Fund Evaluation Group®
investment advisors

FEG MANAGED PORTFOLIOS

FEG QUARTERLY COMMENTARY

SECOND QUARTER 2016

PERFORMANCE AT A GLANCE

Although the U.S. stock market experienced less volatility in the second quarter compared to the first, returns followed a fairly bumpy path on their way to a three-month period that ended largely unchanged. After accumulating a small single-digit gain through mid-June, U.S. equities were shocked lower after the United Kingdom voted to leave the European Union. The shrieking decline in stocks was more pronounced in international equities that, like their American counterparts, had been on track for a positive quarter but ended with a mid-single-digit loss. The flight to safety following Brexit benefitted core fixed income, which ended the quarter modestly higher. Interest rates continued their descent with yields on 10-year U.S. Treasury bonds ending the quarter below 1.5% amidst expectations that the U.S. Federal Reserve is unlikely to further tighten in the near future. Although commodity prices pulled back briefly after the Brexit news, their bullish run since February continued and master limited partnerships (MLPs) ended the quarter at their highest level in nearly a year.

ADV-3205 07-18-2016

OVERVIEW

ECONOMIC OVERVIEW

For several previous quarters, we have described the omnipresent influence of central bankers around the world. Their words and actions have overwhelmed market fundamentals through the depression of interest rates, which has, in turn, pushed investors to take more risk in pursuit of return. Although central bank influence remains prominent and is expected to continue for the foreseeable future, the attention of markets was briefly and violently ripped away from monetary policy in late June when the new market focus became the unexpected decision by the people of the United Kingdom (U.K.) to leave the European Union (EU) in the so-called “Brexit” event.

Polls leading up to the vote showed that the race was tight, but the “stay” camp was confident in evidence suggesting that—based upon two prior U.K. referenda—the status quo was understated by approximately 3 percentage points.[1] The unexpected decision to leave immediately roiled markets, as the world was forced to accept the forthcoming unchartered territory.

The primary source of post-Brexit volatility reflects expectations that the country’s choice to leave the EU will slow economic growth in the U.K. and beyond. Expectations are that trade will lessen now that it hinges on the negotiation of new deals or investment; corporate activity also seems likely to dampen until the implications of the vote are more clearly realized.

Confirming the fears touted by those who promoted a “stay” vote, major ratings agencies downgraded the U.K. with a negative outlook based on increased uncertainty. On June 27, S&P Global Ratings lowered its unsolicited long-term foreign and local currency sovereign credit ratings on the United Kingdom to 'AA' from 'AAA.' Some of the rationale for this change provided by S&P summarizes the basis for the market volatility immediately following the vote.

> *“The downgrade reflects our view that the “leave” result in the U.K.’s referendum on the country’s EU membership ("Brexit") will weaken the predictability, stability, and effectiveness of policymaking in the U.K. and affect its economy, GDP growth, and fiscal and external balances… The Brexit result could lead to a deterioration of the U.K.’s economic performance, including its large financial services sector, which is a major contributor to employment and public receipts.”*[2]

And then shockingly, S&P continued with,

> *“Brexit could also, over time, diminish sterling's role as a global reserve currency.”*

S&P added that it is a possibility that the rating could be lowered further if the identified inhibitors to growth actually come to pass or continue to deteriorate.

The 5.3% loss in the S&P 500 Index over the two days following Brexit was more negative than 99.8% of all two-day periods since the end of World War II.[3] The British pound fell approximately 10% almost immediately after the vote. The reality of diminished purchasing power on the world stage due to a weaker currency, the potential that business could leave the U.K., the unknowable outcomes in travel and immigration, the potentially higher costs of doing business, the possibility that Scotland or Northern Ireland could leave the U.K. in order to remain part of the EU, and prime minister David Cameron’s immediate resignation shocked the British citizenry. In fact, it is possible that many people may not have even known what exactly they were voting for; Google Trends reported that “what is the EU?" was the second-most asked question in the U.K. in the waning hours after the results of the vote were announced.[4]

After the initial two-trading-day reaction, markets stabilized. Stock prices around the world found some footing, albeit at levels below those at pre-vote, and the pound stemmed its slide. Reasons for this likely included an appreciation that the future may not be as dire as feared and, in a particularly odd turn of events, the growing possibility that the U.K. might not leave the EU after all.

OVERVIEW CONTINUED

Although members of the U.K. parliament and outgoing prime minister Cameron have indicated that the will of the people will be carried out, the actual vote was an “advisory,” non-binding referendum. By the strict letter of the law, the prime minister is under no legal obligation to carry out the referendum. If in the process of finding Cameron’s replacement, a group emerges that is supportive of the idea of staying in the EU, the new prime minister may feel empowered reverse the departure, or at the very least, offer the public a second referendum that could have a different outcome.

Furthermore, Scotland’s Prime Minister, Nicola Sturgeon, recently indicated that a second independence vote is possible and has requested talks with the EU about separate membership.[5] Some have postulated that Scotland could retain the spot within the EU vacated by the broader U.K. When faced with the idea of a weaker U.K. upon Scotland’s departure, British citizens—already stinging from the prospects of constrained growth and potential flight of business and capital—may feel enough “Regrexit” to prompt a reversal of the decision to depart.

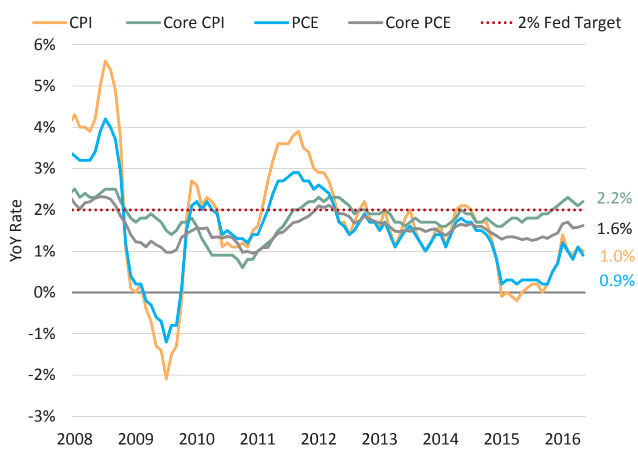
One final point is a bit of perspective from London-based investment firm Toscafund Asset Management, who, in a recent letter, cited similarities between Brexit and the U.K.’s exit from the European Exchange Rate Mechanism (ERM) in 1992. Toscafund indicated that in similar fashion to the post-Brexit decline, the pound initially declined after the U.K. left the ERM; however, subsequent GDP growth and stock market performance was strong. They suggested that that economy in the U.K. today is stronger and more capable of handling adversity than in the past, and that despite a somewhat cloudy road ahead, the Brexit vote will almost certainly not bring international trade to a halt. Businesses will adapt and the financial markets will remain open and functioning. After the initial shock of the unexpected result passes—and in many respects the shock had waned by the end of the second quarter—markets should simply absorb the new information and move forward.

Investors concerned about the primary and secondary implications of an impending departure of the U.K. from the EU have been keeping an eye on the impact on currencies and interest rates. When markets are faced with the type of uncertainty that followed the Brexit vote, they tend to seek perceived storehouses of safety. Primary beneficiaries of the British pound’s decline thus far are the U.S. dollar and the Japanese yen.

Expectations for further rate hikes from the U.S. Federal Reserve (Fed) were reduced after the Brexit vote. Bolstering the idea that the environment for interest rates in the U.S. is “lower for longer, and still longer” was the May jobs report, which was far weaker than expected. Only 38,000 new non-farm payroll jobs were added in May, versus the Bloomberg consensus estimate of 160,000. The 38,000 payrolls print was the weakest reading since September 2010.[6]

Until signs of inflation appear, no meaningful increase in interest rates in the U.S. is expected, and inflation today can be described as tepid at best. Despite a current unemployment rate below the Fed’s target of 5%, most inflation measures remain stubbornly under the Fed’s stated target of 2%.

KEY U.S. REALIZED INFLATION GAUGES



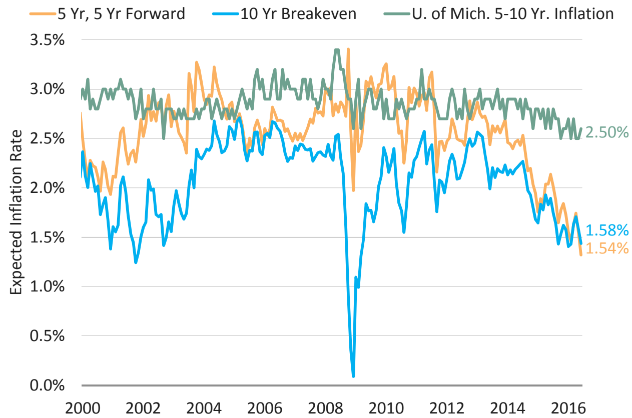
Data sources: BLS, BEA, Bloomberg, L.P.; data as of May 2016

OVERVIEW CONTINUED

In contrast to Fed-stated goals, the market's expectations for the future trajectory of inflation is actually one of continued decline.

Both the probability of a reduction in the Fed funds rate and an additional round of stimulus seem low; however, neither does FEG believe that interest rates will move substantially higher from current levels. In the absence of a surprising jump in economic growth—a possibility that has become even less likely post Brexit—or an unexpected upward trend in wage pressures or the employment picture in general, the currently low interest rate environment appears to be in place for the foreseeable future.

U.S. INFLATION EXPECTATIONS



Data sources: Bloomberg, L.P., University of Michigan; data as of May 2016

EQUITIES

After trailing their growth counterparts in many recent quarters, U.S. value equities generally outperformed in the second quarter. Although it has not been the case of late, historically, value stocks have outperformed growth stocks over time. Given the magnitude and duration of value's underperformance in recent years, an eventual turn in the cycle was inevitable. We continue to believe in the long-term merits of value equity investing and we expect additional periods of outperformance in the future.

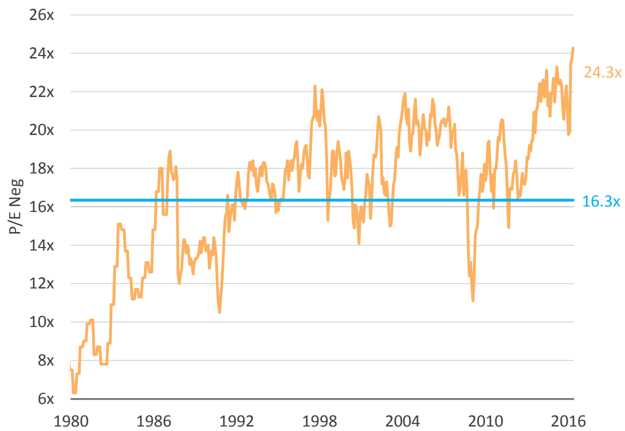
Another important story of the second quarter was emerging markets stocks, which after two positive quarters in a row have posted a mid-single-digit return so far this year outpacing stocks in the developed world. Given the attractive valuations on an absolute and relative basis, and having recently posted some favorable near-term price momentum, the outlook has become that much more encouraging.

Importantly, recent returns from both domestic and international equities have not matched the strong returns observed since bottoming in early 2009. The torrid pace of global equity market ascension in the years following the depths of the financial crisis has waned in the absence of the Fed's bond-buying quantitative easing (QE) program.

When considering the prospects for future returns from equities, one obvious factor is that valuation metrics have become stretched to heights seen only rarely in history. The price/earnings multiple on U.S. small cap equities (as measured by the Russell 2000), for example, are at the highest levels in history, exceeding even those posted in the late 1990s.

EQUITIES CONTINUED

RUSSELL 2000 P/E (EX-NEG EARNINGS)

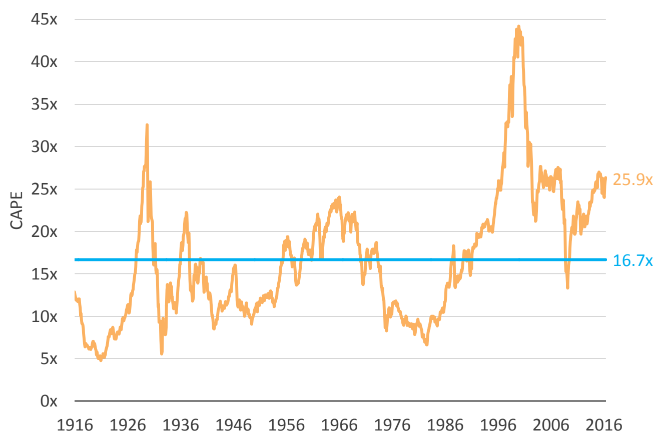


Data sources: Russell, Bloomberg, L.P.; data as of May 2016

Although below only the stratospheric levels of the late-1990s technology bubble, large cap stocks in the U.S. are also trading at elevated multiples and are in the highest 10% in history.

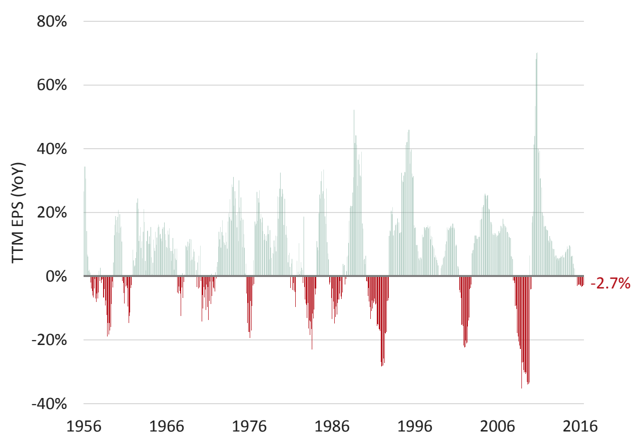
Valuation metrics provide great insight into long-term return potential. When considering how expensive U.S. equities are today in an environment that is devoid of QE combined with a downward trend in earnings, an objective projection for future returns should be below historical averages. FEG's capital market expectation for large cap U.S. equities, in fact, is 5% annualized over the course of the next decade.

U.S. SHILLER P/E 10 (CAPE, REAL)



Data sources: Robert Shiller and S&P; data as of June 2016

S&P 500 INDEX EARNINGS PER SHARE GROWTH



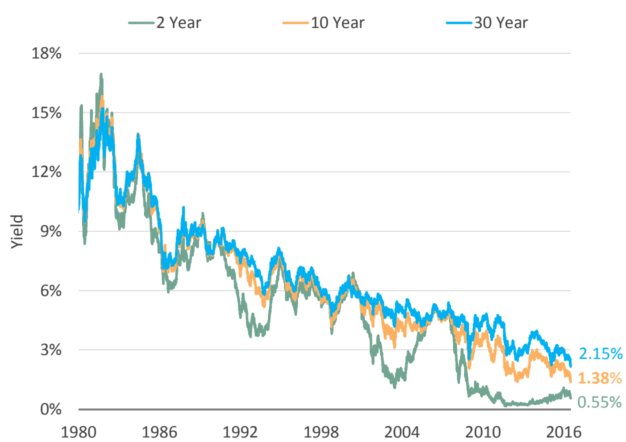
Data source: Bloomberg, L.P.; data as of June 2016

FIXED INCOME

Interest rates have been declining since then-chairman of the Federal Reserve, Paul Volker, pushed them to unprecedented heights as a means of stamping out inflation in the late 1970s and early 1980s. Since then, a gradual decline in rates has supported financial assets (stocks and bonds) with a duration tailwind the likes of which we may never see again.

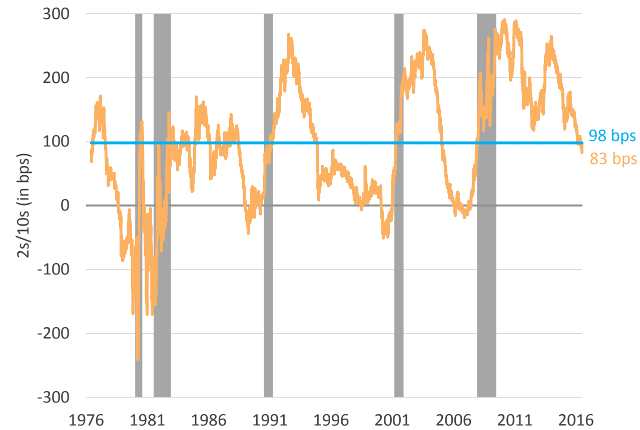
Although not a perfect predictor, previous inversions have preceded recessions and the current environment is certainly not one of bounding economic growth. With few, if any, signs of inflation, growth remaining stubbornly slow both here and abroad, and the Fed leery of pushing the U.S. economy back into recession, the likelihood of near-term rate hikes seems miniscule at best.

U.S. NOMINAL TREASURY RATES



Data sources: Bloomberg, L.P., NBER; data as of 07/05/2016

U.S. YIELD CURVE AND BUSINESS CYCLES



Data sources: Bloomberg, L.P., NBER; data as of 07/05/2016
Note: Shaded areas represent recessionary periods

Recently, central banks around the world have placed acute downward pressure on rates. At the end of the second quarter, central bank intervention had astoundingly moved rates in 13 countries into negative territory and the flight to safety following the Brexit announcement resulted in a decline in the yield on the 10-year U.S. Treasury bond to less than 1.5%.

In a normal environment, longer-dated Treasuries generally exhibit higher rates, offering investors compensation for duration risk relative to their shorter-term counterparts. However, there have been periods when short-term rates have exceeded the long-term, creating a so-called “inverted” yield curve. Such periods have often been harbingers of coming recessions—although not exclusively.

The spread between the long and short parts of the yield curve has narrowed and is closing in on inversion.

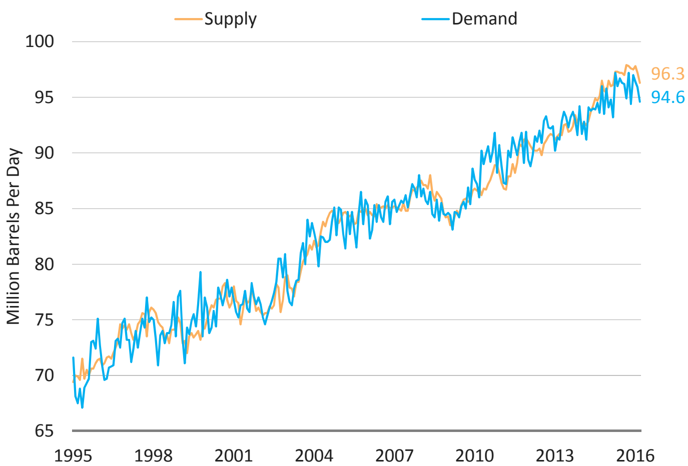
That said, FEG also does not expect yields to fall substantially further from current levels barring any Fed action to stave off the prospects of a deflationary spiral—the consequences of which would be disastrous. The U.S. economy is not as vigorous as some would prefer, but it is showing signs of growth. Thus, the risk of deflation is relatively low.

The past can serve as a helpful guide for investors, but given the current level of interest rates, the future of fixed income is likely to play out quite differently. A rising-rate environment makes fixed income investing more difficult; and more importantly, the absence of future rate declines may uncover risks that had been masked by the decades-long tailwind. Given the unpredictable, yet influential nature of central banks, FEG believes that current duration risk would be borne without adequate compensation.

REAL ASSETS

In February of this year, the nearly two-year collapse in oil finally came to an end with prices in the mid-$20s. At the time, dire predictions of $10 oil were not terribly uncommon, but production cuts, a lower rig count, and continually growing demand chipped away at the oversupplied market.

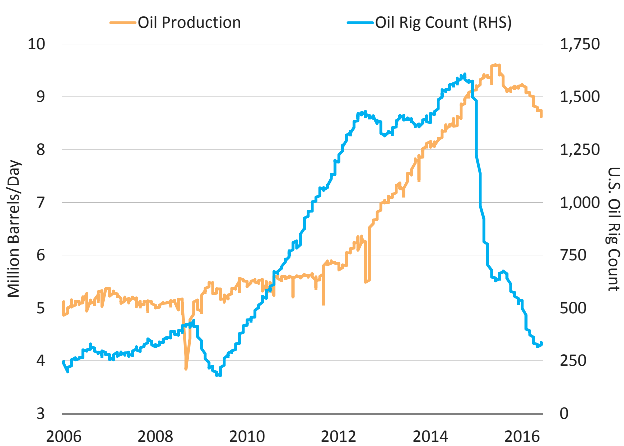
TOTAL WORLD OIL SUPPLY AND DEMAND



Data sources: Energy Intelligence Group, Bloomberg, L.P.; Data as of May 2016

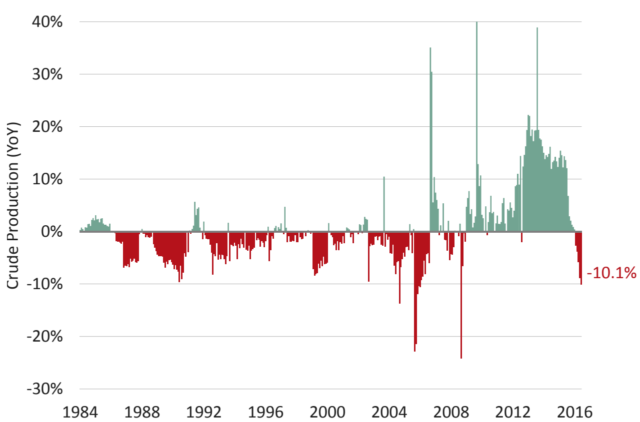
U.S. crude production peaked at 9.6 million barrels per day on June 5, 2015 and has since declined to 8.6 million barrels per day as of June 24, 2016. Also as of June 24, the oil rig count dropped to 330, potentially bottoming out at levels just above those reached in the depths of the financial crisis.

U.S. OIL RIG COUNT & U.S. OIL PRODUCTION



Data sources: U.S. DOE, EIA, Baker Huges, Bloomberg, L.P.; data as of 06/24/2016

U.S. CRUDE OIL PRODUCTION GROWTH (YoY)

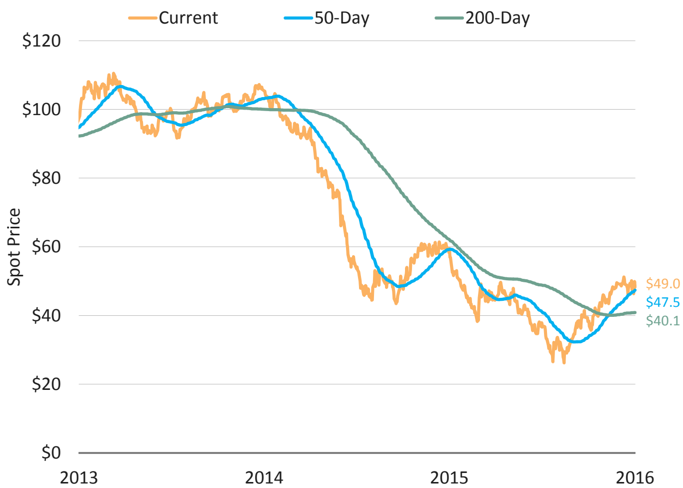


Data sources: EIA, Bloomberg, L.P.; data as of June 2016

REAL ASSETS CONTINUED

Since the early days of 2016, oil prices have recovered and are now actually exhibiting a modicum of positive momentum. This is not to say that FEG has a bullish outlook on commodities in general and oil in particular, as the possibility exists that production that has been reigned in could be resumed likely resulting in few, if any, sustained price rallies. In the absence of global economic demand—the problem central bankers are battling so fiercely with unconventional monetary policy—protracted advances in commodity prices seem unlikely.

CRUDE OIL (WTI) WITH MOVING AVERAGES



Data source: Bloomberg, L.P.; data as of 07/01/2016

FEG also does not believe that there is a renewed plunge back below $30 in oil's future. The glut of supply has been stemmed; and demand, although not growing at the previous pace, remains upward trending. This dynamic is important for MLPs, which we believe do not necessarily need oil prices to move higher to benefit their own returns, just simply avoid another crashing decline.

MLPs offer one of the few opportunities where we believe risk is justified by expected return. After declining in lockstep with oil since mid-to-late 2014, MLP valuations began appearing particularly attractive in late 2015 and remain so today. Yield spreads relative to U.S. Treasuries are nearly as wide as they have ever been; and following oil's price bottoming earlier this year, MLP momentum has started to exhibit a more favorable profile. As such, FEG believes that MLPs are among the more attractive investment opportunities available today.

The three months ending June 2016 were highly favorable for investors holding real assets. In addition to MLPs (Alerian MLP Index +19.7%) and commodities (Bloomberg Commodity Index +12.8%), domestic REITs (FTSE NAREIT All Equity Index +7.4%) posted one of the strongest returns of any investment category during the second quarter of 2016.

The outlook for REITs contrasts positive recent price momentum and a yield component that may prove attractive if rates remain as low against valuations that have become stretched.

DIVERSIFYING STRATEGIES

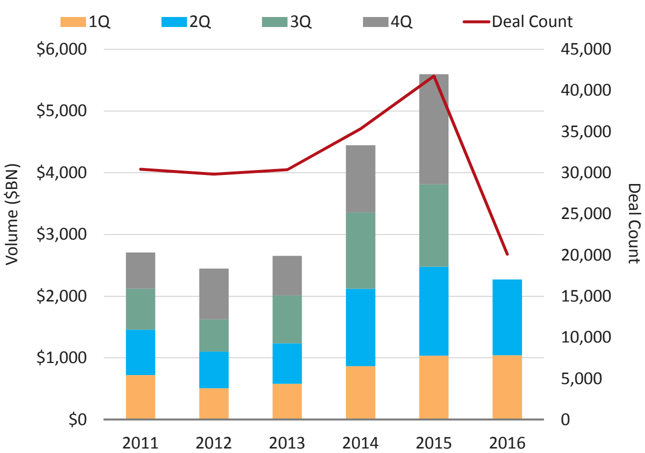
Few truly attractive investment opportunities exist in traditional areas of the marketplace, but there are currently two particularly interesting strategies within diversifying strategies:

- Merger Arbitrage
- Global Macro

MERGER ARBITRAGE

Merger and acquisition (M&A) activity has ballooned in recent years, which opens a wealth of opportunities for managers who have a demonstrated ability to assess risks and capitalize on them. In an active M&A environment, managers have the luxury of deploying capital more selectively than they might during slower times. Additionally, the risk that excessive amounts of capital will overwhelm opportunities, dilute returns, and ultimately crowd out even the most accomplished experts is lower when M&A activity is high.

GLOBAL M&A VOLUME



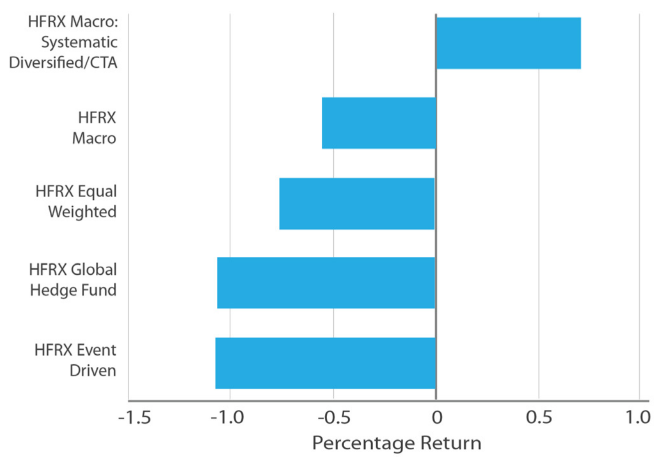
Data source:Bloomberg, L.P.; data as of 6/30/2016

GLOBAL MACRO

One of the more appealing aspects of global macro strategies is the uniqueness of their risk profile, making them generally uncorrelated to traditional equity and fixed income mandates—a particularly useful characteristic during periods of market stress. In 2008, for example, macro strategies represented one of the few non-U.S. Treasury bond investments that posted positive returns.[7]

More recently, as the initial shock following the Brexit vote staggered equity markets around the world, many diversifying strategies mandates held up well by comparison—some even posted positive returns. The graph from Bloomberg illustrates the performance of various types of diversifying strategies on June 24, the day after the Brexit vote result was announced. Note: the S&P 500 lost 3.5% that day.

MANAGING THE BREXIT TURMOIL
Percentage returns on June 24



Source: Bloomberg, L.P. HFR hedge fund indexes

Diversifying strategies serve a critical role in broad-based investment portfolios during volatile periods marked by uncertainty. With the ability to provide mitigation of loss when other asset categories fall under duress, diversifying strategies should remain a key component within investment portfolios for the foreseeable future. FEG believes that a focus on managers with a demonstrated ability in the merger arbitrage and global macro areas are particularly opportune at present.

CONCLUSION

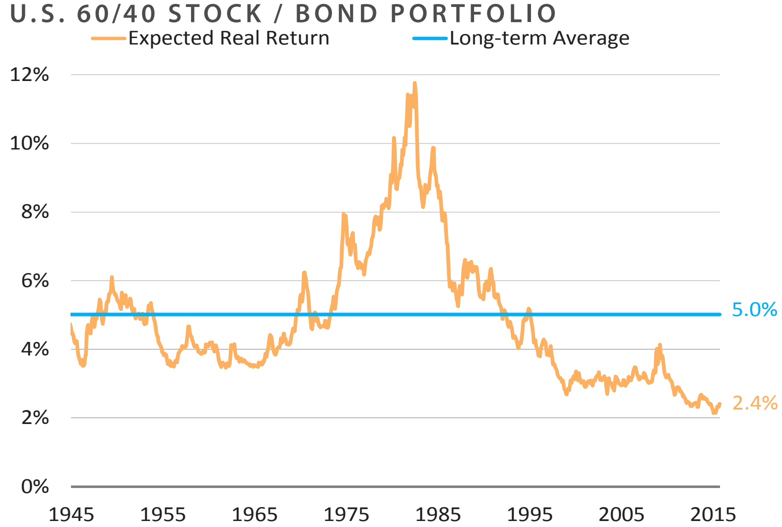
Central bankers around the world are engaged in a battle against stubbornly slow growth, tepid demand, and limited capital investment. Conventional monetary policy has been largely exhausted with interest rates at or below the zero bound in most of the developed world, which have been exacerbated by fears of what will follow Brexit.

Renowned author and researcher Peter Bernstein once said that the market is not a very accommodating machine; it will not provide high returns just because you need them. That is certainly true, but it must also be recognized that investor performance needs do not disappear just because expected market returns are low.

With a realistic perspective, however, we must recognize that the expected return of a traditional mix of long-only U.S. equities and core bonds over the subsequent decade is lower today than it has ever been.

In the years to come, investors who allocate to assets with attractive valuations, deploy capital into the teeth of volatility, reach globally, diversify by sources of risk, and avoid behavioral errors by making decisions based upon fundamental principles rather than burning emotions. In a world that is almost exclusively manipulated by unconventional monetary policies, current investors must apply a thoughtful and strategic approach that defies convention and expands beyond the traditional.

EXPECTED REAL RETURN OF A HYPOTHETICAL U.S. 60/40 STOCK / BOND PORTFOLIO



*Data source: Robert Shiller and Standard & Poor's, adapted from AQR. U.S. stocks expected real return calculated from 50% of the earnings yield*1.0107 plus 50% dividend yield + 1.5% to account for real earnings growth. U.S. bond yield is the government rate - FEG's 10-year inflation forecast. Investments cannot be made directly in an index. Past performance is not indicative of future results. Please see appendix for full disclosure. Data as of 12/31/2015*

FOOTNOTES

1. BCA Research, *European Investment Strategy*, "Brexit: The final days, part 1," June 16, 2016.
2. S&P Global Ratings, ZeroHedge.com, June 27, 2016.
3. Bloomberg, L.P.
4. Alina Selyukh, NPR.com, "After Brexit vote, Britain asks Google: 'What is the EU?'" June 24, 2016.
5. Severin Carrell, Scotland Editor and Libby Brooks, *The Guardian*, "Nicola Sturgeon: second Scottish independence poll highly likely," June 24, 2016.
6. Bureau of labor statistics. BLS.gov
7. HedgeFund Research. The HFRI Macro Total Index advanced 11.1% in 2008.

DIVERSIFICATION SNAPSHOT

	GLOBAL EQUITY	GLOBAL FIXED INCOME & CREDIT	REAL ASSETS	DIVERSIFYING STRATEGIES
ROLE	Total Return	Equity Risk Mitigation and Total Return	Inflation Protection and Total Return	Diversification and Total Return
RISK	Stock Market Declines	Rising Rates and/or Credit Downgrades	Deflation	Active Management
COMMENTARY	Underweight U.S. equities given high valuations and deteriorating fundamentals. Neutral to international developed, with a tilt toward small cap. Neutral in emerging markets, but recognize attractive valuations and long-term favorable fundamentals. Maintain an allocation to hedged equity.	Emphasis on mortgage-backed securities. Neutral to slightly-longer benchmark duration to help protect against the risk of falling rates. Underweight U.S. Treasuries compared to Barclays U.S. Aggregate Bond Index. Focusing on high credit quality with no international fixed income exposure.	Maintain a small position to REITs, utilizing it as a source for diversification. Have a small exposure to MLPS with improving fundamentals and outlook.	Moderate allocation to help distribute portfolio risk through diversification. We are perpetually evaluating managers in this continuously evolving subset of the investment universe.

Source: Fund Evaluation Group, LLC.

INDICES

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships that provides investors with an unbiased, comprehensive benchmark for this emerging asset class.

The Barclays Capital Aggregate Bond Index is a benchmark index made up of the Barclays Capital Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million.

The HFRI Monthly Indices (HFRI) are equally weighted performance indexes, compiled by Hedge Fund Research Inc., and are utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 37 different categories by strategy, including the HFRI Fund Weighted Composite, which accounts for over 2000 funds listed on the internal HFR Database. The HFRI Fund of Funds Composite Index is an equal weighted, net of fee, index composed of approximately 800 fund of funds which report to HFR. See www.hedgefundresearch.com for more information on index construction.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The S&P 500 Index is a capitalization-weighted index of 500 stocks. The S&P 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Information on any indices mentioned can be obtained either through your consultant or by written request to information@feg.com.

DISCLOSURES

This report was prepared by Fund Evaluation Group, LLC (FEG), a federally registered investment adviser under the Investment Advisers Act of 1940, as amended, providing non-discretionary and discretionary investment advice to its clients on an individual basis. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Fund Evaluation Group, LLC, Form ADV Part 2A & 2B can be obtained by written request directed to: Fund Evaluation Group, LLC, 201 East Fifth Street, Suite 1600, Cincinnati, OH 45202 Attention: Compliance Department.

The information herein was obtained from various sources. FEG does not guarantee the accuracy or completeness of such information provided by third parties. The information in this report is given as of the date indicated and believed to be reliable. FEG assumes no obligation to update this information, or to advise on further developments relating to it. FEG, its affiliates, directors, officers, employees, employee benefit programs and client accounts may have a long position in any securities of issuers discussed in this report.

The 60/40 portfolio shown on page 11 is represented by the index within each asset class. As such, the returns shown in the chart are those of the indices. The results do not necessarily represent the actual asset allocation of any client or investor portfolio and may not reflect the impact that material economic and market factors might have had on investment decisions. Investment results achieved by actual client accounts may differ from the results portrayed. Diversification or asset allocation does not assure or guarantee better performance and cannot eliminate risk of investment loss. Investments cannot be made directly in an index. No representation is being made that any fund or account will or is likely to achieve profits or losses similar to those shown herein. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently realized by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. Hypothetical performance results are presented for illustrative purposes only. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the hypothetical returns presented.

Due to the differing nature of investment advisory services offered by FEG, all clients may not realize performance results discussed in our general publications. There is no assurance that any security discussed will remain in an account's portfolio at the time you receive this report.

FEG Managed Portfolios is a discretionary asset management service offered by Fund Evaluation Group, LLC, a registered investment adviser. Prior to April 1, 2009, FEG Managed Portfolios was called FEG/Advisors. The firm maintains a complete list and description of composites, which is available upon request.

Index performance results do not represent any managed portfolio returns. An investor cannot invest directly in a presented index, as an investment vehicle replicating an index would be required. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.

Neither the information nor any opinion expressed in this report constitutes an offer, or an invitation to make an offer, to buy or sell any securities.

Any return expectations provided are not intended as, and must not be regarded as, a representation, warranty or predication that the investment will achieve any particular rate of return over any particular time period or that investors will not incur losses.

Past performance is not indicative of future results.

This report is intended for informational purposes only. It does not address specific investment objectives, or the financial situation and the particular needs of any person who may receive this report.

Data shown is as of June 30, 2016 unless otherwise noted.

Research and Investments Team

JEREMY M. ALBERS, CFA, CAIA / Research Analyst / Global Fixed Income and Credit

CHERYL A. BARKER / Senior Research Analyst / Global Equities

SKYE BARRY / Research Analyst / Private Capital

NOLAN M. BEAN, CFA, CAIA / Managing Principal / Head of Institutional Investments

KEITH M. BERLIN / Senior Vice President / Director of Global Fixed Income and Credit

CHRISTIAN S. BUSKEN / Senior Vice President / Director of Real Assets

KEVIN J. CONROY, CFA, CAIA / Vice President / Hedged Strategies

KEVIN C. DEE / Research Analyst / Global Fixed Income and Credit

BRAD J. DERFLINGER, CFA / Vice President / Assistant Portfolio Manager, Risk Management

GREGORY M. DOWLING, CFA, CAIA / Managing Principal / Chief Investment Officer, Head of Research

SUSAN MAHAN FASIG, CFA / Managing Principal / Portfolio Manager, Private Investments

ANTHONY L. FESTA, CFA / Managing Principal / Head of Portfolio Strategy

MICHAEL B. FRANKE / Research Analyst / Hedged Strategies

JEFFREY D. FURST, CFA, CAIA / Vice President / Hedged Strategies

BRIAN A. HOOPER / Vice President / Global Equities

GREGORY D. HOUSER, CFA, CAIA / Senior Vice President / Capital Markets

ZACHARY R. JANSEN / Research Analyst / Real Assets

JAY R. JOHNSTON / Senior Research Analyst / Real Assets

MARK A. KOENIG, CFA / Senior Vice President / Director of Quantitative Analysis

J. ALAN LENAHAN, CFA, CAIA / Managing Principal / Chief Investment Officer, Head of Portfolio Management

DAVID L. MASON, CAIA / Vice President / Investment Strategies

MICHAEL J. OYSTER, CFA / Managing Principal / Chief Investment Strategist

MICHAEL J. O'CONNOR, CFA, CAIA / Vice President / Assistant Portfolio Manager, Public Investments

WILLIAM B. PHELPS, CAIA / Senior Analyst / Investment Strategies

SAMUEL A. RAGAN / Research Analyst / Global Equities

G. SCOTT TABOR, CAIA / Vice President / Private Capital

NATHAN C. WERNER, CFA, CAIA / Senior Vice President / Director of Private Equity

The CFA designation is a professional certification issued by the CFA Institute to qualified financial analysts who: (i) have a bachelor's degree and four years of professional experience involving investment decision making or four years of qualified work experience[full time, but not necessarily investment related]; (ii) complete a self-study program (250 hours of study for each of the three levels); (iii) successfully complete a series of three six-hour exams; and (iv) pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The Chartered Alternative Investment Analyst Association® is an independent, not-for-profit global organization committed to education and professionalism in the field of alternative investments. Founded in 2002, the CAIA Association is the sponsoring body for the CAIA designation. Recognized globally, the designation certifies one's mastery of the concepts, tools and practices essential for understanding alternative investments and promotes adherence to high standards of professional conduct.

Fund Evaluation Group®
investment advisors

Fund Evaluation Group, LLC / 201 East Fifth St. / Suite 1600 / Cincinnati, Ohio 45202 / P: 513.977.4400 / F: 513.977.4430 / www.feg.com