755,688
Utilities	24,506,940	24,245,763	(261,177)	-1%	22,142,836	27,303,482	29,822,023
Transfers (net)	(551,699)	9,609,408	10,161,107	-1842%	10,619,107	8,310,808	7,055,698
Total Expenditures/Transfers	124,207,341	138,999,293	14,791,952	12%	132,609,213	145,551,159	153,978,055
Revenue - Expenditures/Transfers	105,471,190	87,996,946			96,654,774	72,784,670	54,278,934

RESEARCH & TRAINING RF (RTRF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	22,533,560	24,181,826	1,648,266	7%	15,055,888	26,297,979	3,897,664
Expenditures/Transfers							
Personnel	5,394,060	6,766,349	1,372,289	25%	6,956,176	8,544,144	9,603,773
Non-Personnel	15,552,962	7,942,702	(7,610,260)	-49%	10,115,181	9,840,883	12,678,265
Utilities	5,326,932	2,368,006	(2,958,926)	-56%	4,545,010	3,394,905	256,432
Transfers (net)	(3,270,211)	1,956,793	5,227,004	-160%	2,609,421	2,049,317	1,628,775
Total Expenditures/Transfers	23,003,743	19,033,850	(3,969,893)	-17%	24,225,788	23,829,249	24,167,245
Revenue - Expenditures/Transfers	(470,183)	5,147,976			(9,169,900)	2,468,730	(20,269,581)

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OTHER SPECIAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	100,118,347	88,832,986	(11,285,361)	-11%	86,678,852	88,959,700	86,074,341
Expenditures/Transfers							
Personnel	30,038,044	31,221,671	1,183,627	4%	30,627,115	29,538,276	30,492,275
Non-Personnel	79,947,564	74,426,831	(5,520,733)	-7%	81,362,708	59,041,495	75,655,765
Utilities	6,899,363	6,397,973	(501,390)	-7%	4,380,955	6,601,817	6,074,987
Transfers (net)	(18,333,786)	15,865,836	34,199,622	-187%	14,513,032	15,987,833	7,476,981
Total Expenditures/Transfers	98,551,185	127,912,311	29,361,126	30%	130,883,810	111,169,421	119,700,008
Revenue - Expenditures/Transfers	1,567,162	(39,079,325)			(44,204,958)	(22,209,721)	(33,625,667)

OTHER REVOLVING FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	27,079,852	27,498,259	418,407	2%	27,024,373	27,319,388	25,582,476
Expenditures/Transfers							
Personnel	6,032,418	5,893,260	(139,158)	-2%	5,620,782	5,794,897	5,087,647
Non-Personnel	14,122,370	12,707,155	(1,415,215)	-10%	11,628,778	13,105,870	14,547,268
Utilities	202,272	212,941	10,669	5%	42,522	44,146	49,618
Transfers (net)	(309,000)	(179,884)	129,116	-42%	(14,374)	176,000	287,751
Total Expenditures/Transfers	20,048,060	18,633,472	(1,414,588)	-7%	17,277,708	19,120,913	19,972,284
Revenue - Expenditures/Transfers	7,031,792	8,864,787			9,746,665	8,198,475	5,610,192

TOTAL, UH MANOA	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	617,631,109	604,899,017	(12,732,092)	-2%	581,030,141	567,896,127	521,330,740
Expenditures/Transfers							
Personnel	287,231,967	284,490,248	(2,741,719)	-1%	275,070,508	279,280,236	276,209,373
Non-Personnel	150,059,303	137,519,075	(12,540,228)	-8%	142,357,778	117,752,469	143,651,038
Utilities	36,935,507	33,224,899	(3,710,608)	-10%	31,111,323	37,344,350	36,203,060
Transfers	(22,464,696)	27,252,153	49,716,849	-221%	27,727,186	26,523,958	16,449,205
Total Expenditures/Transfers	451,762,081	482,486,375	30,724,294	7%	476,266,795	460,901,013	472,512,676
Revenue - Expenditures/Transfers	165,869,028	122,412,642			104,763,346	106,995,114	48,818,064

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GENERAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Allocation (including net transfers)	35,030,101	35,234,644	204,543	1%	32,904,965	31,389,415	30,601,746
Expenditures							
Personnel	25,500,105	25,468,014	(32,091)	0%	23,611,219	23,361,975	21,132,774
Non-Personnel	414,202	7,040	(407,162)	-98%	58,735	860,677	844,926
Utilities	-	-	-	budget = 0	-	1,052	-
Total Expenditures	25,914,307	25,475,054	(439,253)	-2%	23,669,954	24,223,704	21,977,700
Revenue - Expenditures	9,115,794	9,759,590			9,235,011	7,165,711	8,624,046

TUITION & FEES SF (TFSF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	37,332,528	35,973,908	(1,358,620)	-4%	36,259,583	36,654,077	36,141,502
Expenditures/Transfers							
Personnel	10,008,182	9,551,701	(456,481)	-5%	10,151,408	10,361,779	10,955,676
Non-Personnel	10,419,222	7,246,310	(3,172,912)	-30%	7,518,289	7,404,642	7,830,929
Utilities	3,764,928	3,051,273	(713,655)	-19%	2,941,562	3,637,214	3,842,900
Transfers (net)	1,748,059	1,656,020	(92,039)	-5%	1,547,297	1,630,154	1,278,249
Total Expenditures/Transfers	25,940,391	21,505,304	(4,435,087)	-17%	22,158,556	23,033,789	23,907,754
Revenue - Expenditures/Transfers	11,392,137	14,468,604			14,101,027	13,620,288	12,233,748

RESEARCH & TRAINING RF (RTRF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	2,919,343	2,871,066	(48,277)	-2%	1,872,851	2,310,493	-
Expenditures/Transfers							
Personnel	149,400	301,494	152,094	102%	239,981	116,795	610,867
Non-Personnel	3,212,645	2,761,678	(450,967)	-14%	3,133,618	2,796,383	2,353,228
Utilities	-	2,972	2,972	budget = 0	-	392,635	-
Transfers (net)	-	(146,010)	(146,010)	budget = 0	(116,821)	(173,034)	333,471
Total Expenditures/Transfers	3,362,045	2,920,134	(441,911)	-13%	3,256,778	3,132,779	3,297,566
Revenue - Expenditures/Transfers	(442,702)	(49,068)			(1,383,927)	(822,286)	(3,297,566)

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OTHER SPECIAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	7,500,541	9,748,584	2,248,043	30%	8,776,204	9,124,847	6,889,536
Expenditures/Transfers							
Personnel	1,280,044	1,210,221	(69,823)	-5%	1,407,994	1,278,878	1,189,394
Non-Personnel	10,386,291	10,028,005	(358,286)	-3%	9,703,414	10,122,756	9,213,439
Utilities	247,328	271,111	23,783	10%	278,964	248,183	223,689
Transfers (net)	1,159,434	987,867	(171,567)	-15%	1,014,574	943,729	1,035,289
Total Expenditures/Transfers	13,073,097	12,497,204	(575,893)	-4%	12,404,946	12,593,546	11,661,811
Revenue - Expenditures/Transfers	(5,572,556)	(2,748,620)			(3,628,742)	(3,468,699)	(4,772,275)

OTHER REVOLVING FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	2,196,810	2,162,555	(34,255)	-2%	2,174,219	2,032,169	1,930,786
Expenditures/Transfers							
Personnel	895,905	761,081	(134,824)	-15%	814,552	759,629	683,293
Non-Personnel	763,797	662,376	(101,421)	-13%	719,372	871,932	1,234,509
Utilities	-	6,398	6,398	budget = 0	-	-	-
Transfers (net)	-	3	3	budget = 0	(0)	237	-
Total Expenditures/Transfers	1,659,702	1,429,858	(229,844)	-14%	1,533,924	1,631,798	1,917,802
Revenue - Expenditures/Transfers	537,108	732,697			640,295	400,371	12,984

TOTAL, UH HILO	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	84,979,323	85,990,757	1,011,434	1%	81,987,822	81,511,001	75,563,570
Expenditures/Transfers							
Personnel	37,833,636	37,292,511	(541,125)	-1%	36,225,154	35,879,056	34,572,004
Non-Personnel	25,196,157	20,705,409	(4,490,748)	-18%	21,133,428	22,056,390	21,477,031
Utilities	4,012,256	3,331,754	(680,502)	-17%	3,220,526	4,279,084	4,066,589
Transfers	2,907,493	2,497,880	(409,613)	-14%	2,445,050	2,401,086	2,647,009
Total Expenditures/Transfers	69,949,542	63,827,554	(6,121,988)	-9%	63,024,158	64,615,616	62,762,633
Revenue - Expenditures/Transfers	15,029,781	22,163,203			18,963,664	16,895,385	12,800,937

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GENERAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Allocation (including net transfers)	15,097,132	15,785,482	688,350	5%	14,310,281	13,339,525	8,757,928
Expenditures							
Personnel	11,294,286	12,068,341	774,055	7%	10,581,660	8,858,807	6,616,416
Non-Personnel	45,000	17,321	(27,679)	-62%	19,781	78,177	-
Utilities	-	-	-	budget = 0	-	-	-
Total Expenditures	11,339,286	12,085,662	746,376	7%	10,601,441	8,936,984	6,616,416
Revenue - Expenditures	3,757,846	3,699,820			3,708,840	4,402,541	2,141,512

TUITION & FEES SF (TFSF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	16,259,743	16,735,519	475,776	3%	14,732,947	13,077,867	10,915,037
Expenditures/Transfers							
Personnel	3,850,275	3,244,655	(605,620)	-16%	3,026,863	2,396,014	3,158,852
Non-Personnel	2,632,500	1,579,564	(1,052,936)	-40%	1,728,940	1,064,207	610,988
Utilities	1,223,250	629,389	(593,861)	-49%	745,566	853,100	854,877
Transfers (net)	6,362,662	4,964,046	(1,398,616)	-22%	6,027,819	4,239,556	2,152,029
Total Expenditures/Transfers	14,068,687	10,417,654	(3,651,033)	-26%	11,529,188	8,552,877	6,776,746
Revenue - Expenditures/Transfers	2,191,056	6,317,865			3,203,759	4,524,990	4,138,291

RESEARCH & TRAINING RF (RTRF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	158,000	124,141	(33,859)	-21%	70,102	83,595	-
Expenditures/Transfers							
Personnel	-	50	50	budget = 0	217	62	(89)
Non-Personnel	63,845	54,848	(8,997)	-14%	64,506	16,328	63,826
Utilities	-	-	-	budget = 0	-	-	10,182
Transfers (net)	-	-	-	budget = 0	(40)	(1,089)	(39,298)
Total Expenditures/Transfers	63,845	54,898	(8,947)	-14%	64,683	15,301	34,621
Revenue - Expenditures/Transfers	94,155	69,243			5,419	68,294	(34,621)

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OTHER SPECIAL FUNDS Revenue	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Total Revenue	390,450	293,700	(96,750)	-25%	443,401	540,865	106,979
Expenditures/Transfers							
Personnel	28,650	58,964	30,314	106%	11,900	1,636	-
Non-Personnel	2,294,376	2,336,724	42,348	2%	2,408,348	1,198,222	1,023,451
Utilities	-	-	-	budget = 0	-	-	-
Transfers (net)	(1,863,129)	(1,321,511)	541,618	-29%	(2,406,642)	(729,757)	493,377
Total Expenditures/Transfers	459,897	1,074,177	614,280	134%	13,606	470,101	1,516,828
Revenue - Expenditures/Transfers	(69,447)	(780,477)			429,795	70,764	(1,409,849)

OTHER REVOLVING FUNDS Revenue	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Total Revenue	1,069,900	884,008	(185,892)	-17%	820,723	758,514	526,992
Expenditures/Transfers							
Personnel	207,000	147,580	(59,420)	-29%	150,566	131,849	62,221
Non-Personnel	338,250	257,596	(80,654)	-24%	177,482	176,752	96,362
Utilities	-	6,992	6,992	budget = 0	-	-	-
Transfers (net)	-	-	-	budget = 0	-	(45,089)	-
Total Expenditures/Transfers	545,250	412,168	(133,082)	-24%	328,048	263,512	158,583
Revenue - Expenditures/Transfers	524,650	471,840			492,675	495,002	368,409

TOTAL, UH WEST OAHU Revenue	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Total Revenue	32,975,225	33,822,850	847,625	3%	30,377,454	27,800,366	20,306,936
Expenditures/Transfers							
Personnel	15,380,211	15,519,590	139,379	1%	13,771,206	11,388,368	9,837,400
Non-Personnel	5,373,971	4,246,053	(1,127,918)	-21%	4,399,057	2,533,686	1,794,627
Utilities	1,223,250	636,381	(586,869)	-48%	745,566	853,100	865,059
Transfers	4,499,533	3,642,535	(856,998)	-19%	3,621,137	3,463,621	2,606,108
Total Expenditures/Transfers	26,476,965	24,044,559	(2,432,406)	-9%	22,536,966	18,238,775	15,103,194
Revenue - Expenditures/Transfers	6,498,260	9,778,291			7,840,488	9,561,591	5,203,742

University of Hawai'i - Community Colleges
 FY 2017 Third Quarter Financial Report for the Period Ending March 31, 2017

GENERAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Allocation (including net transfers)	133,186,974	135,406,897	2,219,923	2%	125,637,803	117,254,353	114,255,649
Expenditures							
Personnel	98,535,418	94,900,450	(3,634,968)	-4%	88,303,585	88,889,424	83,772,620
Non-Personnel	1,993,387	65,728	(1,927,659)	-97%	81,097	66,774	47,744
Utilities	576,815	745,356	168,541	29%	583,655	242,061	755,065
Total Expenditures	101,105,620	95,711,534	(5,394,086)	-5%	88,968,337	89,198,259	84,575,429
Revenue - Expenditures	32,081,354	39,695,363			36,669,466	28,056,094	29,680,220

TUITION & FEES SF (TF SF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	61,499,610	64,692,372	3,192,762	5%	66,395,617	66,044,219	64,718,825
Expenditures/Transfers							
Personnel	16,606,155	17,472,540	866,385	5%	18,001,516	17,544,911	19,149,785
Non-Personnel	25,474,891	20,586,772	(4,888,119)	-19%	20,606,954	19,751,388	20,066,463
Utilities	8,443,990	6,835,984	(1,608,006)	-19%	7,052,797	7,720,864	8,387,183
Transfers (net)	2,337,937	3,401,854	1,063,917	46%	4,414,324	3,426,070	2,790,819
Total Expenditures/Transfers	52,862,973	48,297,150	(4,565,823)	-9%	50,075,591	48,443,233	50,394,250
Revenue - Expenditures/Transfers	8,636,637	16,395,222			16,320,026	17,600,986	14,324,575

RESEARCH & TRAINING RF (RTRF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	1,276,500	1,692,370	415,870	33%	1,338,903	2,855,548	-
Expenditures/Transfers							
Personnel	631,556	944,279	312,723	50%	961,607	500,558	492,083
Non-Personnel	1,046,138	441,428	(604,710)	-58%	397,542	140,646	518,600
Utilities	228,913	60,381	(168,532)	-74%	-	558,794	-
Transfers (net)	-	-	-	budget = 0	(29,540)	(68,003)	32,124
Total Expenditures/Transfers	1,906,607	1,446,088	(460,519)	-24%	1,329,609	1,131,995	1,042,807
Revenue - Expenditures/Transfers	(630,107)	246,282			9,294	1,723,553	(1,042,807)

University of Hawai'i - Community Colleges
FY 2017 Third Quarter Financial Report for the Period Ending March 31, 2017

OTHER SPECIAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	11,519,712	12,882,925	1,363,213	12%	11,837,948	13,087,421	14,457,564
Expenditures/Transfers							
Personnel	7,999,382	7,708,187	(291,195)	-4%	7,551,651	7,975,084	8,333,741
Non-Personnel	5,958,813	4,502,918	(1,455,895)	-24%	4,212,018	5,157,598	6,790,574
Utilities	74,223	82,639	8,416	11%	92,157	178,614	175,248
Transfers (net)	(37,000)	2,249,647	2,286,647	-6180%	608,051	(11,870)	(49,799)
Total Expenditures/Transfers	13,995,418	14,543,391	547,973	4%	12,463,877	13,299,426	15,249,764
Revenue - Expenditures/Transfers	(2,475,706)	(1,660,466)			(625,929)	(212,005)	(792,200)

OTHER REVOLVING FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	2,022,037	1,636,339	(385,698)	-19%	2,142,477	2,094,672	2,145,622
Expenditures/Transfers							
Personnel	406,935	443,331	36,396	9%	503,270	461,077	417,541
Non-Personnel	1,291,235	1,203,760	(87,475)	-7%	1,264,770	1,240,284	1,054,193
Utilities	596	543	(53)	-9%	-	-	-
Transfers (net)	-	(602,045)	(602,045)	budget = 0	2,119	-	-
Total Expenditures/Transfers	1,698,766	1,045,589	(653,177)	-38%	1,770,159	1,701,361	1,471,734
Revenue - Expenditures/Transfers	323,271	590,750			372,318	393,311	673,888

TOTAL, UH COMMUNITY COLLEGES	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	209,504,833	216,310,903	6,806,070	3%	207,352,748	201,336,213	195,577,660
Expenditures/Transfers							
Personnel	124,179,446	121,468,787	(2,710,659)	-2%	115,321,629	115,371,054	112,165,770
Non-Personnel	35,764,464	26,800,606	(8,963,858)	-25%	26,562,381	26,356,690	28,477,574
Utilities	9,324,537	7,724,903	(1,599,634)	-17%	7,728,609	8,700,333	9,317,496
Transfers	2,300,937	5,049,456	2,748,519	119%	4,994,954	3,346,197	2,773,144
Total Expenditures/Transfers	171,569,384	161,043,752	(10,525,632)	-6%	154,607,573	153,774,274	152,733,984
Revenue - Expenditures/Transfers	37,935,449	55,267,151			52,745,175	47,561,939	42,843,676

University of Hawai'i - Systemwide Programs
FY 2017 Third Quarter Financial Report for the Period Ending March 31, 2017

GENERAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Allocation (including net transfers)	45,272,005	45,205,290	(66,715)	0%	41,542,249	38,821,105	40,136,814
Expenditures							
Personnel	28,287,673	26,602,161	(1,685,512)	-6%	23,921,192	23,184,849	21,179,533
Non-Personnel	3,717,630	2,348,978	(1,368,652)	-37%	2,568,991	2,314,581	1,852,635
Utilities	124,833	100,254	(24,579)	-20%	-	-	-
Transfers (B+ Scholarships)	1,500,000	1,500,000	-	0%	1,500,000	1,500,000	1,000,000
Total Expenditures	33,630,136	30,551,393	(3,078,743)	-9%	27,990,183	26,999,430	24,032,168
Revenue - Expenditures	11,641,869	14,653,897			13,552,066	11,821,675	16,104,646

TUITION & FEES SF (TFSF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	540,190	687,227	147,037	27%	555,540	580,190	588,104
Expenditures/Transfers							
Personnel	1,271,203	1,861,647	590,444	46%	1,490,764	1,133,394	664,119
Non-Personnel	6,740,503	6,568,817	(171,686)	-3%	6,486,082	7,624,470	7,948,536
Utilities	6,934	89,994	83,060	1198%	9,638	12,904	7,723
Transfers (net)	(9,947,084)	(8,699,924)	1,247,160	-13%	(8,929,162)	(8,589,441)	(6,823,321)
Total Expenditures/Transfers	(1,928,444)	(179,466)	1,748,978	-91%	(942,678)	181,327	1,797,057
Revenue - Expenditures/Transfers	2,468,634	866,693			1,498,218	398,863	(1,208,953)

RESEARCH & TRAINING RF (RTRF)	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	9,044,554	6,642,917	(2,401,637)	-27%	16,625,483	5,870,067	32,530,943
Expenditures/Transfers							
Personnel	4,706,206	5,192,393	486,187	10%	3,818,592	3,838,047	4,586,888
Non-Personnel	5,929,365	6,801,227	871,862	15%	6,318,415	5,152,648	6,154,879
Utilities	61,094	563,783	502,689	823%	-	-	473
Transfers (net)	(1,673,043)	146,010	1,819,053	-109%	(472,392)	(24,606)	(714,946)
Total Expenditures/Transfers	9,023,622	12,703,413	3,679,791	41%	9,664,615	8,966,089	10,027,294
Revenue - Expenditures/Transfers	20,932	(6,060,496)			6,960,868	(3,096,022)	22,503,649

University of Hawai'i - Systemwide Programs
FY 2017 Third Quarter Financial Report for the Period Ending March 31, 2017

OTHER SPECIAL FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	2,165,319	4,422,451	2,257,132	104%	4,638,415	5,438,867	3,477,829
Expenditures/Transfers							
Personnel	958,959	940,141	(18,818)	-2%	397,199	415,968	296,893
Non-Personnel	5,554,925	6,613,634	1,058,709	19%	6,248,385	6,430,848	6,055,048
Utilities	4,167	87,749	83,582	2006%	-	-	-
Transfers (net)	(3,500,000)	(3,978,662)	(478,662)	14%	(4,239,641)	(2,296,433)	(2,660,083)
Total Expenditures/Transfers	3,018,051	3,662,862	644,811	21%	2,405,943	4,550,383	3,691,858
Revenue - Expenditures/Transfers	(852,732)	759,589			2,232,472	888,484	(214,029)

OTHER REVOLVING FUNDS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	1,091,453	901,136	(190,317)	-17%	937,822	538,548	598,744
Expenditures/Transfers							
Personnel	296,391	223,352	(73,039)	-25%	200,005	199,284	120,687
Non-Personnel	606,193	290,945	(315,248)	-52%	496,209	53,391	90,436
Utilities	515	432	(83)	-16%	-	-	-
Transfers (net)	(838)	118,516	119,354	-14243%	37,746	268,347	256,808
Total Expenditures/Transfers	902,261	633,245	(269,016)	-30%	733,960	521,022	467,931
Revenue - Expenditures/Transfers	189,192	267,891			203,862	17,526	130,813

TOTAL, UH SYSTEMWIDE PROGRAMS	FY2017 Budget-to-Actual				Prior Fiscal Years		
	FY 2017 YTD Budget	FY 2017 YTD Actual	Difference	%	FY 2016 YTD Actual	FY 2015 YTD Actual	FY 2014 YTD Actual
Revenue							
Total Revenue	58,113,521	57,859,021	(254,500)	0%	64,299,509	51,248,777	77,332,434
Expenditures/Transfers							
Personnel	35,520,432	34,819,694	(700,738)	-2%	29,827,752	28,771,542	26,848,120
Non-Personnel	24,048,616	24,123,601	74,985	0%	23,618,082	23,075,938	23,101,534
Utilities	197,543	842,212	644,669	326%	9,638	12,904	8,196
Transfers	(15,120,965)	(12,414,060)	2,706,905	-18%	(13,603,449)	(10,642,133)	(9,941,542)
Total Expenditures/Transfers	44,645,626	47,371,447	2,725,821	6%	39,852,023	41,218,251	40,016,308
Revenue - Expenditures/Transfers	13,467,895	10,487,574			24,447,486	10,030,526	37,316,126



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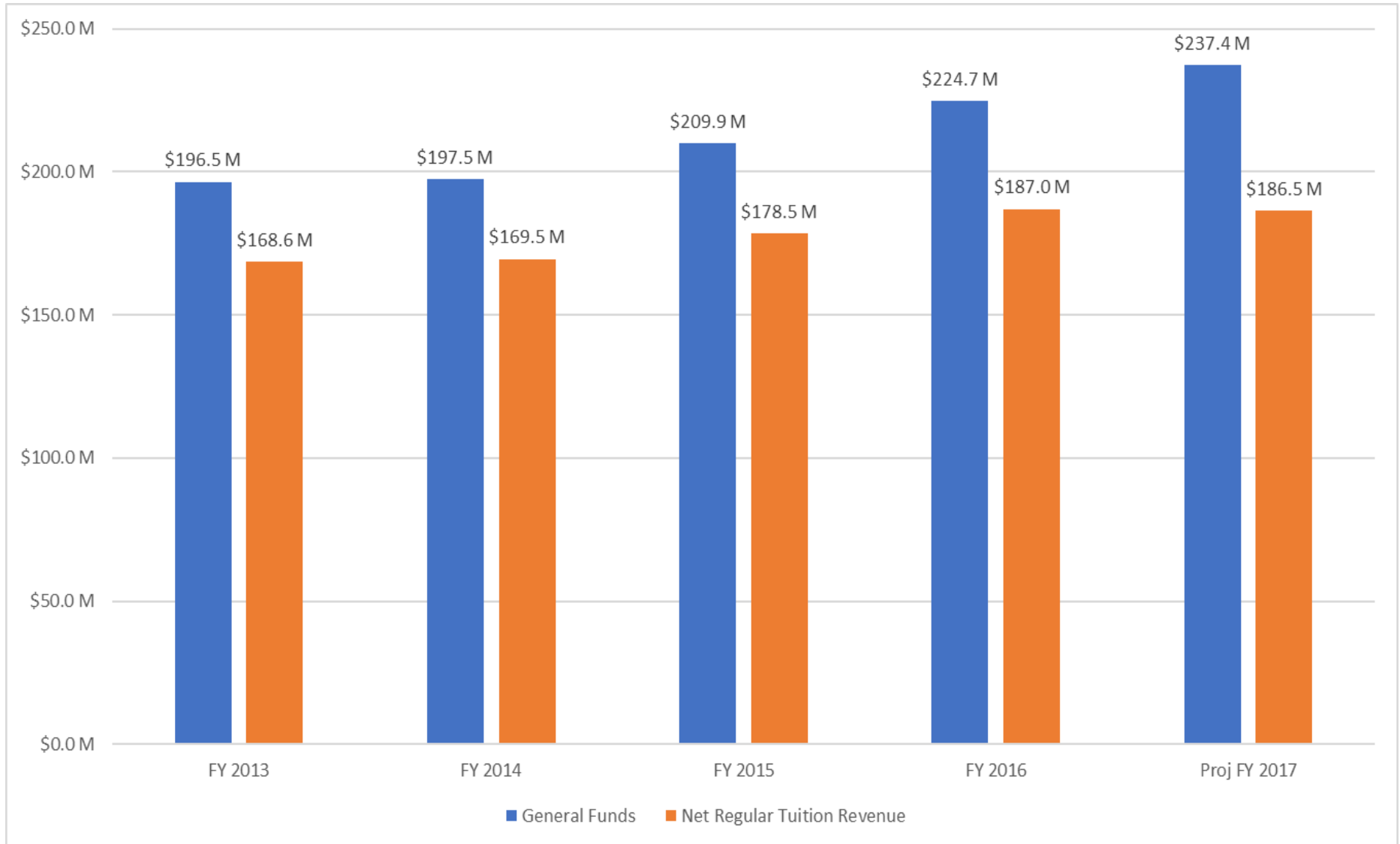
Update on UH Mānoa Finances Focus on FY2017 Progress and Plans

May 17, 2017

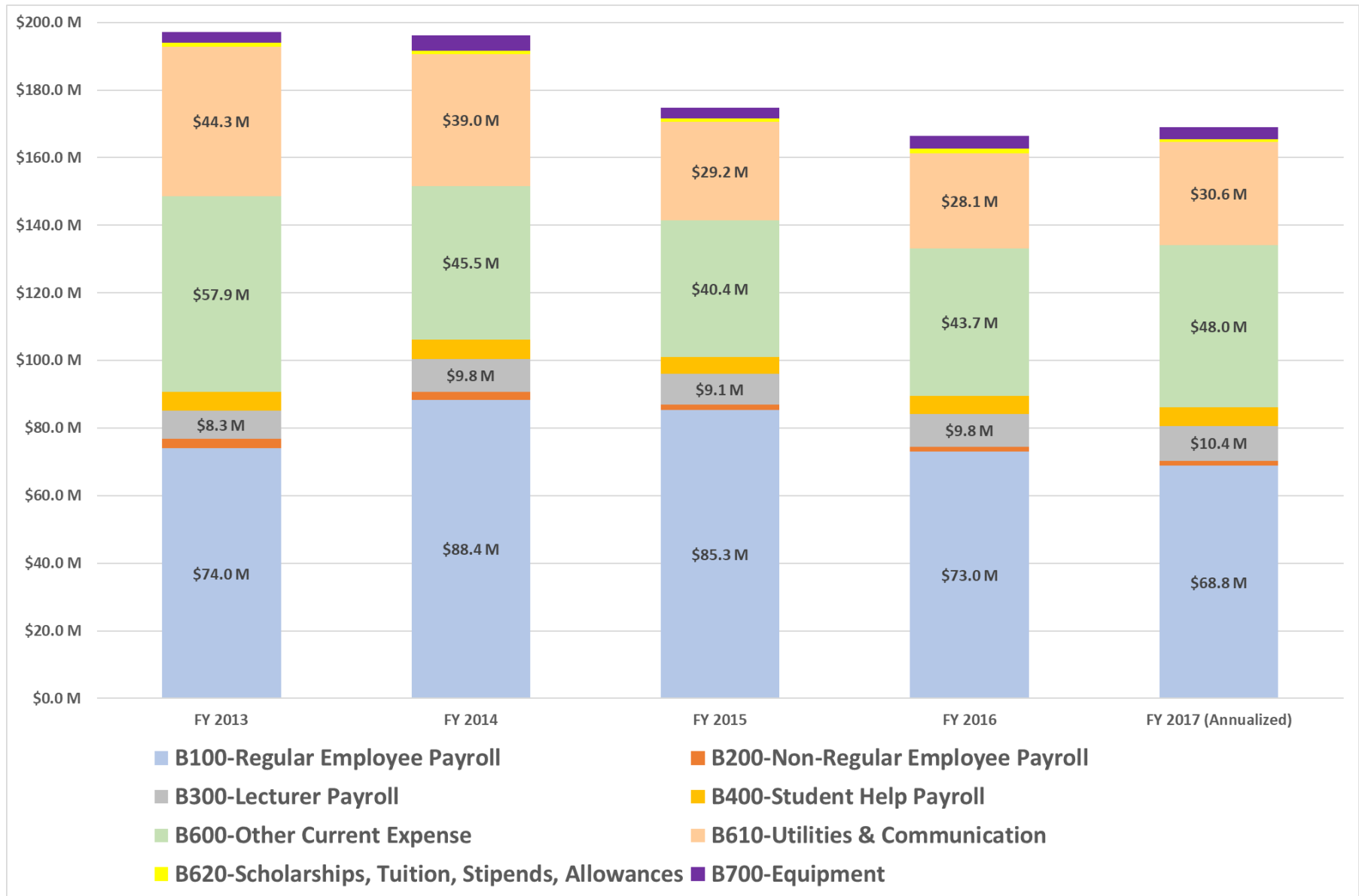
Update on UH Mānoa Finances

- **FY2017 Financial Status and Trends**
- **Budget Management Actions**
- **Additional Near Term Priorities and Plans**

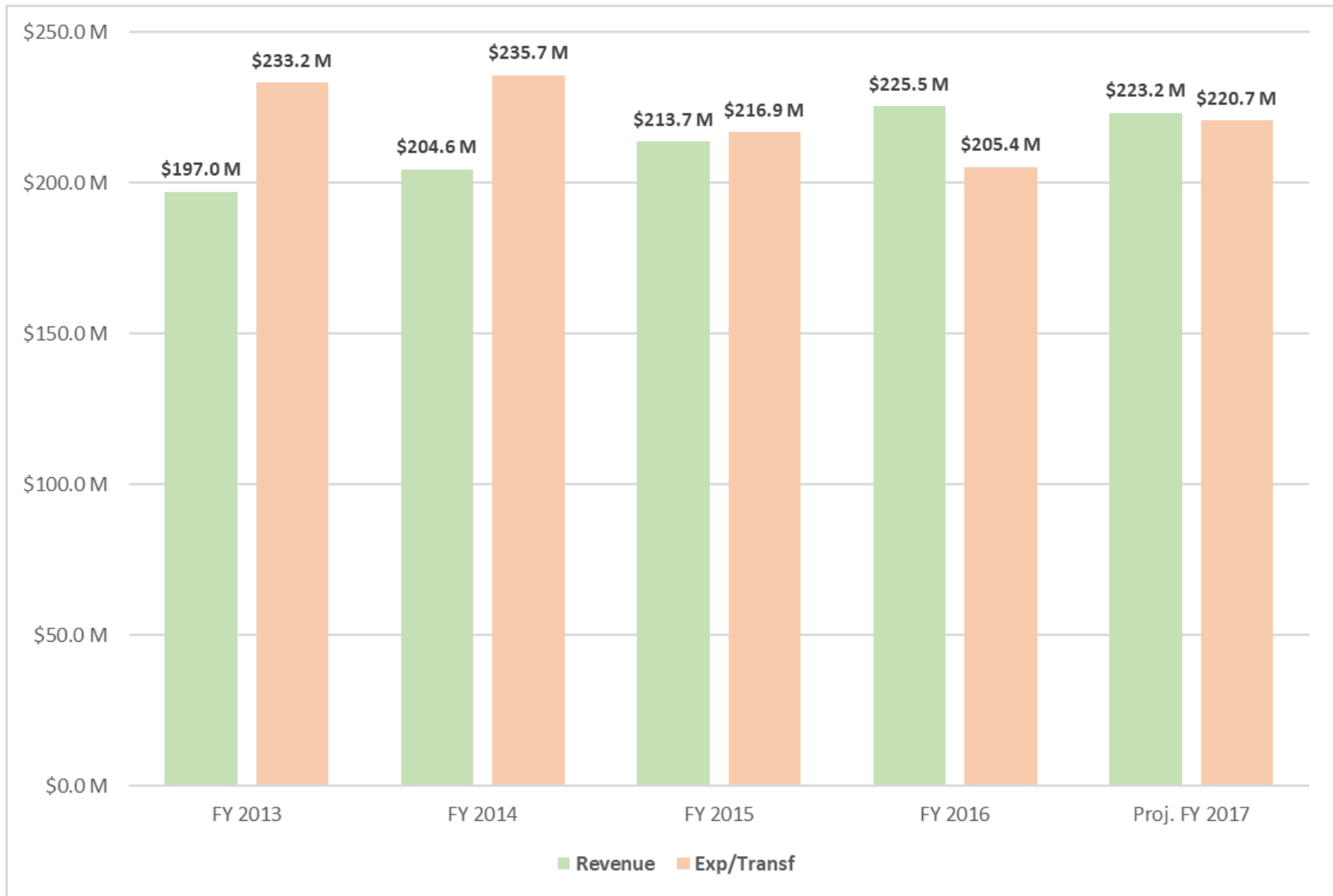
General Fund Allocation & Regular Tuition Net of Waivers FY 2013 – Projected FY 2017



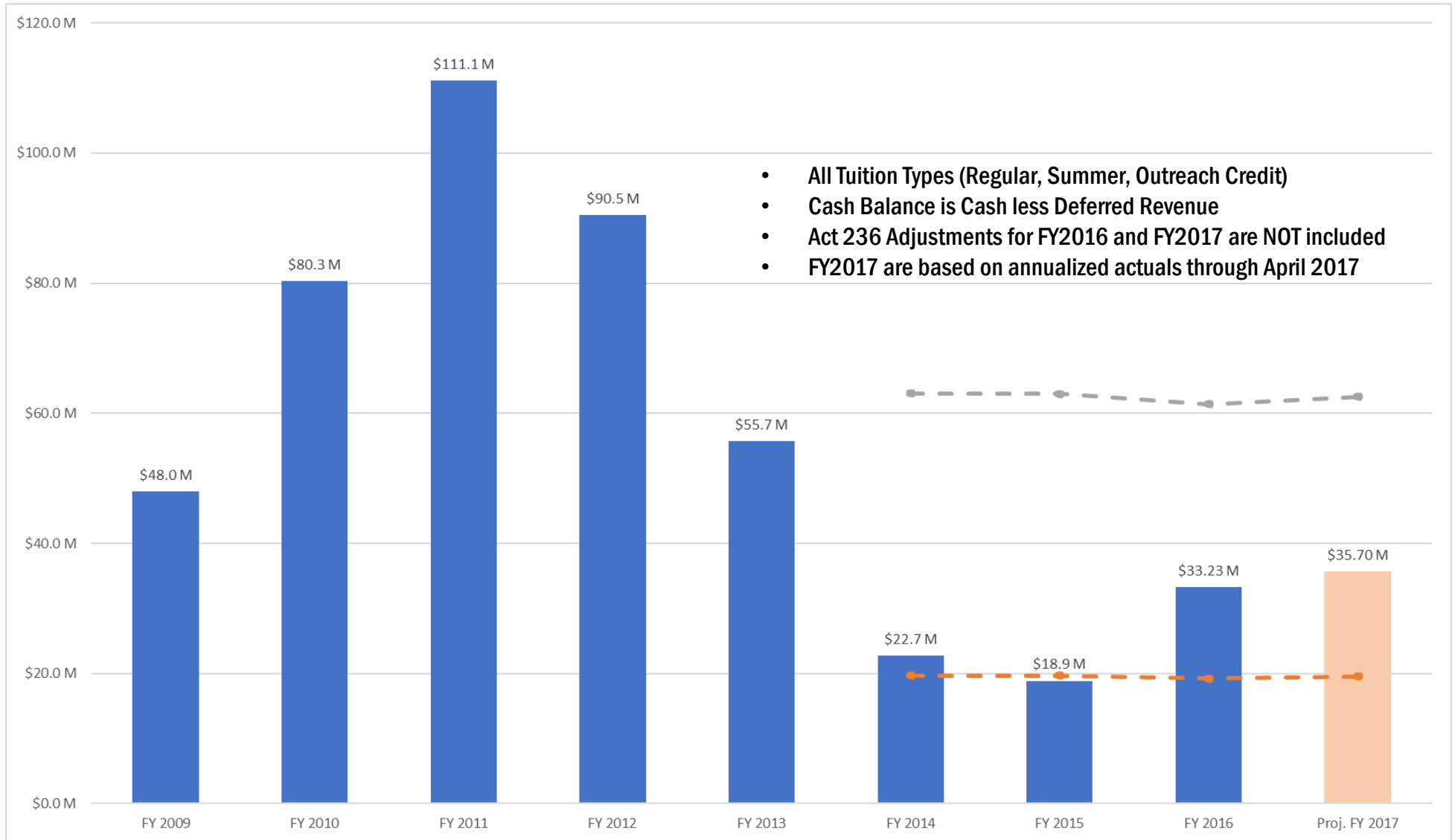
Tuition Expenditures (All Types) (FY 2013 – Projected FY 2017)



TFSF Revenue vs. Expenditures & Net Transfers FY2013 – Projected FY 2017



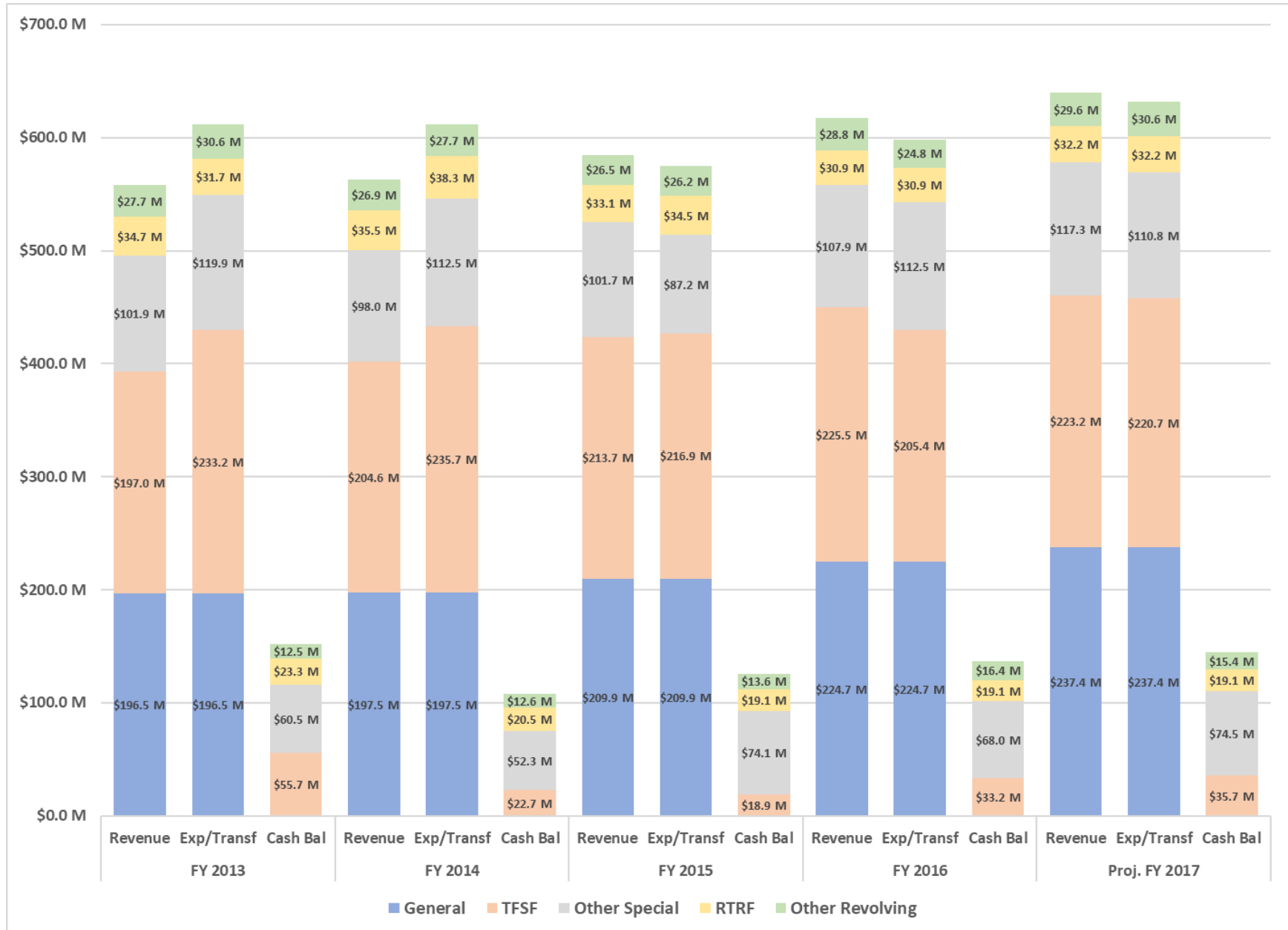
TFSF Cash Balance (FY 2009 – Projected FY 2017)



TFSF Cash Balance by Unit Type



Revenue, Expenditures/Net Transfers & Cash Balance (FY 2013 – Projected FY 2017)



Update on UH Mānoa Finances

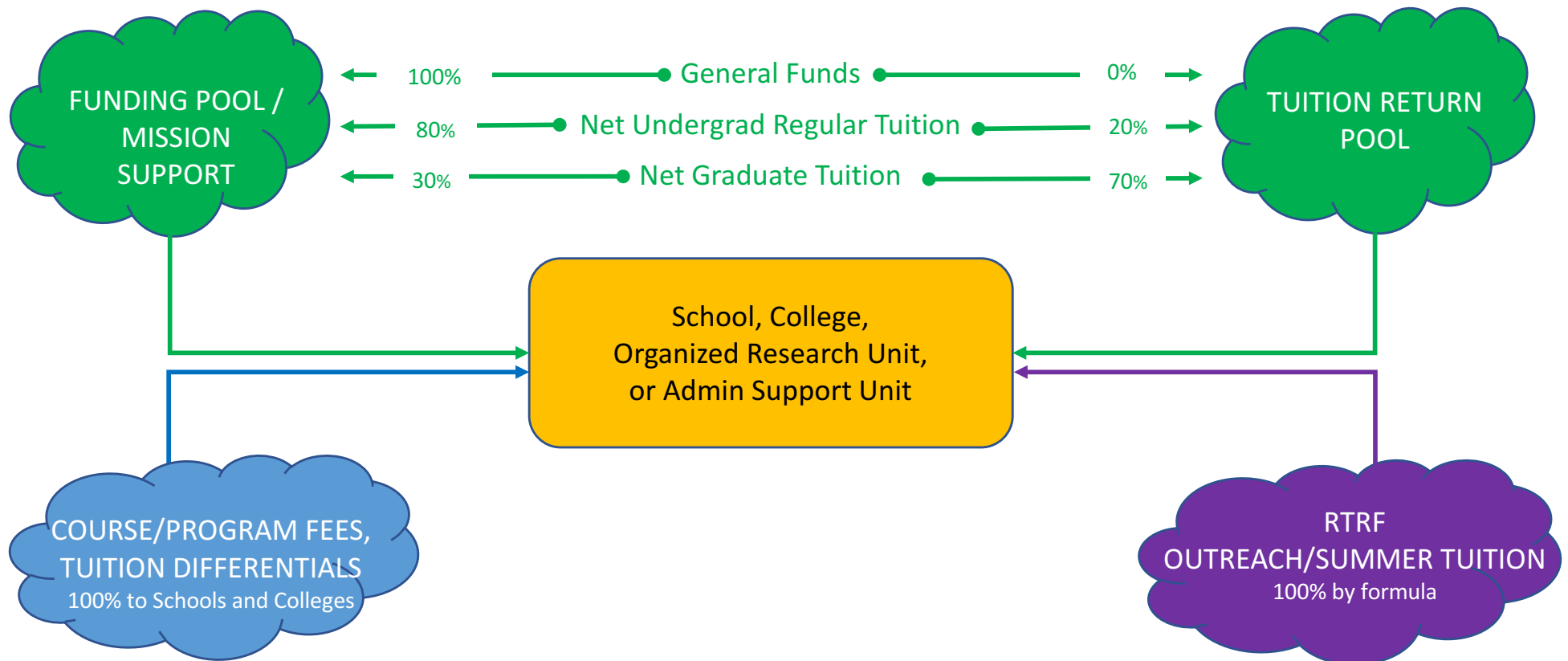
- FY2017 Financial Status and Trends
- **Current Budget Management & Tuition Allocation Model**
- Additional Near Term Priorities and Plans

Manoa Budget Management – FY2017

- **Manoa Budget Office regularly monitoring balances**
- **Reduction in the number of units that are in annual deficit**
- **Campus deficit is decreasing over time**
- **Centralized Position Control and Strategic Hiring**
- **First phase of consistent campuswide unit/department data to support information-based decision making**

Budget Allocation Methodology - FY 18

Phase 1



Update on UH Mānoa Finances

- FY2017 Financial Status and Trends
- Current Budget Management & Tuition Allocation Model
- **Additional Near Term Priorities and Plans**

Additional Near Term Priorities and Plans

- **Recovery Plans for Athletics and Cancer Center**
 - Systematic paydown of “forgiven” Athletics debt
- **Increase use of extramural funds for faculty salaries**
- **Institutionalize and increase teaching by non-I faculty**
- **College and departmental review of workload policies and practices**
- **Shared high performance administrative service centers**
- **Laser focus on enrollment management, including new programs that attract students**
- **Review/recommendation on non-resident tuition rates**
- **Drive enhanced research productivity**
- **Analyze tuition/budget model to include Outreach College and tuition waivers**



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UNIVERSITY OF HAWAII
BOARD OF REGENTS

17 FEB 16 01:40
February 9, 2017

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

FEB 15 P2:43

RECEIVED

MEMORANDUM

TO: Jan N. Sullivan
Chair, Board of Regents

VIA: David Lassner
President *David Lassner*

VIA: Risa Dickson
Vice President for Academic Planning and Policy *Risa Dickson*

VIA: David Lassner
Interim Chancellor *David Lassner*

VIA: Michael Bruno
Interim Vice Chancellor for Academic Affairs and Vice Chancellor for Research *Michael Bruno*

FROM: Avi Soifer *AS*
Dean and Professor, William S. Richardson School of Law

SUBJECT: REQUEST FOR PROPOSED CHANGE IN THE LLM TUITION RATE

SPECIFIC ACTION REQUESTED:

Per RP 6.202.III.A.2, it is recommended that the Board of Regents approve a reduction in the LLM program tuition rate from \$1,860 per credit (\$44,640 per year) to \$1,209 per credit (\$29,016 per year) for three consecutive years effective Fall 2017, with possible reconsideration in the third year.

RECOMMENDED EFFECTIVE DATE:

Fall 2017.

ADDITIONAL COST:

None.

PURPOSE:

To compete more effectively with other law schools in attracting qualified LLM and SJD applicants.

BACKGROUND:

The Law School has offered a Master of Laws (LLM) degree since 2003; and in 2016, we received permission to launch an advanced research degree, the Doctor of Juridical Science (SJD), which typically follows the LLM and which is required to teach law in most of the world. As we developed our proposal for our new SJD degree, we began to recognize significant benefits—practical as well as conceptual—in making distinctions among the degrees Law School awards and charging tuition accordingly. Some law degrees are primarily professional (JD) and some are primarily research or advanced training degrees (LLM and SJD).

In addition, a great number of American law schools have significantly increased the size of their incoming LLM classes in recent years to counteract the nationwide severe downward trend in JD applications. Some now matriculate over 200 LLM students in each cohort.¹ The LLM applicant pool has largely remained stable, however, so that many more LLM applicants are being offered admission to prestigious law schools with scholarships and exceptionally large tuition discounts. The national competition has become so intense that the “true” annual cost of LLM tuition at many law schools is well under \$30,000. As a result, it has become increasingly difficult to recruit students at our current tuition rate as we are competing with higher-ranked and peer law schools.

We therefore seek approval to change the LLM tuition rate to an annual tuition rate of \$29,016, for three consecutive years effective Fall 2017, with possible reconsideration in the third year.

	Per Credit Rate	Total
LLM tuition per year	\$1,209	\$29,016

We propose to change the tuition rate for the LLM degree for the following reasons:

- (1) The proposed rate would bring our tuition in line with the SJD degree tuition and with other academic research advanced degrees at UHM. The current annual SJD tuition cost is approximately \$24,500 for nonresidents (based on 8 credits/semester).
- (2) It also would more accurately reflect the nature of the LLM and SJD degrees and it would allow us to compete much more effectively with other law schools in attracting LLM students. Our current LLM tuition, which started at reasonable and competitive levels, now exceeds even the listed tuition charged by most law schools, including highly ranked and prestigious private institutions, without taking into account the widespread discounting they do (see Addendum 1 attached). The LLM Program Director often receives requests from applicants for tuition discounts and scholarships to match the cost of attendance at other law schools, which we cannot provide.
- (3) In 2003 tuition for the LLM degree was approximately \$20,000 per year and it has steadily increased annually. This year the annual rate we charge is \$44,640. Shortly after the 2011 tuition schedule became effective, the Law School began to see

¹ USC Law School Graduate and International Student Handbook,
<http://weblaw.usc.edu/assets/docs/admissions/graduate/brochure.pdf>

the effects of overpricing our LLM program. As demonstrated in Addendum 2 (attached), this year's expected tuition revenue is almost half of the tuition revenue the Program generated in 2009-10 when the tuition rate was \$29,664.

(4) The LLM program does not have designated GA or research fellowships, which are typically associated with graduate programs, and thus the LLM students are responsible for full tuition costs. They also face a very high cost of living, particularly for those coming from less prosperous nations.

(5) Hawai'i limits eligibility to sit for the Hawai'i Bar Examination to those who hold JD degrees from ABA-accredited law schools. Our LLM graduates therefore cannot sit for the Bar Examination in Hawai'i, which further discourages applicants. Most LLM graduates return to their home countries to practice law or to teach and their salaries thus are substantially lower than they would be in the United States.

(6) An increased number of LLM students will contribute to the growth of our new SJD program and to the international academic prestige of the Law School and the University of Hawai'i.

(7) There will be no additional cost. We are confident that the reduced tuition per student will be more than made up for by the anticipated increase in the number of LLM students. Our excellent faculty-to-student ratio allows for a reasonable increase in the number of students without compromising quality of instruction, or requiring any additional faculty or staff.

(8) LLM students do not qualify for the WICHE resident tuition rate.

The Law School's ability to attract high quality LLM students from around the world is critically important to the Law School's mission, academic quality, international prestige, and diversity, as well as providing substantial net positive budgetary benefits.

ACTION RECOMMENDED:

We recommend that you approve to change the LLM Program tuition rate for three consecutive years effective Fall 2017, with possible reconsideration in the third year.

Attachments:

Addendum 1: LLM Tuition at UH and Comparable Institutions for 2016-17 AY

Addendum 2: Historic Data Related to LLM Student Enrollment and Tuition Revenue at UH

Addendum 3: Schedule of Tuition, Current

Addendum 4: Schedule of Tuition, Revised

c: Cynthia Quinn, Executive Administrator and Secretary of the BOR

Addendum 1

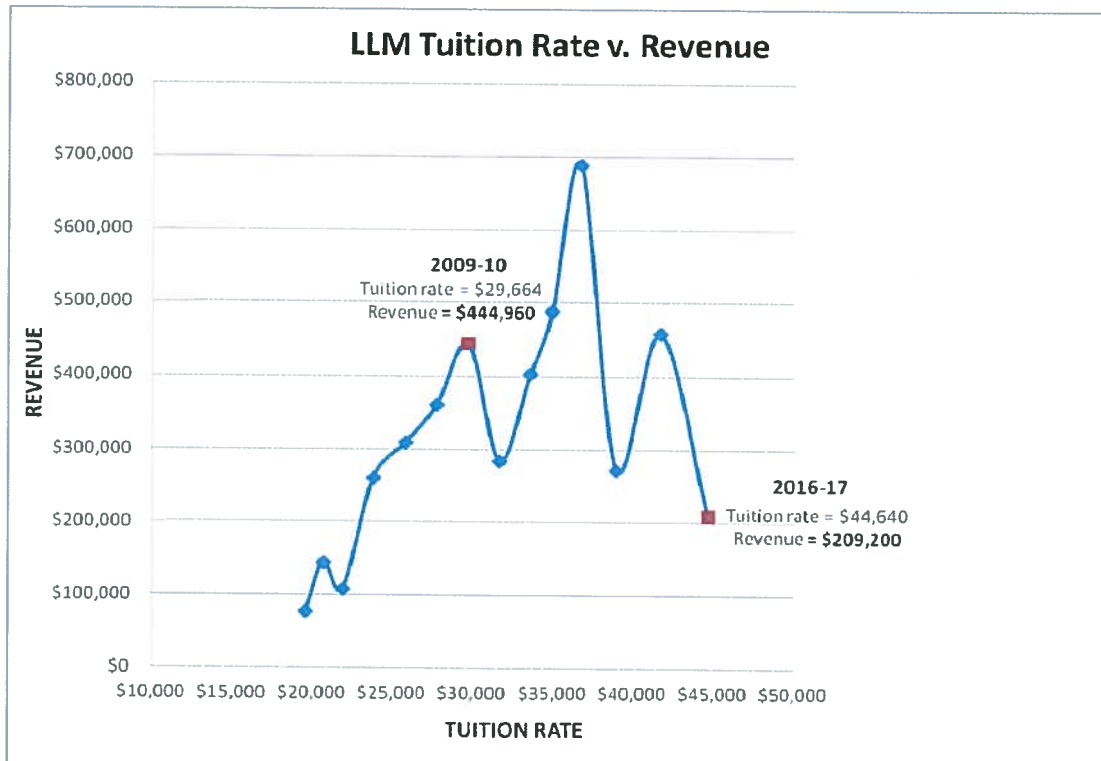
LLM Tuition at UH and Comparable Institutions

INSTITUTION	LLM TUITION FOR 2016-17 (as listed online)
University of Hawai'i	\$44,640
University of Arizona Law School	\$29,000 Non-Resident
University of Connecticut School of Law	\$28,560
University of Florida College of Law	\$33,716 Non-Resident
University of the Pacific McGeorge School of Law	\$30,240 (2017-18 Academic Year)
University of Washington School of Law	\$38,019
University of Wisconsin Law School	\$33,500 (2015-16 Academic Year)
University of Denver Sturm College of Law	\$1,547 per credit
Michigan State College of Law	\$1,350 per credit (2015-16 Academic Year)

Addendum 2

Historic Data Related to LLM Student Enrollment and Tuition Revenue (excluding financial aid)

Class Year	#Students	Tuition Rate	Revenue
2003-04	4	\$19,488	\$77,952
2004-05	7	\$20,664	\$144,648
2005-06	5	\$21,888	\$109,440
2006-07	11	\$23,832	\$262,152
2007-08	12	\$25,776	\$309,312
2008-09	13	\$27,720	\$360,360
2009-10	15	\$29,664	\$444,960
2010-11	9	\$31,608	\$284,472
2011-12	12	\$33,552	\$402,624
2012-13	14	\$34,920	\$488,880
2013-14	19	\$36,696	\$688,528
2014-15	7	\$38,928	\$272,496
2015-16	11	\$41,688	\$458,568
2016-17	5	\$44,640	\$209,200



Addendum 3 - Current Schedule of Tuition

University of Hawai'i Tuition¹
SELECT ADVANCED PROFESSIONAL PROGRAMS
PER-CREDIT-HOUR AND FULL-TIME SEMESTER TUITION SCHEDULE

	Academic Years															
	2016-2017				2017-2018				2018-2019				2019-2020			
	Resident		Nonresident		Resident		Nonresident		Resident		Nonresident		Resident		Nonresident	
	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT
UH MĀNOA²																
Graduate Business (Master's) ³	887	10,644	1,598	19,176	887	10,644	1,598	19,176	887	10,644	1,598	19,176	887	10,644	1,598	19,176
Graduate Education (EdD)	701	8,412	1,595	19,140	701	8,412	1,595	19,140	701	8,412	1,595	19,140	701	8,412	1,595	19,140
Graduate Nursing	1,001	12,012	1,896	22,752	1,001	12,012	1,896	22,752	1,001	12,012	1,896	22,752	1,001	12,012	1,896	22,752
Law																
JD	933	11,196	1,909	22,908	933	11,196	1,909	22,908	933	11,196	1,909	22,908	933	11,196	1,909	22,908
LLM	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320
Medicine	1,528	18,336	2,972	35,664	1,528	18,336	2,972	35,664	1,528	18,336	2,972	35,664	1,528	18,336	2,972	35,664
UH HILO²																
Graduate Nursing	781	9,372	1,558	18,696	781	9,372	1,558	18,696	789	9,468	1,566	18,792	797	9,564	1,574	18,888
Pharmacy	974	11,688	1,680	20,160	984	11,808	1,690	20,280	994	11,928	1,700	20,400	1,004	12,048	1,710	20,520

¹ All students are subject to campus-based student fees not shown here.

² Full-time (FT) tuition applies to students enrolling for 12 or more credits. In accordance with University concurrent enrollment policy, students enrolling at multiple institutions/campuses during the same term pay the applicable tuition at each campus. Unless a special tuition schedule applies, regular day tuition applies to any credit course offered throughout the year for which a General Fund appropriation is authorized.

³ The CBA master's degrees offered in executive format charge the resident tuition established here plus additional fees delegated to and approved by the President.

2016-17 approved by the Board of Regents on October 26, 2011, and last amended on May 21, 2015. 2017-18 to 2019-20 approved by BOR on July 21, 2016.

Addendum 4 - Revised Schedule of Tuition

University of Hawai'i Tuition¹
UNDERGRADUATE AND GRADUATE
PER-CREDIT-HOUR AND FULL-TIME SEMESTER TUITION SCHEDULE, ALL CAMPUSES

	Academic Years															
	2016-2017				2017-2018				2018-2019				2019-2020			
	Resident		Nonresident		Resident		Nonresident		Resident		Nonresident		Resident		Nonresident	
	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT
UH MĀNOA²																
Undergraduate	453	5,436	1,371	16,452	453	5,436	1,371	16,452	462	5,544	1,380	16,560	471	5,652	1,389	16,668
Graduate	637	7,644	1,532	18,384	637	7,644	1,532	18,384	650	7,800	1,545	18,540	663	7,956	1,558	18,696
UH HILO²																
Undergraduate	300	3,600	840	10,080	300	3,600	840	10,080	303	3,636	843	10,116	306	3,672	846	10,152
Graduate	479	5,748	1,097	13,164	479	5,748	1,097	13,164	484	5,808	1,102	13,224	489	5,868	1,107	13,284
UH WEST O'AHU²	300	3,600	840	10,080	300	3,600	840	10,080	303	3,636	843	10,116	306	3,672	846	10,152
UH COMMUNITY COLLEGES²																
Lower Division	126	NA	340	NA	126	NA	340	NA	128.50	NA	342.50	NA	131	NA	345	NA
300 Level and Above ³ (UH Maui College only)	300	NA	840	NA	300	NA	840	NA	303	NA	843	NA	306	NA	846	NA

¹ All students are subject to campus-based student fees not shown here.

² Full-time (FT) tuition applies to students enrolling for 12 or more credits at UHM, UHH, and UHWO. At the Community Colleges, tuition is charged on a per-credit basis for all enrolled credits effective 2001-02. In accordance with University concurrent enrollment policy, students enrolling at multiple institutions/campuses during the same term pay the applicable tuition at each campus. Unless a special tuition schedule applies, regular day tuition applies to any credit course offered throughout the year for which a General Fund appropriation is authorized. Undergraduate resident and nonresident students enrolled in nursing, dental hygiene, business, and other UHCC health programs also pay a professional fee (separate fee schedule). Undergraduate/Graduate resident and nonresident students enrolled in the architecture program at UHM also pay a professional fee (separate fee schedule).

³ UH Maui College offers four-year degrees. Students enrolled in upper division courses numbered 300 and above within these programs pay this differential rate.

2016-17 approved by the Board of Regents on October 26, 2011, and last amended on May 21, 2015. 2017-18 to 2019-20 approved by BOR on July 21, 2016.

Most lucrative practice areas ◆ Details on 450+ LL.M. programs

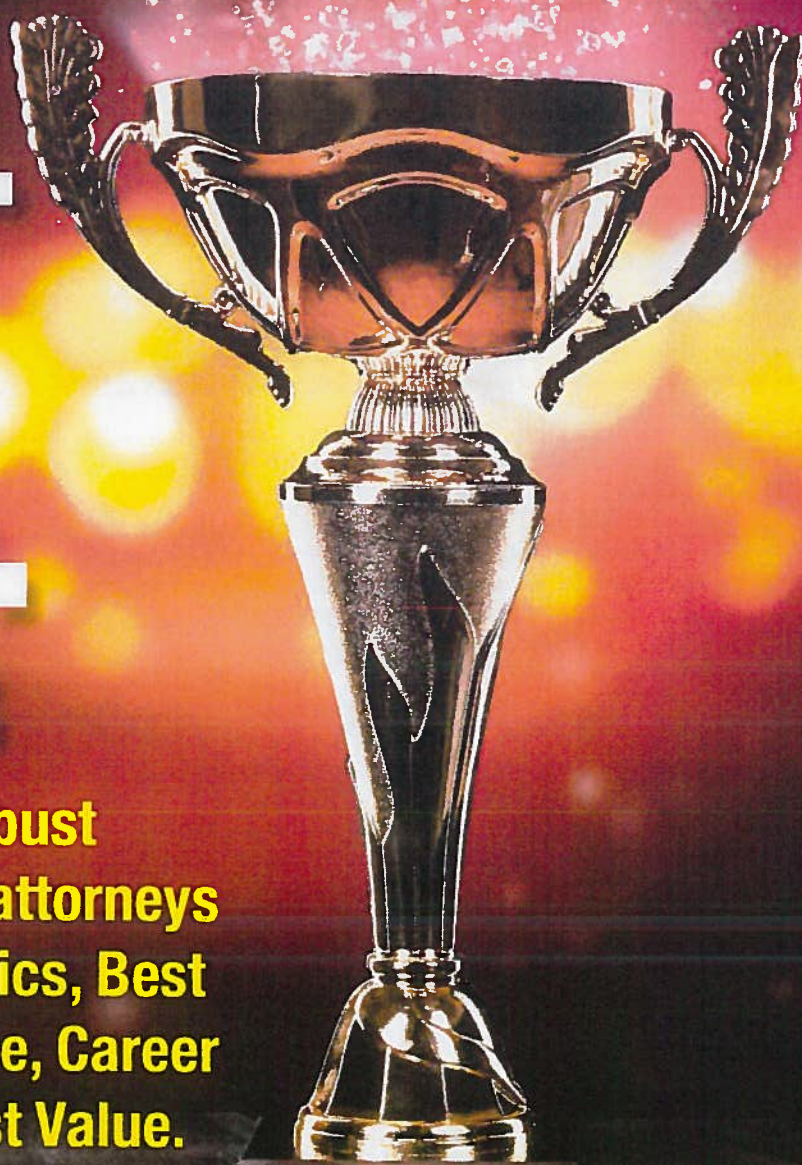
the International Jurist

THE MAGAZINE FOR FOREIGN ATTORNEYS STUDYING IN THE U.S.

2017

BEST LL.M. Programs

We honor the most robust programs for foreign attorneys in four areas: Academics, Best Law School Experience, Career Opportunities and Best Value.



BEST LL.M. Programs



Big city or small town? United States law or a specialty such as intellectual property or health law? There are a lot of options when it comes to deciding where to earn your American graduate law degree and which degree to pursue.

In fact, there are 153 law schools spread out across the United States that offer programs for foreign attorneys, and those schools offer more than 450 programs.

And the number of offerings continues to grow.

So where do you start?

We collected data on law schools to identify the most robust LL.M. programs for foreign attorneys in four areas: Academics, Best Law School Experience, Career Opportunities and Best Value.

Data came from law schools, the American Bar Association and other sources. We then weighted key points based on importance and identified the schools that

excelled. We recognize them on our honor roll.

Two schools made the honor roll in all four categories: Indiana University Maurer School of Law - Bloomington and The Ohio State University Moritz College of Law.

"We are really concentrating on quality over quantity," said Laura Fernandez, Ohio State's assistant dean for international and graduate affairs.

Of course, each student will have different factors they value as more important than others.

Desiree Jaeger-Fine, who co-authored "The U.S. LLM: From Whether to When, What, Where, and How," recommends using a spreadsheet to organize and track your research.

"It helps you keep in mind which information you should look for; it organizes the information that is most important to you; and it makes comparisons between and among schools easier," she writes.

"Every law school website is structured differently, and if you are simply clicking through the website without really knowing what to look for, it can get overwhelming very fast."

Start with an initial list, then examine the quality of the professors who are teaching; how the size of the program compares to what you desire; and if the location is where you may find good networking opportunities, Jaeger-Fine said.

And keep in mind that the LL.M. is just a stepping-stone to the next point in your career.

"People pursuing LL.M.s in the United States are very forward-thinking and often come because they want to propel their careers going forward, so it's as much about what they're doing when they're here as it is what opportunities it will create when they graduate," said Deborah Schlosberg, director of student advising for advanced degree programs at University of California, Berkeley, School of Law.



FRANKWANGSHUTTERSTOCK

By Katherine Connor

It always seems to start with academics. And it often ends there, as well. Academic rigor is the first thing most prospective students consider when looking for a school, but good academics for a graduate law program are not exactly the same as good academics for a J.D. program.

While the quality of professors is important to both, foreign attorneys have additional needs.

We based our grades on the percentage of courses taught by tenured faculty, the percentage of faculty who have studied or worked abroad, academic pursuits open to international students and the level of international student integration into the J.D. program.

Tulane University Law School is among 10 schools in the country that earned an A+ for their academic offerings.

With 40 to 50 foreign attorneys in its LL.M. program each year, Tulane University Law School has a strong handle on common academic questions and con-

Academics

	% of LL.M. courses taught by tenured law faculty	% of faculty who studied or worked internationally	Are mentors available?	Typical foreign student enrollment
A+				
Duke University	86%+		Yes	90 to 100
IU Bloomington (Maurer)	70% to 85%	30%	Yes	70
Ohio State University	86%+	65%	Yes	35
Tulane Law School	86%+	50%	Yes	45 to 65
UNC School of Law	86%+		Yes	approx. 10
UC Berkeley School of Law	70% to 85%	15%	No	175
University of Minnesota	100%		Yes	70
University of Pennsylvania			Yes	115
Washington University			Yes	100+
University of Hawai'i	70% to 85%	90%	Yes	10 to 15
A				
Brooklyn Law School	70% to 85%		Yes	35
Case Western Reserve University	70% to 85%	20%	Yes	70
IU McKinney School of Law	70% to 85%	80%	Yes	30
Loyola Law School, Los Angeles	86%+	30%	Yes	20
Temple University	70% to 85%	53%	Yes	45 to 50
UC Hastings	70% to 85%		Yes	30
University of Arizona	86%+		Yes	45
University of Illinois	86%+		No	60
University of Maryland		Over 50%	Yes	20 to 25
University of St. Thomas - Mn.	70% to 85%	80%	Yes	20 to 25

cerns.

Half of all faculty members have worked or studied overseas, meaning students and professors have plenty of common ground, said Maria Landry, director of admissions for the LL.M. program.

"That makes it easier, I think, for faculty

and students to connect," Landry said. "It's really interesting when we have international faculty or a wide range of faculty that has traveled and has been lecturers or visiting scholars at different universities all over the world. It's good when those professors are able to give the students an international view and the students can connect to that and start a class conversation that goes from the school the professors visited to the J.D. students giving the U.S. perspective and international students giving them their perspective. So, it makes a very inquisitive classroom."

At Tulane, just two courses are required for the foreign attorney: a three-and-a-half-week Introduction to American Law course before the fall semester begins and a Legal Research and Writing course in the fall semester. Students choose the remainder of their courses themselves, based on their interests.

"Our LL.M. students are allowed to take any of our J.D. classes. That includes 1L classes and all of our upper level classes," Landry said. "We don't have prerequisites for LL.M. students, because they already



Ohio State University

have a legal education, so that also makes it easier for LL.M. students to have a wide selection of courses that they can take within a year.”

Students can choose from one of five LL.M. programs: admiralty, international and comparative law, American law, energy and environment, or a general LL.M.

University of California, Berkeley, School of Law, which also received an A+, has a variety of program options for international LL.M. students. The school offers three tracks that help tailor the learning experience to each participant, said Deborah Schlosberg, director of student advising for advanced degree programs. Students can complete their LL.M.s via a traditional track, which places the focus on coursework, or through a thesis track, in which students take fewer courses but work with a specific faculty member on completing a thesis project during the course of the academic year. Finally, for students unable to attend the fall and spring semesters, the

professional track offers the option of earning an LL.M. in two back-to-back summers.

“That is really special in the way it is scheduled, and students have a unique experience in that they are taking classes with our esteemed tenured faculty, but they are alone in the classroom, not alongside J.D. colleagues, just LL.M.s,” Schlosberg said. “They become really close, and it’s a really powerful international network for future businesses.”

Students who want interaction with J.D. students can find that in the traditional and thesis tracks. All three options offer the possibility of earning certificates of specialization in eight practice areas, including international law, environmental law and social justice.

Students at Berkeley Law take a Fundamentals of U.S. Law class and a Legal Research and Writing course, but everything else is self-selected from the same courses offered to J.D. candidates. Self-

selected with the assistance of three advisers dedicated solely to international LL.M. students, that is. With roughly 200 international students in the program every year, the advisers are well versed in international students’ questions.

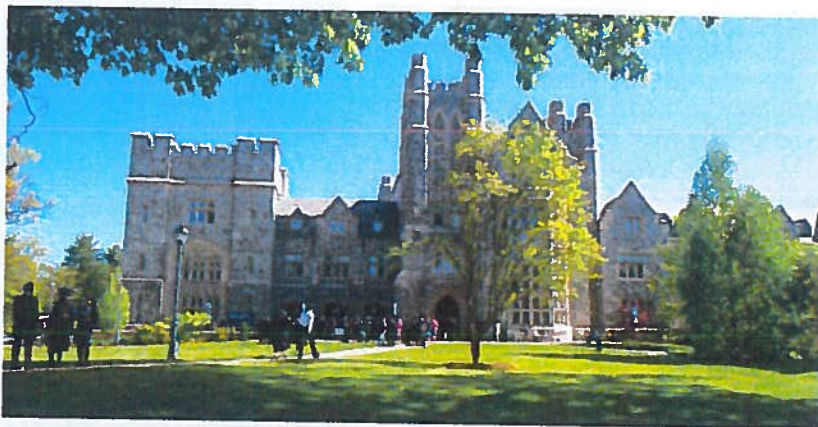
Both Schlosberg and Landry noted that an increasing number of students have expressed interest in sitting for a state bar exam in the U.S. Each of Berkeley Law’s three tracks provides students with eligibility to take the California bar, and the traditional track also confers New York bar eligibility. Tulane Law’s American LL.M. program is focused solely on preparing students to take the exam and fulfilling all of the requirements.

OK, all of these attributes and offerings sound quite enticing. How’s an international student to choose?

“I would say that when a student is thinking about doing an LL.M. in the United States, and they’re choosing a program, the most important things to look

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at are likely the size of the program, the integration into the law school as a whole... and if they'll build a global network of colleagues," Schlosberg said.



BEST LAW SCHOOL EXPERIENCE

By Katie Thisdell

Perhaps one of the most difficult aspects of studying in another country won't be the classwork. Sure, tackling the reading will be challenging; you can count on that. But at

least initially, for many students, assimilating to a new culture will be the biggest and most immediate challenge.

"A lot of them are traveling from thousands of miles away — totally new country, new language, a new culture. There's a lot of change happening there at the beginning," said Julie Sculli, director of international programs at Brooklyn Law School, which received an A+.

We looked at eight factors when grading schools for the law school experience. Four were focused on participation in activities: clinics and other experiential training opportunities; law journals; extracurricular offerings; and excursions. One factor was whether the school had an office or dedicated staff to help LL.M. students. Three factors were focused on transition: efforts to help students adjust to the U.S.; whether the school provides mentors; and opportunities to meet U.S. students.

Like many schools, Brooklyn Law offers an orientation before classes begin. That's

when students learn about living in the U.S., about their advisers and about their fellow classmates.

"When the school is quiet, they're able to be with just their LL.M. classmates and get to know each other," Sculli said.

This period is about having fun, too. For example, they may get to take a sailboat ride around Manhattan.

Students at Drexel University Thomas R. Kline School of Law, which is also on our honor roll, go on a scavenger hunt through the streets of Philadelphia and volunteer with a local organization.

"If they're going to practice law in the States, or even back home with an international firm, it's really important that they understand U.S. cultural and classroom norms," said Leslie Friedman, director of Drexel's international global access J.D. program and LL.M. program. "We want them to have a real U.S. experience; we don't want them to feel isolated in any way."

Drexel has introduced a two-year J.D.



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Best Law School Experience

	Are law journals open to LL.M.s?	Clinics or experiential learning?	Public transportation options
A+			
Brooklyn Law School	Yes	Yes	Buses, subway, train, bikes
Drexel University Kline School of Law	Open to Global Access J.D.s		Buses, university buses, subway, train, bikes
Golden Gate University	Yes	Yes	Buses, train, subway, trolley, bikes
IU Bloomington (Maurer)	Yes	Yes	Public buses, university buses, bikes
IU McKinney School of Law	Yes	Yes	Public buses, school-provided buses, bikes, monorail
Notre Dame Law School	No	Yes	School-provided buses
Ohio State University	Yes	Yes	School-provided buses
Pepperdine University	Yes	Yes	School-provided buses
Stetson University	Yes	Yes	Bikes
UNC School of Law	Yes, 3	Yes	Free public buses, bikes, regional buses
U. at Buffalo School of Law	Yes	Yes	School-provided buses
University of San Francisco	Yes	Yes	Public buses, subway, trams, trains, bikes
A			
Case Western Reserve University	No	Yes	Buses, university buses, trolley, bikes
Widener Delaware Law School	Yes	Yes	Buses, university buses, subway, train, bikes
Duke University	Yes	Yes	Public buses
Loyola Law School, Los Angeles	No	Yes	Public buses, free campus shuttle, transit incentives
Loyola University Chicago	Yes	Yes	Buses, university buses, subway, train, bikes
McGeorge School of Law	No	Yes	Public buses, bikes
Northeastern University	Yes	Yes	Public buses, subway, train, bikes
Tufts University		Yes	Buses, university buses, subway, train, bikes
University of Connecticut	Yes	Yes	Public buses
University of Hawai'i	Yes	Yes	Public buses
University of Idaho	No	Yes	Public buses
University of Oregon	No	Yes	Public buses, bikes
University of St. Thomas - Mn.	No	Yes	Public buses, university shuttle, bicycles, skyway
Wake Forest University	No	Yes	Public buses, university buses, bikes, taxi, ride sharing



a lot of our students will be living there,” Sculli said. “So it’s nice too that they’re three blocks from the law school. It’s all taken care of, and that’s one less thing they have to worry about when they get here.”

So, how are schools preparing students academically? Studying in a foreign language is no walk in the park.

Ohio State University offers an optional three-week American Law and Language program before its standard one-week orientation that has tracks for both J.D.s and LL.M.s. In its third year, this program is open to incoming students, as well as prospective students who are considering studying in the U.S. at a later date. Half of the 38 participants in last year’s program were incoming LL.M. students.

“They’re very happy to be able to get here early,” Fernandez said. “What we were noticing: They would come the week of orientation, and they would need a few weeks to get used to what it means to be in law school.”

The program is about more than just academics — though the school doesn’t skimp on that either, with 20 professors offering 70 hours of instruction. It gives students time to acclimate to American classrooms and the teaching styles of American professors, and to find an apartment and open a bank account, which are no small tasks.

“We’ve found this makes them more confident, not afraid to ask questions, and it makes them ready for day one,” Fernandez said.

As the academic year progresses, Ohio State University offers a mentoring program. Every LL.M. student gets a J.D. mentor, a faculty mentor and a mentor in the community, such as a practicing lawyer who they can meet with regularly to discuss career paths.

“I think that’s what helps make them

for foreign attorneys, which may be better suited to attorneys who may want to practice in the U.S. An LL.M. will help them stand out in their home country, but it enables students to take the bar exam in only four states, Friedman said.

The school also helps international stu-

dents with their housing searches through a Facebook group. Here, students can ask questions of each other and of staff.

Meanwhile, at Brooklyn Law School, students don’t have to worry about finding someplace to live.

“We also have guaranteed housing, so

Brooklyn Law



AFRICA STUDIOS/SHUTTERSTOCK

CAREER

By Katherine Connor

feel comfortable here,” Fernandez said, noting that this is only possible to do in a small program.

Fernandez takes great pride in making sure students feel welcome and cared for. She opens her home throughout the year for barbecues, potlucks and other celebrations.

“I want to get to know them as people,” she said.

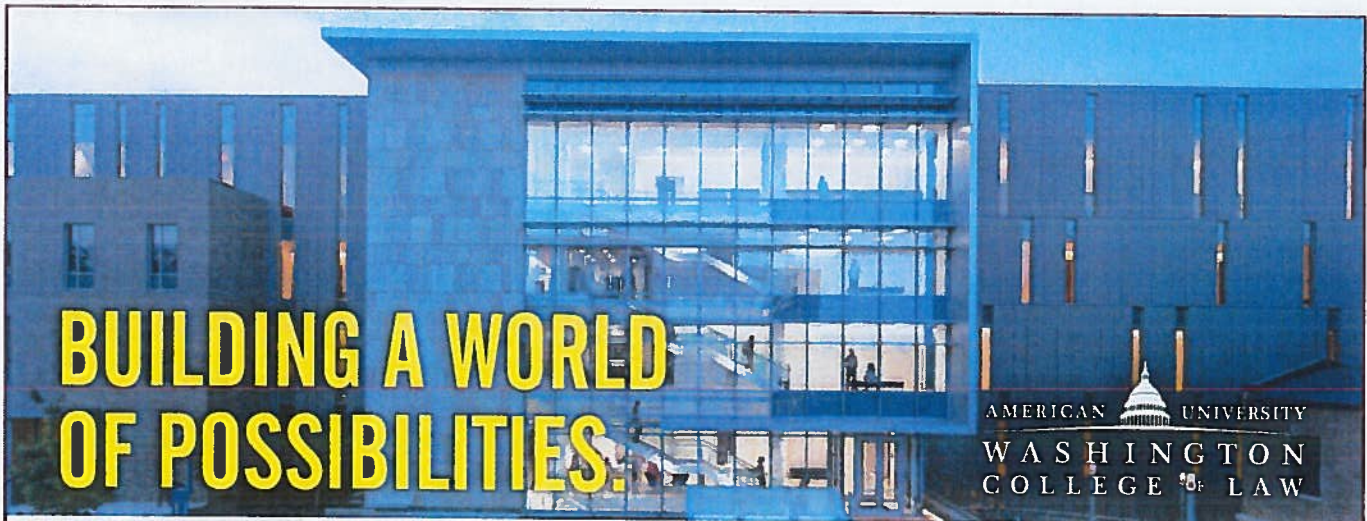
At Brooklyn Law School, Sculli is the point person for LL.M. students.

“They always know who to go to,” she said. “So, unlike in some programs or schools where there are several different people handling different aspects of the LL.M. program, they have me. There’s never confusion about who can help them or who can answer their question. I think that gives them a great deal of comfort.”

Satisfied graduates are the best ambassadors for a school, after all. Every school will tell you that. Happy alumni gladly spread the good news about their alma maters.

At the end of the day, there’s one overarching reason why students who have already earned a law degree elsewhere in the world would choose to continue their education with an LL.M. degree: to advance their career.

This year, 11 schools earned top grades for career support to international LL.M. students, based on criteria that included career counselor support, the percentage of students with legal jobs one and five years



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after graduation, and experiential learning opportunities for LL.M.s.

Two characteristics that several of the top schools share is small class size and tailored career guidance.

At Brooklyn Law School, the incoming class size each year is between 30 and 40 students. An English as a Second Language (ESL) specialist works with the students individually, as do two academic support counselors and a career counselor.

Sculli said the focus on achieving whatever career aspirations the students have starts in orientation.

“At orientation students are required to bring a resume, so on day one we’re already emphasizing the importance of the job search,” Sculli said. “Our career counselor gives a talk at orientation about what they need to start doing as far as the job search goes. Then he works with them individually, making sure their resume and cover letter accords to the U.S. style, which can be quite different from a lot of resumes or CVs

Career	Career counselor for LL.M.s?	LL.M. employment rate after 1 year?	LL.M. employment rate after 5 years?	% of alumni who remain in the U.S.?
Boston University	Yes	90%		Differs by program
Brooklyn Law School	Yes			83%
Widener Delaware Law School	Yes			10-15%
IU Bloomington (Maurer)	Yes	90%	90%	10%
Mississippi Colleg	Yes	80%	95%	25%
Ohio State University	Yes	Outside U.S. 70%+, in U.S. 35%+	Outside U.S. 70%+, in U.S. 35%+	20%
Tulane Law School	Yes	75%	95%	Less than 15%
UC Hastings	Yes			10%
University of Hawai'i	Yes	70%	85%	15%
University of Nebraska	No	95%	90%	100%
University of Texas	Yes			20%

students have from different countries.”

Sculli said Brooklyn Law offers group career programming for LL.M. and J.D. students that international students can participate in. It also has a major focus on individual attention.

“In my experience, other schools separate out LL.M.s a little bit more, where the LL.M.s might have their own career services office or resources separate from J.D.s,” said Frantz Price, Brooklyn Law’s LL.M. career counselor. “Whereas here, I like the fact

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that the career services for LL.M.s is very well integrated with the career services that are available to J.D.s. It is essentially one in the same. Any resource [for J.D.s], LL.M.s also have access to those resources. There's a very big emphasis on one-on-one individual counseling here, and the LL.M.s have the same access to that."

Individual attention is also paramount at Mississippi College School of Law, another one of the top-graded schools. Richard Meyer, director of the LL.M. program, said the school keeps its program small to ensure that each student's career goals are achieved. The largest class ever numbered 22.

The MC Law staff helps students identify the best practical experiences based on each student's individual goals.

"For example, I placed a student in a nationally renowned cyber investigations unit in the state attorney general's office because his goal was to return to his home country to serve as a cyber law legal adviser for investigations," Meyer said. "He then

returned home and was hired to create the same type of office for his national government."

Students who want to teach law can select coursework based in jurisprudential analysis, legal scholarship and teaching style.

For many students at both Mississippi College and Brooklyn Law School, sitting for and passing a state bar exam is a main goal, and one meant to help propel their careers forward, either in the U.S. or abroad. Both schools offer support for that.

At MC Law, LL.M. students take the same core classes as J.D. students and are graded on the same curve. Meyer assists the students in choosing the best jurisdiction in which to take the bar exam, and then he helps them prepare the required documents for eligibility.

Brooklyn Law offers a two-semester bar preparation course, with a midterm and final that simulate the bar itself.

The top schools for career support also have a strong focus on networking and

relationship building. At Brooklyn Law, international students can participate in a mentor program where they're paired with alumni working in their desired practice areas. LL.M.s are encouraged to mingle with their J.D. counterparts, who will soon be their colleagues.

At Mississippi College School of Law, students meet with small, medium and large law firms, plus they visit the state attorney general's office and judges at the trial, appellate and state Supreme Court levels, as well as the federal district and circuit court levels, all in the name of networking and learning which professional settings they prefer.

They also travel to Washington, D.C., to sit down with U.S. senators, members of Congress, the clerk of the U.S. Supreme Court and a top-10 law firm.

"In each of these experiences, we push the students into forming connections with the people they meet and then follow up the meeting with hand-written thank-you



Elisabeth Haub School of Law

PACE UNIVERSITY



Pace Law offers graduate programs designed to take lawyers to the next level. Whether you plan to specialize in environmental law with either our LLM in Environmental Law or SJD Program, qualify as an attorney in the United States with our LLM in Comparative Legal Studies, or expand your knowledge of U.S. law with our Visiting Scholar Program, our objective is the same – to prepare you for your life's work in the law.

Tulane Law School

cards,” Meyer said. “We have had students get excellent job offers because of the connections they made as part of this program.”



BEST VALUE LAW SCHOOLS

By Katie Thisdell

One way to get good value out of an education is to live in a smaller city with a lower cost of living.

That’s part of what University of



Idaho College of Law is counting on with its newly launched LL.M. program. The school is in Moscow, Idaho, a friendly college town with a population of 24,000.

Starting this fall, the program will welcome an average of 10 students per year, with fewer enrolling during the inaugural year, said Jeffrey Dodge, associate dean for

students and administration.

“We really think we can offer students an option that’s not available everywhere, that’s an affordable option with high-quality education,” Dodge said. “It’s so important to us nowadays. We don’t want students to carry debt loads to their futures.”

In determining the best value in LL.M.



LL.M. Degree Programs

Study Cutting Edge Law in the Heart of New York City!

- Banking, Corporate, and Finance Law
- Corporate Compliance
- Fashion Law
- Intellectual Property and Information Technology Law
- International Business and Trade Law
- International Dispute Resolution
- International Law and Justice
- U.S. Law



Flexible Programs

- Begin your studies in fall (August) or spring (January)
- Study full-time or part-time

Dual Concentration Program

Study for three semesters and get your LL.M. degree in any two areas of specialization.

Practical Training

Take advantage of clinics, externships, and drafting courses to reinforce your theoretical knowledge.

Short-term Programs

- Summer Institute
law.fordham.edu/summerinstitute
- Winter Institute
law.fordham.edu/winterinstitute

Students who complete the LL.M. program are generally eligible to sit for the New York State Bar.

law.fordham.edu/llm

Best Value Law Schools	Can LL.M. students participate in law journals?	Typical foreign student enrollment	% of students receiving a scholarship	Room/board costs for one-year LL.M.
------------------------	---	------------------------------------	---------------------------------------	-------------------------------------

A+				
Brigham Young University	No	10		\$12,088
Florida State University	Yes	10 to 15	100%	\$5,000
IU Bloomington (Maurer)	Yes	70	70%	\$10,186
IU McKinney School of Law	Yes	30	75%	\$11,000
McGeorge School of Law	Can submit, but not be on staff	20	80%	\$13,140
Mississippi College	No	10	75%	\$9,600
Regent University	Yes	3 to 5	54%	\$10,000
University of Idaho	No		100%	\$5,000
University of Iowa	Yes	6 to 10	50%	\$10,602
University of Nebraska	Yes		75%	\$15,000
University of Oklahoma	No	15	10 to 20%	\$13,420

A				
Georgia State University	No	29		\$12,410
Golden Gate University	Yes	30 to 35	90%	\$19,800
Loyola University New Orleans	No	4 to 16	68%	\$13,834
Ohio State University	Yes	35	80%	\$12,142
Thomas Jefferson School of Law	No	5	100%	\$8,496
Tulane Law School	Yes	45 to 65	80%	\$21,000
UNC School of Law	3	10	over 60%	\$13,500
University of Arkansas, Fayetteville	Yes	6 to 8	1%	\$5,000
University of Baltimore	No	40		18,000
University of Maryland	No	20 to 25	Over 50%	\$16,000
Wake Forest University	No	25	80%	\$10,000

programs, we looked at a mix of academic, cost and experience factors. Two factors were faculty tenure and international experience; two were about oversight of LL.M. students and mentorship; three were about classroom and extracurricular opportunities; and the remainder were about scholarships, room and board costs and tuition. We awarded A+'s to 11 schools, including University of Idaho, and A's to another 11 schools.

International Jurist's parent magazine, National Jurist, has also named University of Idaho a best value school for J.D. students.

Dodge, who ran an LL.M. program at his previous school, said University of Idaho's will be slightly different than what many schools offer. Instead of being geared toward the student who wants to learn

American law and qualify for the bar exam, the LL.M. program can be built around students' individual interests, with four concentrations: Democracy, Justice and the American Legal System; Natural Resources and Environmental Law; Business Law and Entrepreneurship; and Litigation and Alternative Dispute Resolution. (Only the American law track enables students to take a bar exam.)

Tenured faculty teaches more than 85 percent of the courses for LL.M. students. Aside from two courses, students are enrolled in the same courses as J.D. students, but they're graded separately.

Each foreign student will also be matched with a U.S. student for help navigating the law school.

Every LL.M. student will receive a scholarship in the program's inaugural year, and

perhaps longer, with the median scholarship being \$8,000. Dodge said this is to help the new program stay competitive, and to encourage students for the first couple of years. Funding is available through an out-of-state scholarship pool.

Almost every school being recognized as a best value LL.M. offers its foreign-educated attorney students scholarships, with 17 of the top 22 programs offering scholarships to more than 50 percent of students. Three schools give scholarships to 100 percent of their students: University of Idaho, Thomas Jefferson School of Law and Florida State University College of Law.

"We think we're really competitive," said David Landau, associate dean for international programs at Florida State University, which received an A+. "We have a number of scholarships that attract students all over the world."

About half of the LL.M. students at Florida State University are from Latin America and the Caribbean. The school is an attractive option to LL.M. candidates from the region because of a state scholarship that allows for in-state tuition rather than out-of-state.

This commitment to bringing tuition down to in-state levels through scholarships essentially halves the cost of each credit.

Because of its small size, the school is able to tailor courses to students' needs, as well as offer individualized class selection assistance and career counseling, Landau said. Since 2012, the school has been gradually expanding its program, with a target class size of 20 to 25 students; 10 to 15 are currently enrolled in any given semester.

A new LL.M. in business law, which launches next year, is expected to attract primarily international students, since it's for attorneys with very tailored career paths, Landau said.

"We've seen pretty significant demands from our students, so we're excited about that," he said.



LAW SCHOOL RANKING ¹	INSTITUTION	LLM TUITION	
		2016-17 (as listed online)	2017-18 (as listed online)
100	University of Hawai'i Law School	\$44,640 \$1,860 per credit	\$44,640 \$1,860 per credit
142	University of the Pacific McGeorge School of Law	\$30,240 (2017-18 Academic Year)	N/A
100	Florida International University Law School	N/A	\$20,180
96	Michigan State College of Law	\$1,350 per credit (2015-16 Academic Year)	\$1,432 per credit
76	University of Denver Sturm College of Law	\$1,547 per credit	\$1,623 per credit
54	University of Connecticut School of Law	\$28,560	N/A
48	University of Arizona Law School	\$29,000 Non-Resident	N/A
41	University of Florida College of Law	\$33,716 Non-Resident	N/A
30	University of Washington School of Law	\$38,019	N/A
30	University of Wisconsin Law School	\$33,500 (2015-16 Academic Year)	N/A

¹ Based on the 2017 US News and World Report



UNIVERSITY OF HAWAII
of HAWAII
BOARD OF REGENTS

Office of the Vice President for Community Colleges

SYSTEM
17 MAY -9 18:50

RECEIVED

April 3, 2017

17 APR -3 09:16

MEMORANDUM

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

TO: Jan Sullivan
Chair, Board of Regents

VIA: David Lassner
President

VIA: Risa Dickson
Vice President for Academic Planning and Policy

FROM: John Morton
Vice President for Community Colleges

SUBJECT: REQUEST TO ESTABLISH HIGHER RATE AS STANDARD FOR
COMMUNITY COLLEGE UPPER DIVISION COURSES

SPECIFIC ACTION REQUESTED:

To establish the upper division tuition rate as standard for all community college upper division courses except for those courses required as part of an Associate Degree.

RECOMMENDED EFFECTIVE DATE:

Fall 2017 for the recently approved Advance Professional Certificate in Special Education at Leeward Community College. Fall 2018 for students in the existing Advanced Professional Certificate programs with the proviso that students enrolled in those programs prior to Fall 2018 will continue to pay the lower tuition rate until they graduate or leave the program.

ADDITIONAL COST:

Not applicable

PURPOSE:

The University of Hawaii Community Colleges (UHCC) would like to ensure consistency of tuition rates for the upper division courses offered at the UHCC colleges. The exception would be those upper division courses required for the AS degree.

Jan Sullivan
April 3, 2017
Page two

BACKGROUND:

UH Maui College is the only community college authorized to charge upper division tuition for its upper division courses included in the BAS degrees offered by the college. However, Honolulu, Kapi'olani, and Leeward Community Colleges as part of their Advanced Professional Certificates also offer upper division courses. This request will ensure consistency of tuition for upper division courses offered at the community colleges. Students in these advanced programs would pay the same rate as the current UH Maui College upper division rate, a rate that is consistent with the credit hour rate for UH Hilo and UH West O'ahu.

The higher rates would not be applied to upper division courses required by the Associate in Science degrees. Implementation of the higher rate for the recently approved Leeward Community College Advanced Professional Certificate in Special Education will be Fall 2017. Implementation of the higher rate for the existing programs will apply to students entering the programs in Fall 2018. Students enrolled in these programs prior to Fall 2018 will continue to pay the lower rate until they complete or leave the program.

ACTION RECOMMENDED:

Approval is requested to change the tuition schedule to reflect this change in tuition for upper division courses offered at the UH Community Colleges. The proposed changes to the tuition table are attached.

Attachment:

UH Tuition for Undergraduate and Graduate (Proposed, dated 3/29/2017)

University of Hawai'i Tuition¹
UNDERGRADUATE AND GRADUATE (PROPOSED)
PER-CREDIT-HOUR AND FULL-TIME SEMESTER TUITION SCHEDULE, ALL CAMPUSES

	Academic Years															
	2016-2017				2017-2018				2018-2019				2019-2020			
	Resident		Nonresident		Resident		Nonresident		Resident		Nonresident		Resident		Nonresident	
	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT
UH MĀNOA²																
Undergraduate	453	5,436	1,371	16,452	453	5,436	1,371	16,452	462	5,544	1,380	16,560	471	5,652	1,389	16,668
Graduate	637	7,644	1,532	18,384	637	7,644	1,532	18,384	650	7,800	1,545	18,540	663	7,956	1,558	18,696
UH HILO²																
Undergraduate	300	3,600	840	10,080	300	3,600	840	10,080	303	3,636	843	10,116	306	3,672	846	10,152
Graduate	479	5,748	1,097	13,164	479	5,748	1,097	13,164	484	5,808	1,102	13,224	489	5,868	1,107	13,284
UH WEST O'AHU²	300	3,600	840	10,080	300	3,600	840	10,080	303	3,636	843	10,116	306	3,672	846	10,152
UH COMMUNITY COLLEGES²																
Lower Division	126	NA	340	NA	126	NA	340	NA	126.50	NA	342.50	NA	131	NA	345	NA
300 Level and Above ³	300	NA	840	NA	300	NA	840	NA	303	NA	843	NA	306	NA	846	NA

¹ All students are subject to campus-based student fees not shown here.

² Full-time (FT) tuition applies to students enrolling for 12 or more credits at UHM, UHH, and UHWO. At the Community Colleges, tuition is charged on a per-credit basis for all enrolled credits effective 2001-02. In accordance with University concurrent enrollment policy, students enrolling at multiple institutions/campuses during the same term pay the applicable tuition at each campus. Unless a special tuition schedule applies, regular day tuition applies to any credit course offered throughout the year for which a General Fund appropriation is authorized. Undergraduate resident and nonresident students enrolled in nursing, dental hygiene, business, and other UHCC health programs also pay a professional fee (separate fee schedule). Undergraduate/Graduate resident and nonresident students enrolled in the architecture program at UHM also pay a professional fee (separate fee schedule).

³ This rate applies to: 1) upper division courses in UH Maui College's four-year degree program; 2) Leeward Community College's Advanced Professional Certificate in Special Education (APC), effective Fall 2017; 3) existing APC programs offered at other UHCC campuses, effective Fall 2018. Students enrolled in the program prior to Fall 2018 will continue to pay the lower division rate until they complete or leave the program; 4) upper division courses that are part of new programs established after Fall 2018. This higher rate does not apply to upper division courses that are needed for Associate of Science or Associate of Arts degrees.

2016-17 approved by the Board of Regents on October 26, 2011, and last amended on May 21, 2015. 2017-18 to 2019-20 approved by BOR on July 21, 2016; last amended on April 20, 2017.

University of Hawai'i Tuition¹
SELECT ADVANCED PROFESSIONAL PROGRAMS
PER-CREDIT-HOUR AND FULL-TIME SEMESTER TUITION SCHEDULE

	Academic Years															
	2016–2017				2017–2018				2018–2019				2019–2020			
	Resident		Nonresident		Resident		Nonresident		Resident		Nonresident		Resident		Nonresident	
	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT	Per SH	FT
UH MĀNOA²																
Graduate Business (Master's) ³	887	10,644	1,598	19,176	887	10,644	1,598	19,176	887	10,644	1,598	19,176	887	10,644	1,598	19,176
Graduate Education (EdD)	701	8,412	1,595	19,140	701	8,412	1,595	19,140	701	8,412	1,595	19,140	701	8,412	1,595	19,140
Graduate Nursing	1,001	12,012	1,896	22,752	1,001	12,012	1,896	22,752	1,001	12,012	1,896	22,752	1,001	12,012	1,896	22,752
Law																
JD	933	11,196	1,909	22,908	933	11,196	1,909	22,908	933	11,196	1,909	22,908	933	11,196	1,909	22,908
LLM	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320	1,860	22,320
Medicine	1,528	18,336	2,972	35,664	1,528	18,336	2,972	35,664	1,528	18,336	2,972	35,664	1,528	18,336	2,972	35,664
UH HILO²																
Graduate Nursing	781	9,372	1,558	18,696	781	9,372	1,558	18,696	789	9,468	1,566	18,792	797	9,564	1,574	18,888
Pharmacy	974	11,688	1,680	20,160	984	11,808	1,690	20,280	994	11,928	1,700	20,400	1,004	12,048	1,710	20,520

¹ All students are subject to campus-based student fees not shown here.

² Full-time (FT) tuition applies to students enrolling for 12 or more credits. In accordance with University concurrent enrollment policy, students enrolling at multiple institutions/campuses during the same term pay the applicable tuition at each campus. Unless a special tuition schedule applies, regular day tuition applies to any credit course offered throughout the year for which a General Fund appropriation is authorized.

³ The CBA master's degrees offered in executive format charge the resident tuition established here plus additional fees delegated to and approved by the President.

2016-17 approved by the Board of Regents on October 26, 2011, and last amended on May 21, 2015. 2017-18 to 2019-20 approved by BOR on July 21, 2016.

**University of Hawai'i Tuition
PROFESSIONAL FEES¹, PER STUDENT, PER SEMESTER**

	Academic Years			
	2016–2017	2017–2018	2018–2019	2019–2020
UH MĀNOA				
Undergraduate Business	\$500	\$500	\$500	\$500
Undergraduate Nursing ²	\$1,000	\$1,000	\$1,000	\$1,000
Undergraduate Dental Hygiene ²	\$500	\$500	\$500	\$500
Undergraduate/Graduate Architecture ³	\$500	\$500	\$500	\$500
Undergraduate Engineering ⁴	\$500	\$500	\$500	\$500
UH HILO				
Undergraduate Nursing	\$500	\$500	\$500	\$500
UH COMMUNITY COLLEGES				
Undergraduate Culinary Programs ⁵	up to \$250	up to \$250	up to \$250	up to \$250
Undergraduate Veterinary Program ⁶	\$100 / \$300	\$100 / \$300	\$100 / \$300	\$100 / \$300
Undergraduate Nursing	up to \$500	up to \$500	up to \$500	up to \$500
Other Health Programs	up to \$500	up to \$500	up to \$500	up to \$500

¹ The professional fees are charged in addition to applicable regular undergraduate tuition and student fees and are the same for residents and nonresidents.

² Nursing and dental hygiene students are charged for no more than six semesters after admission to the program.

³ The architecture professional fee is charged throughout the 7-year program in addition to applicable tuition.

⁴ The undergraduate engineering fee is charged to students of sophomore, junior, or senior standing only.

⁵ The UHCC culinary program professional fee was approved by the Board of Regents in July 2012. The fee will be prorated for part-time students.

⁶ The professional fees schedule for Windward CC's veterinary program was approved by the Board of Regents in February 2012. Certificate of Achievement in Veterinary Assisting (1st year) students are charged \$100/semester (effective spring 2013). Associate of Science in Veterinary Technology (2nd year) students are charged \$300/semester (effective fall 2012).

Requirements for Changes to Professional Fee Schedule

- Approval of the UH President must be obtained at least one semester in advance.
- Increases are capped at the rate of resident undergraduate tuition increases for a particular academic year. For example, if the rate of increase for resident undergraduate tuition at a campus is three percent, professional fees can be increased up to a maximum of three percent for that same academic year.
- All fees are to be re-evaluated annually by the campus.

2016-17 approved by the Board of Regents on October 26, 2011, and last amended on May 21, 2015. 2017-18 to 2019-20 approved by BOR on July 21, 2016.

**University of Hawai'i Tuition
CONTINUING EDUCATION AND COMMUNITY SERVICE PER-CREDIT-HOUR TUITION SCHEDULE**

	Academic Years							
	2016–2017		2017–2018		2018–2019		2019–2020	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
UH MĀNOA OUTREACH COLLEGE¹								
Undergraduate ²	453	1,371	453	1,371	462	1,380	471	1,389
Graduate	637	1,532	637	1,532	650	1,545	663	1,558
Graduate Business ³	887	1,598	887	1,598	887	1,598	887	1,598
Graduate Education (EdD)	701	1,595	701	1,595	701	1,595	701	1,595
Graduate Education (MEd Private School Leadership) ⁴	600	600	600	600	600	600	600	600
Graduate Nursing	1,001	1,896	1,001	1,896	1,001	1,896	1,001	1,896
Law								
JD	933	1,909	933	1,909	933	1,909	933	1,909
LLM	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860
UH HILO CCECS¹								
Undergraduate	300	840	300	840	303	843	306	846
Graduate	479	1,097	479	1,097	484	1,102	489	1,107
Graduate Nursing	781	1,558	781	1,558	789	1,566	797	1,574

¹ At all campuses, tuition is not charged for credit courses subsidized under contractual agreements. In accordance with University concurrent enrollment policy, students enrolling at multiple institutions/campuses during the same term pay the applicable tuition at each campus.

² Undergraduate resident and nonresident nursing students at UHM enrolled in the regular programs pay a professional fee (see separate fee schedule). Professional fees will be charged unless waived by the department.

³ The CBA master's degrees offered in executive format charge the resident tuition established here plus additional fees delegated to and approved by the President.

⁴ The MEd in Private School Leadership was approved by the President in spring 2015.

2016-17 approved by the Board of Regents on October 26, 2011, and last amended on May 21, 2015. 2017-18 to 2019-20 approved by BOR on July 21, 2016.

University of Hawai'i Tuition
APPRENTICE AND JOURNEY WORKER PER-CLOCK-HOUR TUITION SCHEDULE

	Academic Years			
	2016-2017	2017-2018	2018-2019	2019-2020
UH COMMUNITY COLLEGES	.50	.50	.50	.50

2016-17 approved by the Board of Regents on October 26, 2011, and last amended on May 21, 2015. 2017-18 to 2019-20 approved by BOR on July 21, 2016.



UNIVERSITY of HAWAII SYSTEM

UNIVERSITY OF HAWAII BOARD OF REGENTS

17 MAY 10 P1:48

March 30, 2017

UNIVERSITY OF HAWAII PRESIDENT'S OFFICE

17 APR -3 AM 1:23

RECEIVED

MEMORANDUM

TO: Benjamin Asa Kudo, Chair Committee on Budget and Finance
VIA: David K. Lassner, President
FROM: Risa E. Dickson, Vice President for Academic Planning and Policy
SUBJECT: Request to Approve Revisions to RP 6.208 Board Exemptions to Non-Resident Tuition

SPECIFIC ACTIONS RECOMMENDED:

It is recommended that the Board of Regents approve the following revisions to RP 6.208 Board Exemptions to Non-Resident Tuition in order to comply with Public Law 114-315 which modifies 38 U.S.C. 3679(c).

RECOMMENDED EFFECTIVE DATE:

Upon approval.

PURPOSE:

The purpose is to update RP 6.208 III.B.6.-8. and add B.9. to comply with Public Law 114-315. The updates to B.6.-8. are to comply with Veteran Administration guidance. The edit to B8. removes requirements deleted from previous federal law. The addition of B9. is to add a category mandated by Public Law 114-315.

ACTION RECOMMENDED:

It is recommended that the Board of Regents approve the proposed changes to RP 6.208 Board Exemptions to Non-Resident Tuition.

- Attachments: Current RP 6.208 Board Exemptions to Non-Resident Tuition
Proposed RP 6.208 Board Exemptions to Non-Resident Tuition (track change version)
Proposed RP 6.208 Board Exemptions to Non-Resident Tuition (clean format)



Regents Policy Chapter 6, Tuition, Financial Assistance, and Fees
Regents Policy RP 6.208, Board Exemptions to Non-Resident Tuition
Effective Date: May 21, 2015
Prior Dates Amended: June 16, 2006; Nov. 16, 2006; Oct. 31, 2014 (recodified)
Review Date: August 2018

I. Purpose

To set forth policy regarding exemptions to non-resident tuition.

II. Definitions

No policy specific or unique definitions apply.

III. Policy

A. The students affected by the following guidelines are classified as non-residents for admission and tuition purposes. In accordance with board policy, nonresident students are admitted on a space available basis with the understanding that priority for admission is given to qualified residents.

B. The following categories of students will receive a waiver of the nonresident tuition differential:

1. East-West Center student grantees pursuing baccalaureate or advanced degrees;
2. United States military personnel stationed in Hawai'i on active duty, and their authorized dependents during the period that the personnel are stationed in Hawai'i;
3. Members of the Hawai'i National Guard and the Hawai'i Reserves;
4. Native Hawaiians whose domicile is outside of Hawai'i;
5. Employees of the university, their spouses, and their dependents;
6. Veterans of the United States Armed Forces eligible to use Post 9/11 GI Bill or Montgomery GI Bill Active Duty educational benefits, who live in Hawai'i, and enroll at

the university within three years of discharge from a period of active duty service of 90 days or more;

7. Individuals eligible to use transferred Post 9/11 GI Bill or Montgomery GI Bill Active Duty educational benefits, who live in Hawai'i, and enroll at the university within three years of the transferor's discharge from a period of active duty service of 90 days or more.

Individuals eligible to use Post 9/11 GI Bill educational benefits under the Marine Gunnery Sergeant John David Fry Scholarship, who live in Hawai'i, and enroll at the university within three years of the servicemember's death in the line of duty following a period of active duty service of 90 days or more.

C. With the written approval of the chancellor, campuses may, for those nonresident students whose special talents and/or unique skills will make a significant contribution to campus life, exempt the nonresident portion of tuition. If instituted, the total number of exemptions granted in any given year should be established in accordance with the campus's strategic enrollment management goals, not exceed two percent of campus enrollment in any given year, and be reviewed/promulgated on a biennial basis.

D. Citizens from an eligible Pacific Island district, commonwealth, territory, or insular jurisdiction, state or nation which provides no public higher education institution granting baccalaureate degrees are charged 150 percent of the resident tuition rate. The Office of the President updates and distributes the list of eligible Pacific Island jurisdictions.

IV. Delegation of Authority

There is no policy specific delegation of authority.

V. Contact Information

Office of the Vice President for Academic Affairs, 956-7075, risad@hawaii.edu

VI. References

- A. <http://www.hawaii.edu/offices/bor/>
- B. EP 6.207

Approved:

approved as to Form:

Cynthia Quinn Date
Executive Administrator and Secretary of the Board of Regents



Regents Policy Chapter 6, Tuition, Financial Assistance, and Fees
Regents Policy RP 6.208, Board Exemptions to Non-Resident Tuition
Effective Date: May 21, 2015
Prior Dates Amended: June 16, 2006; Nov. 16, 2006; Oct. 31, 2014 (recodified)
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B. The following categories of students will receive a waiver of the nonresident tuition differential:

1. East-West Center student grantees pursuing baccalaureate or advanced degrees;
2. United States military personnel stationed in Hawai'i on active duty, and their authorized dependents during the period that the personnel are stationed in Hawai'i;
3. Members of the Hawai'i National Guard and the Hawai'i Reserves;
4. Native Hawaiians whose domicile is outside of Hawai'i;
5. Employees of the university, their spouses, and their dependents;
6. Veterans ~~of the United States Armed Forces~~ eligible to use Post 9/11 GI Bill or Montgomery GI Bill Active Duty Program educational benefits, who live in Hawai'i, and

enroll at the University within three years of discharge or release from a period of active duty service of 90 days or more;

7. Individuals eligible to use transferred Post 9/11 GI Bill ~~or Montgomery GI Bill Active Duty~~ educational benefits, who live in Hawai'i, and enroll at the University within three years of the transferor's discharge or release from a period of active duty service of 90 days or more.

~~8. Individuals eligible to use Post 9/11 GI Bill educational benefits under the Marine Gunnery Sergeant John David Fry Scholarship, who live in Hawai'i, and enroll at the university within three years of the servicemember's death in the line of duty following a period of active duty service of 90 days or more.~~

~~9. Individuals eligible to use transferred Post 9/11 GI Bill educational benefits, who live in Hawai'i, and whose transferor is a member of the uniformed service who is serving on active duty.~~

C. With the written approval of the chancellor, campuses may, for those nonresident students whose special talents and/or unique skills will make a significant contribution to campus life, exempt the nonresident portion of tuition. If instituted, the total number of exemptions granted in any given year should be established in accordance with the campus's strategic enrollment management goals, not exceed two percent of campus enrollment in any given year, and be reviewed/promulgated on a biennial basis.

D. Citizens from an eligible Pacific Island district, commonwealth, territory, or insular jurisdiction, state or nation which provides no public higher education institution granting baccalaureate degrees are charged 150 percent of the resident tuition rate. The Office of the President updates and distributes the list of eligible Pacific Island jurisdictions.

IV. Delegation of Authority

There is no policy specific delegation of authority.

V. Contact Information

Office of the Vice President for Academic Affairs, 956-7075, risad@hawaii.edu

VI. References

- A. <http://www.hawaii.edu/offices/bor/>
- B. EP 6.207

Approved:

approved as to Form:

Cynthia Quinn Date
Executive Administrator and Secretary of the Board of Regents



Regents Policy Chapter 6, Tuition, Financial Assistance, and Fees
Regents Policy RP 6.208, Board Exemptions to Non-Resident Tuition
Effective Date: May 21, 2015
Prior Dates Amended: June 16, 2006; Nov. 16, 2006; Oct. 31, 2014 (recodified)
Review Date: August 2018

I. Purpose

To set forth policy regarding exemptions to non-resident tuition.

II. Definitions

No policy specific or unique definitions apply.

III. Policy

A. The students affected by the following guidelines are classified as non-residents for admission and tuition purposes. In accordance with board policy, nonresident students are admitted on a space available basis with the understanding that priority for admission is given to qualified residents.

B. The following categories of students will receive a waiver of the nonresident tuition differential:

1. East-West Center student grantees pursuing baccalaureate or advanced degrees;
2. United States military personnel stationed in Hawai'i on active duty, and their authorized dependents during the period that the personnel are stationed in Hawai'i;
3. Members of the Hawai'i National Guard and the Hawai'i Reserves;
4. Native Hawaiians whose domicile is outside of Hawai'i;
5. Employees of the university, their spouses, and their dependents;

6. Veterans eligible to use Post 9/11 GI Bill or Montgomery GI Bill Active Duty Program educational benefits, who live in Hawai'i, and enroll at the University within three years of discharge or release from a period of active duty service of 90 days or more;

7. Individuals eligible to use transferred Post 9/11 GI Bill educational benefits, who live in Hawai'i, and enroll at the University within three years of the transferor's discharge or release from a period of active duty service of 90 days or more.

8. Individuals eligible to use educational benefits under the Marine Gunnery Sergeant John David Fry Scholarship, who live in Hawai'i.

9. Individuals eligible to use transferred Post 9/11 GI Bill educational benefits, who live in Hawai'i, and whose transferor is a member of the uniformed service who is serving on active duty.

C. With the written approval of the chancellor, campuses may, for those nonresident students whose special talents and/or unique skills will make a significant contribution to campus life, exempt the nonresident portion of tuition. If instituted, the total number of exemptions granted in any given year should be established in accordance with the campus's strategic enrollment management goals, not exceed two percent of campus enrollment in any given year, and be reviewed/promulgated on a biennial basis.

D. Citizens from an eligible Pacific Island district, commonwealth, territory, or insular jurisdiction, state or nation which provides no public higher education institution granting baccalaureate degrees are charged 150 percent of the resident tuition rate. The Office of the President updates and distributes the list of eligible Pacific Island jurisdictions.

IV. Delegation of Authority

There is no policy specific delegation of authority.

V. Contact Information

Office of the Vice President for Academic Affairs, 956-7075, risad@hawaii.edu

VI. References

- A. <http://www.hawaii.edu/offices/bor/>
- B. EP 6.207

Approved:

approved as to Form:

Cynthia Quinn Date
Executive Administrator and Secretary of the Board of Regents



UNIVERSITY OF HAWAII
UNIVERSITY BOARD OF REGENTS
of HAWAII

Division of Student Affairs
Office of the Vice Chancellor for Student Affairs

HILO MAY -9 AM 5T

May 4, 2017

TO: Benjamin Kudo
Chair, Board of Regents Budget and Finance Committee

VIA: David Lassner, President
University of Hawai'i System *David Lassner*

VIA: Donald Straney *Chancellor Straney*
Chancellor, University of Hawai'i at Hilo

FROM: Farrah-Marie Gomes *Farrah-Marie Gomes*
Vice Chancellor for Student Affairs, University of Hawai'i at Hilo

SUBJECT: APPROVAL TO REPRICE AND INCREASE UNIVERSITY HOUSING RATES AT THE UNIVERSITY OF HAWAII AT HILO, APPROVAL TO INCREASE MEAL PLAN RATE

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

17 MAY -9 AM 1:07

RECEIVED

SPECIFIC ACTION REQUIRED:

University Housing at the University of Hawai'i at Hilo (UH Hilo) is requesting approval to reprice student housing rates in fiscal year 2017-2018 and increase student housing rates by no more than 5% each year for up to two additional years, as determined by the Chancellor, beginning in fiscal year 2018-2019 and ending in fiscal year 2019-2020. Repricing in fiscal year 2017-2018 includes an 18% decrease for Hale 'Alahonua and a 5% increase for Hale 'Ikena, with all other halls remaining unchanged.

In addition, University Housing is requesting approval to increase meal plan rates by no more than 4% each year beginning in fiscal year 2017-2018 and ending in fiscal year 2019-2020.

RECOMMENDED EFFECTIVE DATE:

The recommended effective date for the housing rate repricing is July 1, 2017. The recommended effective date for the no more than 5% housing rate increase is July 1, 2018. The recommended effective date for the no more than 4% meal plan rate increase is July 1, 2017.

ADDITIONAL COST:

To keep pace with increased occupancy over the three-year period, overall expenses are expected to increase by \$364,222. During this period, the proposed rate changes and increased occupancy are expected to yield an additional \$772,772, which is sufficient to cover all annual expenses each year, including debt service (Attachment A and Attachment B).

PURPOSE:

University Housing sets forth this proposal as a plan to address a business problem. We seek authorization to reprice and increase student housing rates to (1) balance rates based on demand, (2) increase occupancy, and (3) pay debt service for Hale 'Alahonua. Plans representing an 18% decrease for Hale 'Alahonua and a 5% increase for Hale 'Ikena in 2017-2018 and no more than 5% increases in 2018-2019 and 2019-2020 are illustrated in Attachment C and Attachment D.

Incremental increases of no more than 4% for meal plan rates from 2017-2018 and 2019-2020 are also included in this proposal (Attachment E). The increases are intended to adjust for inflation and other rising costs associated with residential dining operations.

BACKGROUND INFORMATION:

University Housing is guided by the UH System Board of Regents Policy, Chapter 7, Section 5, which states that the goal of a student housing program should be "to provide reasonable levels of accommodations for students who are residents of the state." It further states that student housing should fulfill both educational and management objectives, including ensuring students' health, safety and security.

University Housing offers on-campus housing to registered full-time UH Hilo and Hawai'i Community College students. We manage four residence halls with 722 beds and an apartment complex with 205 beds. Hale 'Alahonua added 300 beds to our residential portfolio when it was built in 2012.

Housing Rates

(1) Balance rates based on demand

University Housing plans to adjust the Hale 'Alahonua room rate downward and the Hale 'Ikena room rate upward to better reflect student demand in these two halls.

Prior to the addition of Hale 'Alahonua, total occupancy for University Housing ranged from a high of 99% to a low of 90% between Fall 2010 and Spring 2013. Lower than expected occupancy in Hale 'Alahonua has reduced the overall occupancy rate for University Housing. Between Fall 2013 and Spring 2017, total occupancy for University Housing ranged from a high of 79% to a low of 65%.

Rental rates for Hale 'Alahonua were \$3,500 per semester in its first and second year of operation; occupancy for the fall semesters of these years was 57% and 67%, respectively. The room rate increased to \$3,675 and occupancy dropped to 39% in Fall 2015; the room rate increased to \$3,859 and occupancy increased to 49% in Fall 2016.

Residents in Hale 'Alahonua enjoy their own private bedroom and shared bathroom. Residents of Hale 'Alahonua have the largest student life area/lounge that include multiple small study rooms, an air conditioned theater room, resident kitchen area, recreation room and a variety of lounging options.

Hale 'Ikena is the only apartment style housing unit in our portfolio. The apartments are furnished with common space furniture, refrigerator, and stove. A meal plan is not required for Hale 'Ikena residents. On average, Hale 'Ikena two-bedroom apartments have a wait-list of over 100 students each semester.

To develop this proposal, University Housing conducted analyses of student housing options at competing colleges and universities (**Attachment F**) as well as student housing options in the Hilo and surrounding community (**Attachment G**). When factoring in elements of convenience of an on-campus location, close to classes and other educational services, and access to services like 24/7 security and parking, the proposed repricing rates are competitive for both Hale 'Alahonua and Hale 'Ikena.

(2) Increase Occupancy

Prior to the addition of Hale 'Alahonua, University Housing had a maximum capacity of 627 beds. Student demand for beds has generally exceeded this number each semester since then, demonstrating that additional beds were needed. However, student demand has not kept pace with the target for University Housing to be self-sustaining at the increased bed capacity.

A comprehensive student housing survey administered in April 2017 to all UH Hilo students identified the top three reasons why students would not live on campus: (1) too expensive, (2) meal plan required, and (3) prefer to have a private bedroom. (Please see **Attachment H**, labeled "Executive Summary: UH Hilo Student Housing Needs Survey, April 2017.")

Decreasing the rate for Hale 'Alahonua by \$709 per semester directly addresses the number one reason students chose not live on campus. Hale 'Alahonua, comprised only of suites with private bedrooms, directly addresses the number three reason. Based on the responses to the survey, this proposed plan makes Hale 'Alahonua even more attractive than when it was first added to our portfolio in 2013.

(3) Pay Debt Service for Hale 'Alahonua

This proposal includes an aggressive strategy of recruiting additional students each year to live in Hale 'Alahonua: 30 students in fiscal year 2017-2018, 60 students in fiscal year 2018-2019, and 90 students in fiscal year 2019-2020. Under this strategy, University Housing would be able to cover the annual debt service beginning in the second year of this proposal period.

University Housing intends to utilize the proposed repricing to better market on-campus housing, especially at Hale 'Alahonua. University Housing recently hired a marketing specialist to assist with development of a comprehensive marketing plan for student housing. This will include in-reach and out-reach to ensure that both current and prospective students are aware of on-campus housing opportunities.

Meal Plan Rates

Sodexo America, LLC (Sodexo) holds the food service contract for University Housing through June 30, 2020, and has requested an annual 4% increase over the next three years to keep pace with increasing operating costs. This proposal allows Sodexo to maintain the same quality of current service and uninterrupted hours for residential dining.

Currently, Sodexo offers three meal plans with all meals only available in the Hale Kehau Dining Hall. Plan A includes 7 meals per week for a total of 122 per semester. Plan B includes 10 meals per week for a total of 175 per semester. Plan C includes 14 meals per week for a total of 245 per semester. In response to preliminary student feedback and as a pilot for Hale 'Alahonua residents, University Housing worked with Sodexo to develop a fourth meal plan, Plan D. This plan removes the weekly allocation of meals and allows students the flexibility to choose when they want to eat 175 meals during the semester.

Plan D also adds the flexibility for residents to eat their meals at either the Hale Kehau Resident Dining Hall or the Campus Center Dining Hall, which is much closer to Hale 'Alahonua.

Sodexo and University Housing will monitor implementation and utilization of Plan D, and then analyze student feedback to determine feasibility of offering this plan to all residents. This meal plan proposal includes the option to offer Plan D to all residents in fiscal years 2018-2019 and 2019-2020.

In a survey administered to Hale 'Alahonua residents, almost half of the residents (49%) reported they had food delivered to them at some time this past school year (Attachment I). When given the option of lunch or dinner delivery from the Hale Kehau dining hall, a vast majority of respondents (86%) indicated that they would like to have dinner delivery available. Sodexo is in preliminary agreement and has begun conversations with University Housing to provide delivery of dinner to Hale 'Alahonua residents on weeknights.

Student Consultation

UH Hilo continues to honor shared governance when making important administrative decisions, which impact students. As such, UH Hilo administration first engaged in consultation with student leaders, then with the general student population about the proposed rate increases for student housing.

Consultation was conducted in the following ways: (1) UH Hilo Student Association (UHSA) Executive Committee meeting, April 2017; (2) Six Town Hall meetings in the Residence Halls, April 2017; (3) Town Hall meeting on the main UH Hilo campus, April 2017; (4) UH Hilo Student Housing Needs Survey, April 2017; and (5) Hale 'Alahonua Housing Survey, April 2017.

Questions and feedback were solicited throughout the consultation process. Students were encouraged to contact the Vice Chancellor for Student Affairs, Farrah-Marie Gomes, or the Director of University Housing, Miles Nagata, with additional comments or concerns. The primary concerns raised were related to meal plans, improvements and upgrades, and whether financial aid would be increased sufficiently to cover the rising housing rates.

An average of room rates is used for calculation of on-campus housing in the cost of attendance formula. Proposed repricing for fiscal year 2017-2018 does not require a repackaging of financial aid for students who have already been awarded. We have confirmed with our Financial Aid Office that any rate changes will be reflected in the future cost of attendance calculations used to determine students' financial aid awards.

Current and future initiatives

Several initiatives are already underway as a result of on-going conversations with residents. For example, over the summer, wireless access will be upgraded in two halls; all of the access points in Hale 'Ikena will be replaced and the number of access points in Hale 'Alahonua will increase by 200% from 15 access points to 45 access points.

University Housing has launched a search to permanently fill the Associate Director of Residence Life position in order to meet its educational objectives. This leadership role has been filled on an interim basis since 2015. A key responsibility for this position will be to increase programming in the residence halls that engages students with their faculty and within their major.

Improvements to the University Housing website are being made and a strategy for enhancing communication with residents is being developed in order to enhance marketing efforts.

ACTION RECOMMENDED:

It is recommended that the Board of Regents authorize University Housing at the University of Hawai'i at Hilo to reprice student housing rates in fiscal year 2017-2018 and increase student housing rates by up to 5% each year for up to two additional years, as determined by the Chancellor, beginning in fiscal year 2018-2019 and ending in fiscal year 2019-2020.

It is also recommended that the Board of Regents authorize University Housing at the University of Hawai'i at Hilo to increase meal plan rates by no more than 4% each year beginning in fiscal year 2017-2018 and ending in fiscal year 2019-2020.

cc: Cynthia Quinn, Executive Administrator and Secretary of the Board of Regents

Attachments (9)

Attachment A, "UH Hilo University Housing Revenues and Expenditures: Zero Percent Annual Rate Increase, 2017-2010"

Attachment B, "UH Hilo University Housing Revenues and Expenditures: Repricing 2017 and Five Percent Annual Rate Increase, 2018-2020"

Attachment C, "UH Hilo University Housing Proposed Semester Rates"

Attachment D, "UH Hilo University Housing Proposed Summer Rates"

Attachment E, "UH Hilo University Housing Proposed Meal Plan Rates"

Attachment F, "UH Hilo University Housing Comparisons: Competing Colleges and Universities in Hawaii"

Attachment G, "UH Hilo University Housing Comparisons: Hilo Rentals"

Attachment H, "Executive Summary: UH Hilo Student Housing Needs Survey, April 2017"

Attachment I, "Executive Summary: Hale 'Alahonua Housing Survey, April 2017"

ATTACHMENT A
UH HILO UNIVERSITY HOUSING REVENUES & EXPENDITURES
Zero Percent Annual Rate Increase, 2017-2020

	2016-17	2017-18	2018-19	2019-20
REVENUES	Current	Proposed	Proposed	Proposed
Room Rental	\$3,313,250	\$3,313,250	\$3,313,250	\$3,313,250
Other Income	\$138,411	\$141,231	\$144,136	\$147,127
Total Revenues	\$3,451,661	\$3,454,481	\$3,457,386	\$3,460,377
EXPENDITURES				
Personnel Services	\$ 457,277	\$ 507,483	\$ 522,707	\$ 538,389
Utilities	\$ 498,514	\$ 513,469	\$ 528,873	\$ 544,740
Repair and Maintenance	\$ 72,000	\$ 74,160	\$ 76,385	\$ 78,676
Other Personal Services	\$ 357,395	\$ 368,117	\$ 379,160	\$ 390,535
Student Payroll	\$ 375,763	\$ 409,582	\$ 424,369	\$ 437,100
Material and Supplies	\$ 99,960	\$ 102,959	\$ 106,048	\$ 109,229
Bank Services Charges	\$ 10,511	\$ 10,826	\$ 11,151	\$ 11,486
Furniture and Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Travel and Subsistence	\$ 17,160	\$ 17,160	\$ 17,160	\$ 17,160
Other Current Charges	\$ 16,321	\$ 16,811	\$ 17,315	\$ 17,834
Total Expenditures	\$ 1,914,900	\$ 2,030,566	\$ 2,093,169	\$ 2,155,149
NET REVENUES	\$1,536,761	\$1,423,915	\$1,364,217	\$1,305,228
DEBT SERVICE				
Debt Service Payment	\$1,303,745	\$1,279,130	\$1,278,578	\$1,279,092
Campus Reallocation	-\$397,707	-\$200,000	\$0	\$0
Net Debt Service Payment	\$906,038	\$1,079,130	\$1,278,578	\$1,279,092
Transfers				
Transfer Out - R&R	\$630,722	\$344,785	\$85,639	\$26,136
Transfer - In R&R				
Transfer - IN - Internal				
Surplus (Shortfall)	\$0	\$0	\$0	\$0

ATTACHMENT B
UH HILO UNIVERSITY HOUSING REVENUES & EXPENDITURES
Repricing 2017 and 5% Annual Rate Increase, 2018-2020

	2016-17	2017-18	2018-19	2019-20
REVENUES	Current	Proposed	Proposed	Proposed
Room Rental	\$3,313,250	\$3,342,916	\$3,696,606	\$4,077,306
Other Income	\$138,411	\$141,231	\$144,136	\$147,127
Total Revenues	\$3,451,661	\$3,484,147	\$3,840,742	\$4,224,433
 EXPENDITURES				
Personnel Services	\$ 457,277	\$ 507,483	\$ 522,707	\$ 538,389
Utilities	\$ 498,514	\$ 536,319	\$ 575,941	\$ 617,482
Repair and Maintenance	\$ 72,000	\$ 74,160	\$ 76,385	\$ 78,676
Other Personal Services	\$ 357,395	\$ 368,117	\$ 379,160	\$ 390,535
Student Payroll	\$ 375,763	\$ 434,582	\$ 472,619	\$ 486,798
Material and Supplies	\$ 99,960	\$ 102,959	\$ 106,048	\$ 109,229
Bank Services Charges	\$ 10,511	\$ 11,308	\$ 12,144	\$ 13,019
Furniture and Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Travel and Subsistence	\$ 17,160	\$ 17,160	\$ 17,160	\$ 17,160
Other Current Charges	\$ 16,321	\$ 16,811	\$ 17,315	\$ 17,834
Total Expenditures	\$ 1,914,900	\$ 2,078,898	\$ 2,189,478	\$ 2,279,122
 NET REVENUES	 \$1,536,761	 \$1,405,249	 \$1,651,264	 \$1,945,311
 DEBT SERVICE				
Debt Service Payment	\$1,303,745	\$1,279,130	\$1,278,578	\$1,279,092
Campus Reallocation	-\$397,707	-\$200,000		
Net Debt Service Payment	\$906,038	\$1,079,130	\$1,278,578	\$1,279,092
 Transfers				
Transfer Out - R&R	\$630,722	\$326,119	\$372,686	\$666,219
Transfer - In R&R				
Transfer - IN - Internal				
 Surplus (Shortfall)	 \$0	 \$0	 \$0	 \$0

**ATTACHMENT C
UH HILO UNIVERSITY HOUSING PROPOSED SEMESTER RATES**

Semester Rates per Bed Space	<i>Approved Fall 2016</i>	<i>Proposed Fall 2017</i>	<i>Proposed Fall 2018</i>	<i>Proposed Fall 2019</i>
	-	0 to 5%	5%	5%
A. Traditional Hall				
Hale Kanilehua and Hale Kauanoë				
Double Occupancy	\$1,772	\$1,772	\$1,861	\$1,954
Single Occupancy	\$2,658	\$2,658	\$2,791	\$2,930
B. Semi-Suite Style				
Hale Kehau				
Double Occupancy (4 per suite)	\$2,240	\$2,240	\$2,352	\$2,470
Single Occupancy (2 per suite)	\$3,359	\$3,359	\$3,527	\$3,703
C. Apartment Style				
Hale 'Ikena				
One bedroom - double occupancy	\$3,216	\$3,377	\$3,546	\$3,723
One bedroom - single occupancy	\$5,467	\$5,740	\$6,027	\$6,329
Two bedroom - double occupancy	\$2,483	\$2,607	\$2,738	\$2,874
Two bedroom - single occupancy	\$4,221	\$4,432	\$4,654	\$4,886
D. Suite Style				
Hale 'Alahonua				
Single Occupancy (2 per suite)	\$3,859	\$3,150	\$3,308	\$3,473

**ATTACHMENT D
UH HILO UNIVERSITY HOUSING PROPOSED SUMMER RATES**

PER 40 DAY SUMMER SESSION	<i>Approved</i> Summer 2017	<i>Proposed</i> Summer 2018	<i>Proposed</i> Summer 2019	<i>Proposed</i> Summer 2020
	-	0 to 5%	5%	5%
Semester Rates per Bed Space				
A. Traditional Hall				
Hale Kanilehua and Hale Kauano				
Double Occupancy	\$418	\$418	\$439	\$461
Single Occupancy	\$627	\$627	\$658	\$691
B. Semi-Suite Style				
Hale Kehau				
Double Occupancy (4 per suite)	\$493	\$493	\$518	\$544
Single Occupancy (2 per suite)	\$739	\$739	\$776	\$815
C. Apartment Style				
Hale 'Ikena				
One bedroom - double occupancy	\$734	\$771	\$809	\$850
One bedroom - single occupancy	\$1,247	\$1,309	\$1,375	\$1,444
Two bedroom - double occupancy	\$567	\$595	\$625	\$656
Two bedroom - single occupancy	\$963	\$1,011	\$1,062	\$1,115
D. Suite Style				
Hale 'Alahonua				
Single Occupancy (2 per suite)	\$1,066	\$870	\$913	\$959

ATTACHMENT E
UH HILO UNIVERSITY HOUSING PROPOSED MEAL PLAN RATES

Meal Plan Rates-Per Semester	<i>Approved</i> AY 2016-17	<i>Proposed</i> AY 2017-18	<i>Proposed</i> AY 2018-19	<i>Proposed</i> AY 2019-20
	-	4%	4%	4%
Semester Rates				
A. Plan A				
7 Meals per Week plus \$500 points	\$2,262	\$2,352	\$2,447	\$2,544
B. Plan B				
10 Meals per Week plus \$450 points	\$2,455	\$2,553	\$2,655	\$2,762
C. Plan C				
14 Meals per Week plus \$325 points	\$2,621	\$2,726	\$2,835	\$2,948
D. Plan D				
175 Meals per Semester plus \$300 points	N/A	\$2,553	\$2,655	\$2,762

**ATTACHMENT F
UH HILO UNIVERSITY HOUSING COMPARISONS
COMPETING COLLEGES AND UNIVERSITIES IN HAWAII**

**With Proposed UH Hilo Room Rates
Annual Room and Meal Cost AY17-18**

	Dorm Double 2 Sharing	Apartment 2 bedroom 4 sharing	Suite 2 bedroom 4 sharing	Suite 2 bedroom 2 sharing	Loft Double 2 Sharing
University of Hawaii at Hilo	\$3,544	\$5,214	\$4,480	\$6,300	
University of Hawaii at Manoa	\$6,566	\$7,184	\$6,566		
University of Hawaii at Manoa-Frear (include AC)			\$8,046	\$11,828	
Chaminade University of HNL	\$3,370				
BYU	\$2,900				
HPU- Hawaii Loa Campus	\$7,830				
HPU- Waterfront Loft- Double Occupancy Room					\$11,242

COST COMPARISON WITH MEAL PLAN

UHH - 7 Meals/wk + \$500 Flex Points	\$8,068				
UH Manoa - 7 meals/wk + \$250 Flex Points	\$10,032		\$10,032		
BYU -7 meals + \$200 Flex Points	\$6,880				
UHH - 10 Meals/wk + \$450 Flex Points	\$8,454				
UH Manoa 10 Meals/wk + 225 Flex Points	\$10,664		\$10,664		
Chaminade 10 meals/wk + \$150 flex points	\$11,030				
HPU-Hawaii Loa- 10 meals/wk + \$75 flex points	\$13,762				
HPU-Waterfront Loft. 12 meal Plan/wk					\$15,242
UHH 'Alahonua - 175 meal/SEM + \$300 flex pts				\$11,381	
UH Manoa Frear Hall 2BR- single OCC suite + 10 Meals/wk + \$225 points				\$15,926	

**ATTACHMENT G:
UH HILO UNIVERSITY HOUSING COMPARISONS: HILO RENTALS**

ROOMS:

Dorm/Hostel: room \$300 to \$1000 per month.
Waiuanue Avenue. Includes bed and utilities.

Room in Duplex: 1-2 tenants, \$725 per month.
Dresser, kitchen table, nightstand, No Bed. Free WiFi, Tenant pays utilities.

Room in Private Home: \$675 per month.
Kilauea Ave Fully furnished. Includes electricity.

APARTMENTS:

Hilo Lagoon Center: 2 bedroom, 2 bath. \$1900, Deposit \$1900.
Furnishing- range, refrigerator, dishwasher, AC. Utilities included, assigned parking.

Hale Moana: 1 bedroom, 1 bath. \$1300, Deposit \$1300.
Furnishing- range, refrigerator, washer and dryer. Utilities: all included.

Mauna Loa Shores: 1 bedroom, 1 bath. \$1200, Deposit \$1200.
Furnishing- range, refrigerator. Utilities: all included.

Hilo Lagoon Center: Studio- 1 bath. \$1000, Deposit \$1000.
Furnishing- range, refrigerator, dishwasher, AC. Utilities included, assigned parking

Alii Kai Apartments: 2 bedroom, 1 bath. \$975/month
Furnishing- range, refrigerator. Utilities: includes water and rubbish service.

Hale Maile: Studio- 1 bath. \$950/month deposit \$950.
Furnishing- range, refrigerator. Utilities: includes water and rubbish service.

Apartment for Rent: 2 bedroom, 1 bath. \$775, Kapiolani Street
Furnishing-partly furnished, Utilities-water.

Lehua Properties: Studio- 1 bath. \$650, Deposit \$600.
Furnishing- range, refrigerator, Utilities: water.

Malia Apartments: Studio- 1 bath. \$638, Deposit \$638.
Furnishing- range, refrigerator, microwave. Utilities: water, electricity, rubbish service.



UNIVERSITY of HAWAII®

HILO

ATTACHMENT H:

Executive Summary: UH Hilo Student Housing Needs Survey, April 2017

The **purpose of the survey** was to seek student views on university housing to help improve current housing operations and inform repricing proposal components. 406 students responded to the survey; 12% of the entire student body for Spring 2017. More than two-thirds (70%) of respondents reported being female, while 29% reported being male and 1% reported being transgender.

The **age distribution** of respondents was as expected with the majority (83%) aged between 18 and 26, traditional ages for university students. The vast majority of respondents, 94%, were studying full-time at UH Hilo and pursuing an undergraduate degree (83%).

Almost two-thirds (66%) of respondents said they consider themselves to be an in-state student. More than a quarter (28%) said they are an out-of-state student, while 6% reported being an international student.

Half of respondents (50%) said they currently live on campus, while 15% each reported living off-campus with friends or family and 14% rent off-campus.

The top five reasons for **choosing to live on-campus** included to be close to classes (68%), to be close to other educational resources (46%), convenience of having maintenance, trash, etc. taken care of (28%), my family/friends expected me to live on-campus (27%), and to be close to on-campus activities (26%).

The top five reasons for **choosing not to live on-campus** included too expensive (62%), prefer to have a private bedroom (43%), a meal plan is required (41%), don't like the dining options (33%), and lack of adequate cooking facilities (31%).

Respondents highlighted the following top-three *shared amenities*, from a closed list, as being most important to have in on-campus housing: dining facility, parking, and temperature control in each unit.

Of the students who currently live on-campus, 44% were either *very satisfied or satisfied with UH Hilo's current housing*, 25% were very dissatisfied or dissatisfied, and 31% were neither satisfied nor dissatisfied.

Respondents were asked what UH Hilo could do *to improve their on-campus residential experience*. Reference to the need to improve maintenance and upgrades of UH Hilo student housing was commonly cited across many respondents: "better wi-fi connection," "air conditioning in 'Alahonua," "be more responsive to maintenance requests," "better furniture in rooms and lounges," "new carpets," and "fix or upgrade appliances."

Residents also mentioned an improvement in residential life programs and activities: "add a volleyball area at 'Alahonua," "our campus needs more of a school spirit vibe," "more cultural opportunities," "barbeque pit," "water activities," "cultural nights to showcase the diversity of dorm residents," "karaoke and dance parties," and "open mic nights."

More than one-third (37%) of respondents *supported immediate implementation of the proposed rate change*. Another 47% of respondents answered maybe, while 17% did not support immediate implementation of the proposed rate change.



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HILO

ATTACHMENT I:

Executive Summary: Hale 'Alahonua Meal Plan Survey, April 2017

The ***purpose of the survey*** was to seek student views on meal plan topics specific to Hale 'Alahonua. Eighty students responded to the survey; 67% of the total residents currently living in Hale 'Alahonua.

Thirty-nine residents (49%) have had ***food delivered to them at Hale 'Alahonua*** at some time this past school year. Residents who responded to this question reported their frequency of delivery ranging from one delivery every other month to 20 deliveries per month.

Majority (86%) of residents preferred to have ***delivery available as an option for dinner*** as opposed to lunch (11%).

Residents were asked if they would be ***willing to pay a little more for a meal plan that provided them the flexibility*** to use their meal and point options at the Campus Center dining room in addition to the Hale Kehau Dining Room. More than half (59%) of residents responded yes to this option.

A vast majority (89%) of residents ***supported immediate implementation of the proposed room and meal plan rate changes.***



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UNIVERSITY OF HAWAII
BOARD OF REGENTS

David Lassner
President

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May 2, 2017

RECEIVED

TO: Jan Naoe Sullivan
Chair, Board of Regents

17 MAY -9 A8:34

FROM: David Lassner
President

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

SUBJECT: Revision to Board of Regents Policy, RP 6.203, Fees, to Provide
Consistent Guidance on Authority to Establish Student Housing Room
Rates

SPECIFIC ACTION REQUESTED:

It is requested that the Board of Regents approve the proposed changes to Board of Regents Policy, RP 6.203, Fees, to conform this general policy to RP 7.205, Student Housing regarding the authority of the President to establish student housing room rates, and to clarify certain provisions in RP 6.203 regarding Board-approved fees and the need for Board approval in the event of a reduction in fees.

RECOMMENDED EFFECTIVE DATE:

July 1, 2017.

ADDITIONAL COST:

There are no additional costs associated with this request.

PURPOSE:

The changes proposed would eliminate the inconsistency between two chapters of Regents Policy and unambiguously delegate to the President or the President's designee the authority to establish student housing room rates. In addition, the proposed version clarifies that "housing fees" are distinct from "housing room rates", and that "housing fees" have been established by the Board of Regents pursuant to RP 6.203, and that "housing room rates" are approved by the President or his designee pursuant to RP 7.205. The revisions would require Board approval only for increases (as opposed to reductions) in fee amounts that exceed certain thresholds.

BACKGROUND:

RP 7.205 is the Regents Policy on Student Housing. Paragraph III.D.1 clearly states that "Student housing room rates are established by the president or the president's designee in accordance to guidelines set forth in executive policy."

RP 6.203 is the Regents Policy on Fees, which provides general guidance on all types of student fees. Paragraph III.A.3 currently designates housing fees among the fees with rates approved by the Board of Regents.

In the past, out of an abundance of caution, these two policies have been interpreted to require board approval of housing room rates, which is inconsistent with the express provision in RP 7.205. This inconsistency can be resolved by clarifying that housing room rates are set by the President pursuant to RP 7.205, and that RP 6.203 only pertains to housing fees (which have already been established by the board). This will ensure that RP 7.205, the policy specifically designed to provide BOR direction on student housing, is not contradicted elsewhere by practice or by another Regents Policy on the matter of delegation of housing rates.

In addition, the proposed revisions would require the Board to act to approve increases in fees above certain thresholds, but reserves for the President or his designee the ability to adjust fees downward without Board approval.

ACTION RECOMMENDED:

It is requested that the Board of Regents approve the proposed changes to Board of Regents Policy, RP 6.203, Fees, to conform this general policy to RP 7.205, Student Housing regarding the authority of the President to establish student housing room rates.

Attachments

- BOR Policy RP 7.205 (for reference)
- BOR Policy RP 6.203, clean
- BOR Policy RP 6.203, red line



Regents Policy Chapter 7, Student Affairs
Regents Policy RP 7.205, Student Housing
Effective Date: Apr. 22, 2005

Prior Dates Amended: May 12, 1977; Dec. 12, 1986; July 16, 1993; Feb. 18, 1994; Apr. 22, 1994; Nov. 11, 1999; Oct. 19, 2001; Jan. 20, 2005; Oct. 31, 2014 (recodified)

Review Date: August 2018

I. Purpose

To set forth policy regarding student housing goals, objectives, assignment priorities and room rates.

II. Definitions

No policy specific or unique definitions apply.

III. Policy

A. Student Housing Goals for the University

1. It shall be a goal of the university's student housing program to provide reasonable levels of accommodations for students who are residents of the state.

B. Objectives of the Student Housing Program

1. There are two sets of objectives that guide the student housing program at the university; one set is educational in nature and the other is managerial. The educational objectives comprise a variety of commitments both to the development of the individual student and to the development of residence hall communities. The management objectives are expressed in the maintenance of certain operational standards and fiscal accountability, while ensuring that the students' health, safety and security are uncompromised in the design and operation of the residence halls. These dual objectives uniquely characterize student housing as both an educational program and an administrative function that is managed in accordance with the highest operational, personnel, fiscal and safety standards.

C. Student Housing Assignment Priorities

1. As long as the demand for student housing exceeds its availability, there will be a need to develop and maintain housing assignment policies that seek to assure that Hawai'i resident students with the greatest physical and educational needs are assigned highest priority for suitable and available spaces. A student's physical need for housing is understood to increase in direct proportion to the distance of the campus from the student's home and the student's educational need for housing is considered greatest during the first year of college and diminishes thereafter. Within this context, the first objective of the housing assignment priority system is to provide space in student housing for all Hawai'i resident students who live beyond reasonable commuting distance to the campus at which they are enrolled. The university recognizes the educational desirability of achieving a diversity of resident and nonresident students in our housing facilities. Therefore, the university supports the achievement of such diversity provided that the assignment of nonresident students is undertaken only after all high priority resident students have been accommodated. It must be understood that the fiscal soundness of the housing operation requires that application deadlines be established, and that vacancies remaining after the processing of all timely applications be filled on a first-come-first-served basis.

2. Assignment priorities may make considerations to accommodate students' special needs and campus and system enrollment goals as deemed by the president or president's designee. Student housing assignment priorities for special campuses shall be delegated to the president or the president's designee.

D. Student Housing Room Rates

1. Student housing room rates are established by the president or the president's designee in accordance to guidelines set forth in executive policy.

a. Housing rates for conferences. The board delegates to the president, who may at his/her discretion delegate to the chancellors or their designees, the authority to negotiate and set housing rates for conferences, provided that said rates shall enhance the support of the University Revenue Undertaking Fund pursuant to the board's covenants in its Bond Resolution adopted on January 18, 1973.

b. The university adheres to all applicable local, state, and federal antidiscrimination laws including the state Discrimination in Real Property Transaction law (Section 515-1 et.seq., HRS) in providing student housing services.

IV. Delegation of Authority

Setting assignment priorities and room rates shall be delegated to the president or the president's designee. See RP 7.205(C)(2) and (D)(1)(a).

V. Contact Information

Office of the Board of Regents, 956-8213, bor@hawaii.edu

VI. References

- A. <http://www.hawaii.edu/offices/bor/>
- B. Bond Resolution, adopted January 18, 1973
- C. Discrimination in Real Property Transaction law (Section 515-1 et.seq., HRS)
- D. EP 7.201

Approved:

approved as to Form:

Cynthia Quinn Date
Executive Administrator and Secretary of the Board of Regents



Regents Policy Chapter 6, Tuition, Financial Assistance, and Fees

Regents Policy RP 6.203, Fees

Effective Date: October 16, 2014

Prior Dates Amended: Nov. 16, 2006; am: Nov. 21, 2008, ad: Mar. 20, 2009; am: Apr. 16, 2009; Oct. 31, 2014 (recodified)

Review Date: August 2018

I. Purpose

To set forth policy establishing board-approved fees and fee adjustment authority.

II. Definitions

No policy specific or unique definitions apply.

III. Policy

A. The following fees, which impact a student's cost of attendance, are established by the board and in specific instances the fee amounts themselves require approval by the board. Proposals for new fees that impact a student's cost of attendance must be must be approved by the board, and accompanied by operational and financial plans that describe when the proposed fees will begin, when the proposed services will be available, and whether and how fee revenue will be utilized in any interim period to support start up the new services. These include:

1. Professional fees, which may be assessed to students enrolled in select undergraduate professional programs that have high costs in comparison to other instructional programs with the same tuition. Revenues from fees are earmarked to ensure programs have the equipment, supplies, and services available to meet accreditation standards. The students are generally assessed the professional fee once each semester during enrollment in the program. The fee is not necessarily applied during summer or other short terms;

Increases to professional fees are capped at the rate of undergraduate resident tuition increases for that campus during the same academic year the proposed fee increase will take effect. For example, if the rate of increase for resident undergraduate tuition at a campus is three percent in the next academic year, likewise, professional fee

increases can be increased up to no more than three percent in that same academic year;

The president or the president's designee is delegated the authority to approve proposed adjustments to previously established professional fees that fall at or below the cap. Proposed increases above the cap must be approved by the board. Proposals must be submitted for approval at least one semester in advance of the effective date. Professional fees are to be reviewed annually by the campus. The schedule of professional fees is available in Executive Policy E6.201, Tuition Schedules.

2. Mandatory student fees

a. Mandatory student fees shall be generally assessed of all students, in amounts set in accordance with Board of Regents policies, and as set forth in a fees schedule attached to Executive Policy EP 6.208.

b. Student organization fees are mandatory fees used to fund the operations of student governance organizations and other co-curricular student activities, publications, broadcasting, and campus center operations.

c. Distance education students who cannot take advantage of services offered by the student organizations, such as those requiring on-campus attendance, may be exempt from the assessment of these fees; and

d. The president or the president's designee is delegated the authority to adjust these fees (with the exception of mandatory student fees related to intercollegiate athletics and UPASS), provided that fee increases shall not exceed the increase in the real cost of services provided to the students or 3% per year, whichever is less. The president shall first consult with the respective student government and provide a minimum of a one semester notice to the student body of a fee increase, and a written report to the board outlining the rationale for the increase.

B. The following fees are established by the board. Once a fee is established by the board in the following categories, the board delegates to the president the authority to make adjustments to the fee rate. These types of fees include:

1. Housing fees, including but not limited to application and cancellation fees . Housing room rates are distinct from "housing fees", and student housing room rates are established pursuant to Regents Policy RP 7.205.

2. Course and laboratory fees, which may be assessed to students enrolled in select courses that have unique costs in comparison to standard offerings or which are outside the normal credit course offerings;

3. Transaction and service fees, which may be assessed to users of selected services as a means to offset all or part of the cost of providing the service or as a result of other directly related costs incurred to the institution;

4. Ancillary and auxiliary service fees, which are the charges for certain university services used by students, faculty, staff, and the general public. The revenues are used to offset all or part of the operational costs of providing those services, including in some instances the bond indebtedness. Programs shall be responsible for providing public notice of the applicable charges;

5. Commercial enterprise and other self-supporting operations which are certain programs, goods, and services provided by the university to students and the general community on a self-support basis. These programs are expected to make sufficient revenue to offset their costs and to provide overhead support to overall campus operations. Because the charges associated with these programs, goods, and services are subject to market demand, changing supply costs, competition, and rapid change, they are not subject to prior approval by the board; and

6. Athletic admission fees and charges to athletic events, which are charges to university athletic events based on the premise that athletic programs are expected to be largely self-sufficient while providing one of the major venues for interaction between the university and its external constituencies.

C. A list of board-approved fees (including, but not limited to, mandatory student fees, housing fees, course and laboratory fees, transaction and service fees, ancillary and auxiliary service fees, and athletic admission fees and charges to athletic events) may be found as Attachment 1 at the end of this chapter.

IV. Delegation of Authority

Authority to approve proposed increases to previously established professional fees that fall at or below the cap is delegated to the president or president's designee. See RP 6.203(A)(1).

Authority to raise mandatory student fees (with the exception of mandatory student fees related to intercollegiate athletics and UPASS) by up to 3% per year, but no more than the increase in the real cost of services provided to the students is delegated to the president or president's designee. See RP 6.203(A)(2)(c).

Authority to adjust fee rate delegated to the president. Se RP 6.203(B).

V. Contact Information

Office of the Vice President for Academic Affairs, 956-7075, risad@hawaii.edu

VI. References

- A. <http://www.hawaii.edu/offices/bor/>
- B. RP 7.205
- C. EP 6.202

Approved:

Approved as to Form:

Cynthia Quinn Date
Executive Administrator and Secretary of the Board of Regents



Regents Policy Chapter 6, Tuition, Financial Assistance, and Fees
Regents Policy RP 6.203, Fees
Effective Date: October 16, 2014
Prior Dates Amended: Nov. 16, 2006; am: Nov. 21, 2008, ad: Mar. 20, 2009; am: Apr. 16, 2009; Oct. 31, 2014 (recodified)
Review Date: August 2018

I. Purpose

To set forth policy establishing board-approved fees and fee adjustment authority.

II. Definitions

No policy specific or unique definitions apply.

III. Policy

A. The following fees, which impact a student's cost of attendance, are established by the board and in specific instances the fee amounts themselves require approval by the board. Proposals for new fees that impact a student's cost of attendance must be approved by the board, and accompanied by operational and financial plans that describe when the proposed fees will begin, when the proposed services will be available, and whether and how fee revenue will be utilized in any interim period to support start up the new services. These include:

1. Professional fees, which may be assessed to students enrolled in select undergraduate professional programs that have high costs in comparison to other instructional programs with the same tuition. Revenues from fees are earmarked to ensure programs have the equipment, supplies, and services available to meet accreditation standards. The students are generally assessed the professional fee once each semester during enrollment in the program. The fee is not necessarily applied during summer or other short terms;

Increases to professional fees are capped at the rate of undergraduate resident tuition increases for that campus during the same academic year the proposed fee increase will take effect. For example, if the rate of increase for resident undergraduate tuition at a campus is three percent in the next academic year, likewise, professional fee

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increases can be increased up to no more than three percent in that same academic year;

The president or the president's designee is delegated the authority to approve proposed adjustments to previously established professional fees that fall at or below the cap. Proposed increases above the cap must be approved by the board. Proposals must be submitted for approval at least one semester in advance of the effective date. Professional fees are to be reviewed annually by the campus. The schedule of professional fees is available in Executive Policy E6.201, Tuition Schedules.

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2. Mandatory student fees

a. Mandatory student fees shall be generally assessed of all students, in amounts set in accordance with Board of Regents policies, and as set forth in a fees schedule attached to Executive Policy EP 6.208.

b. Student organization fees are mandatory fees used to fund the operations of student governance organizations and other co-curricular student activities, publications, broadcasting, and campus center operations.

c. Distance education students who cannot take advantage of services offered by the student organizations, such as those requiring on-campus attendance, may be exempt from the assessment of these fees; and

d. The president or the president's designee is delegated the authority to adjust these fees (with the exception of mandatory student fees related to intercollegiate athletics and UPASS), provided that fee increases shall not exceed the increase in the real cost of services provided to the students or 3% per year, whichever is less. The president shall first consult with the respective student government and provide a minimum of a one semester notice to the student body of a fee increase, and a written report to the board outlining the rationale for the increase.

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B. The following fees are established by the board. Once a fee is established by the board in the following categories, the board delegates to the president the authority to make adjustments to the fee rate. These types of fees include:

1. Housing fees, including but not limited to application and cancellation fees. Housing room rates are distinct from "housing fees", and student housing room rates are established pursuant to Regents Policy RP 7.205.

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2. Course and laboratory fees, which may be assessed to students enrolled in select courses that have unique costs in comparison to standard offerings or which are outside the normal credit course offerings;

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3. Transaction and service fees, which may be assessed to users of selected services as a means to offset all or part of the cost of providing the service or as a result of other directly related costs incurred to the institution;

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4. Ancillary and auxiliary service fees, which are the charges for certain university services used by students, faculty, staff, and the general public. The revenues are used to offset all or part of the operational costs of providing those services, including in some instances the bond indebtedness. Programs shall be responsible for providing public notice of the applicable charges;

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5. Commercial enterprise and other self-supporting operations which are certain programs, goods, and services provided by the university to students and the general community on a self-support basis. These programs are expected to make sufficient revenue to offset their costs and to provide overhead support to overall campus operations. Because the charges associated with these programs, goods, and services are subject to market demand, changing supply costs, competition, and rapid change, they are not subject to prior approval by the board; and

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6. Athletic admission fees and charges to athletic events, which are charges to university athletic events based on the premise that athletic programs are expected to be largely self-sufficient while providing one of the major venues for interaction between the university and its external constituencies.

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C. A list of board-approved fees (including, but not limited to, mandatory student fees, housing fees, course and laboratory fees, transaction and service fees, ancillary and auxiliary service fees, and athletic admission fees and charges to athletic events) may be found as Attachment 1 at the end of this chapter.

IV. Delegation of Authority

Authority to approve proposed increases to previously established professional fees that fall at or below the cap is delegated to the president or president's designee. See RP 6.203(A)(1).

Authority to raise mandatory student fees (with the exception of mandatory student fees related to intercollegiate athletics and UPASS) by up to 3% per year, but no more than the increase in the real cost of services provided to the students is delegated to the president or president's designee. See RP 6.203(A)(2)(c).

Authority to adjust fee rate delegated to the president. Se RP 6.203(B).

V. Contact Information

Office of the Vice President for Academic Affairs, 956-7075, risad@hawaii.edu

VI. References

A. <http://www.hawaii.edu/offices/bor/>

B. RP 7.205

C. EP 6.202

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Approved:

Approved as to Form:

Cynthia Quinn Date
Executive Administrator and Secretary of the Board of Regents