



INVESTMENT PERFORMANCE REVIEW

Imperial County Employees' Retirement System

4Q 2014

WURTS  ASSOCIATES

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QUARTERLY RESEARCH REPORT

December 2014



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

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

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

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

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

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

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

GLOBAL ECONOMIC ENVIRONMENT

IS THAT A BLACK SWAN SWIMMING IN TEXAS TEA?

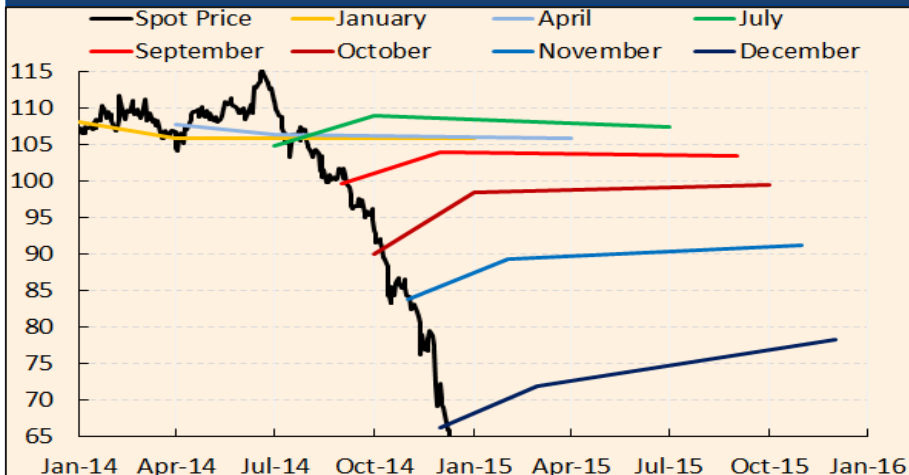
- In June 2014, oil (aka black gold or Texas tea), was trading at \$107 a barrel and nobody was calling for a 60% decline in prices. Is the drop in oil prices the black swan event that turns the markets?
- You can read expensive energy consultant reports – but they'll usually give you the same answer,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

Oil



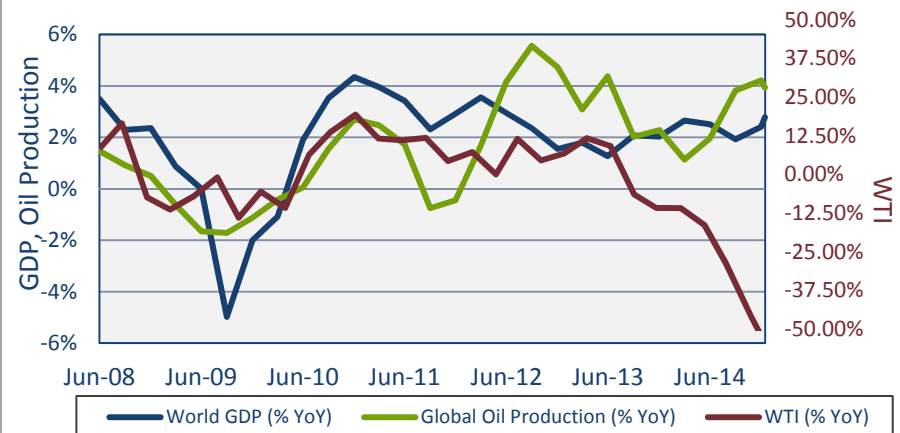
Source: Bloomberg, Wurts, Hedgeye

Evolution of Oil Price Forecasts



Source: Consensus Economics

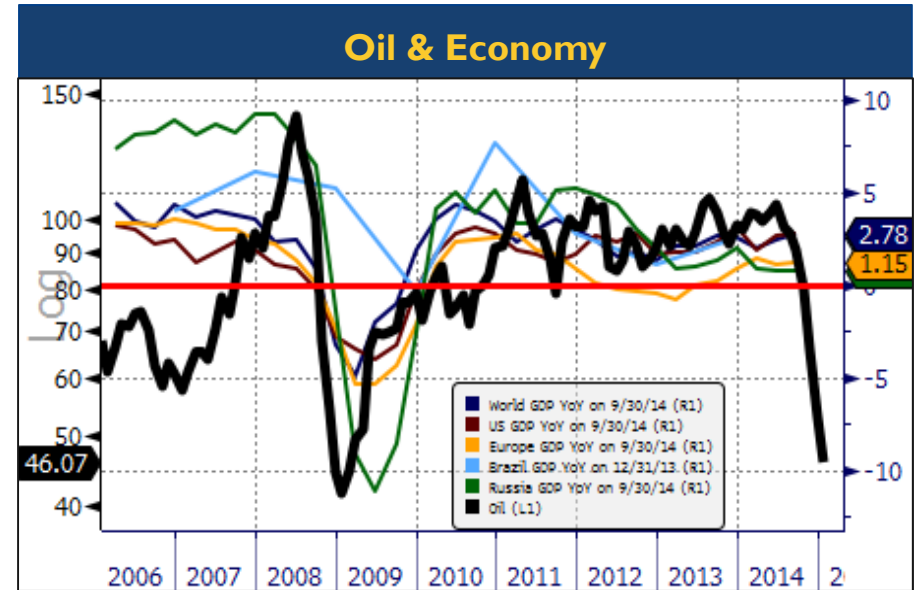
Oil Supply & Demand



Source: Bloomberg

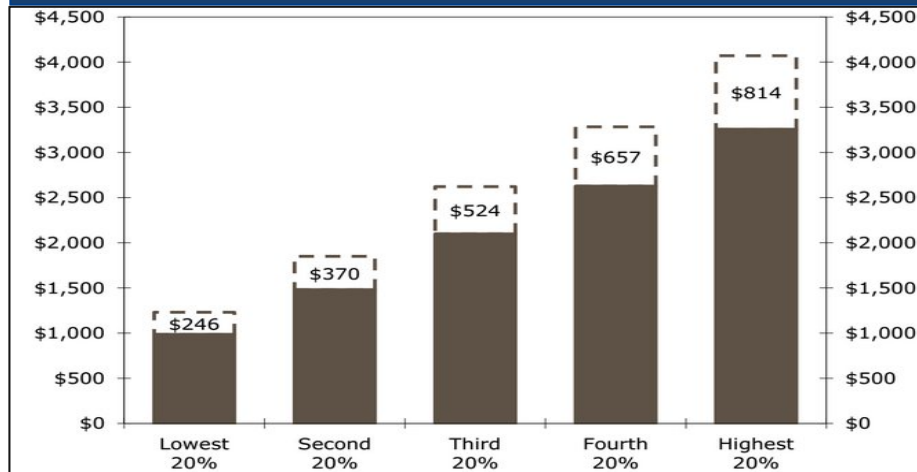
OIL'S RIPPLING EFFECTS

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



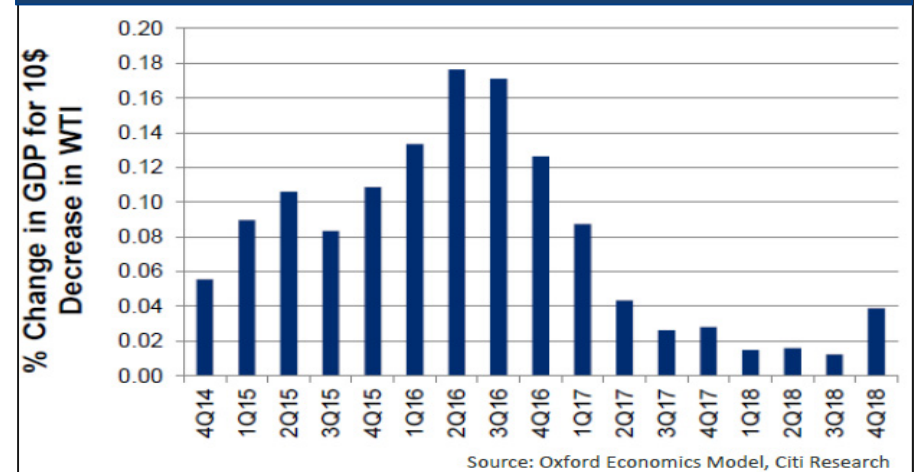
Source: Bloomberg, BEA, Federal Service of State Statistics, Wurts

Annual Fuel Saving Per Household by Income %



Source: US Department of Commerce

Est. impact of oil price decline on global GDP



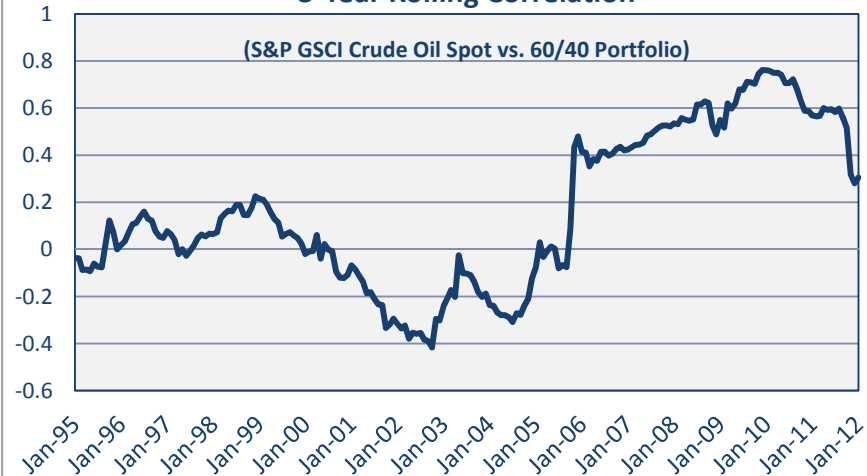
Source: Barclays, JP Morgan, Bloomberg, Wurts

OIL'S RIPPLING EFFECTS... CONTINUED

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

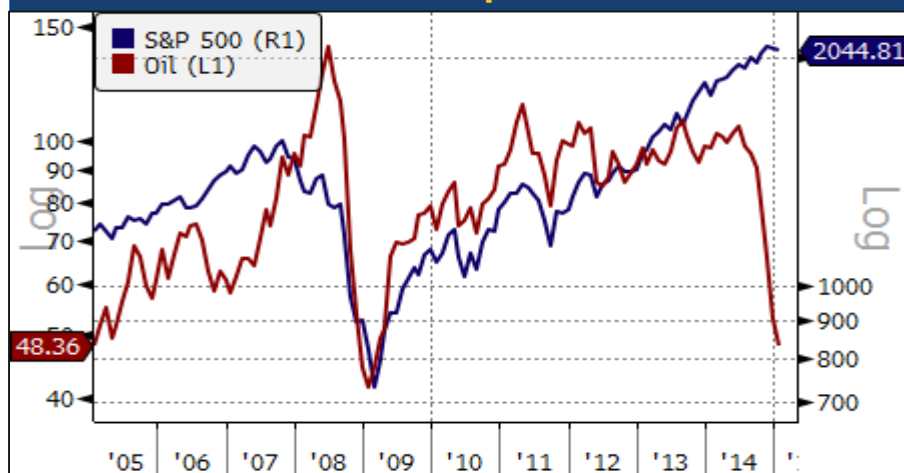
Oil & Investment Portfolios

3-Year Rolling Correlation



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

Oil & Equities



Source: S&P, Bloomberg, Wurts

Oil & Spreads

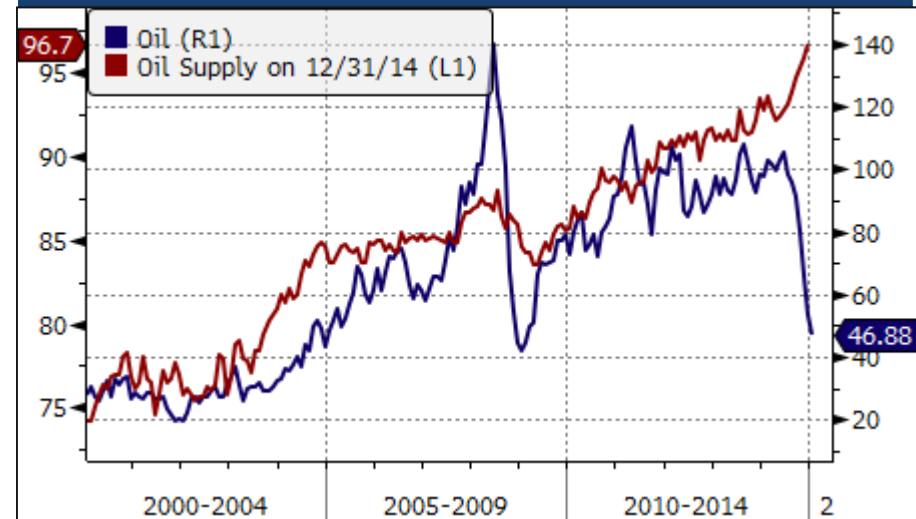


Source: Barclays, JP Morgan, Bloomberg, Wurts

OIL RISES WITH SUPPLY BUT DECLINES WITH DEMAND

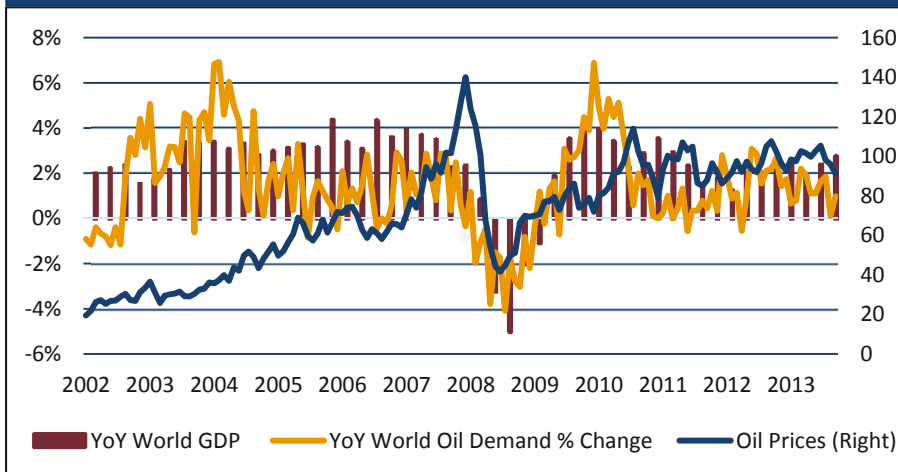
- There is an old saying in the energy market: oil prices rise on supply and fall on demand. Since 2000, total oil supply increased from 75 million barrels per day (mbpd) to a peak of 88 mbpd in 2008 as oil prices rose into what many label as a speculative bubble in commodities. With the credit crisis,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

Oil Rising with Supply



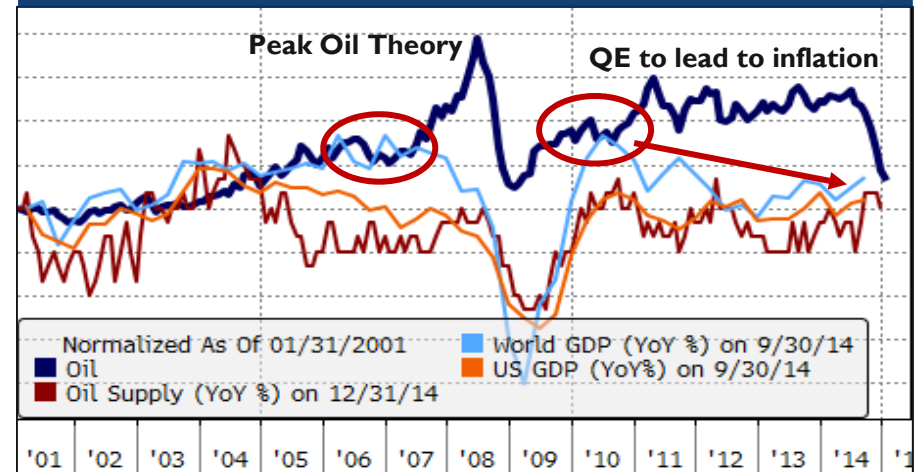
Source: Energy Intelligence Group, Bloomberg, Wurts

Oil Falling With Demand



Source: Energy Intelligence Group, Bloomberg, Hedgeye, Wurts

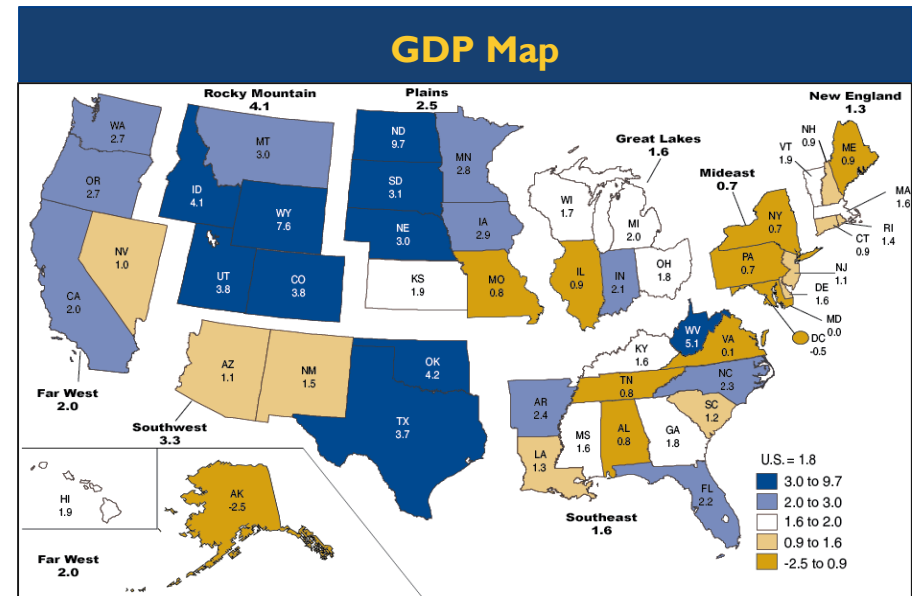
Oil Supply & Demand (% Increase Since 2001)



Source: Bloomberg, Energy Intelligence Group, Wurts

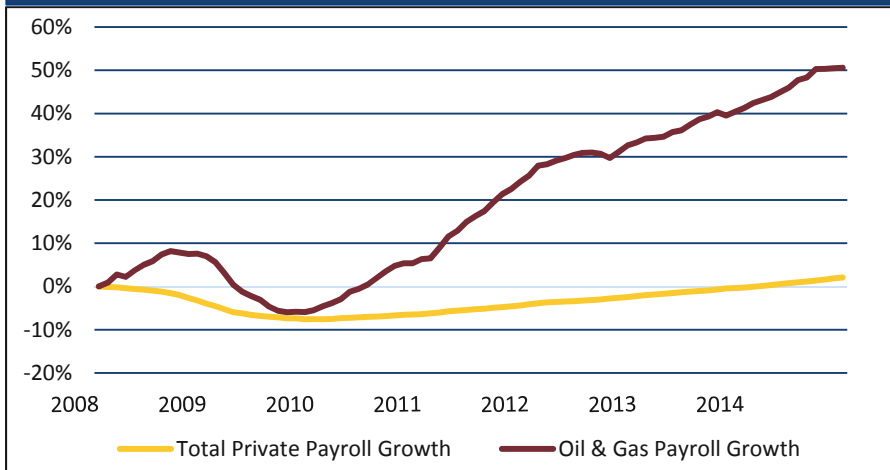
AN OIL SLICK FOR THE ECONOMY?

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



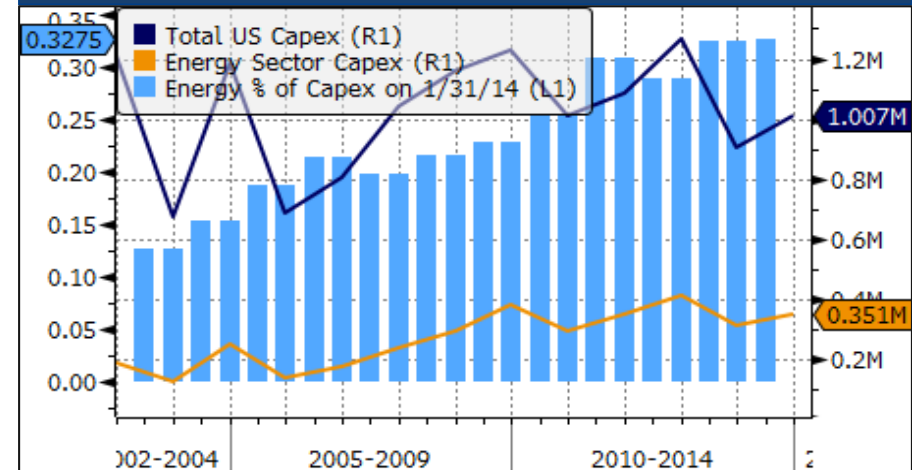
Source: Bureau of Economic Analysis

The Job Market



Source: Bureau of Labor Statistics, Wurts

Capex

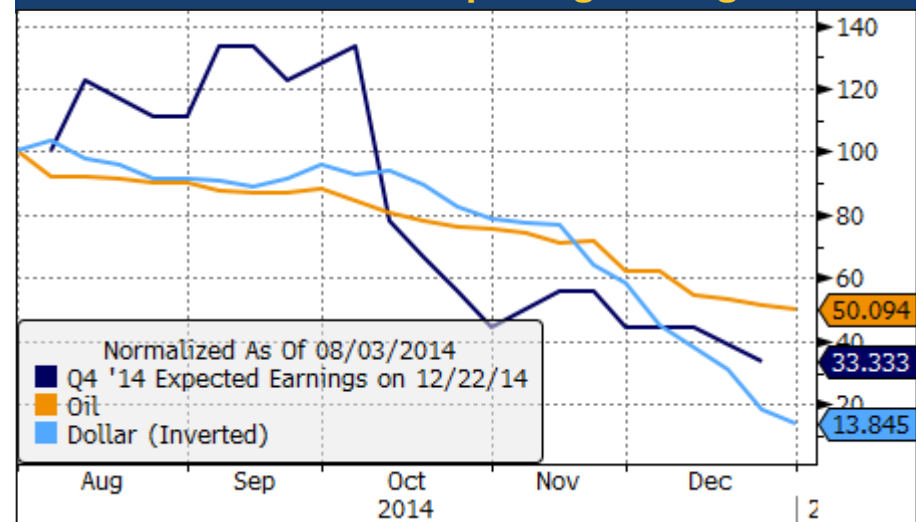


Source: OECD, BEA, Bloomberg, Wurts

HONEY, I THINK BUBBLES IS OVERFED

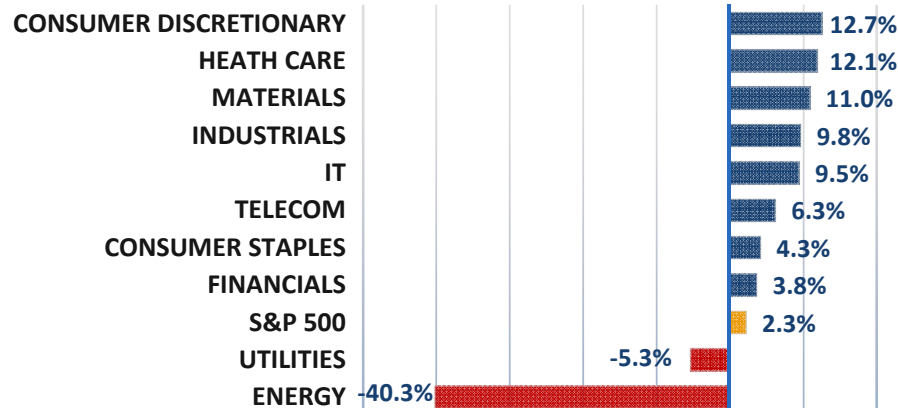
- As oil prices have declined and the dollar has rallied, Q4 2014 earning expectations have declined. Why?
- The energy sector weight in the S&P 500 has ranged from 8% to 13% over the last decade. While the largest sectors remain financial and technology, the decline in oil has been so large that falling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

Oil & Dollar Impacting Earnings



Source: S&P, Bloomberg, Wurts

Q1 2015 S&P 500 Earning Expectations



Source: S&P, Bloomberg, Wurts

BETH HEDGEYE

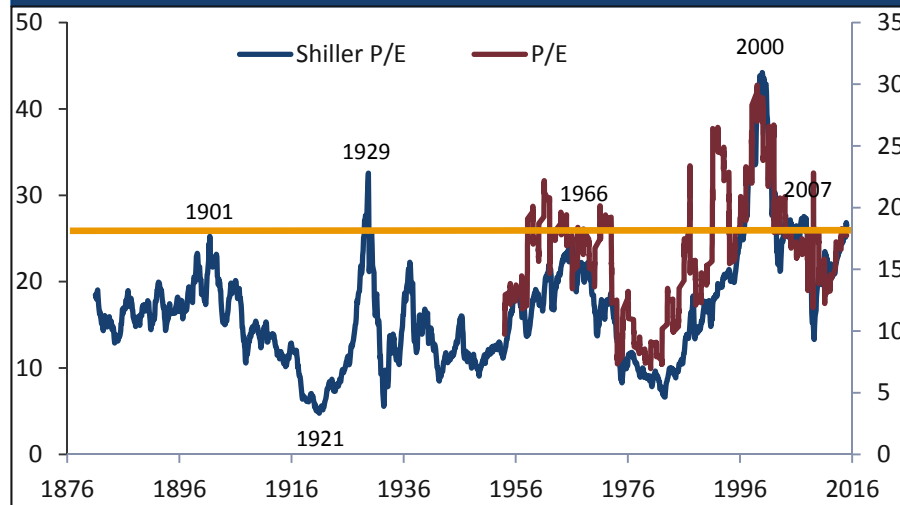


Source: Hedgeye

IT'S NOT ABOUT HOW RICH YOU ARE

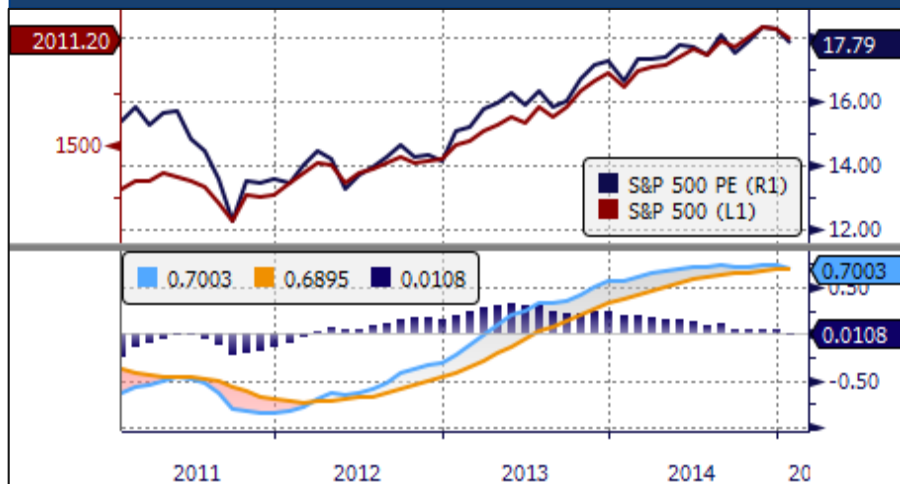
- If you ask someone about the equity market, the conversation will usually turn to the P/E ratio relatively quickly. Is the P/E ratio cheap, fair, or rich. How about the Shiller P/E? And so on.
- With the regular P/E trading at 17 and the Shiller P/E trading at 27 – the best we can say is the S&P 500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

S&P 500 P/E



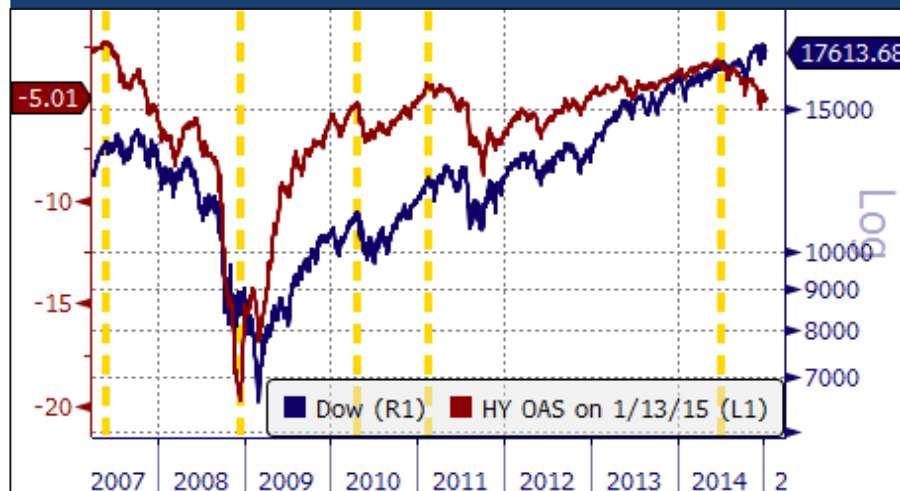
Sources: S&P, Bloomberg, Wurts

P/E Trend – Is the P/E Expansion Over?



Sources: S&P, Bloomberg, Wurts

HY Spreads Leading Equities?

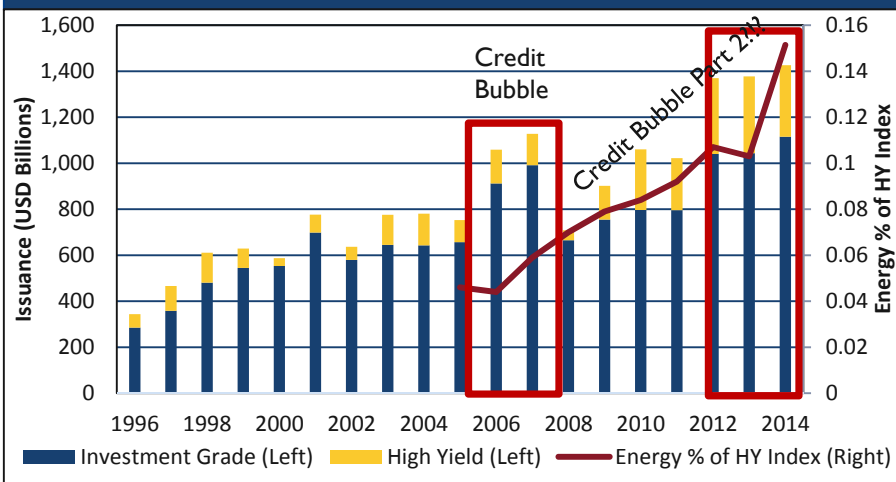


Sources: S&P, Barclays, Bloomberg, Wurts

THE HIGH PRICE OF CHEAP MONEY

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

Bond Issuance



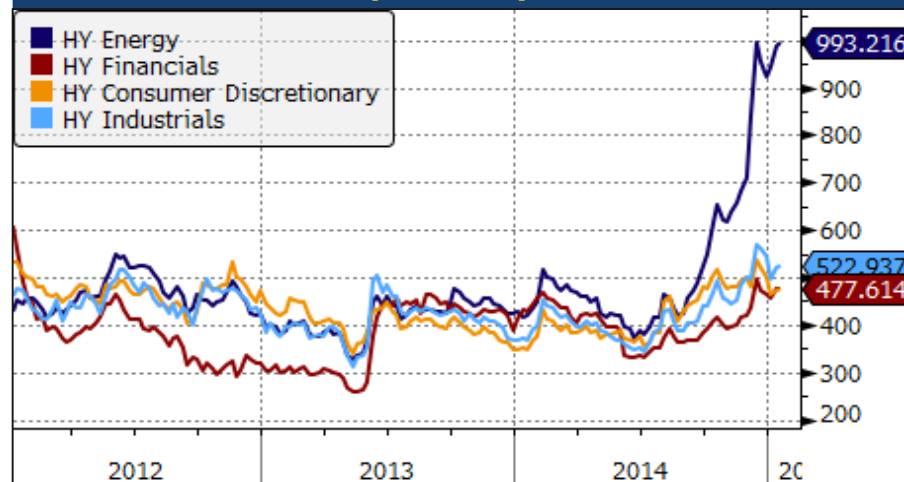
Sources: SIFMA, Barclays, Wurts

HY & EM Spreads v Oil



Source: Barclays, JP Morgan, Bloomberg, Wurts

HY Spreads by Sector



Sources: Barclays, Bloomberg, Wurts

EMERGING MARKETS

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

EM Total Return (Since 2014)



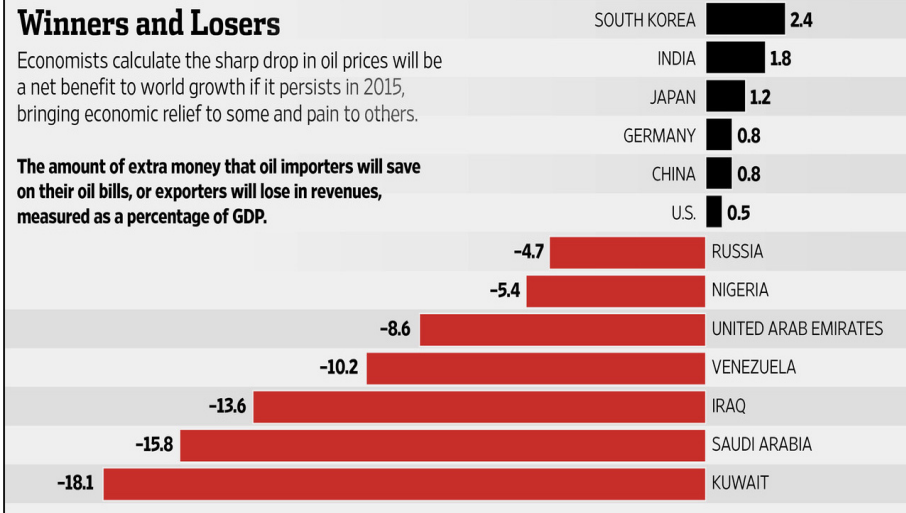
Source: Bloomberg, Wurts

Impact of Lower Oil by Country (Supply View)

Winners and Losers

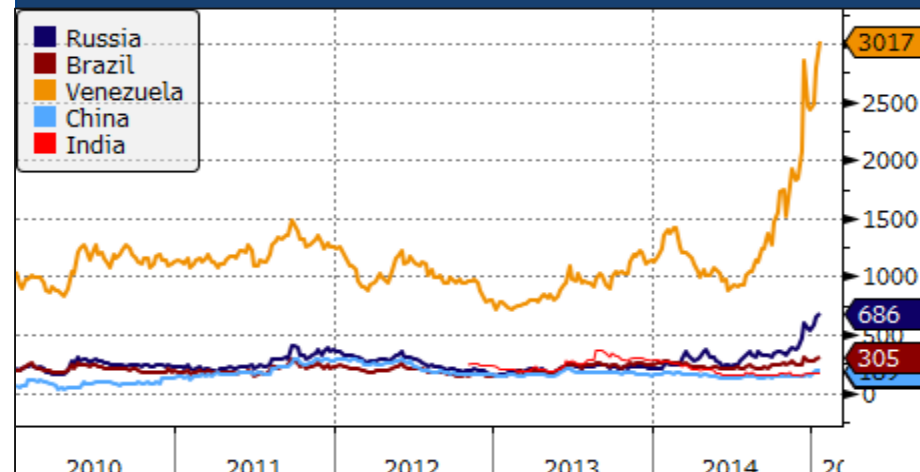
Economists calculate the sharp drop in oil prices will be a net benefit to world growth if it persists in 2015, bringing economic relief to some and pain to others.

The amount of extra money that oil importers will save on their oil bills, or exporters will lose in revenues, measured as a percentage of GDP.



Source: WSJ, EIA, IMF

EM Credit Spreads

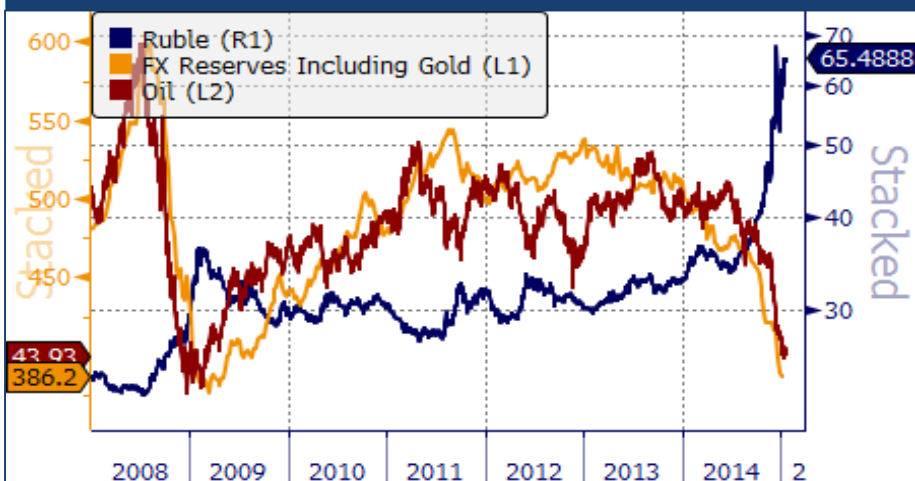


Source: JP Morgan, Bloomberg, Wurts

RETURN OF THE RUSSIAN BEAR

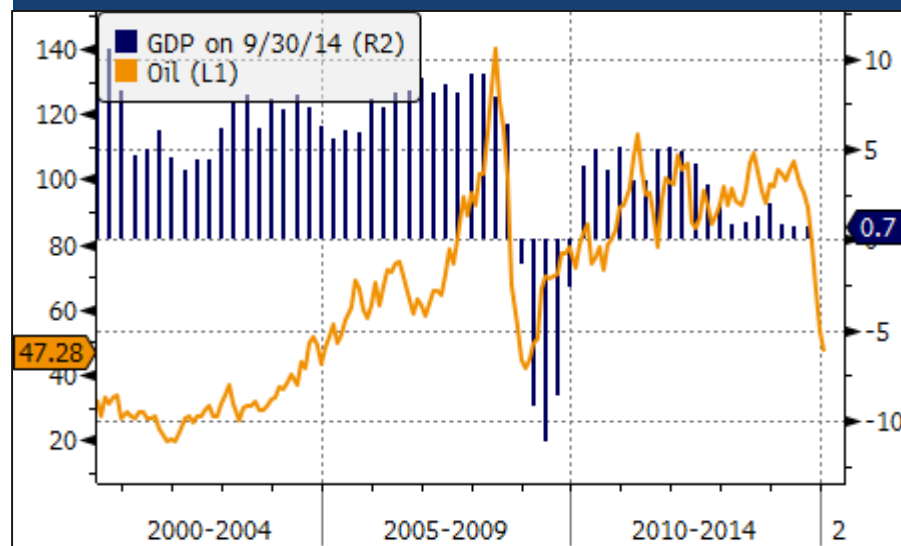
- It comes as no surprise that the Russian economy is tied to oil and similarly it's not surprising to see the Russian government forecast a recession in coming quarters given the extent of the oil decline. A recession is always a concern, but it's not the real issue.
- More importantly is the movement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

FX & Reserves



Source: Central Bank of the Russian Federation, Bloomberg, Wurts

Russia GDP & Oil



Source: Federal Service of State Statistics, Bloomberg, Wurts

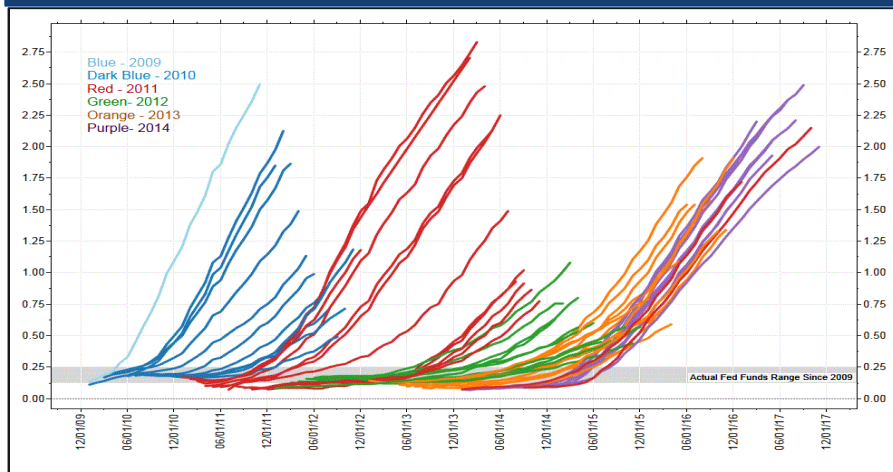


Source: Hedgeye

INTEREST RATES... PACK A LUNCH

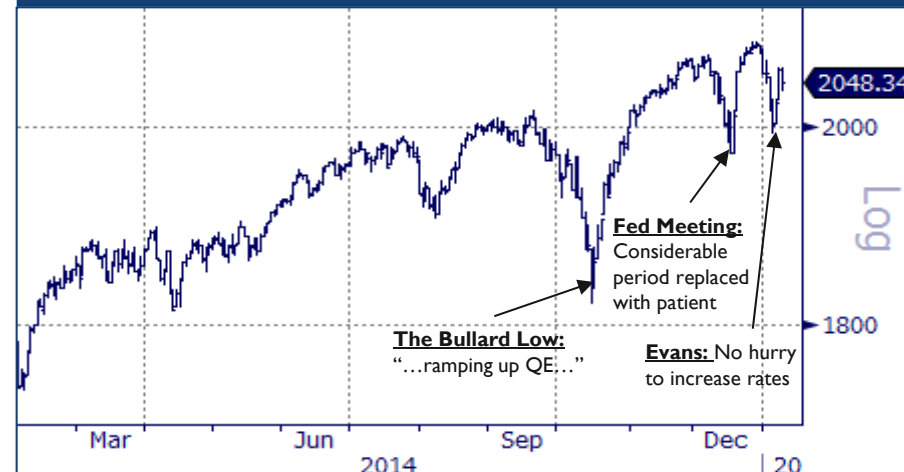
- Do lower oil prices impact when the Fed will raise rates? No, the Fed has no desire to raise rates with or without oil concerns. Consider:
 - In 2010 QE1 ended and the overwhelming consensus believed a rate hike was coming in 2011. Instead, we got QE2.
 - In 2011, QE2 ended and the consensus believed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

When Will The Fed Raise Rates...Never



Source: Federal Reserve

Stop or I'll Yell Stop Again

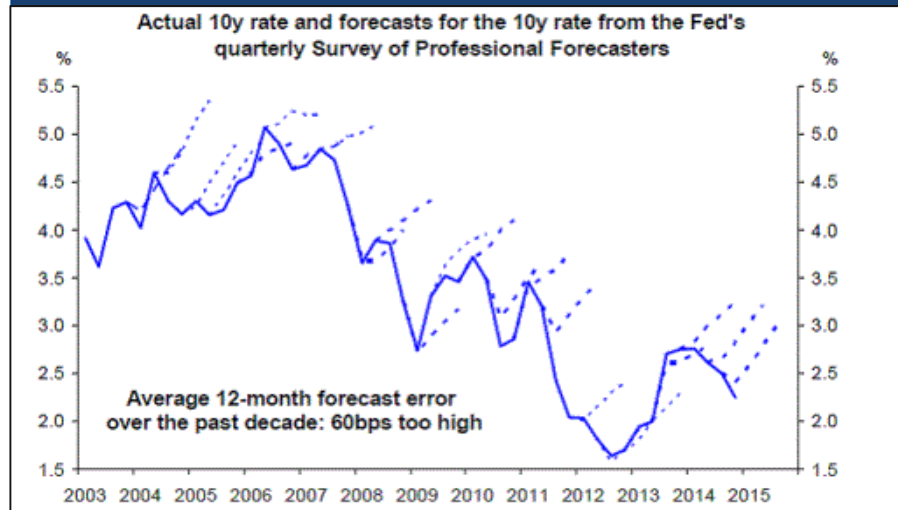


Source: Bloomberg, Wurts

NEVER TRUST A SKINNY CHEF

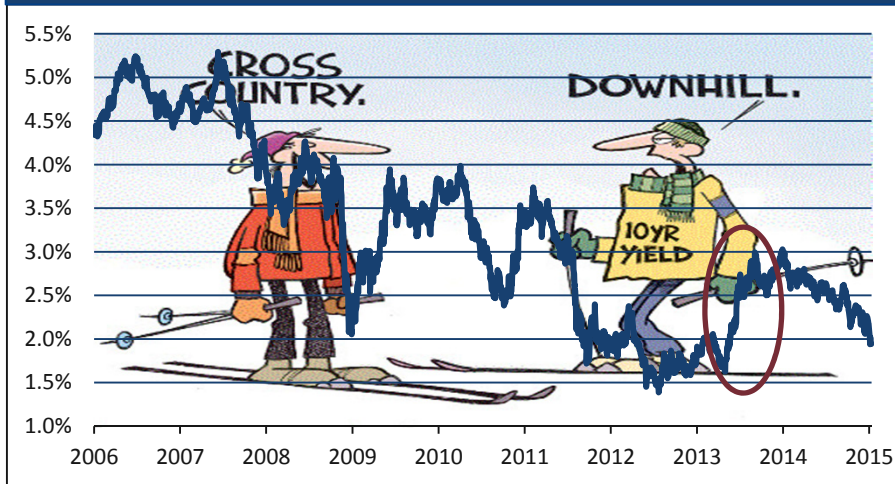
- Rarely are there more expensive words to utter than: “The markets have it wrong.” But economists have been telling us the interest rates markets have it wrong for literally decades.
- The problem with listening to economists is their opinions cost them nothing when they get it wrong, allowing them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

Economist Rate Forecasts



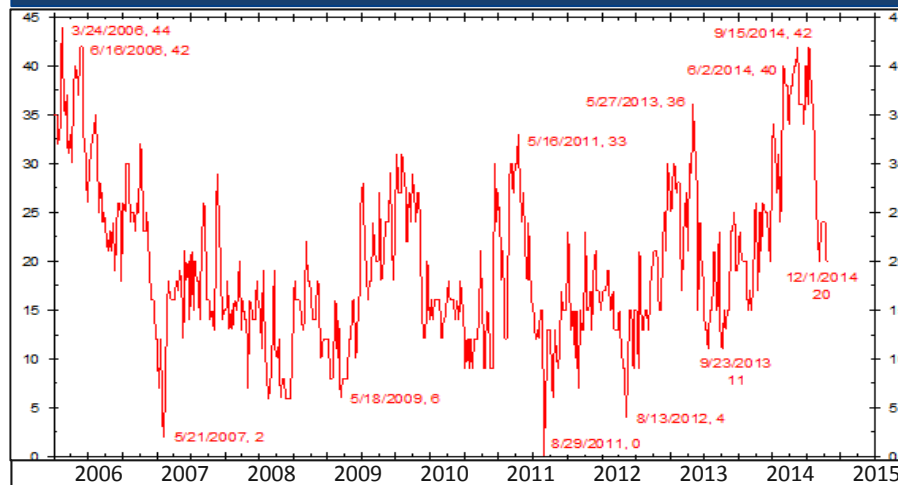
Sources: Deutsche Bank, FRB, FRBPHIL

U.S. 10-Year Rates



Sources: Bloomberg, Wurts, Hedgeye

JP Morgan Client Survey Underweight Tsy

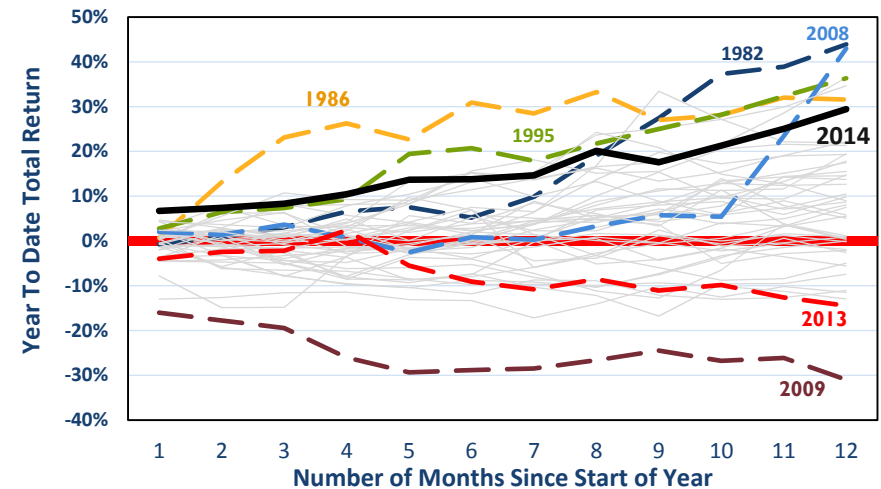


Sources: JP Morgan

BAD NEWS BEARS

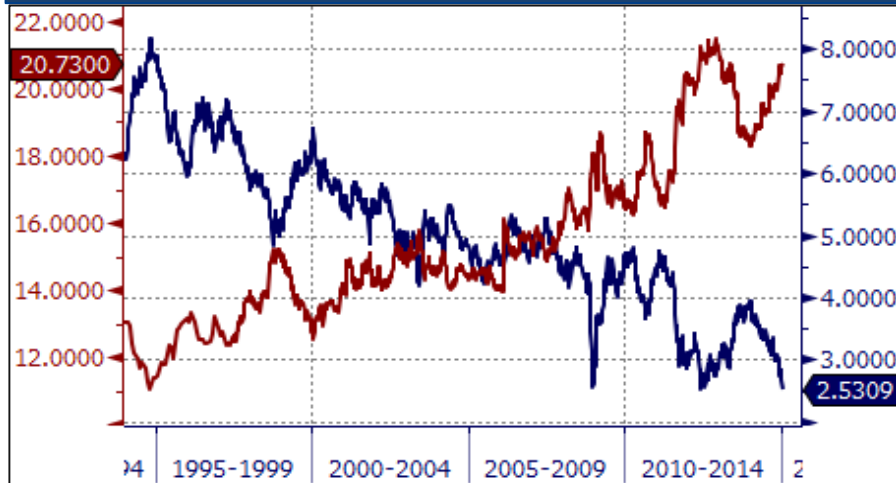
- The year 2014 was the sixth best year ever for 30-year bonds, posting an impressive 29% total return. For comparison purposes, 10-year Treasuries total return was nearly 11%, and 5-year Treasuries was 3%.
- Of course, we have to remember 2013 was the 2nd worst year ever, returning -15%; only 2009 was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

U.S. 30-Year Total Returns by Year



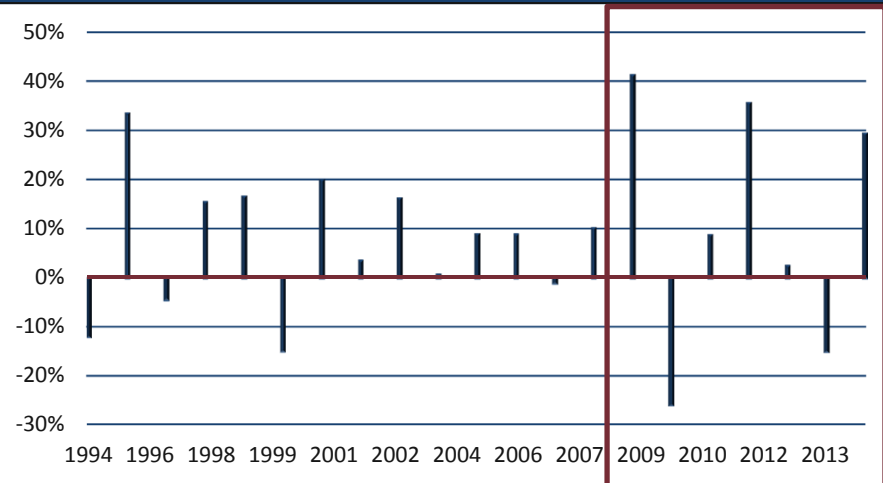
Sources: MPI, Bloomberg, Wurts

30Year Returns & Duration (1994 – 2014)



Sources: Bloomberg, Wurts

30-Year Treasury Total Returns by Year

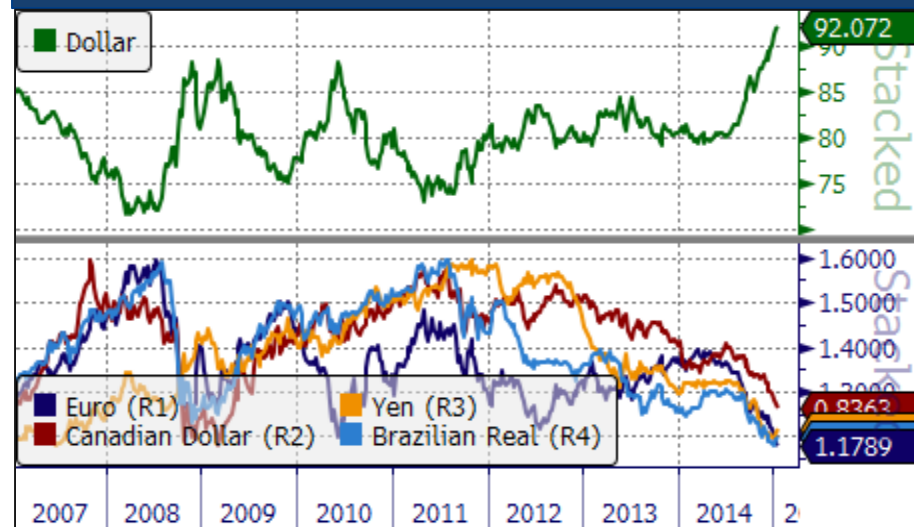


Sources: Bloomberg, Wurts

THE DOLLAR TREE: GROWING TO THE SKY?

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

Long Live the Dollar



Source: Bloomberg, Wurts

Dollar – Overbought & Overloved



Source: Bloomberg, Wurts

The Dollar & Gold



Source: Bloomberg, Wurts

WELL, THAT MAKES SENSE...

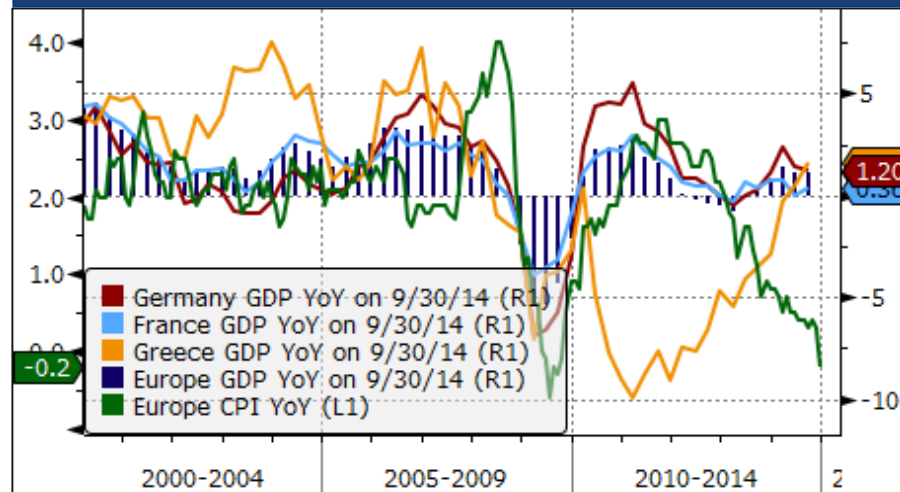
- Europe is facing two simultaneous challenges:
 - The threat of a Greek exit from the Euro (popularly called the Grexit)
 - The threat of deflation
- Just when you thought things were getting better (Greek GDP has been improving over the past few years), the populist Syriza party in Greece has called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

Threat of the Grexit



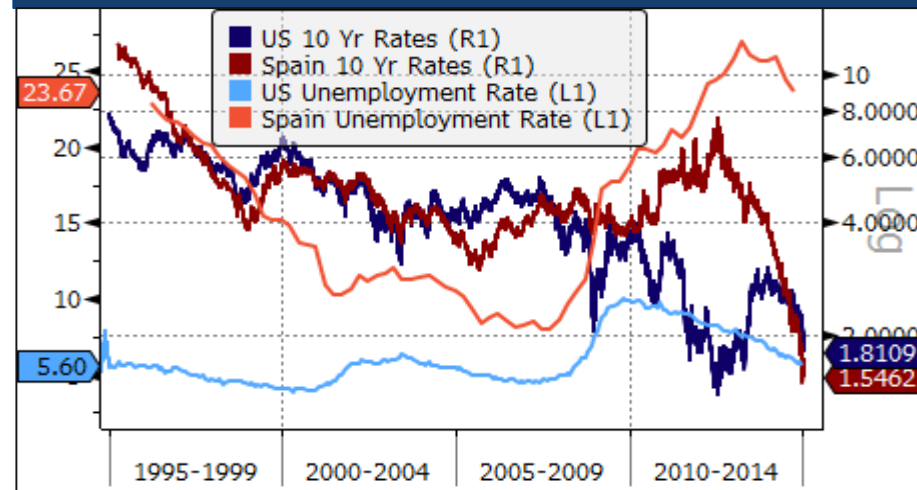
Sources: Bloomberg, Wurts

The ECB Challenges



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

Impact of ECB Promised QE



Sources: Bloomberg, BLS, INE, Wurts

JAPAN: SUCCESS DEPENDS UPON OBJECTIVE

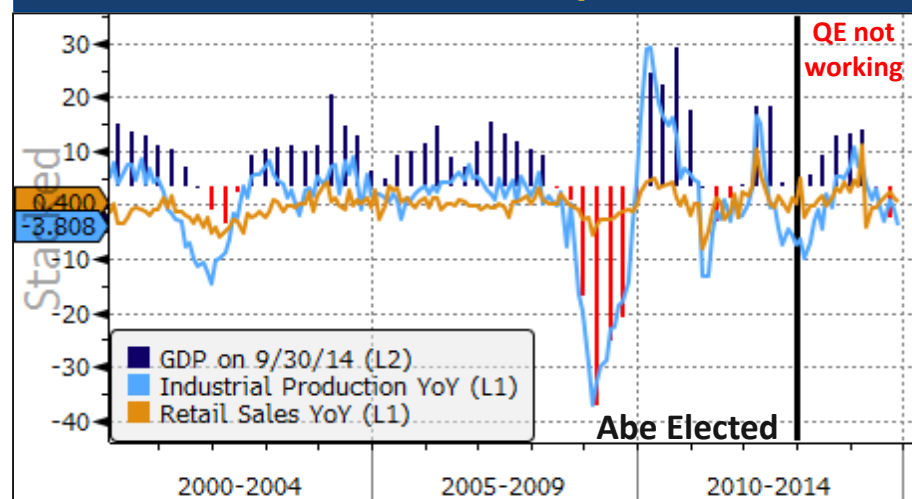
- Does QE work? Depends upon how you define success.
 - If success depends upon generating economic growth, no, QE has not been successful
 - If success depends upon pushing equity prices higher and bonds yields lower, yes, QE has been very successful.
- The idea behind QE pushing stock prices higher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

The Capital Markets



Sources: TSE, Bloomberg, Wurts

The Economy



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



Source: Hedgeye

CONCLUSIONS

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

RECENT WURTS RESEARCH

Wurts published three research topics in the fourth quarter: (can be found at www.wurts.com/knowledge/)

1. Topics of Interest: *Reshaping the Multiemployer Health & Welfare Investment Landscape*

- This Topic of Interest provided an overview of some of the implications of rising healthcare costs for the investment approaches of multiemployer health & welfare plans
- A particular focus on the asset allocation implications in different scenarios

2. Topics of Interest: *Something Fishy in Private Equity*

- The way in which investors should approach the task of hiring private equity managers is different from the way they should approach hiring public markets managers
- These differences are driven by the nature of the managers themselves and the market in which they operate

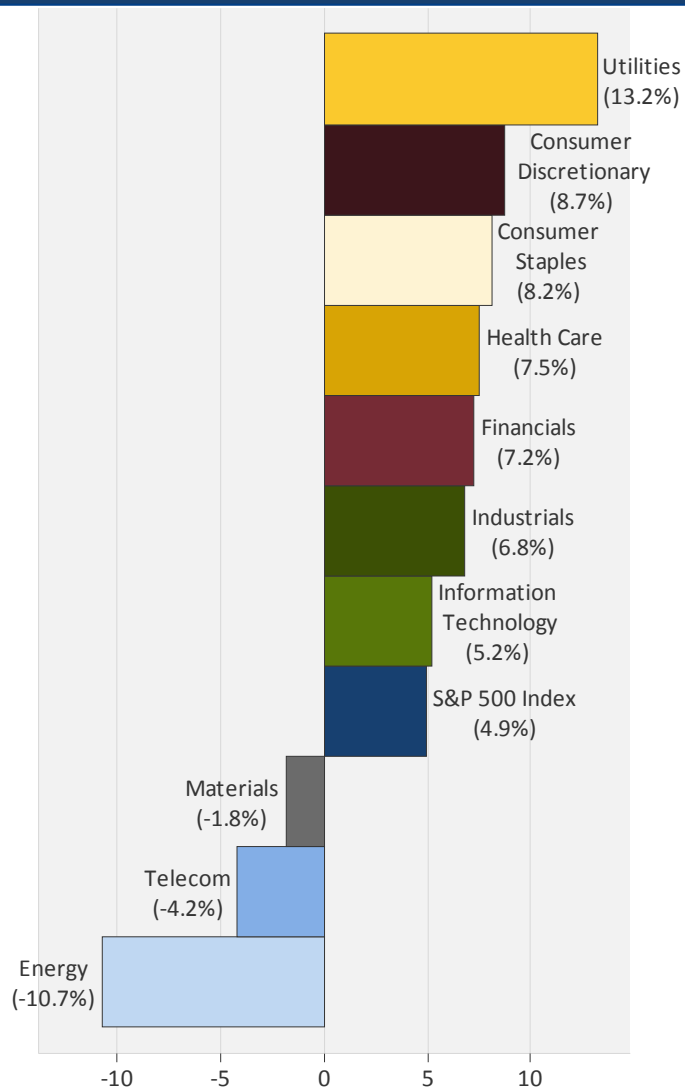
3. Active Manager Research: *2015 Active Management Environment*

- Understanding the role that active investment management can and should play in the portfolio construction process requires understanding where active management can potentially add value
- New analytical tools give us new and different insights into active management

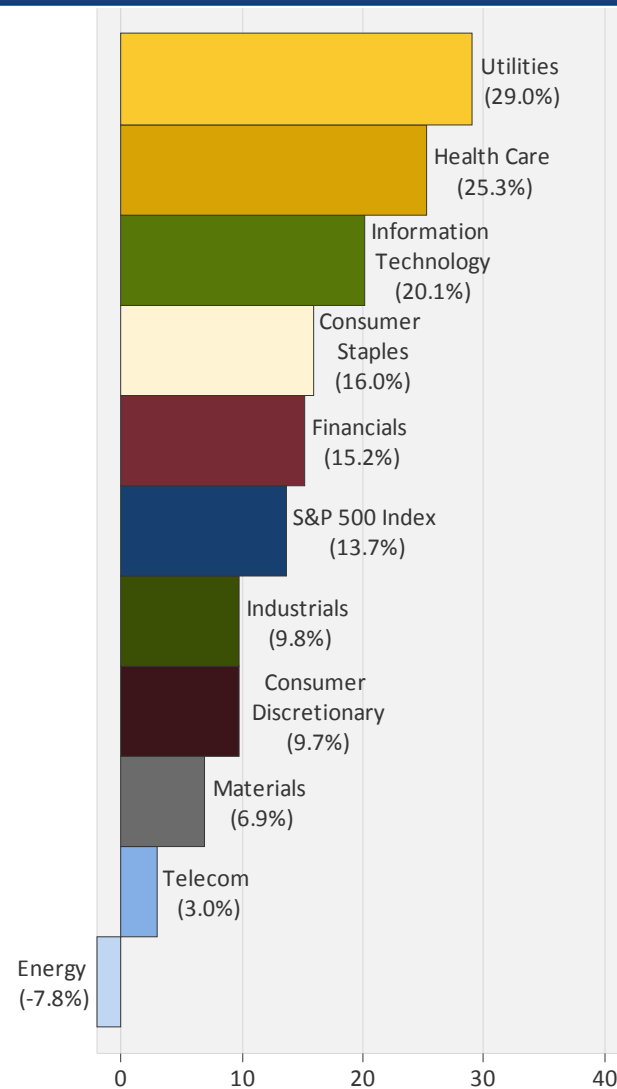
APPENDIX

S & P 500 AND S & P 500 SECTOR RETURNS

QTD Ending December 2014



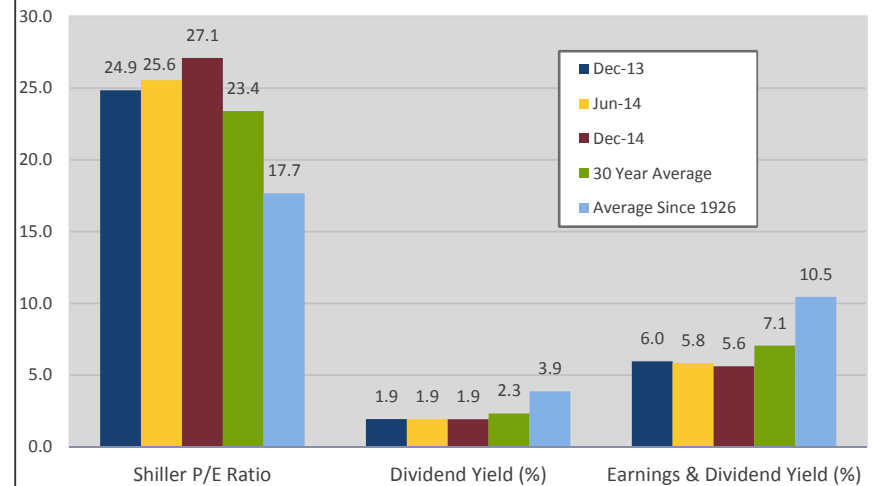
One Year Ending December 2014



US LARGE CAP EQUITIES

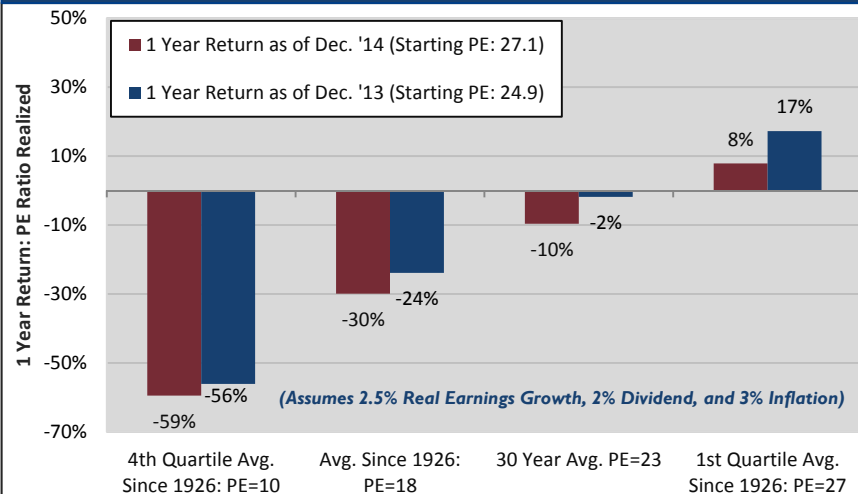
- U.S. equity markets were mixed during December, as the S&P 500 Index and DJ Industrial Average returned -0.3% and 0.1%, respectively. The relatively flat returns had minimal effect on what has been a strong year for domestic equity markets, with the S&P 500 returning 13.7% over the trailing 12 months.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

US Large Cap (S&P 500) Valuation Snapshot



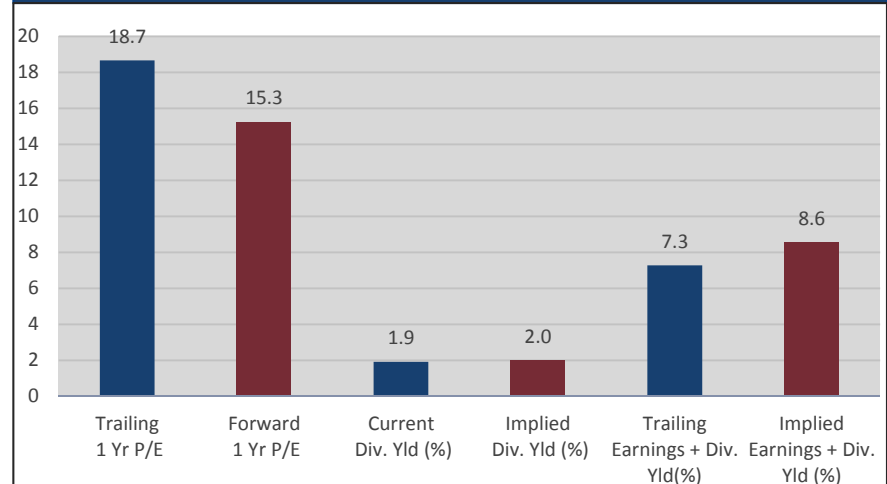
Source: Yale/Shiller, Wurts

Effects of Changes in Shiller PE Ratio



Source: Yale/Shiller, Wurts

S&P 500 Valuation Snapshot (Dec. '14)

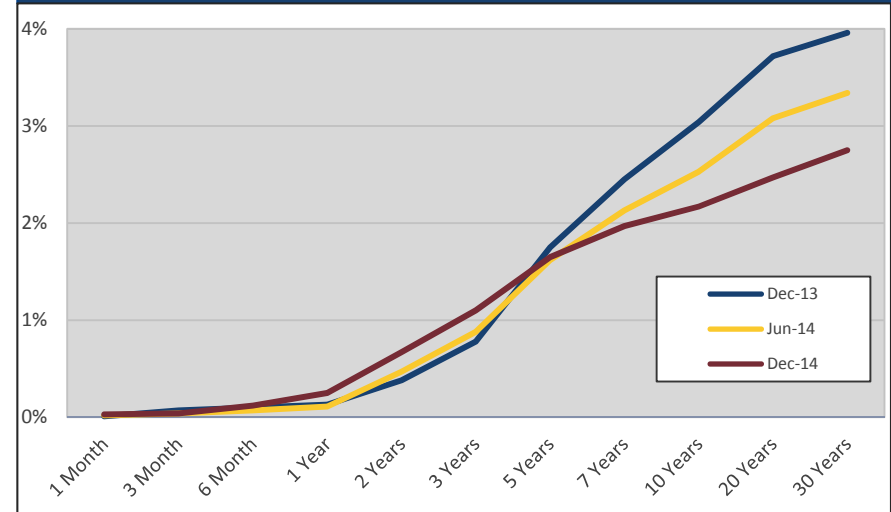


Source: S&P, Wurts

FIXED INCOME

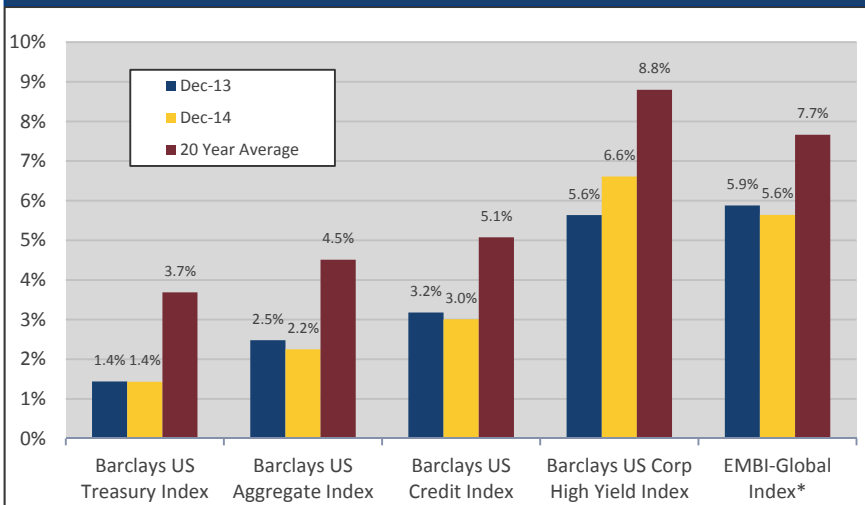
- The U.S. Treasury Yield curve flattened moderately during December, continuing a strong rally for U.S. Government debt on the year. Yields at the long end of the curve have dropped significantly YTD, with 10- and 30-year rates ending the year 87 bps and 121 bps lower than levels one year ago.
- Nominal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

US Treasury Yield Curve



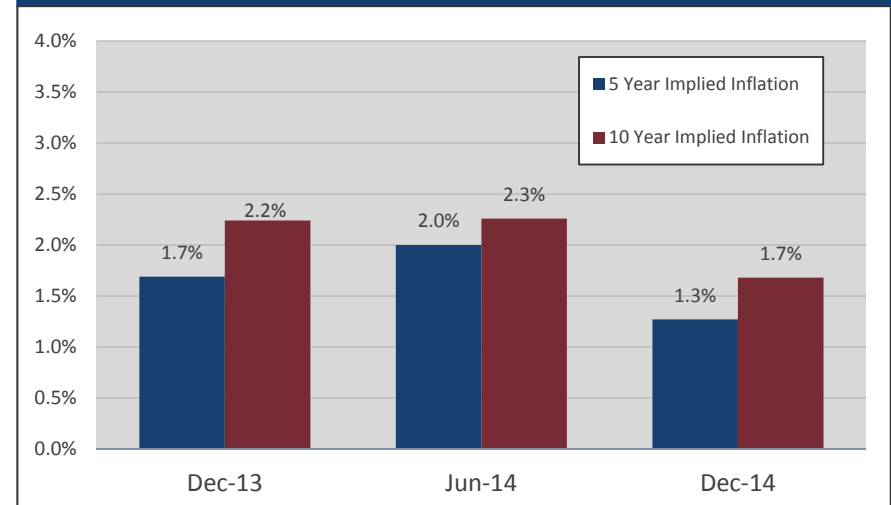
Source: Federal Reserve

Nominal Fixed Income Yields



Source: Ibbotson, JP Morgan

Inflation Expectations (Nominal less Real)

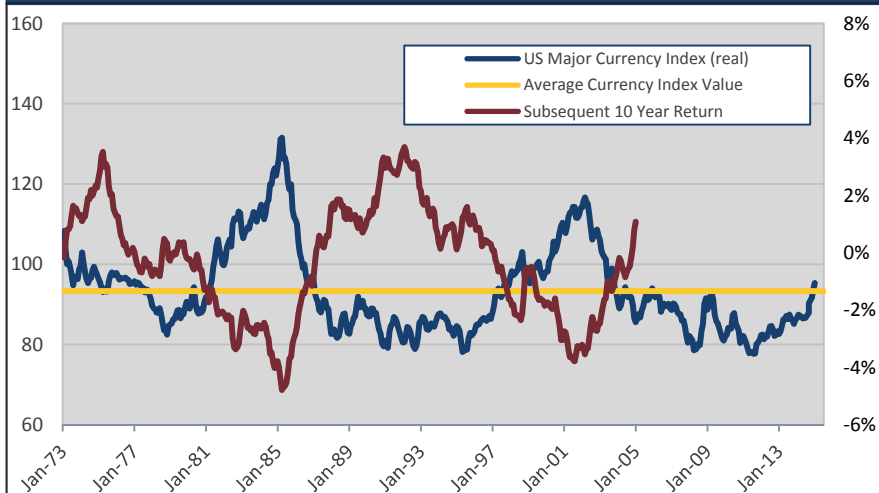


Source: Federal Reserve

GLOBAL MARKETS

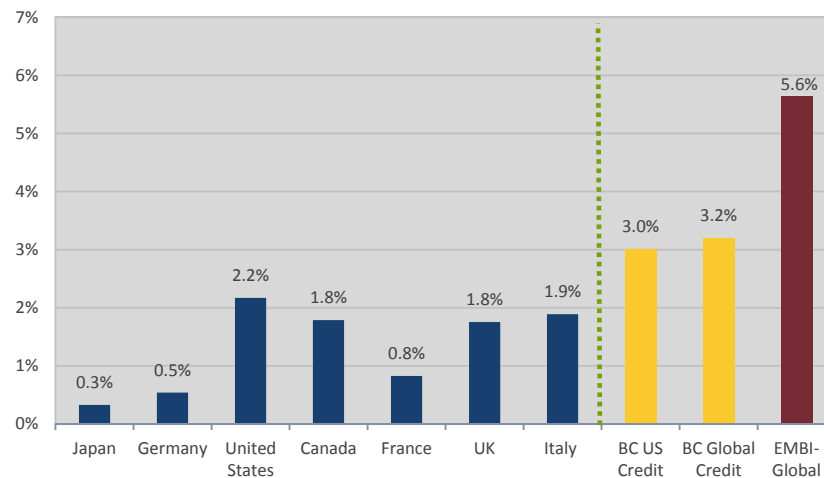
- Economic and political uncertainties in the Eurozone hurt international markets during December. The MSCI EAFE Index returned -3.4% over the month, dragging YTD returns to -4.5%. All major international markets significantly lagged their domestic counterparts during the calendar year.
- Fears that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

US Dollar Major Currency Index (Dec. '14)



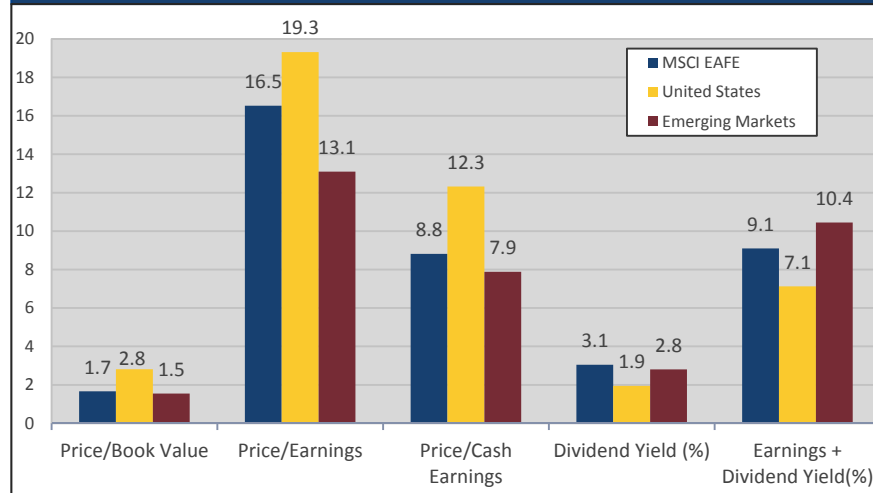
Source: Free Lunch, Wurts

Global Sovereign 10 Year Index Yields (Dec.'14)



Source: Bloomberg , JP Morgan

MSCI Valuation Metrics (3 Month Average)

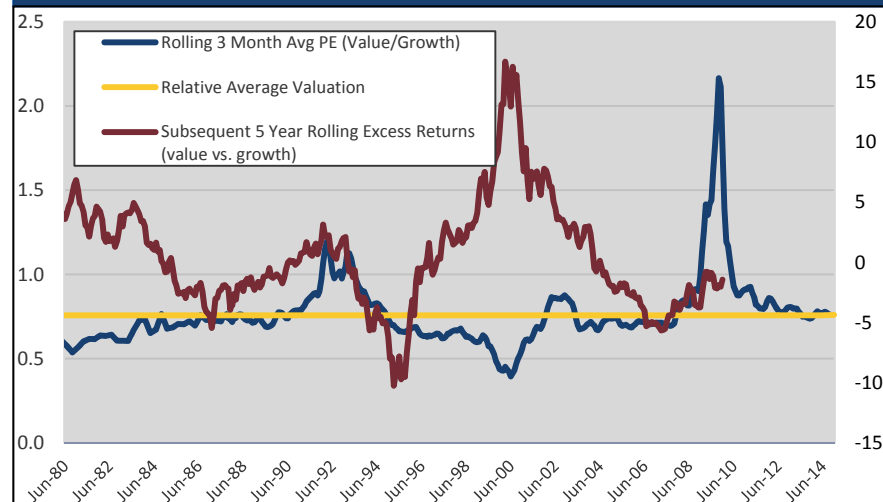


Source: MSCI

STYLE TILTS: US LARGE VALUE VS. GROWTH

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

Relative PE Ratio of US Value vs. Growth



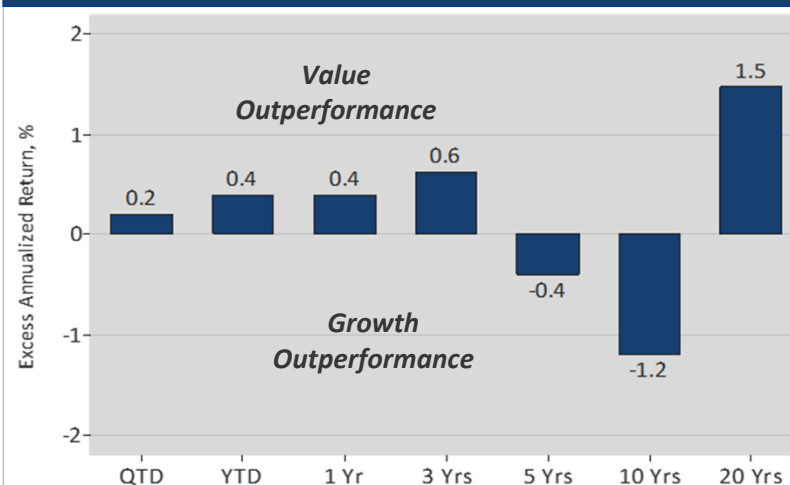
Source: Russell, Wurts & Associates

US Value vs. Growth Absolute Performance

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

Source: MPI

US Value vs. Growth Relative Performance

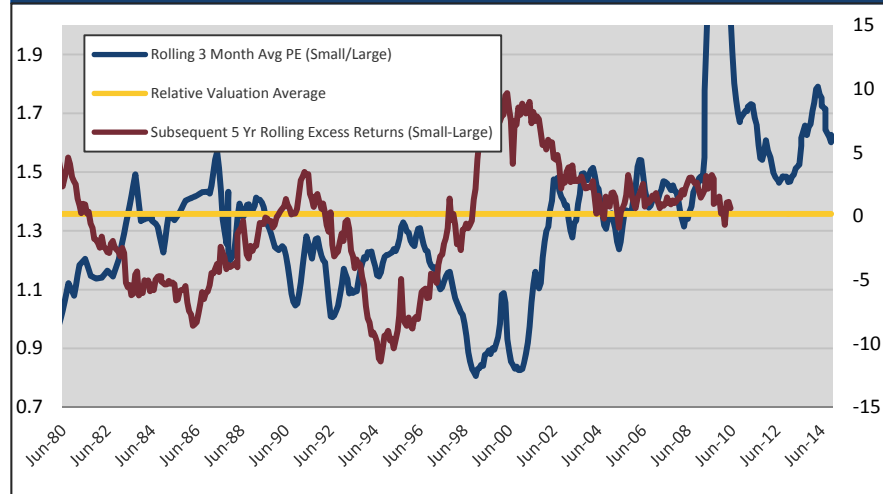


Source: MPI

STYLE TILTS: US LARGE VS. SMALL

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

Relative PE Ratio of US Small vs. Large



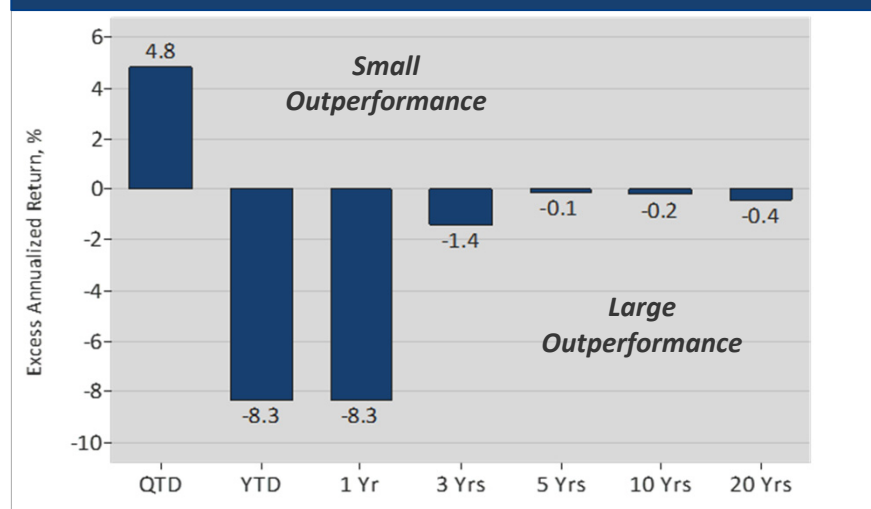
Source: Russell, Wurts & Associates

US Large vs. Small Absolute Performance

	Russell 1000 Index Annualized Return to Date %	Russell 2000 Index Annualized Return to Date %
QTD	4.9	9.7
YTD	13.2	4.9
1 Year	13.2	4.9
3 Years	20.6	19.2
5 Years	15.6	15.5
7 Years	7.5	8.2
10 Years	8	7.8
20 Years	10	9.6
	Sharpe Ratio	Sharpe Ratio
3 Years	2.22	1.44
5 Years	1.17	0.86
7 Years	0.41	0.35
10 Years	0.43	0.31
20 Years	0.47	0.34

Source: MPI

US Small vs. Large Relative Performance



Source: MPI

COMMODITIES

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

Index and Sector Performance

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity	(12.1)	(17.0)	(17.0)	(9.4)	(5.5)	(1.9)
Bloomberg Agriculture	5.6	(9.2)	(9.2)	(6.8)	(0.8)	1.7
Bloomberg Energy	(36.6)	(39.3)	(39.3)	(16.7)	(15.3)	(14.1)
Bloomberg Grains	16.7	(9.4)	(9.4)	(3.8)	(0.1)	2.0
Bloomberg Industrial Metals	(6.2)	(6.9)	(6.9)	(6.8)	(6.5)	3.3
Bloomberg Livestock	(5.3)	11.6	11.6	1.2	2.1	(5.6)
Bloomberg Petroleum	(38.5)	(43.3)	(43.3)	(15.7)	(8.4)	(5.3)
Bloomberg Precious Metals	(3.9)	(6.7)	(6.7)	(11.8)	0.5	9.4
Bloomberg Softs	(12.0)	(10.1)	(10.1)	(16.6)	(4.4)	(2.6)

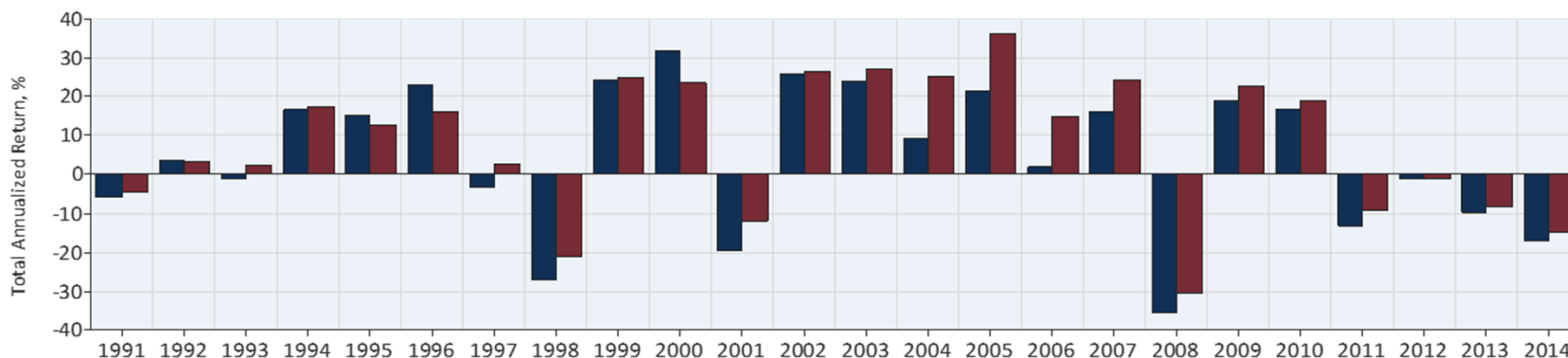
Source: MPI

Annual Comparative Performance of Index vs. Forward Contracts

Fiscal Annual Performance

■ Bloomberg Commodity ■ Bloomberg Commodity Forward 3 Month

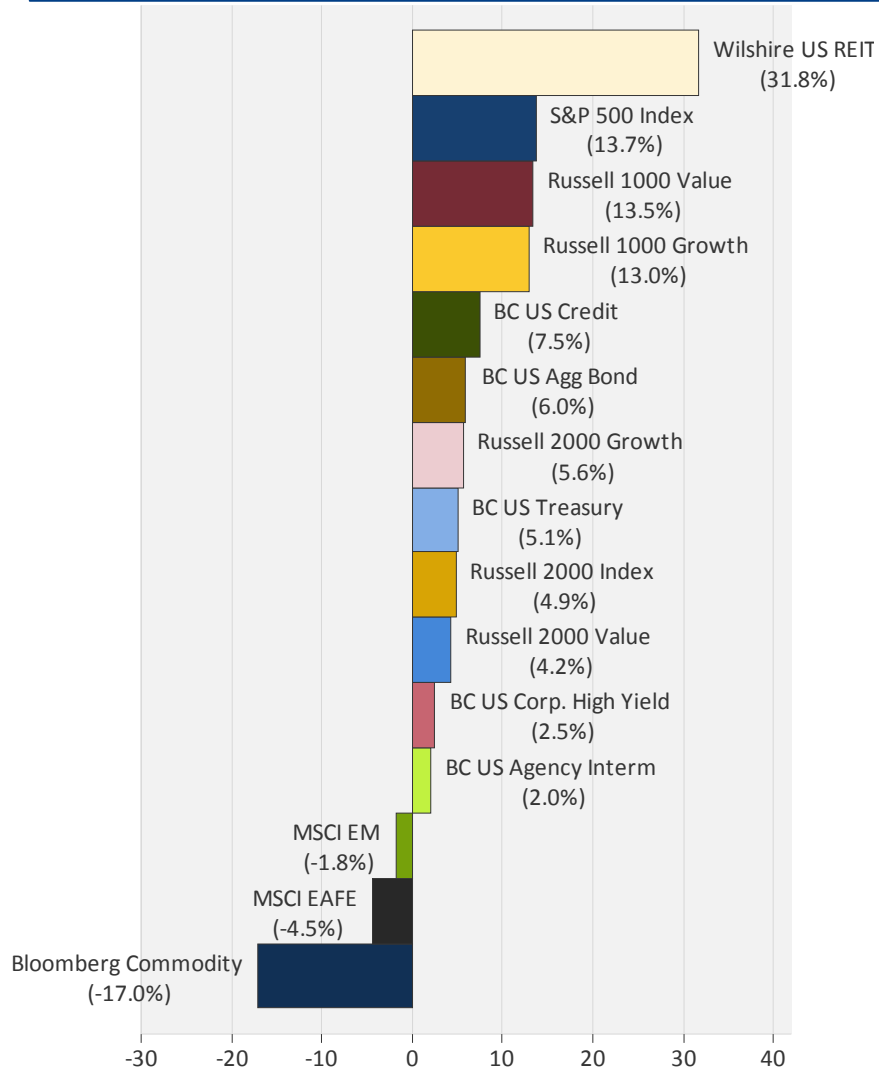
1991 - 2014



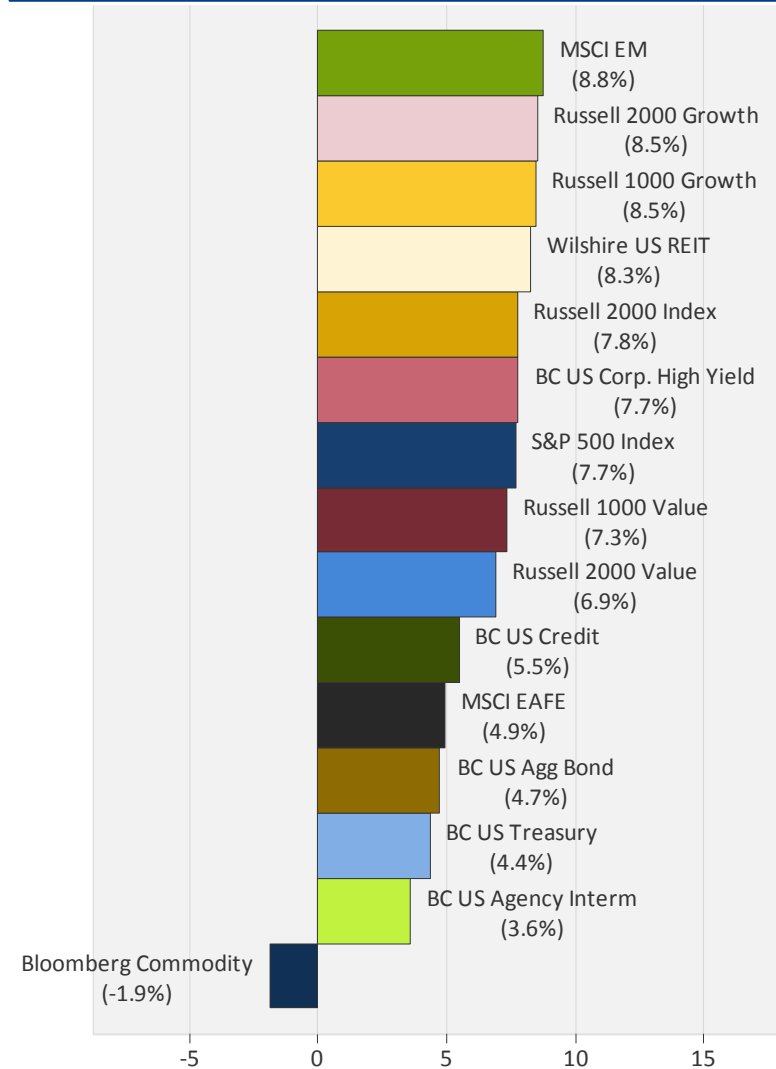
Source: MPI

MAJOR ASSET CLASS RETURNS

One Year ending December 2014



Ten Years ending December 2014



PERIODIC TABLE OF RETURNS – DECEMBER 2014

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

Large Cap Equity

Large Cap Value

Large Cap Growth

Small Cap Equity

Small Cap Value

Small Cap Growth

International Equity

Emerging Markets Equity

US Bonds

Cash

Commodities

Real Estate

Hedge Funds of Funds

Universe Median Total Funds

Source: Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF) and BNY Mellon

Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BC Agg, T-Bill 90 Day, Bloomberg Comm Index, NCREIF Property, HFRI FOF, BNY Universe Median Total Funds.

DETAILED INDEX RETURNS

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

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

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

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

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Imperial County Employees' Retirement System

Investment Performance Review
Period Ending: December 31, 2014



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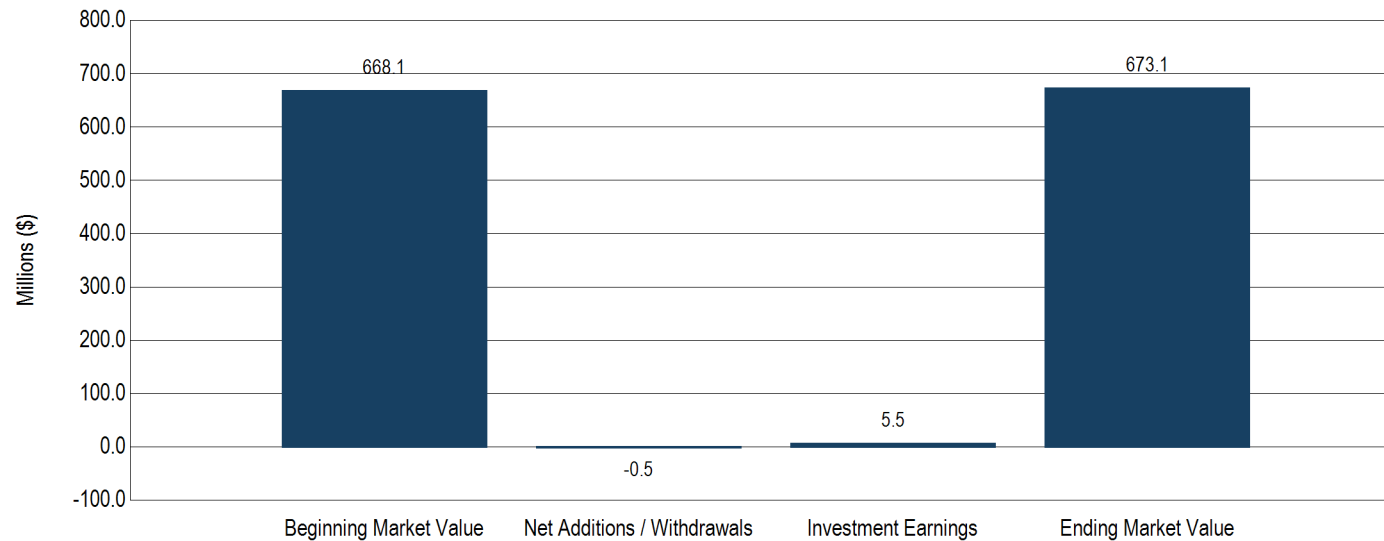
Total Fund Portfolio Reconciliation

Period Ending: December 31, 2014

Portfolio Reconciliation

Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date	One Year
Beginning Market Value	\$668,087,526	\$683,134,883	\$654,162,689
Net Additions/Withdrawals	-\$514,821	-\$4,855,550	-\$10,711,672
Investment Earnings	\$5,488,988	-\$5,217,640	\$29,610,676
Ending Market Value	\$673,061,693	\$673,061,693	\$673,061,693

Change in Market Value Last Three Months



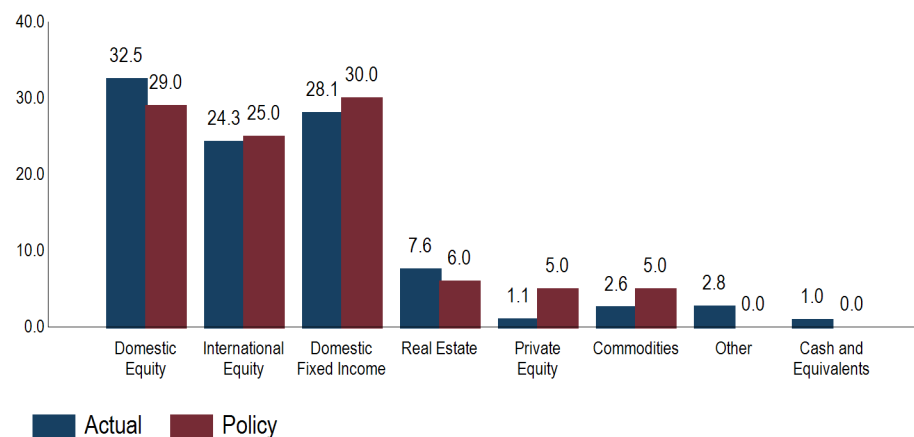
Due to prior performance system methodology, contributions and withdrawals may include intra-account transfers between managers/funds.

Executive Summary (Gross of Fees)

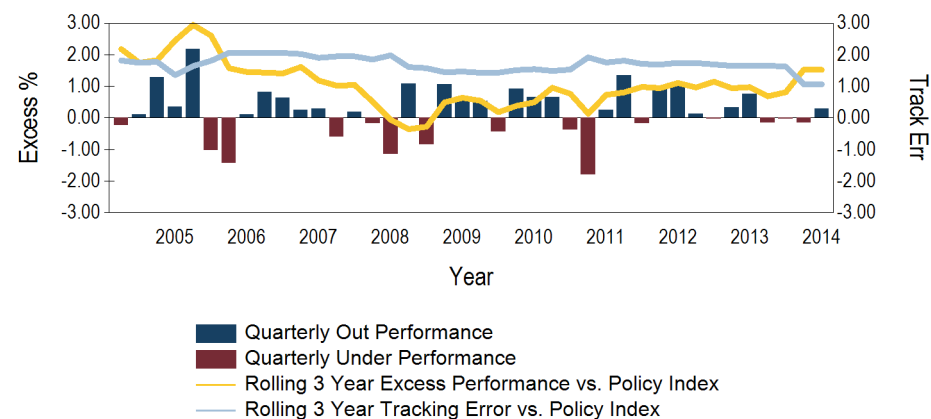
Period Ending: December 31, 2014

	QTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	1.0	-0.6	4.8	11.3	9.4	6.7
<i>Total Fund ex Clifton</i>	1.0	-0.6	4.9	11.2	9.3	6.7
<i>Policy Index</i>	0.7	-0.8	4.9	9.8	8.5	5.9
<i>InvestorForce Public DB Gross Rank</i>	78	81	74	44	47	30
Total Domestic Equity	5.1	3.9	10.2	20.0	15.6	8.5
<i>Russell 3000</i>	5.2	5.3	12.6	20.5	15.6	7.9
Total International Equity	-4.0	-9.0	-4.4	9.1	4.3	5.7
<i>MSCI ACWI ex USA Gross</i>	-3.8	-8.8	-3.4	9.5	4.9	5.6
Total Fixed Income	1.5	1.1	5.9	4.5	6.1	6.0
<i>Barclays Aggregate</i>	1.8	2.0	6.0	2.7	4.4	4.7
Total Real Estate	3.9	7.7	13.0	12.1	13.8	--
<i>NCREIF Property Index</i>	3.0	5.7	11.8	11.1	12.1	--
<i>NCREIF-ODCE</i>	3.3	6.6	12.5	12.4	13.9	--
Total Private Equity	2.8	10.4	24.6	17.9	--	--
<i>Russell 3000 +3% Lagged</i>	0.8	6.4	21.2	26.7	--	--
Total Commodities	-12.3	-21.9	-16.3	-9.1	-5.3	--
<i>Bloomberg Commodity Index TR USD</i>	-12.1	-22.5	-17.0	-9.4	-5.5	--
Total Opportunistic	2.1	5.8	17.5	30.2	25.5	--
<i>Assumption Rate + 1%</i>	2.2	4.4	9.0	9.0	9.1	--

Actual vs Target Allocation (%)



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



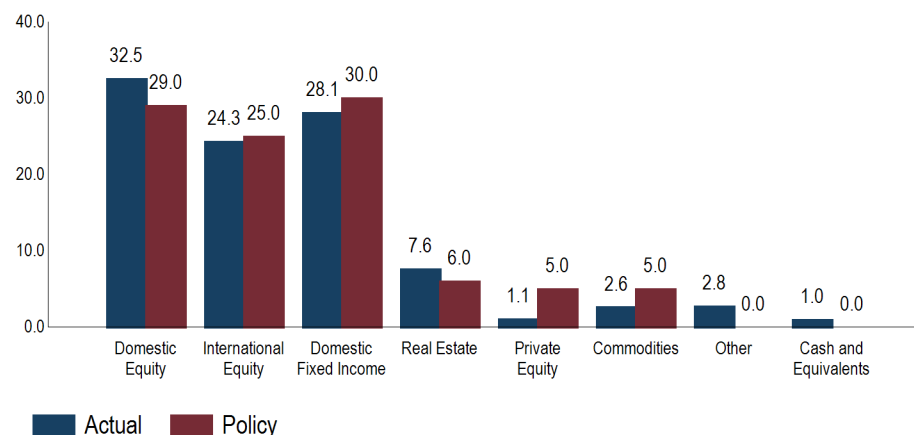
Policy Index (as of 7/1/2014): 29% Russell 3000, 25% MSCI ACWI Free Ex US, 30% BC AGG, 6% NCREIF Property, 5% DJ UBS Commodity, 5% Russell 3000 plus 300 bps (Lagged). Prior Policy Index (7/1/2010 to 6/30/2014): 24% S&P 500, 10% R2500, 21% MSCI ACWI Free Ex US, 30% BC AGG, 5% NCREIF Property, 5% DJ UBS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

Executive Summary (Net of Fees)

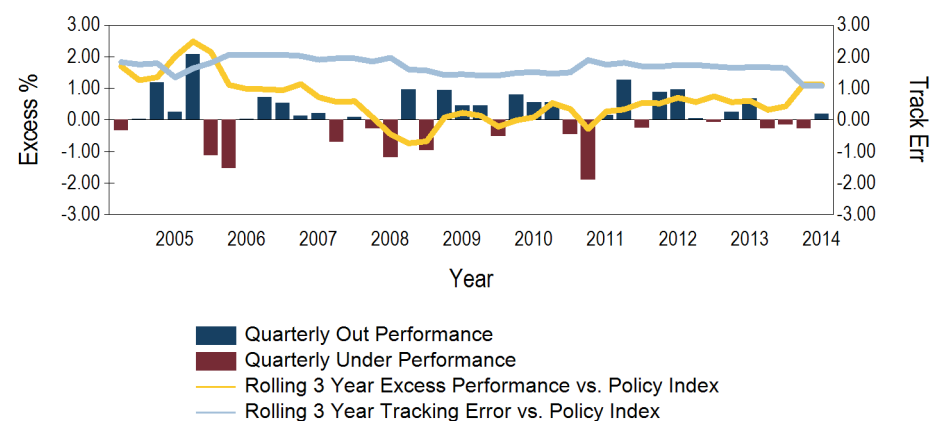
Period Ending: December 31, 2014

	QTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	0.9	-0.8	4.4	10.9	9.0	6.3
<i>Total Fund ex Clifton</i>	0.9	-0.8	4.4	10.8	8.9	6.2
<i>Policy Index</i>	0.7	-0.8	4.9	9.8	8.5	5.9
Total Domestic Equity	5.0	3.8	10.0	19.8	15.4	8.2
<i>Russell 3000</i>	5.2	5.3	12.6	20.5	15.6	7.9
Total International Equity	-4.1	-9.3	-4.9	8.5	3.7	5.1
<i>MSCI ACWI ex USA Gross</i>	-3.8	-8.8	-3.4	9.5	4.9	5.6
Total Fixed Income	1.4	1.0	5.6	4.2	5.8	5.8
<i>Barclays Aggregate</i>	1.8	2.0	6.0	2.7	4.4	4.7
Total Real Estate	3.6	7.2	11.6	11.3	13.0	--
<i>NCREIF Property Index</i>	3.0	5.7	11.8	11.1	12.1	--
<i>NCREIF-ODCE</i>	3.3	6.6	12.5	12.4	13.9	--
Total Private Equity	2.1	8.8	20.2	10.1	--	--
<i>Russell 3000 +3% Lagged</i>	0.8	6.4	21.2	26.7	--	--
Total Commodities	-12.5	-22.1	-16.9	-9.4	-6.3	--
<i>Bloomberg Commodity Index TR USD</i>	-12.1	-22.5	-17.0	-9.4	-5.5	--
Total Opportunistic	1.9	5.2	15.8	28.0	23.8	--
<i>Assumption Rate + 1%</i>	2.2	4.4	9.0	9.0	9.1	--

Actual vs Target Allocation (%)

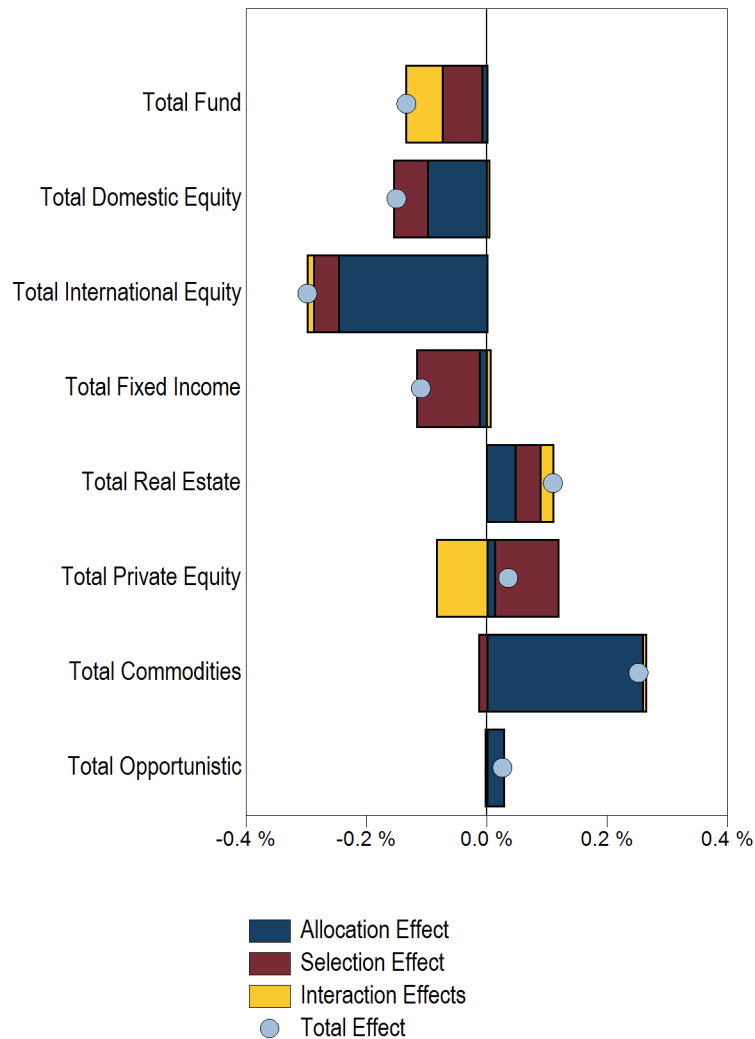


Annualized Excess Performance and Tracking Error
Total Fund vs. Policy Index



Policy Index (as of 7/1/2014): 29% Russell 3000, 25% MSCI ACWI Free Ex US, 30% BC AGG, 6% NCREIF Property, 5% DJ UBS Commodity, 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% DJ UBS Commodity, 5% CPI+ 5%. Prior quarter Private Equity returns and index data are used. Total Opportunistic Composite is preliminary due to lagged KKR data. All returns are (N) net of fees.

Attribution Effects



Performance Attribution

	Quarter	YTD
Wtd. Actual Return	0.97%	5.01%
Wtd. Index Return *	1.10%	6.00%
Excess Return	-0.13%	-0.98%
Selection Effect	-0.07%	-0.77%
Allocation Effect	-0.01%	-0.33%
Interaction Effect	-0.06%	0.11%

*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	5.1%	5.2%	-0.2%	-0.1%	-0.1%	0.0%	-0.1%
Total International Equity	-4.0%	-3.8%	-0.2%	0.0%	-0.2%	0.0%	-0.3%
Total Fixed Income	1.5%	1.8%	-0.3%	-0.1%	0.0%	0.0%	-0.1%
Total Real Estate	3.9%	3.0%	0.8%	0.0%	0.0%	0.0%	0.1%
Total Private Equity	2.8%	0.8%	2.1%	0.1%	0.0%	-0.1%	0.0%
Total Commodities	-12.3%	-12.1%	-0.2%	0.0%	0.3%	0.0%	0.3%
Total Opportunistic	2.1%	2.2%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total	1.0%	1.1%	-0.1%	-0.1%	0.0%	-0.1%	-0.1%

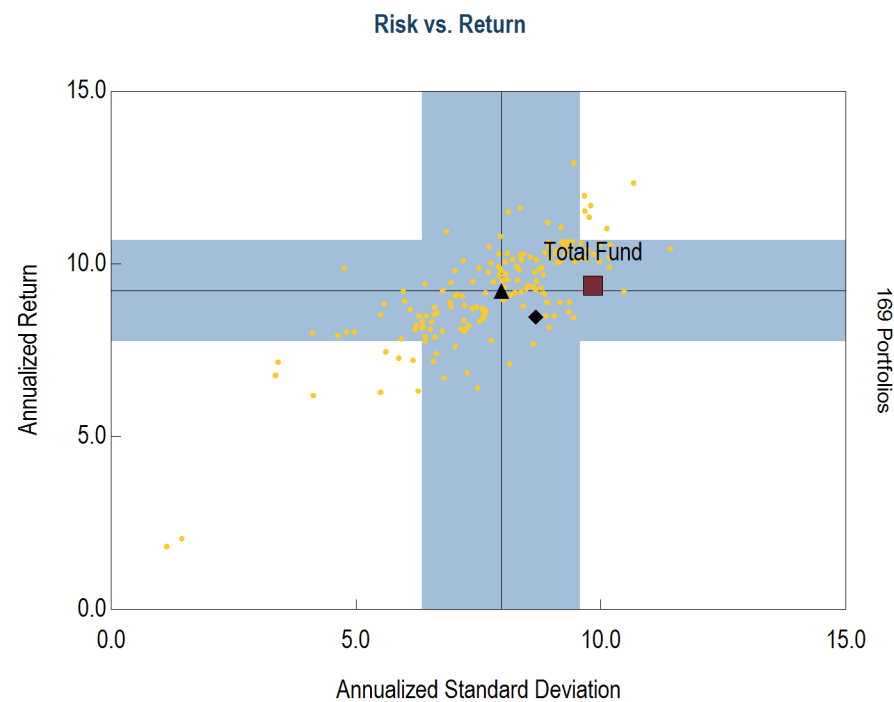
Weighted returns shown in attribution analysis may differ from actual returns.

Total Fund

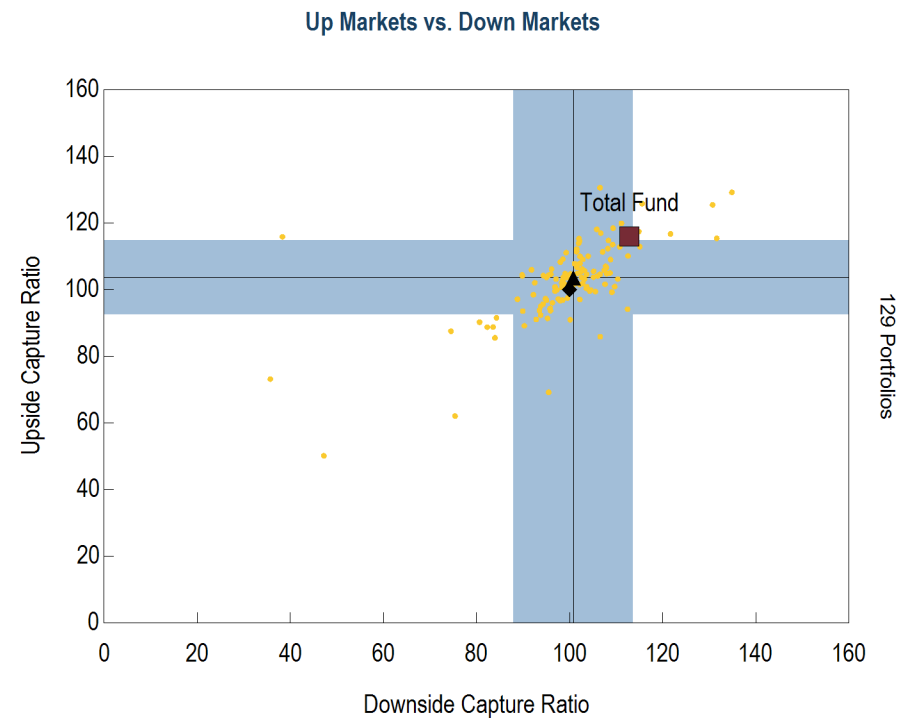
Risk Analysis - 5 Years (Gross of Fees)

Period Ending: December 31, 2014

	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	9.37%	0.91%	9.84%	-0.21%	1.13	1.39%	0.99	0.94	0.66	115.98%	112.88%



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

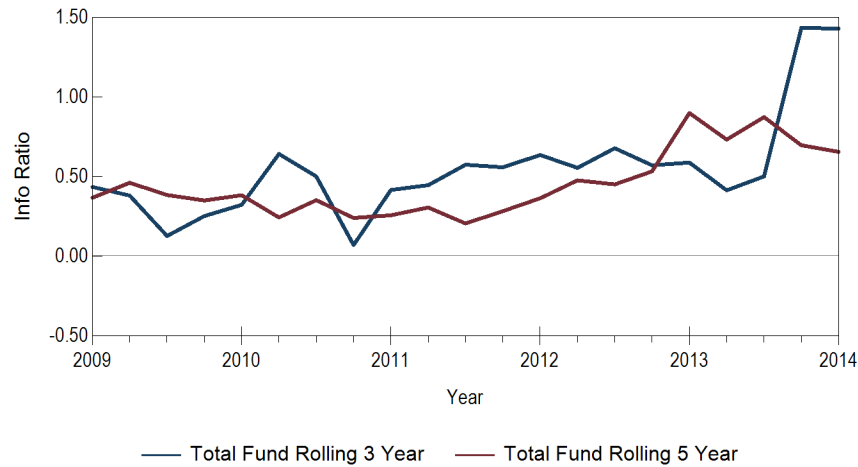


- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

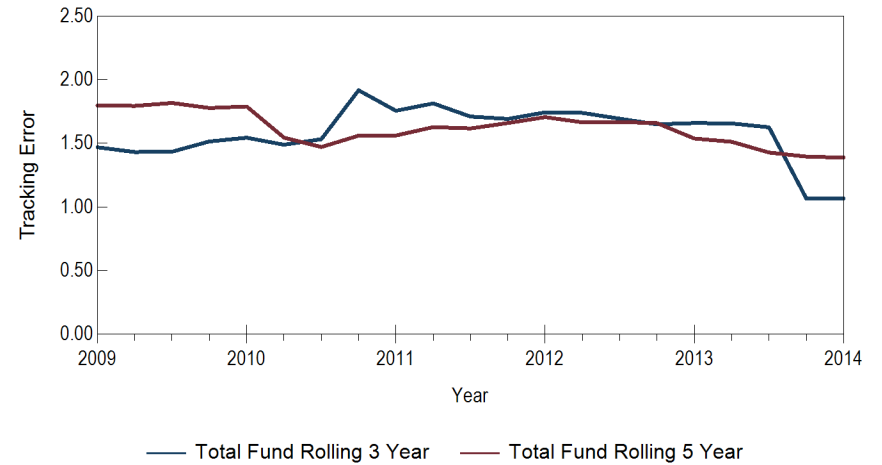
Total Fund Rolling Risk Statistics

Period Ending: December 31, 2014

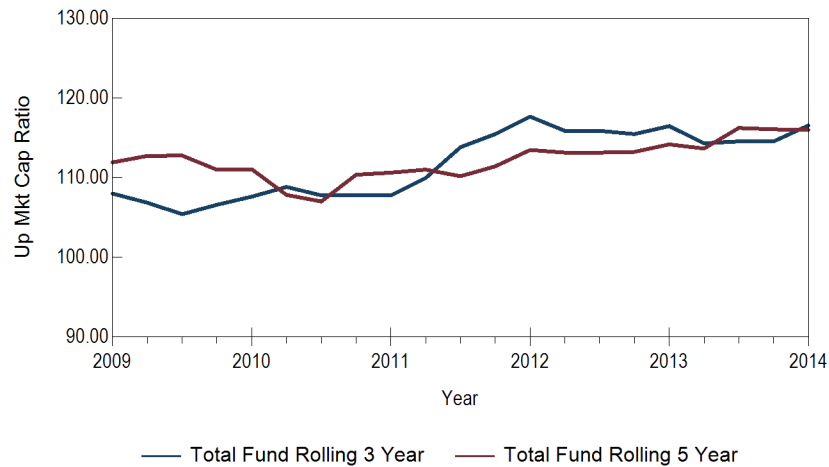
Rolling Information Ratio



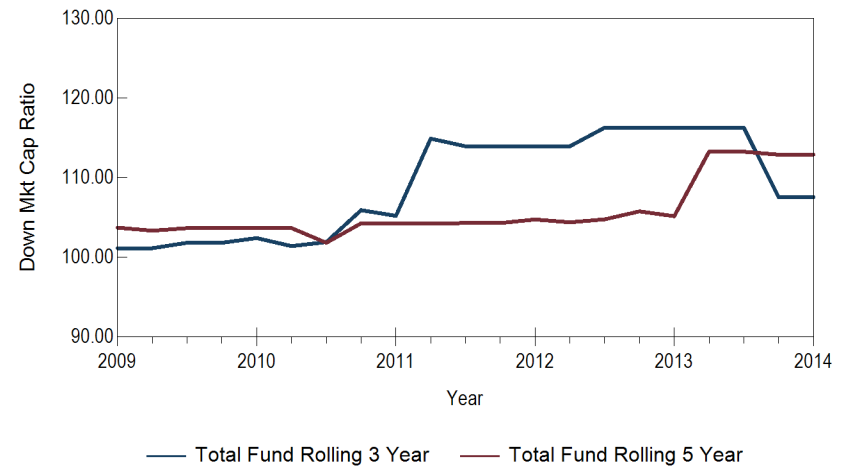
Rolling Tracking Error



Rolling Up Market Capture Ratio (%)



Rolling Down Market Capture Ratio (%)



Performance Summary (Gross of Fees)

Period Ending: December 31, 2014

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
Total Fund	673,061,693	100.0	1.0	-0.6	4.8	11.3	9.4	6.7	4.8	14.8	14.6	-1.1	14.7	9.7	Mar-89
Policy Index			0.7	-0.8	4.9	9.8	8.5	5.9	4.9	13.5	11.2	0.4	13.0	--	Mar-89
InvestorForce Public DB Gross Rank			78	81	74	44	47	30	74	57	3	90	13	3	Mar-89
Total Fund ex Clifton	671,669,936	99.8	1.0	-0.6	4.9	11.2	9.3	6.7	4.9	14.7	14.2	-1.0	14.7	9.6	Mar-89
Policy Index			0.7	-0.8	4.9	9.8	8.5	5.9	4.9	13.5	11.2	0.4	13.0	--	Mar-89
InvestorForce Public DB Gross Rank			78	81	73	48	49	32	73	58	9	90	14	4	Mar-89
Total Domestic Equity															
Blackrock Russell 1000	162,740,084	24.2	4.9	5.6	13.3	20.7	15.7	8.0	13.3	33.2	16.5	1.6	16.2	10.5	Oct-02
Russell 1000			4.9	5.6	13.2	20.6	15.6	8.0	13.2	33.1	16.4	1.5	16.1	10.4	Oct-02
eA US Large Cap Equity Gross Rank			48	48	41	46	40	68	41	54	39	39	34	53	Oct-02
TimesSquare Capital Mid Cap Growth	28,729,452	4.3	3.8	1.7	6.2	20.9	15.9	11.3	6.2	38.7	20.0	-0.7	19.3	14.7	Mar-03
Russell MidCap Growth			5.8	5.1	11.9	20.7	16.9	9.4	11.9	35.7	15.8	-1.7	26.4	12.7	Mar-03
eA US Mid Cap Growth Equity Gross Rank			82	80	75	31	61	17	75	36	11	40	94	13	Mar-03
T. Rowe Price Small Cap Value	27,552,213	4.1	7.6	-2.6	-0.5	16.2	14.8	8.9	-0.5	34.7	17.1	1.0	25.6	13.1	Dec-95
Russell 2000 Value			9.4	0.0	4.2	18.3	14.3	6.9	4.2	34.5	18.1	-5.5	24.5	10.3	Dec-95
eA US Small Cap Value Equity Gross Rank			49	81	88	86	72	66	88	78	49	22	63	51	Dec-95
Total International Equity															
Blackrock International Equity	60,901,558	9.0	-3.6	-9.2	-4.7	11.4	5.7	4.8	-4.7	23.2	17.8	-11.8	8.1	8.1	Jul-03
MSCI EAFE Gross			-3.5	-9.2	-4.5	11.6	5.8	4.9	-4.5	23.3	17.9	-11.7	8.2	8.2	Jul-03
eA All EAFE Equity Gross Rank			68	68	64	70	83	84	64	61	74	48	79	70	Jul-03
Templeton Foreign Equity	58,682,492	8.7	-4.3	-9.7	-6.0	10.6	5.5	6.2	-6.0	20.4	19.5	-10.2	7.5	8.5	Dec-94
MSCI ACWI ex USA Gross			-3.8	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6	5.8	Dec-94
eA All ACWI ex-US Equity Gross Rank			85	80	80	70	77	64	80	47	50	28	92	51	Dec-94
DFA Emerging Markets Value	20,675,265	3.1	-6.2	-10.2	-3.9	3.8	0.5	--	-3.9	-3.2	20.1	-25.2	22.8	4.0	Jan-07
MSCI Emerging Markets Gross			-4.4	-7.6	-1.8	4.4	2.1	--	-1.8	-2.3	18.6	-18.2	19.2	3.3	Jan-07
eA Emg Mkts Equity Gross Rank			90	91	84	85	91	--	84	84	56	92	33	55	Jan-07
Vontobel Global Emerging Markets	23,377,811	3.5	-2.4	--	--	--	--	--	--	--	--	--	--	-2.4	Sep-14
MSCI Emerging Markets Gross			-4.4	--	--	--	--	--	--	--	--	--	--	-4.4	Sep-14
eA Emg Mkts Equity Gross Rank			28	--	--	--	--	--	--	--	--	--	--	28	Sep-14

Since Inception ranking is from the beginning of the first complete month. PIMCO Total Return liquidated 10/9/2014. Bradford & Marzec Temporary account funded 10/10/2014. Bradford & Marzec Temporary account since inception return based on Wurts calculations.

Performance Summary (Gross of Fees)

Period Ending: December 31, 2014

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
Total Fixed Income															
Bradford & Marzec Fixed	89,639,038	13.3	1.7	1.6	7.0	5.0	6.4	6.3	7.0	-0.4	8.8	7.4	9.6	7.0	Dec-92
<i>Barclays Aggregate</i>			1.8	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5	6.0	Dec-92
<i>eA US Core Plus Fixed Inc Gross Rank</i>			17	32	16	41	41	29	16	52	45	51	40	38	Dec-92
Bradford & Marzec Temporary	84,897,427	12.6	--	--	--	--	--	--	--	--	--	--	--	0.8	Oct-14
<i>Barclays Aggregate</i>			--	--	--	--	--	--	--	--	--	--	--	0.8	Oct-14
<i>eA US Core Fixed Inc Gross Rank</i>			--	--	--	--	--	--	--	--	--	--	--	--	Oct-14
Blackrock US TIPS	14,615,552	2.2	-0.1	-2.1	3.6	0.5	4.2	--	3.6	-8.5	7.1	13.7	6.4	5.1	Apr-07
<i>Barclays US TIPS</i>			0.0	-2.1	3.6	0.4	4.1	--	3.6	-8.6	7.0	13.6	6.3	4.9	Apr-07
<i>eA TIPS / Infl Indexed Fixed Inc Gross Rank</i>			42	52	45	54	51	--	45	62	59	37	52	70	Apr-07
Total Real Estate															
ASB Real Estate	25,234,981	3.7	3.6	7.6	13.5	--	--	--	13.5	13.7	--	--	--	13.6	Dec-12
<i>NCREIF Property Index</i>			3.0	5.7	11.8	--	--	--	11.8	11.0	--	--	--	11.4	Dec-12
<i>NCREIF-ODCE</i>			3.3	6.6	12.5	--	--	--	12.5	13.9	--	--	--	13.2	Dec-12
Clarion Lion	24,781,665	3.7	4.3	8.2	13.2	12.3	14.9	--	13.2	12.8	10.9	18.7	19.4	2.9	Dec-06
<i>NCREIF Property Index</i>			3.0	5.7	11.8	11.1	12.1	--	11.8	11.0	10.5	14.3	13.1	6.0	Dec-06
<i>NCREIF-ODCE</i>			3.3	6.6	12.5	12.4	13.9	--	12.5	13.9	10.9	16.0	16.4	4.4	Dec-06
1221 State St. Corp	1,395,957	0.2	0.0	0.0	0.0	0.0	-1.1	--	0.0	0.0	0.1	-9.0	3.7	-0.6	Sep-08
Total Commodities															
Blackrock Commodities	5,431,365	0.8	-12.1	-22.5	-17.0	-9.3	-5.4	--	-17.0	-9.4	-0.9	-13.2	17.0	-3.8	Oct-09
<i>Bloomberg Commodity Index TR USD</i>			-12.1	-22.5	-17.0	-9.4	-5.5	--	-17.0	-9.5	-1.1	-13.3	16.8	-3.7	Oct-09
Gresham MTAP Commodity Builder	12,080,429	1.8	-12.5	-21.6	-16.1	--	--	--	-16.1	--	--	--	--	-14.6	Aug-13
<i>Bloomberg Commodity Index TR USD</i>			-12.1	-22.5	-17.0	--	--	--	-17.0	--	--	--	--	-15.4	Aug-13
Total Cash															
Cash Account	6,588,969	1.0	0.0	0.0	0.0	0.1	--	--	0.0	0.0	0.4	0.2	--	--	

Since Inception ranking is from the beginning of the first complete month. PIMCO Total Return liquidated 10/9/2014. Bradford & Marzec Temporary account funded 10/10/2014. Bradford & Marzec Temporary account since inception return based on Wurts calculations.

Performance Summary (Net of Fees)

Period Ending: December 31, 2014

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
Total Fund	673,061,693	100.0	0.9	-0.8	4.4	10.9	9.0	6.3	4.4	14.5	14.2	-1.5	14.3	9.2	Mar-89
Policy Index			0.7	-0.8	4.9	9.8	8.5	5.9	4.9	13.5	11.2	0.4	13.0	--	Mar-89
Total Fund ex Clifton	671,669,936	99.8	0.9	-0.8	4.4	10.8	8.9	6.2	4.4	14.4	13.8	-1.4	14.2	9.2	Mar-89
Policy Index			0.7	-0.8	4.9	9.8	8.5	5.9	4.9	13.5	11.2	0.4	13.0	--	Mar-89
Total Domestic Equity															
Blackrock Russell 1000	162,740,084	24.2	4.9	5.6	13.2	20.6	15.6	8.0	13.2	33.1	16.4	1.5	16.1	10.4	Oct-02
Russell 1000			4.9	5.6	13.2	20.6	15.6	8.0	13.2	33.1	16.4	1.5	16.1	10.4	Oct-02
TimesSquare Capital Mid Cap Growth	28,729,452	4.3	3.6	1.6	5.7	20.2	15.2	10.6	5.7	37.8	19.2	-1.3	18.5	14.0	Mar-03
Russell MidCap Growth			5.8	5.1	11.9	20.7	16.9	9.4	11.9	35.7	15.8	-1.7	26.4	12.7	Mar-03
T. Rowe Price Small Cap Value	27,552,213	4.1	7.4	-2.9	-1.2	15.4	14.0	8.1	-1.2	33.8	16.3	0.3	24.8	12.3	Dec-95
Russell 2000 Value			9.4	0.0	4.2	18.3	14.3	6.9	4.2	34.5	18.1	-5.5	24.5	10.3	Dec-95
Total International Equity															
Blackrock International Equity	60,901,558	9.0	-3.6	-9.3	-4.8	11.2	5.5	4.6	-4.8	22.9	17.6	-11.9	7.9	7.9	Jul-03
MSCI EAFE Gross			-3.5	-9.2	-4.5	11.6	5.8	4.9	-4.5	23.3	17.9	-11.7	8.2	8.2	Jul-03
Templeton Foreign Equity	58,682,492	8.7	-4.5	-10.1	-6.8	9.7	4.7	5.4	-6.8	19.5	18.5	-10.9	6.7	7.7	Dec-94
MSCI ACWI ex USA Gross			-3.8	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6	5.8	Dec-94
DFA Emerging Markets Value	20,675,265	3.1	-6.3	-10.4	-4.4	3.1	-0.1	--	-4.4	-3.8	19.4	-25.6	22.1	3.4	Jan-07
MSCI Emerging Markets Gross			-4.4	-7.6	-1.8	4.4	2.1	--	-1.8	-2.3	18.6	-18.2	19.2	3.3	Jan-07
Vontobel Global Emerging Markets	23,377,811	3.5	-2.6	--	--	--	--	--	--	--	--	--	--	-2.6	Sep-14
MSCI Emerging Markets Gross			-4.4	--	--	--	--	--	--	--	--	--	--	-4.4	Sep-14
Total Fixed Income															
Bradford & Marzec Fixed	89,639,038	13.3	1.6	1.4	6.7	4.7	6.1	6.0	6.7	-0.8	8.5	7.1	9.3	6.7	Dec-92
Barclays Aggregate			1.8	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5	6.0	Dec-92
Bradford & Marzec Temporary	84,897,427	12.6	--	--	--	--	--	--	--	--	--	--	--	0.8	Oct-14
Barclays Aggregate			--	--	--	--	--	--	--	--	--	--	--	0.8	Oct-14
Blackrock US TIPS	14,615,552	2.2	-0.1	-2.2	3.6	0.4	4.1	--	3.6	-8.6	7.0	13.6	6.3	5.0	Apr-07
Barclays US TIPS			0.0	-2.1	3.6	0.4	4.1	--	3.6	-8.6	7.0	13.6	6.3	4.9	Apr-07

Since Inception ranking is from the beginning of the first complete month. PIMCO Total Return liquidated 10/9/2014. Bradford & Marzec Temporary account funded 10/10/2014. Bradford & Marzec Temporary account since inception return based on Wurts calculations.

Performance Summary (Net of Fees)

Period Ending: December 31, 2014

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	Return	Since
Total Real Estate															
ASB Real Estate	25,234,981	3.7	3.4	7.1	12.5	--	--	--	12.5	12.5	--	--	--	12.5	Dec-12
NCREIF Property Index			3.0	5.7	11.8	--	--	--	11.8	11.0	--	--	--	11.4	Dec-12
NCREIF-ODCE			3.3	6.6	12.5	--	--	--	12.5	13.9	--	--	--	13.2	Dec-12
Clarion Lion	24,781,665	3.7	4.1	7.7	12.2	11.3	13.9	--	12.2	11.8	9.9	17.8	18.2	2.0	Dec-06
NCREIF Property Index			3.0	5.7	11.8	11.1	12.1	--	11.8	11.0	10.5	14.3	13.1	6.0	Dec-06
NCREIF-ODCE			3.3	6.6	12.5	12.4	13.9	--	12.5	13.9	10.9	16.0	16.4	4.4	Dec-06
1221 State St. Corp	1,395,957	0.2	0.0	0.0	0.0	0.0	-1.1	--	0.0	0.0	0.1	-9.0	3.7	-0.6	Sep-08
Total Commodities															
Blackrock Commodities	5,431,365	0.8	-12.2	-22.6	-17.2	-9.6	-5.7	--	-17.2	-9.7	-1.2	-13.5	16.6	-4.1	Oct-09
Bloomberg Commodity Index TR USD			-12.1	-22.5	-17.0	-9.4	-5.5	--	-17.0	-9.5	-1.1	-13.3	16.8	-3.7	Oct-09
Gresham MTAP Commodity Builder	12,080,429	1.8	-12.6	-21.9	-16.7	--	--	--	-16.7	--	--	--	--	-15.0	Aug-13
Bloomberg Commodity Index TR USD			-12.1	-22.5	-17.0	--	--	--	-17.0	--	--	--	--	-15.4	Aug-13
Total Cash															
Cash Account	6,588,969	1.0	0.0	0.0	0.0	0.1	--	--	0.0	0.0	0.4	0.2	--	--	

Since Inception ranking is from the beginning of the first complete month. PIMCO Total Return liquidated 10/9/2014. Bradford & Marzec Temporary account funded 10/10/2014. Bradford & Marzec Temporary account since inception return based on Wurts calculations.

Investment Manager

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

Period Ending: December 31, 2014

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	20.61%	-0.01%	9.54%	0.01%	1.00	0.02%	1.00	2.15	-0.47	99.93%	99.76%
TimesSquare Capital Mid Cap Growth	20.21%	-0.51%	12.29%	-1.80%	1.06	3.84%	0.91	1.64	-0.13	98.48%	108.12%
T. Rowe Price Small Cap Value	15.38%	-2.90%	11.82%	-2.04%	0.95	2.54%	0.96	1.30	-1.14	83.29%	95.09%
Blackrock International Equity	11.24%	-0.32%	12.32%	-0.32%	1.00	0.04%	1.00	0.91	-8.10	98.62%	101.67%
Templeton Foreign Equity	9.71%	0.23%	12.79%	0.28%	0.99	3.73%	0.91	0.76	0.06	99.12%	95.65%
DFA Emerging Markets Value	3.14%	-1.27%	16.03%	-1.93%	1.15	2.63%	0.99	0.19	-0.48	109.38%	120.72%
Bradford & Marzec Fixed	4.69%	2.03%	3.21%	1.70%	1.12	1.43%	0.81	1.45	1.42	151.52%	66.46%
Blackrock US TIPS	0.42%	-0.02%	5.84%	-0.03%	1.01	0.08%	1.00	0.06	-0.31	100.74%	101.31%
Clarion Lion	11.30%	0.19%	1.66%	-14.60%	2.33	1.49%	0.29	6.78	0.13	101.89%	--
Blackrock Commodities	-9.63%	-0.20%	13.85%	-0.20%	1.00	0.05%	1.00	-0.70	-3.80	98.25%	100.55%

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	15.65%	0.01%	14.80%	0.02%	1.00	0.02%	1.00	1.05	0.42	99.99%	99.86%
TimesSquare Capital Mid Cap Growth	15.22%	-1.72%	16.54%	-0.71%	0.94	4.06%	0.94	0.92	-0.42	87.10%	95.92%
T. Rowe Price Small Cap Value	13.97%	-0.29%	18.04%	0.41%	0.95	3.14%	0.97	0.77	-0.09	90.06%	90.77%
Blackrock International Equity	5.52%	-0.29%	16.87%	-0.29%	1.00	0.04%	1.00	0.32	-7.15	98.40%	100.67%
Templeton Foreign Equity	4.66%	-0.23%	17.03%	-0.19%	0.99	3.58%	0.96	0.27	-0.07	97.25%	99.45%
DFA Emerging Markets Value	-0.08%	-2.19%	20.69%	-2.51%	1.15	3.17%	0.99	-0.01	-0.69	108.63%	116.26%
Bradford & Marzec Fixed	6.08%	1.63%	3.02%	3.01%	0.69	2.38%	0.48	1.99	0.69	125.50%	45.87%
Blackrock US TIPS	4.11%	-0.01%	5.42%	-0.04%	1.01	0.07%	1.00	0.74	-0.11	100.47%	101.26%
Clarion Lion	13.93%	1.79%	3.30%	-5.96%	1.64	2.35%	0.58	4.20	0.76	118.96%	--
Blackrock Commodities	-5.72%	-0.19%	15.81%	-0.19%	1.00	0.05%	1.00	-0.37	-3.65	98.70%	100.41%

Private Equity

Non Marketable Securities Overview

Period Ending: December 31, 2014

Vintage	Manager & Fund Name	Estimated 12/31 Market Value ³	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value for IRR	Distrib./ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Net IRR Since Inception ⁵	IRR Date
2011	HarbourVest IX-Buyout	\$3,125,602	\$10,000,000	\$3,100,000	31%	\$6,900,000	\$342,218	\$2,675,602	11.0%	97.3%	9.9%	9/30/14
2011	HarbourVest IX-Credit	\$525,982	\$2,000,000	\$430,000	22%	\$1,570,000	\$28,459	\$525,982	6.6%	128.9%	15.8%	9/30/14
2008	HarbourVest Int'l VI ⁶	\$2,112,400	\$3,712,930	\$2,059,645	55%	\$1,653,285	\$204,487	\$1,971,106	9.9%	105.6%	11.9%	9/30/14
2011	HarbourVest IX-Venture	\$2,053,651	\$4,000,000	\$1,720,000	43%	\$2,280,000	\$142,707	\$2,053,651	8.3%	127.7%	20.8%	9/30/14
2010	KKR Mezzanine ⁷	\$7,012,129	\$10,000,000	\$9,853,173	99%	\$146,827	\$4,900,776	\$6,978,815	49.7%	120.6%	11.1%	9/30/14
2011	PIMCO BRAVO ⁴	\$10,107,209	\$10,000,000	\$10,000,000	100%	\$0	\$7,973,428	\$10,107,209	79.7%	180.8%	25.5%	12/31/14

Total Alternative Illiquids **\$24,936,973** \$39,712,930 \$27,162,818 68% \$12,550,112 \$13,592,075 \$24,312,365 89.5% 139.5%

% of Portfolio (Market Value) **3.7%**

	Management Fee	Admin Fee	Interest Expense	Other Expense	Total Expense ⁸
HarbourVest IX-Buyout	\$24,863	\$0	\$0	\$3,248	\$28,111
HarbourVest IX-Credit	\$4,965	\$0	\$0	\$1,245	\$6,210
HarbourVest Int'l VI	\$8,498	\$0	\$0	\$389	\$8,887
HarbourVest IX-Venture	\$9,964	\$0	\$0	\$1,393	\$11,357
KKR Mezzanine	\$26,473	\$0	\$0	\$46,670	\$73,142
PIMCO BRAVO	\$26,925	\$5,939	\$5,074	\$-357	\$37,581

\$101,687 \$5,939 \$5,074 \$52,588 **\$165,289**

¹(DPI) is equal to (capital returned / capital called)

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

³Last known market value + capital calls - distributions (All HarbourVest funds & KKR are as of 9/30/2014)

⁴Investment period ended, no further capital to be called.

⁵Gross 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.

⁶Net 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.

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

⁸Remaining commitment including return of unused capital and distributions available for reinvestment would be \$2,617,582

⁹All HarbourVest & KKR fees and expenses are for 3Q 2014

Financial Reconciliation

Period Ending: December 31, 2014

Manager	Beginning Market Value	Contributions	Disbursements	Fees ²	Net Cash Flow	Investment Income	Capital Gain/ Loss	Total Gains/Earnings/ Losses	Ending Market Value
Blackrock Russell 1000 Index	\$155,152,245	\$0	\$0	\$0	\$0	\$0	\$7,587,839	\$7,587,839	\$162,740,084
Times Square Capital	\$27,684,999	\$0	\$0	(\$58,330)	(\$58,330)	\$58,819	\$1,043,964	\$1,102,783	\$28,729,452
T. Rowe Price Associates	\$25,599,355	\$0	\$0	\$0	\$0	\$110,923	\$1,841,935	\$1,952,857	\$27,552,213
DFA Emerging Markets	\$22,071,945	\$0	\$0	\$0	\$0	249,585.81	(\$1,646,266)	(\$1,396,680)	\$20,675,265
Vontobel Global Emerging Markets	\$24,000,000	\$0	\$0	\$0	\$0	\$44,060	(\$666,249)	(\$622,189)	\$23,377,811
Blackrock International Equity	\$63,152,788	\$0	\$0	\$0	\$0	\$0	(\$2,251,230)	(\$2,251,230)	\$60,901,558
Franklin Templeton International Equity	\$62,342,274	\$0	\$0	\$0	\$0	\$1,597,316	(\$5,257,098)	(\$3,659,783)	\$58,682,492
Bradford & Marzec, Inc.	\$87,968,602	\$0	\$0	\$0	\$0	\$957,409	\$713,026	\$1,670,435	\$89,639,038
Bradford & Marzec, Inc. (Temporary)	\$0	\$84,257,961	\$0	\$0	\$84,257,961	\$217,063	\$422,403	\$639,466	\$84,897,427
PIMCO Total Return	\$83,608,766	\$0	(\$84,257,961)	\$0	(\$84,257,961)	\$33,859	\$615,336	\$649,195	\$0
Blackrock US TIPS	\$14,629,814	\$0	\$0	\$0	\$0	\$0	(\$14,261)	(\$14,261)	\$14,615,552
Clarion Lion Properties	\$23,822,517	\$178,927	(\$246,560)	(\$65,573)	(\$133,206)	\$280,891	\$811,463	\$1,092,354	\$24,781,665
ICERS State Street Real Estate	\$1,369,851	\$34,301	(\$8,202)	\$0	\$26,099	\$7	\$0	\$7	\$1,395,957
ASB Allegiance Real Estate	\$24,348,140	\$0	\$0	(\$59,816)	(\$59,816)	\$243,481	\$703,176	\$946,657	\$25,234,981
PIMCO BRAVO	\$9,788,156	\$0	\$0	(\$37,581)	(\$37,581)	\$244,850	\$111,784	\$356,634	\$10,107,209
KKR Mezzanine I ²	\$6,978,815	\$124,966	(\$91,652)	(\$73,142)	(\$39,828)	\$252,314	(\$179,172)	\$73,142	\$7,012,129
Blackrock Global Commodity	\$6,178,153	\$0	\$0	\$0	\$0	\$0	(\$746,788)	(\$746,788)	\$5,431,365
Gresham TAP Commodity Builder	\$13,824,814	\$0	\$0	(\$21,508)	(\$21,508)	\$0	(\$1,722,876)	(\$1,722,876)	\$12,080,429
HarbourVest International VI ¹	\$1,826,160	\$189,333	(\$71,337)	(\$8,887)	\$109,109	\$0	\$35,837	\$35,837	\$1,971,106
HarbourVest Buyout IX ¹	\$2,512,559	\$300,000	(\$114,072)	(\$28,111)	\$157,817	\$3	\$5,223	\$5,226	\$2,675,602
HarbourVest Credit Opportunities IX ¹	\$529,611	\$0	\$0	(\$6,210)	(\$6,210)	\$2,749	(\$168)	\$2,581	\$525,982
HarbourVest Venture IX ¹	\$1,784,169	\$220,000	(\$97,458)	(\$11,357)	\$111,185	\$2	\$158,295	\$158,297	\$2,053,651
Cash	\$7,522,036	\$105,266	(\$1,038,333)	\$0	(\$933,067)	\$0	\$0	\$0	\$6,588,969
The Clifton Group	\$1,391,756	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,391,756
Totals	\$668,087,525	\$85,410,754	(\$85,925,575)	(\$370,515)	(\$885,335)	\$4,293,332	\$1,566,171	\$5,859,502	\$673,061,693

¹3Q 2014 data

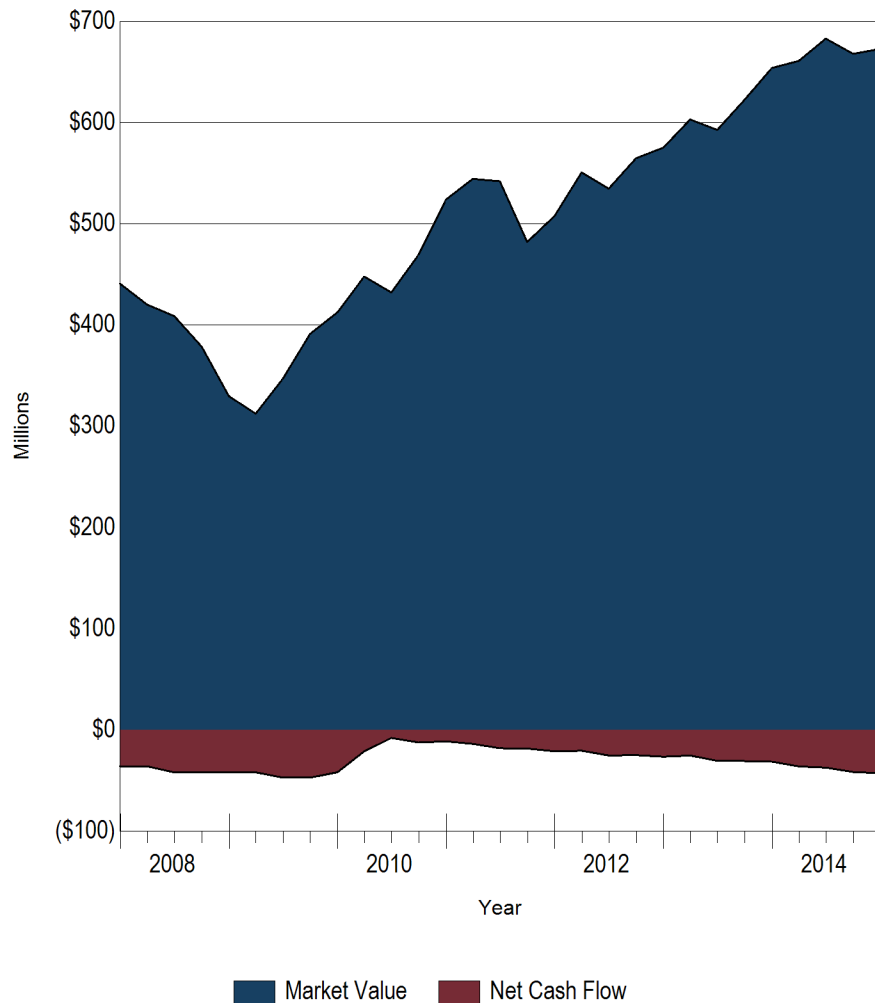
²3Q 2014 data + contributions & withdrawals

³Fee transactions not included in the Portfolio Reconciliation page at beginning of report

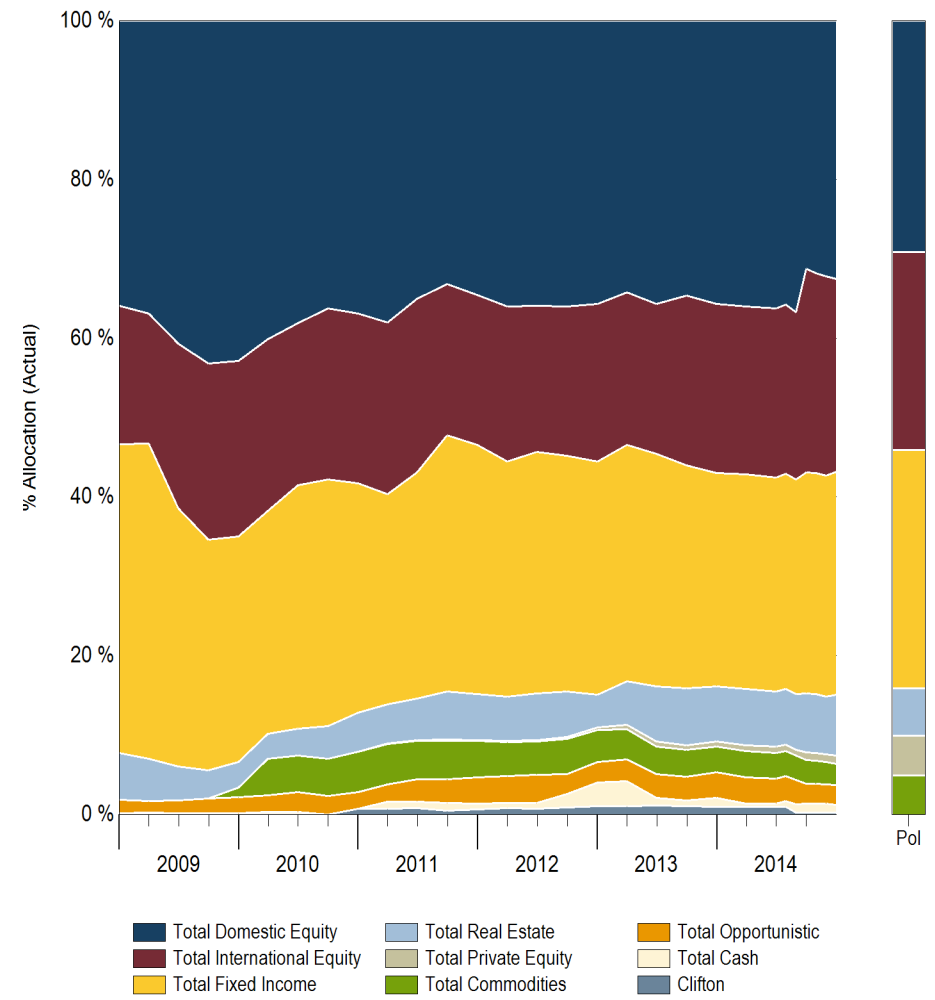
Total Fund Asset Allocation History

Period Ending: December 31, 2014

Market Value History

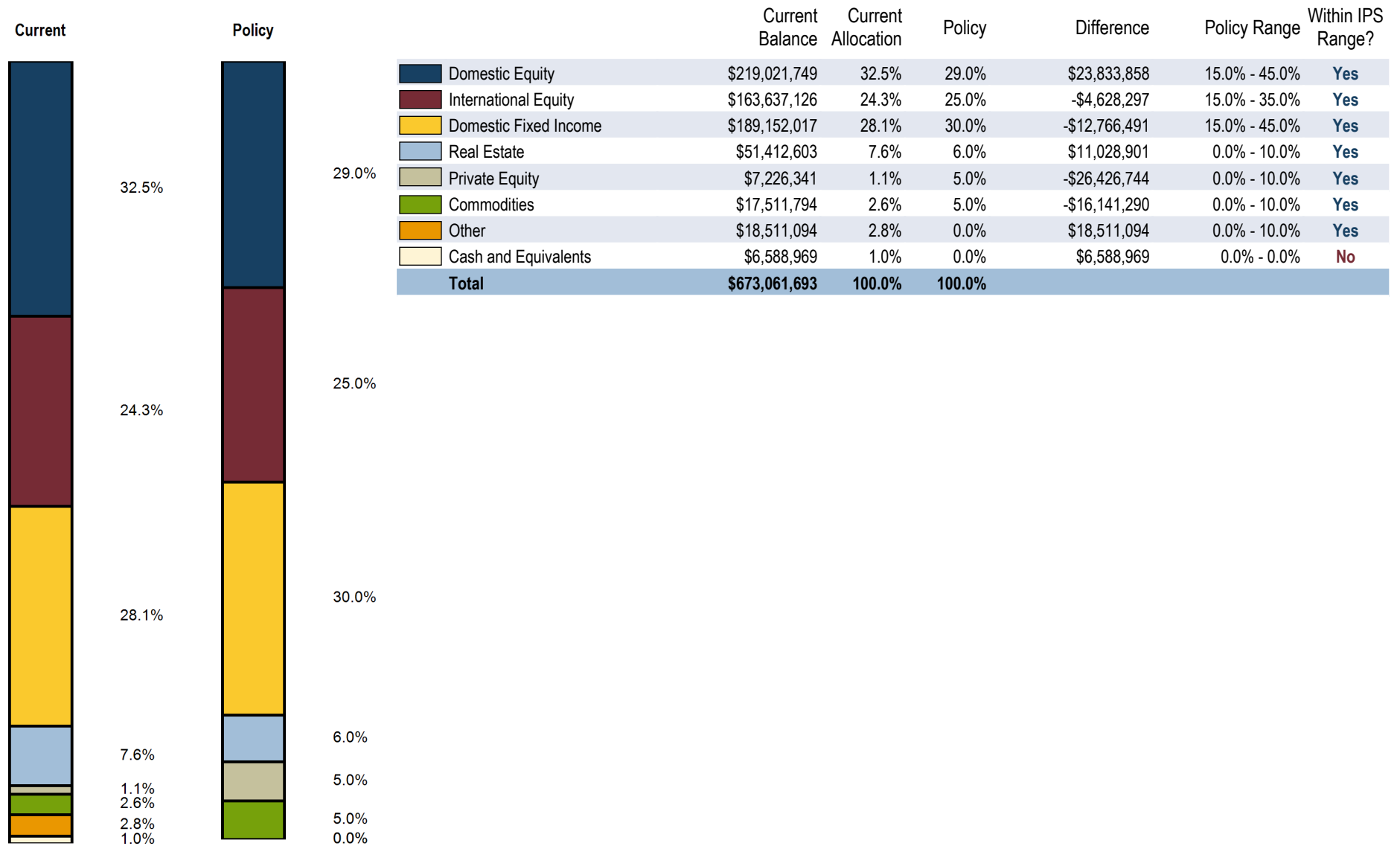


Asset Allocation History



Total Fund Asset Allocation vs. Policy

Period Ending: December 31, 2014



Manager Report Card

Period Ending: December 31, 2014

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

Obejective 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	20.6%	20.6%	No			15.6%	15.6%	No		
Times Square	Russell Mid-Cap Growth Index + 100 basis points	20.2%	21.7%	No	31	Yes	15.2%	17.9%	No	61	No
T. Rowe Price	Russell 2000 Value Index + 100 basis points	15.4%	19.3%	No	86	No	14.0%	15.3%	No	72	No
<u>International Equity</u>											
BlackRock	MSCI EAFE Index	11.2%	11.6%	No			5.5%	5.8%	No		
Franklin Templeton	MSCI All Country World ex U.S. Index + 100 basis points	9.7%	10.5%	No	70	No	4.7%	5.9%	No	77	No
Dimensional Fund Advisors	MSCI Emerging Markets Index + 150 basis points	3.1%	5.9%	No	85	No	-0.1%	3.6%	No	91	No
Vontobel	MSCI Emerging Markets Index + 150 basis points										
<u>Fixed Income</u>											
Bradford & Marzec	Barclays Credit Aggregate Bond Index + 50 basis points	4.7%	3.2%	Yes	41	Yes	6.1%	4.9%	Yes	41	Yes
BlackRock	Barclays Credit US TIPS Index	0.4%	0.4%	No			4.1%	4.1%	No		
<u>Alternatives</u>											
Clarion	NCREIF Property Index	11.3%	11.1%	Yes			13.9%	12.1%	Yes		
ASB Allegiance	NCREIF Property Index										
BlackRock	Bloomberg Commodity Index	-9.6%	-9.4%	No			-5.7%	-5.5%	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 + 300 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	8.0%	8.0%	No							
Times Square	Russell Mid-Cap Growth Index + 100 basis points	10.6%	10.4%	Yes	17	Yes					
T. Rowe Price	Russell 2000 Value Index + 100 basis points	8.1%	7.9%	Yes	66	No	12.1%	11.2%	Yes		
<u>International Equity</u>											
BlackRock	MSCI EAFE Index	4.6%	4.9%	No							
Franklin Templeton	MSCI All Country World ex U.S. Index + 100 basis points	5.4%	6.6%	No	64	No	4.9%	4.7%	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	6.0%	5.2%	Yes	29	Yes	6.5%	6.2%	Yes		
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 + 300 basis points										

Investment Fund Fee Analysis

Period Ending: December 31, 2014

Account	Fee Schedule	Market Value As of 12/31/2014	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
1221 State St. Corp	No Fee	\$1,395,957	0.2%	--	--
ASB Real Estate	1.25% of First \$5.0 Mil, 1.00% of Next \$10.0 Mil, 0.75% Thereafter	\$25,234,981	3.7%	\$239,262	0.95%
Blackrock Commodities	0.30% of Assets	\$5,431,365	0.8%	\$16,294	0.30%
Blackrock International Equity	0.15% of First \$50.0 Mil, 0.10% of Next \$50.0 Mil	\$60,901,558	9.0%	\$85,902	0.14%
Blackrock Russell 1000	0.03% of Assets	\$162,740,084	24.2%	\$48,822	0.03%
Blackrock US TIPS	0.07% of Assets	\$14,615,552	2.2%	\$10,231	0.07%
Bradford & Marzec Fixed	0.29% of First \$100.0 Mil, 0.25% of Next \$100.0 Mil	\$89,639,038	13.3%	\$255,471	0.29%
Bradford & Marzec Temporary	0.29% of First \$100.0 Mil, 0.25% of Next \$150.0 Mil, 0.20% Thereafter	\$84,897,427	12.6%	\$241,958	0.29%
Cash Account	No Fee	\$6,588,969	1.0%	--	--
Clarion Lion	1.25% of First \$10.0 Mil, 1.00% of Next \$15.0 Mil, 0.85% Thereafter	\$24,781,665	3.7%	\$272,817	1.10%
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	\$20,675,265	3.1%	\$126,119	0.61%
Gresham MTAP Commodity Builder	0.75% of Assets	\$12,080,429	1.8%	\$90,603	0.75%
Harbourvest Buyout IX	\$100,000 Annually	\$2,675,602	0.4%	\$100,000	3.74%
Harbourvest Credit Ops IX	\$20,000 Annually	\$525,982	0.1%	\$20,000	3.80%
Harbourvest International PE VI	\$35,000 Annually	\$1,971,106	0.3%	\$35,000	1.78%
Harbourvest Venture IX	\$40,000 Annually	\$2,053,651	0.3%	\$40,000	1.95%
KKR Mezzanine Partners	\$150,000 Annually	\$7,012,129	1.0%	\$150,000	2.14%
PIMCO BRAVO	1.90% of Assets	\$10,107,209	1.5%	\$192,037	1.90%
T. Rowe Price Small Cap Value	0.75% of First \$20.0 Mil, 0.60% Thereafter	\$27,552,213	4.1%	\$195,313	0.71%
Templeton Foreign Equity	0.78% of Assets	\$58,682,492	8.7%	\$457,723	0.78%
TimesSquare Capital Mid Cap Growth	0.65% of Assets	\$28,729,452	4.3%	\$186,741	0.65%
Vontobel Global Emerging Markets	0.95% of First \$150.0 Mil, 0.85% Thereafter	\$23,377,811	3.5%	\$222,089	0.95%
Investment Management Fee		\$673,061,693	100.0%	\$2,986,383	0.44%

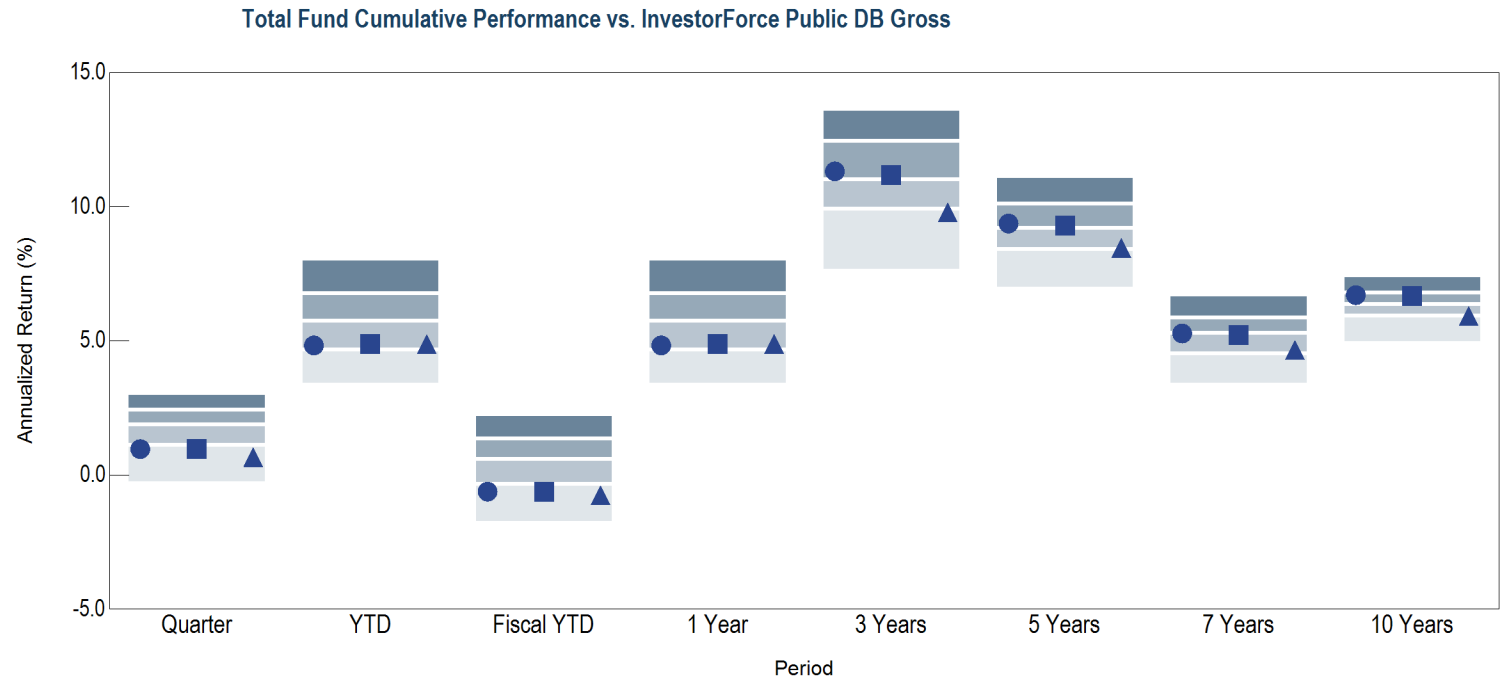
*HarbourVest, KKR and PIMCO BRAVO fees are estimated gross management fees only and do not include incentive allocations or offsetting cash flows received by the fund

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

Total Fund (Gross of Fees)

Peer Universe Comparison: Cumulative Performance

Period Ending: December 31, 2014

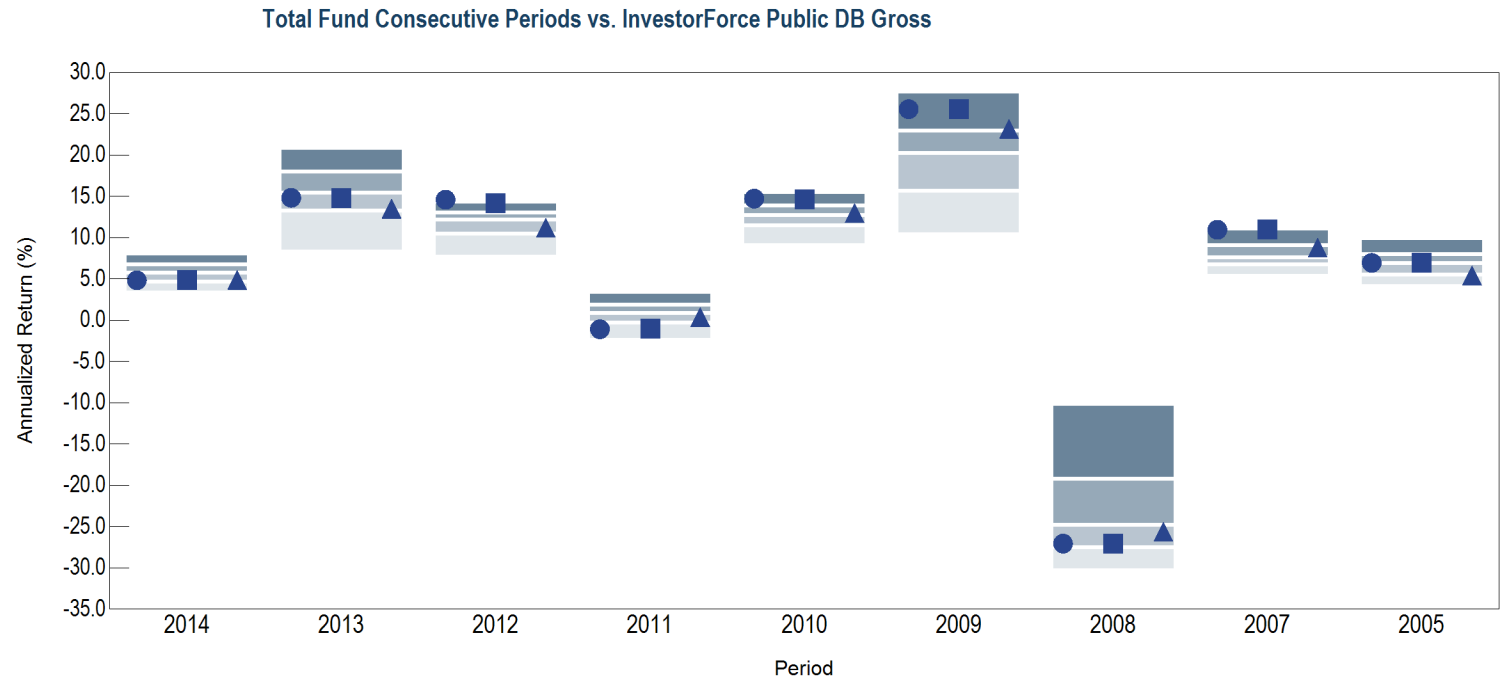


	Return (Rank)							
5th Percentile	3.0	8.0	2.3	8.0	13.6	11.1	6.7	7.4
25th Percentile	2.4	6.8	1.4	6.8	12.5	10.1	5.9	6.8
Median	1.9	5.8	0.6	5.8	11.0	9.2	5.3	6.4
75th Percentile	1.1	4.7	-0.3	4.7	9.9	8.4	4.6	6.0
95th Percentile	-0.3	3.4	-1.8	3.4	7.6	7.0	3.4	4.9
# of Portfolios	215	206	212	206	194	169	162	145
● Total Fund	1.0 (78)	4.8 (74)	-0.6 (81)	4.8 (74)	11.3 (44)	9.4 (47)	5.3 (52)	6.7 (30)
■ Total Fund ex Clifton	1.0 (78)	4.9 (73)	-0.6 (81)	4.9 (73)	11.2 (48)	9.3 (49)	5.2 (55)	6.7 (32)
▲ Policy Index	0.7 (85)	4.9 (73)	-0.8 (84)	4.9 (73)	9.8 (78)	8.5 (74)	4.7 (74)	5.9 (78)

Total Fund (Gross of Fees)

Peer Universe Comparison: Consecutive Periods

Period Ending: December 31, 2014



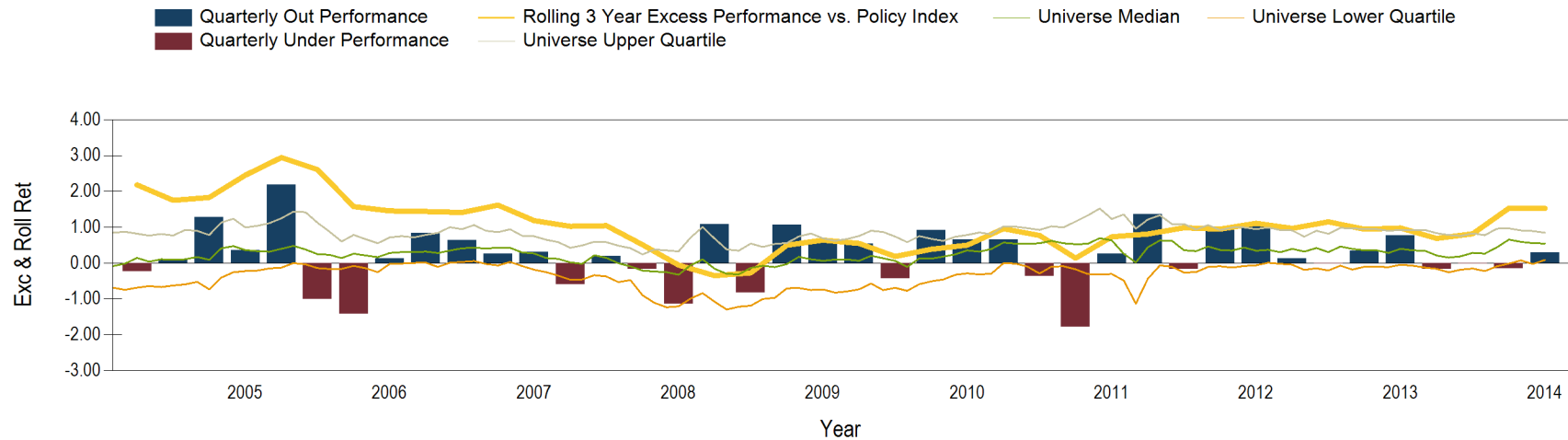
	Return (Rank)									
5th Percentile	8.0	20.8	14.3	3.4	15.5	27.6	-10.2	11.1	9.9	
25th Percentile	6.8	18.0	13.1	1.9	13.9	23.0	-19.2	9.1	8.1	
Median	5.8	15.5	12.2	0.9	12.8	20.3	-24.7	7.7	6.9	
75th Percentile	4.7	13.3	10.5	-0.3	11.5	15.7	-27.4	6.8	5.5	
95th Percentile	3.4	8.4	7.7	-2.4	9.2	10.4	-30.2	5.4	4.2	
# of Portfolios	206	212	192	162	154	152	149	146	131	
● Total Fund	4.8 (74)	14.8 (57)	14.6 (3)	-1.1 (90)	14.7 (13)	25.6 (13)	-27.1 (70)	10.9 (6)	6.9 (51)	
■ Total Fund ex Clifton	4.9 (73)	14.7 (58)	14.2 (9)	-1.0 (90)	14.7 (14)	25.6 (13)	-27.1 (70)	10.9 (6)	6.9 (51)	
▲ Policy Index	4.9 (73)	13.5 (74)	11.2 (70)	0.4 (64)	13.0 (47)	23.2 (25)	-25.6 (61)	8.8 (29)	5.4 (77)	

Total Fund

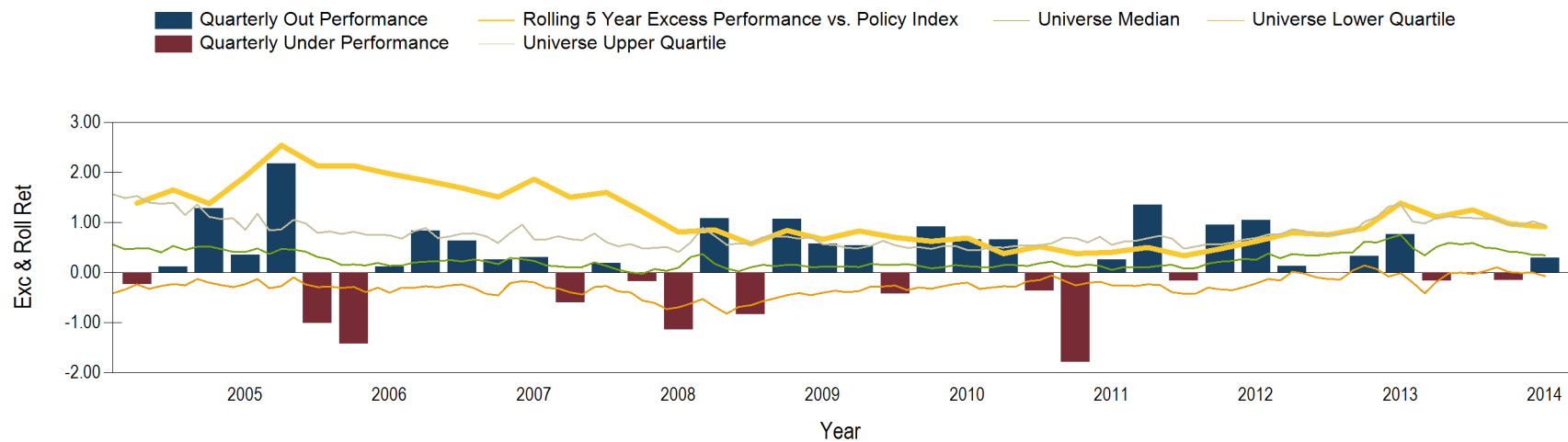
Rolling Return Analysis

Period Ending: December 31, 2014

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



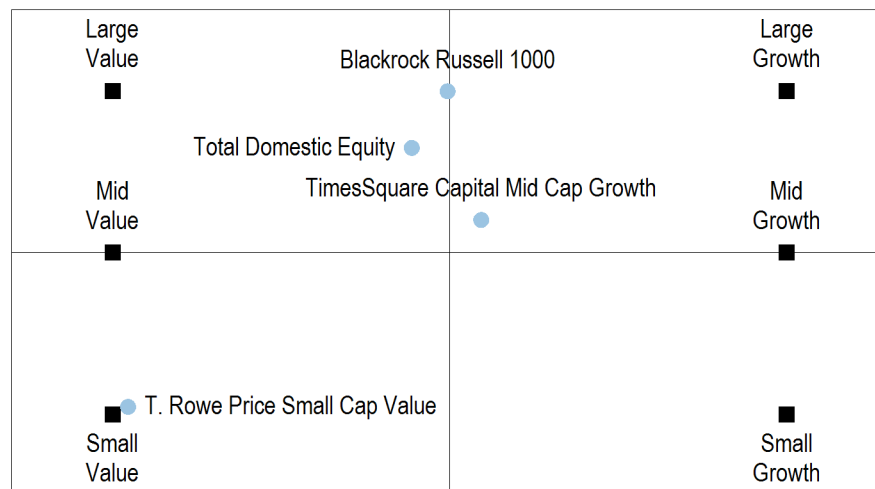
Domestic Equity

Asset Class Overview (Gross of Fees)

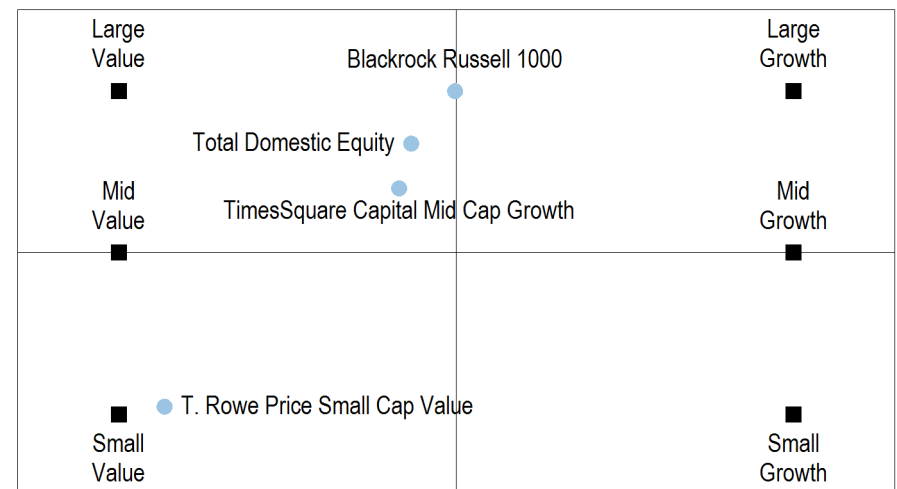
Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Domestic Equity												
Blackrock Russell 1000	162,740,084	4.9	5.6	13.3	20.7	15.7	8.0	13.3	33.2	16.5	1.6	16.2
Russell 1000		4.9	5.6	13.2	20.6	15.6	8.0	13.2	33.1	16.4	1.5	16.1
eA US Large Cap Equity Gross Rank		48	48	41	46	40	68	41	54	39	39	34
TimesSquare Capital Mid Cap Growth	28,729,452	3.8	1.7	6.2	20.9	15.9	11.3	6.2	38.7	20.0	-0.7	19.3
Russell MidCap Growth		5.8	5.1	11.9	20.7	16.9	9.4	11.9	35.7	15.8	-1.7	26.4
eA US Mid Cap Growth Equity Gross Rank		82	80	75	31	61	17	75	36	11	40	94
T. Rowe Price Small Cap Value	27,552,213	7.6	-2.6	-0.5	16.2	14.8	8.9	-0.5	34.7	17.1	1.0	25.6
Russell 2000 Value		9.4	0.0	4.2	18.3	14.3	6.9	4.2	34.5	18.1	-5.5	24.5
eA US Small Cap Value Equity Gross Rank		49	81	88	86	72	66	88	78	49	22	63

U.S. Effective Style Map
3 Years Ending December 31, 2014



U.S. Effective Style Map
5 Years Ending December 31, 2014



Domestic Equity

Asset Class Overview (Net of Fees)

Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Domestic Equity												
Blackrock Russell 1000	162,740,084	4.9	5.6	13.2	20.6	15.6	8.0	13.2	33.1	16.4	1.5	16.1
<i>Russell 1000</i>		4.9	5.6	13.2	20.6	15.6	8.0	13.2	33.1	16.4	1.5	16.1
TimesSquare Capital Mid Cap Growth	28,729,452	3.6	1.6	5.7	20.2	15.2	10.6	5.7	37.8	19.2	-1.3	18.5
<i>Russell MidCap Growth</i>		5.8	5.1	11.9	20.7	16.9	9.4	11.9	35.7	15.8	-1.7	26.4
T. Rowe Price Small Cap Value	27,552,213	7.4	-2.9	-1.2	15.4	14.0	8.1	-1.2	33.8	16.3	0.3	24.8
<i>Russell 2000 Value</i>		9.4	0.0	4.2	18.3	14.3	6.9	4.2	34.5	18.1	-5.5	24.5

Common Holdings Matrix As of December 31, 2014

	Blackrock Russell 1000		TimesSquare Capital Mid Cap Growth		T. Rowe Price Small Cap Value	
	#	%	#	%	#	%
Blackrock Russell 1000	--	--	57	74.69	16	17.26
TimesSquare Capital Mid Cap Growth	57	2.80	--	--	3	3.13
T. Rowe Price Small Cap Value	16	0.32	3	3.71	--	--

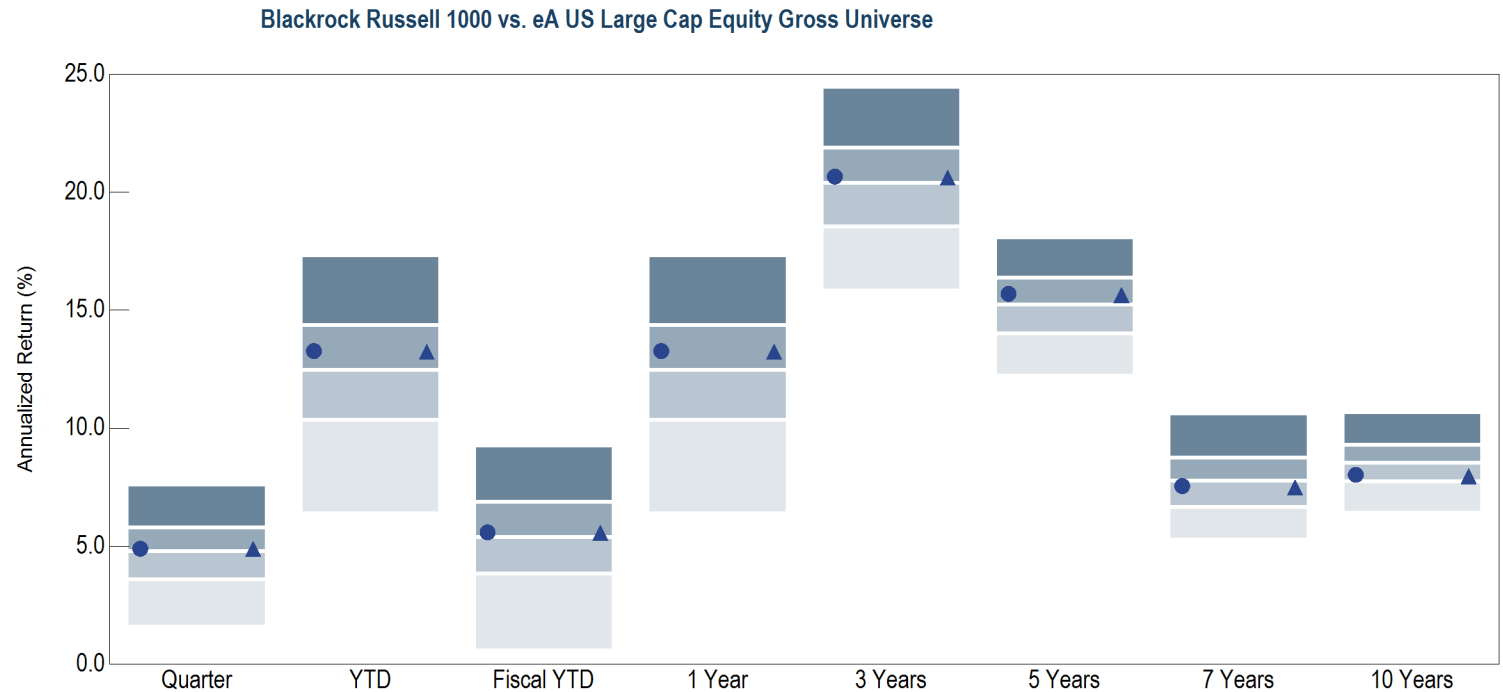
Correlation Matrix Last 5 Years

	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	0.92	1.00

Blackrock Russell 1000

Cumulative Performance Comparison

Period Ending: December 31, 2014

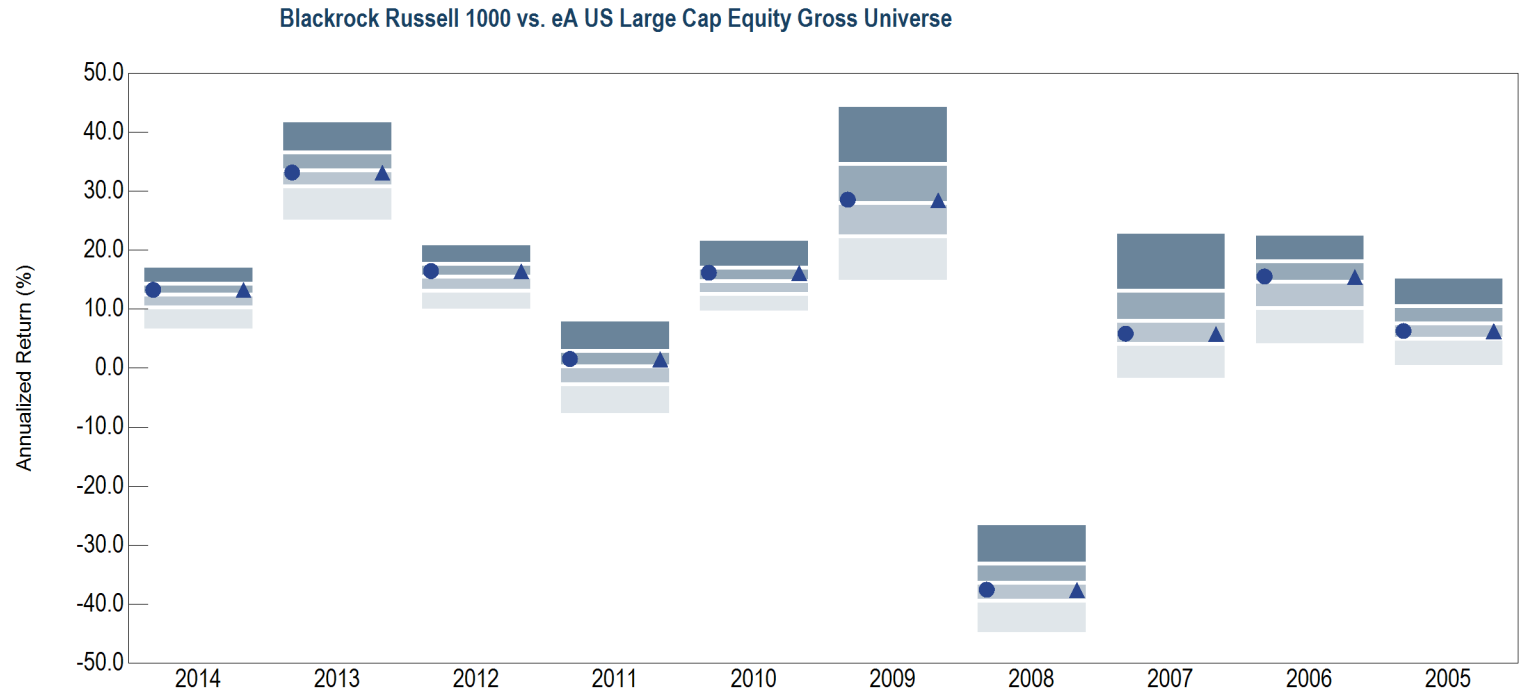


	Return (Rank)							
5th Percentile	7.6	17.3	9.3	17.3	24.5	18.1	10.6	10.7
25th Percentile	5.8	14.4	6.9	14.4	21.9	16.4	8.8	9.3
Median	4.8	12.5	5.4	12.5	20.4	15.2	7.8	8.6
75th Percentile	3.6	10.4	3.8	10.4	18.6	14.0	6.7	7.8
95th Percentile	1.6	6.4	0.6	6.4	15.9	12.3	5.3	6.4
# of Portfolios	872	869	872	869	843	807	762	653
● Blackrock Russell 1000	4.9 (48)	13.3 (41)	5.6 (48)	13.3 (41)	20.7 (46)	15.7 (40)	7.5 (56)	8.0 (68)
▲ Russell 1000	4.9 (49)	13.2 (41)	5.6 (48)	13.2 (41)	20.6 (47)	15.6 (42)	7.5 (58)	8.0 (69)

Blackrock Russell 1000

Consecutive Performance Comparison

Period Ending: December 31, 2014



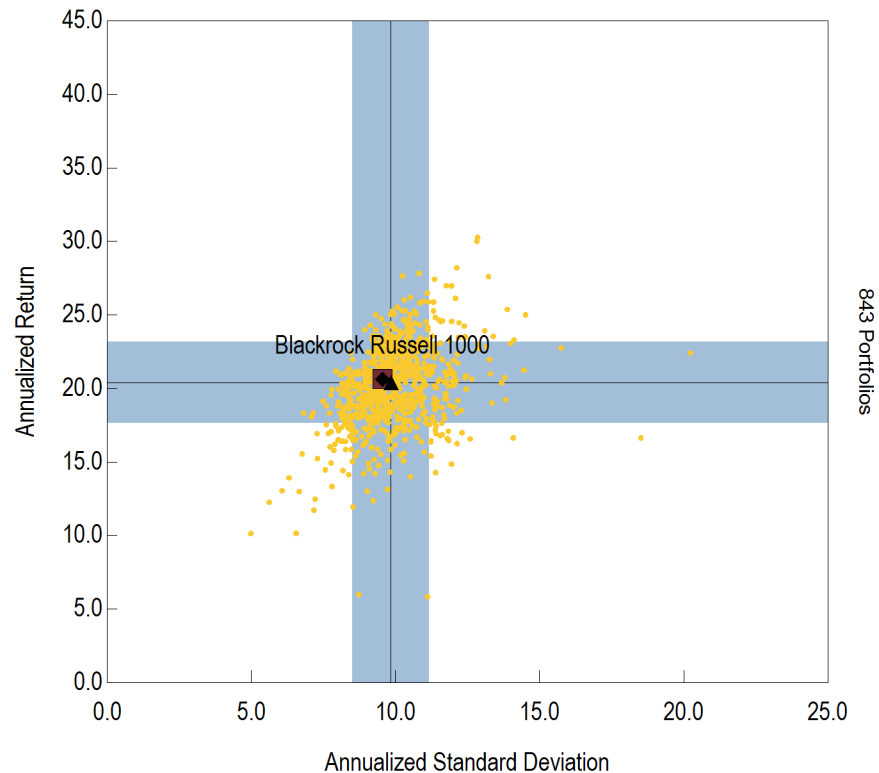
	Return (Rank)									
5th Percentile	17.3	41.9	21.1	8.2	21.9	44.6	-26.3	23.1	22.7	15.5
25th Percentile	14.4	36.6	17.8	3.0	17.1	34.7	-33.1	13.2	18.2	10.6
Median	12.5	33.6	15.6	0.4	14.8	28.0	-36.3	8.0	14.8	7.7
75th Percentile	10.4	30.8	13.2	-2.7	12.6	22.4	-39.4	4.2	10.2	5.0
95th Percentile	6.4	24.9	9.8	-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)

Blackrock Russell 1000

Risk vs Return Three & Five Year

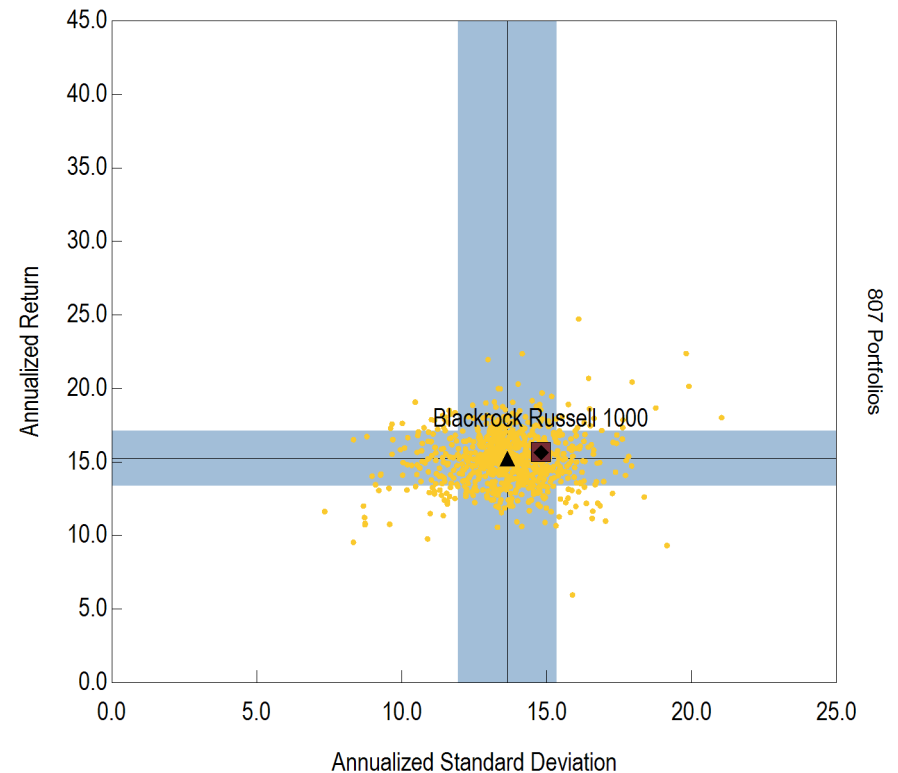
Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



- 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 December 31, 2014



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

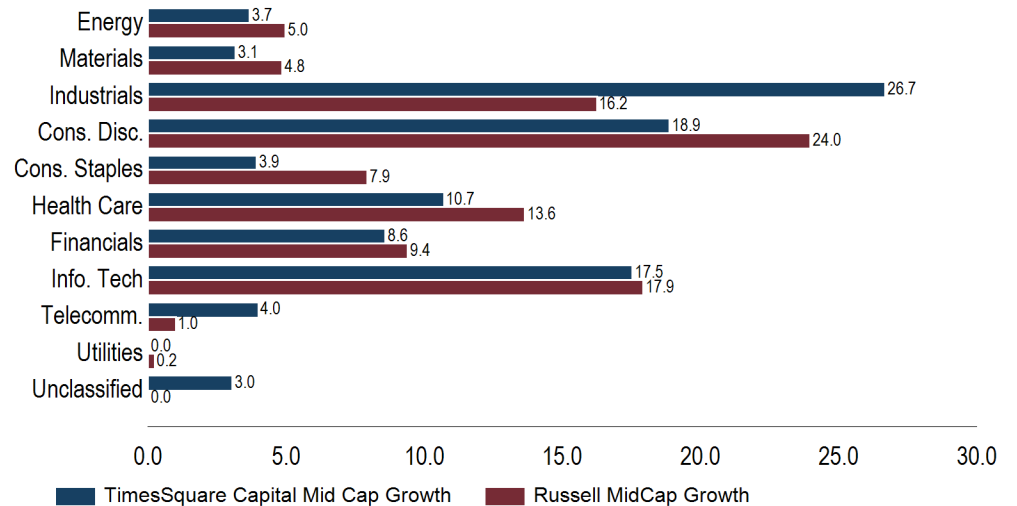
TimesSquare Capital Mid Cap Growth Manager Portfolio Overview

Period Ending: December 31, 2014

Characteristics

	Portfolio	Russell MidCap Growth
Number of Holdings	78	552
Weighted Avg. Market Cap. (\$B)	10.54	13.58
Median Market Cap. (\$B)	8.16	6.84
Price To Earnings	28.98	26.28
Price To Book	6.56	5.94
Price To Sales	3.25	3.35
Return on Equity (%)	25.51	21.93
Yield (%)	0.88	1.00
Beta	1.07	1.00

Sector Allocation (%) vs Russell MidCap Growth



*Unclassified includes Cash

Top Holdings Ending Period Weight

SBA COMMS.	3.97%	ALLIANCE DATA SYSTEMS
ALLIANCE DATA SYSTEMS	3.78%	O REILLY AUTOMOTIVE
DAVITA HEALTHCARE PTNS.	3.53%	GARTNER 'A'
CASH - USD	3.03%	ROSS STORES
NIELSEN	2.83%	TRACTOR SUPPLY
GARTNER 'A'	2.49%	RYANAIR SPN.ADR 1:5
O REILLY AUTOMOTIVE	1.91%	AVIS BUDGET GROUP
EQUIFAX	1.83%	WABCO HOLDINGS
WABCO HOLDINGS	1.79%	POOL
ENVISION HEALTHCARE HDG.	1.74%	INTERCONTINENTAL EX.
Total	26.91%	

Top Contributors

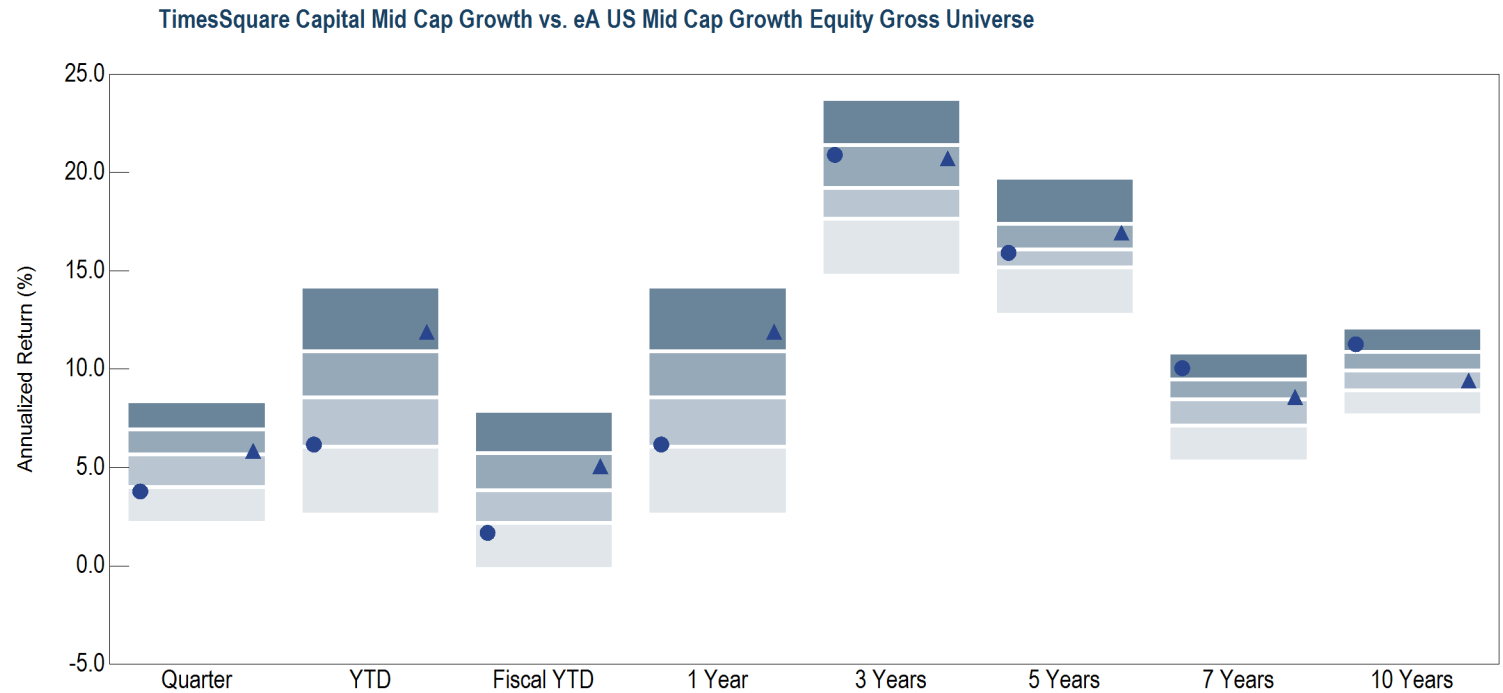
Avg Wgt	Return	Contribution
3.32	15.22	0.51
1.74	28.11	0.49
2.42	14.62	0.35
1.37	24.99	0.34
1.04	28.42	0.30
1.12	26.30	0.29
1.23	20.84	0.26
1.58	15.21	0.24
1.13	18.09	0.20
1.37	12.76	0.18

Bottom Contributors

Avg Wgt	Return	Contribution
1.20	-57.45	-0.69
1.30	-45.58	-0.59
1.09	-40.27	-0.44
0.98	-42.32	-0.42
1.01	-24.75	-0.25
1.43	-14.93	-0.21
0.79	-26.43	-0.21
0.78	-21.92	-0.17
1.62	-8.68	-0.14
1.26	-9.95	-0.13

TimesSquare Capital Mid Cap Growth Cumulative Performance Comparison

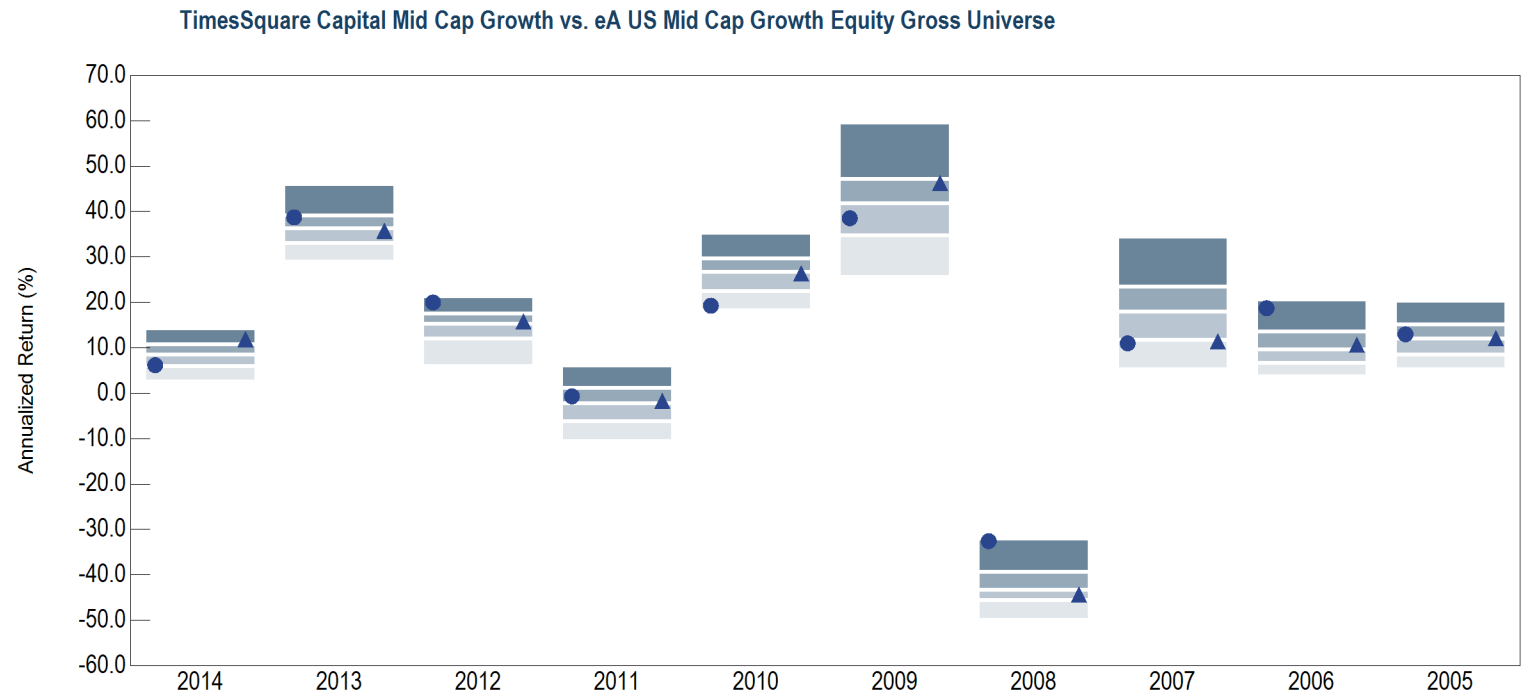
Period Ending: December 31, 2014



	Return (Rank)															
5th Percentile	8.4		14.2		7.9		14.2		23.7		19.7		10.8		12.1	
25th Percentile	7.0		10.9		5.8		10.9		21.4		17.4		9.5		10.9	
Median	5.7		8.6		3.9		8.6		19.2		16.1		8.5		9.9	
75th Percentile	4.0		6.1		2.2		6.1		17.7		15.2		7.2		8.9	
95th Percentile	2.2		2.6		-0.1		2.6		14.8		12.8		5.3		7.7	
# of Portfolios	117		117		117		117		113		108		101		78	
● TimesSquare Capital Mid Cap Growth	3.8	(82)	6.2	(75)	1.7	(80)	6.2	(75)	20.9	(31)	15.9	(61)	10.0	(12)	11.3	(17)
▲ Russell MidCap Growth	5.8	(46)	11.9	(20)	5.1	(36)	11.9	(20)	20.7	(35)	16.9	(34)	8.6	(46)	9.4	(62)

TimesSquare Capital Mid Cap Growth Consecutive Performance Comparison

Period Ending: December 31, 2014



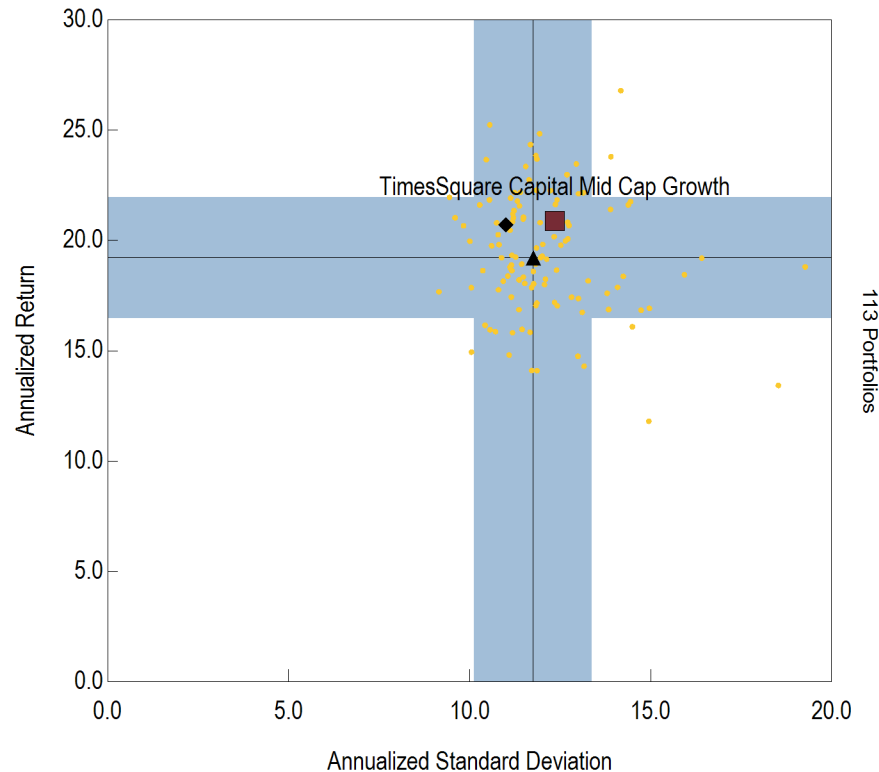
	Return (Rank)									
5th Percentile	14.2	46.0	21.3	6.1	35.3	59.6	-32.0	34.5	20.6	20.3
25th Percentile	10.9	39.2	17.6	1.3	29.8	47.2	-39.3	23.5	13.7	15.2
Median	8.6	36.4	15.4	-2.1	26.7	41.9	-43.2	18.0	9.8	12.1
75th Percentile	6.1	33.2	12.2	-6.1	22.5	34.9	-45.5	11.8	6.8	8.7
95th Percentile	2.6	29.0	6.0	-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

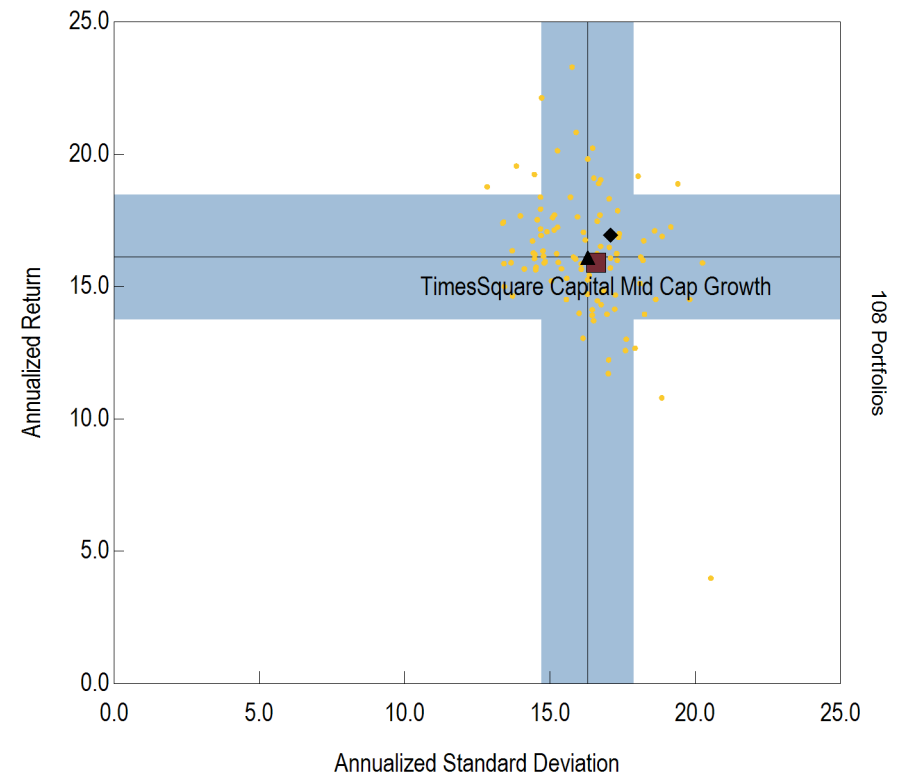
Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



- 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 December 31, 2014



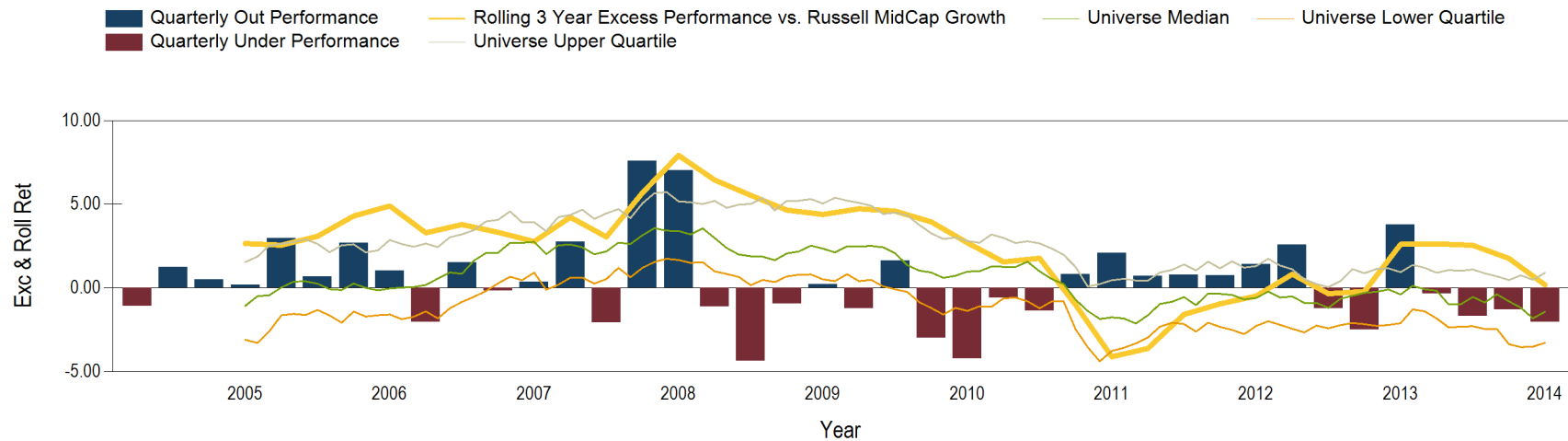
- TimesSquare Capital Mid Cap Growth
- ◆ Russell MidCap Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Mid Cap Growth Equity Gross

TimesSquare Capital Mid Cap Growth

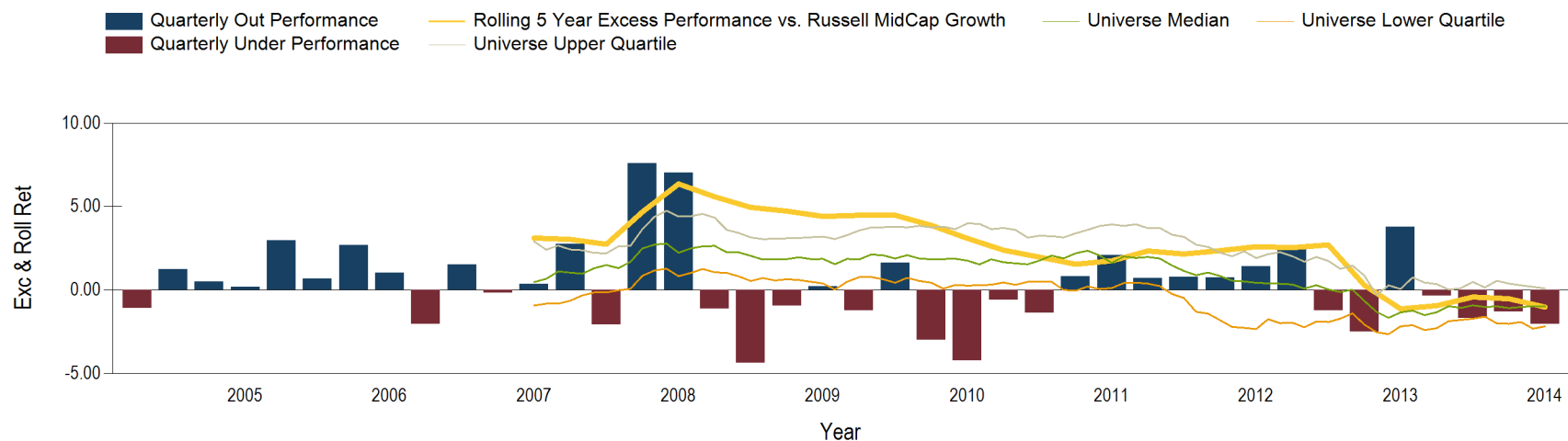
Rolling Return Analysis

Period Ending: December 31, 2014

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



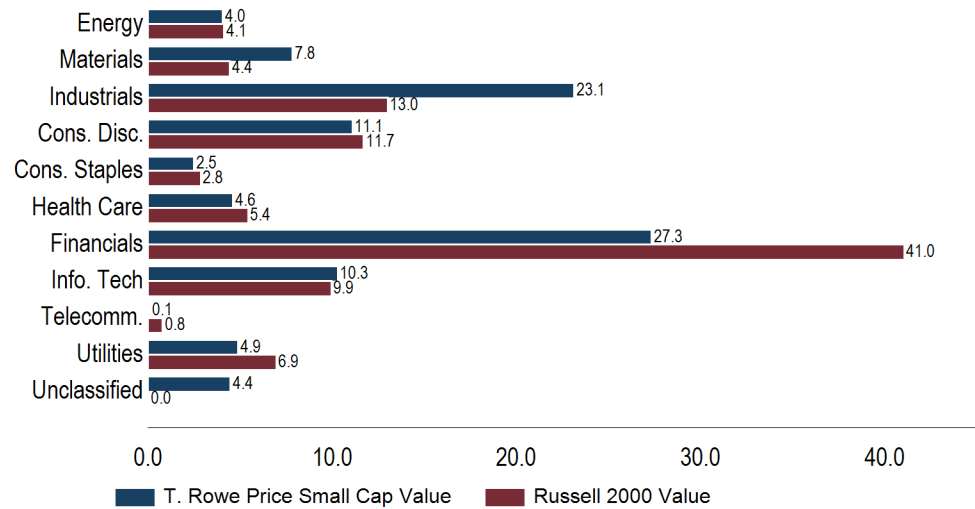
T. Rowe Price Small Cap Value Manager Portfolio Overview

Period Ending: December 31, 2014

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	158	1,377
Weighted Avg. Market Cap. (\$B)	2.03	1.72
Median Market Cap. (\$B)	1.13	0.63
Price To Earnings	23.19	21.72
Price To Book	2.83	1.82
Price To Sales	2.94	2.40
Return on Equity (%)	12.76	7.61
Yield (%)	1.50	1.70
Beta	0.95	1.00

Sector Allocation (%) vs Russell 2000 Value



*Unclassified includes Cash

Top Holdings Ending Period Weight

	Weight	Company
CASH - USD	3.37%	AARON'S
HOME BANCSHARES	2.30%	MIDDLEBY
MIDDLEBY	2.09%	ON ASSIGNMENT
LANDSTAR SYSTEM	1.97%	BELDEN
GENESEE & WYOMING 'A'	1.73%	ADVANCED ENERGY INDS.
PROASSURANCE	1.70%	WEST PHARM.SVS.
AARON'S	1.60%	HOME BANCSHARES
SVB FINANCIAL GROUP	1.56%	UNIVERSAL FOR.PRDS.
EAST WEST BANCORP	1.55%	SAUL CENTERS
RAVEN INDUSTRIES	1.42%	EAST WEST BANCORP
Total	19.30%	

Top Contributors

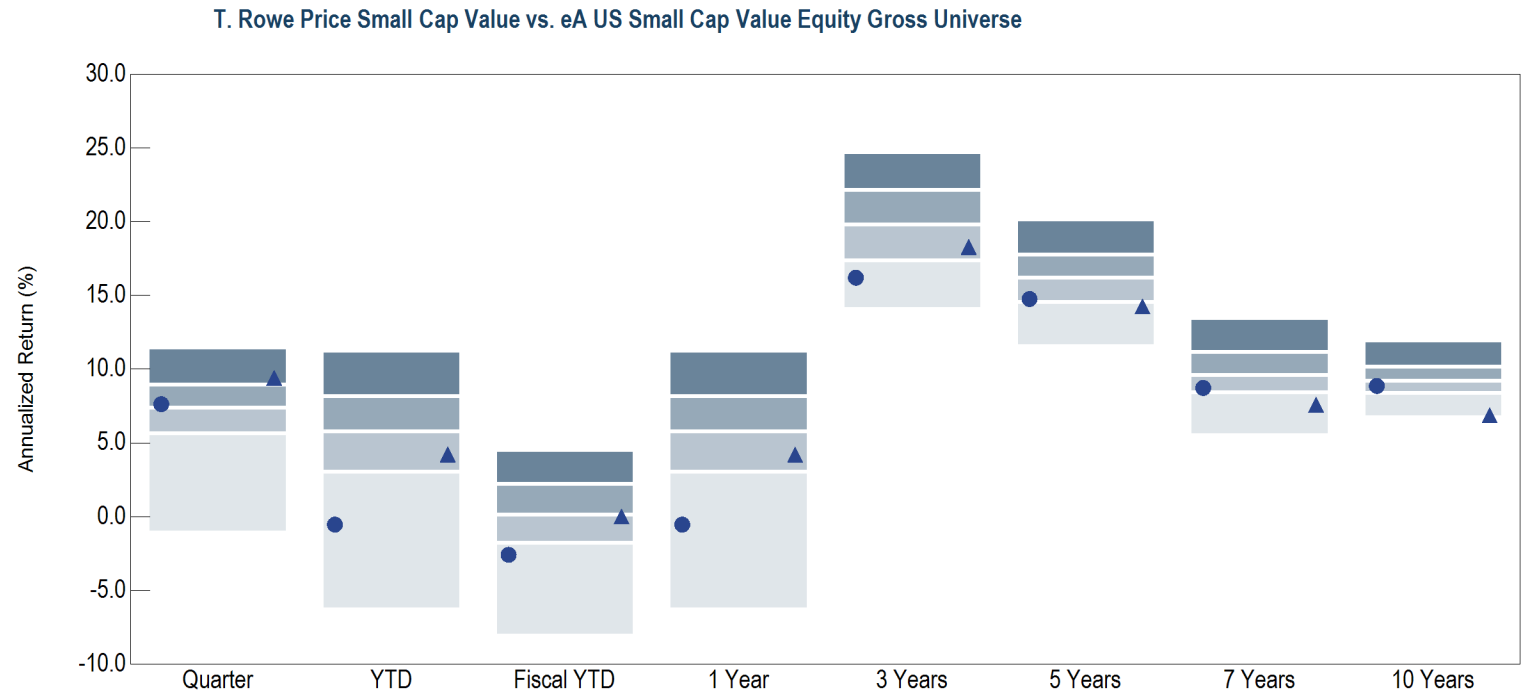
Avg Wgt	Return	Contribution
1.37	25.80	0.35
2.41	12.45	0.30
1.07	23.61	0.25
1.05	23.18	0.24
0.87	26.13	0.23
1.15	19.24	0.22
2.26	9.69	0.22
0.85	25.58	0.22
0.93	23.35	0.22
1.46	14.43	0.21

Bottom Contributors

Avg Wgt	Return	Contribution
1.03	-60.27	-0.62
1.89	-31.49	-0.59
0.71	-39.56	-0.28
1.15	-21.74	-0.25
0.54	-35.22	-0.19
0.49	-38.26	-0.19
0.23	-56.76	-0.13
0.42	-27.26	-0.11
0.82	-13.85	-0.11
1.97	-5.66	-0.11

T. Rowe Price Small Cap Value Cumulative Performance Comparison

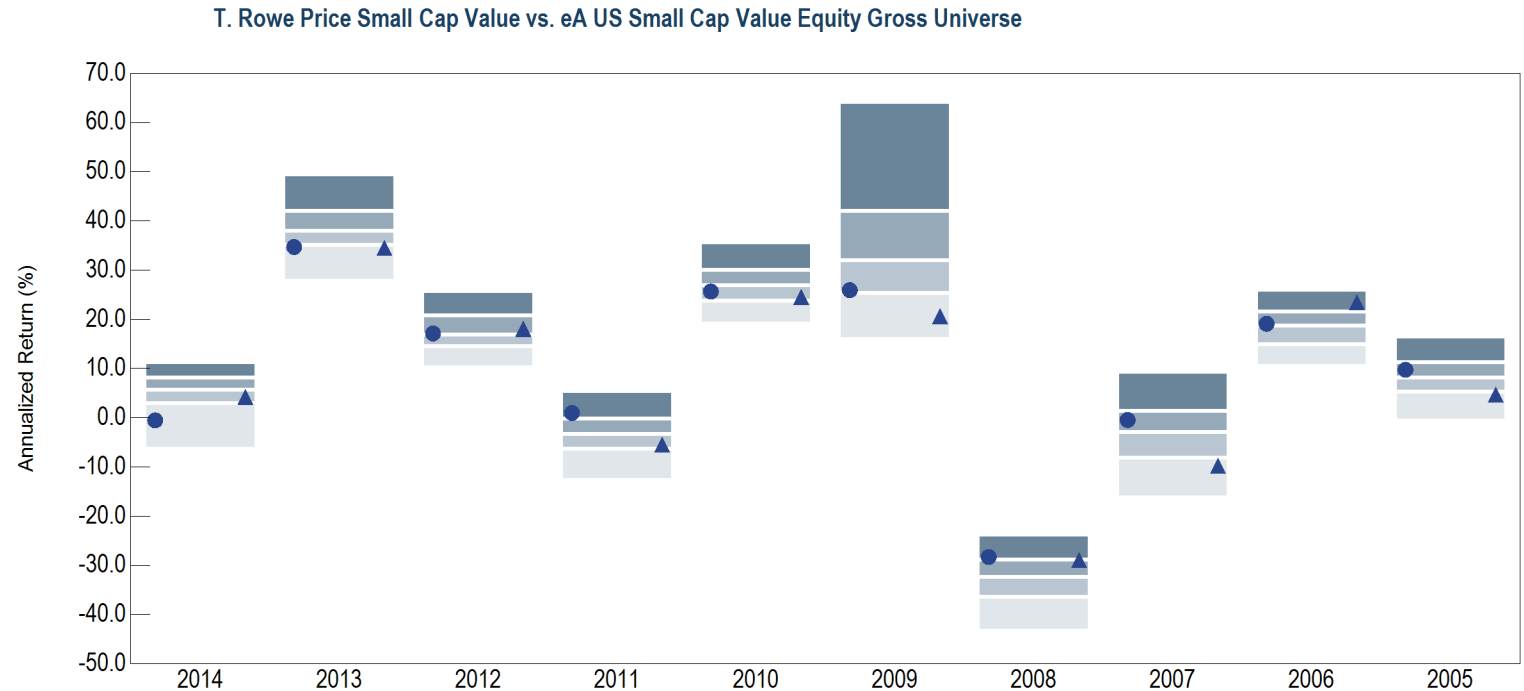
Period Ending: December 31, 2014



	Return (Rank)													
5th Percentile	11.4		11.2		4.5		11.2		24.7		20.1		13.5	
25th Percentile	9.0		8.2		2.3		8.2		22.2		17.8		11.2	
Median	7.4		5.8		0.2		5.8		19.8		16.2		9.6	
75th Percentile	5.7		3.1		-1.8		3.1		17.4		14.6		8.4	
95th Percentile	-1.1		-6.3		-8.0		-6.3		14.1		11.6		5.6	
# of Portfolios	206		206		206		206		200		192		180	
● T. Rowe Price Small Cap Value	7.6	(49)	-0.5	(88)	-2.6	(81)	-0.5	(88)	16.2	(86)	14.8	(72)	8.7	(70)
▲ Russell 2000 Value	9.4	(22)	4.2	(68)	0.0	(52)	4.2	(68)	18.3	(67)	14.3	(78)	7.6	(85)

T. Rowe Price Small Cap Value Consecutive Performance Comparison

Period Ending: December 31, 2014



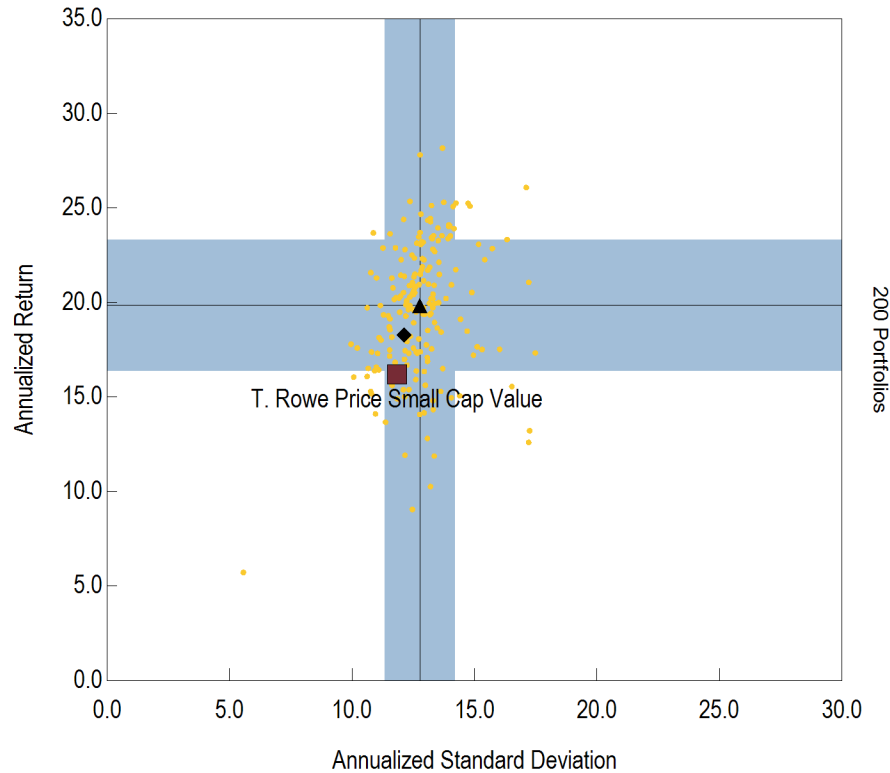
	Return (Rank)									
5th Percentile	11.2	49.4	25.7	5.3	35.6	64.2	-23.8	9.3	25.9	16.4
25th Percentile	8.2	42.1	20.8	0.0	30.2	42.1	-28.7	1.5	21.6	11.3
Median	5.8	38.1	16.9	-3.3	26.9	32.0	-32.3	-2.9	18.7	8.2
75th Percentile	3.1	35.2	14.7	-6.2	23.8	25.5	-36.3	-8.1	15.0	5.3
95th Percentile	-6.3	27.8	10.3	-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)

T. Rowe Price Small Cap Value

Risk vs Return Three & Five Year

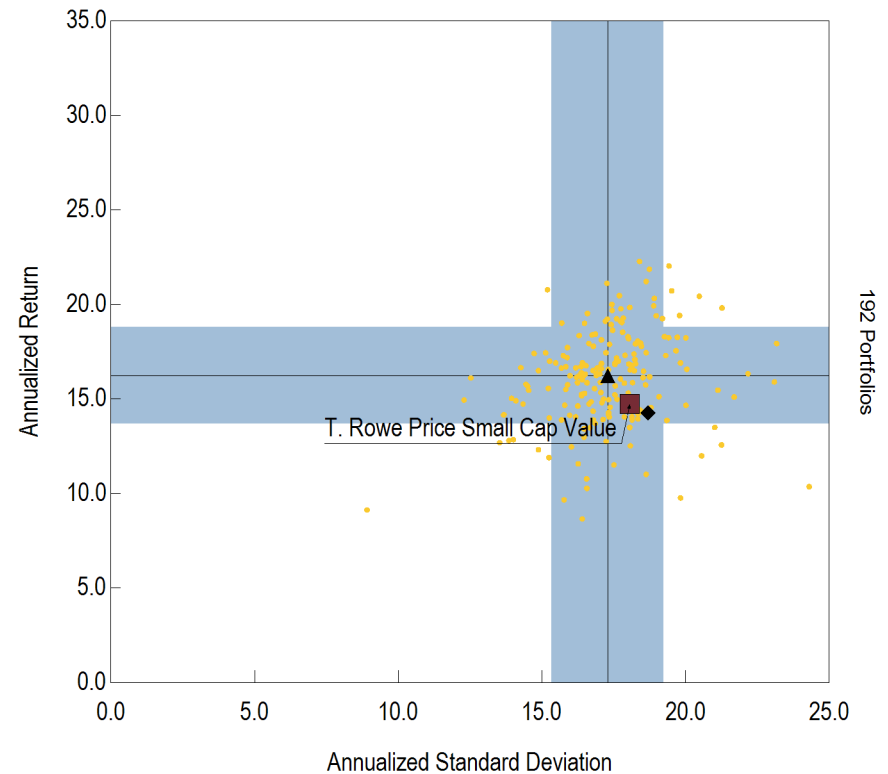
Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



- 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 December 31, 2014

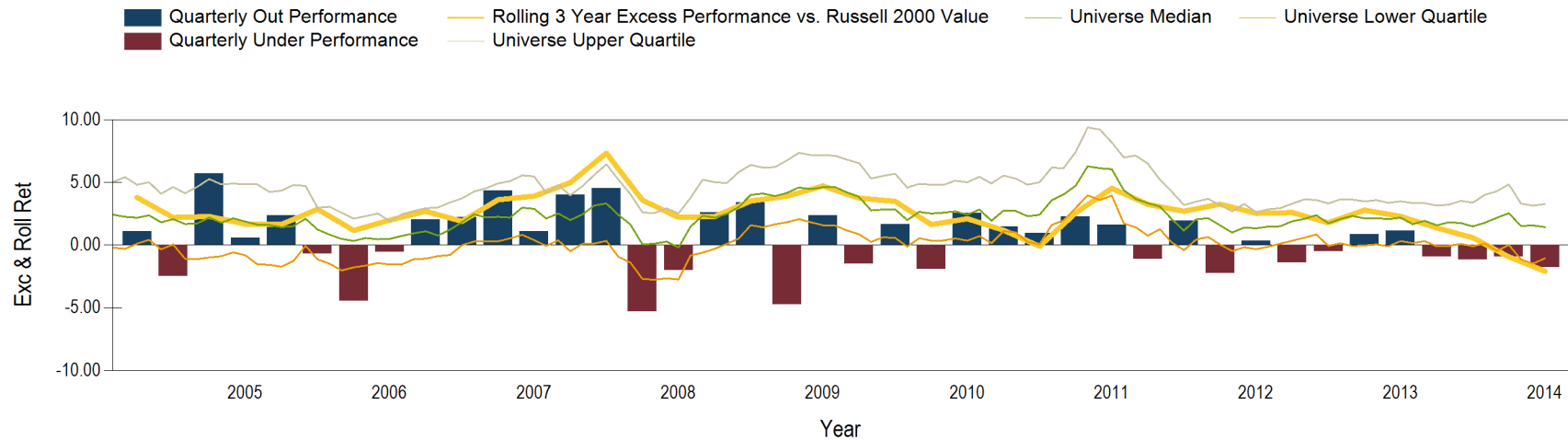


- T. Rowe Price Small Cap Value
- ◆ Russell 2000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

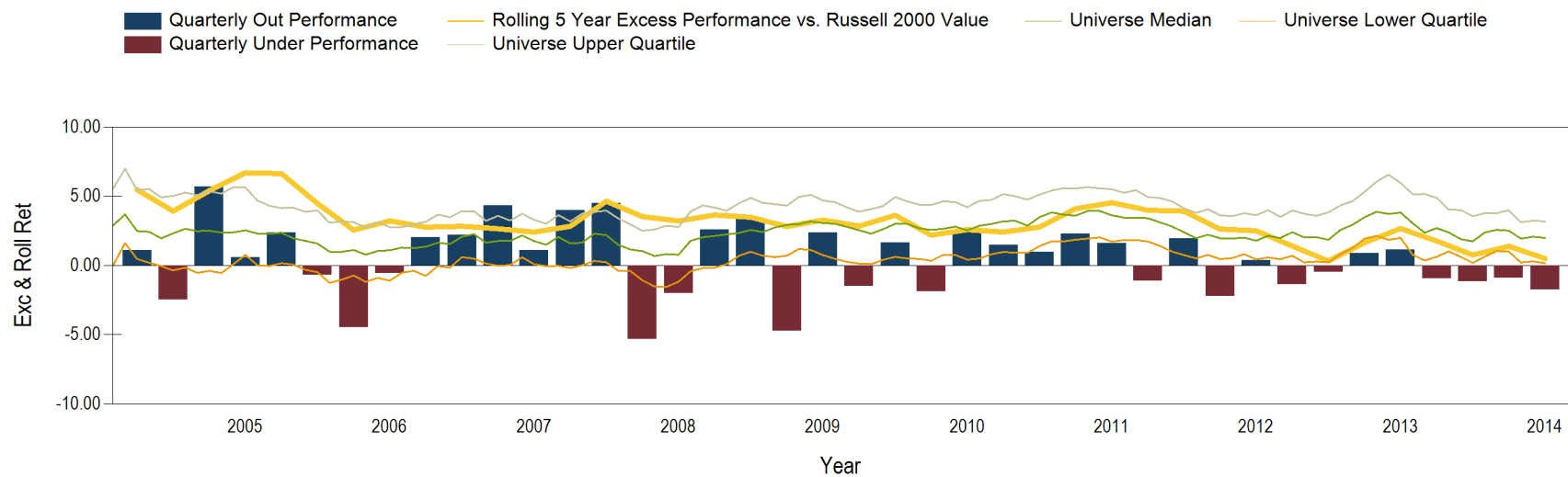
T. Rowe Price Small Cap Value Rolling Return Analysis

Period Ending: December 31, 2014

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



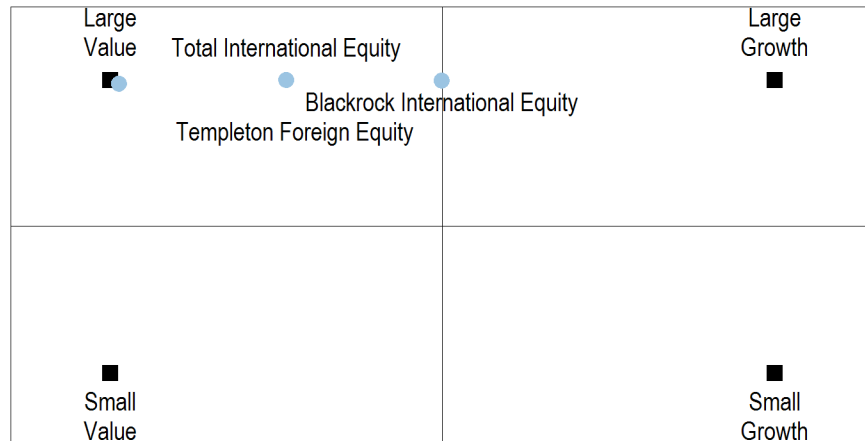
International Equity

Asset Class Overview (Gross of Fees)

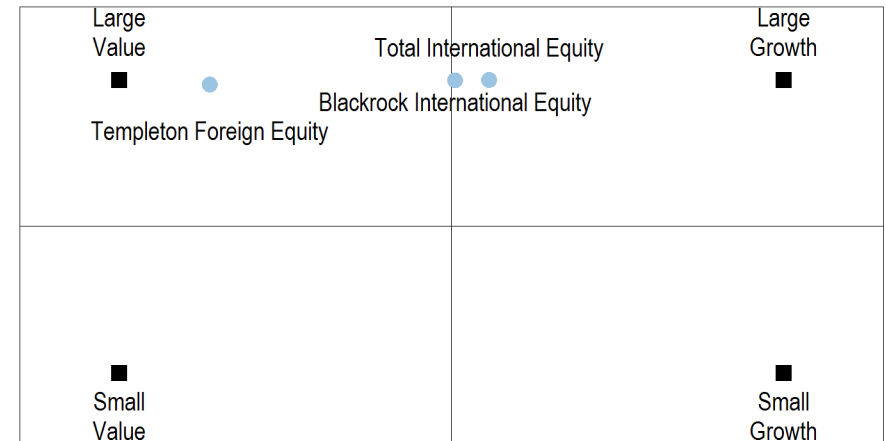
Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total International Equity												
Blackrock International Equity	60,901,558	-3.6	-9.2	-4.7	11.4	5.7	4.8	-4.7	23.2	17.8	-11.8	8.1
MSCI EAFE Gross		-3.5	-9.2	-4.5	11.6	5.8	4.9	-4.5	23.3	17.9	-11.7	8.2
eA All EAFE Equity Gross Rank		68	68	64	70	83	84	64	61	74	48	79
Templeton Foreign Equity	58,682,492	-4.3	-9.7	-6.0	10.6	5.5	6.2	-6.0	20.4	19.5	-10.2	7.5
MSCI ACWI ex USA Gross		-3.8	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
eA All ACWI ex-US Equity Gross Rank		85	80	80	70	77	64	80	47	50	28	92
DFA Emerging Markets Value	20,675,265	-6.2	-10.2	-3.9	3.8	0.5	--	-3.9	-3.2	20.1	-25.2	22.8
MSCI Emerging Markets Gross		-4.4	-7.6	-1.8	4.4	2.1	--	-1.8	-2.3	18.6	-18.2	19.2
eA Emg Mkts Equity Gross Rank		90	91	84	85	91	--	84	84	56	92	33
Vontobel Global Emerging Markets	23,377,811	-2.4	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets Gross		-4.4	--	--	--	--	--	--	--	--	--	--
eA Emg Mkts Equity Gross Rank		28	--	--	--	--	--	--	--	--	--	--

EAFE Effective Style Map
3 Years Ending December 31, 2014



EAFE Effective Style Map
5 Years Ending December 31, 2014



International Equity

Asset Class Overview (Net of Fees)

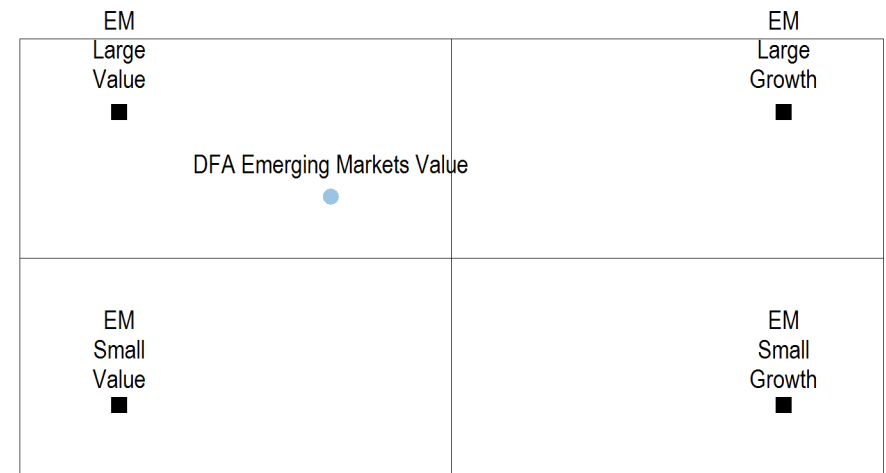
Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total International Equity												
Blackrock International Equity	60,901,558	-3.6	-9.3	-4.8	11.2	5.5	4.6	-4.8	22.9	17.6	-11.9	7.9
MSCI EAFE Gross		-3.5	-9.2	-4.5	11.6	5.8	4.9	-4.5	23.3	17.9	-11.7	8.2
Templeton Foreign Equity	58,682,492	-4.5	-10.1	-6.8	9.7	4.7	5.4	-6.8	19.5	18.5	-10.9	6.7
MSCI ACWI ex USA Gross		-3.8	-8.8	-3.4	9.5	4.9	5.6	-3.4	15.8	17.4	-13.3	11.6
DFA Emerging Markets Value	20,675,265	-6.3	-10.4	-4.4	3.1	-0.1	--	-4.4	-3.8	19.4	-25.6	22.1
MSCI Emerging Markets Gross		-4.4	-7.6	-1.8	4.4	2.1	--	-1.8	-2.3	18.6	-18.2	19.2
Vontobel Global Emerging Markets	23,377,811	-2.6	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets Gross		-4.4	--	--	--	--	--	--	--	--	--	--

EM Effective Style Map
3 Years Ending December 31, 2014

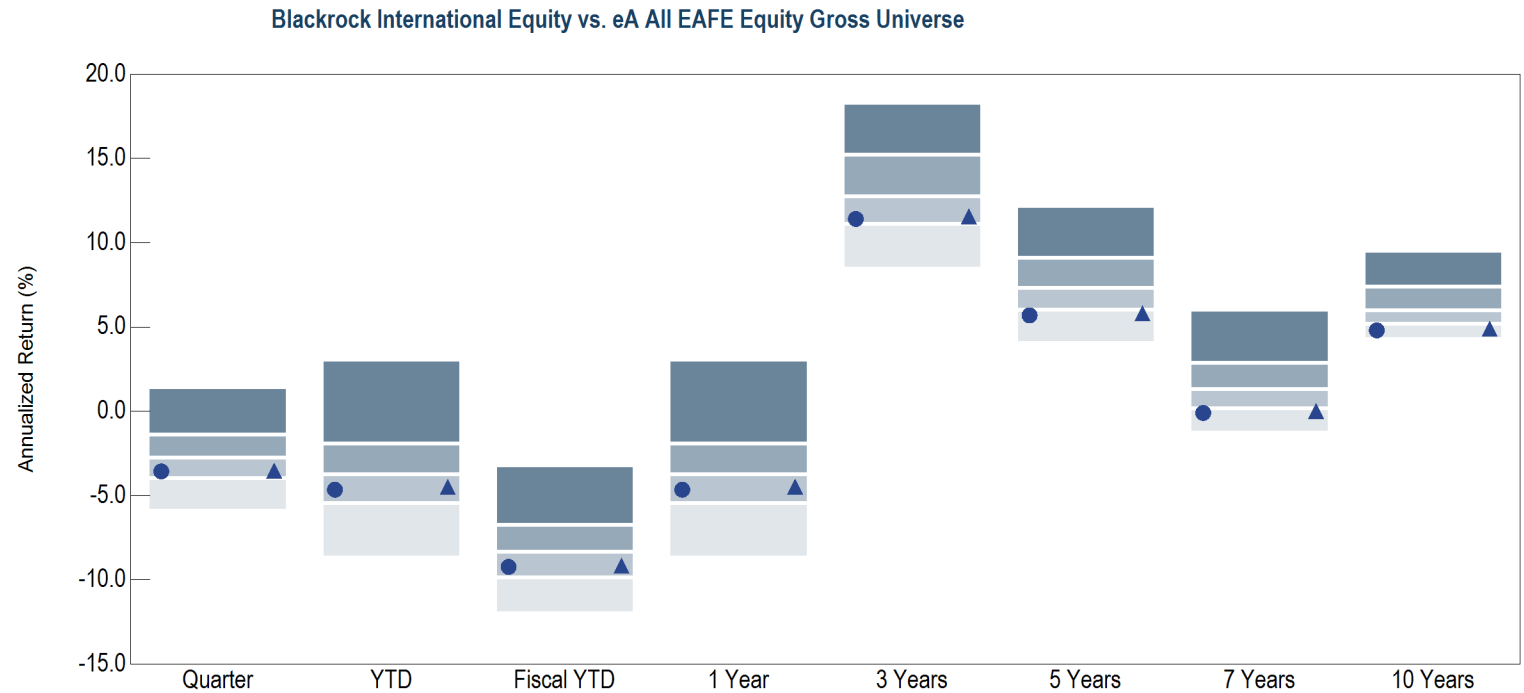


EM Effective Style Map
5 Years Ending December 31, 2014



Blackrock International Equity Cumulative Performance Comparison

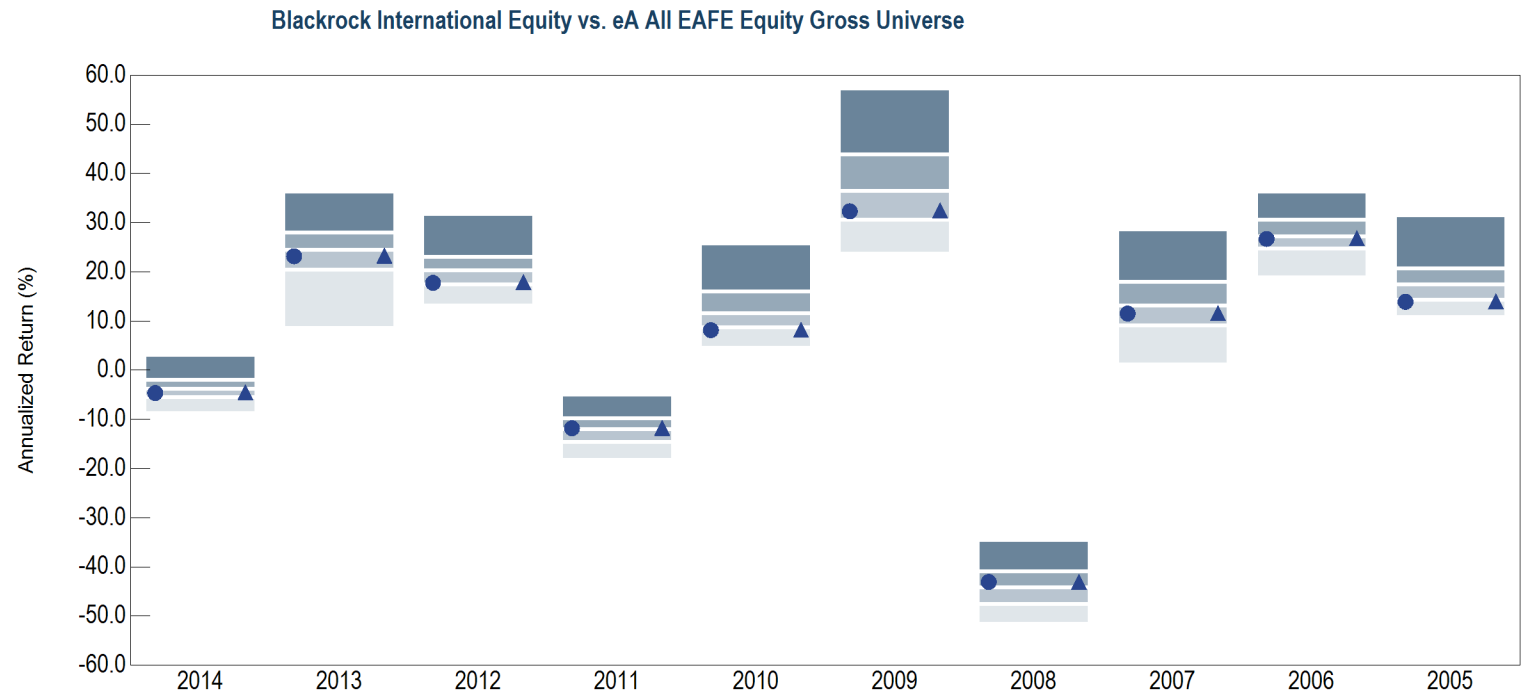
Period Ending: December 31, 2014



	Return (Rank)													
5th Percentile	1.4		3.0		-3.2		3.0		18.3		12.2		6.0	
25th Percentile	-1.4		-1.9		-6.7		-1.9		15.2		9.1		2.9	
Median	-2.7		-3.7		-8.3		-3.7		12.8		7.3		1.3	
75th Percentile	-3.9		-5.4		-9.8		-5.4		11.2		6.0		0.2	
95th Percentile	-5.9		-8.6		-12.0		-8.6		8.5		4.1		-1.3	
# of Portfolios	314		314		314		314		301		278		254	
● Blackrock International Equity	-3.6	(68)	-4.7	(64)	-9.2	(68)	-4.7	(64)	11.4	(70)	5.7	(83)	-0.1	(81)
▲ MSCI EAFE Gross	-3.5	(66)	-4.5	(60)	-9.2	(66)	-4.5	(60)	11.6	(68)	5.8	(81)	0.0	(80)

Blackrock International Equity Consecutive Performance Comparison

Period Ending: December 31, 2014



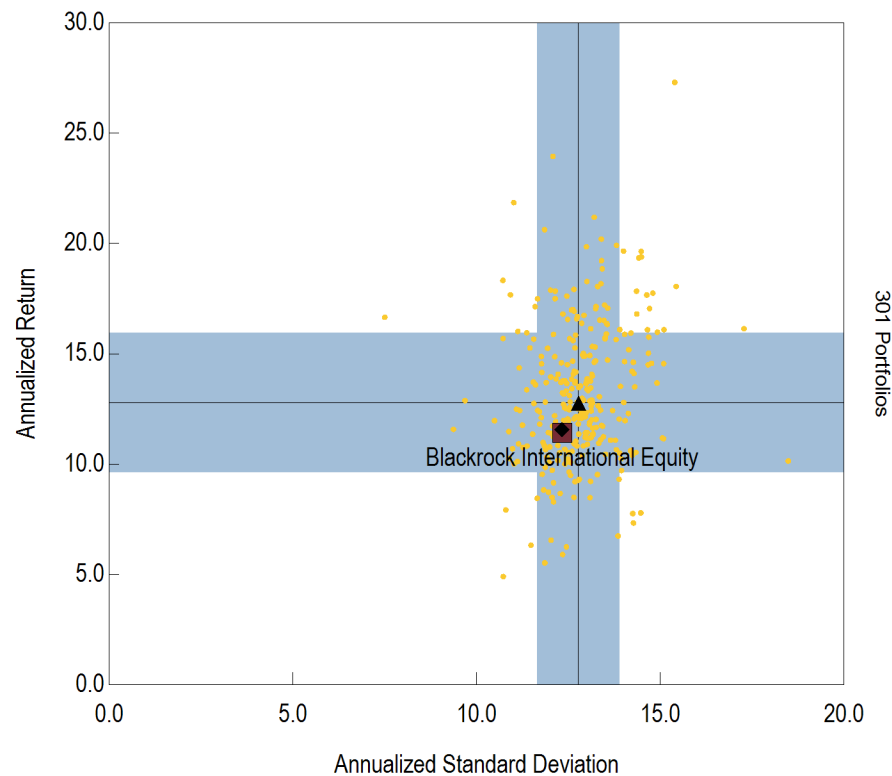
	Return (Rank)									
5th Percentile	3.0	36.3	31.7	-5.1	25.7	57.3	-34.5	28.5	36.2	31.5
25th Percentile	-1.9	28.1	23.1	-9.7	16.1	44.0	-40.8	18.0	30.7	20.8
Median	-3.7	24.6	20.4	-12.0	11.7	36.5	-44.1	13.2	27.3	17.5
75th Percentile	-5.4	20.5	17.5	-14.5	8.7	30.7	-47.5	9.1	24.8	14.4
95th Percentile	-8.6	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)

Blackrock International Equity

Risk vs Return Three & Five Year

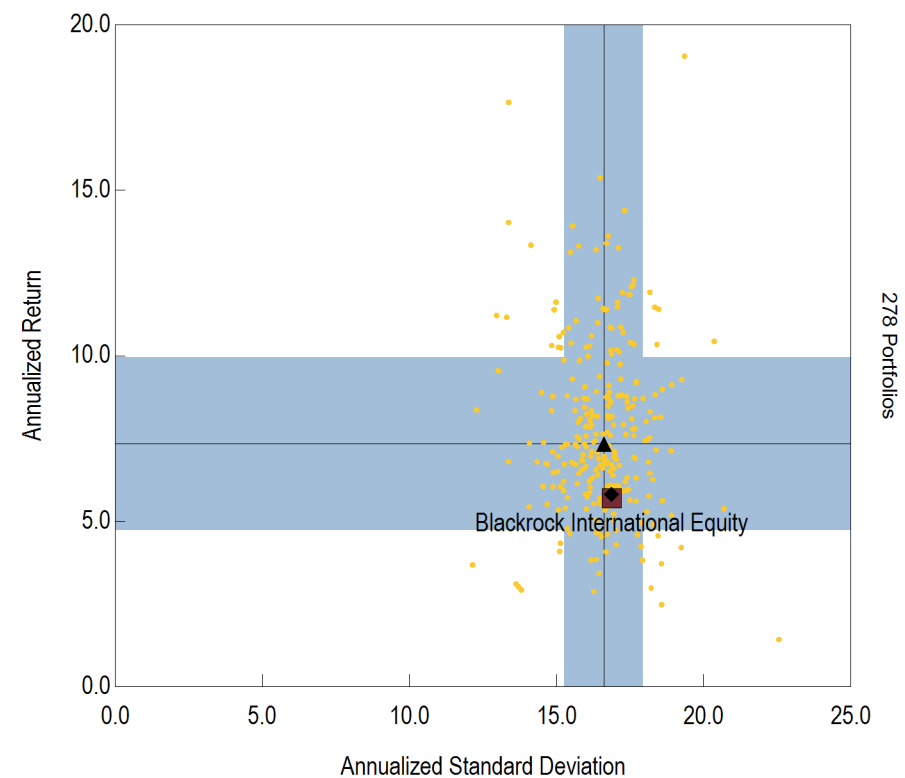
Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



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

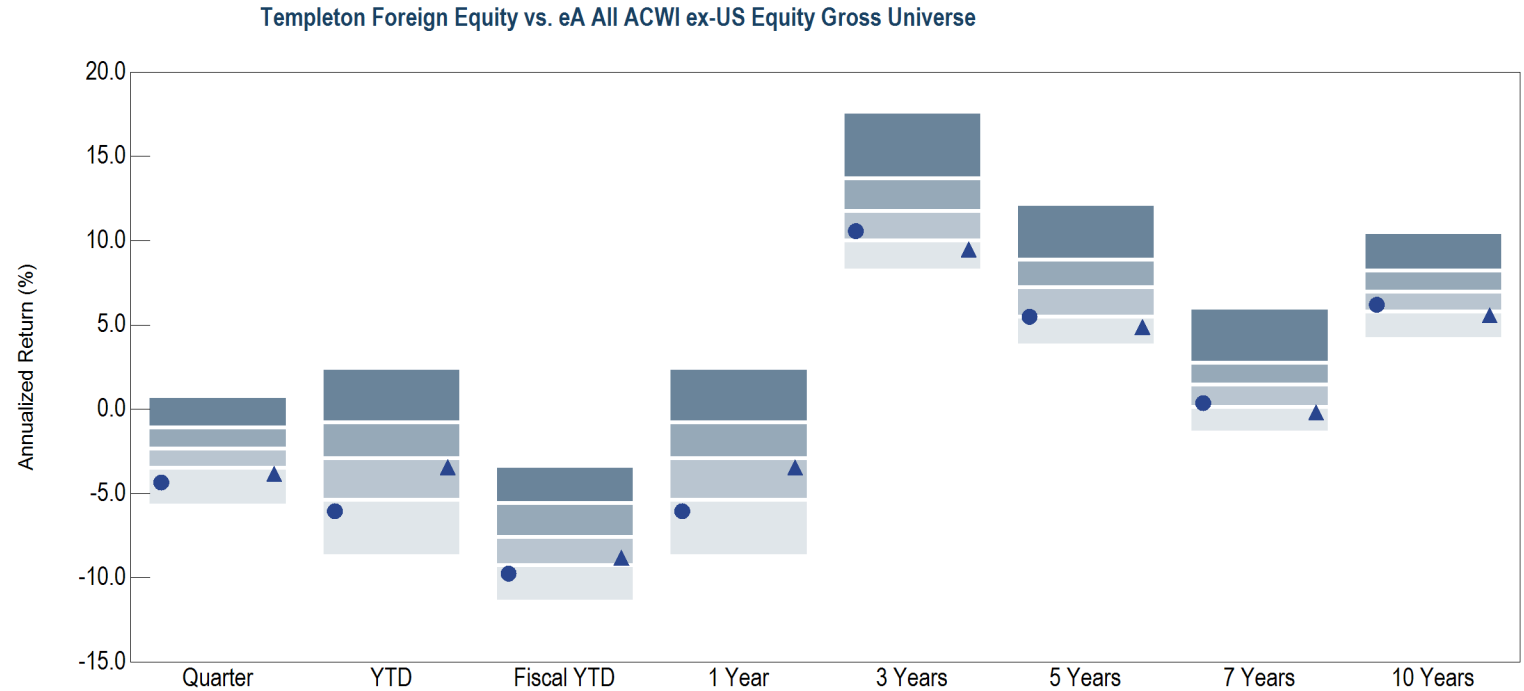
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2014



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

Templeton Foreign Equity Cumulative Performance Comparison

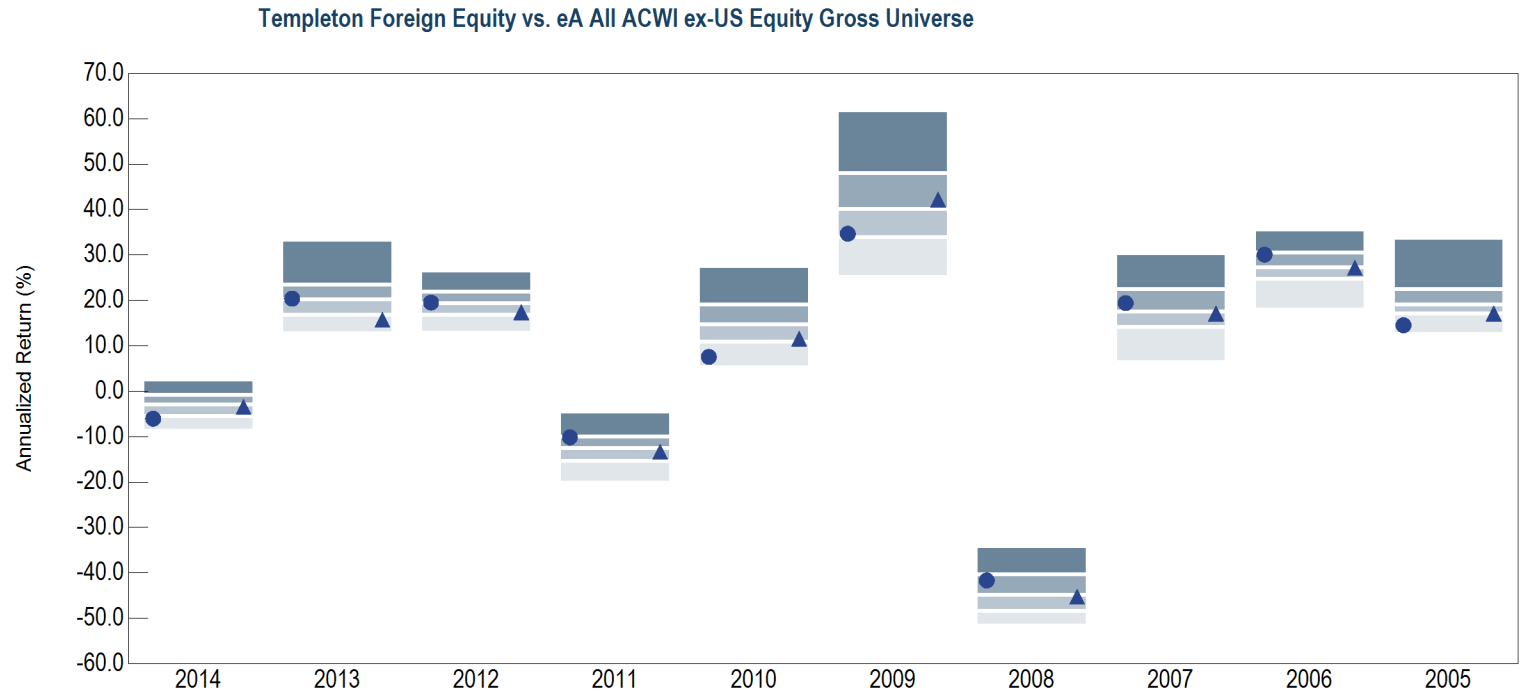
Period Ending: December 31, 2014



	Return (Rank)													
5th Percentile	0.8		2.5		-3.4		2.5		17.6		12.2		6.0	
25th Percentile	-1.1		-0.7		-5.6		-0.7		13.7		8.9		2.8	
Median	-2.3		-2.9		-7.6		-2.9		11.8		7.3		1.5	
75th Percentile	-3.4		-5.3		-9.2		-5.3		10.0		5.5		0.2	
95th Percentile	-5.7		-8.7		-11.4		-8.7		8.2		3.8		-1.4	
# of Portfolios	190		190		190		190		182		162		141	
● Templeton Foreign Equity	-4.3	(85)	-6.0	(80)	-9.7	(80)	-6.0	(80)	10.6	(70)	5.5	(77)	0.4	(69)
▲ MSCI ACWI ex USA Gross	-3.8	(78)	-3.4	(58)	-8.8	(72)	-3.4	(58)	9.5	(84)	4.9	(89)	-0.2	(82)

Templeton Foreign Equity Consecutive Performance Comparison

Period Ending: December 31, 2014



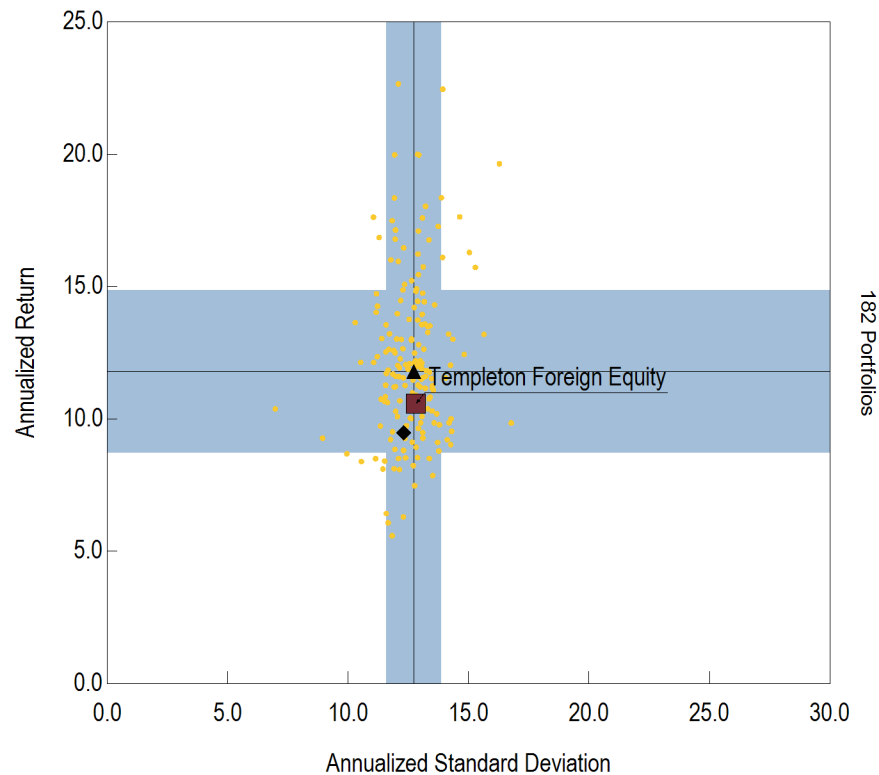
	Return (Rank)									
5th Percentile	2.5	33.2	26.5	-4.6	27.5	61.9	-34.1	30.4	35.6	33.7
25th Percentile	-0.7	23.5	22.1	-9.8	19.2	48.1	-40.2	22.5	30.6	22.5
Median	-2.9	20.2	19.5	-12.4	14.8	40.2	-44.7	17.6	27.4	19.1
75th Percentile	-5.3	16.9	16.8	-15.2	11.0	34.0	-48.3	14.3	24.8	17.3
95th Percentile	-8.7	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)

Templeton Foreign Equity

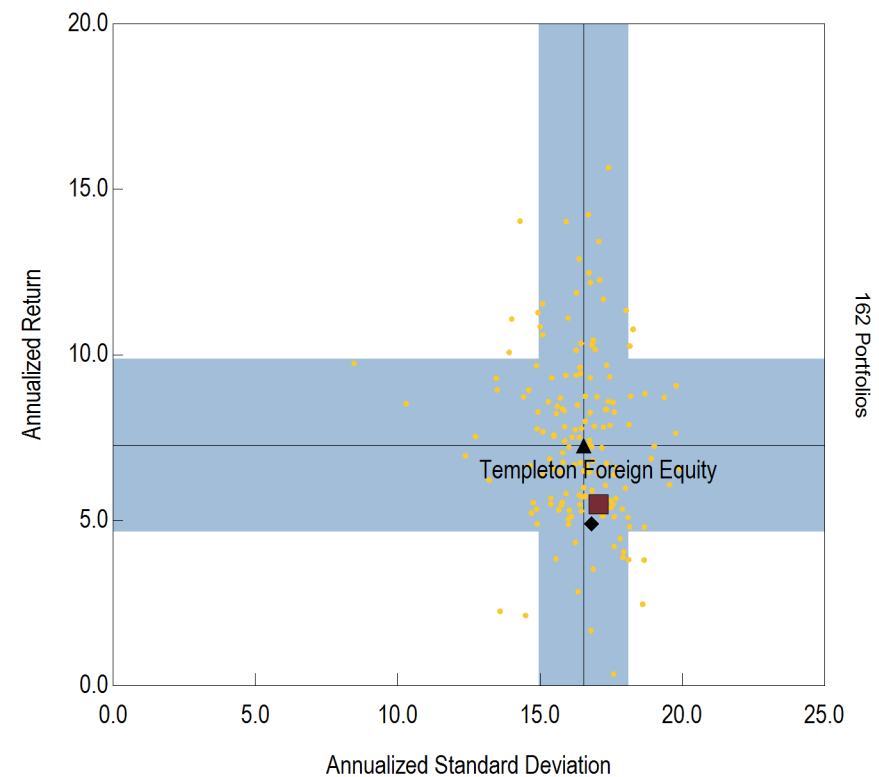
Risk vs Return Three & Five Year

Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



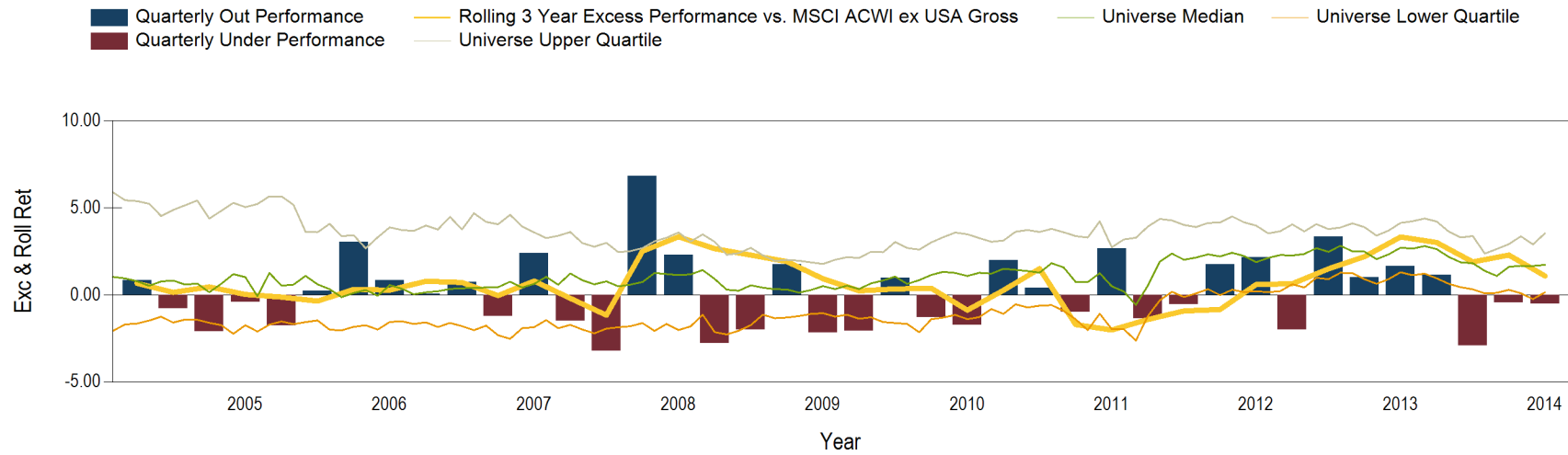
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2014



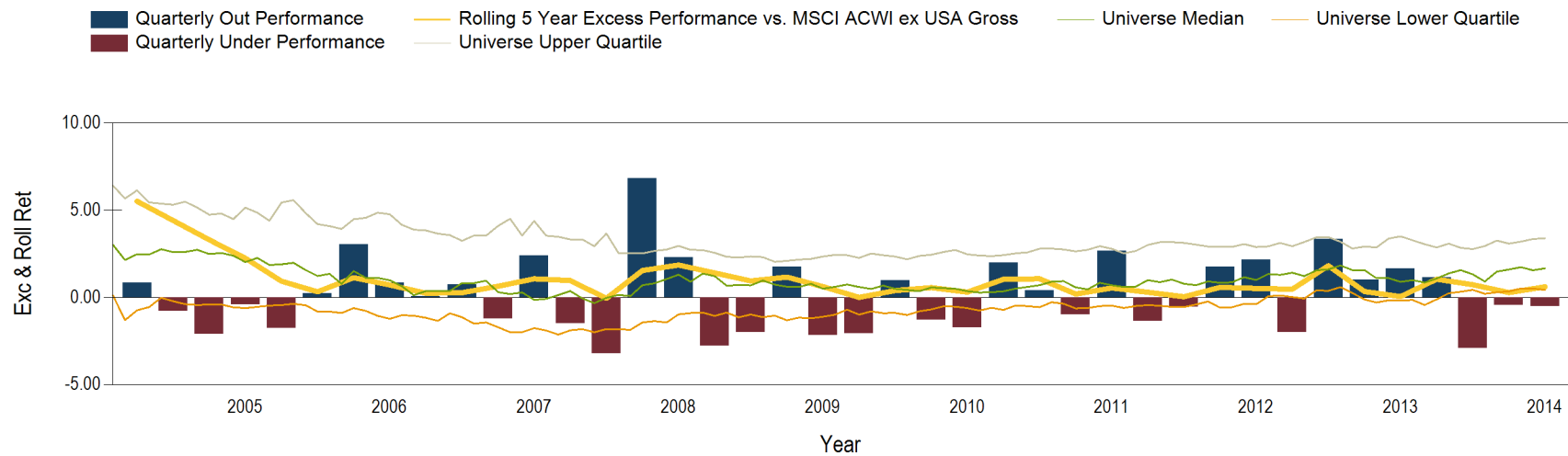
Templeton Foreign Equity Rolling Return Analysis

Period Ending: December 31, 2014

Rolling 3 Year Annualized Excess Performance

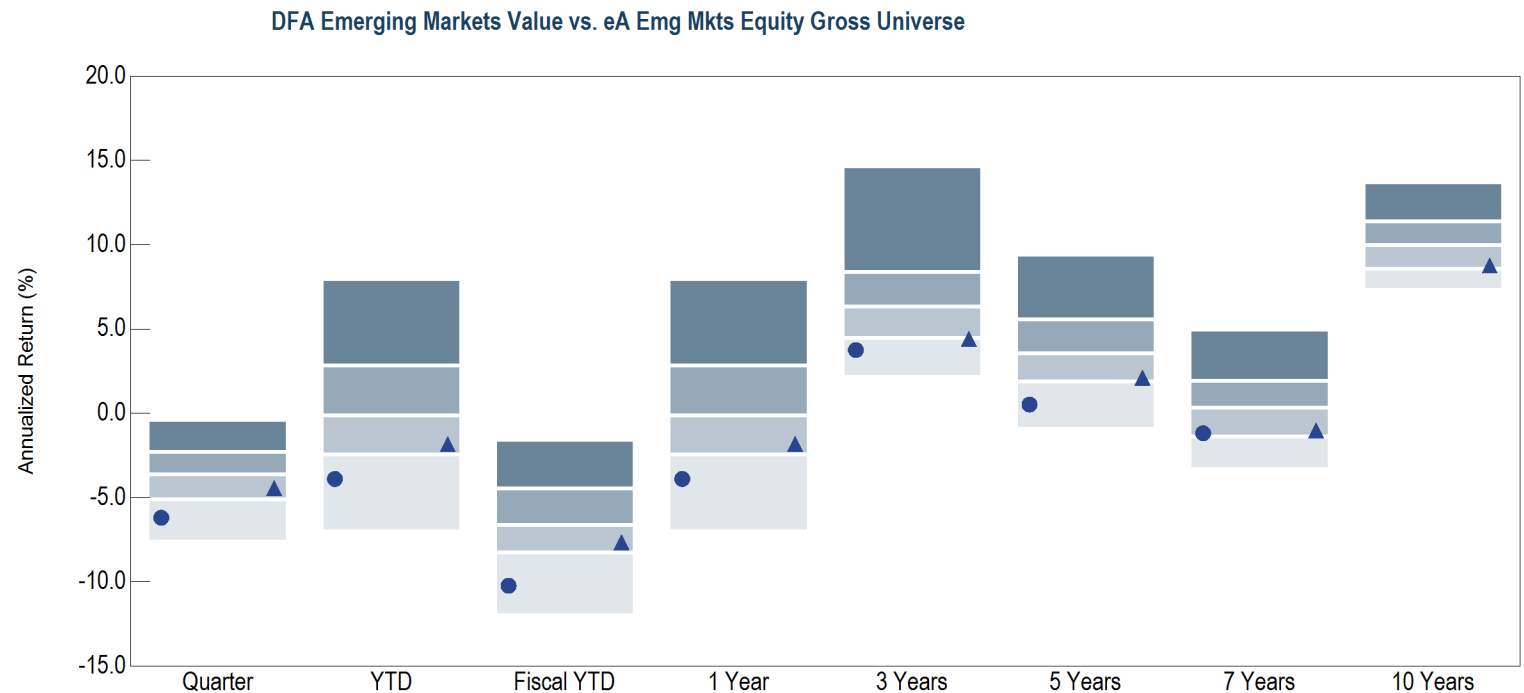


Rolling 5 Year Annualized Excess Performance



DFA Emerging Markets Value Cumulative Performance Comparison

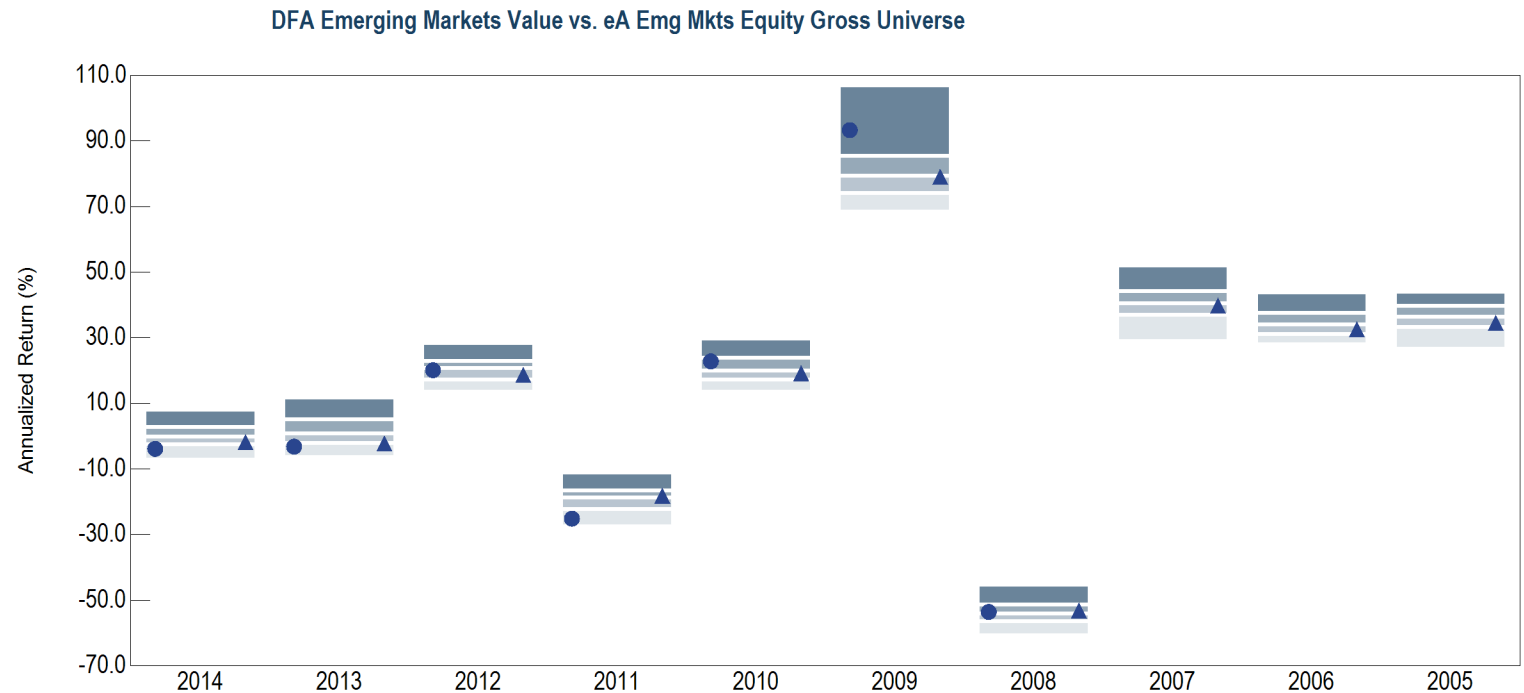
Period Ending: December 31, 2014



	Return (Rank)													
5th Percentile	-0.4		8.0		-1.6		8.0		14.6		9.4		5.0	
25th Percentile	-2.3		2.9		-4.4		2.9		8.4		5.6		2.0	
Median	-3.6		-0.1		-6.6		-0.1		6.3		3.6		0.3	
75th Percentile	-5.1		-2.4		-8.2		-2.4		4.5		1.9		-1.4	
95th Percentile	-7.6		-7.0		-12.0		-7.0		2.2		-0.9		-3.3	
# of Portfolios	251		251		251		251		209		157		130	
● DFA Emerging Markets Value	-6.2	(90)	-3.9	(84)	-10.2	(91)	-3.9	(84)	3.8	(85)	0.5	(91)	-1.2	(73)
▲ MSCI Emerging Markets Gross	-4.4	(66)	-1.8	(69)	-7.6	(69)	-1.8	(69)	4.4	(77)	2.1	(73)	-1.0	(73)

DFA Emerging Markets Value Consecutive Performance Comparison

Period Ending: December 31, 2014

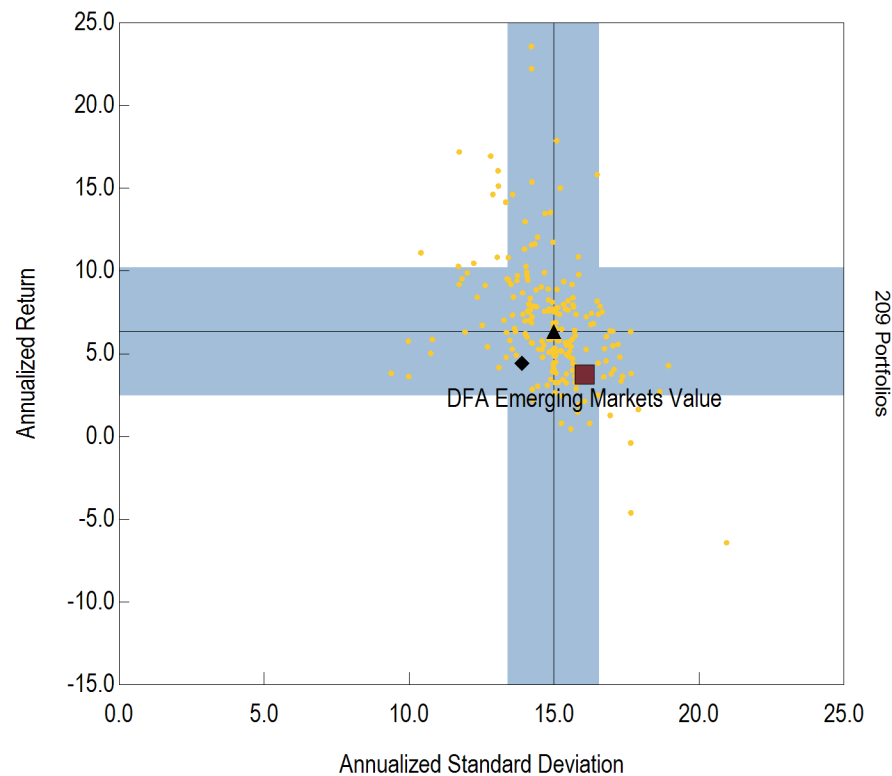


	Return (Rank)									
5th Percentile	8.0	11.7	28.4	-11.1	29.6	106.8	-45.4	51.9	43.7	43.9
25th Percentile	2.9	5.2	23.0	-16.4	23.9	85.5	-51.3	44.3	37.7	39.8
Median	-0.1	1.0	20.9	-18.6	20.1	79.5	-54.0	40.5	34.2	36.5
75th Percentile	-2.4	-2.0	17.3	-22.2	17.3	74.3	-56.3	37.1	31.2	33.4
95th Percentile	-7.0	-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

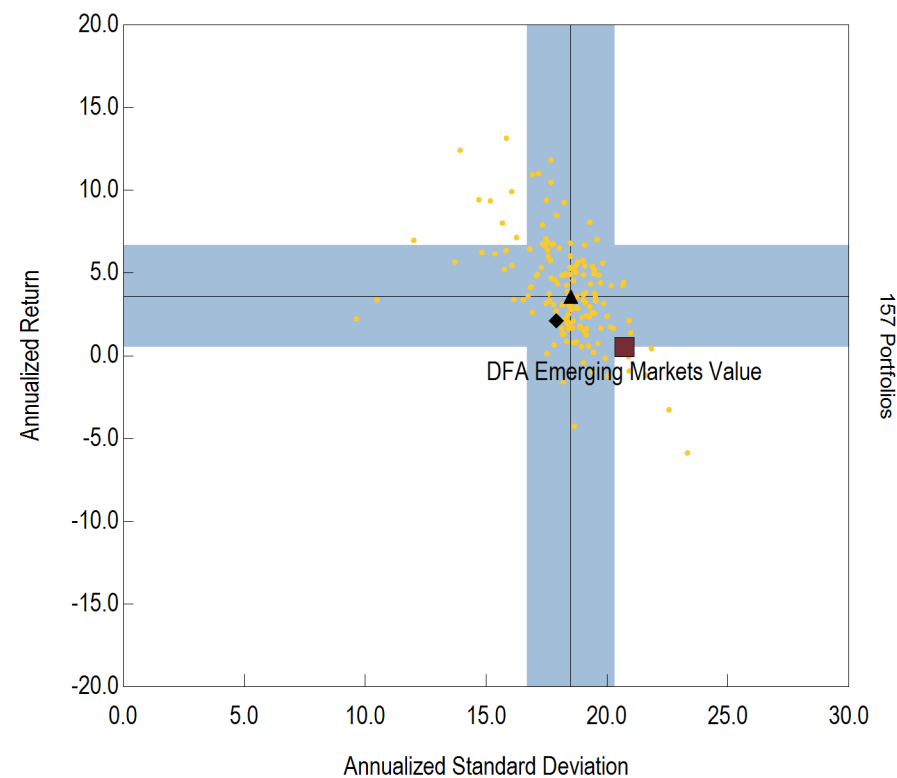
Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



- 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 December 31, 2014

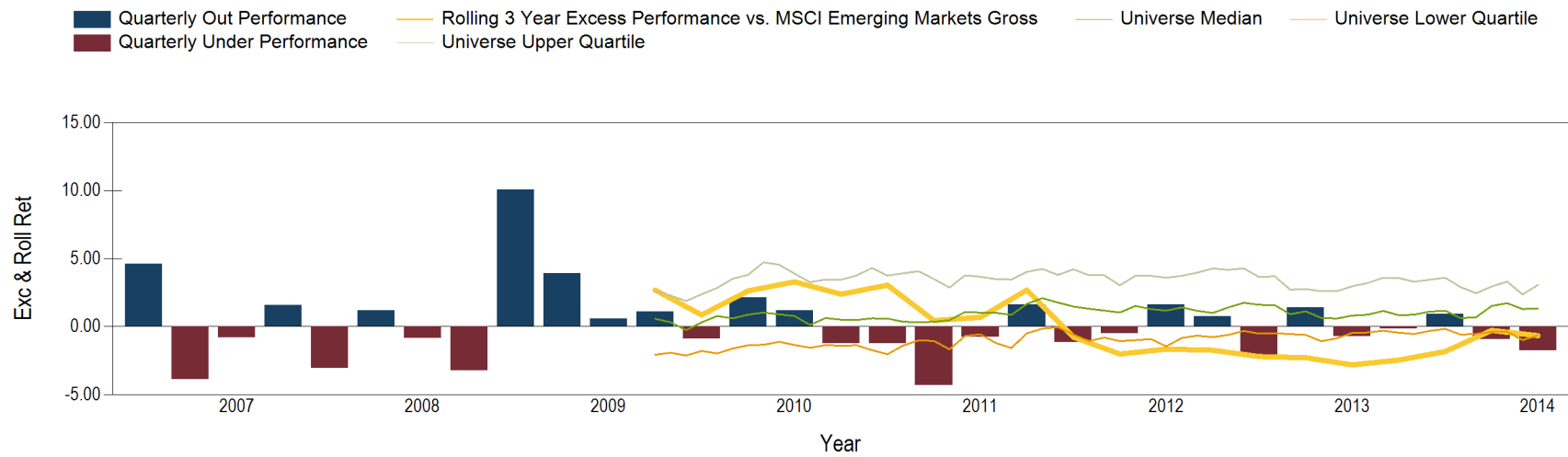


- DFA Emerging Markets Value
- ◆ MSCI Emerging Markets Gross
- ▲ Universe Median
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

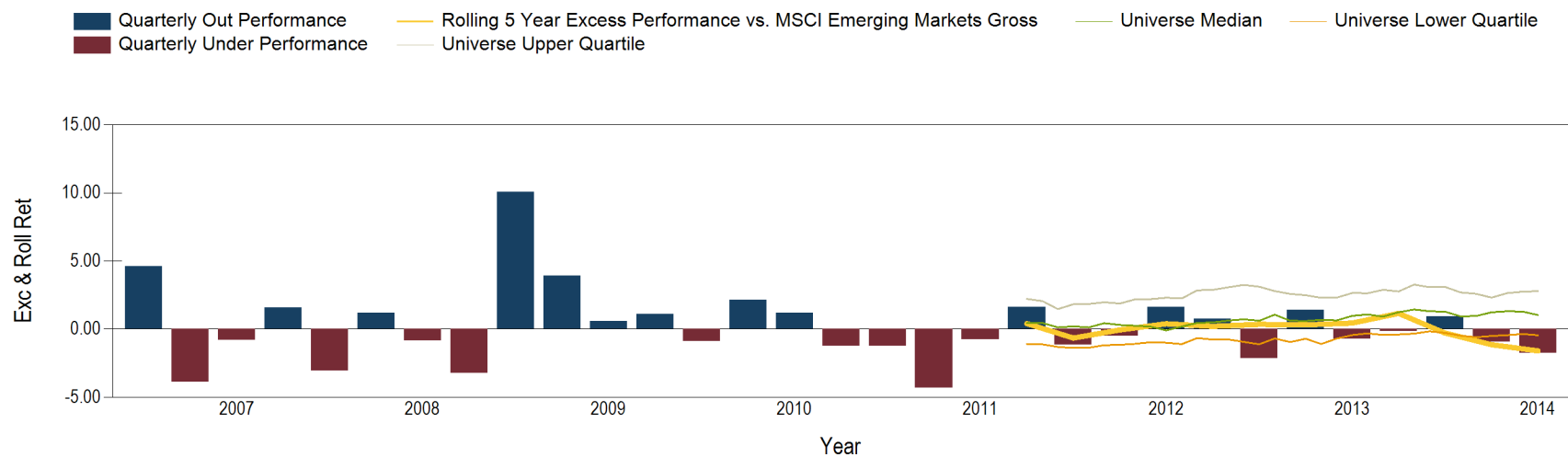
DFA Emerging Markets Value Rolling Return Analysis

Period Ending: December 31, 2014

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



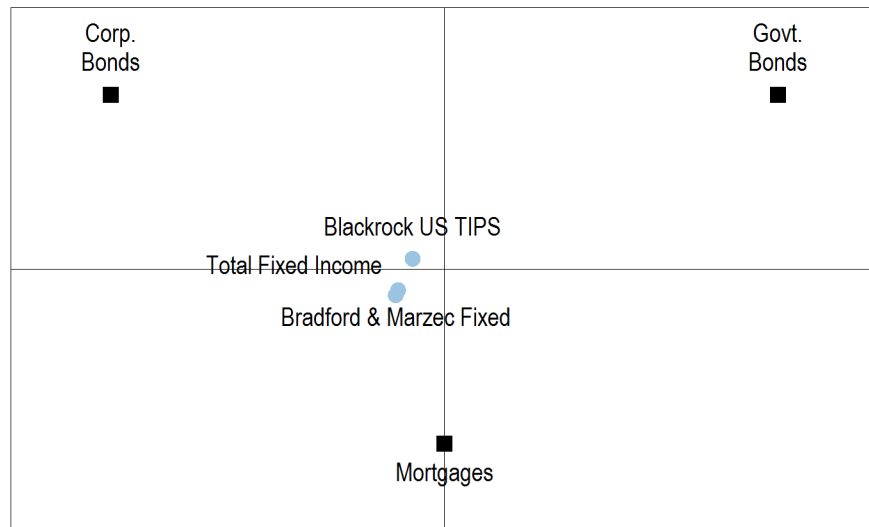
Fixed Income

Asset Class Overview (Gross of Fees)

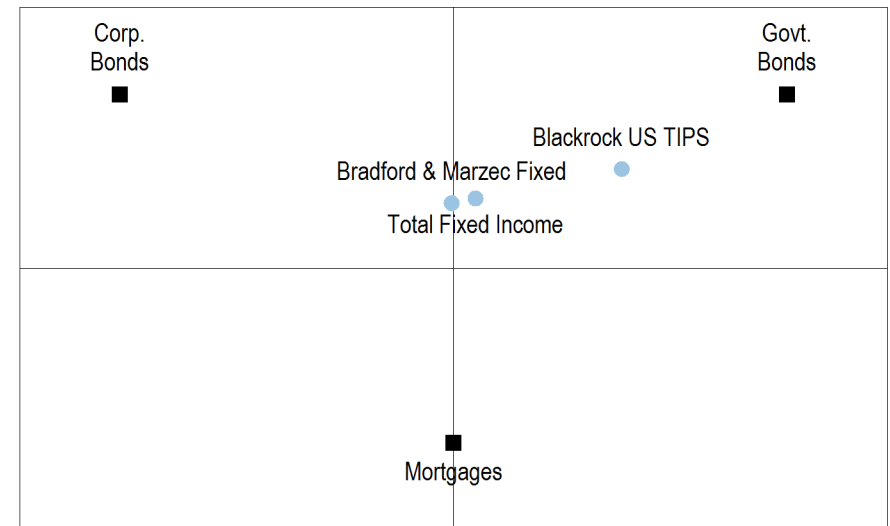
Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Fixed Income												
Bradford & Marzec Fixed	89,639,038	1.7	1.6	7.0	5.0	6.4	6.3	7.0	-0.4	8.8	7.4	9.6
Barclays Aggregate		1.8	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
eA US Core Plus Fixed Inc Gross Rank		17	32	16	41	41	29	16	52	45	51	40
Bradford & Marzec Temporary												
Barclays Aggregate	84,897,427	--	--	--	--	--	--	--	--	--	--	--
eA US Core Fixed Inc Gross Rank		--	--	--	--	--	--	--	--	--	--	--
Blackrock US TIPS												
Blackrock US TIPS	14,615,552	-0.1	-2.1	3.6	0.5	4.2	--	3.6	-8.5	7.1	13.7	6.4
Barclays US TIPS		0.0	-2.1	3.6	0.4	4.1	--	3.6	-8.6	7.0	13.6	6.3
eA TIPS / Infl Indexed Fixed Inc Gross Rank		42	52	45	54	51	--	45	62	59	37	52

Fixed Income Style Map
3 Years Ending December 31, 2014



Fixed Income Style Map
5 Years Ending December 31, 2014



Fixed Income

Asset Class Overview (Net of Fees)

Period Ending: December 31, 2014

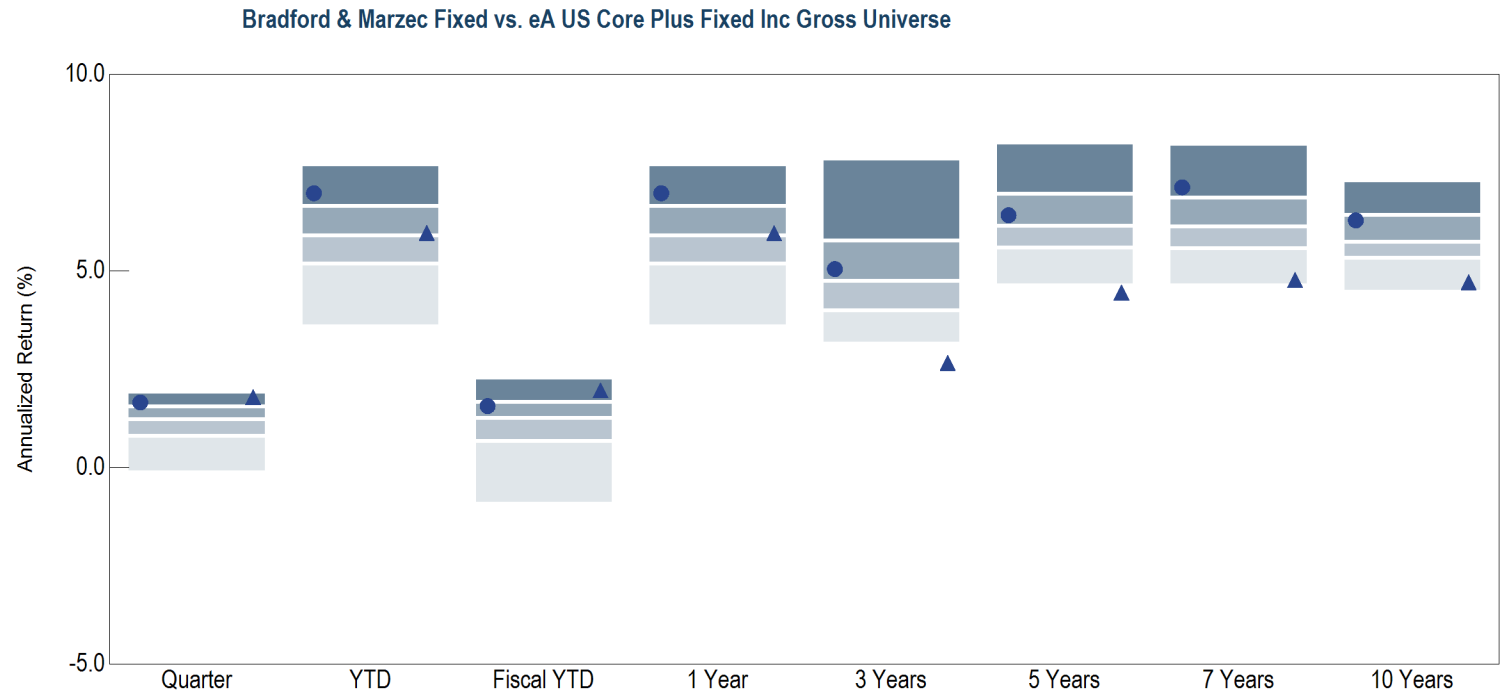
	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Fixed Income												
Bradford & Marzec Fixed	89,639,038	1.6	1.4	6.7	4.7	6.1	6.0	6.7	-0.8	8.5	7.1	9.3
Barclays Aggregate		1.8	2.0	6.0	2.7	4.4	4.7	6.0	-2.0	4.2	7.8	6.5
Bradford & Marzec Temporary	84,897,427	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate		--	--	--	--	--	--	--	--	--	--	--
Blackrock US TIPS	14,615,552	-0.1	-2.2	3.6	0.4	4.1	--	3.6	-8.6	7.0	13.6	6.3
Barclays US TIPS		0.0	-2.1	3.6	0.4	4.1	--	3.6	-8.6	7.0	13.6	6.3

Correlation Matrix Last 5 Years

	Total Fixed Income	Bradford & Marzec Fixed	Bradford & Marzec Temporary	Blackrock US TIPS	Barclays Aggregate
Total Fixed Income	1.00	--	--	--	--
Bradford & Marzec Fixed	0.98	1.00	--	--	--
Bradford & Marzec Temporary	--	--	--	--	--
Blackrock US TIPS	0.81	0.77	--	1.00	--
Barclays Aggregate	0.73	0.69	--	0.85	1.00

Bradford & Marzec Fixed Cumulative Performance Comparison

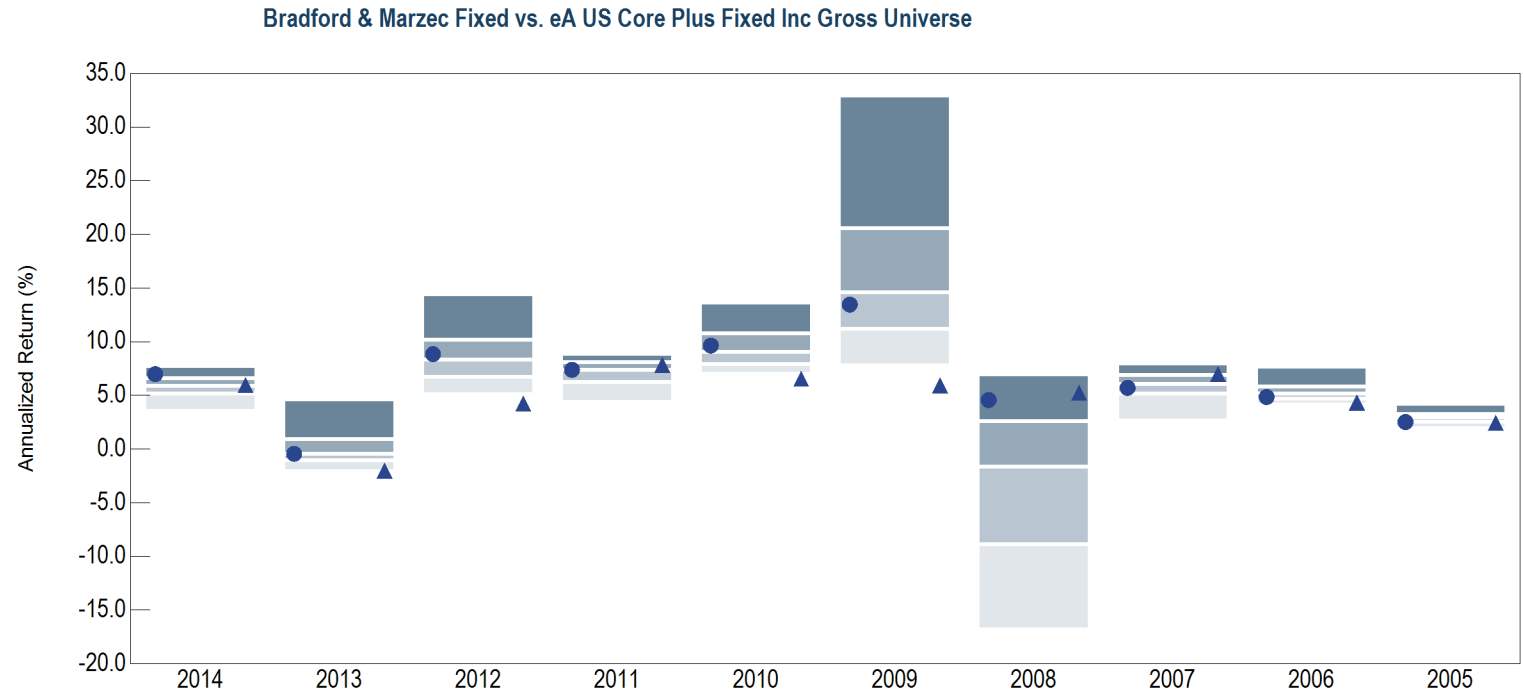
Period Ending: December 31, 2014



	Return (Rank)													
5th Percentile	1.9		7.7		2.3		7.7		7.8		8.2		8.2	
25th Percentile	1.6		6.7		1.7		6.7		5.8		7.0		6.9	
Median	1.2		5.9		1.3		5.9		4.7		6.1		6.1	
75th Percentile	0.8		5.2		0.7		5.2		4.0		5.6		5.6	
95th Percentile	-0.1		3.6		-0.9		3.6		3.2		4.6		4.6	
# of Portfolios	118		118		118		118		116		112		101	
● Bradford & Marzec Fixed	1.7	(17)	7.0	(16)	1.6	(32)	7.0	(16)	5.0	(41)	6.4	(41)	7.1	(20)
▲ Barclays Aggregate	1.8	(8)	6.0	(50)	2.0	(11)	6.0	(50)	2.7	(98)	4.4	(98)	4.8	(93)

Bradford & Marzec Fixed Consecutive Performance Comparison

Period Ending: December 31, 2014

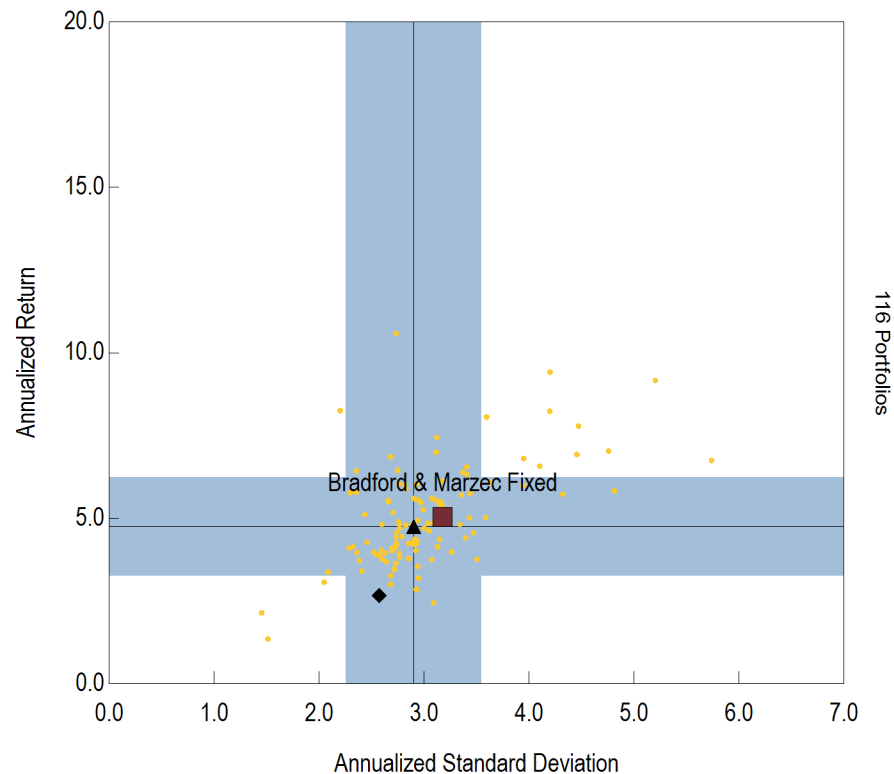


	Return (Rank)									
5th Percentile	7.7	4.6	14.4	8.8	13.6	32.9	6.9	7.9	7.6	4.2
25th Percentile	6.7	1.0	10.2	8.1	10.8	20.6	2.7	6.9	5.9	3.3
Median	5.9	-0.4	8.3	7.4	9.1	14.6	-1.6	6.1	5.2	3.0
75th Percentile	5.2	-1.0	6.7	6.3	8.0	11.2	-8.9	5.2	4.7	2.6
95th Percentile	3.6	-2.0	5.1	4.4	7.0	7.8	-16.8	2.7	4.2	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)

Bradford & Marzec Fixed Risk vs Return Three & Five Year

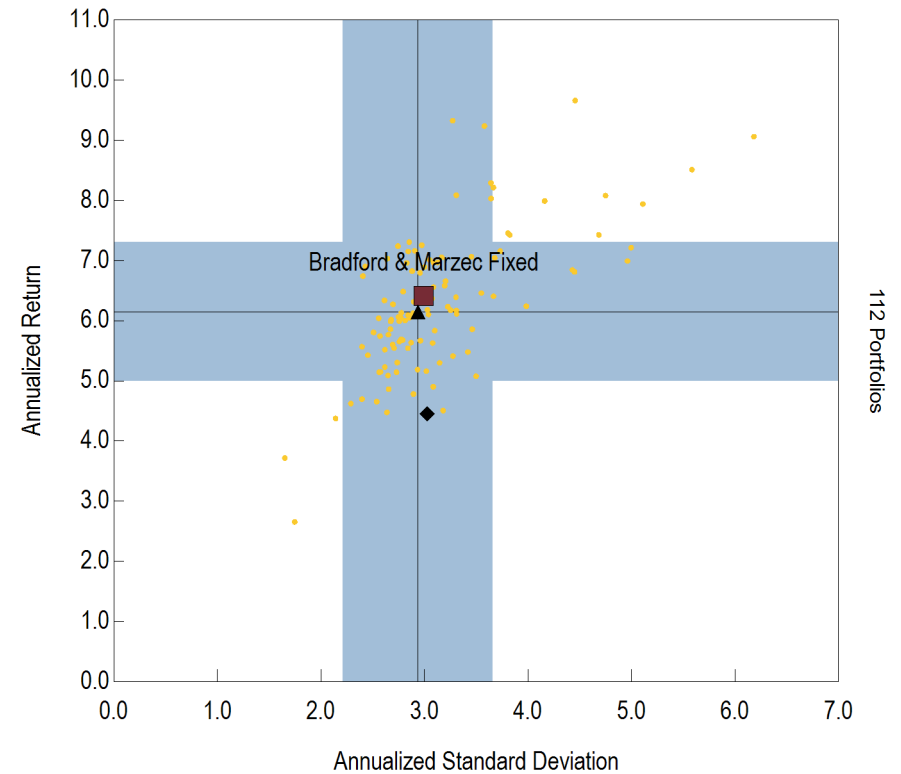
Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



- 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 December 31, 2014

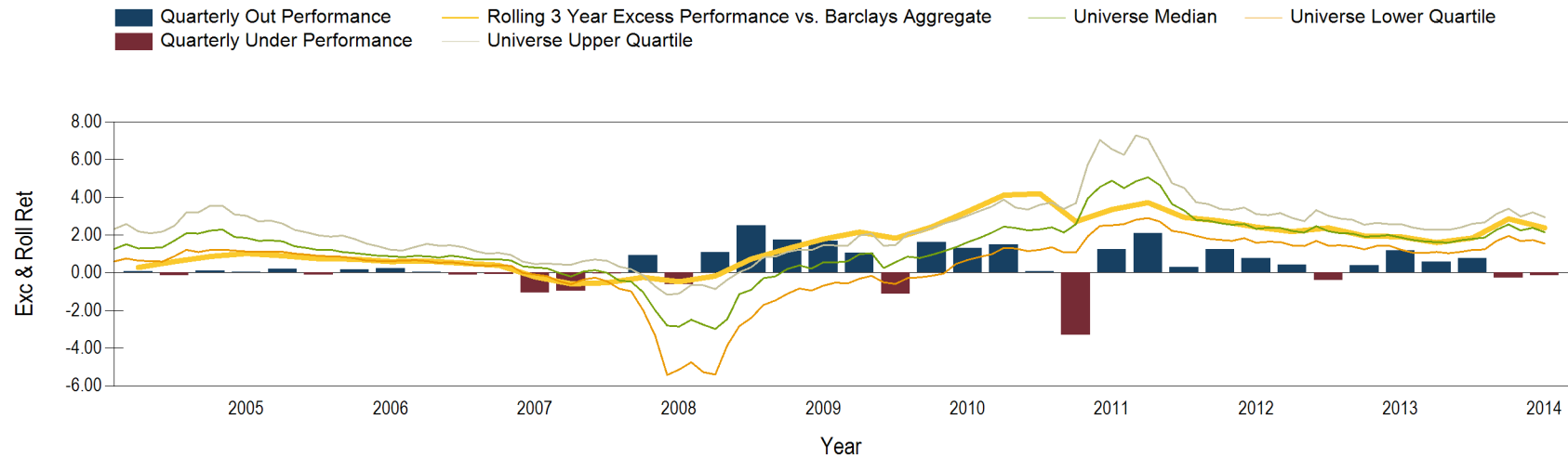


- Bradford & Marzec Fixed
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- eA US Core Plus Fixed Inc Gross

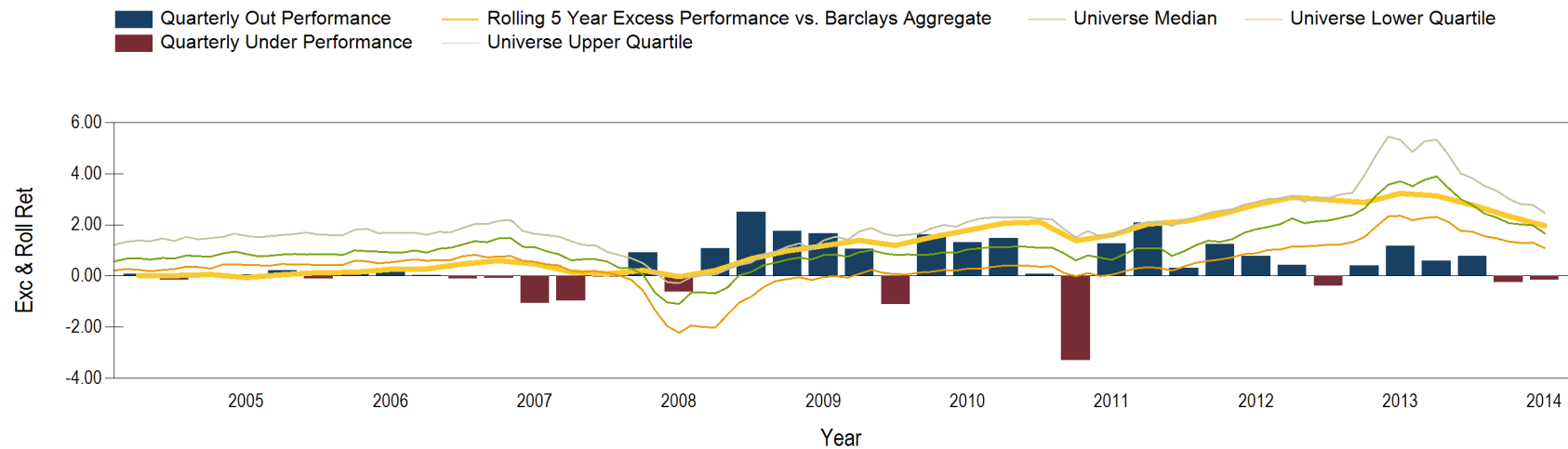
Bradford & Marzec Fixed Rolling Return Analysis

Period Ending: December 31, 2014

Rolling 3 Year Annualized Excess Performance



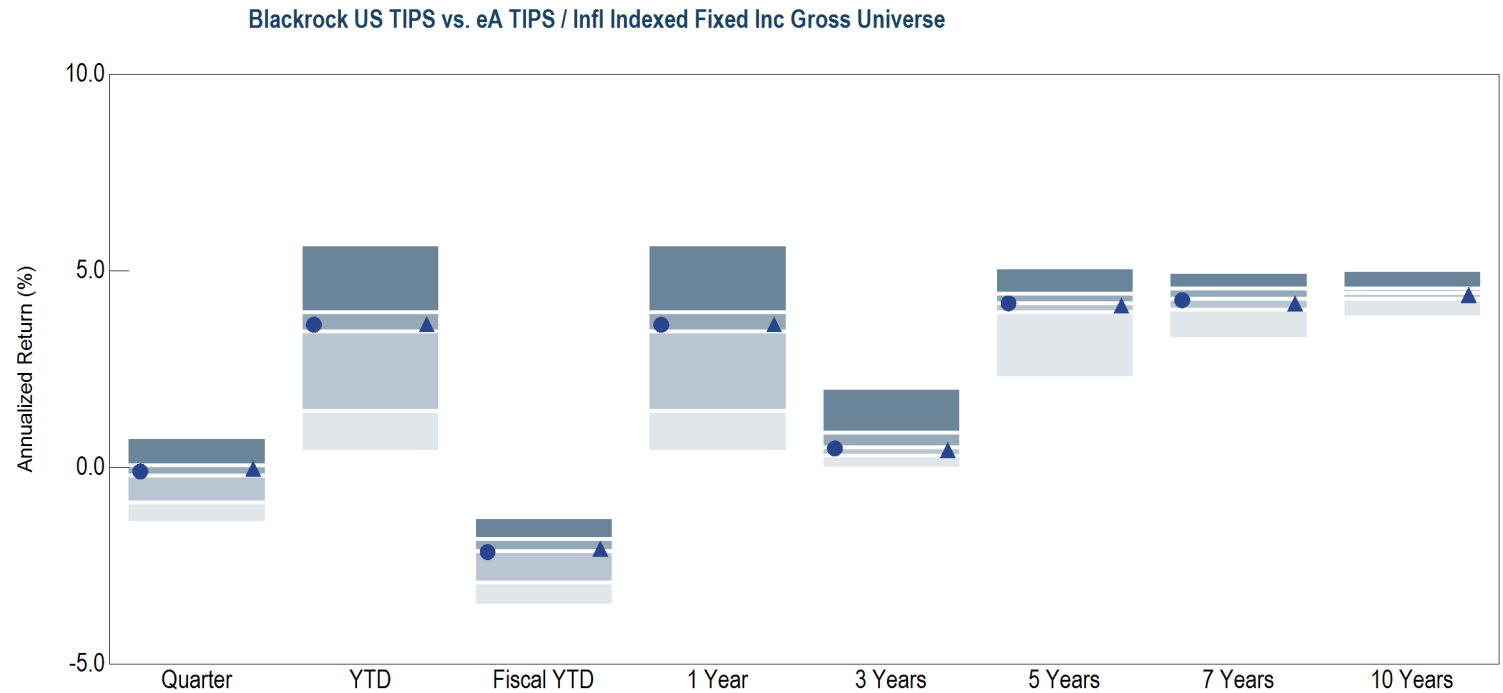
Rolling 5 Year Annualized Excess Performance



Blackrock US TIPS

Cumulative Performance Comparison

Period Ending: December 31, 2014

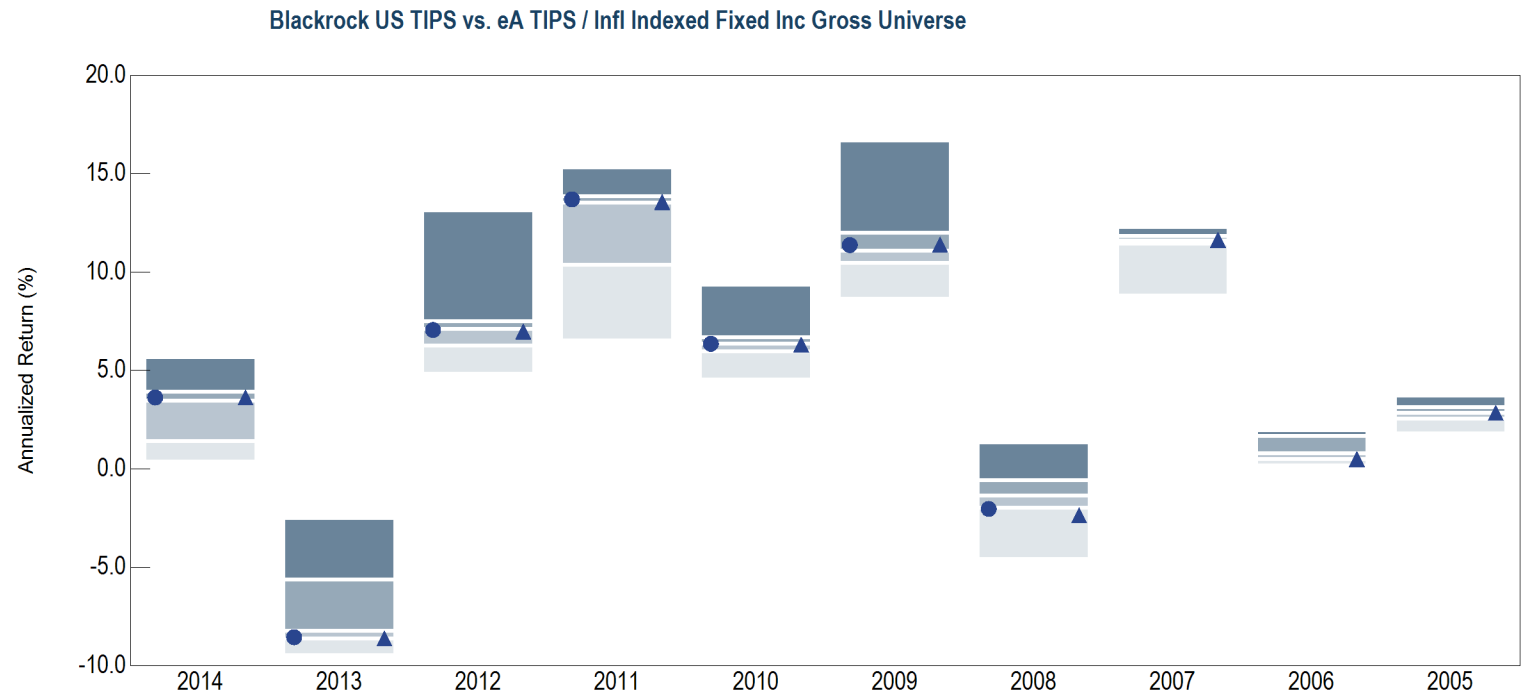


	Return (Rank)													
5th Percentile	0.8		5.7		-1.3		5.7		2.0		5.1		5.0	
25th Percentile	0.1		4.0		-1.8		4.0		0.9		4.4		4.6	
Median	-0.2		3.5		-2.1		3.5		0.5		4.2		4.3	
75th Percentile	-0.9		1.4		-2.9		1.4		0.3		4.0		4.0	
95th Percentile	-1.4		0.4		-3.5		0.4		0.0		2.3		3.3	
# of Portfolios	50		50		50		50		48		42		39	
● Blackrock US TIPS	-0.1	(42)	3.6	(45)	-2.1	(52)	3.6	(45)	0.5	(54)	4.2	(51)	4.3	(55)
▲ Barclays US TIPS	0.0	(35)	3.6	(44)	-2.1	(48)	3.6	(44)	0.4	(61)	4.1	(60)	4.2	(62)
													4.4	(67)

Blackrock US TIPS

Consecutive Performance Comparison

Period Ending: December 31, 2014



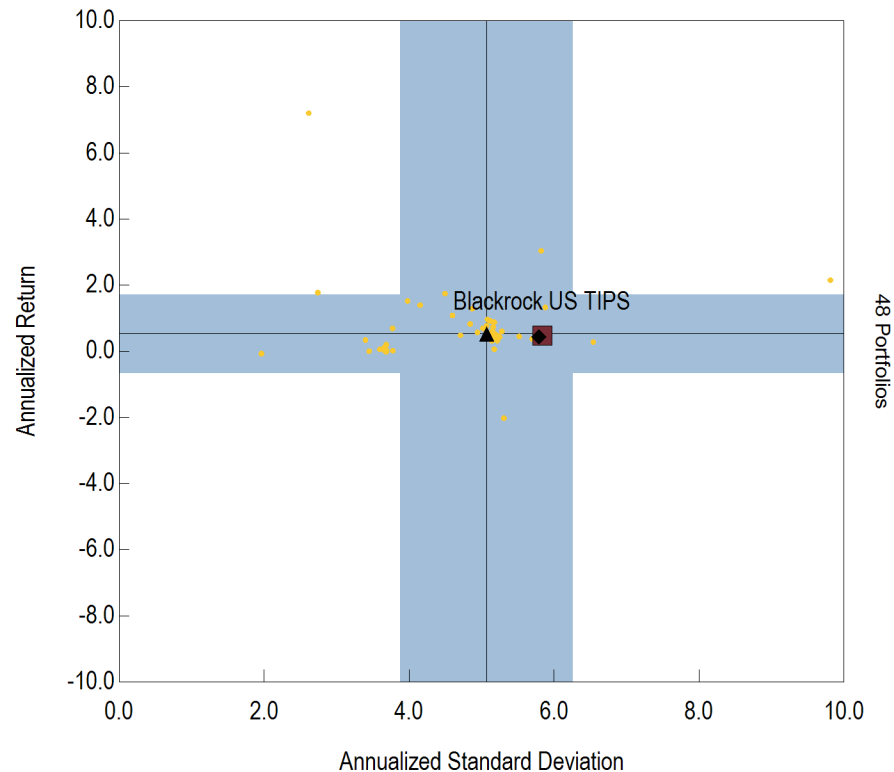
	Return (Rank)									
5th Percentile	5.7	-2.5	13.1	15.3	9.4	16.7	1.3	12.3	2.0	3.7
25th Percentile	4.0	-5.6	7.5	13.9	6.7	12.0	-0.5	11.8	1.7	3.2
Median	3.5	-8.2	7.1	13.5	6.4	11.1	-1.4	11.6	0.8	2.9
75th Percentile	1.4	-8.6	6.3	10.4	6.0	10.5	-1.9	11.5	0.5	2.6
95th Percentile	0.4	-9.4	4.9	6.6	4.6	8.7	-4.6	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)

Blackrock US TIPS

Risk vs Return Three & Five Year

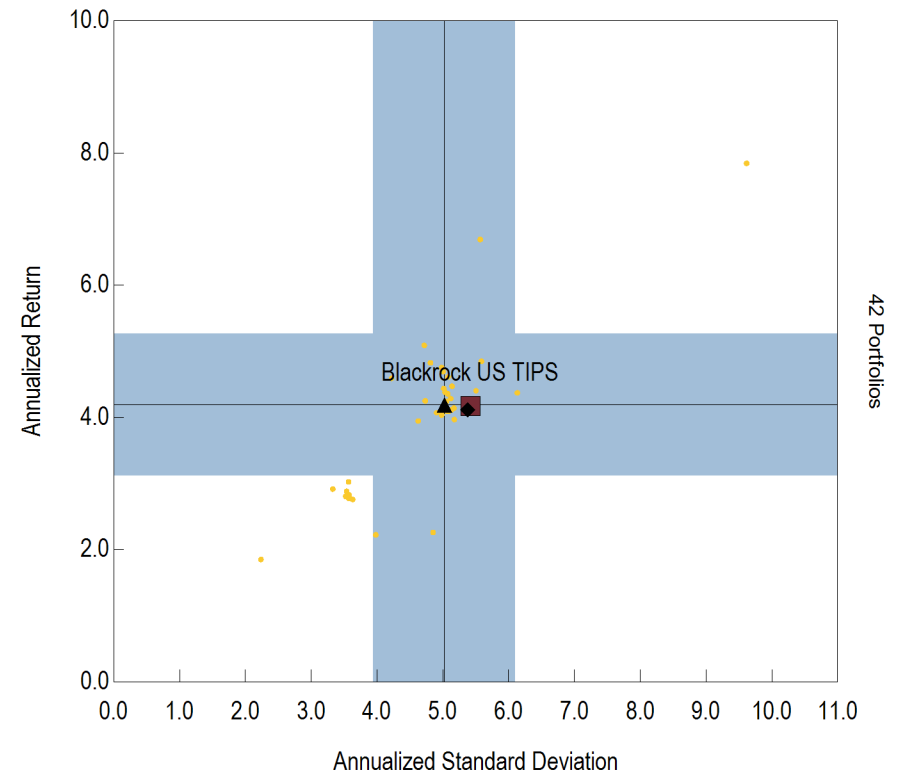
Period Ending: December 31, 2014

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2014



- 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 December 31, 2014



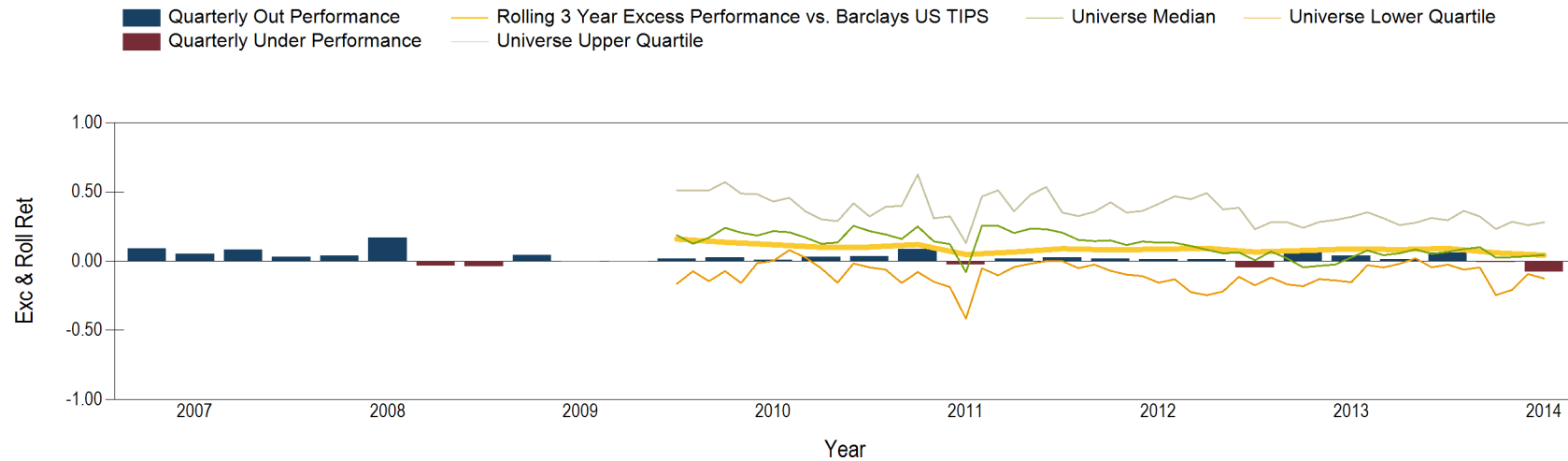
- Blackrock US TIPS
- ◆ Barclays US TIPS
- ▲ Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

Blackrock US TIPS

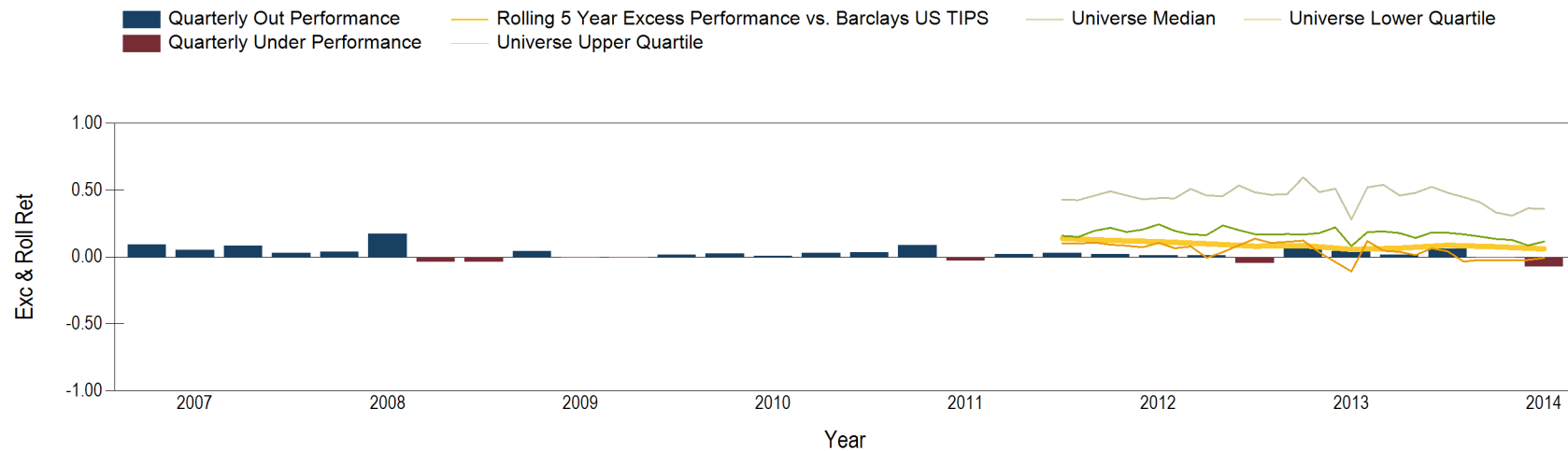
Rolling Return Analysis

Period Ending: December 31, 2014

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



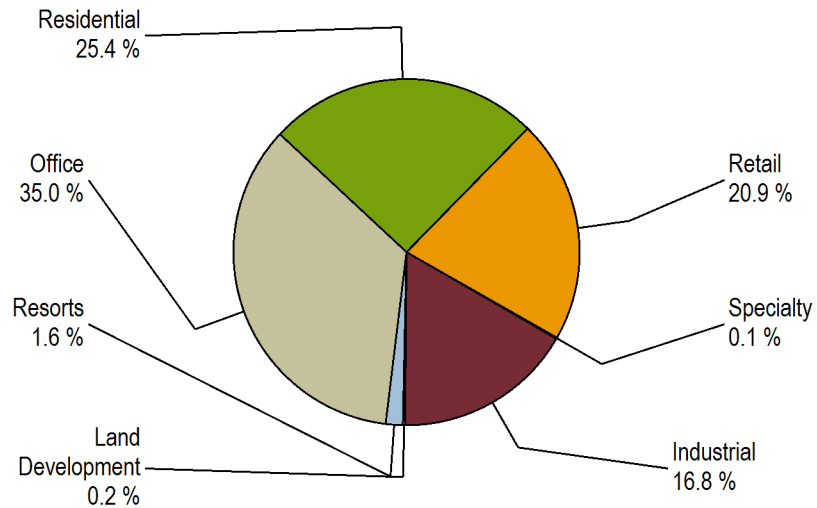
Real Estate

Asset Class Overview (Gross of Fees)

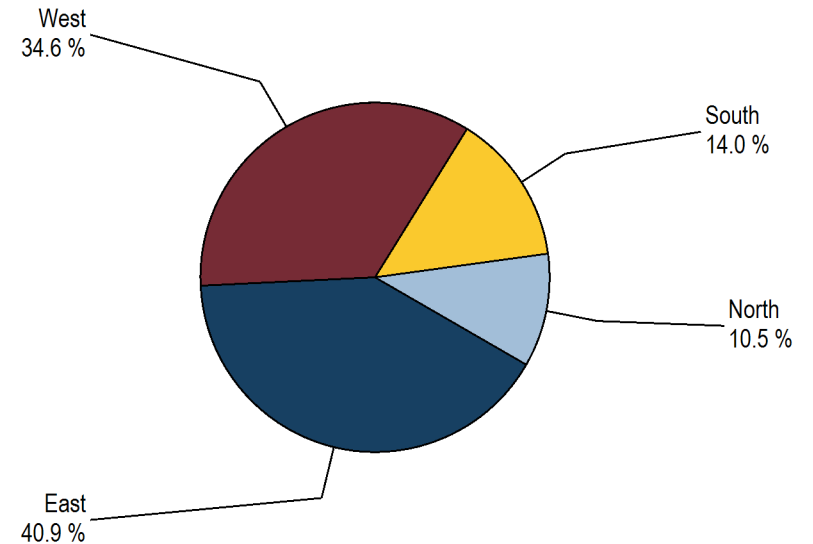
Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Real Estate												
ASB Real Estate	25,234,981	3.6	7.6	13.5	--	--	--	13.5	13.7	--	--	--
NCREIF Property Index		3.0	5.7	11.8	--	--	--	11.8	11.0	--	--	--
NCREIF-ODCE		3.3	6.6	12.5	--	--	--	12.5	13.9	--	--	--
Clarion Lion	24,781,665	4.3	8.2	13.2	12.3	14.9	--	13.2	12.8	10.9	18.7	19.4
NCREIF Property Index		3.0	5.7	11.8	11.1	12.1	--	11.8	11.0	10.5	14.3	13.1
NCREIF-ODCE		3.3	6.6	12.5	12.4	13.9	--	12.5	13.9	10.9	16.0	16.4
1221 State St. Corp	1,395,957	0.0	0.0	0.0	0.0	-1.1	--	0.0	0.0	0.1	-9.0	3.7

Property Type Allocation
Allocation as of December 31, 2014



Geographic Diversification
Allocation as of December 31, 2014



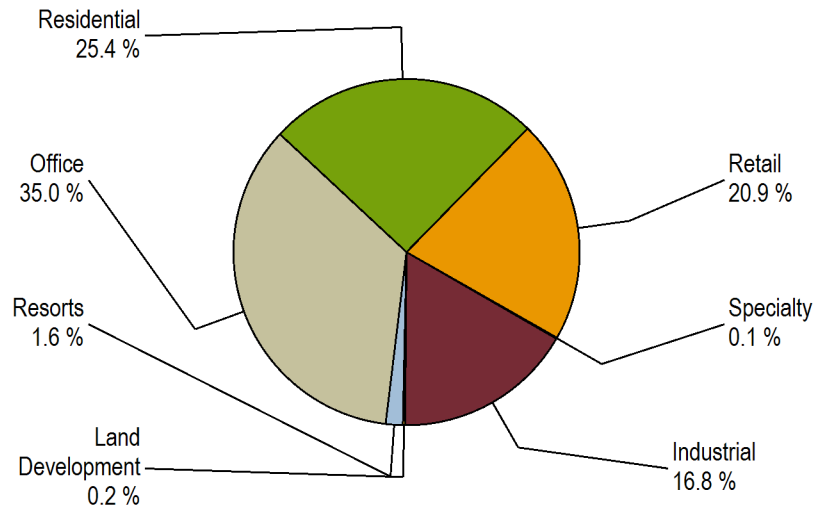
Real Estate

Asset Class Overview (Net of Fees)

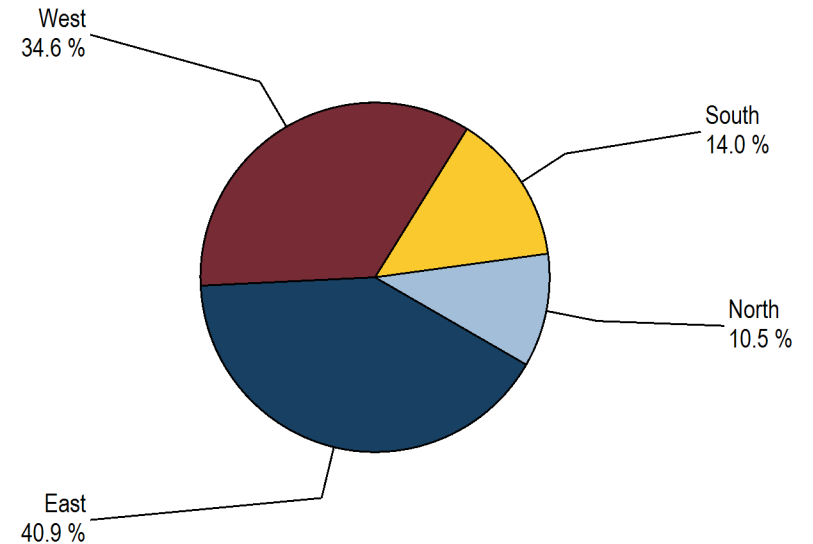
Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Real Estate												
ASB Real Estate	25,234,981	3.4	7.1	12.5	--	--	--	12.5	12.5	--	--	--
NCREIF Property Index		3.0	5.7	11.8	--	--	--	11.8	11.0	--	--	--
NCREIF-ODCE		3.3	6.6	12.5	--	--	--	12.5	13.9	--	--	--
Clarion Lion	24,781,665	4.1	7.7	12.2	11.3	13.9	--	12.2	11.8	9.9	17.8	18.2
NCREIF Property Index		3.0	5.7	11.8	11.1	12.1	--	11.8	11.0	10.5	14.3	13.1
NCREIF-ODCE		3.3	6.6	12.5	12.4	13.9	--	12.5	13.9	10.9	16.0	16.4
1221 State St. Corp	1,395,957	0.0	0.0	0.0	0.0	-1.1	--	0.0	0.0	0.1	-9.0	3.7

Property Type Allocation
Allocation as of December 31, 2014



Geographic Diversification
Allocation as of December 31, 2014

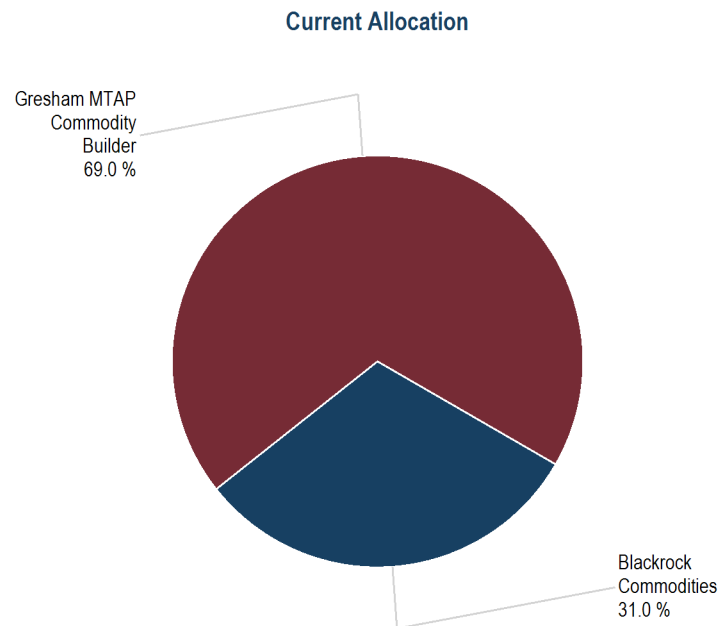


Commodities

Asset Class Summary (Gross of Fees)

Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Commodities												
Blackrock Commodities	5,431,365	-12.1	-22.5	-17.0	-9.3	-5.4	--	-17.0	-9.4	-0.9	-13.2	17.0
<i>Bloomberg Commodity Index TR USD</i>		-12.1	-22.5	-17.0	-9.4	-5.5	--	-17.0	-9.5	-1.1	-13.3	16.8
Gresham MTAP Commodity Builder	12,080,429	-12.5	-21.6	-16.1	--	--	--	-16.1	--	--	--	--
<i>Bloomberg Commodity Index TR USD</i>		-12.1	-22.5	-17.0	--	--	--	-17.0	--	--	--	--

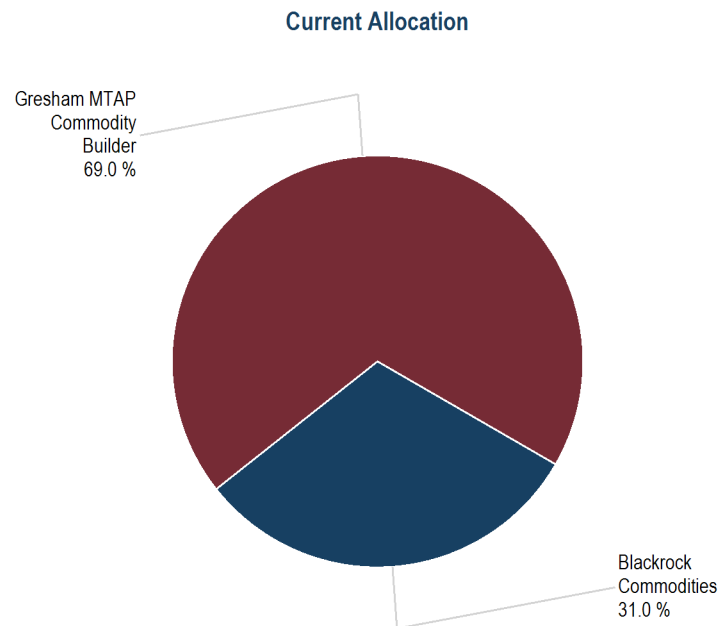


Commodities

Asset Class Summary (Net of Fees)

Period Ending: December 31, 2014

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010
Total Commodities												
Blackrock Commodities	5,431,365	-12.2	-22.6	-17.2	-9.6	-5.7	--	-17.2	-9.7	-1.2	-13.5	16.6
<i>Bloomberg Commodity Index TR USD</i>		-12.1	-22.5	-17.0	-9.4	-5.5	--	-17.0	-9.5	-1.1	-13.3	16.8
Gresham MTAP Commodity Builder	12,080,429	-12.6	-21.9	-16.7	--	--	--	-16.7	--	--	--	--
<i>Bloomberg Commodity Index TR USD</i>		-12.1	-22.5	-17.0	--	--	--	-17.0	--	--	--	--



Glossary

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

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

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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Wurts receives universe data from InvestorForce, eVestment Alliance and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Wurts will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.