Performance Review

American Academy of Neurology

1st Quarter 2018

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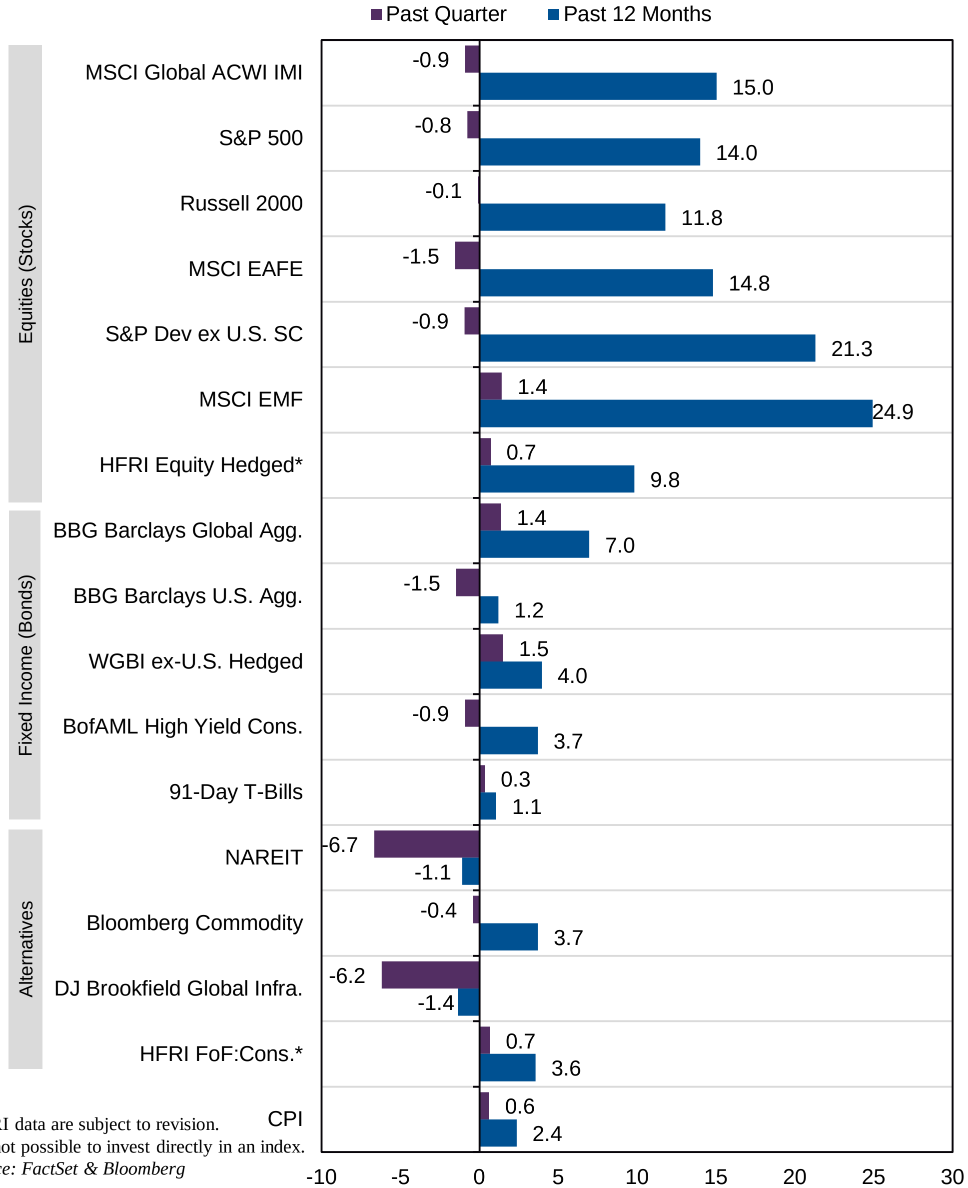
PAVILION

Capital Markets Review

Summary

As of March 31, 2018

Performance: Past Quarter and Year (%)



*HFRI data are subject to revision.
It is not possible to invest directly in an index.
Source: FactSet & Bloomberg

Expanding uncertainty

- Increased uncertainty propelled equity market volatility higher late in January and markets remained choppy through quarter end. The jump felt particularly pronounced as the S&P 500 Index experienced 23 trading days with a greater than 1% move in the first quarter compared to 2017's 8 trading days during the entire year. The equity market's volatility spike, however, had limited spill over into other asset classes, suggesting issues are not systemic.
- At the center of the uncertainty was political rhetoric, particularly trade policy. The tariffs proposed initially were unlikely to derail economic growth, but investors reacted to fears of a potential trade war and significant global supply chain disruptions. Technology companies were in the spotlight late in the quarter, as Facebook, Amazon, and Tesla, to name a few, faced challenges that could lead to regulation.
- Economic growth is intact, supported by the global recovery and fiscal stimulus domestically. Economic success is powering equity earnings with the S&P 500 Index posting double digit earnings growth in 2017, and the trend is expected to continue in the first quarter and 2018 per FactSet. One driver of this growth is healthy consumer balance sheets and sentiment, as debt to income levels remain low.
- Core inflation is approaching targets in most developed markets, allowing monetary policy makers to gradually reduce accommodation. Central bank guidance did not change materially in the quarter, and January's spike in rates reflected an alignment of markets and policymakers, rather than a significant change in policy. Consistent with these expectations, the Federal Open Market Committee ("FOMC") raised rates 25 basis points in March with little market disruption.
- For the fifth consecutive quarter, the U.S. yield curve flattened, and rising rates in January weighted heavily on quarterly returns within fixed income. Additionally, credit spreads generally widened, reflecting the increased uncertainty in the economic landscape and weighing on performance relative to similar duration Treasuries. Outside the U.S., local emerging debt benefitted from a weakening U.S. dollar.
- Emerging markets performance again represented a bright spot for equities. Also maintaining 2017's trend, the Growth styles outperformed the Value style even with technology stocks performing poorly in March, amid headline shocks. While not immune to the whipsaw market of the first quarter, small capitalization stocks performed better as trade policy was anticipated to have a lesser effect due to lower foreign revenues.
- The announcement of steel and aluminum tariffs in February hit commodity prices. Tariff escalations drew more sub-groups into the fray, particularly U.S. agriculture and livestock. Income-oriented strategies, like infrastructure, were hurt by a rising, flattening yield curve.

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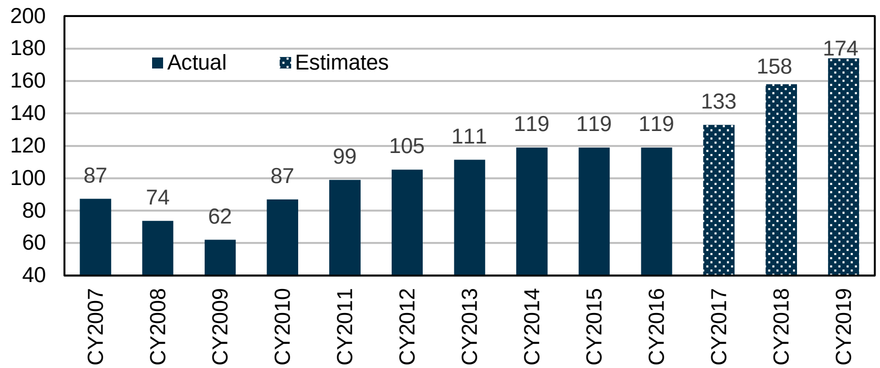
Capital Markets Review

Asset Class Outlook

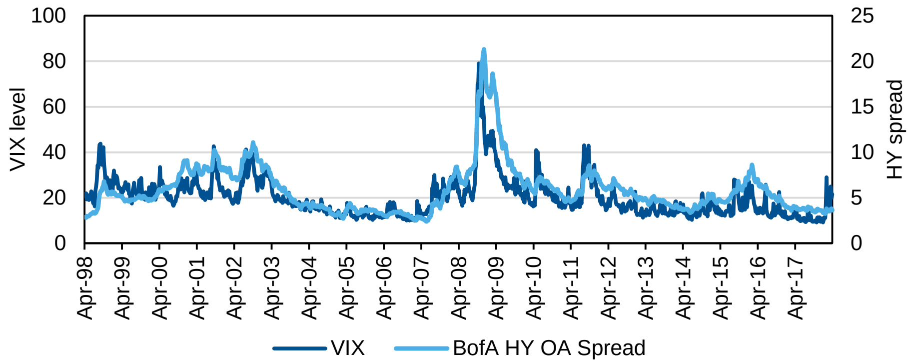
As of March 31, 2018

S&P 500 Calendar Year Bottom-Up EPS Actuals & Estimates



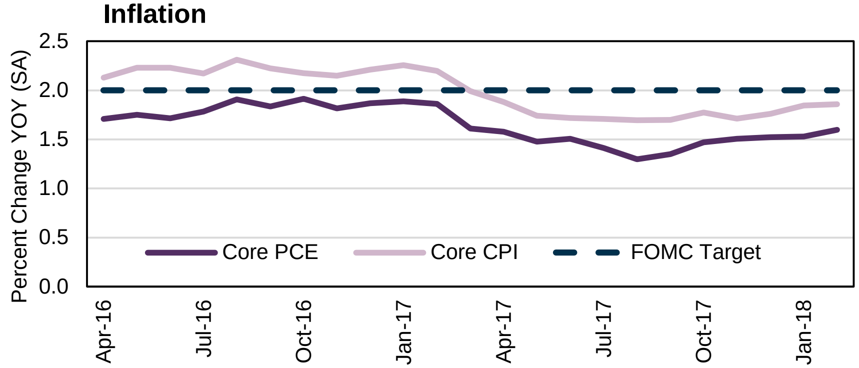
Source: FactSet as of April 10, 2018

Credit spreads lag volatility spike



Source: *Federal Reserve FRED Data*

Inflation



Source: *Federal Reserve FRED Data*

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Equities

- Equity markets experienced their first negative quarter since 2015. Although returns were only slightly negative, there was a dramatic rise in volatility. The increase, while stark, moved volatility closer to long-run average levels from near record low levels during 2017. The shift in volatility reflects the increasing uncertainty surrounding Federal Reserve policy (will they move faster or slower?), the prospects for rising inflation, as well as evolving trade conflicts. Despite these challenges, tailwinds remain. Above trend growth, easy financial conditions, strong earnings growth, record levels of stock buy-backs (over $800 billion estimated) and fiscal stimulus in the form of tax cuts should provide an environment in which equity markets can provide positive though more volatile performance. And while emerging markets continue to enjoy strong growth, environments are a bit more challenging in ex-U.S. developed markets. The U.K. faces weaker growth and increasing Brexit uncertainty while the E.U. deals with the consequences of significant currency appreciation. And, while various valuation metrics may make U.S. equities appear expensive to foreign equities, a large portion of this differential can be explained by differences in earnings growth and sector weights (lower exposure to financials and industrials in the U.S. and higher technology exposure). Adjusting for these differences, valuations appear more symmetric.

Fixed Income

- With the exception of short-term assets such as Treasury Bills, fixed income markets posted negative returns for the quarter, partly reflecting policy makers continued moves to normalizing interest rates. Leading this process has been the Federal Reserve, which nudged rates up another 25 basis points during the quarter, maintaining the commitment to a gradual process. Quarterly projections that Federal Reserve officials provided suggest that as few as two more rate hikes may be necessary this year, with the process ending late in 2019 at a fed funds rate of 3%. Based upon forward markets, market participants anticipate a slightly more gradual pace of rate increases, anticipating a terminal 10-year Treasury rate of about 3%. With 10-year yields currently at about 2.8%, most of the pain from rate increases may be behind us. Credit markets, however, may have room to weaken. Credit spreads typically mimic moves in implied volatility in the equity markets as both reflect the level of uncertainty of future cash-flows. While credit spreads widened during the quarter, the move was significantly less than implied by recent equity market moves. Credit markets may struggle as spreads play catch-up to the increase in equity market volatility

Real Assets

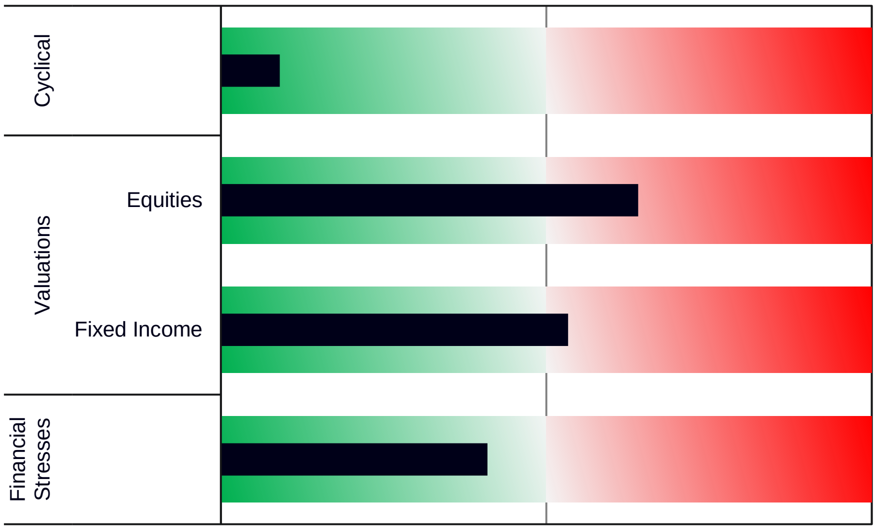
- Core inflation remains subdued; however, it is gradually increasing towards the Federal Reserve's 2% target. While inflation is likely to rise over the course of the next few quarters, it continues to face headwinds in the form of demographics, technological innovation, as well as globalization. While any material deterioration in trade arrangements would put upward pressure on inflation, those risks remain a considerable distance in the future. Although these conditions have created a difficult environment for real assets, we maintain our view that global listed infrastructure likely provides a diversifying income stream with a slightly lower volatility profile than commodities. We maintain a cautious view on REITs, due to historical correlations with long duration fixed income.

Capital Markets Review

Key Market Risks

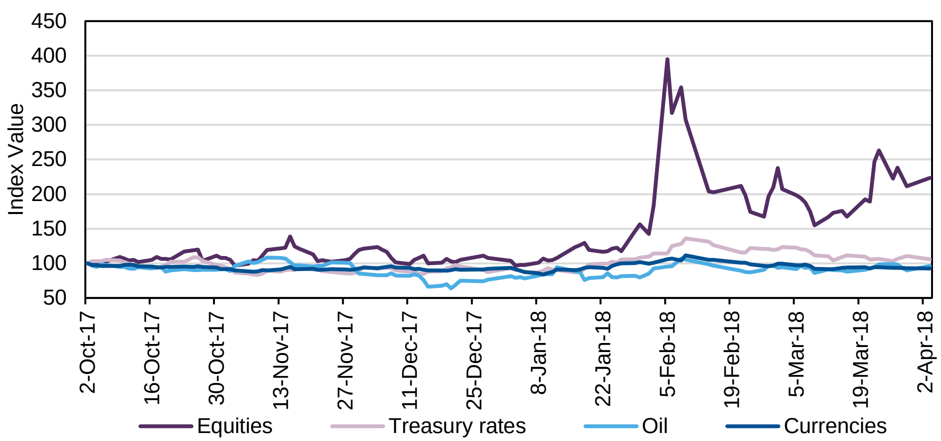
As of March 31, 2018

Current Risk Levels



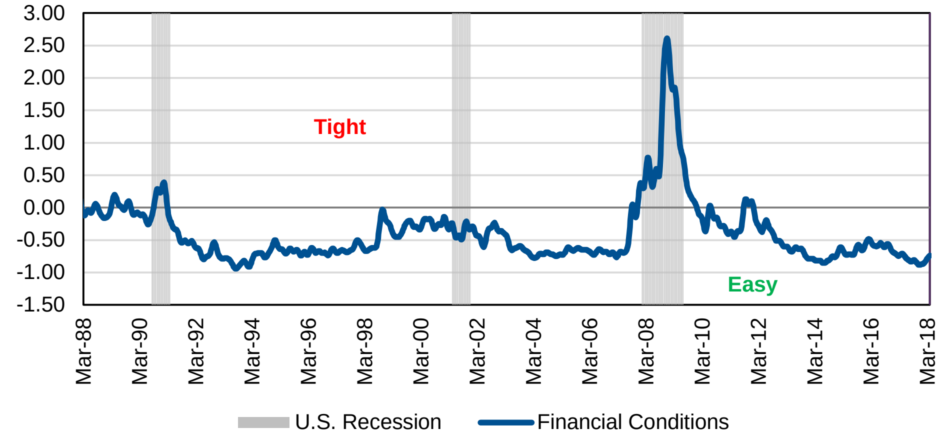
Source: Bloomberg, FactSet, Recession Alert, & Pavilion Analysis

Equity volatility the outlier



Source: *Bloomberg*
Values indexed to 10/2/2017
Equities: VIX Index; Treasury Rates: Move Index; Oil: OVX Index; and Currencies: FXVIX Index

Tightening financial conditions



Source: Federal Reserve FRED Data

Cyclical risks appear benign while policy and trade tensions grow

- **Can the Fed thread the needle?** Despite below target inflation and subdued wage growth, the Federal Reserve ("Fed") has been raising rates steadily for over a year. With inflation still low but rising and wage growth subdued, the question is whether the Fed is moving too quickly or too slowly? Will the Fed allow inflation to run a bit above target to spur wage growth or will they treat the target as a ceiling? Signs of rising wage growth contributed to the initial uptick in volatility during the quarter as investors anticipated a more aggressive Fed policy response. While those fears appear to have dissipated, financial conditions have begun to tighten in the last quarter and may cease being a tailwind by year end.

- **Will higher equity volatility infect other asset classes?** While equity market volatility spiked during the month, this spike was not reflected in other asset classes. While equity volatility is more of a coincident indicator than a leading indicator, synchronized increases in volatility have been better indicators of evolving stresses. All indications currently suggest that increased volatility is being driven largely by technical factors within equity markets. Careful monitoring of cross-asset volatilities will be important over the coming months.

- **Prospective tariffs and trade conflicts:** Recent trade tensions are reminiscent of the 2016 Brexit vote. While markets priced in immediate dire consequences, the impact on fundamentals remains further down the road. Similarly, the impact on near term growth from the trade conflicts appears to be modest. The real threat from an escalation in these conflicts is future inflationary pressures and reduced corporate margins as complex value chains are disrupted. The challenge for markets, and investors, will be differentiating between the real and apparent consequences of any conflict.

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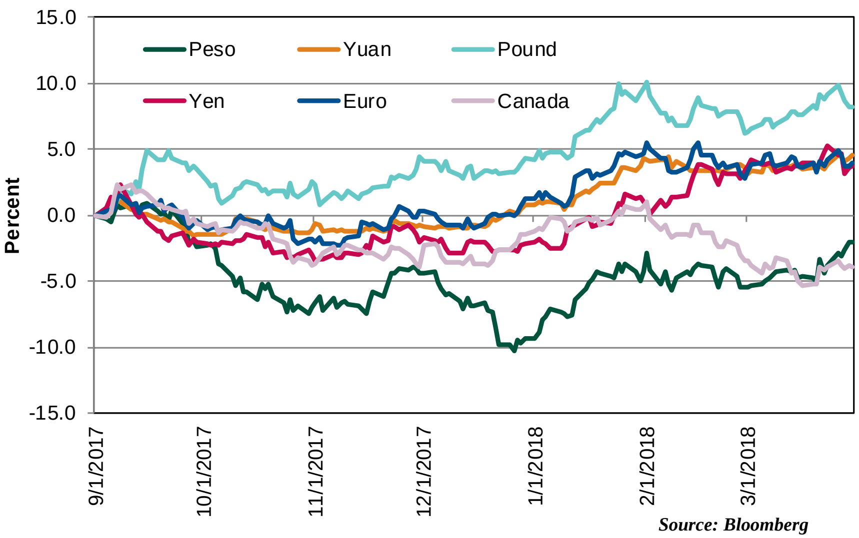
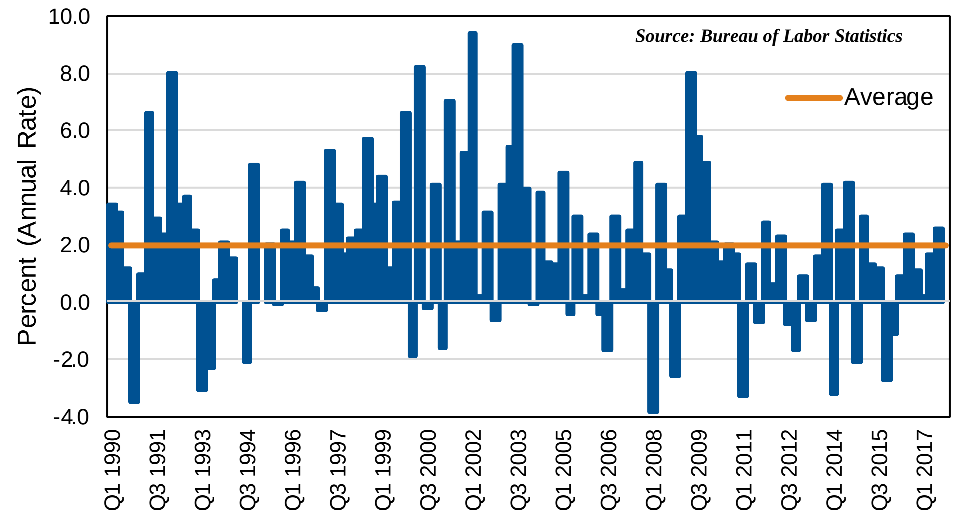
Economy

As of March 31, 2018

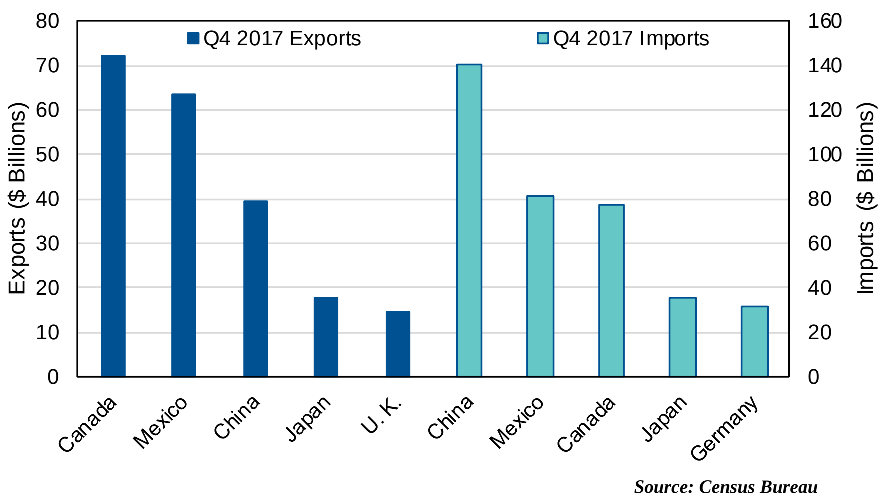
Currencies vs USD



Productivity Gains



Top Five U.S. Trading Partners



Trade tiff adds to volatility

- Turbulence entered the markets during the first quarter as the reorganization of trade priorities and agreements under the Trump administration came to the forefront. The initial salvo was a tariff on steel and aluminum imports, which was then amended to exclude many countries not named China. The underlying focus of the trade disputes is China's trade barriers and bias toward its domestic producers in sectors that are susceptible to foreign competition. NAFTA renegotiations also have been ongoing, though in a tamer manner. These policy uncertainties have led to increased volatility, especially across equity markets.
- The Federal Reserve ushered in Jerome Powell as its new chairman. His manner is expected to be more direct than past leaders, although policy direction is not expected to vary significantly from expectations. The Fed Funds rate was raised by 25bps in March, with two more increases of 25bps forecast through 2018. The economy continued to add jobs at a strong pace and wages grew at the fastest pace since Q1 2011. If policy uncertainties remain escalated, job growth could slow as businesses await stability to implement expansion plans, which can lead to a weakening of economic factors.
- Canadian and Mexican currencies moved in relation to potential tariff/trade realignments, while others rose as investors moved out of the U.S. dollar and into other perceived to be undervalued. Earnings forecasts have become more muddled, given the recent policy uncertainties, though global growth is expected to remain strong.

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Equities

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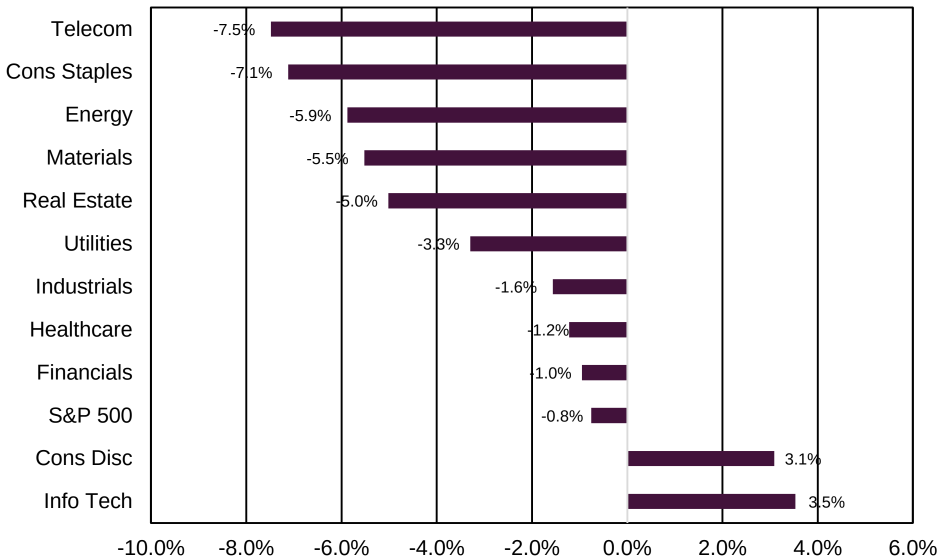
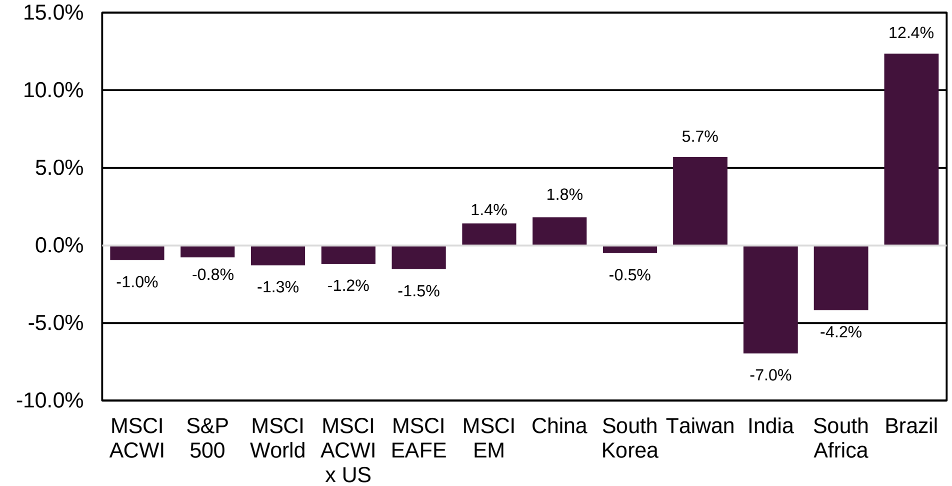
First Quarter S&P 500 Sector Returns



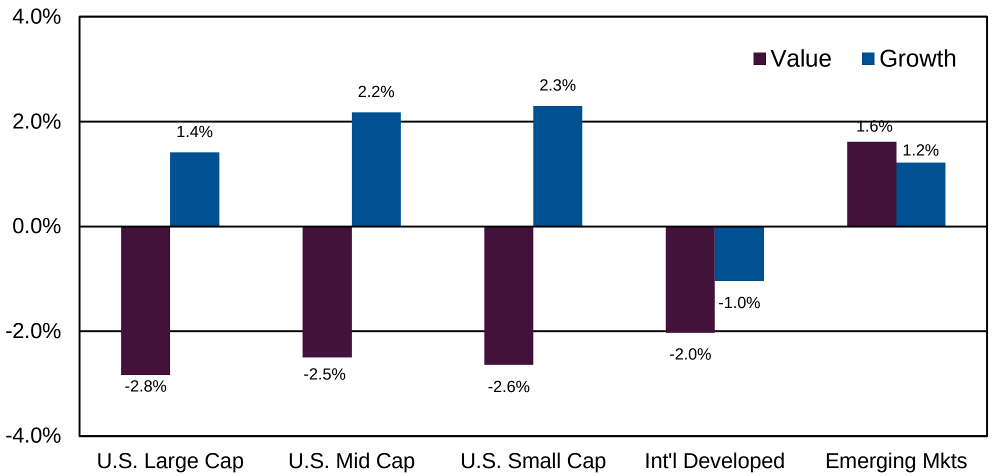
Source: FactSet, S&P

First Quarter World and Emerging Market Equity Returns



Source: FactSet, MSCI

Growth Generally Outperformed Value During the First Quarter



Source: FactSet, MSCI, Russell

Growth and emerging markets continue to outperform

- The S&P 500 Index returned -0.8% during the first quarter. Information Technology and Consumer Discretionary were the only sectors with positive returns while Telecom and Consumer Staples were the weakest sectors for the quarter, both down more than -7%.
- Developed market equity indices were down between -0.8% and -1.5% during the first quarter, with the S&P 500 Index down the least at -0.8%. Emerging Market equities were able to produce positive results, returning +1.4%, led by Brazil and Taiwan.
- The Growth style continued to outperform the Value style during the first quarter, with the exception of Emerging Markets. Within the U.S., Growth exhibited positive returns while Value was negative. In International Developed markets, Growth was negative but to a lesser extent than Value. Emerging Markets was the only segment to experience positive results within Value, which slightly edged out Growth. U.S. Large Cap Growth did not fare quite as well as U.S. Mid or Small Cap Growth. Within the Value style, size was fairly inconsequential.

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Fixed Income

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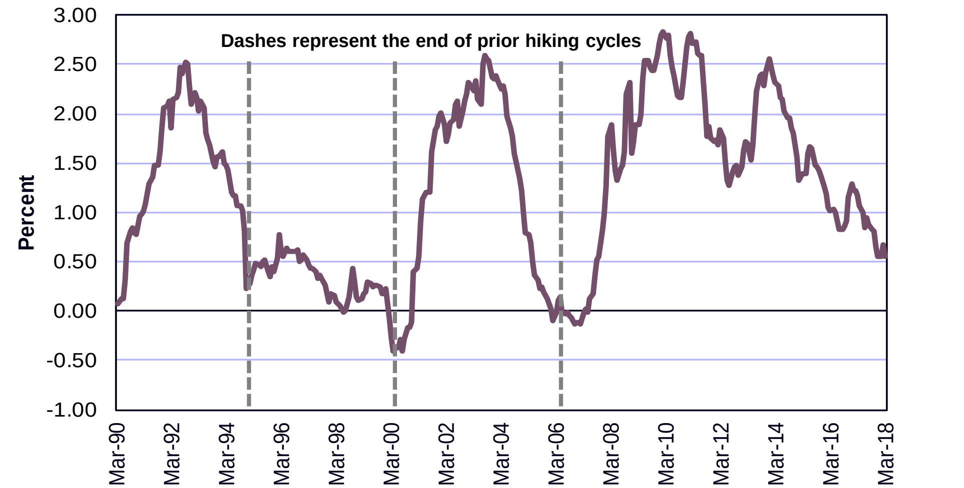
Duration – Adjusted Excess Returns to Treasuries (bps)

	2011	2012	2013	2014	2015	2016	2017	1Q18
Aggregate	-114	226	93	10	-53	138	121	-31
Agency	-25	166	1	10	-133	121	148	6
MBS	-106	91	98	40	-5	-11	52	-39
ABS	52	246	24	53	44	95	92	-19
CMBS	47	841	97	108	-28	236	158	-7
Credit	-322	693	226	-18	-169	442	335	-68
High Yield	-240	1394	923	-112	-577	1573	610	-17
EMD (USD)	-537	1503	-32	-120	3	880	627	-26

Best Period | Second Best Period | Worst Period | Second Worst Period

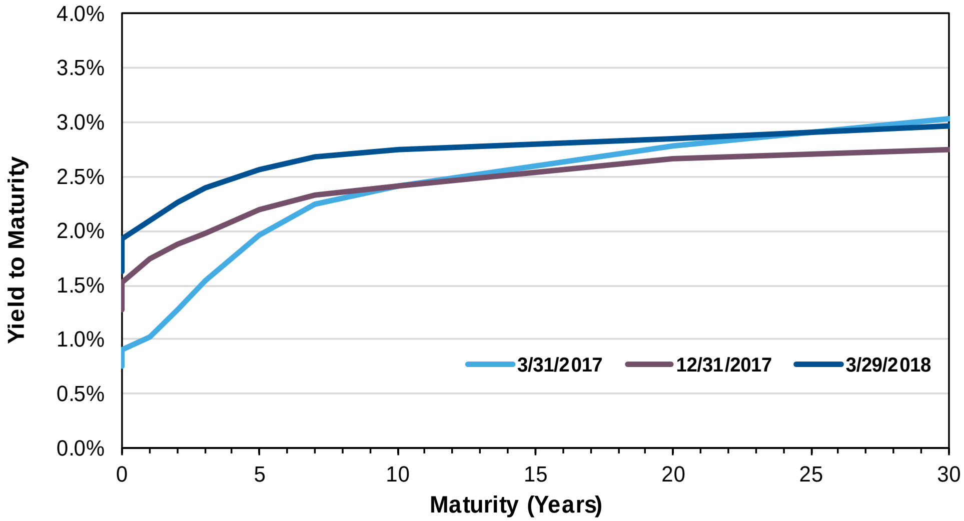
Source: Bloomberg

2 vs. 10 Year Treasury Curve Slope



Source: Federal Reserve Bank of St. Louis

U.S. Treasury Yield Curve Change



Source: US Dept. of The Treasury

Curve Flattening Continues Decade-Long Trend

- The Federal Reserve ("Fed") raised rates 0.25% at the March FOMC meeting, setting the Federal Funds Rate target at 1.50% to 1.75%. The bellwether 10-year U.S. Treasury nearly reached 3.00% in mid-February as growth and inflation expectations increased, but retraced back to 2.74% by quarter-end amid a flight-to-quality. Yields moved higher across the entire maturity spectrum and the curve continued its flattening trend. Most spread sectors lagged Treasuries and generated negative total returns as rates rose and spreads widened. TIPS (-0.79%) outperformed nominal Treasuries (-1.19%) as breakeven inflation levels increased.
- Investment-grade corporate spreads widened 16 basis points, underperforming other spread sectors during the quarter. Technical pressure was a headwind due to waning demand amid increased currency hedging costs for foreign investors. High yield (-0.86%) outpaced investment-grade (-2.32%) corporates, benefitting from the higher carry and lower duration sensitivity. Bank loans provided attractive absolute returns (+1.44%), driven by rising LIBOR rates and strong investor demand.
- Structured products generally outpaced investment-grade credit due to lower spread volatility and insulation from the political trade rhetoric. Agency MBS (-1.19%) spreads widened a modest four basis points as the sector faces demand concerns given the pace of the Fed's balance sheet wind-down. ABS (-0.39%) provided some stability versus longer duration sectors, yet still trailed Treasuries on a duration-adjusted basis.
- Local currency emerging market debt (+4.44%) outpaced all fixed income segments during the quarter, driven by strong growth prospects, stable commodity prices, and a weaker U.S. Dollar.

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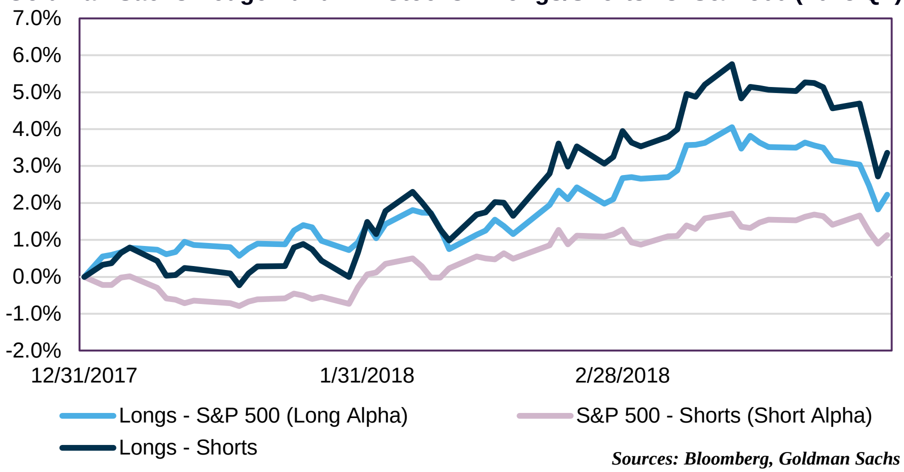
Alternative Investments

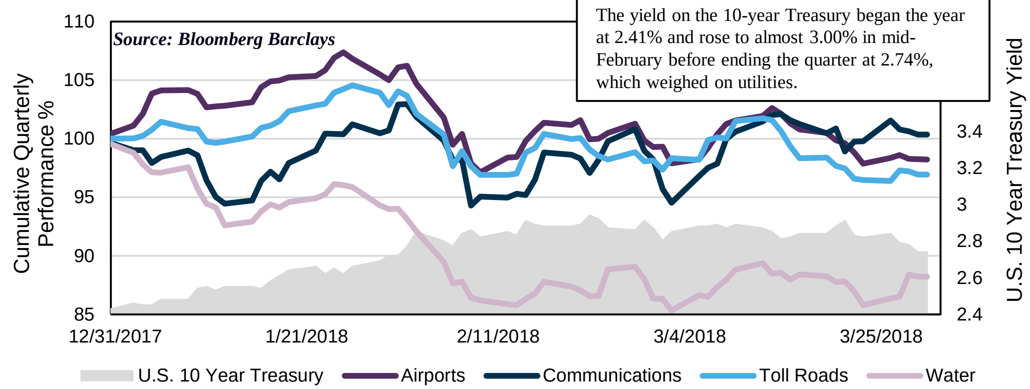
As of March 31, 2018

Goldman Sachs Hedge Fund VIP Stocks – Longs/Shorts vs. S&P 500 (2018 Q1)

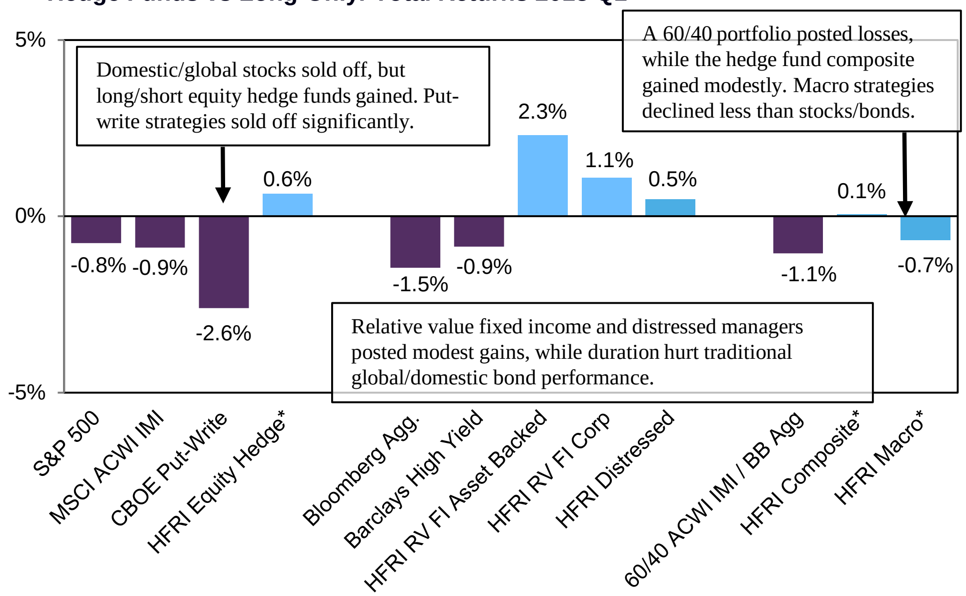


Sources: Bloomberg, Goldman Sachs

Infrastructure Sector Performance and Rates



Hedge Funds vs Long-Only: Total Returns 2018 Q1



*Asset-weighted is used instead of fund-weighted, as it is available and more indicative of the universe.

Sources: Hedge Fund Research, FactSet

Global alternatives rise with risk assets

- **Hedge Funds:** Hedge funds generated strong alpha during the quarter across nearly all strategies, illustrating the less-correlated nature of the return sources for these strategies. Equity long-short funds generated alpha both from long positions and short positions. Funds with long-biased exposures to growth equities, emerging markets, and the technology and healthcare sectors outperformed those without these exposures. Credit-oriented funds significantly outperformed IG and HY bonds due to a lack of duration, tactical hedging, and process-driven alpha. Structured product hedge funds were some of the strongest performers during the quarter. A robust financing environment and record amount of large announced acquisitions drove gains in merger arbitrage. Other diversified relative value strategies such as volatility arbitrage benefited from broad market dispersion. While volatility is generally good for macro strategies, performance was mixed across sub-strategies. Many discretionary macro managers profited from short interest rate and USD positions while CTAs suffered from the sharp trend reversal in equity markets.
- **Real Assets:** Higher-yielding liquid real assets struggled during the first quarter, with listed infrastructure down –5.5% and REITs down -6.7%. For listed infrastructure, the expectation of rising interest rates weighed on some subsectors such as water, which has longer-term fixed contractual agreements. Other listed infrastructure subsectors are expected to perform well in a rising interest rate environment as long as economic growth also improves. These subsectors, like toll roads, airports, and communication, often have explicit revenue escalators that benefit from cyclical upswings.
- **Private Capital Markets**: In 2017, 921 private equity funds reached a final close , securing over $453 billion in committed capital, which represents the largest amount of capital ever raised in any single year. 2017 was the second consecutive year in which annual fundraising surpassed $400 billion, an event that has only occurred once before (2007/2008). The private equity asset class accounted for 60% of all private capital raised in 2017, representing an increase from 57% in 2016. While H2 2017 distribution numbers are yet to be finalized, $233 billion was distributed to LPs in H1 2017, leaving reason to believe that 2017 will fall short of the $520 billion distributed to LPs in 2016.

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Capital Markets Review

Index Returns

As of March 31, 2018

		Quarter	Calendar YTD	1 Year	2 Years	3 Years	5 Years	10 Years
Equity Markets								
Broad Global Equity	MSCI All Country World IMI	-0.9	-0.9	15.0	15.2	8.3	9.3	5.9
Broad U.S. Equity	Dow Jones Industrial Average	-2.0	-2.0	19.4	19.6	13.5	13.3	9.8
Broad U.S. Equity	Russell 3000 Index	-0.6	-0.6	13.8	15.9	10.2	13.0	9.6
Technology Equity	NASDAQ Index	2.6	2.6	20.8	21.8	14.3	18.1	13.2
U.S. Large Cap Equity	S&P 500 Index	-0.8	-0.8	14.0	15.6	10.8	13.3	9.5
U.S. Large Cap Equity	Russell 1000 Index	-0.7	-0.7	14.0	15.7	10.4	13.2	9.6
U.S. Large Value Equity	Russell 1000 Value Index	-2.8	-2.8	6.9	12.9	7.9	10.8	7.8
U.S. Large Growth Equity	Russell 1000 Growth Index	1.4	1.4	21.3	18.5	12.9	15.5	11.3
U.S. Mid Cap Equity	Russell Mid Cap Index	-0.5	-0.5	12.2	14.6	8.0	12.1	10.2
U.S. Mid Cap Value Equity	Russell Mid Cap Value Index	-2.5	-2.5	6.5	13.0	7.2	11.1	9.8
U.S. Mid Cap Growth Equity	Russell Mid Cap Growth Index	2.2	2.2	19.7	16.9	9.2	13.3	10.6
U.S. Small Cap Equity	Russell 2000 Index	-0.1	-0.1	11.8	18.8	8.4	11.5	9.8
U.S. Small Cap Value Equity	Russell 2000 Value Index	-2.6	-2.6	5.1	16.6	7.9	10.0	8.6
U.S. Small Cap Growth Equity	Russell 2000 Growth Index	2.3	2.3	18.6	20.8	8.8	12.9	11.0
International Equity	MSCI EAFE Index	-1.5	-1.5	14.8	13.2	5.6	6.5	2.7
International Equity	MSCI EAFE Index (Hedged)	-4.4	-4.4	4.3	9.8	1.5	6.0	2.1
International Equity	MSCI ACWI ex-U.S. Index (inc. Emerging Mkts)	-1.2	-1.2	16.5	14.8	6.2	5.9	2.7
International Value Equity	MSCI ACWI ex-U.S. Value Index	-1.5	-1.5	13.3	15.0	5.0	4.9	2.1
International Growth Equity	MSCI ACWI ex-U.S. Growth Index	-0.9	-0.9	19.9	14.7	7.3	6.8	3.3
International Small Cap	S&P Developed ex-U.S. Small Cap Index	-1.2	-1.2	21.0	15.8	10.8	10.0	5.4
Emerging Markets	MSCI Emerging Markets Index	1.4	1.4	24.9	21.0	8.8	5.0	3.0
Bond Markets								
Core Plus Bond	Bloomberg Barclays Aggregate Bond Index	-1.5	-1.5	1.2	0.8	1.2	1.8	3.6
Global Bonds	Bloomberg Barclays Global Aggregate Index	1.4	1.4	7.0	2.4	3.1	1.5	2.6
Total Bond Market	Bloomberg Barclays Universal Bond Index	-1.4	-1.4	1.5	1.7	1.7	2.2	4.0
Long Duration Bonds	Bloomberg Barclays Long Credit Index	-3.8	-3.8	6.2	5.5	3.3	4.7	7.5
Short-Duration Bonds	BofA Merrill Lynch U.S. Treasury (1-3 Year)	-0.1	-0.1	0.0	0.1	0.4	0.5	1.1
Global Bonds	Citigroup-WGBI ex-U.S. Index (Unhedged)	4.4	4.4	12.9	3.7	5.0	1.4	1.8
Global Bonds	Citigroup-WGBI ex-U.S. Index (Hedged)	1.5	1.5	4.0	2.3	2.6	4.0	4.1
Treasury Inflation Protection	Bloomberg Barclays 1-10 Year TIPS Index	-0.4	-0.4	0.4	0.9	1.2	-0.1	2.2
Municipal Bonds	Bloomberg Barclays Municipal Bond Index	-1.1	-1.1	2.7	1.4	2.3	2.7	4.4
Cash	91-Day T-Bills Index	0.3	0.3	1.1	0.7	0.5	0.3	0.3
Alternatives								
Commodities	Bloomberg Commodity Index	-0.4	-0.4	3.7	6.2	-3.2	-8.3	-7.7
U.S. Public Real Estate	FTSE NAREIT All Equity REIT Index	-6.7	-6.7	-1.1	2.0	2.9	6.7	6.9
Global Listed Infrastructure	DJ Brookfield Global Infrastructure Comp. Index	-6.2	-6.2	-1.4	5.8	0.9	4.7	7.3
Diversified Hedge Funds	HFRI FoF Conservative Index	0.6	0.6	3.5	4.4	1.7	3.0	1.3
Long/Short Equity	HFRI Equity Hedge Index	0.4	0.4	9.5	10.5	5.2	5.7	3.9
Inflation								
Inflation	CPI	1.2	1.2	2.4	2.4	1.9	1.4	1.6

Returns for periods greater than one year are annualized.

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Definitions
As of March 31, 2018

- ***S&P 500 Index*** is a capitalization-weighted index of 500 U.S. stocks published by Standard and Poor's. The index, which is heavily dominated by the largest stocks in the U.S. market, contains about 80% of the total stock market capitalization and is widely used as a benchmark of the largest U.S. stocks.
- ***MSCI ACWI Investable Market Index (IMI)*** captures large, mid and small cap representation across 24 Developed Markets (DM) and 21 Emerging Markets (EM) countries identified below. With 8,425 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set.
- ***Bloomberg Barclays U.S. Aggregate Index*** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for Treasury, government agencies, corporate securities, mortgage pass-through securities, commercial mortgage-backed securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. The U.S. Aggregate Index was created in 1986 with history backfilled to January 1, 1976.
- ***Bank of America Merrill Lynch U.S. High Yield Index*** is a commonly used benchmark index for high yield corporate bonds. It is administered by Merrill Lynch. The existing High Yield Master Index excluded two types of issues that were becoming popular because of the boom in leveraged buyout financing, zero-coupon bonds and payment-in-kind (PIK) bonds.
- ***Citigroup World Government Bond Index (WGBI)*** is a market capitalization weighted index consisting of the government bond markets. Country eligibility is determined based on market capitalization and investability criteria. All issues have a remaining maturity of at least one year.
- ***Consumer Price Index (CP***I) is a monthly inflation indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food and transportation.
- ***Russell 2000 Index*** is a capitalization-weighted index that measures the performance of the small-cap segment of the U.S. equity universe, created by Russell Investments. It includes approximately 2,000 of the smallest securities within the 3,000 largest securities in the U.S. equity universe. The Growth or Value style indexes are a non-exclusive subset of the broader index, where growth or value is determined by valuation and growth characteristics, as determined by Russell Investments.
- ***HFRI Monthly Indices (HFRI):*** This is an equally weighted set of performance indexes, used by numerous hedge fund managers as benchmarks for their own hedge funds. The HFRI are broken down into four main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2,200 funds listed on the internal HFR Database. Due to mutual agreements with the hedge fund managers listed in the HFR Database, we are not at liberty to disclose the particular funds behind any index to non-database subscribers. Funds included in the HFRI Indices must report monthly returns, report net of all fees returns, report assets in U.S. Dollars, and have at least $50 Million under management or have been actively trading for at least twelve (12) months.
- ***HFRI Equity Hedge (Total) Index*** is comprised of investment managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short.

Capital Markets Review

Definitions

As of March 31, 2018

- ***HFRI FOF Cons: Conservative Index*** is comprised of FOFs classified as 'Conservative' exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more 'conservative' strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Conservative Index shows generally consistent performance regardless of market conditions.
- ***MSCI EAFE (Europe, Australasia and Far East) Index*** is a standard, capitalization-weighted representation of developed equity markets excluding the U.S. and Canada. As of December 2015 the MSCI EAFE Index consisted of the following 21 developed countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The index includes MSCI's assessment of the most "investable" stocks, determined by size, trading volume, and free float. Performance is shown net of foreign withholding tax on the dividends paid. The Growth or Value style indexes are a non-exclusive subset of the broader index, where growth or value is determined by valuation and growth characteristics, as defined by MSCI.
- ***MSCI Emerging Markets Free Index*** is A Morgan Stanley Capital International index created to track stock markets in selected emerging markets that are open to foreign investment like Argentina, Chile, Jordan, Malaysia, Mexico, Philippines, and Thailand.
- ***Bloomberg Commodity Index:*** Formerly known as the Dow Jones-UBS Commodity Index. This is designed to be a liquid and diversified benchmark for the commodities futures market. The Index is composed of futures contracts on 22 physical commodities, and was launched on July 14, 1998
- ***S&P Developed Ex U.S. Small Cap Index****:* A subset of the S&P Global BMI, the S&P Developed Ex-U.S. SmallCap seeks to measure the stocks representing the lowest 15% of float-adjusted market cap in each developed country, excluding the U.S.
- ***Bloomberg Barclays Global Aggregate Index:*** An unmanaged index that is comprised of several other Barclays indexes that measure fixed income performance of regions around the world.
- ***91-Day T-Bills:*** The U.S. government issues short-term debt at a discount at a competitive auction, usually on a weekly basis. At a discount means the note is sold at a discount from face value and then redeemed at maturity at the full face value. The difference between the discounted price and the face value determines the yield. The yield on 91-day Treasury bills is the average discount rate.
- ***The Dow Jones Brookfield Global Infrastructure Index*** is designed to measure the performance of pure-play infrastructure companies domiciled globally. The index covers all sectors of the infrastructure market. To be included in the index, a company must derive at least 70% of cash flows from infrastructure lines of business.

Executive Summary

[redacted]

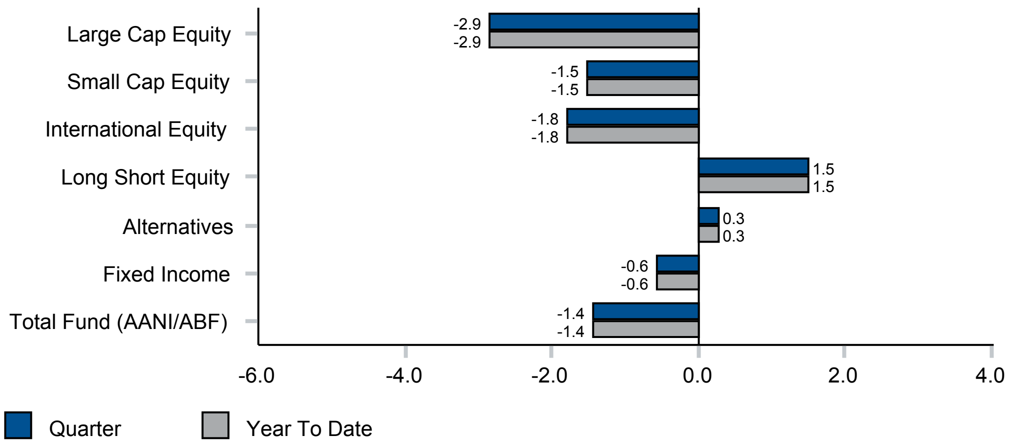
Quarterly Performance Summary

Executive Summary

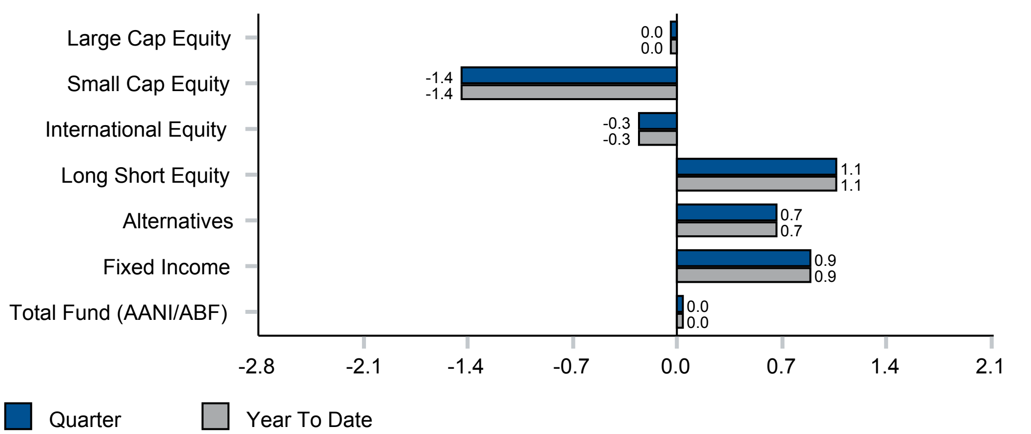
As of March 31, 2018

	Total Market Value	Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Period
Total Fund (AANI/ABF)	$62,079,453	-1.4	-1.4	9.4	6.3	7.5	7.2	7.6	23y 3m
Policy Index		-1.5	-1.5	8.1	5.9	7.1	7.1	7.5	

Absolute Performance (%)



Relative Performance (%)



Helped / Hurt Performance

Long/Short Equity (+1.5%) was the best performing asset class on an absolute basis due to Pointer's large exposure to Consumer Discretionary, which performed well during the quarter.	Positive
Alternatives (+0.3%) added to absolute performance during the quarter, as PIMCO's large allocation to emerging markets helped.	Positive
Small Cap Equity finished the quarter down -1.5%, as DFA US Small Cap underperformed its benchmark by -140 basis points, due largely to the manager's value tilt.	Negative
Large Cap Equity (-2.9%) held back absolute performance, as the portfolio's higher dividend focus lagged the broader U.S. Large Cap Equity market.	Negative

Consultant Comments

- With the increase in volatility and corresponding effect on markets during the first quarter, the AANI/ABF and Reserve Funds remained at a similar asset allocation as it began the year, with a small overweight in equities and an underweight in fixed income. We still believe now is a good time to source some of the gains from the equity allocation and use them to rebalance the fixed income allocation back to target.
- During Pavilion's review of AAN's portfolios, it was found that AAN qualified for a cheaper share class for the portfolios' international equity investment with Causeway. On April 18, 2018, the Causeway investor share class was replaced with the Causeway institutional share class to capture these fee savings, which equates to a fee savings of almost $20,000 annually based on the current market value.

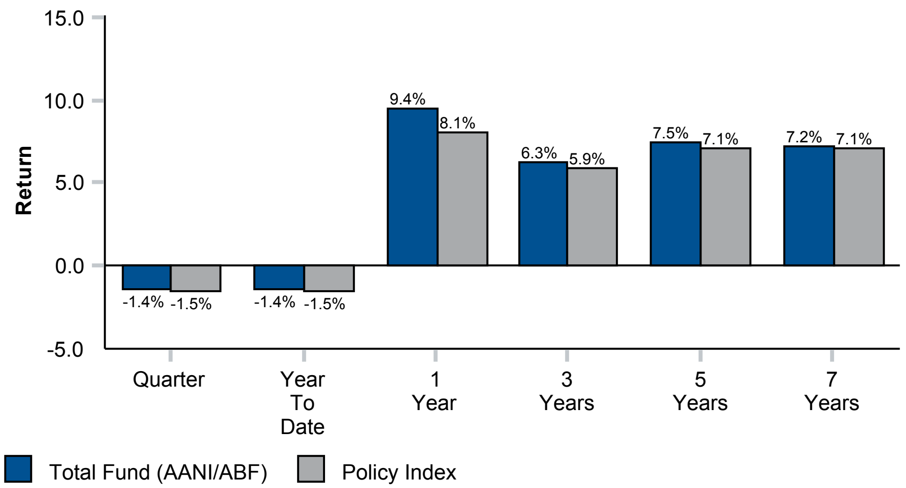
Performance for periods longer than one year is annualized.

Quarterly Performance Summary

Dashboard Summary (Total Fund AANI/ABF)

As of March 31, 2018

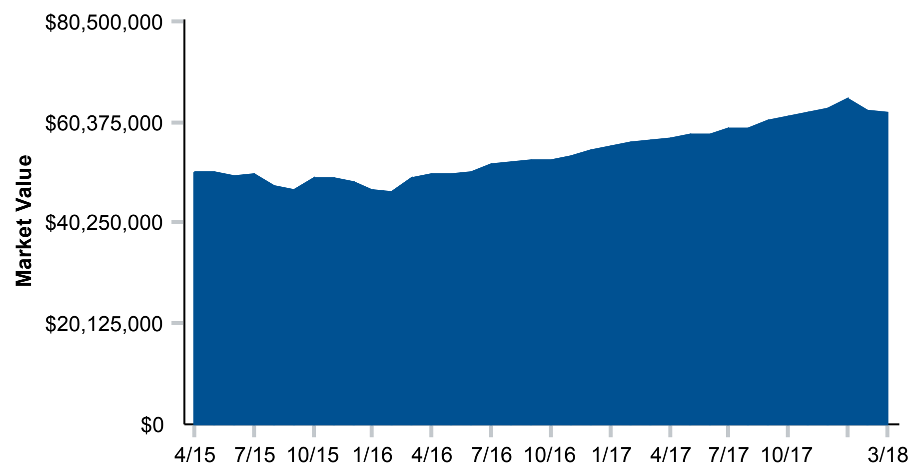
Annualized Performance - Net of Fees



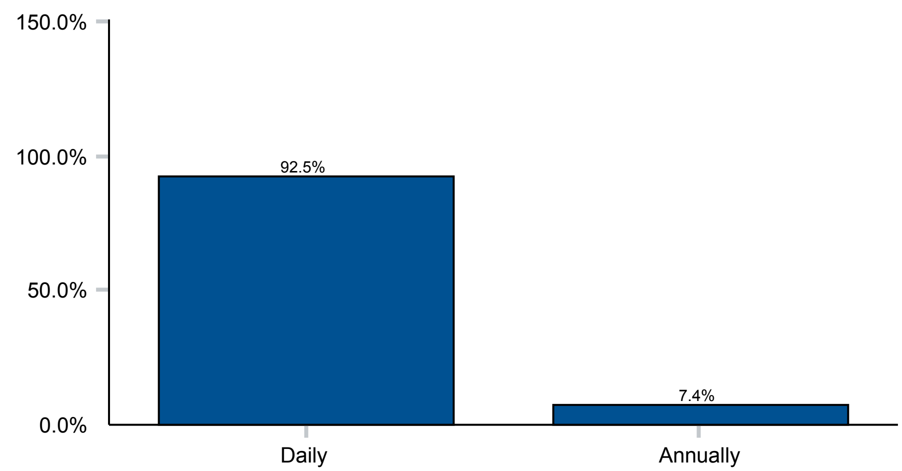
Asset Allocation versus Policy Targets (%)

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Fund (AANI/ABF)	62,079,453	100.0	100.0	0.0
Large Cap Equity	19,040,538	30.7	30.0	0.7
Small Cap Equity	6,365,031	10.3	10.0	0.3
International Equity	13,428,312	21.6	20.0	1.6
Long Short Equity	4,614,106	7.4	7.5	-0.1
Alternatives	4,484,140	7.2	7.5	-0.3
Fixed Income	14,127,360	22.8	25.0	-2.2
Cash	19,966	0.0	0.0	0.0

Growth of Assets



Liquidity Profile



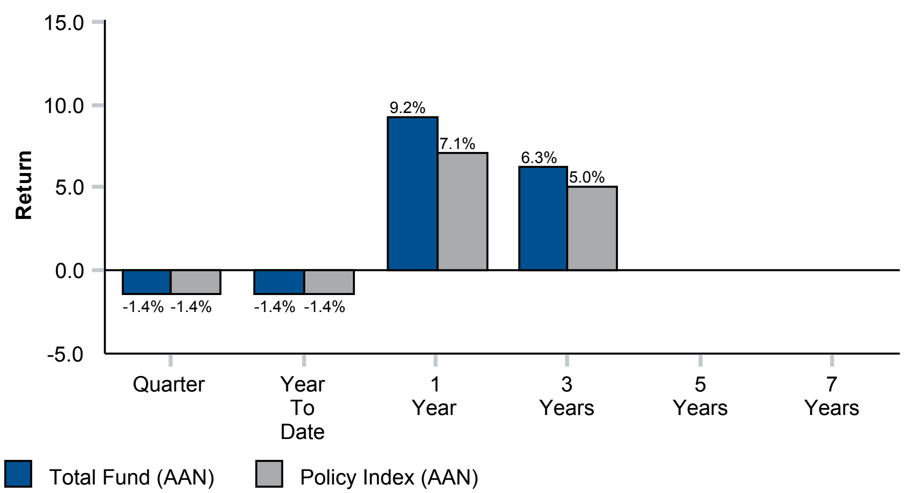
PAVILION

Quarterly Performance Summary

Dashboard Summary (Reserve Fund)

As of March 31, 2018

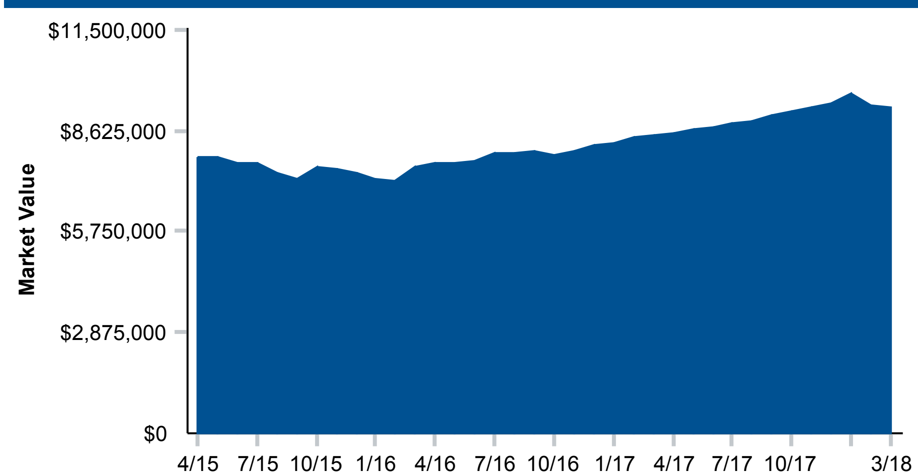
Annualized Performance - Net of Fees



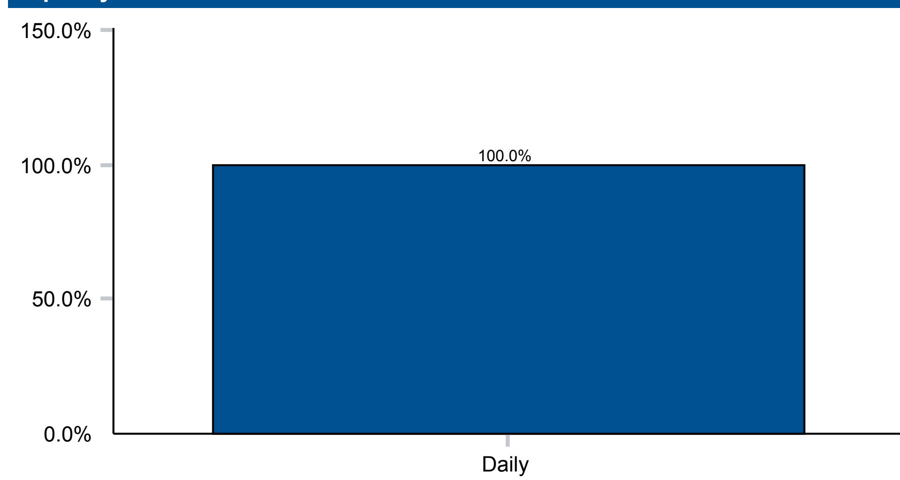
Asset Allocation versus Policy Targets (%)

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Fund (AAN)	9,290,418	100.0	100.0	0.0
Large Cap Equity	2,551,644	27.5	27.0	0.5
Small Cap Equity	950,814	10.2	10.0	0.2
International Equity	1,973,158	21.2	20.0	1.2
Alternatives	1,840,838	19.8	20.0	-0.2
Fixed Income	1,943,756	20.9	23.0	-2.1
Cash	30,209	0.3	0.0	0.3

Growth of Assets



Liquidity Profile



PAVILION

Asset Allocation & Performance

[redacted]

Plan Summary

Asset Allocation (Total Fund AANI/ABF)

As of March 31, 2018

	Dec-2017		Mar-2018	
	($)	%	($)	%
Total Fund (AANI/ABF)	**62,984,960**	**100.0**	**62,079,453**	**100.0**
Large Cap Equity	**19,600,754**	**31.1**	**19,040,538**	**30.7**
Vanguard (VHDYX)	19,600,754	31.1	19,040,538	30.7
Small Cap Equity	**6,463,433**	**10.3**	**6,365,031**	**10.3**
DFA US Small Cap (DFSTX)	6,463,433	10.3	6,365,031	10.3
International Equity	**13,672,987**	**21.7**	**13,428,312**	**21.6**
William Blair (BIGIX)	6,882,096	10.9	6,901,993	11.1
Causeway (CIVVX)	6,790,891	10.8	6,526,319	10.5
Long Short Equity	**4,546,294**	**7.2**	**4,614,106**	**7.4**
Pointer	4,546,294	7.2	4,614,106	7.4
Alternatives	**4,472,019**	**7.1**	**4,484,140**	**7.2**
Coast	8,121	0.0	8,121	0.0
PIMCO All Asset (PAAIX)	4,463,897	7.1	4,476,019	7.2
Fixed Income	**14,207,990**	**22.6**	**14,127,360**	**22.8**
Wells Fargo Core Bond Fund (MBFIX)	7,141,527	11.3	7,031,280	11.3
BlackRock Strategic Income Opps Instl (BSIIX)	7,066,463	11.2	7,096,080	11.4
Cash	**21,482**	**0.0**	**19,966**	**0.0**

Asset Allocation & Performance

Annualized Performance (Net of Fees)

As of March 31, 2018

	Performance(%)								
	Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Period
Total Fund Composite (AANI/ABF)	**-1.4**	**-1.4**	**9.4**	**6.3**	**7.5**	**7.2**	**6.0**	**7.6**	**23y 3m**
Policy Index (AANI/ABF)	*-1.5*	*-1.5*	*8.1*	*5.9*	*7.1*	*7.1*	*5.8*	*7.5*	
Total Reserve Composite (AAN)	**-1.4**	**-1.4**	**9.2**	**6.3**	**--**	**--**	**--**	**6.1**	**4y 5m**
Reserve Fund Policy Index (AAN)	*-1.4*	*-1.4*	*7.1*	*5.0*	*--*	*--*	*--*	*5.4*	
Large Cap Equity	**-2.9 (85)**	**-2.9 (85)**	**9.4 (81)**	**9.9 (39)**	**11.8 (62)**	**11.9 (50)**	**8.9 (57)**	**6.7 (--)**	**17y**
FTSE High Dividend Yield Index	*-2.8 (84)*	*-2.8 (84)*	*9.6 (79)*	*10.1 (37)*	*12.0 (59)*	*12.8 (26)*	*9.2 (49)*	*--*	
Vanguard (VHDYX)	-2.9 (85)	-2.9 (85)	9.4 (81)	9.9 (39)	11.8 (62)	12.6 (29)	9.0 (54)	12.9 (--)	6y 1m
FTSE High Dividend Yield Index	*-2.8 (84)*	*-2.8 (84)*	*9.6 (79)*	*10.1 (37)*	*12.0 (59)*	*12.8 (26)*	*9.2 (49)*	*13.1 (--)*	
S&P 500	*-0.8 (50)*	*-0.8 (50)*	*14.0 (49)*	*10.8 (26)*	*13.3 (34)*	*12.7 (27)*	*9.5 (43)*	*13.8 (--)*	
Small Cap Equity	**-1.5 (63)**	**-1.5 (63)**	**8.8 (65)**	**8.1 (53)**	**10.3 (72)**	**9.0 (80)**	**8.9 (80)**	**9.9 (--)**	**14y 9m**
Russell 2000 Index	*-0.1 (45)*	*-0.1 (45)*	*11.8 (46)*	*8.4 (49)*	*11.5 (48)*	*10.4 (54)*	*9.8 (58)*	*10.1 (--)*	
DFA US Small Cap (DFSTX)	-1.5 (63)	-1.5 (63)	8.8 (65)	8.1 (53)	11.6 (46)	10.8 (45)	10.9 (34)	9.9 (--)	4y 8m
Russell 2000 Index	*-0.1 (45)*	*-0.1 (45)*	*11.8 (46)*	*8.4 (49)*	*11.5 (48)*	*10.4 (54)*	*9.8 (58)*	*10.0 (--)*	
International Equity	**-1.8 (77)**	**-1.8 (77)**	**17.3 (43)**	**5.3 (77)**	**6.6 (67)**	**5.6 (61)**	**3.1 (67)**	**5.2 (--)**	**16y 9m**
MSCI EAFE (Net)	*-1.5 (70)*	*-1.5 (70)*	*14.8 (69)*	*5.6 (72)*	*6.5 (70)*	*5.3 (70)*	*2.7 (81)*	*5.5 (--)*	
William Blair (BIGIX)	0.3 (54)	0.3 (54)	21.3 (50)	6.2 (83)	7.0 (81)	6.5 (60)	3.6 (71)	8.0 (--)	6y 1m
MSCI EAFE Growth Index (Net)	*-1.0 (87)*	*-1.0 (87)*	*17.5 (86)*	*6.7 (77)*	*7.1 (78)*	*6.1 (67)*	*3.4 (73)*	*7.8 (--)*	
Causeway (CIVVX)	-3.9 (100)	-3.9 (100)	13.3 (57)	4.3 (79)	6.2 (67)	5.3 (56)	3.5 (47)	8.6 (--)	15y 3m
MSCI EAFE Value Index (Net)	*-2.0 (64)*	*-2.0 (64)*	*12.2 (72)*	*4.3 (79)*	*5.8 (78)*	*4.4 (77)*	*2.0 (83)*	*7.7 (--)*	
Long/Short Equity	**1.5**	**1.5**	**12.8**	**5.4**	**8.2**	**7.5**	**--**	**8.4**	**8y 6m**
HFRI Equity Hedge (Total) Index	*0.4*	*0.4*	*9.5*	*5.2*	*5.7*	*4.2*	*3.9*	*5.3*	
Pointer	1.5	1.5	12.8	5.4	8.2	7.5	--	8.4	8y 6m
HFRI Equity Hedge (Total) Index	*0.4*	*0.4*	*9.5*	*5.2*	*5.7*	*4.2*	*3.9*	*5.3*	
Alternatives	**0.3**	**0.3**	**8.7**	**5.5**	**4.7**	**3.4**	**2.3**	**3.3**	**13y**
Blmbg. Barc. U.S. TIPS 1-10 Year	*-0.4*	*-0.4*	*0.4*	*1.2*	*-0.1*	*1.6*	*2.2*	*3.3*	
PIMCO All Asset (PAAIX)	0.3	0.3	8.8	5.7	3.6	4.7	5.3	3.2	3y 10m
Blmbg. Barc. U.S. TIPS 1-10 Year	*-0.4*	*-0.4*	*0.4*	*1.2*	*-0.1*	*1.6*	*2.2*	*0.6*	
CPI + 5%	*2.5*	*2.5*	*7.5*	*7.0*	*6.5*	*6.7*	*6.6*	*6.3*	

Asset Allocation & Performance

Annualized Performance (Net of Fees)

As of March 31, 2018

	Performance(%)								
	Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Period
Fixed Income	**-0.6 (40)**	**-0.6 (40)**	**2.4 (39)**	**1.8 (45)**	**1.7 (59)**	**2.8 (60)**	**3.8 (55)**	**3.7 (--)**	**14y**
Blmbg. Barc. U.S. Aggregate	*-1.5 (77)*	*-1.5 (77)*	*1.2 (63)*	*1.2 (64)*	*1.8 (56)*	*2.9 (58)*	*3.6 (59)*	*3.8 (--)*	
Wells Fargo Core Bond Fund (MBFIX)	-1.5 (71)	-1.5 (71)	1.1 (74)	1.2 (77)	1.9 (58)	3.3 (39)	4.4 (27)	-0.6 (--)	1y 7m
Blmbg. Barc. U.S. Aggregate	*-1.5 (57)*	*-1.5 (57)*	*1.2 (65)*	*1.2 (72)*	*1.8 (62)*	*2.9 (71)*	*3.6 (77)*	*-0.7 (--)*	
BlackRock Strategic Income Opps Instl (BSIIX)	0.4 (59)	0.4 (59)	3.8 (70)	2.3 (76)	2.9 (33)	3.4 (38)	--	2.7 (--)	3y 5m
BofAML LIBOR 3-month Constant Maturity	*0.3 (63)*	*0.3 (63)*	*1.2 (95)*	*0.8 (91)*	*0.6 (85)*	*0.5 (96)*	*0.7 (100)*	*0.7 (--)*	

[redacted]

Asset Allocation & Performance

Annualized Performance (Net of Fees)

As of March 31, 2018

	Performance(%)								
	Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Period
Operating Assets									
PIMCO Moderate Duration (PMDRX)	-0.6 (9)	-0.6 (9)	1.2 (16)	1.3 (24)	1.6 (26)	2.7 (21)	4.2 (12)	2.4 (--)	6y
Blmbg. Barc. Intermed. U.S. Government/Credit	*-1.0 (42)*	*-1.0 (42)*	*0.4 (69)*	*0.9 (58)*	*1.2 (57)*	*2.3 (59)*	*2.9 (75)*	*1.6 (--)*	

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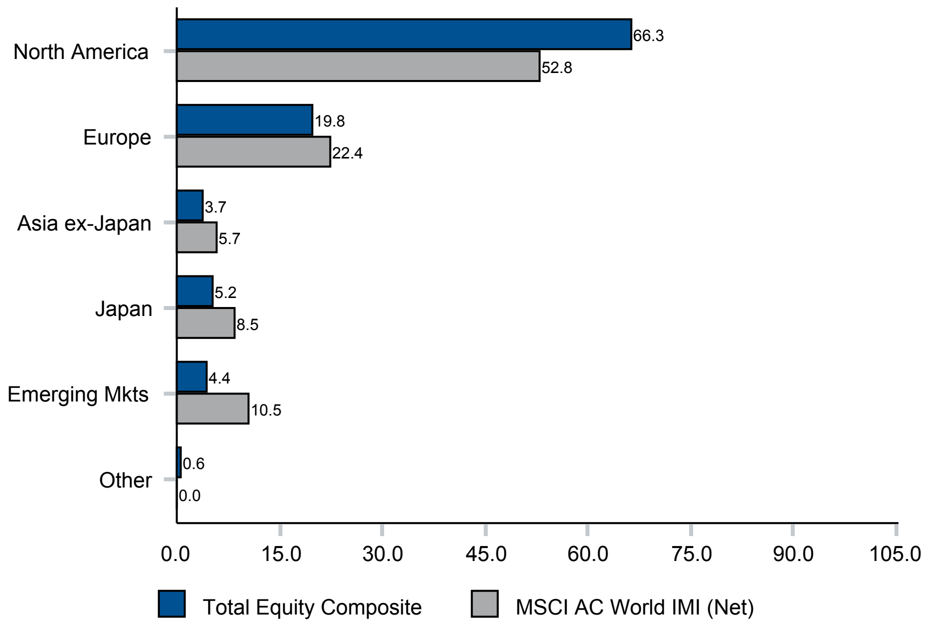
Asset Class Diversification

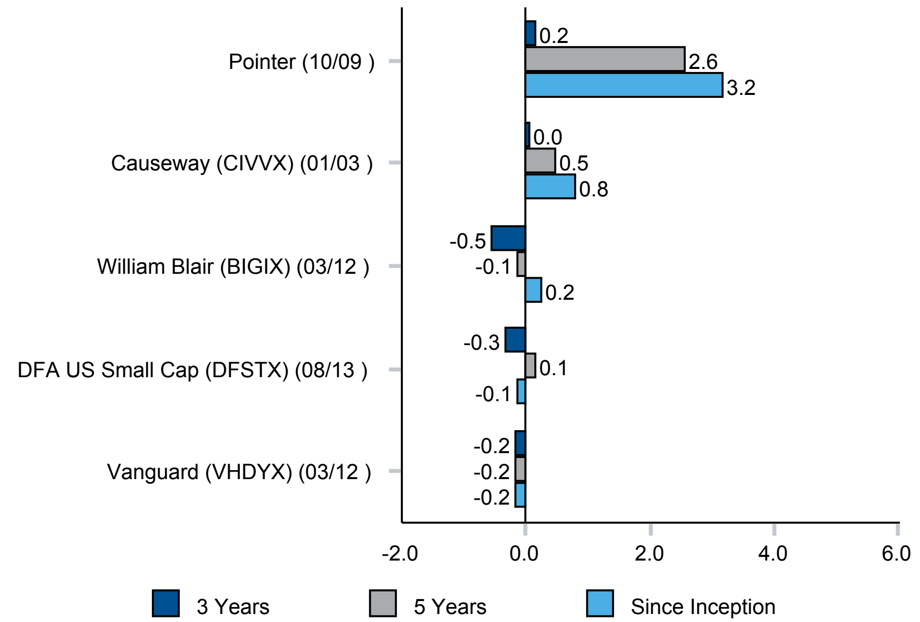
Total Equity Composite vs. MSCI AC World IMI (Net)

As of March 31, 2018

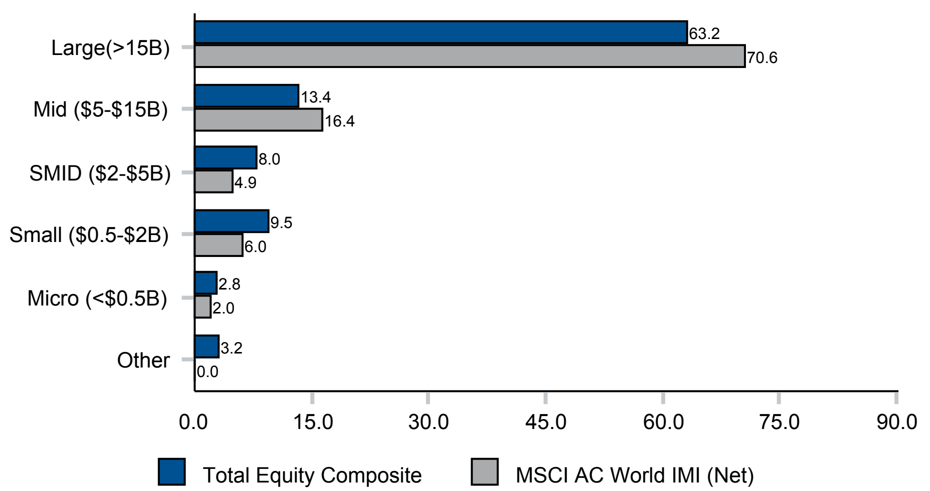
Geographic Allocation



Relative Performance vs. Benchmark



Market Cap Breakout



Portfolio Characteristics vs. the MSCI AC World IMI (Net) (last 3 years)

	Alpha	Beta	R-Squared	Tracking Error	Information Ratio
Total Equity Composite	1.1	0.9	0.9	3.1	0.0

Long Only Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	109,897	112,329
Median Mkt. Cap ($M)	11,648	1,774
Price/Earnings	17.7	17.5
Price/Book	2.6	2.7
Dividend Yield (%)	2.5	2.4
Consistency (5 Years, Monthly)	51.67	1.00
Sharpe Ratio (5 Years, Monthly)	1.03	0.90
Information Ratio (5 Years, Monthly)	0.18	-

Holdings data availability may vary. Please consult the respective manager for details.Performance for periods longer than one year is annualized.

[redacted]

Manager Evaluation

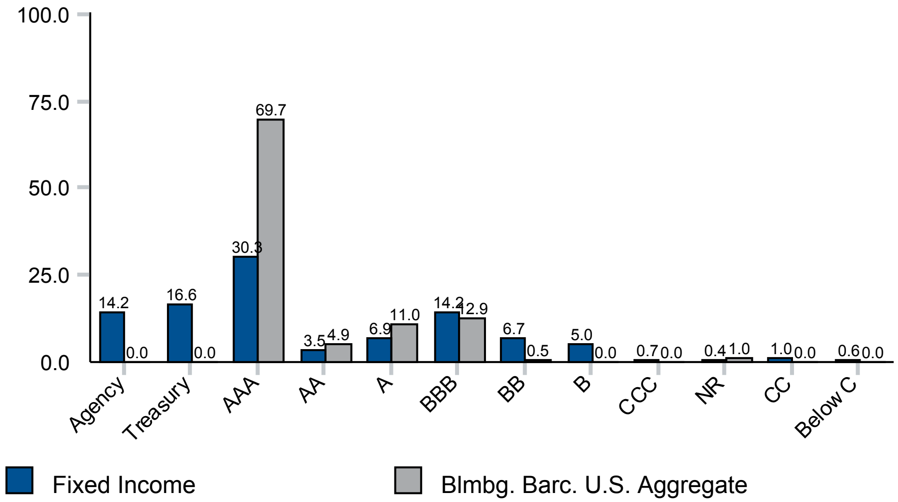
Fixed Income vs. Blmbg. Barc. U.S. Aggregate

As of March 31, 2018

Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	3.7	6.3
Avg. Maturity	7.3	8.3
Avg. Quality	A	AA+
Yield To Maturity (%)	3.7	3.1

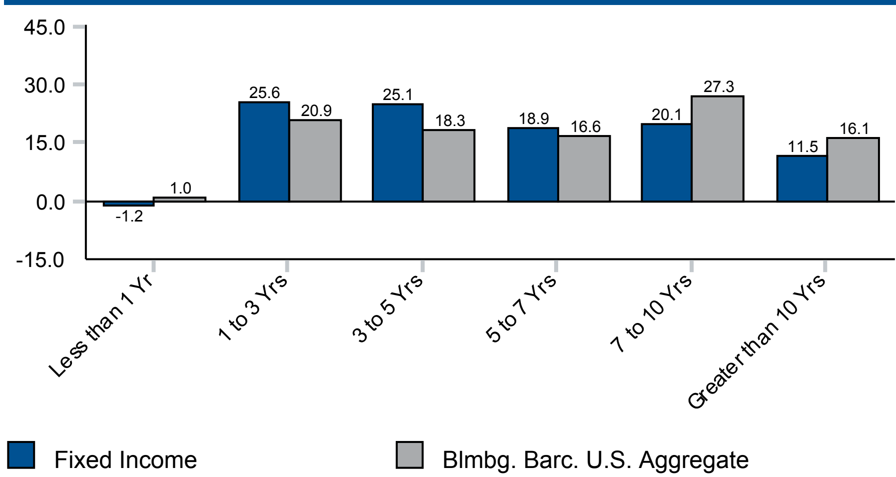
Credit Quality Distribution (%)



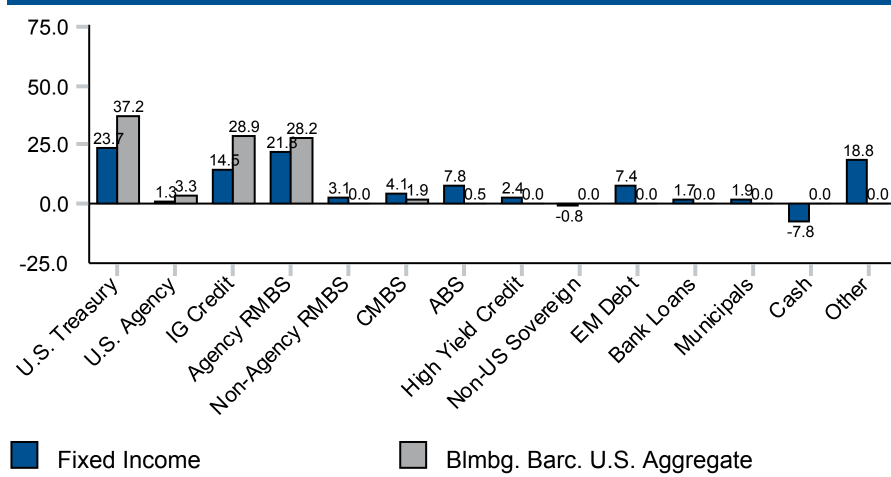
Historical Statistics - 3 Years

	Up Market Capture	Down Market Capture	Maximum Drawdown
Fixed Income	77.0	46.7	-1.8
Blmbg. Barc. U.S. Aggregate	100.0	100.0	-3.3

Maturity Distribution (%)



Sector Distribution (%)



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Performance Summary

Manager Rankings

As of March 31, 2018

Annualized Active Manager Rankings vs. Style Peers The table shows the rankings of each manager versus its peer group. 1 is best, 100 is worst.				
Percentile	**1 Year Return**	**3 Year Return**	**5 Year Return**	**7 Year Return**
5th				
10th				
15th				
20th	PIMCO Moderate Duration (PMDRX) (16)			
25th		PIMCO Moderate Duration (PMDRX) (24)		PIMCO Moderate Duration (PMDRX) (21)
30th			PIMCO Moderate Duration (PMDRX) (26)	
35th			BlackRock Strategic Income Opps Instl (BSIIX) (33)	
40th				BlackRock Strategic Income Opps Instl (BSIIX) (38) Wells Fargo Core Bond Fund (MBFIX) (39)
45th				DFA US Small Cap (DFSTX) (45)
50th	William Blair (BIGIX) (50)		DFA US Small Cap (DFSTX) (46)	
55th		DFA US Small Cap (DFSTX) (53)		
60th	Causeway (CIVVX) (57)		Wells Fargo Core Bond Fund (MBFIX) (58)	Causeway (CIVVX) (56) William Blair (BIGIX) (60)
65th	DFA US Small Cap (DFSTX) (65)			
70th	BlackRock Strategic Income Opps Instl (BSIIX) (70)		Causeway (CIVVX) (67)	
75th	Wells Fargo Core Bond Fund (MBFIX) (74)			
80th		BlackRock Strategic Income Opps Instl (BSIIX) (76) Wells Fargo Core Bond Fund (MBFIX) (77) Causeway (CIVVX) (79)		
85th		William Blair (BIGIX) (83)	William Blair (BIGIX) (81)	
90th				
95th				
100th				

Performance Summary

Compliance Checklist

As of March 31, 2018

			Short-Term			Longer-Term		
Fund Name	**Qualitative Compliance**	**Performance Compliance**	**3 Year Return**	**3 Year Rank**	**3 Year Sharpe**	**5 Year Return**	**5 Year Rank**	**5 Year Sharpe**
DFA US Small Cap (DFSTX)	✔	✔	✖	✖	✔	✔	✔	✔
William Blair (BIGIX)	✔	✔	✖	✖	✖	✖	✖	✖
Causeway (CIVVX)	✔	✔	✔	✖	✔	✔	✖	✔
Pointer	✔	✔	✔	--	✖	✔	--	✔
PIMCO All Asset (PAAIX)	✔	✔	✔	✔	✔	✔	✔	✔
Wells Fargo Core Bond Fund (MBFIX)	✔	✔	✖	✖	✖	✔	✖	✖
BlackRock Strategic Income Opps Instl (BSIIX)	✔	✔	✔	✖	✖	✔	✔	✖

Legend	
✔	Goals met or no material change
✖	Goals not met or material changes

Portfolio	Score Factor	Comments
William Blair (BIGIX)	Qualitative Compliance	Jeff Urbina stepped away from his remaining PM responsibilities in February, consistent with the five-year timeline laid out in 2013. Mr. Urbina remains an active member of the firm's executive committee and the Investment Management leadership team.
William Blair (BIGIX)	Performance Compliance	William Blair trails the MSCI EAFE Growth over the last three- and five-years, held back by poor performance in 2013 and 2015. In 2013, emerging markets dramatically lagged developed markets, and the investment in the region was the largest detractor from relative performance for William Blair. With that said, William Blair's return in Emerging Markets during 2013 was significantly better than the return of the MSCI Emerging Markets Index, due to astute stock picking. In 2015, Emerging Markets and Canada, two market segments not represented in the benchmark, once again held back returns. Those two regions accounted for almost 20% of the Fund in 2015, and were the source of most, if not all, of William Blair's underperformance relative to the index. Relative to peers, William Blair's rankings are on the lower end, due to the allocation to Emerging Markets. William Blair has always had a large allocation to Emerging Markets, so its ranking relative to developed market-only peers is disappointing, but understandable given its investment universe. William Blair has an established investment process and philosophy that has produced strong and consistent, long-term investment results. The team is focused on finding attractively valued, high-quality, growth companies.
PIMCO All Asset (PAAIX)	Qualitative Compliance	Mike Puntoriero, who has served as CFO of PIMCO LLC and its global businesses for the last 10 years, will retire in mid-2019. John Kirkowski, Managing Director in PIMCO's Executive Office, has begun to assuming the CFO role. As part of the succession plan, the two will serve as co-CFOs until 2019.
Wells Fargo Core Bond Fund (MBFIX)	Qualitative Compliance	Troy Ludgood, Senior Portfolio Manager and Co-Head of the Wells Capital Montgomery Fixed Income team, transitioned to a new role in April 2018 as a Senior Fixed Income Strategist for WFAM. Effective May 1, Senior Portfolio Managers Jarad Vasquez and Maulik Bhansali were promoted to Co-Heads of the team alongside Tom O'Connor.
Wells Fargo Core Bond Fund (MBFIX)	Performance Compliance	Wells Montgomery Core is a low Tracking Error strategy that utilizes a duration neutral approach and focuses on modest relative value tilts versus the benchmark. While the lack of excess returns in the short-term timeframe is disappointing, we continue to believe the strategy will protect capital in a downside scenario and provides excellent diversification benefits relative to risk assets.

Performance compliance represents Pavilion's view on manager performance relative to Pavilion's expectations for performance, based primarily on manager investment philosophy and process. The three and five year return, rank and Sharpe ratio goals are as follows: the annualized return exceeds the benchmark's return, the manager's peer group rank is better than the 50th percentile, and the manager's Sharpe ratio exceeds the benchmark's.

Manager Evaluation

[redacted]

Manager Evaluation

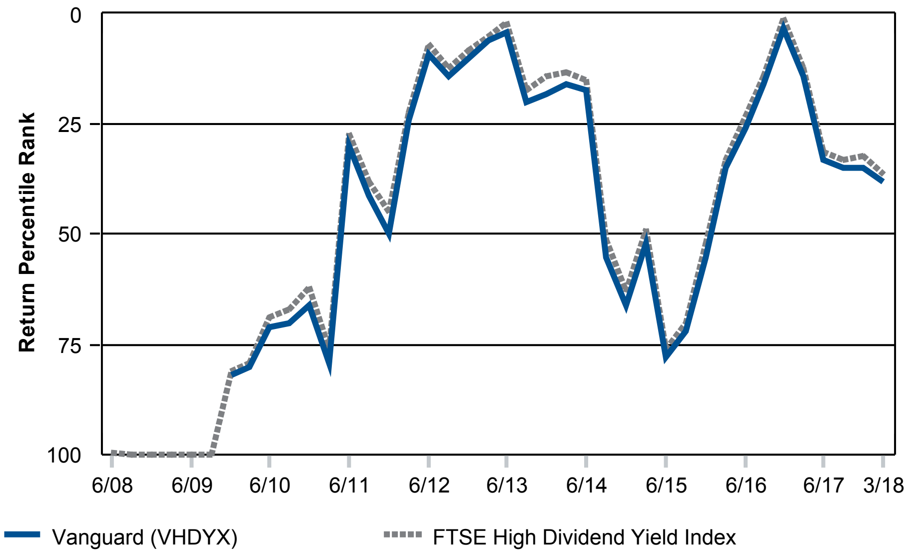
Vanguard (VHDYX) vs. FTSE High Dividend Yield Index

As of March 31, 2018

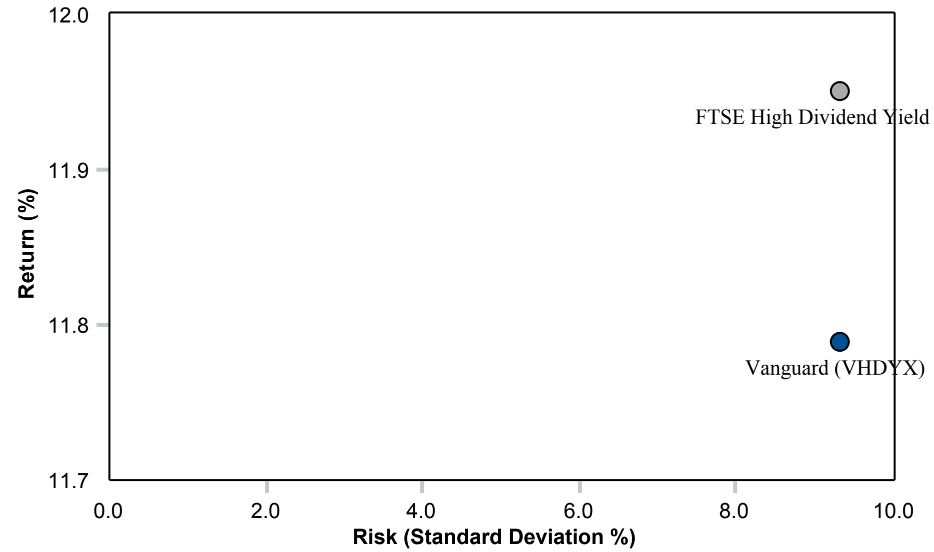
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Vanguard (VHDYX)	-2.9	-2.9	9.4	9.9	11.8	9.0	16.4	16.7	0.3	13.4	30.1	12.6	10.3	14.0	17.5	-32.5
FTSE High Dividend Yield Index	-2.8	-2.8	9.6	10.1	12.0	9.2	16.5	17.0	0.4	13.6	30.3	12.8	10.6	14.4	17.7	-32.3
eV Large Cap All Median	-0.8	-0.8	13.7	9.2	12.4	9.2	21.3	9.5	0.0	11.5	33.1	15.0	0.0	14.5	28.4	-37.0
Vanguard (VHDYX) Rank	*85*	*85*	*81*	*39*	*62*	*54*	*80*	*10*	*48*	*28*	*76*	*75*	*2*	*56*	*92*	*21*

Three Year Rolling Percentile Ranking (10 Years)



Risk and Return - monthly periodicity (Apr - 2013 - Mar - 2018)



Historical Statistics - monthly periodicity (Apr-2013 - Mar-2018)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Vanguard (VHDYX)	11.8	9.3	11.3	-0.1	1.0	1.2	0.0	-2.9	5.1	23.3	11y 4m
FTSE High Dividend Yield Index	12.0	9.3	11.5	0.0	1.0	1.2	0.0	--	5.0	0.0	11y 4m

Holdings Data as of Mar-2018.

[redacted]

Manager Evaluation

Vanguard (VHDYX) vs. FTSE High Dividend Yield Index

As of March 31, 2018

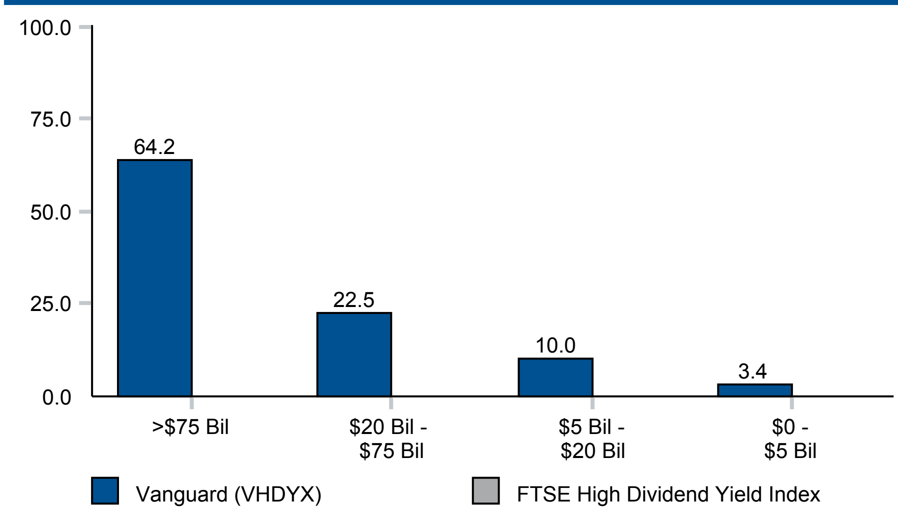
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	176,364	--
Median Mkt. Cap ($M)	5,800	--
Price/Earnings ratio	19.3	--
Price/Book ratio	2.9	--
5 Yr. EPS Growth Rate (%)	3.1	--
Current Yield (%)	3.1	--
Debt to Equity	1.8	--
# of Securities	382	0
Beta (5 Years, Monthly)	1.00	1.00
Consistency (5 Years, Monthly)	23.33	1.00
Sharpe Ratio (5 Years, Monthly)	1.21	1.23
Information Ratio (5 Years, Monthly)	-2.93	-
Up Market Capture (5 Years, Monthly)	99.42	-
Down Market Capture (5 Years, Monthly)	100.41	-
Active Share	NaN	--

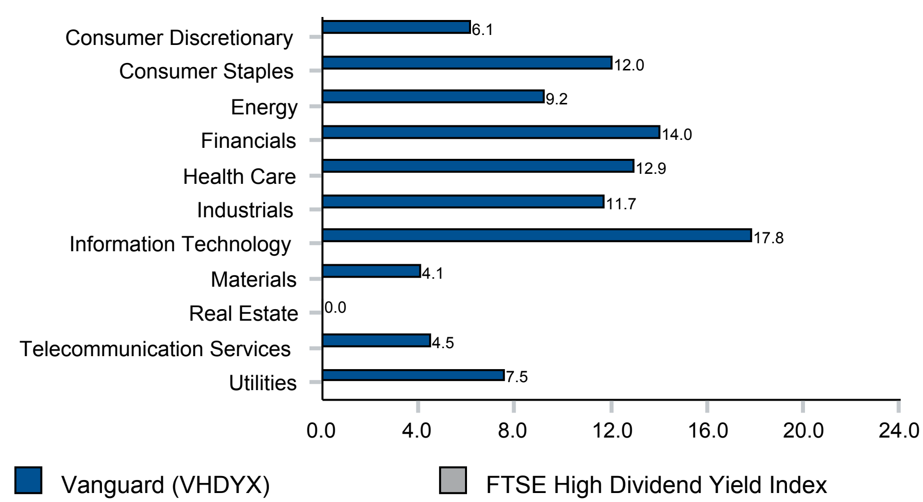
Top Ten Equity Holdings

	Portfolio Weight (%)	Bmk Weight (%)	Qtr Return (%)	Contribution to Return (%)
Microsoft Corp	7.0	0.0	7.2	0.5
JPMorgan Chase & Co	3.9	0.0	3.4	0.1
Johnson & Johnson	3.6	0.0	-7.7	-0.3
Exxon Mobil Corp	3.2	0.0	-9.9	-0.3
Intel Corp	2.5	0.0	13.6	0.3
Wells Fargo & Co	2.4	0.0	-13.1	-0.3
AT&T Inc	2.3	0.0	-7.1	-0.2
Chevron Corp	2.2	0.0	-8.0	-0.2
Cisco Systems Inc	2.2	0.0	12.8	0.3
Pfizer Inc	2.2	0.0	-1.1	0.0
% of Portfolio	31.5	0.0		0.0

Market Cap Breakout (%)



Sector Weights (%)



Holdings Data as of Mar-2018.

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Manager Evaluation

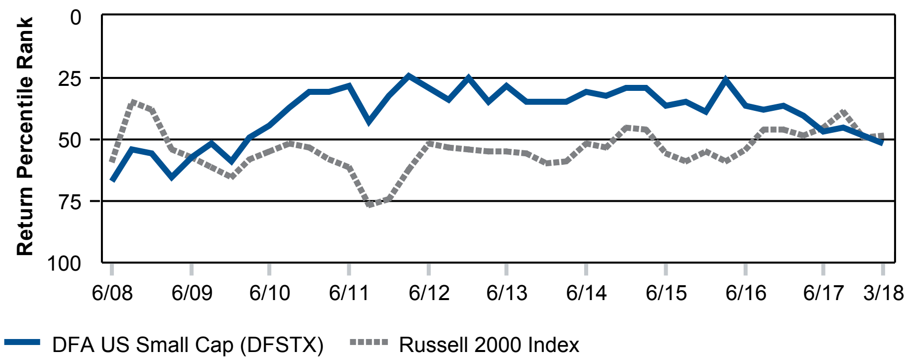
DFA US Small Cap (DFSTX) vs. Russell 2000 Index

As of March 31, 2018

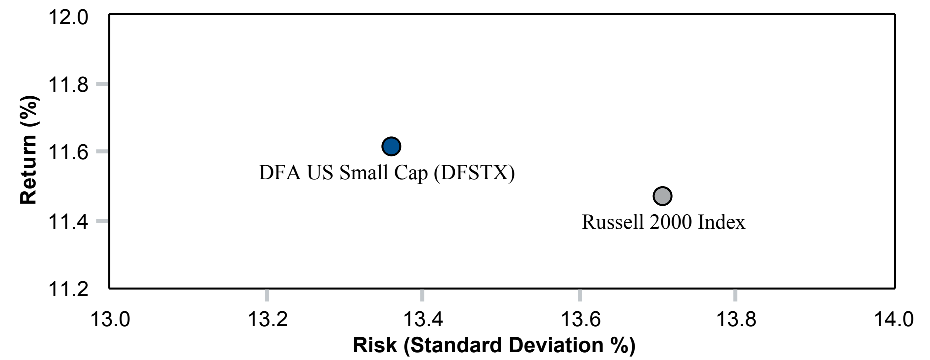
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
DFA US Small Cap (DFSTX)	-1.5	-1.5	8.8	8.1	11.6	10.9	11.5	23.5	-3.3	4.4	42.2	18.4	-3.1	30.7	36.3	-36.0
Russell 2000 Index	-0.1	-0.1	11.8	8.4	11.5	9.8	14.6	21.3	-4.4	4.9	38.8	16.3	-4.2	26.9	27.2	-33.8
eV Small Cap All Median	-0.6	-0.6	11.2	8.3	11.3	10.2	14.2	19.6	-3.7	4.2	40.0	15.4	-2.7	26.9	34.0	-37.0
DFA US Small Cap (DFSTX) Rank	*63*	*63*	*65*	*53*	*46*	*34*	*67*	*33*	*47*	*48*	*38*	*28*	*54*	*24*	*42*	*45*

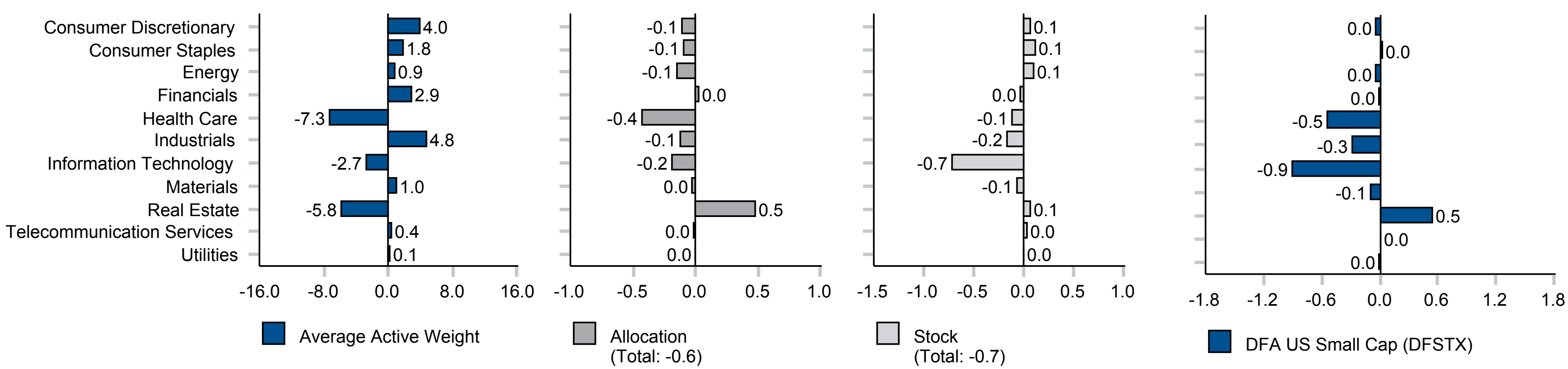
Three Year Rolling Percentile Ranking (10 Years)



Risk and Return - monthly periodicity (Apr - 2013 - Mar - 2018)



Buy and Hold Attribution (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Mar-2018.

[redacted]

Manager Evaluation

DFA US Small Cap (DFSTX) vs. Russell 2000 Index

As of March 31, 2018

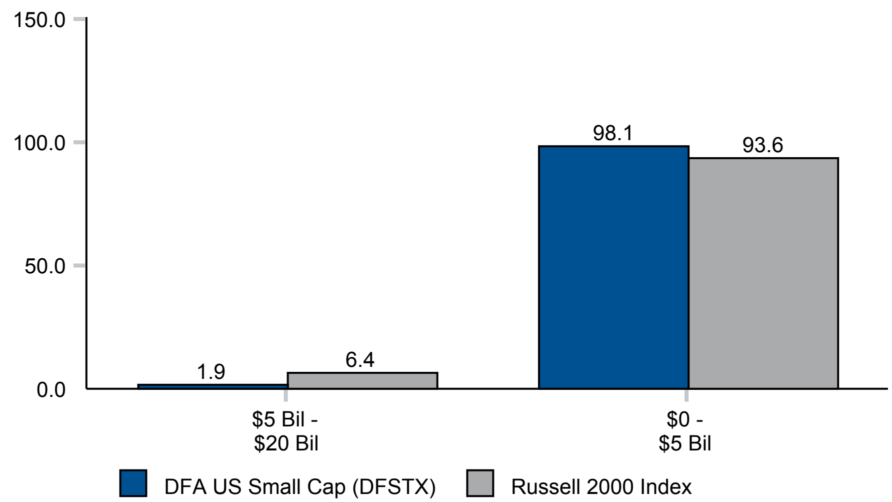
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	2,290	2,531
Median Mkt. Cap ($M)	752	860
Price/Earnings ratio	18.8	20.2
Price/Book ratio	2.3	2.6
5 Yr. EPS Growth Rate (%)	9.8	11.1
Current Yield (%)	1.2	1.3
Debt to Equity	1.1	1.1
# of Securities	1,946	1,983
Beta (5 Years, Monthly)	0.96	1.00
Consistency (5 Years, Monthly)	46.67	1.00
Sharpe Ratio (5 Years, Monthly)	0.87	0.84
Information Ratio (5 Years, Monthly)	0.03	-
Up Market Capture (5 Years, Monthly)	96.49	-
Down Market Capture (5 Years, Monthly)	92.84	-
Active Share	34.2	--

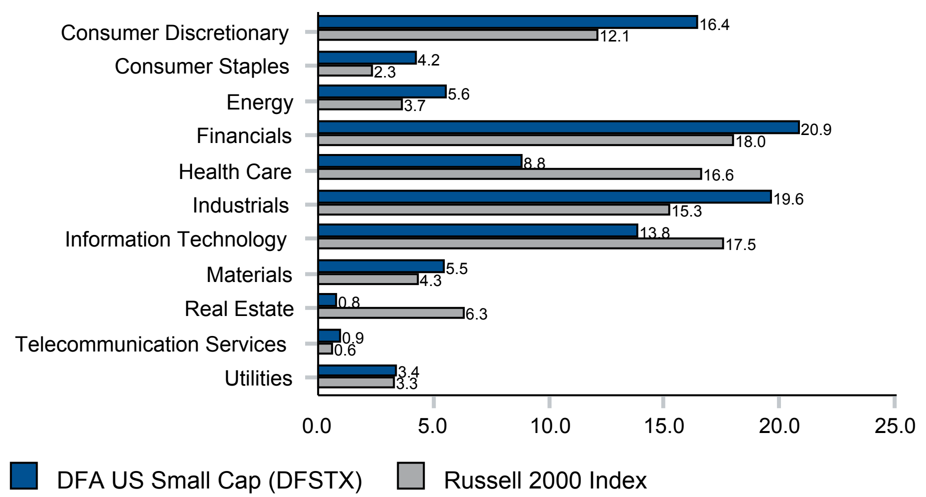
Top Ten Equity Holdings

	Portfolio Weight (%)	Bmk Weight (%)	Qtr Return (%)	Contribution to Return (%)
Sterling Bancorp	0.4	0.2	-8.1	0.0
Cathay General Bancorp	0.4	0.1	-4.7	0.0
Deckers Outdoor Corp	0.3	0.1	12.2	0.0
MKS Instruments Inc	0.3	0.3	22.6	0.1
FirstCash Inc	0.3	0.2	20.8	0.1
TCF Financial Corp	0.3	0.0	12.0	0.0
Bancorpsouth Bank	0.3	0.1	1.1	0.0
Interactive Brokers Group Inc	0.3	0.0	13.7	0.0
Cimpress NV	0.3	0.2	29.0	0.1
Cree Inc.	0.3	0.2	8.5	0.0
% of Portfolio	3.2	1.4		0.3

Market Cap Breakout (%)



Sector Weights (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Mar-2018.

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Manager Evaluation

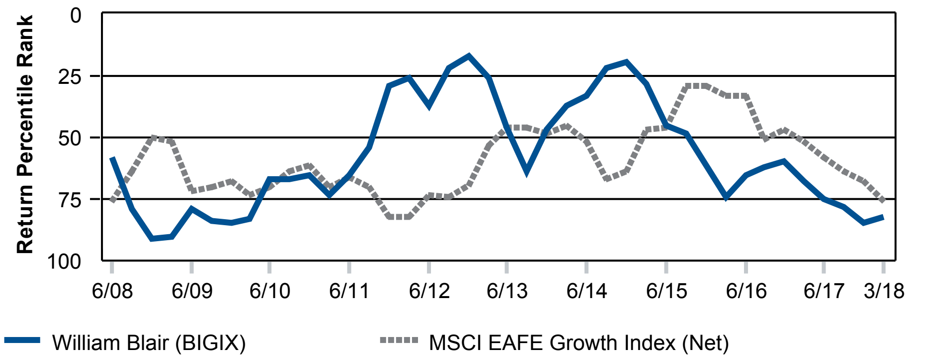
William Blair (BIGIX) vs. MSCI EAFE Growth Index (Net)

As of March 31, 2018

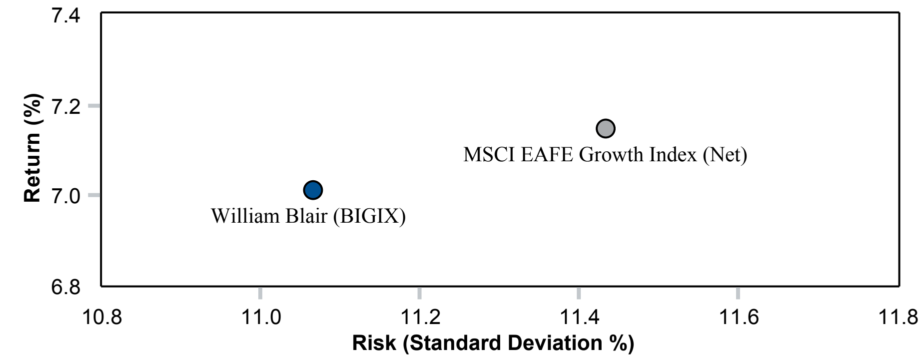
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
William Blair (BIGIX)	0.3	0.3	21.3	6.2	7.0	3.6	29.5	-2.5	0.0	-2.9	19.0	24.0	-14.2	20.5	42.6	-52.2
MSCI EAFE Growth Index (Net)	-1.0	-1.0	17.5	6.7	7.1	3.4	28.9	-3.0	4.1	-4.4	22.5	16.9	-12.1	12.2	29.4	-42.7
Custom Non US Diversified Growth Median	0.4	0.4	21.3	7.9	8.1	4.6	32.6	-1.0	1.7	-3.6	20.5	19.0	-12.1	14.4	39.1	-45.6
William Blair (BIGIX) Rank	*54*	*54*	*50*	*83*	*81*	*71*	*77*	*60*	*69*	*43*	*63*	*5*	*73*	*11*	*35*	*94*

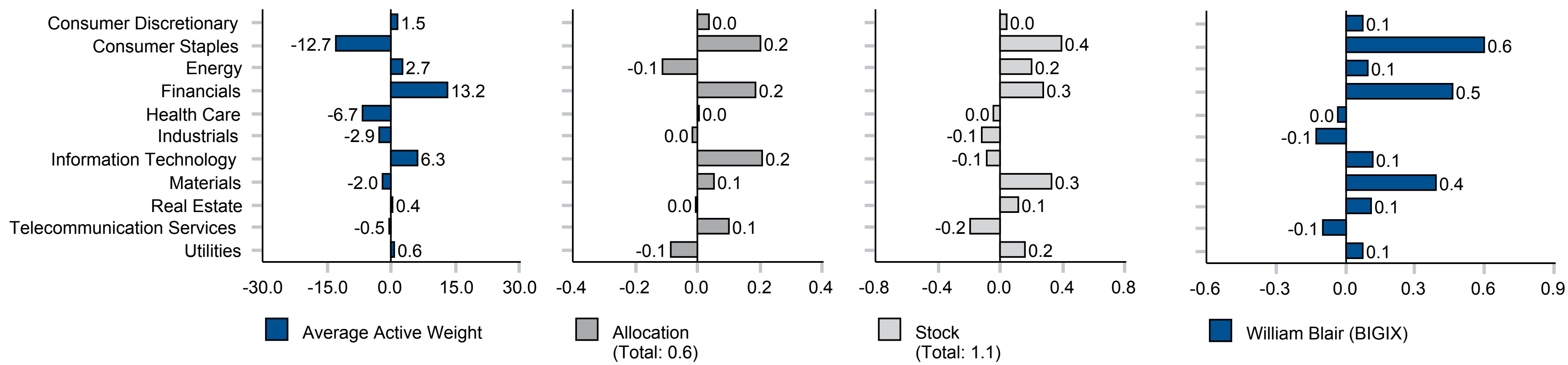
Three Year Rolling Percentile Ranking (10 Years)



Risk and Return - monthly periodicity (Apr - 2013 - Mar - 2018)



Buy and Hold Attribution (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Feb-2018.

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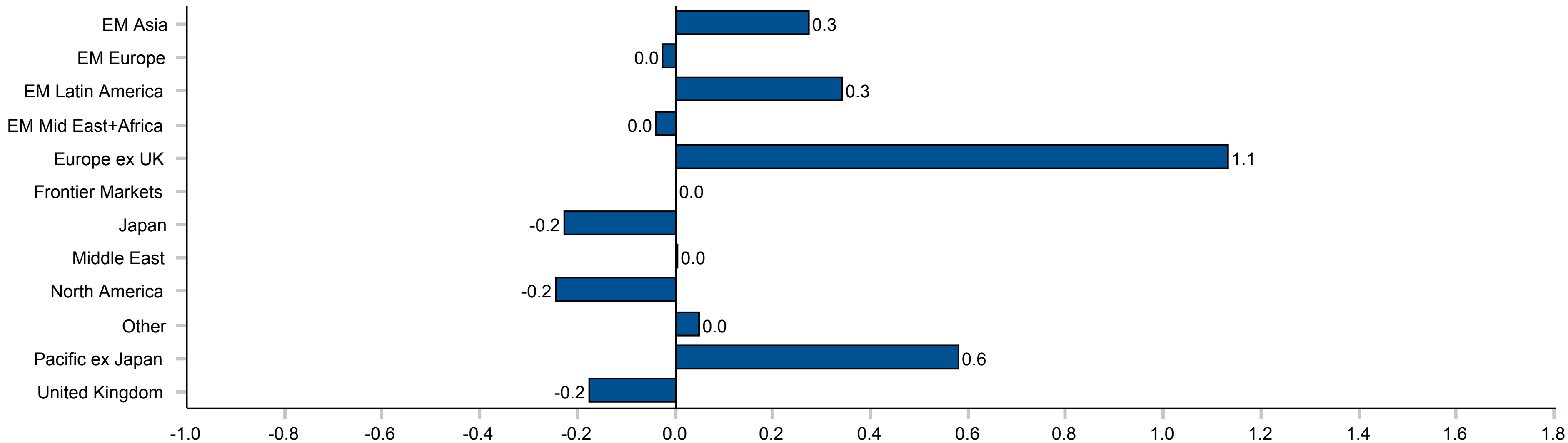
Manager Evaluation

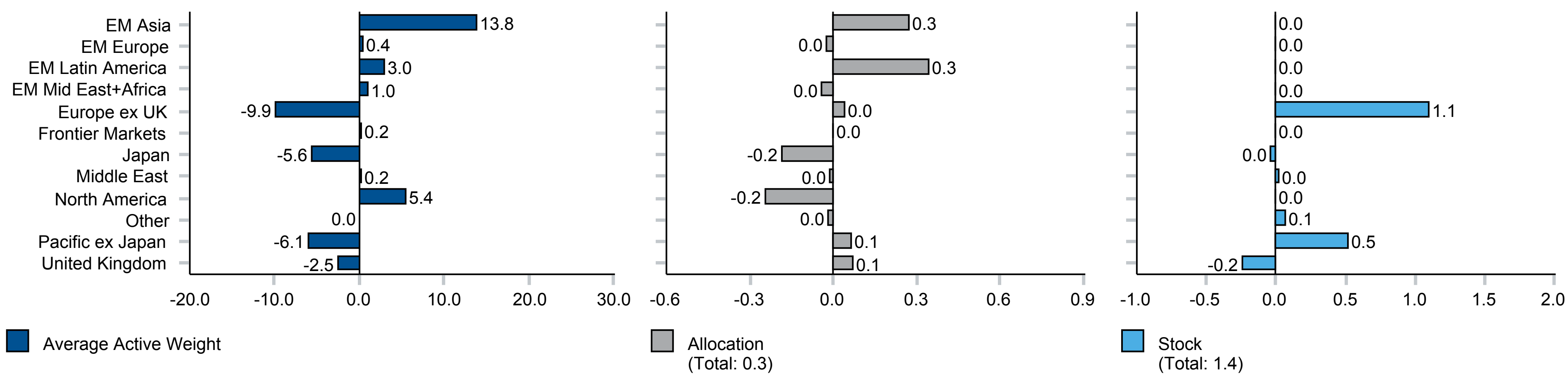
William Blair (BIGIX) vs. MSCI EAFE Growth Index (Net)

As of March 31, 2018

Total Attribution (%)



Performance Attribution (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Feb-2018.

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Manager Evaluation

William Blair (BIGIX) vs. MSCI EAFE Growth Index (Net)

As of March 31, 2018

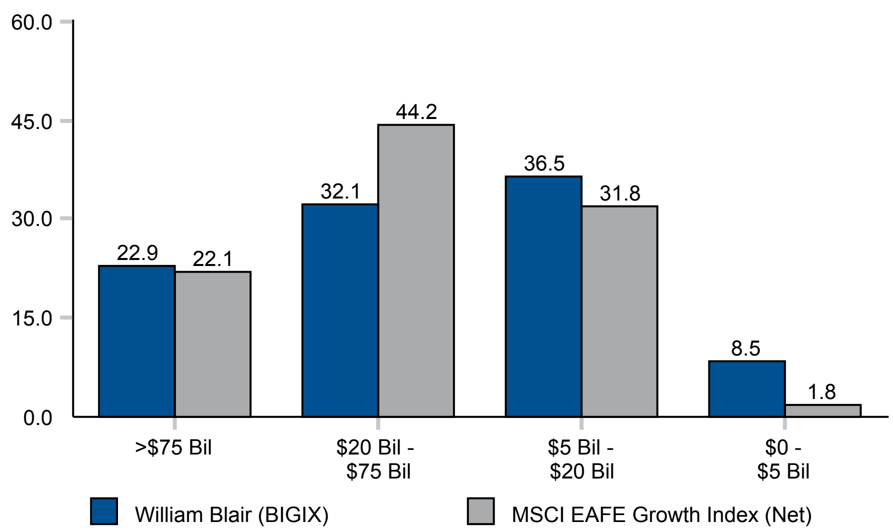
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	55,401	51,194
Median Mkt. Cap ($M)	9,498	11,734
Price/Earnings ratio	17.7	17.0
Price/Book ratio	2.8	2.7
5 Yr. EPS Growth Rate (%)	15.4	12.3
Current Yield (%)	1.9	2.2
Debt to Equity	0.2	0.6
# of Securities	198	541
Beta (5 Years, Monthly)	0.93	1.00
Consistency (5 Years, Monthly)	53.33	1.00
Sharpe Ratio (5 Years, Monthly)	0.64	0.64
Information Ratio (5 Years, Monthly)	-0.05	-
Up Market Capture (5 Years, Monthly)	95.64	-
Down Market Capture (5 Years, Monthly)	94.35	-
Active Share	83.3	--

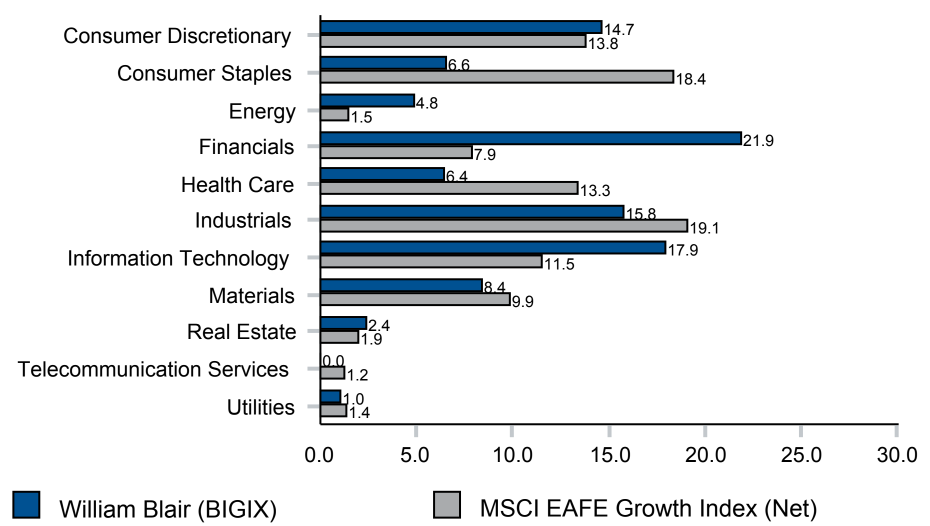
Top Ten Equity Holdings

	Portfolio Weight (%)	Bmk Weight (%)	Qtr Return (%)	Contribution to Return (%)
TOTAL SA	2.3	0.0	4.2	0.1
Tencent Holdings LTD	1.9	0.0	0.5	0.0
Ping An Insurance Group	1.8	0.0	-2.3	0.0
Itau Unibanco Holding SA	1.8	0.0	26.3	0.5
Novo Nordisk A/S	1.7	1.2	-7.4	-0.1
Mitsubishi UFJ Financial Group	1.7	0.0	-9.4	-0.2
BNP PARIBAS	1.6	0.0	--	--
Taiwan Semiconductor Manufacturing Co	1.6	0.0	10.4	0.2
Glencore Plc	1.5	0.8	-5.9	-0.1
Industrial & Commercial Bank of China	1.4	0.0	6.6	0.1
% of Portfolio	17.3	2.0		0.4

Market Cap Breakout (%)



Sector Weights (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Feb-2018.

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Manager Evaluation

William Blair (BIGIX) vs. MSCI EAFE Growth Index (Net)

As of March 31, 2018

	William Blair (BIGIX)	MSCI EAFE Growth Index (Net)
Canada	5.3	0.0
United States	0.0	0.0
Australia	0.4	6.7
Hong Kong	6.1	3.5
New Zealand	0.0	0.2
Singapore	0.0	1.4
Pacific ex Japan	**6.5**	**11.7**
Japan	18.8	24.7
Austria	0.0	0.1
Belgium	1.3	1.5
Bermuda	1.1	0.1
Denmark	3.7	3.0
Finland	0.2	0.9
France	12.0	9.9
Germany	6.5	10.2
Ireland	1.9	1.9
Italy	2.2	0.7
Netherlands	1.2	6.0
Norway	0.4	0.4
Portugal	0.0	0.1
Spain	1.8	1.5
Sweden	2.6	3.5
Switzerland	4.6	10.0
Europe ex UK	**39.6**	**50.0**
United Kingdom	10.0	12.8
Israel	0.3	0.4
Middle East	**0.3**	**0.4**
Developed Markets	**80.5**	**99.6**

	William Blair (BIGIX)	MSCI EAFE Growth Index (Net)
China	5.3	0.0
India	4.1	0.0
Indonesia	1.1	0.0
Korea	0.5	0.0
Malaysia	0.0	0.0
Philippines	0.0	0.0
Taiwan	2.2	0.0
Thailand	0.2	0.0
EM Asia	**13.5**	**0.0**
Czech Republic	0.0	0.0
Greece	0.0	0.0
Hungary	0.3	0.0
Poland	0.0	0.0
Russia	0.3	0.0
Turkey	0.0	0.0
EM Europe	**0.6**	**0.0**
Brazil	2.4	0.0
Cayman Islands	0.0	0.0
Chile	0.0	0.0
Colombia	0.0	0.0
Mexico	0.4	0.0
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	**2.8**	**0.0**
Egypt	0.0	0.0
Qatar	0.0	0.0
South Africa	1.7	0.0
United Arab Emirates	0.0	0.0
EM Mid East+Africa	**1.7**	**0.0**
Emerging Markets	**18.6**	**0.0**
Frontier Markets	**0.2**	**0.0**
Cash	0.0	0.0
Other	0.7	0.4
Total	**100.0**	**100.0**

Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Feb-2018.

Manager Evaluation

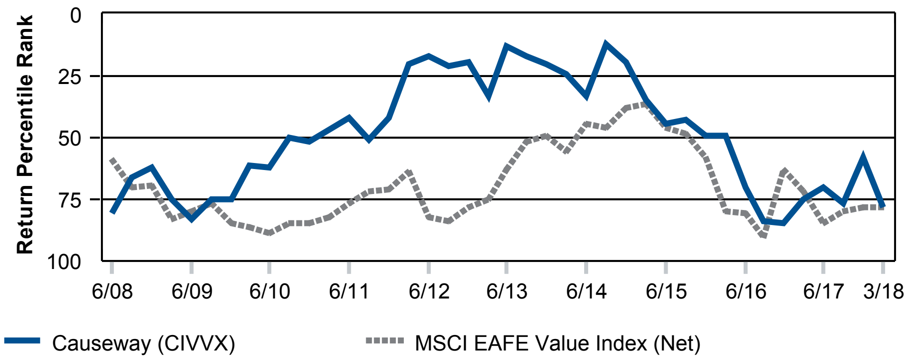
Causeway (CIVVX) vs. MSCI EAFE Value Index (Net)

As of March 31, 2018

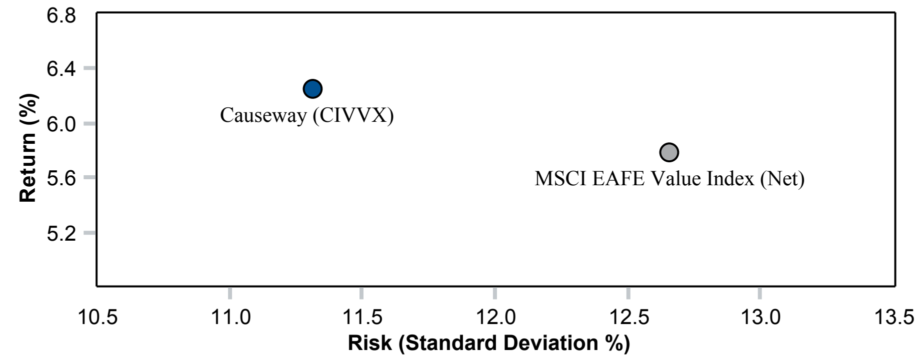
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Causeway (CIVVX)	-3.9	-3.9	13.3	4.3	6.2	3.5	27.1	0.2	-3.2	-6.5	23.9	24.2	-10.8	12.0	32.0	-42.1
MSCI EAFE Value Index (Net)	-2.0	-2.0	12.2	4.3	5.8	2.0	21.4	5.0	-5.7	-5.4	23.0	17.7	-12.2	3.2	34.2	-44.1
Custom Non US Diversified Value Median	-1.7	-1.7	13.6	5.8	6.8	3.3	24.0	3.5	-3.4	-5.3	22.3	17.9	-11.9	8.9	33.9	-41.7
Causeway (CIVVX) Rank	*100*	*100*	*57*	*79*	*67*	*47*	*20*	*90*	*48*	*62*	*42*	*10*	*37*	*33*	*56*	*53*

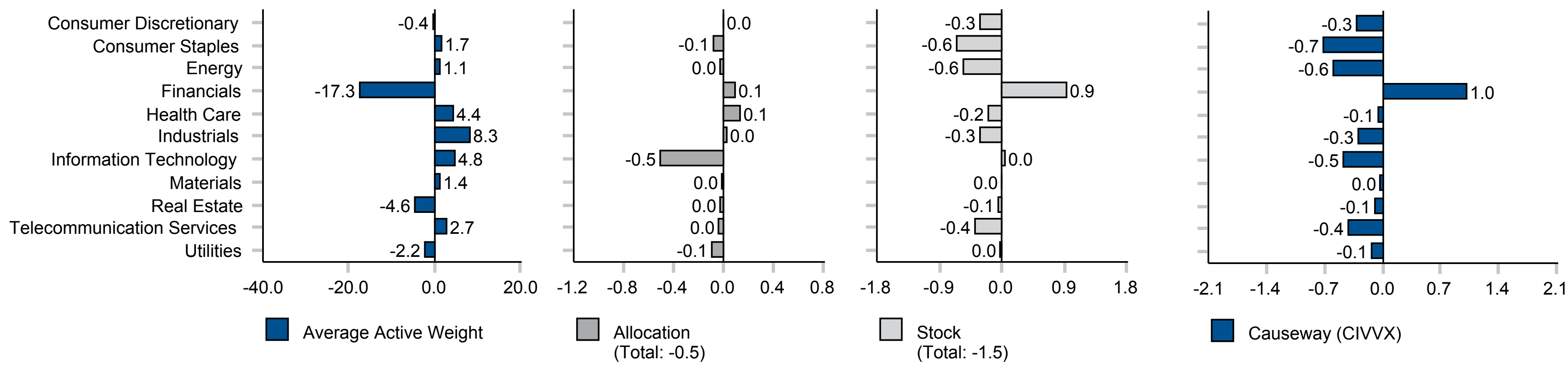
Three Year Rolling Percentile Ranking (10 Years)



Risk and Return - monthly periodicity (Apr - 2013 - Mar - 2018)



Buy and Hold Attribution (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Dec-2017.

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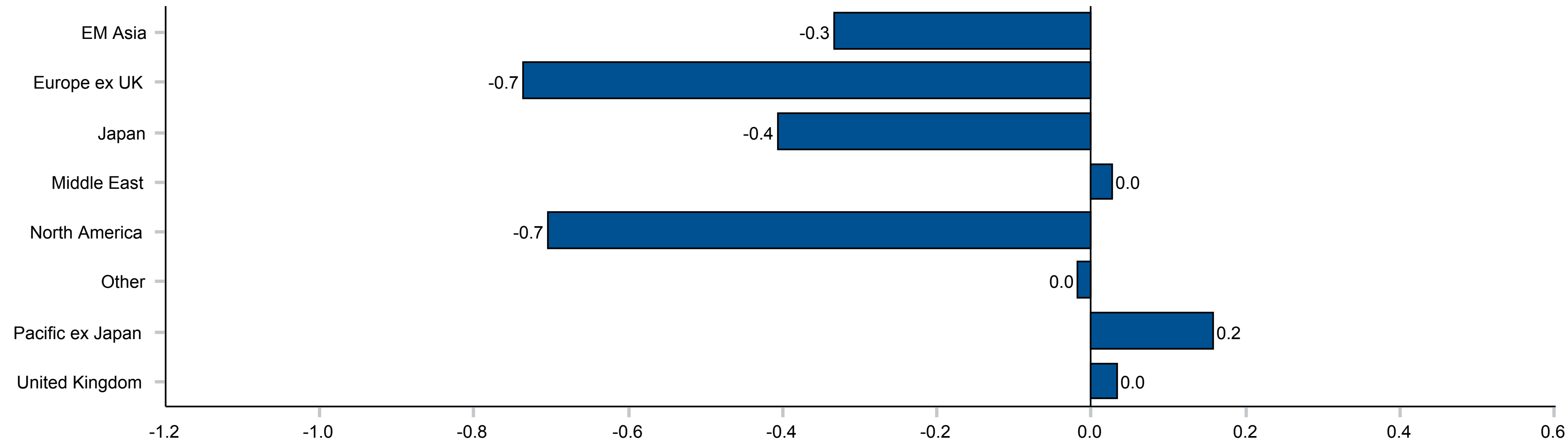
Manager Evaluation

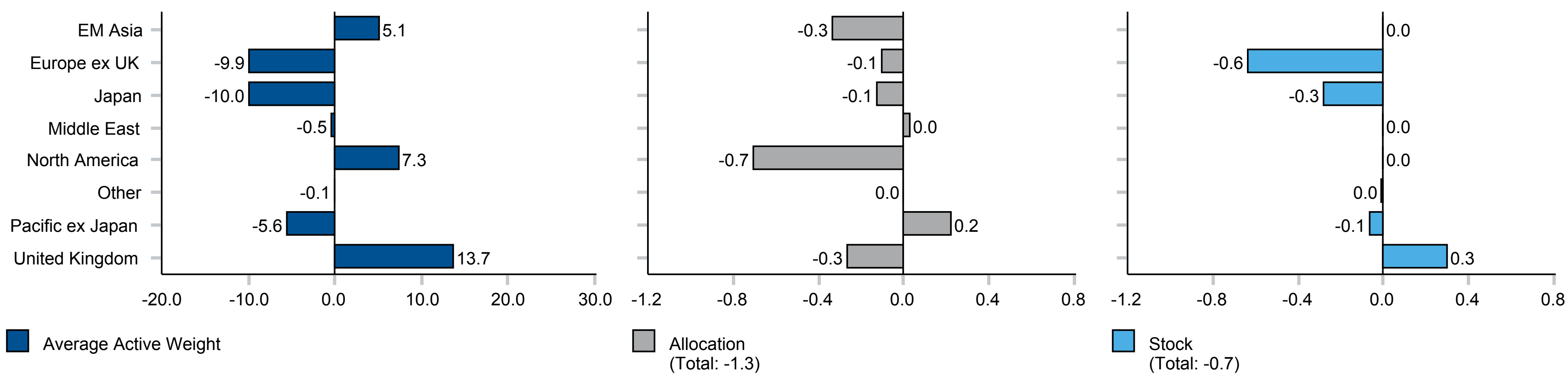
Causeway (CIVVX) vs. MSCI EAFE Value Index (Net)

As of March 31, 2018

Total Attribution (%)



Performance Attribution (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Dec-2017.

Manager Evaluation

Causeway (CIVVX) vs. MSCI EAFE Value Index (Net)

As of March 31, 2018

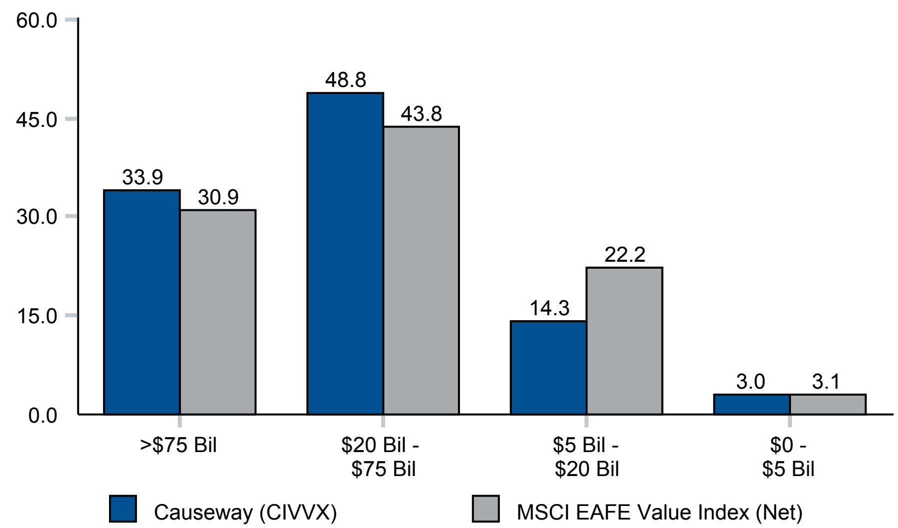
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	78,562	69,185
Median Mkt. Cap ($M)	41,613	10,964
Price/Earnings ratio	12.2	12.8
Price/Book ratio	1.9	1.5
5 Yr. EPS Growth Rate (%)	3.0	6.9
Current Yield (%)	2.7	4.4
Debt to Equity	-6.2	-1.9
# of Securities	58	484
Beta (5 Years, Monthly)	0.85	1.00
Consistency (5 Years, Monthly)	53.33	1.00
Sharpe Ratio (5 Years, Monthly)	0.57	0.48
Information Ratio (5 Years, Monthly)	0.07	-
Up Market Capture (5 Years, Monthly)	87.46	-
Down Market Capture (5 Years, Monthly)	80.08	-
Active Share	89.1	--

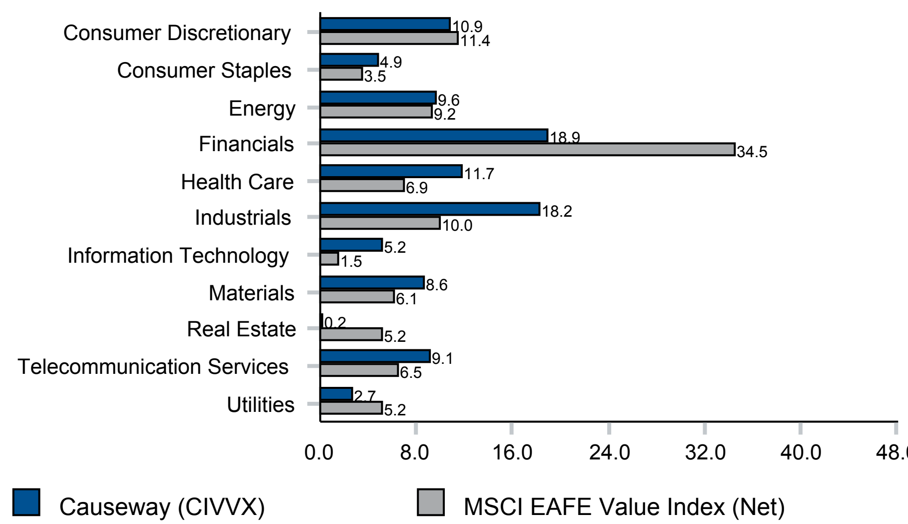
Top Ten Equity Holdings

	Portfolio Weight (%)	Bmk Weight (%)	Qtr Return (%)	Contribution to Return (%)
Volkswagen AG	5.2	0.5	-0.5	0.0
Barclays PLC	3.8	0.4	6.5	0.2
Schneider Electric SA	3.1	0.3	3.3	0.1
British American Tobacco PLC	3.1	0.0	-12.2	-0.4
Royal Dutch Shell PLC	2.9	1.6	-4.4	-0.1
BP PLC	2.9	1.2	-3.4	-0.1
Kddi Corp	2.8	0.6	4.5	0.1
BASF SE	2.7	1.3	--	--
ABB Ltd	2.7	0.0	-11.1	-0.3
Japan Airlines Co Ltd	2.6	0.1	4.3	0.1
% of Portfolio	31.8	6.0		-0.3

Market Cap Breakout (%)



Sector Weights (%)



Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Dec-2017.

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Manager Evaluation

Causeway (CIVVX) vs. MSCI EAFE Value Index (Net)

As of March 31, 2018

	Causeway (CIVVX)	MSCI EAFE Value Index (Net)
Canada	7.2	0.0
United States	0.0	0.0
Australia	0.2	6.3
Hong Kong	4.8	3.0
New Zealand	0.0	0.2
Singapore	0.0	1.3
Pacific ex Japan	**5.0**	**10.8**
Japan	14.3	24.4
Austria	0.0	0.4
Belgium	0.0	0.8
Bermuda	0.0	0.3
Denmark	0.0	0.6
Finland	0.0	1.1
France	5.3	10.4
Germany	12.0	9.2
Ireland	0.0	0.2
Italy	2.2	3.8
Netherlands	5.7	5.6
Norway	0.0	1.0
Portugal	0.0	0.2
Spain	0.7	5.0
Sweden	1.0	1.7
Switzerland	11.8	7.0
Europe ex UK	**38.7**	**47.3**
United Kingdom	30.0	16.5
Israel	0.0	0.5
Middle East	**0.0**	**0.5**
Developed Markets	**95.3**	**99.5**

	Causeway (CIVVX)	MSCI EAFE Value Index (Net)
China	2.3	0.0
India	0.0	0.0
Indonesia	0.0	0.0
Korea	2.0	0.0
Malaysia	0.0	0.0
Philippines	0.0	0.0
Taiwan	0.0	0.0
Thailand	0.0	0.0
EM Asia	**4.3**	**0.0**
Czech Republic	0.0	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.0
Russia	0.0	0.0
Turkey	0.0	0.0
EM Europe	**0.0**	**0.0**
Brazil	0.0	0.0
Cayman Islands	0.0	0.0
Chile	0.0	0.0
Colombia	0.0	0.0
Mexico	0.0	0.0
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	**0.0**	**0.0**
Egypt	0.0	0.0
Qatar	0.0	0.0
South Africa	0.0	0.0
United Arab Emirates	0.0	0.0
EM Mid East+Africa	**0.0**	**0.0**
Emerging Markets	**4.3**	**0.0**
Frontier Markets	**0.0**	**0.0**
Cash	0.0	0.0
Other	0.4	0.5
Total	**100.0**	**100.0**

Differences between the manager return and the attribution return are due primarily to the effects of fees and portfolio trading. Holdings Data as of Dec-2017.

[redacted]

Manager Evaluation

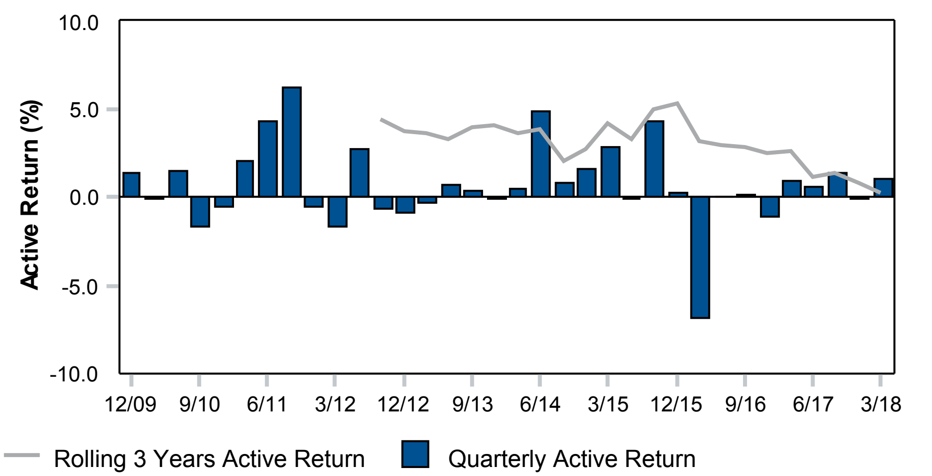
Pointer vs. HFRI Equity Hedge (Total) Index

As of March 31, 2018

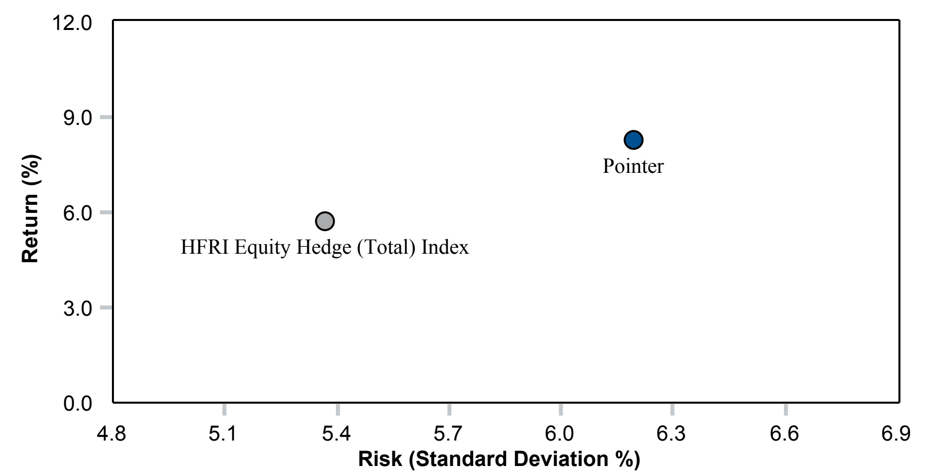
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Pointer	1.5	1.5	12.8	5.4	8.2	--	16.6	-2.8	6.7	10.0	15.2	7.1	4.0	10.0	--	--
HFRI Equity Hedge (Total) Index	0.4	0.4	9.5	5.2	5.7	3.9	13.3	5.5	-1.0	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7

Comparative Performance and Rolling Return (10 Years)



Risk and Return - monthly periodicity (Apr-2013 - Mar-2018)



Historical Statistics - monthly periodicity (Apr-2013 - Mar-2018)

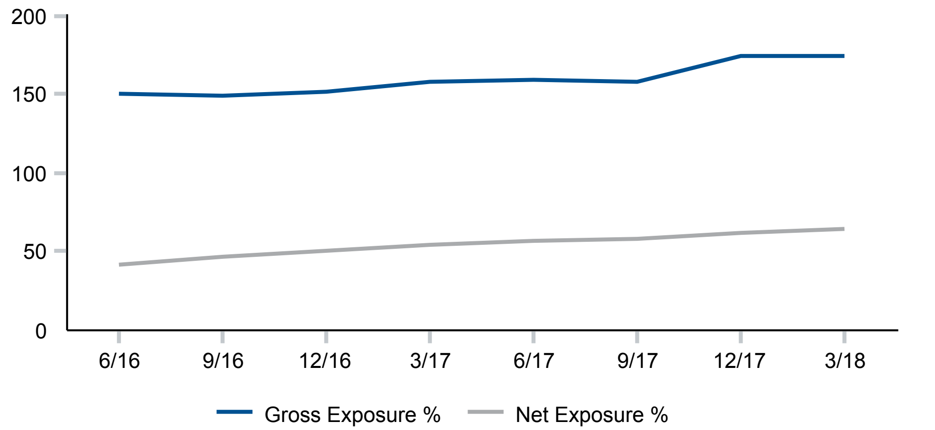
	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Pointer	8.2	6.2	7.8	3.3	0.9	1.3	4.2	0.6	3.5	61.7	8y 6m
HFRI Equity Hedge (Total) Index	5.7	5.4	5.4	0.0	1.0	1.0	0.0	--	3.3	0.0	8y 6m

Manager Evaluation

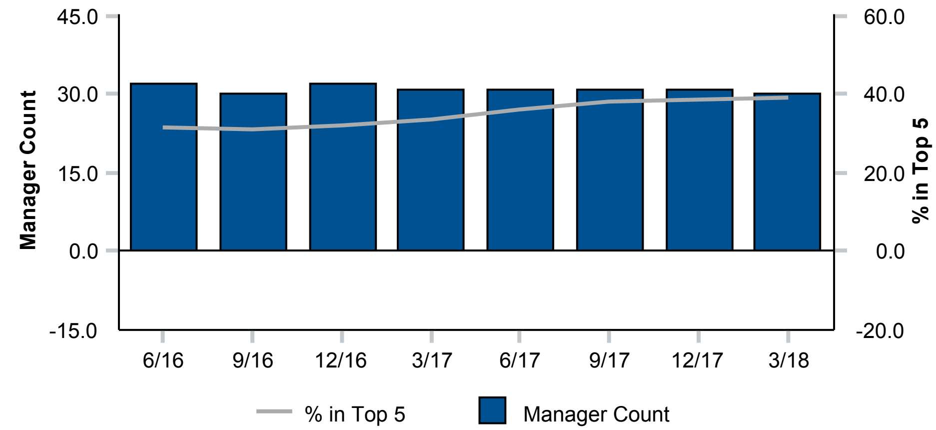
Pointer vs. HFRI Equity Hedge (Total) Index

As of March 31, 2018

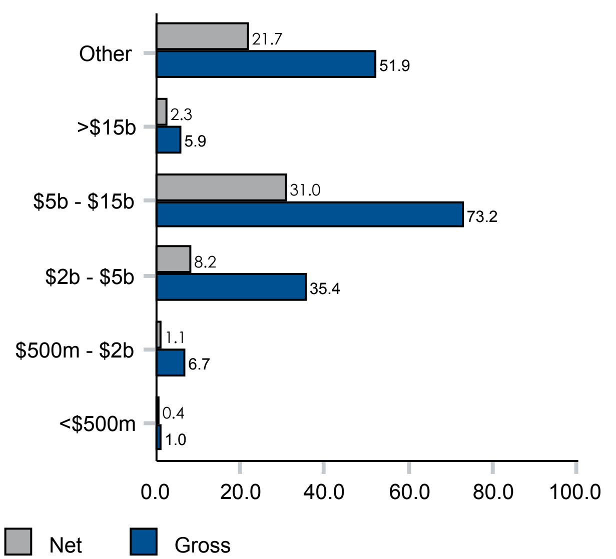
Gross/Net Exposures (%)



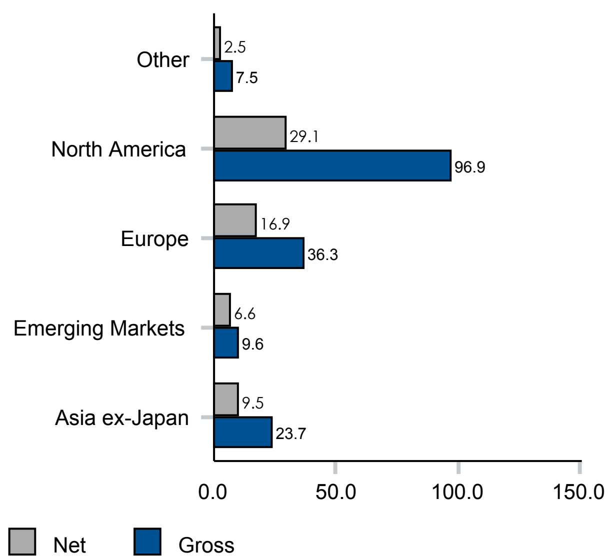
Underlying Funds



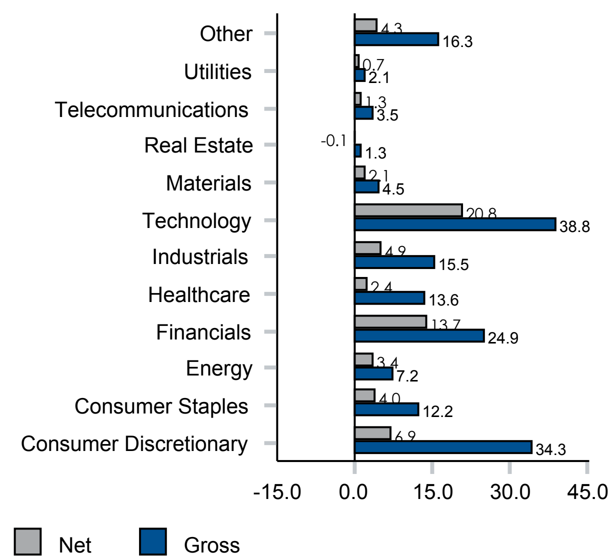
Market Cap Exposure (%)



Geographic Exposure (%)



Sector Exposure (%)



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Manager Evaluation

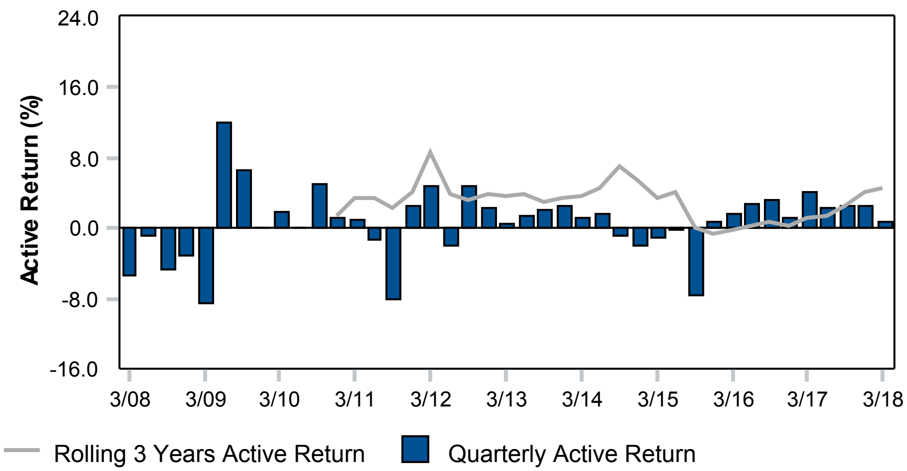
PIMCO All Asset (PAAIX) vs. Blmbg. Barc. U.S. TIPS 1-10 Year

As of March 31, 2018

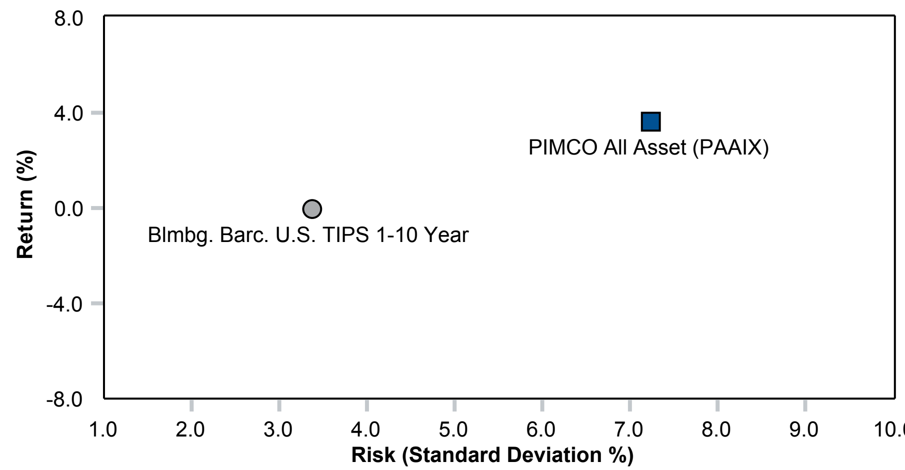
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
PIMCO All Asset (PAAIX)	0.3	0.3	8.8	5.7	3.6	5.3	14.0	13.3	-8.7	0.8	0.8	15.4	2.4	13.7	23.0	-15.5
Blmbg. Barc. U.S. TIPS 1-10 Year	-0.4	-0.4	0.4	1.2	-0.1	2.2	1.9	4.0	-0.5	0.9	-5.6	5.0	8.9	5.2	12.0	-2.4
CPI + 5%	2.5	2.5	7.5	7.0	6.5	6.6	7.2	7.2	5.8	5.8	6.6	6.8	8.1	6.6	7.9	5.1

Comparative Performance and Rolling Return (10 Years)



Risk and Return - monthly periodicity (Apr-2013 - Mar-2018)



Historical Statistics - monthly periodicity (Apr-2013 - Mar-2018)

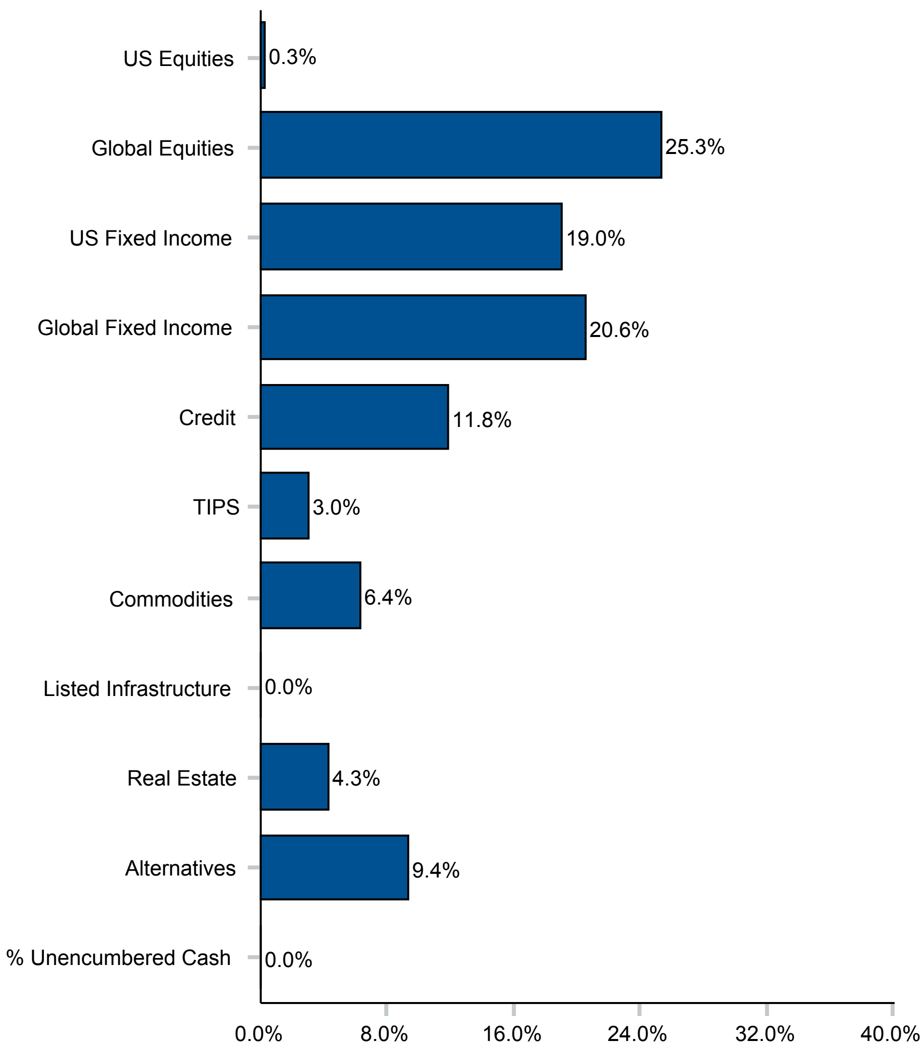
	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
PIMCO All Asset (PAAIX)	3.6	7.3	3.4	3.8	1.3	0.5	5.8	0.6	4.7	60.0	10y 3m
Blmbg. Barc. U.S. TIPS 1-10 Year	-0.1	3.4	-0.3	0.0	1.0	-0.1	0.0	--	2.5	0.0	10y 3m

Manager Evaluation

PIMCO All Asset (PAAIX) vs. Blmbg. Barc. U.S. TIPS 1-10 Year

As of March 31, 2018

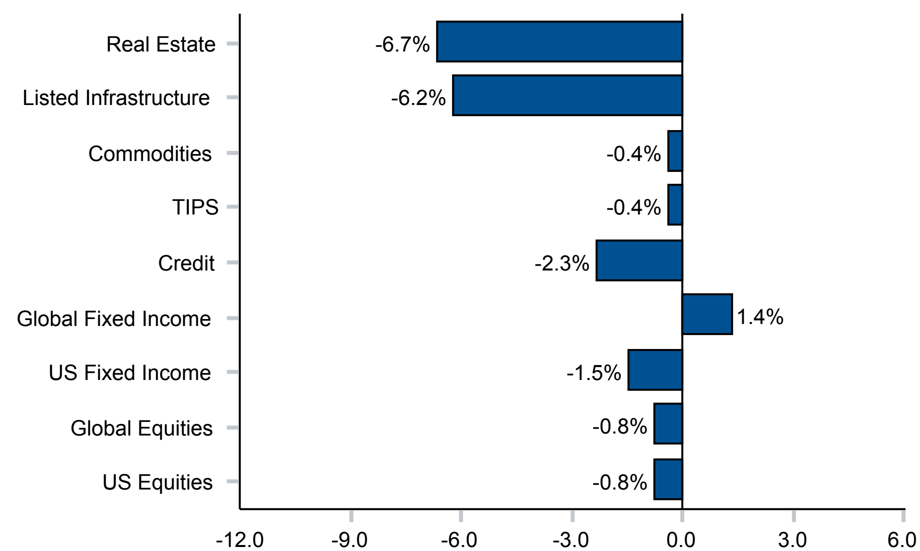
Asset Exposures (%)



Attribution

The Fund's large allocation to emerging markets equities and debt was the most significant contributor to performance	Positive
Over the last two years, PIMCO has increased the Fund's exposure to commodities, which helped during the quarter	Positive
Real estate was the largest detractor, as yield-oriented assets sold off in response to rising interest rates	Negative
The Fund's allocation to U.S. fixed income hurt performance, as the U.S. yield curve flattened and rates rose	Negative

Asset Class Quarter Returns (Index)



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Manager Evaluation

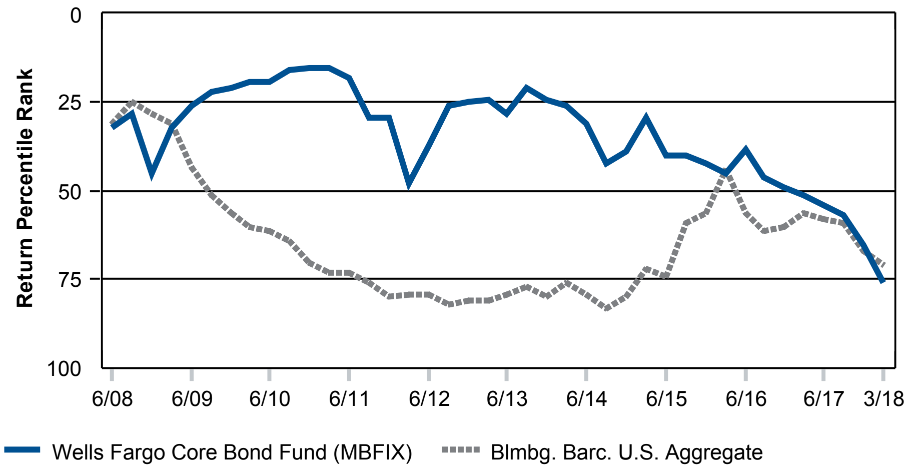
Wells Fargo Core Bond Fund (MBFIX) vs. Blmbg. Barc. U.S. Aggregate

As of March 31, 2018

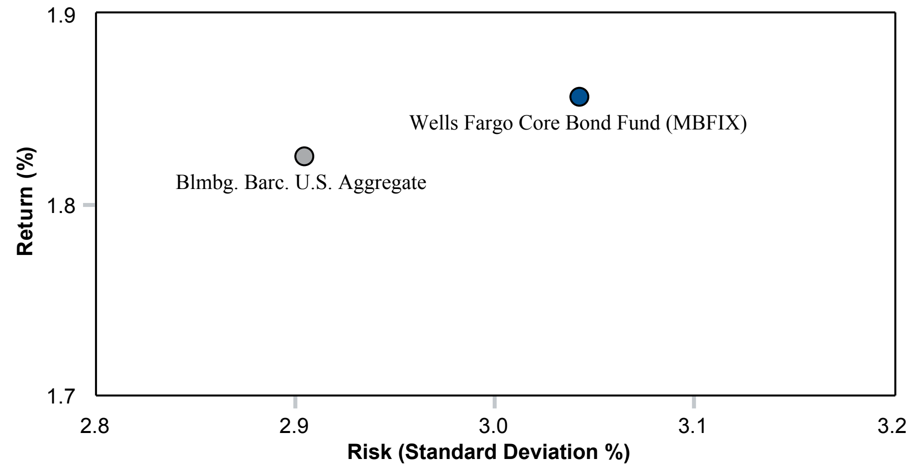
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Wells Fargo Core Bond Fund (MBFIX)	-1.5	-1.5	1.1	1.2	1.9	4.4	3.6	2.7	0.6	6.1	-1.9	6.6	8.5	7.5	11.5	3.1
Blmbg. Barc. U.S. Aggregate	-1.5	-1.5	1.2	1.2	1.8	3.6	3.5	2.6	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2
eV Core Fixed Income Median	-1.4	-1.4	1.4	1.4	1.9	4.1	3.8	3.0	0.5	5.9	-1.7	5.9	7.5	7.2	9.7	2.6
Wells Fargo Core Bond Fund (MBFIX) Rank	*71*	*71*	*74*	*77*	*58*	*27*	*65*	*68*	*43*	*34*	*64*	*31*	*14*	*39*	*30*	*47*

Three Year Rolling Percentile Ranking (10 Years)



Risk and Return - monthly periodicity (Apr-2013 - Mar-2018)



Historical Statistics - monthly periodicity (Apr-2013 - Mar-2018)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
Wells Fargo Core Bond Fund (MBFIX)	1.9	3.0	1.6	0.0	1.0	0.5	0.4	0.1	2.0	61.7	14y 3m
Blmbg. Barc. U.S. Aggregate	1.8	2.9	1.5	0.0	1.0	0.5	0.0	--	1.9	0.0	14y 3m

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Manager Evaluation

Wells Fargo Core Bond Fund (MBFIX) vs. Blmbg. Barc. U.S. Aggregate

As of March 31, 2018

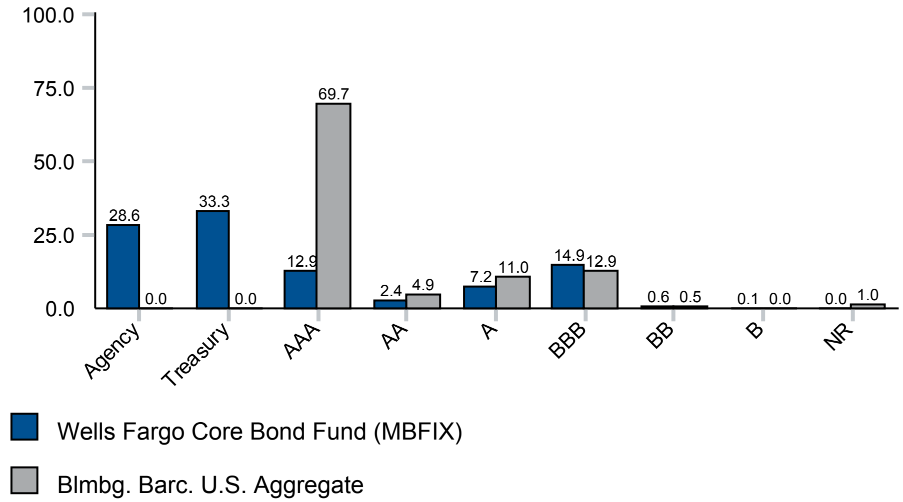
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.1	6.3
Avg. Maturity	8.7	8.3
Avg. Quality	AA	AA+
Yield To Maturity (%)	3.4	3.1

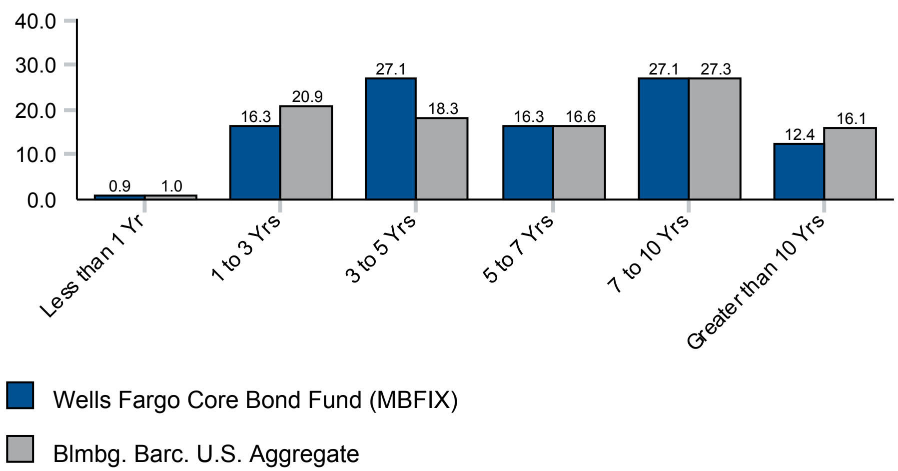
Historical Statistics - 3 Years

	Up Market Capture	Down Market Capture	Maximum Drawdown
Wells Fargo Core Bond Fund (MBFIX)	98.4	99.4	-3.2
Blmbg. Barc. U.S. Aggregate	100.0	100.0	-3.3

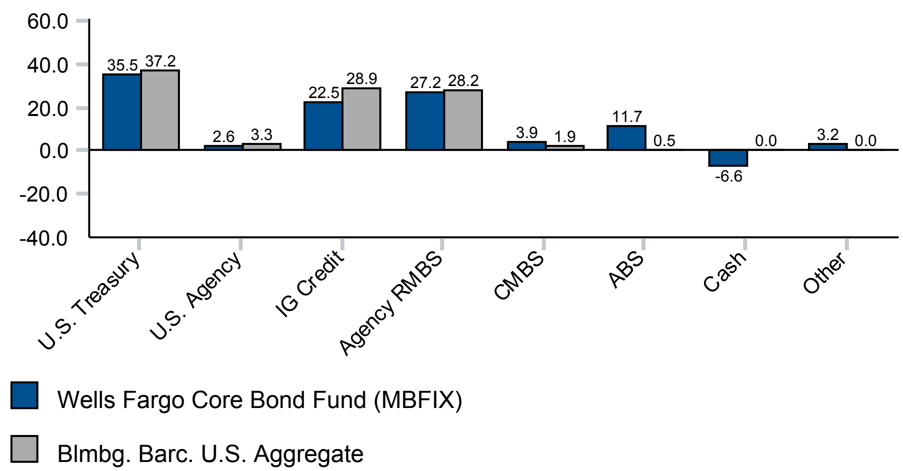
Credit Quality Distribution (%)



Maturity Distribution (%)



Sector Distribution (%)



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Manager Evaluation

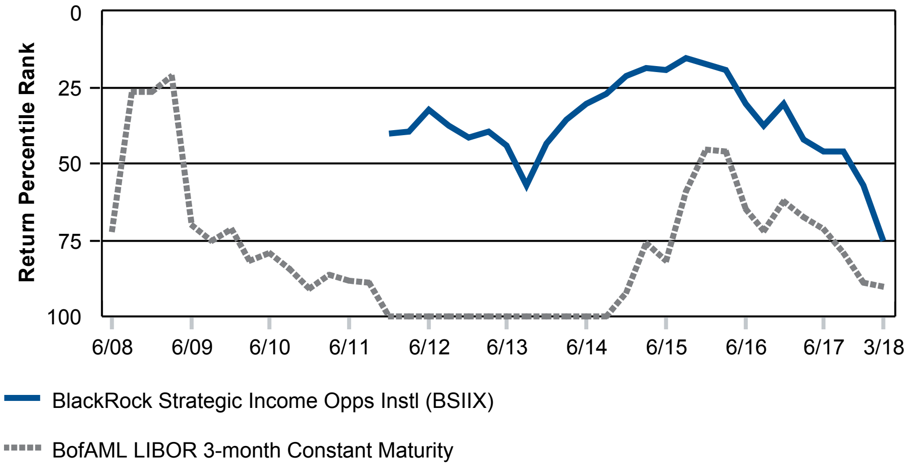
BlackRock Strategic Income Opps Instl (BSIIX) vs. BofAML LIBOR 3-month Constant Maturity

As of March 31, 2018

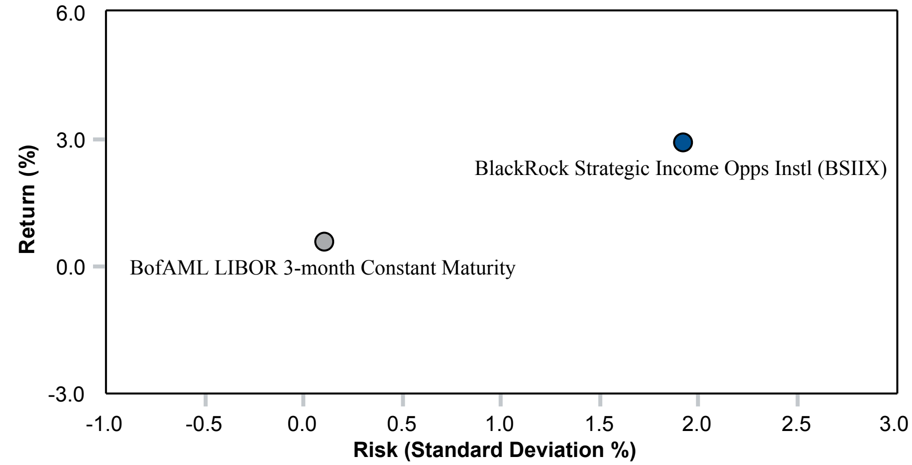
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
BlackRock Strategic Income Opps Instl (BSIIX)	0.4	0.4	3.8	2.3	2.9	--	4.9	3.6	-0.3	3.9	3.3	9.9	-0.7	13.4	25.2	--
BofAML LIBOR 3-month Constant Maturity	0.3	0.3	1.2	0.8	0.6	0.7	1.1	0.7	0.2	0.2	0.3	0.5	0.3	0.3	1.0	3.8
eV Global Unconstrained Fixed Income Median	0.6	0.6	4.5	3.2	2.3	4.4	7.0	4.6	-2.5	1.5	1.8	9.8	1.7	7.7	29.4	-13.1
BlackRock Strategic Income Opps Instl (BSIIX) Rank	*59*	*59*	*70*	*76*	*33*	*--*	*77*	*67*	*20*	*19*	*29*	*46*	*74*	*21*	*60*	*--*

Three Year Rolling Percentile Ranking (10 Years)



Risk and Return - monthly periodicity (Apr-2013 - Mar-2018)



Historical Statistics - monthly periodicity (Apr-2013 - Mar-2018)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
BlackRock Strategic Income Opps Instl (BSIIX)	2.9	1.9	2.6	1.4	2.8	1.3	1.9	1.2	1.1	70.0	9y 3m
BofAML LIBOR 3-month Constant Maturity	0.6	0.1	0.2	0.0	1.0	4.1	0.0	--	0.0	0.0	9y 3m

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Manager Evaluation

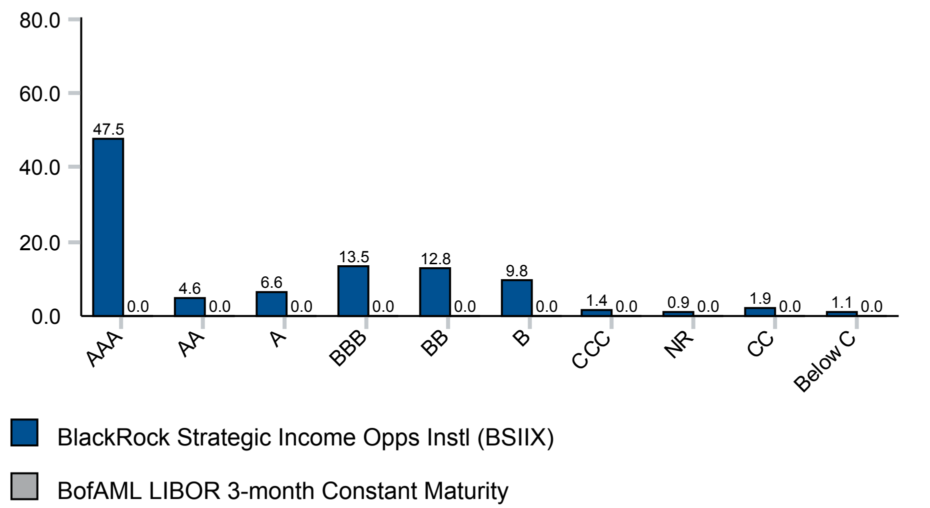
BlackRock Strategic Income Opps Instl (BSIIX) vs. BofAML LIBOR 3-month Constant Maturity

As of March 31, 2018

Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	1.3	--
Avg. Maturity	5.8	--
Avg. Quality	A	--
Yield To Maturity (%)	4.0	--

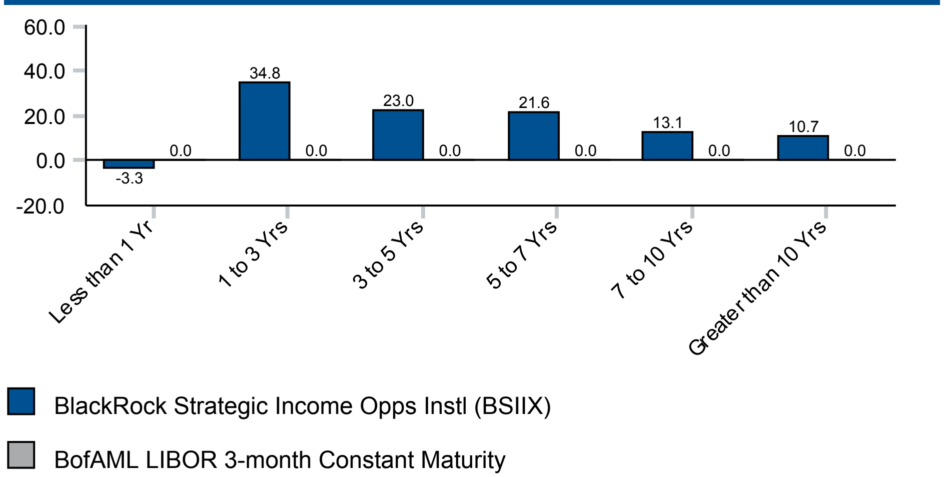
Credit Quality Distribution (%)



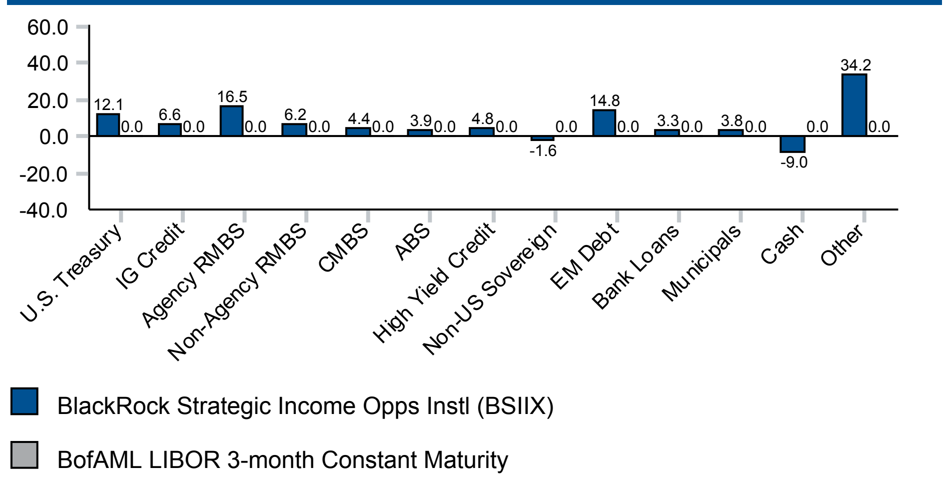
Historical Statistics - 3 Years

	Up Market Capture	Down Market Capture	Maximum Drawdown
BlackRock Strategic Income Opps Instl (BSIIX)	330.4	28,600.0	-2.9
BofAML LIBOR 3-month Constant Maturity	100.0	100.0	0.0

Maturity Distribution (%)



Sector Distribution (%)



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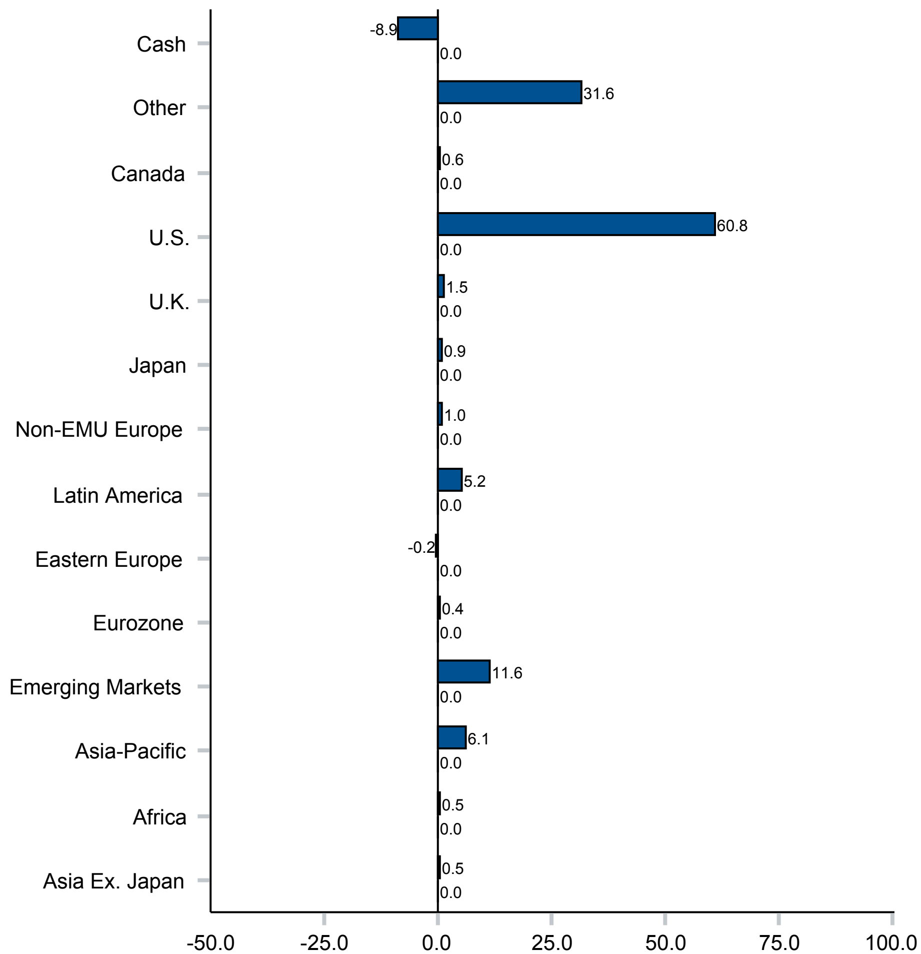
Manager Evaluation

BlackRock Strategic Income Opps Instl (BSIIX) vs. BofAML LIBOR 3-month Constant Maturity

As of March 31, 2018

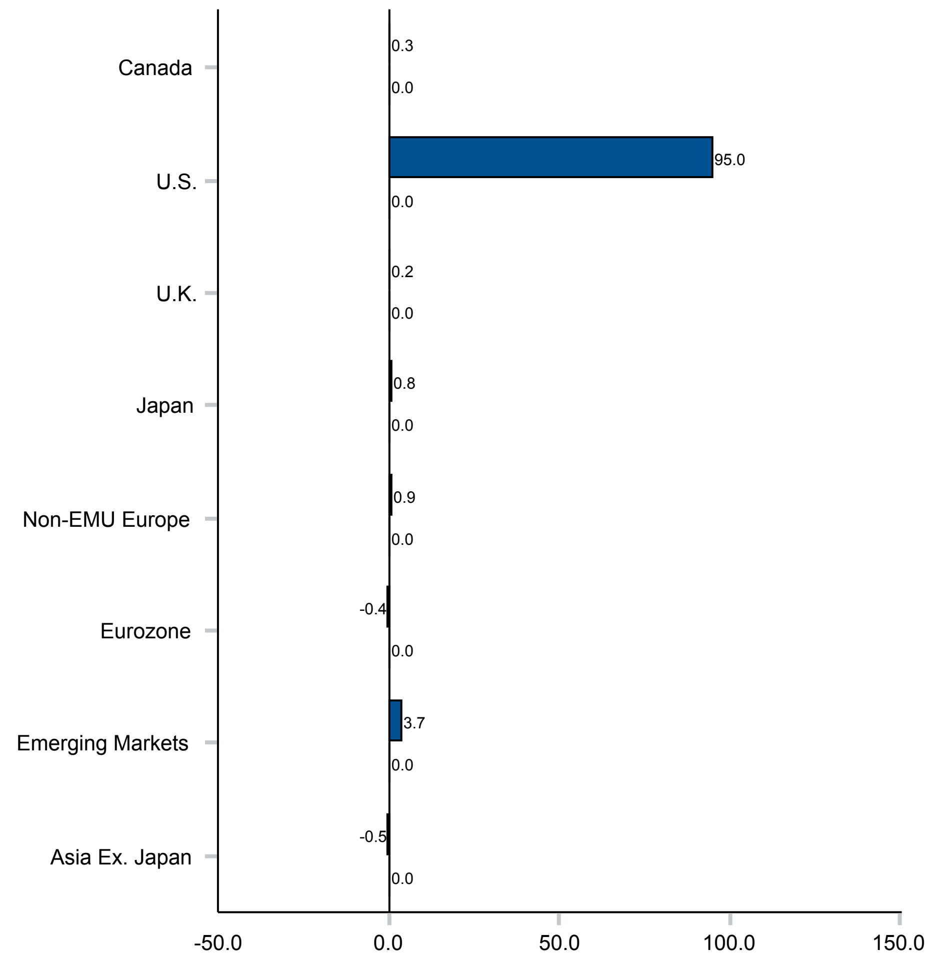
Country/Region Distribution (%)



BlackRock Strategic Income Opps Instl (BSIIX)

BofAML LIBOR 3-month Constant Maturity

Currency Allocation (%)



BlackRock Strategic Income Opps Instl (BSIIX)

BofAML LIBOR 3-month Constant Maturity

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Manager Evaluation

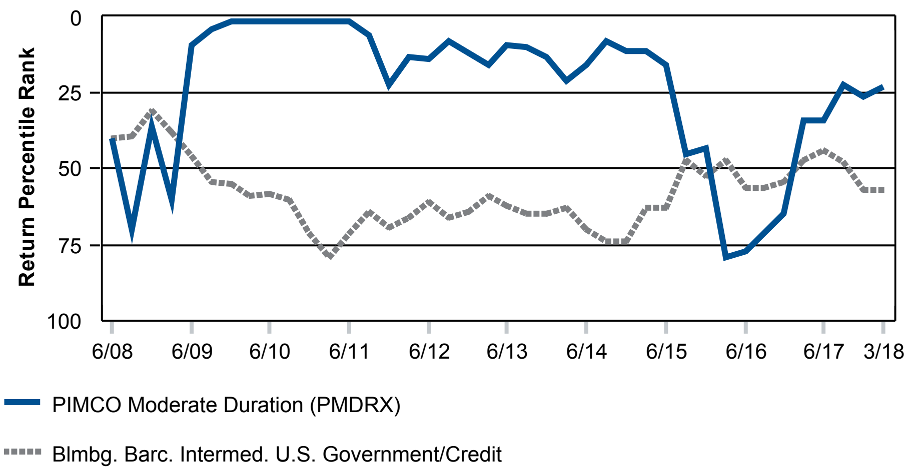
PIMCO Moderate Duration (PMDRX) vs. Blmbg. Barc. Intermed. U.S. Government/Credit

As of March 31, 2018

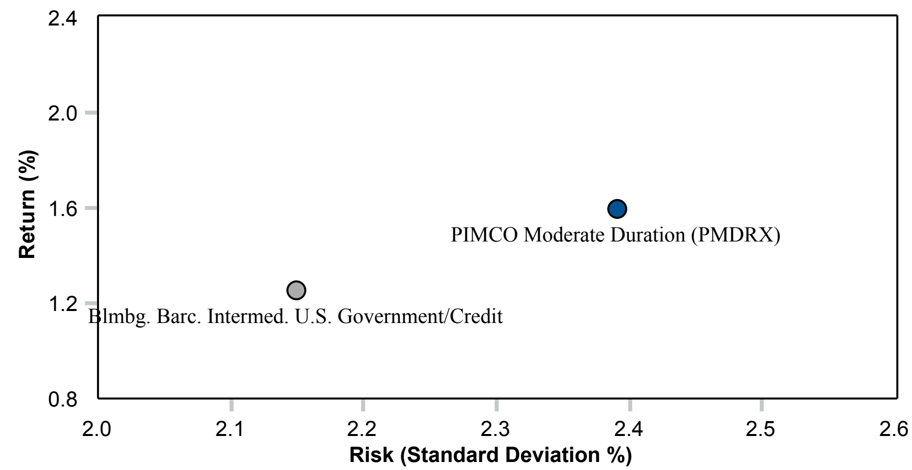
Historical Performance (%)

	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
PIMCO Moderate Duration (PMDRX)	-0.6	-0.6	1.2	1.3	1.6	4.2	3.3	2.4	0.8	2.8	0.0	8.5	3.7	8.5	12.7	3.9
Blmbg. Barc. Intermed. U.S. Government/Credit	-1.0	-1.0	0.4	0.9	1.2	2.9	2.1	2.1	1.1	3.1	-0.9	3.9	5.8	5.9	5.2	5.1
eV US Intermediate Fixed Income Median	-1.0	-1.0	0.5	1.0	1.3	3.3	2.3	2.1	1.0	3.3	-0.8	4.7	5.7	6.1	7.7	3.7
PIMCO Moderate Duration (PMDRX) Rank	*9*	*9*	*16*	*24*	*26*	*12*	*16*	*38*	*69*	*76*	*15*	*7*	*91*	*8*	*17*	*47*

Three Year Rolling Percentile Ranking (10 Years)



Risk and Return - monthly periodicity (Apr-2013 - Mar-2018)



Historical Statistics - monthly periodicity (Apr-2013 - Mar-2018)

	Return	Standard Deviation	Excess Return	Alpha	Beta	Sharpe Ratio	Tracking Error	Information Ratio	Downside Risk	Consistency	Inception Date
PIMCO Moderate Duration (PMDRX)	1.6	2.4	1.3	0.4	1.0	0.5	1.2	0.3	1.5	58.3	14y 3m
Blmbg. Barc. Intermed. U.S. Government/Credit	1.2	2.1	1.0	0.0	1.0	0.4	0.0	--	1.4	0.0	14y 3m

Manager Evaluation

PIMCO Moderate Duration (PMDRX) vs. Blmbg. Barc. Intermed. U.S. Government/Credit

As of March 31, 2018

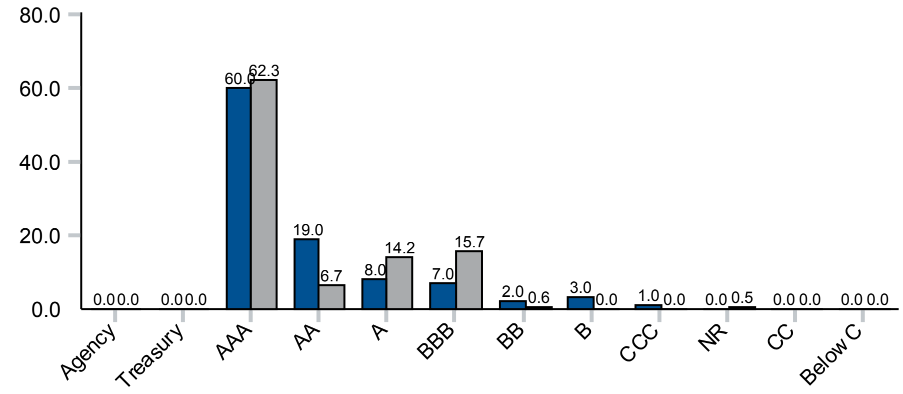
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	2.3	3.9
Avg. Maturity	2.6	4.3
Avg. Quality	AA	AA
Yield To Maturity (%)	3.4	2.8

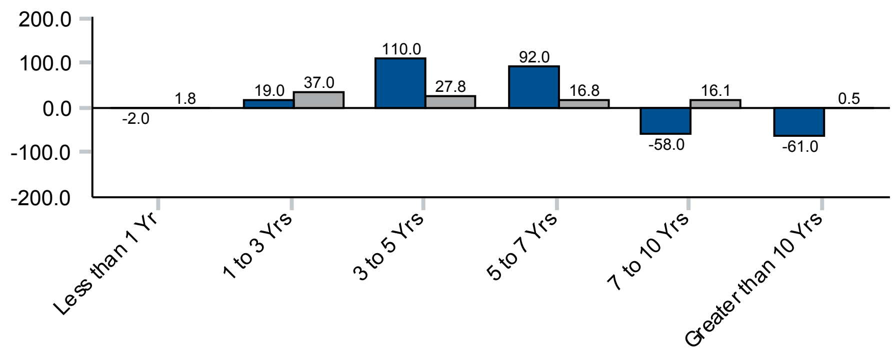
Historical Statistics - 3 Years

	Up Market Capture	Down Market Capture	Maximum Drawdown
PIMCO Moderate Duration (PMDRX)	102.8	86.1	-1.9
Blmbg. Barc. Intermed. U.S. Government/Credit	100.0	100.0	-2.3

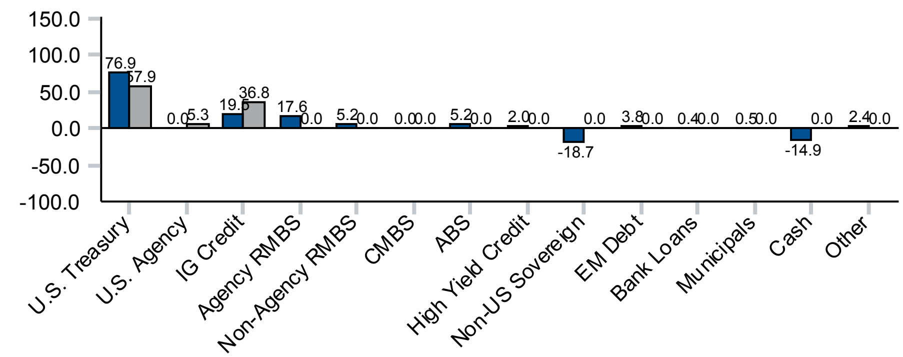
Credit Quality Distribution (%)



Maturity Distribution (%)



Sector Distribution (%)



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Appendix

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Asset Allocation & Performance

Calendar Year Performance (Net of Fees)

As of March 31, 2018

	Performance(%)						
	2017	2016	2015	2014	2013	2012	2011
Total Fund Composite (AANI/ABF)	**15.0**	**8.9**	**-0.9**	**5.5**	**17.8**	**13.3**	**-1.2**
Policy Index (AANI/ABF)	*13.3*	*8.8*	*-0.2*	*5.1*	*17.9*	*12.4*	*-0.6*
Total Reserve Composite (AAN)	**14.9**	**10.2**	**-2.3**	**4.6**	**--**	**--**	**--**
Reserve Fund Policy Index (AAN)	*11.9*	*7.5*	*-0.1*	*4.6*	*--*	*--*	*--*
Large Cap Equity	**16.4 (80)**	**16.7 (10)**	**0.3 (48)**	**13.4 (28)**	**30.1 (76)**	**16.6 (30)**	**1.9 (33)**
FTSE High Dividend Yield Index	*16.5 (79)*	*17.0 (10)*	*0.4 (47)*	*13.6 (25)*	*30.3 (75)*	*12.8 (73)*	*10.6 (1)*
Vanguard (VHDYX)	16.4 (80)	16.7 (10)	0.3 (48)	13.4 (28)	30.1 (76)	12.6 (75)	10.3 (2)
FTSE High Dividend Yield Index	*16.5 (79)*	*17.0 (10)*	*0.4 (47)*	*13.6 (25)*	*30.3 (75)*	*12.8 (73)*	*10.6 (1)*
S&P 500	*21.8 (46)*	*12.0 (34)*	*1.4 (39)*	*13.7 (24)*	*32.4 (57)*	*16.0 (39)*	*2.1 (31)*
Small Cap Equity	**11.5 (67)**	**23.5 (33)**	**-3.3 (47)**	**4.4 (48)**	**33.7 (84)**	**12.7 (75)**	**-2.8 (51)**
Russell 2000 Index	*14.6 (48)*	*21.3 (41)*	*-4.4 (57)*	*4.9 (44)*	*38.8 (57)*	*16.3 (44)*	*-4.2 (63)*
DFA US Small Cap (DFSTX)	11.5 (67)	23.5 (33)	-3.3 (47)	4.4 (48)	42.2 (38)	18.4 (28)	-3.1 (54)
Russell 2000 Index	*14.6 (48)*	*21.3 (41)*	*-4.4 (57)*	*4.9 (44)*	*38.8 (57)*	*16.3 (44)*	*-4.2 (63)*
International Equity	**28.3 (37)**	**-1.2 (76)**	**-1.6 (61)**	**-4.7 (56)**	**21.5 (51)**	**22.5 (14)**	**-11.7 (42)**
MSCI EAFE (Net)	*25.0 (68)*	*1.0 (53)*	*-0.8 (53)*	*-4.9 (59)*	*22.8 (39)*	*17.3 (67)*	*-12.1 (47)*
William Blair (BIGIX)	29.5 (77)	-2.5 (60)	0.0 (69)	-2.9 (43)	19.0 (63)	24.0 (5)	-14.2 (73)
MSCI EAFE Growth Index (Net)	*28.9 (82)*	*-3.0 (63)*	*4.1 (23)*	*-4.4 (62)*	*22.5 (33)*	*16.9 (77)*	*-12.1 (51)*
Causeway (CIVVX)	27.1 (20)	0.2 (90)	-3.2 (48)	-6.5 (62)	23.9 (42)	24.2 (10)	-10.8 (37)
MSCI EAFE Value Index (Net)	*21.4 (70)*	*5.0 (39)*	*-5.7 (73)*	*-5.4 (51)*	*23.0 (47)*	*17.7 (55)*	*-12.2 (55)*
Long/Short Equity	**16.6**	**-2.8**	**6.7**	**10.0**	**15.2**	**7.1**	**4.0**
HFRI Equity Hedge (Total) Index	*13.3*	*5.5*	*-1.0*	*1.8*	*14.3*	*7.4*	*-8.4*
Pointer	16.6	-2.8	6.7	10.0	15.2	7.1	4.0
HFRI Equity Hedge (Total) Index	*13.3*	*5.5*	*-1.0*	*1.8*	*14.3*	*7.4*	*-8.4*
Alternatives	**14.0**	**13.1**	**-9.1**	**1.2**	**9.6**	**5.5**	**-6.9**
Blmbg. Barc. U.S. TIPS 1-10 Year	*1.9*	*4.0*	*-0.5*	*0.9*	*-5.6*	*5.0*	*8.9*
PIMCO All Asset (PAAIX)	14.0	13.3	-8.7	0.8	0.8	15.4	2.4
Blmbg. Barc. U.S. TIPS 1-10 Year	*1.9*	*4.0*	*-0.5*	*0.9*	*-5.6*	*5.0*	*8.9*
CPI + 5%	*7.2*	*7.2*	*5.8*	*5.8*	*6.6*	*6.8*	*8.1*
Fixed Income	**4.2 (45)**	**3.7 (46)**	**-0.3 (67)**	**4.8 (43)**	**-2.5 (84)**	**7.8 (41)**	**4.1 (66)**
Blmbg. Barc. U.S. Aggregate	*3.5 (57)*	*2.6 (58)*	*0.5 (45)*	*6.0 (30)*	*-2.0 (79)*	*4.2 (70)*	*7.8 (26)*

Asset Allocation & Performance
Calendar Year Performance (Net of Fees)
As of March 31, 2018

	Performance(%)						
	2017	2016	2015	2014	2013	2012	2011
Wells Fargo Core Bond Fund (MBFIX)	3.6 (65)	2.7 (68)	0.6 (43)	6.1 (34)	-1.9 (64)	6.6 (31)	8.5 (14)
Blmbg. Barc. U.S. Aggregate	*3.5 (66)*	*2.6 (72)*	*0.5 (49)*	*6.0 (40)*	*-2.0 (70)*	*4.2 (88)*	*7.8 (33)*
BlackRock Strategic Income Opps Instl (BSIIX)	4.9 (77)	3.6 (67)	-0.3 (20)	3.9 (19)	3.3 (29)	9.9 (46)	-0.7 (74)
BofAML LIBOR 3-month Constant Maturity	*1.1 (100)*	*0.7 (81)*	*0.2 (17)*	*0.2 (61)*	*0.3 (63)*	*0.5 (100)*	*0.3 (61)*

[redacted]

Asset Allocation & Performance

Calendar Year Performance (Net of Fees)

As of March 31, 2018

	Performance(%)						
	2017	2016	2015	2014	2013	2012	2011
Operating Assets							
PIMCO Moderate Duration (PMDRX)	3.3 (16)	2.4 (38)	0.8 (69)	2.8 (76)	0.0 (15)	8.5 (7)	3.7 (91)
Blmbg. Barc. Intermed. U.S. Government/Credit	*2.1 (66)*	*2.1 (50)*	*1.1 (42)*	*3.1 (62)*	*-0.9 (55)*	*3.9 (75)*	*5.8 (46)*

Custom Peer Group Universe

Description

As of March 31, 2018

- ***Custom Non US Diversified All:*** The Custom Non US Diversified All universe is a custom universe that includes the eVestment Alliance Non-US Diversified Equity universe excluding all strategies included in the eVestment Alliance Non-US Diversified Small Cap Equity universe. The eVestment Alliance Non-US Diversified Equity universe is made up of all Non-US Diversified (EAFE and ACWI ex-US) Equity products inclusive of all style, capitalization, and strategy approaches. The eVestment Alliance Non-US Diversified Small Cap Equity universe consists of actively-managed Non-US Diversified (EAFE and ACWI ex-US) Equity products that primarily invest in small capitalization stocks regardless of the style (growth, value or core) focus.
- ***Custom Non US Diversified Core:*** The Custom Non US Diversified Core universe is a custom universe that includes the eVestment Alliance Non-US Diversified Core Equity universe excluding all strategies included in the eVestment Alliance Non-US Diversified Small Cap Equity universe. The eVestment Alliance Non-US Diversified Core Equity universe is made up of all actively-managed Non-US Diversified (EAFE and ACWI ex-US) Equity products that primarily invest in a mixture of growth and value stocks. This universe is inclusive of Non-US Diversified Equity strategies regardless of market capitalization. The eVestment Alliance Non-US Diversified Small Cap Equity universe consists of actively-managed Non-US Diversified (EAFE and ACWI ex-US) Equity products that primarily invest in small capitalization stocks regardless of the style (growth, value or core) focus.
- ***Custom Non US Diversified Growth:*** The Custom Non US Diversified Growth universe is a custom universe that includes the eVestment Alliance Non-US Diversified Growth Equity universe excluding all strategies included in the eVestment Alliance Non-US Diversified Small Cap Equity universe. The eVestment Alliance Non-US Diversified Growth Equity universe is made up of all actively-managed Non-US Diversified (EAFE and ACWI ex-US) Equity products that primarily invest in stocks that are expected to have an above-average capital appreciation rate relative to the market. This universe is inclusive of Non-US Diversified Equity strategies regardless of market capitalization. The eVestment Alliance Non-US Diversified Small Cap Equity universe consists of actively-managed Non-US Diversified (EAFE and ACWI ex-US) Equity products that primarily invest in small capitalization stocks regardless of the style (growth, value or core) focus.
- ***Custom Non US Diversified Value:*** The Custom Non US Diversified Value universe is a custom universe that includes the eVestment Alliance Non-US Diversified Value Equity universe excluding all strategies included in the eVestment Alliance Non-US Diversified Small Cap Equity universe. The eVestment Alliance Non-US Diversified Value Equity universe is made up of all actively-managed Non-US Diversified (EAFE and ACWI ex-US) Equity products that primarily invest in stocks that may be trading at lower prices lower than their fundamental or intrinsic value. This universe is inclusive of Non-US Diversified Equity strategies regardless of market capitalization. The eVestment Alliance Non-US Diversified Small Cap Equity universe consists of actively-managed Non-US Diversified (EAFE and ACWI ex-US) Equity products that primarily invest in small capitalization stocks regardless of the style (growth, value or core) focus.

Important Information – Peer Universe Change

Over the past year, Pavilion Advisory Group Inc. conducted a study to determine the most appropriate investment manager peer universes to use for the preparation of performance and manager search reports for clients. We analyzed a variety of options focusing on the following qualities:

- Robustness of Market Segment Universes
  - *The universe provider must offer an ample number of universe categories to select from, and universes must be large enough to constitute a proper sample size.*
- Institutional Quality Mandates
  - *Ensure that universes are a proper representation of our clients' opportunity set.*
- Alignment
  - *Universes should be accessible for timely manager evaluation, screening and performance evaluation.*
- Net of Investment Manager Fee Universe Availability
  - *Peer ranks should reflect the impact of management fees.*

Solution: eVestment Net of Fee Universes

- Robust third-party database, widely used by investment industry for manager research and well-populated by managers
- High membership counts versus other net-only universe options such as Investment Metrics or Lipper
- Institutionally focused universes consist of separate account composites, institutional pooled fund vehicles and mutual funds – universes do not include listings for multiple share classes
- Relative to mutual fund-only universes, eVestment peer groups may lead to less favorable rankings for client managers due to lower average fees of the underlying universe constituents

We believe eVestment is the right solution for our clients at this time, however, it is not perfect. As with any peer group universe, there are some strategies that will not fit exactly into any one category. In these cases, Pavilion has closely examined portfolio characteristics, and selected the group we believe represents the right fit. In the preparation of performance and manager search reports for clients, Pavilion relies on the use of third parties. While we believe our sources to be reliable, we cannot be liable for third-party errors or omissions.

Disclosures

This report contains confidential and proprietary information and is intended for the exclusive use of the parties to whom it is provided. Facts and information provided in this report are believed to be accurate at the time of preparation. However, certain information in this report has been provided to Pavilion Advisory Group Inc. ("Pavilion") by third parties. Although we believe the third-party sources used to prepare this information are reliable, Pavilion shall not be liable for any errors or as to the accuracy of the information and takes no responsibility to update this information.

This performance report is not a custodial statement or statement of record. You should receive custodial statements or other statement(s) of record directly from your custodian or applicable managers.

Performance returns for period longer than one year are annualized. Returns are shown net of investment manager fees assessed by third party managers or funds, as applicable, unless otherwise denoted and generally include the effect of all cash flows (e.g., earnings, distributions). In addition, accounts may incur other transactions costs such as brokerage commissions, custodial costs and other expenses which are not denoted in this report and may not be reflected in the performance returns. Mutual fund returns assume reinvestment of all distributions at net asset value (NAV) and deduction of fund expenses. Report totals may not sum due to rounding. It is important to note that performance results do not reflect the deduction of any investment advisory fees you pay to Pavilion, therefore, performance results would be reduced by these investment advisory fees. Note, however, certain client reports may reflect the deduction of Pavilion's investment advisory fee. Information about Pavilion's investment advisory fees is available in the firm's Form ADV Part 2A, available upon request.

Generally, the client inception period represents the first full month of performance of the account. Any returns shown prior to the client inception period are obtained directly from the manager or based upon the performance of the investment product. Performance data prior to the consulting relationship with Pavilion may be sourced from prior consultant(s), if applicable.

When administrator valuations for the last month of the reported period are not available prior to report production, Pavilion may derive market values and performance based on manager provided estimates for that investment product. Alternatively, Pavilion may use carry forward market values from the prior month. Performance and market values are updated if/when the statement is received from the manager/administrator and may be different than the values in the initial report. Performance and market value estimates are denoted with [CE] (current estimate). Private equity holding results typically lag by 45 to 180 days after the report period end due to statement availability, therefore may not be included in the report.

Disclosures

In the course of Pavilion’s performance reconciliation process, Pavilion may uncover significant pricing differences between your investment managers and the values of the custodian on a security by security basis and may adjust the custodian valuation, if the manager's price is closer to a third party pricing source (FactSet, Bloomberg, Bondedge). If a third party price is unavailable, Pavilion uses the more conservative price. For other identified valuation errors, Pavilion alerts the custodian about any issues and will report as representative a market value for the portfolio as possible. You should carefully review your custodial statements or other statement(s) of record from the manager and report any discrepancies to your qualified custodian or applicable manager.

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American Academy of Neurology
American Academy of Neurology Institute
American Brain Foundation

INVESTMENT POLICIES

I. CASH MANAGEMENT POLICY

A. Introduction

1. The Cash Management Policy establishes guidelines and responsibilities regarding the investment of Target Cash Reserves. The balances will be invested to meet short term and intermediate term cash needs based on annual cash flow projections. They will also be invested in support of the organization's strategic directions. The intent is to make efficient use of cash and to manage investments in a prudent and productive manner. The key objectives are as follows:
   a. Security – Protect the underlying capital balance of funds transferred to investment instruments.
   b. Liquidity – Ability to quickly and easily meet daily operating cash requirements.
   c. Return – Minimize idle cash balances and thereby maximize potential investment returns.

B. General Guidelines

1. Adequate day-to-day liquidity must be available for the organization to meet cash operating requirements. This liquidity is provided via cash balances invested in Short Term Funds or other easily liquidated investments.
2. Cash balances are to be invested only in instruments authorized by the Investment Committee and approved by the Board of Directors.
3. To maintain liquidity, excess moneys are to be invested only in liquid funds that are convertible to cash upon demand (within two to four business days).
4. To eliminate the risk of impairment of underlying capital values, investment of cash reserve funds is prohibited in equity securities, real estate, or any other investment instruments for which the capital amount is materially at risk.
5. The Chief Financial Officer (CFO) may delegate duties described in this policy.

C. Policy Approval and Review Protocol

1. Annually, the CFO will review this policy statement. At a minimum, the CFO will recommend, to the Treasurer(s), Executive Director, and Joint Investment Committee, any necessary updates to the "Cash and Investment Composition" section of the policy.
2. Subsequently, the Joint Investment Committee shall review this policy statement and any proposed amendments will be submitted to the governing boards.
3. Annually the Joint Audit Committee ~~Shall~~ shall review the extent to which the organization has complied with this policy statement for the preceding fiscal year. As part of the annual Joint Audit Committee report, the results are to be presented to the Board of Directors.

D. Cash and Investment Composition

1. In general, the Short Term and Intermediate Term Liquidity ~~Term~~ Funds may be composed of a variety of instruments, rather than concentrating on a specific type of investment. The Short Term Fund is meant to meet daily operating cash requirements. The Intermediate Term Liquidity ~~Term~~ Fund is meant to cover unforeseen revenue shortfalls and unanticipated expenditures. Long-term investments are meant to provide long-term financial stability to the organization and are outside the scope of Cash Management Policy statement.

2. The cash reserve target will change from year to year as organizational situations and needs change. The daily balance in these accounts should be kept at the following levels measured as of the end of each calendar year for the subsequent year. Cash balances may and will fluctuate above or below the target levels during calendar year.

3. American Academy of Neurology

    a. Reserve of twenty-five percent (25%) of Annual Operating budgeted expenditures.

4. American Academy of Neurology Institute

    a. Reserve of fifteen percent (15%) of Annual Operating budgeted expenditures net of depreciation plus current principal payment due on long-term debt.

5. American Brain Foundation

    a. Reserve of forty percent (40%) of Annual Operating budgeted expenditures.

6. Cash balances in excess of above levels

    a. Shall be reviewed annually in the first quarter of each year.

    b. A report on cash balances and cash in excess of required levels will be reviewed by the Joint Investment Committee and reported to the Board prior to the end of the first quarter, including a recommendation on use of funds.

7. If balances are below Target levels the CFO shall also recommend steps to bring funds into compliance.

E. Operating Procedures and Internal Controls

1. Cash, Intermediate Term Investments, and Long Term Investment balances are overseen by the CFO, serving as cash manager, under the guidelines provided in this policy. The cash balances of the organization are monitored weekly. On a monthly basis, cash balances are compared against annual monthly cash flow projections and project cash requirements.

2. If the CFO determines that cash is outside of the target range by greater than 25% and believes that the balance will not return within the guidelines before the end of the year the CFO will notify the Joint Investment Committee and Treasurer(s) with a recommended course of action.

3. The Joint Investment Committee will review the excess cash balances in the first quarter of each year and make recommendations to move funds to the Long Term Investment Fund if appropriate. The transfer is to be made within 30 days of approval. The CFO will provide quarterly reports to the Joint Investment Committee comparing cash balances to Target levels.

    If during the course of the year, the CFO deems that the targets should be modified, the CFO will notify the Treasurer(s) and Executive Director and will request that the Treasurer(s) call a meeting of the Joint Investment Committee to request a modification in the Funds Target. The Joint Investment Committee will recommend any changes to the policy to the Board of Directors.

4. Permissible Holdings

    a. Cash reserves (Target) may be invested in the following:

        i. Money Market Funds

        ii. CD's

iii. Commercial Paper with a grade of A1P1 or better

iv. US Federal Securities

v. Short term duration Bond Funds

II. LONG TERM RESERVE POLICY

A. Introduction

1. This statement of long-term reserve (reserve) policy reflects the reserve policy, and the related objectives and constraints of the American Academy of Neurology Institute, American Academy of Neurology, and the American Brain Foundation. In general, the purpose of this statement is to outline a philosophy and attitude that will guide the management of the reserves toward the desired results.

B. Definitions

1. Long-term reserves or fund balance (reserves): The excess of assets over liabilities. Reserves can be restricted or unrestricted and liquid or non-liquid. Furthermore, unrestricted reserves can be designated or undesignated.
2. Restricted reserves: Those reserves restricted by outside agencies or people. These may include government, corporate, or foundation grants, sponsorships and contributions.
3. Unrestricted reserves: Funds that have no external restriction on their use or purpose. Unrestricted reserves also include any portion of reserves that are designated by the Board of Directors for a specific purpose, such as to fund a new program in the future. Therefore, unrestricted reserves may be classified as undesignated or designated or a combination of both.
4. Liquid reserves: Those reserves that can be readily converted to cash with little or no risk of loss. Liquid reserves may include cash, investments and accounts receivable.
5. Non-liquid reserves: Those reserves that cannot be readily converted to cash without risk of loss. They include funds allotted to the purchase of a building, office equipment and furniture. They could also include funds invested in a for-profit subsidiary or a related foundation.
6. Investment policy: The allocation of assets to various investment options based on the goals and objectives of the American Academy of Neurology Institute, American Academy of Neurology, and the American Brain Foundation.
7. Operating reserve: Liquid assets used to support an association in the normal course of its operations.
8. Long-term reserve policy (reserve policy): The segregation of total reserves into components, the most common of which are the short term or contingency reserve (investments that will reach maturity in more than five years).
9. Net cash and investments (NCI): This is equal to total cash and investments (including unrestricted cash and investments and endowment investments that are donor restricted and/or Board designated) less outstanding debt. NCI is accumulated from donors, annual cash flows from operations, and unallocated investment return.
10. Optimal mission balance: This is a concept to achieve an appropriate balance among current member programs and future growth of these programs and missions.

C. Key principles

1. The following are principles and concepts providing long-term guidance for managing the reserves. ~~of the~~ The two organizations will best be served by adhering to these principles, or alternatively, avoiding violating them other than for unforeseeable circumstances. In the event that these principles are violated, long-term plans should be adjusted to bring the organizations' finances back into conformity with them. However, it should be emphasized that these are principles, not rules, and balanced with consideration for mission critical programs and projects. The following are the financial principles that should guide overall strategy.
2. Current activities should sustain an "optimal mission balance" to provide:
    a. Sufficient annual funding to attract and retain high quality staff~~.~~
    b. Annual funding of working capital needs
    c. Annual funding to maintain member programs
    d. Funding to renovate and replace equipment and facilities
3. Activities of all organizations are included in the definition of the mission. Within "sustaining the mission," "sustaining the member programs" – is an appropriate multi-year objective.
4. Allocated investment return is a source of funds for "sustaining the mission." Allocated investment return (5.0% of investment balances) is the "real" return that is sustainable over the long term. The 5.0% expected sustainable return is determined by the Joint Investment Committee with input from the organizations' Executive Committees. Over the long-term, actual investment return will be the "real" return plus inflation.
5. Unallocated investment return is used to protect the "purchasing power" of endowment and unrestricted investment balances from the erosive effects of inflation. Unallocated investment return is the actual investment return less the allocated investment return. The unallocated investment return (or less) increases or decreases the investment balances. Over time, we expect the increase to equal inflation. Therefore, the endowment investment balance, over time, will grow at the rate of inflation with the result that the allocated investment return (5.0% of the investment balances) will also increase, and the funding for programs will proportionally increase with inflationary increases in expenses

D. Purpose of this long term reserve policy is set forth in order to:

1. Maintain a positive reserve balance with liquidity that exceeds our debt and donor endowment obligations. This is defined as positive net cash and investments (NCI) balance equal to the donor-restricted endowments, with the donor-restricted endowments fully participating in the gains and losses of the investment program.
2. Maintain NCI equal to both donor-restricted endowments and board-designated funds.
3. Serve as a cushion to a market decline during periods of ~~overvalued~~ declining markets and the two organizations should plan for additional NCI equal to a percentage of their combined debt balance (if there is any~~-~~) as recommended by the Joint Investment Committee.
4. Accumulate an NCI balance in addition to that indicated by the previous principles as a cushion against shortfalls in reimbursement or operating performance or to provide for future growth cycles, if the Executive Committees, based on a recommendation from the Joint Finance Committee, deem appropriate.

E. Long term reserve analysis and amounts

1. If the two organizations are to maintain such a surplus into the future, the rationale and amount of reserve should be periodically reviewed. Reserves may have three major purposes; a reserve for potential liabilities, a reserve to provide a buffer if there is a sudden change in revenue, and a potential source of income to reduce the dues structure.
2. Liability reserve: The organizations are at potential risk for both civil liability and liability associated with a breach of contract, for example an annual meeting being canceled. The organizations already carry liability insurance to cover these events. However, some potential liability is not fully covered by insurance products. The extent of that liability is more or less measurable. As a starting point, a reserve of about $2M should adequately protect the organizations' interest.
3. Loss of revenue: Presently, a substantial percentage of the organizations revenues derive from commercial firms. There is a risk that those revenues may significantly decline. Drug costs are currently the major driver in the cost pressures on health care. As premiums begin to rise and federally funded programs rise in cost~~s~~, there will be renewed pressures on the pharmaceutical industry through regulation, competition, etc. Additionally, the organizations may, through board actions, cause a reduction in revenues. For example, either organization may adopt a policy seen as critical of the pharmaceutical industry or the AAN membership may insist on a significant reduction in the reliance on pharmaceutical firm revenues on an ethical basis.
4. If there were a significant loss, it would take at least three years to readjust the cost structure to meet the new realities and identify new sources of revenue. The demand on the reserves would decline in each year. The following assumes a 60% loss of revenue.
    a. Needed revenues:

Year 1	\$5.0M
Year 2	\$2.5M
Year 3	\$1.3M
Total	\$8.8M

5. Defrayment of Dues: If the AAN Board adopted a policy that the reserves should generate income that reduced the member dues, several specific decisions would need to be made to define the amount of the reserves. First, the percentage of operating expenses to be covered by this revenue source should be defined, for example 10%. Second, a realistic long-term return on investment needs to be determined. Traditionally, the return is about 8%. If this example were to be adopted, the reserves would need to be about $9M. Further, specific investment decisions would need to be made to emphasize income-producing instruments.
6. Funding source for new initiatives: If either organization adopted a policy that the reserves should generate income to provide initial start-up funding for new initiatives, several specific decisions would need to be made to define the amount of the reserves. For example, if $1,000,000 per year of funding for new initiatives would be required, and the realistic long term return on investments were determined to be 8%, the reserves would need to be approximately $12.5M.
7. As a strategy, the organizations could still commit a certain percentage of the return on investment to principle, allowing the reserve to grow and eventually reach the desired amount. The allocation of assets to different investment instruments would require a relatively sophisticated allocation model. The above amounts are not exclusive. The reserves for liability and potential loss of revenue could be included in the amounts invested to defray dues.

F. Conclusion

1. It is the goal of the organizations to maintain, as part of its general fund balance, uncommitted liquid reserves not less than 40% of the combined annual expense budget for general operations. Such reserve shall exclude any portion of the expense budget relating to contingency and restricted funds carryover budgets.

2. It is also understood that uncommitted liquid reserves shall be defined as cash and investments.

3. To assure continued relevance of this long-term reserve policy, the Joint Finance Committee will review the policy and goal at least annually.

III. STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES

A. Purpose of Statement

1. This Statement of Investment of Objectives and Policies (“Statement”) for the funds (“Funds”) invested by the American Academy of Neurology Institute, American Academy of Neurology and the American Brain Foundation (“Investors”) is intended to:

   a. Outline investment-related responsibilities of both the Funds and the investment professionals retained to manage the Funds’ assets.

   b. Establish formal, yet flexible, investment guidelines incorporating prudent asset allocation and realistic total return goals.

   c. Provide a framework for regular, constructive communication between the Funds and all professionals involved in the investment of its assets.

   d. Create standards of investment performance which are historically achievable and by which the performance of investment managers will be measured, over a reasonable time period.

   e. This Statement may be reviewed annually by the Investors’ Boards of Directors to ensure its contents’ relevance to current capital market conditions and the Funds’ needs.

B. Funds Description

1. The Reserve Fund’s portfolio has the dual investment goal of striving for long-term growth while at the same time generating a reasonable current return for the support of the ongoing operations of the American Academy of Neurology Institute (“Institute”), American Academy of Neurology (“Academy”) and the American Brain Foundation (“Foundation”). While the assets of the Institute and Foundation are managed independently, the Institute and Foundation Investment Committees have agreed to commingle the assets. Since the Academy is not a 501(c)(3), they are forbidden to commingle their assets. The funds under management are primarily unrestricted, but may also include restricted endowment funds.

C. Responsibilities – Boards of Directors/Joint Investment Committee

1. The Boards of Directors (“Boards”) of the Institute, Academy and the Foundation acknowledge their fiduciary responsibilities for the Funds and delegate the responsibility for oversight of the investments, including quarterly reviews, to the Joint Investment Committee. In the management and investment of the Funds’ assets, the Boards and Joint Investment Committee must act prudently and for the best long-term interests of the Funds. The Boards, on the recommendation of the Joint Investment Committee, hold responsibility to monitor the progress of the Funds’ investments toward achieving the

Funds' investment objectives, compliance with the policies and guidelines as stated in this Statement, and to consider other investment matters, as appropriate. Responsibilities of the Joint Investment Committee include:

a. Developing investment objectives, guidelines, and performance measurement standards that are consistent with the risk, return and policy parameters of the Funds.

b. Selecting a custodian bank

c. Selecting Investment Managers who make investment decisions for the assets placed under their jurisdiction, including commingled ("pooled") funds, mutual funds, or other appropriate investment vehicles for the Funds.

d. Selecting an Investment Consultant to assist in review of the investment policy, conducting Investment manager searches, monitoring the performance of Investment Managers and related communications as deemed necessary.

e. Communicating the investment objectives, guidelines and standards (including any material Changes that may occur) to each Investment Manager and responsible representatives of the selected investments of the Funds.

f. Reviewing and evaluating results of each investment component, including individual manager's performance, in context with established standards of performance.

g. Taking any corrective action deemed prudent and appropriate if investment results are below expectations.

h. The Chair of the Committee shall be responsible for holding at least quarterly meetings of the Joint Investment Committee, coupled with open communication with the Committee, Boards, Chief Financial Officer for the Institute, Academy and Foundation ("CFO"), Investment Managers, and Investment Consultants pertaining to material matters that impact the Funds' assets.

i. The Chief Financial Officer shall be responsible for the technical administrative functions as a proxy for the Boards, e.g. signing documents.

D. Responsibilities – Investment Managers

1. Investment managers must strive to meet the high standards and integrity of the Investors. For mutual funds or other commingled funds, the investment managers must meet all obligations as established in their respective fund prospectus or trust documents. For separately managed portfolios, the Investment Managers, in recognition of their role as fiduciaries of the Funds, must assume the following responsibilities as they pertain to the investment program.

a. Investment Program:

i. Acknowledge in writing acceptance of the objectives, guidelines, and standards of performance as defined in this Statement, and invest assets in accordance with those objectives, guidelines and standards.

ii. Exercise full discretionary authority as to all buy, hold, and sell decisions for each security under management, subject to the guidelines as defined in this Statement.

iii. Make written recommendations, when deemed necessary as to changes in the objectives, guidelines, or standards, based upon material and sustained changes in the capital markets.

iv. Ensure that their actions, decisions, and investments do not imperil the legal standing of the Funds under the laws of the United States and the State of Minnesota.

b. Reporting:

i. Produce a statement for the Funds at the end of each quarter describing portfolio asset class weightings, individual security positions showing both cost and market value, and all principal cash transactions, including all purchases and sales in sufficient descriptive detail.

ii. For commingled assets, provide a statement that shows unit position and unit value.

iii. Review meetings. At the request of the Boards~~, but usually not less than annually~~, each Investment Manager will participate in a review meeting and will provide:

(a) A review and re-appraisal of the investment program.

(b) A commentary on investment results in light of the appropriate standards of performance and Funds' investment guidelines.

(c) A synopsis of the key investment decisions made by the Manager, his or her underlying rationale, and how those decisions could affect future results.

(d) A discussion of the Manager's outlook, the investment decisions this outlook may trigger, and how these decisions could affect future results.

c. Communication:

i. The Investment Managers are responsible for frequent and open communication with the Investors on all material matters pertaining to investment policies and the management of the Funds' assets. In particular, the Investment Managers will:

(a) Provide notice of any material changes in each Manager's investment outlook, strategy and portfolio structure to the Treasurers, Executive Directors, CFO, and Investment Consultant immediately, which will then be communicated to the Investment Committee as deemed appropriate.

(b) Notify the Treasurers, Executive Directors, CFO, and Investment Consultant of material changes in each firm's ownership, organizational structure, financial conditions, senior staffing and management, which will be communicated to the Investment Committee as deemed appropriate.

(c) Send a copy each year of the firm's S.E.C. Form ADV filing.

(d) Acknowledge, at least annually, their understanding of and intent to adhere to the investment guidelines as they pertain to all parties involved in the portfolio management, trading, and portfolio administration process.

d. Brokerage

i. The Investment Managers will use their best judgment to obtain brokerage services resulting in the best execution of trades at the lowest net cost to the Funds. The Investment Managers will make brokerage summaries available to the Funds upon request.

E. Responsibilities – Investment Consultant

1. The Investment Consultant must assume the following responsibilities as they pertain to the Statement of Investment Objectives and Policies

    a. Prepare a statement highlighting various policy issues affecting the Institute, Academy and Foundation for consideration by the Joint Investment Committee. The statement should describe the responsibilities of key parties, specify the broad investment objectives, provide investment policy guidelines, and set appropriate performances standards for all components of the asset structure.

    b. Incorporate amendments through subsequent revisions until the Joint Investment Committee approves a final draft.

    c. Make recommendations, when deemed advisable as to changes in the objectives, guidelines, or standards, based upon material and sustained changes in the capital markets.

    d. Assets allocation. Make recommendations, with supporting materials, as to the appropriate target portfolio weightings among the various major asset classes (e.g., stocks, bonds, cash). If a multiple Manager structure exists, this recommendation will include a plan for periodic rebalancing of asset class weightings and manager weightings as capital market movements cause the actual weightings to diverge ~~significantly~~ from the target weightings.

    e. Selection of investment managers. Assist the Joint Investment Committee through the selection process by identifying and screening candidates for appropriate portfolio and organizational characteristics. Attend formal presentations of finalists. Perform due diligence checks. Help quantify the trade-offs between expected returns and risks among various alternatives. Gather and submit information at the direction of the Joint Investment Committee.

    f. Compensation negotiations. Assist in compensation negotiations with investment managers, custodians and other service providers.

    g. Monitor investment performance. A performance evaluation report of the investment component parts will be conducted quarterly. The written report will cover five basic areas:

        i. Returns – Total time-weighted returns over various periods

        ii. Comparisons – Returns will be compared to appropriate benchmark indices and a statistical universe of similar funds

        iii. Diagnostics – Measurement of risk-adjusted performance, analyses of risks, style characteristics, and return attributions

        iv. Compliance – Portfolios will be checked for compliance with the objectives, targets, and policy guidelines specified in this Statement

        v. Monitor risk-adjusted performance

    h. Investment manager reviews. Facilitate formal investment manager reviews and evaluations, as triggered by circumstances or events outlined in section I.

    i. Administrative support. While the consultant does not have any discretional control over the Investors' investments or assets and thus has no authority to effect transitions, portfolio rebalancing, or any other related asset movements, the

Consultant will assist the Committee or Investors' staffs in reviewing documents, drafting letters, and facilitating processes as requested.

j. Consultant performance reviews. Conducted at the request of Investment Committee, the Consultant will prepare materials for discussion that document the Consultant's contributions to the relative success of the investment program. Areas to be covered include:

   i. Asset allocation strategy, rebalancing, and tactical tilts
   ii. Manger selection, retention, and termination
   iii. Performance measurement and analysis, and other documentation of the Committee's fiduciary prudence
   iv. Negotiated fee savings from service providers
   v. Time savings of Investors' staff and the Joint Investment Committee
   vi. Administrative support
   vii. Topical education for Committee members and staff
   viii. Documentation of consultant's investment advisor registration. Annually or upon material revision, provide a copy of the Consultant's Securities Exchange Commission Registration Form ADV, Part II

F. Investment Objectives

1. The investment objectives of the Funds have been established in conjunction with a comprehensive review of the current and projected financial requirements of the Investors. In general, it is understood that all funding, accounting, and investment policies reflect current and foreseeable economic and market conditions, as well as any applicable accounting and statutory requirements.

2. Time horizon. The Investors, established as going concerns, have an infinite ultimate time horizon. The adverse effects of short-term investment return volatility on the ability of the Funds to meet its short-term liabilities will be minimized by segregating the necessary assets to meet current obligations of one year or less into a short-term investment pool consisting primarily of money market investments.

3. Performance measurements. The total returns for the Funds and for each investment component of the Funds will be compared to the distribution of returns represented by an appropriate statistically valid Universe of separately managed funds. Over a market cycle, each investment component is expected to rank in the top 50% of its appropriate Universe.

4. Relative Total Return Objective: outperform a passive Policy Index benchmark comprised of market indices weighted to reflect the Funds' target asset allocation policy. These targets are currently:

30%	FTSE High Dividend Yield Index
10%	Russell 2000 Stock Index
20%	MSCI Europe, Australasia, Far East (EAFE) Stock Index
25%	Bloomberg Barclays U.S. Aggregate Index
~~15%~~7.5%	HFRI Hedge Equity Index~~ & Barclays U.S. TIPS 1-10 Year Index~~
7.5%	Bloomberg Barclays U.S. TIPS 1-10 Year Index
0%	90 Day T-Bills

100%	**Policy Index**

5. In addition, a passive Allocation Index of the indices above will be weighted by actual ~~quarter-by-quarter~~month-by-month allocations of the investment program, and the investment program is expected to outperform the Allocation Index.

6. Component Returns: The total for each investment component of the Funds is expected to exceed the total return of its respective index over a market cycle.

Investment Component	**Index**
Large Cap U.S. Equity	FTSE High Dividend Yield Index
Small Cap U.S. Equity	Russell 2000 Stock Index
Non-U.S. Equity	MSCI Europe, Australasia, Far East (EAFE) Stock Index
Long/Short Equity	HFRI Hedge Equity Index
U.S. Bonds	Bloomberg Barclays U.S. Aggregate ~~Aggregate~~Index
Alternative Investments	~~HFRI Hedge Equity Index &~~ Bloomberg Barclays U.S. TIPS 1-10 Year Index
Cash	90 Day T-Bills

7. Statistical universe of similar portfolios. The total returns for each Fund component and the Total Fund will be compared to the distribution of returns represented by an appropriate and statistically valid universe. Over a market cycle, the Total Fund and its individual components are expected to rank in the top 50% of their respective universe.

8. Risk-adjusted performance. The Sharpe Ratio divides the excess return (portfolio return less risk-free return) by the standard deviation of total return, and will be the measure of risk-adjusted performance. Over a market cycle, the Sharpe Ratios for the Total Fund and each component are expected to exceed the Sharpe Ratio for the appropriate comparative indices.

9. Volatility. The volatility of return for the Funds' composite of investments and each of its investment components should be controlled. In general, higher~~-then~~than-market volatility for the Funds' investments is permitted only to the extent that returns in excess of the appropriate benchmark are generated.

G. Asset Allocation

1. Asset Allocation. Overall asset allocation targets for Funds are currently: Target Allowable Range

	Target	Allowable Range
Large Cap U.S. Equity	30%	25-35%
Small Cap U.S. Equity	10%	5-15%
Non-U.S. Equity	20%	15-25%
Long/Short Equity	7.5%	5-10%
U.S. Bonds	25%	20-30%
Alternative Investments	~~15%~~7.5%	~~10~~5-~~20~~10%
Cash	0%	0-5%

In extreme capital market environments, an Investment Manager may decrease commitment to their dedicated asset class with the expectation that such a move will be justified to the Fund in writing and will result in increased long-term performance for the Funds' investments.

2. Rebalancing the portfolio. Over time, fluctuations of the market, as well as cash flow needs of the Investors, may cause the asset allocation to differ materially from target

levels. At such times, the target allocations will be maintained using the Funds' income cash flows and spending outflows to rebalance the overall allocation among asset classes when possible. The Investment Consultant monthly will monitor the asset allocation. The CFO, on advice from the Investment Consultant, will allocate cash inflows and outflows to the appropriate asset classes based on their market values relative to the target allocation by investing cash inflows in underweighted asset classes and taking distributions from those asset classes that exceed their target ranges. If these cash flows are not sufficient to bring the allocation within ±~~+~~5% of the target levels by year-end, the Chief Financial Officer may rebalance the component weights back to target levels set by the boards.

3. Cash reserves. Cash will typically be reserved only for the purpose of meeting short-term certain liabilities or spending. The Funds may require increased cash reserves as the Funds' financial or operating conditions warrant, and may rebalance or reallocate according to the Funds' current needs.

H. Asset Guidelines

1. Mutual or commingled/pooled funds. As the Investors cannot direct the particular investment policies of any mutual or commingled funds used in the Funds' investment structure, the board guidelines outlined below will govern the selection of appropriate vehicles.

   a. Aggregate Assets. The Boards, in conjuncture with the investment consultant, will determine for each fund provider a threshold level of aggregate assets (including both the assets in the pool or fund and any separate account~~s~~ assets managed similarly) sufficient to ensure broad diversification, efficient trading, and economies of scale in administrative expenses and transaction costs. The Boards will also determine whether the aggregate assets have reached too large a size where they are causing the investment manager to deviate from the portfolio construction methods upon which the performance record was built.

      i. Personnel. The Boards, in conjunction with the investment consultant, will monitor the organizations providing investment management services of the funds to the Committee, to ensure stability of personnel in order to encourage consistency of the investment method.

      ii. Expenses. The Boards, in conjuncture with the investment consultant, will monitor both management fees and administrative expenses.

      iii. Portfolio Characteristics. The Boards, in conjuncture with the investment consultant, will monitor each fund's aggregate portfolio characteristics. Deviations from general expectations will occasion a review of the fund's continued appropriateness in the investment structure.

2. Equities – Separately Managed Accounts.

   a. Diversification. No more than 5% of any Investment Manager's portfolio at cost and 8% at the market value shall be invested in any one company. At no time must the Funds be required to make regulatory filings due to ownership or control of a large proportion of a company's shares.

   b. Market Capitalization. Only securities of companies with market capitalization (current price per share times the number of common shares outstanding) in excess of $100 million are permissible.

c. Portfolio Turnover. There shall be no specific guidelines with regard to portfolio activity. By not restricting turnover, the Investment Managers are given the flexibility to adjust their asset mix and security selection to changing market expectations.

d. Permissible Holdings. The following list of investments may be purchased in an equity portfolio regardless of the particular investment manager's investment philosophy or process.

   i. Common stocks or American Depository Receipts (ADRs) listed on a major U.S. exchange

   ii. Common stocks traded through the NASDAQ

   iii. Common stocks listed on international exchanges

   iv. Investment-grade securities convertible into common stock

   v. Investment-grade preferred stock

   vi. Mutual or commingled funds

   vii. Bank, trust or Insurance Company pooled funds

   viii. Stock index futures and financial derivatives for purposes of replication the S&P or another major market index

3. Holdings Not Permissible Without the Boards' Prior Written Approval. The following list of investments may be purchased in an equity portfolio only if the portfolio's investment manager has received written approval from the Investors. This approval will generally be granted at the inception of a portfolio's management by an investment manager. Approval of any of the following investments is expected to be consistent with the investment manager's strategic, and not tactical, overall investment philosophy and process.

   i. Short sales

   ii. Put and Call options, except where specified in Section 2.d., above

   iii. Margin purchases or borrowing funds

   iv. Private or direct placements

   v. Commodities

   vi. Securities of the Investment Manager, the Custodian or Master Trustee, their parent or subsidiaries (excluding money market and index- replicating funds)

   vii. Stock loans

   viii. Stock options or hedging purposes

   ix. Exchange-traded call options sold against stock held in the portfolio

   x. Any other securities not specifically defined as Permissible Holdings in Section 2.d., above

4. Alternative investments

   a. Long/Short Equity Fund of Funds. Definition – The organizations will generally invest in funds of long/short equity hedge fund vehicles, in which a single investment is pooled in a diversified program of individual long/short equity hedge funds which will be monitored by skillful, experienced and independent third-party managers.

b. Diversification ~~Manager~~. The strategy of investing in a fund of long/short equity hedge fund managers inherently provides manager diversification. A fund of funds investment provides the organizations with exposure to multiple underlying long/short equity hedge funds.

c. ~~Geographic~~Geography. The geographic exposure of a long/short equity fund of funds is ultimately dictated by the underlying long/short equity hedge funds. An underlying manager, unless limited by legal fund offering documents, has discretion to alter geographic exposure as it sees fit. The long/short equity fund of funds will continually monitor the geographic exposure of underlying long/short equity hedge funds.

d. Leverage. The aggregate fund of long/short equity ~~fund of~~ hedge fund vehicle~~s~~ itself, will not be leveraged. Underlying long/short equity hedge funds ~~will~~ may be leveraged, and the organizations are unable to control the level of this leverage. ~~In aggregate, however, the organizations' fund of long/short equity hedge funds portfolio may not result in leverage in excess of 2 times its aggregate.~~

e. Liquidity. All ~~component~~ fund of long/short equity hedge fund investments must have at least yearly liquidity – the ability to make withdrawals from a diversified AIS program at least once per year, after any lock-up period. Other things equal preference will be given to investment vehicles offering quarterly liquidity or better.

f. Aggregate Assets. The Organizations' fiduciaries will determine, for each fund provider, a threshold of level of aggregate assets (including both the assets in the pool or fund and any separate accounts assets managed similarly) sufficient to ensure broad diversification, efficient liquidity, and economies of scale in administrative expenses and transaction costs.

5. Funds of Hedge Funds

a. Definition. Hedge funds will refer to any investment or investment strategy that at its core is not a long-only portfolio of traditional equity or fixed income instruments. The Investors recognize that hedge funds cover an enormous variety of non-traditional investments and investment strategies, spanning various levels of risk and return. The Investors will seek hedge fund exposures which are generally on the conservative end of the risk spectrum, and which offer significant diversification benefits to the Investors' investment programs, with the goals of enhancing returns and helping to lower the overall investment programs' volatility of returns.

The Investors will generally invest in fund~~s~~ of funds vehicles, by which a single investment is pooled in a diversified program of hedge funds, which will be monitored by each fund of funds provider. This is expected to provide the Investors' portfolio with broad diversification as well as an added level of due diligence on individual component managers.

b. Diversification. The fund of hedge funds shall be invested in a broad array of alternative, traditional and non-traditional investment strategies including, but not limited to: equities, fixed income, commodities and futures, distressed securities, short/long or both, international opportunities and relative value.

c. Liquidity. All ~~component~~ fund of hedge fund investments must have at least yearly liquidity – the ability to make withdrawals from a diversified AIS program at least once per year, after any lock-up period. Other things equal, preference will be given to investment vehicles offering quarterly liquidity or better.

d. ~~Appropriate Benchmark. Over a market cycle. Funds of Hedge Funds will generally produce a return of 3-5x the rate of return of the risk-free rate (T- bills). Historically, this has translated into a targeted 12-15% annualized return, but given that, at times, the T-bill rate may be well above or below the 4-5% historical average, the Investors will use a floating target of T-bills + 7% (annualized). While the Investors recognize that there will be periods of both underperformance and outperformance, over a market cycle, this return should be achievable.~~

~~e.~~d. Correlation of Returns with Those of Traditional Asset Classes. ~~In addition to the expectation that the Funds of Hedge Funds will provide a high likelihood of positive absolute returns, it is expected that the~~ The Fund~~s~~ of Hedge Funds ~~will~~ are expected to generate returns that ~~have low~~provide a correlation benefit when paired with ~~the~~ traditional equity or fixed income ~~markets~~investments.

~~f.~~e. Cash and equivalents. All cash and equivalent investments should be made with concern for quality and liquidity. To that end, investments will be limited to commercial paper rated at least A-2 (by Standard & Poor's) or P-2 (by Moody's), certificates of deposit issued by banking institutions rated "A" or better, or securities issued or guaranteed by the U.S. Government, and perfected repurchase agreements collateralized by U.S. Government securities. The maximum amount to be invested in the commercial paper or certificate of deposit of any one issuer will be 5% of the total portfolio. This latter requirement does not pertain to investments in any short-term investment fund of the Custodian or Master Trustee bank.

~~g.~~f. Other assets. Guidelines for investments in other asset classes will be established in the future, if and when additional asset classes are added to the Funds' investments.

I. Automatic Review Process for Investment Funds

1. Investment performance reviews of all funds will be conducted quarterly to ascertain progress against the return objectives of each component. Quarterly reports cover ~~four~~ five basic areas: returns, comparisons of returns to benchmarks, comparison of returns to a statistically valid universe of similar portfolios, diagnostic risk analyses, and compliance with relevant policies and objectives.

   Beyond these customary reviews, certain circumstances or events, or a confluence of disappointing metrics, as outlined below, ~~will~~ may trigger automatic formal reviews by the Funds' Management and Boards. None of these circumstances or events shall serve as automatic causes for changing investment managers, but will merely indicate the need for review. The report prepared shall include a conclusion recommending manager retention, probation, or termination.

   a. Disappointing relative performance

      i. Three-year cumulative return trails benchmark index

      ii. Percentile ranking of portfolio's three-year cumulative return again peer group is below median

      iii. Percentile ranking of portfolio's one-year return against peer group is at or below 75

      ~~iv. Percentile ranking of portfolio's one-quarter return against peer group is at or below 90.~~

   b. Disappointing risk-adjusted performance

i. Three-year Sharpe Ratio (excess return divided by standard deviation of returns) is below that of the benchmark

ii. Five-year Sharpe Ratio is below that of benchmark

c. Fund management organization changes

i. Turnover of portfolio manager or other personnel significant to the portfolio management process

ii. Ownership change

iii. Involvement in relevant regulatory investigation or litigation

d. Deviation from investment methods basic to historical records

i. Aggregate assets in product are insufficient to ensure broad diversification, efficient trading, and economies of scale

ii. Assets in product grow too large to be managed in manner similar to methods that built historical record

iii. Portfolio characteristics do not match stylistic expectations

iv. Significant increase in fees

v. Perceived change in the investment process

vi. Failure to provide adequate service

vii. Violations of investment guidelines

~~e. Relative performance in excess of expectations~~

~~i. Percentile ranking of portfolio's three-year cumulative return is in the upper quintile (above the 20th percentile)~~

~~ii. Percentile ranking of portfolio's quarterly return versus peer portfolios is in the upper decile (above the 10th percentile)~~

Policy History:

A number of related policies were consolidated into this policy in 2006. Recent committee and board approvals are listed below:

January 2003 – AAN Board of Directors (AAN Policy 2003-4)

February 26, 2005 – AAN Board of Directors (AAN Policies 2005-12, 14) January 5, 2006 – AAN Executive Committee (AAN Policy 2006-2)

June 1, 2006 – AAN Executive Committee (AAN Policy 2006-36)

September 18, 2009 – AAN Board of Directors (email vote) (AAN Policy 2009-54)

September 24, 2009 – AAN Foundation Board of Trustees

June 22, 2013- AAN and AANI Board of Directors

July xx, 2013 ABF Board of Trustees

June 6, 2016 AAN / AANI Board of Directors

June 24 2016 ABF Board of Trustees