

Quarterly Investment Review

Jerry Sais
Senior Institutional Advisor
Senior Vice President
505-222-8428

Sean Walker
Relationship Manager
Senior Vice President
505-222-8555

Period Ending:
September 30, 2017









Investment Review
Presented to:

UNM Retiree Welfare Benefit Trust

Broad Market Barometer

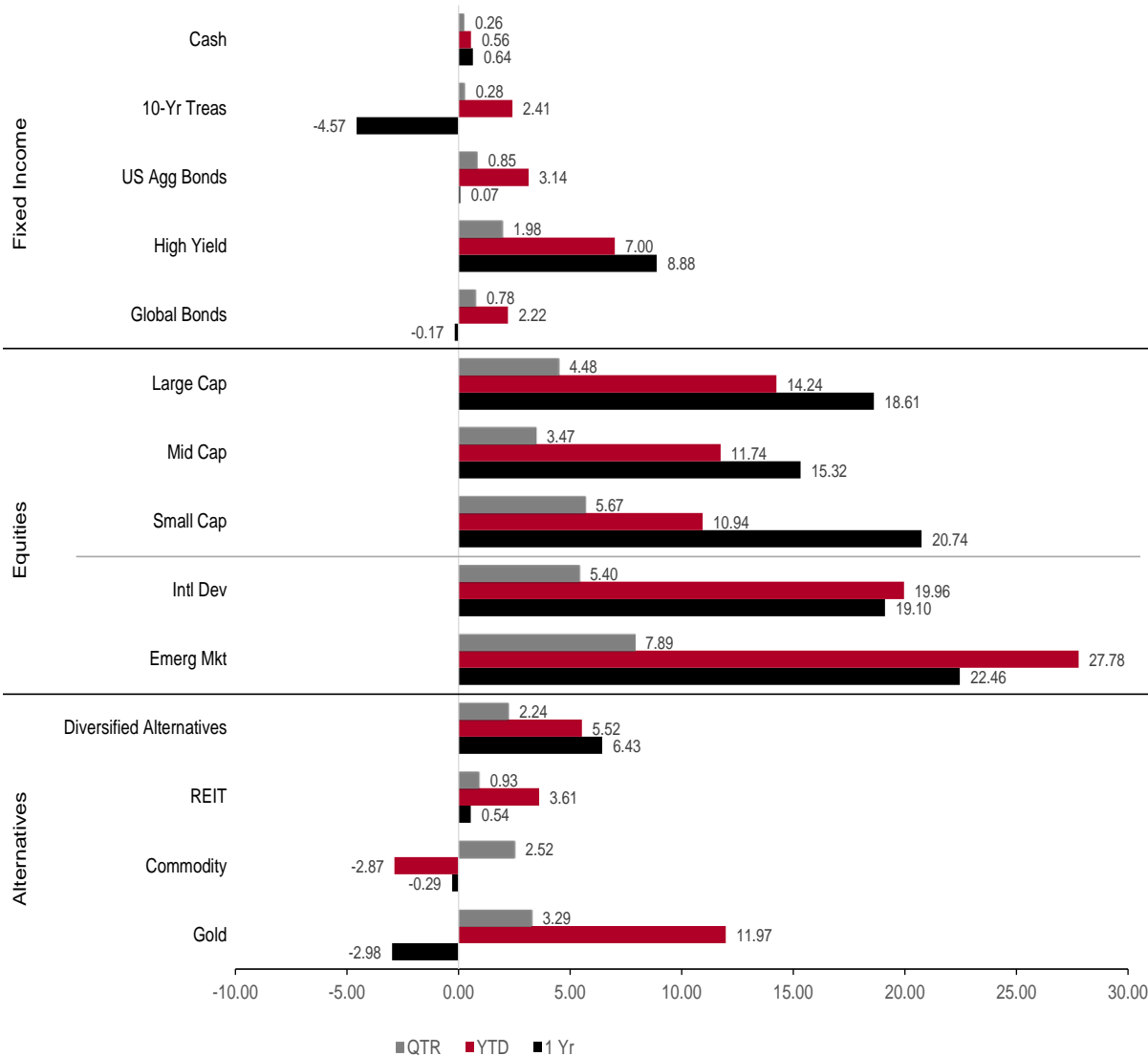
As of 9/30/17

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q3 2017	STOCKS				BONDS	
	4.57%	5.62%	7.89%	1.13%	0.85%	0.70%
						
Since Jan. 2001						
Avg. Quarterly Return	1.9%	1.6%	3.1%	2.7%	1.2%	1.1%
Best Quarter	16.8% Q2 2009	25.9% Q2 2009	34.7% Q2 2009	32.3% Q3 2009	4.6% Q3 2001	5.5% Q4 2008
Worst Quarter	-22.8% Q4 2008	-21.2% Q4 2008	-27.6% Q4 2008	-36.1% Q4 2008	-3.0% Q4 2016	-3.2% Q2 2015

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond ex US Market (Citi WGBI ex USA 1-30 Years [Hedged to USD]). The S&P data are provided by Standard & Poor's Index Services Group. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2017, all rights reserved. Bloomberg Barclays data provided by Bloomberg. Citi fixed income indices copyright 2017 by Citigroup.

Market Summary*

As of 9/30/17



*Market segment (index representation) information on Important Information and Disclosures page.

- Hurricanes...North Korean threats...monetary policy uncertainty...continued lack of policy progress in DC....negative news on a variety of fronts, but the markets remained resilient. Across the board, major market indices posted positive results for the third quarter of 2017. An improving economy, growing corporate earnings, strong consumer confidence and increasing prospects for tax reform all provided support for the market.
- Looking at broad market indices, emerging markets continued to be one of the best performing areas of the market, while treasury bonds and cash were among the worst performing areas.
- The domestic equity market outperformed the domestic fixed income market in 3q17, as the S&P 500 Index posted a return of 4.48% versus the Bloomberg Barclays Aggregate Bond Index return of 0.85%.
- Domestic large cap equities outpaced mid cap equities but trailed small cap equities during the third quarter. Small cap equities continued to lead for the 1-year period.
- International equities, both developed and emerging, outperformed the S&P 500 Index during the quarter. After trailing for several years, developed international equities closed the performance gap versus domestic large cap equities for the trailing 12 months and outperformed for the 1-year period ending 9/30/17.

Broad Market Overview

As of 9/30/17

Returns	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Capital Markets							
Dow Jones Industrial Avg	2.16%	5.58%	15.45%	25.45%	12.35%	13.57%	7.72%
NASDAQ 100 Index	-0.12%	6.17%	23.99%	24.08%	15.26%	17.91%	12.24%
S&P 500 Index	2.06%	4.48%	14.24%	18.61%	10.81%	14.22%	7.44%
Domestic Large Cap Equities							
Russell 1000® Index	2.13%	4.48%	14.17%	18.54%	10.63%	14.27%	7.55%
<i>Russell 1000® Value Index</i>	2.96%	3.11%	7.92%	15.12%	8.53%	13.20%	5.92%
<i>Russell 1000® Growth Index</i>	1.30%	5.90%	20.72%	21.94%	12.69%	15.26%	9.08%
Domestic Mid Cap Equities							
Russell Midcap® Index	2.77%	3.47%	11.74%	15.32%	9.54%	14.26%	8.08%
<i>Russell Midcap® Value Index</i>	2.73%	2.14%	7.43%	13.37%	9.19%	14.33%	7.85%
<i>Russell Midcap® Growth Index</i>	2.83%	5.28%	17.29%	17.82%	9.96%	14.18%	8.20%
Domestic Small Cap Equities							
Russell 2000® Index	6.24%	5.67%	10.94%	20.74%	12.18%	13.79%	7.85%
<i>Russell 2000® Value Index</i>	7.08%	5.11%	5.68%	20.55%	12.12%	13.27%	7.14%
<i>Russell 2000® Growth Index</i>	5.45%	6.22%	16.81%	20.98%	12.17%	14.28%	8.47%
International Equities							
MSCI EAFE Index	2.49%	5.40%	19.96%	19.10%	5.04%	8.38%	1.34%
<i>MSCI EAFE Value Index</i>	3.08%	5.87%	17.64%	22.55%	3.50%	7.80%	0.49%
<i>MSCI EAFE Growth Index</i>	1.89%	4.94%	22.45%	15.68%	6.48%	8.89%	2.12%
MSCI Emerging Markets	-0.40%	7.89%	27.78%	22.46%	4.90%	3.99%	1.32%
Cash & Fixed Income							
3-Month T-Bill	0.09%	0.26%	0.56%	0.64%	0.29%	0.19%	0.42%
BBg Barclays Agg Bond Index	-0.48%	0.85%	3.14%	0.07%	2.71%	2.06%	4.27%
BBg Barclays Gbl Agg Hdgd Index	-0.47%	0.68%	1.33%	-0.55%	3.40%	3.74%	4.29%
BBg Barclays Corp HY Index	0.90%	1.98%	7.00%	8.88%	5.83%	6.36%	7.84%
Alternatives							
HFRI Fund of Funds Index*	0.36%	2.24%	5.52%	6.43%	2.21%	3.85%	1.07%
MSCI US REIT Index	-0.10%	0.93%	3.61%	0.54%	9.67%	9.58%	5.79%
Bloomberg Commodity Index	-0.15%	2.52%	-2.87%	-0.29%	-10.41%	-10.47%	-6.83%

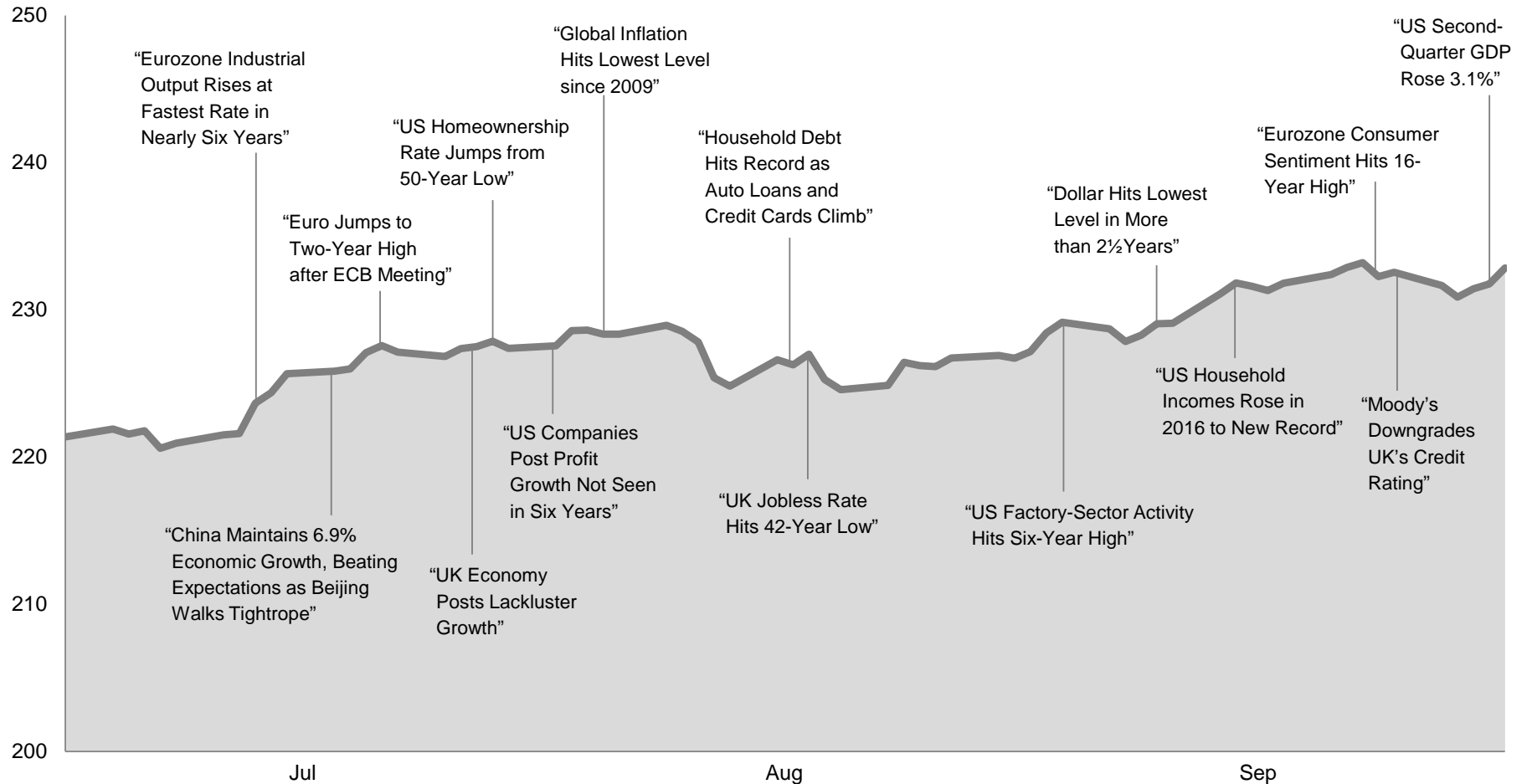
Yields	Last Yield	Prior Month	3 Months Ago	Year-End	1 Year Ago	3 Years Ago	5 Years Ago
Fed Funds Target	1.00-1.25%	1.00-1.25%	1.00-1.25%	0.50-0.75%	0.25-0.50%	0-0.25%	0-0.25%
2-Year Treasury	1.48%	1.33%	1.38%	1.19%	0.73%	0.57%	0.23%
10-Year Treasury	2.33%	2.12%	2.30%	2.44%	1.56%	2.48%	1.63%

Prices	Last Price	Prior Month	3 Months Ago	Year-End	1 Year Ago	3 Years Ago	5 Years Ago
Gold	\$1,280.15	\$1,321.40	\$1,241.55	\$1,152.27	\$1,320.36	\$1,215.82	\$1,772.10
Crude Oil	\$51.67	\$47.23	\$46.04	\$53.72	\$47.83	\$94.57	\$92.19
Gasoline	\$2.70	\$2.51	\$2.40	\$2.42	\$2.33	\$3.43	\$3.89

World Stock Market Performance

MSCI All Country World Index with Selected headlines for Q3 2017

Third Quarter
(6/30/2017 – 9/30/2017)



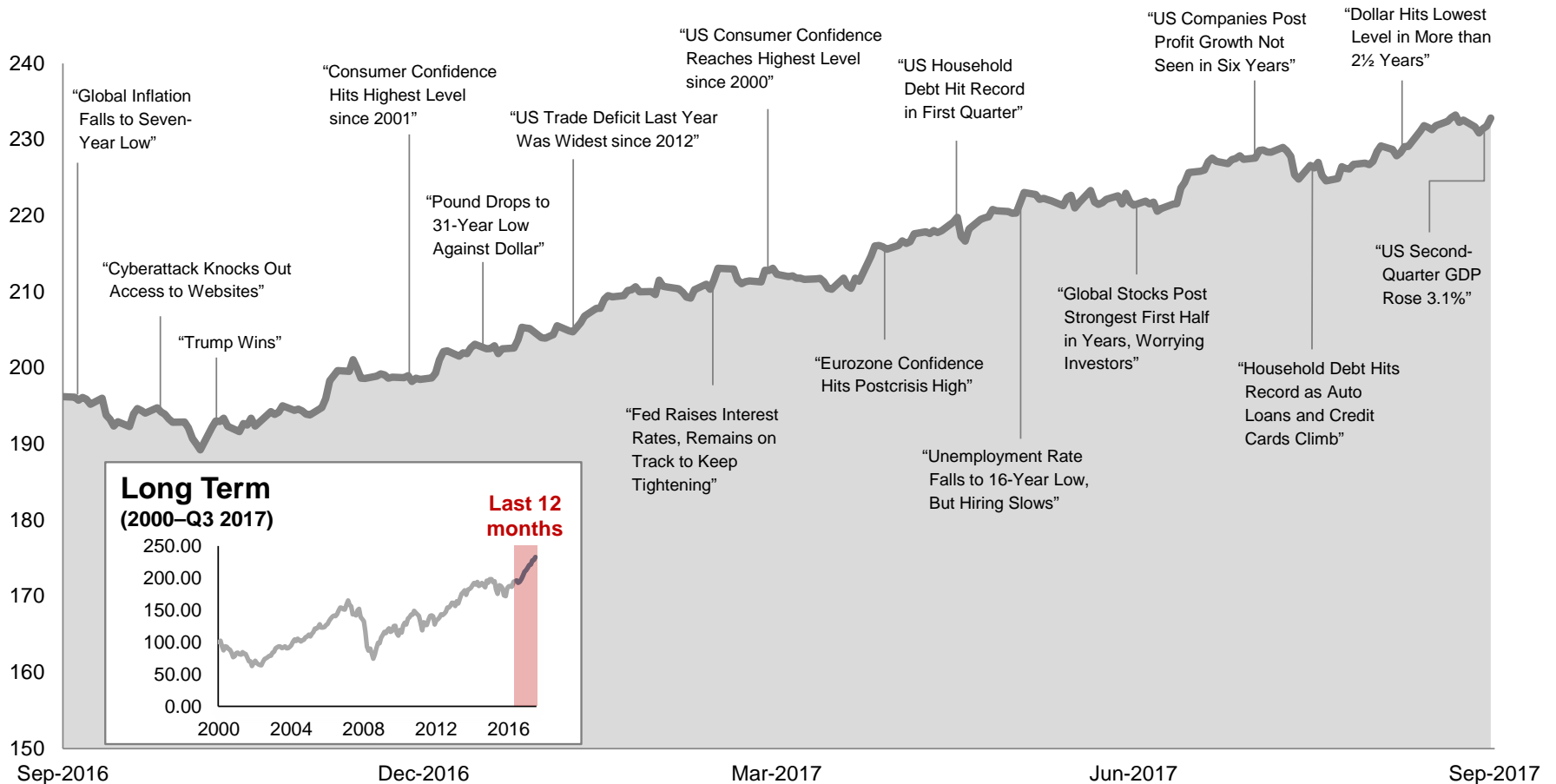
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2017, all rights reserved.

World Stock Market Performance

MSCI All Country World Index with Selected headlines from past 12 months

1 Year
(9/30/2016–9/30/2017)



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2017, all rights reserved.

Annual Total Returns of Key Asset Classes

Through 9/30/2017

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD
Emerging Markets 39.42%	Global Bonds 5.58%	Emerging Markets 78.51%	Real Estate 28.48%	Real Estate 8.69%	Emerging Markets 18.22%	Small Cap Blend 38.82%	Real Estate 30.38%	Large Cap Growth 5.67%	Small Cap Blend 21.31%	Emerging Markets 27.78%
Comm. 16.23%	Bonds 5.24%	High Yield 58.21%	Small Cap Blend 26.86%	Bonds 7.84%	Mid Cap Blend 17.88%	Mid Cap Blend 33.50%	S&P 500 13.69%	Real Estate 2.52%	Mid Cap Blend 20.74%	Large Cap Growth 20.72%
Large Cap Growth 11.81%	Alternative -21.39%	Mid Cap Blend 37.38%	Mid Cap Blend 26.64%	Global Bonds 5.40%	Real Estate 17.77%	Large Cap Growth 33.48%	Large Cap Value 13.45%	S&P 500 1.38%	Large Cap Value 17.34%	Foreign Stocks 19.96%
Foreign Stocks 11.17%	High Yield -26.16%	Large Cap Growth 37.21%	Emerging Markets 18.88%	High Yield 4.98%	Large Cap Value 17.51%	Large Cap Value 32.53%	Large Cap Growth 13.05%	Global Bonds 1.02%	High Yield 17.13%	S&P 500 14.24%
Alternative 10.26%	Small Cap Blend -33.79%	Foreign Stocks 31.78%	Comm. 16.83%	Large Cap Growth 2.64%	Foreign Stocks 17.32%	S&P 500 32.39%	Mid Cap Blend 9.77%	Bonds 0.55%	S&P 500 11.96%	Mid Cap Blend 11.74%
Mid Cap Blend 7.98%	Comm. -35.65%	Real Estate 28.61%	Large Cap Growth 16.71%	S&P 500 2.11%	Small Cap Blend 16.35%	Foreign Stocks 22.78%	Global Bonds 7.59%	Alternative -0.39%	Comm. 11.77%	Small Cap Blend 10.94%
Bonds 6.97%	Mid Cap Blend -36.23%	Small Cap Blend 27.17%	Large Cap Value 15.51%	Large Cap Value 0.39%	S&P 500 16.00%	Alternative 8.96%	Bonds 5.97%	Foreign Stocks -0.81%	Emerging Markets 11.19%	Large Cap Value 7.92%
S&P 500 5.49%	Large Cap Value -36.85%	S&P 500 26.46%	High Yield 15.12%	Mid Cap Blend -1.73%	High Yield 15.81%	High Yield 7.44%	Small Cap Blend 4.89%	Mid Cap Blend -2.18%	Real Estate 8.60%	High Yield 7.00%
Global Bonds 5.33%	S&P 500 -37.00%	Large Cap Value 19.69%	S&P 500 15.06%	Small Cap Blend -4.18%	Large Cap Growth 15.26%	Real Estate 2.47%	Alternative 3.46%	Large Cap Value -3.83%	Large Cap Growth 7.08%	Alternative 5.52%
High Yield 1.87%	Real Estate -37.97%	Comm. 18.91%	Foreign Stocks 7.75%	Alternative -5.72%	Global Bonds 5.72%	Global Bonds -0.14%	High Yield 2.45%	Small Cap Blend -4.41%	Global Bonds 3.95%	Real Estate 3.61%
Large Cap Value -0.17%	Large Cap Growth -38.44%	Alternative 11.47%	Bonds 6.56%	Foreign Stocks -12.14%	Alternative 4.79%	Bonds -2.02%	Emerging Markets -2.19%	High Yield -4.47%	Bonds 2.65%	Bonds 3.14%
Small Cap Blend -1.57%	Foreign Stocks -43.38%	Bonds 5.93%	Alternative 5.69%	Comm. -13.32%	Bonds 4.22%	Emerging Markets -2.60%	Foreign Stocks -4.90%	Emerging Markets -14.92%	Foreign Stocks 1.00%	Global Bonds 1.33%
Real Estate -16.82%	Emerging Markets -53.33%	Global Bonds 5.09%	Global Bonds 4.61%	Emerging Markets -18.42%	Comm. -1.06%	Comm. -9.52%	Comm. -17.01%	Comm. -24.66%	Alternative 0.41%	Comm. -2.87%

Best Performing
Worst Performing

	Large Cap Blend: S&P 500 Index
	Large Cap Growth: Russell 1000® Growth Index
	Large Cap Value: Russell 1000® Value Index
	Mid Cap Blend: S&P MidCap 400 Index
	Small Cap Blend: Russell 2000® Index
	Foreign Stocks: MSCI EAFE Index
	Emerging Markets: MSCI Emerging Mkts

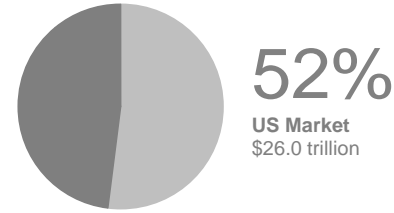
	Global Bonds: Bloomberg Barclays Global Aggregate Hedged Index
	High Yield: Bloomberg Barclays Corporate High Yield Index
	Bonds: Bloomberg Barclays Capital U.S. Aggregate Bond Index
	Alternatives: HFRI Fund of Fund Composite Index
	Commodities: Bloomberg Commodity Index
	Real Estate: MSCI US REIT Index

US Equities

As of 9/30/17

- The broad US equity market posted positive returns for the quarter but underperformed both non-US developed and emerging markets.
- Value underperformed growth indices in the US across all size ranges for the quarter.
- Small caps in the US outperformed large caps in 3q17.

World Market Capitalization—US



3-MONTHS				YTD				1-YEAR			
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth		
Large	3.1	4.5	5.9	7.9	14.2	20.7	15.1	18.5	21.9		
Mid	2.1	3.5	5.3	7.4	11.7	17.3	13.4	15.3	17.8		
Small	5.1	5.7	6.2	5.7	10.9	16.8	20.5	20.7	21.0		

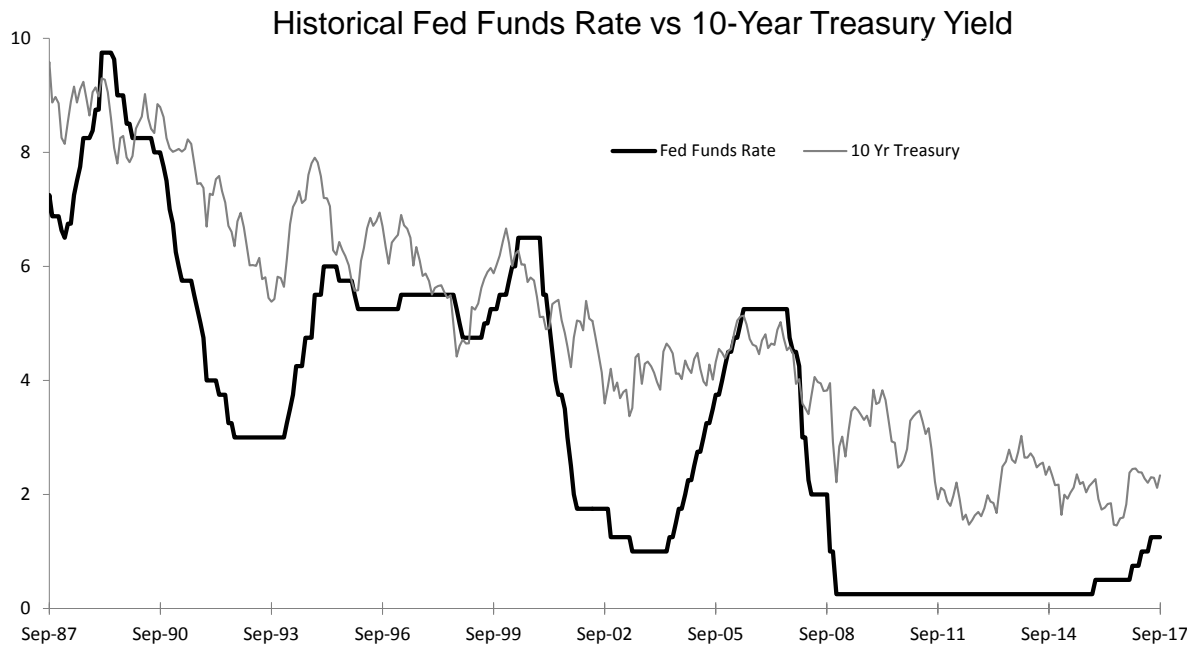
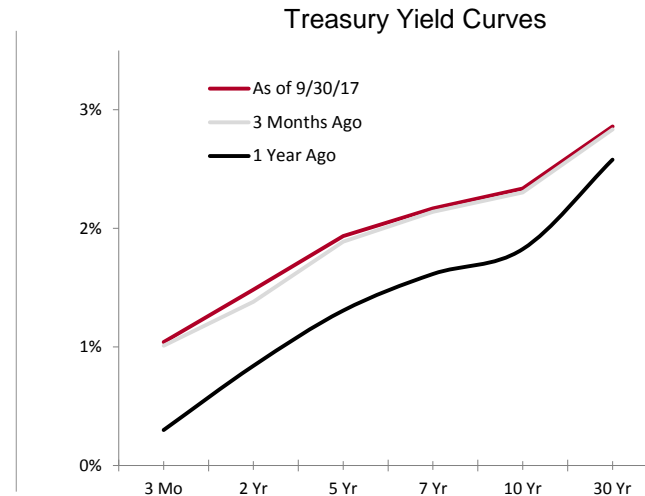
3-YEARS				5-YEARS			
	Value	Core	Growth	Value	Core	Growth	
Large	8.5	10.6	12.7	13.2	14.3	15.3	
Mid	9.2	9.5	10.0	14.3	14.3	14.2	
Small	12.1	12.2	12.2	13.3	13.8	14.3	

World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Returns in the style boxes are represented by the Russell indexes. Boxes shown in red represent returns below 0%. Light gray boxes represent returns between 0% and 10%. Returns above 10% are shown in dark gray

Fixed Income

As of 9/30/17

- Interest rates were relatively unchanged across the US fixed income market during the third quarter of 2017. The yield on the 2-year Treasury note increased 10 basis points (bps), ending at 1.48%. The yield on the 10-year Treasury slightly increased 3 bps to 2.33%.
- As expected, the Federal Reserve left the Fed Funds rate unchanged at their September meeting. The Fed confirmed it would start trimming its \$4.5 trillion balance sheet.



Activity Summary

Time Period	This Quarter	Year to Date
BEGINNING MARKET VALUE	\$23,933,793	\$19,097,990
Net Contributions/Withdrawals	416,012	3,500,552
Fees	10,794	29,881
Investment Gain or Loss	888,596	2,658,946
ENDING MARKET VALUE	\$25,227,607	\$25,227,607
Since Inception (1/1/16)	Portfolio Value	
Net Contributions/Withdrawals	21,464,817	
Market Value Gain/Loss	3,762,790	
ENDING MARKET VALUE	\$25,227,607	

This summary is for informational purposes only. Valuations are based on trade-date accounting which may differ from your chosen method. Please refer to your BOK Financial statement for your official account record. Discrepancies should be discussed with your advisor.

Investment Policy

Asset Class Policy Targets & Ranges

The portfolio's assets shall be invested in accordance with the policy limits for each asset class listed below. The target allocation reflects the current long-term strategic positioning of the portfolio, as recommended and approved by the Investment Committee. The Investment Manager will review the portfolio's allocations relative to the policy limits on a quarterly basis and will have full discretion as to the timing and frequency of rebalancing the portfolio to the target allocations. However, compliance with minimum and maximum allocations must be maintained at each review.

Asset Class	Current	Target	Maximum
Large Cap US Equity	24%	25%	40%
Small/Mid Cap US	10%	10%	20%
Non-US Dvlp Markets	14%	15%	20%
Non-US Emrg Markets	15%	15%	20%
<i>Subtotal Equities</i>	62%	65%	65%
US Core Bonds	29%	35%	45%
Liquid Alternatives	5%	0%	15%
Cash	5%		
Total	100%	100%	

Comments / Recommendations

- Cash has risen due to maturing CD's and contributions.
- Cash will be invested in US Core bond funds.

Investment Policy as of January 2016

Investment Policy Summary

The long-term objective of the Trust is to earn a return sufficient to preserve the purchasing power of the Trust to fund retirement benefits for contributing UNM employees. Ultimately, the goal is to achieve an annual total return, net of management and custodial fees that equals or exceeds the estimated annual benefit distributions, and inflation as measured by the U.S Department of Labor All Urban Consumer Price Index “CPI-U”.

Given the current significant unfunded status of the plan an intermediate return objective is established to reflect the return goal during the accumulation phase. The accumulation phase is defined as the time to achieve a trust balance sufficient to support 30% of the annual required contribution. During the accumulation phase the Trust has the ability to pursue a higher return since distributions are not allowed and regular contributions are expected to be significant relative to the current Trust balance. As such, the intermediate return objective is 7-8% over a full market cycle.

Performance Objectives

Intermediate Absolute Return Objective	7-8%
Relative Performance Benchmark	Blended Benchmark ¹
Spending Rate	None at this time
Inflation Rate ²	2.08%

Performance Summary

	3 Mos.	YTD	1 Yr.	3 Yrs.	5 Yrs.	Inception ³
Total Portfolio	3.65%	12.47%	12.10%	%	%	11.36%
Blended Benchmark	3.89%	12.71%	12.48%	%	%	11.61%

¹ Blended benchmark: 25% S&P 500, 10% Russell 2500, 15% MSCI EAFE, 15% MSCI EM, 35% Barclays Aggregate Bond

² Inflation rate = Since inception

³ Inception date: 1/1/16

Performance Summary

Equities

- Q3 return was 5.49% versus 4.48% for the S&P 500 and 5.4% for the MSCI EAFE.
- T. Rowe Price Growth returned 9.02 and Emerging Markets Funds were up 8.30%.

Fixed Income

- Q3 return of .72% versus .85% for the Barclays Agg Index.
- Short term CD's have been reduced to a very small portion of the portfolio.

Alternative Investments

- Q3 return was 2.03%. As expected they are performing a little better than bonds, but less than stocks

IMPORTANT INFORMATION

Unless otherwise indicated, Bloomberg was the data source for all data points presented herein.

The HFRI Fund of Funds Composite has been included to represent performance of diversified alternative investments. Performance is pulled from HFRI and may include preliminary returns.

*Market segment (index representation) on as follows: Cash (Citi3-monthT-bill), 10-Year Treasury (CitiTreasuryBenchmark10yr), US Agg Bonds (Bloomberg Barclays US Aggregate Bond Index), High Yield (Bloomberg Barclays US Corporate High Yield Index), Global Bonds (Bloomberg Barclays Global Aggregate Hedged Index), Large Cap (S&P 500 Index), Mid Cap (Russell Mid Cap Index), Small Cap (Russell 2000 Index), Intl Dev (MSCI EAFE Index), Emerg Mkt (MSCI EM Index), Diversified Alternatives (HFRI Fund of Funds Composite Index), REIT (MSCI REIT Index), Commodity (Bloomberg Commodity Index) and Infrastructure (DJ Brookfld Global Infrastructure Index).

DISCLOSURES

The information provided in this was prepared by members of the investment management group, Strategic Investment Advisors (SIA), of BOKF, NA. The information provided herein is intended to be informative and not intended to be advice relative to any investment or portfolio offered through BOK Financial Corporation (NASDAQ:BOKF). The views expressed in this commentary reflect the opinion of the author based on data available as of the date this report was written and is subject to change without notice. This commentary is not a complete analysis of any sector, industry or security. Individual investors should consult with their financial advisor before implementing changes in their portfolio based on opinions expressed. The information provided in this commentary is not a solicitation for the investment management services of any BOKF subsidiary.

BOK Financial Corporation (BOKF) offers wealth management and trust services through various affiliate companies and non-bank subsidiaries including advisory services offered by BOKF, NA and its subsidiaries BOK Financial Asset Management and Cavanal Hill Investment Management, Inc., each an SEC registered investment adviser. BOKF offers additional investment services and products through its subsidiary BOK Financial Securities, Inc., a broker/dealer, member FINRA/SIPC, and an SEC registered investment adviser and The Milestone Group, also an SEC registered investment adviser.

Investments are not insured by the FDIC and are not guaranteed by BOKF, NA or any of its affiliates. Investments are subject to risks, including the possible loss of the principal amount invested.

This commentary may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF. Any unauthorized use or disclosure is prohibited. Receipt and review of this commentary constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this commentary.

This information has been compiled for informational purposes. Performance is generated as of the dates indicated. Past performance is not a guarantee of future results. Information is derived from 3rd party sources and deemed to be reliable. BOKF, NA is not responsible for errors committed by those 3rd party sources.