

Port of Houston Authority
OPEB Trust

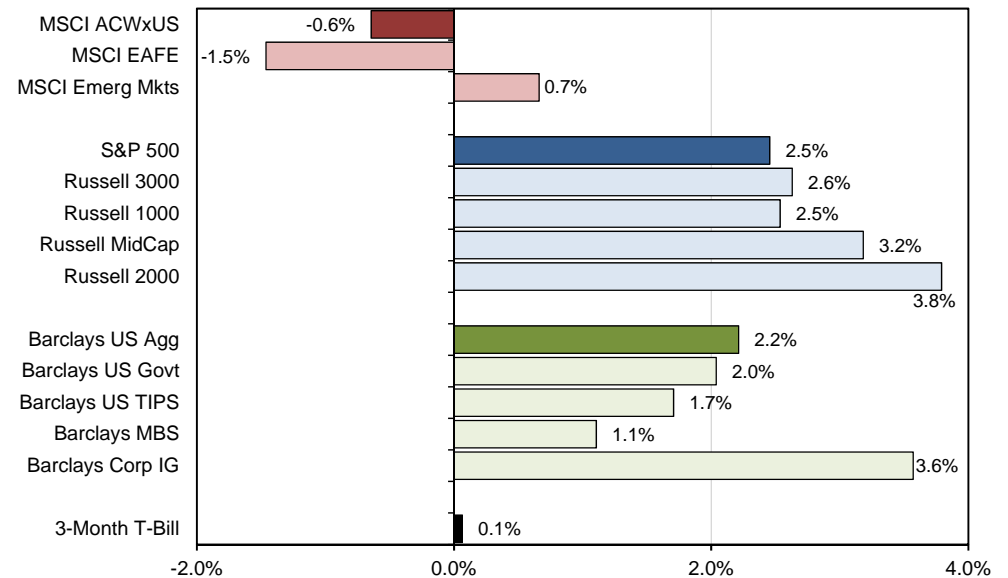
Investment Performance Review
Period Ended June 30, 2016



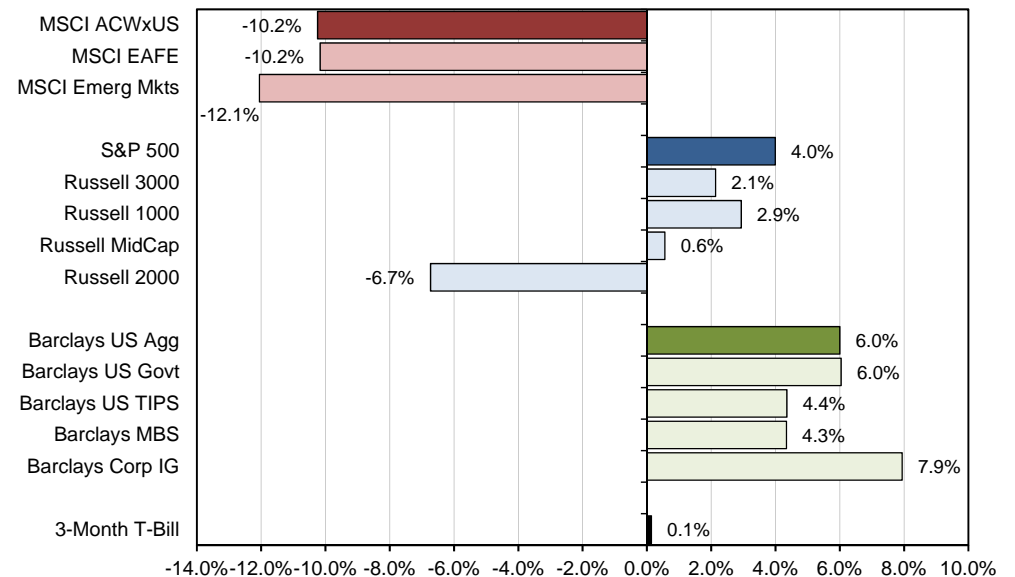
2nd Quarter 2016 Market Environment

- The 2nd quarter of 2016 was very volatile as financial market returns were influenced by central bank policy expectations, rising commodity prices, mixed economic data, and increased global political and economic uncertainty caused by the U.K.'s June vote to discontinue its membership in the European Union (EU). Despite this volatility, asset class results for the period were broadly positive with the exception of international developed market returns. Higher risk assets, such as small cap equities, emerging market stocks, and investment grade and high yield corporate bonds, posted the strongest returns throughout the quarter.
- Led by the small cap Russell 2000's return of 3.8%, U.S. stock market indices were positive for the 2nd quarter. In contrast, for the 1-year period, domestic large cap stock indices were the best performers, posting moderate gains, while domestic small cap indices posted negative returns. Broad international equity indices trailed domestic stock indices through both the quarter and prior year. In U.S. Dollar (USD) terms, returns for the MSCI Emerging Markets Index (net) were marginally positive for the quarter returning 0.7% while developed market equities, represented by the MSCI EAFE Index (net), returned -1.5%. Both indices have experienced double digit losses over the 1-year period, returning -12.1% and -10.2% respectively..
- The U.S. Treasury yield curve flattened throughout the 2nd quarter with near-term rates staying relatively flat and rates at the medium to long end of the yield curve falling near all-time lows. Despite their low yields, investment grade bonds have outperformed broad domestic and international equity indices over the past twelve months with the Barclays Aggregate Index returning 2.2% for the 2nd quarter and 6.0% for the trailing 1-year period. Investment grade corporate bonds outperformed the remaining investment grade sectors for both the quarter and 1-year period with the Barclays U.S. Corporate Investment Grade Index returning 3.6% and 7.9% respectively. Corporate issues experienced tailwinds from their higher durations relative to other areas of the fixed income market, as well as tightening credit spreads.

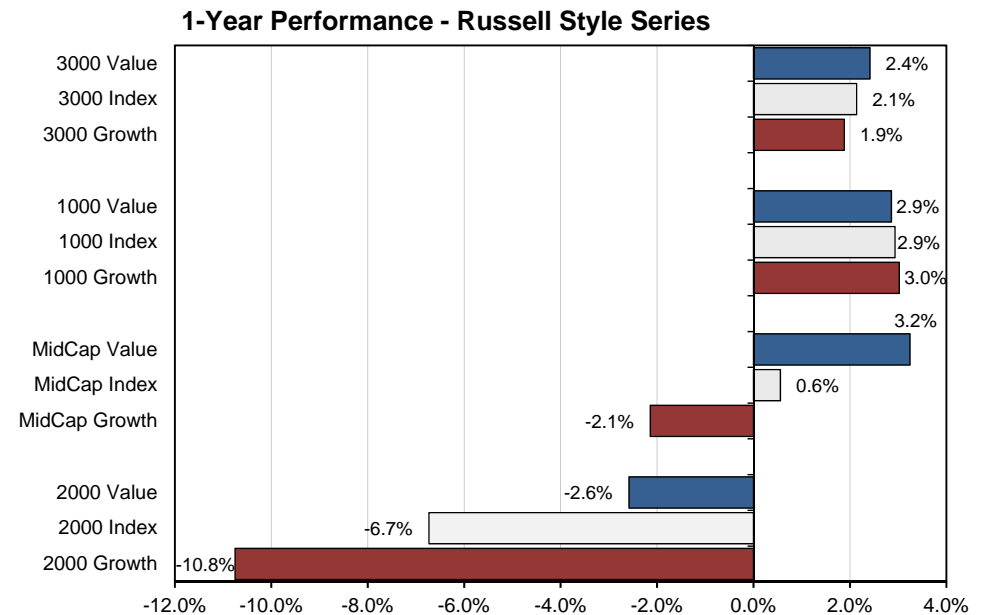
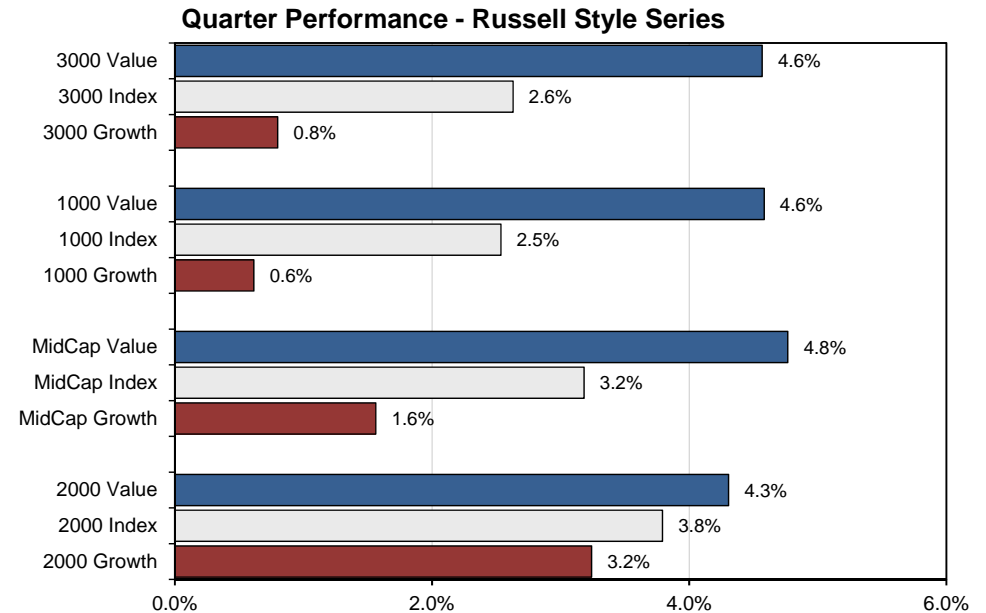
Quarter Performance



1-Year Performance



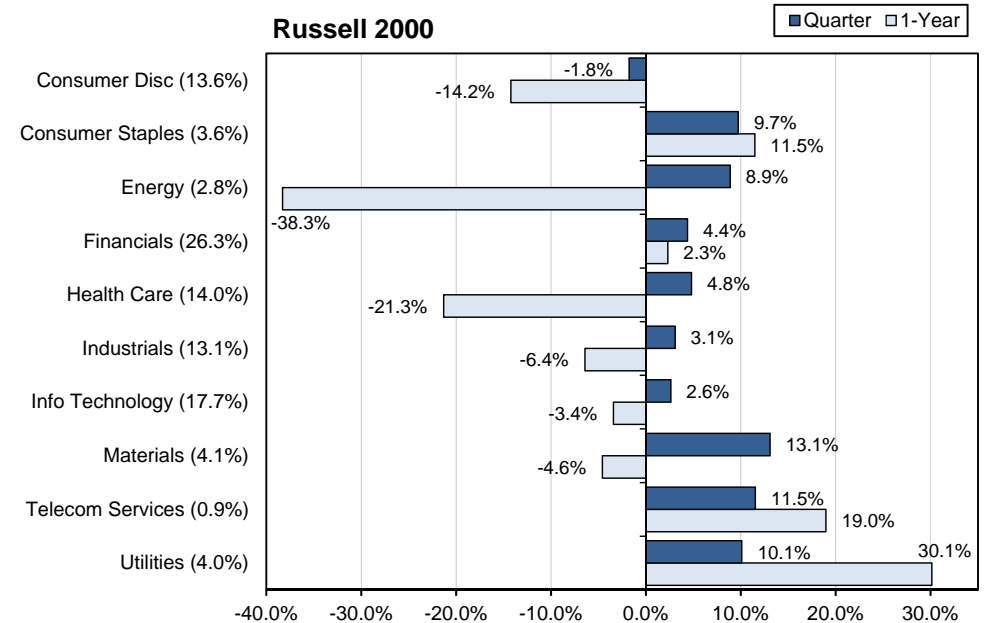
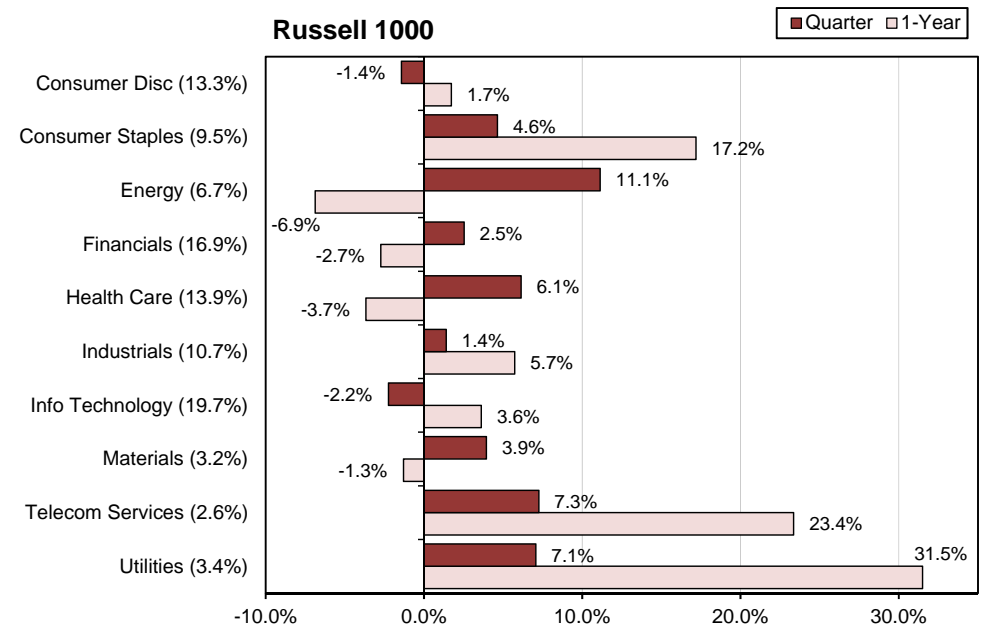
- U.S. equity index returns were positive across the capitalization spectrum during the 2nd quarter. Domestic stock prices increased through April and May, fueled by largely supportive macroeconomic data suggesting that the economic weakness experienced at the beginning of the year had been transitory. The strength in economic data led market participants to consider an increased probability for the U.S. Federal Reserve (Fed) to tighten monetary policy by increasing short-term interest rates as early as June. However, forecasts surrounding the timing of future Fed rate hikes were pushed out after the release of May's non-farm payroll report, which came in much weaker than expected. The possibility of a near-term rate increase became even more remote near the end of the quarter when the U.K. unexpectedly voted to exit the EU, creating political and economic uncertainty throughout global financial markets. Demand for equities remains high as investors struggle to find other sources of portfolio return in the current low interest rate environment.
- Value stocks outperformed growth stocks across the capitalization spectrum for the second straight quarter. This value outperformance was generally due to investors seeking the perceived safety of value stocks given valuation levels and the volatility experienced throughout the period. Value indices were also beneficiaries of rising oil and natural gas prices as value-based benchmarks have higher allocations to the Energy sector. Mid cap value stocks were the best performers across the value spectrum, returning 4.8% during the period, followed by large cap value (4.6%) and small cap value (4.3%) stocks respectively. However, across the growth spectrum, small cap growth stocks (3.2%) were the best performers followed by mid cap growth stocks (1.6%). The Russell 1000 Growth Index, representing large cap stocks, had the weakest performance returning 0.6% for the quarter. Style trends are mixed over the 1-year period. The Russell Midcap Value Index was the best performer (3.2%), and the Russell 2000 Growth Index was the worst performer (-10.8%).
- From a valuation perspective, equity valuations appear stretched relative to historical levels based on their forward Price/Earnings ratios (P/E). The large growth, mid growth, and small value indices have valuation levels close to their respective historical average, while the remaining indices fall between 106% and 114% of their 15-year averages.



- Large cap sector performance was generally positive for the 2nd quarter with all but two sectors within the Russell 1000 Index posting gains for the period. The Consumer Discretionary and Technology sectors were the quarter's only laggards returning -1.4% and -2.2% respectively. Defensive and interest rate sensitive sectors of the market continue to perform well as investors attempt to proxy dividend income as a substitute for paltry investment grade bond yields due to the persistent low interest rate environment. Utilities, Telecom Services, and Consumer Staples all posted strong quarterly returns. These three sectors are also the only sectors to post double-digit returns over the past year, outperforming all other sectors in the Russell 1000 Index by a considerable margin. The Energy sector was a notable performer during the quarter, returning 11.1% due to increasing oil and natural gas prices. Supply disruptions in Canada and Nigeria, paired with a decrease in production from U.S. shale producers, contributed to reduced global supply, which drove energy prices higher. Despite a favorable quarter, Energy returns over the 1-year period continue to represent the weakest sector with a return of -6.9%. Materials (-1.3%), Health Care (-3.7%) and Financials (-2.7%) also posted negative results over the prior year.

- Similar to large cap sector results, small cap sector performance was largely positive for the quarter. In addition, small cap sector performance generally outpaced corresponding large cap sector results. Performance in large and small cap sectors also had similar observable trends. Higher yielding, defensive sectors and commodity price sensitive industries were the best performers during the 2nd quarter. In contrast, over the 1-year period, all Russell 2000 Index sectors underperformed their corresponding Russell 1000 Index sectors with the exception of the Financials sector. The Energy (-38.3%), Health Care (-21.3%), and Consumer Discretionary (-14.2%) sectors were the largest detractors over the 1-year period. Like the large cap index, Consumer Staples (11.5%), Telecom Services (19.0%), and Utilities (30.1%) significantly outperformed other sectors.

- Using the S&P 500 as a proxy, forward P/E ratios for six GICS sectors were below their long-term (20-year) averages at quarter-end. The Technology and Health Care sectors were trading at the largest discount to their long-term average P/E ratios. In contrast, the Energy and Utilities sector valuations were the most extended relative to their historical P/E ratios.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of June 30, 2016

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	2.58%	-11.7%	-22.2%	Information Technology
Exxon Mobil Corp	1.91%	13.1%	16.8%	Energy
Microsoft Corp	1.91%	-6.7%	19.1%	Information Technology
Johnson & Johnson	1.64%	12.9%	28.2%	Health Care
General Electric Co	1.43%	-0.2%	22.3%	Industrials
Amazon.com Inc	1.37%	20.5%	64.9%	Consumer Discretionary
Berkshire Hathaway Inc B	1.35%	2.1%	6.4%	Financials
AT&T Inc	1.31%	11.7%	28.4%	Telecommunication Services
Facebook Inc A	1.26%	0.2%	33.2%	Information Technology
Verizon Communications Inc	1.12%	4.3%	25.6%	Telecommunication Services

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Olin Corp	0.25%	44.3%	-3.8%	Materials
Idacorp Inc	0.25%	9.8%	49.2%	Utilities
Portland General Electric Co	0.24%	12.6%	37.4%	Utilities
Gramercy Property Trust	0.24%	9.1%	21.7%	Financials
Curtiss-Wright Corp	0.23%	11.5%	17.1%	Industrials
Southwest Gas Corp	0.23%	20.3%	52.1%	Utilities
Microsemi Corp	0.23%	-14.7%	-6.5%	Information Technology
Healthcare Realty Trust Inc	0.22%	14.4%	57.2%	Financials
Medical Properties Trust Inc	0.22%	19.0%	24.8%	Financials
WGL Holdings Inc	0.22%	-1.5%	34.5%	Utilities

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
LinkedIn Corp Class A	0.11%	65.5%	-8.4%	Information Technology
Denbury Resources Inc	0.00%	61.7%	-42.6%	Energy
ONEOK Inc	0.05%	61.7%	29.8%	Energy
Rice Energy Inc	0.01%	59.8%	11.4%	Energy
Memorial Resource Development Corp	0.01%	56.0%	-16.3%	Energy
Southwestern Energy Co	0.02%	55.9%	-44.7%	Energy
Zillow Group Inc C	0.02%	52.9%	N/A	Information Technology
Yelp Inc Class A	0.01%	52.7%	-29.4%	Information Technology
Continental Resources Inc	0.02%	49.1%	6.8%	Energy
Tahoe Resources Inc	0.02%	48.7%	26.1%	Materials

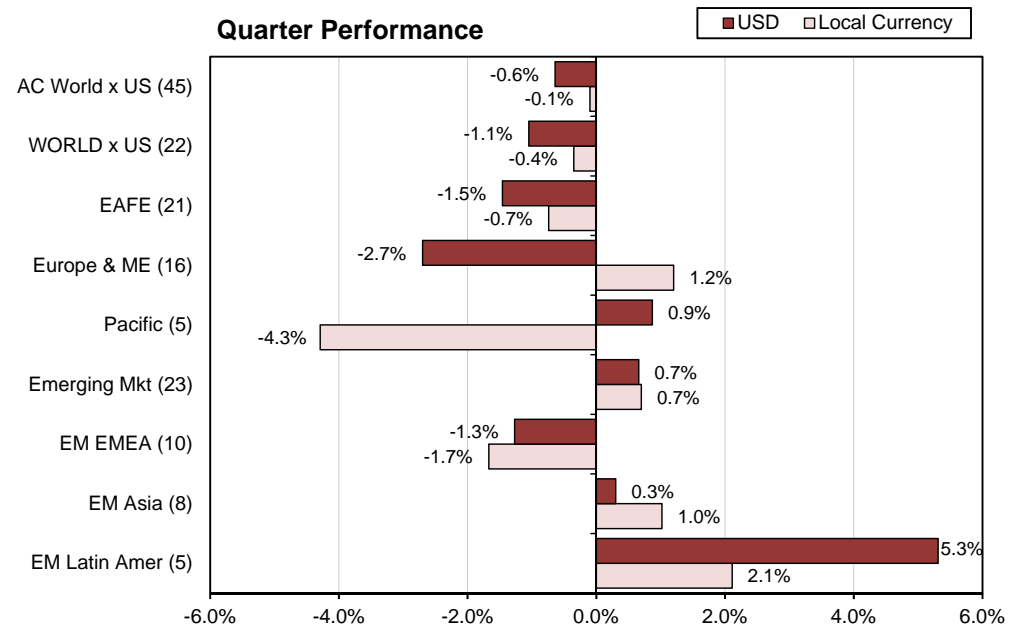
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Magnum Hunter Resources Corporation	0.00%	309559.2%	628.6%	Energy
Ultra Petroleum Corp	0.00%	253.4%	-85.9%	Energy
Ryerson Holding Corp	0.01%	214.7%	92.3%	Materials
Clayton Williams Energy Inc	0.01%	207.8%	-58.2%	Energy
Fairmount Santrol Holdings Inc	0.03%	207.2%	-5.9%	Energy
Celator Pharmaceuticals Inc	0.06%	173.6%	1247.3%	Health Care
EZCORP Inc	0.02%	154.5%	1.7%	Financials
North Atlantic Drilling Ltd	0.00%	146.0%	-43.4%	Energy
Eclipse Resources Corp	0.01%	131.9%	-36.5%	Energy
Radio One Inc Class D	0.00%	124.6%	0.6%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
SunEdison Inc	0.00%	-73.8%	-99.5%	Information Technology
Cobalt International Energy Inc	0.00%	-54.9%	-86.2%	Energy
Office Depot Inc	0.00%	-53.4%	-61.8%	Consumer Discretionary
LendingClub Corp	0.00%	-48.2%	-70.8%	Financials
Endo International PLC	0.02%	-44.6%	-80.4%	Health Care
Ionis Pharmaceuticals Inc	0.01%	-42.5%	-59.5%	Health Care
Square Inc A	0.00%	-40.8%	N/A	Information Technology
CVR Energy Inc	0.00%	-39.1%	-55.9%	Energy
Fossil Group Inc	0.00%	-35.8%	-58.9%	Consumer Discretionary
VeriFone Systems Inc	0.01%	-34.3%	-45.4%	Information Technology

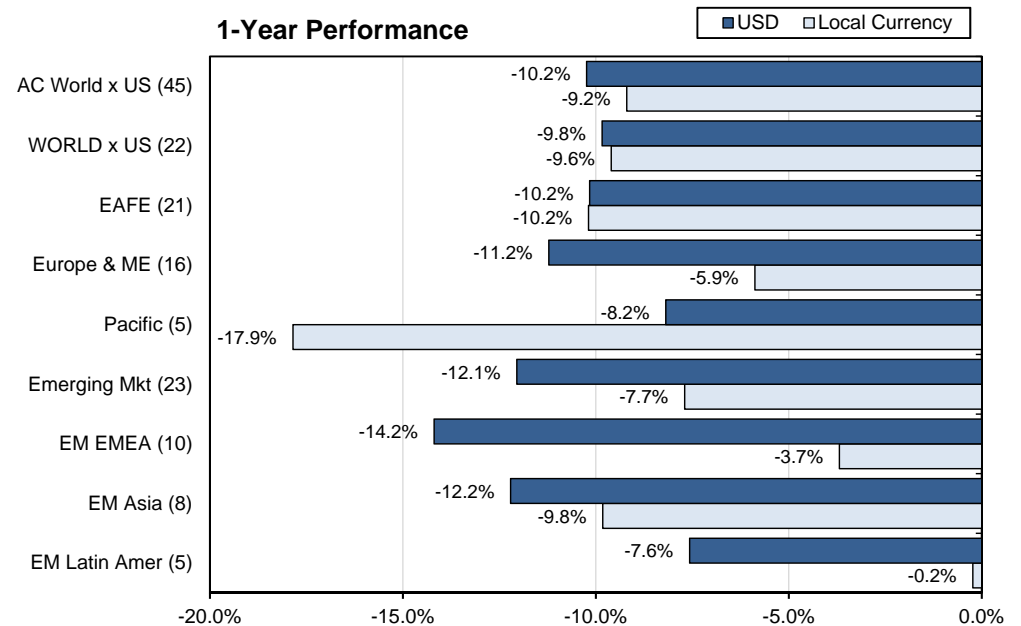
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Code Rebel Corp	0.00%	-98.9%	-99.8%	Information Technology
Energy XXI Ltd	0.00%	-92.8%	-98.3%	Energy
Seventy Seven Energy Inc	0.00%	-84.1%	-97.9%	Energy
Fairway Group Holdings Corp A	0.00%	-81.5%	-98.2%	Consumer Staples
The JG Wentworth Co Class A	0.00%	-79.1%	-97.2%	Financials
Infinity Pharmaceuticals Inc	0.00%	-74.8%	-87.9%	Health Care
Mirati Therapeutics Inc	0.00%	-74.5%	-82.7%	Health Care
TransEnterix Inc	0.01%	-71.3%	-59.3%	Health Care
Lipocine Inc	0.00%	-70.0%	-64.6%	Health Care
Chiasma Inc	0.00%	-68.4%	N/A	Health Care

- Similar to domestic equity markets, the 2nd quarter was volatile for international stocks as broad developed market indices struggled throughout the quarter. Currency impact on returns was mixed during the quarter with the EM Latin America Index benefiting from a weakening USD, and the Europe and Middle East Index suffering from USD strength. For the 1-year period, returns for developed markets were negative in both USD and local currency. While the quarter began positively as markets pushed higher on the back of better than expected economic data and rising commodity prices, the second half of the quarter saw international markets swoon. Much of this was due to uncertainty leading up to the U.K.'s June 23rd referendum to remain in or move to leave the EU. British voters surprised investors by voting to discontinue membership in the economic bloc. While the terms and aggregate impact of "Brexit" will remain unknown for some time, the reaction to the vote was immediate. The pound sterling fell sharply (-12%), Standard & Poor's downgraded the U.K.'s AAA credit rating, and U.K. Prime Minister David Cameron resigned. While U.K. equity markets initially suffered sharp losses, markets recovered quickly as investors weighted the benefits of a weakened pound on the country's largely foreign earnings base.
- The U.K.'s decision to leave the EU cast a shadow over European equities for the quarter despite the region's generally positive economic data. While the European Central Bank (ECB) has signaled its intent for continued support, the EU faces concerns surrounding "Brexit's" effect on future growth, as well as a political contagion that could lead other members to leave the economic union. Japanese equities fell sharply through the quarter as the Bank of Japan (BoJ) bucked market expectations when they did not announce an extension to its negative interest rate policy or asset purchase program. The subsequent "Brexit" decision led to a sharp appreciation in the yen, raising additional concerns around future earnings growth potential for Japanese equities.
- Broad emerging market indices were modestly positive throughout the quarter, outperforming developed markets. Latin America was the best performing region on both a USD and local currency basis as the region benefitted from political tailwinds in Brazil and rising commodity prices. Russia, India, and the Philippines were also notable positive performers. Emerging European countries were laggards relative to emerging peers in Asia and Latin America. Performance for the MSCI Emerging Markets Index (net) remains negative in both local (-7.7%) and USD (-12.1%) terms over the trailing 1-year period.

Quarter Performance



1-Year Performance



The Market Environment
U.S. Dollar International Index Attribution & Country Detail
As of June 30, 2016

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.1%	-8.4%	-17.7%
Consumer Staples	13.3%	2.9%	10.1%
Energy	5.2%	11.3%	-2.4%
Financials	22.3%	-6.6%	-23.2%
Health Care	12.4%	4.7%	-2.2%
Industrials	13.3%	-1.5%	-5.4%
Information Technology	5.4%	-2.7%	-8.0%
Materials	6.9%	1.2%	-15.7%
Telecommunication Services	5.2%	-0.3%	-3.7%
Utilities	3.9%	1.6%	-0.2%
Total	100.0%	-1.5%	-10.2%

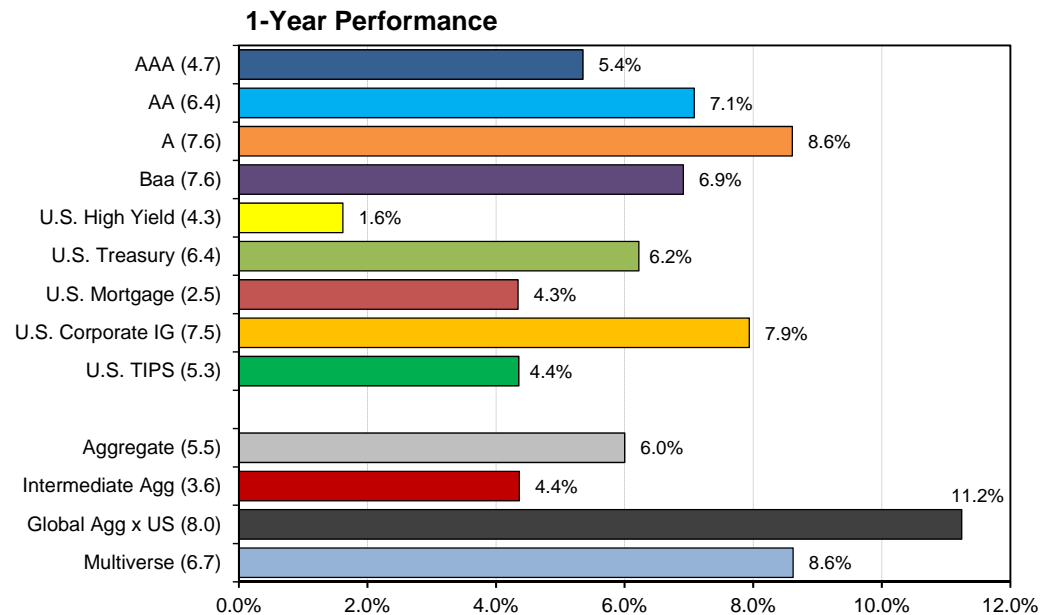
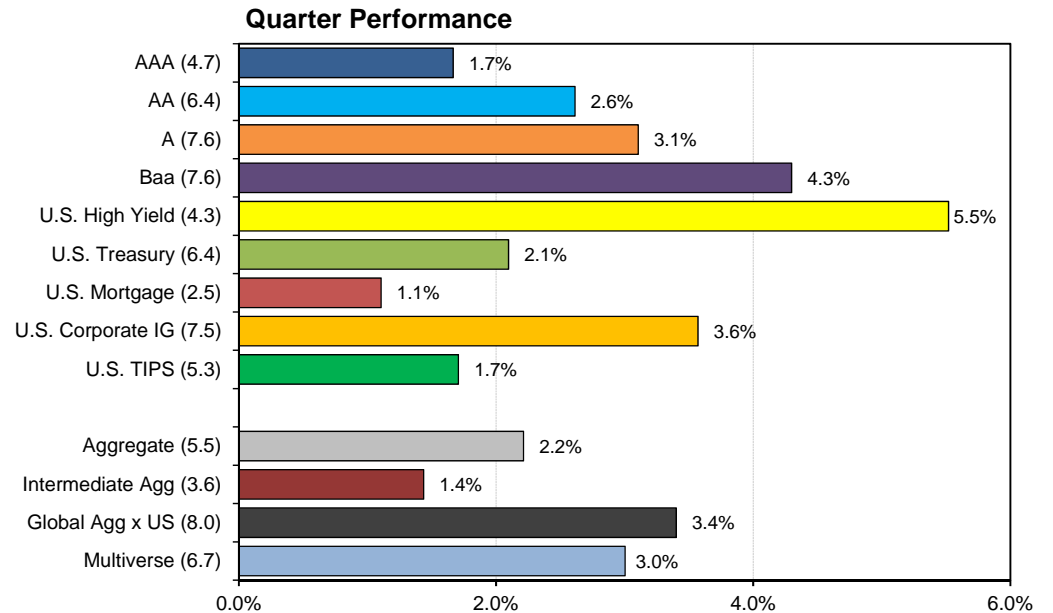
MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.3%	-6.9%	-15.9%
Consumer Staples	11.6%	2.8%	7.5%
Energy	6.9%	8.1%	-5.7%
Financials	24.4%	-4.3%	-19.9%
Health Care	9.4%	4.3%	-6.5%
Industrials	11.3%	-1.8%	-7.2%
Information Technology	9.0%	0.1%	-5.3%
Materials	7.1%	3.1%	-12.1%
Telecommunication Services	5.3%	-0.2%	-6.9%
Utilities	3.6%	1.5%	-2.0%
Total	100.0%	-0.6%	-10.2%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.5%	-1.4%	-10.5%
Consumer Staples	8.5%	4.2%	-3.6%
Energy	7.5%	1.9%	-12.7%
Financials	26.1%	0.3%	-17.8%
Health Care	2.7%	0.4%	-7.5%
Industrials	6.2%	-3.3%	-19.0%
Information Technology	22.5%	2.5%	-4.0%
Materials	6.3%	-0.8%	-9.5%
Telecommunication Services	6.6%	-0.1%	-15.6%
Utilities	3.2%	0.5%	-10.0%
Total	100.0%	0.7%	-12.1%

Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1-Year Return
Japan	23.3%	16.4%	1.0%	-8.9%
United Kingdom	19.6%	13.8%	-0.7%	-12.1%
France	9.6%	6.8%	-4.3%	-8.9%
Switzerland	9.3%	6.6%	2.0%	-8.5%
Germany	8.7%	6.1%	-5.6%	-11.6%
Australia	7.3%	5.1%	0.5%	-4.5%
Hong Kong	3.3%	2.3%	0.9%	-10.8%
Netherlands	3.2%	2.2%	-5.1%	-7.8%
Spain	2.9%	2.1%	-7.7%	-23.3%
Sweden	2.8%	2.0%	-5.4%	-12.2%
Denmark	2.0%	1.4%	-0.6%	2.5%
Italy	2.0%	1.4%	-10.5%	-26.1%
Belgium	1.5%	1.1%	2.3%	4.5%
Singapore	1.4%	1.0%	0.4%	-11.5%
Finland	1.0%	0.7%	-2.1%	-3.9%
Israel	0.8%	0.6%	-3.8%	-11.1%
Norway	0.6%	0.5%	2.4%	-16.2%
Ireland	0.5%	0.3%	-9.9%	-10.5%
New Zealand	0.2%	0.1%	5.9%	29.7%
Austria	0.2%	0.1%	-10.0%	-12.9%
Portugal	0.2%	0.1%	-2.8%	-7.5%
Total EAFE Countries	100.0%	70.6%	-1.5%	-10.2%
Canada		6.8%	3.4%	-6.3%
Total Developed Countries		77.4%	-1.1%	-9.8%
China		5.8%	0.1%	-23.4%
Korea		3.3%	-1.2%	-3.5%
Taiwan		2.7%	0.7%	-8.8%
India		1.9%	3.7%	-6.5%
South Africa		1.7%	1.6%	-15.9%
Brazil		1.6%	13.9%	-6.0%
Mexico		0.9%	-7.0%	-12.2%
Russia		0.9%	4.1%	-1.6%
Malaysia		0.7%	-5.9%	-6.0%
Indonesia		0.6%	4.1%	6.0%
Thailand		0.5%	2.8%	-7.1%
Philippines		0.4%	5.8%	1.0%
Turkey		0.3%	-7.9%	-10.1%
Chile		0.3%	1.9%	-1.7%
Poland		0.3%	-17.5%	-27.0%
Qatar		0.2%	-4.9%	-17.2%
United Arab Emirates		0.2%	0.1%	-14.9%
Colombia		0.1%	2.9%	-12.4%
Peru		0.1%	18.2%	8.3%
Greece		0.1%	-14.0%	-60.8%
Hungary		0.1%	-4.7%	20.5%
Czech Republic		0.0%	-6.1%	-18.3%
Egypt		0.0%	0.9%	-23.8%
Total Emerging Countries		22.6%	0.7%	-12.1%
Total ACWIXUS Countries		100.0%	-0.6%	-10.2%

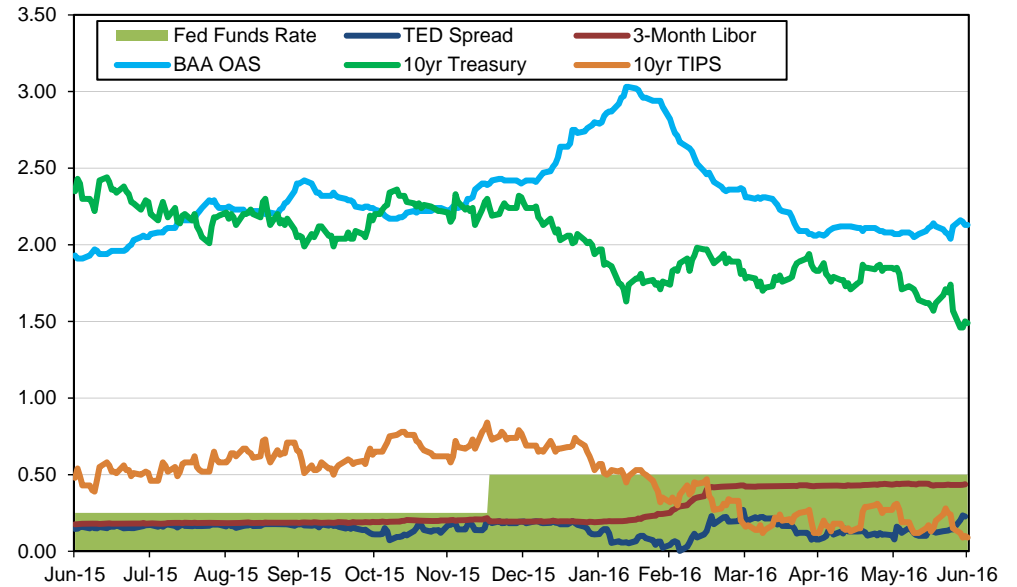
Source: MSCI Global Index Monitor (Returns are Net in USD)

- Despite being investors' least favorite asset class for some time, fixed income indices continued their strong 2016 performance through the 2nd quarter of the year. Early quarter headwinds triggered by hawkish comments from Federal Reserve Chair Janet Yellen implying a summer interest rate hike dissipated as weaker economic data created doubts that the economy was robust enough to warrant further monetary policy tightening. Expectations for a near-term increase of the Fed Funds Rate shrank further after the U.K.'s vote to leave the EU. This news caused a swift flight to quality, pushing interest rates lower through the second half of the quarter. While near-term rates had little room to move lower, long-term rates fell to near historic lows. This curve flattening helped longer duration indices such as the Barclays U.S. Corporate Investment Grade Index and the Barclays Global Aggregate ex U.S. Index to outperform, returning 3.6% and 3.4% respectively. Fixed income performance for the 1-year period was also positive across the country, credit, and sector spectrums with international bond indices, such as the Barclays Global Aggregate ex U.S. (11.2%) and the Barclays Multiverse (8.6%), generating the highest returns
- U.S. investment grade bond indices posted gains for the quarter with the broad market Barclays Aggregate Index posting a return of 2.2%. Higher duration index sectors within the Aggregate outperformed lower duration sectors with investment grade corporates (3.6%) and Treasury securities (2.1%) posting the largest gains. Hurt by its relatively low duration, the Barclays U.S. Mortgage Index performed the worst for the second quarter in a row, returning 1.1%. Over the 1-year period, the Aggregate has returned an expectation defying 6.0%. Similar to the quarterly results, investment grade corporates and Treasuries outperformed mortgages for the period.
- Lower credit quality issues outperformed higher quality securities during the 2nd quarter. Baa rated securities returned 4.3% versus a return of 1.7% for AAA issues due to higher average durations and the compression of interest rate credit spreads throughout the quarter. Driven by this spread compression, high yield bonds were the best performers with the Barclays U.S. High Yield Index returning 5.5%. Despite its strong start to 2016, the Barclays U.S. High Yield Index is only marginally positive over the last 12 months with a return of 1.6%.

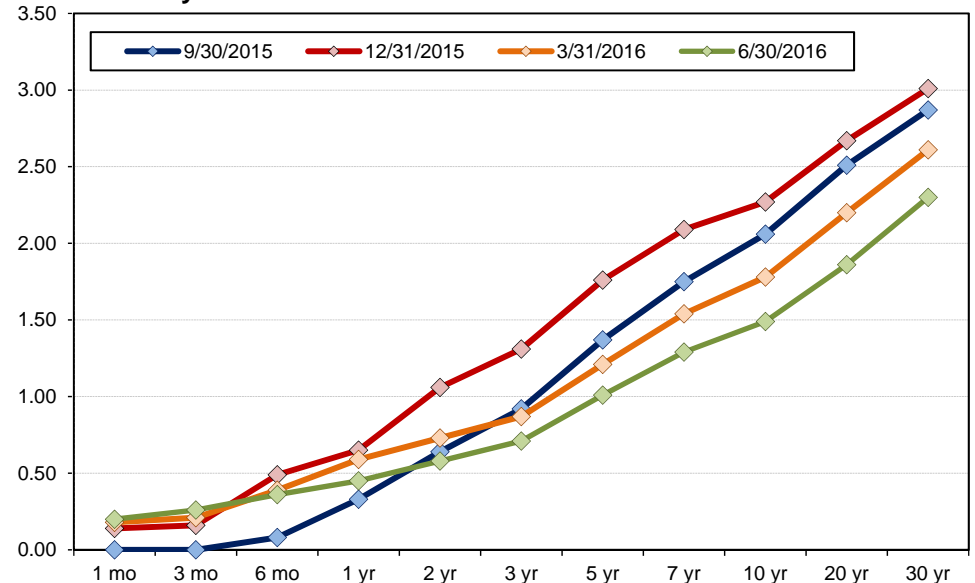


- U.S. TIPS finished the 2nd quarter with a 1.7% return. The relatively strong return can be attributed to the longer end of the TIPS yield curve shifting lowering during the period as headline CPI (1.1%) remains largely in check. The TIPS return for the 1-year period is a solid 4.4%.
- In USD terms, international fixed income indices posted the largest gains for both the quarter and 1-year periods. Despite the relatively low interest rates in international markets, with several government issues having negative yields, the Barclays Global Aggregate ex U.S. returned 3.4% for the quarter as the index benefitted from its higher average duration and mixed currency impact. The index's 11.2% return over the 1-year period also outpaced domestic bond returns.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell over the quarter and is now at a 12-month low. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread), which quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. When credit spreads widen (tighten), it is equivalent to interest rate increases (decreases) on corporate bond returns. After falling below 2.0% early in 2015, this spread rose throughout the remainder of the calendar year. While there was upside momentum in credit spreads early in 2016, they have narrowed by close to 1% since their high on February 11th. Despite an uptick from "Brexit" during June, this spread compression has benefited corporate bond returns. The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters. Treasury issues greater than two years ended the 2nd quarter at their lowest levels in the past 12-months while short-term rates are at the high end of their 12-month range.
- The Fed has stated future rate increases would be implemented at a measured pace and with an ongoing assessment of current economic data. Despite this domestic policy assertion, geopolitical events and non-U.S. stimulus programs are likely to keep demand for U.S. Treasury issues elevated and exert downward pressure on how high domestic interest rates will rise in the short-term.

1-Year Trailing Market Rates



Treasury Yield Curve



Our Mission

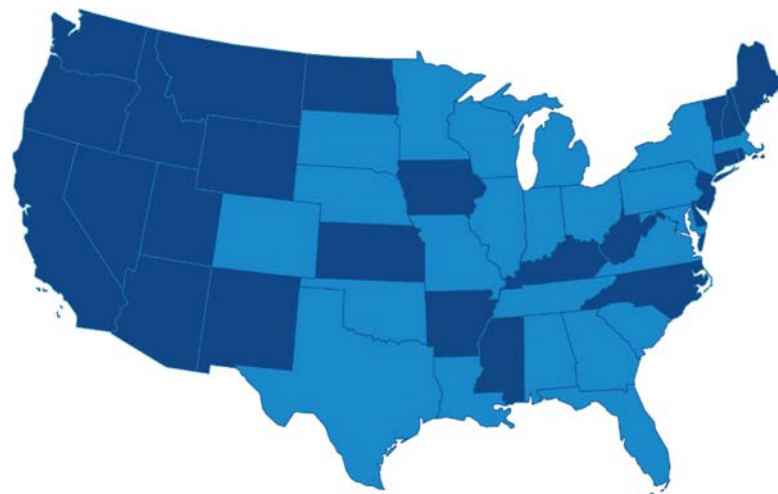
To represent the sole interest of our clients by redefining independence.

About Us

The Bogdahn Group is an independent investment consulting firm that advises over 530 institutional clients with approximately \$64 billion in assets under advisement. We are an independent firm, employee owned, and serve as a fiduciary to each of our clients. Our firm receives 100% of our revenue through hard-dollar fees for consulting services. We have never engaged in soft-dollar fee arrangements and are not affiliated with any Investment Management firms or other service providers.

Our firm believes that trust, integrity, confidence, and respect are the cornerstones of any successful business relationship. As a result, we work to ensure our client's interests are placed first. Our objective is to serve as our client's advocate and guide in the implementation, maintenance, administration, and fiduciary oversight of their investment and retirement programs. Exceptional service, as defined by each client, is our goal.

The Bogdahn Group, headquartered in Orlando, FL also has offices in Chicago, IL; Pittsburgh, PA; Tulsa, OK; Cleveland, OH; and Detroit, MI.



71
EMPLOYEES

26 ADVANCED DEGREES

15 CFAs **2 CIPMs** **3 CAIAs**

INSTITUTIONAL FOCUS

\$64

billion AUA

Investment Consulting Services

The Bogdahn Group has one line of business: investment consulting. We strive to simplify investment and fiduciary decisions for our clients by providing governance, monitoring and risk oversight, education, strategic implementation, and superior investment options. The Bogdahn Group delivers customized services to meet each client's unique needs.

Since no two clients' needs are the same and continuously evolve over time, we strive to maintain an ongoing understanding of each client's constraints and objectives to deliver ongoing value-added services. Our core services represent a strong foundation for client relationships.

Traditional Consulting Services

- Investment policy statement development
- Strategic asset allocation
- Manager / Strategy Evaluation
- Investment Manager Due Diligence
- Investment Manager Searches
- Performance measurement & reporting
- Quarterly Economic Summary
- Attribution analysis
- Client Education
- Spending policy review and development
- Vendor search & fee negotiations
- Distribution and management of open RFPs where required
- Custodian Evaluation
- Interpretation and assistance in asset/liability reports

Defined Contribution Consulting Services

- Design, Distribute, Collect and Evaluate RFP responses for Recordkeeping and Administration Services
- Facilitate the Vendor Selection Process and Interviews
- Assist with provider scope of work definition, negotiation of fees and contracts
- Investment Policy Development and Review
- Manager/Strategy Evaluation
- Plan Level Fee Analysis
- Board/Investment Committee Education
- Fund Evaluation and Recommendations
- Review Employee Education Strategy for fit with Demographics and Plan Goals
- Provide Guidance for Defined Contribution Strategies and Investment Decisions

Retirement Plans

- Public Funds - - Taft-Hartley - - Corporations -

Endowment & Foundations

Client Service Support

The Bogdahn Group's resources include dedicated teams comprised of:

- 34 Investment Consultants
- 8 Research Analysts
- 7 Internal Consultants
- 11 Performance Measurement Analysts
- 3 Information Technology Experts

The Bogdahn Group also has a dedicated management team consisting of professionals in compliance, finance, operations, and consulting services further supporting each department and ultimately each client.

SERVICE MODEL

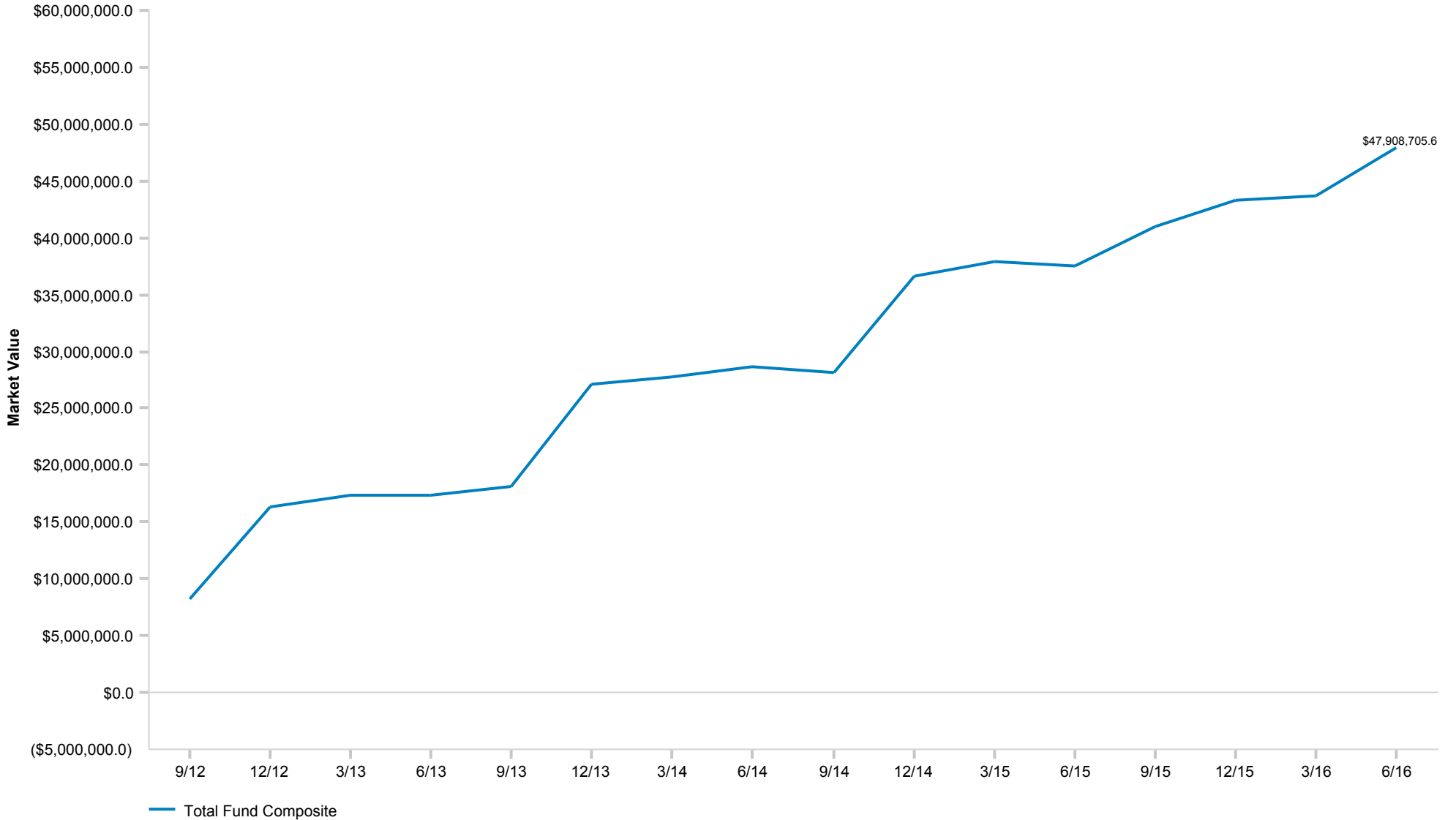


Investment Databases

Our firm utilizes some of the most robust and deep databases that are available to investment consultants. These include Bloomberg, InvestmentMetrics PARis, eVestment Alliance, Zephyr StyleADVISOR, Morningstar Direct, etc.

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Schedule of Investable Assets

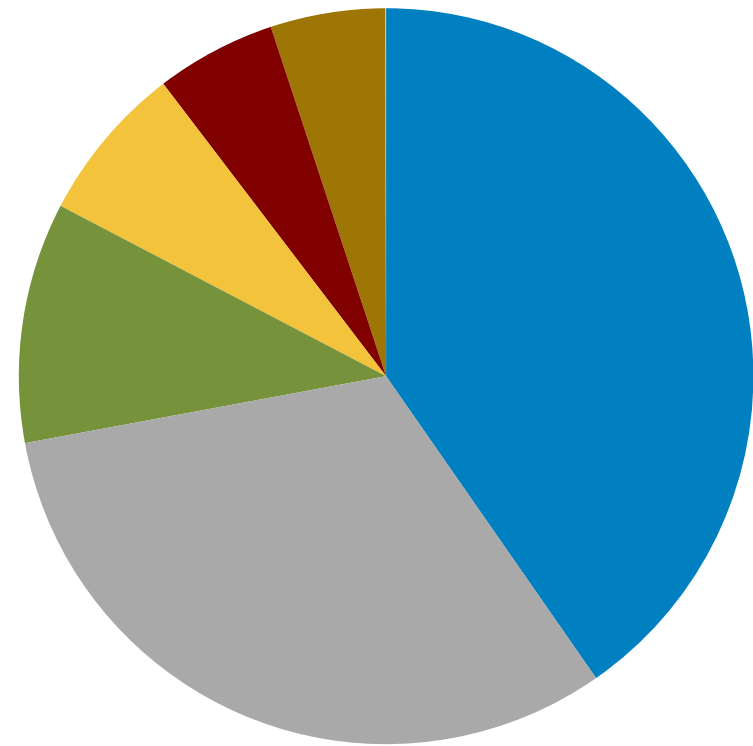
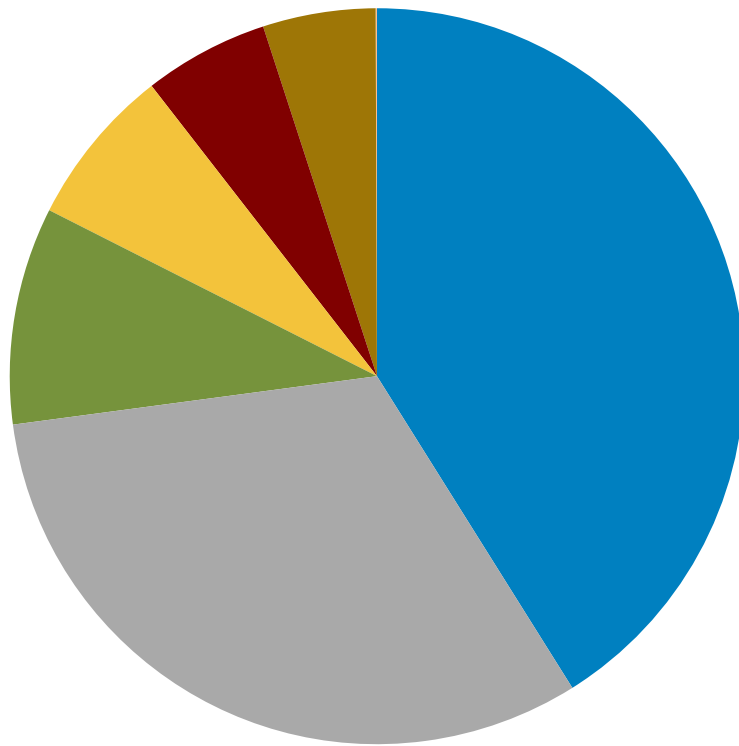


Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$	%Return
Oct-2012 To Jun-2016	8,192,495	34,208,565	5,507,645	47,908,706	6.73

March 31, 2016 : \$43,625,916

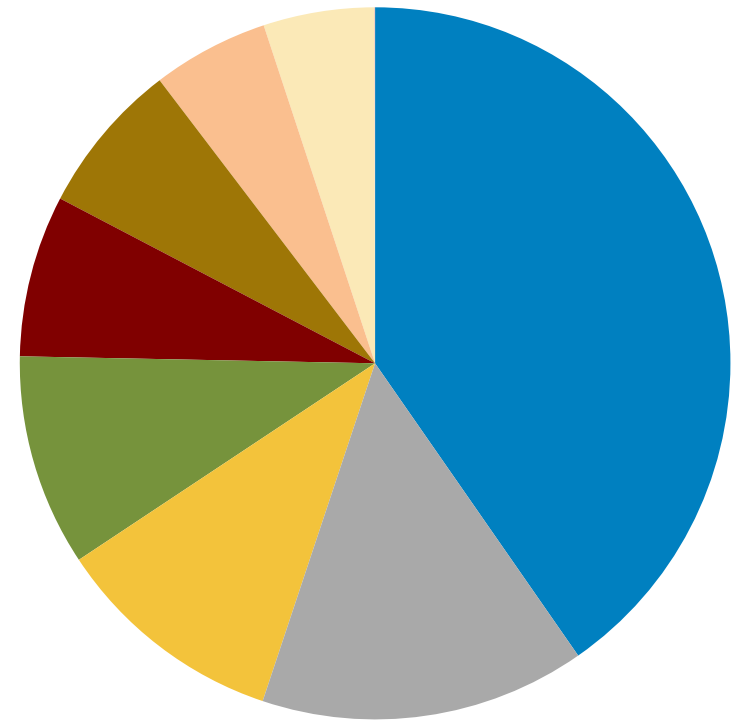
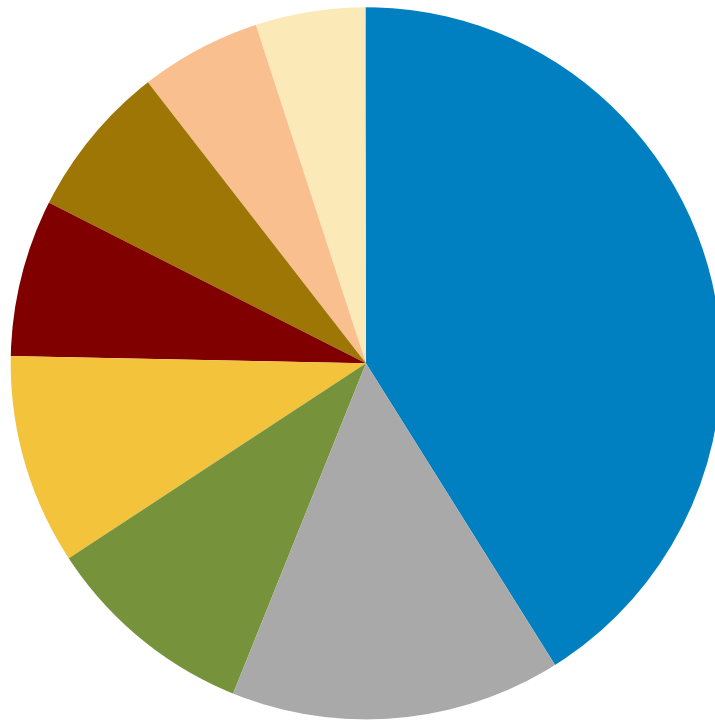
June 30, 2016 : \$47,908,706



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Core Plus Fixed Income	17,920,724	41.1	Core Plus Fixed Income	19,315,682	40.3
Domestic Equity	13,882,770	31.8	Domestic Equity	15,222,212	31.8
MLPs	4,166,245	9.5	MLPs	5,064,189	10.6
International Equity	3,066,585	7.0	International Equity	3,336,072	7.0
Real Estate	2,399,827	5.5	Real Estate	2,536,178	5.3
High Yield Fixed Income	2,162,612	5.0	High Yield Fixed Income	2,413,703	5.0
Cash	27,152	0.1	Cash	20,669	0.0

March 31, 2016 : \$43,625,916

June 30, 2016 : \$47,908,706



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ MacKay Shields Core Plus	17,920,724	41.1	■ MacKay Shields Core Plus	19,315,682	40.3
■ Fiduciary Management	6,553,595	15.0	■ Fiduciary Management	7,093,590	14.8
■ Barrow Hanley MeWhinney & Strauss	4,220,949	9.7	■ ARI MLP	5,064,189	10.6
■ ARI MLP	4,166,245	9.5	■ Barrow Hanley MeWhinney & Strauss	4,609,356	9.6
■ Stephens Mid Cap Growth	3,108,226	7.1	■ Stephens Mid Cap Growth	3,519,265	7.3
■ Causeway International (CIVIX)	3,066,585	7.0	■ Causeway International (CIVIX)	3,336,072	7.0
■ Cohen & Steers (CSRIX)	2,399,827	5.5	■ Cohen & Steers (CSRIX)	2,536,178	5.3
■ Loomis Sayles High Yield (LSHIX)	2,162,612	5.0	■ Loomis Sayles High Yield (LSHIX)	2,413,703	5.0
■ Cash	27,152	0.1	■ Cash	20,669	0.0

Asset Allocation & Performance	Allocation		Performance(%)					
	Market Value \$	%	QTR	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund Composite (Gross of Fees)	47,908,706	100.0	4.22	-0.16	5.87	N/A	6.73	10/01/2012
Policy Index			4.37	2.08	6.54	7.49	7.25	
OPEB Actuarial Assumption			1.71	7.00	7.03	N/A	7.07	
Total Fund Composite (Net of Fees)			4.12	-0.57	5.28	N/A	6.11	
Fiduciary Management	7,093,590	14.8	2.30	1.51	10.55	N/A	12.39	10/01/2012
Russell 1000 Value Index			4.58	2.86	9.87	11.35	12.60	
S&P 500 Index			2.46	3.99	11.66	12.10	12.94	
Stephens Mid Cap Growth	3,519,265	7.3	3.00	-7.16	7.31	N/A	10.46	01/01/2013
Russell Midcap Growth Index			1.56	-2.14	10.52	9.98	13.31	
Barrow Hanley MeWhinney & Strauss	4,609,356	9.6	1.17	-6.10	7.59	N/A	12.90	10/01/2012
Russell 2000 Value Index			4.31	-2.58	6.36	8.15	9.81	
Causeway International (CIVIX)	3,336,072	7.0	-1.27	-13.27	N/A	N/A	-3.37	10/01/2013
MSCI EAFE (net) Index			-1.46	-10.16	2.06	1.68	-1.73	
Cohen & Steers (CSRIX)	2,536,178	5.3	5.70	21.59	13.63	N/A	13.46	01/01/2013
FTSE NAREIT All Equity REITs			7.41	23.62	13.31	12.52	13.11	
ARI MLP	5,064,189	10.6	21.78	-22.44	-2.78	N/A	3.52	10/01/2012
Alerian MLP Index			19.70	-13.11	-5.38	3.24	-0.04	
MacKay Shields Core Plus	19,315,682	40.3	2.29	4.96	N/A	N/A	3.08	07/01/2014
Barclays Aggregate Index			2.21	6.00	4.06	3.76	3.91	
Loomis Sayles High Yield (LSHIX)	2,413,703	5.0	7.00	-1.40	3.71	N/A	5.14	01/01/2013
BofA Merrill Lynch High Yield Master II			5.88	1.71	4.18	5.71	4.02	
Cash	20,669	0.0						

Total Fund Composite (Gross of Fees) includes net performance for mutual funds within the portfolio: Causeway International (CIVIX), Cohen & Steers (CSRIX), and Loomis Sayles High Yield (LSHIX).
Gross of fees performance would be approximately 0.14% higher on an annual basis if these fees were included.

Asset Allocation & Performance	Allocation		Performance(%)				
	Market Value \$	%	2015	2014	2013	2012	2011
Total Fund Composite (Gross of Fees)	47,908,706	100.0	-2.43	5.42	17.12	N/A	N/A
Policy Index			-2.53	7.49	16.29	12.11	4.25
OPEB Actuarial Assumption			7.00	7.00	7.19	N/A	N/A
Fiduciary Management	7,093,590	14.8	-1.93	13.46	30.21	N/A	N/A
Russell 1000 Value Index			-3.83	13.45	32.53	17.51	0.39
S&P 500 Index			1.38	13.69	32.39	16.00	2.11
Stephens Mid Cap Growth	3,519,265	7.3	-0.28	4.61	36.16	N/A	N/A
Russell Midcap Growth Index			-0.20	11.90	35.74	15.81	-1.65
Barrow Hanley MeWhinney & Strauss	4,609,356	9.6	-6.22	3.03	48.35	N/A	N/A
Russell 2000 Value Index			-7.47	4.22	34.52	18.05	-5.50
Causeway International (CIVIX)	3,336,072	7.0	-3.12	-6.22	N/A	N/A	N/A
MSCI EAFE (net) Index			-0.81	-4.90	22.78	17.32	-12.14
Cohen & Steers (CSRIX)	2,536,178	5.3	5.23	30.18	3.46	N/A	N/A
FTSE NAREIT All Equity REITs			2.83	28.03	2.86	19.70	8.28
ARI MLP	5,064,189	10.6	-32.54	14.43	32.52	N/A	N/A
Alerian MLP Index			-32.59	4.80	27.58	4.80	13.88
MacKay Shields Core Plus	19,315,682	40.3	-0.08	N/A	N/A	N/A	N/A
Barclays Aggregate Index			0.55	5.97	-2.02	4.21	7.84
Loomis Sayles High Yield (LSHIX)	2,413,703	5.0	-10.27	5.17	15.07	N/A	N/A
BofA Merrill Lynch High Yield Master II			-4.64	2.50	7.42	15.58	4.38
Cash	20,669	0.0					

Total Fund Composite (Gross of Fees) includes net performance for mutual funds within the portfolio: Causeway International (CIVIX), Cohen & Steers (CSRIX), and Loomis Sayles High Yield (LSHIX).
Gross of fees performance would be approximately 0.14% higher on an annual basis if these fees were included.

Fiduciary's objective is to buy durable business at value prices in order to achieve top in class investment results over a three to five year time horizon. Fiduciary considers themselves long-term investors, not traders. They will typically hold between 20-30 companies in their portfolio with an average turnover of 35%. The research process is geared toward finding six new investment ideas for the portfolio in a given year. All investment ideas are generated by a research team consisting of six individuals, rather than relying on the portfolio manager. As of June 30, 2016, Fiduciary had a market value of \$7,093,590.

Fiduciary Management		Weight %
Unitedhealth Group Inc		5.2
Dollar General Corp		5.2
Comcast Corp		4.9
Berkshire Hathaway Inc		4.8
Accenture PLC		4.1
Schlumberger Ltd		4.0
Progressive Corp (The)		3.8
Danone		3.8
Bank of New York		3.7
Expeditors Intl		3.4

Equity Assets Exposures by Sector	Fiduciary Management	Russell 1000 Value Index
Cash	9.88	N/A
Consumer Discretionary	19.25	4.75
Consumer Staples	9.35	9.11
Energy	6.44	13.56
Financials	17.40	27.69
Health Care	7.33	11.33
Industrials	14.97	9.75
Information Technology	12.24	9.49
Materials	3.13	2.80
Telecommunication Services	N/A	4.24
Utilities	N/A	7.27

Equity Characteristics	Fiduciary Management	Russell 1000 Value Index
Wtd. Avg. Mkt. Cap (\$)	75,298,204,918	114,956,534,744
Price/Earnings ratio	18.9	17.1
Price/Book ratio	3.2	2.1
Current Yield	2.1	2.6
Number of Stocks	30	692

The Stephens Mid Cap Growth portfolio is a diversified portfolio that seeks long term growth of capital by investing primarily in common stock of U.S. companies with market capitalizations of between \$1.5 billion to \$12.5 billion. They select mid cap growth companies that are established growth companies that have achieved above average growth. The combination of core growth and catalyst growth stocks positions the portfolio for varying market conditions. As of June 30, 2016, Stephens had a market value of \$3,519,265.

Stephens Mid Cap Growth		Russell Midcap Growth Index	
	Weight %		Weight %
Monster Beverage Corp	2.0	Equinix Inc	1.0
CoStar Group Inc	1.8	Dollar General Corp	1.0
MercadoLibre Inc	1.7	O'Reilly Automotive Inc	1.0
Ulta Salon Cosmetics	1.7	Intuitive Surgical Inc	0.9
IDEXX Laboratories Inc	1.6	NVIDIA Corp	0.9
Cerner Corp	1.6	Fiserv Inc.	0.9
Ross Stores Inc	1.6	AutoZone Inc	0.9
Henry Schein Inc	1.4	Ross Stores Inc	0.8
VCA Inc	1.4	LinkedIn Corp	0.8
Ultimate Software Group Inc (The)	1.4	Electronic Arts Inc.	0.8

Equity Assets Exposures by Sector

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Cash	3.02	N/A
Consumer Discretionary	19.46	24.01
Consumer Staples	4.36	8.03
Energy	6.13	1.33
Financials	4.30	10.03
Health Care	23.53	15.82
Industrials	10.64	14.22
Information Technology	28.58	20.93
Materials	N/A	5.00
Telecommunication Services	N/A	0.49
Utilities	N/A	0.14

Equity Characteristics

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Wtd. Avg. Mkt. Cap (\$)	10,418,319,664	12,404,549,769
Price/Earnings ratio	30.5	25.4
Price/Book ratio	4.3	5.1
Current Yield	0.6	1.2
Number of Stocks	99	465

The strategy is designed to exploit inefficiencies in the small cap sector of the market by carefully employing high value-added proprietary research in a universe of small capitalization, low-expectation stocks. This process is directed toward the discovery of companies in which the value of the underlying business is significantly greater than the market price. The portfolio's goal is to consistently generate superior returns while assuming below average levels of risk. As of June 30, 2016, Barrow, Hanley, MeWhinney & Strauss had a market value of \$4,609,356.

Barrow Hanley MeWhinney & Strauss		Russell 2000 Value Index	
	Weight %		Weight %
Vishay Intertechnology Inc.	3.8	IDACORP Inc.	0.5
Fairchild Semiconductor International Inc.	3.8	Olin Corp	0.5
Simpson Manufacturing Co. Inc.	3.7	Portland Gen. Elec. Co.	0.5
PolyOne Corp	3.6	Healthcare Realty Trust Inc	0.5
Plexus Corp	3.4	ONE Gas Inc	0.4
Texas Capital Bancshares Inc	3.2	PrivateBancorp Inc	0.4
II VI Inc	3.2	WGL Holdings Inc.	0.4
Comfort Systems USA Inc.	3.2	Prosperity Bancshares Inc	0.4
Barnes Group Inc	3.1	Umpqua Holdings Corp	0.4
Memorial Res Dev Corp	3.1	FirstMerit Corp	0.4

Equity Assets Exposures by Sector

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Cash	2.67	N/A
Consumer Discretionary	12.94	10.67
Consumer Staples	N/A	2.96
Energy	3.12	5.07
Financials	8.14	41.32
Health Care	2.80	4.64
Industrials	33.77	12.11
Information Technology	27.62	10.13
Materials	8.96	4.54
Telecommunication Services	N/A	0.80
Utilities	N/A	7.77

Equity Characteristics

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Wtd. Avg. Mkt. Cap (\$)	2,058,121,822	1,611,599,156
Price/Earnings ratio	20.2	16.2
Price/Book ratio	1.9	1.5
Current Yield	1.0	2.3
Number of Stocks	39	1,361

Fund Information

Fund Name : Causeway Capital Management Trust: Causeway International Value Fund; Institutional Class Shares
 Fund Family : Causeway Capital Management LLC
 Ticker : CIVIX
 Inception Date : 10/26/2001
 Fund Assets : \$5,085 Million
 Portfolio Turnover : 28%

Portfolio Assets : \$5,785 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM International Large Cap Value Equity (MF)
 Style Benchmark : MSCI EAFE (net) Index

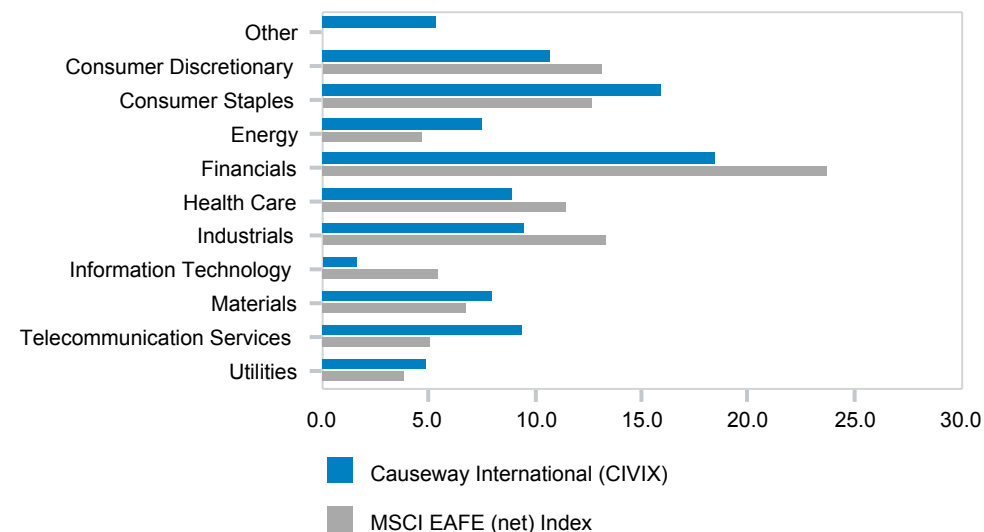
Portfolio Characteristics As of 03/31/2016

	Portfolio	Benchmark
Total Securities	63	928
Avg. Market Cap (\$)	65,450,352,064	8,935,620,279
Price/Earnings (P/E)	18.24	15.43
Price/Book (P/B)	2.96	2.17
Dividend Yield	3.77	3.37
Annual EPS	4.84	N/A
5 Yr EPS	2.70	5.99
3 Yr EPS Growth	1.80	N/A
Beta	N/A	1.00

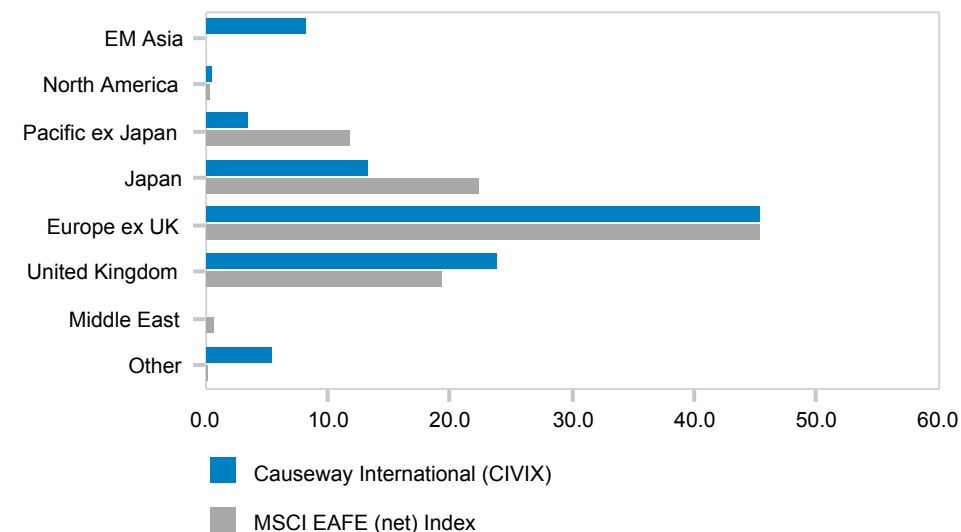
Top Ten Securities As of 03/31/2016

Dreyfus Cash Management;Institutional	4.3 %
Akzo Nobel NV ORD	3.5 %
British American Tobacco PLC ORD	3.2 %
Volkswagen AG PFD	3.1 %
Relx NV ORD	3.1 %
KDDI Corp ORD	3.1 %
Roche Holding AG Par	2.7 %
SSE PLC ORD	2.7 %
Novartis AG ORD	2.7 %
Total SA ORD	2.7 %

Sector Weights As of 03/31/2016



Region Weights As of 03/31/2016



Statistics provided by Lipper. Most recent available data shown.

Fund Information

Fund Name : Cohen & Steers Institutional Realty Shares, Inc
 Fund Family : Cohen & Steers Capital Management Inc
 Ticker : CSRIX
 Inception Date : 02/14/2000
 Fund Assets : \$3,129 Million
 Portfolio Turnover : 60%

Portfolio Assets : \$3,129 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM Real Estate Sector (MF)
 Style Benchmark : FTSE NAREIT All Equity REITs

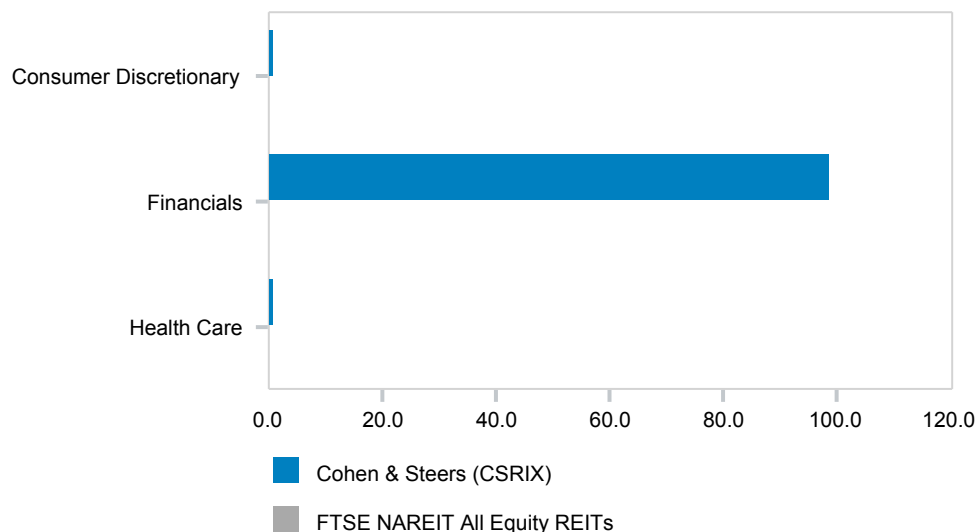
Portfolio Characteristics As of 03/31/2016

	Portfolio	Benchmark
Total Securities	45	N/A
Avg. Market Cap (\$)	19,110,756,716	-
Price/Earnings (P/E)	44.37	N/A
Price/Book (P/B)	4.62	N/A
Dividend Yield	3.50	N/A
Annual EPS	42.37	N/A
5 Yr EPS	18.89	N/A
3 Yr EPS Growth	25.84	N/A
Beta (3 Years, Monthly)	1.03	1.00

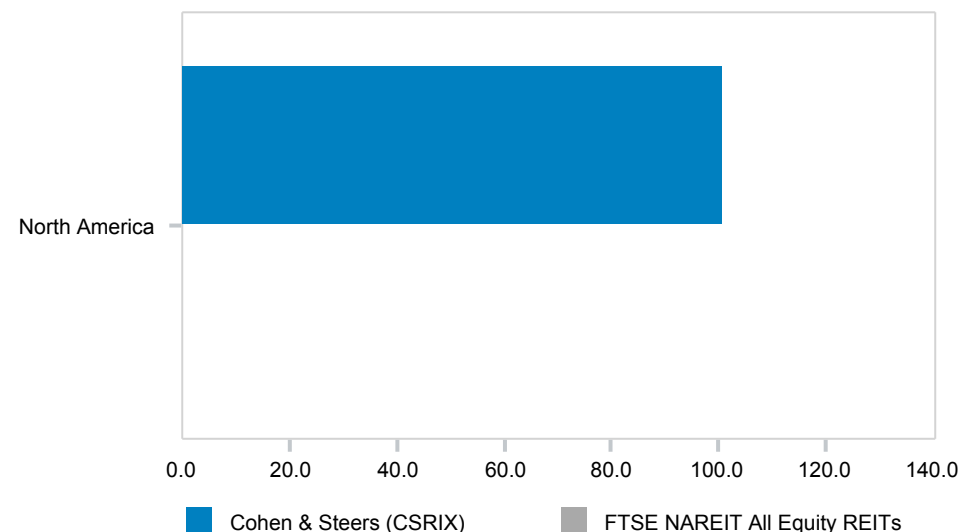
Top Ten Securities As of 03/31/2016

Simon Property Group Inc ORD	11.3 %
UDR Inc	6.4 %
Equinix Inc ORD	5.5 %
Public Storage ORD	5.1 %
Vornado Realty Trust ORD	3.9 %
HCP Inc ORD	3.7 %
Essex Property Trust Inc	3.6 %
Apartment Investment and Management Co	3.5 %
CubeSmart	3.3 %
DDR Corp	3.1 %

Sector Weights As of 03/31/2016



Region Weights As of 03/31/2016



Statistics provided by Lipper. Most recent available data shown.

The ARI Master Limited Partnerships (MLPs) strategy is a diversified portfolio consisting primarily of publicly traded partnerships focused in the natural resources and energy infrastructure industries. The objective is to provide high levels of total returns and a growing cash yield. It offers low correlation to the broader equity market over the long-term. As of June 30, 2016, ARI had a market value of \$5,064,189.

ARI MLP		Alerian MLP Index	
	Weight %		Weight %
Magellan Midstream Partners LP	9.4	Enterprise Products Partners LP	19.6
DCP Midstream Partners LP	7.8	Williams Partners LP	6.7
Energy Transfer Partners LP	6.0	Energy Transfer Partners LP	5.9
Buckeye Partners LP	6.0	Magellan Midstream Partners LP	5.6
MPLX LP	5.8	Spectra Energy Partners LP	4.5
Plains All American Pipeline LP	5.4	Cheniere Energy Partners LP	4.2
Tesoro Logistics LP	5.0	Plains All American Pipeline LP	4.1
EQT Midstream Partners LP	4.7	MPLX LP	4.0
Enbridge Energy Partners LP	4.6	ONEOK Partners LP	3.7
Western Gas Equity Partners LP	4.2	Enbridge Energy Partners LP	3.0

Equity Assets Exposures by Sector

	ARI MLP	Alerian MLP Index
Cash	0.11	N/A
Energy	99.89	96.75
Materials	N/A	0.62
Utilities	N/A	2.63

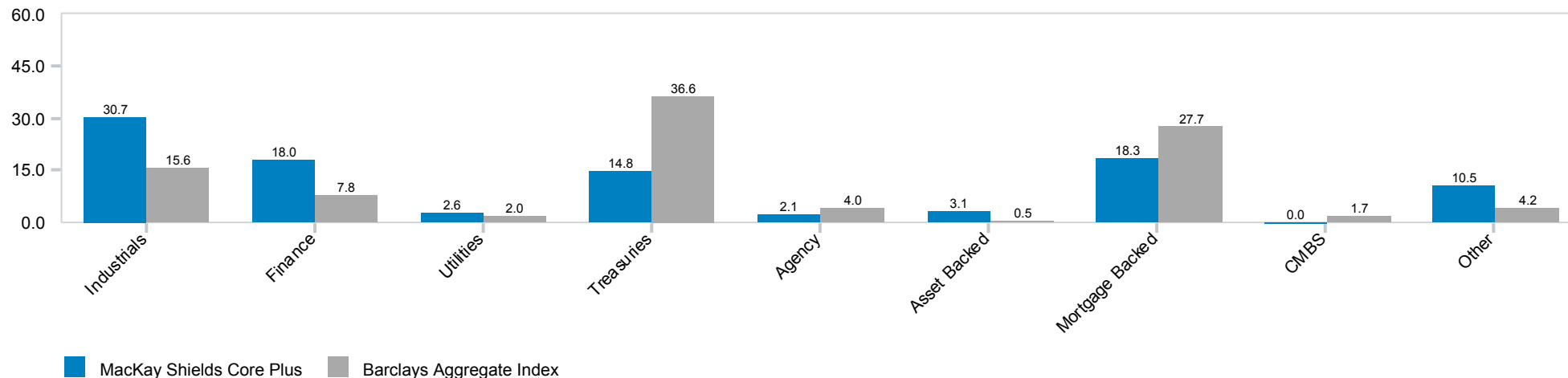
Equity Characteristics

	ARI MLP	Alerian MLP Index
Wtd. Avg. Mkt. Cap (\$)	8,833,208,253	19,232,656,906
Price/Earnings ratio	22.0	23.0
Price/Book ratio	2.1	2.3
Current Yield	7.4	6.9
Number of Stocks	31	44

MacKay Shields Core Plus seeks to outperform the benchmark by eliminating or reducing uncompensated risk while opportunistically allocating investments across a range of core and off-benchmark sectors. The fund typically invests in the same sectors represented by the Barclays U.S. Aggregate Bond Index, as well as high yield, emerging market debt, and non-US Dollar exposure. Their philosophy is centered on their pursuit of consistent, superior rates of return with low volatility. Their goal for the product is to provide enhanced returns over a full market cycle with lower-than market risk. This portfolio replaced Smith

Affiliated during the second quarter of 2014. As of June 30, 2016, MacKay Shields had a market value of \$19,315,682.

Sector Distribution (%)



Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	2.53	7.51
Avg. Quality	A+	AA
Coupon Rate (%)	3.75	3.12
Modified Duration	5.26	5.47
Yield To Maturity (%)	2.53	1.81
Holdings Count	189	3,533

Fund Information

Fund Name :	Loomis Sayles Funds I: Loomis Sayles Institutional High Income Fund; Institutional Class	Portfolio Assets :	\$701 Million
Fund Family :	Loomis Sayles & Company LP	Portfolio Manager :	Fuss/Eagan/Stokes
Ticker :	LSHIX	PM Tenure :	1996--2007--2007
Inception Date :	06/05/1996	Fund Style :	IM U.S. High Yield Bonds (MF)
Fund Assets :	\$701 Million	Style Benchmark :	Citigroup High Yield Market Index
Portfolio Turnover :	19%		

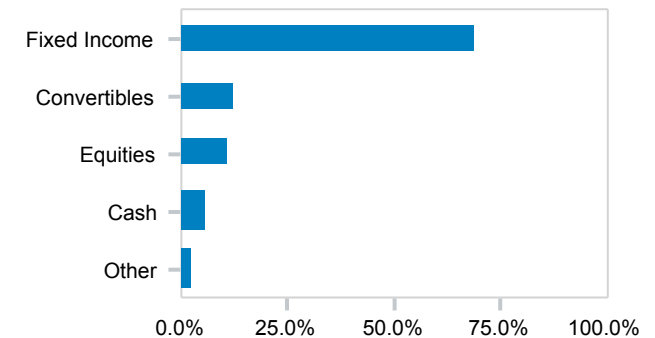
Fund Characteristics As of 03/31/2016

Avg. Coupon	5.04 %
Nominal Maturity	N/A
Effective Maturity	6.89 Years
Duration	4.00 Years
SEC 30 Day Yield	5.5
Avg. Credit Quality	BB

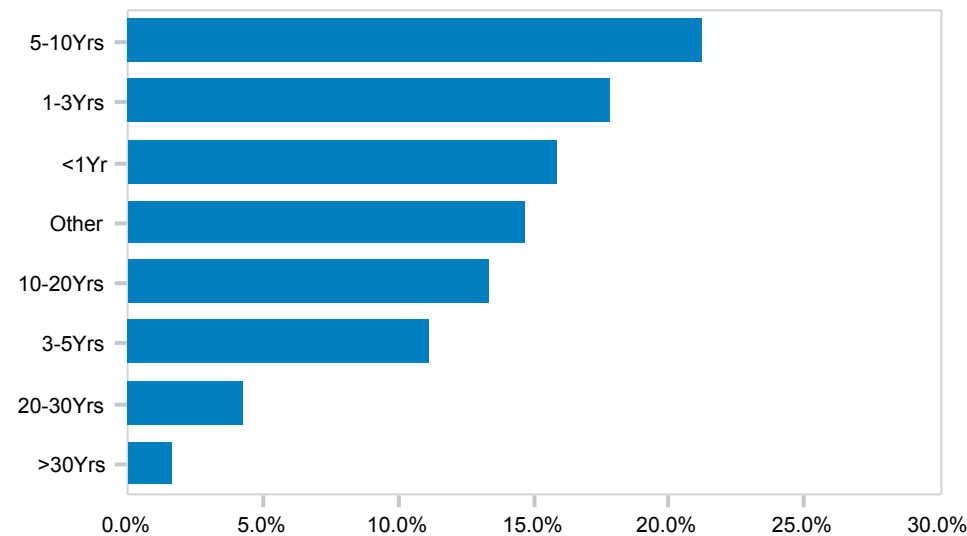
Top Ten Securities As of 03/31/2016

Corporate Notes/Bonds	56.2 %
Convertible Securities	12.4 %
Common Stock	11.0 %
Fgn. Currency Denominated Bonds	10.2 %
Treasury Notes/Bonds	3.9 %
Asset Backed Securities	0.4 %
Preferred Stock-Non Convertible	0.3 %

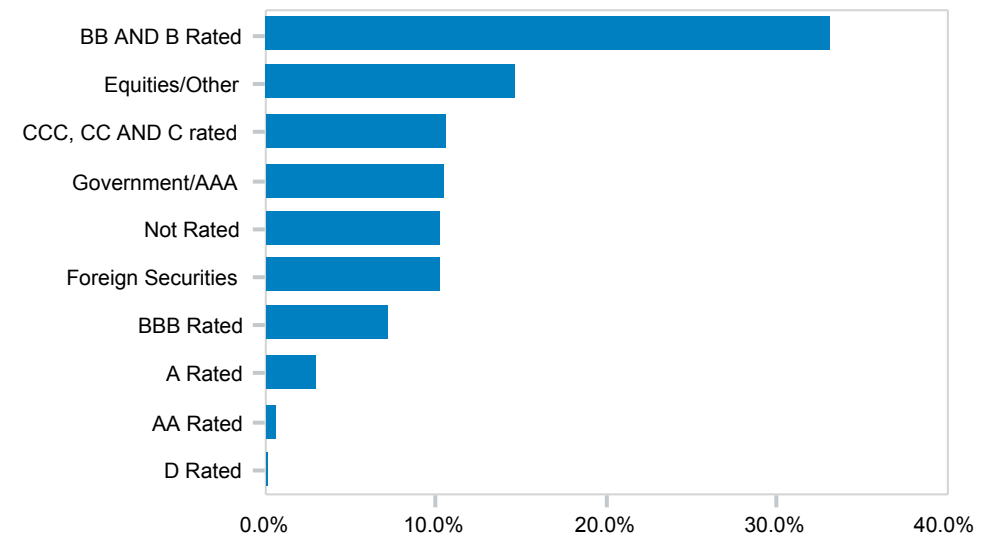
Asset Allocation As of 03/31/2016



Maturity Distribution As of 03/31/2016



Sector/Quality Allocation As of 03/31/2016



Statistics provided by Lipper. Most recent available data shown.

Port of Houston OPEB
Manager Status Summary
As of June 30, 2016

Manager	Mandate	Status	Notes
Fiduciary Management	Large Cap Value Equity	In Compliance	
Stephens Mid Cap Growth	Mid Cap Growth Equity	On Alert	4q2014 - Performance
Barrow Hanley MeWhinney & Strauss	Small Cap Value Equity	Non-Compliance	Beta 1.39 vs. Investment Policy Statement of 1.20
Causeway International (CIVIX)	International Equity	In Compliance	
Cohen & Steers (CSRIX)	Real Estate and Investment Trust	In Compliance	
ARI MLP	Master Limited Partnership	In Compliance	
Mackay Shields Core Plus	Core Plus Fixed Income	In Compliance	
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	In Compliance	

In Compliance- The portfolio is acting in full compliance with its guidelines and it is performing according to expectations.

On Alert- Concerns exist with the portfolio's performance, a change in investment characteristics, management style, ownership structure, staff or other related events.

On Notice- A continued and serious problem with any of the issues mentioned above. If the situation is not resolved to the Trustee's satisfaction, a replacement will be replaced and hired.

**Port of Houston OPEB
Fee Summary
As of June 30, 2016**

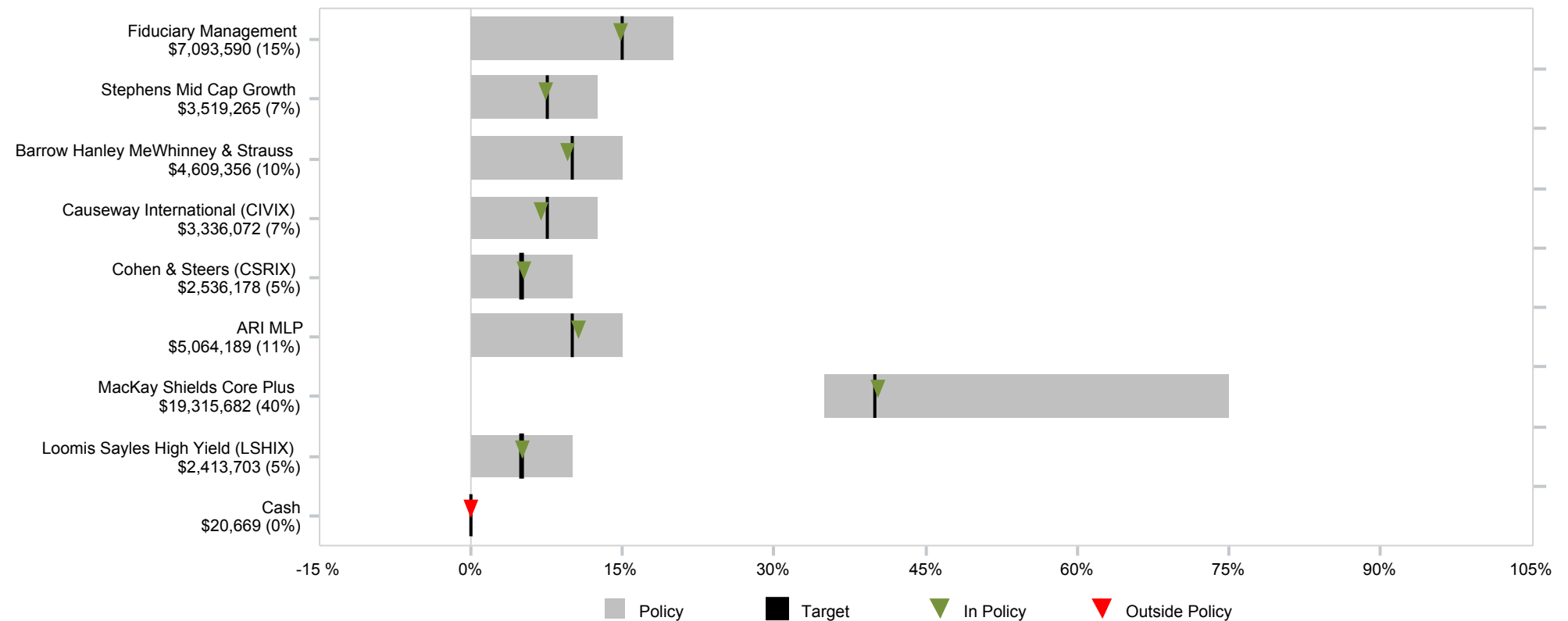
Structure	Mandate	Expense Ratio	Category Average	Difference	Annual Savings
Fiduciary Management	Large Cap Value Equity	0.55%	1.21%	0.66%	\$46,818
Stephens Mid Cap Growth	Mid Cap Growth Equity	0.78%	1.35%	0.57%	\$20,060
Barrow Hanley MeWhinney & Strauss	Small Cap Value Equity	0.68%	1.40%	0.72%	\$33,187
Causeway International (CIVIX)	International Equity	0.90%	1.16%	0.26%	\$8,674
Cohen & Steers (CSRIX)	Real Estate and Investment Trust	0.75%	1.31%	0.56%	\$14,203
ARI MLP	Master Limited Partnership	0.75%	1.00%	0.25%	\$12,660
Mackay Shields Core Plus	Core Plus Fixed Income	0.35%	0.84%	0.49%	\$94,647
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	0.68%	1.08%	0.40%	\$9,655
Total Management Fees		0.56%	1.06%	0.50%	\$239,903

Source: Morningstar and Investment Managers

Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund Composite	47,908,706	100.0	100.0	0.0		
Fiduciary Management	7,093,590	14.8	15.0	-0.2	0.0	20.0
Stephens Mid Cap Growth	3,519,265	7.3	7.5	-0.2	0.0	12.5
Barrow Hanley MeWhinney & Strauss	4,609,356	9.6	10.0	-0.4	0.0	15.0
Causeway International (CIVIX)	3,336,072	7.0	7.5	-0.5	0.0	12.5
Cohen & Steers (CSRIX)	2,536,178	5.3	5.0	0.3	0.0	10.0
ARI MLP	5,064,189	10.6	10.0	0.6	0.0	15.0
MacKay Shields Core Plus	19,315,682	40.3	40.0	0.3	35.0	75.0
Loomis Sayles High Yield (LSHIX)	2,413,703	5.0	5.0	0.0	0.0	10.0
Cash	20,669	0.0	0.0	0.0	0.0	0.0

Executive Summary



Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

The Bogdahn Group compiled this report for the sole use of the client for which it was prepared. The Bogdahn Group is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. The Bogdahn group uses the results from this evaluation to make observations and recommendations to the client.

The Bogdahn Group uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. The Bogdahn Group analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides The Bogdahn Group with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides The Bogdahn Group with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause The Bogdahn Group to believe that the information presented is significantly misstated.

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