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20 December 2017

DOCUMENT
C-M(2017)0068-AS1

**IBAN AUDIT ON THE 2016 FINANCIAL STATEMENTS OF
THE RETIREES MEDICAL CLAIMS FUND (RMCF)**

ACTION SHEET

On 19 December 2017, under the silence procedure, the Council noted the IBAN report on the 2016 financial statements of the RMCF attached to C-M(2017)0068 and agreed to the public disclosure of this report, the IBAN audit and the associated 2016 financial statements.

(Signed) Jens Stoltenberg
Secretary General

NOTE: This Action Sheet is part of, and shall be attached to C-M(2017)0068.

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13 December 2017

DOCUMENT
C-M(2017)0068
Silence Procedure ends:
19 Dec 2017 17:30

**IBAN AUDIT ON THE 2016 FINANCIAL STATEMENTS OF
THE RETIREES MEDICAL CLAIMS FUND (RMCF)**

Note by the Secretary General

1. I attach the International Board of Auditors for NATO (IBAN) report on the audit of the 2016 financial statements of the Retirees Medical Claims Fund (RMCF).
2. The IBAN report sets out an unqualified opinion on the financial statements and an unqualified opinion on compliance.
3. The IBAN report has been reviewed by the Resource Policy and Planning Board (RPPB) (see Annex). I do not believe that this matter requires discussion in the Council. Consequently, unless I hear to the contrary by **17:30 hrs on Tuesday 19 December 2017**, I shall assume that the Council has noted the IBAN report on the 2016 financial statements of the RMCF and agreed to the public disclosure of this report, the IBAN audit and the associated 2016 financial statements.

(Signed) Jens Stoltenberg

Annex 1: RPPB Report
Enclosure 1: IBAN Report

1 Annex
1 Enclosure

Original: English

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IBAN AUDIT ON THE 2016 FINANCIAL STATEMENTS OF THE RETIREES MEDICAL CLAIMS FUND (RMCF)

Report by the Resource Policy and Planning Board

Reference:

A. IBA-AR(2017)25 - IBAN report

BACKGROUND

1. This report covers the audit of the 2016 financial statements of the Retirees Medical Claims Fund (RMCF). The IBAN have issued an unqualified opinion on both the financial statements and on compliance for the year 2016 (reference A).

DISCUSSION

2. The IBAN made three observations during the audit. The first observation did not impact the audit opinion although the IBAN did chose to identify as an “emphasis of matter” the actuarial valuation of the RMCF. The actuarial valuation is performed on an annual basis and is a paid service. However the 2016 financial statements do not contain the most up to date actuary obligation because the external report was not available before the financial statements were issued. The IBAN acknowledge that this fact was properly disclosed in the notes to the 2016 financial statements. The actuarial valuation of the RMCF obligation has increased from EUR 1.8 billion in 2015 to EUR 2.3 billion in 2016, an increase of 28% due primarily due to a decrease in the discount rate. The Financial Controller will try to align the reporting timelines to ensure the financial statement contain the most up to date actuarial valuation but this may be challenging.

3. The RPPB notes that the final version of the actuarial report is usually available during the audit field work and the suggestion from the FC that a revised version of the financial statements could be issued to incorporate the data from the actuarial report. The RPPB further notes that the IBAN believe the financial statements issued on 31 March should be the final version and do not support an approach that would see them be subsequently amended. The Board also notes that the same matter came up in the audit of the 2016 financial statements of the NATO Coordinated Pension Scheme.

4. The IBAN chose to highlight that no Supervisory Committee (SC) was held during 2016 which is contrary to the requirement for two meetings to be held each year as laid down in the Civilian Personnel Regulations. Where there is no need for such a committee meeting the IBAN recommend, and the Financial Controller has agreed, that this should be properly documented and communicated in writing to members of the committee for their approval.

5. The third and final observation dealt with the need to enforce controls over the reconciliation of bank balances and the IBAN found that monthly checks to reconcile cash balances between the accounting system and bank statements had not been performed.

The IS has agreed to add such reconciliations to the current reconciliation between bank statements and the accounting system's cash management module

Prior years' observations

6. The IBAN also followed up on the status of observations from previous years' audits and found that two had been settled, two had been partially settled, one had been superseded by a current observation and one remained outstanding. The latter has been maintained since 2010 addressing weak internal controls in contribution receipts and the IBAN chose this year to highlight the need for management focus to address it. The RPPB notes that action is now in hand to do so.

CONCLUSIONS

7. The RPPB recalls that an asset and liability management study was commissioned to re-assess the financial situation of the RMCF. The RMCF SC report is now complete. The conclusions and recommendations on remedial actions that could be taken to limit the level of obligations will be presented to the Budget Committee for consideration before the end of 2017. The RPPB will then decide on the basis of advice from the BC if an update on the issue to Council is necessary.

8. Where it is not possible to align reporting timelines of information provided by an external provider the RPPB believes that the IBAN and the FC should at least consider a more pragmatic approach so that the most complete and up to date financial information is presented and made available for public disclosure for the benefit of users.

RECOMMENDATIONS

9. The RPPB recommends that Council:
- a) note the IBAN report (IBA-AR(2017)25);
 - b) note the conclusions in paragraphs 7-8; and,
 - c) approve the public disclosure of this report, the IBAN audit and the associated financial statements of the RMCF.

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ANNEX 1

**Summary Note for Council
by the International Board of Auditors for NATO (Board)
on the audit of the Financial Statements of the
NATO Retirees Medical Claims Fund (RMCF)
for the year ended 31 December 2016**

The NATO Retirees Medical Claims Fund (RMCF) was set up with effect from 1 January 2001 pursuant to Council approval of PO(2000)123. The purpose was to establish a reserve to ensure that sufficient funds are available for the years to come to enable NATO to meet its obligations to pay the medical expenses of eligible retired staff members and their recognised dependants.

The fund has a Supervisory Committee established to oversee the management of the fund. The Committee meets at least twice a year.

In 2016, receipts from NATO bodies and staff were EUR 23.0 million (in 2015 - EUR 22.9 million). Insurance premiums paid out of these receipts were EUR 19.6 million in 2016 (EUR 18.3 million in 2015). At the end of 2016, the fund manager held EUR 306.9 million on behalf of NATO (at the end of 2015 - EUR 288.9 million), and the actuarial present value of the long term post-employment medical care obligation was presented as approximately EUR 1.8 billion (at the end of 2015 – EUR 1.8 billion). An update of the value of the obligation to EUR 2.3 billion was received after the issuance of the financial statements.

The Board issued an unqualified opinion on the financial statements and an unqualified opinion on compliance for the year ended 31 December 2016.

During the audit, the Board made three observations with recommendations which are summarised below:

1. Disclosure of results of the actuarial valuation using 2016 data.
2. No supervisory committee meetings held in 2016.
3. Controls over the reconciliation of bank balances need to be enforced.

The Board also followed up on the status of observations from previous years' audits and noted that two observations were partially settled, two observations were settled, one observation remains outstanding, and one was superseded by a current year observation.

The Auditor's Report (Annex 2) and the Letter of Observations and Recommendations (Annex 3) were issued to the International Staff whose comments have been included, see the Appendix to Annex 3.

31 August 2017

INTERNATIONAL BOARD OF AUDITORS FOR NATO

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF

THE NATO RETIREES MEDICAL CLAIMS FUND

(RMCF)

FOR THE YEAR ENDED 31 DECEMBER 2016

**REPORT OF THE INTERNATIONAL BOARD OF AUDITORS
FOR NATO TO THE NORTH ATLANTIC COUNCIL****Report on the Financial Statements**

The International Board of Auditors for NATO (Board) audited the accompanying financial statements of the NATO Retirees Medical Claims Fund (RMCF), which comprised the Statement of Net Assets Available for Benefits as at 31 December 2016 and the Statement of Changes in Net Assets Available for Benefits, and Notes to the Financial Statements, including a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Accounting Standard (IAS) 26¹ *Accounting and Reporting by Retirement Benefit Plans* and the requirements of the NATO Financial Regulations as authorized by the North Atlantic Council. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, which is conducted in accordance with our Charter and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, due to fraud or error. In making those risk assessments, internal control relevant to the entity's preparation and presentation of financial statements is considered in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

¹ As the NATO Accounting Framework does not have a standard specific to accounting and reporting by retirement benefit plans, the NATO International Staff presents the RMCF Financial Statements in accordance with IAS 26.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on Financial Statements

In our opinion, the financial statements present fairly, in all material respects, the financial position of RMCF as of 31 December 2016 and the changes in financial position thereof for the year then ended in accordance with IAS 26.

Emphasis of Matter

Note 3, Actuarial Valuation, to the financial statements discloses an actuarial obligation of EUR 1.8 billion related to the RMCF. The note describes that this valuation amount is based on 2015 data because the actuarial valuation study based on 2016 data was not yet completed at the time the financial statements were issued. As of the date of this report, the actuarial obligation valuation study using 2016 data was performed and results in an actuarial liability of EUR 2.3 billion related to the RMCF. Our report is not modified as a result of this matter.

Report on Compliance

Management's Responsibility for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the financial transactions and information reflected in the financial statements are in compliance with the NATO Financial Regulations and the NATO Civilian Personnel Regulations as authorised by the North Atlantic Council.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, our responsibility includes expressing an opinion on whether the financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the NATO Financial Regulations and the NATO Civilian Personnel Regulations. This responsibility includes performing procedures to obtain reasonable assurance about whether the funds have been used for the settlement of authorised expenditure and whether their operations have been carried out in compliance with the financial and personnel regulations in force. Such procedures include the assessment of the risks of material non-compliance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on Compliance

In our opinion, in all material respects the financial transactions and information reflected in the financial statements are in compliance with the NATO Financial Regulations and the NATO Civilian Personnel Regulations.

Brussels, 31 August 2017

A handwritten signature in black ink, appearing to read 'H. Metzger', with a long horizontal flourish extending to the right.

Hervé-Adrien Metzger
Chairman

31 August 2017

INTERNATIONAL BOARD OF AUDITORS FOR NATO

LETTER OF OBSERVATIONS AND RECOMMENDATIONS

FOR THE NATO RETIREES MEDICAL CLAIMS FUND FINANCIAL STATEMENTS

(RMCF)

FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The International Board of Auditors for NATO (Board) audited the NATO Retirees Medical Claims Fund (RMCF) Financial Statements for the year ended 31 December 2016, and issued an unqualified opinion on the financial statements and on compliance.

Observations and Recommendations

During the audit, the Board made three observations with recommendations which are summarised below:

1. Disclosure of results of the actuarial valuation using 2016 data.
2. No supervisory committee meetings held in 2016.
3. Controls over the reconciliation of bank balances need to be enforced.

The Board also followed up on the status of observations from previous years' audit reports and found that two observations were settled, two observations were partially settled, one observation was superseded by a current year observation and one observation was still outstanding. The outstanding observation on weak internal controls in contribution receipts has been outstanding since the Board's audit of the 2010 financial statements and needs management focus to address the weaknesses.

This Letter of Observations and Recommendations was formally cleared with the International Staff, and the formal comments are included (Appendix, Annex 3).

OBSERVATIONS AND RECOMMENDATIONS**1. DISCLOSURE OF RESULTS OF THE ACTUARIAL VALUATION USING 2016 DATA****Reasoning**

1.1 Paragraph 27 of the International Accounting Standard 26, *Accounting and Reporting by Retirement Benefit Plans*, states that if an actuarial valuation has not been prepared at the date of the financial statements, the most recent valuation is used as a base and the date of the valuation disclosed.

1.2 The Board follows the International Standards of Supreme Audit Institutions (ISSAIs). ISSAI 1560, *Subsequent Events*, which requires the auditor to assess events occurring between the date of the financial statements and the date of the auditor's report.

Observations

1.3 The actuarial valuation of the RMCF obligation for post-employment medical care is performed on annual basis by the Organisation for Economic Co-operation and Development International Services for Remunerations and Pensions (ISRP) by request of the Office of Financial Control, International Staff. This is a paid service.

1.4 According to the ISRP draft report "2016 Year End Accounting of the Defined Benefit Obligations", the RMCF obligation for post-employment medical care has increased from EUR 1.8 billion in 2015 to EUR 2.3 billion in 2016, an increase of 28% due primarily to a decrease in the discount rate.

1.5 The RMCF financial statements for the year ended 31 December 2016 do not contain the information on this updated actuary obligation due to the fact that the actuarial valuation report was available only two months after the issuance of the financial statements. This fact was properly disclosed in the financial statements in accordance with paragraph 27 of IAS 26.

1.6 The Board supports the initiative of the Office of Financial Control to make an annual valuation of the RMCF obligation for post-employment medical care. At the same time the Board believes that the abovementioned information is very important for decision making, specifically regarding the future operations of the RMCF. Therefore, the timely delivery of this information to the users of financial statements is critical.

Recommendation

1.7 The Board recommends aligning the reporting timelines for the financial statements and the ISRP actuarial valuation of RMCF obligation for post-employment medical care in order to ensure that the financial statements include the data on actuarial valuation for the respective year.

2. NO SUPERVISORY COMMITTEE MEETINGS HELD IN 2016

Reasoning

2.1 Article 3 of Annex XIII-2 of the NATO Civilian Personnel Regulations (CPRs) requires that a Supervisory Committee be set up to oversee the management of the RMCF. It is required that two Committee meetings be held each year. At these meetings, the Committee shall be briefed by the Investment Managers on investment strategy and results.

Observation

2.2 The Board found that no meetings of the Supervisory Committee were held in 2016 as required by the CPRs.

Recommendation

2.3 In general, the Board recommends compliance with the CPRs. However, if the Committee does not believe that it is necessary or economical to hold a particular meeting, the reasons for this should be clearly documented by the Chair of the Committee and communicated in writing to all members of the Committee for their written agreement. Such documentation should be properly filed in order to demonstrate that the Committee fulfilled its responsibilities in relation to the RMCF.

3. CONTROLS OVER THE RECONCILIATION OF BANK BALANCES NEED TO BE ENFORCED

Reasoning

3.1 According to paragraph VI 4) (c) of NATO Financial Rules and Procedures, the Financial Controller shall ensure that all accounts are reconciled and verified on a regular basis, and all activities with financial implications, including multinational and non-appropriated fund activities, controlled by periodic inspection.

Observation

3.2 The Board found that the IS did not perform monthly reconciliations of cash balances between the accounting system and bank statements during 2016. The IS provided the Board with a spreadsheet showing such a reconciliation as of 31 December 2016, although there was no evidence that this control was performed in a timely basis and it also was not signed by the preparer or reviewer.

Recommendation

3.3 The Board recommends performing and documenting monthly cash reconciliations between the bank balances and the amounts presented in the accounting system. This will help to identify misstatements (if any) on a timely basis. This should include signatures of the preparer and reviewer along with the dates.

FOLLOW-UP OF PREVIOUS YEARS' OBSERVATIONS

The Board reviewed the status of the observations and recommendations arising from previous years' audits. These observations and their status are summarised in the table below.

OBSERVATION/RECOMMENDATION	ACTION	STATUS
<p>1) Financial year 2012 IBA-AR(2013)25 – paragraph 5.1 Retirees Medical Claims Fund (RMCF) Net Assets Inadequate to Fund Promised Future Expected Benefits</p> <p>The Board draws the attention of the Council that there are currently not sufficient funds available to enable NATO to meet its promised future obligations as was the intention of the plan, and recommends that, as was proposed in SG(2009)0302, on the basis of the results of the asset and liability study presented in the December 2012 Supervisory Committee and the related final report issued dated 30 April 2013, that the IS provides an estimate of the minimum financial injection necessary to make the RMCF sustainable.</p> <p>The Board recommends also that the IS provides all necessary information and any remedial actions undertaken to limit the level of obligations. This should be presented to the nations as soon as possible in order to allow for appropriate remedial actions, where still feasible, to be made.</p>	<p>The ISRP (International Service for Remuneration and Pensions) has presented the Asset & Liability Management Study to the Supervisory Committee.</p> <p>The actuarial study aimed at estimating the future medical expenses of retirees aged sixty five years old and over, under the charge of the Retirees Medical Claims Fund (RMCF).</p> <p>Also ISRP carried out the Estimations of expenses to allow for the evaluation of whether the fund assets will be sufficient to meet obligations. Several scenarios for the return on assets have been explored.</p> <p><i>The Supervisory Committee still needs to make decisions on remedial actions to limit the level of obligations.</i></p>	<p>Observation Partially Settled.</p>
<p>(2) Financial years 2010 and 2011 IBA-AR(2013)06 – paragraph 5.3 Weak internal controls on contribution receipts</p> <p>The Board recommends that the IS continue developing control procedures that will allow it, in a timely and systematic manner, to determine that the monthly cash receipts from the Agencies for the RMCF contributions are accurate and complete.</p>	<p>According to prior year Comments of the Office of the Financial Controller regarding this recommendation, "It is the OFC's intent to request confirmations after year-end 2016". Due to the workload this was not done.</p> <p>The Board was unable to get reasonable assurance that this control is already implemented and is operating effectively for 2016.</p>	<p>Observation Outstanding.</p>

OBSERVATION/RECOMMENDATION	ACTION	STATUS
<p>(3) Financial year 2015 IBA-AR(2016)24 – paragraph 1.3 LATE ISSUANCE OF FINANCIAL STATEMENTS</p> <p>The Board recommends that future financial statements be submitted by 31 March, the deadline in the NFRs.</p>	<p>The financial statements for the year ended 31 December 2016 were issued on time.</p>	<p>Observation Settled.</p>
<p>(4) Financial year 2015 IBA-AR(2016)24 – paragraph 2.3 DELAYED ISSUANCE OF THE STATEMENT OF INTERNAL CONTROL</p> <p>The Board recommends following the requirements of NFRs and provide the Board with the signed Statement of Internal Control along with the signed Financial Statements on timely basis.</p>	<p>The signed Statement of Internal Control along with the signed Financial Statements for the year ended 31 December 2016 were issued on time.</p>	<p>Observation Settled.</p>
<p>(5) Financial year 2015 IBA-AR(2016)24 – paragraphs 3.8, 3.9 INSUFFICIENT DATA TRANSPARENCY AND AVAILABILITY IN THE ACCOUNTING SYSTEM</p> <p>The Board recommends improving the transparency and availability of the accounting data by recording all individual accounting transactions in the ERP system and using standard workflows for routine transactions. In situations when aggregated data is entered in the accounting program, underlying supporting details (summaries, listings, calculations, etc.) should be available within the ERP and should be subject to proper verification and approval within the system.</p> <p>The Board recommends using a trial balance, generated by ERP, as a main source for the preparation of financial statements. Preparer of the financial statements should keep detailed supporting working papers in order to be able to support any information, disclosed in the financial statements.</p>	<p>The Board noted improvements in data transparency and availability in the accounting system. However, additional efforts are needed. Income and Expense transactions, different by nature, should be recorded in separate ERP accounts, for example:</p> <ul style="list-style-type: none"> • unrealized gain • contributions • rebates • insurance premiums • insurance management fee • other types of income/expense <p>In addition, the Board would like to highlight the importance of provision of all supporting information, requested by auditors in the announcement letter, at least on the first day of audit fieldwork.</p>	<p>Observation Partially Settled.</p>

OBSERVATION/RECOMMENDATION	ACTION	STATUS
<p>(6) Financial year 2015 IBA-AR(2016)24 – paragraph 4.2 NO REGULAR RECONCILIATION OF BANK BALANCES</p> <p>The Board found that the IS has not performed monthly reconciliations of cash balances between the accounting system and bank statements for 2015 and through the date of this report for 2016. Monthly reconciliations can only be performed after all bank transactions have been recorded and reconciled in the ERP. This did not happen because there were a significant amount of unreconciled and unprocessed bank transactions in the ERP in 2015.</p>		<p>Observation Superseded by current year observation 3.</p>

**INTERNATIONAL STAFF (IS) FORMAL COMMENTS ON THE
LETTER OF OBSERVATIONS AND RECOMMENDATIONS****OBSERVATION 1., para 1.7:
DISCLOSURE OF RESULTS OF THE ACTUARIAL VALUATION USING 2016 DATA*****International Staff's formal comments***

The recommendation is agreed.

OFC will negotiate with ISRP in order to have earlier delivery of the actuarial report. It should be noted, however, that the actuarial report depends on a high volume of NATO-wide data to be submitted by IS Human Resources that may not always be available on time since it depends, in turn, from information produced by the insurance company.

There may be another way of aligning the reporting timelines, since the final version of the actuarial report is usually available during the audit field work. At that time a revised version of the financial statements submitted to IBAN could be produced by IS OFC with the data of the final actuarial study. This approach would give flexibility in the preparation of the study and would still allow for the public disclosure of complete and up to date information.

Board's position

The Board believes that the financial statements issued on 31 March should be the final financial statements. The Board does not support an approach where the financial statements issued for audit on 31 March would be expected to be subsequently changed every year.

**OBSERVATION 2., para 2.3:
NO SUPERVISORY COMMITTEE MEETINGS HELD IN 2016*****International Staff's formal comments***

The recommendation is agreed. The Chair of the Committee will undertake to document such decisions in the future.

**OBSERVATION 3., para 3.3:
CONTROLS OVER THE RECONCILIATION OF BANK BALANCES NEED TO BE
ENFORCED*****International Staff's formal comments***

The recommendation is agreed. Such reconciliations will be added to the current reconciliations between bank statements and the accounting system's cash management module.

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**NATO RETIREES MEDICAL CLAIMS FUND
FINANCIAL STATEMENTS**

For the year ended
31 December 2016

Annexes

- | | |
|---|---|
| 1 | Statement of Net Assets Available for Benefits |
| 2 | Statement of Changes in Net Assets Available for Benefits |
| 3 | Notes to the Financial Statements |


Jens STOLTENBERG
Secretary General


Stephane CHAGNOT
Financial Controller

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NATO RETIREES MEDICAL CLAIMS FUND
Statement of Net Assets Available for Benefits

(All amounts in EUR)

	Notes	Current Year	Prior Year
		31-Dec-16	31-Dec-15
Assets			
Cash and cash equivalent	4	1,173,366.51	2,520,390.05
Investments at market value	5	306,932,758.14	288,926,109.78
Accounts Receivable	6	930,224.63	436,006.35
Total Assets		309,036,349.28	291,882,506.18
Liabilities			
Accounts Payable	7	0.00	19,142.43
Total Liabilities		0.00	19,142.43
Net assets available for benefits		309,036,349.28	291,863,363.75

NATO RETIREES MEDICAL CLAIMS FUND

Statement of Changes in Net Assets Available for Benefits

(All amounts in EUR)	Notes	Current Year 31-Dec-16	Prior Year 31-Dec-15
Increase in net assets			
Net unrealized gain in market value of investments	5	14,550,426.62	14,725,992.77
Contributions for current year	8	23,063,297.88	22,923,721.51
Contributions for future years	8	0.00	0.00
Profit sharing per agreement with insurer	9	0.00	0.00
Fund rebates	5	456,221.74	462,423.86
Interest income	10	0.00	710.84
Miscellaneous	12	3,868.76	
Total increase in net assets available for benefits		38,073,815.00	38,112,848.98
Decrease in net assets			
Insurance premiums	11	19,602,102.00	18,346,494.00
Insurance management fee	11	1,299,069.96	1,243,103.40
Contributions for future years	7	0.00	0.00
Fund purchase fees/financial costs	5	-342.49	1,177.52
Administrative fees	11	0.00	18,400.00
Total decrease in net assets available for benefits		20,900,829.47	19,609,174.92
Net increase for the year		17,172,985.53	18,503,674.06
Net assets available for benefits, beginning of year		291,863,363.75	273,359,689.69
Net assets available for benefits, end of year		309,036,349.28	291,863,363.75

**EXPLANATORY NOTES TO THE
2016 FINANCIAL STATEMENTS OF THE
NATO RETIREES' MEDICAL CLAIMS FUND****NOTE 1: GENERAL INFORMATION**

The Retirees' Medical Claims Fund (RMCF) was set up with effect from 1 January 2001 pursuant to Council approval of PO(2000)123. The purpose was to establish a reserve to ensure that sufficient funds are available for the years to come to enable NATO to meet its obligations to pay the medical expenses of eligible retired staff members and their recognised dependants.

Description of the Fund

Staff leaving the Organization after 10 consecutive years of service and having reached the age of 55 are eligible to reimbursement of medical costs for themselves and their recognized dependants (Article 51.2 of the Civilian Personnel Regulations (CPR)).

Until 31 December 2000, any staff who had at least 10 years consecutive service and reached 65, was covered for life for their medical expenses through Organization's insurers. However, with the rise in the number of retirees and the increasing medical costs, the insurers were no longer able to cover the expenses. Accordingly, the Organization assumed this responsibility as from 1 January 2001.

For this purpose, the Retirees' Medical Claims Fund was set up with effect from 1 January 2001 pursuant to Council approval of PO(2000)123. The Council agreed to the establishment of a reserve to ensure that sufficient funds are available for the years to come to enable NATO to meet its obligations.

However, on the date of the creation of the RMCF there existed a potential liability towards staff who filled the age and service conditions mentioned above but had not yet retired. No asset was provided to fund this initial liability; therefore, from its inception the RMCF was underfunded.

The Fund only finances retirees from the age of 65. Former staff between the ages of 55 and 65 are insured under a different financing scheme.

The RMCF is maintained primarily by the annual premiums paid as continuing insurance. The surplus funds collected, which represent the bulk of contributions, are invested with the Investment Manager.

Financing

The Fund receives the following contributions:

- 4.5% of the active agents' emoluments (1/3 borne by the staff, 2/3 by NATO).
- 5% of the last basic salary of the retirees who are required to contribute (1/3 borne by the staff, 2/3 by NATO). This rate was increased, from 3%, as from 1 January 2013.

In 2015, changes to the Civilian Personnel Regulations were introduced to put an end to situations that enabled staff recruited before 1 January 2001 and having contributed at least 25 years not to pay a premium after the age of 65.

Governance

The rules and principles governing the RMCF are provided at Annex XIII of the NATO CPRs. A consultative committee, called the Supervisory Committee, oversees the management of the RMCF with the object of ensuring that sufficient funds will always be available to cover medical costs until the last NATO pensioner or his/her dependants die. It acts as advisor to the NATO Secretary General.

The composition of the Supervisory Committee is as follows: a Chair appointed by the Secretary General (Director of Economics or Financial Controller, NATO-IS - the Chair shall be neutral); one representative of the International Staff (Director of Economics or Financial Controller, NATO-IS); two representatives for the NATO Production and Logistics Organisations; one representative for bodies governed by the Paris Protocol; two staff representatives appointed by the Liaison Committee of NATO Staff Associations; two representatives appointed by the Confederation of Retired Civilian Staff Associations.

The Fund, held in the name of NATO, is entrusted to an independent investment manager.

The Supervisory Committee determines the investment strategy and decides in which funds to invest. The Investment Manager executes purchases and sells according to instructions received from NATO-IS Treasury, which are in accordance with Supervisory Committee decisions.

The Investment Manager keeps the Supervisory Committee informed of all matters relating to the composition and performance of the funds through regular meetings with the Committee members.

Members of the RMCF Supervisory Committee do not receive any additional remuneration or benefits in return for their responsibilities.

Investment strategy

For 2016, as since 2009, the Supervisory Committee left unchanged the strategy of investing in index funds and maintaining holdings approximately as follows:

50% in European government (sovereign) bonds
25% in global equities
25% in European equities

Vanguard Investment Series plc, a prominent index-fund manager, buys and sells bonds and equities on behalf of the Fund within the objectives and restrictions set out in the contract signed with the Organisation. Investments are in Euro.

Management of the RMCF

NATO International Staff, in particular Executive Management – Human Resources and the Office of Financial Control, are responsible for the day-to-day management of the RMCF. Financial services are provided by the Office of Financial Control, NATO-IS. Administrative services and secretarial support are provided by Human Resources, Personnel Support.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Declaration of conformity

The financial statements of the NATO DCPS have been prepared in accordance with the NATO Financial Regulations and International Accounting Standard 26, "Accounting and Reporting by Retirement Benefit Plans". The NATO Accounting Framework, which is an adapted version of the International Public Sector Accounting Standards (IPSAS), does not have a specific standard for accounting and reporting for post-employment benefits.

The accounting system currently used by the NATO RMCF is accrual based.

The financial statements summarize the transactions and net assets of the Fund. The statements do not take into account the liability to pay benefits that fall due after the year end of the reporting period. The actuarial position of the NATO RMCF, which takes these liabilities into account, is presented in Note 3.

Basis of presentation

The financial statements have been prepared on a going-concern basis: the RMCF will continue in operation for the foreseeable future.

The amounts shown in these financial statements are presented in EUR.

Changes in accounting policy

There are no changes to report.

Use of estimates

In the application of accounting policies, which are described below, management is required to make judgments, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates include, but are not limited to: the long term obligation of the continued medical coverage and contingent assets.

Foreign currency transactions

The insurance premiums are calculated and paid in EUR and the accounting is in EUR. Since mid-2009, contributions are made in EUR; consequently, foreign currency transactions are not material. Realized gains and losses resulting from such transactions appear in the cash flow statement.

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term assets. They include deposits held with banks and short term highly liquid investments.

Investments

Investments reported under these RMCF financial statements consist of equities and government bonds in index investment funds. These investments are reported as non-current assets reflecting the long term financial strategy of the RMCF.

An index fund is a collective investment scheme that aims to replicate the movements of an index of a specific financial market, regardless of market conditions. It does not aim to outperform the market. Index funds are commonly composed of a representative sample rather than all the securities in a given market, in appropriate weights. They are subject to a form of passive management rather than active management.

At the end of each reporting period a valuation is made by the investment manager at fair value by reference to official prices quoted on the day of valuation. The Account Statement received from Vanguard's transfer agent uses the Generally Accepted Accounting Principles (GAAP) methodology to calculate the Daily Net Asset Value (Daily NAV), a tradable, realisable value on the last trading day of the month. These are the values generally reported in financial statements by fund investors.

Amounts are net of purchase costs and increased by rebates.

Receivables

Receivables are stated at net realisable value. No allowance for loss is recorded for receivables relating to NATO bodies' statutory contributions.

Payables

Payables are amounts due to third parties based on goods received or services provided that remain unpaid. This includes, as required, an estimate of accrued obligation for goods received or services provided but not yet invoiced.

Net Assets

The net assets available at year-end correspond essentially to the surplus contributions that were not used to pay the insurance premiums and were invested with the Investment Manager or awaiting transfer.

Financial Risks

The RMCF uses only non-derivative financial instruments as part as its normal operations. These financial elements include cash, indexed investment funds, bank accounts, deposit accounts and accounts receivable.

All financial instruments are recognised in the statement of financial position at their fair value.

The RMCF is exposed to a variety of financial risks, including credit risk, market (price) risk and liquidity risk. The maximum exposure as at 31 December 2014 is equal to the total amount of bank balances, short term deposits, investment funds, and receivables.

Credit risk

The RMCF incurs credit risks from cash and cash equivalent held with banks and receivables. There is very limited credit risk associated with the realization of these elements.

Concerning cash and cash equivalent the RMCF credit risk is managed by holding current bank accounts and short term highly liquid deposits that are readily convertible to a known amount of cash held with ING Bank (Belgium) which has the following short term credit ratings as of 7 February 2017:

ING Bank Credit Ratings as at 07/02/2017

	Fitch	Moody's	S&P
Short term	F1	NA	A2

Concerning receivables, the credit risk is managed by maintaining control procedures over receivables. These consist essentially of contributions due by NATO agency payroll centres and the NATO Coordinated Pension Scheme. This risk is considered limited since these entities are funded by member nations which are considered credit worthy.

Price risk

The RMCF is exposed to equity securities market risk.

The two index equity funds in which RMCF funds are invested are not rated. The European Government Bond Index Fund is comprised of bonds with ratings as indicated below:

Rating	AAA	AA	A	BBB	<BBB	Not rated	Cash
At 31.12.2016	26.1%	36.6%	3.4%	33.7%	0.0%	-0.2%	0.0%

Credit ratings are derived from Moody's, S&P and Fitch. When ratings from all three are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Currency risk

Since mid-2009, RMCF is not exposed to foreign currency exchange risk arising from fluctuations in currency rates. The scheme receives contributions only in EUR. As explained above, funds are invested in EUR and insurance premiums are due in EUR.

Liquidity risk

A liquidity risk could arise from a short term liquidity requirement. There is a very limited exposure to liquidity risk because contributions from NATO payroll centres are received on a monthly basis, are higher than the insurance premiums and are paid by NATO bodies; the NATO bodies receive either contributions from their member states or income from their customers, generally are other NATO bodies funded through their approved budgets. It is only the excess funds (after payment of insurance premiums) that are invested with Vanguard Investment Series plc with the aim of increasing the assets available for benefits over time.

Interest rate risk

The RMCF is restricted from entering into borrowings.

A portion of RMCF is invested in bonds. The market value of bonds fluctuates according to market perception of the issuer's creditworthiness and to projected interest rates. The value of assets available for benefits is therefore subject to some interest rate risk.

NOTE 3: ACTUARIAL VALUATION

At the date of submission of these financial statements, the updated actuarial study was not yet available. The information below concerns the evaluation as of end of 2016.

An actuarial study was conducted in 2016 by the OECD International Service for Remunerations and Pensions (ISRP) to assess the value of the long term NATO post employment medical care obligation.

The evaluation of the situation end 2015, further to the study conducted in 2016, results in an overall present value of MEUR 1,801 of which MEUR 1,747 for the obligation related to the continued medical coverage of retirees funded through the RMCF and MEUR 54 for the obligation related to the specific category of staff called "bridgers" (see below).

The methodology is based on the Projected Unit Credit Approach, the method recognised by the IFRS/IPSAS standards.

Endogenous assumptions taken into account are:

- Probability that a staff member leaves the Organisation, retires, or becomes invalid.
- Annual salary increase and impact due to career progression (0.27% above inflation)

Exogenous assumptions taken into account are:

- Discount rate in nominal value for post-employment medical care: 1.60%
- Price inflation in the long run: 2%
- Rates of mortality for both active staff and pensioners (mortality table International Civil Servant Life Table 2013 – ICSLT2013, source ISRP/EUROSTAT).
- Medical inflation in the long run: 4% annually (based on an analysis of medical expenses data for the period 2008-2013).
- Long term expected return on plan assets: 5% annually.

The previous actuarial study dated from 2015 estimated that the value of the obligation for post-employment medical care at the end of 2014 was MEUR 1,797. The current projection of this liability at the end of 2015 can be obtained as follows:

(amounts in MEUR)

Evaluation of the obligation at year end 2014	(a)	1,797
Benefits paid	(b)	17
Interest cost	(c)	25
Current service cost	(d)	136
Obligation at year end 2014 projected into 2015	(e)=(a-b+c+d)	1,941
Actuarial loss (gain) on obligation	(e-f)	(140)
Evaluation of obligation at year end 2015	(f)	1,801

The value of the obligation includes an amount of MEUR 54.0 corresponding to a specific category of staff referred to as "bridgers" (see below). The obligation corresponding to continued medical coverage of retirees funded through the RMCF is therefore MEUR 1,747.

The actuarial gain (i.e. the (negative) difference between the obligation of 2014 projected into 2015 resulting from the previous study and the obligation estimated at year end 2015 by the new study) is MEUR 140. The actuarial gain represents 7% of the obligation projected in 2015. The increase of the discount rate used for the calculations explains most (70%) of this actuarial gain.

Assumptions taken into account in the previous actuarial study were:

Discount rate: 1.41%
Price inflation: 2%
Future salary increase: 0.27% above inflation
Medical inflation: 4%

By definition actuarial valuations are largely dependent on the endogenous and exogenous parameters. Therefore any changes to the latter can result in material changes to the final evaluation of the obligation. In this case, the discount rate was increased, by 19 basis points, from 1.41% to 1.60%. Sensitivity tests were conducted for the purposes of the study showing that a discount rate of 2.60% (i.e. an increase of 100 basis points) would result in a decrease of the actuarial liability of MEUR 421 and that a discount rate of 0.60% (i.e. a decrease of 100 basis points) would result in an increase of the actuarial liability of MEUR 594.

The discount rate refers to market yields on high quality corporate bonds. For the purpose of this actuarial study, in the absence of a market for Eurozone corporate bonds with maturities longer than 18 years, the Euro area government bond yield curve was used instead as a reference to discount the liabilities of the RMCF. This resulted in the discount rate of 1.60%, compared to the previous 1.41% (and before: 2.84%).

Use of the ever-changing market value reference discount rate is likely to result in substantial changes of the actuarial valuations. Considering that the present interest rates used for the actuarial study are historically low, the use of a higher discount rate in the future would result in a decrease in the valuation of the liability.

Sensitivity tests were conducted for the purposes of the study showing that an increase of 100 basis points of the medical inflation rate to 5% would result in an increase of the actuarial liability of MEUR 573 and that a decrease of 100 basis points of the medical inflation rate to 3% would result in a decrease of the actuarial liability of MEUR 416.

The present actuarial study has used a new mortality table developed jointly by ISRP and EUROSTAT (ICSLT2013). It is based on data covering several international organizations in Europe, including NATO and the European Union.

It should be noted that medical claims for eligible former staff between the ages of 55 and 65 (referred to as "bridgers") are not funded through the RMCF. They are insured under the terms of the "bridging-cover" whereby the related annual contributions and reimbursements are included in the medical claims insurance system of active staff. Contributions based on the "bridgers" last salary (5% since 2013 (3% previously), on a 1/3 "bridger" to 2/3 employer proportion) are made to the medical claim insurance company. No specific fund was set up to resource these requirements; they are handled on an annual basis. No payments to the

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RMCF are required from "bridgers" in the intervening years between their retirement from the organization and their reaching the age of 65, at which point they benefit from RMCF insurance coverage and contribute to its funding.

Based on the same actuarial study as above, the potential liability relating to medical coverage for staff pertaining to the "bridging cover" was estimated EUR 54.0 at year end 2015 (EUR 52.4 million at year end 2014).

NOTE 4: CASH AND CASH EQUIVALENTS

The various NATO entities and pensioners pay their contributions into a suspense account. This account serves to pay insurance premiums and effect the transfers of funds to be invested by the Investment Manager. Short term investments are made as required.

NOTE 5: FUNDS HELD BY THE INVESTMENT MANAGER

Distribution of Assets as of 31 December

	2016		2015	
	EUR	%	EUR	%
Euro Gov't Bond Index Fund	144,331,309.39	47.02%	135,096,566.69	46.76%
Europe Stock Index Fund	78,353,240.30	25.53%	73,103,626.05	25.30%
Global Stock Index Fund	84,248,208.45	27.45%	80,725,917.04	27.94%
TOTAL	306,932,758.14	100.00%	288,926,109.78	100.00%

Details of the changes in investment fund balances available for benefits over the past two year are as follow:

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in EUR	Euro Govt Bond Index Fund	Europe Stock Index Fund	Global Stock Index Fund	TOTAL
31 Dec 2014 balance	132,406,665.69	67,407,528.74	73,123,498.72	272,937,693.15
Purchases before purchase fees	800,000.00	0.00	0.00	800,000.00
Withdrawals	0.00	0.00	0.00	0.00
Distributions	0.00	0.00	0.00	0.00
Rebates received	160,841.40	165,114.35	136,468.11	462,423.86
Purchase Fees	0.00	0.00	0.00	0.00
2015 net transactions	960,841.40	165,114.35	136,468.11	1,262,423.86
				0.00
Sum of 31 Dec 2014 balance and 2015 net transactions	133,367,507.09	67,572,643.09	73,259,966.83	274,200,117.01
				0.00
Gain/loss in market value excluding 2015 net transactions	1,729,059.60	5,530,982.96	7,465,950.21	14,725,992.77
31 Dec 2015 balance	135,096,566.69	73,103,626.05	80,725,917.04	288,926,109.78
Purchases before purchase fees	5,000,000.00	3,000,000.00	0.00	8,000,000.00
Withdrawals	0.00	0.00	-5,000,000.00	-5,000,000.00
Distributions	0.00	0.00	0.00	0.00
Rebates received	167,612.37	153,423.39	135,185.98	456,221.74
Purchase Fees	0.00	0.00	0.00	0.00
2016 net transactions	5,167,612.37	3,153,423.39	-4,864,814.02	3,456,221.74
				0.00
Sum of 31 Dec 2015 balance and 2016 net transactions	140,264,179.06	76,257,049.44	75,861,103.02	292,382,331.52
				0.00
Gain/loss in market value excluding 2016 net transactions	4,067,130.33	2,096,190.86	8,387,105.43	14,550,426.62
31 Dec 2016 balance	144,331,309.39	78,353,240.30	84,248,208.45	306,932,758.14

Fund's Overall Performance

In 2016, Vanguard Investment Series plc index funds closely tracked their respective benchmarks during the period. Their returns, net of expenses and including the effect of reinvested dividends, are compared below to that of the corresponding benchmarks for the past two years:

Returns in %					
Vanguard index fund			Benchmark		
	2016	2015		2016	2015
Euro Gov't Bond	3.12	1.42	Spliced Euro Gov Bond Float Adj Index	3.13	1.51
Europe Stock	2.76	8.45	MSCI Europe	2.58	8.22
Global Stock	10.74	10.40	MSCI World	10.73	10.42

The number of units and Daily NAV per unit for the RMCF at year end, together with the resulting year-end market values, were as follows:

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RMCF Investment Fund Units and NAVs as of 31 December				
2016				
	Units	NAV in EUR	Market Value in EUR	
Euro Gov't Bond Index Fund	649,638.88	222.1716	144,331,309.39	
Europe Stock Index Fund	4,297,189.82	18.2336	78,353,240.30	
Global Stock Index Fund	3,974,290.79	21.1983	84,248,208.45	
TOTAL			306,932,758.14	
2015				
	Units	NAV in EUR	Market Value in EUR	
Euro Gov't Bond Index Fund	626,272.53	215.7153	135,096,566.6900	
Europe Stock Index Fund	4,111,056.34	17.7822	73,103,626.05	
Global Stock Index Fund	4,209,868.74	19.7154	80,725,917.04	
TOTAL			288,926,109.78	
2014				
	Units	NAV in EUR	Market Value in EUR	
Euro Gov't Bond Index Fund	621,791.89	212.9437	132,406,665.69	
Europe Stock Index Fund	4,102,135.96	16.4323	67,407,528.74	
Global Stock Index Fund	4,202,813.93	17.3987	73,123,498.72	
TOTAL			272,937,693.15	

NOTE 6: ACCOUNTS RECEIVABLE

Contributions are paid on a monthly basis. Receivables at year-end were as follows:

(amounts in EUR)	2016	2015
Contributions	311,037.65	307,225.37
Receivable from insurer	619,186.98	128,780.98
Total accounts receivable	930,224.63	437,006.35

At the date of issuance of these financial statements, no contributions were a year or more past due.

Amounts receivable from the insurance company and the third party administrator relate to the final assessment of the premium and of the management fee, which are paid in monthly advances during the year.

A profit sharing agreement is in place for the period 2012-2016, and is considered under the contingent asset note.

NOTE 7: ACCOUNTS PAYABLE

There were no accounts payable at the end of 2016.

NOTE 8: CONTRIBUTIONS RECEIVED

Contributions received in the course of the year were as follows:
(amounts in EUR)

Contributions from	2016	2015
Active Staff and NATO Employer	22,660,164.69	22,533,923.23
Retired Staff	403,133.19	389,798.28
Total	23,063,297.88	22,923,721.51

NOTE 9: PROFIT SHARING AGREEMENT WITH INSURER

A profit-sharing arrangement has been entered into, covering the period 2012-1016, whereby NATO would be refunded the totality of the difference Premiums X 97% – Reimbursements, if it is positive. The final settlement is foreseen during the first quarter of 2018. At this stage it is not possible to assess whether this would result in any inflow of cash to NATO, neither to estimate its amount: claim cases can last two years and amounts at a given moment can be affected by unusually high settlements of unresolved claims. Therefore no revenue or asset is recognized at this time.

NOTE 10: INTEREST

Interest is earned on the bank account for the period during which cash holdings are pending investment. Amounts presented are netted of bank charges.

NOTE 11: INSURANCE PREMIUMS AND MANAGEMENT FEES

The insurance premium to cover the medical expenses of the retirees is paid monthly to the third party administrator on the basis agreed under the NATO Group Insurance Policy.

The value of the insurance premium paid to the insurance company is essentially based on the number and age of the beneficiaries. The premium includes a management fee of EUR 1,299,069.96 (EUR 1,243,103.40 for 2015).

NOTE 12: MISCELLANEOUS

An amount of EUR 3,868.76 corresponds to the regularization of past transactions.

NOTE 13: CONTINGENT ASSETS

As indicated above, there is a profit-sharing agreement with the insurer. The arrangement covers the period 2012-1016, whereby NATO would be refunded the totality of the difference Premiums X 97% – Reimbursements, if it is positive. The final settlement is foreseen during the first quarter of 2018. At this stage it is not possible to assess whether this would result in any inflow of cash to NATO, neither to estimate its amount: claim cases can last two years and amounts at a given moment can be affected by unusually high settlements of unresolved claims. Therefore no revenue or asset is recognized at this time.

The past agreement resulted in an economic benefit to the RMCF.

NOTE 14: CONTINGENT LIABILITIES

There are no material contingent liabilities arising from legal actions and claims that are likely to result in significant liability to the RMCF.

NOTE 15: RELATED PARTY TRANSACTIONS

The following related party transactions took place during the year ended 31 December 2016.

NATO International Staff, in particular Executive Management – Human Resources and the Office of Financial Control, are responsible for the day-to-day management of the RMCF. None of the costs related to the administrative services provided by NATO International Staff are charged to the RMCF.

NOTE 16: KEY MANAGEMENT PERSONNEL

For the purpose of these financial statements, key management personnel are considered to be the Assistant Secretary General for Executive Management and the Financial Controller of the International Staff. Their remuneration is entirely covered by the International Staff.

Members of the RMCF Supervisory Committee do not receive any additional remuneration or benefits in return for their responsibilities. The International Staff Financial Controller was appointed Chairperson of the Supervisory Committee end 2010.

The Fund does not hold any securities of the employer sponsor or, directly, of its related parties.

NOTE 17: STATISTICAL INFORMATION

Evolution of RMCF membership (number of affiliates)			
year-end	2000	Affiliates	0
	2001	Joined	166
	2001	Exited	0
year-end	2001	Affiliates	166
	2002	Joined	250
	2002	Exited	-1
year-end	2002	Affiliates	415
	2003	Joined	229
	2003	Exited	-4
year-end	2003	Affiliates	640
	2004	Joined	242
	2004	Exited	-14
year-end	2004	Affiliates	868
	2005	Joined	328
	2005	Exited	-15
year-end	2005	Affiliates	1,181
	2006	Joined	258
	2006	Exited	-27
year-end	2006	Affiliates	1,412
	2007	Joined	259
	2007	Exited	-25
year-end	2007	Affiliates	1,646
	2008	Joined	333
	2008	Exited	-37
year-end	2008	Affiliates	1,942
	2009	Joined	330
	2009	Exited	-32
year-end	2009	Affiliates	2,240
	2010	Joined	316
	2010	Exited	-37
year-end	2010	Affiliates	2,519
	2011	Joined	401
	2011	Exited	-39
year-end	2011	Affiliates	2,881
	2012	Joined	265
	2012	Exited	-27
year-end	2012	Affiliates	3,119
	2013	Joined	268
	2013	Exited	-63
year-end	2013	Affiliates	3,324
	2014	Joined	533
	2014	Exited	-62
year-end	2014	Affiliates	3,795
	2015	Joined	386
	2015	Exited	-187
year-end	2015	Affiliates	3,994
	2016	Joined	729
	2016	Exited	-112
year-end	2016	Affiliates	4,611

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