International Union of Operating Engineers Local #487

Quarterly Investment Review

First Quarter 2017

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SEI New ways. New answers.®

May 11, 2017

Agenda

- Capital Markets Review
- Plans Assets and Metrics
- Appendix

Capital Markets Review

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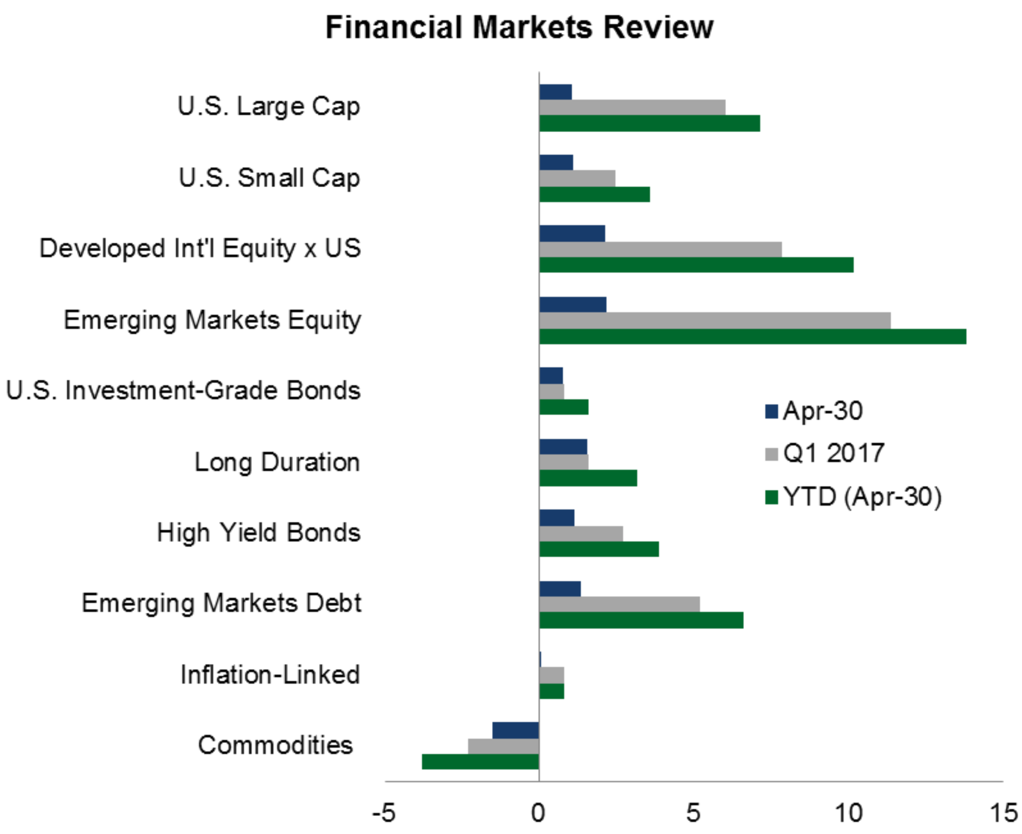
Market performance overview

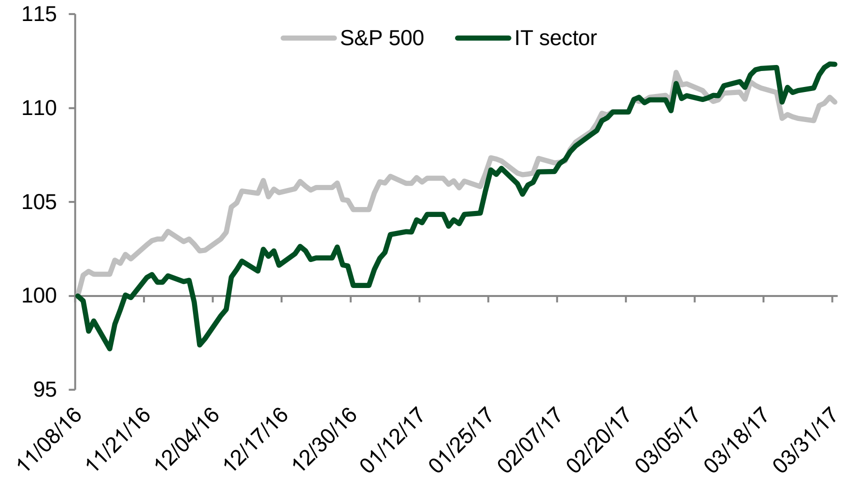
- A year ago, riskier assets were struggling with a slew of concerns, from steeply lower oil prices, slowing growth in China, and the effects of a much stronger U.S. dollar. Since then, a global risk-on rally has led to strong returns and subdued volatility in most risky asset classes, a trend that continued in the first quarter.
- Globally, investment-grade fixed income returns have been muted due to expectations for normalizing interest and inflation rates, although these concerns abated somewhat in the first quarter.
- There were some notable leadership changes in the first quarter. Small-cap U.S. equities took a bit of a breather, perhaps on a reassessment of the timing and magnitude of U.S. policy changes, while emerging market and international equities outperformed U.S. stocks, and emerging market debt outperformed U.S. high yield after lagging for most of 2016.
- Commodities as a group experienced negative performance in the quarter. Precious and industrial metals prices appreciated but not enough to offset the effect of oil giving up some of its gains from the lows of early 2016.

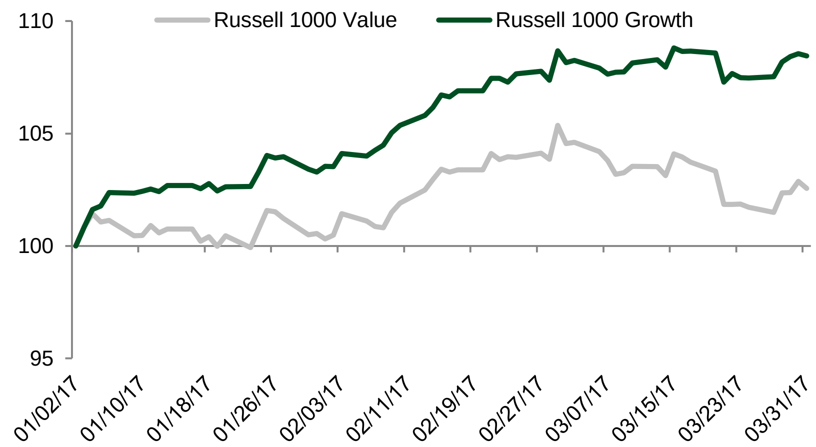


U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, Developed International Equity x U.S. = MSCI ACWI ex-US, Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets), U.S. Investment Grade Bonds = Bloomberg-Barclays U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = 50% JPM EMBI GD / 50% GBI- EM GD Index, Long Duration = Bloomberg Barclays Long US Govt/Credit, Inflation Linked = Barclays 1-5 Year TIPS, Commodities = Bloomberg Commodity. Source: SEI. Past performance is no guarantee of future results. As of 3/31/17.

Looking back:
Technology turns the tables

- As noted in our fourth quarter review, U.S. technology stocks were hammered following the election of Donald Trump, as potential corporate tax and immigration policy changes could have disproportionately impacted the sector.
- Those concerns have abated as the administration encountered setbacks on immigration policy and as Congress was preoccupied with healthcare reform. After significantly lagging the broader equity market following the election, the tech sector has made up lost ground.
- Overweights to tech within SMID, Small Cap and World Equity ex-US added to performance. However, despite a sector overweight, Large Cap was hurt by security selection within the sector.
- This theme is also reflective of the broader recovery of growth stocks in the first quarter after value's strong run in the last half of 2016.
- Growth managers contributed positively in the SMID, Small Cap and World Equity ex-US Funds. Large Cap was neutrally positioned in growth and overweight value given attractive pricing in areas such as energy and financials, which detracted. The value tilt was lowered during the quarter.

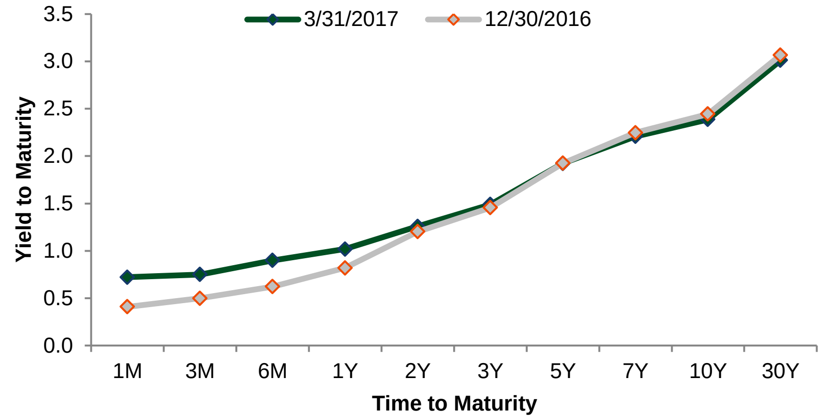


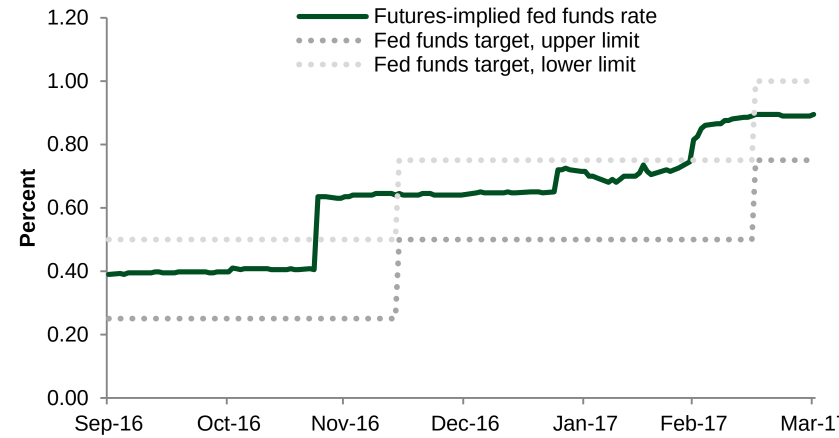


Sources: Factset. Top chart shows daily price returns from 11/9/2016 through 3/31/2017 indexed to 11/8/2016 closing values. Bottom chart shows daily price returns from 1/2/2017 through 3/31/2017 indexed to 12/30/2016 closing values.

Looking back:
Fed flattens the curve

- The Federal Reserve (Fed) raised its interest rate target at two of its last three meetings (December and March) while longer-dated yields remained steady.
- As a result, curve-flattening positions contributed in SDIT Short Duration Government, Ultra Short Duration, Core Fixed Income and Long Duration. (These implementations were driven by a historically steep yield curve, low growth and inflation, and strong demand.)
- Allocations to lower-rated credits and bank loans (which provide risk diversification, yield advantages and attractive valuations) also contributed, thanks to their lower rate sensitivity and a continued risk-on rally. This helped the Ultra Short Duration, Core Fixed Income, Long Duration, Opportunistic Income and High Yield Funds.
- Market participants anticipated the Fed's two hikes although the adjustments were somewhat sudden, as shown in the lower chart (by Fed jawboning in November and stronger economic data in early March).
- As SEI has expected, fixed-income markets have largely taken the recent Fed hikes in stride. Investment grade returns have been soft but still positive, while spreads across the credit-ratings spectrum have narrowed considerably from their wides of February 2016.





Sources: Factset, Federal Reserve Bank of St. Louis. The futures-implied fed funds rate is derived from the front-month fed funds futures contract and approximates market expectations for Fed interest rate policy; the Fed's current "corridor" approach sets upper and lower bounds for the interbank lending rate, as shown by the dotted lines in the lower chart. As of 3/31/17.

Plan Assets and Performance

Equity strategies

Relative Return Strategies	Q1 2017	2016	2015	2014	2013	2012	2011
SIIT Large Cap Fund	**5.19**	**7.24**	**1.50**	**11.57**	**35.54**	**17.34**	**0.98**
Russell 1000 Index	6.03	12.05	0.92	13.24	33.11	16.42	1.50
SIIT Small Cap Fund	**1.00**	**18.42**	**-3.07**	**4.04**	**41.89**	**14.37**	**-4.90**
Russell 2000 Index	2.47	21.31	-4.41	4.89	38.82	16.35	-4.18
SIIT U.S. Managed Volatility Fund	**4.54**	**14.02**	**1.57**	**17.77**	**30.03**	**13.39**	**10.78**
Russell 3000 Index	5.74	12.74	0.48	12.56	33.55	16.42	1.03
SIIT World Equity Ex-US Fund	**8.79**	**4.20**	**-5.62**	**-2.34**	**18.32**	**18.70**	**-12.75**
MSCI All Country World ex US Index	7.86	4.50	-5.66	-3.87	15.29	16.83	-13.71
SIIT Emerging Markets Equity‡	**10.21**	**10.92**	**-11.22**	**-5.18**			
MSCI EFM (Emerging + Frontier Markets) Index (Net) (USD)	11.38	10.98	-14.90	-5.69			

‡2014 Performance is from 10/31/2014 - 12/31/2014.

Data as of 3/31/2017, Source: SEI, FactSet. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

Fixed Income Strategies

Relative Return Strategies	Q1 2017	2016	2015	2014	2013	2012	2011
SIIT Core Fixed Income Fund	**0.99**	**3.49**	**0.96**	**6.87**	**-1.10**	**7.23**	**8.12**
Bloomberg Barclays US Aggregate Bond Index (USD)	0.82	2.65	0.55	5.97	-2.02	4.21	7.84
SIIT High Yield Bond Fund	**2.88**	**17.59**	**-3.89**	**2.82**	**8.32**	**17.24**	**5.58**
BofA Merrill Lynch US High Yield Constrained Index (USD)	2.71	17.49	-4.61	2.51	7.41	15.55	4.37
SIIT Opportunistic Income Fund	**0.92**	**4.45**	**1.15**	**2.31**	**2.77**	**7.50**	**1.60**
BofA Merrill Lynch USD 3-Month LIBOR Constant Maturity Index (USD)	0.23	0.66	0.23	0.23	0.24	0.51	0.27
SIIT Emerging Markets Debt Fund	**6.27**	**11.09**	**-7.63**	**0.16**	**-8.42**	**19.15**	**5.96**
50/50 JPM EMBI Global Div & JPM GBI EM Global Div*	5.18	10.16	-7.14	0.71	-7.10	17.18	7.35
SIIT Limited Duration Bond Fund ‡	**0.50**	**1.85**	**0.87**	**0.16**			
BofA Merrill Lynch 1-3 Year US Treasury Index (USD)	0.26	0.89	0.54	0.29			

*Prior to 9/30/2012, benchmark is 100% JPM EMBI Global Diversified. ‡ 2014 Performance is from 7/31/2014-12/31/2014.

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Manager changes

Funds	Manager Addition and Rationale	Manager Termination and Rationale
SIIT World Equity Ex-US	**Barrow, Hanley, Mewhinney & Strauss (April 2017)** BHMS seeks to capitalize on pricing inefficiencies created by common investor tendencies, including extrapolating poor recent performance of a given company indefinitely (even when evidence suggests that this is not warranted), undervaluing the cash stream provided by the return of capital through dividends and overvaluing the growth prospects of highly valued companies, as well as the relative lack of fundamental information on companies with smaller market capitalizations. The investment team believes a value-oriented mindset and focus on bottom-up fundamental analysis will assist in exploiting these inefficiencies.	**NFJ Investment Group (March 2017)** NFJ has been removed from the SIIT World Equity Ex-U.S. Fund. NFJ has announced numerous organizational changes that directly affect members of the investment team that manages the strategy used in the Fund. First, the CIO Ben Fischer is stepping down from his managerial role to focus on investments. He is being replaced by two co-CIO's. We found this problematic, as we would expect a focus by lead managers on their strategies, rather than a dilution, given recent style headwinds and weak performance in a challenging environment. Second, Allianz Global will finalize the integration of NFJ during Q3 2017, at which point the NFJ brand will cease to exist. Material changes to the management team and corporate actions that impact NFJ's autonomous-entity status are both re-evaluation triggers. We view these organizational changes and the lack of ability to monitor them effectively as impediments, and thus have decided to remove the strategy.
SIIT Large Cap Fund	**Coho Partners (April 2017)** Coho's well-articulated and mathematically sound stability-oriented investment philosophy focuses on capital preservation. The investment team believe that, over the long term, stock prices are driven by a company's earnings trajectory. Accordingly, the team seeks to purchase shareholder-friendly companies with consistent earnings growth over multiple market cycles, as it believe such companies will generate competitive returns with less volatility. **Fiera Capital (April 2017)** Fiera's investment team seeks to identify best-of-breed companies in attractive industries by focusing on sustainable competitive advantages, high barriers to entry and defensible pricing power. Fiera believes that if its portfolio of companies compounds capital at a faster rate than the general market and with a multiple at or below the market, it can generate above-benchmark returns.	

Important information: Health & Welfare asset valuation and portfolio returns

Inception date 5/31/10 Historical Total Index can be provided upon request.

Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

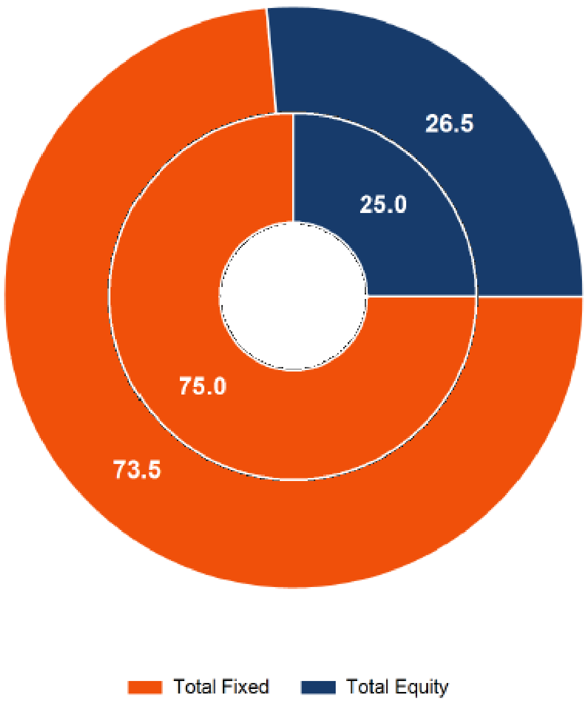
The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Net Portfolio Returns since 1/1/2014 reflect the deduction of SIMC's investment management fee and the impact that fee had on the client's portfolio performance. Prior to 1/1/2014, Net Portfolio Returns deduct a proxy annual fee for all periods to demonstrate the impact that SIMC's investment management fee had on the portfolio performance. However, this is a hypothetical calculation, as it does not reflect the actual fees paid by the client during the period. Please see your client invoice for actual fees paid. If applicable, Alternative, Property and Private Assets performance is calculated gross of investment management fees and net of administrative expenses and underlying fund/product expenses; however, SEI Offshore Opportunity Fund Ltd. and SEI Offshore Opportunity Fund II Ltd. Class A performance is net of investment management and administrative fees.

As of the close of business on 8/31/2016, the Total Index Composition is as follows:

25.0 %	Bloomberg Barclays US Agg Bond Index
22.0 %	BofA ML 3 Month Cons Maturity LIBOR Index
20.0 %	BofA ML 1-3 Year Treasury Index
7.0 %	MSCI All Country World ex US Index
6.0 %	Russell 1000 Index
6.0 %	S&P 500 Index
4.0 %	Hist Blnd: SEI Emerg Mkt Debt Index
4.0 %	Hist Blnd: SEI High Yield Bond Index
4.0 %	Russell 2000 Index
2.0 %	MSCI Emerging + Frontier Mkts Index (Net)

Health & Welfare
Portfolio summary – March 31, 2017

Asset Allocation (%)
Actual (Outer Ring) vs. Target (Inner Ring)



Asset Class	Actual Allocation	Market Value	
SEI Large Cap Fund	6.4%	$	251,134
SEI Small Cap Fund	4.3%	$	167,792
SEI U.S. Managed Volatility Fund	6.3%	$	248,091
SEI World Equity ex-US Fund	7.4%	$	291,380
SEI Emerging Markets Equity Fund	2.1%	$	81,521
SEI Core Fixed Income Fund	24.0%	$	947,354
SEI Limited Duration Bond Fund	19.6%	$	771,640
SEI High Yield Bond Fund	4.2%	$	163,756
SEI Opportunistic Income Fund	21.9%	$	864,842
SEI Emerging Markets Debt Fund	4.0%	$	156,405
Total	**100.00%**	**$**	**3,943,915**

Health & Welfare
Investment returns – March 31, 2017

Total Portfolio Returns	1 Month	3 Month	FYTD 3/31	1 Year	3 Year	5 Year	ITD 5/31/10
Total Portfolio Return	0.32	2.35	6.47	6.47	3.39	4.65	5.91
Total Portfolio Return (net)	0.30	2.25	6.05	6.05	2.98	4.24	5.49
Total Portfolio Index	0.30	2.20	5.51	5.51	2.77	3.56	4.57

	One Month	Three Month	Year To Date
Portfolio Value	$3,932,203.79	$3,857,010.81	$3,857,010.81
Net Cash Flows	$0.00	($1,908.03)	($1,908.03)
Realized Gains	$0.00	$19.03	$19.03
Unrealized Gains	$7,629.96	$77,124.14	$77,124.14
Interest	$0.00	$0.00	$0.00
Dividends	$4,081.63	$11,669.43	$11,669.43
Ending Portfolio Value	$3,943,915.38	$3,943,915.38	$3,943,915.38

Fiscal Year: 3/31

Important information: Apprentice & Training asset valuation and portfolio returns

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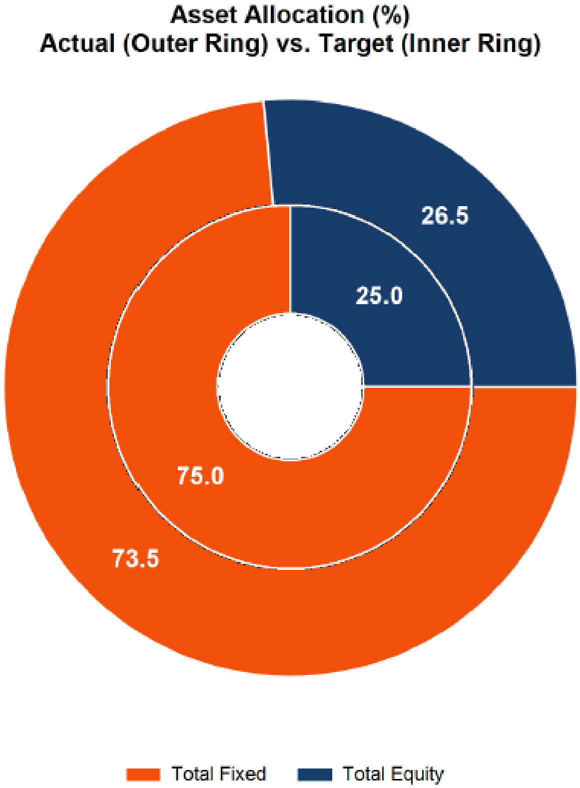
Apprentice & Training
Portfolio summary – March 31, 2017



Asset Class	Actual Allocation		Market Value
SEI Large Cap Fund	6.4%	$	38,209
SEI Small Cap Fund	4.3%	$	25,569
SEI U.S. Managed Volatility Fund	6.3%	$	37,711
SEI World Equity ex-US Fund	7.4%	$	44,219
SEI Emerging Markets Equity Fund	2.1%	$	12,356
SEI Core Fixed Income Fund	24.0%	$	143,746
SEI Limited Duration Bond Fund	19.6%	$	117,248
SEI High Yield Bond Fund	4.2%	$	24,896
SEI Opportunistic Income Fund	21.9%	$	131,474
SEI Emerging Markets Debt Fund	4.0%	$	23,689
Total	**100.00%**	**$**	**599,116**

Apprentice & Training
Investment returns – March 31, 2017

Total Portfolio Returns	1 Month	3 Month	FYTD 3/31	1 Year	3 Year	5 Year	ITD 5/31/10
Total Portfolio Return	0.31	2.35	6.47	6.47	3.41	3.98	4.71
Total Portfolio Return (net)	0.30	2.25	6.05	6.05	2.99	3.57	4.29
Total Portfolio Index	0.30	2.20	5.51	5.51	2.77	2.81	3.28

	One Month	Three Month	Year To Date
Portfolio Value	$597,339.75	$585,927.55	$585,927.55
Net Cash Flows	$0.00	($297.63)	($297.63)
Realized Gains	$0.00	$2.97	$2.97
Unrealized Gains	$1,156.30	$11,710.93	$11,710.93
Interest	$0.00	$0.00	$0.00
Dividends	$619.80	$1,772.02	$1,772.02
Ending Portfolio Value	$599,115.84	$599,115.84	$599,115.84

Fiscal Year: 3/31

Appendix

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Through June 30, 2012, annual performance is calculated based on monthly return streams, geometrically linked. From June 30, 2012 onward, annual performance is based upon daily return streams, geometrically linked as of the specific month end.

Performance results do not reflect the effect of certain account level advisory fees. The inclusion of such fees would reduce account level performance, particularly when compounded over a period of years. The following hypothetical illustration shows the compound effect fees have on investment return: For an account charged 1% with a stated annual return of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of $100,000 at 10% would grow to $259,374, and at 9%, to $236,736 before taxes. For a complete description of all fees and expenses, please refer to SIMC’s Form ADV Part 2A, the investment management agreement between SIMC and each client, and quarterly client invoices.

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