

INVESTMENT REVIEW

for period ending October 31, 2016

Aleutians East Borough

TRUSTED ADVISORS ▪ MORE EXPERTS ▪ BETTER ACCESS



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

Account Summary as of October 31, 2016

Aleutians East Borough Permanent Fund

Account Inception	July 1993
Total Contributions	\$19,386,422
Cumulative Withdrawals <i>Includes management fees</i>	\$11,080,308
Current Market Value <i>October 31, 2016</i>	\$39,859,075
Account Return Since Inception <i>July 31, 1993 – October 31, 2016; Gross of Fees</i>	+6.22%
Current Allocation	66% Equity / 34% Bonds

2016 Asset Allocation Review and Secular Outlook

Portfolio Review

Market Value

\$39,859,075

as of October 31, 2016

Performance

+6.22%

July 31, 1993 - October 31, 2016,
Annualized

Current Allocation

**66% Equity /
34% Fixed Income**

Annual Asset Review

Fund Review: Proposed ordinance language to replicate changes made for Int'l funds in 2015

Asset Classes: Portfolio is well diversified – no changes at this time

Expected Returns: Equity similar vs. 2015; increase in U.S. bonds due to expected normalization

Strategic Asset Allocation

Based upon APCM's 2016 assumptions the current allocation is expected to provide an annual return of

+6.7% over a 10-year horizon.

Is the return sufficient to meet the account's goals or objectives?

Secular Outlook

Modest Global Growth
and
Low Inflation

Debt and
Demographics vs.
Technological
Innovation

Expected Returns
Remain Subdued

Portfolio Review

as of October 31, 2016

Historical Market Value as of October 31, 2016

Aleutians East Borough Permanent Fund

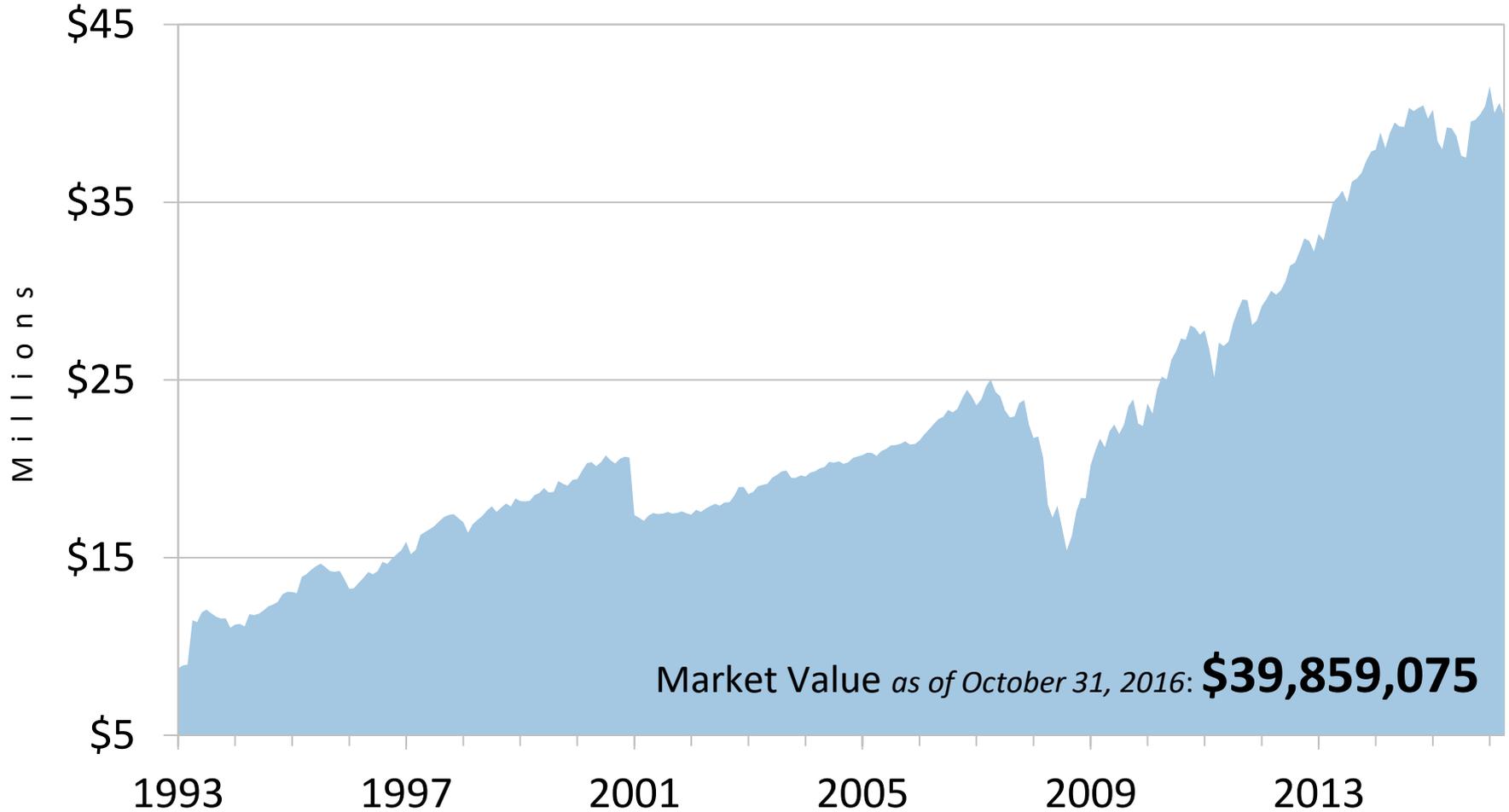


Chart shows month-end portfolio market value from July 1993 to October 2016.

Historical Asset Allocation Since Inception

Aleutians East Borough Permanent Fund

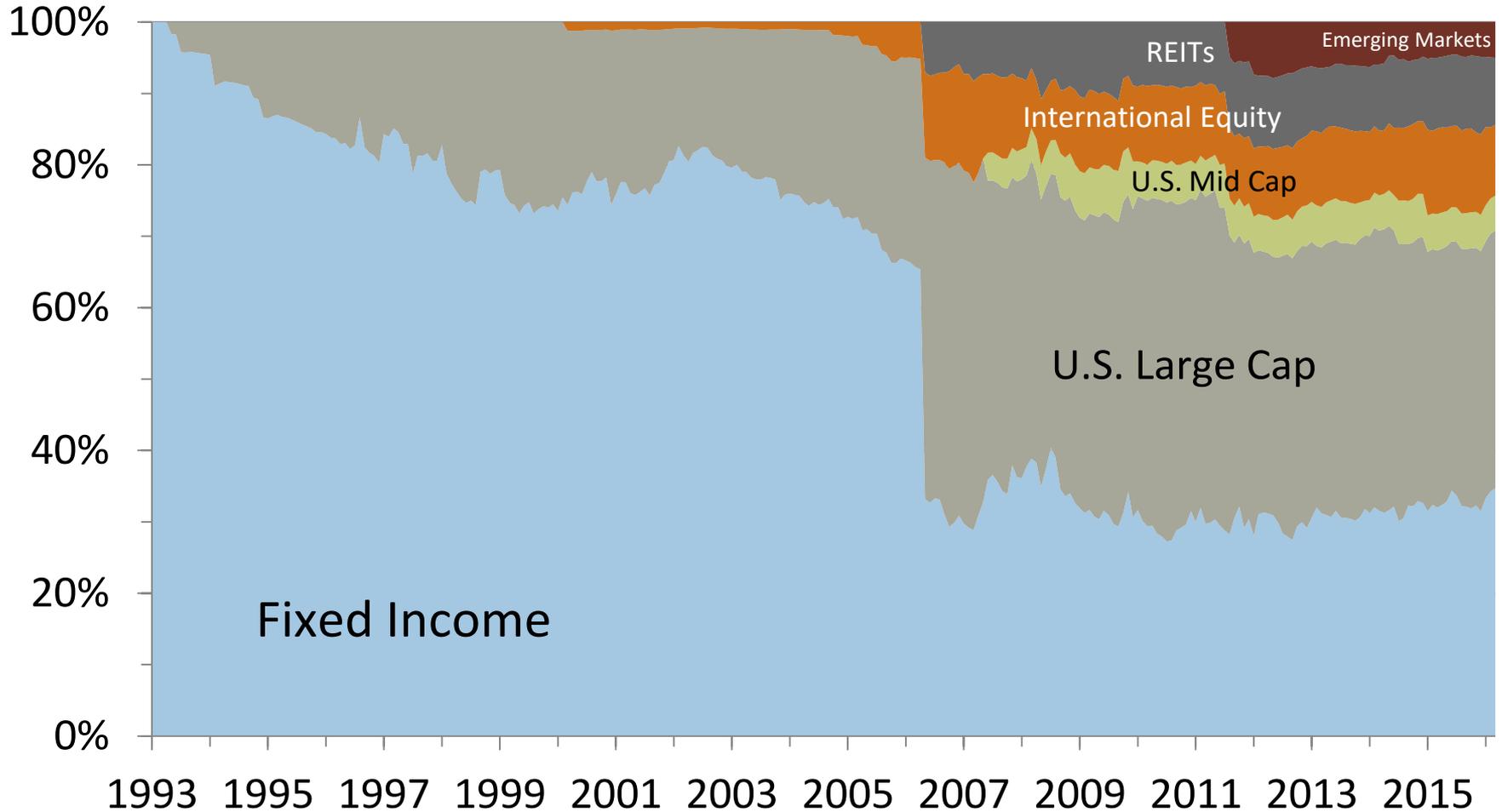
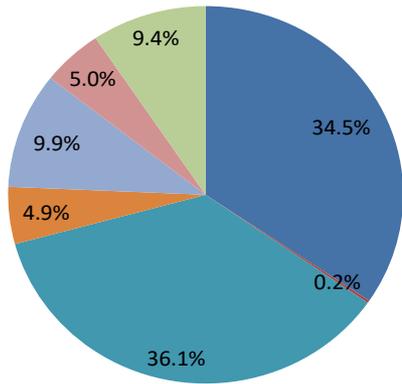


Chart shows actual month end portfolio allocation from August 31, 1993 to October 31, 2016

**PORTFOLIO
REVIEW**

Asset Allocation as of October 31, 2016

Aleutians East Borough Permanent Fund



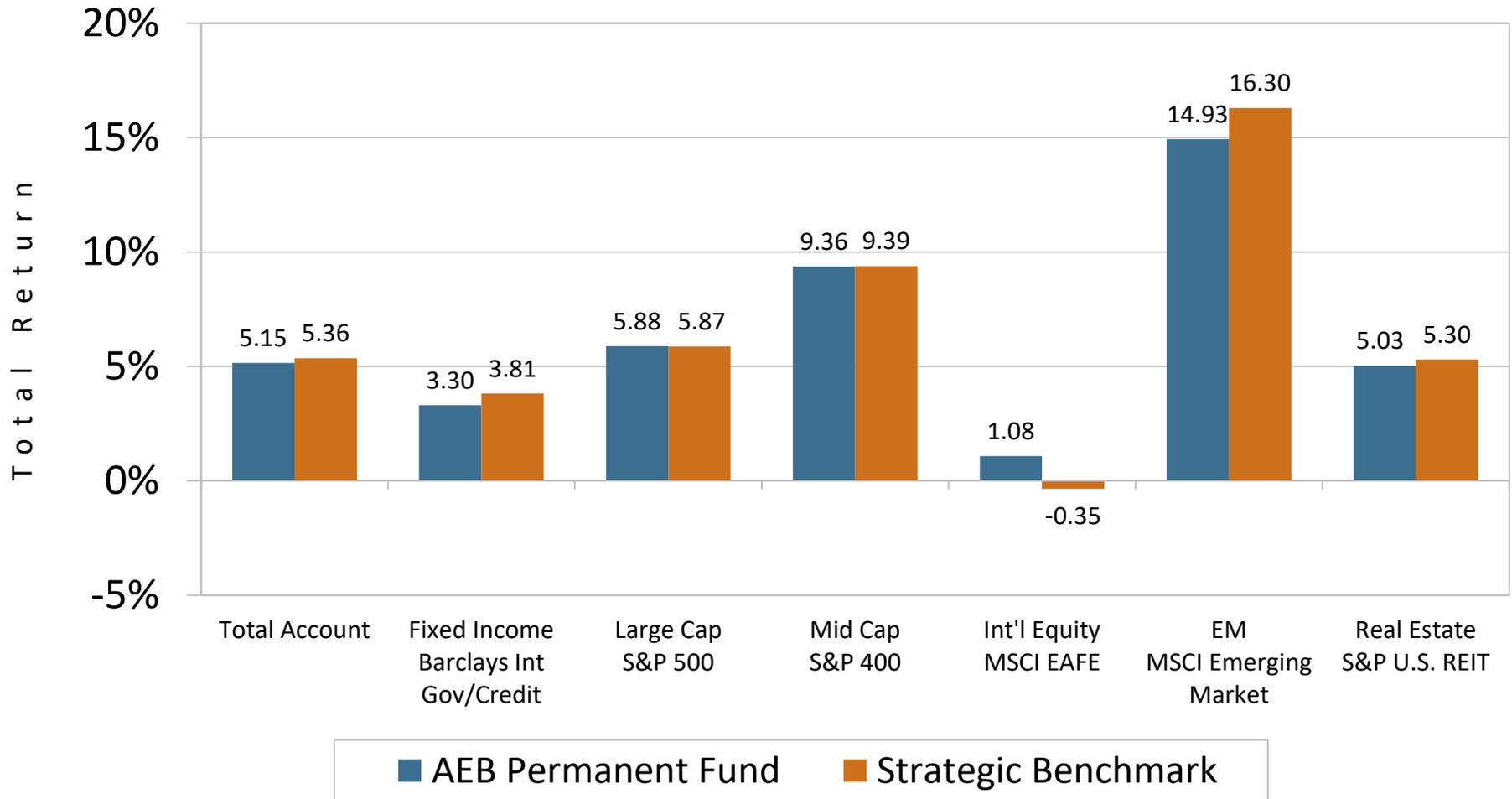
- U.S. Fixed Income
- Large Cap
- International
- Real Estate
- Cash
- Mid Cap
- Emerging Markets

Asset Class	% Assets	Strategic Benchmark	Range	Market Value
Fixed Income	34.7%	34%	25-60%	\$13,830,249
U.S. Fixed Income	34.5%			\$13,744,819
Cash	0.2%			\$85,430
Equities	65.3%	66%		\$26,028,826
Large Cap	36.1%	36	30-50%	\$14,388,134
Mid Cap	4.9%	5	0-10	\$1,946,117
International	9.9%	10	5-15	\$3,959,932
Emerging Markets	5.0%	5	0-10	\$1,983,903
Real Estate	9.4%	10	5-15	\$3,750,740
Total				\$39,859,075

**PORTFOLIO
REVIEW**

Account Performance YTD as of October 31, 2016

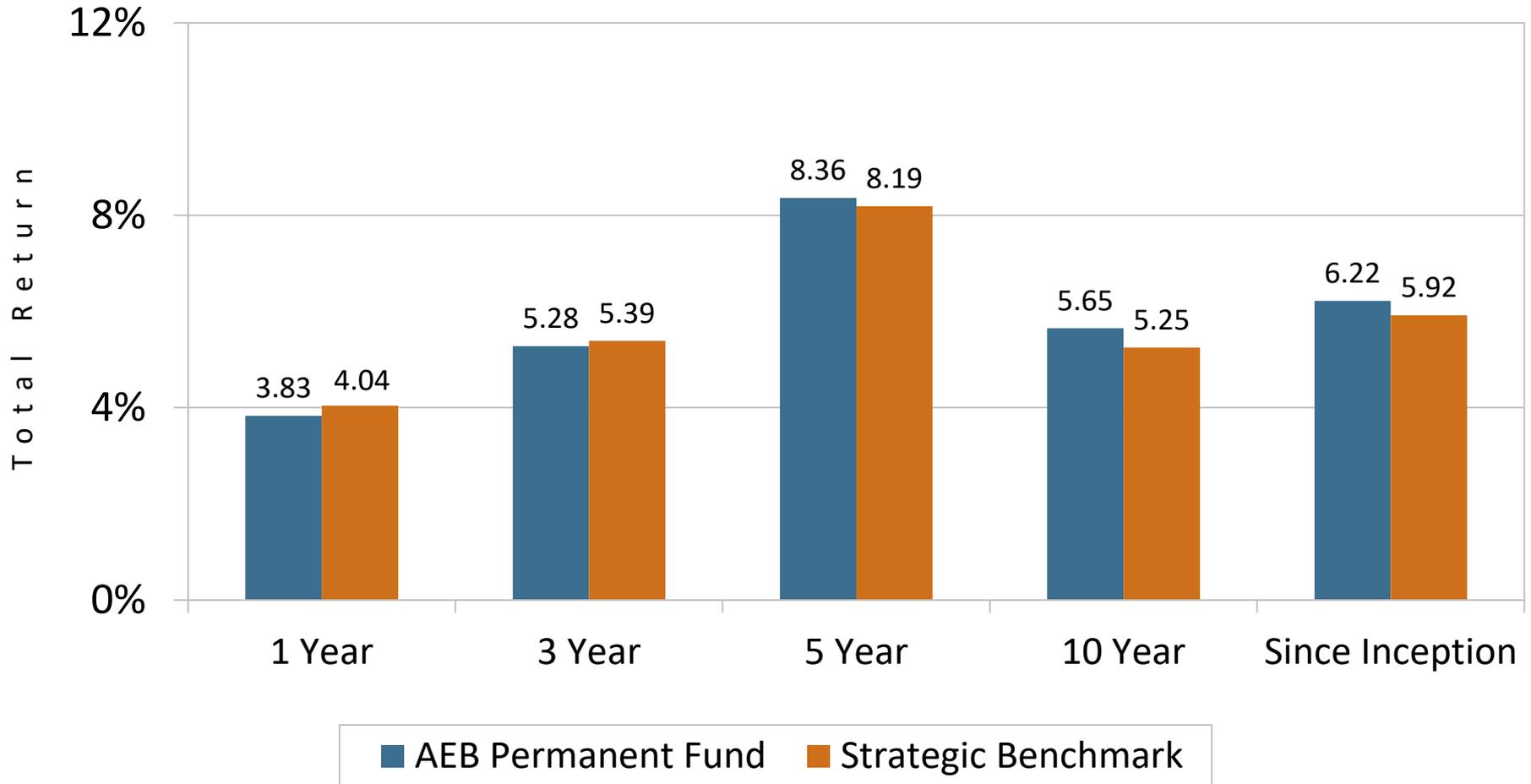
Aleutians East Borough Permanent Fund



Performance is gross of fees. Total account benchmark is a blended return of the account's target allocation.

Account Performance as of October 31, 2016

Aleutians East Borough Permanent Fund



Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on July 31, 1993. Strategic benchmark is a blended return of the account's target allocation.

AEB Summary of Accounts

Account Name <i>Benchmark</i>	Market Value <i>as of October 31, 2016</i>	2016 Performance <i>as of October 31, 2016</i>	Since Inception <i>as of October 31, 2016</i>
AEB Permanent Fund <i>Balanced Account – Blended Benchmark</i>	\$39,859,075	5.15 5.36	6.22 5.92
AEB 2010 Series A <i>50% Barclays 1-3 Gov / 50% 90 Day T-Bill</i>	\$1,019,484	0.46 0.73	0.31 0.37
AEB 2010 Series B <i>50% Barclays 1-3 Gov / 50% 90 Day T-Bill</i>	\$2,029,908	0.40 0.73	0.30 0.37
AEB-Akutan Harbor 2006 <i>90 Day T-Bill</i>	\$1,513,414	0.67 0.21	1.61 1.05
AEB Series E <i>90 Day T-Bill</i>	\$2,469,466	0.42 0.21	1.55 1.25
AEB Operating Fund <i>90 Day T-Bill</i>	\$2,529,151	0.47 0.21	1.57 1.32

Annual Asset Review

Prudent Investment Management Process

Annual Review

- 1 Review secular outlook
- 2 Update capital market return and risk projections
- 3 Consider additions to or a reduction in the currently invested asset classes
- 4 ETF/Mutual Fund Review

Review w/ client and affirm or change allocation as necessary

Determine investment goals and objectives; Approve an appropriate asset allocation strategy

Plan

Develop optimal portfolios that capitalize on investment philosophy

Analyze

Collaborative Process Led by Assigned Portfolio Managers

Review

*Regular reporting and communication with client;
Annual review of asset allocation and capital market assumptions*

Implement

Invest funds and manage based on client needs with modest tilts given market environment

APCM's Research and Annual Review

Market Analysis	1 Secular Outlook	<p>What are the major global themes over the next 10 years?</p> <p>Modest Global Growth and Low Inflation Debt & Demographics vs. Technology Subdued Expected Returns</p>								
	2 Capital Market Projections	<p>How will markets respond to the secular outlook themes?</p> <ul style="list-style-type: none"> • Long term return expectations for stocks are subdued compared to historical returns to reflect modest global growth, current valuations, and structural headwinds. • Rate normalization will eventually help long term return expectations for bonds, but should be gradual given the projection for modest global economic growth. 								
Due Diligence	3 Asset Class Review	<p>What asset classes should I own?</p> <table border="0"> <tr> <td>Stocks</td> <td>Bonds</td> <td>Alternatives</td> <td>Opportunistic</td> </tr> <tr> <td><i>U.S. (Large, Mid, Small), Int'l (Developed, EM)</i></td> <td><i>U.S. Fixed, TIPS, Int'l Fixed</i></td> <td><i>U.S. REITs, Commodities</i></td> <td><i>Global REITs, High Yield, EM Debt, PE</i></td> </tr> </table>	Stocks	Bonds	Alternatives	Opportunistic	<i>U.S. (Large, Mid, Small), Int'l (Developed, EM)</i>	<i>U.S. Fixed, TIPS, Int'l Fixed</i>	<i>U.S. REITs, Commodities</i>	<i>Global REITs, High Yield, EM Debt, PE</i>
	Stocks	Bonds	Alternatives	Opportunistic						
<i>U.S. (Large, Mid, Small), Int'l (Developed, EM)</i>	<i>U.S. Fixed, TIPS, Int'l Fixed</i>	<i>U.S. REITs, Commodities</i>	<i>Global REITs, High Yield, EM Debt, PE</i>							
4 ETF/Mutual Fund Review	<p>What funds should I own?</p> <p>Efficiency – <i>Can I trust it?</i></p> <p>Tradability – <i>Can I trade it?</i></p> <p>Fit – <i>Can I do better?</i></p> <p>Implementation Strategies</p> <p><i>Smart Beta</i></p> $R_{it} - R_f = \alpha_i + \beta_i(R_m - R_f) + \epsilon_{it}$									

Proposed Ordinance Language

- **In 2015, AEB updated ordinance language** to allow the purchase of new international funds.
- This language allows AEB to own a fund that replicates a **“substantially similar index”** to the specified international benchmark indices.
- APCM recommends amending Ordinance Serial NO. 16-03 Section 1 (1) (a), (c), and (d) to **include the same language for the remaining asset classes.**
- Completing this amendment will allow APCM to implement incremental tilts **without materially changing the return and risk expectations of the asset allocation that AEB has selected.**
- The proposed language **maintains prudent investment limitations while also reducing the need for further ordinance changes in the future.**

Strategic Asset Allocation

Observations on Asset Allocation

Aleutians East Borough Permanent Fund

- The strategic asset allocation of the fund is on or **very close to the efficient frontier**.
- Portfolio is **diversified** across many asset classes and has **ample liquidity** given its current holdings.
- Over an approximate **ten year time horizon**, the portfolio is **expected** to earn an average of **6.7% per year**.
- The Permanent Fund has **exceeded its current goal** of achieving a **\$20MM balance**. Current policy allows for **annual distributions of up to 8% per year**. Withdrawals have been modest in recent years (Avg. 3.1% of MV for last 2 years).
- Given the current asset allocation's expected return of 6.7% per year, **distributing at the maximum allowed rate would erode the current balance of the fund over time**.
- If the Borough wants to **maintain the current purchasing power** of the fund, **distributions should be limited to less than 5%** or changes to the asset allocation should be considered.

Asset Class	66% Equity / Current	
Large Cap Equity		36.0%
Mid Cap Equity		5.0%
International Equity		10.0%
Emerging Markets Equity		5.0%
REITs		10.0%
U.S. Fixed Income		34.0%
APCM's Forward Looking Assumptions	Return	6.7%
	Risk	11.0%
	Ratio	0.61

6.7% Expected Return - 5% Distribution - 2% Expected Inflation = - 0.3%

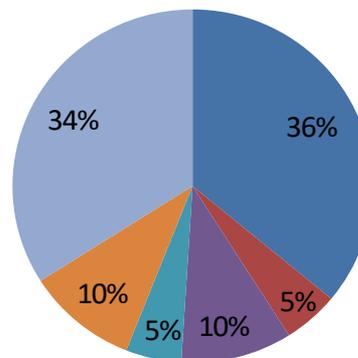
Asset Allocation

Aleutians East Borough Permanent Fund

Asset Class

Large Cap Equity
Mid Cap Equity
International Equity
Emerging Markets Equity
REITs
U.S. Fixed Income

66% Equity

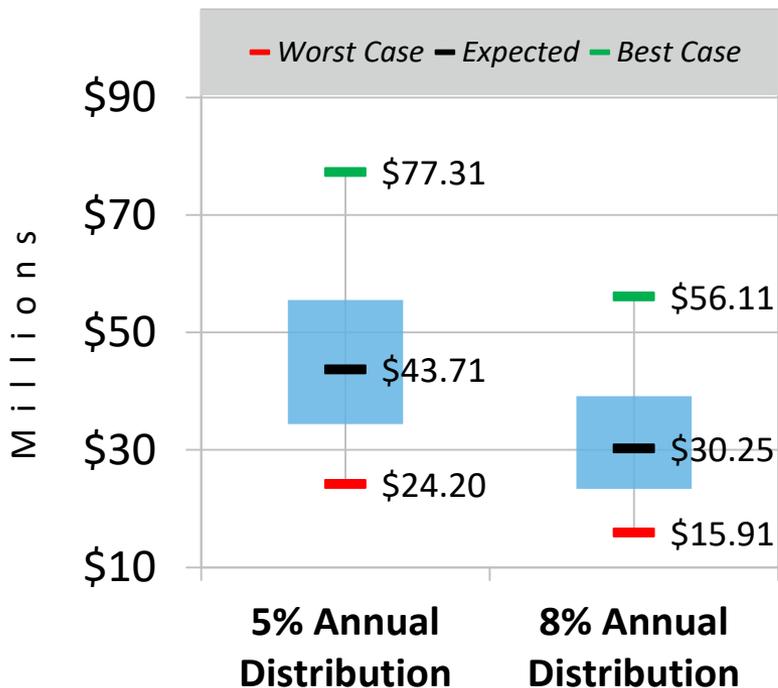


APCM's Forward Looking Assumptions	Return	6.7%
	Risk	11.0%
	Ratio	0.61
Annualized Historical Returns 9/1997 - 12/2015	Return	6.7%
	Risk	10.5%
	Ratio	0.64
Best 12 Month Period		34.4%
Worst 12 Month Period		-30.0%

Risk and return data from Windham Portfolio Advisor.

Wealth Simulation 10 Year Horizon

Aleutians East Borough Permanent Fund



Confidence Level <i>Likelihood of Achieving this Market Value or Better Out of 5,000 Trials</i>			66% Equity	
			5% Annual Distribution	8% Annual Distribution
Best Case	5%	250/5,000	\$77,309,410	\$56,111,020
	25%	1,250/5,000	\$55,535,430	\$39,168,930
	50%	2,500/5,000	\$43,709,000	\$30,251,180
Expected	75%	3,750/5,000	\$34,401,530	\$23,371,770
	95%	4,750/5,000	\$24,196,700	\$15,905,460
Worst Case				

66% Equity	2016	2017	2018	2019	2020	2021	2022	2023	2034	2025
5% Annual (MMs)	\$1.99	\$2.00	\$2.00	\$2.01	\$2.03	\$2.05	\$2.07	\$2.09	\$2.11	\$2.12
8% Annual (MMs)	\$3.19	\$3.14	\$3.10	\$3.07	\$3.03	\$2.96	\$2.88	\$2.81	\$2.73	\$2.64

Data: Windham Portfolio Advisor. Simulation method: Monte Carlo. Portfolio starting value of \$39.8 MM. Cash flows are at the 50% confidence level. Distributions smoothed over a 5 year moving average.

Asset Allocation Considerations

Factors

AEB Permanent Fund

T	Time Horizon	Perpetual
R	Risk Tolerance	Commensurate with Return Objective
E	Expected Return	Commensurate with Distribution Rate <i>Maximum of 8% Per Year</i>
A	Asset Class Preference	Domestic Equity (large/mid), International Equity (developed/emerging), REITs, U.S. Fixed Income
T	Tax Status	Tax Exempt

- Given the current asset allocation's expected return of 6.7% per year, **distributing at the maximum allowed rate would erode the current balance of the fund over time.**
- If the Borough wants to **maintain the current purchasing power** of the fund, **distributions should be limited to less than 5%** or changes to the asset allocation should be considered.
- 6.7%** Expected Return - **5%** Distribution - **2%** Expected Inflation = **- 0.3%**

Appendix

Annual Review (pg. 20-23)

Smart Beta Research

Strategic Asset Allocation (pg. 24)

2016 Asset Class Assumptions and Efficient Frontier

Secular Outlook (pg. 25-30)

Market Themes Over The Next Ten Years

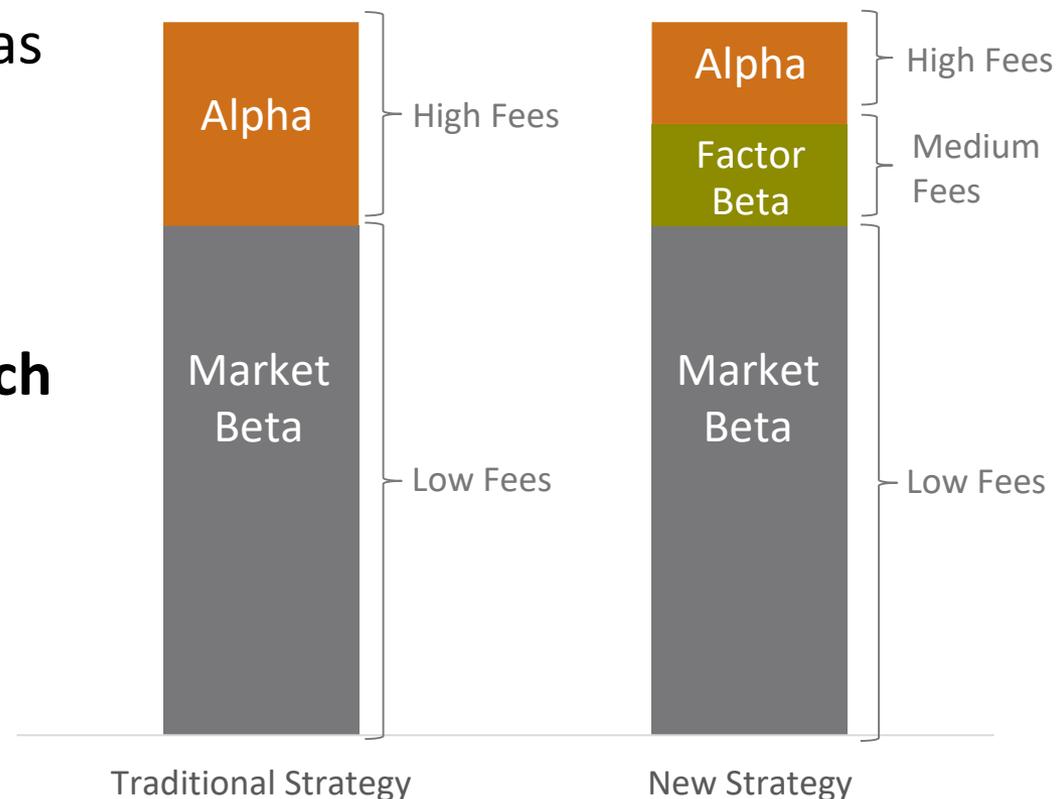
APCM Evaluated Smart Beta

- **“Smart Beta”** is a broad term that covers a wide range of different strategies (**anything that is not cap weighted**).
 - Some of them include: factor-based, low volatility, fundamentally-weighted, momentum, etc.
- APCM’s research concluded that **Smart Beta can add incremental value**.
- Academic studies have shown that the **quality factor** (i.e. companies with higher quality earnings) **increases risk adjusted returns over a long time horizon**.
- APCM selected a U.S. Large Cap fund that **provides exposure to quality, while maintaining similar return and risk characteristics as AEB’s current benchmark**.

Smart Beta Provides Exposure to Factors

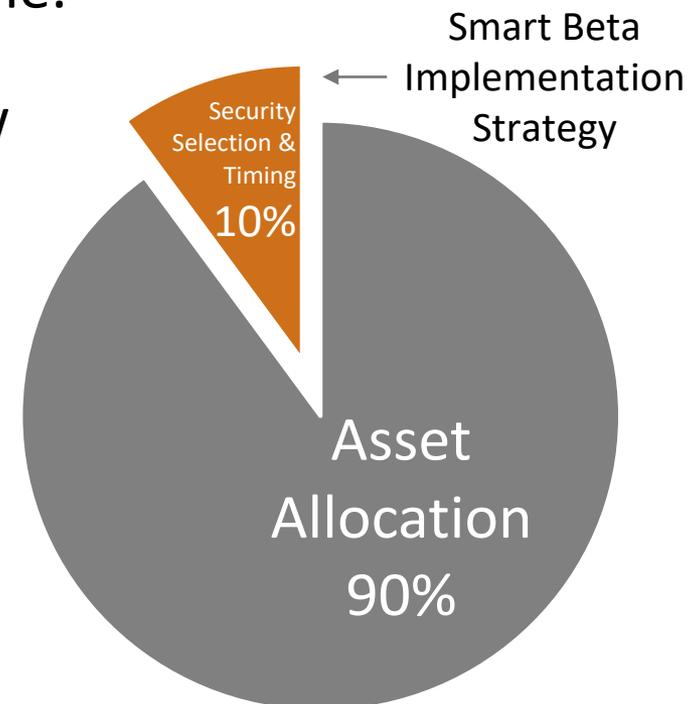
- Recent research shows **active managers are not generating** as much **alpha** as once thought.
- Many active strategies can be **replicated by using a simple rules based approach** and focusing on **beta** to fundamental factors.
- Pure **alpha** still exists, but it is very difficult and **expensive** to achieve and sustain over time.

Sources of Return



Smart Beta Fits in APCM's Philosophy

- **Asset allocation** is the primary source of a portfolio's return.
- However, the investment **implementation strategy** can add incremental value to a portfolio over time.
- **Smart Beta** (or factor investing) is a new **implementation strategy** that has the potential to provide cost effective exposure to factors for **increased returns or reduced risk**.
- In the past these factors were mainly available through active managers with higher fees.

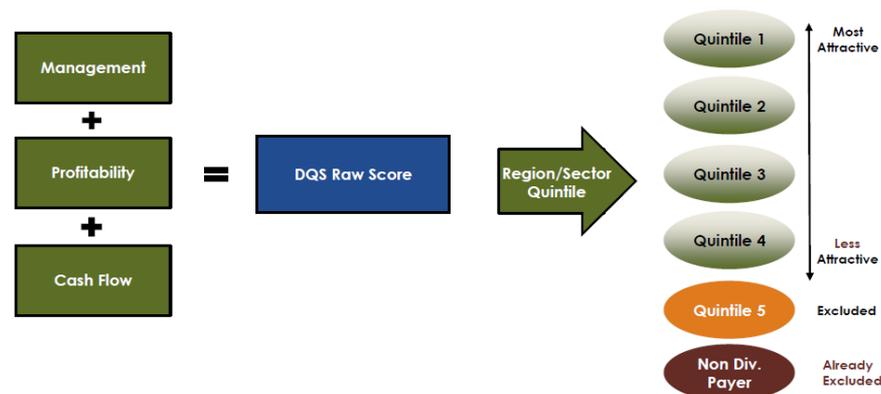


QDF Methodology

- QDF is a **quality focused fund** which selects securities via a rules-based approach with the following three main input factors:
 - Management Efficiency (capital allocation)
 - ◆ Capital expenditures
 - ◆ External financing
 - Profitability
 - ◆ Return on equity
 - Cash Flow
 - ◆ Cash on balance sheet

- There are **constraints** on individual security, sector and industry weights **which limit concentration risk.**

- The index is rebalanced quarterly.

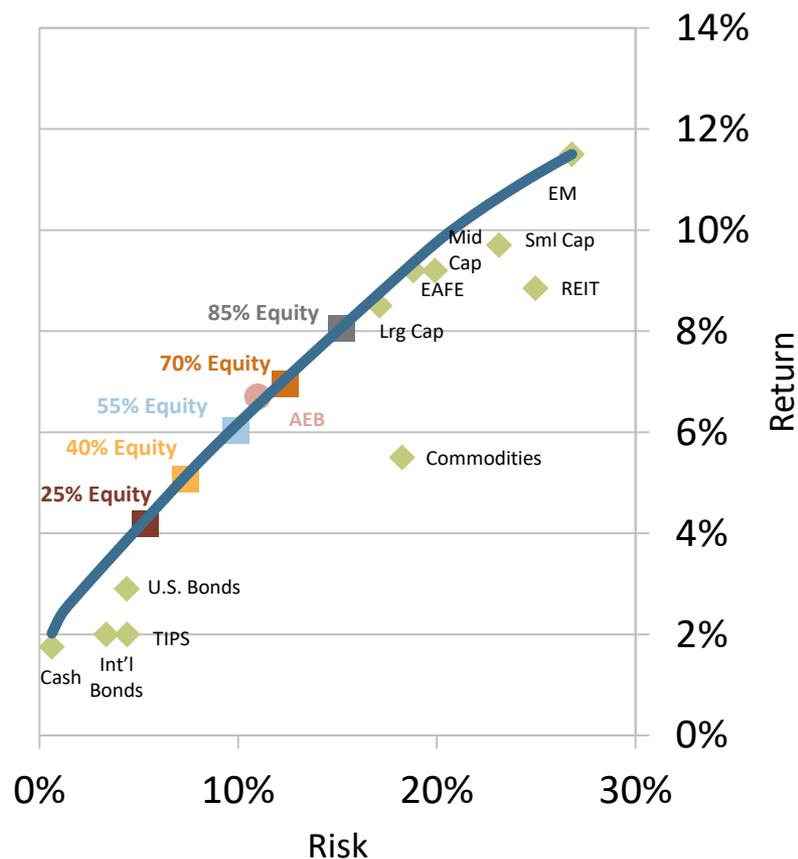


2016 Assumptions and Efficient Frontier

Equity returns substantially similar to 2015; bond returns slightly higher to reflect expected normalization over the next ten years.

APCM Annualized Return and Risk Assumptions		
10 Year Horizon	Return	Risk
U.S. Large Cap Equities	8.5%	17.1%
U.S. Mid Cap Equities	9.2%	19.9%
U.S. Small Cap Equities	9.7%	23.1%
Int'l Developed Equities	9.2%	18.8%
Emerging Market Equities	11.5%	26.8%
REITs	8.9%	25.0%
U.S. Fixed Income	2.9%	4.4%
U.S. TIPS	2.3%	4.4%
International Bonds	1.5%	3.4%
Commodities	5.5%	18.3%
Cash	2.0%	0.6%

Efficient Frontier



Shaded color in the table above represents the direction of change from APCM's 2015 assumptions.

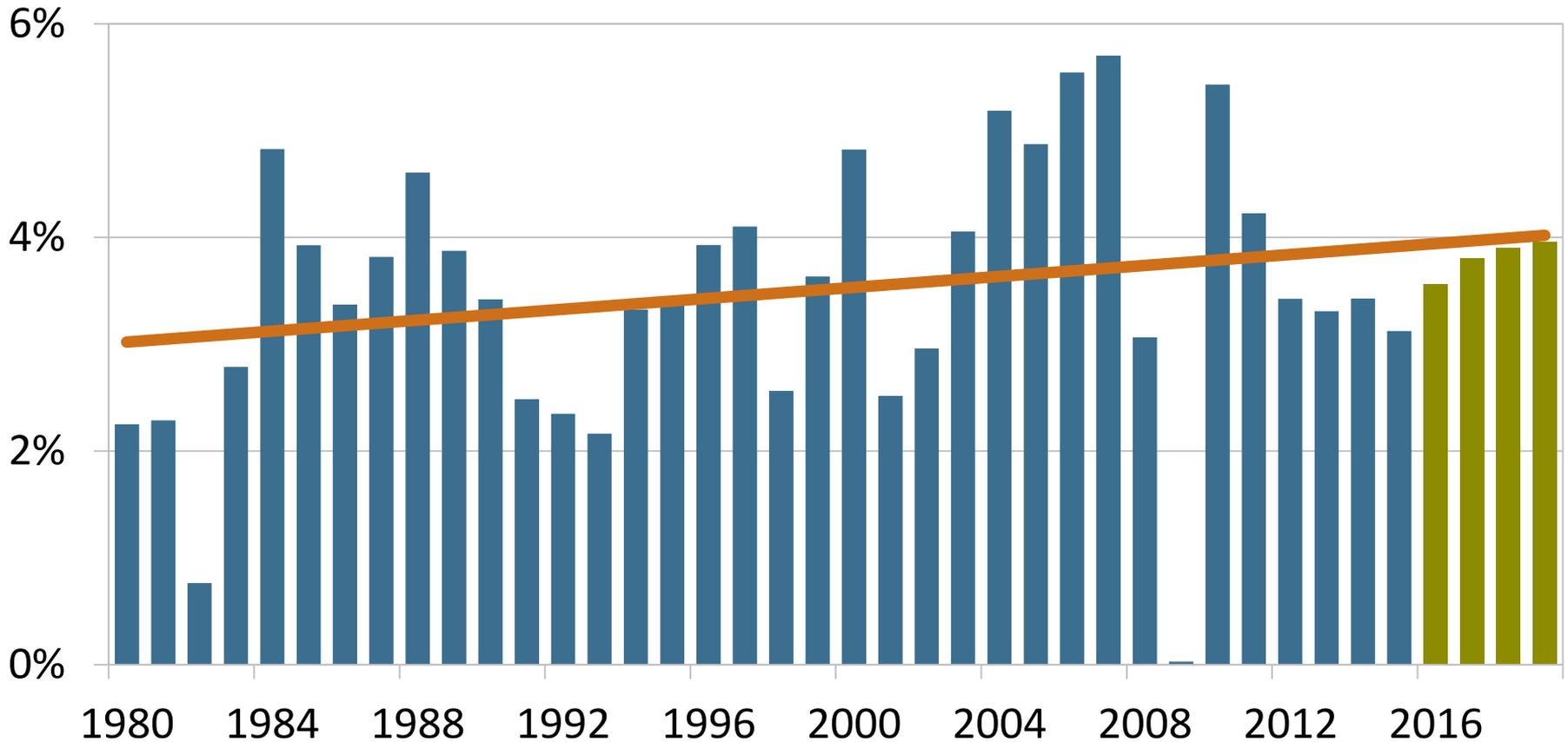
Red = Lower, Green = Higher, Gray = Unchanged

Market Themes Over The Next 10 Years

- **Modest Global Growth and Low Inflation**
 - U.S. expansion entering its seventh year as growth rate subpar, but getting better
 - Lack of inflationary pressures throughout the world
 - “Normalization” of monetary policy will likely be slow and bumpy
- **Debt and Demographics vs. Technological Innovation**
 - Global debt continues to rise as developed nations face unfavorable demographics
 - U.S. Federal budget deficits improving, but long-term entitlement problems persist
 - Productivity increases and technological innovation through BRAIN will be key
- **Expected Returns Remain Subdued**
 - Modest returns expected from fixed income as rates gradually rise
 - U.S. equities fully valued vs. developed and emerging markets

Global Growth Trend Expected to Continue

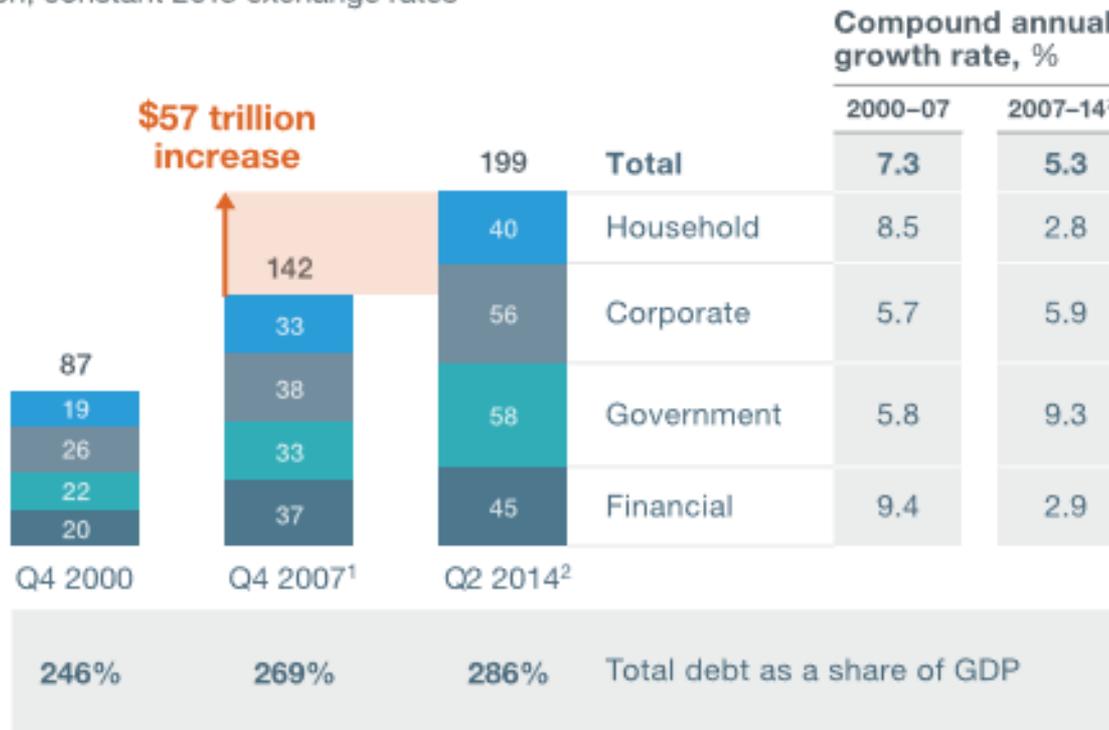
Annual World GDP Growth



Data: IMF as of October 2015

Debt and Demographics vs. Technological Innovation: Global Debt Levels Continue to Increase

Global stock of debt outstanding,
\$ trillion, constant 2013 exchange rates



¹Figures do not sum to total, because of rounding.

²Q2 2014 data for advanced economies and China; Q4 2013 data for other developing countries.

Source: Bank for International Settlements; Haver Analytics; International Monetary Fund *World Economic Outlook*; national sources; McKinsey Global Institute analysis

- **Secular stagnation**

theorists (just like Malthus) believe technological change is fizzling and expect little growth and stagnant living standards.

“Of all the scientists that ever lived, more than 90% are alive today.”

OECD - March 2000

- **Rational optimists**

argue we are on the cusp of a new era of great progress and innovation:

Biototechnology

Robotics

Artificial

Intelligence

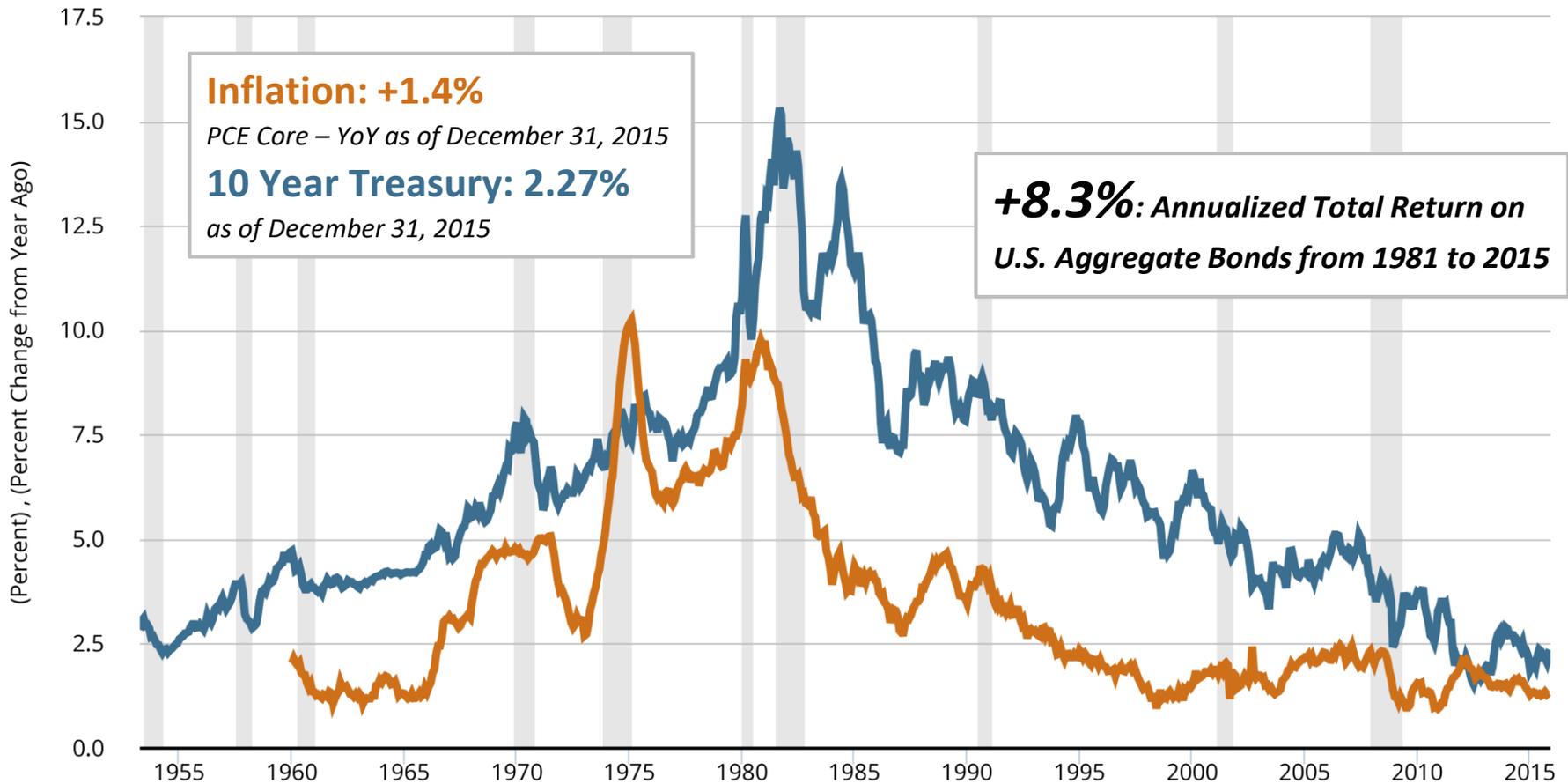
Nanotechnology

Expected Returns Remain Subdued:

10 Year U.S. Treasury Rate and Core Inflation



- 10-Year Treasury Constant Maturity Rate
- Personal Consumption Expenditures Excluding Food and Energy (Chain-Type Price Index)



Source: FRB of St. Louis. Shaded areas indicate U.S. recessions.

SECULAR
OUTLOOK

Expected Returns Remain Subdued:
U.S. Equity Market Perspective

S&P 500
Five Year Annualized Return
Ending December 31, 2015:
+12.5%

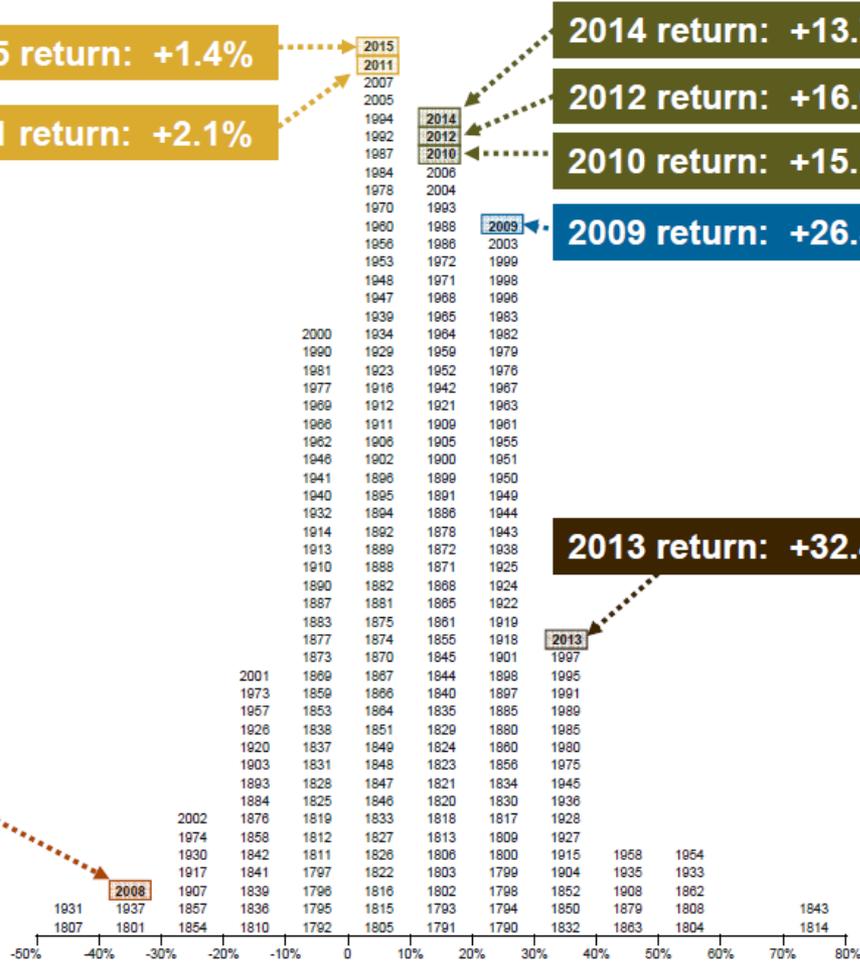


Very Unusual

2008 return: -37.0%

2013 return: +32.4%

Unusual



Source: Callan

Portfolio Appraisal

ALEUTIANS EAST BOROUGH

October 31, 2016



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
300,000	US TREASURY NOTES 0.625% Due 05-31-17	99.68	299,032	100.02	300,060	0.75	1,875	789	0.59
250,000	US TREASURY NOTES 1.875% Due 09-30-17	103.03	257,568	101.07	252,665	0.63	4,687	412	0.70
500,000	US TREASURY NOTES 0.750% Due 10-31-17	99.79	498,945	100.02	500,115	1.25	3,750	10	0.73
750,000	US TREASURY NOTES 1.125% Due 06-15-18	100.01	750,084	100.49	753,660	1.89	8,437	3,204	0.82
700,000	US TREASURY NOTES 0.875% Due 10-15-18	100.06	700,437	99.99	699,944	1.76	6,125	286	0.88
525,000	US TREASURY NOTES 3.500% Due 05-15-20	108.96	572,046	108.19	567,987	1.42	18,375	8,488	1.13
950,000	US TREASURY NOTES 1.375% Due 05-31-20	98.87	939,262	100.86	958,198	2.40	13,062	5,496	1.13
700,000	US TREASURY NOTES 1.625% Due 06-30-20	101.20	708,434	101.70	711,921	1.79	11,375	3,833	1.15
1,225,000	US TREASURY NOTES 2.125% Due 08-15-21	99.13	1,214,287	103.63	1,269,455	3.18	26,031	5,517	1.34
625,000	US TREASURY NOTES 2.000% Due 10-31-21	101.35	633,457	103.07	644,212	1.62	12,500	35	1.36
700,000	US TREASURY NOTES 1.750% Due 03-31-22	100.32	702,242	101.66	711,592	1.79	12,250	1,077	1.43
400,000	US TREASURY NOTES 2.500% Due 08-15-23	99.00	395,982	105.77	423,080	1.06	10,000	2,120	1.60
450,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	451,020	104.96	472,342	1.19	10,687	2,265	1.69
300,000	US TREASURY NOTES 2.000% Due 08-15-25	97.09	291,258	101.71	305,145	0.77	6,000	1,272	1.79
500,000	US TREASURY NOTES 1.625% Due 02-15-26	102.28	511,387	98.34	491,720	1.23	8,125	1,722	1.82
250,000	US TREASURY NOTES 1.500% Due 08-15-26	99.48	248,691	97.02	242,540	0.61	3,750	795	1.83
	Accrued Interest				37,322	0.09			
			9,174,132		9,341,960	23.44		37,322	
FNMA & FHLMC									
32,222	FHLMC POOL G14203 4.000% Due 04-01-26	104.56	33,693	106.66	34,368	0.09	1,289	107	1.43

* Callable security

Portfolio Appraisal

ALEUTIANS EAST BOROUGH

October 31, 2016



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
295,395	FNCI POOL AS6305 3.000% Due 12-01-30	103.77	306,518	104.69	309,258	0.78	8,862	738	NA
289,751	FNCI POOL BC2737 2.500% Due 05-01-31 Accrued Interest	103.04	298,545	102.98	298,397	0.75	7,244	604	NA
					1,450	0.00			
			638,756		643,472	1.61		1,450	
CORPORATE BONDS									
150,000	STATOIL ASA 3.125% Due 08-17-17	107.07	160,599	101.54	152,313	0.38	4,687	964	1.16
150,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	117.17	175,749	104.25	156,372	0.39	9,300	775	1.51
250,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	118.60	296,495	105.26	263,140	0.66	13,750	4,049	1.10
150,000	WACHOVIA CORP 5.750% Due 02-01-18	99.57	149,358	105.21	157,819	0.40	8,625	2,156	1.52
150,000	CHEVRON CORP 1.365% Due 03-02-18	99.86	149,784	100.16	150,244	0.38	2,047	336	1.24
150,000	COMMONWEALTH EDISON 6.950% Due 07-15-18	123.20	184,800	107.97	161,962	0.41	10,425	3,070	2.16
150,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	150,718	101.68	152,523	0.38	3,150	910	1.32
150,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	174,771	112.43	168,642	0.42	11,250	2,375	1.92
150,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	119.15	178,728	107.67	161,508	0.41	7,050	1,488	1.29
150,000	MICROSOFT CORP 4.200% Due 06-01-19	117.24	175,854	107.49	161,239	0.40	6,300	2,625	1.24
200,000	TORONTO-DOMINION BANK 2.250% Due 09-25-19	101.89	203,782	101.92	203,840	0.51	4,500	450	1.57
150,000	HSBC USA INC 2.375% Due 11-13-19	99.61	149,412	100.89	151,341	0.38	3,562	1,662	2.07
200,000	ENTERPRISE PRODUCTS OPER 5.200% Due 06-01-20	112.75	225,494	111.42	222,834	0.56	10,400	1,733	1.89
250,000	PNC BANK NA 2.450% Due 11-05-20	99.72	249,300	101.88	254,712	0.64	6,125	2,994	1.96
150,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	163,806	110.03	165,039	0.41	6,562	547	1.99

* Callable security

Portfolio Appraisal

ALEUTIANS EAST BOROUGH

October 31, 2016



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
150,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	149,887	100.92	151,381	0.38	3,375	1,650	2.03
100,000	MORGAN STANLEY 5.500% Due 07-28-21	114.98	114,982	113.51	113,512	0.28	5,500	1,421	2.46
132,877	SOUTHWEST AIRLS 2007-1 PASS 6.150% Due 08-01-22	102.36	136,015	112.75	149,819	0.38	8,172	2,043	3.67
150,000	BANK AMER CORP 3.300% Due 01-11-23	99.34	149,014	102.86	154,293	0.39	4,950	1,512	2.79
150,000	Waste Management Inc 2.400% Due 05-15-23	100.24	150,358	100.30	150,450	0.38	3,600	1,650	2.35
150,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	157,771	107.26	160,888	0.40	5,812	1,453	2.76
150,000	PRUDENTIAL FINANCIAL INC 3.500% Due 05-15-24	103.15	154,719	104.82	157,228	0.39	5,250	2,421	2.79
	Accrued Interest				38,284	0.10			
			3,801,399		3,759,387	9.43		38,284	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
73,983	VANGUARD INST'L S&P500 INDEX FUND	107.44	7,948,971	194.48	14,388,134	36.10	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
12,925	ISHARES CORE S&P MIDCAP 400 ETF	84.71	1,094,899	150.57	1,946,117	4.88	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
73,550	ISHARES ETF CORE MSCI EAFE	49.31	3,626,882	53.84	3,959,932	9.93	NA		
EMERGING MARKET FUNDS/ETF									
43,950	ISHARES ETF CORE MSCI EMERGING MKTS	34.96	1,536,492	45.14	1,983,903	4.98	NA		
REAL ESTATE									
45,875	VANGUARD REIT ETF	56.71	2,601,536	81.76	3,750,740	9.41	NA		
CASH AND EQUIVALENTS									
	FEDERATED TREASURY OBLIGATIONS INSTITUTION		85,430		85,430	0.21			
TOTAL PORTFOLIO			30,508,496		39,859,075	100	318,820	77,056	

* Callable security

PERFORMANCE HISTORY

GROSS OF FEES

ALEUTIANS EAST BOROUGH

Gross of Fees

Time Period	Percent Return Per Period													
	Total Account	BLEND	Fixed Income	BARC INT G/C BENCH	Domestic Large Cap Equity	S&P 500 LARGE CAPS BENCH	Domestic Mid Cap Equity	S&P 400 MIDCAP BENCH	Int'l Equity	MSCI EAFE Index	Real Estate	S&P US REIT BENCH	Emerging Market Equity	MSCI EMERGING MARKET BENCH
10-31-15 to 11-30-15	-0.14	-0.31	-0.14	-0.26	0.30	0.30	1.34	1.35	-0.76	-1.56	-0.63	-0.58	-2.30	-3.90
11-30-15 to 12-31-15	-1.13	-0.94	-0.32	-0.33	-1.58	-1.58	-4.21	-4.17	-2.14	-1.35	1.81	1.84	-3.44	-2.23
12-31-15 to 01-31-16	-2.84	-3.05	1.49	1.22	-4.97	-4.96	-5.59	-5.69	-5.63	-7.23	-3.44	-3.46	-5.88	-6.49
01-31-16 to 02-29-16	-0.26	-0.03	0.46	0.49	-0.13	-0.13	1.32	1.41	-3.13	-1.83	-0.36	-0.30	-0.96	-0.16
02-29-16 to 03-31-16	5.40	5.47	0.49	0.72	6.78	6.78	8.60	8.52	7.01	6.51	10.46	10.45	12.55	13.23
03-31-16 to 04-30-16	0.27	0.36	0.15	0.27	0.39	0.39	1.14	1.22	1.99	2.90	-2.35	-2.52	0.67	0.54
04-30-16 to 05-31-16	0.80	0.67	-0.12	-0.11	1.79	1.80	2.32	2.31	0.13	-0.91	2.25	2.21	-3.41	-3.73
05-31-16 to 06-30-16	1.14	1.16	1.29	1.43	0.26	0.26	0.52	0.42	-2.56	-3.36	6.90	6.95	4.33	4.00
06-30-16 to 07-31-16	2.76	2.84	0.17	0.28	3.68	3.69	4.14	4.29	4.18	5.07	4.26	4.44	5.09	5.03
07-31-16 to 08-31-16	-0.34	-0.26	-0.35	-0.26	0.17	0.14	0.45	0.50	0.46	0.07	-3.96	-3.78	1.10	2.49
08-31-16 to 09-30-16	0.13	0.03	0.11	0.13	0.02	0.02	-0.60	-0.64	1.60	1.23	-1.89	-1.80	2.70	1.29
09-30-16 to 10-31-16	-1.78	-1.71	-0.41	-0.41	-1.83	-1.82	-2.68	-2.68	-2.36	-2.05	-5.74	-5.82	-1.03	0.24
Date to Date														
10-31-15 to 10-31-16	3.83	4.04	2.83	3.19	4.53	4.51	6.16	6.26	-1.84	-3.23	6.27	6.62	8.43	9.27