



# **PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS**



**PERIOD ENDING: JUNE 30, 2015**

Investment Performance Review for

**Imperial County Employees' Retirement System**

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**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

**3<sup>RD</sup> QUARTER 2015  
Investment Landscape**



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# 3<sup>rd</sup> quarter summary

## THE ECONOMIC CLIMATE

- The U.S. economy continues to progress in a way which indicates a small interest rate increase by year-end. **p.5**
- Core Eurozone economies making progress while the periphery continues to struggle. **p.35**
- Global low inflation persists while US inflation expectations have been flat over the quarter. **p.13**

## MARKET PORTFOLIO IMPACTS

- Moderated dollar strength has mitigated Q1 effect on foreign asset values but continuing trend retains effect on earnings. **p.33, 42**
- Retracement of very low global interest rate environment with negative impacts on fixed income prices. **p.21**
- Emerging markets remain volatile in the face of commodity and economic challenges. **p.37**

## THE INVESTMENT CLIMATE

- Risk markets remain expensive relative to history. **p.18**
- Durations continue to be extended due to low interest rates, which has driven fixed income volatility. **p.30, 32**

## ASSET ALLOCATION ISSUES

- Careful consideration of credit exposure is warranted to ensure risks are adequately compensated. **p.22**
- Investors remain structurally underweight Japan, despite positive structural changes and attractive valuations. **p.34**

We remain neutral in risk terms.

There are continuing signs of economic progress.

These balance with some signs of a short-term slowing in certain markets.

# Economic environment



# U.S. economics summary

- US GDP YoY growth remains in the 2% to 3% range, and is noticeably higher than the previous 12 month figure. We expect continuing adequate, but not impressive, growth.
- Both realized inflation and expected inflation have dropped further. This continues to imply lower nominal asset returns in the future.
- Signaling from the Federal Reserve increasingly indicates an interest rate rise before year end. This appears to be supported by the available economic data.
- Unemployment continues to drop, although the participation rate remains low. Discouraged and underemployed workers continue to move back to work.
- Disposable income continues to grow at a normal pace, and consumer confidence is back at normal levels. Savings rates remain stable.

	Most Recent	12 Months Prior
GDP ( <i>Annual YoY</i> )	2.9% 3/31/15	1.9% 3/31/14
Inflation ( <i>CPI</i> )	0.0% 5/31/15	2.1% 5/31/14
Expected Inflation ( <i>5yr-5yr forward</i> )	2.1% 6/1/15	2.5% 6/1/14
Fed Funds Rate	0.08% 6/30/15	0.09% 6/30/14
10 Year Rate	2.4% 6/30/15	2.5% 6/30/14
U-3 Unemployment	5.3% 6/30/15	6.1% 6/30/14
U-6 Unemployment	10.5% 6/30/15	12.0% 6/30/14

Reasonable growth and improving employment

As expected, GDP data appears to have rebounded from Q1

Ongoing drop in inflation expectations

Fed interest rate hikes approaching

# U.S. economics – GDP growth

US GDP has continued to grow and there has been an evident rebound from the slightly weaker Q1 number. Although lower than at some previous periods, this rate of GDP growth should not be seen as anything other than adequate, if unexciting.

The likely rebound from Q1 GDP can be seen in the results of the Atlanta Fed GDP Now indicator. This forecasting tool is updated in real time, and while early

in the year was indicating significantly less than 1% growth, has now increased to a forecast of 2.4% as of July 14. This is in a similar range to the Blue Chip consensus.

The US GDP numbers remain stronger than in many other developed markets. This provides an explanation for the continuing probability of rate rises in the US by year end, but continued easing in other economies.

**US GDP growth remains in the 2% to 3% range**

**Rebound evident from weak Q1 GDP**

**LONG TERM US GDP GROWTH**



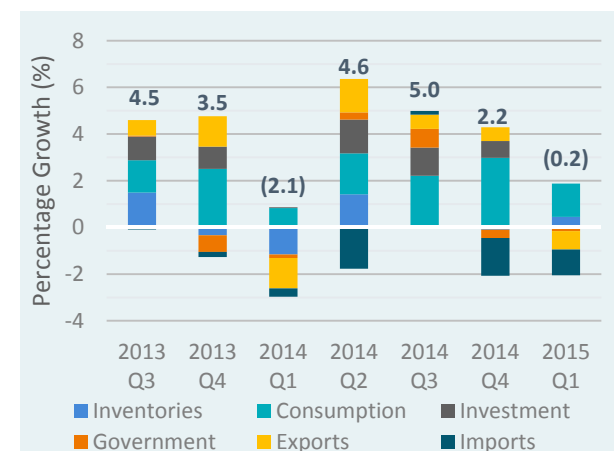
Source: FRED, as of 3/31/15

**MEDIUM TERM US GDP GROWTH**



Source: FRED, as of 3/31/15

**GDP COMPONENTS**



Source: FRED



# U.S. economics – unemployment

US unemployment has been dropping steadily since the peak in late 2009, with U3 unemployment now standing at 5.3% in June, down from 5.7% in January. There remains significant slack in the labor economy however, with broader measures of unemployment remaining at significantly higher levels. U6 unemployment includes discouraged and underemployed workers, and continues to stand at much higher levels relative to history – 10.5% in June. U3 and U6 measures have decreased together, with U3 capturing around half of U6.

The number of people unemployed for a short time continues a longer term downtrend, suggesting that the main economic challenge revolves around reintegrating longer-term, discouraged and underemployed workers.

Fed Chair Yellen and other senior economists have noted disappointing labor productivity growth despite overall decrease in unemployment numbers. However, workers returning to the workforce after long periods of unemployment and underemployment can be expected to take time to achieve average productivity.

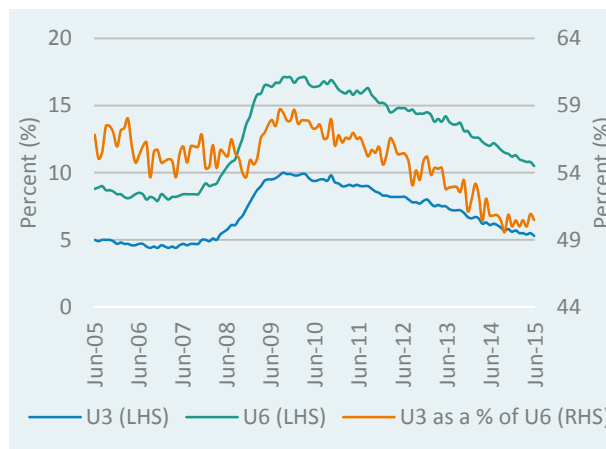
Continuing improvement in broad employment measures

UNEMPLOYMENT SINCE 1948



Source: FRED, as of 6/1/15

MORE RECENT UNEMPLOYMENT & U6



Source: FRED, as of 6/1/15

# OF PEOPLE UNEMPLOYED < 5 WEEKS



Source: FRED, as of 6/1/15

# U.S. economics – the consumer

US consumer confidence has improved as workers have realized wage growth and spending rates have increased. The recent decline in oil price has contributed to lower costs of living.

Year on year growth of per capita disposable personal income rose to 2.8% in June up from 2.5% in March.

Consumer confidence, as measured by the U of Michigan Consumer Confidence survey, has risen to

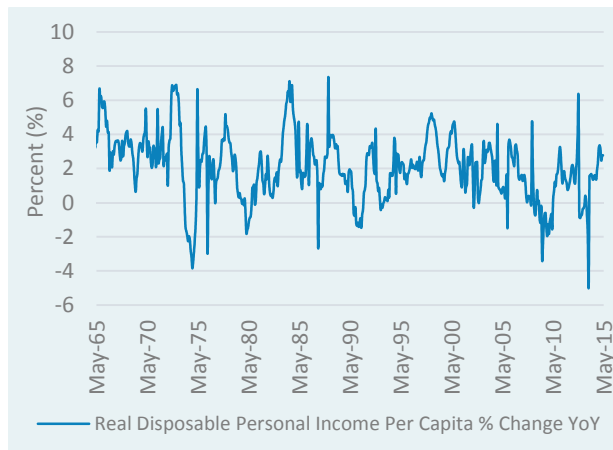
levels not seen since 2005. This indicator has been climbing steadily since 2011.

The personal savings rate remains at an average level relative to recent history, and consumer credit growth remains muted.

Consumer behavior appears to be somewhat restrained, but wage growth may fuel increased spending and credit expansion going forward.

Consumer sentiment continues to improve but credit expansion and consumption remain relatively flat

GROWTH OF DISPOSABLE INCOME



Source: FRED, as of 5/1/15

CONSUMER CREDIT EXPANSION



Source: FRED, as of 6/1/15

SAVINGS RATE



Source: FRED, as of 5/1/15



# U.S. economics – sentiment

Consumer and market sentiment surveys have been mixed over past months, but have returned to normal levels in recent years.

The Bloomberg consumer comfort index had been significantly below average since December 2007. This index now sits at the bottom end of a normal range.

The University of Michigan Consumer Sentiment index is also back at levels seen only before the crisis. Despite the high level relative to much of the last 10 years, this index is not by any means at extreme levels –

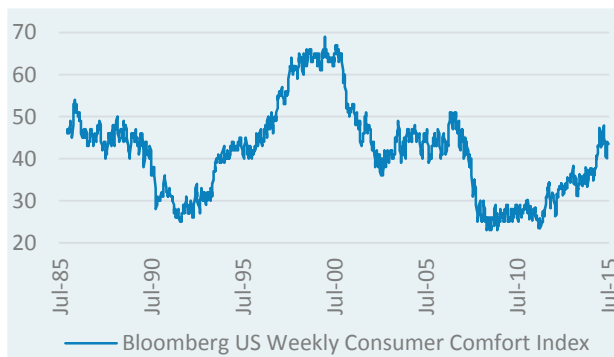
simply back in the range that it has typically occupied.

The Citi Economic Surprise index recently dropped into low levels not seen since 2012, but has now begun to recover.

As a whole, the US consumer appears to be recovered from the depths of the great recession in sentiment terms, although spending behavior has not yet fully reflected this change. It remains unclear how much this recovery in sentiment could be vulnerable to a stream of new bad news.

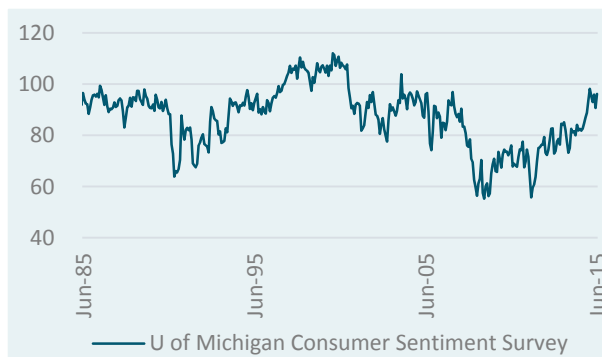
Consumer sentiment and comfort are both back at normal levels

CONSUMER COMFORT INDEX



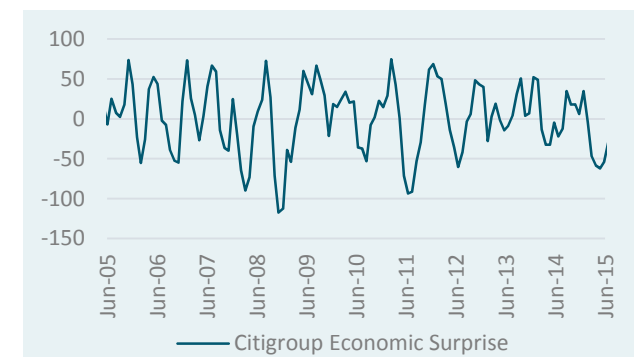
Source: Bloomberg, as of 7/5/15 (see Appendix)

CONSUMER SENTIMENT



Source: University of Michigan, as of 6/30/15 (see Appendix)

ECONOMIC SURPRISE



Source: Bloomberg, as of 6/30/15 (see Appendix)

# U.S. economics – housing

The US housing market continues to normalize, although conditions vary by marketplace. The supply of homes remains slightly tighter than average levels. Homes remain much more affordable relative to history, in part due to the low interest rate environment.

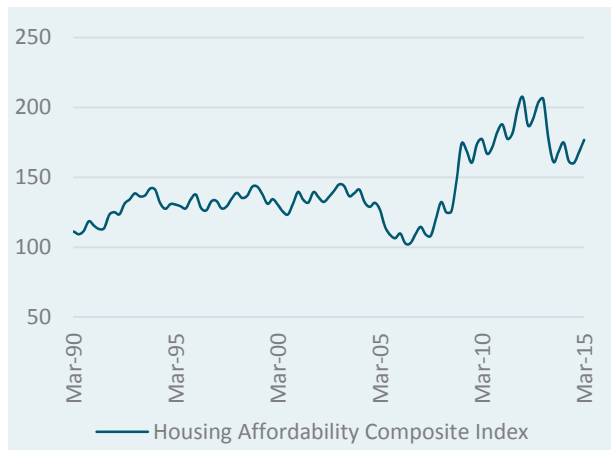
There continues to be potential pent up demand for homes, as indicated by the considerably low homeownership rate. This level was last seen in 1995.

While the propensity to purchase housing may differ between generations it should be noted that the millennial generation is increasingly in the age range that has historically been prime for home purchase activity. Other factors, such as greater difficulty in saving a down-payment, may also be in play.

Monthly home sales for both existing and new housing have mostly been on the rise since the depths of the financial crisis.

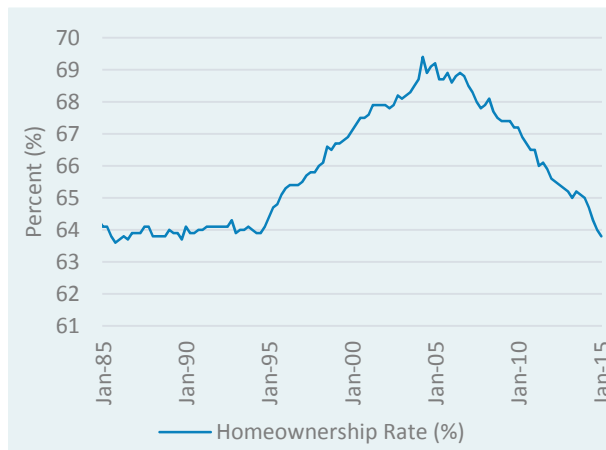
Continued improvement in US housing market is consistent with continuing economic recovery

HOME AFFORDABILITY



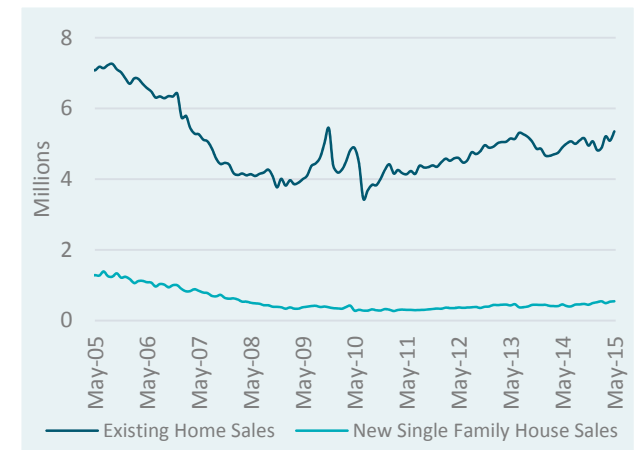
Source: National Association of Realtors, as of 5/1/15

HOMEOWNERSHIP RATE



Source: FRED, as of 1/1/15

MONTHLY HOME SALES



Source: FRED, as of 5/1/15

# U.S. economics – inflation

US inflation decreased in late 2014 due to the decline in oil price, caused by a knock-on effect on gas prices. However, in the first half of 2015 CPI realized modest gains. These effects were largely driven by a recovery in the price of oil.

Market expectations of inflation as represented by the 5-Year 5-Year forward (a directly observable rate from how the markets are trading, rather than a survey of economists) are clearly lower than they have been for some time, hovering around the 2% level.

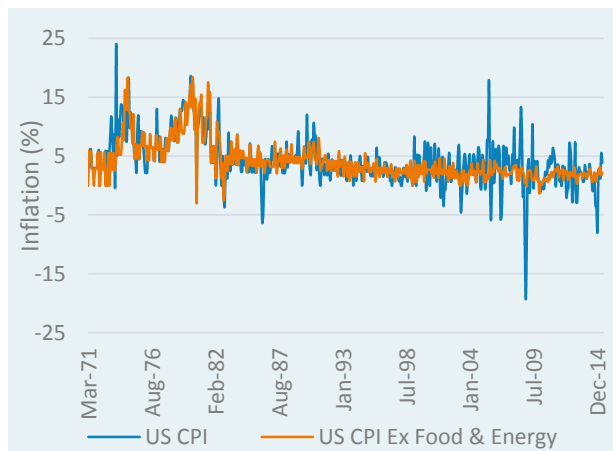
Expectations of stronger US domestic growth are tied to expectations of higher inflation – as are expectations of higher interest rates. However, even in a low inflation environment, interest rates could reasonably be at a modestly higher level than they are today.

Inflation remains an important element of expected nominal asset price returns through time with lower inflation implying lower nominal returns.

Lower than target US inflation

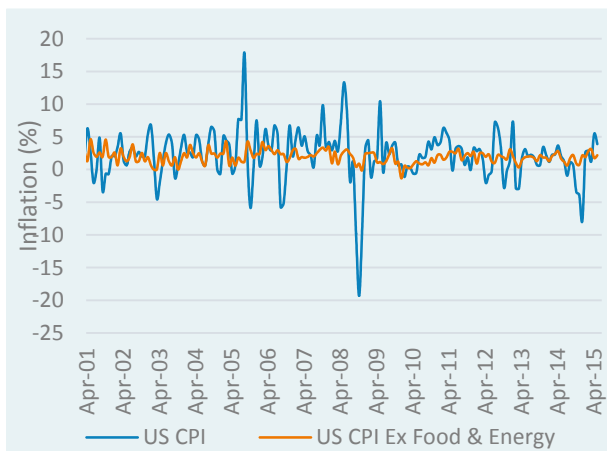
Energy prices have been a driver of CPI change

LONG TERM US CPI



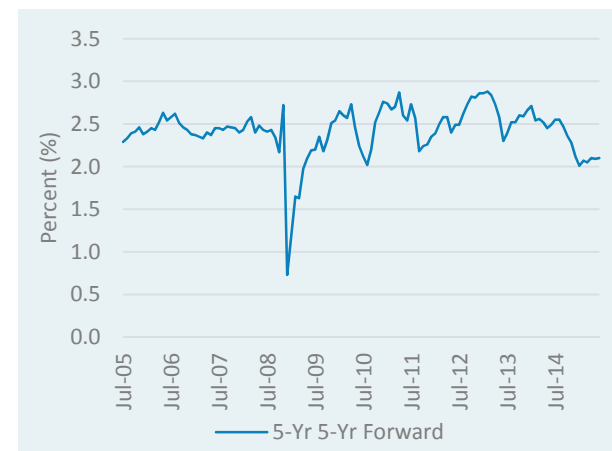
Source: FRED, as of 6/1/15

MEDIUM TERM US CPI



Source: FRED, as of 6/1/15

MARKET EXPECTATIONS OF INFLATION



Source: FRED, as of 6/1/15

# International economics – current

- GDP growth in major international markets has been muted.
- US GDP growth continues to outpace other developed economies.
- In 2015, Quantitative Easing continues in Europe and Japan, and China joined the ranks of economies pursuing QE programs.
- Currency movements were not a major factor in Q2.
- Rebounding price of oil has begun to contribute to inflation rather than detract. Emerging market economies continue to struggle with low oil price and price volatility.
- Global unemployment is slowly decreasing in many economies, but still remains at high absolute levels, especially in Europe. Structural unemployment remains an issue.
- China growth continues to slow, even though it remains at very high levels relative to elsewhere.
- Debt loads of certain nations remain at unstable levels, especially in the Eurozone. These problems have become apparent in Greece and Puerto Rico.

Area	GDP (Real, YoY)	Inflation (CPI)	Unemployment
United States	2.9% 3/31/15	0.0% 5/31/15	5.4% 6/30/15
Europe	1.0% 3/31/15	0.3% 5/31/15	11.1% 6/30/15
Japan	(0.9%) 3/31/15	0.5% 5/31/15	3.3% 6/30/15
BRIC Nations	4.6% 3/31/15	3.9% 6/30/15	5.0% 3/31/15
Brazil	(1.6%) 3/31/15	8.9% 6/30/15	5.8% 3/31/15
Russia	(2.2%) 3/31/15	15.3% 6/30/15	5.7% 3/31/15
India	5.3% 9/30/14	5.4% 6/30/15	8.6% 12/31/14
China	7.0% 3/31/15	1.4% 6/30/15	4.1% 3/31/15

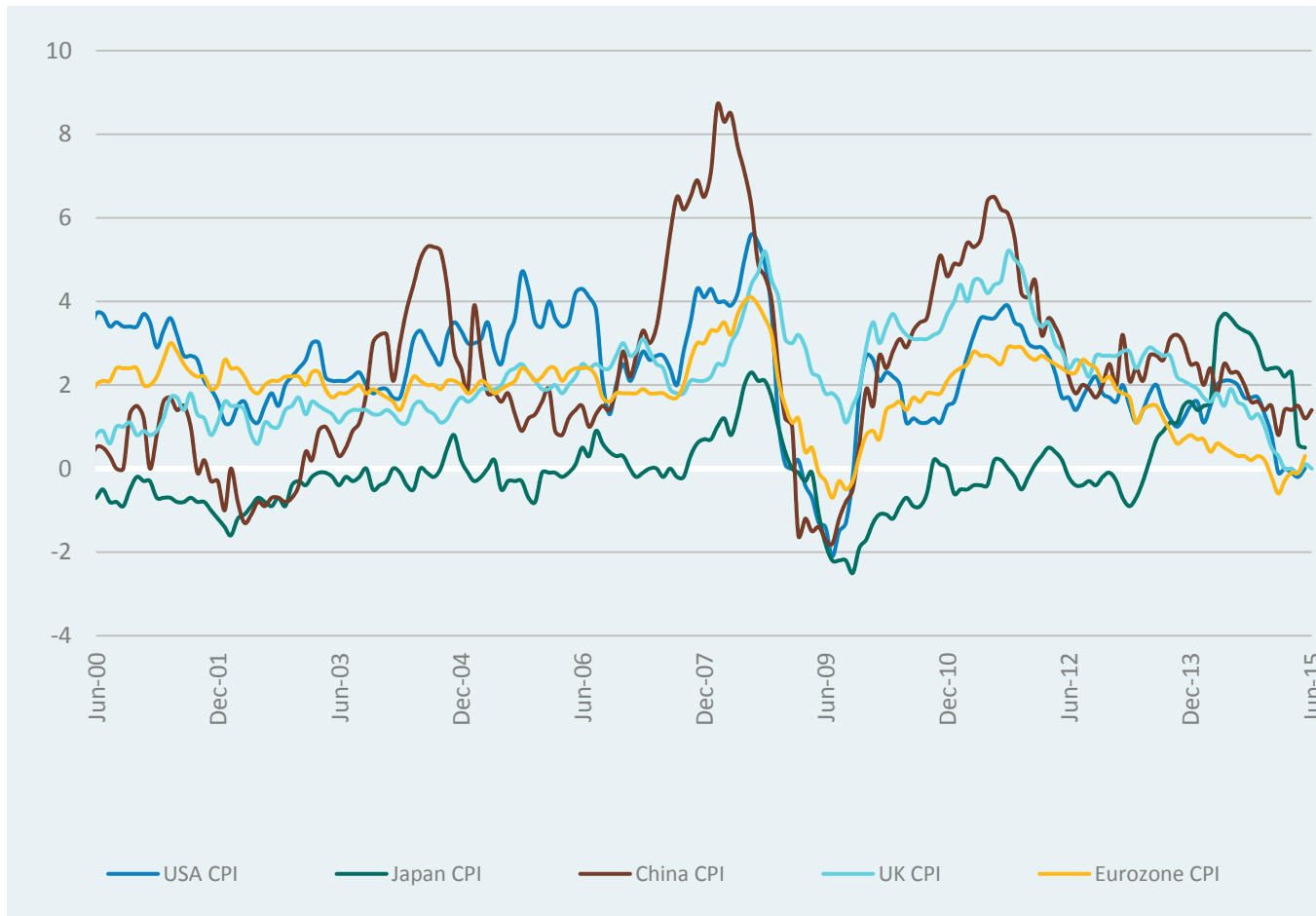
Increased central bank involvement

Structural employment issues remain a concern

Escalation of the debt crisis in a variety of places

# International economics – inflation

INTERNATIONAL CONSUMER PRICE INFLATION



Significant drop in Japan inflation

Major economy inflation levels hovering around zero

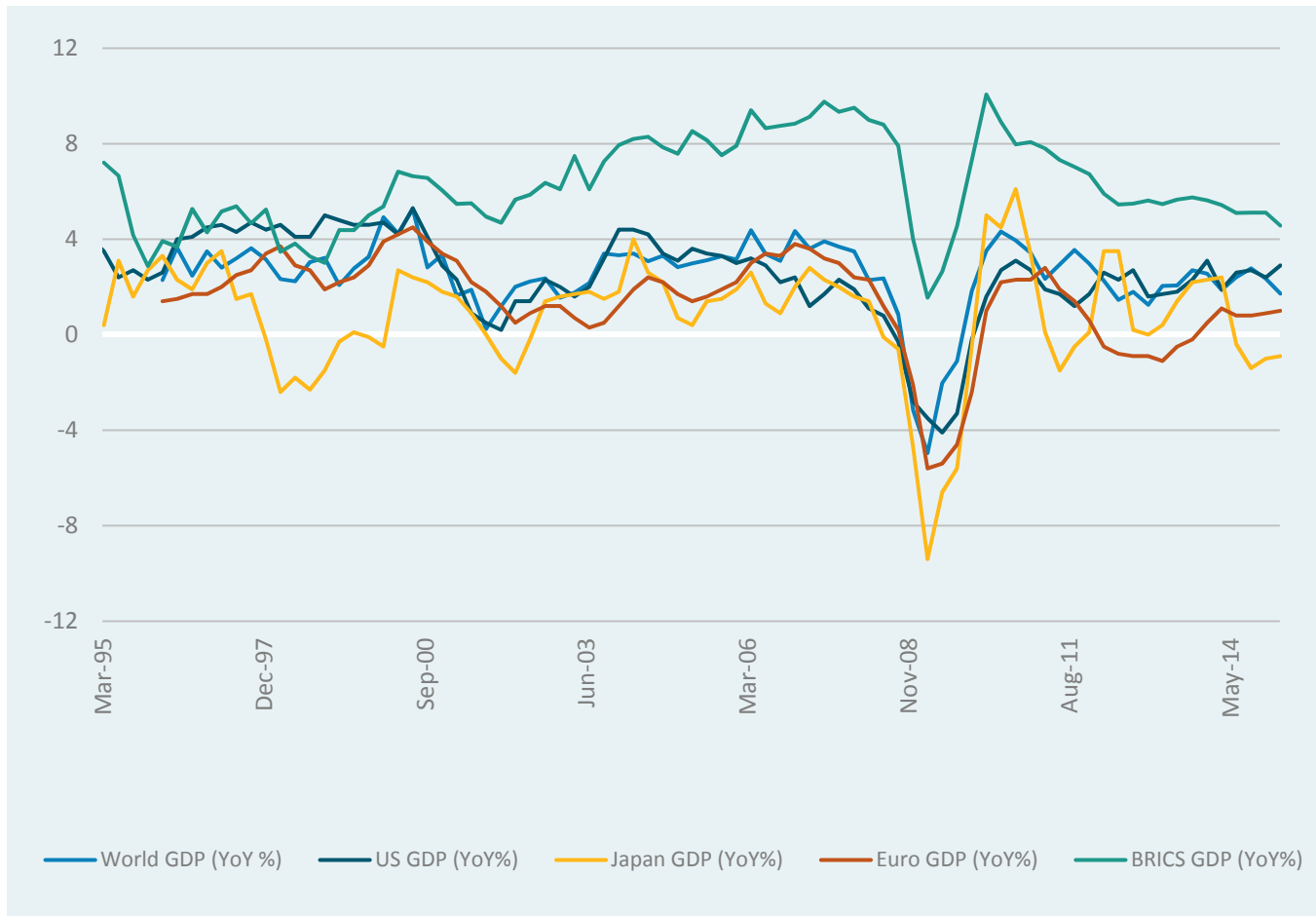
Eurozone inflation shows increases after four years of decline, partly driven by oil

Source: Bloomberg, as of 6/30/15



# International economics – GDP growth

## REAL GDP GROWTH



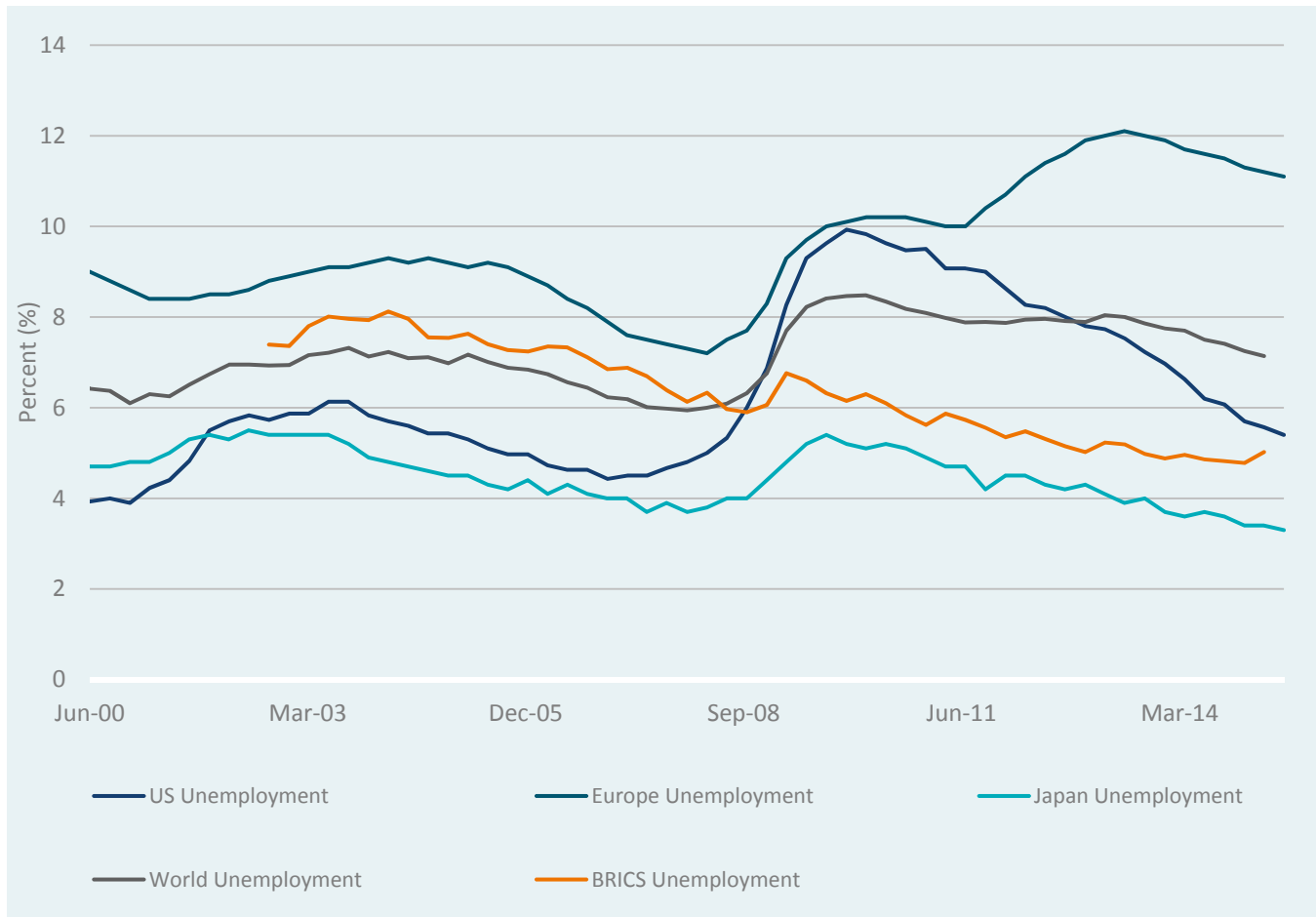
GDP growth for developed economies remained moderate, while BRIC nations experienced slowing

Core economies in the Eurozone displayed modest growth, while certain periphery nations experienced great difficulties

Source: Bloomberg, as of 3/31/15

# International economics – unemployment

WORLD UNEMPLOYMENT %



Unemployment in Europe remains high, but slowly improving

Unemployment rates stagnant in BRIC nations

Global economies continue secular decline in joblessness

Source: Bloomberg, as of 6/30/15

# Fixed income rates & credit

# Interest rate environment

- Interest rates increased broadly in Q2 across developed markets, resulting in losses for fixed income portfolios.
  - US interest rates continue to provide a carry trade opportunity, which may provide ongoing support for US Treasury prices.
  - Yield curves rose in Q2 on both the short and long end of the curve.
  - China introduced rate cuts in Q2, although focus is on easing of margin loan requirements, selling prohibitions for large shareholders, and large-scale state-directed equity purchases.
  - The US economy continues to progress in a way which
- indicates a small interest rate increase by year-end.
- Significant rate rises in developed markets could have implications for emerging market economies and nations with high debt-to-GDP ratios.
  - Investors with portfolios positioned on the assumption that rates will rise quickly and substantially are taking a position somewhat counter to that currently priced in by the market.

Area	Short Term	10 Year
United States	0.02%	2.35%
Germany	(0.31%)	0.83%
France	(0.23%)	1.14%
Spain	(0.01%)	2.01%
Italy	(0.03%)	2.00%
Greece	3.54%	12.54%
UK	0.55%	2.12%
Japan	(0.08%)	0.46%
Australia	1.97%	3.03%
China	2.35%	3.43%
Brazil	13.61%	12.58%
Russia	9.43%	10.66%

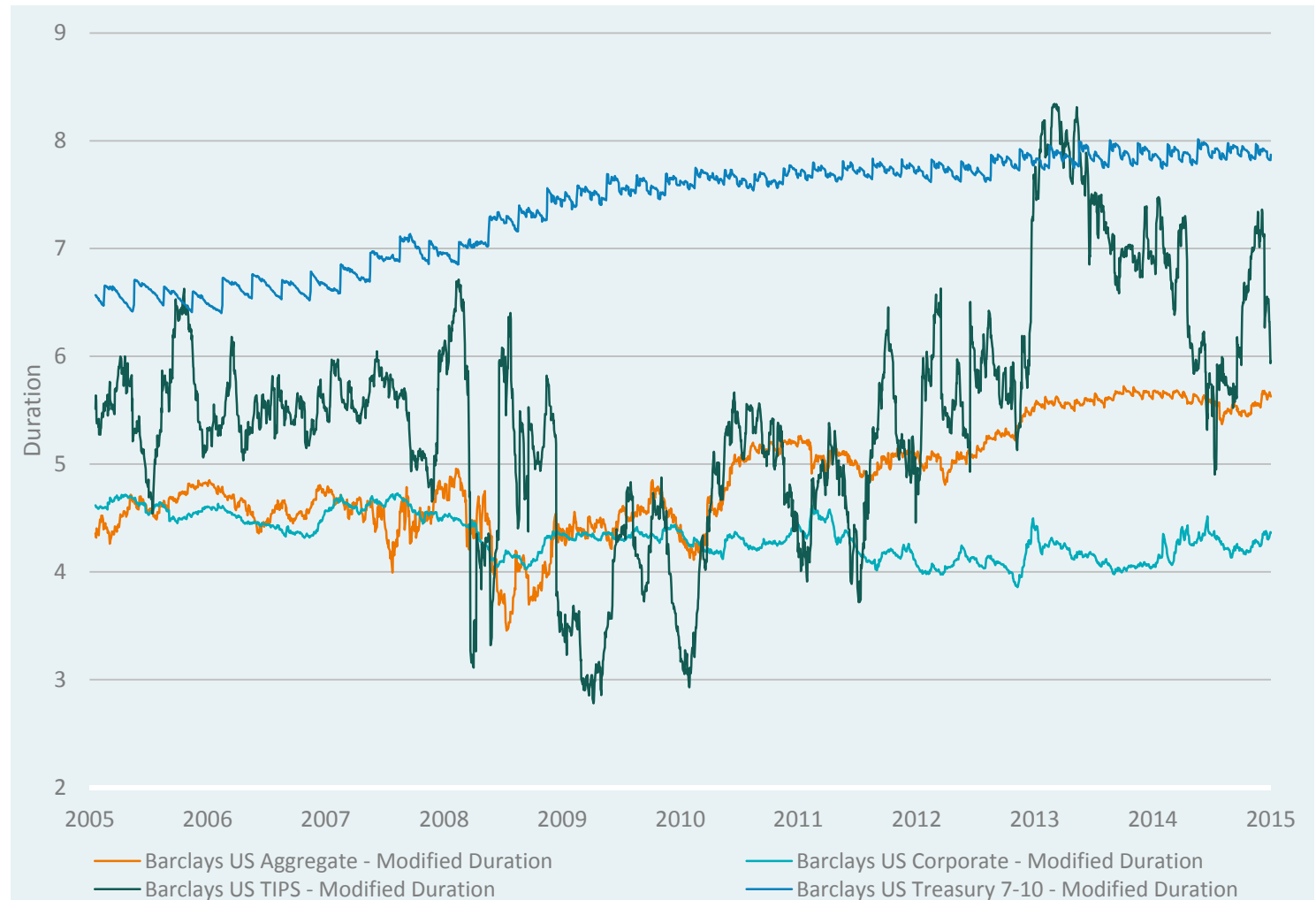
Broad increases in interest rates over Q2 have resulted in losses to fixed income portfolios

Negative nominal interest rates continue to persist

Source: Bloomberg, as of 7/15/15

# Extended durations

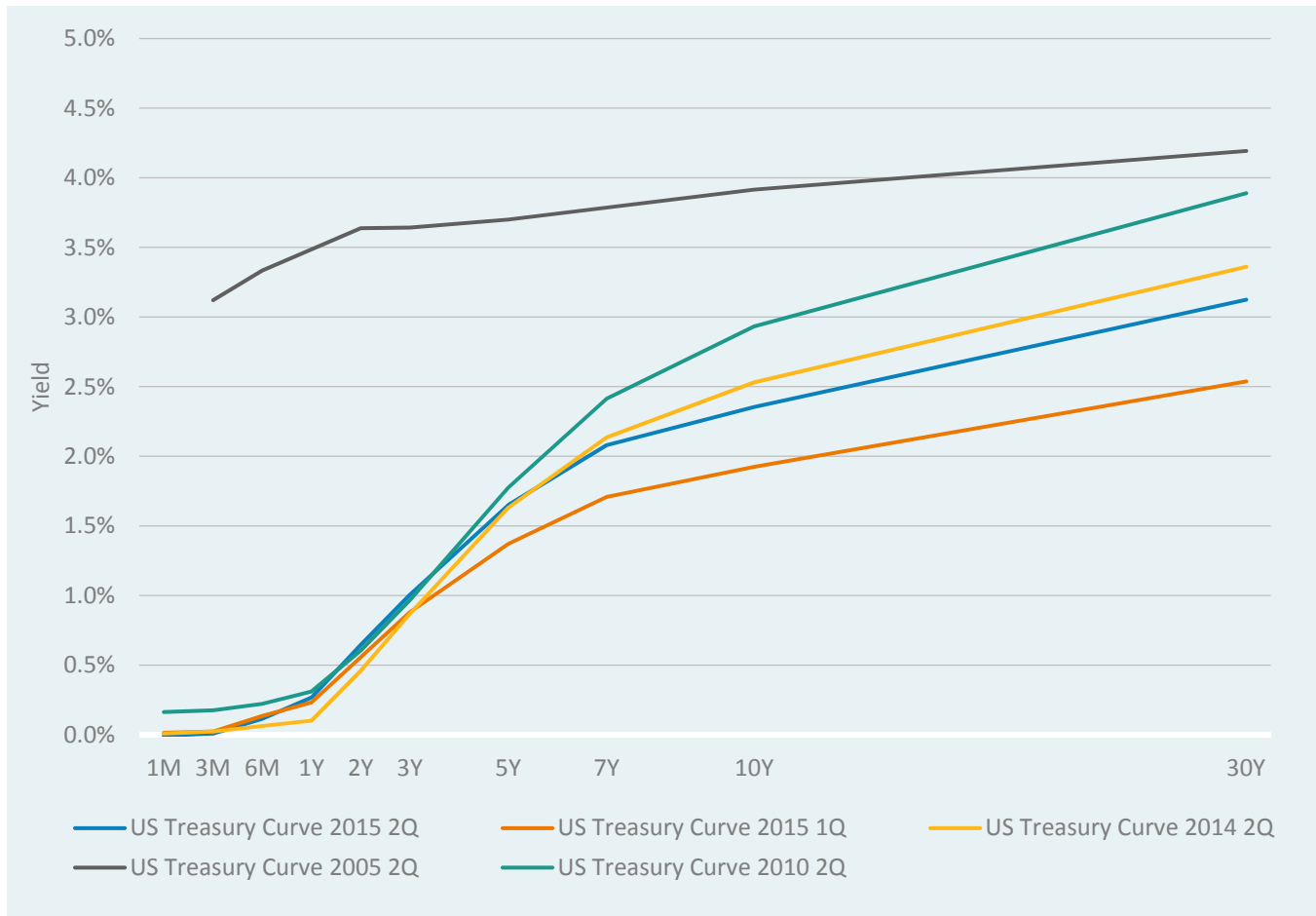
- An environment of low interest rates results in higher durations of fixed income instruments, which increases sensitivity to interest rate movements.
- Stretched durations have led to considerable volatility in the market – risk-free instruments have exhibited larger swings in returns than some traditionally riskier assets.



Source: Barclays, as of 6/30/15



# The U.S. yield curve



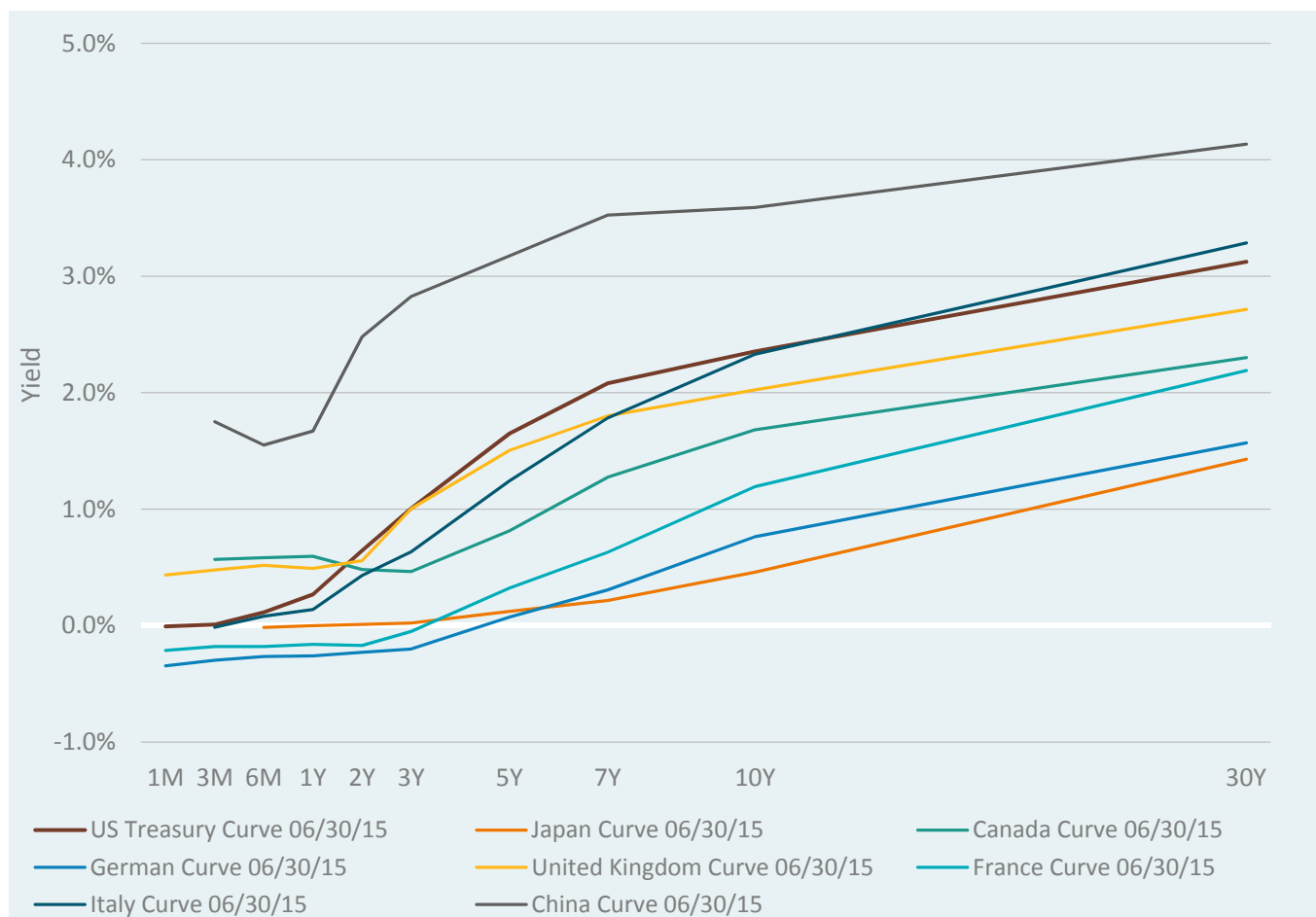
The middle of the US yield curve rose on changing medium-term expectations

US remains in the unusual position of being the high carry marketplace

Market not fully discounting rate cut

Source: Bloomberg

# Global government yield curves



Source: Bloomberg, as of 6/30/15

Interest rates rose broadly across major markets in Q2

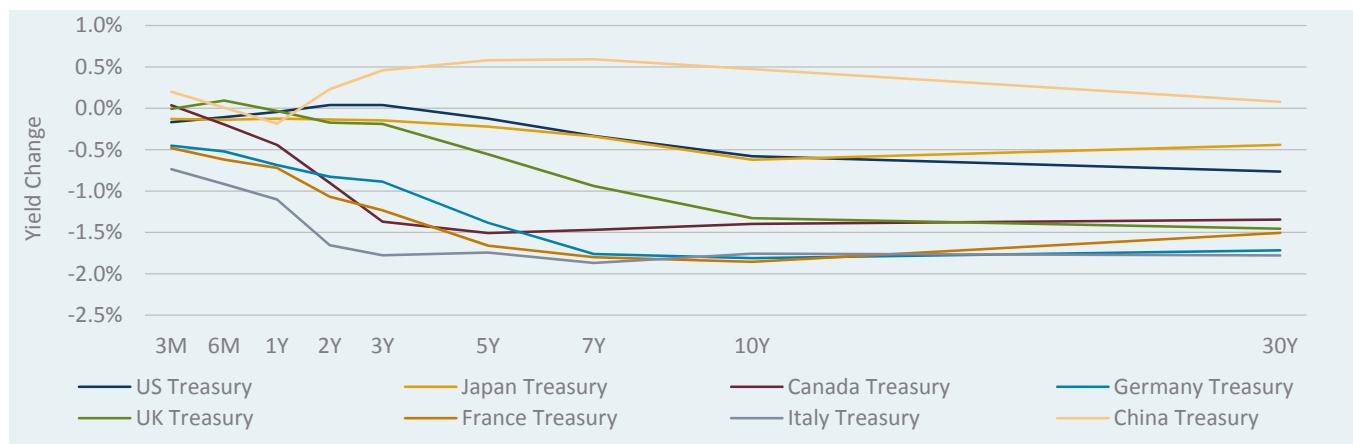
US remains a high carry marketplace

Negative nominal interest rates persist

Decrease in China yield curve reflects recent rate cuts

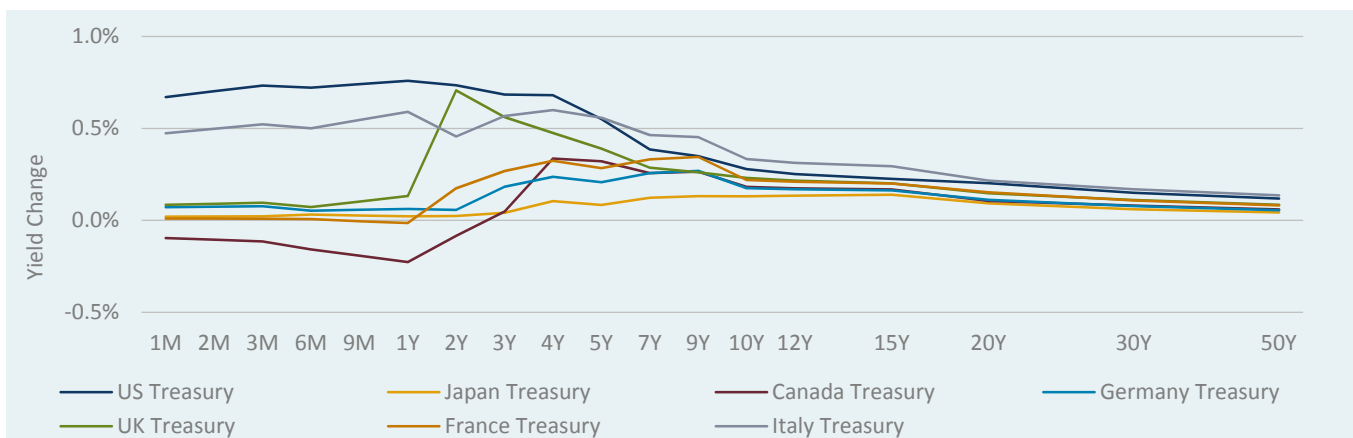
# Global yield curve changes

INTERNATIONAL YIELD CURVE CHANGES LAST FIVE YEARS



Major rates yield curves have all moved lower and flatter, with the exception of China

EXPECTED INTEREST RATE CHANGES ONE YEAR FORWARD IMPLIED BY MARKET PRICING



Market expectations as exhibited by forward curves suggest mild increases in interest rates in a number of markets

Source: Bloomberg, as of 6/30/15

# Credit environment

Credit spreads remain unchanged in Q2.

Spreads are around average historical levels. Based on the current stage of the economic cycle, credit risk may be somewhat unattractive. Bank loans appear to have more interesting characteristics than high yield, and may be a better way to access credit risk in current conditions.

Energy spreads have tightened slightly since Q1, partly

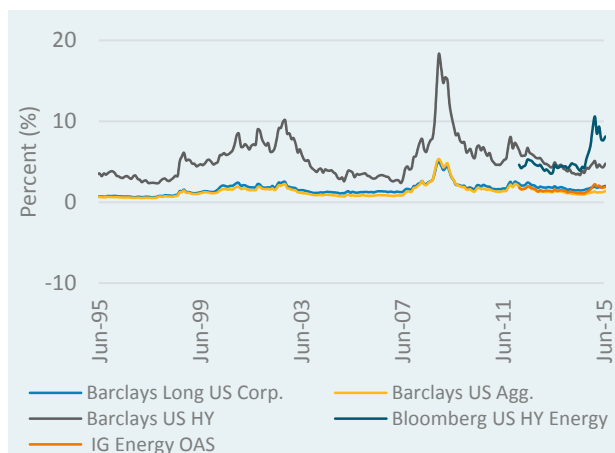
driven by a rebound in oil price. A recent return of oil price weakness has begun to push these spreads wider once again. Hedges that had been put in place by issuers in the energy space before the sudden drop in prices are likely by now to have significantly shorter time to run.

Investors should be cognizant of the nature and size of their exposure to credit risk to ensure that it matches their broader views.

Credit spreads flat, and remain in normal range

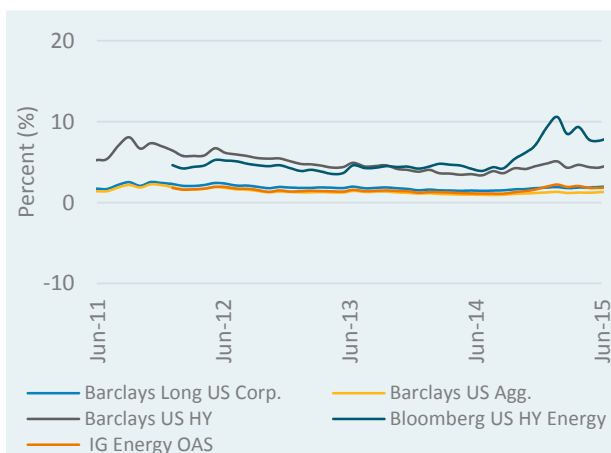
Oil price driving energy spreads

## LONG TERM CREDIT SPREADS



Source: Barclays Capital Indices, Bloomberg, as of 6/30/15

## SHORT TERM CREDIT SPREADS



Source: Barclays Capital Indices, Bloomberg, as of 6/30/15

## SPREADS

Market	Credit Spread (6/30/2015)	Credit Spread (1 Year Ago)
Long US Corporate	1.75%	1.37%
US Aggregate	0.99%	1.21%
US High Yield	5.07%	4.02%
US High Yield Energy	9.34%	4.69%
US Bank Loans	3.86%	3.8%

Source: Barclays, Credit Suisse, Bloomberg, as of 6/30/15

# Issuance and default

Issuance of debt has continued at a substantial rate, growing at a record pace in the high yield space.

Despite the lower creditworthiness of firms accessing these markets over the last few years, there remain few signs of inability to pay amongst these issuers. However, those that believe we are further along in the economic cycle may decide against taking on new exposure to credit risk. Nearly \$500 Billion of share repurchases were announced during the first five months of 2015. While not all of the new debt

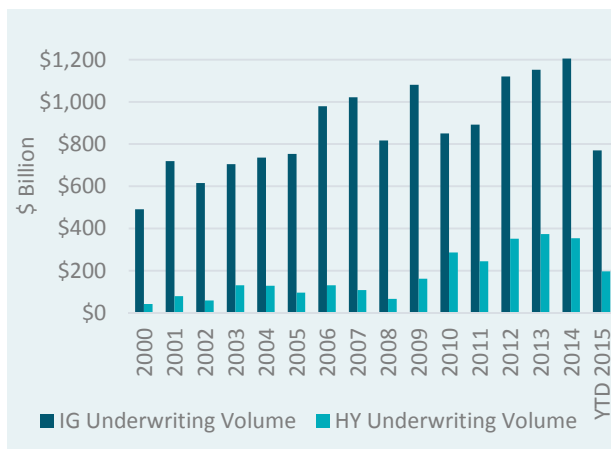
issuance will be dedicated to funding these repurchases it is likely that this is an important driver of the market.

Default rates remain low currently, but could rise unexpectedly. Were default rates to rise suddenly, investors basing their expectations of return from credit portfolios on a continuation of the current low default rate environment could well be disappointed. A drop in recovery rates year-to-date in the high yield space may require further focus in the future.

Issuance continues at a record pace

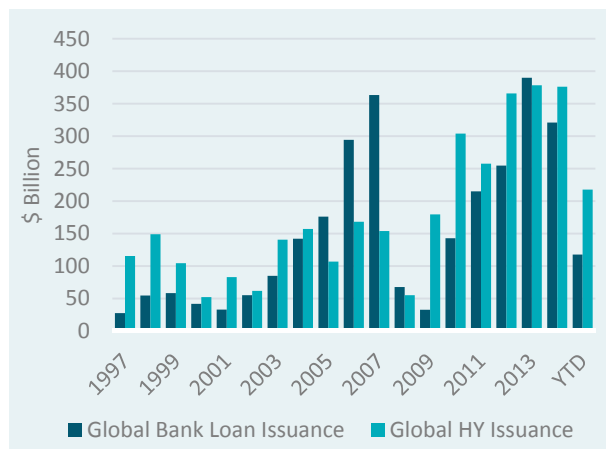
Recovery rates beginning to drop

IG & HIGH YIELD ISSUANCE



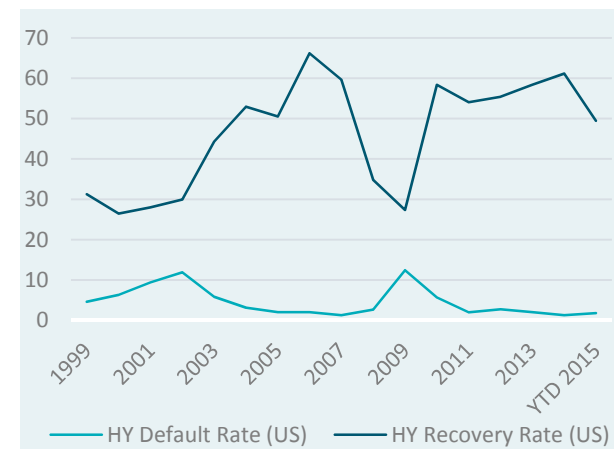
Source: Bloomberg, as of 6/30/15

BANK LOAN & GLOBAL HY ISSUANCE



Source: BofA Merrill Lynch Global Research, as of 7/1/15

DEFAULT & RECOVERY TRENDS %



Source: Credit Suisse, BofA, as of 6/30/15



# Equity

# Equity environment

- Domestic equity markets have been largely positive but more recently have traded within a range.
- Price momentum has diminished since the start of 2015 as investors have confronted macro uncertainty in other parts of the world.
- US small cap has been less affected by international headwinds.
- The rise in Euro equities in the first quarter has been given back in part due to the uncertainties surrounding the situation in Greece. The effect of currency movements has been significant this year.
- Japan has continued to perform well in 2015 due in part to monetary policy changes, in part to government activity, and in part governance and business changes focused on improving return on capital. Low valuations may continue to support this move, even now that Yen depreciation appears to have paused.
- Emerging market volatility continues. The long term case for these markets remains intact, but concerns over risk, especially when Fed rate hikes begin, remain.

	QTD Total Return (unhedged)	QTD Total Return (hedged)	YTD Total Return (unhedged)	YTD Total Return (hedged)	1 Year Total Return (unhedged)	1 Year Total Return (hedged)
US Large Cap (Russell 1000)	0.1%		1.7%		7.4%	
US Small Cap (Russell 2000)	0.4%		4.8%		6.5%	
US Large Value (Russell 1000 Value)	0.1%		-0.6%		4.1%	
US Large Growth (Russell 1000 Growth)	0.1%		4.0%		10.6%	
International Large (MSCI EAFE)	0.8%	-1.9%	5.9%	8.5%	-3.6%	11.2%
Eurozone (Euro Stoxx 50)	-4.2%	-5.9%	13.7%	11.0%	12.2%	9.1%
UK (FTSE 100)	-2.7%	-3.9%	1.5%	-0.9%	0.5%	-3.6%
Japan (NIKKEI 225)	3.7%	5.5%	14.4%	16.9%	12.5%	34.9%
Emerging Markets (MSCI Emerging Markets)	0.8%	0.1%	3.1%	4.1%	-4.8%	3.1%

Better small cap performance relative to large cap remains notable

Continuing QE programs across global markets remain important

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 6/30/15

# Domestic equity historical return

The US equity market has performed exceptionally well since the global financial crisis, although has been range bound more recently. Equity exposure remains an integral part of the portfolio as the primary means for investors to access the long term productive capacity of the economy.

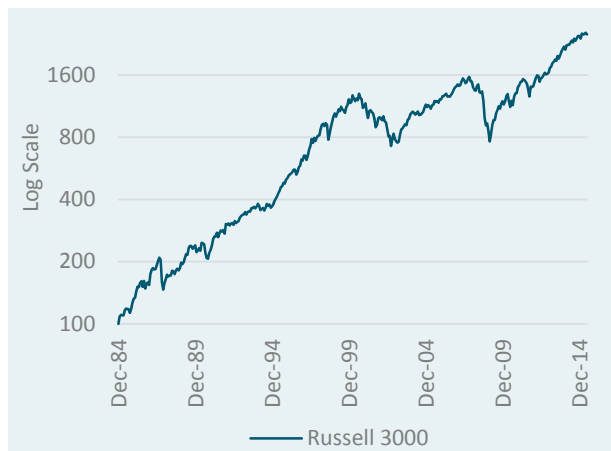
It is important to keep in mind the long-term nature of equity behavior, and to resist short-term attempts at market timing. The recent equity bull market has been strong but is certainly not anomalous relative to history.

Arguments that the behavior of the last six years are unprecedented should be placed in their true historical context. This is particularly important as it appears that in the most recent past there has been range bound trading, flattening out the longer term trajectory and giving breathing space to the market.

It is appropriate to maintain exposure to domestic equities despite higher valuations, as the bull market seems to have room to continue. There are other more attractive developed equity opportunities, however.

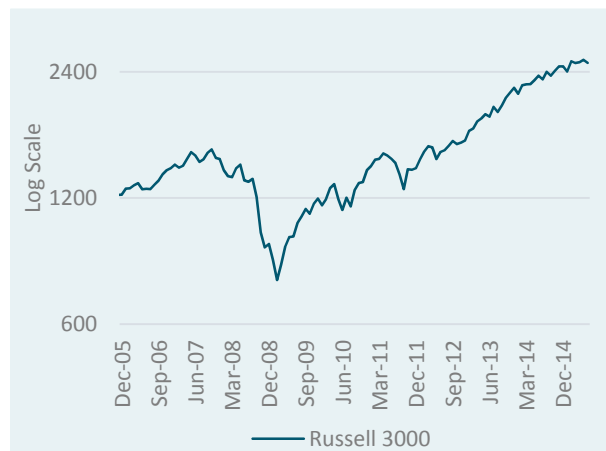
Recent strong market returns somewhat extended, but not unheard of historically

## LONG TERM PERFORMANCE



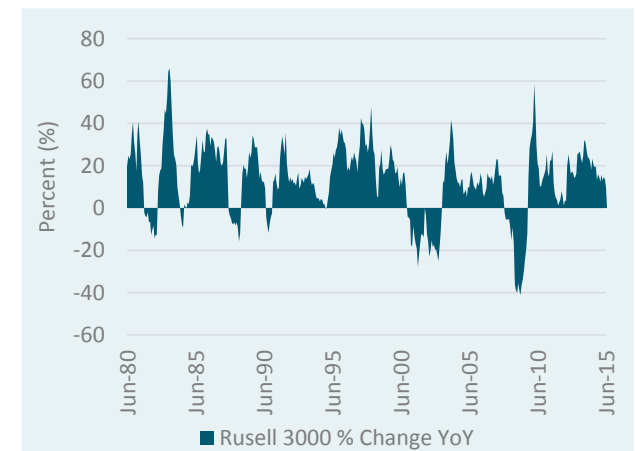
Source: FRED, as of 6/30/15

## INTERMEDIATE RETURN



Source: FRED, as of 6/30/15

## DOWNSIDE EVENTS



Source: FRED, as of 7/1/15

# Domestic equity recent

The recent strong trend in domestic equity markets has flattened out, which is reflective of heightened valuations and normalizing monetary policy. Forward looking valuations appear less stretched than current data valuation statistics, but assumes the accuracy of earnings estimates. Negative earnings surprises may cause rapid reassessment of current valuation levels.

Uncertainties surrounding the Greece, the Eurozone,

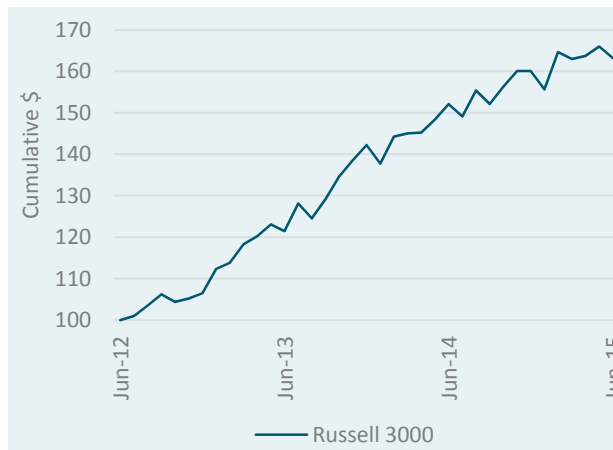
China and foreign markets have had an effect on confidence in domestic markets.

Small cap equities continue to benefit from lower exposure to international risk and more direct leverage from domestic progress. Small cap outperformance could reverse should the US head back into more challenging economic times.

Forward PE ratios appear in a normal range

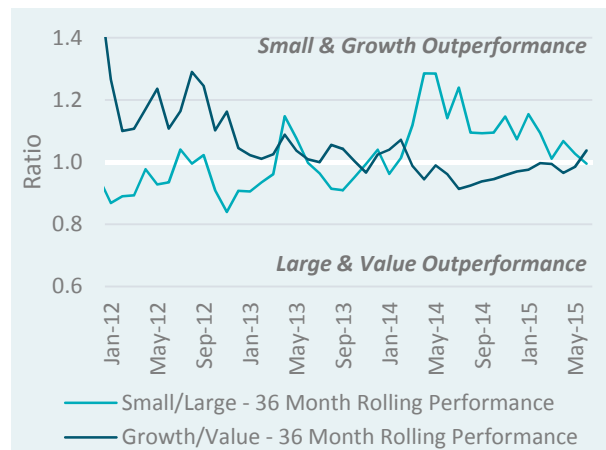
Continuing strength in small cap equity

## SHORT TERM PERFORMANCE (3YR)



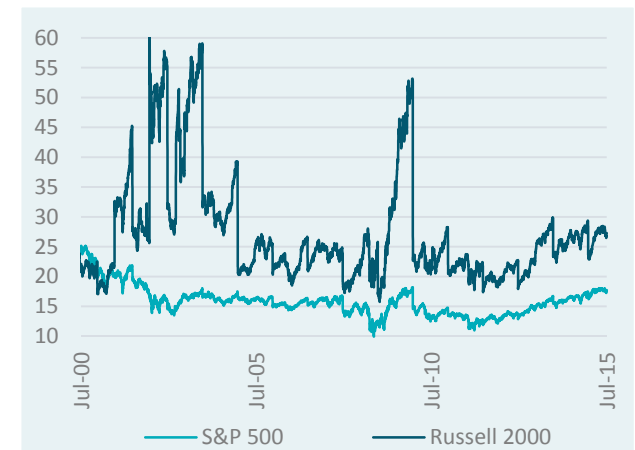
Source: Russell Investments, as of 6/30/15

## SMALL/LARGE & GROWTH/VALUE



Source: Russell Investments, as of 6/30/15

## FORWARD P/E



Source: Standard & Poor's, Russell Investments, as of 7/14/15

# Equity volatility

Volatility of the domestic equity markets remains in a normal range albeit towards the lower end of recent history.

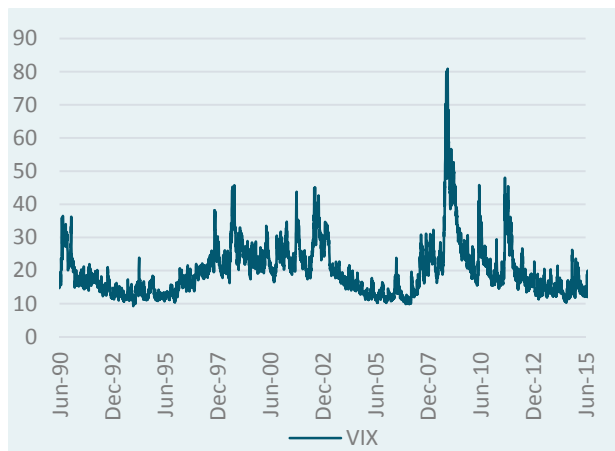
This relatively low level of volatility seems to some investors to be inconsistent with current geopolitical and economic risk. While VIX is used to measure equity volatility it does so using properties of the options market. It is possible that investor use of the options market is changing, and this could mean that VIX currently reflects more than equity volatility levels.

Volatility levels typically exhibit muted behavior during bull markets and spike during market downturns, which makes it important to watch volatility levels. However, absent a structural upward shift, concerns over volatility should be limited.

International equity volatility displayed a downward trend following the financial crisis to historically low levels, but has recently ticked up slightly.

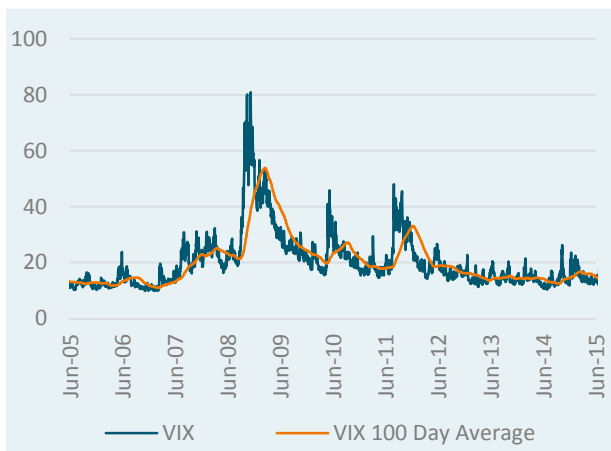
Equity volatility in normal range but low relative to recent history

**LONG TERM VOLATILITY %**



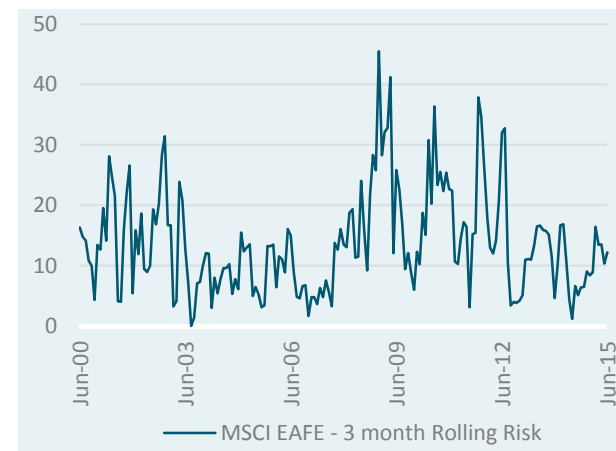
Source: CBOE, as of 7/13/15

**INTERMEDIATE TERM VOLATILITY %**



Source: CBOE, as of 7/13/15

**INTERNATIONAL EQUITY VOLATILITY %**



Source: MSCI, as of 6/30/15



# Domestic equity size and style

Since January 2001 there has been a clear long-term dominance of small cap over large cap. This has been the case for both value and growth styles. Small cap growth outperformed small cap value by 3.2% over 2Q.

Although the long term cumulative difference is important it is important to notice the degree of periodicity in these returns. The last nine months, for example, has seen a sudden and substantial outperformance of small cap over large cap, which has retraced a large part of a similarly dramatic period of

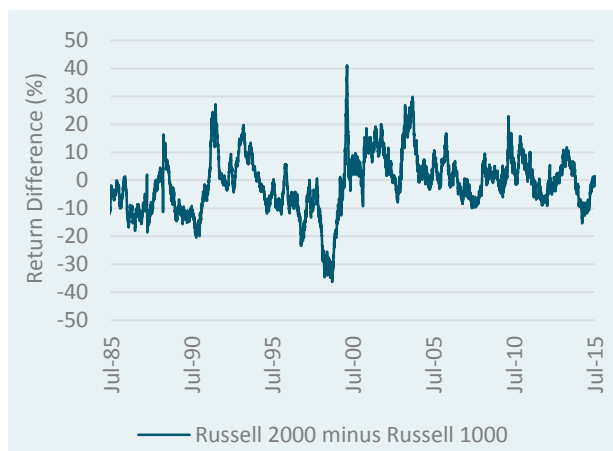
large cap outperformance over the previous year.

Similar behavior can be seen in style terms, with a significant move over the last two years towards growth and away from value.

On an underlying factor basis it should be noted that most of the risk embedded in each of these exposures is primarily equity risk – however factor awareness and potentially management in certain portfolio structures can be important.

Small cap  
strong  
returns in  
H1 2015

**SMALL CAP VS LARGE CAP (% YOY)**



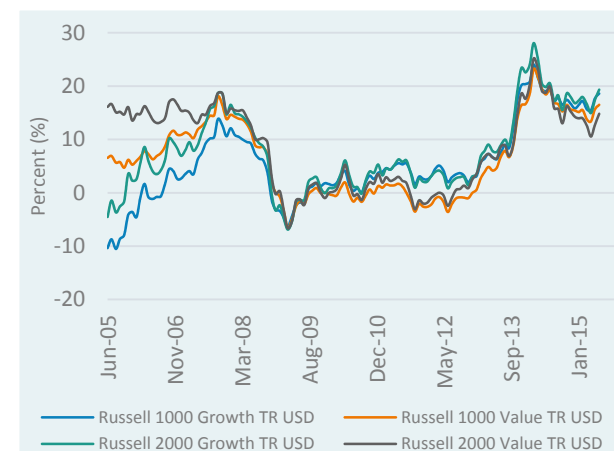
Source: Russell Investments, as of 7/13/15

**SMALL GROWTH VS SMALL VALUE (% YOY)**



Source: Russell Investments, as of 7/14/15

**ROLLING 5 YEAR RETURN**



Source: Russell Investments, as of 6/30/15

# Domestic equity valuations

Domestic equity valuations remain relatively high, but in a normal range on a forward basis. On balance, current valuations do not seem cause for significant concern.

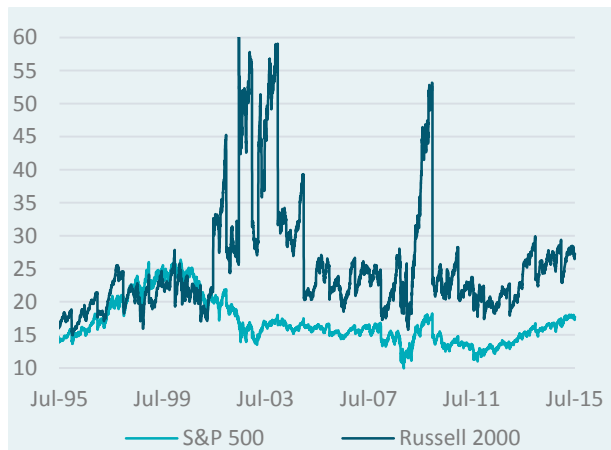
Appropriateness of valuations will depend on the accuracy of earnings forecasts. This is reflected in forward P/E ratios, which look very reasonable relative to history. Rising interest rates have brought the

equity/debt yield relationship back closer to the long-term average.

US companies have managed to achieve positive earnings surprise during the period since the financial crisis. This has provided support to the continuing progress of the market.

Equity valuations driven by positive earnings expectations

12 MONTH FORWARD P/E



Source: Standard & Poor's, Russell Investments, as of 7/13/15

EQUITY YIELD LESS BOND YIELD



Source: Standard & Poor's, Bloomberg, as of 6/30/15

SHILLER P/E LONG-TERM



Source: Shiller, as of 3/31/15

# International equity historical return

Investors with international equity exposure have realized gains year-to-date, while suffering losses on a 12-month basis. Currency exposure has acted as an additional headwind in many markets.

Emerging markets have been relatively range bound for nearly four years, but have exhibited considerable volatility. Volatility is likely to continue, but with significant disparities between markets. This continues to suggest that an active management approach to the emerging markets may be appropriate.

These recent results reiterate the importance of understanding the currency exposures that are implicit in taking on unhedged equity exposure to international markets. At times the return from the currency portfolio involved can be as large or larger than the equity return. Where possible investors should think of these two exposure sets as separate investment decisions, and consider the most appropriate manager of currency exposure if that exposure is desired.

Foreign equities beat domestic equities by a wide margin YTD

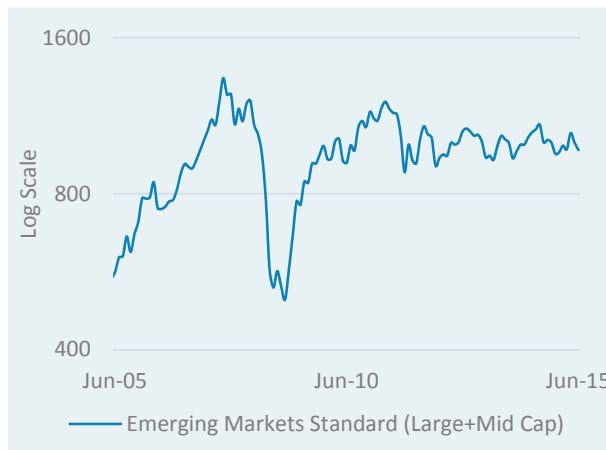
Currency remains an important decision

**EAFE LONG TERM (USD)**



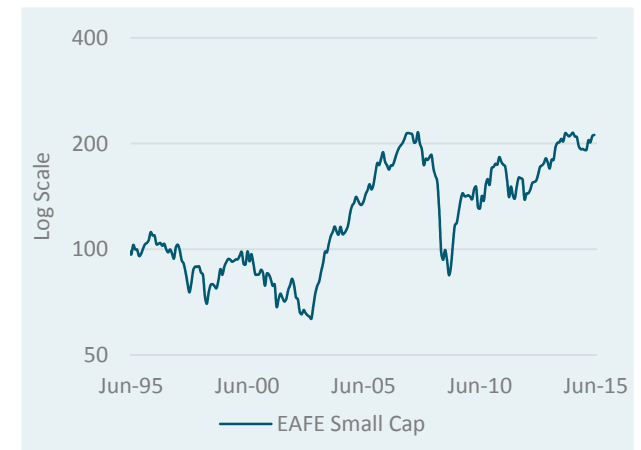
Source: MSCI, as of 6/30/15

**EMERGING MARKETS LONG TERM (USD)**



Source: MSCI, as of 6/30/15

**EAFE SMALL CAP (USD)**



Source: MSCI, as of 6/30/15

# International equity valuations

International equity valuations look a touch expensive on a historical basis, particularly in developed markets. Valuations remained steady over Q2.

Significant valuation differences across different markets make broad benchmarks less meaningful. As in the US, the appropriateness of equity valuations will depend on corporate earnings outcomes.

Developed European markets are at high 12 month forward P/E levels, and are close to the top of the range

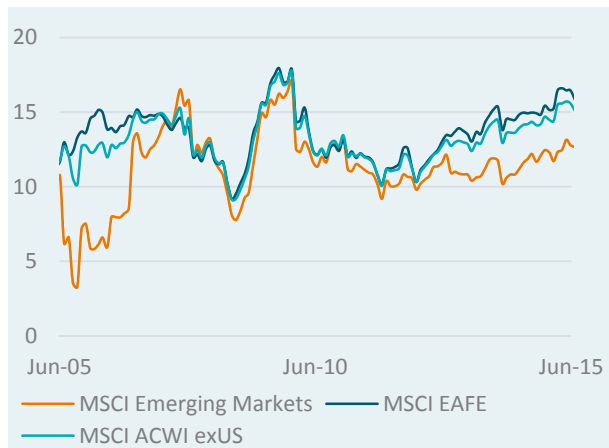
for that metric, although longer term valuations look more attractive. In both Japan and Asia Ex Japan the story is quite different, with 12 month forward P/E levels right in the middle of the historical range.

Emerging market general valuation levels remain relatively cheap on an historical basis. There are well known underlying issues relating to emerging markets, but investors prepared to accept the volatility involved have the opportunity to selectively buy attractive valuations.

Historically rich valuations

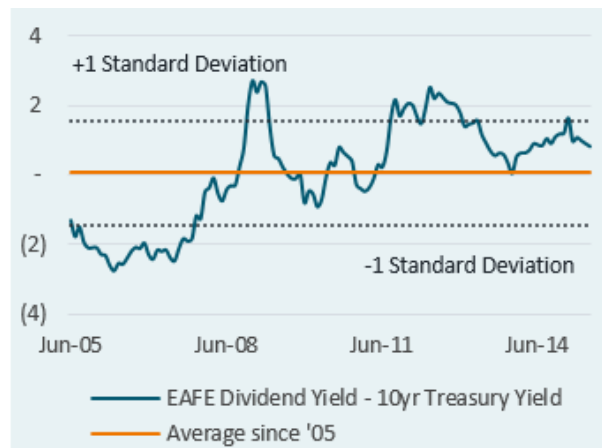
Significant regional disparity between markets

12 MONTH FORWARD P/E



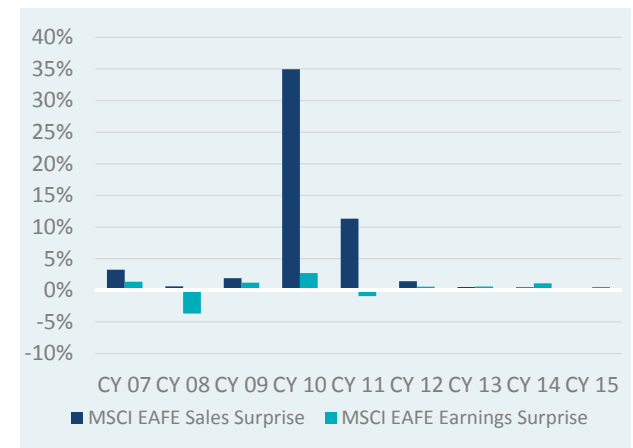
Source: MSCI, as of 6/30/15

EQUITY YIELD LESS BOND YIELD



Source: MSCI, as of 6/30/15

HISTORICAL EARNINGS SURPRISE



Source: Bloomberg, as of 7/15/15

# International equity recent

Japan's fundamentals appear strong. Oil price movement continues to impact local inflation, as Japan is a major oil importer. Despite these effects, Japan has delivered exceptional equity returns year-to-date and over the past year.

The European economy continues its quantitative easing program, which is reflected in strong equity performance year-to-date. However, currency

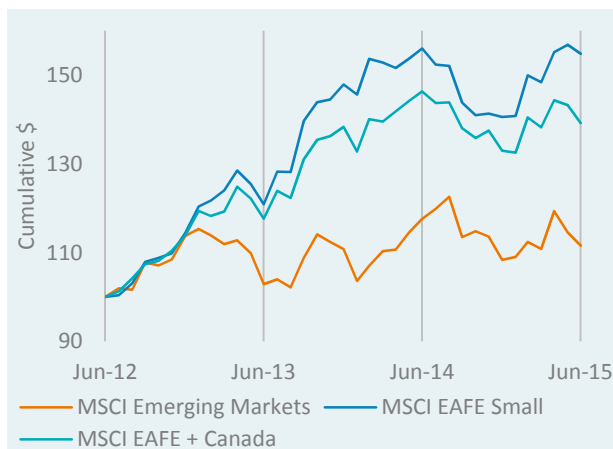
devaluation has damaged returns for US investors with unhedged equity exposure. Improving economic conditions seem to be baked into current equity valuations.

The realized returns of equity investors have been significantly less attractive due to broad devaluation of currencies against the US dollar.

Strong recent performance

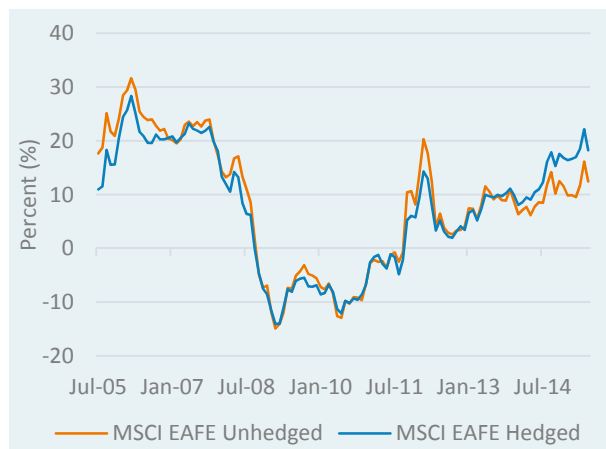
Currency a significant negative impact for US investors

## SHORT TERM PERFORMANCE



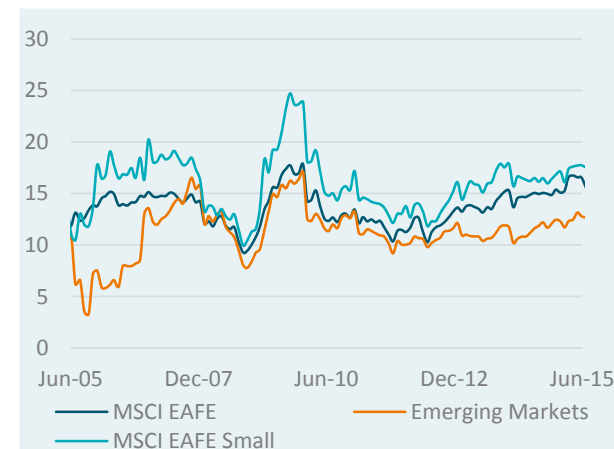
Source: MSCI, as of 6/30/15

## ROLLING 3 YEAR RETURN



Source: MSCI, as of 6/30/15

## FORWARD P/E



Source: MSCI, as of 6/30/15

# Japan – better than bad

The days where equity index providers were under pressure for indices that capped the exposure to the Japanese equity market are long gone. Japan has dropped from 43% of the MSCI EAFE index in 1992 to 23% today. The long term story of stagnation and depression in Japan, punctuated with occasional false dawns, has contrasted with what, until recently, was seen as the greatly successful creation of an integrated market and economy in Europe.

This history has led to excessive discounting of the

prospects of success of Japan's reforms. This creates the opportunity for continuing surprise as even relatively limited change is likely to translate into significant progress.

Yen devaluation has boosted exports, lower energy prices have provided economic support, and signs exist of greater focus on the shareholder and on wage growth. Japan, despite recent strong equity performance, appears a continuing potential opportunity for investors.

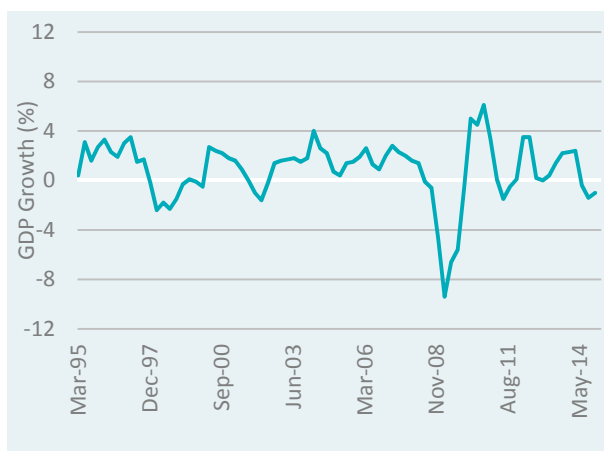
Progress continues against artificially low expectations

JAPAN AS % OF EAFE



Source: MSCI, as of 6/30/15

JAPAN GDP



Source: Bloomberg, as of 3/31/15

JAPAN INFLATION



Source: Bloomberg, as of 5/31/15

# Greece – contained tragedy for now

The crisis in Greece remains a critical element of the European investment landscape, but not due to the size or importance of the Greek economy or market.

Greece has never represented a large part of the Eurozone economy – it represented around 2% of the Eurozone economy at the creation of the Euro, grew closer to 3%, but then returned to previous levels. It has now dropped below that 2% level, and is around 5% smaller in absolute inflation adjusted terms than it

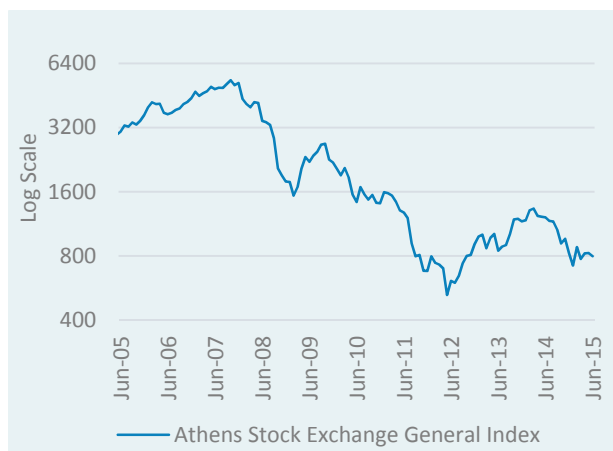
was at the introduction of the Euro.

The danger in Greece is less financial contagion than political contagion. Many of the probable end-games are important more as threats to the political consensus on which the Euro has been built. There would be potential investment implications of that political contagion, but those would likely be medium term issues rather than immediate ones.

Greece a human tragedy rather than immediate financial threat

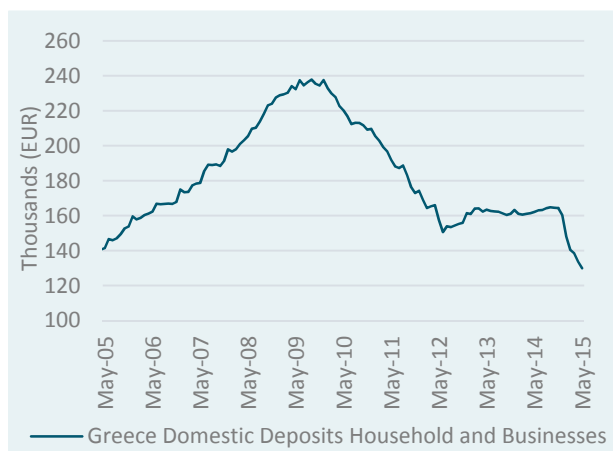
Political not economic contagion

**ATHENS STOCK MARKET PERFORMANCE**



Source: Bloomberg, as of 6/30/15

**GREECE BANK DEPOSITS**



Source: Bloomberg, as of 5/31/15

**GREECE REAL GDP**



Source: Bloomberg, as of 3/31/15

# China – market or economy

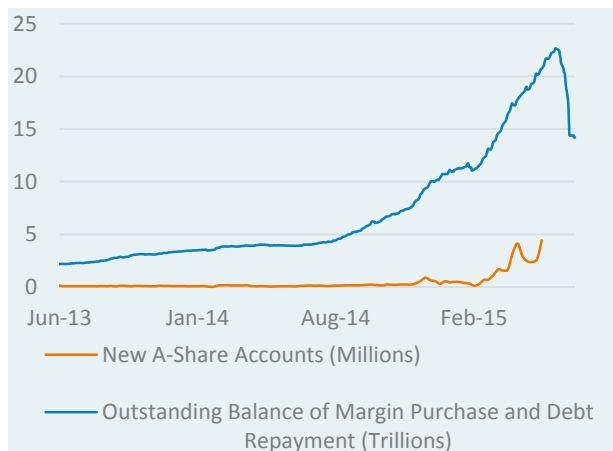
China represents an important element of the global economy. It is important, however, to remember the equity market and the economy are not the same thing – they are related, but subject to different influences.

While there is ongoing discussion about the degree of weakness in the Chinese economy it remains true that it represents one of the largest sources of economic growth in the world in absolute terms. Transparency remains an issue, and there are real concerns about the degree of and expected length of the slow down.

The recent dramatic moves in the domestic equity market only have a limited connection to this underlying economic story. Instead these violent moves are more likely to be primarily a reflection of a rapidly growing urban middle class with little equity market experience, access to margin and over-enthusiastic expectations of the returns likely to result from highly active trading strategies. Continued weakness could however have an effect on consumer behavior.

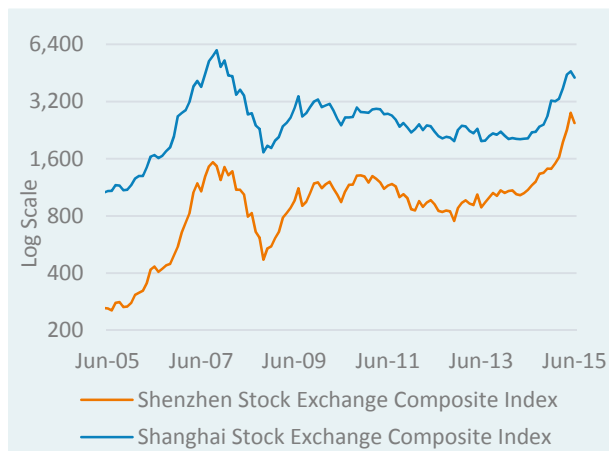
China economy and equity market should be thought of separately

CHINA EQUITY MARKET BEHAVIOR



Source: Bloomberg, as of 6/30/15

CHINA EQUITY MARKET PERFORMANCE



Source: Bloomberg, as of 5/31/15

REAL GDP VS PROXY INDICATOR



Source: MSCI, as of 6/30/15



# Emerging market equity

Emerging market equity exposures continue to experience significant volatility, driven by the debt crisis in Greece, ongoing difficulties in Russia following decline in the oil price, and economic slowdown in China. This has driven “risk-on / risk-off” behavior of global investors.

The underlying case for emerging market exposure remains intact, although global macroeconomic risks will be important to monitor in coming months.

Performance and fundamentals vary across individual emerging market nations, which indicates value-add from active management.

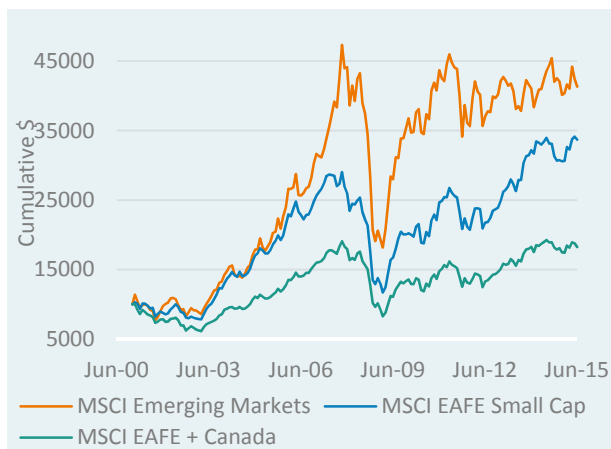
Emerging markets have been affected by currency volatility and interest rate behavior from the developed world. Lower interest rates from QE sparking economic growth in the developed world may help the emerging economies, while Fed rate rises might cause short term hot-money outflows.

Long-term case for EM remains

Volatility continues

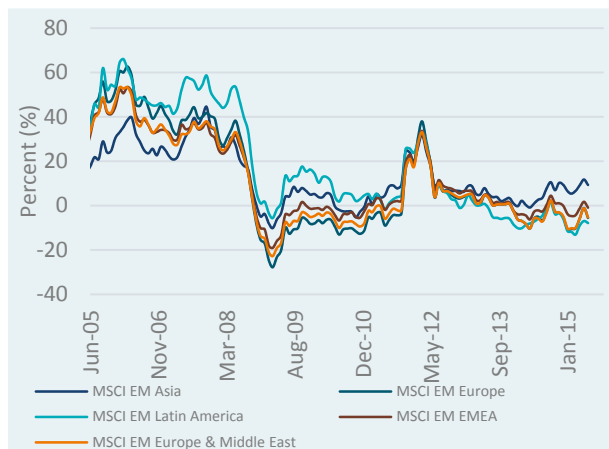
Valuations appear normal

## LONG TERM PERFORMANCE



Source: MSCI, as of 6/30/15

## ROLLING 3 YEAR RETURN



Source: MPI, as of 5/29/15

## FORWARD P/E



Source: MSCI, as of 6/30/15

# Other assets

# Other asset volatility

Rates volatility continues to show normal market behavior – range bound between 50 and 100, which is low relative to history.

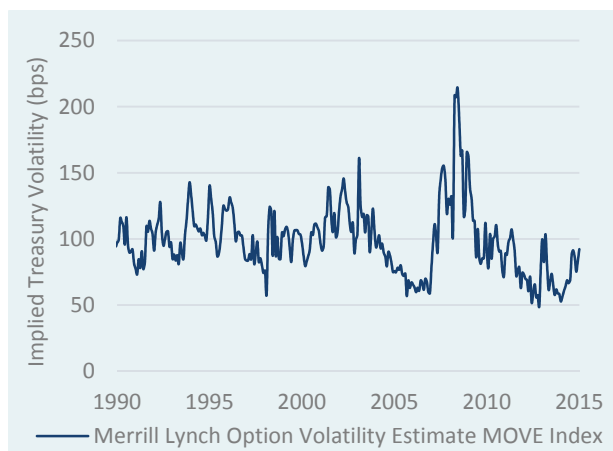
The JP Morgan G7 volatility index captures the volatility of a basket of currencies, representing significant FX moves over the past year, but remaining at normal levels. An alternative approach is to calculate the volatility of the RCCI currency beta index, which measures the currency market as a whole and which has recently spiked to levels near historical highs.

Commodity volatility remains above average, driven in large part by volatility in the oil price. This can be seen by contrasting broad commodity index volatility and the volatility of the energy component.

Spikes in volatility in these markets, even if to higher but normal levels, should be watched carefully in case they act as a sign of a broader phase shift in the markets.

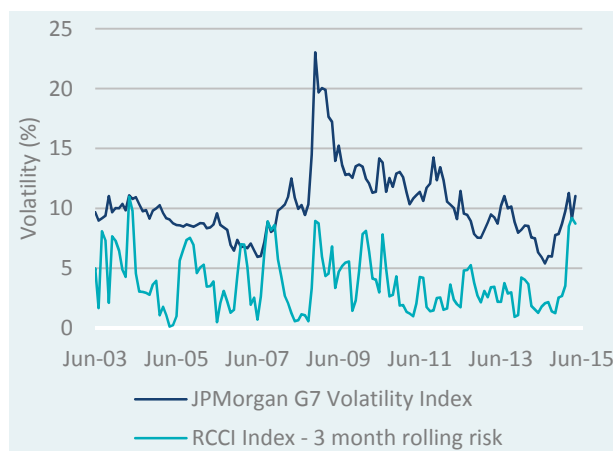
Volatility generally within normal ranges across asset classes

## FIXED INCOME VOLATILITY



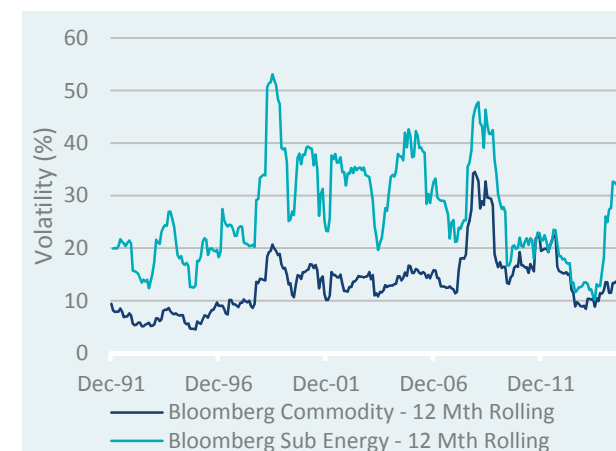
Source: Merrill Lynch, as of 6/30/15 (see Appendix)

## FX VOLATILITY %



Source: JP Morgan, Russell Investments, as of 6/30/15

## COMMODITY VOLATILITY %



Source: Bloomberg, as of 6/30/15

# Real estate & REITs

Real estate assets provide high exposure to the general business cycle. The recovery from the economic crisis has benefited the real estate market, which has shown significant recovery.

Vacancy levels are low for most types of real estate, and in particular both high quality apartment, industrial and retail properties have performed well.

A variety of opportunities in this space have attracted investors, and the long term allocations required to

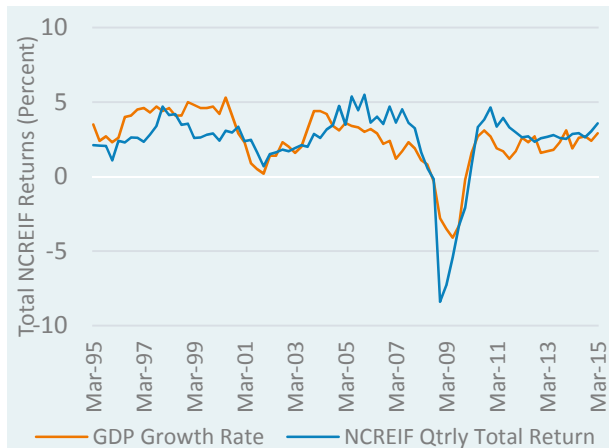
access these returns have led to significant levels of dry powder. Picking the correct fund to access the market will remain important. Real estate currently is the most attractive inflation-hedging asset class.

REITs experienced a difficult first half of the year, posting -9.9% 2Q return and a -5.7% H1 return. These returns demonstrate some of the pitfalls of attempting to gain real estate exposure through REITs, although they remain an appropriate allocation for certain investors.

Provides broad exposure to economic cycle

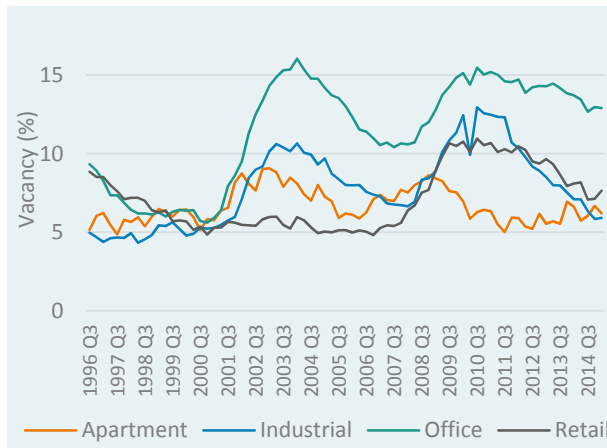
Some opportunities but careful selection needed

REAL ESTATE & THE BUSINESS CYCLE



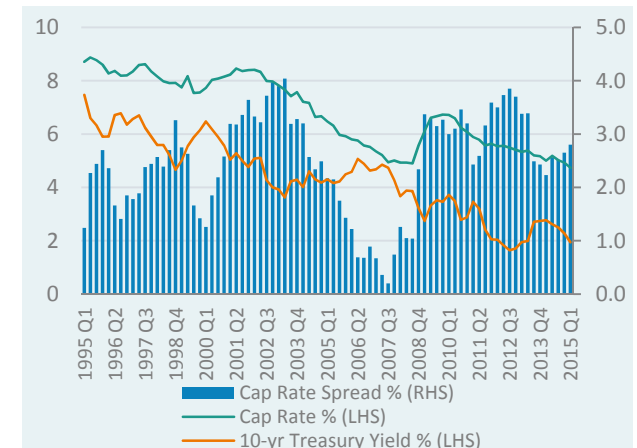
Source: NCREIF, as of 3/1/15

REAL ESTATE VACANCY BY TYPE %



Source: NCREIF, as of 3/31/15

CAP RATE SPREADS



Source: NCREIF, as of 4/1/15

# Commodities

The Bloomberg Commodity Index returned 4.7% in Q2, in line with increases in the oil price. However, investors experienced a loss of 23.7% over the past year for the same reason. Oil continues to exhibit strong volatility.

The role of commodities in portfolios has been to protect assets against unexpected inflation. Investors may question the continued role of commodities recently, due to a drop in the oil price, lower inflation, and decreased inflation expectations. However,

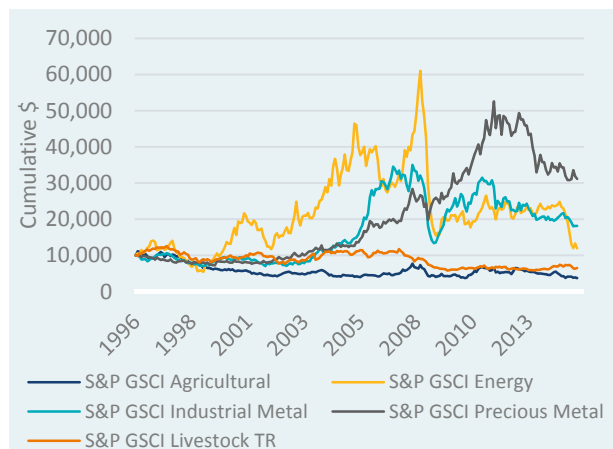
commodities exposure is held to protect against *unexpected* inflation, which can occur from low starting inflation levels. Additionally, inflation forecasts have traditionally been very inaccurate.

We believe commodities continue to play their role of protecting against unexpected inflation, providing high medium-term correlation to inflation, and potentially boosting portfolio returns.

Uptick in oil price has driven short term positive performance

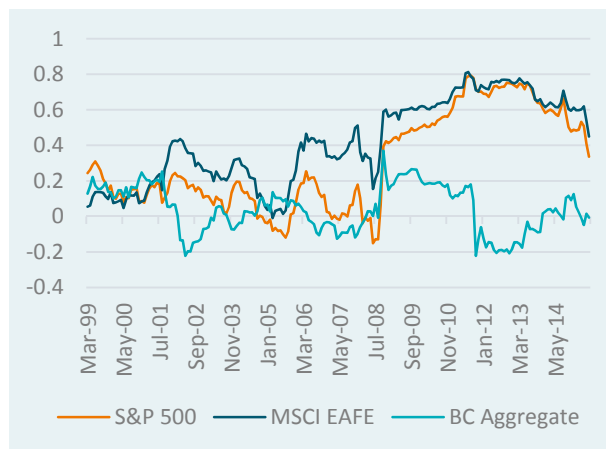
China slowdown continues to cause pain

COMMODITY CUMULATIVE RETURNS



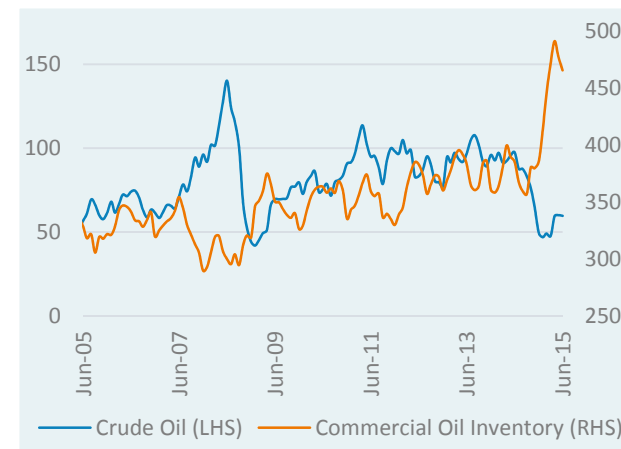
Source: S&P Dow Jones, as of 6/30/15

COMMODITY CORRELATION TO ASSETS



Source: MPI, as of 6/30/15

OIL PRICE VS INVENTORY



Source: Bloomberg, as of 6/30/15

# Currency

Investors can look at the behavior of the currency markets from the standpoint of a US investor on a trade-weighted or similar basis. The US dollar had been depreciating fairly steadily since the mid 1980s, but the recent reversal has caused losses across various unhedged international asset exposures.

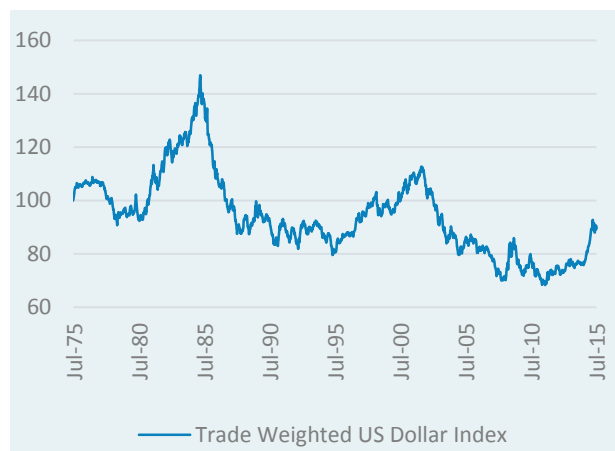
When measured and managed using unhedged benchmarks, international equity portfolios hold significant exposure to a currency portfolio derived from the size and structure of the equity markets

concerned. Despite recent dollar moderation, the trend towards US dollar strength has made this a negative contribution for investors over the short and medium term.

Treating currency as an independent market allows investors additional insight. Although typically return from this exposure has been positive, recent price movements have tipped rolling one year return from currency beta into a slight negative.

Recent dollar strength likely to continue

**LONG TERM TRADE WEIGHTED USD**



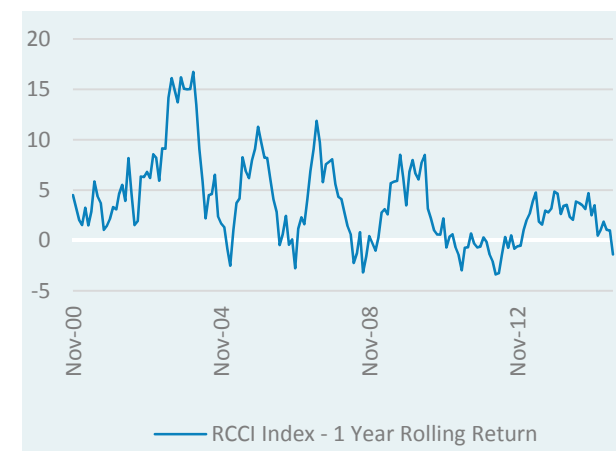
Source: FRED, as of 7/3/15

**EUR/USD**



Source: FRED, as of 7/10/15

**CURRENCY BETA**



Source: Russell Investments, as of 3/31/15

# Appendix

# Periodic table of returns – June 2015

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	5-Year	10-Year
Best	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	8.7	19.3	9.9
	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	5.9	18.6	9.1
	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	4.8	17.6	8.5
	23.8	4.4	31.0	21.6	30.5	19.3	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	4.0	17.1	8.4
	19.3	3.2	28.5	21.4	22.4	16.2	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	3.1	16.5	8.1
	18.9	2.6	25.7	16.5	16.2	15.6	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	2.6	14.8	7.0
	18.1	0.4	19.6	14.4	13.9	8.7	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	1.7	10.0	6.9
	13.4	-1.5	18.5	11.3	12.9	4.9	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	0.8	8.1	5.6
	10.2	-1.8	15.2	10.3	10.6	1.2	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	0.4	4.1	5.5
	9.7	-2.0	11.6	9.9	9.7	-2.5	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	0.0	4.0	4.4
	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	-0.6	3.3	3.2
	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	-1.6	0.1	1.3
	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	-1.7	-3.9	-2.6
Worst	-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	N/A	N/A	N/A

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

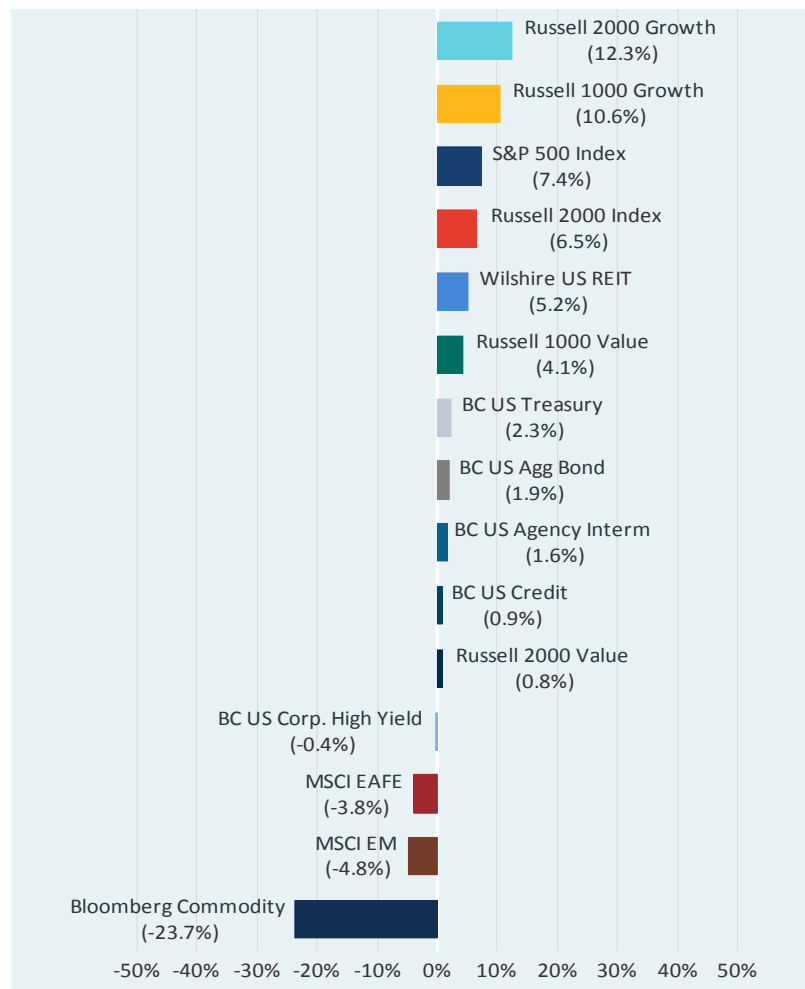
60% MSCI ACWI /40% BC Global Bond

Source: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BC Agg, T-Bill 90 Day, Bloomberg Comm Index, NCREIF Property, HFRI FOF, MSCI ACWI, BC Global Bond.

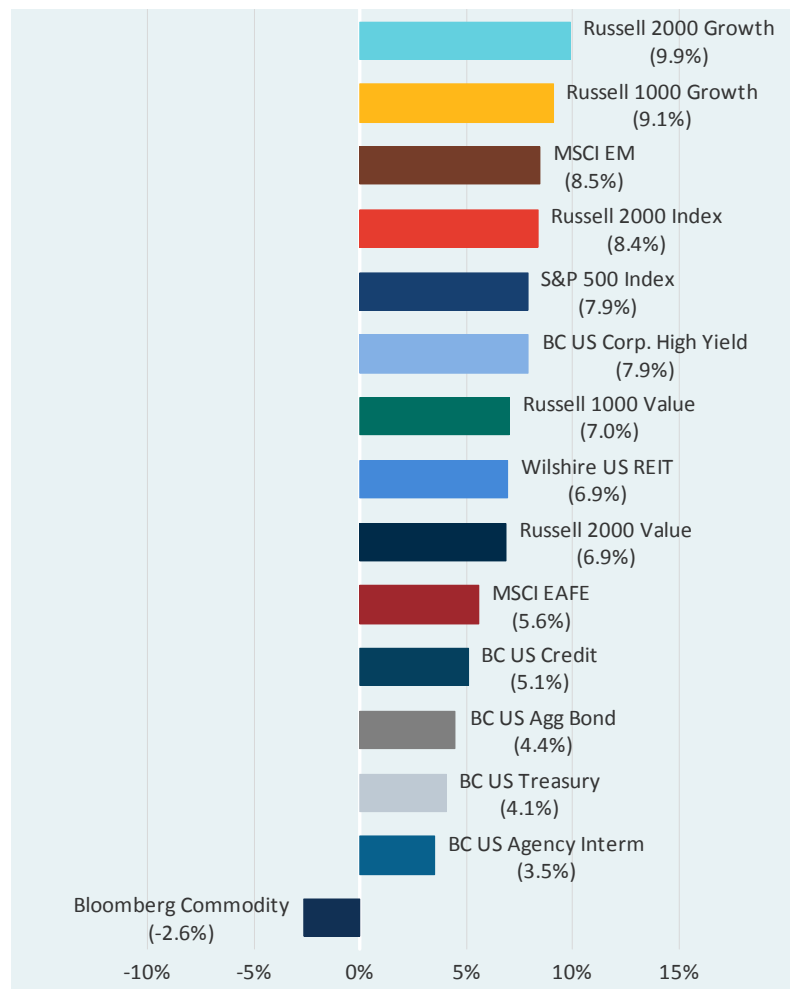


# Major asset class returns

ONE YEAR ENDING JUNE 2015



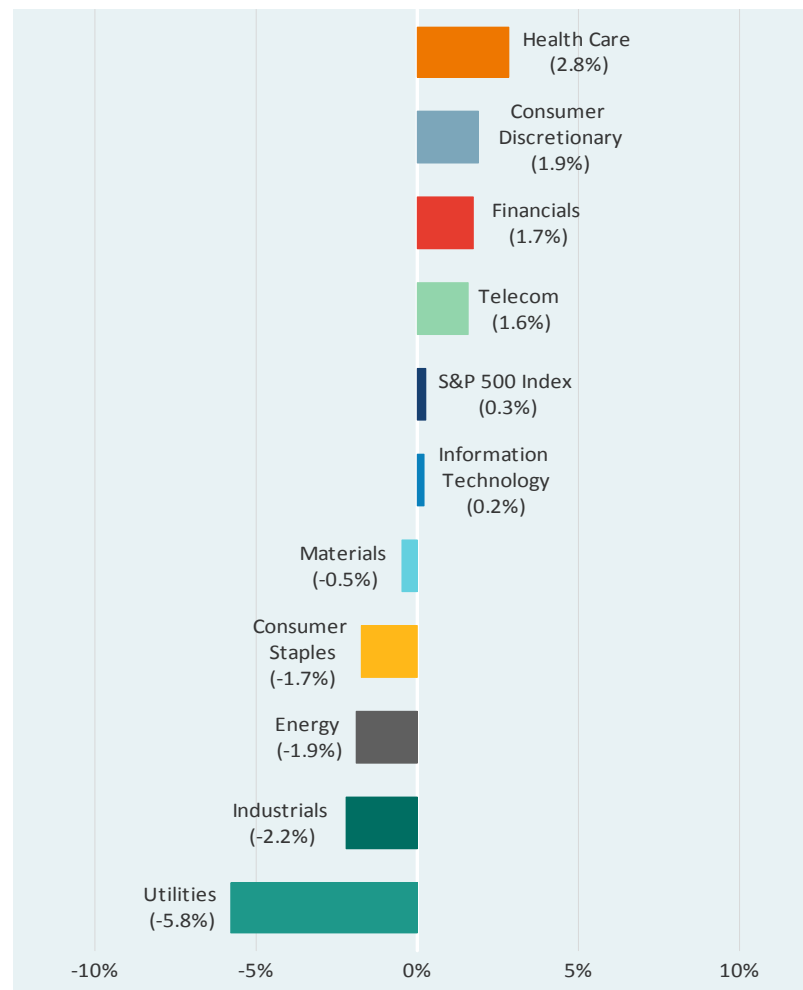
TEN YEARS ENDING JUNE 2015



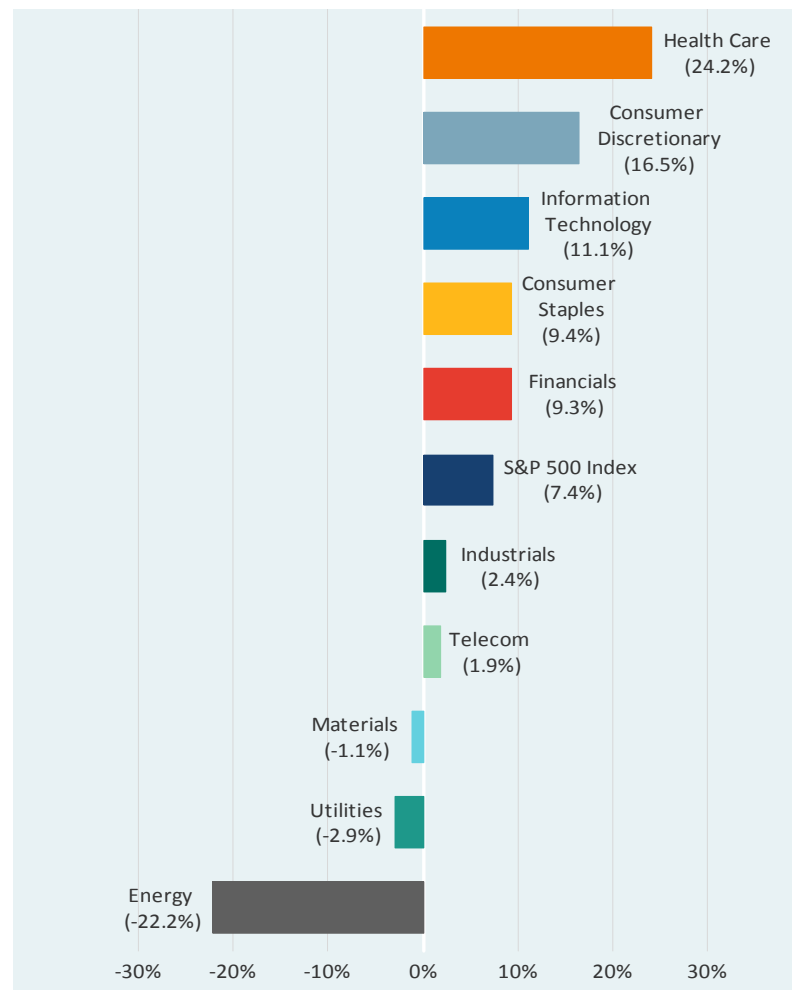
Source: MPI, as of June 30, 2015

# S&P 500 and S&P 500 sector returns

QTD ENDING JUNE 2015



ONE YEAR ENDING JUNE 2015



Source: MPI, as of 6/30/15

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	(1.9)	0.3	1.2	7.4	17.3	17.3	7.9
S&P 500 Equal Weighted	(2.2)	(1.1)	0.7	6.1	19.6	18.4	9.6
DJ Industrial Average	(2.1)	(0.3)	0.0	7.2	13.8	15.4	8.3
Russell Top 200	(1.8)	0.9	1.4	7.7	17.1	17.3	7.6
Russell 1000	(1.9)	0.1	1.7	7.4	17.7	17.6	8.1
Russell 2000	0.7	0.4	4.8	6.5	17.8	17.1	8.4
Russell 3000	(1.7)	0.1	1.9	7.3	17.7	17.5	8.2
Russell Mid Cap	(2.1)	(1.5)	2.4	6.6	19.3	18.2	9.4
<b>Style Index</b>							
Russell 1000 Growth	(1.8)	0.1	4.0	10.6	18.0	18.6	9.1
Russell 1000 Value	(2.0)	0.1	(0.6)	4.1	17.3	16.5	7.0
Russell 2000 Growth	1.3	2.0	8.7	12.3	20.1	19.3	9.9
Russell 2000 Value	0.1	(1.2)	0.8	0.8	15.5	14.8	6.9

## INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
MSCI EAFE	(2.8)	0.8	5.9	(3.8)	12.5	10.0	5.6
MSCI AC World ex US	(2.8)	0.7	4.4	(4.9)	9.9	8.2	6.0
MSCI EM	(2.5)	0.8	3.1	(4.8)	4.1	4.0	8.5
MSCI EAFE Small Cap	(1.2)	4.5	10.4	(0.5)	16.1	12.8	7.0
<b>Style Index</b>							
MSCI EAFE Growth	(2.6)	1.2	7.2	(1.0)	12.5	10.5	6.2
MSCI EAFE Value	(3.1)	0.5	4.5	(6.6)	12.4	9.5	5.0
<b>Regional Index</b>							
MSCI UK	(3.6)	3.0	2.0	(8.2)	9.1	10.7	4.8
MSCI Japan	(1.7)	3.1	13.8	8.6	13.6	9.0	4.4
MSCI Euro	(2.4)	(1.4)	3.8	(9.2)	14.6	9.4	4.8
MSCI EM Asia	(3.9)	0.0	5.2	3.5	9.3	7.2	9.7
MSCI EM Latin American	1.0	3.6	(6.2)	(23.2)	(7.8)	(4.1)	7.7

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
BC US Treasury US TIPS	(1.0)	(1.1)	0.3	(1.7)	(0.8)	3.3	4.1
BC US Treasury Bills	0.0	0.0	0.1	0.1	0.1	0.1	1.5
BC US Agg Bond	(1.1)	(1.7)	(0.1)	1.9	1.8	3.3	4.4
<b>Duration</b>							
BC US Treasury 1-3 Yr	0.0	0.1	0.7	0.9	0.7	0.8	2.5
BC US Treasury Long	(3.8)	(8.3)	(4.7)	6.3	1.2	6.2	6.2
BC US Treasury	(0.9)	(1.6)	0.0	2.3	0.9	2.7	4.1
<b>Issuer</b>							
BC US MBS	(0.8)	(0.7)	0.3	2.3	1.9	2.9	4.6
BC US Corp. High Yield	(1.5)	0.0	2.5	(0.4)	6.8	8.6	7.9
BC US Agency Interm	(0.2)	0.0	0.9	1.6	1.1	1.7	3.5
BC US Credit	(1.7)	(2.9)	(0.8)	0.9	3.0	4.9	5.1

## OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Comm. Index	1.7	4.7	(1.6)	(23.7)	(8.8)	(3.9)	(2.6)
Wilshire US REIT	(4.3)	(9.9)	(5.7)	5.2	9.0	14.7	6.9
<b>Regional Index</b>							
JPM EMBI Global Div	(1.2)	(1.0)	(4.9)	(15.4)	(3.8)	0.9	5.9
JPM GBI-EM Global Div	(1.6)	(0.3)	1.7	0.5	4.3	6.8	7.4

Source: Morningstar, as of 6/30/15

# Definitions

**Bloomberg US Weekly Consumer Comfort Index** - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. ([www.langerresearch.com](http://www.langerresearch.com))

**University of Michigan Consumer Sentiment Index** - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. ([www.Bloomberg.com](http://www.Bloomberg.com))

**Citi Economic Surprise Index** - objective and quantitative measures of economic news. Defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance been beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets. ([www.Bloomberg.com](http://www.Bloomberg.com))

**Merrill Lynch Option Volatility Estimate (MOVE) Index** – a yield curve weighted index comprised of a weighted set of 1-month Treasury options, including 2.5.10 and 30 year tenor contracts. This index is an indicator of the expected (implied) future volatility in the rate markets.

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# Imperial County Employees' Retirement System

Investment Performance Review

Period Ending: June 30, 2015



[VERUSINVESTMENTS.COM](http://VERUSINVESTMENTS.COM)

SEATTLE 206-622-3700

LOS ANGELES 310-297-1777

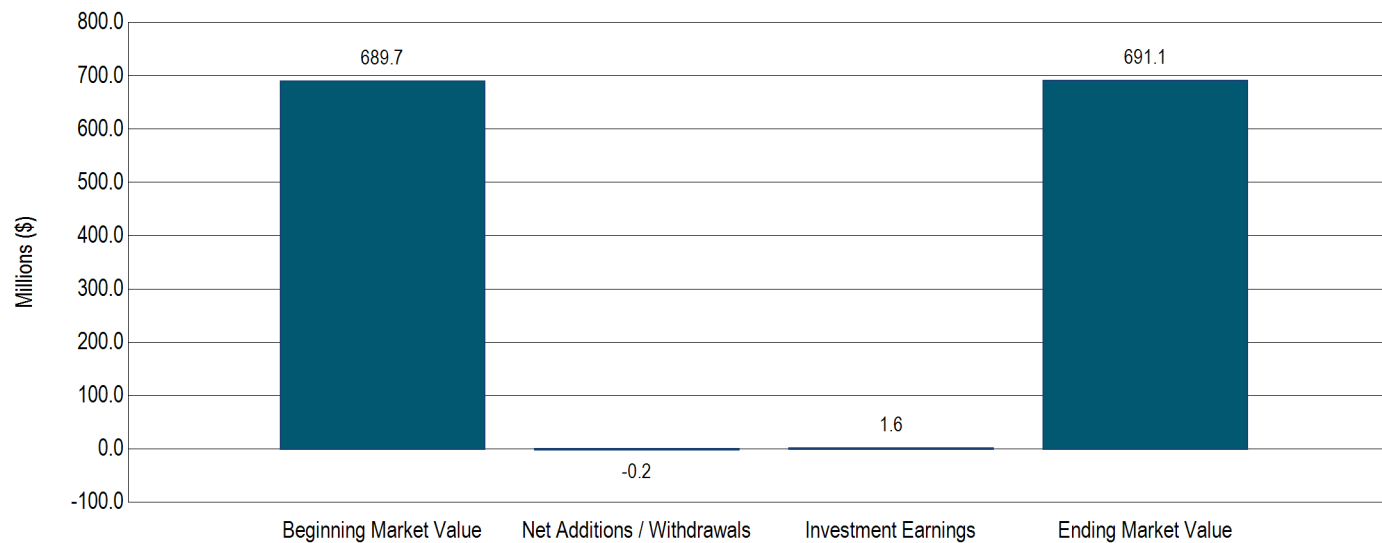
# Total Fund Portfolio Reconciliation

Period Ending: June 30, 2015

## Portfolio Reconciliation

Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date	One Year
Beginning Market Value	\$689,710,879	\$683,134,883	\$683,134,883
Net Additions/Withdrawals	-\$230,535	-\$4,639,733	-\$4,639,733
Investment Earnings	\$1,577,913	\$12,563,107	\$12,563,107
Ending Market Value	\$691,058,257	\$691,058,257	\$691,058,257

## Change in Market Value Last Three Months

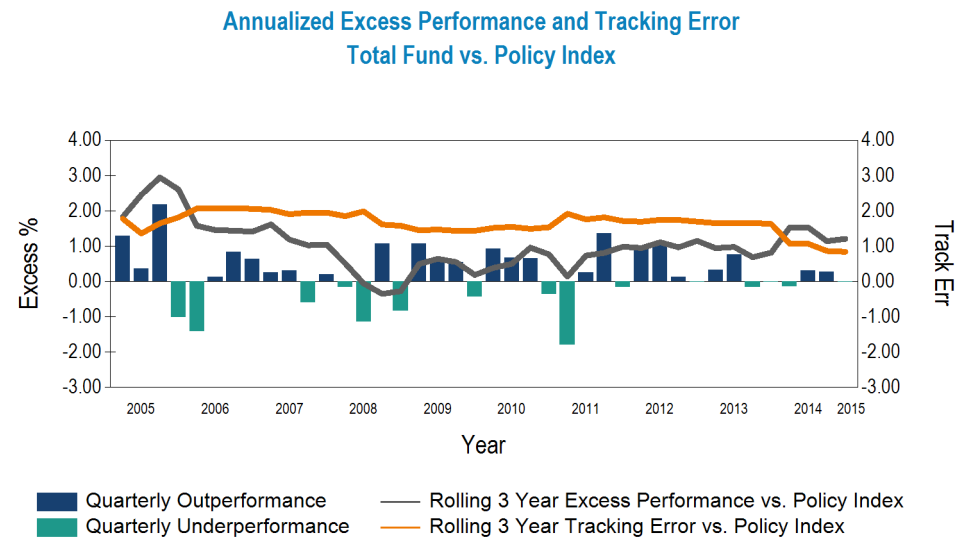
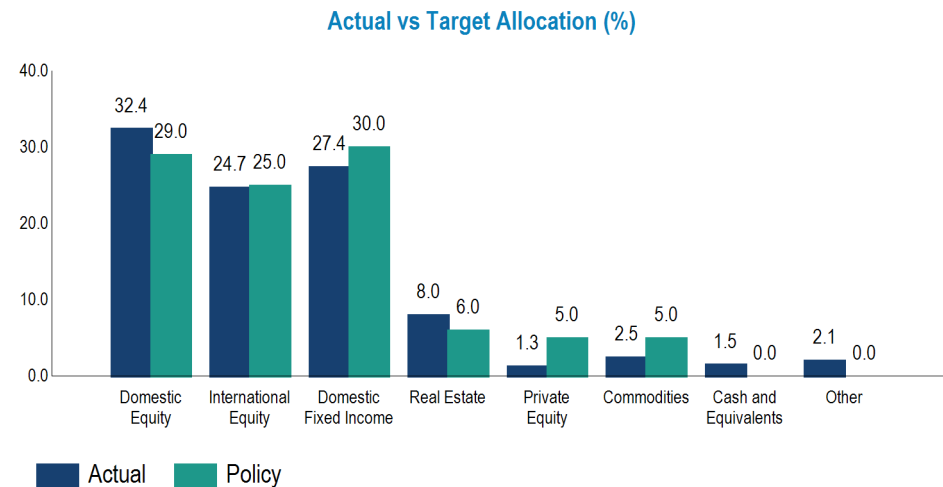


Contributions and withdrawals may include intra-account transfers between managers/funds. Fee transactions are excluded from Portfolio Reconciliation.

# Total Fund Executive Summary (Gross of Fees)

Period Ending: June 30, 2015

	QTD	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>0.3</b>	<b>2.7</b>	<b>2.1</b>	<b>2.1</b>	<b>10.1</b>	<b>10.5</b>	<b>6.9</b>
<i>Total Fund ex Clifton</i>	0.3	2.8	2.1	2.1	10.0	10.4	6.9
<i>Policy Index</i>	0.3	2.5	1.7	1.7	8.9	9.6	6.1
<i>InvestorForce Public DB Gross Rank</i>	30	25	76	76	52	46	30
<b>Total Domestic Equity</b>	<b>0.1</b>	<b>2.3</b>	<b>6.3</b>	<b>6.3</b>	<b>17.4</b>	<b>17.3</b>	<b>8.8</b>
<i>Russell 3000</i>	0.1	1.9	7.3	7.3	17.7	17.5	8.2
<i>eA All US Equity Gross Rank</i>	57	61	61	61	65	61	59
<b>Total International Equity</b>	<b>0.6</b>	<b>4.7</b>	<b>-4.7</b>	<b>-4.7</b>	<b>9.9</b>	<b>7.5</b>	<b>6.2</b>
<i>MSCI ACWI ex USA Gross</i>	0.7	4.3	-4.8	-4.8	9.9	8.2	6.0
<i>eA ACWI ex-US All Cap Equity Gross Rank</i>	70	73	77	77	80	97	87
<b>Total Fixed Income</b>	<b>-1.6</b>	<b>0.2</b>	<b>1.3</b>	<b>1.3</b>	<b>2.8</b>	<b>5.0</b>	<b>5.8</b>
<i>Barclays Aggregate</i>	-1.7	-0.1	1.9	1.9	1.8	3.3	4.4
<i>eA All US Fixed Inc Gross Rank</i>	77	71	61	61	47	38	27
<b>Total Real Estate</b>	<b>4.8</b>	<b>8.0</b>	<b>16.4</b>	<b>16.4</b>	<b>12.9</b>	<b>14.9</b>	<b>--</b>
<i>NCREIF Property Index</i>	3.1	6.8	13.0	13.0	11.6	12.7	--
<i>NCREIF-ODCE</i>	3.8	7.3	14.4	14.4	13.1	14.4	--
<b>Total Private Equity</b>	<b>2.5</b>	<b>10.2</b>	<b>21.7</b>	<b>21.7</b>	<b>19.4</b>	<b>--</b>	<b>--</b>
<i>Russell 3000 +3% Lagged</i>	2.6	8.7	15.7	15.7	19.9	--	--
<b>Total Commodities</b>	<b>4.2</b>	<b>-1.4</b>	<b>-23.0</b>	<b>-23.0</b>	<b>-8.4</b>	<b>-3.6</b>	<b>--</b>
<i>Bloomberg Commodity Index TR USD</i>	4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--
<b>Total Opportunistic</b>	<b>3.0</b>	<b>4.6</b>	<b>11.0</b>	<b>11.0</b>	<b>25.5</b>	<b>21.5</b>	<b>--</b>
<i>Assumption Rate + 1%</i>	2.2	4.4	9.0	9.0	9.0	9.1	--

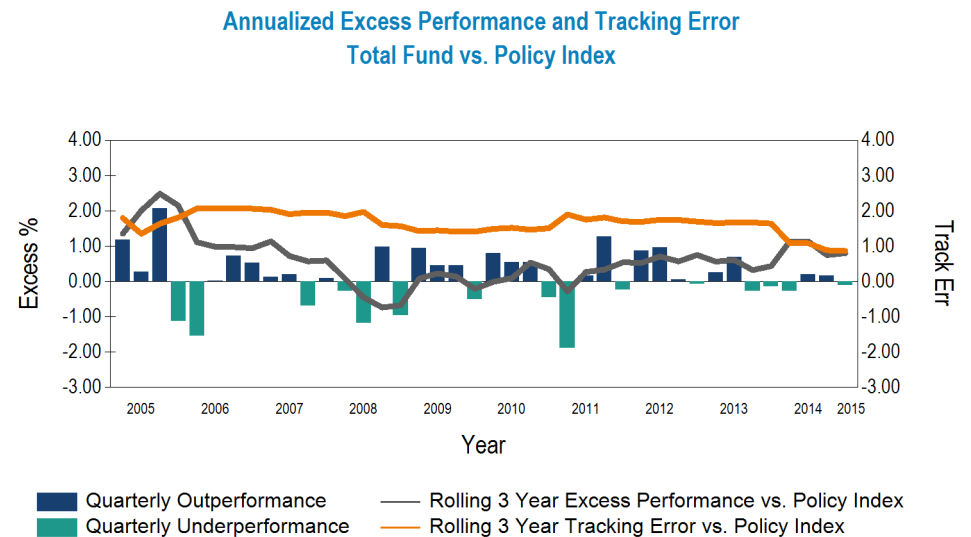
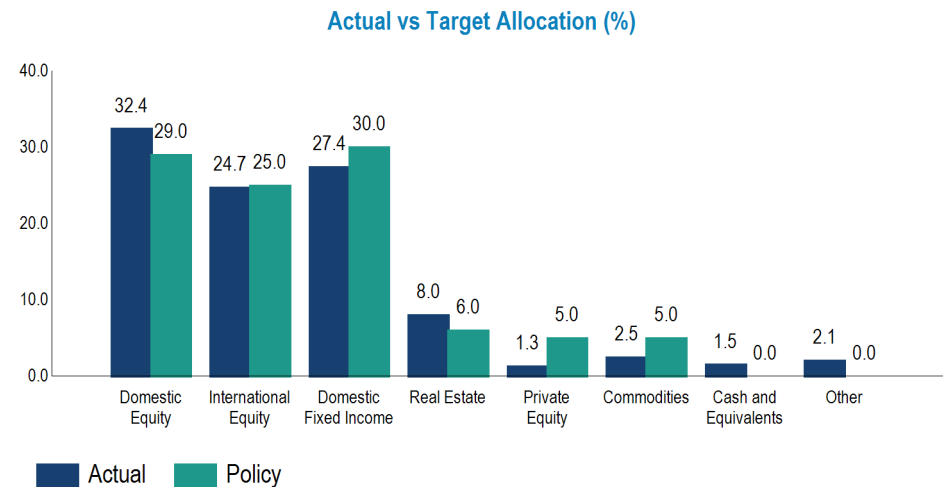


Policy Index (as of 7/1/2014): 29% Russell 3000, 25% MSCI ACWI Free Ex US, 30% BC AGG, 6% NCREIF Property, 5% Bloomberg Commodity Index, 5% Russell 3000 plus 300 bps (Lagged). Prior Policy Index (7/1/2010 to 6/30/2014): 24% S&P 500, 10% R2500, 21% MSCI ACWI Free Ex US, 30% BC AGG, 5% NCREIF Property, 5% Bloomberg Commodity Index, 5% CPI+ 5%. Prior quarter Private Equity returns and index data are used. All returns are (G) gross of fees.

# Total Fund Executive Summary (Net of Fees)

Period Ending: June 30, 2015

	QTD	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>0.2</b>	<b>2.5</b>	<b>1.7</b>	<b>1.7</b>	<b>9.7</b>	<b>10.1</b>	<b>6.5</b>
<i>Total Fund ex Clifton</i>	0.2	2.5	1.7	1.7	9.6	10.0	6.5
<i>Policy Index</i>	0.3	2.5	1.7	1.7	8.9	9.6	6.1
<b>Total Domestic Equity</b>	<b>0.0</b>	<b>2.2</b>	<b>6.1</b>	<b>6.1</b>	<b>17.1</b>	<b>17.0</b>	<b>8.5</b>
<i>Russell 3000</i>	0.1	1.9	7.3	7.3	17.7	17.5	8.2
<b>Total International Equity</b>	<b>0.5</b>	<b>4.5</b>	<b>-5.2</b>	<b>-5.2</b>	<b>9.3</b>	<b>6.9</b>	<b>5.6</b>
<i>MSCI ACWI ex USA Gross</i>	0.7	4.3	-4.8	-4.8	9.9	8.2	6.0
<b>Total Fixed Income</b>	<b>-1.6</b>	<b>0.1</b>	<b>1.0</b>	<b>1.0</b>	<b>2.5</b>	<b>4.7</b>	<b>5.5</b>
<i>Barclays Aggregate</i>	-1.7	-0.1	1.9	1.9	1.8	3.3	4.4
<b>Total Real Estate</b>	<b>4.6</b>	<b>7.5</b>	<b>15.2</b>	<b>15.2</b>	<b>12.1</b>	<b>14.0</b>	<b>--</b>
<i>NCREIF Property Index</i>	3.1	6.8	13.0	13.0	11.6	12.7	--
<i>NCREIF-ODCE</i>	3.8	7.3	14.4	14.4	13.1	14.4	--
<b>Total Private Equity</b>	<b>2.0</b>	<b>9.0</b>	<b>18.6</b>	<b>18.6</b>	<b>14.2</b>	<b>-8.6</b>	<b>--</b>
<i>Russell 3000 +3% Lagged</i>	2.6	8.7	15.7	15.7	19.9	18.1	--
<b>Total Commodities</b>	<b>4.0</b>	<b>-1.7</b>	<b>-23.5</b>	<b>-23.5</b>	<b>-8.8</b>	<b>-4.7</b>	<b>--</b>
<i>Bloomberg Commodity Index TR USD</i>	4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--
<b>Total Opportunistic</b>	<b>2.6</b>	<b>3.7</b>	<b>9.3</b>	<b>9.3</b>	<b>23.5</b>	<b>19.7</b>	<b>--</b>
<i>Assumption Rate + 1%</i>	2.2	4.4	9.0	9.0	9.0	9.1	--



Policy Index (as of 7/1/2014): 29% Russell 3000, 25% MSCI ACWI Free Ex US, 30% BC AGG, 6% NCREIF Property, 5% Bloomberg Commodity Index, 5% Russell 3000 plus 300 bps (Lagged). Prior Policy Index (7/1/2010 to 6/30/2014): 24% S&P 500, 10% R2500, 21% MSCI ACWI Free Ex US, 30% BC AGG, 5% NCREIF Property, 5% Bloomberg Commodity Index, 5% CPI+ 5%. Prior quarter Private Equity returns and index data are used. All returns are (N) net of fees.

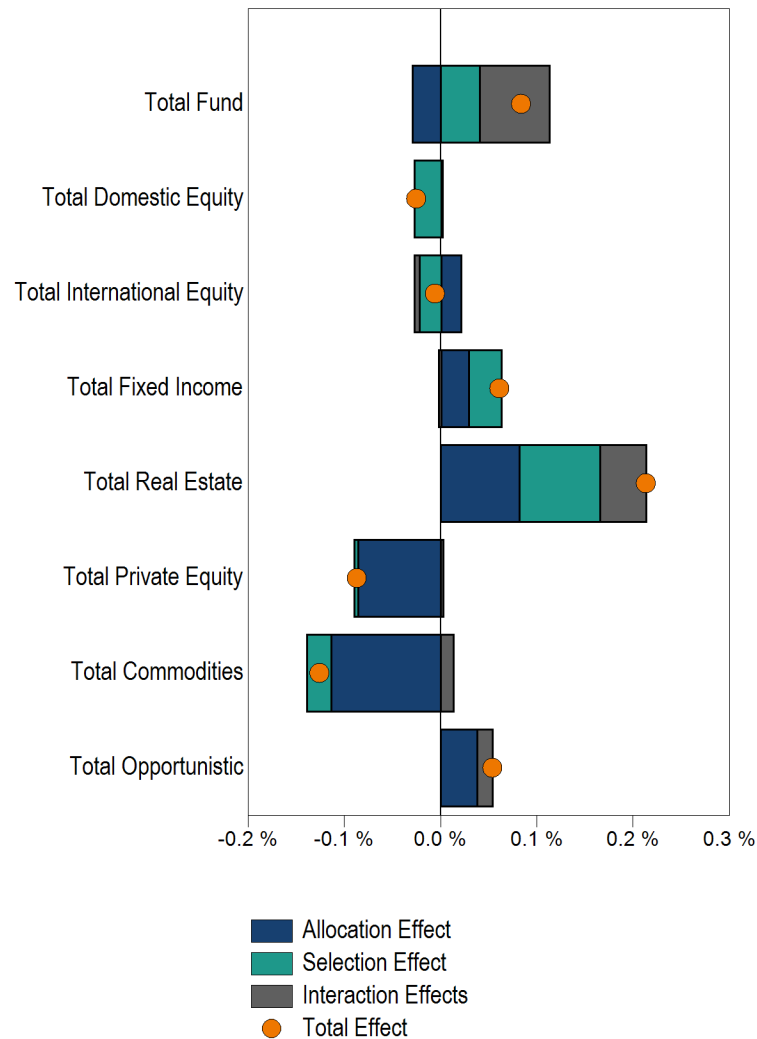


# Total Fund

## Attribution Analysis - Asset Class Level (Gross of Fees)

Period Ending: June 30, 2015

### Attribution Effects



### Performance Attribution

	Quarter	YTD
Wtd. Actual Return	0.30%	2.79%
Wtd. Index Return *	0.21%	2.25%
<b>Excess Return</b>	<b>0.08%</b>	<b>0.55%</b>
Selection Effect	0.04%	0.45%
Allocation Effect	-0.03%	0.12%
Interaction Effect	0.07%	-0.02%

\*Calculated from benchmark returns and weightings of each component.

### Attribution Summary Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Domestic Equity	0.1%	0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total International Equity	0.6%	0.7%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total Fixed Income	-1.6%	-1.7%	0.1%	0.0%	0.0%	0.0%	0.1%
Total Real Estate	4.8%	3.1%	1.7%	0.1%	0.1%	0.0%	0.2%
Total Private Equity	2.5%	2.6%	-0.1%	0.0%	-0.1%	0.0%	-0.1%
Total Commodities	4.2%	4.7%	-0.5%	0.0%	-0.1%	0.0%	-0.1%
Total Opportunistic	3.0%	2.2%	0.8%	0.0%	0.0%	0.0%	0.1%
<b>Total</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>

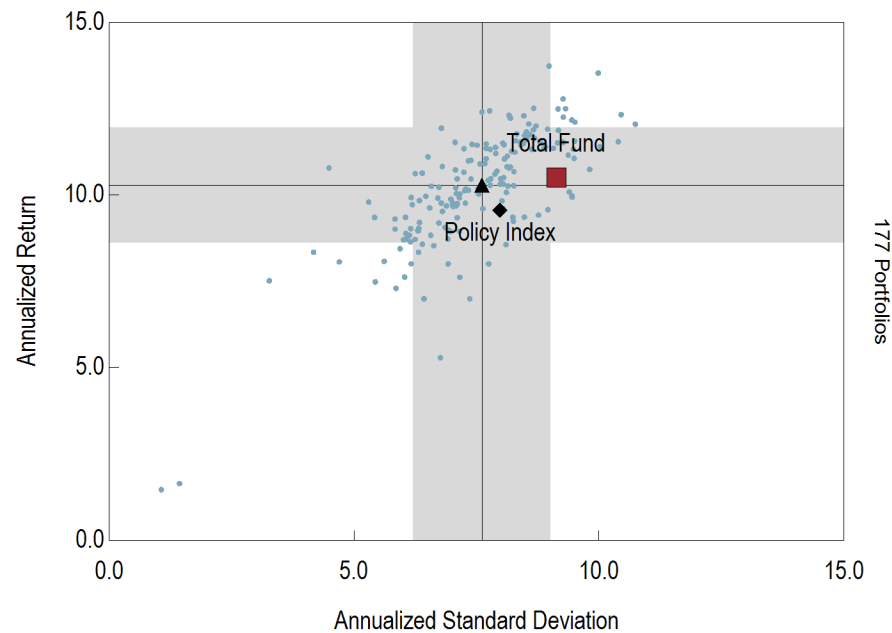
Weighted returns shown in attribution analysis may differ from actual returns.

# Total Fund Risk Analysis - 5 Years (Gross of Fees)

Period Ending: June 30, 2015

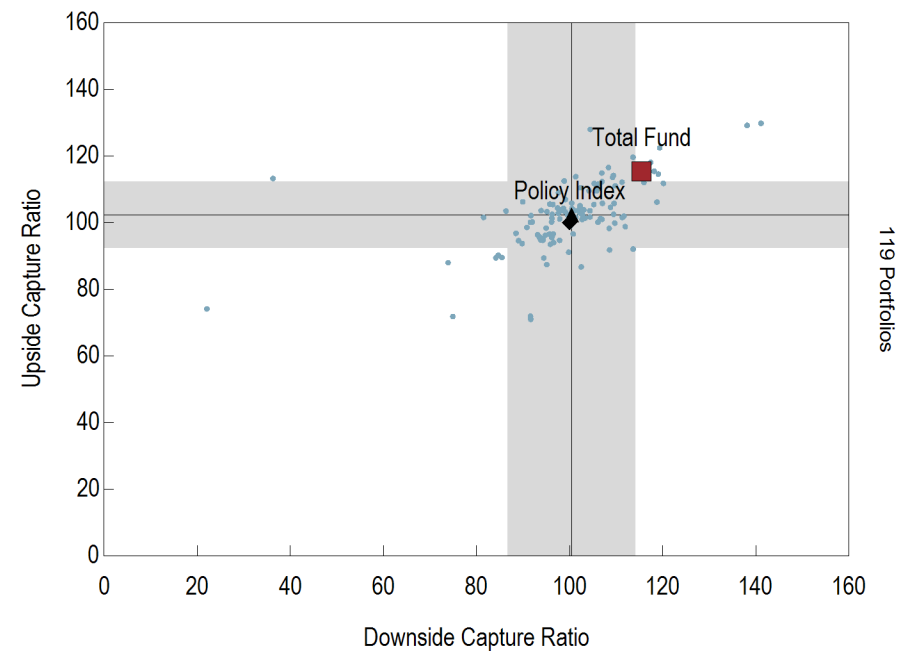
	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Total Fund	10.51%	0.96%	9.13%	-0.38%	1.14	1.35%	0.99	1.14	0.71	115.42%	115.49%

Risk vs. Return



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

Up Markets vs. Down Markets

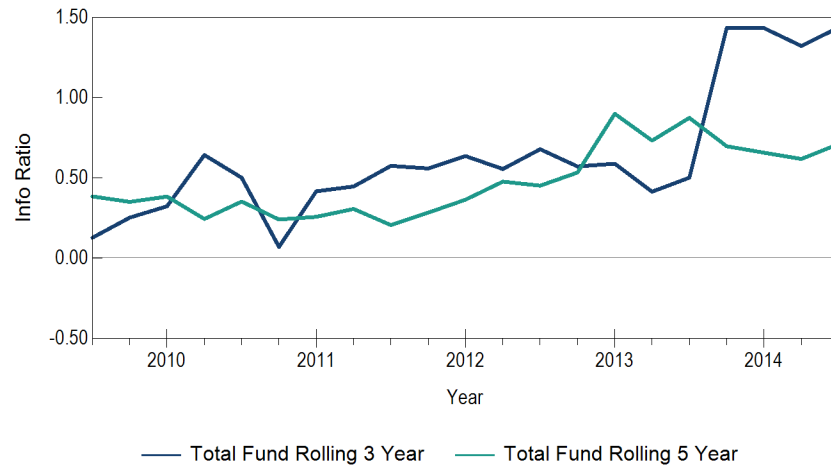


- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

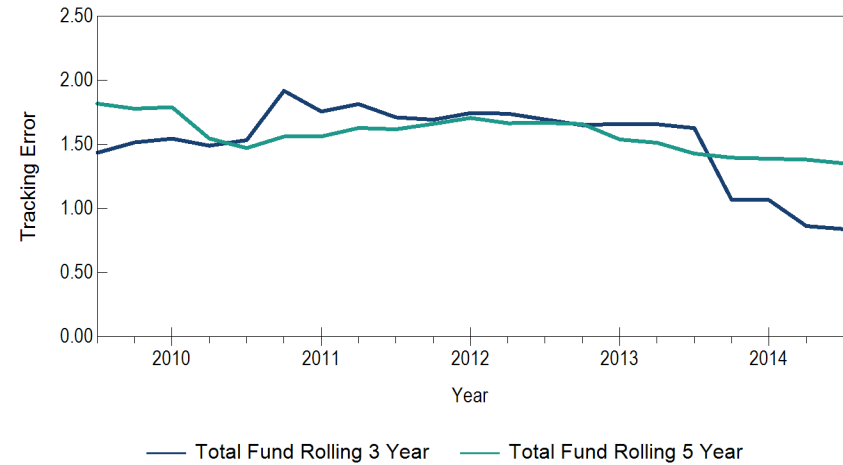
# Total Fund Rolling Risk Statistics (Gross of Fees)

Period Ending: June 30, 2015

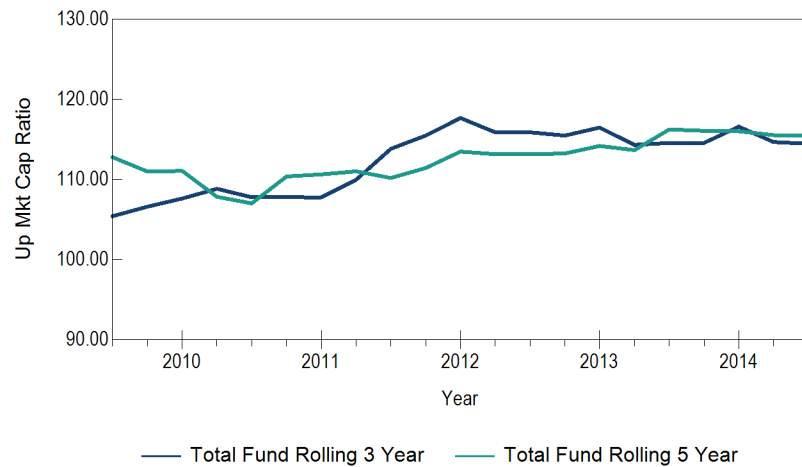
Rolling Information Ratio



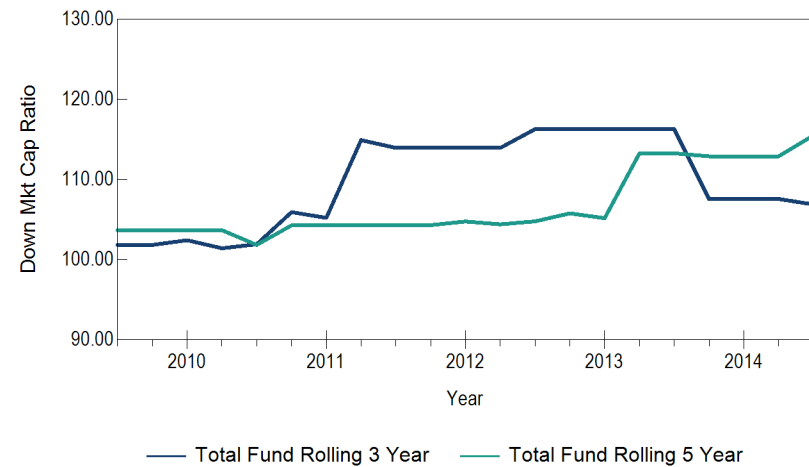
Rolling Tracking Error



Rolling Up Market Capture Ratio (%)



Rolling Down Market Capture Ratio (%)



# Total Fund Performance Summary (Gross of Fees)

Period Ending: June 30, 2015

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
<b>Total Fund</b>	<b>691,058,257</b>	<b>100.0</b>	<b>0.3</b>	<b>2.7</b>	<b>2.1</b>	<b>2.1</b>	<b>10.1</b>	<b>10.5</b>	<b>6.9</b>	<b>4.8</b>	<b>14.8</b>	<b>14.6</b>	<b>-1.1</b>	<b>14.7</b>	<b>9.6</b>	<b>Mar-89</b>
Policy Index			0.3	2.5	1.7	1.7	8.9	9.6	6.1	4.9	13.5	11.2	0.4	13.0	--	Mar-89
InvestorForce Public DB Gross Rank			30	25	76	76	52	46	30	74	59	6	89	13	4	Mar-89
<b>Total Fund ex Clifton</b>			<b>0.3</b>	<b>2.8</b>	<b>2.1</b>	<b>2.1</b>	<b>10.0</b>	<b>10.4</b>	<b>6.9</b>	<b>4.9</b>	<b>14.7</b>	<b>14.2</b>	<b>-1.0</b>	<b>14.7</b>	<b>9.6</b>	<b>Mar-89</b>
Policy Index			0.3	2.5	1.7	1.7	8.9	9.6	6.1	4.9	13.5	11.2	0.4	13.0	--	Mar-89
InvestorForce Public DB Gross Rank			30	24	76	76	56	49	34	72	59	11	88	15	4	Mar-89
<b>Total Domestic Equity</b>	<b>224,096,252</b>	<b>32.4</b>	<b>0.1</b>	<b>2.3</b>	<b>6.3</b>	<b>6.3</b>	<b>17.4</b>	<b>17.3</b>	<b>8.8</b>	<b>10.2</b>	<b>33.9</b>	<b>17.1</b>	<b>0.9</b>	<b>18.3</b>	<b>--</b>	<b>--</b>
Russell 3000			0.1	1.9	7.3	7.3	17.7	17.5	8.2	12.6	33.6	16.4	1.0	16.9	--	--
eA All US Equity Gross Rank			57	61	61	61	65	61	59	51	62	37	40	55	--	--
<b>BlackRock Russell 1000</b>	<b>165,548,955</b>	<b>24.0</b>	<b>0.1</b>	<b>1.7</b>	<b>7.4</b>	<b>7.4</b>	<b>17.8</b>	<b>17.6</b>	<b>8.2</b>	<b>13.3</b>	<b>33.2</b>	<b>16.5</b>	<b>1.6</b>	<b>16.2</b>	<b>10.2</b>	<b>Oct-02</b>
Russell 1000			0.1	1.7	7.4	7.4	17.7	17.6	8.1	13.2	33.1	16.4	1.5	16.1	10.1	Oct-02
eA US Large Cap Equity Gross Rank			56	55	53	53	53	48	67	41	54	39	39	34	54	Oct-02
<b>TimesSquare Capital Mid Cap Growth</b>	<b>30,504,881</b>	<b>4.4</b>	<b>-0.6</b>	<b>6.2</b>	<b>8.0</b>	<b>8.0</b>	<b>19.6</b>	<b>18.0</b>	<b>11.7</b>	<b>6.2</b>	<b>38.7</b>	<b>20.0</b>	<b>-0.7</b>	<b>19.3</b>	<b>14.6</b>	<b>Mar-03</b>
Russell MidCap Growth			-1.1	4.2	9.5	9.5	19.2	18.7	9.7	11.9	35.7	15.8	-1.7	26.4	12.6	Mar-03
eA US Mid Cap Growth Equity Gross Rank			79	58	83	83	40	64	22	75	36	11	40	94	14	Mar-03
<b>T. Rowe Price Small Cap Value</b>	<b>28,042,416</b>	<b>4.1</b>	<b>0.4</b>	<b>1.8</b>	<b>-0.9</b>	<b>-0.9</b>	<b>13.5</b>	<b>15.4</b>	<b>9.1</b>	<b>-0.5</b>	<b>34.7</b>	<b>17.1</b>	<b>1.0</b>	<b>25.6</b>	<b>12.8</b>	<b>Dec-95</b>
Russell 2000 Value			-1.2	0.8	0.8	0.8	15.5	14.8	6.9	4.2	34.5	18.1	-5.5	24.5	10.1	Dec-95
eA US Small Cap Value Equity Gross Rank			43	71	82	82	93	77	55	88	78	49	22	63	58	Dec-95
<b>Total International Equity</b>	<b>170,951,427</b>	<b>24.7</b>	<b>0.6</b>	<b>4.7</b>	<b>-4.7</b>	<b>-4.7</b>	<b>9.9</b>	<b>7.5</b>	<b>6.2</b>	<b>-4.4</b>	<b>14.0</b>	<b>19.3</b>	<b>-15.6</b>	<b>12.6</b>	<b>--</b>	<b>--</b>
MSCI ACWI ex USA Gross			0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6	--	--
eA ACWI ex-US All Cap Equity Gross Rank			70	73	77	77	80	97	87	70	92	54	84	70	--	--
<b>BlackRock International Equity</b>	<b>64,443,623</b>	<b>9.3</b>	<b>0.8</b>	<b>5.8</b>	<b>-3.9</b>	<b>-3.9</b>	<b>12.3</b>	<b>9.9</b>	<b>5.5</b>	<b>-4.7</b>	<b>23.2</b>	<b>17.8</b>	<b>-11.8</b>	<b>8.1</b>	<b>8.2</b>	<b>Jul-03</b>
MSCI EAFE Gross			0.8	5.9	-3.8	-3.8	12.5	10.0	5.6	-4.5	23.3	17.9	-11.7	8.2	8.3	Jul-03
eA All EAFE Equity Gross Rank			75	69	76	76	66	76	85	64	61	74	48	79	73	Jul-03
<b>Templeton Foreign Equity</b>	<b>62,048,320</b>	<b>9.0</b>	<b>0.6</b>	<b>6.1</b>	<b>-4.2</b>	<b>-4.2</b>	<b>12.3</b>	<b>9.4</b>	<b>6.8</b>	<b>-6.0</b>	<b>20.4</b>	<b>19.5</b>	<b>-10.2</b>	<b>7.5</b>	<b>8.6</b>	<b>Dec-94</b>
MSCI ACWI ex USA Gross			0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6	5.9	Dec-94
eA All ACWI ex-US Equity Gross Rank			76	53	76	76	52	76	68	80	47	50	28	92	53	Dec-94
<b>DFA Emerging Markets Value</b>	<b>20,988,405</b>	<b>3.0</b>	<b>1.8</b>	<b>1.7</b>	<b>-8.7</b>	<b>-8.7</b>	<b>2.9</b>	<b>2.1</b>	<b>--</b>	<b>-3.9</b>	<b>-3.2</b>	<b>20.1</b>	<b>-25.2</b>	<b>22.8</b>	<b>4.0</b>	<b>Jan-07</b>
MSCI Emerging Markets Gross			0.8	3.1	-4.8	-4.8	4.1	4.0	--	-1.8	-2.3	18.6	-18.2	19.2	3.5	Jan-07
eA Emg Mkts Equity Gross Rank			32	63	87	87	84	93	--	84	84	56	92	33	59	Jan-07
<b>Vontobel Global Emerging Markets</b>	<b>23,471,080</b>	<b>3.4</b>	<b>-0.9</b>	<b>0.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-1.6</b>	<b>Sep-14</b>
MSCI Emerging Markets Gross			0.8	3.1	--	--	--	--	--	--	--	--	--	--	-1.5	Sep-14
eA Emg Mkts Equity Gross Rank			87	76	--	--	--	--	--	--	--	--	--	--	58	Sep-14

Since Inception ranking is from the beginning of the first complete month.

# Total Fund Performance Summary (Gross of Fees)

Period Ending: June 30, 2015

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
<b>Total Fixed Income</b>	<b>189,454,219</b>	<b>27.4</b>	<b>-1.6</b>	<b>0.2</b>	<b>1.3</b>	<b>1.3</b>	<b>2.8</b>	<b>5.0</b>	<b>5.8</b>	<b>5.9</b>	<b>-1.7</b>	<b>9.6</b>	<b>6.8</b>	<b>10.2</b>	<b>--</b>	
Barclays Aggregate			-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5	--	
eA All US Fixed Inc Gross Rank			77	71	61	61	47	38	27	34	78	28	45	23	--	
Bradford & Marzec Fixed	90,136,319	13.0	-1.7	0.6	2.2	2.2	3.6	5.4	6.1	7.0	-0.4	8.8	7.4	9.6	6.9	Dec-92
Barclays Aggregate			-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5	5.8	Dec-92
eA US Core Plus Fixed Inc Gross Rank			82	36	29	29	47	39	26	16	52	45	51	40	38	Dec-92
MacKay Shields Core Plus Opportunities	84,628,784	12.2	-1.5	--	--	--	--	--	--	--	--	--	--	--	-1.6	Mar-15
Barclays Aggregate			-1.7	--	--	--	--	--	--	--	--	--	--	--	-1.2	Mar-15
eA US Core Plus Fixed Inc Gross Rank			62	--	--	--	--	--	--	--	--	--	--	--	62	Mar-15
BlackRock US TIPS	14,689,116	2.1	-1.1	0.5	-1.7	-1.7	-0.7	3.4	--	3.6	-8.5	7.1	13.7	6.4	4.8	Apr-07
Barclays US TIPS			-1.1	0.3	-1.7	-1.7	-0.8	3.3	--	3.6	-8.6	7.0	13.6	6.3	4.6	Apr-07
eA TIPS / Infl Indexed Fixed Inc Gross Rank			48	44	36	36	68	47	--	45	62	59	37	52	70	Apr-07
<b>Total Real Estate</b>	<b>55,389,290</b>	<b>8.0</b>	<b>4.8</b>	<b>8.0</b>	<b>16.4</b>	<b>16.4</b>	<b>12.9</b>	<b>14.9</b>	<b>--</b>	<b>13.0</b>	<b>12.6</b>	<b>10.6</b>	<b>14.9</b>	<b>18.0</b>	<b>--</b>	
NCREIF Property Index			3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1	--	
NCREIF-ODCE			3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4	--	
ASB Real Estate	27,283,315	3.9	5.2	8.1	16.4	16.4	--	--	--	13.5	13.7	--	--	--	14.3	Dec-12
NCREIF Property Index			3.1	6.8	13.0	13.0	--	--	--	11.8	11.0	--	--	--	11.9	Dec-12
NCREIF-ODCE			3.8	7.3	14.4	14.4	--	--	--	12.5	13.9	--	--	--	13.6	Dec-12
Clarion Lion	26,713,684	3.9	4.7	8.3	17.2	17.2	13.3	15.9	--	13.2	12.8	10.9	18.7	19.4	3.7	Dec-06
NCREIF Property Index			3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1	6.5	Dec-06
NCREIF-ODCE			3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4	5.0	Dec-06
1221 State St. Corp	1,392,291	0.2	0.0	0.0	0.0	0.0	0.0	-1.2	--	0.0	0.0	0.1	-9.0	3.7	-0.6	Sep-08
<b>Total Commodities</b>	<b>17,225,365</b>	<b>2.5</b>	<b>4.2</b>	<b>-1.4</b>	<b>-23.0</b>	<b>-23.0</b>	<b>-8.4</b>	<b>-3.6</b>	<b>--</b>	<b>-16.3</b>	<b>-9.3</b>	<b>-0.9</b>	<b>-13.2</b>	<b>17.0</b>	<b>-3.4</b>	<b>Oct-09</b>
Bloomberg Commodity Index TR USD			4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8	-3.6	Oct-09
BlackRock Commodities	5,345,872	0.8	4.6	-1.6	-23.7	-23.7	-8.7	-3.8	--	-17.0	-9.4	-0.9	-13.2	17.0	-3.8	Oct-09
Bloomberg Commodity Index TR USD			4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8	-3.6	Oct-09
Gresham MTAP Commodity Builder	11,879,493	1.7	4.0	-1.3	-22.7	-22.7	--	--	--	-16.1	--	--	--	--	-11.5	Aug-13
Bloomberg Commodity Index TR USD			4.7	-1.6	-23.7	-23.7	--	--	--	-17.0	--	--	--	--	-12.2	Aug-13
<b>Total Cash</b>																
Cash Account	10,422,994	1.5	0.0	0.0	0.0	0.0	0.0	0.3	--	0.0	0.0	0.4	0.2	--	--	
91 Day T-Bills			0.0	0.0	0.0	0.0	0.0	0.1	--	0.0	0.0	0.1	0.0	--	--	

Since Inception ranking is from the beginning of the first complete month.

# Total Fund Performance Summary (Net of Fees)

Period Ending: June 30, 2015

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
<b>Total Fund</b>	<b>691,058,257</b>	<b>100.0</b>	<b>0.2</b>	<b>2.5</b>	<b>1.7</b>	<b>1.7</b>	<b>9.7</b>	<b>10.1</b>	<b>6.5</b>	<b>4.4</b>	<b>14.5</b>	<b>14.2</b>	<b>-1.5</b>	<b>14.3</b>	<b>9.1</b>	<b>Mar-89</b>
Policy Index			0.3	2.5	1.7	1.7	8.9	9.6	6.1	4.9	13.5	11.2	0.4	13.0	--	Mar-89
Total Fund ex Clifton			0.2	2.5	1.7	1.7	9.6	10.0	6.5	4.4	14.4	13.8	-1.4	14.2	9.1	Mar-89
Policy Index			0.3	2.5	1.7	1.7	8.9	9.6	6.1	4.9	13.5	11.2	0.4	13.0	--	Mar-89
<b>Total Domestic Equity</b>	<b>224,096,252</b>	<b>32.4</b>	<b>0.0</b>	<b>2.2</b>	<b>6.1</b>	<b>6.1</b>	<b>17.1</b>	<b>17.0</b>	<b>8.5</b>	<b>10.0</b>	<b>33.6</b>	<b>16.9</b>	<b>0.7</b>	<b>18.0</b>	<b>--</b>	
Russell 3000			0.1	1.9	7.3	7.3	17.7	17.5	8.2	12.6	33.6	16.4	1.0	16.9	--	
BlackRock Russell 1000	165,548,955	24.0	0.1	1.7	7.4	7.4	17.7	17.6	8.2	13.2	33.1	16.4	1.5	16.1	10.2	Oct-02
Russell 1000			0.1	1.7	7.4	7.4	17.7	17.6	8.1	13.2	33.1	16.4	1.5	16.1	10.1	Oct-02
TimesSquare Capital Mid Cap Growth	30,504,881	4.4	-0.7	5.8	7.5	7.5	18.9	17.2	11.0	5.7	37.8	19.2	-1.3	18.5	13.9	Mar-03
Russell MidCap Growth			-1.1	4.2	9.5	9.5	19.2	18.7	9.7	11.9	35.7	15.8	-1.7	26.4	12.6	Mar-03
T. Rowe Price Small Cap Value	28,042,416	4.1	0.2	1.4	-1.6	-1.6	12.7	14.6	8.3	-1.2	33.8	16.3	0.3	24.8	12.0	Dec-95
Russell 2000 Value			-1.2	0.8	0.8	0.8	15.5	14.8	6.9	4.2	34.5	18.1	-5.5	24.5	10.1	Dec-95
<b>Total International Equity</b>	<b>170,951,427</b>	<b>24.7</b>	<b>0.5</b>	<b>4.5</b>	<b>-5.2</b>	<b>-5.2</b>	<b>9.3</b>	<b>6.9</b>	<b>5.6</b>	<b>-4.9</b>	<b>13.4</b>	<b>18.6</b>	<b>-16.1</b>	<b>12.0</b>	<b>--</b>	
MSCI ACWI ex USA Gross			0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6	--	
BlackRock International Equity	64,443,623	9.3	0.7	5.7	-4.1	-4.1	12.1	9.7	5.3	-4.8	22.9	17.6	-11.9	7.9	8.1	Jul-03
MSCI EAFE Gross			0.8	5.9	-3.8	-3.8	12.5	10.0	5.6	-4.5	23.3	17.9	-11.7	8.2	8.3	Jul-03
Templeton Foreign Equity	62,048,320	9.0	0.4	5.7	-4.9	-4.9	11.5	8.6	6.0	-6.8	19.5	18.5	-10.9	6.7	7.8	Dec-94
MSCI ACWI ex USA Gross			0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6	5.9	Dec-94
DFA Emerging Markets Value	20,988,405	3.0	1.7	1.5	-9.1	-9.1	2.3	1.5	--	-4.4	-3.8	19.4	-25.6	22.1	3.4	Jan-07
MSCI Emerging Markets Gross			0.8	3.1	-4.8	-4.8	4.1	4.0	--	-1.8	-2.3	18.6	-18.2	19.2	3.5	Jan-07
Vontobel Global Emerging Markets	23,471,080	3.4	-1.1	0.4	--	--	--	--	--	--	--	--	--	--	-2.2	Sep-14
MSCI Emerging Markets Gross			0.8	3.1	--	--	--	--	--	--	--	--	--	--	-1.5	Sep-14
<b>Total Fixed Income</b>	<b>189,454,219</b>	<b>27.4</b>	<b>-1.6</b>	<b>0.1</b>	<b>1.0</b>	<b>1.0</b>	<b>2.5</b>	<b>4.7</b>	<b>5.5</b>	<b>5.6</b>	<b>-2.0</b>	<b>9.3</b>	<b>6.5</b>	<b>9.9</b>	<b>--</b>	
Barclays Aggregate			-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5	--	
Bradford & Marzec Fixed	90,136,319	13.0	-1.8	0.5	1.9	1.9	3.3	5.1	5.8	6.7	-0.8	8.5	7.1	9.3	6.6	Dec-92
Barclays Aggregate			-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5	5.8	Dec-92
MacKay Shields Core Plus Opportunities	84,628,784	12.2	-1.6	--	--	--	--	--	--	--	--	--	--	--	-1.7	Mar-15
Barclays Aggregate			-1.7	--	--	--	--	--	--	--	--	--	--	--	-1.2	Mar-15
BlackRock US TIPS	14,689,116	2.1	-1.1	0.5	-1.7	-1.7	-0.8	3.3	--	3.6	-8.6	7.0	13.6	6.3	4.8	Apr-07
Barclays US TIPS			-1.1	0.3	-1.7	-1.7	-0.8	3.3	--	3.6	-8.6	7.0	13.6	6.3	4.6	Apr-07

Total Fund  
Performance Summary (Net of Fees)

Period Ending: June 30, 2015

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
<b>Total Real Estate</b>	<b>55,389,290</b>	<b>8.0</b>	<b>4.6</b>	<b>7.5</b>	<b>15.2</b>	<b>15.2</b>	<b>12.1</b>	<b>14.0</b>	<b>--</b>	<b>11.6</b>	<b>12.1</b>	<b>10.3</b>	<b>14.2</b>	<b>16.7</b>	<b>--</b>	
NCREIF Property Index			3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1	--	
NCREIF-ODCE			3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4	--	
ASB Real Estate	27,283,315	3.9	5.0	7.6	15.3	15.3	--	--	--	12.5	12.5	--	--	--	13.2	Dec-12
NCREIF Property Index			3.1	6.8	13.0	13.0	--	--	--	11.8	11.0	--	--	--	11.9	Dec-12
NCREIF-ODCE			3.8	7.3	14.4	14.4	--	--	--	12.5	13.9	--	--	--	13.6	Dec-12
Clarion Lion	26,713,684	3.9	4.5	7.9	16.2	16.2	12.3	14.9	--	12.2	11.8	9.9	17.8	18.2	2.8	Dec-06
NCREIF Property Index			3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1	6.5	Dec-06
NCREIF-ODCE			3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4	5.0	Dec-06
1221 State St. Corp	1,392,291	0.2	0.0	0.0	0.0	0.0	0.0	-1.2	--	0.0	0.0	0.1	-9.0	3.7	-0.6	Sep-08
<b>Total Commodities</b>	<b>17,225,365</b>	<b>2.5</b>	<b>4.0</b>	<b>-1.7</b>	<b>-23.5</b>	<b>-23.5</b>	<b>-8.8</b>	<b>-4.7</b>	<b>--</b>	<b>-16.9</b>	<b>-9.5</b>	<b>-1.2</b>	<b>-13.5</b>	<b>12.4</b>	<b>-4.4</b>	<b>Oct-09</b>
Bloomberg Commodity Index TR USD			4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8	-3.6	Oct-09
BlackRock Commodities	5,345,872	0.8	4.5	-1.7	-23.9	-23.9	-9.0	-4.1	--	-17.2	-9.7	-1.2	-13.5	16.6	-4.1	Oct-09
Bloomberg Commodity Index TR USD			4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8	-3.6	Oct-09
Gresham MTAP Commodity Builder	11,879,493	1.7	3.8	-1.7	-23.2	-23.2	--	--	--	-16.7	--	--	--	--	-11.9	Aug-13
Bloomberg Commodity Index TR USD			4.7	-1.6	-23.7	-23.7	--	--	--	-17.0	--	--	--	--	-12.2	Aug-13
<b>Total Cash</b>																
Cash Account	10,422,994	1.5	0.0	0.0	0.0	0.0	0.0	0.3	--	0.0	0.0	0.4	0.2	--	--	
91 Day T-Bills			0.0	0.0	0.0	0.0	0.0	0.1	--	0.0	0.0	0.1	0.0	--	--	

Investment Manager  
Performance Analysis - 3 & 5 Years (Net of Fees)

Period Ending: June 30, 2015

3 Years

	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
BlackRock Russell 1000	17.72%	-0.01%	7.40%	0.01%	1.00	0.02%	1.00	2.39	-0.53	99.94%	--
TimesSquare Capital Mid Cap Growth	18.93%	-0.30%	9.48%	-2.63%	1.12	3.90%	0.84	1.99	-0.08	100.01%	140.44%
T. Rowe Price Small Cap Value	12.68%	-2.82%	10.98%	-2.48%	0.98	2.39%	0.95	1.15	-1.18	82.22%	97.93%
BlackRock International Equity	12.13%	-0.32%	9.82%	-0.32%	1.00	0.05%	1.00	1.23	-6.94	98.31%	102.15%
Templeton Foreign Equity	11.47%	1.55%	10.36%	1.27%	1.03	3.64%	0.88	1.10	0.43	107.42%	86.23%
DFA Emerging Markets Value	2.33%	-1.75%	11.64%	-2.42%	1.16	2.77%	0.96	0.20	-0.63	100.88%	125.92%
Bradford & Marzec Fixed	3.28%	1.45%	3.52%	1.09%	1.20	1.11%	0.93	0.92	1.31	137.70%	81.58%
BlackRock US TIPS	-0.75%	0.01%	5.61%	0.02%	1.01	0.11%	1.00	-0.14	0.10	102.06%	101.24%
Clarion Lion	12.26%	0.63%	1.92%	-5.39%	1.52	1.66%	0.29	6.35	0.38	106.09%	--
BlackRock Commodities	-8.97%	-0.21%	14.41%	-0.23%	1.00	0.09%	1.00	-0.63	-2.21	98.06%	100.44%

5 Years

	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
BlackRock Russell 1000	17.58%	0.00%	13.12%	0.01%	1.00	0.02%	1.00	1.33	0.18	99.99%	99.89%
TimesSquare Capital Mid Cap Growth	17.25%	-1.45%	15.63%	-0.58%	0.95	4.03%	0.94	1.10	-0.36	90.33%	97.95%
T. Rowe Price Small Cap Value	14.63%	-0.18%	17.04%	0.38%	0.96	3.06%	0.97	0.86	-0.06	90.78%	88.43%
BlackRock International Equity	9.74%	-0.29%	15.25%	-0.29%	1.00	0.04%	1.00	0.63	-6.72	98.34%	100.80%
Templeton Foreign Equity	8.57%	0.34%	15.92%	0.34%	1.00	3.49%	0.95	0.53	0.10	103.77%	100.95%
DFA Emerging Markets Value	1.53%	-2.50%	20.14%	-3.13%	1.15	3.29%	0.99	0.07	-0.76	103.65%	118.39%
Bradford & Marzec Fixed	5.12%	1.77%	3.28%	2.42%	0.81	2.26%	0.56	1.54	0.78	133.53%	63.90%
BlackRock US TIPS	3.31%	0.02%	5.34%	0.00%	1.01	0.09%	1.00	0.61	0.25	101.12%	101.20%
Clarion Lion	14.87%	2.15%	3.13%	-12.63%	2.16	2.30%	0.65	4.72	0.94	122.05%	--
BlackRock Commodities	-4.11%	-0.21%	15.96%	-0.21%	1.00	0.08%	1.00	-0.26	-2.62	98.39%	100.37%



# Private Equity Non Marketable Securities Overview

Period Ending: June 30, 2015

Vintage	Manager & Fund Name	Estimated 6/30 Market Value <sup>3</sup>	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value for IRR	Distrib./ Paid-In (DPI) <sup>1</sup>	Tot. Value/ Paid-In (TVPI) <sup>2</sup>	Net IRR Since Inception <sup>5</sup>	IRR Date		
2011	HarbourVest IX-Buyout	\$4,079,927	\$10,000,000	\$4,175,000	42%	\$5,825,000	\$748,603	\$3,809,419	17.9%	115.7%	13.5%	3/31/15		
2011	HarbourVest IX-Credit	\$678,083	\$2,000,000	\$730,000	37%	\$1,270,000	\$211,407	\$588,411	29.0%	121.8%	14.9%	3/31/15		
2008	HarbourVest Int'l VI <sup>6</sup>	\$2,192,110	\$3,712,930	\$2,059,645	55%	\$1,653,285	\$204,487	\$2,192,110	9.9%	116.4%	18.5%	3/31/15		
2011	HarbourVest IX-Venture	\$2,755,793	\$4,000,000	\$2,460,000	62%	\$1,540,000	\$435,080	\$2,621,925	17.7%	129.7%	22.0%	3/31/15		
2010	KKR Mezzanine <sup>7</sup>	\$7,295,702	\$10,000,000	\$10,000,000	100%	\$0	\$5,948,330	\$7,383,739	59.5%	132.4%	9.4%	3/31/15		
2011	PIMCO BRAVO <sup>4</sup>	\$5,619,387	\$10,000,000	\$10,000,000	100%	\$0	\$13,666,433	\$6,436,134	136.7%	192.9%	24.4%	6/30/15		
Total Alternative Illiquids		\$22,621,002	\$39,712,930	\$29,424,645	74%	\$10,288,285	\$21,214,340	\$23,031,738	78.3%	150.4%				
% of Portfolio (Market Value)		3.3%						Management Fee	Admin Fee	Interest Expense	Other Expense	Total Expense <sup>8</sup>		
									HarbourVest IX-Buyout	\$24,861	\$0	\$0	\$2,664	\$27,525
									HarbourVest IX-Credit	\$4,964	\$0	\$0	\$1,114	\$6,078
									HarbourVest Int'l VI	\$7,300	\$0	\$0	\$232	\$7,532
									HarbourVest IX-Venture	\$9,961	\$0	\$0	\$1,194	\$11,155
									KKR Mezzanine	\$37,500	\$0	\$0	\$23,515	\$61,015
									PIMCO BRAVO	\$17,001	\$3,750	\$3,933	\$5,870	\$30,554

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

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

<sup>3</sup>Last known market value + capital calls - distributions (All HarbourVest funds are as of 3/31/2015)

<sup>4</sup>Investment period ended, no further capital to be called.

<sup>5</sup>Gross IRR is calculated on the cash flows of the underlying investments of the fund and is net of the underlying fund fees and carried interest.

<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>7</sup>HarbourVest International Private Equity Partners VI-Partnership Fund L.P. values are originally presented in euros and are calculated to dollars using OANDA™.

<sup>8</sup>KKR: Total capital called is \$10,898,810, which includes recycled distributions. Unused capital commitment is \$1,606,613 after including distribution proceeds available for reinvestment

<sup>9</sup>All HarbourVest fees and expenses are for 1Q 2015

Total Fund  
Financial Reconciliation (Last Three Months)

Period Ending: June 30, 2015

Manager	Beginning Market Value	Contributions	Disbursements	Fees <sup>2</sup>	Net Cash Flow	Investment Income	Capital Gain/ Loss	Total Gains/Earnings/ Losses	Ending Market Value
Blackrock Russell 1000 Index	\$165,340,134	\$0	\$0	\$0	\$0	\$0	\$208,821	\$208,821	\$165,548,955
Times Square Capital	\$30,679,276	\$0	\$0	(\$49,840)	(\$49,840)	\$56,602	(\$181,158)	(\$124,555)	\$30,504,881
T. Rowe Price Associates	\$27,935,773	\$0	\$0	\$0	\$0	\$118,552	(\$11,909)	\$106,643	\$28,042,416
DFA Emerging Markets	\$20,635,118	\$0	\$0	\$0	\$0	\$0	\$353,286	\$353,286	\$20,988,405
Vontobel Global Emerging Markets	\$23,740,093	\$0	\$0	\$0	\$0	\$147,116	(\$416,129)	(\$269,013)	\$23,471,080
Blackrock International Equity	\$63,943,807	\$0	\$0	\$0	\$0	\$0	\$499,816	\$499,816	\$64,443,623
Franklin Templeton International Equity	\$61,784,908	\$0	\$0	\$0	\$0	\$0	\$263,413	\$263,413	\$62,048,320
Bradford & Marzec, Inc.	\$91,732,800	\$0	\$0	\$0	\$0	\$831,683	(\$2,428,164)	(\$1,596,481)	\$90,136,319
Mackay Shields Core Plus Opp.	\$85,667,292	\$352,971	\$0	\$0	\$352,971	\$0	(\$1,391,480)	(\$1,391,480)	\$84,628,784
Bradford & Marzec, Inc. (Temporary)	\$352,971	\$0	(\$352,971)	\$0	(\$352,971)	\$0	\$0	\$0	\$0
Blackrock US TIPS	\$14,845,543	\$0	\$0	\$0	\$0	\$0	(\$156,427)	(\$156,427)	\$14,689,116
Clarion Lion Properties	\$25,578,378	\$186,103	(\$256,705)	(\$69,998)	(\$140,600)	\$303,556	\$972,350	\$1,275,906	\$26,713,684
ICERS State Street Real Estate	\$1,372,103	\$33,392	(\$13,210)	\$0	\$20,181	\$6	\$0	\$6	\$1,392,291
ASB Allegiance Real Estate	\$25,933,593	\$0	\$0	(\$63,656)	(\$63,656)	\$236,864	\$1,176,514	\$1,413,378	\$27,283,315
PIMCO BRAVO	\$6,436,134	\$0	(\$1,015,136)	(\$30,554)	(\$1,045,690)	\$152,257	\$76,686	\$228,943	\$5,619,387
KKR Mezzanine I	\$7,383,739	\$626,751	(\$854,199)	(\$61,015)	(\$288,463)	\$262,105	(\$61,679)	\$200,426	\$7,295,702
Blackrock Global Commodity	\$5,112,600	\$0	\$0	\$0	\$0	\$0	\$233,271	\$233,271	\$5,345,872
Gresham TAP Commodity Builder	\$11,446,739	\$0	\$0	(\$19,286)	(\$19,286)	\$0	\$452,040	\$452,040	\$11,879,493
HarbourVest International VI <sup>1</sup>	\$2,146,200	\$0	\$0	(\$7,532)	(\$7,532)	\$1	\$53,441	\$53,442	\$2,192,110
HarbourVest Buyout IX <sup>1</sup>	\$3,411,312	\$500,000	(\$156,850)	(\$27,525)	\$315,625	\$3	\$82,479	\$82,482	\$3,809,419
HarbourVest Credit Opportunities IX <sup>1</sup>	\$732,759	\$0	(\$130,096)	(\$6,078)	(\$136,174)	\$2,842	(\$11,016)	(\$8,174)	\$588,411
HarbourVest Venture IX <sup>1</sup>	\$2,381,285	\$240,000	(\$87,015)	(\$11,155)	\$141,830	\$1	\$98,809	\$98,810	\$2,621,925
Cash	\$9,726,563	\$696,430	\$0	\$0	\$696,430	\$0	\$0	\$0	\$10,422,994
The Clifton Group	\$1,391,756	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,391,756
<b>Totals</b>	<b>\$689,710,879</b>	<b>\$2,635,647</b>	<b>(\$2,866,182)</b>	<b>(\$346,639)</b>	<b>(\$577,173)</b>	<b>\$2,111,589</b>	<b>(\$187,037)</b>	<b>\$1,924,552</b>	<b>\$691,058,257</b>

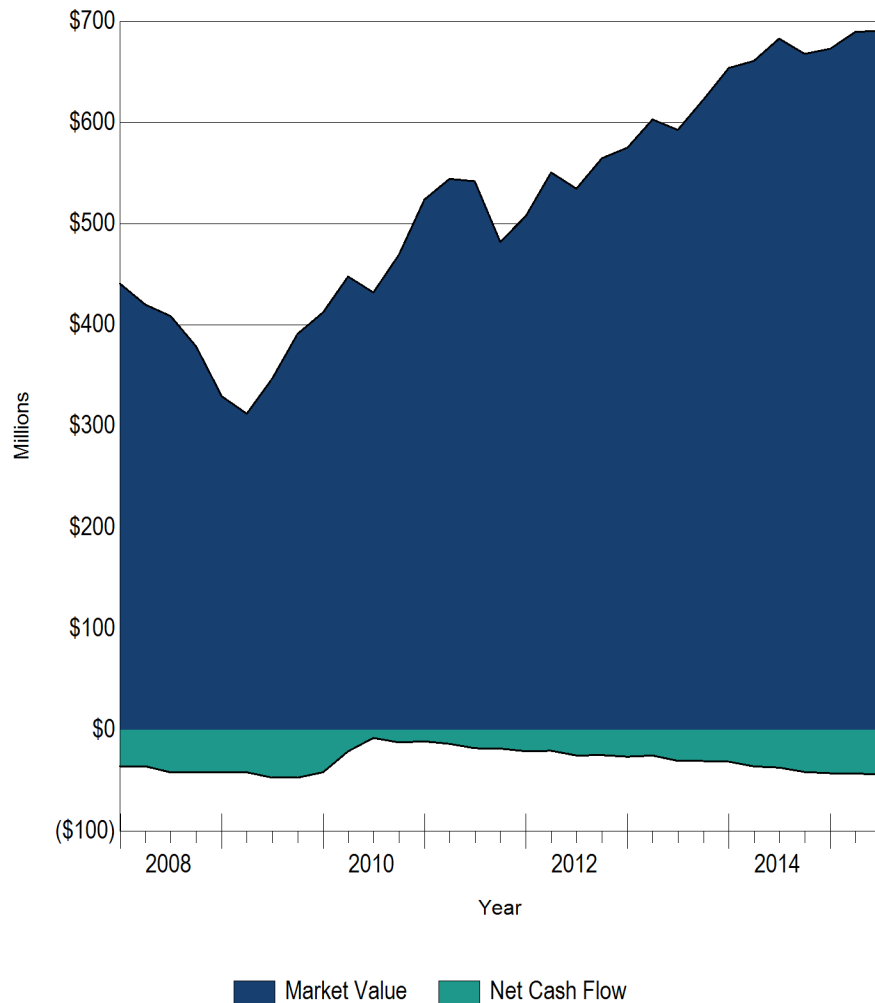
<sup>1</sup>1Q 2015 data

<sup>2</sup>Fee transactions not included in the Portfolio Reconciliation page at beginning of report

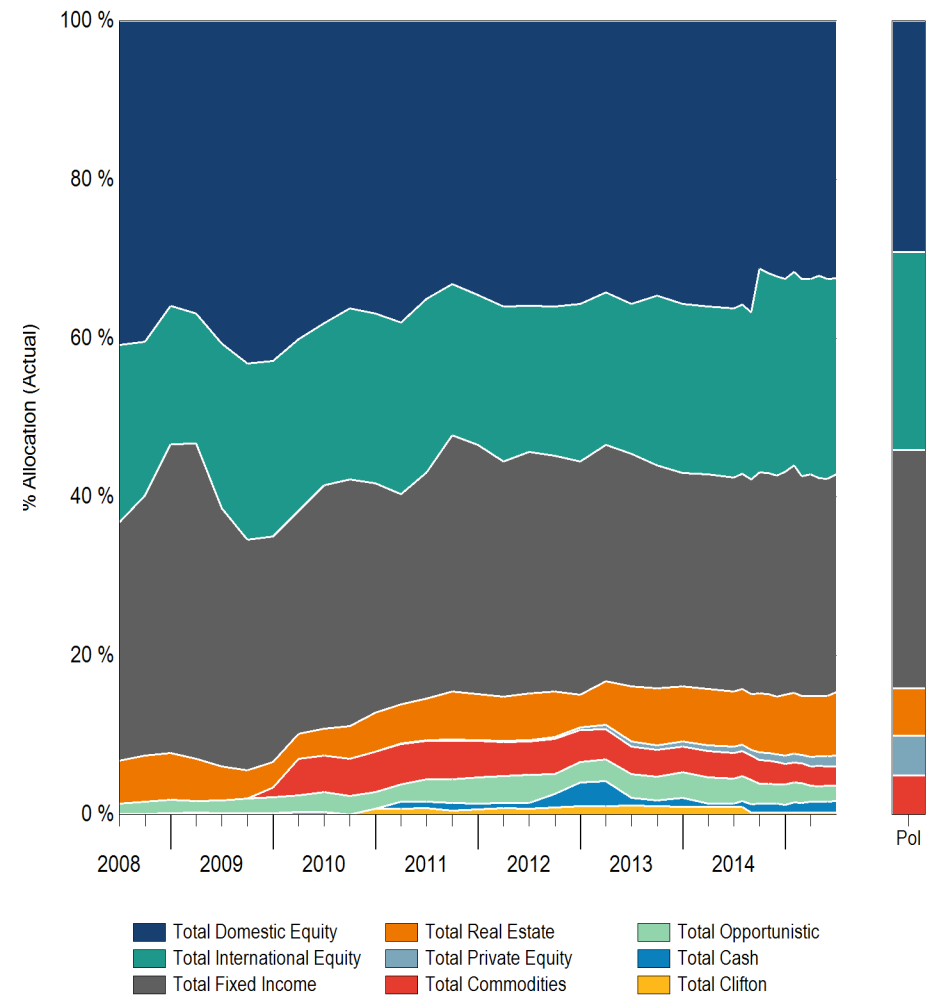
# Total Fund Asset Allocation History

Period Ending: June 30, 2015

Market Value History

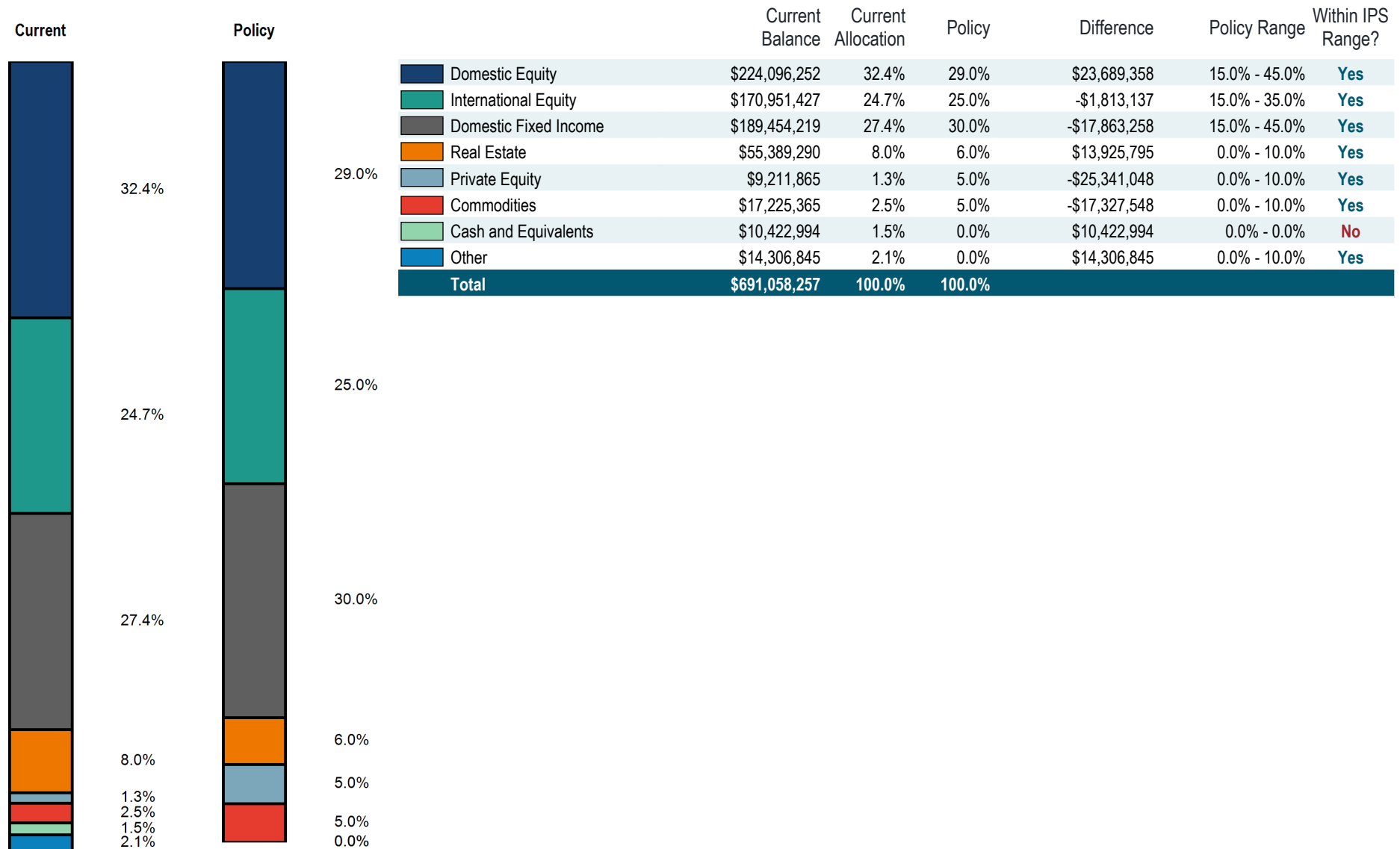


Asset Allocation History



# Total Fund Asset Allocation vs. Policy

Period Ending: June 30, 2015



# Total Fund Manager Report Card

Period Ending: June 30, 2015

**Objective 1: Exceed passive benchmark on a net-of-fee basis**

**Obejctive 2: Exceed median manager return in comparable universe on a gross-of-fee basis**

Asset Class / Manager	Benchmark	3-Year					5-Year				
		Manager Return	Benchmark Return	Meets Expectations	Universe Ranking	Meets Expectations	Manager Return	Benchmark Return	Meets Expectations	Universe Ranking	Meets Expectations
<u>Domestic Equity</u>											
BlackRock	Russell 1000 Index	17.7%	17.7%	No			17.6%	17.6%	No		
Times Square	Russell Mid-Cap Growth Index + 100 basis points	18.9%	20.2%	No	40	Yes	17.2%	19.7%	No	64	No
T. Rowe Price	Russell 2000 Value Index + 100 basis points	12.7%	16.5%	No	93	No	14.6%	15.8%	No	77	No
<u>International Equity</u>											
BlackRock	MSCI EAFE Index	12.1%	12.5%	No			9.7%	10.0%	No		
Franklin Templeton	MSCI All Country World ex U.S. Index + 100 basis points	11.5%	10.9%	Yes	52	No	8.6%	9.2%	No	76	No
Dimensional Fund Advisors	MSCI Emerging Markets Index + 150 basis points	2.3%	5.6%	No	84	No	1.5%	5.5%	No	93	No
Vontobel	MSCI Emerging Markets Index + 150 basis points										
<u>Fixed Income</u>											
Bradford & Marzec	Barclays Credit Aggregate Bond Index + 50 basis points	3.3%	2.3%	Yes	47	Yes	5.1%	3.8%	Yes	39	Yes
MacKay Shields	Barclays Credit Aggregate Bond Index + 50 basis points										
BlackRock	Barclays Credit US TIPS Index	-0.8%	-0.8%	No			3.3%	3.3%	No		
<u>Alternatives</u>											
Clarion	NCREIF Property Index	12.3%	11.6%	Yes			14.9%	12.7%	Yes		
ASB Allegiance	NCREIF Property Index										
BlackRock	Bloomberg Commodity Index	-9.0%	-8.8%	No			-4.1%	-3.9%	No		
Gresham TAP	Bloomberg Commodity Index + 100 basis points										
PIMCO	Actuarial Assumption Rate + 100 basis points										
KKR	Actuarial Assumption Rate + 100 basis points										
HarbourVest Partners	Russell 3000 + 250 basis points										

Asset Class / Manager	Benchmark	10-Year					15-Year				
		Manager Return	Benchmark Return	Meets Expectations	Universe Ranking	Meets Expectations	Manager Return	Benchmark Return	Meets Expectations	Universe Ranking	Meets Expectations
<u>Domestic Equity</u>											
BlackRock	Russell 1000 Index	8.2%	8.1%	Yes							
Times Square	Russell Mid-Cap Growth Index + 100 basis points	11.0%	10.7%	Yes	22	Yes					
T. Rowe Price	Russell 2000 Value Index + 100 basis points	8.3%	7.9%	Yes	55	No	11.8%	10.9%	Yes		
<u>International Equity</u>											
BlackRock	MSCI EAFE Index	5.3%	5.6%	No							
Franklin Templeton	MSCI All Country World ex U.S. Index + 100 basis points	6.0%	7.0%	No	68	No	5.4%	5.2%	Yes		
Dimensional Fund Advisors	MSCI Emerging Markets Index + 150 basis points										
Vontobel	MSCI Emerging Markets Index + 150 basis points										
<u>Fixed Income</u>											
Bradford & Marzec	Barclays Credit Aggregate Bond Index + 50 basis points	5.8%	4.9%	Yes	26	Yes	6.2%	5.9%	Yes		
MacKay Shields	Barclays Credit Aggregate Bond Index + 50 basis points										
BlackRock	Barclays Credit US TIPS Index										
<u>Alternatives</u>											
Clarion	NCREIF Property Index										
ASB Allegiance	NCREIF Property Index										
BlackRock	Bloomberg Commodity Index										
Gresham TAP	Bloomberg Commodity Index + 100 basis points										
PIMCO	Actuarial Assumption Rate + 100 basis points										
KKR	Actuarial Assumption Rate + 100 basis points										
HarbourVest Partners	Russell 3000 + 250 basis points										

# Total Fund Investment Fee Analysis

Period Ending: June 30, 2015

Account	Fee Schedule	Market Value As of 6/30/2015	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
1221 State St. Corp	No Fee	\$1,392,291	0.2%	--	--
ASB Real Estate	1.25% of First \$5.0 Mil, 1.00% of Next \$10.0 Mil, 0.75% Thereafter	\$27,283,315	3.9%	\$254,625	0.93%
BlackRock Commodities	0.30% of Assets	\$5,345,872	0.8%	\$16,038	0.30%
BlackRock International Equity	0.15% of First \$50.0 Mil, 0.10% of Next \$50.0 Mil	\$64,443,623	9.3%	\$89,444	0.14%
BlackRock Russell 1000	0.03% of Assets	\$165,548,955	24.0%	\$49,665	0.03%
BlackRock US TIPS	0.07% of Assets	\$14,689,116	2.1%	\$10,282	0.07%
Bradford & Marzec Fixed	0.29% of First \$100.0 Mil, 0.25% of Next \$100.0 Mil	\$90,136,319	13.0%	\$256,889	0.29%
Cash Account	No Fee	\$10,422,994	1.5%	--	--
Clarion Lion	1.25% of First \$10.0 Mil, 1.00% of Next \$15.0 Mil, 0.85% Thereafter	\$26,713,684	3.9%	\$289,566	1.08%
Clifton	0.20% of First \$25.0 Mil, 0.10% of Next \$50.0 Mil, 0.05% Thereafter Retainer Fee: \$1,500 (Monthly) Minimum Expense: \$12,500 (Quarterly)	\$1,391,756	0.2%	--	--
DFA Emerging Markets Value	0.61% of Assets	\$20,988,405	3.0%	\$128,029	0.61%
Gresham MTAP Commodity Builder	0.75% of Assets	\$11,879,493	1.7%	\$89,096	0.75%
Harbourvest Buyout IX	\$100,000 Annually	\$3,809,419	0.6%	\$100,000	2.63%
Harbourvest Credit Ops IX	\$20,000 Annually	\$588,411	0.1%	\$20,000	3.40%
Harbourvest International PE VI	\$35,000 Annually	\$2,192,110	0.3%	\$35,000	1.60%
Harbourvest Venture IX	\$40,000 Annually	\$2,621,925	0.4%	\$40,000	1.53%
KKR Mezzanine Partners	\$150,000 Annually	\$7,295,702	1.1%	\$150,000	2.06%
MacKay Shields Core Plus Opportunities	0.35% of Assets	\$84,628,784	12.2%	\$296,201	0.35%
PIMCO BRAVO	1.90% of Assets	\$5,619,387	0.8%	\$106,768	1.90%
T. Rowe Price Small Cap Value	0.75% of First \$20.0 Mil, 0.60% Thereafter	\$28,042,416	4.1%	\$198,254	0.71%
Templeton Foreign Equity	0.78% of Assets	\$62,048,320	9.0%	\$483,977	0.78%
TimesSquare Capital Mid Cap Growth	0.65% of Assets	\$30,504,881	4.4%	\$198,282	0.65%
Verus Advisory Fee	\$175,000 Annually				
Vontobel Global Emerging Markets	0.95% of First \$150.0 Mil, 0.85% Thereafter	\$23,471,080	3.4%	\$222,975	0.95%
<b>Investment Management Fee</b>		<b>\$691,058,257</b>	<b>100.0%</b>	<b>\$3,035,091</b>	<b>0.44%</b>

\*HarbourVest, KKR and PIMCO BRAVO fees are estimated gross management fees only and do not include incentive allocations or offsetting cash flows received by the fund

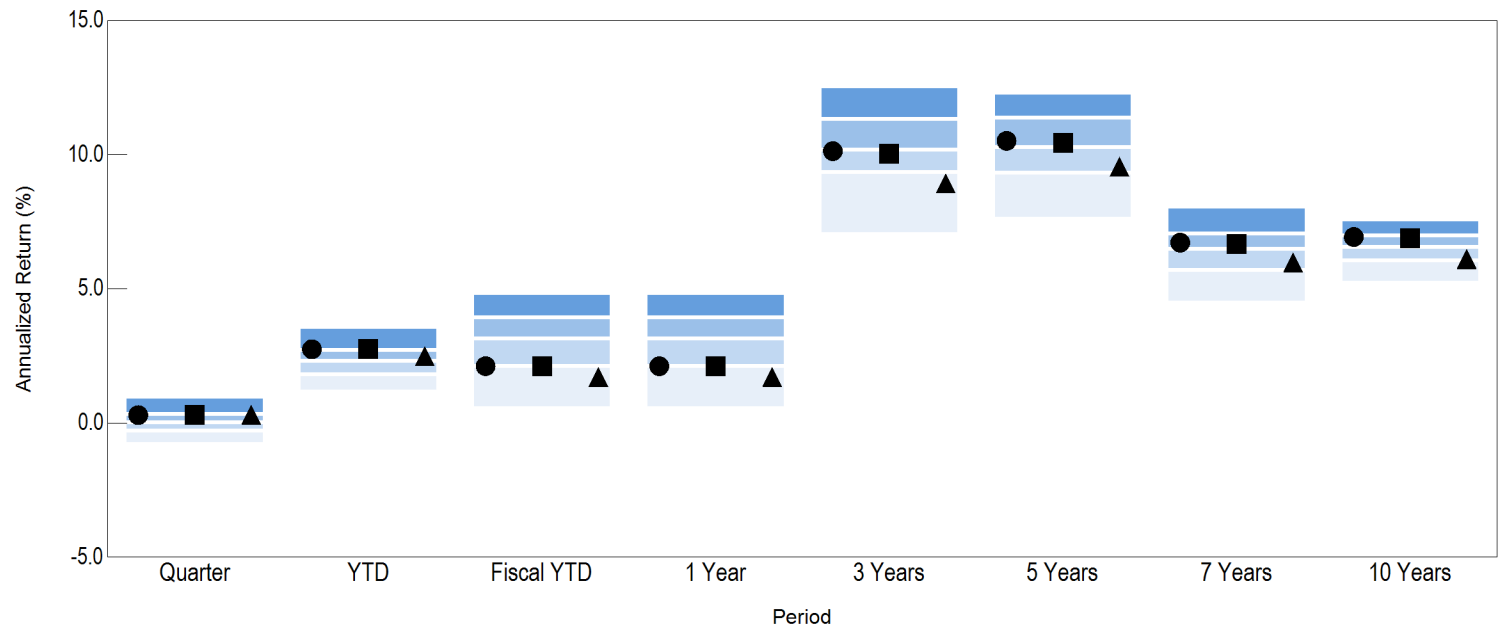
\*HarbourVest International Private Equity VI fees are based on committed Euros, actual US Dollar amount will fluctuate based on exchange rates.

\*Verus advisory fee shown for disclosure purposes only and is not included in total investment management fee calculations.

Total Fund (Gross of Fees)  
Peer Universe Comparison: Cumulative Performance

Period Ending: June 30, 2015

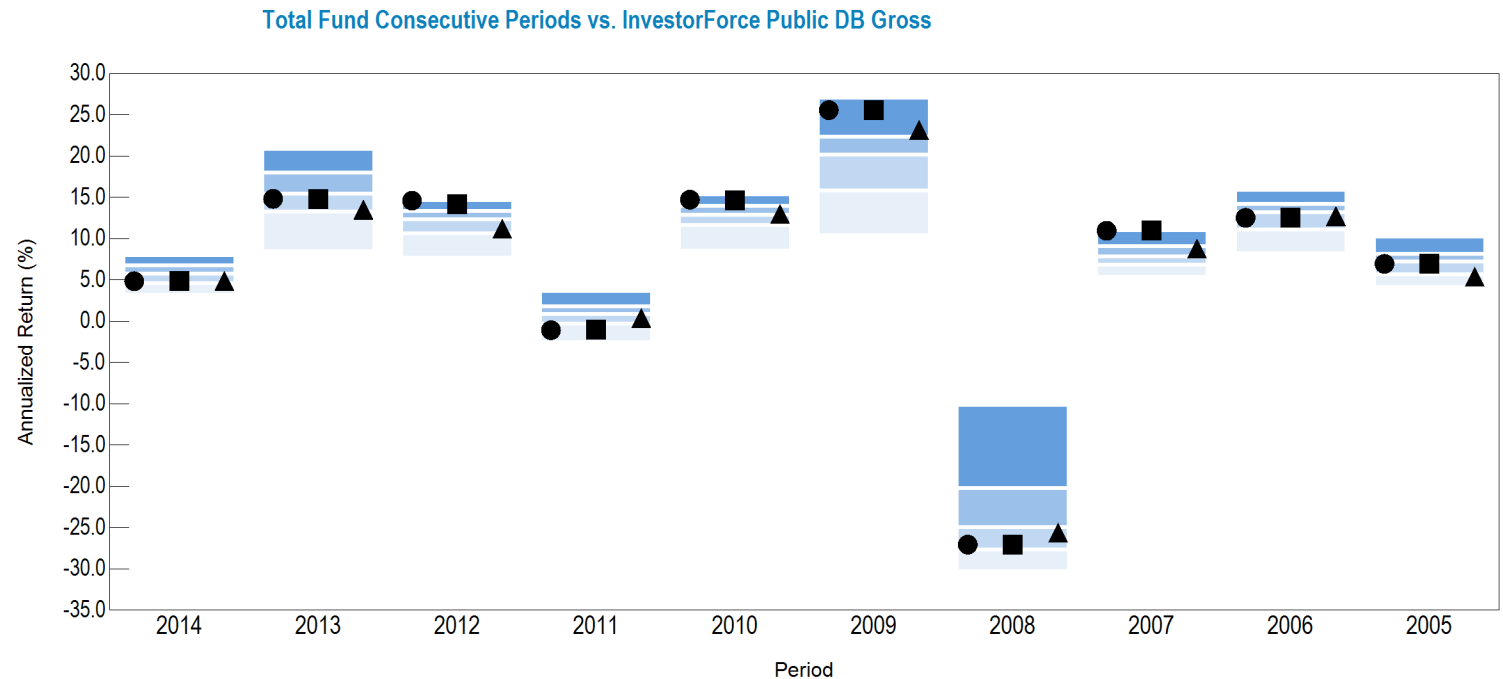
Total Fund Cumulative Performance vs. InvestorForce Public DB Gross



	Return (Rank)											
5th Percentile	1.0		3.6		4.8		4.8		12.5		12.3	
25th Percentile	0.4		2.7		4.0		4.0		11.3		11.4	
Median	0.0		2.3		3.2		3.2		10.2		10.3	
75th Percentile	-0.3		1.8		2.1		2.1		9.4		9.4	
95th Percentile	-0.8		1.2		0.6		0.6		7.1		7.6	
# of Portfolios	243		233		226		226		203		177	
● Total Fund	0.3	(30)	2.7	(25)	2.1	(76)	2.1	(76)	10.1	(52)	10.5	(46)
■ Total Fund ex Clifton	0.3	(30)	2.8	(24)	2.1	(76)	2.1	(76)	10.0	(56)	10.4	(49)
▲ Policy Index	0.3	(29)	2.5	(41)	1.7	(84)	1.7	(84)	8.9	(83)	9.6	(73)
											6.7	(41)
											6.7	(44)
											6.0	(71)
											6.9	(30)
											6.9	(34)
											6.1	(73)

Total Fund (Gross of Fees)  
Peer Universe Comparison: Consecutive Periods

Period Ending: June 30, 2015



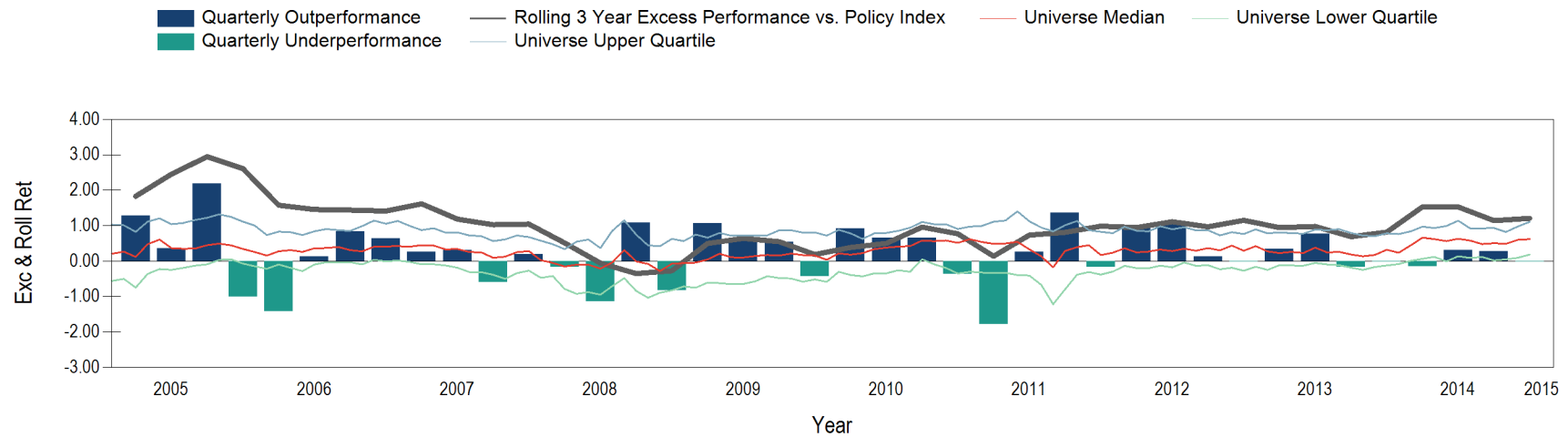
	Return (Rank)									
5th Percentile	8.0	20.8	14.6	3.6	15.4	27.0	-10.1	11.0	15.9	10.2
25th Percentile	6.8	18.0	13.4	1.9	14.0	22.4	-20.1	9.1	14.2	8.2
Median	5.8	15.5	12.4	0.9	12.9	20.2	-24.9	7.9	13.2	7.3
75th Percentile	4.6	13.3	10.7	-0.3	11.7	15.9	-27.6	6.9	11.2	5.7
95th Percentile	3.2	8.5	7.8	-2.5	8.6	10.5	-30.3	5.4	8.3	4.2
# of Portfolios	248	231	236	206	188	184	181	177	171	158
● Total Fund	4.8 (74)	14.8 (59)	14.6 (6)	-1.1 (89)	14.7 (13)	25.6 (11)	-27.1 (68)	10.9 (6)	12.5 (59)	6.9 (54)
■ Total Fund ex Clifton	4.9 (72)	14.7 (59)	14.2 (11)	-1.0 (88)	14.7 (15)	25.6 (11)	-27.1 (68)	10.9 (6)	12.5 (59)	6.9 (54)
▲ Policy Index	4.9 (72)	13.5 (74)	11.2 (72)	0.4 (63)	13.0 (49)	23.2 (23)	-25.6 (58)	8.8 (31)	12.7 (57)	5.4 (80)



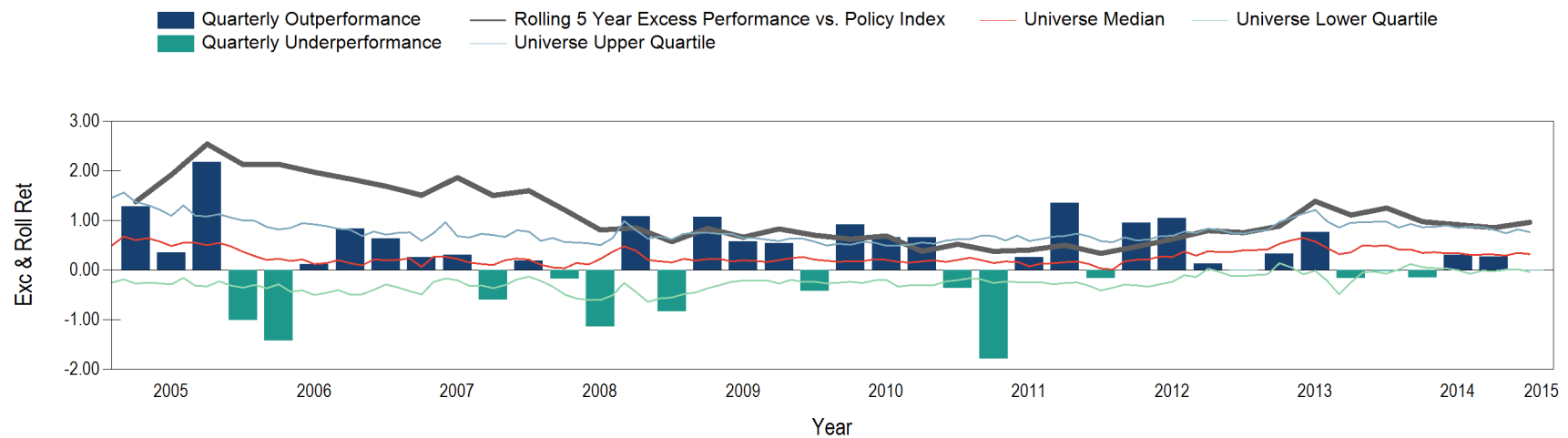
# Total Fund Rolling Return Analysis

Period Ending: June 30, 2015

## Rolling 3 Year Annualized Excess Performance



## Rolling 5 Year Annualized Excess Performance



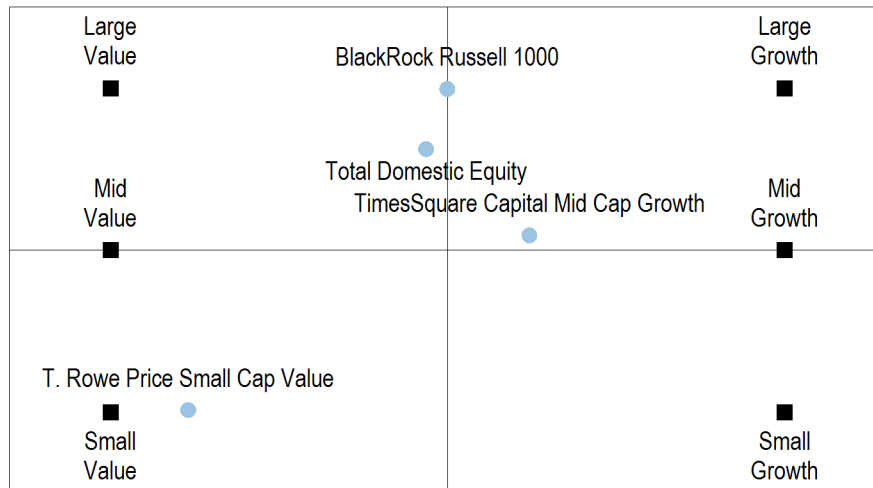
# Total Domestic Equity

## Asset Class Overview (Gross of Fees)

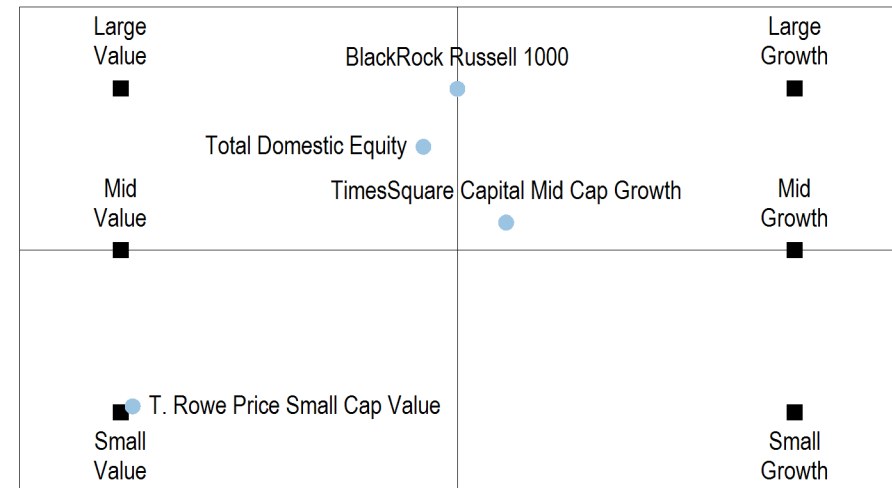
Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Domestic Equity</b>	<b>224,096,252</b>	<b>0.1</b>	<b>2.3</b>	<b>6.3</b>	<b>6.3</b>	<b>17.4</b>	<b>17.3</b>	<b>8.8</b>	<b>10.2</b>	<b>33.9</b>	<b>17.1</b>	<b>0.9</b>	<b>18.3</b>
<i>Russell 3000</i>		0.1	1.9	7.3	7.3	17.7	17.5	8.2	12.6	33.6	16.4	1.0	16.9
<i>eA All US Equity Gross Rank</i>		57	61	61	61	65	61	59	51	62	37	40	55
<b>BlackRock Russell 1000</b>	<b>165,548,955</b>	<b>0.1</b>	<b>1.7</b>	<b>7.4</b>	<b>7.4</b>	<b>17.8</b>	<b>17.6</b>	<b>8.2</b>	<b>13.3</b>	<b>33.2</b>	<b>16.5</b>	<b>1.6</b>	<b>16.2</b>
<i>Russell 1000</i>		0.1	1.7	7.4	7.4	17.7	17.6	8.1	13.2	33.1	16.4	1.5	16.1
<i>eA US Large Cap Equity Gross Rank</i>		56	55	53	53	53	48	67	41	54	39	39	34
<b>TimesSquare Capital Mid Cap Growth</b>	<b>30,504,881</b>	<b>-0.6</b>	<b>6.2</b>	<b>8.0</b>	<b>8.0</b>	<b>19.6</b>	<b>18.0</b>	<b>11.7</b>	<b>6.2</b>	<b>38.7</b>	<b>20.0</b>	<b>-0.7</b>	<b>19.3</b>
<i>Russell MidCap Growth</i>		-1.1	4.2	9.5	9.5	19.2	18.7	9.7	11.9	35.7	15.8	-1.7	26.4
<i>eA US Mid Cap Growth Equity Gross Rank</i>		79	58	83	83	40	64	22	75	36	11	40	94
<b>T. Rowe Price Small Cap Value</b>	<b>28,042,416</b>	<b>0.4</b>	<b>1.8</b>	<b>-0.9</b>	<b>-0.9</b>	<b>13.5</b>	<b>15.4</b>	<b>9.1</b>	<b>-0.5</b>	<b>34.7</b>	<b>17.1</b>	<b>1.0</b>	<b>25.6</b>
<i>Russell 2000 Value</i>		-1.2	0.8	0.8	0.8	15.5	14.8	6.9	4.2	34.5	18.1	-5.5	24.5
<i>eA US Small Cap Value Equity Gross Rank</i>		43	71	82	82	93	77	55	88	78	49	22	63

U.S. Effective Style Map  
3 Years Ending June 30, 2015



U.S. Effective Style Map  
5 Years Ending June 30, 2015



# Total Domestic Equity Asset Class Overview (Net of Fees)

Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Domestic Equity</b>	<b>224,096,252</b>	<b>0.0</b>	<b>2.2</b>	<b>6.1</b>	<b>6.1</b>	<b>17.1</b>	<b>17.0</b>	<b>8.5</b>	<b>10.0</b>	<b>33.6</b>	<b>16.9</b>	<b>0.7</b>	<b>18.0</b>
<i>Russell 3000</i>		0.1	1.9	7.3	7.3	17.7	17.5	8.2	12.6	33.6	16.4	1.0	16.9
BlackRock Russell 1000	165,548,955	0.1	1.7	7.4	7.4	17.7	17.6	8.2	13.2	33.1	16.4	1.5	16.1
<i>Russell 1000</i>		0.1	1.7	7.4	7.4	17.7	17.6	8.1	13.2	33.1	16.4	1.5	16.1
TimesSquare Capital Mid Cap Growth	30,504,881	-0.7	5.8	7.5	7.5	18.9	17.2	11.0	5.7	37.8	19.2	-1.3	18.5
<i>Russell MidCap Growth</i>		-1.1	4.2	9.5	9.5	19.2	18.7	9.7	11.9	35.7	15.8	-1.7	26.4
T. Rowe Price Small Cap Value	28,042,416	0.2	1.4	-1.6	-1.6	12.7	14.6	8.3	-1.2	33.8	16.3	0.3	24.8
<i>Russell 2000 Value</i>		-1.2	0.8	0.8	0.8	15.5	14.8	6.9	4.2	34.5	18.1	-5.5	24.5

## Common Holdings Matrix As of June 30, 2015

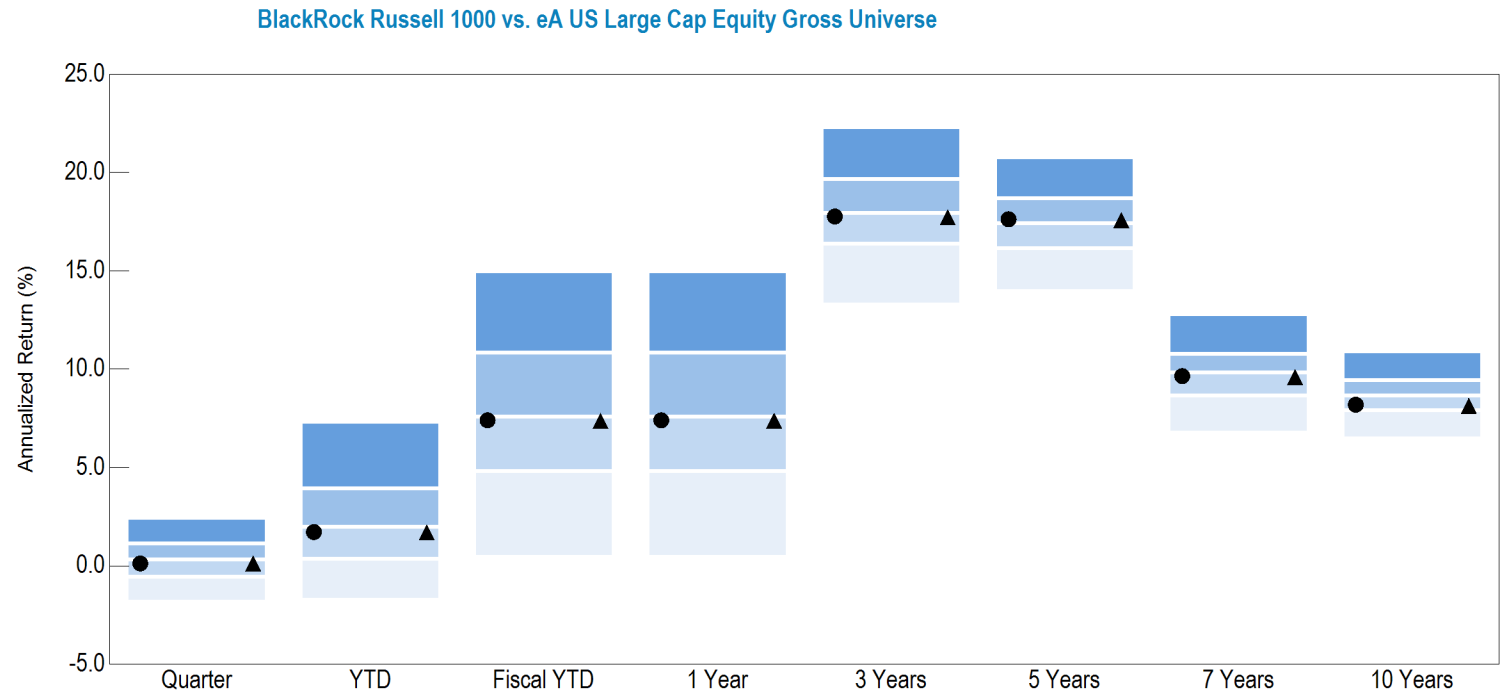
	BlackRock Russell 1000		TimesSquare Capital Mid Cap Growth		T. Rowe Price Small Cap Value	
	#	%	#	%	#	%
BlackRock Russell 1000	--	--	64	83.46	21	17.76
TimesSquare Capital Mid Cap Growth	64	3.10	--	--	4	3.88
T. Rowe Price Small Cap Value	21	0.42	4	4.43	--	--

## Correlation Matrix Last 5 Years

	Total Domestic Equity	BlackRock Russell 1000	TimesSquare Capital Mid Cap Growth	T. Rowe Price Small Cap Value
Total Domestic Equity	1.00	--	--	--
BlackRock Russell 1000	1.00	1.00	--	--
TimesSquare Capital Mid Cap Growth	0.98	0.97	1.00	--
T. Rowe Price Small Cap Value	0.94	0.90	0.90	1.00

# BlackRock Russell 1000 Cumulative Performance Comparison

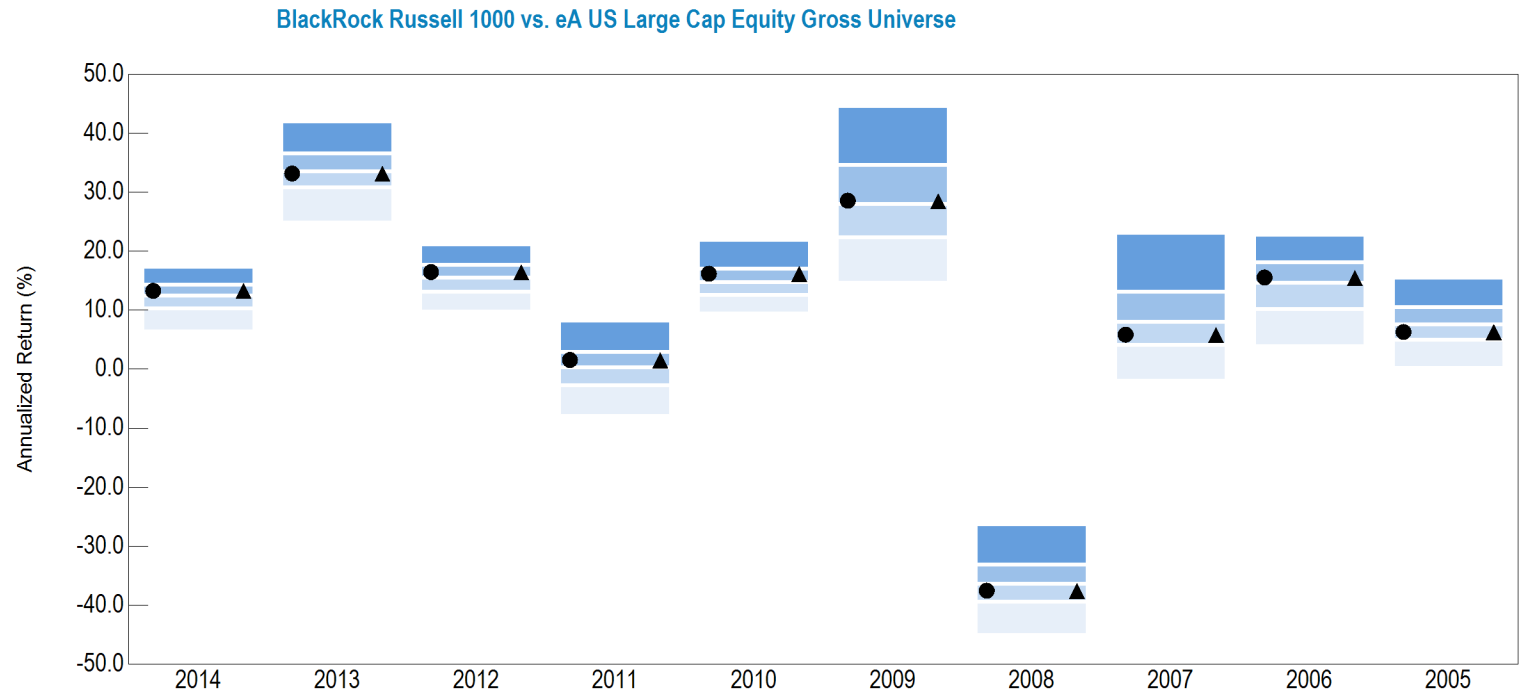
Period Ending: June 30, 2015



	Return (Rank)							
5th Percentile	2.4	7.3	15.0	15.0	22.3	20.8	12.8	10.9
25th Percentile	1.2	4.0	10.9	10.9	19.7	18.7	10.8	9.5
Median	0.3	2.0	7.6	7.6	17.9	17.4	9.8	8.7
75th Percentile	-0.5	0.4	4.8	4.8	16.4	16.2	8.7	7.9
95th Percentile	-1.8	-1.7	0.5	0.5	13.3	14.0	6.8	6.5
# of Portfolios	877	877	877	877	842	805	759	660
● BlackRock Russell 1000	0.1 (56)	1.7 (55)	7.4 (53)	7.4 (53)	17.8 (53)	17.6 (48)	9.6 (55)	8.2 (67)
▲ Russell 1000	0.1 (56)	1.7 (55)	7.4 (53)	7.4 (53)	17.7 (53)	17.6 (48)	9.6 (57)	8.1 (70)

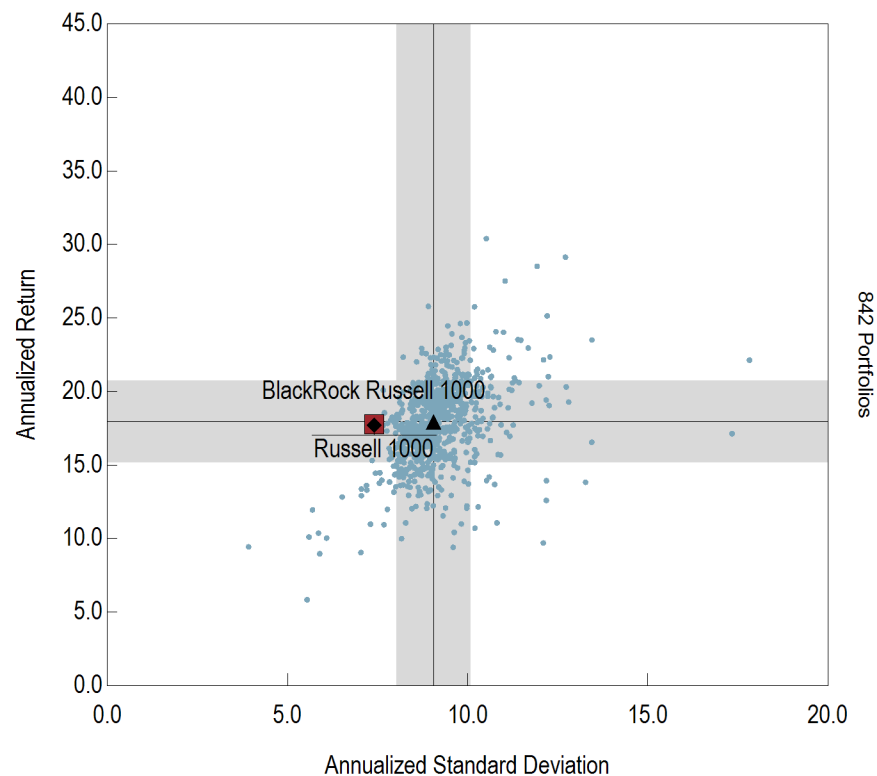
# BlackRock Russell 1000 Consecutive Performance Comparison

Period Ending: June 30, 2015



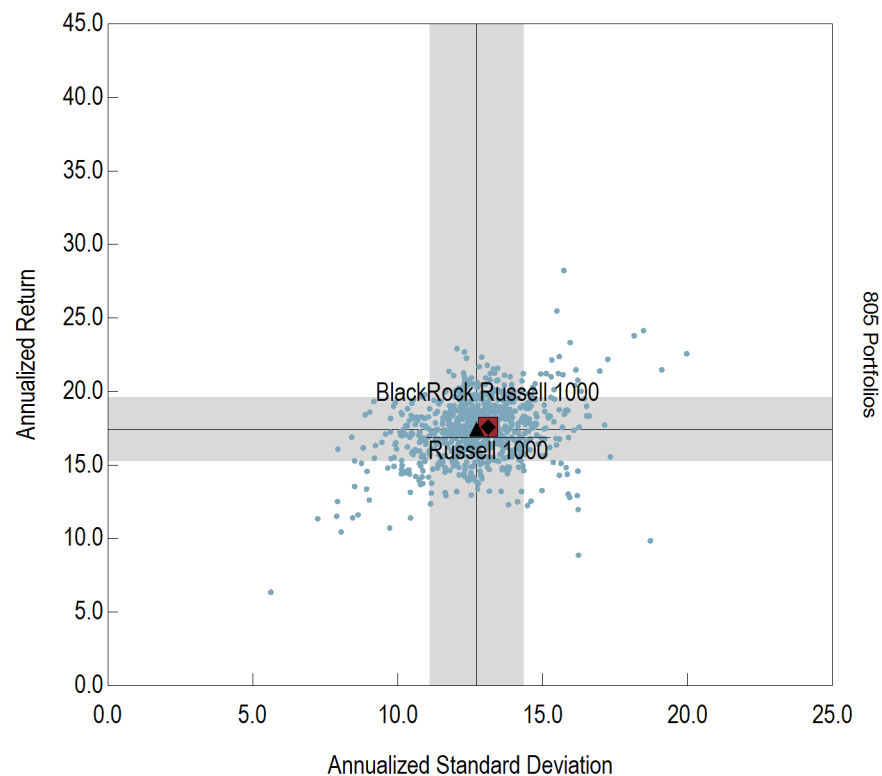
	Return (Rank)									
5th Percentile	17.3	41.9	21.1	8.2	21.9	44.6	-26.3	23.1	22.7	15.5
25th Percentile	14.4	36.6	17.8	3.0	17.1	34.7	-33.1	13.2	18.2	10.6
Median	12.5	33.6	15.6	0.4	14.8	28.0	-36.3	8.0	14.8	7.7
75th Percentile	10.4	30.8	13.2	-2.7	12.6	22.4	-39.4	4.2	10.2	5.0
95th Percentile	6.4	24.9	9.8	-7.9	9.5	14.7	-45.0	-1.9	4.0	0.3
# of Portfolios	869	851	836	865	883	989	1,068	1,120	1,140	1,138
● BlackRock Russell 1000	13.3 (41)	33.2 (54)	16.5 (39)	1.6 (39)	16.2 (34)	28.6 (48)	-37.5 (61)	5.8 (64)	15.5 (45)	6.3 (64)
▲ Russell 1000	13.2 (41)	33.1 (54)	16.4 (40)	1.5 (40)	16.1 (34)	28.4 (49)	-37.6 (61)	5.8 (65)	15.5 (46)	6.3 (65)

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



- BlackRock Russell 1000
- ◆ Russell 1000
- ▲ Universe Median
- 68% Confidence Interval
- eA US Large Cap Equity Gross

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015



- BlackRock Russell 1000
- ◆ Russell 1000
- ▲ Universe Median
- 68% Confidence Interval
- eA US Large Cap Equity Gross

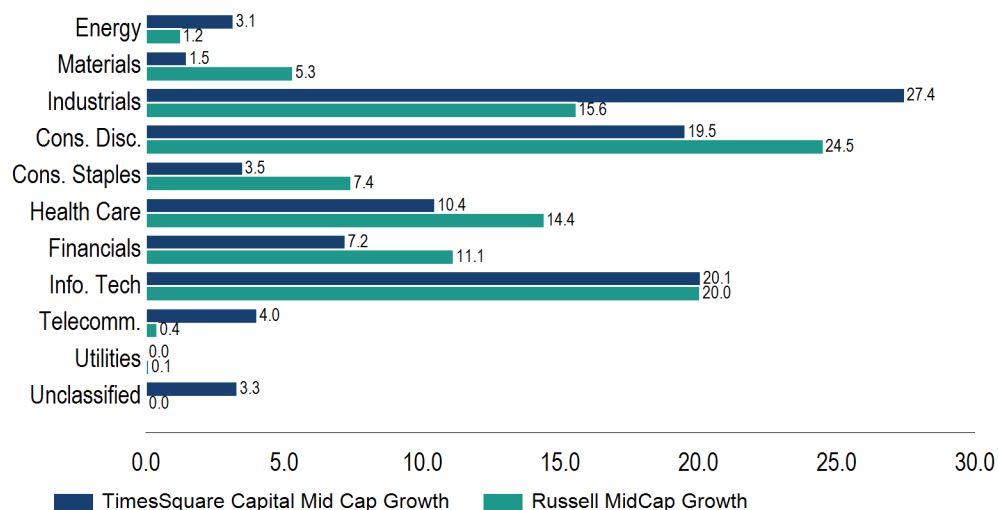
# TimesSquare Capital Mid Cap Growth Manager Portfolio Overview

Period Ending: June 30, 2015

## Characteristics

	Portfolio	Russell MidCap Growth
Number of Holdings	77	507
Weighted Avg. Market Cap. (\$B)	11.15	13.19
Median Market Cap. (\$B)	8.88	7.13
Price To Earnings	30.87	29.04
Price To Book	5.64	5.97
Price To Sales	3.11	3.47
Return on Equity (%)	24.85	21.71
Yield (%)	0.80	1.05
Beta	1.13	1.00

## Sector Allocation (%) vs Russell MidCap Growth



\*Unclassified includes Cash

## Top Holdings Ending Period Weight

SBA COMMS.	4.00%	PALL
ALLIANCE DATA SYSTEMS	3.88%	TEMPUR SEALY INTL.
CASH - USD	3.28%	LAM RESEARCH
DAVITA HEALTHCARE PTNS.	3.13%	GLOBAL PAYMENTS
NIELSEN	3.01%	NEUSTAR 'A'
GARTNER 'A'	2.31%	QLIK TECHNOLOGIES
EQUIFAX	2.04%	BROWN-FORMAN 'B'
ENVISION HEALTHCARE HDG.	1.98%	WHITEWAVE FOODS
O REILLY AUTOMOTIVE	1.76%	IHS 'A'
AMDOCS	1.66%	BANKUNITED
<b>Total</b>	<b>27.05%</b>	

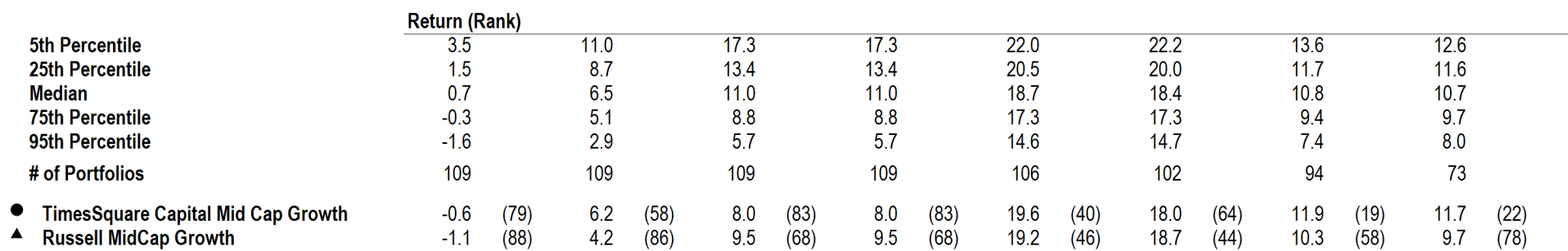
## Top Contributors

Avg Wgt	Return	Contribution
0.92	24.35	0.22
1.26	14.13	0.18
1.05	16.25	0.17
1.26	12.86	0.16
0.86	18.64	0.16
1.06	12.30	0.13
1.06	11.25	0.12
1.16	10.24	0.12
0.89	13.07	0.12
1.04	10.39	0.11

## Bottom Contributors

Avg Wgt	Return	Contribution
1.31	-25.31	-0.33
1.51	-21.01	-0.32
1.75	-11.32	-0.20
1.40	-11.20	-0.16
0.92	-16.04	-0.15
1.04	-13.41	-0.14
1.30	-9.38	-0.12
1.39	-8.12	-0.11
0.83	-13.16	-0.11
1.15	-9.02	-0.10

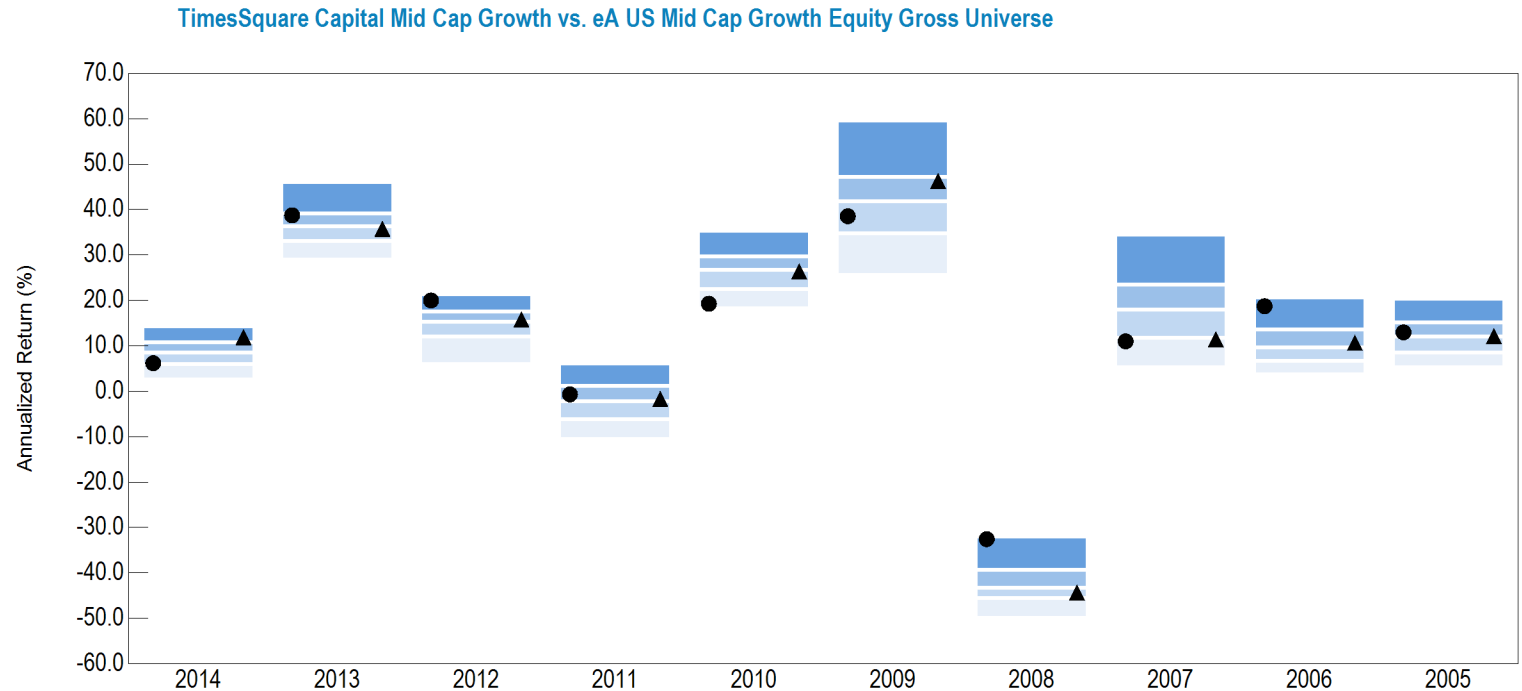
## Period Ending: June 30, 2015





# TimesSquare Capital Mid Cap Growth Consecutive Performance Comparison

Period Ending: June 30, 2015

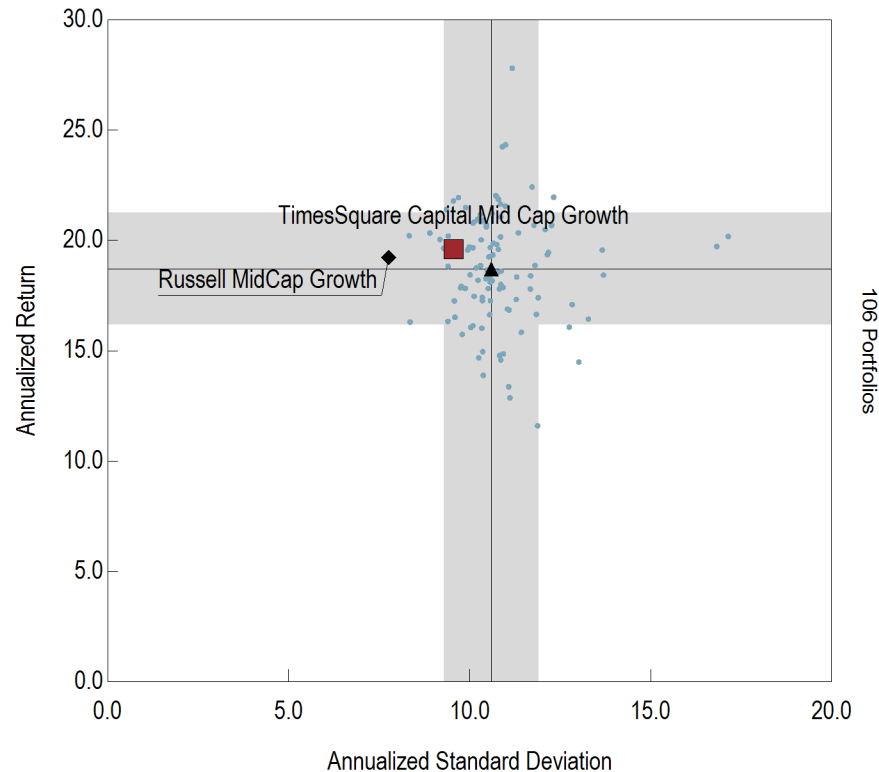


	Return (Rank)									
5th Percentile	14.2	46.0	21.3	6.1	35.3	59.6	-32.0	34.5	20.6	20.3
25th Percentile	10.9	39.2	17.6	1.3	29.8	47.2	-39.3	23.5	13.7	15.2
Median	8.6	36.4	15.4	-2.1	26.7	41.9	-43.2	18.0	9.8	12.1
75th Percentile	6.1	33.2	12.2	-6.1	22.5	34.9	-45.5	11.8	6.8	8.7
95th Percentile	2.6	29.0	6.0	-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
● TimesSquare Capital Mid Cap Growth	6.2 (75)	38.7 (36)	20.0 (11)	-0.7 (40)	19.3 (94)	38.5 (60)	-32.6 (6)	11.0 (80)	18.7 (9)	13.0 (47)
▲ Russell MidCap Growth	11.9 (20)	35.7 (56)	15.8 (45)	-1.7 (46)	26.4 (52)	46.3 (30)	-44.3 (63)	11.4 (77)	10.6 (44)	12.1 (51)

# TimesSquare Capital Mid Cap Growth Risk vs Return Three & Five Year

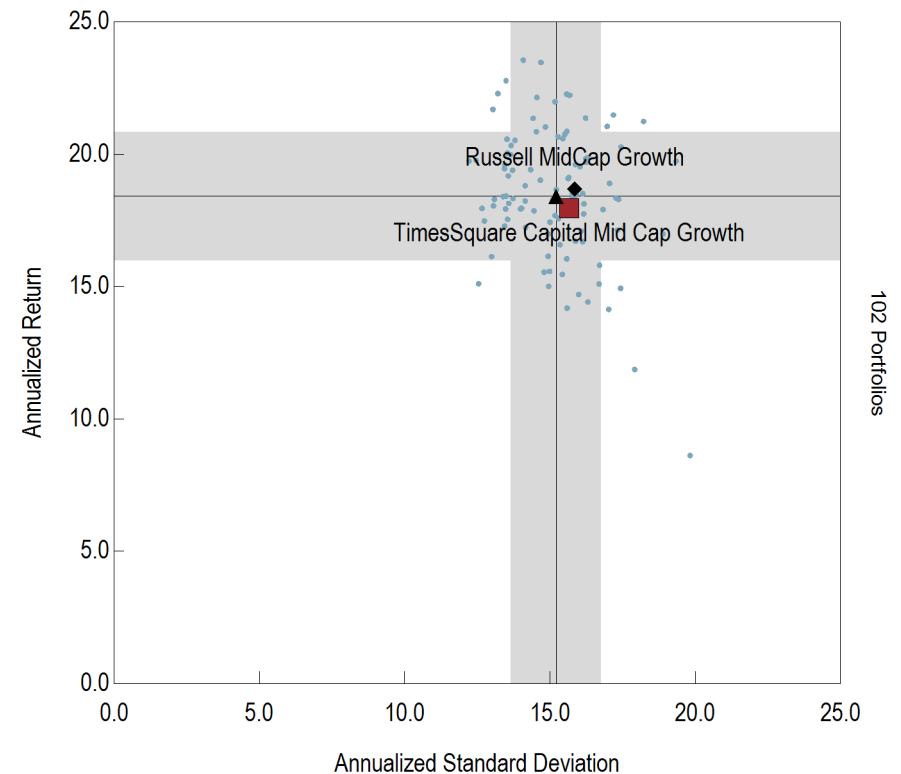
Period Ending: June 30, 2015

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



- TimesSquare Capital Mid Cap Growth
- ◆ Russell MidCap Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Mid Cap Growth Equity Gross

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015

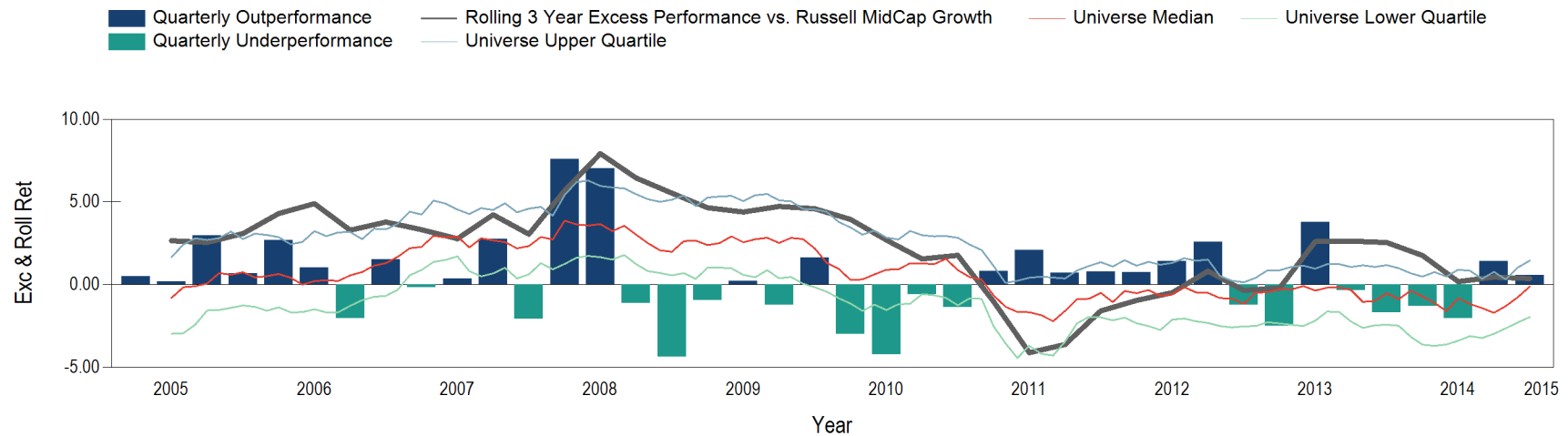


- TimesSquare Capital Mid Cap Growth
- ◆ Russell MidCap Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Mid Cap Growth Equity Gross

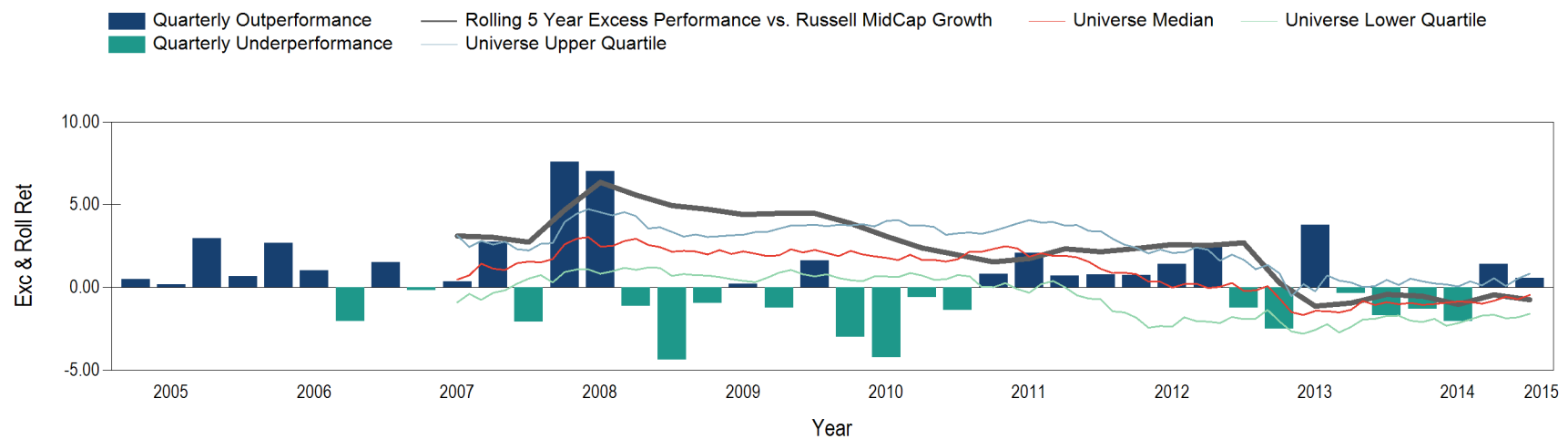
# TimesSquare Capital Mid Cap Growth Rolling Return Analysis

Period Ending: June 30, 2015

## Rolling 3 Year Annualized Excess Performance



## Rolling 5 Year Annualized Excess Performance



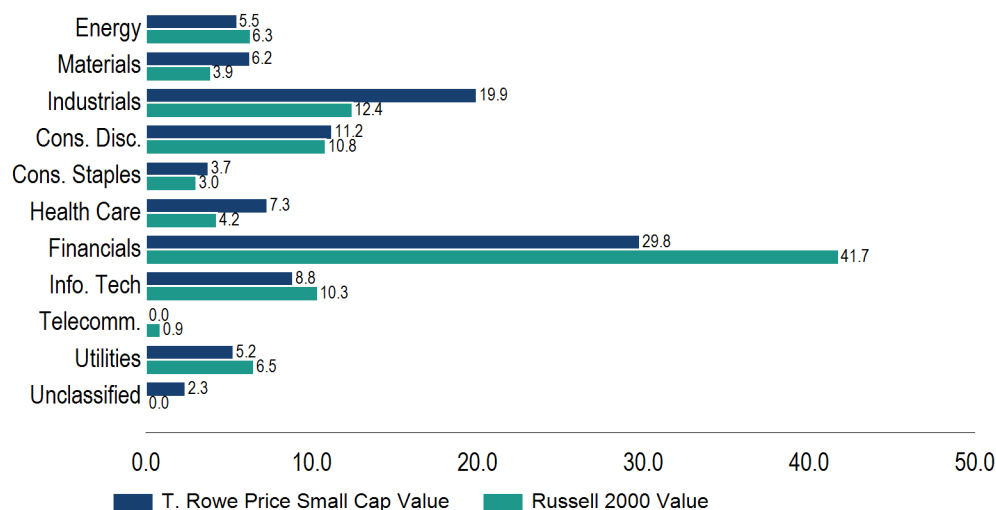
# T. Rowe Price Small Cap Value Manager Portfolio Overview

Period Ending: June 30, 2015

## Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	174	1,319
Weighted Avg. Market Cap. (\$B)	2.15	1.69
Median Market Cap. (\$B)	1.38	0.70
Price To Earnings	24.17	20.01
Price To Book	2.57	1.67
Price To Sales	2.72	2.51
Return on Equity (%)	11.29	7.88
Yield (%)	1.62	1.79
Beta	0.98	1.00

## Sector Allocation (%) vs Russell 2000 Value



\*Unclassified includes Cash

## Top Holdings Ending Period Weight

	Weight	Stock
HOME BANCSHARES	2.57%	AARON'S
CASH - USD	2.35%	MOMENTA
PROASSURANCE	1.71%	PHARMACEUTICALS
SVB FINANCIAL GROUP	1.70%	MAXLINEAR 'A'
EAST WEST BANCORP	1.65%	SVB FINANCIAL GROUP
MIDDLEBY	1.46%	HOME BANCSHARES
LANDSTAR SYSTEM	1.45%	GLACIER BANCORP
GENESEE & WYOMING 'A'	1.44%	EAST WEST BANCORP
WEST PHARM.SVS.	1.42%	MIDDLEBY
AARON'S	1.33%	SPORTSMANS WHSE.HDG.
<b>Total</b>	<b>17.08%</b>	<b>MATADOR RESOURCES</b>

## Top Contributors

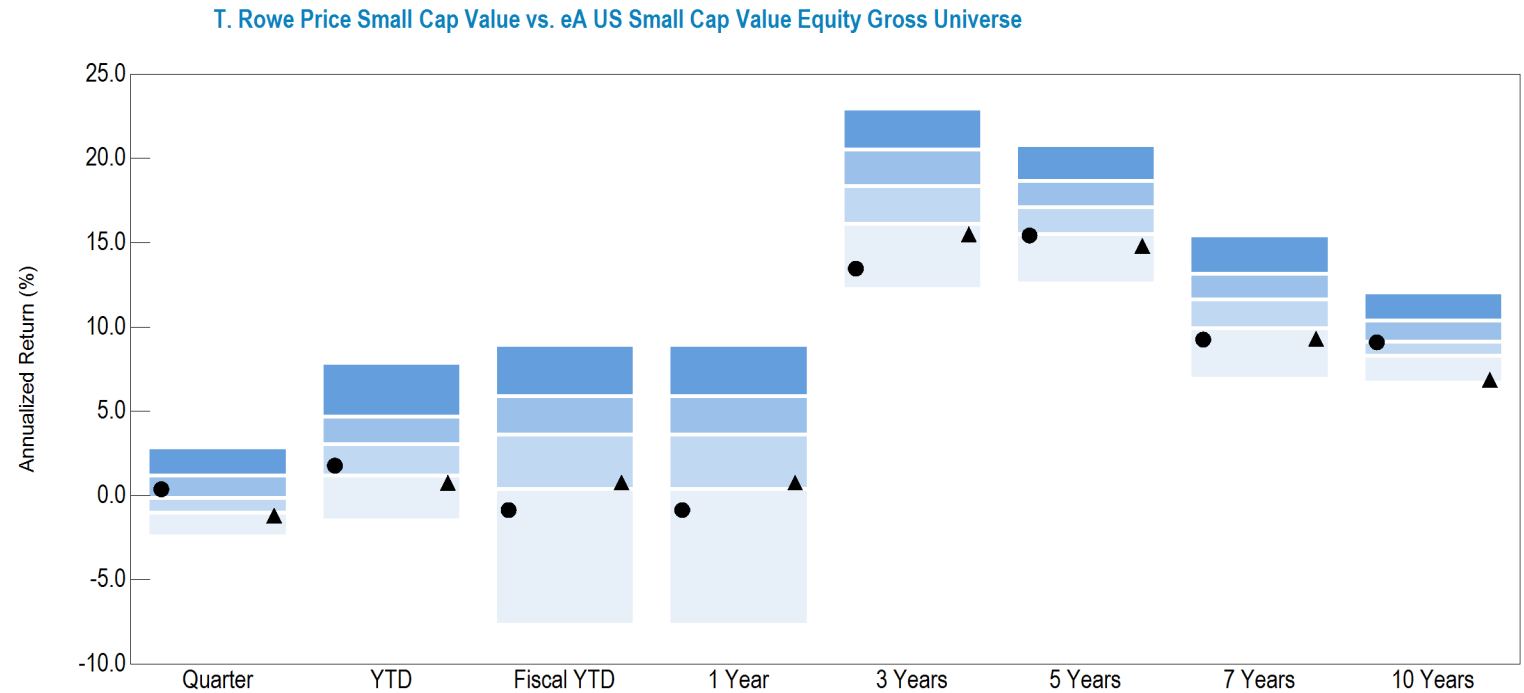
Avg Wgt	Return	Contribution
1.46	27.99	0.41
0.69	50.07	0.34
0.49	48.83	0.24
1.51	13.33	0.20
2.39	8.28	0.20
0.95	17.82	0.17
1.50	11.31	0.17
1.75	9.33	0.16
0.30	42.30	0.13
0.89	14.05	0.13

## Bottom Contributors

Avg Wgt	Return	Contribution
1.83	-21.01	-0.38
0.49	-41.53	-0.20
1.41	-13.13	-0.18
0.90	-17.68	-0.16
0.75	-20.34	-0.15
0.53	-23.97	-0.13
0.76	-15.87	-0.12
0.71	-15.00	-0.11
0.81	-12.25	-0.10
0.70	-13.32	-0.09

# T. Rowe Price Small Cap Value Cumulative Performance Comparison

Period Ending: June 30, 2015

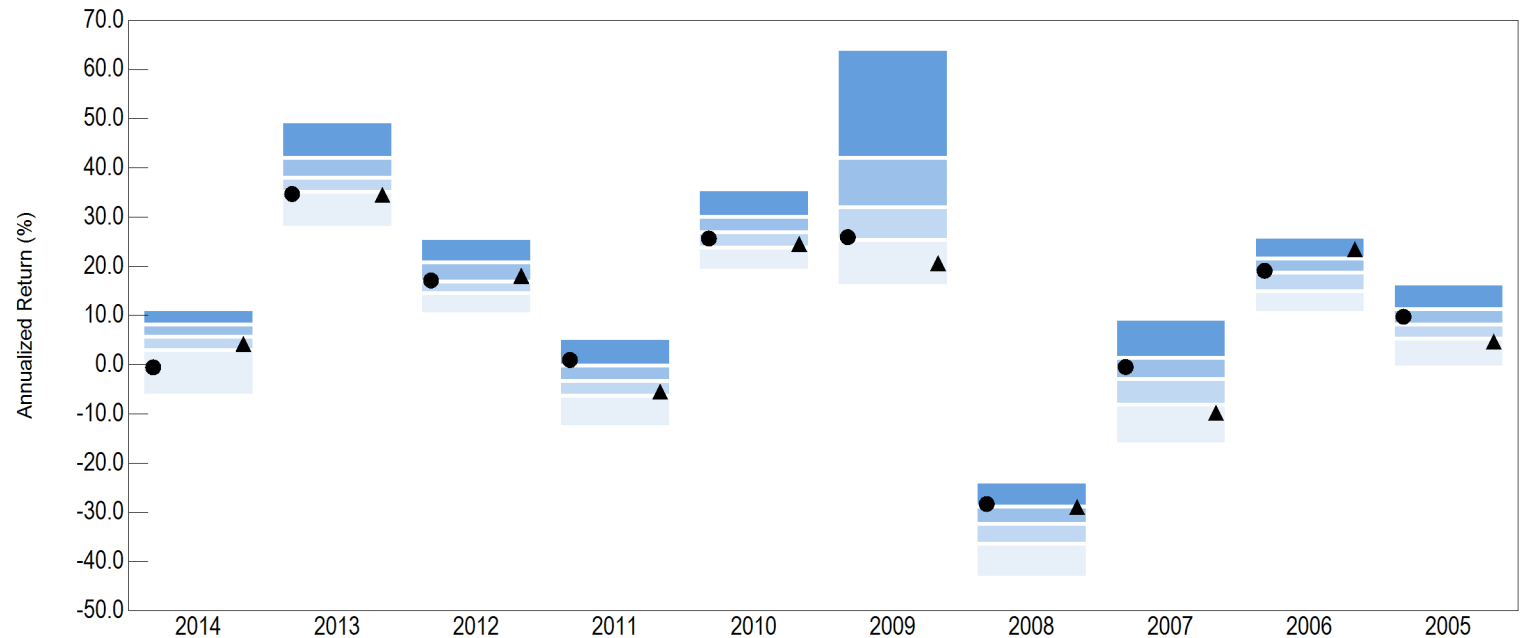


	Return (Rank)							
5th Percentile	2.9	7.9	8.9	8.9	23.0	20.8	15.4	12.0
25th Percentile	1.2	4.7	5.9	5.9	20.5	18.7	13.2	10.4
Median	-0.1	3.1	3.6	3.6	18.4	17.1	11.7	9.2
75th Percentile	-1.0	1.2	0.4	0.4	16.1	15.5	9.9	8.3
95th Percentile	-2.4	-1.4	-7.6	-7.6	12.3	12.6	6.9	6.7
# of Portfolios	205	205	205	205	200	192	179	151
● T. Rowe Price Small Cap Value	0.4 (43)	1.8 (71)	-0.9 (82)	-0.9 (82)	13.5 (93)	15.4 (77)	9.3 (84)	9.1 (55)
▲ Russell 2000 Value	-1.2 (81)	0.8 (83)	0.8 (73)	0.8 (73)	15.5 (80)	14.8 (84)	9.3 (83)	6.9 (94)

# T. Rowe Price Small Cap Value Consecutive Performance Comparison

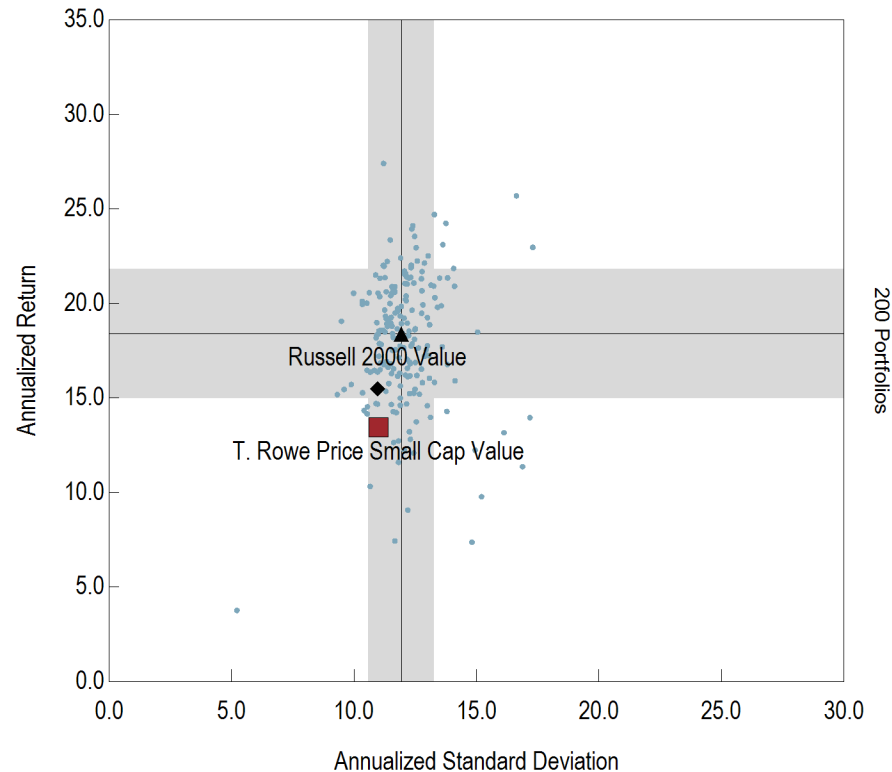
Period Ending: June 30, 2015

T. Rowe Price Small Cap Value vs. eA US Small Cap Value Equity Gross Universe



	Return (Rank)									
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
● T. Rowe Price Small Cap Value	-0.5 (88)	34.7 (78)	17.1 (49)	1.0 (22)	25.6 (63)	25.9 (72)	-28.3 (23)	-0.5 (36)	19.1 (48)	9.7 (35)
▲ 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)

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



- T. Rowe Price Small Cap Value
- ◆ Russell 2000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015

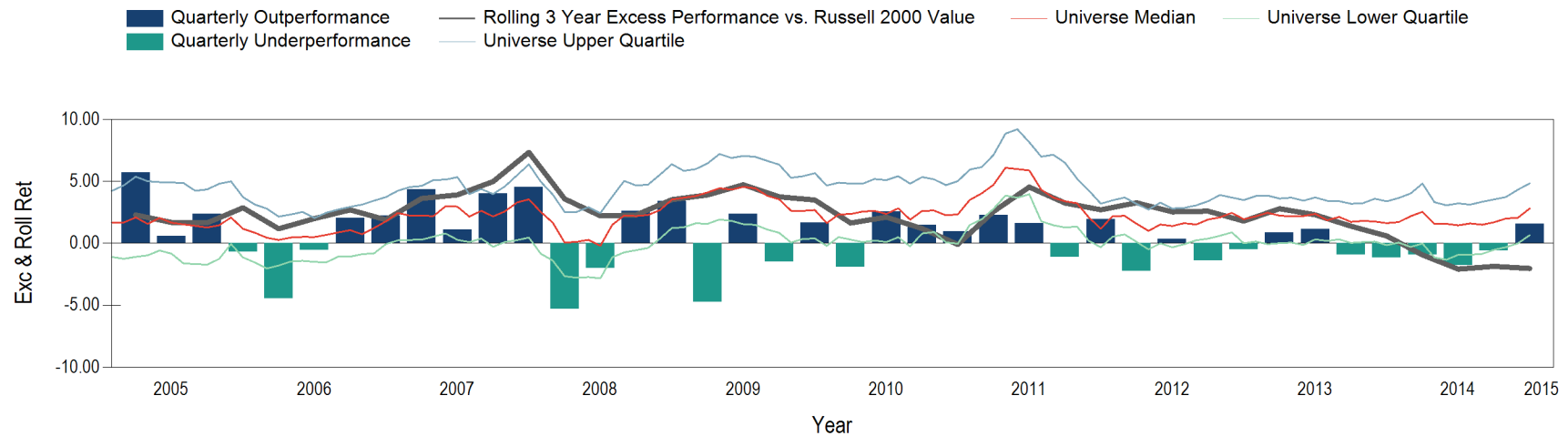


- T. Rowe Price Small Cap Value
- ◆ Russell 2000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

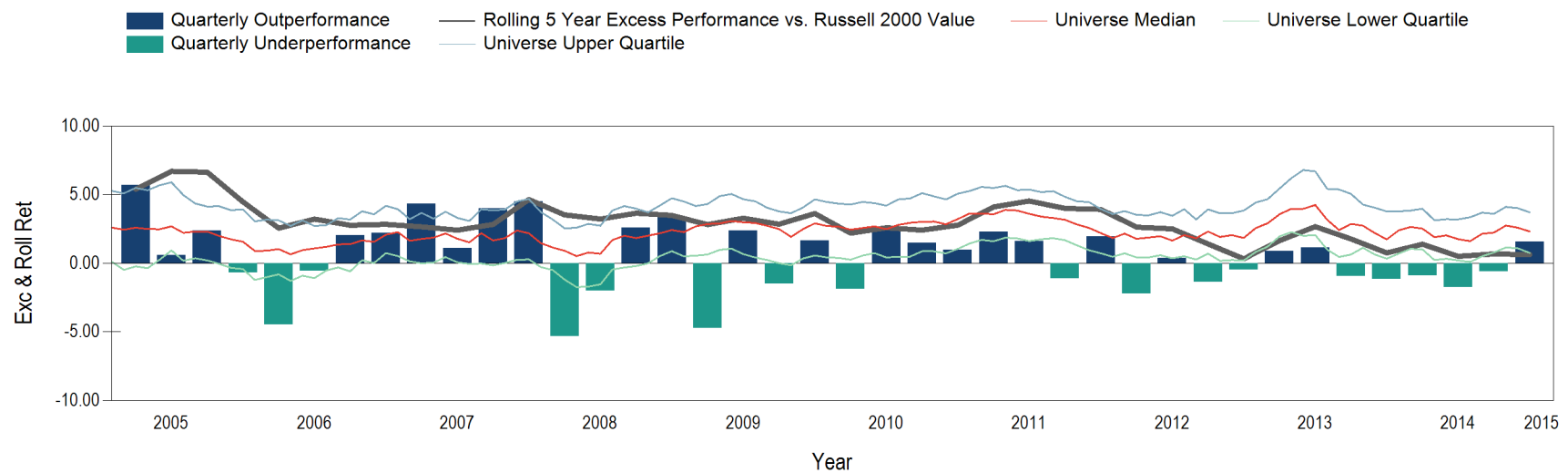
# T. Rowe Price Small Cap Value Rolling Return Analysis

Period Ending: June 30, 2015

## Rolling 3 Year Annualized Excess Performance



## Rolling 5 Year Annualized Excess Performance



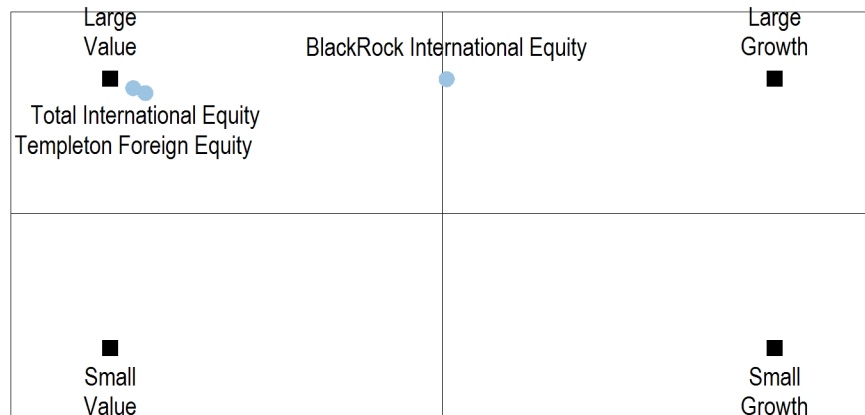


# Total International Equity Asset Class Overview (Gross of Fees)

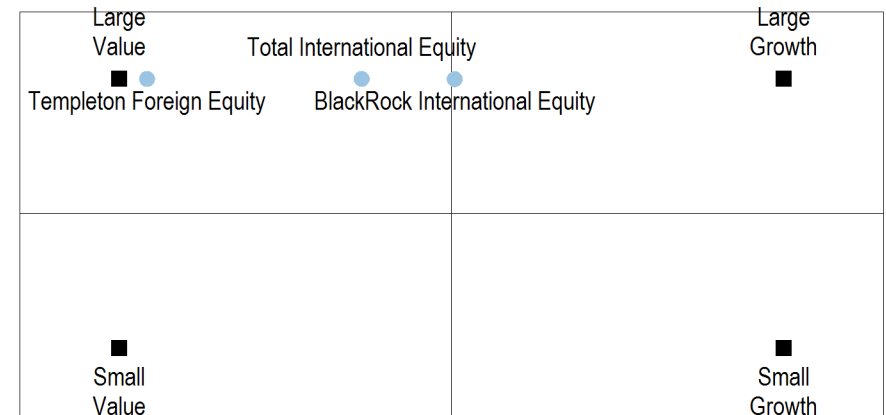
Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total International Equity</b>	<b>170,951,427</b>	<b>0.6</b>	<b>4.7</b>	<b>-4.7</b>	<b>-4.7</b>	<b>9.9</b>	<b>7.5</b>	<b>6.2</b>	<b>-4.4</b>	<b>14.0</b>	<b>19.3</b>	<b>-15.6</b>	<b>12.6</b>
MSCI ACWI ex USA Gross		0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6
eA ACWI ex-US All Cap Equity Gross Rank		70	73	77	77	80	97	87	70	92	54	84	70
<b>BlackRock International Equity</b>	<b>64,443,623</b>	<b>0.8</b>	<b>5.8</b>	<b>-3.9</b>	<b>-3.9</b>	<b>12.3</b>	<b>9.9</b>	<b>5.5</b>	<b>-4.7</b>	<b>23.2</b>	<b>17.8</b>	<b>-11.8</b>	<b>8.1</b>
MSCI EAFE Gross		0.8	5.9	-3.8	-3.8	12.5	10.0	5.6	-4.5	23.3	17.9	-11.7	8.2
eA All EAFE Equity Gross Rank		75	69	76	76	66	76	85	64	61	74	48	79
<b>Templeton Foreign Equity</b>	<b>62,048,320</b>	<b>0.6</b>	<b>6.1</b>	<b>-4.2</b>	<b>-4.2</b>	<b>12.3</b>	<b>9.4</b>	<b>6.8</b>	<b>-6.0</b>	<b>20.4</b>	<b>19.5</b>	<b>-10.2</b>	<b>7.5</b>
MSCI ACWI ex USA Gross		0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6
eA All ACWI ex-US Equity Gross Rank		76	53	76	76	52	76	68	80	47	50	28	92
<b>DFA Emerging Markets Value</b>	<b>20,988,405</b>	<b>1.8</b>	<b>1.7</b>	<b>-8.7</b>	<b>-8.7</b>	<b>2.9</b>	<b>2.1</b>	<b>--</b>	<b>-3.9</b>	<b>-3.2</b>	<b>20.1</b>	<b>-25.2</b>	<b>22.8</b>
MSCI Emerging Markets Gross		0.8	3.1	-4.8	-4.8	4.1	4.0	--	-1.8	-2.3	18.6	-18.2	19.2
eA Emg Mkts Equity Gross Rank		32	63	87	87	84	93	--	84	84	56	92	33
<b>Vontobel Global Emerging Markets</b>	<b>23,471,080</b>	<b>-0.9</b>	<b>0.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI Emerging Markets Gross		0.8	3.1	--	--	--	--	--	--	--	--	--	--
eA Emg Mkts Equity Gross Rank		87	76	--	--	--	--	--	--	--	--	--	--

EAFE Effective Style Map  
3 Years Ending June 30, 2015



EAFE Effective Style Map  
5 Years Ending June 30, 2015



# Total International Equity Asset Class Overview (Net of Fees)

Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total International Equity</b>	<b>170,951,427</b>	<b>0.5</b>	<b>4.5</b>	<b>-5.2</b>	<b>-5.2</b>	<b>9.3</b>	<b>6.9</b>	<b>5.6</b>	<b>-4.9</b>	<b>13.4</b>	<b>18.6</b>	<b>-16.1</b>	<b>12.0</b>
MSCI ACWI ex USA Gross		0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6
BlackRock International Equity	64,443,623	0.7	5.7	-4.1	-4.1	12.1	9.7	5.3	-4.8	22.9	17.6	-11.9	7.9
MSCI EAFE Gross		0.8	5.9	-3.8	-3.8	12.5	10.0	5.6	-4.5	23.3	17.9	-11.7	8.2
Templeton Foreign Equity	62,048,320	0.4	5.7	-4.9	-4.9	11.5	8.6	6.0	-6.8	19.5	18.5	-10.9	6.7
MSCI ACWI ex USA Gross		0.7	4.3	-4.8	-4.8	9.9	8.2	6.0	-3.4	15.8	17.4	-13.3	11.6
DFA Emerging Markets Value	20,988,405	1.7	1.5	-9.1	-9.1	2.3	1.5	--	-4.4	-3.8	19.4	-25.6	22.1
MSCI Emerging Markets Gross		0.8	3.1	-4.8	-4.8	4.1	4.0	--	-1.8	-2.3	18.6	-18.2	19.2
Vontobel Global Emerging Markets	23,471,080	-1.1	0.4	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets Gross		0.8	3.1	--	--	--	--	--	--	--	--	--	--

EM Effective Style Map  
3 Years Ending June 30, 2015

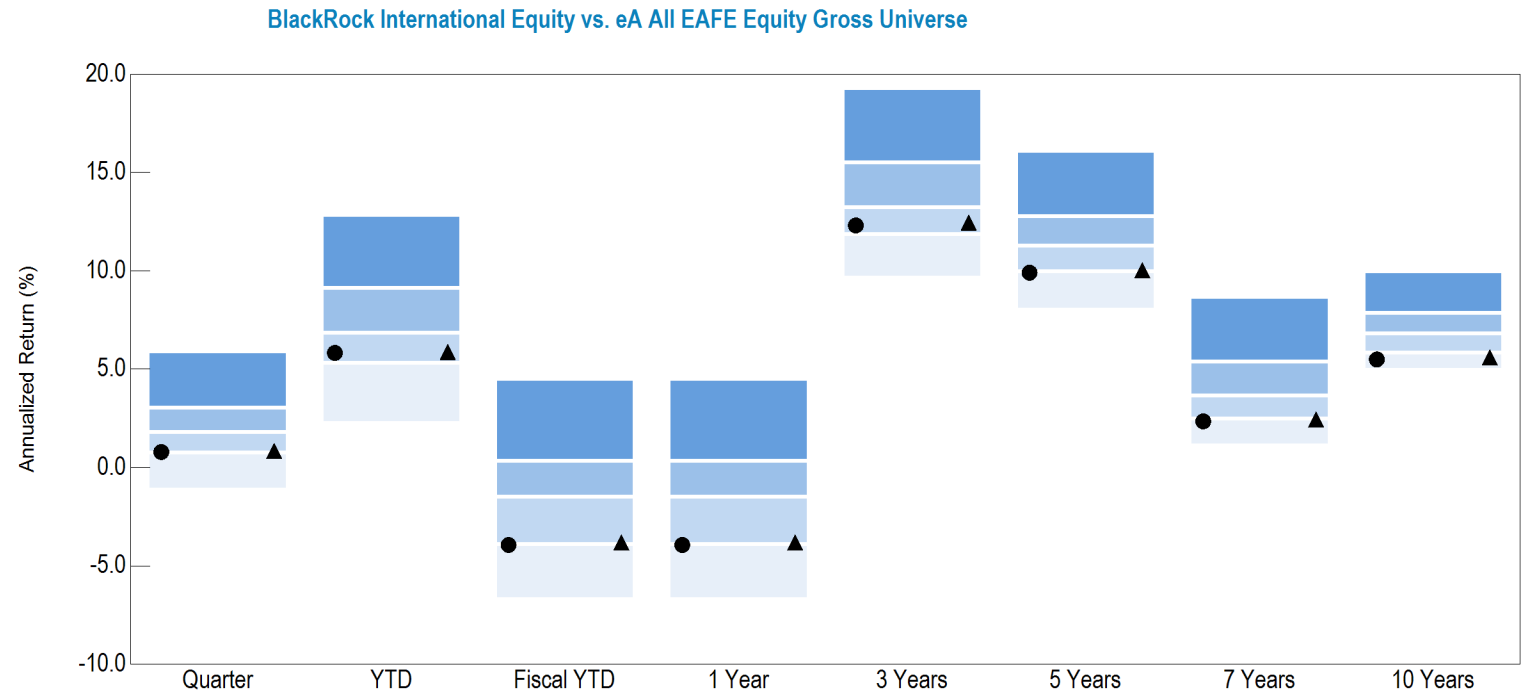


EM Effective Style Map  
5 Years Ending June 30, 2015



# BlackRock International Equity Cumulative Performance Comparison

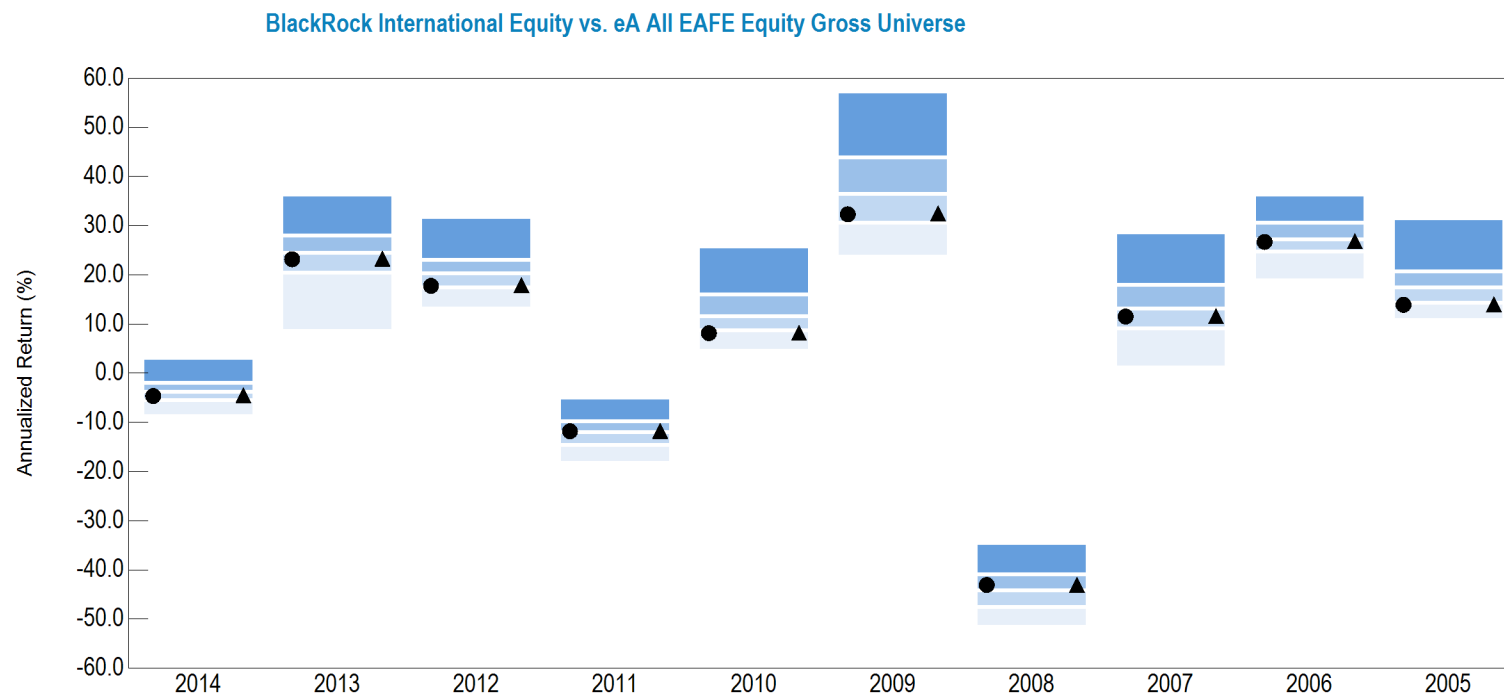
Period Ending: June 30, 2015



	Return (Rank)							
5th Percentile	5.9	12.8	4.5	4.5	19.3	16.1	8.7	10.0
25th Percentile	3.1	9.2	0.4	0.4	15.5	12.8	5.4	7.9
Median	1.8	6.9	-1.5	-1.5	13.2	11.3	3.7	6.8
75th Percentile	0.8	5.4	-3.9	-3.9	11.9	10.0	2.5	5.9
95th Percentile	-1.1	2.3	-6.7	-6.7	9.7	8.0	1.1	5.0
# of Portfolios	327	327	326	326	313	287	265	195
● BlackRock International Equity	0.8 (75)	5.8 (69)	-3.9 (76)	-3.9 (76)	12.3 (66)	9.9 (76)	2.3 (80)	5.5 (85)
▲ MSCI EAFE Gross	0.8 (73)	5.9 (68)	-3.8 (75)	-3.8 (75)	12.5 (64)	10.0 (75)	2.4 (77)	5.6 (81)

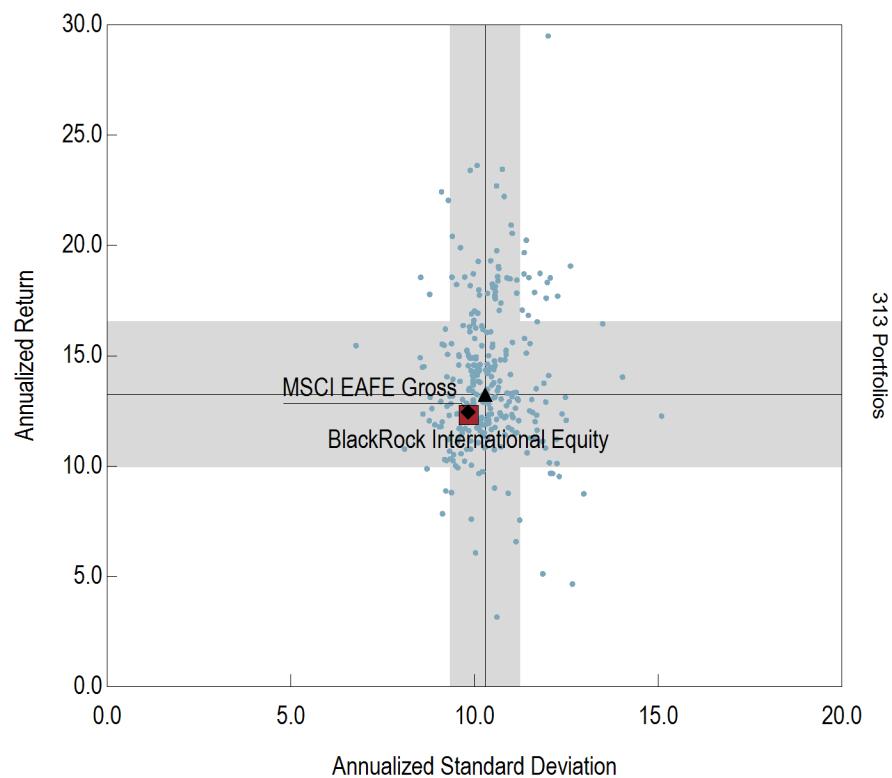
# BlackRock International Equity Consecutive Performance Comparison

Period Ending: June 30, 2015



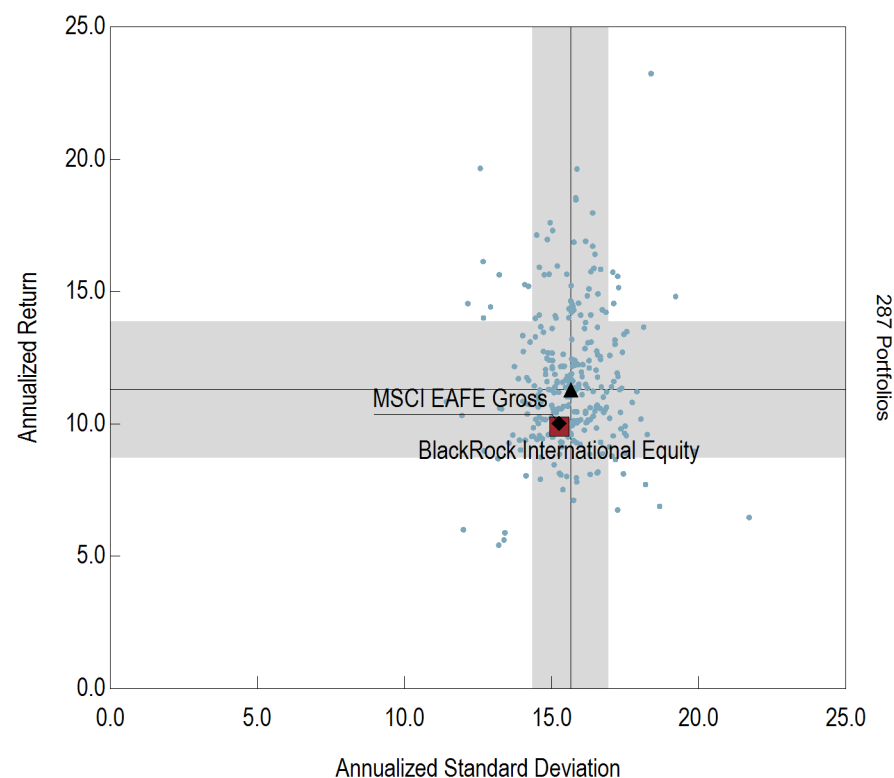
	Return (Rank)									
5th Percentile	3.0	36.3	31.7	-5.1	25.7	57.3	-34.5	28.5	36.2	31.5
25th Percentile	-1.9	28.1	23.1	-9.7	16.1	44.0	-40.8	18.0	30.7	20.8
Median	-3.7	24.6	20.4	-12.0	11.7	36.5	-44.1	13.2	27.3	17.5
75th Percentile	-5.4	20.5	17.5	-14.5	8.7	30.7	-47.5	9.1	24.8	14.4
95th Percentile	-8.6	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
● BlackRock International Equity	-4.7 (64)	23.2 (61)	17.8 (74)	-11.8 (48)	8.1 (79)	32.3 (68)	-43.1 (41)	11.5 (60)	26.7 (57)	13.9 (80)
▲ MSCI EAFE Gross	-4.5 (60)	23.3 (60)	17.9 (72)	-11.7 (47)	8.2 (78)	32.5 (67)	-43.1 (41)	11.6 (59)	26.9 (55)	14.0 (79)

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



- BlackRock International Equity
- ◆ MSCI EAFE Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

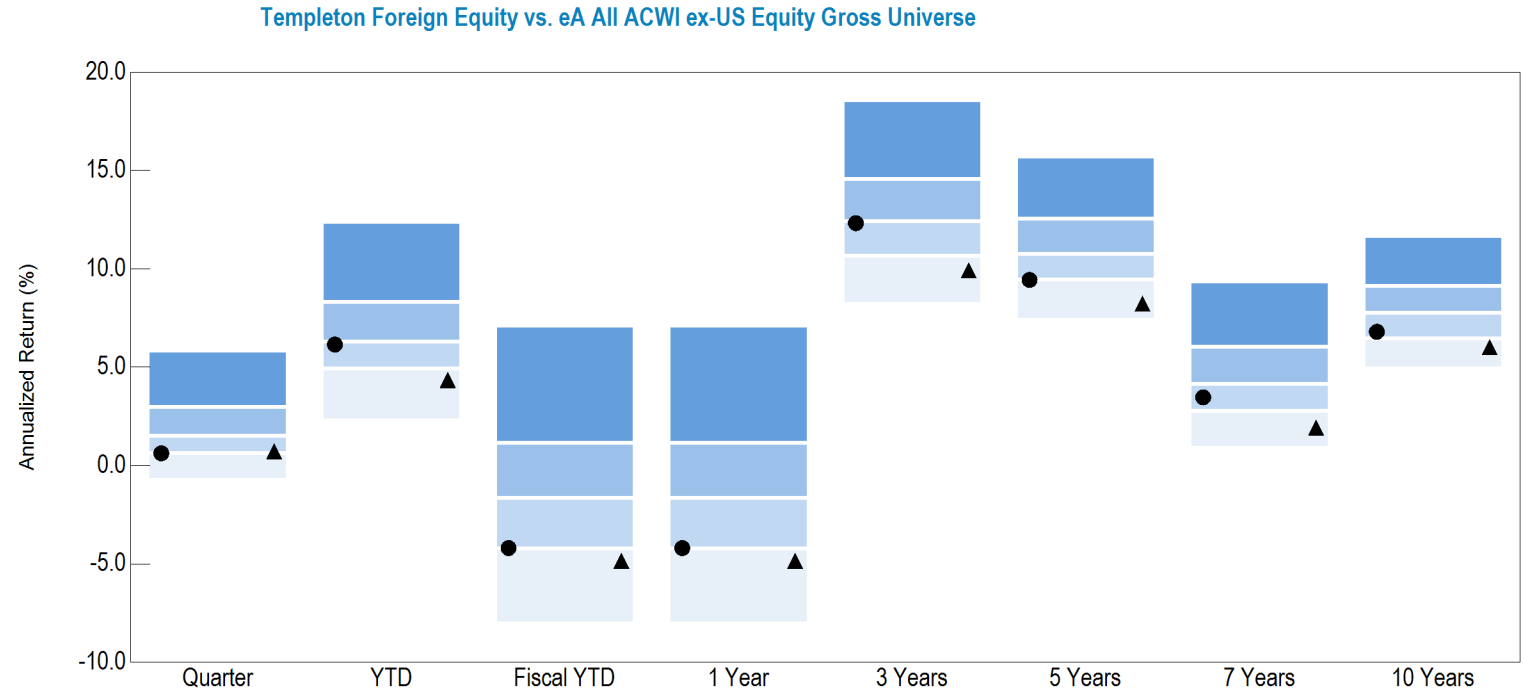
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015



- BlackRock International Equity
- ◆ MSCI EAFE Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

# Templeton Foreign Equity Cumulative Performance Comparison

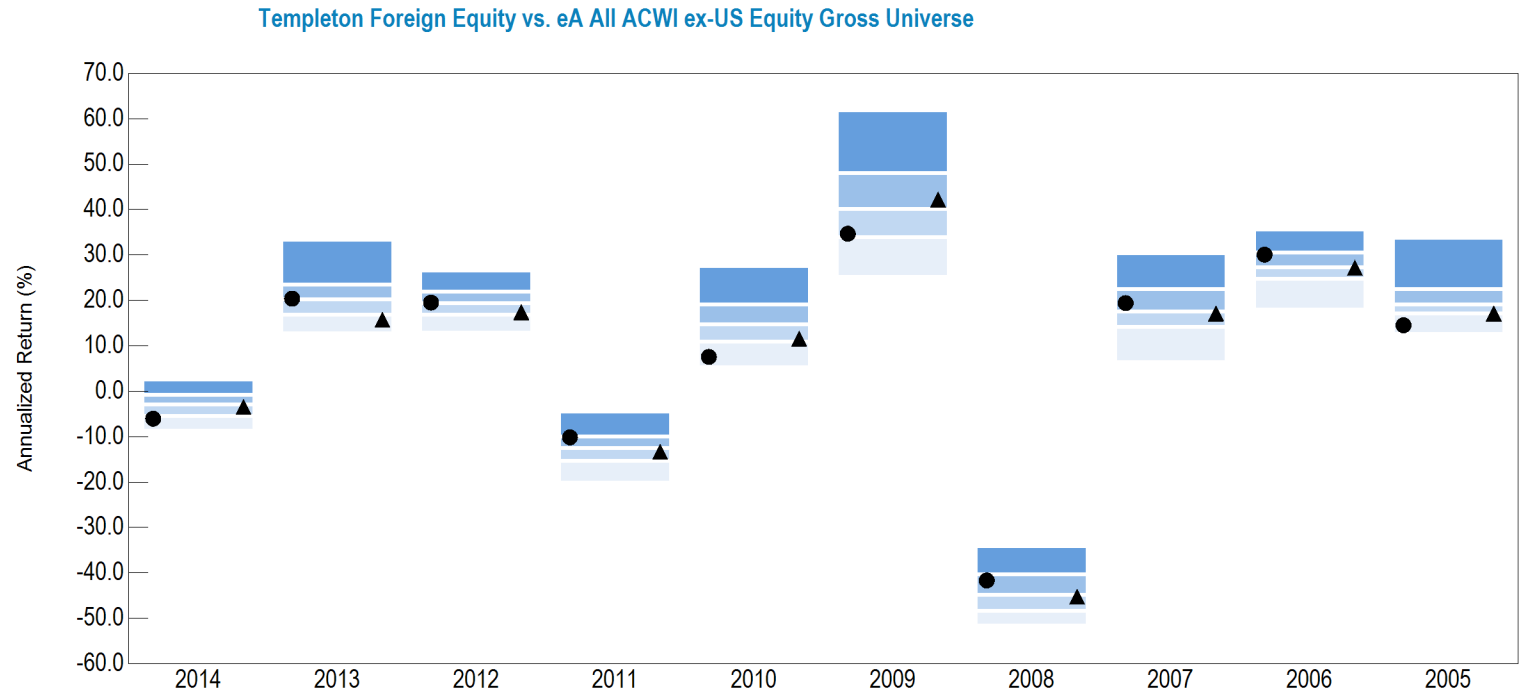
Period Ending: June 30, 2015



	Return (Rank)							
5th Percentile	5.8	12.4	7.1	7.1	18.5	15.7	9.4	11.7
25th Percentile	3.0	8.4	1.2	1.2	14.6	12.6	6.1	9.2
Median	1.5	6.3	-1.6	-1.6	12.4	10.8	4.2	7.8
75th Percentile	0.6	4.9	-4.2	-4.2	10.7	9.5	2.8	6.5
95th Percentile	-0.7	2.3	-8.0	-8.0	8.2	7.4	0.9	5.0
# of Portfolios	203	203	203	203	194	173	148	113
● Templeton Foreign Equity	0.6 (76)	6.1 (53)	-4.2 (76)	-4.2 (76)	12.3 (52)	9.4 (76)	3.5 (63)	6.8 (68)
▲ MSCI ACWI ex USA Gross	0.7 (73)	4.3 (80)	-4.8 (80)	-4.8 (80)	9.9 (85)	8.2 (91)	1.9 (88)	6.0 (88)

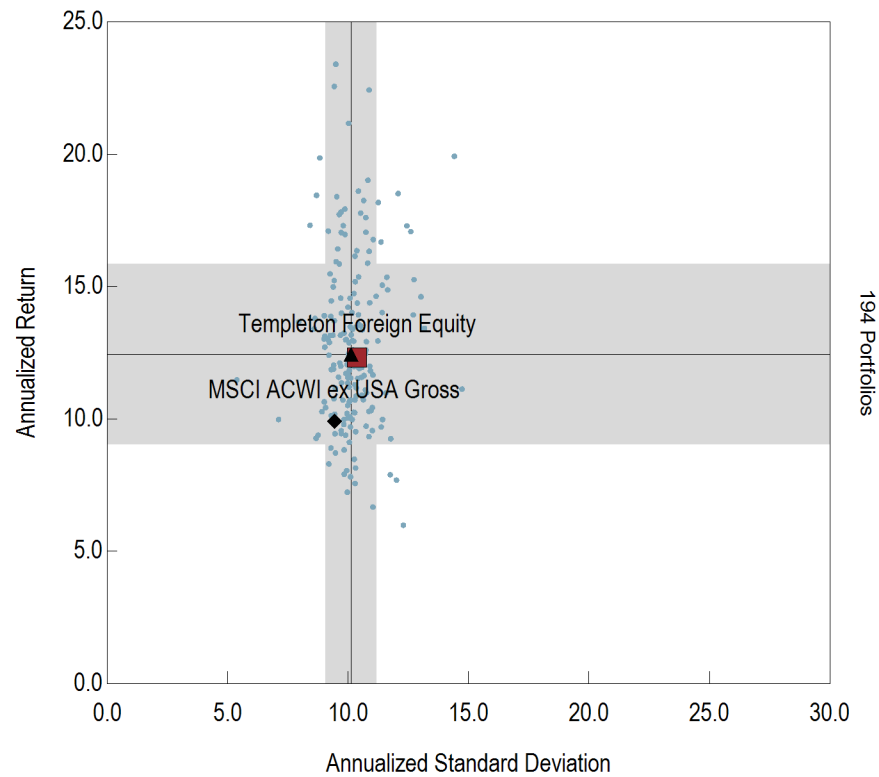
# Templeton Foreign Equity Consecutive Performance Comparison

Period Ending: June 30, 2015



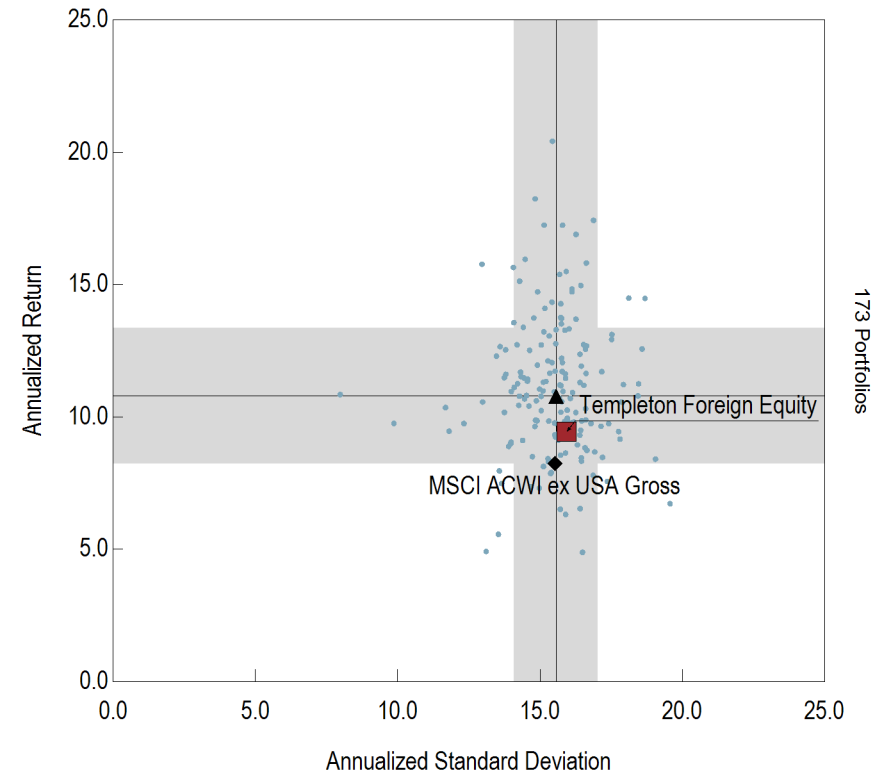
	Return (Rank)									
5th Percentile	2.5	33.2	26.5	-4.6	27.5	61.9	-34.1	30.4	35.6	33.7
25th Percentile	-0.7	23.5	22.1	-9.8	19.2	48.1	-40.2	22.5	30.6	22.5
Median	-2.9	20.2	19.5	-12.4	14.8	40.2	-44.7	17.6	27.4	19.1
75th Percentile	-5.3	16.9	16.8	-15.2	11.0	34.0	-48.3	14.3	24.8	17.3
95th Percentile	-8.7	12.8	13.0	-20.0	5.4	25.2	-51.5	6.5	18.1	12.7
# of Portfolios	190	181	174	169	153	149	136	130	117	104
● Templeton Foreign Equity	-6.0 (80)	20.4 (47)	19.5 (50)	-10.2 (28)	7.5 (92)	34.7 (74)	-41.7 (34)	19.4 (40)	30.1 (27)	14.5 (90)
▲ MSCI ACWI ex USA Gross	-3.4 (58)	15.8 (86)	17.4 (72)	-13.3 (60)	11.6 (73)	42.1 (46)	-45.2 (55)	17.1 (57)	27.1 (53)	17.1 (76)

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



- Templeton Foreign Equity
- ◆ MSCI ACWI ex USA Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA All ACWI ex-US Equity Gross

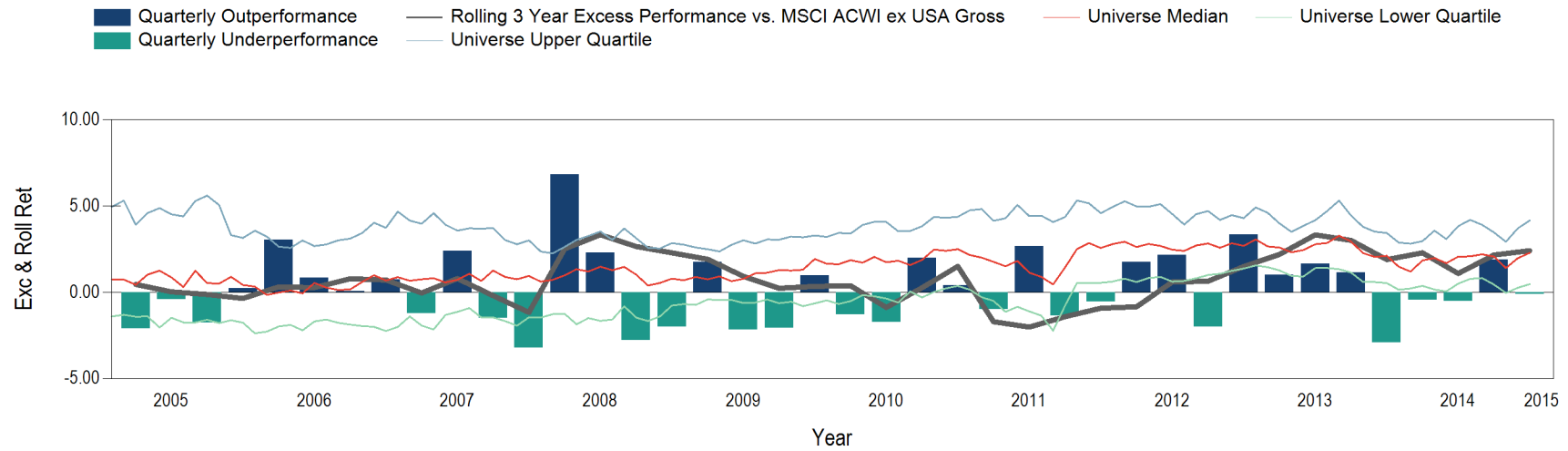
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015



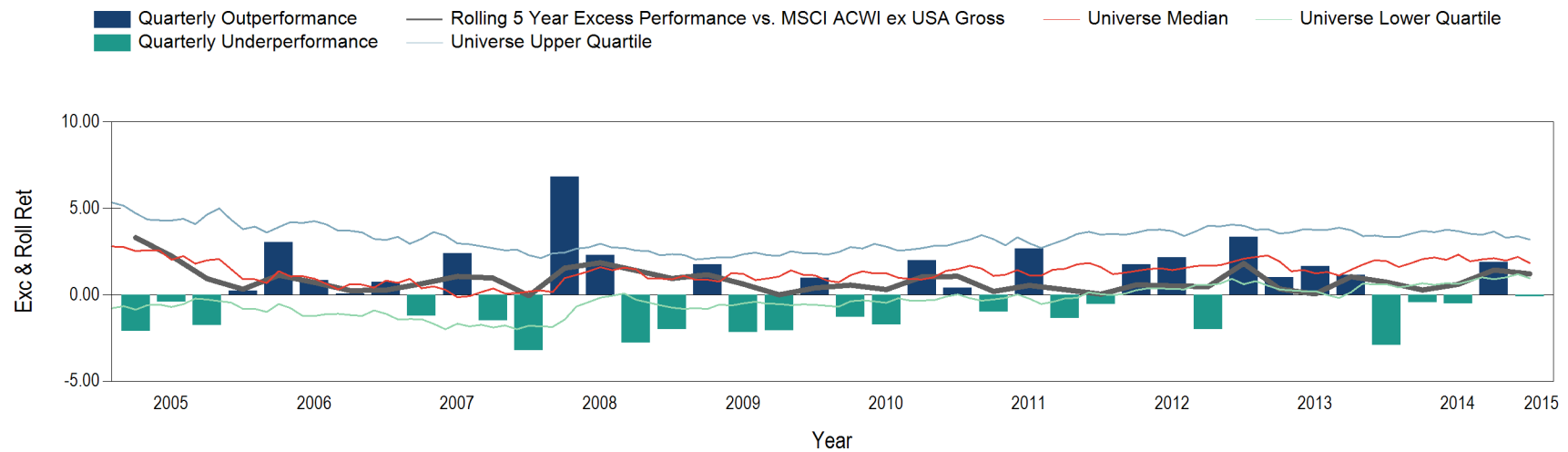
- Templeton Foreign Equity
- ◆ MSCI ACWI ex USA Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA All ACWI ex-US Equity Gross



### Rolling 3 Year Annualized Excess Performance

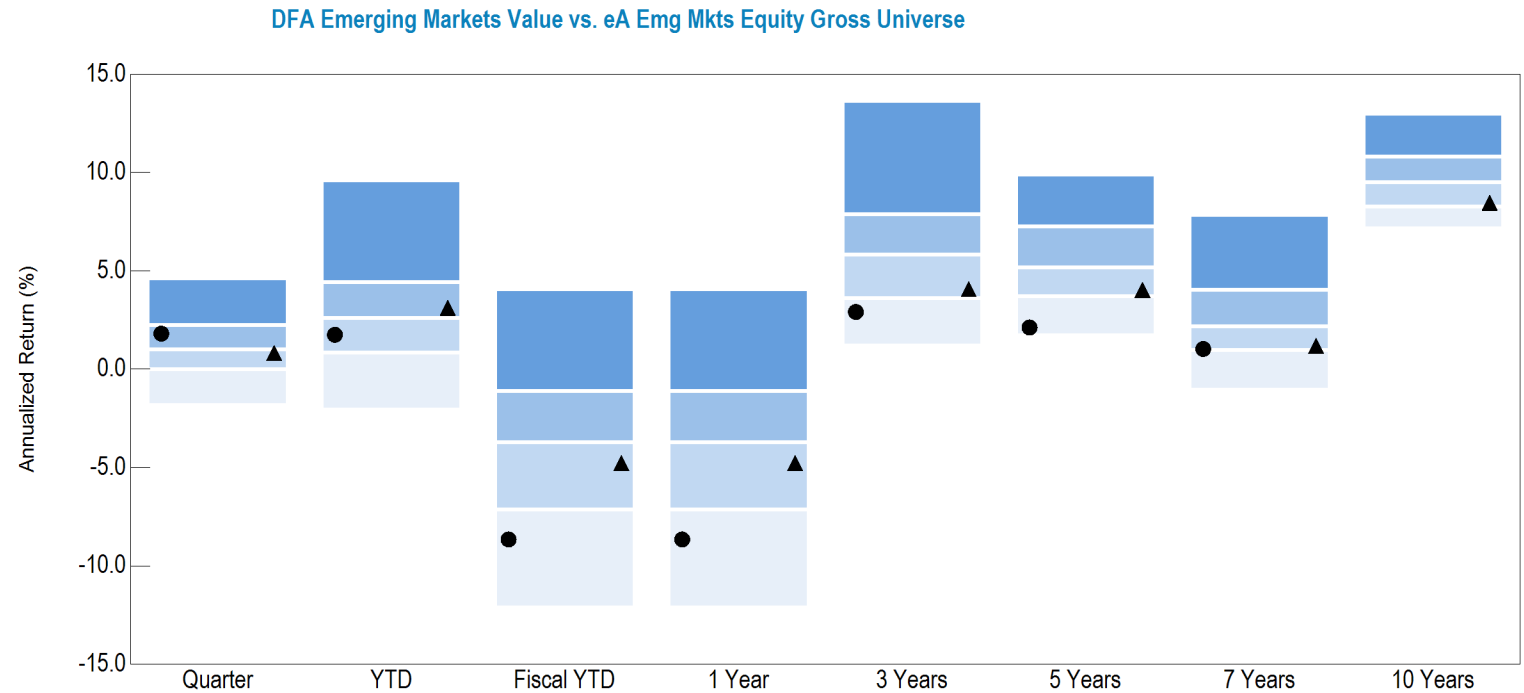


### Rolling 5 Year Annualized Excess Performance



# DFA Emerging Markets Value Cumulative Performance Comparison

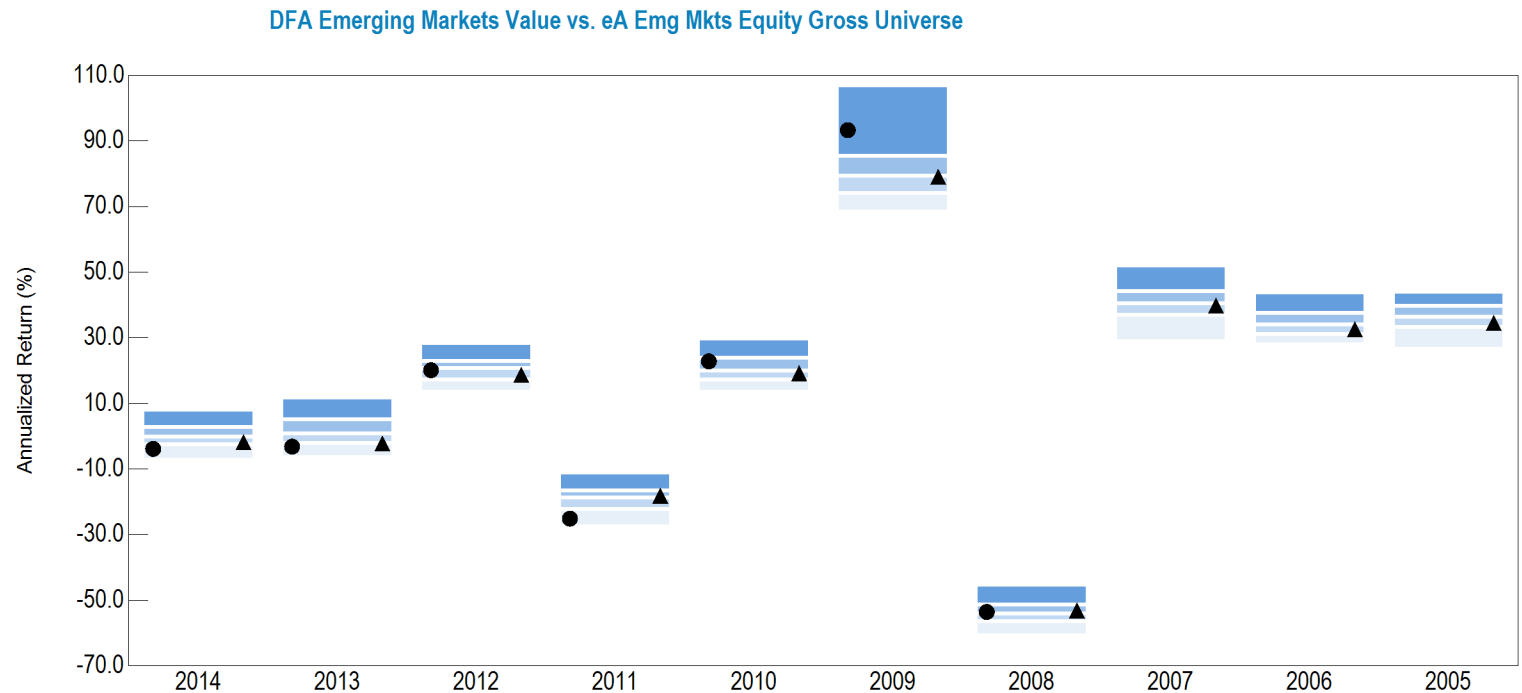
Period Ending: June 30, 2015



	Return (Rank)													
5th Percentile	4.6		9.6		4.1		4.1		13.6		9.9		7.8	
25th Percentile	2.3		4.5		-1.1		-1.1		7.9		7.3		4.0	
Median	1.0		2.6		-3.7		-3.7		5.8		5.2		2.2	
75th Percentile	0.0		0.9		-7.1		-7.1		3.6		3.7		1.0	
95th Percentile	-1.8		-2.0		-12.1		-12.1		1.2		1.7		-1.0	
# of Portfolios	242		242		241		241		207		156		133	
● DFA Emerging Markets Value	1.8	(32)	1.7	(63)	-8.7	(87)	-8.7	(87)	2.9	(84)	2.1	(93)	1.0	(75)
▲ MSCI Emerging Markets Gross	0.8	(56)	3.1	(41)	-4.8	(57)	-4.8	(57)	4.1	(69)	4.0	(70)	1.2	(73)

# DFA Emerging Markets Value Consecutive Performance Comparison

Period Ending: June 30, 2015

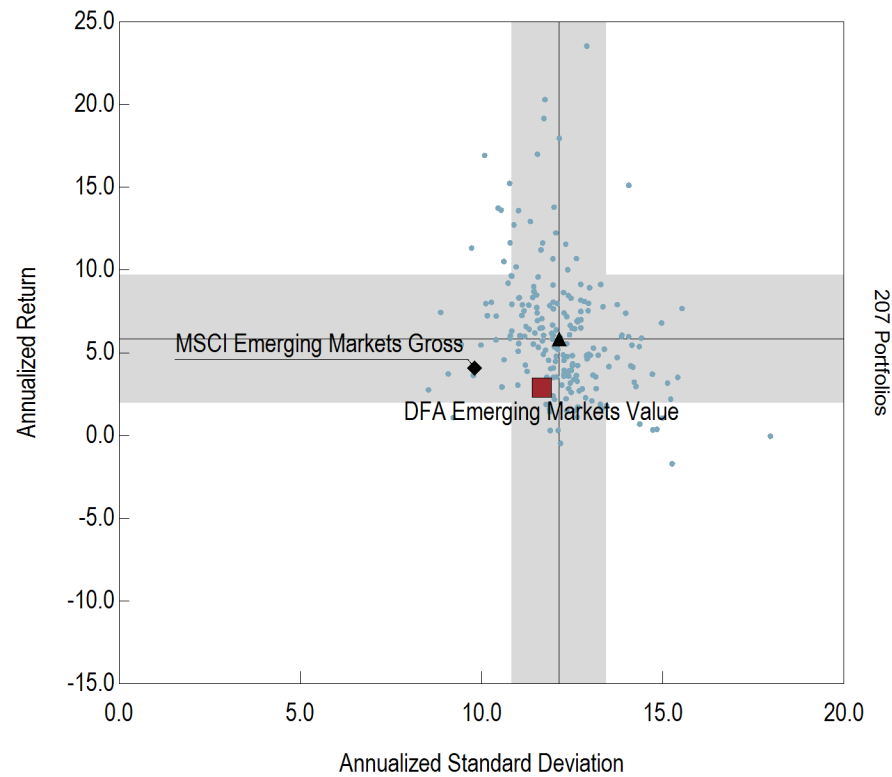


	Return (Rank)									
5th Percentile	8.0	11.7	28.4	-11.1	29.6	106.8	-45.4	51.9	43.7	43.9
25th Percentile	2.9	5.2	23.0	-16.4	23.9	85.5	-51.3	44.3	37.7	39.8
Median	-0.1	1.0	20.9	-18.6	20.1	79.5	-54.0	40.5	34.2	36.5
75th Percentile	-2.4	-2.0	17.3	-22.2	17.3	74.3	-56.3	37.1	31.2	33.4
95th Percentile	-7.0	-6.3	13.7	-27.3	13.7	68.5	-60.7	29.1	28.1	26.7
# of Portfolios	251	198	155	139	113	113	118	115	108	101
● DFA Emerging Markets Value	-3.9 (84)	-3.2 (84)	20.1 (56)	-25.2 (92)	22.8 (33)	93.3 (12)	-53.6 (44)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	-1.8 (69)	-2.3 (78)	18.6 (68)	-18.2 (45)	19.2 (62)	79.0 (54)	-53.2 (37)	39.8 (58)	32.6 (62)	34.5 (66)

# DFA Emerging Markets Value Risk vs Return Three & Five Year

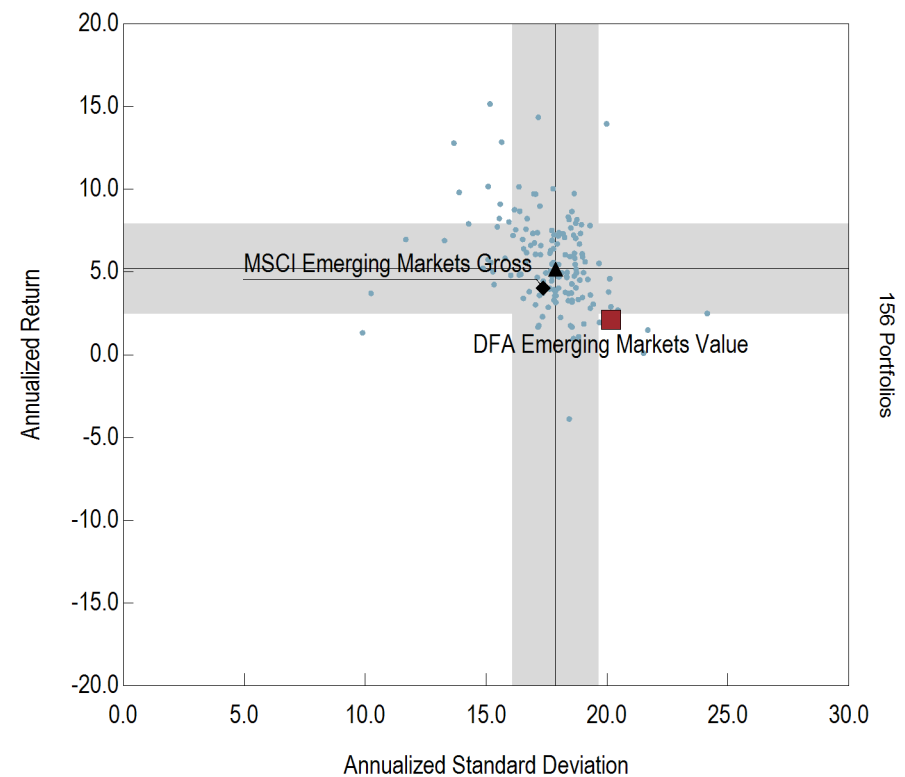
Period Ending: June 30, 2015

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



- DFA Emerging Markets Value
- ◆ MSCI Emerging Markets Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015

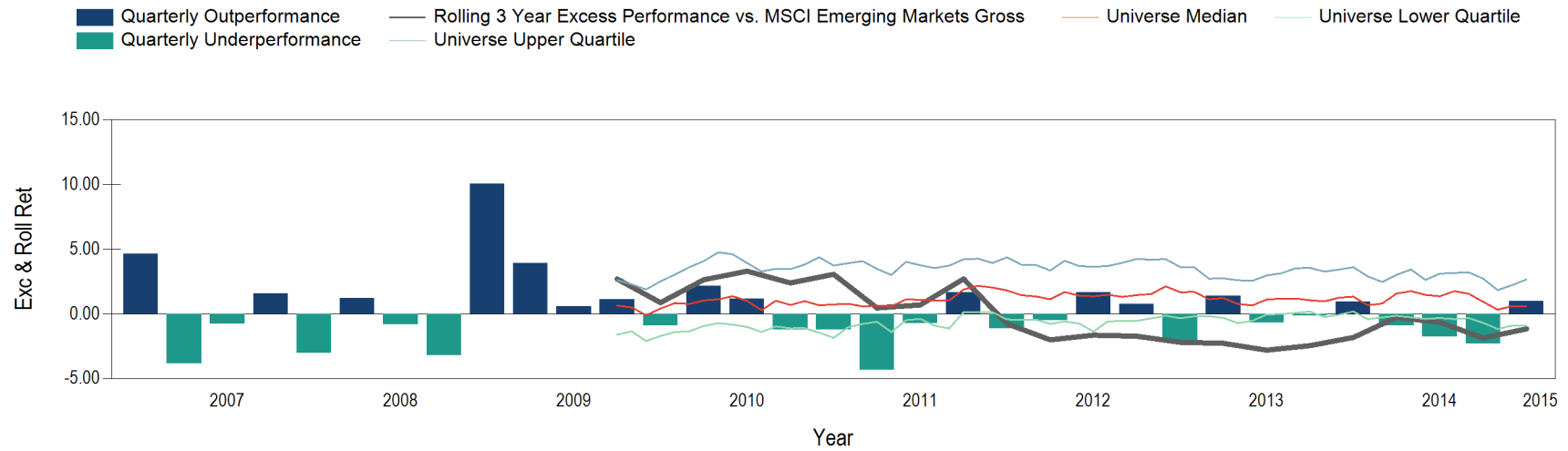


- DFA Emerging Markets Value
- ◆ MSCI Emerging Markets Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

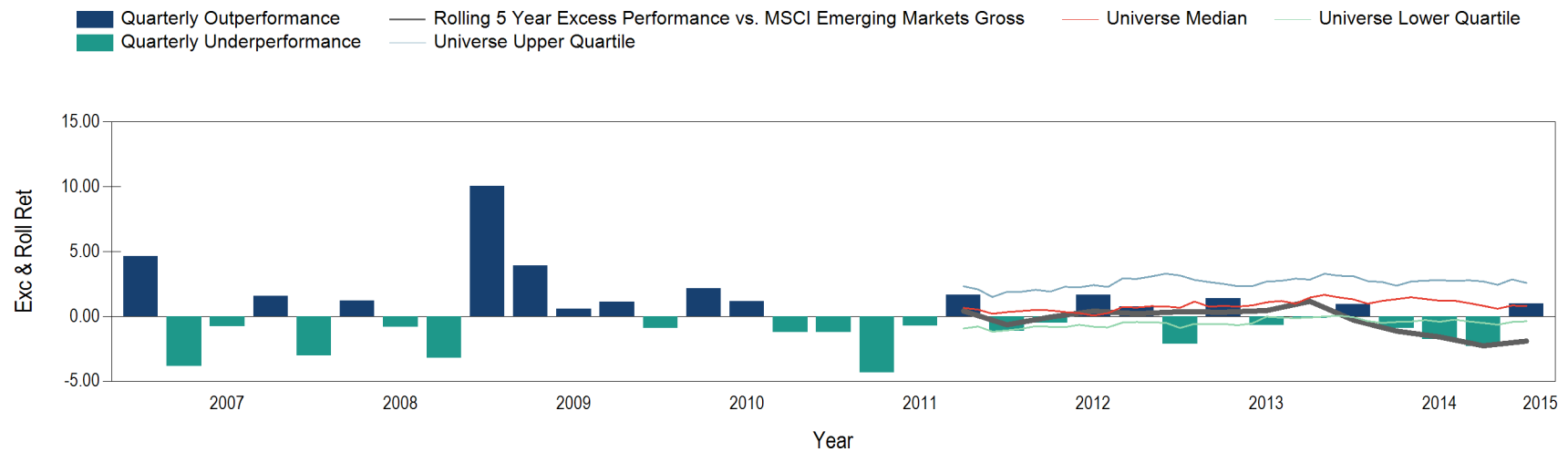
# DFA Emerging Markets Value Rolling Return Analysis

Period Ending: June 30, 2015

## Rolling 3 Year Annualized Excess Performance



## Rolling 5 Year Annualized Excess Performance

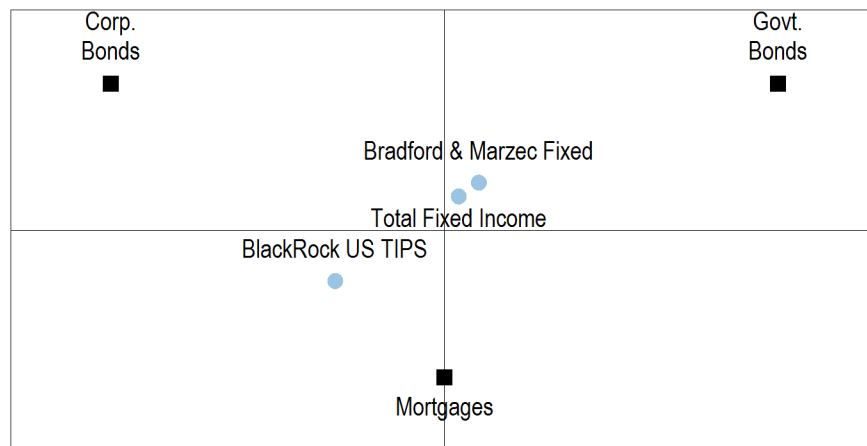


# Total Fixed Income Asset Class Overview (Gross of Fees)

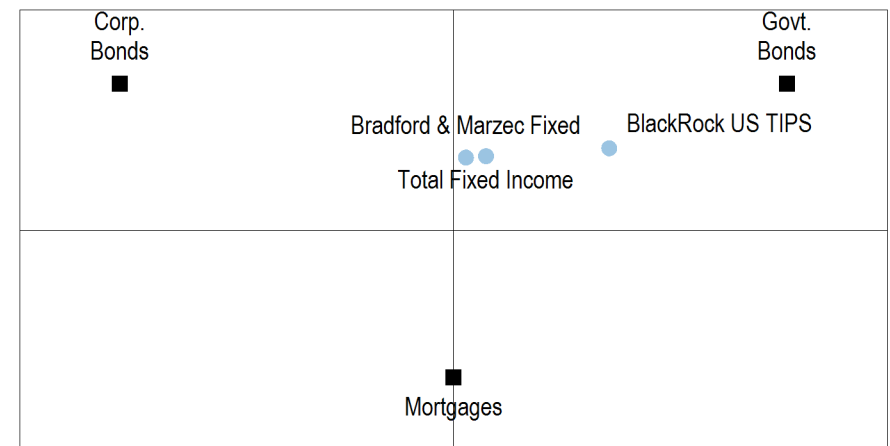
Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Fixed Income</b>	<b>189,454,219</b>	<b>-1.6</b>	<b>0.2</b>	<b>1.3</b>	<b>1.3</b>	<b>2.8</b>	<b>5.0</b>	<b>5.8</b>	<b>5.9</b>	<b>-1.7</b>	<b>9.6</b>	<b>6.8</b>	<b>10.2</b>
Barclays Aggregate		-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5
eA All US Fixed Inc Gross Rank		77	71	61	61	47	38	27	34	78	28	45	23
Bradford & Marzec Fixed	90,136,319	-1.7	0.6	2.2	2.2	3.6	5.4	6.1	7.0	-0.4	8.8	7.4	9.6
Barclays Aggregate		-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5
eA US Core Plus Fixed Inc Gross Rank		82	36	29	29	47	39	26	16	52	45	51	40
MacKay Shields Core Plus Opportunities	84,628,784	-1.5	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate		-1.7	--	--	--	--	--	--	--	--	--	--	--
eA US Core Plus Fixed Inc Gross Rank		62	--	--	--	--	--	--	--	--	--	--	--
BlackRock US TIPS	14,689,116	-1.1	0.5	-1.7	-1.7	-0.7	3.4	--	3.6	-8.5	7.1	13.7	6.4
Barclays US TIPS		-1.1	0.3	-1.7	-1.7	-0.8	3.3	--	3.6	-8.6	7.0	13.6	6.3
eA TIPS / Infl Indexed Fixed Inc Gross Rank		48	44	36	36	68	47	--	45	62	59	37	52

Fixed Income Style Map  
3 Years Ending June 30, 2015



Fixed Income Style Map  
5 Years Ending June 30, 2015



# Total Fixed Income Asset Class Overview (Net of Fees)

Period Ending: June 30, 2015

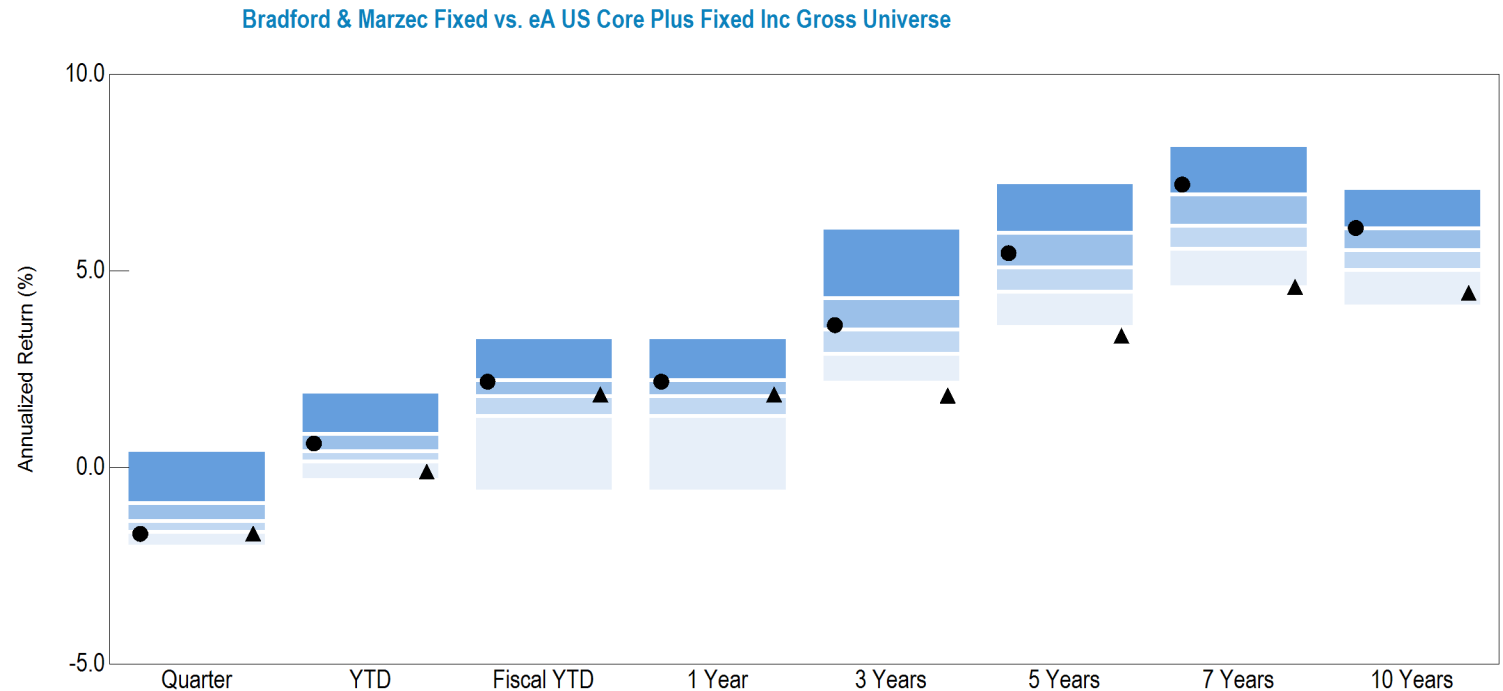
	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Fixed Income</b>	<b>189,454,219</b>	<b>-1.6</b>	<b>0.1</b>	<b>1.0</b>	<b>1.0</b>	<b>2.5</b>	<b>4.7</b>	<b>5.5</b>	<b>5.6</b>	<b>-2.0</b>	<b>9.3</b>	<b>6.5</b>	<b>9.9</b>
<i>Barclays Aggregate</i>		-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5
Bradford & Marzec Fixed	90,136,319	-1.8	0.5	1.9	1.9	3.3	5.1	5.8	6.7	-0.8	8.5	7.1	9.3
<i>Barclays Aggregate</i>		-1.7	-0.1	1.9	1.9	1.8	3.3	4.4	6.0	-2.0	4.2	7.8	6.5
Mackay Shields Core Plus Opportunities	84,628,784	-1.6	--	--	--	--	--	--	--	--	--	--	--
<i>Barclays Aggregate</i>		-1.7	--	--	--	--	--	--	--	--	--	--	--
BlackRock US TIPS	14,689,116	-1.1	0.5	-1.7	-1.7	-0.8	3.3	--	3.6	-8.6	7.0	13.6	6.3
<i>Barclays US TIPS</i>		-1.1	0.3	-1.7	-1.7	-0.8	3.3	--	3.6	-8.6	7.0	13.6	6.3

## Correlation Matrix Last 5 Years

	Total Fixed Income	Bradford & Marzec Fixed	Mackay Shields Core Plus Opportunities	BlackRock US TIPS	Barclays Aggregate
Total Fixed Income	1.00	--	--	--	--
Bradford & Marzec Fixed	0.98	1.00	--	--	--
Mackay Shields Core Plus Opportunities	--	--	--	--	--
BlackRock US TIPS	0.81	0.77	--	1.00	--
Barclays Aggregate	0.76	0.75	--	0.85	1.00

# Bradford & Marzec Fixed Cumulative Performance Comparison

Period Ending: June 30, 2015

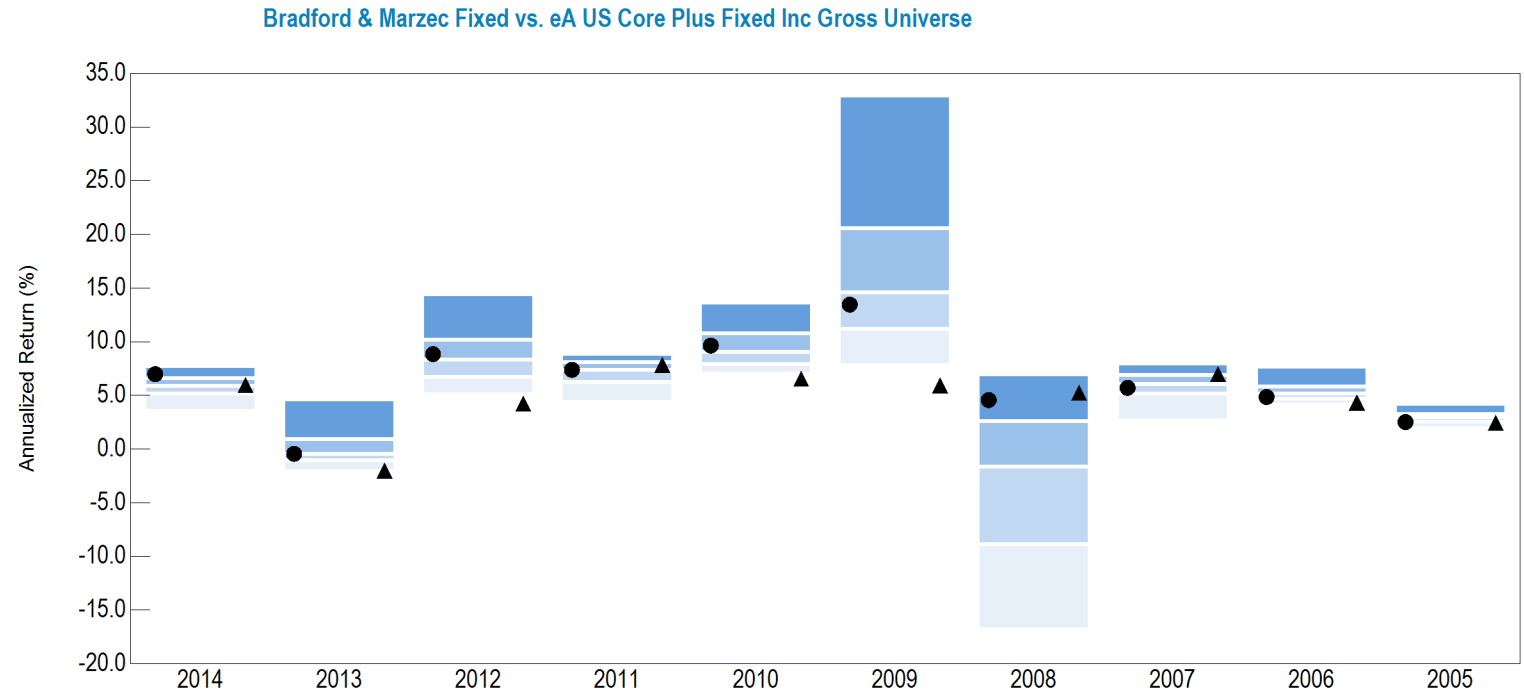


	Return (Rank)													
5th Percentile	0.4		1.9		3.3		3.3		6.1		7.2		8.2	
25th Percentile	-0.9		0.9		2.2		2.2		4.3		6.0		7.0	
Median	-1.4		0.4		1.8		1.8		3.5		5.1		6.2	
75th Percentile	-1.6		0.2		1.3		1.3		2.9		4.5		5.6	
95th Percentile	-2.0		-0.3		-0.6		-0.6		2.2		3.6		4.6	
# of Portfolios	118		118		118		118		117		113		103	
● Bradford & Marzec Fixed	-1.7	(82)	0.6	(36)	2.2	(29)	2.2	(29)	3.6	(47)	5.4	(39)	7.2	(21)
▲ Barclays Aggregate	-1.7	(81)	-0.1	(92)	1.9	(47)	1.9	(47)	1.8	(98)	3.3	(98)	4.6	(95)
													6.1	(26)
													4.4	(93)



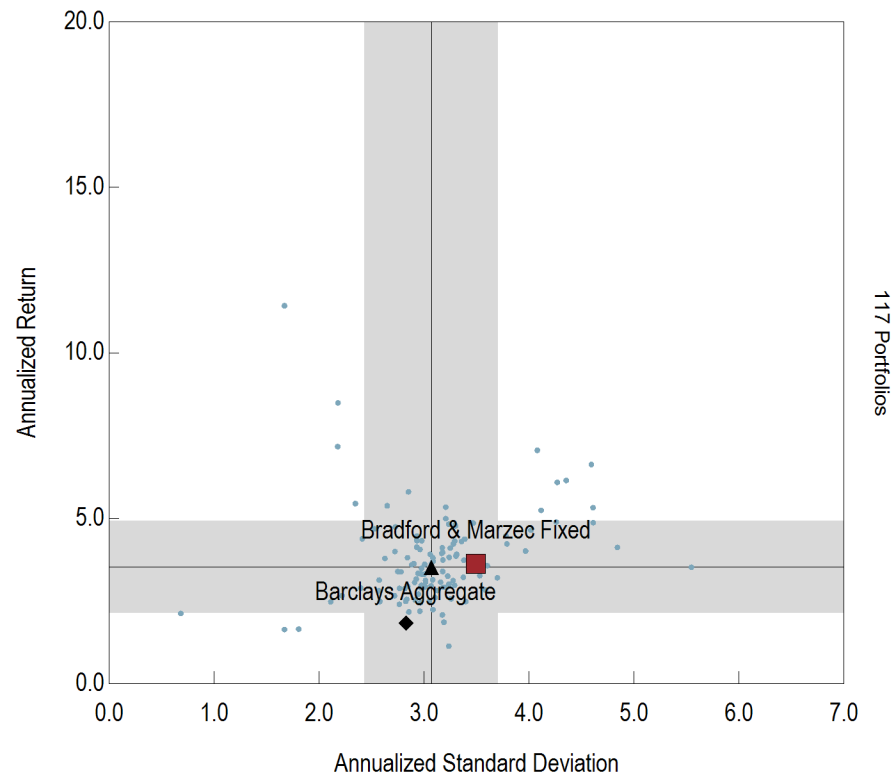
# Bradford & Marzec Fixed Consecutive Performance Comparison

Period Ending: June 30, 2015



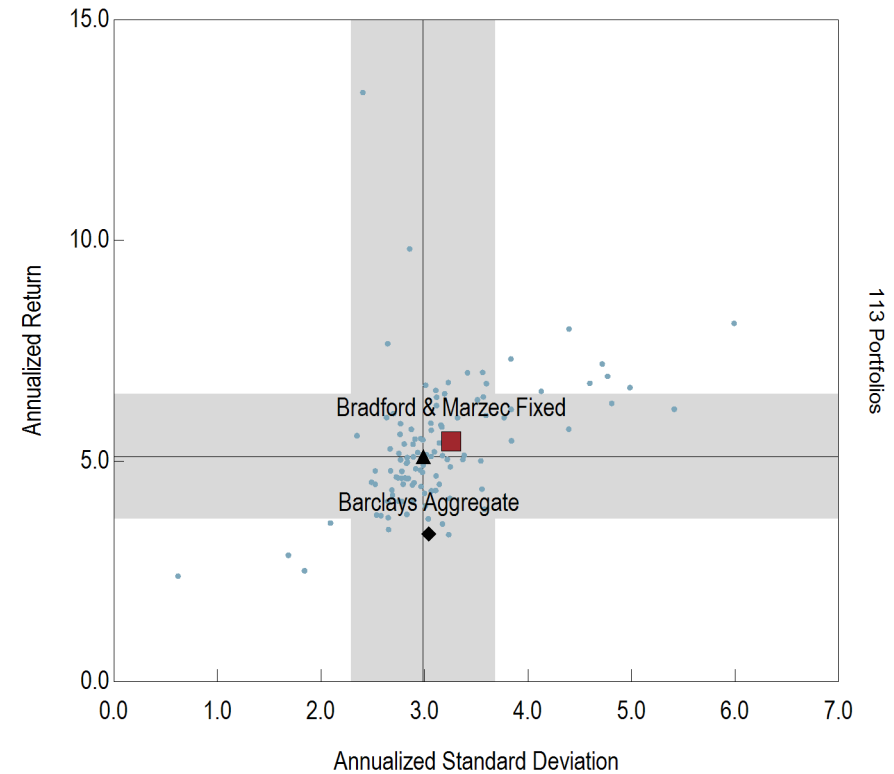
	Return (Rank)									
5th Percentile	7.7	4.6	14.4	8.8	13.6	32.9	6.9	7.9	7.6	4.2
25th Percentile	6.7	1.0	10.2	8.1	10.8	20.6	2.7	6.9	5.9	3.3
Median	5.9	-0.4	8.3	7.4	9.1	14.6	-1.6	6.1	5.2	3.0
75th Percentile	5.2	-1.0	6.7	6.3	8.0	11.2	-8.9	5.2	4.7	2.6
95th Percentile	3.6	-2.0	5.1	4.4	7.0	7.8	-16.8	2.7	4.2	2.0
# of Portfolios	118	116	124	118	123	128	136	144	146	141
● Bradford & Marzec Fixed	7.0 (16)	-0.4 (52)	8.8 (45)	7.4 (51)	9.6 (40)	13.5 (55)	4.6 (17)	5.7 (66)	4.8 (67)	2.5 (77)
▲ Barclays Aggregate	6.0 (50)	-2.0 (96)	4.2 (97)	7.8 (37)	6.5 (97)	5.9 (99)	5.2 (13)	7.0 (25)	4.3 (90)	2.4 (80)

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



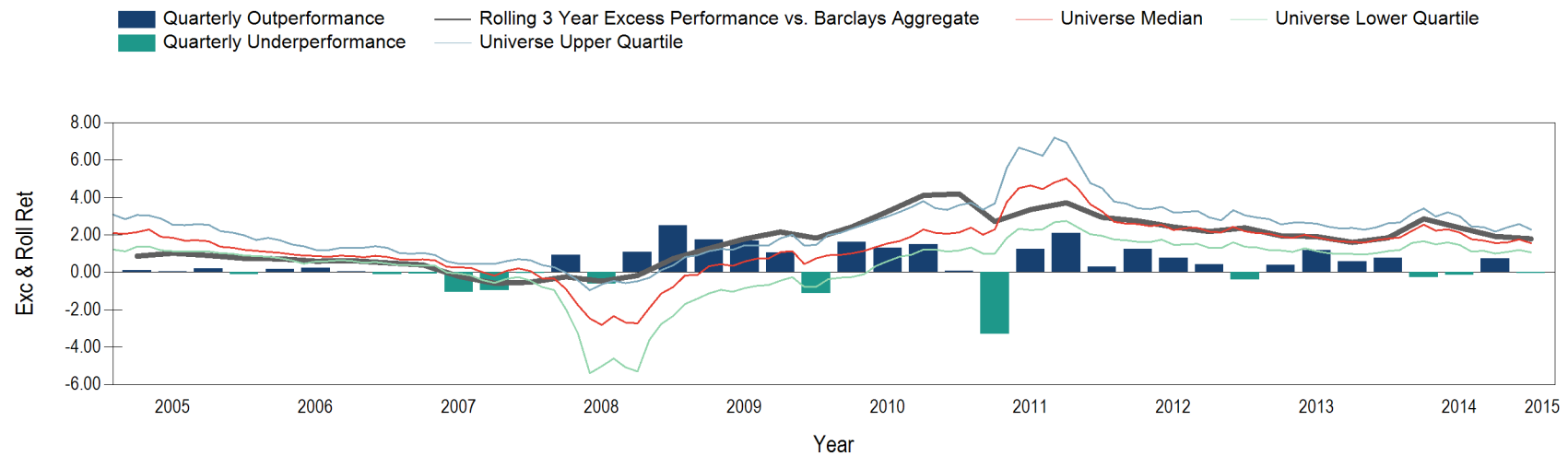
- Bradford & Marzec Fixed
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- eA US Core Plus Fixed Inc Gross

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015

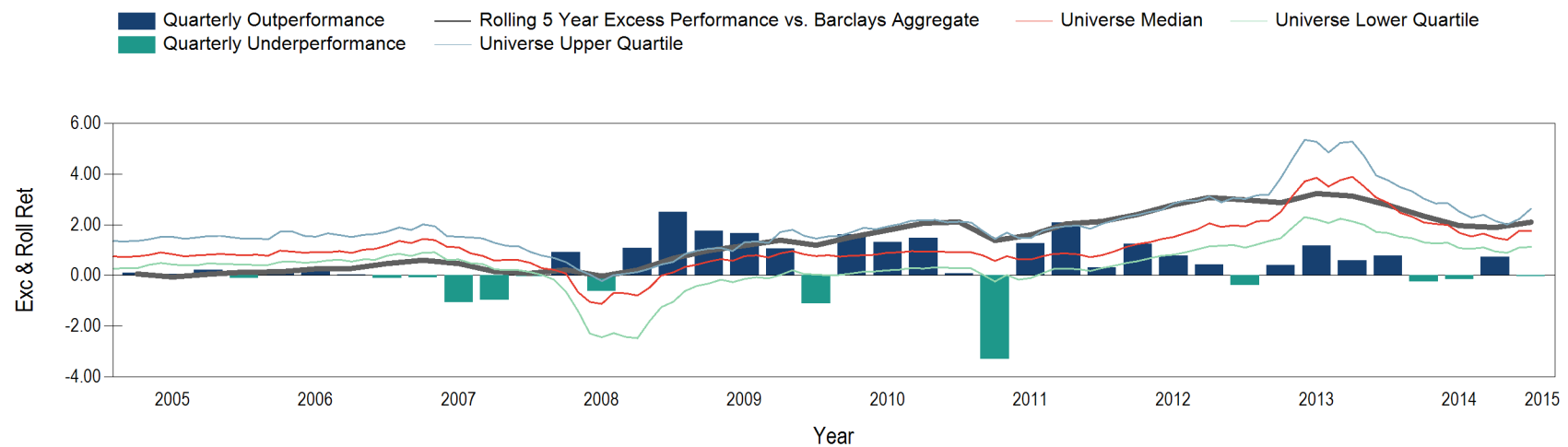


- Bradford & Marzec Fixed
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- eA US Core Plus Fixed Inc Gross

### Rolling 3 Year Annualized Excess Performance

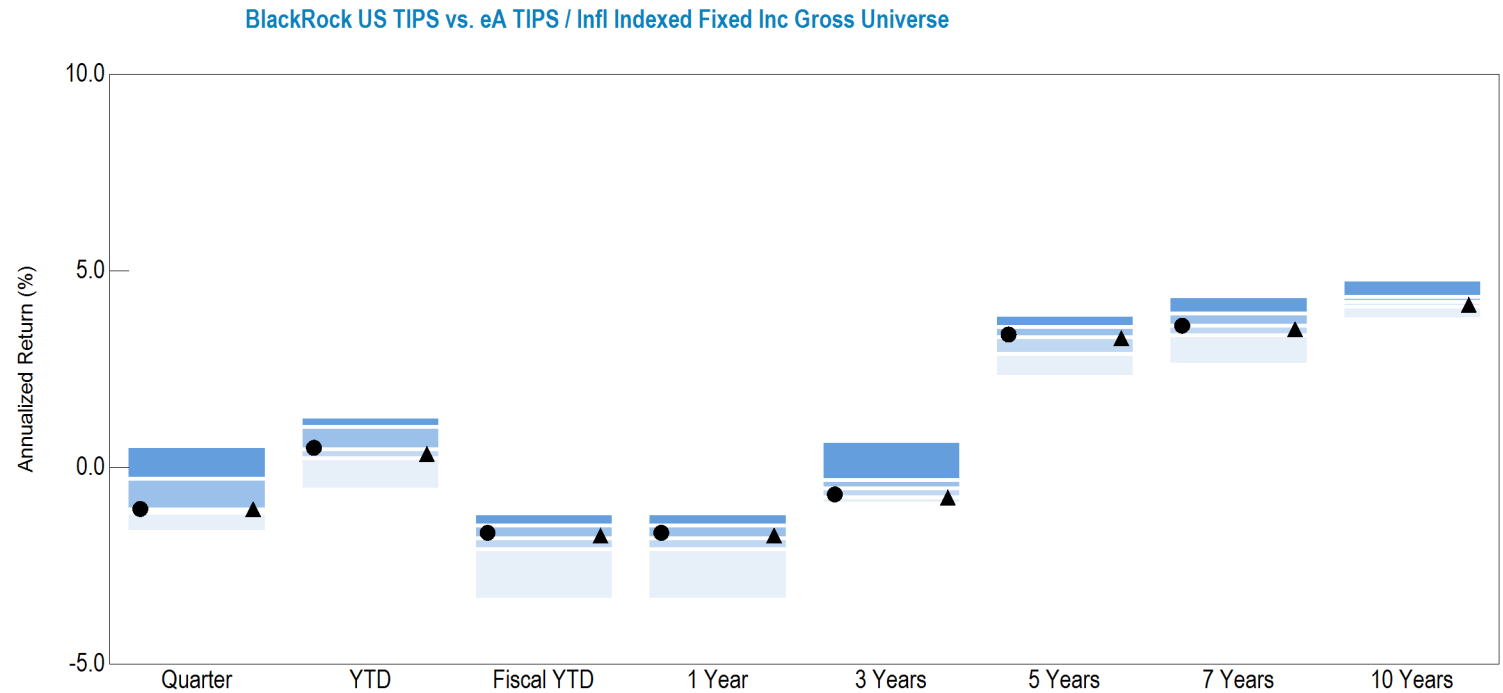


### Rolling 5 Year Annualized Excess Performance



# BlackRock US TIPS Cumulative Performance Comparison

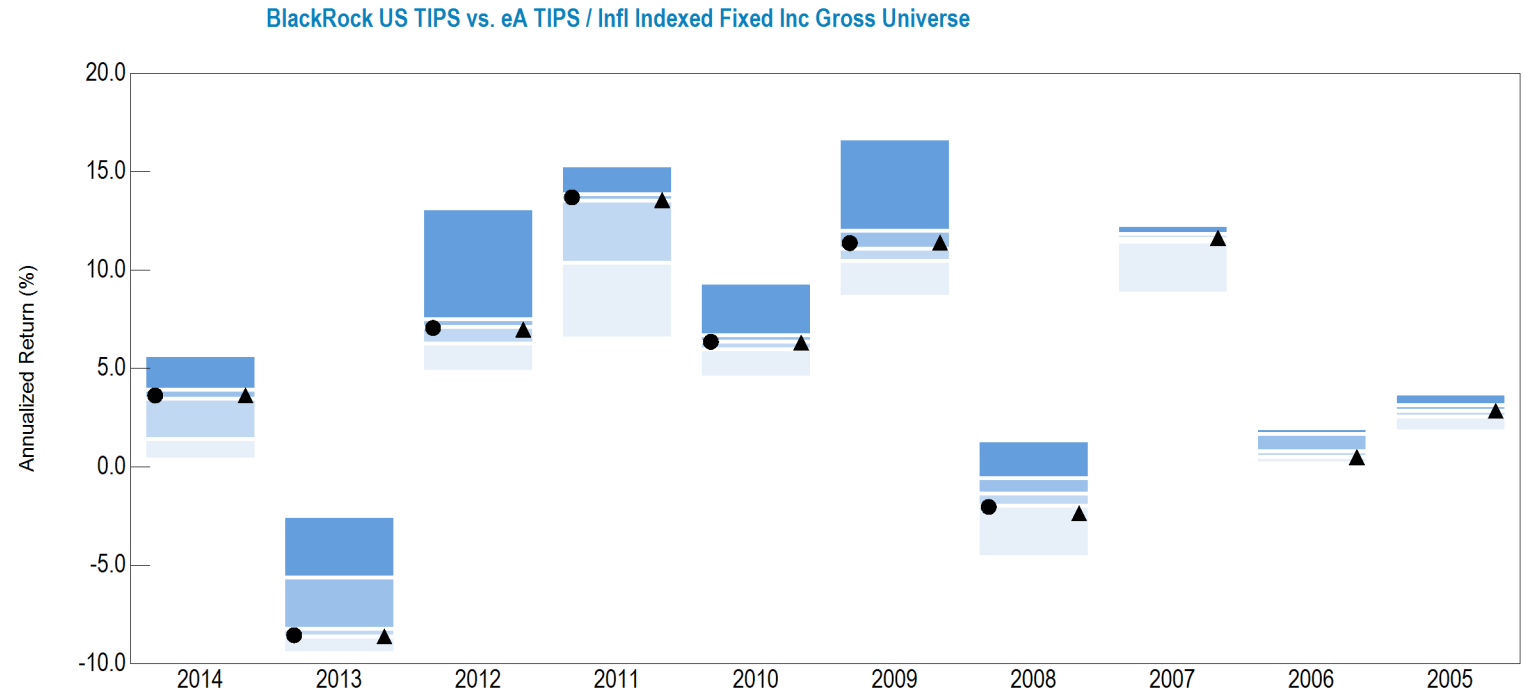
Period Ending: June 30, 2015



	Return (Rank)											
5th Percentile	0.5		1.3		-1.2		-1.2		0.7		3.9	
25th Percentile	-0.3		1.0		-1.5		-1.5		-0.3		3.6	
Median	-1.1		0.5		-1.8		-1.8		-0.5		3.3	
75th Percentile	-1.1		0.3		-2.1		-2.1		-0.7		2.9	
95th Percentile	-1.6		-0.5		-3.4		-3.4		-0.9		2.3	
# of Portfolios	44		44		44		44		44		40	
● BlackRock US TIPS	-1.1	(48)	0.5	(44)	-1.7	(36)	-1.7	(36)	-0.7	(68)	3.4	(47)
▲ Barclays US TIPS	-1.1	(50)	0.3	(61)	-1.7	(42)	-1.7	(42)	-0.8	(77)	3.3	(58)
											3.6	(53)
											4.1	(66)
											--	(--)
											4.1	(68)

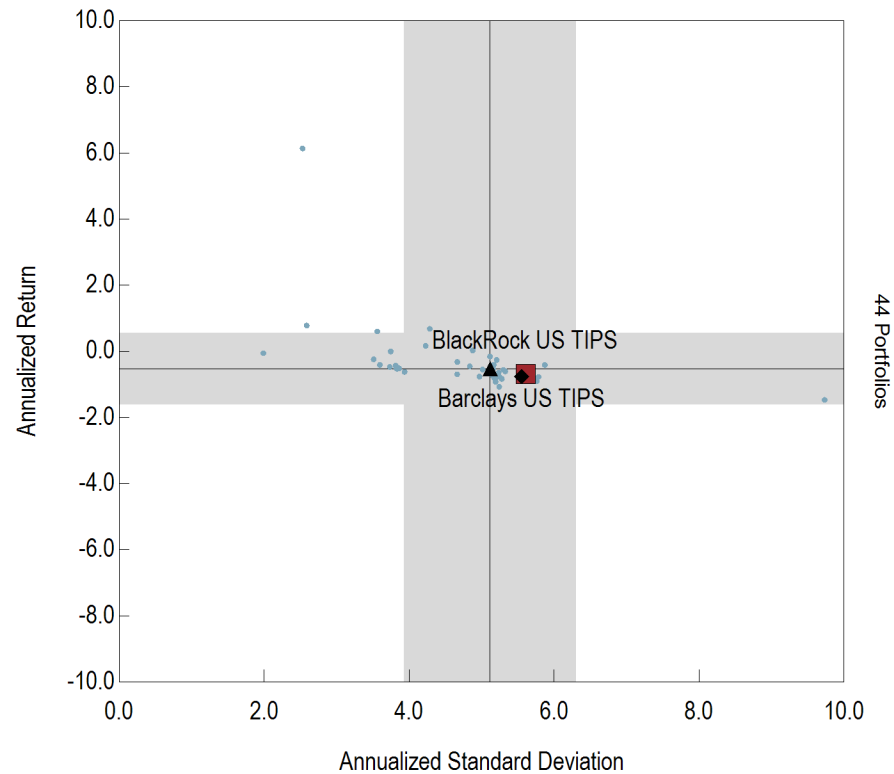
# BlackRock US TIPS Consecutive Performance Comparison

Period Ending: June 30, 2015



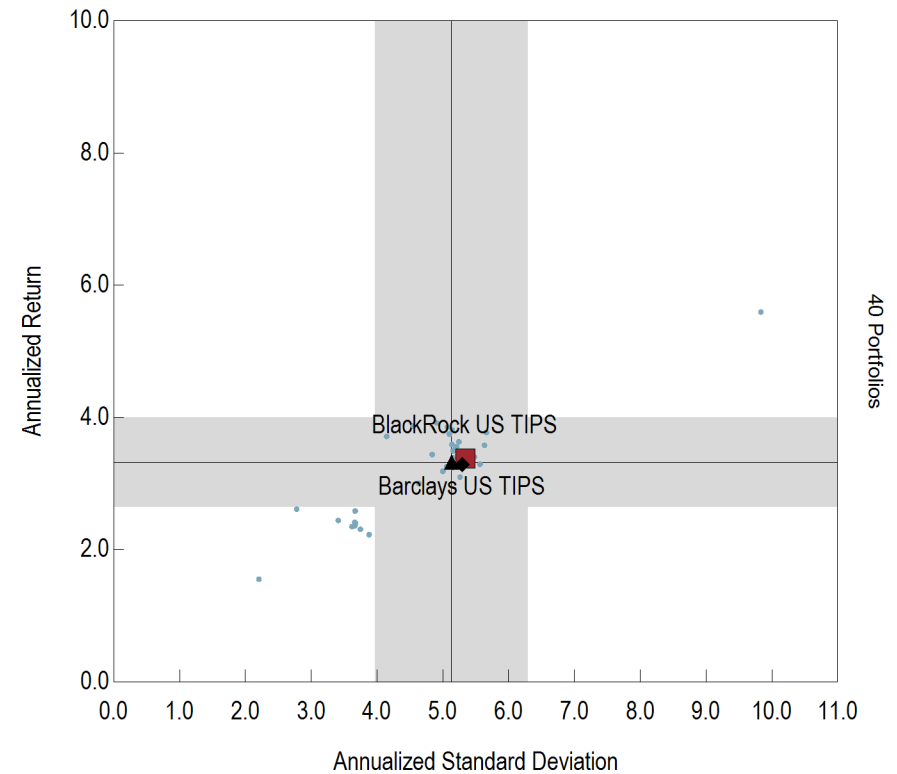
	Return (Rank)									
5th Percentile	5.7	-2.5	13.1	15.3	9.4	16.7	1.3	12.3	2.0	3.7
25th Percentile	4.0	-5.6	7.5	13.9	6.7	12.0	-0.5	11.8	1.7	3.2
Median	3.5	-8.2	7.1	13.5	6.4	11.1	-1.4	11.6	0.8	2.9
75th Percentile	1.4	-8.6	6.3	10.4	6.0	10.5	-1.9	11.5	0.5	2.6
95th Percentile	0.4	-9.4	4.9	6.6	4.6	8.7	-4.6	8.8	0.2	1.8
# of Portfolios	50	43	43	47	39	37	40	37	35	34
● BlackRock US TIPS	3.6 (45)	-8.5 (62)	7.1 (59)	13.7 (37)	6.4 (52)	11.4 (36)	-2.0 (78)	-- (--)	-- (--)	-- (--)
▲ Barclays US TIPS	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)

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



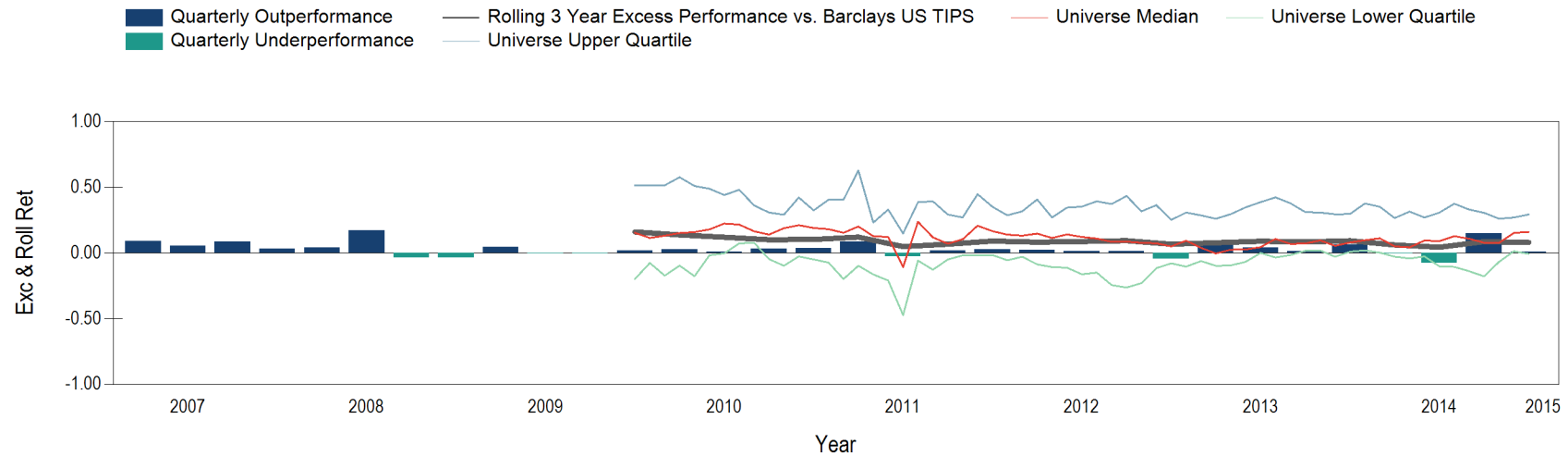
- BlackRock US TIPS
- ◆ Barclays US TIPS
- ▲ Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015

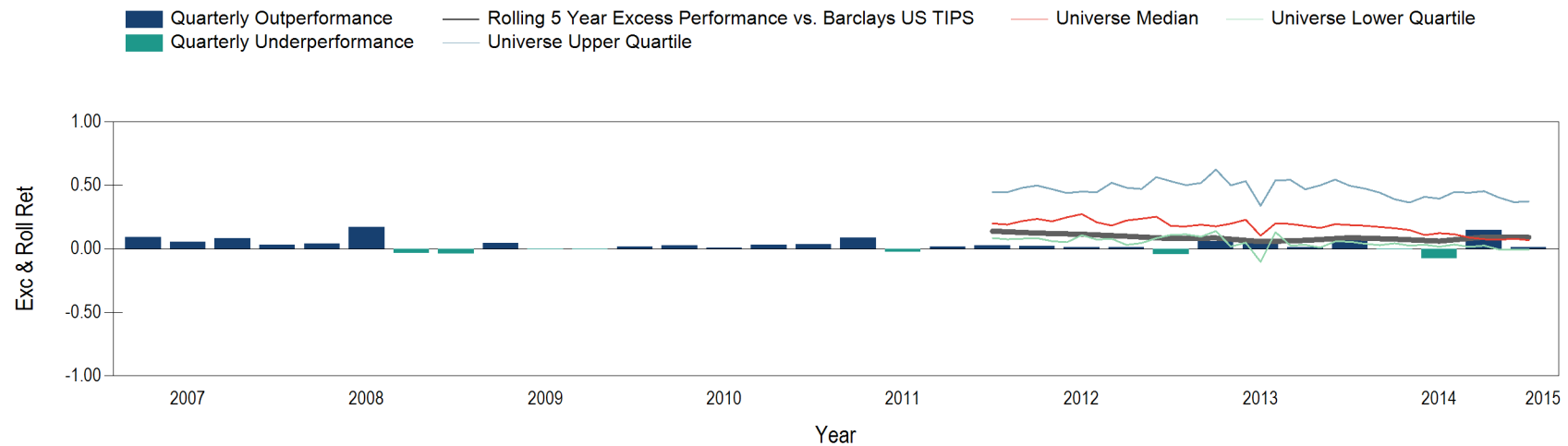


- BlackRock US TIPS
- ◆ Barclays US TIPS
- ▲ Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

### Rolling 3 Year Annualized Excess Performance



### Rolling 5 Year Annualized Excess Performance

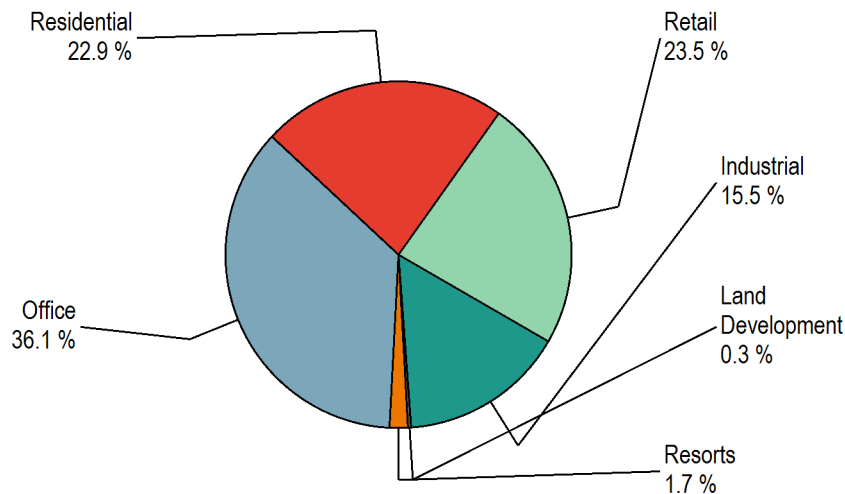


# Total Real Estate Asset Class Overview (Gross of Fees)

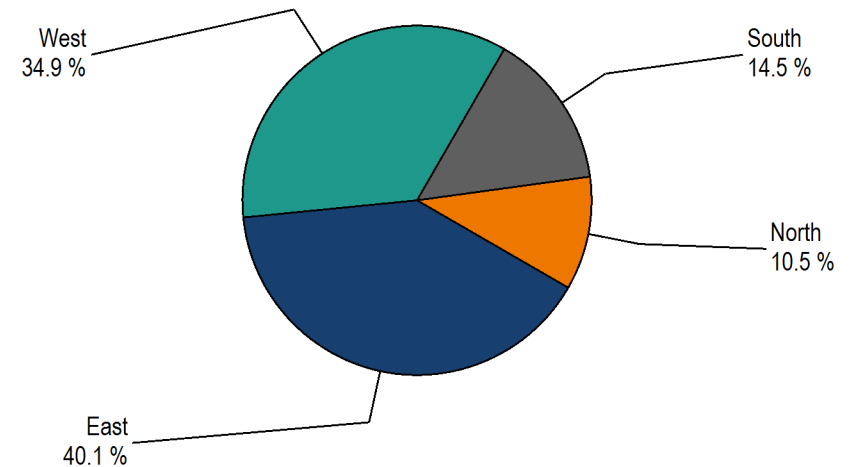
Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Real Estate</b>	<b>55,389,290</b>	<b>4.8</b>	<b>8.0</b>	<b>16.4</b>	<b>16.4</b>	<b>12.9</b>	<b>14.9</b>	<b>--</b>	<b>13.0</b>	<b>12.6</b>	<b>10.6</b>	<b>14.9</b>	<b>18.0</b>
NCREIF Property Index		3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1
NCREIF-ODCE		3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4
ASB Real Estate	27,283,315	5.2	8.1	16.4	16.4	--	--	--	13.5	13.7	--	--	--
NCREIF Property Index		3.1	6.8	13.0	13.0	--	--	--	11.8	11.0	--	--	--
NCREIF-ODCE		3.8	7.3	14.4	14.4	--	--	--	12.5	13.9	--	--	--
Clarion Lion	26,713,684	4.7	8.3	17.2	17.2	13.3	15.9	--	13.2	12.8	10.9	18.7	19.4
NCREIF Property Index		3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1
NCREIF-ODCE		3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4
1221 State St. Corp	1,392,291	0.0	0.0	0.0	0.0	0.0	-1.2	--	0.0	0.0	0.1	-9.0	3.7

Property Type Allocation  
Allocation as of June 30, 2015



Geographic Diversification  
Allocation as of June 30, 2015



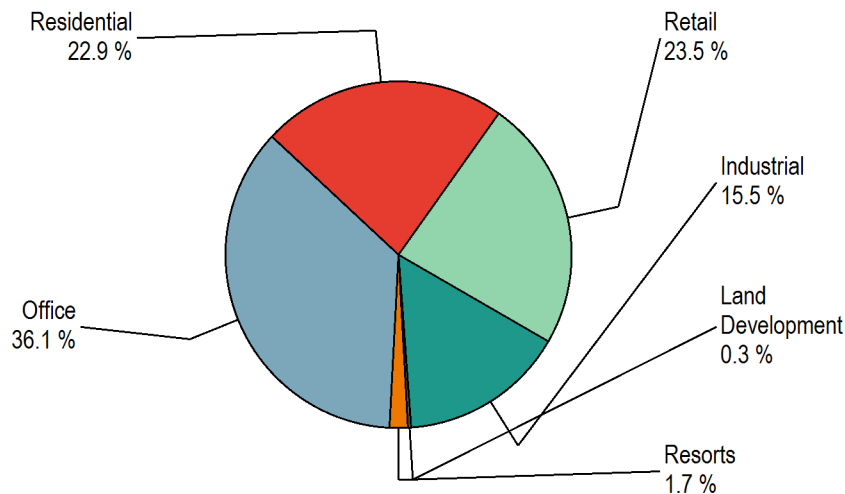


# Total Real Estate Asset Class Overview (Net of Fees)

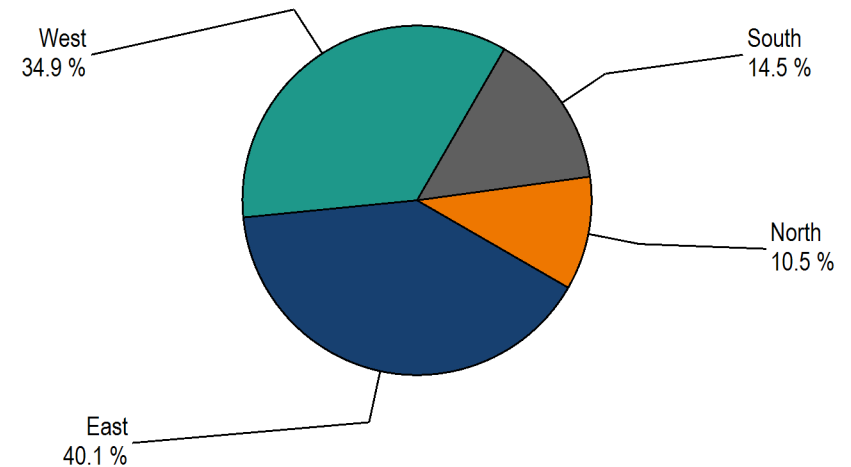
Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Real Estate</b>	<b>55,389,290</b>	<b>4.6</b>	<b>7.5</b>	<b>15.2</b>	<b>15.2</b>	<b>12.1</b>	<b>14.0</b>	<b>--</b>	<b>11.6</b>	<b>12.1</b>	<b>10.3</b>	<b>14.2</b>	<b>16.7</b>
NCREIF Property Index		3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1
NCREIF-ODCE		3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4
ASB Real Estate	27,283,315	5.0	7.6	15.3	15.3	--	--	--	12.5	12.5	--	--	--
NCREIF Property Index		3.1	6.8	13.0	13.0	--	--	--	11.8	11.0	--	--	--
NCREIF-ODCE		3.8	7.3	14.4	14.4	--	--	--	12.5	13.9	--	--	--
Clarion Lion	26,713,684	4.5	7.9	16.2	16.2	12.3	14.9	--	12.2	11.8	9.9	17.8	18.2
NCREIF Property Index		3.1	6.8	13.0	13.0	11.6	12.7	--	11.8	11.0	10.5	14.3	13.1
NCREIF-ODCE		3.8	7.3	14.4	14.4	13.1	14.4	--	12.5	13.9	10.9	16.0	16.4
1221 State St. Corp	1,392,291	0.0	0.0	0.0	0.0	0.0	-1.2	--	0.0	0.0	0.1	-9.0	3.7

Property Type Allocation  
Allocation as of June 30, 2015



Geographic Diversification  
Allocation as of June 30, 2015

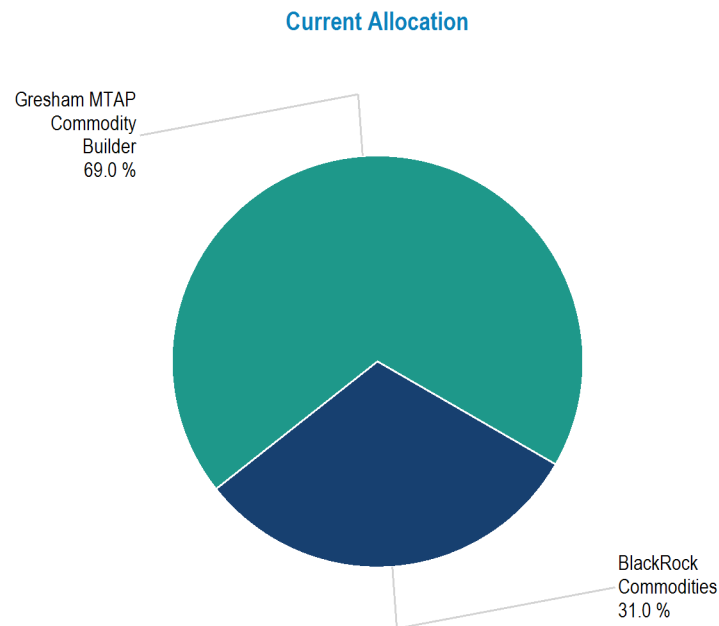


# Total Commodities

## Asset Class Summary (Gross of Fees)

Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Commodities</b>	<b>17,225,365</b>	<b>4.2</b>	<b>-1.4</b>	<b>-23.0</b>	<b>-23.0</b>	<b>-8.4</b>	<b>-3.6</b>	<b>--</b>	<b>-16.3</b>	<b>-9.3</b>	<b>-0.9</b>	<b>-13.2</b>	<b>17.0</b>
<i>Bloomberg Commodity Index TR USD</i>		4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8
BlackRock Commodities	5,345,872	4.6	-1.6	-23.7	-23.7	-8.7	-3.8	--	-17.0	-9.4	-0.9	-13.2	17.0
<i>Bloomberg Commodity Index TR USD</i>		4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8
Gresham MTAP Commodity Builder	11,879,493	4.0	-1.3	-22.7	-22.7	--	--	--	-16.1	--	--	--	--
<i>Bloomberg Commodity Index TR USD</i>		4.7	-1.6	-23.7	-23.7	--	--	--	-17.0	--	--	--	--

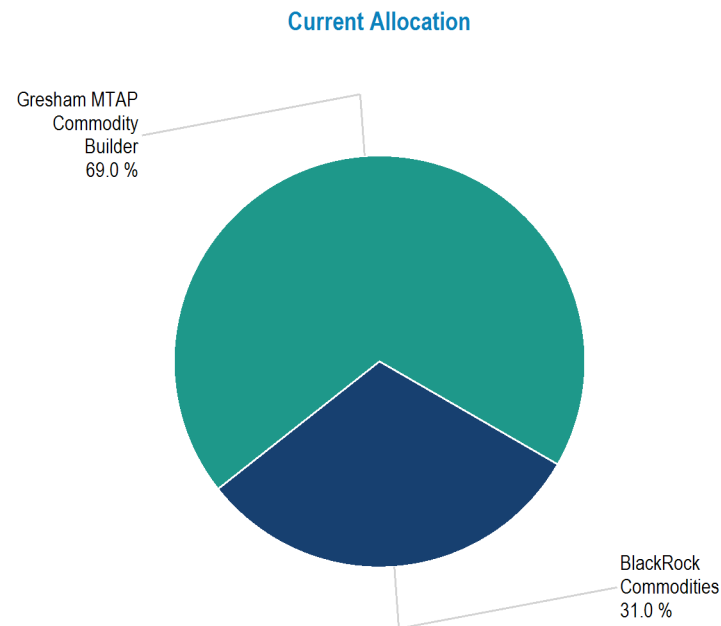


# Total Commodities

## Asset Class Summary (Net of Fees)

Period Ending: June 30, 2015

	Market Value	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
<b>Total Commodities</b>	<b>17,225,365</b>	<b>4.0</b>	<b>-1.7</b>	<b>-23.5</b>	<b>-23.5</b>	<b>-8.8</b>	<b>-4.7</b>	<b>--</b>	<b>-16.9</b>	<b>-9.5</b>	<b>-1.2</b>	<b>-13.5</b>	<b>12.4</b>
<i>Bloomberg Commodity Index TR USD</i>		4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8
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<i>Bloomberg Commodity Index TR USD</i>		4.7	-1.6	-23.7	-23.7	-8.8	-3.9	--	-17.0	-9.5	-1.1	-13.3	16.8
Gresham MTAP Commodity Builder	11,879,493	3.8	-1.7	-23.2	-23.2	--	--	--	-16.7	--	--	--	--
<i>Bloomberg Commodity Index TR USD</i>		4.7	-1.6	-23.7	-23.7	--	--	--	-17.0	--	--	--	--



# Glossary

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**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:  $\text{Portfolio Return} - [\text{Risk-free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk-free Rate})]$ .

**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:  $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$ .

**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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