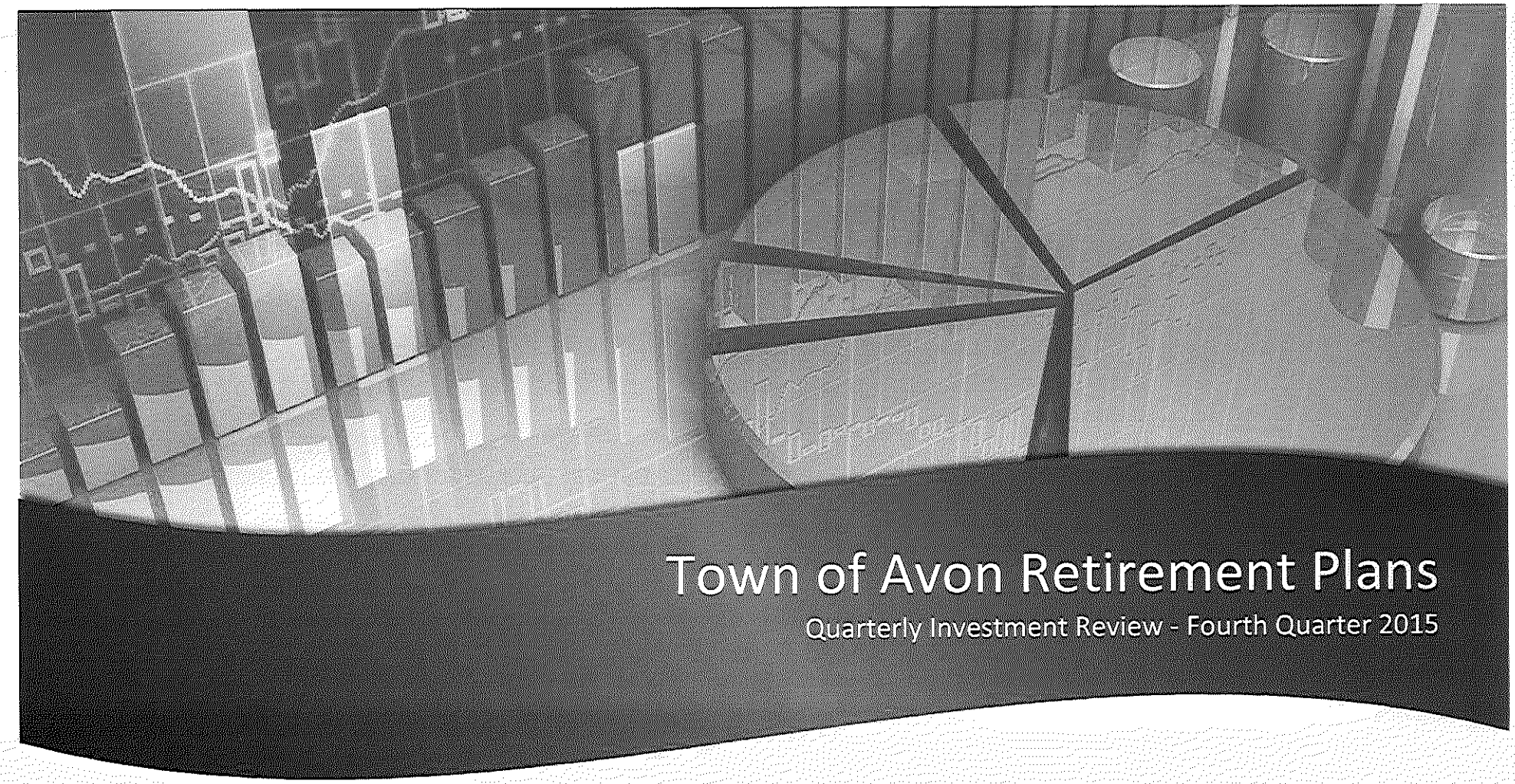
Defined Benefit Pension

&

Retiree Medical Reports



Town of Avon Retirement Plans

Quarterly Investment Review - Fourth Quarter 2015

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Please Save the Date

7th Annual Client Conference

Friday, June 17, 2016

Hyatt Regency Newport Hotel & Spa

1 Goat Island, Newport, RI

www.newport.hyatt.com

- For overnight accommodations, please call (401) 851-1234 and mention the FIA Client Conference for a discounted rate (available until **May 17, 2016**)
- Conference attendees and their guests will also receive 15% off services at Stillwater, the Hyatt Regency's onsite spa
- Transportation to downtown Newport provided via complimentary shuttle
- Pre-conference New England clambake on Thursday, June 16th

Formal invitation to follow

FIA 2015 Year-End Firm Update

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- Expanded to a 55-person staff, including 17 experienced Investment Consultants
- Advise over 300 institutions, with client assets exceeding $44 billion
- Named as one of the Best Places to Work in Connecticut by the *Hartford Business Journal* for the sixth year in a row, as well as one of the Best Places to Work by *Pensions & Investments*
- Received recognition by Pensions and Investments as one of the top 50 investment consulting firms, ranked by worldwide institutional assets (#47)
- Hosted our sixth annual client conference, second time in Newport, Rhode Island
- Recognized two new partners
- Our Community Service Committee continues their work to support local non-profits, including CT Forest, HARC, CCMC, Hands on Hartford and Watkinson School, among others
- Expanded office space in Windsor to accommodate growth
- FIA Service Areas
  - Defined Contribution Plans
  - Defined Benefit Plans
  - Endowments & Foundations
  - Captive Insurance Companies
  - Wealth Advisory Services
  - Discretionary Investment Services for Individuals and Institutions

Important Disclosure Information: Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by the account custodian. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

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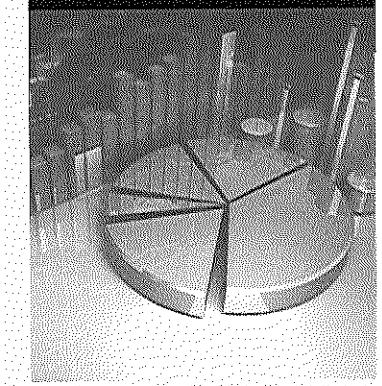

- Fiduciary Governance Calendar — Section 1
- Capital Markets Overview — Section 2
- Town Pension Plans — Section 3
- OPEB Trusts and Retiree Medical Plan — Section 4

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Defined Benefit

Fiduciary Governance Calendar

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1st Quarter: Fee Focus
- ❑ Investment review
- ❑ Administrative fee review
- ❑ Portfolio expense analysis

2nd Quarter: Practice & Policy Focus
- ❑ Investment review
- ❑ Investment policy statement review
- ❑ Legislative update

3rd Quarter: Asset/Liability Focus
- ❑ Investment review
- ❑ Annual actuarial review*
- ❑ Asset Allocation review

4th Quarter: Pension Landscape
- ❑ Investment review
- ❑ Pension landscape update
- ❑ Market environment overview

* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input.

Funding of State and Local Pensions

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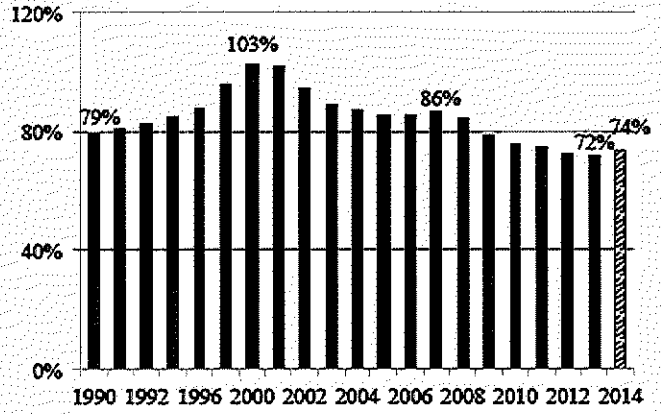
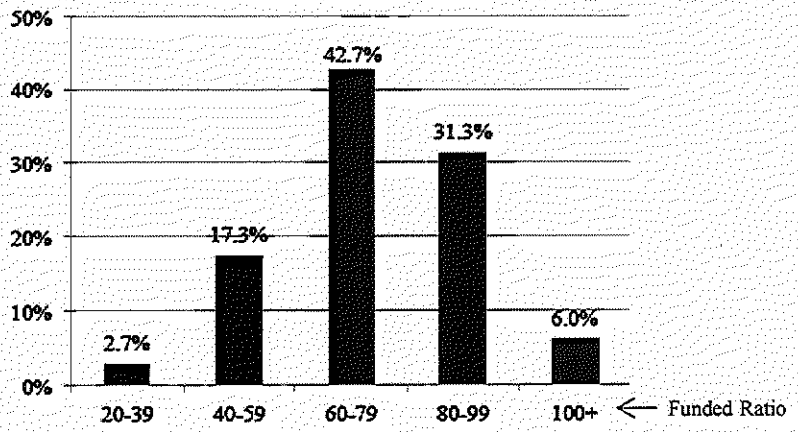
According to the Center for Retirement Research at Boston College, for fiscal year 2014 the estimated aggregate funded ratio of assets to liabilities for 150 state and local pension plans was 74%, up from 72% at fiscal year end 2013. The increase represents a reversal of declining funded levels since 2007.

Figure 1: State and Local Pension Funded Ratios Under GASB 25 Standards, FY 1990-2014



Note: 2014 involves projections for about one third of plans.
Sources: 2014 actuarial valuations; *Public Plans Database* (PPD) (2001-2014); and Zorn (1990-2000).

Figure 2: Distribution of Funded Ratios for Public Plans, FY 2014



Sources: 2014 actuarial valuations; and authors' calculations from the PPD (2014).

Factors driving the modest improvement include:

- Asset values increasing faster than liabilities due to strong capital market results *(through 6/30/2014)*
- Poor 2009 investment performance was rotated out of the smoothing calculations
- Distribution of funding for the sample 150 plans is highlighted in Figure 2
  - *The study notes that while many of the poorly funded plans are relatively small, several large state plans had funded levels below 50 percent.*

Source: Center for Retirement Research at Boston College: The Funding of State and Local Pension Plan s 2014-2018 Alicia H. Munnell and Jean-Pierre Aubry

Funding of State and Local Pensions

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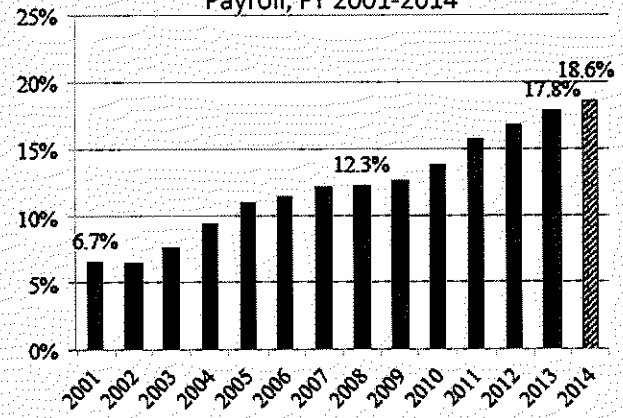
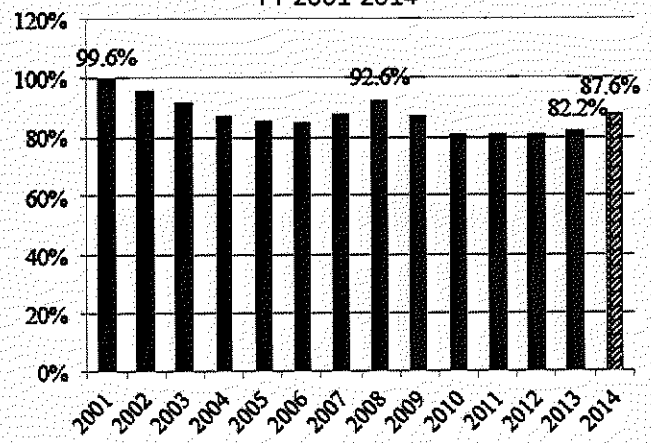
Required contributions, as a percentage of payroll, have steadily risen. The study notes that the financial crisis resulted in higher unfunded liabilities which produced a higher amortized component of the calculation.

Figure 3: Required Contribution as a Percentage of Payroll, FY 2001-2014



Notes: The measure for 2001-2013 is the ARC; the measure for 2014 is the ADEC. The 2014 value involves projections for about one third of plans.
Sources: 2014 actuarial valuations; and PPD (2001-2014).

Figure 4: Percentage of Required Contribution Paid, FY 2001-2014



Notes: The measure for 2001-2013 is the ARC; the measure for 2014 is the ADEC. The 2014 value is authors' estimate.
Sources: 2014 actuarial valuations; and PPD (2001-2014).

Factors driving the pattern in contributions:

- Deep recession resulted in a curtailment of state and local revenues. As a result, states and localities reduced their pension contributions.
- As the economy has improved and revenues have recovered, sponsors are paying an increasing share of the required contribution.

The study notes that the Annual Required Contribution (ARC) under GASB 25 and the Actuarial Determined Contribution under GASB 67 for the plans in the study were nearly identical. Both equal the normal cost (present value of the benefits accrued in a given year) plus a payment to amortize the unfunded liability, typically over 20-30 years.

Source: Center for Retirement Research at Boston College: The Funding of State and Local Pension Plan s 2014-2018 Alicia H. Munnell and Jean-Pierre Aubry

GASB 74 & 75* – OPEB Plans

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In June 2015, GASB issued two statements detailing how state and local governments should account for and report postemployment benefits. The new statements will replace existing GASB 43 & 45 reporting. The statements do not require governments to fund OPEB Plans.

What is OPEB? Other post employment benefits, other than pensions, that employers provide to their retired employees. These benefits primarily involve health care benefits, but also may include life insurance, disability, legal and other services when those benefits are provided separately from a pension plan.

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* addresses the financial reporting by plans that administer OPEB benefits
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* addresses accounting and financial reporting

Key Takeaways

- Similar to GASB 67 & 68 for pension plans, GASB 74 & 75 will change how governments calculate and report the annual costs and long-term obligations with OPEB
  - For those OPEB plans administered through a trust, the new statements require governments to report a "net liability" – the difference between total OPEB liability and fiduciary net position. OPEB plans not administered through a trust will report total OPEB liability.
- Will result in changes to how governments calculate their OPEB liability and report on the annual OPEB expense
- Statements are designed to provide a single, consistent approach to accounting for and reporting on OPEB
- Like GASB 67 & 68, these statements will require more extensive note disclosures and required supplemental information in financials
- Provisions in Statement 74 are effective for financial statements for fiscal years beginning after June 15, 2016. Provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

* For informational purposes only. Information provided by *GASB In Focus June 2015*. Please consult with your actuary as to how the Statements may impact your plan.

Market Review

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On the heels of an extended and very meticulous period of telegraphing the markets, **the Fed moved ahead with its first hike in the Fed Funds rate in nearly a decade.** Mindful of conditions around the world, Chairman Yellen noted that **the campaign is expected to be gradual.**

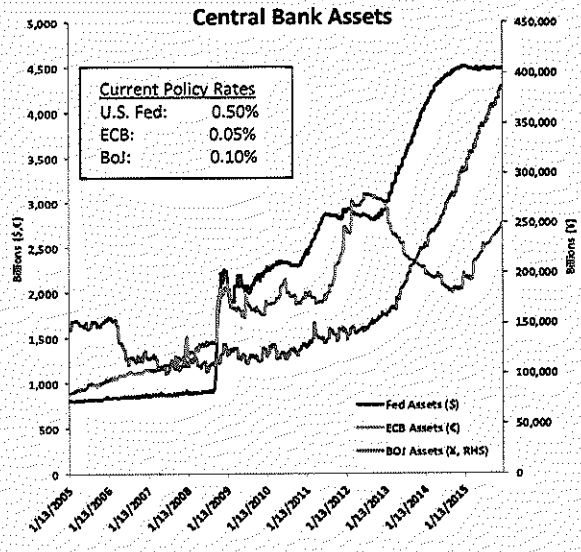
Economic growth persists in the U.S., albeit at a somewhat reduced pace. After a particularly strong second quarter (3.9% annualized growth rate), **the economy grew at a 2.0% annualized rate in the third quarter.** Demand for both durable and nondurable goods held steady but was somewhat offset by a softening rate of inventory reduction.

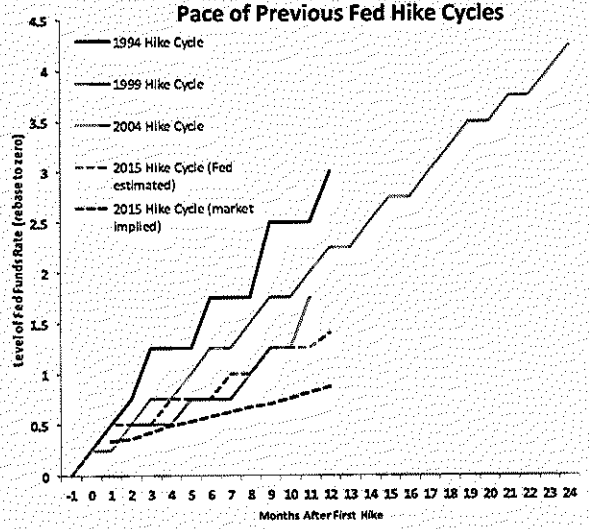
The international economic landscape remains fragile. Industrial production in Europe has gained positive traction but is fairly anemic, evidenced by a 0.3% third quarter gain in Euroland GDP. Japan grew at a 1.0% annualized rate in the quarter while China posted a sub-7.0% growth rate (6.9%) for the first time since the global financial crisis. **Highly accommodative foreign central bank policies continue to serve as a barricade to a global recession.**

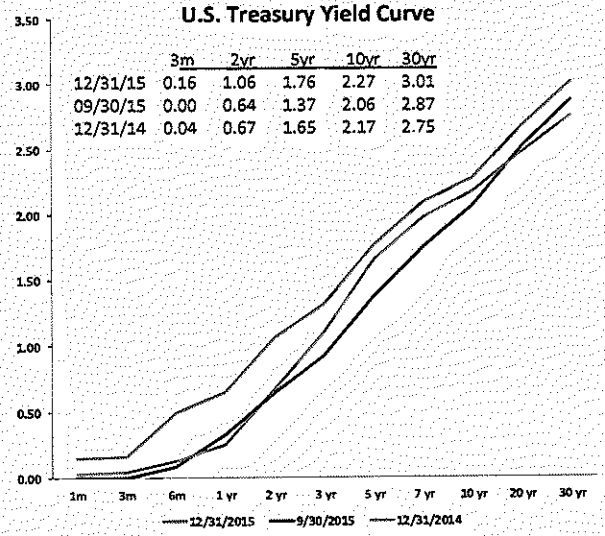
The commodity complex continues to be unsettled, highlighted by the decline in oil prices. **Well-entrenched investor concerns regarding global growth, China, and the strong U.S. dollar may keep commodity price volatility high** despite preliminary evidence that energy supply dynamics are beginning to shift.

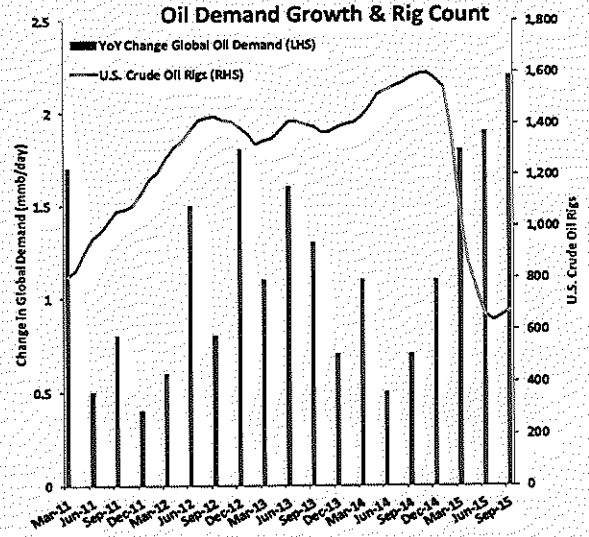
Global equity markets advanced in the quarter. Gains were confined to the beginning of the quarter, immediately on the heels of the August consolidation in returns. **U.S. equities again led their international counterparts. Japan delivered particularly strong returns,** but growth concerns and the strong dollar otherwise dampened foreign equity results.

By and large, **bond returns were negative in the quarter** as interest rates drifted higher in sympathy with the Fed's rate hike. There were **pockets of better results** to be sourced from **mortgage-backed securities, higher rated investment grade credit and foreign bonds,** but incremental performance was modest.









Sources: Thomson Reuters Datastream, Federal Reserve, ECB, BoJ, FOMC, Federal Reserve Bank of New York, Thomson Reuters Eikon, U.S. Treasury, EIA, IEA. Data as of December 31, 2015 unless otherwise noted. Bottom right chart through Q3 2015.

Index Results

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U.S. EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
S&P 500	7.0	1.4	1.4	15.1	12.6	7.3
Russell 1000	6.5	0.9	0.9	15.0	12.4	7.4
Russell 1000 Value	5.6	(3.8)	(3.8)	13.1	11.3	6.2
Russell 1000 Growth	7.3	5.7	5.7	16.8	13.5	8.5
Russell Mid Cap	3.6	(2.4)	(2.4)	14.2	11.4	8.0
Russell Mid Cap Value	3.1	(4.8)	(4.8)	13.4	11.3	7.6
Russell Mid Cap Growth	4.1	(0.2)	(0.2)	14.9	11.5	8.2
Russell 2000	3.6	(4.4)	(4.4)	11.7	9.2	6.8
Russell 2000 Value	2.9	(7.5)	(7.5)	9.1	7.7	5.6
Russell 2000 Growth	4.3	(1.4)	(1.4)	14.3	10.7	8.0
Russell 3000	6.3	0.5	0.5	14.7	12.2	7.4
FTSE NAREIT Equity REITs Index	7.3	3.2	3.2	11.2	12.0	7.4

INTERNATIONAL EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
MSCI ACWI ex-US	3.2	(5.7)	(5.7)	1.5	1.1	2.9
MSCI EAFE	4.7	(0.8)	(0.8)	5.0	3.6	3.0
MSCI EAFE Value	2.7	(5.7)	(5.7)	3.1	2.5	2.0
MSCI EAFE Growth	6.7	4.1	4.1	6.8	4.6	4.0
MSCI EAFE Small Cap	6.8	9.6	9.6	10.4	6.3	4.6
MSCI EM (Emerging Markets)	0.7	(14.9)	(14.9)	(6.8)	(4.8)	3.6

FIXED INCOME	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Barclays U.S. Aggregate Bond	(0.6)	0.5	0.5	1.4	3.2	4.5
Barclays U.S. Gov/Credit Bond	(0.7)	0.1	0.1	1.2	3.4	4.5
Barclays Gov/Credit Long Bond	(0.9)	(3.3)	(3.3)	1.7	7.0	6.4
Barclays U.S. Corp High Yield	(2.1)	(4.5)	(4.5)	1.7	5.0	7.0
Barclays Municipal Bond	1.5	3.3	3.3	3.2	5.3	4.7
Barclays U.S. TIPS	(0.6)	(1.4)	(1.4)	(2.3)	2.5	3.9
BofA Merrill 3-Month T-Bill	0.0	0.1	0.1	0.1	0.1	1.2

NON-TRADITIONAL	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Bloomberg Commodity Index	(10.5)	(24.7)	(24.7)	(17.3)	(13.5)	(6.4)
HFRI Fund of Funds Index	0.6	(0.4)	(0.4)	3.9	2.1	2.3
NCREIF Property Index *(quarter lag)*	3.1	10.1	13.5	11.9	12.5	8.0
CPI *(quarter lag)*	(0.3)	1.3	(0.0)	0.9	1.7	1.8

Sources: Morningstar Direct, Standard & Poor's, Russell, FTSE, MSCI, Barclays Capital, BofA Merrill Lynch, Bloomberg, HFRI, NCREIF. Data as of December 31, 2015 unless otherwise noted.

Equity & Fixed Income Review

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U.S. Equity Size and Style Returns

	QTR			1-Year		
	Value	Blend	Growth	Value	Blend	Growth
Large	5.6	6.5	7.3	-3.8	0.9	5.7
Mid	3.1	3.6	4.1	-4.8	-2.4	-0.2
Small	2.9	3.6	4.3	-7.5	-4.4	-1.4

U.S. equities rebounded, with all sectors in the S&P 500 Index producing positive returns during the fourth quarter and nudging the index into positive territory for the year. Growth stocks outpaced value stocks by the widest margin since 2009, as IT, consumer discretionary and health care beat more value oriented sectors. A supply glut and concerns about slowing global growth have continued to put pressure on commodity prices, and related sectors such as energy and materials posted losses for the year.

International Equity Size and Region Returns (USD)

	QTR			1-Year		
	Small	Mid	Large	Small	Mid	Large
Dev	6.8	5.7	4.5	9.6	4.4	-2.1
EM	3.3	0.0	0.8	-6.8	-13.2	-15.2

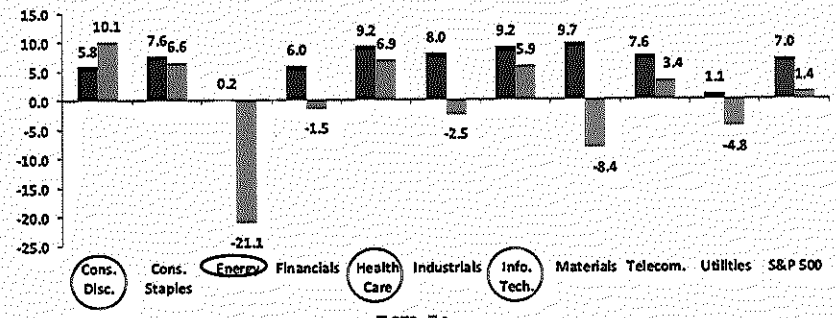
Abroad, developed markets moved higher due to strong returns from Europe and Japan. China performed well on the back of further government stimulus, but commodity exporting countries, such as Brazil and Russia, continued to struggle amid lower energy prices. The U.S. dollar further strengthened against most major currencies during the quarter.

Fixed Income Term and Quality Returns (USD)

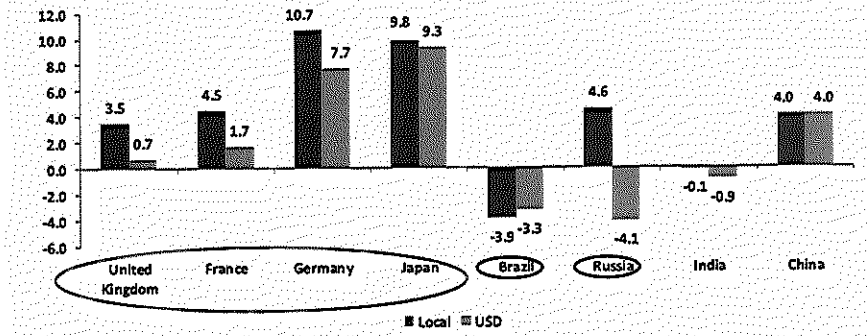
	QTR			1-Year		
	Short	Interm	Long	Short	Interm	Long
Gov't	-0.4	-0.8	-1.4	0.6	1.2	-1.2
Corp	-0.1	-0.4	-1.0	1.0	1.1	-4.6

The Federal Reserve announced their first rate hike since 2006 in December, pushing interest rates higher during the quarter. Shorter duration securities outperformed their longer duration counterparts. Investment grade corporate bonds outpaced Treasuries, but high yield issues came under pressure as high yield corporate spreads widened.

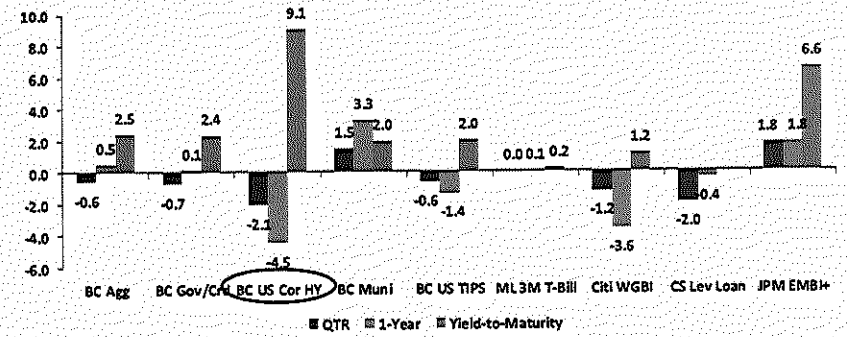
S&P 500 Sector Returns



MSCI Country Results 4Q 2015



Fixed Income Returns and Yields (%)



Sources: Morningstar Direct, Thomson Reuters Datastream, Standard & Poor's, Russell, MSCI, Barclays Capital, Citigroup, BofA Merrill Lynch, Credit Suisse, JPMorgan. Data as of December 31, 2015 unless otherwise noted. The performance grids above are based on select Russell, MSCI and Barclays Capital indexes.

Market Valuations

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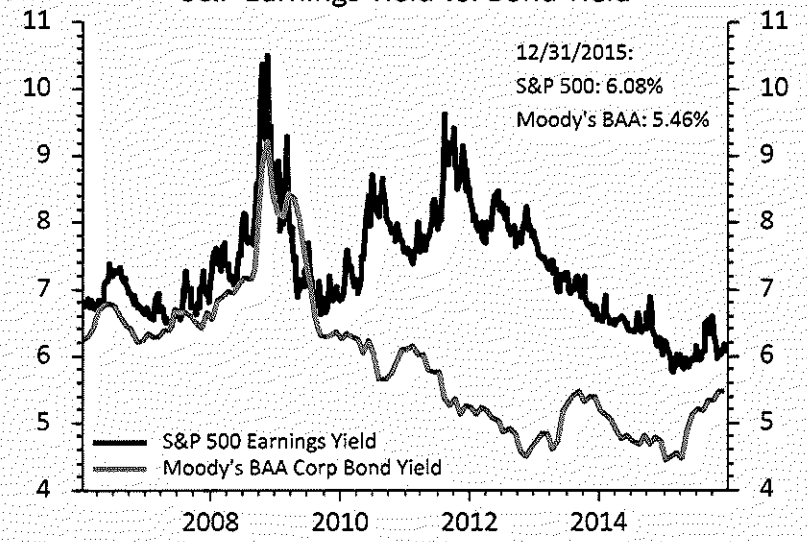
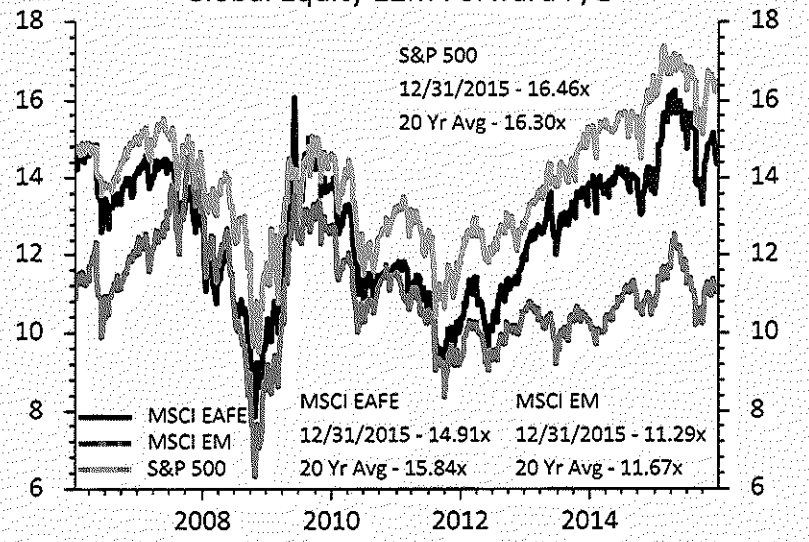
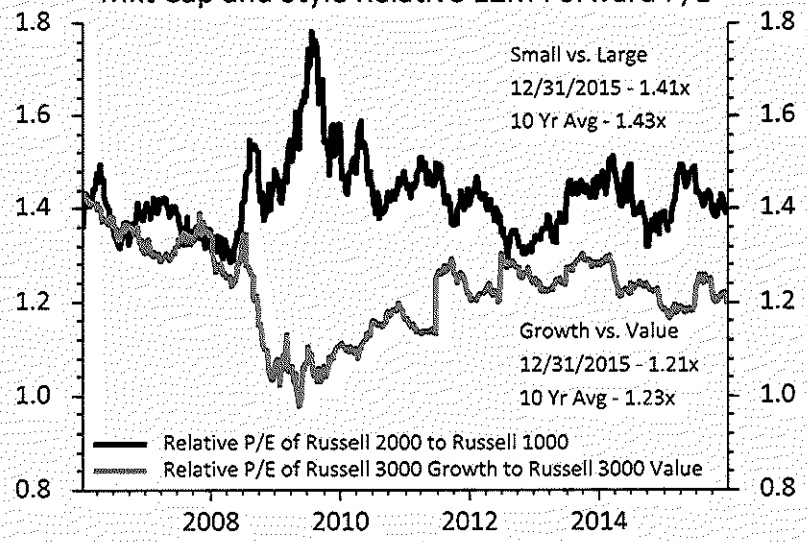
S&P Earnings Yield vs. Bond Yield



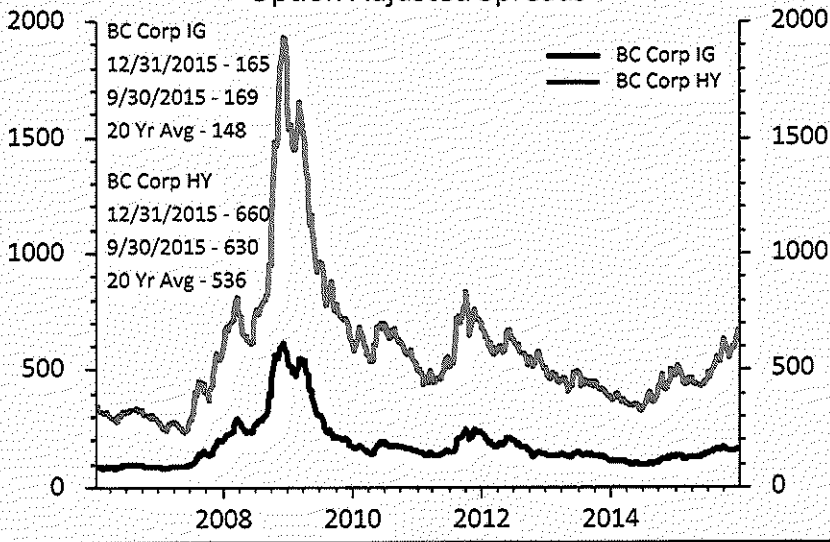
Global Equity 12M Forward P/E



Mkt Cap and Style Relative 12M Forward P/E



Option Adjusted Spreads



Sources: Thomson Reuters Datastream, Standard &Poor's, Moody's, Russell, MSCI, IBES, Barclays Capital. Data as of December 31, 2015 unless otherwise noted.

Market Viewpoints

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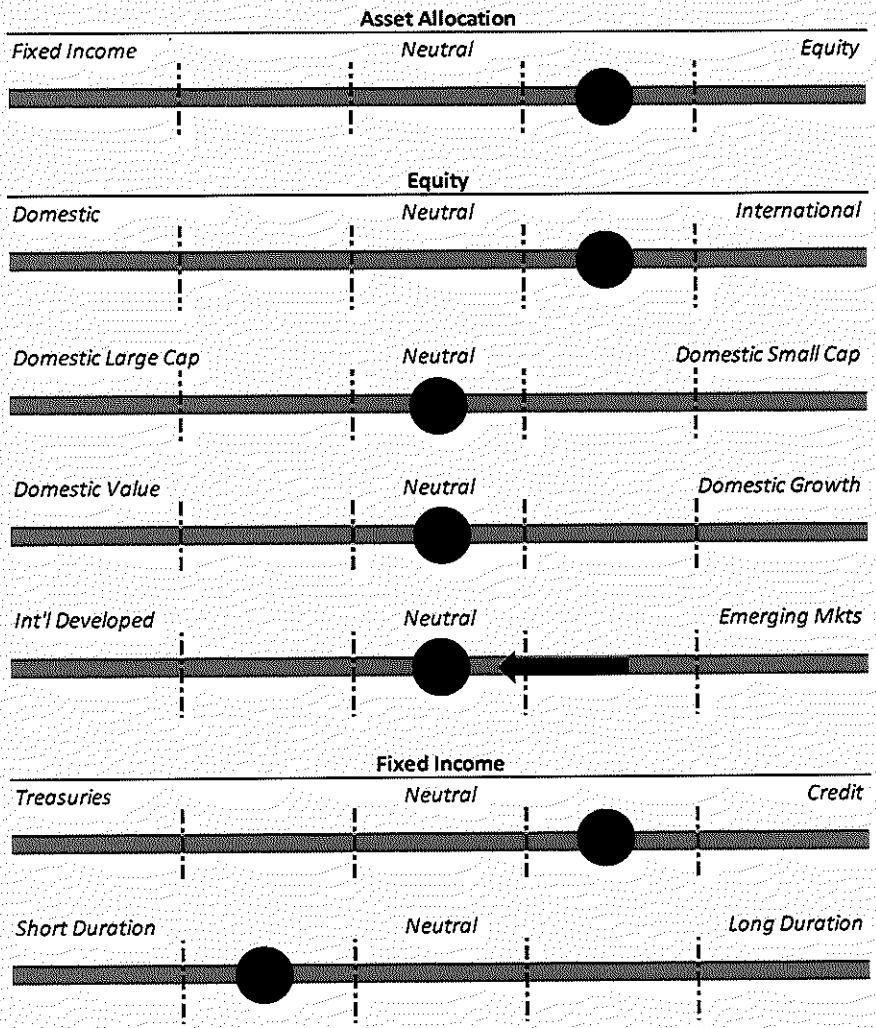

	Rationale
Asset Allocation	
Fixed Income / Neutral / Equity	Equities continue to command a premium earnings yield relative to corporate bonds, combined with equity valuations that linger near long-term averages.
Equity	
Domestic / Neutral / International	International equities possess favorable valuation metrics relative to domestic equities, and accommodative central bank policies around the world should help support economic growth. Additionally, improving economic conditions should have a more pronounced impact on corporate profitability overseas.
Domestic Large Cap / Neutral / Domestic Small Cap	The relative valuation between small and large capitalization stocks remains roughly in line with its long-term level.
Domestic Value / Neutral / Domestic Growth	The strong performance of growth stocks relative to value stocks has narrowed the modest valuation advantage for the growth style.
Int'l Developed / Neutral / Emerging Mkts	Attractive valuations and demographics across the emerging markets are countered by the onset of the Fed's rate hike campaign and the unsettled commodity complex.
Fixed Income	
Treasuries / Neutral / Credit	Widening credit spreads reinforce a cautious preference for spread product.
Short Duration / Neutral / Long Duration	The Federal Reserve has embarked on its rate tightening campaign, likely setting the stage for higher future interest rates. However, the magnitude and pace remain uncertain and are expected to be heavily dependent on economic data.

These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next 36 months. These opinions are subject to modification as conditions in the markets change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.

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Asset Allocation - Town of Avon Retirement Plans

As of December 31, 2015

Investment	Town Retirement Plan Market Value ($)	Board of Education Market Value ($)	Consolidated Plan Market Value ($)	Allocation (%)	Target (%)
Short Term Liquidity					
Dreyfus Treasury Prime Cash Mgmt	**628,001**	**77,198**	**705,199**	2.9%	0.0%
Fixed Income					
Vanguard Total Bond Market Index Adm	1,235,162	568,277	**1,803,439**	7.4%	7.5%
MetWest Total Return Bond Fund Plan	1,648,625	745,462	**2,394,087**	9.9%	10.0%
Western Asset Core Plus Bond Fund I	1,655,150	749,453	**2,404,604**	9.9%	10.0%
BlackRock Strategic Income Opps Fund I	1,637,034	736,503	**2,373,538**	9.8%	10.0%
Total Fixed Income	**6,175,972**	**2,799,696**	**8,975,667**	**36.9%**	**37.5%**
Domestic Equity					
Vanguard 500 Index Fund Adm	2,300,298	1,076,359	**3,376,657**	13.9%	14.2%
John Hancock III Disciplined Value Fund R6	1,204,417	549,686	**1,754,103**	7.2%	7.5%
Harbor Capital Appreciation Institutional	1,223,184	560,320	**1,783,505**	7.3%	7.5%
Neuberger Berman Genesis Investor	1,186,175	548,645	**1,734,820**	7.1%	7.5%
Total Domestic Equity	**5,914,074**	**2,735,010**	**8,649,084**	**35.6%**	**36.7%**
International Equity					
Vanguard International Value Investor	1,198,508	517,352	**1,715,860**	7.1%	7.5%
American Funds EuroPacific Growth Fund R6	1,205,545	540,146	**1,745,691**	7.2%	7.5%
Vanguard International Growth Admiral	1,215,671	543,541	**1,759,213**	7.2%	7.5%
Total International Equity	**3,619,725**	**1,601,039**	**5,220,764**	**21.5%**	**22.5%**
Inflation Protection					
Vanguard Short Term Inflation Protection Adm	282,878	127,405	**410,283**	1.7%	1.7%
Credit Suisse Commodity Return I	235,795	107,761	**343,556**	1.4%	1.7%
Total Inflation Protection	**518,673**	**235,167**	**753,840**	**3.1%**	**3.3%**
Totals	16,856,444	7,448,109	24,304,553	100.0%	100.0%

Balances provided by Webster Bank.

Total Plan Performance Summary

As of December 31, 2015

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Consolidated Plan				**04/01/1994**
Beginning Market Value	24,433,649	21,894,511	2,429,000	
Net Contributions	-803,504	2,572,612	4,143,823	
Total Gain/Loss	674,408	-162,570	17,731,730	
Ending Market Value	24,304,553	24,304,553	24,304,553	

Blended Benchmark Composition

Allocation Mandate	Weight (%)
Barclays Aggregate Index	37.5
Russell 3000 Index	36.7
MSCI AC World ex USA (Net)	22.5
Barclays U.S. Treasury: U.S. TIPS Index	1.7
Bloomberg Commodity Index Total Return	1.7

Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Consolidated Plan	**2.7**	**-0.1**	**-0.1**	**6.3**	**6.2**	**8.2**	**4.3**	**6.4**	**04/01/1994**
Blended Benchmark	2.7	-1.1	-1.1	5.9	5.9	8.5	5.3	7.4	
Difference	0.0	1.0	1.0	0.4	0.3	-0.3	-1.0	-1.0	

Calendar Year Performance Summary

	2014	2013	2012	2011	2010	2009	2008	2007
Consolidated Plan	**3.9**	**15.6**	**13.3**	**-0.7**	**11.0**	**16.1**	**-25.9**	**6.3**
Blended Benchmark	5.7	13.8	11.6	0.3	12.3	18.7	-20.3	6.4
Difference	-1.8	1.8	1.7	-1.0	-1.3	-2.6	-5.6	-0.1

Benchmark Composition - Blended Benchmark

As of December 31, 2015

Allocation Mandate	Weight (%)
Nov-2010	
Barclays Aggregate Index	37.5
Russell 3000 Index	36.7
MSCI AC World ex USA (Net)	22.5
Barclays U.S. Treasury: U.S. TIPS Index	1.7
Bloomberg Commodity Index Total Return	1.7
Aug-2009	
Barclays Aggregate Index	40.0
Russell 3000 Index	45.0
MSCI AC World ex USA (Net)	15.0
Jan-1979	
S&P 500 Index	45.0
Russell 2500 Index	5.0
Barclays Aggregate Index	45.0
MSCI EAFE (net) Index	5.0

Manager Performance Overview

As of December 31, 2015

	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income							
Vanguard Total Bond Adm (VBTLX)	**-0.6 (43)**	**0.4 (29)**	**0.4 (29)**	**1.3 (35)**	**3.1 (51)**	**4.5 (42)**	**12/01/2001**
Barclays Aggregate Index	-0.6	0.5	0.5	1.4	3.2	4.6	
IM U.S. Broad Market Core Fixed Income (MF) Median	-0.6	0.0	0.0	1.1	3.1	4.4	
Metropolitan West Total Return Pl (MWTSX)	**-0.4 (46)**	**0.2 (24)**	**0.2 (24)**	**2.2 (9)**	**N/A**	**4.3 (3)**	**08/01/2011**
Barclays Aggregate Index	-0.6	0.5	0.5	1.4	N/A	2.7	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.5	-0.5	-0.5	1.3	3.6	3.0	
WA Core Plus Bond IS (WAPSX)	**0.2 (6)**	**1.3 (1)**	**1.3 (1)**	**2.6 (3)**	**4.6 (9)**	**7.1 (1)**	**09/01/2008**
Barclays Aggregate Index	-0.6	0.5	0.5	1.4	3.2	4.3	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.5	-0.5	-0.5	1.3	3.6	5.2	
BlackRock Strategic Income Opportunities Instl (BSIIX)	**-0.1 (42)**	**-0.3 (24)**	**-0.3 (24)**	**N/A**	**N/A**	**2.4 (10)**	**10/01/2013**
Libor (3 month)	0.1	0.3	0.3	N/A	N/A	0.3	
Barclays Aggregate Index	-0.6	0.5	0.5	N/A	N/A	2.8	
IM Alternative Credit Focus (MF) Median	-0.3	-1.5	-1.5	0.1	2.2	0.5	
Domestic Equity							
Vanguard 500 Index Adm (VFIAX)	**7.0 (23)**	**1.4 (27)**	**1.4 (27)**	**15.1 (17)**	**12.5 (16)**	**5.0 (37)**	**12/01/2000**
S&P 500 Index	7.0	1.4	1.4	15.1	12.6	5.0	
IM U.S. Large Cap Core Equity (MF) Median	6.2	-0.5	-0.5	13.6	11.0	4.6	
J Hancock III Disciplined Value R6 (JDVWX)	**4.6 (68)**	**-4.8 (67)**	**-4.8 (67)**	**12.8 (31)**	**N/A**	**13.8 (24)**	**08/01/2012**
Russell 1000 Value Index	5.6	-3.8	-3.8	13.1	N/A	13.6	
IM U.S. Large Cap Value Equity (MF) Median	5.1	-3.8	-3.8	12.2	9.9	12.8	
Harbor Capital Appreciation Instl (HACAX)	**8.1 (40)**	**11.0 (6)**	**11.0 (6)**	**18.9 (11)**	**14.3 (13)**	**15.4 (24)**	**08/01/2009**
Russell 1000 Growth Index	7.3	5.7	5.7	16.8	13.5	15.6	
IM U.S. Large Cap Growth Equity (MF) Median	7.7	5.5	5.5	16.2	12.3	14.2	
Neuberger Genesis Instl (NBGIX)	**2.9 (61)**	**0.4 (4)**	**0.4 (4)**	**11.3 (56)**	**9.7 (36)**	**13.1 (53)**	**08/01/2009**
Russell 2000 Index	3.6	-4.4	-4.4	11.7	9.2	13.3	
IM U.S. Small Cap Core Equity (MF) Median	3.3	-4.8	-4.8	11.6	9.1	13.2	

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

Manager Performance Overview

As of December 31, 2015

	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
International Equity							
American Funds Europacific Growth R6 (RERGX)	**3.0 (42)**	**-0.5 (15)**	**-0.5 (15)**	**5.4 (10)**	**4.0 (10)**	**4.3 (13)**	**11/01/2010**
MSCI AC World ex USA (Net)	3.2	-5.7	-5.7	1.5	1.1	1.7	
IM International Large Cap Core Equity (MF) Median	2.9	-2.4	-2.4	2.8	2.4	2.8	
Vanguard International Value Inv (VTRIX)	**2.5 (61)**	**-6.4 (99)**	**-6.4 (99)**	**2.2 (65)**	**1.8 (53)**	**4.3 (62)**	**08/01/2009**
MSCI AC World ex USA Value (net)	1.4	-10.1	-10.1	-0.6	-0.1	3.1	
IM International Large Cap Value Equity (MF) Median	2.6	-2.6	-2.6	3.0	2.1	4.7	
Vanguard International Growth Adm (VWILX)	**7.1 (1)**	**-0.5 (49)**	**-0.5 (49)**	**5.0 (26)**	**3.7 (38)**	**7.2 (24)**	**08/01/2009**
MSCI AC World ex USA Growth (Net)	5.0	-1.3	-1.3	3.5	2.1	5.9	
IM International Large Cap Growth Equity (MF) Median	4.4	-0.6	-0.6	4.2	3.3	6.2	
Inflation Protection							
Vanguard Short Term Inflation Proection Adm (VTAPX)	**-0.4 (26)**	**-0.2 (8)**	**-0.2 (8)**	**-1.0 (6)**	**N/A**	**-0.8 (6)**	**11/01/2012**
Barclays U.S. TIPS 0-5 Year	-0.3	0.0	0.0	-0.9	N/A	-0.8	
IM U.S. TIPS (MF) Median	-0.7	-2.1	-2.1	-2.8	1.7	-2.7	
Credit Suisse Commodity Return Instl (CRSOX)	**-10.3 (62)**	**-25.0 (54)**	**-25.0 (54)**	**-17.5 (47)**	**-13.5 (65)**	**-4.3 (42)**	**01/01/2005**
Bloomberg Commodity Index Total Return	-10.5	-24.7	-24.7	-17.3	-13.5	-4.2	
IM Commodities General (MF) Median	-10.0	-24.8	-24.8	-17.7	-13.0	-4.5	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report. Mutual fund performance may differ slightly from the current share class's historical performance due to share class exchanges.

Returns for periods less than one year are not annualized.
^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

Manager Commentary

As of December 31, 2015

Manager	Manager Status	Comments
Fixed Income		
Vanguard Total Bond Adm (VBTLX)	Maintain	4Q 2015 - In accordance with its objective, the Vanguard Total Bond Market Index sufficiently tracked its benchmark during the fourth quarter.
Metropolitan West Total Return Pl (MWTSX)	Maintain	4Q 2015 – The MetWest Total Return fund declined during the fourth quarter, but outpaced the Barclays Aggregate Bond Index. The fourth quarter saw increased market volatility as the Federal Reserve lifted the Fed Funds Rate off its historical low and commodity prices continued to fall. Interest rates rose during the period and the yield curve flattened. A lower than benchmark duration had a positive impact on relative results, as did an underweight to U.S. Treasuries. Although this was somewhat offset by an underweight to investment grade corporate bonds. A preference for higher quality issues also proved to be beneficial during the period. The team believes the recent bout of market volatility may persist and have maintained a defensive posture within the portfolio. The strategy remains underweight duration and underweight corporate credit for the time being; although widening credit spreads are making the space more attractive. The Fund remains overweight to securitized product (MBS, ABS) with a preference toward senior tranches.
WA Core Plus Bond IS (WAPSX)	Maintain	4Q 2015 – The Western Asset Core Plus strategy produced a positive absolute return during the fourth quarter, outpacing the Barclays Aggregate Bond Index. A modest overweight to investment grade corporate bonds proved to be beneficial as investment grade spreads tightened slightly during the quarter. Agency MBS modestly underperformed during the quarter and an underweight allocation buoyed results. Small short positions in the euro and yen were also a positive as both currencies lost ground to the U.S. dollar. On the other hand, a longer than benchmark duration was a headwind as interest rates rose during the period as the Fed lifted off from their historical policy rate low. Also having a negative impact on performance during the quarter was the portfolio's overweight to high yield as spreads widened within the sector. The team continues to favor spread product over Treasuries as they believe economic growth will remain positive in the U.S. They maintained their overweight to investment grade credit with a preference for financials. The team continues to allocate to high yield as well. Valuations look attractive as the market implied default rates are much higher than what fundamentals suggest.
BlackRock Strategic Income Opportunities Instl (BSIIX)	Maintain	4Q 2015 – The BlackRock Strategic Income Opportunities portfolio produced a slight negative return but outpaced broad fixed income markets during the fourth quarter. While duration positioning weighed on results from an absolute perspective, a short duration stance allowed the Fund to protect capital better than traditional core mandates as interest rates rose during the quarter. The portfolio manager has continued to manage duration on a tactical basis adding to front and back end curve positions after the Fed rate hike. Credit performance in the portfolio was mixed with contributions from investment grade holdings being offset by poor performance in high yield. Macro strategies, along with U.S. and European absolute return strategies, also detracted from results. Duration ended the quarter at 1.3 years with approximately 0.9 years coming from exposure to the United States. Overall volatility levels for the portfolio remain at the low end of the portfolio's historical range given the team's expectations for potential tail risks in the market. The portfolio remains focused on yield and income positions given an expectation of greater volatility and lower liquidity.
Domestic Equity		
Vanguard 500 Index Adm (VFIAX)	Maintain	4Q 2015 - In accordance with its investment objective, the Vanguard 500 Index fund performed in line with the S&P 500 Index.

Manager Commentary

As of December 31, 2015

Manager	Manager Status	Comments
J Hancock III Disciplined Value R6 (JDVWX)	Maintain	4Q 2015 – The John Hancock Disciplined Value strategy (sub-advised by Boston Partners) trailed the Russell 1000 Value Index in the fourth quarter. Security selection was mixed during the quarter and had a modest overall negative impact on performance, while the portfolio's sector positioning was a modest contributor. From a stock selection standpoint, holdings in the industrials, technology and consumer discretionary sectors detracted from returns while selection in consumer staples and healthcare contributed modestly to performance. The largest individual detractor for the period was Western Digital (-33%) in the technology sector. Also, not owning GE in the industrials sector hurt as the stock was up 13% for the quarter and was one of the largest contributors to return in the benchmark. During the quarter on a sector basis, the positive return was largely due to an underweight to utilities as the sector underperformed the overall market.
Harbor Capital Appreciation Instl (HACAX)	Maintain	4Q 2015 – The Harbor Capital Appreciation Fund (Sub-advised by Jennison Associates) was positive in the fourth quarter and outperformed the Russell 1000 Growth Index. Stock selection was the primary driver of the strong relative results with picks in health care, consumer staples and technology particularly robust. Notable top contributors included Amazon, Google and Facebook. Amazon benefited from strong earnings results and continued growth within its cloud-computing division. Google's revenue and earnings also exceeded expectations as did Facebook's due to accelerating user growth and engagement metrics. Conversely, the largest detractors for the period were Under Armour, Chipotle and Apple. Chipotle shares slid sharply after food-borne illnesses were linked back to the restaurant chain. Apple suffered from slowing iPhone sales and lower revenue generated from China.
Neuberger Genesis Instl (NBGIX)	Maintain	4Q 2015 - The Neuberger Berman Genesis Fund generated a positive return but underperformed its benchmark, the Russell 2000, in the fourth quarter. Overall, sector allocation was marginally positive but stock selection detracted from the Fund's relative performance. The Fund's quality bias was a headwind as companies with lower levels of profitability and no earnings outperformed. Industrials, technology and health care were the weakest areas with Westinghouse Air Brake Technologies, Zebra Technologies and NetScout Systems among the top detractors in the quarter. Despite poor selection in technology, an overweight to the sector, specifically software, was beneficial. Conversely, having no exposure to biotechs detracted as the stocks rebounded from their weak third quarter performance.
International Equity		
American Funds Europacific Growth R6 (RERGX)	Maintain	4Q 2015 - The American Funds EuroPacific Growth Fund rose during the fourth quarter but underperformed its benchmark, the MSCI ACWI ex-US Index. Equity markets rebounded in the period supported by additional stimulus measures in Japan and Europe and clarity on the direction of U.S. monetary policy. The portfolio benefited from an overweight allocation to IT as well as strong stock selection in the sector particularly within emerging markets. Four of the Fund's best performing names included Baidu, Ctrip.com, Alibaba, and NAVER. In addition, stock selection within healthcare and even within the weak materials sector added value. From a regional perspective, an underweight exposure to the weak Canadian market boosted relative returns. Conversely, stock selection within the consumer discretionary and financials sectors hampered returns as the portfolio's holdings in Altice, Barclays, and Commonwealth Bank of Australia were among the top detractors. Amid the rising equity markets, the Fund's significant cash position of 9.9% was also a drag on results.

Manager Commentary

As of December 31, 2015

Manager	Manager Status	Comments
Vanguard International Value Inv (VTRIX)	Maintain	4Q 2015 – The Vanguard International Value Fund rose during the fourth quarter and outperformed its benchmark. Equity markets rebounded in the period supported by additional stimulus measures in Japan, China, and Europe as well as clarity on the direction of U.S. monetary policy, but value stocks remained out of favor with investors so the Fund lagged the broader market. Poor stock selection in the financials and materials sectors negatively impacted results as the portfolio was hampered by its positions in BHP Billiton and Royal Bank of Scotland. Holdings in British grocer, Tesco, and Korean grocer, E-Mart, were also among the portfolio's largest detractors. On the positive side, the Fund benefited from overall stock selection in the telecom, consumer discretionary, and utilities sectors. At the position level, the top contributors included Japan Tobacco, Baidu, and KDDI Corp as well as the lack of exposure to Valeant Pharmaceuticals, whose shares dropped sharply in the period on concerns over the company's accounting, distribution, and pricing methods. The Fund is sub-advised by Lazard Asset Management, Edinburgh Partners, and ARGA Investment Management.
Vanguard International Growth Adm (VWILX)	Maintain	4Q 2015 – The Vanguard International Growth Fund rose during the fourth quarter and outpaced its benchmark by wide margin. Equity markets rebounded in the period supported by additional stimulus measures in Japan, China, and Europe as well as clarity on the direction of U.S. monetary policy. While the portfolio did benefit from an overweight allocation to technology names, the Fund's significant outperformance was primarily driven by strong stock selection, particularly in the IT, consumer discretionary, healthcare, and materials sectors. The top contributors to performance included holdings in Baidu, Alibaba, Amazon.com, and Tencent. Conversely, the only source of negative attribution was overall weak stock selection in the consumer staples sector. Meanwhile, the largest detractors during the quarter were positions in Rolls Royce, Banco Popular Espanol, and BHP Billiton. The Fund is sub-advised by Baillie Gifford Overseas, M&G Investment Management, and Schroder Investment Management.
Inflation Protection		
Vanguard Short Term Inflation Proection Adm (VTAPX)	Maintain	4Q 2015 - In accordance with its objective, the Vanguard Short Term Inflation Protected Securities Index Fund performed in line with its index during the quarter.
Credit Suisse Commodity Return Instl (CRSOX)	Maintain	4Q 2015 – The Credit Suisse Commodity Return Fund declined sharply on an absolute basis but performed in line with the Bloomberg Commodity Index, as expected. Commodities experienced a difficult quarter, the result of continued global macro headwinds, ongoing supply imbalance, and negative investor sentiment. Seventeen of the twenty-two the underlying benchmark constituents traded lower in the quarter. The fund's modest relative outperformance was driven by active curve positioning, specifically longer dated positions in energy, industrial metals, and livestock which performed better than the front month contracts. Generally speaking, the fund's commodity exposures remains positioned further out the curve relative to the index across the majority of sectors. The team continues to utilize an active roll strategy, which was also a modest tailwind for the quarter.

Plan Investment Gain/Loss Summary

Quarter Ending December 31, 2015

	Market Value As of 10/01/2015	Net Flows	Return On Investment	Market Value As of 12/31/2015
Consolidated Plan				
Town Retirement Plan	17,209,703	-829,715	476,456	16,856,444
Board of Education Retirement Plan	7,223,946	26,210	197,953	7,448,109
Avon Consolidated Plan	24,433,649	-803,504	674,408	24,304,553

Manager Gain/Loss Summary

BOE Plan

Quarter Ending December 31, 2015

	Market Value As of 10/01/2015	Net Flows	Return On Investment	Market Value As of 12/31/2015
Short Term Liquidity				
Cash Portfolio	50,988	26,210	-	77,198
Total Short Term Liquidity	**50,988**	**26,210**	**-**	**77,198**
Fixed Income				
Vanguard Total Bond Market Index Adm	571,735	-	-3,458	568,277
Metropolitan West Total Return Bond Instl	748,741	-	-3,279	745,462
Western Asset Core Plus	747,605	-	1,848	749,453
BlackRock Strategic Income Opportunities Fund Instl	737,237	-	-734	736,503
Total Fixed Income	**2,805,318**	**-**	**-5,622**	**2,799,696**
Domestic Equity				
Vanguard 500 Index Adm	1,005,603	-	70,755	1,076,359
John Hancock III Disciplined Value R6	525,460	-	24,226	549,686
Harbor Capital Appreciation Instl	518,388	-	41,933	560,320
Neuberger Berman Genesis Fund Instl	533,201	-	15,443	548,645
Total Domestic Equity	**2,582,653**	**-**	**152,357**	**2,735,010**
International Equity				
Europacific Growth R6	524,552	-	15,593	540,146
Vanguard International Value Inv	504,768	-	12,584	517,352
Vanguard International Growth Adm	507,549	-	35,992	543,541
Total International Equity	**1,536,870**	**-**	**64,170**	**1,601,039**
Inflation Protection				
Vanguard Short Term Inflation Protection Adm	127,933	-	-527	127,405
Credit Suisse Commodity Return Instl	120,185	-	-12,425	107,761
Total Inflation Protection	**248,118**	**-**	**-12,952**	**235,166**
Board of Education Retirement Plan	**7,223,946**	**26,210**	**197,953**	**7,448,109**

Manager Gain/Loss Summary

Town Plan

Quarter Ending December 31, 2015

	Market Value As of 10/01/2015	Net Flows	Return On Investment	Market Value As of 12/31/2015
Short Term Liquidity				
Cash Portfolio	657,715	-29,715	-	628,001
Total Short Term Liquidity	**657,715**	**-29,715**	**-**	**628,001**
Fixed Income				
Vanguard Total Bond Market Index Adm	1,267,723	-25,000	-7,561	1,235,162
Metropolitan West Total Return Bond Instl	1,680,912	-25,000	-7,287	1,648,625
Western Asset Core Plus	1,677,372	-25,000	2,779	1,655,150
BlackRock Strategic Income Opportunities Fund	1,663,608	-25,000	-1,574	1,637,034
Total Fixed Income	**6,289,614**	**-100,000**	**-13,643**	**6,175,972**
Domestic Equity				
Vanguard 500 Index Adm	2,334,389	-200,000	165,909	2,300,298
John Hancock III Disciplined Value R6	1,222,152	-75,000	57,265	1,204,417
Harbor Capital Appreciation Instl	1,222,292	-100,000	100,892	1,223,184
Neuberger Berman Genesis Fund Instl	1,223,801	-75,000	37,374	1,186,175
Total Domestic Equity	**6,002,634**	**-450,000**	**361,440**	**5,914,075**
International Equity				
Europacific Growth R6	1,267,183	-100,000	38,363	1,205,545
Vanguard International Value Inv	1,217,913	-50,000	30,594	1,198,508
Vanguard International Growth Adm	1,227,613	-100,000	88,058	1,215,671
Total International Equity	**3,712,709**	**-250,000**	**157,015**	**3,619,725**
Inflation Protection				
Vanguard Short Term Inflation Protection Adm	284,048	-	-1,170	282,878
Credit Suisse Commodity Return Instl	262,982	-	-27,187	235,795
Total Inflation Protection	**547,030**	**-**	**-28,357**	**518,673**
Town Retirement Plan	**17,209,703**	**-829,715**	**476,456**	**16,856,444**

Market Value and Flow Summary

Consolidated Plan

Since Inception Ending December 31, 2015

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
Mar-1994	-	-	-	2,429,000	N/A
Jun-1994	2,429,000	-	-6,000	2,423,000	-0.2
Sep-1994	2,423,000	1,208,000	66,000	3,697,000	2.7
Dec-1994	3,697,000	99,000	-16,000	3,780,000	-0.4
Mar-1995	3,780,000	227,000	173,000	4,180,000	4.6
Jun-1995	4,180,000	87,000	313,000	4,580,000	7.5
Sep-1995	4,580,000	163,000	240,000	4,983,000	5.3
Dec-1995	4,983,000	178,000	161,000	5,322,000	3.2
Mar-1996	5,322,000	152,000	178,000	5,652,000	3.3
Jun-1996	5,652,000	113,000	138,000	5,903,000	2.4
Sep-1996	5,903,000	113,000	171,000	6,187,000	3.0
Dec-1996	6,187,000	120,000	285,000	6,592,000	4.6
Mar-1997	6,592,000	92,000	18,000	6,702,000	0.2
Jun-1997	6,702,000	110,000	588,000	7,400,000	8.9
Sep-1997	7,400,000	134,000	526,000	8,060,000	7.1
Dec-1997	8,060,000	65,000	-6,000	8,119,000	-0.1
Mar-1998	8,119,000	2,431,000	662,000	11,212,000	8.2
Jun-1998	11,212,000	99,000	250,000	11,561,000	2.2
Sep-1998	11,561,000	-73,000	-618,000	10,870,000	-5.3
Dec-1998	10,870,000	622,000	1,133,743	12,625,743	10.4
Mar-1999	12,625,743	712,901	119,832	13,458,476	0.9
Jun-1999	13,458,476	34,859	388,665	13,882,000	2.9
Sep-1999	13,882,000	113,640	-176,568	13,819,072	-1.2
Dec-1999	13,819,072	397,998	1,333,729	15,550,799	9.7
Mar-2000	15,550,799	37,881	455,499	16,044,179	2.9
Jun-2000	16,044,179	74,812	-217,935	15,901,056	-1.4
Sep-2000	15,901,056	197,941	57,131	16,156,128	0.3
Dec-2000	16,156,128	255,551	-438,851	15,972,828	-2.8
Mar-2001	15,972,828	-39,768	-852,038	15,081,023	-5.4
Jun-2001	15,081,023	29,210	496,976	15,607,209	3.3

Market Value and Flow Summary

Consolidated Plan

Since Inception Ending December 31, 2015

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
Sep-2001	15,607,209	174,056	-1,030,140	14,751,125	-6.7
Dec-2001	14,751,125	395,427	891,006	16,037,557	6.1
Mar-2002	16,037,557	-165,427	75,392	15,947,522	0.5
Jun-2002	15,947,522	-157,171	-810,588	14,979,762	-5.0
Sep-2002	14,979,762	147,164	-1,285,537	13,841,390	-8.6
Dec-2002	13,841,390	593,181	646,970	15,081,541	4.7
Mar-2003	15,081,541	-233,965	-222,387	14,625,190	-1.5
Jun-2003	14,625,190	-228,656	1,483,106	15,879,640	10.2
Sep-2003	15,879,640	241,919	235,463	16,357,022	1.5
Dec-2003	16,357,022	719,370	1,171,468	18,247,860	7.2
Mar-2004	18,247,860	-271,032	483,371	18,460,199	2.7
Jun-2004	18,460,199	-340,442	-123,936	17,995,822	-0.7
Sep-2004	17,995,822	116,220	72,879	18,184,921	0.4
Dec-2004	18,184,921	495,791	1,155,570	19,836,282	6.3
Mar-2005	19,836,282	-293,793	-143,649	19,398,840	-0.7
Jun-2005	19,398,840	-339,072	370,334	19,430,102	1.9
Sep-2005	19,430,102	-445,000	507,898	19,493,000	2.6
Dec-2005	19,493,000	642,000	259,000	20,394,000	1.3
Mar-2006	20,394,000	-407,000	584,000	20,571,000	2.9
Jun-2006	20,571,000	-233,541	-227,083	20,110,376	-1.2
Sep-2006	20,110,376	742,218	878,482	21,731,077	4.4
Dec-2006	21,731,077	-402,128	987,853	22,316,802	4.6
Mar-2007	22,316,802	-1,176,608	279,158	21,419,353	1.3
Jun-2007	21,419,353	73,954	738,720	22,232,027	3.4
Sep-2007	22,232,027	638,574	351,927	23,222,528	1.6
Dec-2007	23,222,528	-125,428	-32,739	23,064,361	-0.2
Mar-2008	23,064,361	-257,119	-1,383,712	21,423,530	-6.1
Jun-2008	21,423,530	-476,610	-18,362	20,928,559	-0.1
Sep-2008	20,928,559	1,036,990	-1,898,151	20,067,398	-9.0
Dec-2008	20,067,398	-362,954	-2,626,551	17,077,893	-13.2

Market Value and Flow Summary

Consolidated Plan

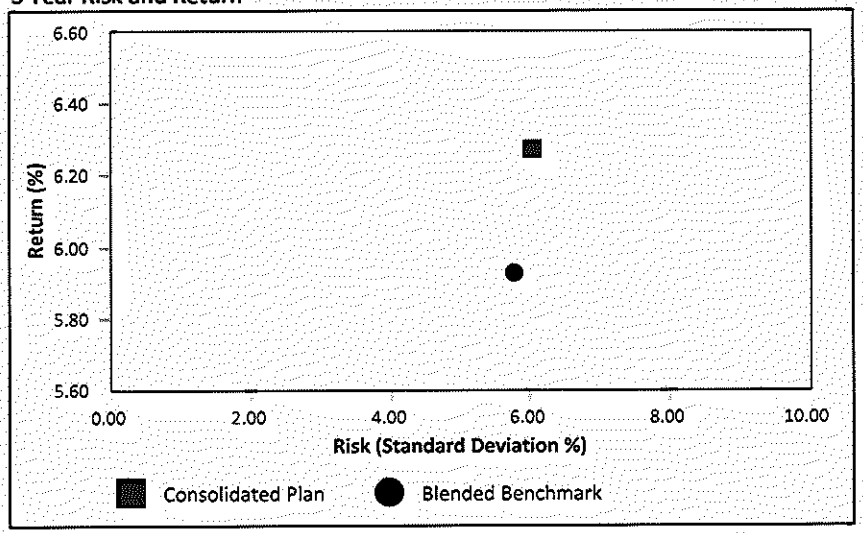
Since Inception Ending December 31, 2015

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
Mar-2009	17,077,893	-872,469	-1,370,454	14,834,970	-8.2
Jun-2009	14,834,970	-598,040	1,523,293	15,760,223	10.4
Sep-2009	15,760,223	458,175	1,913,823	18,132,220	10.5
Dec-2009	18,132,220	-440,785	658,651	18,350,086	3.7
Mar-2010	18,350,086	-676,940	620,622	18,293,768	3.5
Jun-2010	18,293,768	-767,993	-1,058,260	16,467,515	-5.9
Sep-2010	16,467,515	1,089,351	1,430,097	18,986,962	8.3
Dec-2010	18,986,962	-554,251	979,176	19,411,888	5.2
Mar-2011	19,411,888	-676,081	628,463	19,364,269	3.3
Jun-2011	19,364,269	-790,503	218,112	18,791,878	1.1
Sep-2011	18,791,878	1,310,428	-2,028,551	18,073,755	-10.0
Dec-2011	18,073,755	-398,931	1,021,540	18,696,364	5.7
Mar-2012	18,696,364	-261,857	1,482,066	19,916,573	7.9
Jun-2012	19,916,573	-717,978	-385,781	18,812,815	-1.9
Sep-2012	18,812,815	-746,057	935,923	19,002,681	5.1
Dec-2012	19,002,681	1,397,368	394,204	20,794,253	1.9
Mar-2013	20,794,253	-875,005	897,613	20,816,861	4.4
Jun-2013	20,816,861	-764,501	-137,109	19,915,251	-0.7
Sep-2013	19,915,251	2,056,030	1,217,407	23,188,688	5.7
Dec-2013	23,188,688	-800,234	1,271,710	23,660,164	5.5
Mar-2014	23,660,164	-838,675	244,423	23,065,912	1.1
Jun-2014	23,065,912	-824,049	687,131	22,928,994	3.0
Sep-2014	22,928,994	-456,061	-333,918	22,139,015	-1.5
Dec-2014	22,139,015	-535,675	291,172	21,894,511	1.3
Mar-2015	21,894,511	2,037,203	548,704	24,480,418	2.6
Jun-2015	24,480,418	-843,017	35,716	23,673,116	0.1
Sep-2015	23,673,116	2,181,930	-1,421,398	24,433,649	-5.3
Dec-2015	24,433,649	-803,504	674,408	24,304,553	2.7

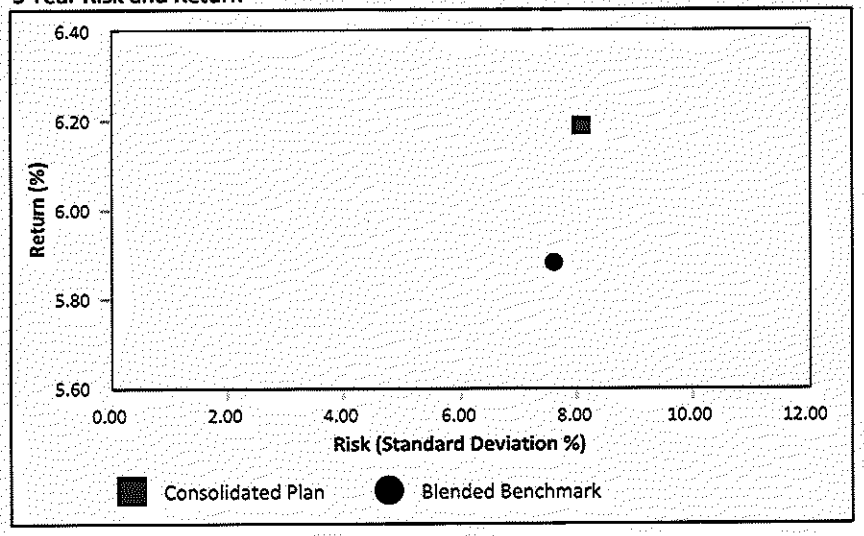
Risk vs. Return

As of December 31, 2015

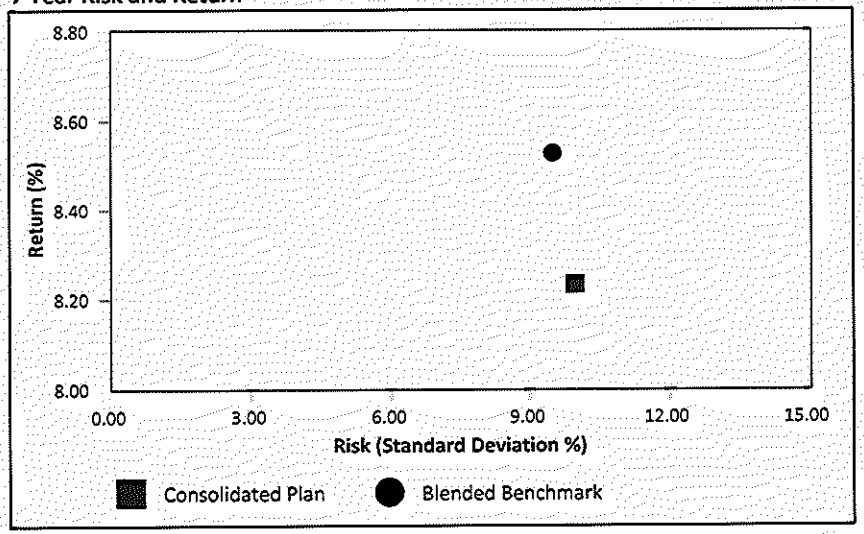
3 Year Risk and Return



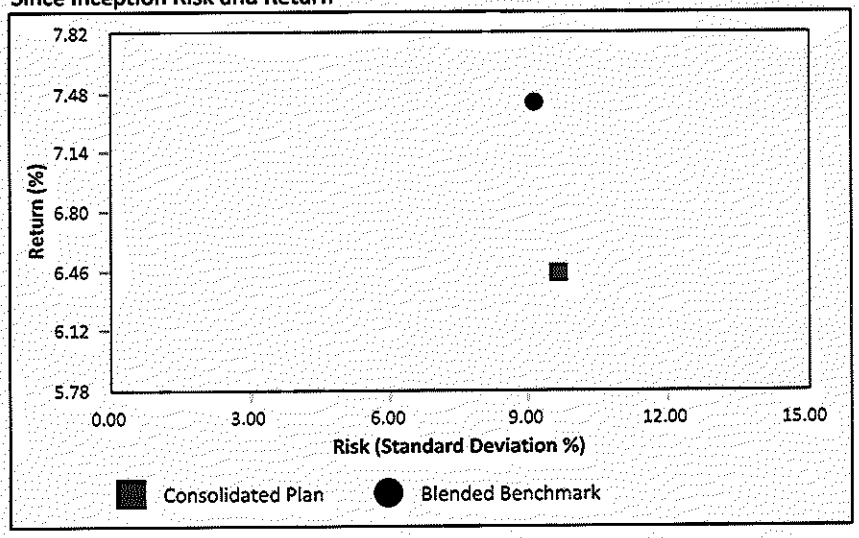
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



MPT Statistical Data

As of December 31, 2015

3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Consolidated Plan	6.27	6.04	3.22	1.04	0.34	1.02	0.97	1.03	0.17
Blended Benchmark	5.93	5.79	3.18	1.02	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.04	0.01	0.00	N/A	-1.02	5.79	0.12	0.00	0.04

5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Consolidated Plan	6.19	8.09	5.18	0.78	0.34	0.97	0.99	1.05	0.00
Blended Benchmark	5.88	7.63	4.84	0.79	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.06	0.02	0.00	N/A	-0.79	7.64	0.01	0.00	0.06

7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Consolidated Plan	8.23	9.97	5.82	0.84	-0.19	1.21	0.99	1.04	-0.61
Blended Benchmark	8.53	9.49	5.16	0.91	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.08	0.03	0.00	N/A	-0.91	9.48	0.04	0.00	0.08

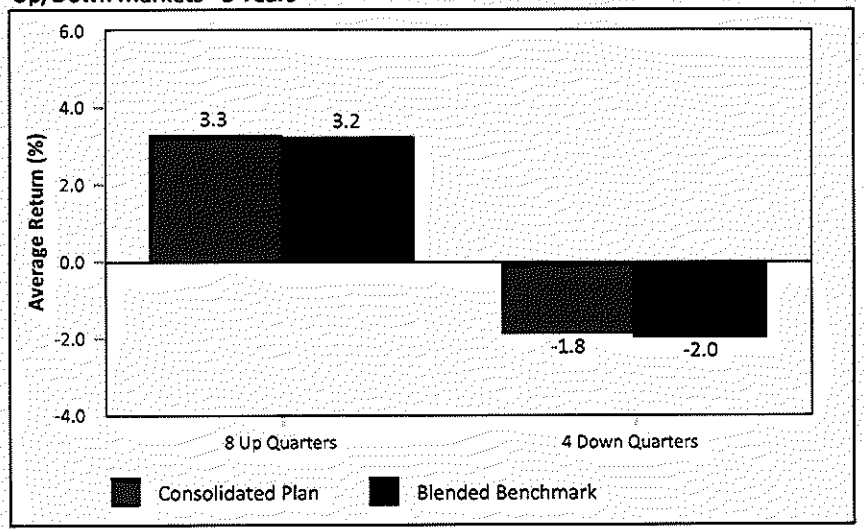
Since Inception Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
Consolidated Plan	6.45	9.65	5.85	0.42	-0.50	1.75	0.97	1.04	-1.19	04/01/1994
Blended Benchmark	7.43	9.12	4.99	0.54	N/A	0.00	1.00	1.00	0.00	04/01/1994
90 Day U.S. Treasury Bill	2.71	1.15	0.00	N/A	-0.54	9.11	0.01	0.01	2.65	04/01/1994

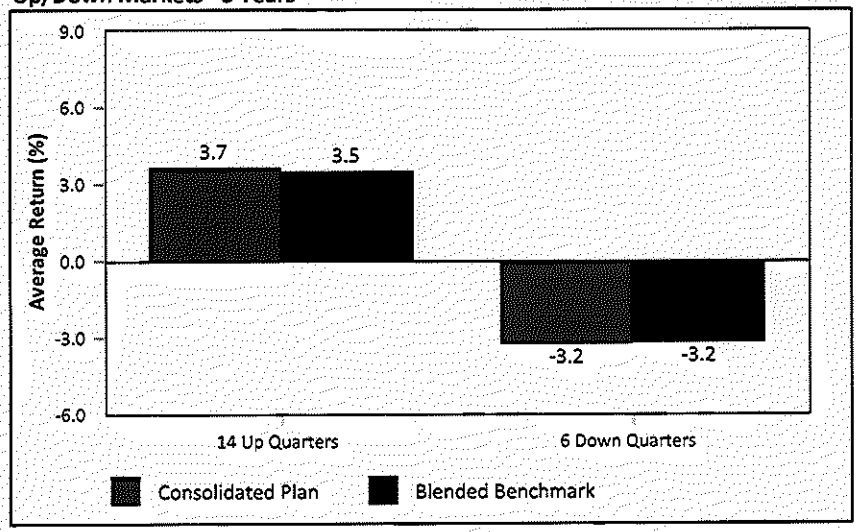
Market Capture Report

As of December 31, 2015

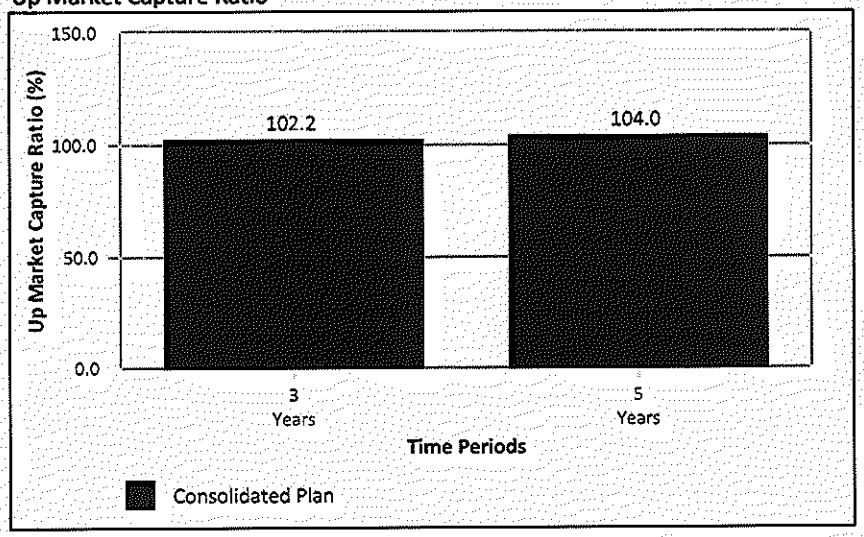
Up/Down Markets - 3 Years



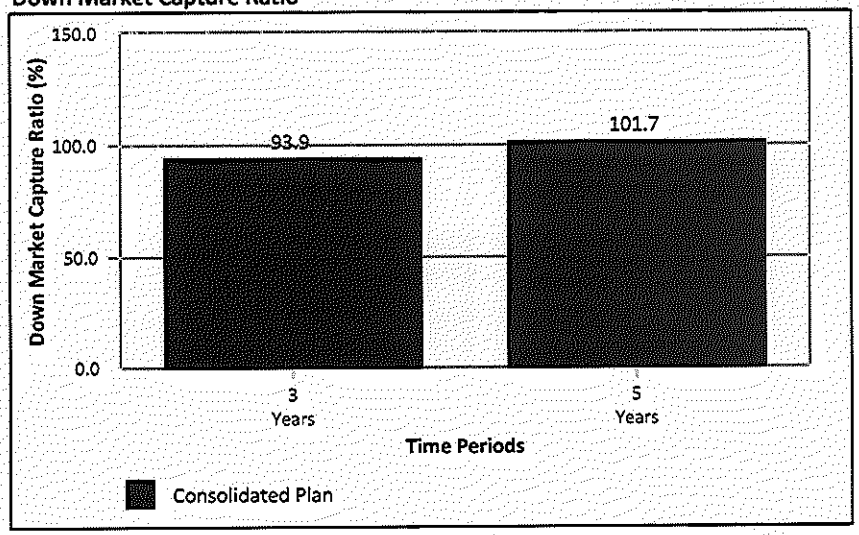
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio

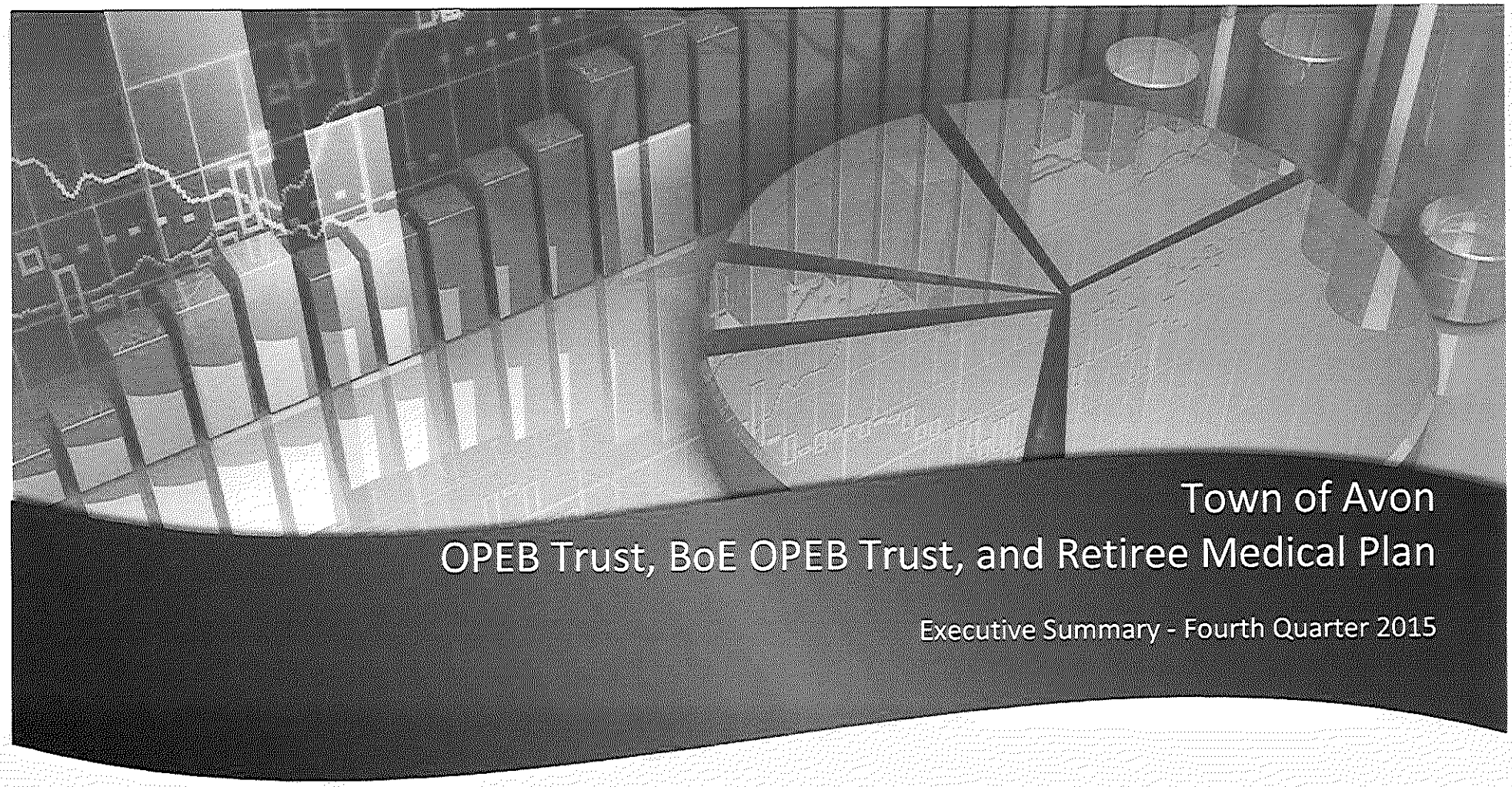


Estimated Fee Analysis

As of December 31, 2015

MANAGER	FEE SCHEDULE	TARGET ALLOCATION
Vanguard Total Bond Index Adm	0.07%	7.5%
Met West Total Return Plan	0.39%	10.0%
Western Asset Core Plus I	0.43%	10.0%
BlackRock Strategic Income Opps Fund I	0.64%	10.0%
Vanguard 500 Index Adm	0.05%	14.2%
John Hancock III Disciplined Value Fund R6	0.70%	7.5%
Harbor Capital Appreciation Instl	0.66%	7.5%
Neuberger Berman Genesis Fund Inst	0.85%	7.5%
Vanguard International Value Inv	0.44%	7.5%
Europacific Growth R6	0.49%	7.5%
Vanguard International Growth Adm	0.34%	7.5%
Vanguard Short Term Inflation Protection Adm	0.10%	1.7%
Credit Suisse Commodity Return I	0.78%	1.7%
WEIGHTED AVERAGE FEE		**0.43%**

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.



Town of Avon
OPEB Trust, BoE OPEB Trust, and Retiree Medical Plan

Executive Summary - Fourth Quarter 2015

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Asset Allocation

OPEB Trust

As of December 31, 2015

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
OPEB Trust	**1,765,476**	**100.0**	**100.0**	**0.0**
Money Market Funds	249	0.0	0.0	0.0
iShares Barclays Aggregate Index	396,128	22.4	22.5	-0.1
iShares Barclays TIPS Index	379,004	21.5	22.5	-1.0
iShares S&P 500 Index	444,108	25.2	22.5	2.7
iShares Russell Midcap Index	94,181	5.3	5.0	0.3
iShares Russell 2000 Index	42,579	2.4	2.5	-0.1
iShares Cohen & Steers Majors Index	54,371	3.1	2.5	0.6
iShares S&P Developed Ex-US Prop Index	43,358	2.5	2.5	0.0
iShares Emerging Mkt Index	239,130	13.5	15.0	-1.5
iShares MSCI Emerging Market Index	72,367	4.1	5.0	-0.9

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

Total Plan Performance Summary

OPEB Trust

As of December 31, 2015

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
OPEB Trust				**09/01/2009**
Beginning Market Value	1,721,945	1,782,767	653,772	
Net Contributions	-	-30	525,221	
Total Gain/Loss	43,531	-17,261	586,483	
Ending Market Value	1,765,476	1,765,476	1,765,476	

OPEB Trust Benchmark Composition

Allocation Mandate	Weight (%)
Barclays U.S. Treasury: U.S. TIPS Index	22.5
Barclays Aggregate Index	22.5
Russell 3000 Index	30.0
MSCI EAFE (net) Index	15.0
MSCI Emerging Markets (Net)	5.0
FTSE EPRA/NAREIT Developed Index	5.0

Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
OPEB Trust	**2.5**	**-1.0**	**-1.0**	**4.9**	**5.8**	**N/A**	**N/A**	**7.2**	**09/01/2009**
OPEB Trust Benchmark	2.6	-0.7	-0.7	5.0	5.9	N/A	N/A	7.5	
Difference	-0.1	-0.3	-0.3	-0.1	-0.1	N/A	N/A	-0.3	

Calendar Year Performance Summary

	2014	2013	2012	2011	2010	2009	2008	2007
OPEB Trust	**5.7**	**10.4**	**12.3**	**2.0**	**10.4**	**N/A**	**N/A**	**N/A**
OPEB Trust Benchmark	5.8	10.1	12.5	2.1	11.7	N/A	N/A	N/A
Difference	-0.1	0.3	-0.2	-0.1	-1.3	N/A	N/A	N/A

Benchmark Composition - OPEB Trust Benchmark

OPEB Trust

Allocation Mandate	Weight (%)
Sep-2009	
Barclays U.S. Treasury: U.S. TIPS Index	22.5
Barclays Aggregate Index	22.5
Russell 3000 Index	30.0
MSCI EAFE (net) Index	15.0
MSCI Emerging Markets (Net)	5.0
FTSE EPRA/NAREIT Developed Index	5.0

Manager Performance Overview

BOE/OPEB Trust

As of December 31, 2015

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Fixed Income								
iShares:Core US Agg Bd (AGG)	**-0.6 (45)**	**0.5 (25)**	**0.5 (25)**	**1.4 (29)**	**3.1 (51)**	**4.4 (41)**	**4.1 (43)**	**10/01/2003**
Barclays Aggregate Index	-0.6	0.5	0.5	1.4	3.2	4.5	4.3	
IM U.S. Broad Market Core Fixed Income (MF) Median	-0.6	0.0	0.0	1.1	3.1	4.3	4.0	
iShares:TIPS Bd ETF (TIP)	**-0.7 (46)**	**-1.6 (32)**	**-1.6 (32)**	**-2.4 (29)**	**2.4 (8)**	**3.8 (13)**	**4.1 (12)**	**01/01/2004**
Barclays U.S. Treasury: U.S. TIPS Index	-0.6	-1.4	-1.4	-2.3	2.5	3.9	4.2	
IM U.S. TIPS (MF) Median	-0.7	-2.1	-2.1	-2.8	1.7	3.2	3.7	
Domestic Equity								
iShares:Core S&P 500 (IVV)	**7.0 (23)**	**1.3 (27)**	**1.3 (27)**	**15.1 (17)**	**12.5 (16)**	**7.3 (24)**	**4.3 (42)**	**06/01/2000**
S&P 500 Index	7.0	1.4	1.4	15.1	12.6	7.3	4.4	
IM U.S. Large Cap Core Equity (MF) Median	6.2	-0.5	-0.5	13.6	11.0	6.4	4.0	
iShares:Russ Mid-Cap (IWR)	**3.6 (24)**	**-2.6 (35)**	**-2.6 (35)**	**14.0 (20)**	**11.3 (16)**	**7.8 (16)**	**8.7 (10)**	**08/01/2001**
Russell Midcap Index	3.6	-2.4	-2.4	14.2	11.4	8.0	8.9	
IM U.S. Mid Cap Core Equity (MF) Median	2.9	-3.5	-3.5	12.0	9.2	6.4	7.3	
iShares:Russ 2000 ETF (IWM)	**3.7 (31)**	**-4.3 (40)**	**-4.3 (40)**	**11.7 (46)**	**9.2 (48)**	**6.8 (25)**	**7.1 (67)**	**06/01/2000**
Russell 2000 Index	3.6	-4.4	-4.4	11.7	9.2	6.8	7.2	
IM U.S. Small Cap Core Equity (MF) Median	3.3	-4.8	-4.8	11.6	9.1	5.9	7.9	
International Equity								
iShares:MSCI EAFE ETF (EFA)	**4.6 (12)**	**-0.9 (19)**	**-0.9 (19)**	**4.9 (10)**	**3.5 (17)**	**2.9 (44)**	**5.1 (49)**	**09/01/2001**
MSCI EAFE (net) Index	4.7	-0.8	-0.8	5.0	3.6	3.0	5.2	
IM International Large Cap Core Equity (MF) Median	2.9	-2.4	-2.4	2.8	2.4	2.8	5.1	
iShares:MSCI Em Mkts (EEM)	**0.6 (48)**	**-15.4 (61)**	**-15.4 (61)**	**-7.3 (60)**	**-5.4 (64)**	**2.9 (58)**	**10.3 (53)**	**05/01/2003**
MSCI Emerging Markets Index	0.7	-14.6	-14.6	-6.4	-4.5	3.9	11.1	
IM Emerging Markets Equity (MF) Median	0.2	-14.2	-14.2	-6.6	-4.8	3.3	10.3	

Returns for periods less than one year are not annualized.
^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

Manager Performance Overview

BOE/OPEB Trust

As of December 31, 2015

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Real Estate								
iShares:C&S REIT ETF (ICF)	**8.3 (2)**	**6.0 (4)**	**6.0 (4)**	**11.7 (12)**	**12.1 (16)**	**6.7 (53)**	**10.8 (43)**	**02/01/2001**
Cohen Steers Realty Majors Index	8.4	6.4	6.4	12.2	12.5	7.0	11.2	
IM Real Estate Sector (MF) Median	7.0	2.9	2.9	10.4	11.2	6.8	10.7	
iShares:Intl Dev Prop (WPS)	**2.3 (18)**	**-0.8 (27)**	**-0.8 (27)**	**3.3 (23)**	**5.0 (22)**	**N/A**	**0.1 (4)**	**08/01/2007**
S&P Developed Ex-U.S. Property	2.5	-0.7	-0.7	3.8	5.7	4.3	0.5	
IM International Real Estate (MF) Median	0.4	-2.7	-2.7	1.4	4.0	N/A	-0.8	

** The above stated performance is sourced from iShares Funds. Actual investment performance achieved for each product may deviate due to differing pricing methodologies employed by the plan custodian and iShares.

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class's historical performance due to share class exchanges.

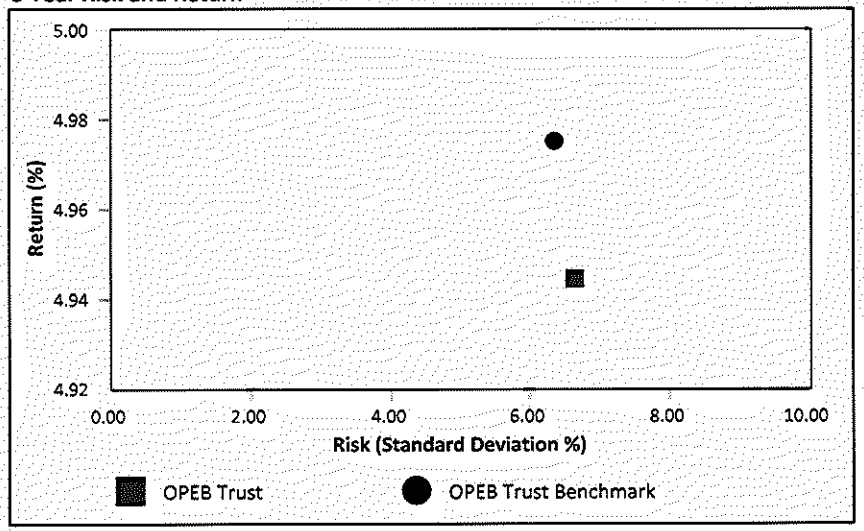
Returns for periods less than one year are not annualized.
^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

Risk vs. Return

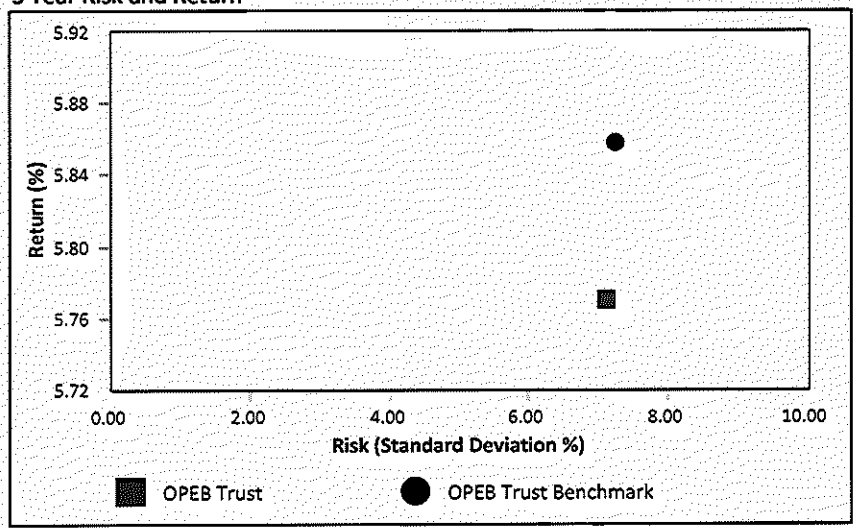
OPEB Trust

As of December 31, 2015

3 Year Risk and Return



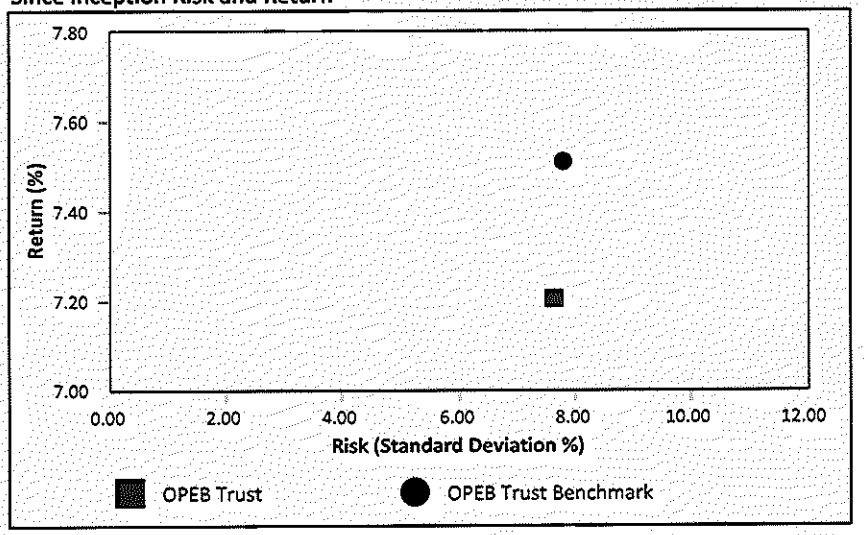
5 Year Risk and Return



7 Year Risk and Return

Not Enough Data.

Since Inception Risk and Return



MPT Statistical Data

OPEB Trust

As of December 31, 2015

3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Trust	4.94	6.66	4.09	0.75	-0.01	0.71	0.99	1.04	-0.22
OPEB Trust Benchmark	4.98	6.37	3.84	0.79	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.04	0.03	0.01	N/A	-0.79	6.38	0.09	0.00	0.05

5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Trust	5.77	7.12	4.40	0.82	-0.11	0.87	0.99	0.97	0.07
OPEB Trust Benchmark	5.86	7.26	4.43	0.81	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.06	0.03	0.01	N/A	-0.81	7.27	0.05	0.00	0.06

7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Trust	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OPEB Trust Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90 Day U.S. Treasury Bill	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Since Inception Historical MPT Statistics

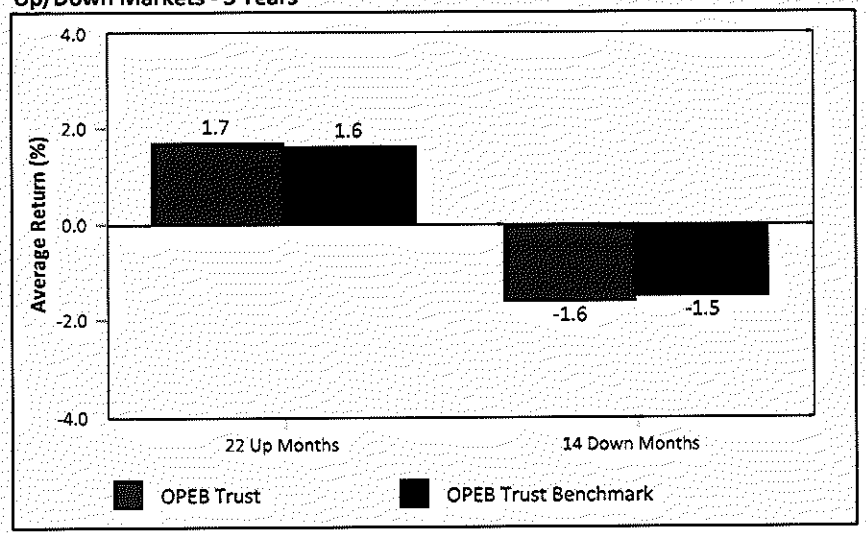
	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
OPEB Trust	7.20	7.67	4.50	0.94	-0.32	0.93	0.99	0.97	-0.11	09/01/2009
OPEB Trust Benchmark	7.51	7.81	4.52	0.96	N/A	0.00	1.00	1.00	0.00	09/01/2009
90 Day U.S. Treasury Bill	0.07	0.03	0.01	N/A	-0.96	7.81	0.01	0.00	0.08	09/01/2009

Market Capture Report

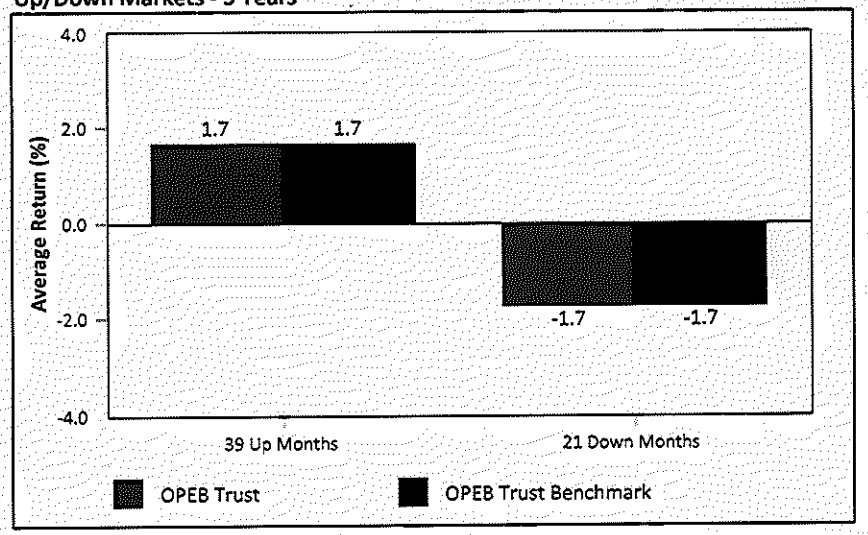
OPEB Trust

As of December 31, 2015

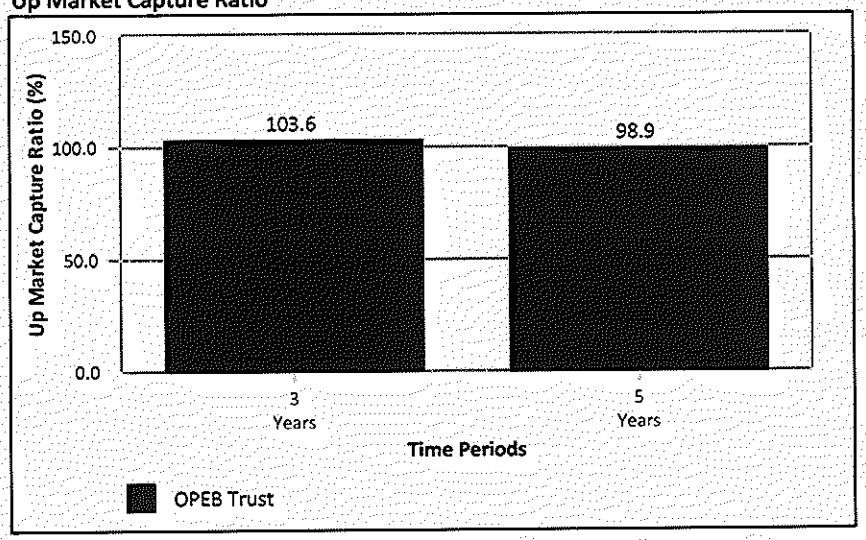
Up/Down Markets - 3 Years



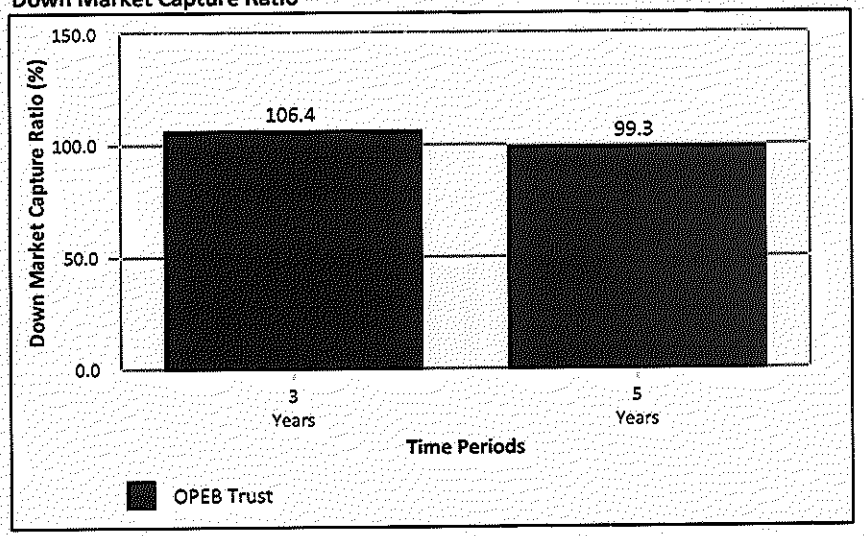
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



Estimated Fee Analysis - Town of Avon OPEB Trust

As of December 31, 2015

MANAGER	FEE SCHEDULE	TARGET ALLOCATION
iShares Core Total US Bond Market Fund	0.08%	22.5%
iShares Barclays TIPS Fund	0.20%	22.5%
iShares Core S&P 500 Index Fund	0.07%	22.5%
iShares Russell MidCap Index Fund	0.20%	5.0%
iShares Russell 2000 Index Fund	0.20%	2.5%
iShares MSCI EAFE Index Fund	0.33%	15.0%
iShares MSCI Emerging Markets Index Fund	0.69%	5.0%
iShares Cohen & Steers Realty Majors Index Fund	0.35%	2.5%
iShares International Developed Property Fund	0.48%	2.5%
WEIGHTED AVERAGE FEE	**0.20%**	

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.

Asset Allocation

BOE OPEB Trust

As of December 31, 2015

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Avon BOE OPEB Trust	**146,283**	**100.0**	**100.0**	**0.0**
Money Market Funds	616	0.4	0.0	0.4
iShares Barclays Aggregate Index	33,789	23.1	22.5	0.6
iShares Barclays TIPS Index	32,901	22.5	22.5	0.0
iShares S&P 500 Index	34,336	23.5	22.5	1.0
iShares Midcap Index	6,914	4.7	5.0	-0.3
iShares Russell 2000 Index	2,853	2.0	2.5	-0.5
iShares Cohen & Steers Majors Index	4,286	2.9	2.5	0.4
iShares S&P Developed Ex-US Prop Index	3,321	2.3	2.5	-0.2
iShares MSCI EAFE Index	21,195	14.5	15.0	-0.5
iShares Emerging Mkt Index	6,072	4.2	5.0	-0.8

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

Total Plan Performance Summary

BOE OPEB Trust

As of December 31, 2015

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Avon BOE OPEB Trust				**09/01/2011**
Beginning Market Value	142,903	147,749	25,362	
Net Contributions	-	-	100,500	
Total Gain/Loss	3,379	-1,467	20,421	
Ending Market Value	146,283	146,283	146,283	

OPEB Trust Benchmark Composition

Allocation Mandate	Weight (%)
Barclays U.S. Treasury: U.S. TIPS Index	22.5
Barclays Aggregate Index	22.5
Russell 3000 Index	30.0
MSCI EAFE (net) Index	15.0
MSCI Emerging Markets (Net)	5.0
FTSE EPRA/NAREIT Developed Index	5.0

Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Avon BOE OPEB Trust	**2.4**	**-1.0**	**-1.0**	**4.9**	**N/A**	**N/A**	**N/A**	**6.0**	**09/01/2011**
OPEB Trust Benchmark	2.6	-0.7	-0.7	5.0	5.9	N/A	N/A	6.4	
Difference	-0.2	-0.3	-0.3	-0.1	N/A	N/A	N/A	-0.4	

Calendar Year Performance Summary

	2014	2013	2012	2011	2010	2009	2008	2007
Avon BOE OPEB Trust	**5.6**	**10.3**	**12.2**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
OPEB Trust Benchmark	5.8	10.1	12.5	2.1	11.7	N/A	N/A	N/A
Difference	-0.2	0.2	-0.3	N/A	N/A	N/A	N/A	N/A

Benchmark Composition - BOE OPEB Trust Benchmark

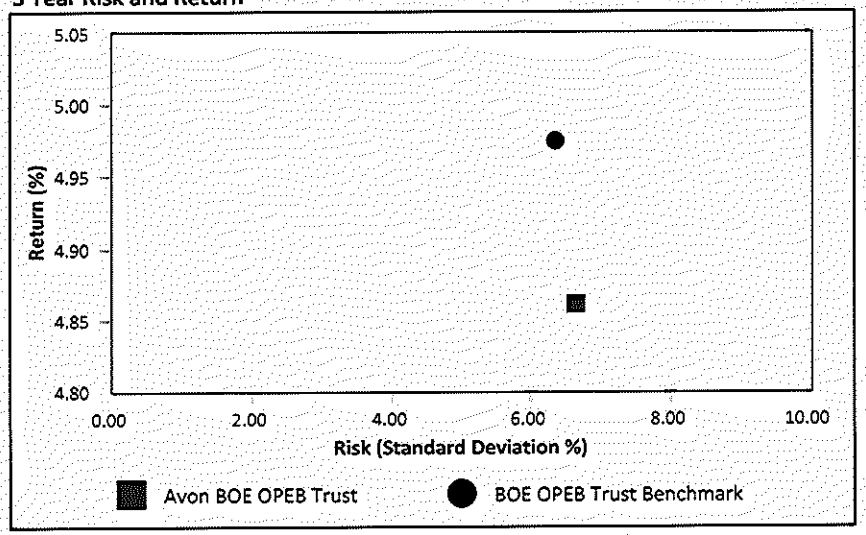
BOE OPEB Trust

Allocation Mandate	Weight (%)
Jan-2001	
Barclays U.S. Treasury: U.S. TIPS Index	22.5
Barclays Aggregate Index	22.5
Russell 3000 Index	30.0
MSCI EAFE (net) Index	15.0
MSCI Emerging Markets (Net)	5.0
FTSE EPRA/NAREIT Developed Index	5.0

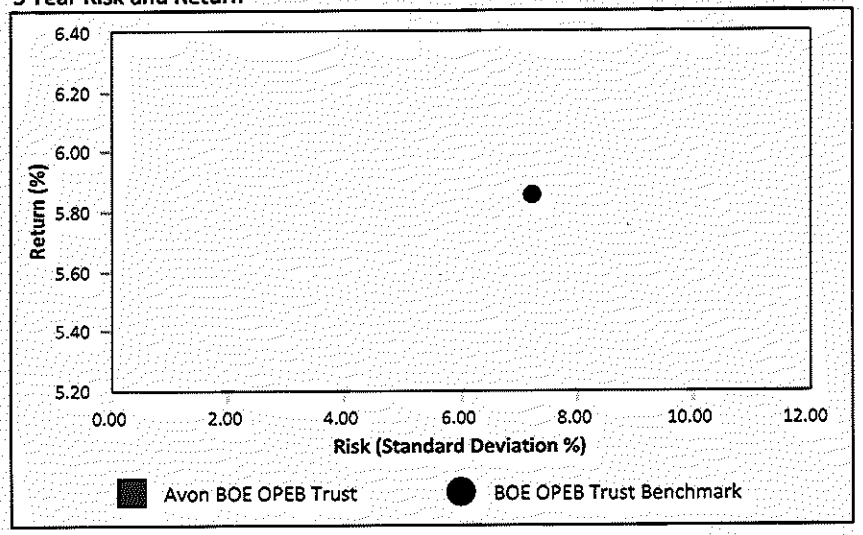
Risk vs Return

BOE OPEB Trust
As of December 31, 2015

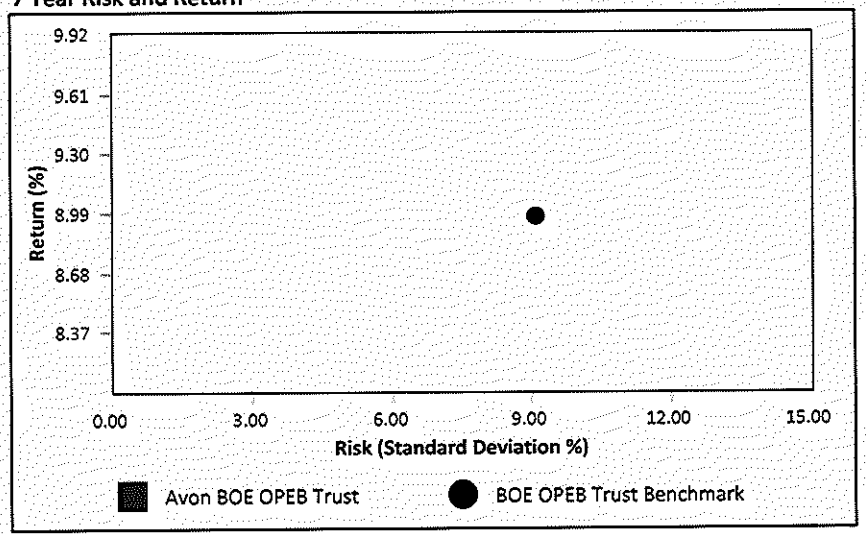
3 Year Risk and Return



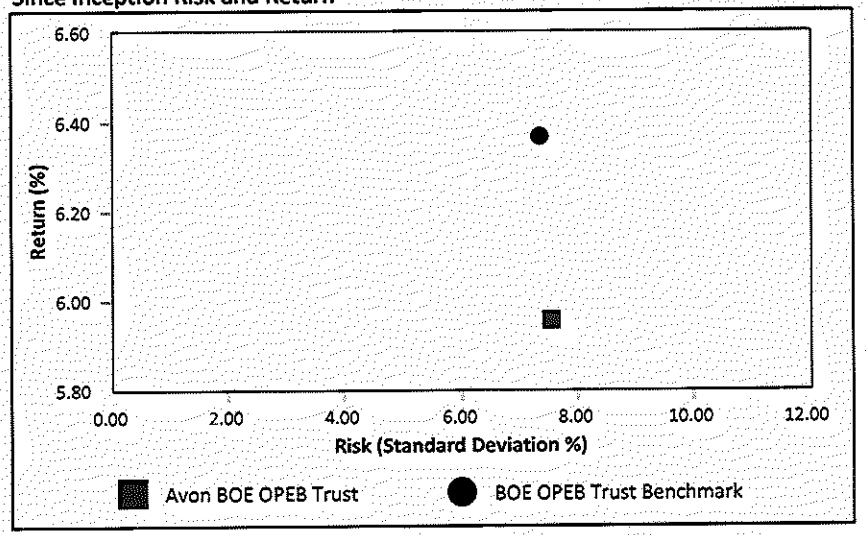
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



MPT Statistical Data

BOE OPEB Trust

As of December 31, 2015

3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Avon BOE OPEB Trust	4.86	6.64	4.08	0.74	-0.13	0.69	0.99	1.04	-0.29
BOE OPEB Trust Benchmark	4.98	6.37	3.84	0.79	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.04	0.03	0.01	N/A	-0.79	6.38	0.09	0.00	0.05

5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Avon BOE OPEB Trust	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BOE OPEB Trust Benchmark	5.86	7.26	4.43	0.81	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.06	0.03	0.01	N/A	-0.81	7.27	0.05	0.00	0.06

7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Avon BOE OPEB Trust	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BOE OPEB Trust Benchmark	8.97	9.09	5.24	0.98	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.08	0.03	0.01	N/A	-0.98	9.09	0.02	0.00	0.08

Since Inception Historical MPT Statistics

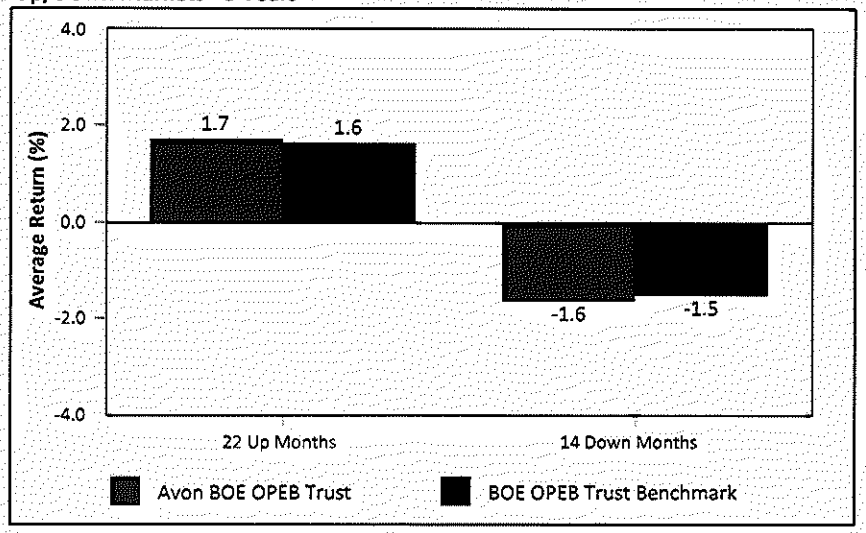
	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
Avon BOE OPEB Trust	5.96	7.56	4.69	0.80	-0.52	0.72	0.99	1.02	-0.50	09/01/2011
BOE OPEB Trust Benchmark	6.37	7.39	4.45	0.87	N/A	0.00	1.00	1.00	0.00	09/01/2011
90 Day U.S. Treasury Bill	0.05	0.03	0.01	N/A	-0.87	7.39	0.05	0.00	0.05	09/01/2011

Market Capture Report

BOE OPEB Trust

As of December 31, 2015

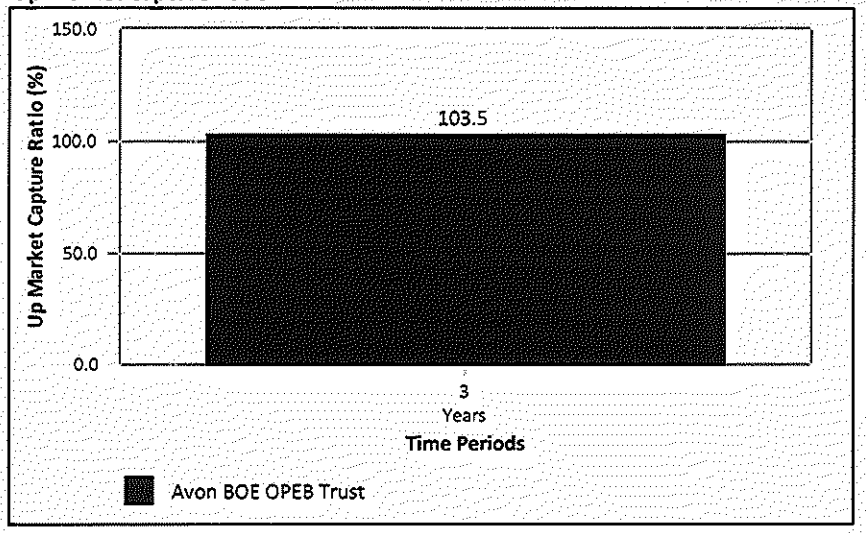
Up/Down Markets - 3 Years



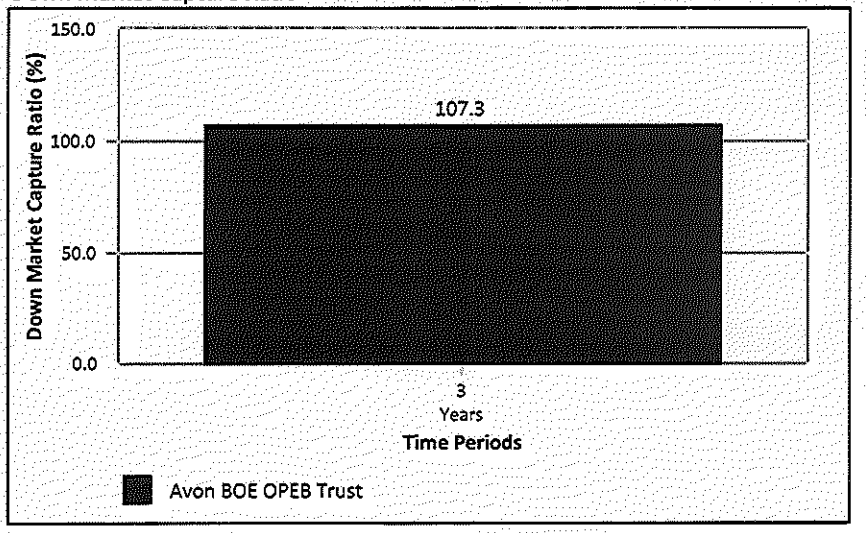
Up/Down Markets - 5 Years

Not Enough Data.

Up Market Capture Ratio



Down Market Capture Ratio



Estimated Fee Analysis - Town of Avon BOE OPEB Trust

As of December 31, 2015

MANAGER	FEE SCHEDULE	TARGET ALLOCATION
iShares Core Total US Bond Market Fund	0.08%	22.5%
iShares Barclays TIPS Fund	0.20%	22.5%
iShares Core S&P 500 Index Fund	0.07%	22.5%
iShares Russell MidCap Index Fund	0.20%	5.0%
iShares Russell 2000 Index Fund	0.20%	2.5%
iShares MSCI EAFE Index Fund	0.33%	15.0%
iShares MSCI Emerging Markets Index Fund	0.69%	5.0%
iShares Cohen & Steers Realty Majors Index Fund	0.35%	2.5%
iShares International Developed Property Fund	0.48%	2.5%
WEIGHTED AVERAGE FEE	**0.20%**	

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.

Asset Allocation

Retiree Medical Plan

As of December 31, 2015

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Retiree Medical Plan	**1,309,354**	**100.0**	**100.0**	**0.0**
Money Market Funds	866	0.1	0.0	0.1
iShares Barclays 1-3 Yr Treasury Bond Index	517,946	39.6	39.8	-0.2
iShares Barclays Capital 7-10yr Treasury Index	528,248	40.3	39.8	0.6
iShares iBoxx $ Invest Grade Corp Bond Index	170,301	13.0	13.0	0.0
iShares Russell 3000 Index	77,406	5.9	6.3	-0.3
iShares Emerging Mkt Index	14,587	1.1	1.3	-0.1

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

Total Plan Performance Summary

Retiree Medical Plan
As of December 31, 2015

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Retiree Medical Plan				**02/01/2005**
Beginning Market Value	1,316,137	1,295,458	1,157,998	
Net Contributions	-	-	-434,783	
Total Gain/Loss	-6,783	13,896	586,140	
Ending Market Value	1,309,354	1,309,354	1,309,354	

Retiree Medical Plan Benchmark Composition

Allocation Mandate	Weight (%)
Barclays U.S. Treasury: 1-3 Year	39.8
Barclays U.S. Treasury: 7-10 Year	39.8
iBoxx $ Liquid Investment Grade Index	13.0
Russell 3000 Index	6.3
MSCI EAFE (net) Index	1.3

Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Retiree Medical Plan	**-0.5**	**1.1**	**1.1**	**4.2**	**5.0**	**5.8**	**4.9**	**4.9**	**02/01/2005**
Retiree Medical Plan Benchmark	-0.3	1.1	1.1	4.2	5.2	6.4	4.9	4.9	
Difference	-0.2	0.0	0.0	0.0	-0.2	-0.6	0.0	0.0	

Calendar Year Performance Summary

	2014	2013	2012	2011	2010	2009	2008	2007
Retiree Medical Plan	**6.1**	**5.5**	**7.0**	**5.4**	**8.0**	**7.9**	**-6.5**	**7.1**
Retiree Medical Plan Benchmark	6.2	5.3	7.6	5.9	8.5	10.5	-10.4	7.5
Difference	-0.1	0.2	-0.6	-0.5	-0.5	-2.6	3.9	-0.4

*Data displayed in Since Inception column is as of a start date of 10/1/2005. Historical market value and flow information prior to 10/1/2005 was not available from prior consultant.
The stated inception date of 2/1/2005 is the plan's performance inception date.

Benchmark Composition - Retiree Medical Plan Benchmark

Retiree Medical Plan

Allocation Mandate	Weight (%)
Jul-2015	
Barclays U.S. Treasury: 1-3 Year	39.8
Barclays U.S. Treasury: 7-10 Year	39.8
iBoxx $ Liquid Investment Grade Index	13.0
Russell 3000 Index	6.3
MSCI EAFE (net) Index	1.3
Jul-2014	
Barclays U.S. Treasury: 1-3 Year	36.5
Barclays U.S. Treasury: 7-10 Year	36.5
iBoxx $ Liquid Investment Grade Index	12.0
Russell 3000 Index	12.5
MSCI EAFE (net) Index	2.5
Jul-2013	
Barclays U.S. Treasury: 1-3 Year	33.3
Barclays U.S. Treasury: 7-10 Year	33.3
iBoxx $ Liquid Investment Grade Index	11.0
Russell 3000 Index	18.8
MSCI EAFE (net) Index	3.8
Sep-2010	
Barclays U.S. Treasury: 1-3 Year	30.0
Barclays U.S. Treasury: 7-10 Year	30.0
iBoxx $ Liquid Investment Grade Index	10.0
Russell 3000 Index	25.0
MSCI EAFE (net) Index	5.0
Jan-1999	
Barclays U.S. Treasury: 7-10 Year	26.3
Barclays U.S. Treasury: 1-3 Year	26.3
iBoxx $ Liquid Investment Grade Index	10.0
Russell 3000 Index	30.0
MSCI EAFE (net) Index	7.5

Asset Allocation - Town of Avon Retiree Medical Plan

Multi-Year Plan for Re-Allocation to Fixed Income

Investment	Year 1 Target Allocation (%)	Year 2 Target Allocation (%)	Year 3 Target Allocation (%)	Year 4 Target Allocation (%)
				Effective June 2016
Short Term Liquidity				
JP Morgan Money Market Service Shares	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Fixed Income				
iShares Barclays 1-3 Year Treasury Bond Fund	33.25%	36.50%	39.75%	43.00%
iShares Barclays 7-10Year Treasury Bond Fund	33.25%	36.50%	39.75%	43.00%
iShares iBoxx $Investment Grade Corporate	11.00%	12.00%	13.00%	14.00%
Total Fixed Income	**77.50%**	**85.00%**	**92.50%**	**100.00%**
Domestic Equity				
iShares Russell 3000 Index Fund	18.75%	12.50%	6.25%	0.00%
Total Domestic Equity	**18.75%**	**12.50%**	**6.25%**	**0.00%**
International Equity				
iShares MSCI EAFE Index Fund	3.75%	2.50%	1.25%	0.00%
Total International Equity	**3.75%**	**2.50%**	**1.25%**	**0.00%**
Totals	100.00%	100.00%	100.00%	100.00%

Manager Performance Overview

Retiree Medical Plan

As of December 31, 2015

	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Fixed Income								
iShares:1-3 Trs Bd ETF (SHY)	**-0.5 (42)**	**0.4 (30)**	**0.4 (30)**	**0.4 (28)**	**0.6 (53)**	**2.3 (55)**	**2.2 (55)**	**08/01/2002**
Barclays U.S. Treasury: 1-3 Year	-0.4	0.6	0.6	0.5	0.7	2.4	2.3	
IM U.S. Short Term Treasury/Govt Bonds (MF) Median	-0.5	0.2	0.2	0.1	0.6	2.4	2.2	
iShares:7-10 Trs Bd ETF (IEF)	**-1.4 (79)**	**1.5 (9)**	**1.5 (9)**	**1.3 (22)**	**4.5 (20)**	**5.5 (13)**	**5.2 (14)**	**08/01/2002**
Barclays U.S. Treasury: 7-10 Year	-1.3	1.6	1.6	1.3	4.6	5.6	5.3	
IM U.S. Long Term Treasury/Govt Bond (MF) Median	-0.9	0.1	0.1	0.8	2.4	3.7	3.5	
iShares:iBoxx SIG Corp (LQD)	**-0.4 (23)**	**-1.1 (45)**	**-1.1 (45)**	**1.5 (36)**	**5.0 (21)**	**5.3 (29)**	**5.7 (27)**	**08/01/2002**
iBoxx $ Liquid Investment Grade Index	-0.7	-0.9	-0.9	1.7	5.2	5.6	5.9	
IM U.S. Corporate Bonds (MF) Median	-0.7	-1.2	-1.2	1.3	3.8	4.7	4.9	
Domestic Equity								
iShares:Russell 3000 (IWV)	**6.2 (16)**	**0.3 (28)**	**0.3 (28)**	**14.5 (35)**	**12.0 (23)**	**7.2 (25)**	**4.6 (62)**	**06/01/2000**
Russell 3000 Index	6.3	0.5	0.5	14.7	12.2	7.4	4.8	
IM U.S. Multi-Cap Core Equity (MF) Median	4.8	-1.5	-1.5	13.4	10.4	6.3	5.2	
International Equity								
iShares:MSCI EAFE ETF (EFA)	**4.6 (12)**	**-0.9 (19)**	**-0.9 (19)**	**4.9 (10)**	**3.5 (17)**	**2.9 (44)**	**5.1 (49)**	**09/01/2001**
MSCI EAFE (net) Index	4.7	-0.8	-0.8	5.0	3.6	3.0	5.2	
IM International Large Cap Core Equity (MF) Median	2.9	-2.4	-2.4	2.8	2.4	2.8	5.1	

** The above stated performance is sourced from iShares Funds. Actual investment performance achieved for each product may deviate due to differing pricing methodologies employed by the plan custodian and iShares.

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class's historical performance due to share class exchanges.

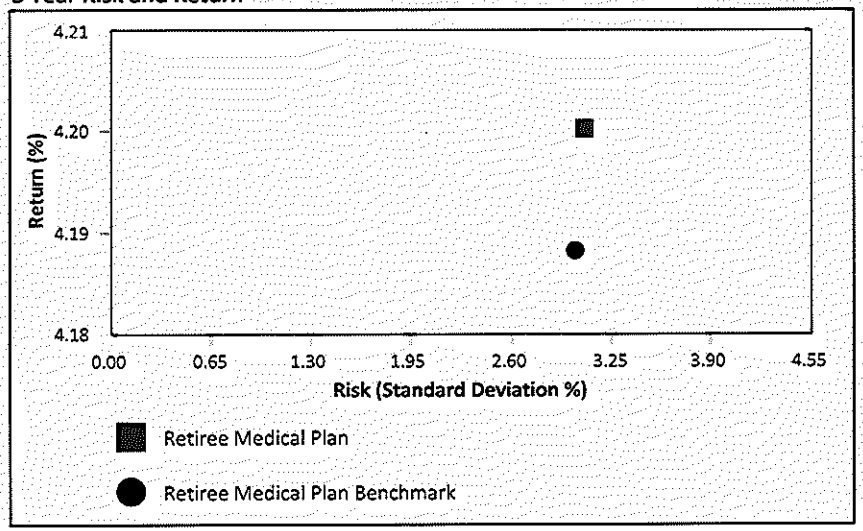
Returns for periods less than one year are not annualized.
^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

Risk vs. Return

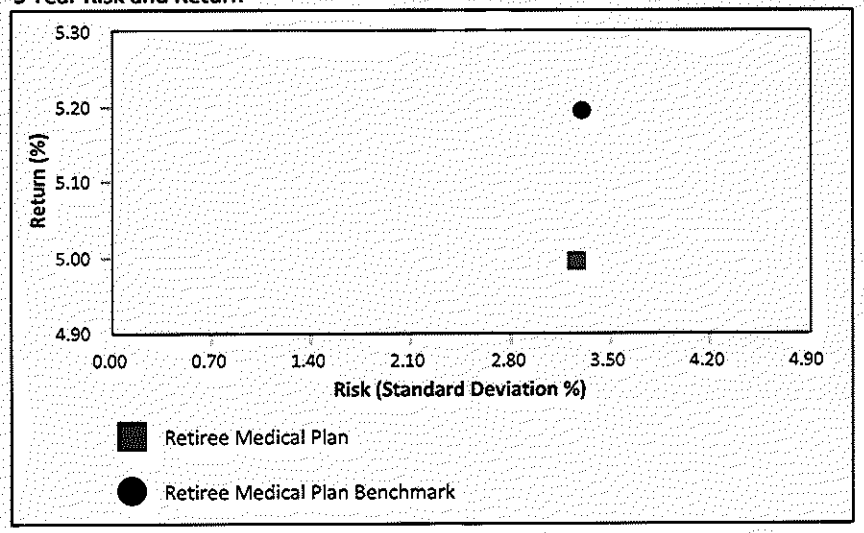
Retiree Medical Plan

As of December 31, 2015

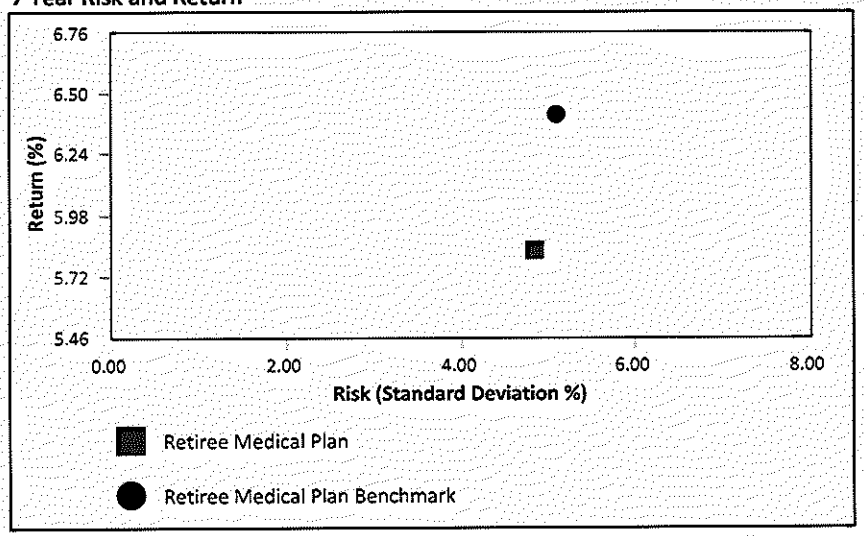
3 Year Risk and Return



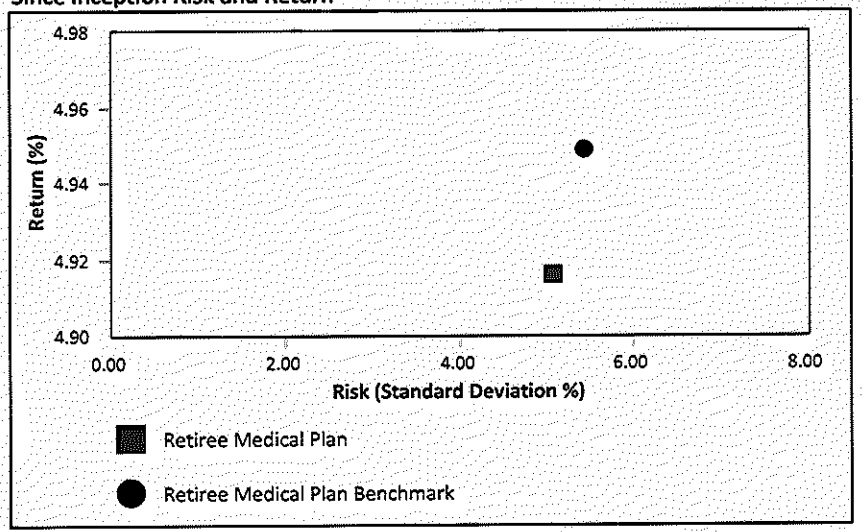
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



MPT Statistical Data

Retiree Medical Plan

As of December 31, 2015

3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Retiree Medical Plan	4.20	3.08	1.54	1.34	0.04	0.33	0.99	1.01	-0.04
Retiree Medical Plan Benchmark	4.19	3.02	1.56	1.36	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.04	0.03	0.01	N/A	-1.36	3.02	0.00	0.00	0.04

5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Retiree Medical Plan	4.99	3.27	1.58	1.49	-0.48	0.40	0.99	0.98	-0.10
Retiree Medical Plan Benchmark	5.19	3.31	1.63	1.53	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.06	0.03	0.01	N/A	-1.53	3.31	0.01	0.00	0.06

7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Retiree Medical Plan	5.83	4.86	2.84	1.18	-0.88	0.64	0.99	0.94	-0.21
Retiree Medical Plan Benchmark	6.41	5.11	2.95	1.23	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.08	0.03	0.01	N/A	-1.23	5.11	0.05	0.00	0.07

Since Inception Historical MPT Statistics

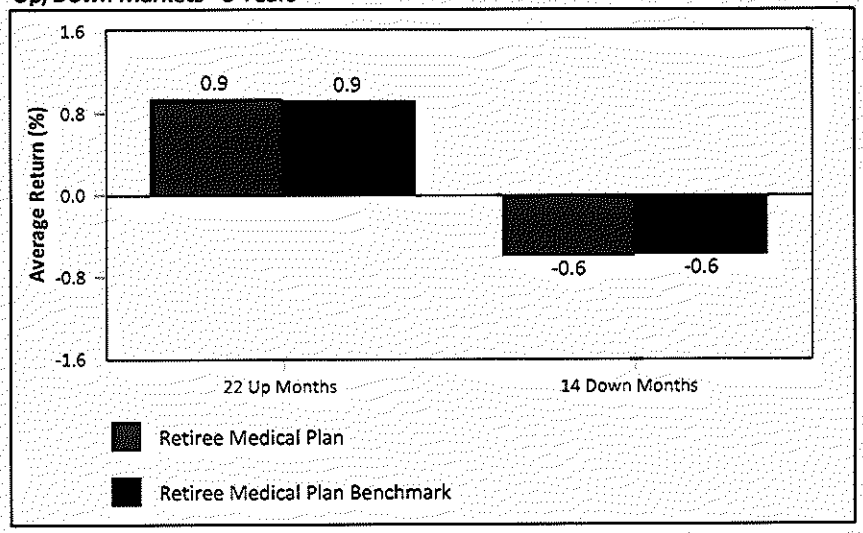
	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
Retiree Medical Plan	4.92	5.09	3.38	0.70	-0.06	0.91	0.97	0.92	0.33	02/01/2005
Retiree Medical Plan Benchmark	4.95	5.44	3.73	0.66	N/A	0.00	1.00	1.00	0.00	02/01/2005
90 Day U.S. Treasury Bill	1.37	0.56	0.01	N/A	-0.66	5.49	0.00	0.00	1.38	02/01/2005

Market Capture Report

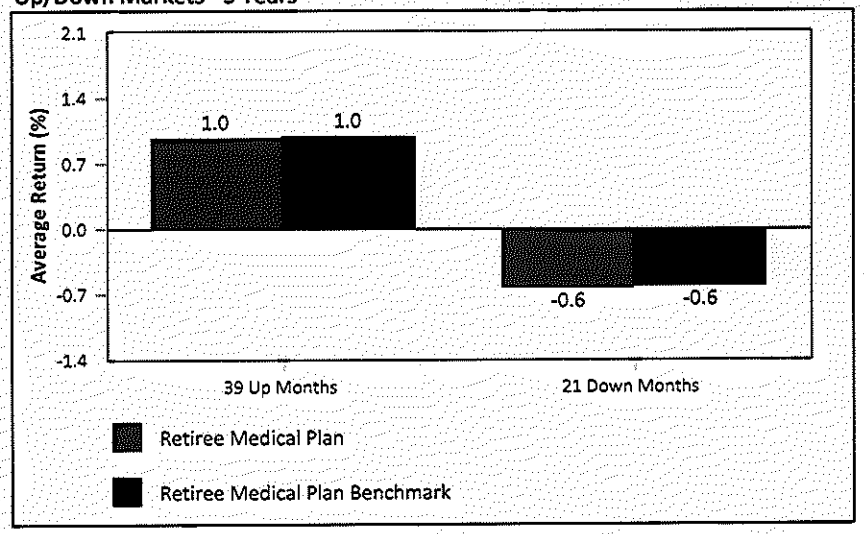
Retiree Medical Plan

As of December 31, 2015

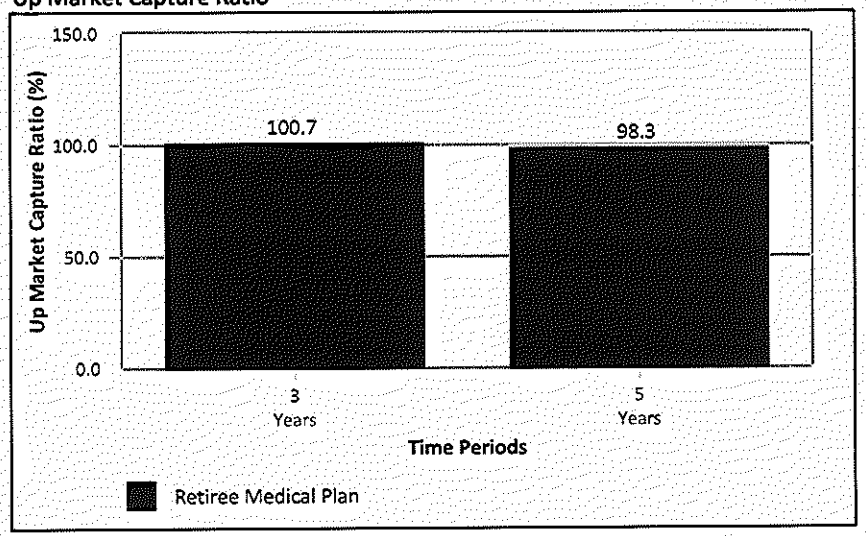
Up/Down Markets - 3 Years



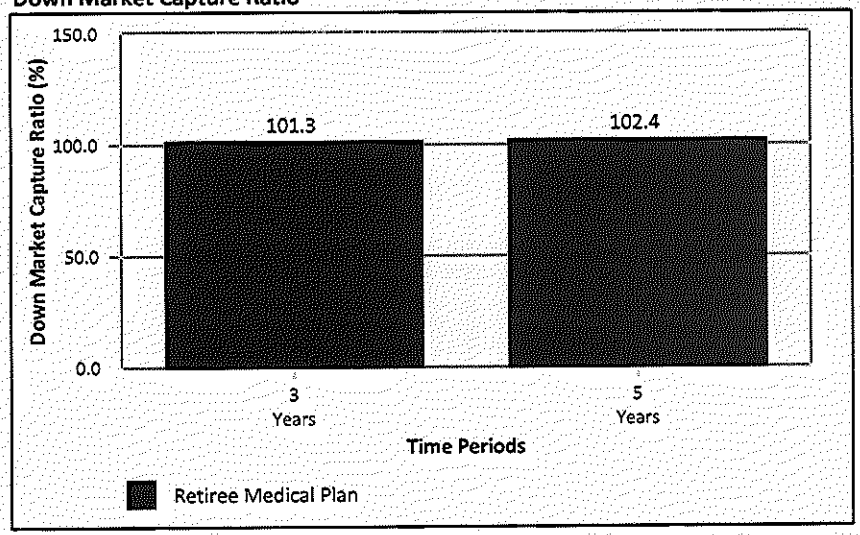
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



Estimated Fee Analysis - Town of Avon Retiree Medical Fund

As of December 31, 2015

MANAGER	FEE SCHEDULE	TARGET ALLOCATION
iShares Barclays 1-3 Yr Treasury Bond Fund	0.15%	36.5%
iShares Barclays 7-10 Yr Treasury Bond Fund	0.15%	36.5%
iShares iBoxx $Investment Grade Corporate Fund	0.15%	12.0%
iShares Russell 3000 Index Fund	0.20%	12.5%
iShares MSCI EAFE Index Fund	0.33%	2.5%
WEIGHTED AVERAGE FEE	**0.16%**	

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.

Manager Commentary

As of December 31, 2015

Manager	Manager Status
Fixed Income	
iShares Barclays Aggregate Index (AGG)	Maintain
iShares Barclays TIPS Index (TIP)	Maintain
iShares Barclays 1-3 Yr Treasury Bond Index (SHY)	Maintain
iShares Barclays Capital 7-10yr Treasury Index (IEF)	Maintain
iShares iBoxx $ Invest Grade Corp Bond Index (LQD)	Maintain
Domestic Equity	
iShares S&P 500 Index (IVV)	Maintain
iShares Midcap Index (IWR)	Maintain
iShares Russell 2000 Index (IWM)	Maintain
iShares Russell 3000 Index (IWV)	Maintain
International Equity	
iShares MSCI EAFE Index (EFA)	Maintain
iShares Emerging Mkt Index (EEM)	Maintain
Real Estate	
iShares Cohen & Steers Majors Index (ICF)	Maintain
iShares S&P Developed Ex-US Prop Index (WPS)	Maintain

Prospectus Links

As of December 31, 2015

FUND FAMILY	WEB SITE
Vanguard	www.vanguard.com
BlackRock	www.blackrock.com
Credit Suisse	www.creditsuisse.com
MetWest	www.mwamllc.com
Western Asset	www.leggmason.com
John Hancock	www.jhfunds.com
Harbor Capital	www.harborfunds.com
Neuberger Berman	www.nb.com
American Funds	www.americanfunds.com
iShares	www.ishares.com

Custom Index Descriptions

CRSP U.S. Large Cap Growth Spliced Index – Following May 1, 2013: CRSP U.S. Large Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Growth.

CRSP U.S. Large Cap Spliced Index – Following February 1, 2013: CRSP U.S. Large Cap TR. Periods prior to February 1, 2013: MSCI U.S. Prime Market 750.

CRSP U.S. Large Cap Value Spliced Index – Following May 1, 2013: CRSP U.S. Large Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Value.

CRSP U.S. Mid Cap Growth Spliced Index – Following May 1, 2013: CRSP U.S. Mid Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Mid Cap Growth.

CRSP U.S. Mid Cap Spliced Index – Following February 1, 2013: CRSP U.S. Mid Cap TR. Periods prior to February 1, 2013: MSCI U.S. Mid Cap 450.

CRSP U.S. Small Cap Growth Spliced Index – Following May 1, 2013: CRSP U.S. Small Cap Growth TR. Periods prior to May 1, 2013:MSCI U.S. Small Cap Growth.

CRSP U.S. Small Cap Spliced Index – Following February 1, 2013: CRSP U.S. Small Cap TR. Periods prior to February 1, 2013: MSCI U.S. Small Cap 1750.

CRSP U.S. Small Cap Value Spliced Index – Following May 1, 2013: CRSP U.S. Small Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Value.

CRSP U.S. Total Market Spliced Index – Following June 1, 2013: CRSP U.S. Total Market TR. Periods prior to June 1, 2003: MSCI U.S. Broad Market.

FTSE Developed Asia Pacific Spliced Index – Following April 1, 2013: FTSE Developed Asia Pacific. Periods prior to April 1, 2013: MSCI Pacific.

FTSE Developed Europe Spliced Index – Following April 1, 2013: FTSE Developed Europe. Periods prior to April 1, 2013: MSCI Europe.

FTSE Developed ex US Spliced Index – Following December 1, 2015: FTSE Developed All Cap Ex US Transition Index. Periods between May 1, 2013 and December 1, 2015: FTSE Developed ex NA Index. Periods before May 1, 2013: MSCI EAFE (net).

FTSE Emerging Markets All Cap China A Inclusion Spliced Index – Following November 1, 2015: FTSE Emerging Markets All Cap China A Inclusion Transition Index. Periods between July 1, 2013 and November 1, 2015: FTSE Emerging Markets (net). Periods between February 1, 2013 and July 1, 2013: FTSE Emerging Markets Transition. Periods Prior to February 1, 2013: MSCI Emerging Markets.

FTSE Global All Cap ex U.S. Spliced Index – Following June 1, 2013: FTSE Global ex USA All Cap. Periods between January 1, 2011 and July 1, 2013: MSCI ACWI ex USA IMI ND. Periods prior to January 1, 2011: MSCI EAFE + EM ND USD.

MSCI AC World ex USA (net) Spliced Index – Following January 1, 2001: MSCI AC World ex USA (net). Prior to January 1, 2001: MSCI AC World ex USA.

MSCI AC World ex USA Growth (net) Spliced Index – Following January 1, 2001: MSCI AC World ex USA Growth (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Growth. Periods prior to January 1, 1997: MSCI AC World ex USA.

MSCI AC World ex USA Value (net) Spliced Index – Following January 1, 2001: MSCI AC World ex USA Value (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Value. Periods prior to January 1, 1997: MSCI AC World ex USA.

Statistics Definitions

Statistics	Description
Sharpe Ratio	-- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	-- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	-- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
R-Squared	-- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.
Treynor Ratio	-- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Tracking Error	-- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	-- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Consistency	-- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Excess Return	-- Arithmetic difference between the managers return and the risk-free return over a specified time period.
Active Return	-- Arithmetic difference between the managers return and the benchmark return over a specified time period.
Excess Risk	-- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Up Market Capture	-- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	-- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.