



Investment Performance Review

Capital Markets Review

As of 3/31/2016

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It's a Muddle Through Economy

- U.S. economic growth slowed during Q4 to 1.4%, but not as sharply as previously estimated. Real GDP expanded 2.4% for 2015
- The U.S. consumer continues to look healthy with low energy prices, low unemployment, and higher wages
- Private companies are continuing to add jobs, with 200,000 new positions created in March
- Unemployment continues to improve with the March civilian unemployment rate at 5.0%
- U.S. manufacturers expanded in March, ending a five-month streak of declining factory activity

Wild Ride Through the First Quarter

- Fears of a global and domestic recession pushed stocks lower to start the year
- Recession fears faded with better data and performance recovered with the S&P closing near a 4-month high at quarter-end
- Telecom and utilities sectors reported the strongest returns in Q1 2016 with 16.6% and 15.6% respective gains
- Healthcare and financials reported the weakest returns for the quarter, declining 5.5% and 5.1%, respectively
- Valuations are getting more expensive; the forward P/E for the S&P 500 Index inched up to 16.6x, versus a 25-year average of 15.8x

Uncertainty Exists Surrounding the Fed's Next Interest Rate Increase

- Federal Reserve action is at the forefront of investors' minds. Uncertainty continues with regards to the timing of the Fed's next move
- The yield on 10-Year U.S. Treasury Bonds declined during the quarter to 1.78%
- Investment grade spreads are at 1.9%, versus its average of 1.8%. The spread peaked during the 2008 financial crisis at over 5.5%
- High yield bonds rebounded during Q1, reporting a 3.09% return for the period. Yields ended the quarter at 8.18%

International Equities Were a Mixed Bag for 1Q

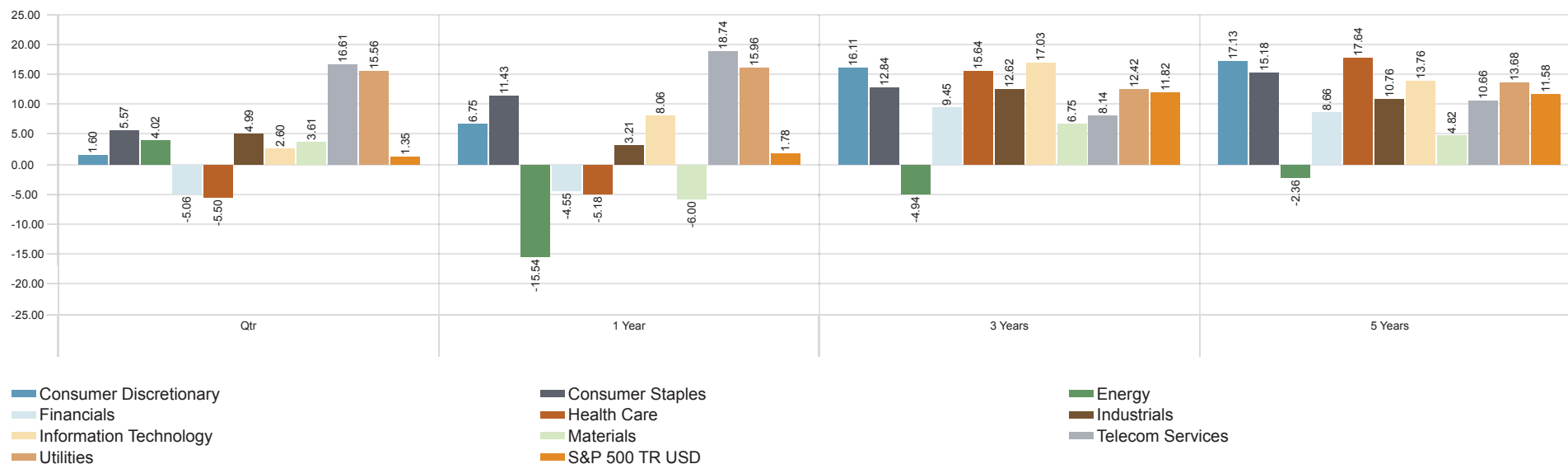
- China declined 4.8% and Japan fell 6.4% for Q1. China reported that its manufacturing activity improved in March
- Greece and Italy had double digit declines while Russia and Turkey had double digit gains for the quarter
- The emerging markets sector was the 2nd best performing sector for the quarter, increasing 5.75%
- Latin America rebounded strongly in Q1, up 19.2% for the quarter
- Developed markets in Europe dropped 2.41% in Q1

Inflation is Creeping Upwards

- Inflation remains low but is creeping up; Core CPI (which strips out food and energy prices) is running at 2.1% versus its 50-year average of 4.1%
- The Bloomberg Commodity Index eked out a 0.42% gain for the quarter
- REITs were the best performing asset class for Q1; the FTSE NAREIT All Equity REITs Index gained 5.86%

U.S. Equity Markets

Returns by Sector (S&P 500)



Returns by Style (Russell Indices)

Last Quarter

	Value	Blend	Growth
Large	0.65	0.73	0.81
Mid	3.92	2.24	0.58
Small	1.70	-1.52	-4.68

Last 1 Year

	Value	Blend	Growth
Large	-0.72	2.55	5.74
Mid	-3.39	-4.04	-4.75
Small	-7.72	-9.76	-11.84

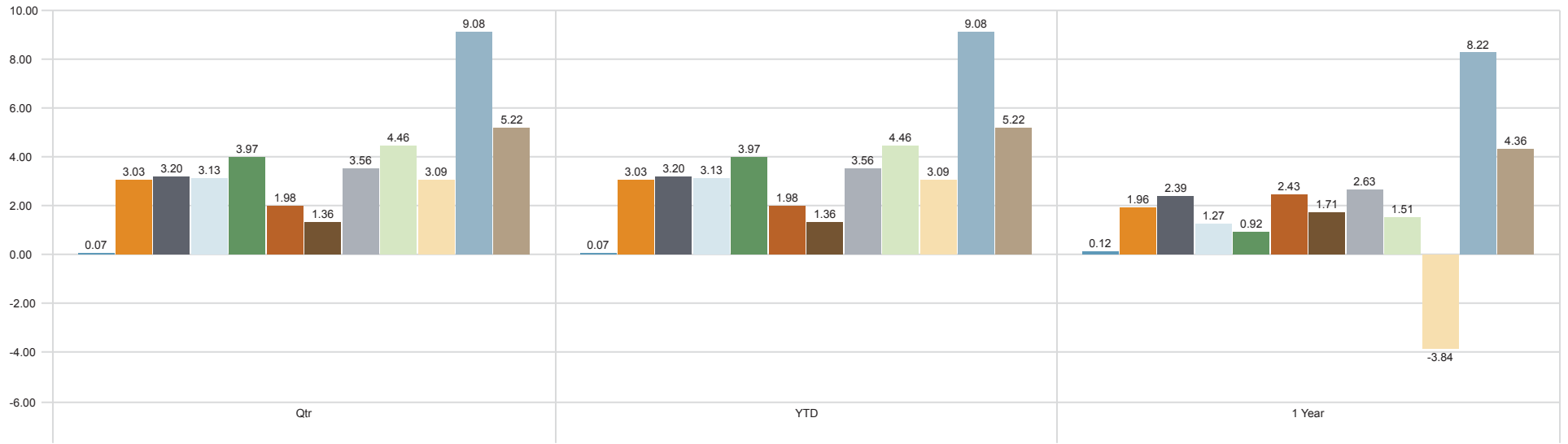
Last 3 Years

	Value	Blend	Growth
Large	9.19	11.98	14.74
Mid	9.88	10.45	10.99
Small	5.73	6.84	7.91

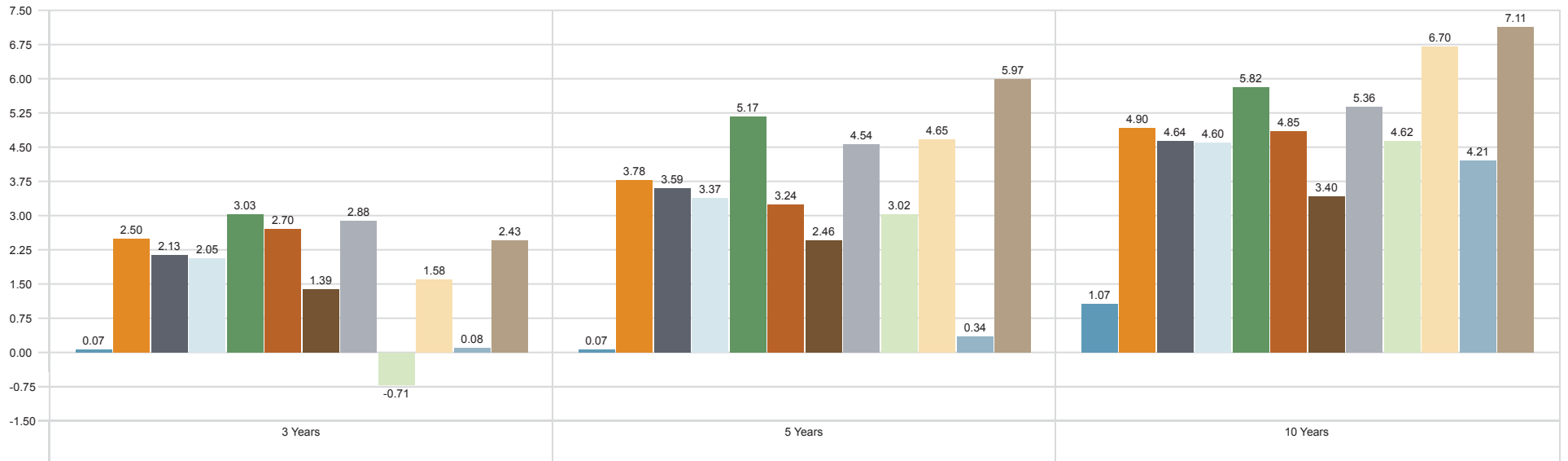
Last 5 Years

	Value	Blend	Growth
Large	10.12	11.80	13.44
Mid	10.52	10.30	9.99
Small	6.67	7.20	7.70

Fixed Income

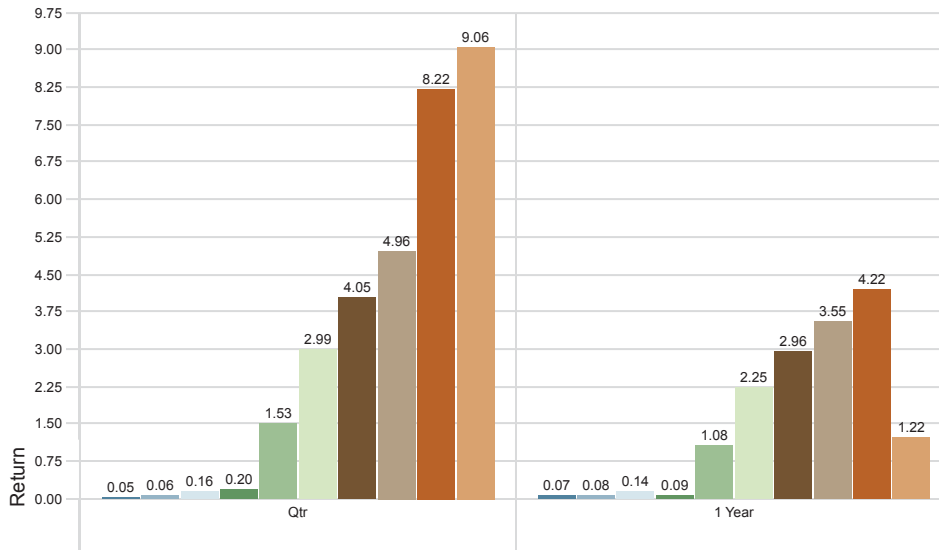


- 3-Month T-Bills
- Government-Related
- Asset-Backed Securities
- High Yield
- Aggregate Bonds
- Investment-Grade Corporate
- Commercial MBS
- Developed International
- Treasuries
- Mortgage-Backed Securities
- TIPS
- Emerging Markets



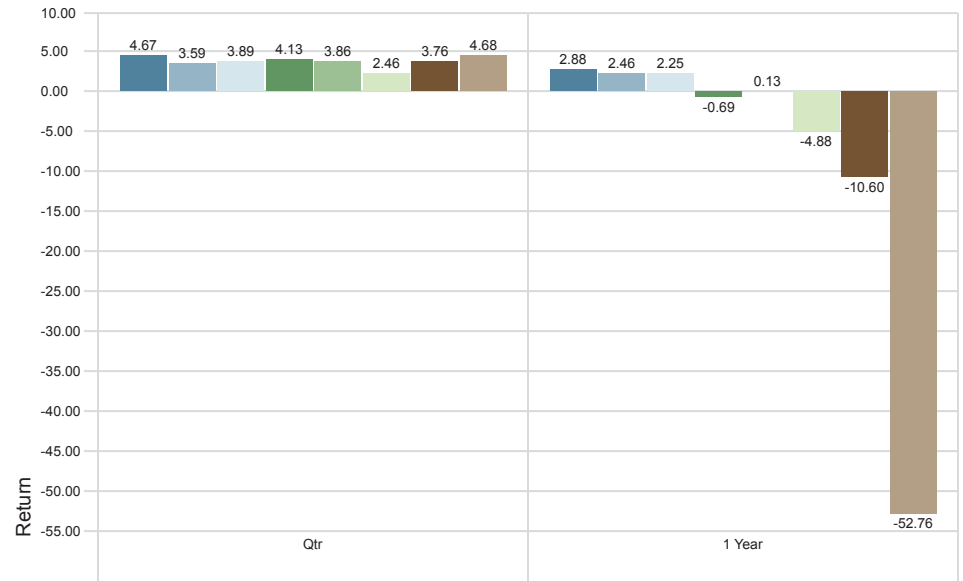
Fixed Income

Performance by Maturity



■ USTREAS T-Bill Cnst Mat Rate 1 Mon
 ■ USTREAS T-Bill Cnst Mat Rate 3 Mon
 ■ USTREAS T-Bill Cnst Mat Rate 6 Mon
■ USTREAS T-Bill Cnst Mat Rate 1 Yr
 ■ USTREAS T-Bill Cnst Mat Rate 3 Yr
 ■ USTREAS T-Bill Cnst Mat Rate 5 Yr
■ USTREAS T-Bill Cnst Mat Rate 7 Yr
 ■ USTREAS T-Bill Cnst Mat Rate 10 Yr
 ■ USTREAS T-Bill Cnst Mat Rate 20 Yr
■ USTREAS T-Bill Cnst Mat Rate 30 Yr

Performance by Credit Quality



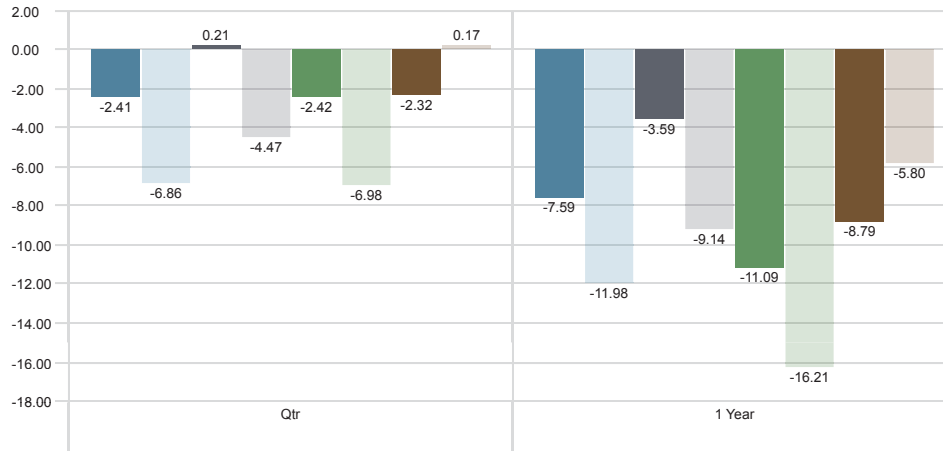
■ Barclays US Corp Aaa TR USD
 ■ Barclays US Corp Aa TR USD
 ■ Barclays US Corp A TR USD
■ Barclays US Corp Baa TR USD
 ■ Barclays US HY Ba TR USD
 ■ Barclays US HY B TR USD
■ Barclays US HY Caa TR USD
 ■ Barclays US HY Ca To D TR USD

Estimated Cost of \$1 of Lifetime Retirement Income at Age 65 (Adjusted for Cost of Living)

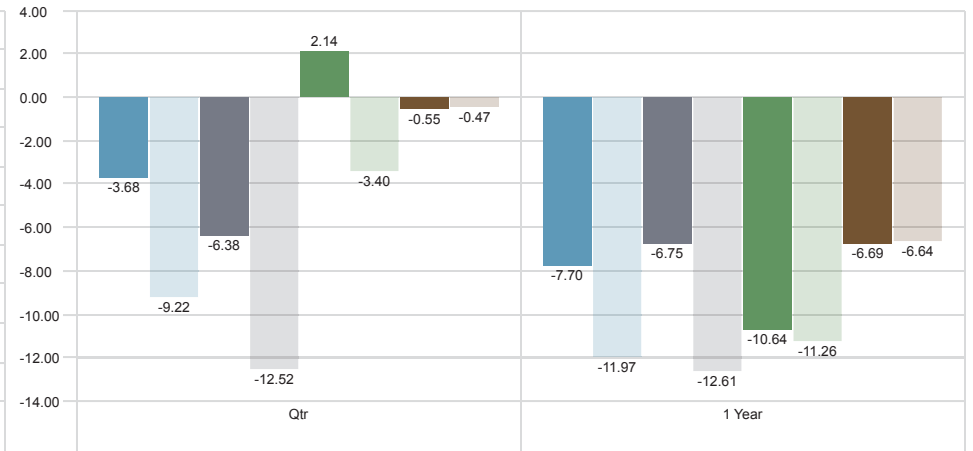
	BlackRock CoRI Retirement 2006	BlackRock CoRI Retirement 2008	BlackRock CoRI Retirement 2010	BlackRock CoRI Retirement 2012	BlackRock CoRI Retirement 2014	BlackRock CoRI Retirement 2016	BlackRock CoRI Retirement 2018	BlackRock CoRI Retirement 2020	BlackRock CoRI Retirement 2022	BlackRock CoRI Retirement 2024
3/31/2016	\$ 15.27	\$ 16.59	\$ 17.90	\$ 19.21	\$ 20.50	\$ 22.06	\$ 20.84	\$ 19.42	\$ 18.04	\$ 16.80
12/31/2015	\$ 14.68	\$ 15.88	\$ 17.07	\$ 18.23	\$ 19.37	\$ 20.71	\$ 19.41	\$ 18.01	\$ 16.66	\$ 15.40
9/30/2015	\$ 15.20	\$ 16.45	\$ 17.69	\$ 18.93	\$ 20.14	\$ 20.91	\$ 19.62	\$ 18.17	\$ 16.78	\$ 15.56
6/30/2015	\$ 15.07	\$ 16.28	\$ 17.47	\$ 18.63	\$ 19.82	\$ 20.17	\$ 18.83	\$ 17.36	\$ 16.04	\$ 14.88
12/31/2014	\$ 15.82	\$ 17.12	\$ 18.42	\$ 19.71	\$ 21.01	\$ 20.91	\$ 19.78	\$ 18.44	\$ 17.24	\$ 16.05
9/30/2014					\$ 20.31	\$ 19.55	\$ 18.25	\$ 16.92	\$ 15.77	\$ 14.54
6/30/2014					\$ 20.63	\$ 19.21	\$ 17.85	\$ 16.49	\$ 15.29	\$ 14.09

International Equity Markets

Developed Europe



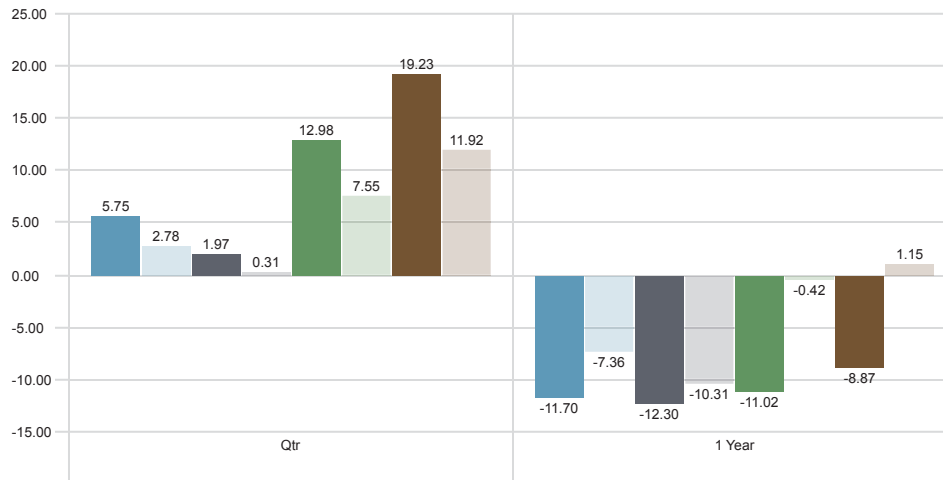
Developed Asia



- Europe ex UK (USD)
- Europe ex UK (Local)
- France (USD)
- France (Local)
- Germany (USD)
- Germany (Local)
- United Kingdom (USD)
- United Kingdom (Local)

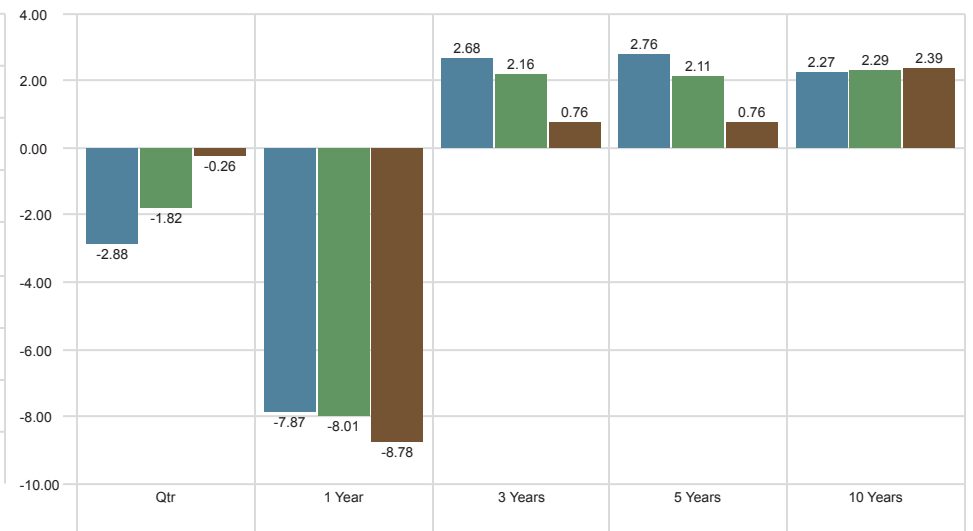
- Pacific (USD)
- Pacific (Local)
- Japan (USD)
- Japan (Local)
- Australia (USD)
- Australia (Local)
- Hong Kong (USD)
- Hong Kong (Local)

Emerging Markets



- Emerging Markets (USD)
- Emerging Markets (Local)
- Asia (USD)
- Asia (Local)
- Europe, Middle East & Africa (USD)
- Europe, Middle East & Africa (Local)
- Latin America (USD)
- Latin America (Local)

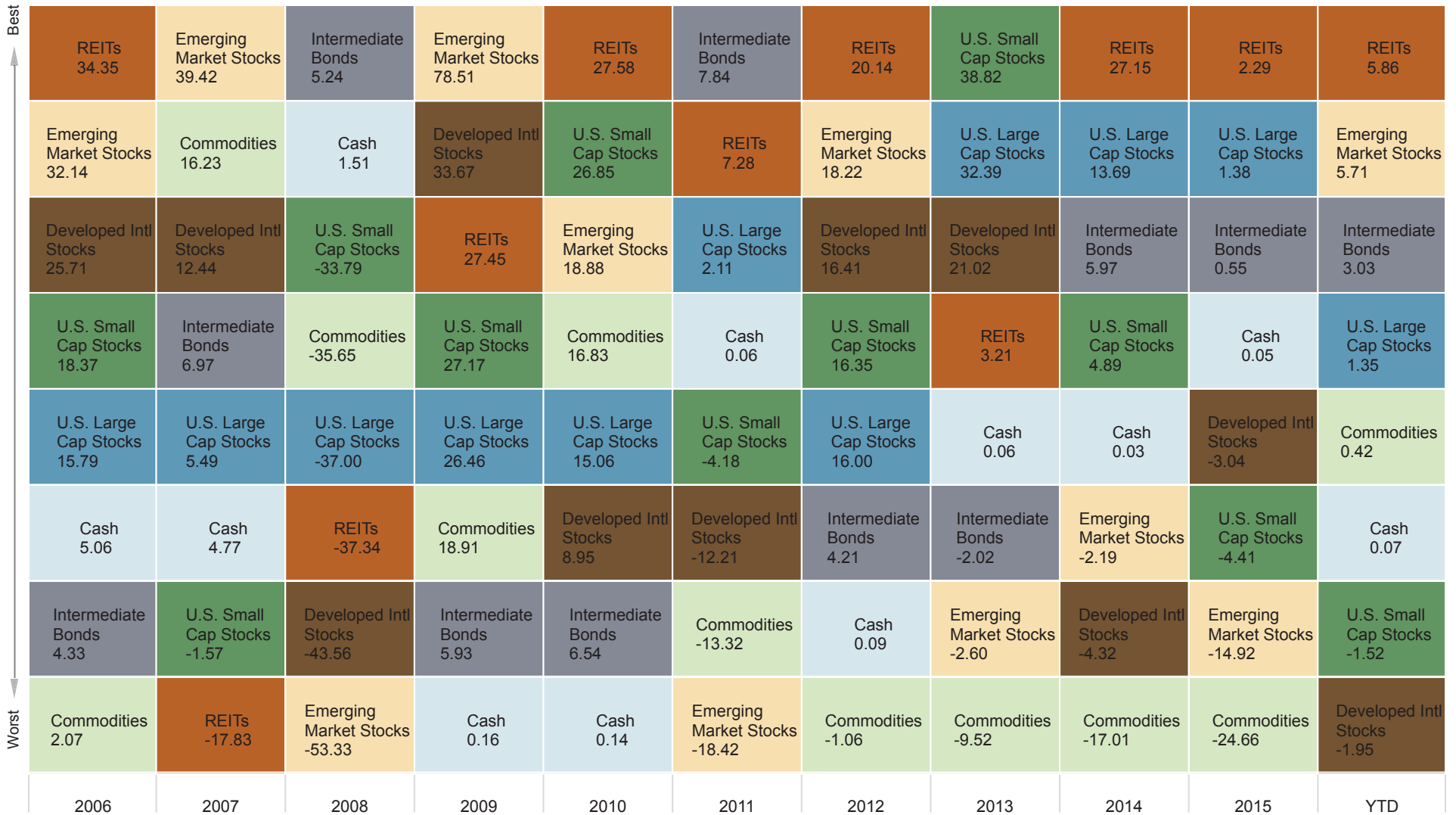
International Benchmarks



- EAFE
- World ex USA (Developed)
- ACWI ex USA (Developed & Emerging)

As of 3/31/2016

Unpredictability of Asset Class Returns



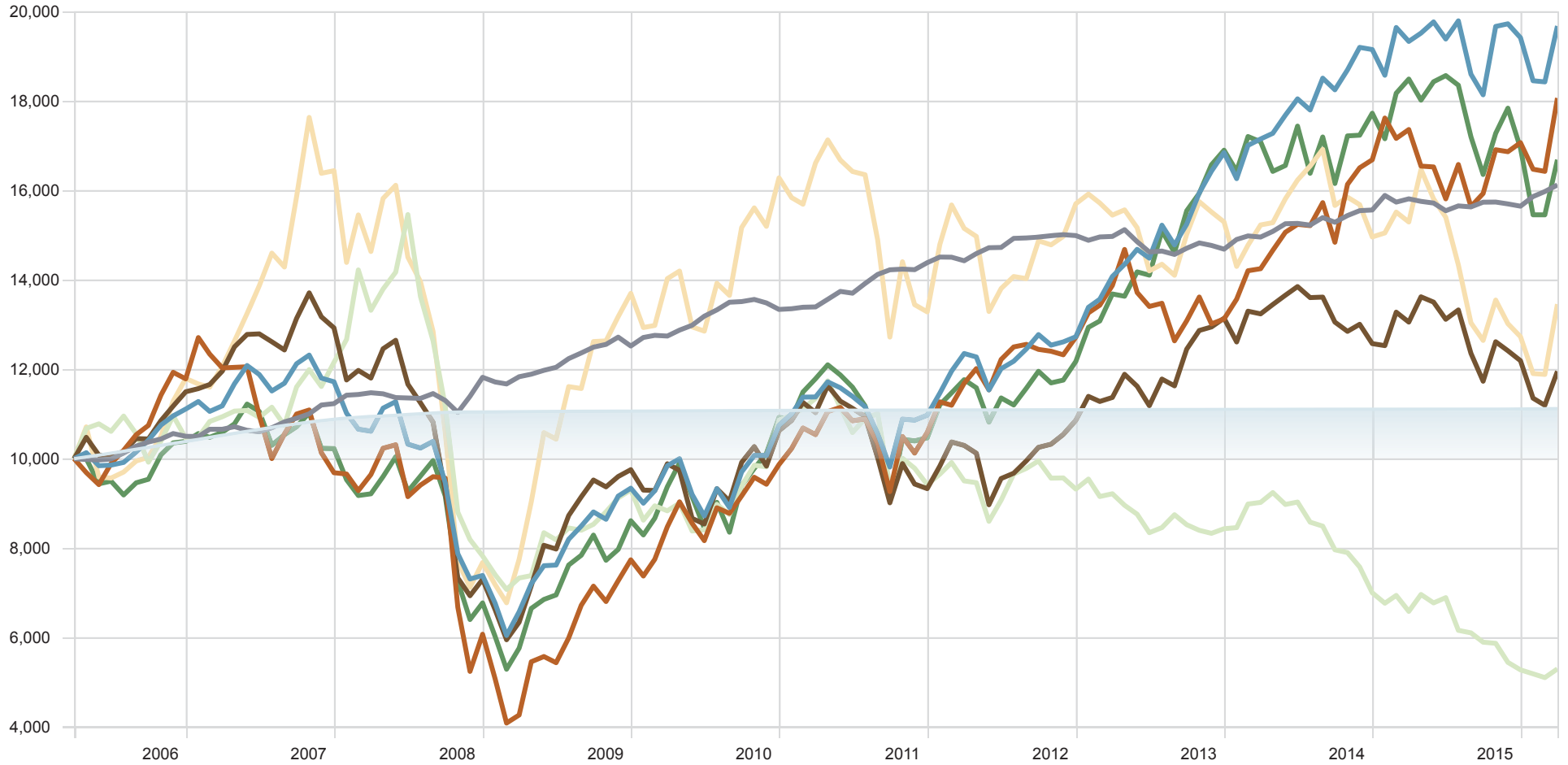
- Cash
- U.S. Small Cap Stocks
- Emerging Market Stocks
- Intermediate Bonds
- REITs
- Commodities
- U.S. Large Cap Stocks
- Developed Intl Stocks

As of 3/31/2016



Growth of \$10,000

Time Period: 4/1/2006 to 3/31/2016

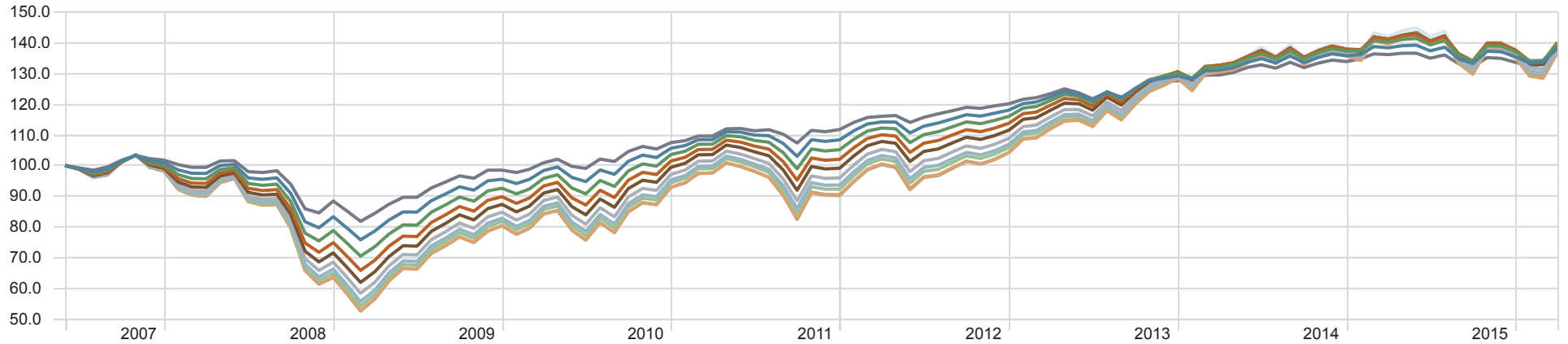


■ Cash	11,120.76	■ Intermediate Bonds	16,127.61	■ U.S. Large Cap Stocks	19,686.69
■ U.S. Small Cap Stocks	16,693.40	■ REITs	18,074.41	■ Developed Intl Stocks	11,956.14
■ Emerging Market Stocks	13,459.51	■ Commodities	5,294.56		

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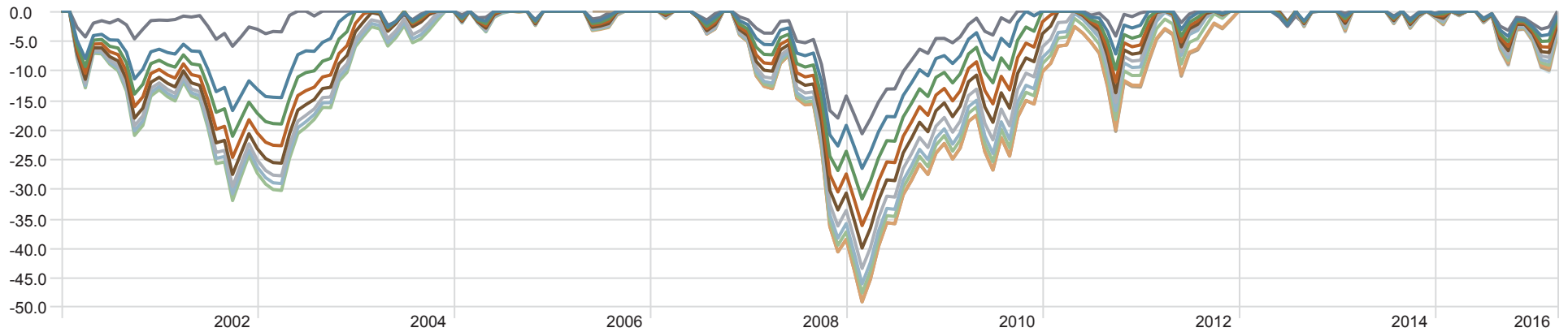
Target Date Investments

Growth of \$100



— S&P Target Date Retirement Income TR USD	136.5	— S&P Target Date 2010 TR USD	138.2	— S&P Target Date 2015 TR USD	139.7
— S&P Target Date 2020 TR USD	140.1	— S&P Target Date 2025 TR USD	139.7	— S&P Target Date 2030 TR USD	138.7
— S&P Target Date 2035 TR USD	138.0	— S&P Target Date 2040 TR USD	137.9	— S&P Target Date 2045 TR USD	136.7
— S&P Target Date 2050 TR USD	137.7	— S&P Target Date 2055+ TR USD	138.8		

Maximum Drawdown



— S&P Target Date Retirement Income TR USD	— S&P Target Date 2010 TR USD	— S&P Target Date 2015 TR USD
— S&P Target Date 2020 TR USD	— S&P Target Date 2025 TR USD	— S&P Target Date 2030 TR USD
— S&P Target Date 2035 TR USD	— S&P Target Date 2040 TR USD	— S&P Target Date 2045 TR USD
— S&P Target Date 2050 TR USD	— S&P Target Date 2055+ TR USD	