

**St. Nicholas Greek Orthodox Church Endowment Fund**

**Investment Report**

**December 31, 2017**

2017 was a memorable year in the world of capital markets and investing. Throughout the year, historically low stock market volatility paved the way for a globally synchronized equity market rally. For the first time ever, the S&P 500 Index posted a positive total return in each month during the calendar year en route to an annual return of more than 20%. Meanwhile, international equities performed even better, with emerging markets stocks leading the way at more than a 35% return.

Adding to an already historic year, the Tax Cuts and Jobs Act was signed into law on December 22 – the largest overhaul of the U.S. tax code in over 30 years. While the law’s impact will vary widely across taxpayers, expectations are that the changes will put money back in the pockets of a majority of individuals, which could bode well for consumer confidence and spending in the near term. In addition, lower corporate tax rates should be a positive for domestic businesses, and are expected to boost profits and capital investment in the corporate sector.

As we shift our focus to the coming year, investors are hopeful that 2018 will be able to build off of the momentum generated in 2017 – and there are certainly reasons for optimism. Recent economic data remains broadly positive, confidence among consumers and businesses remains high, and corporate earnings expectations remain strong (both within the U.S. and, even more notably, abroad). A continuation of the recent trend of synchronized global growth should be a positive for risk assets. But, of course, there are many unanswered questions for the coming year: How long can the equity market rally continue? Will heightened volatility reemerge? How will monetary and fiscal policy changes impact the markets trajectory?

We address these questions and more in our annual Road Ahead commentary, which is slated for release on January 11. This piece outlines our views and expectations for capital markets and the global economy in the coming years, and what it may mean for investors.

For timely views throughout the year on developments within the capital markets and the economic environment, we encourage you to read our recurring thought leadership pieces, Market Perspectives, and Economic Perspectives, by visiting the [“Wealth Management/Our Thinking”](#) section of our website, [plantemoran.com](http://plantemoran.com). These pieces will also be delivered to you via our monthly “Learn, Lead, Legacy” email, which also includes other Wealth Management and Plante Moran updates. Please reach out to your relationship manager if you would like to subscribe.

Finally, tax reform is sure to be one of the most widely discussed subjects in the near term. PMFA and our Plante Moran colleagues remain committed to keeping our clients informed on the ever-changing tax landscape and its potential impact on you and your business. Please refer to the new [Tax Reform](#) section on our website, [plantemoran.com](http://plantemoran.com), which will include thought leadership and updates from experts across the firm.

### **Administrative Matters**

We have provided this information regarding your account(s) based on sources we believe to be reliable and accurate. We urge you to take a moment to compare the account balances and positions contained in your report to those balances reflected on the statements that you receive directly from your account’s custodian. Please contact us or the account custodian with any

questions you may have. Also, please notify us promptly if you do not receive statements on all accounts from the custodian on at least a quarterly basis.

**ADV Part 2A Offer**

Previously, we provided you with a complete copy of our Form ADV Part 2A that provided important information about our current organizational structure, breadth of services, the investment philosophy that we employ, and our fee structure. If you would like a copy of our current Form ADV Part 2A, please contact your relationship manager or send an email request to [patrick.swarz@plantemoran.com](mailto:patrick.swarz@plantemoran.com). You may also obtain a copy by visiting our website [wealth.plantemoran.com](http://wealth.plantemoran.com). Additional information about PMFA is also available via the SEC's website [adviserinfo.sec.gov](http://adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with PMFA who are registered as investment adviser representatives of PMFA.

PMFA will meet with you to discuss portfolio results, any changes to your personal financial situation or investment objectives, and reasonable restrictions or modifications in the management of your portfolio(s). Please be advised that if you have also engaged

a separate account manager, this offer extends to that part of your portfolio as well. Please contact your relationship manager.

We remain appreciative of the privilege that we have to serve you and remain committed to providing you with insightful, candid advice built on a foundation of rationally evaluated market and economic conditions. As always, we welcome any comments, questions, or suggestions that you may have regarding the report or related matters.

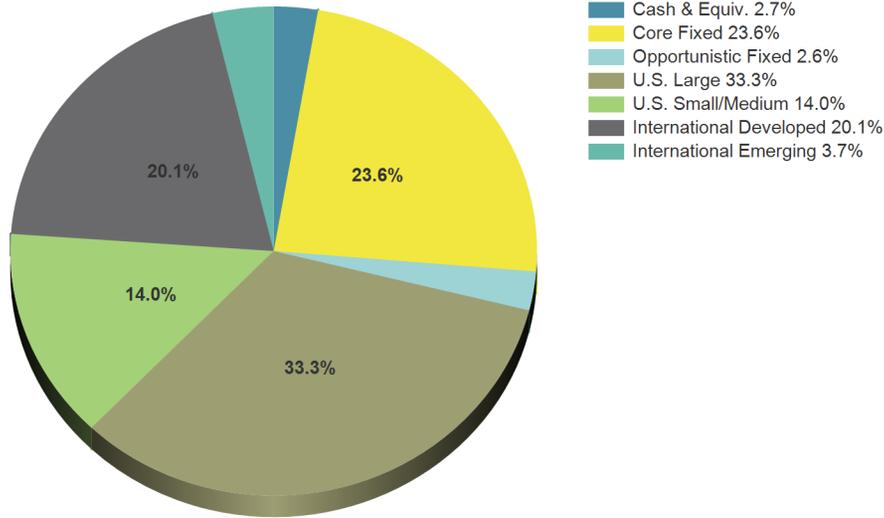
Please do not hesitate to contact us.

Very truly yours,

PLANTE MORAN  
FINANCIAL ADVISORS

*This report is prepared solely to help you with your investment planning. Accordingly, it may be incomplete or contain other departures from generally accepted accounting principles and should not be used to obtain credit or for any purposes other than your investment planning. We have not performed an audit, review, or compilation engagement in accordance with standards established by the American Institute of Certified Public Accountants.*

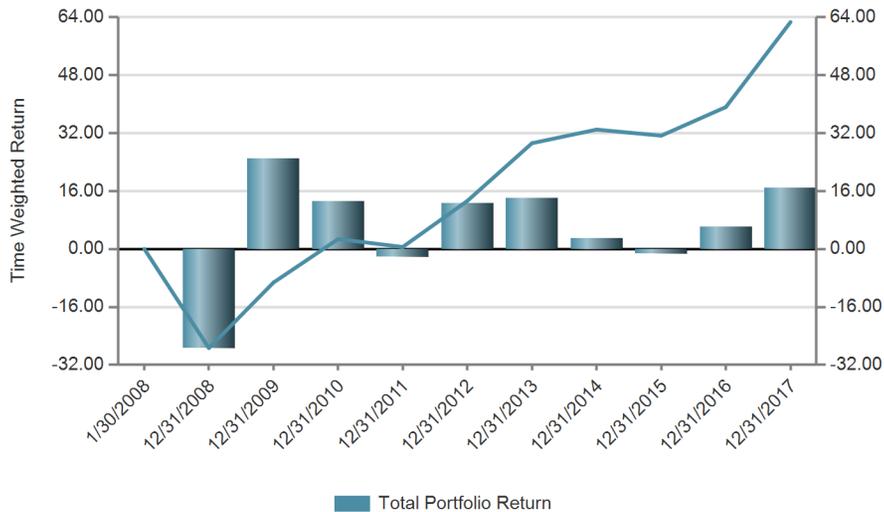
## Portfolio Allocation (12/31/2017)



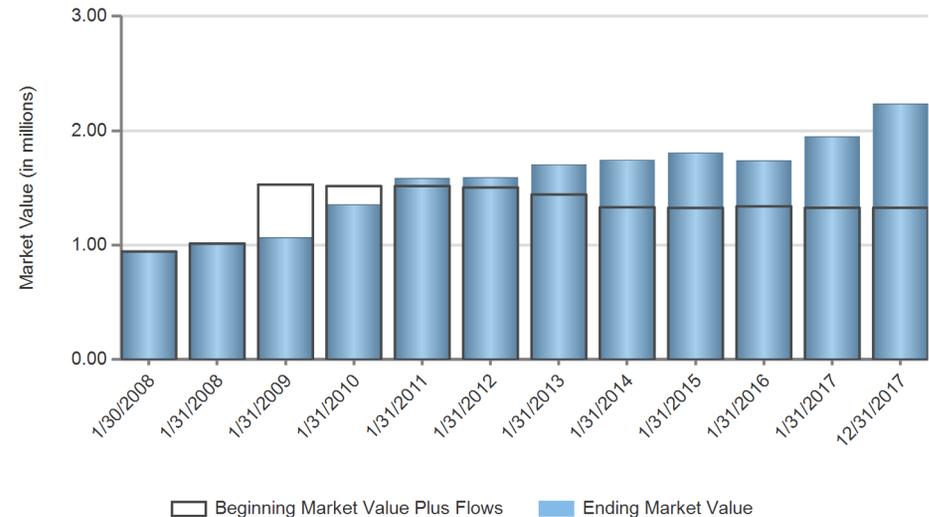
## Activity Summary

	Quarter To Date	Year To Date	Annualized Inception To Date
<b>Beginning Market Value</b>	<b>2,152,637</b>	<b>1,907,670</b>	<b>944,615</b>
Net Additions	0	4,435	382,883
Gains/Losses	81,311	321,842	906,450
<b>Ending Market Value</b>	<b>2,233,948</b>	<b>2,233,948</b>	<b>2,233,948</b>
<b>Total Portfolio Return</b>	<b>3.78</b>	<b>16.84</b>	<b>5.02</b>
Bloomberg Barclays U.S. Aggregate Bond Index	0.39	3.54	3.89
Bloomberg Barclays 1-10 Year Municipal Blend Index	-0.22	3.49	3.37
S&P 500 Index	6.64	21.83	9.43
MSCI ACWI ex USA Index	5.00	27.19	2.96

## Performance Since Inception (1/30/2008)



## Change in Portfolio



Classification	Market Value	Actual % Allocation	Target % Allocation	Value Difference
<b>Fixed Income</b>				
Cash & Equiv.	60,278	2.7	0.0	60,278
Core Fixed	528,079	23.6	27.0	-75,087
Opportunistic Fixed	57,263	2.6	3.0	-9,755
<b>Fixed Income Total</b>	<b>645,620</b>	<b>28.9</b>	<b>30.0</b>	<b>-24,564</b>
<b>Equity</b>				
U.S. Large	742,878	33.3	32.5	16,845
U.S. Small/Medium	311,968	14.0	14.5	-11,954
International Developed	449,811	20.1	19.5	14,191
International Emerging	83,671	3.7	3.5	5,482
<b>Equity Total</b>	<b>1,588,327</b>	<b>71.1</b>	<b>70.0</b>	<b>24,564</b>
<b>Total Portfolio</b>	<b>2,233,948</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	% Assets	Unrealized Gain/Loss
<b>Cash &amp; Equiv.</b>							
	Schwab US Treasury Money Fund		60,278		60,278	2.7	
			<b>60,278</b>		<b>60,278</b>	<b>2.7</b>	
<b>Core Fixed</b>							
22,430.7270	Federated Total Return Bond R6	11.00	246,680	10.900000	244,495	10.9	-2,185
26,602.6120	Metropolitan West Total Return Bd I	10.84	288,250	10.660000	283,584	12.7	-4,666
			<b>534,930</b>		<b>528,079</b>	<b>23.6</b>	<b>-6,851</b>
<b>Opportunistic Fixed</b>							
4,614.2640	PIMCO Income Instl	11.79	54,407	12.410000	57,263	2.6	2,856
			<b>54,407</b>		<b>57,263</b>	<b>2.6</b>	<b>2,856</b>
<b>U.S. Large</b>							
3,285.3390	Sterling Capital Equity Income Instl	17.50	57,500	20.340000	66,824	3.0	9,324
3,138.1200	Touchstone Sands Capital Inst Gr	12.87	40,378	20.580000	64,583	2.9	24,205
2,477.3980	Vanguard 500 Index Admiral	146.51	362,961	246.820000	611,471	27.4	248,511
			<b>460,838</b>		<b>742,878</b>	<b>33.3</b>	<b>282,040</b>
<b>U.S. Small/Medium</b>							
2,010.3990	American Beacon Small Cp Val Inst	28.85	58,010	27.410000	55,105	2.5	-2,905
412.5660	Sterling Capital Stratton SmCp Val Instl	46.22	19,069	86.330000	35,617	1.6	16,548
1,818.8640	T. Rowe Price Instl Mid-Cap Equity Gr	53.34	97,010	54.480000	99,092	4.4	2,082
1,441.1850	Vanguard Extended Market Index Admiral	65.58	94,520	84.760000	122,155	5.5	27,635
			<b>268,609</b>		<b>311,968</b>	<b>14.0</b>	<b>43,360</b>
<b>International Developed</b>							
2,079.7310	Harbor International Retirement	63.39	131,844	67.480000	140,340	6.3	8,496
3,630.5351	MFS International Value R6	29.79	108,159	43.290000	157,166	7.0	49,007
10,569.3580	Vanguard Developed Markets Index Admiral	13.28	140,358	14.410000	152,304	6.8	11,947
			<b>380,361</b>		<b>449,811</b>	<b>20.1</b>	<b>69,450</b>
<b>International Emerging</b>							
3,700.6010	Harding Loevner Instl Emerg Mkts I	15.70	58,090	22.610000	83,671	3.7	25,580

# Portfolio Appraisal

US Dollar  
12/31/2017

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	% Assets	Unrealized Gain/Loss
			58,090		83,671	3.7	25,580
<b>Total Portfolio</b>			<b>1,817,514</b>		<b>2,233,948</b>	<b>100</b>	<b>416,434</b>

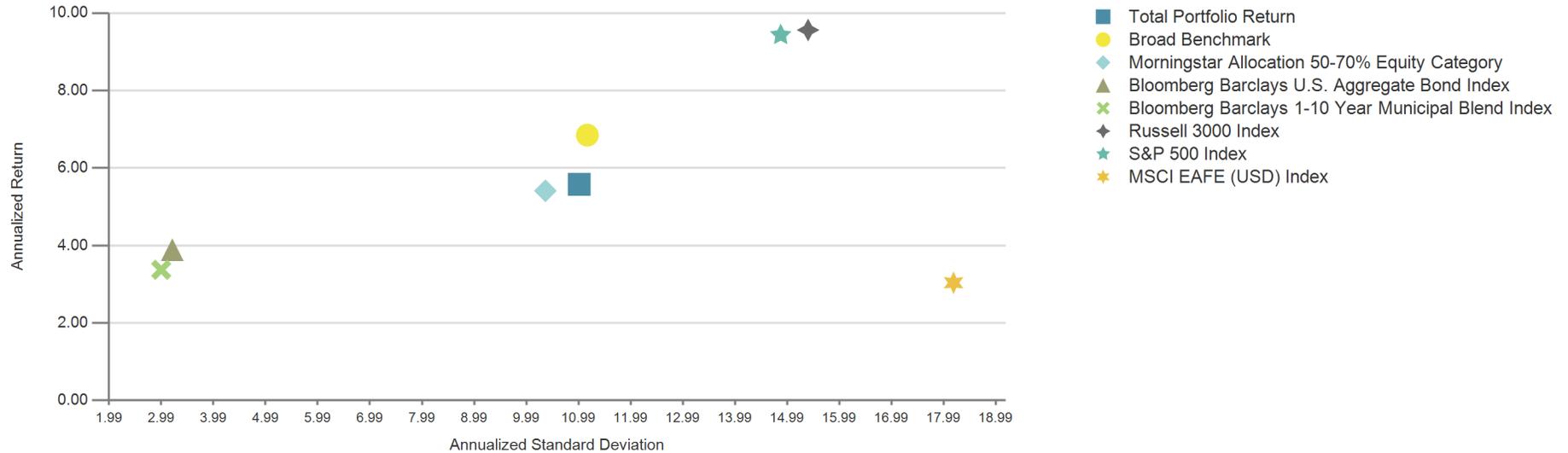
## Performance History

Security	Quarter To Date	Year To Date	Latest 1 Year	Annualized Latest 3 Years	Annualized Latest 5 Years
Cash & Equiv.	-	-	-	-	-
<i>Citigroup Broad Inst-Grade Bond 1 Month T-Bill</i>	0.26	0.80	0.80	0.34	0.22
Core Fixed	0.48	3.86	3.86	2.52	2.03
<i>Bloomberg Barclays U.S. Aggregate Bond Index</i>	0.39	3.54	3.54	2.24	2.10
<i>Bloomberg Barclays 1-10 Year Municipal Blend Index</i>	-0.22	3.49	3.49	1.94	2.02
<i>Bloomberg Barclays 1-15 Year Municipal Blend Index</i>	0.15	4.33	4.33	2.37	2.46
Metropolitan West Total Return Bd I	0.38	3.43	3.43	2.10	-
Federated Total Return Bond R6	0.59	-	-	-	-
Opportunistic Fixed	1.10	8.51	8.51	5.57	4.21
<i>Bloomberg Barclays U.S. Corporate High Yield Index</i>	0.47	7.50	7.50	6.35	5.78
<i>Bloomberg Barclays U.S. Aggregate Bond Index</i>	0.39	3.54	3.54	2.24	2.10
PIMCO Income Instl	1.10	8.51	8.51	6.56	6.35
U.S. Large	6.41	22.89	22.89	10.37	14.41
<i>Russell 3000 Index</i>	6.34	21.13	21.13	11.12	15.58
<i>S&amp;P 500 Index</i>	6.64	21.83	21.83	11.41	15.79
Touchstone Sands Capital Inst Gr	3.78	34.74	34.74	7.43	13.69
Vanguard 500 Index Admiral	6.64	21.79	21.79	11.39	-
Sterling Capital Equity Income Instl	7.28	20.96	20.96	10.72	-
U.S. Small/Medium	4.44	17.76	17.76	10.20	14.85
<i>Russell 2000 Index</i>	3.34	14.65	14.65	9.96	14.12
<i>Russell Midcap Index</i>	6.07	18.52	18.52	9.58	14.96
American Beacon Small Cp Val Inst	3.15	8.68	8.68	-	-
T. Rowe Price Instl Mid-Cap Equity Gr	4.64	-	-	-	-
Sterling Capital Stratton SmCp Val Instl	4.61	13.19	13.19	10.72	14.27
Vanguard Extended Market Index Admiral	4.82	18.11	18.11	9.87	-
International Developed	4.23	25.53	25.53	8.99	7.98
<i>MSCI ACWI ex USA Index</i>	5.00	27.19	27.19	7.83	6.80

## Performance History

Security	Quarter To Date	Year To Date	Latest 1 Year	Annualized Latest 3 Years	Annualized Latest 5 Years
<i>MSCI EAFE (USD) Index</i>	4.23	25.03	25.03	7.80	7.90
Vanguard Developed Markets Index Admiral	4.45	26.40	26.40	8.88	-
Harbor International Retirement	2.20	-	-	-	-
International Emerging	5.70	35.33	35.33	9.82	6.27
<i>MSCI Emerging Markets Index</i>	7.44	37.28	37.28	9.10	4.35
Harding Loevner Instl Emerg Mkts I	5.70	35.33	35.33	9.82	6.27
Total Portfolio Return	4.02	17.50	17.50	7.48	8.04
<i>Broad Benchmark</i>	4.26	16.82	16.82	7.88	9.94
Performance Since Inception					
Total Portfolio Return					5.58
<i>Broad Benchmark</i>					6.85

## Annualized Return vs. Standard Deviation



## Risk Statistics

	Sharpe Ratio	Annualized Standard Deviation	Annualized Return
Total Portfolio Return	0.55	11.00	5.58
Broad Benchmark	0.65	11.15	6.85
Morningstar Allocation 50-70% Equity Category	0.56	10.35	5.41
Bloomberg Barclays U.S. Aggregate Bond Index	1.20	3.20	3.89
Bloomberg Barclays 1-10 Year Municipal Blend Index	1.12	2.99	3.37
Russell 3000 Index	0.67	15.39	9.56
S&P 500 Index	0.68	14.86	9.43
MSCI EAFE (USD) Index	0.26	18.18	3.04

## Portfolio Activity Summary

12/31/2016-12/31/2017

Accounts	%	Beginning Market Value	Contributions (Withdrawals)	Interest/ Dividends	Fees	Gain (Loss)	Ending Market Value
<b>Non-Taxable Accounts</b>							
St. Nicholas Greek Orthodox Church Endowment Fund Charles Schwab #XXXX0329	100.0	1,907,670	4,435	82,844	(11,770)	250,768	2,233,948
<b>Non-Taxable Accounts Total</b>	<b>100.0</b>	<b>\$ 1,907,670</b>	<b>\$ 4,435</b>	<b>\$ 82,844</b>	<b>(\$ 11,770)</b>	<b>\$ 250,768</b>	<b>\$ 2,233,948</b>
<b>Total Portfolio Activity</b>	<b>100.0</b>	<b>\$ 1,907,670</b>	<b>\$ 4,435</b>	<b>\$ 82,844</b>	<b>(\$ 11,770)</b>	<b>\$ 250,768</b>	<b>\$ 2,233,948</b>

## Realized Gains and Losses

US Dollar  
1/1/2017 - 12/31/2017

No data to display for the period

As you review this report, we must bring the following items to your attention. If you have any questions regarding this report, please contact your Relationship Manager.

Performance information provided in this report is not guaranteed and should not be viewed as predictive of future results. We cannot assure you that positive performance results can be achieved. Past performance does not guarantee future results. All investments include risk and have the potential for loss as well as gain. Performance results are presented net of all costs associated with investments in mutual funds, such as management fees, transaction costs, and custodial service costs incurred by the mutual fund. Unless stated otherwise, the performance results also reflect the deduction of fees charged by PMFA for investment advisory services.

This report is not a substitute for the statement(s) you receive from your account custodian. We rely on Custodial records; the information contained in this report is derived from records provided by your custodian. Nearly all custodians provide information using the cash basis of accounting, which differs from the accrual basis of accounting. Many custodians provide information using trade date and others use settlement date for recording security transactions. Differences in accounting methods often impact daily market values and accordingly will impact the change in market value between dates, and the calculation of portfolio, account, and security returns.

Cost basis data is presented for informational purposes only and is not provided to the IRS. The data is not to be used in preparation of tax related documents. This information has been obtained from sources believed to be reliable; however, PMFA does not guarantee the accuracy or completeness thereof and is not responsible for the accuracy of the information provided by you or other sources.

Cost basis data for limited partnership, limited liability company, and other alternative type investments in this report has not been calculated, and is not an accurate representation of cost basis for income tax purposes. Cost basis data for investments received from other custodians/sources or that were purchased prior to being placed under PMFA supervision, may not reflect actual cost basis if it cannot be verified. The data is not to be used in preparation of tax related documents. Erroneous or missing data may result in incorrect realized and/or unrealized gain and loss information for this reason PMFA has removed this data from the realized and unrealized gain and loss reports. Please consult with your accountant/CPA for cost basis information that is calculated in accordance with taxation rules and regulations.

This report is prepared solely to help you with your investment planning. Accordingly, it may be incomplete or contain other departures from generally accepted accounting principles and should not be used to obtain credit or for any purposes other than your investment planning. We have not performed an audit, review, or compilation engagement in accordance with standards established by the American Institute of Certified Public Accountants.

Specific comments appear in the materials that accompanies this report. Plante Moran Financial Advisors publishes this update to convey general information about market conditions and not for the purpose of providing investment advice.

Investment in any of the sectors mentioned herein may not be appropriate for you. Any analysis non-factual in nature constitutes only current opinions, which are subject to change. There may be instances when relationship manager opinions regarding any fundamental or quantitative analysis do not agree. You should consult a representative from Plante Moran Financial Advisors for investment advice regarding your own situation.

Data sources for peer group comparisons, returns, and standard statistical data are provided by the sources referenced and are based on data obtained from recognized statistical services or other sources believed to be reliable. However, some or all information has not been verified prior to the analysis, and we do not make any representations as to its accuracy or completeness. Any analysis non-factual in nature constitutes only current opinions, which are subject to change. There may be instances when consultant opinions regarding any fundamental or quantitative analysis may not agree. Pricing and transaction data for some securities may not have been available at the time this report was prepared. As such, portfolio and performance data may not be complete. Please contact your Relationship Manager if you have any questions.

Included in this report is a Risk Overview Graph. The points on the graph, referred to as scatterplots, illustrate the compounded annual return of your portfolio for the timeframe referenced on the report page and the corresponding average annual risk of the portfolio as measured by standard deviation. For comparative purposes, the graph also includes the average annual return and risk characteristics of a variety of broad market indices for the corresponding period. This data is useful in evaluating the comparative performance and risk of your portfolio relative to those indices. The graph also includes the risk and return data for the average mutual fund in the Morningstar Allocation 50% to 70% Equity Category (formerly Moderate Allocation) as a point of reference for comparison with your portfolio.

The data point represents the average risk and return for all funds within that Morningstar category. Your portfolio may be invested differently than a moderate risk allocation. Also included in the report is an Allocation Summary table. Positions shown in this Allocation Summary table may include assets listed on Schedule B of your consulting agreement.

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Various indices are referenced throughout this report. These are included to provide comparative performance of the asset classes in your portfolio with the corresponding broad market for that asset class. Indices are unmanaged, pay no transaction fees, and reflect past performance and typically reflect the reinvestment of dividends or income. For comparison purposes, the unmanaged indices are fully invested and returns are gross of investment management fees. Investors cannot invest directly in these unmanaged indices. The glossary that accompanies this report contains a description of these indices.

If after a significant business disruption you cannot contact us as you usually do at our main number in Southfield, MI, (248-223-3300) you should call our alternative number, (269-567-4500), or go to our web site ([www.pmfa.com](http://www.pmfa.com)) for additional contact information.

### **Aggressive Allocation Index**

The index is comprised of a 52.5% weight to the Russell 3000 Index, 22.5% weight to the MSCI EAFE (USD) Index, and 25% to the Bloomberg Barclays U.S. Aggregate Bond Index. The index was rebalanced daily.

### **Alerian MLP Index**

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provide investors with an unbiased, comprehensive benchmark for this emerging asset class. The index, which is calculated using a float-adjusted, capitalization-weighted methodology, is disseminated real-time on a price-return basis (NYSE: AMZ) and the corresponding total-return index is disseminated daily through ticker AMZX. Relevant data points such as dividend yield are also published daily. For index values, constituents, and announcements regarding constituent changes, please visit [www.alerian.com](http://www.alerian.com). The index was launched real-time on March 31, 2010, but index performance is provided since December 31, 1999.

### **Balanced Allocation Index**

The index is comprised of a 50% weight to the Bloomberg Barclays U.S. Aggregate Bond Index, 35% weight to the Russell 3000 Index, and 15% weight to the MSCI EAFE (USD) Index. The index was rebalanced daily.

### **Bloomberg Barclays 1-10 Year Municipal Blend Index**

The Bloomberg Barclays 1-10 Year Municipal Blend Index is a market value-weighted index, which covers the short and intermediate components of the Bloomberg Barclays Municipal Bond Index — an unmanaged, market value-weighted index, which covers the U.S. investment-grade tax-exempt bond market. The 1-10 Year Municipal Blend Index tracks tax-exempt municipal General Obligation, Revenue, Insured, and Prefunded bonds with a minimum \$5 million par amount outstanding, issued as part of a transaction of at least \$50 million, and with a remaining maturity from 1 up to (but not including) 12 years. The index includes reinvestment of income.

### **Bloomberg Barclays 1-15 Year Municipal Blend Index**

This is a sub-index of the Bloomberg Barclays Municipal Bond Index; it is a rules-based market value-weighted index of bonds with maturities of one year to 17 years engineered for the tax-exempt bond market.

### **Bloomberg Barclays U.S. Aggregate Bond Index**

Consists of securities that are U.S. domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

### **Bloomberg Barclays U.S. Corporate High Yield Index**

An unmanaged index that covers the universe of fixed-rate, noninvestment-grade debt.

### **Bloomberg Barclays U.S. Treasury U.S. TIPS Index**

An unmanaged index that consists of inflation-protected securities issued by the U.S. Treasury.

### **Bloomberg Commodity Index**

A broadly diversified index that allows investors to track commodity futures through a single, simple measure. The index is composed of futures contracts on 20 physical commodities. It is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc, which trade on the London Metal Exchange (LME).

### **Broad Index (Benchmark)**

The Broad Index is a proprietary index which measures the performance of the Russell 3000 Index, the MSCI ACWI ex USA Index, and the Bloomberg Barclays Aggregate Bond Index, it may include other indices to better align with the composition of the portfolio. The index is weighted to make it an appropriate comparison to the risk level of the portfolio. For example, a Balanced Portfolio Strategy may be compared to a Broad Index with 35% of its performance attributable to the Russell 3000 Index, 15% of its performance attributable to MSCI ACWI ex USA Index, and 50% of its performance attributable to the Bloomberg Barclays Aggregate Bond Index. This index is reflective of your current asset allocation and any prior asset allocation that may have been different. The Index was rebalanced monthly.

### **Citigroup Broad Inst-Grade Bond 1 Month T-Bill**

An unmanaged index representative of one-month Treasury bills.

### **Conservative Allocation Index**

The index is comprised of a 75% weight to the Bloomberg Barclays U.S. Aggregate Bond Index, 17.5% weight to the Russell 3000 Index, and 7.5% weight to the MSCI EAFE (USD) Index. The index was rebalanced daily.

### **Cumulative Return**

The profit or loss, calculated as a percentage, on a given investment or portfolio of investments over a given period of time. Within the context of this report, cumulative return measures the return of the portfolio and broad index since inception through the date of this report.

**Dow Jones U.S. Select REIT Index**

The Dow Jones U.S. Select REIT Index intends to measure the performance of publicly traded REITs and REIT-like securities. The index is a subset of the Dow Jones U.S. Select Real Estate Securities Index (RESI), which represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S.

**HFRX Fixed Income – Credit Index**

HFRX Fixed Income - Credit Index includes strategies with exposure to credit across a broad continuum of credit sub-strategies, including Corporate, Sovereign, Distressed, Convertible, Asset Backed, Capital Structure Arbitrage, Multi-Strategy and other Relative Value and Event Driven sub-strategies. Investment thesis across all strategies is predicated on realization of a valuation discrepancy between the related credit instruments. Strategies may also include and utilize equity securities, credit derivatives, government fixed income, commodities, currencies or other hybrid securities. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. HFRX Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each Index is a pure representation of its corresponding investment focus.

**HFRX Global Hedge Fund Index**

An index designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies, including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event-driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

**Morningstar Allocation 50% to 70% Equity Category (formerly Moderate Allocation)**

Moderate-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative- allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.

**MSCI ACWI ex USA Index**

A free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed (excluding the USA) and emerging markets. The index is shown with minimum dividend reinvested after deduction of withholding tax. For a complete list of countries included in the index please refer to [www.MSCI.com](http://www.MSCI.com).

**MSCI EAFE (USD) Index**

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 quoted in dollars. For a complete list of countries included in the index please refer to [www.MSCI.com](http://www.MSCI.com).

**MSCI Emerging Markets Index**

A free float-adjusted market capitalization index that is designed to measure equity market performance of global emerging markets. For a complete list of countries included in the index please refer to [www.MSCI.com](http://www.MSCI.com).

**NCREIF Property Index**

The NCREIF Property 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. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors - the great majority being pension funds.

**Russell 3000 Index**

An index comprised of the 3,000 largest and most liquid stocks based and traded in the U.S. The U.S.-based requirement disqualifies many large international firms from inclusion into the index. The components of the Russell 3000 Index account for roughly 98% of the total value of all equity traded on U.S. exchanges, making this a very broad index. The index is market-cap weighted, so the largest firms have the biggest impact on the index's value.

**Russell 2000 Index**

The Russell 2000 Value Index tracks the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

**Russell Midcap Index**

The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

**S&P 500 Index**

The Standard & Poor's (S&P) 500 Index tracks the performance of 500 widely held, large-capitalization U.S. stocks.

**S&P/LSTA Performing Loan Index**

A subset of the S&P/LSTA Performing Loan Index, and comprises non-investment-grade and non-rated loans. Tracking only performing loans unlike its parent index, it removes defaulted issues at the price they reach directly following the default.

### **Return**

The profit or loss, calculated as a percentage of principal at the beginning of the period, on a given investment for a defined period of time.

### **Annualized Return vs. Standard Deviation**

A commonly utilized means of comparing the risk and return characteristics for multiple indexes, benchmarks, investments, or portfolios on an annualized basis. Risk is measured as standard deviation as measured by the X axis, while performance is represented on the Y axis. An Annualized Return vs. Standard Deviation chart is particularly useful for illustrating not only relative performance between a variety of indexes or portfolios, but the risk (or volatility) associated with each.

### **Sharpe Ratio**

Sharpe Ratio is a measure of the risk-adjusted return of a portfolio. The Sharpe Ratio is most helpful when comparing managers with both different returns and different levels of risk.

### **Standard Deviation**

A statistical measure of portfolio risk. It reflects the average deviation of the returns from their mean for the historical period being considered. Standard deviation is used as an estimate of risk since it measures the width of the range of returns.

### **Time-Weighted Return (TWR)**

A method of calculating the return of an investment or portfolio that gives the same weight to time periods, regardless of cash flows into or out of the investment or portfolio. Because TWR eliminates or substantially reduces the impact of cash flows on a portfolio, it is the calculation that fairly compares the performance of the portfolio to another manager or index. However, certain underlying assumptions must be made relative to cash flows in calculating TWR that may result in nominal differences in calculated returns reported by different sources for a given period. Returns greater than one year are annualized. (\*) denotes not a meaningful return.

Period returns reported include:  
Quarter To Date: Period since end of last quarter  
Year To Date: Period since end of last calendar year  
Latest 1 Year: Previous 12 months as of report date  
Annualized Latest 3 Years: Previous 3 years as of report date  
Annualized Latest 5 Years: Previous 5 years as of report date