

Quarterly Investment Review

Nevada System of Higher Education

FIRST QUARTER 2017

Quarterly Investment Review

Nevada System of Higher Education

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Agenda

- › Transition Update
- › Economic and Financial Markets Review
- › Russell Investments Update and Events
- › Account Performance Summary
- › Appendix
 - › Russell Investments Fund Review
 - › Account Performance Detail
 - › Directed Hedge Funds Detail





Transition Update

First Quarter 2017

Asset Transition: Working towards the final allocation

NSHE - Endowment Pool

	3/31/2017 Target	Final Target	Rebal Range
Growth	71.2%	68.0%	
RIIFL Multi-Asset Core Plus Fund	61.2%	58.0%	+/- 2%
Russell Managed Private Capital	10.0%	10.0%	+/- 5%
Diversifiers	12.0%	12.0%	
Russell Managed Hedge Funds	12.0%	12.0%	+/- 5%
Real Assets	1.8%	5.0%	
RIIFL Private Real Estate Fund	1.8%	5.0%	+/- 3%
Fixed Income & Cash	15.0%	15.0%	
RIIFL Core Bond Fund	10.0%	10.0%	+/- 2%
RIIFL Absolute Return Fixed Income	5.0%	5.0%	+/- 2%

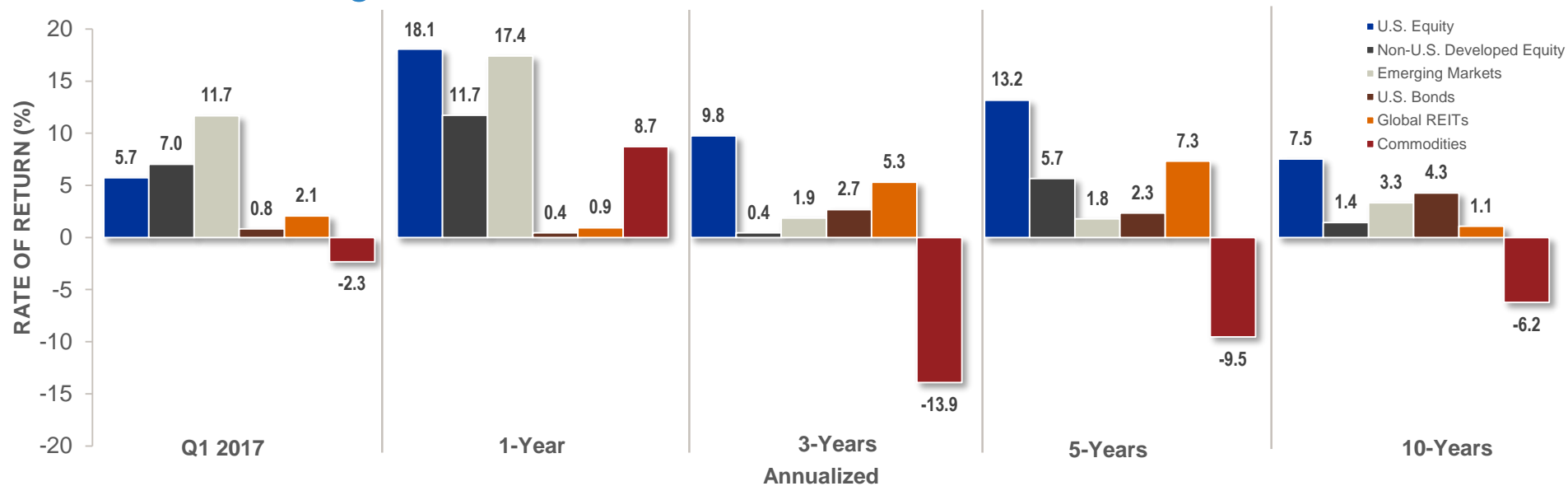
- › Multi-Asset Core Plus currently held in lieu of both private capital and private real estate
- › On 3/31/2017, a purchase into private real estate of \$1.43M (1.8%) was complete. Additional purchases will continue each quarter until full subscription amount of \$5M is invested
- › Additional inflow of \$25M was invested in April 2017

Economic and Financial Markets Review

First Quarter 2017

Capital markets

Periods ending March 31, 2017



- Geopolitical uncertainty across the globe did not stand in the way of a first quarter market rally. Both U.S. and international stocks climbed higher while volatility measures remained relatively low compared to historical norms. As valuations, particularly within the U.S., continue to push higher, it appears investor confidence remains the driving force behind the recent market appreciation.
- U.S. equity remained flat during the month, with sector division among the Russell 1000® Index. Consumer discretionary and technology were the best performers during the month and were attributable to the largest gains on a YTD basis, up 8.2% and 13.1%, respectively. The Russell 3000 Index, measuring the full scope across U.S. market cap, appreciated 5.7% during the quarter.
- Non-US developed equities was the best returning asset class over the month, with a 2.6% return, finishing the quarter up 7.0%. Emerging markets however has been the most notable asset class of 2017, driven by healthy economic data coming out of China and South Korea. India's recent budget outline was also well-received by the market.
- The Federal Reserve raised the overnight fed funds rate a quarter point during its March 15th meeting. The move raises the target interest rate to 0.75% - 1.00% amid what is perceived as rising confidence in the overall economy. Investors largely anticipated the rate hike as the Bloomberg Barclays U.S. Aggregate Bond Index remained relatively flat for the month, capping off a first quarter return of 0.8%.
- Global REITs detracted -1.6% during the month as a tightening money supply tends to put downward pressure on real estate markets. Despite the detraction in March, global REITs remain up over 2.0% for the quarter.
- After a relatively stagnant few months, commodity markets began a negative slide in aggregate towards the end of the quarter. The index components, however, remain quite divided. Despite an OPEC production cut, this opened the door for many U.S. based rigs to come back online, driving energy prices down with Crude Oil and Natural Gas dropping -9.0% and -17.1% YTD, respectively. Industrial and metal based commodities, on the other hand, remain largely positive for the quarter.

U.S. Equity: (Russell 3000® Index) U.S. stock index which includes the 3,000 largest U.S. stocks as measured by market capitalization

Non-U.S. Developed Equity: (Russell Developed ex-U.S. Large Cap Index - Linked) International market index that includes Western Europe, Japan, Australia and Canada.

Emerging Markets: (Russell Emerging Markets Index - Linked) Emerging markets index that includes S. Korea, Brazil, Russia, India and China

U.S. Bonds: (Bloomberg Barclays U.S. Aggregate Bond Index) Broad index for U.S. Fixed Income market

Global REITs: (FTSE EPRA/NAREIT Index - Linked) Index for global publicly traded real estate securities

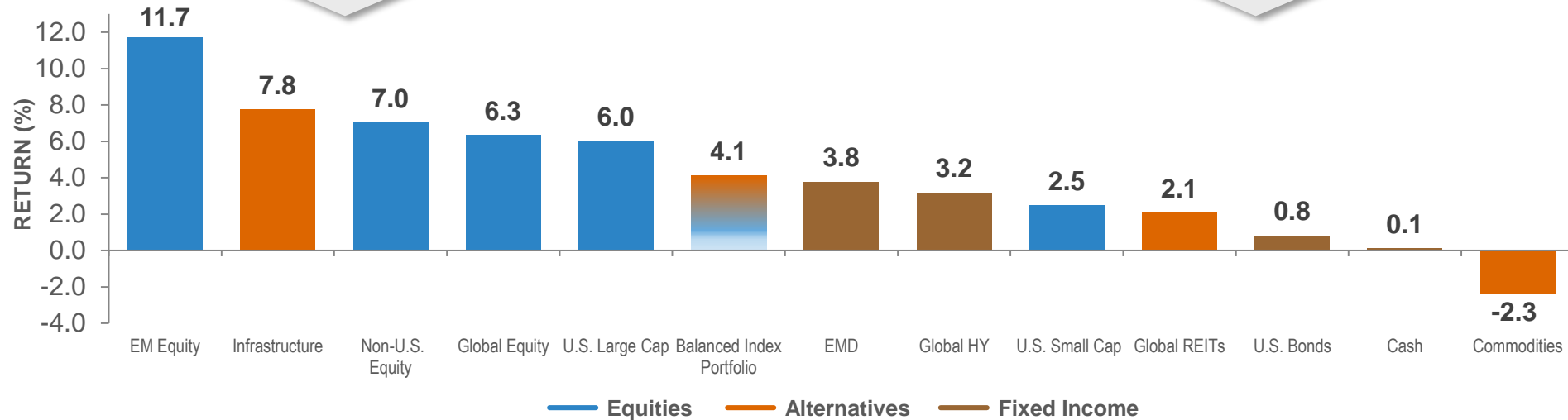
Commodities: (Bloomberg Commodity Index Total Return) Broad index of common commodities

What worked and what didn't work 1Q 2017

What worked

What didn't work

Quarter-to-date returns as of March 31, 2017



WHAT WORKED

- › **Emerging Markets** and **Global Equity** had strong gains, benefiting from a weaker U.S. dollar and attractive valuations
- › **Infrastructure** up based on positive investor sentiment and hopes for future tax cuts

WHAT DIDN'T WORK

- › **Commodities** returns were held back by the energy sector, where natural gas alone was down -17.0%

U.S. Small Cap: Russell 2000® Index; U.S. Large Cap: Russell 1000® Index; Global: Russell Developed Large Cap Index; Non-U.S.: Russell Developed ex-U.S. Large Cap Index; Infrastructure: S&P Global Infrastructure Index; Global High Yield: Bloomberg Barclays Global High Yield Index; Global REITs: FTSE EPRA/NAREIT Developed Index; Cash: Citigroup 1-3 Month T-Bill Index; EM Equity: Russell Emerging Markets Index; U.S. Bonds: Bloomberg Barclays U.S. Aggregate Bond Index; EMD: JPM EMBI Plus Bond Index; Commodities: Bloomberg Commodity Index Total Return; Balanced Index: 5% U.S. Small Cap, 15% U.S. Large Cap, 10% Global, 12% Non-U.S., 4% Infrastructure, 5% Global High Yield, 4% Global REITs, 0% Cash, 6% EM Equity, 30% U.S. Bonds, 5% EMD and 4% Commodities.

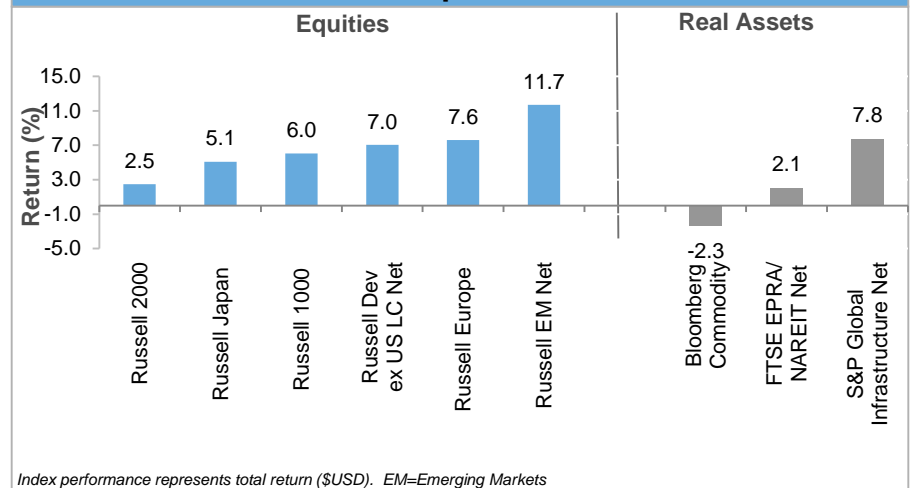
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Return seeking asset review

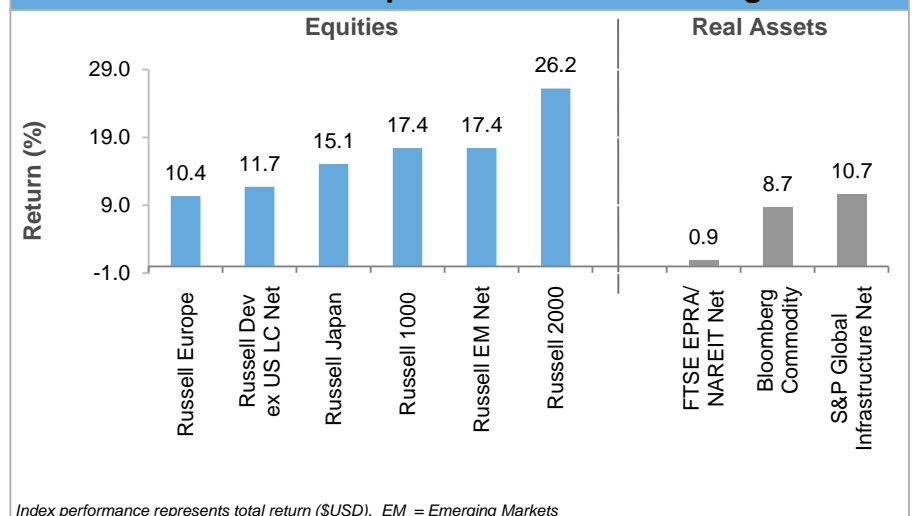
As of March 31, 2017

- Large Cap stocks trended higher during the quarter as companies likely to benefit from continued improvement in economic conditions were rewarded; however, the aging economic cycle weighed on investor minds resulting in a preference for companies with long-term secular growth characteristics over value stocks.
- Large cap stocks significantly outperformed small cap stocks in the quarter as the small cap rally took a pause.
- Technology stocks preformed well with hardware and equipment makers leading the way.
- After the failure to come up with a replacement for the Affordable Care Act, healthcare stocks experienced a strong quarter after struggling for much of 2016. Large hospital operators were notable winners as were healthcare equipment companies.
- Energy stocks experienced a tough quarter as a glut of crude oil supplies lowered oil prices to below \$50 a barrel.
- Non-U.S. markets rose during the quarter with both developed markets and emerging markets outperforming U.S. equities.
- For U.S. based investors, returns were also aided by a modest decline in the value of the U.S. dollar.
- European markets performed well against a backdrop of improving economic conditions and political election risk subsiding.
- Emerging markets performed strongly after struggling in the fourth quarter of 2016. China, Brazil, Mexico, and India all experienced strong returns.
- Similar to U.S. markets, technology stocks led the way while energy stocks struggled. Industrial companies also performed well on expectations of continued economic growth.

Index Performance Snapshot – First Quarter 2017



Index Performance Snapshot – One Year ending 3/31/17



Indexes are unmanaged and cannot be invested in directly. Past performance is not indicative of future results.

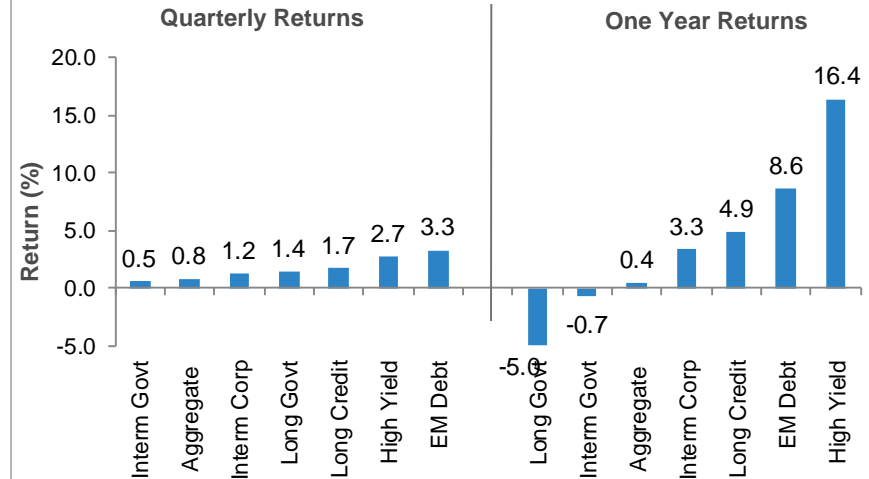
Fixed income asset review

As of March 31, 2017

Highlights:

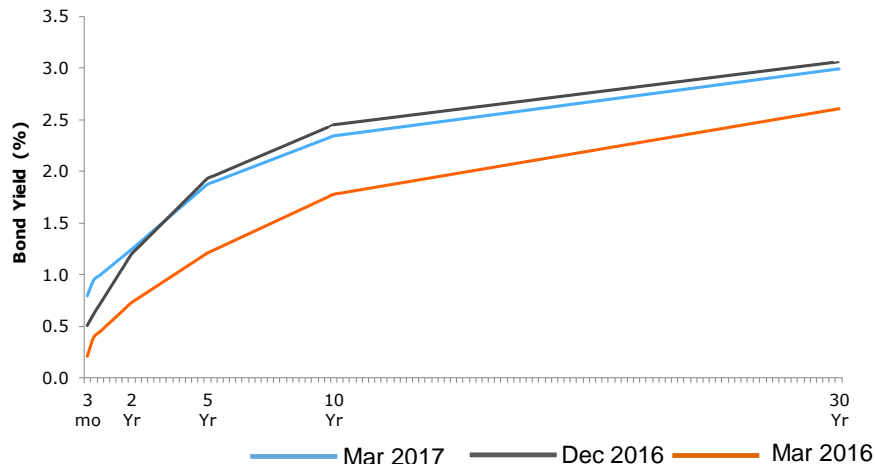
- › The Fed voted to raise short-term rates by 0.25% in March setting the stage for likely two more rate hikes in 2017.
- › After a sharp increase in the fourth quarter of 2016, the ten-year U.S. treasury rate ended the quarter down 6bps to 2.39%. However, treasury rates were volatile during the quarter ranging from 2.3% to just over 2.6%.
- › Investors continued to prefer credit over treasuries given higher yields and expectations for stable economic conditions. Non-investment grade and emerging market bonds were the top performers during the quarter and over the last year.
- › the U.S. bank loan sector continued to see significant inflows, buoyed by its floating rate nature which made it preferable to fixed rate debt in a rising interest rate environment.
- › Although still low relative to historic yields, treasury rates in the U.S. remain comparatively attractive relative to foreign sovereign yields, many of which are near zero at the shorter end of the curve.

Index Performance Snapshot – First Quarter 2017



Source: Barclays. Index performance represents total return (\$USD).

U.S. Treasury Yield Curve



Source: U.S. Treasury, 3/31/2017

OAS Spread Levels

	As of Mar 31, 2017	Quarterly Trend	Ten Year Average	Yield to Worst
Agencies	49	↓	45	2.2%
IG Corporate	118	↓	179	3.3%
MBS	27	↑	54	2.9%
CMBS	77	↔	249	2.8%
ABS	54	↓	141	1.9%
High Yield	383	↓	581	5.8%
EMD (USD)	267	↓	340	4.7%

Source: Barclays, 3/31/2017. 10 Year average as of 3/31/17.

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OAS = Option Adjusted Spreads which is a measurement of the spread of a fixed-income security over an equal duration treasury security adjusted to take into account the value of any embedded option in the bond.

*As measured by the Bloomberg Global Investment Grade Corporate Bond Index

Russell Investments' 2017 global economic & market outlook

United States

Eurozone

Asia/ Emerging Markets

Economic Outlook

- › We expect real GDP growth in 2017 to be 2.0%, but risks are skewed to the downside
- › Despite an unexpected hike in March 2017, we still expect the Fed to continue its tightening program with two total hikes in 2017
- › U.S. wages are tracking higher as the unemployment rate settles below 5%
- › We still hold that a recession in 2017 is unlikely

- › GDP growth expectations are still set at 1.5%, predicated on a continuation of quantitative easing by the ECB and a modest increase in global growth
- › Expect the European Central Bank should continue with negative rates and asset purchases until at least the end of 2017
- › Only when economic growth accelerates to 2% and credit growth continues to rise should the ECB trim back monetary stimulus

- › China is seeing better growth numbers in 2017 and indicators of economic activity are looking increasingly healthy. The risk for the nation lies with rising interest rates
- › Despite slightly firmer GDP data this year and some improvements in exports, Japan's demographic headwinds, a strong yen, and stubbornly low inflation and wage growth leave the outlook downbeat

Market Outlook

- › U.S. equities are very expensive, have only modest fundamental support and are significantly overbought across a range of indicators. Major tax cuts might push equities higher
- › We expect the 10 year U.S. Treasury yield to stay range-bound around 2.5% through 2017
- › Corporate earnings have recovered, it will be difficult for growth to push sustainably above 5%

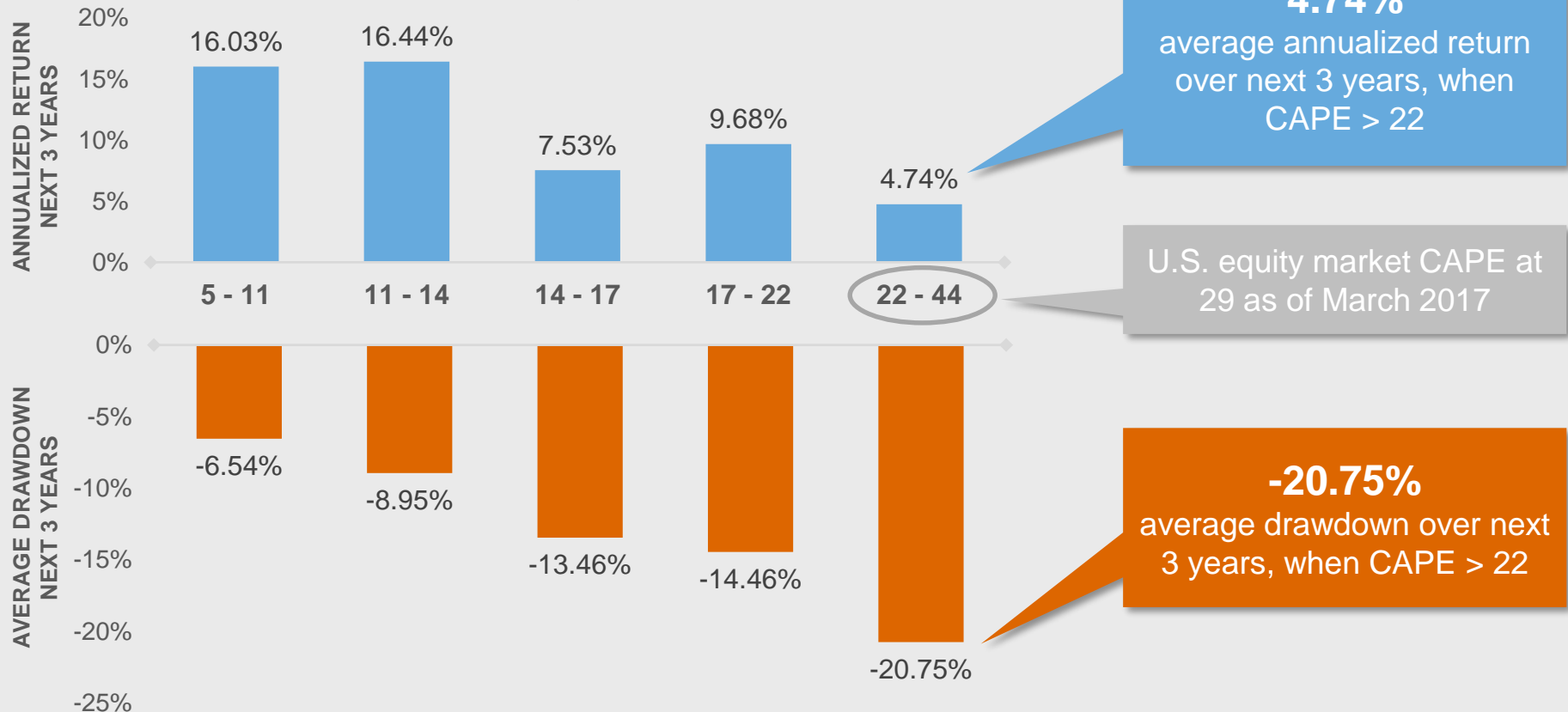
- › 5%-10% earnings growth in 2017
- › Neutral on Eurozone government bonds with yields in our range of 0-0.5%.
- › Sticking to the reflation trade, we expect the gap between strong fundamentals and lackluster markets to close when investors realize the eurozone is on solid footing

- › Regional markets are demonstrating reasonably positive momentum; however, recent buoyancy leaves equities "overbought"
- › Australia and New Zealand will likely continue solid growth in 2017 with their economies underpinned by the stabilization in commodity prices and housing holding up
- › The business cycle has improved to neutral for emerging markets but remain vulnerable to Fed rate hikes and further USD strength

Beware of betting big on U.S. stocks

They're expensive

U.S. STOCK MARKET AVERAGE ANNUALIZED RETURN & AVERAGE DRAWDOWN OVER NEXT 3 YEARS
based on starting CAPE



Yale Professor Robert Shiller calculates a Cyclically Adjusted P/E Ratio based on stock price divided by prior 10-year earnings. U.S. stock market is represented by an index created by Professor Shiller. The stocks included are those of large publicly held companies that trade on either of the two largest American stock market exchanges: the New York Stock Exchange and the NASDAQ. Prior to 1926 his data source was Cowles and Associates Common Stocks Index, after 1926 his source has been S&P.

Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly. Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. It is not representative of a projection of the stock market, or of any specific investment. Average drawdown is the percentage return from period start date to the market trough within the subsequent three years.

New administration: Off and running

AGENDA	PROGRESS	TIMELINE
Reduce regulation	Started	Ongoing
Repeal Affordable Health Care Act	Stalled	Unclear
Reform taxes	Upcoming	Late 2017
Address trade agreements	Started	Unclear
Build infrastructure	Discussing	Unclear

**Uncertainty can lead to market volatility.
Diversification remains an excellent response.**

Sources: USA Today, Feb 6, 2017; Foxnews.com, Mar 24, 2017; CNN.com; Feb 10, 2017; CNN.com, Jan 24, 2017; WSJ.com, Mar 8, 2017
Diversification does not assure a profit and does not protect against loss in declining markets.

Russell Update and Events



First Quarter 2017

Non-Profit and Healthcare Systems update

Published Content: First Quarter 2017

- › Non-profit investment outsourcing guide
- › Responsible investment capabilities and client solutions
- › Decarbonization 2.0
- › Five questions hospital and healthcare fiduciaries should be asking in 2017
- › Non-profit newsletter 1E17
 - › Why dynamic management matters
 - › From brown energy to green energy
 - › Private market opportunities
 - › Global market outlook for non-profit investors

Will be available online via ClientLINK or through your client service team.

Non-Profit and Healthcare Systems update

Upcoming Content: Second Quarter 2017

- › The healthcare fiduciary's handbook executive summary
- › An update to the non-profit fiduciaries' handbook (ready later in the year)
- › Non-profit newsletter 2E17
 - › Hedge fund opportunities investors should be looking out for
 - › Investing principles for community foundation leaders
 - › Global market outlook for non-profit investors

Will be available online via ClientLINK or through your client service team.

Non-Profit and Healthcare Systems update

Product Updates

- › Russell Investments Institutional Funds, LLC (RIIFL) changes
 - › CTF REEF Fund closed on 3/31/2017 and RIIFL – REEF opened on 3/31/2017.

Regulatory Updates

- › President Trump vowed to “totally destroy” the Johnson Amendment. House Ways and Means Committee Chair Kevin Brady, R-Texas, seconded this statement, expressing that the House GOP tax reform proposal would eliminate the Johnson Amendment and allow charitable organizations to take sides in politics.
 - › In 1954, the Johnson Amendment was adopted by a Senate floor amendment to Internal Revenue Code section 501(c)(3). Then-Senator Lyndon B. Johnson stated that the purpose of the Johnson Amendment was to “[d]eny [] tax-exempt status to not only those people who influence legislation but also to those who intervene in any political campaign on behalf of any candidate for any public office.”
 - › Proponents of the repeal believe that canceling the amendment gives back to nonprofits, and particularly religious organizations, their freedom of speech. Proponents view the Johnson Amendment as government persecution because it limits churches’ religious activities and freedom of speech.
 - › Opponents to repeal are concerned that eliminating the prohibition against political campaign activity would erode the separation of church and state. They view tax-exempt status as a privilege and not a right; therefore, an organization can either follow the rules or relinquish its tax-exempt status.

Further details are available online via ClientLINK or through your client service team.

Non-Profit and Healthcare Systems update

Upcoming Industry Events

- › May 10 – Webinar co-hosted with BoardSource featuring The Community Foundation for Southwest Washington
- › June 25-28 – HFMA's Annual National Institute (Orlando, FL)
- › September 10-18 – JFNA 2017 Financial & Technology Professionals' Institute Mission to Israel
- › October 15-18 – Health System 100 Leadership Conference (Amelia Island, FL)
- › October 19-20 – BoardSource Leadership Forum (Seattle, WA)

Account Performance Summary



First Quarter 2017

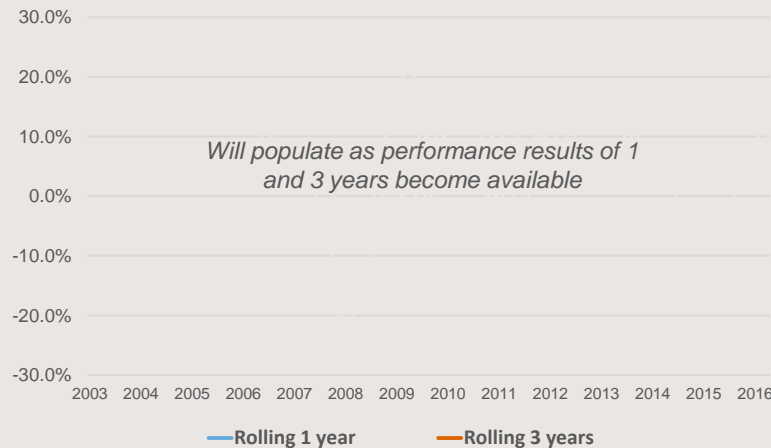
Nevada System of Higher Education

1st Quarter 2017

RETURN HISTORY

	1Q17	Annualized			
		1 Year	3 Years	5 Years	Since Inception*
Total Account – Net (%)	4.7	--	--	--	4.7
Daily Dynamic Benchmark	4.3	--	--	--	4.3
Strategic Allocation Benchmark	4.3	--	--	--	4.3
U.S. Consumer Price Index	0.4	--	--	--	0.4
Russell Global Index - Net	6.8	--	--	--	6.8
Barclays U.S. Aggregate Bond Index	0.8	--	--	--	0.8

ROLLING TOTAL RETURN (net)



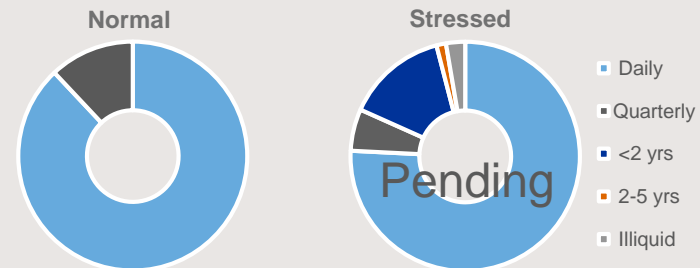
MARKET VALUE RECONCILIATION

	Quarter	FYTD
Beginning Market Value	--	--
Inflows	77,925,621	77,925,621
Outflows	--	--
<u>Net Market Gain/Loss</u>	<u>2,919,443</u>	<u>2,919,443</u>
Ending Market Value	80,845,064	80,845,064

ASSET ALLOCATION



LIQUIDITY PROFILE – Market Environment



* Based on an inception date of 1/1/2017

Normal Market Environment liquidity profile - based on Russell Capital Markets Forecasts. Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. It is not representative of a projection of the stock market, or of any specific investment.

Stressed market environment liquidity profile represents asset allocation shown applied to historical observations of asset class behavior in 2008/2009 market environment when some investments became less liquid than expected.

Source: Mellon Analytical Solutions LLC and Russell Investment Research. Indexes are unmanaged and cannot be invested in directly.

Past performance is not indicative of future results.

Nevada System of Higher Education Performance

As of March 31, 2017

	3 Months	Annualized					
		Year to Date	1 Years	3 Years	5 Years	Since Inception	Inception Date
Total Assets - Net	4.65	4.65	--	--	--	4.65	1/1/2017
<i>Daily Dynamic Benchmark¹</i>	4.33	4.33	--	--	--	4.33	
<i>Strategic Allocation Benchmark²</i>	4.25	4.25	--	--	--	4.25	

	3 Months	Annualized					
		Year to Date	1 Years	3 Years	5 Years	Since Inception	Inception Date
Growth - Net	5.36	5.36	--	--	--	5.36	1/1/2017
<i>Custom Benchmark³</i>	5.24	5.24	--	--	--	5.24	
Diversifiers – Net ⁴	--	--	--	--	--	0.19	3/1/2017
<i>LIBOR+4%⁴</i>	--	--	--	--	--	0.43	
Real Assets – Net	--	--	--	--	--	--	4/1/2017
Fixed Income & Cash	0.22	0.22	--	--	--	0.22	1/1/2017
<i>Custom Benchmark⁵</i>	0.80	0.80	--	--	--	0.80	

Performance is net of fee. Past performance is not indicative of future results.

¹Sum contribution of daily benchmark returns, dynamically weighted by the component primary benchmarks' associated funds' daily beginning market value over the aggregate beginning market value.

²Currently consists of: 73.0% Multi-Asset Core Plus Composite Bmk, 12.0% LIBOR + 4%, 10.0% Bloomberg Barclays Aggregate, 5.0% Bloomberg Barclays 3 Month LIBOR.

³Currently consists of: 100.0% Multi-Asset Core Plus Composite Bmk.

⁴True inception date is 02/01/17. Market values and returns are reported one month in arrears. Market value and returns are reported net of underlying fund fees and gross of Russell Investment fees.

⁵Sum contribution of daily benchmark returns, dynamically weighted by the component primary benchmarks' associated funds' daily beginning market value over the aggregate beginning market value.

Nevada System of Higher Education Performance

As of April 30, 2017

	1 Month	Annualized					
		Year to Date	1 Years	3 Years	5 Years	Since Inception	Inception Date
Total Assets - Net	1.02	5.72	--	--	--	5.72	1/1/2017
<i>Daily Dynamic Benchmark¹</i>	1.07	5.45	--	--	--	5.45	
<i>Strategic Allocation Benchmark²</i>	1.05	5.35	--	--	--	5.35	

	1 Month	Annualized					
		Year to Date	1 Years	3 Years	5 Years	Since Inception	Inception Date
Growth - Net	1.37	6.80	--	--	--	6.80	1/1/2017
<i>Custom Benchmark³</i>	1.30	6.61	--	--	--	6.61	
Diversifiers – Net ⁴	(0.78)	--	--	--	--	(0.59)	3/1/2017
<i>LIBOR+4%⁴</i>	0.36	--	--	--	--	0.80	
Real Assets – Net	--	--	--	--	--	--	4/1/2017
<i>NFI-ODCE-EQ-E&F</i>	--	--	--	--	--	--	
Fixed Income & Cash	0.54	1.21	--	--	--	1.21	1/1/2017
<i>Custom Benchmark⁵</i>	0.54	1.34	--	--	--	1.34	

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Nevada System of Higher Education

Manager Line-up as of March 31, 2017

ASSET CLASS			ASSET CLASS
Fixed Income		Multi-Asset	Private Real Estate
RUSSELL (RIIFL) FUNDS			RUSSELL (RIIFL) FUND
RIIFL Core Bond Fund	RIIFL Absolute Return Fixed Income Fund	RIIFL Multi-Asset Core Plus Fund	Real Estate Equity Fund*
MANAGERS/STRATEGIES			ADVISORS/STRATEGIES
Colchester Global Investors Limited Alpha Overlay	Blue Bay Asset Management LLP Fund	75% Global Equity	INVESCO Core Real Estate USA Core
RIIFL Absolute Return Fixed Income Fund Alpha Overlay	Pareto Investment Management Limited	12% Marketable Real Assets	Morgan Stanley Prime Property Fund Core
Logan Circle Partners, L.P. Sector Specialist	Putnam Advisory Company, LLC	13% Global Fixed Income	UBS Trumbull Property Fund Core
Pareto Investment Management Limited Alpha Overlay	Russell Investments positioning strategies*		RREEF America REIT II
Schroder Investment Management North America Inc. Sector Specialist			*RIIFL Real Estate Equity Fund As of 12/31/16
Reams Asset Management Fully Discretionary			
Western Asset Management Company Fully Discretionary			
Western Asset Management Company - Bank Loan Sector Specialist			
Russell Investments positioning strategies*			

Advisors listed are current as of March 31, 2017. Russell Investments has the right to engage or terminate an advisor at any time and without notice.

*Russell Investments positioning strategies are customized exposures directly managed by Russell Investments for use within the total portfolio and may include overlays, index replication, smart beta strategies, and custom quantitative strategies.

Appendix



First Quarter 2017

Russell Investments Fund Review



First Quarter 2017

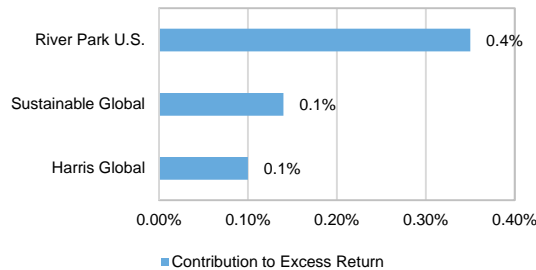
RIIFL Multi-Asset Core Plus Fund – period ending March 31, 2017

Strategy

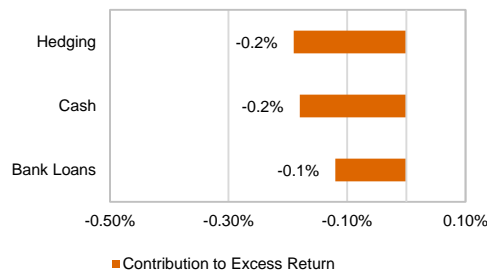
The Multi-Asset Core Plus Fund has a strategic allocation of 75% global equity, 12% real assets (global REITs, listed infrastructure, and commodities), and 13% diversifying fixed income. The Fund is dynamic in nature and so the portfolio manager is allowed to deviate up to +/- 5% from the strategic targets to take advantage of market opportunities to enhance return and/or to manage risk and is allowed to invest in out-of-benchmark asset classes. The Fund utilizes a combination of Russell Investments' asset class funds, separate manager accounts, and positioning strategies.³

Excess Return Attribution 1Q 2017⁵

Top three contributors to excess return



Top three detractors from excess return



Performance

	1Q2017	Year to Date	One Year	Three Years	Inception to date ¹
RIIFL Multi-Asset Core Plus Fund	5.53%	5.53%	17.00%	7.06%	8.79%
Multi-Asset Core Plus Composite Index ²	5.24	5.24	14.28	5.23	7.57

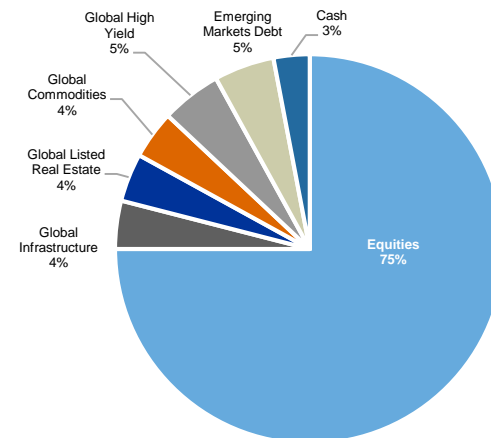
¹Fund inception date is 02/28/2013.

²The Multi-Asset Core Plus Fund Composite Benchmark consists of: 75% Russell Global Index 50% Hedged, 4% Bloomberg Commodity Index Total Return (USD), 4% FTSE EPRA/NAREIT Developed Real Estate Index (Net), 4% S&P Global Infrastructure Index Net (USD), 5% BofAML Global High Yield 2% Constrained Index TR USDH, 5% JP Morgan Emerging Market Bond Index Global (USD) and 3% Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index.

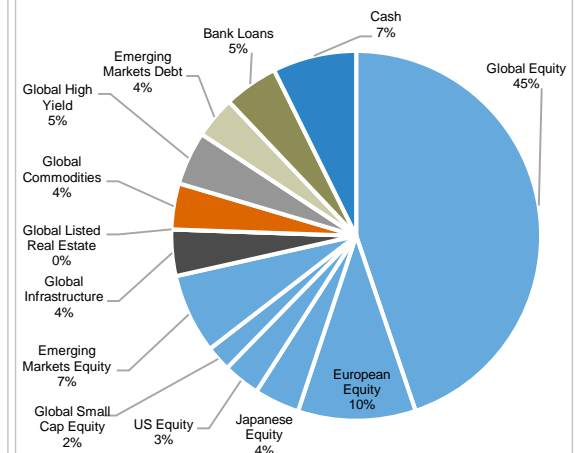
Characteristics

	1Q2017	4Q2016
Total Net Assets	\$5.14B	\$3.89B
Global Equity⁵	Fund	Russell Global
Portfolio P/E	19.0	18.9
Portfolio P/E – I/B/E/S 1 yr. Forecast EPS	16.5	16.5
\$ Weighted Average Market Capitalization	\$77.99B	\$95.56B
Return Seeking Fixed Income⁶	Fund	Benchmark⁷
Current Yield (%)	5.0	5.2
Weighted Average Duration	3.8	4.0
Average Credit Quality	Baa1	A3

Strategic Asset Allocation⁴



Actual Asset Allocation as of 3/31/2017



³Positioning strategies - customized exposures directly managed by Russell Investments for use within the total portfolio to effect the funds' investment strategies and/or to modify overall portfolio characteristics to seek to achieve the desired risk/return profile.

⁴Strategic allocations may vary based on tactical allocations made by the portfolio manager, which may allow the weightings of each asset class to take advantage of potential opportunities as market and economic conditions change.

⁵Source: FactSet

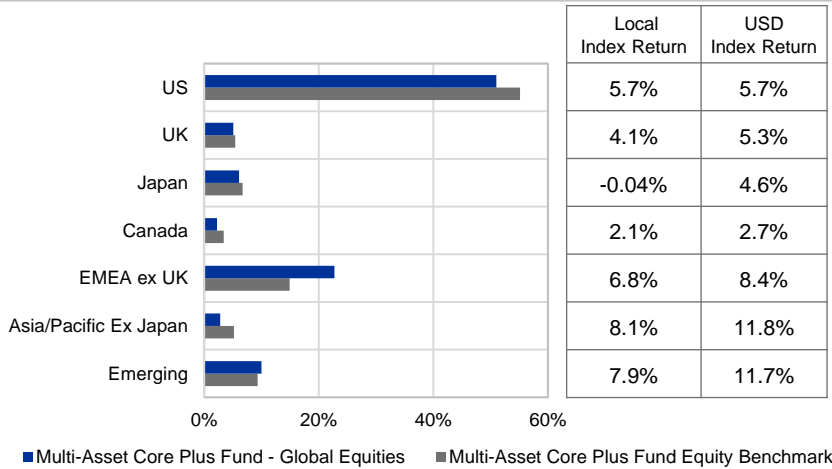
⁶Source: FactSet

⁷50% BofAML Global High Yield 2% Constrained Index TR USDH, 50% JP Morgan Emerging Market Bond Index Global (USD).

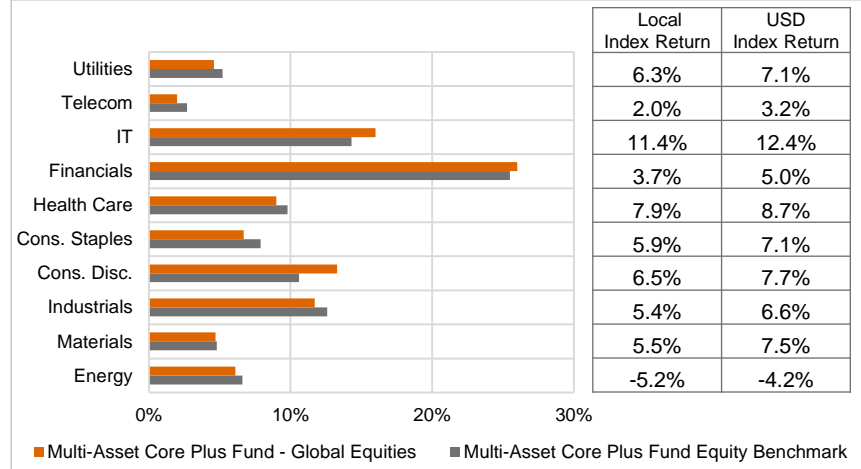
RIIFL Multi-Asset Core Plus Fund – period ending March 31, 2017

Global Equities⁵

Regional Exposure

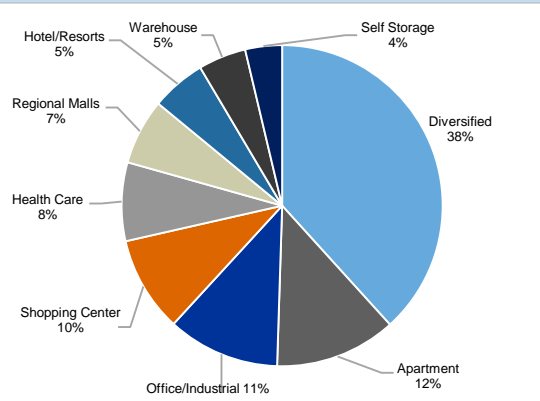


Sector Exposure

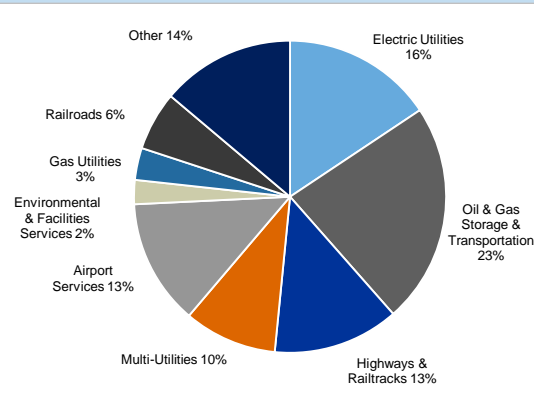


Real Assets⁵

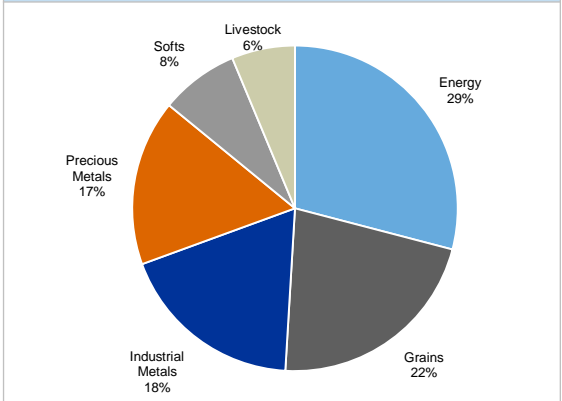
Global Real Estate Exposure



Global Infrastructure Exposure



Commodities Exposure



The Multi-Asset Core Plus Fund is a dynamic, diversified portfolio designed to capture market opportunities. The underlying allocations to various asset classes will shift over time, but the overall strategic allocation will remain 75% global equity/12% marketable real assets/13% U.S. fixed income.

The Multi-Asset Core Plus Fund invests in underlying funds/strategies/separate accounts. Prior allocations available upon request.

Multi-Asset Core Plus Fund is an investment fund of the Russell Investments Institutional Funds, LLC; it is a private placement. It is not a fund of Russell Investment Company, nor a mutual fund registered under the Investment Company Act of 1940.

⁵Source: FactSet and Russell Investments. Equity regional and sector exposures include REITs and infrastructure. Multi-Asset Core Plus Fund Equity Benchmark is 90% Russell Global Index, 5% FTSE EPRA/NAREIT Developed Real Estate Index (Net), 5% S&P Global Infrastructure Index Net (USD). Returns shown are of Russell Global Index.

RIIFL Multi-Asset Core Plus Fund

Fund positioning – first quarter 2017

Supplemental Material, INV-5a	
++	Page 28 of 84
+	Positive
-	Negative
--	Significantly negative

Strategic Positions	Justification	Quarterly Impact	PM Action
Loans and local EMD	<ul style="list-style-type: none"> Diversity following a period of strong equity/credit returns and low volatility 	- (bank loans) + (EMD)	Maintained position in Q1.
Currency Factor Strategy Risk Premia	<ul style="list-style-type: none"> Diversify excess return sources and add return sources that are not driven by pure beta 	+	Maintained position in Q1.
Passive 50% currency hedge	<ul style="list-style-type: none"> Hedging currency helps reduce regret, gives us ability to be tactical and can reduce overall volatility 	-	We remain 50% hedged.
Tactical Tilts	Justification	Quarterly Impact	PM Action
Underweight interest rate sensitive equities	<ul style="list-style-type: none"> Expensive relative to their historical levels, not likely to perform well in a rising interest rate scenario 	+	Decreased underweight through buying REITs.
Overweight Europe (hedged)	<ul style="list-style-type: none"> Low valuations, a supportive ECB and earnings improving on a weak Euro could lead to outperformance 	+	Maintained position in Q1.
Overweight Emerging Markets	<ul style="list-style-type: none"> Improving economic growth and low valuations attractive 	+	Maintained position in Q1.
Underweight US	<ul style="list-style-type: none"> Valuations are extended and earnings have peaked 	+	Increased underweight in Q1.
Overweight EMD local and underweight EMD hard	<ul style="list-style-type: none"> Stable economic growth, high real yield income and most important, attractive currency valuations 	+	Increased position in Q1.
Overweight Emerging Markets currencies vs. KRW and AUD.	<ul style="list-style-type: none"> Economic growth, rising rates and policy divergence could lead to stronger dollar; EM currencies are undervalued and leading indicators point to improvement in cycle. 	+ (EM overweight) - - (AUD underweight) - - (KRW underweight)	Increased EM currency overweight.
Beta	<ul style="list-style-type: none"> Maintain below neutral position but with better downside protection 	-	Used options to maintain beta slightly below 1.
Selection Impact	Justification	Quarterly Impact	PM Action
Active manager stock selection as the main driver of excess returns	<ul style="list-style-type: none"> Idiosyncratic in nature; Russell Investments has differentiated research and managers with skill 	++	Incrementally added to high conviction active managers.

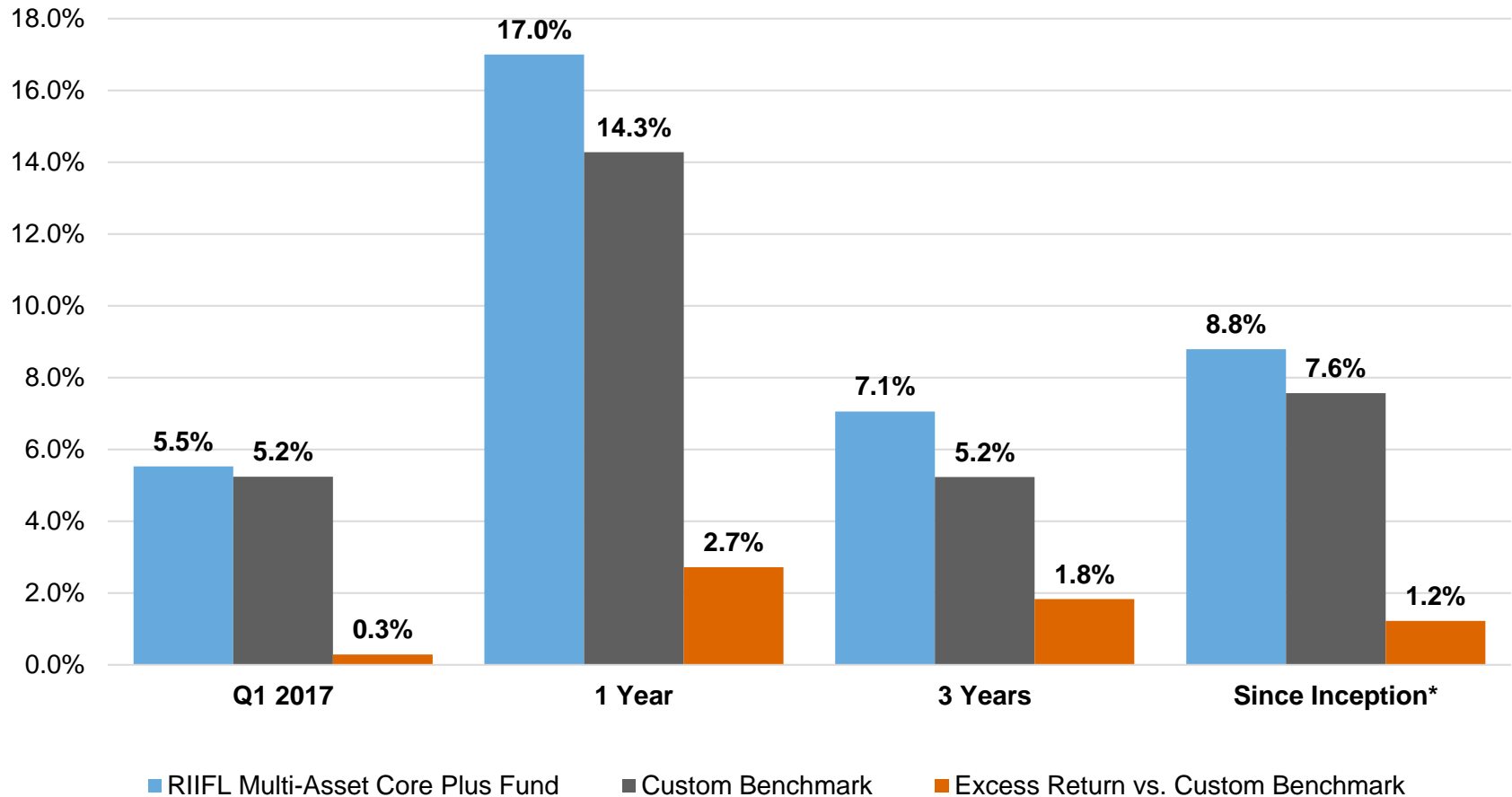
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Any stock level commentary is specific to the impact on fund performance only and is not a recommendation to purchase or sell any specific security.

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RIIFL Multi-Asset Core Plus Fund

Performance as of March 31, 2017



*Inception date: 2/28/2013

The Multi-Asset Core Plus Fund Composite Benchmark consists of: 75% Russell Global Index 50% Hedged, 4% Bloomberg Commodity Index Total Return (USD), 4% FTSE EPRA/NAREIT Developed Real Estate Index (Net), 4% S&P Global Infrastructure Index Net (USD), 5% BofAML Global High Yield 2% Constrained Index TR USDH, 5% JP Morgan Emerging Market Bond Index Global (USD) and 3% Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index.

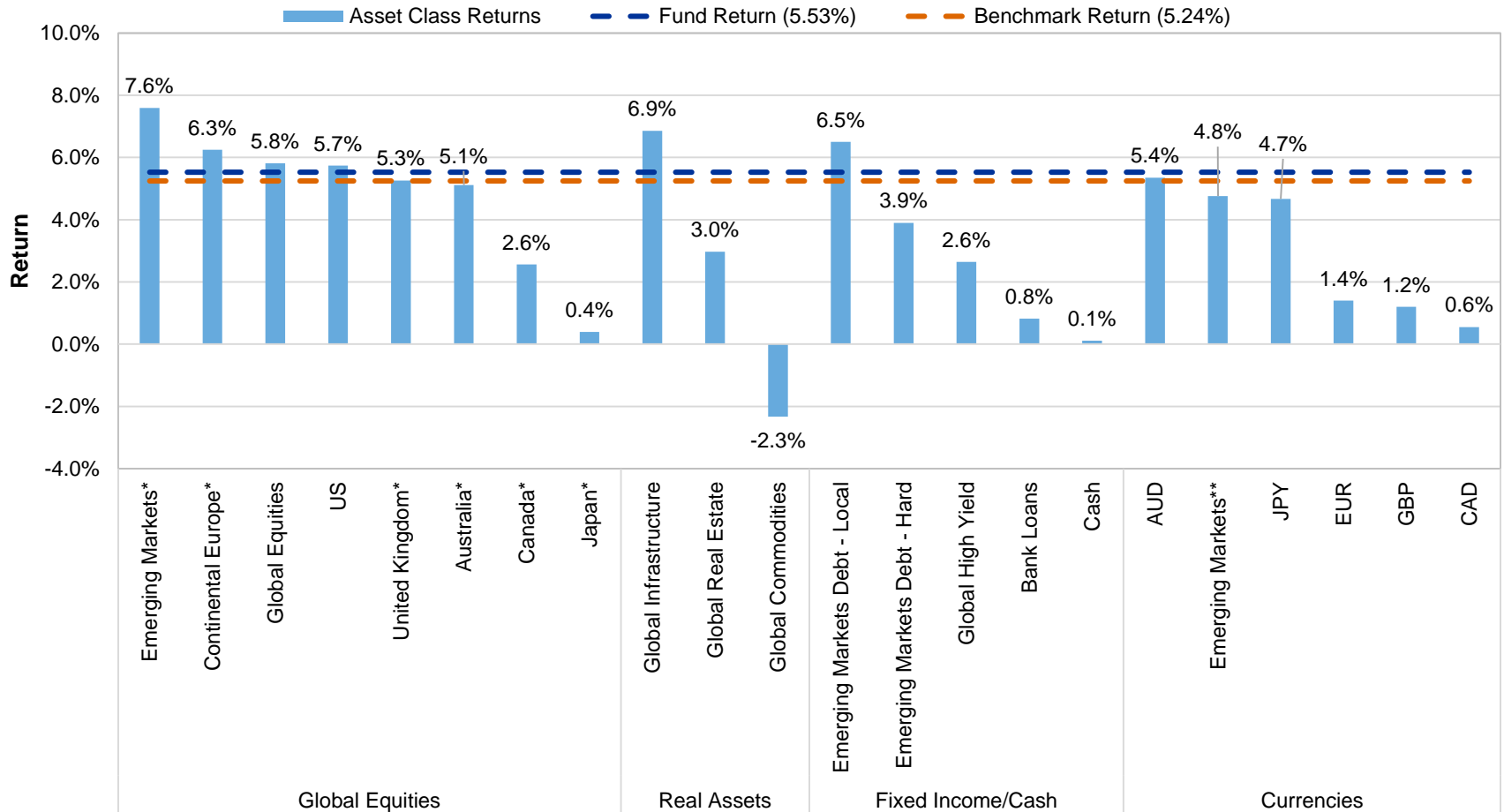
Performance is gross of fees. Fees will reduce the overall performance of the fund. Indexes/benchmarks are unmanaged and cannot be invested in directly. Data is historical and is not indicative of future results.

Effective August 24, 2016 the Barclays fixed income benchmark indices, including the Barclays Aggregate family of indices, were renamed the Bloomberg Barclays family of indices.

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RIIFL Multi-Asset Core Plus Fund

Asset class returns for Q1 2017



*Based on Russell Global Indices Local Market returns

**MSCI Emerging Markets Currency Index. The Index weights each emerging market currency return vs. the dollar by its market cap in the MSCI Emerging Markets Index.

All currency returns are spot returns vs. USD.

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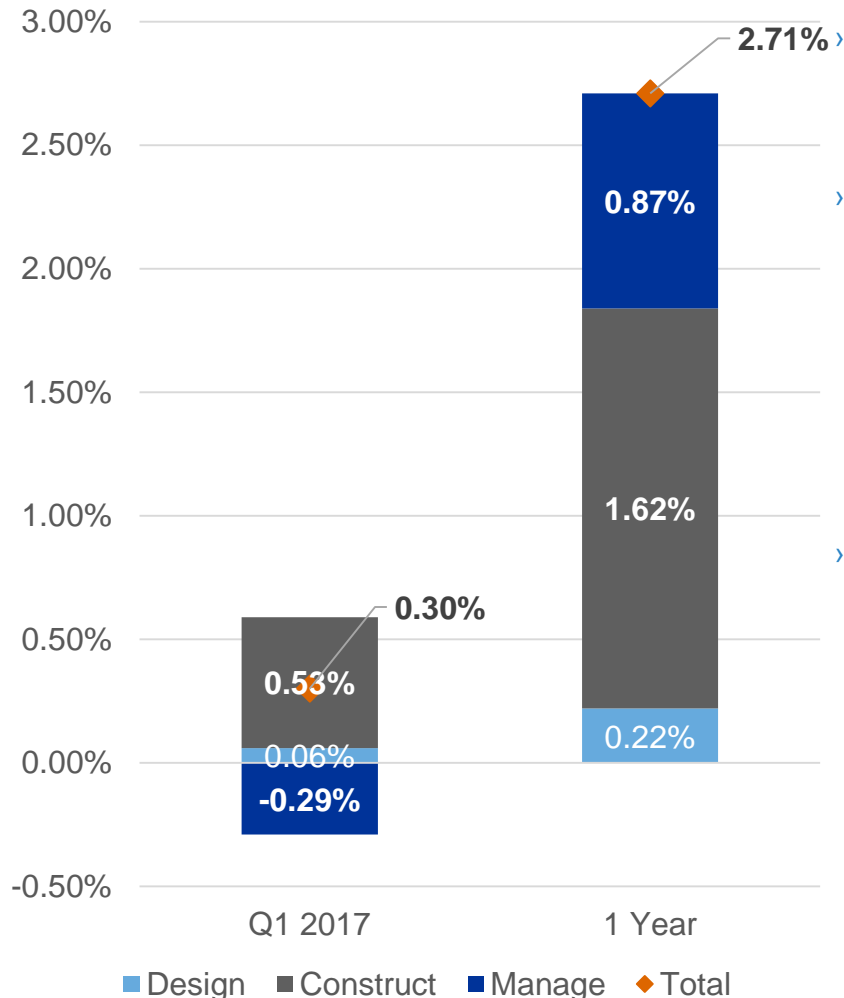
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RIIFL Multi-Asset Core Plus Fund

Quarterly excess return attribution detail as of March 31, 2017



► **Design:** Design was slightly ahead in the first quarter. Strategic allocations to EMD (overweight local), carry and trend currency risk premia strategies outperformed, but this was offset by negative contributions from Bank Loans.

► **Construct:** active managers contributed excess returns for the quarter.

► Growth managers had a strong comeback in the first quarter; US growth manager SGA was the strongest contributor to Construct in Q1.

► Value manager performance was mixed with Polaris lagging but Harris continuing its strong performance turnaround which began in Q3 2016.

► The active positioning strategy was a headwind due to the overweight to defensive, value, and U.S. securities as those areas underperformed during the quarter.

► **Manage:** tactical asset allocation positions was a headwind for the quarter

► The US equity underweight vs. cash was the biggest detractor due to rising equity markets; the loss was dampened by options, allowing the portfolio to participate in some of the upside.

► Underweight to AUD and KRW were detractors. However, the underperformance was partially offset our EM currency bets (MXN, ZAR, INR, and RUB).

► An underweight to REITS and regional equity positioning was positive during the period.

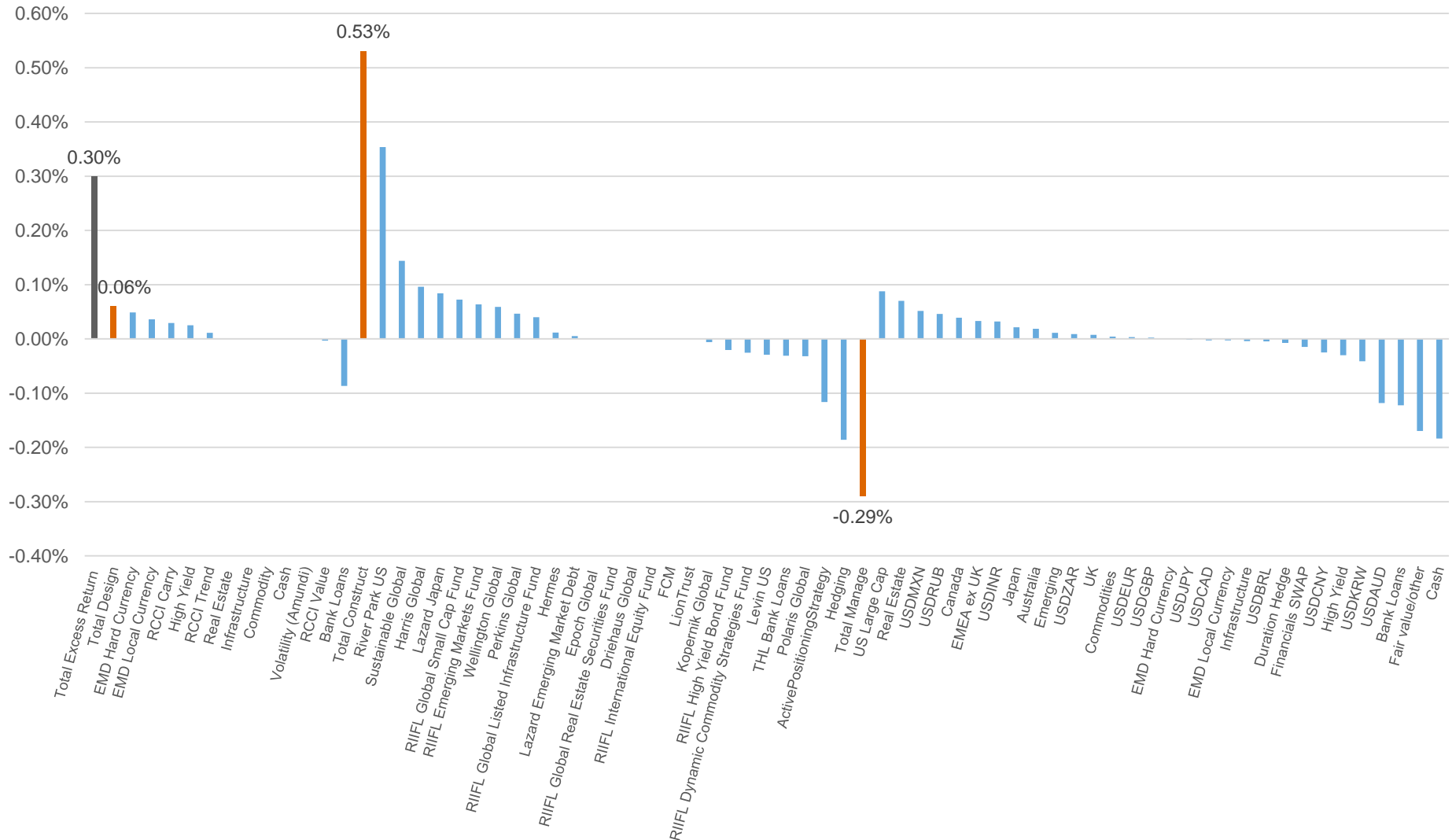
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RIIFL Multi-Asset Core Plus Fund

Detailed quarterly excess return attribution detail as of March 31, 2017



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*Excess return is relative to the fund's composite benchmark.

RIIFL Multi-Asset Core Plus Fund

Asset allocation and manager lineup as of March 31, 2017

ASSET CATEGORY											
Global Equity 71.5%				Real Assets 8.1%			Return Seeking Fixed Income 13.1%			Cash 7.3%	Risk Premia Strategies 0.0%
ASSET CLASS											
Global Equities 44.8%	Regional Large Cap 17.5%	Regional Small Cap 2.2%	Emerging Markets 7.0%	Global Real Estate 0.0%	Global Infrastructure 4.1%	Global Commodities 4.0%	Global High Yield 4.7%	Bank Loans 4.8%	Emerging Markets Debt 3.7%	Cash 7.3%	Currency 0.0%
MANAGERS/STRATEGIES											
Harris 6.4%	Hermes (European Equities) 0.8%	RIIFL Global Small Cap Fund 2.2%	RIIFL Emerging Markets Equity Plus Fund 7.0%	RIIFL Global Real Estate Securities Fund 0.0%	RIIFL Global Listed Infrastructure Fund 4.1%	RIIFL Dynamic Commodity Strategies Fund 4.0%	RIIFL High Yield Bond Fund 4.7%	THL 4.8%	Lazard 3.7%	Cash 7.3%	Russell Investments Currency Factor Strategy 0.0%
Janus 8.4%	Lazard (Japanese Equities) 4.0%	Ancora	Alliance Bernstein	Deutsche Asset and Wealth Management	Cohen & Steers	CoreCommodity Management, LLC	Ares				Carry
Kopernik 2.3%	Levin (US Equities) 3.2%	Cupps	ClariVest		Nuveen	Mount Lucas	DDJ				Value
Polaris 2.5%	RiverPark (US Equities) 9.5%	Robeco	Harding Loevner			Russell Investments Positioning Strategy - Backwardation	Hermes Investment Management				Trend
SGA 4.9%		Metropole	Oaktree Capital Management			Russell Investments Positioning Strategy - Dynamic	Oaktree				
Wellington 6.1%		Liontrust	RWC Asset Advisors				Russell Investments Positioning Strategies				
Russell Investments Positioning Strategies 14.1%		Four Seasons	Russell Investments Positioning Strategies								
		Foyston, Gordon & Payne, Inc									
		Russell Investments Positioning Strategies									

Allocations and Managers/Funds/Strategies are as of March 2016. Current data may be different. Russell Investments has the right to engage or terminate a manager at any time and without notice.

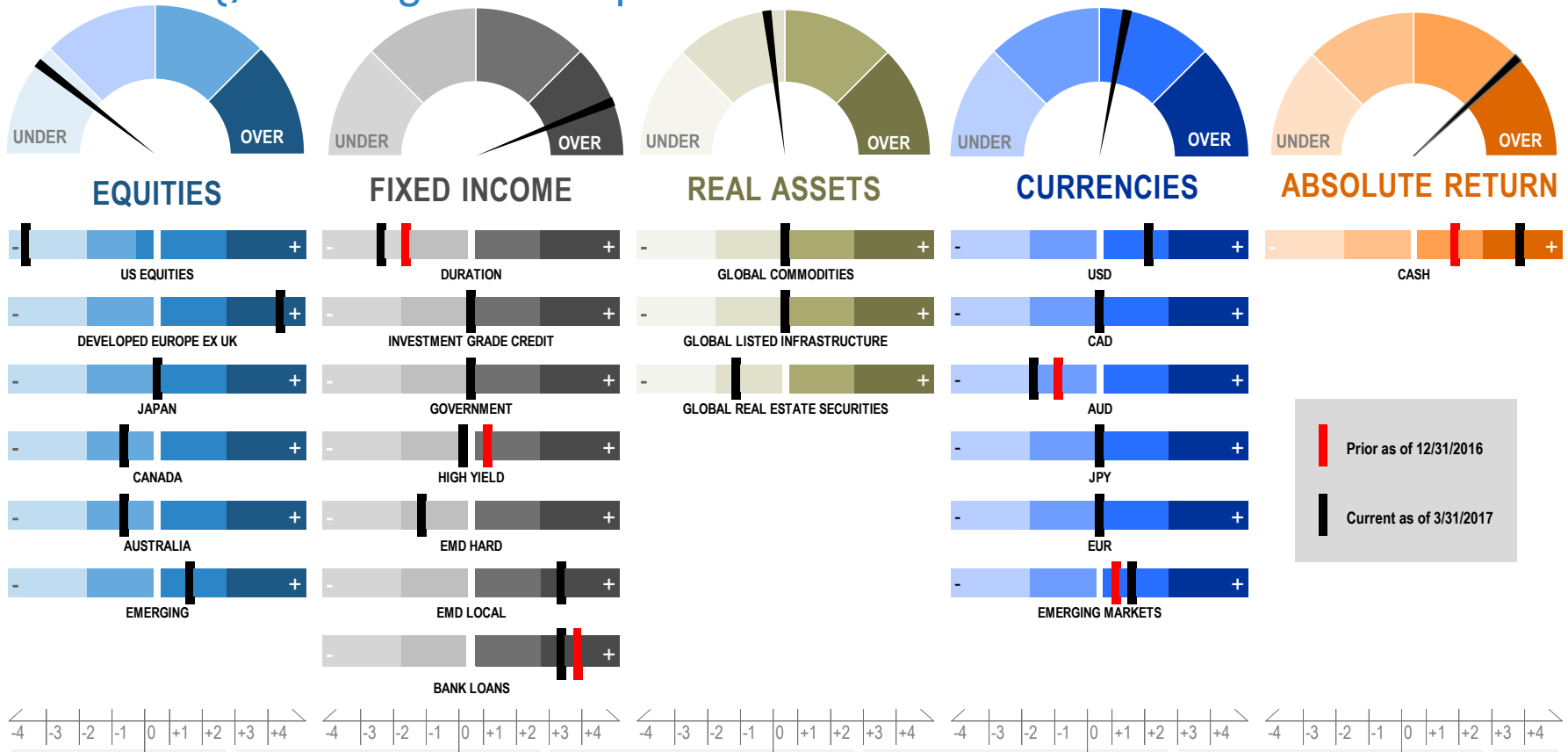
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Russell Investments positioning strategies are customized exposures directly managed by Russell Investments for use within the total portfolio and may include overlays, index replication, smart beta strategies, and custom quantitative strategies.

RIIFL Multi-Asset Core Plus Fund

Positioning entering second quarter 2017



- › **Risk Control:** betas remain around .97 with option positions helping the portfolio participate in upside scenarios
- › **Underweight US, overweight EM and EMEA ex-UK:** our largest deviation from index is our overweight to non-US countries and currencies.
- › **Underweight REITs:** we remain underweight in interest rate sensitive areas in expectation of rising rates.
- › **Overweight USD, EM currencies and local currency EMD:** The US dollar may be in a multi-year strengthening cycle, but currency volatility has increased sharply and the long USD trade remains crowded. We are still modestly overweight USD but the bigger risk comes through an overweight to Emerging Markets currencies

The Multi-Asset Core Plus Fund is a dynamic, diversified portfolio designed to capture market opportunities.

The underlying allocations to various asset classes will shift over time, but the overall strategic allocation will remain 75% global equity/12% marketable real assets/13% diversifying fixed income.

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RIIFL Multi-Asset Core Plus Fund

Developments and outlook – first quarter 2017

Fund Activity

- › As credit spread compressed, we further trimmed High Yield to an underweight for the first time since 2015
- › Continue to replace some of our U.S. Equity exposure with options to reduce equity exposure while still positioned to participate in the rally.
- › Added to positions in Wellington, RiverPark and Perkins who have lagged on a multi-year basis but have more recently started to regain traction
- › Trimmed ZAR and RUB overweight back to neutral as a result of leadership change in South Africa and valuation compressing closer to fair value.

Fund Outlook & Positioning

- › Betas remain around .97 with option positions designed to help the portfolio participate in upside scenarios.
- › Quantitative easing and earnings improvement could lead to structural changes Europe resulting in potentially positive relative returns for equity investors; overweight Europe vs. US. After several years of outperformance, valuations appear extended in the US and earnings have peaked. The U.S. remains our largest underweight.
- › Rising interest rates, real estate valuations and turning sentiment from yield investors expected to lead to underperformance versus other real assets; continue to maintain our underweight to REITs.
- › The US dollar may be in a multi-year strengthening cycle, but currency volatility has increased sharply and the long USD trade remains crowded. We are still modestly overweight USD but the bigger risk comes through an overweight to Emerging Markets currencies. These are funded via an underweight to AUD and KRW
- › We continue to maintain our overweights to bank loans and local currency EMD.

Source: Russell Investments. There is no guarantee that any stated expectations will occur.

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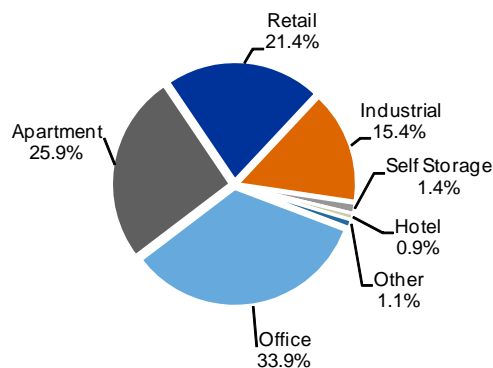
Common Trust Real Estate Equity Fund – period ending March 31, 2017

Strategy

Multi-advisor, multi-fund investment approach targeting private core and enhanced core real estate funds. Focus on high-quality current income. Risk managed through property type / regional diversification and limits on portfolio leverage of 30%¹.

¹ CTF-REEF's leverage of 20.3% at 03/31/2017 was within the general guideline limit of 30% and below the Benchmark leverage of 22.9%. Overall portfolio leverage is anticipated to remain fairly constant, although it could increase with the potential addition of value-added investments.

Property type composition



Performance

Performance	1Q2017	Annualized				
		One year	Three years	Five years	Ten years	Inception to date ¹
Russell CTF Real Estate Equity Fund	1.81%	8.72%	11.10%	11.42%	4.67%	7.52%
NFI-ODCE-EQ-E&F ²	1.93	8.98	12.12	12.05	5.27	8.01

¹ Inception 10/01/03. The date shown represents the date the index comparison began and may not be the actual index inception date.

² NCREIF Fund Index Open-End Diversified Core Equity-Equal Weight-Endowment & Foundation Eligible (NFI-ODCE-EQ-E&F).

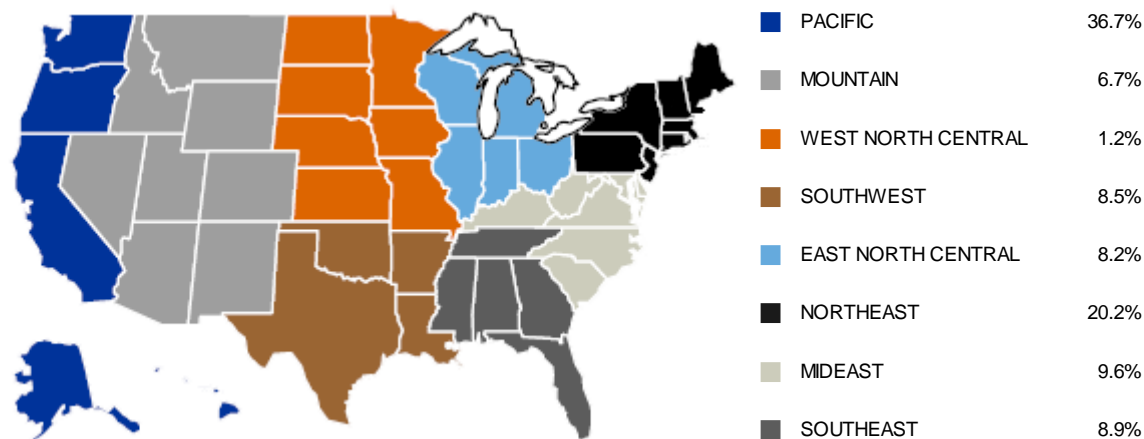
Characteristics

Core funds	Target weighting %	Market value \$ Millions	Market value % of total	Total gross returns	
				Three months %	One year %
INVESCO Core Real Estate USA	30	15.0	26.5	2.54	10.38
Morgan Stanley Prime Property Fund	30	15.2	26.8	2.21	10.46
UBS Trumbull Property Fund	20	15.1	26.7	1.15	6.23
RREEF America REIT II	20	10.5	18.4	1.48	8.62
Total Real Estate Fund Investments		55.8	98.4	--	--
Cash & Short Term Investments		0.9	1.6	--	--
Total CTF-REEF Investments		56.7	100.0	1.81	8.72

Benchmark total return breakout %

	1Q2017	Year to date	One year
Income	1.15	1.15	4.76
Capital Appreciation	0.78	0.78	4.07

Regional composition



Funds listed are current as of March 31, 2017. Russell Investments has the right to engage or terminate a fund at any time and without notice.

The Russell Investments Trust Company Common Trust Funds (RITC CTF) are designed for non-qualified assets, such as tax-exempt organizations operating under Section 501(c)(3). Employee benefit plan and government plan money are generally not eligible to invest in CTFs. RITC CTFs are not mutual funds.

Performance is shown gross of fees. Fees will reduce the overall performance of the Fund. Indexes are unmanaged and cannot be invested in directly. Past performance is not indicative of future results.

RIIFL Core Bond Fund – period ending March 31, 2017

Objective
Seeks moderate total return, consistent with the preservation of capital. The Fund's benchmark index is the Barclays U.S. Aggregate Bond Index.

Quality distribution ^{1,*}	Fund %	Index %
AAA	57.3	71.2
AA	7.4	4.3
A	10.7	10.7
BBB	15.5	13.7
BB	3.2	0.1
B	0.9	0.0
CCC & Below	0.3	0.0
Unrated	4.7	0.0

Maturity distribution ¹	Fund (%)	Index (%)
0 to 3 Years	11.6	21.5
3 to 5 Years	32.7	20.6
5 to 7 Years	24.8	21.6
7 to 10 Years	19.4	21.3
10 to 15 Years	-3.6	1.6
15 to 20 Years	1.9	2.0
20 to 25 Years	4.8	3.8
25+ Years	8.4	7.8

¹ Source: FactSet

Credit quality exposures and/or maturity distributions may not equal 100 percent as a result of the fund's use of certain financial instruments such as futures, forwards, options, swaps and when issued transactions or forward commitments. In the event short positions are created, they may be reflected as negative weightings in sector allocations, credit quality exposures and/or maturity distributions.

Performance	1Q2017	Year to date	Annualized			
			One year	Three years	Five years	Inception to date ¹
RIIFL Core Bond Fund	1.01%	1.01%	1.07%	3.12%	3.07%	5.53%
Bloomberg Barclays US Aggregate Bond Index *	0.82	0.82	0.44	2.68	2.34	4.16

¹ Inception 07/01/08. The date shown represents the date the index comparison began and may not be the actual index inception date.

Characteristics ¹	1Q2017		4Q2016	
	Fund	Bloomberg Barclays US Aggregate Bond Index *	Fund	Bloomberg Barclays US Aggregate Bond Index *
Total Net Assets	\$2.27B	\$19.23T	\$2.12B	\$19.05T
Current Yield	2.96%	2.59%	2.74%	2.59%
Weighted Average Yield to Maturity	3.1%	2.60%	2.8%	2.6%
Weighted Average Life	8.9yrs	8.0 yrs	8.1yrs	7.9yrs
Weighted Average Duration	6.2yrs	5.8 yrs	6.0yrs	5.8yrs
Average Quality*	Aa3	Aa2	Aa3	Aa2

¹ Source: FactSet except for Total Net Assets.

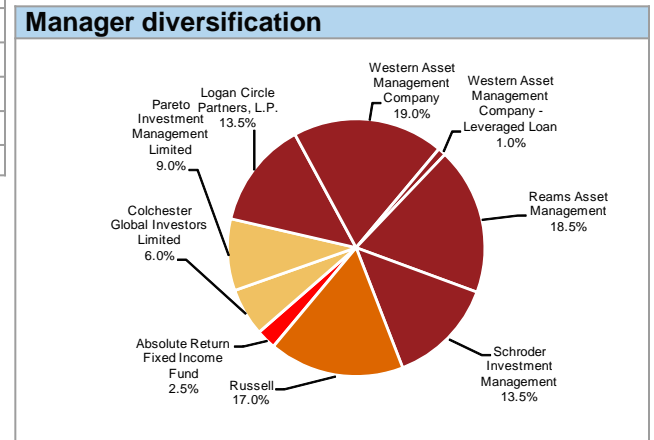
Sector weightings (%) ^{1,2,3}	Fund	Index
Developed Govt/Govt-Related	38.0	42.2
Investment Grade Credit	22.0	25.3
High Yield	6.0	0.0
Commercial Mortgage Backed	5.0	1.7
Residential Mortgage Backed	15.4	28.1
Asset Backed	3.2	0.4
Emerging Markets Debt	4.4	2.0
Net Cash & Equivalents	5.9	0.0
Uncategorized	0.2	0.1

¹ Sector Allocations may not equal 100 percent as a result of the fund's use of certain financial instruments such as futures, forwards, options, swaps and when issued transactions or forward commitments. In the event short positions are created, they may be reflected as negative weightings in sector allocations.

² The Other sector includes pooled investment vehicles, certain derivatives, stocks and other investments not falling within one of the other listed sectors.

³ Source: FactSet and BNY Mellon Asset Servicing

Fund manager styles	1Q2017	4Q2016
Target weightings %		
■ Fully Discretionary	65.5	75.5
■ Alpha Overlay	15.0	12.5
■ Russell strategies	17.0	9.5
■ Absolute Return	2.5	2.5



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*The sum of the debt instrument quality ratings is based upon the Barclays index methodology, which reflects the ratings of Moody's, Fitch and S&P in such a way that if three different ratings exist for the same instrument, the median rating is used; if two different ratings exist, the lower of the two is used and if only one rating exists, then that rating is used. If the debt instrument has not been rated by any of the three rating agencies, the security is classified as 'Unrated.'

RIIFL Core Bond Fund Performance summary: 1st Quarter 2017

STRATEGIC BELIEFS

Security selection is a primary source of excess returns within the RIIFL Core Bond Fund, although we believe that emphasizing certain factors over the course of a market cycle can offer higher benchmark-relative returns. For our fixed income funds, this means we are more likely to include securities with more credit risk, longer duration, and higher real yield. In addition, we also invest in currency to provide additional return potential and added diversification.

Fund positioning entering the quarter

- › The Fund was slightly long to duration, a position that is more consistent with our strategic belief to maintain a modestly long duration bias.
- › While we continued to have a favorable view of credit, in-line with our strategic view, earlier reductions to the Fund's credit positions (due to significant spread tightening) had us more watchful of how low we were willing to go. We added to bank loan exposure as a lower risk source of yield from the credit markets.

Drivers of performance

The RIIFL Core Bond Fund returned 1.01% over the quarter outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 0.19%, which returned 0.82%. Over the last year, the Fund returned 1.07%, while the fund benchmark returned 0.44% resulting in an outperformance of 0.63%.

QUARTERLY REVIEW

Drivers	Impact	Commentary
Sector Rotation	+	An overweight to local EMD and corporate high yield drove performance.
Credit	+	An overweight to credit risk sectors (corporates and lower quality credit cohorts) contributed positively to performance, as credit outperformed Treasuries for the period.
Real Yield	–	The Fund's global real yield positioning strategy detracted from as the short position to UK Gilts declined significantly.

12 MONTH REVIEW

Drivers	Impact	Commentary
Credit	+	An overweight to lower-rated credit assets in both the corporate and securitized sectors positively impacted performance.
Currency	+	Currency factor exposure has been a meaningfully positive performance driver for the year as were select long emerging market currency exposures.
Sector Selection	+	The Fund's overweight to bank loans added to positive performance as the sector did well in risk on environment for the year.

Performance Key: + positive impact; **Flat** fund and index within +/- 10 basis points; – negative impact relative to the fund's benchmark

Fund Benchmark= Bloomberg Barclays U.S. Aggregate Bond Index

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p. 38 RIIFL funds are not mutual funds, but are funds of the Russell Investments Institutional Funds, LLC; they are private placements.

RIIFL Core Bond Fund Manager scorecard: 1st Quarter 2017

MANAGER	Colchester Global Investors Limited	Pareto Investment Management Limited	Absolute Return Fixed Income Fund	Western Asset Management Company	Western Asset Management Company – Leveraged Loan	Logan Circle Partners, L.P.	Scout Investments, Inc.	Schroder Investment Management	Russell Investments
Target Weight (%) ¹	6.0	9.0	2.5	19.0	1.0	13.5	18.5	13.5	17.0
STYLES	ALPHA OVERLAY	ABSOLUTE RETURN	FULLY DISCRETIONARY					SECURITY SPECIALIST	POSITIONING STRATEGIES
Quarter Performance vs. Fund Benchmark	+	–	–	+	+	+	+	+	–
One Year Performance vs. Fund Benchmark	+	n/a	+	n/a	n/a	+	+	n/a	–

Performance Key: + Positive impact ; **Flat** fund and index return within +/- 10 basis points; – Negative impact relative to the fund's benchmark;
n/a As this is a new manager there is no Quarter or Year Performance figures.

QUARTERLY COMMENTARY

- › **Western Asset Management Company's (Western)** Core Plus strategy outperformed the benchmark during the quarter, largely driven by an overweight allocation to corporate high yield. Security rotation to increase local emerging market debt also contributed to outperformance as the sector had exceptional returns over the quarter.
- › **Pareto Investment Management Ltd. (Pareto)** underperformed the benchmark for the quarter. Pareto had a concentrated long U.S. dollar position as it depreciated against a variety of currencies.
- › The global real yield strategy underperformed the benchmark for the quarter. The strategy did well in January but gave back all the gains in February as short positions in the UK saw large losses.

Fund Benchmark= Bloomberg Barclays U.S. Aggregate Bond Index

Past performance is not indicative of future results.

¹The manager weight row represents the month-end quarterly weightings for the underlying manager.

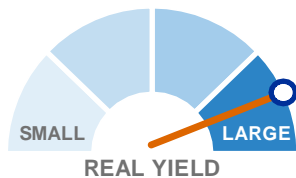
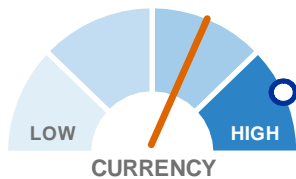
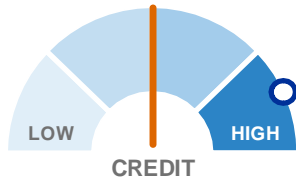
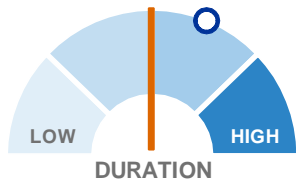
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Managers listed are current as of March 31, 2017. Russell Investments has the right to engage or terminate a manager at any time and without notice.

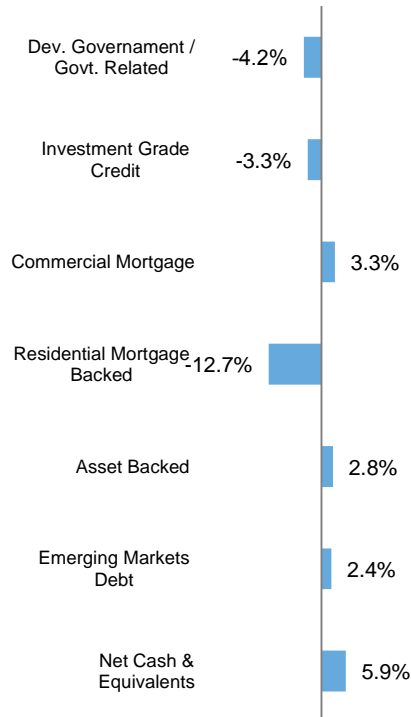
RIIFL funds are not mutual funds, but are funds of the Russell Investments Institutional Funds, LLC; they are private placements.

RIIFL Core Bond Fund Outlook and positioning: 1st Quarter 2017

CURRENT/STRATEGIC POSITIONING¹



SECTOR POSITIONING¹



FUND UPDATE

- › The following changes occurred to the Fund during the quarter:
- › We sold a portion of our Treasury Inflation Protected Securities in the positioning strategy in the month of March.

POSITIONING AND OUTLOOK

- › The Fund's duration position was moved slightly long into a position that is more consistent with our strategic belief to maintain a modestly long duration bias.
- › While we continue to have a favorable view of credit, in-line with the firm's strategic view, earlier reductions to the Fund's credit positions (due to significant spread tightening) resulted in us being more watchful of how low to go.
- › We will continue to take advantage of, and to refine, diversifying currency and cross-country strategies as the credit cycle matures and interest rates are challenged.

1. Positioning is relative to the Fund's benchmark.

Fund Benchmark= Bloomberg Barclays U.S. Aggregate Bond Index
There is no guarantee that any stated expectations will occur.

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RIIFL Absolute Return Fixed Income Fund – period ending March 31, 2017

Objective
Seeks to provide capital appreciation with a positive rate of return that is competitive with the long-run returns achieved by typical investment grade core bond funds. The Fund will also seek to maintain a relatively low correlation to both bonds and equities.

Quality Distribution ¹	Fund %	Index %
AAA	51.7	100.0
AA	10.0	0.0
A	12.1	0.0
BBB	17.8	0.0
BB	4.4	0.0
B	1.7	0.0
CCC & Below	0.0	0.0
Unrated	2.4	0.0

¹Source: FactSet

4Q Currency Exposure ¹ (+)	% Portfolio
AUD	4.63
NZD	3.14
CNH	2.97
ILS	1.75
TRY	1.63

4Q Currency Exposure ¹ (-)	% Portfolio
CHF	-6.25
SEK	-3.12
DKK	-3.12
NOK	-3.09
CNY	-2.96

¹ Source:FactSet

Performance	1Q2017	Year to date	Annualized			
			One year	Three years	Five years	Inception to date ¹
RIIFL Absolute Return Fixed Income Fund	0.09%	0.09%	3.76%	2.44%	--%	2.44%
Bloomberg Barclays 3 Month USD LIBOR Cash Index ² *	0.27	0.27	0.87	0.51	--	0.51

¹ Inception 03/31/14. The date shown represents the date the index comparison began and may not be the actual index inception date.² Source: Barclays 3 Month USD LIBOR Cash Index, used with permission. Barclays 3 Month USD LIBOR Cash Index is licensing the Barclays 3 Month USD LIBOR Cash Index Indices "as is", makes no warranties regarding same, does not guarantee the quality, accuracy, and/or completeness of the Barclays 3 Month USD LIBOR Cash Index Indices or any data included therein or derived therefrom, and assumes no liability in connection with their use.

Characteristics ¹	1Q2017		4Q2016	
	Fund	Barclays 3 Month USD LIBOR Cash Index ² *	Fund	Barclays 3 Month USD LIBOR Cash Index ² *
Total Net Assets	\$368.61M	\$151.53T	\$347.69M	\$151.12T
Weighted Average Yield to Maturity	3.86%	1.1	2.20%	1.00%
Weighted Average Duration	-0.7	0.2	0.2	0.2
Average Quality*	A1	Aa1	Aa3	Aa1

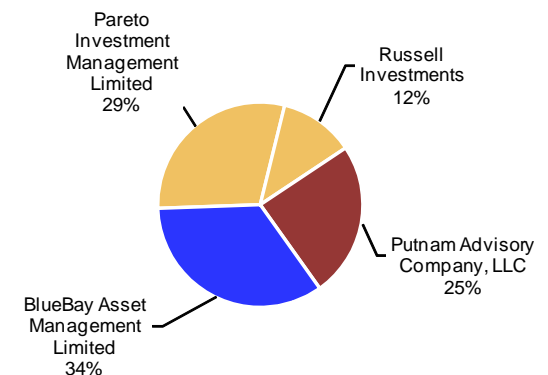
¹ Source: FactSet

Sector Weightings (%) ¹	
	Fund
Cash	27.30
Corporate High Yield	2.81
Corporate Investment Grade	19.39
Fx/Rates	0.00
Government	10.69
Government Related	4.47
Securitized	23.99
Emerging Markets	4.07
Other	7.28

¹ The Other sector includes pooled investment vehicles, certain derivatives, stocks and other investments not falling within one of the other listed sectors.

Fund advisor styles		
Target weightings %	1Q2017	4Q2016
■ Currency	41	41
■ Multi-Strategy	34	34
■ Mortgage Strategies	25	25

Allocation of fund assets



Managers listed are current as of March 31, 2017. Russell Investments has the right to engage or terminate a manager at any time and without notice.

*Effective August 24, 2016 the Barclays fixed income benchmark indices, including the Barclays Aggregate family of indices were renamed the Bloomberg family of indices.

This is a fund of Russell Investments Institutional Funds, LLC; it is a private placement. It is not a mutual fund or a fund of the Russell Investments Trust Company Commingled Employee Benefit Funds Trust.

Performance is shown gross of fees. Fees will reduce the overall performance of the Fund. Indexes are unmanaged and cannot be invested in directly. Past performance is not indicative of future results.

*The sum of the debt instrument quality ratings is based upon the Barclays index methodology, which reflects the ratings of Moody's, Fitch and S&P in such a way that if three different ratings exist for the same instrument, the median rating is used; if two different ratings exist, the lower of the two is used and if only one rating exists, then that rating is used. If the debt instrument has not been rated by any of the three rating agencies, the security is classified as 'Unrated.'

RIIFL Absolute Return Fixed Income Fund Performance summary: 1st Quarter 2017

STRATEGIC BELIEFS

Security selection is a primary source of excess returns within the RIIFL Absolute Return Fixed Income Fund, although we believe that emphasizing certain factors over the course of a market cycle can offer higher benchmark-relative returns. For our fixed income funds, this means we are more likely to include securities with more credit risk, longer duration, and higher real yield. In addition, we also invest in currency to provide additional return potential and added diversification.

Drivers of performance

The RIIFL Absolute Return Fixed Income Fund returned 0.09% over the quarter underperforming the Bloomberg Barclays 3 Month USD LIBOR Cash Index by 0.18%, which returned 0.27%. Over the last year, the Fund returned 3.76%, while the Fund Benchmark returned 0.87% resulting in an outperformance of 2.89%.

Fund positioning entering the quarter

- › The Fund was overweight to peripheral European sovereign bonds, as support from the European central bank remains a strong supportive force, in combination with the relatively limited new supply from new issuance. Exposure to corporate credit was close to neutral, as sovereign and mortgage credit offers more compelling value.
- › The Fund had modestly short duration exposure concentrated in the front end of the U.S. curve on the expectation of the U.S. Federal Reserve raising rates.

QUARTERLY REVIEW

Drivers	Impact	Commentary
Real yield	–	The Fund's global real yield positioning strategy detracted, as the short position to UK gilts decline significantly.
Currency	–	Currency positions negatively impacted performance, as our long position to the USD detracted as the dollar depreciated for the period.
Credit	+	Non-Treasury credit exposures added value. Exposure to securities with AA-ratings and below also proved beneficial.

12 MONTH REVIEW

Drivers	Impact	Commentary
Credit	+	Non-Treasury credit exposures positively impacted performance. Exposure to securities with AA-ratings and below also proved beneficial.
Currency	+	Currency positioning contributed added value as our carry factor performed extremely well.
Securitized Credit	+	The addition of securitized credit, particularly mezzanine CMBS, contributed strongly to performance as credit markets rallied.

Performance Key: + positive impact; **Flat** fund and index within +/- 10 basis points; – negative impact relative to the fund's benchmark

Fund Benchmark= Bloomberg Barclays 3 Month USD LIBOR Cash Index

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p. 42 RIIFL funds are not mutual funds, but are funds of the Russell Investments Institutional Funds, LLC; they are private placements.

RIIFL Absolute Return Fixed Income Fund Manager scorecard: 1st Quarter 2017

MANAGER	BlueBay Asset Management Limited	Pareto Investment Management Limited	Putnam Advisory Company, LLC	Russell Investments
Target Weight (%) ¹	34.3%	29.4%	24.5%	11.8%
STYLE	MULTI-STRATEGY	CURRENCY	MORTGAGE STRATEGIES	POSITIONING STRATEGIES
Quarter Performance vs. Fund Benchmark	+	–	+	–
One Year Performance vs. Fund Benchmark	+	n/a	n/a	+

Performance Key: + Positive impact ; **Flat** fund and index return within +/- 10 basis points; – Negative impact relative to the fund's benchmark;
n/a As this is a new manager there is no Quarter or Year Performance figures.

QUARTERLY COMMENTARY

- › **BlueBay Investment Grade Absolute Return Bond Investment Fund (BlueBay)** our rates and credit manager, outperformed the benchmark during the quarter. BlueBay's long position in corporate credit, particularly European subordinated banking credit, and dynamic management of its credit exposure during the period drove performance.
- › **Pareto Investment Management Ltd. (Pareto)** underperformed the benchmark for the quarter, largely due to adverse positioning between the U.S. Dollar (USD) and a handful of emerging market currencies notably, the South African rand (ZAR), Mexican peso (MXN) and South Korean won (KRW).
- › **Russell Investments'** global real yield positioning strategy underperformed the benchmark for the quarter. The strategy maintained the same positions throughout the quarter but short positions in the UK and Germany underperformed long positions in the U.S. and Australia.
- › In our tactical sleeve, we had a 4% position over two trades; longing the MXN and shorting USD. The position moved in our favor and we sold out of 3% of the position. The Fund continues to be long 1% MXN.

Fund Benchmark= Bloomberg Barclays 3 Month USD LIBOR Cash Index

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¹The manager weight row represents the month-end quarterly weightings for the underlying manager.

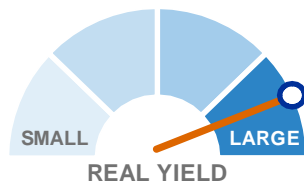
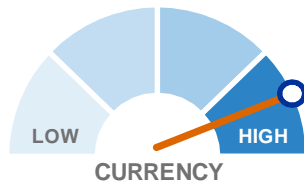
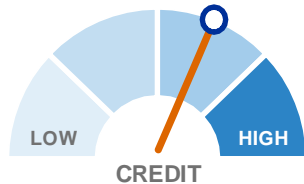
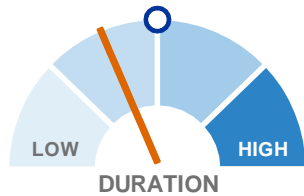
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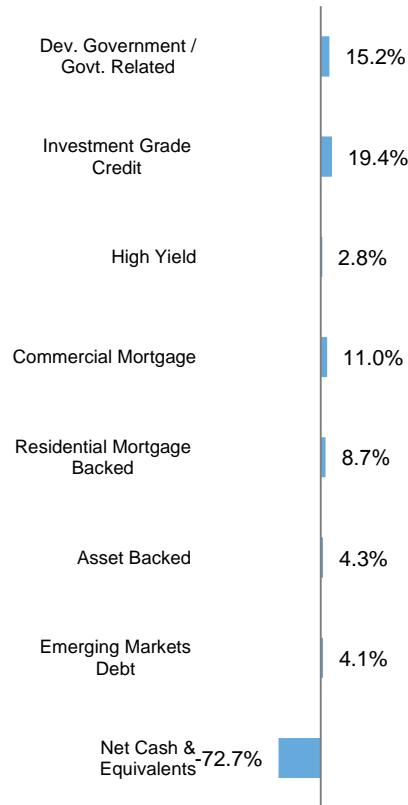
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RIIFL Absolute Return Fixed Income Fund Outlook and positioning: 1st Quarter 2017

CURRENT/STRATEGIC POSITIONING¹



SECTOR POSITIONING¹



POSITIONING AND OUTLOOK

- › The Fund continued to be overweight to peripheral European sovereign bonds because support from the European Central Bank remains a strong supportive force, in combination with the relatively limited new supply from new issuance. Our exposure to corporate credit was close to neutral because sovereign bonds and mortgage credit offered more compelling value.
- › We remain aware and watchful of opportunities in credit, given central bank support and limited new supply acting as tailwinds, particularly in Europe.

1. Positioning is relative to the Fund's benchmark.

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Nevada System of Higher Education Managed Hedge Fund Solution

Performance Summary: 1st Quarter 2017 (Gross returns as of March 30, 2017)

OBJECTIVE

The strategy of this managed hedge fund solution is to achieve long-term capital appreciation with low to moderate volatility and low correlation to global equity markets. The fund targets the HFRI Diversified Fund Index.

POSITIONING ENTERING THE QUARTER

- › The Portfolio was established and launched in February 2017 with allocations to Event Driven, Relative Value and Tactical Trading to complement existing allocations to Equity Hedge. The Portfolio was built to target LIBOR+450 without a large amount of equity beta. Portfolio weights and positions were not adjusted during the quarter although weights between the strategies moved somewhat due to differentials in underlying funds' performance.

PERFORMANCE

	Quarter to Date ¹	Year to Date ¹	One Year	Three Years	Five Years	Since Inception ²
Managed Hedge Fund Account	-1.14%	-1.14%	--	--	--	-1.14%
HFRI FoF Diversified Index	1.14%	1.14%	--	--	--	1.14%

¹ Periods less than one year are not annualized. ² Portfolios inception date was February 01, 2017

QUARTERLY PERFORMANCE DRIVERS

The Hedge fund portfolio (the "Portfolio") was down -1.14% for the quarter. Key drivers performance were:

Drivers	Impact	Commentary
Event Driven	+	Jet was the best performer during the quarter. The fund made money in both merger arbitrage and other equity event-driven situations.
Tactical Trading	-	Commodity macro specialist Massar had the largest absolute loss and was the single largest detractor from performance for the quarter. Several of the themes in their portfolio struggled over the quarter.

Performance Key: + positive impact; - negative impact relative to the fund's benchmark; mixed had both positive and negative impact.

Market Indicator = HFRI Diversified Fund Index

Past performance is not indicative of future results. Performance is shown gross of fees. Fees will reduce overall performance.

Nevada System of Higher Education Managed Hedge Fund Solution

Scorecard: 1st Quarter 2017 (Gross returns as of March 30, 2017)

Supplemental Material, INV-5a
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Fund	Aristeia	CVI Emerging	Jet Capital	Massar
Weight (%) ¹	37.64%	37.47%	12.75%	12.13%
Quarter to Date Performance	-0.47%	-0.92%	1.15%	-3.75%
One Year Performance	--	--	--	--

STRATEGY	TACTICAL TRADING	EVENT DRIVEN	RELATIVE VALUE
Quarter to Date Performance	-3.75%	-0.40%	-0.47%
One year Performance	--	--	--

QUARTERLY COMMENTARY

- Jet Capital Concentrated Offshore Fund, Ltd. ("Jet")** returned +1.15% which added +0.14% to Portfolio level performance. Full first-quarter positive contributors came from merger driven and other event-driven situations. Specific trades that made money during the quarter were risk arbitrage positions in Actelion (pharmaceuticals) and Syngenta (agribusiness). Because of the rich opportunity set, the fund closed the quarter fully invested
- Massar Macro Commodity Strategy ("Massar")** was down -3.75% for the quarter which detracted approximately 0.47% from Portfolio level performance. Massar, a discretionary macro manager, was the fund's worst performer in Q1. It was a tough start to the year for Massar with many of their strategies trading down by quarter-end. Notable detractors were positions in energy, grains, soft commodities and currencies. Wheat contributed to negative profits for the quarter, due mainly to a spread trade of Kansas City vs. Chicago wheat. Also in March, a long ZAR/USD currency trade moved against them after South Africa's finance minister, Pravin Gordhan, was fired.

Market Indicator = HFRI Diversified Fund Index

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Nevada System of Higher Education Managed Hedge Fund Solution

Outlook and Positioning: 1st Quarter 2017 (Gross returns as of March 30, 2017)

ALLOCATION TO STRATEGIES

	1Q2017	4Q2016
Tactical Trading	12.1%	--
Event Driven	50.2%	--
Relative Value	37.6%	--

ALLOCATIONS TO HEDGE FUNDS MANAGERS

	1Q2017	4Q2016
Aristeia	37.6%	--
CVI Emerging	37.5%	--
Jet Capital	12.8%	--
Massar	12.1%	--

POSITIONING AND OUTLOOK

- The recent first round of French presidential elections marked a turning point in equity markets. Through the first 3 weeks of April, equity markets traded cautiously and US equity volatility increased significantly from historically low levels. However, following the French election, equity markets rallied in most regions, especially in Europe, and it's possible that the wave of European populism has crested. If so, then we expect that the environment will be supportive in Europe for equities. On the other hand, valuations continue to be expensive in the US, and the outlook for the Trump administration's tax, healthcare, and trade agenda are uncertain. In Asia, increased GDP in China is tempered by increased tensions between the United States and North Korea. Our baseline view of moderate global growth has not changed, and we continue to expect positive alpha in long and short positions in the Fund that will be accretive to performance.
- We used cash made available from legacy hedge fund investments to add new positions in Highline Enhanced (equity long/short) and Trend Macro (discretionary macro). There were also additional investments made into Aristeia International (credit relative value), Jet Capital, and CVI Emerging Markets (distressed emerging markets credit). As of May 1, the portfolio was fully built out, and we have no near-term plans to change the asset allocation. We believe that the portfolio offers an attractive blend of return drivers that don't have much equity beta or interest-rate risk but that do have idiosyncratic positions across various markets. While we are never pleased to report negative performance, we do expect that the full portfolio has the potential to generate significantly positive returns over the next six to twelve months.

Account Performance Detail



First Quarter 2017

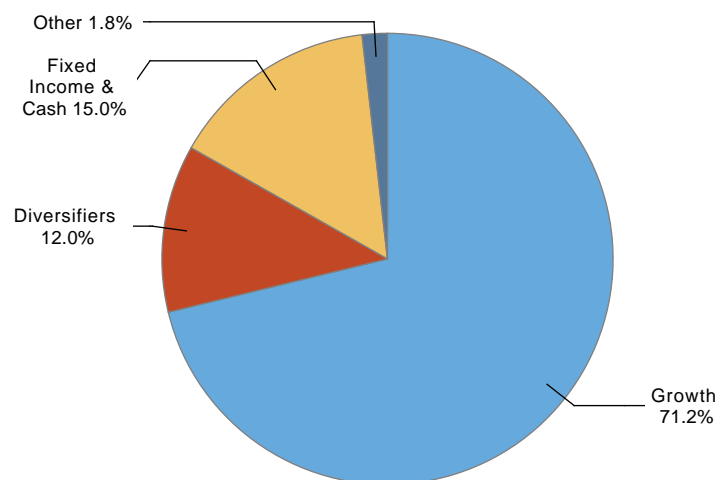
Asset Summary

Nevada System of Higher Education

As of March 31, 2017

Nevada System of Higher Education - Endowment - NK1K

Asset Class Policy Allocation



Market Value Reconciliation

	One Month	Three Months	Year to Date
Beginning Market Value (\$)	77,439,716	0	0
Net Inflows/Outflows (\$)	2,606,066	77,925,621	77,925,621
Net Market Gain/Loss (\$)	799,281	2,919,443	2,919,443
Ending Market Value (\$)	80,845,064	80,845,064	80,845,064

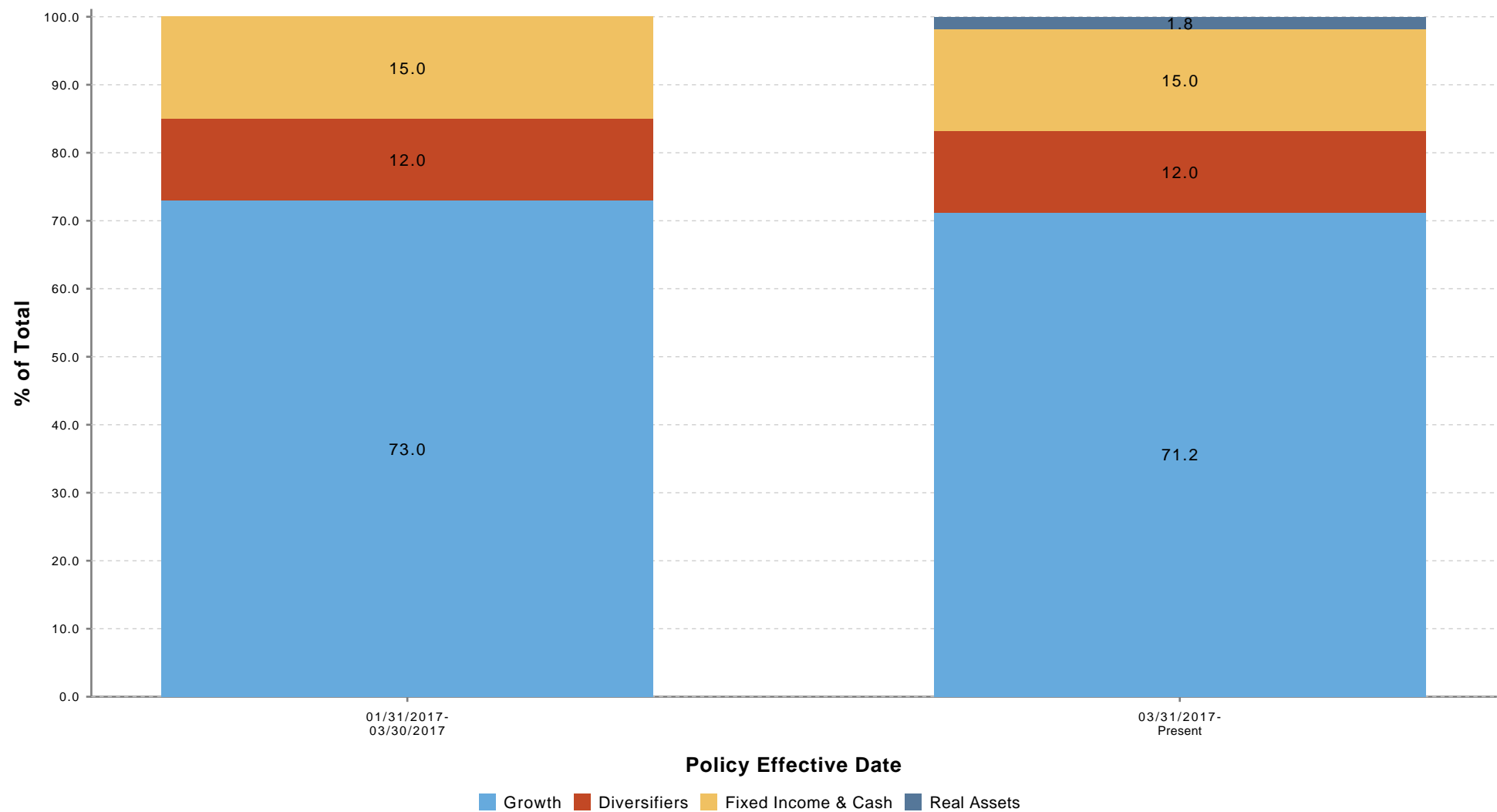
Asset Allocation

	Ending Market Value	Actual Holding	Policy Holding	Holding Variance
Growth	\$59,499,838	73.6%	71.2%	2.4%
Diversifiers ^[1]	8,020,005	9.9	12.0	-2.1
Real Assets	1,428,572	1.8	1.8	-0.0
Fixed Income & Cash	11,896,650	14.7	15.0	-0.3
Total Endowment Pool Composite	80,845,064	100.0	100.0	0.0

Please read the endnotes included with the report.
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Historical Asset Allocation
Nevada System of Higher Education
As of March 31, 2017

Nevada System of Higher Education - Endowment - NK1K



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Market Value Reconciliation Nevada System of Higher Education

As of March 31, 2017

Nevada System of Higher Education - Endowment - NK1K

	One Month	Three Months	Year to Date	Since Inception 01/01/17
Beginning Market Value (\$)	77,439,716	0	0	0
Inflows (\$)	2,606,066	77,925,621	77,925,621	77,925,621
Outflows (\$)	0	0	0	0
Net Inflows / Outflows (\$)	2,606,066	77,925,621	77,925,621	77,925,621
Appreciation / Depreciation (\$)	799,257	2,916,865	2,916,865	2,916,865
Income Earned (\$)	24	2,578	2,578	2,578
Net Market Gain/Loss (\$)	799,281	2,919,443	2,919,443	2,919,443
Ending Market Value (\$)	80,845,064	80,845,064	80,845,064	80,845,064

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Performance Report

Nevada System of Higher Education

As of March 31, 2017

Nevada System of Higher Education - Endowment - NK1K

	Market Value	One Month	Three Months	Year to Date	Since Inception	Inception Date
Total Endowment Pool Composite - Gross ^[2]	\$80,845,064	1.01%	4.81%	4.81%	4.81%	01/01/2017
Total Endowment Pool Composite - Net ^[2]	80,845,064	0.95	4.65	4.65	4.65	01/01/2017
Custom Benchmark #1 ^[3]	--	0.70	4.33	4.33	4.33	--
Custom Benchmark #2 ^[4]	--	0.63	4.25	4.25	4.25	--
Custom Benchmark #3 ^[5]	--	0.58	3.77	3.77	3.77	--
 Growth - Gross ^[2]	 59,499,838	 1.29	 5.53	 5.53	 5.53	 01/01/2017
Growth - Net ^[2]	59,499,838	1.23	5.36	5.36	5.36	01/01/2017
Custom Benchmark ^[6]	--	0.80	5.24	5.24	5.24	--
 Multi-Asset Core Plus Fund - Gross ^[2]	 59,499,838	 1.29	 5.53	 5.53	 5.53	 01/01/2017
Multi-Asset Core Plus Fund - Net ^[2]	59,499,838	1.23	5.36	5.36	5.36	01/01/2017
Multi-Asset Core Plus Composite Bmk ^[7]	--	0.80	5.24	5.24	5.24	--
 Diversifiers - Gross ^{[2],[8]}	 8,020,005	 0.25	 --	 --	 0.25	 03/01/2017
Diversifiers - Net ^{[2],[8]}	8,020,005	0.19	--	--	0.19	03/01/2017
LIBOR + 4% (1 mo lag)	--	0.43	--	--	0.43	--
 Massar Macro Commodity Fund Ltd - Net ^[8]	 979,485	 -2.05	 --	 --	 -2.05	 03/01/2017
 CVI Emerging Mkt Credit Value Fund - Net ^[8]	 3,013,708	 0.46	 --	 --	 0.46	 03/01/2017
 Aristeia International Ltd Class B - Net ^[8]	 3,007,364	 0.25	 --	 --	 0.25	 03/01/2017

Please read the endnotes included with the report.

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Performance Report

Nevada System of Higher Education

As of March 31, 2017

Nevada System of Higher Education - Endowment - NK1K

	Market Value	One Month	Three Months	Year to Date	Since Inception	Inception Date
Jet Capital Concentrated Fund - Net ^[8]	1,019,447	1.94	--	--	1.94	03/01/2017
Real Assets - Gross	1,428,572	--	--	--	--	03/31/2017
Real Assets - Net	1,428,572	--	--	--	--	03/31/2017
Real Estate Equity Fund - Gross	1,428,572	--	--	--	--	03/31/2017
Real Estate Equity Fund - Net	1,428,572	--	--	--	--	03/31/2017
Fixed Income & Cash - Gross ^[2]	11,896,650	0.13	0.34	0.34	0.34	01/01/2017
Fixed Income & Cash - Net ^[2]	11,896,650	0.09	0.22	0.22	0.22	01/01/2017
Custom Benchmark ^[9]	--	-0.01	0.80	0.80	0.80	--
Bloomberg Barclays US Aggregate Bond Idx	--	-0.05	0.82	0.82	0.82	--
Core Bond Fund - Gross ^[2]	8,483,174	0.06	1.01	1.01	1.01	01/01/2017
Core Bond Fund - Net ^[2]	8,483,174	0.02	0.90	0.90	0.90	01/01/2017
Bloomberg Barclays US Aggregate Bond Idx	--	-0.05	0.82	0.82	0.82	--
Absolute Return Fixed Income Fund - Gross ^[2]	3,349,652	0.28	--	--	-0.28	01/09/2017
Absolute Return Fixed Income Fund - Net ^[2]	3,349,652	0.21	--	--	-0.45	01/09/2017
Bloomberg Barclays 3 Mo USD LIBOR Index	--	0.10	--	--	0.25	--
State Street Inst Treas+ Money Mkt Fd - Net	63,823	0.04	--	--	0.10	01/06/2017
Bloomberg Barclays US 1-3 mo T-Bill Idx	--	0.02	--	--	0.10	--
Lipper Inst US Treas Money Mkt Fds Avg	--	0.03	--	--	--	--

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Market Value Reconciliation Nevada System of Higher Education

As of March 31, 2017

NSHE - Primary Investment Account - SIPL

	One Month	Three Months	Year to Date	Since Inception 01/01/17
Beginning Market Value (\$)	62,390,745	0	0	0
Inflows (\$)	2,606,066	63,146,021	63,146,021	63,146,021
Outflows (\$)	0	0	0	0
Net Inflows / Outflows (\$)	2,606,066	63,146,021	63,146,021	63,146,021
Appreciation / Depreciation (\$)	688,990	2,539,277	2,539,277	2,539,277
Income Earned (\$)	0	502	502	502
Net Market Gain/Loss (\$)	688,990	2,539,780	2,539,780	2,539,780
Ending Market Value (\$)	65,685,801	65,685,801	65,685,801	65,685,801

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Market Value Reconciliation Nevada System of Higher Education

As of March 31, 2017

NSHE - Russell Investments Hedge Funds - SIPM

	One Month	Since Inception 01/06/17
Beginning Market Value (\$)	8,063,652	0
Inflows (\$)	0	8,061,600
Outflows (\$)	0	0
Net Inflows / Outflows (\$)	0	8,061,600
Appreciation / Depreciation (\$)	20,005	20,005
Income Earned (\$)	24	2,076
Net Market Gain/Loss (\$)	20,029	20,047
Ending Market Value (\$)	8,083,681	8,083,681

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Market Value Reconciliation Nevada System of Higher Education

As of March 31, 2017

NSHE - Russell Investments Private Capital - SIPN

	One Month	Three Months	Year to Date	Since Inception 01/01/17
Beginning Market Value (\$)	6,985,320	0	0	0
Inflows (\$)	0	6,718,000	6,718,000	6,718,000
Outflows (\$)	0	0	0	0
Net Inflows / Outflows (\$)	0	6,718,000	6,718,000	6,718,000
Appreciation / Depreciation (\$)	90,263	357,583	357,583	357,583
Income Earned (\$)	0	0	0	0
Net Market Gain/Loss (\$)	90,263	357,583	357,583	357,583
Ending Market Value (\$)	7,075,583	7,075,583	7,075,583	7,075,583

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Endnotes

Nevada System of Higher Education

As of March 31, 2017

- [1] Market value is reported one month in arrears.
- [2] Net of fee adjusted returns are estimated using basis point adjustments. Returns are geometrically linked and could experience compounding effects.
- [3] As of 01/01/17, Custom Benchmark #1 is the sum contribution of daily benchmark returns, dynamically weighted by the component primary benchmarks' associated funds' daily beginning market value over the aggregate beginning market value.
- [4] Custom Benchmark #2 currently consists of: 73.0% Multi-Asset Core Plus Composite Bmk, 12.0% LIBOR + 4%, 10.0% Bloomberg Barclays Aggregate, 5.0% Bloomberg Barclays 3 Month LIBOR.
- [5] Custom Benchmark #3 currently consists of: 49.8% Russell Global 50% Hedged Net, 3.3% BofAML Dev Mkts HY Constr USD Hdg, 3.3% JP Morgan EMBI Global Diversified Index, 2.0% Bloomberg Barclays 1-3 Month T-Bill, 12.7% LIBOR + 4%, 3.1% Bloomberg Commodity, 3.1% FTSE EPRA/NAREIT Net, 3.1% S&P Gbl Infrastructure Net, 2.0% NFI-ODCE-EQ, 11.7% Bloomberg Barclays Aggregate, 5.9% Bloomberg Barclays 3 Month LIBOR.
- [6] Custom Benchmark currently consists of: 100.0% Multi-Asset Core Plus Composite Bmk.
- [7] The Multi-Asset Core Plus Composite Bmk is appropriate for evaluating the Fund over a 3 to 5 year horizon.
- [8] True inception date is 02/01/17. Market values and returns are reported one month in arrears. Market value and returns are reported net of underlying fund fees and gross of Russell Investment fees.
- [9] As of 01/06/17, the Custom Benchmark is the sum contribution of daily benchmark returns, dynamically weighted by the component primary benchmarks' associated funds' daily beginning market value over the aggregate beginning market value.

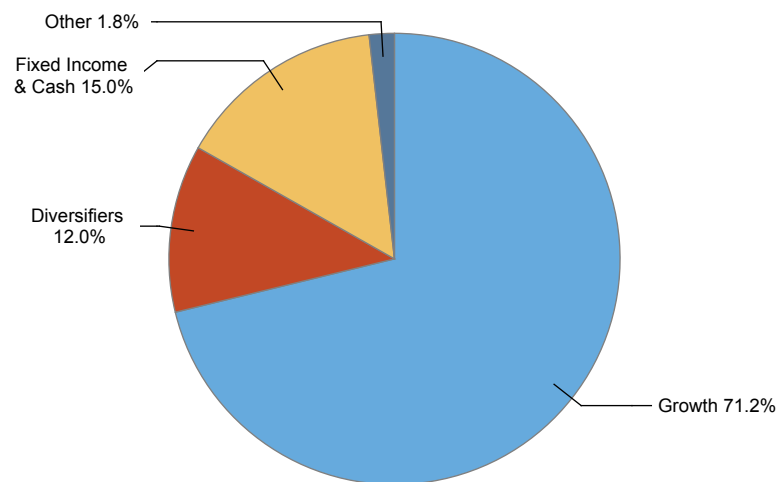
Asset Summary

Nevada System of Higher Education

As of April 30, 2017

Nevada System of Higher Education - Endowment - NK1K

Asset Class Policy Allocation



Market Value Reconciliation

	One Month	Three Months	Year to Date
Beginning Market Value (\$)	80,845,064	68,075,718	0
Net Inflows/Outflows (\$)	23,890,247	34,635,868	101,815,868
Net Market Gain/Loss (\$)	1,086,783	3,110,508	4,006,226
Ending Market Value (\$)	105,822,095	105,822,095	105,822,095

Asset Allocation

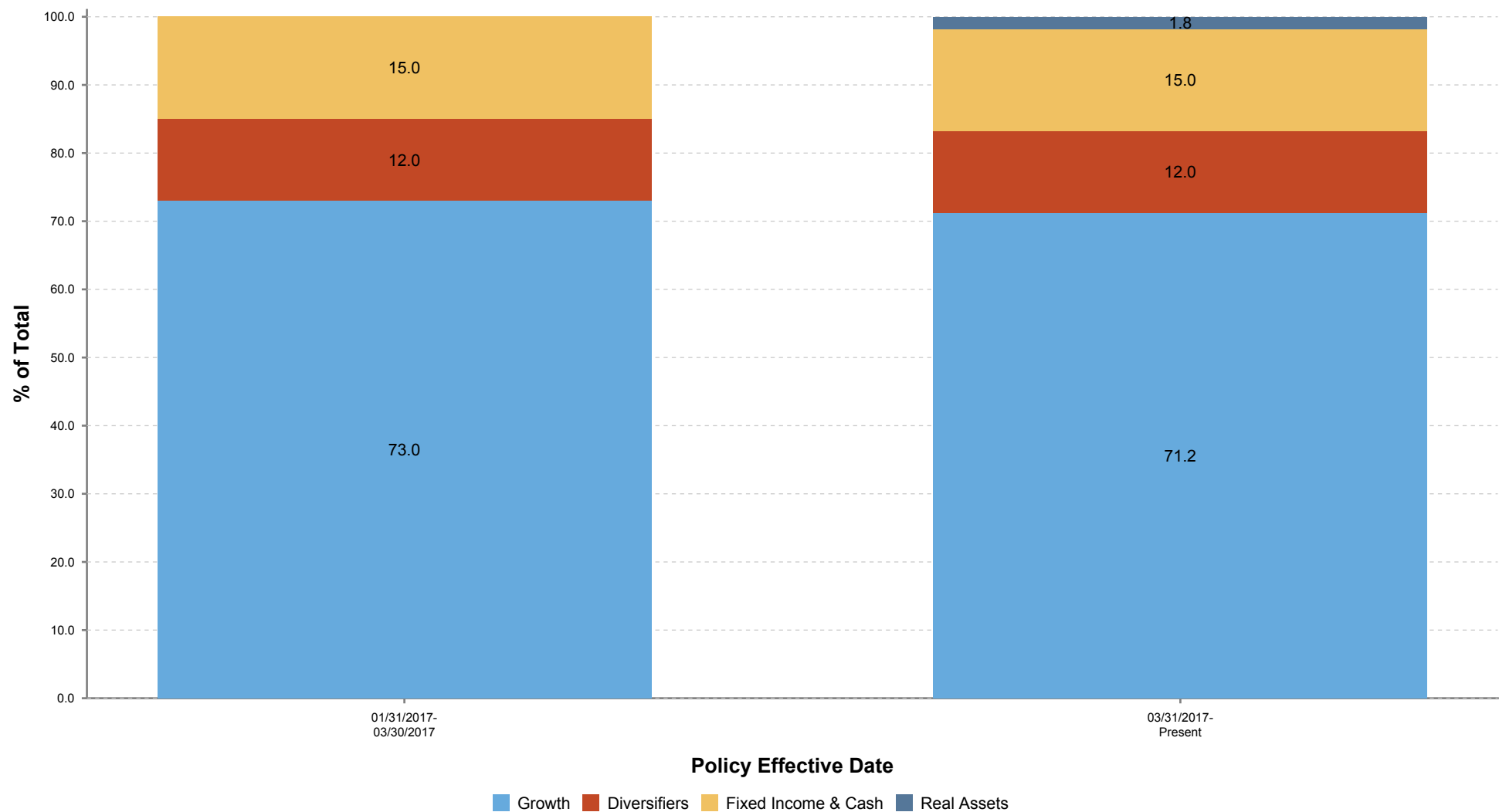
	Ending Market Value	Actual Holding	Policy Holding	Holding Variance
Growth	\$76,831,080	72.6%	71.2%	1.4%
Diversifiers ^[1]	11,932,265	11.3	12.0	-0.7
Real Assets ^[2]	1,428,572	1.3	1.8	-0.5
Fixed Income & Cash	15,629,909	14.8	15.0	-0.2
Cash, Payable/Receivable	270	0.0	0.0	0.0
Total Endowment Pool Composite	105,822,095	100.0	100.0	0.0

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Historical Asset Allocation Nevada System of Higher Education As of April 30, 2017

Nevada System of Higher Education - Endowment - NK1K



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Market Value Reconciliation Nevada System of Higher Education

As of April 30, 2017

Nevada System of Higher Education - Endowment - NK1K

	One Month	Three Months	Year to Date	Since Inception 01/01/17
Beginning Market Value (\$)	80,845,064	68,075,718	0	0
Inflows (\$)	25,115,563	35,861,184	103,041,184	103,041,184
Outflows (\$)	-1,225,316	-1,225,316	-1,225,316	-1,225,316
Net Inflows / Outflows (\$)	23,890,247	34,635,868	101,815,868	101,815,868
Appreciation / Depreciation (\$)	1,085,863	3,109,399	4,002,728	4,002,728
Income Earned (\$)	920	1,109	3,498	3,498
Net Market Gain/Loss (\$)	1,086,783	3,110,508	4,006,226	4,006,226
Ending Market Value (\$)	105,822,095	105,822,095	105,822,095	105,822,095

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Performance Report

Nevada System of Higher Education

As of April 30, 2017

Nevada System of Higher Education - Endowment - NK1K

	Market Value	One Month	Three Months	Year to Date	Since Inception	Inception Date
Total Endowment Pool Composite - Gross ^[3]	\$105,822,095	1.07%	3.79%	5.93%	5.93%	01/01/2017
Total Endowment Pool Composite - Net ^[3]	105,822,095	1.02	3.63	5.72	5.72	01/01/2017
Daily Dynamic Benchmark ^[4]	--	1.07	3.82	5.45	5.45	--
Strategic Allocation Benchmark ^[5]	--	1.05	3.72	5.35	5.35	--
Normalized Benchmark ^[6]	--	1.03	3.57	4.87	4.87	--
 Growth - Gross ^[3]	 76,831,080	 1.42	 4.99	 7.03	 7.03	 01/01/2017
Growth - Net ^[3]	76,831,080	1.37	4.82	6.80	6.80	01/01/2017
Custom Benchmark ^[7]	--	1.30	4.73	6.61	6.61	--
 Multi-Asset Core Plus Fund - Gross ^[3]	 76,831,080	 1.42	 4.99	 7.03	 7.03	 01/01/2017
Multi-Asset Core Plus Fund - Net ^[3]	76,831,080	1.37	4.82	6.80	6.80	01/01/2017
Multi-Asset Core Plus Composite Bmk ^[8]	--	1.30	4.73	6.61	6.61	--
 Diversifiers - Gross ^{[3],[9]}	 11,932,265	 -0.73	 --	 --	 -0.48	 03/01/2017
Diversifiers - Net ^{[3],[9]}	11,932,265	-0.78	--	--	-0.59	03/01/2017
LIBOR + 4% (1 mo lag)	--	0.36	--	--	0.80	--
 Russell Inv Managed Hedge Fds Receivable	 4,000,000	 --	 --	 --	 --	 04/30/2017
 Massar Macro Commodity Fund Ltd - Net ^[9]	 962,556	 -1.73	 --	 --	 -3.74	 03/01/2017
 CVI Emerging Mkt Credit Value Fund - Net ^[9]	 2,972,351	 -1.37	 --	 --	 -0.92	 03/01/2017

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Performance Report

Nevada System of Higher Education

As of April 30, 2017

Nevada System of Higher Education - Endowment - NK1K

	Market Value	One Month	Three Months	Year to Date	Since Inception	Inception Date
Aristeia International Ltd Class B - Net ^[9]	2,985,882	-0.71	--	--	-0.47	03/01/2017
Jet Capital Concentrated Fund - Net ^[9]	1,011,475	-0.78	--	--	1.15	03/01/2017
Real Assets - Gross ^[10]	1,428,572	0.00	--	--	0.00	04/01/2017
Real Assets - Net ^[10]	1,428,572	0.00	--	--	0.00	04/01/2017
Real Estate Equity Fund - Gross ^[10]	1,428,572	0.00	--	--	0.00	04/01/2017
Real Estate Equity Fund - Net ^[10]	1,428,572	0.00	--	--	0.00	04/01/2017
NFI-ODCE-EQ-E&F ^[11]	--	0.00	--	--	0.00	--
Fixed Income & Cash - Gross ^[3]	15,629,909	0.58	0.72	1.36	1.36	01/01/2017
Fixed Income & Cash - Net ^[3]	15,629,909	0.54	0.60	1.21	1.21	01/01/2017
Custom Benchmark ^[12]	--	0.54	0.92	1.34	1.34	--
Bloomberg Barclays US Aggregate Bond Idx	--	0.77	1.40	1.59	1.59	--
Core Bond Fund - Gross ^[3]	10,725,538	0.94	1.38	1.95	1.95	01/01/2017
Core Bond Fund - Net ^[3]	10,725,538	0.90	1.27	1.81	1.81	01/01/2017
Bloomberg Barclays US Aggregate Bond Idx	--	0.77	1.40	1.59	1.59	--
Absolute Return Fixed Income Fund - Gross ^[3]	4,904,210	0.09	-0.28	--	-0.19	01/09/2017
Absolute Return Fixed Income Fund - Net ^[3]	4,904,210	0.03	-0.46	--	-0.41	01/09/2017
Bloomberg Barclays 3 Mo USD LIBOR Index	--	0.09	0.27	--	0.34	--

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Performance Report

Nevada System of Higher Education

As of April 30, 2017

Nevada System of Higher Education - Endowment - NK1K

	Market Value	One Month	Three Months	Year to Date	Since Inception	Inception Date
State Street Inst Treas+ Money Mkt Fd - Net	161	0.05	0.12	--	0.15	01/06/2017
Bloomberg Barclays US 1-3 mo T-Bill Idx	--	0.06	0.13	--	0.16	--
Lipper Inst US Treas Money Mkt Fds Avg	--	0.03	0.08	--	--	--

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Market Value Reconciliation Nevada System of Higher Education

As of April 30, 2017

NSHE - Primary Investment Account - SIPL

	One Month	Three Months	Year to Date	Since Inception 01/01/17
Beginning Market Value (\$)	65,685,801	53,177,202	0	0
Inflows (\$)	17,590,563	28,336,184	80,736,584	80,736,584
Outflows (\$)	-1,161,635	-1,161,635	-1,161,635	-1,161,635
Net Inflows / Outflows (\$)	16,428,928	27,174,549	79,574,949	79,574,949
Appreciation / Depreciation (\$)	1,025,932	2,788,763	3,565,210	3,565,210
Income Earned (\$)	754	901	1,257	1,257
Net Market Gain/Loss (\$)	1,026,686	2,789,664	3,566,466	3,566,466
Ending Market Value (\$)	83,141,415	83,141,415	83,141,415	83,141,415

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Market Value Reconciliation Nevada System of Higher Education

As of April 30, 2017

NSHE - Russell Investments Hedge Funds - SIPM

	One Month	Three Months	Since Inception 01/06/17
Beginning Market Value (\$)	8,083,681	8,063,634	0
Inflows (\$)	4,000,000	4,000,000	12,061,600
Outflows (\$)	-63,681	-63,681	-63,681
Net Inflows / Outflows (\$)	3,936,320	3,936,320	11,997,919
Appreciation / Depreciation (\$)	-87,740	-67,735	-67,735
Income Earned (\$)	166	208	2,242
Net Market Gain/Loss (\$)	-87,574	-67,528	-67,528
Ending Market Value (\$)	11,932,426	11,932,426	11,932,426

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Market Value Reconciliation Nevada System of Higher Education

As of April 30, 2017

NSHE - Russell Investments Private Capital - SIPN

	One Month	Three Months	Year to Date	Since Inception 01/01/17
Beginning Market Value (\$)	7,075,583	6,834,883	0	0
Inflows (\$)	3,525,000	3,525,000	10,243,000	10,243,000
Outflows (\$)	0	0	0	0
Net Inflows / Outflows (\$)	3,525,000	3,525,000	10,243,000	10,243,000
Appreciation / Depreciation (\$)	147,671	388,371	505,254	505,254
Income Earned (\$)	0	0	0	0
Net Market Gain/Loss (\$)	147,671	388,371	505,254	505,254
Ending Market Value (\$)	10,748,254	10,748,254	10,748,254	10,748,254

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Endnotes

Nevada System of Higher Education

As of April 30, 2017

- [1] Market value is reported one month in arrears.
- [2] Market value is as of the quarter ending 03/31/17.
- [3] Net of fee adjusted returns are estimated using basis point adjustments. Returns are geometrically linked and could experience compounding effects.
- [4] As of 01/01/17, Daily Dynamic Benchmark is the sum contribution of daily benchmark returns, dynamically weighted by the component primary benchmarks' associated funds' daily beginning market value over the aggregate beginning market value.
- [5] Strategic Allocation Benchmark currently consists of: 71.2% Multi-Asset Core Plus Composite Bmk, 12.0% LIBOR + 4%, 1.8% NCREIF Open-End E&F, 10.0% Bloomberg Barclays Aggregate, 5.0% Bloomberg Barclays 3 Month LIBOR.
- [6] Normalized Benchmark currently consists of: 50.5% Russell Global 50% Hedged Net, 3.4% BofAML Dev Mkts HY Constr USD Hdg, 3.4% JP Morgan EMBI Global Diversified Index, 2.0% Bloomberg Barclays 1-3 Month T-Bill, 12.9% LIBOR + 4%, 2.7% Bloomberg Commodity, 2.7% FTSE EPRA/NAREIT Net, 2.7% S&P Gbl Infrastructure Net, 1.7% NFI-ODCE-EQ, 12.0% Bloomberg Barclays Aggregate, 6.0% Bloomberg Barclays 3 Month LIBOR.
- [7] Custom Benchmark currently consists of: 100.0% Multi-Asset Core Plus Composite Bmk.
- [8] The Multi-Asset Core Plus Composite Bmk is appropriate for evaluating the Fund over a 3 to 5 year horizon.
- [9] True inception date is 02/01/17. Market values and returns are reported one month in arrears. Market value and returns are reported net of underlying fund fees and gross of Russell Investment fees.
- [10] Real Estate Equity Fund is valued quarterly. The market value shown is as of the quarter ending 03/31/17 while the performance is reported as of the date of the performance report. The market value is reported net of fees while returns are reported gross of fees unless otherwise noted. Fee adjusted returns are estimated using basis point adjustments. Returns are geometrically linked and could experience compounding effects.
- [11] NCREIF Fund Index Open-End Diversified Core Equity-Equal Weight-Endowment & Foundation Eligible (NFI-ODCE-EQ-E&F).
- [12] As of 01/06/17, the Custom Benchmark is the sum contribution of daily benchmark returns, dynamically weighted by the component primary benchmarks' associated funds' daily beginning market value over the aggregate beginning market value.

Directed Hedge Funds Detail



First Quarter 2017

Equity Hedge



Highline Enhanced, Ltd.

Equity Hedge

Fundamental – United States

Firm

Name: Highline Capital Management, LLC
Inception: 1995
Firm AUM: \$3.43 billion
Strategy AUM: \$3.32 billion
Location: New York
Portfolio Managers: Jacob Doft

Background

Highline Capital Management was established in 1995 by Jacob W. Doft. Highline Capital Management currently manages three equity long/short strategies that are distinguished only by portfolio concentration and construction. Highline Capital is the firm's flagship fund launched in 1995.

Investing Strategy

Highline Enhanced, Ltd. seeks capital appreciation by exposing clients to all Highline Capital Partners investment ideas in a 2x levered portfolio structure.

Highline Capital is a fundamental long/short fund focused mainly in liquid US mid and large capitalized stocks. Typically, ideas come from a universe of companies and industries where professionals anticipate a transformation over a 1- 3 year time horizon. The types of transformations and changes that analysts look for fall into three broad categories: structural change, strategic change, and financial change. In some cases, the changes are company-specific. In other cases, they are industry wide, which would lead them to study multiple companies within a particular sector.

Typical Portfolio Profile

Gross Exposure: 180% - 320%
Net Exposure: 30% - 90%
Geography: US

Instruments Traded

☐ Equities

Third Party Providers

Administrator: Morgan Stanley Fund Services
Auditor: KPMG
Legal Counsel: Haynes and Boone
Prime Broker: Goldman Sachs, Morgan Stanley, JP Morgan, Fidelity Prime Services

Standard Terms

Management Fee: 1.5%
Performance Fee: 20%
Liquidity: Quarterly, 30 days
Lock-up: 1 year soft (5%)

Last Updated

As of Date: 3/31/2017
Analyst: Mark Rapela

Highline Enhanced, Ltd.

Equity Hedge

Fundamental – United States

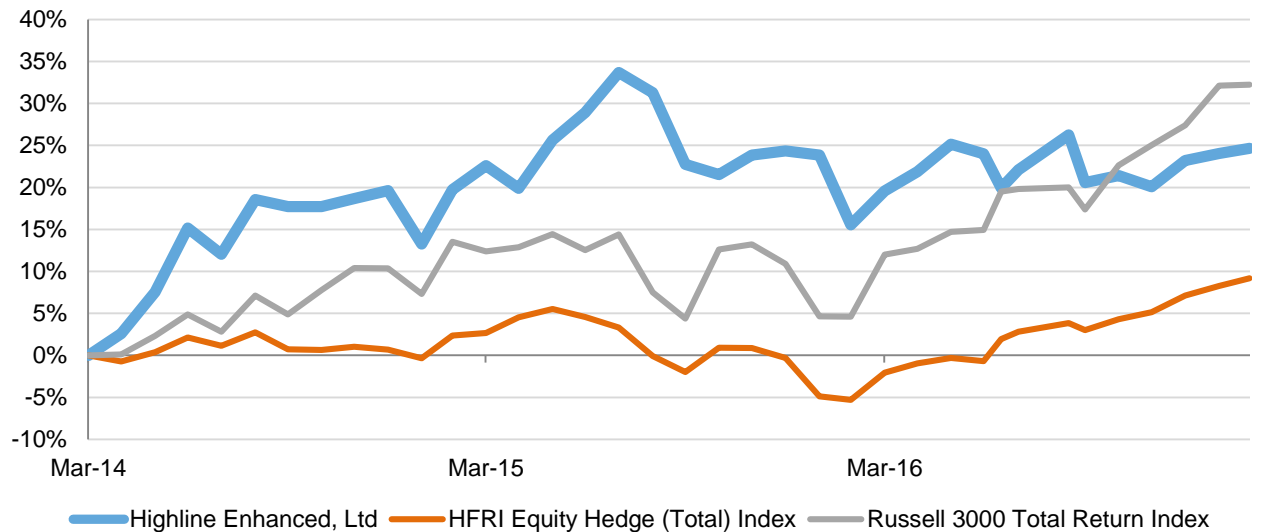
MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014				2.60%	4.80%	7.10%	-2.70%	5.80%	-0.70%	0.00%	0.80%	0.80%	19.61%
2015	-5.30%	5.70%	2.40%	-2.20%	4.80%	2.60%	3.70%	-1.80%	-6.50%	-1.00%	1.90%	0.40%	3.95%
2016	-0.40%	-6.70%	3.50%	1.90%	2.70%	-0.90%	-3.30%	1.80%	3.40%	-4.50%	0.70%	-1.10%	-3.43%
2017	2.60%	0.70%	0.50%										3.83%

RETURN AND RISK ANALYSIS – 03/31/2017

Historical annualized return	7.63%
Historical annualized volatility	11.65%
Annual Sharpe Ratio	0.66
Correlation (Russell Global Index)	0.43
Beta (Russell Global Index)	0.47
Max monthly loss	-6.70%
Max drawdown	-13.58%
Positive Months %	63.89%
Negative Months %	36.11%
Skew	-0.40
Kurtosis	-0.10
Normal monthly VaR 99%	-7.17%

HISTORICAL CUMULATIVE RETURNS



Content provided by manager and although deemed reliable, may not be complete and accurate and is subject to change.

Content is representative of the investment the proposed account has with the manager.

Performance results are Net of management and performance fees. Past performance is not indicative of future results.

Event Driven



CVI Emerging Market Credit Value Fund Ltd.

Event Driven

Credit – Distressed/High Yield

Firm	Investing Strategy	Instruments Traded
<p>Name: Carval Investors, LLC</p> <p>Fund Inception: April 2013</p> <p>Strategy Inception: 1999</p> <p>Firm AUM: \$10.10 billion</p> <p>Strategy AUM: \$1.40 billion</p> <p>Location: Minneapolis, London, New York, Buenos Aires, Singapore</p> <p>Portfolio Managers: Joseph Graf and Gerardo Bernáldez,</p>	<p>The portfolio focuses on investments in distressed and high yield loans and bonds in a wide range of emerging markets. The team looks to invest in situations with identifiable catalysts and defined strategies for exit. The portfolio may use a modest amount of leverage.</p> <p>While the PMs typically have some market hedges on to mitigate risk in the portfolio, the portfolio has a consistently long bias.</p>	<p><input type="checkbox"/> Corporate Bonds</p> <p><input type="checkbox"/> Leveraged Loans</p> <p><input type="checkbox"/> CDS</p> <p><input type="checkbox"/> Index Derivatives</p>
Background	Typical Portfolio Profile	Third Party Providers
<p>CarVal Investors, a wholly-owned subsidiary of Cargill Inc, has been investing actively in emerging markets (“EM”) credit assets since 1999. CarVal launched a stand-alone fund to invest in EM credit in April 2013.</p> <p>The investment team is headed by long-time Cargill/CarVal veteran Gerardo Bernáldez and Joe Graf, who joined the CarVal from Credit Suisse in 2006. The investment team conducts its research in-house, and supplements it with insights from various Cargill employees globally.</p>	<p>Gross Exposure Range: 90-150%</p> <p>Net Exposure Range: 50-75%</p> <p>Geography: Global Emerging Markets</p>	<p>Administrator: Northern Trust Hedge Fund Services</p> <p>Auditor: KPMG LLC</p> <p>Legal Counsel: Maples and Calder (Cayman), Schlute Roth & Zabel LLC (US)</p> <p>Prime Brokers: Credit Suisse Securities, Barclays Capital</p> <p>Standard Terms</p> <p>Management Fee: 2%</p> <p>Performance Fee: 20%</p> <p>Liquidity: Quarterly, 90 days; 25% investor-level gate</p> <p>Lock-up: 1 year hard</p> <p>Last Updated</p> <p>As of Date: 03/31/2017</p> <p>Analyst: Brent Pasternack</p>

CVI Emerging Market Credit Value Fund Ltd.

Event Driven
Credit – Distressed/High Yield

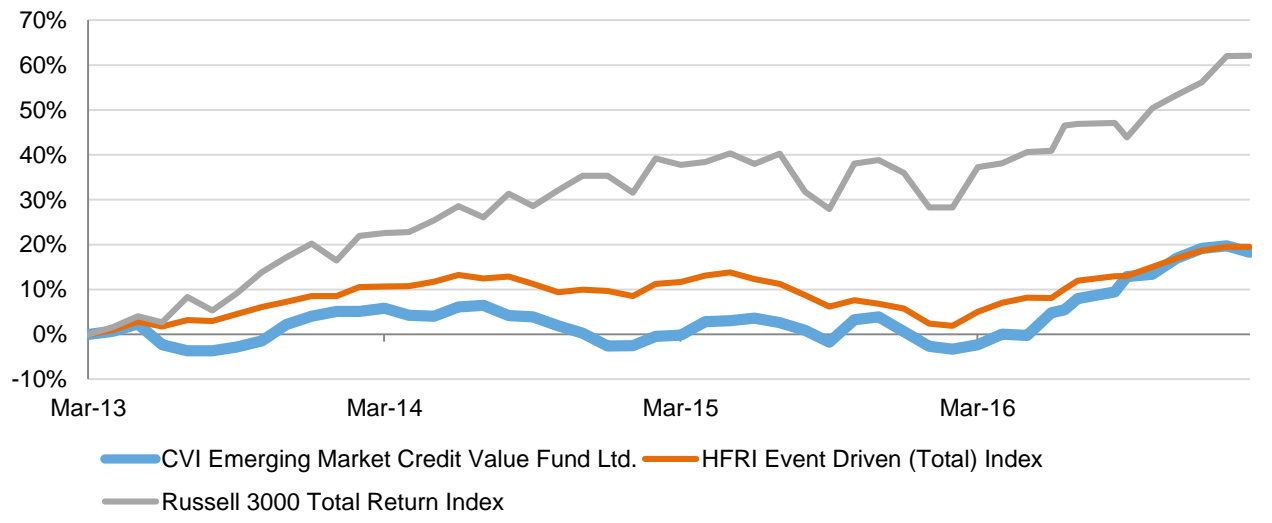
MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2013				0.70%	1.60%	-4.50%	-1.40%	0.00%	0.90%	1.40%	3.70%	1.80%	4.05%
2014	1.00%	0.00%	0.70%	-1.50%	-0.20%	2.00%	0.30%	-2.10%	-0.30%	-1.90%	-1.60%	-2.90%	-6.42%
2015	0.10%	2.10%	0.33%	2.99%	0.21%	0.53%	-0.97%	-1.62%	-2.63%	5.07%	0.64%	-3.15%	3.36%
2016	-3.31%	-0.60%	0.98%	2.45%	-0.30%	5.08%	0.63%	2.35%	1.36%	3.16%	0.44%	3.10%	16.17%
2017	1.90%	0.50%	-1.20%										1.18%

RETURN AND RISK ANALYSIS – 03/31/2017

Historical annualized return	4.29%
Historical annualized volatility	7.19%
Annual Sharpe Ratio	0.60
Correlation (Russell Global Index)	0.36
Beta (Russell Global Index)	0.24
Max monthly loss	-4.50%
Max drawdown	-9.12%
Positive Months %	64.58%
Negative Months %	35.42%
Skew	0.02
Kurtosis	0.12
Normal monthly VaR 99%	-4.47%

HISTORICAL CUMULATIVE RETURNS



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Content is representative of the investment the proposed account has with the manager.

Performance results are Net of management and performance fees. Past performance is not indicative of future results.

Jet Capital Concentrated Offshore Fund, Ltd.

Event Driven

Equity – Special Situations

Firm

Name: Jet Capital Investors, LP

Inception: 2002

Firm AUM: \$1.19 billion

Strategy AUM: \$892 million

Location: New York

Portfolio Managers: Matthew Mark & Alan Cooper

Background

Matthew Mark founded Jet Capital in 2002 with the contribution of a significant seed investor and the vast majority of his personal savings. Alan Cooper joined Matt as co-PM and partner in 2003.

Investing Strategy

The fund invests principally in equities that are likely to be impacted significantly as a result of a legal, regulatory or transactional processes. For idea generation, the team relies on a number of sources, including news periodicals, sell side research, SEC filings and litigation/regulatory screens. The investment team then researches these potential trades to identify situations with process-specific catalysts and conducts primary research on those situations.

The team pays close attention to risk/reward on potential trades, and looks for situations that truncate downside risk versus upside potential. As a result, it does not invest much in plain-vanilla merger arbitrage.

Typical Portfolio Profile

Gross Exposure: 130%-200%

Net Exposure: 30%-75%

Geography: Global

Instruments Traded

- ☐ Corporate Bonds
- ☐ Equities
- ☐ Equity Derivatives
- ☐ Sovereign Bonds

Third Party Providers

Administrator: Morgan Stanley Fund Services

Auditor: Grant Thornton, LLP

Legal Counsel: Schulte Roth & Zabel, (US), Walkers (Cayman)

Prime Brokers: Goldman Sachs, Deutsche Bank, Morgan Stanley

Standard Terms

Management fee: 1.5%

Performance Fee: 15% of net return up to 15% and 25% thereafter

Liquidity: Monthly, 30 Days

Lock-up: 1 year soft (3%)

Last Updated

As of Date: 03/31/2017

Analyst: Brent Pasternack

Jet Capital Concentrated Offshore Fund, Ltd.

Event Driven Equity – Special Situations

Supplemental Material, INV-5a
Page 76 of 84

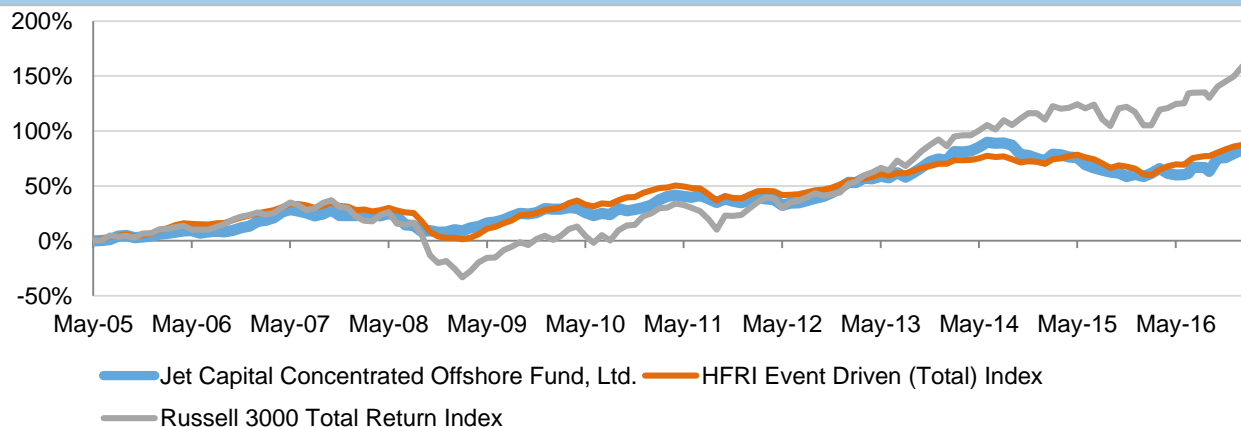
MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2005						0.29%	0.77%	3.27%	0.57%	-1.84%	0.40%	1.01%	4.48%
2006	1.67%	0.40%	1.03%	1.06%	0.32%	-2.13%	1.12%	0.49%	-0.37%	1.17%	2.20%	1.42%	8.64%
2007	3.65%	0.76%	1.93%	4.50%	1.71%	-0.96%	-1.51%	-1.99%	1.48%	2.81%	-4.02%	-0.02%	8.29%
2008	0.15%	0.43%	0.09%	-0.84%	1.83%	-2.09%	-6.46%	-0.52%	-4.78%	0.93%	-1.38%	0.33%	-11.92%
2009	1.66%	-0.89%	2.53%	1.09%	2.94%	0.71%	1.64%	2.66%	2.26%	-0.52%	1.04%	2.84%	19.41%
2010	-0.26%	0.01%	0.97%	-0.40%	-3.09%	-2.22%	1.81%	-1.03%	4.43%	-1.48%	0.90%	1.38%	0.81%
2011	1.75%	3.49%	2.45%	0.80%	-0.94%	-0.58%	1.31%	-2.36%	-2.35%	2.38%	-1.44%	-1.06%	3.29%
2012	1.84%	1.45%	-0.61%	-0.55%	-3.77%	1.59%	0.11%	1.55%	1.64%	1.23%	2.28%	3.03%	10.04%
2013	3.48%	-0.14%	2.61%	-0.33%	1.38%	-0.82%	2.84%	-2.54%	2.60%	3.08%	3.12%	1.48%	17.89%
2014	-0.84%	4.60%	-0.15%	0.47%	2.05%	2.31%	-0.54%	0.19%	-1.07%	-4.45%	-0.56%	-1.53%	0.19%
2015	-1.19%	3.50%	-0.28%	-1.14%	-0.45%	-3.67%	-1.65%	-1.24%	-1.00%	-0.67%	-1.85%	1.15%	-8.32%
2016	-1.13%	1.69%	2.71%	-2.57%	-0.80%	0.15%	0.60%	3.55%	-0.21%	-2.04%	7.40%	0.19%	9.53%
2017	2.12%	2.00%	-0.76%										3.37%

RETURN AND RISK ANALYSIS – 03/31/2017

Historical annualized return	5.17%
Historical annualized volatility	7.12%
Annual Sharpe Ratio	0.52
Correlation (Russell Global Index)	0.53
Beta (Russell Global Index)	0.25
Max monthly loss	-6.46%
Max drawdown	-16.40%
Positive Months %	59.15%
Negative Months %	40.85%
Skew	-0.17
Kurtosis	0.95
Normal monthly VaR 99%	-4.35%

HISTORICAL CUMULATIVE RETURNS



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Relative Value



Aristeia International Limited

Relative Value Multi-Strategy

Firm

Name: Aristeia Capital LLC
Inception: 1997
Firm AUM: \$2.44 billion
Strategy AUM: \$1.94 billion
Location: New York, NY
Portfolio Manager: Tony Frascella

Background

Aristeia Capital LLC ("Aristeia") was founded in March 1997 by the current partners Tony Frascella, Rob Lynch and Kevin Toner who had previously worked together at UBS. Aristeia's fourth Partner, Bill Techar, joined in 2001. Aristeia utilizes a disciplined and dynamic approach to credit relative value, combining deep fundamental research and trading expertise with proprietary investment/risk technology.

Investing Strategy

The fund follows a credit relative value approach in which Aristeia seeks to capture upside through the pursuit of opportunities that exhibit attractive risk/reward, yet also minimize downside through dynamic exposure adjustment and comprehensive risk control. The fund seeks to produce absolute returns through relative value investments in the high yield corporate credit markets. The team fuses their deep fundamental research and trading expertise with extensive risk systems and technology to outperform the market.

Typical Portfolio Profile

Gross Exposure: 250%
Net Exposure: 50%
Geography: Global

Instruments Traded

☐ Convertibles ☐ Debentures
☐ Corporate Bonds ☐ Equities
☐ Leveraged Loans ☐ Equity
☐ CDS ☐ Derivatives
☐ Index Derivatives

Third Party Providers

Administrator: Citco Fund Services
Auditor: Ernst & Young
Legal Counsel: Akin, Gump, Strauss, Hauer & Feld LLP (US); Maples and Calder (Cayman)
Prime Brokers: Bank of America Merrill Lynch, Deutsche Bank, Goldman Sachs, JP Morgan Chase

Pricing

Management Fee: 1%
Performance Fee: 20%
Liquidity: Quarterly, 60 days
Lock-up: None

Last Updated

As of Date: 03/31/2017
Analyst: Cameron McVie

Aristeia International Limited

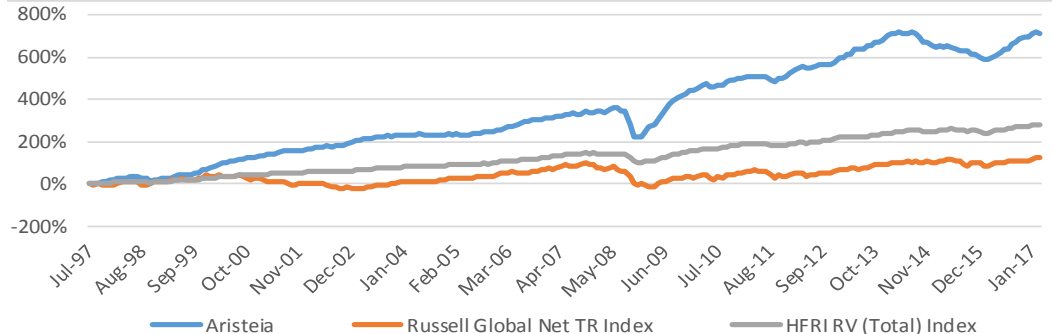
Relative Value - Multi-Strategy

MONTHLY RETURNS													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1997								2.33%	3.53%	3.15%	2.94%	3.31%	16.22%
1998	3.46%	3.16%	1.61%	2.88%	2.38%	0.05%	2.05%	-5.85%	-2.67%	-8.12%	6.85%	1.13%	6.11%
1999	2.15%	0.74%	1.28%	7.83%	1.66%	0.11%	2.96%	0.43%	2.01%	2.77%	7.52%	1.97%	35.94%
2000	5.01%	4.02%	3.93%	4.12%	3.02%	1.87%	1.43%	1.64%	1.86%	2.73%	1.29%	-1.01%	34.18%
2001	3.56%	1.71%	0.52%	0.87%	1.66%	1.85%	2.65%	2.07%	-1.47%	0.20%	0.52%	1.09%	16.23%
2002	1.73%	0.40%	1.34%	1.11%	1.03%	0.94%	-1.17%	0.91%	0.50%	1.35%	2.21%	2.17%	13.21%
2003	3.24%	0.89%	1.52%	1.60%	-0.22%	1.79%	0.29%	0.53%	0.52%	-0.39%	0.59%	0.74%	11.62%
2004	1.16%	-0.11%	-0.97%	0.67%	0.87%	-0.26%	0.00%	-0.61%	-0.71%	0.32%	0.84%	0.90%	2.09%
2005	-0.69%	0.19%	-0.50%	-0.68%	0.67%	1.24%	0.15%	0.06%	1.95%	0.40%	-0.01%	1.66%	4.49%
2006	1.91%	1.63%	1.18%	-0.02%	3.66%	0.28%	2.34%	1.07%	1.46%	-0.67%	0.68%	1.42%	15.93%
2007	0.53%	1.36%	1.12%	-0.62%	1.60%	1.06%	0.90%	-0.42%	-0.44%	3.21%	-0.86%	-0.24%	7.36%
2008	1.21%	0.64%	-1.69%	2.49%	2.81%	-1.15%	-2.32%	-0.57%	-13.88%	-15.07%	0.46%	-1.05%	-26.35%
2009	7.74%	5.86%	2.41%	6.38%	6.91%	4.65%	6.78%	2.81%	3.25%	1.68%	1.06%	3.12%	66.97%
2010	1.03%	0.82%	2.66%	1.56%	-2.02%	-0.58%	1.32%	0.95%	1.79%	2.13%	-0.61%	0.92%	10.33%
2011	1.05%	0.84%	0.10%	-0.19%	0.13%	-0.27%	-0.06%	-1.83%	-1.55%	1.97%	0.77%	1.36%	2.28%
2012	3.06%	1.94%	1.74%	0.59%	-1.04%	0.20%	1.53%	0.62%	0.34%	0.33%	-0.52%	1.86%	11.10%
2013	2.43%	0.27%	2.45%	0.21%	3.25%	0.14%	0.25%	1.57%	0.77%	1.41%	0.68%	0.87%	15.21%
2014	3.40%	0.93%	0.10%	0.44%	-1.31%	0.59%	0.90%	-0.55%	-2.01%	-3.08%	-0.89%	-1.54%	-3.13%
2015	-1.41%	1.05%	-1.07%	1.20%	-0.74%	-1.09%	-1.07%	0.02%	-0.17%	-2.30%	-0.22%	-1.68%	-7.29%
2016	-1.42%	-0.52%	1.00%	1.15%	3.09%	1.65%	0.78%	2.72%	0.93%	2.17%	0.87%	0.76%	13.91%
2017	2.18%	0.25%	-0.62%										1.80%

RETURN AND RISK ANALYSIS - 03/31/2017

Historical annualized return	11.23%
Historical annualized volatility	8.36%
Annual Sharpe Ratio	1.34
Correlation (Russell Global Index)	0.38
Beta (Russell Global Index)	0.19
Max monthly loss	-15.07%
Max drawdown	-30.20%
Positive Months %	75.00%
Positive Months %	25.00%
Skew	-2.00
Kurtosis	14.56
Normal monthly VaR 99%	-5.62%

HISTORICAL CUMULATIVE RETURNS



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Tactical Trading



Massar Macro Commodity Fund, LP.

Tactical Trading

Discretionary Commodities – Global Diversified

Firm

Name: Massar Capital Partners
Inception: 2013
Firm AUM: \$324 million
Strategy AUM: \$324 million
Location: New York
Portfolio Manager: Marwan Younes

Background

Marwan Younes was formerly a portfolio manager with JCP. Massar spun out of JCP and manages ~\$110 Million in a managed account (at full 2/20 fees) through JCP's Koppenberg Macro Commodity Fund. Marwan Younes controls Massar Capital (GP), LLC, and Massar Capital General Partner, LLC. Entities formed by Marwan Younes are the majority owners of Massar Capital Management, LP, Massar Capital (GP), LLC, and Massar Capital General Partner, LLC.

Investing Strategy

Massar seeks to identify potential investment themes and ideas by using macro-economic, micro-economic, technical, and geo-political analyses, as well as by surveying an extensive professional network. Massar converts investment themes and ideas into actionable trades by quantifying mispricings, identifying catalysts and time horizons, and selecting the instrument with the best suitability and liquidity. The Manager enhances trade entry and exit levels through the analysis of price and behavioural patterns.

Typical Portfolio Profile

Average Daily VaR: 99% VaR range of 100-200bps
Net Exposure: highly variable
Geography: Global

Instruments Traded

- ☐ Index Derivatives ☐ Commodities
- ☐ FX
- ☐ Interest Rate Derivatives
- ☐ Options

Third Party Providers

Administrator: NAV Consulting
Auditor: KPMG
Legal Counsel: Ropes & Gray LLP and Walkers Ltd
Prime Brokers: Newedge, RBC and BAML

Pricing

Management Fee: 2%
Performance Fee: 20%
Liquidity: Monthly, 30 Days
Lock-up: 1-year soft lock with 3% redemption fee

Last Updated

As of Date: 03/31/2017
Analyst: Mark Raskopf

Massar Macro Commodity Fund, LP.

Tactical Trading Discretionary Commodities – Global Diversified

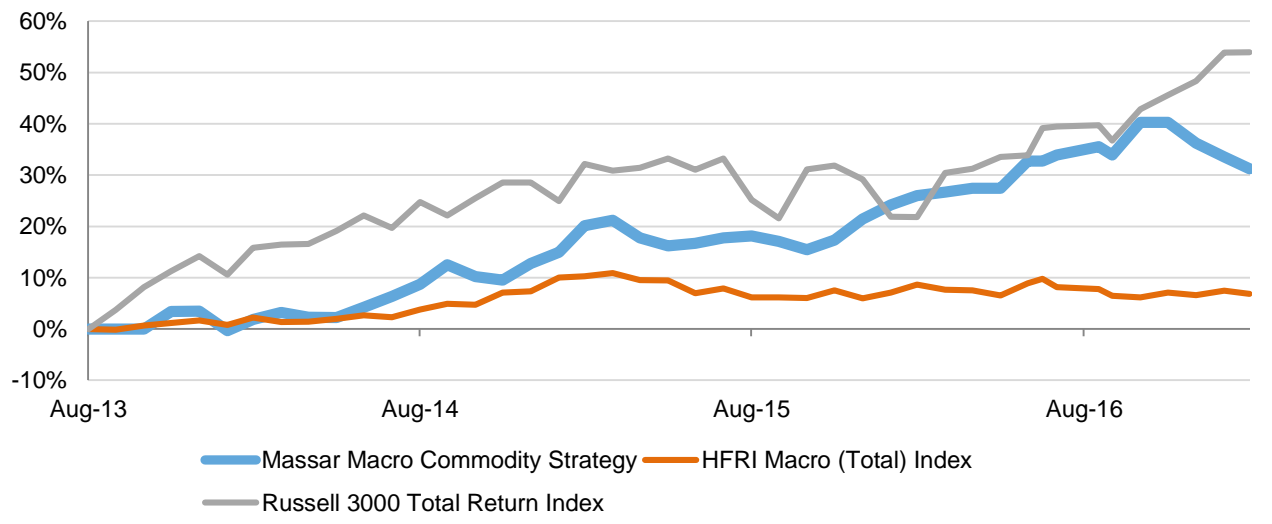
MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2013									-0.05%	0.05%	3.39%	0.07%	3.46%
2014	-3.69%	2.19%	1.39%	-0.90%	-0.08%	1.97%	2.00%	2.25%	3.47%	-2.06%	-0.61%	2.99%	9.01%
2015	1.95%	4.47%	0.91%	-2.85%	-1.33%	0.46%	0.86%	0.35%	-0.93%	-1.37%	1.64%	3.52%	7.70%
2016	2.23%	1.48%	0.51%	0.60%	0.00%	4.19%	-0.02%	0.88%	1.23%	-1.18%	4.73%	-0.01%	15.48%
2017	-2.86%	-1.98%	-1.73%										-6.43%

RETURN AND RISK ANALYSIS – 03/31/2017

Historical annualized return	7.88%
Historical annualized volatility	7.02%
Annual Sharpe Ratio	1.13
Correlation (Russell Global Index)	0.01
Beta (Russell Global Index)	0.01
Max monthly loss	-3.69%
Max drawdown	-6.44%
Positive Months %	62.79%
Negative Months %	37.21%
Skew	0.04
Kurtosis	-0.39
Normal monthly VaR 99%	-4.07%

HISTORICAL CUMULATIVE RETURNS



Trend Macro Offshore Ltd

Tactical Trading

Discretionary Macro – Global Diversified

Firm

Name: Trend Capital Management GP LLC

Inception: June 2011

Firm AUM: \$1.8 billion

Strategy AUM: \$1.8 billion

Location: London, UK

Portfolio Managers: Ashwin Vasani

Background

Trend Macro is a discretionary macro hedge fund that utilizes a single-manager approach supported by a team of strong analysts. Trend Macro invests on a diverse set of themes, each of which is researched and vetted by a team of senior analysts.

Investing Strategy

Trend researches and invests on a diverse set of themes. Typically, the portfolio is comprised of 10-20 ideas and 5-10 themes. By diversifying the portfolio and incorporating more themes in a portfolio, Trend Capital reduces reliance on concentrated, market-consensus views. The team assesses the macro environment globally to identify ideas that warrant a deep dive. The team pays particular attention to major imbalances and/or non-optimal policy settings that might affect asset prices. Trend constructs macroeconomic models that are designed to give Ash and the analysts a greater understanding of the variables that might influence their trading strategy as they try to capitalize on a trend. In addition to quantitative modeling, Trend incorporates qualitative factors into the assessment of each trend.

Typical Portfolio Profile

Gross Exposure: Highly variable

Net Exposure: Highly variable

Geography: Global, including EM

Instruments Traded

- ☐ Index Derivatives
- ☐ Options
- ☐ Equity Derivatives
- ☐ Sovereign Bonds
- ☐ FX
- ☐ Commodities
- ☐ Interest Rate Derivatives

Third Party Providers

Administrator: Hedgeserv

Auditor: Ernst & Young

Legal Counsel: Schulte, Roth & Zabel
Ogier

Prime Broker: Credit Suisse, JP Morgan

Pricing

Management Fee: 2%

Performance Fee: 20%

Liquidity: Monthly, 30 Days

Lock-up: None

Last Updated

As of Date: 03/31/2017

Analyst: Mark Raskopf

Trend Macro Offshore Ltd

Tactical Trading

Discretionary Macro – Global Diversified

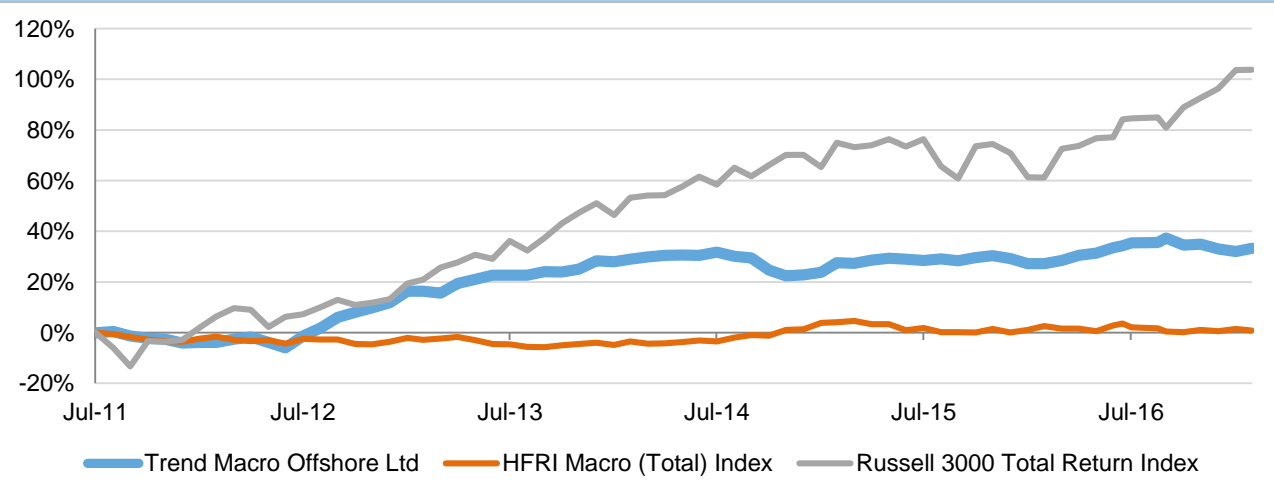
MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011								0.49%	-1.76%	-0.96%	-0.40%	-1.46%	-4.05%
2012	0.18%	0.09%	1.30%	0.83%	-2.16%	-2.23%	4.92%	3.28%	4.07%	1.96%	1.57%	1.87%	16.55%
2013	4.10%	-0.07%	-0.61%	3.27%	1.42%	1.33%	-0.01%	-0.04%	1.17%	-0.15%	0.99%	2.62%	14.80%
2014	-0.27%	0.76%	0.70%	0.43%	0.11%	-0.04%	0.90%	-1.21%	-0.51%	-3.65%	-1.88%	0.32%	-4.35%
2015	0.79%	3.05%	-0.16%	1.00%	0.54%	-0.23%	-0.38%	0.42%	-0.55%	0.99%	0.61%	-0.85%	5.30%
2016	-1.65%	0.04%	0.95%	1.60%	0.69%	1.67%	0.57%	0.79%	0.09%	1.36%	-2.05%	0.26%	4.33%
2017	-1.37%	-0.76%	0.96%										-1.18%

RETURN AND RISK ANALYSIS – 03/31/2017

Historical annualized return	5.00%
Historical annualized volatility	5.00%
Annual Sharpe Ratio	0.94
Correlation (Russell Global Index)	0.15
Beta (Russell Global Index)	0.07
Max monthly loss	-4.00%
Max drawdown	-7.00%
Positive Months %	62.00%
Negative Months %	38.00%
Skew	0.39
Kurtosis	1.03
Normal monthly VaR 99%	-3.00%

HISTORICAL CUMULATIVE RETURNS



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