File ID #170755B

PARAMETRIC

City of Gainesville Employees' Pension Plan Defensive Equity

December 14, 2017

File ID #170755B

Table of Contents

Alex Zweber, CFA
Portfolio Manager
azweber@paraport.com
952.767.7703

Greg Bauer, CFA, CAIA
Director – Institutional Relationships
gbauer@paraport.com
678.429.8199

Firm Overview

Parametric By The Numbers

$220B+
Assets Under Management Across Institutional and Wealth Management Clients*

85+
Client-Facing Professionals Across 5 Offices

89
Investment Professionals Across 2 Investment Centers

12 Years
Average Industry Experience of Our Portfolio Managers

*As of 9/30/2017. AUM includes the assets of Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management.

Parametric VRP Strategies: Key Differentiators

Deep experience in managing options strategies for institutional investors

- Over $130 Billion in total institutional assets under management.
- Over $10 Billion in managed options strategies for over 250 institutional clients.
- Dedicated, experienced, and stable team with sole focus on options strategies.
- 30+ years[1] of managing derivatives across a range of asset classes.

State-of-the-art proprietary technology and risk management systems

- Proprietary investment management systems support all aspects of the managed options business.
- Customized systems for trading, operations, accounting, compliance, and risk management developed based on experience managing derivatives.

Focus on exceptional client service

- Driven by transparency, cost minimization, and delivering expected outcomes.
- Entire investment team accessible at all times.

[1]30 years reflects the history of the Clifton Group that was acquired by Parametric Portfolio Associates on 12/31/12.

Representative Client List as of September 30, 2017

> Public
Alaska Retirement Management Board
Arizona State Retirement System
California State Teachers' Retirement System
City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Pension Plan
East Bay Municipal Utility District
Fairfax County Retirement Systems
Houston Police Officers' Pension System
Manhattan & Bronx Surface Transit Operating Authority Pension Plan
Marin County Employees' Retirement Association
Massachusetts Pension Reserves Investment Management Board
New Mexico Public Employees' Retirement Association
Oakland Police and Fire Retirement System
San Joaquin County Employees' Retirement Association
San Luis Obispo County
San Mateo County Employees' Retirement Association
Seattle City Employees' Retirement System
Wisconsin Investment Board

> Endowments
Indiana University & Foundation
Florida State University Foundation, Inc.
Pepperdine University
Texas Christian University
University of Florida Foundation, Inc.
University of Minnesota Foundation
University of Missouri System
University of Pittsburgh
University of St. Thomas
Regents of the University of Michigan

> Faith Based
Covenant Ministries of Benevolence
Ministers & Missionaries' Benefit Board of American Baptist Churches
Pension Fund of the Christian Church

> Healthcare
Advocate Health Care Network
Allina Health
North Memorial Health Care
OhioHealth Corporation
Rush University Medical Center
Trinity Health

> Taft-Hartley
Board of Trustees ABC-NABET Retirement Trust Fund
Boilermaker-Blacksmith National Pension Trust
Central Laborers' Pension Fund
Electrical Workers, IBEW, Pacific Coast Fund
Chicago Laborers' Pension & Welfare Funds
National Retirement Fund
Teamsters, Western Pennsylvania

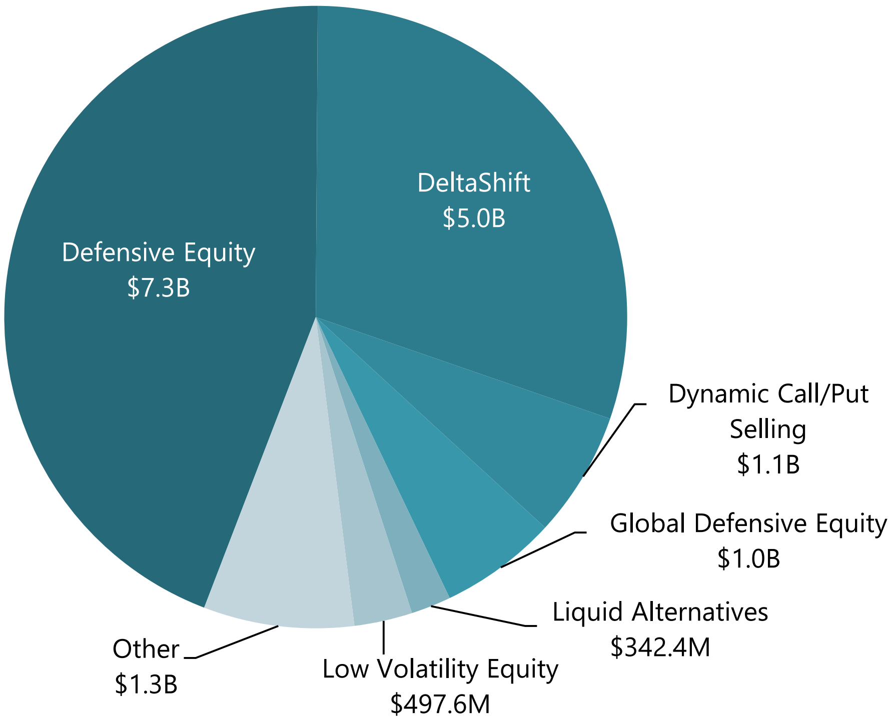
> Foundations
Auburn University
The Doris Duke Charitable Foundation & Related Entities
The John D. & Catherine T. MacArthur Foundation
The McKnight Foundation

> Corporate
Cargill, Inc.
Macy's, Inc.
3M Company
Nestlé USA, Inc.
Eversource Energy
Target Corporation
United Technologies Corporation

It is not known whether the listed clients approve or disapprove of the adviser. The partial list of clients included herein were selected as being representative of the different types of institutional clients and businesses serviced by Parametric. Performance-based data was not a determining factor in their selection.

Parametric Volatility Risk Premium Strategies

Assets by Strategy



Volatility Risk Premium Strategies Total Assets of $16.5 Billion

Consists of Funded and Overlay Assets

All numbers are approximate as of 9/30/2017.

Parametric is divided into two segments: Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For compliance with the Global Investment Performance Standards (GIPS®), the Firm is defined and held out to the public as Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies provides rules-based investment management services to institutional investors, individual clients and registered investment vehicles. For a complete list and description of composites, please contact us at 206.694.5575. Total Institutional Assets presented above include assets from the Parametric Investment & Overlay Strategies segment. Please refer to the GIPS® Presentation and the Disclosures included at the end of this presentation for additional important information.

File ID #170755B

Defensive Equity

Investment Objectives

Objectives

- We seek to:
  - Outperform S&P 500® Index and Long/Short Hedge Funds over a full market cycle on both an absolute and risk-adjusted basis
  - Reduce volatility versus S&P 500® Index by at least 40% in all stages of market cycle
  - Reduce magnitude of drawdowns and recover faster from stress events

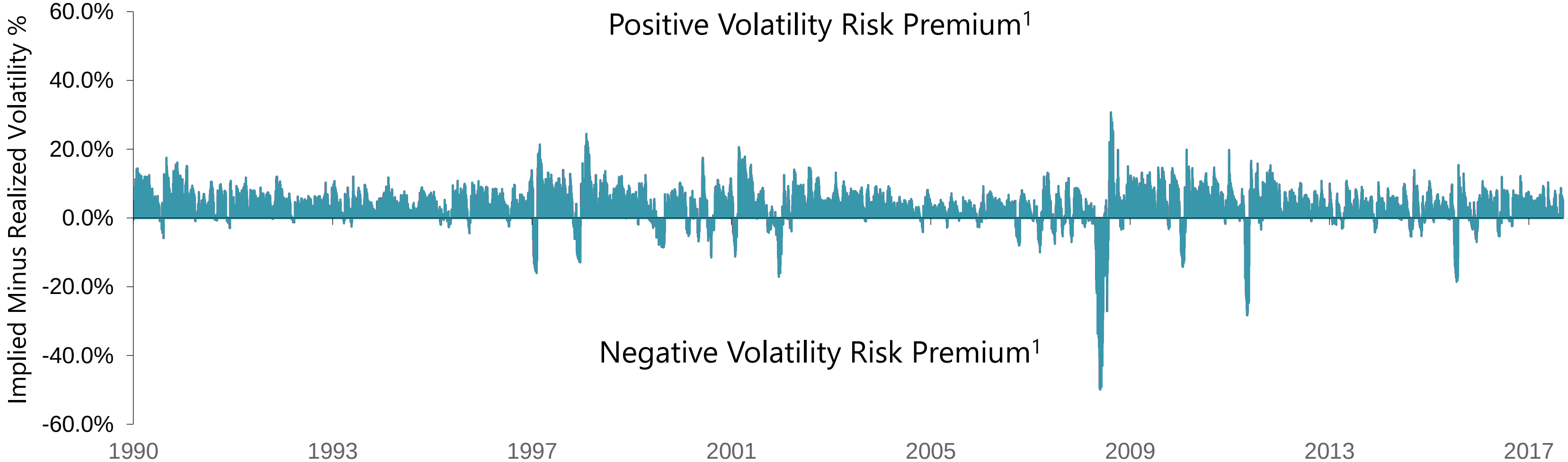
Investment Thesis

- Equity Index options have historically traded with an embedded Volatility Risk Premium (VRP) and we expect this to continue
  - Options may be thought of as financial insurance contracts – insurance is not free
  - Option prices contain a volatility risk premium paid by option buyers to option sellers
  - The VRP is meaningful and likely to persist
  - A defensively structured portfolio can capture the VRP by selling fully-collateralized options without introducing leverage

Disciplined - Liquid - Transparent - No Leverage

Empirical Data Supports Our Investment Thesis

S&P 500® Index options have traded with a positive volatility risk premium over 85% of the time since 1990.

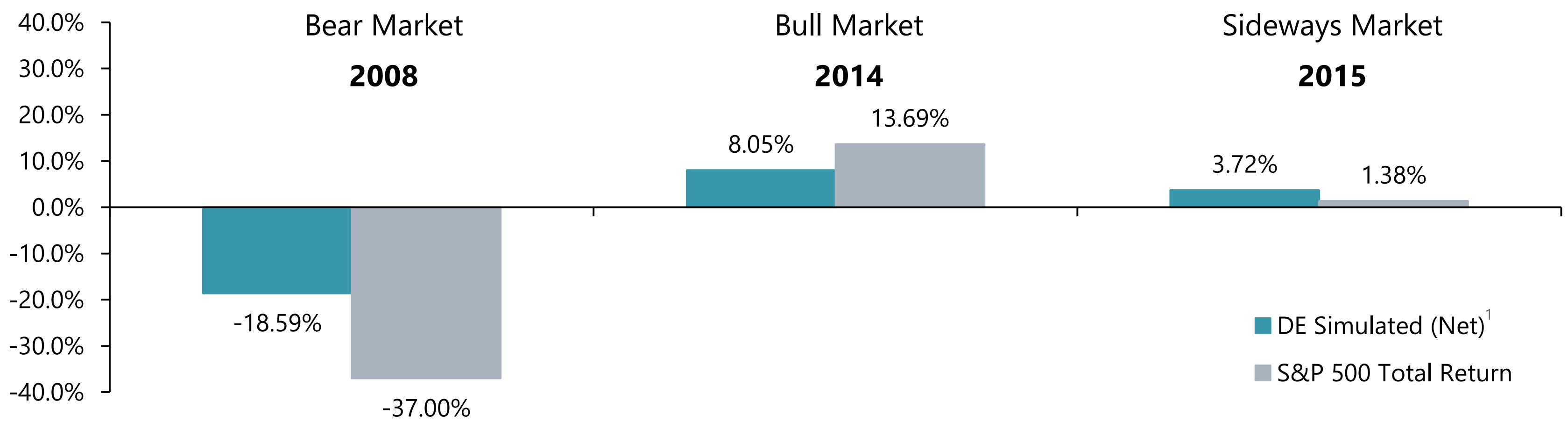


Embedded risk premium creates opportunity to enhance return through option selling.

[1]1990 to present represents longest period from which reliable data is available and accessible for S&P 500 Volatility Index. S&P 500® Index options relative valuation measured by taking daily observations of Implied Volatility (as measured by VIX Index) and subtracting the subsequent Realized Volatility of the S&P 500® over the following 30 days. Options have historically traded about 4.3 volatility points above subsequent realized volatility. Said another way, the option market tends to overestimate future volatility, which translates directly into higher prices for both puts and calls. VIX is the Chicago Board Options Exchange volatility index. VIX is calculated constantly throughout each trading day by observing the implied volatility derived from actual market prices of a wide array of put and call options with an average maturity of 30 days to expiration.
For informational purposes only. Past performance not indicative of future results. Not able to invest directly into indexes. All investments subject to losses.
Source: Parametric, Bloomberg; Date: 10/3/17.

Return Expectations by Market Environment (Simulation)

Defensive Equity is expected to deliver the best relative performance in down and sideways markets, while trailing in strong markets.

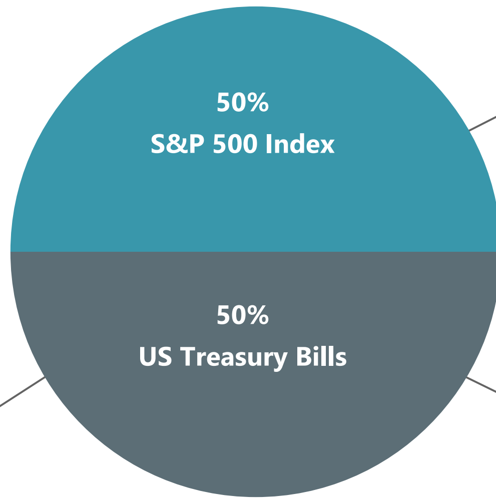


Timeframes selected to reference chronological market cycles of bear, bull, and sideways markets.
[1] Defensive Equity simulated annual returns are net of management fees (35bps) and net of expected transaction costs.
Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. It is not possible to invest directly in an index. Investments are subject to loss. Past performance is not indicative of future results. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation.
Source: Bloomberg and Parametric; Date: 1/22/15.

File ID #170755B

Portfolio Construction

Defensive Equity provides protection by "de-risking" base portfolio, then selling fully-collateralized index options to generate additional portfolio income.



Cut base portfolio risk in half

S&P 500® Index
Call Overlay
Sell collateralized calls above current index level (out-of-money)

S&P 500® Index
Put Overlay
Sell cash collateralized puts below current index level (out-of-money)

Enhance Portfolio Income
(Capture VRP)

Characteristics
4 types of securities
Exchange-traded, liquid, transparent, low cost, no leverage[1]
Disciplined rebalancing, no market timing[2]

[1]Options are fully-collateralized (no leverage), "out of money" at initiation, approximately one month term, and staggered over multiple expiration dates.
[2]Disciplined rebalancing back to 50/50 blend based on predetermined bands (Defensive Equity Model Simulation assumes monthly rebalance)
For illustrative purposes only. Individuals may not invest directly in indexes. Investments subject to loss. Information subject to change.

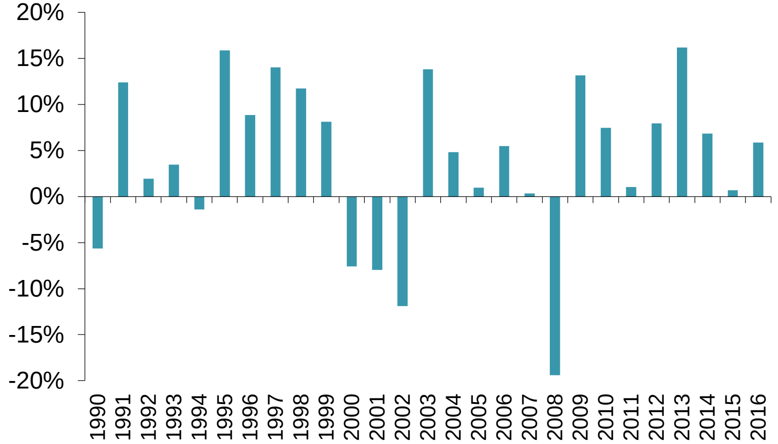
Exchanging Risk Premiums: Reducing Risk / Enhancing Return (Simulation)

File ID #170755B

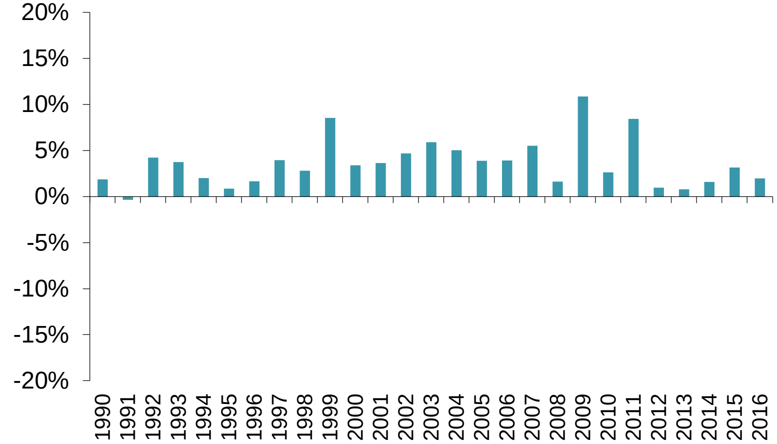
By allocating 50% to US T-Bills, we sacrifice 50% of the positive, but highly volatile Equity Risk Premium …

… in exchange for a positive and much more stable "Volatility Risk Premium" on the entire portfolio.

S&P 500® Excess Return (Above T-Bills) by Year on 50% of Portfolio 1/1/90 to 12/31/16



Returns by Year From DE Option Selling (VRP)[1] 1/1/90 to 12/31/16



Give up this …

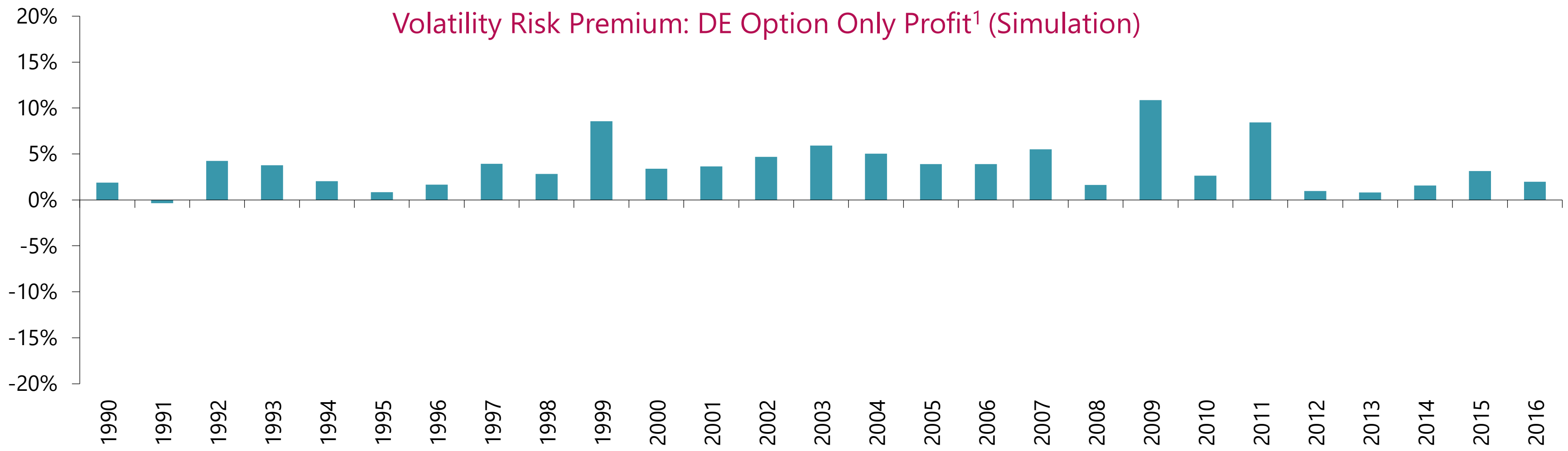
… to capture the VRP

With well above average equity risk premiums and well below average options profits the past several years, we expect this "exchange of risk premiums" to be significantly more attractive looking forward.

[1] Based on Defensive Equity model simulation, the premium received from option sales minus liabilities incurred to cash settle options that expired in-the-money.
Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. It is not possible to invest directly in an index. Investments are subject to loss. Past performance is not indicative of future results. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation. Source: Parametric; Date: 1/4/17.

We View Index Option-Based VRP as a Distinct Risk Premium

26 out of 27 years positive, based on our long-term modeling. Low correlation with risk premiums on other commonly held asset classes.



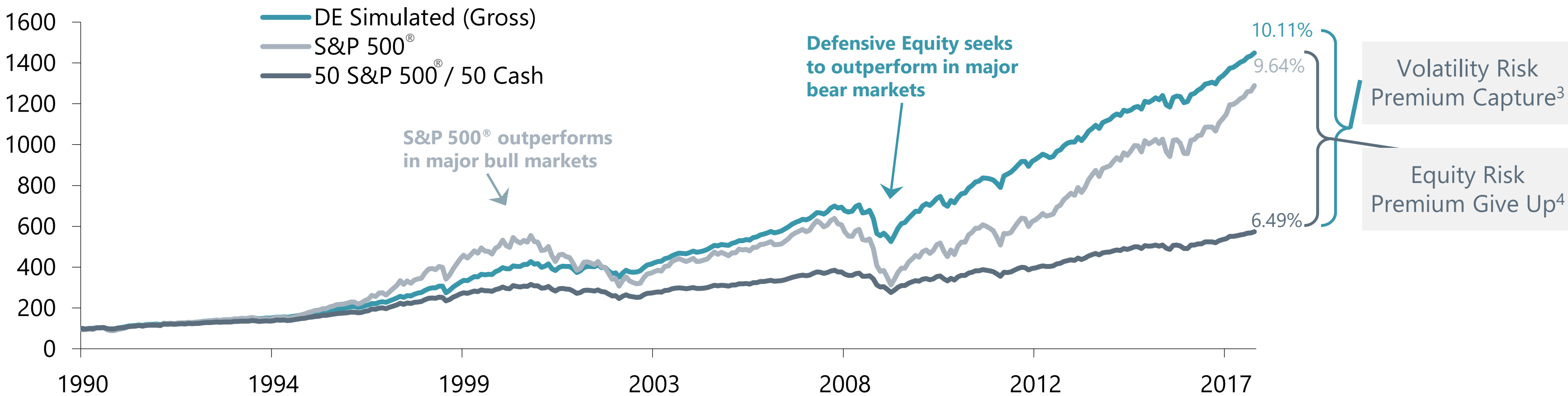
	S&P 500®	MSCI EAFE[SM]	GSCI	Bloomberg Barclays Long Treasury	Bloomberg Barclays Credit	Bloomberg Barclays High Yield
Correlation to **VRP**[2]	0.11	0.13	0.07	-0.01	0.11	0.24

[1] VRP received from Defensive Equity simulation of 50% S&P 500 short puts and 50% S&P 500 short calls for options only, no returns included for underlying collateral
[2] Correlation (R) between option-based VRP and the monthly returns on other indices
Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation attached. Investments are subject to loss. Past performance is not indicative of future returns. Individuals are not able to invest directly in indexes. Please refer to the Disclosure in the Appendices for further information.
Source: Parametric and Bloomberg; Date created: 1/17/17.

Defensive Equity Strategy Simulation Summary of Results

Return Period: 1/1/90 – 9/30/17

	Simulated DE[1] (Gross)	Simulated DE[2] (Net)	S&P 500®	50% S&P 500® / 50% T-Bills	Simulated DE vs. S&P 500® (Gross)
Annualized Return (%)	10.11	9.73	9.64	6.49	0.57
Standard Deviation (%)	7.69	7.69	14.24	7.13	-6.55
Sharpe Ratio	0.94	0.89	0.47	0.50	0.46



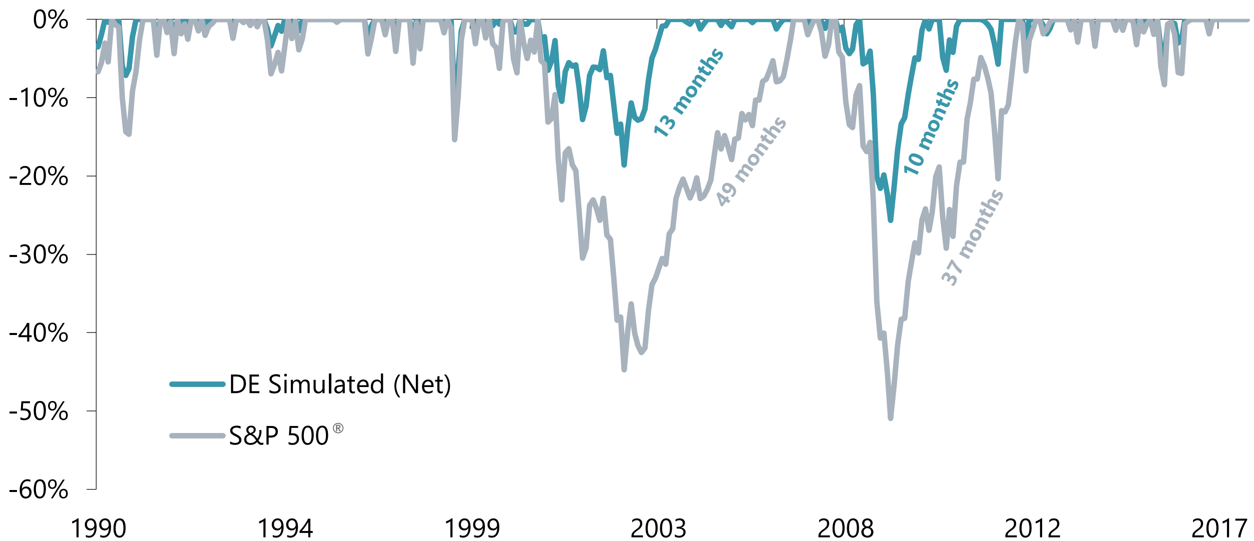
[1] Defensive Equity (Gross) simulated returns are gross of management fees (35bps) and net of expected transaction costs.
[2] Defensive Equity (Net) simulated returns are net of management fees (35bps) and net of expected transaction costs.
[3] Return difference between the Base Portfolio and Defensive Equity represents the Volatility Risk Premium captured by selling fully-collateralized options against the Base Portfolio, e.g. 10.11% - 6.49% = 3.62%
[4] Return difference between the S&P 500® and the "de-risked" Base Portfolio (50% S&P 500®/50% T-Bills) represents the Equity Risk Premium given up in the Defensive Equity strategy, e.g. 9.64% - 6.49% = 3.15%.

Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. Returns are gross of advisory fees. The deduction of an advisory fee would reduce an investors return. Please refer to the Disclosures at the end of this document. It is not possible to invest directly in an index. Investments are subject to loss. Past performance is not indicative of future results. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation. Source: Parametric, Bloomberg; Date: 10/11/17.

Dampening Downside / Enhancing Recovery

Defensive Equity is expected to experience significantly lower draw-downs during major market declines, while also recovering more rapidly due to elevated implied market volatility (higher premiums/wider strikes) following crisis events.

DE Simulated[1]: Cumulative Drawdown[2]
1/1/90 – 9/30/17



Internet Bubble (8/30/00 – 9/30/02)

- S&P 500®: -44.7%, Defensive Equity: -18.6%
- Recovery: S&P 500® 49 months, Defensive Equity 13 months

Financial Crisis (10/31/07 – 2/28/09)

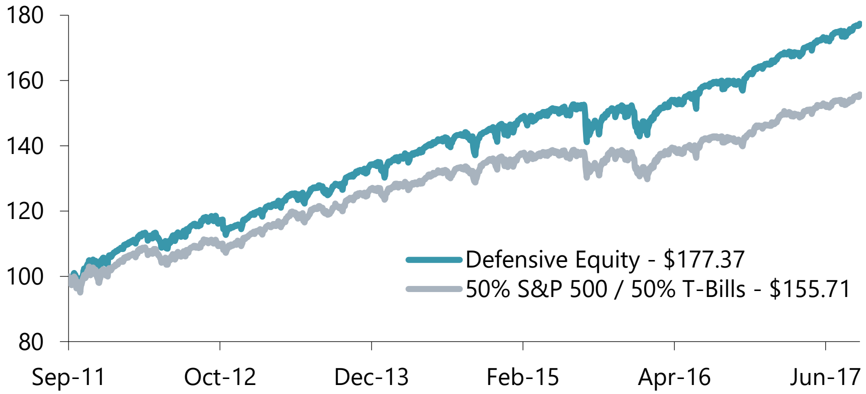
- S&P 500®: -50.9%, Defensive Equity: -25.7%
- Recovery: S&P 500® 37 months, Defensive Equity 10 months

[1] Defensive Equity simulated returns are net of management fees (35 bps) and net of expected transaction costs.
[2] Cumulative drawdown measures the cumulative percentage decline from the peak investment value to date. The most negative value of the cumulative drawdown statistic represents the maximum month-end drawdown.
Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. It is not possible to invest directly in an index. Investments are subject to loss. Past performance is not indicative of future results. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation.
Source: Parametric; Date: 10/11/17.

Defensive Equity: Composite Performance[1]

Persistent value added versus base portfolio benchmark and Hedge Funds, and returns that are in-line with expectations versus S&P 500® in a strong market environment.

Defensive Equity vs. Base Portfolio
Growth of $100: 9/1/11 - 9/30/17



DE Composite Assets: Approximately $4.88 billion
Total DE Strategy Assets[3]: Approximately $7.30 billion

Returns (%)

	Defensive Equity (Net)[1]	50% S&P 500® / 50% T-Bills	HFRI Equity Hedge	S&P 500®
QTD	2.85	2.35	3.65	4.48
1 Year	11.00	9.31	11.13	18.61
3 Year	7.51	5.55	4.64	10.81
5 Year	8.64	7.11	6.32	14.22
Inception[2]	9.88	7.55	5.32	15.11

Key Performance Metrics Since Inception

	Defensive Equity (Net)[1]	50% S&P 500® / 50% T-Bills	HFRI Equity Hedge	S&P 500®
Standard Deviation (%)	5.43	5.38	6.55	10.76
Sharpe Ratio	1.79	1.37	0.79	1.39

Results versus "Base Portfolio", 50% S&P 500® / 50% T-Bill blend, provide proxy for incremental return impact of option sales and most relevant benchmark for performance evaluation.

Consistently attractive risk-adjusted returns in the strong market environment since inception.

[1] The returns are presented net of actual fees.
[2] The inception date for Parametric's Defensive Equity strategy was September 2011.
[3] Total Defensive Equity strategy assets include standard Defensive Equity strategy (50% Puts / 50% Calls) on a funded and unfunded basis.
This is for illustrative purposes only. Investments are always subject to loss. It is not possible to invest directly in an index. Past performance is not indicative of future results.
Material provided is supplemental to the GIPS® compliant composite. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation.
Source: Thomson Reuters Datastream, Parametric; Date: 10/17/17.

Fund Structure / Fees

Fund Vehicle	Fund Administrator	Fund Custodian	Auditor	Unified Management Fee
Parametric Defensive Equity Fund LLC • A Delaware limited liability company • Parametric serves as the Fund's Managing Member	• Northern Trust Hedge Fund Services	• Northern Trust Co. IL	• Deloitte & Touche LLP	35 basis points • All custodial, audit, and legal costs will be paid by Parametric and are included in this fee

Defensive Equity Summary

Expected Benefits

- Enhanced performance and attractive risk-adjusted returns
- Meaningful outperformance in down and sideways markets
- Faster portfolio recovery after stress events
- Access to a distinct, persistent and diversifying risk premium

Please refer to the general disclosures in the Appendices.

Potential Risks

Defensive Equity: Potential Risks

Strategies utilizing options have certain risks. One or more combinations of the following risks may be incurred:

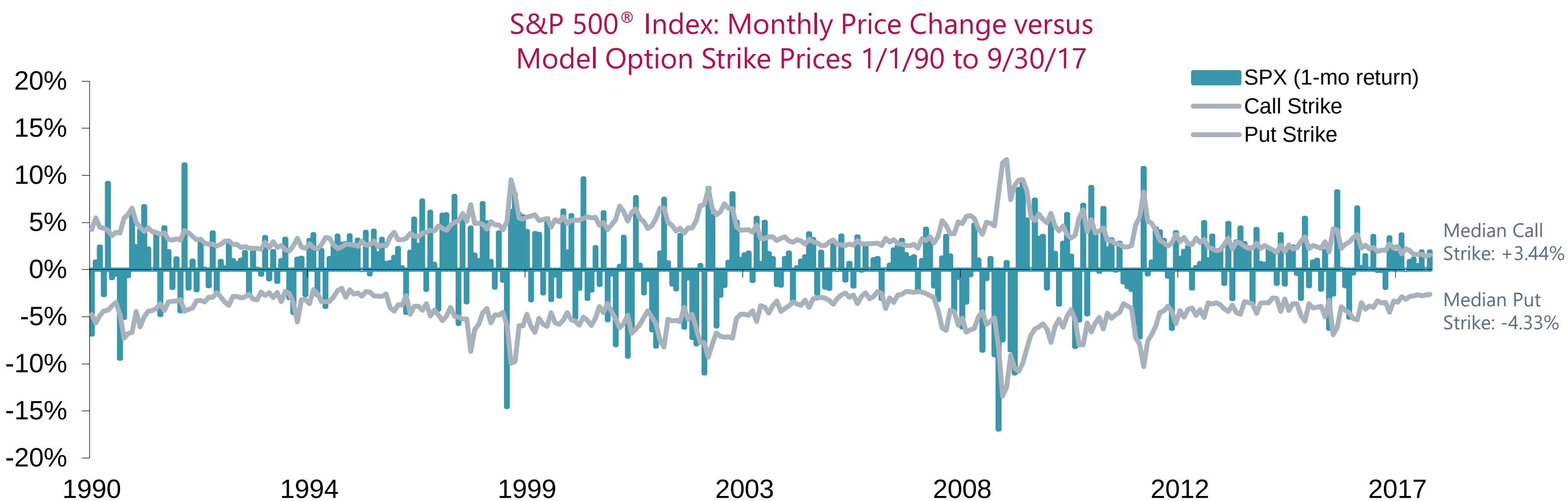
Risk	Description
Trade Restrictions Risk	Like other strategies that utilize exchange-traded instruments, a trading halt or other suspension of trading, whether or not temporary in nature, may limit Parametric's ability to implement portfolio modifications.
Liquidity Risk	During periods of heightened volatility, there may be a reduction in liquidity that impacts option pricing or bid/offer spreads. Such occurrences could impact Investment Manager's ability to establish new or liquidate existing positions and subject portfolio to losses.
Early Termination Risk	Early termination of options positions may produce results meaningfully different from typical long-term expectations.
Option Collateral Risk	Changes in option collateral requirements could require positions to be modified or removed, which may produce results meaningfully different from objectives.
Opportunity Risk	Selling call options could limit investment gains if underlying index advances beyond call strike price. Selling put options creates an obligation to buy the market at a strike price that may be higher than the market price at expiration.

Please refer to the general disclosures in the Appendices.

Appendices

Dynamic Strike Prices Adapt to Market Conditions

The dynamic strike process reacts to volatility changes, selling further out-of-money options when implied volatility is higher.



Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. Individuals are not able to invest directly in indexes. Investments are subject to loss. Past performance is not indicative of future results. Individual returns will be lower after management fees are deducted. Please refer to disclosures in Appendices.

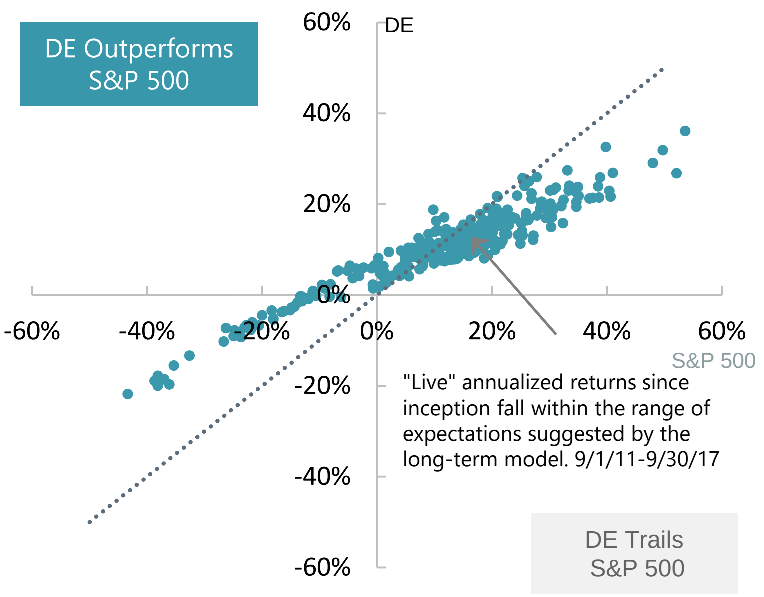
Source: Bloomberg, Parametric; Date: 10/11/17.

File ID #170755B

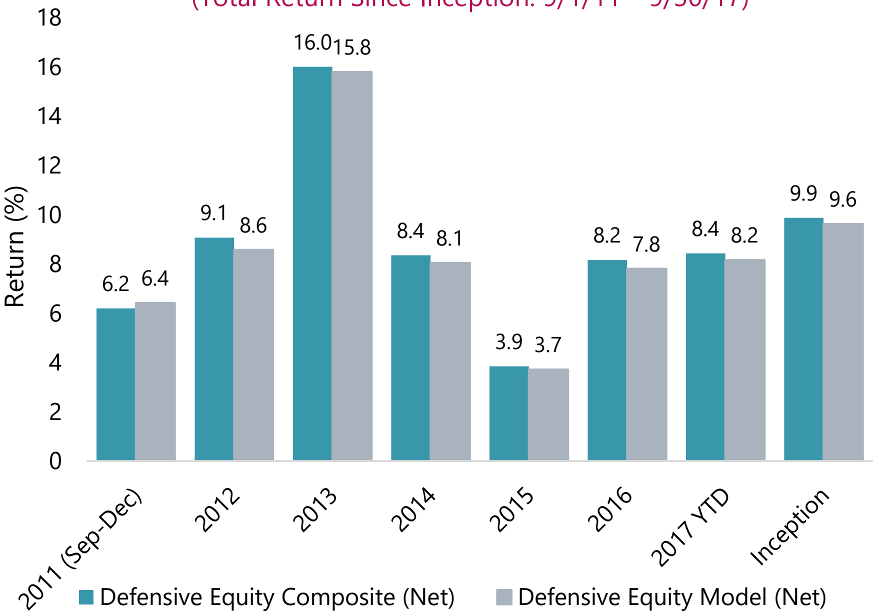
Defensive Equity: Tracking Closely with the Model

We expect to trail the S&P 500® in strong markets. Importantly, live results are tracking in-line with the model.

DE Simulation vs S&P 500®
Rolling 1 Year Returns[1]: 1/1/90 – 9/30/17



DE Live Results vs DE Model
(Total Return Since Inception: 9/1/11 – 9/30/17)



Our disciplined, systematic approach, enables us to track closely with the DE model.

[1]Defensive Equity Composite returns are presented net of actual fees. Model Returns presented are net of management fees (35bps) and net of transaction costs. Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor and may not be relied upon for investment decisions. Actual returns will vary. All investments are subject to loss. Please refer to the Disclosures included at the end of this material for additional important information. Past performance is not indicative of future results. Material provided is supplemental to GIPS® compliant composite. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation. Source: Bloomberg, Parametric; Date: 10/11/17.

Defensive Equity Composite Performance Attribution (Last 5 Years)

File ID #170755B

Return Atttribution[1] (%)

	Defensive Equity Composite (Net)	Equity	T-Bills	Options
Q4 2012	**-1.18**	-0.18	0.03	**-0.96**
Q1 2013	**5.40**	5.13	0.03	**0.31**
Q2 2013	**1.67**	1.42	0.01	**0.31**
Q3 2013	**2.82**	2.69	0.02	**0.19**
Q4 2013	**5.28**	5.20	0.01	**0.15**
Q1 2014	**1.94**	0.89	0.01	**1.11**
Q2 2014	**3.07**	2.60	0.02	**0.53**
Q3 2014	**1.09**	0.58	0.01	**0.58**
Q4 2014	**2.01**	2.45	0.00	**-0.36**
Q1 2015	**1.62**	0.44	0.02	**1.23**
Q2 2015	**1.17**	0.14	0.03	**1.09**
Q3 2015	**-2.99**	-3.20	0.01	**0.32**
Q4 2015	**4.13**	3.48	0.00	**0.69**
Q1 2016	**0.76**	0.79	0.07	**-0.04**
Q2 2016	**2.47**	1.22	0.07	**1.26**
Q3 2016	**2.35**	1.92	0.05	**0.45**
Q4 2016	**2.34**	2.00	0.05	**0.38**
Q1 2017	**3.02**	2.94	0.07	**0.09**
Q2 2017	**2.35**	1.55	0.09	**0.80**
Q3 2017	**2.85**	2.22	0.14	**0.56**

- Options added 56 bps to performance during Q3 and about 185 over the past year.
- Options have been additive to performance in over 85% of the quarters since inception in September 2011.
- Annualized VRP of 2.5% (gross) captured since inception

DE Composite Assets: Approximately $4.88 billion
Total DE Strategy Assets[2]: Approximately $7.30 billion

[1] Returns above are representative of Defensive Equity Composite only.
[2] Total Defensive Equity strategy assets include standard Defensive Equity strategy (50% Puts / 50% Calls) on a funded and unfunded basis.
This is for illustrative purposes only and is based upon Defensive Equity Composite net of actual fees. Investments are always subject to loss. It is not possible to invest directly in an index. Past performance is not indicative of future results. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation. Source: Bloomberg, Parametric; Date: 10/13/17.

Defensive Equity Strategy Simulation – Annual Results

Year	DE Simulated[1] (Net)	S&P 500® (%)	50% S&P 500® / 50% T-Bills (Base Portfolio)	DE vs. Base Portfolio (Net %)
1990	4.20	-3.10	2.80	1.40
1991	17.16	30.47	17.77	-0.62
1992	9.69	7.62	5.73	3.96
1993	10.09	10.08	6.60	3.49
1994	4.49	1.32	2.84	1.64
1995	21.36	37.58	20.80	0.56
1996	15.37	22.96	13.95	1.42
1997	22.99	33.36	18.93	4.06
1998	19.22	28.58	16.97	2.24
1999	21.62	21.04	12.87	8.75
2000	1.41	-9.10	-1.45	2.87
2001	-0.85	-11.89	-3.77	2.92
2002	-6.81	-22.10	-10.48	3.67
2003	20.51	28.68	14.25	6.26
2004	10.89	10.88	6.02	4.87
2005	7.59	4.91	4.02	3.57
2006	13.91	15.79	10.21	3.69
2007	10.40	5.49	5.25	5.15
2008	-18.59	-37.00	-19.27	0.68
2009	25.02	26.46	13.25	11.77
2010	10.29	15.06	7.82	2.48
2011	9.50	2.11	1.37	8.13
2012	8.58	16.00	7.91	0.67
2013	15.80	32.39	15.27	0.53
2014	8.05	13.69	6.74	1.31
2015	3.72	1.38	0.91	2.81
2016	7.82	11.96	6.09	1.73
1/1/90 – 9/30/17				
CARR (%)	9.73	9.64	6.49	3.24
St. Dev. (%)	7.69	14.24	7.13	0.56
Sharpe	0.89	0.47	0.50	0.38

- Defensive Equity recorded significant excess returns in all down years for S&P 500®
- Defensive Equity long-term average gross excess returns of about 50 bps with almost 50% lower volatility

[1] Defensive Equity (Net) simulated returns are net of management fee (35bps) and net of expected transaction costs

Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. Investments are subject to loss. Past performance is not indicative of future results. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation. Source: Parametric, and CBOE; Date: 10/11/17.

Blending Short Puts and Short Calls Tempers Risk (Simulation)

		S&P 500® Options Only (No Collateral)		
		100% Put / 0% Call	50% Put / 50% Call	0% Put / 100% Call
Approximate Beta		0.13	0.02	-0.10
Max Drawdown		-12.2%	-4.8%	-9.2%
Annual Returns	5 yr	4.9%	1.2%	-1.7%
	10 yr	5.5%	3.1%	1.0%
	20 yr	5.3%	3.7%	2.2%
Std. Deviation	5 yr	1.5%	1.3%	2.1%
	10 yr	3.6%	2.2%	2.5%
	20 yr	3.6%	2.1%	2.2%
Sharpe	5 yr	3.25	0.95	-0.77
	10 yr	1.51	1.40	0.40
	20 yr	1.45	1.75	0.99

Data provided is as of 9/30/17.
The simulated option selling models above consist of various blends of put selling and call selling. Returns above are net of management fees (35bps) and net of expected transaction costs and are illustrative return attributions of the put and call selling program individually. These returns are simulated, for illustrative purposes only, do not represent actual returns any investor, and may not be considered for investing purposes. Please refer to the Appendices for further information. Material provided is supplemental to GIPS compliance composites. Please refer to the GIPS® Performance Presentation and Disclosure in the Appendices for actual results. See Risks section.
Source: Parametric, Bloomberg; Date: 10/24/17.

PIOS®

(Policy Implementation Overlay Service)

File ID #170755B

Addressing Implementation Challenges

Most portfolios have one or more policy implementation challenges that may prevent the portfolio from meeting its objectives

An overlay adds value by alleviating the inefficiencies created by policy implementation challenges

TARGET ASSET ALLOCATION

Implementation Challenges

Overlay →

TARGET ASSET ALLOCATION

Overlay Value Added

An overlay application for each implementation challenge

Implementation Challenges	Parametric Overlay Component[1]
• Performance drag due to liquidity needs / inefficient cash flow process	• Fund Cash Securitization
• Residual manager cash balance performance drag	• Manager Cash Securitization
• Exposure management needs related to manager transitions	• Overlay Transition / Reallocation Management
• Meaningful deviation from policy targets	• Rebalancing
• Unique exposure needs	• Outsourced Exposure Management

[1] Client selects from the Parametric Overlay Component(s) based on unique needs and objectives. Additional Parametric Overlay Components including Currency Exposure Management and Interest Rate Management are also available.

Breadth of Relationship Benefits

Qualitative

Information	Liquidity	Improved Flexibility	Increased Efficiency	Service
Customized daily report that provides an up-to-date snapshot of holdings by asset class, manager value, residual cash position, funded status, and other key portfolio measures	Access to more cash "on-demand" for day-to-day fund needs and investment opportunities without incurring the opportunity cost of holding cash	Elimination of exposure gaps via precise coordination with existing managers, transition managers, and staff	Operational efficiency when rebalancing or implementing tactical changes	Access to experienced personnel to discuss overlay management applications

Quantitative

Increase Expected Return	Lower Policy Return Risk	Improved Control and Performance During Transitions	Improved Capture of Market Opportunities	Improved Price Realization
Elimination of unwanted residual cash exposure wherever it may reside within the portfolio	Reduction in unwanted policy asset class exposure imbalances	Ability to adjust exposure based on changing targets, movement of assets, cash flows, and long settle transactions	Ability to adjust exposure quickly and cheaply. Potential to increase return and reduce policy risk efficiently via more timely rebalancing moves	Experienced derivative staff working as a fiduciary seeking to deliver favorable price realizations

Why Parametric?

Expertise

With over **30 years[1] of exposure management experience**, Parametric has developed the investment management, back office, and accounting expertise that we believe exceeds client expectations.

Flexibility

Unique risk management capabilities, utilizing a universe of both physical and derivative instruments with **daily transparency.**

People

Parametric's people are dedicated, focused and hard-working. **Exceptional client service is engrained in the culture.**

Process

Parametric has developed **proprietary methodology** which provides an efficient and controlled means for managing clients' unique needs in a transparent manner. Detailed exposure positions, up to and including fund-wide reporting are **compiled and delivered daily.**

Parametric strives to provide custom strategies and is uniquely qualified as an Investment Risk Manager.

[1] 30 years reflects the history of the Clifton Group that was acquired by Parametric Portfolio Associates® LLC on December 31st, 2012.

Biographies: Parametric Minneapolis Investment Center

Orison "Kip" Chaffee, CFA

Managing Principal

Mr. Chaffee is responsible for formulating strategic direction and day-to-day management of the Minneapolis and Westport Investment Centers. Prior to joining Parametric in 2008*, Kip held a number of executive positions within the financial services industry including VP of Corporate Strategy and Development for Ameriprise Financial Services and President and COO of Hantz Financial Services. He earned his B.A. in Economics from Harvard University and an MBA with a finance concentration from The Wharton School of Business. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

Jack Hansen, CFA

Chief Investment Officer

Mr. Hansen leads the investment management teams located in the Minneapolis and Westport Investment Centers. Since joining Parametric in 1985*, Jack has managed futures, swaps, options, and other derivative based programs. He writes and lectures on the use of derivatives in portfolio management. He earned a B.S. degree in Finance and Economics from Marquette University and a M.S. in Finance from the University of Wisconsin, Madison. He is a CFA® charterholder and member of the CFA Society of Minnesota.

Thomas Lee, CFA

Managing Director – Investment Strategy and Research

Mr. Lee leads the investment team that oversees investment strategies managed in Parametric's Minneapolis and Westport Centers. In his current position, Tom directs the research efforts that support existing strategies and form the foundation for new strategies. He is also chair of the Investment Committee that has oversight of these strategies. Tom has co-authored articles on topics ranging from liability driven investments to the volatility risk premium. Prior to joining Parametric in 1994*, Tom spent two years working for the Federal Reserve in Washington, D.C. He earned a B.S. in Economics and an MBA in Finance from the University of Minnesota. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

Jay Strohmaier, CFA

Managing Director

Mr. Strohmaier leads a team of investment professionals responsible for designing, trading and managing institutional portfolios with an emphasis on Defensive Equity, hedging, and other asymmetric strategies. He has extensive experience with futures and options-based strategies and has been active in the investment industry since 1984. Prior to rejoining Parametric in 2009*, Jay worked for Cargill, Peregrine Capital Management, and Advantus Capital Management. He earned a B.S. degree in Agricultural Economics from Washington State University and an M.S. in Applied Economics from the University of Minnesota. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

Alex Zweber, CFA

Portfolio Manager

Mr. Zweber is responsible for assisting with the design and implementation of several of Parametric's options-based risk management solutions, including the Defensive Equity strategy. He conducts research in the areas of option modeling, scenario analysis, stress testing and portfolio construction in support of existing investment strategies, as well as potential new product offerings. He has considerable experience with both futures and options-based solutions, and works closely with institutional clients and consultants to address investment and overlay servicing needs. Alex joined Parametric in 2006*. He earned a B.A. in Economics from Macalester College. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

*Reflects the year employee was hired by The Clifton Group, which was acquired by Parametric Portfolio Associates® LLC on December 31, 2012.

Biographies: Parametric Minneapolis Investment Center

Yuepeng "Perry" Li CFA, FRM

Associate Portfolio Manager

Mr. Li is responsible for trading and assisting with day-to-day management of Parametric's options-based investment strategies, including the Defensive Equity and other proprietary strategies. Prior to joining Parametric in 2014, Perry worked for CHS Inc., where he managed commodity futures and options portfolios and conducted research on macro economy and derivative strategies. He earned a B.S. in Statistics from the Sun Yat-Sen University and a M.S. in Financial Mathematics from the University of Minnesota Twin Cities. He is a Certified FRM®, as well as a CFA® charterholder and a member of the CFA Society of Minnesota.

Greg Bauer, CFA, CAIA

Director – Institutional Relationships

Mr. Bauer is responsible for developing, coordinating, and executing the sales and marketing strategies for Parametric's unique family of products in the Southeast region of the United States. Prior to joining Parametric in 2015, Greg worked at Crawford Investment Counsel where he was the Director of Institutional Services, responsible for leading the institutional sales and consultant relations efforts. Prior to Crawford, Greg worked for both Callan Associates and NEPC. Greg earned a B.A. from Brown University and an MBA from the Georgia Institute of Technology. Greg is a CFA® charterholder and a member of the CFA Society of Atlanta. He also holds a CAIA designation.

Michael Zaslavsky

Associate Portfolio Manager

Mr. Zaslavsky is responsible for trading and assisting with the management of Parametric's options-based investment strategies, including Defensive Equity and other proprietary strategies. Prior to joining Parametric in 2015, Mike spent seven years working for Citi's proprietary options trading and market-making group where he specialized in volatility modeling, portfolio management and derivatives arbitrage. He earned a B.S. in Finance from Bowling Green State University.

Disclosure

Parametric Portfolio Associates® LLC ("Parametric"), headquartered in Seattle, Washington, is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Parametric is a leading global asset management firm, providing investment strategies and customized exposure management directly to institutional investors and indirectly to individual investors through financial intermediaries. Parametric offers a variety of rules-based investment strategies, including alpha-seeking equity, alternative and options strategies, as well as implementation services, including customized equity, traditional overlay and centralized portfolio management. Parametric is a majority-owned subsidiary of Eaton Vance Corp. and offers these capabilities through investment centers in Seattle, WA, Minneapolis, MN and Westport, CT. This material may not be forwarded or reproduced, in whole or in part, without the written consent of Parametric Compliance. Parametric and its affiliates are not responsible for its use by other parties.

The Defensive Equity and PIOS® strategies are offered by the Parametric Investment & Overlay Strategies segment of Parametric. Parametric Investment & Overlay Strategies AUM as of 12/31/2016 is approximately $111.47 billion. The GIPS® compliant presentation is included herein along with other supplemental information that further defines or explains the strategy, investment process or composite.

This information is intended solely to report on investment strategies and opportunities identified by Parametric. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Past performance is not indicative of future results. The views and strategies described may not be suitable for all investors. Investing entails risks and there can be no assurance that Parametric will achieve profits or avoid incurring losses. Parametric does not provide legal, tax and/or accounting advice or services. Clients should consult with their own tax or legal advisor prior to entering into any transaction or strategy described herein.

Charts, graphs and other visual presentations and text information were derived from internal, proprietary, and/or service vendor technology sources and/or may have been extracted from other firm data bases. As a result, the tabulation of certain reports may not precisely match other published data. Data may have originated from various sources including, but not limited to, Bloomberg, MSCI/Barra, FactSet, and/or other systems and programs. Parametric makes no representation or endorsement concerning the accuracy or propriety of information received from any other third party.

Performance is presented gross of investment advisory fees. Advisory fees are deducted quarterly from an investor's portfolio and would impact performance adversely. As an example, assuming (a) $1,000,000 investment, (b) portfolio return of 5% per year, and (c) 1.00% annual investment advisory fee, the cumulative fees paid would be $10,209.57 in the first year, $55,254.43 over five years, and $122,351.51 over ten years. Actual fees charged vary by portfolio due to various conditions, including account size. Parametric's investment advisory fees are described further in Part 2A of Form ADV, which is available upon request.

This material contains hypothetical, back-tested and/or model performance data, which may not be relied upon for investment decisions. Hypothetical, back-tested and/or model performance results have many inherent limitations, some of which are described below. Hypothetical returns are unaudited, are calculated in U.S. dollars using the internal rate of return, reflect the reinvestment of dividends, income and other distributions, but exclude transaction costs, advisory fees and do not take individual investor taxes into consideration. The deduction of such fees would reduce the results shown.

Model/target portfolio information presented, including, but not limited to, objectives, allocations and portfolio characteristics, is intended to provide a general example of the implementation of the strategy and no representation is being made that any client account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, simulated trading does not involve financial risk, and no simulated trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. Because there are no actual trading results to compare to the hypothetical, back-tested and/or model performance results, clients should be particularly wary of placing undue reliance on these hypothetical results. Perspectives, opinions and testing data may change without notice. Detailed back-tested and/or model portfolio data is available upon request. No security, discipline or process is profitable all of the time. There is always the possibility of loss of investment.

Disclosure (continued)

Derivatives such as futures, swaps, and other investment strategies have certain disadvantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Liquid futures may not exist for published benchmarks which may result in tracking error. Also, some intra-period mispricing may occur. Swaps require periodic payments, may be less liquid than futures, and may have counterparty/credit risk. Some investment strategies require a cash investment equal to the desired amount of exposure.

The effectiveness of the option strategy is dependent on a general imbalance of natural buyers over natural sellers of index options. This imbalance could decrease or be eliminated, which could have an adverse effect. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived and well-executed options program may be adversely affected by market behavior or unexpected events. Successful options strategies may require the anticipation of future movements in securities prices, interest rates and other economic factors. No assurances can be given that the judgments of Parametric in this respect will be correct.

Options are not suitable for all investors and carry additional risks. Investors must ensure that they have read and understood the current options risk disclosure document before entering into any options transactions. In addition, investors should consult with a tax, legal and/or financial advisor prior to contemplating any derivative transactions. The options risk disclosure document can be accessed at the following web address: http://www.optionsclearing.com/about/publications/character-risks.jsp.

Benchmark/index information provided is for illustrative purposes only. Indexes are unmanaged and cannot be invested in directly. Deviations from the benchmarks provided herein may include, but are not limited to, factors such as: the purchase of higher risk securities, over/under-weighting specific sectors and countries, limitations in market capitalization, company revenue sources, and/or client restrictions. Parametric's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics. Thus returns may at times materially differ from the stated benchmark and/or other disciplines provided for comparison.

The **Bloomberg Barclays Capital Treasury Index** is an unmanaged index of public obligations to the U.S. Treasury with a remaining maturity of one year or more.

The **Bloomberg Barclays US Aggregate** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index, which includes high yield and emerging markets debt. The US Aggregate Index was created in 1986 with history backfilled to January 1, 1976

The **Bloomberg Barclays U.S. Corporate High Yield Index** is an unmanaged index considered representative of fixed-rate, noninvestment-grade debt.

The **HFRI Equity Hedge Total Index**: Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short.

The **Standard and Poor's 500 Index** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

The **S&P GSCI ® Commodity Index** is a broadly diversified composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures.

Treasury Bills are a short-term debt obligation backed by the U.S. government with a maturity of less than one year. T-bills are sold in denominations of $1,000 up to a maximum purchase of $5 million and commonly have maturities of one month (four weeks), three months (13 weeks) or six months (26 weeks).

The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

Disclosure (continued)

The **Chicago Board Options Exchange Volatility Index ("VIX®")** reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes. 1st & 2nd month expirations are used until 8 days from expiration, then the 2nd and 3rd are used.

"Bloomberg" is a trademark and service mark of Bloomberg Finance L.P. ("Bloomberg"). This strategy is not sponsored or endorsed by Bloomberg and Bloomberg makes no representation regarding the content of this material. Please refer to the specific service provider's web site for complete details on all indices.

The "HFRI Fund Weighted Composite Index" is being used under a license from Hedge Fund Research, Inc., which does not approve of or endorse Parametric's Defensive Equity product.

Parametric is headquartered at 1918 8th Avenue, Suite 3100, Seattle, WA 98101. Parametric's Minneapolis investment center is located at 3600 Minnesota Drive, Suite 325, Minneapolis, MN 55435. For more information regarding Parametric and its investment strategies, or to request a copy of Parametric's Form ADV, please contact us at 206.694.5575 (Seattle) or 952.767.7700 (Minneapolis), or visit our website, www.parametricportfolio.com

Defensive Equity Composite I

Parametric Investment & Overlay Strategies
Defensive Equity Composite I
Performance Presentation

As of December 31, 2016

Period	Returns			3 Yr. Annualized Standard Deviation		Dispersion	Assets		
	Total Gross Return AWR	Total Net Return AWR	Index	Composite	Index	Internal Equal Wtd.	Number of Portfolios*	Composite (MM)*	Total Firm (MM)*
2011**	6.28%	6.20%	3.96%	-	-	N/A	≤ 5	50	-
2012	9.35%	9.07%	16.00%	-	-	N/A	≤ 5	192	-
2013	16.38%	16.01%	32.39%	-	-	N/A	≤ 5	829	80,896
2014	8.71%	8.35%	13.69%	4.56%	8.97%	N/A	7	1,602	94,545
2015	4.20%	3.85%	1.38%	5.23%	10.47%	0.01%	9	2,466	99,248
2016	8.52%	8.16%	11.96%	5.18%	10.59%	0.03%	12	3,502	111,470

** The composite was not included in the Firm Assets prior to 2012 as it was being managed by a prior firm.*
*** Represents data from 9/1/2011 through 12/31/2011.*

Index: S&P 500 Total Return Index

N/A - Internal dispersion is not statistically meaningful for periods shorter than a year or for years in which five or fewer portfolios were included in the Composite for the full year.

Parametric Portfolio Associates® LLC ("Parametric") is an investment advisory firm registered with the U.S. Securities and Exchange Commission. Parametric is headquartered in Seattle, Washington and has investment centers in Seattle, Washington; Minneapolis, Minnesota; and Westport, Connecticut providing investment management services. The Minneapolis Investment Center resulted after the purchase of Clifton Group Investment Management Company in December 2012. The Westport Investment Center was formed in 2007 and resulted after the purchase of Parametric Risk Advisors LLC. Prior to December 2016, Parametric Risk Advisors was separately registered as an investment advisory firm with the U.S. Securities and Exchange Commission.

Parametric is divided into two segments: Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For compliance with the Global Investment Performance Standards (GIPS®), the Firm is defined and held out to the public as Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies provides rules-based investment management services to institutional investors, individual clients and registered investment vehicles, including Engineered Alpha Strategies, Specialty Index, and Policy Implementation Overlay Service (PIOS). The Firm has complied with the GIPS standards retroactive to January 1, 2000.

Parametric Investment & Overlay Strategies claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Parametric Investment & Overlay Strategies has been independently verified for the periods January 1, 2000 to December 31, 2016. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Defensive Equity Composite I has been examined for the periods January 1, 2013 to December 31, 2016. The verification and performance examination reports are available upon request.

Defensive Equity Composite I (Continued)

The Defensive Equity Composite I is comprised of all fully discretionary funded accounts that invest in a base portfolio of approximately 50% domestic equities and 50% cash equivalents and are rebalanced within narrow thresholds. Short-term (maturity generally between 3-6 weeks) exchange-traded call and put options are sold against the base portfolio, with option strike prices determined dynamically based on market characteristics. Included accounts will be invested in a separate account or commingled vehicle structure.

Composite creation date is September 2011.

The Composite is compared to the S&P 500 Total Return Index. The Index is a total return index that reflects both changes in the prices of stocks in the S&P 500 Index as well as the reinvestment of the dividend income from its underlying stocks. The Index is unmanaged and does not incur management fees, transaction costs or other expenses associated with separately managed accounts in this style. It is not possible to directly invest in an index.

Derivative securities are used in the accounts which comprise this composite. Accounts invest in futures, exchange traded funds (ETFs) and options which are material to this composite.

The firm's strategies contain derivatives such as futures, options, swaps, and other investment strategies that may involve certain advantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Swaps require periodic payments, which may be less liquid than futures, and certain swaps may have counterparty/credit risk. Some investment strategies may require a collateral investment equal to the desired amount of exposure.

Portfolio returns reflect the reinvestment of dividend and interest income.

Performance results are expressed in U.S. dollars.

Composite gross returns are after transaction costs and other direct expenses, but before management fees. Net returns reflect the deduction of actual investment management fees. The fees for the investment management services described herein are described in the fee schedule.

Effective July 1, 2016 the separate account management fee schedule is: First $20M @ 0.45%; Thereafter & 0.35%. The pooled account management fee schedule is: 0.35%.

The dispersion of annual returns is measured by equal-weighted standard deviation of portfolio returns within the Composite for the full year.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

A list of composite descriptions is available upon request.

Performance prior to January 2013 was achieved by the Clifton Group Investment Management prior to its merger with Parametric Portfolio Associates, LLC and has been linked to the performance history of Parametric Investment & Overlay Strategies. Performance results prior to January 2013 should not be interpreted as the actual historical performance of Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies has adhered to the performance record portability requirements of the GIPS standards in regard to the presentation and linking of this performance track record.

Past performance is not a guarantee of future results.

The three-year annualized Ex-Post Standard Deviation of the Defensive Equity Composite I/S&P 500 Total Return Index for the period January, 2011 - December, 2013 is not presented because 36 monthly returns are not available.

Defensive Equity Composite V

Parametric Investment & Overlay Strategies
Defensive Equity Composite V
Performance Presentation

As of December 31, 2016

Period	Returns			3 Yr. Annualized Standard Deviation		Dispersion	Assets		
	Total Gross Return AWR	Total Net Return AWR	Index	Composite	Index	Internal Equal Wtd.	Number of Portfolios*	Composite (MM)*	Total Firm (MM)*
2011**	3.61%	3.56%	-	-	-	N/A	≤ 5	50	-
2012	1.97%	1.84%	-	-	-	N/A	≤ 5	150	63,431
2013	0.65%	0.47%	-	-	-	N/A	≤ 5	315	80,896
2014	1.57%	1.42%	-	1.03%	-	N/A	≤ 5	629	94,545
2015	3.25%	3.15%	-	1.18%	-	N/A	≤ 5	1,310	99,248
2016	1.61%	1.50%	-	1.24%	-	N/A	≤ 5	1,076	111,470

** The composite was not included in the Firm Assets prior to 2012 as it was being managed by a prior firm.*
*** Represents data from 9/1/2011 through 12/31/2011.*

Index: None

N/A - Internal dispersion is not statistically meaningful for periods shorter than a year or for years in which five or fewer portfolios were included in the Composite for the full year.

Parametric Portfolio Associates® LLC ("Parametric") is an investment advisory firm registered with the U.S. Securities and Exchange Commission. Parametric is headquartered in Seattle, Washington and has investment centers in Seattle, Washington; Minneapolis, Minnesota; and Westport, Connecticut providing investment management services. The Minneapolis Investment Center resulted after the purchase of Clifton Group Investment Management Company in December 2012. The Westport Investment Center was formed in 2007 and resulted after the purchase of Parametric Risk Advisors LLC. Prior to December 2016, Parametric Risk Advisors was separately registered as an investment advisory firm with the U.S. Securities and Exchange Commission.

Parametric is divided into two segments: Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For compliance with the Global Investment Performance Standards (GIPS®), the Firm is defined and held out to the public as Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies provides rules-based investment management services to institutional investors, individual clients and registered investment vehicles, including Engineered Alpha Strategies, Specialty Index, and Policy Implementation Overlay Service (PIOS). The Firm has complied with the GIPS standards retroactive to January 1, 2000.

Parametric Investment & Overlay Strategies claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Parametric Investment & Overlay Strategies has been independently verified for the periods January 1, 2000 to December 31, 2016. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Defensive Equity Composite V (Continued)

The Defensive Equity Composite V is comprised of all fully discretionary unfunded separate accounts that invest in an S&P 500 Index option selling strategy. Short term (maturity generally between 3-6 weeks) exchange-traded call and put options are sold with option strike prices determined dynamically based on market characteristics.

Composite creation date is September 2011.

This composite is not compared against a benchmark. There is no benchmark that closely matches the risk/return characteristics of this strategy.

Derivative securities are used in the accounts which comprise this composite. Accounts invest in futures and options which are material to this composite.

The firm's strategies contain derivatives such as futures, options, swaps, and other investment strategies that may involve certain advantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Swaps require periodic payments, which may be less liquid than futures, and certain swaps may have counterparty/credit risk. Some investment strategies may require a collateral investment equal to the desired amount of exposure.

Portfolio returns reflect the reinvestment of dividend and interest income.

Performance results are expressed in U.S. dollars.

Composite gross returns are after transaction costs and other direct expenses, but before management fees. Net returns reflect the deduction of actual investment management fees. The fees for the investment management services described herein are described in the fee schedule.

Effective July 1, 2016 the separate account management fee schedule is: First $20M @ 0.45%; Thereafter @ 0.35%.

The dispersion of annual returns is measured by equal-weighted standard deviation of portfolio returns within the Composite for the full year.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

A list of composite descriptions is available upon request.

Performance prior to January 2013 was achieved by the Clifton Group Investment Management prior to its merger with Parametric Portfolio Associates, LLC and has been linked to the performance history of Parametric Investment & Overlay Strategies. Performance results prior to January 2013 should not be interpreted as the actual historical performance of Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies has adhered to the performance record portability requirements of the GIPS standards in regard to the presentation and linking of this performance track record.

Past performance is not a guarantee of future results.

The three-year annualized Ex-Post Standard Deviation of the Defensive Equity Composite V for the period January, 2011 - December, 2013 is not presented because 36 monthly returns are not available.