

Spokane Employees' Retirement System

Fourth Quarter 2015 Performance Report

February 2016

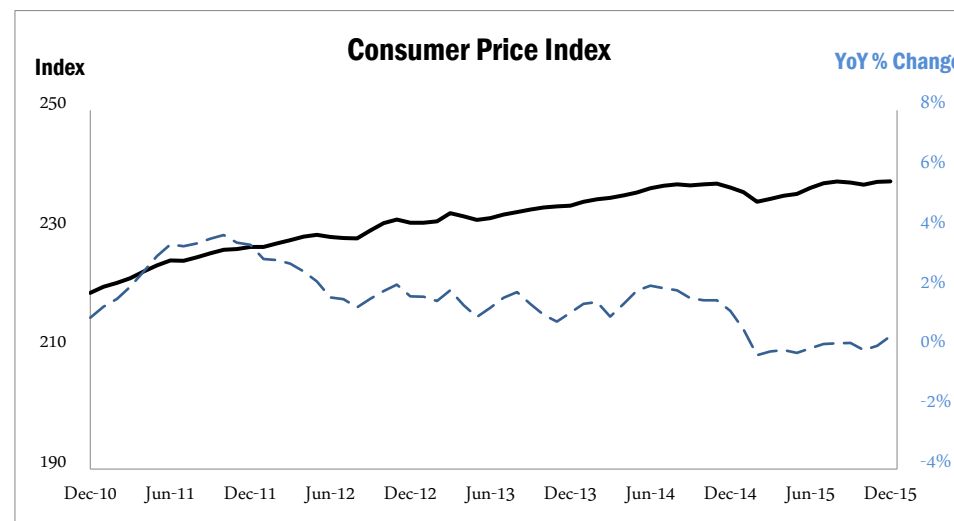
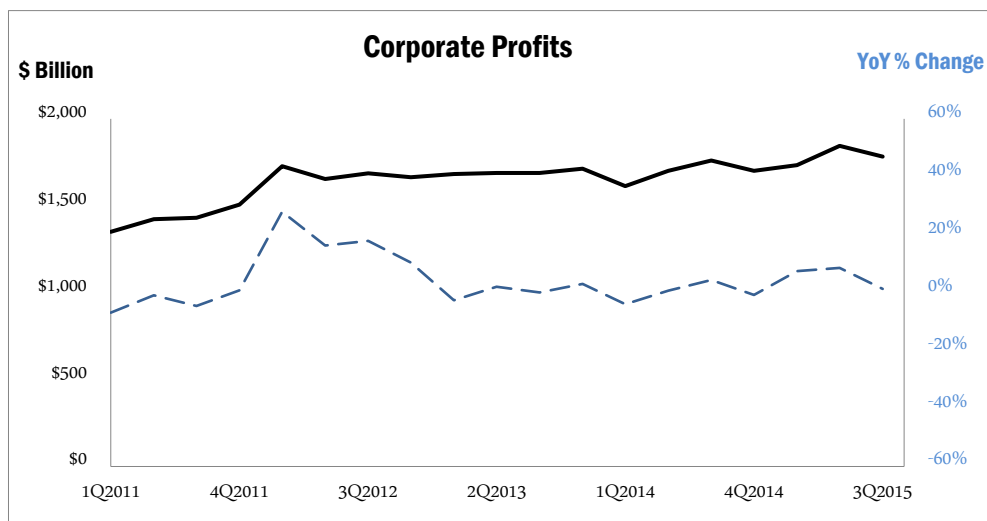
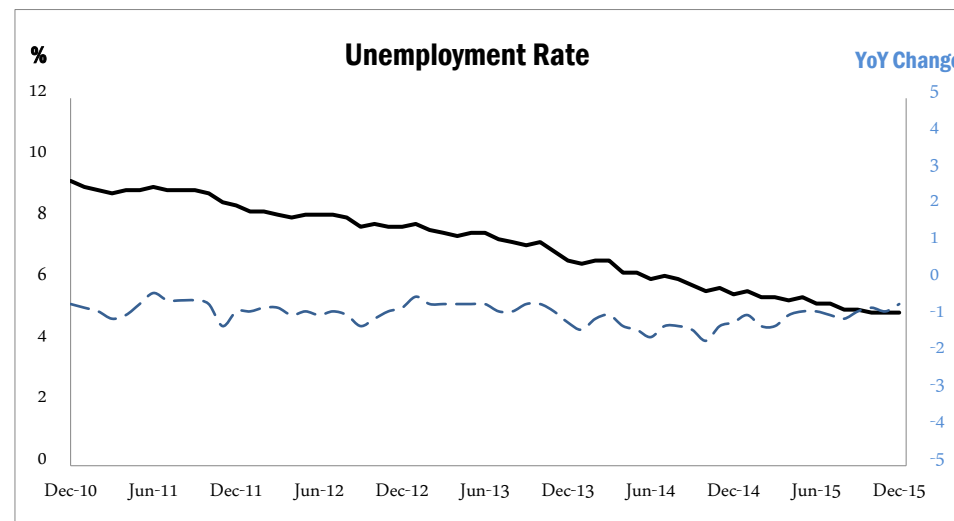
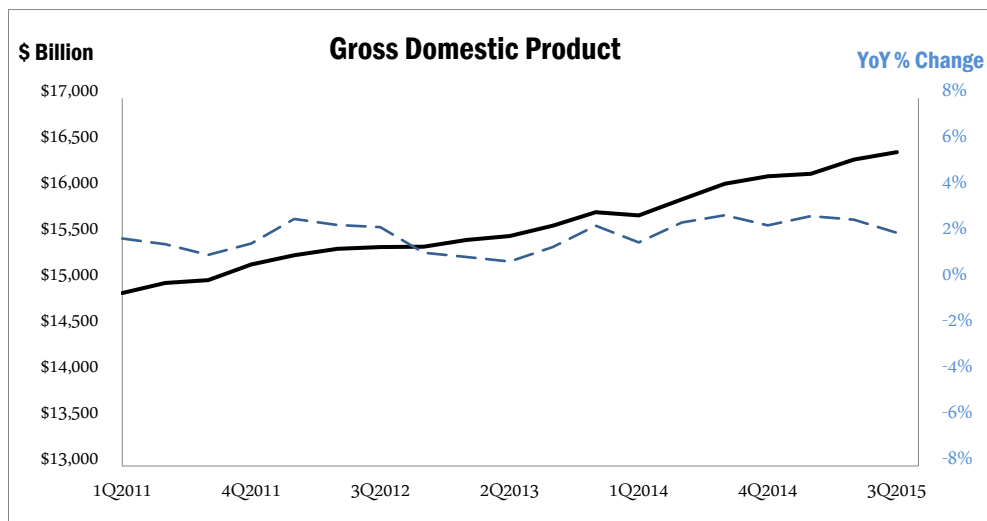


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Section 1

4Q2015 Economic Data



Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	292,000	423,000	35,000	208,183	Dec-15
Unemployment Rate	5.0%	9.3%	5.0%	7.2%	Dec-15
Median Unemployment Length (Weeks)	10.9	24.3	9.4	16.6	Dec-15
Average Hourly Earnings	\$25.24	\$25.25	\$22.86	\$23.99	Dec-15

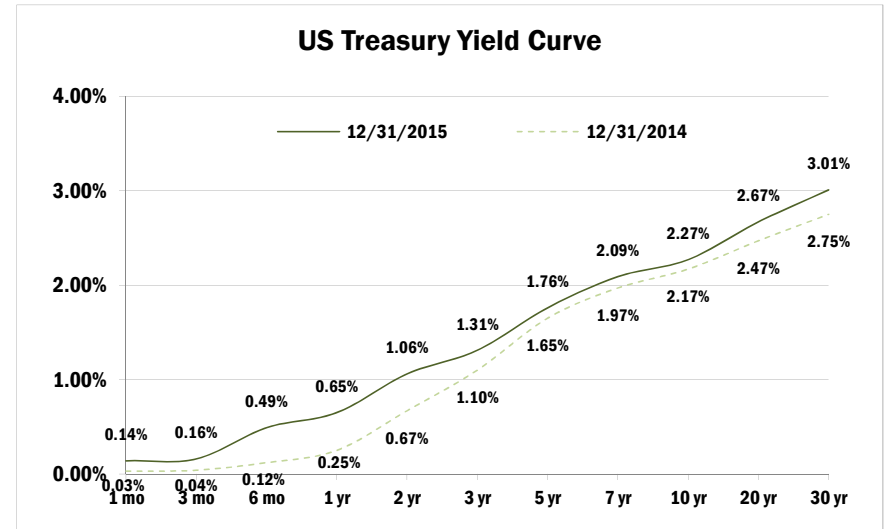
Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.05	\$3.90	\$2.05	-47.4%	Dec-15
Spot Oil	\$42.39	\$109.53	\$42.39	-61.3%	Nov-15
Case-Shiller Home Price Index	181.1	181.1	136.9	32.3%*	Oct-15
Medical Care CPI	452.4	452.4	393.6	14.9%*	Nov-15

Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

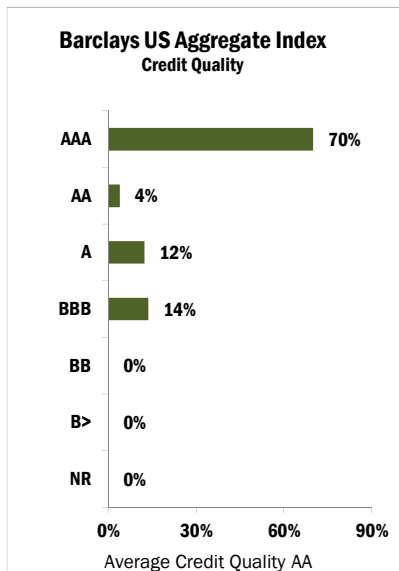
*% Off Low

4Q2015 Bond Market Data

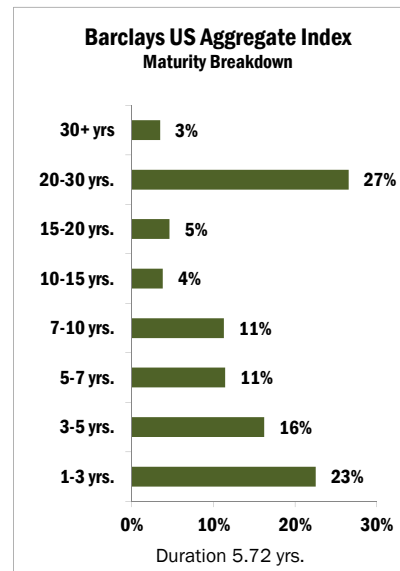
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	-0.01%	0.03%	0.03%	0.05%	0.06%	1.21%
Barclays US Aggregate	-0.57%	0.55%	0.55%	1.44%	3.25%	4.51%
Barclays Short US Treasury	-0.03%	0.13%	0.13%	0.12%	0.15%	1.40%
Barclays Int. US Treasury	-0.86%	1.18%	1.18%	0.79%	2.11%	3.75%
Barclays Long US Treasury	-1.38%	-1.21%	-1.21%	2.57%	7.74%	6.73%
Barclays US TIPS	-0.64%	-1.44%	-1.44%	-2.27%	2.55%	3.93%
Barclays US Credit	-0.52%	-0.77%	-0.77%	1.49%	4.38%	5.18%
Barclays US Mortgage-Backed	-0.10%	1.51%	1.51%	2.01%	2.96%	4.64%
Barclays US Asset-Backed	-0.57%	1.25%	1.25%	0.95%	2.31%	3.29%
Barclays US High Yield	-2.07%	-4.47%	-4.47%	1.69%	5.04%	6.96%
Barclays Global	-0.92%	-3.15%	-3.15%	-1.74%	0.90%	3.74%
Barclays International	-1.26%	-6.02%	-6.02%	-4.07%	-0.83%	3.10%
Barclays Emerging Market	0.98%	1.29%	1.29%	0.57%	5.12%	6.72%



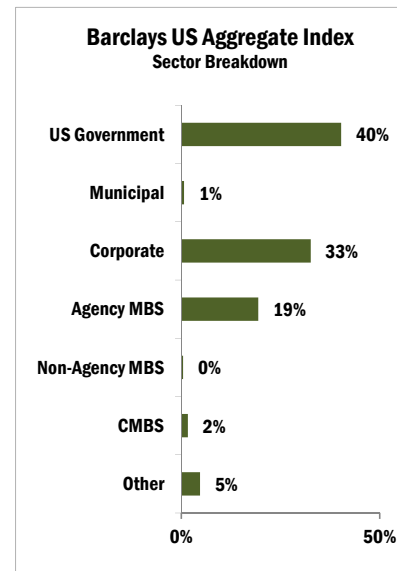
Source: Department of US Treasury



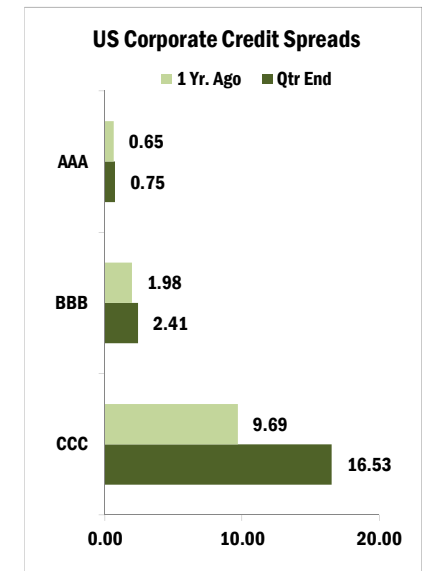
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

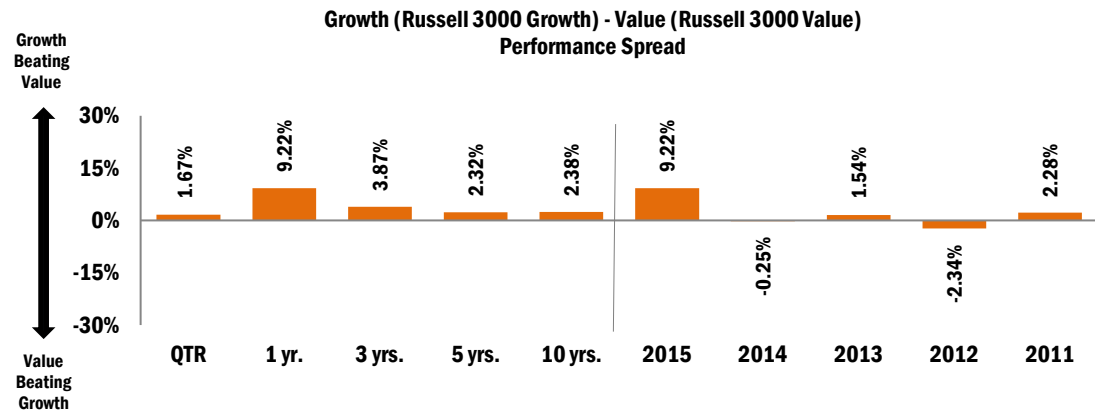
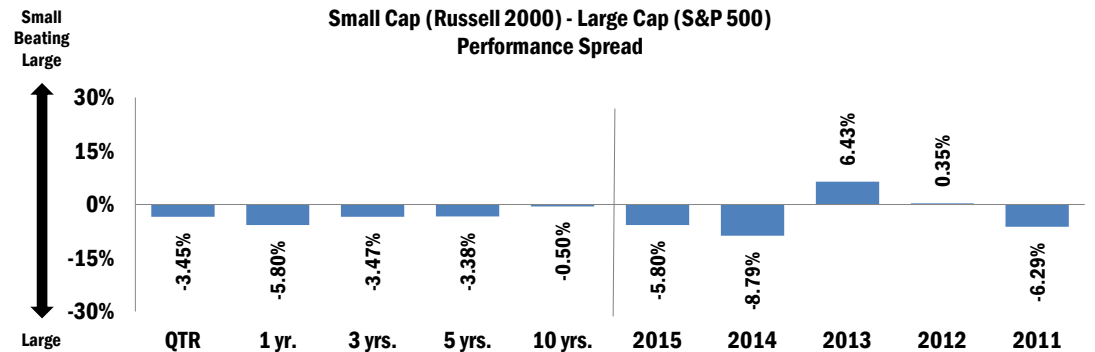
4Q2015 US Equity Market Data

Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	1 Yr.
S&P 500 Index	3%	Materials	9.69%	-8.38%
	15%	Health Care	9.22%	6.89%
	21%	Information Technology	9.17%	5.92%
	10%	Industrials	8.00%	-2.53%
	10%	Consumer Staples	7.64%	6.60%
	2%	Telecom Services	7.61%	3.40%
	16%	Financials	5.96%	-1.53%
	13%	Consumer Discretionary	5.79%	10.11%
	3%	Utilities	1.07%	-4.85%
	6%	Energy	0.20%	-21.12%
S&P Midcap 400 Index	6%	Materials	5.46%	-12.74%
	17%	Information Technology	5.17%	0.61%
	10%	Health Care	5.00%	9.22%
	27%	Financials	4.66%	5.13%
	15%	Industrials	4.33%	-3.13%
	0%	Telecom Services	4.28%	-11.09%
	5%	Utilities	3.98%	-5.94%
	4%	Consumer Staples	-0.89%	-3.57%
	13%	Consumer Discretionary	-5.79%	-8.17%
	3%	Energy	-9.14%	-33.01%
S&P Smallcap 600 Index	1%	Telecom Services	17.06%	2.45%
	14%	Health Care	10.56%	20.73%
	17%	Information Technology	8.13%	4.65%
	4%	Utilities	6.92%	7.50%
	17%	Industrials	4.25%	-5.28%
	24%	Financials	2.28%	0.36%
	3%	Consumer Staples	0.85%	0.72%
	4%	Materials	0.53%	-25.64%
	2%	Energy	-3.35%	-47.27%
	14%	Consumer Discretionary	-4.05%	-8.74%

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	7.04%	1.38%	1.38%	15.13%	12.57%	7.31%
Russell 1000 Value	5.64%	-3.83%	-3.83%	13.08%	11.27%	6.16%
Russell 1000 Growth	7.32%	5.67%	5.67%	16.83%	13.53%	8.53%
Russell Mid Cap	3.62%	-2.44%	-2.44%	14.18%	11.44%	8.00%
Russell Mid Cap Value	3.12%	-4.78%	-4.78%	13.40%	11.25%	7.61%
Russell Mid Cap Growth	4.12%	-0.20%	-0.20%	14.88%	11.54%	8.16%
Russell 2000	3.59%	-4.41%	-4.41%	11.65%	9.19%	6.80%
Russell 2000 Value	2.88%	-7.47%	-7.47%	9.06%	7.67%	5.57%
Russell 2000 Growth	4.32%	-1.38%	-1.38%	14.28%	10.67%	7.95%
Russell 3000	6.27%	0.48%	0.48%	14.74%	12.18%	7.35%
DJ US Select REIT	7.54%	4.48%	4.48%	11.76%	12.32%	7.20%



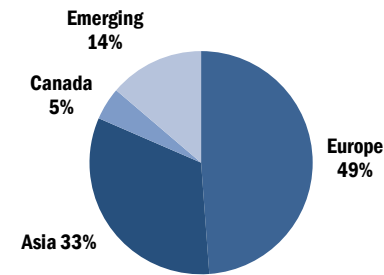
4Q2015 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	3.24%	-5.66%	-5.66%	1.50%	1.06%	2.92%
MSCI EAFE	4.71%	-0.81%	-0.81%	5.01%	3.60%	3.03%
Europe	2.49%	-2.84%	-2.84%	4.51%	3.88%	3.36%
United Kingdom	0.73%	-7.56%	-7.56%	1.81%	3.46%	3.05%
Germany	7.70%	-1.89%	-1.89%	4.93%	4.38%	5.28%
France	1.67%	-0.11%	-0.11%	4.36%	2.77%	2.27%
Pacific	9.00%	2.96%	2.96%	5.82%	3.18%	2.37%
Japan	9.34%	9.57%	9.57%	10.17%	4.38%	0.91%
Hong Kong	6.01%	-0.54%	-0.54%	5.10%	4.57%	8.29%
Australia	9.96%	-9.95%	-9.95%	-3.24%	-0.31%	5.12%
Canada	-5.11%	-24.16%	-24.16%	-6.66%	-4.99%	1.94%
MSCI EM	0.66%	-14.92%	-14.92%	-6.76%	-4.81%	3.61%
MSCI EM Latin America	-2.70%	-31.04%	-31.04%	-19.38%	-14.41%	1.16%
MSCI EM Asia	3.46%	-9.79%	-9.79%	-1.18%	-0.76%	5.76%
MSCI EM Eur/Mid East	-6.29%	-15.14%	-15.14%	-16.74%	-11.35%	-3.52%
MSCI ACWI Value ex-US	1.43%	-10.06%	-10.06%	-0.61%	-0.06%	2.11%
MSCI ACWI Growth ex-US	5.00%	-1.25%	-1.25%	3.55%	2.13%	3.68%
MSCI AC World Sm Cap ex-US	5.28%	2.60%	2.60%	5.64%	2.63%	4.97%

Regional Exposure

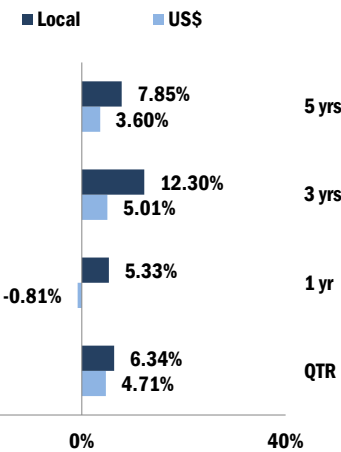
MSCI ACWI ex-USA



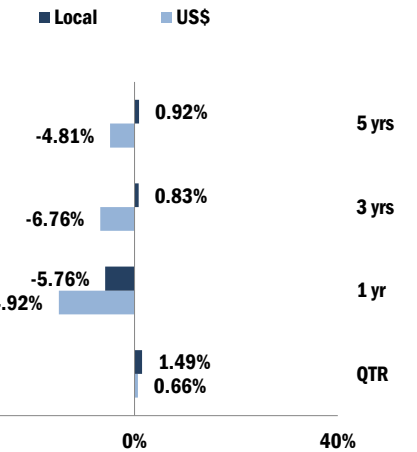
Top 10 Countries (MSCI AC World ex-USA)

Japan	18%
UK	13%
France	7%
Germany	7%
Switzerland	7%
Canada	6%
China	5%
Australia	5%
South Korea	3%
Hong Kong	3%

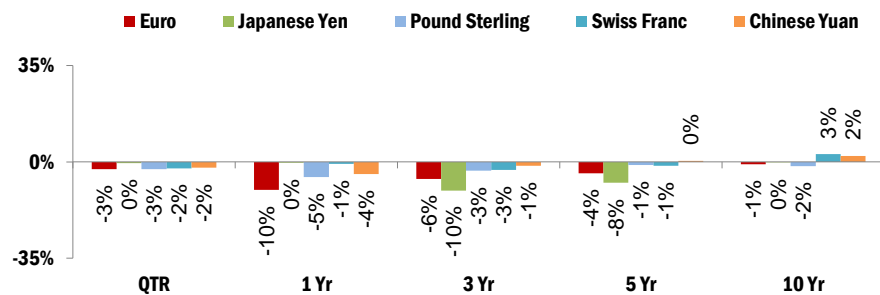
MSCI EAFE Index Return



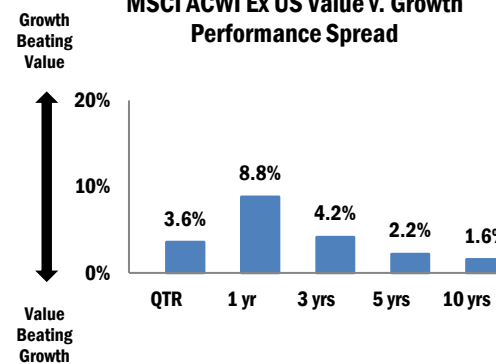
MSCI Emerging Index Return



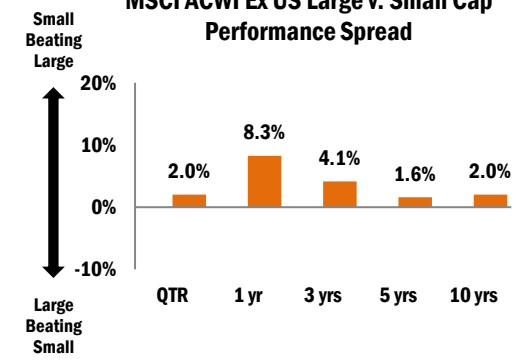
Foreign Currency v. US\$ Returns



MSCI ACWI Ex US Value v. Growth Performance Spread



MSCI ACWI Ex US Large v. Small Cap Performance Spread



Exchange Rates	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14
Japanese Yen	120.27	119.81	122.10	119.96	119.85	109.66
Euro	0.92	0.89	0.90	0.93	0.83	0.79
British Pound	0.68	0.66	0.64	0.67	0.64	0.62
Swiss Franc	1.00	0.98	0.93	0.97	0.99	0.96
Chinese Yuan	6.48	6.36	6.20	6.20	6.20	6.14

Historical Market Returns

Ranked by Performance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	4Q15
US Bonds 8.44%	Commod. 25.91%	Emerging Markets 55.82%	Emerging Markets 25.55%	Emerging Markets 34.00%	Emerging Markets 32.14%	Emerging Markets 39.42%	US Bonds 5.24%	Emerging Markets 78.51%	Small Cap 26.85%	Core Real Estate 14.96%	Emerging Markets 18.22%	Small Cap 38.82%	Large Cap 13.68%	Core Real Estate 13.95%	Large Cap 7.04%
TIPS 7.90%	TIPS 16.57%	Small Cap 47.25%	Intl 20.91%	Commod. 21.36%	Intl 26.65%	Intl 16.65%	Global Bonds 4.79%	High Yield 58.21%	Mid Cap 25.48%	TIPS 13.56%	Mid Cap 17.28%	Mid Cap 34.76%	Mid Cap 13.21%	Large Cap 1.38%	Mid Cap 3.62%
High Yield 5.28%	Global Bonds 16.52%	Intl 40.83%	Mid Cap 20.22%	Core Real Estate 20.15%	Small Cap 18.37%	Commod. 16.23%	Cash 1.39%	Intl 41.45%	Emerging Markets 18.88%	US Bonds 7.84%	Intl 16.83%	Large Cap 32.39%	Core Real Estate 11.44%	US Bonds 0.55%	Small Cap 3.59%
Core Real Estate 4.61%	US Bonds 10.26%	Mid Cap 40.06%	Small Cap 18.33%	Intl 16.62%	Large Cap 15.79%	Core Real Estate 14.84%	TIPS -2.35%	Mid Cap 40.48%	Commod. 16.83%	Global Bonds 5.64%	Small Cap 16.35%	Intl 15.29%	US Bonds 5.97%	Cash 0.03%	Intl 3.24%
Cash 3.34%	Core Real Estate 4.58%	High Yield 28.97%	Global Balanced 12.18%	Mid Cap 12.65%	Core Real Estate 15.27%	TIPS 11.64%	Core Real Estate -10.70%	Small Cap 27.17%	Core Real Estate 15.26%	High Yield 4.98%	Large Cap 16.00%	Global Balanced 14.46%	Small Cap 4.89%	TIPS -1.43%	Core Real Estate 3.11%
Small Cap 2.49%	Cash 1.63%	Large Cap 28.68%	Core Real Estate 12.00%	Large Cap 4.91%	Mid Cap 15.26%	Global Bonds 9.48%	Global Balanced -24.51%	Large Cap 26.46%	High Yield 15.12%	Large Cap 2.11%	High Yield 15.81%	Core Real Estate 12.95%	TIPS 3.64%	Global Balanced -1.45%	Global Balanced 2.98%
Global Bonds 1.57%	High Yield -1.41%	Global Balanced 24.27%	High Yield 11.13%	Small Cap 4.55%	Global Balanced 14.53%	Global Balanced 9.07%	High Yield -26.16%	Global Balanced 20.49%	Large Cap 15.06%	Cash 0.06%	Global Balanced 11.06%	High Yield 7.44%	Global Balanced 3.17%	Mid Cap -2.43%	Emerging Markets 0.66%
Emerging Markets -2.62%	Emerging Markets -6.17%	Commod. 23.93%	Large Cap 10.88%	Global Balanced 4.16%	High Yield 11.85%	US Bonds 6.97%	Small Cap -33.79%	Commod. 18.91%	Intl 11.15%	Global Balanced -0.97%	Core Real Estate 9.76%	Cash 0.07%	High Yield 2.45%	Global Bonds -3.15%	Cash 0.00%
Mid Cap -5.62%	Global Balanced -6.58%	Global Bonds 12.51%	Global Bonds 9.27%	Cash 3.25%	Global Bonds 6.64%	Mid Cap 5.60%	Commod. -35.65%	TIPS 11.41%	Global Balanced 9.40%	Mid Cap -1.55%	TIPS 6.98%	US Bonds -2.02%	Global Bonds 0.59%	Small Cap -4.41%	US Bonds -0.56%
Global Balanced -9.04%	Intl -14.95%	TIPS 8.40%	Commod. 9.15%	TIPS 2.84%	Cash 4.85%	Large Cap 5.49%	Large Cap -37.00%	Global Bonds 6.93%	US Bonds 6.54%	Small Cap -4.18%	Global Bonds 4.32%	Global Bonds -2.60%	Cash 0.04%	High Yield -4.46%	TIPS -0.63%
Large Cap -11.89%	Mid Cap -16.19%	Core Real Estate 8.28%	TIPS 8.46%	High Yield 2.74%	US Bonds 4.33%	Cash 4.44%	Mid Cap -41.46%	US Bonds 5.93%	TIPS 6.31%	Commod. -13.32%	US Bonds 4.21%	Emerging Markets -2.60%	Emerging Markets -2.18%	Intl -5.66%	Global Bonds -0.92%
Commod. -19.51%	Small Cap -20.48%	US Bonds 4.10%	US Bonds 4.34%	US Bonds 2.43%	Commod. 2.07%	High Yield 1.87%	Intl -45.53%	Cash 0.16%	Global Bonds 5.54%	Intl -13.71%	Cash 0.08%	TIPS -8.61%	Intl -3.86%	Emerging Markets -14.90%	High Yield -2.06%
Intl -19.73%	Large Cap -22.10%	Cash 1.03%	Cash 1.44%	Global Bonds -4.49%	TIPS 0.41%	Small Cap -1.57%	Emerging Markets -53.33%	Core Real Estate -30.40%	Cash 0.15%	Emerging Markets -18.42%	Commod. -1.06%	Commod. -9.52%	Commod. -17.00%	Commod. -24.60%	Commod. -10.50%

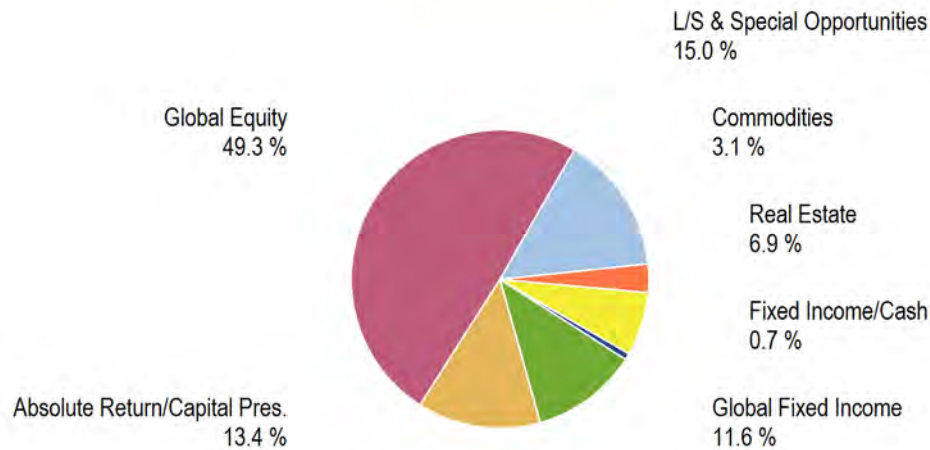
Global Balanced is composed of 60% MSCI World Stock Index, 35% Barclays Global Aggregate Bond Index, and 5% US 90-Day T-Bills.

Section 2

Spokane Employees' Retirement System

As of December 31, 2015

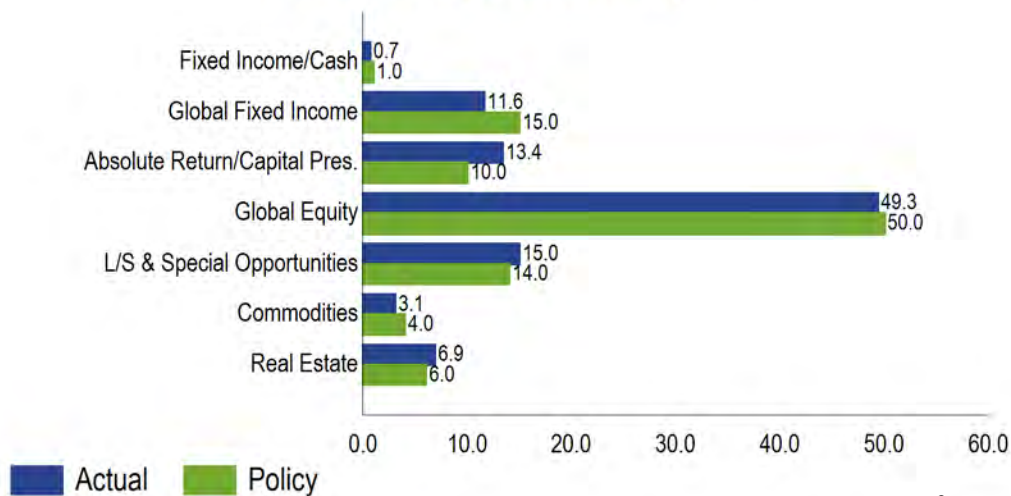
Current Allocation



Current Quarter



Actual vs Target Allocation (%)



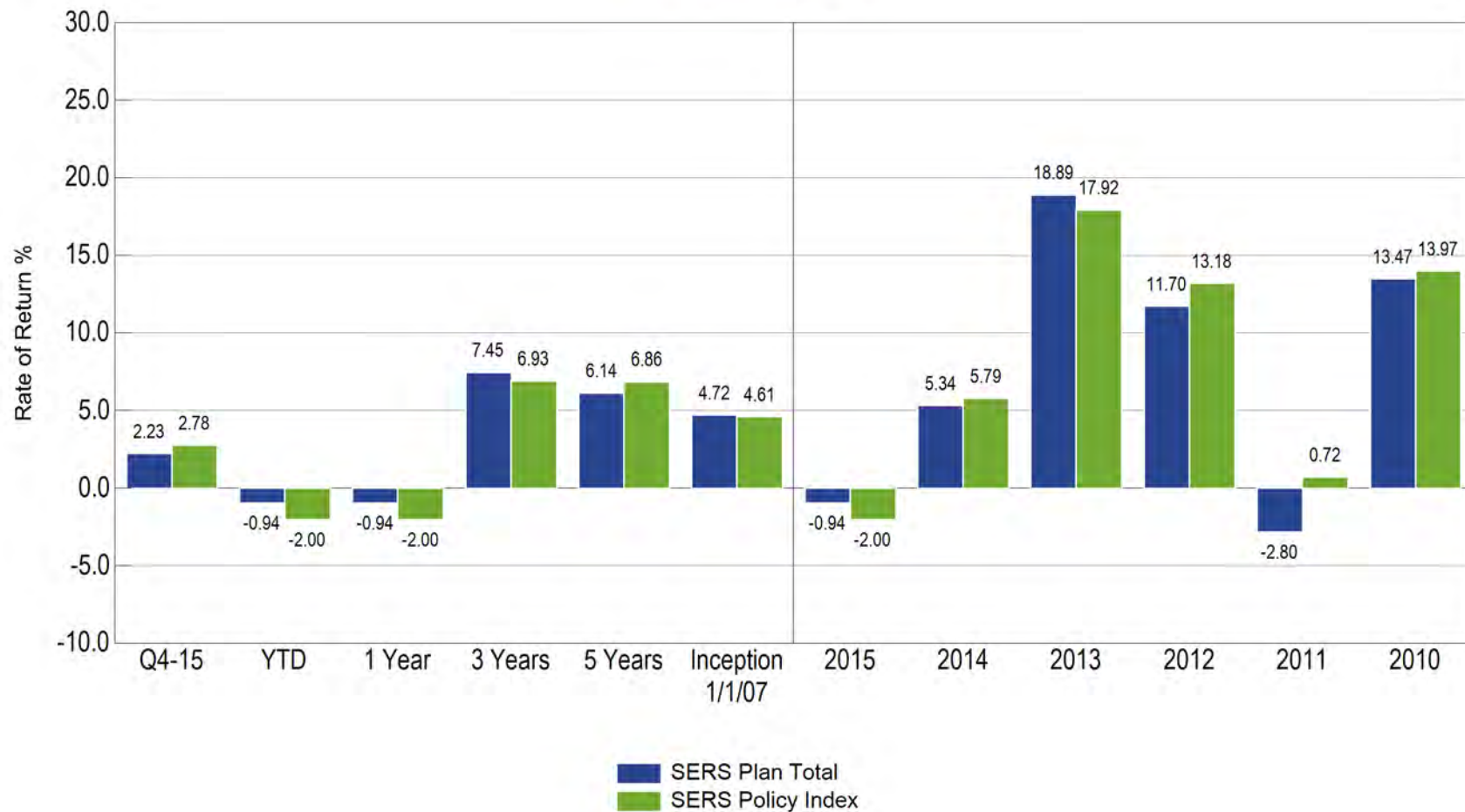
Current Market Value:

\$272,332,285

Policy Index

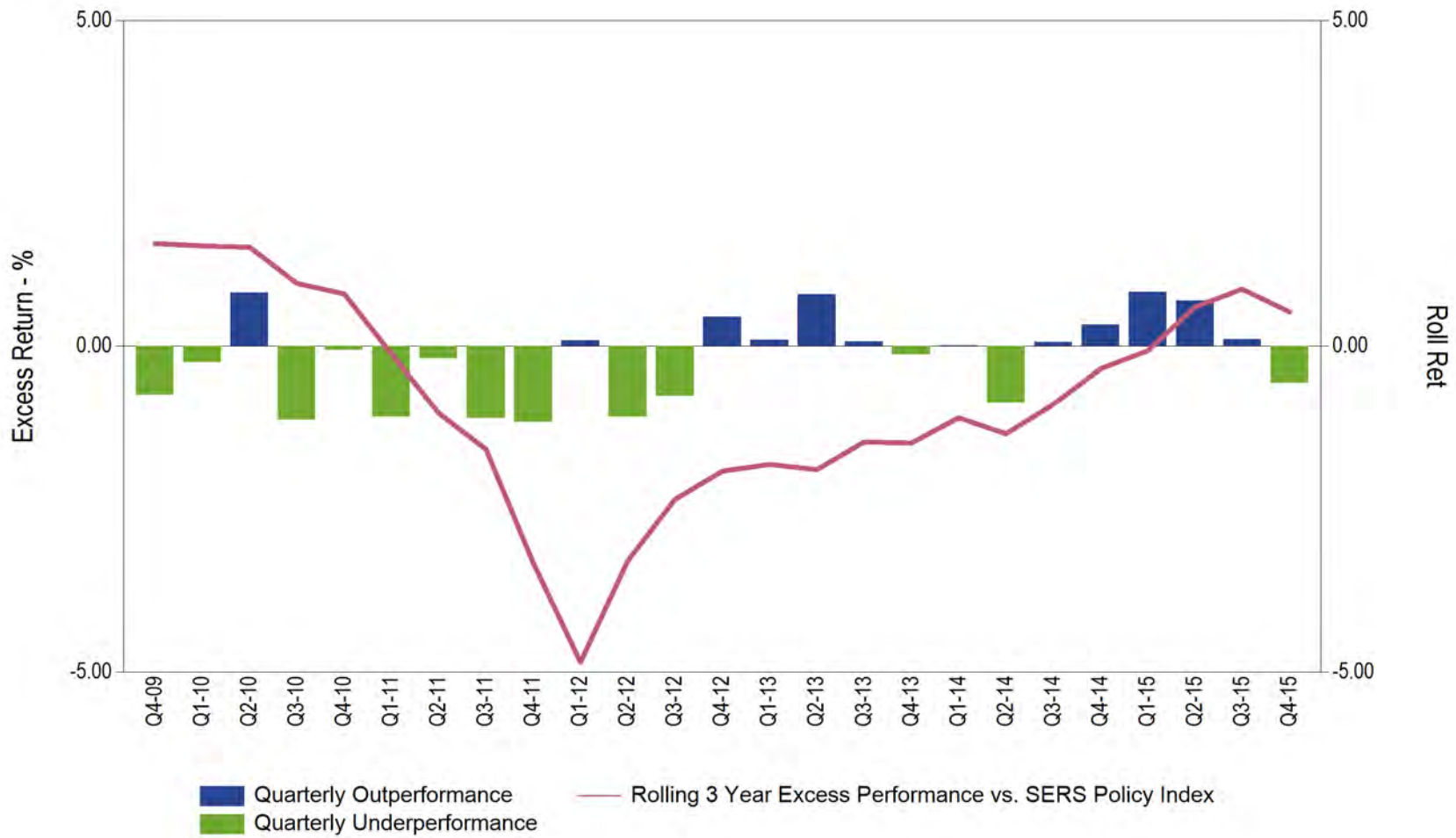
Index	Weight
US 90 Day T-Bill	1%
Barclays US Aggregate Bond Index	15%
Barclays Corporate High Yield Index	5%
Barclays Global Aggregate Bond Index	5%
S&P 500 Index	34%
Russell Mid Cap Index	8%
Russell 2000 Index	5%
MSCI ACWI ex-US	17%
S&P GSCI Index	4%
NAREIT Composite	3%
NCREIF Property Index	3%

Return Summary
Ending December 31, 2015



Performance Net of Fees
Performance greater than 1 year is annualized

Annualized Excess Performance



Spokane Employees' Retirement System

As of December 31, 2015

Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
SERS Plan Total	2.23	-0.94	-0.94	7.45	6.14	-0.94	5.34	18.89	11.70	-2.80	13.47	21.99	4.72	Jan-07
SERS Policy Index	2.78	-2.00	-2.00	6.93	6.86	-2.00	5.79	17.92	13.18	0.72	13.97	28.11	4.61	Jan-07
Over/Under	-0.55	1.06	1.06	0.52	-0.72	1.06	-0.45	0.97	-1.48	-3.52	-0.50	-6.12	0.11	
Fixed Income Total	-0.89	-3.85	-3.85	-0.81	1.72	-3.85	0.28	1.22	8.22	3.12	5.99	10.76	3.92	Apr-07
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	4.49	Apr-07
Over/Under	-0.32	-4.40	-4.40	-2.25	-1.53	-4.40	-5.69	3.24	4.01	-4.72	-0.55	4.83	-0.57	
Absolute Return/Capital Pres	0.53	0.41	0.41	2.72	3.48	0.41	3.15	4.65	6.68	2.63	-0.34	-0.05	0.60	Jan-08
HFRI FOF: Conservative Index	0.02	0.38	0.38	3.69	2.30	0.38	3.14	7.70	4.22	-3.55	5.07	9.65	0.43	Jan-08
Over/Under	0.51	0.03	0.03	-0.97	1.18	0.03	0.01	-3.05	2.46	6.18	-5.41	-9.70	0.17	
Long Short/Special Opps Total	2.16	3.14	3.14	8.78	4.60	3.14	8.31	15.23	3.81	-6.31	7.61	17.81	3.32	Apr-08
HFRI Fund of Funds Composite Index	0.73	-0.26	-0.26	3.95	2.10	-0.26	3.36	8.96	4.79	-5.72	5.70	11.47	0.92	Apr-08
Over/Under	1.43	3.40	3.40	4.83	2.50	3.40	4.95	6.27	-0.98	-0.59	1.91	6.34	2.40	
Large Cap Equity Total	6.07	-0.32	-0.32	14.89	11.71	-0.32	12.85	34.81	15.42	-0.61	15.76	27.61	6.78	Apr-07
S&P 500	7.04	1.38	1.38	15.13	12.57	1.38	13.69	32.39	16.00	2.11	15.06	26.46	6.51	Apr-07
Over/Under	-0.97	-1.70	-1.70	-0.24	-0.86	-1.70	-0.84	2.42	-0.58	-2.72	0.70	1.15	0.27	
Mid Cap Equity Total	3.35	-1.01	-1.01	14.46	10.69	-1.01	10.16	37.51	14.18	-2.95	22.88	37.22	7.79	Apr-07
Russell MidCap	3.62	-2.44	-2.44	14.18	11.44	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48	6.91	Apr-07
Over/Under	-0.27	1.43	1.43	0.28	-0.75	1.43	-3.06	2.75	-3.10	-1.40	-2.60	-3.26	0.88	
Small Cap Equity Total	4.72	0.02	0.02	14.26	10.27	0.02	6.32	40.29	12.78	-3.08	26.03	24.96	4.88	Apr-07
Russell 2000	3.59	-4.41	-4.41	11.65	9.19	-4.41	4.89	38.82	16.35	-4.18	26.86	27.17	5.52	Apr-07
Over/Under	1.13	4.43	4.43	2.61	1.08	4.43	1.43	1.47	-3.57	1.10	-0.83	-2.21	-0.64	

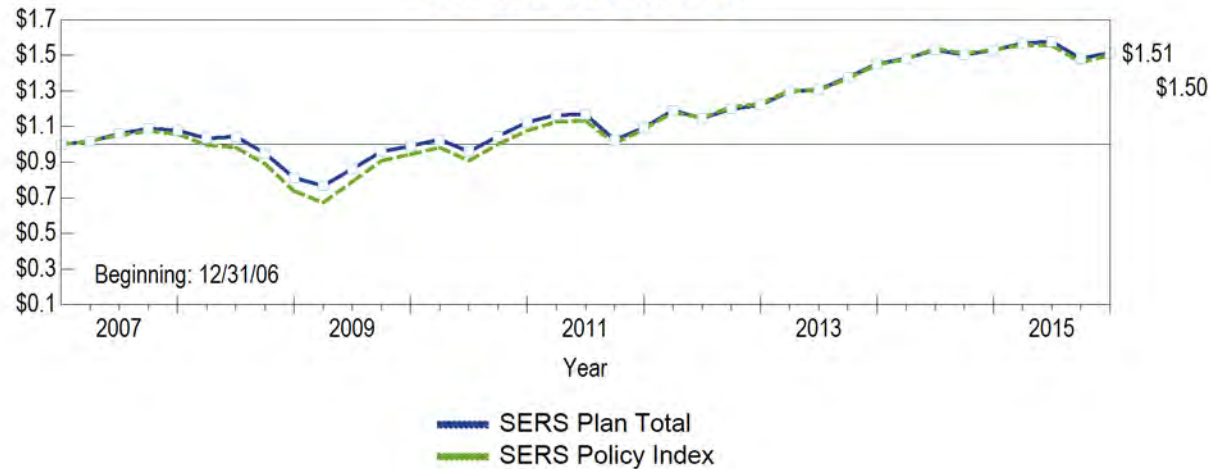
Spokane Employees' Retirement System

As of December 31, 2015

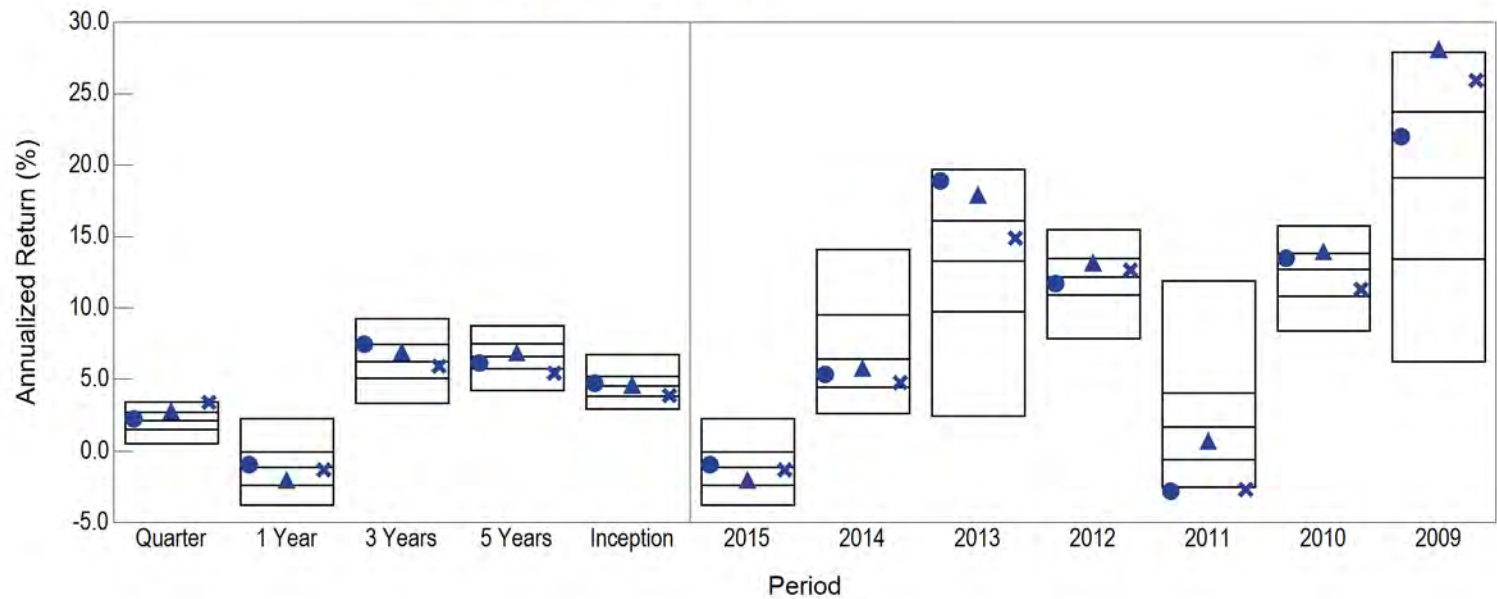
Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	Return (%)	Since
International Equity Total	3.04	-1.32	-1.32	4.79	3.30	-1.32	-3.58	20.93	18.48	-13.72	17.28	38.62	3.16	Apr-07
MSCI ACWI ex USA	3.24	-5.66	-5.66	1.50	1.06	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	0.17	Apr-07
Over/Under	-0.20	4.34	4.34	3.29	2.24	4.34	0.29	5.64	1.65	-0.01	6.13	-2.83	2.99	
Commodities Total	-12.21	-28.02	-28.02	-19.45	-13.08	-28.02	-24.83	-3.39	-1.87	-3.28	7.17	--	-5.78	Apr-09
S&P GSCI Total Return Index	-16.63	-32.86	-32.86	-23.71	-15.18	-32.86	-33.06	-1.22	0.08	-1.18	9.03	13.48	-7.11	Apr-09
Over/Under	4.42	4.84	4.84	4.26	2.10	4.84	8.23	-2.17	-1.95	-2.10	-1.86		1.33	
Real Estate Total	2.86	6.66	6.66	13.17	12.81	6.66	25.00	8.71	15.17	9.44	23.35	13.84	4.43	Apr-07
RE Index (50/50 NAREIT Comp REIT/NCREIF PI)	5.05	7.96	7.96	11.47	12.23	7.96	19.55	7.30	15.38	11.44	20.65	5.56	6.34	Apr-07
Over/Under	-2.19	-1.30	-1.30	1.70	0.58	-1.30	5.45	1.41	-0.21	-2.00	2.70	8.28	-1.91	

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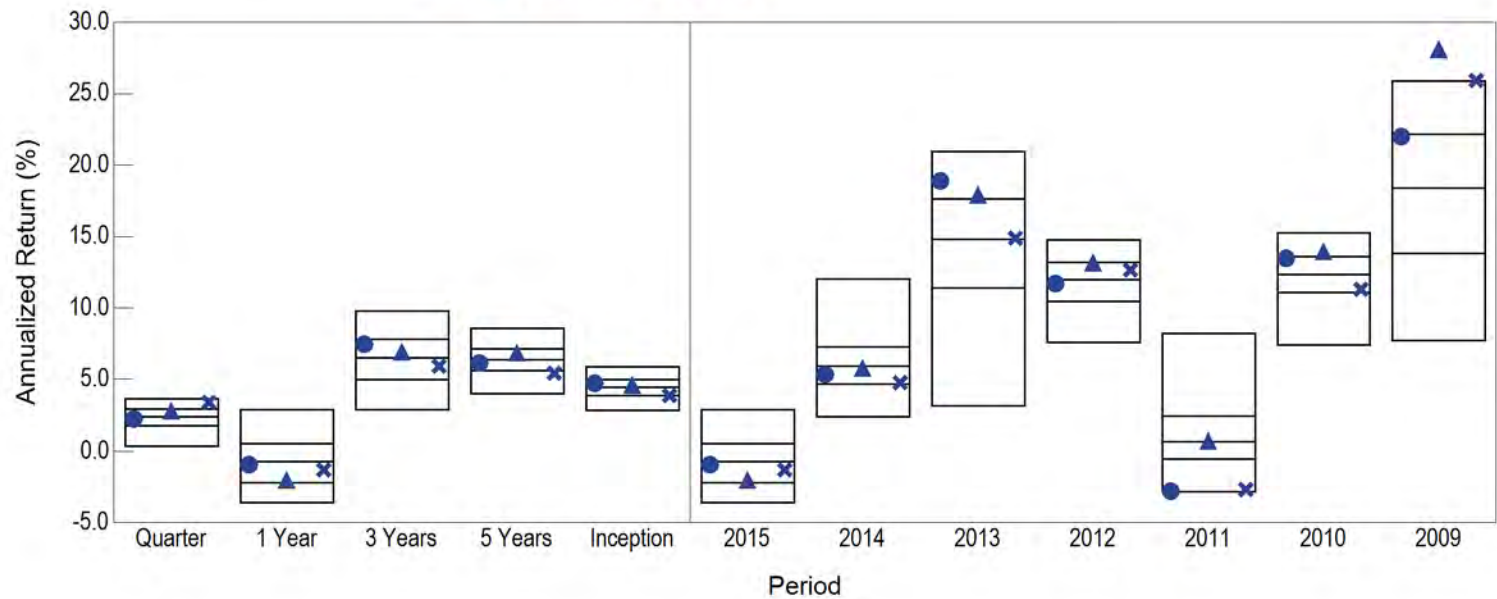


InvestorForce All DB \$250mm-\$1B Net Accounts
Ending December 31, 2015



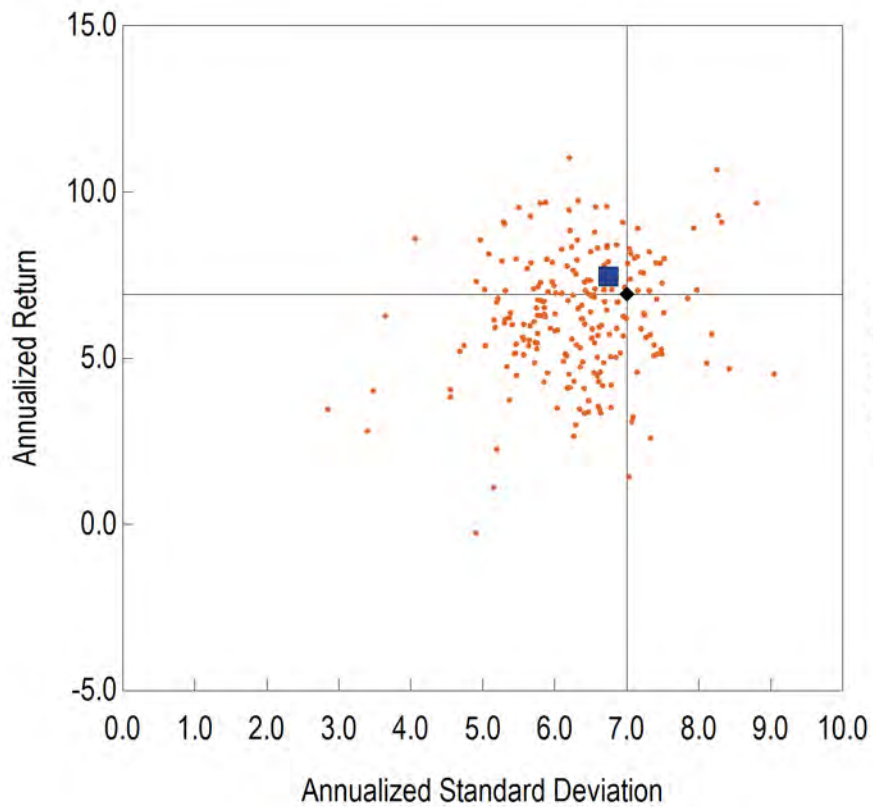
	Return (Rank)											
	Quarter	1 Year	3 Years	5 Years	Inception	2015	2014	2013	2012	2011	2010	2009
5th Percentile	3.4	2.2	9.3	8.7	6.7	2.2	14.1	19.7	15.5	11.9	15.7	27.9
25th Percentile	2.7	0.0	7.5	7.5	5.2	0.0	9.6	16.1	13.5	4.1	13.9	23.8
Median	2.2	-1.1	6.3	6.6	4.6	-1.1	6.4	13.3	12.2	1.7	12.7	19.1
75th Percentile	1.5	-2.4	5.1	5.8	3.8	-2.4	4.5	9.8	10.9	-0.5	10.9	13.4
95th Percentile	0.6	-3.7	3.4	4.3	2.9	-3.7	2.6	2.5	7.9	-2.5	8.4	6.3
# of Portfolios	233	231	223	206	165	231	212	190	178	157	148	136
● SERS Plan Total	2.2 (45)	-0.9 (47)	7.5 (26)	6.1 (66)	4.7 (45)	-0.9 (47)	5.3 (63)	18.9 (8)	11.7 (61)	-2.8 (97)	13.5 (28)	22.0 (37)
▲ SERS Policy Index	2.8 (24)	-2.0 (69)	6.9 (39)	6.9 (45)	4.6 (49)	-2.0 (69)	5.8 (61)	17.9 (14)	13.2 (32)	0.7 (62)	14.0 (24)	28.1 (5)
× 70/30 ACWI/Barclays Aggregate Bon	3.4 (6)	-1.3 (56)	5.9 (60)	5.4 (84)	3.9 (75)	-1.3 (56)	4.8 (73)	14.9 (37)	12.7 (43)	-2.7 (97)	11.3 (70)	25.9 (12)

InvestorForce All DB \$50mm-\$250mm Net Accounts
Ending December 31, 2015



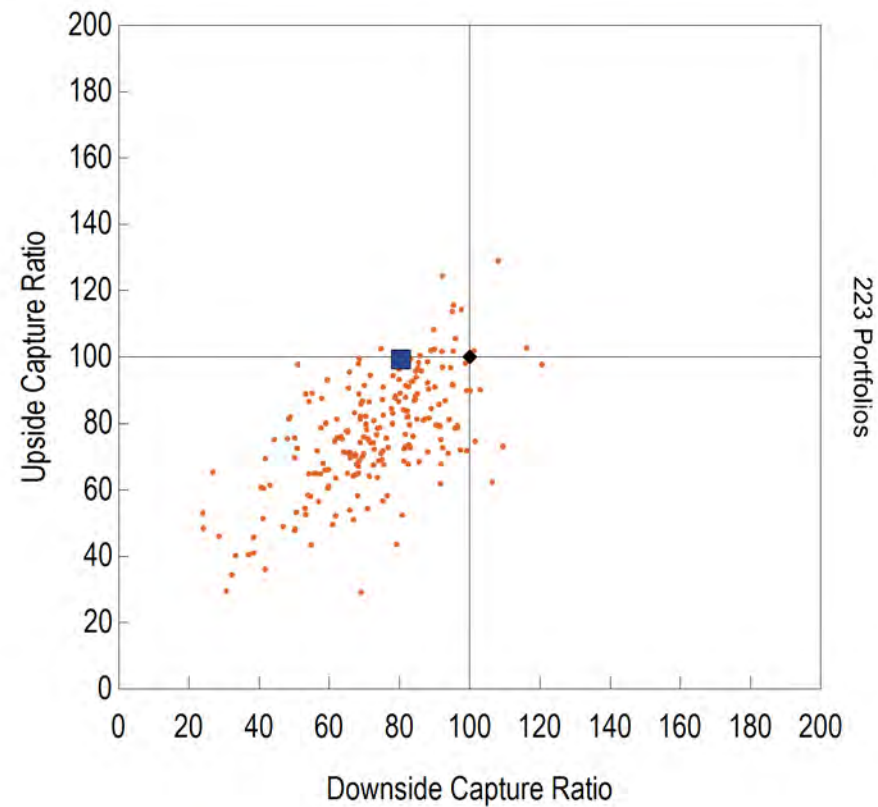
	Quarter	1 Year	3 Years	5 Years	Inception	2015	2014	2013	2012	2011	2010	2009
Return (Rank)												
5th Percentile	3.6	2.9	9.8	8.6	5.9	2.9	12.0	20.9	14.8	8.2	15.3	25.9
25th Percentile	2.9	0.6	7.8	7.2	5.0	0.6	7.3	17.7	13.2	2.5	13.6	22.2
Median	2.4	-0.7	6.6	6.4	4.5	-0.7	6.0	14.9	12.0	0.7	12.4	18.4
75th Percentile	1.8	-2.1	5.0	5.6	3.9	-2.1	4.7	11.4	10.5	-0.5	11.1	13.9
95th Percentile	0.4	-3.5	2.9	4.0	2.8	-3.5	2.4	3.2	7.6	-2.8	7.5	7.7
# of Portfolios	330	330	299	277	234	330	285	268	261	227	219	213
● SERS Plan Total	2.2 (59)	-0.9 (55)	7.5 (34)	6.1 (60)	4.7 (37)	-0.9 (55)	5.3 (66)	18.9 (17)	11.7 (55)	-2.8 (95)	13.5 (28)	22.0 (26)
▲ SERS Policy Index	2.8 (30)	-2.0 (72)	6.9 (43)	6.9 (35)	4.6 (46)	-2.0 (72)	5.8 (54)	17.9 (24)	13.2 (26)	0.7 (50)	14.0 (19)	28.1 (3)
× 70/30 ACWI/Barclays Aggregate Bon	3.4 (9)	-1.3 (60)	5.9 (62)	5.4 (79)	3.9 (76)	-1.3 (60)	4.8 (74)	14.9 (50)	12.7 (36)	-2.7 (95)	11.3 (72)	25.9 (5)

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2015



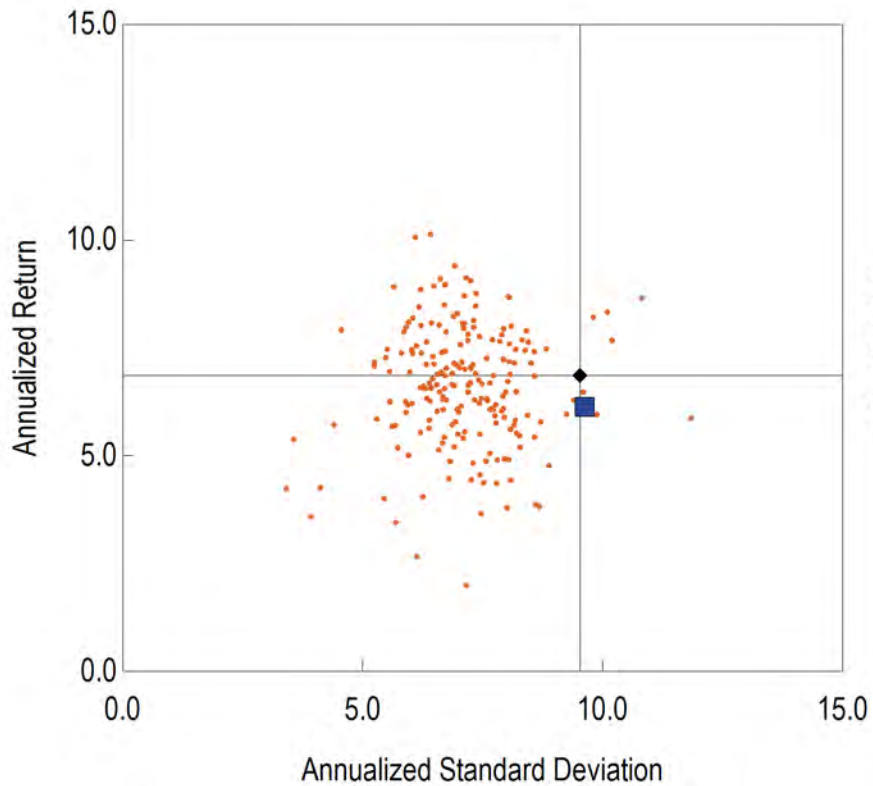
- SERS Plan Total
- ◆ SERS Policy Index
- InvestorForce All DB \$250mm-\$1B Net

Upside Capture Ratio vs. Downside Capture Ratio
3 Years Ending December 31, 2015



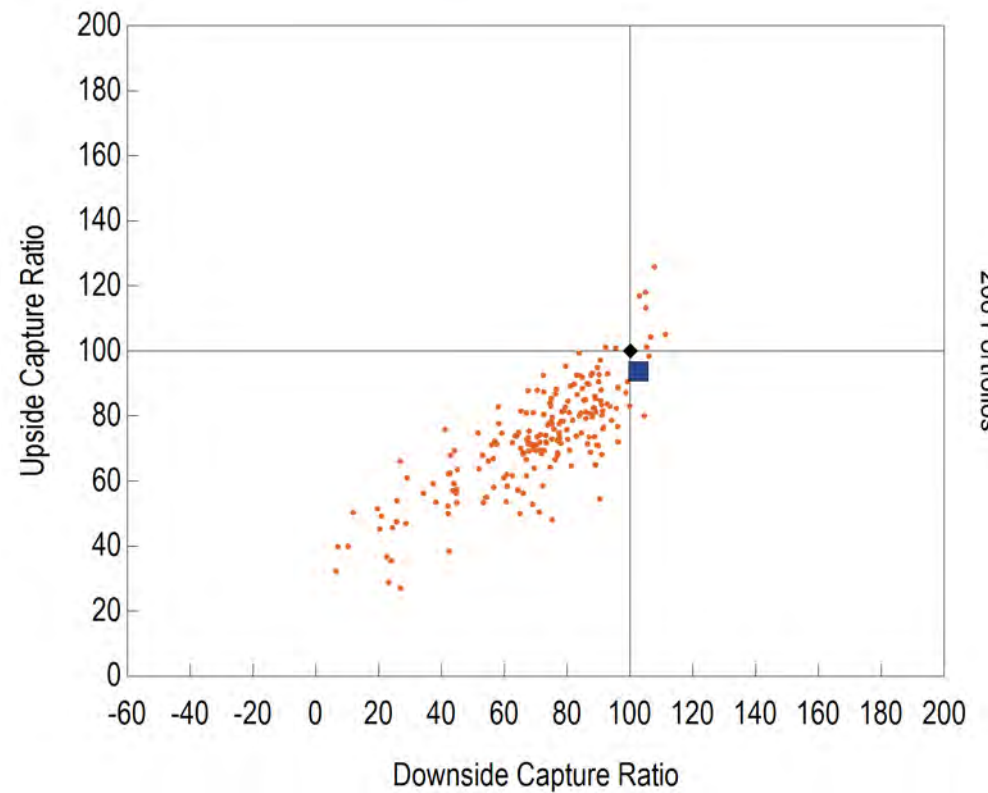
- SERS Plan Total
- ◆ SERS Policy Index
- InvestorForce All DB \$250mm-\$1B Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2015



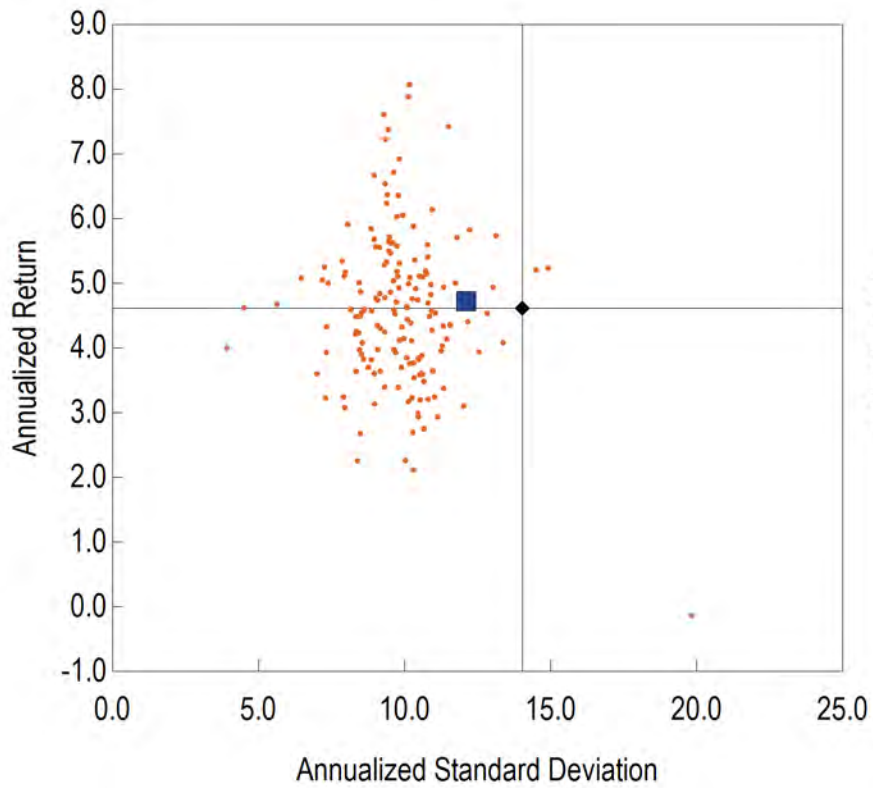
- SERS Plan Total
- ◆ SERS Policy Index
- InvestorForce All DB \$250mm-\$1B Net

Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending December 31, 2015



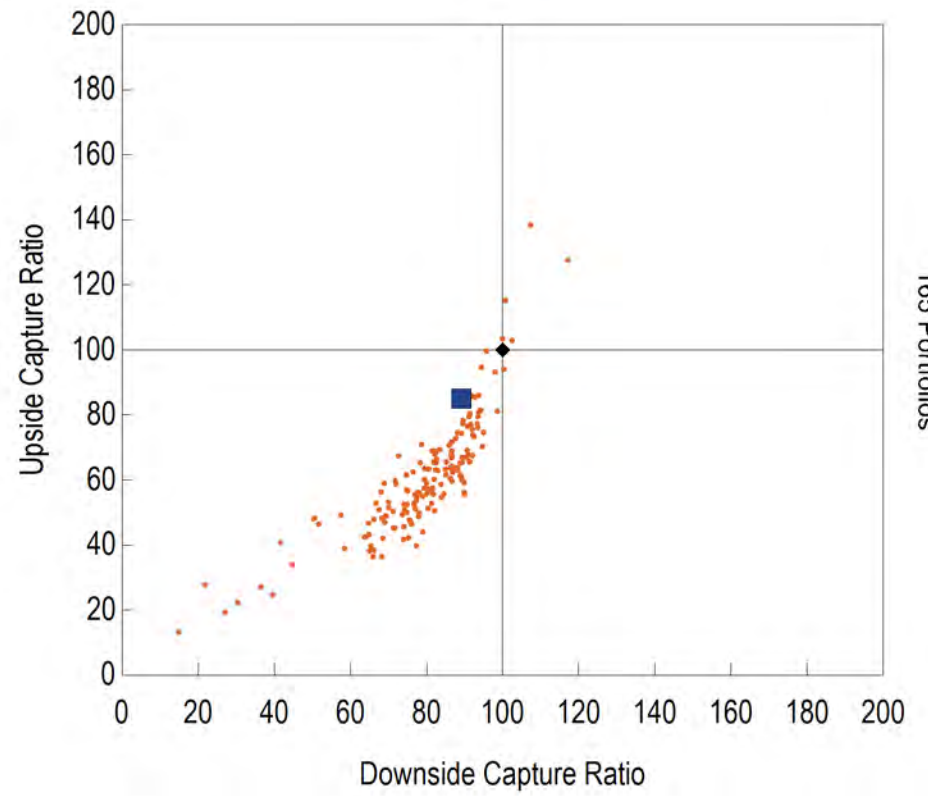
- SERS Plan Total
- ◆ SERS Policy Index
- InvestorForce All DB \$250mm-\$1B Net

Annualized Return vs. Annualized Standard Deviation
9 Years Ending December 31, 2015



- SERS Plan Total
- ◆ SERS Policy Index
- InvestorForce All DB \$250mm-\$1B Net

Upside Capture Ratio vs. Downside Capture Ratio
9 Years Ending December 31, 2015



- SERS Plan Total
- ◆ SERS Policy Index
- InvestorForce All DB \$250mm-\$1B Net

Spokane Employees' Retirement System

As of December 31, 2015

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Fixed Income													
Vanguard Short Term	-0.27	1.16	1.16	1.39	2.17	3.60	1.16	1.90	1.11	4.66	2.06	5.37	14.21
Barclays U.S. Aggregate 1-3 Years	-0.36	0.66	0.66	0.71	1.04	2.83	0.66	0.82	0.64	1.33	1.73	2.62	5.01
Excess Return	0.09	0.50	0.50	0.68	1.13	0.77	0.50	1.08	0.47	3.33	0.33	2.75	9.20
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	4.51	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
Short-Term Bond MStar MF Rank	42	7	7	15	29	31	7	16	33	31	43	27	14
PIMCO Global Advantage Bond	0.49	-5.45	-5.45	-3.10	0.52	--	-5.45	-1.21	-2.60	7.75	4.70	7.59	--
Barclays Global Aggregate	-0.93	-3.16	-3.16	-1.74	0.90	3.74	-3.16	0.59	-2.60	4.32	5.64	5.54	6.93
Excess Return	1.42	-2.29	-2.29	-1.36	-0.38		-2.29	-1.80	0.00	3.43	-0.94	2.05	
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	4.51	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
World Bond MStar MF Rank	14	72	72	80	73	--	72	83	50	45	28	28	--
Hotchkis & Wiley High Yield	-3.20	-4.30	-4.30	1.70	4.88	--	-4.30	1.09	8.71	17.96	2.28	19.10	--
Barclays High Yield	-2.06	-4.47	-4.47	1.69	5.04	6.96	-4.47	2.45	7.44	15.81	4.98	15.12	58.21
Excess Return	-1.14	0.17	0.17	0.01	-0.16		0.17	-1.36	1.27	2.15	-2.70	3.98	
High Yield Bond MStar MF Rank	87	61	61	54	39	--	61	65	20	11	72	3	--

Spokane Employees' Retirement System

As of December 31, 2015

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Absolute Return/Capital Pres													
Post Lmted Term High Yield	-0.62	0.84	0.84	3.73	5.37	6.34	0.84	2.96	7.49	9.61	6.16	12.36	21.17
HFRI FOF: Conservative Index	<u>0.02</u>	<u>0.38</u>	<u>0.38</u>	<u>3.69</u>	<u>2.30</u>	<u>1.98</u>	<u>0.38</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>5.07</u>	<u>9.65</u>
Excess Return	-0.64	0.46	0.46	0.04	3.07	4.36	0.46	-0.18	-0.21	5.39	9.71	7.29	11.52
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	4.51	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
Rimrock Low Volatility Offshore	-2.35	-2.05	-2.05	2.62	4.24	--	-2.05	2.31	7.82	11.33	2.29	14.97	26.85
HFRI FOF: Conservative Index	<u>0.02</u>	<u>0.38</u>	<u>0.38</u>	<u>3.69</u>	<u>2.30</u>	<u>1.98</u>	<u>0.38</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>5.07</u>	<u>9.65</u>
Excess Return	-2.37	-2.43	-2.43	-1.07	1.94		-2.43	-0.83	0.12	7.11	5.84	9.90	17.20
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	4.51	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
Castine Partners II	3.80	6.57	6.57	6.73	4.95	6.79	6.57	7.48	6.16	2.53	2.14	-3.31	6.61
HFRI FOF: Conservative Index	<u>0.02</u>	<u>0.38</u>	<u>0.38</u>	<u>3.69</u>	<u>2.30</u>	<u>1.98</u>	<u>0.38</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>5.07</u>	<u>9.65</u>
Excess Return	3.78	6.19	6.19	3.04	2.65	4.81	6.19	4.34	-1.54	-1.69	5.69	-8.38	-3.04
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	4.51	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
Altairis Offshore	2.37	1.73	1.73	3.59	3.44	6.04	1.73	3.46	5.60	4.42	2.02	1.04	14.74
HFRI FOF: Conservative Index	<u>0.02</u>	<u>0.38</u>	<u>0.38</u>	<u>3.69</u>	<u>2.30</u>	<u>1.98</u>	<u>0.38</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>5.07</u>	<u>9.65</u>
Excess Return	2.35	1.35	1.35	-0.10	1.14	4.06	1.35	0.32	-2.10	0.20	5.57	-4.03	5.09
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	4.51	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
American Beacon Flex Bd Inst	0.12	-2.73	-2.73	-0.88	--	--	-2.73	1.32	-1.19	9.01	--	--	--
Barclays Aggregate	-0.57	0.55	0.55	1.44	3.25	4.51	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
Excess Return	0.69	-3.28	-3.28	-2.32			-3.28	-4.65	0.83	4.80			

Spokane Employees' Retirement System

As of December 31, 2015

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Large Cap Equity													
Hotchkis & Wiley Diversified Value I	2.44	-7.90	-7.90	12.34	9.88	3.81	-7.90	12.74	36.54	19.78	-5.67	19.50	37.46
Russell 1000 Value	<u>5.64</u>	<u>-3.83</u>	<u>-3.83</u>	<u>13.08</u>	<u>11.27</u>	<u>6.16</u>	<u>-3.83</u>	<u>13.45</u>	<u>32.53</u>	<u>17.51</u>	<u>0.39</u>	<u>15.51</u>	<u>19.69</u>
Excess Return	-3.20	-4.07	-4.07	-0.74	-1.39	-2.35	-4.07	-0.71	4.01	2.27	-6.06	3.99	17.77
S&P 500	7.04	1.38	1.38	15.13	12.57	7.31	1.38	13.69	32.39	16.00	2.11	15.06	26.46
Large Value MStar MF Rank	92	90	90	55	63	96	90	20	14	8	87	7	6
Vanguard Institutional Index	7.05	1.37	1.37	15.10	12.54	7.31	1.37	13.65	32.35	15.98	2.09	15.04	26.63
S&P 500	<u>7.04</u>	<u>1.38</u>	<u>1.38</u>	<u>15.13</u>	<u>12.57</u>	<u>7.31</u>	<u>1.38</u>	<u>13.69</u>	<u>32.39</u>	<u>16.00</u>	<u>2.11</u>	<u>15.06</u>	<u>26.46</u>
Excess Return	0.01	-0.01	-0.01	-0.03	-0.03	0.00	-0.01	-0.04	-0.04	-0.02	-0.02	-0.02	0.17
Large Blend MStar MF Rank	13	24	24	22	20	28	24	21	45	41	23	31	51
MFS Blended Research Core	6.49	1.34	1.34	15.83	12.94	8.33	1.34	12.44	36.37	15.68	2.21	16.92	25.31
S&P 500	<u>7.04</u>	<u>1.38</u>	<u>1.38</u>	<u>15.13</u>	<u>12.57</u>	<u>7.31</u>	<u>1.38</u>	<u>13.69</u>	<u>32.39</u>	<u>16.00</u>	<u>2.11</u>	<u>15.06</u>	<u>26.46</u>
Excess Return	-0.55	-0.04	-0.04	0.70	0.37	1.02	-0.04	-1.25	3.98	-0.32	0.10	1.86	-1.15
Large Blend MStar MF Rank	37	25	25	15	13	6	25	44	16	51	22	13	67
Delaware Large Cap Growth Eq	8.72	5.19	5.19	16.94	15.02	7.99	5.19	12.76	34.81	16.51	8.04	14.14	43.14
Russell 1000 Growth	<u>7.32</u>	<u>5.67</u>	<u>5.67</u>	<u>16.83</u>	<u>13.53</u>	<u>8.53</u>	<u>5.67</u>	<u>13.05</u>	<u>33.48</u>	<u>15.26</u>	<u>2.64</u>	<u>16.71</u>	<u>37.21</u>
Excess Return	1.40	-0.48	-0.48	0.11	1.49	-0.54	-0.48	-0.29	1.33	1.25	5.40	-2.57	5.93
S&P 500	7.04	1.38	1.38	15.13	12.57	7.31	1.38	13.69	32.39	16.00	2.11	15.06	26.46
Large Growth MStar MF Rank	15	44	44	34	5	45	44	29	43	38	1	67	19

Spokane Employees' Retirement System

As of December 31, 2015

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Mid Cap Equity													
Sterling Mid Cap Value	4.07	-1.71	-1.71	15.02	10.59	8.21	-1.71	5.85	46.25	12.50	-3.37	20.40	38.70
Russell MidCap Value	<u>3.12</u>	<u>-4.78</u>	<u>-4.78</u>	<u>13.40</u>	<u>11.25</u>	<u>7.61</u>	<u>-4.78</u>	<u>14.75</u>	<u>33.46</u>	<u>18.51</u>	<u>-1.38</u>	<u>24.75</u>	<u>34.21</u>
Excess Return	0.95	3.07	3.07	1.62	-0.66	0.60	3.07	-8.90	12.79	-6.01	-1.99	-4.35	4.49
Russell MidCap	3.62	-2.44	-2.44	14.18	11.44	8.00	-2.44	13.22	34.76	17.28	-1.55	25.48	40.48
Mid-Cap Value MStar MF Rank	24	19	19	8	29	20	19	87	2	85	49	74	30
Vanguard Mid Cap Index	3.44	-1.33	-1.33	14.91	11.53	7.93	-1.33	13.78	35.17	16.01	-1.95	25.66	40.52
Russell MidCap	<u>3.62</u>	<u>-2.44</u>	<u>-2.44</u>	<u>14.18</u>	<u>11.44</u>	<u>8.00</u>	<u>-2.44</u>	<u>13.22</u>	<u>34.76</u>	<u>17.28</u>	<u>-1.55</u>	<u>25.48</u>	<u>40.48</u>
Excess Return	-0.18	1.11	1.11	0.73	0.09	-0.07	1.11	0.56	0.41	-1.27	-0.40	0.18	0.04
Mid-Cap Blend MStar MF Rank	34	18	18	13	20	32	18	7	47	62	35	35	25
Vanguard Mid Cap Growth	2.49	0.21	0.21	14.22	11.60	8.77	0.21	10.86	34.15	14.84	1.17	23.83	38.42
Russell MidCap Growth	<u>4.12</u>	<u>-0.20</u>	<u>-0.20</u>	<u>14.88</u>	<u>11.54</u>	<u>8.16</u>	<u>-0.20</u>	<u>11.90</u>	<u>35.74</u>	<u>15.81</u>	<u>-1.65</u>	<u>26.38</u>	<u>46.29</u>
Excess Return	-1.63	0.41	0.41	-0.66	0.06	0.61	0.41	-1.04	-1.59	-0.97	2.82	-2.55	-7.87
Mid-Cap Growth MStar MF Rank	76	41	41	34	23	25	41	21	61	47	22	61	58

Spokane Employees' Retirement System

As of December 31, 2015

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Small Cap Equity													
Frontegra Small Cap Value I	1.66	-4.35	-4.35	14.30	9.03	--	-4.35	7.19	45.63	9.75	-5.99	29.94	24.28
Russell 2000 Value	<u>2.88</u>	<u>-7.47</u>	<u>-7.47</u>	<u>9.06</u>	<u>7.67</u>	<u>5.57</u>	<u>-7.47</u>	<u>4.22</u>	<u>34.52</u>	<u>18.05</u>	<u>-5.50</u>	<u>24.50</u>	<u>20.58</u>
Excess Return	-1.22	3.12	3.12	5.24	1.36		3.12	2.97	11.11	-8.30	-0.49	5.44	3.70
Russell 2000	3.59	-4.41	-4.41	11.65	9.19	6.80	-4.41	4.89	38.82	16.35	-4.18	26.86	27.17
Small Value MStar MF Rank	72	36	36	2	36	--	36	23	3	95	75	24	81
Vanguard Small Cap Index	3.12	-3.63	-3.63	12.61	10.45	7.98	-3.63	7.53	37.80	18.26	-2.65	27.95	36.40
Russell 2000	<u>3.59</u>	<u>-4.41</u>	<u>-4.41</u>	<u>11.65</u>	<u>9.19</u>	<u>6.80</u>	<u>-4.41</u>	<u>4.89</u>	<u>38.82</u>	<u>16.35</u>	<u>-4.18</u>	<u>26.86</u>	<u>27.17</u>
Excess Return	-0.47	0.78	0.78	0.96	1.26	1.18	0.78	2.64	-1.02	1.91	1.53	1.09	9.23
Small Blend MStar MF Rank	45	42	42	32	26	12	42	15	56	22	49	30	24
Champlain Small Cap	5.82	-0.65	-0.65	12.33	10.36	9.44	-0.65	4.43	36.61	11.06	4.01	24.59	24.52
Russell 2000	<u>3.59</u>	<u>-4.41</u>	<u>-4.41</u>	<u>11.65</u>	<u>9.19</u>	<u>6.80</u>	<u>-4.41</u>	<u>4.89</u>	<u>38.82</u>	<u>16.35</u>	<u>-4.18</u>	<u>26.86</u>	<u>27.17</u>
Excess Return	2.23	3.76	3.76	0.68	1.17	2.64	3.76	-0.46	-2.21	-5.29	8.19	-2.27	-2.65
Russell 2000 Growth	4.32	-1.38	-1.38	14.28	10.67	7.95	-1.38	5.60	43.30	14.59	-2.91	29.09	34.47
Small Blend MStar MF Rank	4	11	11	37	29	1	11	60	68	88	5	62	81
Bridge City Small Growth	7.25	6.81	6.81	17.21	13.02	--	6.81	7.06	40.81	10.99	3.16	31.97	--
Russell 2000 Growth	<u>4.32</u>	<u>-1.38</u>	<u>-1.38</u>	<u>14.28</u>	<u>10.67</u>	<u>7.95</u>	<u>-1.38</u>	<u>5.60</u>	<u>43.30</u>	<u>14.59</u>	<u>-2.91</u>	<u>29.09</u>	<u>34.47</u>
Excess Return	2.93	8.19	8.19	2.93	2.35		8.19	1.46	-2.49	-3.60	6.07	2.88	
Russell 2000	3.59	-4.41	-4.41	11.65	9.19	6.80	-4.41	4.89	38.82	16.35	-4.18	26.86	27.17
Small Growth MStar MF Rank	4	4	4	6	9	--	4	15	61	79	10	22	--

Spokane Employees' Retirement System

As of December 31, 2015

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
International Equity													
Artisan International Value	3.11	-1.49	-1.49	8.65	7.88	8.12	-1.49	-0.39	30.72	22.48	-6.98	19.15	33.81
MSCI ACWI ex USA Value	<u>1.43</u>	<u>-10.06</u>	<u>-10.06</u>	<u>-0.61</u>	<u>-0.06</u>	<u>2.11</u>	<u>-10.06</u>	<u>-5.10</u>	<u>15.04</u>	<u>16.97</u>	<u>-13.20</u>	<u>7.84</u>	<u>44.29</u>
Excess Return	1.68	8.57	8.57	9.26	7.94	6.01	8.57	4.71	15.68	5.51	6.22	11.31	-10.48
MSCI ACWI ex USA	3.24	-5.66	-5.66	1.50	1.06	2.92	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45
Foreign Small/Mid Value MStar MF Rank	74	80	80	55	1	1	80	10	18	28	8	63	82
Victory Trivalent International Small Cap	5.41	8.20	8.20	12.82	9.57	--	8.20	-0.20	32.98	24.32	-11.55	25.49	37.58
MSCI ACWI xUS Small (net)	<u>5.28</u>	<u>2.60</u>	<u>2.60</u>	<u>5.64</u>	<u>2.63</u>	<u>4.97</u>	<u>2.60</u>	<u>-4.03</u>	<u>19.73</u>	<u>18.52</u>	<u>-18.50</u>	<u>25.21</u>	<u>62.91</u>
Excess Return	0.13	5.60	5.60	7.18	6.94		5.60	3.83	13.25	5.80	6.95	0.28	-25.33
MSCI ACWI ex USA	3.24	-5.66	-5.66	1.50	1.06	2.92	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45
Foreign Small/Mid Growth MStar MF Rank	40	60	60	9	15	--	60	26	24	22	25	32	82
EuroPacific Growth R6	2.97	-0.48	-0.48	5.45	3.99	4.84	-0.48	-2.29	20.58	19.64	-13.31	9.76	39.35
MSCI ACWI ex USA	<u>3.24</u>	<u>-5.66</u>	<u>-5.66</u>	<u>1.50</u>	<u>1.06</u>	<u>2.92</u>	<u>-5.66</u>	<u>-3.87</u>	<u>15.29</u>	<u>16.83</u>	<u>-13.71</u>	<u>11.15</u>	<u>41.45</u>
Excess Return	-0.27	5.18	5.18	3.95	2.93	1.92	5.18	1.58	5.29	2.81	0.40	-1.39	-2.10
Foreign Large Blend MStar MF Rank	76	42	42	23	31	18	42	18	50	28	43	63	19
Berens Global Value Ltd	0.94	-8.84	-8.84	-1.58	-1.93	4.86	-8.84	-1.50	6.16	10.77	-14.07	20.68	43.00
MSCI ACWI ex USA	<u>3.24</u>	<u>-5.66</u>	<u>-5.66</u>	<u>1.50</u>	<u>1.06</u>	<u>2.92</u>	<u>-5.66</u>	<u>-3.87</u>	<u>15.29</u>	<u>16.83</u>	<u>-13.71</u>	<u>11.15</u>	<u>41.45</u>
Excess Return	-2.30	-3.18	-3.18	-3.08	-2.99	1.94	-3.18	2.37	-9.13	-6.06	-0.36	9.53	1.55
MSCI Emerging Markets	0.66	-14.92	-14.92	-6.76	-4.80	3.61	-14.92	-2.19	-2.60	18.23	-18.42	18.88	78.51
Commodities													
PIMCO CommoditiesPlus	-12.21	-28.24	-28.24	-18.99	-11.40	--	-28.24	-24.83	-1.43	5.18	-2.35	--	--
Bloomberg Commodity Index TR USD	<u>-10.52</u>	<u>-24.66</u>	<u>-24.66</u>	<u>-17.29</u>	<u>-13.47</u>	<u>-6.43</u>	<u>-24.66</u>	<u>-17.01</u>	<u>-9.52</u>	<u>-1.06</u>	<u>-13.32</u>	<u>16.83</u>	<u>18.91</u>
Excess Return	-1.69	-3.58	-3.58	-1.70	2.07		-3.58	-7.82	8.09	6.24	10.97		
Commodities Broad Basket MStar MF Rank	95	95	95	81	22	--	95	94	8	9	5	--	--

Spokane Employees' Retirement System

As of December 31, 2015

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Long Short/Special Opps Total													
Weatherlow Offshore	1.28	1.53	1.53	6.54	4.30	5.74	1.53	4.88	13.56	8.47	-5.89	9.69	20.99
HFRI Fund of Funds Composite Index	<u>0.73</u>	<u>-0.26</u>	<u>-0.26</u>	<u>3.95</u>	<u>2.10</u>	<u>2.27</u>	<u>-0.26</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>11.47</u>
Excess Return	0.55	1.79	1.79	2.59	2.20	3.47	1.79	1.52	4.60	3.68	-0.17	3.99	9.52
S&P 500	7.04	1.38	1.38	15.13	12.57	7.31	1.38	13.69	32.39	16.00	2.11	15.06	26.46
Orbimed Partners II	6.94	2.14	2.14	19.34	16.41	12.03	2.14	25.88	32.19	16.19	8.28	9.78	34.15
HFRI Fund of Funds Composite Index	<u>0.73</u>	<u>-0.26</u>	<u>-0.26</u>	<u>3.95</u>	<u>2.10</u>	<u>2.27</u>	<u>-0.26</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>11.47</u>
Excess Return	6.21	2.40	2.40	15.39	14.31	9.76	2.40	22.52	23.23	11.40	14.00	4.08	22.68
S&P Composite 1500 Health Care	9.04	7.41	7.41	23.99	20.34	10.94	7.41	24.79	42.19	18.35	11.88	5.20	20.76
S&P 500	7.04	1.38	1.38	15.13	12.57	7.31	1.38	13.69	32.39	16.00	2.11	15.06	26.46
TCM Partners	3.86	6.29	6.29	0.04	-4.96	--	6.29	-4.02	-1.84	-17.15	-6.55	13.44	35.59
HFRI Fund of Funds Composite Index	<u>0.73</u>	<u>-0.26</u>	<u>-0.26</u>	<u>3.95</u>	<u>2.10</u>	<u>2.27</u>	<u>-0.26</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>11.47</u>
Excess Return	3.13	6.55	6.55	-3.91	-7.06		6.55	-7.38	-10.80	-21.94	-0.83	7.74	24.12
S&P 500	7.04	1.38	1.38	15.13	12.57	7.31	1.38	13.69	32.39	16.00	2.11	15.06	26.46
Beach Point Select Fund	-1.43	2.58	2.58	6.77	--	--	2.58	2.35	15.93	17.58	--	--	--
HFRI Fund of Funds Composite Index	<u>0.73</u>	<u>-0.26</u>	<u>-0.26</u>	<u>3.95</u>	<u>2.10</u>	<u>2.27</u>	<u>-0.26</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>11.47</u>
Excess Return	-2.16	2.84	2.84	2.82			2.84	-1.01	6.97	12.79			
S&P 500	7.04	1.38	1.38	15.13	12.57	7.31	1.38	13.69	32.39	16.00	2.11	15.06	26.46
Real Estate													
SERS Principal Global Investors REIT	6.99	4.19	4.19	12.70	12.80	8.24	4.19	32.23	3.91	16.99	9.03	25.31	27.67
FTSE NAREIT All REIT	<u>7.13</u>	<u>2.29</u>	<u>2.29</u>	<u>10.31</u>	<u>11.59</u>	<u>6.88</u>	<u>2.29</u>	<u>27.15</u>	<u>3.21</u>	<u>20.14</u>	<u>7.28</u>	<u>27.58</u>	<u>27.45</u>
Excess Return	-0.14	1.90	1.90	2.39	1.21	1.36	1.90	5.08	0.70	-3.15	1.75	-2.27	0.22
DJ REIT Index	7.54	4.48	4.48	11.76	12.32	7.20	4.48	32.00	1.22	17.12	9.37	28.07	28.46
US Real Estate Equity Rank	69	54	54	39	60	55	54	37	26	87	72	81	74

Non-Marketable Securities Overview

As of December 31, 2015

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Legacy Partners Realty Fund III, LLC	2008	\$2,356,350	\$2,084,282	\$120,666	\$949,195	\$1,069,861	\$272,068	88.45%	-10.78

Time and Dollar Weighted Returns

Legacy Partners Realty Fund III, LLC	Q4-15	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Time Weighted	-28.67%	-26.87%	-26.87%	-13.17%	-2.98%	1.98%	7.04%
Dollar Weighted	-28.67%	-26.87%	-26.87%	-13.17%	-2.53%	2.44%	8.22%
NCREIF Property Index	2.91%	13.33%	13.33%	12.57%	12.04%	11.66%	12.18%

Legacy Partners Realty Fund III, LLC	2015	2014	2013	2012	2011	2010	Inception 5/31/08
Time Weighted	-26.87%	3.09%	21.14%	18.41%	29.91%	-99.80%	-74.06%
Dollar Weighted	-26.87%	3.09%	20.46%	18.35%	54.53%		-10.78%
NCREIF Property Index	13.33%	11.81%	10.99%	10.54%	14.26%	13.11%	5.84%

Effective 4Q2013, Legacy Partners reduced SERS commitment by \$143,650 due to increased Fund reserves.

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview

As of September 30, 2015

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Metropolitan Real Estate Partners V	2007	\$2,000,000	\$1,885,000	\$1,493,367	\$785,616	\$2,278,983	\$115,000	94.25%	3.97

Time and Dollar Weighted Returns

Metropolitan Real Estate Partners V	Q3-15	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Time Weighted	2.82%	11.32%	21.92%	19.33%	17.77%	16.21%	15.74%
Dollar Weighted	2.77%	11.05%	22.50%	19.08%	17.21%	15.46%	15.18%
NCREIF Property Index	3.09%	10.12%	13.47%	12.36%	11.90%	11.67%	12.55%

Metropolitan Real Estate Partners V	2014	2013	2012	2011	2010	2009	Inception 11/30/07
Time Weighted	20.70%	14.26%	13.32%	13.40%	7.07%	-24.81%	-5.59%
Dollar Weighted	19.67%	13.59%	13.15%	14.07%	8.78%	-25.69%	3.97%
NCREIF Property Index	11.81%	10.99%	10.54%	14.26%	13.11%	-16.86%	5.90%

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview
As of December 31, 2015

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Morrison Street Fund IV Q, LP	2012	\$5,200,000	\$5,038,214	\$3,923,595	\$2,905,700	\$6,829,295	\$161,786	96.89%	15.98

Time and Dollar Weighted Returns

Morrison Street Fund IV Q, LP	Q4-15	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	6.97%	18.03%	18.03%	18.40%	18.61%
Dollar Weighted	6.84%	17.41%	17.41%	18.33%	18.52%
NCREIF Property Index	2.91%	13.33%	13.33%	12.57%	12.04%

Morrison Street Fund IV Q, LP	2015	2014	2013	2012	Inception 7/1/12
Time Weighted	18.03%	18.77%	19.04%		19.71%
Dollar Weighted	17.41%	18.88%	18.85%		15.98%
NCREIF Property Index	13.33%	11.81%	10.99%	10.54%	11.76%

Contributions paid into Morrison Street Fund IV Q, LP are higher than what is reflected on the Manager statement. This is due to the interest charge of \$122,762.15 paid at the time of initial investment. Therefore the Unfunded Commitment also varies from the Manager statement.

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview

As of September 30, 2015

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Special Situations	Orbimed Royalty Opportunities	2011	\$5,000,000	\$5,000,000	\$1,469,838	\$4,450,151	\$5,919,989	\$0	100.00%	10.23

Time and Dollar Weighted Returns

Orbimed Royalty Opportunities	Q3-15	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	1.19%	7.43%	9.98%	9.03%	9.62%
Dollar Weighted	1.18%	7.48%	10.02%	9.51%	9.89%
S&P 500	-6.44%	-5.29%	-0.61%	9.09%	12.40%

Orbimed Royalty Opportunities	2014	2013	2012	2011	Inception 9/1/11
Time Weighted	9.99%	6.17%	12.99%		11.64%
Dollar Weighted	10.00%	6.90%	14.12%		10.23%
S&P 500	13.69%	32.39%	16.00%	2.11%	14.19%

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Non-Marketable Securities Overview

As of December 31, 2015

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Morrison Street Fund V, LP	2014	\$6,080,000	\$4,794,012	\$1,132,820	\$4,121,840	\$5,254,660	\$1,285,988	78.85%	9.97

Time and Dollar Weighted Returns

Morrison Street Fund V, LP	Q4-15	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	1.91%	11.89%	11.89%		
Dollar Weighted	1.90%	13.31%	13.31%		
NCREIF Property Index	2.91%	13.33%	13.33%	12.57%	12.04%

Morrison Street Fund V, LP	2015	2014	2013	2012	Inception 6/30/14
Time Weighted	11.89%				7.92%
Dollar Weighted	13.31%				9.97%
NCREIF Property Index	13.33%	11.81%	10.99%	10.54%	12.83%

Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Spokane Employees' Retirement System

As of December 31, 2015

Non-Marketable Securities Overview As of December 31, 2015

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Absolute Return	Orbimed Royalty Opportunities II	2015	\$5,000,000	\$305,000	\$43,848	\$305,286	\$349,134	\$4,695,000	6.10%	14.99

Time and Dollar Weighted Returns

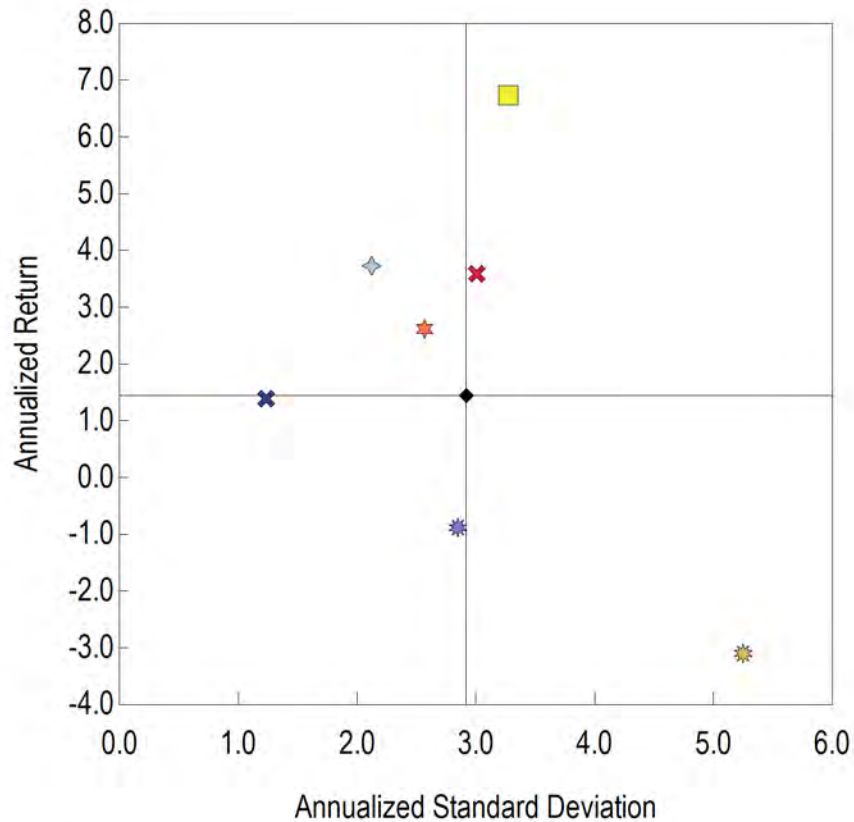
Orbimed Royalty Opportunities II	Q4-15	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	19.08%				
Dollar Weighted	17.61%				
HFRI FOF: Conservative Index	0.14%	0.51%	0.51%	1.82%	3.74%

Orbimed Royalty Opportunities II	2015	2014	2013	2012	Inception 4/1/15
Time Weighted					16.51%
Dollar Weighted					14.99%
HFRI FOF: Conservative Index	0.51%	3.14%	7.70%	4.22%	-1.38%

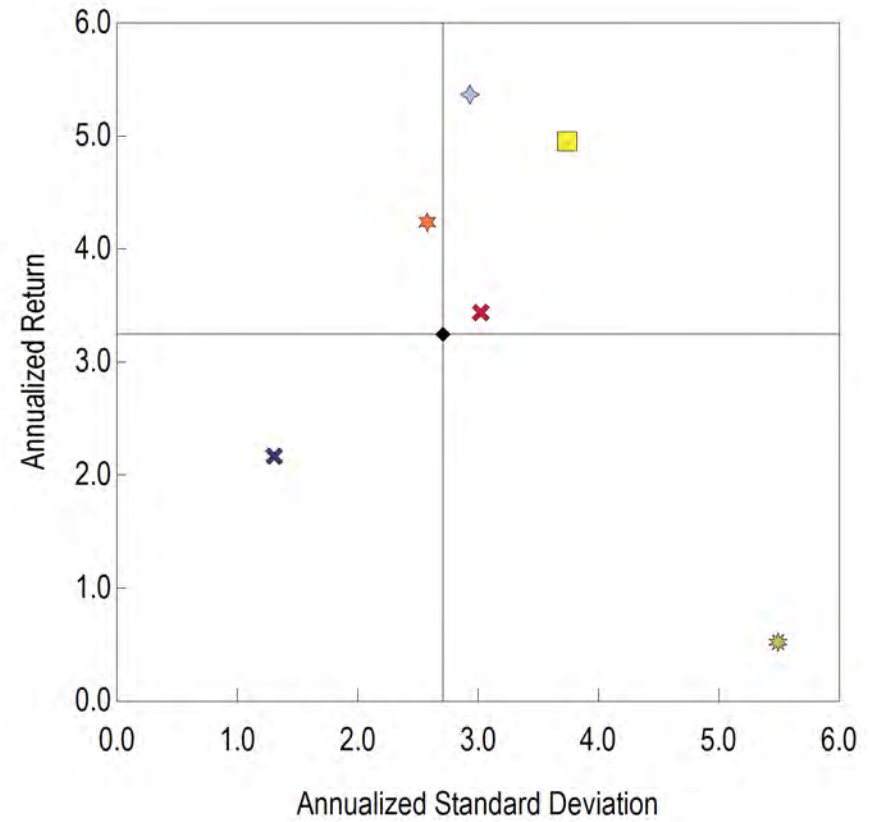
Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

Internal Rate of Return - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2015



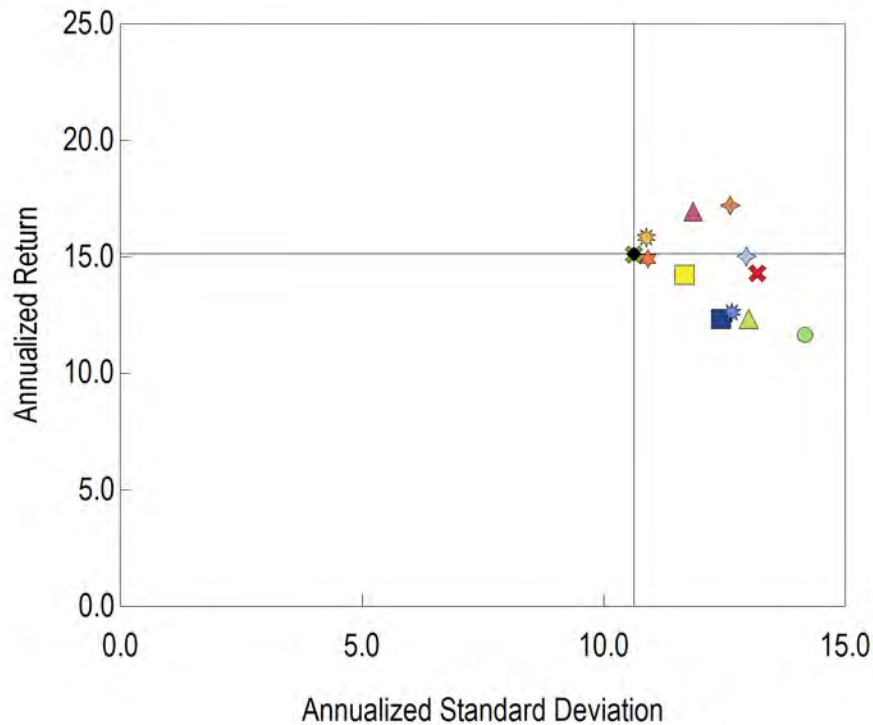
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2015



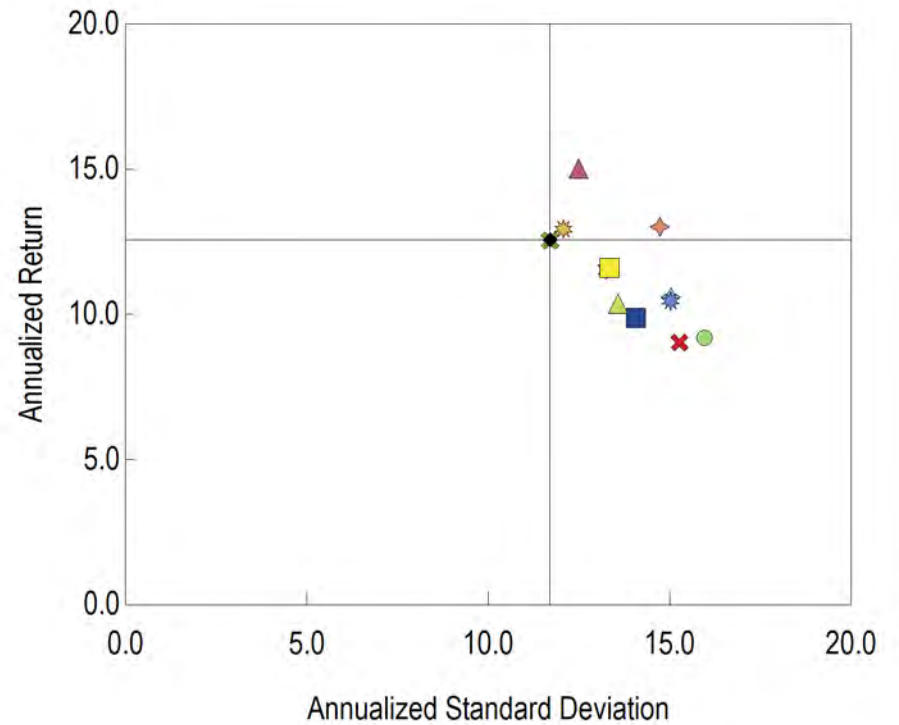
- ✕ Vanguard Short Term
- ✱ PIMCO Global Advantage Bond
- ◇ Post Lmtd Term High Yield
- ★ Rimrock Low Volatility Offshore
- Castine Partners II
- ✕ Altairis Offshore
- ✱ American Beacon Flex Bd Inst
- ◆ Barclays Aggregate

- ✕ Vanguard Short Term
- ✱ PIMCO Global Advantage Bond
- ◇ Post Lmtd Term High Yield
- ★ Rimrock Low Volatility Offshore
- Castine Partners II
- ✕ Altairis Offshore
- ◆ Barclays Aggregate

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2015



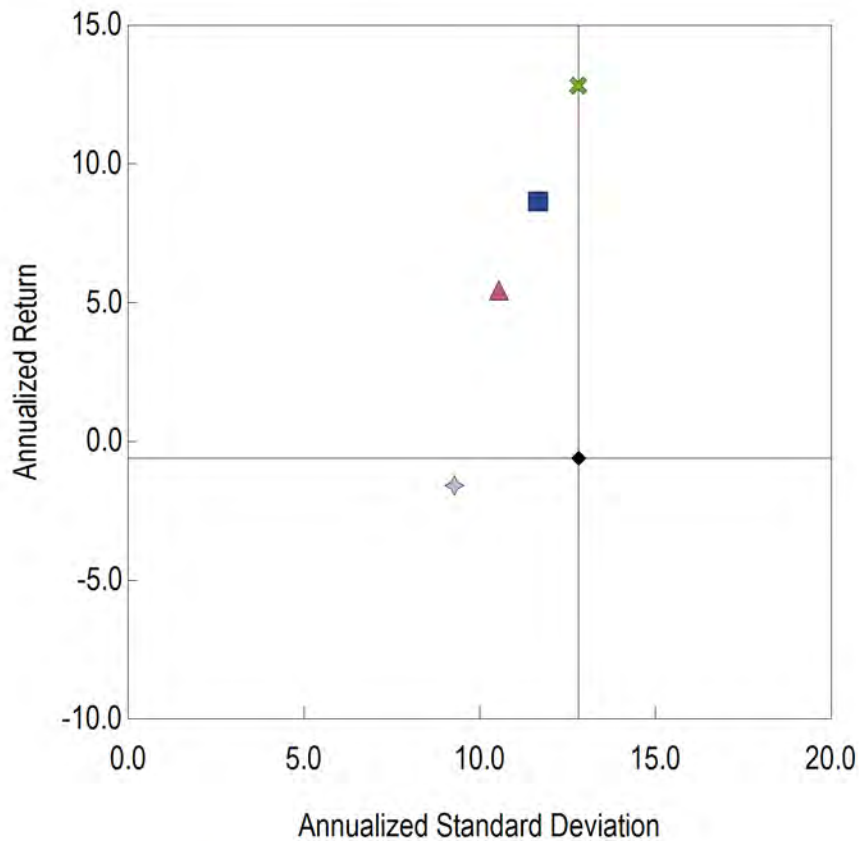
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2015



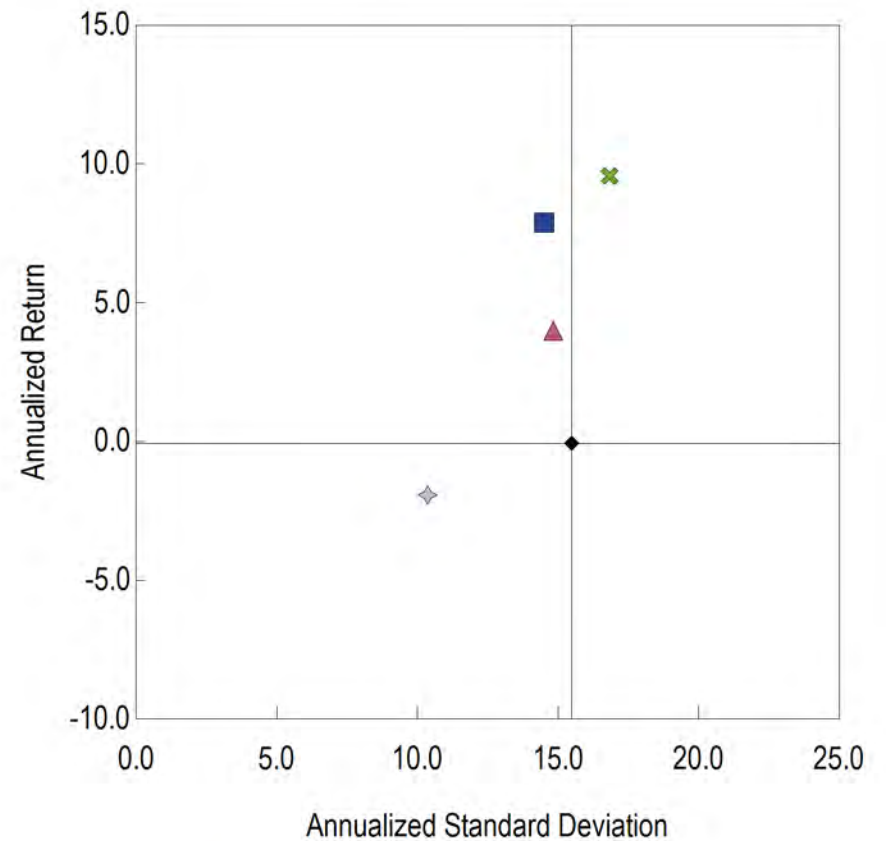
- Hotchkis & Wiley Diversified Value I
- ✱ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Delaware Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
- ★ Vanguard Mid Cap Index
- Vanguard Mid Cap Growth
- ✱ Frontegra Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500
- Russell 2000

- Hotchkis & Wiley Diversified Value I
- ✱ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Delaware Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
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- ✱ Frontegra Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500
- Russell 2000

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2015



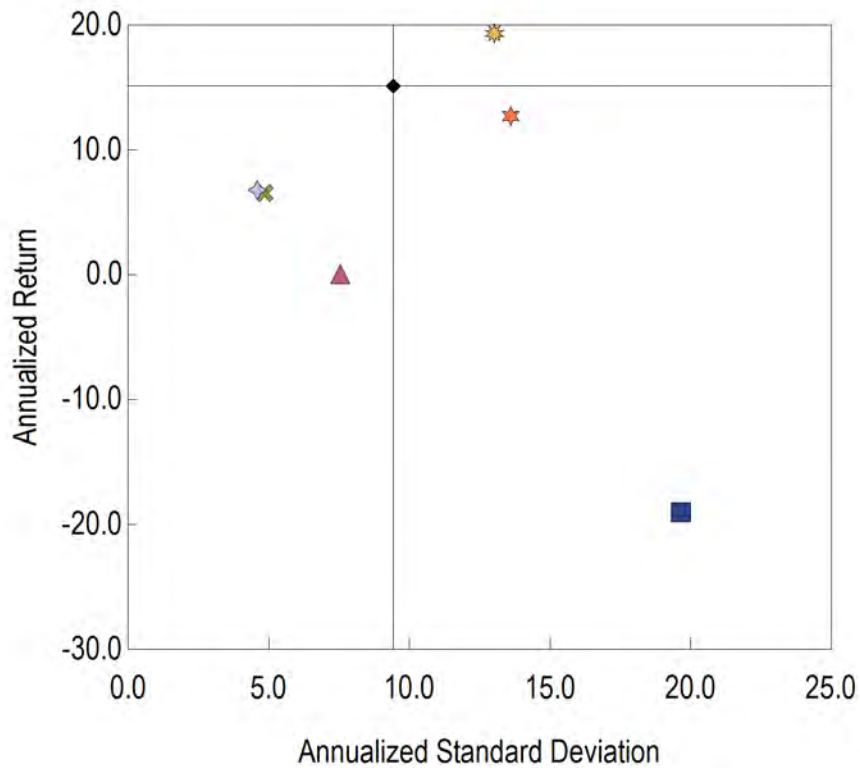
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2015



- Artisan International Value
- ✱ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA Value

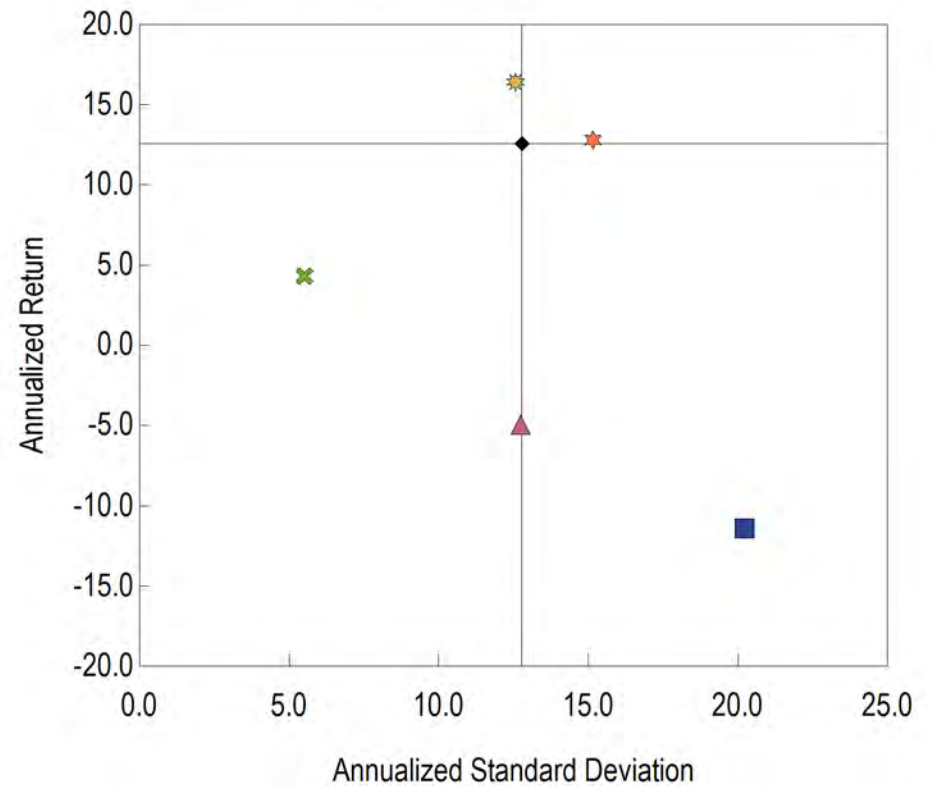
- Artisan International Value
- ✱ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA Value

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2015



- PIMCO CommoditiesPlus
- ✕ Weatherlow Offshore
- ☀ Orbimed Partners II
- ▲ TCM Partners
- ◆ Beach Point Select Fund
- ★ SERS Principal Global Investors REIT
- ◆ S&P 500

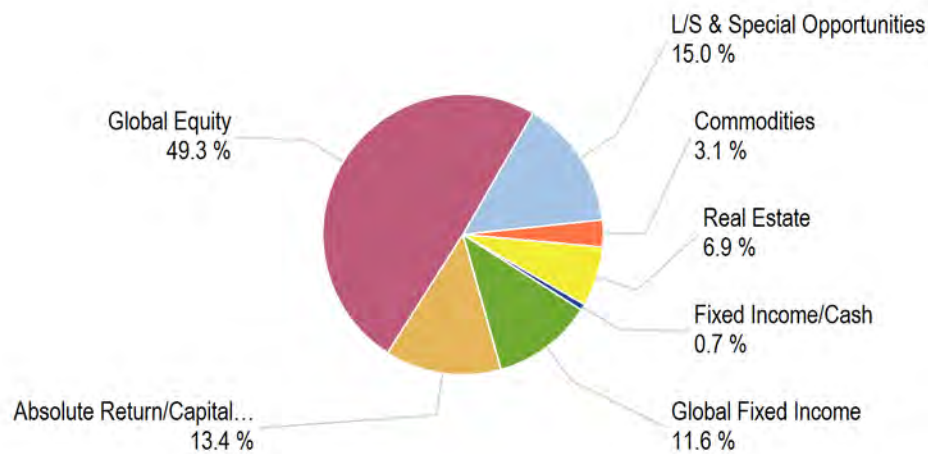
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2015



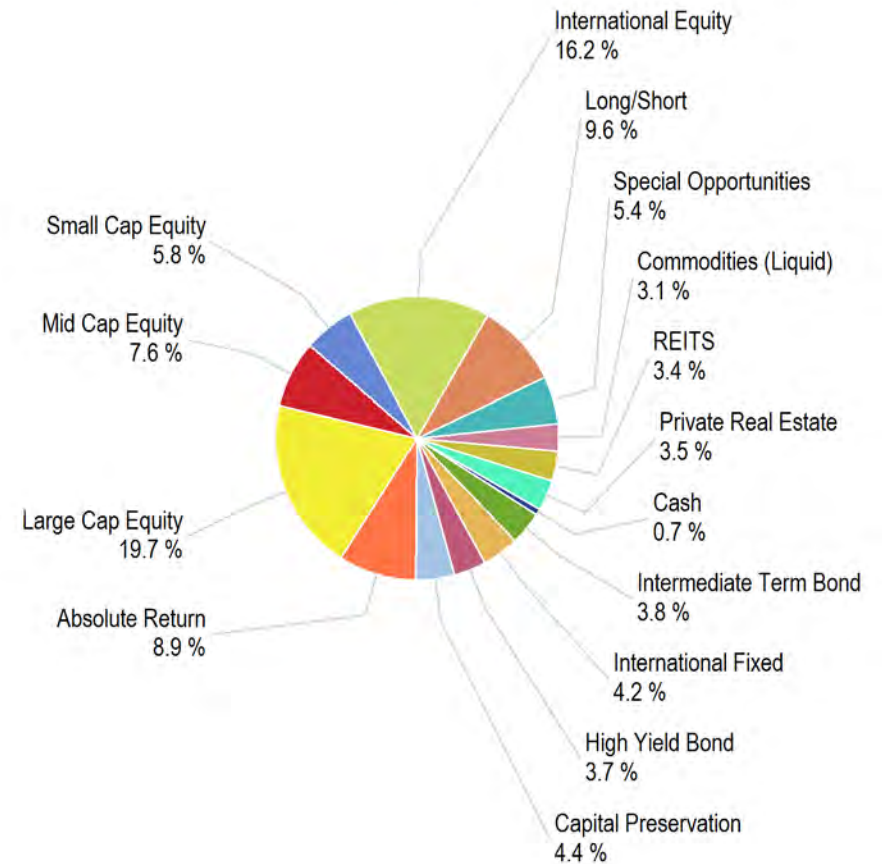
- PIMCO CommoditiesPlus
- ✕ Weatherlow Offshore
- ☀ Orbimed Partners II
- ▲ TCM Partners
- ★ SERS Principal Global Investors REIT
- ◆ S&P 500

Section 3

Current Allocation

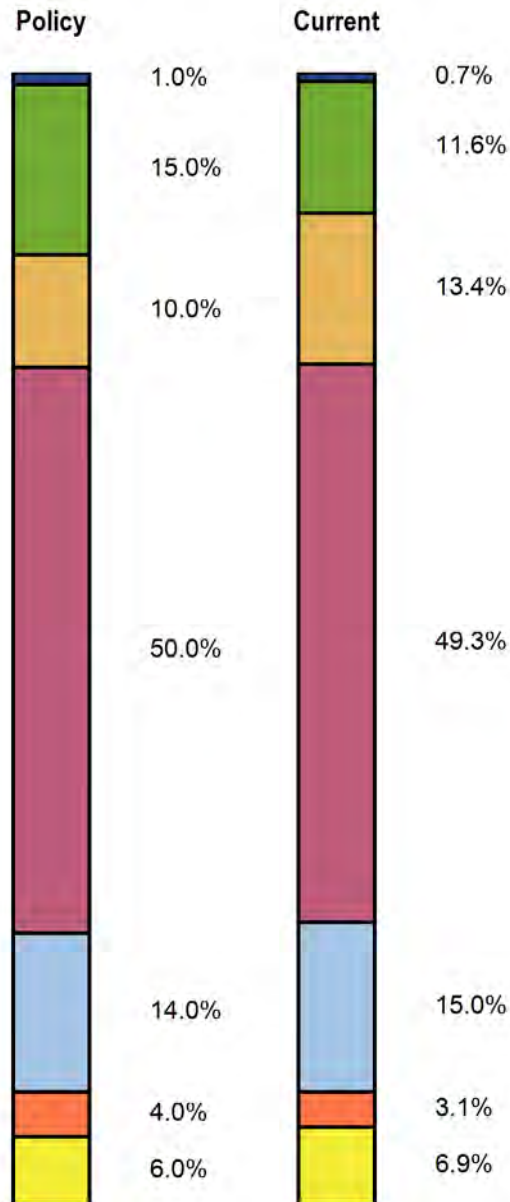


Current Implementation Allocation



Spokane Employees' Retirement System

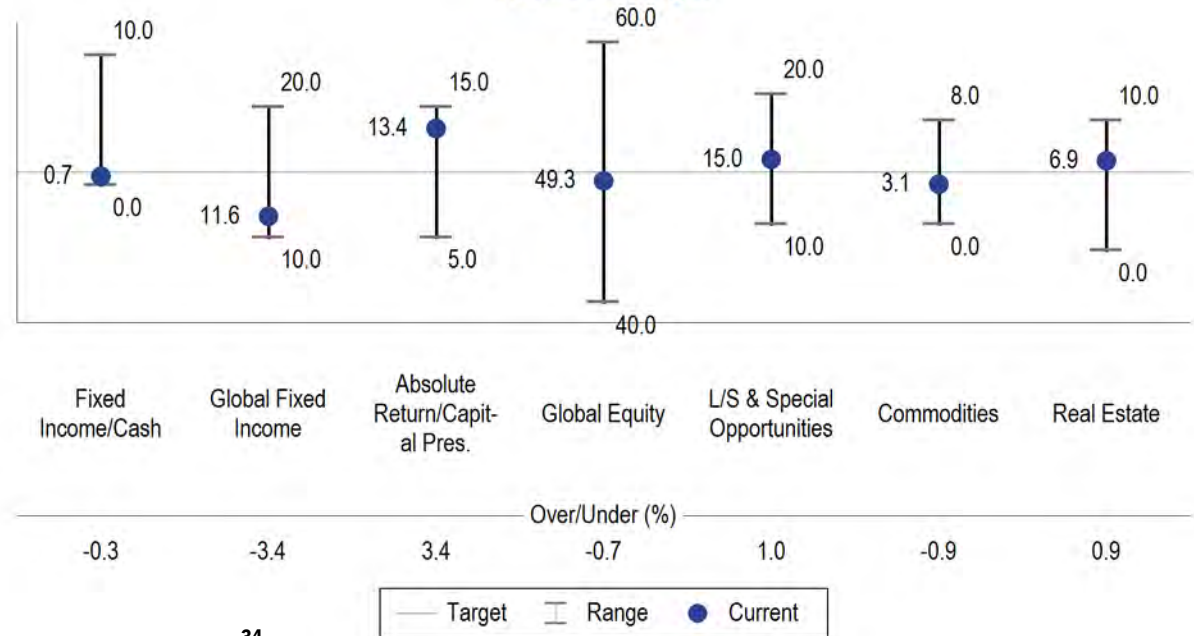
As of December 31, 2015



Asset Allocation vs. Target

	Inv Pol Stmt	%	Inv Pol Stmt Range	Current	%	Difference	%
Fixed Income/Cash	\$2,723,323	1.0%	0.0% - 10.0%	\$1,915,523	0.7%	-\$807,800	-0.3%
Global Fixed Income	\$40,849,843	15.0%	10.0% - 20.0%	\$31,636,872	11.6%	-\$9,212,970	-3.4%
Absolute Return/Capital Pres.	\$27,233,228	10.0%	5.0% - 15.0%	\$36,408,485	13.4%	\$9,175,257	3.4%
Global Equity	\$136,166,142	50.0%	40.0% - 60.0%	\$134,375,009	49.3%	-\$1,791,133	-0.7%
L/S & Special Opportunities	\$38,126,520	14.0%	10.0% - 20.0%	\$40,824,497	15.0%	\$2,697,977	1.0%
Commodities	\$10,893,291	4.0%	0.0% - 8.0%	\$8,412,201	3.1%	-\$2,481,091	-0.9%
Real Estate	\$16,339,937	6.0%	0.0% - 10.0%	\$18,759,697	6.9%	\$2,419,760	0.9%
Total	\$272,332,285	100.0%		\$272,332,285	100.0%		

Actual vs. Target



Spokane Employees' Retirement System

As of December 31, 2015



Asset Allocation on December 31, 2015

	Actual \$	Actual %	Target %
Cash	\$1,915,523	0.7%	1.0%
Intermediate Term Bond	\$10,226,632	3.8%	5.0%
International Fixed	\$11,374,492	4.2%	5.0%
High Yield Bond	\$10,035,748	3.7%	5.0%
Capital Preservation	\$12,071,843	4.4%	5.0%
Absolute Return	\$24,336,642	8.9%	5.0%
Large Cap Equity	\$53,657,375	19.7%	20.0%
Mid Cap Equity	\$20,751,841	7.6%	8.0%
Small Cap Equity	\$15,734,781	5.8%	5.0%
International Equity	\$44,231,012	16.2%	17.0%
Long/Short	\$26,214,059	9.6%	9.0%
Special Opportunities	\$14,610,438	5.4%	5.0%
Commodities (Liquid)	\$8,412,201	3.1%	4.0%
REITS	\$9,312,614	3.4%	3.0%
Private Real Estate	\$9,447,083	3.5%	3.0%
Total	\$272,332,285	100.0%	100.0%

Spokane Employees' Retirement System

As of December 31, 2015

Asset Allocation vs. Target

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Fixed Income/Cash	\$2,723,323	1.0%	0.0% - 10.0%	\$1,915,523	0.7%	-\$807,800	-0.3%	Yes
Cash	\$2,723,323	1.0%	0.0% - 3.0%	\$1,915,523	0.7%	-\$807,800	-0.3%	Yes
Fidelity Instl Money Market				\$1,915,523	0.7%			
Global Fixed Income	\$40,849,843	15.0%	10.0% - 20.0%	\$31,636,872	11.6%	-\$9,212,970	-3.4%	Yes
Intermediate Term Bond	\$13,616,614	5.0%	0.0% - 10.0%	\$10,226,632	3.8%	-\$3,389,982	-1.2%	Yes
Vanguard Short-Term				\$10,226,632	3.8%			
International Fixed	\$13,616,614	5.0%	0.0% - 10.0%	\$11,374,492	4.2%	-\$2,242,123	-0.8%	Yes
PIMCO Global Adv Bond				\$11,374,492	4.2%			
High Yield Bond	\$13,616,614	5.0%	0.0% - 10.0%	\$10,035,748	3.7%	-\$3,580,866	-1.3%	Yes
Hotchkis & Wiley High Yield				\$10,035,748	3.7%			
Absolute Return/Capital Pres.	\$27,233,228	10.0%	5.0% - 15.0%	\$36,408,485	13.4%	\$9,175,257	3.4%	Yes
Capital Preservation	\$13,616,614	5.0%	0.0% - 10.0%	\$12,071,843	4.4%	-\$1,544,771	-0.6%	Yes
Castine Partners				\$6,126,527	2.2%			
Altairis Offshore				\$5,945,316	2.2%			
Absolute Return	\$13,616,614	5.0%	0.0% - 10.0%	\$24,336,642	8.9%	\$10,720,028	3.9%	Yes
Post Lmted Term High Yield				\$5,515,222	2.0%			
Rimrock Low Volatility Offshore				\$8,837,463	3.2%			
Amer Beacon Flexible Bond Inst				\$9,678,672	3.6%			
OrbiMed Royalty Opps II				\$305,286	0.1%			

Spokane Employees' Retirement System

As of December 31, 2015

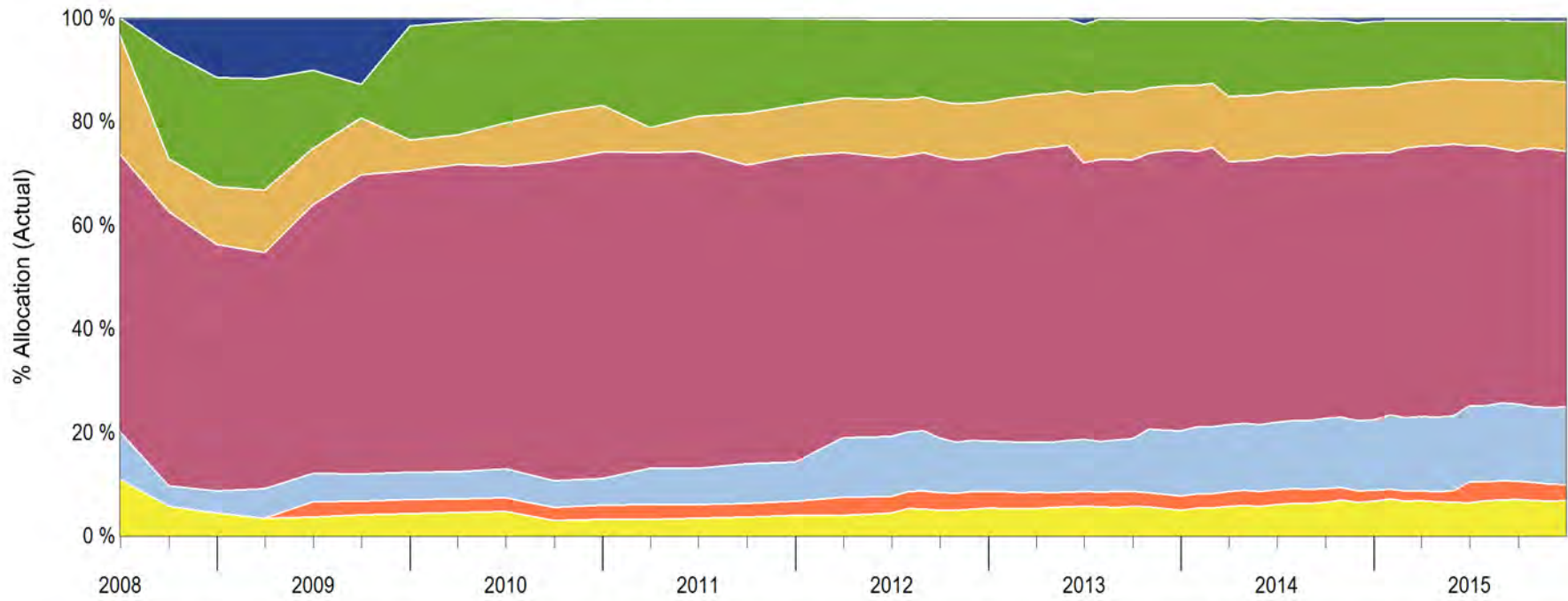
	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Global Equity	\$136,166,142	50.0%	40.0% - 60.0%	\$134,375,009	49.3%	-\$1,791,133	-0.7%	Yes
Large Cap Equity	\$54,466,457	20.0%	10.0% - 30.0%	\$53,657,375	19.7%	-\$809,082	-0.3%	Yes
Hotchkis & Wiley Div Value I				\$14,207,862	5.2%			
Vanguard Institutional Index				\$7,988,878	2.9%			
MFS Blended Research Core				\$16,426,339	6.0%			
Delaware Large Cap Growth Equity				\$15,034,295	5.5%			
Mid Cap Equity	\$21,786,583	8.0%	0.0% - 20.0%	\$20,751,841	7.6%	-\$1,034,742	-0.4%	Yes
Sterling Mid Cap Value				\$7,997,426	2.9%			
Vanguard Mid Cap Index				\$5,087,493	1.9%			
Vanguard Mid Cap Growth				\$7,666,922	2.8%			
Small Cap Equity	\$13,616,614	5.0%	0.0% - 15.0%	\$15,734,781	5.8%	\$2,118,167	0.8%	Yes
Vanguard Small Cap Index				\$2,289,114	0.8%			
Champlain Small Cap				\$4,865,051	1.8%			
Bridge City Small Growth				\$4,564,763	1.7%			
Frontier Sm Cap Value I				\$4,015,853	1.5%			
International Equity	\$46,296,488	17.0%	5.0% - 25.0%	\$44,231,012	16.2%	-\$2,065,476	-0.8%	Yes
Vanguard International Index				\$0	0.0%			
Victory Trivalent International Small Cap				\$8,604,385	3.2%			
EuroPacific Growth R6				\$11,908,157	4.4%			
Berens Global Value				\$9,346,984	3.4%			
Artisan Int'l Value				\$14,371,486	5.3%			

Spokane Employees' Retirement System

As of December 31, 2015

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
L/S & Special Opportunities	\$38,126,520	14.0%	10.0% - 20.0%	\$40,824,497	15.0%	\$2,697,977	1.0%	Yes
Long/Short	\$24,509,906	9.0%	0.0% - 20.0%	\$26,214,059	9.6%	\$1,704,153	0.6%	Yes
Weatherlow Offshore				\$14,475,503	5.3%			
TCM Partners				\$4,101,535	1.5%			
Beach Point Select Fund Ltd				\$7,637,021	2.8%			
Special Opportunities	\$13,616,614	5.0%	0.0% - 15.0%	\$14,610,438	5.4%	\$993,824	0.4%	Yes
OrbiMed Partners II				\$10,260,009	3.8%			
OrbiMed Royalty Opps				\$4,350,429	1.6%			
Commodities	\$10,893,291	4.0%	0.0% - 8.0%	\$8,412,201	3.1%	-\$2,481,091	-0.9%	Yes
Commodities (Liquid)	\$10,893,291	4.0%	0.0% - 10.0%	\$8,412,201	3.1%	-\$2,481,091	-0.9%	Yes
Pimco CommoditiesPlus Strat Fd				\$8,412,201	3.1%			
Real Estate	\$16,339,937	6.0%	0.0% - 10.0%	\$18,759,697	6.9%	\$2,419,760	0.9%	Yes
REITS	\$8,169,969	3.0%	0.0% - 10.0%	\$9,312,614	3.4%	\$1,142,645	0.4%	Yes
Principal Global Investors REIT				\$9,312,614	3.4%			
Private Real Estate	\$8,169,969	3.0%	0.0% - 10.0%	\$9,447,083	3.5%	\$1,277,115	0.5%	Yes
Legacy Partners Realty III				\$949,195	0.3%			
Morrison Street Fund IV				\$2,943,525	1.1%			
Metropolitan Realty V				\$668,162	0.2%			
Morrison Street Fund V				\$4,886,202	1.8%			
Total	\$272,332,285	100.0%		\$272,332,285	100.0%			

Asset Allocation History
7 Years 6 Months Ending December 31, 2015

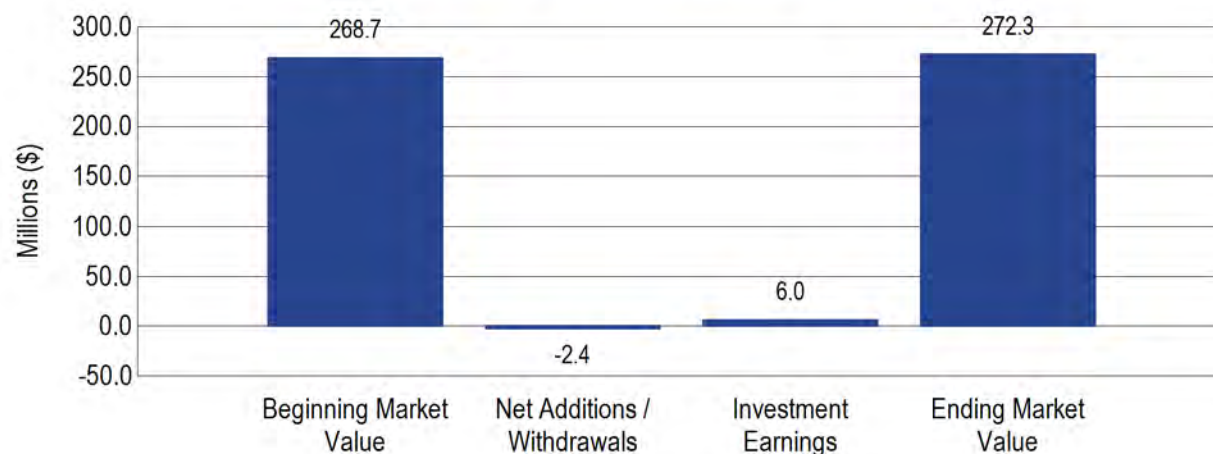


6.4	11.5	11.7	10.1	12.8	1.5	0.8	0.2	0.5	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.4	0.1	0.5	0.7	0.5	0.6	0.7	0.7
20.8	21.0	21.4	15.2	6.5	22.0	21.8	20.1	17.8	16.8	21.2	19.0	18.4	16.9	15.2	15.5	15.8	15.9	14.4	13.6	13.9	12.7	14.8	14.1	13.3	12.7	11.7	11.4	11.6	11.6	
10.2	11.2	12.1	10.8	11.0	6.0	5.7	8.3	9.3	8.9	4.8	6.8	10.0	9.7	10.6	11.1	10.8	10.8	10.4	13.2	13.2	12.5	12.5	12.4	12.7	12.6	12.5	12.7	13.5	13.4	
52.9	47.6	45.6	51.8	57.7	58.2	59.3	58.4	61.7	63.0	60.9	61.1	57.6	59.1	54.9	53.8	54.3	54.6	56.7	53.4	53.8	54.1	50.7	51.5	50.8	51.6	52.1	50.2	48.7	49.3	
4.0	4.2	5.6	5.4	5.2	5.2	5.2	5.6	5.2	5.2	7.0	7.1	7.6	7.5	11.5	11.6	10.5	9.8	9.7	10.1	10.1	12.7	13.0	13.0	13.6	13.6	14.3	14.7	14.9	15.0	
--	--	0.0	3.0	2.7	2.8	2.6	2.6	2.5	2.7	2.8	2.6	2.6	2.7	3.5	3.2	3.4	3.2	3.1	2.8	2.9	2.7	2.8	2.9	2.6	2.0	1.9	4.1	3.6	3.1	
5.7	4.5	3.5	3.7	4.1	4.3	4.6	4.8	3.0	3.3	3.3	3.5	3.7	4.1	4.1	4.4	5.1	5.4	5.4	5.8	5.8	5.0	5.8	6.1	6.6	6.8	6.9	6.4	7.1	6.9	

- Fixed Income/Cash
- Global Fixed Income
- Absolute Return/Capital Pres.
- Global Equity
- L/S & Special Opportunities
- Commodities
- Real Estate

Section 4

**Change in Market Value
From October 1, 2015 To December 31, 2015**



Cash Flow Summary

	Beginning Market Value \$	Withdrawals \$	Contributions \$	Net Cash Flow \$	Net Investment Change \$	Ending Market Value \$
Altairis Offshore	5,807,785	0	0	0	137,532	5,945,316
Amer Beacon Flexible Bond Inst	9,665,516	0	0	0	13,155	9,678,672
Artisan Int'l Value	13,938,111	0	0	0	433,375	14,371,486
Beach Point Select Fund Ltd	7,765,773	0	0	0	-128,752	7,637,021
Berens Global Value	9,268,927	0	0	0	78,057	9,346,984
Bridge City Small Growth	4,469,065	-225,000	0	-225,000	320,698	4,564,763
Castine Partners	5,900,458	0	0	0	226,069	6,126,527
Champlain Small Cap	4,602,081	0	0	0	262,970	4,865,051
Delaware Large Cap Growth Equity	14,386,663	-600,000	0	-600,000	1,247,632	15,034,295
EuroPacific Growth R6	11,564,381	0	0	0	343,776	11,908,157
Fidelity Instl Money Market	1,830,808	-1,896,896	1,980,673	83,778	938	1,915,523
Frontier Sm Cap Value I	4,162,860	-225,000	0	-225,000	77,993	4,015,853
Hotchkis & Wiley Div Value I	14,237,912	-400,000	0	-400,000	369,950	14,207,862

Spokane Employees' Retirement System

As of December 31, 2015

	Beginning Market Value \$	Withdrawals \$	Contributions \$	Net Cash Flow \$	Net Investment Change \$	Ending Market Value \$
Hotchkis & Wiley High Yield	10,367,770	0	0	0	-332,021	10,035,748
Legacy Partners Realty III	1,330,712	0	0	0	-381,517	949,195
Metropolitan Realty V	816,986	-173,117	0	-173,117	24,292	668,162
MFS Blended Research Core	15,425,700	0	0	0	1,000,639	16,426,339
Morrison Street Fund IV	3,084,108	-332,209	0	-332,209	191,626	2,943,525
Morrison Street Fund V	5,031,024	-235,991	0	-235,991	91,169	4,886,202
OrbiMed Partners II	9,593,674	0	0	0	666,335	10,260,009
OrbiMed Royalty Opps	4,450,151	-99,724	0	-99,724	2	4,350,429
OrbiMed Royalty Opps II	298,411	-43,848	0	-43,848	50,723	305,286
Pimco CommoditiesPlus Strat Fd	9,581,899	0	0	0	-1,169,698	8,412,201
PIMCO Global Adv Bond	11,319,432	0	0	0	55,060	11,374,492
Post Lmted Term High Yield	5,549,822	0	0	0	-34,601	5,515,222
Principal Global Investors REIT	8,701,276	0	0	0	611,338	9,312,614
Rimrock Low Volatility Offshore	9,037,506	0	0	0	-200,043	8,837,463
Sterling Mid Cap Value	7,680,727	0	0	0	316,699	7,997,426
TCM Partners	3,948,903	0	0	0	152,632	4,101,535
Vanguard Institutional Index	7,463,041	0	0	0	525,837	7,988,878
Vanguard International Index	858,462	-895,783	0	-895,783	37,320	0
Vanguard Mid Cap Growth	7,480,375	0	0	0	186,547	7,666,922
Vanguard Mid Cap Index	4,918,458	0	0	0	169,036	5,087,493
Vanguard Short-Term	9,469,270	0	785,167	785,167	-27,804	10,226,632
Vanguard Small Cap Index	2,219,951	0	0	0	69,163	2,289,114
Victory Trivalent International Small Cap	8,163,100	0	0	0	441,284	8,604,385
Weatherlow Offshore	14,301,201	0	0	0	174,302	14,475,503
Total	268,692,298	-5,127,567	2,765,840	-2,361,727	6,001,714	272,332,285