

Spokane Employees' Retirement System

March 31, 2017 Performance Report

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Section 1



SHRINKING UNIVERSE

Per the “Big Bang” theory, the universe we live in was born some 13.8 billion years ago and has been expanding ever since. What is quite clear is that the physical laws of cosmology do not apply to the US public equity markets. The universe of domestic public companies is shrinking. The number of US-listed (public) companies peaked at just over 9,000 in 1997 and has since declined by over 3,000 companies. Today there are fewer than 6,000 listed companies, despite a US economy (as measured by GDP) that has more than doubled in size over the same period. So why has the number of public companies continued to shrink and what is the impact on average investors?

The increase of private market investment capital has had a significant impact on public equity markets. A broad range of investors have become increasingly comfortable investing in private companies and accepting lower levels of liquidity in pursuit of higher returns. From the largest sovereign wealth funds to high-net-worth individual investors, we’ve seen a proliferation of private market investment capital. The increased popularity of private equity fund-of-funds (FOFs) has allowed smaller, less sophisticated investors to participate in this asset class in a diversified fashion and the development of secondary markets has provided for enhanced liquidity leading to more capital inflows. This has led to increased competition for corporate equity financing and with more private capital available, less demand for public capital. In addition, many smaller companies are delaying or skipping going public due to high regulatory costs and potential disclosure of information that may place them at a competitive disadvantage.

At the same time, the number of companies leaving the public ranks through mergers and acquisitions as well as leveraged buyouts stands near all-time highs. A combination of historically low interest rates and anemic economic growth have served as catalysts for consolidation. In many cases, public company managements are under significant pressure to generate growth despite a stubbornly sluggish economy. In this environment, many companies are looking to grow via acquisitions and historically low interest rates make debt financing highly attractive.

The exact impact on average investor returns is hard to quantify, but intuitively they are being excluded from participating in a great number of companies that are often in the prime stages of value creation. The equity market would appear to be less democratized, increasingly resulting in two classes of investors, institutional and individual, with different levels of access and opportunity.

GLOBAL ECONOMIC LANDSCAPE

- The Federal Reserve raised short-term rates an additional 0.25% in March and has indicated that it will continue to raise rates throughout 2017.
- March economic data painted a mixed picture. The US economy added fewer jobs than expected while the unemployment rate plunged to new lows. Payrolls grew by 98,000, well below the 180,000 expected in March and reported job gains of 219,000 in February. The unemployment rate, however, plunged to 4.5%, a new post-crisis low and the lowest in nearly 10 years.

- Headline inflation, which includes food and energy, continued its strong upward trend to a year-over-year (YOY) increase of 2.8% as of February 2017, boosted largely by the rebound in energy prices. Core inflation on the other hand remains largely range-bound at 2.2%.
- The spread between hard and soft (consumer sentiment) US economic data is at record levels. Investor sentiment has skyrocketed in advance of any hard-economic data support to-date. The actual pace of policy change relative to expectations is likely to disappoint such lofty sentiment.
- The US central bank holds nearly \$4.5 trillion in bonds on its balance sheet most of which were acquired during an attempt at quantitative easing following the financial crisis in 2008. Fed officials are on record stating the reduction of this balance sheet will begin in 2017. This reduction is generally expected to put downward pressure on bond prices and upward pressure on interest rates.
- Consumer balance sheets remain very strong. Household average net worth stands at the highest level on record and household debt service levels are at 35 year lows.
- Europe is looking at a political “super cycle” in 2017 which will likely determine the fate of the European Union (EU) as we know it. The Netherlands’ pro-EU party won in March elections, with pro-EU parties looking to have the upper hand in upcoming elections across France and Germany. Italy appears to be the primary wild card. With a weak economy and a current governing party at risk of splitting up, anti-EU sentiment continues to grow.
- Manufacturing purchasing manager indices in the Eurozone reached near six-year highs. Strong gains in employment and new orders reflect strong growth momentum.

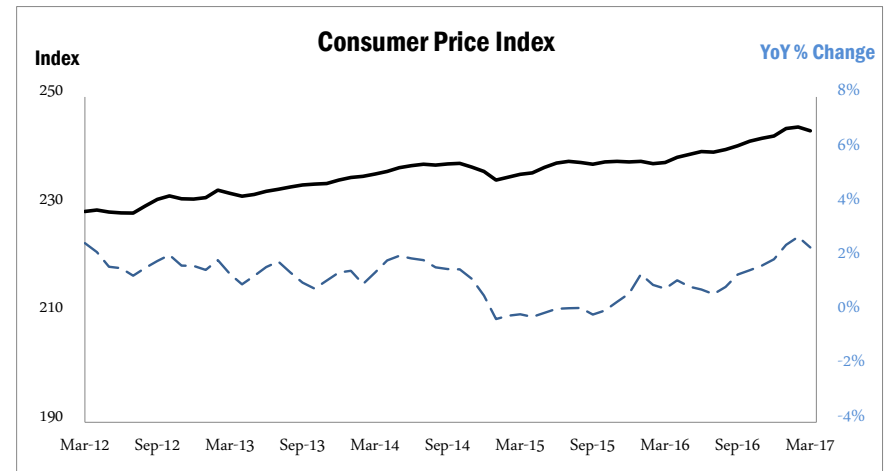
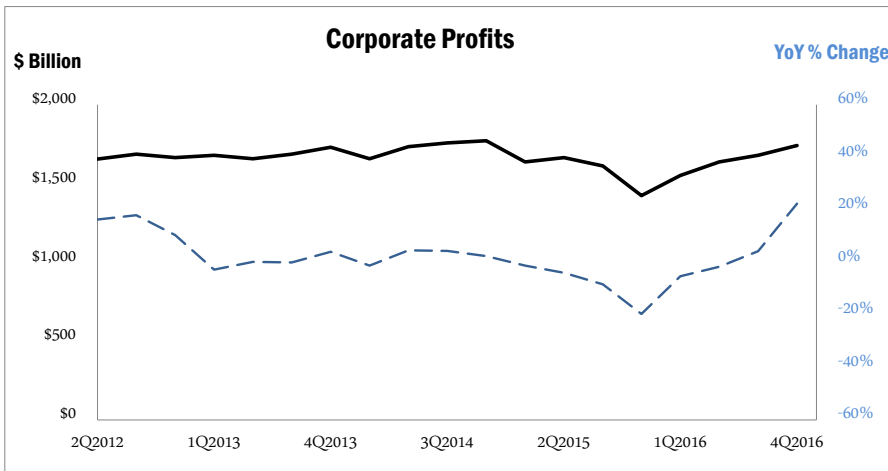
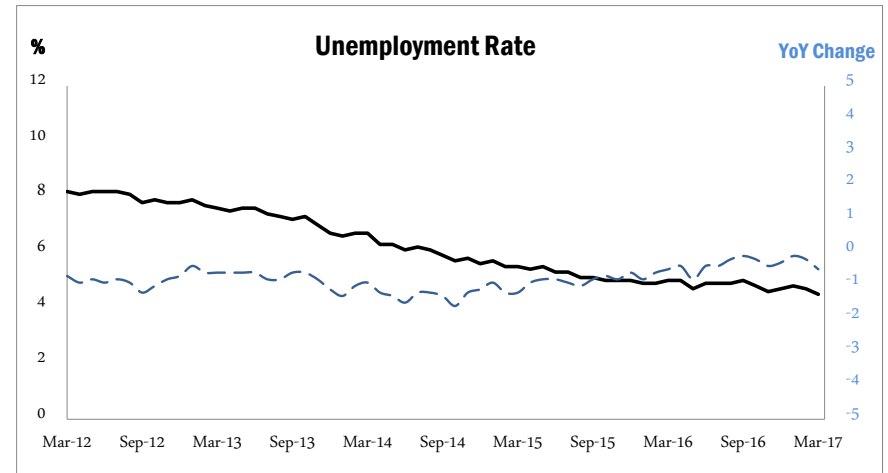
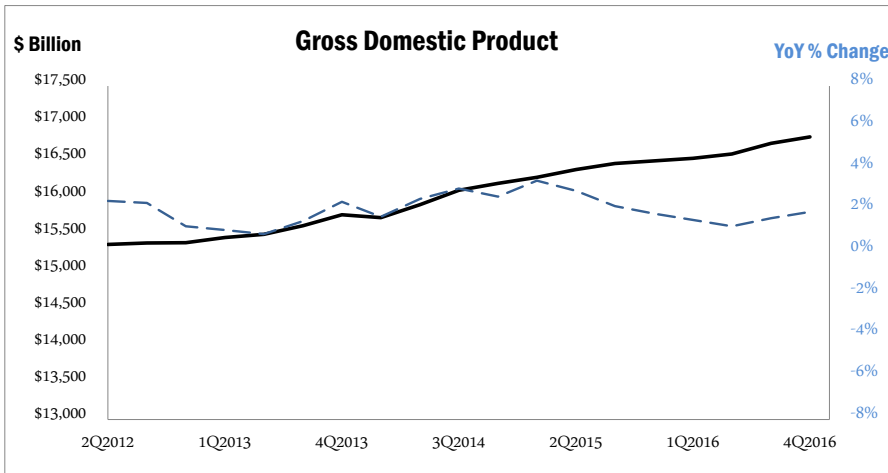
GLOBAL FINANCIAL MARKETS

- Domestic equity markets moved steadfastly forward in 1Q17. Since the market low in March of 2009, large cap stocks are up 314%. An impressive number for sure, but small cap stocks are up 351% and mid cap stocks up nearly 380%. These returns have taken us nearly 90% above the October 2007 peak market valuations.
- The first quarter of 2017 brought several sharp market reversals. Domestic growth stocks handily outperformed value stocks and large company stocks turned the tables on small company stocks.
- Domestic equity valuations appear lofty by most measures. Domestic small, mid and large cap stocks are currently all trading at roughly 120% of their 15-year average P/E.
- Volatility remains at historically low levels. The Chicago Board Options Exchange volatility index, or VIX, continues to be anchored at low levels and the S&P 500 has not swung 1% intraday for nearly 60 days, the longest trend in 35 years.
- Developed international markets posted strong returns as France, Germany and Asia ex-Japan all outperformed domestic markets. Emerging equity markets stole the show, returning 11.5% for the quarter. China, India and Brazil all turned in double digit returns.
- In contrast to domestic markets, international markets are generally trading at or below long-term valuations. It is also important to note that domestic valuations are priced off peak earnings while Europe and emerging markets are reflective of earnings well off their historical peaks.

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1Q2017 Economic Data



Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	98,000	423,000	24,000	204,267	Mar-17
Unemployment Rate	4.5%	8.2%	4.5%	6.2%	Mar-17
Median Unemployment Length (Weeks)	11.6	22.3	8.3	14.1	Mar-17
Average Hourly Earnings	\$26.14	\$26.14	\$23.40	\$24.66	Mar-17

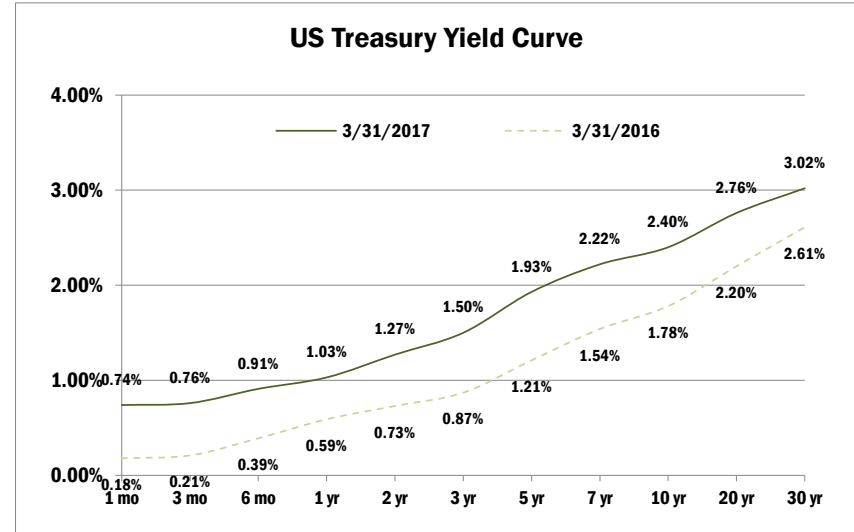
Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.36	\$3.89	\$1.79	-39.5%	Mar-17
Spot Oil	\$49.33	\$106.57	\$30.32	-53.7%	Mar-17
Case-Shiller Home Price Index	195.5	195.5	137.1	42.6%*	Jan-17
Medical Care CPI	473.4	473.4	411.4	15.1%*	Mar-17

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

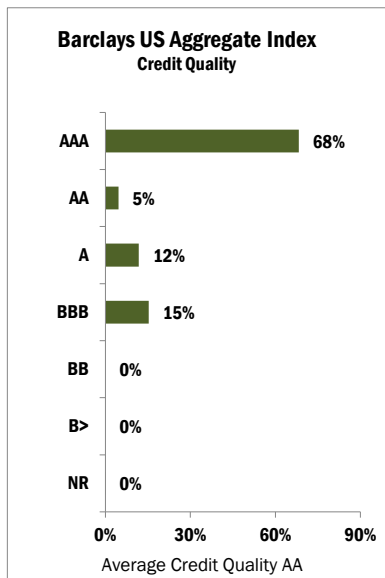
*% Off Low

1Q2017 Bond Market Data

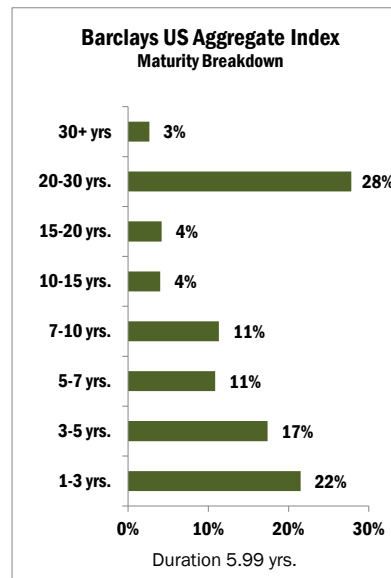
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.09%	0.09%	0.28%	0.13%	0.11%	0.67%
Barclays US Aggregate	0.82%	0.82%	0.44%	2.68%	2.34%	4.27%
Barclays Short US Treasury	0.12%	0.12%	0.46%	0.27%	0.23%	0.88%
Barclays Int. US Treasury	0.54%	0.54%	-0.72%	1.57%	1.24%	3.40%
Barclays Long US Treasury	1.40%	1.40%	-5.00%	5.83%	4.04%	6.71%
Barclays US TIPS	1.26%	1.26%	1.48%	2.03%	0.97%	4.24%
Barclays US Credit	1.30%	1.30%	2.96%	3.52%	3.70%	5.29%
Barclays US Mortgage-Backed	0.47%	0.47%	0.17%	2.69%	2.04%	4.16%
Barclays US Asset-Backed	0.54%	0.54%	1.20%	1.72%	1.64%	2.93%
Barclays US 20-Yr Municipal	1.50%	1.50%	0.04%	4.58%	4.12%	4.93%
Barclays US High Yield	2.70%	2.70%	16.39%	4.56%	6.82%	7.46%
Barclays Global	1.76%	1.76%	-1.90%	-0.39%	0.38%	3.34%
Barclays International	2.48%	2.48%	-3.93%	-2.68%	-1.13%	2.58%
Barclays Emerging Market	3.28%	3.28%	8.58%	5.41%	5.24%	6.83%



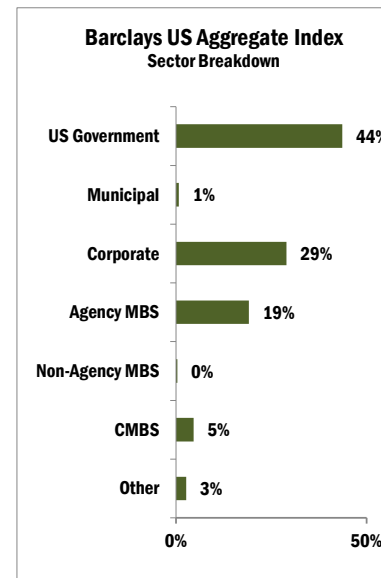
Source: Department of US Treasury



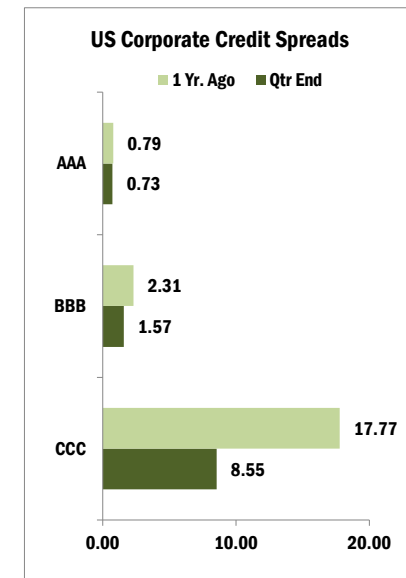
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

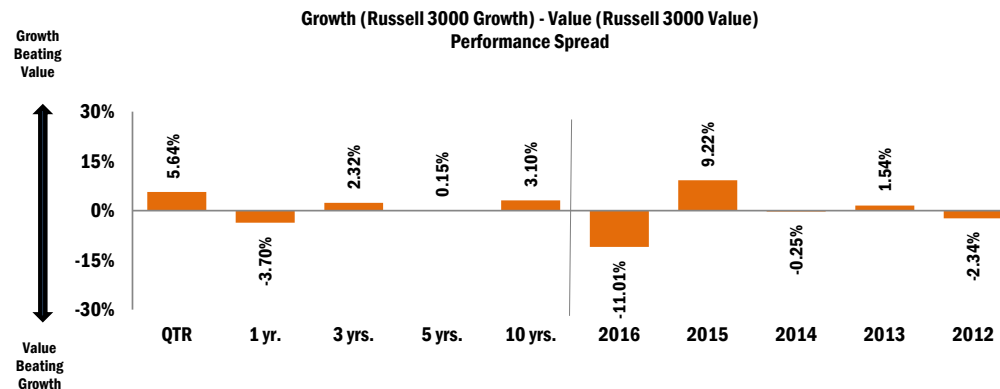
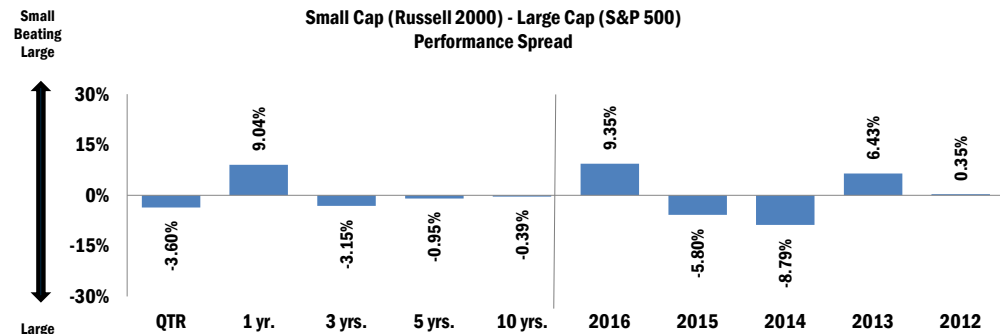
1Q2017 US Equity Market Data

Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	Performance	
			QTR	1 Yr.
S&P 500 Index	22%	Information Technology	12.57%	24.91%
	12%	Consumer Discretionary	8.45%	13.17%
	14%	Health Care	8.37%	11.59%
	3%	Utilities	6.39%	7.06%
	9%	Consumer Staples	6.36%	6.16%
	3%	Materials	5.86%	19.22%
	10%	Industrials	4.56%	18.38%
	14%	Financials	2.53%	32.60%
	3%	Real Estate	1.49%	9.73%
	2%	Telecom Services	-3.97%	1.69%
S&P Midcap 400 Index	8%	Health Care	9.64%	20.43%
	8%	Materials	7.95%	30.54%
	18%	Information Technology	7.31%	30.05%
	5%	Utilities	5.66%	15.35%
	12%	Consumer Discretionary	4.54%	8.99%
	15%	Industrials	3.36%	24.60%
	4%	Consumer Staples	2.29%	11.51%
	16%	Financials	2.16%	31.42%
	10%	Real Estate	1.49%	9.73%
	3%	Energy	-14.01%	4.18%
S&P Smallcap 600 Index	0%	Telecom Services	-14.56%	-16.71%
	12%	Health Care	9.43%	20.93%
	14%	Information Technology	4.94%	33.07%
	3%	Utilities	4.04%	14.64%
	6%	Real Estate	3.54%	2.49%
	19%	Industrials	0.66%	25.10%
	15%	Consumer Discretionary	0.55%	9.07%
	3%	Consumer Staples	-0.43%	15.06%
	6%	Materials	-1.96%	47.35%
	18%	Financials	-2.90%	33.84%
1%	Telecom Services	-4.33%	11.67%	
3%	Energy	-13.41%	22.62%	

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	6.07%	6.07%	17.17%	10.37%	13.30%	7.51%
Russell 1000 Value	3.27%	3.27%	19.22%	8.67%	13.13%	5.93%
Russell 1000 Growth	8.91%	8.91%	15.76%	11.27%	13.32%	9.13%
Russell Mid Cap	5.15%	5.15%	17.03%	8.48%	13.09%	7.94%
Russell Mid Cap Value	3.76%	3.76%	19.82%	8.94%	14.07%	7.47%
Russell Mid Cap Growth	6.89%	6.89%	14.07%	7.88%	11.95%	8.13%
Russell 2000	2.47%	2.47%	26.22%	7.22%	12.35%	7.12%
Russell 2000 Value	-0.13%	-0.13%	29.37%	7.62%	12.54%	6.09%
Russell 2000 Growth	5.35%	5.35%	23.03%	6.72%	12.10%	8.06%
Russell 3000	5.74%	5.74%	18.07%	9.76%	13.18%	7.54%
DJ US Select REIT	-0.27%	-0.27%	1.21%	9.96%	9.45%	4.22%



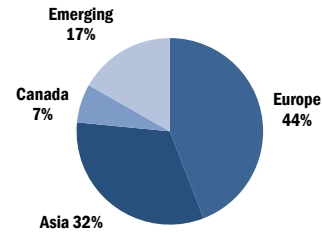
1Q2017 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	7.86%	7.86%	13.13%	0.56%	4.36%	1.35%
MSCI EAFE	7.25%	7.25%	11.67%	0.50%	5.83%	1.05%
Europe	7.44%	7.44%	9.76%	-1.51%	5.63%	0.70%
United Kingdom	5.04%	5.04%	7.44%	-2.55%	3.47%	0.52%
Germany	8.36%	8.36%	14.20%	-0.58%	6.85%	2.52%
France	7.28%	7.28%	12.38%	-0.54%	6.69%	0.18%
Pacific	6.92%	6.92%	15.77%	4.60%	6.30%	1.84%
Japan	4.49%	4.49%	14.44%	6.02%	6.82%	0.63%
Hong Kong	13.41%	13.41%	16.62%	7.84%	8.77%	6.97%
Australia	10.98%	10.98%	21.14%	0.52%	4.65%	3.61%
Canada	2.51%	2.51%	14.75%	-1.08%	1.26%	2.44%
MSCI EM	11.45%	11.45%	17.22%	1.18%	0.81%	2.72%
MSCI EM Latin America	12.06%	12.06%	23.25%	-3.98%	-6.11%	0.83%
MSCI EM Asia	13.38%	13.38%	18.05%	4.53%	4.37%	4.72%
MSCI EM Eur/Mid East	1.51%	1.51%	10.19%	-7.10%	-5.70%	-3.86%
MSCI ACWI Value ex-US	6.68%	6.68%	16.68%	-0.51%	3.81%	0.68%
MSCI ACWI Growth ex-US	9.13%	9.13%	9.63%	1.55%	4.84%	1.97%
MSCI AC World Sm Cap ex-US	8.78%	8.78%	12.26%	2.46%	6.68%	3.04%

Regional Exposure

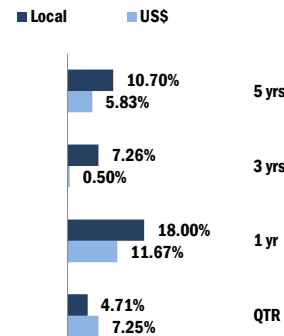
MSCI ACWI ex-USA



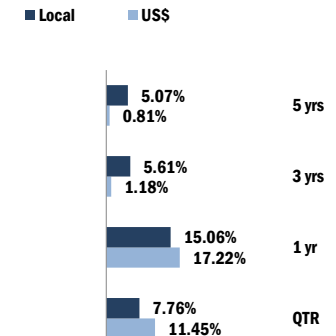
Top 10 Countries (MSCI AC World ex-USA)

Japan	17%
UK	12%
France	7%
Canada	7%
Germany	7%
China	6%
Switzerland	6%
Australia	5%
South Korea	4%
Hong Kong	3%

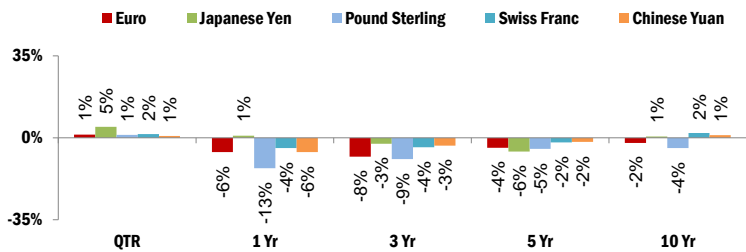
MSCI EAFE Index Return



MSCI Emerging Index Return



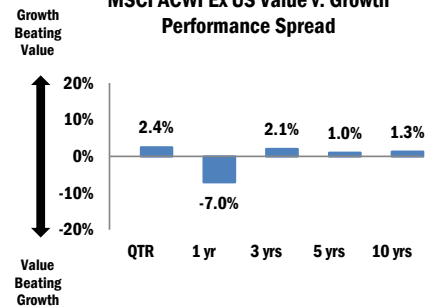
Foreign Currency v. US\$ Returns



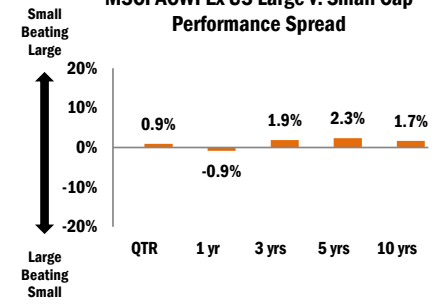
Exchange Rates

	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15
Japanese Yen	111.41	116.80	101.21	102.77	112.42	120.27
Euro	0.93	0.95	0.89	0.91	0.88	0.92
British Pound	0.80	0.81	0.77	0.76	0.70	0.68
Swiss Franc	1.00	1.02	0.97	0.98	0.96	1.00
Chinese Yuan	6.88	6.94	6.67	6.65	6.45	6.48

MSCI ACWI Ex US Value v. Growth Performance Spread



MSCI ACWI Ex US Large v. Small Cap Performance Spread



Historical Market Returns

Ranked by Performance

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	1Q17
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%	Small Cap 21.30%	Emerging Markets 11.44%	Emerging Markets 11.44%
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%	High Yield 17.12%	Intl 7.86%	Intl 7.86%
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%	Mid Cap 13.79%	Large Cap 6.07%	Large Cap 6.07%
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%	Large Cap 11.95%	Mid Cap 5.15%	Mid Cap 5.15%
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%	Commod. 11.76	Global Balanced 4.45%	Global Balanced 4.45%
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%	Emerging Markets 11.18%	High Yield 2.70%	High Yield 2.70%
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%	Core Real Estate 7.76%	Small Cap 2.47%	Small Cap 2.47%
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%	Global Balanced 5.38%	Global Bonds 1.76%	Global Bonds 1.76%
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%	TIPS 4.68%	Core Real Estate 1.55%	Core Real Estate 1.55%
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%	Intl 4.50%	TIPS 1.26%	TIPS 1.26%
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%	US Bonds 2.65%	US Bonds 0.82%	US Bonds 0.82%
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%	Global Bonds 2.09%	Cash 0.09%	Cash 0.09%
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%	Cash 0.25%	Commod. -2.32%	Commod. -2.32%

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

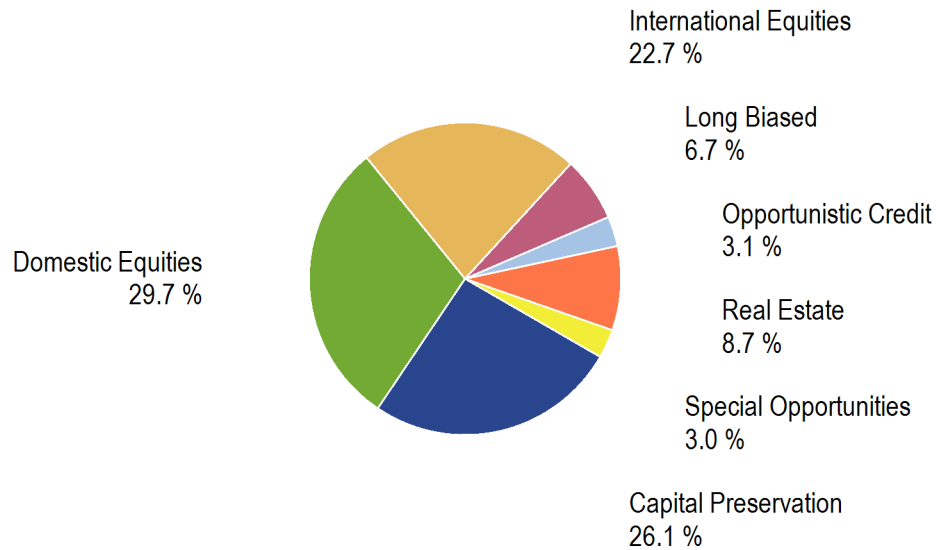
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Section 2

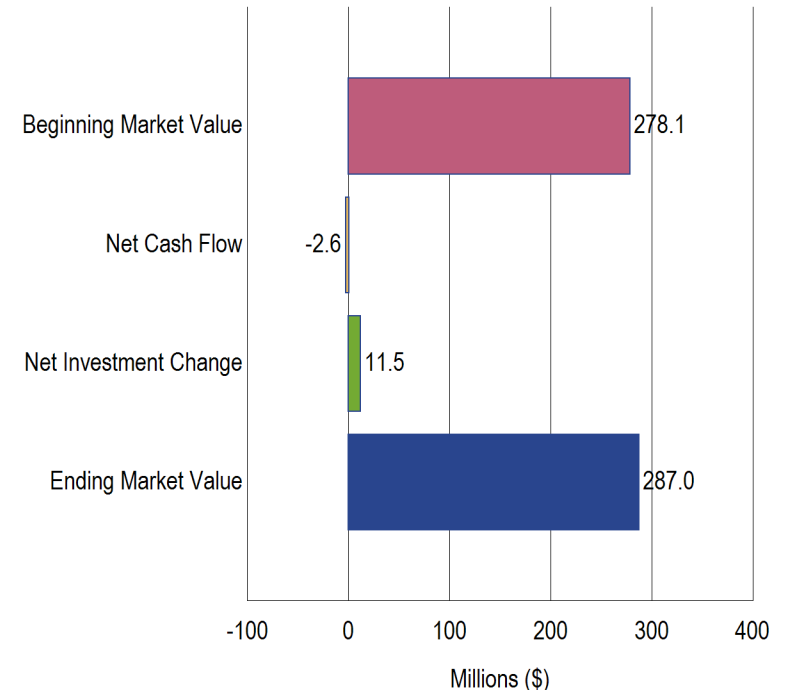
Spokane Employees' Retirement System

As of March 31, 2017

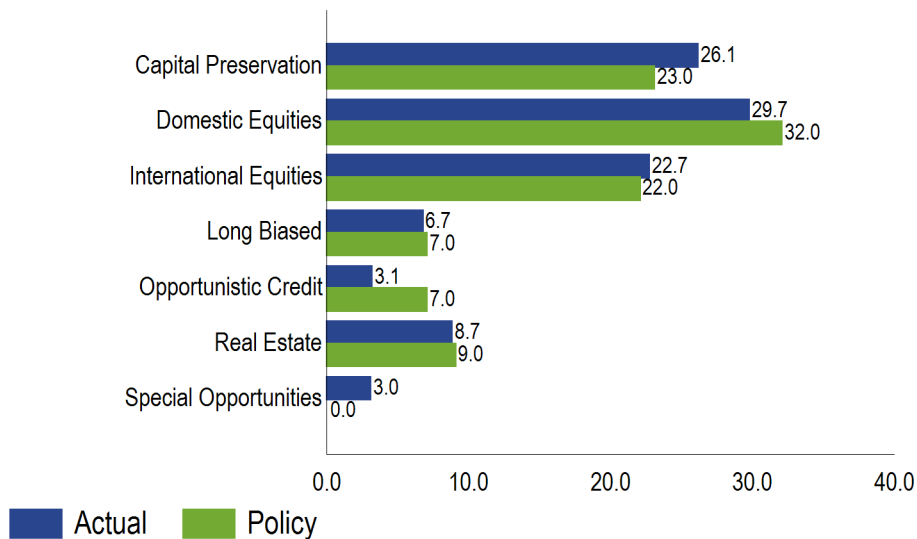
Current Allocation



Current Quarter



Actual vs Target Allocation (%)



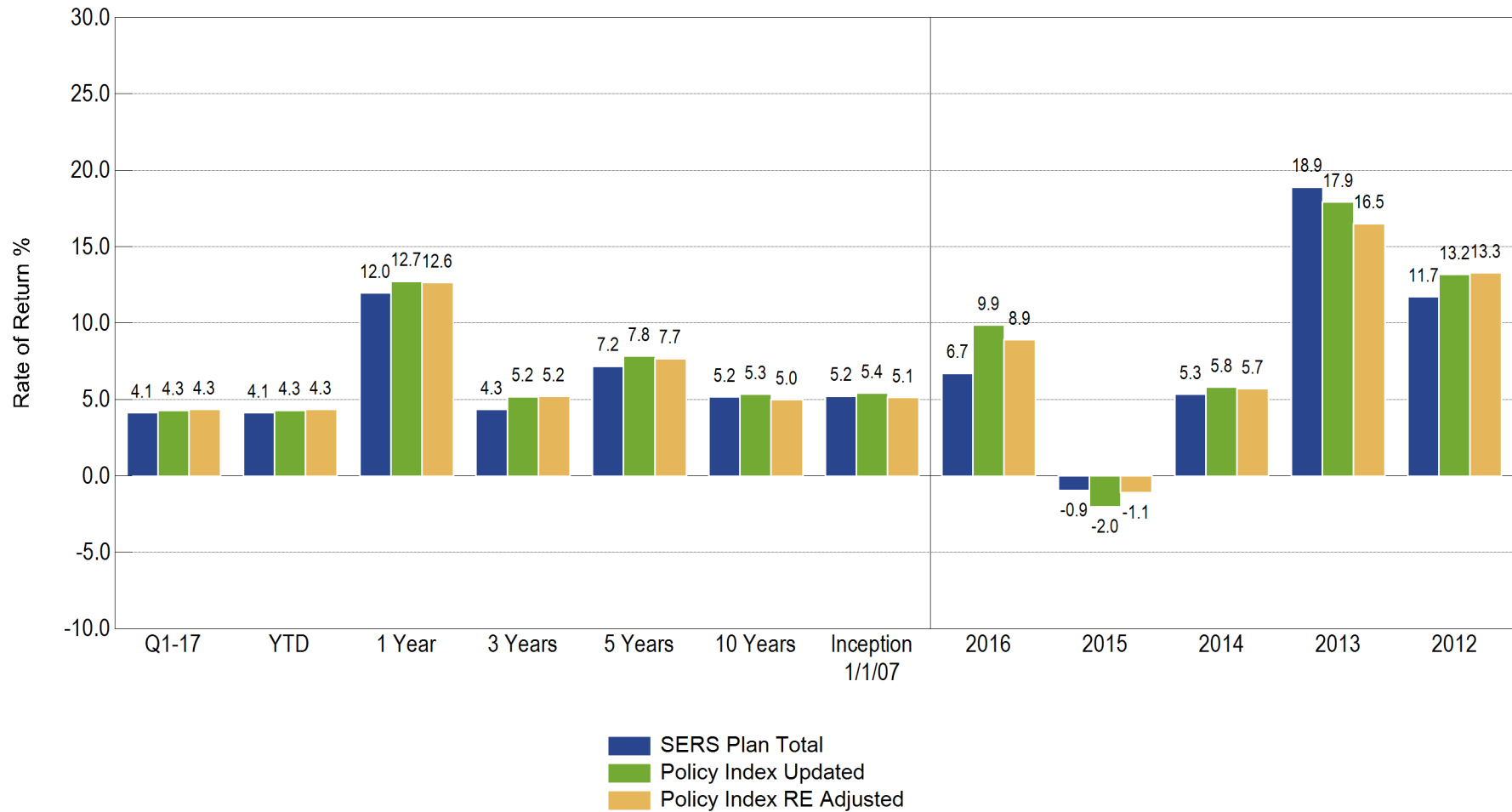
Current Market Value:

\$286,990,671

Policy Index

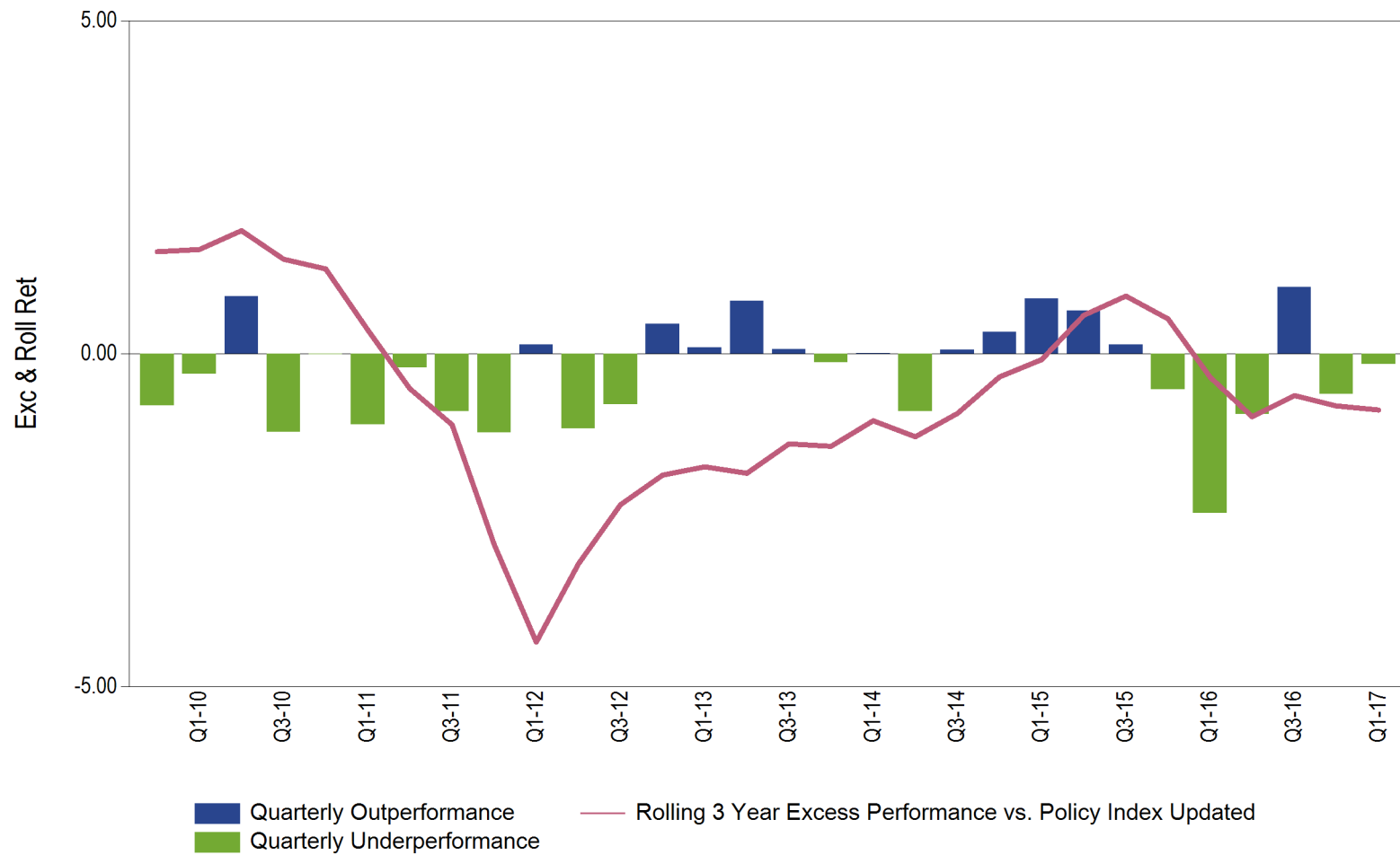
Index	Weight
US 90 Day T-Bill	0%
Barclays US Aggregate Bond Index	10%
Barclays Corporate High Yield Index	5%
HFRI FOF Conservative Index	8%
S&P 500 Index	21%
Russell 2500 Index	11%
MSCI ACWI ex-US Index	15%
MSCI ACWI ex-US Small Cap Index	4%
MSCI Emerging Markets Free Index	3%
HFRI FOF Composite Index	7%
HFRI Distressed Restructuring Index	7%
NCREIF - ODCE Index	9%

Return Summary



Performance Net of Fees
 Performance greater than 1 year is annualized

Rolling Annualized Excess Performance



Spokane Employees' Retirement System

As of March 31, 2017

RISK RETURN STATISTICS

January 01, 2007 Through March 31, 2017

	SERS Plan Total	Policy Index Updated
RETURN SUMMARY STATISTICS		
Number of Periods	41	41
Maximum Return	12.42	16.64
Minimum Return	-14.46	-17.38
Annualized Return	5.21	5.41
Total Return	68.30	71.68
Annualized Excess Return Over Risk Free	4.56	4.77
Annualized Excess Return	-0.20	0.00
RISK SUMMARY STATISTICS		
Beta	0.86	1.00
Upside Deviation	6.29	7.75
Downside Deviation	8.95	10.38
RISK/RETURN SUMMARY STATISTICS		
Annualized Standard Deviation	11.43	13.13
Alpha	0.12	0.00
Sharpe Ratio	0.40	0.36
Excess Return Over Market / Risk	-0.02	0.00
Tracking Error	2.75	0.00
Information Ratio	-0.07	--
CORRELATION STATISTICS		
R-Squared	0.97	1.00
Correlation	0.98	1.00

Market Proxy: Policy Index Updated

Risk-Free Proxy: 91 Day T-Bills

Spokane Employees' Retirement System

As of March 31, 2017

Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Return (%)	Since
SERS Plan Total	4.13	4.13	11.97	4.33	7.17	5.17	6.71	-0.94	5.34	18.89	11.70	-2.80	5.21	Jan-07
Policy Index Updated	<u>4.29</u>	<u>4.29</u>	<u>12.72</u>	<u>5.18</u>	<u>7.82</u>	<u>5.34</u>	<u>9.86</u>	<u>-2.00</u>	<u>5.79</u>	<u>17.92</u>	<u>13.18</u>	<u>0.47</u>	<u>5.41</u>	Jan-07
Over/Under	-0.16	-0.16	-0.75	-0.85	-0.65	-0.17	-3.15	1.06	-0.45	0.97	-1.48	-3.27	-0.20	
70/30 ACWI/Barclays Aggregate Bond	5.06	5.06	10.51	4.48	6.67	4.41	6.42	-1.30	4.77	14.87	12.66	-2.67	4.52	Jan-07
InvestorForce All DB \$250mm-\$1B Net Rank	49	49	14	77	54	43	74	47	63	8	61	97	43	Jan-07
Capital Preservation	2.09	2.09	9.07	2.70	--	--	8.12	-1.74	1.65	2.70	--	--	3.48	Jul-12
Capital Preservation Index	<u>1.38</u>	<u>1.38</u>	<u>5.49</u>	<u>2.81</u>	<u>3.63</u>	<u>3.94</u>	<u>5.43</u>	<u>-0.58</u>	<u>4.23</u>	<u>3.33</u>	<u>6.66</u>	<u>3.22</u>	<u>3.67</u>	Jul-12
Over/Under	0.71	0.71	3.58	-0.11			2.69	-1.16	-2.58	-0.63			-0.19	
Domestic Equity	5.28	5.28	17.79	8.30	--	--	10.91	-0.32	11.10	36.38	--	--	14.12	Jul-12
Domestic Equity Index	<u>5.27</u>	<u>5.27</u>	<u>18.70</u>	<u>9.41</u>	<u>13.11</u>	<u>7.63</u>	<u>13.92</u>	<u>-0.06</u>	<u>11.44</u>	<u>33.91</u>	<u>16.67</u>	<u>0.55</u>	<u>14.63</u>	Jul-12
Over/Under	0.01	0.01	-0.91	-1.11			-3.01	-0.26	-0.34	2.47			-0.51	
All Cap Blend MStar MF Rank	37	37	49	44	--	--	70	33	38	35	--	--	52	Jul-12
International Equity Total	8.17	8.17	13.25	1.88	6.52	3.97	3.91	-1.32	-3.58	20.93	18.48	-13.72	3.97	Apr-07
International Equity Index	<u>8.51</u>	<u>8.51</u>	<u>13.57</u>	<u>1.04</u>	<u>4.33</u>	<u>1.91</u>	<u>5.34</u>	<u>-5.49</u>	<u>-3.63</u>	<u>13.48</u>	<u>17.36</u>	<u>-15.20</u>	<u>1.91</u>	Apr-07
Over/Under	-0.34	-0.34	-0.32	0.84	2.19	2.06	-1.43	4.17	0.05	7.45	1.12	1.48	2.06	
Foreign MStar MF Rank	42	42	26	27	32	9	22	66	34	54	53	54	9	Apr-07
Long Biased	-2.91	-2.91	-1.42	0.34	--	--	-2.99	4.04	3.62	9.56	--	--	3.19	Jul-12
HFRI Fund of Funds Composite Index	<u>2.38</u>	<u>2.38</u>	<u>6.22</u>	<u>1.80</u>	<u>3.22</u>	<u>1.24</u>	<u>0.51</u>	<u>-0.27</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>3.90</u>	Jul-12
Over/Under	-5.29	-5.29	-7.64	-1.46			-3.50	4.31	0.26	0.60			-0.71	
S&P 500	6.07	6.07	17.17	10.37	13.30	7.51	11.96	1.38	13.69	32.39	16.00	2.11	14.72	Jul-12
Opportunistic Credit	2.10	2.10	14.61	6.10	--	--	14.52	2.35	2.32	--	--	--	7.20	Oct-13
HFRI ED: Distressed/Restructuring Index	<u>2.59</u>	<u>2.59</u>	<u>20.07</u>	<u>1.36</u>	<u>5.11</u>	<u>3.70</u>	<u>15.15</u>	<u>-8.06</u>	<u>-1.39</u>	<u>14.05</u>	<u>10.12</u>	<u>-1.79</u>	<u>3.23</u>	Oct-13
Over/Under	-0.49	-0.49	-5.46	4.74			-0.63	10.41	3.71				3.97	

Capital Preservation Index: Barclays Aggregate: 43.5%; HFRI Conservative: 34.8%; Barclays High Yield: 21.8%

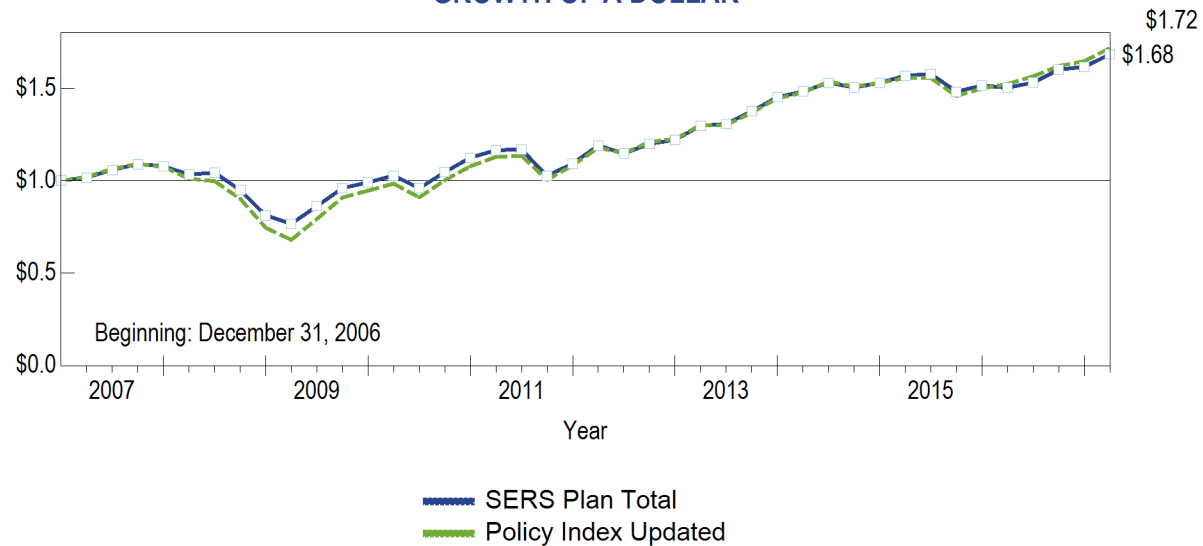
Domestic Equity Index: S&P 500: 65.63%; Russell 2500: 34.37%

International Index: MSCI ACWI ex US: 68.2%; MSCI ACWI ex US Small Cap: 18.2%; MSCI Emerging Mkts: 13.6%

Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Return (%)	Since
Real Estate Total	1.54	1.54	5.22	10.56	11.08	4.84	8.09	6.66	25.00	8.71	15.17	9.44	4.84	Apr-07
NCREIF-ODCE	1.77	1.77	8.33	11.78	11.98	5.59	8.76	15.02	12.48	13.94	10.94	15.99	5.59	Apr-07
Over/Under	-0.23	-0.23	-3.11	-1.22	-0.90	-0.75	-0.67	-8.36	12.52	-5.23	4.23	-6.55	-0.75	
FTSE NAREIT All REIT	2.97	2.97	6.30	10.46	10.45	4.79	9.28	2.29	27.15	3.21	20.14	7.28	4.79	Apr-07
US Real Estate Equity Rank	29	29	18	48	19	78	32	7	94	7	98	62	78	Apr-07
Special Opportunities	8.61	8.61	2.25	1.44	--	--	-21.90	2.13	25.88	31.60	--	--	7.76	Jul-12
Russell 3000	5.74	5.74	18.07	9.76	13.18	7.54	12.73	0.48	12.56	33.55	16.42	1.02	14.69	Jul-12
Over/Under	2.87	2.87	-15.82	-8.32			-34.63	1.65	13.32	-1.95			-6.93	

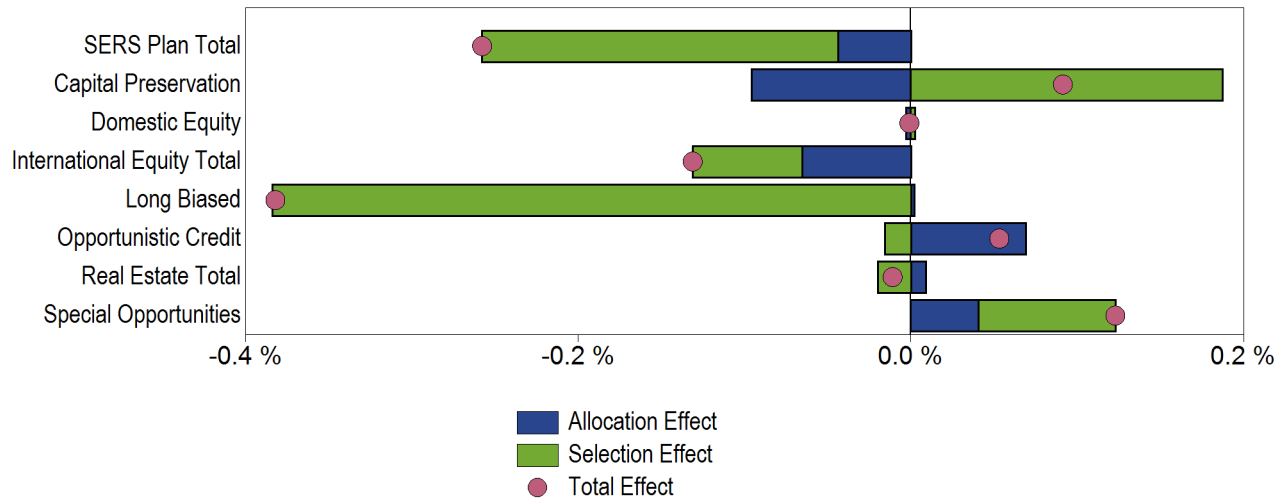
GROWTH OF A DOLLAR



Attribution Summary
3 Months Ending March 31, 2017

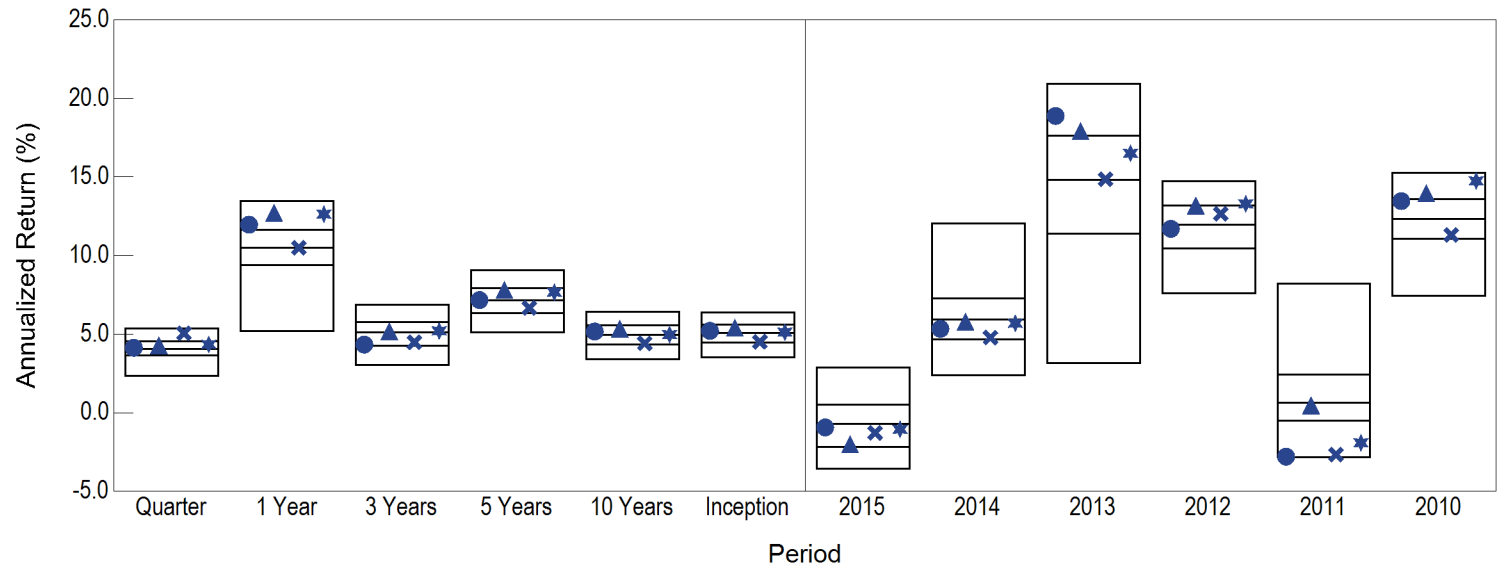
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Capital Preservation	2.1%	1.4%	0.7%	0.2%	-0.1%	0.1%
Domestic Equity	5.3%	5.3%	0.0%	0.0%	0.0%	0.0%
International Equity Total	8.2%	8.5%	-0.3%	-0.1%	-0.1%	-0.1%
Long Biased	-2.9%	2.4%	-5.3%	-0.4%	0.0%	-0.4%
Opportunistic Credit	2.1%	2.6%	-0.5%	0.0%	0.1%	0.1%
Real Estate Total	1.5%	1.8%	-0.2%	0.0%	0.0%	0.0%
Special Opportunities	8.6%	5.7%	2.9%	0.1%	0.0%	0.1%
Total	4.1%	4.4%	-0.3%	-0.2%	0.0%	-0.3%

Attribution Effects
3 Months Ending March 31, 2017



Attributions reflect new policy index

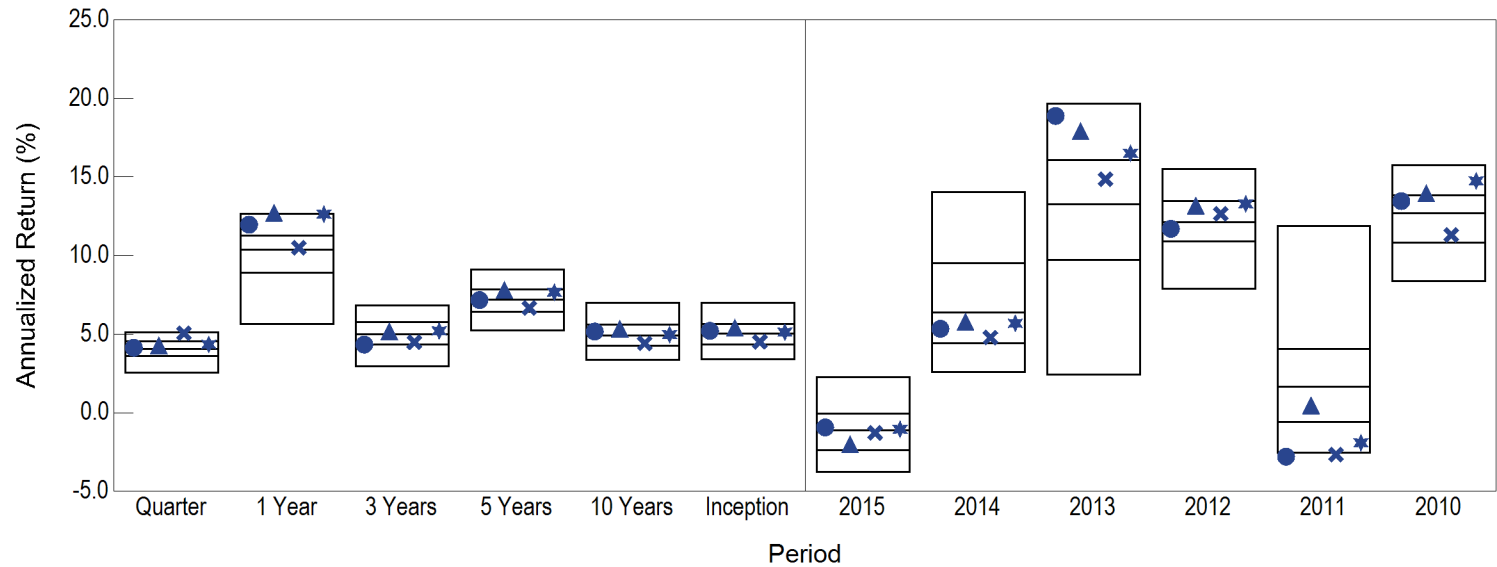
InvestorForce All DB \$50mm-\$250mm Net Accounts
Ending March 31, 2017



Return (Rank)

5th Percentile	5.3	13.5	6.8	9.1	6.4	6.4	2.9	12.0	20.9	14.8	8.2	15.3
25th Percentile	4.6	11.7	5.8	8.0	5.6	5.6	0.6	7.3	17.7	13.2	2.5	13.6
Median	4.1	10.6	5.2	7.2	5.0	5.1	-0.7	6.0	14.9	12.0	0.7	12.4
75th Percentile	3.7	9.4	4.3	6.4	4.4	4.5	-2.1	4.7	11.4	10.5	-0.5	11.1
95th Percentile	2.4	5.3	3.1	5.2	3.4	3.6	-3.5	2.4	3.2	7.6	-2.8	7.5
# of Portfolios	322	320	313	284	233	231	330	285	268	261	227	219
● SERS Plan Total	4.1 (48)	12.0 (20)	4.3 (75)	7.2 (52)	5.2 (42)	5.2 (44)	-0.9 (55)	5.3 (66)	18.9 (17)	11.7 (55)	-2.8 (95)	13.5 (28)
▲ Policy Index Updated	4.3 (41)	12.7 (12)	5.2 (50)	7.8 (30)	5.3 (34)	5.4 (33)	-2.0 (72)	5.8 (54)	17.9 (24)	13.2 (26)	0.5 (58)	14.0 (19)
× 70/30 ACWI/Barclays Aggregate Bon	5.1 (8)	10.5 (51)	4.5 (71)	6.7 (69)	4.4 (75)	4.5 (75)	-1.3 (60)	4.8 (74)	14.9 (50)	12.7 (36)	-2.7 (95)	11.3 (72)
* Policy Index RE Adjusted	4.3 (38)	12.6 (12)	5.2 (50)	7.7 (35)	5.0 (52)	5.1 (49)	-1.1 (57)	5.7 (56)	16.5 (36)	13.3 (23)	-1.9 (89)	14.7 (9)

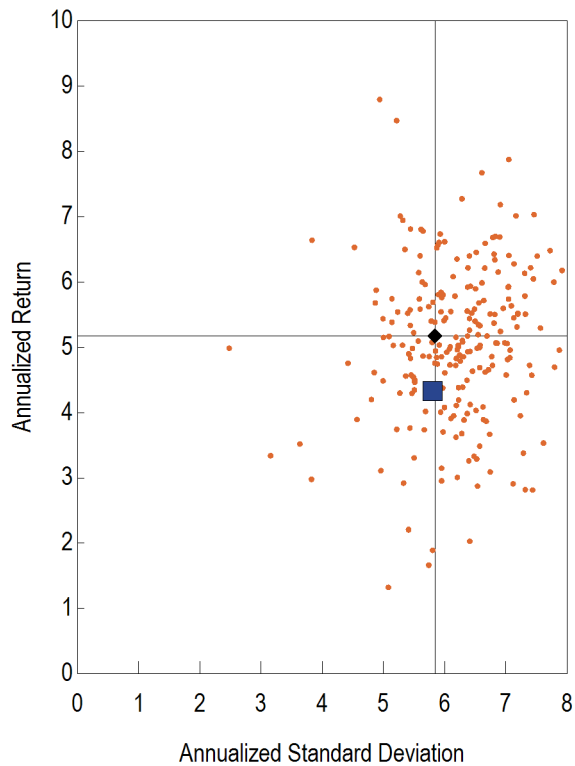
InvestorForce All DB \$250mm-\$1B Net Accounts
Ending March 31, 2017



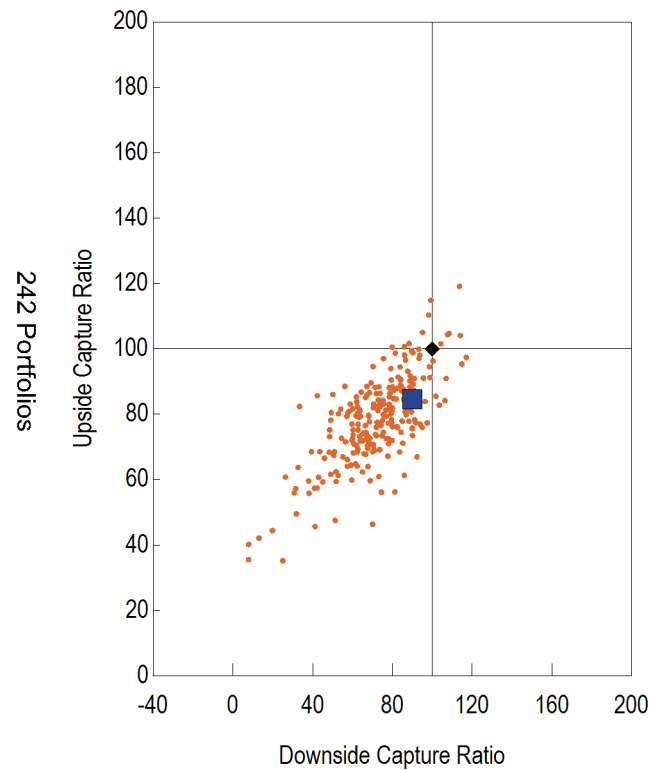
Return (Rank)

5th Percentile	5.1	12.6	6.8	9.1	7.0	7.0	2.2	14.1	19.7	15.5	11.9	15.7
25th Percentile	4.6	11.3	5.8	7.9	5.7	5.7	0.0	9.6	16.1	13.5	4.1	13.9
Median	4.1	10.4	5.0	7.2	5.0	5.1	-1.1	6.4	13.3	12.2	1.7	12.7
75th Percentile	3.7	8.9	4.4	6.5	4.3	4.4	-2.4	4.5	9.8	10.9	-0.5	10.9
95th Percentile	2.6	5.7	3.0	5.3	3.4	3.4	-3.7	2.6	2.5	7.9	-2.5	8.4
# of Portfolios	253	248	242	228	178	177	231	212	190	178	157	148
● SERS Plan Total	4.1 (49)	12.0 (14)	4.3 (77)	7.2 (54)	5.2 (43)	5.2 (43)	-0.9 (47)	5.3 (63)	18.9 (8)	11.7 (61)	-2.8 (97)	13.5 (28)
▲ Policy Index Updated	4.3 (42)	12.7 (5)	5.2 (45)	7.8 (27)	5.3 (37)	5.4 (37)	-2.0 (69)	5.8 (61)	17.9 (14)	13.2 (32)	0.5 (65)	14.0 (25)
× 70/30 ACWI/Barclays Aggregate Bon	5.1 (7)	10.5 (48)	4.5 (74)	6.7 (69)	4.4 (70)	4.5 (69)	-1.3 (56)	4.8 (73)	14.9 (37)	12.7 (43)	-2.7 (97)	11.3 (70)
* Policy Index RE Adjusted	4.3 (38)	12.6 (6)	5.2 (44)	7.7 (36)	5.0 (51)	5.1 (48)	-1.1 (50)	5.7 (61)	16.5 (23)	13.3 (29)	-1.9 (91)	14.7 (14)

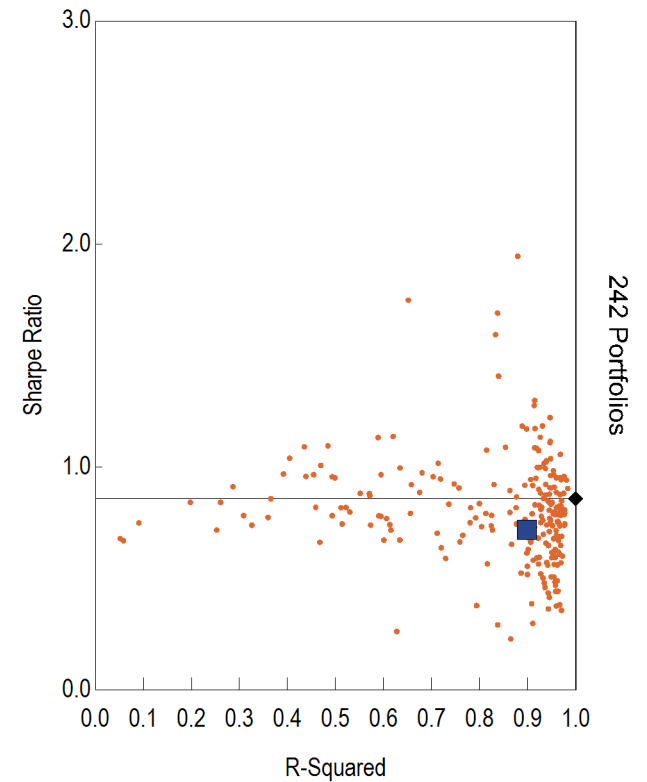
Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2017



Upside Capture Ratio vs. Downside Capture Ratio
3 Years Ending March 31, 2017



Sharpe Ratio vs. R-Squared
3 Years Ending March 31, 2017

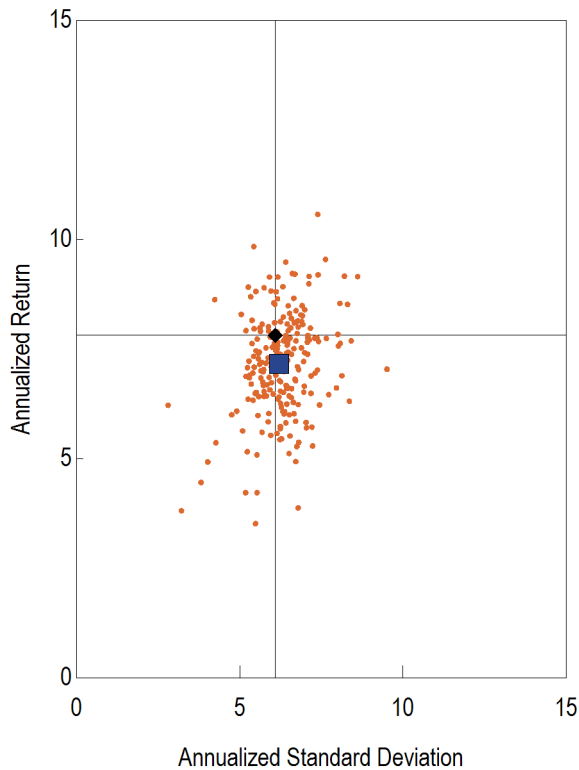


- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

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

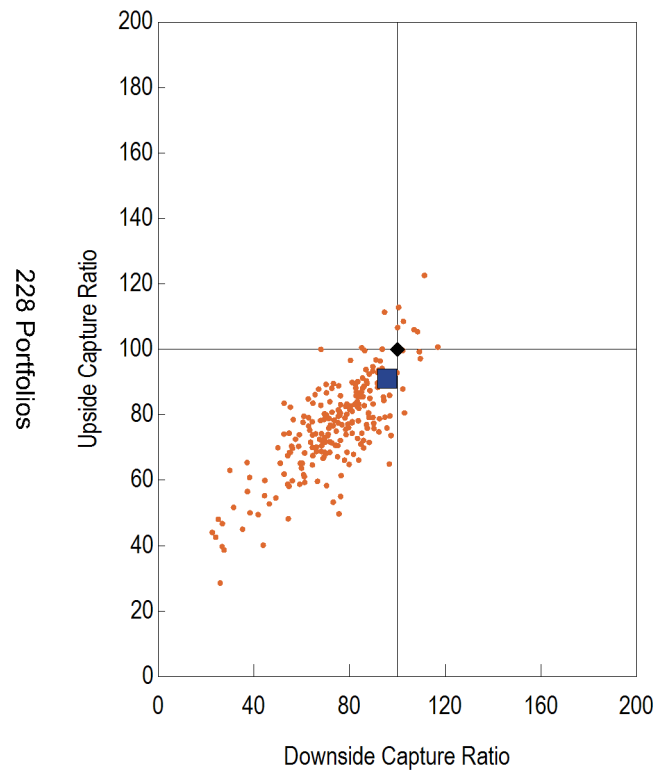
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

**Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2017**



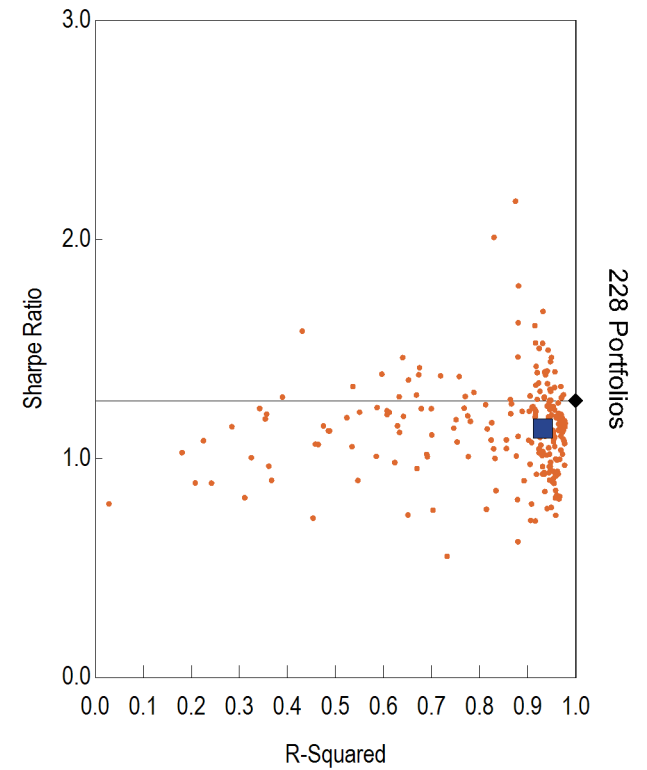
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

**Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending March 31, 2017**



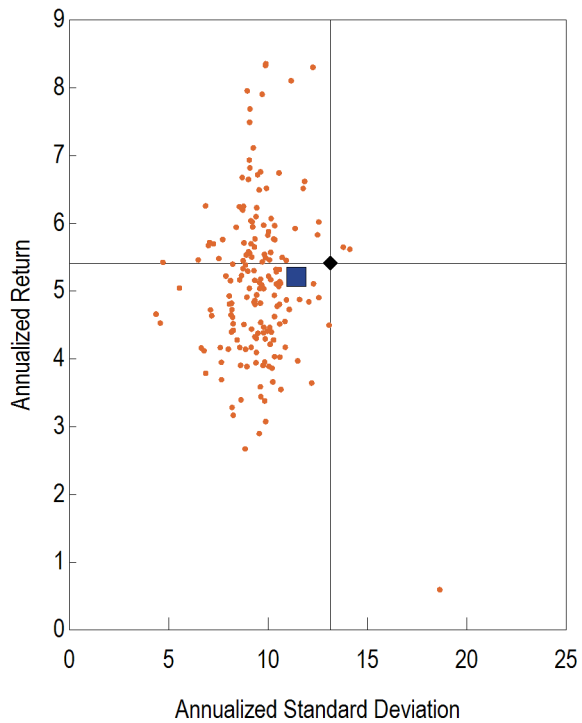
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

**Sharpe Ratio vs. R-Squared
5 Years Ending March 31, 2017**

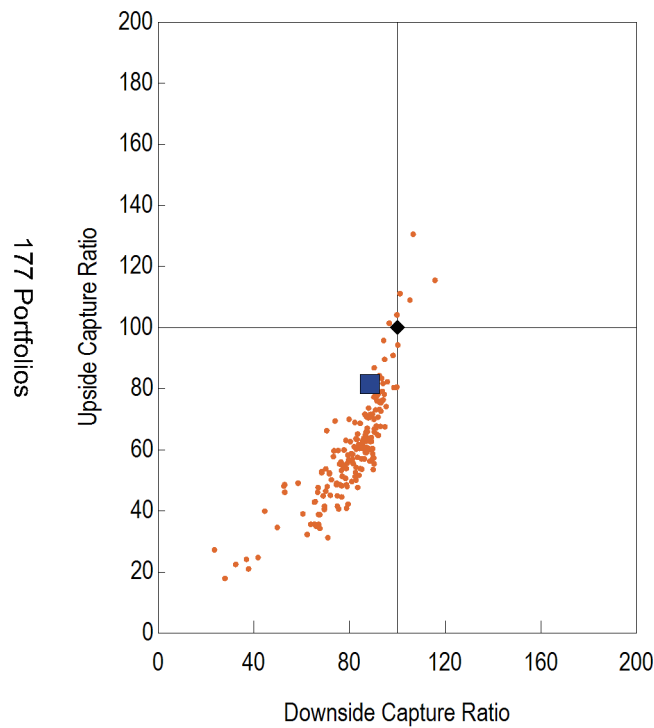


- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

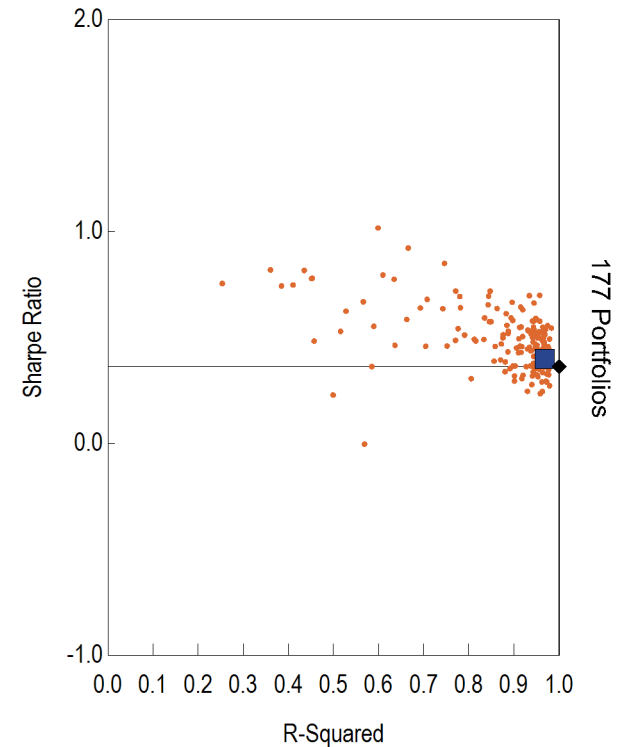
Annualized Return vs. Annualized Standard Deviation
10 Years 3 Months Ending March 31, 2017



Upside Capture Ratio vs. Downside Capture Ratio
10 Years 3 Months Ending March 31, 2017



Sharpe Ratio vs. R-Squared
10 Years 3 Months Ending March 31, 2017



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

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

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

Spokane Employees' Retirement System

As of March 31, 2017

Asset Class Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Return (%)	Since
Capital Preservation	2.09	2.09	9.07	2.70	--	8.12	-1.74	1.65	2.70	--	--	3.48	Jul-12
Capital Preservation Index	1.38	1.38	5.49	2.81	3.63	5.43	-0.58	4.23	3.33	6.66	3.22	3.67	Jul-12
Over/Under	0.71	0.71	3.58	-0.11		2.69	-1.16	-2.58	-0.63			-0.19	
Total Return Bond	0.98	0.98	--	--	--	--	--	--	--	--	--	-1.52	Sep-16
BBgBarc US Aggregate TR	0.82	0.82	0.44	2.68	2.34	2.65	0.55	5.97	-2.02	4.21	7.84	-2.18	Sep-16
Over/Under	0.16	0.16										0.66	
Intermediate-Term Bond MStar MF Rank	61	61	--	--	--	--	--	--	--	--	--	51	Sep-16
High Yield	3.22	3.22	17.64	3.27	5.79	16.67	-7.05	0.68	7.00	14.35	1.05	5.81	Jul-12
BBgBarc US High Yield TR	2.70	2.70	16.39	4.56	6.82	17.13	-4.47	2.45	7.44	15.81	4.98	6.78	Jul-12
Over/Under	0.52	0.52	1.25	-1.29	-1.03	-0.46	-2.58	-1.77	-0.44	-1.46	-3.93	-0.97	
High Yield Bond MStar MF Rank	11	11	10	62	65	13	92	70	51	69	85	62	Jul-12
Absolute Return	2.04	2.04	9.89	3.76	4.05	7.75	0.29	3.15	4.65	6.68	2.63	4.33	Jul-12
HFRI FOF: Conservative Index	1.27	1.27	5.38	1.78	3.19	1.89	0.37	3.14	7.70	4.22	-3.55	3.74	Jul-12
Over/Under	0.77	0.77	4.51	1.98	0.86	5.86	-0.08	0.01	-3.05	2.46	6.18	0.59	
BBgBarc US Aggregate TR	0.82	0.82	0.44	2.68	2.34	2.65	0.55	5.97	-2.02	4.21	7.84	2.02	Jul-12
Domestic Equity	5.28	5.28	17.79	8.30	--	10.91	-0.32	11.10	36.38	--	--	14.12	Jul-12
Domestic Equity Index	5.27	5.27	18.70	9.41	13.11	13.92	-0.06	11.44	33.91	16.67	0.55	14.63	Jul-12
Over/Under	0.01	0.01	-0.91	-1.11		-3.01	-0.26	-0.34	2.47			-0.51	
All Cap Blend MStar MF Rank	37	37	49	44	--	70	33	38	35	--	--	52	Jul-12
Domestic Large Cap Equity	5.91	5.91	16.38	8.09	12.07	8.24	-0.32	12.85	34.81	15.42	-0.61	7.36	Apr-07
S&P 500	6.07	6.07	17.17	10.37	13.30	11.96	1.38	13.69	32.39	16.00	2.11	7.51	Apr-07
Over/Under	-0.16	-0.16	-0.79	-2.28	-1.23	-3.72	-1.70	-0.84	2.42	-0.58	-2.72	-0.15	
Large Blend MStar MF Rank	43	43	52	63	61	83	53	39	26	56	59	34	Apr-07
Domestic Small/Mid Equity	4.16	4.16	20.12	8.70	--	15.37	-0.39	8.69	38.60	--	--	14.67	Jul-12
Russell 2500	3.76	3.76	21.53	7.43	12.60	17.59	-2.90	7.07	36.80	17.88	-2.51	14.32	Jul-12
Over/Under	0.40	0.40	-1.41	1.27		-2.22	2.51	1.62	1.80			0.35	
SMID Blend MStar MF Rank	23	23	57	24	--	75	10	24	34	--	--	38	Jul-12

Spokane Employees' Retirement System

As of March 31, 2017

Asset Class Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Return (%)	Since
International Equity Total	8.17	8.17	13.25	1.88	6.52	3.91	-1.32	-3.58	20.93	18.48	-13.72	3.97	Apr-07
International Equity Index	8.51	8.51	13.57	1.04	4.33	5.34	-5.49	-3.63	13.48	17.36	-15.20	1.91	Apr-07
Over/Under	-0.34	-0.34	-0.32	0.84	2.19	-1.43	4.17	0.05	7.45	1.12	1.48	2.06	
Foreign MStar MF Rank	42	42	26	27	32	22	66	34	54	53	54	9	Apr-07
International Large Cap Equity	7.96	7.96	12.96	2.93	--	4.02	-1.13	-1.38	24.43	--	--	9.89	Jul-12
MSCI ACWI ex USA	7.86	7.86	13.13	0.56	4.36	4.50	-5.66	-3.87	15.29	16.83	-13.71	6.35	Jul-12
Over/Under	0.10	0.10	-0.17	2.37		-0.48	4.53	2.49	9.14			3.54	
Foreign Large Blend MStar MF Rank	43	43	28	8	--	23	56	12	14	--	--	4	Jul-12
International Small/Mid Cap Equity	8.34	8.34	9.66	-0.86	--	-0.68	7.56	-12.10	28.79	--	--	8.89	Jul-12
MSCI ACWI xUS Small (net)	8.78	8.78	12.26	2.46	6.68	3.91	2.60	-4.03	19.73	18.52	-18.50	9.17	Jul-12
Over/Under	-0.44	-0.44	-2.60	-3.32		-4.59	4.96	-8.07	9.06			-0.28	
Emerging Markets Equity	8.82	8.82	16.69	1.19	--	7.03	-8.73	-2.07	6.06	--	--	4.35	Jul-12
MSCI Emerging Markets	11.45	11.45	17.21	1.18	0.81	11.19	-14.92	-2.19	-2.60	18.23	-18.42	2.84	Jul-12
Over/Under	-2.63	-2.63	-0.52	0.01		-4.16	6.19	0.12	8.66			1.51	
Diversified Emerging Mkts MStar MF Rank	89	89	51	56	--	56	16	49	14	--	--	33	Jul-12
Long Biased	-2.91	-2.91	-1.42	0.34	--	-2.99	4.04	3.62	9.56	--	--	3.19	Jul-12
HFRI Fund of Funds Composite Index	2.38	2.38	6.22	1.80	3.22	0.51	-0.27	3.36	8.96	4.79	-5.72	3.90	Jul-12
Over/Under	-5.29	-5.29	-7.64	-1.46		-3.50	4.31	0.26	0.60			-0.71	
S&P 500	6.07	6.07	17.17	10.37	13.30	11.96	1.38	13.69	32.39	16.00	2.11	14.72	Jul-12
Opportunistic Credit	2.10	2.10	14.61	6.10	--	14.52	2.35	2.32	--	--	--	7.20	Oct-13
HFRI ED: Distressed/Restructuring Index	2.59	2.59	20.07	1.36	5.11	15.15	-8.06	-1.39	14.05	10.12	-1.79	3.23	Oct-13
Over/Under	-0.49	-0.49	-5.46	4.74		-0.63	10.41	3.71				3.97	
Real Estate Total	1.54	1.54	5.22	10.56	11.08	8.09	6.66	25.00	8.71	15.17	9.44	4.84	Apr-07
NCREIF-ODCE	1.77	1.77	8.33	11.78	11.98	8.76	15.02	12.48	13.94	10.94	15.99	5.59	Apr-07
Over/Under	-0.23	-0.23	-3.11	-1.22	-0.90	-0.67	-8.36	12.52	-5.23	4.23	-6.55	-0.75	
FTSE NAREIT All REIT	2.97	2.97	6.30	10.46	10.45	9.28	2.29	27.15	3.21	20.14	7.28	4.79	Apr-07
US Real Estate Equity Rank	29	29	18	48	19	32	7	94	7	98	62	78	Apr-07
Special Opportunities	8.61	8.61	2.25	1.44	--	-21.90	2.13	25.88	31.60	--	--	7.76	Jul-12
Russell 3000	5.74	5.74	18.07	9.76	13.18	12.73	0.48	12.56	33.55	16.42	1.02	14.69	Jul-12
Over/Under	2.87	2.87	-15.82	-8.32		-34.63	1.65	13.32	-1.95			-6.93	

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	Return (%)	Since
Capital Preservation															
Sterling Core Bond	0.99	0.99	2.02	2.92	2.97	4.96	3.75	0.54	5.99	-0.97	6.14	6.73	7.98	-1.58	Aug-16
BBgBarc US Aggregate TR	0.82	0.82	0.44	2.68	2.34	4.27	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	-2.35	Aug-16
Excess Return	0.17	0.17	1.58	0.24	0.63	0.69	1.10	-0.01	0.02	1.05	1.93	-1.11	1.44	0.77	
Intermediate-Term Bond MStar MF Rank	60	60	42	33	37	25	40	29	35	35	66	51	47	58	Aug-16
Hotchkis & Wiley High Yield	3.22	3.22	17.66	4.02	6.88	--	16.02	-4.30	1.09	8.71	17.96	2.28	19.10	4.82	Jun-15
BBgBarc US High Yield TR	2.70	2.70	16.39	4.56	6.82	7.46	17.13	-4.47	2.45	7.44	15.81	4.98	15.12	5.55	Jun-15
Excess Return	0.52	0.52	1.27	-0.54	0.06		-1.11	0.17	-1.36	1.27	2.15	-2.70	3.98	-0.73	
High Yield Bond MStar MF Rank	11	11	10	35	16	--	20	61	65	20	11	72	3	30	Jun-15
Absolute Return															
Post Lmted Term High Yield	0.99	0.99	4.82	2.94	4.73	6.06	5.66	0.84	2.96	7.49	9.61	6.16	12.36	5.99	Jun-10
HFRI FOF: Conservative Index	1.27	1.27	5.38	1.78	3.19	1.09	1.89	0.37	3.14	7.70	4.22	-3.55	5.07	2.90	Jun-10
Excess Return	-0.28	-0.28	-0.56	1.16	1.54	4.97	3.77	0.47	-0.18	-0.21	5.39	9.71	7.29	3.09	
BBgBarc US Aggregate TR	0.82	0.82	0.44	2.68	2.34	4.27	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	3.09	Jun-10
Rimrock Low Volatility Offshore	2.11	2.11	8.74	1.97	4.55	8.78	4.90	-1.90	2.31	7.82	11.33	2.29	14.97	5.43	Jun-10
HFRI FOF: Conservative Index	1.27	1.27	5.38	1.78	3.19	1.09	1.89	0.37	3.14	7.70	4.22	-3.55	5.07	2.90	Jun-10
Excess Return	0.84	0.84	3.36	0.19	1.36	7.69	3.01	-2.27	-0.83	0.12	7.11	5.84	9.90	2.53	
BBgBarc US Aggregate TR	0.82	0.82	0.44	2.68	2.34	4.27	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	3.09	Jun-10
Castine Partners II	3.70	3.70	23.57	9.26	7.63	6.83	15.57	6.57	7.48	6.16	2.53	2.14	-3.31	6.86	Jun-11
HFRI FOF: Conservative Index	1.27	1.27	5.38	1.78	3.19	1.09	1.89	0.37	3.14	7.70	4.22	-3.55	5.07	2.50	Jun-11
Excess Return	2.43	2.43	18.19	7.48	4.44	5.74	13.68	6.20	4.34	-1.54	-1.69	5.69	-8.38	4.36	
BBgBarc US Aggregate TR	0.82	0.82	0.44	2.68	2.34	4.27	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	2.95	Jun-11
Polar Altairis Offshore	1.02	1.02	3.63	4.14	3.80	5.21	6.60	1.73	3.46	5.60	4.42	2.02	1.04	4.64	Sep-11
HFRI FOF: Conservative Index	1.27	1.27	5.38	1.78	3.19	1.09	1.89	0.37	3.14	7.70	4.22	-3.55	5.07	3.36	Sep-11
Excess Return	-0.25	-0.25	-1.75	2.36	0.61	4.12	4.71	1.36	0.32	-2.10	0.20	5.57	-4.03	1.28	
BBgBarc US Aggregate TR	0.82	0.82	0.44	2.68	2.34	4.27	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	2.39	Sep-11

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	Return (%)	Since
Domestic Equity															
Large Cap Equity															
Hotchkis & Wiley Diversified Value I	4.19	4.19	25.32	7.39	12.89	4.57	19.94	-7.90	12.74	36.54	19.78	-5.67	19.50	11.63	Sep-08
Russell 1000 Value	<u>3.27</u>	<u>3.27</u>	<u>19.22</u>	<u>8.67</u>	<u>13.13</u>	<u>5.93</u>	<u>17.34</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>9.86</u>	Sep-08
Excess Return	0.92	0.92	6.10	-1.28	-0.24	-1.36	2.60	-4.07	-0.71	4.01	2.27	-6.06	3.99	1.77	
S&P 500	6.07	6.07	17.17	10.37	13.30	7.51	11.96	1.38	13.69	32.39	16.00	2.11	15.06	11.05	Sep-08
Large Value MStar MF Rank	39	39	4	60	25	89	9	90	20	14	8	87	7	6	Sep-08
Vanguard Institutional Index	6.05	6.05	17.13	10.34	13.27	7.51	11.93	1.37	13.65	32.35	15.98	2.09	15.04	9.63	Jun-08
S&P 500	<u>6.07</u>	<u>6.07</u>	<u>17.17</u>	<u>10.37</u>	<u>13.30</u>	<u>7.51</u>	<u>11.96</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>9.62</u>	Jun-08
Excess Return	-0.02	-0.02	-0.04	-0.03	-0.03	0.00	-0.03	-0.01	-0.04	-0.04	-0.02	-0.02	-0.02	0.01	
Large Blend MStar MF Rank	29	29	35	7	15	28	28	24	21	45	41	23	31	23	Jun-08
MFS Blended Research Core	5.95	5.95	14.40	8.90	12.87	7.92	8.57	1.34	12.44	36.37	15.68	2.21	16.92	14.84	Dec-11
S&P 500	<u>6.07</u>	<u>6.07</u>	<u>17.17</u>	<u>10.37</u>	<u>13.30</u>	<u>7.51</u>	<u>11.96</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>15.20</u>	Dec-11
Excess Return	-0.12	-0.12	-2.77	-1.47	-0.43	0.41	-3.39	-0.04	-1.25	3.98	-0.32	0.10	1.86	-0.36	
Large Blend MStar MF Rank	41	41	75	45	38	13	81	25	44	16	51	22	13	39	Dec-11
Jackson Square Large Cap Growth Eq	7.24	7.24	8.79	6.50	10.33	7.92	-5.03	5.19	12.76	34.81	16.51	8.04	14.14	11.72	Sep-12
Russell 1000 Growth	<u>8.91</u>	<u>8.91</u>	<u>15.76</u>	<u>11.27</u>	<u>13.32</u>	<u>9.13</u>	<u>7.08</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>14.65</u>	Sep-12
Excess Return	-1.67	-1.67	-6.97	-4.77	-2.99	-1.21	-12.11	-0.48	-0.29	1.33	1.25	5.40	-2.57	-2.93	
S&P 500	6.07	6.07	17.17	10.37	13.30	7.51	11.96	1.38	13.69	32.39	16.00	2.11	15.06	14.39	Sep-12
Large Growth MStar MF Rank	74	74	97	85	81	58	96	44	29	43	38	1	67	82	Sep-12

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	Return (%)	Since
Small/Mid Cap Equity															
Sterling Mid Cap Value	7.08	7.08	21.57	9.25	13.62	8.20	16.97	-1.71	5.85	46.25	12.50	-3.37	20.40	12.45	Sep-08
Russell MidCap Value	3.76	3.76	19.82	8.94	14.07	7.47	20.00	-4.78	14.75	33.46	18.51	-1.38	24.75	11.83	Sep-08
Excess Return	3.32	3.32	1.75	0.31	-0.45	0.73	-3.03	3.07	-8.90	12.79	-6.01	-1.99	-4.35	0.62	
Russell MidCap	5.15	5.15	17.03	8.48	13.09	7.94	13.80	-2.44	13.22	34.76	17.28	-1.55	25.48	12.08	Sep-08
Mid-Cap Value MStar MF Rank	2	2	32	17	24	28	69	19	87	2	85	49	74	27	Sep-08
Vanguard Mid Cap Index	6.19	6.19	16.74	8.68	12.88	7.84	11.22	-1.34	13.76	35.17	16.01	-1.95	25.66	14.33	Sep-09
Russell MidCap	5.15	5.15	17.03	8.48	13.09	7.94	13.80	-2.44	13.22	34.76	17.28	-1.55	25.48	14.35	Sep-09
Excess Return	1.04	1.04	-0.29	0.20	-0.21	-0.10	-2.58	1.10	0.54	0.41	-1.27	-0.40	0.18	-0.02	
Custom Vanguard Mid Cap Index	6.20	6.20	16.80	8.73	12.85	7.58	11.25	-1.28	13.83	35.27	15.47	-2.32	25.20	14.17	Sep-09
Mid-Cap Blend MStar MF Rank	12	12	63	30	35	40	74	19	7	47	62	35	35	18	Sep-09
Vanguard Mid Cap Growth	6.12	6.12	9.51	5.26	9.70	7.67	0.44	0.21	10.86	34.15	14.84	1.17	23.83	5.83	Jun-14
Russell MidCap Growth	6.89	6.89	14.07	7.88	11.95	8.13	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38	7.91	Jun-14
Excess Return	-0.77	-0.77	-4.56	-2.62	-2.25	-0.46	-6.89	0.41	-1.04	-1.59	-0.97	2.82	-2.55	-2.08	
Mid-Cap Growth MStar MF Rank	75	75	95	70	66	49	93	41	21	61	47	22	61	77	Jun-14
Frontier Phocas Small Cap Value I	-0.13	-0.13	22.69	7.49	12.81	7.55	23.31	-4.35	7.19	45.63	9.75	-5.99	29.94	14.10	Dec-11
Russell 2000 Value	-0.13	-0.13	29.37	7.62	12.54	6.09	31.74	-7.47	4.22	34.52	18.05	-5.50	24.50	14.37	Dec-11
Excess Return	0.00	0.00	-6.68	-0.13	0.27	1.46	-8.43	3.12	2.97	11.11	-8.30	-0.49	5.44	-0.27	
Russell 2000	2.47	2.47	26.22	7.22	12.35	7.12	21.31	-4.41	4.89	38.82	16.35	-4.18	26.86	14.16	Dec-11
Small Value MStar MF Rank	60	60	67	41	42	33	71	36	23	3	95	75	24	47	Dec-11
Vanguard Small Cap Index	3.74	3.74	21.52	7.42	12.91	8.23	18.32	-3.63	7.53	37.80	18.26	-2.65	27.95	14.09	Sep-09
Russell 2000	2.47	2.47	26.22	7.22	12.35	7.12	21.31	-4.41	4.89	38.82	16.35	-4.18	26.86	13.24	Sep-09
Excess Return	1.27	1.27	-4.70	0.20	0.56	1.11	-2.99	0.78	2.64	-1.02	1.91	1.53	1.09	0.85	
Custom Vanguard Small Cap Index	3.74	3.74	21.47	7.39	12.76	7.84	18.26	-3.68	7.54	37.77	17.48	-3.15	27.35	13.81	Sep-09
Small Blend MStar MF Rank	16	16	59	42	36	19	68	42	15	56	22	49	30	27	Sep-09

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	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	Return (%)	Since
Champlain Small Cap	2.27	2.27	34.14	11.34	13.47	10.45	27.93	-0.65	4.43	36.61	11.06	4.01	24.59	11.54	Sep-08
Russell 2000	<u>2.47</u>	<u>2.47</u>	<u>26.22</u>	<u>7.22</u>	<u>12.35</u>	<u>7.12</u>	<u>21.31</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>10.29</u>	Sep-08
Excess Return	-0.20	-0.20	7.92	4.12	1.12	3.33	6.62	3.76	-0.46	-2.21	-5.29	8.19	-2.27	1.25	
Russell 2000 Growth	5.35	5.35	23.03	6.72	12.10	8.05	11.32	-1.38	5.60	43.30	14.59	-2.91	29.09	11.13	Sep-08
Small Blend MStar MF Rank	41	41	1	2	26	2	8	11	60	68	88	5	62	27	Sep-08
Bridge City Small Growth	3.22	3.22	28.57	13.27	15.40	--	24.90	6.81	7.06	40.81	10.99	3.16	31.97	17.23	Dec-11
Russell 2000 Growth	<u>5.35</u>	<u>5.35</u>	<u>23.03</u>	<u>6.72</u>	<u>12.10</u>	<u>8.05</u>	<u>11.32</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>14.17</u>	Dec-11
Excess Return	-2.13	-2.13	5.54	6.55	3.30		13.58	8.19	1.46	-2.49	-3.60	6.07	2.88	3.06	
Russell 2000	2.47	2.47	26.22	7.22	12.35	7.12	21.31	-4.41	4.89	38.82	16.35	-4.18	26.86	14.25	Dec-11
Small Growth MStar MF Rank	83	83	10	1	1	--	5	4	15	61	79	10	22	3	Dec-11

Spokane Employees' Retirement System

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	Return (%)	Since
International Equity															
Artisan International Value	6.64	6.64	11.81	3.34	9.73	6.00	5.74	-1.49	-0.39	30.72	22.48	-6.98	19.15	9.78	Sep-08
MSCI ACWI ex USA Value	<u>6.68</u>	<u>6.68</u>	<u>16.68</u>	<u>-0.51</u>	<u>3.81</u>	<u>0.68</u>	<u>8.92</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>4.05</u>	Sep-08
Excess Return	-0.04	-0.04	-4.87	3.85	5.92	5.32	-3.18	8.57	4.71	15.68	5.51	6.22	11.31	5.73	
MSCI ACWI ex USA	7.86	7.86	13.13	0.56	4.36	1.35	4.50	-5.66	-3.87	15.29	16.83	-13.71	11.15	4.47	Sep-08
Foreign Large Value MStar MF Rank	66	66	56	7	3	1	29	45	2	1	8	7	1	1	Sep-08
EuroPacific Growth R6	9.37	9.37	13.10	2.17	6.64	3.51	1.01	-0.48	-2.29	20.58	19.64	-13.31	9.76	3.57	Jun-08
MSCI ACWI ex USA	<u>7.86</u>	<u>7.86</u>	<u>13.13</u>	<u>0.56</u>	<u>4.36</u>	<u>1.35</u>	<u>4.50</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>1.43</u>	Jun-08
Excess Return	1.51	1.51	-0.03	1.61	2.28	2.16	-3.49	5.18	1.58	5.29	2.81	0.40	-1.39	2.14	
Foreign Large Blend MStar MF Rank	10	10	27	19	17	12	53	42	18	50	28	43	63	13	Jun-08
Victory Trivalent International Small Cap	8.33	8.33	9.64	3.45	10.67	--	-0.70	8.20	-0.20	32.98	24.32	-11.55	25.49	5.63	Aug-15
MSCI ACWI xUS Small (net)	<u>8.78</u>	<u>8.78</u>	<u>12.26</u>	<u>2.46</u>	<u>6.68</u>	<u>3.04</u>	<u>3.91</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>9.59</u>	Aug-15
Excess Return	-0.45	-0.45	-2.62	0.99	3.99		-4.61	5.60	3.83	13.25	5.80	6.95	0.28	-3.96	
MSCI ACWI ex USA	7.86	7.86	13.13	0.56	4.36	1.35	4.50	-5.66	-3.87	15.29	16.83	-13.71	11.15	6.80	Aug-15
Foreign Small/Mid Growth MStar MF Rank	63	63	29	32	14	--	36	60	26	24	22	25	32	44	Aug-15
Berens Global Value Ltd	8.85	8.85	16.81	1.43	2.69	3.78	7.23	-8.84	-1.50	6.16	10.77	-14.07	20.68	0.95	Dec-07
MSCI ACWI ex USA	<u>7.86</u>	<u>7.86</u>	<u>13.13</u>	<u>0.56</u>	<u>4.36</u>	<u>1.35</u>	<u>4.50</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>0.19</u>	Dec-07
Excess Return	0.99	0.99	3.68	0.87	-1.67	2.43	2.73	-3.18	2.37	-9.13	-6.06	-0.36	9.53	0.76	
MSCI Emerging Markets	11.45	11.45	17.21	1.18	0.81	2.72	11.19	-14.92	-2.19	-2.60	18.23	-18.42	18.88	-0.45	Dec-07

Spokane Employees' Retirement System

As of March 31, 2017

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	Return (%)	Since
Long Biased															
Weatherlow Offshore	1.55	1.55	7.95	2.36	5.12	4.39	0.99	1.49	4.91	13.56	8.47	-5.89	9.69	3.47	Mar-08
HFRI Fund of Funds Composite Index	<u>2.38</u>	<u>2.38</u>	<u>6.22</u>	<u>1.80</u>	<u>3.22</u>	<u>1.24</u>	<u>0.51</u>	<u>-0.27</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>5.70</u>	<u>1.11</u>	Mar-08
Excess Return	-0.83	-0.83	1.73	0.56	1.90	3.15	0.48	1.76	1.55	4.60	3.68	-0.17	3.99	2.36	
S&P 500	6.07	6.07	17.17	10.37	13.30	7.51	11.96	1.38	13.69	32.39	16.00	2.11	15.06	9.01	Mar-08
Opportunistic Credit															
Beach Point Select Fund	2.10	2.10	14.61	6.19	9.54	--	14.52	2.58	2.35	15.93	17.58	--	--	7.31	Oct-13
HFRI ED: Distressed/Restructuring Index	<u>2.59</u>	<u>2.59</u>	<u>20.07</u>	<u>1.36</u>	<u>5.11</u>	<u>3.70</u>	<u>15.15</u>	<u>-8.06</u>	<u>-1.39</u>	<u>14.05</u>	<u>10.12</u>	<u>-1.79</u>	<u>12.12</u>	<u>3.23</u>	Oct-13
Excess Return	-0.49	-0.49	-5.46	4.83	4.43		-0.63	10.64	3.74	1.88	7.46			4.08	
HFRX Distressed Securities Index	1.59	1.59	23.47	1.65	1.76	-2.73	19.72	-11.14	0.42	5.37	0.94	-8.04	8.34	2.56	Oct-13
Real Estate															
SERS Principal Global Investors REIT	1.55	1.55	1.98	10.60	10.39	5.53	6.40	4.19	32.23	3.91	16.99	9.03	25.31	5.62	Dec-06
FTSE NAREIT All REIT	<u>2.97</u>	<u>2.97</u>	<u>6.30</u>	<u>10.46</u>	<u>10.45</u>	<u>4.79</u>	<u>9.28</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>4.88</u>	Dec-06
Excess Return	-1.42	-1.42	-4.32	0.14	-0.06	0.74	-2.88	1.90	5.08	0.70	-3.15	1.75	-2.27	0.74	
US Real Estate Equity Rank	29	29	63	45	41	53	70	54	37	26	87	72	81	58	Dec-06
Special Opportunities															
OrbiMed Partners II	8.60	8.60	2.25	1.44	8.23	9.20	-21.91	2.14	25.88	32.19	16.19	8.28	9.78	9.99	Dec-10
S&P Composite 1500 Health Care	<u>8.45</u>	<u>8.45</u>	<u>12.22</u>	<u>10.55</u>	<u>16.92</u>	<u>10.70</u>	<u>-2.05</u>	<u>7.41</u>	<u>24.79</u>	<u>42.19</u>	<u>18.35</u>	<u>11.88</u>	<u>5.20</u>	<u>17.09</u>	Dec-10
Excess Return	0.15	0.15	-9.97	-9.11	-8.69	-1.50	-19.86	-5.27	1.09	-10.00	-2.16	-3.60	4.58	-7.10	
NASDAQ Biotech Index	10.84	10.84	13.04	7.90	19.45	15.00	-21.35	11.77	34.40	65.97	32.29	12.08	15.25	20.59	Dec-10
MSCI World Healthcare Index	8.44	8.44	8.45	6.35	13.63	8.17	-6.81	6.60	18.10	36.27	17.54	9.46	2.41	13.69	Dec-10

Non-Marketable Securities Overview

As of December 31, 2016

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	\$1,039,913	\$27,518	\$1,067,431	\$272,068	88.45%	-10.00

Time and Dollar Weighted Returns

Legacy Partners Realty Fund III, LLC	Q4-16	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Time Weighted	-7.02%	-7.22%	-7.22%	-17.63%	-11.23%	-4.05%	0.07%
Money Weighted	-3.72%	-0.47%	-0.47%	-18.51%	-10.61%	-2.23%	2.10%
NCREIF Property Index	1.73%	7.97%	7.97%	10.61%	11.01%	11.00%	10.91%

Legacy Partners Realty Fund III, LLC	2016	2015	2014	2013	2012	2011	Inception 5/31/08
Time Weighted	-7.22%	-26.87%	3.09%	21.14%	18.41%	29.91%	-69.91%
Money Weighted	-0.47%	-26.87%	3.09%	20.46%	18.35%	54.53%	-10.00%
NCREIF Property Index	7.97%	13.33%	11.81%	10.99%	10.54%	14.26%	6.09%

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 December 31, 2016

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	\$1,932,824	\$356,500	\$2,289,324	\$115,000	94.25%	3.81

Time and Dollar Weighted Returns

	Q4-16	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Metropolitan Real Estate Partners V							
Time Weighted	1.38%	4.86%	4.86%	7.27%	11.57%	12.24%	12.46%
Money Weighted	1.27%	3.86%	3.86%	8.56%	13.98%	13.83%	13.62%
NCREIF Property Index	1.73%	7.97%	7.97%	10.61%	11.01%	11.00%	10.91%

	2016	2015	2014	2013	2012	2011	Inception 11/30/07
Metropolitan Real Estate Partners V							
Time Weighted	4.86%	9.75%	20.70%	14.26%	13.32%	13.40%	-4.49%
Money Weighted	3.86%	11.04%	19.67%	13.59%	13.15%	14.07%	3.81%
NCREIF Property Index	7.97%	13.33%	11.81%	10.99%	10.54%	14.26%	6.30%

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Non-Marketable Securities Overview
As of March 31, 2017

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	\$5,776,662	\$1,642,283	\$7,418,945	\$161,786	96.89%	16.71

Time and Dollar Weighted Returns

	Q1-17	YTD	1 Yr	2 Yrs	3 Yrs
Morrison Street Fund IV Q, LP					
Time Weighted	1.80%	1.80%	15.10%	19.44%	19.12%
Money Weighted	1.79%	1.79%	17.35%	20.77%	20.09%
NCREIF Property Index	1.55%	1.55%	7.27%	9.53%	10.58%

	2016	2015	2014	2013	Inception 7/1/12
Morrison Street Fund IV Q, LP					
Time Weighted	21.19%	18.03%	18.77%	19.04%	19.33%
Money Weighted	23.73%	17.41%	18.88%	18.85%	16.71%
NCREIF Property Index	7.97%	13.33%	11.81%	10.99%	10.66%

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.

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Non-Marketable Securities Overview

As of March 31, 2017

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	\$5,960,493	\$1,561,414	\$5,531,881	\$7,093,295	\$119,507	98.03%	10.89

Time and Dollar Weighted Returns

	Q1-17	YTD	1 Yr	2 Yrs	3 Yrs
Morrison Street Fund V, LP					
Time Weighted	3.14%	3.14%	11.96%	12.02%	
Money Weighted	3.14%	3.14%	12.20%	12.70%	
NCREIF Property Index	1.55%	1.55%	7.27%	9.53%	10.58%
Morrison Street Fund V, LP	2016	2015	2014	2013	Inception 6/30/14
Time Weighted	11.10%	11.89%			9.54%
Money Weighted	11.31%	13.31%			10.89%
NCREIF Property Index	7.97%	13.33%	11.81%	10.99%	10.44%

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.

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Non-Marketable Securities Overview
As of March 31, 2017

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	\$2,690,323	\$2,741,717	\$5,432,040	\$0	100.00%	3.25

Time and Dollar Weighted Returns

	Q1-17	YTD	1 Yr	2 Yrs	3 Yrs
Orbimed Royalty Opportunities					
Time Weighted	2.97%	2.97%	-20.51%	-6.48%	-1.31%
Money Weighted	2.97%	2.97%	-18.69%	-3.50%	0.81%
HFRI Fund of Funds Composite Index	2.39%	2.39%	6.23%	0.07%	1.80%
S&P 500	6.07%	6.07%	17.17%	9.21%	10.37%

	2016	2015	2014	2013	Inception 9/1/11
Orbimed Royalty Opportunities					
Time Weighted	-20.87%	9.95%	9.99%	6.17%	4.91%
Money Weighted	-17.15%	9.99%	10.00%	6.90%	3.25%
HFRI Fund of Funds Composite Index	0.51%	-0.27%	3.36%	8.96%	2.88%
S&P 500	11.96%	1.38%	13.69%	32.39%	15.03%

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.

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Non-Marketable Securities Overview
As of March 31, 2017

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	\$1,542,500	\$296,525	\$1,346,375	\$1,642,900	\$3,457,500	30.85%	7.19

Time and Dollar Weighted Returns

	Q1-17	YTD	1 Yr	2 Yrs	3 Yrs
Orbimed Royalty Opportunities II					
Time Weighted	4.29%	4.29%	4.76%	10.56%	
Money Weighted	4.21%	4.21%	5.01%	7.19%	
HFRI Fund of Funds Composite Index	2.39%	2.39%	6.23%	0.07%	1.80%
S&P 500	6.07%	6.07%	17.17%	9.21%	10.37%
Orbimed Royalty Opportunities II	2016	2015	2014	2013	Inception 4/1/15
Time Weighted	0.60%				10.56%
Money Weighted	-0.05%				7.19%
HFRI Fund of Funds Composite Index	0.51%	-0.27%	3.36%	8.96%	0.07%
S&P 500	11.96%	1.38%	13.69%	32.39%	9.21%

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.

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Non-Marketable Securities Overview

As of March 31, 2017

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 Debt Opportunities Fd LP	2017	\$5,000,000	\$3,157,500	\$100,511	\$2,995,904	\$3,096,415	\$1,842,500	63.15%	-2.35

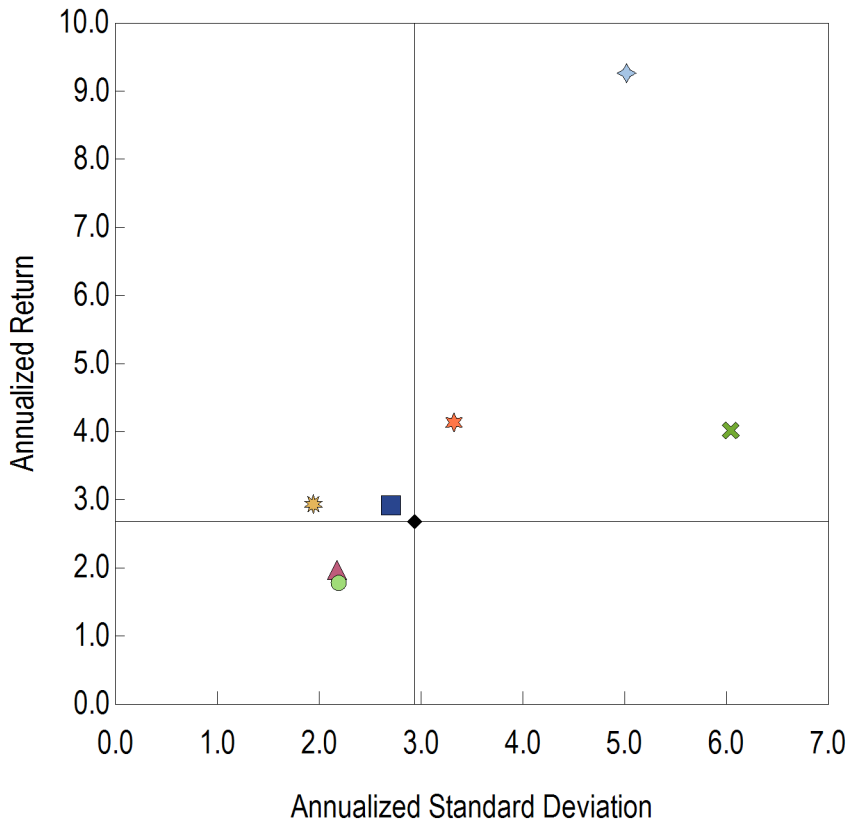
Time and Dollar Weighted Returns

Morrison Street Debt Opportunities Fd LP	Q1-17	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	-1.94%	-1.94%			
Money Weighted	-2.35%	-2.35%			
NCREIF - ODCE NET	1.55%	1.55%	7.36%	9.96%	10.75%
Morrison Street Debt Opportunities Fd LP	2016	2015	2014	2013	Inception 12/31/16
Time Weighted					-1.94%
Money Weighted					-2.35%
NCREIF - ODCE NET	7.79%	13.91%	11.46%	12.90%	1.55%

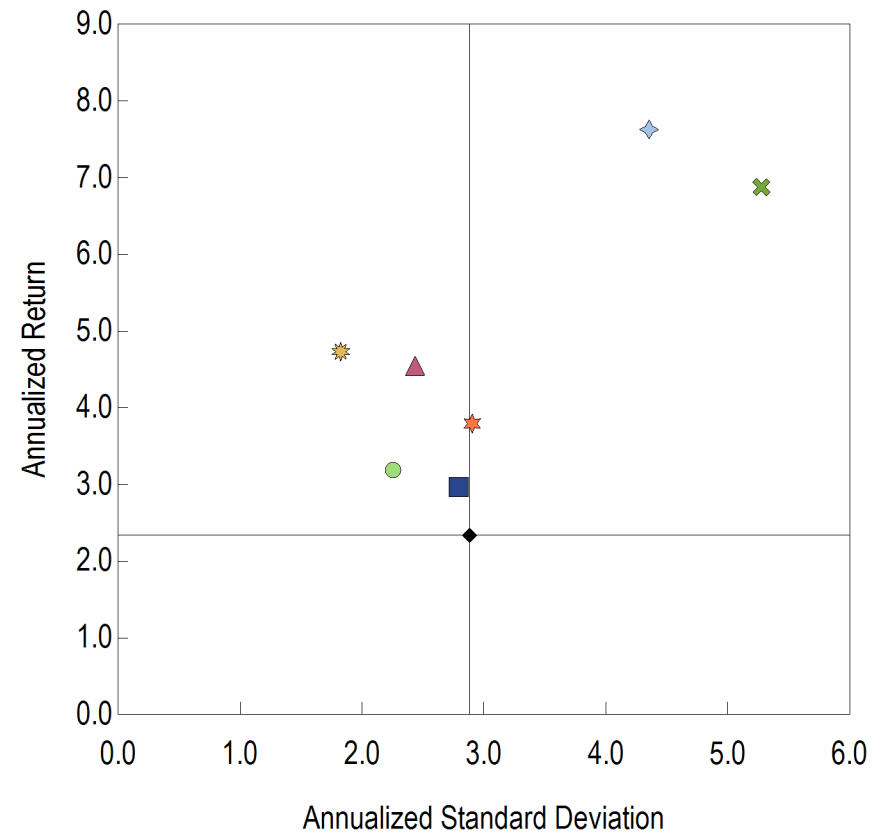
Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for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

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Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2017



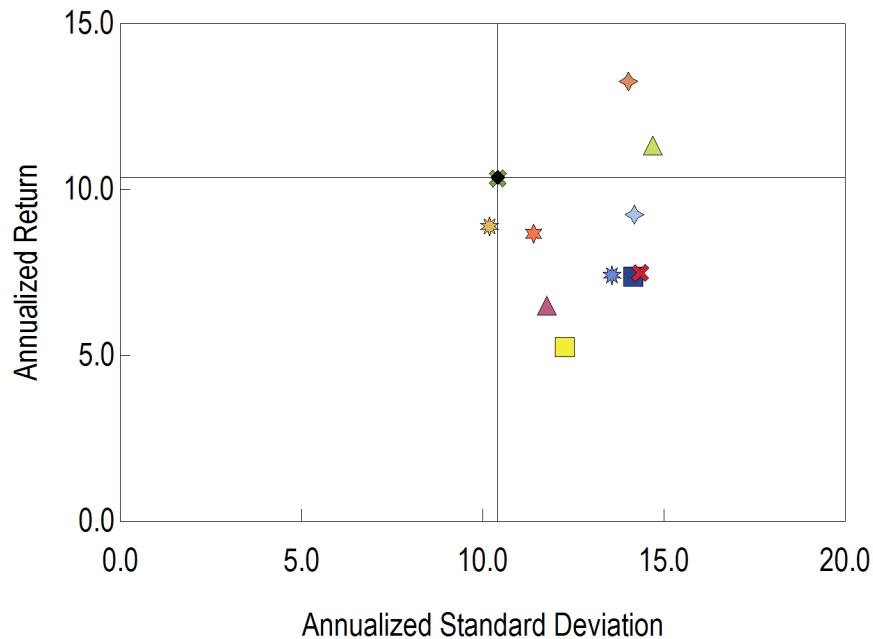
Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2017



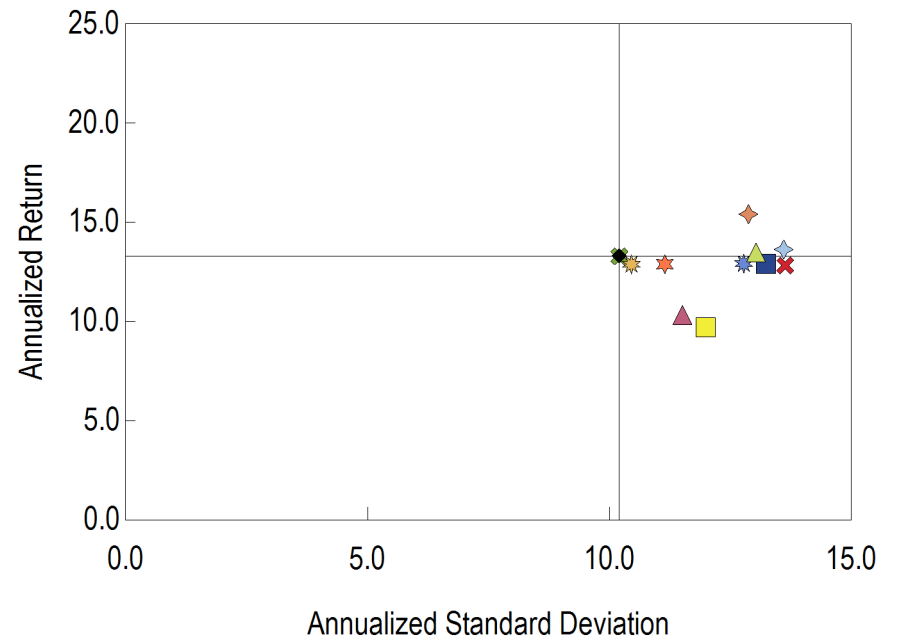
- Sterling Core Bond
- ✕ Hotchkis & Wiley High Yield
- ☀ Post Lmtd Term High Yield
- ▲ Rimrock Low Volatility Offshore
- ◆ Castine Partners II
- ★ Polar Altairis Offshore
- ◆ BBgBarc US Aggregate TR
- HFRI FOF: Conservative Index

- Sterling Core Bond
- ✕ Hotchkis & Wiley High Yield
- ☀ Post Lmtd Term High Yield
- ▲ Rimrock Low Volatility Offshore
- ◆ Castine Partners II
- ★ Polar Altairis Offshore
- ◆ BBgBarc US Aggregate TR
- HFRI FOF: Conservative Index

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2017



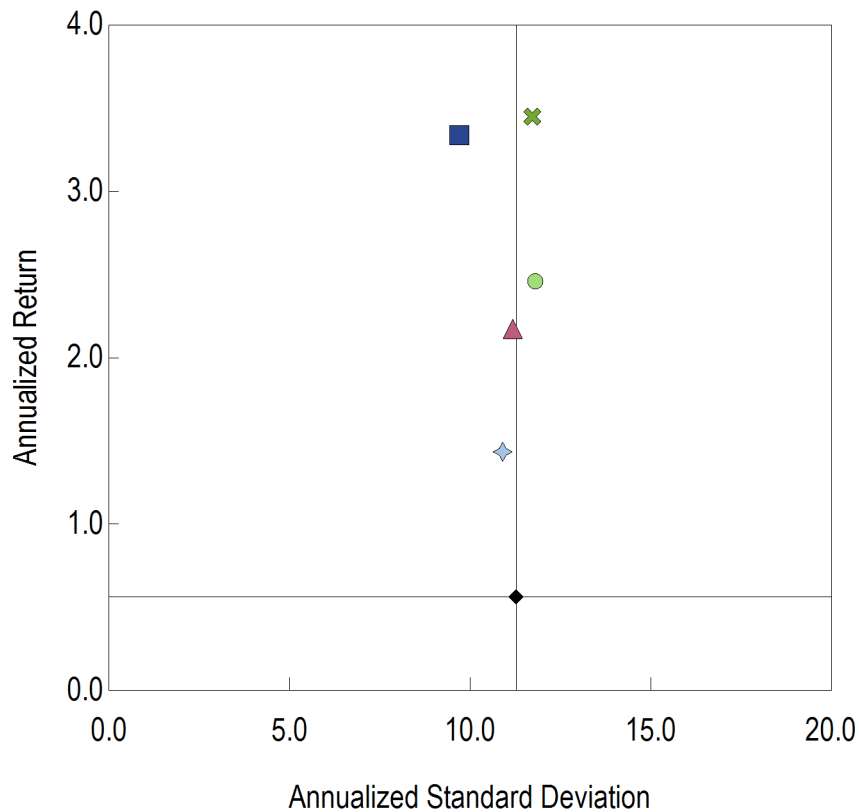
Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2017



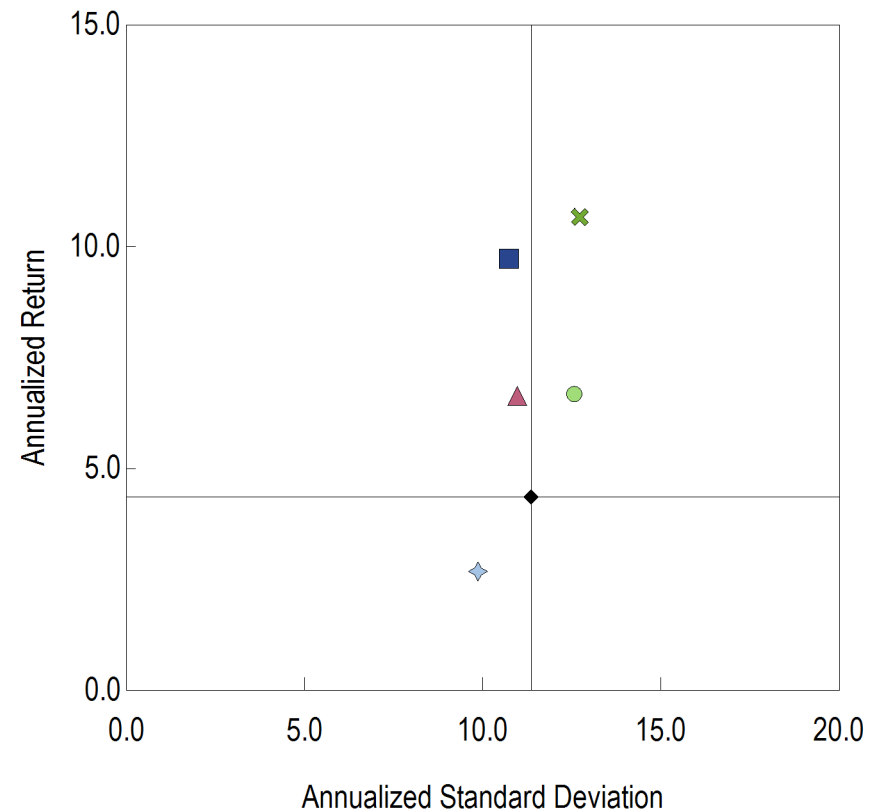
- Hotchkis & Wiley Diversified Value I
- ✕ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Jackson Square Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
- ★ Vanguard Mid Cap Index
- Vanguard Mid Cap Growth
- ✕ Frontier Phocas Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500

- Hotchkis & Wiley Diversified Value I
- ✕ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Jackson Square Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
- ★ Vanguard Mid Cap Index
- Vanguard Mid Cap Growth
- ✕ Frontier Phocas Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2017



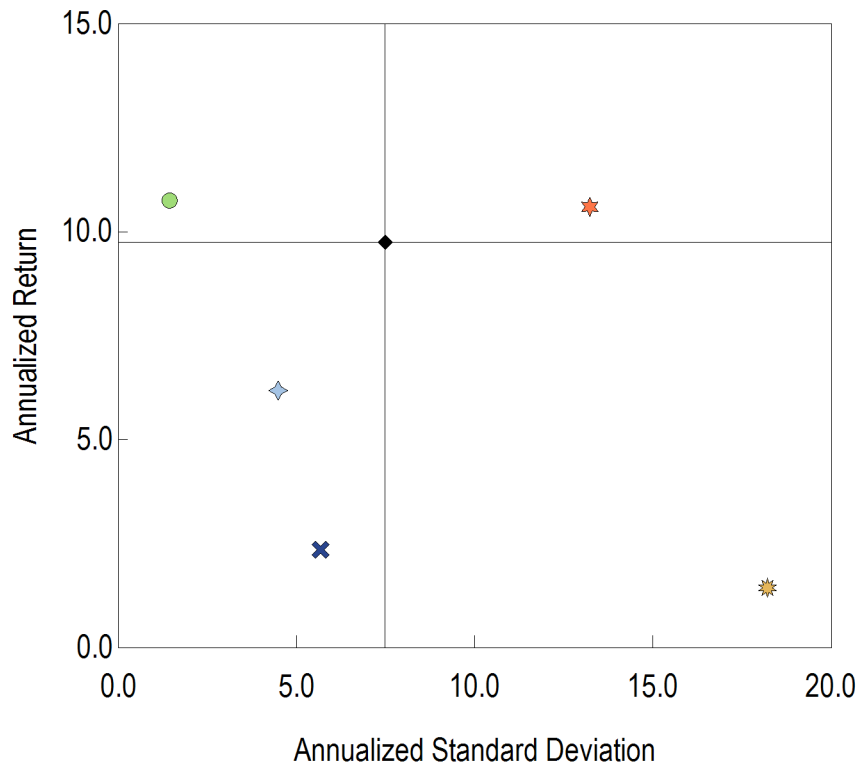
Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2017



- Artisan International Value
- ✕ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA
- MSCI ACWI xUS Small (net)

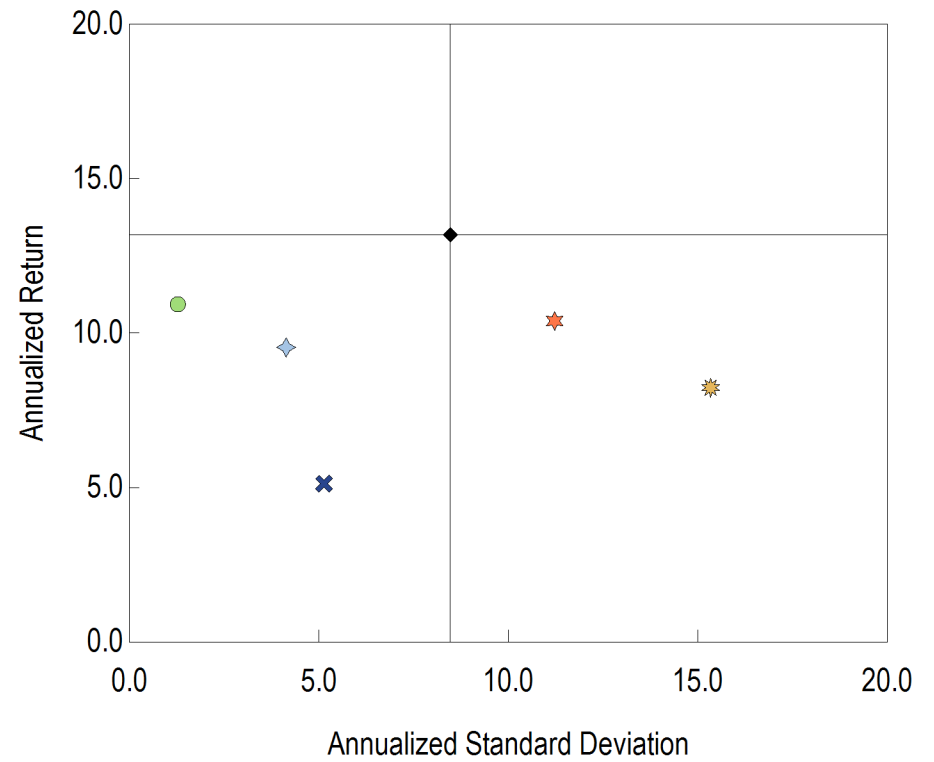
- Artisan International Value
- ✕ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA
- MSCI ACWI xUS Small (net)

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2017



- ✕ Weatherlow Offshore
- ✱ OrbiMed Partners II
- ◇ Beach Point Select Fund
- ★ SERS Principal Global Investors REIT
- ◆ Russell 3000
- NCREIF - ODCE NET

Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2017

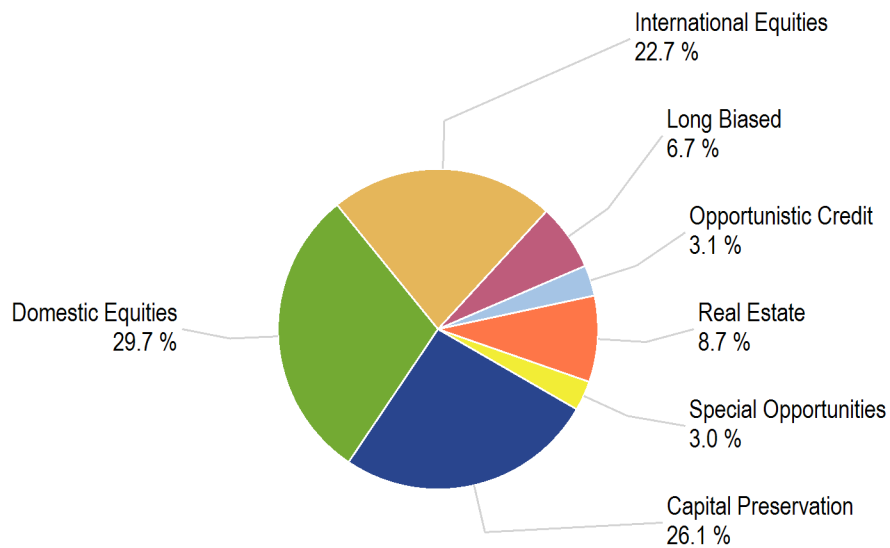


- ✕ Weatherlow Offshore
- ✱ OrbiMed Partners II
- ◇ Beach Point Select Fund
- ★ SERS Principal Global Investors REIT
- ◆ Russell 3000
- NCREIF - ODCE NET

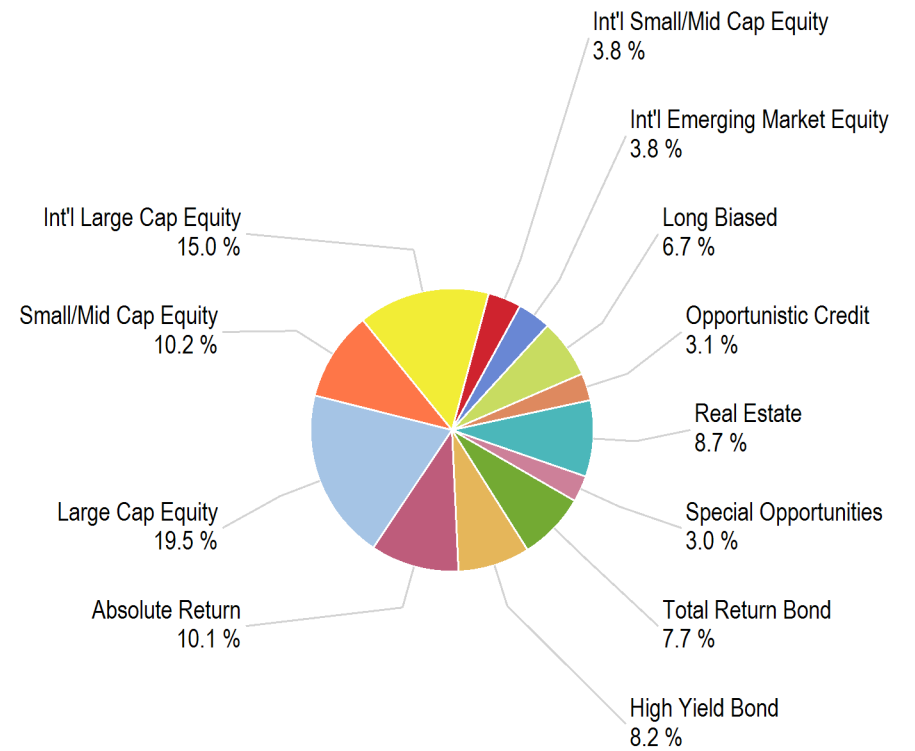
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Section 3

Current Allocation



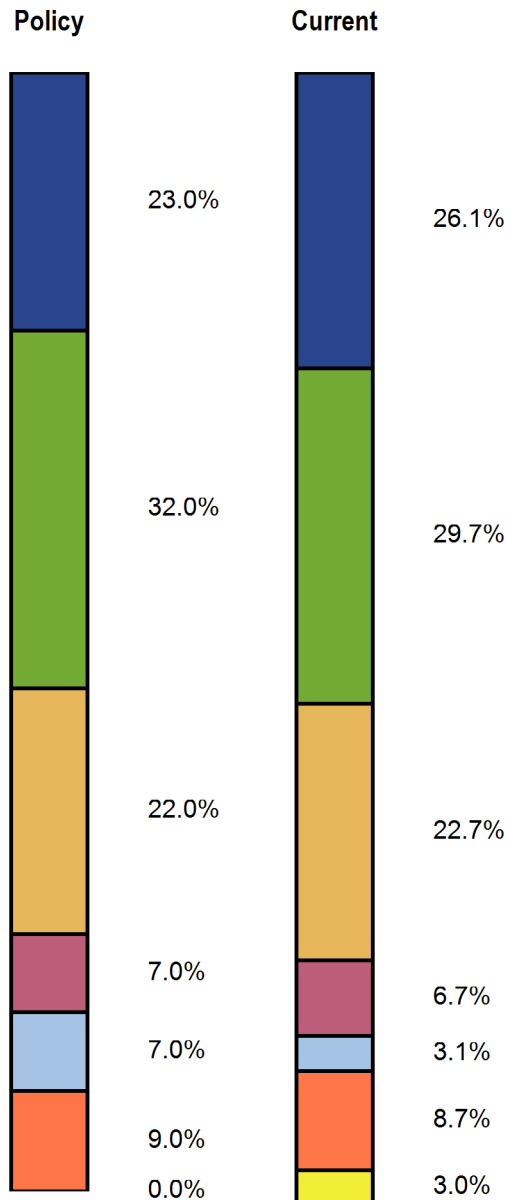
Current Implementation Allocation



Spokane Employees' Retirement System

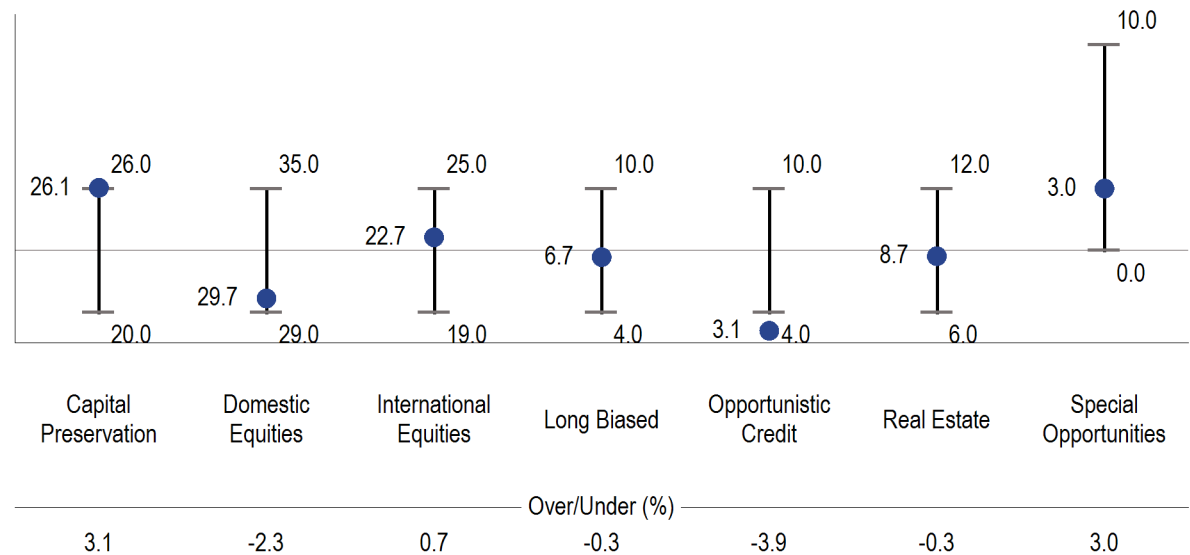
As of March 31, 2017

Asset Allocation vs. Target

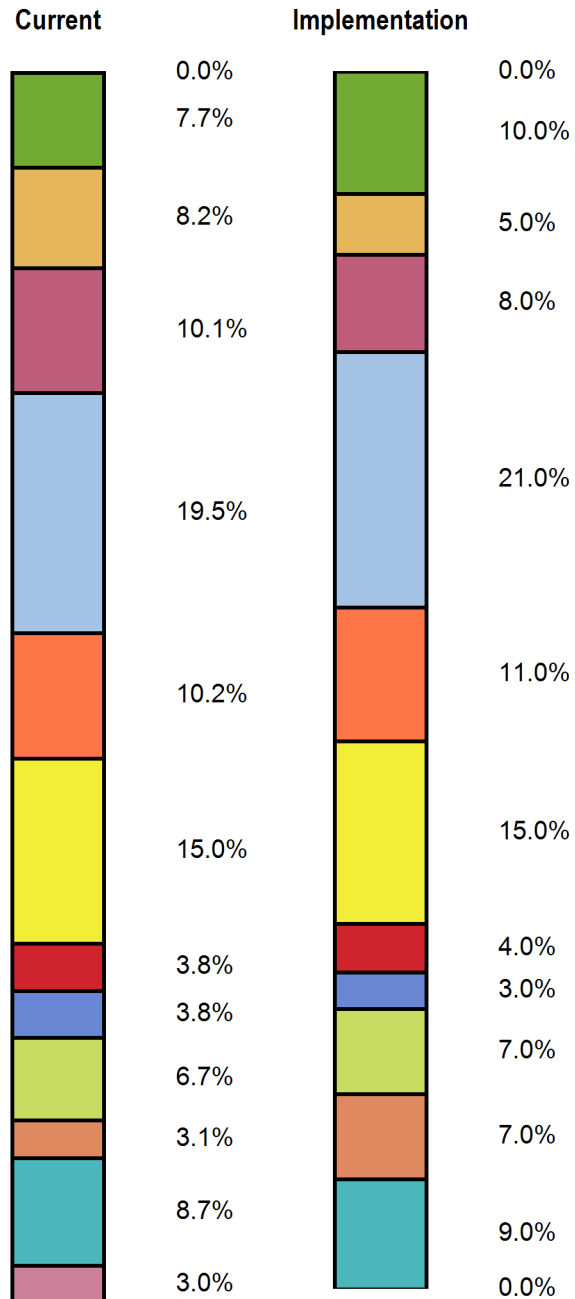


	Inv Pol Stmt	%	Inv Pol Stmt Range	Current	%	Difference	%
Capital Preservation	\$66,007,854	23.0%	20.0% - 26.0%	\$74,820,048	26.1%	\$8,812,193	3.1%
Domestic Equities	\$91,837,015	32.0%	29.0% - 35.0%	\$85,198,317	29.7%	-\$6,638,697	-2.3%
International Equities	\$63,137,948	22.0%	19.0% - 25.0%	\$65,030,941	22.7%	\$1,892,993	0.7%
Long Biased	\$20,089,347	7.0%	4.0% - 10.0%	\$19,218,141	6.7%	-\$871,206	-0.3%
Opportunistic Credit	\$20,089,347	7.0%	4.0% - 10.0%	\$8,929,329	3.1%	-\$11,160,018	-3.9%
Real Estate	\$25,829,160	9.0%	6.0% - 12.0%	\$25,091,462	8.7%	-\$737,698	-0.3%
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$8,702,433	3.0%	\$8,702,433	3.0%
Total	\$286,990,671	100.0%		\$286,990,671	100.0%		

Actual vs. Target



— Target ▤ Range ● Current



Asset Allocation on March 31, 2017

	Actual	Actual	Target
Cash	\$107,510	0.0%	0.0%
Total Return Bond	\$22,088,709	7.7%	10.0%
High Yield Bond	\$23,517,629	8.2%	5.0%
Absolute Return	\$29,106,200	10.1%	8.0%
Large Cap Equity	\$55,954,093	19.5%	21.0%
Small/Mid Cap Equity	\$29,244,224	10.2%	11.0%
Int'l Large Cap Equity	\$43,130,099	15.0%	15.0%
Int'l Small/Mid Cap Equity	\$11,013,887	3.8%	4.0%
Int'l Emerging Market Equity	\$10,886,955	3.8%	3.0%
Long Biased	\$19,218,141	6.7%	7.0%
Opportunistic Credit	\$8,929,329	3.1%	7.0%
Real Estate	\$25,091,462	8.7%	9.0%
Special Opportunities	\$8,702,433	3.0%	0.0%
Total	\$286,990,671	100.0%	100.0%

Spokane Employees' Retirement System

As of March 31, 2017

Asset Allocation vs. Target

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Capital Preservation	\$66,007,854	23.0%	20.0% - 26.0%	\$74,820,048	26.1%	\$8,812,193	3.1%	No
Cash	\$0	0.0%	0.0% - 2.0%	\$107,510	0.0%	\$107,510	0.0%	Yes
Fidelity Instl Govt Money Market				\$107,510	0.0%			
Total Return Bond	\$28,699,067	10.0%	8.0% - 12.0%	\$22,088,709	7.7%	-\$6,610,358	-2.3%	No
Sterling Core Bond				\$22,088,709	7.7%			
High Yield Bond	\$14,349,534	5.0%	3.0% - 7.0%	\$23,517,629	8.2%	\$9,168,095	3.2%	No
Hotchkis & Wiley High Yield				\$23,517,629	8.2%			
Absolute Return	\$22,959,254	8.0%	6.0% - 10.0%	\$29,106,200	10.1%	\$6,146,946	2.1%	No
Polar Long/Short Fund				\$6,410,586	2.2%			
Post Lmted Term High Yield				\$5,882,349	2.0%			
Rimrock Low Volatility Offshore				\$9,467,198	3.3%			
Castine Partners				\$7,346,066	2.6%			
Domestic Equities	\$91,837,015	32.0%	29.0% - 35.0%	\$85,198,317	29.7%	-\$6,638,697	-2.3%	Yes
Large Cap Equity	\$60,268,041	21.0%	19.0% - 23.0%	\$55,954,093	19.5%	-\$4,313,948	-1.5%	Yes
Hotchkis & Wiley Div Value I				\$15,230,561	5.3%			
Vanguard Institutional Index				\$9,502,098	3.3%			
MFS Blended Research Core				\$15,908,912	5.5%			
Jackson Square Large-Cap Growth Equity				\$15,312,522	5.3%			

Spokane Employees' Retirement System

As of March 31, 2017

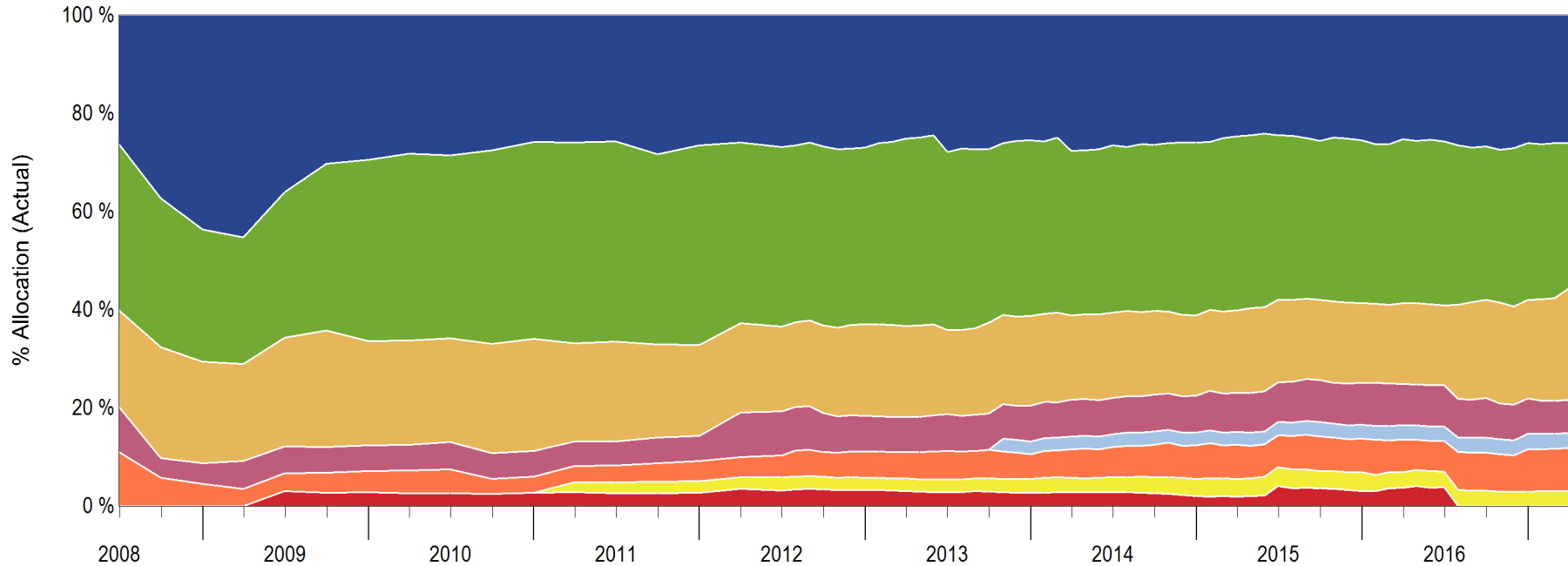
	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Small/Mid Cap Equity	\$31,568,974	11.0%	9.0% - 13.0%	\$29,244,224	10.2%	-\$2,324,750	-0.8%	Yes
Sterling Mid Cap Value				\$5,766,247	2.0%			
Vanguard Mid Cap Index				\$3,501,564	1.2%			
Vanguard Mid Cap Growth				\$4,203,131	1.5%			
Frontier Sm Cap Value I				\$4,084,154	1.4%			
Vanguard Small Cap Index				\$941,062	0.3%			
Bridge City Small Growth				\$5,523,618	1.9%			
Champlain Small Cap				\$5,224,448	1.8%			
International Equities	\$63,137,948	22.0%	19.0% - 25.0%	\$65,030,941	22.7%	\$1,892,993	0.7%	Yes
Int'l Large Cap Equity	\$43,048,601	15.0%	13.0% - 17.0%	\$43,130,099	15.0%	\$81,499	0.0%	Yes
EuroPacific Growth R6				\$21,656,995	7.5%			
Artisan Int'l Value				\$21,473,104	7.5%			
Int'l Small/Mid Cap Equity	\$11,479,627	4.0%	2.0% - 6.0%	\$11,013,887	3.8%	-\$465,740	-0.2%	Yes
Victory Trivalent International Small Cap				\$11,013,887	3.8%			
Int'l Emerging Market Equity	\$8,609,720	3.0%	1.0% - 5.0%	\$10,886,955	3.8%	\$2,277,234	0.8%	Yes
Berens Global Value				\$10,886,955	3.8%			
Long Biased	\$20,089,347	7.0%	4.0% - 10.0%	\$19,218,141	6.7%	-\$871,206	-0.3%	Yes
Long Biased	\$20,089,347	7.0%	4.0% - 10.0%	\$19,218,141	6.7%	-\$871,206	-0.3%	Yes
Weatherlow Offshore				\$14,844,562	5.2%			
OrbiMed Royalty Opps II				\$1,346,375	0.5%			
TCM Partners				\$285,487	0.1%			
OrbiMed Royalty Opportunities				\$2,741,717	1.0%			

Spokane Employees' Retirement System

As of March 31, 2017

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Opportunistic Credit	\$20,089,347	7.0%	4.0% - 10.0%	\$8,929,329	3.1%	-\$11,160,018	-3.9%	No
Opportunistic Credit	\$20,089,347	7.0%	4.0% - 10.0%	\$8,929,329	3.1%	-\$11,160,018	-3.9%	No
Beach Point Select Fund LP				\$8,929,329	3.1%			
Real Estate	\$25,829,160	9.0%	6.0% - 12.0%	\$25,091,462	8.7%	-\$737,698	-0.3%	Yes
Real Estate	\$25,829,160	9.0%	6.0% - 12.0%	\$25,091,462	8.7%	-\$737,698	-0.3%	Yes
Principal Global Investors REIT				\$13,637,338	4.8%			
Legacy Partners Realty III				\$27,518	0.0%			
Morrison Street Fund IV				\$2,439,919	0.9%			
Metropolitan Realty V				\$337,018	0.1%			
Morrison Street Fund V				\$5,600,157	2.0%			
Morrison Street Debt Opportunities Fund LP				\$3,049,512	1.1%			
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$8,702,433	3.0%	\$8,702,433	3.0%	Yes
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$8,702,433	3.0%	\$8,702,433	3.0%	Yes
Orbimed Partners II				\$8,702,433	3.0%			
Total	\$286,990,671	100.0%		\$286,990,671	100.0%			

Asset Allocation History
8 Years 9 Months Ending March 31, 2017



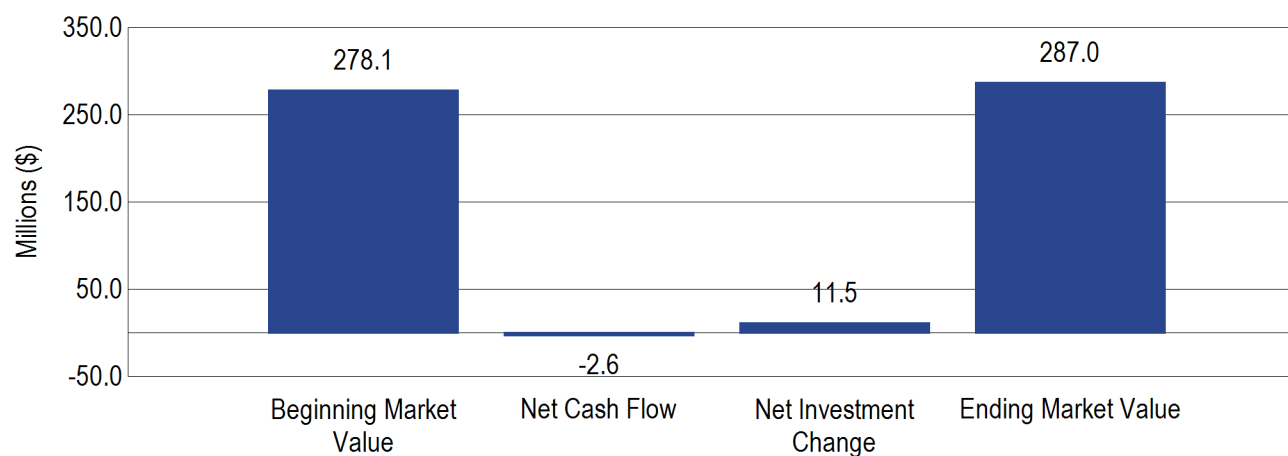
37.	43.	45.	36.	30.	29.	28.	28.	27.	25.	26.	25.	28.	26.	26.	26.	27.	25.	28.	27.	25.	27.	26.	26.	26.	24.	24.	25.	25.	25.	25.	25.	26.	26.	26.
30.	26.	25.	29.	33.	36.	38.	37.	39.	40.	40.	40.	38.	40.	36.	36.	36.	38.	36.	35.	35.	33.	34.	33.	35.	35.	33.	32.	33.	33.	33.	33.	31.	32.	29.
22.	20.	19.	22.	23.	21.	21.	21.	22.	22.	20.	20.	19.	18.	18.	17.	17.	18.	18.	17.	18.	17.	17.	17.	16.	16.	16.	16.	16.	16.	16.	16.	20.	20.	22.
4.0	4.2	5.6	5.4	5.2	5.2	5.2	5.6	5.2	5.2	4.9	4.8	5.3	5.2	9.1	8.9	7.9	7.3	7.1	7.5	7.3	7.2	7.4	7.4	7.5	7.5	8.0	8.1	8.5	8.5	8.4	8.3	8.0	7.2	6.7
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.6	2.6	2.6	2.7	2.6	2.7	2.7	2.9	2.8	2.9	3.0	3.0	3.1	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	6.5	6.3	7.7	8.7	8.7
--	--	--	--	--	--	--	--	--	0.0	2.1	2.2	2.4	2.4	2.5	2.7	2.6	2.5	2.5	2.6	2.8	2.8	2.9	3.0	3.3	3.5	3.7	3.9	3.6	3.8	3.2	3.1	3.2	2.9	3.0
--	--	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	3.8	3.9	--	--	--

- Capital Preservation
- Domestic Equities
- International Equities
- Long Biased
- Opportunistic Credit
- Real Estate
- Special Opportunities
- Commodities

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Section 4

Change in Market Value
From January 1, 2017 To March 31, 2017



Cash Flow Summary

	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Artisan Int'l Value	19,471,217.63	700,000.00	0.00	700,000.00	1,301,886.33	21,473,103.96
Beach Point Select Fund LP	8,745,895.00	0.00	0.00	0.00	183,434.00	8,929,329.00
Berens Global Value	10,004,518.10	0.00	0.00	0.00	882,436.52	10,886,954.62
Bridge City Small Growth	5,350,117.50	0.00	0.00	0.00	173,500.98	5,523,618.48
Castine Partners	7,084,128.70	0.00	0.00	0.00	261,937.74	7,346,066.44
Champlain Small Cap	5,107,625.94	0.00	0.00	0.00	116,822.54	5,224,448.48
EuroPacific Growth R6	17,640,292.98	2,300,000.00	0.00	2,300,000.00	1,716,702.47	21,656,995.45
Fidelity Instl Govt Money Market	108,714.34	9,771,763.54	-9,773,579.06	-1,815.52	610.95	107,509.77
Frontier Sm Cap Value I	4,951,726.31	0.00	-850,000.00	-850,000.00	-17,572.08	4,084,154.23
Hotchkis & Wiley Div Value I	16,184,500.79	0.00	-1,600,000.00	-1,600,000.00	646,060.24	15,230,561.03
Hotchkis & Wiley High Yield	22,783,755.54	0.00	0.00	0.00	733,873.23	23,517,628.77
Jackson Square Large-Cap Growth Equity	14,278,713.93	0.00	0.00	0.00	1,033,808.08	15,312,522.01
Legacy Partners Realty III	29,597.00	0.00	0.00	0.00	-2,079.00	27,518.00

Spokane Employees' Retirement System

As of March 31, 2017

	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Metropolitan Realty V	351,421.29	0.00	-19,481.92	-19,481.92	5,078.95	337,018.32
MFS Blended Research Core	17,833,178.86	0.00	-3,000,000.00	-3,000,000.00	1,075,732.86	15,908,911.72
Morrison Street Debt Opportunities Fund LP	3,157,500.00	0.00	-46,925.61	-46,925.61	-61,062.39	3,049,512.00
Morrison Street Fund IV	2,430,274.00	0.00	-33,096.93	-33,096.93	42,741.93	2,439,919.00
Morrison Street Fund V	5,472,253.00	0.00	-42,282.19	-42,282.19	170,186.19	5,600,157.00
Orbimed Partners II	8,012,791.00	0.00	0.00	0.00	689,642.00	8,702,433.00
OrbiMed Royalty Opportunities	3,646,864.00	0.00	-42,381.86	-42,381.86	-862,765.14	2,741,717.00
OrbiMed Royalty Opps II	1,359,872.00	0.00	-70,346.32	-70,346.32	56,849.32	1,346,375.00
Polar Long/Short Fund	6,346,782.71	0.00	0.00	0.00	63,803.62	6,410,586.33
Post Lmted Term High Yield	5,826,198.37	0.00	0.00	0.00	56,150.96	5,882,349.33
Principal Global Investors REIT	12,769,988.40	650,000.00	0.00	650,000.00	217,349.64	13,637,338.04
Rimrock Low Volatility Offshore	9,267,611.89	0.00	0.00	0.00	199,586.03	9,467,197.92
Sterling Core Bond	21,040,835.57	835,000.00	0.00	835,000.00	212,873.60	22,088,709.17
Sterling Mid Cap Value	6,829,418.10	0.00	-1,550,000.00	-1,550,000.00	486,828.48	5,766,246.58
TCM Partners	285,486.54	0.00	0.00	0.00	0.00	285,486.54
Vanguard Institutional Index	8,941,853.82	3,000,000.00	-3,000,000.00	0.00	560,244.47	9,502,098.29
Vanguard Mid Cap Growth	4,998,791.90	0.00	-1,100,000.00	-1,100,000.00	304,339.00	4,203,130.90
Vanguard Mid Cap Index	3,580,736.75	0.00	-300,000.00	-300,000.00	220,826.98	3,501,563.73
Vanguard Small Cap Index	907,162.71	0.00	0.00	0.00	33,899.11	941,061.82
Victory Trivalent International Small Cap	8,672,362.13	1,580,000.00	0.00	1,580,000.00	761,524.62	11,013,886.75
Weatherlow Offshore	14,617,969.59	0.00	0.00	0.00	226,592.76	14,844,562.35
Total	278,090,156.39	18,836,763.54	-21,428,093.89	-2,591,330.35	11,491,844.99	286,990,671.03

Section 5

Statistic Definitions

Annualized Standard Deviation	A statistic used to measure the portfolio's volatility. A statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.
Downside / Upside Deviation	Standard deviation makes no distinction between the "good" or upside deviations, and the "bad" or downside deviations. Both upside and downside deviations have an equal influence on the calculation of standard deviation. Downside deviation seeks to remedy this by ignoring all of the "good" observations and by instead focusing on the "bad" returns. Conversely, Upside deviation ignores all of the "bad" observations and instead focuses on the "good" returns.
Alpha	Measures the relationship between the portfolio performance and the performance of another or benchmark index and equals the excess return while the other portfolio or benchmark index is zero.
Beta	Measures the systematic market risk and is equal to the change in portfolio performance in relation to the change in portfolio performance/index performance.
R-Squared	The "goodness of fit" to a benchmark. The percentage of a manager's return that is "explained" by the benchmark.
Tracking Error	Tracking Error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking Error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.
Information Ratio	The Information Ratio is a measure of the risk-adjusted return of a financial security (or asset or portfolio). It is defined as expected active return divided by tracking error, where active return is the excess return and tracking error is the annualized standard deviation of the excess returns.
Sharpe Ratio	Sharpe Ratio is a measure of the excess return per unit of risk in an investment asset or a trading strategy. A higher Sharpe ratio indicates you are receiving more return for the level of risk taken.
Downside Capture Ratio	Measures manager's performance in down markets relative to a particular benchmark. A down-market is defined as those periods (months or quarters) in which market return is < 0.
Upside Capture Ratio	Measures manager's performance in up markets relative to a particular benchmark. An up-market is defined as those periods (months or quarters) in which market return is > 0.
Annualized Excess Return over Risk Free	Difference between the portfolio and the risk-free benchmark's return, annualized.
Annualized Excess Return	Difference between the portfolio and the benchmark's return, annualized.
Correlation	A statistic that measures the degree to which two data series move in relation to each other. The higher the correlation the more the data series move in tandem. Correlation ranges from +1 (perfect correlation), to -1 (perfect negative correlation), with zero indicating no correlation at all.