JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

The regular meeting of the Board of Trustees is scheduled as follows:

July 28, 2016
8:30 a.m.
Sixth Floor, Room 604
County Tower Building

AGENDA

Special Order: Election of Chairperson and Vice-Chairperson for 2016 – 2017
& Motion for Investment Manager Review Committee and Policy Committee

1. **Approval of Agenda**

2. **Public Comment**

3. **Investment Manager Update –** NWQ
   Daniel Block, Senior VP Portfolio Advisor
   Lisa George, Managing Director, Portfolio Advisor

4. **Minutes**

   A. June 23, 2016

5. **Monthly Financial Statement**

6. **Consent Agenda**

   A. Comerica Bank Custodial Statements of Account for *June* (▶)
   B. Purchase of Service
   C. Refunds of Contributions
   D. Distribution of DROP Balances
   E. Approve Application for Retirement
      -Kathleen S Johns – Union, MCF – Effective 8/1/2016
   F. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
      -Mitchell Taylor – Union, JCDOT – Effective 10/1/2016
   G. Statements Paid
   H. Correspondence:
      1. *ClearBridge Commentary (6/24/2016)*
      2. *NWQ 2ND Qrt Market Commentary (7/15/2016)*
      3. *SSGA Performance & Analysis (6/30/2016)*
      4. *Robbins Geller 2nd Qrt "On the Record" (2016)*
      5. *Robbins Geller Portfolio Monitoring Report (6/24/2016)*
      6. *Robbins Geller Settlement Report (6/24/2016)*
      7. *Robbins Geller 2nd Qrt International Report (2016)*
      8. *ClearBridge 2nd Qrt Report (2016)*

▶ - Full report available in the Pension Coordinator's Office

7. Old Business

A. Investment Manager Review Committee
   1 *Other*
A. Policy Committee
   1. *Policy #36 - Statement of Investment Objectives, Policies and Guidelines*
   2. *Request for Information for a Medical Director*
   3. *Request for Information Timeline*
B. Legal Counsel Update
   1. *ClearBridge Investments Resolution*
   2. *Matters deemed pertinent*
C. Morgan Stanley Wealth Management Update
   1. *Other*

8. New Business

A. *Approve 2016 – 2017 proposed Meeting Schedule*.
B. *Motion reaffirming Educational Seminar and Conference Policy per policy*
C. *Motion regarding authorized signatures for Comerica Bank*
D. Informational Items
E. Trustee Comments

Committee Meetings (immediately following regular meeting):

- *Investment Manager Review Committee*
- *Policy Committee Meeting*

Next Meeting: August 25, 2016

NWQ

NWQ INVESTMENT MANAGEMENT COMPANY, LLC

US EQUITY | NON-US EQUITY | FIXED | BALANCED

PRESENTATION FOR:

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM - 07.28.16

PRESENTED BY:

DANIEL J. BLOCK, CFA
Senior Vice President
Portfolio Advisor

LISA M. GEORGE, CFA, AIFA
Managing Director
Portfolio Advisor

from NUVEEN INVESTMENTS

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Tab 1

NWQ

FIRM PROFILE

- LOS ANGELES BASED VALUE MANAGER FOUNDED IN 1982
- SEASONED PORTFOLIO MANAGEMENT & RESEARCH PROFESSIONALS
  - > 63 total employees[1]
  - > 32 investment/research team members[1]
  - > Senior investment professionals average 20+ years of investment experience
- NWQ MANAGES APPROXIMATELY $9.2 BILLION[2] IN ASSETS
- OUR MISSION IS TO PROVIDE SUPERIOR RISK-ADJUSTED RETURNS THROUGH AN OPPORTUNISTIC VALUE-ORIENTED PROCESS
- ESTABLISHED LONG TERM INVESTMENT PERFORMANCE IN VARYING MARKET ENVIRONMENTS[3]

[1] As of 7/1/2016. Number of total employees includes an employee of Nuveen Global Investments Limited dedicated to NWQ, and also includes 8 individuals that are currently also employees of affiliate, Tradewinds Global Investors, LLC, who are expected to serve in their respective roles at Tradewinds until 8/31/2016. Number of investment/research team members also includes 6 of the aforementioned Tradewinds' employees.

[2] As of June 30, 2016. AUM subject to rounding and includes approximately $805 million in Unified Managed Account ("UMA") and other non-discretionary assets. NWQ Investment Management Company, LLC established two divisions for performance presentation purposes. The Institutional Division comprises institutional and private client assets, and the Managed Accounts Division comprises all fully bundled wrap fee separate managed account program assets. Institutional Division: $5.9 billion in AUM; Managed Accounts Division: $3.3 billion in AUM. NWQ reports the combined assets of its Institutional Division and Managed Accounts Division in its Form ADV.

[3] Includes performance of the Portfolio Manager while at a prior firm for the Large Cap Value and Special Equity strategies. Past performance is not to be construed as a guarantee of future performance.

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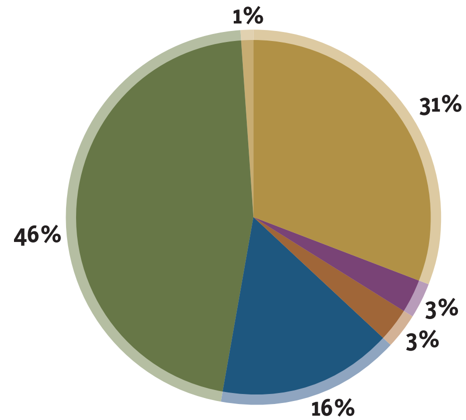
NWQ

MARKETS SERVED

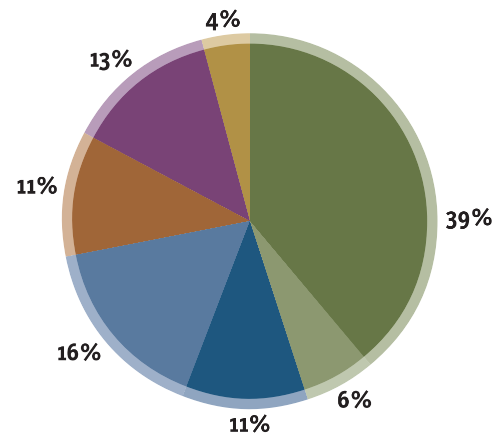
CLIENT TYPE (as of 06/30/16)[1]

			TOTAL
	Corporate	$	1,844.8 MM
	Endowments/Foundations/SRI		204.2 MM
	Public		148.7 MM
	Multi-Employer		953.1 MM
	Commingled/Mutual Funds		2,684.0 MM
	Sovereign Wealth Funds/Other		79.9 MM
	Institutional Division AUM	$	5,914.7 MM
	Managed Account Division AUM	$	3,265.9 MM[2]
	TOTAL	**$**	**9,180.6 MM**



NWQ STRATEGIES (as of 06/30/16)[1]

			TOTAL
	Large Cap Value[3]	$	3,529.4 MM
	Special Equity[3]		570.5 MM
	Small/Mid Cap Value		999.9 MM
	Small Cap Value		1,504.4 MM
	Fixed Income[4]		969.7 MM
	Flexible Income[5]		1,229.4 MM
	Global/International[6]		377.3 MM
	TOTAL	**$**	**9,180.6 MM[2]**



AUM is subject to rounding; totals are preliminary and are subject to change.

[1] NWQ Investment Management Company, LLC established two divisions for performance presentation purposes. The Institutional Division comprises institutional and private client assets, and the Managed Accounts Division comprises all fully bundled wrap fee separate managed account program assets. NWQ reports the combined assets of its Institutional Division and Managed Accounts Division in its Form ADV. The firm entity presenting performance is referenced in the presentation's results explanation.

[2] Includes approximately $805 million in Unified Managed Account ("UMA") and other non-discretionary assets as of June 30, 2016.

[3] Includes the equity portion of corresponding strategy's Balanced accounts.

[4] Includes the fixed income portion of Large Cap Value Balanced and Special Balanced accounts.

[5] Includes assets in NWQ's Flexible Fixed Income and Preferred Income strategies.

[6] Includes the assets of NWQ's Global Equity (ADR) strategy. The Global Equity (ADR) strategy includes assets for which NWQ manages the U.S component of the strategy while an affiliate of NWQ manages the non-U.S. component through a sub-advisory relationship and also includes assets for which NWQ alone manages both the U.S. and non-U.S. components.

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NWQ

NWQ INVESTMENT STRATEGIES[1]

	GLOBAL EQUITY	GLOBAL EQUITY INCOME	INTERNATIONAL VALUE	JAPAN EQUITY	LARGE CAP VALUE	SPECIAL EQUITY
BENCHMARK(S)	MSCI World MSCI ACWI[3]	MSCI World	MSCI EAFE	TOPIX MSCI Japan	Russell 1000 Value	Russell Midcap Value Russell 3000 Value
PORTFOLIO MANAGER(S)	**Gregg Tenser** **Jim Stephenson**	**Jim Stephenson** **Thomas Ray**	**Peter Boardman**	**Peter Boardman**	**Jon Bosse**	**Jon Bosse**
INVESTABLE UNIVERSE[2]	$1 billion and up	$1 billion and up	$1 billion and up	$100 million and up	$5 billion and up	$100 million and up
NUMBER OF POSITIONS	40 - 60	40 - 80	45 - 60	30 - 50	35 - 50	40 - 60
MINIMUM ACCOUNT SIZE	$5 million	$5 million	$10 million	$10 million	$20 million	$20 million
EXPECTED TURNOVER	30 - 50%	30 - 50%	30 - 60%	30 - 60%	25 - 40%	30 - 50%
INCEPTION DATE	November 1, 2012	November 1, 2009	April 1, 2001	January 1, 2008	January 1, 1990	January 1, 1990

[1]Other portfolios may also be available. Please see NWQ's Form ADV Part 2A for additional information.
[2]Market capitalization ranges may vary based on the market capitalization range of each strategy's respective benchmark index.
[3]Shown for illustrative purposes only. The strategy's primary benchmark is the MSCI World Index.

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NWQ INVESTMENT STRATEGIES[1]

	SMALL CAP VALUE	SMALL/MID CAP VALUE	FLEXIBLE INCOME	FLEXIBLE FIXED INCOME	CORE FIXED INCOME	INTERMEDIATE FIXED INCOME
BENCHMARK(S)	Russell 2000 Value	Russell 2500 Value	Barclays U.S. Aggregate Bond Index	Barclays U.S. Aggregate Bond Index	Barclays U.S. Aggregate Bond Index Barclays U.S. Gov't/ Credit Bond Index	Barclays U.S. Intermediate Gov't/ Credit Bond Index
PORTFOLIO MANAGER(S)	**Phyllis Thomas Andy Hwang**	**Phyllis Thomas Andy Hwang**	**Thomas Ray Susi Budiman**	**Thomas Ray Susi Budiman**	**Thomas Ray Susi Budiman**	**Thomas Ray Susi Budiman**
INVESTABLE UNIVERSE[2]	$100 million to $4 billion	$500 million to $10 billion	$250 million and up	$250 million and up	$250 million and up	$250 million and up
NUMBER OF POSITIONS	40 - 70	40 - 70	100 - 150	100 - 150	100 - 150	100 - 150
MINIMUM ACCOUNT SIZE	$5 million	$5 million	$25 million	$25 million	$5 million	$5 million
EXPECTED TURNOVER	40 - 70%	40 - 70%	40 - 60%	40 - 60%	20 - 40%	20 - 40%
INCEPTION DATE	July 1, 1996	May 1, 2006	February 1, 2010	January 1, 2016	May 1, 2000	May 1, 2003

[1] Other portfolios may also be available. Please see NWQ's Form ADV Part 2A for additional information.
[2] Market capitalization ranges may vary based on the market capitalization range of each strategy's respective benchmark index.

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Tab 2

NWQ BUSINESS OBJECTIVE

- **MISSION: FOCUS TO BE AMONG THE BEST VALUE INVESTORS**
  - Strive to be the best, not the largest.
  - Historically, have closed products (large cap, all-cap, small cap). We believe investment results are often inversely correlated with assets under management.
  - During the downturn, we continued to enhance our investment capabilities.

- **WE DON'T NEED TO REINVENT OUR INVESTMENT PHILOSOPHY AND PROCESS TO RESPOND TO AN UNCERTAIN, TURBULENT ENVIRONMENT**
  - Rather, we remain disciplined in applying an Investment Philosophy and Process which has a 20 year history of very attractive and consistent performance.*

*Past performance is no guarantee of future results. Please refer to the accompanying Large Cap Value Composite Performance and Results Explanation for additional information.

INVESTMENT OVERVIEW

INVESTMENT PHILOSOPHY

> Invest in companies that possess: attractive absolute valuation; favorable risk/reward and downside protection; catalysts and/or inflection points.

ANALYST-DRIVEN RESEARCH PROCESS

> Stock selection driven by seasoned industry analysts conducting disciplined bottom-up research.

OPPORTUNISTIC APPROACH

> Capitalize on opportunities created by investor over-reaction, misperception, and short-term focus.

RISK CONTROL

> Potential downside protection provided by emphasizing the risk/reward of each investment within a diversified portfolio.

AS OF 07/01/16

NWQ RESEARCH TEAM

EQUITY	INDUSTRY FOCUS	YEARS OF EXPERIENCE
Peter Boardman[1]	Consumer Durables, Autos	29
Jon Bosse, CFA	Chief Investment Officer, Energy, Utilities	34
Jae Chung, CFA[1]	Technology	15
Andy Hwang	Technology, Environmental Services, Restaurants	20
Tamara Kravec	Life Insurance, Other Financials, Leisure, Gaming	24
Thomas Lavia, CFA	Director of Research, Technology	18
Cindy Henn Olsen, CFA	Consumer Staples, Retail	11
Marty Pollack	Capital Goods, Aerospace & Defense	36
Jujhar Sohi, CFA, ACA	Financials	12
Jim Stephenson, CFA	Media, Telecommunications, Mining, Transportation, Chemicals	25
Gregg Tenser, CFA	Healthcare	25
Phyllis Thomas, CFA	Chair - Investment Oversight Committee, Paper/Forest Products	44
Ray Wicklander, CPA, CFA[1]	Financials	13
FIXED INCOME		
Susi Budiman, CFA, FRM	Preferred/Investment Grade	16
Steve Peña	Credit/Risk Analytics	15
Tom Ray, CFA	Credit/Convertibles	25
Greg Robitshek, CFA	Hybrid/Investment Grade	16
Ryan Sullivan	Analytics/Credit	8

A team of 12 analysts[2] supports the senior members of our Equity Research Team.

[1] Peter Boardman, Jae Chung and Ray Wicklander are currently also employees of affiliate, Tradewinds Global Investors, LLC, and are expected to serve in their respective roles at Tradewinds until 8/31/2016.
[2] Includes 3 analysts that are currently also employees of affiliate, Tradewinds Global Investors, LLC, and are expected to serve in their respective roles at Tradewinds until 8/31/2016.

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RESEARCH PROCESS

COMPETITIVE ADVANTAGE

IDENTIFY INVESTMENT OPPORTUNITIES →

- Analyst-driven process
- Bottom-up, fundamentals-based company research
- Ongoing primary research including rigorous financial statement analysis

ANALYSIS →

- Valuation
  - Cash flow modeling (Holt/EVA)
  - Business segment/intrinsic value
  - Downside protection analysis
- Qualitative
  - Competitive advantages
  - Management quality
  - Incentive structure
  - Financial strength/earnings quality
- Catalyst
  - Management changes, restructuring opportunity
  - Improving fundamentals, free options
  - Under-followed/misperceived fundamentals

BUY DECISION →

- Investment Recommendation Evaluation
  - Approval process - PM/Analyst consensus
  - Adherence to client's guidelines
  - Diversify portfolio

SELL DISCIPLINE

- RISK CONTROL IS VITAL TO INVESTMENT SUCCESS

- NWQ DOES NOT EMPLOY A MECHANICAL SELL DISCIPLINE
  - We evaluate downside scenarios before we invest - we worry about what can go wrong before it does
  - Focus on Balance Sheet/Cash Flow Statements
  - We have the humility and common sense to understand that unanticipated/negative events happen

- OBJECTIVELY REVIEW ANY POSITION SUFFERING A MATERIAL DECLINE (15%+)
  - Is NWQ willing to eliminate positions after a decline? Absolutely, if risk/reward is unfavorable

- NWQ's LONG-TERM TRACK RECORD HAS BENEFITTED SIGNIFICANTLY FROM TAKING ADVANTAGE OF INVESTOR FEAR, MISPERCEPTION AND OVER-REACTION IN UNCERTAIN MARKETS

LARGE CAP VALUE RISK CONTROL*

POSITIONS	■ Most positions weighted 2 - 4% ■ No issue > 5% at time of purchase ■ Typically 35 - 50 positions in portfolio ■ Companies with market capitalization > $5 billion ■ Cash is residual to investment process (0-10%)
SECTORS	■ Industry/sector weights determined by stock selection › Industry weights < 20% › Sector weights < 30% (excluding finance) ■ Monthly attribution of portfolio returns
CLIENT RESTRICTIONS	■ Systematic quality control › Review process in place for client guidelines/mandates

BENCHMARK: RUSSELL 1000 VALUE

EXPECTED TURNOVER: 25 - 40%

*Institutional separate account parameters are subject to client guidelines.

Tab 3

NWQ

ECONOMIC / NWQ EQUITY HIGHLIGHTS

- WEAK GLOBAL GROWTH: AMID BREXIT UNCERTAINTY, US ECONOMY APPEARS RELATIVELY WELL-POSITIONED
- INTEREST RATES GLOBALLY DOWN SHARPLY
  - U.S. 10-year down 79 bps year-to-date (2.27% → 1.48%)*
  - More than $11 trillion in bonds globally had negative yields*
- U.S. FINANCIAL SECTOR: RETURN OF CAPITAL ACCELERATING (GREATER HEADWIND FROM LOW INTEREST RATES)
- TECHNOLOGY: MIXED DATA – CLOUD COMPUTING GROWING WHILE PC AND STORAGE WEAK
- AUTO SALES CONTINUE AT ROBUST LEVELS, VALUATIONS DEPRESSED ON PEAK WORRY
- RETAIL SALES WEAK
- ENERGY PRICES HAVE INCREASED SHARPLY DURING THE FIRST HALF GIVEN GREATER SUPPLY/ DEMAND BALANCE (STOCKS HAVE APPRECIATED SHARPLY)
- DIVIDEND INCREASES, SHARE BUYBACKS, AND SIGNIFICANT RESTRUCTURINGS CONTINUE
- MERGER AND ACQUISITION ACTIVITY CONTINUE BUT MORE CLOUDED GIVEN HEIGHTENED GOVERNMENT RHETORIC/ANTITRUST SCRUTINY.

*As of June 30, 2016.

NWQ

ACTIVISM AND ACCELERATING RETURN OF CAPITAL (AS OF 06/30/16)

- COMPANIES UNDERGOING ACTIVISM, EITHER FROM ACTIVIST SHAREHOLDERS OR ACTIVISM DIRECTLY TAKEN ON BY THE BOARDS OF DIRECTORS OR MANAGEMENTS THEMSELVES (CORPORATE ACTIVISM)
  - Selling Assets/Restructuring: AbbVie, Inc., Agrium Inc., Alphabet Inc., Apache Corp., CIT Group, Citigroup, General Electric, General Motors, Hess Corp., Ingersoll-Rand, Metro AG, Microsoft Corp., Occidental Petroleum, Pfizer Inc., Phillips 66, Target Corp., Teva Pharmaceutical, Unum Group, Viacom, Inc.
  - CEO Changes: Agrium Inc., Alphabet Inc., Apache Corp., Cheniere Energy Inc.[1], Cisco Systems, CIT Group Inc., General Motors, Microsoft Corp., Occidental Petroleum, Oracle Corp., Raytheon Company, Sanofi, Target Corp., Teradyne, Inc., Teva Pharmaceutical, Union Pacific Corp., Unum Group, Wal-Mart Stores

- ACCELERATING CAPITAL RETURN TO SHAREHOLDERS
  - 2015 – YTD Dividend Increases (10%+): AbbVie, Inc., Agrium Inc., Aon Plc, Axis Capital Holdings, Cisco Systems, Citigroup, CVS Health Corp., Discover Financial Services, Edison International, Ericsson LM Telephone, General Motors, ING Groep, Ingersoll-Rand, Interpublic Group, JP Morgan, MetLife Inc., Microsoft Corp., Oracle Corp., Phillips 66, Raytheon Company, Southwest Airlines Co., Suncor Energy Inc., Target Corp., Time Warner Inc., Union Pacific Corp., Unum Group, Viacom, Inc.

[1] Interim CEO.

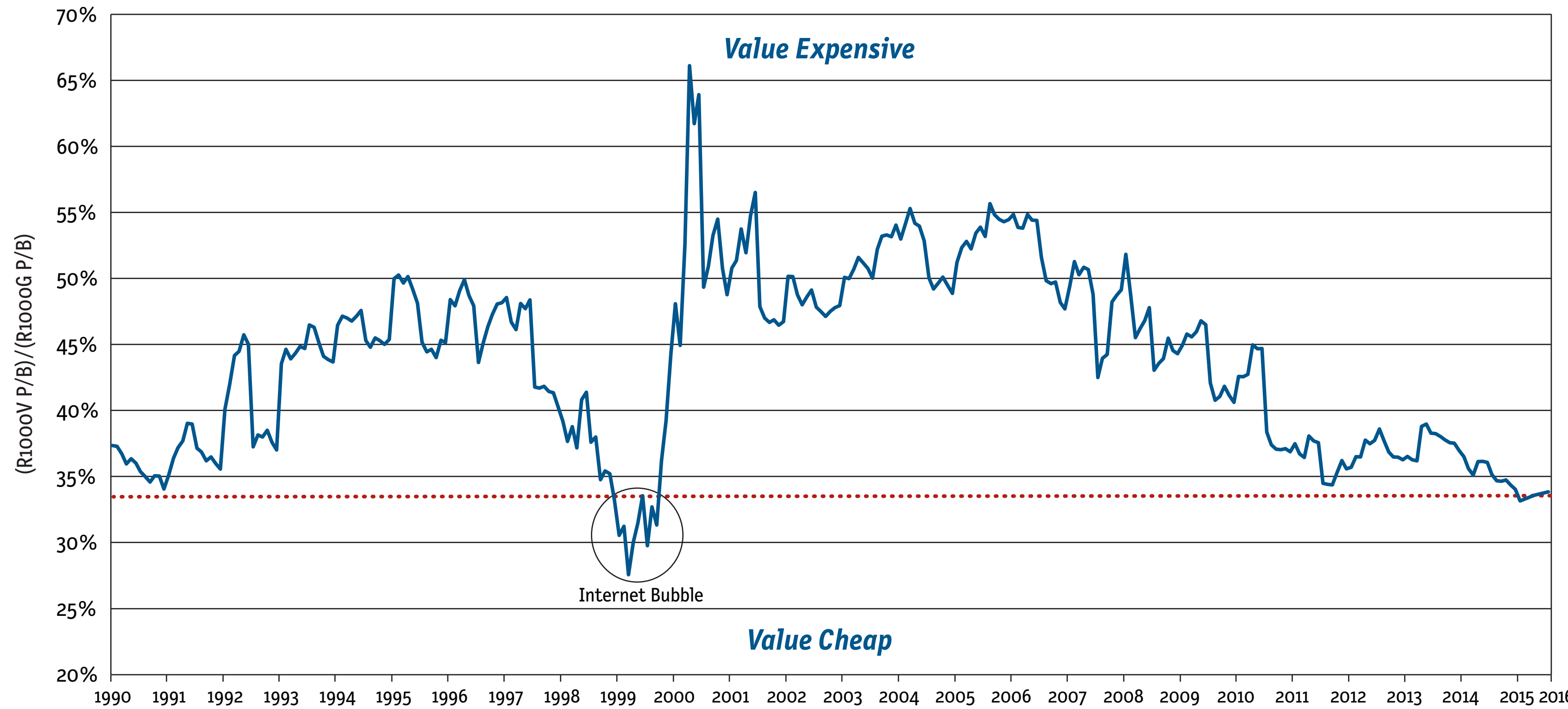
The dividend increases listed occurred during the period 1/1/2015 - 6/30/2016.

NWQ

AS OF 06/30/16

PRICE TO BOOK COMPARISON: RUSSELL 1000 VALUE INDEX VS. RUSSELL 1000 GROWTH INDEX

VALUE EXTREMELY UNDERVALUED VERSUS GROWTH



Source: FactSet, as of 6/30/2016. Index data does not reflect taxes, transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index.

Tab 4

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

ABSOLUTE PERFORMANCE[1]

YEAR TO DATE 2016

Market Value 12/31/15	$21,733,000
Contributions	$0
Withdrawals	$(68,000)
Adjusted Value	$21,665,000
Market Value 06/30/16	$22,076,000
Net Gain/(Loss)	$411,000

INCEPTION THROUGH 06/30/16

Market Value 05/03/04	$16,835,000
Contributions	$1,434,000
Withdrawals	$(11,956,000)
Adjusted Value	$6,313,000
Market Value 06/30/16	$22,076,000
Net Gain/(Loss)	$15,763,000

CLIENT OBJECTIVES

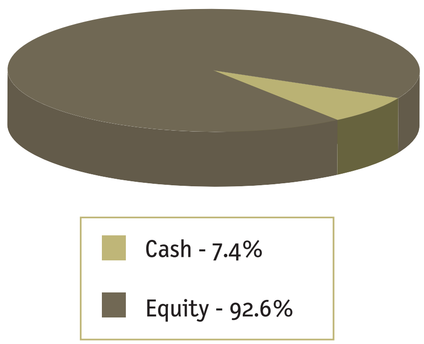
INCEPTION: 05/03/04

BENCHMARK: 100% Russell 1000 Value

RELATIVE PERFORMANCE - AS OF 06/30/16[1]

	2nd Qtr 2016	YTD 2016	One Year	Three Years[2]	Five Years[2]	Since Inception[2]
Total Account	1.5%	1.9%	(3.6)%	6.0%	6.5%	6.4%
Russell 1000 Value	4.6	6.3	2.9	9.9	11.4	7.4

ASSET ALLOCATION - AS OF 06/30/16[1]



[1]Total Account performance results are gross of fees unless indicated. Performance results and market values are preliminary due to pending account reconciliation with custodial records. A final report is available upon request. Performance calculations from January 1, 2008 to the present are based on daily account market valuations. Returns for 2008 reported prior to August 2008 have been restated to reflect daily account valuations. Returns prior to January 1, 2008 reflect a monthly performance calculation and market valuation. Account cash flows will impact the daily and monthly return calculation differently. Benchmark returns reflect the actual returns of all relevant benchmarks that were in place during the reporting period. Additional information is available upon request.
[2]Inception date: 05/03/04. Periods of two years and greater are annualized.
Source: Eagle PACE.

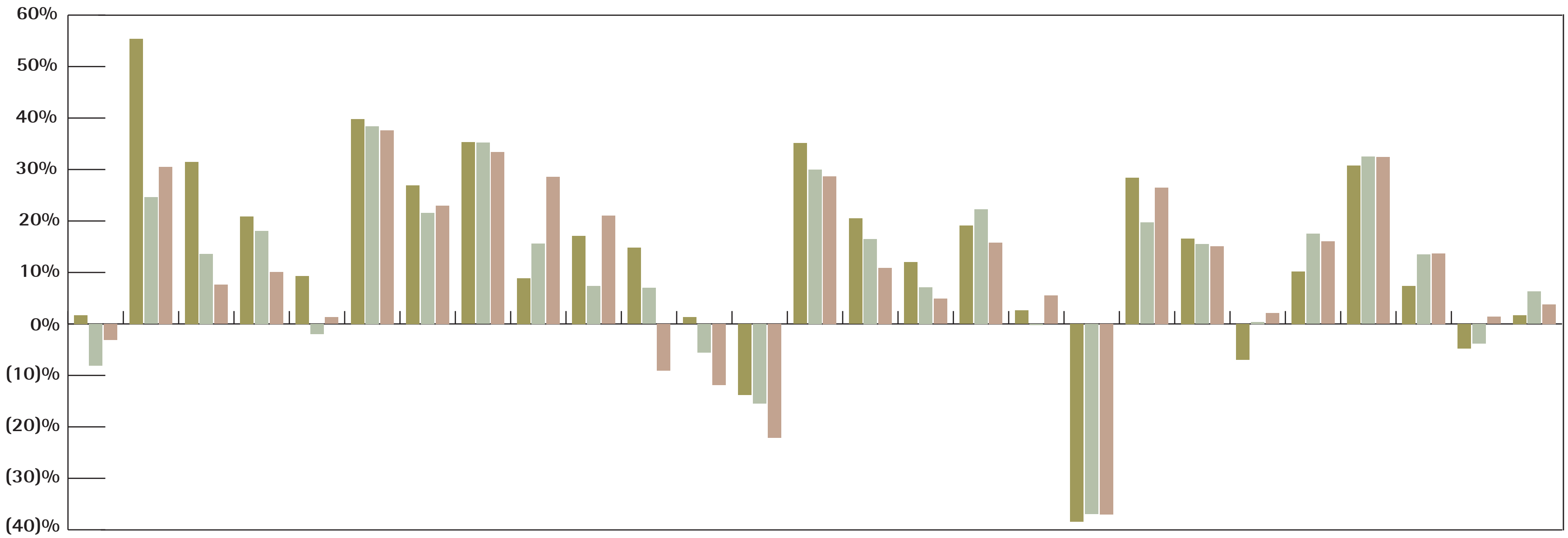
PERFORMANCE REVIEW

SUPPLEMENTAL INFORMATION

LARGE CAP VALUE PERFORMANCE (GROSS OF FEES)

AS OF 06/30/16

ANNUAL



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	YTD 2016*
NWQ Large Cap Value	1.7%	55.4%	31.5%	20.9%	9.3%	39.8%	26.9%	35.3%	8.9%	17.1%	14.8%	1.3%	(13.8)%	35.1%	20.5%	12.0%	19.1%	2.6%	(38.4)%	28.4%	16.6%	(7.0)%	10.2%	30.8%	7.4%	(4.8)%	1.7%
Russell 1000 Value	(8.1)	24.6	13.6	18.1	(2.0)	38.4	21.6	35.2	15.6	7.4	7.0	(5.6)	(15.5)	30.0	16.5	7.1	22.3	(0.2)	(36.9)	19.7	15.5	0.4	17.5	32.5	13.5	(3.8)	6.3
S&P 500[1]	(3.1)	30.5	7.6	10.1	1.3	37.6	23.0	33.4	28.6	21.0	(9.1)	(11.9)	(22.1)	28.7	10.9	4.9	15.8	5.5	(37.0)	26.5	15.1	2.1	16.0	32.4	13.7	1.4	3.8

*Performance is preliminary and subject to change without notice. Final numbers are available upon request.

[1] Shown for illustrative purposes only. The strategy's primary benchmark is the Russell 1000 Value. The S&P 500 is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

Large Cap Value performance inception date is January 1, 1990. Performance presented prior to October 1, 1996 represents the performance of the portfolio manager while at a prior firm.
NWQ claims compliance with the Global Investment Performance Standards (GIPS®). The effective date of compliance is January 1, 2000.
Source: Eagle PACE.
The information above is supplemental to the accompanying Large Cap Value Composite Performance and Results Explanation, which is an integral part of this presentation.
Past performance is not a guarantee of future results.

NWQ LCV-CPB063016ANNUAL 070616MGRJ

NWQ

EQUITY ATTRIBUTION LARGE CAP VALUE

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM - YEAR TO DATE THROUGH 06/30/16

SECTORS

	JACKSON COUNTY			RUSSELL 1000 VALUE			ACTIVE CONTRIBUTION		
SECTOR	AVERAGE WEIGHT	RETURN (%)	CONTRIBUTION (%)	AVERAGE WEIGHT	RETURN (%)	CONTRIBUTION (%)	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Energy	13.47	24.92	3.38	13.01	15.24	2.02	0.08	1.12	1.19
Producer Durables	8.74	8.21	0.83	10.15	7.17	0.75	0.01	0.12	0.13
Materials & Processing	3.84	8.65	0.38	3.09	16.05	0.47	0.15	(0.32)	(0.17)
Cash	6.39	0.13	0.01	0.00	0.00	0.00	(0.21)	0.00	(0.21)
Technology	9.98	1.23	0.22	10.71	4.16	0.41	0.01	(0.22)	(0.21)
Consumer Staples	2.85	5.42	0.18	6.31	10.18	0.73	(0.15)	(0.12)	(0.27)
Consumer Discretionary	14.13	(0.06)	(0.10)	6.31	1.60	0.14	(0.33)	(0.33)	(0.67)
Health Care	9.22	(5.81)	(0.51)	11.85	7.52	0.83	(0.01)	(1.25)	(1.26)
Utilities	0.96	32.91	0.30	9.68	23.91	2.28	(1.41)	0.07	(1.34)
Financial Services	30.41	(7.72)	(2.85)	28.89	(3.09)	(1.32)	(0.13)	(1.51)	(1.64)
Total	100.00	1.85	1.85	100.00	6.30	6.30	(2.00)	(2.45)	(4.45)

The exposure and performance contribution are calculated by applying daily closing prices rather than the account's actual transaction prices for the respective time period. Accordingly, the information presented herein will differ from the account's actual exposure and performance contribution. Such differences can be material when there is a significant difference between the trade price and the closing price of a given security. Attribution and contribution calculations are presented gross of investment management fees and transaction costs. In addition, holdings data, exposure, and performance contribution information may not reflect reconciliation of all transactions in the account during the respective period(s). Past performance is no guarantee of future results.
Source: FactSet.

NWQ

EQUITY ATTRIBUTION LARGE CAP VALUE

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM - YEAR TO DATE THROUGH 06/30/16

TOP CONTRIBUTING HOLDINGS

SECURITY	SECTOR	PERFORMANCE (%)	AVERAGE WEIGHT	PORTFOLIO CONTRIBUTION (%)
EQT Corp.	Energy	48.67	3.00	1.26
Aon PLC	Financial Services	19.25	3.30	0.63
Cheniere Energy Inc.	Energy	53.52	1.42	0.62

BOTTOM CONTRIBUTING HOLDINGS

SECURITY	SECTOR	PERFORMANCE (%)	AVERAGE WEIGHT	PORTFOLIO CONTRIBUTION (%)
Citigroup Inc.	Financial Services	(17.90)	3.84	(0.87)
CIT Group Inc.	Financial Services	(18.81)	2.93	(0.72)
Teva Pharmaceutical Industries Ltd. (ADR)	Health Care	(22.66)	2.25	(0.58)

The exposure and performance contribution are calculated by applying daily closing prices rather than the account's actual transaction prices for the respective time period. Accordingly, the information presented herein will differ from the account's actual exposure and performance contribution. Such differences can be material when there is a significant difference between the trade price and the closing price of a given security. Attribution and contribution calculations are presented gross of investment management fees and transaction costs. In addition, holdings data, exposure, and performance contribution information may not reflect reconciliation of all transactions in the account during the respective period(s). Past performance is no guarantee of future results.
Source: FactSet.

Tab 5

NWQ

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM - AS OF 06/30/16

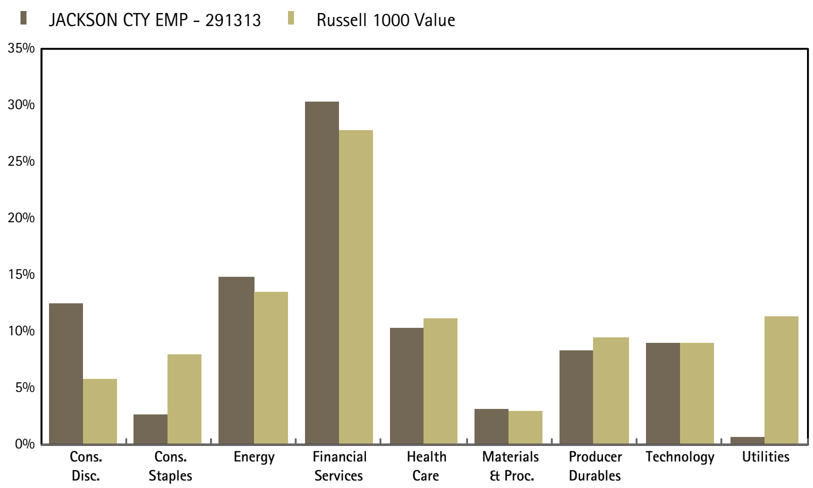
TOP TEN HOLDINGS

	% of Portfolio
EQT Corporation	3.9%
Citigroup Inc.	3.8%
Unum Group	3.6%
Oracle Corporation	3.6%
Aon PLC	3.5%
CIT Group Inc.	3.1%
Occidental Petroleum Corporation	3.0%
Viacom Inc. Class B	3.0%
Discover Financial Services	2.9%
JPMorgan Chase & Co.	2.8%

CAPITALIZATION DISTRIBUTION

	Cap Range	Portfolio	Benchmark
% Large	Above $24.7B	66.0%	69.1%
% Mid	$2.9B - $24.7B	33.9%	29.8%
% Small	Below $2.9B	0.2%	1.2%

PORTFOLIO SECTOR WEIGHTS



PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Capitalization		
$-Wtd. Median	$40.6B	$57.8B
Median	$40.9B	$7.5B
Wtd. Avg.	$74.4B	$114.0B
Trailing 12 Months P/E[1]	11.9x	15.7x
Forward P/E[1]	11.5x	15.4x
Price to Sales	1.3x	1.5x
Price to Book Value	1.6x	1.8x
Yield	2.4%	2.6%
Debt to Capital	39.2%	41.7%
Future EPS Growth[1]	10.8%	8.2%

[1] Excludes negative earnings and outliers.
Holdings data may not reflect reconciliation of all transactions which have occurred after the date reflected in this report. Past performance is no guarantee of future results.
Portfolio Data Source: FactSet.
Index Data Source: Russell Investment Group

JACKSON CTY EMP - 291313 - As of 6/30/2016

	WEIGHT	PRICE	YIELD	TRAILING P/E	FORWARD P/E	TRAILING P/BOOK	TRAILING P/S	TRAILING ROE	FUTURE EPS GROWTH	Debt to Capital	MARKET CAP.**
CONSUMER DISCRETIONARY	12.54%										
Ford Motor Company	0.50%	12.57	4.8%	5.8	6.3	1.7	0.3	29.3%	6.7%	68.7%	49,939
General Motors Company	2.61%	28.30	5.4%	5.2	5.0	1.0	0.3	19.9%	14.7%	44.2%	43,575
Interpublic Group of Companies, Inc.	1.59%	23.10	2.6%	18.9	17.1	4.8	1.2	25.3%	10.7%	43.7%	9,296
Target Corporation	1.73%	69.82	3.4%	14.3	13.4	3.3	0.6	23.1%	9.9%	50.1%	41,143
Time Warner Inc.	2.04%	73.54	2.2%	14.6	13.5	2.4	2.0	16.7%	13.9%	49.8%	57,831
Viacom Inc. Class B	2.96%	41.47	3.9%	8.4	8.5	4.2	1.1	50.4%	5.1%	74.7%	16,668
Wal-Mart Stores, Inc.	1.11%	73.02	2.7%	15.9	17.0	3.0	0.5	19.0%	2.7%	35.5%	227,578
CONSUMER STAPLES	2.78%										
CVS Health Corporation	1.72%	95.74	1.8%	18.4	16.0	2.9	0.6	15.6%	14.0%	42.2%	102,827
Philip Morris International Inc.	1.06%	101.72	4.0%	24.0	21.9	N.M.	6.0	N.M.	9.5%	182.7%	157,795
ENERGY	14.93%										
Apache Corporation	1.04%	55.67	1.8%	N.M.	N.M.	10.4	3.6	N.M.	N.M.	81.2%	21,073
Cheniere Energy, Inc.	2.15%	37.55	0.0%	N.M.	N.M.	N.M.	32.8	87.9%	N.M.	108.0%	8,843
EQT Corporation	3.94%	77.43	0.2%	N.M.	N.M.	2.3	7.5	N.M.	25.0%	33.7%	13,375
Hess Corporation	1.73%	60.10	1.7%	N.M.	N.M.	0.9	3.1	N.M.	N.M.	24.0%	19,035
Occidental Petroleum Corporation	3.02%	75.56	4.0%	N.M.	N.M.	2.4	5.0	N.M.	27.7%	19.1%	57,708
Phillips 66	1.19%	79.34	3.2%	11.6	14.3	1.8	0.5	15.8%	6.8%	27.9%	41,700
Suncor Energy Inc.	1.87%	27.73	3.2%	66.3	N.M.	1.3	2.2	2.0%	28.0%	26.8%	45,930
FINANCIAL SERVICES	30.39%										
Aon PLC	3.52%	109.23	1.2%	17.7	16.3	5.5	N.M.	30.9%	11.2%	N.M.	28,937
Axis Capital Holdings Limited	0.45%	55.00	2.5%	14.7	13.1	1.0	N.M.	6.5%	8.5%	N.M.	5,111
Bank of America Corporation	1.74%	13.27	1.5%	10.1	9.3	0.6	N.M.	5.7%	9.9%	N.M.	136,308
CIT Group Inc.	3.07%	31.91	1.9%	5.6	9.6	0.6	N.M.	10.4%	5.0%	N.M.	6,436
Citigroup Inc.	3.75%	42.39	0.5%	8.6	8.6	0.6	N.M.	6.9%	3.3%	N.M.	124,412
Discover Financial Services	2.92%	53.59	2.1%	10.3	9.2	2.1	N.M.	20.0%	7.2%	N.M.	22,091
ING Groep NV Sponsored ADR	0.93%	10.33	6.9%	9.1	8.4	0.8	N.M.	N.M.	4.7%	N.M.	40,052
JPMorgan Chase & Co.	2.83%	62.14	3.1%	10.6	10.6	1.0	N.M.	9.6%	4.6%	N.M.	227,225
MetLife, Inc.	1.89%	39.83	4.0%	8.6	7.0	0.6	N.M.	6.7%	10.6%	N.M.	43,760
PayPal Holdings Inc	1.37%	36.51	0.0%	26.6	23.5	3.2	N.M.	12.2%	16.5%	N.M.	44,251
PNC Financial Services Group, Inc.	1.46%	81.39	2.5%	11.1	11.2	1.0	N.M.	8.8%	6.4%	N.M.	40,640
Synchrony Financial	0.66%	25.28	2.1%	9.4	9.3	1.6	N.M.	17.0%	6.3%	N.M.	21,081
Unum Group	3.60%	31.79	2.3%	8.6	8.2	0.8	N.M.	9.9%	8.0%	N.M.	7,558
Wells Fargo & Company	2.22%	47.33	3.2%	11.5	11.6	1.4	N.M.	12.0%	8.9%	N.M.	240,297
HEALTH CARE	10.43%										
AbbVie, Inc.	1.06%	61.91	3.7%	13.8	12.8	21.6	4.4	N.M.	14.2%	85.4%	104,000
Bio-Rad Laboratories, Inc. Class A	0.57%	143.02	0.0%	39.1	37.8	1.7	1.7	4.2%	N.M.	14.6%	4,199
Cigna Corporation	2.48%	127.99	0.0%	14.2	13.6	2.6	0.9	18.2%	8.6%	27.3%	32,831
GlaxoSmithKline plc Sponsored ADR	1.92%	43.34	5.3%	18.4	16.6	26.1	2.9	N.M.	8.0%	79.6%	104,496

JACKSON CTY EMP - 291313 - As of 6/30/2016

	WEIGHT	PRICE	YIELD	TRAILING P/E	FORWARD P/E	TRAILING P/BOOK	TRAILING P/S	TRAILING ROE	FUTURE EPS GROWTH	Debt to Capital	MARKET CAP.**
Pfizer Inc.	2.09%	35.21	3.4%	14.9	14.7	3.4	4.2	22.7%	7.0%	27.2%	213,543
Teva Pharmaceutical Sponsored ADR	2.30%	50.23	2.3%	9.5	9.3	1.7	2.6	17.9%	6.2%	21.7%	51,364
MATERIALS & PROCESSING	**3.23%**										
Agrium Inc.	1.21%	90.42	3.9%	12.6	15.8	2.1	0.9	16.4%	6.8%	39.8%	12,436
Ingersoll-Rand PLC	2.02%	63.68	2.0%	16.5	15.4	2.8	1.2	17.1%	11.3%	36.2%	16,395
PRODUCER DURABLES	**8.46%**										
Copa Holdings, S.A. Class A	0.15%	52.26	3.9%	12.5	14.6	1.3	0.7	10.4%	6.5%	37.8%	2,197
General Electric Company	1.71%	31.48	2.9%	23.7	19.7	3.2	2.3	13.4%	11.6%	48.7%	289,479
Raytheon Company	2.44%	135.95	2.2%	21.2	18.2	4.0	1.7	18.8%	9.1%	34.5%	40,374
Royal Philips NV Sponsored ADR	1.80%	24.94	3.1%	21.7	13.6	1.8	0.9	8.2%	22.3%	23.5%	23,598
Southwest Airlines Co.	0.85%	39.21	1.0%	10.5	9.9	3.3	1.2	32.0%	9.0%	23.9%	25,043
Union Pacific Corporation	1.51%	87.25	2.5%	16.3	16.7	3.6	3.5	22.0%	8.1%	41.9%	73,380
TECHNOLOGY	**9.04%**										
Alphabet Inc. Class A	1.42%	703.53	0.0%	23.1	20.1	3.9	2.7	17.0%	17.6%	1.6%	479,087
Cisco Systems, Inc.	1.45%	28.69	3.6%	12.4	12.0	2.3	2.9	18.7%	9.3%	28.1%	144,302
LM Ericsson Telefon AB Sponsored ADR Class B	0.17%	7.68	3.9%	11.2	12.4	1.4	0.8	12.5%	5.5%	13.1%	25,223
Microsoft Corporation	0.93%	51.17	2.8%	19.0	18.5	5.4	4.7	28.3%	7.6%	33.7%	402,220
Oracle Corporation	3.56%	40.93	1.5%	15.7	14.8	3.6	4.6	22.8%	7.7%	45.9%	168,743
Teradyne, Inc.	1.51%	19.69	1.2%	14.4	14.5	2.0	2.3	14.0%	11.7%	0.0%	4,001
UTILITIES	**0.81%**										
Edison International	0.81%	77.67	2.5%	19.3	19.7	2.2	2.2	11.4%	3.3%	48.8%	25,306
PORTFOLIO WEIGHTED AVERAGE	92.61%		2.4%	11.9	11.5	1.6	1.3	19.2%	10.8%	39.2%	74,432
RUSSELL 1000 VALUE*	100.00%		2.61%	15.7	15.4	1.8	1.5	15.0%	8.2%	41.7%	114,021

PORTFOLIO MEDIAN MARKET CAPITALIZATION	40,892
PORTFOLIO $ WEIGHTED MEDIAN MARKET CAPITALIZATION	40,640
RUSSELL 1000 VALUE MEDIAN MARKET CAPITALIZATION	7,483
RUSSELL 1000 VALUE $-WTD. MEDIAN MKT. CAPITALIZATION	57,752

Price/earnings ratios based on reported earnings net of extraordinary writeoffs.
Trailing P/E excludes negatives
Forward P/E excludes negatives
Future EPS growth excludes negatives
ROEs excludes negatives
Holdings data may not reflect reconciliation of all transactions which have occurred after the date reflected in this report
Source: FactSet
*Index data as of 06-30-2016
**Market Capitalization in Millions

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

NEW POSITIONS

Axis Capital Holdings Ltd (AXS)
We initiated a position in Axis Capital during the quarter. Axis Capital has a diversified global underwriting platform and strong balance sheet. Potential catalysts for the company include continued growth in its US business, further business-line diversification, cost savings, and M&A. Although the insurance pricing environment is challenging, we believe Axis provides attractive risk/reward.

Bio-Rad Laboratories Inc. (BIO)
We initiated a position in Bio-Rad, a multinational manufacturer and distributor of life science research products, clinical diagnostics, and analytical instrumentation. We view Bio-Rad as a positive long term margin expansion story with multiple levers to drive value. We believe management is focused on improving operating margins over the next few years, as the rest of 2016 and 2017 will be investment years and currency still remains a significant headwind. Based on asset quality and peer valuation multiples, BIO should experience growth as margins expand as a result of new product launches, cost saving ERP roll-outs, and decreased software implementation costs.

Ericsson LM Telephone Sponsored ADR (ERIC)
We initiated a position in Ericsson during the quarter following weakness in the shares. Ericsson develops and manufactures network equipment and software, as well as services for network and business operations. The most recent quarter (Q1:F16) was weak after management met with investors during the quarter (non-deal roadshows and Capital Markets Day) expressing confidence in their 9B SEK cost restructuring being fully realized in 2017. Revenues were light as expected, missing consensus by 4%, but investors would have looked through the topline weakness if margins were stable-to-better. Instead, gross margins missed expectations by 200bps and were down 350bps year-over-year. In an attempt to appease investors, management announced yet another restructuring and segment realignment; however, the new 1B SEK restructuring did not come with an associated earnings benefit. While investors were left to wonder if this restructuring would ever be realized, we believe Ericsson has growth potential and an attractive valuation.

GlaxoSmithKline PLC ADR (GSK)
We initiated a position in GlaxoSmithKline, a science-led global healthcare company researching and developing innovative pharmaceuticals, vaccines, and consumer healthcare products. GSK recently announced its CEO Sir Andrew Witty will be retiring from his role on March 31, 2017, and we believe a change in management may provide potential upside to the stock – or at least far more limited downside. Although it is too soon to tell if management changes presage bigger structural/strategic changes, new leadership is likely to be viewed afresh and an enhancement of underlying optionality. Therefore, from a very high level, we believe that risk/reward in our GSK investment is skewed positively and that there is limited downside from current levels.

ING Groep NV Sponsored ADR (ING)
We initiated a position in European bank ING Groep. We believe ING is an accelerating restructuring and capital return story as the company continues its transition away from an insurance company to a focused commercial and retail bank. Underlying fundamentals remain solid, with healthy loan growth and margins that have been above expectations. We believe the stock trades at a discount to fair value and has a very compelling risk/reward profile.

2ND QUARTER 2016 LCV PORTFOLIO TRANSACTIONS

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

Southwest Airlines Co. (LUV)
We initiated a position in Southwest Airlines as the stock declined along with global airlines on Brexit concerns, even though it has no exposure outside of North America. Southwest is one of the lowest cost of the large operators in the United States, has continually seen positive growth in Total Revenue per Average Seat Mile (TRASM) even when peers have seen low-to-mid single digit declines, has net cash on its balance sheet, and less exposure to the cyclically weak business travel market. We believe the company's pure domestic exposure is a positive given challenges in the global macro environment, and with the stock trading at an all-time low multiple of 9x P/E with >10% FCF yield, we believe the market is ignoring recent changes we have seen in North American capacity reductions and any optionality Southwest has relating to ancillary opportunities. Southwest is also implementing a new revenue management system that should take effect in Q1 of 2017, which should allow more efficient fleet management, more dynamic pricing options, and more ancillary revenue opportunities.

ADDITIONS

Cigna Corporation (CI)
We opportunistically increased our position in Cigna (CI) during the period. We continue to be optimistic that the company's acquisition by Anthem (ANTM) will be approved by the DOJ, a decision expected in the next several months. We view the current risk/reward for Cigna shares as very attractive. We believe the combined companies would create positive synergies and benefit from greater scale. Anthem appears confident the deal will close by the end of 2016. We believe the exit of United Healthcare from the majority of its Affordable Care Act Exchanges over the next several months increases the probability that the DOJ will approve the merger between Anthem and Cigna with the condition that ANTM/CI remain in the Exchanges, which we view positively.

EQT Corporation (EQT)
We increased our position in EQT during the period. We believe the company is continuing to improve its fundamental story. A negative overhang regarding EQT has been its lack of inventory life, but with its Statoil acquisition, the company is addressing that issue and appears well-positioned to benefit from a price recovery in the commodity. Even if there is not a significant energy price recovery, we believe EQT has one of the best balance sheets in the sector and could be a consolidator if financial distress occurs in Appalachia.

Target Corporation (TGT)
We increased our position in Target during the quarter as the stock price pulled back. The company held an analyst day in March during which management laid out a detailed plan to return to +3% comps by 2017 by continuing to improve its in-store and omni-channel experience. This was well received and expectations were high heading into first quarter earnings. Although the company's results were in line, the outlook for the second quarter was disappointing with sales trends expected to decline. Further, management maintained full-year guidance which requires an acceleration in fundamentals in the back half of the year. We believe the deceleration in sales trends is temporary and valuation remains compelling at this level.

Viacom Inc. (VIAB)
We added to Viacom during the quarter as affiliate renewal negotiations between DISH and Viacom resulted in no agreement being reached before the blackout deadline. This led to a sharp sell-off in the market on concerns no deal would be reached. We increased our position, and the dispute was resolved quickly thereafter on what we consider to be very favorable terms for Viacom. With clear visibility in affiliate revenues through 2017, and an upcoming catalyst in the sale of a portion of its Paramount Pictures movie studio, we find Viacom's valuation attractive at current levels.

2ND QUARTER 2016 LCV PORTFOLIO TRANSACTIONS

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

TRIMS

AbbVie Inc. (ABBV)
We trimmed our position in AbbVie Inc. after the stock rebounded from what we considered to be an oversold situation. Although ABBV remains high yielding and relatively inexpensive, we have concerns about the company's capital allocation. ABBV is generating strong free cash flow from Humira, its largest product. Humira will lose its patent exclusivity at some point in the next few years, so the ABBV story depends upon successful reallocation of Humira cash flows, as the market tends not to pay much of a multiple for drugs that are in the last few years of patent life. Unfortunately, after paying $21 billion to buy Pharmacyclics, which allowed ABBV access to just half of the economics of the big oncology drug Imbruvica (Johnson & Johnson owns the other half of the economics), and then paying $5.8 billion (or a potential $10.2 billion including earn outs) for clinical stage oncology company Stemcentrx, we are simply not comfortable with ABBV's capital allocation decisions. The investments might very well succeed and be huge successes, but we remain cautious and elected to reduce the position.

Agrium Inc. (AGU)
We trimmed our position in Agrium as potash prices have been pressured because of new supply entering the market and lower imports by China. Additionally the nitrogen cost curve is at risk due to lower coal prices, increased operational efficiencies, and possible currency devaluations in China. We continue to believe Agrium is in an advantaged position because of its defensive retail business and an increase in 2017 free cash flow, higher nitrogen production from its Borger operation, and lower capital expenditures. We believe the company's risk/reward profile is now more balanced for the company.

Apache Corporation (APA)
We opportunistically trimmed our position in Apache. The company has performed well over the past few months, and as a result we decided to trim the name and realize some profits.

Cisco Systems, Inc. (CSCO)
We reduced our position in Cisco. The company is still very dependent on global GDP, and we are seeing some weakness in its businesses looking forward. Although the market seems more bullish regarding the company's prospects, we are trimming our position at what we view as a functional price, ahead of what we believe could be a weaker outlook for the next few quarters.

Edison International (EIX)
We trimmed our position in Edison based on valuation and a potential negative regulatory catalyst, specifically the California Public Utilities Commission's (CPUC) announcement that they are re-opening the settlement record for EIX's San Onofre nuclear plant (SONGS) that shuttered in 2013.

Hess Corporation (HES)
We opportunistically trimmed our position in Hess during the period following the appreciation in the stock price. We believe the company will continue to perform well.

Interpublic Group Cos (IPG)
We trimmed our position in Interpublic Group as the company approached our target price, setting up for a less favorable risk/reward. We still believe the company has further upside as last year's positive momentum on contract wins can continue into this year.

2ND QUARTER 2016 LCV PORTFOLIO TRANSACTIONS

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

Microsoft Corporation (MSFT)
We trimmed our position in Microsoft following the recent appreciation as we now view the risk/reward as less compelling. We believe the company is committed to improving its market share and continues to undergo a major business transformation. Microsoft's positioning in enterprise and cloud-based software also continues to improve.

Unum Group (UNM)
We opportunistically trimmed our position in Unum during the quarter based on valuation, following the stock's recent price appreciation.

ELIMINATED POSITIONS

Ensco PLC (ESV)
We bought and later eliminated Ensco during the period. We bought the stock because we viewed the company's re-capitalization positive for its balance sheet, which helped preserve the company's optionality to a commodity recovery. We decided to eliminate Ensco as the stock price traded up reflecting the improved fundamentals. We find the risk/reward profile of the company is no longer attractive at this time.

Loews Corporation (L)
We eliminated our position in Loews during the quarter. Given its recent appreciation we view the stock as reasonably priced, and with our investment thesis played out, we believe the risk/reward is no longer attractive.

Sanofi (SNY)
We eliminated Sanofi during the quarter. Although we believe the stock is undervalued, the near-term fundamentals urge caution. Sanofi and Regeneron are in a court battle with Amgen regarding the patents on their respective cholesterol drugs, and there is a clear risk that Sanofi may lose and be forced to pay royalties to Amgen on the product. (We do not anticipate an injunction forcing Sanofi to withdraw from the market, however). Additionally, concerns remain about Sanofi's Lantus drug; the franchise is under pressure from both payors as well as from competitors Eli Lilly and Novo Nordisk. Finally, although we believe Sanofi's "asset reset" will likely leave the company better off than before, we do expect them to embark on a potentially sizable (up to 20 billion euro) acquisition, and we fear that such a deal may cap the stock's appreciation for at least a few quarters. We are, therefore, stepping aside with an eye towards revisiting the name later in the year or in 2017.

2ND QUARTER 2016 LCV PORTFOLIO TRANSACTIONS

HOLDINGS DETAILS

Holdings Details by Russell as of 6/30/2016

Currency: USD

Shares	Security Name	Unit Cost	Total Cost	Price	Market Value	Portfolio Percent	Unrealized Gain/Loss	Current Yield	Sec ID	Accrued Income	Ticker
NWQ Investment Management Company											
291313 - Jackson County Employees Retirement System											
Savings & Equivalents											
1,630,617.14	US Dollar	1.000	1,630,617.14	1.000	1,630,617.14	7.39	0.00		2	0.00	
Total Savings & Equivalents			**1,630,617.14**		**1,630,617.14**	**7.39**	**0.00**			**0.00**	
Equity											
Consumer Discretionary											
8,750.00	FORD MOTOR CO	15.060	131,774.59	12.570	109,987.50	0.50	-21,787.09	4.77	345370860	0.00	F
20,350.00	GENERAL MOTORS CO	29.031	590,787.25	28.300	575,905.00	2.61	-14,882.25	5.37	37045V100	0.00	GM
15,170.00	INTERPUBLIC GROUP OF COS INC	17.437	264,519.31	23.100	350,427.00	1.59	85,907.69	2.60	460690100	0.00	IPG
5,450.00	TARGET CORP	59.887	326,382.66	69.820	380,519.00	1.72	54,136.34	3.44	87612E106	0.00	TGT
6,120.00	TIME WARNER INC	50.101	306,618.05	73.540	450,064.80	2.04	143,446.75	2.19	887317303	0.00	TWX
15,750.00	VIACOM INC-CLASS B	37.295	587,399.58	41.470	653,152.50	2.96	65,752.92	3.86	92553P201	6,300.00	VIAB
3,350.00	WAL-MART STORES INC	79.288	265,616.15	73.020	244,617.00	1.11	-20,999.15	2.74	931142103	0.00	WMT
Total Consumer Discretionary			**2,473,097.59**		**2,764,672.80**	**12.52**	**291,575.21**			**6,300.00**	
Consumer Staples											
3,950.00	CVS HEALTH CORP	32.696	129,147.72	95.740	378,173.00	1.71	249,025.28	1.78	126650100	0.00	CVS
2,300.00	PHILIP MORRIS INTERNATIONAL	34.309	78,909.90	101.720	233,956.00	1.06	155,046.10	4.01	718172109	2,346.00	PM
Total Consumer Staples			**208,057.62**		**612,129.00**	**2.77**	**404,071.38**			**2,346.00**	
Energy											
4,100.00	APACHE CORP	64.160	263,055.64	55.670	228,247.00	1.03	-34,808.64	1.80	037411105	0.00	APA
12,625.00	CHENIERE ENERGY INC	28.088	354,605.54	37.550	474,068.75	2.15	119,463.21		16411R208	0.00	LNG
11,225.00	EQT CORP	60.864	683,197.59	77.430	869,151.75	3.94	185,954.16	0.16	26884L109	0.00	EQT
6,350.00	HESS CORP	55.881	354,844.50	60.100	381,635.00	1.73	26,790.50	1.66	42809H107	0.00	HES
8,800.00	OCCIDENTAL PETROLEUM CORP	80.094	704,823.66	75.560	664,928.00	3.01	-39,895.66	3.97	674599105	6,600.00	OXY
3,300.00	PHILLIPS 66	70.360	232,186.60	79.340	261,822.00	1.19	29,635.40	3.18	718546104	0.00	PSX
14,900.00	SUNCOR ENERGY INC	29.645	441,707.16	27.730	413,177.00	1.87	-28,530.16	3.19	867224107	0.00	SU
Total Energy			**3,034,420.69**		**3,293,029.50**	**14.92**	**258,608.81**			**6,600.00**	
Financial Services											
7,100.00	AON PLC	48.352	343,300.44	109.230	775,533.00	3.51	432,232.56	1.21	G0408V102	0.00	AON
1,800.00	AXIS CAPITAL HOLDINGS LTD	52.519	94,534.92	55.000	99,000.00	0.45	4,465.08	2.55	G0692U109	630.00	AXS
28,900.00	BANK OF AMERICA CORP	15.663	452,650.15	13.270	383,503.00	1.74	-69,147.15	1.51	060505104	0.00	BAC

HOLDINGS DETAILS

Holdings Details by Russell as of 6/30/2016

Currency: USD

Shares	Security Name	Unit Cost	Total Cost	Price	Market Value	Portfolio Percent	Unrealized Gain/Loss	Current Yield	Sec ID	Accrued Income	Ticker
21,200.00	CIT GROUP INC	43.370	919,449.31	31.910	676,492.00	3.06	-242,957.31	1.88	125581801	0.00	CIT
19,520.00	CITIGROUP INC	37.111	724,403.10	42.390	827,452.80	3.75	103,049.70	0.47	172967424	0.00	C
12,010.00	DISCOVER FINANCIAL SERVICES	57.142	686,277.44	53.590	643,615.90	2.92	-42,661.54	2.09	254709108	0.00	DFS
19,750.00	ING GROEP N.V.-SPONSORED ADR	11.852	234,070.72	10.330	204,017.50	0.92	-30,053.22	9.10	456837103	0.00	ING
10,032.00	JPMORGAN CHASE & CO	42.657	427,932.80	62.140	623,388.48	2.82	195,455.68	3.09	46625H100	0.00	JPM
10,450.00	METLIFE INC	33.001	344,855.28	39.830	416,223.50	1.89	71,368.22	4.02	59156R108	0.00	MET
8,300.00	PAYPAL HOLDINGS INC	29.924	248,365.17	36.510	303,033.00	1.37	54,667.83		70450Y103	0.00	PYPL
3,950.00	PNC FINANCIAL SERVICES GROUP	82.439	325,635.90	81.390	321,490.50	1.46	-4,145.40	2.51	693475105	0.00	PNC
5,718.00	SYNCHRONY FINANCIAL	24.068	137,623.36	25.280	144,551.04	0.65	6,927.68		87165B103	0.00	SYF
24,950.00	UNUM GROUP	24.048	600,003.43	31.790	793,160.50	3.59	193,157.07	2.52	91529Y106	0.00	UNM
10,330.00	WELLS FARGO & CO	28.871	298,241.58	47.330	488,918.90	2.21	190,677.32	3.21	949746101	0.00	WFC
Total Financial Services			**5,837,343.60**		**6,700,380.12**	**30.35**	**863,036.52**			**630.00**	
Health Care											
3,780.00	ABBVIE INC	57.987	219,191.14	61.910	234,019.80	1.06	14,828.66	3.68	00287Y109	0.00	ABBV
880.00	BIO-RAD LABORATORIES-A	138.321	121,722.77	143.020	125,857.60	0.57	4,134.83		090572207	0.00	BIO
4,270.00	CIGNA CORP	132.653	566,426.55	127.990	546,517.30	2.48	-19,909.25	0.03	125509109	0.00	CI
9,790.00	GLAXOSMITHKLINE PLC-SPON ADR	42.497	416,049.42	43.340	424,298.60	1.92	8,249.18	5.12	37733W105	3,020.77	GSK
13,100.00	PFIZER INC	24.913	326,363.07	35.210	461,251.00	2.09	134,887.92	3.41	717081103	0.00	PFE
10,100.00	TEVA PHARMACEUTICAL-SP ADR	46.783	472,506.59	50.230	507,323.00	2.30	34,816.41	2.71	881624209	0.00	TEVA
Total Health Care			**2,122,259.54**		**2,299,267.30**	**10.42**	**177,007.75**			**3,020.77**	
Materials & Processing											
2,950.00	AGRIUM INC	87.637	258,528.80	90.420	266,739.00	1.21	8,210.21	3.87	008916108	2,581.25	AGU
7,000.00	INGERSOLL-RAND PLC	35.926	251,485.12	63.680	445,760.00	2.02	194,274.88	2.01	G47791101	0.00	IR
Total Materials & Processing			**510,013.92**		**712,499.00**	**3.23**	**202,485.09**			**2,581.25**	
Producer Durables											
650.00	COPA HOLDINGS SA-CLASS A	63.799	41,469.61	52.260	33,969.00	0.15	-7,500.61	3.90	P31076105	0.00	CPA
11,956.00	GENERAL ELECTRIC CO	25.788	308,324.57	31.480	376,374.88	1.70	68,050.31	2.92	369604103	2,749.88	GE
15,900.00	KONINKLIJKE PHILIPS NVR- NY	27.818	442,305.08	24.940	396,546.00	1.80	-45,759.08	3.62	500472303	0.00	PHG
3,950.00	RAYTHEON COMPANY	43.300	171,034.16	135.950	537,002.50	2.43	365,968.34	2.16	755111507	0.00	RTN
4,800.00	SOUTHWEST AIRLINES CO	38.886	186,651.56	39.210	188,208.00	0.85	1,556.44	1.02	844741108	0.00	LUV
3,818.00	UNION PACIFIC CORP	14.675	56,029.15	87.250	333,120.50	1.51	277,091.35	2.52	907818108	0.00	UNP
Total Producer Durables			**1,205,814.13**		**1,865,220.88**	**8.45**	**659,406.75**			**2,749.88**	
Technology											

HOLDINGS DETAILS

Holdings Details by Russell as of 6/30/2016

Currency: USD

Shares	Security Name	Unit Cost	Total Cost	Price	Market Value	Portfolio Percent	Unrealized Gain/Loss	Current Yield	Sec ID	Accrued Income	Ticker
445.00	ALPHABET INC-CL A	514.193	228,815.81	703.530	313,070.85	1.42	84,255.04		02079K305	0.00	GOOGL
11,150.00	CISCO SYSTEMS INC	17.345	193,401.42	28.690	319,893.50	1.45	126,492.08	3.63	17275R102	0.00	CSCO
4,900.00	ERICSSON (LM) TEL-SP ADR	7.492	36,711.81	7.680	37,632.00	0.17	920.19	5.95	294821608	0.00	ERIC
4,000.00	MICROSOFT CORP	28.821	115,282.18	51.170	204,680.00	0.93	89,397.82	2.81	594918104	0.00	MSFT
19,200.00	ORACLE CORP	34.160	655,872.47	40.930	785,856.00	3.56	129,983.53	1.47	68389X105	0.00	ORCL
16,900.00	TERADYNE INC	18.275	308,852.72	19.690	332,761.00	1.51	23,908.28	1.22	880770102	0.00	TER
Total Technology			**1,538,936.41**		**1,993,893.35**	**9.03**	**454,956.94**			**0.00**	
Utilities											
2,300.00	EDISON INTERNATIONAL	58.874	135,409.62	77.670	178,641.00	0.81	43,231.38	2.47	281020107	1,104.00	EIX
Total Utilities			**135,409.62**		**178,641.00**	**0.81**	**43,231.38**			**1,104.00**	
Total Equity			**17,065,353.12**		**20,419,732.95**	**92.50**	**3,354,379.83**			**25,331.90**	

Total Unrealized Gain and Loss	**3,354,379.83**
Total Cost	**18,695,970.26**
Total Portfolio	**22,050,350.09**
Total % Portfolio	**99.885**
Total Accrued Income	**25,331.90**
Total % Accrued Income	**0.11**
GRAND TOTAL (Market Value + Accrued Income)	**22,075,681.99**
GRAND PERCENT PORTFOLIO (including Accrued Income)	**100.00**

Appendix

DESCRIPTIONS OF EQUITIES

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM - AS OF 06/30/16

CONSUMER DISCRETIONARY		
Ford Motor Company	F	Ford Motor Company designs, manufactures, and services cars and trucks. The Company also provides vehicle-related financing, leasing, and insurance through Ford Motor Credit Company. In addition, Ford provides the rental of cars, trucks, and industrial and construction equipment through The Hertz Corporation.
General Motors	GM	General Motors Co. manufactures and markets new cars and trucks. The Company offers features for special needs drivers, OnStar vehicle protection, service, parts, accessories, maintenance, XM satellite radio, features for commercial owners, and more. General Motors offers its vehicles and services worldwide.
The Interpublic Group of Companies, Inc.	IPG	The Interpublic Group of Companies, Inc. is an organization of advertising agencies and marketing service companies. The Company operates globally in the sectors of advertising, independent media buying, direct marketing, healthcare communications, interactive consulting services, marketing research, promotions, experiential marketing, public relations, and sports marketing.
Target Corp	TGT	Target Corp. owns and operates general merchandise stores. It also operates SuperTarget stores with a line of food and general merchandise items and offers an assortment of general merchandise, including many items found in the company's stores and a complementary assortment, such as extended sizes and colors, sold only online.
Time Warner Inc.	TWX	Time Warner Inc. is a media and entertainment company. The Company's businesses include cable television networks that provide programming, feature films, television and home video production and distribution, and magazine publishing.
Viacom, Inc.	VIAB	Viacom, Inc. produces media entertainment content. The Company creates and acquires programming for television, the Internet, mobile devices, video games, and other consumer electronics products. Viacom also produces, finances, and distributes motion pictures to movie theaters and on DVDs, television, digital and other platforms internationally.
Wal-Mart Stores, Inc.	WMT	Wal-Mart Stores, Inc. operates discount stores and Supercenters, as well as Sam's Clubs. The Company's Wal-Mart discount stores and Supercenters offer merchandise such as apparel, housewares, small appliances, electronics, and hardware. Wal-Mart operates in the United States, Canada, Argentina, Brazil, Germany, Mexico, Korea, United Kingdom, and Puerto Rico.
CONSUMER STAPLES		
CVS Health Corporation	CVS	CVS Health Corporation is an integrated pharmacy health care provider. The Company's offerings include pharmacy benefit management services, mail order, retail and specialty pharmacy, disease management programs, and retail clinics. The company operates drugstores throughout the U.S., the District of Columbia, and Puerto Rico.
Philip Morris International Inc.	PM	Philip Morris International Inc. produces, sells, distributes, and markets a wide range of branded cigarettes and tobacco products.
ENERGY		
Apache Corporation	APA	Apache Corporation engages in the exploration, development, and production of natural gas, crude oil, and natural gas liquids primarily in North America. It has exploration and production interests in the Gulf of Mexico, the Gulf Coast, east Texas, the Permian Basin, the Anadarko Basin, and the western Sedimentary Basin of Canada.

Source: Bloomberg L.P.
The specific securities listed above do not represent all of the securities NWQ has purchased, sold, or recommended for clients with this portfolio within the past year. Holdings are subject to change without notice. The reader should not assume that investments in the securities listed above were or will be profitable.

Cheniere Energy Inc.	LNG	Cheniere Energy, Inc. is an energy company focused on LNG-related businesses. The Company owns and operates liquefied natural gas (LNG) receiving terminals and liquefied natural gas (LNG) pipelines. Cheniere Energy manages and operates projects in Louisiana and Texas.
EQT Corporation	EQT	EQT Corporation is an integrated energy company with emphasis on Appalachian area natural-gas supply, transmission and distribution. The Company, through its subsidiaries, offer natural gas products to wholesale and retail customers.
Hess Corporation	HES	Hess Corporation and its subsidiaries explore for, produce, purchase, transport, and sell crude oil and natural gas. The Company also manufactures, purchases, transports, and markets refined petroleum products. Hess' exploration and production activities are located primarily in the United States, United Kingdom, Norway, and Gabon.
Occidental Petroleum Corporation	OXY	Occidental Petroleum Corporation explores for, develops, produces, and markets crude oil and natural gas. The Company also manufactures and markets a variety of basic chemicals, including chlorine, caustic soda, polyvinyl chloride, vinyl chloride monomer, and ethylene dichloride, as well as specialty chemicals. Occidental also has an interest in petrochemicals.
Phillips 66	PSX	Phillips 66 is a downstream energy company. The Company's operations include oil refining, marketing and transportation. Phillips 66's operations also include chemical manufacturing and power generation.
Suncor Energy, Inc.	SU	Suncor Energy, Inc. is a Canadian energy company. The Company's Oil Sands business mines and upgrades oil sand and markets custom-blended refinery feedstock and diesel fuel, near Fort McMurray in northern Alberta. Suncor produces natural gas in Western Canada, has a refining and marketing business in Ontario, and a retail business that operates under the brand name of Sunoco.
FINANCIAL SERVICES		
Aon Corporation	AON	Aon Corporation is an insurance services holding company. The Company comprises insurance brokerage, consulting, warranty and consumer insurance companies. Aon provides insurance and consulting services worldwide.
AXIS Capital Holdings Limited	AXS	AXIS Capital Holdings Limited, through its subsidiaries, provides various insurance and reinsurance products to insureds and reinsureds worldwide. It operates in two segments, Insurance and Reinsurance.
Bank of America Corporation	BAC	Bank of America Corporation is a bank holding company and a financial holding company. The Company provides a diversified range of banking and nonbanking financial services and products both domestically and internationally. The Company provides consumer and commercial banking, asset management, global corporate and investment banking, and equity investments.
CIT Group Inc.	CIT	CIT Group Inc. is a diversified finance organization offering secured commercial and consumer financing to individuals and businesses through a global distribution network. The Company operates business units that focus on specific industries, asset types, and markets which are balanced by client and industry diversification.
Citigroup Inc.	C	Citigroup Inc. is a diversified financial services holding company that provides a broad range of financial services to consumer and corporate customers around the world. The Company's services include investment banking, retail brokerage, corporate banking, and cash management products and services.
Discover Financial Services	DFS	Discover Financial Services is a credit card issuer and electronic payment services company. The Company issues credit cards and offers student and personal loans, as well as savings products such as certificates of deposit and money market accounts and operates an automated teller machine(ATM)/debit network, which includes ATMs, as well as POS terminals nationwide.
ING Groep NV	ING	ING Groep N.V. offers financial services to individuals, corporations, and other institutions. The Company offers corporate, investment, and private banking services, asset and portfolio management, treasury services, and insurance. ING Groep has offices throughout the world.

Source: Bloomberg L.P.
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JPMorgan Chase & Co.	JPM	JPMorgan Chase & Co. provides global financial services under the JPMorgan brand and retail banking under the Chase brand. The Company provides services such as investment banking, treasury and securities services, asset management, private banking, cardmember services, commercial banking, and home finance. JPMorgan Chase serves business enterprises, institutions, and individuals.
MetLife, Inc.	MET	MetLife, Inc. provides insurance and financial services to a range of individual and institutional customers. The Company provides individual insurance, annuities, and investment products, as well as group insurance and retirement and savings products and services. MetLife conducts operations in the United States and other countries in the Asia/Pacific, Latin America, and Europe.
PayPal Holdings Inc.	PYPL	PayPal Holdings, Inc. operates as a technology platform company that enables digital and mobile payments on behalf of consumers and merchants. The Company offers online payment solutions. PayPal Holdings serves customers worldwide.
PNC Financial Services Group Inc.	PNC	PNC Financial Services Group, Inc. is a diversified financial services organization. The Company provides regional banking, wholesale banking, and asset management services nationally and in the Company's primary regional markets.
Synchrony Financial	SYF	Synchrony Financial operates as a consumer financial services company. The Company provides a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers.
Unum Group	UNM	Unum Group provides group disability and special risk insurance. The Company provides disability insurance, group life insurance, and payroll-deducted voluntary benefits offered to employees at their worksites. Unum operates in the United States, the United Kingdom, and, to a limited extent, in certain other countries around the world.
Wells Fargo & Company	WFC	Wells Fargo & Company is a diversified financial services company providing banking, insurance, investments, mortgage, leasing, credit cards, and consumer finance. The Company operates through physical stores, the Internet and other distribution channels across North America and elsewhere internationally.
HEALTH CARE		
AbbVie Inc.	ABBV	AbbVie Inc. researches and develops pharmaceutical products. The Company produces pharmaceutical drugs for specialty therapeutic areas such as immunology, chronic kidney disease, Hepatitis C, women's health, oncology, and neuroscience. AbbVie also offers treatments for diseases including Multiple Sclerosis, Parkinson's, and Alzheimer's disease.
Bio-Rad Laboratories Inc.	BIO	Bio-Rad Laboratories, Inc. is a multinational manufacturer and distributor of life science research products, clinical diagnostics, and analytical instrumentation. The Company's products and systems separate complex chemical and biological materials, as well as identify, analyze, and purify their components.
CIGNA Corporation	CI	CIGNA Corporation, through its subsidiaries, provides group life and health insurance, managed care products and services, retirement products and services, and individual financial services worldwide. The Company also sells individual life and health insurance and annuity products in selected international locations.
GlaxoSmithKline PLC	GSK	GlaxoSmithKline PLC is a research-based pharmaceutical company. The Company develops, manufactures, and markets vaccines, prescription, and over-the-counter medicines, as well as health-related consumer products. GlaxoSmithKline provides products for infections, depression, skin conditions, asthma, heart & circulatory disease, and cancer.
Pfizer Inc.	PFE	Pfizer Inc. is a research-based, global pharmaceutical company that discovers, develops, manufactures, and markets medicines for humans and animals. The Company's products include prescription pharmaceuticals, non-prescription self-medications, and animal health products such as anti-infective medicines and vaccines.
Teva Pharmaceutical Industries Ltd.	TEVA	Teva Pharmaceutical Industries Ltd., is a global pharmaceutical company. The Company develops, manufactures, and markets generic and branded human pharmaceuticals as well as active pharmaceutical ingredients.

Source: Bloomberg L.P.
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MATERIALS & PROCESSING		
Agrium Inc.	AGU	Agrium Inc. produces and markets fertilizers and related products and services worldwide. The fertilizers include nitrogen, phosphorus, potassium, sulphur, and micronutrients. The Company supplies its products and services in North America and Argentina.
Ingersoll-Rand Company	IR	Ingersoll-Rand Company is a diversified industrial equipment and components manufacturer. The Company serves the climate control, industrial productivity, security and safety, and infrastructure development markets located worldwide. Ingersoll-Rand provides products such as security systems, compressors, hardware, pumps, tools, doors, and construction equipment.
PRODUCER DURABLES		
Copa Holdings SA	CPA	Copa Holdings SA provides international airline passenger and cargo service. The Company provides scheduled flights to countries in North, Central and South America and the Caribbean. The Company also has codeshare arrangements with Continental Airlines.
General Electric Company	GE	General Electric Company develops, manufactures, and markets products for the generation, distribution, and utilization of electricity. The Company, through General Electric Capital Services, Inc., offers a variety of financial services including mutual fund management, financing, asset management, and insurance. General Electric also owns the National Broadcasting Company.
Koninklijke Philips NV	PHG	Koninklijke Philips N.V. manufactures medical systems, domestic appliances, consumer electronics, and lighting. The Company produces imaging, ultrasound and healthcare informatics equipment, shaving and beauty and health and wellness products, displays, and peripherals, and lamps and luminaries.
Raytheon Company	RTN	Raytheon Company provides products and services in the areas of military and commercial electronics, communication and information systems, aircraft surveillance and intelligence systems, technical services, and missile and aircraft manufacturing. Raytheon customers include the commercial aerospace, defense and military aviation markets.
Southwest Airlines Co.	LUV	Southwest Airlines Co. is a domestic airline that provides primarily short-haul, high-frequency, point-to-point service. The Company offers flights throughout the United States.
Union Pacific Corporation	UNP	Union Pacific Corporation provides rail transportation. The Company's railroad hauls a variety of goods, including agricultural, automotive, and chemical products, across the United States.
TECHNOLOGY		
Alphabet, Inc.	GOOGL	Alphabet, Inc. operates as a holding company. The Company, through its subsidiaries, provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products.
Cisco Systems Inc.	CSCO	Cisco Systems, Inc. supplies data networking products for the Internet. The Company's Internet Protocol-based networking solutions are installed at corporations, public institutions and telecommunication companies worldwide. The Company's solutions transport data, voice, and video within buildings, across campuses, and around the world.
Telefonaktiebolaget LM Ericsson	ERIC	Telefonaktiebolaget LM Ericsson develops and manufactures network equipment and software, as well as services for network and business operations. The Company's portfolio also includes products for the enterprise, cable, mobile platform and power module markets.
Microsoft Corporation	MSFT	Microsoft Corporation develops, manufactures, licenses, sells, and supports software products. The Company offers operating system software, server application software, business and consumer applications software, software development tools, and Internet and intranet software. Microsoft also develops the MSN network of Internet products and services.

Source: Bloomberg L.P.
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Oracle Corp.	ORCL	Oracle Corporation supplies software for enterprise information management. The Company offers databases and relational servers, application development and decision support tools, and enterprise business applications. Oracle's software runs on network computers, personal digital assistants, set-top devices, PCs, workstations, minicomputers, mainframes, and massively parallel computers.
Teradyne, Inc.	TER	Teradyne, Inc. manufactures automatic test systems and related software for the electronics and communications industries. The Company's products include systems to test semiconductors, circuit boards, telephone lines and networks, and software. Teradyne also manufactures backplanes and associated connectors used in electronic systems.
UTILITIES		
Edison International	EIX	Edison International, through its subsidiaries, develops, acquires, owns, and operates electric power generation facilities worldwide. The Company also provides capital and financial services for energy and infrastructure projects, as well as manages and sells real estate projects. Additionally, Edison provides integrated energy services, utility outsourcing, and consumer products.

Source: Bloomberg L.P.
The specific securities listed above do not represent all of the securities NWQ has purchased, sold, or recommended for clients with this portfolio within the past year. Holdings are subject to change without notice. The reader should not assume that investments in the securities listed above were or will be profitable.

NWQ

LARGE CAP VALUE COMPOSITE PERFORMANCE

COMPOSITE PERFORMANCE DATA

Year	Large Cap Value Gross Returns (%)	Large Cap Value Net Returns (%)	Russell 1000 Value Returns (%)	# of Accounts	Composite Assets ($ millions)	% of Non Fee-Paying Portfolios	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	(4.8)	(5.4)	(3.8)	23	1,301.4	0.0	6.1	21.3	0.4
2014	7.4	6.7	13.5	31	1,849.3	0.0	7.2	25.8	0.3
2013	30.8	30.0	32.5	53	4,391.8	0.0	9.2	47.8	0.4
2012	10.2	9.5	17.5	117	4,560.7	0.0	9.5	48.0	0.5
2011	(7.0)	(7.6)	0.4	195	5,511.9	≤ 1.0	11.3	48.7	0.7
2010	16.6	15.8	15.5	210	6,049.6	≤ 1.0	13.9	43.5	0.6
2009	28.4	27.6	19.7	224	4,811.2	≤ 1.0	11.6	41.3	1.5
2008	(38.4)	(38.8)	(36.9)	241	3,688.3	≤ 1.0	9.2	40.2	1.1
2007	2.6	2.0	(0.2)	244	5,507.4	≤ 1.0	17.2	32.0	1.0
2006	19.1	18.3	22.3	248	4,945.7	≤ 1.0	16.0	30.9	0.6
2005	12.0	11.3	7.1	248	4,367.3	≤ 1.0	45.8	9.5	0.6
2004	20.5	19.7	16.5	215	3,180.0	≤ 1.0	30.7	10.4	0.6
2003	35.1	34.3	30.0	117	1,051.8	0.0	13.4	7.8	1.1
2002	(13.8)	(14.4)	(15.5)	73	395.7	0.0	7.6	5.2	0.8
2001	1.3	0.6	(5.6)	56	350.7	0.0	6.5	5.4	2.7
2000	14.8	14.1	7.0	49	438.3	0.0	5.7	7.6	N.A.
1999	17.1	16.2	7.4	≤ 5	119.8	0.0	6.0	2.0	N.A.
1998	8.9	8.3	15.6	6	51.0	0.0	8.1	≤ 1.0	N.A.
1997	35.3	34.5	35.2	≤ 5	20.9	0.0	8.3	≤ 1.0	N.A.
1996	26.9	25.9	21.6	≤ 5	2.3	0.0	6.4	≤ 1.0	N.A.
1995	39.8	38.5	38.4	≤ 5	558.2	0.0	N.A.	N.A.	N.A.
1994	9.3	8.2	(2.0)	≤ 5	448.6	0.0	N.A.	N.A.	N.A.
1993	20.9	19.7	18.1	≤ 5	390.7	0.0	N.A.	N.A.	N.A.
1992	31.5	30.2	13.6	≤ 5	209.0	0.0	N.A.	N.A.	N.A.
1991	55.4	53.9	24.6	≤ 5	118.4	0.0	N.A.	N.A.	N.A.
1990	1.7	0.7	(8.1)	≤ 5	30.2	0.0	N.A.	N.A.	N.A.

Please see the results explanation on the following pages for important disclosures.

LARGE CAP VALUE COMPOSITE PERFORMANCE (CONTINUED)

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC ("NWQ") is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the "Firm"), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®), and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

   The effective date of compliance with the Global Investment Performance Standards (GIPS®) is January 1, 2000.

   The NWQ Large Cap Value Composite has been examined for the periods January 1, 2006 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. An additional composite comprised of dual-contract client accounts in the Large Cap Value strategy, meeting the relevant composite inclusion criteria, is available upon request.

3. The NWQ Large Cap Value Composite (the "Composite") incepted on January 1, 1990. The Composite contains all discretionary institutional portfolios managed within the NWQ Large Cap Value strategy. Accounts in the Composite use an approach which seeks to invest client assets primarily in common stocks of undervalued large and mid-capitalization companies with identifiable catalysts expected to improve their profitability and generate above-market returns. Accounts in the Composite also invest in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges. The Composite was created in December 2012.

4. The Composite's benchmark is the Russell 1000® Value Index. The Russell 1000® Value Index measures the performance of those Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth values. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

   The Composite's portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm's objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

LARGE CAP VALUE COMPOSITE PERFORMANCE (CONTINUED)

RESULTS EXPLANATION

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Large Cap Value portfolios is as follows: first $50 million is 0.65%; next $50 million is 0.55% and over $100 million is 0.45%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm's fees are available on request and may also be found in Part 2A of NWQ's Form ADV.

   The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client's return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.
7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.
8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 11.89% and 10.68% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 11.00% and 9.20% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 15.41% and 12.70% respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 17.77% and 15.51% respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 20.97% and 20.69% respectively. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.
9. In the first quarter of 2008, a Managing Director and Portfolio Manager retired from NWQ after 25 years with the Firm. This individual's portfolio management responsibilities were assumed by a team of senior investment professionals with extensive portfolio management experience, led by Jon Bosse. Jon Bosse, NWQ's Chief Investment Officer, continues to serve as lead portfolio manager for the Large Cap Value strategy.
10. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. The 2006 Firm assets referenced above reflect this transfer. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

MINIMUTES OF

JACKSON COUNTY EMPLOYEES' RETIREMENT SYTEM

Thursday, June 23, 2016
6th Floor Room 604

The June 23 2016 Regular Meeting of the Jackson County Employee's Retirement System Board of Trustees was called to order at 8:30 a.m. by Chairperson Shotwell,
The following Trustees were present: Best, Elwell, Huttenlocker, Johnson, Maurer, Shotwell, and Wandell. Also in attendance: Matt Augustine – Morgan Stanley; Debby Gorz - Pension Coordinator; James Latham – Finance Officer; Steven Lutenski – Morgan Stanley; and Jack Timmony - VanOverbeke Michaud and Timmony.

Approval of Agenda:

MOTION: Moved by Maurer, supported by Best to approve the Agenda. Motion carried.

PUBLIC COMMENT: None

INVESTMENT MANAGER UPDATE:

Patrick Hearne of State Street Global Advisors presented an Investment Portfolio update to the Board.

MOTION: Moved by Best, supported by Elwell to receive the presentation from SSGA. Motion carried.

MOTION: Moved by Elwell, supported by Maurer to receive the Minutes of May 26, 2016. Motion carried.

MOTION: Moved by Best, supported by Maurer to receive the Financials as presented by James Latham for May 2016. Motion carried.

Consent Agenda:

MOTION: Moved by Elwell supported by Maurer to concur with the Consent Agenda:

A. Comerica Bank Custodial Statements of Account for *May* (▶)
B. Purchase of Service
C. Refunds of Contributions
D. Distribution of DROP Balances
E. Approve Application for Retirement
-none
F. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
- Nick Mehalco, Jr., General, Effective 7/1/2016
G. Statements Paid
H. Correspondence:
1. Calamos News Release
2. Robbins Geller Settlement/Monitor Rpt. (May 27, 2016)
3. SSGA Performance (5/31/2016)

Roll call vote. Motion carried unanimously, 7 – yes.

Investment Manager Review Committee:

Trustee Huttenlocker reported the committee has finished reviewing Garcia Hamilton and will begin review of State Street Global Advisors. He added the committee is also reviewing the Statement of Investment Objectives, Policies, and Guidelines, and is working with the Policy Committee. Trustee Wandell reported they will be reviewing this Policy #36 today.

MOTION: Moved by Huttenlocker, supported by Maurer to approve the Amended *2016 Scheduled Meetings with Managers & Consultants Calendar.*
Motion carried.

2016 MANAGER
SCHEDULE.doc

Policy Committee:

MOTION: Moved by Wandell, supported by Best to approve Policy #3; Advisor & Consultant Reviews.
Motion carried.

MOTION: Moved by Wandell, supported by Elwell to approve Policy #17; *Elections Procedures.*
Motion carried.

MOTION: Moved by Best, supported by Elwell to approve Policy #21; *Supplemental Actuarial Valuation.*
Motion carried.

Legal Counsel:

MOTION: Moved by Elwell, supported by Maurer to approve the Snyder Resolution and mail to all parties as listed in Resolution:

Updated Cert & Res
(Autosaved).doc

Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Elwell, supported by Wandell directing the Pension Coordinator to mail out Request for Information's for Advisor & Consultant Reviews and Legal Services Reviews requesting the written responses due by 4:00 p.m. on Thursday, September 15, 2016.
Motion carried.

Attorney Jack Timmony reported that a draft RFI for a Medical Director will be reviewed by the Policy Committee. A Consultant Review Timeline has been updated by the Policy Committee and is attached here as an official Calendar:

AdvisorConsultant_R
eviewed.xlsx

Morgan Stanley Wealth Management Update:

Steve Lutenski of Morgan Stanley Wealth Management reported this quarter has improved. Matthew Augustine shared comments and outlooks regarding the current markets.

They also noted that Morgan Stanley has scheduled the Second Quarter Investment Manager Monitor Report for the August 2016 Retirement Board Meeting.

MOTION: Moved by Elwell, supported by Wandell to nominate and appoint Sharon Best to the Public Member Trustee position for the term 07/01/16 – 06/30/17. Motion carried.

Chairperson Shotwell adjourned the meeting at 9:35 a.m.

____________________________ ____________________________
Chairperson Pension Coordinator

PORTFOLIO MANAGER COMMENTARY
June 24, 2016

ClearBridge Investments

Brexit Likely to Hamper UK Growth

Elisa Mazen
Managing Director, Portfolio Manager

Thor Olsson
Director, Portfolio Manager

Michael Testorf
Managing Director, Portfolio Manager

Pawel Wroblewski
Director, Portfolio Manager

Currency Declines To Adjust UK Imbalances

The surprise decision of United Kingdom voters to leave the European Union has sparked sharp selloffs in the pound sterling, global equities and crude oil and sent bond yields in more developed economies lower but peripheral and emerging markets spreads higher. Such short-term moves were the known unknown following a vote for "Brexit." Longer term uncertainty over global trade, labor issues, popular discontent and policy responses need to be addressed around the world.

More than six weeks ago, the Bank of England (BOE) warned that Brexit could "materially alter the outlook for output and inflation" and its approach to monetary policy. The BOE has prepared for this contingency with excess funds and is ready to address any credit or liquidity event. Among their concerns were declines in household consumption and business investment, moves that could lower the demand for labor in an economy currently enjoying the lowest unemployment rate in the EU at 5%. These effects were already taking shape as housing prices were down prior to the vote and gauges of manufacturing activity were contracting.

As the BOE stated earlier, "This combination of influences on demand, supply, and the exchange rate could lead to a materially lower path for growth and a notably higher path for inflation than…set out in prior reports." While there were many businesses that had spoken out against the Leave movement, we now will have to see if there is in fact a move by businesses from the UK. While GDP growth will likely decline directionally, it is worth noting large multinational companies, domiciled in the UK, will see the benefits from the weakening currency. We may have seen early signs of this as the FTSE 100 has greatly outperformed other markets in today's downdraft. GDP will likely decline in 2016 with a larger impact in 2017, but could still be a positive number rather than recession.

GDP impacts will be most keenly felt in trade and services in the UK with an impact roughly four times greater than on the European Union. The effect on the eurozone's largest financial center is unknown at this point, but we believe it is premature to predict a major decline.

In early trading after the referendum passed, the pound sterling plunged to its lowest level against the U.S. dollar since 1985. The UK is currently running a large current account deficit that is financed primarily by foreign direct investment. Post Brexit, this will slow as the risk associated with such an investment in the UK is now higher. However, the currency decline is an adjustment mechanism to those imbalances and it is likely that imports slow and the current account gap could close.

What Happens Next?

In the next few months, nothing. A new Conservative Party candidate will have to be selected to replace Prime Minister David Cameron, who announced his resignation today. He has stated that he will not invoke Article 50 of the 2009 Lisbon Treaty and leave that to his successor. This will trigger the formal two-year process of negotiating with the EU's other 27 member states.

> Within Europe, the move by the UK will create discussions among other key member states, but ultimately we believe that the benefits of the eurozone remain solid and will hold."

Within Europe, the move by the UK will create discussions among other key member states, but ultimately we believe that the benefits from the creation of the eurozone remain solid and will hold.

It is not a foregone conclusion that the negative impacts of Brexit reverberate uniformly throughout Europe.

While Brexit, in the near term, will have adverse impacts on the UK economy, including decreased foreign investment, a weakening currency as well as strained trade relationships with the EU, exit negotiations will take time to play out and be a significant factor in determining the magnitude of impact. The UK will negotiate new relations with the EU, but will stay very close to the region like non-members Norway and Switzerland. It is in the EU's interest not to allow this exit to negatively reverberate as they are only in the beginning stages of economic recovery, and can strike balances that will be in each other's mutual interests.

Despite the disappointing Brexit results and near-term setback, short-term extreme market dislocations and fears have in the past provided exploitable opportunities to invest at the higher end of the quality spectrum and this remains true today.

ClearBridge Investments
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Los Angeles, CA 90067
310.712.4000
www.nwq.com

Jul 15, 2016

Ms. Debby Gorz
Jackson County (MI)
120 West Michigan Avenue
7th Floor
Jackson, MI 49201

RE: Jackson County Employees Retirement System

Dear Ms. Gorz:

Enclosed please find our second-quarter Market Commentary and Portfolio Review, as well as our *Insight* essay, "Look, Ma, No Hands!," which was written by NWQ Research Analyst Ryan Baker.

We are pleased to announce that effective July 1, 2016, Peter Boardman, Portfolio Manager and Equity Analyst, and Ray Wicklander and Jae Chung, both Equity Analysts will transition to NWQ from another affiliate of our parent company. These additions will be an enhancement to the success that we have had in building out our global equity research capabilities over the last several years. See "About NWQ" (page 7) for further details.

As always, thank you for your trust and allowing us to be stewards of your capital. We continue to invest in our company to expand and enhance our capabilities, and we are completely committed to delivering strong, consistent performance.

Sincerely,

Jon D. Bosse
Co-President and Chief Investment Officer

Insight and Commentary

Second Quarter 2016

NWQ Investment Management Company, LLC

2049 Century Park East
16th Floor
Los Angeles, CA 90067

(310) 712-4000

www.nwq.com

Insight

Look, Ma, No Hands!

That Google's driverless car rear-ended a bus in San Francisco on Valentine's Day 2016 is no reason to slam the brakes on a discussion of high tech meets highway. But first a bit of time travel back to 1897, the year Alexander Winton is credited with building the first automobile with – yes – a steering wheel. Then a mere sixteen years later, the auto industry's Big Bang: the implementation of mass production techniques at the Ford Motor Company in 1913 – the jump start of an industry whose subsequent history of innovation was arguably unrivaled until the computer revolution.

Although Henry Ford's inauspicious declaration that "any customer can have a car painted any colour that he wants so long as it is black" did not bode well for cosmetic innovations in the early days of automobile production, mechanical innovations proliferated. It is this rich history we discuss first in this essay.

Standard features on today's automobiles were remarkable innovations when they were introduced – for example, turn signals (which, frustratingly, appear *not* to be standard equipment given the way some people drive today). Credit the engineers at Buick in 1937. Cruise control? Thank Ralph Teeter, a blind man, who in the 1950s sensed by ear that cars on the Pennsylvania Turnpike traveled at uneven speeds, which he believed led to accidents. While unpopular when first introduced, cruise control is now standard on more than 70% of today's automobiles.

The consumer pushback Mr. Teeter experienced occurred in two other arguably more important innovations: seat belts and air bags. Manufacturers offered the former as an option in the 1950s, but potential buyers feared being trapped in their vehicles. In 1961 the Wisconsin legislature became the first governmental authority to require seat belts, an event that foreshadowed the National Traffic and Motor Vehicle Safety Act of 1966, which mandated lap and shoulder belts in all new cars by 1968. Greatly influencing the focus on safety was the publication in 1966 of Ralph Nader's *Unsafe at Any Speed*, which had the intended consequence being the literary death knell of Chevrolet's Corvair. Not many drivers buckled up initially, but now over 80% of drivers do. As for airbags, they too were originally optional equipment introduced by General Motors in 1974, but it was not until 1998 that this now uncomplainingly accepted and critical safety feature was required as standard equipment, again by

Continued on next page…

CONTENTS

federal law, although kudos to Chrysler for installing standard driver-side airbags a full ten years before they became mandatory.

As cars became safer and safer to drive (verb; active tense; assumes a person, preferably licensed), automotive engineers began enhancing the fun aspects of the driving experience: more and better speakers, the evolutionary moves from AM radio-to-AM/FM-to-eight track-to-cassette-to-CDs-to-Bluetooth, while at the same time making great strides in mechanical enhancements like shift-by-wire (elimination of mechanical shifting linkage and the steering wheel column or console "stalk"), and space age features like GPS and heads-up displays.

Fast forward to 2016: after the revolutions of safety, comfort, convenience, and entertainment the auto industry and its customers appear headed to, if not quite totally willing to accept the implications of, the ultimate automotive frontier: being driven (passive tense; assumes anyone or anything in the car is transported without a driver behind the steering wheel – assuming there is a steering wheel).

As a road map to this to and through this frontier, the NHTSA (National Highway Traffic Safety Administration has defined six levels of vehicle automation, from Level 0, where the driver has complete control of the vehicle at all times, to Level 5, where the operation of the vehicle is fully autonomous (no steering wheel or controls) with *no option for human driving*. Now on the roads are a small number of Level 2 vehicles, in which the driver may be "disengaged from physically operating the vehicle by having his or her hands off the steering wheel and foot off the pedal at the same time" but must be ready to take control of the vehicle.

We may be spinning our wheels at Level 2 for some time, because as we went to press the world learned about two recent crashes of cars on Level 2 autopilot. In one crash the driver died, and the initial investigation suggests the autopilot technology could not distinguish between the bright sky and the white side of a truck that had turned into the path of the car. Which begs both further basic questions – what about distinguishing between a pothole and black ice? – and knottier moral and philosophical ones involving choices that will inevitably have to be made when either outcome will involve unavoidable fatalities. The ultimate question is how much control we humans will cede to a machine – albeit a machine that may be capable of making better (and potentially life-saving) split-second decisions than we can.

We cannot conclude this technical/historical essay without mentioning that for many persons a totally active experience of driving a car has had, and continues to have, its emotional attractions and rewards – although, we admit, these pleasures can't but take a back seat to the welcome thought of allowing your car to drive itself if you're stuck in rush hour traffic on L.A.'s 405 freeway or Chicago's Dan Ryan Expressway. ■

Authored by

Ryan Baker

NWQ Research Analyst

Large Cap Value Commentary

Second Quarter 2016

INCEPTION

- January 1, 1990

STRATEGY ASSETS [1]

- $3,529.4 MM

TOP TEN HOLDINGS [2]

EQT Corporation	4.0%
Citigroup Inc.	3.8%
Unum Group	3.6%
Oracle Corporation	3.6%
Aon PLC	3.6%
CIT Group Inc.	3.1%
Viacom Inc. Class B	3.0%
Occidental Petroleum Corporation	2.9%
Discover Financial Services	2.9%
JPMorgan Chase & Co.	2.7%

SECTOR ALLOCATION [2]

Consumer Disc.	12.5%
Consumer Staples	3.9%
Energy	14.9%
Financial Services	30.1%
Health Care	10.4%
Materials & Proc.	3.2%
Producer Durables	8.7%
Technology	9.1%
Utilities	0.8%

1. Includes the equity portion of corresponding strategy's Balanced accounts and includes approximately $656.3 million in Unified Managed Account (UMA) assets as of 6/30/16.

2. Holding and sector weights are based on the institutional representative account as of 6/30/16. Weights are subject to rounding.

Market Commentary

Many of the overriding concerns we discussed in our first quarter commentary -- low economic growth, increased terrorism, political uncertainty with the U.S. presidential election, and a more active governmental antipathy toward mergers and acquisitions – remain front and center. Perhaps they even intensified. The event having the greatest ramifications, however, was the so-called "Brexit" vote, the U.K. citizens' vote to exit the European Union in a non-binding referendum held on June 23. Driven by concerns over immigration and perceived overreach of the EU bureaucracy in Brussels, the Brexit vote precipitated a massive sell-off in equities around the world, particularly in the U.K. and European markets, a 10% depreciation in the British pound versus the U.S. dollar, and dramatic declines in interest rates globally. Economic growth rates were cut broadly, with recession fears mounting in many markets. Equity markets had staged a meaningful rally leading into the June 23 vote as the British betting houses had forecasted a nearly 90% probability of a "remain" victory. Most recently, Spanish elections did not follow the U.K. example, and recent sentiment seems to suggest that other nations do not have a desire to exit the EU.

The Fed remained on hold with regard to raising interest rates given tepid U.S. economic growth and increased global economic weakness. Ten-year U.S. Treasury yields plunged nearly 30 basis points following the U.K. referendum to end the quarter at 1.47%, which was a record low and a decline of 80 basis points from the end of 2015. U.K. interest rates fell below 1% (a record low as well). Unbelievably, $11.7 trillion in debt globally (none in the U.S.) had negative yields at quarter end, according to Fitch Ratings. Given broad economic weakness, monetary policy around the globe remains extremely expansionary, gold continued its rise vis-a-vis currencies, and oil prices continued their strong rebound given better market balance, declining production, and modest demand growth.

U.S. equity markets (as measured by the S&P 500 Index) appreciated for the quarter as the brief post "Brexit" tumble did not undo prior gains and actually staged a sharp rally in the final days of the period. Value stocks significantly outperformed growth across all cap ranges during the period, particularly among the large cap and broad market indices. Energy was the best performing sector given the dramatic increase in oil prices driven by better supply/demand balances in the commodity markets. Defensive sectors less reliant on economic growth, including utilities, healthcare, and consumer staples posted strong results as well. Notwithstanding the dramatic declines in interest rates, the Russell 1000 Value Financial Services sector also posted slightly positive results. Although bank profit margins are being hurt by low interest rates, the prospect of significant capital return through accelerating dividends and share repurchases was just confirmed through the Fed's CCAR (Comprehensive Capital Analysis and Review). In the non-U.S. markets, most of the EU countries posted declines for the quarter, while Japan and many other Asian markets posted modest gains (according to MSCI).

Continued on next page…

Large Cap Value Commentary

Top Sector Contributors

- Energy

Top Sector Detractors

- Health Care
- Technology
- Financial Services

Top contributors and detractors are based on the institutional representative account as of 6/30/16.

Portfolio Review

NWQ Large Cap Value portfolios posted positive returns (gross of fees) for the second quarter, although results did meaningfully trail the Russell 1000 Value Index's return of 4.58%. Sector portfolio performance relative to the benchmark was most negative in technology and healthcare. On the positive side, the performance of our energy investments, which we opportunistically increased exposure in early 2016, materially benefitted our results. Materials and processing was our second best performing sector. Specific stock selection was broadly negative in the period, and the impact of sharply lower interest rates continued to be a headwind to performance. In our first quarter letter, we discussed how inexpensive value had become relative to growth, trading at its cheapest level in more than 25 years. This quarter we provide commentary on the extreme valuation gap between utilities and financials.

Our energy investments provided the best absolute and relative performance during the period. Substantially increasing our energy holdings earlier this year materially benefitted results as many stocks have appreciated significantly from their lows. Production declines have taken hold, and supply/demand is better aligned. Brent crude, the global oil benchmark, ended the quarter near the $50 level, almost doubling off the January bottom. Many exploration and production companies issued equity to improve liquidity, slightly de-lever their balance sheet, or fund property acquisitions. Given the magnitude of the move in stock prices, the investment issue going forward has shifted somewhat from "Is there a bottom?" to "How robust is the recovery?" Consequently, we trimmed positions in two of our exploration and production holdings (**Apache** and **Hess Corp**), and eliminated our investment in service company, **Ensco**. Our largest holdings in the energy sector are currently **EQT Corp**, **Occidental Petroleum** (OXY), and **Cheniere Energy**. EQT and Cheniere are both new investments in the portfolio that were made within the past year.

Our best performing investments for the quarter were EQT, Hess, and **Pfizer**. EQT appreciated because of the growing belief that with natural gas production slowing, and demand from exports to Mexico and for liquefied natural gas (LNG) increasing, gas markets could be relatively tight next year. We find EQT is well positioned to benefit from higher natural gas prices, and will be one of the few companies in the Marcellus Shale capable of meaningfully increasing production in 2017. Hess benefitted from its relatively strong balance sheet (post its equity raise), and structural leverage to an improving commodity environment due to its higher cost operations in the Bakken. The company also received positive data points regarding its stake in the Liza discovery off the coast of Guyana, which could represent more than 1 billion barrels of resource. Pfizer outperformed as the company's bid to purchase Allergan fell apart after the U.S. government proposed additional regulations to crack down on corporate tax inversions. Concern surrounding the large transaction, plus risk arbitrage, had previously served as an anchor on Pfizer's stock price. Also during an

Continued on next page…

increasingly volatile quarter, Pfizer's shares benefitted as a perceived "safe haven." After failing to complete two sizable announced transactions (AstraZeneca and Allergan), management essentially renounced large deals in favor of focusing on organic growth, smaller bolt-on transactions, and additional capital return. Such shareholder friendly visibility, combined with a steady revenues and earnings profile, resulted in multiple expansion during the tumultuous quarter.

Investments that detracted the most from performance included **General Motors**, **Royal Philips**, and Latin American airline, **Copa Holdings**. Copa declined as management lowered full year margin guidance because of continued economic weakness in Latin America and rising fuel prices. Although we continue to believe Copa has a structural advantage in South America and that its long term low-cost defensive business model will eventually have its value recognized, we eliminated our position during the period in favor of establishing a position in Southwest Airlines. The decline in General Motors reflects concerns that the U.S. auto cycle may be peaking, notwithstanding the fact that those fears are already significantly priced in its stock price. Additionally, Great Britain's decision to leave the EU and subsequent volatility in global markets has increased market concern about Brexit's impact on the European auto industry recovery. While GM has a lower percentage of direct exposure to the U.K. market than its U.S. peers, the total impact to the global auto industry and automakers remains unknown. Royal Philips declined in spite of the successful IPO of its lighting division. The market was disappointed at Philips' inability to fully monetize that business through a sale, but we remain pleased with management's execution of the IPO of 25% of that business. Brexit also weighed on the stock as investors question the extent to which industrial activity may slow in the EU as a result of the U.K. leaving the Union. Philips made a positive acquisition in the quarter of a small digital pathology imaging company in Ireland, in line with how we would like to see the company deploy capital: avoiding large, harder to integrate deals.

Despite their stodgy image, utility stocks have performed exceptionally well since the financial crisis as exceptionally low and falling interest rates have led to a decline in the industry's cost of capital and enhanced the attractiveness of defensive yield stocks. In addition, the regulated nature of the industry and its entirely domestic orientation have insulated them from global economic strains and currency fluctuations. Amidst these positives, however, valuations of utility stocks have reached exceptionally inflated levels, as the chart below demonstrates, and trade at extremely high premiums over financial sector stocks on a price/book basis based on the S&P 500 Index. The average premium over the past 25 years has been around 3.5%. While the premium was higher during the 2008 financial crisis (banks were woefully undercapitalized) and the 2012 sovereign debt crisis, the current price for safety is extremely high. We find sell side analysts regularly have buy recommendations on utility stocks with price targets below their current stock prices, and have on multiple occasions raised price targets with no change in earnings.

Source: Bloomberg, as of 6/30/2016. Index data does not reflect taxes, transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index.

Many stocks in other sectors of the market, including financials, technology, and industrials offer yields comparable to utilities but with more attractive valuations. Total capital return for these stocks, including share repurchases, is also much greater than for utilities. We have contrasted utility industry valuations with those of financials, whose margins have been pressured by the same low interest rates that have had such a positive effect on valuations in the utility industry.

Continued on next page…

Banks improved capital ratios, as reflected in successful stress test results just announced by the Fed, have led to an acceleration of capital return. Shouldn't the cost of capital be declining for banks as it has for other companies given lower interest rates? We have seen very little discussion on this matter, as concerns over lower earnings given margin pressure and a weak economy (domestic and global) have dominated the discussion. We believe the fact that the cost of capital may be declining for banks bodes well for an upward re-valuation of financial stocks.

We continue to believe that the majority of our investments offer compelling valuations, catalysts, and/or restructuring opportunities, including new managements. However, given declining interest rates and economic uncertainty, investors seem more than willing to pay extreme valuations for companies they perceive to be defensive. Indeed, it is a natural impulse to seek to hide in safe, high yielding stocks during times of extreme dislocation and market volatility. As such, we understand that several of our investments may be swimming upstream in the current macro environment and given current market sentiment. But we nevertheless believe they will be rewarded upon the successful execution and completion of their value recognition efforts, and as such, our strategy is to largely stay the course. ■

2Q16 Contribution to Return

Top 5 Contributors	Portfolio Average Weight	Contribution
EQT Corporation	3.5	0.51
Pfizer Inc.	2.0	0.36
Hess Corporation	1.8	0.30
Occidental Petroleum Corporation	2.8	0.30
Raytheon Co.	2.2	0.23

Top 5 Detractors	Portfolio Average Weight	Contribution
Copa Holdings SA Class A	0.8	-0.28
General Motors Co.	2.7	-0.24
Royal Philips NV Spons ADR	1.9	-0.20
Target Corporation	1.4	-0.19
MetLifeInc.	1.9	-0.16

Source: FactSet. Contribution to return shown above represents the absolute contribution of the security to the portfolio.

The exposure and performance contribution information presented above is based on the representative institutional account, applying daily closing prices rather than the actual transaction prices for the respective time period. Accordingly, the information presented will differ from a client's actual exposure and performance contribution. In addition, holdings data, exposures, and performance contribution information may not reflect reconciliation of all transactions in a client's account. Contribution percentage and weights are subject to rounding. Performance will vary depending upon, among other things, time of initial investment, cash flows and investment management fees. Performance, attribution, and contribution calculations are presented gross of investment management fees and transaction costs. For additional information regarding the methodology used to select these holdings, and to obtain a list showing the contribution of every holding in the representative account to the overall account's performance, please contact NWQ at (310) 712-4000.

About NWQ

FOUNDED IN 1982, NWQ Investment Management Company, LLC is a long-term investor that seeks to provide superior risk-adjusted returns through an analyst- and research-driven value-oriented process. Our approach to investing is bottom-up and fundamentals-driven, and we have capabilities in four product areas – US Large Cap, US Small Cap, Global, and Fixed Income – and a proven investment process that has added value for our clients in varying market environments. Conducting independent research, our team of analysts focuses on understanding individual companies as businesses rather than simply as stocks. Although we pride ourselves on taking a long-term approach to investing our clients' assets, our process is fluid and dynamic, and our portfolios are constantly monitored using, and strictly adhering to, our research- and analyst-driven process.

Investment Philosophy and Process

NWQ's approach to uncovering value emphasizes independent, original, bottom-up fundamental research as we seek to exploit disparities between investor perception and underlying fundamentals in the capital markets. Our investment professionals employ an active approach to equity investment by utilizing a corporate finance-oriented, cash flow-focused (as opposed to reported earnings) discipline that allows us to identify potential investments trading at attractive absolute valuations. We invest in companies we believe are undervalued, have downside protection, and possess catalysts or inflection points we expect will help unlock value. Our research process may include, but is not limited to: interacting with corporate managements, attending trade and other research conferences, and analyzing financial and other industry-related reports.

Our Portfolio Management and Research Team

As of June 30, 2016, NWQ has 26 investment and research team members. The Investment Team comprises of 14 senior investment professionals that average over twenty years of experience. The Team includes seven lead portfolio managers who also function in an analyst capacity for our products, the Director of Research, four additional senior Equity Analysts and two Client Portfolio Managers. The all-cap senior analysts maintain primary responsibility for generating investment ideas, communicating the merits of those ideas in our daily investment meetings, and making investment recommendations. In addition, a team of nine research analysts, who perform much of the routine research maintenance duties, supports the senior members of the equity research team and three investment professionals support the senior fixed income portfolio managers/analysts.

Sell Discipline

While NWQ does not have a mechanical sell discipline, we will typically either eliminate or trim positions when they no longer meet our three critical factors (attractive valuation, downside protection, identified catalysts/inflection points for unlocking value). However, we perform a rigorous review on any investment that declines materially in price (15% or more). This review includes, but is not limited to: evaluating our original investment thesis, current valuation, fundamentals, particular issues pressuring the stock, and asking ourselves how long we expect these concerns to last. If the result of our review suggests the investment is still compelling, we will not sell the security.

During periods of volatility, investors may overly focus on price weakness without also considering whether a specific company's fundamentals warrant such weakness. At NWQ, we understand volatility and recognize that its mere existence, while challenging, may also present investment opportunities.

Organizational Update

We are pleased to announce that effective July 1, 2016 three investment professionals will transition to NWQ from another affiliate of our parent company Peter Boardman (Portfolio Manager and Equity Analyst) and Jae Chung and Ray Wicklander (Equity Analysts) will be part of the broader analyst team formulating investment advice for our existing equity products. Please refer to the enclosed ADV Part 2B for additional information and qualifications on each of the aforementioned individuals.

We are very pleased with the expertise and cultural fit that these individuals will bring to our team.

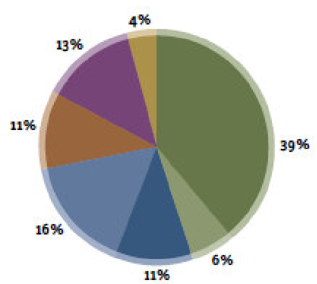
NWQ Capabilities

Second Quarter 2016

NWQ STRATEGIES

(6/30/16)

Large Cap Value	$ 3,529.4 MM
Special Equity	570.5 MM
Small/Mid Cap Value	999.9 MM
Small Cap Value	1,504.4 MM
Fixed Income	969.7 MM
Flexible Income	1,229.4 MM
Global/International	377.3 MM
Total Firm AUM	$ 9,180.6 MM



AUM is subject to rounding; totals are preliminary and are subject to change. NWQ Investment Management Company, LLC established two divisions for performance presentation purposes. The Institutional Division comprises institutional and private client assets, and the Managed Accounts Division comprises all fully bundled wrap fee separate managed account program assets. NWQ reports the combined assets of its Institutional Division and Managed Accounts Division in its Form ADV. The firm entity presenting performance is referenced in the presentation's results explanation. Large Cap Value and Special Equity AUM includes the equity portion of Large Cap Value Balanced and Special Balanced accounts. Fixed Income AUM includes the fixed income portion of Large Cap Value Balanced and Special Balanced accounts. Flexible Income AUM includes assets in NWQ's Flexible Fixed Income and Preferred Income strategies. Global/International AUM includes the assets of NWQ's Global Equity (ADR) strategy. The Global Equity (ADR) strategy includes assets for which NWQ manages the U.S component of the strategy while an affiliate of NWQ manages the non-U.S. component through a sub-advisory relationship and also includes assets for which NWQ alone manages both the U.S. and non-U.S. components. Total Firm AUM includes approximately $805 Million in Unified Managed Account ("UMA") and other non-discretionary assets as of June 30, 2016.

NWQ OFFERS FOCUSED INVESTMENT STRATEGIES FOR THE VALUE INVESTOR. The table below provides an update on our capabilities and historical performance data.

NWQ Annualized Composite Performance*

	2Q16	1 YR	3 YRS	5 YRS	10 YRS	S.I.
Global Equity (Gross)	(2.8)	(9.9)	6.0	4.1	3.6	5.3
Global Equity (Net)	(3.0)	(10.7)	5.2	3.3	2.8	4.5
MSCI World Index	*1.0*	*(2.8)*	*6.9*	*6.6*	*4.4*	*5.4*
Global Equity Income (Gross)	(1.1)	(4.6)	6.7	7.7	N/A	10.0
Global Equity Income (Net)	(1.3)	(5.4)	5.8	6.8	N/A	9.1
MSCI World Index	*1.0*	*(2.8)*	*6.9*	*6.6*	*N/A*	*8.5*
Large Cap Value (Gross)	1.4	(3.9)	5.8	6.2	4.0	12.8
Large Cap Value (Net)	1.2	(4.6)	5.1	5.5	3.3	11.9
Russell 1000 Value	*4.6*	*2.9*	*9.9*	*11.4*	*6.1*	*9.6*
Special Equity (Gross)	0.1	(4.9)	4.2	5.9	2.9	13.0
Special Equity (Net)	(0.1)	(5.7)	3.4	5.1	2.2	12.2
Russell 3000 Value	*4.6*	*2.4*	*9.6*	*11.1*	*6.0*	*9.6*
Small Cap Value (Gross)	0.0	(3.2)	9.9	12.3	6.5	10.9
Small Cap Value(Net)	(0.2)	(4.1)	8.8	11.2	5.5	9.9
Russell 2000 Value	*4.3*	*(2.6)*	*6.4*	*8.1*	*5.2*	*9.1*
Small/Mid Cap Value (Gross)	0.7	(1.7)	6.3	8.5	5.8	5.6
Small/Mid Cap Value (Net)	0.4	(2.5)	5.4	7.6	4.9	4.7
Russell 2500 Value	*4.4*	*0.2*	*8.1*	*9.6*	*6.5*	*6.1*
Flexible Income (Gross)	3.7	6.3	6.3	8.1	N/A	9.6
Flexible Income (Net)	3.5	5.6	5.6	7.4	N/A	9.0
Barclays U.S. Agg. Bond Index	*2.2*	*6.0*	*4.1*	*3.8*	*N/A*	*4.1*
Core Fixed Income Agg. (Gross)	2.2	6.3	4.0	4.0	5.7	5.9
Core Fixed Income Agg. (Net)	2.1	5.9	3.6	3.6	5.3	5.5
Barclays U.S. Agg. Bond Index	*2.2*	*6.0*	*4.1*	*3.8*	*5.1*	*5.5*

For more information on these strategies, please connect with your NWQ Relationship Manager or contact us at (310) 712-4000 or contact@nwq.com.

Source: Eagle PACE. Returns are shown in USD.

***Please refer to the following pages for important disclosures and composite descriptions, which are an integral part of this presentation.**

Important Disclosures

The statements contained herein reflect opinions of NWQ Investment Management Company, LLC ("NWQ") as of the date written. Certain statements are forward looking or based on current expectations, projections and information currently available to NWQ and are subject to change without notice. There is no assurance that any predicted results will actually occur. The securities identified herein are based on the institutional representative account, which may vary from securities held in other client accounts. These securities represent relevant contributors or detractors from performance over the period described and include all of the new and eliminated positions purchased or sold in the representative account during the period. Such securities do not represent all of the securities purchased, sold or recommended over the past year and the reader should not assume that the securities identified necessarily were or will be profitable. All investments carry a certain degree of risk of loss and there is no assurance that an investment will provide positive performance over any period of time. This report contains no recommendation to buy or sell any specific security and should not be considered investment advice of any kind. Individual portfolio returns and holdings will differ based on client restrictions, date of account inception, substitutions, cash flows and other factors that are specific to individual accounts (e.g., tax loss sale requests). Accordingly, not all client portfolios will achieve the same results. Holdings are subject to change without notice. Index returns are provided to represent the investment environment during the time periods shown. Index returns do not reflect taxes, transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Statistical data was taken from sources which we deem to be reliable, but are not guaranteed.

The information provided herein is approved for use with existing clients only.

Past performance is no guarantee of future results.

Composite Performance Data and Results Explanations

NWQ Global Equity Composite Performance

Year	NWQ Global Equity Gross Returns (%)	NWQ Global Equity Net Returns (%)	MSCI World US$ (Net Dividends) Index Returns (%)	# of Accounts	Composite Assets ($ millions)	% of Non Fee-Paying Portfolios	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	1.1	0.3	(0.9)	≤ 5	3.9	36.7	6.1	≤ 1.0	N.A.
2014	4.6	3.8	4.9	≤ 5	3.4	41.3	7.2	≤ 1.0	N.A.
2013	32.0	30.9	26.7	≤ 5	1.4	100.0	9.2	≤ 1.0	N.A.
2012	5.9	5.1	15.8	≤ 5	17.8	5.6	9.5	≤ 1.0	N.A.
2011	(11.7)	(12.4)	(5.5)	≤ 5	21.9	0.0	11.3	≤ 1.0	N.A.
2010	15.5	14.6	11.8	≤ 5	98.1	0.0	13.9	≤ 1.0	N.A.
2009	24.2	23.2	30.0	≤ 5	125.3	0.0	11.6	1.1	N.A.
2008	(32.8)	(33.3)	(40.7)	≤ 5	115.5	0.0	9.2	1.3	N.A.
2007	6.5	5.6	9.0	≤ 5	154.0	0.0	17.2	≤ 1.0	N.A.
2006	21.2	20.2	20.1	≤ 5	201.3	0.0	16.0	1.3	N.A.
2005*	17.5	16.6	12.0	≤ 5	66.7	0.0	45.8	≤ 1.0	N.A.

* Returns are for the period from February 1, 2005 through December 31, 2005.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC (“NWQ”) is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the “Firm”), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The NWQ Global Equity Composite has been examined for the periods January 1, 2006 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

3. The NWQ Global Equity Composite (the “Composite”) incepted on February 1, 2005. The Composite contains all fully discretionary institutional portfolios managed within the NWQ Global Equity strategy. The Composite includes accounts for which NWQ manages the U.S component of the strategy while Tradewinds Global Investors, LLC (“Tradewinds”), an affiliate of NWQ, manages the non-U.S. component through a sub-advisory relationship (the “sub-advised accounts”). As of October 1, 2012, the Composite also includes accounts for which NWQ alone manages both the U.S. and non-U.S. components. The sub-advisory relationship between NWQ and Tradewinds was established on March 1, 2006. The U.S. component of the accounts in the Composite uses an approach which seeks to invest client assets primarily in common stocks of United States (U.S.) and non-U.S. domiciled, undervalued large and mid-capitalization companies with identifiable catalysts expected to improve their profitability and generate above-market returns. The U.S. and non-U.S. components invest in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges or over-the-counter. The non-U.S. component utilizes foreign equities in the form of ordinary shares (ORDs), American Depositary Receipts (ADRs), shares of foreign corporations that trade on a U.S. exchange or over-the-counter and invests in emerging markets securities. The Composite was created in December 2012.

4. The Composite’s benchmark is the MSCI World US$ (Net Dividends) Index. The MSCI World US$ (Net Dividends) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite’s portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm’s objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Global Equity portfolios is as follows: first $25 million is 0.80%, and over $25 million is 0.70%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm’s fees are available on request and also may be found in Part 2A of Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client’s return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Composite and benchmark returns are presented net of estimated foreign withholding taxes on dividends, which vary amongst the Composite's portfolios, if applicable. The Composite and benchmark use WM Reuters as the foreign exchange rate source, if applicable. The Composite uses 4 pm EST close and the benchmark uses 4 pm GMT close, which may result in differing exchange rates, if applicable.

8. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

9. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 10.84% and 10.80% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 11.66% and 10.23% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 14.27% and 13.54% respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 16.38% and 16.74% respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 18.76% and 20.15% respectively. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

10. Effective November 2012, Gregg Tenser is the sole NWQ portfolio manager for the Global Equity strategy, succeeding Jon Bosse who had co-portfolio manager responsibilities with Mr. Tenser since inception.

11. As of June 15, 2009, the prior portfolio manager who managed the non-U.S. component of the sub-advised accounts was replaced by a team of two portfolio managers; the prior manager is no longer with Tradewinds. Effective April 1, 2012, one portfolio manager for the non-U.S. component of the sub-advised accounts departed Tradewinds and was succeeded by the remaining portfolio manager. In addition, the Chief Investment Officer of Tradewinds resigned and was replaced by a team of two Co-Chief Investment Officers.

12. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. The 2006 Firm assets referenced above reflect this transfer. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Global Equity Income Composite Performance

Year	Global Equity Income Gross Returns (%)	Global Equity Income Net Returns (%)	MSCI World US$ (Net Dividends) Index Returns (%)	# of Accounts	Composite Assets ($ millions)	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	0.7	(0.1)	(0.9)	≤ 5	288.3	6.1	4.7	N.A.
2014	3.6	2.7	4.9	≤ 5	96.3	7.2	1.3	N.A.
2013	35.0	33.9	26.7	≤ 5	1.4	9.2	≤ 1.0	N.A.
2012	12.5	11.5	15.8	≤ 5	1.1	9.5	≤ 1.0	N.A.
2011	(2.6)	(3.4)	(5.5)	≤ 5	1.0	11.3	≤ 1.0	N.A.
2010	16.2	15.3	11.8	≤ 5	1.1	13.9	≤ 1.0	N.A.
2009*	6.9	6.7	6.0	≤ 5	1.1	11.6	≤ 1.0	N.A.

*Returns are for the period from November 1, 2009 through December 31, 2009.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC ("NWQ") is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the "Firm"), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The NWQ Global Equity Income Composite has been examined for the periods November 1, 2009 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

3. The NWQ Global Equity Income Composite (the "Composite") incepted on November 1, 2009. The Composite contains all discretionary institutional portfolios managed within the NWQ Global Equity Income strategy. Accounts in the Composite use an approach which seeks to provide high levels of current income and long-term capital appreciation by generally investing in equity of domestic and Non-U.S. companies, convertible preferred securities, and corporate debt securities (generally rated B or better by a major bond rating agency at time of purchase) that are convertible into common stocks, and derivatives such as options, rights, and warrants. The name of the Composite changed effective January 1, 2014. The previous name was 'NWQ Equity Income'. The Composite was created in December 2012.

4. Effective January 1, 2014, the MSCI World US$ (Net Dividends) Index was added as the Composite's primary benchmark in order to better reflect the Composite's investment strategy. The MSCI World US$ (Net Dividends) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. Prior to January 1, 2014, the Composite's primary benchmark was the Russell 1000® Value Index. The Russell 1000® Value Index measures the performance of those Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth values. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite's portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm's objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Global Equity Income portfolios is as follows: first $25 million is 0.80%; and over $25 million is 0.70%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm's fees are available on request and also may be found in Part 2A of Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client's return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 11.07% and 10.80%, respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 11.25% and 10.23%, respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 13.97% and 13.54%, respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are 15.78% and 16.74%, respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite and the MSCI World Index are not presented because 36 months of Composite returns are not available. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

9. Effective January 2014, James Stephenson is the sole portfolio manager for the Global Equity Income strategy, succeeding Jon Bosse who had co-portfolio manager responsibilities with Mr. Stephenson since March 2012, and sole portfolio manager responsibilities prior to March 2012.

10. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Large Cap Value Composite Performance

Year	Large Cap Value Gross Returns (%)	Large Cap Value Net Returns (%)	Russell 1000 Value Returns (%)	# of Accounts	Composite Assets ($ millions)	% of Non Fee-Paying Portfolios	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	(4.8)	(5.4)	(3.8)	23	1,301.4	0.0	6.1	21.3	0.4
2014	7.4	6.7	13.5	31	1,849.3	0.0	7.2	25.8	0.3
2013	30.8	30.0	32.5	53	4,391.8	0.0	9.2	47.8	0.4
2012	10.2	9.5	17.5	117	4,560.7	0.0	9.5	48.0	0.5
2011	(7.0)	(7.6)	0.4	195	5,511.9	≤ 1.0	11.3	48.7	0.7
2010	16.6	15.8	15.5	210	6,049.6	≤ 1.0	13.9	43.5	0.6
2009	28.4	27.6	19.7	224	4,811.2	≤ 1.0	11.6	41.3	1.5
2008	(38.4)	(38.8)	(36.9)	241	3,688.3	≤ 1.0	9.2	40.2	1.1
2007	2.6	2.0	(0.2)	244	5,507.4	≤ 1.0	17.2	32.0	1.0
2006	19.1	18.3	22.3	248	4,945.7	≤ 1.0	16.0	30.9	0.6
2005	12.0	11.3	7.1	248	4,367.3	≤ 1.0	45.8	9.5	0.6
2004	20.5	19.7	16.5	215	3,180.0	≤ 1.0	30.7	10.4	0.6
2003	35.1	34.3	30.0	117	1,051.8	0.0	13.4	7.8	1.1

2002	(13.8)	(14.4)	(15.5)	73	395.7	0.0	7.6	5.2	0.8
2001	1.3	0.6	(5.6)	56	350.7	0.0	6.5	5.4	2.7
2000	14.8	14.1	7.0	49	438.3	0.0	5.7	7.6	N.A.
1999	17.1	16.2	7.4	≤ 5	119.8	0.0	6.0	2.0	N.A.
1998	8.9	8.3	15.6	6	51.0	0.0	8.1	≤ 1.0	N.A.
1997	35.3	34.5	35.2	≤ 5	20.9	0.0	8.3	≤ 1.0	N.A.
1996	26.9	25.9	21.6	≤ 5	2.3	0.0	6.4	≤ 1.0	N.A.
1995	39.8	38.5	38.4	≤ 5	558.2	0.0	N.A.	N.A.	N.A.
1994	9.3	8.2	(2.0)	≤ 5	448.6	0.0	N.A.	N.A.	N.A.
1993	20.9	19.7	18.1	≤ 5	390.7	0.0	N.A.	N.A.	N.A.
1992	31.5	30.2	13.6	≤ 5	209.0	0.0	N.A.	N.A.	N.A.
1991	55.4	53.9	24.6	≤ 5	118.4	0.0	N.A.	N.A.	N.A.
1990	1.7	0.7	(8.1)	≤ 5	30.2	0.0	N.A.	N.A.	N.A.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC ("NWQ") is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the "Firm"), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®), and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The effective date of compliance with the Global Investment Performance Standards (GIPS®) is January 1, 2000.

The NWQ Large Cap Value Composite has been examined for the periods January 1, 2006 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. An additional composite comprised of dual-contract client accounts in the Large Cap Value strategy, meeting the relevant composite inclusion criteria, is available upon request.

3. The NWQ Large Cap Value Composite (the "Composite") incepted on January 1, 1990. The Composite contains all discretionary institutional portfolios managed within the NWQ Large Cap Value strategy. Accounts in the Composite use an approach which seeks to invest client assets primarily in common stocks of undervalued large and mid-capitalization companies with identifiable catalysts expected to improve their profitability and generate above-market returns. Accounts in the Composite also invest in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges. The Composite was created in December 2012.

4. The Composite's benchmark is the Russell 1000® Value Index. The Russell 1000® Value Index measures the performance of those Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth values. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite's portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm's objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Large Cap Value portfolios is as follows: first $50 million is 0.65%; next $50 million is 0.55% and over $100 million is 0.45%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm's fees are available on request and may also be found in Part 2A of NWQ's Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client's return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 11.89% and 10.68% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 11.00% and 9.20% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 15.41% and 12.70% respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 17.77% and 15.51% respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite and the Russell 1000® Value Index are 20.97% and 20.69% respectively. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

9. In the first quarter of 2008, a Managing Director and Portfolio Manager retired from NWQ after 25 years with the Firm. This individual's portfolio management responsibilities were assumed by a team of senior investment professionals with extensive portfolio management experience, led by Jon Bosse. Jon Bosse, NWQ's Chief Investment Officer, continues to serve as lead portfolio manager for the Large Cap Value strategy.

10. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. The 2006 Firm assets referenced above reflect this transfer. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Special Equity Composite Performance

Year	Special Equity Gross Returns (%)	Special Equity Net Returns (%)	Russell Midcap Value Returns (%)	Russell 3000 Value Returns (%)	# of Accounts	Composite Assets ($ millions)	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	(5.5)	(6.4)	(4.8)	(4.1)	≤ 5	63.8	6.1	≤ 1.0	N.A.
2014	1.1	0.4	14.7	12.7	9	129.4	7.2	1.8	0.1
2013	33.8	32.7	33.5	32.7	9	138.9	9.2	1.5	0.9
2012	11.8	11.0	18.5	17.5	16	248.8	9.5	2.6	0.5
2011	(4.1)	(4.9)	(1.4)	(0.1)	21	287.5	11.3	2.5	0.3
2010	21.4	20.6	24.8	16.2	24	347.7	13.9	2.5	0.5
2009	33.3	32.4	34.2	19.8	23	296.9	11.6	2.5	1.2
2008	(44.6)	(45.0)	(38.4)	(36.3)	30	357.5	9.2	3.9	1.1
2007	(2.8)	(3.5)	(1.4)	(1.0)	45	916.2	17.2	5.3	1.1
2006	17.8	17.0	20.2	22.3	49	1,174.8	16.0	7.3	0.5
2005	13.1	12.3	12.6	6.9	47	1,029.5	45.8	2.2	0.6
2004	23.1	22.2	23.7	16.9	46	1,013.5	30.7	3.3	0.7
2003	46.6	45.6	38.1	31.1	39	748.5	13.4	5.6	1.9
2002	(10.2)	(10.8)	(9.7)	(15.2)	33	520.1	7.6	6.8	1.0
2001	6.3	5.6	2.3	(4.3)	28	520.3	6.5	8.0	1.2
2000	9.8	9.1	19.2	8.0	25	487.1	5.7	8.5	3.0
1999	16.4	15.9	6.7	(0.1)	17	531.3	6.0	8.8	3.2
1998	8.3	7.7	13.5	5.1	13	324.9	8.1	4.0	2.1
1997	35.9	35.5	34.8	34.4	≤ 5	46.2	8.3	1.0	N.A.
1996	26.9	25.9	21.6	20.3	≤ 5	2.3	6.4	≤ 1.0	N.A.
1995	39.8	38.5	37.0	34.9	≤ 5	558.2	N.A.	N.A.	N.A.
1994	9.3	8.2	(1.9)	(2.1)	≤ 5	448.6	N.A.	N.A.	N.A.
1993	20.9	19.7	18.7	15.6	≤ 5	390.7	N.A.	N.A.	N.A.

1992	31.5	30.2	14.9	21.7	≤ 5	209.0	N.A.	N.A.	N.A.
1991	55.4	53.9	25.4	37.9	≤ 5	118.4	N.A.	N.A.	N.A.
1990	1.7	0.7	(8.8)	(16.1)	≤ 5	30.2	N.A.	N.A.	N.A.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC ("NWQ") is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the "Firm"), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®)and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The effective date of compliance with the Global Investment Performance Standards (GIPS®) is January 1, 2000.

The NWQ Special Equity Composite has been examined for the periods January 1, 2006 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. An additional composite comprised of dual-contract client accounts in the Special Equity strategy, meeting the relevant composite inclusion criteria, is available upon request.

3. The NWQ Special Equity Composite (the "Composite") incepted on January 1, 1990. The Composite contains all discretionary institutional portfolios managed within the NWQ Special Equity strategy. Accounts in the Composite use an opportunistic all cap value approach with a mid-cap bias which seeks to invest client assets primarily in common stocks of undervalued companies with identifiable catalysts expected to improve profitability and generate above-market returns. Accounts in the Composite also invest in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges. The Composite was created in December 2012.

4. The Composite's performance can be measured against the Russell Midcap® Value Index or the Russell 3000® Value Index. The Russell Midcap® Value Index measures the performance of those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000® Value Index measures the performance of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite's portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm's objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using the actual investment management fees of the portfolios, including performance fees. The current annual institutional client fee schedule for the Special Equity portfolios is as follows: first $25 million is 0.85%, and over $25 million is 0.70%. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm's fees are available on request and also may be found in Part 2A of Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client's return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite, the Russell Midcap Value Index and the Russell 3000 Value Index are 12.15%, 10.71% and 10.74% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite, the Russell Midcap Value Index and the Russell 3000 Value Index are 11.37%, 9.81% and 9.36% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite, the Russell Midcap Value Index and the Russell 3000 Value Index are 15.58%, 13.69% and 12.90% respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite, the Russell Midcap Value Index and the Russell 3000 Value Index are 17.99%, 16.76% and 15.81% respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite, the Russell Midcap Value Index and the Russell 3000 Value Index are 21.26%, 22.78% and 21.04% respectively. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

9. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. The 2006 Firm assets referenced above reflect this transfer. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Small Cap Value Composite Performance

Year	Small Cap Value Gross Returns (%)	Small Cap Value Net Returns (%)	Russell 2000 Value Returns (%)	# of Accounts	Composite Assets ($ millions)	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	(2.7)	(3.7)	(7.5)	13	1,166.2	6.1	19.1	0.2
2014	8.5	7.4	4.2	12	980.3	7.2	13.7	0.3
2013	42.7	41.3	34.5	10	613.0	9.2	6.7	0.3
2012	19.4	18.2	18.1	8	385.6	9.5	4.1	0.7
2011	1.3	0.3	(5.5)	13	367.3	11.3	3.2	0.5
2010	35.6	34.3	24.5	14	424.0	13.9	3.0	0.7
2009	35.5	34.1	20.6	16	392.0	11.6	3.4	0.8
2008	(46.3)	(46.9)	(28.9)	23	386.8	9.2	4.2	1.1
2007	(2.8)	(3.8)	(9.8)	32	845.8	17.2	4.9	0.8
2006	22.2	21.0	23.5	33	739.0	16.0	4.6	0.7
2005	13.8	12.6	4.7	16	97.0	45.8	0.2	N.A.
2004	30.1	28.8	22.3	≤ 5	42.9	30.7	0.1	N.A.
2003	56.2	54.7	46.0	≤ 5	22.1	13.4	0.2	N.A.
2002	(12.4)	(13.2)	(11.4)	≤ 5	13.3	7.6	0.2	N.A.
2001	26.6	25.3	14.0	≤ 5	21.8	6.5	0.3	N.A.
2000	14.6	13.5	22.8	≤ 5	17.6	5.7	0.3	N.A.
1999	(8.2)	(8.9)	(1.5)	8	40.5	6.0	≤ 1.0	0.7
1998	(14.6)	(15.3)	(6.5)	8	29.4	8.1	≤ 1.0	N.A.
1997	35.4	34.1	31.8	≤ 5	12.7	8.3	≤ 1.0	N.A.
1996*	17.2	16.7	11.7	≤ 5	0.1	6.4	≤ 1.0	N.A.

*Returns are for the period from July 1, 1996 through December 31, 1996.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC ("NWQ") is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the "Firm"), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The effective date of compliance with the Global Investment Performance Standards (GIPS®) is January 1, 2000.

The NWQ Small Cap Value Composite has been examined for the periods January 1, 2006 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. An additional composite comprised of dual-contract client accounts in the Small Cap Value strategy, meeting the relevant composite inclusion criteria, is available upon request.

3. The NWQ Small Cap Value Composite (the “Composite”) incepted on July 1, 1996. The Composite contains all discretionary institutional portfolios managed within the NWQ Small Cap Value strategy. Accounts in the Composite use an approach which seeks to invest client assets primarily in common stocks of undervalued smaller capitalization companies in industries with positive or improving fundamentals. Accounts in the Composite also invest in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges. The Composite was created in December 2012.

4. The Composite’s benchmark is the Russell 2000® Value Index. The Russell 2000® Value Index measures the performance of those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite’s portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm’s objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Small Cap Value portfolios is as follows: first $25 million is 1.00%, and over $25 million is 0.75%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm’s fees are available on request and also may be found in Part 2A of Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client’s return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite and the Russell 2000 Value Index are 15.11% and 13.46% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite and the Russell 2000 Value Index are 13.41% and 12.79% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite and the Russell 2000 Value Index are 15.64% and 15.82% respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite and the Russell 2000 Value Index are 19.64% and 19.89% respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite and the Russell 2000 Value Index are 25.88% and 26.05% respectively. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

9. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. The 2006 Firm assets referenced above reflect this transfer. In December 2012, as a result of an extensive review of composite construction methodology, NWQ’s composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Small/Mid Cap Value Composite Performance

Year	Small/Mid Cap Value Gross Returns (%)	Small/Mid Cap Value Net Returns (%)	Russell 2500 Value Returns (%)	# of Accounts	Composite Assets ($ millions)	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	(3.9)	(4.7)	(5.5)	13	562.8	6.1	9.2	0.2
2014	1.5	0.6	7.1	15	647.8	7.2	9.0	0.5
2013	40.7	39.5	33.3	8	363.2	9.2	3.9	0.5
2012	10.1	9.2	19.2	8	220.0	9.5	2.3	0.4
2011	3.1	2.3	(3.4)	6	233.1	11.3	2.1	N.A.
2010	34.1	33.0	24.8	6	270.4	13.9	1.9	0.2

2009	35.9	34.7	27.7	9	283.0	11.6	2.4	0.6
2008	(43.9)	(44.4)	(32.0)	10	190.7	9.2	2.1	N.A.
2007	(0.4)	(1.3)	(7.3)	≤ 5	225.7	17.2	1.3	N.A.
2006*	6.7	6.1	8.4	≤ 5	65.8	16.0	≤ 1.0	N.A.

*Returns are for the period from May 1, 2006 through December 31, 2006.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC (“NWQ”) is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the “Firm”), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The NWQ Small/Mid Cap Value Composite has been examined for the periods May 1, 2006 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. An additional composite comprised of dual-contract client accounts in the Small/Mid Cap Value strategy, meeting the relevant composite inclusion criteria, is available upon request.

3. The NWQ Small/Mid Cap Value Composite (the “Composite”) incepted on May 1, 2006. The Composite contains all discretionary institutional portfolios managed within the NWQ Small/Mid Cap Value strategy. Accounts in the Composite use an approach which seeks to invest client assets primarily in common stocks of undervalued small to mid-sized market capitalization companies in industries with positive or improving fundamentals. Accounts in the Composite also invest in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges. The Composite was created in December 2012.

4. The Composite’s benchmark is the Russell 2500™ Value Index. The Russell 2500™ Value Index measures the performance of those Russell 2500™ Index companies with lower price-to-book ratios and lower forecasted growth values. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite’s portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm’s objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Small/Mid Cap Value portfolios is as follows: first $25 million is 0.85%, and over $25 million is 0.70%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm’s fees are available on request and also may be found in Part 2A of Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client’s return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite and the Russell 2500 Value Index are 13.83% and 12.02% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite and the Russell 2500 Value Index are 12.91% and 11.25% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite and the Russell 2500 Value Index are 16.29% and 15.07% respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite and the Russell 2500 Value Index are 19.32% and 18.41% respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite and the Russell 2500 Value Index are 24.85% and 24.23% respectively. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

9. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. The 2006 Firm assets referenced above reflect this transfer. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Flexible Income Composite Performance

Year	Flexible Income Gross Returns (%)	Flexible Income Net Returns (%)	Barclays U.S. Aggregate Bond Index Returns (%)	BofA Merrill Lynch Preferred Stock Fixed Rate Index Returns (%)	# of Accounts	Composite Assets ($ millions)	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	3.7	3.0	0.5	7.6	≤ 5	1,003.8	6.1	16.5	N.A.
2014	11.6	10.9	6.0	15.4	≤ 5	952.3	7.2	13.3	N.A.
2013	0.5	0.0	(2.0)	(3.7)	≤ 5	775.3	9.2	8.4	N.A.
2012	18.3	17.7	4.2	13.6	≤ 5	666.5	9.5	7.0	N.A.
2011	6.7	6.2	7.8	4.1	≤ 5	2.1	11.3	≤ 1.0	N.A.
2010*	16.1	15.5	4.9	12.6	≤ 5	2.2	13.9	≤ 1.0	N.A.

*Returns are for the period from February 1, 2010 through December 31, 2010.
Effective January 6, 2015 Thomas J. Ray and Susi Budiman are the co-portfolio managers for the Flexible Income strategy. Mr. Ray replaced Mike Carne who previously had co-portfolio manager responsibilities with Ms. Budiman.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC ("NWQ") is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the "Firm"), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The NWQ Flexible Income Composite has been examined for the periods February 1, 2010, through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions, and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request

3. The NWQ Flexible Income Composite (the "Composite") incepted on February 1, 2010. Accounts in the Composite use an approach which seeks to provide high current income and total return by investing in preferred securities and non-preferred assets composed of common stocks, open-end and closed-end investment companies including exchange traded funds, and other fixed income securities. A portion of the portfolio may be invested in securities that are rated below investment grade. These securities generally carry a rating of B or better by a major bond rating agency. Accounts in the Composite may employ leverage and write covered call options to generate additional income. The Composite was created in December 2012.

4. Effective January 1, 2015, the Barclays U.S. Aggregate Bond Index was added as the Composite's primary benchmark in order to better reflect the Composite's investment strategy. The Barclays U.S. Aggregate Bond Index covers the USD-denominated investment-grade, fixed-rate, taxable bond market of SEC registered securities and includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors. Prior to January 1, 2015, the Composite's primary benchmark was the BofA Merrill Lynch Preferred Stock Fixed Rate Index. The BofA Merrill Lynch Preferred Stock Fixed Rate Index tracks the performance of fixed rate U.S. Dollar denominated preferred securities issued in the U.S. domestic market. Qualifying securities must be rated investment grade (based on an average of Moody's, S&P, and Fitch credit ratings) and must have an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings). Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite's portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm's objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Flexible Income portfolios is as follows: first $50 million is 0.65% and over $50 million is 0.55%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm's fees are available on request and also may be found in Part 2A of Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client's return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite, the Barclays U.S. Aggregate Bond Index, and the BofA Merrill Lynch Preferred Stock Fixed Rate Index are 4.39%, 2.88% and 4.62% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite, the Barclays U.S. Aggregate Bond Index, and the BofA Merrill Lynch Preferred Stock Fixed Rate Index are 4.67%, 2.63% and 5.00% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite, the Barclays U.S. Aggregate Bond Index, and the BofA Merrill Lynch Preferred Stock Fixed Rate Index are 5.07%, 2.71% and 5.14% respectively. As of December 31, 2012 and December 31, 2011, the three-year annualized ex-post standard deviation of the Composite, the Barclays U.S. Aggregate Bond Index, and the BofA Merrill Lynch Preferred Stock Fixed Rate Index do not exist because 36 months of Composite returns are not available. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

9. Accounts in the Composite may use derivatives, at the manager's discretion, to manage duration relative to the benchmark through U.S. interest rate futures, generate income through writing covered calls on its common equity holdings, and hedge equity exposure through buying puts on common stock it holds. Use of derivatives may increase exposure up to 130% of the account's market value.

10. Effective January 6, 2015 Thomas J. Ray and Susi Budiman are the co-portfolio managers for the Flexible Income strategy. Mr. Ray replaces Mike Carne who previously had co-portfolio manager responsibilities with Ms. Budiman.

11. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Core Fixed Income Aggregate Composite Performance

Year	Core Fixed Income Aggregate Gross Returns (%)	Core Fixed Income Aggregate Net Returns (%)	Barclays U.S. Aggregate Bond Index Returns (%)	# of Accounts	Composite Assets ($ millions)	Firm Assets ($ billions)	% of Firm Assets	Internal Dispersion (%)
2015	1.6	1.2	0.5	≤ 5	41.4	6.1	≤ 1.0	N.A.
2014	5.9	5.4	6.0	6	42.5	7.2	≤ 1.0	0.6
2013	(1.7)	(2.1)	(2.0)	≤ 5	36.8	9.2	≤ 1.0	N.A.
2012	6.3	5.8	4.2	7	62.0	9.5	≤ 1.0	0.8
2011	6.2	5.8	7.8	6	48.7	11.3	≤ 1.0	0.2
2010	7.1	6.7	6.5	6	48.6	13.9	≤ 1.0	N.A.
2009	9.4	9.0	5.9	≤ 5	43.3	11.6	≤ 1.0	N.A.
2008	6.5	6.1	5.2	6	47.4	9.2	≤ 1.0	0.5
2007	6.2	5.8	7.0	7	71.0	17.2	≤ 1.0	0.3
2006	4.5	4.1	4.3	6	67.5	16.0	≤ 1.0	0.2
2005	2.7	2.3	2.4	6	65.8	45.8	≤ 1.0	0.1
2004	4.0	3.6	4.3	6	80.8	30.7	≤ 1.0	0.2
2003	3.3	2.9	4.1	8	78.0	13.4	≤ 1.0	0.5
2002	10.9	10.4	10.3	6	59.5	7.6	≤ 1.0	N.A.

2001	8.2	7.8	8.4	≤ 5	14.3	6.5	≤ 1.0	N.A.
2000*	10.9	10.7	9.5	≤ 5	13.3	5.7	≤ 1.0	N.A.

*Returns are for the period from May 1, 2000 through December 31, 2000.

RESULTS EXPLANATION

1. NWQ Investment Management Company, LLC ("NWQ") is an SEC registered investment adviser and a wholly-owned subsidiary of Nuveen Investments, Inc. Effective January 1, 2006, for purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm is defined as NWQ Investment Management Company, LLC – Institutional Division (the "Firm"), a division of NWQ Investment Management Company, LLC that manages a variety of value equity, fixed income, and balanced portfolios. The Firm definition excludes fully bundled fee portfolios (SMA/Wrap) which do not have a direct investment advisory relationship with the Firm.

2. NWQ Investment Management Company, LLC – Institutional Division claims compliance with GIPS® and has prepared and presented this report in compliance with the GIPS® standards. NWQ Investment Management Company, LLC – Institutional Division has been independently verified for the periods January 1, 2006 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The effective date of compliance with the Global Investment Performance Standards (GIPS®) is January 1, 2000.

The NWQ Core Fixed Income Aggregate Composite has been examined for the periods January 1, 2006 through December 31, 2013. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. An additional composite comprised of dual-contract client accounts in the Core Fixed Income Aggregate strategy, meeting the relevant composite inclusion criteria, is available upon request.

3. The NWQ Core Fixed Income Aggregate Composite (the "Composite") incepted on May 1, 2000. The Composite contains all discretionary institutional portfolios managed within the NWQ Core Fixed Income Aggregate strategy. Accounts in the Composite use an approach which seeks to achieve returns greater than the Barclays U.S. Aggregate Bond Index with roughly the same risk. The Core investment process consists of monitoring yields across fixed income sectors, analyzing credit and/or prepayment risks for corporates, mortgage-backed, and asset-backed securities. The Composite's typical universe is the Barclays U.S. Aggregate Bond Index, which includes, but is not limited to, investment grade corporate bonds, agency debt, mortgage-backed securities, and Treasuries. The Composite was created in December 2012.

4. The Composite's benchmark is the Barclays U.S. Aggregate Bond Index. The Barclays U.S. Aggregate Bond Index covers the USD-denominated investment-grade, fixed-rate, taxable bond market of SEC registered securities and includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors. Index returns are provided to represent the investment environment during the time periods shown. For comparison purposes, index returns do not reflect transaction costs, investment management fees or other fees and expenses that would reduce performance in an actual account. It is not possible to invest in an index. Benchmark returns are not covered by the report of independent verifiers.

The Composite's portfolios have held and are expected to continue to hold securities that are not included in the benchmark and the Firm makes no representations that any account in the Composite is comparable to the benchmark in composition or element of risk involved. While the Firm's objective is to outperform the benchmark, this does not imply that the strategy will share or track the same or similar characteristics as its benchmark.

5. Composite and benchmark performance presented is calculated on a total return basis, which includes the reinvestment of all income, plus realized and unrealized gains/losses, if applicable. Individual account returns within the Composite will vary depending upon, among other things, account restrictions, timing of transactions, contributions, and withdrawals, and market conditions at the time of investment. The U.S. dollar is the currency used to express performance.

6. Gross of fee returns for the Composite are presented after all trading expenses. Gross returns do not reflect the deduction of investment management fees or any other expenses that may be incurred in the management of the account. Net of fee returns are calculated using a model fee, which is the maximum annual investment management fee that could be charged to any portfolio in the Composite and is based upon the highest fee schedule in effect during each respective performance period. Any changes in the fee schedule are reflected in the calculation of the net of fee Composite returns beginning with the period in which the fee schedule is revised. The current annual institutional client fee schedule for the Core Fixed Income Aggregate portfolios is as follows: first $10 million is 0.40%, and over $10 million is 0.30%. By using model rather than actual fees, all portfolios in the Composite are treated equally. Actual fees charged may vary by client due to various factors including, but not limited to, account size. The Firm's fees are available on request and also may be found in Part 2A of Form ADV.

The deduction of investment management fees (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the client's return. For example, if $10 million were invested and experienced a 10% compounded annual total return for ten years, its ending dollar value, without giving effect to the deduction of investment management fees, would be $25,937,425. If a 1% annual investment management fee, calculated and deducted quarterly, was applied for the 10-year period, the annual total return would be 8.9% and the ending dollar value would be $23,493,542.

7. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the Composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the Composite for the full year as it is not considered statistically meaningful.

8. As of December 31, 2015, the three-year annualized ex-post standard deviation of the Composite and the Barclays U.S. Aggregate Bond Index are 2.76% and 2.88% respectively. As of December 31, 2014, the three-year annualized ex-post standard deviation of the Composite and the Barclays U.S. Aggregate Bond Index are 2.40% and 2.63% respectively. As of December 31, 2013, the three-year annualized ex-post standard deviation of the Composite and the Barclays U.S. Aggregate Bond Index are 2.45% and 2.71% respectively. As of December 31, 2012, the three-year annualized ex-post standard deviation of the Composite and the Barclays U.S. Aggregate Bond Index are 2.06% and 2.38% respectively. As of December 31, 2011, the three-year annualized ex-post standard deviation of the Composite and the Barclays U.S. Aggregate Bond Index are 2.53% and 2.78% respectively. The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

9. The Fixed Income Portfolio Management Team (the "Team") has experienced portfolio manager changes over time. In July 1999, a new portfolio manager joined the existing two-member Team, and in the first quarter of 2000, one of the original Team portfolio managers retired from management of fixed income accounts. In November 2002, Michael Carne joined the Team as portfolio manager, replacing a prior portfolio manager who departed the Firm a month earlier. In November 2006, Susi Budiman joined the Team as portfolio manager; and in the first quarter of 2008, Michael Carne and Susi Budiman succeeded the remaining original portfolio manager on the Team (who retired from NWQ after 25 years with the Firm). Effective January 6, 2015 Thomas J. Ray and Susi Budiman are the co-portfolio managers for the Core Fixed Income Aggregate strategy. Mr. Ray replaces Mike Carne who previously had co-portfolio manager responsibilities with Ms. Budiman.

10. Effective January 1, 2006, NWQ established an Institutional Division (NWQ Investment Management Company, LLC – Institutional Division) and a Managed Accounts Division (NWQ Investment Management Company, LLC – Managed Accounts Division) for purposes of redefining the firm. The NWQ Investment Management Company, LLC – Institutional Division encompasses institutional and private client assets and is the firm entity that claims compliance with the GIPS® standards. The NWQ Investment Management Company, LLC - Managed Accounts Division encompasses all fully bundled wrap fee separately managed account program assets. Therefore, assets attributable to the NWQ Investment Management Company, LLC - Managed Accounts Division ($3.7 Billion as of December 31, 2015) are not included in Firm assets under management beginning with 2006 performance. Effective March 1, 2006, three strategies managed by NWQ Investment Management Company, LLC, representing approximately $19.2 billion in assets, transitioned to an affiliated adviser. The 2006 Firm assets referenced above reflect this transfer. In December 2012, as a result of an extensive review of composite construction methodology, NWQ's composites were restated. The definition of the firm for GIPS® purposes remained unchanged.

Past performance is not indicative of future results. As with any investment, there is always the potential for gain, as well as the possibility of loss.

Performance Review

As of date: 06/30/2016

291313 Jackson County Employees Retirement System

Absolute Performance

Reporting Currency: USD

	Latest 3 Months	YTD	Account Inception through 06/30/16
Beginning Market Value[1]	21,779,833	21,733,488	16,835,069
Net Additions/ Withdrawals	(33,115)	(67,979)	(10,509,779)
Adjusted Value	21,746,718	21,665,509	6,325,290
Ending Market Value[1]	22,075,682	22,075,682	22,075,682
Net Gain/Loss	328,964	410,173	15,750,392

[1] Includes Accrued Income

Relative Performance

	Latest 3 Months	YTD	2015	2014	2013	2012	2011	Performance Since 05/03/04 *
Portfolio Gross of Fees	1.51	1.90	-4.82	7.78	31.22	9.74	-6.32	6.36
Equity	1.49	1.76	-5.12	7.97	32.90	10.76	-6.63	6.47
Russell 1000 Value	4.58	6.30	-3.83	13.45	32.53	17.51	0.39	7.38
S&P 500	2.46	3.84	1.38	13.69	32.39	16.00	2.11	7.54

*Annualized

Gross of fees performance results reflect the performance without the deduction of the investment management fee.

Performance calculations from January 1, 2008 to the present are based on daily account market valuations. Returns for 2008 reported prior to August 2008 have been restated to reflect daily account valuations. Returns prior to January 1, 2008 reflect a monthly performance calculation and market valuation. Account cash flows will impact the daily and monthly return calculation differently. Benchmark returns reflected the actual returns of all relevant benchmarks that were in place during the reporting period. Additional information is available on request.

Performance results and market values are preliminary due to pending account reconciliation and custodial records. A final report is available upon request.

Jackson County Employees Retirement System

As of date: 06/30/2016

Large Cap Value Equity

Lisa George
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Mark Morris
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NWQ

Contents

Holdings Summary

As of date: 06/30/2016

291313 Jackson County Employees Retirement System

Reporting Currency: USD

Sector Classification: Russell

By Asset Class

Asset Class	Market Value	% of Portfolio
Cash	1,630,617.14	7.39%
Equity	20,419,732.95	92.50%
Total Portfolio	**22,050,350.09**	**99.89%**
Total Accrued Income	25,331.90	0.11%
Grand Total	**22,075,681.99**	**100.00%**

By Sector

Sector	Market Value	% of Portfolio
Cash	1,630,617.14	7.39%
Equity		
Consumer Discretionary	2,764,672.80	12.52%
Consumer Staples	612,129.00	2.77%
Energy	3,293,029.50	14.92%
Financial Services	6,700,380.12	30.35%
Health Care	2,299,267.30	10.42%
Materials & Processing	712,499.00	3.23%
Producer Durables	1,865,220.88	8.45%
Technology	1,993,893.35	9.03%
Utilities	178,641.00	0.81%
Total Equity	**20,419,732.95**	**92.50%**
Total Portfolio	**22,050,350.09**	**99.89%**
Total Accrued Income	25,331.90	0.11%
Grand Total	**22,075,681.99**	**100.00%**

Holdings Detail by Sector

As of date: 06/30/2016

291313 Jackson County Employees Retirement System

Reporting Currency: USD

Sector Classification: Russell

Shares	Ticker	Security Name	Unit Cost	Total Cost	Price	Market Value	Pct Port	Unrealized G/L	Cur Yld	Security ID
Cash										
1,630,617.14	USD	US Dollar	1.00	1,630,617.14	1.00	1,630,617.14	7.39	0.00	0.00	-CASH-
Total Cash				**1,630,617.14**		**1,630,617.14**	**7.39**	**0.00**		
Equity										
Consumer Discretionary										
8,750.00	F	FORD MOTOR CO	15.06	131,774.59	12.57	109,987.50	0.50	-21,787.09	4.77	345370860
20,350.00	GM	GENERAL MOTORS CO	29.03	590,787.25	28.30	575,905.00	2.61	-14,882.25	5.37	37045V100
15,170.00	IPG	INTERPUBLIC GROUP OF COS INC	17.44	264,519.31	23.10	350,427.00	1.59	85,907.69	2.60	460690100
5,450.00	TGT	TARGET CORP	59.89	326,382.66	69.82	380,519.00	1.72	54,136.34	3.44	87612E106
6,120.00	TWX	TIME WARNER INC	50.10	306,618.05	73.54	450,064.80	2.04	143,446.75	2.19	887317303
15,750.00	VIAB	VIACOM INC-CLASS B	37.30	587,399.58	41.47	653,152.50	2.96	65,752.92	3.86	92553P201
3,350.00	WMT	WAL-MART STORES INC	79.29	265,616.15	73.02	244,617.00	1.11	-20,999.15	2.74	931142103
Total Consumer Discretionary				**2,473,097.59**		**2,764,672.80**	**12.52**	**291,575.21**		
Consumer Staples										
3,950.00	CVS	CVS HEALTH CORP	32.70	129,147.72	95.74	378,173.00	1.71	249,025.28	1.78	126650100
2,300.00	PM	PHILIP MORRIS INTERNATIONAL	34.31	78,909.90	101.72	233,956.00	1.06	155,046.10	4.01	718172109
Total Consumer Staples				**208,057.62**		**612,129.00**	**2.77**	**404,071.38**		
Energy										
4,100.00	APA	APACHE CORP	64.16	263,055.64	55.67	228,247.00	1.03	-34,808.64	1.80	037411105

NWQ's tax lot method (e.g. LIFO, FIFO, etc.) may differ from your custodian's accounting method. These differences may cause variations between our reports and your custodian's reports when calculating realized gains and losses.

NWQ

Holdings Detail by Sector

As of date: 06/30/2016

291313 Jackson County Employees Retirement System

Reporting Currency: USD

Sector Classification: Russell

Shares	Ticker	Security Name	Unit Cost	Total Cost	Price	Market Value	Pct Port	Unrealized G/L	Cur Yld	Security ID
Equity										
Energy										
12,625.00	LNG	CHENIERE ENERGY INC	28.09	354,605.54	37.55	474,068.75	2.15	119,463.21	0.00	16411R208
11,225.00	EQT	EQT CORP	60.86	683,197.59	77.43	869,151.75	3.94	185,954.16	0.16	26884L109
6,350.00	HES	HESS CORP	55.88	354,844.50	60.10	381,635.00	1.73	26,790.50	1.66	42809H107
8,800.00	OXY	OCCIDENTAL PETROLEUM CORP	80.09	704,823.66	75.56	664,928.00	3.01	-39,895.66	3.97	674599105
3,300.00	PSX	PHILLIPS 66	70.36	232,186.60	79.34	261,822.00	1.19	29,635.40	3.18	718546104
14,900.00	SU	SUNCOR ENERGY INC	29.64	441,707.16	27.73	413,177.00	1.87	-28,530.16	3.19	867224107
Total Energy				**3,034,420.69**		**3,293,029.50**	**14.92**	**258,608.81**		
Financial Services										
7,100.00	AON	AON PLC	48.35	343,300.44	109.23	775,533.00	3.51	432,232.56	1.21	G0408V102
1,800.00	AXS	AXIS CAPITAL HOLDINGS LTD	52.52	94,534.92	55.00	99,000.00	0.45	4,465.08	2.55	G0692U109
28,900.00	BAC	BANK OF AMERICA CORP	15.66	452,650.15	13.27	383,503.00	1.74	-69,147.15	1.51	060505104
21,200.00	CIT	CIT GROUP INC	43.37	919,449.31	31.91	676,492.00	3.06	-242,957.31	1.88	125581801
19,520.00	C	CITIGROUP INC	37.11	724,403.10	42.39	827,452.80	3.75	103,049.70	0.47	172967424
12,010.00	DFS	DISCOVER FINANCIAL SERVICES	57.14	686,277.44	53.59	643,615.90	2.92	-42,661.54	2.09	254709108
19,750.00	ING	ING GROEP N.V.-SPONSORED ADR	11.85	234,070.72	10.33	204,017.50	0.92	-30,053.22	9.10	456837103
10,032.00	JPM	JPMORGAN CHASE & CO	42.66	427,932.80	62.14	623,388.48	2.82	195,455.68	3.09	46625H100
10,450.00	MET	METLIFE INC	33.00	344,855.28	39.83	416,223.50	1.89	71,368.22	4.02	59156R108
8,300.00	PYPL	PAYPAL HOLDINGS INC	29.92	248,365.17	36.51	303,033.00	1.37	54,667.83	0.00	70450Y103

NWQ's tax lot method (e.g. LIFO, FIFO, etc.) may differ from your custodian's accounting method. These differences may cause variations between our reports and your custodian's reports when calculating realized gains and losses.

Holdings Detail by Sector

As of date: 06/30/2016

291313 Jackson County Employees Retirement System

Reporting Currency: USD

Sector Classification: Russell

Shares	Ticker	Security Name	Unit Cost	Total Cost	Price	Market Value	Pct Port	Unrealized G/L	Cur Yld	Security ID
Equity										
Financial Services										
3,950.00	PNC	PNC FINANCIAL SERVICES GROUP	82.44	325,635.90	81.39	321,490.50	1.46	-4,145.40	2.51	693475105
5,718.00	SYF	SYNCHRONY FINANCIAL	24.07	137,623.36	25.28	144,551.04	0.65	6,927.68	0.00	87165B103
24,950.00	UNM	UNUM GROUP	24.05	600,003.43	31.79	793,160.50	3.59	193,157.07	2.52	91529Y106
10,330.00	WFC	WELLS FARGO & CO	28.87	298,241.58	47.33	488,918.90	2.21	190,677.32	3.21	949746101
Total Financial Services				**5,837,343.60**		**6,700,380.12**	**30.35**	**863,036.52**		
Health Care										
3,780.00	ABBV	ABBVIE INC	57.99	219,191.14	61.91	234,019.80	1.06	14,828.66	3.68	00287Y109
880.00	BIO	BIO-RAD LABORATORIES-A	138.32	121,722.77	143.02	125,857.60	0.57	4,134.83	0.00	090572207
4,270.00	CI	CIGNA CORP	132.65	566,426.55	127.99	546,517.30	2.48	-19,909.25	0.03	125509109
9,790.00	GSK	GLAXOSMITHKLINE PLC-SPON ADR	42.50	416,049.42	43.34	424,298.60	1.92	8,249.18	5.12	37733W105
13,100.00	PFE	PFIZER INC	24.91	326,363.07	35.21	461,251.00	2.09	134,887.92	3.41	717081103
10,100.00	TEVA	TEVA PHARMACEUTICAL-SP ADR	46.78	472,506.59	50.23	507,323.00	2.30	34,816.41	2.71	881624209
Total Health Care				**2,122,259.54**		**2,299,267.30**	**10.42**	**177,007.75**		
Materials & Processing										
2,950.00	AGU	AGRIUM INC	87.64	258,528.80	90.42	266,739.00	1.21	8,210.21	3.87	008916108
7,000.00	IR	INGERSOLL-RAND PLC	35.93	251,485.12	63.68	445,760.00	2.02	194,274.88	2.01	G47791101
Total Materials & Processing				**510,013.92**		**712,499.00**	**3.23**	**202,485.09**		

NWQ's tax lot method (e.g. LIFO, FIFO, etc.) may differ from your custodian's accounting method. These differences may cause variations between our reports and your custodian's reports when calculating realized gains and losses.

Reporting Currency: USD

Sector Classification: Russell

Shares	Ticker	Security Name	Unit Cost	Total Cost	Price	Market Value	Pct Port	Unrealized G/L	Cur Yld	Security ID
Equity										
Producer Durables										
650.00	CPA	COPA HOLDINGS SA-CLASS A	63.80	41,469.61	52.26	33,969.00	0.15	-7,500.61	3.90	P31076105
11,956.00	GE	GENERAL ELECTRIC CO	25.79	308,324.57	31.48	376,374.88	1.70	68,050.31	2.92	369604103
15,900.00	PHG	KONINKLIJKE PHILIPS NVR- NY	27.82	442,305.08	24.94	396,546.00	1.80	-45,759.08	3.62	500472303
3,950.00	RTN	RAYTHEON COMPANY	43.30	171,034.16	135.95	537,002.50	2.43	365,968.34	2.16	755111507
4,800.00	LUV	SOUTHWEST AIRLINES CO	38.89	186,651.56	39.21	188,208.00	0.85	1,556.44	1.02	844741108
3,818.00	UNP	UNION PACIFIC CORP	14.68	56,029.15	87.25	333,120.50	1.51	277,091.35	2.52	907818108
Total Producer Durables				**1,205,814.13**		**1,865,220.88**	**8.45**	**659,406.75**		
Technology										
445.00	GOOGL	ALPHABET INC-CL A	514.19	228,815.81	703.53	313,070.85	1.42	84,255.04	0.00	02079K305
11,150.00	CSCO	CISCO SYSTEMS INC	17.35	193,401.42	28.69	319,893.50	1.45	126,492.08	3.63	17275R102
4,900.00	ERIC	ERICSSON (LM) TEL-SP ADR	7.49	36,711.81	7.68	37,632.00	0.17	920.19	5.95	294821608
4,000.00	MSFT	MICROSOFT CORP	28.82	115,282.18	51.17	204,680.00	0.93	89,397.82	2.81	594918104
19,200.00	ORCL	ORACLE CORP	34.16	655,872.47	40.93	785,856.00	3.56	129,983.53	1.47	68389X105
16,900.00	TER	TERADYNE INC	18.28	308,852.72	19.69	332,761.00	1.51	23,908.28	1.22	880770102
Total Technology				**1,538,936.41**		**1,993,893.35**	**9.03**	**454,956.94**		

NWQ's tax lot method (e.g. LIFO, FIFO, etc.) may differ from your custodian's accounting method. These differences may cause variations between our reports and your custodian's reports when calculating realized gains and losses.

Holdings Detail by Sector

As of date: 06/30/2016

291313 Jackson County Employees Retirement System

Reporting Currency: USD

Sector Classification: Russell

Shares	Ticker	Security Name	Unit Cost	Total Cost	Price	Market Value	Pct Port	Unrealized G/L	Cur Yld	Security ID
Equity										
Utilities										
2,300.00	EIX	EDISON INTERNATIONAL	58.87	135,409.62	77.67	178,641.00	0.81	43,231.38	2.47	281020107
Total Utilities				**135,409.62**		**178,641.00**	**0.81**	**43,231.38**		
Total Equity				**17,065,353.12**		**20,419,732.95**	**92.50**	**3,354,379.83**		
Total Portfolio:				**18,695,970.26**		**22,050,350.09**	**99.89**	**3,354,379.83**		
Total Accrued Income:						**25,331.90**	**0.11**			
Grand Total:						**22,075,681.99**	**100.00**			

NWQ's tax lot method (e.g. LIFO, FIFO, etc.) may differ from your custodian's accounting method. These differences may cause variations between our reports and your custodian's reports when calculating realized gains and losses.

FORM ADV PART 2B
BROCHURE SUPPLEMENT

NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000
www.nwq.com

June 20, 2016

Information Regarding:

Supervised Person	Responsibility	Strategies
Jon D. Bosse, CFA*	Chief Investment Officer Portfolio Manager Equity Analyst	All NWQ Strategies Large Cap Value, Large Cap Value Balanced, Special Equity, Special Balanced, Global Unconstrained All NWQ Strategies
Craig "Chip" O. Bailey,Jr.*	Portfolio Manager	Large Cap Value, Large Cap Value Balanced
Peter L. Boardman*	Portfolio Manager Equity Analyst	International Value, International Value (ADR), Japan Equity All NWQ Strategies
Susi Budiman (aka Li Li Yeh), CFA	Portfolio Manager/Analyst	Core Fixed Income, Intermediate Fixed Income, Short Term Fixed Income, Preferred Income, Flexible Income, Flexible Fixed Income, Large Cap Value Balanced, Special Balanced
Jae H. Chung, CFA	Equity Analyst	All NWQ Strategies
Andrew C. Hwang	Portfolio Manager Equity Analyst	Small/Mid Cap Value, Small Cap Value All NWQ Strategies
Tamara K. Kravec	Equity Analyst	All NWQ Strategies
Thomas J. Lavia, Jr., CFA	Director of Research Equity Analyst	All NWQ Strategies
Mark A. Morris	Portfolio Manager	Large Cap Value, Large Cap Value Balanced
Cynthia Henn Olsen, CFA	Equity Analyst	All NWQ Strategies
Martin Pollack	Equity Analyst	All NWQ Strategies
Thomas J. Ray, CFA	Portfolio Manager/Analyst	Core Fixed Income, Intermediate Fixed Income, Short Term Fixed Income, Preferred Income, Flexible Income, Flexible Fixed Income, Large Cap Value Balanced, Special Balanced, Global Equity Income, Global Equity Income (ADR)
Jujhar Sohi, CFA	Equity Analyst	All NWQ Strategies
James T. Stephenson, CFA*	Portfolio Manager Equity Analyst	Global Equity Income, Global Equity Income (ADR), Global Equity, Global Equity (ADR), All NWQ Strategies
Gregg S. Tenser, CFA*	Portfolio Manager Equity Analyst	Global Equity, Global Equity (ADR), All NWQ Strategies
Phyllis G. Thomas, CFA*	Portfolio Manager Equity Analyst	Small/Mid Cap Value, Small Cap Value All NWQ Strategies
Raymond O. Wicklander, CFA, CPA	Equity Analyst	All NWQ Strategies

(each, a "Supervised Person")

*Additional information about this Supervised Person is available on the SEC's website at www.adviserinfo.sec.gov.

This Brochure Supplement provides information about each Supervised Person that supplements NWQ Investment Management Company, LLC's ("NWQ") Brochure. You should have received a copy of that Brochure. Please contact NWQ's Legal and Compliance Department at (310) 712-4000 or email compliance@nwq.com if you did not receive NWQ's Brochure or if you have any questions about the contents of this Supplement.

Jon D. Bosse, CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Jon D. Bosse, CFA – born 1958

8/2002-Present	NWQ Investment Management Company, LLC, Co-President, Chief Investment Officer, Portfolio Manager [6/2006-Present]; Chief Investment Officer, Executive Committee Member, Managing Director, Portfolio Manager [8/2002-6/2006]
1996-8/2002	NWQ Investment Management Company, Inc., Chief Investment Officer, Managing Director, Portfolio Manager [2001-8/2002]; Director of Research, Managing Director, Portfolio Manager [1996-2000]
1986-1996	ARCO Investment Management Company, Portfolio Manager, Director of Equity Research

B.A., Washington University
M.B.A., Wharton School, University of Pennsylvania

Mr. Bosse holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Mr. Bosse does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Bosse is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Bosse and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Mr. Bosse's investment advisory activities. Questions or inquiries regarding accounts managed by Mr. Bosse can be directed to NWQ's Executive Committee at (310) 712- 4000.

Craig "Chip" O. Bailey, Jr.
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Craig "Chip" O. Bailey, Jr. – born 1962

8/2007-Present	NWQ Investment Management Company, LLC, Executive Vice President, Head of Client Portfolio Management, Portfolio Manager [11/2015 – Present]; Managing Director, Portfolio Manager [3/2008-10/2015]; Senior Vice President, Client Portfolio Manager [8/2007-3/2008]
1997-8/2007	Westbourne Capital Management, LLC, Founder and Managing Principal
1987-1997	Trust Company of the West, Managing Director [1994-97]; Senior Vice President, Assistant Director of Equity Research, Senior Equity Analyst [1993-94]; Vice President, Assistant Director of Equity Research, Senior Equity Analyst [1991-93]; Assistant Vice President, Senior Analyst [1987-91]
1985-1987	MBA Student
1981-1985	Trust Company of the West, various positions in Research, Trading and Marketing

B.A., University of California, Los Angeles
M.B.A., J.L. Kellogg Graduate School of Management, Northwestern University

Mr. Bailey holds a Series 65 license.

The Series 65 license is granted to persons who pass the Uniform Investment Adviser Law Examination administered by the Financial Industry Regulatory Authority, Inc.

Disciplinary Information:

Mr. Bailey does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Bailey is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Bailey and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Mr. Bailey's investment advisory activities. Questions or inquiries regarding accounts managed by Mr. Bailey can be directed to NWQ's Executive Committee at (310) 712-4000.

Peter L. Boardman

NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

PLEASE NOTE, MR. BOARDMAN JOINS NWQ EFFECTIVE JULY 1, 2016

Educational Background and Business Experience

Peter L. Boardman – born 1959

07/2016 – Present	NWQ Investment Management Company, LLC, Managing Director, Portfolio Manager, Equity Analyst
03/2006 – 06//2016	Tradewinds Global Investors, LLC, Managing Director, Portfolio Manager, Equity Analyst [01/2009 – present]; Managing Director, Equity Analyst [03/2006 – 01/2009]
01/2003 – 02/2006	NWQ Investment Management Company LLC, Managing Director, International Equity Analyst [09/2005 – 02/2006]; Vice President, International Equity Analyst [01/2003 – 08/2005]
12/2000 – 06/2002	USAA Investment Management Corporation, Inc., Associate Portfolio Manager & Senior Analyst
1992 – 07/2000	UBS Warburg LLC, Senior Analyst, Director North American Equity Research
1988 – 1992	Credit Lyonnais Securities, Analyst, International Equity Research
1986 – 1988	Citicorp Vickers Da Costa, Ltd., Japanese Equity Broker, International Equity Sales

B.A., Economics, Willamette University
M.I.M., American Graduate School (Thunderbird)

Disciplinary Information:

Mr. Boardman does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Boardman is not actively engaged in any investment related business or occupation other than as described herein.

Mr. Boardman is an associated person of Nuveen Securities, LLC, a broker dealer affiliated with the firm, but is not compensated based on the sale of securities or other investment products.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Boardman and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Mr. Boardman's investment advisory activities. Questions or inquiries regarding accounts managed by Mr. Boardman can be directed to NWQ's Executive Committee at (310) 712-4000.

Susi Budiman (aka Li Li Yeh), CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Susi Budiman (aka Li Li Yeh), CFA – born 1975

11/2006-present	NWQ Investment Management Company, LLC, Managing Director, Portfolio Manager/Analyst [3/2014–Present]; Senior Vice President, Portfolio Manager/Analyst [3/2013–2/2014]; Vice President, Portfolio Manager\Analyst [3/2008-2/2013]; Vice President, Assistant Portfolio Manager [11/2006-3/2008]
2003-2006	China Life Insurance Co., Ltd., Portfolio Manager
2002-2003	Ping An Insurance (Group) Company of China, Ltd., Foreign Investment and Research Senior Supervisor
2002	Nan Shan Life Insurance Co., Ltd., Investment Specialist
2001-2002	Fleet National Bank, Associate

Bachelor of Commerce, Finance, University of British Columbia
M.B.A., University of Southern California

Disciplinary Information:

Ms. Budiman does not have any reportable legal or disciplinary events.

Other Business Activities

Ms. Budiman is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Ms. Budiman and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Ms. Budiman's investment advisory activities. Questions or inquiries regarding accounts managed by Ms. Budiman can be directed to NWQ's Executive Committee at (310) 712-4000.

Jae H. Chung, CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

PLEASE NOTE, MR. CHUNG JOINS NWQ EFFECTIVE JULY 1, 2016

Educational Background and Business Experience

Jae H. Chung, CFA – born 1974

07/2016 – Present	NWQ Investment Management Company, LLC, Managing Director, Equity Analyst
05/2006 – 06/2016	Tradewinds Global Investors, LLC, Managing Director, Equity Analyst [03/2014 – present]; Senior Vice President, Equity Analyst [02/2010 – 02/2014]; Vice President, Equity Analyst [05/2006 – 01/2010]
07/2004 – 04/2006	BCG ValueScience Center LLC, Senior Consultant
09/2002 – 06/2004	MBA Student
Summer 2003	Morgan Stanley Investment Management, Summer Associate
1999 – 2002	JPMorgan, Investment Banking Analyst

B.A., Economics, Claremont McKenna College
M.B.A., Finance and Economics, University of Chicago Booth School of Business

Mr. Chung holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Mr. Chung does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Chung is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Chung and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Mr. Chung's investment advisory activities is: Thomas J. Lavia, Director of Research, (310) 712-4000.

Andrew C. Hwang
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Andrew C. Hwang – born 1971

8/2002-Present	NWQ Investment Management Company, LLC, Managing Director, Portfolio Manager, Equity Analyst [2/2016 – Present]; Managing Director, Equity Analyst [3/2014 – 1/2016]; Senior Vice President, Equity Analyst [3/2013 – 2/2014]; Vice President, Equity Analyst [3/2007-2/2013]; Assistant Vice President, Equity Analyst [9/2005-3/2007]; Equity Analyst [8/2002-8/2005]
1998-8/2002	NWQ Investment Management Company, Inc., Equity Analyst [2001-8/2002]; Assistant Portfolio Manager [1998-2000]
1995-1998	Inter-Global Financial Corporation, Vice President

B.A., University of California, Los Angeles
M.B.A., University of Southern California

Disciplinary Information:

Mr. Hwang does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Hwang is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Hwang and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Mr. Hwang's investment advisory activities is: Thomas J. Lavia, Director of Research, (310) 712-4000.

Tamara K. Kravec
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Tamara Kravec – born 1969

8/2008-Present	NWQ Investment Management Company, LLC, Managing Director, Equity Analyst [2/2010-Present]; Senior Vice President, Equity Analyst [8/2008-2/2010]
2000-8/2008	Bank of America Securities, LLC, Vice President, Senior Equity Analyst, Director of Research Management
1997-2000	Morgan Stanley Dean Witter, Equity Analyst
1992-1997	Credit Suisse First Boston, Research Associate

B.S., Miami University of Ohio
M.B.A., Leonard N. Stern School of Business, New York University

Disciplinary Information:

Ms. Kravec does not have any reportable legal or disciplinary events.

Other Business Activities

Ms. Kravec is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Ms. Kravec and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Ms. Kravec's investment advisory activities is: Thomas J. Lavia, Director of Research, (310) 712-4000.

Thomas J. Lavia Jr., CFA

NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Thomas J. Lavia, CFA – born 1975

11/2011-Present	NWQ Investment Management Company, LLC, Managing Director, Director of Research, Equity Analyst [03/2015-Present]; Managing Director, Equity Analyst [11/2011-02/2015]
11/2007-11/2011	Relational Investors, LLC, Managing Director [9/2011-11/2011]; Senior Analyst [1/2009-9/2011]; Analyst [11/2007-12/2008]
4/2004-9/2007	Harlingwood Capital Management/CapitalWorks, LLC, Analyst, Co-Portfolio Manager
11/2002-1/2004	JMP Securities, LLC, Vice President, Institutional Equity Research Sales
4/1999-7/2002	Robertson Stephens, Inc., Junior Equity Analyst [2/2001-7/2002]; Senior Associate, Investment Banking [7/2000-2/2001]; Analyst, Investment Banking [4/1999-7/2000]

B.A., University of California, Berkley

Mr. Lavia holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Mr. Lavia does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Lavia is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Lavia and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Mr. Lavia's investment advisory activities. Questions or inquiries regarding accounts managed by Mr. Lavia can be directed to NWQ's Executive Committee at (310) 712-4000.

Mark A. Morris
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Mark A. Morris – born 1957

9/2001-Present	NWQ Investment Management Company, LLC, Managing Director, Portfolio Manager [11/2011 – Present]; Managing Director, Equity Analyst [10/2005-11/2011]; Senior Vice President, Equity Analyst [9/2001-10/2005]
9/1998-9/2001	Merrill Lynch Investment Managers, Director, Equity Analyst, Portfolio Manager
11/1991-9/1998	Trust Company of the West, Assistant Vice President, Vice President, and Senior Vice President, Equity Analyst
2/1989-11/1991	Hanifen Imhoff, Inc., Vice President, Equity Analyst
1986-1989	Gould Electronics, Design Engineer
1983-1986	NCR Corp., Design Engineer

B.S., California State University, Chico
M.S., University of California, Santa Barbara
M.B.A., University of San Diego

Disciplinary Information:

Mr. Morris does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Morris is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Morris and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Mr. Morris' investment advisory activities is: Chip Bailey, Head of Client Portfolio Management and Portfolio Manager, (310) 712-4000.

Cynthia Henn Olsen, CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Cynthia Henn Olsen, CFA – born 1982

1/2016-Present	NWQ Investment Management Company, LLC, Senior Vice President, Equity Analyst
6/2005-12/2015	Franklin Templeton Investments, Equity Research Analyst [6/2008-12/2015]; Equity Research Associate [6/2006-6/2008]; Future Associate [6/2005-6/2006]

B.A., Stanford University

Ms. Olsen holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Ms. Olsen does not have any reportable legal or disciplinary events.

Other Business Activities

Ms. Olsen is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Ms. Olsen and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Ms. Olsen's investment advisory activities is: Thomas J. Lavia, Director of Research, (310) 712-4000.

Martin Pollack
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Martin Pollack – born 1953

8/2002-Present	NWQ Investment Management Company, LLC, Managing Director, Equity Analyst [3/2008-Present]; Senior Vice President, Equity Analyst [9/2005-3/2008]; Vice President, Equity Analyst [8/2002-8/2005]
1992-8/2002	NWQ Investment Management Company, Inc., Vice President, Portfolio Manager
1989-1992	NWQ Investment Management Company, a California Limited Partnership, Portfolio Manager
1985-1989	NWQ Investment Management Company, Vice President, Portfolio Manager
1980-1985	First Manhattan Company, New York, Portfolio Manager/Analyst

B.A., Yeshiva University, New York
M.B.A., Bernard Baruch College, The City University of New York

Disciplinary Information:

Mr. Pollack does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Pollack is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Pollack and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Mr. Pollack's investment advisory activities is: Thomas J. Lavia, Director of Research, (310) 712-4000.

Thomas J. Ray, CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Thomas J. Ray, CFA – born 1966

01/2015 – Present	NWQ Investment Management Company, LLC, Managing Director, Head of Fixed Income, Portfolio Manager/Analyst
3/2011 – 12/2014	Private Investor
4/2001 – 3/2011	Inflective Asset Management, President, Chief Investment Officer and Founding Member
4/1991 – 4/2001	TransAmerica Investment Management, Portfolio Manager and Analyst

B.B.A., University of Wisconsin, Madison
M.S., University of Wisconsin, Madison

Mr. Ray holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Mr. Ray does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Ray is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Ray and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Mr. Ray's investment advisory activities. Questions or inquiries regarding accounts managed by Mr. Ray can be directed to NWQ's Executive Committee at (310) 712-4000.

Jujhar S. Sohi, CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Jujhar S. Sohi, CFA – born 1980

12/2013-Present	NWQ Investment Management Company, LLC, Senior Vice President, Equity Analyst
7/2011-11/2013	Santander Asset Management, Senior Equity Analyst
6/2008-3/2011	M&G Investment Management, Equity Analyst
10/2004-05/2008	PricewaterhouseCoopers LLP, ACA Qualified Executive in Assurance

B.A., University of Oxford
MSc, University College London

Mr. Sohi holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Mr. Sohi does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Sohi is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Sohi and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Mr. Sohi's investment advisory activities is: Thomas J. Lavia, Director of Research, (310) 712-4000.

James T. Stephenson, CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

James T. Stephenson, CFA – born 1967

2/2006 – Present	NWQ Investment Management Company, LLC, Managing Director, Portfolio Manager, Equity Analyst [3/2012 – Present]; Managing Director, Equity Analyst [2/2006-3/2012]
1998-2006	Bel Air Investment Advisors, LLC, Managing Director, Partner, Portfolio Manager, Chairman-Equity Policy Committee [2004-2006]; Managing Director, Partner, Portfolio Manager [2001-2004]; Portfolio Manager [1998-2001]
1993-1998	ARCO Investment Management Company, Portfolio Manager [1995-1998]; Security Analyst [1993-1995]
1991-1993	Trust Company of the West, Equity Analyst

B.B.A., University of Wisconsin, Madison
M.S., University of Wisconsin, Madison

Mr. Stephenson holds a Series 65 license and the Chartered Financial Analyst designation.

The Series 65 license is granted to persons who pass the Uniform Investment Adviser Law Examination administered by the Financial Industry Regulatory Authority, Inc.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Mr. Stephenson does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Stephenson is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Stephenson and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Mr. Stephenson's investment advisory activities. Questions or inquiries regarding accounts managed by Mr. Stephenson can be directed to NWQ's Executive Committee at (310) 712-4000.

Gregg S. Tenser, CFA

NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Gregg S. Tenser, CFA – born 1967

8/2002-Present	NWQ Investment Management Company, LLC, Managing Director, Portfolio Manager, Equity Analyst [9/2005-Present]; Senior Vice President, Equity Analyst [8/2002-8/2005]
7/2001-8/2002	NWQ Investment Management Company, Inc., Vice President, Equity Analyst
1/1999-2001	Sturdivant & Co., Inc., Vice President, Portfolio Manager
1996-9/1998	Federated Investors, Vice President, Senior Equity Analyst, and Director of Equity Research
1994-1996	First Chicago Investment Management Company, Assistant Vice President, Equity Analyst

B.A., Duke University
M.B.A., University of Michigan

Mr. Tenser holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience.

Disciplinary Information:

Mr. Tenser does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Tenser is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Tenser and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Mr. Tenser's investment advisory activities. Questions or inquiries regarding accounts managed by Mr. Tenser can be directed to NWQ's Executive Committee at (310) 712-4000.

Phyllis G. Thomas, CFA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

Educational Background and Business Experience

Phyllis G. Thomas, CFA – born 1948

8/2002-Present	NWQ Investment Management Company, LLC, Senior Managing Director, Chair, Investment Oversight Committee, Portfolio Manager, Equity Analyst [11/2015 - Present]; Managing Director, Portfolio Manager, Equity Analyst [8/2002 – 10/2015]
1992-8/2002	NWQ Investment Management Company, Inc., Managing Director, Portfolio Manager
1990-1992	NWQ Investment Management Company, a California Limited Partnership, Vice President and Portfolio Manager
1987-1990	The Boston Company Institutional Investors, Inc., Senior Portfolio Manager
1980-1987	Beneficial Standard Investment Management Co., Senior Portfolio Manager

B.S., Northern Illinois University
M.B.A., University of California, Los Angeles

Ms. Thomas holds the Chartered Financial Analyst designation.

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Disciplinary Information:

Ms. Thomas does not have any reportable legal or disciplinary events.

Other Business Activities

Ms. Thomas is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business.

Supervision

NWQ Investment Management Company, LLC supervises Ms. Thomas and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. NWQ's Executive Committee is responsible for supervising Ms. Thomas' investment advisory activities. Questions or inquiries regarding accounts managed by Ms. Thomas can be directed to NWQ's Executive Committee at (310) 712-4000.

Raymond O. Wicklander, CFA, CPA
NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067
310-712-4000

PLEASE NOTE, MR. WICKLANDER JOINS NWQ EFFECTIVE JULY 1, 2016

Educational Background and Business Experience

Raymond O. Wicklander, CFA, CPA – born 1978

07/2016 – Present	NWQ Investment Management Company, LLC, Managing Director, Equity Analyst
12/2006 – 06/2016	Tradewinds Global Investors, LLC, Managing Director, Deputy Director of Research, Portfolio Manager, Equity Analyst [10/2014 – present]; Tradewinds Global Investors, LLC, Managing Director, Deputy Director of Research, Equity Analyst [03/2013 – 9/2014]; Senior Vice President, Deputy Director of Research, Equity Analyst [03/2012 – 02/2013]; Senior Vice President, Equity Analyst [02/2010 – 03/2012]; Vice President, Equity Analyst [12/2006 – 01/2010]
03/2005 – 12/2006	Pembroke Capital Management, Global Equities Analyst
07/2000 – 07/2004	Northern Trust Global Investments, Portfolio Management Associate [10/2002 – 07/2004]; Marketing Analyst [07/2000 – 09/2002]

B.B.A., Accounting/Economics, University of Notre Dame
M.S.c, Accounting and Finance, London School of Economics

Mr. Wicklander holds the Chartered Financial Analyst designation and is a member of the American Institute of Certified Public Accountants. The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience. Members of the American Institute of Certified Public Accountants (CPAs) are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a bachelor's degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination.

Disciplinary Information:

Mr. Wicklander does not have any reportable legal or disciplinary events.

Other Business Activities

Mr. Wicklander is not actively engaged in any investment related business or occupation other than as described herein.

Additional Compensation

NWQ's employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment, including meals, golfing and tickets to cultural and sporting events from parties with whom the firm does business. Please refer to Form ADV Part 2A, Items 11 and 14 for further information.

Supervision

NWQ Investment Management Company, LLC supervises Mr. Wicklander and monitors the advisory services provided to clients through regular review of trading and positions for adherence to internal and strategy guidelines. The name and contact information for the person responsible for supervising Mr. Wicklander's investment advisory activities is: Thomas J. Lavia, Director of Research, (310) 712-4000.

Performance and Analysis

As of 30 Jun 2016

Jackson County Employees' Retirement Plan

Jackson County Retirement System

Report ID: 1832142.1 Published: 12 Jul 2016

Table of Contents

Accounting Summary (expressed in USD)

As of 30 Jun 2016

Jackson County Employees' Retirement Plan

	Beginning Market Value 01 Jun 2016	Contributions	Withdrawals	Appreciation / Depreciation	Ending Market Value 30 Jun 2016
S&P 500 Flagship Fund	12,506,593	0	0	30,980	12,537,574
S&P Midcap Index Fund	15,562,993	0	0	66,018	15,629,011
Total	**28,069,586**	**0**	**0**	**96,998**	**28,166,585**

Performance Summary (expressed in USD)

As of 30 Jun 2016

Jackson County Employees' Retirement Plan

	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Inception
S&P 500 Flagship Fund								01 Jan 2001
Total Returns	0.25%	2.44%	3.84%	4.09%	11.70%	12.14%	7.48%	5.15%
S&P 500(R)	0.26%	2.46%	3.84%	3.99%	11.65%	12.09%	7.42%	5.09%
Difference	**-0.01%**	**-0.02%**	**0.00%**	**0.10%**	**0.05%**	**0.05%**	**0.06%**	**0.06%**
Total Returns	0.25%	2.44%	3.84%	4.09%	11.70%	12.14%	7.48%	5.15%
S&P 500 Custom Index (8/31/2004)	0.26%	2.46%	3.84%	3.99%	11.65%	12.09%	7.42%	5.11%
Difference	**-0.01%**	**-0.02%**	**0.00%**	**0.10%**	**0.05%**	**0.05%**	**0.06%**	**0.04%**
Total Returns (Net)	0.24%	2.43%	3.82%	4.04%	11.64%	N/A	N/A	N/A
S&P 500(R)	0.26%	2.46%	3.84%	3.99%	11.65%	N/A	N/A	N/A
Difference	**-0.02%**	**-0.03%**	**-0.02%**	**0.05%**	**-0.01%**	**N/A**	**N/A**	**N/A**
Total Returns (Net)	0.24%	2.43%	3.82%	4.04%	11.64%	N/A	N/A	N/A
S&P 500 Custom Index (8/31/2004)	0.26%	2.46%	3.84%	3.99%	11.65%	N/A	N/A	N/A
Difference	**-0.02%**	**-0.03%**	**-0.02%**	**0.05%**	**-0.01%**	**N/A**	**N/A**	**N/A**

Jackson County Employees' Retirement Plan

	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Inception
S&P Midcap Index Fund								01 Nov 2000
Total Returns	0.42%	4.01%	7.94%	1.36%	10.53%	10.59%	8.59%	8.50%
S&P MidCap 400(R)	0.42%	3.99%	7.93%	1.33%	10.52%	10.54%	8.55%	8.44%
Difference	**0.00%**	**0.02%**	**0.01%**	**0.03%**	**0.01%**	**0.05%**	**0.04%**	**0.06%**
Total Returns (Net)	0.42%	3.99%	7.90%	1.28%	10.45%	N/A	N/A	N/A
S&P MidCap 400(R)	0.42%	3.99%	7.93%	1.33%	10.52%	N/A	N/A	N/A
Difference	**0.00%**	**0.00%**	**-0.03%**	**-0.05%**	**-0.07%**	**N/A**	**N/A**	**N/A**

For information regarding performance data, including net performance data, please refer to the section entitled "Important Information" at the end of the report.

Characteristics and Risk Statistics (expressed in USD)

As of 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P 500 Flagship Fund

Benchmark: S&P 500(R)

Characteristics	Mandate	Benchmark
Annual Dividend Yield (Trailing 12 Months)	2.16	2.16
Estimated 3-5 Year EPS Growth	9.85	9.85
Total Number of Holdings	507	505
Price/Book Ratio	2.70	2.70
Price/Earnings Ratio (Forward 12 Months)	17.13	17.14
Return on Equity (5 Year Average)	19.12	19.11
Weighted Average Market Cap (M)	137,686.98	137,601.14
Median Market Cap	18,100.10	18,106.05
Price/Earnings Ratio (Trailing 12 Months)	27.76	27.82
Price/Cash Flow (Weighted Harmonic Average)	10.98	10.99
Return on Equity (Trailing 12 Months)	20.10	20.07
Price/Sales (Weighted Average)	3.45	3.46

Portfolio characteristics are calculated using the month end market value of holdings. Averages reflect the market weight of securities in the portfolio. Market data, prices, and dividend estimates for characteristics calculations provided by FactSet Research Systems, Inc. All other portfolio data provided by SSGA. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Risk Statistics	Mandate
Standard Deviation (Annualized 36 Months)	11.10
Beta (Trailing 36 Months)	1.00
Tracking Error (Trailing 36 Months)	0.05

Portfolio characteristics beta and standard deviation are calculated using SSGA month end return values. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Top Holdings (expressed in USD)

As of 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P 500 Flagship Fund

Benchmark: S&P 500(R)

Security	Mandate	Benchmark	Difference
APPLE INC	2.88%	2.88%	0.00%
MICROSOFT CORP	2.21%	2.21%	0.00%
EXXON MOBIL CORP	2.14%	2.14%	0.00%
JOHNSON & JOHNSON	1.83%	1.83%	0.00%
GENERAL ELECTRIC CO	1.59%	1.59%	0.00%
AMAZON.COM INC	1.52%	1.52%	0.00%
BERKSHIRE HATHAWAY INC-CL B	1.49%	1.49%	0.00%
AT&T INC	1.46%	1.46%	0.00%
FACEBOOK INC-A	1.45%	1.45%	0.00%
VERIZON COMMUNICATIONS INC	1.25%	1.25%	0.00%

The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives.

Monthly Sector Contribution to Return (expressed in USD)

Period 01 Jun 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P 500 Flagship Fund

Sector	Contribution to Return
Consumer Staples	0.52%
Utilities	0.26%
Telecommunication Services	0.25%
Energy	0.24%
Health Care	0.16%
Industrials	0.09%
Derivatives	0.00%
Cash & Cash Equivalent	0.00%
Residual*	0.00%
Materials	-0.03%
Consumer Discretionary	-0.15%
Financials	-0.52%
Information Technology	-0.57%
Total	**0.25%**

** Residual may arise in a variety of circumstances, including for example, when there are (i) timing differences in accounting for expenses and income, including but not limited to withholding taxes, tax reclaims, dividend income, security lending income and transaction costs, (ii) pricing differences, including but not limited to price type, price source, fair valuation or other special pricing events or (iii) methodology differences between total return and contribution-to-return calculations when significant inflows/outflows occur at the total portfolio and/or sector/county level. The foregoing is not meant to be a complete list of the circumstances under which residual may arise.*
Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Quarterly Sector Contribution to Return (expressed in USD)

Period 01 Apr 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P 500 Flagship Fund

Sector	Contribution to Return
Health Care	0.89%
Energy	0.78%
Consumer Staples	0.47%
Financials	0.33%
Utilities	0.23%
Telecommunication Services	0.19%
Industrials	0.13%
Materials	0.10%
Derivatives	0.02%
Cash & Cash Equivalent	0.00%
Residual*	0.00%
Consumer Discretionary	-0.12%
Information Technology	-0.57%
Total	**2.44%**

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Sector Weights (expressed in USD)

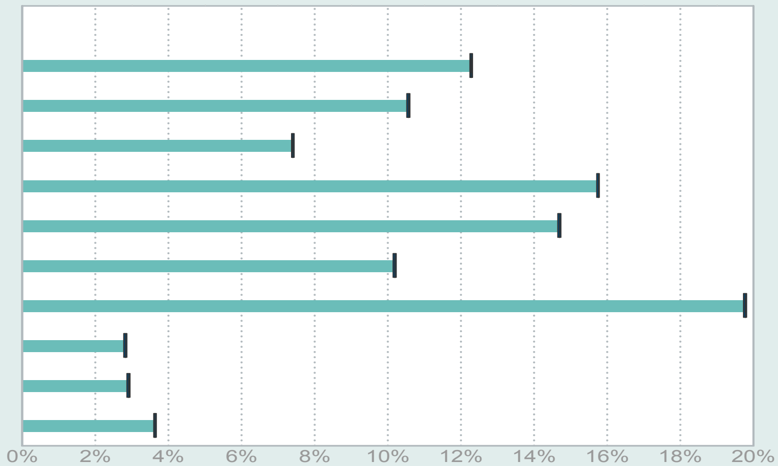
As of 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P 500 Flagship Fund

Benchmark: S&P 500(R)

Sector	Mandate	Benchmark	Difference
Consumer Discretionary	12.30%	12.28%	0.02%
Consumer Staples	10.54%	10.56%	-0.02%
Energy	7.37%	7.40%	-0.03%
Financials	15.74%	15.75%	-0.01%
Health Care	14.66%	14.69%	-0.04%
Industrials	10.21%	10.19%	0.02%
Information Technology	19.80%	19.77%	0.03%
Materials	2.85%	2.82%	0.03%
Telecommunication Services	2.91%	2.91%	-0.01%
Utilities	3.63%	3.63%	0.00%
Total	**100.00%**	**100.00%**	**0.00%**



The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives. Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Monthly Sector Returns (expressed in USD)

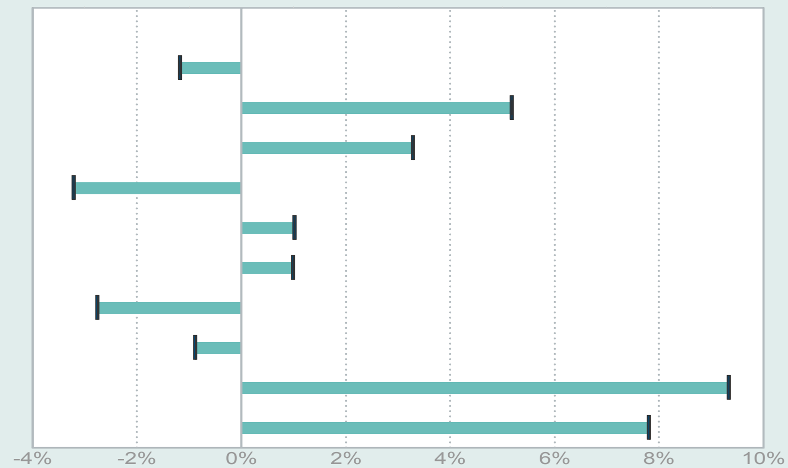
Period 01 Jun 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P 500 Flagship Fund

Benchmark: S&P 500(R)

Sector	Mandate	Benchmark	Difference
Consumer Discretionary	-1.19%	-1.18%	-0.01%
Consumer Staples	5.18%	5.18%	0.00%
Energy	3.28%	3.28%	0.00%
Financials	-3.24%	-3.21%	-0.03%
Health Care	1.01%	1.02%	-0.01%
Industrials	0.97%	0.99%	-0.02%
Information Technology	-2.76%	-2.76%	0.00%
Materials	-0.89%	-0.89%	0.00%
Telecommunication Services	9.37%	9.34%	0.03%
Utilities	7.81%	7.81%	0.00%



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Quarterly Sector Returns (expressed in USD)

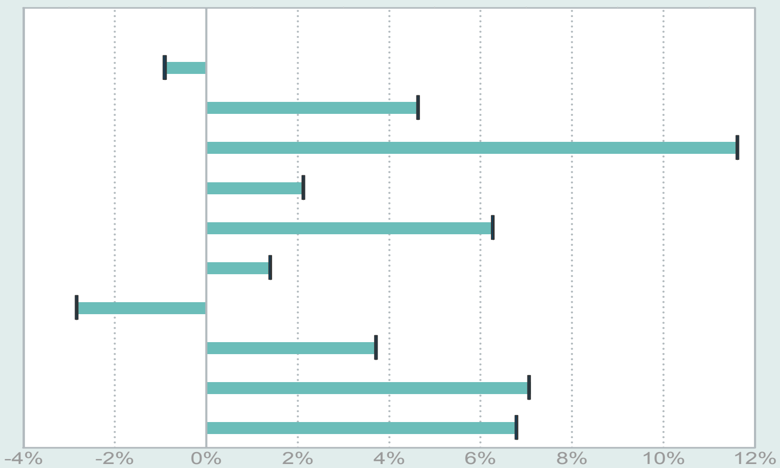
Period 01 Apr 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P 500 Flagship Fund

Benchmark: S&P 500(R)

Sector	Mandate	Benchmark	Difference
Consumer Discretionary	-0.94%	-0.91%	-0.03%
Consumer Staples	4.62%	4.63%	-0.01%
Energy	11.62%	11.62%	0.00%
Financials	2.10%	2.12%	-0.02%
Health Care	6.25%	6.27%	-0.02%
Industrials	1.38%	1.40%	-0.02%
Information Technology	-2.85%	-2.84%	-0.01%
Materials	3.69%	3.71%	-0.02%
Telecommunication Services	7.10%	7.06%	0.04%
Utilities	6.81%	6.79%	0.02%



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Characteristics and Risk Statistics (expressed in USD)

As of 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)

Characteristics	Mandate	Benchmark
Annual Dividend Yield (Trailing 12 Months)	1.66	1.67
Estimated 3-5 Year EPS Growth	9.94	9.92
Total Number of Holdings	400	400
Price/Book Ratio	2.14	2.13
Price/Earnings Ratio (Forward 12 Months)	18.37	18.37
Return on Equity (5 Year Average)	12.88	12.91
Weighted Average Market Cap (M)	4,788.52	4,833.83
Median Market Cap	3,429.58	3,443.56
Price/Earnings Ratio (Trailing 12 Months)	29.42	29.37
Price/Cash Flow (Weighted Harmonic Average)	10.51	10.54
Return on Equity (Trailing 12 Months)	12.63	12.62
Price/Sales (Weighted Average)	3.13	3.13

Portfolio characteristics are calculated using the month end market value of holdings. Averages reflect the market weight of securities in the portfolio. Market data, prices, and dividend estimates for characteristics calculations provided by FactSet Research Systems, Inc. All other portfolio data provided by SSGA. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Risk Statistics	Mandate
Standard Deviation (Annualized 36 Months)	12.26
Beta (Trailing 36 Months)	1.00
Tracking Error (Trailing 36 Months)	0.02

Portfolio characteristics beta and standard deviation are calculated using SSGA month end return values. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Top Holdings (expressed in USD)

As of 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)

Security	Mandate	Benchmark	Difference
METTLER-TOLEDO INTERNATIONAL	0.67%	0.66%	0.01%
INGREDION INC	0.64%	0.63%	0.01%
DUKE REALTY CORP	0.63%	0.62%	0.01%
RESMED INC	0.61%	0.60%	0.01%
CDK GLOBAL INC	0.59%	0.58%	0.01%
ALLEGHANY CORP	0.58%	0.57%	0.01%
COOPER COS INC/THE	0.57%	0.56%	0.01%
IDEXX LABORATORIES INC	0.57%	0.56%	0.01%
ATMOS ENERGY CORP	0.57%	0.56%	0.01%
WHITEWAVE FOODS CO	0.57%	0.56%	0.01%

The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives.

Monthly Sector Contribution to Return (expressed in USD)

Period 01 Jun 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P Midcap Index Fund

Sector	Contribution to Return
Utilities	0.39%
Consumer Staples	0.27%
Financials	0.18%
Materials	0.15%
Health Care	0.13%
Telecommunication Services	0.01%
Residual*	0.00%
Cash & Cash Equivalent	0.00%
Derivatives	-0.02%
Consumer Discretionary	-0.03%
Energy	-0.05%
Industrials	-0.22%
Information Technology	-0.38%
Total	**0.43%**

** Residual may arise in a variety of circumstances, including for example, when there are (i) timing differences in accounting for expenses and income, including but not limited to withholding taxes, tax reclaims, dividend income, security lending income and transaction costs, (ii) pricing differences, including but not limited to price type, price source, fair valuation or other special pricing events or (iii) methodology differences between total return and contribution-to-return calculations when significant inflows/outflows occur at the total portfolio and/or sector/county level. The foregoing is not meant to be a complete list of the circumstances under which residual may arise.*
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Quarterly Sector Contribution to Return (expressed in USD)

Period 01 Apr 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P Midcap Index Fund

Sector	Contribution to Return
Financials	1.55%
Materials	0.54%
Utilities	0.54%
Health Care	0.50%
Information Technology	0.47%
Consumer Staples	0.44%
Energy	0.19%
Industrials	0.12%
Derivatives	0.08%
Cash & Cash Equivalent	0.01%
Residual*	0.00%
Telecommunication Services	0.00%
Consumer Discretionary	-0.42%
Total	**4.01%**

** Residual may arise in a variety of circumstances, including for example, when there are (i) timing differences in accounting for expenses and income, including but not limited to withholding taxes, tax reclaims, dividend income, security lending income and transaction costs, (ii) pricing differences, including but not limited to price type, price source, fair valuation or other special pricing events or (iii) methodology differences between total return and contribution-to-return calculations when significant inflows/outflows occur at the total portfolio and/or sector/county level. The foregoing is not meant to be a complete list of the circumstances under which residual may arise.*
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Sector Weights (expressed in USD)

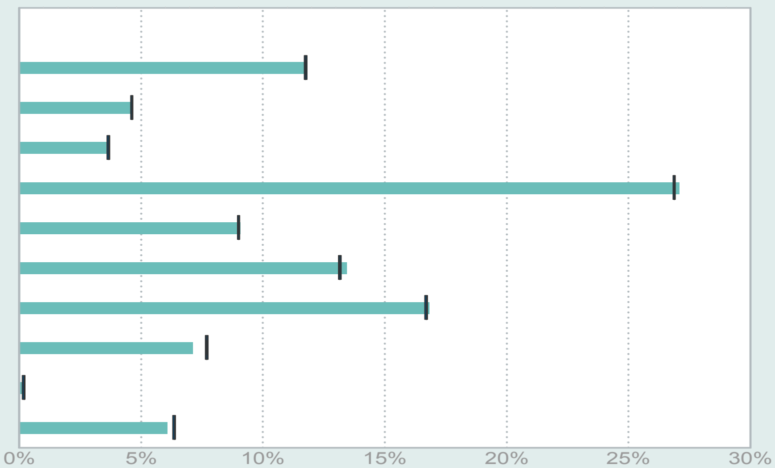
As of 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)

Sector	Mandate	Benchmark	Difference
Consumer Discretionary	11.82%	11.75%	0.08%
Consumer Staples	4.66%	4.62%	0.04%
Energy	3.67%	3.66%	0.00%
Financials	27.08%	26.87%	0.20%
Health Care	9.08%	9.00%	0.08%
Industrials	13.45%	13.15%	0.30%
Information Technology	16.84%	16.70%	0.15%
Materials	7.12%	7.69%	-0.56%
Telecommunication Services	0.20%	0.19%	0.01%
Utilities	6.08%	6.36%	-0.28%
Total	**100.00%**	**100.00%**	**0.00%**



The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives. Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Monthly Sector Returns (expressed in USD)

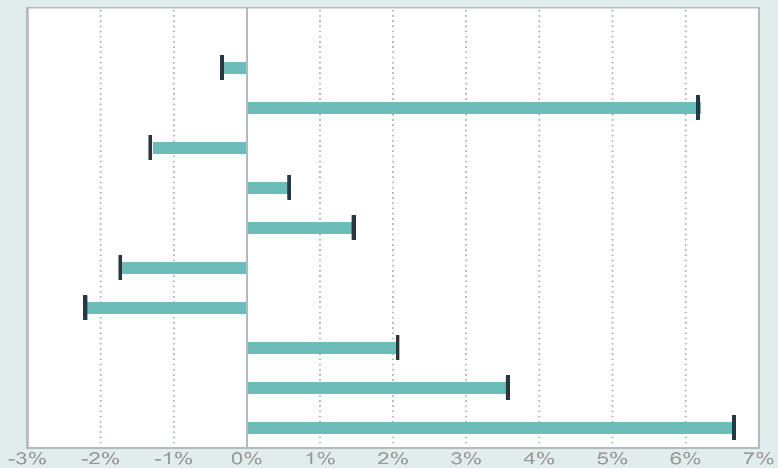
Period 01 Jun 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)

Sector	Mandate	Benchmark	Difference
Consumer Discretionary	-0.33%	-0.34%	0.01%
Consumer Staples	6.20%	6.17%	0.03%
Energy	-1.28%	-1.32%	0.04%
Financials	0.59%	0.58%	0.01%
Health Care	1.47%	1.46%	0.01%
Industrials	-1.72%	-1.73%	0.01%
Information Technology	-2.20%	-2.21%	0.01%
Materials	2.06%	2.06%	0.00%
Telecommunication Services	3.58%	3.57%	0.01%
Utilities	6.67%	6.66%	0.01%



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Quarterly Sector Returns (expressed in USD)

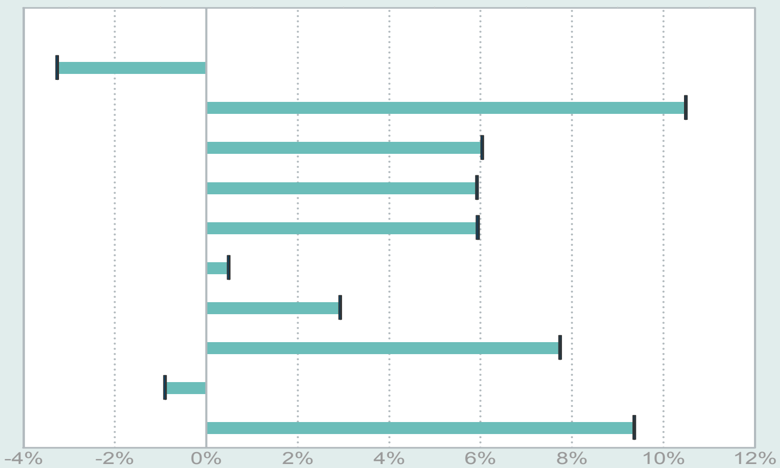
Period 01 Apr 2016 - 30 Jun 2016

Jackson County Employees' Retirement Plan

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)

Sector	Mandate	Benchmark	Difference
Consumer Discretionary	-3.26%	-3.26%	0.00%
Consumer Staples	10.51%	10.49%	0.02%
Energy	6.04%	6.04%	0.00%
Financials	5.95%	5.92%	0.03%
Health Care	5.95%	5.94%	0.01%
Industrials	0.50%	0.49%	0.01%
Information Technology	2.97%	2.93%	0.04%
Materials	7.75%	7.74%	0.01%
Telecommunication Services	-0.91%	-0.90%	-0.01%
Utilities	9.41%	9.36%	0.05%



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Important Information

- Past performance is not a guarantee of future results. Performance returns for periods of less than one year are not annualized. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income.
- Performance returns are calculated using time-weighted methodologies.
- Per the Fund Declaration, performance shown may include or exclude the effect of investment management fees and may also net out administrative services fees paid to Recordkeepers. Please refer to the Fund Declaration for specific fee structure details, which is available via Client's Corner or SSGA Relationship Management.
- Appreciation/depreciation includes dividends, interest and realized/unrealized gains and losses.
- Projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.
- Holdings, sectors, characteristics, and weights are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. Consistent with industry practice, equity characteristics are shown for the strategy's holdings as of the date indicated and screened for holdings that are deemed to be an outlier by SSGA's proprietary outlier screening methodology. The inclusion of these outliers would materially increase or decrease the equity characteristics shown.
- All trademarks are the property of their respective owners.
- The Top Holdings section represents the Top 10 classified securities relative to the benchmark. The percentage is calculated based on the total value of the portfolio, excluding cash, derivatives, and other/unclassified securities, if any.
- The totals shown for ending market weights may not equal 100% due to rounding.
- All returns in the analytical sections are gross.

- The following information pertains only to clients that are invested in Common Trust Funds that participate in State Street's securities lending program: The Fund participates in an agency securities lending program sponsored by State Street Bank and Trust Company (the "lending agent") whereby the lending agent may lend up to 100% of the Fund's securities, and invest the collateral posted by the borrowers of those loaned securities in a collateral reinvestment fund(the "Collateral Pool"). The Collateral Pool is not a money market fund registered with the U.S. Securities and Exchange Commission or FDIC-insured bank deposits or otherwise guaranteed by SSGA or State Street Bank and Trust Company or any of their respective affiliates and investors may lose money in the securities lending program. The Fund compensates its lending agent in connection with operating and maintaining the securities lending program. SSGA acts as investment manager for the Collateral Pool and is compensated for its services. The Collateral Pool is managed to a specific investment objective. For more information regarding theCollateral Pool refer to the "US Cash Collateral Strategy Disclosure Document." Securities lending programs and the subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investments held in the Collateral Pool may decline in value, be sold at a loss or incur credit losses. In the event of a material default in the Collateral Pool, the investor would incur losses and the Fund would incur its pro rata share of the loss. Because the net asset value of the Collateral Pool is subject to market and other conditions it will fluctuate and may decrease in the future. If the value of Collateral Pool units is not $1.00 at the time you redeem your investment in the Fund your redemption proceeds will reflect the lower mark-to-market value of the Collateral Pool units.

- For more information on SSGA's securities lending program and the Collateral Pools, including the "SSGA Securities Lending Program Disclosure", the "US Cash Collateral Strategy Disclosure Document" and the current factsheets for the Collateral Pools (which include the mark-to-market unit prices) are available on Client's Corner and also available upon request from your SSGA Relationship Manager.

- Any non-registered commingled account, fund or common trust fund may use over-the-counter swaps, derivatives or a synthetic instrument (collectively "Derivatives") to increase or decrease exposure in a particular market, asset class or sector to effectuate the fund's strategy. Derivatives agreements are privately negotiated agreements between the fund and the counterparty, rather than an exchange, and therefore Derivatives carry risks related to counterparty creditworthiness, settlement default and market conditions. Derivatives agreements can require that the fund post collateral to the counterparty consistent with the mark-to-market price of the Derivative. SSGA makes no representations or assurances that the Derivatives will perform as intended.

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- For disclosures, monthly fund holdings for ERISA Commingled and CTF investors, and additional information relating to your investments, please visit our Client's Corner website at www.ssga.com. Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell securities.

ON THE RECORD with Robbins Geller Rudman & Dowd LLP

2nd Quarter 2016

Robbins Geller Obtains $215 Million Settlement for HCA Investors

The $215 million recovery is the largest securities class action recovery ever in Tennessee and represents between 34% and 70% of the estimated aggregate damages suffered by investors who purchased shares of HCA Holdings, Inc. ("HCA") in connection with the company's March 9, 2011 initial public offering ("IPO") – a result that is between 10 and 35 times greater than the median securities class action recovery of 2%-3%.

On April 14, 2016, the U.S. District Court for the Middle District of Tennessee granted approval of the settlement, which resolves claims arising out of the alleged failure of HCA to disclose material information to the public in connection with the company's 2011 IPO.

The exceptional recovery was only achieved after the tremendous efforts of lead plaintiff **New England Teamsters & Trucking Industry Pension Fund** and Robbins Geller, who pursued the case through four years of hard-fought litigation, settling the case just prior to trial.

Founded in 1968, HCA operates hospitals, outpatient facilities, clinics and other patient-care delivery settings in the United States and the United Kingdom. The case was brought against HCA, HCA's Board of Directors, the investment banks that underwrote the IPO, and Hercules Holding II, LLC, an investment vehicle owned by a private equity group that had invested in HCA and included affiliates of Bain Capital, Kohlberg Kravis Roberts & Co. L.P., and the then-private equity arm of Merrill Lynch. Lead plaintiff alleged that defendants were liable for failing to disclose in IPO offering documents that HCA was experiencing and would continue to experience declines in several important revenue streams.

In the quarters immediately preceding the IPO, defendants were alleged to have been aware that HCA's high margin cardiology procedures (which accounted for approximately 25% of HCA's Medicare inpatient revenue) were declining. These declines were allegedly caused in part by internal investigations which revealed that unnecessary cardiac procedures were occurring across several HCA hospitals. Investigations by the U.S. Department of Justice into HCA's cardiac procedures further drove this decline. As a result, defendants were alleged to have been aware of but failed to disclose that the number of certain cardiac procedures performed at HCA hospitals (and the revenue generated by those high-profit procedures) would continue to decline significantly.

Months after the IPO, HCA announced disappointing second quarter 2011 financial results and further disclosed that those results were partially attributable to declines in HCA's cardiovascular-related service lines. Following these disclosures, HCA's stock price dropped to a level 40% below the IPO offering price, causing investors substantial damages.

From its commencement on October 28, 2011, until the proposed settlement agreement was reached on November 3, 2015, Robbins

Continued on p. 12

A Note to Institutional Investors from Michael J. Dowd

Michael J. Dowd

It is gratifying to note that even as we work to recover our clients' losses, we continue to be recognized for our efforts by our peers, the courts, the media and professional organizations. The settlements reached in this quarter's newsletter are products of years of litigation against determined opposition, and it is no small feat that they should reflect recoveries larger than median securities class action settlement amounts.

At press time, it was announced that the successful defeat of defendants' motions to dismiss in the *ISDAfix* case has led to partial settlements of $324 million, with the settling defendants agreeing to cooperate in the investigation against the remaining defendants. We are also pleased that our efforts at the appellate level have produced positive precedent-setting results, including the recently approved $272 million settlement in the hard-fought *Goldman Sachs* RMBS case. Whether the cases revolve around $30 million of executive insider trading or billions of dollars of corporate theft, our attorneys and staff continue to prepare for discovery, briefing and trials in the upcoming quarters. We look forward to bringing our world-class teams of litigators wherever our clients need us. ■

In This Issue:

Untangling the 2015 Securities Class Action Reviews

Every spring, researchers and commentators analyze the prior year's securities class action case filings and settlements to publish reports that compare the data with that of previous years. These Securities Class Action Reviews offer pages upon pages of insights and trends, going into great detail regarding recoveries and settlements, as well as growth rates for federal securities class action filings. This article's focus is to untangle the complex information offered in Cornerstone Research's "Securities Class Action Settlements: 2015 Review and Analysis" and "Securities Class Action Filings: 2015 Year in Review"; NERA's "Recent Trends in Securities Class Action Litigation: 2015 Full-Year Review"; and PwC's "2015 Securities Litigation Study." If more detail is needed, each of these reports can be accessed in full on the publishers' respective websites.

A quick glance at the table at the end of this article, which extracts the numbers from all three reports (*see* inset at end describing the disparities between reports), reveals that 2014 was not a great year in recoveries – with general agreement that over $1 billion was returned to investors via at least 63 settlements. When reviewing Cornerstone's findings, it is revealed that 2015 saw a significant uptick, with over $3 billion being returned to investors via at least 80 settlements – on par with the historical averages. By Cornerstone's assessment, that represents a **three-fold increase in the amount returned to investors in just one year, with the number of settlements the highest since 2010**. NERA states that its 108 settlements in 2015 is the highest number since 2011, and the average settlement in 2015 was $52 million, just under the all-time high of $54 million. PwC asserts that its analytic findings of $4 billion in recoveries is the highest since 2008, and the number of settlements is the highest since at least 2011.

Similarly, all three agree that new case filings continued their upward trend in 2015. Cornerstone counted 189 new class action securities cases, the highest it has counted since the height of the financial crisis in 2008. PwC saw 195 cases filed, and noted this represented a steady increase since 2012. NERA reported 234 new cases, reaching levels not seen since 2008.

When looking deeper, one can see the impact institutional investors – and in particular, public pension plans – have on driving increased settlement amounts. Specifically, Cornerstone reported that the median settlement in 2015 for cases with a public pension plan serving as lead plaintiff was $18 million, compared with a median settlement value of $6.4 million for cases with an institutional investor (one that is not a public pension plan) as lead plaintiff, and $2.7 million for cases lacking an institutional investor as lead plaintiff. **That is, when a public pension plan serves as lead plaintiff, the recoveries are more than 6 times larger than when no institutional investor serves.**

Yet again, PwC's data reveals the power of the institutional investor in driving dramatically higher settlement values. The revelations require math – PwC does not focus on this topic other than stating, "Cases with institutional investors named as lead plaintiffs continued to drive more, and higher-dollar-value, settlements in 2015."

When looking specifically at cases with institutional investors serving as lead plaintiffs, in Figure 17 on page 23 of the study, PwC states that there Continued on p. 12

Serving as a Fund Trustee:

Effective Governance for Public Pension Funds

As a trustee for a public pension fund, you serve as a fiduciary over fund assets, often including shareholdings in thousands of publicly traded companies. The members of the boards of directors of each of those companies, in turn, act as fiduciaries for their shareholders. *This article is the third in a series of articles dedicated to providing you, as a fund trustee, insights into those best practices in corporate governance that may also apply to fund governance.*

In the first article in this series, we examined the general responsibilities you have as a fund trustee, including management oversight, strategy and risk management, culture, and governance. In the second article, we discussed the best practices related to board composition and education. In this article, we present the overall best practices for board committee structure and board evaluations.

Board Committee Structure

Self-governance often includes the development of a committee structure that allows directors and trustees the time needed to examine issues in depth while still allowing for sufficient discussion at the board level before final board decisions are made. When used effectively, the committee structure allows for issues to be identified and deliberated among a subset of the board in more depth and detail than may be appropriate in a large group setting. Experts and advisors often contribute to the committee process by offering their expertise. Once the committee feels that they are sufficiently knowledgeable about the issue at hand, they report their findings and recommendations to the full board for further discussion and, if appropriate, a board vote. With each committee exercising this level of diligence for the issues under its purview, the full board is better able to address all of the issues on which it must opine with the appropriate level of rigor.

However, this process only works well if the committee structure is designed carefully and each committee has a clear understanding of its areas of responsibility. Therefore, it is important to have committee charters that spell out the issues each committee oversees and delineates which decisions can be made at the committee level and which must be brought to the full board for discussion and vote. Specifically, the *Clapman Report 2.0* suggests that "a fund's governing documents should include the following information relating to committees through either a committee charter or otherwise:

- What is the scope of issues within the committee's jurisdiction?
- Does the committee have final authority over any issues?
- How do committee-discussed items get deliberated and decided by the Board, while avoiding a verbatim replay of the committee discussion?"[1]

In addition to having an effective committee structure, it is important to disclose this information to the public. The *Clapman Report 2.0* suggests Continued on p. 13

Governance Roundup

This article focuses on leaked emails that lift the curtain on the SEC's reluctance to pursue financial firms in the wake of the meltdown; how ESG (environmental, social and corporate governance) investing has gone from niche to mainstream; how BlackRock expresses concern over short-term focus but votes for pay packages that support it; the impact of MetLife's successful gambit to avoid the "too big to fail" label; progress in the disclosure of gender pay equity; Martin Lipton advising corporate America to engage with big investors on long-term, sustainable value creation; State AGs' investigating Exxon Mobil on climate change disclosure; and Sen. Elizabeth Warren's request that the SEC investigate financial firms over the fiduciary standard debate.

Leaked emails reveal SEC reluctance to pursue penalties following the 2008 financial meltdown.[1]

Former SEC lawyer James Kidney provided internal documents to *Pro Publica* and *The New Yorker* showing that the SEC could have pursued tougher penalties for the financial firms involved in the sub-prime collapse:

> "This appears to be an unbelievable fraud,"[2] he wrote to his boss, Luis Mejia. "I don't think we should bring it without naming all those we believe to be liable."
>
> * * *
>
> Kidney became disillusioned. Upon retiring, in 2014, he gave an impassioned going-away speech, in which he called the SEC "an agency that polices the broken windows on the street level and rarely goes to the penthouse floors."

American Airlines CEO to serve without a contract.[3]

"This was done at my request, because it didn't seem right to me that I should be the only person at American with an employment contract," Parker said in a letter to employees.

Goldman Sachs says that ESG investing is "Niche no longer."[4]

In a Goldman Sachs podcast, John Goldstein, co-founder of Imprint Capital and a managing director of Goldman Sachs Asset Management, explains that "investing for ESG requires the same rigor and discipline as 'traditional' investing, and the distinction between the two is growing increasingly irrelevant. With better tools to parse data and an ever-expanding understanding of risk, ESG investing has gone from niche to mainstream."

China extends investor rights.[5]

China will give more rights to stakeholders (including shareholders and employees) to challenge abuse by majority holders, give them access to books and records, give them first right of refusal to purchase shares that become available, and give them clearer rights in filing legal challenges.

BlackRock criticized for not putting customers' money where its mouth is.[6]

In *The New York Times*, Gretchen Morgenson pointed out that BlackRock CEO Larry Fink is critical of firms' short-term focus but fails to object to pay plans that incentivize it:

> But if Mr. Fink really wants to get the attention of company executives on stock buybacks and other corporate governance issues, why doesn't BlackRock vote more often against C.E.O. pay packages of companies that play the short-term game?
>
> Executive compensation is inextricably linked to the shareholder-unfriendly actions Mr. Fink has identified; voting against pay packages infected by short-termism would help curb the problem.
>
> But BlackRock rarely takes such a stance. From July 1, 2014, to last June 30, according to Proxy Insight, a data analysis firm, BlackRock voted to support pay practices at companies 96.2 percent of the time.
>
> On pay issues, anyway, Mr. Fink's big stick is more like a wet noodle.

Did a judge just invalidate some of Dodd-Frank's most important protections?

Stephen J. Lubben writes in *The New York Times*[7]: "I think we have to ask if a single federal judge didn't just blow a huge, MetLife-size hole in Dodd-Frank." One of the key provisions of the post-financial meltdown reforms was the authority for the government to designate certain financial institutions as "too big to fail," which would impose specific requirements to ensure soundness. The theory was parallel to the assessment that would be made by any kind of underwriter, with the idea that if a company was so important to the financial system and the economy it could not be allowed to fail. The government as its ultimate guarantor could require evidence of stability, with higher capital requirements and increased scrutiny by regulators.

But MetLife challenged its designation under this law, and a federal judge has agreed. While the judge did not say that the "too big to fail" provision of the law was invalid as a whole, her willingness to overrule the regulators' determination calls into question the viability of the designation for any firm. What is particularly frustrating is that the judge is keeping the decision "under seal" (secret), making it difficult to understand the factual basis for her reasoning and the likelihood of a successful appeal.

Reportedly, Prudential and AIG are considering similar challenges.

Shareowner initiatives on pay equity show results.

Two of the world's biggest internet companies, Amazon and Expedia, announced their intention to close the gender pay gap following shareowner proposals for pay equity disclosure from Arjuna Capital, the activist arm of Boston investment firm Baldwin Brothers Inc. and a shareowner in many of the country's biggest tech outfits. Amazon said they had essentially achieved that goal already and Expedia said it would be achieved by October of 2016. Similar Arjuna proposals at Intel and Apple have resulted in better disclosure on pay equity and commitments to improvement. In February, Intel reported it had reached 100% gender pay parity. Apple said that the female employees were making 99.6 cents to every man's dollar, excluding bonuses and stock. Of course, that is a very big exclusion, which makes it likely that Arjuna will be back for more.

Martin Lipton advises corporate clients on responding to investor priorities for sustainable growth.

The leading advisor to corporate executives and boards has new advice[8] about how to

Continued on p. 14

1 https://www.propublica.org/article/why-havent-bankers-been-punished-just-read-these-insider-sec-emails
2 https://www.propublica.org/documents/item/2805538-Unbelievable-Fraud.html
3 http://www.reuters.com/article/us-american-airline-ceo-idUSKCN0XQ1PC
4 http://www.goldmansachs.com/our-thinking/podcasts/episodes/04-21-2016-john-goldstein.html
5 http://www.forbes.com/sites/susanfinder/2016/04/22/chinas-highest-court-to-arms-investors-to-go-after-corporate-cheats/#3e1d1bf4107f
6 http://www.nytimes.com/2016/04/17/business/blackrock-wields-its-big-stick-like-a-wet-noodle-on-ceo-pay.html?_r=0
7 http://www.nytimes.com/2016/03/31/business/dealbook/metlife-decision-could-torpedo-dodd-frank-risk-protections.html?_r=1
8 https://corpgov.law.harvard.edu/2016/03/15/succeeding-in-the-new-paradigm-for-corporate-governance/

Robbins Geller Named Partners All Recognized as Leading Lawyers in America by *Lawdragon*

Every year, *Lawdragon* publishes its elite list of the top 500 Leading Lawyers in America, and yet again, the founding partners of Robbins Geller Rudman & Dowd LLP have been included. According to the national legal periodical, the top attorneys were selected "after an intense vetting process in which more than 25,000 lawyers were considered." **Darren J. Robbins**, **Paul J. Geller**, **Samuel H. Rudman** and **Michael J. Dowd** were among those chosen for the 2015 list through a combination of written submissions, editorial research and online votes.

Lawdragon has praised Darren Robbins for being "[o]ne of the brightest stars in the securities class action bar," and this year marks the tenth time he has been included on this list. Robbins has also been named one of the "Top 100 Lawyers Shaping the Future" by the *Daily Journal*, one of the "Young Litigators 45 and Under" by *The American Lawyer*, "Attorney of the Year" by *California Lawyer*, and has been selected as a Super Lawyer by *Super Lawyers Magazine* every year since 2013. Additionally, *Chambers USA* recognized Robbins as "a prominent figure in the field of securities litigation" and as "one of the leaders of the plaintiff Bar."

Like Robbins, this year also marks the tenth time that Paul Geller has appeared on the esteemed list. Rated AV by Martindale-Hubbell (the highest rating available) and twice named one of the nation's top "40 Under 40" by *The National Law Journal*, Geller has served as lead or co-lead counsel in many of the nation's largest class actions. Indeed, *Lawdragon* has previously commended Geller for being "involved in some of the country's most high-profile class actions." Earlier this year he was appointed to the Plaintiffs' Steering Committee in the nationwide Volkswagen emissions cheating lawsuit pending in San Francisco. Geller and his colleagues on that case have been referred to in the legal and financial press as a class action "Dream Team." Throughout his career, Geller has also remained deeply committed to legal remedies that result in better corporate governance reforms.

With over 20 years of securities practice backing him, this marks the first time that Sam Rudman has been named to the *Lawdragon* list. Rudman's practice focuses on recognizing and investigating securities fraud and initiating securities and shareholder class actions to vindicate shareholder rights and recover shareholder losses. A former attorney with the Securities and Exchange Commission, he has recovered hundreds of millions of dollars for shareholders, including a $129 million recovery in *Doral Financial*, an $85 million recovery in *Blackstone*, a $74 million recovery in *First BanCorp*, a $65 million recovery in *Forest Labs*, a $50 million recovery in *TD Banknorth* and, most recently, a $48 million recovery in *CVS Caremark* (see page 11). Rudman also speaks frequently on securities law matters and has been published in the *New York Law Journal*. For the last three years he was recognized as a Leading Lawyer by *Chambers USA* and a Local Litigation Star by *Benchmark Litigation*. Additionally, Rudman has been named a Super Lawyer for 10 consecutive years.

Mike Dowd has been practicing securities litigation for nearly 20 years, prosecuting dozens of complex securities cases and obtaining significant recoveries for investors. This year marks the second time that Dowd has appeared in *Lawdragon,* the newest in a long list of his accolades. He has been named Attorney of the Year by *California Lawyer*, one of the "Top 100 Lawyers" by the *Daily Journal*, Litigator of the Week by *The American Lawyer*, one of the Best Lawyers by *U.S. News*, a Top Lawyer by *San Diego Magazine* for the past three years, and a Super Lawyer by *Super Lawyers Magazine* for the last six consecutive years. Additionally, while serving as an assistant U.S. Attorney, he was awarded the Director's Award for Superior Performance. Also, the National Association of Corporate Directors named Dowd to their "Directorship 100" in *NACD Directorship* magazine, which recognizes those individuals who have had a profound impact and the greatest influence on corporate governance.

According to Geller, "It's an honor to be recognized with my fellow partners. I'm so proud to be part of a firm with many of the best attorneys in the field, the resources to take on the most powerful corporations in the world, and the proven determination to take cases to trial."

Lawdragon's awards come on the heels of a successful year for Robbins Geller and its attorneys. Many of the Firm's attorneys have been individually honored by such publications as *The National Law Journal*, *The American Lawyer*, *Chambers USA*, *Benchmark Litigation* and *Super Lawyers Magazine*, among others. These numerous recognitions are yet another reason why Robbins Geller and its attorneys continue to be unrivaled in the securities litigation field. ■


Featured left to right: Michael Dowd, Samuel Rudman, Darren Robbins & Paul Geller

Japan's Tentative First Steps Toward Empowering Investors

Three reports in recent weeks suggest that, while the calcification of Japan's economic system may finally be cracking under the steady pressure of Abenomics, the country still has work to do before opening its corporate sector to the accountability mechanisms accepted as a given in other developed economies.

First, the Government Pension Investment Fund (GPIF), the world's largest retirement system at US$1.1 trillion, will increasingly use its heft as a shareowner of Japanese companies to help spur the economy and to push its corporate sector out of its decades of languor. Last year the fund set about to change its asset allocation, doubling its equities exposure from 25% to 50% and increasing its exposure to foreign securities to 40%. The fund accepted Japan's Stewardship Code for investors in May 2014 and signed onto the Principles for Responsible Investment in September 2015.

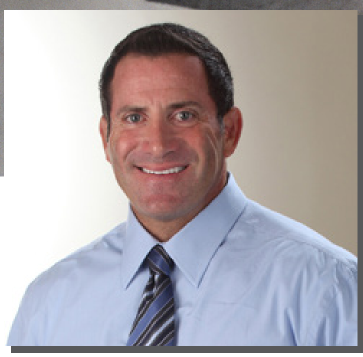
In January 2016, the government announced that it was preparing legislation to allow GPIF to invest directly in Japanese stocks; the fund currently invests in Japanese equities through outside managers. However, this initiative was shelved one month later, until at least 2019, due to lobbying by Japan's business lobby, the Keidanren, over concerns about political interference in corporate decision-making.[1] Most recently, the fund formed a "Stewardship Enhancement Group" in March 2016, whose purpose is to

> discuss appropriate stewardship responsibilities of GPIF and specific action plans from a long-term strategic perspective, analyze ESG factors in domestic and international equities, and promote collaboration between equity owners and businesses.
>
> . . . We believe that it is appropriate and essential for GPIF as a pension fund to increase long-term investment returns for pension beneficiaries by fostering sustainable growth and worth of companies in which GPIF invests.[2]

The second report is the remarkable success of a foreign activist investor, Daniel Loeb's Third Point, in pushing out the 83-year-old chairman and CEO of the 7-Eleven empire, Toshifumi Suzuki, who had led the conglomerate for a quarter century. Following successes at agitating for change at Japanese companies Sony Corp. and Fanuc Corp., Mr. Loeb is seeking to have the parent company Seven & i Holdings focus on the global 7-Eleven convenience store business and away from other, money-losing retail operations. His choice to head the enterprise, Ryuichi Isaka, was chosen on April 15, 2016 by the company's nominating committee to be the new president of Seven & i Holdings. *The Wall Street Journal* heralded the event as "a milestone for the budding activist-shareholder movement in Japan and a potential harbinger for Japanese executives who had until recently been sheltered from agitating investors."[3]

> While such events remain rare in Japan, we can expect increasing pressure from activists following the adoption of a corporate governance code in 2015 requiring more outside directors on company boards, traditionally dominated by executives. Mr. Loeb's success, along with the presence of other activist funds such as Effissimo Capital Management, Children's Investment Fund, and TMAM-GO Japan Engagement Fund, will doubtless spur yet more engagement strategies in the market.

Finally, Japan has recognized that its legal system is in dire need of more litigation and more lawyers. However, Continued on p. 15



Paul Geller Appointed to Two Plaintiffs' Steering Committees in Nationwide MDL Cases

Robbins Geller co-founding partner **Paul J. Geller** has recently been appointed to two major Plaintiffs' Steering Committees, where he will draw from his extensive litigation experience to work on behalf of aggrieved consumers. On January 22, 2016, it was announced that Geller had been selected by the Honorable Charles Breyer of the Northern District of California to serve on the Plaintiffs' Steering Committee for the nationwide Volkswagen emissions cheating lawsuit. Less than three months later, on April 8, 2016, he was appointed by the Honorable Jose L. Linares of the District of New Jersey to the Plaintiffs' Steering Committee in the liquid aluminum sulfate antitrust litigation.

In the Volkswagen emissions cheating scandal, Geller was one of 150 lawyers who submitted an application seeking appointment to the nationwide team to steer the case toward resolution. Over 100 lawyers then attended the January 21 "marathon hearing" to address the court and reiterate their request for a leadership position. As *The Recorder* reported, the lead counsel contest was "one of the largest in class action history, and the spectacle . . . in the ceremonial courtroom in the San Francisco federal courthouse seemed to have no precedent. Every seat in the gallery was packed shoulder-to-shoulder. Lawyers stood in the aisles and streamed into the hall." Ultimately, in what many have dubbed a class action "Dream Team," Judge Breyer selected 21 lawyers, including Geller, to serve on the Plaintiffs' Steering Committee.

"It was humbling to sit in the ceremonial courtroom among so many lawyers that I admire and respect. I'm honored to have been selected among this distinguished group to serve on the steering committee," said Geller.

The lawsuit against Volkswagen (as well as Audi, Porsche and other entities) comes on the heels of Volkswagen's admission that nearly 600,000 vehicles sold in the United States cheated emissions tests by utilizing illegal "defeat devices." The defeat devices tricked U.S. regulators and consumers into believing the cars produced among the lowest emissions of any vehicles, when in reality they produced emissions up to 40 times higher than U.S. standards allow. On April 21, Geller and the court-appointed steering committee, along with the Department of Justice, the Environmental Protection Agency, the Federal Trade Commission, and the California Air Resources Board, announced that an agreement in principle had been reached for claims relating to 2.0 liter diesel vehicles, an important first step in the effort to obtain full compensation for consumers and remediation of the environmental harm caused by the excessive emissions. By order of the court, the settlement's full terms, which are still being negotiated, will not be made public until June 21, 2016, when documentation of the agreement must be presented to the court. Discussions about the remaining 3.0 liter models continue around the clock.

In re Liquid Aluminum Sulfate Antitrust Litigation concerns an alleged nationwide conspiracy in the liquid aluminum sulfate ("LAS") market, a water-treatment chemical that is purchased for use by various paper mills and public municipalities across the country. The case involves claims that LAS manufacturers participated in a price-fixing and bid-rigging scheme to inflate and maintain prices between 1997 and 2010. In October 2015, the U.S. Department of Justice announced that former General Manager of Water Chemicals and Vice President of Sales and Marketing of General Chemical, Frank A. Reichl, pleaded guilty for his role in a conspiracy to eliminate competition by "fixing prices, rigging bids and allocating customers" for LAS. According to information released by the government, the conspiracy, which lasted nearly 15 years, involved a number of companies agreeing not to disturb each other's "historical" business, thus cheating municipalities and others out of competitive prices for their supplies of LAS. The multidistrict litigation **Continued on p. 15**

Robbins Geller Achieves Precedent-Setting Second Circuit Appellate Victory Against SAIC Arising out of Scandal-Ridden CityTime Project

On March 29, 2016, the Second Circuit Court of Appeals ruled in favor of plaintiffs – the **Indiana Public Retirement System**, **Indiana State Teachers' Retirement Fund** and **Indiana State Public Employees' Retirement Fund** – on an appeal of a case arising out of material omissions regarding SAIC's exposure to liability for employee fraud in connection with contract work on New York City's scandal-ridden payroll modernization project known as CityTime. Originally budgeted to cost the city $63 million, the cost of the project had skyrocketed to $700 million by 2011. According to a federal criminal indictment, almost all of the more than $600 million that the city paid to SAIC "was tainted, directly or indirectly, by fraud."

While plaintiffs initially survived SAIC's motion to dismiss, the district court subsequently reconsidered its decision, dismissing plaintiffs' claims with prejudice and entering judgment for SAIC. Plaintiffs then moved to vacate the judgment so that they could file a proposed amended complaint alleging numerous additional facts that would address deficiencies identified by the district court. The district court denied the motion, and the appeal followed.

Among other issues, the appeal addressed SAIC's alleged failure to comply with Generally Accepted Accounting Principles ("GAAP") by omitting appropriate loss contingencies associated with the CityTime project, in violation of Financial Accounting Standard No. 5 ("FAS 5"). It also addressed the company's alleged failure to disclose a known trend or uncertainty reasonably on its financial condition, in violation of Item 303 of SEC Regulation S-K, 17 C.F.R. §229.303(a)(3)(ii) ("Item 303"). The Second Circuit concluded that the district court improperly denied plaintiffs' post-judgment motion to amend their FAS 5 and Item 303 claims for omissions in SAIC's March 2011 Form 10-K.

The Second Circuit's opinion contains several important rulings:

Second Circuit Clarifies Applicability of FAS 5 "Reasonable Possibility" Standard

FAS 5 requires an issuer to disclose a loss contingency when a loss is a "reasonable possibility," meaning that it is "more than remote but less than likely." Plaintiffs alleged that SAIC violated GAAP by failing to comply with FAS 5 because it failed to disclose the loss contingency related to the CityTime fraud in SAIC's March 2011 Form 10-K. The Second Circuit agreed and determined the district court "misunderstood the standard applicable to claims under FAS 5 when it held that FAS 5 does not require disclosure 'unless it is considered probable that a claim will be asserted.'" Instead, the "reasonable possibility" standard applied in light of the proposed complaint's allegation "that by March 2011 the city had manifested an awareness of a possible, sizeable claim against SAIC." Such manifestations arose from the extensive criminal investigation involving SAIC and its employees, SAIC's own internal investigation, and public comments from Mayor Bloomberg.

Second Circuit Establishes Knowledge Requirement for Item 303 Allegations

Item 303 requires public companies to "[d]escribe any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations" in their SEC filings. In the proposed complaint, plaintiffs alleged that SAIC violated Item 303 by failing to disclose that (i) SAIC had overbilled the city hundreds of millions of dollars on CityTime over a multi-year period; and (ii) SAIC's overbilling practices subjected it to numerous undisclosed risks, including monetary risks and reputational risks, particularly because government agencies are SAIC's primary customers and any harm to its reputation and/or relationships with such agencies would adversely affect its current business, as well as its future revenues and growth prospects.

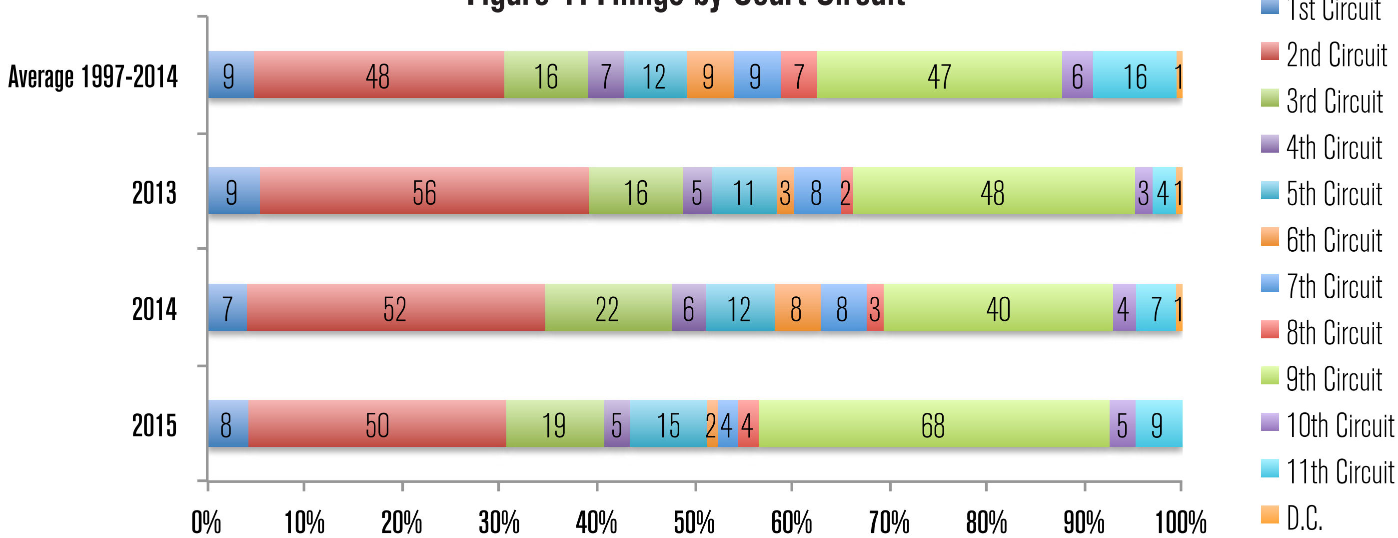
In reviewing this allegation, the Second Circuit first held that actual knowledge, rather than a lesser standard of recklessness or negligence, is required to properly allege an Item 303 violation. Next, Continued on p. 9

the Second Circuit determined that the proposed complaint's "allegations support a strong inference that SAIC actually knew (1) about the CityTime fraud before filing its Form 10-K on March 25, 2011, and (2) that it could be implicated in the fraud and required to repay the [c]ity the revenue generated by the CityTime contract." And finally, the Second Circuit rejected SAIC's contention that the loss of the CityTime contract was not material because it was a single contract out of more than 10,000 ongoing contracts and it was worth a fraction of SAIC's yearly revenues ($635 million compared to $10 billion), because this argument asked the court "to consider quantitative factors only in the narrowest light . . . and to otherwise ignore qualitative factors," such as the importance of the CityTime contract to SAIC's current and future business.

In light of these holdings, the Second Circuit vacated the district court's judgment with respect to plaintiffs' FAS 5 and Item 303 claims based on SAIC's March 2011 Form 10-K and remanded for further proceedings consistent with the opinion.

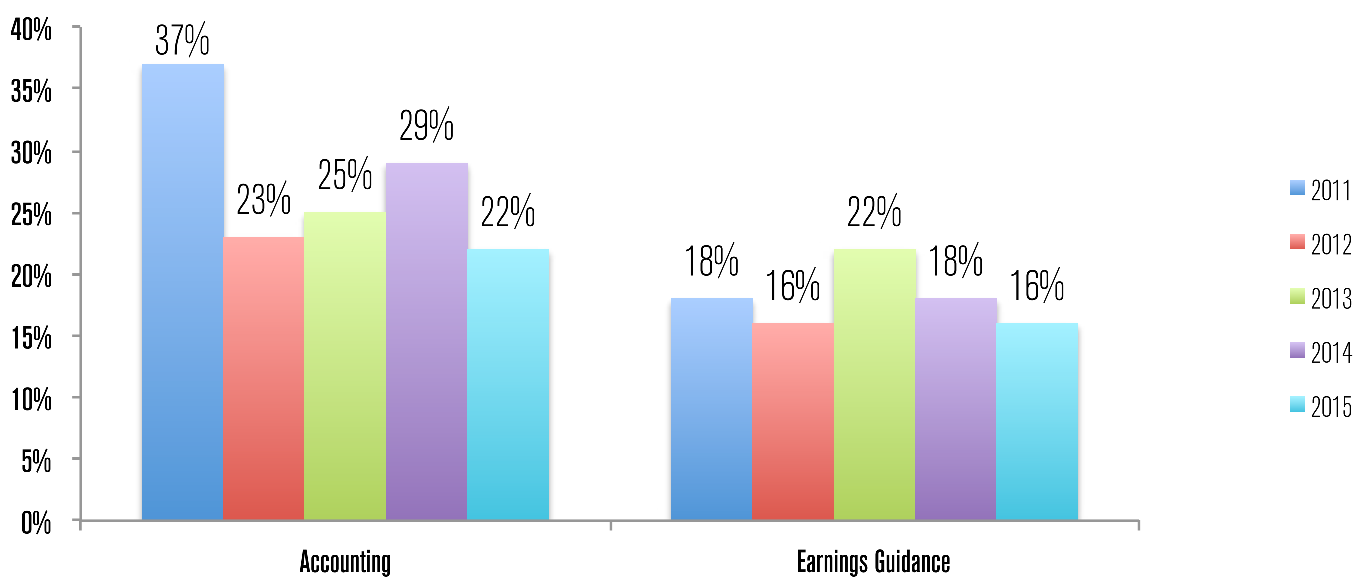
Beyond the immediate impact on the *SAIC* case, we expect this decision will have a favorable impact on future motions to dismiss filed within the Second Circuit. As the most recent statistics indicate, almost a third of all securities cases are filed in the Second Circuit:

Figure 1: Filings by Court Circuit



In addition, roughly 25% of all securities cases involve accounting allegations like those alleged in *SAIC*:

Figure 2: Allegations Related to Accounting and Earnings Guidance



Consequently, the *SAIC* opinion provides strong guidance on the types of allegations needed to sustain a securities fraud complaint based on accounting and other disclosure obligations, including those brought under FAS 5 and Item 303.

Robbins Geller attorneys **Samuel H. Rudman**, **Douglas Wilens** and **Joseph Russello** obtained this result for SAIC shareholders.

Indiana Public Ret. Sys. v. SAIC, Inc., No. 14-4140-cv, Opinion (2d Cir. Mar. 29, 2016). ■

Robbins Geller Defeats Big Lots' Motion to Dismiss Securities Case Alleging $36 Million Insider-Trading Spree

On January 21, 2016, Judge Michael H. Watson of the United States District Court for the Southern District of Ohio issued an order allowing lead plaintiff **City of Pontiac General Employees' Retirement System ("Pontiac")** to pursue claims for securities fraud and insider trading against discount retailer Big Lots and Big Lots' former Chairman and CEO, Steven Fishman, former CFO, Joe Cooper, former General Counsel, Charles Haubiel, and former VP of Finance and current CFO, Timothy Johnson. The case alleges defendants provided misleading sales and earnings figures that allowed 17 Big Lots officers and directors to engage in a $36 million insider-selling spree while Big Lots' stock was trading at artificially inflated prices.

After Robbins Geller filed the initial complaint in July 2012, numerous regulatory agencies launched their own investigations into potential insider trading and securities fraud regarding Big Lots' securities, including the SEC, the U.S. Attorney's Office for the Southern District of New York, and the regulatory authority for the New York Stock Exchange. While the motion to dismiss was pending, Robbins Geller aggressively pursued Freedom of Information Act ("FOIA") requests for documents relating to the ongoing regulatory investigations. Ultimately, the firm secured a rare administrative reversal of an initial SEC determination denying a FOIA request. As a result, Robbins Geller received documents regarding Big Lots' 10b5-1 insider-trading policy that it submitted in further support of its opposition to the motion to dismiss.

In a detailed 84-page motion to dismiss opinion, the court held that the majority of the alleged false statements and omissions survived defendants' challenges as to the elements of falsity, scienter and loss causation. Specifically, the court found that the amended complaint adequately "alleges detailed facts tending to establish that Big Lots' critical merchandising operations were severely impaired as of the start of FY 2012, contradicting [d]efendants' assertion that sales only began to slump in April and not as a result of any inherent weaknesses with those operations." In addition to upholding claims for securities fraud and control person liability, the court upheld insider-trading claims against Big Lots' insiders under §20A of the Securities Exchange Act of 1934. The court also upheld an expanded class period and alleged losses from a stock price decline that occurred after the filing of the initial complaint, increasing the potential class recovery by tens of millions of dollars.

Since the case brought to light highly suspect trades by Big Lots' insiders, the company has cleaned house, and its former CEO, CFO, General Counsel and other executives have all either stepped down or parted ways with the company. The SEC has also suspended a former equity analyst and fined him $100,000 for providing a false and misleading analyst report after meeting with Big Lots' management during the class period. Additionally, numerous articles in *The Wall Street Journal*, *Forbes*, and other publications have shone a spotlight on corporate executives who abuse their insider positions to reap personal profits at the expense of the investing public.

Robbins Geller attorneys **David W. Mitchell**, **Lucas F. Olts**, **Austin P. Brane** and **Brian E. Cochran** are lead counsel for Pontiac and the putative class.

Willis v. Big Lots, No. 2:12-cv-00604, 2016 U.S. Dist. LEXIS 8028 (S.D. Ohio Jan. 21, 2016).

Plaintiffs' ISDAfix Conspiracy, Collusion and Contract Claims Clear Motion to Dismiss; $324 Million Settlement Reached

On March 28, 2016, Judge Jesse M. Furman of the United States District Court for the Southern District of New York denied in large part defendants' motions to dismiss plaintiffs' complaint against 14 banks, including Bank of America, N.A., Goldman Sachs Group, Inc., Citigroup Inc. and JPMorgan Chase & Co., and inter-dealer broker and ISDAfix administrator ICAP Capital Markets LLC.

The complaint alleges that defendants violated the antitrust laws by conspiring to manipulate U.S. Dollar ISDAfix ("ISDAfix"), which is a benchmark interest rate incorporated into a broad range of financial derivatives. ISDAfix is set daily by defendant ICAP with the help of the defendant banks during a two-step process. As the court explained, the defendants' scheme took aim at both steps in this process: "The [a]mended [c]omplaint here alleges not only that [d]efendants manipulated ISDAfix through the ICAP reference-rate process . . . but also that [d]efendants conspired to move prices for swaps in the inter-dealer market by acting as a trading bloc . . . ." The plaintiffs allege that the defendant banks manipulated daily ISDAfix rates to benefit their own trading positions and ICAP assisted in the manipulation in order to earn brokerage commissions, all to the substantial detriment of the plaintiffs. In addition, as counterparties to the defendant banks in a number of interest rate derivatives transactions that were tied to ISDAfix or directly impacted by the defendants' manipulation of ISDAfix, the plaintiffs alleged a number of contract and quasi-contract claims against the defendant banks.

In denying the defendants' motions to dismiss the conspiracy claims, the court found that the plaintiffs had Article III standing and antitrust standing to pursue their claims and that plaintiffs had plausibly alleged a conspiracy to restrain trade against each of the defendants. With regard to antitrust standing, the court refused to extend the holding of *In re LIBOR-Based Fin. Instr. Antitrust Litig.*, 935 F. Supp. 2d 666 (S.D.N.Y. 2013). The court believed that the facts of this case distinguished it from *Libor*, but "more broadly, the [c]ourt respectfully disagree[d] with the *Libor* [] [c]ourt's legal conclusion that engaging in a 'cooperative endeavor' [such as a benchmark rate setting process] to manipulate prices (or components thereof) insulates 'otherwise-competing' entities from antitrust liability to parties harmed by that manipulation." On the contrary, "the [c]ourt has expressly cautioned that cooperative organization is 'rife with opportunities for anticompetitive activity.'" With regard to the plausibility of the alleged conspiracy, the court found that plaintiffs made "extensive allegations of parallel conduct," and that these, in combination with "several 'plus factors' that 'raise[] a suggestion' of illegal

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Settlement Update

Robbins Geller Recovers $48 Million on Behalf of CVS Caremark Investors

After six years of intense litigation, United States District Court Judge Joseph N. Laplante granted final approval of a $48 million settlement on behalf of class members in the securities class action *Medoff v. CVS Caremark Corporation*. The settlement resolved allegations that defendants misled investors regarding the integration of the prescription benefits manager ("PBM") business that CVS Caremark Corporation ("CVS Caremark") acquired in connection with the 2007 merger between CVS Corp. ("CVS") and Caremark Rx Inc. ("Caremark"). In obtaining this result for investors, Robbins Geller obtained a precedent-setting victory in the First Circuit Court of Appeals on the issue of loss causation.

The case was filed on November 17, 2009, and was brought on behalf of purchasers of CVS Caremark common stock during the October 30, 2008 to November 4, 2009 class period. Robbins Geller served as co-lead counsel on behalf of lead plaintiffs **City of Brockton Retirement System**, **Plymouth County Retirement System** and **Norfolk County Retirement System**.

The complaint alleged that the success of the merger hinged almost exclusively on CVS Caremark's ability to integrate the PBM system of Caremark and CVS's PBM, PharmaCare. Following the merger, defendants declared it a success and insisted that it had gone smoothly, that the company was fully integrated, and that PBM customers were pleased with CVS Caremark's service. However, Robbins Geller's investigation revealed that the PBM business was never properly integrated and that this failure led directly to pervasive customer service problems, resulting in the departure of many large PBM clients. The complaint alleged that the true facts were consciously recognized internally and/or recklessly disregarded by the defendants at the time that each defendant made public statements to class members. When the cause of the terminated relationships with CVS Caremark was disclosed at the end of the class period, the company's share price fell 20%. Before revealing the truth, however, company insiders sold more than $40 million of their personally held shares of CVS Caremark stock.

"We are pleased that we were able to bring this matter to a successful conclusion for CVS investors," said Robbins Geller partner **Robert M. Rothman**, who noted that "one of our goals was to send a strong message to corporate wrongdoers by settling for a sum that exceeded the amount of money defendants obtained through their insider trading, and we achieved that objective." In his order, Judge Laplante noted that "the $48 million settlement amount is well above the median percentage of settlement recoveries in comparable securities class action cases."

Lead plaintiffs and Robbins Geller aggressively litigated this action for six years. After the district court initially dismissed the case, Robbins Geller partner **Douglas Wilens** took the lead in the appeal and obtained an important decision from the First Circuit Court of Appeals, which held that to plead loss causation, a "corrective disclosure need not be a 'mirror-image' disclosure – a direct admission that a previous statement is untrue." Indeed, "a defendant's failure to admit to making a misrepresentation, or his denial that a misrepresentation was made, does not necessarily preclude loss causation." This represented the first time that the First Circuit opined on the standards for pleading loss causation in a securities fraud action. Robbins Geller then defeated a second motion to dismiss and filed a motion for class certification.

Robbins Geller engaged in expansive discovery, developing evidence that would demonstrate securities law violations. Robbins Geller subpoenaed 60 non-party witnesses, reviewed and analyzed over 1.3 million pages of documents, and took numerous depositions to develop the evidence needed to prove the class's claims at trial.

"Our trial team, appellate lawyers, investigators and support staff spent more than six years making sure justice was served in this case," said Robbins Geller partner **Samuel H. Rudman**. "I am enormously proud that we were able to recover for CVS investors and help shape the law to make it easier for other investors to hold defendants accountable in the future."

Attorneys **Samuel H. Rudman**, **Robert M. Rothman**, **Douglas Wilens**, **Jonah H. Goldstein**, **Robert J. Robbins**, **Erin W. Boardman**, **Bailie L. Heikkinen** and **Andrew L. Schwartz** led the Robbins Geller team in litigating this action on behalf of lead plaintiffs.

Medoff v. CVS Caremark Corp., No. 1:09-cv-00554, Memorandum Order (D.R.I. Feb. 17, 2016).

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Geller attorneys vigorously litigated the case. The record settlement was achieved only after an extensive investigation and a year and a half of discovery that included the review and analysis of the electronic equivalent of more than 13 million pages of documentary evidence produced by defendants and multiple third parties, more than 40 depositions and the retention of experts in the fields of cardiology, finance, accounting and economics.

Robbins Geller successfully overcame defendants' motion to dismiss and obtained class certification. Defendants' efforts to petition the Sixth Circuit Court of Appeals for review of the district court's grant of class certification were also defeated. At the time the settlement was reached, Robbins Geller had filed briefs in opposition to defendants' motions for summary judgment that raised issues of first impression in the Sixth Circuit, completed extensive cross-briefing on the admissibility of the parties' experts' testimony at trial and commenced trial preparation.

"We are proud to have achieved this substantial premium recovery for investors in an extremely important case that involved not only an abuse of the securities markets but also the failure of a hospital company to put the well being of its patients above profits," said Robbins Geller partner **Scott H. Saham**.

At the final approval hearing, the Honorable Kevin H. Sharp described the Robbins Geller attorneys on the case as "gladiators" and approved the settlement after considering "the benefit obtained, the effort that you had to put into it, [and] the complexity in this case," noting that "I appreciate the work that you all have done on this."

The Robbins Geller attorneys that were responsible for this achievement include **Darren J. Robbins**, **Scott H. Saham**, **James I. Jaconette**, **Debra J. Wyman**, **James E. Barz**, **Robert R. Henssler, Jr.**, **Kevin A. Lavelle** and **J. Marco Janoski Gray**, who led a team of additional dedicated Robbins Geller attorneys and support staff.

Schuh v. HCA Holdings, Inc., et al., No. 3:11-cv-01033 (M.D. Tenn.). ■

Untangling the 2015 Securities Class Action Reviews continued from page 2

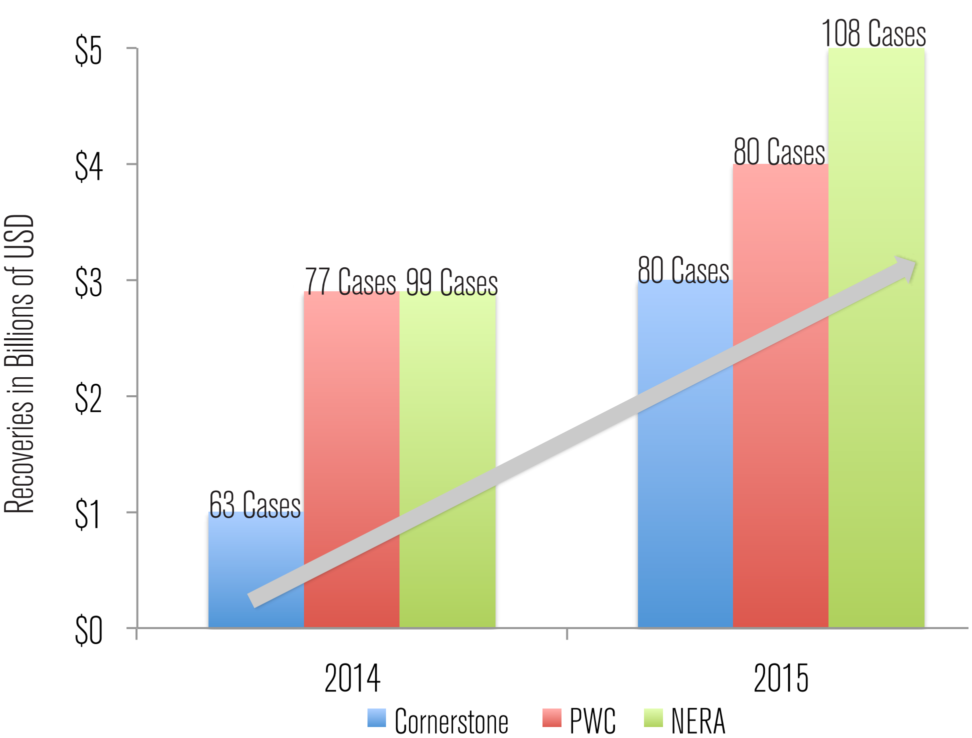
were 48 such cases out of the 77 total settlements in 2015 – in other words, institutional investors served as lead plaintiffs in some 62% of settlements in 2015. Figure 17 also states that those 48 cases recovered $3,462,100,000 for investors, which is 87.2% of the total amount recovered in 2015.

Taking the math a bit further, the 29 settlements (77 - 48 = 29) without an institutional investor serving as lead plaintiff recovered $506,100,000 ($3,968,200,000 - $3,462,100,000 = $506,100,000). That is an average recovery of $17,452,000 ($506,100,000 / 29 = $17,451,724) in each settlement without an institutional investor serving as lead plaintiff.

By comparison, when an institutional investor serves as lead plaintiff, the average recovery is $72,127,000 ($3,462,100,000 / 48 = $72,127,083), **more than four times the average recovery of cases without an institutional investor lead plaintiff.**

As for NERA, they do not provide data or statistics in their report specifically targeting institutional investors. However, they do observe that after examining settlements in over 1,000 securities class actions, they have identified key drivers of settlement amounts. Included among those drivers is"[a]n institution or public pension fund as lead plaintiff." ■

Securities Class Action Reviews Comparison of Recoveries and Number of Settlements



It is worth pointing out that the various reports utilize different methodologies in analyzing the data. This results in potential confusion or at least uncertainty about the "true" numbers, given the different results from each methodology. As a quick example, there are differences in recognizing "when" a settlement occurred. Some select the date a settlement is announced by the parties, others wait until the court grants final approval, and some think it is best to wait until the claims filing process has commenced to rule out possible appeals. Depending on when a settlement is recognized, the settlement itself, not to mention the amount recovered in that settlement, could be attributed to a different year, leading to very different results from the various researchers and commentators.

2016 Public Funds Forum

SEPTEMBER 6-8, 2016 | MONTAGE DEER VALLEY | PARK CITY, UTAH

The eighth annual Public Funds Forum is an invitation-only educational conference designed to train public fund representatives on practices to best fulfill fiduciary duties, protect portfolio assets and create long-term value.

THIS YEAR'S DISTINGUISHED SPEAKERS INCLUDE:

Ben S. Bernanke
Chairman, The Federal Reserve System (2006-2014)

Lewis Black
Comedian, Actor and Author

David Axelrod
Senior Strategist, 2012 Obama Re-election Campaign; Senior Advisor to President Barack Obama (2009-2011)

Serving as a Fund Trustee: Effective Governance for Public Pension Funds continued from page 3

that the board's "committee structure, role and authority" be included on the fund's website.[2] Not only does this allow for the fund beneficiaries and others to see how decisions are made, it also serves to enhance the overall accountability of the board.

Board Evaluations

As mentioned in the first article in this series, it is suggested that self-evaluations are conducted regularly to ensure that the board is working effectively as a team to fulfill its fiduciary duties.[3] These evaluations can take many forms, including a functioning assessment of the full board only, or drilling down to evaluate the performance of the committees and of the individual directors or trustees. While the most comprehensive of these approaches to board evaluations is recommended by most experts, there can be resistance from board members when it comes to the individual assessments. One recommendation is to implement the process over time: starting with a full board evaluation, then moving to the committee level, and then, once the board members become comfortable with the evaluation process, moving on to the individual level.

One question that must be decided is who will conduct the evaluation. In the corporate board setting, many more companies are using outside advisors to conduct their board evaluations in order to strengthen the perception of the independence of the process. Some boards prefer not to bring in an outside advisor and may choose to have an independent board chair or committee chair conduct the evaluation.

Whether it is an outside advisor or one of the board members, the information sought can be gathered by interview or by the completion of evaluation questionnaires. The interview or questionnaires should gather information regarding topics such as:

- Do the board members understand their fiduciary responsibilities?
- Does the board have access to the information it needs to fulfill its fiduciary duties?
- Does the independence and culture of the board support meaningful dialogue and deliberation of important issues?
- Are the appropriate skill sets represented among the current mix of board members?
- Are the lines of decision-making and responsibility clear among the board members, and between the board and the staff?

In order to be sure that the evaluations are conducted regularly and in a meaningful way, it is important to designate the person or committee responsible for overseeing the process. Corporate boards typically assign the oversight of the board evaluation process to the Nominating or Governance Committee. For pension fund boards, Professor Gordon L. Clark of Oxford University suggests that a governance sub-committee or the standing audit committee oversee the board evaluation process.[4] ■

[1] *Clapman Report 2.0*, published by the Stanford Institutional Investors' Forum Committee on Fund Governance, *available at* http://law.stanford.edu/wp-content/uploads/sites/default/files/event/392911/media/slspublic/ClapmanReport_6-6-13.pdf

[2] *Ibid.*

[3] Rick Funston, Keith Johnson, Randy Miller & Mark Barrott, *Public pension fund governance: alignment of responsibility with authority*, Pensions & Investments, Aug. 1, 2012.

[4] Professor Gordon L. Clark, Harvard University and Oxford University, Pension Fund Governance (a presentation based upon a series of interviews with leading pension funds and benevolent institutions in cooperation with Watson Wyatt Worldwide), *available at* http://www.law.harvard.edu/programs/lwp/SessionI_ClarkGovernance.pdf

respond to shareowners and get ahead of ISS and activist hedge funds. His rhetoric may be skewed, but the advice is pretty much what investors (and ISS and activist hedge funds) have been asking corporate executives to do for many years:

> Recognizing that the incentive for long-term investment is broken, leading institutional investors are developing a new paradigm for corporate governance that prioritizes sustainable value over short-termism, integrates long-term corporate strategy with substantive corporate governance[9] and requires transparency as to director involvement. We believe that the new paradigm can reduce or even eliminate the outsourcing of corporate governance and portfolio oversight to ISS and activist hedge funds.

Lipton tells executives to focus on long-term sustainable growth, to communicate strategy and board involvement effectively to shareowners, to make clear the connection between incentive compensation and strategic goals, and to engage in "[d]isciplined, direct and periodic two-way dialogue with institutional investors . . . , supported by written communications and tailored presentations. Opening channels of communication in advance of a crisis or activist challenge is extremely important."

Investigations by California and New York Attorneys General into whether Exxon Mobil deliberately misled investors on climate change.

ValueEdge Advisors Vice-Chair Nell Minow wrote an op-ed published in *Pensions & Investments*[10] asking whether climate change is the new tobacco:

> State attorneys general think so. California Attorney General Kamala D. Harris has joined New York Attorney General Eric Schneiderman in demanding documents from Exxon Mobil Corp. on what the company's executives knew and did with regard to the risks of climate change. These documents could reveal that, like the tobacco executives, fossil-fuel company CEOs and boards acknowledged internally the damage caused by their products as they used company money to disguise the scientific findings and thwart regulation.
>
> When corporate managers divert company resources to the detriment of long-term value creation, it is time for shareholders and the government to step in. That is why demands for documents from Exxon Mobil about any possible funding of climate-change-denial activity is vital to the interests of investors as well as taxpayers, regulators, scientists and everyone affected by climate change.
>
> * * *
>
> Mr. Schneiderman, like his predecessor Eliot Spitzer in the pioneering investigation of Wall Street analysts, has the advantage of New York's Martin Act, an excellent tool for investigating complex issues of this kind. Within the realm of securities fraud, judges have ruled that it covers "all deceitful practices contrary to the plain rules of common honesty." Therefore, it has often been used by New York regulators to tackle issues federal authorities have been unable to address.

Proxy access is increasingly being used to promote board-level attention to climate change risk:[11]

> [P]roxy access may be more commonly used as a threat to compel board accountability than as a method of actually nominating directors.
>
> According to [an article in *BNA Accounting Policy and Practice*], concerns about climate change and the related financial risks may be "increasingly making their way up to the board level." A climate change expert who is also a corporate director argues that "[f]or those people thinking about long-term financial investments, you kind of have no choice but to think about climate change as a factor." However, a 2014 survey by PwC of over 800 public company directors regarding their attention to issues of corporate social responsibility, including climate change, showed that, in the preceding 12 months, only 6% spent substantial time discussing climate change, while 56% said that the board never discussed it at all and 22% said that they didn't discuss it very much.
>
> In connection with revisions to its voting guidelines, CalPERS' investment committee recently decided[12] to start requiring that the boards of companies in which it invests must include people with expertise in climate change risk management strategies. According to the head of corporate governance at CalPERS, "we need people on these boards of energy companies who can look forward and be part of that change, not resisting it."

Elizabeth Warren calls for an investigation into financial firms pushing for changes to the fiduciary standard.

Senator Warren's question is similar to those raised by the California and New York Attorneys General regarding climate change. She says that while they complained to the SEC that the fiduciary standard was too onerous, the financial firms were assuring their investors that they would have no trouble complying with it, and has asked the SEC to investigate.[13] The standard at issue is this: when a company is hired to provide independent advice to participants in a retirement plan, should they be allowed to recommend their own products? The standard Senator Warren supports would require that the interests of the client come before the interests of the company, which is what fiduciary means.

IRRCi publishes a new report on utilities, climate change, and politics:[14]

> This study examines in depth the current climate orientation of the boards of the 25 largest U.S. investor owned utilities by revenue. It aims to help investors and others evaluate these boards. It also compares and contrasts the utilities and their boards using a variety of metrics designed by the Sustainable Investments Institute (Si2) with input from investors, governance experts and utility economists. The resulting body of data can be used by investors who want to assess how the sector is responding to the challenges posed by climate change and a changing regulatory landscape, with an eye to how these changes will affect portfolio companies. It also allows companies to compare their board members' orientation to peers. The project consolidates and integrates data derived from studies of company sustainability reporting, corporate political activity and lobbying expenditures and the extent of climate risk disclosure and performance. ■

9 http://www.wlrk.com/docs/PDFPacketSucceedingwiththeNewParadigm.pdf
10 http://www.pionline.com/article/20160331/ONLINE/160329883?cslet=UnhOY2lLTDlMUEdkK2lvK3VyL0dPTzlxb083Z3MyekdNTEE9
11 https://cooleypubco.com/2016/04/22/how-do-activists-get-corporate-boards-to-focus-on-climate-change-issues-talk-softly-and-carry-a-big-stick/
12 http://www.governing.com/topics/finance/gov-climate-change-pension-calpers.html
13 http://www.wsj.com/articles/elizabeth-warren-takes-aim-at-insurance-executives-comments-on-fiduciary-rule-1459416604
14 http://irrcinstitute.org/reports/the-top-25-u-s-electric-utilities-climate-change-corporate-governance-and-politics/

Japan continued from page 6

since a government initiative was launched 15 years ago to more than double the number of legal professionals, Japan is well short of the mark. Notwithstanding increasing the number of private lawyers from 17,000 in 2000 to 37,000 now, "Japan has far fewer lawyers per capita than the U.S. and major European nations," according to *The Wall Street Journal*. The comparative numbers versus the U.S. are stark: as of 2015, Japan had just 29 lawyers per 100,000 people, while the U.S. had 377.[4]

A homogeneous culture, a preference for informal dispute resolution and a graying population ("Old people are not very litigious," says one struggling lawyer) all contribute to a weak litigation environment. Furthermore, fewer of the best and brightest are seeking careers in law, and "Japan doesn't have contingency fees and hasn't had a mechanism for class-action suits, although one is set to be introduced this year.... What's more, there are high hurdles to bringing a successful case. Japanese law doesn't include the concept of discovery… so it is more difficult for people suing a corporation to find incriminating evidence."[5]

Over coming years, we will see whether more muscular shareowner engagement in Japan's corporations will be successful without an effective system of legal redress as a backstop. ■

1 http://www.ft.com/cms/s/0/3b29235e-d55d-11e5-829b-8564e7528e54.html
2 http://www.gpif.go.jp/en/topics/pdf/20160323_establishment_of_stewardship_enhancement_group_en.pdf
3 Megumi Fujikawa & Kosaku Narioka, *7-Eleven Chief Quits Amid Activist Pressure*, The Wall Street Journal, April 8, 2016.
4 Mitsuru Obe, *Japan's Lawyers Lament: Not Enough Litigation*, The Wall Street Journal, April 4, 2016.
5 *Ibid.*

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involves at least 19 lawsuits consolidated in the U.S. District Court for the District of New Jersey.

"I'm honored to have been selected by Judge Linares to work alongside some of the most respected antitrust and class action attorneys in the country," commented Geller. "I look forward to working with the rest of the committee to seek redress for the harms caused by the alleged price fixing conspiracy."

With the inclusion of Geller, the two Plaintiffs' Steering Committees have each gained 23 years of litigation experience. As a Robbins Geller co-founder and partner, he has led cases in each of the Firm's practice areas. Notably, before devoting his practice to the representation of consumers and investors, Geller defended companies in high-stakes class action and MDL litigation, providing him an invaluable perspective that he now utilizes in prosecuting such cases. Rated AV by Martindale-Hubbell (the highest rating available) and twice named one of the nation's top "40 Under 40" by *The National Law Journal*, he has also been named one of "Florida's Top Lawyers" by *Law & Politics* and *South Florida Business Journal*, one of the nation's "Top 500 Lawyers" by *Lawdragon*, one of Florida's "Legal Elite" by *Florida Trend* magazine, and one of "Florida's Most Effective Lawyers" by American Law Media's *Daily Business Review*. ■

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agreement rather than mere independent action," establish the plausibility of plaintiffs' allegations.

The court also sustained claims for breach of contract and unjust enrichment against all of the bank defendants (except Nomura Securities).

On May 3, 2016, it was announced that the banks agreed to settle the case for $324 million after losing the motion to dismiss in March. Preliminary approval papers were also filed. As part of the settlement, the settling banks agreed to cooperate in the investigation against the remaining defendants.

Robbins Geller attorneys litigating the case are **David W. Mitchell**, **Patrick J. Coughlin**, **Brian O. O'Mara**, **Randi D. Bandman**, **Vincent M. Serra** and **Lonnie A. Browne**.

Alaska Electrical Pension Fund, et al. v. Bank of America Corporation, et al., No. 14-cv-07126, Opinion and Order (S.D.N.Y. Mar. 28, 2016). ■

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Robbins Geller Rudman & Dowd LLP ("Robbins Geller" or the "Firm") represents plaintiffs in litigation involving securities fraud, corporate takeovers, shareholder derivative claims, intellectual property, consumer and insurance fraud, and antitrust claims, as well as whistleblower protection and qui tam suits. With 200 lawyers in 10 offices, Robbins Geller has obtained many of the largest securities class action recoveries in history and was ranked number one in both the total amount and number of shareholder class action recoveries in ISS's most recent *SCAS Top 50* report. The Firm not only secures recoveries for defrauded investors, it also strives to implement corporate governance reforms, helping to improve the financial markets for investors worldwide. Please visit rgrdlaw.com for more information.

The material contained in this publication is informational only and does not constitute legal advice.

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Groundbreaking $272 Million Settlement Approved in *Goldman Sachs* RMBS Action

On May 2, 2016, the Honorable Loretta A. Preska of the Southern District of New York issued an order granting final approval of a $272 million recovery in a case that challenged Goldman Sachs's mortgage securitization practices. After over seven years of hard-fought litigation, the settlement concludes one of the last remaining mortgage-backed securities (MBS) purchaser class actions arising out of the global financial crisis. The settlement resolves claims that Goldman Sachs used registration statements to sell MBS certificates that incorporated false and misleading statements about the quality of the certificates issued by various securitization trusts in violation of the federal securities laws.

This notable result demonstrates the Firm's deep bench and commitment to diligently pursuing viable claims on behalf of the class. Earlier in the case, when the claims were dismissed, the Firm's Appellate Practice Group helped secure a precedential decision from the Second Circuit Court of Appeals clarifying the scope of permissible class action claims brought pursuant to the Securities Act of 1933. Specifically, in a case of first impression, the Second Circuit rejected the concept of "tranche" standing and found that a lead plaintiff has class standing to pursue claims on behalf of purchasers of securities that were backed by pools of mortgages originated by the same lenders who had originated mortgages backing the lead plaintiff's securities. The landmark appellate decision favorably altered the landscape of MBS-related litigation brought by institutional investors.

"Our trial team and appellate lawyers worked tirelessly for over seven years to get to this point for our clients," said Robbins Geller partner **Arthur C. Leahy**. "We take pride that our attorneys have obtained settlements that have returned more than a billion dollars to investors in MBS purchaser class actions arising out of the global financial crisis."

Robbins Geller attorneys responsible for this achievement include **Darren J. Robbins**, **Arthur C. Leahy**, **Joseph D. Daley**, **Lucas F. Olts**, **Susan G. Taylor**, **Nathan R. Lindell**, **Angel P. Lau**, **Sara B. Polychron** and **Michael Albert**, as well as a team of other highly skilled and dedicated attorneys and support staff.

NECA-IBEW Health & Welfare Fund v. Goldman Sachs & Co., No. 1:08-cv-10783 (S.D.N.Y.). ■

Jackson County Employees' Retirement System
June 24, 2016 Monitoring Report

The Portfolio Monitoring Program® has generated preliminary loss amounts in the following new securities class actions. Certain of these cases were filed by other law firms, and RGRD has not evaluated the merits of such cases. Case summaries can be viewed by clicking on the case name. The range of data analyzed in the context of this report is approximately **Aug 2007-current**. Where data is insufficient for the class periods alleged, the loss amount may be inaccurate.

Case	Financial Interest	Class Period	Motion Due
Ability Inc.	No loss	September 08, 2015 - April 29, 2016	July 24, 2016
Banco Bradesco S.A.	No loss	April 30, 2012 - May 31, 2016	August 02, 2016
CBL & Associates Properties, Inc.	No loss	August 09, 2011 - May 24, 2016	July 26, 2016
Chiasma, Inc.	No loss	July 15, 2015 - April 17, 2016	August 08, 2016
Code Rebel Corporation	No loss	August 17, 2015 - May 05, 2016	July 09, 2016
CPI Card Group Inc.	No loss	October 08, 2015 IPO	August 14, 2016
Deutsche Bank AG	No loss	April 15, 2013 - April 29, 2016	July 09, 2016
DeVry Education Group, Inc.	No loss	February 04, 2011 - January 27, 2016	July 12, 2016
Eagle Pharmaceuticals, Inc.	No loss	February 23, 2016 - March 18, 2016	July 31, 2016
Endo International plc	No loss	March 02, 2015 - May 06, 2016	July 24, 2016
Gerdau S.A.	No loss	June 02, 2011 - May 15, 2016	July 25, 2016
HCP, Inc.	No loss	March 30, 2015 - February 08, 2016	July 09, 2016
Immunomedics, Inc.	No loss	April 20, 2016 - June 03, 2016	August 08, 2016
Inovalon Holdings, Inc.	No loss	February 12, 2015 IPO	August 23, 2016
LendingClub Corporation	No loss	December 11, 2014 - May 09, 2016	July 15, 2016
Multi-Fineline Electronix, Inc.	0 shares held	Held on May 18, 2016	July 17, 2016
Neovasc Inc.	No loss	January 26, 2015 - May 19, 2016	August 05, 2016
NewLink Genetics Corporation	No loss	September 17, 2013 - May 09, 2016	July 11, 2016
Oracle Corporation	Gain	September 16, 2015 - June 01, 2016	August 01, 2016
Perrigo Company plc	No loss	April 21, 2015 - May 11, 2016	July 17, 2016
Perrigo Company plc	0 shares held	Held on November 13, 2015	July 17, 2016
Polycom, Inc.	0 shares held	Held on April 15, 2016	August 14, 2016
Ruckus Wireless, Inc.	0 shares held	Held on April 28, 2016	July 30, 2016
Talmer Bancorp, Inc.	0 shares held	Held on June 08, 2016	August 16, 2016
Tangoe, Inc.	No loss	March 18, 2014 - March 07, 2016	July 23, 2016

Jackson County Employees' Retirement System
June 24, 2016 Monitoring Report (continued)

Case	Financial Interest	Class Period	Motion Due
Target Corporation	Gain	February 27, 2013 - May 19, 2014	July 16, 2016
TransEnterix, Inc.	No loss	February 10, 2016 - May 10, 2016	August 01, 2016
Unilife Corporation	No loss	February 03, 2014 - May 23, 2016	July 25, 2016
United Online, Inc.	0 shares held	Held on May 27, 2016	August 13, 2016
Volkswagen AG	No loss	May 23, 2014 - September 22, 2015	August 21, 2016

Robbins Geller Rudman & Dowd LLP

Settlement Report

Privileged and Confidential Attorney-Client Communication

Jackson County Employees' Retirement System
June 24, 2016 Settlement Report

RGRD has identified the following settled shareholder class actions with upcoming claims deadlines. Check-marked and shaded cases are those where the Portfolio Monitoring Program® indicates that an eligible claim may exist. The range of data analyzed in the context of this report is approximately **Aug 2007-current**. Where data is incomplete, potential claims may not be identified.

	Claims Deadline	Case	Class Period	Gross Class Recovery	Claims Administrator
	07/06/2016	Accretive Health, Inc.	05/20/2010-12/30/2014	$3,900,000	KCC Class Action Services
	07/12/2016	BioScrip, Inc.	11/09/2012-11/06/2013	$10,900,000	A.B. Data, Ltd.
	07/16/2016	CR Intrinsic Investors, LLC SEC Fair Fund	07/21/2008-07/29/2008	$601,832,697	Garden City Group, LLC
	07/18/2016	Vocera Communications, Inc.	03/28/2012-05/02/2013	$9,000,000	Garden City Group, LLC
	07/19/2016	Exide Technologies	06/01/2011-05/24/2013	$14,750,000	KCC Class Action Services
	08/01/2016	Meridian Diversified ERISA Fund, Ltd.	03/24/2004-12/11/2008	$6,150,000	Gilardi & Co. LLC
	08/04/2016	Baja Mining Corp.	11/01/2010-04/23/2012	$11,000,000 (CAD)	NPT RicePoint
	08/05/2016	Violin Memory, Inc.	09/27/2013-11/21/2013	$7,500,000	RG/2 Claims Administration LLC
	08/07/2016	Regions Morgan Keegan Open-End Mutual Fund	12/06/2004-05/29/2009	$125,000,000	Garden City Group, LLC
	08/08/2016	Cliffs Natural Resources Inc.	03/14/2012-03/26/2013	$84,000,000	A.B. Data, Ltd.
	08/22/2016	Genworth Financial, Inc.	10/30/2013-11/05/2014	$219,000,000	Epiq Systems, Inc.
	08/23/2016	Polycom, Inc.	01/20/2011-07/23/2013	$8,000,000	Garden City Group, LLC
	08/26/2016	Groupon, Inc.	11/04/2011-03/30/2012	$45,000,000	KCC Class Action Services
	08/26/2016	Penn West Petroleum Ltd.	02/18/2010-07/29/2014	$19,759,282	Epiq Systems, Inc.
	08/29/2016	Doral Financial Corp.	04/02/2012-05/01/2014	$7,000,000	Garden City Group, LLC
	09/02/2016	Provectus Biopharmaceuticals, Inc.	12/17/2013-05/22/2014	$3,500,000	KCC Class Action Services
	09/04/2016	Chelsea Therapeutics International, Ltd.	09/20/2010-05/21/2012	$5,500,000	Rust Consulting, Inc.
	09/12/2016	Merck & Co., Inc.	05/21/1999-10/29/2004	$830,000,000	Epiq Systems, Inc.
	09/12/2016	Wyeth	01/14/2008-07/29/2008	$10,000,000	Heffler Claims Group
✓	09/13/2016	BP plc (SEC Fair Fund)	04/26/2010-05/26/2010	$525,000,000	BP Fair Fund
	09/16/2016	Navistar International Corp.	03/10/2010-08/01/2012	$9,100,000	Epiq Systems, Inc.

Jackson County Employees' Retirement System
June 24, 2016 Settlement Report (continued)

	Claims Deadline	Case	Class Period	Gross Class Recovery	Claims Administrator
	09/26/2016	Occam Networks, Inc.	Held on 02/28/2011	$35,000,000	RG/2 Claims Administration LLC
	09/28/2016	NII Holdings, Inc.	02/25/2010-02/27/2014	$41,500,000	A.B. Data, Ltd.
✓	09/29/2016	Barrick Gold Corp.	05/07/2009-11/01/2013	$140,000,000	Garden City Group, LLC
	09/30/2016	MedPartners, Inc. (AIG)	10/30/1996-01/07/1998	$310,000,000	Gilardi & Co. LLC
	10/04/2016	MOL Global, Inc.	10/09/2014-11/21/2014	$8,500,000	Garden City Group, LLC
	10/05/2016	Intercept Pharmaceuticals, Inc.	01/09/2014-01/10/2014	$55,000,000	Gilardi & Co. LLC
	10/06/2016	Nu Skin Enterprises, Inc.	05/04/2011-01/17/2014	$47,000,000	A.B. Data, Ltd.
	10/08/2016	InnerWorkings, Inc.	02/15/2012-11/06/2013	$6,025,000	Garden City Group, LLC
	10/24/2016	Urban Outfitters, Inc.	03/12/2013-09/09/2013	$8,500,000	Epiq Systems, Inc.

Robbins Geller Rudman & Dowd LLP

International Portfolio Monitoring Report
Privileged and Confidential Attorney-Client Communication

Jackson County Employees' Retirement System
Q2 2016 International Portfolio Monitoring Report

The Portfolio Monitoring Program® has generated loss estimates for the following international securities class actions. All of these cases have been, or will be, filed by other law firms and/or third party litigation funders. We have not evaluated the merits of these cases. The range of data analyzed in the context of this report is approximately **Aug 2007-current**. Where data is insufficient for the class periods alleged, the loss amount may be inaccurate. **In many of these cases, you may need to take steps to join the action to participate in any subsequent recoveries.**

Case	Country	Financial Interest	Relevant Period	Registration Deadline
Banca Monte dei Paschi di Siena SpA	Italy	No loss	January 02, 2008 - May 13, 2016	September 2016
Banca Monte dei Paschi di Siena SpA	Italy	0 shares held	Held on November 14, 2012	September 2016
IOOF Holdings Ltd	Australia	No loss	March 01, 2014 - June 19, 2015	open
Mitsubishi Motors Corporation	Japan	No loss	January 01, 2011 - April 26, 2016	open
Murray Goulburn Co-operative Co. Ltd.	Australia	No loss	July 02, 2015 - April 26, 2016	open
OW Bunker A/S	Denmark	No loss	March 20, 2014 - November 07, 2014	open
Petroleo Brasileiro S.A. - Petrobras	Netherlands	No loss	January 01, 2004 - July 28, 2015	TBD
Petroleo Brasileiro S.A. - Petrobras	Brazil	No loss	January 22, 2010 - March 19, 2015	TBD
QRx Pharma Limited	Australia	No loss	October 01, 2009 - December 31, 2012	TBD
Slater & Gordon Limited	Australia	No loss	April 01, 2015 - February 28, 2016	open
Takata Corp.	Japan	No loss	November 07, 2006 - March 18, 2016	open
Tesco PLC	England	No loss	January 01, 2012 - November 30, 2014	open
Tesco PLC	England	No loss	April 18, 2012 - April 20, 2015	open

Jackson County Employees' Retirement System
Q2 2016 International Portfolio Monitoring Report (continued)

Case	Country	Financial Interest	Relevant Period	Registration Deadline
Tesco PLC	England	No loss	April 17, 2013 - September 21, 2014	open
Tesco PLC	England	No loss	April 17, 2013 - December 09, 2014	open
Tesco PLC	England	No loss	August 29, 2014 - September 22, 2014	open
Tesco PLC	England	No loss	August 29, 2014 - October 29, 2015	open
Tesco PLC	England	0 shares held	Held August 29, 2014 - September 22, 2014	open
Toshiba Corp.	Japan	No loss	March 31, 2008 - September 11, 2015	open
Toshiba Corp.	Japan	No loss	April 01, 2008 - May 08, 2015	open
Volkswagen AG	Germany	No loss	January 01, 2007 - September 18, 2015	open
Volkswagen AG	Germany	No loss	June 06, 2008 - September 17, 2015	open
Volkswagen AG	Germany	No loss	June 06, 2008 - September 25, 2015	open
Volkswagen AG	Germany	No loss	October 29, 2008 - September 17, 2015	open
Volkswagen AG	Germany	No loss	January 01, 2009 - September 18, 2015	open
Volkswagen AG	Germany	No loss	July 10, 2012 - September 21, 2015	open
Volkswagen AG	Germany	No loss	May 01, 2014 - September 18, 2015	open

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JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF INVESTMENT OBJECTIVES, POLICIES, AND GUIDELINES

1. PURPOSE

The Jackson County Employees' Retirement System (the "Plan") is maintained to provide retirement and survivor benefits as the case may be, to the retired members and beneficiaries of the Plan in accordance with the Plan provisions, as may be amended from time to time, and applicable state and federal laws. The Board of Trustees of the Plan (the "Board of Trustees") is responsible for the general administration, management, and proper operation of the Plan, including but not limited to the investment of Plan assets. This statement of investment policies and objectives is set forth in order that:

1. There is a clear understanding on the part of the Board of Trustees and plan participants of the investment policies and long-term investment objectives of the Jackson County Employees' Retirement System.

2. The Investment Managers appointed by the Board of Trustees are given guidance and limitations, and understand what is expected of them.

3. The Board of Trustees has a basis for evaluation of the investment performance of the Plan and individual Investment Managers.

It is the intent of this Statement of Investment Objectives, Policies and Guidelines (the "Investment Policy") to establish a sense of direction and/or philosophy which will guide the investment managers toward the performance desired. It is intended that the objectives be sufficiently specific to be meaningful, but sufficiently flexible to be practical.

2. LEGAL AUTHORITIES

Pursuant to Act 314 of the Michigan Public Acts of 1965 ("Act 314", as amended, MCL38.1132 et seq.) and Section 33 of The Jackson County Employees' Retirement System Bylaws, the Board of Trustees is authorized to engage the services of investment managers who possess the necessary expertise and specialized skills to meet the Plan's long-term investment objectives.

Unless more restrictive standards are established herein, all investments shall conform to the limits and standards set forth in Act 314, as amended, this being the Michigan Statute governing the investments of public pension funds. Accordingly, any investment Manager responsible for assets of this plan shall bear a fiduciary responsibility as set forth in Act 314, as amended, and shall act solely in the interest of the participants and beneficiaries of the plan.

3. ASSIGNMENT OF RESPONSIBILITY

A. Responsibility of the Board of Trustees of the Jackson County Employees' Retirement System

The Board of Trustees is charged by law with the responsibility for the management of the assets of the Plan. The Board of Trustees shall discharge its duties solely in the interest of the Plan's members and beneficiaries, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The specific responsibilities of the Board of Trustees relating to the investment management of Plan assets include:

1. Adhering to the guidelines as defined in Act 314, as amended, and all other applicable regulations.

2. Projecting the Plan's financial needs, and communicating such needs to the appropriate parties on a timely basis.

3. Determining the Plan's risk tolerance and investment horizon, and communicating these to the appropriate parties.

4. Establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Plan's assets.

5. Prudently and diligently selecting and monitoring qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s).

6. Regularly evaluating the performance of the Plan's Investment Manager(s) to assure adherence to policy guidelines and monitor investment objective progress.

7. Developing and enacting proper control procedures: For example, replacing Investment Manager(s) due to fundamental change in investment management process, or failure to comply with established guidelines.

B. Responsibility of the Investment Manager(s)

Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary under Act 314, as amended, and other applicable laws and regulations. Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.

2. Reporting, on a timely basis, quarterly investment performance results.

3. Communicating any major changes to the economic outlook, investment strategy, or any other factors, which affect implementation of the investment process, or progress toward meeting the Plan's investment objectives.

4. Informing the Board of Trustees regarding any qualitative change to the investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

5. Voting proxies, unless otherwise directed by the Board of Trustees, on behalf of the Plan, and communicating such voting records to the Board of Trustees on a timely basis.

6. Meeting with the Board of Trustees on a periodic basis to review the portfolio structure, performance, investment strategy, and investment outlook.

C. Responsibility of the Investment Consultant(s)

The Investment Consultant's role is that of a non-discretionary advisor to the Board of Trustees. Investment advice concerning the investment management of Plan assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. The investment Consultant(s) must acknowledge in writing its acceptance of responsibility as an investment fiduciary under Act 314. Specific responsibilities of the Investment Consultant are as provided in the contract for services with the trustees and include the following:

1. Assisting in the development and periodic review of Investment Policy.

2. Conducting investment manager searches when requested by the Board of Trustees.

3. Providing "due diligence", or research, on current and prospective Investment Manager(s).

4. Monitoring performance of the Investment Manager(s) to provide the Board of Trustees with the ability to determine progress toward the investment objectives. The Investment Consultant shall provide the Board of Trustees with performance reports and ongoing quality control to assure that the Board's standards and investment objectives are maintained. Performance reports generated by the

Investment Consultant shall be compiled and presented to the Board at least quarterly.

5. Communicating matters of policy, manager research, and manager performance to the Board of Trustees.

6. Reviewing Plan investment history, historical capital markets performance and the contents of this investment policy statement with any newly appointed members of the Board of Trustees.

7. The Investment Consultant shall monitor the investment of the Plan's assets with respect to the asset limitation of Act 314 and compliance with the asset allocation targets established herein.

D. Responsibility of Custodian

The responsibilities of the custodian are as provided in the contract for services with the trustees and include the following:

1. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan accounts.

2. The custodian should also be able to provide securities lending services if requested and be able to report on commissions generated and where trades are placed by investment managers.

4. GENERAL INVESTMENT PRINCIPLES

A. Investments shall be made solely in the interest of the participants and beneficiaries of the Plan and for the exclusive purpose of providing benefits accrued thereunder and defraying the reasonable expenses of administration.

B. Investment of Plan assets shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

C. The Board of Trustees may employ one or more Investment Managers of varying styles and philosophies to attain the Plan's investment objectives.

D. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

E. Policy guidelines will be fixed from time to time by the Trustees after consideration of the advice and recommendation of the Investment Managers, the Investment Consultant and others. All modifications of policy guidelines shall be in writing and signed by the Trustees.

F. In addition to the general policies and guidelines established for the total fund, specific and more detailed policies and guidelines may be established in writing to guide individual managers in the investment of the assets assigned to them.

5. ASSET ALLOCATION

The Trustees have determined that the overall asset mix of the fund, measured by market value; shall be as follows:

		Target
Maximum	70% Equity	65%
Minimum	50% Equity	
Maximum	50% Fixed Income	35%
Minimum	30% Fixed Income	

Cash balances maintained as part of the normal course of business may be invested by the managers as provided elsewhere in this policy.

To implement the above strategy and achieve the return objectives and risk parameters established by this policy, The Board of Trustees has further established the following target asset mix for the plan:

Asset Class	Target	Rebalance Range
Large Cap Growth Equity	15%	+/- 3%
Large Cap Value Equity	15%	+/- 3%
International Equity	17%	+/- 3%
S&P 400 Mid Cap Index	10%	+/- 3%
S&P 500 Index	8%	+/- 3%
Core Fixed Income	9%	+/- 3%
Intermediate Gov't/Credit Bonds	9%	+/- 3%
Convertible Bonds	17%	+/- 3%
Cash and Cash Equivalents	0%	

For the purposes of calculating the asset allocation of the system as a whole, each portfolio shall be assumed to be fully invested in the index to which it is compared.

The Board of Trustees recognizes that from time to time the asset mix will deviate from the targeted percentages due to market conditions. A range has been established for each asset class to control risk and maximize the effectiveness of the Plan's asset allocation strategy, while avoiding unnecessary turnover at the security level.

The Board of Trustees should review the percentage allocation to each asset class, on a market value basis, quarterly or such other period as the Board deems appropriate. When an asset class is outside of its allowable range, a reallocation should be made to rebalance that asset class back to the target allocation.

Where possible, cash flow to or from the Plan should be used to rebalance back to the targeted percentage since this avoids unnecessary turnover of securities. Where transfers between accounts are required, managers should be notified in advance, if possible, of the amount and timing of any transfers to or from their accounts.

Each Investment Manager appointed by the Board of Trustees shall be given additional written asset allocation guidelines for the assets assigned to them. This is to assure the efforts of various managers coordinate and keep the total plan within these stated limits.

6. OBJECTIVES

The investment objective of the Jackson County Employees' Retirement System will be to attain the highest absolute return without undue risk consistent with the preservation of capital. Emphasis will be on long-term growth with current income. Each Investment Manager will have full discretion as to asset allocation within their individual allocation guidelines.

The Board of Trustees recognizes that occasional losses are inevitable. However, both realized and unrealized losses should be kept to a minimum by an ongoing thorough analysis of the securities purchased and held, the economy, interest rate trends and the fundamental and technical outlook for the financial markets.

To judge portfolio performance relative to the capital markets, each Investment Manager shall be compared to the market index which best reflects the capitalization, style and other characteristics assigned to each manager. Each manager should match or exceed their assigned index return. The standard deviation (risk) of each account should approximate the standard deviation of the assigned index, unless otherwise noted in the individual manager policies.

On a relative basis, the combined portfolio of all Investment Managers shall be compared to a composite index comprised of the individual market indices of the managers weighted in the same proportion as the average portfolio allocation. The total portfolio should match or exceed its composite index return. The standard deviation (risk) of the total portfolio should approximate the standard deviation of the composite index.

On an absolute basis, the combined portfolio of all managers shall be compared to a static index comprised of 50% S&P 500 Index, 35% Barclay's Aggregate Bond Index and 15% MSCI AC World Index ex US.

The goal for the aggregate plan assets is to exceed an annualized rate of return of 7.5%.

7. EQUITY INVESTMENTS

The Board of Trustees does not believe that it is necessary or desirable that equity securities held in the funds represent a cross section of the economy. The Investment Managers will be allowed to choose the degree of concentration (or lack thereof) in any industry.

In order to broaden the investment opportunities for the investment managers to achieve the objectives set forth herein, they are permitted to invest in equity securities specifically as authorized by section 14 of Act 314, as amended, for which there is a strong market providing ready salability of specific securities. In addition, international equity managers may purchase unregistered ADR's and Equities traded on exchanges outside the United States and issued in non-United States currency.

8. FIXED INCOME INVESTMENTS

With the exception of direct obligations of the US Government or obligations of its agencies or instrumentalities, the fixed income portfolio should be diversified by maturity, industry and issuer. Fixed income purchased should have ratings of BAA or better from two of the following agencies: Moody's, Standard & Poors, Fitch or Duff & Phelps. The quality of the portfolio should maintain a weighted average between A and AAA over a one year period.

The average weighted maturity of the portfolio should fall in a range of 3-12 years. Major changes in the portfolio should be made to adjust maturity and/or quality when yield curve, yield spreads and interest rate changes are anticipated.

Convertible bonds shall be considered fixed income investments. Specific criteria and restrictions shall be included in the separate guidelines for convertible managers.

9. CASH AND CASH EQUIVALENTS

All cash, wherever and whenever possible, should be invested in interest bearing securities. These securities should be free of substantial risk of loss or price fluctuation and instantly saleable.

Cash balances maintained and generated as part of the normal course of business may be invested in a money market fund maintained by the custodian or a money market fund as directed by the investment manager of such balances.

Cash equivalents (i.e. securities with maturities under one year) may be used as primary investment vehicle during a portfolio restructuring between equities and longer term fixed income, or when short term interest rates represent a significant yield advantage over other market sectors and instruments. The Investment Manager shall direct the buying and selling of these Investment vehicles as appropriate for the management of the account.

The following shall apply to cash equivalent instruments:

A. Balances held in commercial accounts, certificates of deposit or depository receipts issued by a bank, trust company, savings and loan association or a credit union shall not exceed 1% of the system's assets in any one institution.

B. Commercial Paper ratings shall be restricted to A-1 ratings of Standard and Poor's and P-1 by Moody's.

C. Repurchase agreements shall be limited to REPOs involving direct obligations of the United States government or its agencies and instrumentalities as collateral; provided, that the market value of the collateral is maintained in an amount equal to or greater than 102% of the face value of the REPO. The securities pledged as collateral shall be physically held by a third party and evidenced by the issuance of a safekeeping receipt.

10. <u>ALLOWABLE ASSETS</u>

1. Cash Equivalents
    - Treasury Bills
    - Money Market Funds
    - STIF Funds
    - Commercial Paper
    - Banker's Acceptances
    - Repurchase Agreements
    - Certificates of Deposit

2. Fixed Income Securities
    - U.S. Government and Agency Securities
    - Corporate Notes and Bonds
    - Mortgage Backed Bonds
    - Convertible Notes and Bonds
    - Fixed Income Securities of Foreign Governments and Corporations

- Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) and collateralized debt obligations or other "early tranche" CMOs and CDOs

3. Equity Securities
    - Common Stocks
    - Preferred Stocks
    - Convertible Preferred Stocks
    - American Depository Receipts (ADRs) of Non-U.S. Companies
    - Stocks of Non-U.S. Companies traded on an exchange outside of the United States or issued in a currency other than the United States dollar
    - Writing covered stock options
    - Rule 144A Stock

4. Mutual Funds
    - Mutual Funds which invest in securities as allowed in this statement.

5. Commingled or Pooled Accounts
    - Commingled or pooled accounts established and maintained by a bank, trust company or management company which invest in securities as allowed in this statement.

The Board of Trustees requires that all plan assets be invested in liquid securities, defined as securities that have a readily ascertainable market value and are readily marketable with minimum impact on market price.

11. <u>PROHIBITIED SECURITIES AND TRANSACTIONS</u>

~ Uncovered Options

~ Margin Transactions

~ Selling Short

~ Commodities and Futures Contracts

~ Letter Stock

~ Securities of an Investment Manager's corporation or parent corporation

~ Financial Futures - for hedging purposes (Trustee approval required)

~ Private Placements

~ Limited Partnerships

~ Venture Capital Investments

~ Real Estate Properties

~ Interest-only (IO), Principal-only (PO), and Residual Tranche CMOs & CDOs

~ Derivative Investments

Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, CDOs, CMOs (PAC bonds, IOs, POs, residual bonds, etc.), and interest rate swaps, among others. The Board of Trustees feels that many derivative securities are relatively new and therefore have not been observed over multiple economic cycles. Due to this uncertainty, the Board of Trustees will take a conservative posture on derivative securities in order to maintain its risk averse nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. Unless a specific type of derivative security is allowed in this document, the Investment Manager(s) must seek permission from the Board of Trustees to include derivative investments in the Plan's portfolio. The Investment Manager(s) must present detailed information as to the expected return and risk characteristics of such investment vehicles.

12. INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

The Chairperson of the Board of Trustees shall appoint an Investment Manager Review Subcommittee (the "Subcommittee") of not more than three members of the Board of Trustees. The Subcommittee shall perform regular due diligence and in depth performance reviews for each Investment Manager employed by the Board and shall inform the full Board of its findings.

The Subcommittee shall establish a manager review schedule and shall inform the Investment Consultant of the kinds of information to be assembled for their review. Such information shall include, but not be limited to, the quarterly performance reports on the plan's investment performance and in depth analysis of the manager's performance and how that compares to a representative peer group of managers of similar investment style.

The following guidelines and procedures shall be used by the Subcommittee and the Board of Trustees in their reviews and evaluations:

A. TIME HORIZON

The Board of Trustees acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term periods. Accordingly, the Board of Trustees wishes to view interim fluctuations with an appropriate perspective.

Recognizing that short-term fluctuations may cause variations in the total portfolio's performance, the Board of Trustees encourages each Investment Manager to develop long-term investment strategies consistent with the guidelines contained in this Investment Policy Statement. A five-year time period reflects the Board of Trustees' emphasis on the long-term, although significant deviations from performance objectives will be monitored for appropriate action.

B. PERFORMANCE OBJECTIVES

Quarterly performance will be evaluated to test progress toward the attainment of longer-term targets. It is understood that there are likely to be short-term periods during which performance deviates from market indices and longer-term absolute and relative targets. During such times, greater emphasis shall be placed on peer performance comparisons with managers employing similar styles.

Each Investment Manager's performance shall be evaluated relative to an appropriate market index and a relevant peer group of managers.

C. INVESTMENT MANAGER TERMINATION PROCEDURE

The performance of the Investment Managers will be monitored on an ongoing basis and it is within the Board of Trustees' discretion to take corrective action by replacing a manager if deemed appropriate at any time with or without cause. Performance factors, which may lead to terminating a manager relationship, include:

❖ Extraordinary Events (Organizational Issues)

Extraordinary events that need to be rigorously evaluated prior to a termination decision include such things as—

-Ownership changes (e.g. key people "cash out")
-Key people leave firm
-Manager changes the strategy it was hired to implement
-Manager is involved in material litigation or fraud
-Material client-servicing problems
-Failure to adhere to any aspect of this Statement of Investment Policy, including communication and reporting requirements

❖ Long-Term Performance in Relation to Appropriate Market Index

Long-term performance standards should measure an Investment Manager's performance since-inception and rolling five-year returns in relation to the market index that the manager previously agreed to be measured against. If an Investment Manager fails to generate a return in excess of market indexes then, upon completion of appropriate due diligence, the Board may decide to terminate its contract with the manager.

- ❖ Shorter-Term Performance in Relation to Appropriate "Style Group"

  Shorter-term performance standards should incorporate a time period of at least <u>three years</u>. Each Investment Manager is to be measured against the since-inception and rolling three year returns in relation to the market index that the manager previously agreed to be measured against. If a manager fails to generate a return in excess of its market index, the watch list procedures may be invoked.

D. <u>WATCH LIST PROCEDURES</u>

A "Watch List" is hereby established which will describe the conditions leading to an Investment Manager being placed on the list; the conditions that lead to a manager being removed or terminated; and the maximum amount of time a manager can remain on the list. The purpose of the "Watch List" is to provide an objective plan to assist the Trustees in deciding when an Investment Manager relationship should be terminated.

- ❖ Conditions for Listing

  - Firm changes ownership structure
  - Key people leave firm
  - Investment Manager changes strategy it was hired to implement
  - Investment Manager is involved in material litigation or fraud
  - Material client servicing problems
  - Rolling three-year total return (gross of fees) is less than the manager's market index or unacceptable explanations of poor performance are given

- ❖ Conditions for Removal or Termination

  A calculation will be made showing the difference between the annualized portfolio return (gross of fees) and the appropriate market index return for the latest three-year period. This variance (shortfall) from the index is defined as the "gap".

- Investment Managers will be given a six month period (two calendar quarters) to show improvement (narrowing) in the "gap" on a rolling three-year basis. If there is improvement, the Investment Manager may be retained for another six-month period. Upon further improvement, the Investment Manager may be removed from the list.

- If there is no improvement in the "gap", or the shortfall worsens, termination will be considered after appropriate due diligence is exercised. This includes verification of the reasons causing the added shortfall.

13. REPORTING AND COMMUNICATIONS

A. At regular intervals (at least quarterly) the Investment Manager shall present to the Board of Trustees a written report on the fund's status, results of previous activity, changes in investment philosophy, economic outlook and other pertinent details. The report shall also provide a listing of assets with cost and market value comparisons. Should any report indicate the investments of the system exceed any of the limitations of Act 314, as amended, appropriate action shall be taken by the trustees to restore compliance.

B. The Investment Manager(s) will be called upon to meet in person with the Board of Trustees at least on an annual basis, and more frequently if requested. Annual statements of the firm's policy-strategy, as well as broad market and financial information shall be given.

C. The Investment Manager(s) shall report promptly any changes of significance in the ownership of the firm, and any potential changes in the operating makeup of the firm that might result in a conflict of interest, change the firms investment philosophy, or otherwise alter the management of the Plan's assets. The Investment Manager(s) shall furnish the Board of Trustees with a copy of the form ADV Part II filed annually with the Securities and Exchange Commission.

D. The Investment Manager(s) shall maintain and furnish on request such records as may be needed to allow the Board of Trustees or parties designated by them to create performance measurement reports to evaluate the success or failure of the Manager in meeting the investment objectives and policies as stated in this document.

E. Each January, The Board of Trustees shall review this Investment Policy to determine if it is still appropriate for the needs of the Plan and current market conditions. Any changes will be transmitted to the Investment Managers in writing. The Board of Trustees shall be given written notice if an Investment Manager believes these objectives cannot be met or that these guidelines constrict their ability to perform, given the manager's investment philosophy or changing market conditions.

F. The Board shall be promptly notified, in writing, should the Investment Manager become subject to any material litigation or regulatory sanction.

G. The Investment Consultant will provide written performance reports for each individual portfolio or fund and for the composite of all portfolios not less than quarterly. The Investment Consultant shall also report each quarter on the economy and market environment and how these factors have impacted the performance of individual managers and the total portfolio. Matters pertaining to the continued suitability for an Investment Manager or strategy shall be reported to the Board of Trustees promptly after coming to the attention of the Investment Consultant or being requested by the trustees.

H. The custodian shall provide monthly and other periodic statements of assets and transactions.

APPROVED: March 30, 2001
AMENDED: March 22, 2002
AMENDED: July 25, 2003
AMENDED: November 17, 2005
AMENDED: May 25, 2006
AMENDED: February 15, 2007
AMENDED: August 27, 2009
AMENDED: February 24, 2011
AMENDED: March 22, 2012
AMENDED: August 23, 2012
AMENDED: August 22, 2013
AMENDED: October 24, 2013
<u>AMENDED: July 27, 2016</u>

DRAFT

OBJECTIVES FOR GROWTH MANAGER

The following additional criteria and standards shall apply to the Large Cap Growth Style assets managed by Polen Capital Management under the Large Cap Growth strategy for The Jackson County Employees' Retirement System:

1. Equity securities held in the portfolio should be reasonably diversified across industrial groupings, consistent with the Large Cap Growth strategy and the Manager's investment philosophy. The Trustees recognize that the Large Cap Growth portfolio will not be broadly diversified, but rather will focus intently on the companies owned, and will not dilute the potential performance of those stocks in which the manager has the greatest confidence. The portfolio may include large concentrations relative to its benchmark in the securities held and in certain industries and sectors of the economy. Stock selection should favor companies considered to have medium to large capitalizations, generally $1 billion and above at the time of investment. Typically at the time of investment stock characteristics may include high EPS growth, higher P/E multiples, higher price to book value ratios, higher price/cash flow multiples, higher price to book value ratios, higher price/cash flow multiples, usually lower dividend yields and other factors generally associated with the growth style of management.

2. While a fully invested portfolio of equities is preferred, cash may be used as a risk control strategy when the manager believes that market conditions require caution or otherwise warrant a temporary pull back from a fully invested position.

3. Because of the concentrated or less diversified nature of the portfolio, the standard deviation (risk) of the portfolio will generally exceed the standard deviation of the Russell 1000 Growth Index by substantial amounts under most market conditions.

4. The performance of the portfolio should match or exceed the performance of the Russell 1000 Growth Index.

APPROVED: March 30, 2001
AMENDED: February 15, 2007
AMENDED: March 22, 2012

OBJECTIVES FOR VALUE MANAGER

The following additional criteria and standards shall apply to The Large Cap Value assets of the Jackson County Employees' Retirement Plan managed by NWQ Investment Management:

1. Common and preferred stocks held in the portfolio should be reasonably diversified across industrial sectors and within industrial groupings. Stock selection should favor companies considered to have medium to large capitalization's ($1 Billion and above). Stock characteristics shall include lower P/E multiples, lower price to book value ratios, higher dividend yields, lower price/cash flow multiples and other factors generally associated with the value style of management.

2. While a fully invested portfolio of equities is preferred, cash may be used as a risk control strategy when the manager believes that market conditions require caution or otherwise warrant a temporary pull back from a fully invested position.

3. The standard deviation (risk) of the portfolio should approximate the standard deviation of the Russell 1000 Value Index.

4. The performance of the portfolio should match or exceed the performance of the Russell 1000 Value Index.

APPROVED: March 30, 2001
AMENDED: November 17, 2005

DRAFT

OBJECTIVES FOR INTERNATIONAL EQUITY MANAGER (BRANDES)

The following additional criteria and standards shall apply to The International Equity assets of the Jackson County Employee's Retirement Plan managed by Brandes Investment Partners:

1. In addition to American Depository Receipts registered on a National Securities Exchange regulated under Title I or the Securities and Exchange Act of 1934, or on the National Association of Securities Dealers automated quotation system, the manager may purchase unregistered American Depository Receipts or companies traded on exchanges outside the United States and issued in a currency other than the United States dollar. With approval of The Board of Trustees, not to exceed 30% of the total portfolio may be invested in securities of companies that represent emerging markets. A mutual fund may be used for emerging market investments to help achieve diversification if deemed appropriate by the investment manager.

2. While a fully invested portfolio of equities is preferred, cash may be used as a risk control strategy when the manager believes that market conditions require caution or otherwise warrant a temporary pull back from a fully invested position.

3. The standard deviation (risk) of the portfolio should approximate the standard deviation of the MSCI AC World Index ex US.

4. The performance of the portfolio should match or exceed the performance of the MSCI AC World Index ex US.

APPROVED: February 25, 2016

DRAFT

OBJECTIVES FOR INTERNATIONAL EQUITY MANAGER (Clearbridge)

The following additional criteria and standards shall apply to The International Equity assets of the Jackson County Employee's Retirement Plan managed by Clearbridge Investments:

1. In addition to American Depository Receipts registered on a National Securities Exchange regulated under Title I of the Securities and Exchange Act of 1934, or on the National Association of Securities Dealers automated quotation system, the manager may purchase unregistered American Depository Receipts or companies traded on exchanges outside the United States and issued in a currency other than the United States dollar. With approval of The Board of Trustees, not to exceed 10% of the total portfolio may be invested in securities of companies that represent emerging markets. A mutual fund may be used for emerging market investments to help achieve diversification if deemed appropriate by the investment manager.

2. While a fully invested portfolio of equities is preferred, cash may be used as a risk control strategy when the manager believes that market conditions require caution or otherwise warrant a temporary pull back from a fully invested position.

3. Due to sector and country allocations that can differ significantly from that of the Morgan Stanley EAFE Net Index, the standard deviation (risk) of the portfolio may exceed that of the benchmark.

4. The performance of the portfolio should match or exceed the performance of the Morgan Stanley EAFE Net Index.

APPROVED: February 25, 2016

OBJECTIVES FOR S&P 400 MID CAP INDEX MANAGER

The following criteria and standards shall apply to The S&P 400 Mid Cap Index managed by State Street Global Advisors:

1. The portfolio shall be managed as a full replication of the S&P 400 Mid Cap Index.

2. The account shall be expected to match the performance and risk of the S&P 400 Mid Cap Index with a maximum tracking error of ± .10% (10 basis points) gross of fees.

APPROVED: March 30, 2001

OBJECTIVES FOR S&P 500 INDEX MANAGER

The following criteria and standards shall apply to The S&P 500 Index assets of The Jackson County Employees' Retirement Plan managed by State Street Global Advisors:

1. The portfolio shall be managed as a full replication of the S&P 500 Index.

2. The account shall be expected to match the performance and risk of the S&P 500 Index with a maximum tracking error of ± .10% (10 basis points) gross of fees.

APPROVED: March 30, 2001

OBJECTIVES FOR A CORE FIXED INCOME MANAGER

The following additional criteria and standards shall apply to The Core fixed income assets of The Jackson County Employees' Retirement Plan managed by C.S. McKee, L.P.:

1. The fixed income portfolio should be diversified by maturity and, with the exception of direct obligations of the US Government or obligations of its agencies or instrumentalities, by industry and issuer. Fixed income purchased should have a rating of BAA or better from two of the following agencies: Moody's, Standard & Poors, Fitch and Duff & Phelps. The quality of the portfolio should maintain a weighted average between A and AAA over a one year period.

2. While a fully invested portfolio of bonds is preferred, cash may be used as a risk control strategy when the manager believes that market conditions require caution or otherwise warrant a temporary pull back from a fully invested position.

3. The average weighted maturity of the fixed income portfolio should fall in a range of 3-12 years. Major changes in the portfolio should be made to adjust maturity and/or quality when yield curve, yield spreads and interest rate changes are anticipated.

4. The standard deviation (risk) and duration of the fixed income portfolio should approximate the standard deviation and duration for the Barclay's Capital Aggregate Bond Index.

5. Fixed income total rates of return should approximate the Barclay's Capital Aggregate Bond Index.

APPROVED: March 30, 2001
AMENDED: July 25, 2003
AMENDED: February 15, 2007
AMENDED: August 27, 2009

OBJECTIVES FOR AN INTERMEDIATE FIXED INCOME MANAGER

The following additional criteria and standards shall apply to The Intermediate Fixed Income assets of the Jackson County Employees' Retirement Plan managed by Garcia, Hamilton, Jackson & Associates, L.P.:

1. The fixed income portfolio should be diversified by maturity and, with the exception of direct obligations of the US Government or obligations of its agencies or instrumentalities, by industry and issuer. Fixed income purchased should have a rating of BAA or better from two of the following agencies: Moody's, Standard & Poor's, Fitch and Duff & Phelps. The quality of the portfolio should maintain a weighted average between A and AAA over a one year period.

2. While a fully invested portfolio of bonds is preferred, cash may be used as a risk control strategy when the manager believes that market conditions require caution or otherwise warrant a temporary pull back from a fully invested position.

3. The average weighted maturity of the fixed income portfolio should fall in a range of 3-8 years. Major changes in the portfolio should be made to adjust maturity and/or quality when yield curve, yield spreads and interest rate changes are anticipated

4. The standard deviation (risk) and duration of the fixed income portfolio should approximate the standard deviation and duration for the Barclay's Capital Intermediate Government/Credit Index.

5. Fixed income total rates of return should approximate the Barclay's Capital Intermediate Government/Credit Index.

APPROVED: March 30, 2001
AMENDED: August 27, 2009
AMENDED: February 24, 2011

DRAFT

OBJECTIVES FOR A CONVERTIBLE SECURITIES MANAGER

The following criteria and standards shall apply to the Convertible Security assets of the Jackson County Employees' Retirement Plan.

1. Since Act 314 of the Michigan Public Acts of 1965, as amended, defines preferred stocks as equities, preferred or convertible preferred securities may not exceed 25% of the convertible securities portfolio.

2. The portfolio should be diversified by maturity, industry and issuer. At least 50% of the portfolio should have a rating of BAA or better at the time of purchase, from one of the following agencies; Moody's, Standard and Poor's, Fitch or Duff & Phelps.

3. Convertible Bonds trading at over 150% of par should not exceed 40% of the portfolio on a current market basis.

4. The average weighted time to redemption of the Portfolio should not exceed 10 years. This calculation should include the shortest period of either the maturity date or (if applicable) the nearest put date. Major changes in the portfolio should be made to adjust maturity and/or quality when changes in interest rate yield spreads, the yield curve and other market conditions are anticipated.

5. The standard deviation and rates of return for the portfolio should approximate the standard deviation and rates of return for a 50/50 blend of the Merrill Lynch All Convertibles Ex. Mandatories Index (V0A0) and the Merrill Lynch Investment Grade Convertibles Ex. Mandatories Index (V0A1).

6. While a fully invested portfolio of convertible securities is preferred, cash may be used as a risk control strategy when the manager believes that market conditions require caution or otherwise warrant a temporary pull back from a fully invested position.

7. At the conclusion of each quarter the manager shall make a written report to the trustees showing ratings of the securities in the portfolio and the percent that are not investment grade and what percent of the portfolio is trading over 150% of par value.

8. Convertible Securities that are traded outside the United States and issued in a currency other than the United States dollar shall not be used in the portfolio. Dollar denominated Convertible Securities traded in the United States by foreign corporations are permitted without limitation provided they meet the other requirements of this policy and Act 314 of the Michigan Public Acts of 1965, as amended.

9. Most Convertible Securities are issued in forms that would be classified as derivatives under Act 314 of the Michigan Public Acts of 1965, as amended. Act 314 does not prohibit a plan from investing in derivatives, but does establish some limitations. The Board of Trustees does not wish to expose the plan to undue risk. However, The Board of Trustees also does not with to unduly restrict the ability of the investment manager to effectively manage the assets assigned. Subject to the general provisions of Act 314, convertible securities that are issued in derivative form may be used in the portfolio if they are exchange listed derivatives as defined by Act 314 and provided they meet the quality rating standard set forth in this policy. Securities specifically permitted under the above conditions are as follows:

    MIPS – Monthly Income Preferred Securities

    PERCS – Preferred Equity Redemption Cumulative Stock, (also known as MCPDPS, TARGETS, YES, CHIPS, ELKS, EYES, PERQS or YIELDS)

    PRIDES – Preferred Redeemable Increased Dividend Equity Securities, (also known as, ACES, DECS, MARCS, PEPS or SAILS)

    Convertible Principal Protected Notes

Convertible Securities not included in the above list may be used if they meet all of the requirements of this policy and Act 314.

APPROVED: March 30, 2001
AMENDED: May 24, 2002
AMENDED: July 23, 2004
AMENDED: August 23, 2012
AMENDED: October 24, 2013

LIST OF PROSPECTIVE MEDICAL DIRECTORS

[NOTE: THIS LIST DOES NOT CONSTITUTE A RECOMMENDATION OF ANY OF THE LISTED ENTITIES OR A DISQUALIFICATION OF ANY DOCTOR OR HOSPITAL NOT LISTED HEREIN]

Henry Ford Health System
Department of Occupational Health
Attn: Ms. Susan Greene, Director
One Ford Place, Suite 2F
Detroit, Michigan 48202

DMC Occupational Health Services
University Health Center
4201 St. Antoine, Suite 4K
Detroit, Michigan 48201

Oakwood Healthcare
Midwest Health System
4700 Schaefer Road
Dearborn, Michigan 48126

MedSource Services, Inc.
Attn: Mr. Clarence Dixon, Practice Manager
24901 Northwestern Hwy., Suite 205
Southfield, Michigan 48075

MES Solutions
26261 Evergreen Road, Suite 200
Southfield, Michigan 48076

St. John Providence Health System
Occupational Health Partners
37595 Seven Mile Road
Livonia, Michigan 48152

University of Michigan Occupational Health Services
C380 Med Inn Building
1500 E. Medical Center Drive
Ann Arbor, Michigan 48109-5838

Managed Medical Review Organization, Inc. (MMRO)
Attn: Mr. Erich Kelly
44090 W. 12 Mile Rd.
Novi, MI 48377

CONSULTANT REVIEW TIMELINE

Advisor/Consultant	Last Reviewed	Next Review	Future Review Dates	Future Review Dates
Legal	2005	***Sep-16***	2018	2023
Investment Consultar	2004	***Sep-16***	2019	2024
Custodian Bank	2013		2020	2025
Medical Director		***2016***	2021	2026
Actuary	2011	***2017***	2022	2027

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

R E S O L U T I O N

Re: ClearBridge Investments **Adopted:**

WHEREAS, the Board of Trustees of the Jackson County Employees' Retirement System (the "Board of Trustees") is vested with the authority for the general administration, management and operation of the Jackson County Employees' Retirement System (the "Retirement System") and has fiduciary responsibilities relative to the investment of Retirement System assets, and

WHEREAS, the Board of Trustees, in consultation with its Investment Consultant, has recently reviewed the Retirement System's investment portfolio and asset allocation in light of: (1) the portfolio's historical performance; (2) recent changes in the economic and financial market conditions; and (3) the Board of Trustees' goal of maximizing future gains without overly increasing risk or volatility in the portfolio, and

WHEREAS, in light of the foregoing and upon consultation with its Investment Consultant, Morgan Stanley, the Board of Trustees desires to make changes to its investment managers and the overall structure of its current investment portfolio, and

WHEREAS, the Board of Trustees' Investment Consultant has conducted an investment manager search and has presented the Board of Trustees with a detailed report of prospective investment managers to manage an International Growth ADR strategy for the Board of Trustees' consideration, and

WHEREAS, the Board of Trustees has reviewed and discussed the prospective investment managers with its Investment Consultant, and

WHEREAS, the Board of Trustees has met with representatives from the prospective investment managers in furtherance of its due diligence, and

WHEREAS, upon the recommendation and advice of its Investment Consultant and the completion of its due diligence, the Board of Trustees desires to retain ClearBridge Investments ("ClearBridge") as an Investment Manager, therefore be it

RESOLVED, that ClearBridge, is hereby appointed as an Investment Manager to the Retirement System, to manage a $10 million dollar international growth portfolio, and further

RESOLVED, that subject to approval as to form and content by the Board of Trustees' legal counsel, an Investment Management Agreement be implemented with ClearBridge, consistent with the foregoing, and further

RESOLVED, that $10 million in assets be transferred to ClearBridge, for management in accordance with its International Growth ADR Strategy, and further

RESOLVED, that the Board of Trustees' Investment Consultant is hereby directed to coordinate the reallocation of the Retirement System's assets and to ensure that the reallocation is consistent with the Board of Trustees' directions and investment guidelines, and further

RESOLVED, that the Board of Trustees hereby directs its Custodial Bank to open an account for its assets to be managed by ClearBridge, and further

RESOLVED, that a copy of the Resolution be forwarded to the Retirement System's Custodial Bank, ClearBridge, and the Board of Trustees' Investment Consultant.

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES

120 West Michigan Avenue	**County Tower Building**
Jackson, Michigan 49201	**Fax (517) 768-6713**
(517) 788-4339	

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
2016 - 2017 Board of Trustee Regular Meeting Dates

July 28, 2016	February 23, 2017
August 25, 2016	March 23, 2017
September 22, 2016	May 4, 2017 (✦) Annual Actuarial Valuation Presentation
October 27, 2016	May 25, 2017
November 17, 2016 (✦)	June 22, 2017
December 15, 2016 (✦)	July 27, 2017 Organizational Meeting
January 26, 2017	

✦ Note: These dates are not the 4th Thursday of the month.✦

Meetings are held in the 6th Floor, Room 604 at the Tower Building at 8:30 a.m. on the 4th Thursday of each month unless otherwise noted.

****** Committee Meetings immediately follow regular meetings. ******

7/2016

LIST OF MAPERS AFFILIATED INVESTMENT CONSULTANTS

[PLEASE NOTE THAT THIS LISTS REPRESENTS A COMPILATION OF INVESTMENT CONSULTING FIRMS THAT ARE MAPERS LISTED IN THE MAPERS DIRECTORY AND DOES NOT CONSTITUTE A RECOMMENDATION OF ANY LISTED FIRM OR A DISQUALIFICATION OF ANY FIRM NOT LISTED HEREIN]

Asset Consulting Group, LLC
Mr. George Tarlas
231 S. Bemiston Ave., 14th Floor
St. Louis, MO 63105

Asset Strategies Portfolio Services, Inc.
Mr. George Vitta
2635 Lapeer Rd.
Auburn Hills, MI 48326

The Bogdahn Group
Mr. Mike Welker
4901 Vineland Rd., Ste. 600
Orlando, FL 32811

Fund Evaluation Group, LLC
Mr. David Wetzel
3011 W. Grand Blvd., Ste. 2125
Detroit, MI 48202

Gray & Company
Mr. Laurence Gray
3333 Piedmont Rd. NE, Ste. 1250
Atlanta, GA 30305

Graystone Consulting – the Brice Group
Morgan Stanley
Mr. Brian Brice
220 Park St., Ste. 220
Birmingham, MI 48009

Graystone Consulting – the Holycross Group
Morgan Stanley
Mr. Michael Holycross
220 Park St., Ste. 220
Birmingham, MI 48009

Graystone Consulting – the Messner Group
Morgan Stanley
Mr. William Messner
220 Park St., Ste. 220
Birmingham, MI 48009

Independent Portfolio Consultants
Ms. Cheryl Underwood
177 Damon Rd.
Haslett, MI 48840

Investment Performance Services, LLC
Mr. Brian Hicks
7402 Hodgson Memorial Dr.
Savannah, GA 31406

Meketa Investment Group, Inc.
Mr. W. Fran Peters
100 Lowder Brook Dr., Ste. 1100
Westwood, MA 02090

Morgan Stanley
Mr. Matthew Augustine
3101 Spring Arbor Rd., Ste. 400
Jackson, MI 49203

Morgan Stanley
Mr. Steve Lutenski
4760 Fashion Square Blvd. 1st Fl.
Saginaw, MI 48604

Morgan Stanley
Mr. Steve Riga
220 Park St., Ste 220
Birmingham, MI 48009

NEPC, LLC
Mr. Gary Wyniemko
1155 Brewery Park Blvd., Ste. 240
Detroit, MI 48207

SEI Investments
Mr. Steve Bomberger
One Freedom Valley Dr.
Oaks, PA 19456

Wells Fargo Advisors – Forte Wagenburg Investment Group
Ms. Julie Moll
2401 W. Big Beaver Rd., Suite 300
Troy, MI 48084

LIST OF MAPERS AFFILIATED LAW FIRMS

[PLEASE NOTE THAT THIS LISTS REPRESENTS A COMPILATION OF INVESTMENT CONSULTING FIRMS THAT ARE MAPERS LISTED IN THE MAPERS DIRECTORY AND DOES NOT CONSTITUTE A RECOMMENDATION OF ANY LISTED FIRM OR A DISQUALIFICATION OF ANY FIRM NOT LISTED HEREIN]

Clark Hill, PLC
Mr. Ronald A. King
500 Woodward Ave., Ste. 3500
Detroit, MI 48226

Novara Tesija, PLLC
Mr. Paul Catenacci
2000 Town Center, Ste. 2370
Southfield, MI 48075

Racine & Associates
Ms. Marie T. Racine
1001 Woodward Ave., Ste. 1100
Detroit, MI 48226

Stevenson Keppelman Associates
Ms. Nancy Keppelman
444 South Main St.
Ann Arbor, MI 48104-2304

Sullivan, Ward, Asher & Patton, PC
Mr. Michael Asher
P.O. Box 222
Southfield, MI 48037-0222

VanOverbeke, Michaud & Timmony, PC
Mr. John P. Timmony
79 Alfred St.
Detroit, MI 48201

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
P O L I C Y R E S O L U T I O N

Revised: July 23, 2015
Re: Educational Seminar and Conference Policy **Adopted: February 15, 2007**

WHEREAS, the Board of Trustees ("Board") is vested with the general administration, management and operation of the Retirement System, and

WHEREAS, the Board has a fiduciary responsibility to act in the best interest of the members and beneficiaries of the Retirement System; including the duty to prudently manage the assets of the Retirement System, and

WHEREAS, Michigan Public Act 314 of 1965, as amended ("Act 314"), requires that the Board meet the higher fiduciary standard commonly referred to as the "prudent trustee" or the "prudent expert" with respect to decisions and the administration of the Retirement System, and

WHEREAS, the Board recognizes that, consistent with its fiduciary duty, it is necessary and appropriate for Trustees and the Pension Coordinator to attend educational seminars and conferences so that the Board may be made aware of developments regarding Retirement System administration, and so that the Board may further become aware of how persons acting in a like capacity administer their respective retirement systems, and

WHEREAS, Section 13(6) of Act 314 [MCL 38.1133(6)] recognizes that the Board may use a portion of the income of the Retirement System to defray the costs of professional training and education, including travel, directly related to the administration, operation and management of the Retirement System, and

WHEREAS, the Board is required to adopt an annual budget for professional training and education expenses, including travel, not to exceed $150,000.00 or an amount that is equal to the total number of Board members multiplied by $12,000.00, whichever is less, and

WHEREAS, the Board desires to restate its educational seminar and conference policy in light of recent amendments to Act 314, now therefore be it

RESOLVED, that every year in the month of July, the Board shall adopt an annual education and travel budget in accordance with the requirements and limitations set forth in Act 314, and further

RESOLVED, that the Board hereby adopts the following as its educational seminar and conference policy:

1 <u>Application</u>. Trustees and the Pension Coordinator are authorized to attend conferences of the Michigan Association of Public Employee Retirement Systems ("MAPERS") and of the National Conference of Public Employee Retirement Systems ("NCPERS"). Any requests of Trustees and/or the Pension Coordinator to attend an educational seminar and/or conference which is not a MAPERS or NCPERS sponsored seminar/conference shall be submitted to the Board in writing with an explanation of the purpose of the seminar or conference and the estimated costs associated with attending such seminar or conference.

2. <u>Approval.</u> All travel in connection with said MAPERS and NCPERS educational seminars and conferences is approved. All other travel must have prior approval of the Board.

3. <u>Attendance at Sessions.</u> All Trustees and the Pension Coordinator who attend a seminar or

conference must earn an attendance or participatory certificate if the seminar or conference sponsor offers such a certificate. Reimbursement of an attendee's expenses will be made contingent upon the attendee's receipt of such a certificate, and presentation of the same to the Board at the next regular meeting of the Board following the seminar or conference. Furthermore, the failure to earn such a certificate will result in the particular attendee becoming ineligible to attend any further educational seminars and/or conferences for the remainder of that Trustee's term on the Board (and in the case of the Pension Coordinator, for 12 months following the date of said seminar or conference).

4. <u>Expense Report.</u> Upon return from the educational seminar or conference, the Trustee shall prepare a detailed travel expense report with appropriate receipts. Expense reports and cost documentation shall be submitted to the Pension Coordinator within 30 days from the return date.

5. <u>Educational Seminar or Conference Report to the Board.</u> Any Board representative(s) who attends an educational seminar or conference other than MAPERS shall be required to provide a verbal report to the Board, at the next regular Board meeting following the educational seminar or conference. The attendee(s) shall also provide the Board with the handout materials from the seminar or conference. Satisfaction of this requirement is a condition precedent to reimbursement of any expenses to the attendee. Failure to satisfy this requirement, and failure to earn an attendance or participatory certificate where the sponsor offers one, will obligate the attendee(s) to reimburse the Retirement System in full for any expenses advanced to the attendee(s).

6. <u>Reimbursement.</u> In the event the authorized expenses are exceeded, the reason for exceeding the pre-approved expenses will be presented to the Pension Coordinator for Board approval for reimbursement.

7. <u>Transportation.</u> Trustees and the Pension Coordinator traveling on Retirement System business will utilize the most economical and efficient means of transportation. Use of a more expensive method of transportation other than the most economical and efficient, will be allowed only upon the approval of the Board. When personal cars are involved, the authorized mileage reimbursement amount per mile will be the then-current Internal Revenue Service mileage rate.

8. <u>Lodging.</u> Allowance for lodging shall be at the lowest rate charged at the hotel/facility where the conference is being held.

9. <u>Meals</u>. Allowance for meal reimbursement including gratuities shall be $75 per day. Meals which are included in the seminar or conference registration fee will not be reimbursed to the attendee.

10. <u>Other Expenses</u>. Trustees and the Pension Coordinator will be reimbursed for any miscellaneous expenses that are incurred for the express purpose of Board business and shall include: local transportation (e.g., taxi, bus, subway), telephone calls, postage, tolls, parking, and gratuities. Expenses not allowed include: parking/moving violations, alcohol, entertainment, travel insurance, laundry, valet, or other personal services, repair and maintenance of personal vehicle.

11. <u>Expenses</u>. It is preferred that the Board pre-pay any anticipated costs directly to the charging entity.

12. Adopt annual budget for full compliance.

#9

and further

RESOLVED, that in accordance with Act 314, the Board may utilize a portion of the Plan's investment earnings to pay for such expenses, and further

RESOLVED, that abuse of the foregoing policy, including falsifying expense reports to reflect costs not incurred, can be grounds for disciplinary action, including, but not limited to, removal from the Board, and further

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees' Retirement System webpage in the normal manner.

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ClearBridge Investments

Jackson County Employees' Retirement System

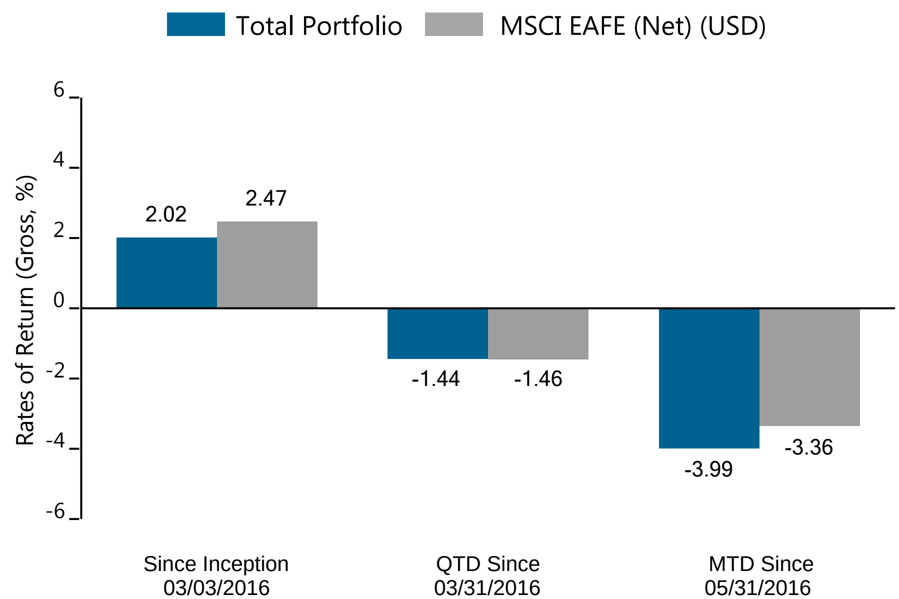
Second Quarter 2016

Portfolio Summary

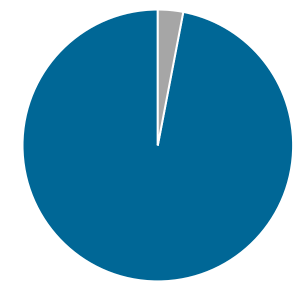
Jackson County Employees' Retirement System - Second Quarter 2016

ClearBridge Investments

Returns Versus Indices (As of 06/30/2016)



Holdings by Asset Class



Asset Class	Total Value	% Port
Stocks and Related Investments	$9,888,491.04	96.98%
Cash and Short Term Investments	$307,883.28	3.02%
Total Portfolio	**$10,196,374.32**	**100.00%**
Accrued Income	$12,230.47	
Total Assets	**$10,208,604.79**	

GICS Sector Allocation (As of 06/30/2016)

% Allocation in:	Portfolio	Index	Variation
Health Care	20.36%	12.38%	7.98%
Financials	17.23%	22.34%	-5.11%
Industrials	13.55%	13.33%	0.22%
Information Technology	12.37%	5.35%	7.03%
Consumer Staples	12.05%	12.80%	-0.76%
Consumer Discretionary	10.59%	12.64%	-2.05%
Energy	4.77%	5.21%	-0.44%
Materials	4.14%	6.88%	-2.74%
Cash	3.02%	0.00%	3.02%
Telecommunication Services	1.92%	5.15%	-3.22%
Utilities	0.00%	3.93%	-3.93%

Top Ten Holdings

As of 06/30/2016	% of Total Portfolio
Shiseido Ltd-Sponsored ADR	3.63%
Nestle SA-spons ADR	3.16%
Novo-Nordisk A/S-spon ADR	2.96%
SAP SE-Spon ADR	2.82%
Hoya Corp-spon ADR	2.80%
Mettler-Toledo International Inc	2.71%
Shire PLC-ADR	2.69%
Pandora A/S-Unsp ADR	2.65%
Reckitt Benckiser-Spon ADR	2.63%
Diageo PLC-spon ADR	2.63%
TOTAL	**28.68%**
Number of equity securities in this portfolio	47

Investment Portfolio

Jackson County Employees' Retirement System - Second Quarter 2016

ClearBridge Investments

Quantity	Description	Position Opened	Unit Cost	Total Cost	Current Price	Total Value	Pct. of Portfolio	Annual Income	Accrued Income	Current Yield
Stocks and Related Investments										
Consumer Discretionary										
3,402	Mobileye NV	03/02/2016	34.455	112,140.21	46.140	156,968.28	1.54%	0.00	0.00	0.00%
1,600	Lululemon Athletica Inc	04/20/2016	67.419	107,870.08	73.860	118,176.00	1.16%	0.00	0.00	0.00%
7,929	Pandora A/S-Unsp ADR	03/02/2016	32.411	253,950.86	34.080	270,220.32	2.65%	3,885.21	0.00	1.44%
13,246	Shimano Inc-Unspon ADR	03/02/2016	16.133	213,691.10	15.000	198,690.00	1.95%	913.97	0.00	0.46%
3,429	ASOS Plc-Unsp ADR	03/02/2016	43.510	149,197.50	53.680	184,068.72	1.81%	0.00	0.00	0.00%
9,106	Inditex-unspon ADR	03/02/2016	16.640	150,096.88	16.660	151,705.96	1.49%	2,850.18	0.00	1.88%
Total Consumer Discretionary				**$986,946.63**		**$1,079,829.28**	**10.59%**	**$7,649.36**	**$0.00**	**0.71%**
Consumer Staples										
2,374	Diageo PLC-spon ADR	03/02/2016	62.754	148,976.81	112.880	267,977.12	2.63%	8,088.22	0.00	3.02%
4,171	Nestle SA-spons ADR	03/02/2016	62.021	261,360.04	77.310	322,460.01	3.16%	9,676.72	0.00	3.00%
13,191	Reckitt Benckiser-Spon ADR	03/02/2016	18.426	243,053.41	20.320	268,041.12	2.63%	5,434.69	0.00	2.03%
14,357	Shiseido Ltd-Sponsored ADR	03/02/2016	24.546	329,207.47	25.749	369,678.39	3.63%	1,263.42	0.00	0.34%
Total Consumer Staples				**$982,597.73**		**$1,228,156.64**	**12.05%**	**$24,463.05**	**$0.00**	**1.99%**
Energy										
3,363	Schlumberger Ltd	03/02/2016	86.942	292,386.29	79.080	265,946.04	2.61%	6,726.00	1,681.50	2.53%
7,946	Suncor Energy Inc	03/02/2016	44.253	351,631.79	27.730	220,342.58	2.16%	9,217.36	0.00	4.18%
Total Energy				**$644,018.08**		**$486,288.62**	**4.77%**	**$15,943.36**	**$1,681.50**	**3.28%**
Financials										
21,843	Banco Bilbao Vizcaya-spon ADR	03/02/2016	6.682	145,572.06	5.740	125,378.82	1.23%	8,999.32	0.00	7.18%
20,386	ING Groep N.V.-spon ADR	03/02/2016	12.354	251,848.64	10.330	210,587.38	2.07%	19,162.84	0.00	9.10%
3,850	KBC GROEP NV-Unsp ADR	04/15/2016	27.165	104,584.87	24.635	94,844.75	0.93%	4,323.55	0.00	4.56%
33,416	Mitsubishi UFJ Finl Grp-ADR	03/02/2016	4.476	149,586.72	4.430	148,032.88	1.45%	5,346.56	2,568.65	3.61%
23,905	Deutsche Boerse AG-unspon ADR	03/02/2016	8.348	199,568.50	8.170	195,303.85	1.92%	6,119.68	0.00	3.13%
5,733	Hong Kong Exchanges-unsp ADR	03/02/2016	22.531	129,167.93	24.250	139,025.25	1.36%	4,397.21	0.00	3.16%
29,779	London Stock Exchg-Unsp ADR	03/02/2016	10.250	302,758.82	8.585	255,652.72	2.51%	2,709.89	0.00	1.06%
3,884	Orix - Sponsored ADR	03/02/2016	68.940	267,762.96	63.910	248,226.44	2.43%	7,651.48	0.00	3.08%
12,651	UBS Group AG	03/02/2016	25.911	311,461.00	12.960	163,956.96	1.61%	13,916.10	0.00	8.49%

Investment Portfolio

Jackson County Employees' Retirement System - Second Quarter 2016

ClearBridge Investments

Quantity	Description	Position Opened	Unit Cost	Total Cost	Current Price	Total Value	Pct. of Portfolio	Annual Income	Accrued Income	Current Yield
8,751	AXA - Spons ADR	03/02/2016	26.153	221,420.80	20.120	176,070.12	1.73%	10,938.75	0.00	6.21%
Total Financials				**$2,083,732.30**		**$1,757,079.17**	**17.23%**	**$83,565.38**	**$2,568.65**	**4.76%**
Health Care										
2,894	Essilor Intl -Unspon ADR	03/02/2016	59.529	172,276.58	66.235	191,684.09	1.88%	1,817.43	0.00	0.95%
8,069	Hoya Corp-spon ADR	03/02/2016	37.465	302,307.51	35.440	285,965.36	2.80%	5,301.33	0.00	1.85%
686	Allergan Plc	03/02/2016	255.363	181,072.64	231.090	158,527.74	1.55%	137.20	0.00	0.09%
3,267	Eisai Co LTD-sponsored ADR	03/02/2016	62.163	202,905.36	55.940	182,755.98	1.79%	4,234.03	0.00	2.32%
3,426	ICON PLC	03/02/2016	72.825	249,500.16	70.010	239,854.26	2.35%	0.00	0.00	0.00%
756	Mettler-Toledo International Inc	03/02/2016	330.736	250,036.26	364.920	275,879.52	2.71%	0.00	0.00	0.00%
5,620	Novo-Nordisk A/S-spon ADR	03/02/2016	52.936	297,502.57	53.780	302,243.60	2.96%	5,383.96	0.00	1.78%
11,562	Ono Pharmaceutical Co-unspon ADR	03/02/2016	12.905	149,212.23	14.270	164,989.74	1.62%	1,237.13	285.67	0.75%
1,489	Shire PLC-ADR	03/02/2016	163.133	242,904.59	184.080	274,095.12	2.69%	1,177.80	0.00	0.43%
Total Health Care				**$2,047,717.90**		**$2,075,995.41**	**20.36%**	**$19,288.89**	**$285.67**	**0.93%**
Industrials										
7,895	Atlas Copco AB-spons ADR A	03/02/2016	22.397	176,823.53	25.900	204,480.50	2.01%	5,818.62	0.00	2.85%
12,108	CK Hutchison Holdin-Unsp ADR	03/02/2016	12.574	152,242.36	10.970	132,824.76	1.30%	3,971.42	0.00	2.99%
12,418	Safran SA-unspon ADR	03/02/2016	15.729	195,328.39	17.020	211,354.36	2.07%	4,731.26	0.00	2.24%
9,894	Vestas Wind Systems-unsp ADR	03/02/2016	22.656	224,162.42	22.725	224,841.15	2.21%	3,443.11	0.00	1.53%
37,714	Wolseley PLC-ADR	03/02/2016	5.315	200,449.91	5.160	194,604.24	1.91%	5,279.96	0.00	2.71%
1,597	Canadian Pacific Railway Ltd	03/02/2016	94.181	121,636.81	128.790	205,677.63	2.02%	2,475.35	618.84	1.20%
2,987	Ryanair Holdings Plc-Sp ADR	03/02/2016	82.945	247,756.12	69.540	207,715.98	2.04%	4,794.14	0.00	2.31%
Total Industrials				**$1,318,399.54**		**$1,381,498.62**	**13.55%**	**$30,513.85**	**$618.84**	**2.21%**
Information Technology										
4,205	ARM Holdings PLC-spons ADR	03/02/2016	42.777	179,876.86	45.510	191,369.55	1.88%	1,623.13	0.00	0.85%
2,623	ASML Holding NV-NY Reg Shs	03/02/2016	95.235	245,482.53	99.210	260,227.83	2.55%	3,171.21	0.00	1.22%
1,207	NXP Semiconductors NV	03/02/2016	75.317	90,908.22	78.340	94,556.38	0.93%	0.00	0.00	0.00%
2,670	Alibaba Group Holding-Sp ADR	03/02/2016	71.417	190,682.59	79.530	212,345.10	2.08%	0.00	0.00	0.00%
2,704	Check Point Software Technologies	03/02/2016	84.108	227,429.38	79.680	215,454.72	2.11%	0.00	0.00	0.00%
3,834	SAP SE-Spon ADR	03/02/2016	76.938	294,979.53	75.020	287,626.68	2.82%	5,003.37	0.00	1.74%
Total Information Technology				**$1,229,359.11**		**$1,261,580.26**	**12.37%**	**$9,797.71**	**$0.00**	**0.78%**

Investment Portfolio

Jackson County Employees' Retirement System - Second Quarter 2016

ClearBridge Investments

Quantity	Description	Position Opened	Unit Cost	Total Cost	Current Price	Total Value	Pct. of Portfolio	Annual Income	Accrued Income	Current Yield
Materials										
4,580	Amcor Ltd-Spons ADR	03/18/2016	44.962	203,942.99	44.650	204,497.00	2.01%	7,392.12	0.00	3.61%
4,523	Novozymes A/S-unspons ADR	03/02/2016	43.197	195,377.77	48.055	217,352.77	2.13%	2,306.73	0.00	1.06%
Total Materials				**$399,320.76**		**$421,849.77**	**4.14%**	**$9,698.85**	**$0.00**	**2.30%**
Telecommunication Services										
6,352	Vodafone Group PLC-spon ADR	03/02/2016	31.067	197,339.49	30.890	196,213.28	1.92%	10,518.91	7,075.81	5.36%
Total Telecommunication Services				**$197,339.49**		**$196,213.28**	**1.92%**	**$10,518.91**	**$7,075.81**	**5.36%**
Tota Stocks and Related Investments				**$9,889,431.55**		**$9,888,491.04**	**96.98%**	**$211,439.36**	**$12,230.47**	**2.14%**
Cash and Short Term Investments										
0	Canadian Dollar		1.000	0.02	1.000	0.02	0.00%	0.00	0.00	0.00%
307,883	U. S. Dollar Cash		1.000	307,883.27	1.000	307,883.27	3.02%	0.00	0.00	0.00%
Tota Cash and Short Term Investments				**$307,883.29**		**$307,883.29**	**3.02%**	**$0.00**	**$0.00**	**0.00%**
Total Investments				**$10,197,314.83**		**$10,196,374.33**	**100.00%**	**$211,439.36**	**$12,230.47**	**2.07%**
Total Assets						**$10,208,604.79**				

Portfolio Summary

Jackson County Employees' Retirement System - Second Quarter 2016

Asset Class	Total Cost	Total Value	Pct. of Portfolio	Annual Income	Current Yield
Stocks and Related Investments	9,889,431.55	9,888,491.04	96.98%	211,439.36	2.14%
Cash and Short Term Investments	307,883.28	307,883.28	3.02%	0.00	0.00%
Total Investments	**$10,197,314.83**	**$10,196,374.32**	**100.00%**	**$211,439.36**	**2.07%**
Accrued Income		$12,230.47			
Total Assets		**$10,208,604.79**			

Purchases

Jackson County Employees' Retirement System - Second Quarter 2016

ClearBridge Investments

Quantity	Description	Unit Cost ($)	Total Cost ($)	Date of Purchase
EQUITIES				
500	Amcor Ltd-Spons ADR	45.850	22,927.50	04/14/2016
1,680	Amcor Ltd-Spons ADR	45.354	76,202.45	04/15/2016
3,850	KBC GROEP NV-Unsp ADR	27.125	104,584.87	04/15/2016
1,600	Lululemon Athletica Inc	67.414	107,870.08	04/20/2016
464	Banco Bilbao Vizcaya-spon ADR	6.700	3,108.82	05/03/2016
1,700	Eisai Co LTD-sponsored ADR	60.790	103,351.50	05/18/2016
220	Allergan Plc	229.870	50,572.50	05/20/2016
400	Mobileye NV	36.400	14,562.00	05/20/2016
130	Allergan Plc	241.100	31,343.65	06/01/2016
1,190	Shiseido Ltd-Sponsored ADR	26.453	31,514.77	06/01/2016
EQUITIES Sub Total			**$546,038.14**	
Total Purchases			**$546,038.14**	

Sales

Jackson County Employees' Retirement System - Second Quarter 2016

Quantity	Description	Unit Cost ($)	Total Cost ($)	Unit Proceeds ($)	Total Proceeds ($)	Gain / Loss	Date of Sale
EQUITIES							
860	Canadian Natl Railway Co	21.555	18,537.09	61.403	52,788.05	34,250.96	04/06/2016
2,450	Syngenta AG-ADR	37.907	92,871.79	84.053	205,912.87	113,041.08	04/14/2016
1,670	Canadian Natl Railway Co	21.555	35,996.44	61.203	102,197.60	66,201.16	04/26/2016
7,800	Ono Pharmaceutical Co-unspon ADR	12.905	100,662.12	15.257	118,765.66	18,103.54	05/06/2016
4,875	Unilever NV - NY Shares	33.459	163,112.86	42.820	208,718.56	45,605.70	06/14/2016
EQUITIES Sub Total			**$411,180.30**		**$688,382.74**	**$277,202.44**	
Total Sales			**$411,180.30**		**$688,382.74**	**$277,202.44**	

Other Transactions

Jackson County Employees Retirement - Second Quarter 2016

ClearBridge Investments

	Date	Quantity	Description	Amount
FX Spot - Purchase				
	04/04/2016	1	U. S. Dollar Cash	-547.10
	05/17/2016	1	U. S. Dollar Cash	-7,808.45
	05/23/2016	1	U. S. Dollar Cash	-3,253.52
	06/24/2016	1	U. S. Dollar Cash	-1,781.75
Split				
	04/04/2016	12,908	Ono Pharmaceutical Co-unspon ADR	0.00

Important Information

Jackson County Employees' Retirement System

The information contained in this report should not supersede or replace your official custodial statement. The statistics have been obtained from sources believed to be reliable, but the accuracy and completeness of this information cannot be guaranteed. The data provided is current as of the date specified and subject to change.

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Performance

Portfolio returns are calculated utilizing the Daily Time-Weighted method, where portfolios are valued daily and returns are calculated between each valuation date. The periods are then linked to determine monthly, quarterly, and annual results. All rates of return are presented before the deduction of management fees and are based on trade date accounting methods. Periods longer than 1 year are annualized. **Past performance is no guarantee of future results.**

Sector Source

Factset. ClearBridge Investments cannot guarantee the accuracy or completeness of the data shown.