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# OVERVIEW

Oil has captured the headlines with a 60% decline since June 2014. Is the drop in oil prices the black swan event that turns the markets? You can read expensive energy consultant reports – but they'll usually give you the same answer, a rolling breakeven price target that is perpetually \$5 to \$15 below the current level. Back in mid-October when oil was trading at \$85, Wall St. said the breakeven was \$80. Now (with prices near \$50) they say the breakeven is \$45. While the markets (CNBC) like to discuss these forecasts (trying to pick a bottom), the headlines seem to miss a larger issue - is the price decline a technical issue due to excess supply of oil or is the decline due to more fundamental demand concerns? Although there are other factors (central bank policies, the level of interest rates), the answer to the supply or demand question may help provide insight into how the macro economy and capital markets perform in 2015.

Those who support the view that declines are due to supply highlight the fact that global oil supply has increased from 84 million barrels per day (mbpd) in 2009 to 96 mbpd today. As a result of this 12 mbpd increase, oil prices have moved lower, resulting in lower gas prices. These should be positive for the consumer, GDP, and corporate earnings (via lower input costs). Under this viewpoint, lower oil prices act as a driver for higher financial markets. Those asset classes have been adversely affected by the move lower in oil (the energy sector and high yield bonds) and could therefore rebound as oil prices stabilize.

Alternatively, those who believe the price decline is a result of lower demand, feel that the supply shock seems unlikely. In September 2014, the International Energy Agency (IEA) noted global oil demand slowed at a "remarkable" pace in Q2 due to weaker economic growth - in both developed and EM countries. Believers in the weaker global demand/slowing GDP story would suggest similar behavior can be seen in other commodity

sectors as well (industrial metals and agriculture). If the drop in oil is due to weaker demand/GDP, this could continue to have negative implication for corporate earnings, equity prices, and high yield spreads.

Does GDP even matter anymore? Even if lower oil prices are forecasting a slowing in GDP, won't the Fed simply restart QE and push equity prices higher? If GDP slows and equities experience a correction, we might hear more Fed officials begin to openly discuss restarting QE. However, if lower oil is due to weaker demand and negatively impacts earnings, how effective will QE be to the equity market? Pushing equity prices higher by QE without earnings growth would result in expanding the P/E ratio. Unless QE were to have an effect on the real economy this would simply represent bringing future stock price growth forward, rather than a sustainable improvement in investment outcomes for investors.

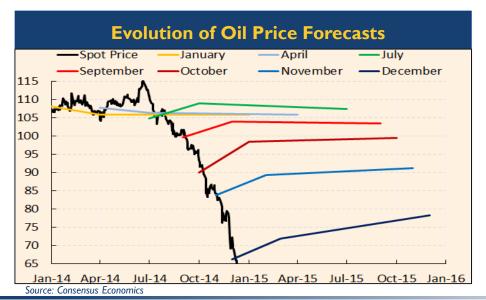
For literally more than a decade, economists have been warning of higher rates – despite those, forecasts rates have continued to move lower. "The markets have it wrong" has been a popular phrase when it comes to rates, but perhaps everyone's view on rates is driven first by their view on equities. Perhaps what the interest rate market, oil, the dollar, inflation, and HY spreads are telling us is maybe the equity market has it wrong. What does 2015 have in store? That depends, in large part, upon whether the oil price decline has been driven by a supply shock or weaker demand.

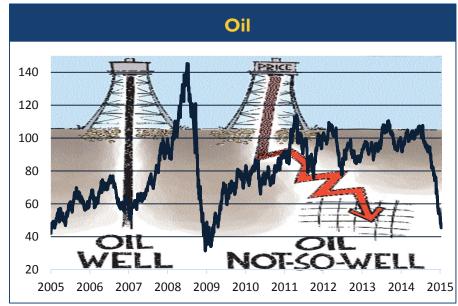
Finally, looking outside the US presents a mixed picture. From an economic perspective, the picture looks pretty meek, with Japan re-entering a recession and Europe being challenged with a double threat of deflation and Grexit. However, further promises by both the BOJ and ECB have the equity markets encouraged and interest rates at record lows. Will these central banks be able to deliver on their promises? Stay tuned.

# GLOBAL ECONOMIC ENVIRONMENT

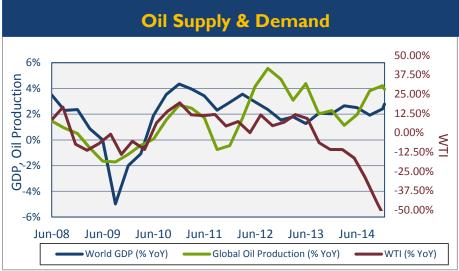
# IS THAT A BLACK SWAN SWIMMING IN TEXAS TEA?

- In June 2014, oil (aka black gold or Texas tea), was trading at \$107 a barrel and nobody was calling for a 60% decline in prices. Is the drop in oil prices the black swan event that turns the markets?
- You can read expensive energy consultant reports but they'll usually give you the same answer, a rolling breakeven price target that is perpetually \$5 to \$15 below the current level. Back in mid-October when oil was trading at \$85, Wall St. said the breakeven was \$80. Now (with prices near \$50) they say the breakeven is \$45.
- While the markets (CNBC) like to discuss these forecasts (trying to pick a bottom), the headlines seem to miss a larger issue – is the price decline a technical issue due to excess supply of oil or is the decline due to more fundamental demand concerns?
- Although there are other factors (central bank policies, the level of interest rates), the answer to the supply or demand question may be a key consideration to how the macro economy and capital market perform in 2015.





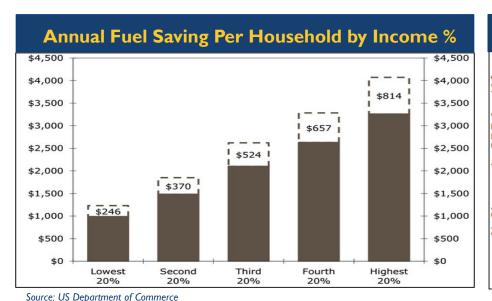
Source: Bloomberg, Wurts, Hedgeye



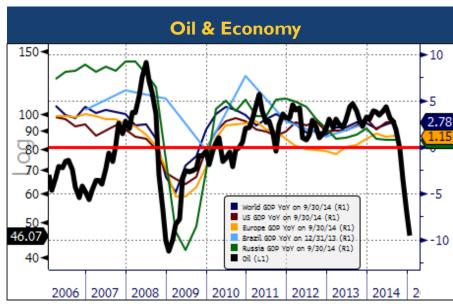
Source: Bloomberg

# OIL'S RIPPLING EFFECTS

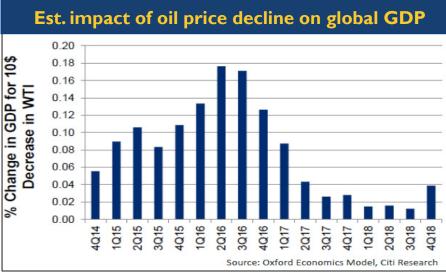
- Historically, oil is shown to have a reasonably high correlation with global GDP, with the impact to each country varied. Global growth rates peaked in 2010 and have since been trending lower while oil prices remained higher...until now.
- Lower oil prices have a direct impact on the consumer, unless that consumer is driving a Nissan Leaf. Savings on fuel costs are felt each time a consumer fills up the tank, and are considered a stimulant to the economy, much like a tax cut. As we've seen with past tax cuts, this doesn't always translate to more consumer spending, but it is a factor to watch.
- Consumers, as well as the capital markets, are also benefited by lower costs of production for many industries. Historically lower oil prices have been positive for prospective GDP, and that is the anticipation in many forecasts. However, the impact on the shale oil boom may neutralize this to some extent.



Source: Barclays, JP Morgan, Bloomberg, Wurts

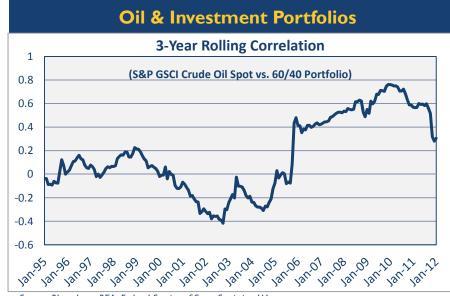


Source: Bloomberg, BEA, Federal Service of State Statistics, Wurts

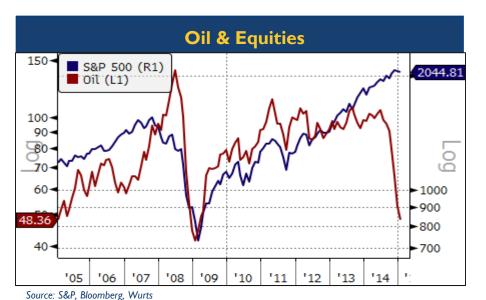


# OIL'S RIPPLING EFFECTS ... CONTINUED

- U.S. equities and oil prices have generally moved together over the past 10 years, but started to diverge in 2013. Do lower oil prices forecast declining equity prices? Or will the Fed balance sheet and earnings continue to be the drivers?
- Global credit has benefited from ultra-easy central bank policies (QE) with spreads and yield moving to historical lows. The lower spreads/yield have provided companies low cost of financing deals/projects. As oil declined, spreads have moved wider due to the high number of energy issuers in the high yield market.



Source: Bloomberg, BEA, Federal Service of State Statistics, Wurts



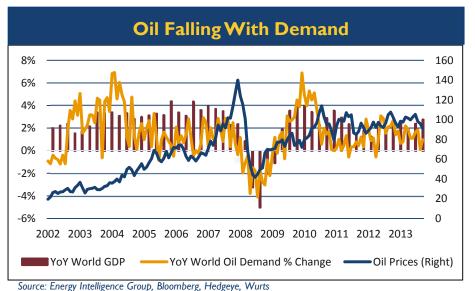


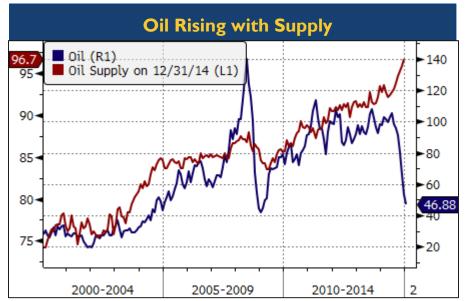
Oil & Spreads

Source: Barclays, JP Morgan, Bloomberg, Wurts

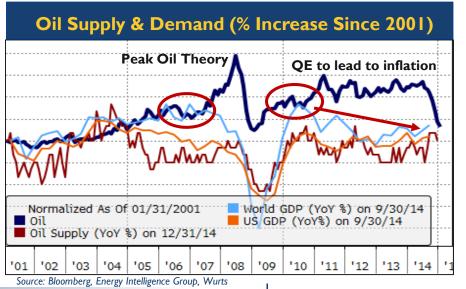
# OIL RISES WITH SUPPLY BUT DECLINES WITH DEMAND

- There is an old saying in the energy market: oil prices rise on supply and fall on demand. Since 2000, total oil supply increased from 75 million barrels per day (mbpd) to a peak of 88 mbpd in 2008 as oil prices rose into what many label as a speculative bubble in commodities. With the credit crisis, both oil prices and supply declined. Since 2009, oil prices have risen along with supply. The relationship seems simple enough: as prices rise, more are encouraged to produce and supply increases.
- The other side of the economic equation is of course demand. Global oil demand has shown a reasonably strong relationship with global GDP. The price of oil generally tends to move in direct relationship with demand/GDP during economic contraction, but shows less of a relationship during expansions.
- Looking at all the variables, oil prices, supply, and global GDP on a percentage increase basis since 2001, oil prices generally tracked global GDP, with 2 significant deviations and oil supply growth (YoY) tends to track US GDP.



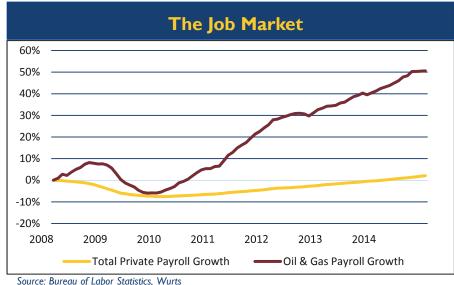


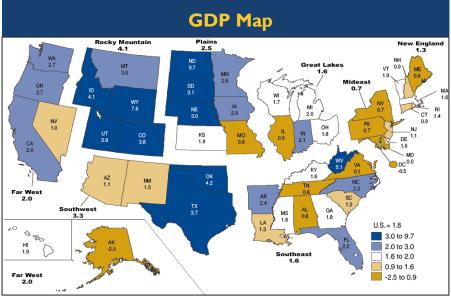
Source: Energy Intelligence Group, Bloomberg, Wurts



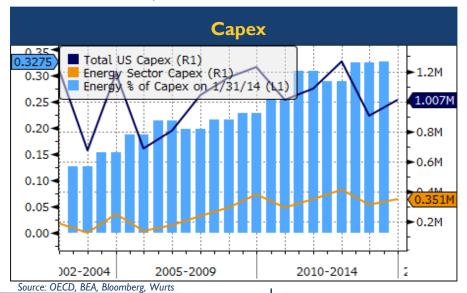
# AN OIL SLICK FOR THE ECONOMY?

- In the prior QRR, we discuss how the U.S. was experiencing economic growth from an unusual part of the country (particularly the Dakotas). The growth has been driven by the shale oil boom and has been estimated to contribute 1/3 of the economic growth.
- The U.S. job market has been average with payrolls ranging between +100k to +300k since 2010. Unfortunately the payroll gains have not really translated into wage growth as the labor market still has excess capacity (with falling participation).
- However, a bright spot has been the oil and gas (O&G) sector where payroll growth has been tremendous with significant increases in wages (average hourly wages are roughly double in O&G relative to total payrolls). One impact of lower oil will be reduced gains in both payrolls and wages in the O&G sector.
- A second impact will be felt in capital spending (capex). The energy sector share of total capex spending has grown from 13% in 2003 to nearly 33% in 2014. As oil prices move lower, capex will decrease and may negatively impact GDP.



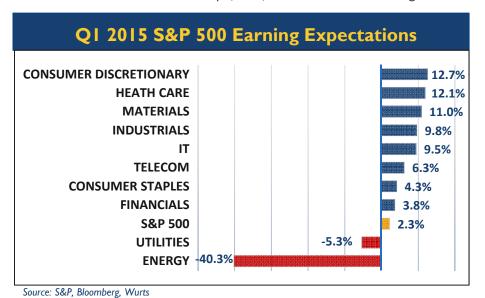


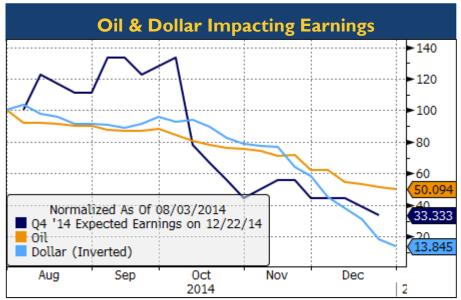
Source: Bureau of Economic Analysis



# HONEY, I THINK BUBBLES IS OVERFED

- As oil prices have declined and the dollar has rallied, Q4 2014 earning expectations have declined. Why?
- The energy sector weight in the S&P 500 has ranged from 8% to 13% over the last decade. While the largest sectors remain financial and technology, the decline in oil has been so large that falling earnings expectations for the energy sector have dragged down the overall earnings expectations for the S&P 500.
- Those believing in the supply side argument assert the energy sector negative impact on earnings will be short-term and expect long-term benefits from lower input costs to increase overall corporate earnings. Meanwhile, those believing the demand side argument contend that lower oil is a warning for slowing consumption and overall corporate earnings.
- The strong dollar is beginning to hurt earnings as 45% of the revenues of the S&P 500 companies come from overseas. Recent economic weakness in Europe, Asia, and EM has hurt earnings.





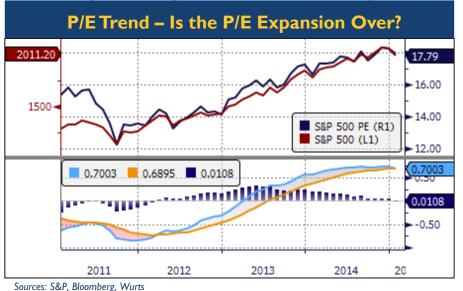
Source: S&P, Bloomberg, Wurts

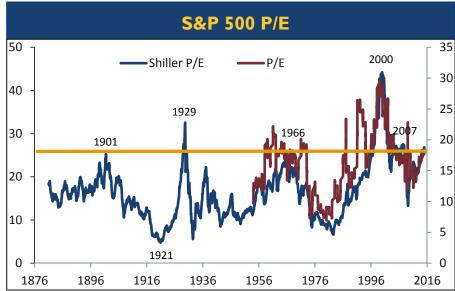
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Source: Hedgeye

# IT'S NOT ABOUT HOW RICH YOU ARE

- If you ask someone about the equity market, the conversation will usually turn to the P/E ratio relatively quickly. Is the P/E ratio cheap, fair, or rich. How about the Shiller P/E? And so on.
- With the regular P/E trading at 17 and the Shiller P/E trading at 27 the best we can say is the S&P 500 is fair. The equity bears would highlight that the Shiller P/E was higher only in 1929 and 2000 (it was also 27 in 2007). While interesting, it misses the point.
- The issue is not whether the P/E ratios are rich or cheap, but how likely are they to continue expanding or start contracting. Since contracting in 2011, P/E has expanded nicely. However, the trend of the expansion in both the P/E and the S&P 500 has been slowing since 2013 and is close to turning.
- Further, high yield (HY) spreads have a nice track record of leading equities. In June 2014 (date sound familiar), HY spreads began to move wider and have continued despite equities pushing higher. Is HY telling us something about the future direction of equities?





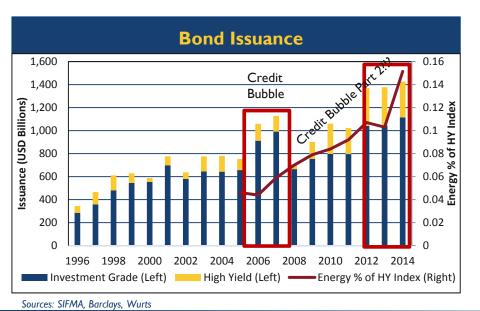
Sources: S&P, Bloomberg, Wurts



W U R T S W A S S O C I A T E S

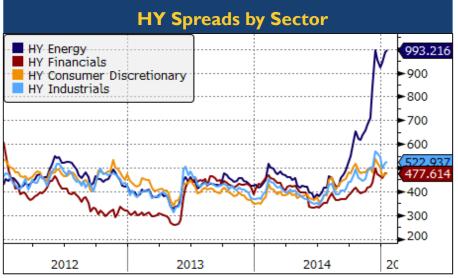
# THE HIGH PRICE OF CHEAP MONEY

- Why would spreads start to move wider in June 2014 when oil prices began to move lower? In 2006, the energy sector was about 4% of the US HY index. With the shale oil boom (and the associated expansion in capex), the low cost of financing (the Fed encouraging risk taking via QE), much of the capex expansion was financed by debt issuance. As a result, the energy sector share of the HY index expanded to over 14% by 2014.
- As oil prices began to move lower, concerns increased over the companies who were issuing these energy bonds ability to service the debt. The result has been a significant increase in the spread of HY energy sector bonds, increasing from a spread of 400 in June to 1000 today. While it's just one sector pushing the index wider, we had a similar situation in 2007 when the housing sector pushed the index wider.
- How about in emerging markets? Is lower oil good or bad?





Source: Barclays, JP Morgan, Bloomberg, Wurts

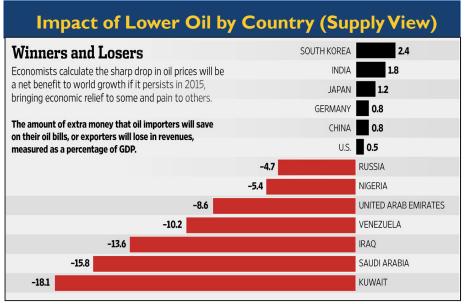


Sources: Barclays, Bloomberg, Wurts

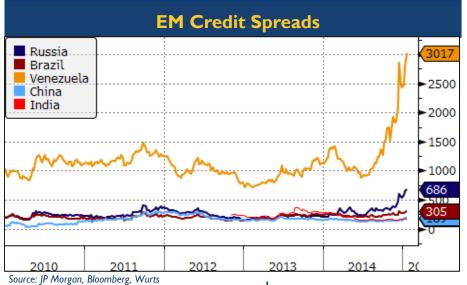
# EMERGING MARKETS

- Lower oil impacts each country differently; some positively, some negatively. Generally speaking, it positively impacts developed countries and negatively impacts some EM countries (with a supply side bias). Within EM, the impact of lower oil by countries varies as well with China and India as net beneficiaries, Russia and Venezuela negatively impacted, and others such as Brazil and Mexico somewhat neutral.
- For Venezuela and Russia, the negative impact of lower oil is a function of the severity and pace of the decline. For Venezuela, the estimated breakeven (minimum price of oil before the country experiences financial trouble) is conservatively \$100. With oil trading near \$50, it's no surprise the market has priced in a 93% chance of Venezuela defaulting on its debt.
- How about Russia? While the credit spreads have not widened as much as Venezuela, concerns over the impacts to both the Russian economy and geopolitical events have been increasing. At what point does Russia cross the Rubicon?





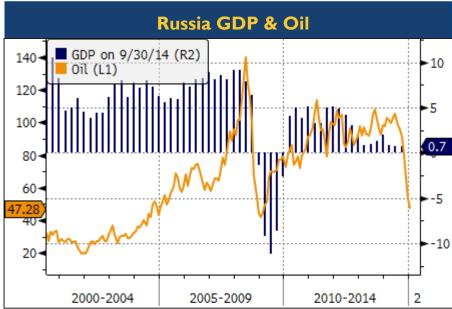
Source: WSJ, EIA, IMF



# RETURN OF THE RUSSIAN BEAR

- It comes as no surprise that the Russian economy is tied to oil and similarly it's not surprising to see the Russian government forecast a recession in coming quarters given the extent of the oil decline. A recession is always a concern, but it's not the real issue.
- More importantly is the movement of the Russian Ruble and the impact on FX reserves. The Ruble has been depreciating versus the dollar since 2011, but the pace of the decline has accelerated with the decline in oil prices.
- In late December, Russia announced the Ruble crisis was over (wouldn't it be nice if we could just call an end to our own crisis?). Since then, the Ruble has improved/stabilized. How did they do it?
- Like many problems facing countries today, they "fixed it" by throwing money at it, or stated differently they used their FX reserves to buy the currency. Since June 2014, Russian FX reserves are down 36%. Why is this such a concern? In 1998, when Russian FX reserves reached 0, they defaulted on their bonds. Further, a weak Russian economy/markets has broader geopolitical considerations.





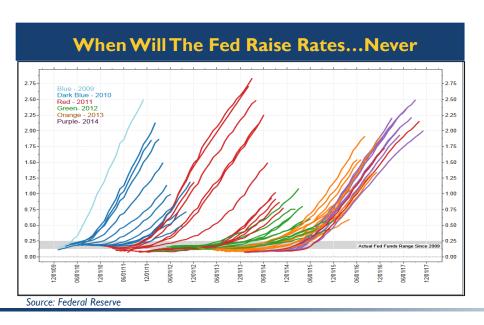
Source: Federal Service of State Statistics, Bloomberg, Wurts

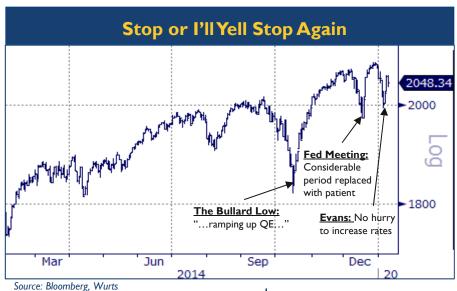


Source: Hedgeye

# INTEREST RATES... PACK A LUNCH

- Do lower oil prices impact when the Fed will raise rates? No, the Fed has no desire to raise rates with or without oil concerns. Consider:
  - In 2010 QE1 ended and the overwhelming consensus believed a rate hike was coming in 2011. Instead, we got QE2.
  - In 2011, QE2 ended and the consensus believed a rate hike was coming in early 2012. Instead, we got Operation Twist.
  - In 2012, Operation Twist ended and the consensus believed a rate hike was coming in the spring of 2013. Instead, we got QE3.
  - In 2013, overwhelming consensus believed a breech below the Fed's 6.5% unemployment "threshold" would trigger a rate hike. The threshold was breeched in April 2014 and the Fed changed the goal posts (shifted its focus to inflation).
- Higher or lower oil does not change when the Fed will raise rates any more than the unemployment rate breeching the Fed threshold does.
- Fed policy has shifted from its dual mandate (full employment and price stability) to a single focus on equity prices.
- For those waiting for the Fed to hike rates to prove their call on rates going higher you might want to pack a lunch, you could be waiting a while.





# NEVER TRUST A SKINNY CHEF

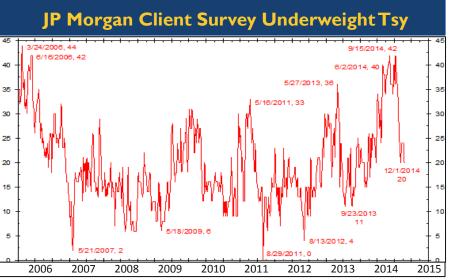
- Rarely are there more expensive words to utter than: "The markets have it wrong." But economists have been telling us the interest rates markets have it wrong for literally decades.
- The problem with listening to economists is their opinions cost them nothing when they get it wrong, allowing them to maintain their position without feeling the pain of actual trading losses. In other words, they don't have to eat their own cooking. Never trust an economist with no skin in the game (a twist on what Grandma says, "never trust a skinny chef!").
- Investors, on the other hand, have had the rather unpleasant experience of listening to economists and being short rates as they've moved steadily lower.
- 2014 was hallmarked with a nearly unanimous opinion (present company excluded) that rates were going to rise. Problem is, the rate rise already occurred (in 2013). As rates moved lower, the shorts were squeezed and were forced to begin covering.



Sources: Bloomberg, Wurts, Hedgeye

**Economist Rate Forecasts** Actual 10y rate and forecasts for the 10y rate from the Fed's quarterly Survey of Professional Forecasters % 5.5 5.5 5.0 5.0 4.5 4.5 4.0 3.5 3.5 3.0 3.0 2.5 2.5 Average 12-month forecast error 2.0 over the past decade: 60bps too high 2.0 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

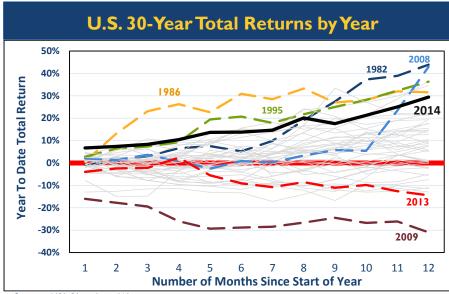
Sources: Deutsche Bank, FRB, FRBPHIL



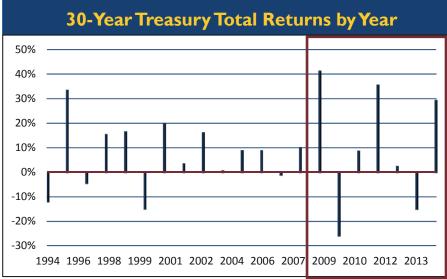
# BAD NEWS BEARS

- The year 2014 was the sixth best year ever for 30-year bonds, posting an impressive 29% total return. For comparison purposes, 10-year Treasuries total return was nearly 11%, and 5-year Treasuries was 3%.
- Of course, we have to remember 2013 was the 2<sup>nd</sup> worst year ever, returning -15%; only 2009 was worse. Notice anything interesting about the total returns? They tend to be mean reverting between 2 years (2008/2009, 2013/2014). Additionally, most of the really wide swings in total return have occurred over the past few years. Why?
- As rates have moved lower, the duration moved higher (remember duration is calculated as a weighted average cash flow). In 1994, the 30-year Treasury duration was 11 compared to nearly 21 today. What does that mean? For a 1% change in rates, the price of the bond would change 11% in 1994, and 21% today. Thereby, similar changes in interest rates today have a much greater impact in total return than they have in the past. Investors have incorrectly focused on coupon, when they should be looking at total return.





Sources: MPI, Bloomberg, Wurts

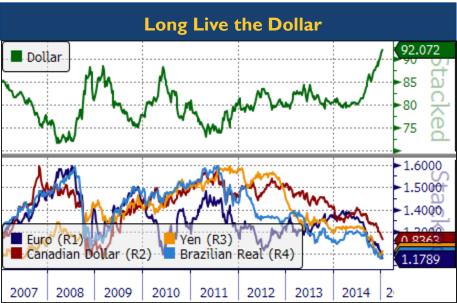


Sources: Bloomberg, Wurts

# THE DOLLAR TREE: GROWING TO THE SKY?

- The U.S. Dollar went on quite a run in 2014, moving up from 80 to 90. The impact of the stronger dollar has certainly been felt in EM as the currency continues to weaken. While a weaker currency hurt the total return of the financial markets relative to dollar-based markets, the weaker currency will help those countries exports and eventually GDP.
- The question is, how much further can the dollar go? Supporting the case for the stronger dollar is the interest rate differential (U.S. rates are higher than other developed countries), relative economic strength (the U.S. economy has recently been outperforming), and the status as a reserve currency.
- Supporting the case for the dollar weakening would be mean reversion, as positioning has become too one-sided (bullish the dollar), or US interest rate differences remaining worse than expected (see prior pages). While the dollar may be at a new high, gold seems to have found a short-term bottom.





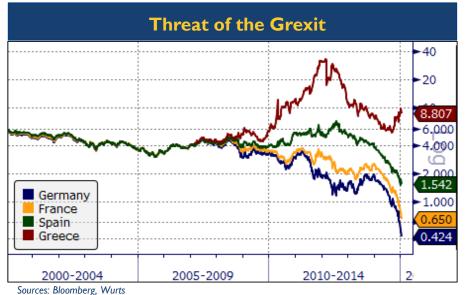
Source: Bloomberg, Wurts

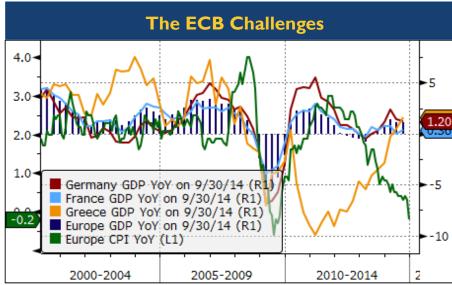


Source: Bloomberg, Wurts

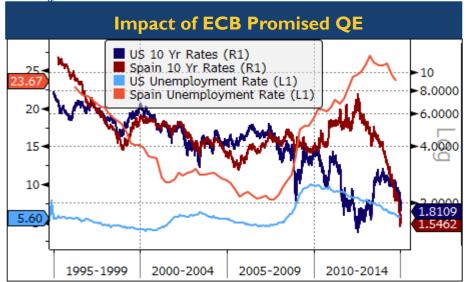
# WELL, THAT MAKES SENSE...

- Europe is facing two simultaneous challenges:
  - The threat of a Greek exit from the Euro (popularly called the Grexit)
  - The threat of deflation
- Just when you thought things were getting better (Greek GDP has been improving over the past few years), the populist Syriza party in Greece has called for a snap election on the platform of drastic debt cuts and an end to austerity. These threats (if Syriza wins) have led many to believe they will seek to leave the Eurozone. While there will be some financial repercussions, the real threat to the larger Eurozone is the message it sends.
- The second factor the ECB must contend with is deflation. While inflation has moved steadily lower, the ECB has done a magnificent job of talking. The ECB has promised to do "whatever it takes" and promises to buy debt has resulted in a dramatic move lower in yields.
- Question, should Spanish bonds yields be lower than in the U.S.?





Sources: German Federal Statistics Office, INSEE, National Statistical Service of Greece, Eurostat, Bloomberg, Wurts

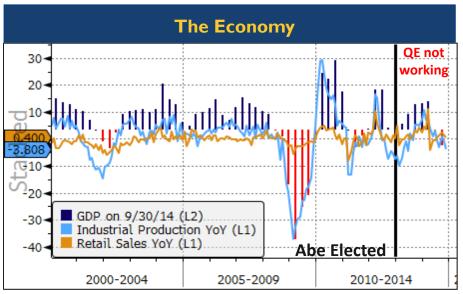


Sources: Bloomberg, BLS, INE, Wurts

# JAPAN: SUCCESS DEPENDS UPON OBJECTIVE

- Does QE work? Depends upon how you define success.
  - If success depends upon generating economic growth, no, QE has not been successful
  - If success depends upon pushing equity prices higher and bonds yields lower, yes, QE has been very successful.
- The idea behind QE pushing stock prices higher is to create a wealth effect where the consumer feels wealthier and more likely to increase consumption, which will lead to both higher growth and inflation. The problem is, the average consumers are not the ones making money in the stock market. The story is no different in Japan as it is in the U.S. Without generating real economic growth, the success of QE (pushing stocks higher) is limited as valuation (earnings growth) won't be able to support the higher prices.





Sources: Economic & Social Research Institute Japan, Ministry of Economy Trade & Industry Japan, Bloomberg, Wurts



# CONCLUSIONS

- Oil prices have done what nobody expected and declined 60% since June 2014. Is the decline due to excess supply or slowing demand?
  The answer to the question is critical for the outlook of the economy and financial markets in 2015.
- The supply side argument highlights that total global oil supply has increased from 84 to 96 mbpd (mostly due to shale oil). The result of the increased supply is lower oil prices, which will have a positive impact on both the economy (via lower gas prices) and corporate earnings (via lower input costs).
- The demand side argument contends that back in June (when oil was at \$107), total oil supply was 92 mbpd and everyone knew about the increase in shale oil production. Oil prices are moving lower not due to a supply shock, but due to decreasing demand with potential negative implications for growth and capital markets.
- With the shale oil boom, the energy sector has become an important component of US growth (primarily through jobs/wages and capex). An oil price decline lasting longer than a few quarters will likely result in lower payrolls and capex spending in the energy sector.
- Even if GDP is lowered due to oil, won't the Fed just restart QE and equities move higher? The U.S. equity market has been more closely tied to the Fed balance sheet and earnings than GDP. With Q4 2014 and Q1 2015 earnings expectations negatively impacted by lower oil, will QE still be effective? If QE pushes prices higher without earnings growth, the P/E ratio is forced to expand. However, it's not the absolute level of P/E that is important, but the trend (how likely P/E is to continue to expand or contract). While expanding since 2011, the trend in P/E growth has slowed considerably warning of a potential change in trend. Similarly, HY spreads have been warning of a potential change in trend as spreads have been moving wider despite equities moving to a new high.
- For literally decades, economist have warned of higher rates, despite rates move steadily lower. "The markets have it wrong" has been a popular phase, but perhaps lower rates, lower oil, lower inflation, wider HY spreads, and weaker 2015 forecasted GDP growth is telling us something less about interest rates being wrong and more about equities.
- Finally, the picture outside the US is mixed with growth and inflation looking fairly meek while promises of further stimulus from the BOJ and ECB have the equity markets encouraged and interest rates at record lows. Will the central banks be able to deliver on their promises?

# RECENT WURTS RESEARCH

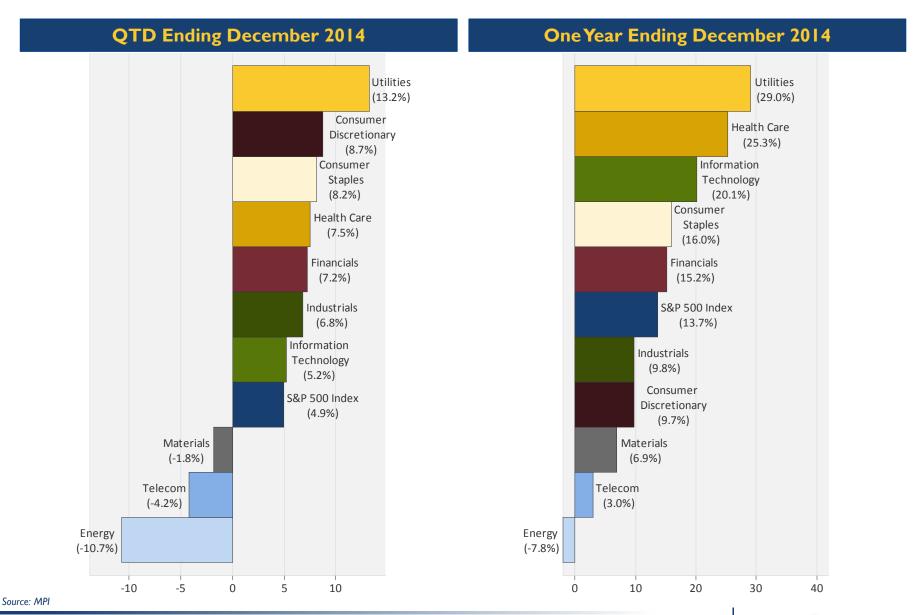
# RECENT WURTS RESEARCH

Wurts published three research topics in the fourth quarter: (can be found at <a href="www.wurts.com/knowledge/">www.wurts.com/knowledge/</a>)

- 1. Topics of Interest: Reshaping the Multiemployer Health & Welfare Investment Landscape
  - This Topic of Interest provided an overview of some of the implications of rising healthcare costs for the investment approaches of multiemployer health & welfare plans
  - A particular focus on the asset allocation implications in different scenarios
- 2. Topics of Interest: Something Fishy in Private Equity
  - The way in which investors should approach the task of hiring private equity managers is different from the way they should approach hiring public markets managers
  - These differences are driven by the nature of the managers themselves and the market in which they operate
- 3. Active Manager Research: 2015 Active Management Environment
  - Understanding the role that active investment management can and should play in the portfolio construction process requires understanding where active management can potentially add value
  - New analytical tools give us new and different insights into active management

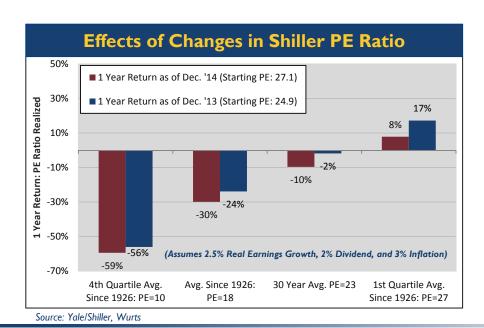
# APPENDIX

# S&P 500 AND S&P 500 SECTOR RETURNS



# US LARGE CAP EQUITIES

- U.S. equity markets were mixed during December, as the S&P 500 Index and DJ Industrial Average returned -0.3% and 0.1%, respectively. The relatively flat returns had minimal effect on what has been a strong year for domestic equity markets, with the S&P 500 returning 13.7% over the trailing 12 months.
- Market gains have been supported by steady economic expansion. Third quarter GDP was revised upwards to 5%, representing the largest growth figure since 2003. An increase in corporate earnings and revenue has also reinforced stock prices.
- The Shiller P/E ratio has steadily increased over the trailing year.
   Roughly 1.5x its historical average, the metric implies that equity markets remain overvalued.



# 30.0 25.0 25.0 27.1 24.9 25.6 23.4 20.0 20.0



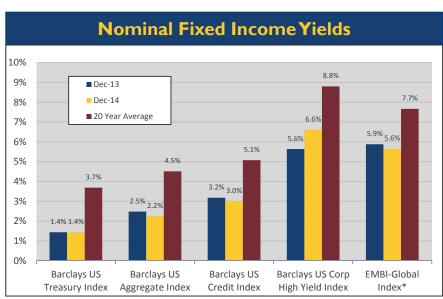
Source: Yale/Shiller, Wurts

#### S&P 500 Valuation Snapshot (Dec. '14) 20 18.7 18 15.3 16 14 12 10 8.6 7.3 8 6 4 1.9 2.0 2 0 Trailing Forward Current **Implied Trailing** Implied 1 Yr P/E 1 Yr P/E Div. Yld (%) Div. Yld (%) Earnings + Div. Earnings + Div. Yld(%) Yld (%)

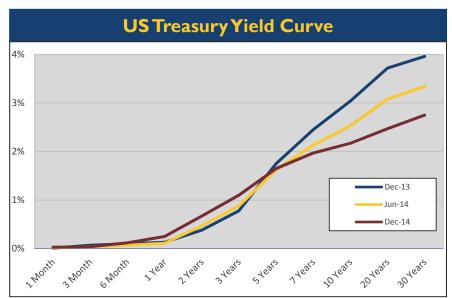
Source: S&P, Wurts

# FIXED INCOME

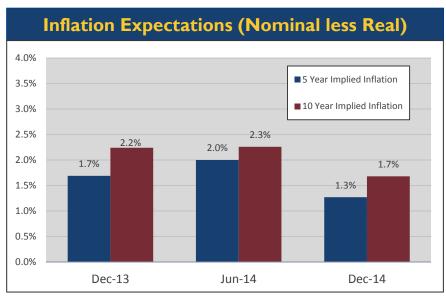
- The U.S. Treasury Yield curve flattened moderately during December, continuing a strong rally for U.S. Government debt on the year. Yields at the long end of the curve have dropped significantly YTD, with 10- and 30-year rates ending the year 87 bps and 121 bps lower than levels one year ago.
- Nominal yields across sectors remain generally level year-overyear, with the Corporate High Yield sector being the only outlier. Recent underperformance within this sector has driven annualized yields from 5.8% to 6.6% in the fourth quarter alone.
- Inflation expectations have trended downward over the second half of 2014, aiding the rally for long-dated treasuries. At 1.3%, 5year inflation expectations are at their lowest level in over four years. Declining oil prices, a strong US dollar, and weakened global growth are all partially responsible for holding inflation down.



Source: Ibbotson, JP Morgan



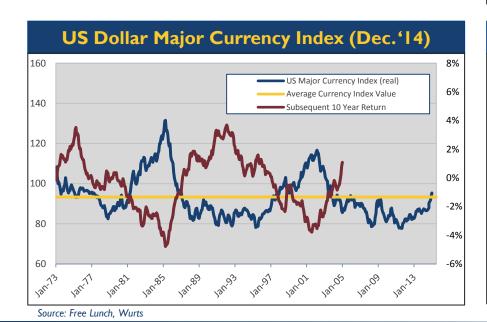
Source: Federal Reserve



Source: Federal Reserve

# GLOBAL MARKETS

- Economic and political uncertainties in the Eurozone hurt international markets during December. The MSCI EAFE Index returned -3.4% over the month, dragging YTD returns to -4.5%. All major international markets significantly lagged their domestic counterparts during the calendar year.
- Fears that Greece may soon exit the EU and concerns that the entire Eurozone region might dip into deflation have driven demand for safer assets. As a result, sovereign yields have continued to rally, with 10-year rates in Germany, France, Italy and the UK falling 100-200 bps year-over-year.
- The dollar has steadily gained value during the second half of 2014. By yearend, it had surpassed its historical average level against a basket of major currencies.



# 7% 6% 5.6% 4% 2.2% 1.8% 1.8% 1.9% 0.8%

France

Italy

BC US

Credit

BC Global

Credit

Global

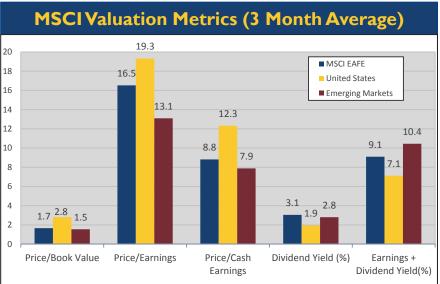
Source: Bloomberg, IP Morgan

Germany

United

States

Canada



Source: MSCI

# STYLE TILTS: US LARGE VALUE VS. GROWTH

- After five months of relative underperformance, value stocks slightly outpaced growth stocks in December, returning 0.6% vs. -1.0% during the period. The outperformance was enough to swing YTD returns in favor of value stocks, which finished the year 40 bps ahead of growth stocks.
- The relative P/E ratio between growth and value stocks is directly in line with its historical average, suggesting the asset styles are fairly valued against one another.
- Although value stocks have enjoyed better performance over short term 1- and 3-year periods, growth stocks hold an advantage over both 5- and 10-year periods. Sharpe ratios are mixed over all trailing time periods.

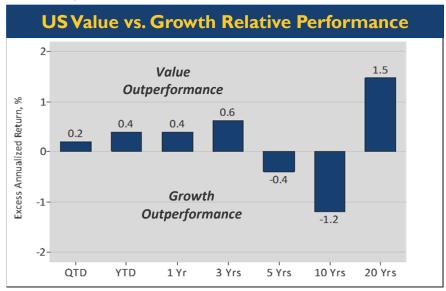
# **US Value vs. Growth Absolute Performance**

	Russell 1000 Growth Annualized Return to Date %	Russell 1000 Value Annualized Return to Date %
QTD	4.8	5.0
YTD	13.0	13.5
1 Year	13.0	13.5
3 Years	20.3	20.9
5 Years	15.8	15.4
7 Years	8.4	6.4
10 Years	8.5	7.3
20 Years	9	10.5
	Sharpe Ratio	Sharpe Ratio
3 Years	2.07	2.23
5 Years	1.17	1.14
7 Years	0.47	0.34
10 Years	0.46	0.37
20 Years	0.36	0.51

Source: MPI



Source: Russell, Wurts & Associates



Source: MPI

# STYLE TILTS: US LARGE VS. SMALL

- Small cap equities made healthy gains in December, returning 2.9% as the Russell 2000 Index recorded new record highs during the month. The recent outperformance was not enough to beat large cap equities YTD, which returned 13.2% vs. 4.9% for small cap equities.
- Small cap stocks remain challenged from a valuation standpoint.
   The relative P/E ratio of small vs. large cap equities has remained 20% above its historical average over the quarter, suggesting small cap stocks may be overvalued.
- Large cap equities have outperformed their small cap counterparts over all trailing time periods. Higher Sharpe ratios over these same periods imply large cap equities have provided better risk-adjusted returns as well.

#### **US Large vs. Small Absolute Performance** Russell 1000 Index Russell 2000 Index Annualized Return to Date % Annualized Return to Date % QTD 4.9 9.7 4.9 YTD 13.2 13.2 1 Year 4.9 3 Years 20.6 19.2 5 Years 15.6 15.5 7.5 8.2 7 Years 10 Years 7.8 20 Years 10 9.6 Sharpe Ratio **Sharpe Ratio** 2.22 1.44 3 Years 5 Years 1.17 0.86 7 Years 0.41 0.35

0.31

0.34

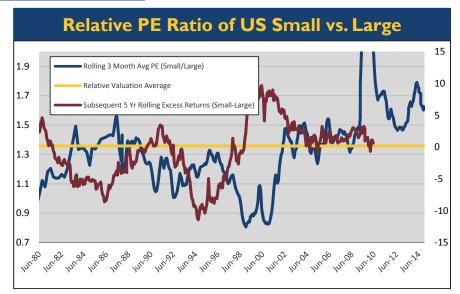
0.43

0.47

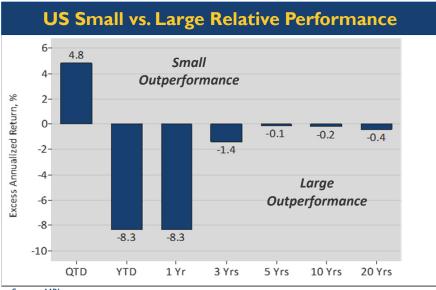
10 Years

20 Years

Source: MPI



Source: Russell, Wurts & Associates



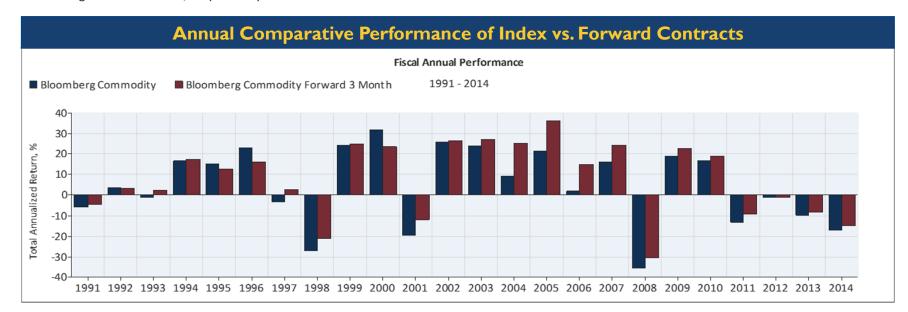
Source: MPI

# COMMODITIES

- Commodities suffered their largest calendar year loss since 2008, with the Bloomberg Commodity Index returning -17% over the trailing twelve months. Much of the underperformance came in the last quarter, as a massive decline in oil prices crippled index returns.
- Declining nearly 50% from their 2014 peak levels, crude oil prices dropped below \$55 per barrel at December end. Despite some downside to lower oil prices, specifically for Energy sector companies, the overall impact has been beneficial. Lower gas prices have increased disposable incomes for consumers, which in turn supports continued economic growth.
- Although oil prices drove overall returns negative, Agriculture and Grains sub-sectors made positive gains during the quarter, returning 5.6% and 16.7%, respectively.

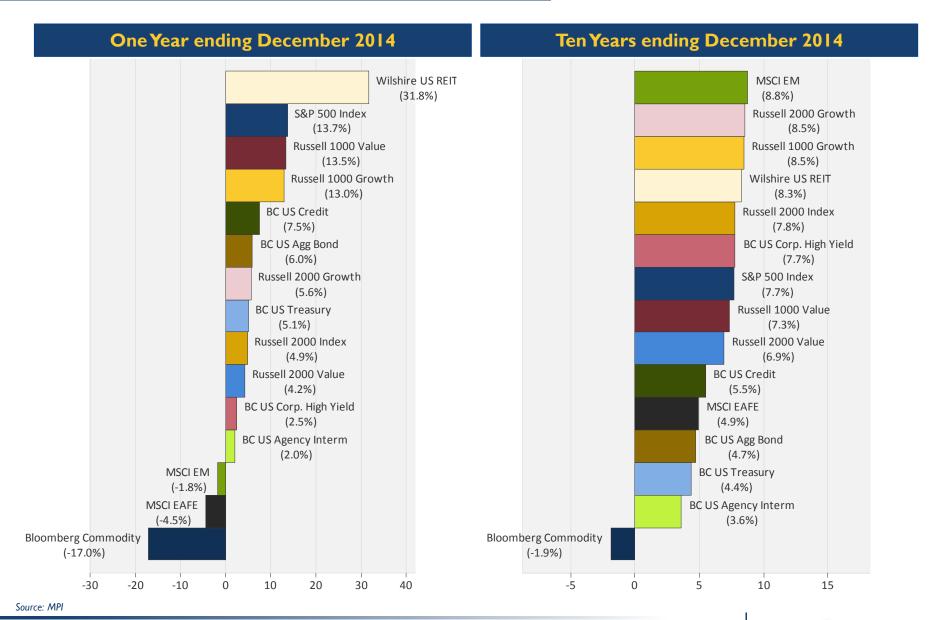
Index and Sector Performance											
	QTD	YTD	1 Year	3 Years	5 Years	10 Years					
Bloomberg Commodity	(12.1)	(17.0)	(17.0)	(9.4)	(5.5)	(1.9)					
Bloomberg Agriculture	5.6	(9.2)	(9.2)	(6.8)	(8.0)	1.7					
Bloomberg Energy	(36.6)	(39.3)	(39.3)	(16.7)	(15.3)	(14.1)					
Bloomberg Grains	16.7	(9.4)	(9.4)	(3.8)	(0.1)	2.0					
Bloomberg Industrial Metals	(6.2)	(6.9)	(6.9)	(6.8)	(6.5)	3.3					
Bloomberg Livestock	(5.3)	11.6	11.6	1.2	2.1	(5.6)					
Bloomberg Petroleum	(38.5)	(43.3)	(43.3)	(15.7)	(8.4)	(5.3)					
Bloomberg Precious Metals	(3.9)	(6.7)	(6.7)	(11.8)	0.5	9.4					
Bloomberg Softs	(12.0)	(10.1)	(10.1)	(16.6)	(4.4)	(2.6)					

Source: MPI



Source: MPI

# MAJOR ASSET CLASS RETURNS



# PERIODIC TABLE OF RETURNS - DECEMBER 2014

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
200	74.8	16.6	38.4	23.2	35.2	38.7	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5
	32.9	8.1	37.8	23.1	32.9	27.0	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2
	26.3	6.4	37.2	22.4	31.8	20.3	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0
	23.8	4.4	31.0	21.6	30.5	16.2	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8
	18.9	2.6	28.5	21.4	22.4	15.6	26.5	7.0	2.8	1.0	39.2	16.5	8.0	18.4	11.6	-25.5	28.4	16.8	1.2	16.4	33.1	6.6
	18.1	0.4	25.7	16.5	19.1	13.8	24.3	6.0	2.5	-6.0	30.0	14.5	7.5	16.6	10.3	-28.9	27.2	16.7	0.4	16.3	32.5	6.0
	13.4	-0.2	24.4	15.5	16.2	8.7	21.3	4.1	-2.4	-8.9	29.9	14.3	7.1	15.5	8.7	-33.8	20.6	16.1	0.1	15.3	23.3	5.6
	13.2	-1.5	18.5	14.4	13.9	4.9	20.9	0.4	-4.3	-11.4	29.7	11.9	6.3	14.0	7.0	-35.6	19.7	15.5	-2.9	14.6	14.4	4.9
	10.2	-1.8	15.2	11.3	12.9	1.2	16.8	-3.0	-5.6	-15.5	23.9	11.4	5.3	13.3	7.0	-36.8	18.9	13.1	-4.2	12.6	11.0	4.2
	9.7	-2.0	11.6	10.3	9.7	-2.5	11.4	-7.8	-9.2	-15.7	22.9	9.1	4.7	10.4	5.8	-37.6	18.4	13.0	-5.5	10.5	9.0	3.4
	3.1	-2.4	11.1	6.4	5.2	-5.1	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0
	2.9	-2.9	7.5	6.0	2.1	-6.5	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8
0 30	1.4	-3.5	5.7	5.1	-3.4	-25.3	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5
•	-1.1	-7.3	-5.2	3.6	-11.6	-27.0	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0

■ Large Cap Equity

■ Large Cap Value

■ Large Cap Growth

■ Small Cap Equity

■ Small Cap Value

■ Small Cap Growth

■ International Equity

■ Emerging Markets Equity

US Bonds

Cash

Commodities

☐ Real Estate

■ Hedge Funds of Funds

■ Universe Median Total Funds

Source: Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF) and BNY Mellon Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Growth, MSCI EAFE, MSCI EM, BC Agg, T-Bill 90 Day, Bloomberg Comm Index, NCREIF Property, HFRI FOF, BNY Universe Median Total Funds.

# DETAILED INDEX RETURNS

Domestic Equity 12/2014	Month	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Core Index							
S&P 500	(0.3)	4.9	13.7	13.7	20.4	15.5	7.7
S&P 500 Equal Weighted	0.3	6.1	14.5	14.5	22.4	17.4	9.6
DJ Industrial Average	0.1	5.2	10.0	10.0	16.3	14.2	7.9
Russell Top 200	(0.4)	4.4	13.2	13.2	20.3	15.0	7.3
Russell 1000	(0.2)	4.9	13.2	13.2	20.6	15.6	8.0
Russell 2000	2.9	9.7	4.9	4.9	19.2	15.5	7.8
Russell 3000	0.0	5.2	12.6	12.6	20.5	15.6	7.9
Russell Mid Cap	0.2	5.9	13.2	13.2	21.4	17.2	9.6
Style Index							
Russell 1000 Growth	(1.0)	4.8	13.0	13.0	20.3	15.8	8.5
Russell 1000 Value	0.6	5.0	13.5	13.5	20.9	15.4	7.3
Russell 2000 Growth	3.0	10.1	5.6	5.6	20.1	16.8	8.5
Russell 2000 Value	2.7	9.4	4.2	4.2	18.3	14.3	6.9

Fixed Income 12/2014	Month	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Broad Index							
BC US Treasury US TIPS	(1.1)	0.0	3.6	3.6	0.4	4.1	4.4
BC US Treasury Bills	0.0	0.0	0.1	0.1	0.1	0.1	1.6
BC US Agg Bond	0.1	1.8	6.0	6.0	2.7	4.4	4.7
<u>Duration</u>							
BC US Treasury 1-3 Yr	(0.2)	0.2	0.6	0.6	0.5	1.1	2.5
BC US Treasury Long	2.9	8.6	25.1	25.1	4.2	10.0	7.5
BC US Treasury	0.1	1.9	5.1	5.1	1.4	3.9	4.4
<u>Issuer</u>							
BC US MBS	0.2	1.8	6.1	6.1	2.4	3.7	4.7
BC US Corp. High Yield	(1.4)	(1.0)	2.5	2.5	8.4	9.0	7.7
BC US Agency Interm	(0.2)	0.7	2.0	2.0	1.1	2.2	3.6
BC US Credit	0.0	1.8	7.5	7.5	4.8	6.3	5.5

International Equity 12/2014	Month	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Broad Index							
MSCI EAFE	(3.4)	(3.5)	(4.5)	(4.5)	11.6	5.8	4.9
MSCI AC World ex US	(3.6)	(3.8)	(3.4)	(3.4)	9.5	4.9	5.6
MSCI EM	(4.6)	(4.4)	(1.8)	(1.8)	4.4	2.1	8.8
MSCI EAFE Small Cap	(0.5)	(2.2)	(4.6)	(4.6)	14.2	9.0	6.4
Style Index							
MSCI EAFE Growth	(3.5)	(2.3)	(4.1)	(4.1)	11.4	6.6	5.3
MSCI EAFE Value	(3.4)	(4.8)	(4.9)	(4.9)	11.7	5.0	4.5
Regional Index							
MSCI UK	(2.7)	(4.2)	(5.4)	(5.4)	9.6	6.9	4.6
MSCI Japan	(1.4)	(2.4)	(3.7)	(3.7)	9.9	5.7	2.4
MSCI Euro	(5.5)	(5.0)	(7.6)	(7.6)	13.7	3.3	4.3
MSCI EM Asia	(1.8)	(0.2)	5.3	5.3	9.3	5.2	9.8
MSCI EM Latin American	(9.1)	(13.4)	(12.0)	(12.0)	(6.0)	(5.0)	9.6

Other 12/2014	Month	QTD	YTD	1 Year	3 Years	5 Years	10 Years
<u>Index</u>							
Bloomberg Comm. Index	(7.6)	(12.1)	(17.0)	(17.0)	(9.4)	(5.5)	(1.9)
Wilshire US REIT	1.9	15.1	31.8	31.8	16.4	17.3	8.3
<u>Regional Index</u>							
JPM EMBI Global Div	(2.3)	(0.6)	7.4	7.4	6.1	7.6	7.8
JPM GBI-EM Global Div	(5.9)	(5.7)	(5.7)	(5.7)	0.1	2.6	6.7
-							

Source: Morningstar, Inc.

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# **Tulare County Employees' Retirement Association**

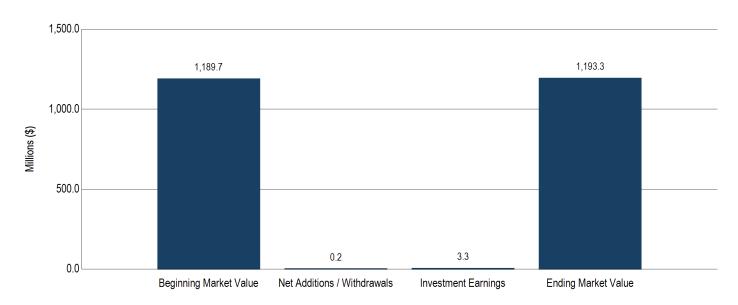
**Investment Performance Review** 

Period Ending: December 31, 2014



Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date
Beginning Market Value	\$1,189,697,485	\$1,215,119,014
Net Additions/Withdrawals	\$233,330	-\$4,538,956
Investment Earnings	\$3,321,410	-\$17,327,834
Ending Market Value	\$1,193,252,225	\$1,193,252,225

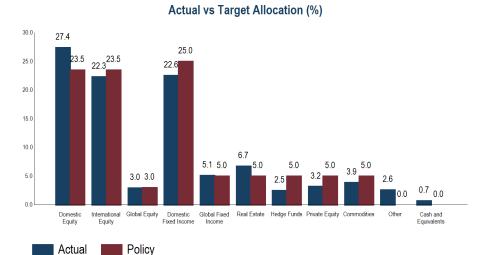
## Change in Market Value Last Three Months



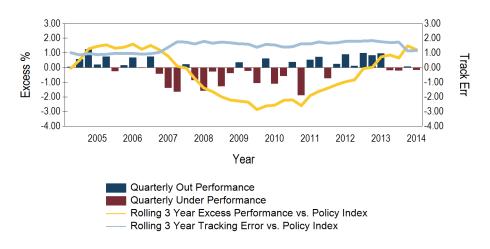
Due to prior performance system methodology, contributions and withdrawals may include intra-account transfers between managers/funds.

3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs

					10 =			
Total Fund	0.4	4.1	-1.3	4.1	10.7	8.7	5.8	5.7
Total Fund x Clifton	0.4	4.0	-1.3	4.0	10.6			
Policy Index	0.6	4.6	-1.2	4.6	9.5	8.8	6.3	5.6
InvestorForce Public DB Gross + Rank	90	89	93	89	59	68	81	43
Total Domestic Equity	5.6	12.4	5.7	12.4	21.3	16.0	8.5	6.9
Russell 3000	5.2	12.6	5.3	12.6	20.5	15.6	7.9	4.8
eA US Large Cap Core Equity Gross Rank	39	60	51	60	32	36	59	35
Total International Equity	-3.7	-4.8	-9.2	-4.8	9.3	3.8	3.9	2.7
MSCI ACWI ex USA Gross	-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	3.7
өА All EAFE Equity Gross Rank	71	67	68	67	93	97	97	94
Total Global Equity								
MSCI ACWI Gross								
eA Global All Cap Equity Gross Rank								
Total Fixed Income	0.8	4.6	0.5	4.6	4.0	5.9	5.4	6.1
Barclays Aggregate	1.8	6.0	2.0	6.0	2.7	4.4	4.7	5.7
eA US Interm Duration Fixed Inc Gross Rank	59	13	88	13	13	3	8	6
Total Real Estate	2.2	12.0	6.1	12.0	10.4	9.4	6.6	8.2
NCREIF Property Index	3.0	11.8	5.7	11.8	11.1	12.1	8.4	8.9
NCREIF-ODCE	3.3	12.5	6.6	12.5	12.4	13.9	7.1	7.9
Total Alternatives	-4.4	-3.7	-8.4	-3.7	1.6	2.5		
CPI + 5%	-0.1	5.8	1.0	5.8	6.4	6.8		
Total Opportunistic	2.2	18.1	5.8	18.1	27.6			
Assumption Rate	1.9	7.9	3.9	7.9	7.9			



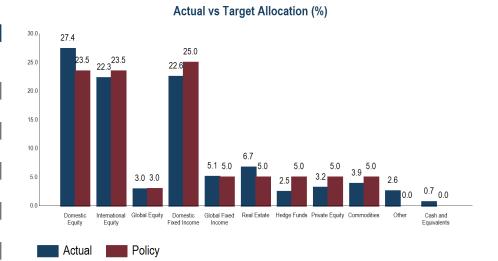
## Annualized Excess Performance and Tracking Error Total Fund vs. Policy Index



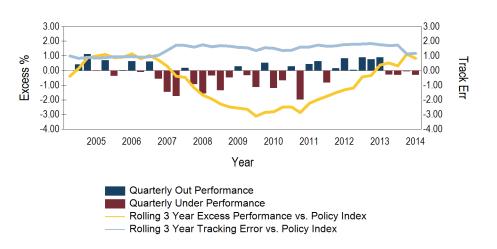
New Policy Index as of 11/1/2014: 23.5% Russell 3000, 23.5% MSCI ACWI ex US, 25% BC Agg., 3% MSCI ACWI, 5% BC US TIPS, 5% NCREIF Property, 5% Bloomberg Comm., 5% CPI +500 bps, 5% Russell 3000 +300 bps. All return periods greater than 1-year are rolling annualized returns.

	3 Mo	YTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
Total Fund	0.3	3.6	-1.5	3.6	10.4	8.3	5.5	5.3
Total Fund x Clifton	0.3	3.6	-1.5	3.6	10.2			
Policy Index	0.6	4.6	-1.2	4.6	9.5	8.8	6.3	5.6
Total Domestic Equity	5.5	12.0	5.5	12.0	20.8	15.5	8.1	6.5
Russell 3000	5.2	12.6	5.3	12.6	20.5	15.6	7.9	4.8
Total International Equity	-3.8	-5.0	-9.3	-5.0	9.0	3.5	3.5	2.3
MSCI ACWI ex USA Gross	-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	3.7
Total Global Equity								
MSCI ACWI Gross								
Total Fixed Income	0.7	4.3	0.3	4.3	3.6	5.6	5.1	5.9
Barclays Aggregate	1.8	6.0	2.0	6.0	2.7	4.4	4.7	5.7
Total Real Estate	2.2	11.6	5.7	11.6	10.3	9.2	5.8	7.2
NCREIF Property Index	3.0	11.8	5.7	11.8	11.1	12.1	8.4	8.9
NCREIF-ODCE	3.3	12.5	6.6	12.5	12.4	13.9	7.1	7.9
Total Alternatives	-4.8	-4.6	-9.0	-4.6	1.1	2.1		
CPI + 5%	-0.1	5.8	1.0	5.8	6.4	6.8		
Total Opportunistic	1.9	16.4	4.3	16.4	27.0			
Assumption Rate	1.9	7.9	3.9	7.9	7.9			

Fiscal

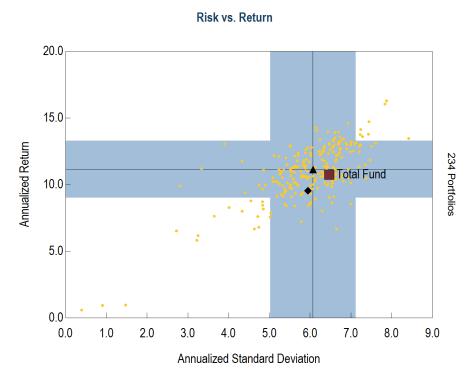


## Annualized Excess Performance and Tracking Error Total Fund vs. Policy Index



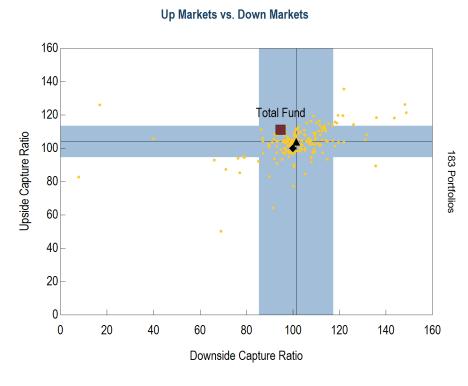
New Policy Index as of 11/1/2014: 23.5% Russell 3000, 23.5% MSCI ACWI ex US, 25% BC Agg., 3% MSCI ACWI, 5% BC US TIPS, 5% NCREIF Property, 5% Bloomberg Comm., 5% CPI +500 bps, 5% Russell 3000 +300 bps. All return periods greater than 1-year are rolling annualized returns.

	Anlzd Ret	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Total Fund	10.75%	6.47%	0.51%	1.07	1.16%	0.97	1.65	1.04	111.05%	94.68%



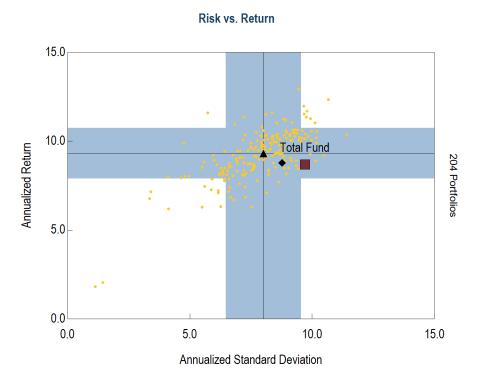


- Policy Index
- Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross +



- Total Fund
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross +

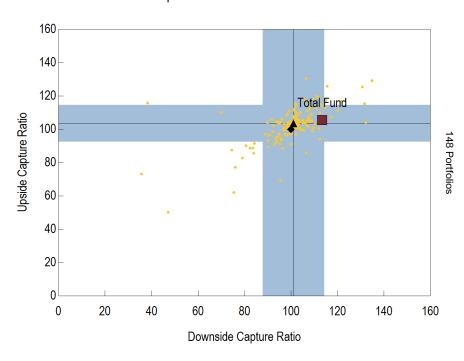
	Anlzd Ret	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Total Fund	8.69%	9.70%	-0.94%	1.10	1.58%	0.98	0.89	-0.06	105.64%	113.44%





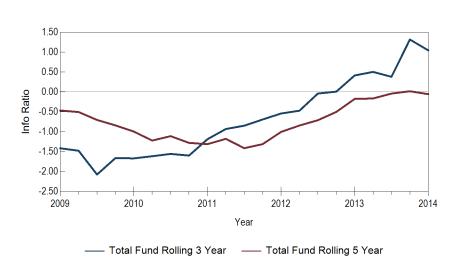
- Policy Index
- Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross +

## Up Markets vs. Down Markets

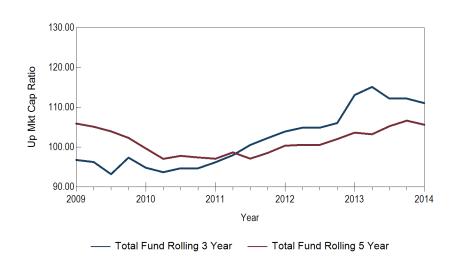


- Total Fund
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross +

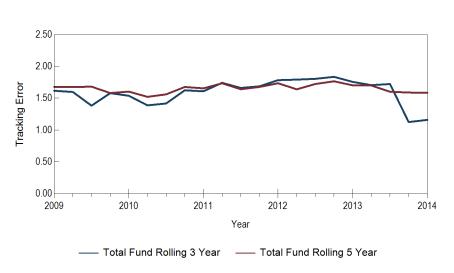
### **Rolling Information Ratio**



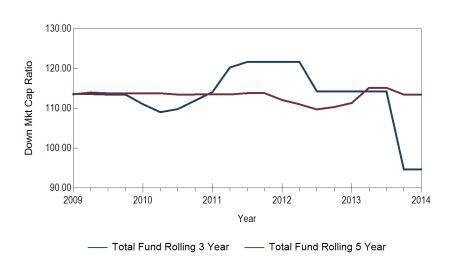
### Rolling Up Market Capture Ratio (%)



## **Rolling Tracking Error**



#### Rolling Down Market Capture Ratio (%)



	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Fund	1,193,252,225	100.0	0.4	4.1	-1.3	4.1	10.7	8.7	5.8	4.1	15.8	12.8	-0.8	12.6
Policy Index			0.6	4.6	-1.2	4.6	9.5	8.8	6.3	4.6	12.6	11.6	1.0	14.7
InvestorForce Public DB Gross + Rank			90	89	93	89	59	68	81	89	49	43	86	57
Total Fund x Clifton	1,188,053,047	99.6	0.4	4.0	-1.3	4.0	10.6			4.0	15.8	12.4	-1.0	
Total Domestic Equity	327,525,136	27.4	5.6	12.4	5.7	12.4	21.3	16.0	8.5	12.4	35.9	16.8	0.8	17.0
Russell 3000			5.2	12.6	5.3	12.6	20.5	15.6	7.9	12.6	33.6	16.4	1.0	16.9
eA US Large Cap Core Equity Gross Rank			39	60	51	60	32	36	59	60	23	29	56	16
SSGA S&P 500 Flagship Fund	62,067,644	5.2	5.0	13.7	6.1	13.7	20.5			13.7	32.4	16.1		
S&P 500			4.9	13.7	6.1	13.7	20.4			13.7	32.4	16.0		
eA US Large Cap Core Equity Gross Rank			53	42	39	42	50			42	58	39		
QMA Large Cap Core	68,186,820	5.7	4.8	15.6	6.1	15.6	22.4	16.6		15.6	34.3	18.1	2.4	14.9
S&P 500			4.9	13.7	6.1	13.7	20.4	15.5		13.7	32.4	16.0	2.1	15.1
eA US Large Cap Core Equity Gross Rank			56	20	40	20	18	23		20	37	18	34	40
Waddell & Reed	66,024,396	5.5	4.6	12.8	7.0	12.8	20.5			12.8	37.3	13.0	3.6	
Russell 1000 Growth			4.8	13.0	6.3	13.0	20.3			13.0	33.5	15.3	2.6	
eA US Large Cap Growth Equity Gross Rank			60	40	36	40	50			40	25	78	17	
Robeco Boston Partners Large Cap Value	67,622,584	5.7	5.6	11.8	6.0	11.8	23.0	16.5	9.9	11.8	37.0	21.5	1.2	13.8
Russell 1000 Value			5.0	13.5	4.8	13.5	20.9	15.4	7.3	13.5	32.5	17.5	0.4	15.5
eA US Large Cap Value Equity Gross Rank			19	58	22	58	17	22	10	58	26	6	43	61
William Blair Mid Cap Growth	21,901,360	1.8	9.3	9.8	6.8	9.8	21.4	17.5		9.8	43.1	13.8	0.9	24.4
Russell 2500 Growth			7.5	7.1	3.0	7.1	20.5	17.3		7.1	40.7	16.1	-1.6	28.9
eA US Mid Cap Growth Equity Gross Rank			3	33	12	33	26	23		33	11	68	28	65
Lee Munder Small Value	20,626,363	1.7	7.9	5.1	0.5	5.1	17.4	13.8		5.1	33.1	15.7	-6.9	26.8
Russell 2000 Value			9.4	4.2	0.0	4.2	18.3	14.3		4.2	34.5	18.1	-5.5	24.5
eA US Small Cap Value Equity Gross Rank			44	60	46	60	75	86		60	85	61	79	54
SSGA Russell Small Cap Completeness Index	21,095,968	1.8	6.4	7.4	1.3	7.4				7.4		-	-	
Russell Small Cap Completeness			6.4	7.4	1.3	7.4				7.4				
eA US Small Cap Core Equity Gross Rank			82	37	56	37				37				
Total International Equity	266,547,753	22.3	-3.7	-4.8	-9.2	-4.8	9.3	3.8	3.9	-4.8	18.5	15.7	-15.5	9.3
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
eA All EAFE Equity Gross Rank			71	67	68	67	93	97	97	67	85	88	82	72
Enhanced RAFI Global Ex US	88,158,970	7.4	-4.5	-5.7	-11.0	-5.7				-5.7	24.5			
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4				-3.4	15.8			
eA All EAFE Equity Gross Rank			83	79	87	79				79	51			

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
SSGA MSCI ACWI Ex US Index Fund	88,394,137	7.4	-3.8	-3.6	-8.9	-3.6	9.3	4.6		-3.6	15.5	17.1	-13.5	11.2
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4	9.5	4.9		-3.4	15.8	17.4	-13.3	11.6
eA All EAFE Equity Gross Rank			73	49	60	49	93	92		49	90	81	64	55
Pyramis International Growth	89,994,646	7.5	-3.0	-5.3	-7.9	-5.3	10.3	5.4	5.2	-5.3	18.5	19.4	-13.0	11.5
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
eA All EAFE Equity Gross Rank			58	75	43	75	86	86	76	75	85	59	59	53
Total Global Equity	35,348,295	3.0												
MSCI ACWI Gross														
eA Global All Cap Equity Gross Rank														
KBI Water Strategy	35,348,295	3.0												
MSCI ACWI Gross														
eA Global All Cap Equity Gross Rank														
Total Fixed Income	330,284,453	27.7	0.8	4.6	0.5	4.6	4.0	5.9	5.4	4.6	-0.9	8.4	9.1	8.8
Barclays Aggregate			1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
eA US Interm Duration Fixed Inc Gross Rank			59	13	88	13	13	3	8	13	73	7	1	5
Total Domestic Fixed Income														
BlackRock Fixed Income	103,056,173	8.6	1.7	6.2	1.8	6.2	3.3	5.0	5.2	6.2	-1.5	5.5	8.1	7.2
Barclays Aggregate			1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
eA All US Fixed Inc Gross Rank			22	29	27	29	53	50	42	29	75	56	28	45
PIMCO Core Plus	102,380,953	8.6	1.6	5.2	1.4	5.2				5.2	-3.2			
Barclays Aggregate			1.8	6.0	2.0	6.0				6.0	-2.0			
eA US Core Plus Fixed Inc Gross Rank			25	74	43	74				74	99			
Shenkman High Yield	34,207,511	2.9	-0.7	2.5	-2.4	2.5	6.9			2.5	6.3	12.3	6.1	
BofA Merrill Lynch US High Yield Master II TR			-1.1	2.5	-3.0	2.5	8.4			2.5	7.4	15.6	4.4	
eA US High Yield Fixed Inc Gross Rank			44	52	47	52	84			52	81	89	27	
SSGA TIPS	29,701,663	2.5	0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	6.9	13.5	6.3
Barclays US TIPS			0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	7.0	13.6	6.3
eA TIPS / Infl Indexed Fixed Inc Gross Rank			35	44	47	44	62	65		44	77	67	51	62
Total Global Fixed Income														
Franklin Templeton Global Bond Plus	60,938,153	5.1	-1.1	2.4	-0.9	2.4				2.4	3.0	-		
JPM GBI Global Hedged Index			2.8	8.5	4.3	8.5				8.5	-0.4			
eA Global Fixed Inc Hedged Gross Rank			66	55	46	55				55	37			

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Real Estate	80,314,668	6.7	2.2	12.0	6.1	12.0	10.4	9.4	6.6	12.0	11.5	7.8	8.2	7.4
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF	15,125,908	1.3	0.0	6.7	4.0	6.7	7.8	11.6	13.8	6.7	12.3	4.5	14.2	20.9
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF America II	46,300,143	3.9	2.9	13.0	7.1	13.0	13.7	15.1	6.8	13.0	15.5	12.5	14.1	20.3
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
TA Associates Realty	18,888,616	1.6	0.0	11.7	3.0	11.7	6.3	5.9		11.7	5.2	2.2	7.3	3.5
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1		11.8	11.0	10.5	14.3	13.1
Total Alternatives	114,115,978	9.6	-4.4	-3.7	-8.4	-3.7	1.6	2.5		-3.7	3.8	5.0	2.1	5.6
CPI + 5%			-0.1	5.8	1.0	5.8	6.4	6.8		5.8	6.6	6.8	8.1	6.6
Gresham MTAP Commodity Builder	22,884,554	1.9	-12.5	-16.3	-21.7	-16.3				-16.3				
Bloomberg Commodity Index TR USD			-12.1	-17.0	-22.5	-17.0				-17.0				
Commodities Broad Basket MStar MF Rank			49	35	25	35				35				
Wellington Commodity	23,482,214	2.0	-12.4		-20.0	-								
Bloomberg Commodity Index TR USD			-12.1		-22.5									
Commodities Broad Basket MStar MF Rank			49		17									
Aetos Capital	28,899,273	2.4	1.5	5.2	1.8	5.2	8.1	5.7		5.2	11.4	7.9	-2.5	6.9
BofA ML 90 DAY T-BILLS + 400 bps			1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1
UBP Asset Management	776,088	0.1	0.5	7.5	2.4	7.5	8.2	6.1		7.5	4.7	12.6	0.6	5.5
BofA ML 90 DAY T-BILLS + 400 bps			1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Fund	1,193,252,225	100.0	0.3	3.6	-1.5	3.6	10.4	8.3	5.5	3.6	15.4	12.4	-1.2	12.3
Policy Index			0.6	4.6	-1.2	4.6	9.5	8.8	6.3	4.6	12.6	11.6	1.0	14.7
Total Fund x Clifton	1,188,053,047	99.6	0.3	3.6	-1.5	3.6	10.2			3.6	15.5	12.0	-1.3	
Total Domestic Equity	327,525,136	27.4	5.5	12.0	5.5	12.0	20.8	15.5	8.1	12.0	35.3	16.2	0.3	16.5
Russell 3000			5.2	12.6	5.3	12.6	20.5	15.6	7.9	12.6	33.6	16.4	1.0	16.9
SSGA S&P 500 Flagship Fund	62,067,644	5.2	5.0	13.7	6.1	13.7	20.4	-		13.7	32.4	16.0		
S&P 500			4.9	13.7	6.1	13.7	20.4			13.7	32.4	16.0		
QMA Large Cap Core	68,186,820	5.7	4.7	15.2	6.0	15.2	22.0	16.3		15.2	33.9	17.8	2.2	14.5
S&P 500			4.9	13.7	6.1	13.7	20.4	15.5		13.7	32.4	16.0	2.1	15.1
Waddell & Reed	66,024,396	5.5	4.5	12.3	6.7	12.3	19.9			12.3	36.6	12.5	3.1	
Russell 1000 Growth			4.8	13.0	6.3	13.0	20.3			13.0	33.5	15.3	2.6	
Robeco Boston Partners Large Cap Value	67,622,584	5.7	5.5	11.4	5.7	11.4	22.5	16.0	9.4	11.4	36.4	21.0	0.7	13.3
Russell 1000 Value			5.0	13.5	4.8	13.5	20.9	15.4	7.3	13.5	32.5	17.5	0.4	15.5
William Blair Mid Cap Growth	21,901,360	1.8	9.0	8.8	6.4	8.8	20.3	16.6		8.8	42.0	12.8	0.1	23.4
Russell 2500 Growth			7.5	7.1	3.0	7.1	20.5	17.3		7.1	40.7	16.1	-1.6	28.9
Lee Munder Small Value	20,626,363	1.7	7.7	4.1	0.1	4.1	16.3	12.7		4.1	31.8	14.6	-7.8	25.5
Russell 2000 Value			9.4	4.2	0.0	4.2	18.3	14.3		4.2	34.5	18.1	-5.5	24.5
SSGA Russell Small Cap Completeness Index	21,095,968	1.8	6.4	7.3	1.3	7.3				7.3				
Russell Small Cap Completeness			6.4	7.4	1.3	7.4				7.4				
Total International Equity	266,547,753	22.3	-3.8	-5.0	-9.3	-5.0	9.0	3.5	3.5	-5.0	18.3	15.3	-15.9	9.0
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
Enhanced RAFI Global Ex US	88,158,970	7.4	-4.6	-5.9	-11.2	-5.9				-5.9	23.7			
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4				-3.4	15.8			
SSGA MSCI ACWI Ex US Index Fund	88,394,137	7.4	-3.9	-3.7	-8.9	-3.7	9.2	4.6		-3.7	15.5	17.1	-13.5	11.1
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4	9.5	4.9		-3.4	15.8	17.4	-13.3	11.6
Pyramis International Growth	89,994,646	7.5	-3.2	-5.7	-8.1	-5.7	9.7	4.8	4.7	-5.7	17.9	18.6	-13.5	10.9
MSCI ACWI ex USA Gross			-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
Total Global Equity	35,348,295	3.0												
MSCI ACWI Gross														
KBI Water Strategy	35,348,295	3.0												
MSCI ACWI Gross														

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Fixed Income	330,284,453	27.7	0.7	4.3	0.3	4.3	3.6	5.6	5.1	4.3	-1.2	8.0	8.8	8.5
Barclays Aggregate			1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
Total Domestic Fixed Income														
BlackRock Fixed Income	103,056,173	8.6	1.7	6.0	1.7	6.0	3.1	4.8	5.0	6.0	-1.8	5.2	8.0	7.0
Barclays Aggregate			1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
PIMCO Core Plus	102,380,953	8.6	1.5	4.9	1.2	4.9				4.9	-3.5			
Barclays Aggregate			1.8	6.0	2.0	6.0				6.0	-2.0			
Shenkman High Yield	34,207,511	2.9	-0.8	2.0	-2.6	2.0	6.4			2.0	5.8	11.7	5.4	
BofA Merrill Lynch US High Yield Master II TR			-1.1	2.5	-3.0	2.5	8.4			2.5	7.4	15.6	4.4	
SSGA TIPS	29,701,663	2.5	0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	6.9	13.5	6.2
Barclays US TIPS			0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	7.0	13.6	6.3
Total Global Fixed Income														
Franklin Templeton Global Bond Plus	60,938,153	5.1	-1.2	1.9	-1.2	1.9				1.9	2.5			
JPM GBI Global Hedged Index			2.8	8.5	4.3	8.5				8.5	-0.4			
Total Real Estate	80,314,668	6.7	2.2	11.6	5.7	11.6	10.3	9.2	5.8	11.6	11.5	7.8	8.2	7.0
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF	15,125,908	1.3	0.0	5.6	3.5	5.6	7.1	10.3	12.1	5.6	12.1	3.8	10.5	20.2
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF America II	46,300,143	3.9	2.7	12.0	6.6	12.0	12.9	14.3	6.1	12.0	15.0	11.6	14.3	18.9
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
TA Associates Realty	18,888,616	1.6	0.0	11.6	2.8	11.6	6.2	4.7		11.6	5.1	2.1	4.4	0.6
NCREIF Property Index			3.0	11.8	5.7	11.8	11.1	12.1		11.8	11.0	10.5	14.3	13.1
Total Alternatives	114,115,978	9.6	-4.8	-4.6	-9.0	-4.6	1.1	2.1		-4.6	3.5	4.7	1.7	5.5
CPI + 5%			-0.1	5.8	1.0	5.8	6.4	6.8		5.8	6.6	6.8	8.1	6.6
Gresham MTAP Commodity Builder	22,884,554	1.9	-12.6	-16.8	-22.0	-16.8				-16.8				
Bloomberg Commodity Index TR USD			-12.1	-17.0	-22.5	-17.0				-17.0				
Wellington Commodity	23,482,214	2.0	-12.6		-20.3									
Bloomberg Commodity Index TR USD			-12.1		-22.5									
Aetos Capital	28,899,273	2.4	1.4	4.5	1.5	4.5	7.3	5.3		4.5	10.4	7.2	-2.0	6.9
BofA ML 90 DAY T-BILLS + 400 bps			1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1
UBP Asset Management	776,088	0.1	0.3	7.0	2.1	7.0	7.8	5.8		7.0	4.2	12.4	0.8	4.9
BofA ML 90 DAY T-BILLS + 400 bps			1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1

	Anlzd Ret	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
QMA Large Cap Core	16.64%	14.99%	0.58%	1.04	1.07%	1.00	1.10	1.11	109.78%	102.74%
Robeco Boston Partners Large Cap Value	16.47%	15.95%	0.27%	1.05	2.82%	0.97	1.03	0.37	110.56%	105.44%
William Blair Mid Cap Growth	17.54%	17.33%	1.77%	0.91	3.28%	0.97	1.01	0.08	94.34%	90.24%
Lee Munder Small Value	13.84%	19.06%	-0.50%	1.01	3.14%	0.97	0.72	-0.13	98.63%	101.34%
Pyramis International Growth	5.40%	17.15%	0.45%	1.01	2.07%	0.99	0.31	0.25	100.08%	96.67%
BlackRock Fixed Income	5.04%	2.91%	0.83%	0.95	0.55%	0.97	1.71	1.08	111.37%	92.88%
RREEF	11.57%	6.87%	-2.07%	1.12	6.65%	0.06	1.67	-0.08	94.29%	
RREEF America II	15.05%	4.59%	-2.27%	1.43	4.09%	0.23	3.27	0.71	131.46%	
Aetos Capital	5.69%	3.94%	69.44%	-15.59	3.95%	0.01	1.42	0.41	143.66%	
UBP Asset Management	6.09%	3.39%	-177.03%	44.77	3.38%	0.14	1.78	0.59	155.08%	

							IRR Analysis	as of IRR date				
Vintage Year	Manager Name/Fund Name	Estimated Market Value as of 12/31/2014 <sup>3</sup>	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI) <sup>1</sup>	Tot. Value/ Paid-In (TVPI) <sup>2</sup>	Net IRR Since Inception <sup>6</sup>	IRR Date
Private E	quity											
2005	BlackRock Private Capital II <sup>7</sup>	\$14,392,488	\$15,000,000	\$15,000,000	100%	\$0	\$7,932,153	\$14,392,488	52.9%	148.8%	7.9%	06/30/14
2004	Pantheon USA Fund VI	\$10,235,952	\$15,000,000	\$13,725,000	92%	\$1,275,000	\$10,515,000	\$11,274,010	76.6%	151.2%	8.0%	09/30/14
2011	PIMCO Bravo	\$15,071,983	\$15,000,000	\$15,000,000	100%	\$0	\$11,960,141	\$15,071,983	79.7%	180.2%	25.5%	12/31/14
2010	KKR Mezzanine Partners	\$10,561,143	\$15,000,000	\$13,346,573	89%	\$1,653,427	\$5,967,938	\$10,468,226	44.7%	123.8%	11.1%	09/30/14
2011	Stepstone Secondary Opportunities Fund II 4	\$13,445,409	\$27,500,000	\$12,994,393	47%	\$14,505,607	\$2,817,420	\$13,445,409	21.7%	125.2%	N/A	09/30/14
Private E	quity - Real Estate											
2007	TA Associates VIII	\$18,888,616	\$30,000,000	\$30,000,000	100%	\$0	\$5,689,573	\$20,437,725	19.0%	81.9%	-3.1%	09/30/14
	Total Private Equity % of Portfolio (Market Value)	\$82,595,591 6.9%	\$117,500,000	\$100,065,966	85%	\$17,434,034	\$44,882,225	\$85,089,841	44.9%	127.4%		

<sup>&</sup>lt;sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>&</sup>lt;sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

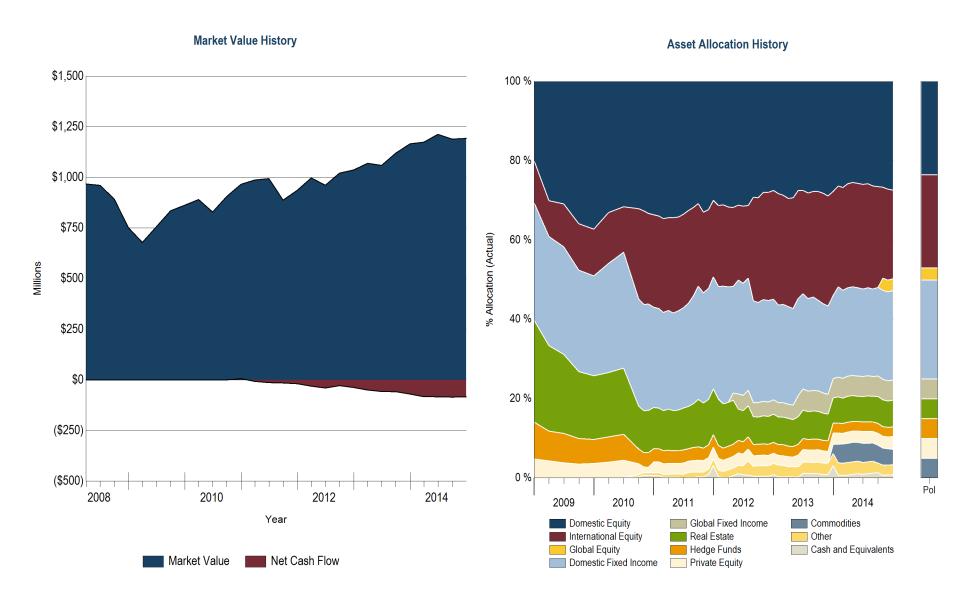
<sup>&</sup>lt;sup>3</sup>Last known market value + capital calls - distributions (BlackRock as of 6/30/14. StepStone as of 9/30/14)

<sup>&</sup>lt;sup>4</sup>IRR currently unavailable for these funds.

<sup>&</sup>lt;sup>5</sup>Investment period ended, no further capital to be called.

<sup>&</sup>lt;sup>6</sup>Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.

<sup>&</sup>lt;sup>7</sup>BlackRock: Total capital called is \$15,133,806 which includes recycled distributions.



Cash flow history prior to 4Q 2010 is not available due to lack of data from previous consultant.

Current		Policy			Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
				Domestic Equity	\$327,525,136	27.4%	23.5%	\$47,110,863	15.0% - 35.0%	Yes
				International Equity	\$266,547,753	22.3%	23.5%	-\$13,866,519	15.0% - 35.0%	Yes
				Global Equity	\$35,348,295	3.0%	3.0%	-\$449,272	0.0% - 5.0%	Yes
	07.40/		23.5%	Domestic Fixed Income	\$269,346,301	22.6%	25.0%	-\$28,966,755	20.0% - 35.0%	Yes
	27.4%			Global Fixed Income	\$60,938,153	5.1%	5.0%	\$1,275,541	0.0% - 10.0%	Yes
				Real Estate	\$80,314,668	6.7%	5.0%	\$20,652,057	0.0% - 10.0%	Yes
				Hedge Funds	\$29,675,361	2.5%	5.0%	-\$29,987,250	0.0% - 10.0%	Yes
				Private Equity	\$38,073,849	3.2%	5.0%	-\$21,588,762	0.0% - 10.0%	Yes
				Commodities	\$46,366,768	3.9%	5.0%	-\$13,295,844	0.0% - 10.0%	Yes
				Other	\$30,832,304	2.6%		\$30,832,304		No
			23.5%	Cash and Equivalents	\$8,283,637	0.7%		\$8,283,637		No
	22.3%			Total	\$1,193,252,225	100.0%	100.0%			
	3.0% 22.6%		3.0%							
	5.1%		5.0%							
	6.7%		5.0%							
	2.5%		5.0%							
	3.2%		5.0%							
	3.9%									
	2.6% 0.7%		5.0% 0.0%							

Account	Fee Schedule	Market Value As of 12/31/2014	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Aetos Capital	0.75% of Assets	\$28,899,273	2.4%	\$216,745	0.75%
BlackRock Alternative Advisors	\$120,000 Annually	\$14,392,488	1.2%	\$120,000	0.83%
BlackRock Fixed Income	0.25% of First \$100.0 Mil, 0.25% of Next \$100.0 Mil	\$103,056,173	8.6%	\$257,640	0.25%
Enhanced RAFI Global Ex US	0.65% of First \$25.0 Mil, 0.30% of Next \$75.0 Mil, 0.25% Thereafter	\$88,158,970	7.4%	\$351,977	0.40%
Franklin Templeton Global Bond Plus	0.62% of First \$50.0 Mil, 0.51% of Next \$50.0 Mil, 0.45% Thereafter	\$60,938,153	5.1%	\$365,785	0.60%
Gresham MTAP Commodity Builder	0.75% of Assets	\$22,884,554	1.9%	\$171,634	0.75%
KBI Water Strategy	0.85% of Assets	\$35,348,295	3.0%	\$300,461	0.85%
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	0.38% of Assets	\$10,561,143	0.9%	\$39,604	0.38%
Lee Munder Small Value	0.90% of First \$25.0 Mil, 0.85% of Next \$75.0 Mil, 0.30% Thereafter	\$20,626,363	1.7%	\$185,637	0.90%
Mellon Capital Cash Account	No Fee	\$8,283,637	0.7%		
Pantheon Ventures	0.65% of Assets	\$10,235,952	0.9%	\$66,534	0.65%
PIMCO Bravo	1.60% of Assets	\$15,071,983	1.3%	\$964,607	6.40%
PIMCO Core Plus	0.50% of First \$25.0 Mil, 0.38% of Next \$25.0 Mil, 0.25% Thereafter	\$102,380,953	8.6%	\$349,702	0.34%
Pyramis International Growth	0.70% of First \$25.0 Mil, 0.50% of Next \$25.0 Mil, 0.30% Thereafter	\$89,994,646	7.5%	\$419,984	0.47%
QMA Large Cap Core	0.35% of First \$50.0 Mil, 0.30% of Next \$50.0 Mil, 0.25% Thereafter	\$68,186,820	5.7%	\$229,560	0.34%
Robeco Boston Partners Large Cap Value	0.45% of First \$50.0 Mil, 0.35% of Next \$50.0 Mil, 0.30% Thereafter	\$67,622,584	5.7%	\$286,679	0.42%
RREEF	Management Fee: 7% of Net Operating Income Incentive Fee: 15% of excess returns over a 6% hurdle rate	\$15,125,908	1.3%		

Account	Fee Schedule	Market Value As of 12/31/2014	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
RREEF America II	0.95% of Assets	\$46,300,143	3.9%	\$439,851	0.95%
Shenkman High Yield	0.50% of Assets	\$34,207,511	2.9%	\$171,038	0.50%
SSGA MSCI ACWI Ex US Index Fund	0.08% of First \$25.0 Mil, 0.07% of Next \$25.0 Mil, 0.06% Thereafter	\$88,394,137	7.4%	\$60,536	0.07%
SSGA Russell Small Cap Completeness Index	0.05% of First \$25.0 Mil, 0.05% of Next \$25.0 Mil, 0.04% Thereafter	\$21,095,968	1.8%	\$10,548	0.05%
SSGA S&P 500 Flagship Fund	0.03% of Assets	\$62,067,644	5.2%	\$18,620	0.03%
SSGA TIPS	0.06% of First \$50.0 Mil, 0.05% of Next \$50.0 Mil, 0.04% Thereafter	\$29,701,663	2.5%	\$17,821	0.06%
Stepstone Secondary Opportunities Fund II	\$343,750 Annually	\$13,445,409	1.1%	\$343,750	2.56%
TA Associates Realty	0.60% of Assets	\$18,888,616	1.6%	\$113,332	0.60%
The Clifton Group	Asset Based Fee: 0.0375% (Quarterly) Retainer Fee: \$4,500 (Quarterly) Minimum Expense: \$50,000 (Annual)	\$5,199,178	0.4%		-
UBP Asset Management	0.50% of Assets	\$776,088	0.1%	\$3,880	0.50%
Waddell & Reed	0.60% of First \$25.0 Mil, 0.50% of Next \$25.0 Mil, 0.40% Thereafter	\$66,024,396	5.5%	\$339,098	0.51%
Wellington Commodity	0.75% of Assets	\$23,482,214	2.0%	\$176,117	0.75%
William Blair Mid Cap Growth	0.95% of First \$10.0 Mil, 0.80% of Next \$20.0 Mil, 0.75% of Next \$20.0 Mil, 0.70% of Next \$50.0 Mil, 0.65% of Next \$100.0 Mil, 0.60% Thereafter	\$21,901,360	1.8%	\$190,211	0.87%
Investment Management Fee		\$1,193,252,225	100.0%	\$6,211,351	0.52%

## Peer Universe Comparison: Cumulative Performance (Gross of Fees)

Total Fund Cumulative Performance vs. InvestorForce Public DB Gross + 15.0 10.0 Annualized Return (%) 5.0 0.0 -5.0 Quarter YTD Fiscal YTD 1 Year 3 Years 5 Years 7 Years 10 Years Period

5th Percentile 25th Percentile
Median
75th Percentile
95th Percentile
# of Portfolios

Total FundPolicy Index

Return (Rai	nk)														
3.1		8.0		2.2		8.0		13.7		11.3		6.6		7.4	
2.4		6.8		1.4		6.8		12.5		10.2		5.8		6.8	
1.8		5.8		0.6		5.8		11.1		9.3		5.2		6.4	
1.1		4.6		-0.3		4.6		10.0		8.5		4.5		5.9	
-0.3		3.2		-2.0		3.2		7.6		7.1		3.2		5.0	
257		248		254		248		234		204		197		172	
0.4	(90)	4.1	(89)	-1.3	(93)	4.1	(89)	10.7	(59)	8.7	(68)	3.7	(91)	5.8	(81)
0.6	(88)	4.6	(75)	-1.2	(91)	4.6	(75)	9.5	(82)	8.8	(66)	4.7	(72)	6.3	(58)

#### Total Fund Consecutive Periods vs. InvestorForce Public DB Gross +

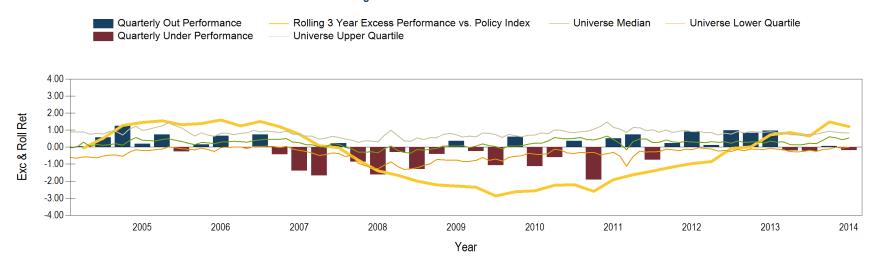


5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile
# of Portfolios

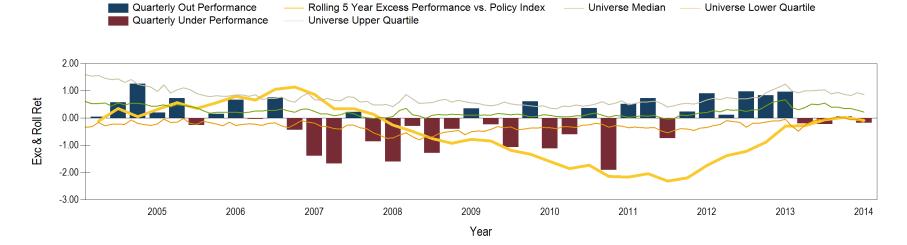
■ Total Fund ▲ Policy Index

Return	(Rank)																			
8.0		20.8		14.6		3.6		15.4		27.0		-10.1		11.0		15.9		10.2		
6.8		18.0		13.4		1.9		14.0		22.4		-20.1		9.1		14.2		8.2		
5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9		13.2		7.3		
4.6		13.3		10.7		-0.3		11.7		15.9		-27.6		6.9		11.2		5.7		
3.2		8.5		7.8		-2.5		8.6		10.5		-30.3		5.4		8.3		4.2		
248		231		236		206		188		184		181		177		171		158		
4.1	(89)	15.8	(49)	12.8	(43)	-0.8	(86)	12.6	(57)	17.8	(67)	-27.7	(77)	6.6	(81)	16.2	(3)	10.2	(5)	
4.6	(75)	12.6	(80)	11.6	(67)	1.0	(46)	14.7	(13)	19.6	(53)	-24.5	(46)	7.9	(51)	14.8	(19)	8.1	(27)	

### **Rolling 3 Year Annualized Excess Performance**



## **Rolling 5 Year Annualized Excess Performance**

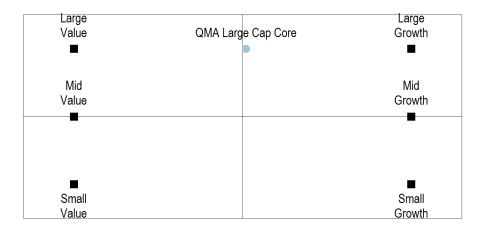


	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Domestic Equity	327,525,136	5.6	12.4	5.7	12.4	21.3	16.0	8.5	12.4	35.9	16.8	0.8	17.0
Russell 3000		5.2	12.6	5.3	12.6	20.5	15.6	7.9	12.6	33.6	16.4	1.0	16.9
eA US Large Cap Core Equity Gross Rank		39	60	51	60	32	36	59	60	23	29	56	16
SSGA S&P 500 Flagship Fund	62,067,644	5.0	13.7	6.1	13.7	20.5			13.7	32.4	16.1		
S&P 500		4.9	13.7	6.1	13.7	20.4			13.7	32.4	16.0		
eA US Large Cap Core Equity Gross Rank		53	42	39	42	50			42	58	39		
QMA Large Cap Core	68,186,820	4.8	15.6	6.1	15.6	22.4	16.6		15.6	34.3	18.1	2.4	14.9
S&P 500		4.9	13.7	6.1	13.7	20.4	15.5		13.7	32.4	16.0	2.1	15.1
eA US Large Cap Core Equity Gross Rank		56	20	40	20	18	23		20	37	18	34	40
Waddell & Reed	66,024,396	4.6	12.8	7.0	12.8	20.5	-		12.8	37.3	13.0	3.6	
Russell 1000 Growth		4.8	13.0	6.3	13.0	20.3			13.0	33.5	15.3	2.6	
eA US Large Cap Growth Equity Gross Rank		60	40	36	40	50			40	25	78	17	

U.S. Effective Style Map 3 Years



U.S. Effective Style Map 5 Years

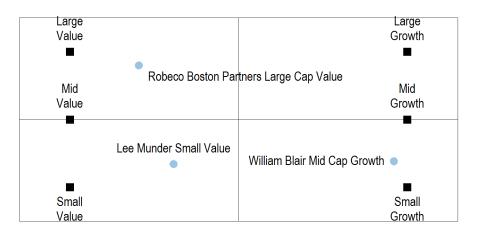


	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Robeco Boston Partners Large Cap Value	67,622,584	5.6	11.8	6.0	11.8	23.0	16.5	9.9	11.8	37.0	21.5	1.2	13.8
Russell 1000 Value		5.0	13.5	4.8	13.5	20.9	15.4	7.3	13.5	32.5	17.5	0.4	15.5
eA US Large Cap Value Equity Gross Rank		19	58	22	58	17	22	10	58	26	6	43	61
William Blair Mid Cap Growth	21,901,360	9.3	9.8	6.8	9.8	21.4	17.5		9.8	43.1	13.8	0.9	24.4
Russell 2500 Growth		7.5	7.1	3.0	7.1	20.5	17.3		7.1	40.7	16.1	-1.6	28.9
eA US Mid Cap Growth Equity Gross Rank		3	33	12	33	26	23		33	11	68	28	65
Lee Munder Small Value	20,626,363	7.9	5.1	0.5	5.1	17.4	13.8		5.1	33.1	15.7	-6.9	26.8
Russell 2000 Value		9.4	4.2	0.0	4.2	18.3	14.3		4.2	34.5	18.1	-5.5	24.5
eA US Small Cap Value Equity Gross Rank		44	60	46	60	75	86		60	85	61	79	54
SSGA Russell Small Cap Completeness Index	21,095,968	6.4	7.4	1.3	7.4				7.4				
Russell Small Cap Completeness		6.4	7.4	1.3	7.4				7.4				
eA US Small Cap Core Equity Gross Rank		82	37	56	37				37				

U.S. Effective Style Map 3 Years



U.S. Effective Style Map 5 Years



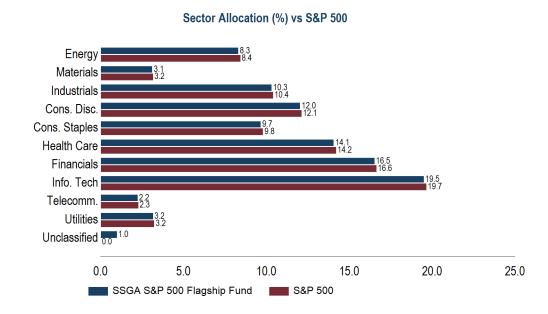
	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Domestic Equity	327,525,136	5.5	12.0	5.5	12.0	20.8	15.5	8.1	12.0	35.3	16.2	0.3	16.5
Russell 3000		5.2	12.6	5.3	12.6	20.5	15.6	7.9	12.6	33.6	16.4	1.0	16.9
SSGA S&P 500 Flagship Fund	62,067,644	5.0	13.7	6.1	13.7	20.4			13.7	32.4	16.0		
S&P 500		4.9	13.7	6.1	13.7	20.4			13.7	32.4	16.0		-
QMA Large Cap Core	68,186,820	4.7	15.2	6.0	15.2	22.0	16.3		15.2	33.9	17.8	2.2	14.5
S&P 500		4.9	13.7	6.1	13.7	20.4	15.5		13.7	32.4	16.0	2.1	15.1
Waddell & Reed	66,024,396	4.5	12.3	6.7	12.3	19.9			12.3	36.6	12.5	3.1	
Russell 1000 Growth		4.8	13.0	6.3	13.0	20.3			13.0	33.5	15.3	2.6	
Robeco Boston Partners Large Cap Value	67,622,584	5.5	11.4	5.7	11.4	22.5	16.0	9.4	11.4	36.4	21.0	0.7	13.3
Russell 1000 Value		5.0	13.5	4.8	13.5	20.9	15.4	7.3	13.5	32.5	17.5	0.4	15.5
William Blair Mid Cap Growth	21,901,360	9.0	8.8	6.4	8.8	20.3	16.6		8.8	42.0	12.8	0.1	23.4
Russell 2500 Growth		7.5	7.1	3.0	7.1	20.5	17.3		7.1	40.7	16.1	-1.6	28.9
Lee Munder Small Value	20,626,363	7.7	4.1	0.1	4.1	16.3	12.7		4.1	31.8	14.6	-7.8	25.5
Russell 2000 Value		9.4	4.2	0.0	4.2	18.3	14.3		4.2	34.5	18.1	-5.5	24.5
SSGA Russell Small Cap Completeness Index	21,095,968	6.4	7.3	1.3	7.3				7.3				
Russell Small Cap Completeness		6.4	7.4	1.3	7.4				7.4				

Seca Sep Storing	M.	A Large	Pope Con	Welde	P Parties	Miss Cargo C	Than ste	Oir Mid Co	Ce Ni	Sell Spains	AN CON CO	Ond Control of the Co	Ss Index	-
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
SSGA S&P 500 Flagship Fund			144	90.8	43	80.1	68	80.7	7	11.1	2	2.6	1	0.0
QMA Large Cap Core	144	58.8			23	52.6	33	51.6	5	6.5	3	1.9	66	6.9
Waddell & Reed	43	20.4	23	18.7			8	9.6	1	1.8	0	0.0	9	2.8
Robeco Boston Partners Large Cap Value	68	30.4	33	29.8	8	18.9			1	2.2	2	1.2	25	2.8
William Blair Mid Cap Growth	7	0.4	5	1.3	1	0.7	1	0.5			5	4.8	70	7.2
Lee Munder Small Value	2	0.0	3	0.3	0	0.0	2	0.4	5	5.5			109	5.4
SSGA Russell Small Cap Completeness Index	1	0.1	66	9.0	9	13.0	25	11.2	70	84.9	109	93.3		

Correlation Matrix
September 1, 2014 Through December 31, 2014

₹¢Ç <sub>4</sub>	Ses OMAL	8. 3. 4	Seco Roston Patholes Late	Milan Bair Me	Sea Ris	Shall Shall Can Corpor	<b>6</b> x		
	*GSAID FUND	Age Cap Core	Stell & Reed	Cap Valle	C. B. C. CONT.	Snell Value	eness Index	500	
SSGA S&P 500 Flagship Fund									
QMA Large Cap Core	0.99	1.00							
Waddell & Reed	0.97	0.98	1.00						
Robeco Boston Partners Large Cap Value	0.98	0.99	0.94	1.00					
William Blair Mid Cap Growth	0.88	0.94	0.93	0.90	1.00				
Lee Munder Small Value	0.73	0.83	0.78	0.80	0.95	1.00			
SSGA Russell Small Cap Completeness Index	0.81	0.90	0.84	0.88	0.97	0.99	1.00		
S&P 500	1.00	0.99	0.97	0.98	0.88	0.73	0.82	1.00	

Characteristics		
	Portfolio	S&P 500
Number of Holdings	503	502
Weighted Avg. Market Cap. (\$B)	125.09	125.00
Median Market Cap. (\$B)	18.35	18.36
Price To Earnings	22.72	21.49
Price To Book	4.47	4.27
Price To Sales	3.05	2.73
Return on Equity (%)	20.94	19.63
Yield (%)	2.00	1.99
Beta	1.00	1.00



<sup>\*</sup>Unclassified includes Cash

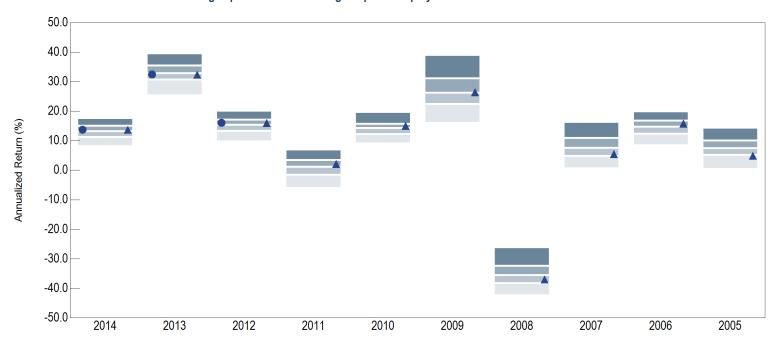
Top Holdings	Top Holdings						Bottom Contributors				
Ending Period Weight			Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution		
APPLE	3.51%	APPLE	3.41	10.03	0.34	INTERNATIONAL	1.00	-14.91	-0.15		
EXXON MOBIL	2.12%	VISA 'A'	0.60	23.12	0.14	BUS.MCHS.					
MICROSOFT	2.07%	ORACLE	0.70	17.84	0.13	HALLIBURTON	0.31	-38.76	-0.12		
JOHNSON & JOHNSON	1.59%	BERKSHIRE HATHAWAY 'B'	1.42	8.69	0.12	SCHLUMBERGER	0.75	-15.61	-0.12		
BERKSHIRE HATHAWAY 'B'	1.48%	PROCTER & GAMBLE	1.28	9.61	0.12	GILEAD SCIENCES	0.91	-11.45	-0.10		
WELLS FARGO & CO	1.40%	CVS HEALTH	0.52	21.41	0.11	GOOGLE 'A'	0.95	-9.81	-0.09		
GENERAL ELECTRIC	1.38%	HOME DEPOT	0.70	14.97	0.10	GOOGLE 'C'	0.93	-8.83	-0.08		
PROCTER & GAMBLE	1.33%	LOWE'S COMPANIES	0.29	30.57	0.09	LYONDELLBASELL INDS.CL.A	0.26	-26.37	-0.07		
JP MORGAN CHASE & CO.	1.28%	WELLS FARGO & CO	1.39	6.38	0.09	APACHE	0.20	-33.01	-0.07		
CHEVRON	1.15%	WAL MART STORES	0.68	12.94	0.09	_					
Total	17.32%					CHEVRON	1.28	-5.12	-0.07		
1000	.110270					VERIZON COMMUNICATIONS	1.17	-5.39	-0.06		

## SSGA S&P 500 Flagship Fund vs. eA US Large Cap Core Equity Gross Universe



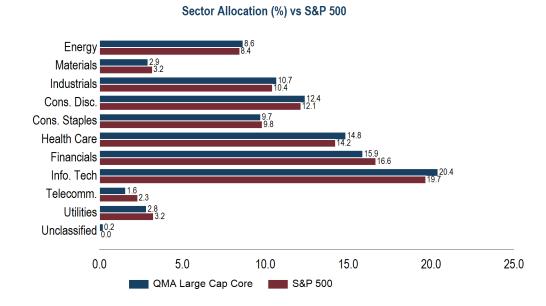
	Return (Rar	ık)							
5th Percentile	8.1	17.7	9.3	17.7	24.0	18.1	10.5	10.8	
25th Percentile	6.1	15.1	6.9	15.1	21.6	16.5	8.7	9.3	
Median	5.1	13.3	5.8	13.3	20.4	15.4	8.0	8.7	
75th Percentile	3.9	11.4	4.3	11.4	18.7	14.1	7.0	7.9	
95th Percentile	2.4	8.2	2.1	8.2	15.8	12.3	5.8	6.9	
# of Portfolios	268	267	268	267	259	247	231	200	
<ul><li>SSGA S&amp;P 500 Flagship Fund</li><li>S&amp;P 500</li></ul>		(53) 13.7 (53) 13.7	(42) 6.1 (42) 6.1	(39) 13.7 (41) 13.7	(42) 20.5 (42) 20.4	(50) (51) 15.5	() (48) 7.3	() (70) 7.7	() (83)

## SSGA S&P 500 Flagship Fund vs. eA US Large Cap Core Equity Gross Universe



	Return (Rank	<b>(</b> )								
5th Percentile	17.7	39.6	20.1	7.0	19.7	39.1	-26.1	16.3	19.9	14.4
25th Percentile	15.1	35.5	17.2	3.6	15.8	31.2	-32.3	11.1	16.9	10.2
Median	13.3	32.9	15.4	1.3	14.4	26.3	-35.4	7.7	14.8	7.6
75th Percentile	11.4	30.8	13.4	-1.5	12.3	22.6	-38.1	4.9	12.4	5.3
95th Percentile	8.2	25.4	9.8	-5.9	9.1	16.1	-42.3	0.7	8.5	0.5
# of Portfolios	267	261	254	259	254	280	312	320	327	323
● SSGA S&P 500 Flagship Fund ▲ S&P 500	13.7 (42) 13.7 (42)	32.4 (58) 32.4 (58)	16.1 (39) 16.0 (41)	() 2.1 (40)	() 15.1 (37)	() 26.5 (48)	() -37.0 (62)	() 5.5 (71)	() 15.8 (37)	() 4.9 (80)

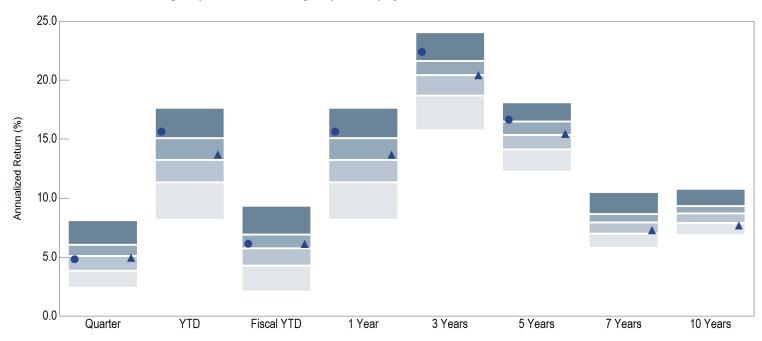
Characteristics		
	Portfolio	S&P 500
Number of Holdings	211	502
Weighted Avg. Market Cap. (\$B)	121.21	125.00
Median Market Cap. (\$B)	22.58	18.36
Price To Earnings	20.88	21.49
Price To Book	4.37	4.27
Price To Sales	2.91	2.73
Return on Equity (%)	21.65	19.63
Yield (%)	2.05	1.99
Beta	1.08	1.00



\*Unclassified includes Cash

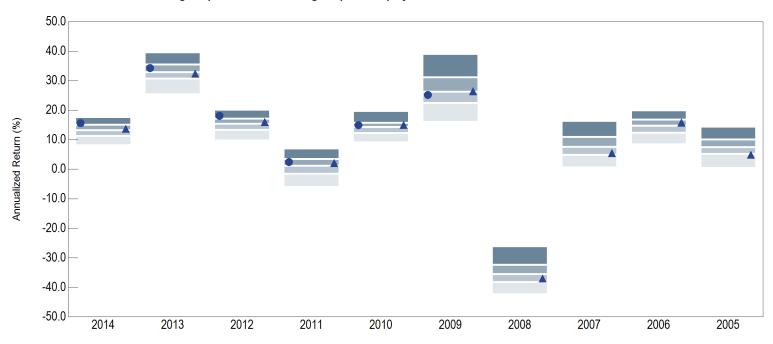
Top Holdings			Top Contributo	rs		Bottom Contributors				
Ending Period Weigh	nt		Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution	
APPLE	3.76%	APPLE	3.31	10.03	0.33	LYONDELLBASELL	0.98	-26.37	-0.26	
EXXON MOBIL	2.07%	ORACLE	1.35	17.84	0.24	INDS.CL.A	0.00	20.01	0.20	
JP MORGAN CHASE & CO.	1.79%	KROGER	0.78	23.87	0.19	GENWORTH FINANCIAL CL.A	0.53	-35.11	-0.19	
GENERAL ELECTRIC	1.79%	LOWE'S COMPANIES	0.61	30.57	0.19	HELMERICH & PAYNE	0.50	-30.56	-0.15	
MICROSOFT	1.68%	HEWLETT-PACKARD	1.11	13.61	0.15	ANADARKO PETROLEUM	0.79	-18.38	-0.15 -0.15	
JOHNSON & JOHNSON	1.63%	BRISTOL MYERS SQUIBB	0.86	16.88	0.15	GOOGLE 'C'	1.43	-8.83	-0.13 -0.13	
PFIZER	1.59%	WAL MART STORES	1.08	12.94	0.14					
INTEL	1.57%	SOUTHWEST AIRLINES	0.52	25.50	0.13	GOOGLE 'A'	1.18	-9.81	-0.12	
ORACLE	1.52%	CISCO SYSTEMS	1.22	10.51	0.13	DOW CHEMICAL	0.87	-12.23	-0.11	
BERKSHIRE HATHAWAY 'B'	1.34%	CVS HEALTH	0.57	21.41	0.12	CONOCOPHILLIPS	1.09	-8.83	-0.10	
Total	18.73%					WESTLAKE CHEMICAL	0.32	-29.27	-0.09	
1 VIIII	10.1070					INTERNATIONAL BUS.MCHS.	0.61	-14.91	-0.09	

## QMA Large Cap Core vs. eA US Large Cap Core Equity Gross Universe



	Return (R	ank)															
5th Percentile	8.1		17.7		9.3		17.7		24.0		18.1		10.5		10.8		
25th Percentile	6.1		15.1		6.9		15.1		21.6		16.5		8.7		9.3		
Median	5.1		13.3		5.8		13.3		20.4		15.4		8.0		8.7		
75th Percentile	3.9		11.4		4.3		11.4		18.7		14.1		7.0		7.9		
95th Percentile	2.4		8.2		2.1		8.2		15.8		12.3		5.8		6.9		
# of Portfolios	268		267		268		267		259		247		231		200		
<ul><li>QMA Large Cap Core</li><li>S&amp;P 500</li></ul>	4.8 4.9	(56) (53)	15.6 13.7	(20) (42)	6.1 6.1	(40) (41)	15.6 13.7	(20) (42)	22.4 20.4	(18) (51)	16.6 15.5	(23) (48)	7.3	() (70)	 7.7	() (83)	

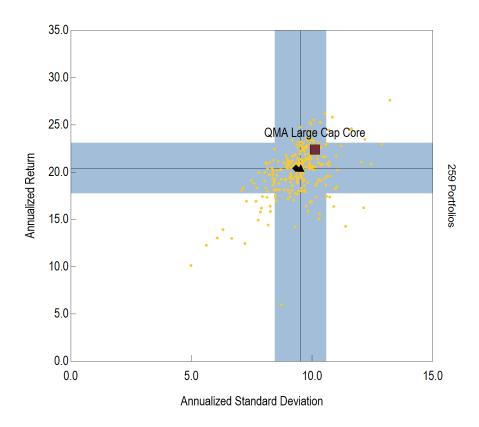
## QMA Large Cap Core vs. eA US Large Cap Core Equity Gross Universe



	5th Percentile
	25th Percentile
	Median
	75th Percentile
	95th Percentile
	# of Portfolios
D	QMA Large Cap Co
<b>A</b>	S&P 500

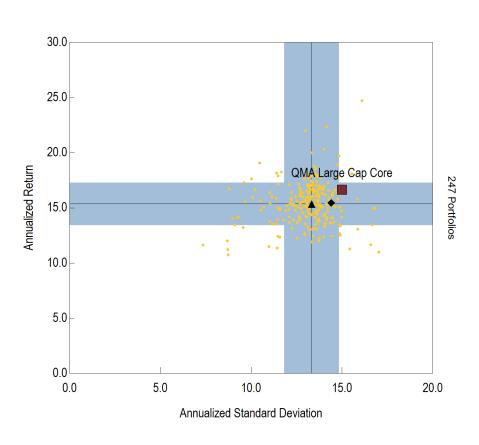
Return (Ra	ank)								
17.7	39.6	20.1	7.0	19.7	39.1	-26.1	16.3	19.9	14.4
15.1	35.5	17.2	3.6	15.8	31.2	-32.3	11.1	16.9	10.2
13.3	32.9	15.4	1.3	14.4	26.3	-35.4	7.7	14.8	7.6
11.4	30.8	13.4	-1.5	12.3	22.6	-38.1	4.9	12.4	5.3
8.2	25.4	9.8	-5.9	9.1	16.1	-42.3	0.7	8.5	0.5
267	261	254	259	254	280	312	320	327	323
15.6 (2	0) 34.3 (	37) 18.1 (18	2.4 (34)	14.9 (40)	25.2 (58)	(	[) ()	()	()
13.7 (4	2) 32.4 (	58) 16.0 (41	2.1 (40)	15.1 (37)	26.5 (48)	-37.0 (6	5.5 (71)	15.8 (37)	4.9 (80)

Risk vs. Return 3 Years



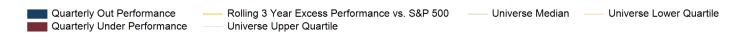
- QMA Large Cap Core
- S&P 500
- Universe Median
- 68% Confidence Interval
- eA US Large Cap Core Equity Gross

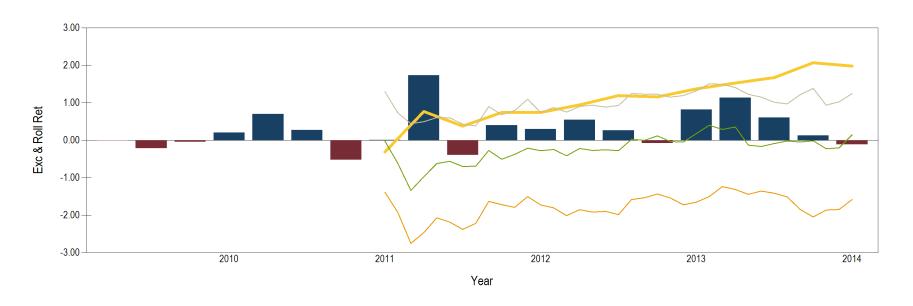
Risk vs. Return 5 Years



- QMA Large Cap Core
- S&P 500
- ▲ Universe Median
- 68% Confidence Interval
- eA US Large Cap Core Equity Gross

## **Rolling 3 Year Annualized Excess Performance**

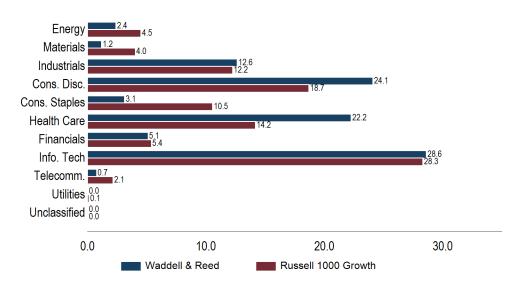




## **Characteristics**

	Portfolio	Russell 1000 Growth
Number of Holdings	55	682
Weighted Avg. Market Cap. (\$B)	106.48	114.09
Median Market Cap. (\$B)	39.19	8.61
Price To Earnings	29.00	23.68
Price To Book	6.91	6.27
Price To Sales	5.71	3.69
Return on Equity (%)	26.70	25.36
Yield (%)	0.90	1.51
Beta	1.09	1.00

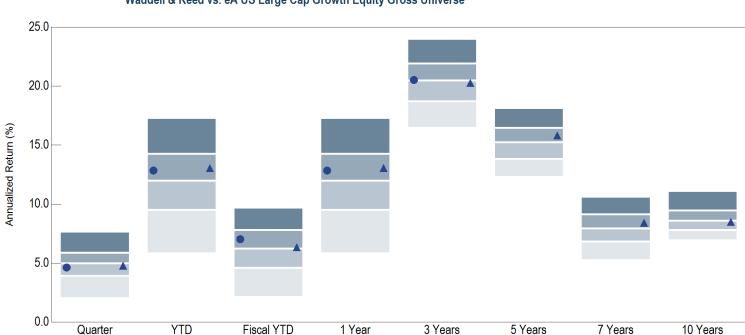
### Sector Allocation (%) vs Russell 1000 Growth



\*Unclassified includes Cash

Top Holdings	Top Holdings			rs		Bottom Contributors				
Ending Period Weight			Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution	
APPLE	5.11%	VISA 'A'	3.28	23.12	0.76	GILEAD SCIENCES	4.79	-11.45	-0.55	
MASTERCARD	4.45%	MASTERCARD	3.84	16.73	0.64	SCHLUMBERGER	2.55	-15.61	-0.40	
BIOGEN IDEC	4.00%	APPLE	4.87	10.03	0.49	TWITTER	0.86	-30.46	-0.26	
GILEAD SCIENCES	3.99%	CELGENE	2.69	18.02	0.49	CANADIAN PACIFIC RY.	3.55	-6.97	-0.25	
META FINANCIAL GROUP	3.63%	HOME DEPOT	2.68	14.97	0.40	WYNN RESORTS	1.25	-19.36	-0.24	
HOME DEPOT	3.48%	PROSHARES ULTRA	0.04	40.07	0.20	FLOWSERVE	1.46	-14.93	-0.22	
CELGENE	3.20%	SEMICS.	2.81	13.67	0.38	GOOGLE 'C'	2.03	-8.83	-0.18	
VISA 'A'	3.17%	APPLIED MATS.	2.42	15.83	0.38	GOOGLE 'A'	1.69	-9.81	-0.17	
CANADIAN PACIFIC RY.	3.16%	ALLERGAN	1.55	19.33	0.30	LAS VEGAS SANDS	1.36	-5.63	-0.08	
UNION PACIFIC	3.07%	UNION PACIFIC	2.84	10.35	0.29	AMAZON.COM	1.74	-3.75	-0.07	
Total	37 26%	O REILLY AUTOMOTIVE	0.99	28.11	0.28					

Quarter



Waddell & Reed vs. eA US Large Cap Growth Equity Gross Universe

Fiscal YTD

5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile
# of Portfolios

Waddell & Reed

Russell 1000 Growth

Return (R	ank)														
7.6		17.3		9.7		17.3		24.0		18.1		10.6		11.1	
5.9		14.3		7.8		14.3		21.9		16.5		9.1		9.5	
5.0		12.0		6.2		12.0		20.5		15.3		7.9		8.6	
3.9		9.5		4.6		9.5		18.7		13.8		6.8		7.8	
2.0		5.8		2.1		5.8		16.5		12.3		5.3		6.9	
292		291		292		291		278		267		256		217	
4.6 4.8	(60) (55)	12.8 13.0	(40) (38)	7.0 6.3	(36) (48)	12.8 13.0	(40) (38)	20.5 20.3	(50) (54)	 15.8	() (41)	 8.4	() (42)	 8.5	() (55)

10 Years

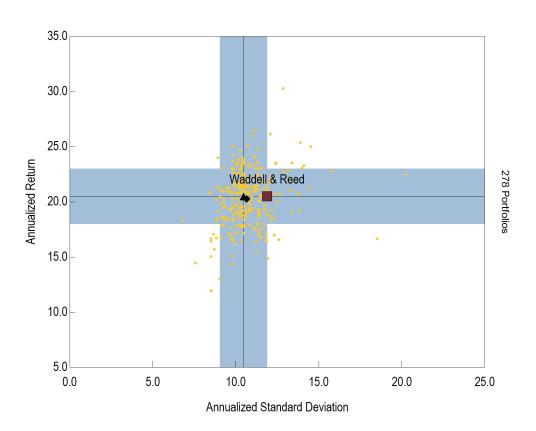
Waddell & Reed vs. eA US Large Cap Growth Equity Gross Universe 50.0 40.0 30.0 20.0 Annualized Return (%) 10.0 0.0 -10.0 -20.0 -30.0 -40.0 -50.0 2014 2013 2012 2010 2009 2008 2006 2005 2011 2007

5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile
# of Portfolios

Waddell & ReedRussell 1000 Growth

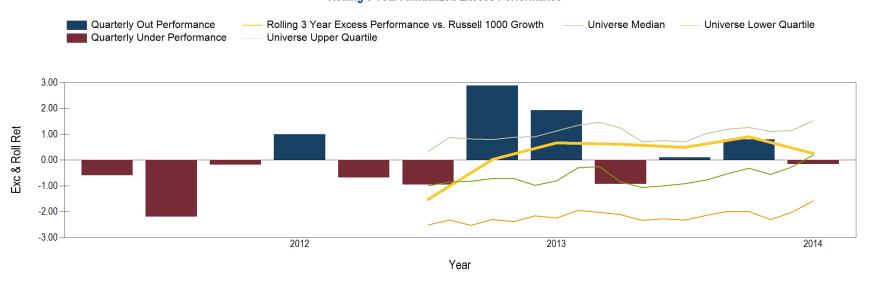
Return (Ra	nk)								
17.3	42.8	21.6	6.4	24.4	49.5	-29.1	26.6	16.3	15.6
14.3	37.3	18.2	2.2	19.1	38.6	-35.1	19.2	11.7	10.9
12.0	34.3	15.7	-0.3	16.1	34.0	-38.4	13.8	9.2	7.4
9.5	31.0	13.4	-3.2	13.2	28.7	-41.1	10.2	5.9	4.6
5.8	26.6	10.2	-8.0	9.6	17.7	-48.4	5.6	1.5	0.1
291	274	274	294	304	350	381	395	405	411
12.8 (40	0) 37.3 (25	5) 13.0 (78)	3.6 (17)	()	()	()	()	) (-	-) ()
13.0 (38	33.5 (50	6) 15.3 (55)	2.6 (22)	16.7 (46)	37.2 (33)	-38.4 (51)	11.8 (63)	9.1 (53	3) 5.3 (69)

# Risk vs. Return 3 Years



- Waddell & Reed
- Russell 1000 Growth
- Universe Median
- 68% Confidence Interval
- eA US Large Cap Growth Equity Gross

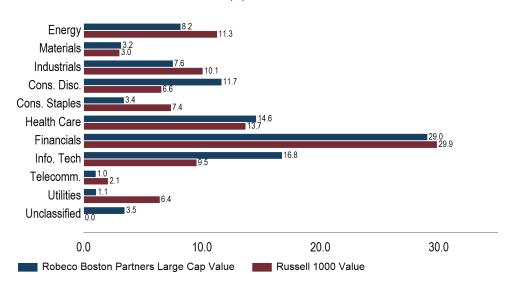
#### **Rolling 3 Year Annualized Excess Performance**



#### Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	100	704
Weighted Avg. Market Cap. (\$B)	111.72	107.52
Median Market Cap. (\$B)	24.99	7.30
Price To Earnings	18.41	19.77
Price To Book	3.23	2.37
Price To Sales	2.18	2.27
Return on Equity (%)	18.19	13.02
Yield (%)	1.76	2.28
Beta	1.11	1.00

#### Sector Allocation (%) vs Russell 1000 Value



\*Unclassified includes Cash

Top Holdings	Top Holdings			rs		<b>Bottom Contributors</b>					
Ending Period Weight			Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution		
BERKSHIRE HATHAWAY 'B'	4.00%	CVS HEALTH	2.25	21.41	0.48	QEP RESOURCES	0.90	-34.25	-0.31		
CITIGROUP	3.95%	BERKSHIRE HATHAWAY 'B'	3.88	8.69	0.34	PHILLIPS 66	2.14	-11.22	-0.24		
WELLS FARGO & CO	3.90%	EXPRESS SCRIPTS	1 25	10.00	0.27	OCCIDENTAL PTL.	1.46	-11.81	-0.17		
JP MORGAN CHASE & CO.	3.64%	HOLDING	1.35	19.88	0.27	EQT	0.91	-17.28	-0.16		
CASH - USD	3.47%	LIBERTY GLOBAL SR.C	1.46	17.79	0.26	SCHLUMBERGER	0.95	-15.61	-0.15		
CAPITAL ONE FINL.	3.02%	DELTA AIR LINES	0.71	36.36	0.26	BARRICK GOLD (NYS)	0.38	-26.39	-0.10		
PFIZER	2.86%	ALLSTATE	1.70	14.94	0.25	HUNTSMAN	0.69	-11.87	-0.08		
JOHNSON & JOHNSON	2.52%	WELLS FARGO & CO	3.89	6.38	0.25	SHIRE SPN.ADR 1:3	0.42	-17.95	-0.08		
APPLE	2.49%	APPLE	2.39	10.03	0.24	SANOFI ADR 2:1	0.39	-19.17	-0.07		
CISCO SYSTEMS	2.19%	CISCO SYSTEMS	2.09	10.51	0.22	DOVER	0.47	-10.29	-0.05		
Total	32 03%	TIME WARNER	1.50	14.01	0.21						

# Robeco Boston Partners Large Cap Value vs. eA US Large Cap Value Equity Gross Universe



	Return (Rar	ık)							
5th Percentile	7.2	16.3	8.5	16.3	24.6	18.0	10.7	10.4	
25th Percentile	5.3	13.9	5.7	13.9	22.4	16.3	8.4	9.1	
Median	4.5	12.2	4.3	12.2	20.3	15.1	7.4	8.3	
75th Percentile	3.2	10.4	2.5	10.4	18.2	14.0	6.5	7.5	
95th Percentile	0.9	5.9	-1.6	5.9	15.5	12.2	4.9	6.2	
# of Portfolios	307	307	307	307	303	292	275	236	
<ul><li>Robeco Boston Partners Large Cap Value</li><li>Russell 1000 Value</li></ul>	5.6 5.0	(19) 11.8 (34) 13.5	(58) 6.0 (33) 4.8	(22) 11.8 (40) 13.5	(58) 23.0 (33) 20.9	(17) 16.5 (41) 15.4	(22) 8.9 (43) 6.4	(18) 9.9 (76) 7.3	(10) (78)

# Robeco Boston Partners Large Cap Value vs. eA US Large Cap Value Equity Gross Universe

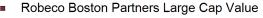


	Return (Ranl	<b>(</b> )								
5th Percentile	16.3	42.5	21.5	9.5	19.2	42.3	-24.7	12.9	24.3	15.4
25th Percentile	13.9	37.2	18.0	3.4	16.3	29.5	-32.1	7.2	21.3	10.6
Median	12.2	33.6	15.7	0.5	14.3	24.3	-35.1	4.2	19.0	7.9
75th Percentile	10.4	30.8	13.0	-3.1	12.7	19.6	-37.9	0.7	16.9	5.3
95th Percentile	5.9	24.6	9.6	-8.6	10.1	13.5	-45.3	-5.9	13.6	0.5
# of Portfolios	307	310	303	310	323	360	376	406	408	404
<ul><li>Robeco Boston Partners Large Cap Value</li><li>Russell 1000 Value</li></ul>	11.8 (58) 13.5 (33)	37.0 (26) 32.5 (60)	21.5 (6) 17.5 (30)	1.2 (43) 0.4 (51)	13.8 (61) 15.5 (35)	26.7 (35) 19.7 (75)	-33.0 (30) -36.8 (68)	5.2 (41) -0.2 (80)	20.0 (39) 22.2 (17)	12.0 (13) 7.0 (60)

Risk vs. Return

3 Years

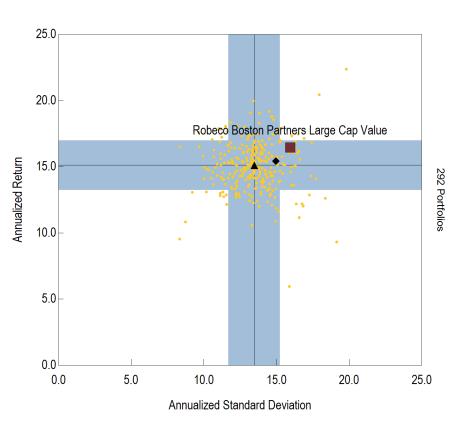
45.0 40.0 35.0 30.0 Annualized Return 303 Portfolios Robeco Boston Partners Large Cap Value 25.0 20.0 15.0 10.0 5.0 0.0 0.0 5.0 15.0 10.0



**Annualized Standard Deviation** 

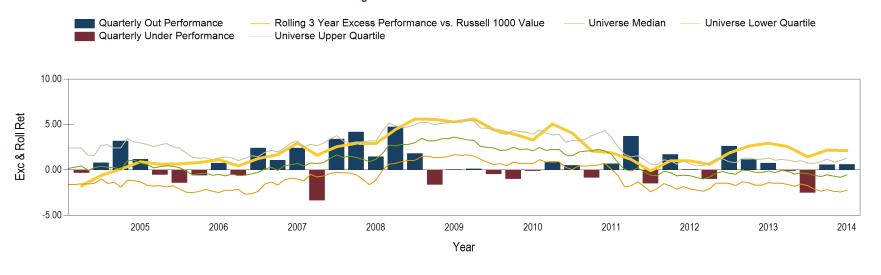
- Russell 1000 Value
- Universe Median
- 68% Confidence Interval
- eA US Large Cap Value Equity Gross



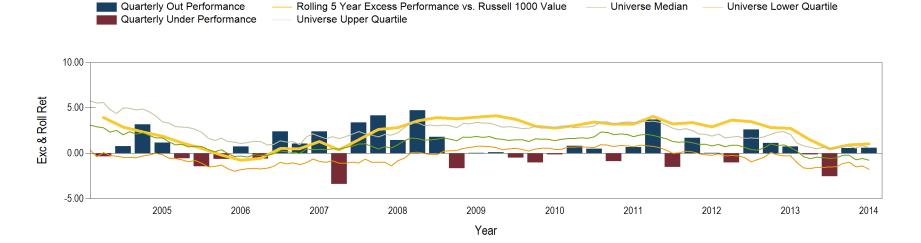


- Robeco Boston Partners Large Cap Value
- Russell 1000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Large Cap Value Equity Gross

#### **Rolling 3 Year Annualized Excess Performance**



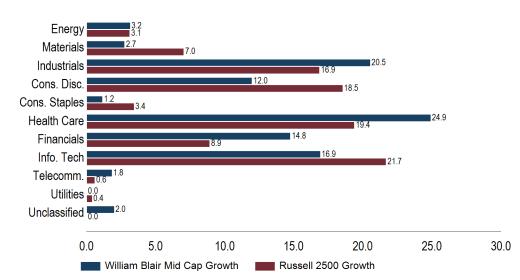
# **Rolling 5 Year Annualized Excess Performance**



#### **Characteristics**

	Portfolio	Russell 2500 Growth
Number of Holdings	81	1,536
Weighted Avg. Market Cap. (\$B)	5.70	4.35
Median Market Cap. (\$B)	4.63	1.21
Price To Earnings	28.49	28.07
Price To Book	6.52	5.23
Price To Sales	4.22	3.08
Return on Equity (%)	21.47	17.52
Yield (%)	0.71	0.68
Beta	0.97	1.00

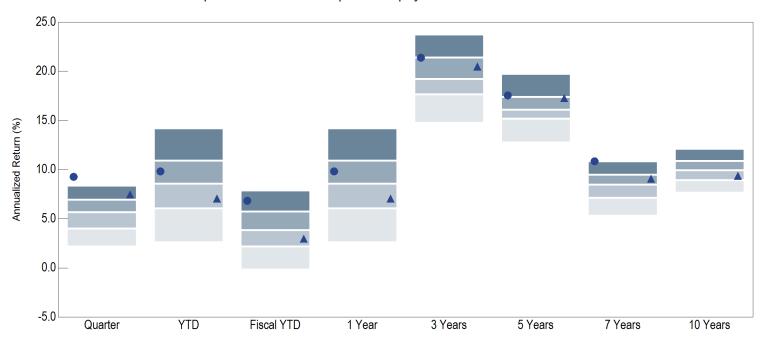
#### Sector Allocation (%) vs Russell 2500 Growth



<sup>\*</sup>Unclassified includes Cash

Top Holdings		<b>Top Contributors</b>			Bottom Contributors					
Ending Period Weight			Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution	
J2 GLOBAL	2.95%	J2 GLOBAL	2.60	26.25	0.68	OASIS PETROLEUM	0.61	-60.44	-0.37	
STERICYCLE	2.50%	ABIOMED	1.19	53.28	0.64	PANDORA MEDIA	1.27	-26.20	-0.33	
JONES LANG LASALLE	2.41%	SIX FLAGS ENTM.	1.95	27.13	0.53	SALIX PHARMS.	0.98	-26.43	-0.26	
ROBERT HALF INTL.	2.27%	ICF INTERNATIONAL	1.34	33.10	0.44	FORUM ENERGY TECHS.	0.78	-32.28	-0.25	
SIX FLAGS ENTM.	2.21%	EXAMWORKS GROUP	1.57	26.99	0.42	HELMERICH & PAYNE	0.68	-30.56	-0.21	
GUIDEWIRE SOFTWARE	2.10%	ROBERT HALF INTL.	2.11	19.52	0.41	GULFPORT ENERGY	0.71	-21.84	-0.15	
AFFILIATED MANAGERS	1.98%	BIOMARIN PHARM.	1.41	25.28	0.36	WEX	1.05	-10.33	-0.11	
WILLIAMS-SONOMA	1.91%	EXACT SCIS.	0.83	41.59	0.35	WNS HDG.ADR 1:1	1.15	-8.22	-0.09	
BIOMARIN PHARM.	1.90%	JONES LANG LASALLE	1.71	18.88	0.32	HORNBECK OFFS.SVS.	0.39	-23.71	-0.09	
SBA COMMS.	1.88%	IDEXX LABORATORIES	1.25	25.83	0.32	OCEANEERING	0.68	-9.41	-0.06	
Total	22.11%									

# William Blair Mid Cap Growth vs. eA US Mid Cap Growth Equity Gross Universe



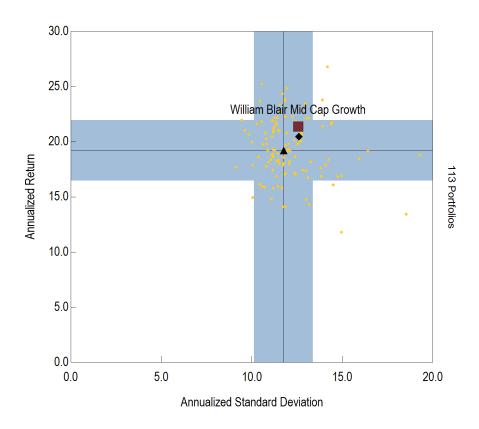
	Return (Ra	ınk)														
5th Percentile	8.4	•	4.2		7.9		14.2		23.7		19.7		10.8		12.1	
25th Percentile	7.0	,	0.9		5.8		10.9		21.4		17.4		9.5		10.9	
Median	5.7		8.6		3.9		8.6		19.2		16.1		8.5		9.9	
75th Percentile	4.0		6.1		2.2		6.1		17.7		15.2		7.2		8.9	
95th Percentile	2.2		2.6		-0.1		2.6		14.8		12.8		5.3		7.7	
# of Portfolios	117		117		117		117		113		108		101		78	
<ul><li>William Blair Mid Cap Growth</li><li>Russell 2500 Growth</li></ul>	9.3 7.5	(3) (15)	9.8 7.1	(33) (65)	6.8 3.0	(12) (62)	9.8 7.1	(33) (65)	21.4 20.5	(26) (37)	17.5 17.3	(23) (27)	10.8 9.1	(4) (33)	 9.4	() (67)

# William Blair Mid Cap Growth vs. eA US Mid Cap Growth Equity Gross Universe



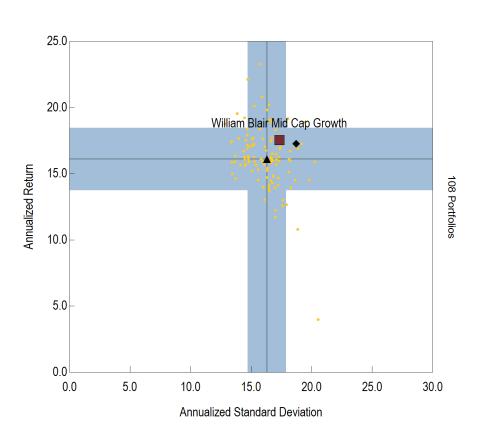
	Return (Rank)									
5th Percentile	14.2	46.0	21.3	6.1	35.3	59.6	-32.0	34.5	20.6	20.3
25th Percentile	10.9	39.2	17.6	1.3	29.8	47.2	-39.3	23.5	13.7	15.2
Median	8.6	36.4	15.4	-2.1	26.7	41.9	-43.2	18.0	9.8	12.1
75th Percentile	6.1	33.2	12.2	-6.1	22.5	34.9	-45.5	11.8	6.8	8.7
95th Percentile	2.6	29.0	6.0	-10.4	18.3	25.7	-49.8	5.3	3.8	5.3
# of Portfolios	117	106	111	122	127	142	158	154	155	147
<ul><li>William Blair Mid Cap Growth</li><li>Russell 2500 Growth</li></ul>	9.8 (33) 7.1 (65)	43.1 (11 40.7 (17	,	0.9 (28) -1.6 (46)	24.4 (65) 28.9 (35)	46.3 (30) 41.7 (51)	-37.4 (19) -41.5 (39)	13.6 (68) 9.7 (85)	() 12.3 (30)	() 8.2 (81)

Risk vs. Return 3 Years



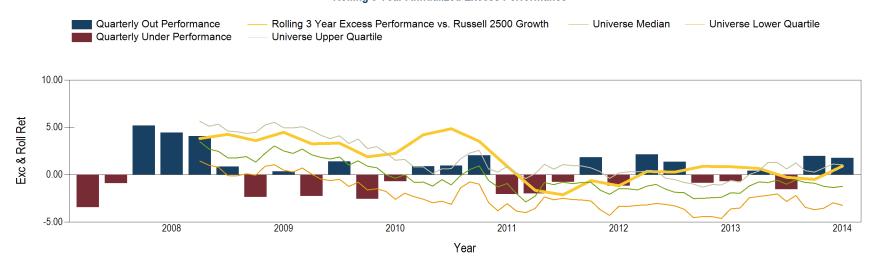
- William Blair Mid Cap Growth
- Russell 2500 Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Mid Cap Growth Equity Gross

Risk vs. Return 5 Years

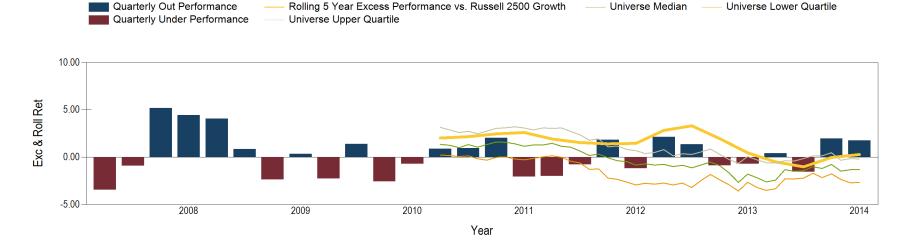


- William Blair Mid Cap Growth
- Russell 2500 Growth
- Universe Median
- 68% Confidence Interval
- eA US Mid Cap Growth Equity Gross

#### **Rolling 3 Year Annualized Excess Performance**



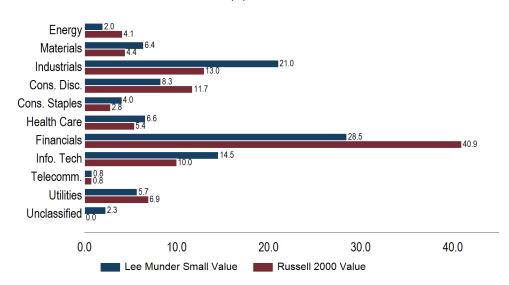
# **Rolling 5 Year Annualized Excess Performance**



# Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	114	1,377
Weighted Avg. Market Cap. (\$B)	2.84	1.72
Median Market Cap. (\$B)	2.33	0.63
Price To Earnings	26.98	21.72
Price To Book	2.48	1.82
Price To Sales	2.25	2.40
Return on Equity (%)	10.37	7.61
Yield (%)	1.53	1.70
Beta	1.03	1.00

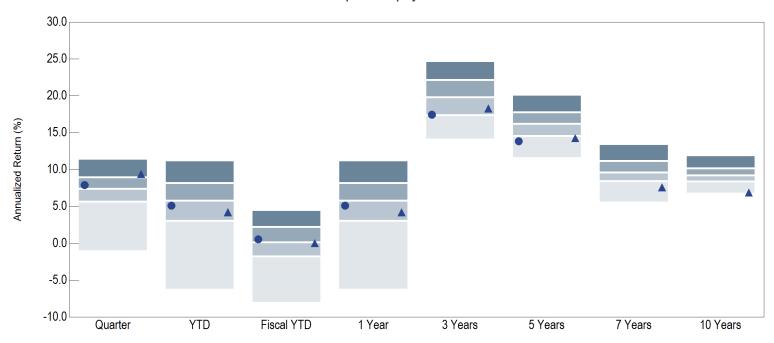
#### Sector Allocation (%) vs Russell 2000 Value



\*Unclassified includes Cash

Top Holdings			Top Contributor	rs		Bottom Contributors					
Ending Period Weight			Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution		
PORTLAND GEN.ELEC.	2.16%	PANTRY	0.60	83.19	0.50	OASIS PETROLEUM	0.80	-60.44	-0.48		
GREAT PLAINS EN.	2.15%	RF MICRO DEVICES	1.05	43.76	0.46	NORTHERN OIL AND GAS	0.67	-60.27	-0.40		
HANOVER INSURANCE GROUP	1.72%	TRIMAS	1.50	28.61	0.43	ROSETTA RESOURCES	0.56	-49.93	-0.28		
AMSURG	1.70%	PORTLAND GEN.ELEC.	1.93	18.64	0.36	MCDERMOTT INTL.	0.45	-49.13	-0.22		
TRIMAS	1.66%	GREAT PLAINS EN.	1.92	18.66	0.36	GOODRICH PTL.	0.29	-70.04	-0.20		
CHAS.RVR.LABS.INTL.	1.48%	BROADSOFT	0.92	37.93	0.35	KEY ENERGY SVS.	0.26	-65.50	-0.17		
CURTISS WRIGHT	1.45%	HANOVER INSURANCE	1.56	16.79	0.26	CLEAN HARBORS	1.32	-10.89	-0.14		
TRIUMPH GROUP NEW	1.43%	GROUP	1.50	10.79	0.20	CARRIZO O&G.	0.59	-22.71	-0.13		
ALLEGHENY TECHS.	1.43%	INFINITY PR.& CLTY.	1.16	21.29	0.25	ITT	1.20	-9.72	-0.12		
HORACE MANN EDUCATORS	1.37%	SELECT COMFORT	0.83	29.21	0.24	CABELA'S	0.73	-10.51	-0.08		
Total	16.54%	G & K SERVICES 'A'	0.81	28.55	0.23						

# Lee Munder Small Value vs. eA US Small Cap Value Equity Gross Universe



	Return (Ra	nk)										
5th Percentile	11.4	11.2	4.5	)	11.2	24.7	20.		13.5		11.9	
25th Percentile	9.0	8.2	2.3	}	8.2	22.2	17.8	}	11.2		10.2	
Median	7.4	5.8	0.2	<u>)</u>	5.8	19.8	16.2	2	9.6		9.2	
75th Percentile	5.7	3.1	-1.8	}	3.1	17.4	14.0	6	8.4		8.4	
95th Percentile	-1.1	-6.3	-8.0	)	-6.3	14.1	11.0	6	5.6		6.8	
# of Portfolios	206	206	206	5	206	200	192	2	180		152	
<ul><li>Lee Munder Small Value</li><li>Russell 2000 Value</li></ul>	7.9 9.4	(44) 5.1 (22) 4.2	(60) 0.5 (68) 0.0	` '	· · · · · · · · · · · · · · · · · · ·	60) 17.4 68) 18.3	(75) 13.8 (67) 14.3	` '	 7.6	() (85)	6.9	() (94)

# Lee Munder Small Value vs. eA US Small Cap Value Equity Gross Universe



	Return (Ran	k)								
5th Percentile	11.2	49.4	25.7	5.3	35.6	64.2	-23.8	9.3	25.9	16.4
25th Percentile	8.2	42.1	20.8	0.0	30.2	42.1	-28.7	1.5	21.6	11.3
Median	5.8	38.1	16.9	-3.3	26.9	32.0	-32.3	-2.9	18.7	8.2
75th Percentile	3.1	35.2	14.7	-6.2	23.8	25.5	-36.3	-8.1	15.0	5.3
95th Percentile	-6.3	27.8	10.3	-12.6	19.2	16.1	-43.3	-16.1	10.6	-0.5
# of Portfolios	206	199	187	177	186	197	221	230	223	220
<ul> <li>Lee Munder Small Value</li> </ul>	5.1 (60)	33.1 (85)	15.7 (61)	-6.9 (79)	26.8 (54)	(	) ()	()	()	()
Russell 2000 Value	4.2 (68)	34.5 (78)	18.1 (43)	-5.5 (69)	24.5 (72)	20.6 (85	) -28.9 (27)	-9.8 (82)	23.5 (14)	4.7 (79)

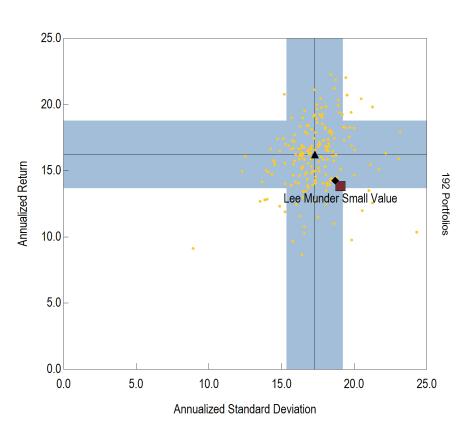
Risk vs. Return

3 Years 45.0 40.0 35.0 30.0 Annualized Return 200 Portfolios 25.0 20.0 Lee Munder Small Value 15.0 10.0 5.0 0.0 0.0 5.0 10.0 15.0 20.0 **Annualized Standard Deviation** 



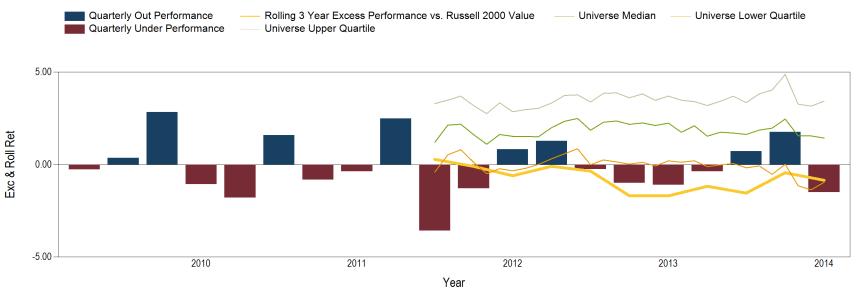
- Russell 2000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

Risk vs. Return 5 Years



- Lee Munder Small Value
- Russell 2000 Value
- Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

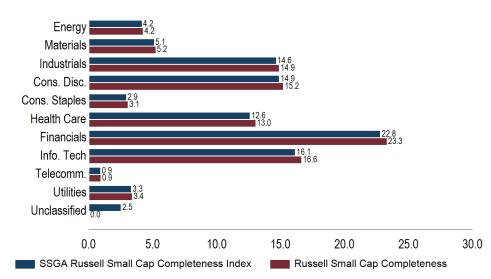
# Rolling 3 Year Annualized Excess Performance



#### Characteristics

	Portfolio	Russell Small Cap Completeness
Number of Holdings	2,099	2,558
Weighted Avg. Market Cap. (\$B)	6.02	6.00
Median Market Cap. (\$B)	1.08	1.06
Price To Earnings	26.37	24.69
Price To Book	3.95	3.30
Price To Sales	3.83	2.97
Return on Equity (%)	14.26	12.26
Yield (%)	1.34	1.14
Beta		1.00

# Sector Allocation (%) vs Russell Small Cap Completeness



\*Unclassified includes Cash

Top Holdings		То	p Contributo	'S		Bottom Contributors				
Ending Period Weight			Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution	
AMERICAN AIRLINES GROUP	0.88%	AMERICAN AIRLINES	0.60	51.53	0.31	TWITTER	0.58	-30.46	-0.18	
ILLUMINA	0.58%	GROUP	0.60	31.33	0.31	WHITING PETROLEUM	0.21	-57.45	-0.12	
UNITED CONTINENTAL HDG.	0.57%	UNITED CONTINENTAL HDG.	0.41	42.96	0.18	SEADRILL (NYS)	0.22	-55.38	-0.12	
HCA HOLDINGS	0.55%	INCYTE	0.16	49.05	0.08	CONCHO RESOURCES	0.33	-20.45	-0.07	
LINKEDIN CLASS A	0.54%	LIBERTY INTACT.'A'	0.33	21.89	0.07	TRINITY INDUSTRIES	0.17	-39.88	-0.07	
LAS VEGAS SANDS	0.50%	ILLUMINA	0.53	12.60	0.07	SM ENERGY	0.12	-50.50	-0.06	
TESLA MOTORS	0.48%	SKYWORKS SOLUTIONS	0.26	25.51	0.07	SALIX PHARMS.	0.23	-26.43	-0.06	
TWITTER	0.42%	ISIS PHARMACEUTICALS	0.11	59.00	0.06	OASIS PETROLEUM	0.10	-60.44	-0.06	
CHENIERE EN.	0.38%	BIOMARIN PHARM.	0.25	25.28	0.06	WPX ENERGY	0.11	-51.66	-0.06	
DISH NETWORK 'A'	0.35%	RITE AID	0.11	55.37	0.06	AMERICAN	0.00	00.00	0.00	
Total	5 24%	CUBIST PHARMACEUTICALS	0.12	51.72	0.06	REAL.CAP.PROPS.	0.26	-23.02	-0.06	

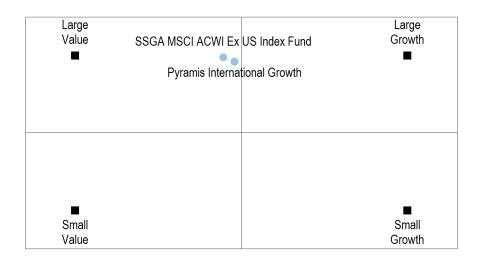
# SSGA Russell Small Cap Completeness Index vs. eA US Small Cap Core Equity Gross Universe



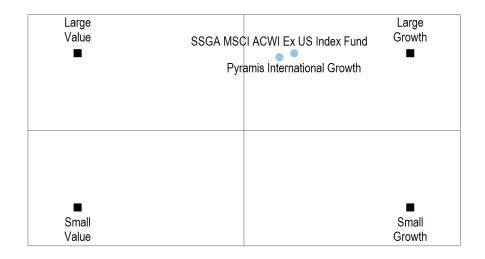
Re	eturn (Ra	ank)														
5th Percentile	11.7		11.3		6.4		11.3		24.7		21.1		13.0		12.0	
25th Percentile	9.6		8.5		3.7		8.5		22.7		18.8		11.0		10.3	
Median	8.7		5.6		1.9		5.6		20.5		17.0		9.4		9.4	
75th Percentile	6.9		2.6		-0.6		2.6		17.7		15.4		8.2		8.3	
95th Percentile	3.7		-3.1		-5.0		-3.1		14.6		13.7		6.2		6.8	
# of Portfolios	142		142		142		142		142		133		123		100	
<ul> <li>SSGA Russell Small Cap Completeness Index</li> <li>Russell Small Cap Completeness</li> </ul>	6.4 6.4	(82) (82)	7.4 7.4	(37) (40)	1.3 1.3	(56) (56)	7.4 7.4	(37) (40)	20.6	() (47)	 16.4	() (60)	8.7	() (68)	9.0	() (59)

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total International Equity	266,547,753	-3.7	-4.8	-9.2	-4.8	9.3	3.8	3.9	-4.8	18.5	15.7	-15.5	9.3
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
eA All EAFE Equity Gross Rank		71	67	68	67	93	97	97	67	85	88	82	72
Enhanced RAFI Global Ex US	88,158,970	-4.5	-5.7	-11.0	-5.7				-5.7	24.5			
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4				-3.4	15.8			
eA All EAFE Equity Gross Rank		83	79	87	79				79	51			
SSGA MSCI ACWI Ex US Index Fund	88,394,137	-3.8	-3.6	-8.9	-3.6	9.3	4.6		-3.6	15.5	17.1	-13.5	11.2
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4	9.5	4.9		-3.4	15.8	17.4	-13.3	11.6
eA All EAFE Equity Gross Rank		73	49	60	49	93	92		49	90	81	64	55
Pyramis International Growth	89,994,646	-3.0	-5.3	-7.9	-5.3	10.3	5.4	5.2	-5.3	18.5	19.4	-13.0	11.5
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
eA All EAFE Equity Gross Rank		58	75	43	75	86	86	76	75	85	59	59	53

EAFE Effective Style Map 3 Years



EAFE Effective Style Map 5 Years

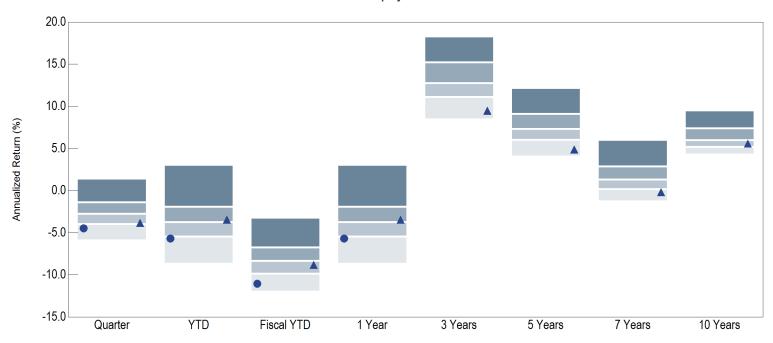


# International Equity Asset Class Overview (Net of Fees)

Period Ending: December 31, 2014

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total International Equity	266,547,753	-3.8	-5.0	-9.3	-5.0	9.0	3.5	3.5	-5.0	18.3	15.3	-15.9	9.0
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
Enhanced RAFI Global Ex US	88,158,970	-4.6	-5.9	-11.2	-5.9				-5.9	23.7			
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4				-3.4	15.8			
SSGA MSCI ACWI Ex US Index Fund	88,394,137	-3.9	-3.7	-8.9	-3.7	9.2	4.6		-3.7	15.5	17.1	-13.5	11.1
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4	9.5	4.9		-3.4	15.8	17.4	-13.3	11.6
Pyramis International Growth	89,994,646	-3.2	-5.7	-8.1	-5.7	9.7	4.8	4.7	-5.7	17.9	18.6	-13.5	10.9
MSCI ACWI ex USA Gross		-3.8	-3.4	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6

# Enhanced RAFI Global Ex US vs. eA All EAFE Equity Gross Universe



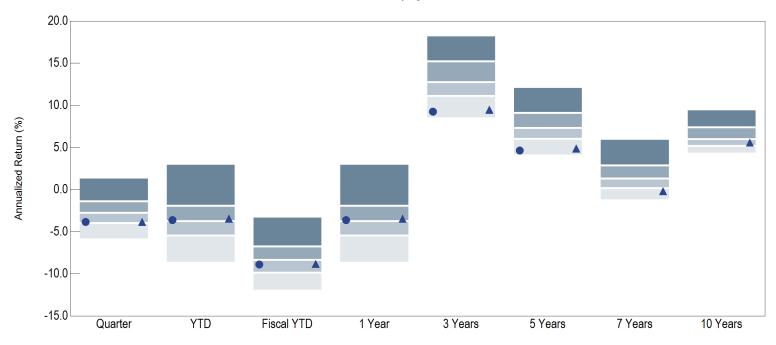
	Return (Rank	<b>(3)</b>													
5th Percentile	1.4	3.0		-3.2		3.0		18.3		12.2		6.0		9.5	
25th Percentile	-1.4	-1.9		-6.7		-1.9		15.2		9.1		2.9		7.4	
Median	-2.7	-3.7		-8.3		-3.7		12.8		7.3		1.3		6.0	
75th Percentile	-3.9	-5.4		-9.8		-5.4		11.2		6.0		0.2		5.2	
95th Percentile	-5.9	-8.6	-	12.0		-8.6		8.5		4.1		-1.3		4.3	
# of Portfolios	314	314		314		314		301		278		254		186	
<ul><li>Enhanced RAFI Global Ex US</li><li>MSCI ACWI ex USA Gross</li></ul>	•	33) -5.7 73) -3.4	(79) (47)	·11.0 -8.8	(87) (58)	-5.7 -3.4	(79) (47)	 9.5	() (92)	 4.9	() (90)	 -0.2	() (83)	 5.6	() (61)

# Enhanced RAFI Global Ex US vs. eA All EAFE Equity Gross Universe



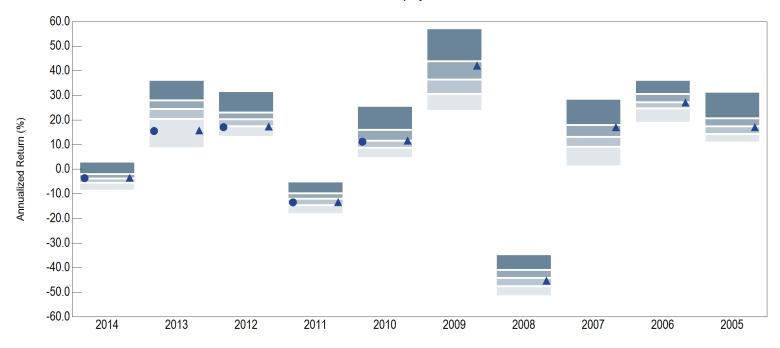
	Return (Rank	<b>(</b> )								
5th Percentile	3.0	36.3	31.7	-5.1	25.7	57.3	-34.5	28.5	36.2	31.5
25th Percentile	-1.9	28.1	23.1	-9.7	16.1	44.0	-40.8	18.0	30.7	20.8
Median	-3.7	24.6	20.4	-12.0	11.7	36.5	-44.1	13.2	27.3	17.5
75th Percentile	-5.4	20.5	17.5	-14.5	8.7	30.7	-47.5	9.1	24.8	14.4
95th Percentile	-8.6	8.6	13.3	-18.2	4.6	23.7	-51.5	1.2	18.9	10.8
# of Portfolios	314	284	263	278	352	455	477	466	434	409
<ul><li>Enhanced RAFI Global Ex US</li><li>MSCI ACWI ex USA Gross</li></ul>	-5.7 (79) -3.4 (47)	24.5 (51) 15.8 (90)	() 17.4 (77)	() -13.3 (62)	() 11.6 (52)	() 42.1 (30)	() -45.2 (59)	() 17.1 (31)	() 27.1 (53)	() 17.1 (54)

# SSGA MSCI ACWI Ex US Index Fund vs. eA All EAFE Equity Gross Universe

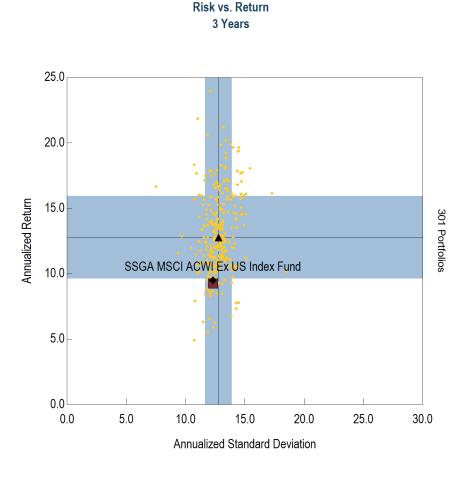


	Return (Ra	ank)														
5th Percentile	1.4		3.0		-3.2		3.0		18.3		12.2		6.0		9.5	
25th Percentile	-1.4		-1.9		-6.7		-1.9		15.2		9.1		2.9		7.4	
Median	-2.7		-3.7		-8.3		-3.7		12.8		7.3		1.3		6.0	
75th Percentile	-3.9		-5.4		-9.8		-5.4		11.2		6.0		0.2		5.2	
95th Percentile	-5.9		-8.6		-12.0		-8.6		8.5		4.1		-1.3		4.3	
# of Portfolios	314		314		314		314		301		278		254		186	
SSGA MSCI ACWI Ex US Index Fund MSCI ACWI ex USA Gross	-3.8 -3.8	(73) (73)	-3.6 -3.4	(49) (47)	-8.9 -8.8	(60) (58)	-3.6 -3.4	(49) (47)	9.3 9.5	(93) (92)	4.6 4.9	(92) (90)	-0.2	() (83)	5.6	() (61)

# SSGA MSCI ACWI Ex US Index Fund vs. eA All EAFE Equity Gross Universe

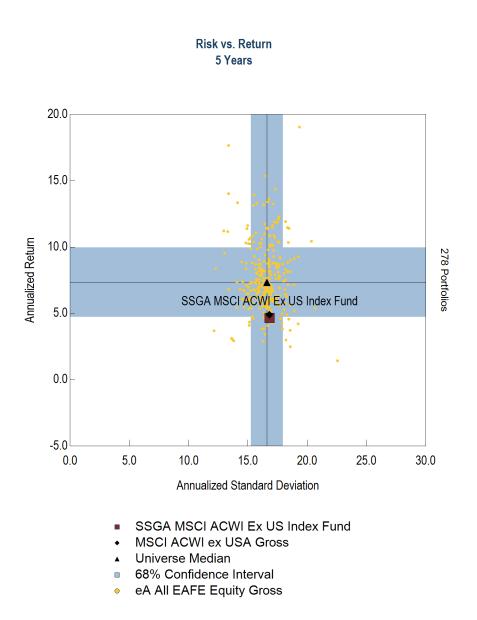


	Return (Rank	)								
5th Percentile	3.0	36.3	31.7	-5.1	25.7	57.3	-34.5	28.5	36.2	31.5
25th Percentile	-1.9	28.1	23.1	-9.7	16.1	44.0	-40.8	18.0	30.7	20.8
Median	-3.7	24.6	20.4	-12.0	11.7	36.5	-44.1	13.2	27.3	17.5
75th Percentile	-5.4	20.5	17.5	-14.5	8.7	30.7	-47.5	9.1	24.8	14.4
95th Percentile	-8.6	8.6	13.3	-18.2	4.6	23.7	-51.5	1.2	18.9	10.8
# of Portfolios	314	284	263	278	352	455	477	466	434	409
<ul> <li>SSGA MSCI ACWI Ex US Index Fund</li> <li>MSCI ACWI ex USA Gross</li> </ul>	-3.6 (49) -3.4 (47)	15.5 (90) 15.8 (90)	17.1 (81) 17.4 (77)	-13.5 (64) -13.3 (62)	11.2 (55) 11.6 (52)	() 42.1 (30)	() -45.2 (59)	() 17.1 (31)	() 27.1 (53)	() 17.1 (54)

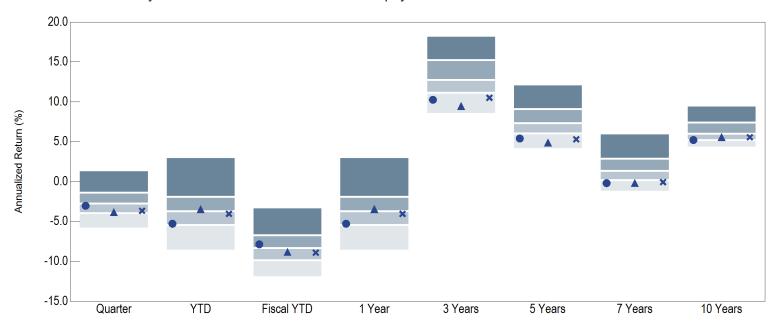




- MSCI ACWI ex USA Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross



# Pyramis International Growth vs. eA All EAFE Equity Gross Universe



	Return (Ra	ank)														
5th Percentile	1.4	-	3.0		-3.2		3.0		18.3		12.2		6.0		9.5	
25th Percentile	-1.4		-1.9		-6.7		-1.9		15.2		9.1		2.9		7.4	
Median	-2.7		-3.7		-8.3		-3.7		12.8		7.3		1.3		6.0	
75th Percentile	-3.9		-5.4		-9.8		-5.4		11.2		6.0		0.2		5.2	
95th Percentile	-5.9		-8.6		-12.0		-8.6		8.5		4.1		-1.3		4.3	
# of Portfolios	314		314		314		314		301		278		254		186	
<ul> <li>Pyramis International Growth</li> <li>MSCI ACWI ex USA Gross</li> <li>Tulare International Custom</li> </ul>	-3.0 -3.8 -3.7	(58) (73) (71)	-5.3 -3.4 -4.0	(75) (47) (55)	-7.9 -8.8 -8.9	(43) (58) (60)	-5.3 -3.4 -4.0	(75) (47) (55)	10.3 9.5 10.5	(86) (92) (84)	5.4 4.9 5.3	(86) (90) (88)	-0.2 -0.2 -0.1	(83) (83) (81)	5.2 5.6 5.6	(76) (61) (62)

# Pyramis International Growth vs. eA All EAFE Equity Gross Universe



	Return (Rank	<b>(</b> )								
5th Percentile	3.0	36.3	31.7	-5.1	25.7	57.3	-34.5	28.5	36.2	31.5
25th Percentile	-1.9	28.1	23.1	-9.7	16.1	44.0	-40.8	18.0	30.7	20.8
Median	-3.7	24.6	20.4	-12.0	11.7	36.5	-44.1	13.2	27.3	17.5
75th Percentile	-5.4	20.5	17.5	-14.5	8.7	30.7	-47.5	9.1	24.8	14.4
95th Percentile	-8.6	8.6	13.3	-18.2	4.6	23.7	-51.5	1.2	18.9	10.8
# of Portfolios	314	284	263	278	352	455	477	466	434	409
<ul> <li>Pyramis International Growth</li> <li>MSCI ACWI ex USA Gross</li> <li>Tulare International Custom</li> </ul>	-5.3 (75) -3.4 (47) -4.0 (55)	18.5 (85) 15.8 (90) 19.1 (83)	19.4 (59) 17.4 (77) 18.1 (70)	-13.0 (59) -13.3 (62) -12.6 (56)	11.5 (53) 11.6 (52) 9.8 (67)	36.1 (51) 42.1 (30) 38.9 (40)	-44.3 (52) -45.2 (59) -44.6 (56)	15.6 (38) 17.1 (31) 15.6 (38)	24.5 (77) 27.1 (53) 27.8 (47)	17.0 (56) 17.1 (54) 16.9 (56)

Risk vs. Return

3 Years

25.0
20.0
Pyramis International Growth
10.0
5.0



15.0

**Annualized Standard Deviation** 

20.0

25.0

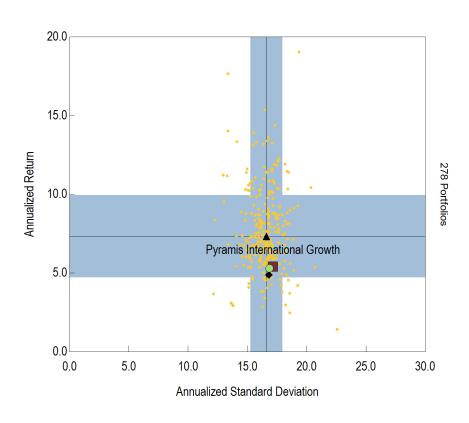
30.0

- MSCI ACWI ex USA Gross
- Tulare International Custom
- ▲ Universe Median

10.0

- 68% Confidence Interval
- eA All EAFE Equity Gross

Risk vs. Return 5 Years



- Pyramis International Growth
- MSCI ACWI ex USA Gross
- Tulare International Custom
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

0.0

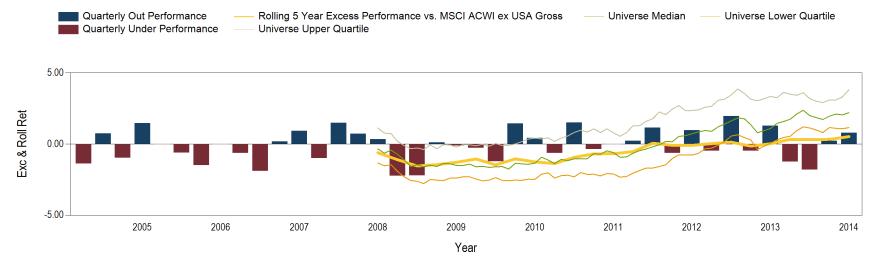
0.0

5.0

#### **Rolling 3 Year Annualized Excess Performance**



#### **Rolling 5 Year Annualized Excess Performance**

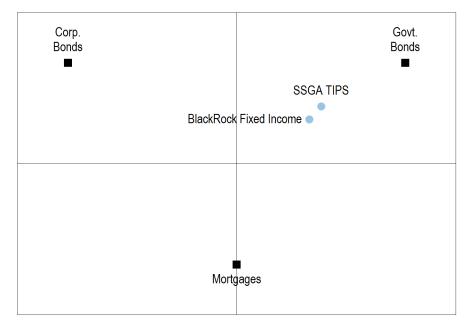


	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Fixed Income	330,284,453	0.8	4.6	0.5	4.6	4.0	5.9	5.4	4.6	-0.9	8.4	9.1	8.8
Barclays Aggregate		1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
eA US Interm Duration Fixed Inc Gross Rank		59	13	88	13	13	3	8	13	73	7	1	5
Total Domestic Fixed Income													
BlackRock Fixed Income	103,056,173	1.7	6.2	1.8	6.2	3.3	5.0	5.2	6.2	-1.5	5.5	8.1	7.2
Barclays Aggregate		1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
eA All US Fixed Inc Gross Rank		22	29	27	29	53	50	42	29	75	56	28	45
PIMCO Core Plus	102,380,953	1.6	5.2	1.4	5.2		-		5.2	-3.2			
Barclays Aggregate		1.8	6.0	2.0	6.0				6.0	-2.0			
eA US Core Plus Fixed Inc Gross Rank		25	74	43	74				74	99			
Shenkman High Yield	34,207,511	-0.7	2.5	-2.4	2.5	6.9			2.5	6.3	12.3	6.1	
BofA Merrill Lynch US High Yield Master II TR		-1.1	2.5	-3.0	2.5	8.4			2.5	7.4	15.6	4.4	
eA US High Yield Fixed Inc Gross Rank		44	52	47	52	84			52	81	89	27	
SSGA TIPS	29,701,663	0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	6.9	13.5	6.3
Barclays US TIPS		0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	7.0	13.6	6.3
eA TIPS / Infl Indexed Fixed Inc Gross Rank		35	44	47	44	62	65		44	77	67	51	62
Total Global Fixed Income													
Franklin Templeton Global Bond Plus	60,938,153	-1.1	2.4	-0.9	2.4		-		2.4	3.0			
JPM GBI Global Hedged Index		2.8	8.5	4.3	8.5				8.5	-0.4			
eA Global Fixed Inc Hedged Gross Rank		66	55	46	55				55	37			

Fixed Income Style Map 3 Years

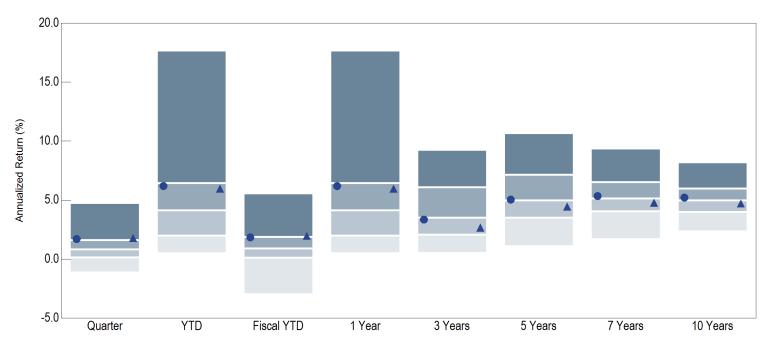


Fixed Income Style Map 5 Years



	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Fixed Income	330,284,453	0.7	4.3	0.3	4.3	3.6	5.6	5.1	4.3	-1.2	8.0	8.8	8.5
Barclays Aggregate		1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
Total Domestic Fixed Income													
BlackRock Fixed Income	103,056,173	1.7	6.0	1.7	6.0	3.1	4.8	5.0	6.0	-1.8	5.2	8.0	7.0
Barclays Aggregate		1.8	6.0	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
PIMCO Core Plus	102,380,953	1.5	4.9	1.2	4.9		-		4.9	-3.5			
Barclays Aggregate		1.8	6.0	2.0	6.0				6.0	-2.0			
Shenkman High Yield	34,207,511	-0.8	2.0	-2.6	2.0	6.4	-		2.0	5.8	11.7	5.4	
BofA Merrill Lynch US High Yield Master II TR		-1.1	2.5	-3.0	2.5	8.4			2.5	7.4	15.6	4.4	
SSGA TIPS	29,701,663	0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	6.9	13.5	6.2
Barclays US TIPS		0.0	3.6	-2.1	3.6	0.4	4.1		3.6	-8.6	7.0	13.6	6.3
Total Global Fixed Income													
Franklin Templeton Global Bond Plus	60,938,153	-1.2	1.9	-1.2	1.9				1.9	2.5			
JPM GBI Global Hedged Index		2.8	8.5	4.3	8.5				8.5	-0.4			

#### BlackRock Fixed Income vs. eA All US Fixed Inc Gross Universe



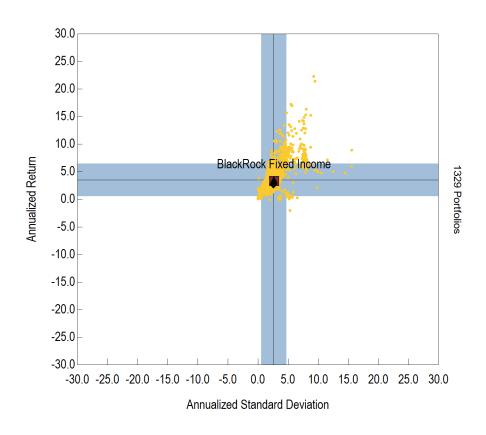
	Return (R	ank)														
5th Percentile	4.7		17.7		5.6		17.7		9.2		10.7		9.4		8.2	
25th Percentile	1.6		6.4		1.9		6.4		6.1		7.2		6.5		6.0	
Median	8.0		4.2		0.9		4.2		3.5		5.0		5.1		5.0	
75th Percentile	0.2		2.0		0.1		2.0		2.1		3.5		4.1		4.0	
95th Percentile	-1.1		0.5		-2.9		0.5		0.5		1.1		1.7		2.4	
# of Portfolios	1,366		1,364		1,364		1,364		1,329		1,243		1,118		992	
<ul><li>BlackRock Fixed Income</li><li>Barclays Aggregate</li></ul>	1.7 1.8	(22) (19)	6.2 6.0	(29) (33)	1.8 2.0	(27) (23)	6.2 6.0	(29) (33)	3.3 2.7	(53) (65)	5.0 4.4	(50) (59)	5.3 4.8	(46) (59)	5.2 4.7	(42) (58)

#### BlackRock Fixed Income vs. eA All US Fixed Inc Gross Universe



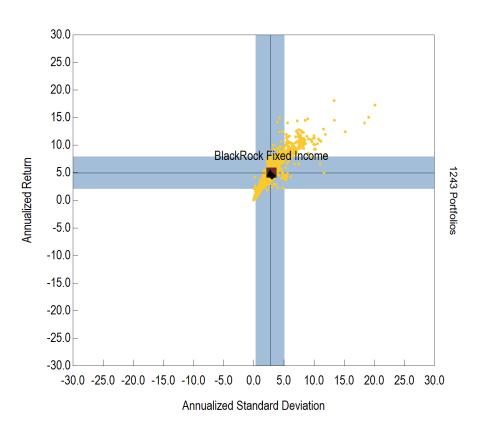
		Return	(Rank)																			
	5th Percentile	17.7		8.7		16.2		18.6		15.5		47.9		9.4		8.9		10.8		5.4		
	25th Percentile	6.4		0.9		10.2		8.2		9.7		16.3		5.4		7.2		5.3		3.2		
	Median	4.2		-0.3		6.1		6.5		6.9		9.3		2.4		6.2		4.7		2.7		
	75th Percentile	2.0		-1.5		3.8		4.0		4.8		5.7		-4.3		4.7		4.3		2.2		
	95th Percentile	0.5		-7.5		1.1		0.4		1.4		1.2		-25.4		2.3		3.0		1.6		
	# of Portfolios	1,364		1,281		1,241		1,211		1,157		1,287		1,380		1,419		1,435		1,434		
•	BlackRock Fixed Income	6.2	(29)	-1.5	(75)	5.5	(56)	8.1	(28)	7.2	(45)	9.4	(50)	2.9	(48)	7.6	(16)	4.4	(66)	2.7	(47)	
	Barclays Aggregate	6.0	(33)	-2.0	(83)	4.2	(70)	7.8	(32)	6.5	(57)	5.9	(73)	5.2	(27)	7.0	(33)	4.3	(72)	2.4	(63)	

Risk vs. Return 3 Years



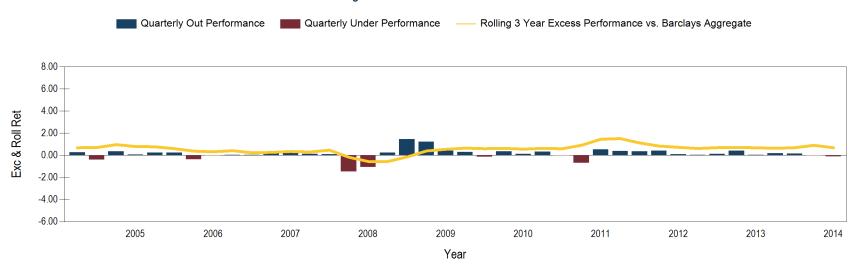
- BlackRock Fixed Income
- Barclays Aggregate
- Universe Median
- 68% Confidence Interval
- eA All US Fixed Inc Gross

Risk vs. Return 5 Years

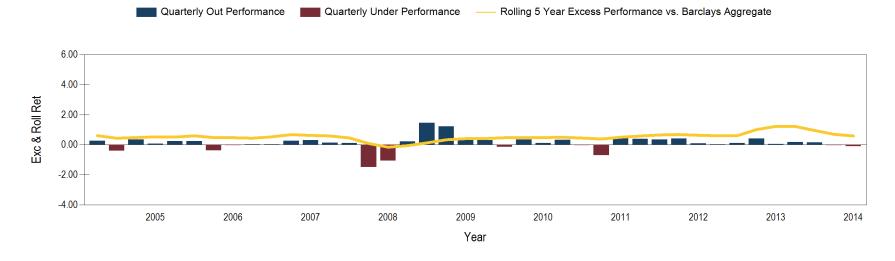


- BlackRock Fixed Income
- Barclays Aggregate
- Universe Median
- 68% Confidence Interval
- eA All US Fixed Inc Gross

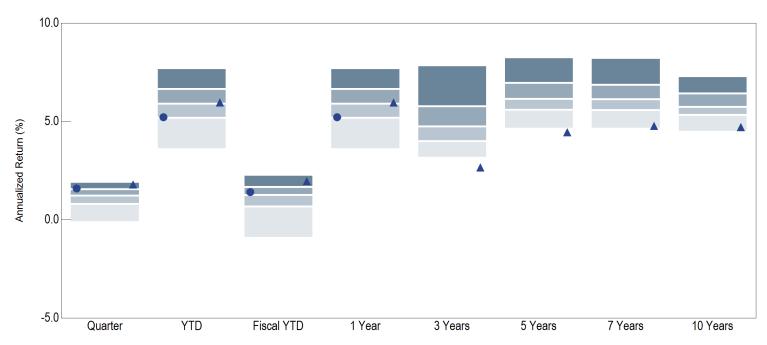
#### **Rolling 3 Year Annualized Excess Performance**



#### **Rolling 5 Year Annualized Excess Performance**



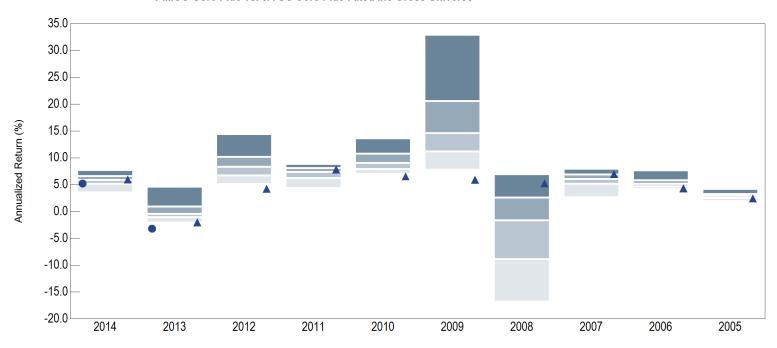
#### PIMCO Core Plus vs. eA US Core Plus Fixed Inc Gross Universe



	5th Percentile
	25th Percentile
	Median
	75th Percentile
	95th Percentile
	# of Portfolios
	PIMCO Core Plus
<b>A</b>	Barclays Aggregat

eturn (R	ank)														
1.9		7.7		2.3		7.7		7.8		8.2		8.2		7.3	
1.6		6.7		1.7		6.7		5.8		7.0		6.9		6.4	
1.2		5.9		1.3		5.9		4.7		6.1		6.1		5.8	
8.0		5.2		0.7		5.2		4.0		5.6		5.6		5.3	
-0.1		3.6		-0.9		3.6		3.2		4.6		4.6		4.5	
118		118		118		118		116		112		101		88	
1.6	(25)	5.2	(74)	1.4	(43)	5.2	(74)		()		()		()		()
1.8	(8)	6.0	(50)	2.0	(11)	6.0	(50)	2.7	(98)	4.4	(98)	4.8	(93)	4.7	(93)

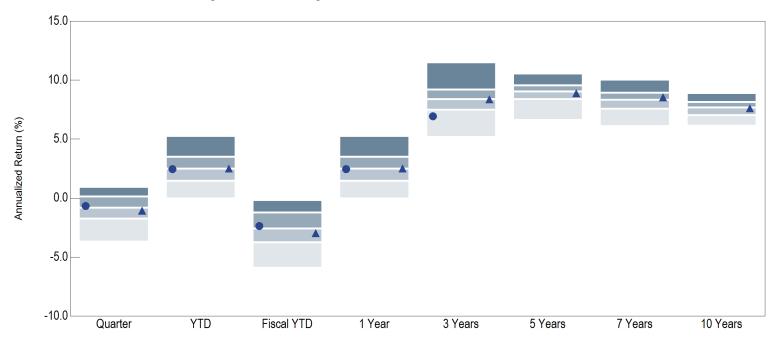
#### PIMCO Core Plus vs. eA US Core Plus Fixed Inc Gross Universe



	5th Percentile
	25th Percentile
	Median
	75th Percentile
	95th Percentile
	# of Portfolios
	PIMCO Core Plus
•	Barclays Aggregate

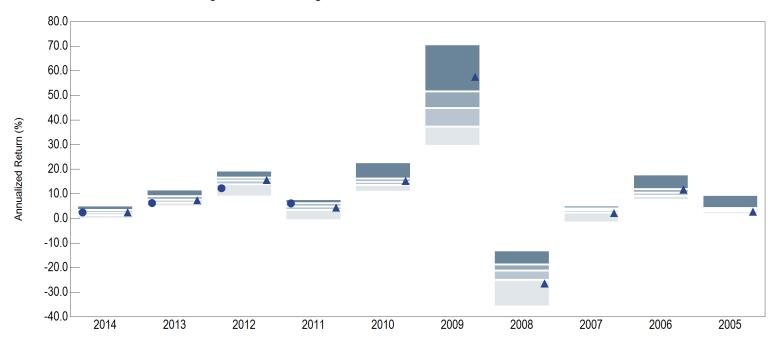
Return (Rank)														
7.7		4.6	14.4	8.8	13.6	32.9	6.9	7.9	7.6	4.2				
6.7		1.0	10.2	8.1	10.8	20.6	2.7	6.9	5.9	3.3				
5.9		-0.4	8.3	7.4	9.1	14.6	-1.6	6.1	5.2	3.0				
5.2		-1.0	6.7	6.3	8.0	11.2	-8.9	5.2	4.7	2.6				
3.6		-2.0	5.1	4.4	7.0	7.8	-16.8	2.7	4.2	2.0				
118		116	124	118	123	128	136	144	146	141				
5.2	(74)	-3.2 (99	)	()	()	()	()	()	()	()	()			
6.0	(50)	-2.0 (96	6) 4.2 (9	97) 7.8	(37) 6.5	(97) 5.9	(99) 5.2	(13) 7.0	(25) 4.3	(90) 2.4	(80)			

#### Shenkman High Yield vs. eA US High Yield Fixed Inc Gross Universe



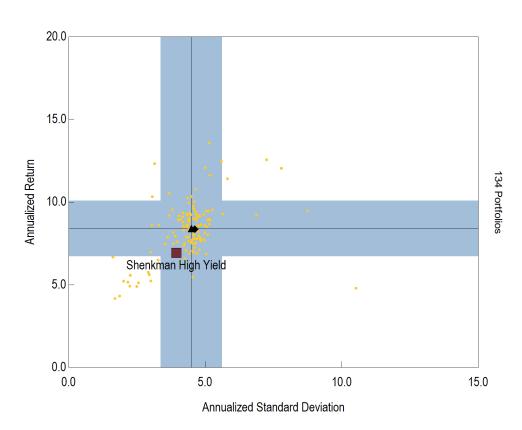
R	eturn (Ra	nk)														
5th Percentile	0.9		5.2		-0.2		5.2		11.5		10.5		10.0		8.9	
25th Percentile	0.2		3.5		-1.2		3.5		9.2		9.6		9.0		8.2	
Median	-0.8		2.5		-2.6		2.5		8.4		9.1		8.3		7.7	
75th Percentile	-1.7		1.5		-3.7		1.5		7.5		8.4		7.6		7.0	
95th Percentile	-3.7		0.0		-5.9		0.0		5.2		6.6		6.1		6.2	
# of Portfolios	141		141		141		141		134		121		108		97	
<ul><li>Shenkman High Yield</li><li>BofA Merrill Lynch US High Yield Master II TR</li></ul>	-0.7 -1.1	(44) (58)	2.5 2.5	(52) (51)	-2.4 -3.0	(47) (63)	2.5 2.5	(52) (51)	6.9 8.4	(84) (51)	 8.9	() (57)	8.5	() (43)	7.6	() (56)

### Shenkman High Yield vs. eA US High Yield Fixed Inc Gross Universe



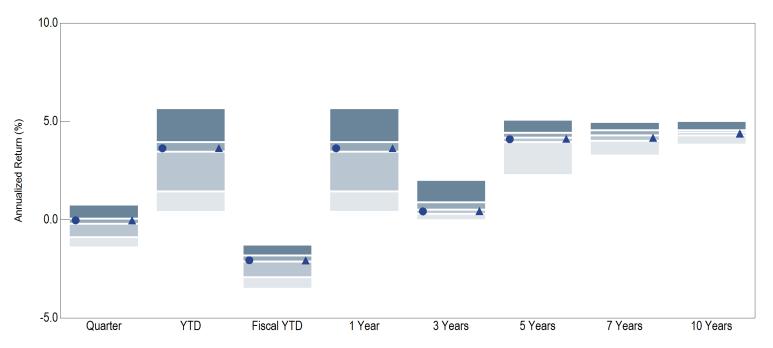
F	Return (	Rank)																	
5th Percentile	5.2	11.	7	19.4		7.9		22.8		70.8		-13.1		5.3		17.9		9.6	
25th Percentile	3.5	9.	1	16.7		6.2		16.3		51.8		-18.6		4.1		12.0		4.3	
Median	2.5	7.	ô	15.5		4.9		14.9		45.0		-21.2		3.5		10.5		3.7	
75th Percentile	1.5	6.	ô	14.0		3.5		13.6		37.4		-24.9		2.5		9.3		3.0	
95th Percentile	0.0	5.	0	8.9		-0.7		10.9		29.6		-35.7		-1.6		7.5		1.8	
# of Portfolios	141	13	0	129		117		106		123		131		133		138		138	
Shenkman High Yield	2.5	(52) 6.	3 (81)	12.3	(89)	6.1	(27)		()		()		()		()		()		()
BofA Merrill Lynch US High Yield Master II TR	2.5	(51) 7.	4 (55)	15.6	(47)	4.4	(60)	15.2	(42)	57.5	(16)	-26.4	(82)	2.2	(83)	11.8	(30)	2.7	(81)

#### Risk vs. Return 3 Years



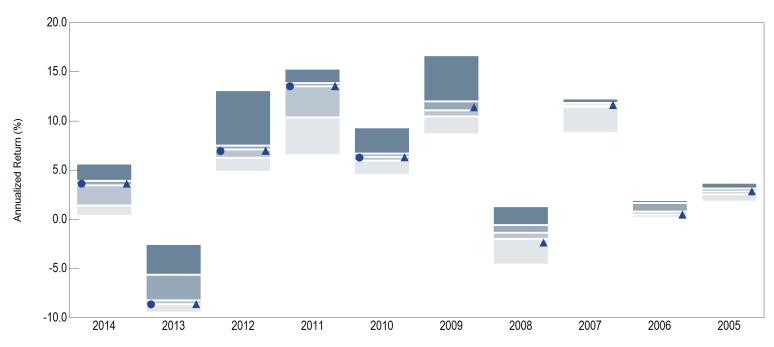
- Shenkman High Yield
- BofA Merrill Lynch US High Yield Master II TR
- ▲ Universe Median
- 68% Confidence Interval
- eA US High Yield Fixed Inc Gross

#### SSGA TIPS vs. eA TIPS / Infl Indexed Fixed Inc Gross Universe



	Return (Ranl	k)													
5th Percentile	0.8	5.7		-1.3		5.7		2.0		5.1		5.0		5.0	
25th Percentile	0.1	4.0		-1.8		4.0		0.9		4.4		4.6		4.6	
Median	-0.2	3.5		-2.1		3.5		0.5		4.2		4.3		4.4	
75th Percentile	-0.9	1.4		-2.9		1.4		0.3		4.0		4.0		4.3	
95th Percentile	-1.4	0.4		-3.5		0.4		0.0		2.3		3.3		3.8	
# of Portfolios	50	50		50		50		48		42		39		30	
<ul><li>SSGA TIPS</li><li>Barclays US TIPS</li></ul>	· · · · · · · · · · · · · · · · · · ·	35) 3.6 35) 3.6	(44) (44)	-2.1 -2.1	(47) (48)	3.6 3.6	(44) (44)	0.4 0.4	(62) (61)	4.1 4.1	(65) (60)	 4.2	() (62)	 4.4	() (67)

#### SSGA TIPS vs. eA TIPS / Infl Indexed Fixed Inc Gross Universe



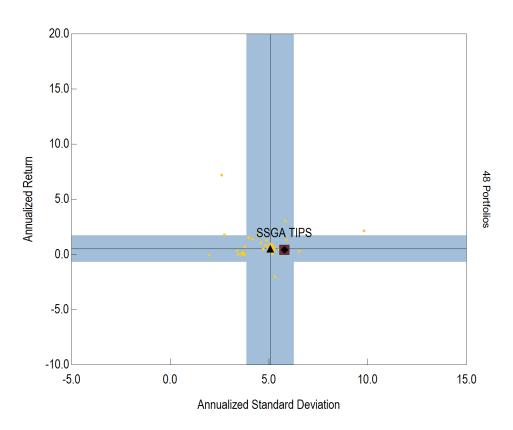
75th Percentile
95th Percentile # of Portfolios  SSGA TIPS

**Barclays US TIPS** 

	(																		
5.7		-2.5		13.1		15.3		9.4		16.7		1.3		12.3		2.0		3.7	
4.0		-5.6		7.5		13.9		6.7		12.0		-0.5		11.8		1.7		3.2	
3.5		-8.2		7.1		13.5		6.4		11.1		-1.4		11.6		8.0		2.9	
1.4		-8.6		6.3		10.4		6.0		10.5		-1.9		11.5		0.5		2.6	
0.4		-9.4		4.9		6.6		4.6		8.7		-4.6		8.8		0.2		1.8	
50		43		43		47		39		37		40		37		35		34	
3.6	(44)	-8.6	(77)	6.9	(67)	13.5	(51)	6.3	(62)		()		()		()		()		()
3.6	(44)	-8.6	(76)	7.0	(66)	13.6	(49)	6.3	(57)	11.4	(35)	-2.4	(85)	11.6	(49)	0.5	(80)	2.9	(54)

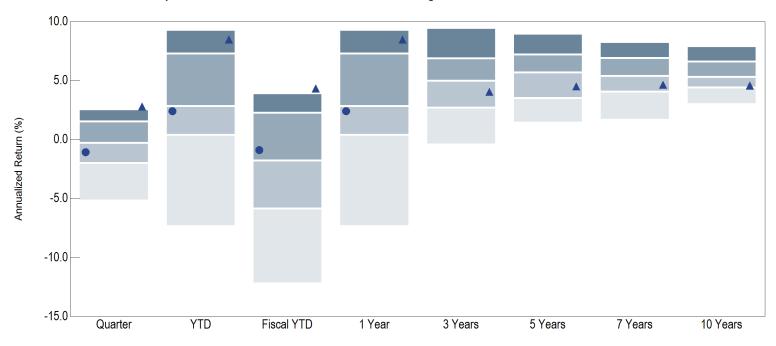
Return (Rank)





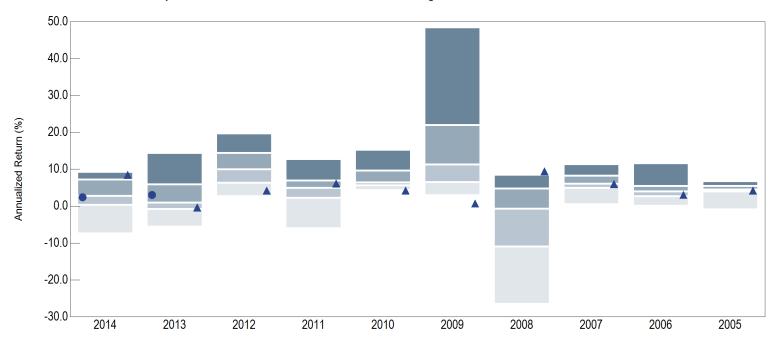
- SSGA TIPS
- Barclays US TIPS
- Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

#### Franklin Templeton Global Bond Plus vs. eA Global Fixed Inc Hedged Gross Universe



	Return (Ra	ınk)														
5th Percentile	2.6		9.3		3.9		9.3		9.5		9.0		8.3		7.9	
25th Percentile	1.6		7.3		2.3		7.3		6.9		7.2		6.9		6.6	
Median	-0.3		2.9		-1.8		2.9		5.0		5.7		5.4		5.3	
75th Percentile	-2.0		0.4		-5.8		0.4		2.7		3.5		4.1		4.4	
95th Percentile	-5.2		-7.3		-12.2		-7.3		-0.4		1.4		1.7		3.0	
# of Portfolios	105		104		105		104		97		77		64		48	
Franklin Templeton Global Bond Plus JPM GBI Global Hedged Index	-1.1 2.8	(66) (2)	2.4 8.5	(55) (11)	-0.9 4.3	(46) (3)	2.4 8.5	(55) (11)	4.0	() (62)	 4.5	() (66)	4.6	() (69)	 4.6	() (66)

### Franklin Templeton Global Bond Plus vs. eA Global Fixed Inc Hedged Gross Universe



	Return (Rank	<b>x</b> )								
5th Percentile	9.3	14.3	19.7	12.7	15.3	48.4	8.5	11.4	11.6	6.7
25th Percentile	7.3	5.9	14.4	7.0	9.7	22.0	4.8	8.3	5.6	5.5
Median	2.9	1.0	10.0	5.0	6.5	11.4	-0.6	6.1	4.1	4.5
75th Percentile	0.4	-0.7	6.4	2.4	5.7	6.6	-10.9	5.0	2.8	4.0
95th Percentile	-7.3	-5.5	2.7	-6.0	4.4	3.0	-26.5	0.6	0.2	-0.8
# of Portfolios	104	84	80	66	27	36	41	45	45	44
<ul><li>Franklin Templeton Global Bond Plus</li><li>JPM GBI Global Hedged Index</li></ul>	2.4 (55) 8.5 (11)	3.0 (37) -0.4 (71)	() 4.2 (89)	() 6.2 (39)	() 4.2 (97)	() 0.7 (99)	() 9.4 (4)	() 6.0 (55)	() 3.1 (70)	() 4.2 (67)

## Real Estate

# Asset Class Overview (Gross of Fees)

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Real Estate	80,314,668	2.2	12.0	6.1	12.0	10.4	9.4	6.6	12.0	11.5	7.8	8.2	7.4
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF	15,125,908	0.0	6.7	4.0	6.7	7.8	11.6	13.8	6.7	12.3	4.5	14.2	20.9
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF America II	46,300,143	2.9	13.0	7.1	13.0	13.7	15.1	6.8	13.0	15.5	12.5	14.1	20.3
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
TA Associates Realty	18,888,616	0.0	11.7	3.0	11.7	6.3	5.9		11.7	5.2	2.2	7.3	3.5
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1		11.8	11.0	10.5	14.3	13.1

## Real Estate

# Asset Class Overview (Net of Fees)

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Real Estate	80,314,668	2.2	11.6	5.7	11.6	10.3	9.2	5.8	11.6	11.5	7.8	8.2	7.0
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF	15,125,908	0.0	5.6	3.5	5.6	7.1	10.3	12.1	5.6	12.1	3.8	10.5	20.2
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
RREEF America II	46,300,143	2.7	12.0	6.6	12.0	12.9	14.3	6.1	12.0	15.0	11.6	14.3	18.9
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1	8.4	11.8	11.0	10.5	14.3	13.1
TA Associates Realty	18,888,616	0.0	11.6	2.8	11.6	6.2	4.7		11.6	5.1	2.1	4.4	0.6
NCREIF Property Index		3.0	11.8	5.7	11.8	11.1	12.1		11.8	11.0	10.5	14.3	13.1

# Asset Class Overview (Gross of Fees)

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Alternatives	114,115,978	-4.4	-3.7	-8.4	-3.7	1.6	2.5		-3.7	3.8	5.0	2.1	5.6
CPI + 5%		-0.1	5.8	1.0	5.8	6.4	6.8		5.8	6.6	6.8	8.1	6.6
Gresham MTAP Commodity Builder	22,884,554	-12.5	-16.3	-21.7	-16.3				-16.3				
Bloomberg Commodity Index TR USD		-12.1	-17.0	-22.5	-17.0				-17.0				
Commodities Broad Basket MStar MF Rank		49	35	25	35				35				
Wellington Commodity	23,482,214	-12.4		-20.0									
Bloomberg Commodity Index TR USD		-12.1		-22.5									
Commodities Broad Basket MStar MF Rank		49		17									
Aetos Capital	28,899,273	1.5	5.2	1.8	5.2	8.1	5.7		5.2	11.4	7.9	-2.5	6.9
BofA ML 90 DAY T-BILLS + 400 bps		1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1
UBP Asset Management	776,088	0.5	7.5	2.4	7.5	8.2	6.1		7.5	4.7	12.6	0.6	5.5
BofA ML 90 DAY T-BILLS + 400 bps		1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1

## Asset Class Overview (Net of Fees)

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Alternatives	114,115,978	-4.8	-4.6	-9.0	-4.6	1.1	2.1		-4.6	3.5	4.7	1.7	5.5
CPI + 5%		-0.1	5.8	1.0	5.8	6.4	6.8		5.8	6.6	6.8	8.1	6.6
Gresham MTAP Commodity Builder	22,884,554	-12.6	-16.8	-22.0	-16.8				-16.8				
Bloomberg Commodity Index TR USD		-12.1	-17.0	-22.5	-17.0				-17.0				-
Wellington Commodity	23,482,214	-12.6		-20.3									
Bloomberg Commodity Index TR USD		-12.1		-22.5									-
Aetos Capital	28,899,273	1.4	4.5	1.5	4.5	7.3	5.3		4.5	10.4	7.2	-2.0	6.9
BofA ML 90 DAY T-BILLS + 400 bps		1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1
UBP Asset Management	776,088	0.3	7.0	2.1	7.0	7.8	5.8		7.0	4.2	12.4	0.8	4.9
BofA ML 90 DAY T-BILLS + 400 bps		1.0	4.0	2.0	4.0	4.1	4.1		4.0	4.1	4.1	4.1	4.1

## Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return - [Risk-free Rate + Portfolio Beta x (Market Return - Risk-free Rate)].

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

**Beta**: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

**Book-to-Market**: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios. **Capture Ratio**: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

**Excess Return**: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

**Interaction Effect**: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

**Portfolio Turnover**: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

**Price-to-Earnings Ratio (P/E)**: Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

**R-Squared**: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

**Sharpe Ratio**: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

**Standard Deviation**: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

**Style Map**: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.



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