Republic of Palau
COFA Trust Fund

Comparative Performance Analysis Report

Presented by: Asia Pacific Group of Raymond James

Q4 2015

RAYMOND JAMES®

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INSTITUTIONAL CONSULTING SERVICES

QUARTERLY MARKET COMMENTARY

FOURTH QUARTER 2015

KEY TAKEAWAYS

- **The Federal Reserve (Fed) increased the federal funds rate for the first time in nine years—albeit modestly.**
- **U.S. large cap, international developed small cap, and municipal bonds were among the best performing asset classes last quarter.**
- **Investors favored growth over value stocks in 2015.**
- **Low oil and natural gas prices continued to apply downward pressure on the energy sector, commodities and high yield bonds.**

On December 16, 2015, the Federal Reserve announced a 0.25% increase in the federal funds rate—the overnight interest rate for loans between the most creditworthy lending institutions. The federal funds rate is an important baseline throughout the financial system, and a higher federal funds rate will increase the cost of capital broadly throughout the economy. This was the first rate hike since June 2006, signaling an end to a historic period of aggressively accommodative monetary policy. Although the Fed remains wary of below-target inflation and sluggish wage growth, it considers the U.S. economy healthy enough to reduce the affordability of borrowing money. In its statement, the Fed cited continuous improvements in the labor and housing markets, coupled with strong household spending and business fixed investment as the rationale for increasing this key interest rate.

FOMC Forecasts		
	2016	Long-Term
Change in real GDP	2.4	2.0
Unemployment rate	4.7	4.9
PCE inflation	1.6	2.0
Federal funds rate	1.4	3.5

Source: Federalreserve.gov, Q4 to Q4 estimates

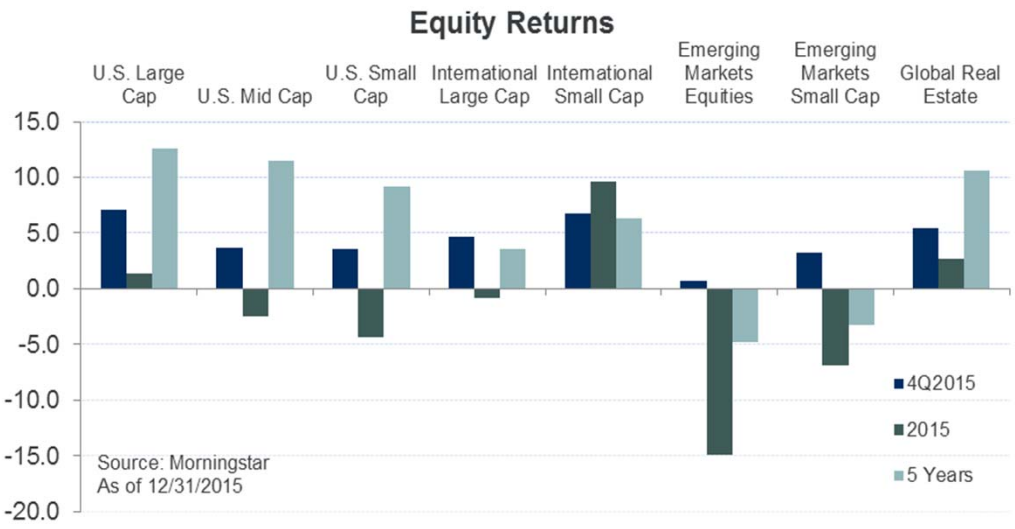
As the table to the left demonstrates, the Federal Open Market Committee (FOMC), which collectively determines Fed policy, has a positive outlook on the U.S. economy in 2016. The committee's gross domestic product (GDP) estimates for 2016 are above the long-term (more than three years) GDP forecast, while the unemployment rate is expected to remain below forecast.

Although inflation expectations remained subdued, the FOMC forecasts a gradual increase, as downward price pressure from the energy sector should eventually subside. The FOMC has plans to steadily increase interest rates from the current target range, which lies between 0.25% and 0.5%, to an equilibrium federal funds rate of 3.5%. However, with a variety of risks to growth globally, the pace of rate hikes is expected to be substantially below historical levels.

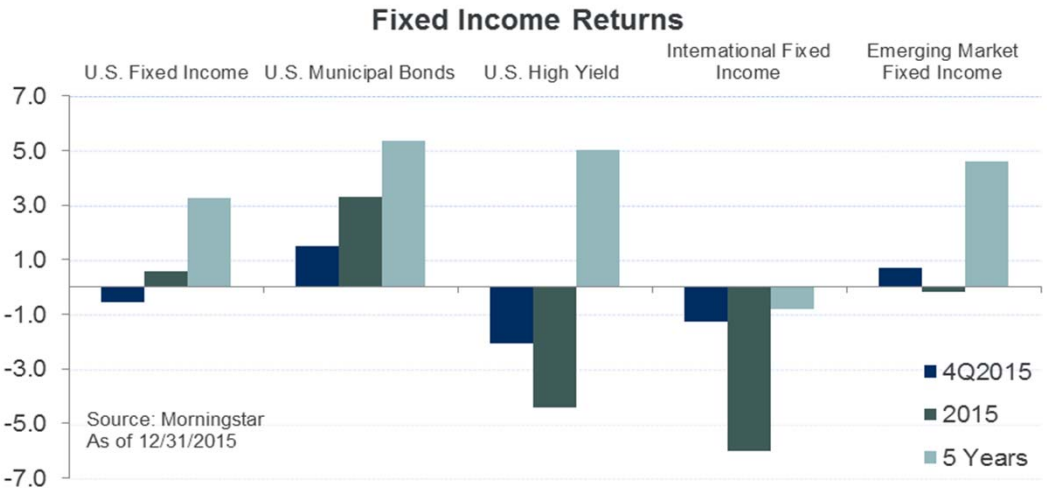
Most equity markets rebounded in the fourth quarter after experiencing a sell-off in the third quarter but failed to reach positive returns for 2015. Among domestic equities, U.S. large cap, represented by the S&P 500 Index, had the highest return last quarter at 7.0%. Just as in 2013 and 2014, the S&P 500 Index continued to outperform most equity and fixed income indices. International developed small cap stocks posted strong returns of 9.6% in 2015. Some factors that may have contributed to their favorable performance are the increasingly accomodative monetary policies of central banks and the small caps' lower exposure to currency fluctuations, mitigating the effects of a strong U.S. dollar.

For sector information relating to charts and commentary above, see index definitions on page 5 through 7. Diversification does not ensure a profit or protect against a loss. All investments are subject to risk. There is no assurance that any investment strategy will be successful. Past performance is not a guarantee of future results. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns.

In 2015, growth stocks handsomely outperformed their core and value counterparts across all market caps. Large cap growth stocks gained 5.7%, as per the Russell 1000 Growth Index, while large cap value stocks represented by the Russell 1000 Value Index lost 3.8% in 2015—a 9.5% disparity in returns. Why did investors flock into growth style equities and shun value stocks in 2015? One reason may be that healthcare, technology and consumer cyclical stocks— heavily represented in the Russell Growth indices—had a great year. Additionally, the poor performing financial and energy sectors have a considerable weight in the Russell Value indices. Compared to domestic stocks, international developed equities seem to be positioned to offer investors better risk-adjusted returns in 2016, due to more attractive valuations and more accommodative monetary policies. An additional six months of quantitative easing should provide tailwinds for the euro zone equities, as the benefits make their way through the system. One potential impediment to international developed equities could result from further appreciation of the dollar against other major currencies. We have a positive outlook on developed markets equities, as we believe that valuations and solid economic fundamentals should overcome downstream negative currency effects.



Even though the Fed did raise the federal funds rate in 2015, it had a muted effect on the bond market relative to the expectations of many. The Barclays U.S. Aggregate Bond Index, which includes U.S Treasuries, investment grade corporate bonds and securitized bonds, returned -0.6% in the fourth quarter. Municipal bonds outperformed other categories for the quarter and the year, returning 1.5% and 3.3%, respectively. Although the trend has been to reduce interest rate sensitivity and reach for additional yield, credit-sensitive bonds struggled the most in the fourth quarter. High yield bonds—higher coupon, lower credit rating bonds—lost 2.1% in the last quarter, finishing 2015 with a 4.4% loss. Poor performance within this space was influenced by the energy sector, which has been under tremendous pressure due to a persistent decline in crude oil and natural gas prices. However, the default rate for high yield bonds in 2015 remained below the average of 3.9%, but it is expected to increase in 2016. Active management may find pockets of opportunity in this space because of relative attractive valuations and lower sensitivity to higher interest rates. In the near term, we favor core fixed income over high yield and international fixed income.



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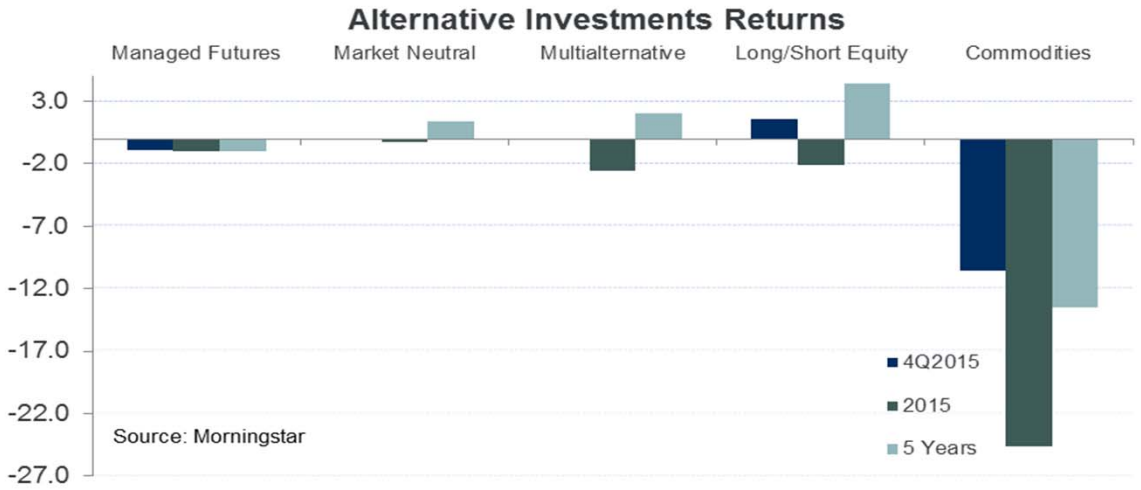
Most alternative investment peer groups struggled in the fourth quarter and for the year. The Raymond James Asset Management Services (AMS) believes that alternative investments remain a viable allocation option because of their low correlation with major asset classes. Low correlation is an attractive feature during periods of increased market volatility. Although peer groups may not have dazzled investors lately, skilled managers have been able to produce positive returns during challenging market periods. Commodities continued to underperform, with oil losing 17.9% last quarter. Excess supply may continue to exert downward price pressure in 2016. We continue to hold a negative outlook on commodities.



Final Thoughts

After nine years of trying to jump-start the economic recovery, the Federal Reserve finally signaled that the economy is on more solid footing. Despite mostly sideways markets in 2015, Raymond James AMS is confident that the current positioning is properly designed to benefit investors in this market environment. Investors should not make long-term investment decisions based on short-term headlines but should instead invest based on a long-term approach with their own specific goals in mind.

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For sector information relating to charts and commentary above, see peer group and index definitions on pages 5 through 7.

Past performance is not a guarantee of future results. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses that would reduce returns. All investing involves risk. Asset allocation and diversification does not ensure a profit or protect against a loss.

The foregoing content reflects the opinions of Raymond James Asset Management Services and is subject to change at any time without notice. Content provided herein is for informational purposes only and should not be used or construed as investment advice or a recommendation regarding the purchase or sale of any security outside of a managed account. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct.

There is no assurance that any investment strategy will be successful. All investments carry a certain degree of risk and you may incur a profit or a loss.

Risk: It is important to review the investment objectives, risk tolerance, tax objectives and liquidity needs before choosing an investment style or manager. All investments carry a certain degree of risk and no one particular investment style or manager is suitable for all types of investors, you may incur a profit or a loss.

· High-yield (below investment grade) bonds are not suitable for all investors and may present greater credit risk than other bonds.

· There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Bond and bond fund investors should carefully consider risks such as: interest rate risk, credit risk, liquidity risk and inflation risk.

· International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic instability.

· Investing in emerging markets can be riskier than investing in well-established foreign markets. Emerging and developing markets may be less liquid and more volatile because they tend to reflect economic structures that are generally less diverse and mature and political systems that may be less stable than those in more developed countries.

· Investing in small-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. Stocks of smaller or newer or mid-sized companies may be more likely to realize more substantial growth as well as suffer more significant losses than larger or more established issuers.

· Commodities trading is generally considered speculative because of the significant potential for investment loss. Among the factors that could affect the value of the fund's investments in commodities are cyclical economic conditions, sudden political events, changes in sectors affecting a particular industry or commodity, and adverse international monetary policies. Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

· Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

· Some accounts may invest in Master Limited Partnership (“MLP”) units, which may result in unique tax treatment. MLPs may not be appropriate for ERISA or IRA accounts, and cause K-1 tax treatment. Please consult your tax adviser for additional information regarding the tax implications associated with MLP investments.

· Alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. The investment strategies used by certain Funds may require a substantial use of leverage. The investment strategies employed and associated risks are more fully disclosed in each Fund's prospectus, which is available from your financial advisor.

· Changes in the value of a hedging instrument may not match those of the investment being hedged.

· Companies in the technology industry are subject to fierce competition, and their products and services may be subject to rapid obsolescence.

Index Descriptions

Barclays U.S. Aggregate Bond Index (U.S. Fixed Income) – This index includes investment grade U.S. Government bonds, corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the index must have at least one year remaining to maturity.

Barclays U.S. Corporate High Yield (U.S. High Yield) – Covers the universe non-investment grade debt which includes and non-corporate sectors. The index also includes Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included.

Barclays Municipal Bond Index (U.S. Municipal Bonds): A rules-based, market-value weighted index that is engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade (Baaa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch. The bonds must be fixed rate, have a dated-date after December 31, 1990, have an outstanding par value of at least $7 million, and be issued as part of a transaction of at least $75 million. The four main sectors of the index are: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prefunded bonds. Remarketed issues, taxable municipal bonds, floating rate bonds, and derivatives, are excluded from the benchmark.

Barclays Global Aggregate ex-U.S. Dollar (International Fixed Income): The index is designed to be a broad based measure of the global investment-grade, fixed rate, fixed income corporate markets outside of the U.S. The major components of this index are the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities.

Barclays Global Emerging Market Debt (Emerging Markets Fixed Income): The Barclays Global Emerging Markers Index represents the union of the USD-denominated U.S. Emerging Markets Index and the predominately EUR-denominated Pan Euro Emerging Markers Index, covering the emerging markets in the following regions: Americas, Europe, Middle East, Africa and Asia.

Bloomberg Commodity Index (Commodities) – Formerly known as Dow Jones-UBS Commodity Index Total Return (DJUBSTR), the Bloomberg Commodity Total Return index is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13 week (3 Month) U.S. Treasury Bills.

MSCI EAFE Index (International Large Caps) – A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S & Canada. It consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI EAFE Small Cap (International Small Caps): The MSCI Developed Markets Small Cap Indices offer an exhaustive representation of this size segment by targeting companies that are in the Investable Market Index but not in the Standard Index in a particular developed market. The indices include Value and Growth style indices and industry indices based on the Global Industry Classification Standard (GICS).

MSCI Emerging Market Index (Emerging Markets Equities) – is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of June 2009 the MSCI Emerging Markets Index consisted of the following 22 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI Emerging Market Small Cap Index (Emerging Markets Small Caps) - The MSCI Emerging Markets Small Cap Index includes small cap representation across 23 Emerging Markets countries. With 1,875 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments.

Russell 2000 (U.S. Small Caps) – Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell Mid-cap (U.S. Mid Caps) – A subset of the Russell 1000 index, the Russell Midcap index measures the performance of the mid-cap segment of the U.S. equity universe. Based on a combination of their market cap and current index membership, includes approximately 800 of the smallest securities which represents approximately 27% of the total market capitalization of the Russell 1000 companies. The index is created to provide a full and unbiased indicator of the mid-cap segment.

Russell 1000: Based on a combination of their market cap and current index membership, this index consists of approximately 1,000 of the largest securities from the Russell 3000. Representing approximately 92% of the Russell 3000, the index is created to provide a full and unbiased indicator of the large cap segment.

Russell 3000: Representing approximately 98% of the investable U.S. equity market, the Russell 3000 index measures the performance of the largest 3,000 U.S. companies.

S&P 500 Index (U.S. Large Caps) – The index consists of 500 of the largest stocks in the U.S. stock market. A market value weighted index (stock price times number of shares outstanding after float adjustment), with each stock's weight in the index proportionate to its market value.

The Dow Jones Global Select REIT Index (Global Real Estate): intends to measure the performance of publicly traded real estate securities. The indices are designed to serve as proxies for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. This index represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded globally.

Peer Group Definitions

Morningstar U.S. Open End Market Neutral peer group – These funds attempt to significantly reduce or eliminate systematic risk created by factors such as exposures to stock market sectors, market-cap ranges, or investment styles. This is with the goal of generating profits almost solely from selecting the correct equities long and short. They try to achieve this by matching short positions within each area against long positions. These strategies are often managed as beta neutral, dollar neutral, or sector neutral.

Morningstar U.S. Open End Long/Short peer group – Long-short portfolios hold sizable stakes in both long and short positions in equities and related derivatives. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. Funds in this institutional category use individual short positions rather than derivatives to obtain short exposure. At least 75% of the assets are in equity securities or derivatives.

Morningstar U.S. Open End Managed Futures peer group – These funds primarily trade liquid global futures, options, swaps, and foreign exchange contracts, both listed and over-the-counter. A majority of these funds follow trend-following, price-momentum strategies. Other strategies included in this category are systematic mean reversion, discretionary global macro strategies, commodity index tracking, and other futures strategies. More than 60% of the fund's exposure is invested through derivative securities. These funds obtain exposure primarily through derivatives; the holdings are largely cash instruments.

Morningstar U.S. Open End Multialternatives peer group – These funds will use a combination of alternative strategies such as taking long and short positions in equity and debt, trading futures, or using convertible arbitrage, among others. Funds in this category have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes.

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Republic of Palau - COFA Trust Fund

Report Period Ending December 31, 2015

Fiscal Year Ends: September

	Market Value	Current Allocation	QTD 09/30/2015 12/31/2015	Last 6 Months	YTD	Latest Year	Latest 3 Years	Latest 5 Years	Latest 7 Years	Inception to Date	Inception Date
Total Relationship	**$189,442,174**	**100.00%**	**3.68%**	**-4.01%**	**-2.03%**	**-2.03%**	**6.90%**	**6.74%**	**9.92%**	**7.35%**	**09/30/2008**
Policy Index			**3.12%**	**-5.34%**	**-3.83%**	**-3.83%**	**6.68%**	**7.07%**	**9.81%**	**7.24%**	
6% Total Return Index			**1.44%**	**2.93%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**5.99%**	
Large Cap Value											
Aristotle Capital Management	$21,562,284	11.38%	5.96%	-1.74%	3.94%	3.94%	N/A	N/A	N/A	5.83%	05/31/2014
Russell 1000 Value			5.64%	-3.23%	-3.83%	-3.83%	13.08%	11.27%	13.04%	2.13%	
Large Cap Core											
Atalanta Sosnoff	$8,659,352	4.57%	8.58%	0.05%	1.39%	1.39%	14.02%	9.67%	12.21%	8.96%	09/30/2008
S&P 500			7.04%	0.15%	1.38%	1.38%	15.13%	12.57%	14.81%	10.43%	
Large Cap Growth											
Wells Capital Management	$17,978,065	9.49%	6.47%	1.48%	5.26%	5.26%	16.29%	12.10%	16.10%	12.25%	09/30/2008
Russell 1000 Growth			7.32%	1.64%	5.67%	5.67%	16.83%	13.53%	17.11%	12.39%	
Vanguard Growth ETF	$4,475,937	2.36%	6.45%	0.09%	N/A	N/A	N/A	N/A	N/A	0.09%	06/30/2015
Russell 1000 Growth			7.32%	1.64%	5.67%	5.67%	16.83%	13.53%	17.11%	1.64%	
Small Cap Core											
Gamco	$27,737,002	14.64%	4.96%	-5.60%	-4.15%	-4.15%	12.36%	11.72%	16.99%	11.55%	09/30/2008
Russell 2000			3.59%	-8.75%	-4.41%	-4.41%	11.65%	9.19%	14.01%	8.85%	
International Equity											
Lazard International	$17,398,079	9.18%	4.38%	-3.00%	6.30%	6.30%	N/A	N/A	N/A	-1.56%	05/31/2014
MSCI EAFE			4.71%	-6.01%	-0.81%	-0.81%	5.01%	3.60%	7.83%	-5.84%	
Renaissance	$16,644,873	8.79%	6.64%	-6.39%	0.52%	0.52%	N/A	N/A	N/A	-4.16%	05/31/2014
MSCI EAFE			4.71%	-6.01%	-0.81%	-0.81%	5.01%	3.60%	7.83%	-5.84%	
Emerging Markets											
Brandes Emerging Markets	$9,488,103	5.01%	4.23%	-20.21%	-20.92%	-20.92%	N/A	N/A	N/A	-20.79%	05/31/2014
MSCI Emerging Markets			0.66%	-17.36%	-14.92%	-14.92%	-6.76%	-4.81%	7.50%	-12.79%	
Fixed Income											
Bank of Hawaii	$16,626,593	8.78%	-0.49%	0.95%	1.34%	1.34%	1.50%	3.49%	4.14%	4.66%	09/30/2008
Barclays Aggregate Bond			-0.57%	0.65%	0.55%	0.55%	1.44%	3.25%	4.09%	4.59%	
Garcia Hamilton	$17,237,636	9.10%	-0.54%	0.91%	1.45%	1.45%	N/A	N/A	N/A	1.93%	05/31/2014
Barclays Inter Gov/Credit			-0.69%	0.25%	1.07%	1.07%	1.10%	2.58%	3.42%	1.17%	
Chartwell Investment Partners	$5,904,719	3.12%	-0.90%	-3.96%	-1.14%	-1.14%	N/A	N/A	N/A	-0.42%	05/31/2014
Barclays High Yield 2% IC			-2.06%	-6.79%	-4.43%	-4.43%	1.70%	5.03%	12.86%	-4.06%	

Republic of Palau - COFA Trust Fund

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Fiscal Year Ends: September

	Market Value	Current Allocation	QTD 09/30/2015 12/31/2015	Last 6 Months	YTD	Latest Year	Latest 3 Years	Latest 5 Years	Latest 7 Years	Inception to Date	Inception Date
Templeton Global Bond	$5,647,467	2.98%	2.26%	-3.99%	-4.03%	-4.03%	N/A	N/A	N/A	-3.66%	05/31/2014
Citigroup World Govt Bond			-1.23%	0.47%	-3.57%	-3.57%	-2.70%	-0.08%	1.03%	-5.03%	
Limited Partnership											
Miller Howard	$7,655,355	4.04%	-5.01%	-26.61%	-32.55%	-32.55%	N/A	N/A	N/A	-23.04%	05/31/2014
Alerian MLP Index Trust TR			-2.76%	-24.26%	-32.59%	-32.59%	-3.40%	1.47%	N/A	-24.28%	
Real Estate											
CBRE Clarion	$6,940,866	3.66%	7.70%	10.93%	3.90%	3.90%	N/A	N/A	N/A	10.00%	05/31/2014
NAREIT			7.68%	8.74%	2.83%	2.83%	10.63%	11.91%	16.28%	8.88%	
AIP Phoenix Global Real Estate	$2,511,708	1.33%	2.97%	5.68%	8.43%	8.43%	N/A	N/A	N/A	6.41%	07/31/2014
Dow Jones Global RE			3.14%	-2.89%	-4.71%	-4.71%	4.13%	N/A	N/A	-4.67%	
Private Equity											
AIP Private Market Fund VI	$1,964,652	1.04%	-1.83%	-4.16%	-8.53%	-8.53%	N/A	N/A	N/A	-4.51%	06/30/2014
MSCI World			5.50%	-3.41%	-0.87%	-0.87%	9.70%	7.59%	11.14%	-1.36%	
Cash & Equivalents											
Cash Account	$1,009,482	0.53%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00%	12/29/2015
Citi 3 Month T-Bill			0.01%	0.02%	0.03%	0.03%	0.04%	0.05%	0.08%	0.00%	

****All returns are gross of management fees

The Policy Index is comprised of: 8% Russell 1000 Growth,8% Russell 1000 Value, 8% S&P 500, 14% Russell 2000,18% MCSI EAFE, 7% MSCI Emerging Markets, 8.5% Barclays Aggregate Bond, 13.5% Barclays Intermediate Govt/Credit, 3% Barclays High Yield, 3% Citi WGBI, 3% Alerian MLP TR, 6% NAREIT

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Total Relationship	**$189,442,174**	**100.00%**	**3.56%**	**-4.12%**	**-2.15%**	**-2.15%**	**6.86%**	**6.72%**	**9.90%**	**7.33%**	**09/30/2008**
Policy Index			**3.12%**	**-5.34%**	**-3.83%**	**-3.83%**	**6.68%**	**7.07%**	**9.81%**	**7.24%**	
6% Total Return Index			**1.44%**	**2.93%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**5.99%**	
Large Cap Value											
Aristotle Capital Management	$21,562,284	11.38%	5.84%	-1.86%	3.82%	3.82%	N/A	N/A	N/A	5.75%	05/31/2014
Russell 1000 Value			5.64%	-3.23%	-3.83%	-3.83%	13.08%	11.27%	13.04%	2.13%	
Large Cap Core											
Atalanta Sosnoff	$8,659,352	4.57%	8.58%	0.05%	1.39%	1.39%	14.02%	9.67%	12.21%	8.96%	09/30/2008
S&P 500			7.04%	0.15%	1.38%	1.38%	15.13%	12.57%	14.81%	10.43%	
Large Cap Growth											
Wells Capital Management	$17,978,065	9.49%	6.33%	1.34%	5.12%	5.12%	16.24%	12.07%	16.08%	12.23%	09/30/2008
Russell 1000 Growth			7.32%	1.64%	5.67%	5.67%	16.83%	13.53%	17.11%	12.39%	
Vanguard Growth ETF	$4,475,937	2.36%	6.45%	0.09%	N/A	N/A	N/A	N/A	N/A	0.09%	06/30/2015
Russell 1000 Growth			7.32%	1.64%	5.67%	5.67%	16.83%	13.53%	17.11%	1.64%	
Small Cap Core											
Gamco	$27,737,002	14.64%	4.73%	-5.82%	-4.36%	-4.36%	12.27%	11.67%	16.95%	11.51%	09/30/2008
Russell 2000			3.59%	-8.75%	-4.41%	-4.41%	11.65%	9.19%	14.01%	8.85%	
International Equity											
Lazard International	$17,398,079	9.18%	4.23%	-3.14%	6.15%	6.15%	N/A	N/A	N/A	-1.65%	05/31/2014
MSCI EAFE			4.71%	-6.01%	-0.81%	-0.81%	5.01%	3.60%	7.83%	-5.84%	
Renaissance	$16,644,873	8.79%	6.48%	-6.53%	0.38%	0.38%	N/A	N/A	N/A	-4.25%	05/31/2014
MSCI EAFE			4.71%	-6.01%	-0.81%	-0.81%	5.01%	3.60%	7.83%	-5.84%	
Emerging Markets											
Brandes Emerging Markets	$9,488,103	5.01%	4.04%	-20.36%	-21.06%	-21.06%	N/A	N/A	N/A	-20.88%	05/31/2014
MSCI Emerging Markets			0.66%	-17.36%	-14.92%	-14.92%	-6.76%	-4.81%	7.50%	-12.79%	
Fixed Income											
Bank of Hawaii	$16,626,593	8.78%	-0.55%	0.89%	1.28%	1.28%	1.48%	3.48%	4.13%	4.65%	09/30/2008
Barclays Aggregate Bond			-0.57%	0.65%	0.55%	0.55%	1.44%	3.25%	4.09%	4.59%	
Garcia Hamilton	$17,237,636	9.10%	-0.61%	0.85%	1.39%	1.39%	N/A	N/A	N/A	1.89%	05/31/2014
Barclays Inter Gov/Credit			-0.69%	0.25%	1.07%	1.07%	1.10%	2.58%	3.42%	1.17%	
Chartwell Investment Partners	$5,904,719	3.12%	-1.02%	-4.08%	-1.26%	-1.26%	N/A	N/A	N/A	-0.50%	05/31/2014
Barclays High Yield 2% IC			-2.06%	-6.79%	-4.43%	-4.43%	1.70%	5.03%	12.86%	-4.06%	

Republic of Palau - COFA Trust Fund

Report Period Ending December 31, 2015

Fiscal Year Ends: September

	Market Value	Current Allocation	QTD 09/30/2015 12/31/2015	Last 6 Months	YTD	Latest Year	Latest 3 Years	Latest 5 Years	Latest 7 Years	Inception to Date	Inception Date
Templeton Global Bond	$5,647,467	2.98%	2.26%	-3.99%	-4.03%	-4.03%	N/A	N/A	N/A	-3.66%	05/31/2014
Citigroup World Govt Bond			-1.23%	0.47%	-3.57%	-3.57%	-2.70%	-0.08%	1.03%	-5.03%	
Limited Partnership											
Miller Howard	$7,655,355	4.04%	-5.12%	-26.70%	-32.63%	-32.63%	N/A	N/A	N/A	-23.10%	05/31/2014
Alerian MLP Index Trust TR			-2.76%	-24.26%	-32.59%	-32.59%	-3.40%	1.47%	N/A	-24.28%	
Real Estate											
CBRE Clarion	$6,940,866	3.66%	7.57%	10.80%	3.77%	3.77%	N/A	N/A	N/A	9.92%	05/31/2014
NAREIT			7.68%	8.74%	2.83%	2.83%	10.63%	11.91%	16.28%	8.88%	
AIP Phoenix Global Real Estate	$2,511,708	1.33%	2.97%	5.68%	8.43%	8.43%	N/A	N/A	N/A	6.41%	07/31/2014
Dow Jones Global RE			3.14%	-2.89%	-4.71%	-4.71%	4.13%	N/A	N/A	-4.67%	
Private Equity											
AIP Private Market Fund VI	$1,964,652	1.04%	-1.83%	-4.16%	-8.53%	-8.53%	N/A	N/A	N/A	-4.51%	06/30/2014
MSCI World			5.50%	-3.41%	-0.87%	-0.87%	9.70%	7.59%	11.14%	-1.36%	
Cash & Equivalents											
Cash Account	$1,009,482	0.53%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00%	12/29/2015
Citi 3 Month T-Bill			0.01%	0.02%	0.03%	0.03%	0.04%	0.05%	0.08%	0.00%	

****All returns are net of management fees

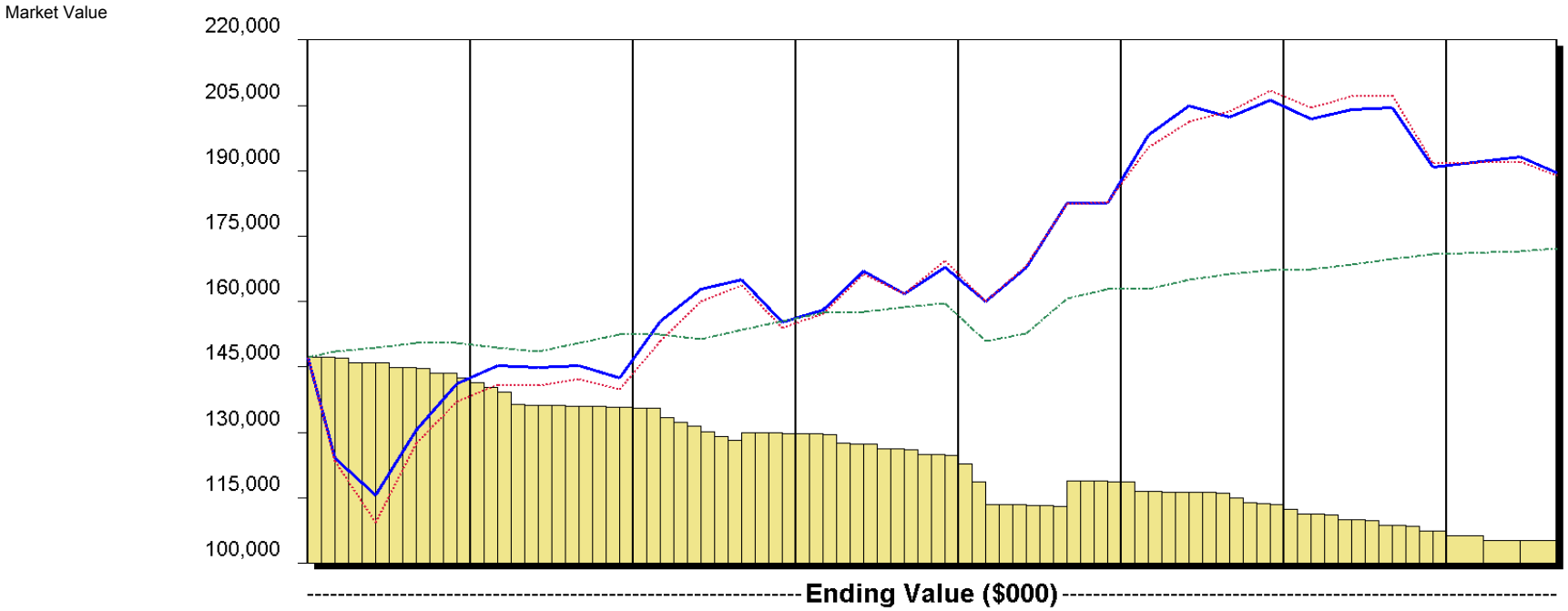
The Policy Index is comprised of: 8% Russell 1000 Growth,8% Russell 1000 Value, 8% S&P 500, 14% Russell 2000,18% MCSI EAFE, 7% MSCI Emerging Markets, 8.5% Barclays Aggregate Bond, 13.5% Barclays Intermediate Govt/Credit, 3% Barclays High Yield, 3% Citi WGBI, 3% Alerian MLP TR, 6% NAREIT

Net of fees returns are only inclusive of fees after the conversion date of 9/30/2015

Republic of Palau - COFA Trust Fund
Total Relationship

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Market Value vs. Invested Capital



	09/30/08	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	09/30/14	09/30/15	12/31/15
Republic of Pala	147,283	144,252	151,334	147,656	168,949	189,880	199,373	183,926	189,442
Invested Capital	147,283	141,457	135,639	129,636	122,656	118,601	112,452	106,259	105,256
Investment Gain/Loss	00	2,796	15,695	18,019	46,292	71,279	86,920	77,667	84,187
Net Contrib. Since Incep.	00	-5,826	-11,643	-17,646	-24,626	-28,682	-34,830	-41,024	-42,027
Policy Index	147,283	140,180	148,764	146,359	170,490	188,205	200,432	184,066	188,875
6% Total Return	147,283	150,205	153,170	156,145	158,411	163,560	167,084	170,782	172,237

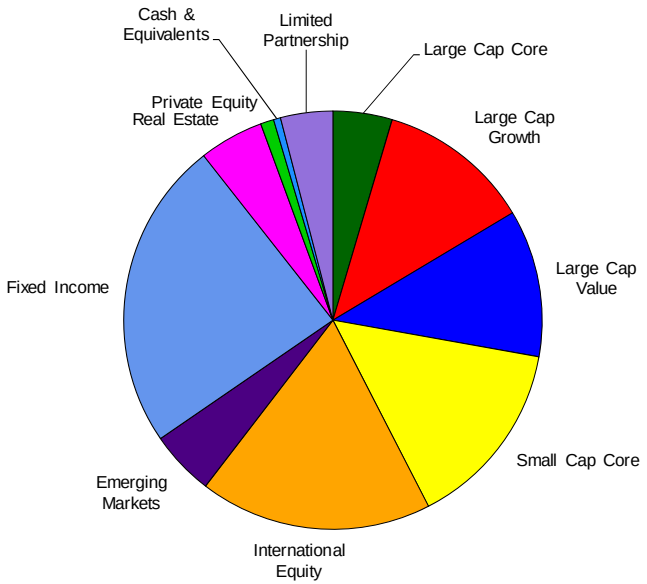
Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Policy Index
The independent variable is the 6% Total Return Index

Republic of Palau - COFA Trust Fund
Total Composite

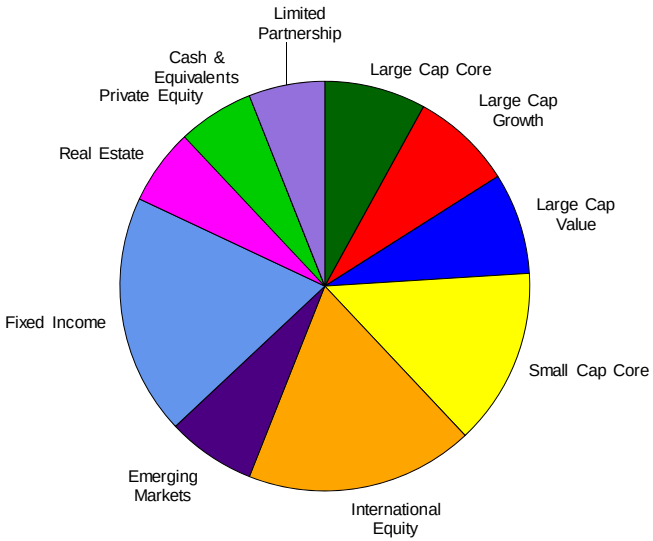
Report Period: 12-31-15
Fiscal Year Ends: September

Current Allocation versus Target Allocation

Current Allocation



Target Allocation



	Market Value	Current Allocation%	Target Allocation%	% Difference
Large Cap Core	$8,659,352	4.57	8.00	-3.43
Large Cap Growth	22,454,002	11.85	8.00	3.85
Large Cap Value	21,562,284	11.38	8.00	3.38
Small Cap Core	27,737,002	14.64	14.00	0.64
International Equity	34,042,952	17.97	18.00	-0.03
Emerging Markets	9,488,103	5.01	7.00	-1.99
Fixed Income	45,416,415	23.97	19.00	4.97
Real Estate	9,452,575	4.99	6.00	-1.01
Private Equity	1,964,652	1.04	6.00	-4.96
Cash & Equivalents	1,009,482	0.53	0.00	0.53
Limited Partnership	7,655,355	4.04	6.00	-1.96
TOTAL	**$189,442,174**	**100.00**	**100.00**	

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Total Relationship

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

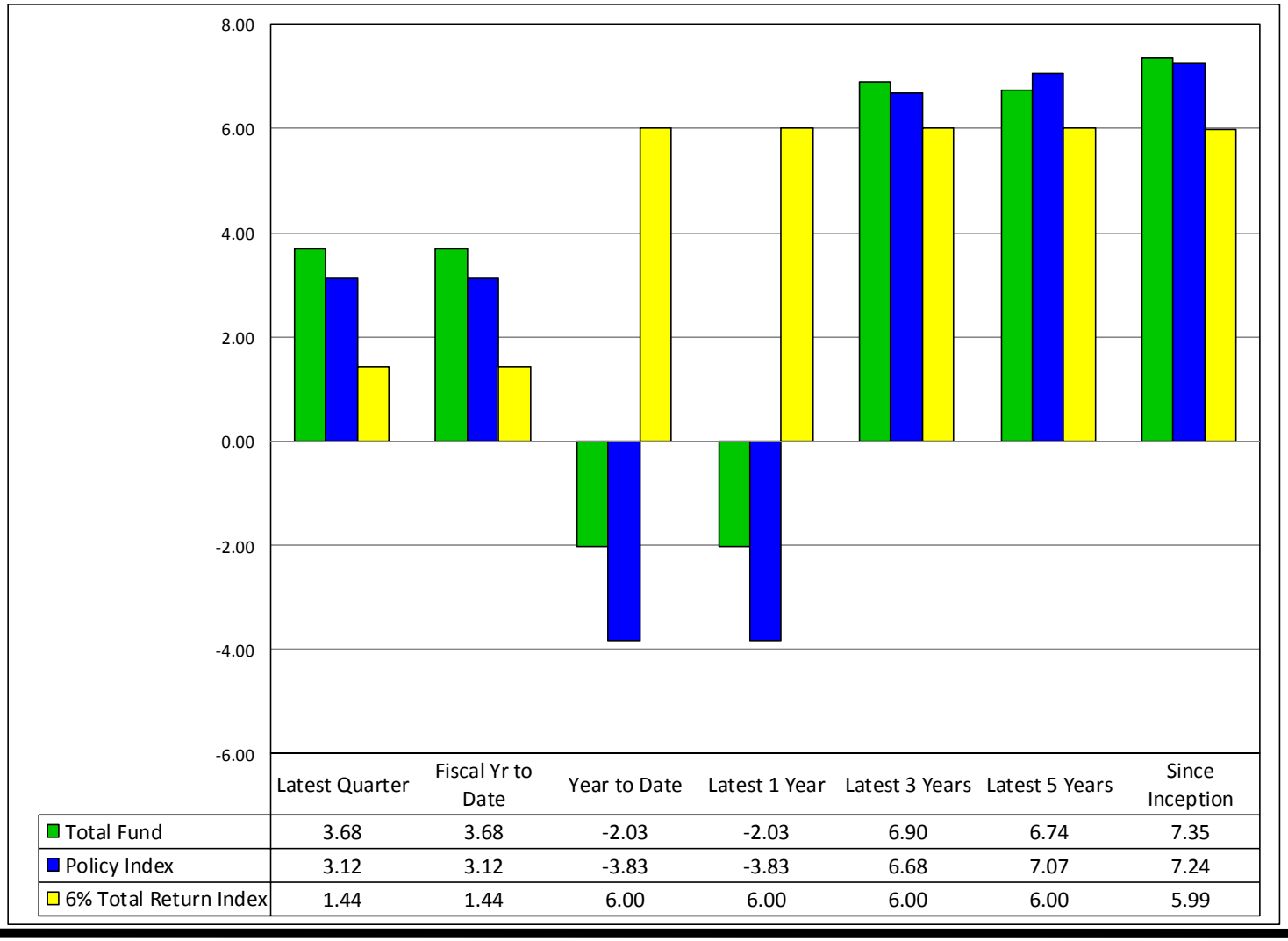
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 09-30-08
Beginning Mkt Value	183,925,814	183,925,814	199,649,249	161,462,037	159,912,355	N/A	147,282,535
Contributions	1,209,482	1,209,482	1,209,482	7,086,899	8,917,625	N/A	8,917,625
Withdrawals	2,212,728	2,212,728	7,110,608	15,275,819	36,058,030	N/A	50,944,563
Net Flows	-1,003,246	-1,003,246	-5,901,126	-8,188,920	-27,140,405	N/A	-42,026,938
Interest/Dividend Income	1,139,466	1,139,466	4,378,941	11,203,090	18,513,886	N/A	26,855,672
Gains/Losses	5,380,140	5,380,140	-8,684,890	24,965,967	38,156,338	N/A	57,330,905
Total Earnings	6,519,606	6,519,606	-4,305,949	36,169,057	56,670,224	N/A	84,186,577
As of 12-31-15							
Ending Mkt Value	189,442,174	189,442,174	189,442,174	189,442,174	189,442,174	N/A	189,442,174
Time-Weighted Return	3.68	3.68	-2.03	6.90	6.74	N/A	7.35
Policy Index	3.12	3.12	-3.83	6.68	7.07	N/A	7.24
6% Total Return Index	1.44	1.44	6.00	6.00	6.00	N/A	5.99

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Total Relationship

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



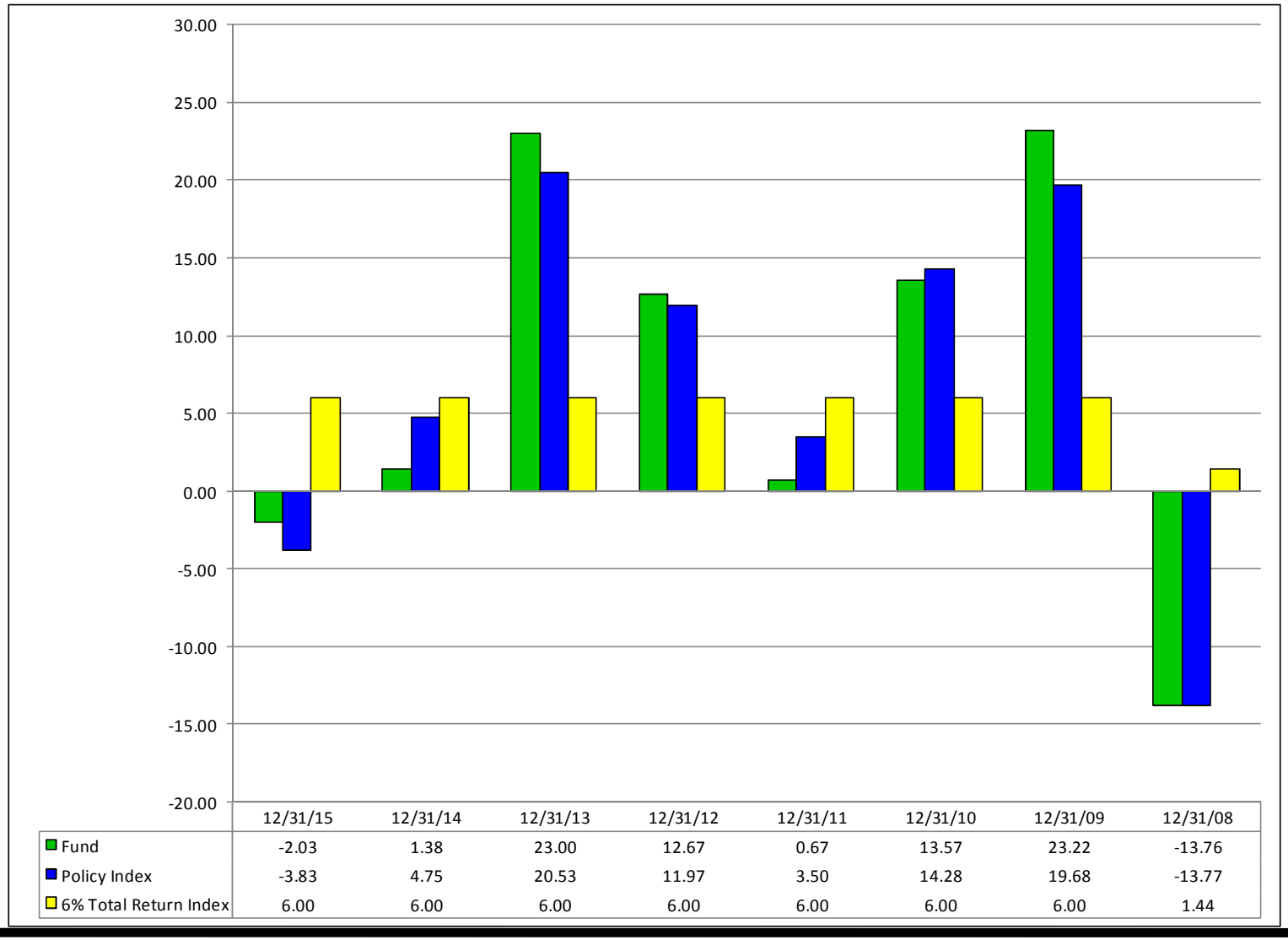
	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Since Inception
Total Fund	3.68	3.68	-2.03	-2.03	6.90	6.74	7.35
Policy Index	3.12	3.12	-3.83	-3.83	6.68	7.07	7.24
6% Total Return Index	1.44	1.44	6.00	6.00	6.00	6.00	5.99

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Total Relationship

Report Period: 12-31-15
Fiscal Year Ends: September

Comparative Returns for Last 10 Years : Gross of Fees



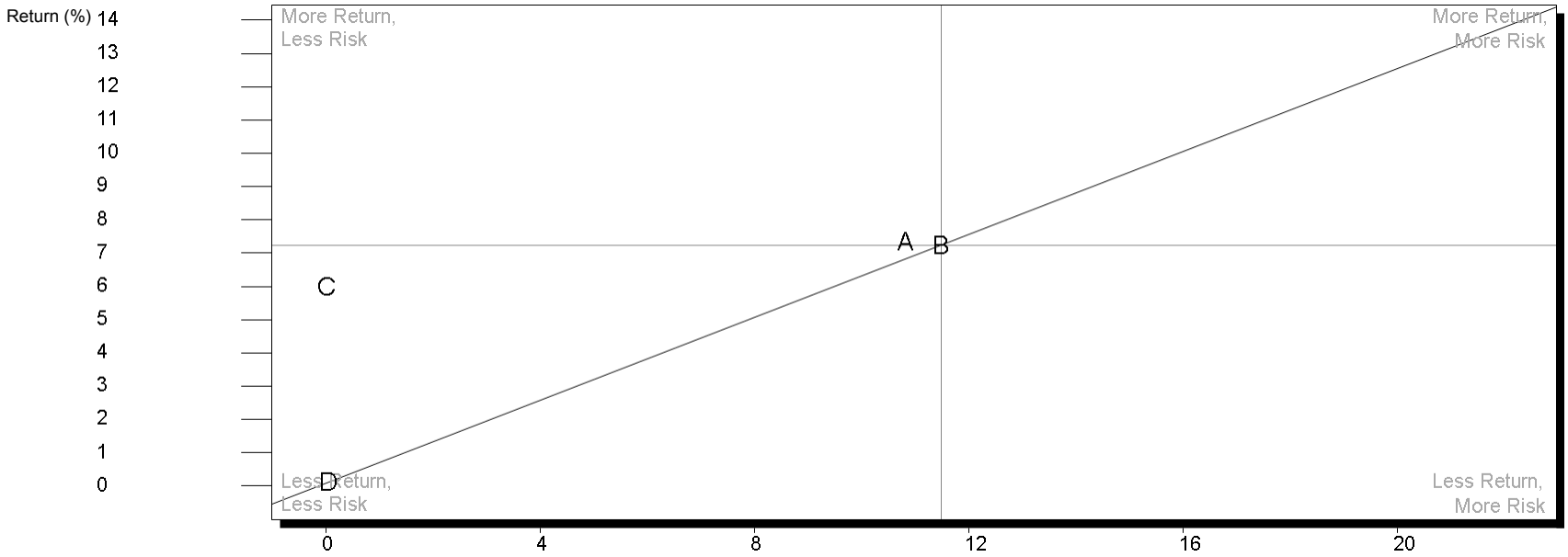
	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
Fund	-2.03	1.38	23.00	12.67	0.67	13.57	23.22	-13.76
Policy Index	-3.83	4.75	20.53	11.97	3.50	14.28	19.68	-13.77
6% Total Return Index	6.00	6.00	6.00	6.00	6.00	6.00	6.00	1.44

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Total Relationship

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Total Relationship	7.35	10.82	0.60	0.92	0.98	0.67	09/30/08	12/31/15
B	Policy Index	7.24	11.48	0.00	1.00	1.00	0.62	09/30/08	12/31/15
C	6% Total Return Index	5.99	0.03	5.72	0.00	0.11	206.32	09/30/08	12/31/15
D	Citi 3 Month T-Bill	0.11	0.06	0.00	0.00	0.00	0.00	09/30/08	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Policy Index

Republic of Palau - COFA Trust Fund
Aristotle Capital Management

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

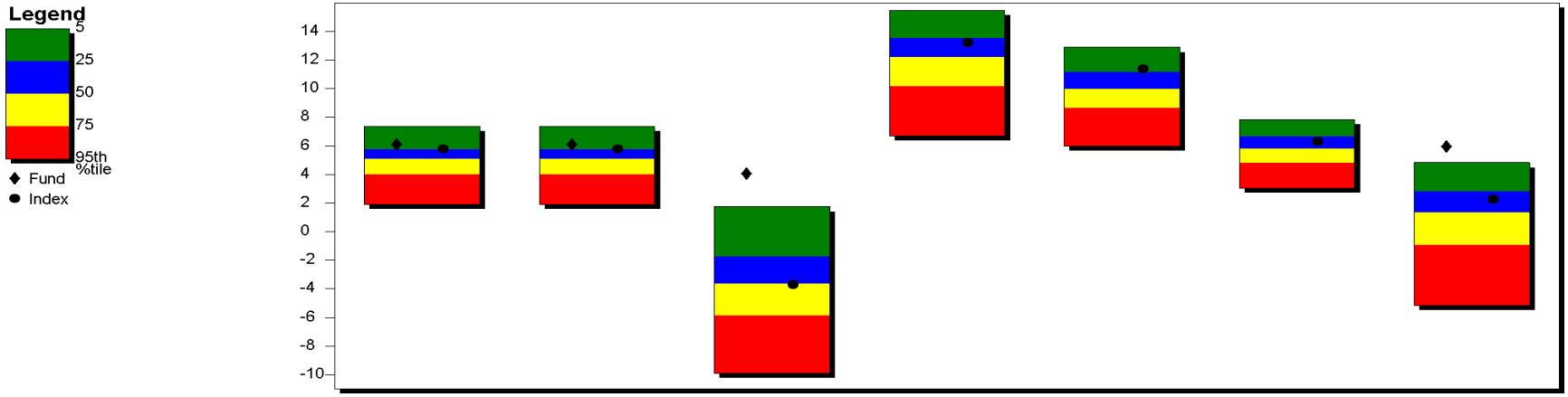
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	20,372,948	20,372,948	17,063,915	N/A	N/A	N/A	16,238,590
Contributions	0	0	4,499,966	N/A	N/A	N/A	4,529,821
Withdrawals	164	164	483,794	N/A	N/A	N/A	541,260
Net Flows	-164	-164	4,016,172	N/A	N/A	N/A	3,988,561
Interest/Dividend Income	116,605	116,605	358,451	N/A	N/A	N/A	510,501
Gains/Losses	1,072,895	1,072,895	123,746	N/A	N/A	N/A	824,632
Total Earnings	1,189,500	1,189,500	482,196	N/A	N/A	N/A	1,335,132
As of 12-31-15							
Ending Mkt Value	21,562,284	21,562,284	21,562,284	N/A	N/A	N/A	21,562,284
Time-Weighted Return	5.96	5.96	3.94	N/A	N/A	N/A	5.83
Russell 1000 Value	5.64	5.64	-3.83	N/A	N/A	N/A	2.13

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Aristotle Capital Management

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods
Universe Composition: 100% Equity



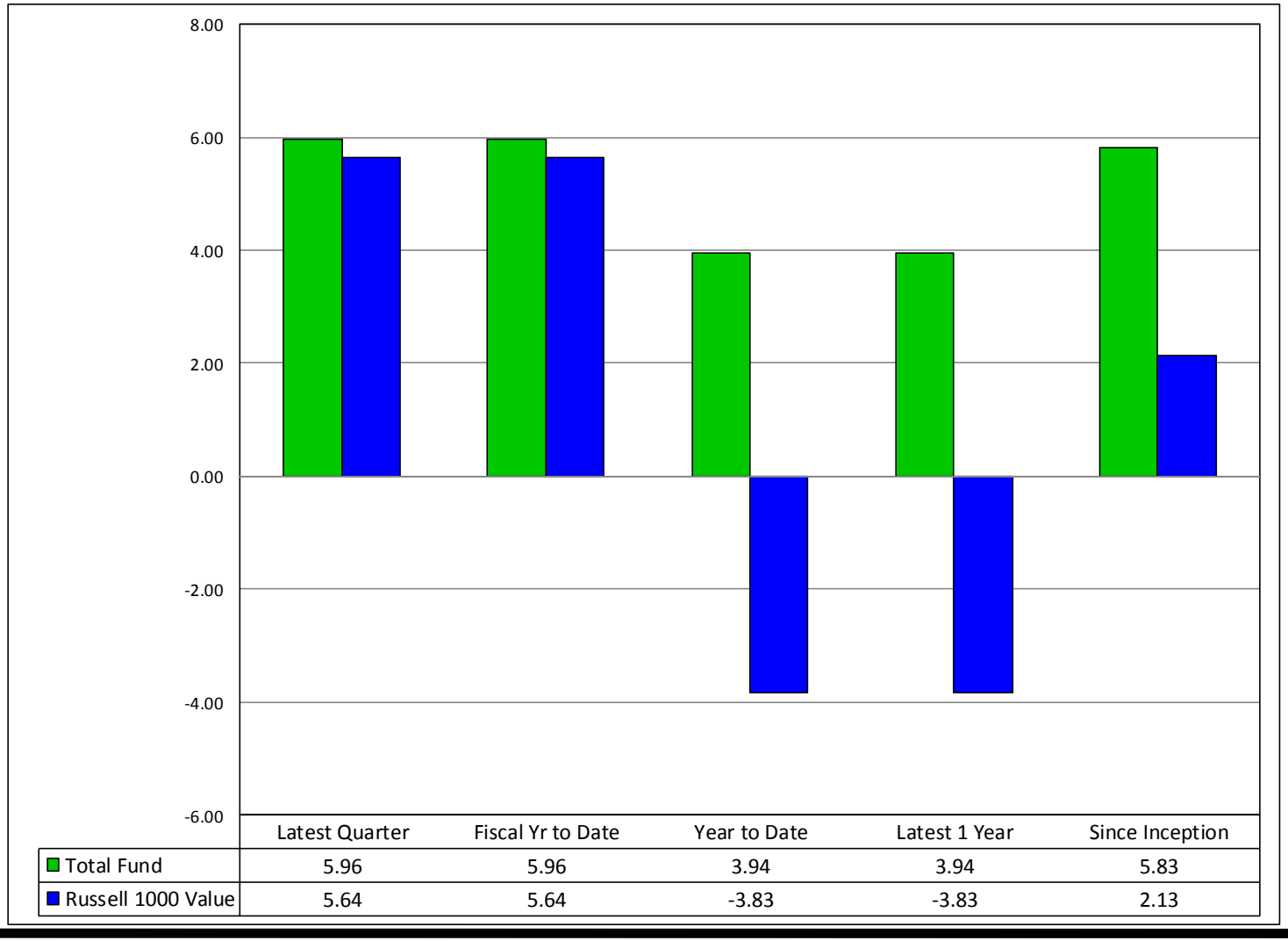
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Aristotle Capital Management	5.96	22	5.96	22	3.94	2	N/A	N/A	N/A	N/A	N/A	N/A	5.83	3
Russell 1000 Value	5.64	30	5.64	30	-3.83	55	13.08	33	11.27	24	6.16	40	2.13	38

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Large Value.
From 5/31/2014 to 12/31/2015 the number of equity funds ranged from 796 to 852.

Republic of Palau - COFA Trust Fund
Aristotle Capital Management

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



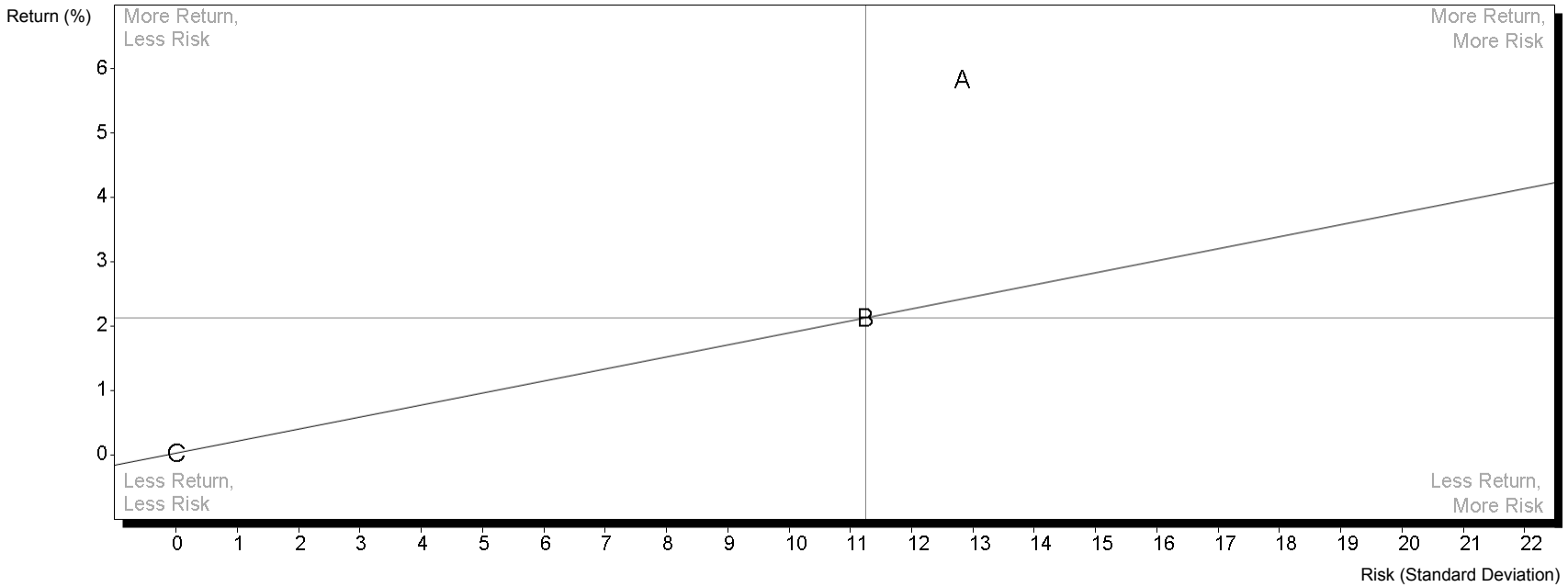
	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	5.96	5.96	3.94	3.94	5.83
Russell 1000 Value	5.64	5.64	-3.83	-3.83	2.13

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Aristotle Capital Management

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Aristotle Capital Management	5.83	12.84	3.51	1.09	0.95	0.45	05/31/14	12/31/15
B	Russell 1000 Value	2.13	11.25	0.00	1.00	1.00	0.19	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Russell 1000 Value

Republic of Palau - COFA Trust Fund
Atalanta Sosnoff

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

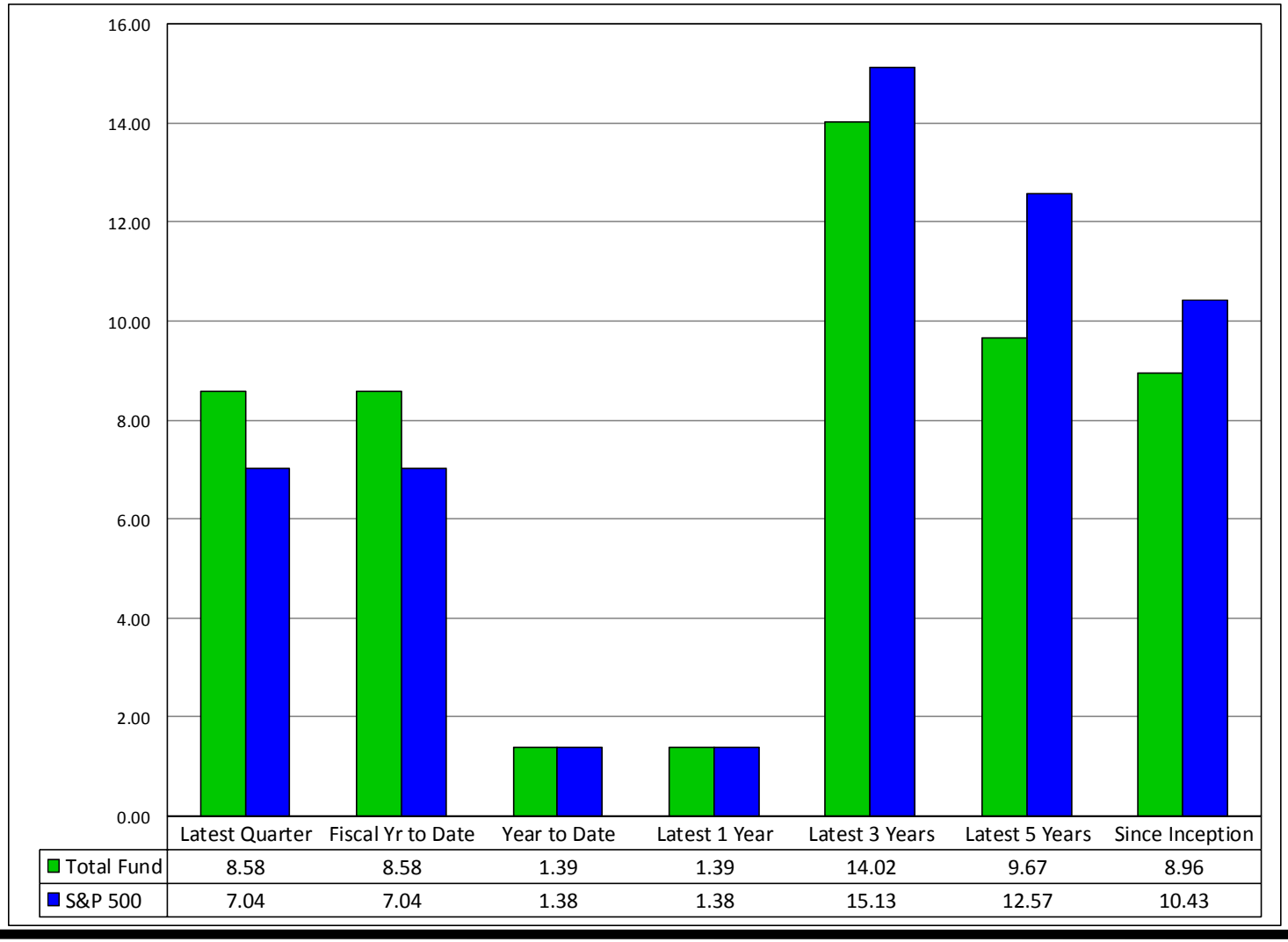
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 09-30-08
Beginning Mkt Value	7,975,158	7,975,158	17,749,193	31,742,502	32,942,835	N/A	29,333,967
Contributions	0	0	0	0	0	N/A	0
Withdrawals	0	0	9,454,471	35,585,493	38,995,848	N/A	40,348,614
Net Flows	0	0	-9,454,471	-35,585,493	-38,995,848	N/A	-40,348,614
Interest/Dividend Income	29,896	29,896	185,127	1,058,826	1,978,154	N/A	2,789,175
Gains/Losses	654,298	654,298	179,503	11,443,517	12,734,211	N/A	16,884,824
Total Earnings	684,194	684,194	364,630	12,502,343	14,712,365	N/A	19,673,999
As of 12-31-15							
Ending Mkt Value	8,659,352	8,659,352	8,659,352	8,659,352	8,659,352	N/A	8,659,352
Time-Weighted Return	8.58	8.58	1.39	14.02	9.67	N/A	8.96
S&P 500	7.04	7.04	1.38	15.13	12.57	N/A	10.43

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Atalanta Sosnoff

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



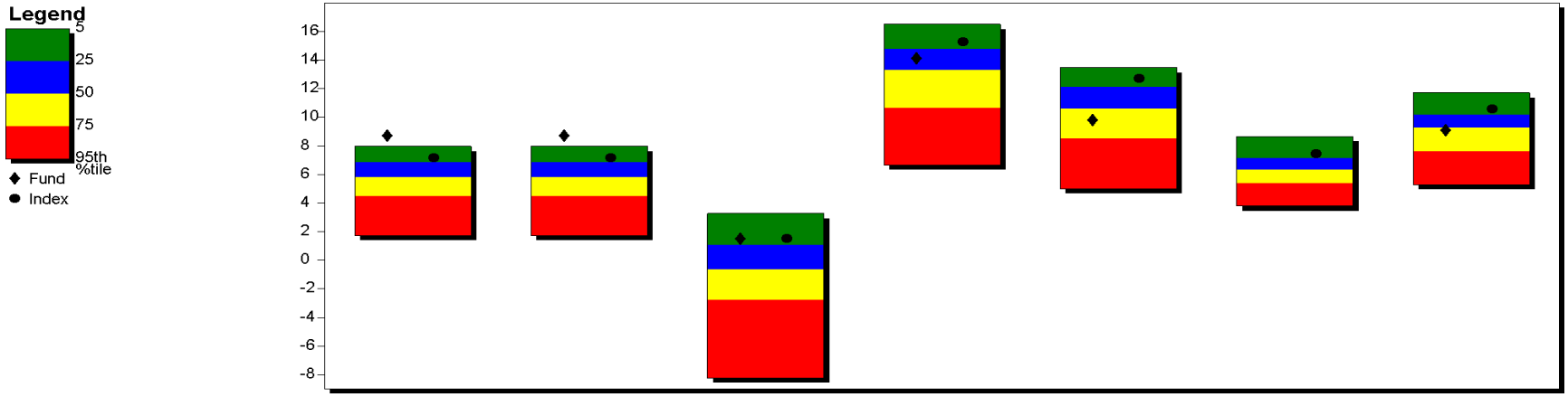
	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Since Inception
Total Fund	8.58	8.58	1.39	1.39	14.02	9.67	8.96
S&P 500	7.04	7.04	1.38	1.38	15.13	12.57	10.43

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Atalanta Sosnoff

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods
Universe Composition: 100% Equity



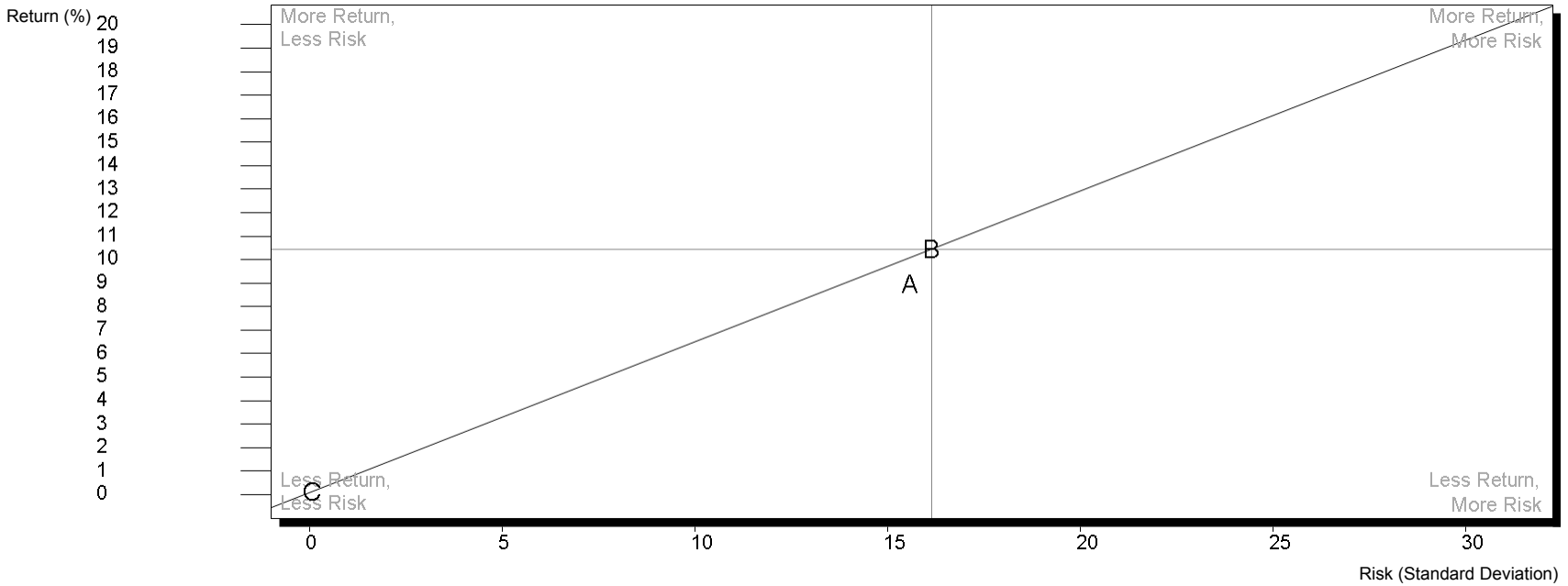
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 9/30/08	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Atalanta Sosnoff	8.58	3	8.58	3	1.39	19	14.02	42	9.67	62	N/A	N/A	8.96	55
S&P 500	7.04	15	7.04	15	1.38	19	15.13	16	12.57	14	7.31	20	10.43	17

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Large Blend.
From 9/30/2008 to 12/31/2015 the number of equity funds ranged from 1129 to 1790.

Republic of Palau - COFA Trust Fund
Atalanta Sosnoff

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Atalanta Sosnoff	8.96	15.59	-0.67	0.93	0.96	0.57	09/30/08	12/31/15
B	S&P 500	10.43	16.14	0.00	1.00	1.00	0.64	09/30/08	12/31/15
C	Citi 3 Month T-Bill	0.11	0.06	0.00	0.00	0.00	0.00	09/30/08	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the S&P 500

Republic of Palau - COFA Trust Fund
Wells Capital Management

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

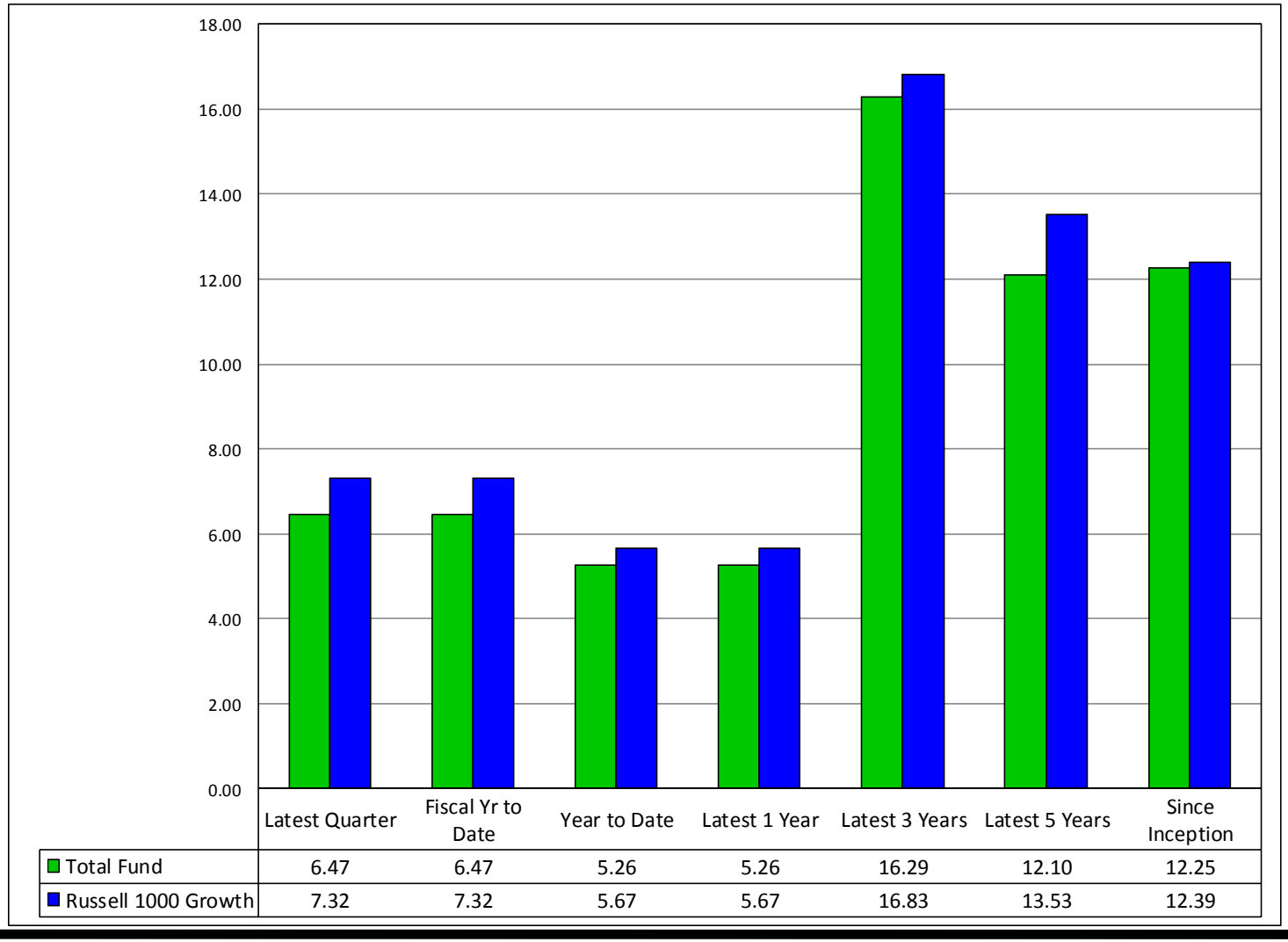
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 09-30-08
Beginning Mkt Value	16,908,149	16,908,149	18,152,028	22,880,649	25,132,284	N/A	19,552,842
Contributions	0	0	0	1,962,976	1,962,976	N/A	1,962,976
Withdrawals	29	29	1,089,577	18,101,822	23,412,302	N/A	23,719,951
Net Flows	-29	-29	-1,089,577	-16,138,846	-21,449,326	N/A	-21,756,975
Interest/Dividend Income	55,423	55,423	203,949	651,749	1,225,639	N/A	1,855,558
Gains/Losses	1,014,523	1,014,523	711,666	10,584,514	13,069,469	N/A	18,326,641
Total Earnings	1,069,945	1,069,945	915,615	11,236,263	14,295,108	N/A	20,182,199
As of 12-31-15							
Ending Mkt Value	17,978,065	17,978,065	17,978,065	17,978,065	17,978,065	N/A	17,978,065
Time-Weighted Return	6.47	6.47	5.26	16.29	12.10	N/A	12.25
Russell 1000 Growth	7.32	7.32	5.67	16.83	13.53	N/A	12.39

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Wells Capital Management

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Since Inception
Total Fund	6.47	6.47	5.26	5.26	16.29	12.10	12.25
Russell 1000 Growth	7.32	7.32	5.67	5.67	16.83	13.53	12.39

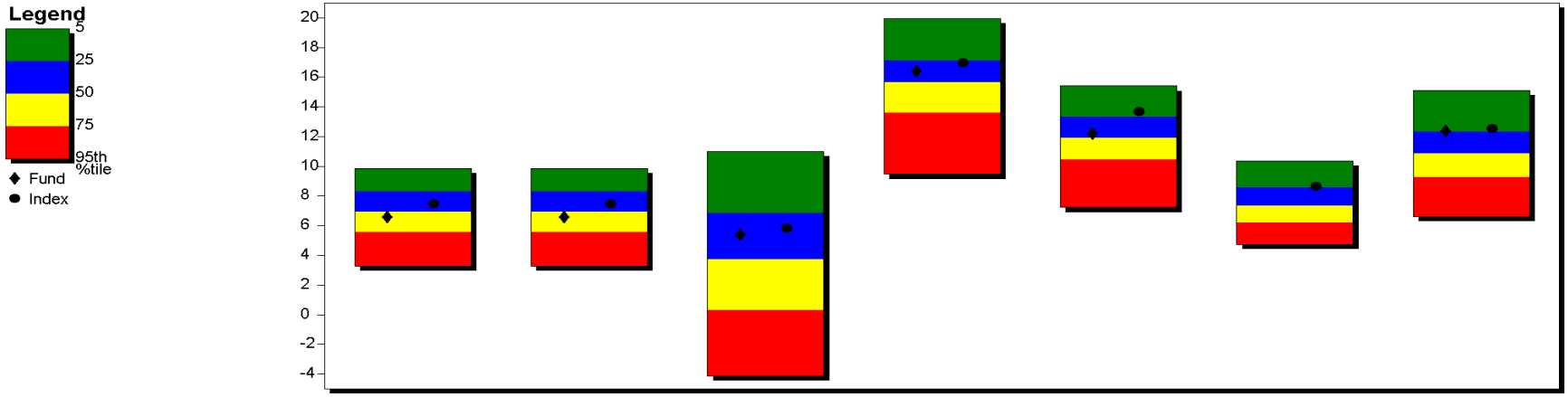
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Wells Capital Management

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Equity



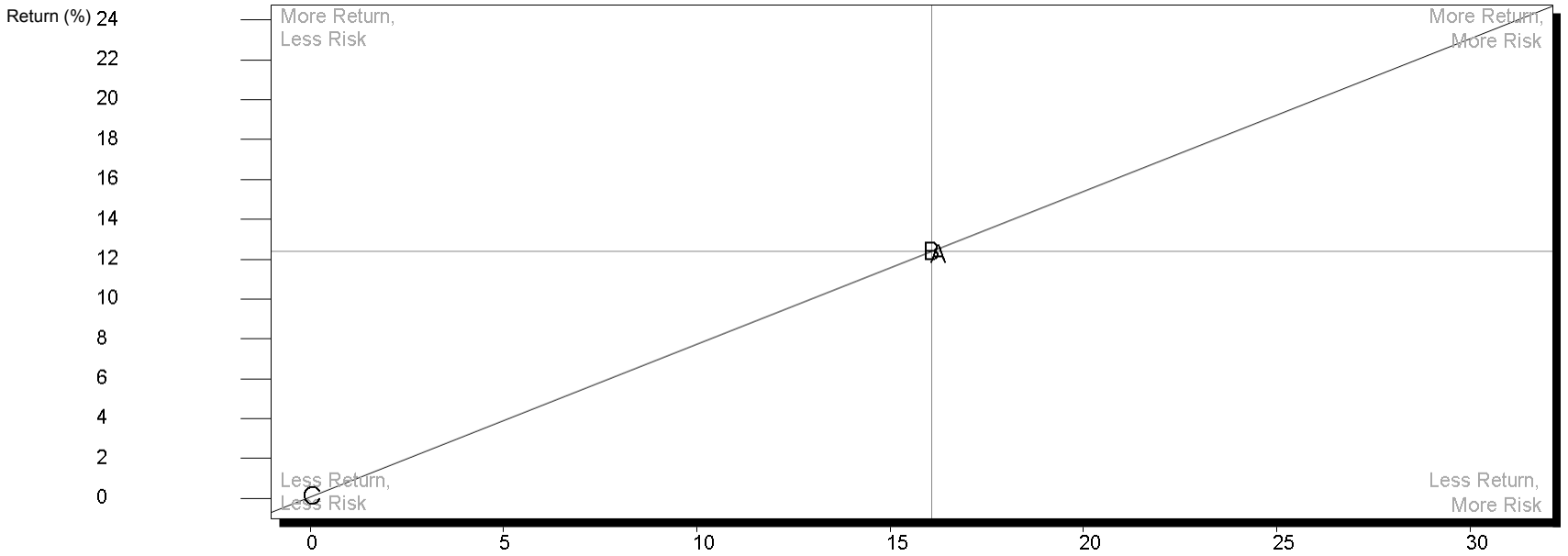
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 9/30/08	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Wells Capital Management	6.47	62	6.47	62	5.26	41	16.29	38	12.10	48	N/A	N/A	12.25	27
Russell 1000 Growth	7.32	45	7.32	45	5.67	37	16.83	31	13.53	21	8.53	27	12.39	25

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Large Growth.
From 9/30/2008 to 12/31/2015 the number of equity funds ranged from 957 to 1502.

Republic of Palau - COFA Trust Fund
Wells Capital Management

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Wells Capital Management	12.25	16.27	0.10	0.98	0.97	0.75	09/30/08	12/31/15
B	Russell 1000 Growth	12.39	16.08	0.00	1.00	1.00	0.76	09/30/08	12/31/15
C	Citi 3 Month T-Bill	0.11	0.06	0.00	0.00	0.00	0.00	09/30/08	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Russell 1000 Growth

Republic of Palau - COFA Trust Fund
Vanguard Growth ETF

Report Period: 06-30-15 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

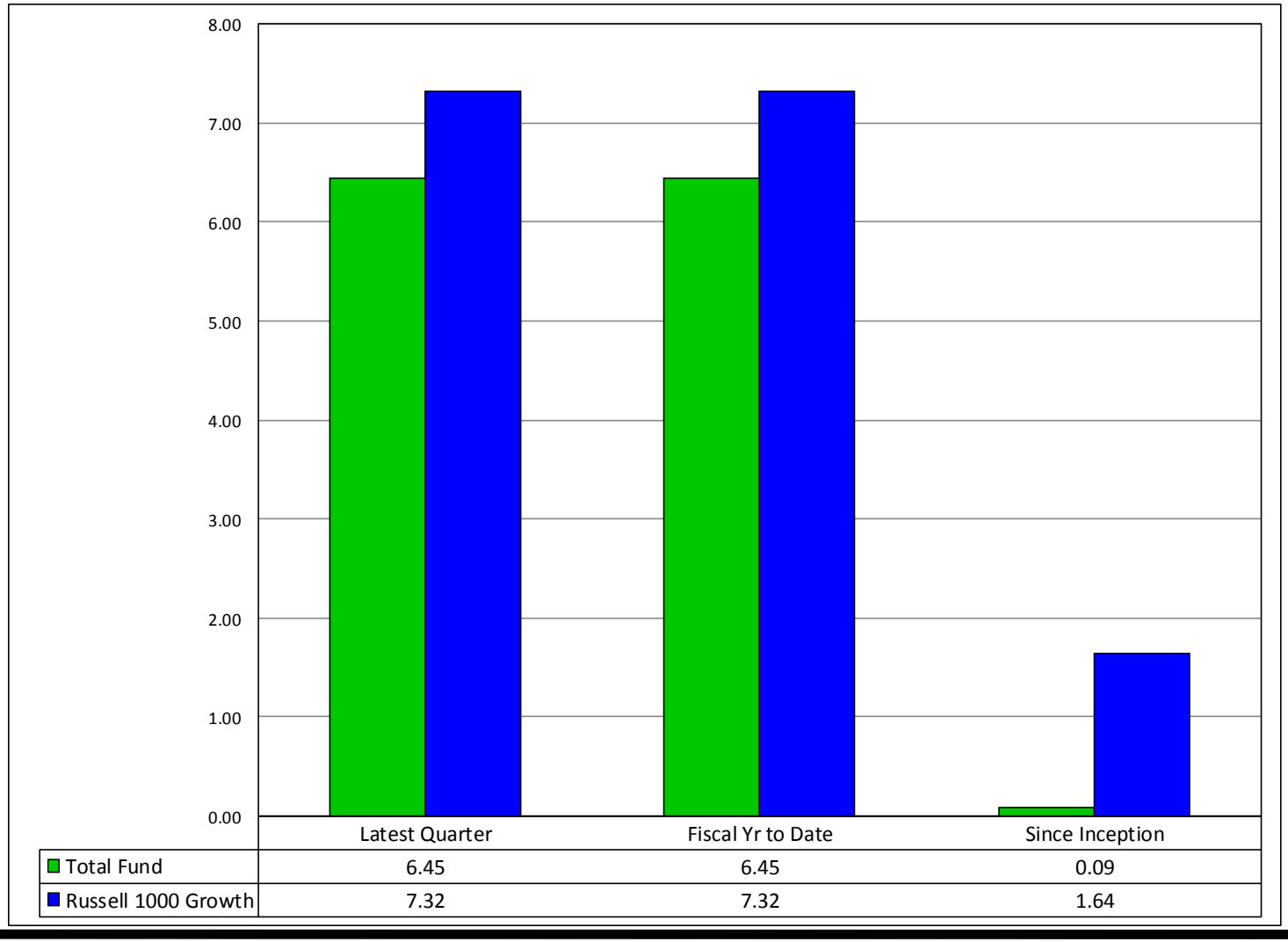
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 06-30-15
Beginning Mkt Value	4,204,766	4,204,766	N/A	N/A	N/A	N/A	4,473,776
Contributions	0	0	N/A	N/A	N/A	N/A	0
Withdrawals	0	0	N/A	N/A	N/A	N/A	2,014
Net Flows	0	0	N/A	N/A	N/A	N/A	-2,014
Interest/Dividend Income	17,197	17,197	N/A	N/A	N/A	N/A	31,653
Gains/Losses	253,973	253,973	N/A	N/A	N/A	N/A	-27,478
Total Earnings	271,170	271,170	N/A	N/A	N/A	N/A	4,175
As of 12-31-15							
Ending Mkt Value	4,475,937	4,475,937	N/A	N/A	N/A	N/A	4,475,937
Time-Weighted Return	6.45	6.45	N/A	N/A	N/A	N/A	0.09
Russell 1000 Growth	7.32	7.32	N/A	N/A	N/A	N/A	1.64

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Vanguard Growth ETF

Report Period: 06-30-15 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Since Inception
Total Fund	6.45	6.45	0.09
Russell 1000 Growth	7.32	7.32	1.64

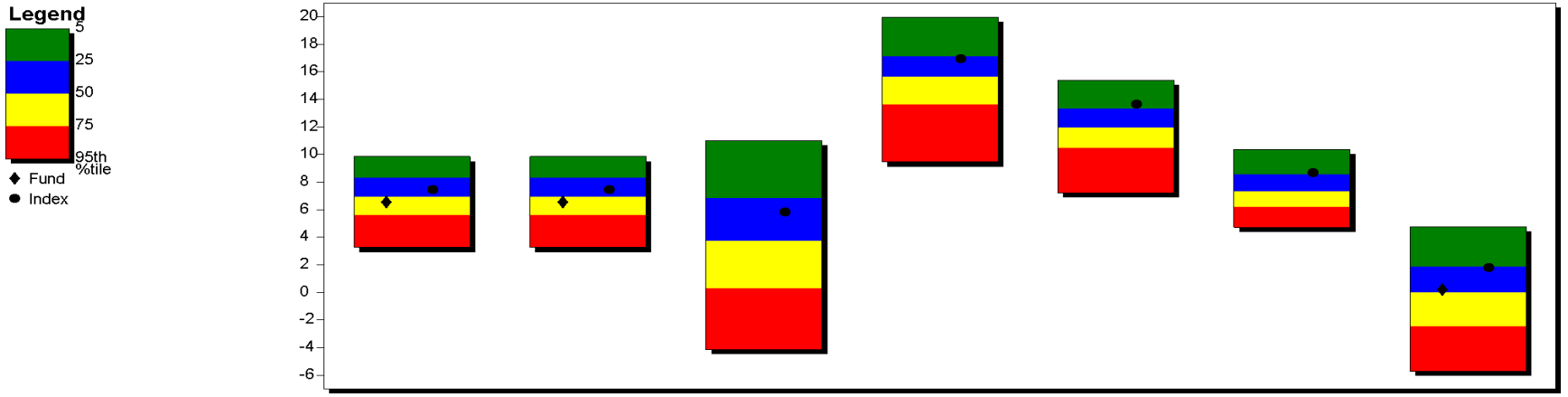
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Vanguard Growth ETF

Report Period: 06-30-15 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Equity



	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 6/30/15	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Vanguard Growth ETF	6.45	62	6.45	62	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.09	49
Russell 1000 Growth	7.32	45	7.32	45	5.67	37	16.83	31	13.53	21	8.53	27	1.64	29

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Large Growth.
From 6/30/2015 to 12/31/2015 the number of equity funds ranged from 957 to 974.

Republic of Palau - COFA Trust Fund
Gamco

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

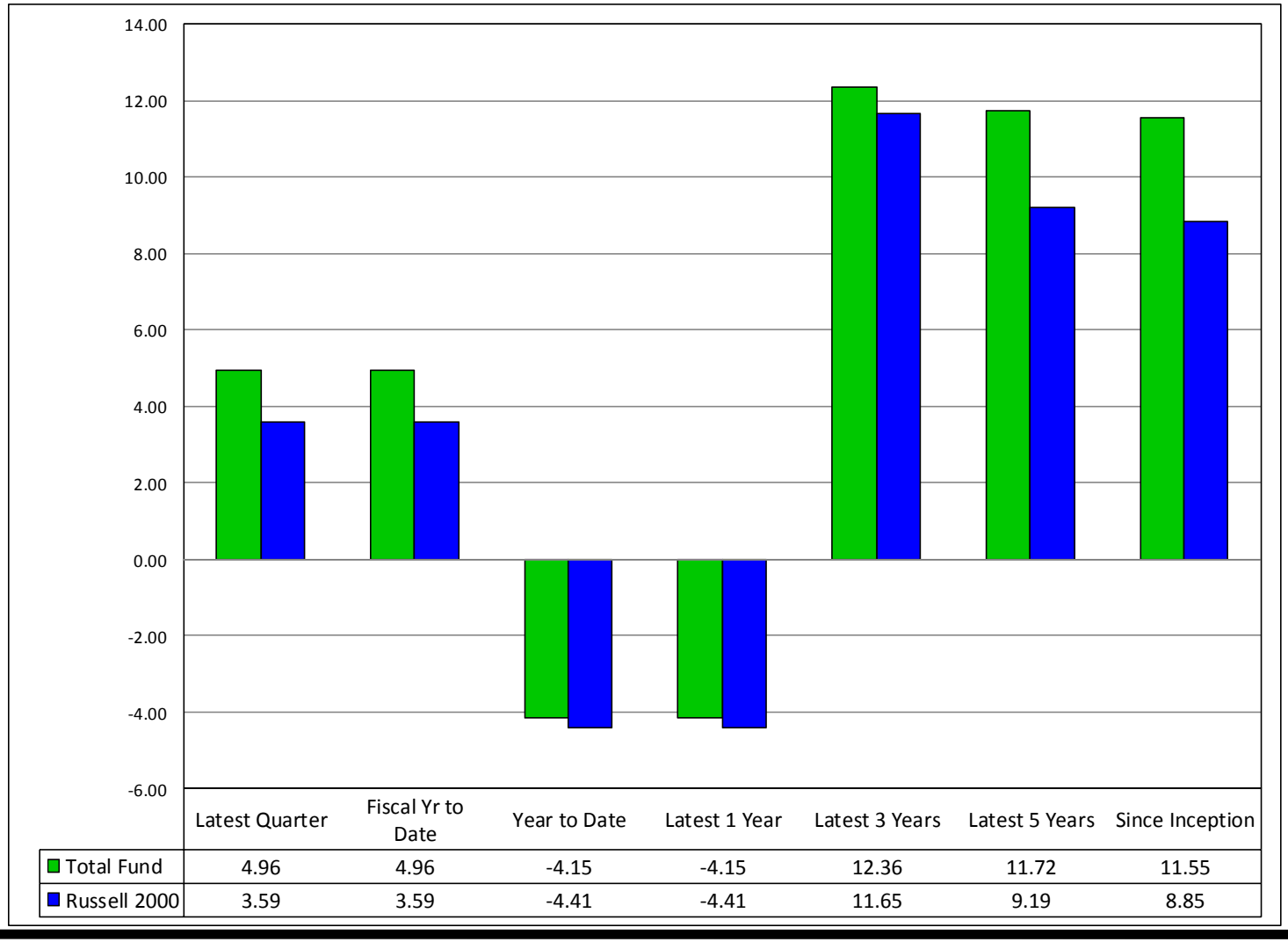
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 09-30-08
Beginning Mkt Value	26,484,698	26,484,698	29,848,323	25,554,504	25,920,080	N/A	23,544,416
Contributions	0	0	0	427,220	427,220	N/A	427,220
Withdrawals	0	0	829,606	8,626,986	14,139,245	N/A	17,640,878
Net Flows	0	0	-829,606	-8,199,766	-13,712,025	N/A	-17,213,658
Interest/Dividend Income	92,555	92,555	405,246	1,005,652	2,018,900	N/A	2,812,719
Gains/Losses	1,159,749	1,159,749	-1,686,961	9,376,612	13,510,047	N/A	18,593,525
Total Earnings	1,252,304	1,252,304	-1,281,715	10,382,264	15,528,947	N/A	21,406,244
As of 12-31-15							
Ending Mkt Value	27,737,002	27,737,002	27,737,002	27,737,002	27,737,002	N/A	27,737,002
Time-Weighted Return	4.96	4.96	-4.15	12.36	11.72	N/A	11.55
Russell 2000	3.59	3.59	-4.41	11.65	9.19	N/A	8.85

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Gamco

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Since Inception
Total Fund	4.96	4.96	-4.15	-4.15	12.36	11.72	11.55
Russell 2000	3.59	3.59	-4.41	-4.41	11.65	9.19	8.85

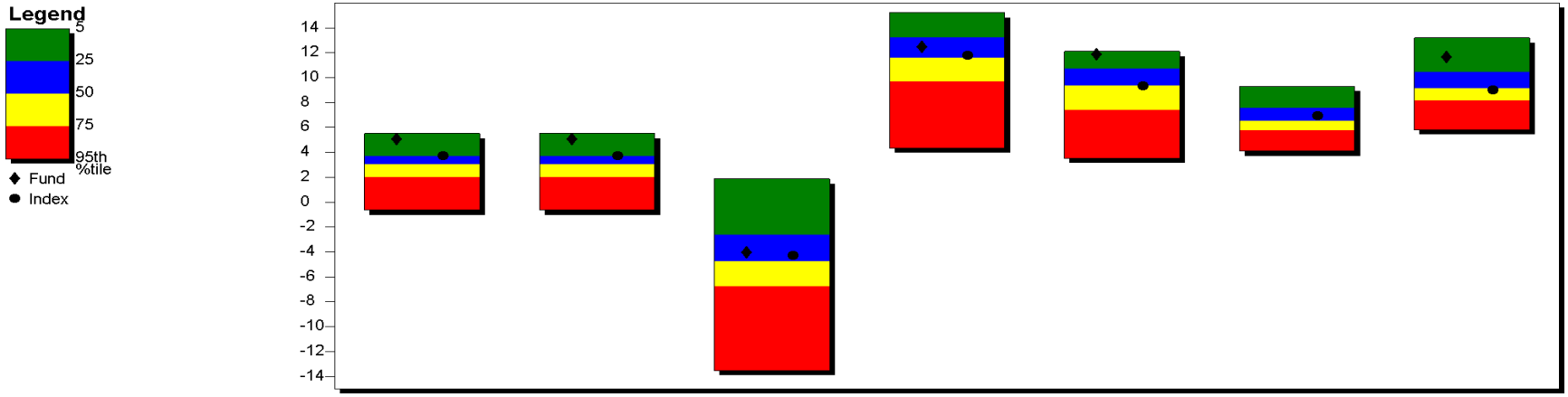
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Gamco

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Equity



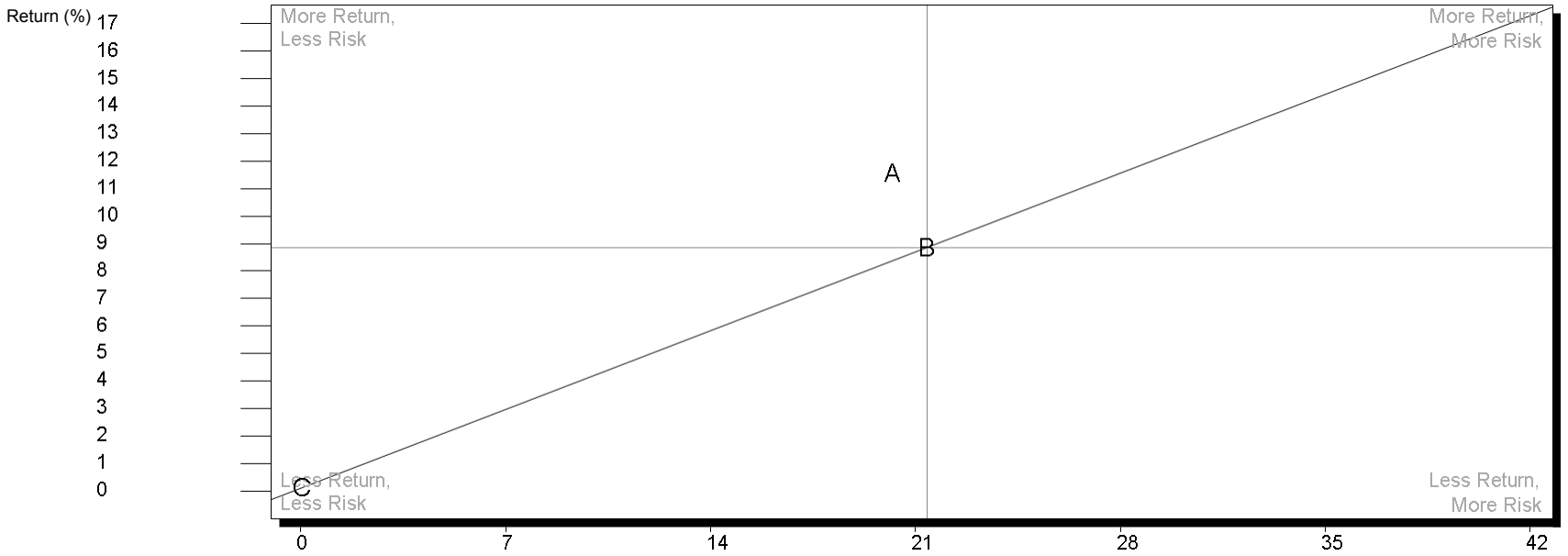
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 9/30/08	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Gamco	4.96	9	4.96	9	-4.15	46	12.36	41	11.72	8	N/A	N/A	11.55	10
Russell 2000	3.59	34	3.59	34	-4.41	46	11.65	50	9.19	53	6.80	45	8.85	55

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Small Blend.
From 9/30/2008 to 12/31/2015 the number of equity funds ranged from 419 to 618.

Republic of Palau - COFA Trust Fund
Gamco

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Gamco	11.55	20.23	3.04	0.92	0.98	0.57	09/30/08	12/31/15
B	Russell 2000	8.85	21.40	0.00	1.00	1.00	0.41	09/30/08	12/31/15
C	Citi 3 Month T-Bill	0.11	0.06	0.00	0.00	0.00	0.00	09/30/08	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Russell 2000

Republic of Palau - COFA Trust Fund
Lazard International

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

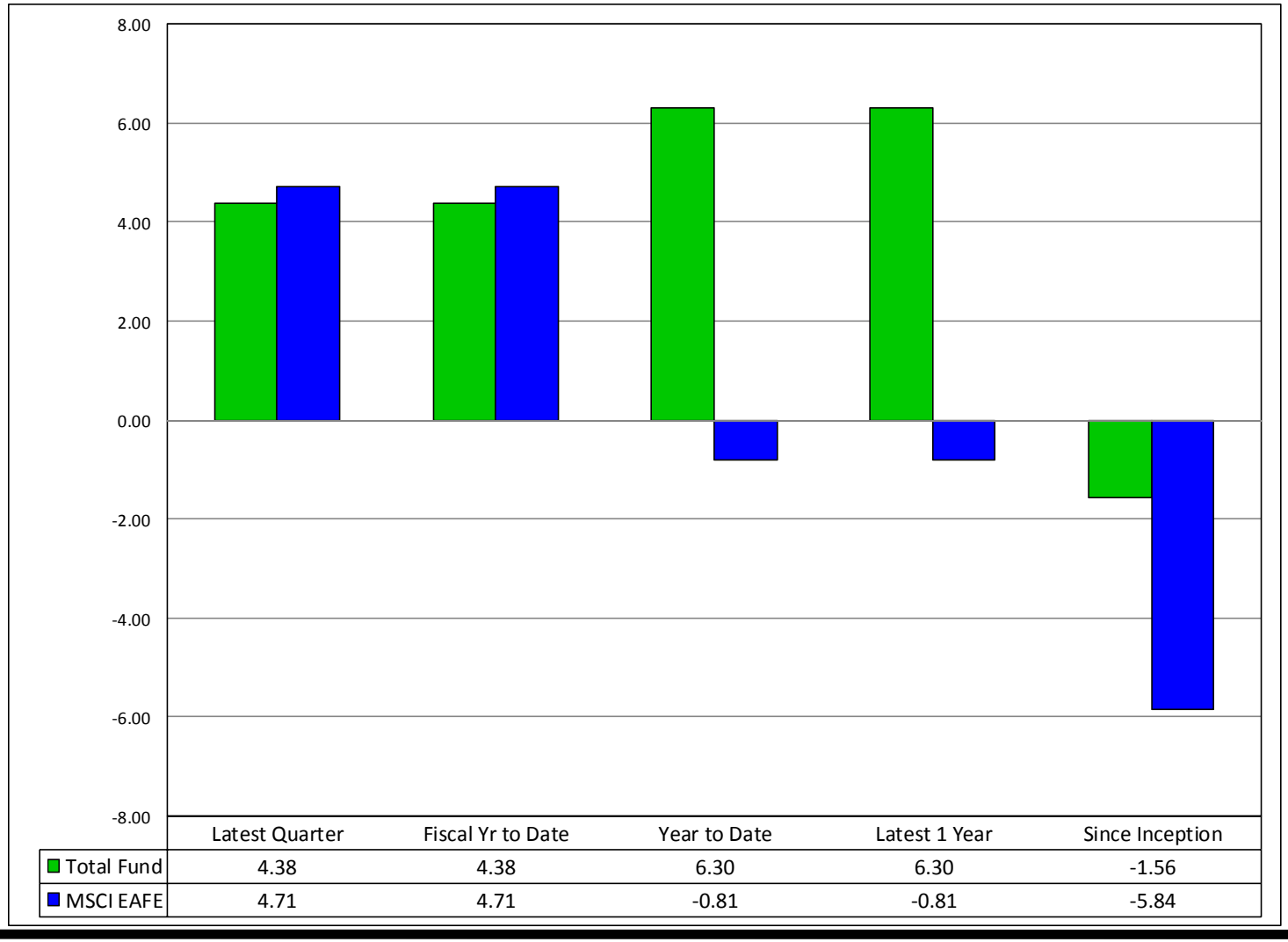
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	16,697,218	16,697,218	16,541,453	N/A	N/A	N/A	18,105,284
Contributions	0	0	0	N/A	N/A	N/A	0
Withdrawals	5,322	5,322	94,596	N/A	N/A	N/A	167,016
Net Flows	-5,322	-5,322	-94,596	N/A	N/A	N/A	-167,016
Interest/Dividend Income	85,073	85,073	362,698	N/A	N/A	N/A	487,282
Gains/Losses	621,110	621,110	588,524	N/A	N/A	N/A	-1,027,471
Total Earnings	706,184	706,184	951,223	N/A	N/A	N/A	-540,188
As of 12-31-15							
Ending Mkt Value	17,398,079	17,398,079	17,398,079	N/A	N/A	N/A	17,398,079
Time-Weighted Return	4.38	4.38	6.30	N/A	N/A	N/A	-1.56
MSCI EAFE	4.71	4.71	-0.81	N/A	N/A	N/A	-5.84

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Lazard International

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



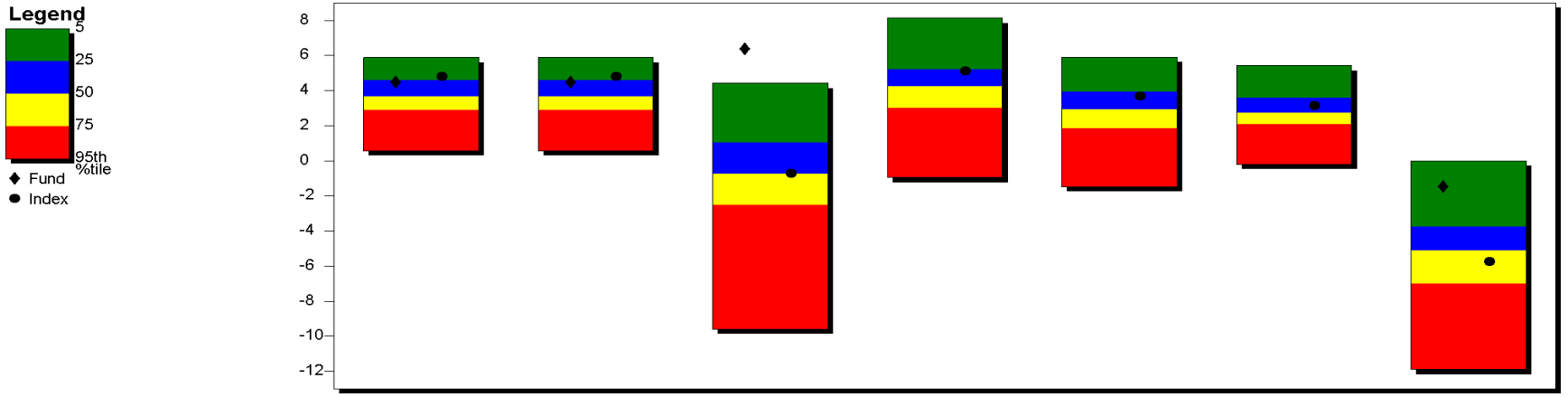
	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	4.38	4.38	6.30	6.30	-1.56
MSCI EAFE	4.71	4.71	-0.81	-0.81	-5.84

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Lazard International

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods
Universe Composition: 100% Equity



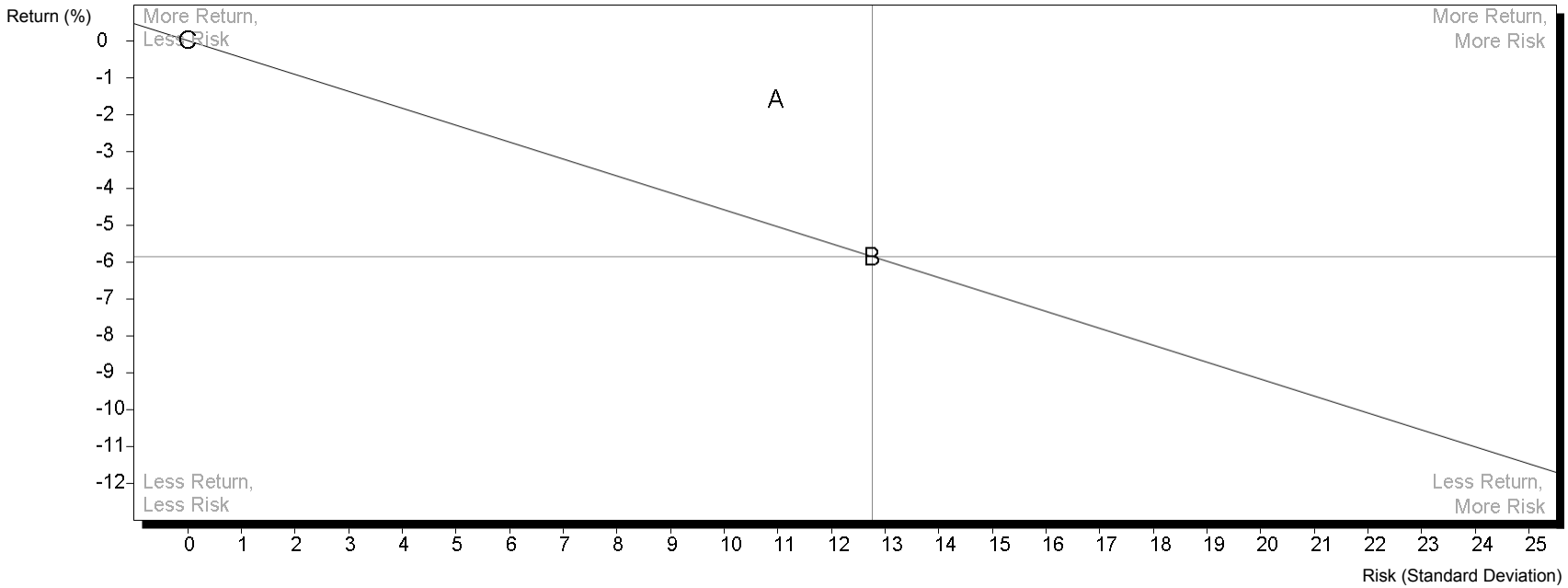
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Lazard International	4.38	33	4.38	33	6.30	3	N/A	N/A	N/A	N/A	N/A	N/A	-1.56	10
MSCI EAFE	4.71	23	4.71	23	-0.81	51	5.01	31	3.60	33	3.03	37	-5.84	59

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Foreign Large Blend.
From 5/31/2014 to 12/31/2015 the number of equity funds ranged from 482 to 518.

Republic of Palau - COFA Trust Fund
Lazard International

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Lazard International	-1.56	10.98	3.35	0.83	0.97	-17.45	05/31/14	12/31/15
B	MSCI EAFE	-5.84	12.76	0.00	1.00	1.00	-74.97	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the MSCI EAFE

Republic of Palau - COFA Trust Fund
Renaissance

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

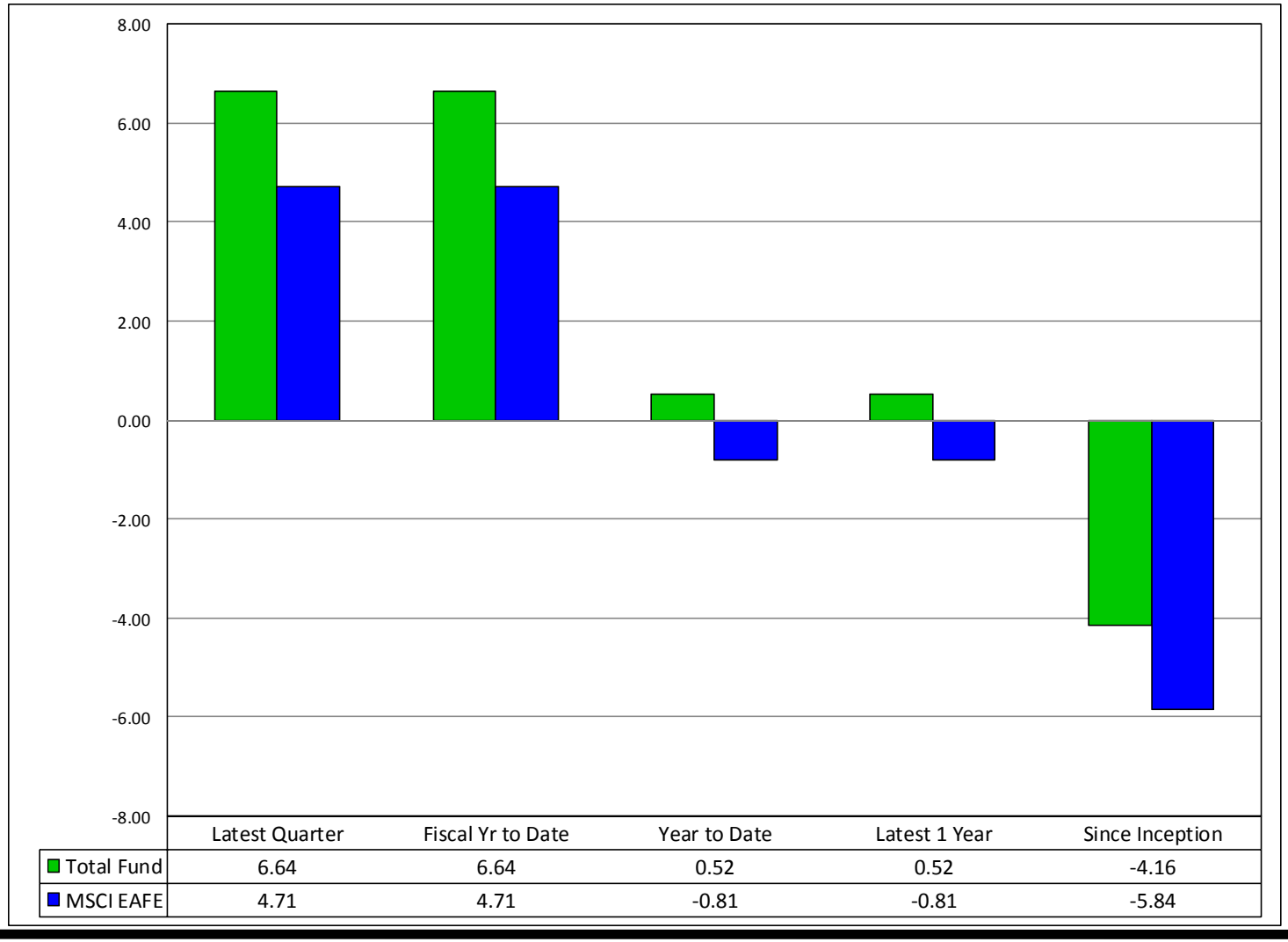
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	15,634,122	15,634,122	16,682,612	N/A	N/A	N/A	18,003,030
Contributions	0	0	0	N/A	N/A	N/A	0
Withdrawals	2,516	2,516	91,812	N/A	N/A	N/A	154,025
Net Flows	-2,516	-2,516	-91,812	N/A	N/A	N/A	-154,025
Interest/Dividend Income	64,028	64,028	360,652	N/A	N/A	N/A	512,552
Gains/Losses	949,239	949,239	-306,579	N/A	N/A	N/A	-1,716,684
Total Earnings	1,013,267	1,013,267	54,073	N/A	N/A	N/A	-1,204,132
As of 12-31-15							
Ending Mkt Value	16,644,873	16,644,873	16,644,873	N/A	N/A	N/A	16,644,873
Time-Weighted Return	6.64	6.64	0.52	N/A	N/A	N/A	-4.16
MSCI EAFE	4.71	4.71	-0.81	N/A	N/A	N/A	-5.84

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Renaissance

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



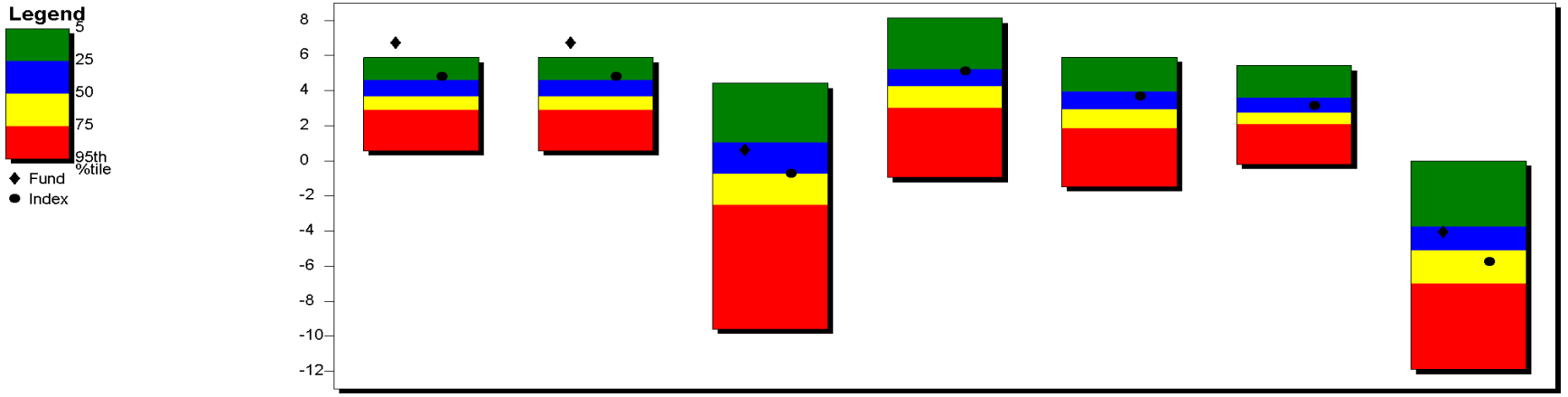
	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	6.64	6.64	0.52	0.52	-4.16
MSCI EAFE	4.71	4.71	-0.81	-0.81	-5.84

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Renaissance

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods
Universe Composition: 100% Equity



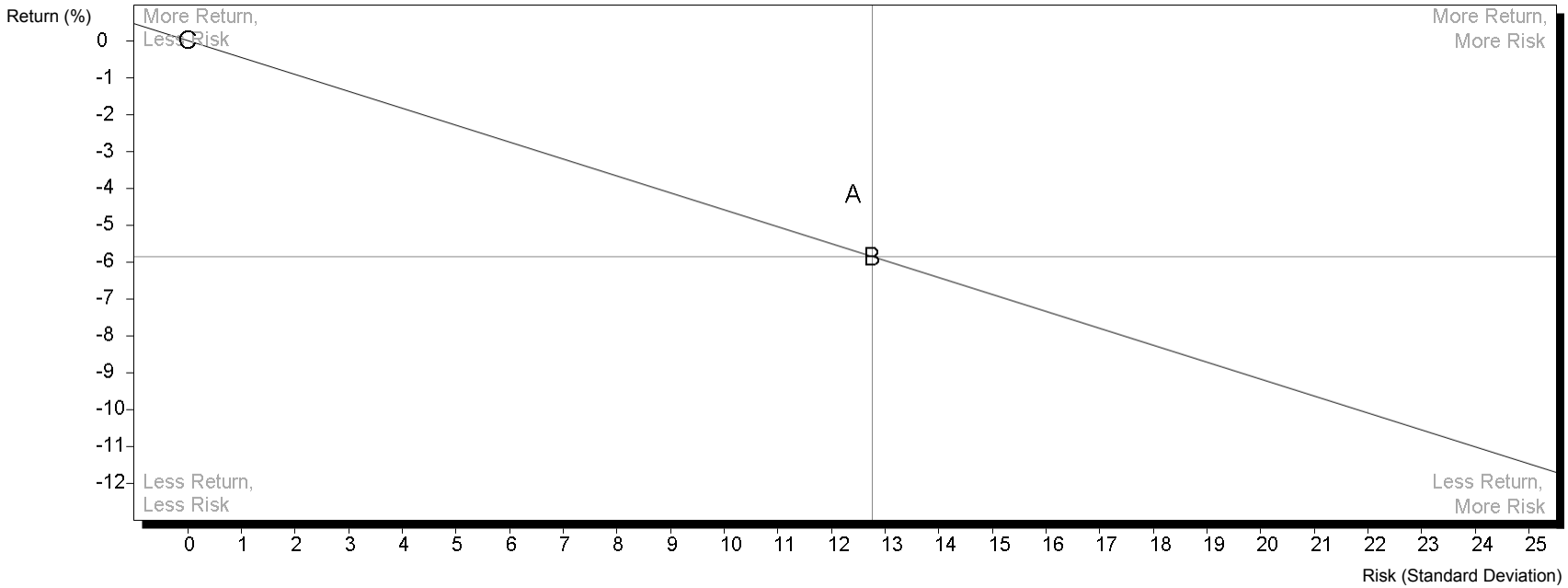
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Renaissance	6.64	3	6.64	3	0.52	34	N/A	N/A	N/A	N/A	N/A	N/A	-4.16	31
MSCI EAFE	4.71	23	4.71	23	-0.81	51	5.01	31	3.60	33	3.03	37	-5.84	59

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Foreign Large Blend.
From 5/31/2014 to 12/31/2015 the number of equity funds ranged from 482 to 518.

Republic of Palau - COFA Trust Fund
Renaissance

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Renaissance	-4.16	12.41	1.12	0.88	0.91	-51.99	05/31/14	12/31/15
B	MSCI EAFE	-5.84	12.76	0.00	1.00	1.00	-74.97	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the MSCI EAFE

Republic of Palau - COFA Trust Fund
Brandes Emerging Markets

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

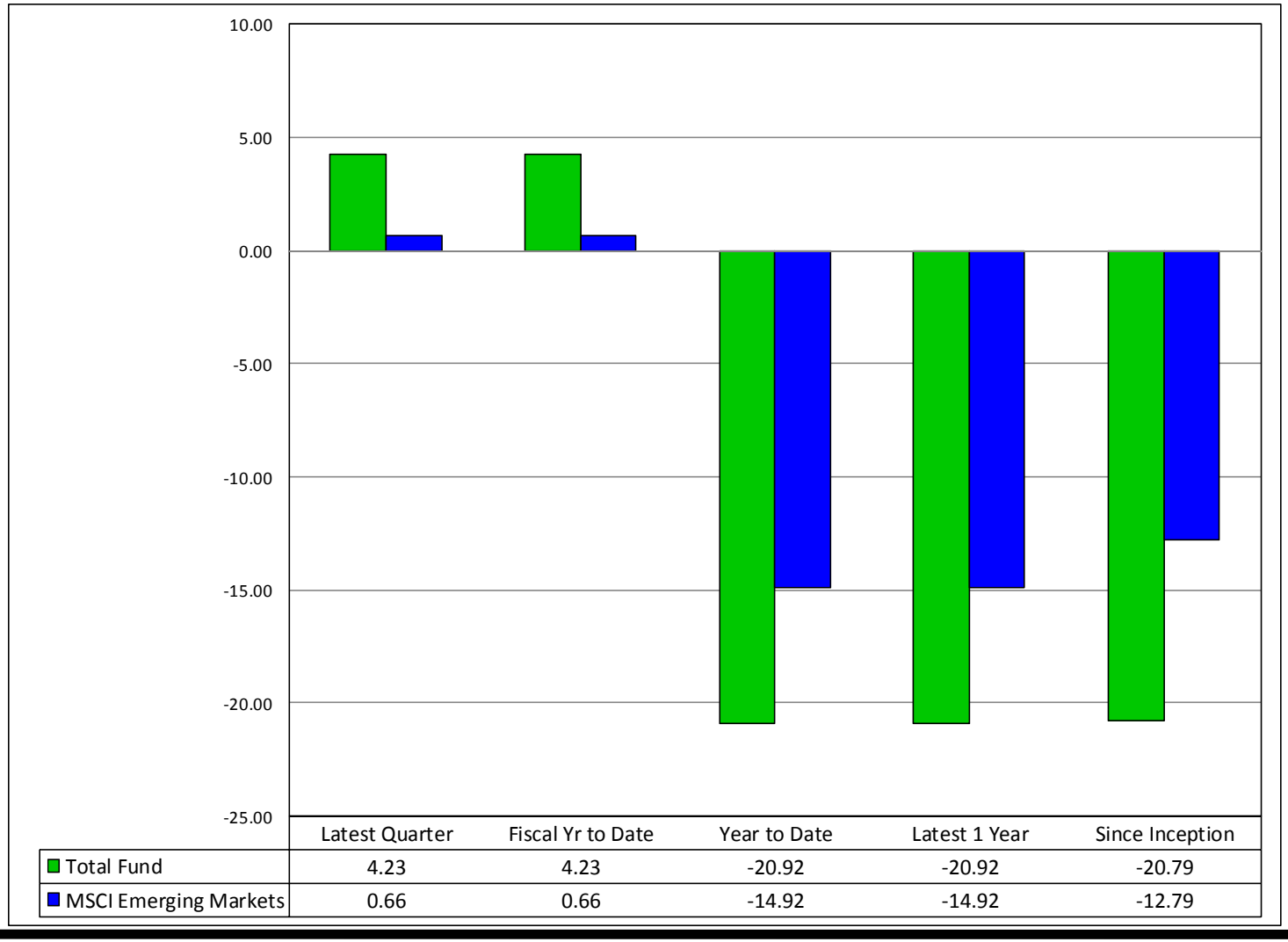
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	9,123,851	9,123,851	12,125,998	N/A	N/A	N/A	13,948,154
Contributions	0	0	0	N/A	N/A	N/A	0
Withdrawals	4,696	4,696	80,080	N/A	N/A	N/A	148,809
Net Flows	-4,696	-4,696	-80,080	N/A	N/A	N/A	-148,809
Interest/Dividend Income	45,059	45,059	309,597	N/A	N/A	N/A	464,342
Gains/Losses	323,890	323,890	-2,867,411	N/A	N/A	N/A	-4,775,583
Total Earnings	368,949	368,949	-2,557,814	N/A	N/A	N/A	-4,311,241
As of 12-31-15							
Ending Mkt Value	9,488,103	9,488,103	9,488,103	N/A	N/A	N/A	9,488,103
Time-Weighted Return	4.23	4.23	-20.92	N/A	N/A	N/A	-20.79
MSCI Emerging Markets	0.66	0.66	-14.92	N/A	N/A	N/A	-12.79

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Brandes Emerging Markets

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	4.23	4.23	-20.92	-20.92	-20.79
MSCI Emerging Markets	0.66	0.66	-14.92	-14.92	-12.79

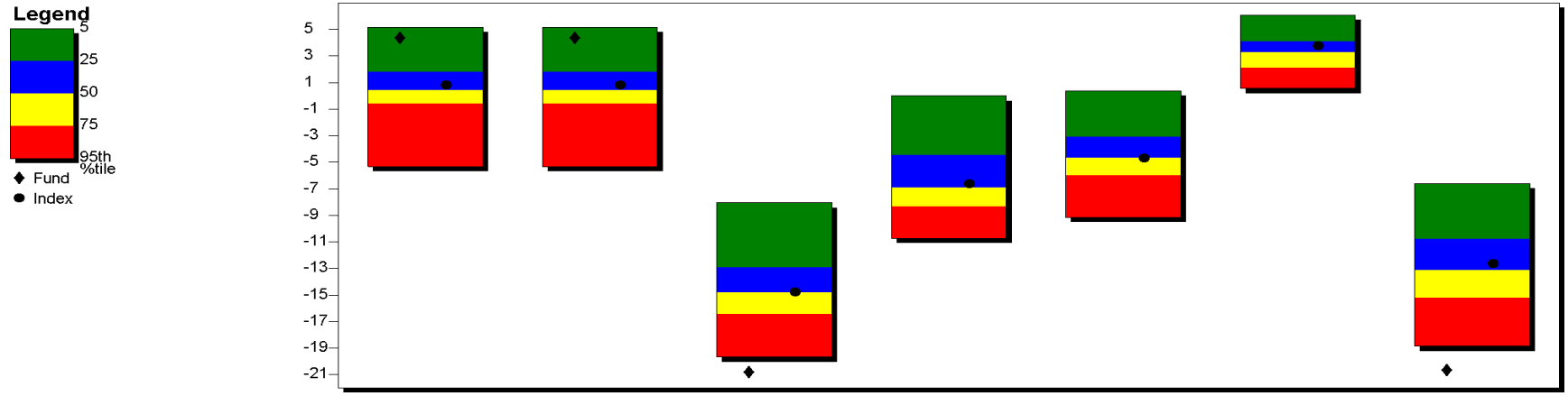
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Brandes Emerging Markets

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Equity



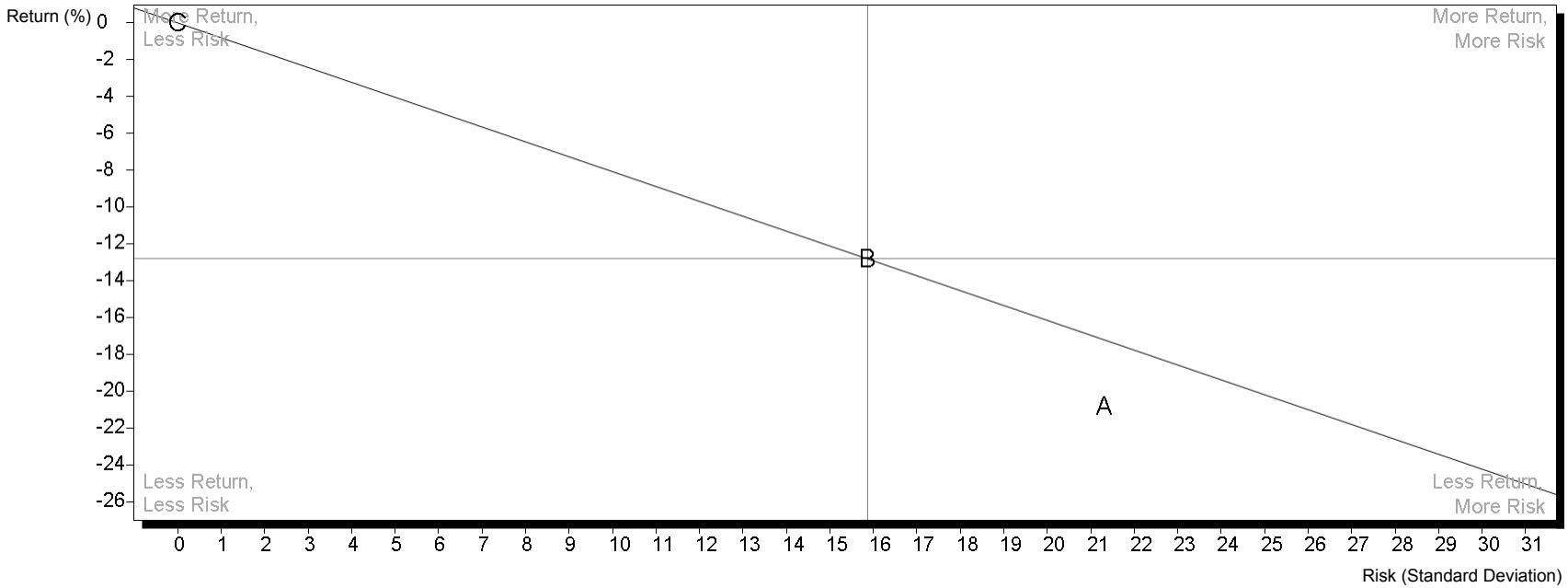
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Brandes Emerging Markets	4.23	9	4.23	9	-20.92	99	N/A	N/A	N/A	N/A	N/A	N/A	-20.79	98
MSCI Emerging Markets	0.66	47	0.66	47	-14.92	53	-6.76	46	-4.81	54	3.61	44	-12.79	43

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Diversified Emerging Mkts.
From 5/31/2014 to 12/31/2015 the number of equity funds ranged from 212 to 229.

Republic of Palau - COFA Trust Fund
Brandes Emerging Markets

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Brandes Emerging Markets	-20.79	21.33	-5.25	1.27	0.94	-444.59	05/31/14	12/31/15
B	MSCI Emerging Markets	-12.79	15.86	0.00	1.00	1.00	-203.41	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the MSCI Emerging Markets

Republic of Palau - COFA Trust Fund
Bank of Hawaii

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

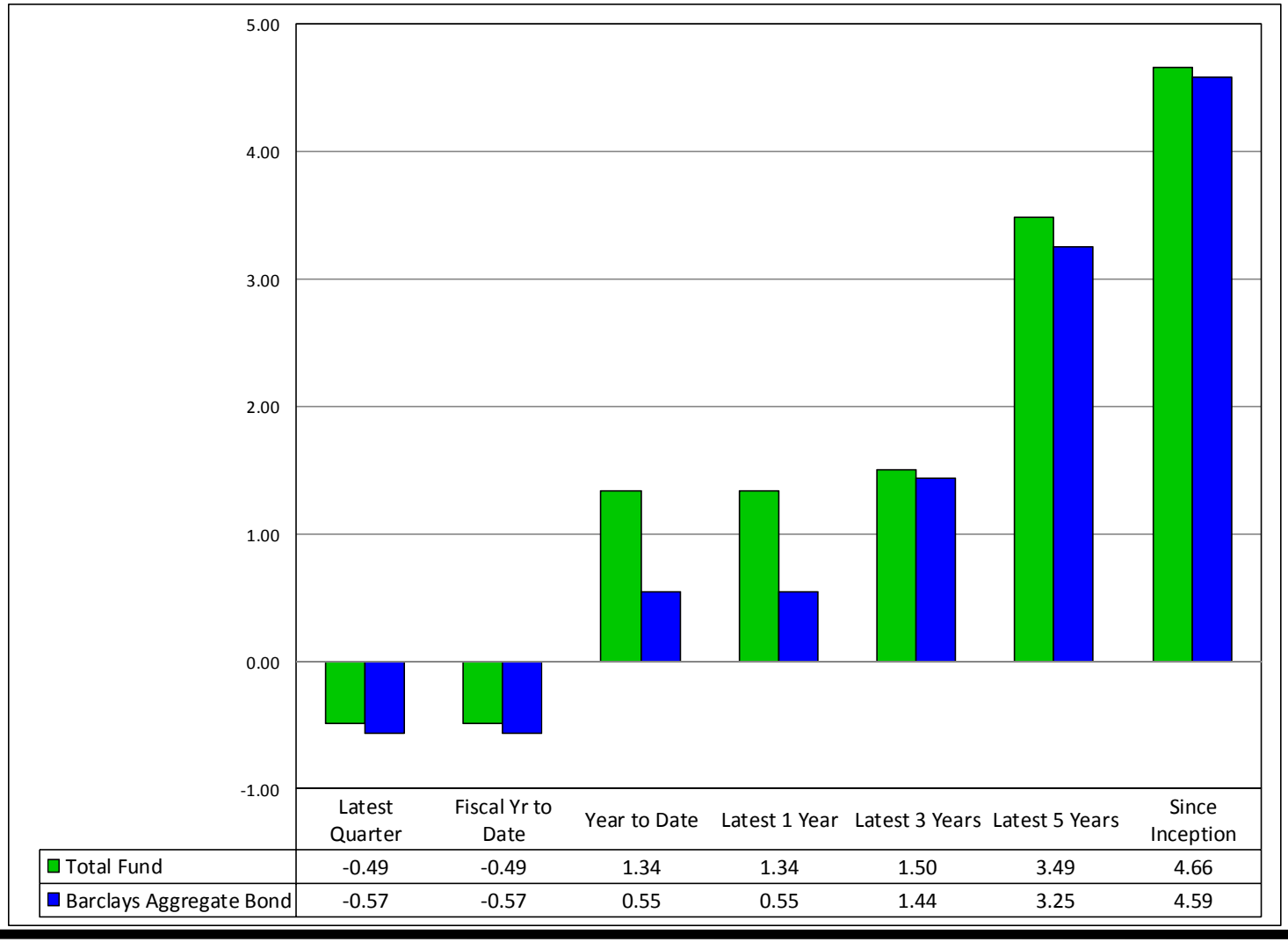
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 09-30-08
Beginning Mkt Value	16,718,681	16,718,681	17,344,765	28,607,804	26,159,010	N/A	28,015,564
Contributions	0	0	0	1,993,650	3,487,660	N/A	3,487,660
Withdrawals	0	0	1,041,906	15,040,801	17,685,109	N/A	23,849,757
Net Flows	0	0	-1,041,906	-13,047,151	-14,197,449	N/A	-20,362,097
Interest/Dividend Income	121,563	121,563	514,799	2,422,349	4,898,485	N/A	7,772,922
Gains/Losses	-213,651	-213,651	-191,065	-1,356,409	-233,453	N/A	1,200,204
Total Earnings	-92,088	-92,088	323,734	1,065,940	4,665,032	N/A	8,973,126
As of 12-31-15							
Ending Mkt Value	16,626,593	16,626,593	16,626,593	16,626,593	16,626,593	N/A	16,626,593
Time-Weighted Return	-0.49	-0.49	1.34	1.50	3.49	N/A	4.66
Barclays Aggregate Bond	-0.57	-0.57	0.55	1.44	3.25	N/A	4.59

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Bank of Hawaii

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Since Inception
Total Fund	-0.49	-0.49	1.34	1.34	1.50	3.49	4.66
Barclays Aggregate Bond	-0.57	-0.57	0.55	0.55	1.44	3.25	4.59

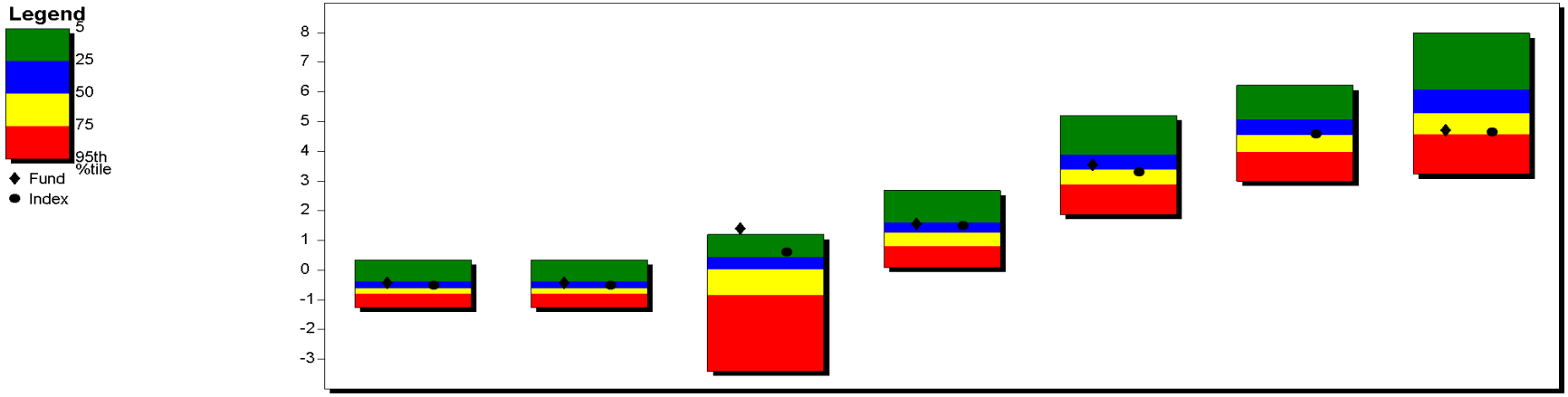
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Bank of Hawaii

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Fixed Income



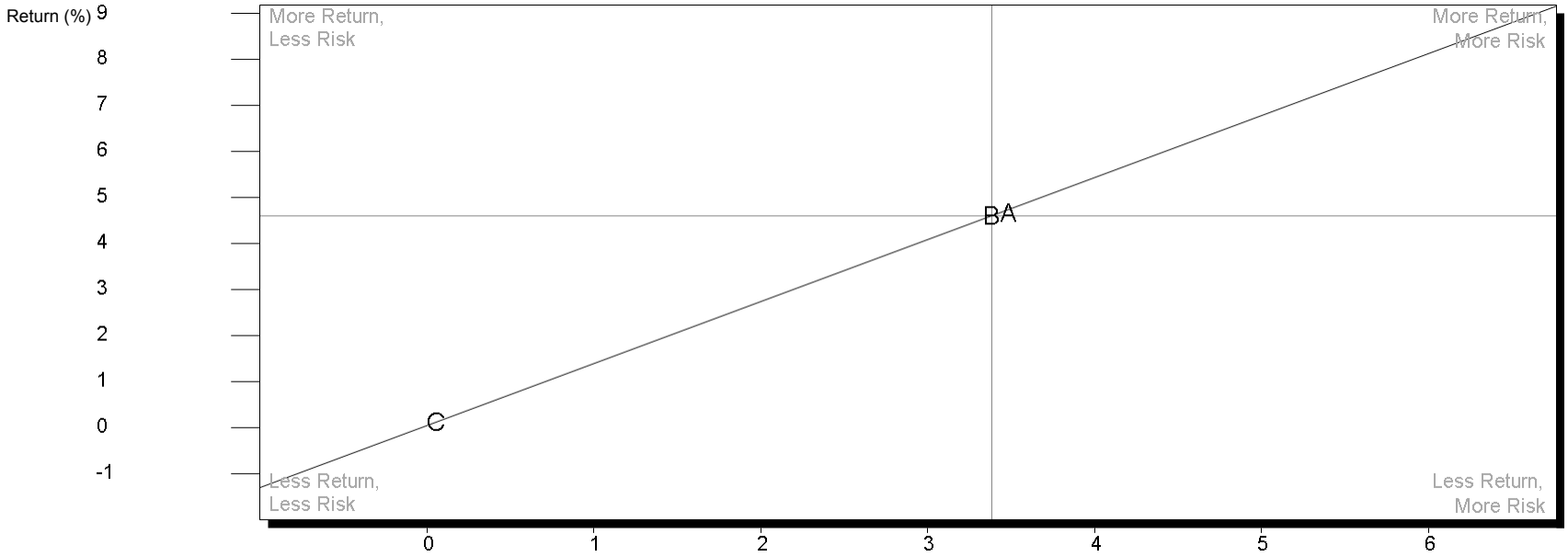
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 9/30/08	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Bank of Hawaii	-0.49	36	-0.49	36	1.34	5	1.50	34	3.49	47	N/A	N/A	4.66	75
Barclays Aggregate Bond	-0.57	45	-0.57	45	0.55	21	1.44	37	3.25	60	4.51	52	4.59	76

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Intermediate-Term Bond, Long-Term Bond.
From 9/30/2008 to 12/31/2015 the number of fixed income funds ranged from 704 to 1086 and the number of equity funds ranged from 93 to 147.

Republic of Palau - COFA Trust Fund
Bank of Hawaii

Report Period: 09-30-08 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Bank of Hawaii	4.66	3.49	0.04	1.01	0.98	1.30	09/30/08	12/31/15
B	Barclays Aggregate Bond	4.59	3.39	0.00	1.00	1.00	1.32	09/30/08	12/31/15
C	Citi 3 Month T-Bill	0.11	0.06	0.00	0.00	0.00	0.00	09/30/08	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Barclays Aggregate Bond

Republic of Palau - COFA Trust Fund
Garcia Hamilton

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

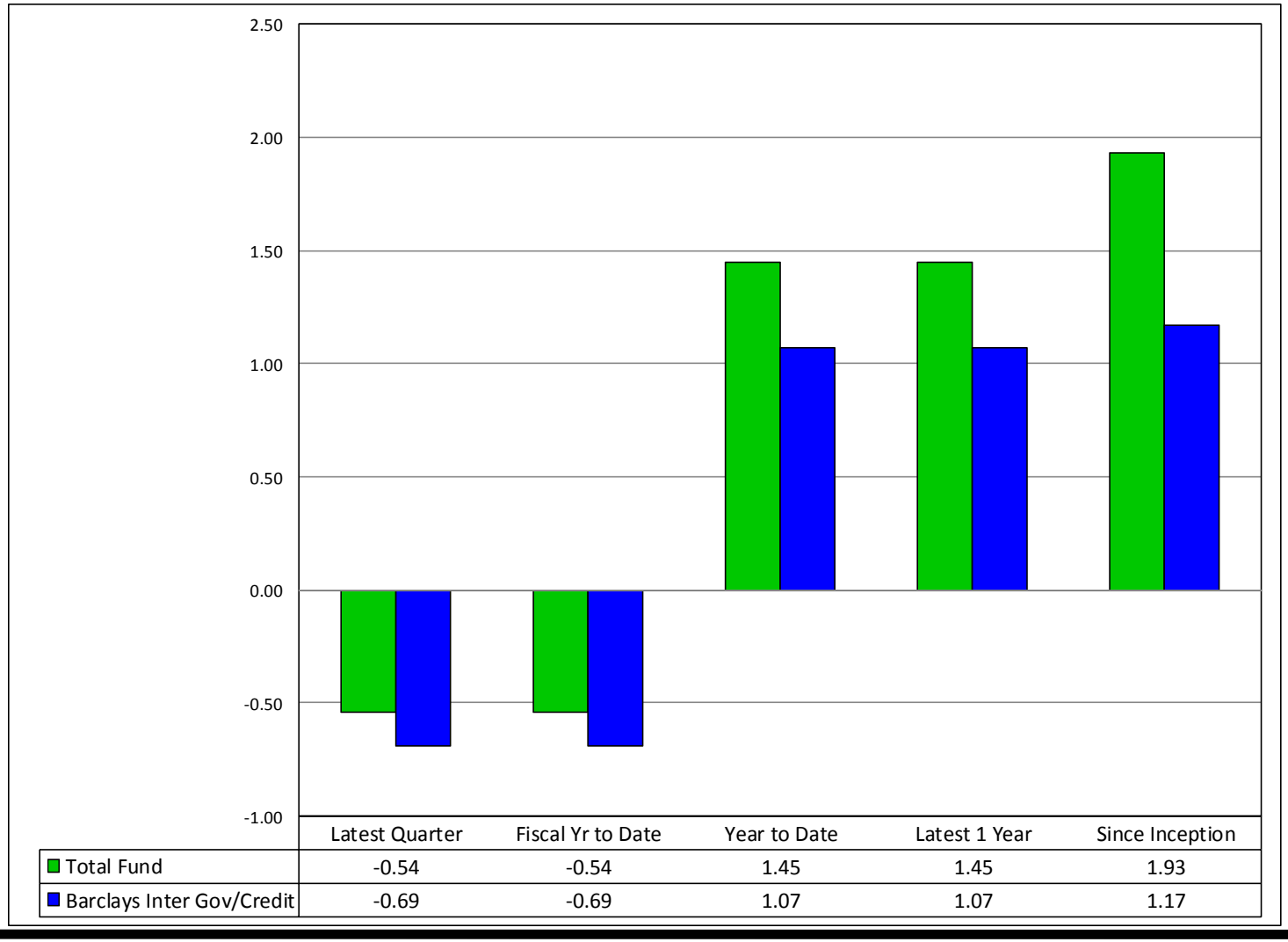
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	19,550,436	19,550,436	19,214,359	N/A	N/A	N/A	28,260,790
Contributions	0	0	0	N/A	N/A	N/A	0
Withdrawals	2,200,000	2,200,000	2,248,631	N/A	N/A	N/A	11,627,657
Net Flows	-2,200,000	-2,200,000	-2,248,631	N/A	N/A	N/A	-11,627,657
Interest/Dividend Income	124,059	124,059	659,594	N/A	N/A	N/A	1,107,870
Gains/Losses	-236,859	-236,859	-387,686	N/A	N/A	N/A	-503,367
Total Earnings	-112,800	-112,800	271,908	N/A	N/A	N/A	604,503
As of 12-31-15							
Ending Mkt Value	17,237,636	17,237,636	17,237,636	N/A	N/A	N/A	17,237,636
Time-Weighted Return	-0.54	-0.54	1.45	N/A	N/A	N/A	1.93
Barclays Inter Gov/Credit	-0.69	-0.69	1.07	N/A	N/A	N/A	1.17

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Garcia Hamilton

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	-0.54	-0.54	1.45	1.45	1.93
Barclays Inter Gov/Credit	-0.69	-0.69	1.07	1.07	1.17

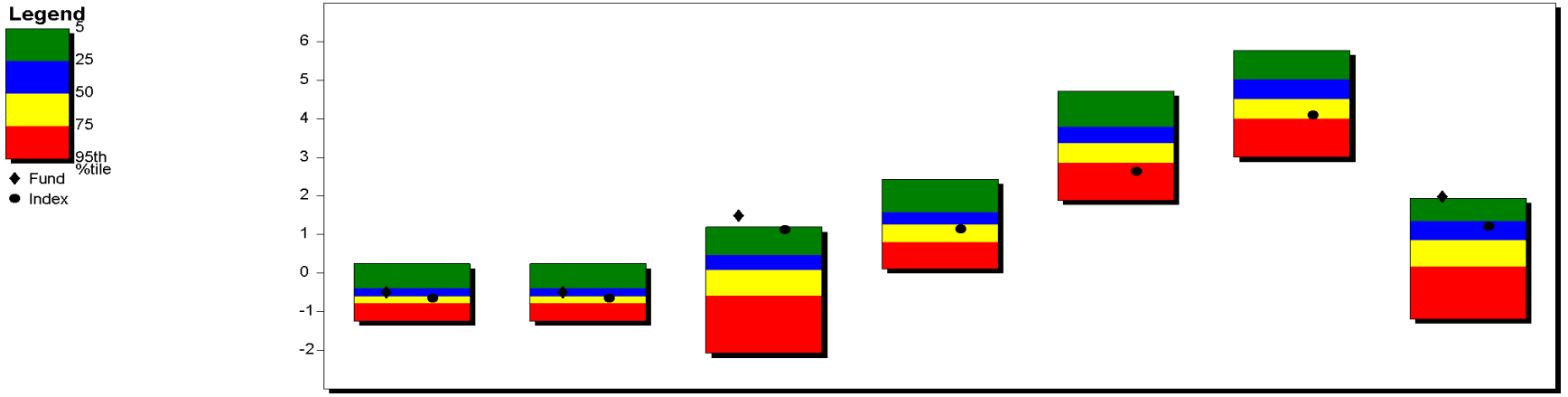
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Garcia Hamilton

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Fixed Income



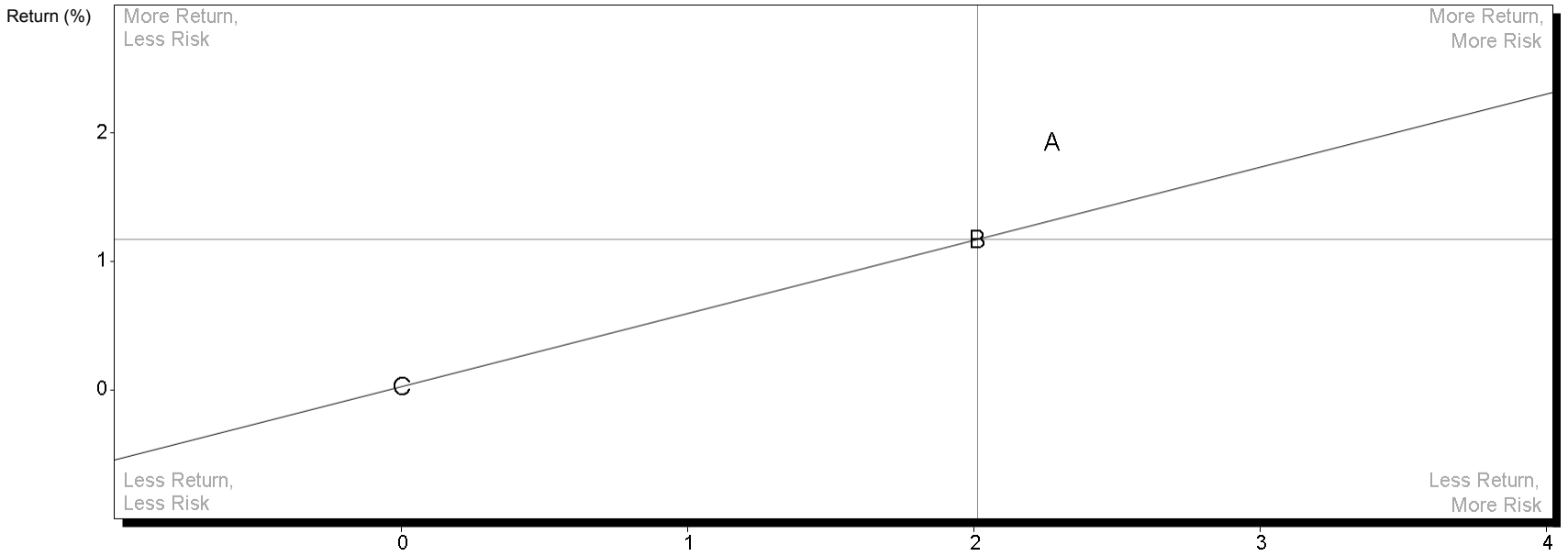
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Garcia Hamilton	-0.54	45	-0.54	45	1.45	4	N/A	N/A	N/A	N/A	N/A	N/A	1.93	6
Barclays Inter Gov/Credit	-0.69	68	-0.69	68	1.07	7	1.10	63	2.58	86	4.04	74	1.17	34

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Intermediate-Term Bond.
From 5/31/2014 to 12/31/2015 the number of fixed income funds ranged from 670 to 721 and the number of equity funds ranged from 91 to 100.

Republic of Palau - COFA Trust Fund
Garcia Hamilton

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Garcia Hamilton	1.93	2.27	0.64	1.10	0.97	0.84	05/31/14	12/31/15
B	Barclays Inter Gov/Credit	1.17	2.01	0.00	1.00	1.00	0.57	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Barclays Inter Gov/Credit

Republic of Palau - COFA Trust Fund
Chartwell Investment Partners

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: December

Account Activity Summary

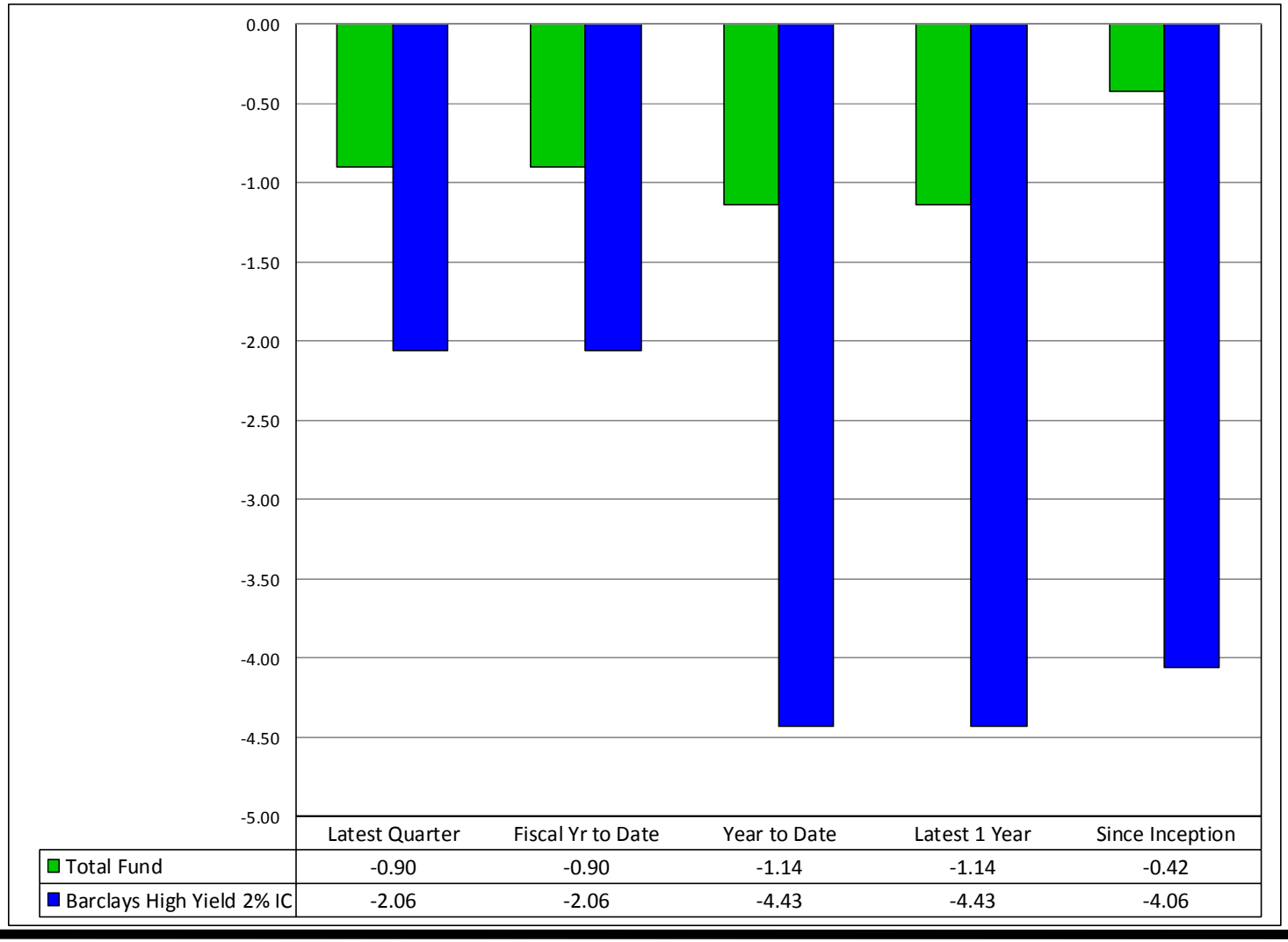
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	5,965,596	6,010,205	6,010,205	N/A	N/A	N/A	5,994,911
Contributions	0	0	0	N/A	N/A	N/A	0
Withdrawals	0	26,563	26,563	N/A	N/A	N/A	39,715
Net Flows	0	-26,563	-26,563	N/A	N/A	N/A	-39,715
Interest/Dividend Income	110,248	384,062	384,062	N/A	N/A	N/A	499,898
Gains/Losses	-171,125	-462,985	-462,985	N/A	N/A	N/A	-550,375
Total Earnings	-60,877	-78,923	-78,923	N/A	N/A	N/A	-50,477
As of 12-31-15							
Ending Mkt Value	5,904,719	5,904,719	5,904,719	N/A	N/A	N/A	5,904,719
Time-Weighted Return	-0.90	-1.14	-1.14	N/A	N/A	N/A	-0.42
Barclays High Yield 2% IC	-2.06	-4.43	-4.43	N/A	N/A	N/A	-4.06

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Chartwell Investment Partners

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



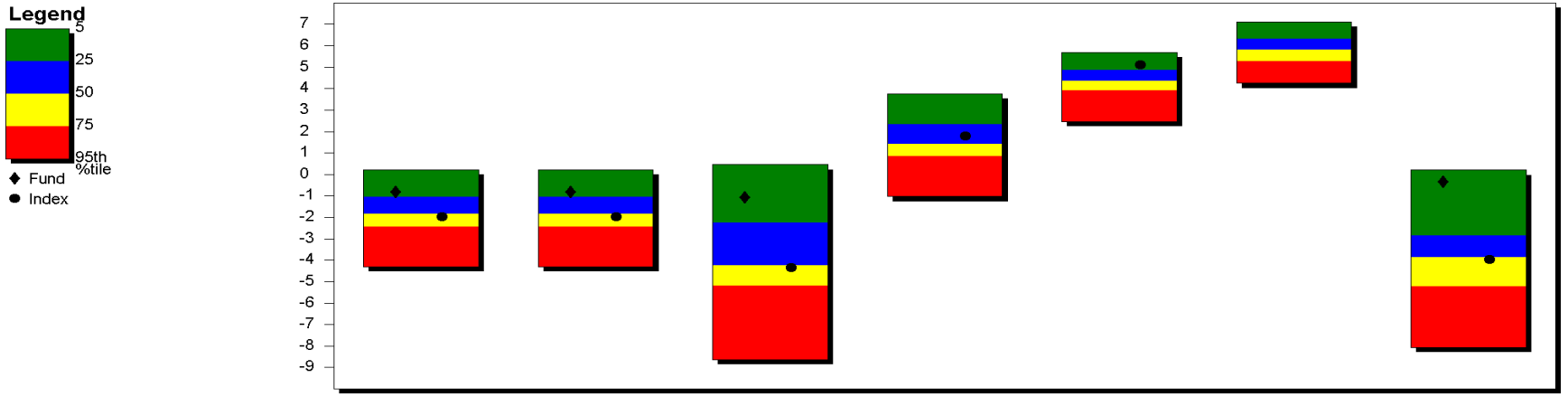
	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	-0.90	-0.90	-1.14	-1.14	-0.42
Barclays High Yield 2% IC	-2.06	-2.06	-4.43	-4.43	-4.06

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Chartwell Investment Partners

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods
Universe Composition: 100% Fixed Income



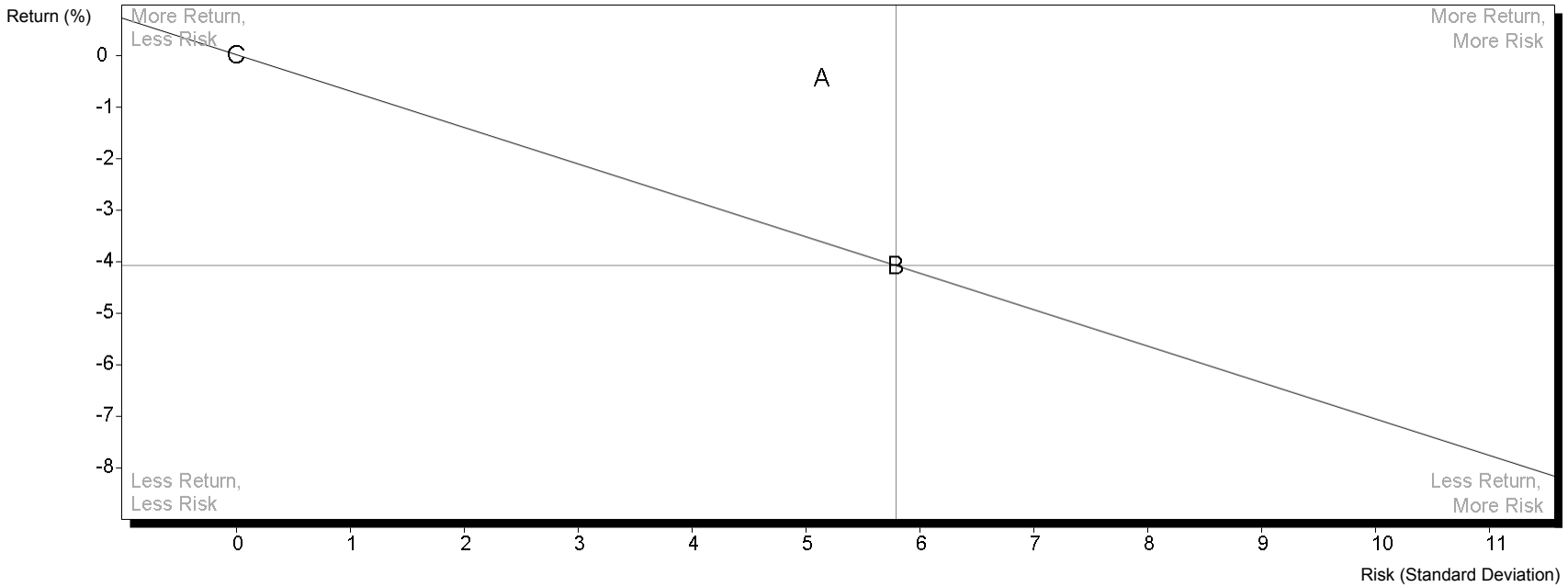
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Chartwell Investment Partners	-0.90	22	-0.90	22	-1.14	10	N/A	N/A	N/A	N/A	N/A	N/A	-0.42	9
Barclays High Yield 2% IC	-2.06	60	-2.06	60	-4.43	57	1.70	37	5.03	20	N/A	N/A	-4.06	55

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are High Yield Bond.
From 5/31/2014 to 12/31/2015 the number of fixed income funds ranged from 368 to 387 and the number of equity funds ranged from 207 to 216.

Republic of Palau - COFA Trust Fund
Chartwell Investment Partners

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Chartwell Investment Partners	-0.42	5.14	3.21	0.88	0.99	-2.33	05/31/14	12/31/15
B	Barclays High Yield 2% IC	-4.06	5.79	0.00	1.00	1.00	-23.70	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Barclays High Yield 2% IC

Republic of Palau - COFA Trust Fund
Templeton Global Bond

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

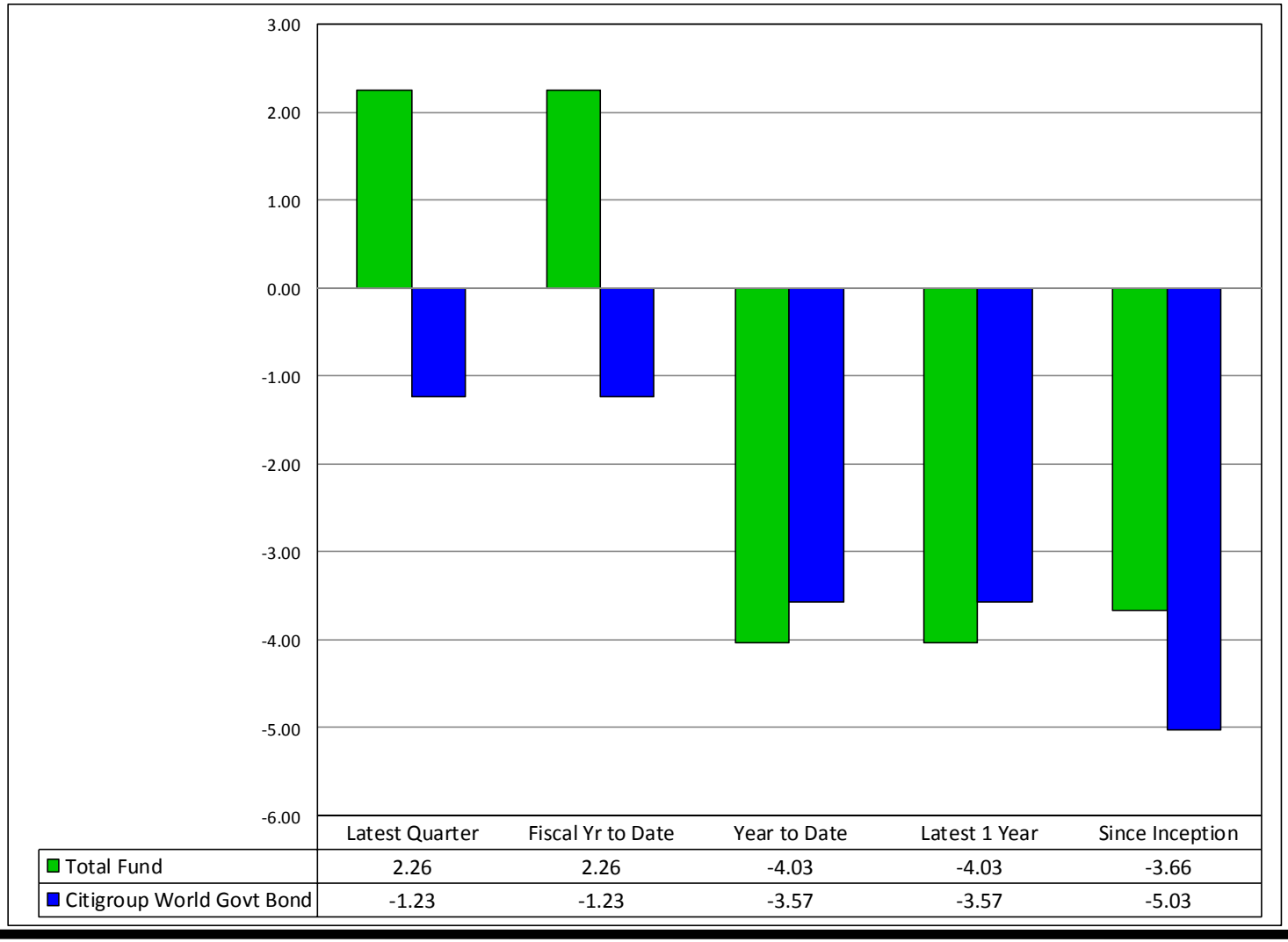
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	5,522,845	5,522,845	5,887,622	N/A	N/A	N/A	5,994,911
Contributions	0	0	1,050	N/A	N/A	N/A	3,650
Withdrawals	0	0	3,771	N/A	N/A	N/A	6,775
Net Flows	0	0	-2,721	N/A	N/A	N/A	-3,125
Interest/Dividend Income	47,442	47,442	187,821	N/A	N/A	N/A	515,143
Gains/Losses	77,180	77,180	-425,255	N/A	N/A	N/A	-859,462
Total Earnings	124,622	124,622	-237,434	N/A	N/A	N/A	-344,319
As of 12-31-15							
Ending Mkt Value	5,647,467	5,647,467	5,647,467	N/A	N/A	N/A	5,647,467
Time-Weighted Return	2.26	2.26	-4.03	N/A	N/A	N/A	-3.66
Citigroup World Govt Bond	-1.23	-1.23	-3.57	N/A	N/A	N/A	-5.03

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Templeton Global Bond

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	2.26	2.26	-4.03	-4.03	-3.66
Citigroup World Govt Bond	-1.23	-1.23	-3.57	-3.57	-5.03

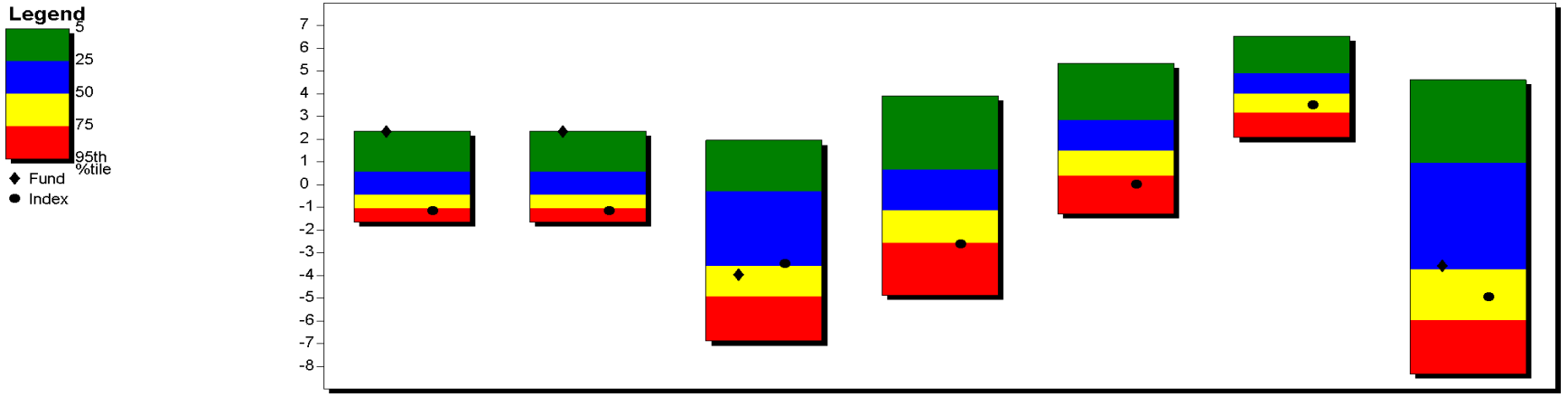
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Templeton Global Bond

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Fixed Income



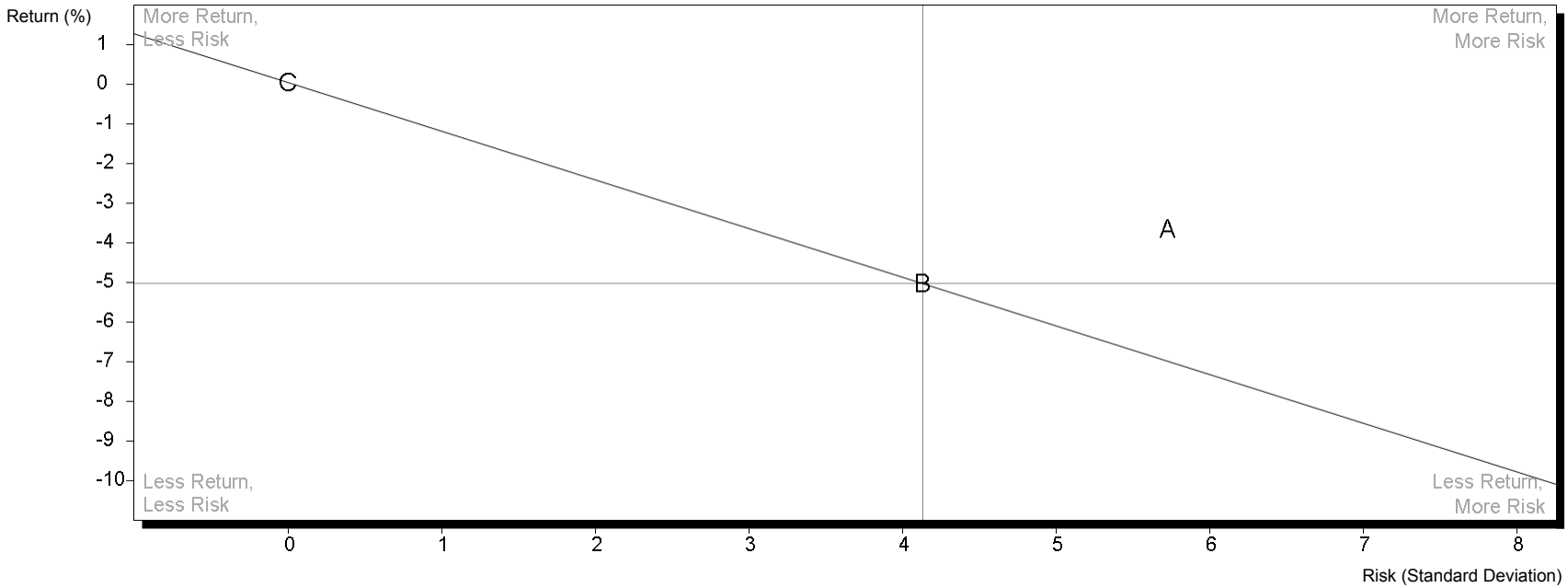
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Templeton Global Bond	2.26	8	2.26	8	-4.03	60	N/A	N/A	N/A	N/A	N/A	N/A	-3.66	48
Citigroup World Govt Bond	-1.23	83	-1.23	83	-3.57	51	-2.70	78	-0.08	82	3.44	67	-5.03	70

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are World Bond.
From 5/31/2014 to 12/31/2015 the number of fixed income funds ranged from 168 to 177 and the number of equity funds ranged from 30 to 33.

Republic of Palau - COFA Trust Fund
Templeton Global Bond

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Templeton Global Bond	-3.66	5.73	-5.22	-0.32	-0.23	-21.16	05/31/14	12/31/15
B	Citigroup World Govt Bond	-5.03	4.13	0.00	1.00	1.00	-20.93	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Citigroup World Govt Bond

Republic of Palau - COFA Trust Fund
Miller Howard

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

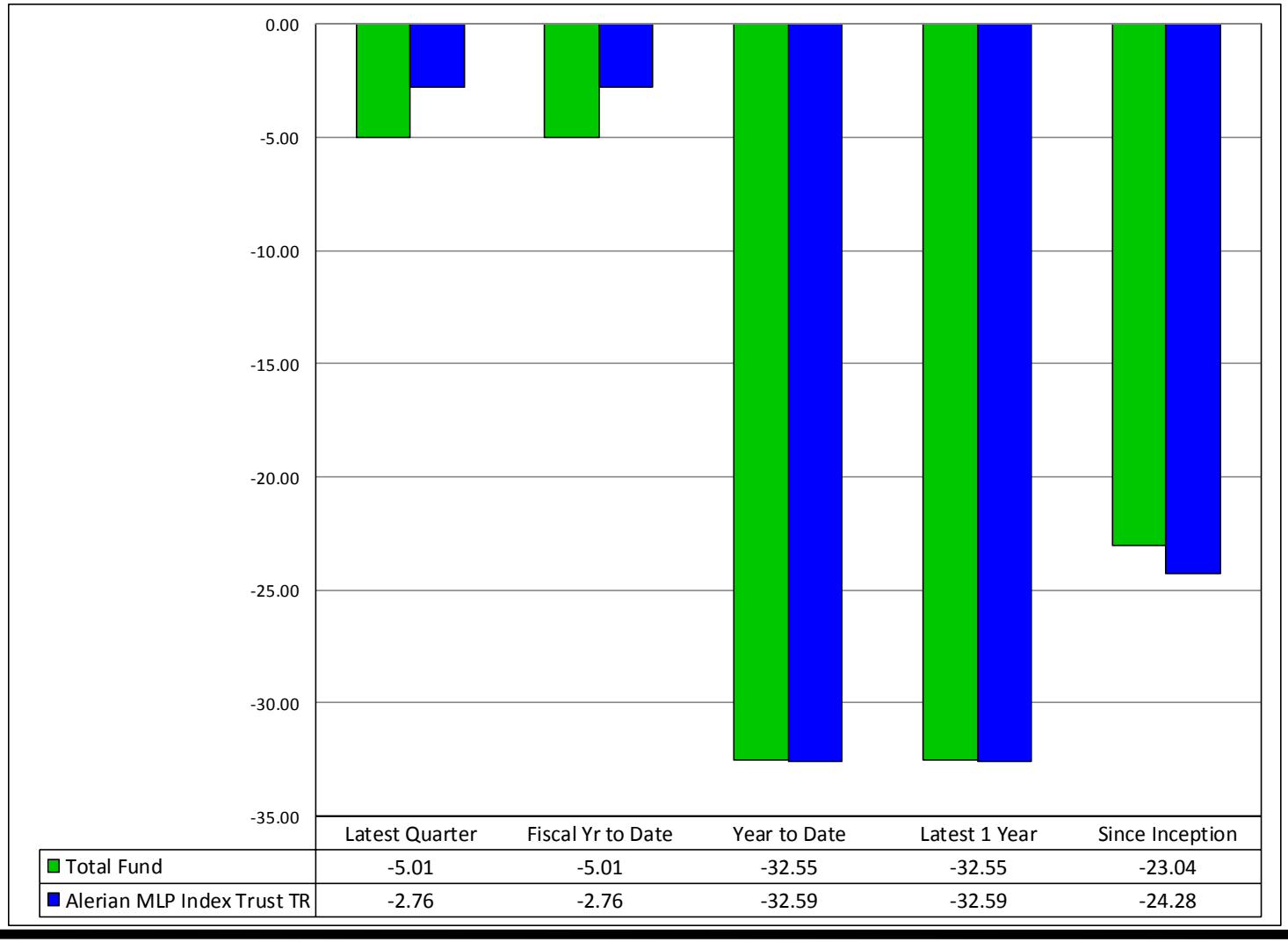
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	8,068,845	8,068,845	11,410,565	N/A	N/A	N/A	6,036,592
Contributions	0	0	0	N/A	N/A	N/A	6,129,237
Withdrawals	0	0	45,557	N/A	N/A	N/A	75,084
Net Flows	0	0	-45,557	N/A	N/A	N/A	6,054,153
Interest/Dividend Income	148,994	148,994	149,002	N/A	N/A	N/A	224,058
Gains/Losses	-562,484	-562,484	-3,858,655	N/A	N/A	N/A	-4,659,448
Total Earnings	-413,490	-413,490	-3,709,653	N/A	N/A	N/A	-4,435,390
As of 12-31-15							
Ending Mkt Value	7,655,355	7,655,355	7,655,355	N/A	N/A	N/A	7,655,355
Time-Weighted Return	-5.01	-5.01	-32.55	N/A	N/A	N/A	-23.04
Alerian MLP Index Trust TR	-2.76	-2.76	-32.59	N/A	N/A	N/A	-24.28

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
Miller Howard

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	-5.01	-5.01	-32.55	-32.55	-23.04
Alerian MLP Index Trust TR	-2.76	-2.76	-32.59	-32.59	-24.28

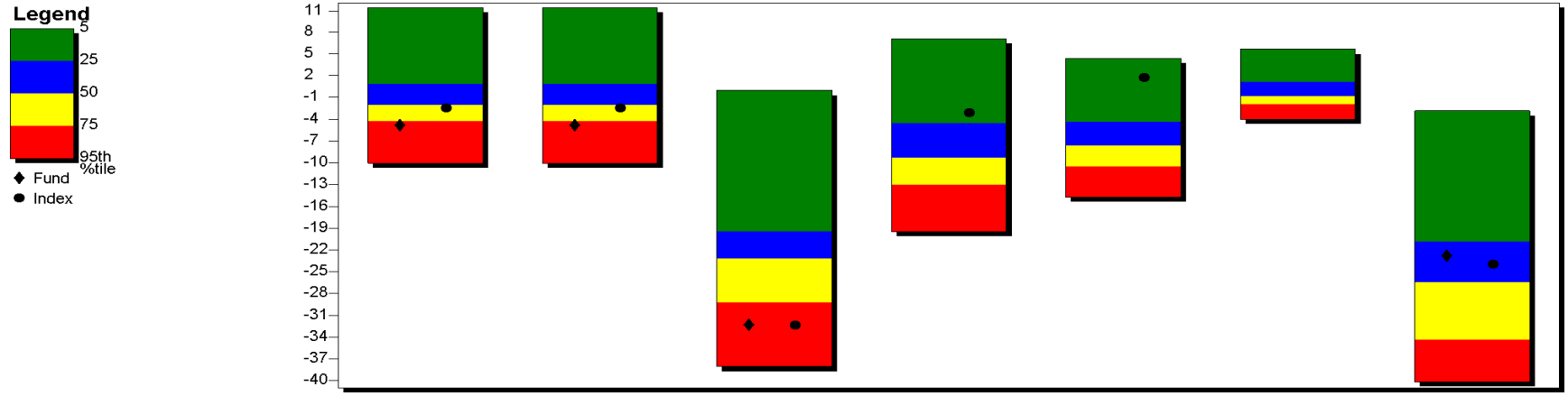
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
Miller Howard

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Equity



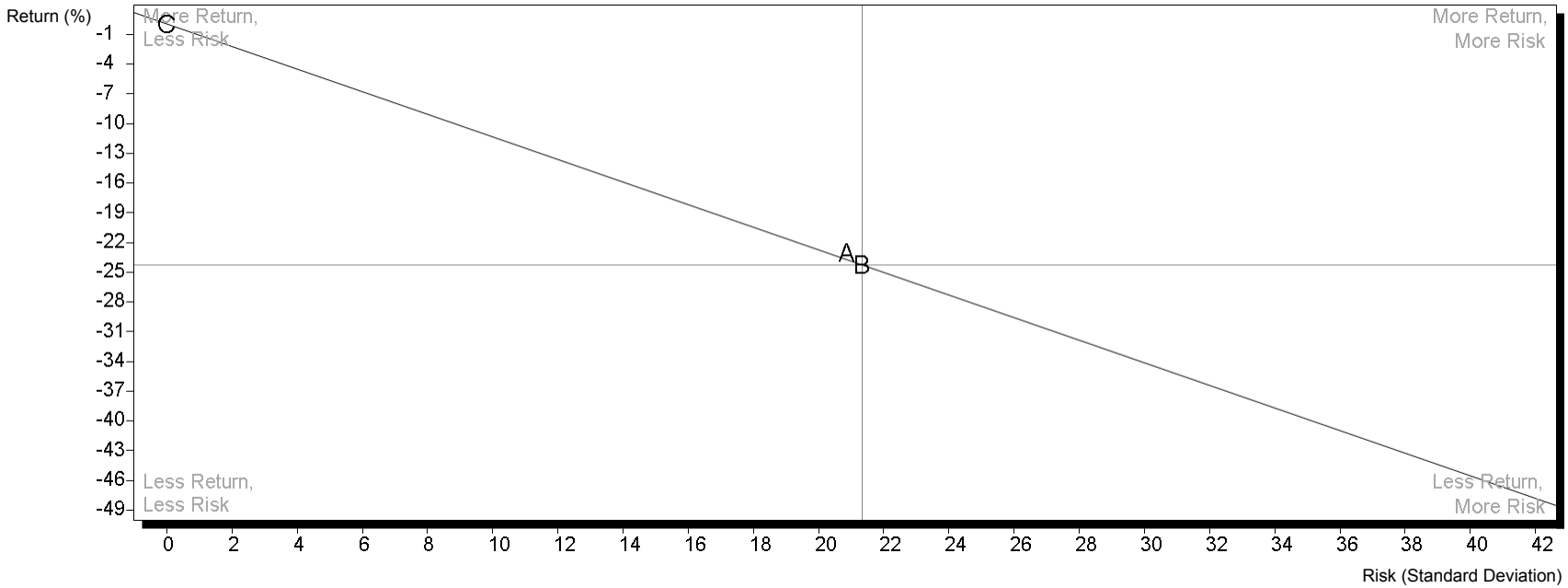
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
Miller Howard	-5.01	82	-5.01	82	-32.55	87	N/A	N/A	N/A	N/A	N/A	N/A	-23.04	29
Alerian MLP Index Trust TR	-2.76	59	-2.76	59	-32.59	87	-3.40	20	1.47	11	N/A	N/A	-24.28	32

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Specialty-Natural Res.
From 5/31/2014 to 12/31/2015 the number of equity funds ranged from 134 to 143.

Republic of Palau - COFA Trust Fund
Miller Howard

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	Miller Howard	-23.04	20.88	0.54	0.96	0.98	-482.23	05/31/14	12/31/15
B	Alerian MLP Index Trust TR	-24.28	21.33	0.00	1.00	1.00	-518.86	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Alerian MLP Index Trust TR

Republic of Palau - COFA Trust Fund
CBRE Clarion

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

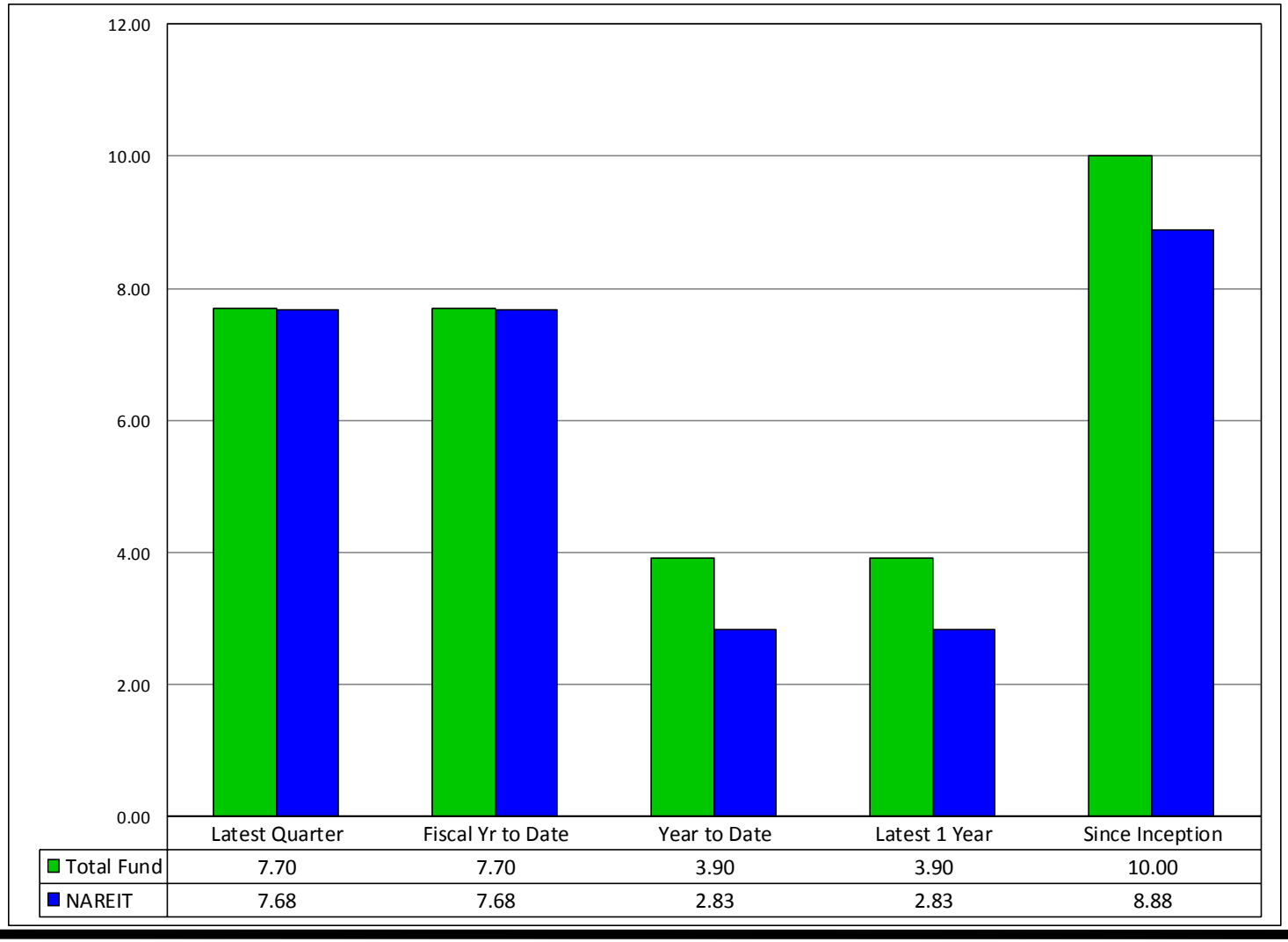
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 05-31-14
Beginning Mkt Value	6,452,212	6,452,212	6,743,428	N/A	N/A	N/A	6,035,996
Contributions	0	0	0	N/A	N/A	N/A	0
Withdrawals	0	0	29,488	N/A	N/A	N/A	42,459
Net Flows	0	0	-29,488	N/A	N/A	N/A	-42,459
Interest/Dividend Income	63,022	63,022	235,609	N/A	N/A	N/A	352,603
Gains/Losses	425,632	425,632	-8,683	N/A	N/A	N/A	594,726
Total Earnings	488,654	488,654	226,926	N/A	N/A	N/A	947,329
As of 12-31-15							
Ending Mkt Value	6,940,866	6,940,866	6,940,866	N/A	N/A	N/A	6,940,866
Time-Weighted Return	7.70	7.70	3.90	N/A	N/A	N/A	10.00
NAREIT	7.68	7.68	2.83	N/A	N/A	N/A	8.88

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
CBRE Clarion

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	7.70	7.70	3.90	3.90	10.00
NAREIT	7.68	7.68	2.83	2.83	8.88

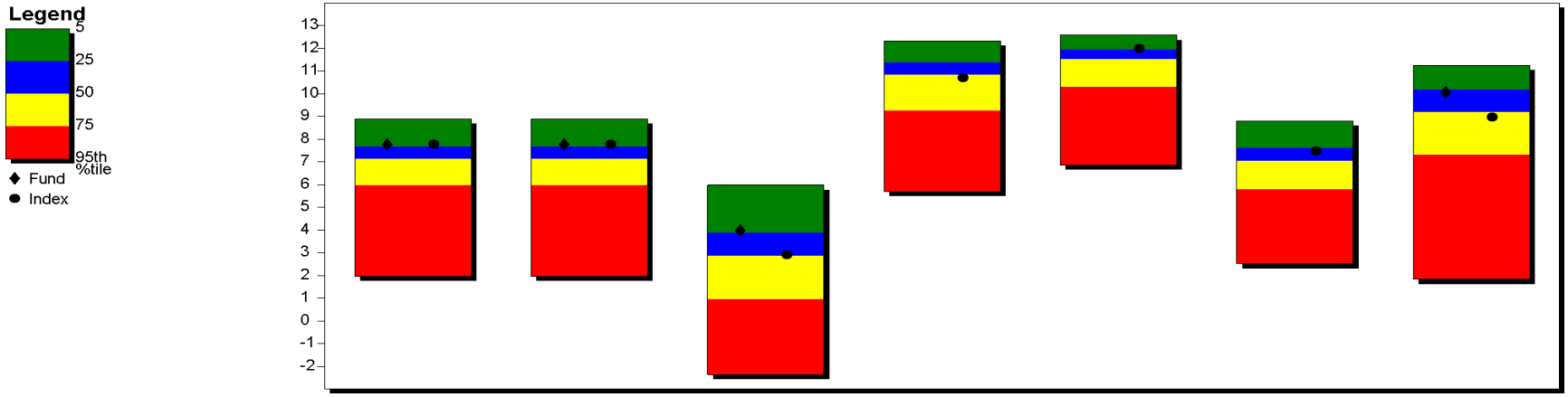
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
CBRE Clarion

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Equity



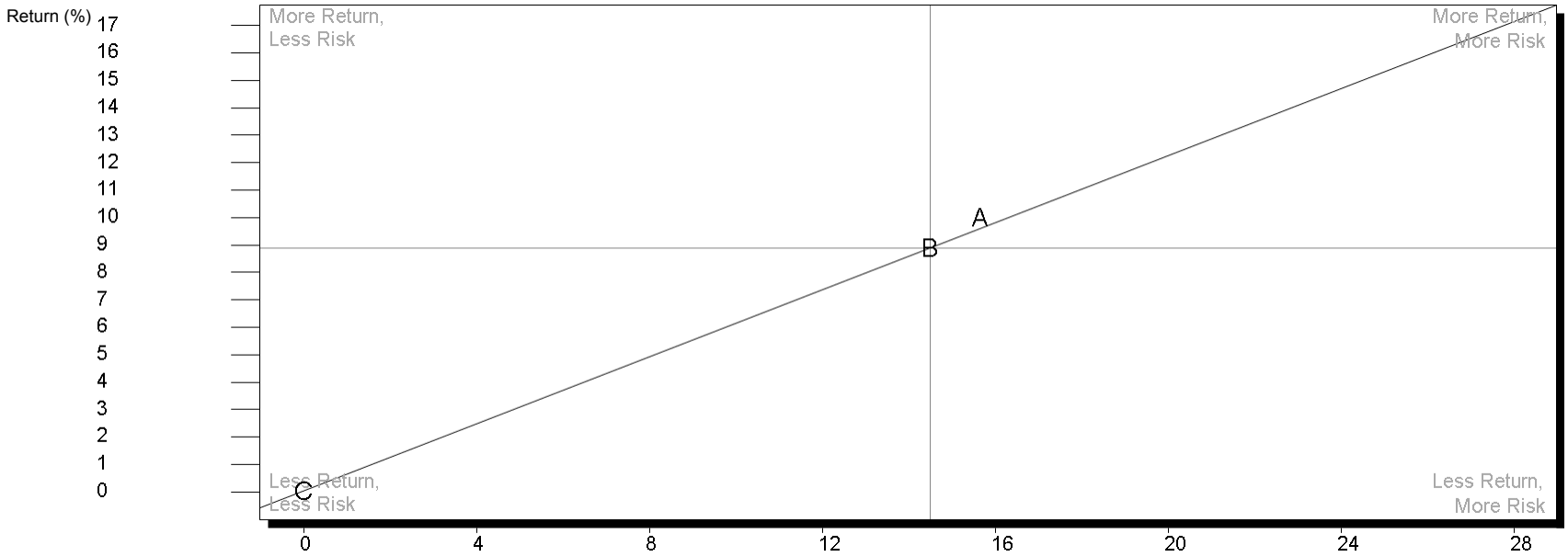
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 5/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
CBRE Clarion	7.70	25	7.70	25	3.90	25	N/A	N/A	N/A	N/A	N/A	N/A	10.00	32
NAREIT	7.68	26	7.68	26	2.83	51	10.63	55	11.91	29	7.38	36	8.88	60

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Specialty-Real Estate.
From 5/31/2014 to 12/31/2015 the number of equity funds ranged from 165 to 177.

Republic of Palau - COFA Trust Fund
CBRE Clarion

Report Period: 05-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	CBRE Clarion	10.00	15.67	0.48	1.08	0.99	0.64	05/31/14	12/31/15
B	NAREIT	8.88	14.50	0.00	1.00	1.00	0.61	05/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.00	0.00	0.00	0.00	0.00	05/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the NAREIT

Republic of Palau - COFA Trust Fund
AIP Phoenix Global Real Estate

Report Period: 07-31-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

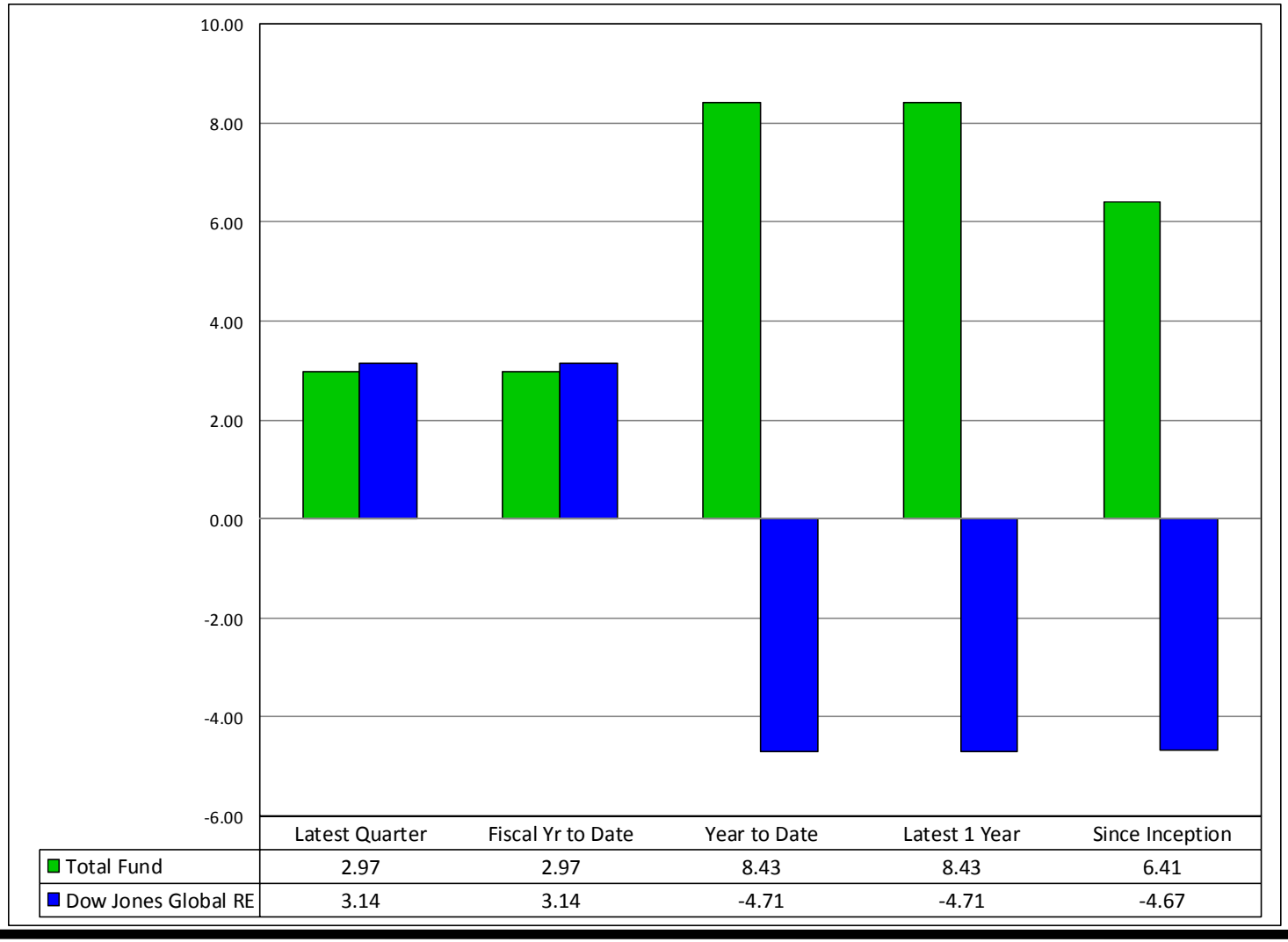
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 07-31-14
Beginning Mkt Value	2,245,024	2,245,024	2,168,114	N/A	N/A	N/A	2,478,000
Contributions	200,000	200,000	220,733	N/A	N/A	N/A	506,041
Withdrawals	0	0	440	N/A	N/A	N/A	607,941
Net Flows	200,000	200,000	220,293	N/A	N/A	N/A	-101,900
Interest/Dividend Income	7,501	7,501	7,504	N/A	N/A	N/A	7,504
Gains/Losses	59,183	59,183	115,797	N/A	N/A	N/A	128,104
Total Earnings	66,685	66,685	123,301	N/A	N/A	N/A	135,608
As of 12-31-15							
Ending Mkt Value	2,511,708	2,511,708	2,511,708	N/A	N/A	N/A	2,511,708
Time-Weighted Return	2.97	2.97	8.43	N/A	N/A	N/A	6.41
Dow Jones Global RE	3.14	3.14	-4.71	N/A	N/A	N/A	-4.67

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
AIP Phoenix Global Real Estate

Report Period: 07-31-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	2.97	2.97	8.43	8.43	6.41
Dow Jones Global RE	3.14	3.14	-4.71	-4.71	-4.67

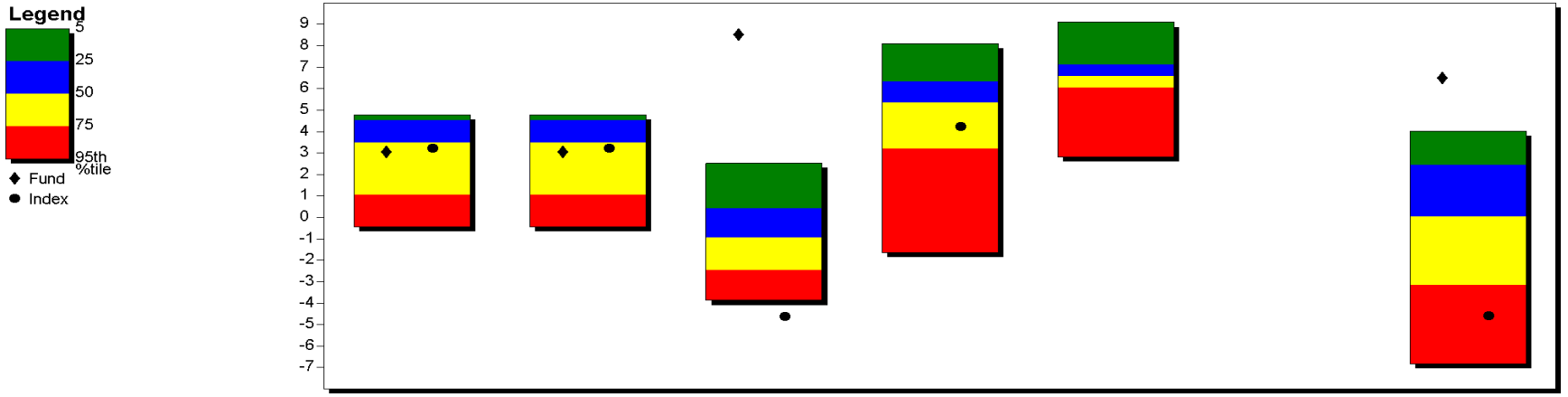
Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
AIP Phoenix Global Real Estate

Report Period: 07-31-14 to 12-31-15
Fiscal Year Ends: September

Universe Comparison for Fiscal Periods

Universe Composition: 100% Equity



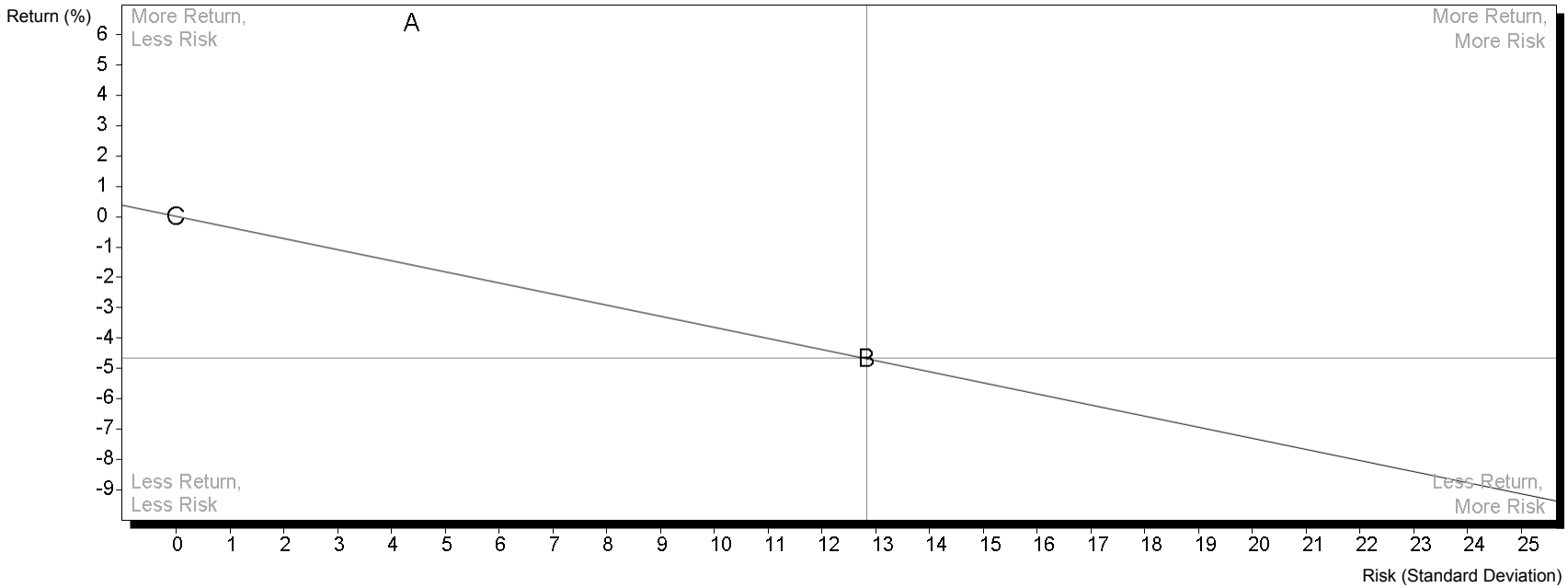
	Latest Quarter		Fiscal Yr to Date		Latest Year		Latest 3 Years		Latest 5 Years		Latest 10 Years		From 7/31/14	
	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl	Return	Pctl
AIP Phoenix Global Real Estate	2.97	68	2.97	68	8.43	1	N/A	N/A	N/A	N/A	N/A	N/A	6.41	1
Dow Jones Global RE	3.14	67	3.14	67	-4.71	100	4.13	69	N/A	N/A	N/A	N/A	-4.67	83

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
Universe calculations are based on manager returns provided by Morningstar.
The universe components are Global Real Estate.
From 7/31/2014 to 12/31/2015 the number of equity funds ranged from 92 to 97.

Republic of Palau - COFA Trust Fund
AIP Phoenix Global Real Estate

Report Period: 07-31-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	AIP Phoenix Global Real Estate	6.41	4.39	6.23	-0.02	-0.05	1.45	07/31/14	12/31/15
B	Dow Jones Global RE	-4.67	12.83	0.00	1.00	1.00	-60.34	07/31/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.01	0.00	0.00	0.00	0.00	07/31/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the Dow Jones Global RE

Republic of Palau - COFA Trust Fund
AIP Private Market Fund VI

Report Period: 06-30-14 to 12-31-15
Fiscal Year Ends: September

Account Activity Summary

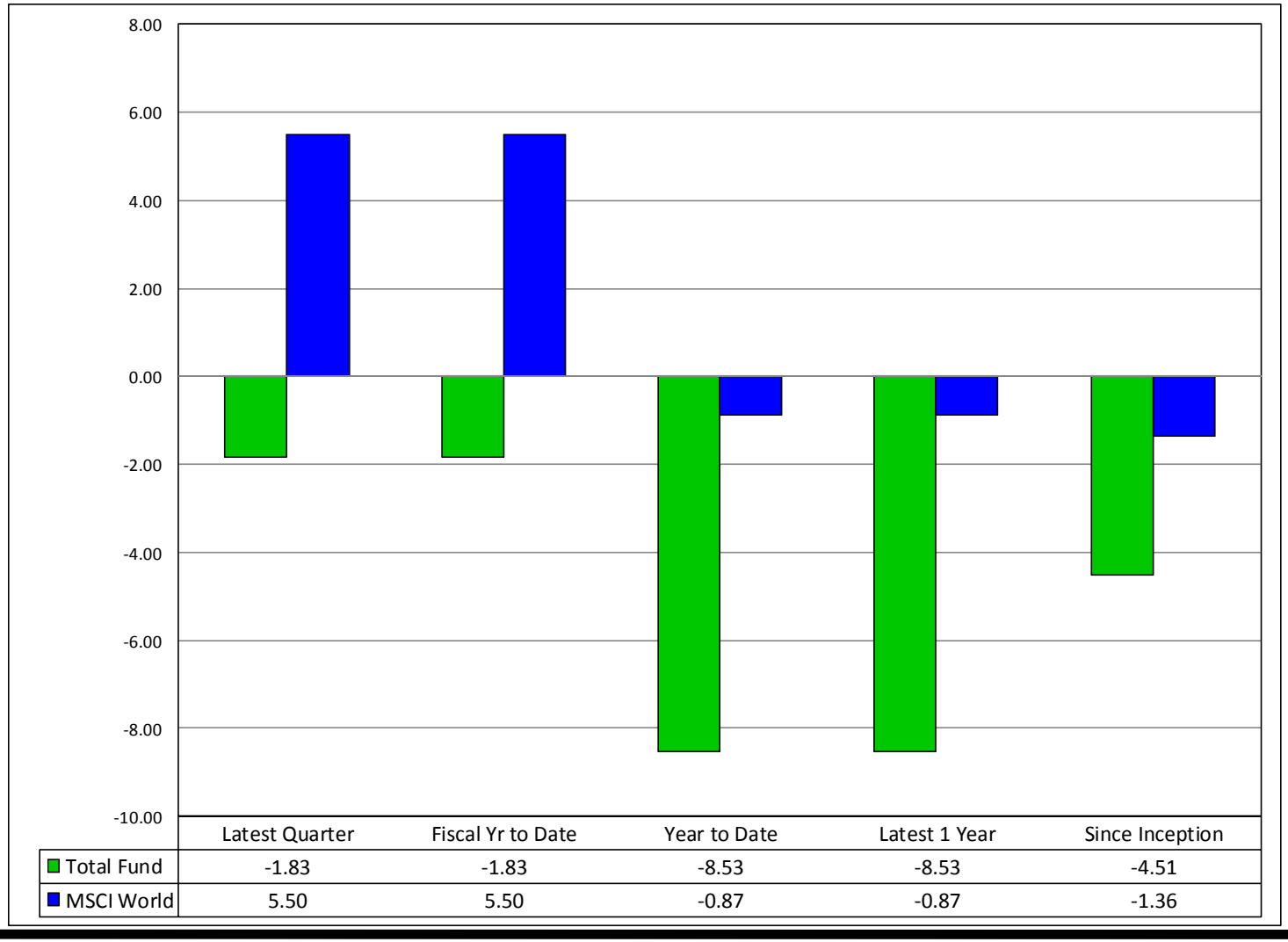
	Latest Quarter	Fiscal Yr to Date	Latest 1 Year	Latest 3 Years	Latest 5 Years	Latest 10 Years	From 06-30-14
Beginning Mkt Value	2,001,265	2,001,265	2,096,879	N/A	N/A	N/A	2,900,495
Contributions	0	0	743	N/A	N/A	N/A	743
Withdrawals	0	0	745	N/A	N/A	N/A	840,756
Net Flows	0	0	-2	N/A	N/A	N/A	-840,013
Interest/Dividend Income	10,800	10,800	10,800	N/A	N/A	N/A	10,813
Gains/Losses	-47,413	-47,413	-143,025	N/A	N/A	N/A	-106,643
Total Earnings	-36,613	-36,613	-132,225	N/A	N/A	N/A	-95,830
As of 12-31-15							
Ending Mkt Value	1,964,652	1,964,652	1,964,652	N/A	N/A	N/A	1,964,652
Time-Weighted Return	-1.83	-1.83	-8.53	N/A	N/A	N/A	-4.51
MSCI World	5.50	5.50	-0.87	N/A	N/A	N/A	-1.36

Returns are calculated gross of management fees using trade date positions and including accrued income.
Returns for greater than one year are annualized.
Gains/Losses include both realized and unrealized gains and losses and management fees.

Republic of Palau - COFA Trust Fund
AIP Private Market Fund VI

Report Period: 06-30-14 to 12-31-15
Fiscal Year Ends: September

Comparative Returns for Fiscal Periods: Total Fund : Gross of Fees



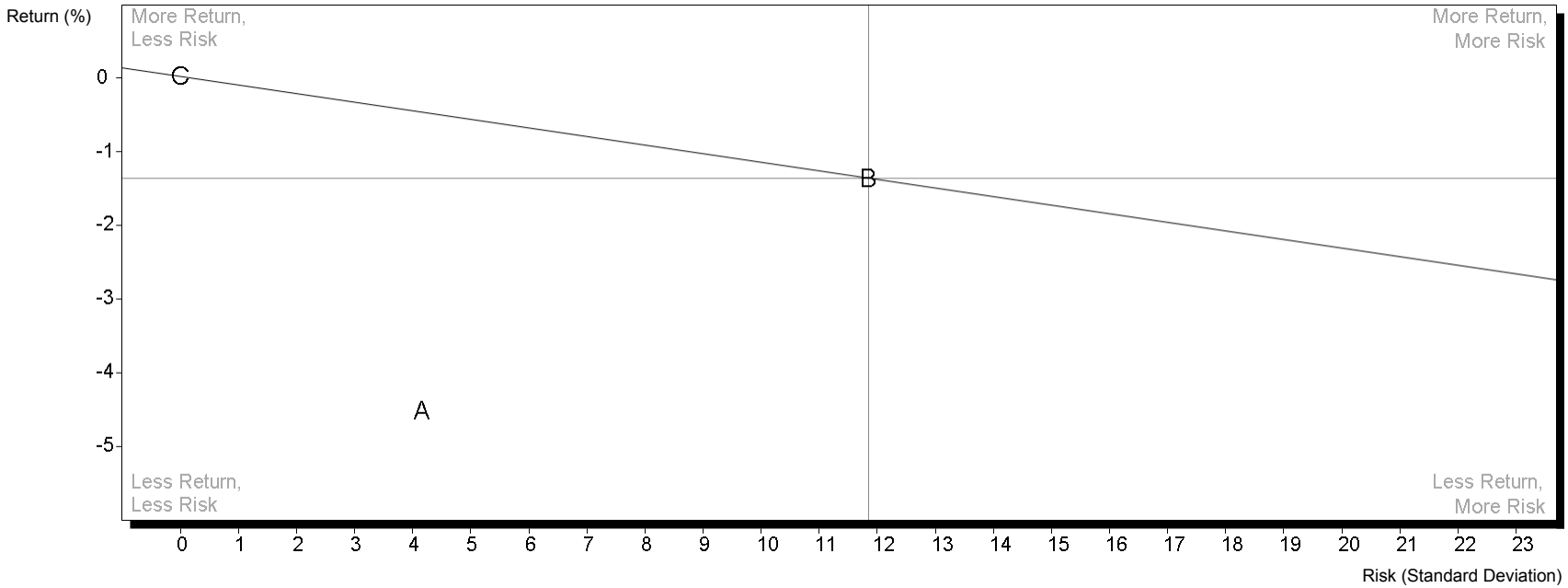
	Latest Quarter	Fiscal Yr to Date	Year to Date	Latest 1 Year	Since Inception
Total Fund	-1.83	-1.83	-8.53	-8.53	-4.51
MSCI World	5.50	5.50	-0.87	-0.87	-1.36

Returns are calculated using trade date positions and including accrued income. Returns for greater than one year are annualized.

Republic of Palau - COFA Trust Fund
AIP Private Market Fund VI

Report Period: 06-30-14 to 12-31-15
Fiscal Year Ends: September

Risk/Return Analysis



	Description	Annual Return	Standard Deviation	Alpha	Beta	R-Squared	Sharpe Ratio	Available Data Beg Date	Available Data End Date
A	AIP Private Market Fund VI	-4.51	4.18	-4.57	0.00	-0.01	-18.98	06/30/14	12/31/15
B	MSCI World	-1.36	11.85	0.00	1.00	1.00	-16.41	06/30/14	12/31/15
C	Citi 3 Month T-Bill	0.03	0.01	0.00	0.00	0.00	0.00	06/30/14	12/31/15

Returns are calculated gross of management fees using trade date positions and including accrued income. Returns for greater than one year are annualized.
The independent variable is the MSCI World

IMPORTANT DISCLOSURES

This information is provided for your convenience, but should not be used as a substitute for your account's monthly statements and trade confirmations. Material is provided for informational purposes only and does not constitute a recommendation. It has been gathered in a manner which we believe to be reliable, but accuracy is not guaranteed. It is not intended as tax advice. Past performance does not guarantee future results.

Diversification and strategic asset allocation does not ensure a profit or protect against a loss. No investment strategy can guarantee success. Investments are subject to market risk, including possible loss of principal.

Investing in small and mid-cap stocks are riskier investments which include price volatility, less liquidity and the threat of competition. International investing involves additional risks such as currency fluctuations, differing financial accounting standards and possible political and economic instability. These risks are greater in emerging markets. Alternative investment strategies involve greater risks and are only appropriate for the most sophisticated, knowledgeable and wealthiest of investors. Managed futures involve specific risks that maybe greater than those associated with traditional investments and may be offered only to clients who meet specific suitability requirements, including minimum net worth tests. You should consider the special risks with alternative investments including limited liquidity, tax considerations, incentive fee structures, potentially speculative investment strategies, and different regulatory and reporting requirements. Commodities are generally considered speculative because of the significant potential for investment loss. REITs are financial vehicles that pool investors' capital to purchase or finance real estate. REITs involve risks such as refinancing, economic conditions in the real estate industry, changes in property values and dependency on real estate management.

Beta compares volatility of a security with an index, such as the S&P 500. A beta of one means the security has volatility equal to that of an index. Alpha compares a fund's actual returns with those that would be expected by its beta. A positive alpha means that for the given amount of volatility, the fund returned more than expected when compared to the benchmark index. Alpha and beta measures are historical.

Index Descriptions:

It is not possible to invest directly in an index.

Barclays Municipal Bond: 1-10 Year Blend - A component of the Barclays Capital Municipal Bond Index with municipal bonds in the 1-10 year blend (1-12) maturity range.
Barclays 1-5 Government/Credit - Barclays 1-5 Year Government/Credit Index: Includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.
Barclays 1-5 Year Government - An inclusion of securities within the Barclays Government Index that have a maturity range from 1 up to (but not including) 5 years.
Barclays 1-5 yr Treasury - The 1-5 year component of the Barclays Capital U.S. Treasury Index with securities in the maturity range from 1 year (but not including) 5 years.
Barclays Credit 1-3 Year - Barclays 1-5 Year Credit Index: Includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 3 years and are publicly issued.
Barclays U.S. Government/Credit (BCGC) - The Government/Credit component of the U.S. Aggregate. The government portion includes treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (publicly issued debt of the U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The credit portion includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. Must be a publicly issued, dollar-denominated and non-convertible, U.S. Government or Investment Grade Credit security. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch; regardless of call features, have at least one year to final maturity, and have an outstanding par value amount of at least $250 million.
Barclays Intermediate U.S. Government/Credit (BCIGC) - The intermediate component of the Barclays Capital Government/Credit Index with securities in the maturity range from 1 up to (but not including) 10 years.
Barclays Global Aggregate - The index is designed to be a broad based measure of the global investment-grade, fixed rate, fixed income corporate markets. The major components of this index are the US Aggregate, Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities.
Barclays Global Aggregate Intermediate - The intermediate component of the Barclays Global Aggregate index with securities in the maturity range from 1 up to (but not including) 10 years.
Barclays U.S. Government: Intermediate - The intermediate component of the Barclays Capital U.S. Government Index with securities in the maturity range from 1 up to (but not including) 10 years.
Barclays U.S. Government: Long - The long component of the Barclays Capital U.S. Government Index with securities in the maturity range from 10 years or more.
Barclays LT Muni - A component of the Barclays Capital Municipal Bond Index with municipal bonds with a maturity range greater than 20 years.
Barclays Municipal Bond Index - A rules-based, market-value weighted index that is engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade (Baaa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch. The bonds must be fixed rate, have a dated-date after December 31, 1990, have an outstanding par value of at least $7

million, and be issued as part of a transaction of at least $75 million. The four main sectors of the index are: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prefunded bonds. Remarketed issues, taxable municipal bonds, floating rate bonds, and derivatives, are excluded from the benchmark.

Barclays U.S. Treasury - A component of the U.S. Government Index. Must be publicly issued, dollar-denominated and non-convertible, fixed rate (although it may carry a coupon that steps up or changes according to a predetermined schedule) U.S. Treasury security. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch; regardless of call features, have at least one year to final maturity, and have an outstanding par value amount of at least $250 million.

Barclays U.S. Treasury: Intermediate (BCIT) - The intermediate component of the Barclays Capital U.S. Treasury Index with securities in the maturity range from 1 year (but not including) 10 years.

Barclays U.S. Treasury: Long - The long component of the Barclays Capital U.S. Treasury Index with securities in the maturity range from 10 years or more.

Barclays U.S. Treasury: U.S. TIPS - Comprised of Inflation-Protection securities issued by the U.S. Treasury. Must be a fixed rate, publicly issued U.S. Treasury Inflation Note that is dollar-denominated and non-convertible. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch; have at least one year to final maturity, and have an outstanding par value amount of at least $250 million.

Barclays High Yield Composite BB - A component of the Barclays U.S. Corporate High Yield Bond Index with bonds in the BB or better.

Citigroup 1-3 Year U.S. Treasury - Component of the Citigroup U.S. Treasury that measures total returns for U.S. Treasuries with a maturity between 1-3 years.

Citigroup 3 Month U.S. Treasury Bill - This index measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indices consist of the last three three-month Treasury bill issues.

Citigroup World Government Bond - Citi World Gov't Bond (CWGB) **–** Citigroup World Government Bond Index, includes the most significant and liquid government bond markets globally that carry at least an investment grade rating.

Consumer Price Index - All Urban Consumers (CPI-U) - As an economic indicator, and as the most widely used measure of inflation, the Consumer Price Index (CPI) is an indicator of the effectiveness of government policy, and as a guide in making economic decisions for business executives, labor leaders, and other private citizens. Published on a monthly basis by the U.S. Bureau of Labor Statistics (BLS), the CPI is a measure of the average change in prices over time of goods and services purchased by households. CPI for All Urban Consumers (CPI-U) encompasses approximately 87 percent of the total U.S. population which includes, in addition to wage earner and clerical worker households, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retires and others not in the labor force.

Dow Jones UBS Commodity - Provides a diversified representation of commodity markets as an asset class. The index is comprised of exchange-traded futures on physical commodities; representing 19 commodities which are weighted for economic significance and market liquidity. To promote diversification, weighting restrictions are placed on individual commodities and commodity groups.

FTSE NAREIT U.S. Real Estate - All REITs - The index is designed to represent a comprehensive performance of publicly traded REITs which covers the commercial real estate space across the US economy, offering exposure to all investment and property sectors. It is not free float adjusted, and constituents are not required to meet minimum size and liquidity criteria.

HFRI Equity Hedge Fund Index - The index is designed to represent strategies which maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Equity Hedge managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities - both long and short.

HFRI (Hedge Fund Research, Inc.) Fund of Funds Composite Index (1) - The index only contains fund of funds, which invest with multiple managers through funds or managed accounts. It is an equal-weighted index, which includes over 650 domestic and offshore funds that have at least $50 Million under management or have been actively trading for at least 12 months. All funds report assets in US Dollar, and Net of All Fees returns which are on a monthly basis.

MSCI EAFE - A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. As of December 31, 2010 the MSCI EAFE Index consists of 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI EAFE Value -Net Dividend - A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. Value attribute for index construction is defined using: book value to price ratio, 12-months forward earnings to price ratio, and dividend yield. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EAFE Growth -Net Dividend - A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. Growth attribute for index construction is defined using: long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, long-term historical sales per share growth trend. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Emerging Markets - A free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of December 31, 2010, the MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI World - A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of December 31, 2010, the MSCI World Index consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

NCREIF - The index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. Information on this index is availableat ncreif.com.
Russell 1000 - Based on a combination of their market cap and current index membership, this index is comprised of approximately 1,000 of the largest securities from the Russell 3000. Representing approximately 92% of the Russell 3000, the index is created to provide a full and unbiased indicator of the large cap segment.
Russell 1000 Growth - Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 1000 Value - Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.
Russell 2000 - Based on a combination of their market cap and current index membership, this index is comprised of approximately 2,000 of the smaller securities from the Russell 3000. Representing approximately 8% of the Russell 3000, the index is created to provide a full and unbiased indicator of the small cap segment.
Russell 2000 Growth - Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 2000 Value - Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower expected growth values.
Russell 2500 - Based on a combination of their market cap and current index membership, this index is comprised of approximately 2,500 of the smallest securities from the Russell 3000. Measures the performance of the small to mid-cap (smid) segment of the U.S. equity universe.
Russell 2500 Growth - Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 2500 Value - Measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower expected growth values.
Russell 3000 - Representing approximately 98% of the investable U.S. equity market, the Russell 3000 index measures the performance of the largest 3,000 U.S. companies.
Russell 3000 Growth - Measures the performance of the broad growth segment of the U.S. equity universe which includes Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 3000 Value - Measures the performance of the broad growth segment of the U.S. equity universe which includes Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell Midcap - A subset of the Russell 1000 index, the Russell Midcap index measures the performance of the mid-cap segment of the U.S. equity universe. Based on a combination of their market cap and current index membership, includes approximately 800 of the smallest securities which represents approximately 27% of the total market capitalization of the Russell 1000 companies. The index is created to provide a full and unbiased indicator of the mid-cap segment.
Russell Midcap Growth - Measures the performance of those Russell Mid-cap companies with higher price-to-book ratios and higher forecasted growth values.
Russell Midcap Value - Measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower expected growth values.
Standard & Poor's 400 MidCap - Comprised of 400 domestic stocks that are chosen based upon market capitalization, liquidity and industry representation. The medium size US firms range with a market capitalization between $2 billion to $10 billion, and are between the S&P 500 Index and the S&P Smallcap 600 Index. It is a market-weighted index, which represents approximately 7% of the aggregate market value of US companies.
Standard & Poor's 500 - Representing approximately 75% of the investable US equity market, the S&P 500 measures changes in stock market conditions based on the average performance of 500 widely held common stocks. It is a market-weighted index calculated on a total return basis with dividend reinvested.
Stark 300 Trader - The Stark 300 index tracks the performance of the top-300 futures and forex traders. The index is calculated monthly using an equity-weighted formula to determine performance.

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