

June 30, 2014



## **Mendocino County Employees' Retirement Association**

**Investment Measurement Service  
Quarterly Review**

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This "Preview" contains excerpts from the upcoming *Capital Market Review* (CMR) newsletter, which will be published at the end of the month.

## Are New Highs Too High?

**U.S. EQUITY** | Lauren Mathias, CFA

Despite a slow start to the second quarter, U.S. equities as represented by the **S&P 500 Index** (+5.20%) ended at 1,960.23, just two points shy of its record close of 1,962.87 set June 20. The market environment reacted favorably to economic improvements, including: 44 consecutive months of positive job growth (the unemployment rate declined from 10.2% in October 2009 to 6.3% in May 2014); a moderate rise in household spending; home prices that were up 8.8% year over year in May; and continued subdued inflation.

Continued on pg. 2

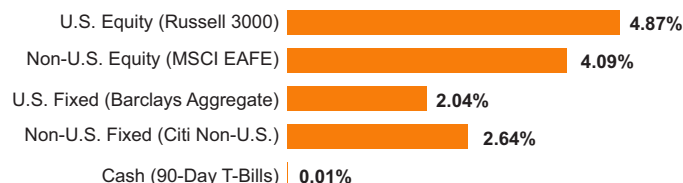
## Soccer and Stocks Soar

**NON-U.S. EQUITY** | Matt Lai

After a weak first quarter, the second quarter strengthened as investors regained some conviction in the global economy. Heartening data from emerging economies and renewed recovery efforts in Europe helped accelerate international returns in May and June. At half-time, 2014 was up. A second-quarter boost of 5.25% elevated the **MSCI ACWI ex USA Index** to a 5.89% return for the year thus far. Middle East unrest drove the quarter's Energy (+11.63%) and Utilities (+7.72%) stocks to the fore, though all sectors enjoyed gains.

Continued on pg. 3

## Broad Market Quarterly Returns



Sources: Barclays, Citigroup, Merrill Lynch, MSCI, Russell Investment Group

## Bond Market Continues to Surprise

**U.S. FIXED INCOME** | Steven Center, CFA

Amid mixed economic data and global volatility, the yield curve flattened for the second consecutive quarter. Yield spreads pulled tighter across all non-Treasury sectors as investors remained comfortable accepting spread risk in exchange for yield. The **Barclays Aggregate Index** rose 2.04%.

Continued on pg. 4

## More Yield, Please?

**NON-U.S. FIXED INCOME** | Kyle Fekete

Global investors were hungry for yield in the second quarter. Peripheral euro zone 10-year notes surged in Italy, Spain, and Ireland, while Australian debt led the developed markets. Emerging market debt outperformed its developed market counterparts, as attractive yields and stabilizing economies lifted investor sentiment. The global bond market edged on as the **Citi Non-U.S. World Government Bond Index-Unhedged** gained 2.64%. The U.S. dollar weakened modestly against a basket of major currencies, leaving the hedged return of this Index at 2.01%.

Continued on pg. 5

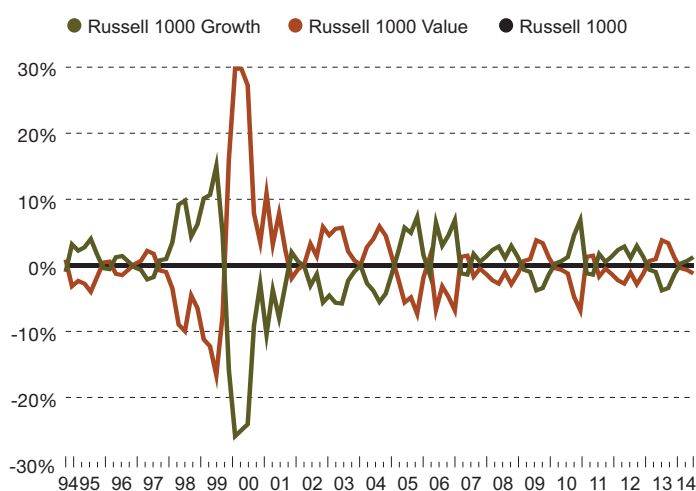
## U.S. Equity: Are New Highs Too High?

*Continued from pg. 1*

In June, the Federal Open Market Committee announced an anticipated \$10 billion reduction in monthly bond purchases, down to \$35 billion from a peak of \$85 billion. Despite slowing its quantitative easing program, the Fed cut its 2014 growth outlook to a range of 2.1% to 2.3% (versus the March forecast of 2.8% to 3.0%). Other concerns remain, such as real GDP's decline of 2.9% in the first quarter and slow wage growth, as well as geopolitical issues including the civil war in Iraq and continued angst between Russia and Ukraine.

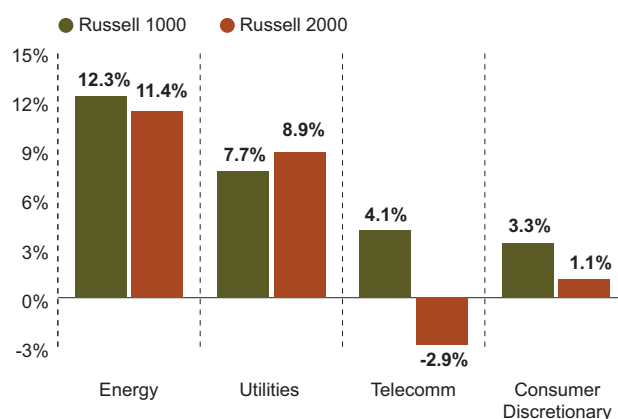
Large cap stocks led the way (**Russell 1000 Index**, +5.12%), though there was little distinction between value and growth styles this quarter; the **Russell 1000 Value Index** (+5.10%) and **Russell 1000 Growth Index** (+5.13%) were almost exactly even. Small (**Russell 2000 Index**, +2.05%) and mid cap (**Russell Mid-Cap Index**, +4.97%) stocks trailed larger indices, while value maintained its lead over growth in both capitalizations. From a style perspective, value characteristics such as low prices were rewarded, while projected and historical earnings growth was not. Micro cap was the laggard (**Russell Microcap Index**, -1.41%), but remains in positive territory year to date (+1.56%).

### Rolling One-Year Relative Returns (vs. Russell 1000)



Source: Russell Investment Group

### Performance of Select Sectors



Source: Russell Investment Group

Within large cap, all sectors posted positive results; however, the Telecommunications sector in small cap was negative for the quarter. Energy and Utilities led other sectors. Oil prices increased as troubles in the Middle East provided a tailwind to energy stocks. Investors continue to seek yield as quantitative easing slows, so dividend-paying equity remains an important source of income. Utilities benefited from this phenomenon, as well as from a preference for lower volatility. Consumer Discretionary was a disappointing sector for both small and large caps as industries like retailers were punished for weather-related poor results during the first quarter.

Mergers and acquisitions were prevalent, with levels not seen since 2007. Technology, media, and large cap telecommunication companies benefited as these industries continue to evolve and innovate. Although the full quarter showed a market preference for risk reduction, in June there was an uptick in risk appetite leading to low quality and high beta outperformance. At quarter end, S&P 500 Index stock correlations reduced to their historical long-term average, and the CBOE Market Volatility Index (VIX) moved even further below its average. The S&P 500's forward P/E continued to increase beyond its historical average, causing investors to question whether the new highs are too high.

## Non-U.S. Equity: Soccer and Stocks Soar

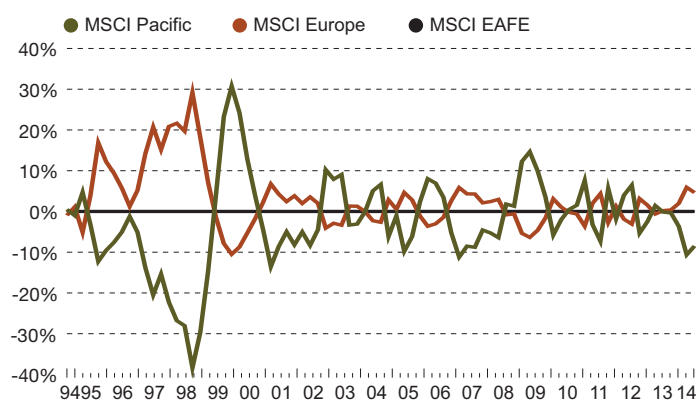
*Continued from pg. 1*

Industrials (+3.43%) and Consumer Discretionary (+3.89%) lagged. Most major currencies gained on the dollar, save for the euro shedding 0.6% to the greenback.

Developed countries (**MSCI EAFE Index**: +4.09%) fell short of their emerging counterparts (**MSCI Emerging Markets Index**: +6.71%), the latter holding a 154 basis point lead for 2014. **MSCI EAFE Value** (+4.73%) out-dribbled **MSCI EAFE Growth** (+3.45%) for the fifth straight quarter. In a reverse from last quarter, **MSCI EAFE Small Cap** (+2.08%) underperformed the broader index.

The European Central Bank invigorated the continent's developed markets, with the **MSCI Europe Index** gaining 3.30% (quarterly) and 5.48% year-to-date (YTD). Sectors largely mirrored global trends: Energy (+11.32%) and Utilities (+6.68%) counterbalanced Industrials (+2.34%) and IT (+1.00%). Mario Draghi unveiled an interest rate cut to a record 0.15% (from 0.25%), and European unemployment slid to 11.6%. Norway led Europe with a 9.86% jump. Second-place Spain (+7.10%) drew headlines as King Juan Carlos I abdicated the throne to his son Felipe VI, ending a 39-year reign. Ireland (-8.90%) and Portugal (-2.58%) flopped, but remained positive for the first six months.

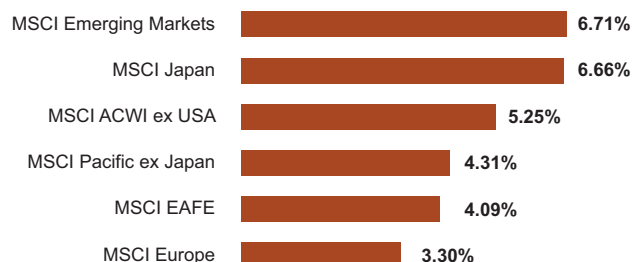
### Rolling One-Year Relative Returns (vs. MSCI EAFE U.S. Dollar)



Source: MSCI

### Regional Quarterly Performance

(U.S. Dollar)



Source: MSCI

The **MSCI Pacific Index** (+5.77%) finished strong, hoisting its YTD return to 3.12%. Energy (+9.19%) and IT (+9.08%) were the top sectors, though underdogs Consumer Discretionary (+3.26%) and Health Care (+3.37%) contributed. Hong Kong (+8.26%) and Japan (+6.66%) benefitted most. Annualized Japanese GDP—driven by capital expenditures and sound consumer confidence—was revised up to a surprising 6.7% for the first quarter (estimates were at 5.6%). Elsewhere in the region, New Zealand clocked the only negative return, with a drop of 1.19%, though its YTD gain of 14.98% remains the region's best. Australia (+2.77%) held its 2.5% key rate.

Emerging economies prevailed over all rival regions (MSCI Emerging Markets Index: +6.71%; 6.32% YTD). IT (+11.18%) and Utilities (+10.48%) led universally black sectors, with Materials (+3.88%) and Consumer Staples (+4.12%) at the bottom. China (+5.70%) was bolstered by Energy (+13.01%) and Utilities (+11.42%); Materials dragged heavily (-6.05%), as reports emerged of an oversupply in Chinese real estate. The democratic election of pro-business Narendra Modi lifted India (+12.67%), eclipsed solely by Turkey, which saw a 15.36% gain and first-quarter GDP growth of 4.3%. Volatile Greece (-10.74%) bore the brunt of investor ire. Qatar (-5.40%) and the UAE (-5.49%) joined the MSCI Emerging Markets Index in June. Brazil (+7.66%) welcomed World Cup passion, and Peru (+8.49%) led the **MSCI Emerging Market Latin America Index** (+6.99%). A time-out in Ukraine's crisis helped elevate the **MSCI Frontier Markets** to a quarterly 12.10% gain and an astounding 20.54% rise YTD.

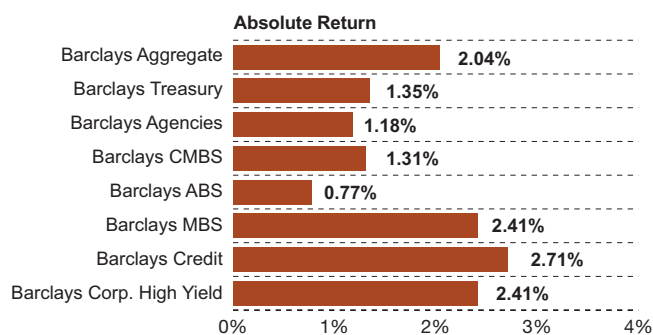
## U.S. Fixed Income: Bond Market Surprises

Continued from pg. 1

The Fed has continued to chart a path toward eliminating its quantitative easing (QE) program by year-end, and in June announced additional tapering of the monthly asset purchase level. July's purchase will total \$35 billion, down from \$45 billion in June. Signs of inflation have begun to percolate, but the Consumer Price Index still sits below the Fed's long-term 2% objective. Despite the downward GDP revision for the first quarter (from +0.1% to -2.9%), general market consensus points to an upward trajectory for future interest rates. Short-term rates remained anchored, as the Fed once again pegged the federal funds and discount rates at 0.00%–0.25% and 0.75%, respectively. Three-month yields slipped one basis point (bp), and six-month yields edged up by one bp. Two-year yields improved four bps, and 30-year yields dropped 20 bps, resulting in a continuation of last quarter's flattening trend. The spread between two-year and 30-year Treasuries weakened by 24 bps to 290 bps. Five- and 10-year yields fell nine and 19 bps, respectively. The breakeven rate (the difference between nominal and real yields) on the 10-year Treasury grew 13 bps to 2.27%.

With Treasury yields continuing their downward path, investors had no choice but to turn to spread sectors as a source of income. This environment resulted in all non-Treasury sec-

## Fixed Income Index Quarterly Returns

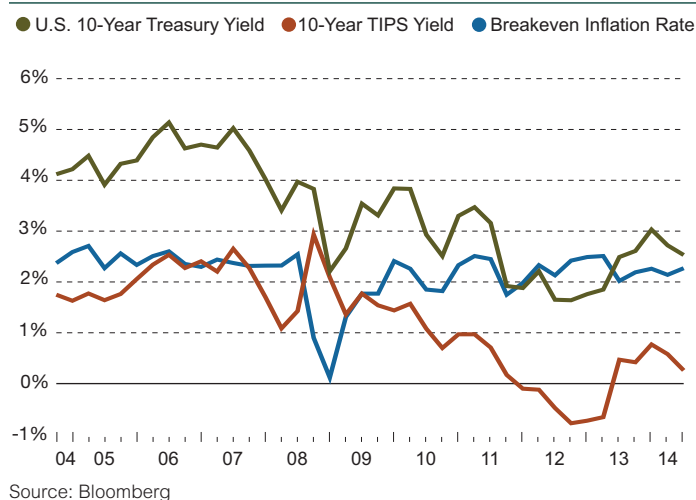


Source: Barclays

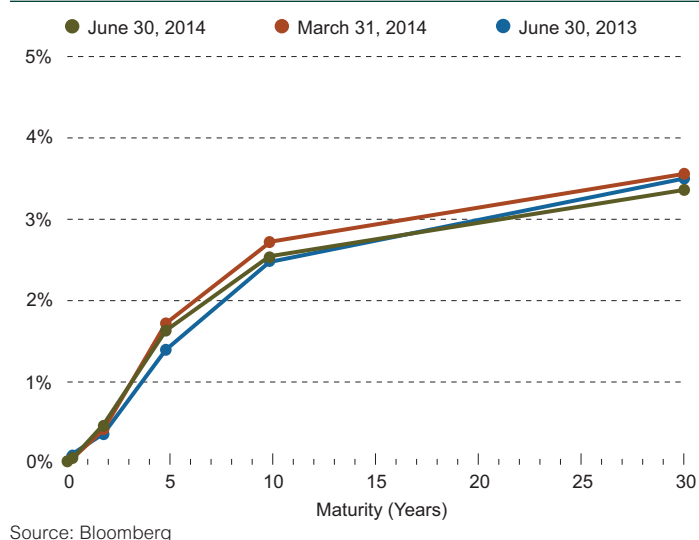
tors outperforming like-duration Treasuries for the quarter. Agency mortgage-backed securities (MBS) rebounded by 0.90%, improving on their lackluster first quarter. Commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS) improved 0.55% and 0.30%, respectively. Corporate spreads again tightened, driven largely by demand for BBB-rated paper. During the quarter, Utilities improved 0.82%, Financials climbed 0.75%, and Industrials strengthened 0.68%.

The high yield corporate remains a bright spot in the U.S. fixed income market, powered by continued demand and relative issuer strength. The **Barclays Corporate High Yield Index** rallied 2.41%. New issue activity is on pace to exceed the record issuance of 2013. During the quarter, 211 high yield bonds totaling approximately \$121 billion were issued.

## Historical 10-Year Yields



## U.S. Treasury Yield Curves





## Non-U.S. Fixed Income: More Yield, Please?

*Continued from pg. 1*

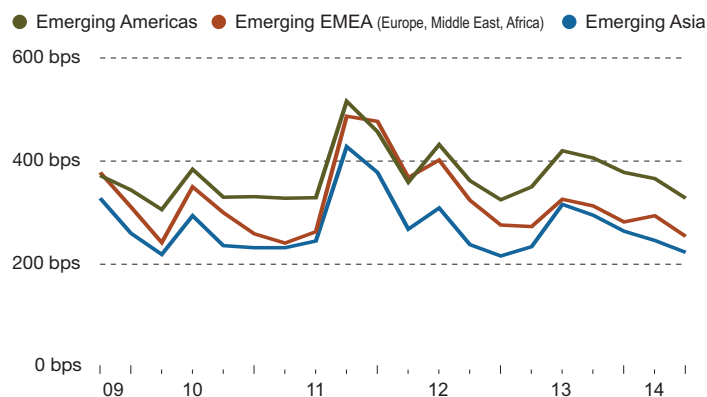
After months of anticipation, on June 5 the European Central Bank took aggressive action to encourage growth and fight off deflation in the euro zone. Yields declined across the board. The yield on the 10-year German bund approached record lows versus Treasuries, declining 32 basis points to finish the quarter at 1.25%. Signs were positive for European peripheries, as the yield on Italy's and Ireland's 10-year notes fell 45 bps to 2.85% and 66 bps to 2.36%, respectively. Spanish debt rose, pushing yield down 57 bps to 2.66%. The Spanish 10-year note briefly traded below Treasuries in June, a vast improvement given that the spread was 600 bps over Treasuries two years ago. Italian, Irish, and Spanish debt led European bonds year-to-date (YTD), returning 8.30%, 7.92%, and 8.82%, respectively.

Australian debt posted the highest gains globally as its higher yield attracted international investors and the "Aussie" rallied against the U.S. dollar (+6.5% YTD). Gains were also boosted by data pointing to stability in China, Australia's largest mining customer. Australian 10-year notes gained 5.49% for the quarter and 10.70% YTD.

Emerging market bonds continued their rally in the second quarter. The U.S. dollar-denominated **J.P. Morgan Emerging Market Bond Index–Global Diversified** gained 4.76% for the quarter and 11.64% YTD. Local currency returns trailed due to weakening emerging market currencies; the **J.P. Morgan Government Bond Index–Emerging Markets (Local)** climbed 4.02% for the quarter and 3.91% YTD. Yield on Argentinean dollar-denominated debt dropped 92 bps to 9.88%, putting yields at a three-year low, as the country began negotiating with creditors in June over missed interest payments. Investors seemed hopeful that Argentina would avoid what it says could be as much as \$15 billion in additional claims, putting the country on the brink of default. Yield on Turkish dollar-denominated debt declined 72 bps to 4.59% amid the growing risk in Iraq. Turkey's central bank lowered its key interest rate in both May and June following rate hikes earlier in the year.

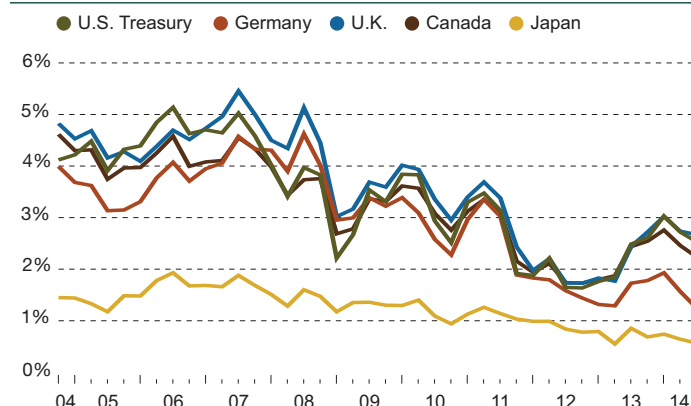
## Emerging Spreads Over Developed

(By Region)

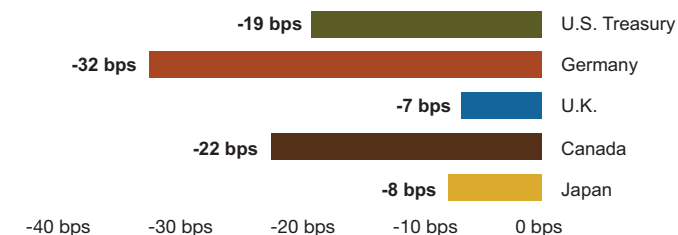


Source: Barclays

## 10-Year Global Government Bond Yields



## Change in 10-Year Yields from 1Q14 to 2Q14



Source: Bloomberg

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*If you have any questions or comments, please email [institute@callan.com](mailto:institute@callan.com).*

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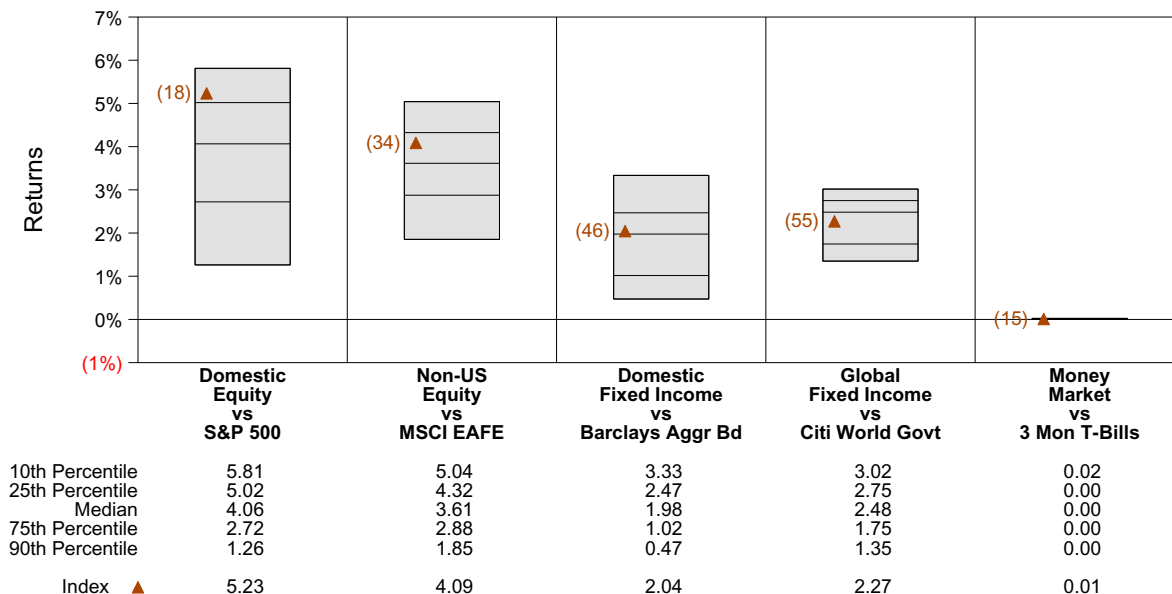
## Market Overview

### Active Management vs Index Returns

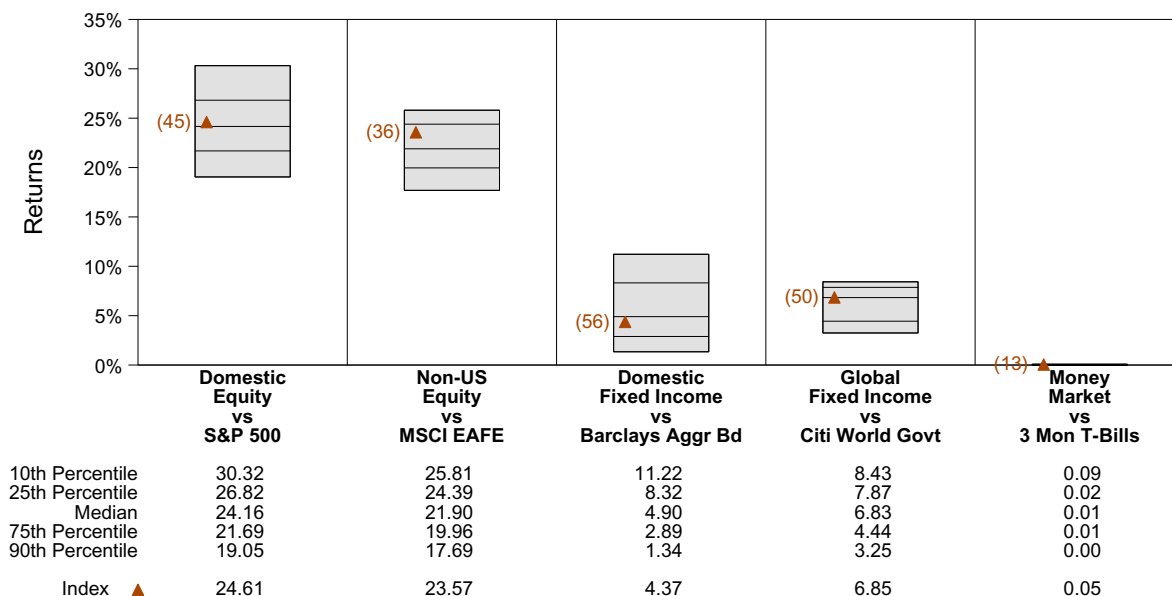
#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the domestic equity manager database.

#### Range of Mutual Fund Returns by Asset Class One Quarter Ended June 30, 2014



#### Range of Mutual Fund Returns by Asset Class One Year Ended June 30, 2014



## Domestic Equity Active Management Overview

### Active vs. the Index

U.S. equities remained in positive territory for the 2nd quarter with equity index returns across the market cap spectrum posting low-to-mid single digit returns. Active management, by and large, trailed the indices with the largest gap within small cap growth (small growth fund median +0.2% vs. S&P 600 Growth +1.8%). Small cap value was the outlier with the fund median outpacing the S&P 600 Value index by 78 basis points.

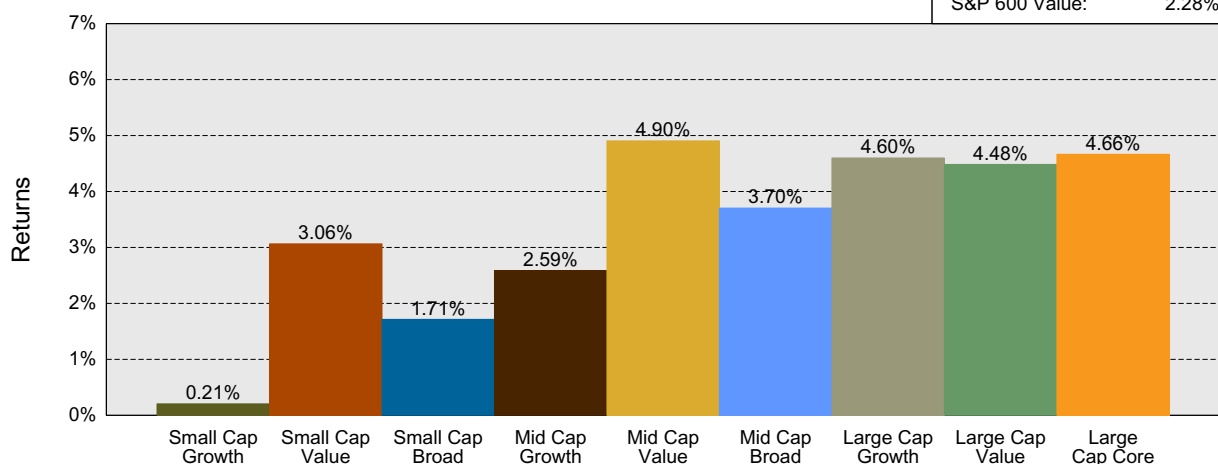
### Large Cap vs. Small Cap

Large cap indices continued to outperform small cap indices during the 2nd quarter and mid cap fell in between large and small cap. Large cap growth (S&P 500 Growth +5.8%) was the clear winner with small cap growth (S&P 600 Growth +1.8%) trailing its larger cap counterparts. Within active management, the median small cap growth fund (+0.2%) posted the lowest return across the market cap spectrum and mid cap value (median +4.9%) posted the highest return among the equity style groups.

### Growth vs. Value

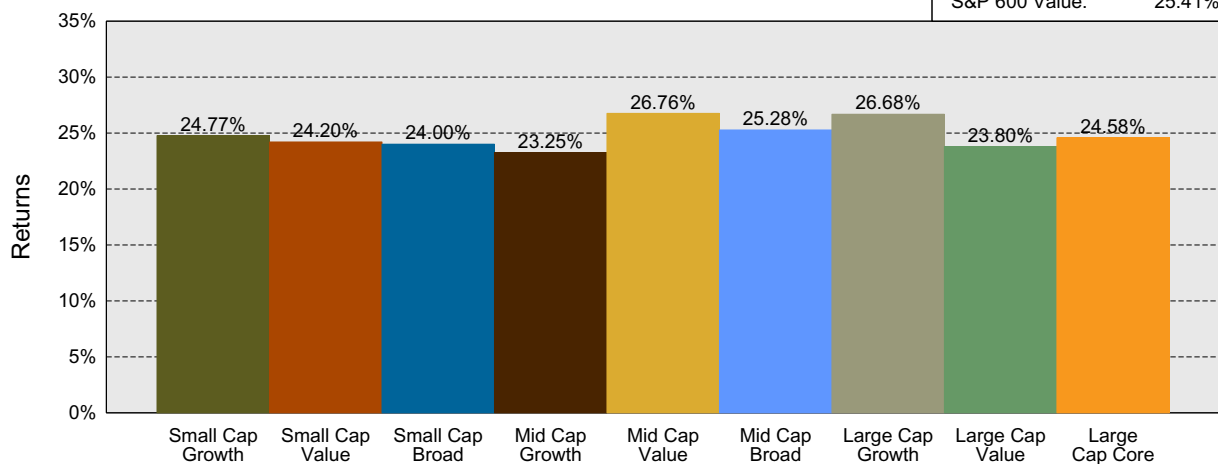
With respect to style, value trailed growth in large cap territory with the disparity much more pronounced between the indices (S&P 500 Value +4.6% vs. S&P 500 Growth +5.8%) than within active management (large value median +4.5% vs. large growth median +4.6%). Within the small cap space, small cap growth (S&P 600 Growth +1.8%) trailed small cap value (S&P 600 Value +2.3%) although the dispersion was much greater between the active style groups (small growth median +0.2% vs. small value median +3.1%).

**Mutual Fund Style Group Median Returns  
for Quarter Ended June 30, 2014**



S&P 500:	5.23%
S&P 500 Growth:	5.82%
S&P 500 Value:	4.60%
S&P Mid Cap:	4.33%
S&P 600:	2.07%
S&P 600 Growth:	1.83%
S&P 600 Value:	2.28%

**Mutual Fund Style Group Median Returns  
for One Year Ended June 30, 2014**



S&P 500:	24.61%
S&P 500 Growth:	27.13%
S&P 500 Value:	21.98%
S&P Mid Cap:	25.24%
S&P 600:	25.54%
S&P 600 Growth:	25.60%
S&P 600 Value:	25.41%

## International Equity Active Management Overview

### Active vs. the Index

Foreign equities, both developed and emerging, pushed higher in the quarter with developed markets slightly trailing their U.S. counterparts while emerging markets posted the strongest returns among broad equity indices. Foreign currency impacts were mildly positive for U.S. investors as strength in the yen and pound outweighed weakness in the euro, relative to the U.S. dollar. With the exception of emerging markets, active management trailed the indices with the gap as wide as 160 basis points for the European region.

### Europe

MSCI Europe returned 3.3% for the 2nd quarter, strongly outperforming the Europe mutual fund peer group median (+1.7%). Reversing the trend over the previous quarters, Europe was the lowest performing region within the developed non-US arena.

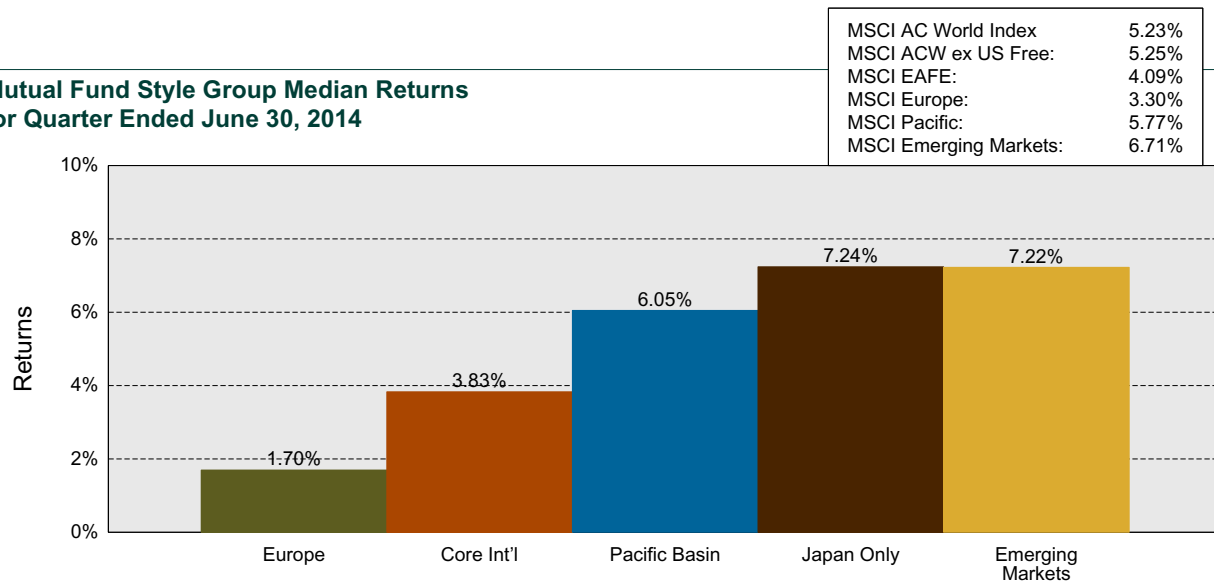
### Pacific

The MSCI Pacific Index posted a strong 5.8% return for the 2nd quarter with Japan as a meaningful driver of the performance. Japan outperformed in U.S. dollar terms on strong currency tailwinds from the yen. The median fund within the Pacific Basin peer group marginally outpaced the Index with its 6.1% return.

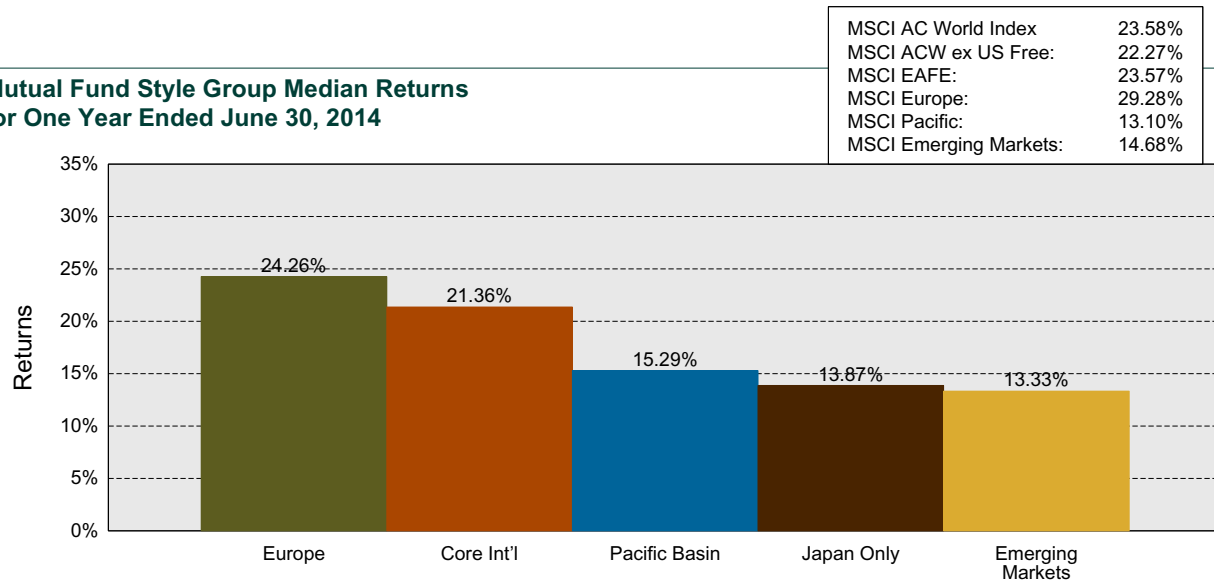
### Emerging Markets

Emerging market equities reversed course during the 2nd quarter and were the performance leaders within the non-US world. The MSCI EM Index returned 6.7% and the median emerging markets fund posted an impressive 7.2% return, which was among the top performers within the non-US style groups.

**Mutual Fund Style Group Median Returns  
for Quarter Ended June 30, 2014**



**Mutual Fund Style Group Median Returns  
for One Year Ended June 30, 2014**



## Domestic Fixed Income Active Management Overview

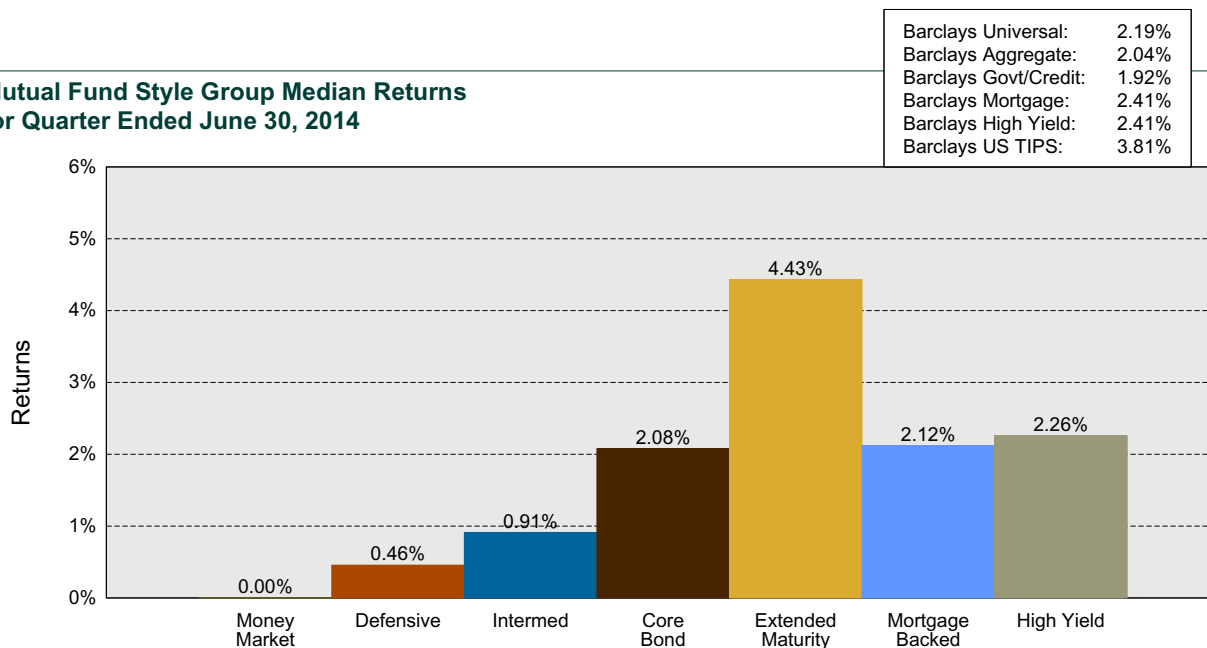
### Active vs. the Index

U.S. bonds posted solid returns in the 2nd quarter as interest rates continued to drop on mixed economic data, unrest in the Middle East and Ukraine, and falling yields overseas. The Barclays Aggregate Index returned 2.0% in the 2nd quarter to bring its year-to-date performance to 3.9%, a result that exceeded most expectations. The yield curve continued to flatten with the 30-year U.S. Treasury bond yield falling the most; long U.S. Treasuries returned 4.7% for the quarter and are up 12.1% year-to-date. Agency mortgage-backed securities and corporate bonds outperformed Treasuries during the quarter. Mortgages were the best performers in the Aggregate Index, outperforming like-duration Treasuries by 90 bps. Though the Fed reduced its mortgage purchases to \$15 billion per month in June (from \$40 billion in December), supply fell even more sharply, creating a scarcity value for mortgages. Corporate bonds delivered excess returns of 72 bps and the option-adjusted spread on the Barclays Corporate Bond Index closed the quarter at 99 bps, the lowest since July 2007. For the quarter ended June 30, 2014, the median Core Bond fund returned 2.08%, just ahead of the Barclays Aggregate Index (+2.04%).

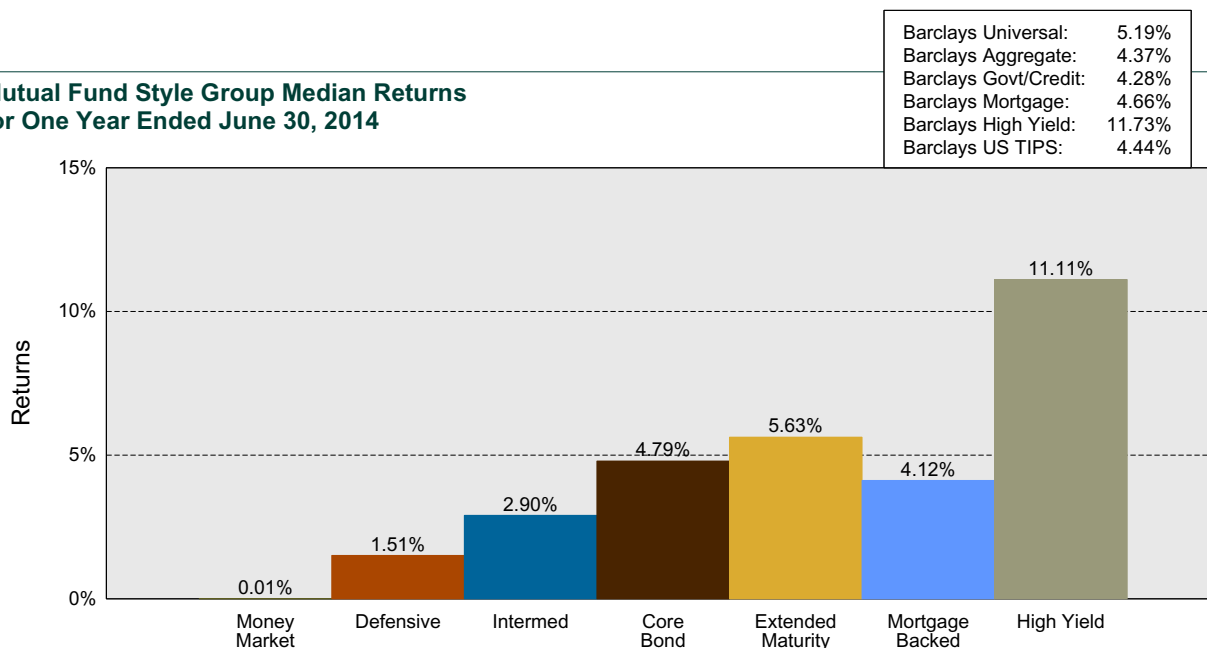
### Intermediate vs. Long Duration

Longer duration managers significantly outperformed intermediate and short duration managers in the 2nd quarter as rates fell and the yield curve continued to flatten. The median Extended Maturity fund returned 4.43% while the median Intermediate fund posted a 0.91% return and the median Defensive fund was up only 0.46%.

**Mutual Fund Style Group Median Returns  
for Quarter Ended June 30, 2014**



**Mutual Fund Style Group Median Returns  
for One Year Ended June 30, 2014**







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## ASSET ALLOCATION AND PERFORMANCE

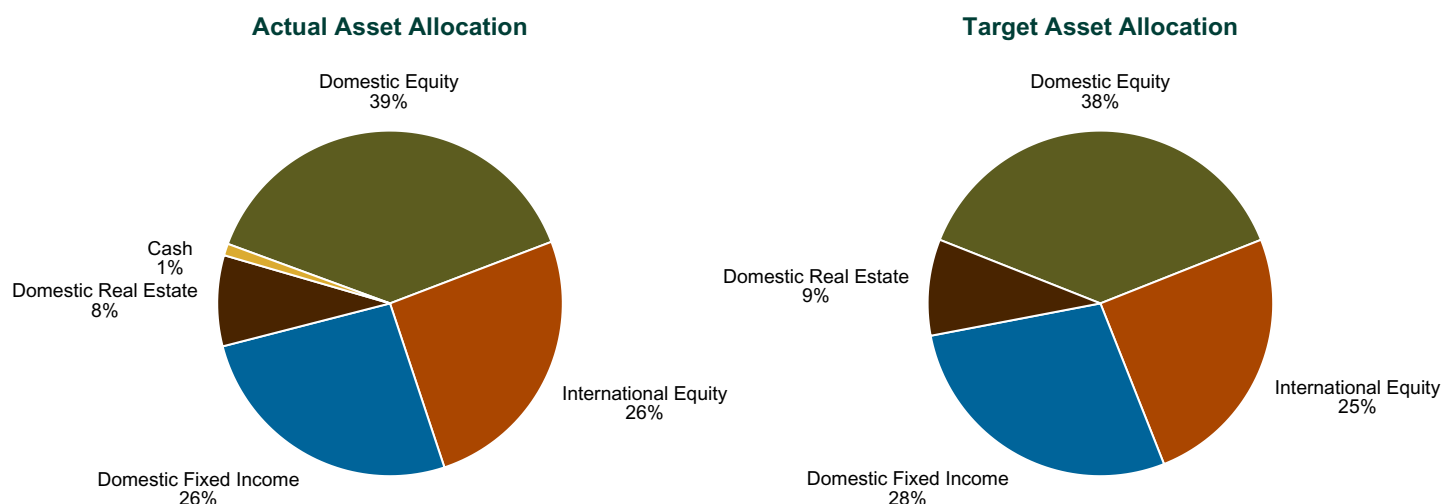
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### **Asset Allocation and Performance**

This section begins with an overview of the fund's asset allocation at the broad asset class level. This is followed by a top down performance attribution analysis which analyzes the fund's performance relative to the performance of the fund's policy target asset allocation. The fund's historical performance is then examined relative to funds with similar objectives. Performance of each asset class is then shown relative to the asset class performance of other funds. Finally, a summary is presented of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.

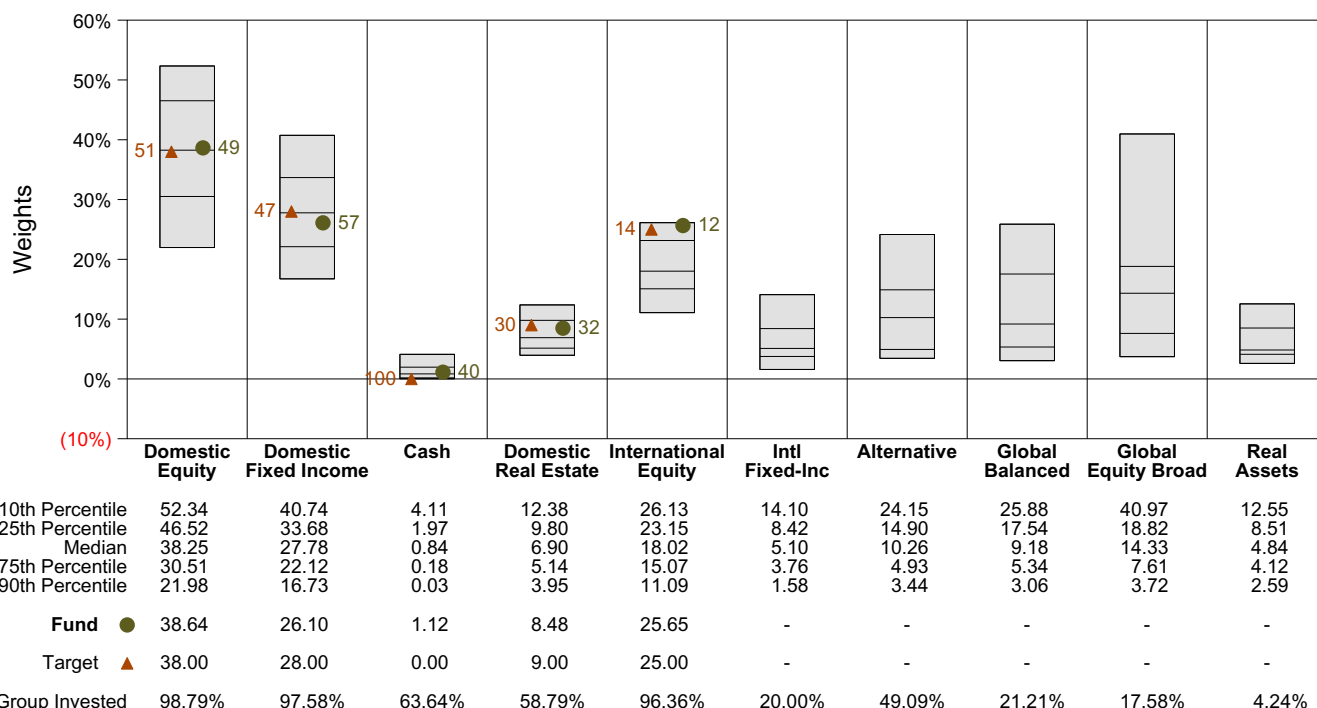
## Actual vs Target Asset Allocation As of June 30, 2014

The top left chart shows the Fund's asset allocation as of June 30, 2014. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Public Fund Sponsor Database.



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	170,937	38.6%	38.0%	0.6%	2,829
International Equity	113,476	25.7%	25.0%	0.7%	2,879
Domestic Fixed Income	115,477	26.1%	28.0%	(1.9%)	(8,392)
Domestic Real Estate	37,533	8.5%	9.0%	(0.5%)	(2,282)
Cash	4,966	1.1%	0.0%	1.1%	4,966
Total	442,389	100.0%	100.0%		

## Asset Class Weights vs Public Fund Sponsor Database



\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2014, with the distribution as of March 31, 2014. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	June 30, 2014				March 31, 2014	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Domestic Equities</b>	<b>\$170,936,856</b>	<b>38.64%</b>	<b>\$(59,099)</b>	<b>\$5,357,547</b>	<b>\$165,638,408</b>	<b>38.44%</b>
<b>Large Cap Equities</b>	<b>\$119,627,335</b>	<b>27.04%</b>	<b>\$(74,899)</b>	<b>\$4,892,613</b>	<b>\$114,809,621</b>	<b>26.64%</b>
Vanguard S&P 500 Index	23,915,904	5.41%	0	1,187,603	22,728,301	5.27%
Dodge & Cox Stock	23,740,684	5.37%	(103,607)	1,022,790	22,821,502	5.30%
Robeco	23,467,671	5.30%	28,708	526,924	22,912,039	5.32%
Harbor Cap Appreciation	23,908,393	5.40%	0	1,049,677	22,858,716	5.30%
Janus Research	24,594,682	5.56%	0	1,105,619	23,489,064	5.45%
<b>Mid Cap Equities</b>	<b>\$19,248,097</b>	<b>4.35%</b>	<b>\$0</b>	<b>\$374,714</b>	<b>\$18,873,383</b>	<b>4.38%</b>
Fidelity Low Priced Stock	4,894,239	1.11%	0	133,960	4,760,279	1.10%
Royce Total Return	4,817,934	1.09%	0	102,224	4,715,710	1.09%
Morgan Stanley	4,777,613	1.08%	0	8,407	4,769,206	1.11%
Janus Enterprise	4,758,310	1.08%	0	130,123	4,628,187	1.07%
<b>Small Cap Equities</b>	<b>\$24,025,625</b>	<b>5.43%</b>	<b>\$15,800</b>	<b>\$388,533</b>	<b>\$23,621,292</b>	<b>5.48%</b>
Prudential Small Cap Value	12,598,958	2.85%	0	421,010	12,177,948	2.83%
Alliance US Small Growth	6,694,534	1.51%	15,800	39,531	6,639,203	1.54%
RS Investments	4,732,133	1.07%	0	(72,008)	4,804,141	1.11%
<b>Micro Cap Equities</b>	<b>\$8,035,800</b>	<b>1.82%</b>	<b>\$0</b>	<b>\$(298,312)</b>	<b>\$8,334,112</b>	<b>1.93%</b>
Managers Inst Micro Cap	8,035,800	1.82%	0	(298,312)	8,334,112	1.93%
<b>International Equities</b>	<b>\$113,475,898</b>	<b>25.65%</b>	<b>\$42,093</b>	<b>\$4,404,079</b>	<b>\$109,029,727</b>	<b>25.30%</b>
EuroPacific	21,616,103	4.89%	0	620,761	20,995,342	4.87%
Harbor International	21,451,635	4.85%	0	700,015	20,751,621	4.82%
Columbia Acorn Int'l	11,776,362	2.66%	0	532,755	11,243,607	2.61%
Janus Overseas	19,581,811	4.43%	0	1,083,378	18,498,433	4.29%
Oakmark International	16,478,315	3.72%	0	226,653	16,251,662	3.77%
Mondrian International	22,571,671	5.10%	42,093	1,240,517	21,289,061	4.94%
<b>Domestic Fixed Income</b>	<b>\$115,476,682</b>	<b>26.10%</b>	<b>\$(760,428)</b>	<b>\$2,592,410</b>	<b>\$113,644,700</b>	<b>26.37%</b>
Dodge & Cox Income	58,101,918	13.13%	(418,300)	1,254,904	57,265,314	13.29%
PIMCO	57,374,764	12.97%	(342,128)	1,335,859	56,381,032	13.08%
<b>Real Estate</b>	<b>\$37,533,200</b>	<b>8.48%</b>	<b>\$(23,261)</b>	<b>\$1,198,820</b>	<b>\$36,357,641</b>	<b>8.44%</b>
RREEF Public Fund	7,623,257	1.72%	0	507,626	7,115,631	1.65%
RREEF Private Fund	16,484,323	3.73%	0	366,167	16,118,155	3.74%
Cornerstone Patriot Fund	12,561,621	2.84%	0	301,766	12,259,855	2.85%
625 Kings Court	864,000	0.20%	(23,261)	23,261	864,000	0.20%
<b>Cash</b>	<b>\$4,966,310</b>	<b>1.12%</b>	<b>\$(1,300,126)</b>	<b>\$12,146</b>	<b>\$6,254,290</b>	<b>1.45%</b>
<b>Total Fund</b>	<b>\$442,388,945</b>	<b>100.0%</b>	<b>\$(2,100,822)</b>	<b>\$13,565,001</b>	<b>\$430,924,766</b>	<b>100.0%</b>

## Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended June 30, 2014. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended June 30, 2014

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equities</b>	<b>3.23%</b>	<b>25.83%</b>	<b>15.99%</b>	<b>19.73%</b>	<b>7.13%</b>
Russell 3000 Index	4.87%	25.22%	16.46%	19.33%	6.47%
<b>Large Cap Equities</b>					
Vanguard S&P 500 Index	5.23%	-	-	-	-
S&P 500 Index	5.23%	24.61%	16.58%	18.83%	6.16%
Dodge & Cox Stock	4.49%	27.95%	18.31%	20.13%	4.80%
Robeco	2.30%	22.08%	17.38%	-	-
S&P 500 Index	5.23%	24.61%	16.58%	18.83%	6.16%
Russell 1000 Value Index	5.10%	23.81%	16.92%	19.23%	4.80%
Harbor Cap Appreciation	4.59%	31.41%	15.57%	18.26%	8.62%
Janus Research (1)	4.71%	27.69%	15.29%	19.32%	7.70%
S&P 500 Index	5.23%	24.61%	16.58%	18.83%	6.16%
Russell 1000 Growth Index	5.13%	26.92%	16.26%	19.24%	7.98%
<b>Mid Cap Equities</b>					
Fidelity Low Priced Stock	2.81%	22.20%	15.41%	20.11%	7.79%
Royce Total Return (1)	2.17%	20.89%	13.43%	18.38%	6.50%
Russell 2000 Index	2.05%	23.64%	14.57%	20.21%	6.73%
Russell MidCap Value Idx	5.62%	27.76%	17.56%	22.97%	7.14%
Morgan Stanley (2)	0.18%	20.72%	8.24%	19.20%	8.19%
Janus Enterprise (1)	2.81%	22.30%	14.31%	20.31%	-
Russell MidCap Growth Idx	4.37%	26.04%	14.54%	21.16%	7.89%
<b>Small Cap Equities</b>					
Prudential Small Cap Value	3.46%	23.64%	14.68%	-	-
US Small Cap Value Idx	3.47%	24.02%	15.73%	21.21%	6.88%
Russell 2000 Value Index	2.38%	22.54%	14.65%	19.88%	5.46%
Alliance US Small Growth	0.58%	27.84%	17.18%	25.39%	10.95%
RS Investments (1)	(1.50%)	23.04%	14.13%	22.30%	8.40%
Russell 2000 Growth Index	1.72%	24.73%	14.49%	20.50%	7.90%
<b>Micro Cap Equities</b>					
Managers Inst Micro Cap	(3.58%)	23.28%	16.83%	20.63%	8.43%
Russell Microcap Index	(1.41%)	24.98%	15.94%	20.03%	4.95%
Russell Micro Growth Idx	(3.47%)	26.70%	15.42%	19.93%	5.99%

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

## Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended June 30, 2014. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended June 30, 2014

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>International Equities</b>	<b>4.04%</b>	<b>22.24%</b>	<b>6.88%</b>	<b>12.74%</b>	<b>3.18%</b>
EuroPacific (1)	2.96%	22.35%	7.40%	11.99%	3.40%
Harbor International	3.37%	21.57%	6.94%	13.58%	3.23%
Columbia Acorn Int'l (2)	4.74%	22.52%	9.57%	15.65%	4.82%
Janus Overseas (1)	5.86%	21.76%	(1.43%)	5.98%	(0.03%)
Oakmark International	1.39%	20.93%	12.02%	17.15%	5.39%
Mondrian International	5.82%	23.74%	8.04%	-	-
MSCI EAFE Index	4.09%	23.57%	8.10%	11.77%	0.97%
MSCI ACWI ex-US Index	5.25%	22.27%	6.21%	11.59%	1.73%
<b>Domestic Fixed Income</b>	<b>2.28%</b>	<b>5.77%</b>	<b>4.60%</b>	<b>6.19%</b>	<b>6.30%</b>
Dodge & Cox Income	2.19%	6.62%	4.88%	6.86%	6.74%
PIMCO	2.37%	4.89%	4.32%	6.39%	-
BC Aggregate Index	2.04%	4.37%	3.66%	4.85%	5.35%
<b>Real Estate</b>	<b>3.30%</b>	<b>11.17%</b>	<b>9.93%</b>	<b>14.05%</b>	<b>2.28%</b>
Real Estate Custom Benchmark (3)	3.43%	11.84%	10.64%	15.43%	3.59%
RREEF Public	7.13%	12.12%	10.16%	22.78%	4.24%
NAREIT	7.02%	13.27%	11.62%	22.82%	4.58%
RREEF Private	2.27%	13.16%	11.64%	10.58%	1.94%
Cornerstone Patriot Fund	2.46%	8.03%	-	-	-
NFI-ODCE Equal Weight Net	2.54%	11.37%	11.21%	8.48%	1.48%
625 Kings Court	2.73%	12.62%	14.40%	6.35%	4.50%
<b>Total Fund</b>	<b>3.15%</b>	<b>18.07%</b>	<b>10.19%</b>	<b>13.29%</b>	<b>5.96%</b>
Total Fund Benchmark*	4.05%	17.27%	10.08%	12.94%	5.14%

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

(3) Real Estate Custom Benchmark is 50% NAREIT Composite Index and 50% NFI-ODCE Equal Weight Net through 12/31/2011; and 20% NAREIT Composite Index and 80% NFI-ODCE Equal Weight Net thereafter.

## Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2013- 6/2014	2013	2012	2011	2010
<b>Domestic Equities</b>	<b>4.85%</b>	<b>38.02%</b>	<b>17.10%</b>	<b>(1.96%)</b>	<b>19.63%</b>
Russell 3000 Index	6.94%	33.55%	16.42%	1.03%	16.93%
<b>Large Cap Equities</b>					
Vanguard S&P 500 Index	7.11%	-	-	-	-
Dodge & Cox Stock	7.02%	40.55%	22.01%	(4.08%)	13.49%
Robeco	5.11%	36.43%	20.18%	-	-
S&P 500 Index	7.14%	32.39%	16.00%	2.11%	15.06%
Russell 1000 Value Index	8.28%	32.53%	17.51%	0.39%	15.51%
Harbor Cap Appreciation	4.46%	37.66%	15.69%	0.61%	11.61%
Janus Research (1)	6.03%	35.36%	16.78%	(3.76%)	21.20%
S&P 500 Index	7.14%	32.39%	16.00%	2.11%	15.06%
Russell 1000 Growth Index	6.31%	33.48%	15.26%	2.64%	16.71%
<b>Mid Cap Equities</b>					
Fidelity Low Priced Stock	4.89%	34.31%	18.50%	(0.06%)	20.70%
Royce Total Return (1)	2.76%	32.93%	14.48%	(1.62%)	23.65%
Russell 2000 Index	3.19%	38.82%	16.35%	(4.18%)	26.85%
Russell MidCap Value Idx	11.14%	33.46%	18.51%	(1.38%)	24.75%
Morgan Stanley (2)	0.27%	38.35%	9.49%	(6.89%)	32.94%
Janus Enterprise (1)	4.98%	30.86%	17.83%	(1.65%)	26.06%
Russell MidCap Growth Idx	6.51%	35.74%	15.81%	(1.65%)	26.38%
<b>Small Cap Equities</b>					
Prudential Small Cap Value	4.81%	35.87%	14.14%	-	-
US Small Cap Value Idx	6.70%	33.71%	18.80%	(4.04%)	24.99%
Russell 2000 Value Index	4.20%	34.52%	18.05%	(5.50%)	24.50%
Alliance US Small Growth	2.10%	46.72%	16.21%	5.42%	38.50%
RS Investments (1)	0.02%	49.64%	15.13%	(2.04%)	28.27%
Russell 2000 Growth Index	2.22%	43.30%	14.59%	(2.91%)	29.09%
<b>Micro Cap Equities</b>					
Managers Inst Micro Cap	(1.27%)	56.34%	14.32%	(3.91%)	30.54%
Russell Microcap Index	1.56%	45.62%	19.75%	(9.27%)	28.89%
Russell Micro Growth Idx	1.17%	52.84%	15.17%	(8.42%)	29.49%

(1) Switched share class December 2009.

(2) Switched share class February 2014.

## Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2013- 6/2014	2013	2012	2011	2010
<b>International Equities</b>	<b>5.04%</b>	<b>19.25%</b>	<b>18.78%</b>	<b>(15.34%)</b>	<b>14.46%</b>
EuroPacific (1)	3.69%	20.58%	19.64%	(13.31%)	9.76%
Harbor International	4.44%	16.84%	20.87%	(11.13%)	11.98%
Columbia Acorn Int'l (2)	6.01%	22.33%	21.60%	(14.06%)	22.70%
Janus Overseas (1)	4.68%	12.28%	12.53%	(32.70%)	19.58%
Oakmark International	2.20%	29.34%	29.22%	(14.07%)	16.22%
Mondrian International	9.07%	16.69%	11.50%	-	-
MSCI EAFE Index	4.78%	22.78%	17.32%	(12.14%)	7.75%
MSCI ACWI ex-US Index	5.89%	15.78%	17.39%	(13.33%)	11.60%
<b>Domestic Fixed Income</b>	<b>4.14%</b>	<b>(0.65%)</b>	<b>9.15%</b>	<b>4.47%</b>	<b>7.39%</b>
Dodge & Cox Income	4.56%	0.64%	7.94%	4.75%	7.81%
PIMCO	3.71%	(1.92%)	10.36%	4.16%	8.83%
BC Aggregate Index	3.93%	(2.02%)	4.21%	7.84%	6.54%
<b>Real Estate</b>	<b>6.98%</b>	<b>10.21%</b>	<b>10.73%</b>	<b>11.17%</b>	<b>22.45%</b>
Real Estate Custom Benchmark (3)	7.15%	10.40%	11.88%	11.74%	21.46%
RREEF Public	17.59%	(0.59%)	16.97%	9.41%	28.89%
NAREIT	16.39%	2.34%	19.73%	7.30%	27.56%
RREEF Private	5.03%	14.50%	10.12%	13.86%	18.90%
Cornerstone Patriot Fund	3.81%	9.82%	10.18%	-	-
NFI-ODCE Equal Weight Net	4.90%	12.36%	9.93%	14.99%	15.12%
625 Kings Court	7.03%	33.50%	3.64%	(11.98%)	4.39%
<b>Total Fund</b>	<b>4.84%</b>	<b>19.72%</b>	<b>14.53%</b>	<b>(2.53%)</b>	<b>14.64%</b>
Total Fund Benchmark*	5.86%	16.47%	12.99%	0.60%	13.04%

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

(1) Switched share class December 2009.

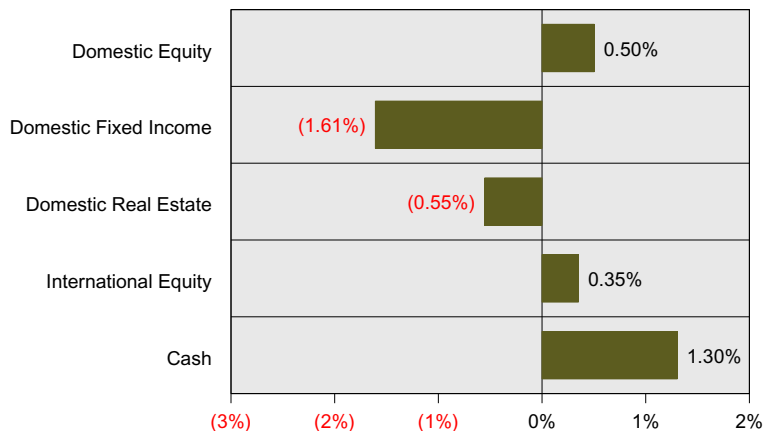
(2) Switched share class February 2014.

(3) Real Estate Custom Benchmark is 50% NAREIT Composite Index and 50% NFI-ODCE Equal Weight Net through 12/31/2011; and 20% NAREIT Composite Index and 80% NFI-ODCE Equal Weight Net thereafter.

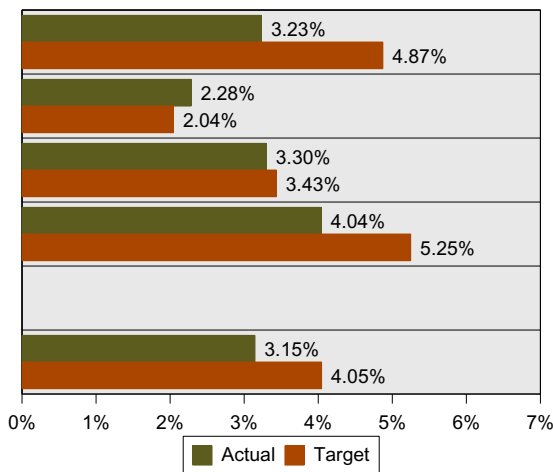
## Quarterly Total Fund Relative Attribution - June 30, 2014

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

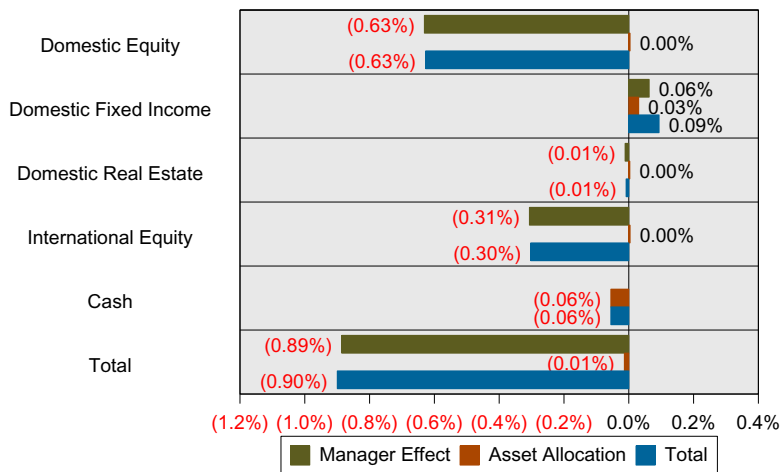
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended June 30, 2014

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	3.23%	4.87%	(0.63%)	0.00%	(0.63%)
Domestic Fixed Income	26%	28%	2.28%	2.04%	0.06%	0.03%	0.09%
Domestic Real Estate	8%	9%	3.30%	3.43%	(0.01%)	0.00%	(0.01%)
International Equity	25%	25%	4.04%	5.25%	(0.31%)	0.00%	(0.30%)
Cash	1%	0%	0.00%	0.00%	0.00%	(0.06%)	(0.06%)
<b>Total</b>			<b>3.15%</b>	<b>4.05%</b>	<b>(0.89%)</b>	<b>(0.01%)</b>	<b>(0.90%)</b>

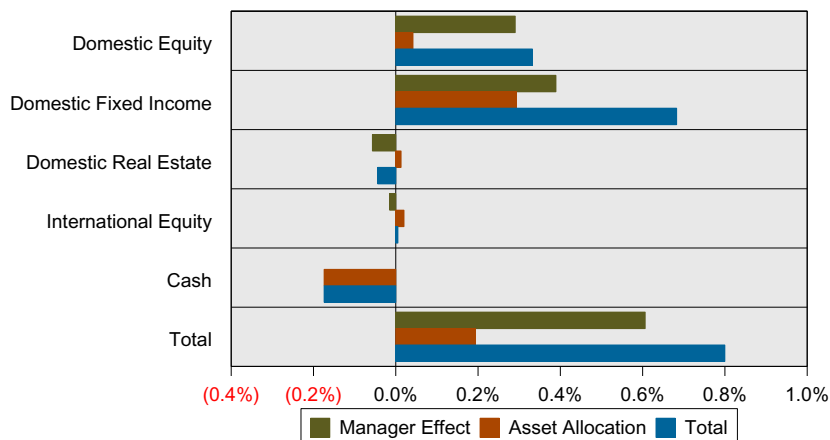
\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.



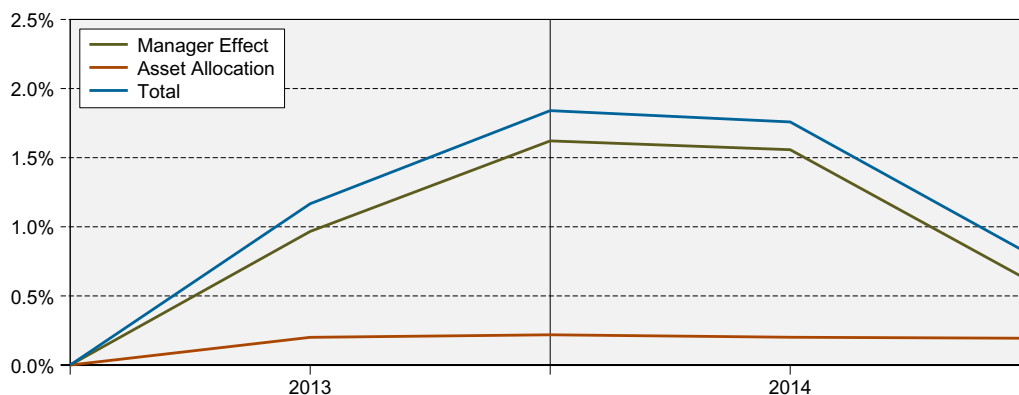
## Cumulative Total Fund Relative Attribution - June 30, 2014

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

### One Year Relative Attribution Effects



### Cumulative Relative Attribution Effects



### One Year Relative Attribution Effects

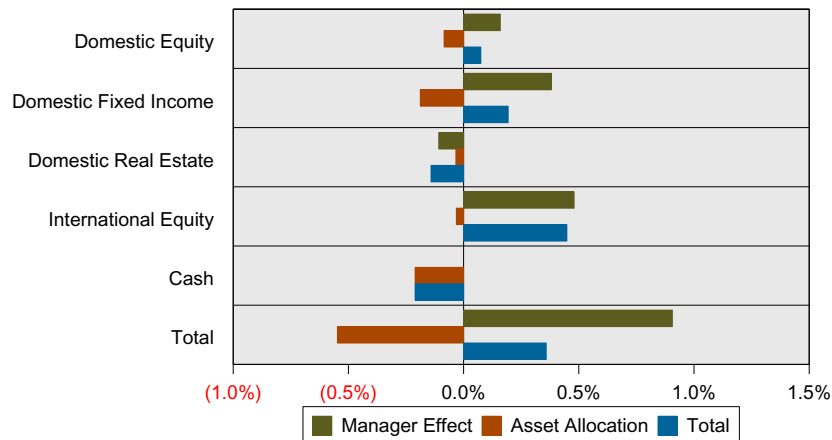
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	25.83%	25.22%	0.29%	0.04%	0.33%
Domestic Fixed Income	26%	28%	5.77%	4.37%	0.39%	0.29%	0.68%
Domestic Real Estate	9%	9%	11.17%	11.84%	(0.06%)	0.01%	(0.04%)
International Equity	25%	25%	22.24%	22.27%	(0.01%)	0.02%	0.01%
Cash	1%	0%	0.00%	0.00%	0.00%	(0.17%)	(0.17%)
<b>Total</b>			<b>18.07%</b>	<b>17.27%</b>	<b>+ 0.61%</b>	<b>+ 0.19%</b>	<b>0.80%</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

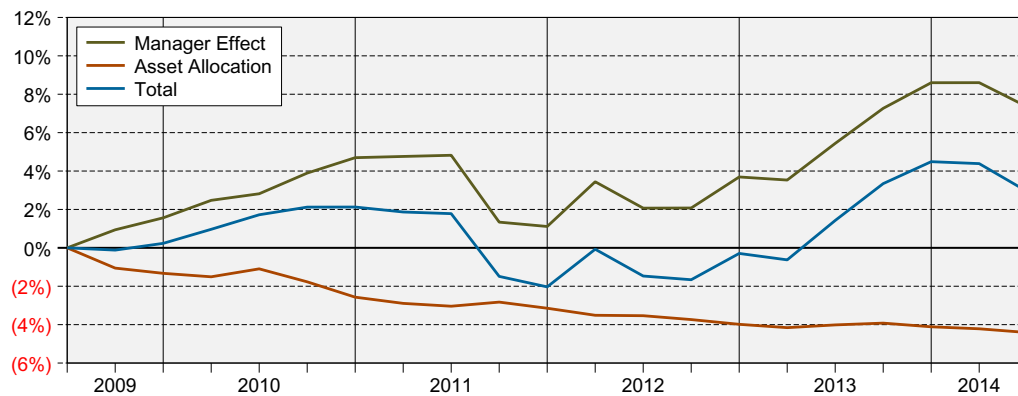
## Cumulative Total Fund Relative Attribution - June 30, 2014

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

### Five Year Annualized Relative Attribution Effects



### Cumulative Relative Attribution Effects



### Five Year Annualized Relative Attribution Effects

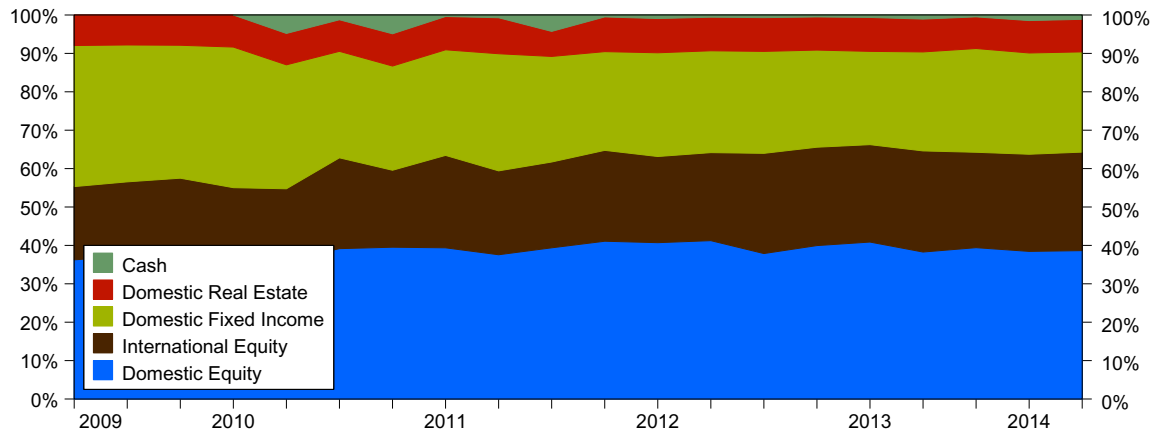
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	19.73%	19.33%	0.16%	(0.08%)	0.07%
Domestic Fixed Income	29%	29%	6.19%	4.85%	0.38%	(0.19%)	0.19%
Domestic Real Estate	8%	9%	14.05%	15.43%	(0.11%)	(0.03%)	(0.14%)
International Equity	23%	24%	12.74%	10.41%	0.48%	(0.03%)	0.45%
Cash	1%	0%	0.07%	0.07%	0.00%	(0.21%)	(0.21%)
<b>Total</b>			<b>13.29%</b>	<b>12.94%</b>	<b>+ 0.91%</b>	<b>+ (0.55%)</b>	<b>0.36%</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

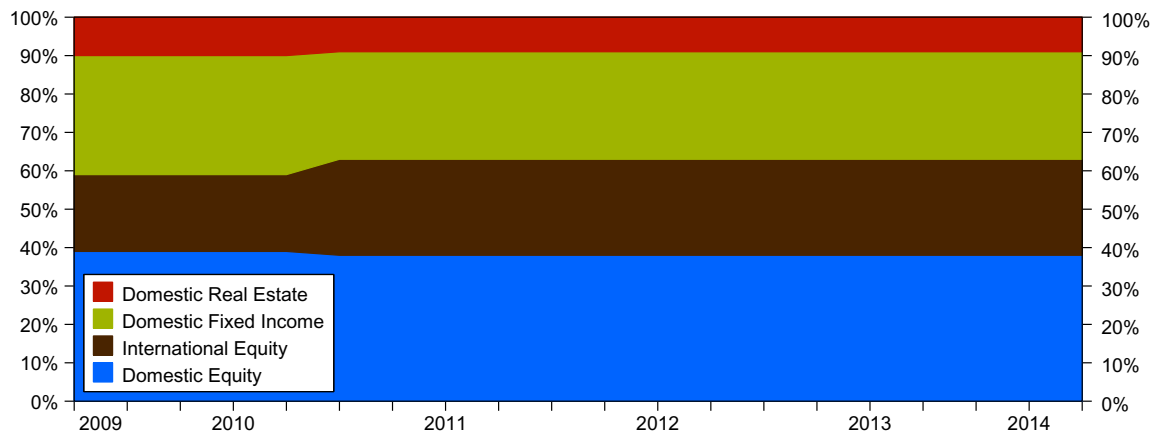
## Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, the fund's historical target asset allocation, and the historical asset allocation of the average fund in the Public Fund Sponsor Database.

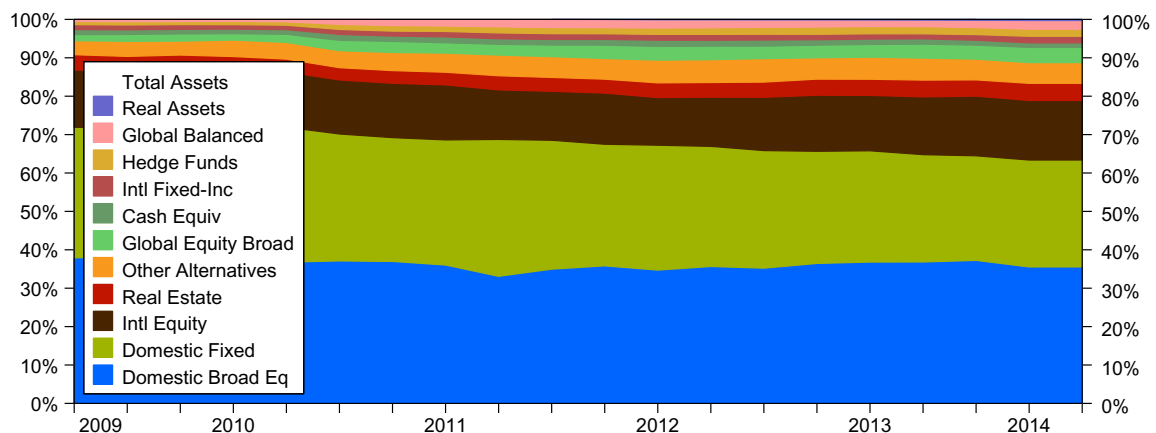
### Actual Historical Asset Allocation



### Target Historical Asset Allocation



### Average Public Fund Sponsor Database Historical Asset Allocation

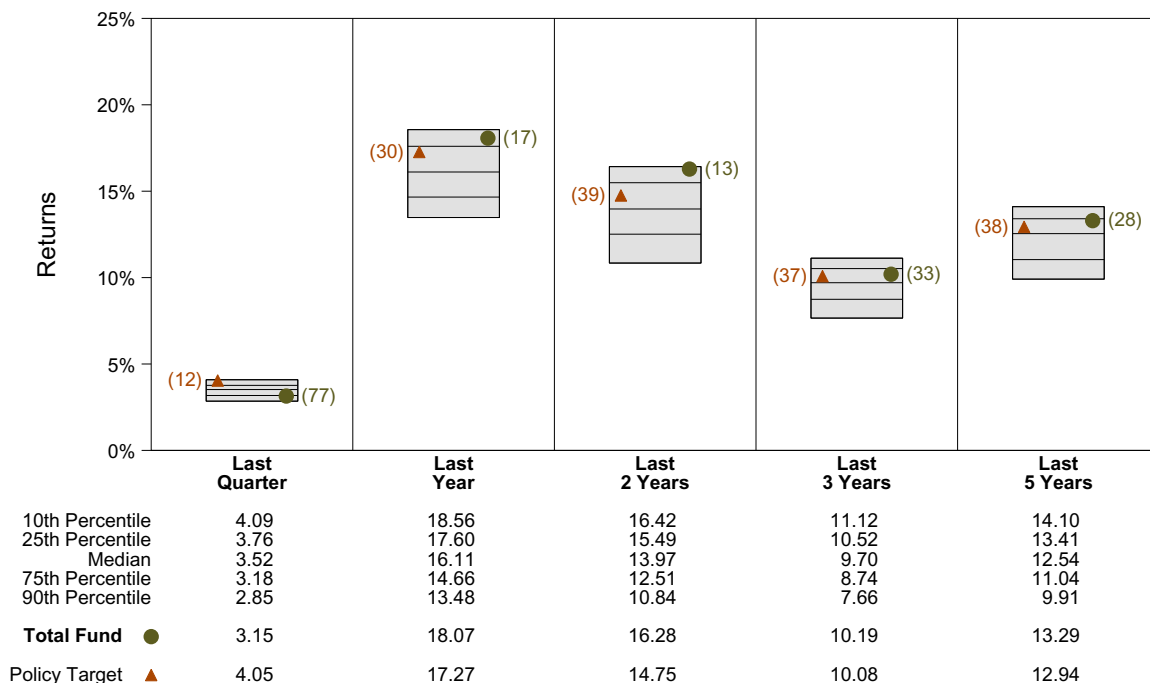


\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

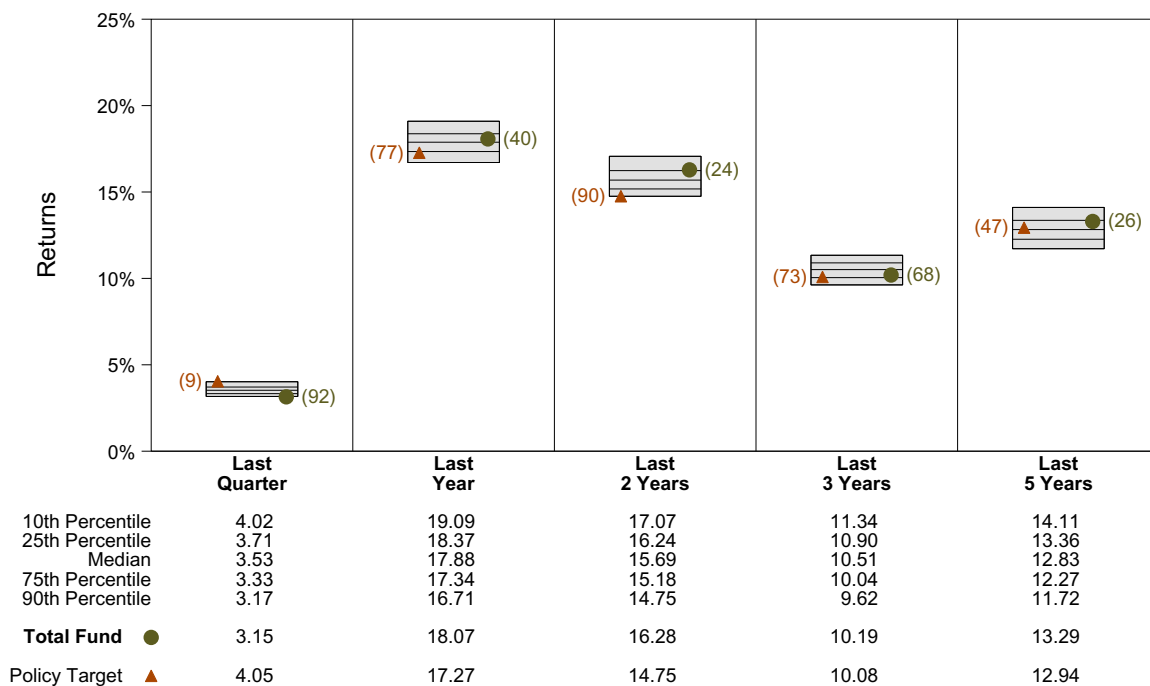
## Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Public Fund Sponsor Database for periods ended June 30, 2014. The first chart is a standard unadjusted ranking. In the second chart each fund in the database is adjusted to have the same historical asset allocation as that of the Total Fund.

### Public Fund Sponsor Database



### Asset Allocation Adjusted Ranking



\* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWI ex US Index, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

## Total Fund Period Ended June 30, 2014

### Investment Philosophy

The Public Fund Sponsor Database consists of public employee pension total funds including both Callan Associates client and surveyed non-client funds.

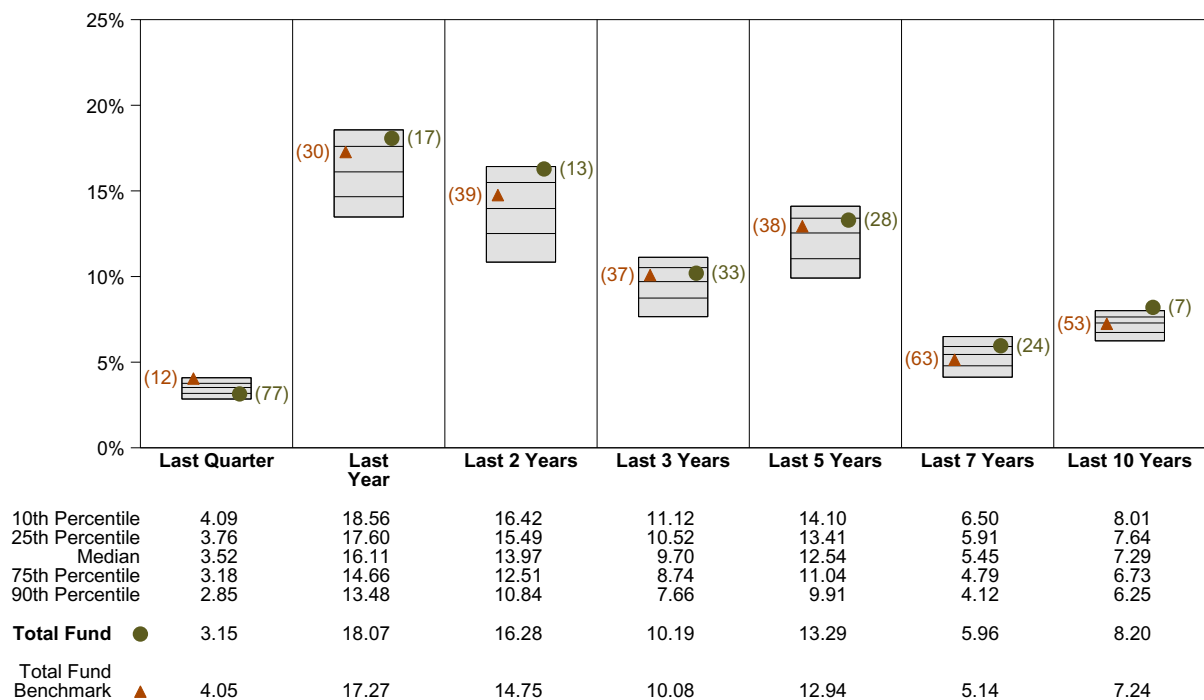
### Quarterly Summary and Highlights

- Total Fund's portfolio posted a 3.15% return for the quarter placing it in the 77 percentile of the Public Fund Sponsor Database group for the quarter and in the 17 percentile for the last year.
- Total Fund's portfolio underperformed the Total Fund Benchmark by 0.90% for the quarter and outperformed the Total Fund Benchmark for the year by 0.80%.

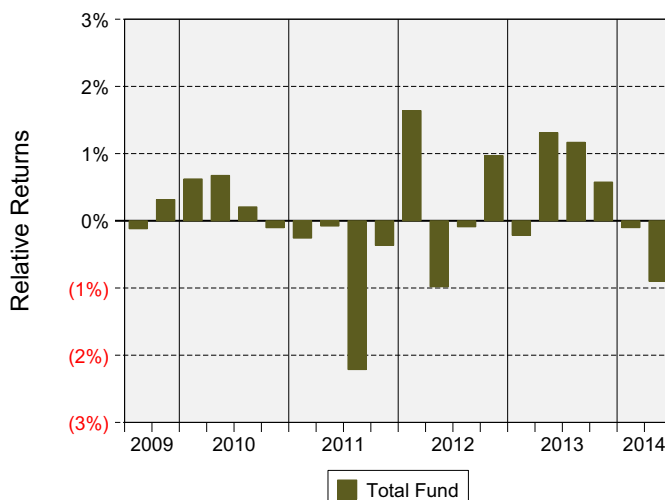
### Quarterly Asset Growth

Beginning Market Value	\$430,924,766
Net New Investment	\$-2,100,822
Investment Gains/(Losses)	\$13,565,001
Ending Market Value	\$442,388,945

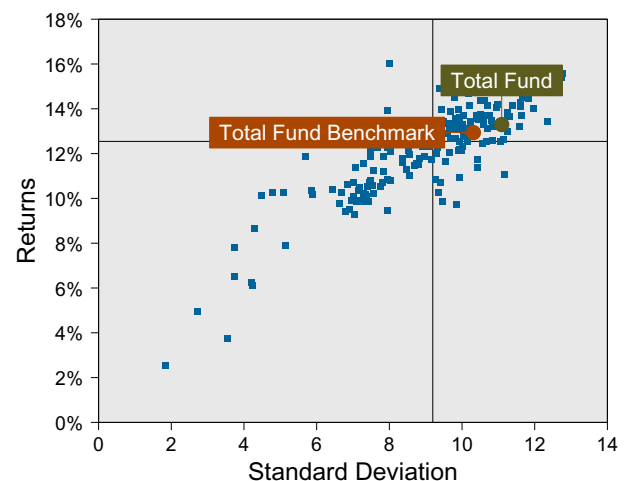
### Performance vs Public Fund Sponsor Database (Gross)



### Relative Return vs Total Fund Benchmark



### Public Fund Sponsor Database (Gross) Annualized Five Year Risk vs Return

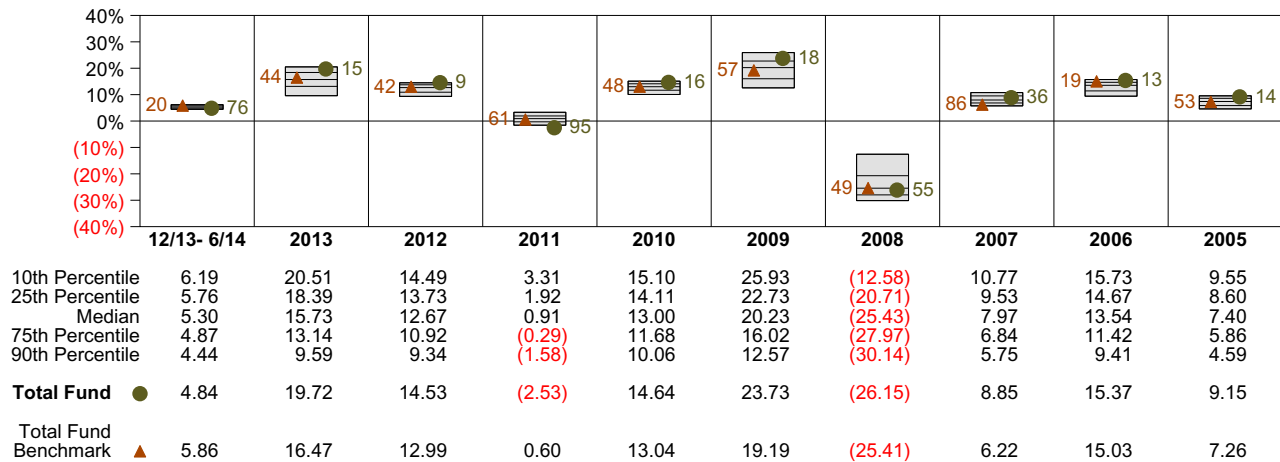


## Total Fund Return Analysis Summary

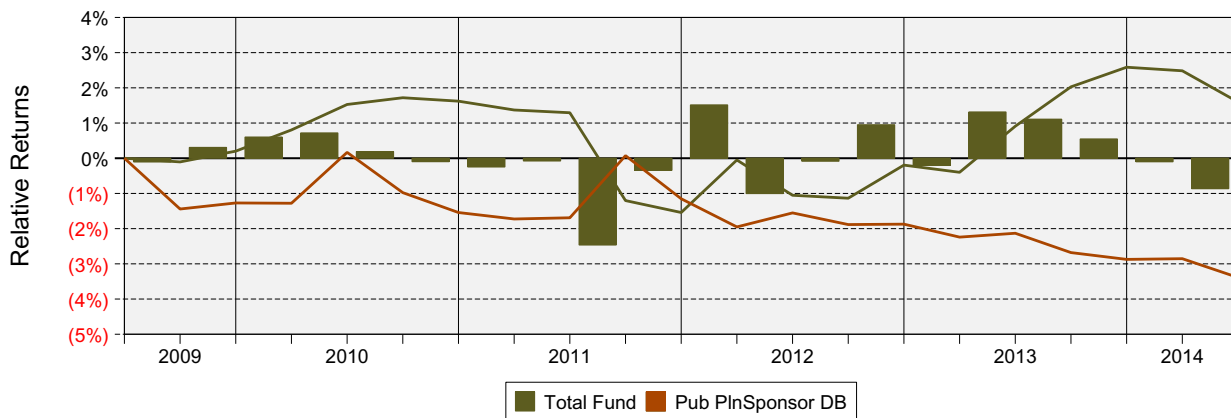
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

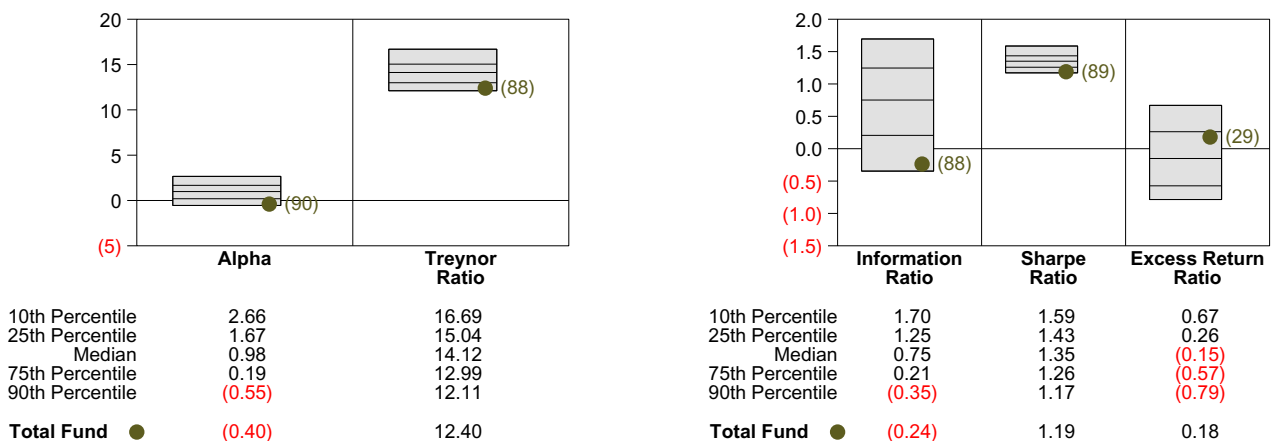
### Performance vs Public Fund Sponsor Database (Gross)



### Cumulative and Quarterly Relative Return vs Total Fund Benchmark



### Risk Adjusted Return Measures vs Total Fund Benchmark Rankings Against Public Fund Sponsor Database (Gross) Five Years Ended June 30, 2014





## Domestic Equity Composite Period Ended June 30, 2014

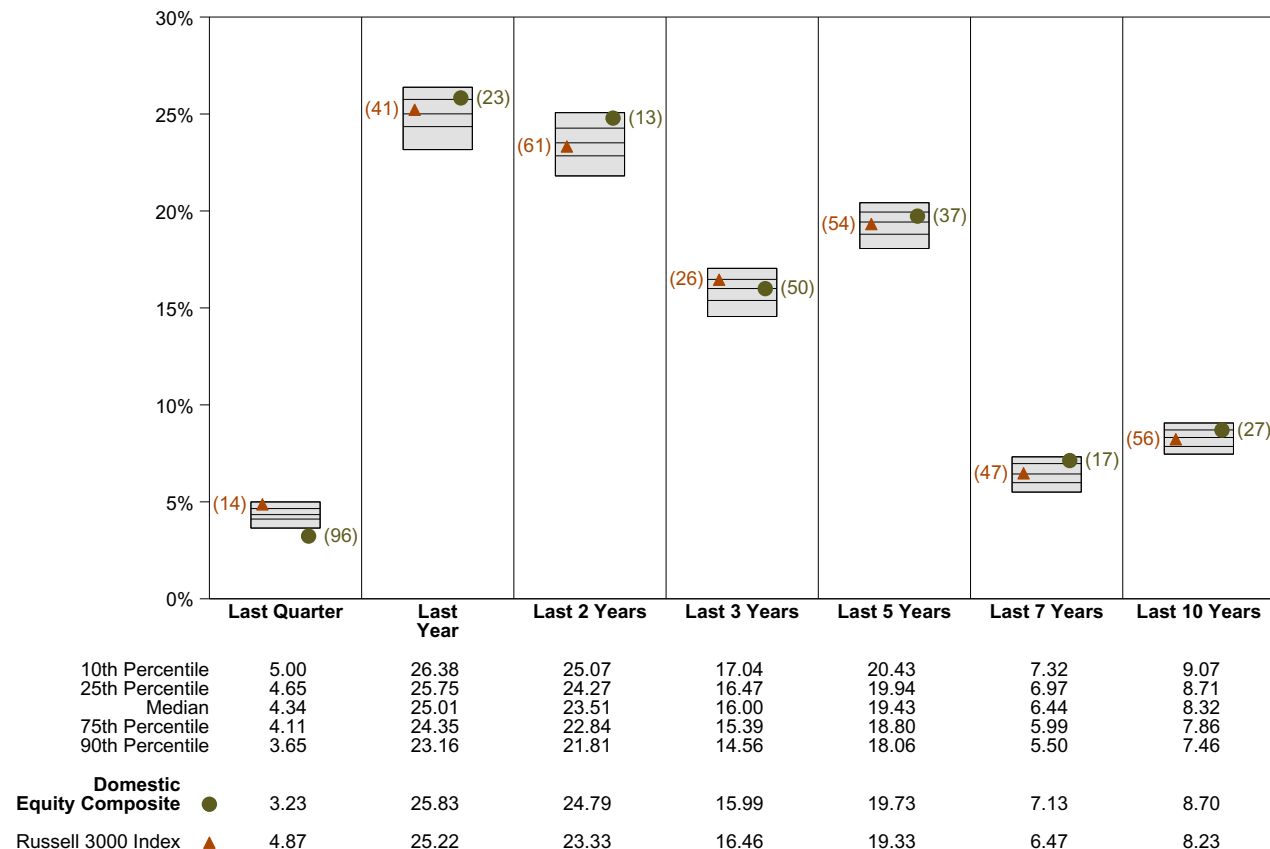
### Quarterly Summary and Highlights

- Domestic Equity Composite's portfolio posted a 3.23% return for the quarter placing it in the 96 percentile of the Pub Pln- Domestic Equity group for the quarter and in the 23 percentile for the last year.
- Domestic Equity Composite's portfolio underperformed the Russell 3000 Index by 1.64% for the quarter and outperformed the Russell 3000 Index for the year by 0.61%.

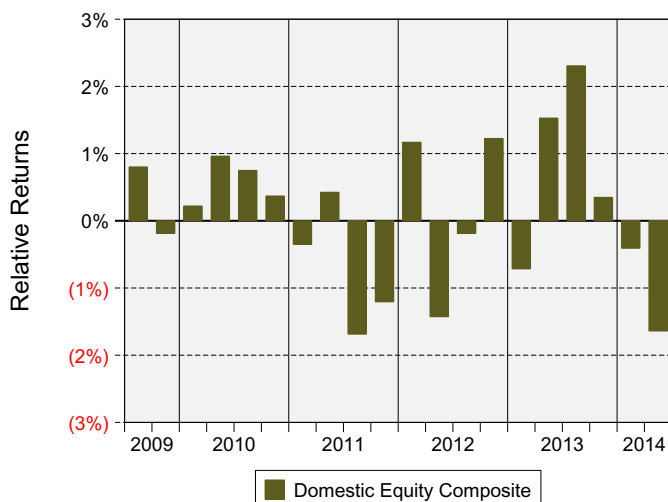
### Quarterly Asset Growth

Beginning Market Value	\$165,638,408
Net New Investment	\$-59,099
Investment Gains/(Losses)	\$5,357,547
Ending Market Value	\$170,936,856

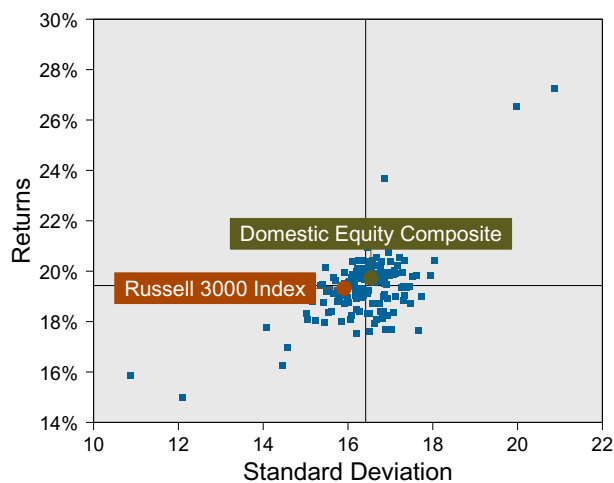
### Performance vs Pub Pln- Domestic Equity (Gross)



### Relative Return vs Russell 3000 Index



### Pub Pln- Domestic Equity (Gross) Annualized Five Year Risk vs Return



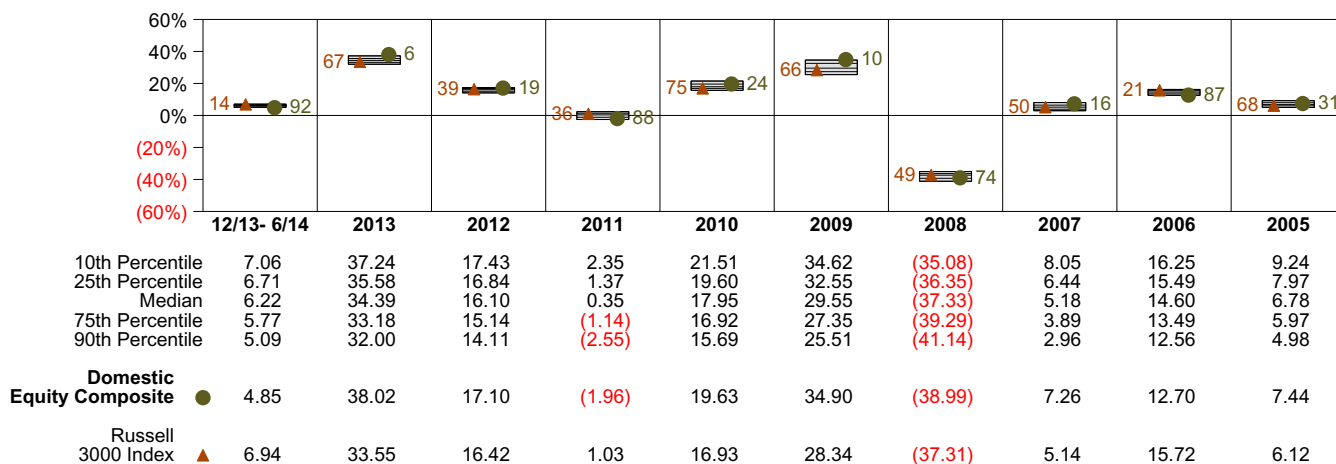


## Domestic Equity Composite Return Analysis Summary

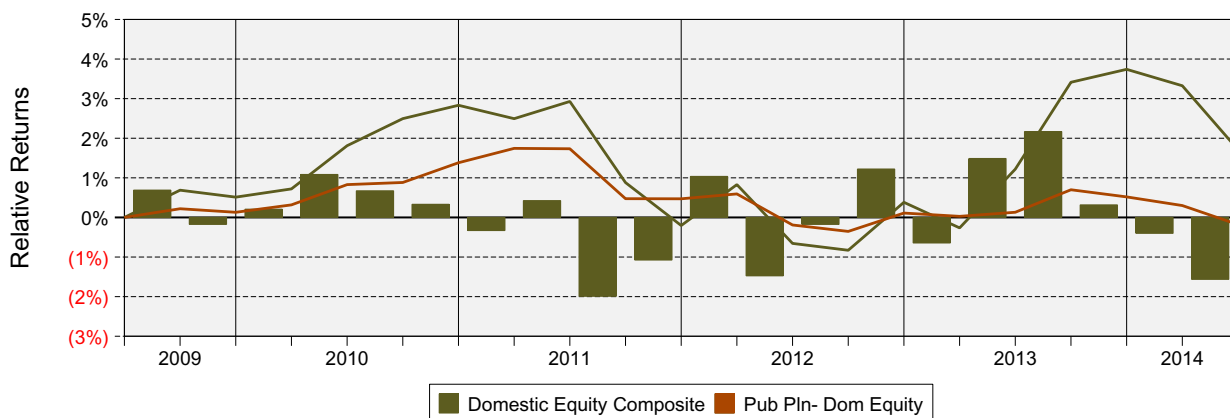
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

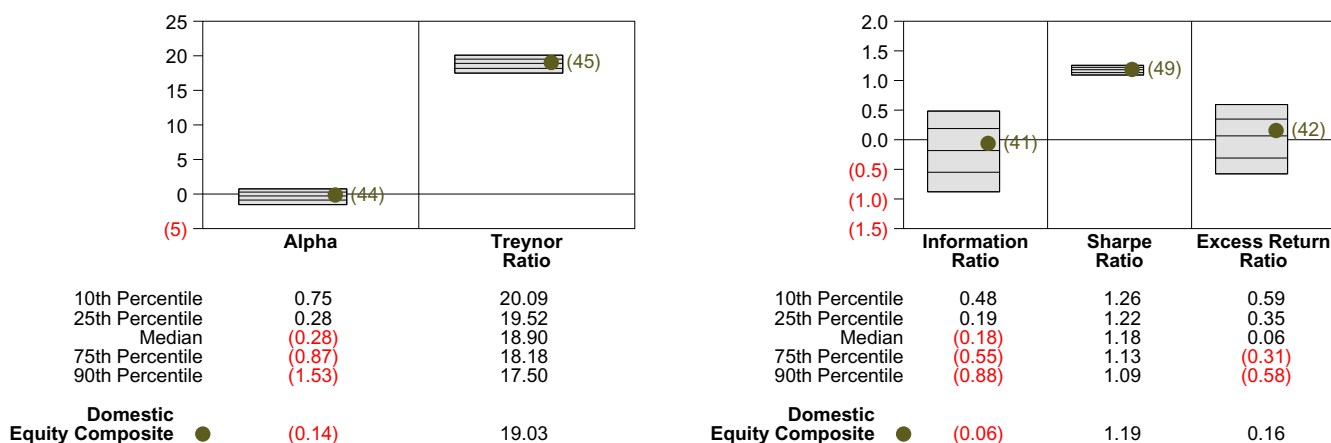
### Performance vs Pub Pln- Domestic Equity (Gross)



### Cumulative and Quarterly Relative Return vs Russell 3000 Index



### Risk Adjusted Return Measures vs Russell 3000 Index Rankings Against Pub Pln- Domestic Equity (Gross) Five Years Ended June 30, 2014

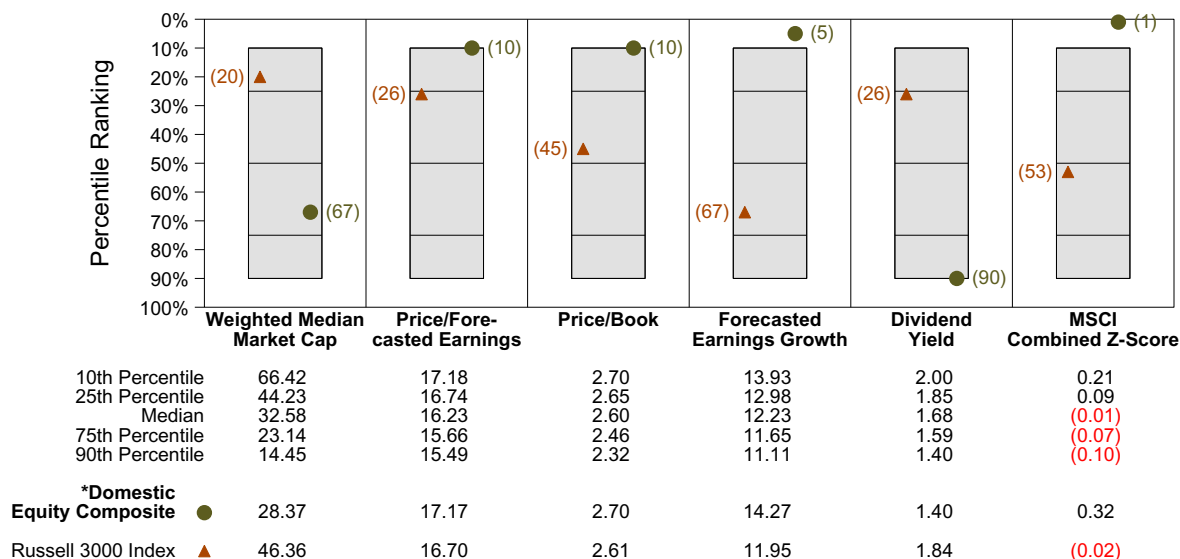


## Domestic Equity Composite Equity Characteristics Analysis Summary

### Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

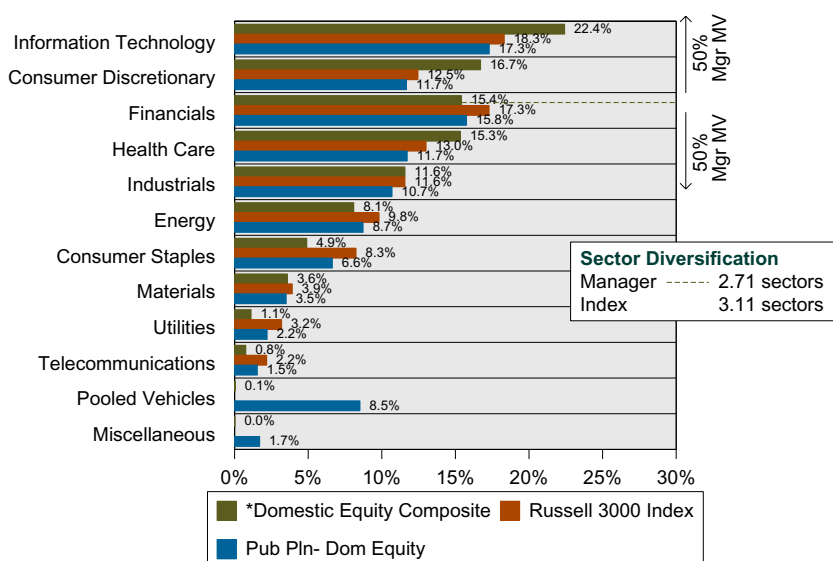
### Portfolio Characteristics Percentile Rankings Rankings Against Pub Pln- Domestic Equity as of June 30, 2014



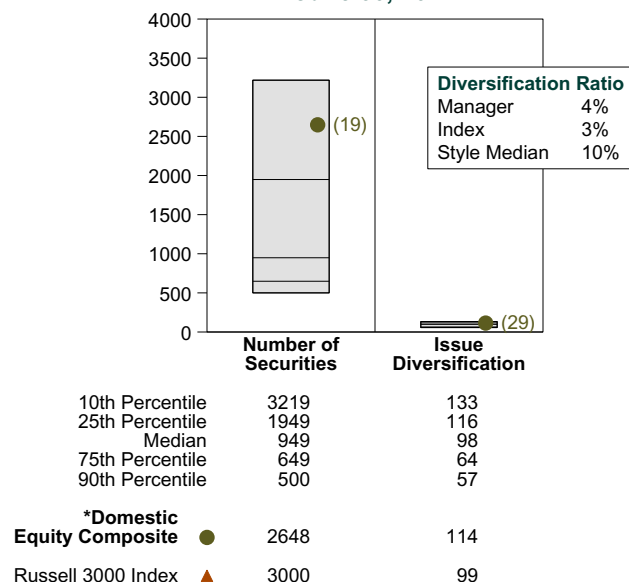
### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

#### Sector Allocation June 30, 2014



#### Diversification June 30, 2014

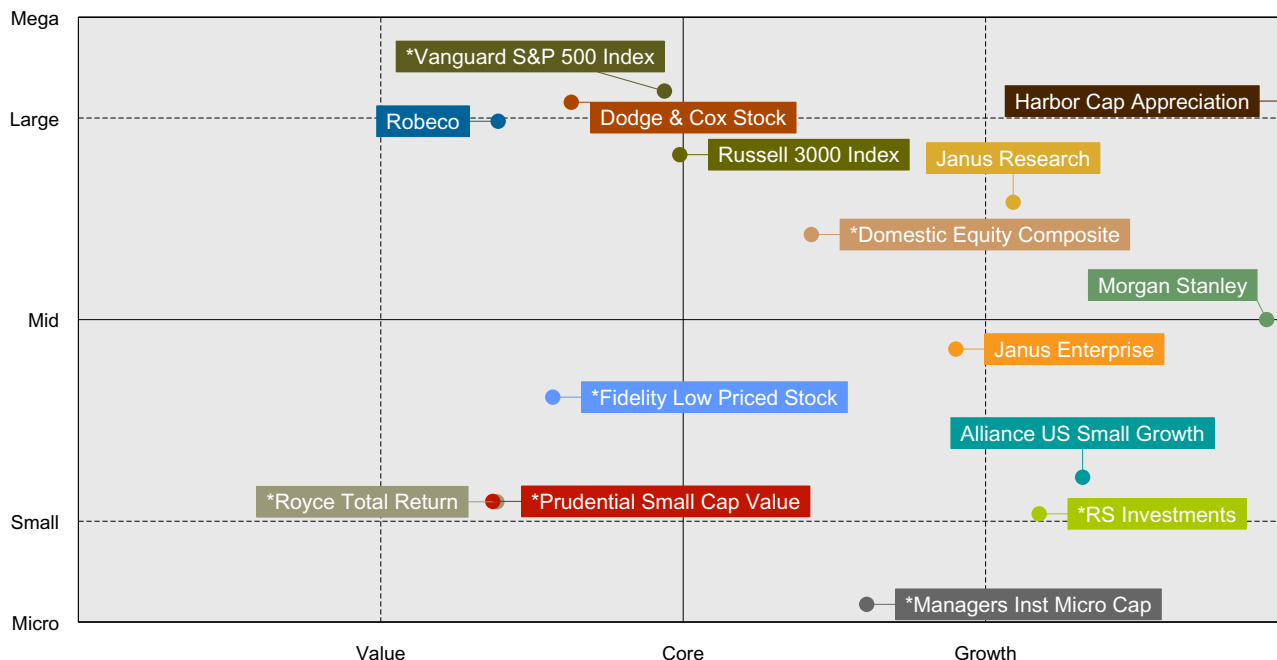


\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Holdings Based Style Analysis For One Quarter Ended June 30, 2014

This page analyzes and compares the investment styles of multiple portfolios using a detailed holdings-based style analysis methodology. The size component of style is measured by the weighted median market capitalization of the holdings. The value/core/growth style dimension is captured by the "Combined Z-Score" of the portfolio. This score is based on eight fundamental factors used in the MSCI stock style scoring system. The table below gives a more detailed breakdown of several relevant style metrics on the portfolios.

### Style Map Holdings for One Quarter Ended June 30, 2014



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
*Vanguard S&P 500 Index	13.99%	68.16	(0.06)	(0.02)	0.04	501	58.51
Dodge & Cox Stock	13.89%	62.55	(0.29)	(0.12)	0.17	72	17.35
Robeco	13.73%	53.90	(0.48)	(0.13)	0.35	83	19.52
Harbor Cap Appreciation	13.99%	63.13	1.67	0.73	(0.95)	70	22.55
Janus Research	14.39%	35.65	0.84	0.37	(0.47)	115	33.81
*Fidelity Low Priced Stock	2.86%	6.30	(0.34)	(0.02)	0.32	819	35.15
*Royce Total Return	2.82%	2.38	(0.48)	(0.15)	0.33	473	72.21
Morgan Stanley	2.79%	9.22	1.49	0.50	(0.99)	56	14.68
Janus Enterprise	2.78%	8.10	0.69	0.22	(0.48)	79	22.88
*Prudential Small Cap Value	7.37%	2.39	(0.49)	(0.10)	0.39	813	128.18
Alliance US Small Growth	3.92%	3.30	1.02	0.43	(0.59)	106	35.64
*RS Investments	2.77%	1.93	0.91	0.31	(0.60)	89	30.60
*Managers Inst Micro Cap	4.70%	0.70	0.46	0.14	(0.32)	325	74.15
*Domestic Equity Composite	100.00%	28.37	0.32	0.15	(0.17)	2648	113.71
Russell 3000 Index	-	46.36	(0.02)	(0.01)	0.01	3000	98.69

\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Vanguard S&P 500 Index Period Ended June 30, 2014

### Investment Philosophy

Vanguard Institutional Index Fund is passively administered using a "full replication" approach. Under this method, the fund holds all of the 500 underlying securities in proportion to their weighting in the index. The fund remains fully invested in equities at all times and does not make judgmental calls on the direction of the S&P 500 Index.

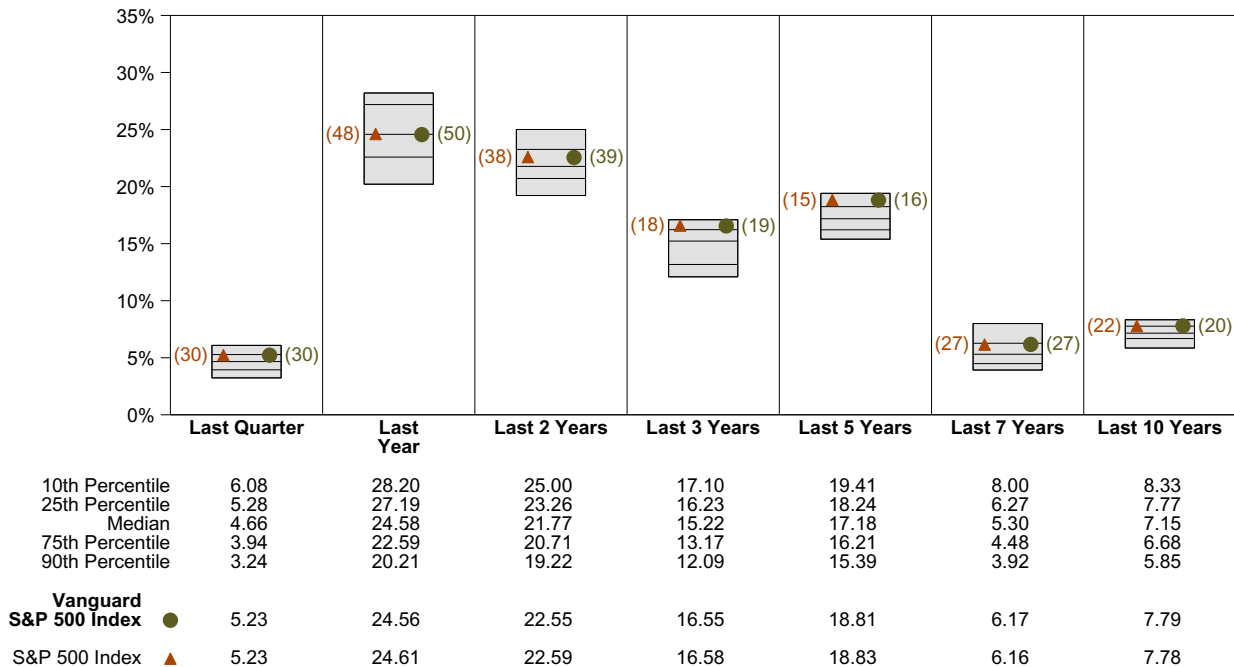
### Quarterly Summary and Highlights

- Vanguard S&P 500 Index's portfolio posted a 5.23% return for the quarter placing it in the 30 percentile of the CAI MF - Core Equity Style group for the quarter and in the 50 percentile for the last year.
- Vanguard S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and underperformed the S&P 500 Index for the year by 0.05%.

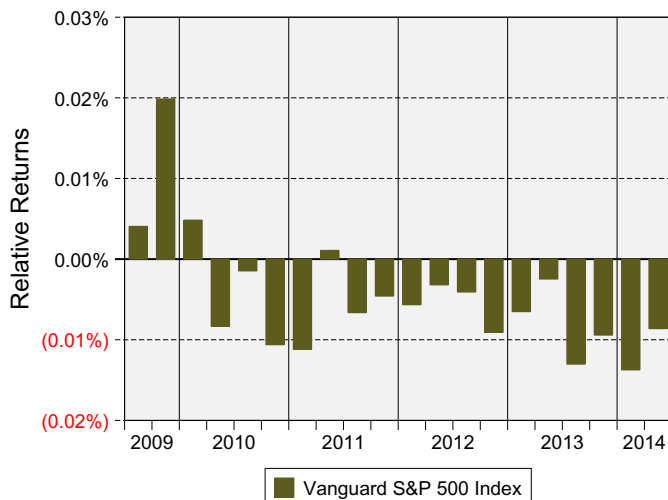
### Quarterly Asset Growth

Beginning Market Value	\$22,728,301
Net New Investment	\$0
Investment Gains/(Losses)	\$1,187,603
Ending Market Value	\$23,915,904

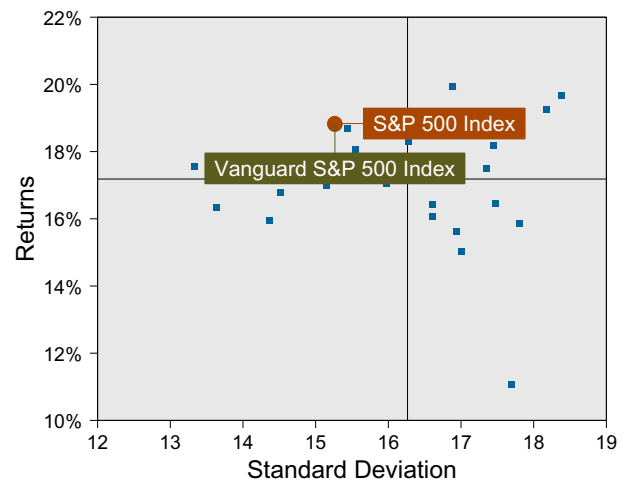
### Performance vs CAI MF - Core Equity Style (Net)



### Relative Return vs S&P 500 Index



### CAI MF - Core Equity Style (Net) Annualized Five Year Risk vs Return

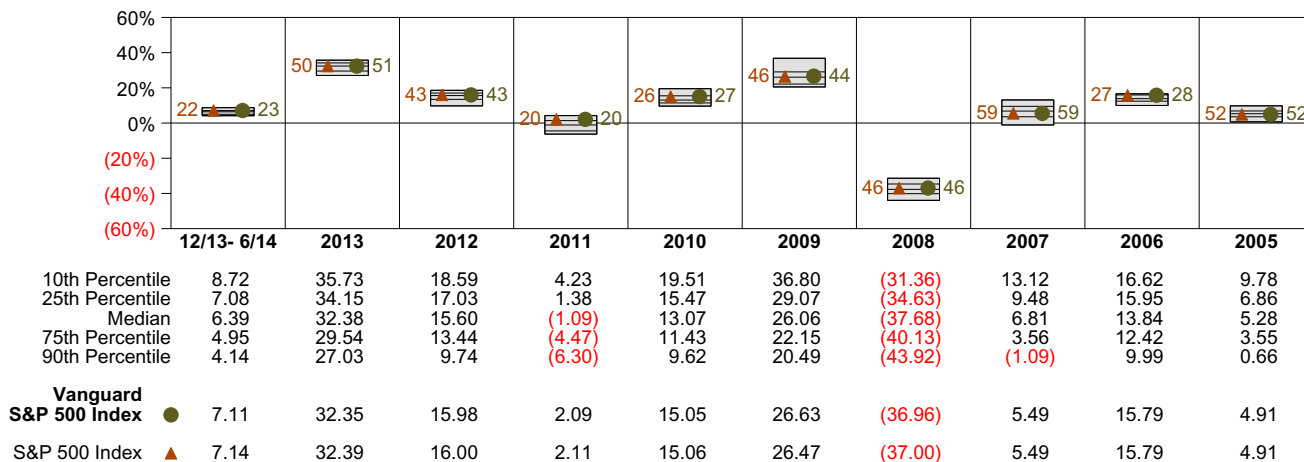


## Vanguard S&P 500 Index Return Analysis Summary

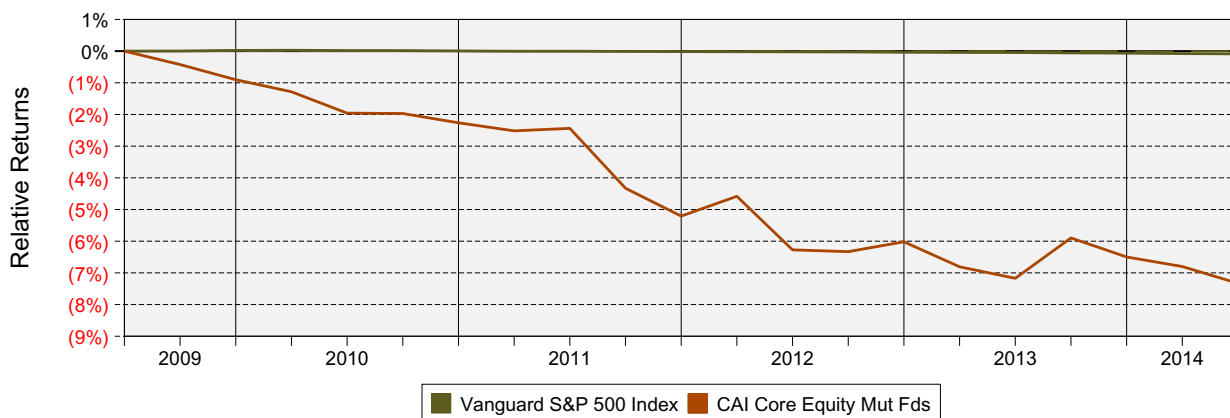
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

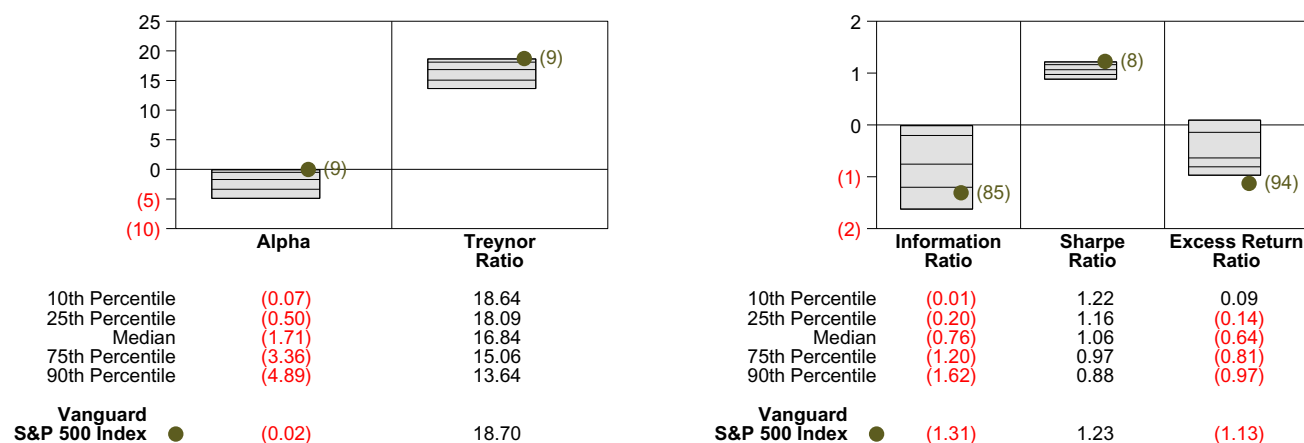
### Performance vs CAI MF - Core Equity Style (Net)



### Cumulative and Quarterly Relative Return vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI MF - Core Equity Style (Net) Five Years Ended June 30, 2014

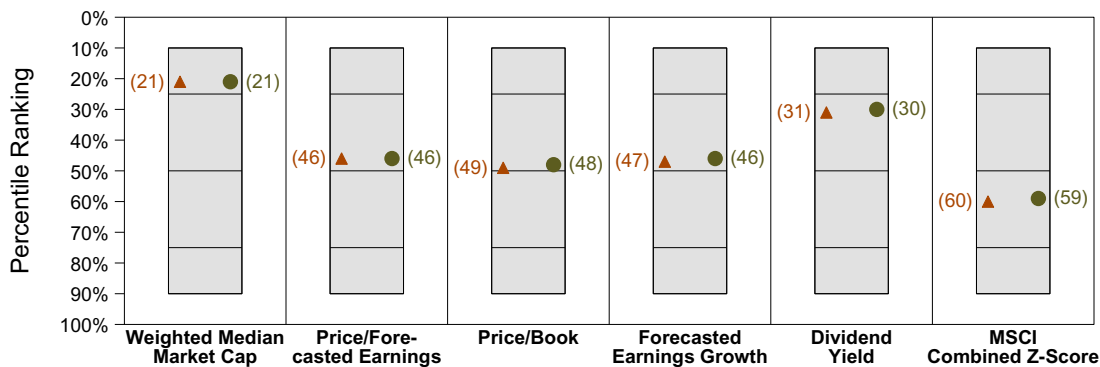


# Vanguard S&P 500 Index Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Core Equity Style as of June 30, 2014

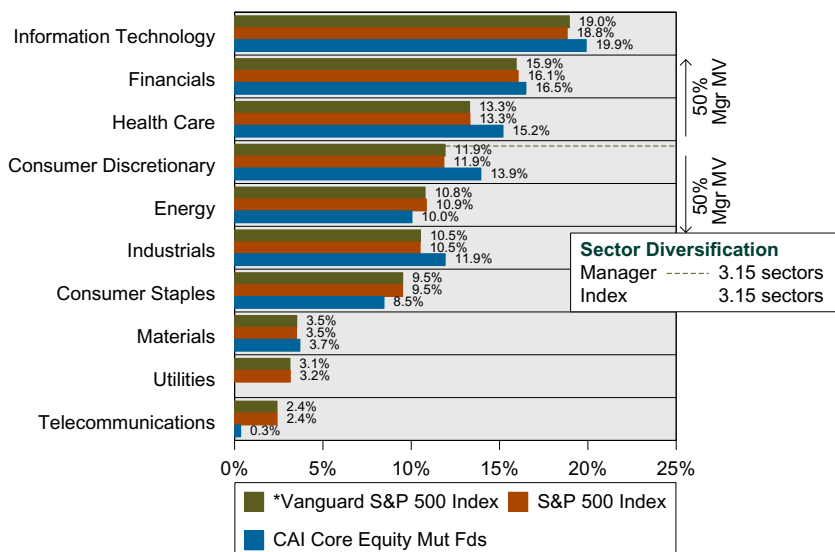


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	100.95	18.69	3.73	15.83	2.41	1.10
25th Percentile	63.73	16.36	2.99	14.03	2.06	0.50
Median	61.44	15.13	2.63	10.97	1.82	0.00
75th Percentile	50.20	14.62	2.30	10.40	1.41	(0.15)
90th Percentile	39.36	13.81	2.14	8.73	0.93	(0.45)
<b>*Vanguard S&amp;P 500 Index</b>	68.16	15.68	2.67	11.16	2.01	(0.06)
S&P 500 Index	68.12	15.75	2.65	11.12	2.00	(0.07)

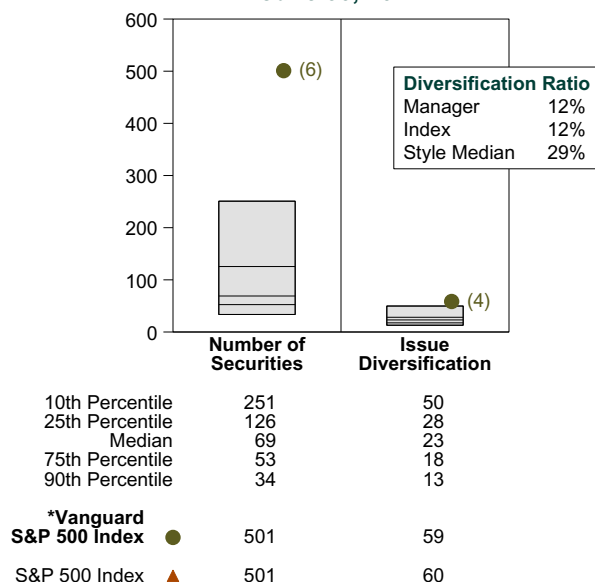
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

### Sector Allocation June 30, 2014



### Diversification June 30, 2014



\*6/30/14 portfolio characteristics generated using most recently available holdings (5/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Dodge & Cox Stock Period Ended June 30, 2014

### Investment Philosophy

Dodge & Cox seeks to build a portfolio of individual companies where the current market valuation does not adequately reflect the company's long-term profit opportunities. The firm maintains a long-term focus, conducts their own research, and employ a rigorous price discipline.

### Quarterly Summary and Highlights

- Dodge & Cox Stock's portfolio posted a 4.49% return for the quarter placing it in the 50 percentile of the CAI MF - Large Cap Value Style group for the quarter and in the 13 percentile for the last year.
- Dodge & Cox Stock's portfolio underperformed the Russell 1000 Value Index by 0.62% for the quarter and outperformed the Russell 1000 Value Index for the year by 4.14%.

### Quarterly Asset Growth

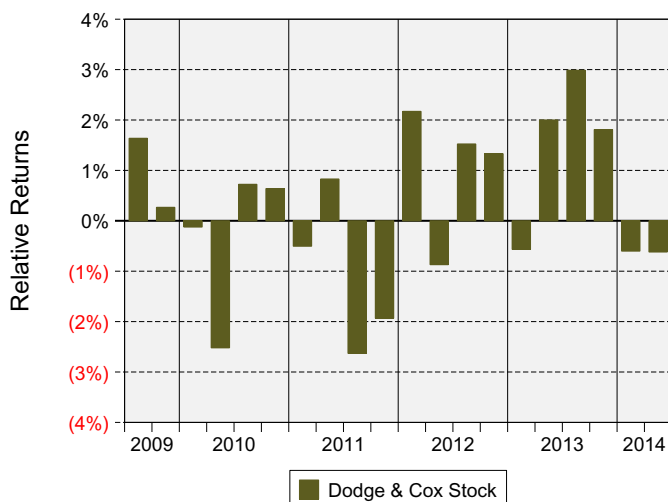
Beginning Market Value	\$22,821,502
Net New Investment	\$-103,607
Investment Gains/(Losses)	\$1,022,790
Ending Market Value	\$23,740,684

### Performance vs CAI MF - Large Cap Value Style (Net)

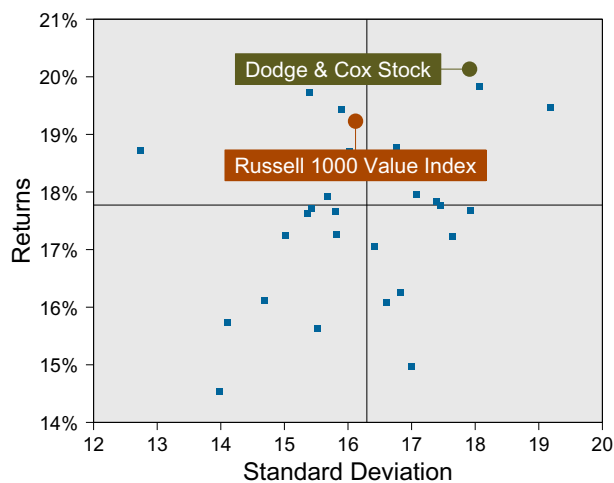


10th Percentile	5.52	28.04	27.66	17.77	19.81	6.91	9.45
25th Percentile	4.96	26.33	25.67	17.07	18.73	5.78	8.37
Median	4.48	23.80	23.78	16.08	17.77	4.43	7.37
75th Percentile	4.08	22.33	22.09	14.63	17.05	3.95	6.71
90th Percentile	2.82	21.06	20.48	13.08	15.65	2.68	5.72
<b>Dodge &amp; Cox Stock</b>	<b>4.49</b>	<b>27.95</b>	<b>29.27</b>	<b>18.31</b>	<b>20.13</b>	<b>4.80</b>	<b>8.05</b>
<b>Russell 1000 Value Index</b>	<b>5.10</b>	<b>23.81</b>	<b>24.56</b>	<b>16.92</b>	<b>19.23</b>	<b>4.80</b>	<b>8.03</b>

### Relative Return vs Russell 1000 Value Index



### CAI MF - Large Cap Value Style (Net) Annualized Five Year Risk vs Return

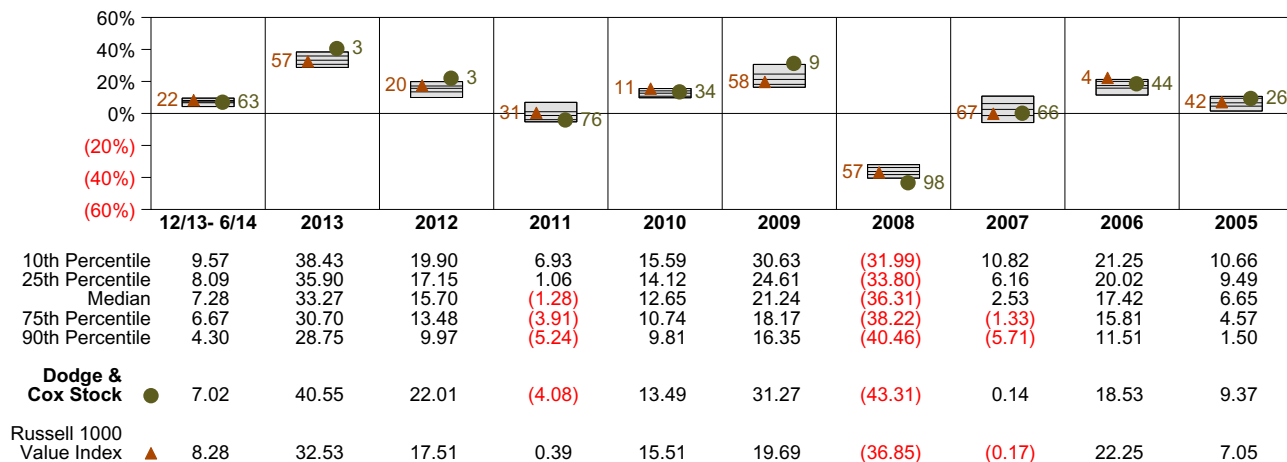


## Dodge & Cox Stock Return Analysis Summary

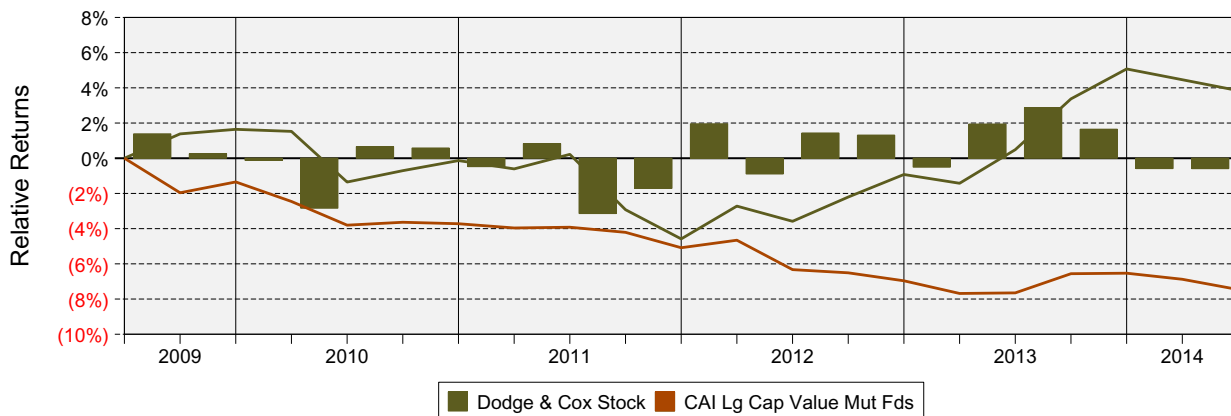
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

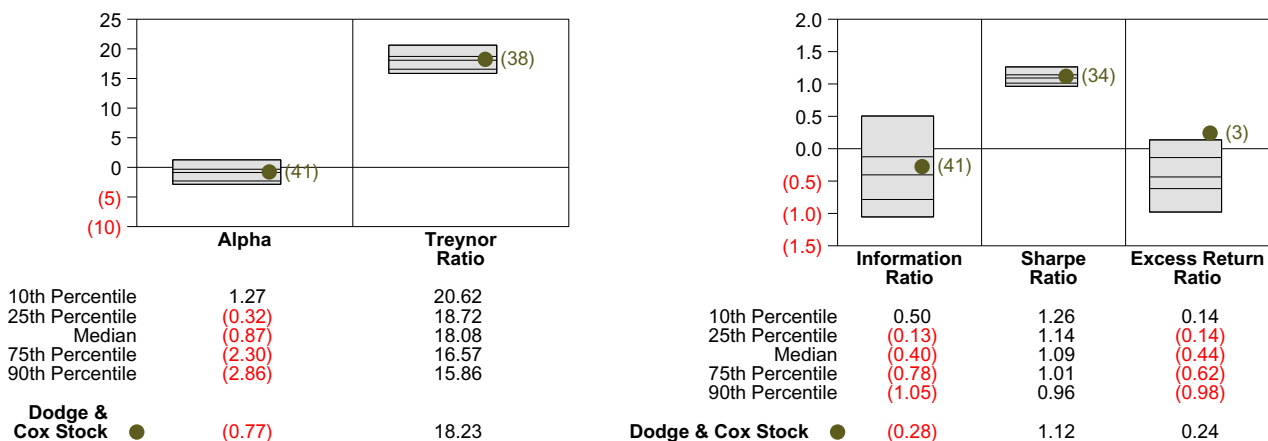
### Performance vs CAI MF - Large Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



### Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI MF - Large Cap Value Style (Net) Five Years Ended June 30, 2014



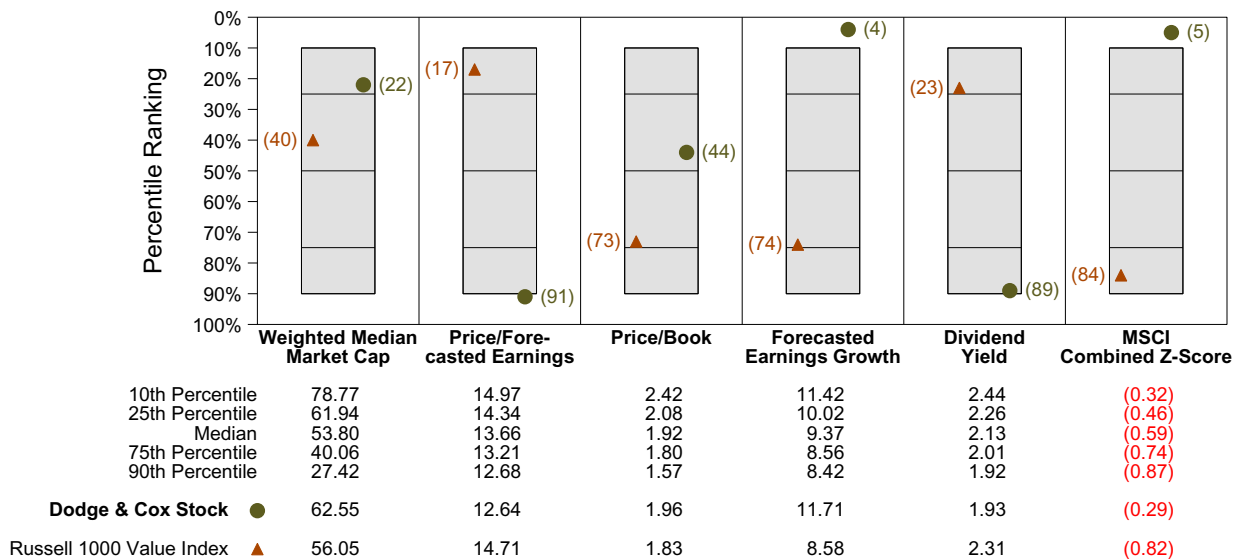


## Dodge & Cox Stock Equity Characteristics Analysis Summary

### Portfolio Characteristics

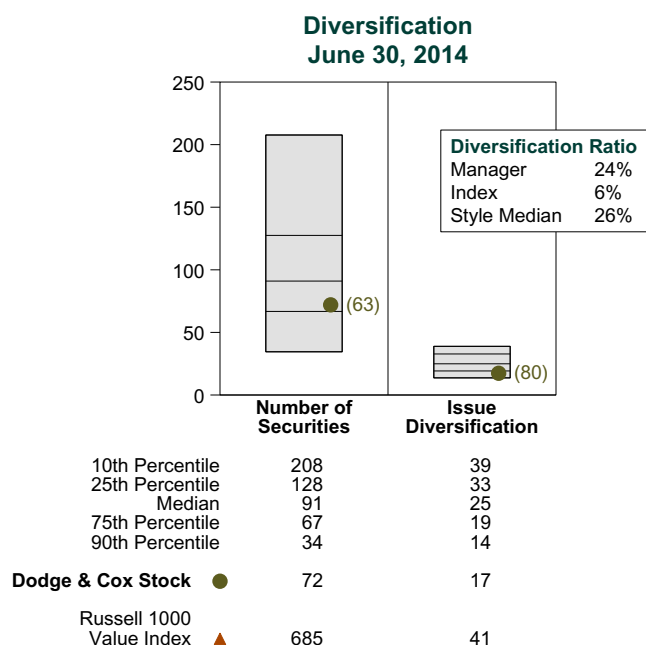
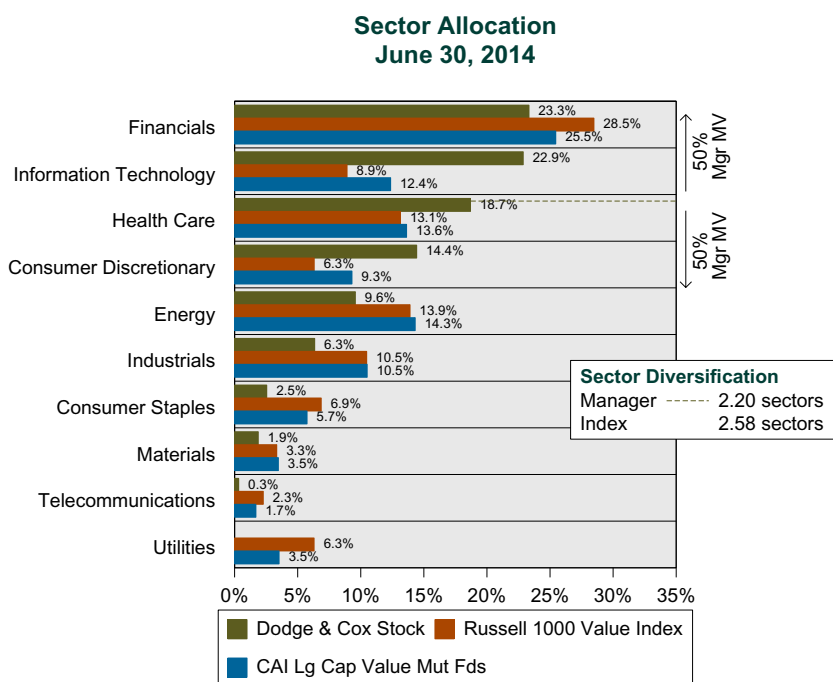
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Value Style as of June 30, 2014



### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



## Robeco Period Ended June 30, 2014

### Investment Philosophy

Robeco's investment philosophy is grounded in certain "fundamental truths" to investing, namely that low valuation stocks outperform high valuation stocks, companies with strong fundamentals, e.g. high and sustainable returns on invested capital, outperform companies with weak fundamentals, and stocks with positive business momentum, e.g. rising earnings estimates, outperform stocks with negative business momentum. The firm seeks to construct well-diversified portfolios that consistently possess these three characteristics, which hope to limit downside risk, preserve capital, and maximize the power of compounding. Robeco's management fee is 50 bps on all assets.

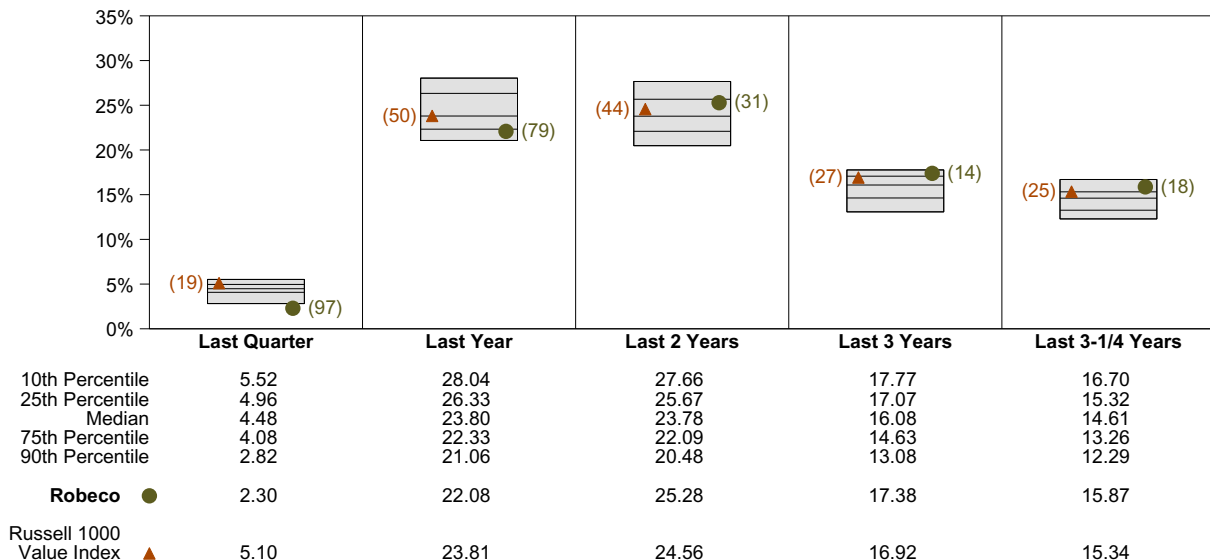
### Quarterly Summary and Highlights

- Robeco's portfolio posted a 2.30% return for the quarter placing it in the 97 percentile of the CAI MF - Large Cap Value Style group for the quarter and in the 79 percentile for the last year.
- Robeco's portfolio underperformed the Russell 1000 Value Index by 2.81% for the quarter and underperformed the Russell 1000 Value Index for the year by 1.73%.

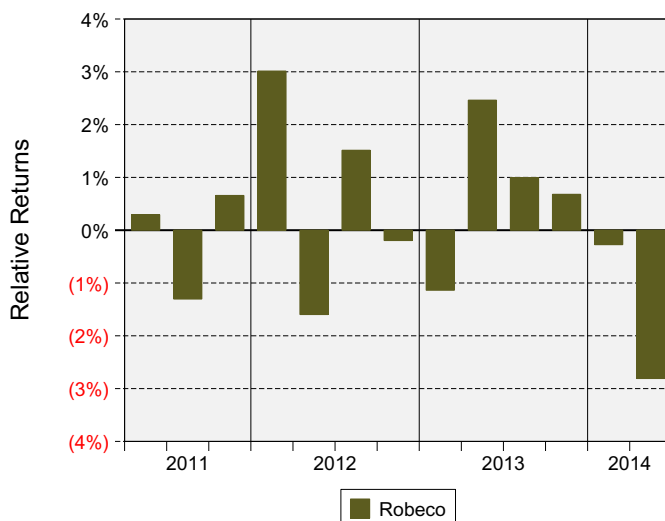
### Quarterly Asset Growth

Beginning Market Value	\$22,912,039
Net New Investment	\$28,708
Investment Gains/(Losses)	\$526,924
Ending Market Value	\$23,467,671

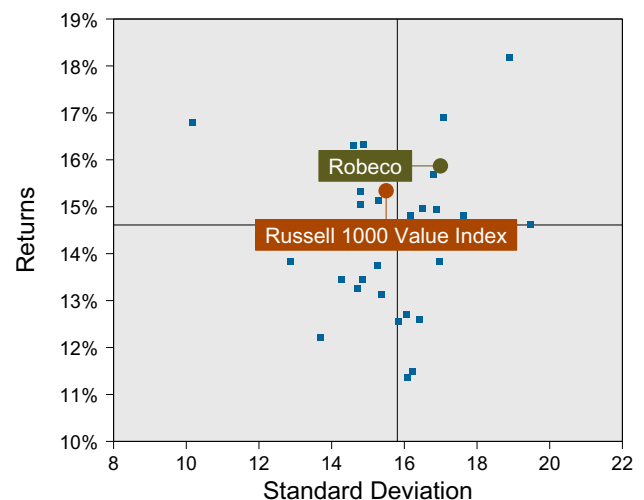
### Performance vs CAI MF - Large Cap Value Style (Net)



### Relative Return vs Russell 1000 Value Index



### CAI MF - Large Cap Value Style (Net) Annualized Three and One-Quarter Year Risk vs Return

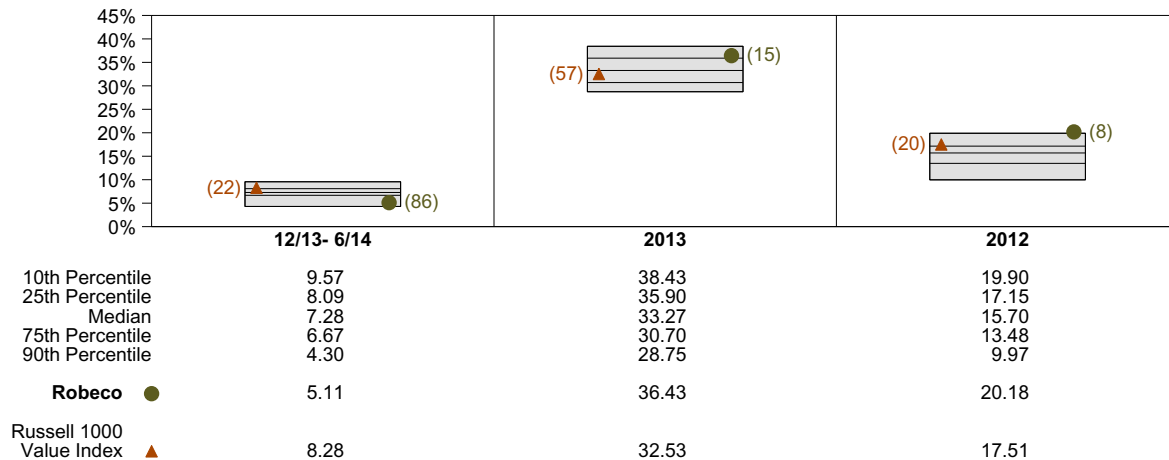


## Robeco Return Analysis Summary

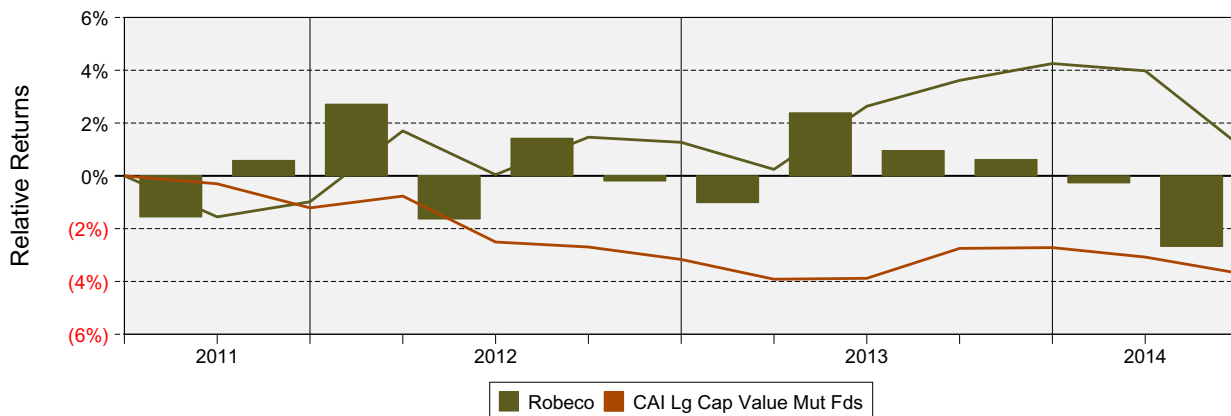
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

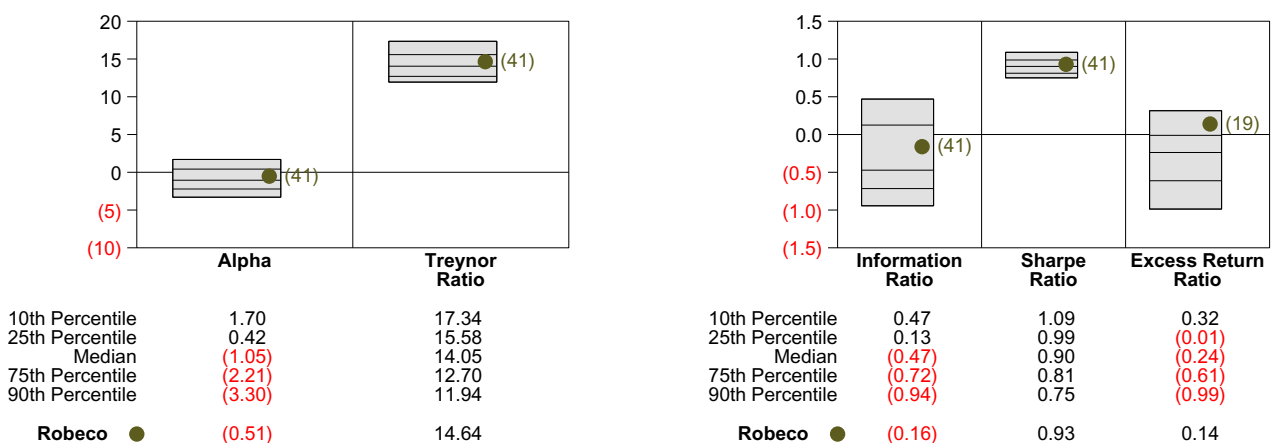
#### Performance vs CAI MF - Large Cap Value Style (Net)



#### Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



#### Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI MF - Large Cap Value Style (Net) Three and One-Quarter Years Ended June 30, 2014

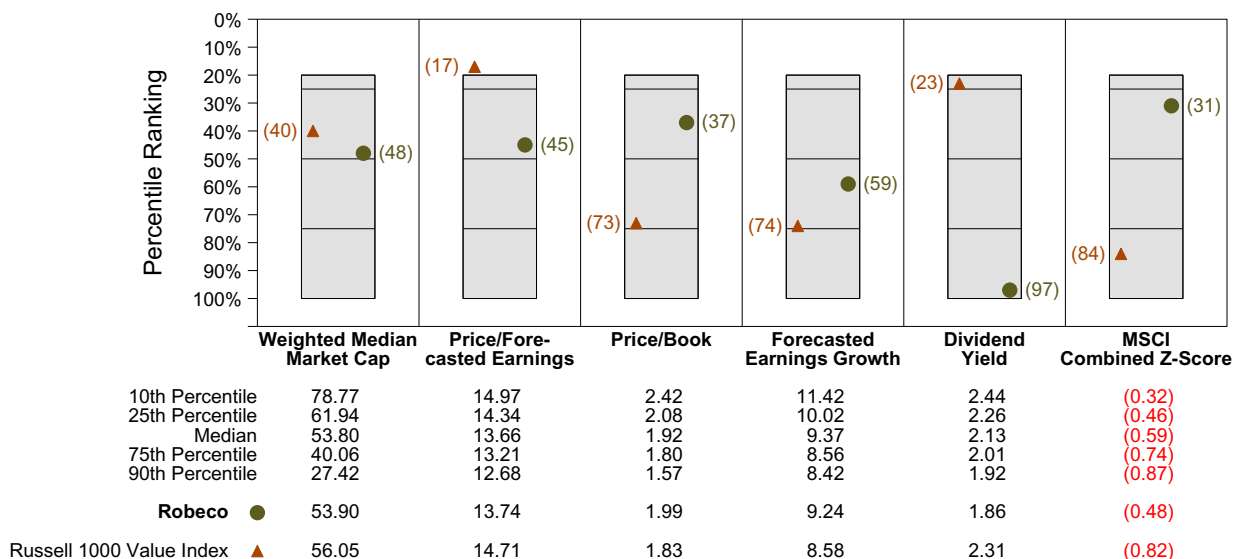


## Robeco Equity Characteristics Analysis Summary

### Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

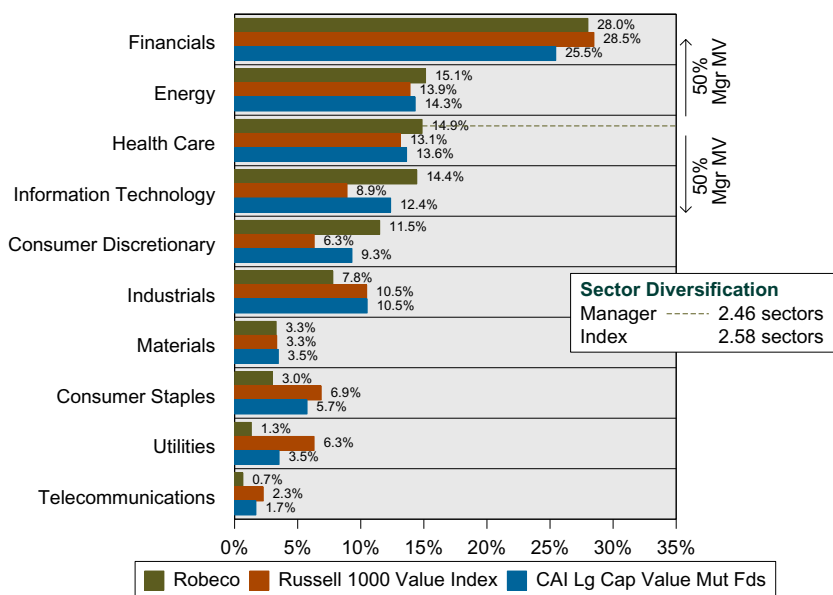
### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Value Style as of June 30, 2014



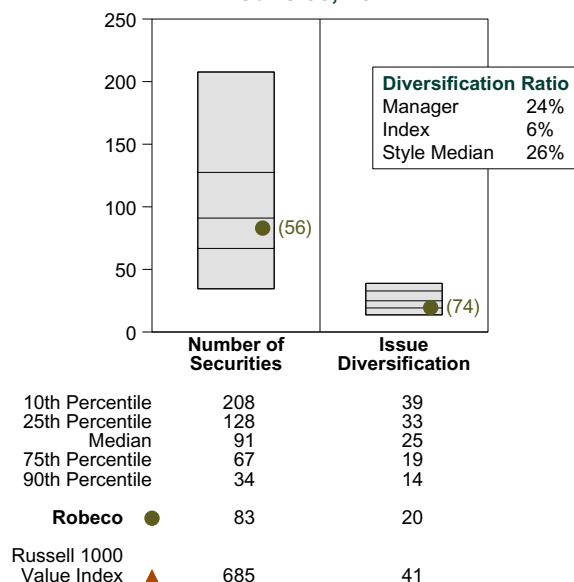
### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

### Sector Allocation June 30, 2014



### Diversification June 30, 2014



## Harbor Cap Appreciation Period Ended June 30, 2014

### Investment Philosophy

The Jennison Large Cap Growth team believes that a stock's value over time is driven by above-average growth in units, revenues, earnings, and cash flow. The strategy seeks to capture the inflection point in a company's growth rate before it is fully appreciated by the market or reflected in the stock price.

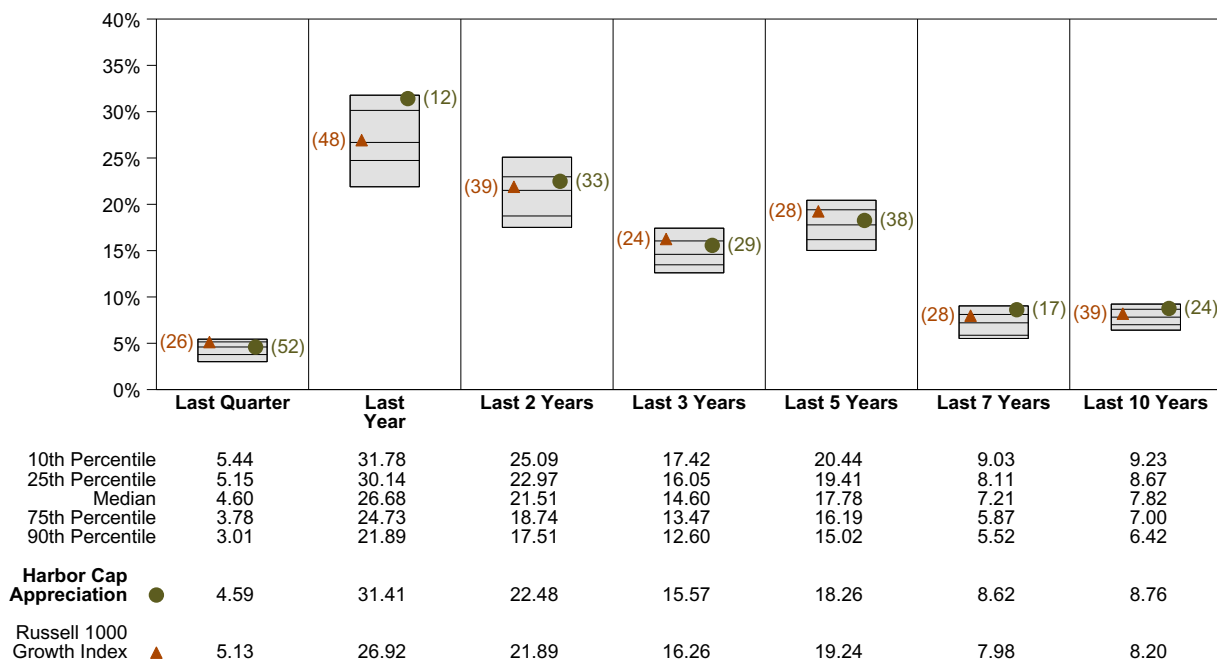
### Quarterly Summary and Highlights

- Harbor Cap Appreciation's portfolio posted a 4.59% return for the quarter placing it in the 52 percentile of the CAI MF - Large Cap Growth Style group for the quarter and in the 12 percentile for the last year.
- Harbor Cap Appreciation's portfolio underperformed the Russell 1000 Growth Index by 0.54% for the quarter and outperformed the Russell 1000 Growth Index for the year by 4.49%.

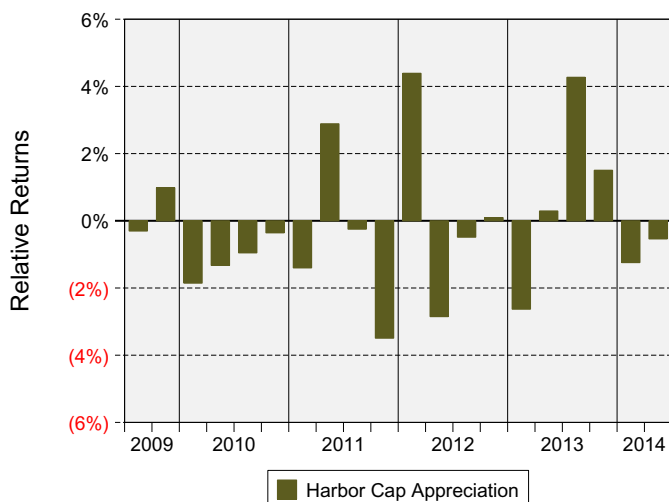
### Quarterly Asset Growth

Beginning Market Value	\$22,858,716
Net New Investment	\$0
Investment Gains/(Losses)	\$1,049,677
Ending Market Value	\$23,908,393

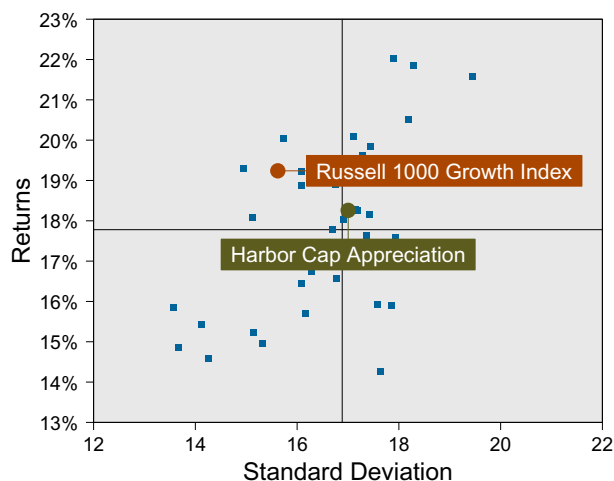
### Performance vs CAI MF - Large Cap Growth Style (Net)



### Relative Return vs Russell 1000 Growth Index



### CAI MF - Large Cap Growth Style (Net) Annualized Five Year Risk vs Return

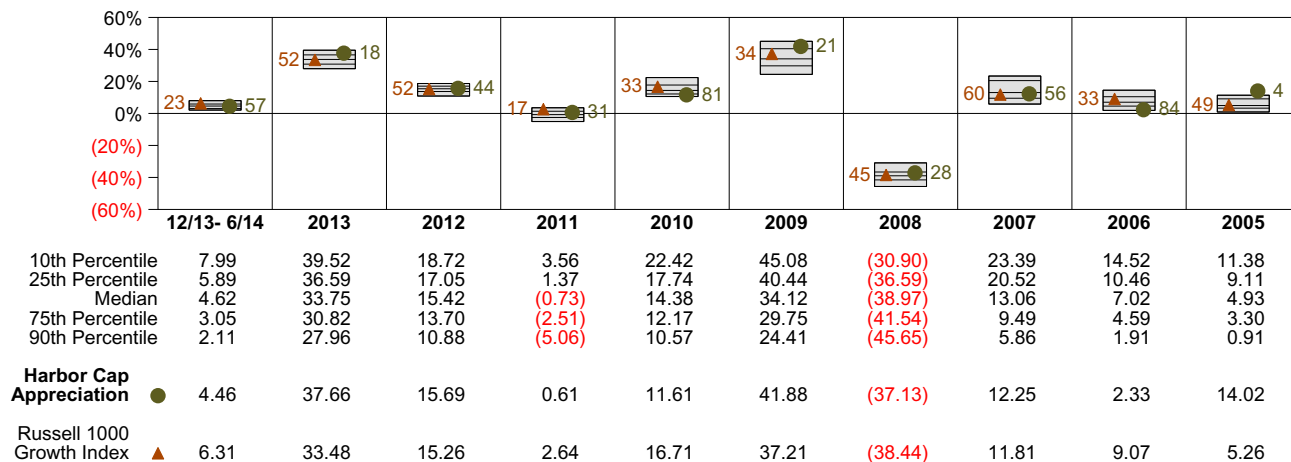


## Harbor Cap Appreciation Return Analysis Summary

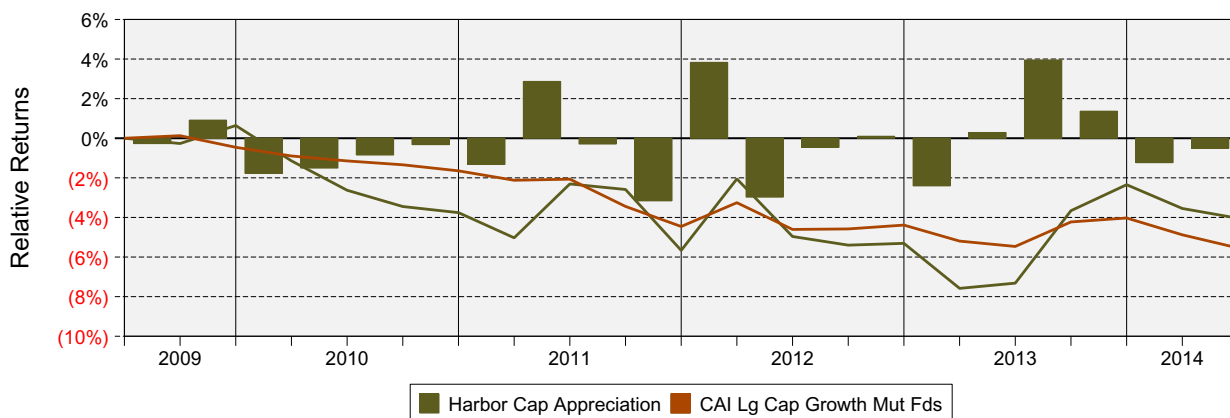
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

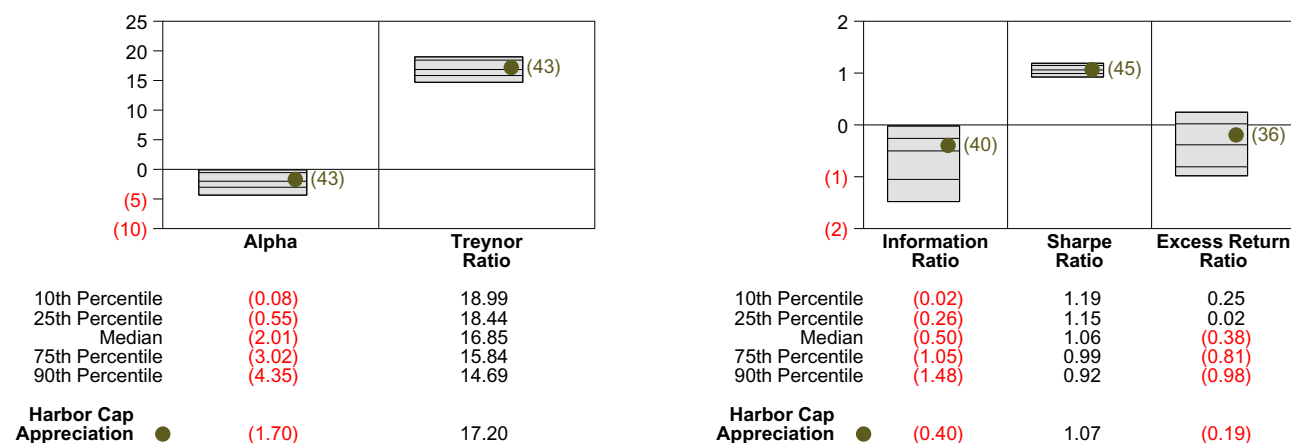
### Performance vs CAI MF - Large Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



### Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI MF - Large Cap Growth Style (Net) Five Years Ended June 30, 2014

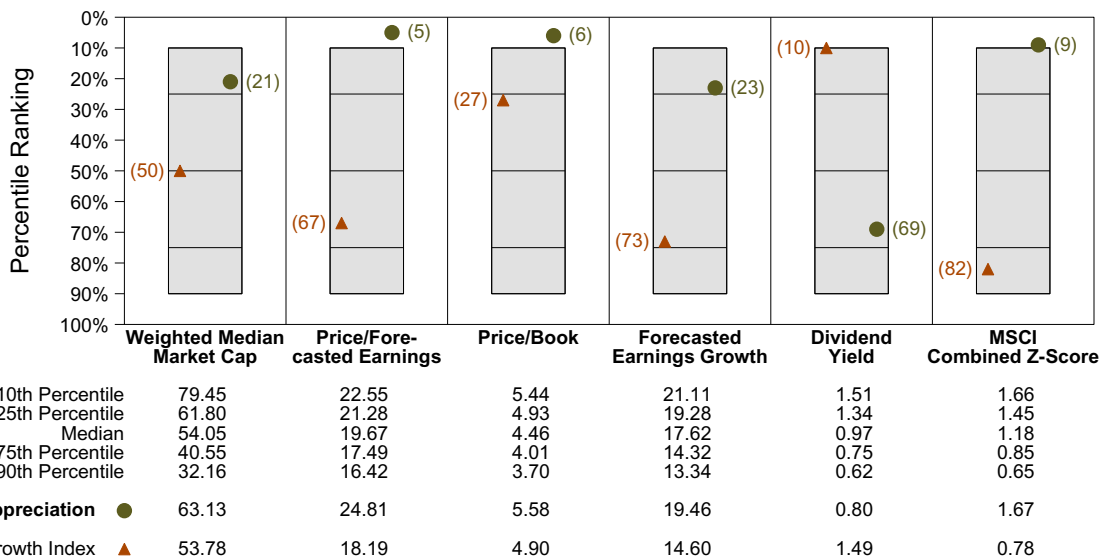


## Harbor Cap Appreciation Equity Characteristics Analysis Summary

### Portfolio Characteristics

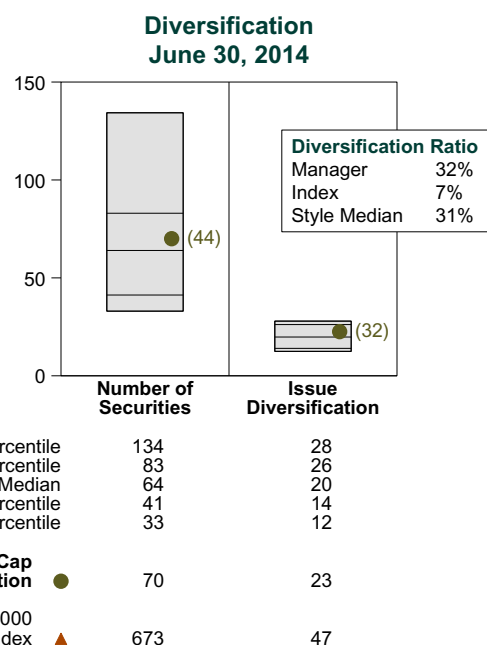
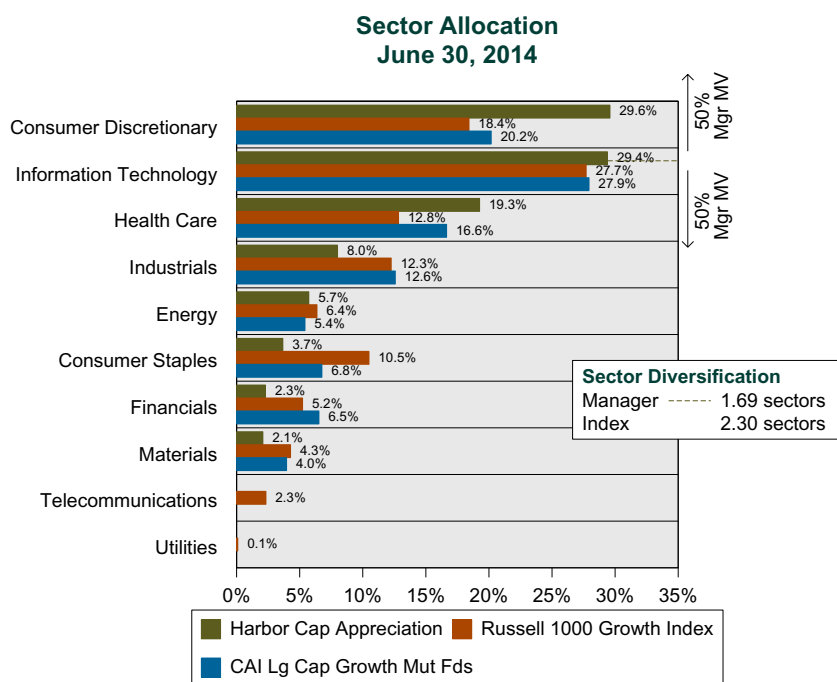
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Growth Style as of June 30, 2014



### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



## Janus Research Period Ended June 30, 2014

### Investment Philosophy

Growth Equity Style mutual funds invest mainly in large companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in stock selection. Switched from Class T Shares to Class I Shares in December 2009.

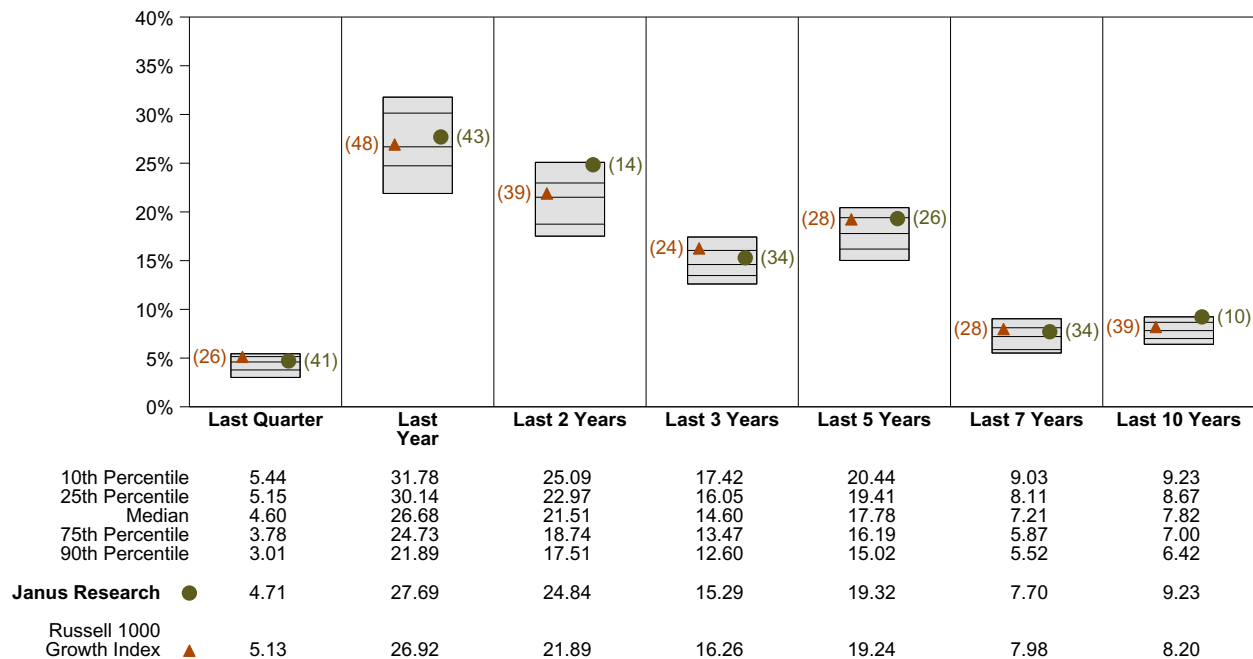
### Quarterly Summary and Highlights

- Janus Research's portfolio posted a 4.71% return for the quarter placing it in the 41 percentile of the CAI MF - Large Cap Growth Style group for the quarter and in the 43 percentile for the last year.
- Janus Research's portfolio underperformed the Russell 1000 Growth Index by 0.42% for the quarter and outperformed the Russell 1000 Growth Index for the year by 0.77%.

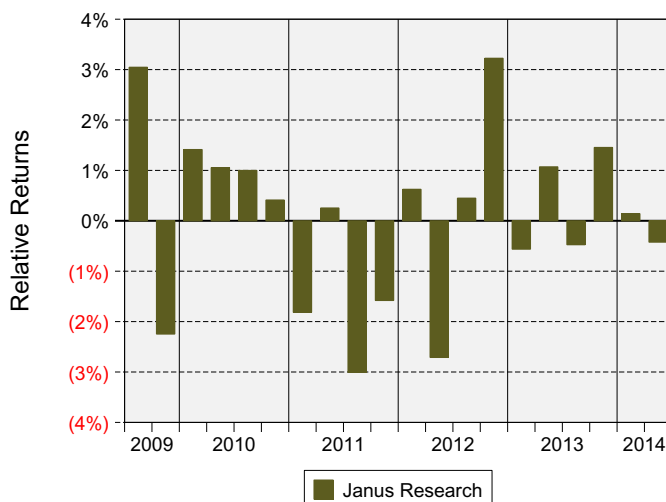
### Quarterly Asset Growth

Beginning Market Value	\$23,489,064
Net New Investment	\$0
Investment Gains/(Losses)	\$1,105,619
Ending Market Value	\$24,594,682

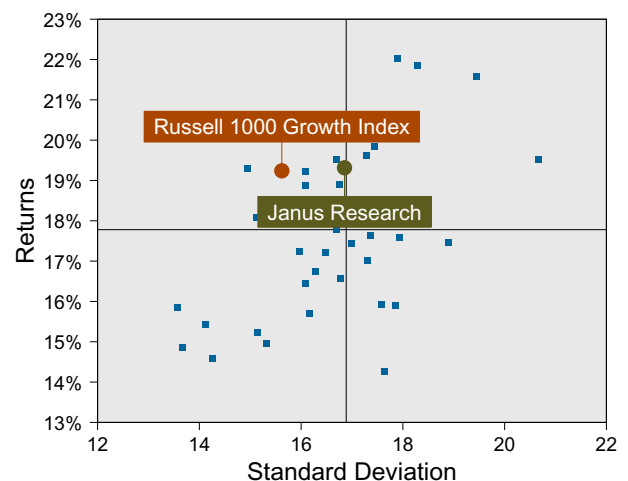
### Performance vs CAI MF - Large Cap Growth Style (Net)



### Relative Return vs Russell 1000 Growth Index



### CAI MF - Large Cap Growth Style (Net) Annualized Five Year Risk vs Return



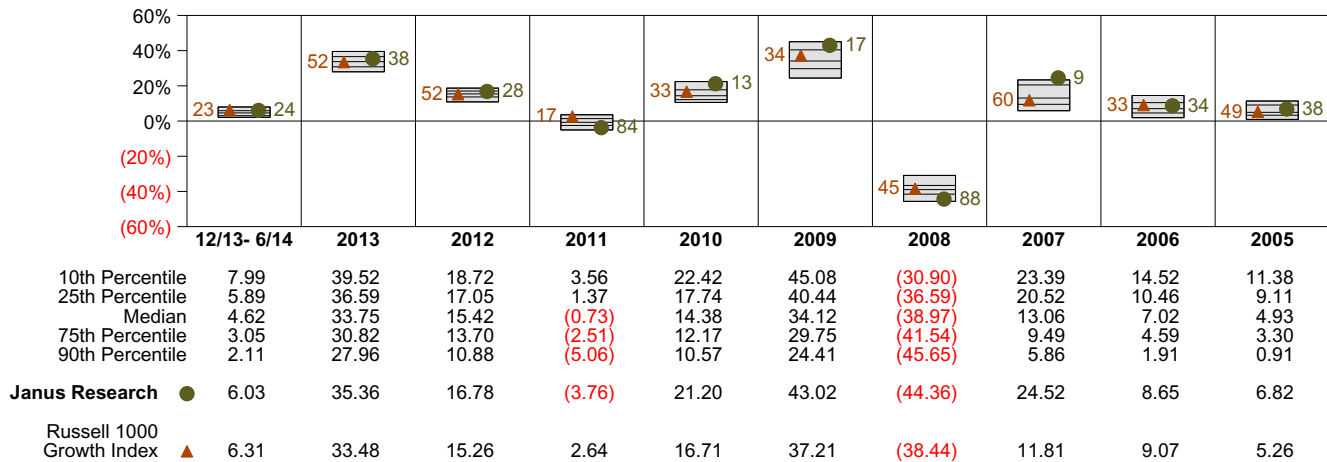


## Janus Research Return Analysis Summary

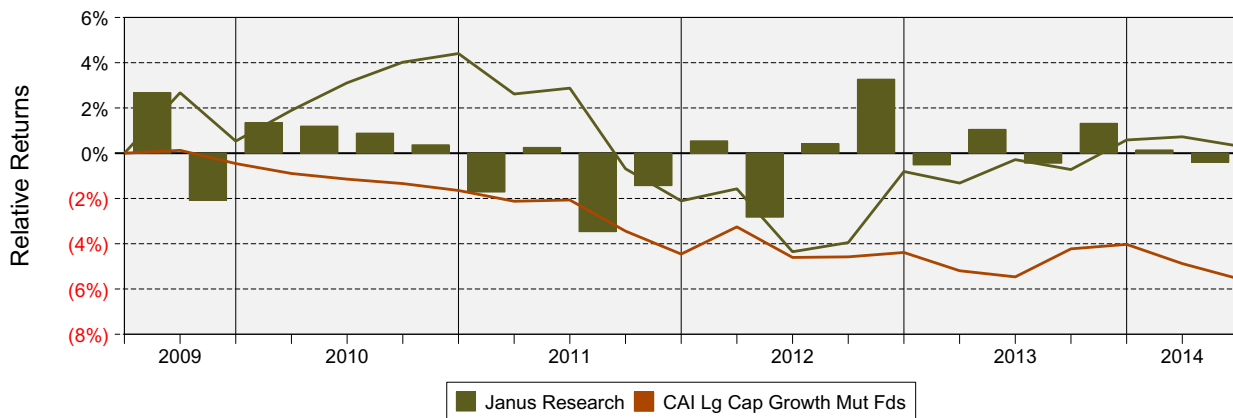
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

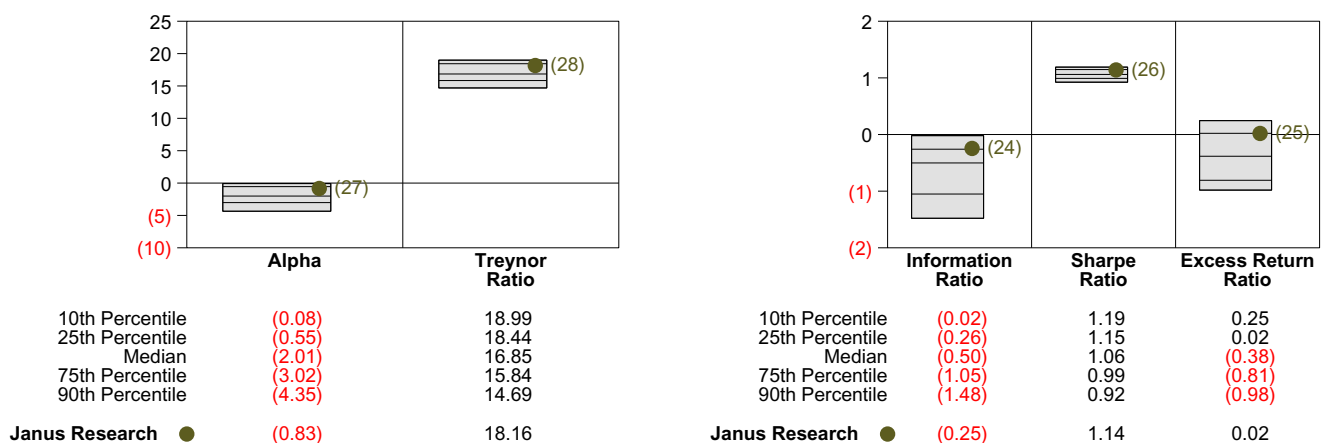
### Performance vs CAI MF - Large Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



### Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI MF - Large Cap Growth Style (Net) Five Years Ended June 30, 2014

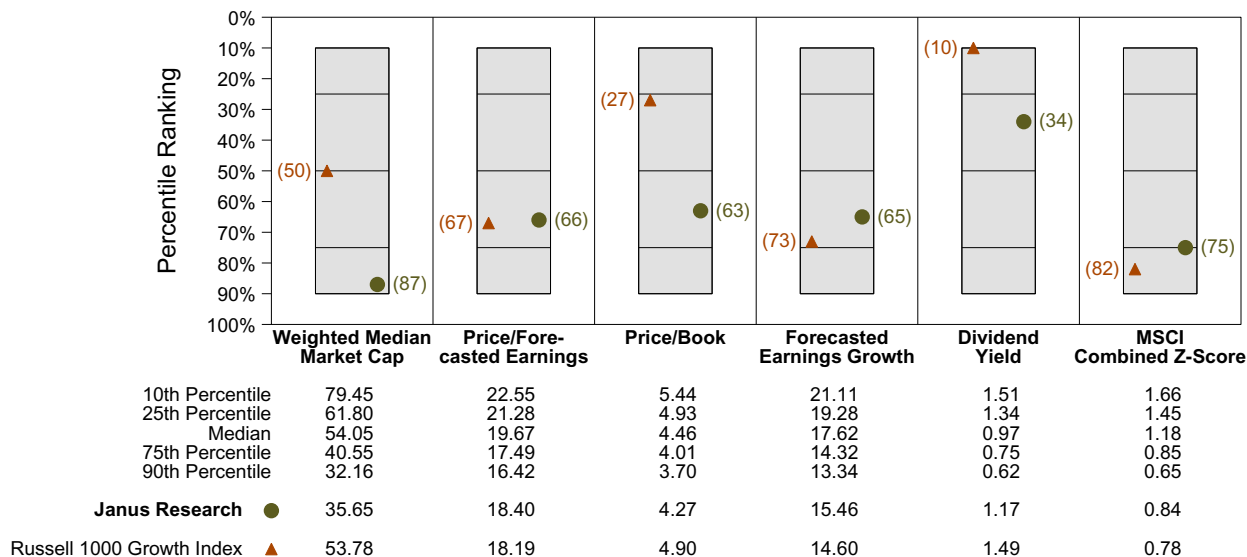


## Janus Research Equity Characteristics Analysis Summary

### Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

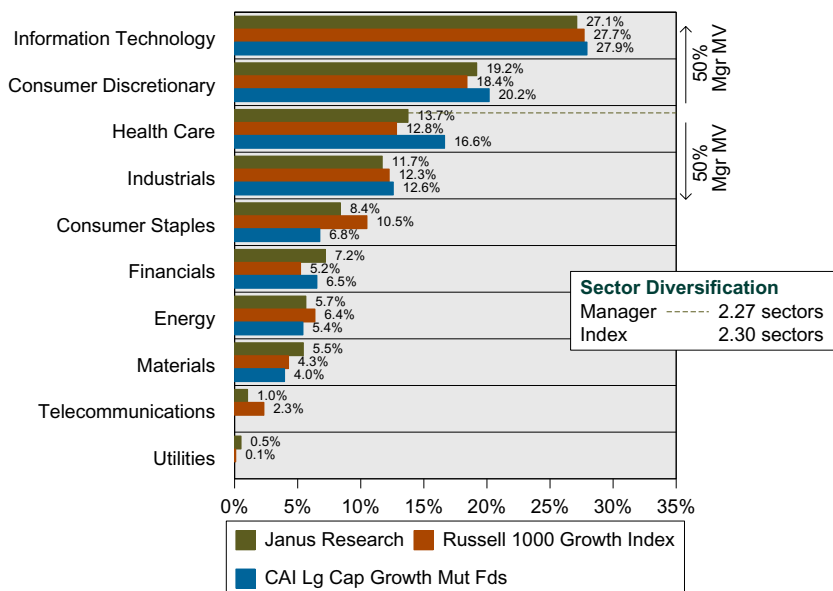
### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Large Cap Growth Style as of June 30, 2014



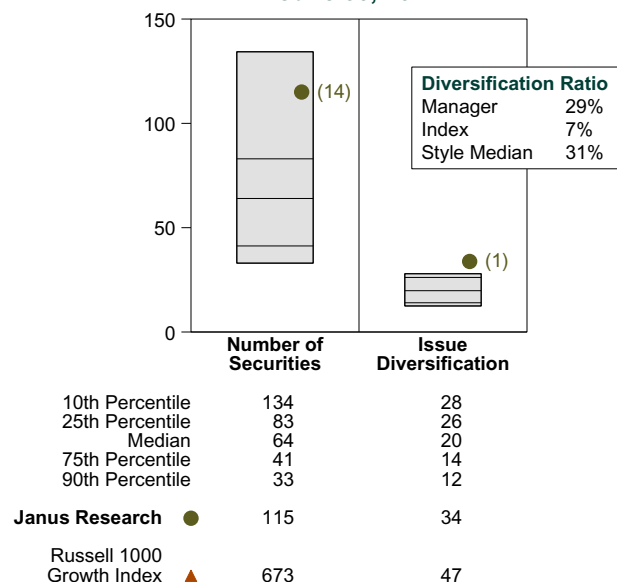
### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

### Sector Allocation June 30, 2014



### Diversification June 30, 2014



## Fidelity Low Priced Stock Period Ended June 30, 2014

### Investment Philosophy

The Low Priced Stock team believes that many low priced, non-glamour, small companies are mispriced, providing opportunities, and seeks capital appreciation by investing mostly in common and preferred domestic stocks, but also international equities, convertible securities, and other fixed income securities.

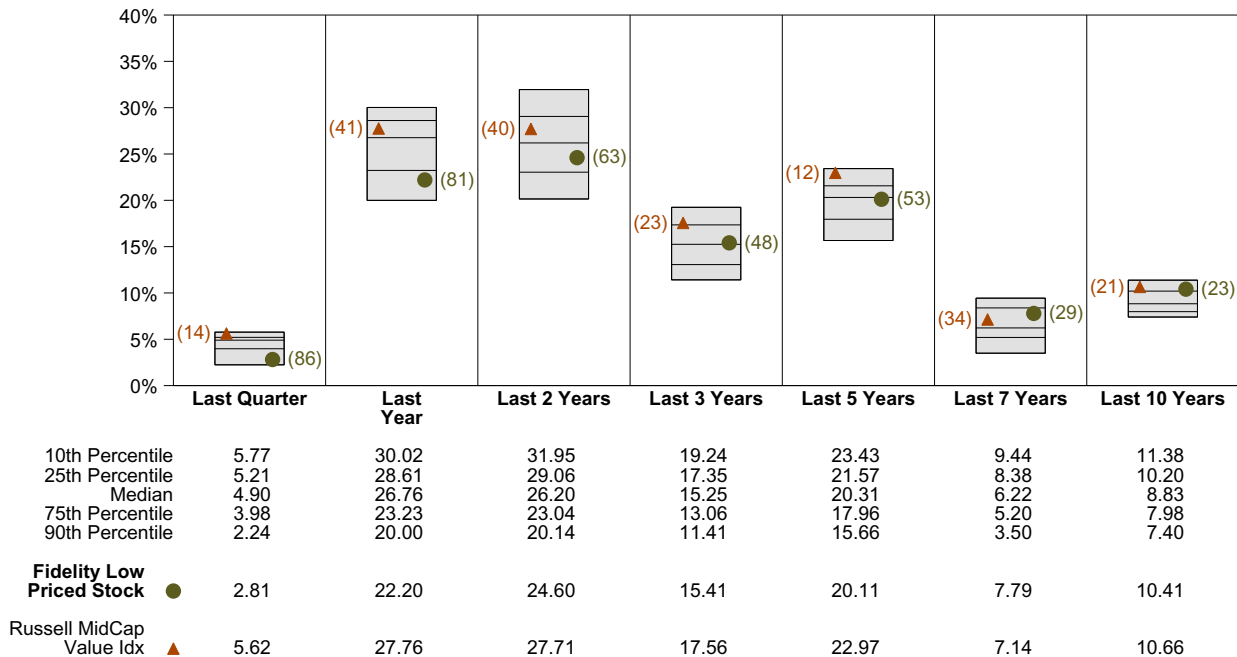
### Quarterly Summary and Highlights

- Fidelity Low Priced Stock's portfolio posted a 2.81% return for the quarter placing it in the 86 percentile of the CAI MF - Mid Cap Value Style group for the quarter and in the 81 percentile for the last year.
- Fidelity Low Priced Stock's portfolio underperformed the Russell MidCap Value Idx by 2.81% for the quarter and underperformed the Russell MidCap Value Idx for the year by 5.56%.

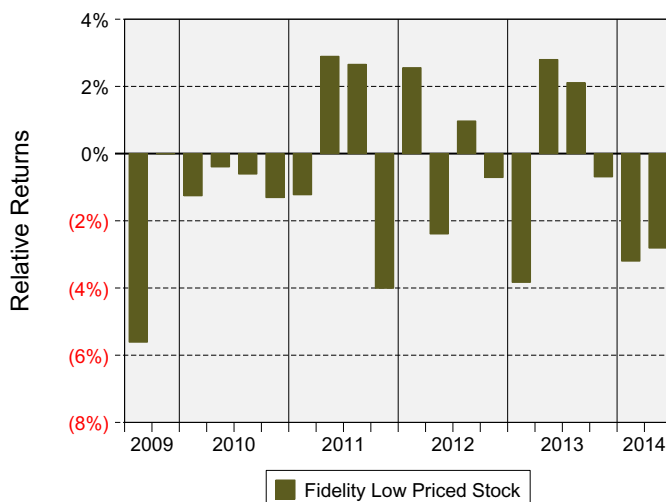
### Quarterly Asset Growth

Beginning Market Value	\$4,760,279
Net New Investment	\$0
Investment Gains/(Losses)	\$133,960
Ending Market Value	\$4,894,239

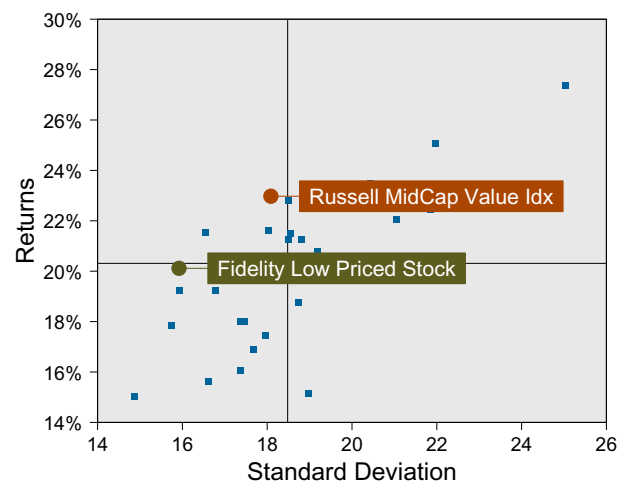
### Performance vs CAI MF - Mid Cap Value Style (Net)



### Relative Return vs Russell MidCap Value Idx



### CAI MF - Mid Cap Value Style (Net) Annualized Five Year Risk vs Return

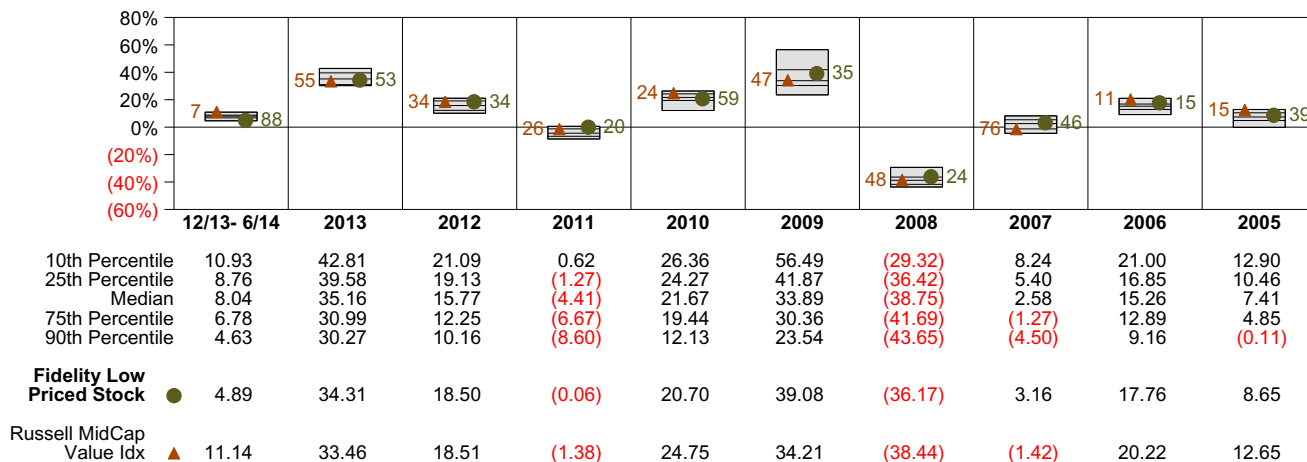


## Fidelity Low Priced Stock Return Analysis Summary

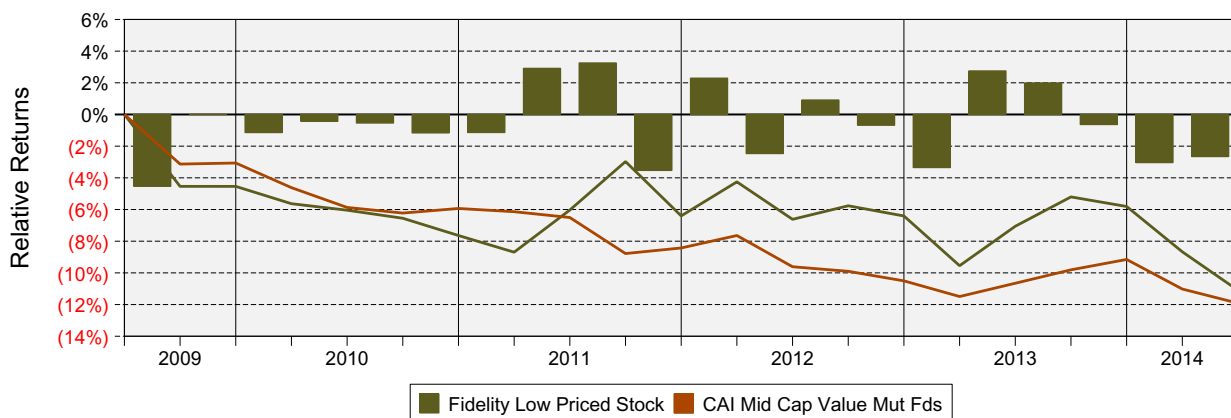
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

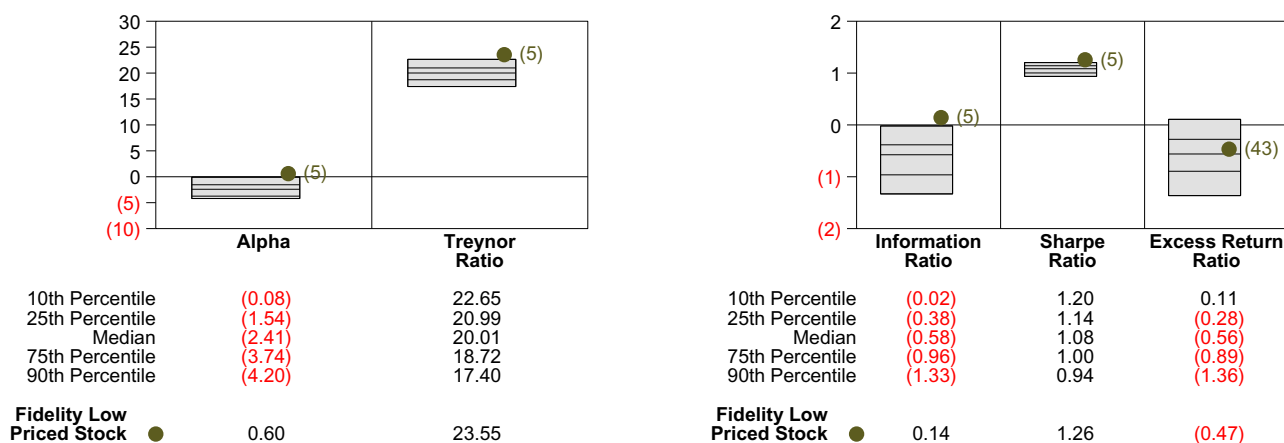
### Performance vs CAI MF - Mid Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



### Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI MF - Mid Cap Value Style (Net) Five Years Ended June 30, 2014

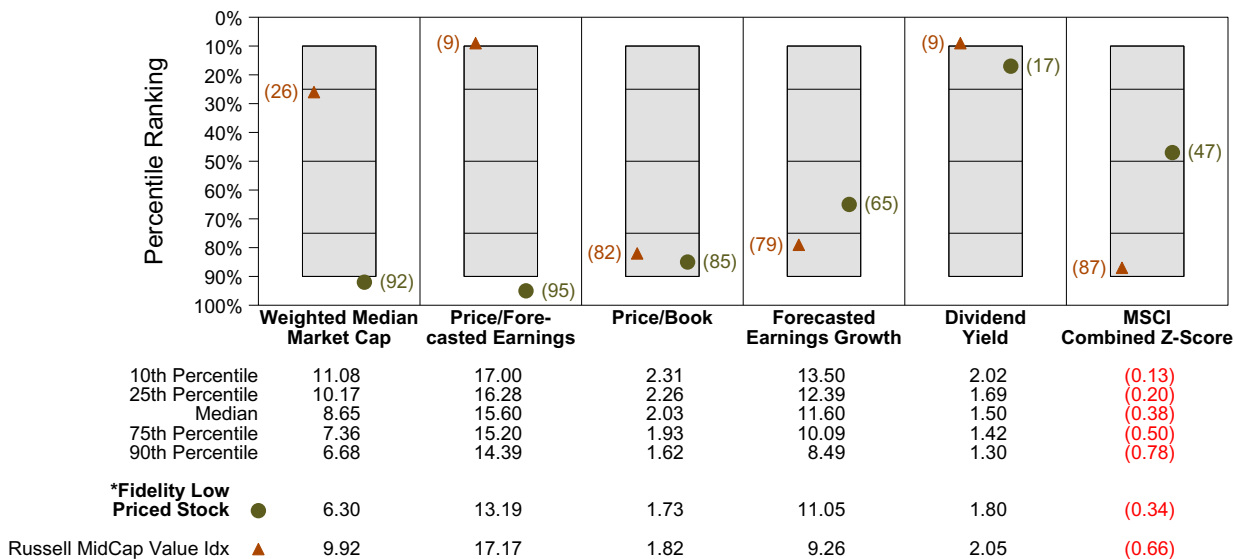


## Fidelity Low Priced Stock Equity Characteristics Analysis Summary

### Portfolio Characteristics

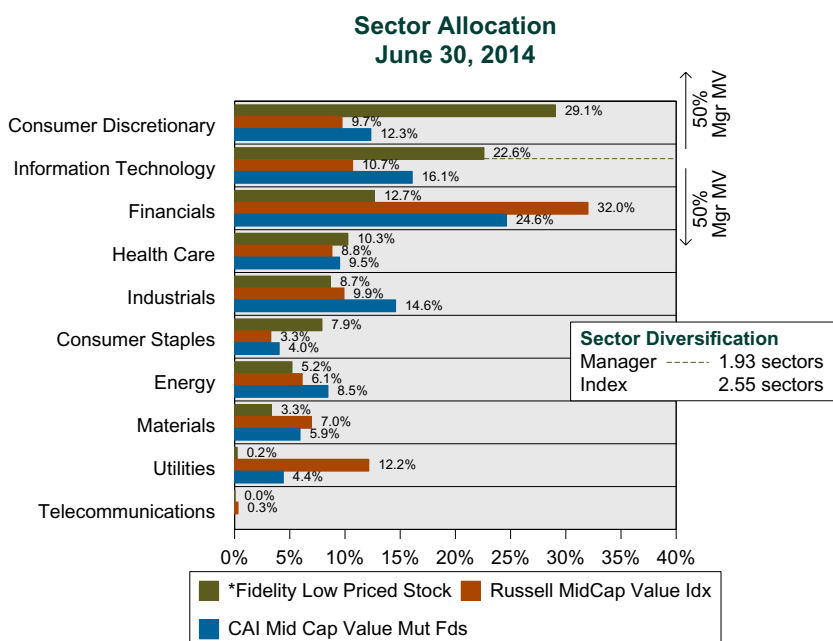
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Value Style as of June 30, 2014

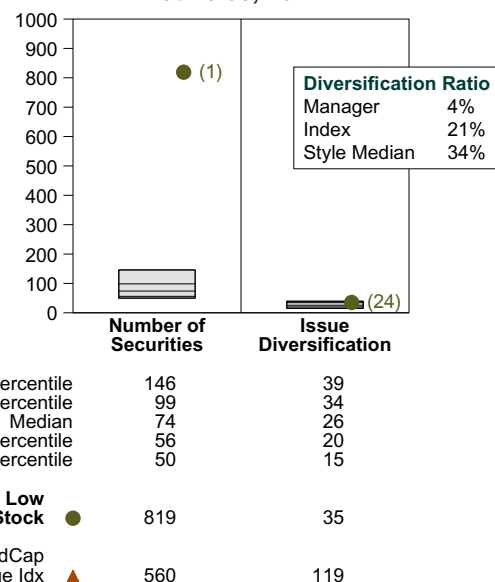


### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



### Diversification June 30, 2014



\*6/30/14 portfolio characteristics generated using most recently available holdings (4/30/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Royce Total Return Period Ended June 30, 2014

### Investment Philosophy

The Royce Total Return Fund is managed with a disciplined value approach. The Fund's investment objectives are long-term growth and current income. Royce invests the Fund's assets primarily in dividend-paying small- and micro-cap companies. Switched from Investment Class Shares to Institutional Class Shares in December 2009.

### Quarterly Summary and Highlights

- Royce Total Return's portfolio posted a 2.17% return for the quarter placing it in the 92 percentile of the CAI MF - Mid Cap Value Style group for the quarter and in the 84 percentile for the last year.
- Royce Total Return's portfolio underperformed the Russell MidCap Value Idx by 3.46% for the quarter and underperformed the Russell MidCap Value Idx for the year by 6.87%.

### Quarterly Asset Growth

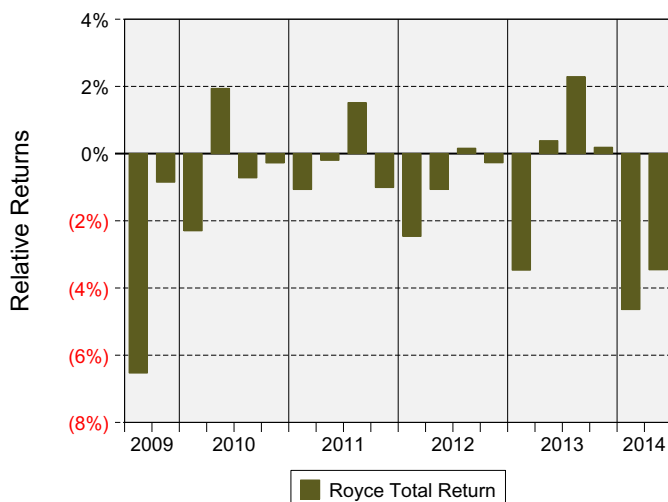
Beginning Market Value	\$4,715,710
Net New Investment	\$0
Investment Gains/(Losses)	\$102,224
Ending Market Value	\$4,817,934

### Performance vs CAI MF - Mid Cap Value Style (Net)

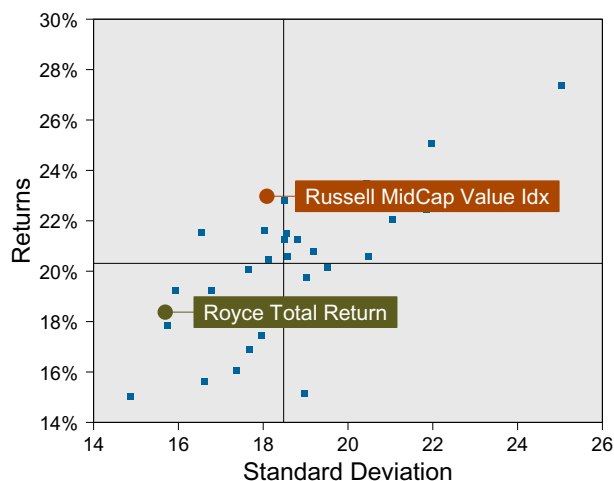


10th Percentile	5.77	30.02	31.95	19.24	23.43	9.44	11.38
25th Percentile	5.21	28.61	29.06	17.35	21.57	8.38	10.20
Median	4.90	26.76	26.20	15.25	20.31	6.22	8.83
75th Percentile	3.98	23.23	23.04	13.06	17.96	5.20	7.98
90th Percentile	2.24	20.00	20.14	11.41	15.66	3.50	7.40
<b>Royce Total Return</b>	<b>2.17</b>	<b>20.89</b>	<b>22.49</b>	<b>13.43</b>	<b>18.38</b>	<b>6.50</b>	<b>8.77</b>
<b>Russell MidCap Value Idx</b>	<b>5.62</b>	<b>27.76</b>	<b>27.71</b>	<b>17.56</b>	<b>22.97</b>	<b>7.14</b>	<b>10.66</b>

### Relative Return vs Russell MidCap Value Idx



### CAI MF - Mid Cap Value Style (Net) Annualized Five Year Risk vs Return

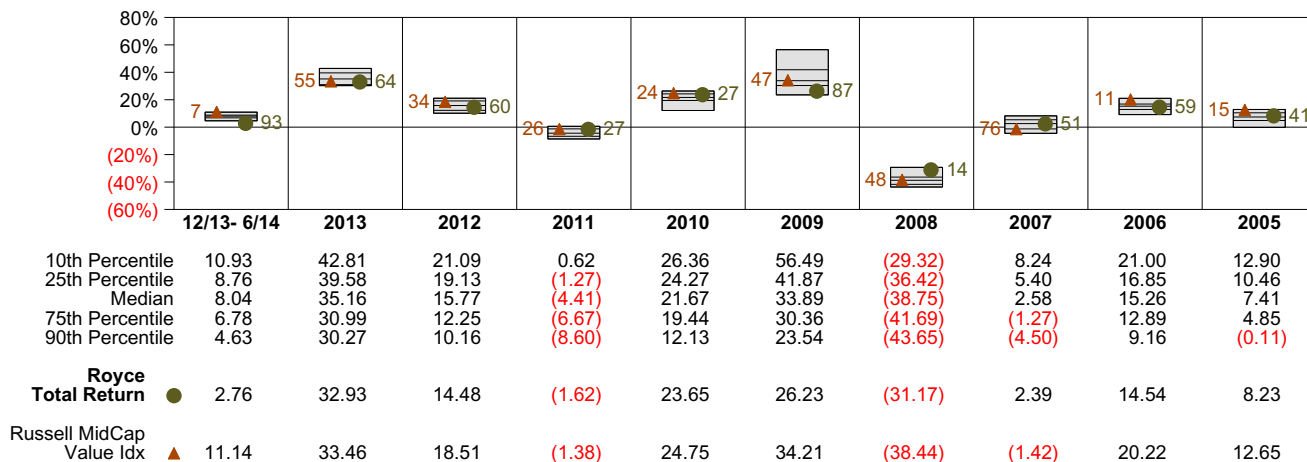


## Royce Total Return Return Analysis Summary

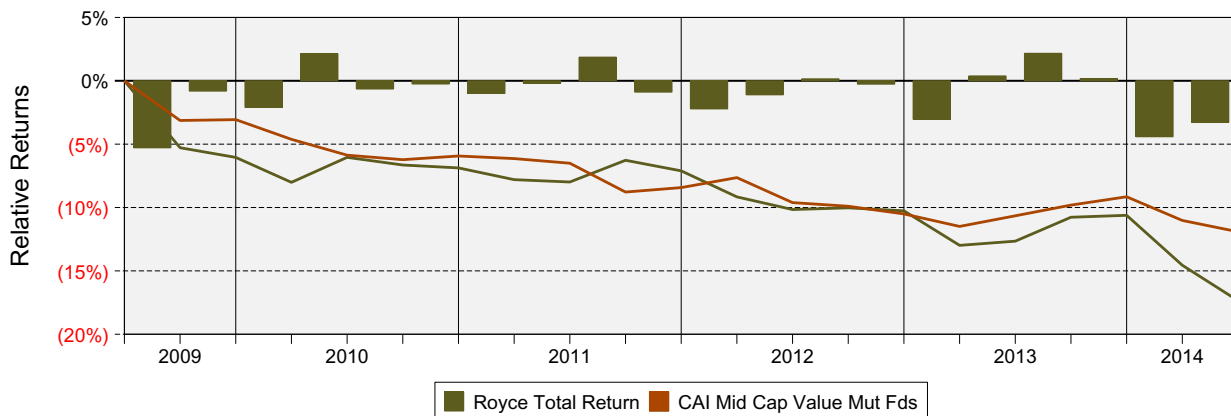
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

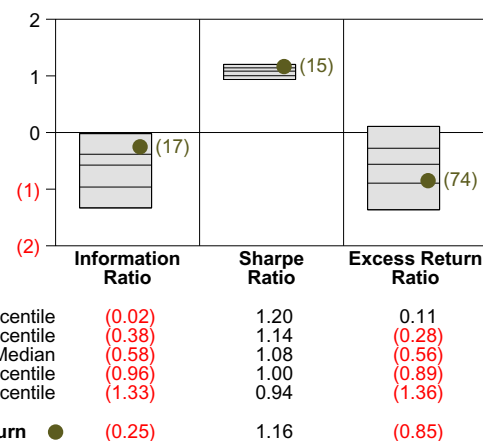
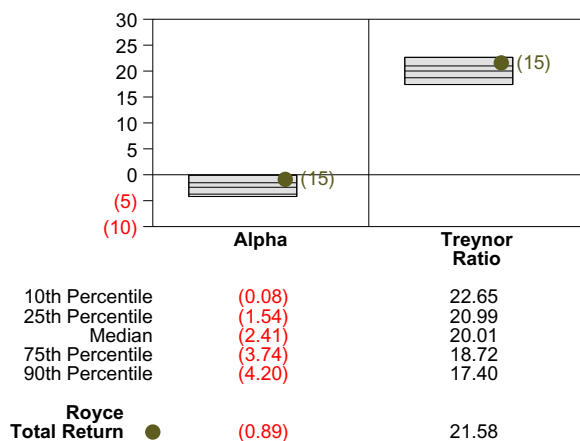
### Performance vs CAI MF - Mid Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



### Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI MF - Mid Cap Value Style (Net) Five Years Ended June 30, 2014

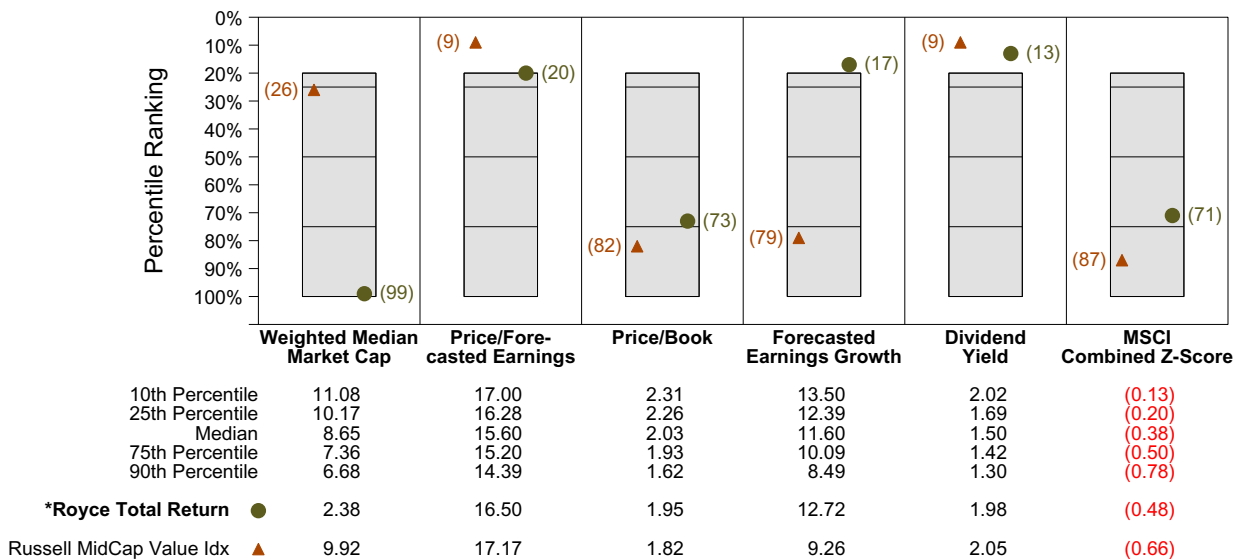


## Royce Total Return Equity Characteristics Analysis Summary

### Portfolio Characteristics

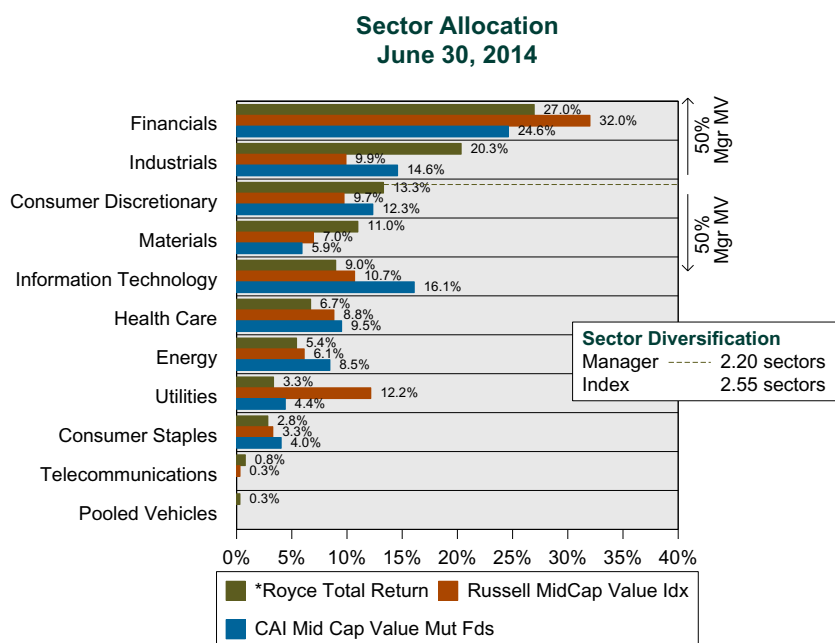
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Value Style as of June 30, 2014

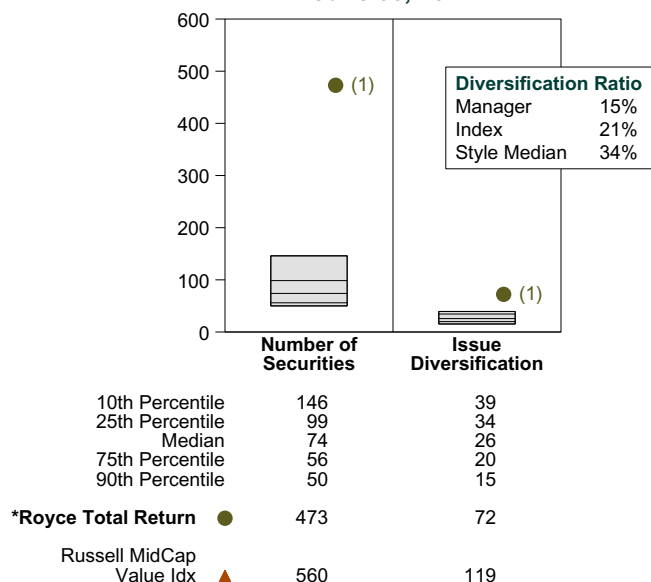


### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



### Diversification June 30, 2014



\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.



## Morgan Stanley Period Ended June 30, 2014

### Investment Philosophy

Morgan Stanley believes that sustainable growth that exceeds market expectations will produce superior investment results. Switched from Class I shares to Class IS shares in February 2014.

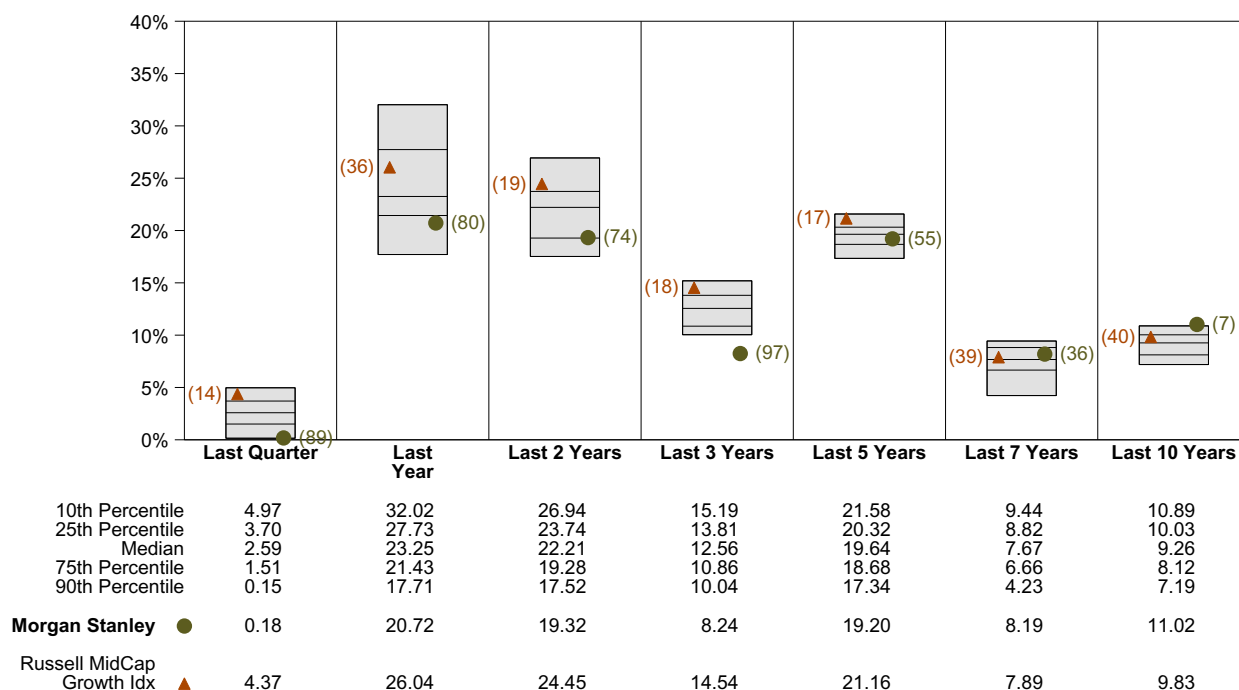
### Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a 0.18% return for the quarter placing it in the 89 percentile of the CAI MF - Mid Cap Growth Style group for the quarter and in the 80 percentile for the last year.
- Morgan Stanley's portfolio underperformed the Russell MidCap Growth Idx by 4.20% for the quarter and underperformed the Russell MidCap Growth Idx for the year by 5.32%.

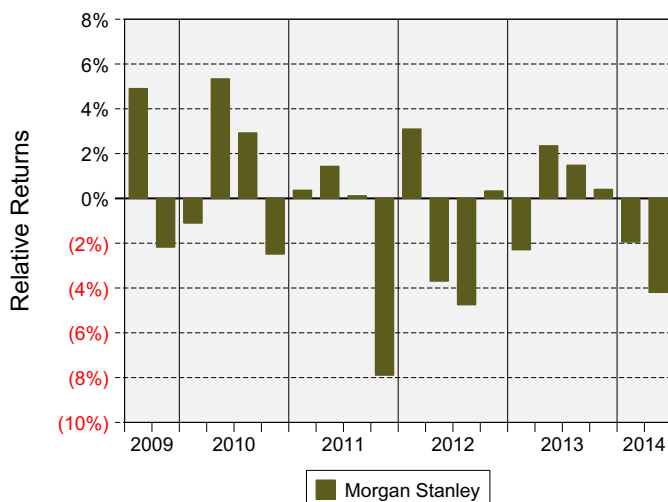
### Quarterly Asset Growth

Beginning Market Value	\$4,769,206
Net New Investment	\$0
Investment Gains/(Losses)	\$8,407
Ending Market Value	\$4,777,613

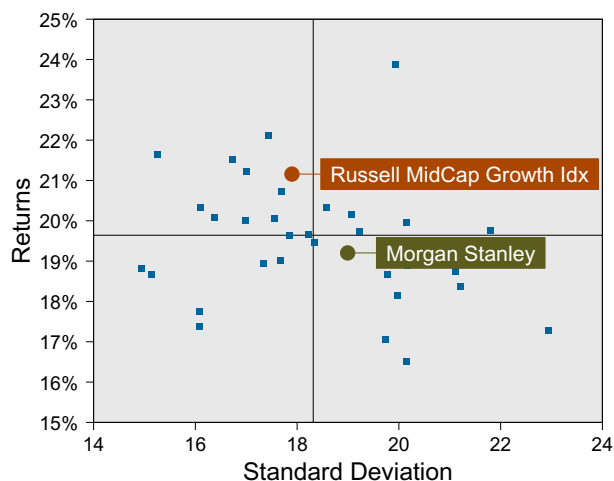
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Relative Return vs Russell MidCap Growth Idx



### CAI MF - Mid Cap Growth Style (Net) Annualized Five Year Risk vs Return

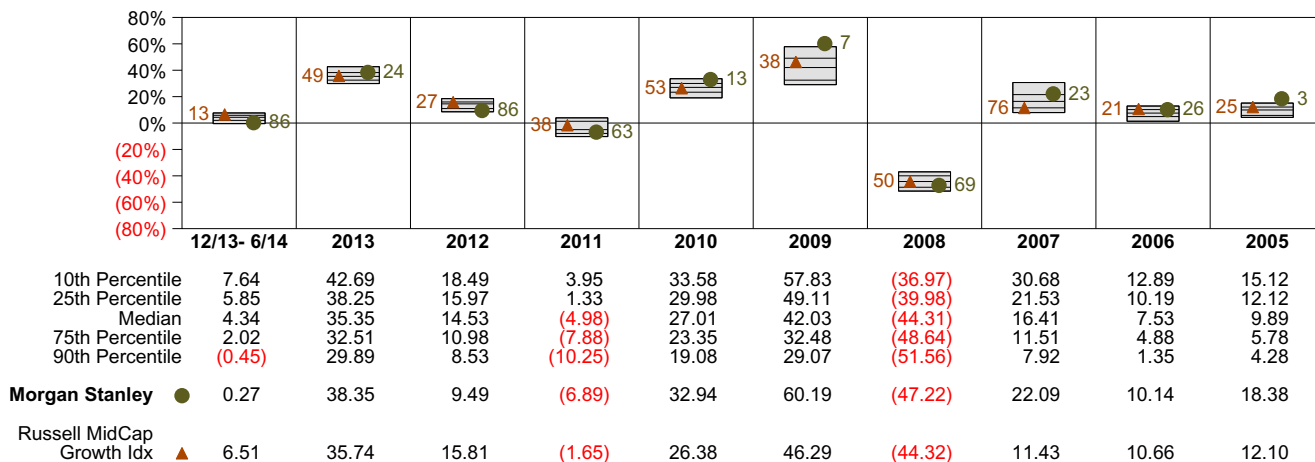


# Morgan Stanley Return Analysis Summary

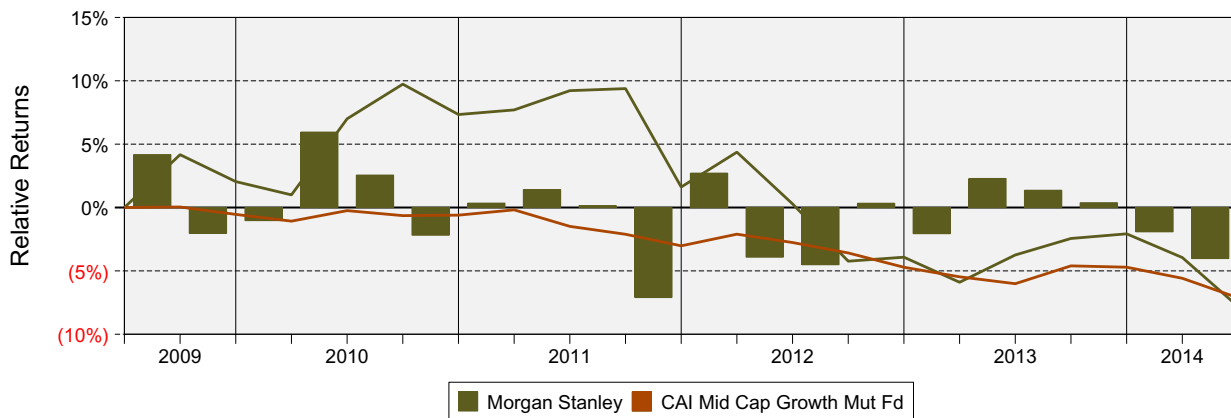
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

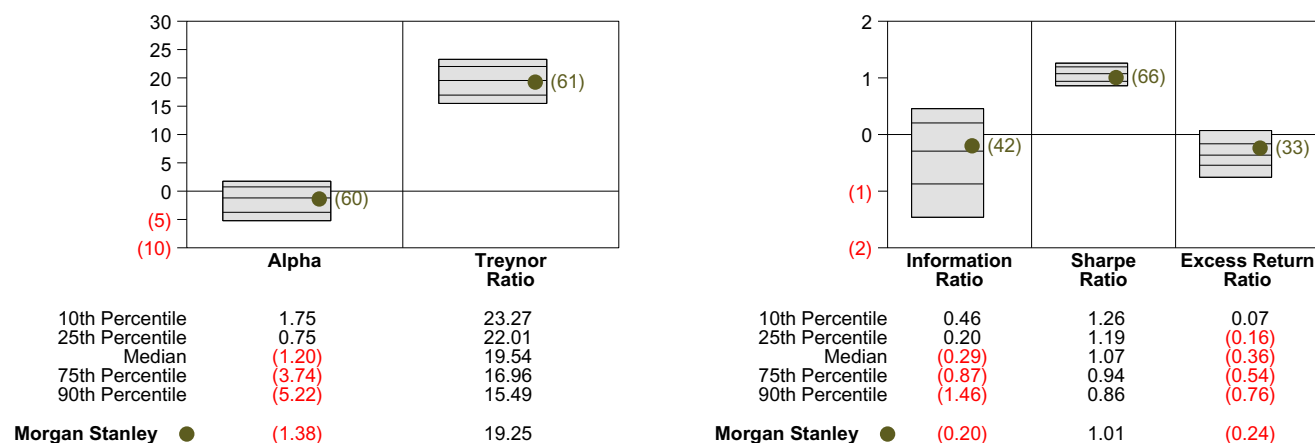
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



### Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI MF - Mid Cap Growth Style (Net) Five Years Ended June 30, 2014

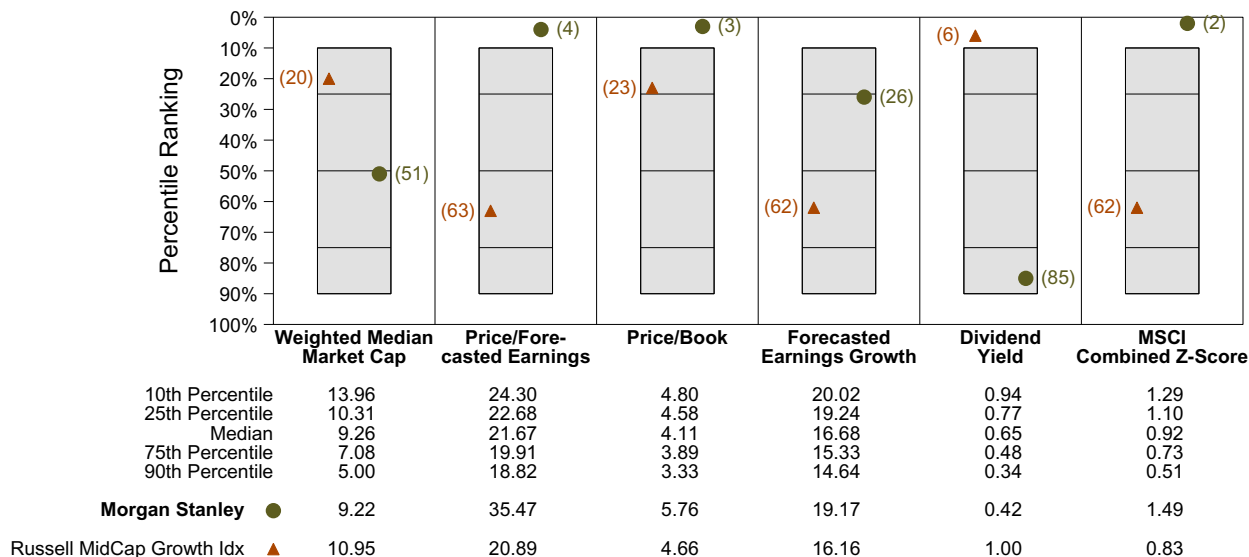


# Morgan Stanley Equity Characteristics Analysis Summary

## Portfolio Characteristics

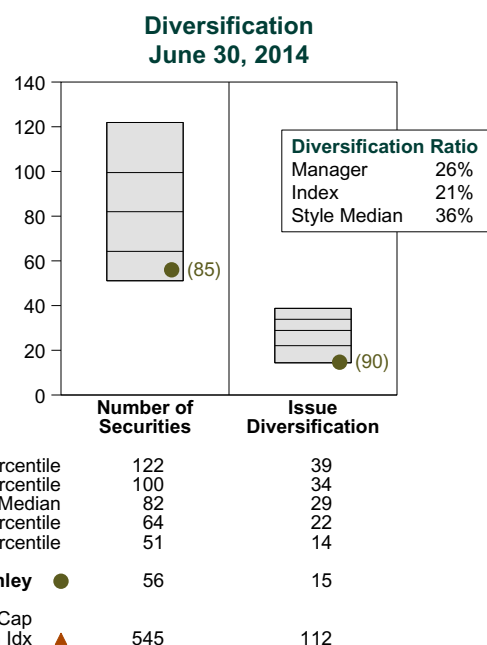
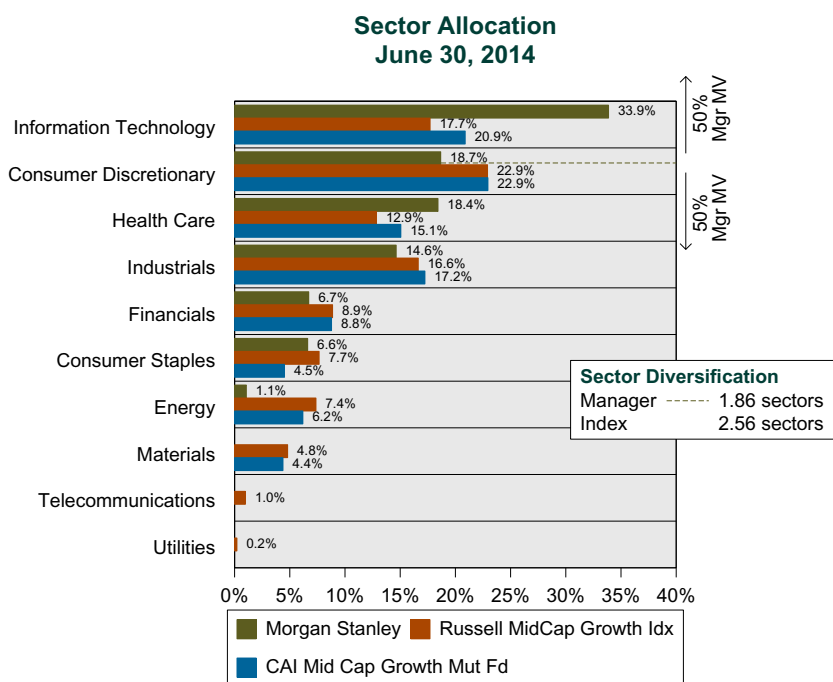
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Growth Style as of June 30, 2014



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



## Janus Enterprise Period Ended June 30, 2014

### Investment Philosophy

Janus believes that investing in companies with sustainable growth and high return on invested capital can drive consistent returns with moderate risk. The team seeks to identify mid cap companies with high quality management teams that wisely allocate capital to drive growth over time. Switched from Class T Shares to Class I Shares in December 2009.

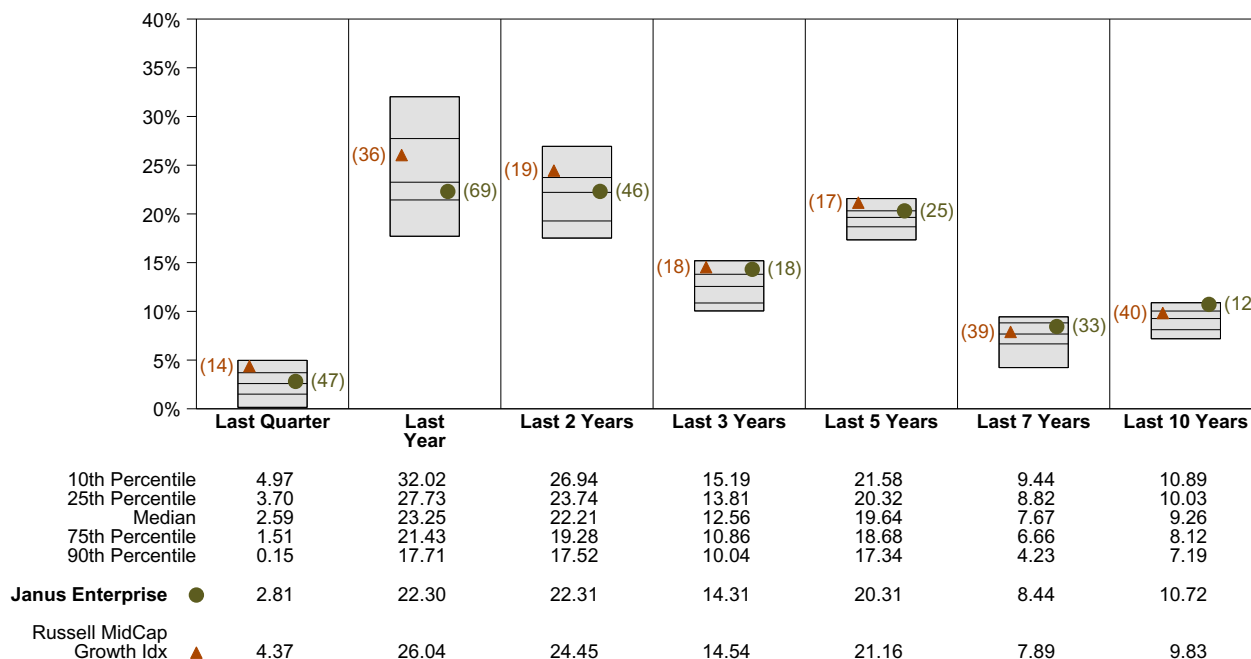
### Quarterly Summary and Highlights

- Janus Enterprise's portfolio posted a 2.81% return for the quarter placing it in the 47 percentile of the CAI MF - Mid Cap Growth Style group for the quarter and in the 69 percentile for the last year.
- Janus Enterprise's portfolio underperformed the Russell MidCap Growth Idx by 1.56% for the quarter and underperformed the Russell MidCap Growth Idx for the year by 3.74%.

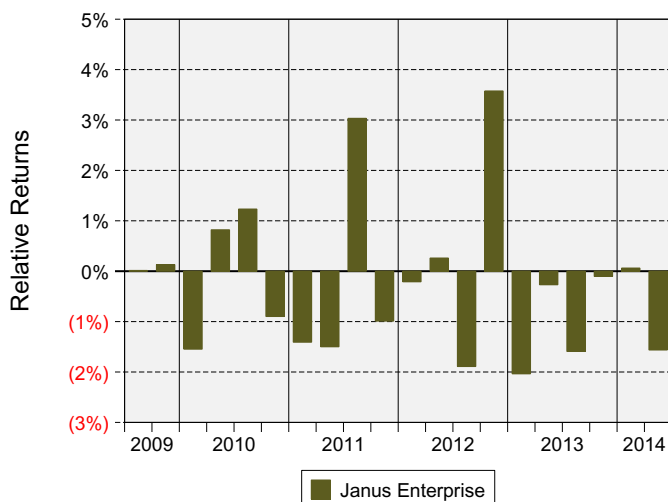
### Quarterly Asset Growth

Beginning Market Value	\$4,628,187
Net New Investment	\$0
Investment Gains/(Losses)	\$130,123
Ending Market Value	\$4,758,310

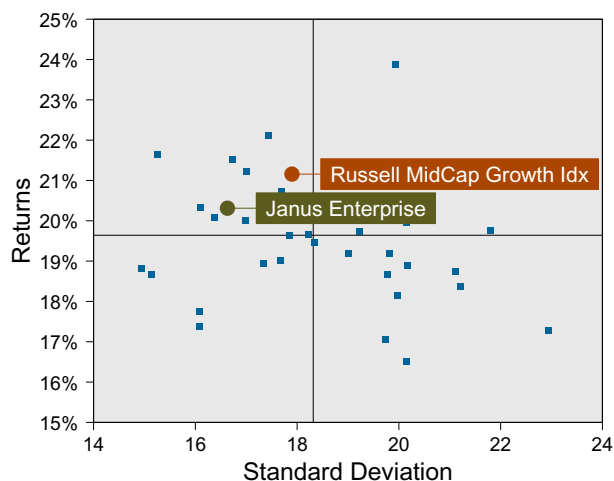
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Relative Return vs Russell MidCap Growth Idx



### CAI MF - Mid Cap Growth Style (Net) Annualized Five Year Risk vs Return

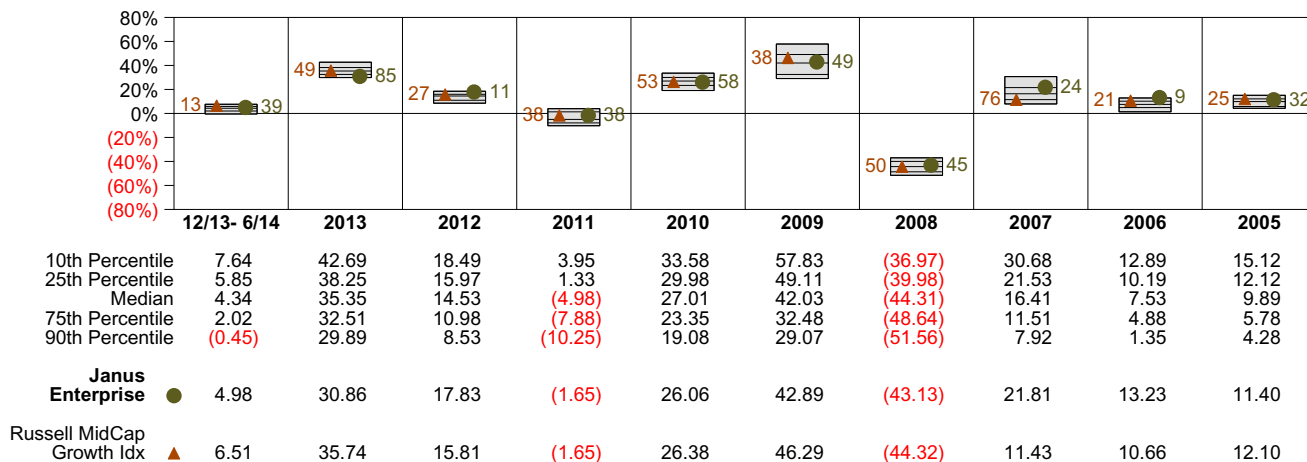


# Janus Enterprise Return Analysis Summary

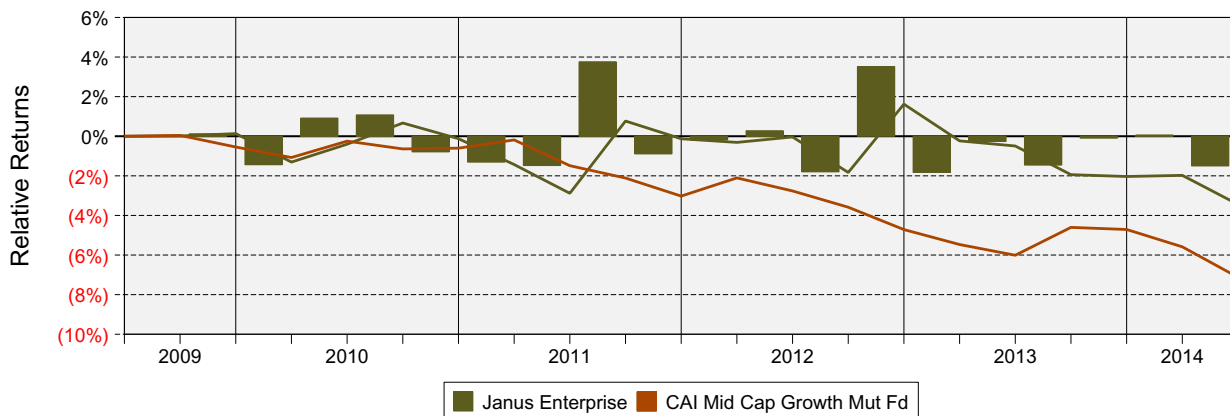
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

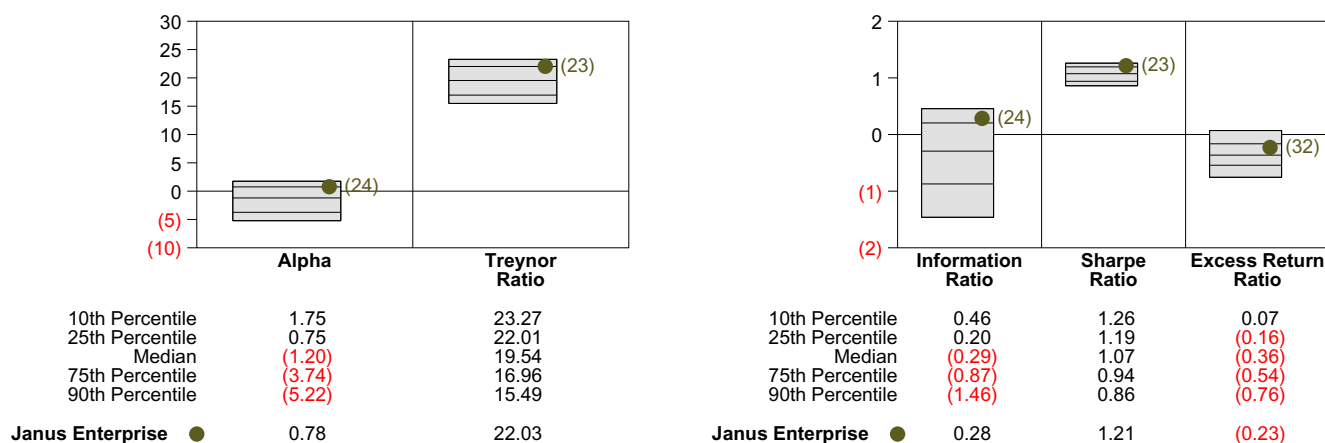
### Performance vs CAI MF - Mid Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



### Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI MF - Mid Cap Growth Style (Net) Five Years Ended June 30, 2014

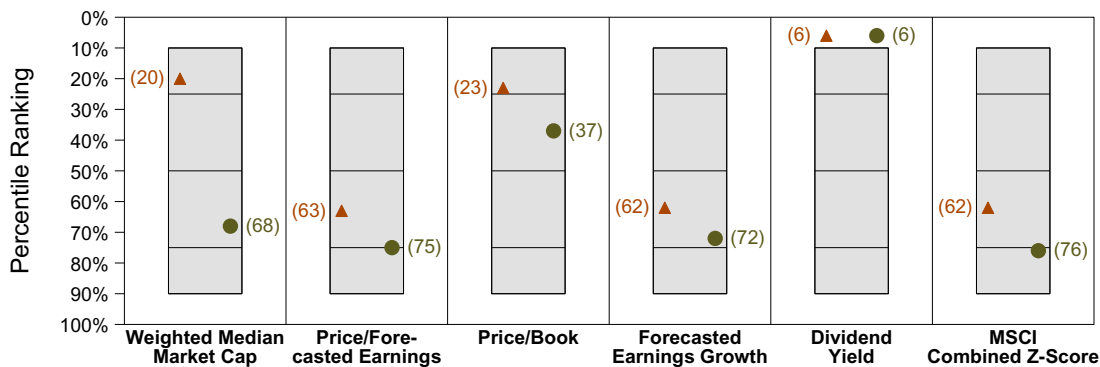


# Janus Enterprise Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Mid Cap Growth Style as of June 30, 2014

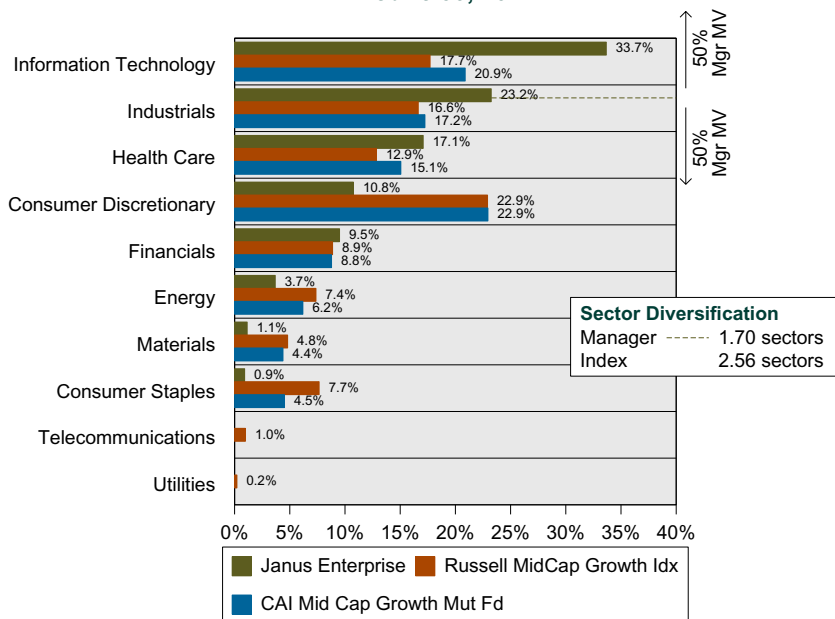


10th Percentile	13.96	24.30	4.80	20.02	0.94	1.29
25th Percentile	10.31	22.68	4.58	19.24	0.77	1.10
Median	9.26	21.67	4.11	16.68	0.65	0.92
75th Percentile	7.08	19.91	3.89	15.33	0.48	0.73
90th Percentile	5.00	18.82	3.33	14.64	0.34	0.51
<b>Janus Enterprise</b>	8.10	19.88	4.27	15.49	1.00	0.69
<b>Russell MidCap Growth Idx</b>	10.95	20.89	4.66	16.16	1.00	0.83

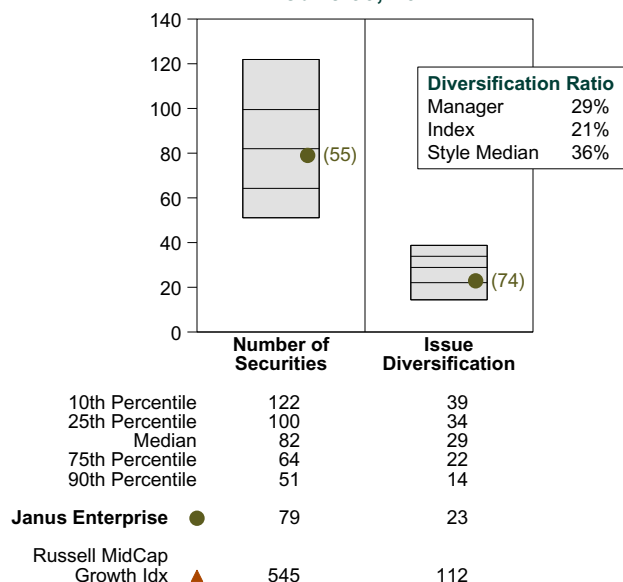
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

### Sector Allocation June 30, 2014



### Diversification June 30, 2014



## Prudential Small Cap Value Period Ended June 30, 2014

### Investment Philosophy

Effective March 31, 2014 the fund is managed by six sub-advisors: Vaughan Nelson (22%), NFJ (20%), Sterling Capital (19%), Earnest Partners (18%), Lee Munder (12%), and J.P. Morgan (9%).

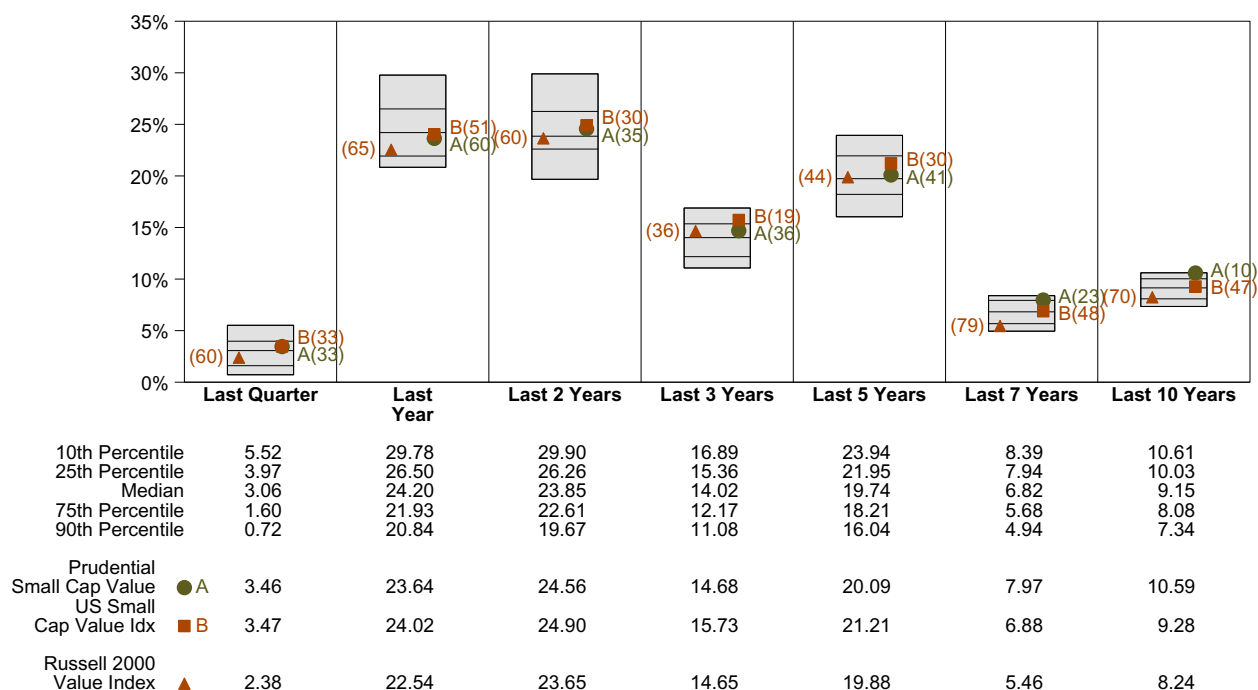
### Quarterly Summary and Highlights

- Prudential Small Cap Value's portfolio posted a 3.46% return for the quarter placing it in the 33rd percentile of the CAI MF - Small Cap Value Style group for the quarter and in the 60th percentile for the last year.
- Prudential Small Cap Value's portfolio outperformed the Russell 2000 Value Index by 1.07% for the quarter and outperformed the Russell 2000 Value Index for the year by 1.10%.

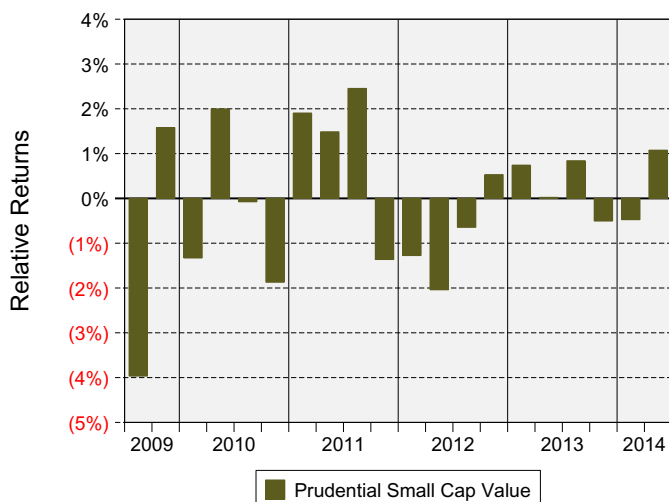
### Quarterly Asset Growth

Beginning Market Value	\$12,177,948
Net New Investment	\$0
Investment Gains/(Losses)	\$421,010
Ending Market Value	\$12,598,958

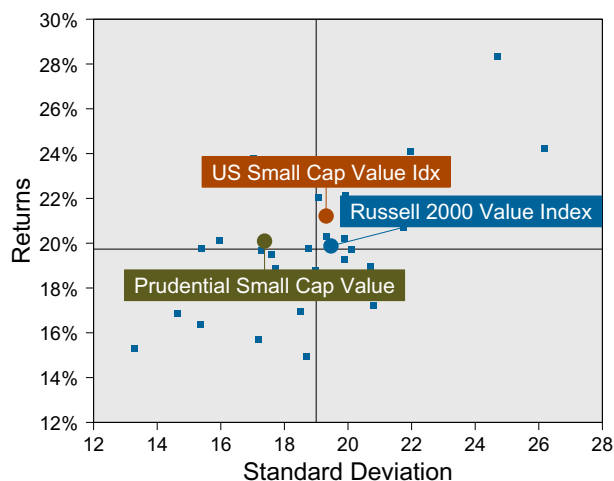
### Performance vs CAI MF - Small Cap Value Style (Net)



### Relative Return vs Russell 2000 Value Index



### CAI MF - Small Cap Value Style (Net) Annualized Five Year Risk vs Return

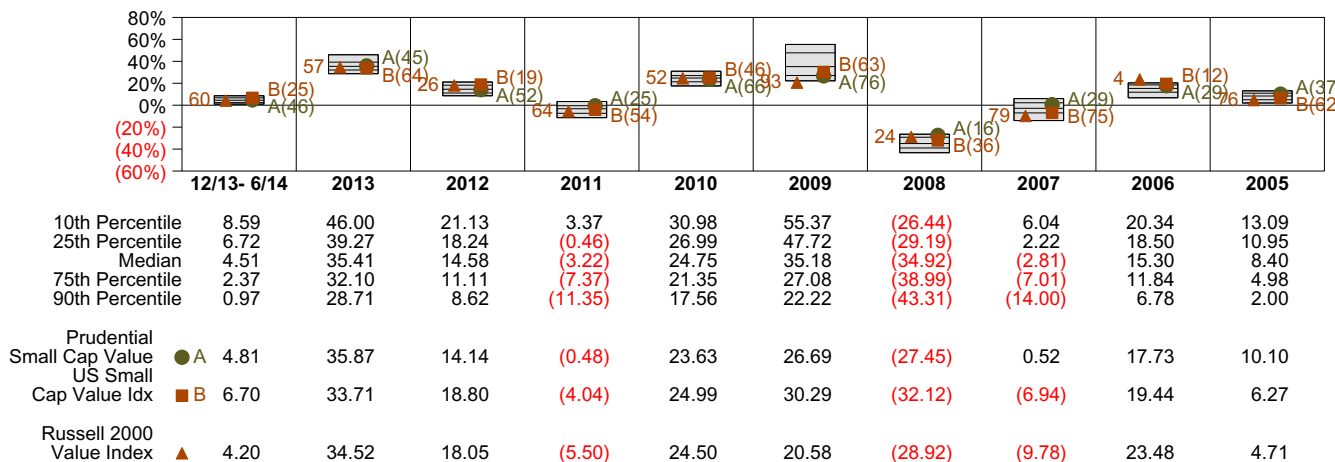


## Prudential Small Cap Value Return Analysis Summary

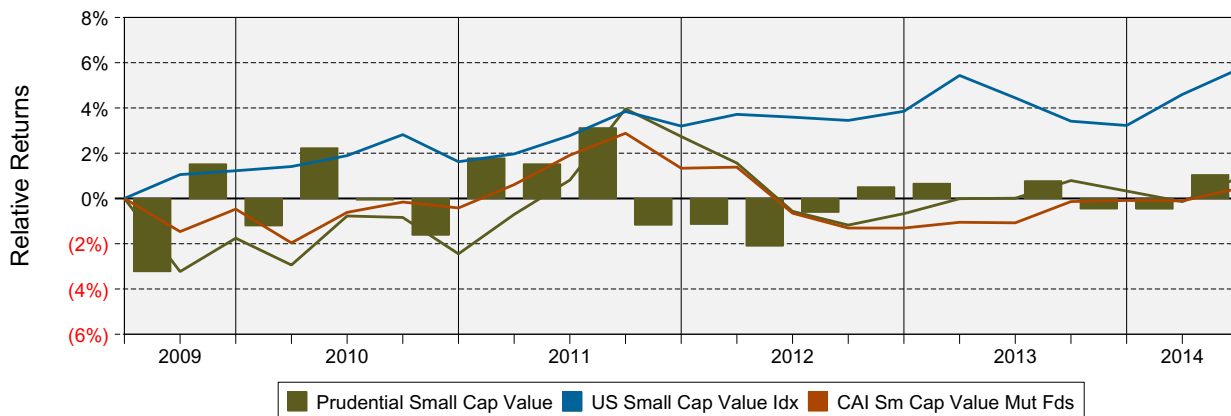
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

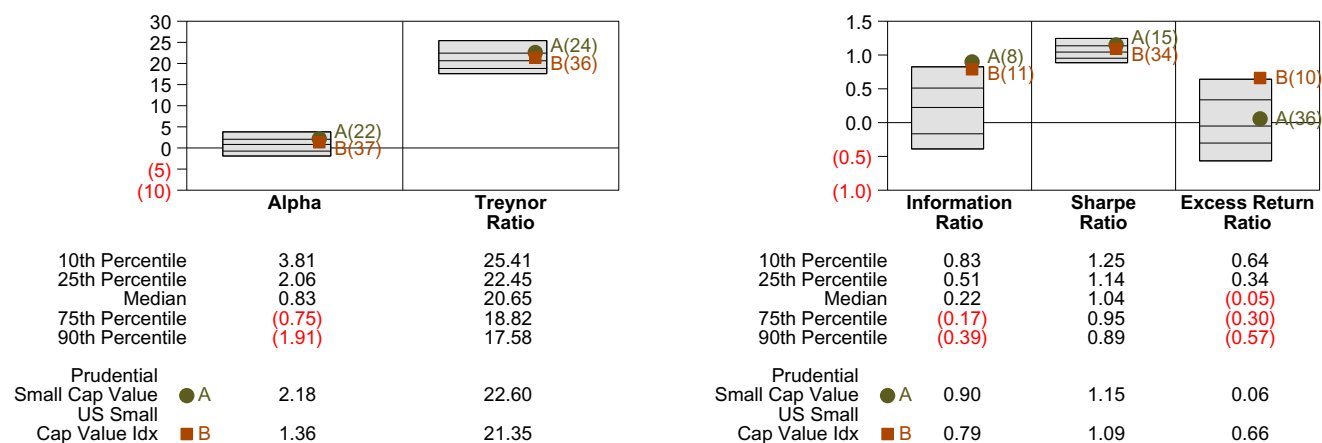
### Performance vs CAI MF - Small Cap Value Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



### Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against CAI MF - Small Cap Value Style (Net) Five Years Ended June 30, 2014



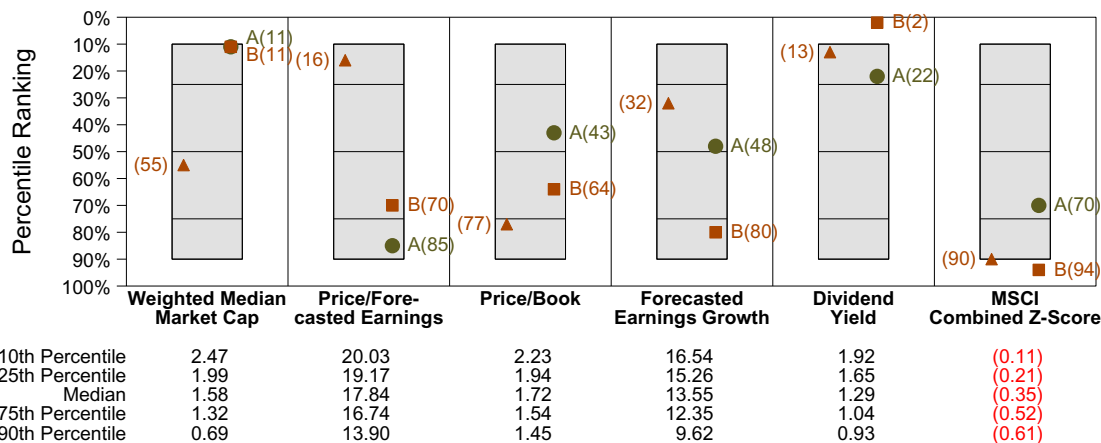


## Prudential Small Cap Value Equity Characteristics Analysis Summary

### Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Small Cap Value Style as of June 30, 2014

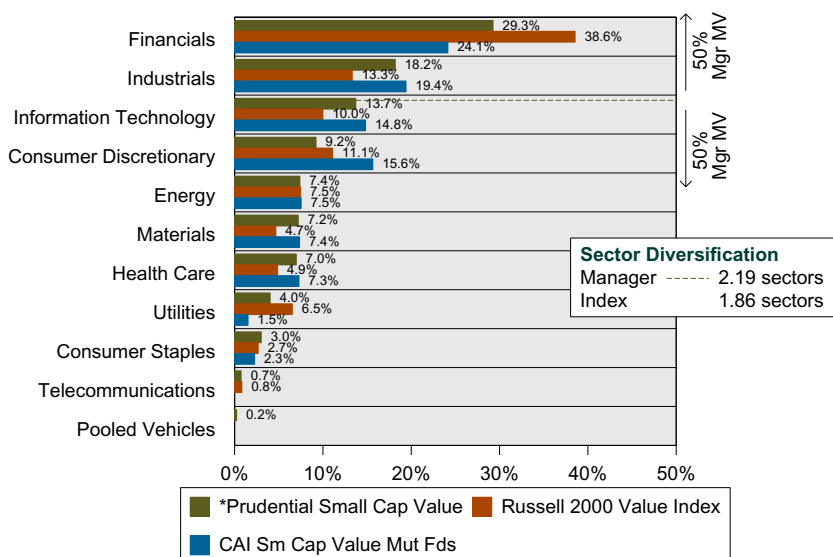


*Prudential Small Cap Value US Small Cap Value Idx	● A	2.39	15.44	1.80	13.63	1.70	(0.49)
Russell 2000 Value Index	▲ B	2.43	16.91	1.66	10.69	2.23	(0.73)
							(0.61)

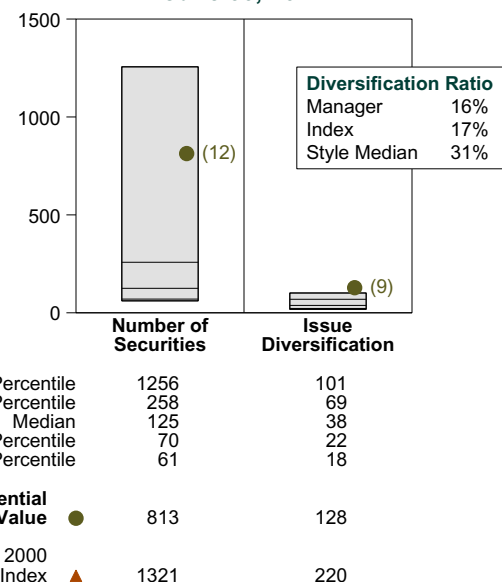
### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

#### Sector Allocation June 30, 2014



#### Diversification June 30, 2014



*Prudential Small Cap Value	● A	813	128
Russell 2000 Value Index	▲ B	1321	220

\*6/30/14 portfolio characteristics generated using most recently available holdings (5/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Alliance US Small Growth Period Ended June 30, 2014

### Investment Philosophy

AllianceBernstein's small cap growth investment process emphasizes in-house fundamental research and direct management contact in order to identify rapidly growing companies with accelerating earnings power and reasonable valuations. AllianceBernstein's management fee is 100 bps on all assets.

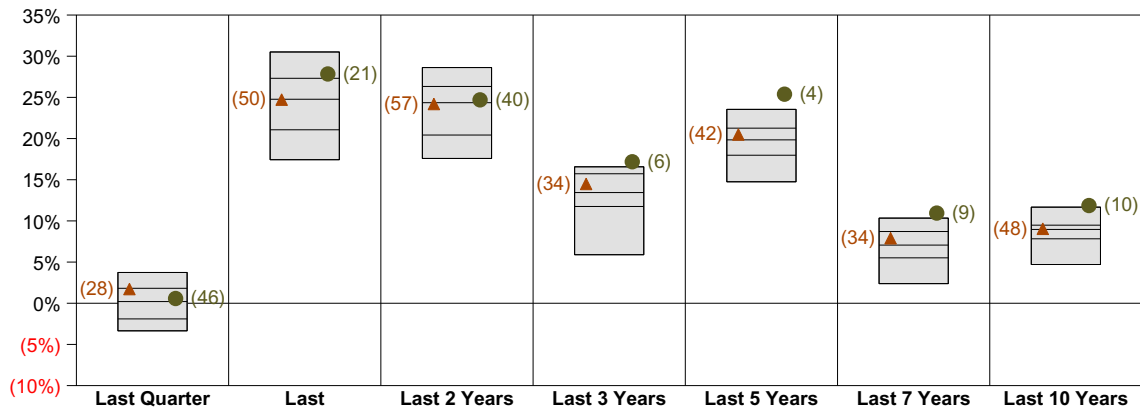
### Quarterly Summary and Highlights

- Alliance US Small Growth's portfolio posted a 0.58% return for the quarter placing it in the 46 percentile of the CAI MF-Small Cap Growth Style group for the quarter and in the 21 percentile for the last year.
- Alliance US Small Growth's portfolio underperformed the Russell 2000 Growth Index by 1.15% for the quarter and outperformed the Russell 2000 Growth Index for the year by 3.12%.

### Quarterly Asset Growth

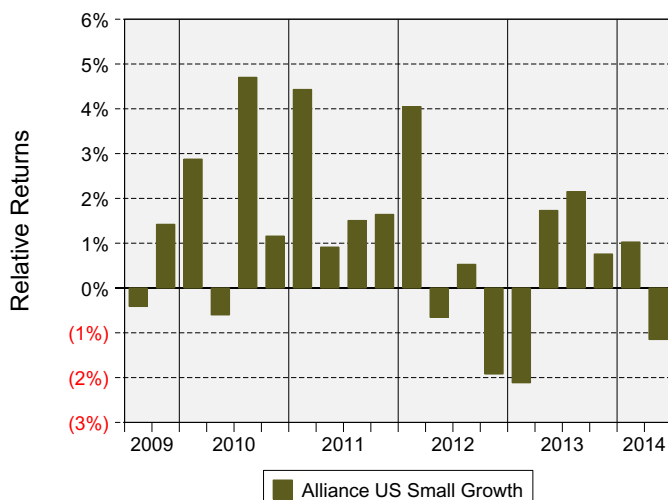
Beginning Market Value	\$6,639,203
Net New Investment	\$15,800
Investment Gains/(Losses)	\$39,531
Ending Market Value	\$6,694,534

### Performance vs CAI MF- Small Cap Growth Style (Net)

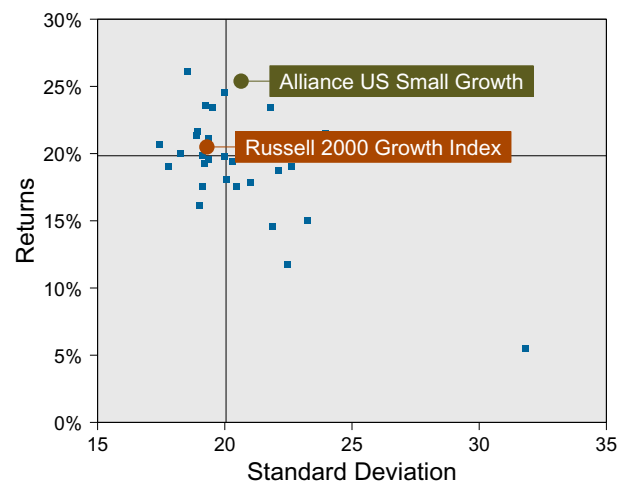


10th Percentile	3.74	30.52	28.62	16.57	23.54	10.34	11.67
25th Percentile	1.82	27.32	26.33	15.73	21.26	8.71	9.48
Median	0.21	24.77	24.36	13.44	19.84	7.06	8.96
75th Percentile	(1.90)	21.06	20.43	11.75	17.98	5.52	7.83
90th Percentile	(3.35)	17.43	17.58	5.89	14.75	2.38	4.71
<b>Alliance US Small Growth</b>	● 0.58	27.84	24.70	17.18	25.39	10.95	11.87
<b>Russell 2000 Growth Index</b>	▲ 1.72	24.73	24.20	14.49	20.50	7.90	9.04

### Relative Return vs Russell 2000 Growth Index



### CAI MF- Small Cap Growth Style (Net) Annualized Five Year Risk vs Return

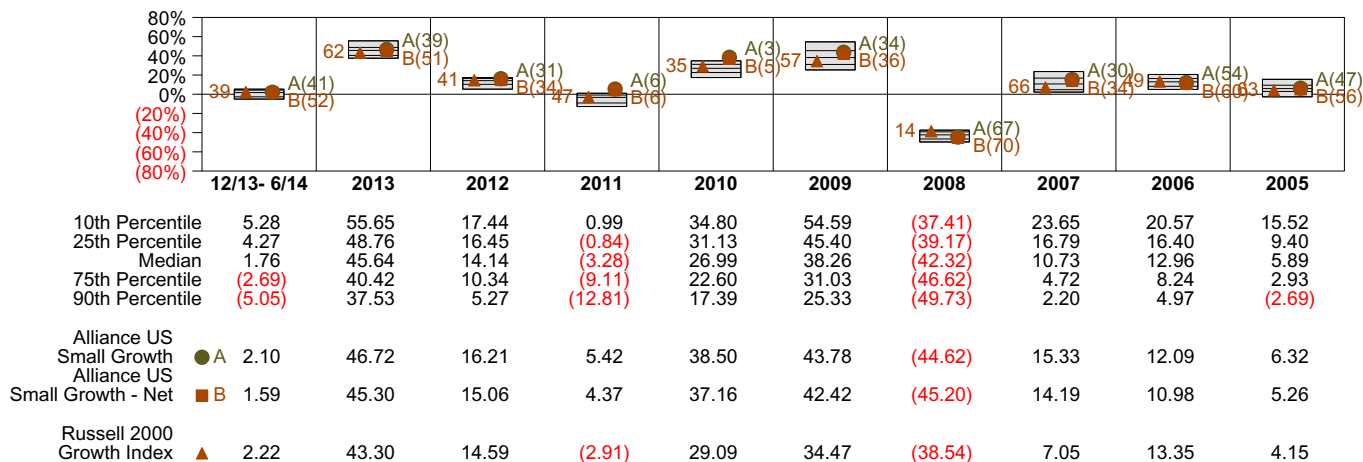


## Alliance US Small Growth Return Analysis Summary

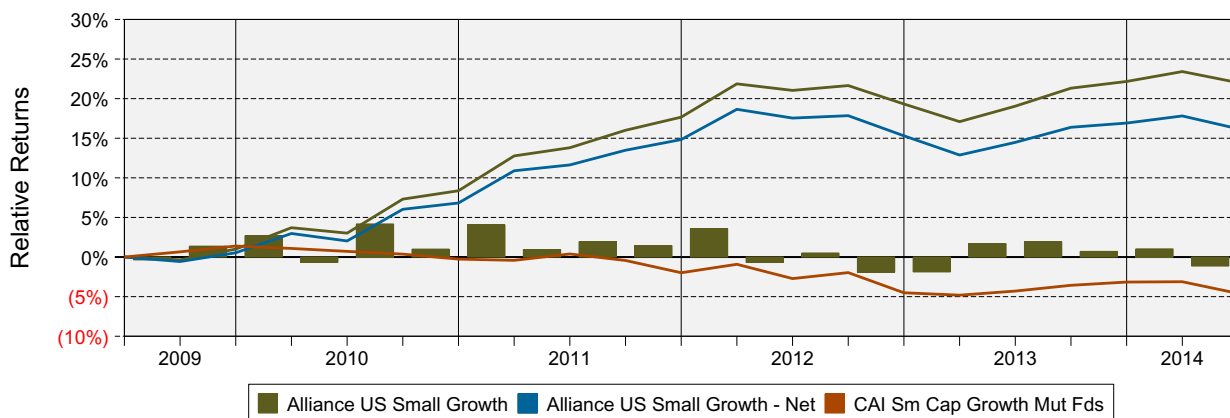
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

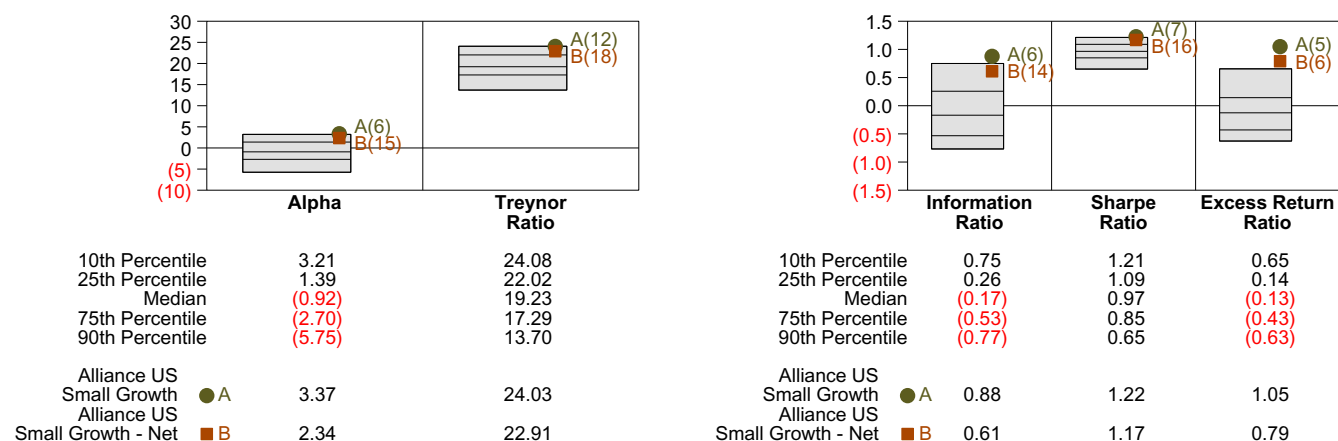
### Performance vs CAI MF- Small Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



### Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI MF- Small Cap Growth Style (Net) Five Years Ended June 30, 2014

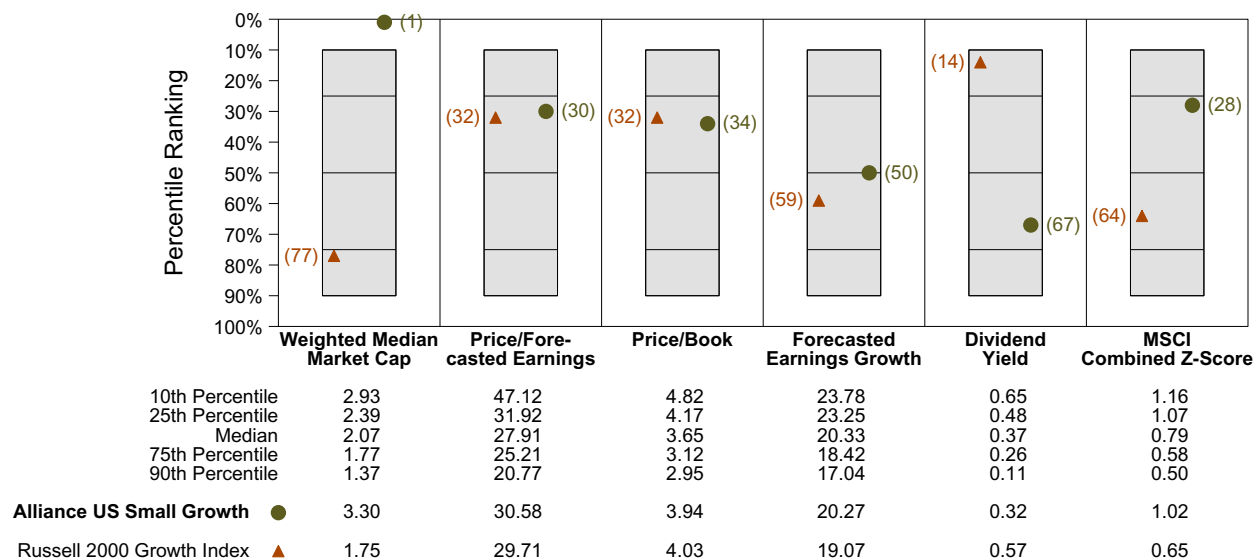


## Alliance US Small Growth Equity Characteristics Analysis Summary

### Portfolio Characteristics

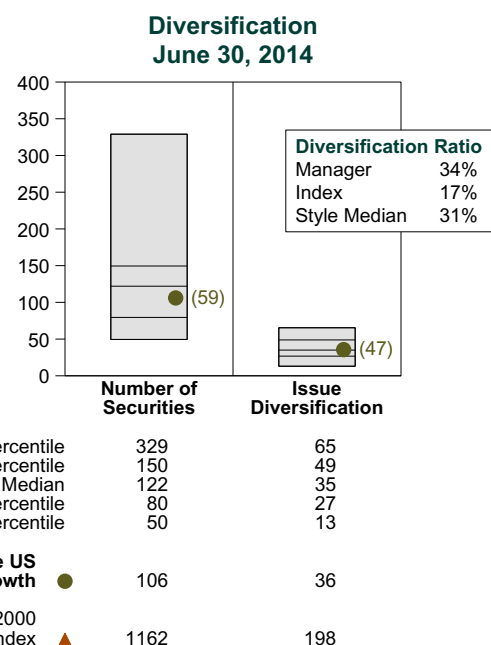
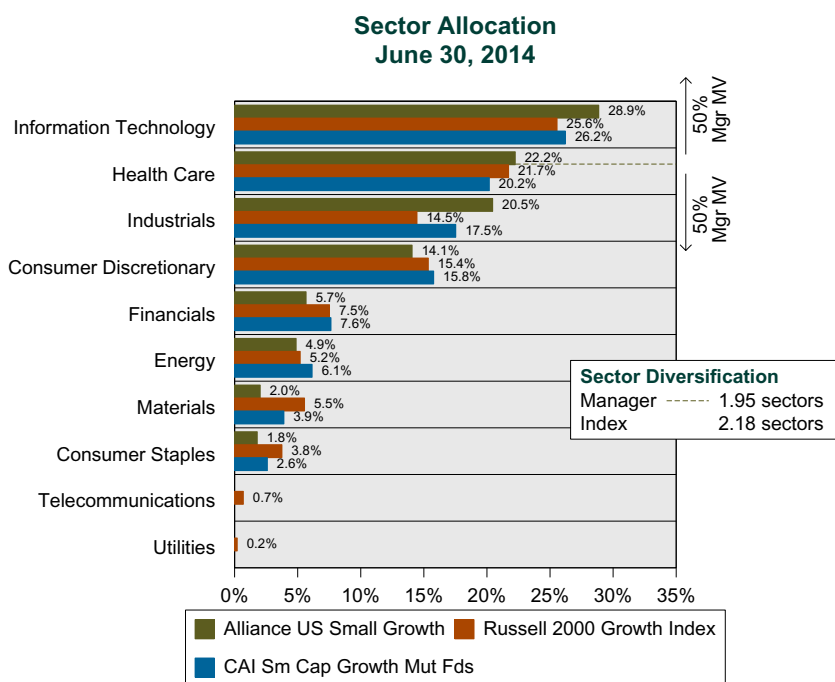
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF- Small Cap Growth Style as of June 30, 2014



### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



## RS Investments Period Ended June 30, 2014

### Investment Philosophy

RS Growth Team's investment philosophy is based upon the belief that long term capital appreciation can be achieved by exploiting opportunities where an information gap exists. They believe that companies with developing or proven competitive advantages and strong fundamentals can be identified early in their growth cycle, through insightful fundamental research performed by experienced analysts and proprietary quantitative tools. Switched from Class A Shares to Class Y Shares in December 2009.

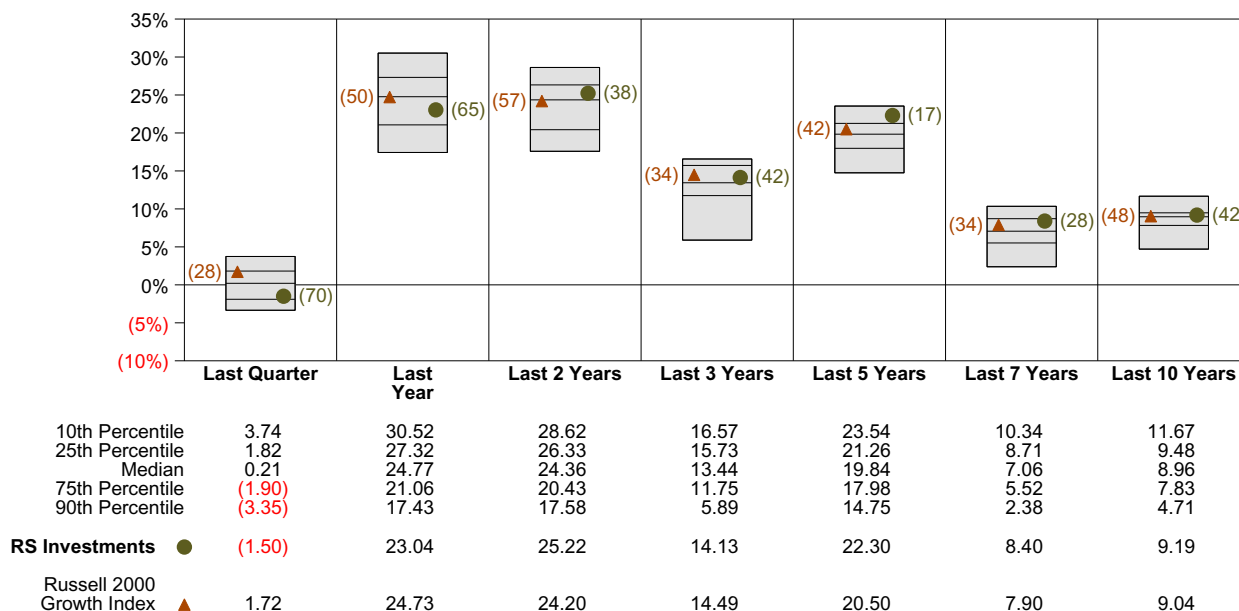
### Quarterly Summary and Highlights

- RS Investments's portfolio posted a (1.50)% return for the quarter placing it in the 70 percentile of the CAI MF- Small Cap Growth Style group for the quarter and in the 65 percentile for the last year.
- RS Investments's portfolio underperformed the Russell 2000 Growth Index by 3.22% for the quarter and underperformed the Russell 2000 Growth Index for the year by 1.69%.

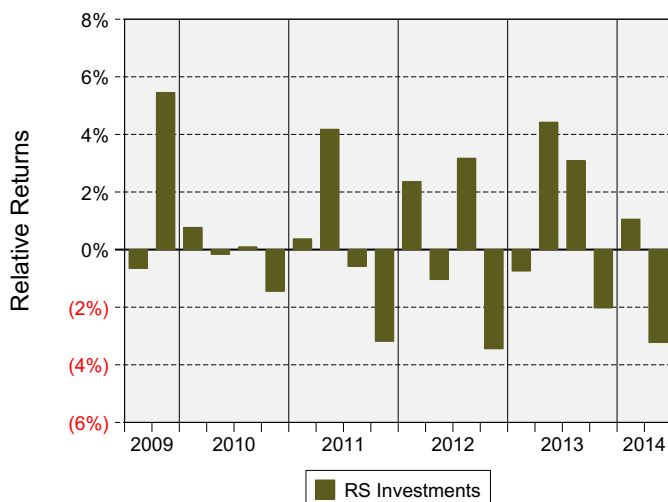
### Quarterly Asset Growth

Beginning Market Value	\$4,804,141
Net New Investment	\$0
Investment Gains/(Losses)	\$-72,008
Ending Market Value	\$4,732,133

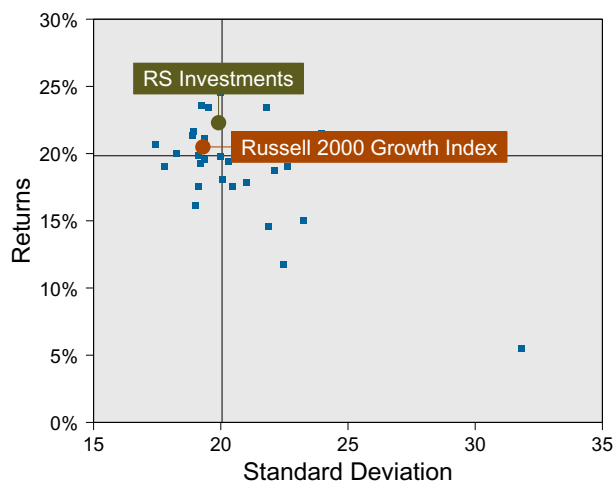
### Performance vs CAI MF- Small Cap Growth Style (Net)



### Relative Return vs Russell 2000 Growth Index



### CAI MF- Small Cap Growth Style (Net) Annualized Five Year Risk vs Return

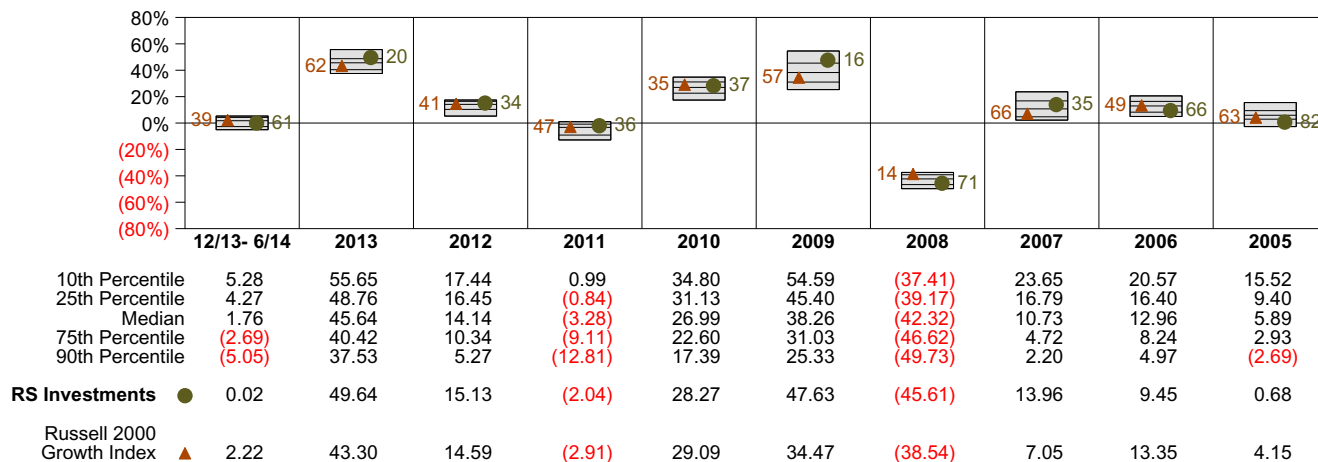


## RS Investments Return Analysis Summary

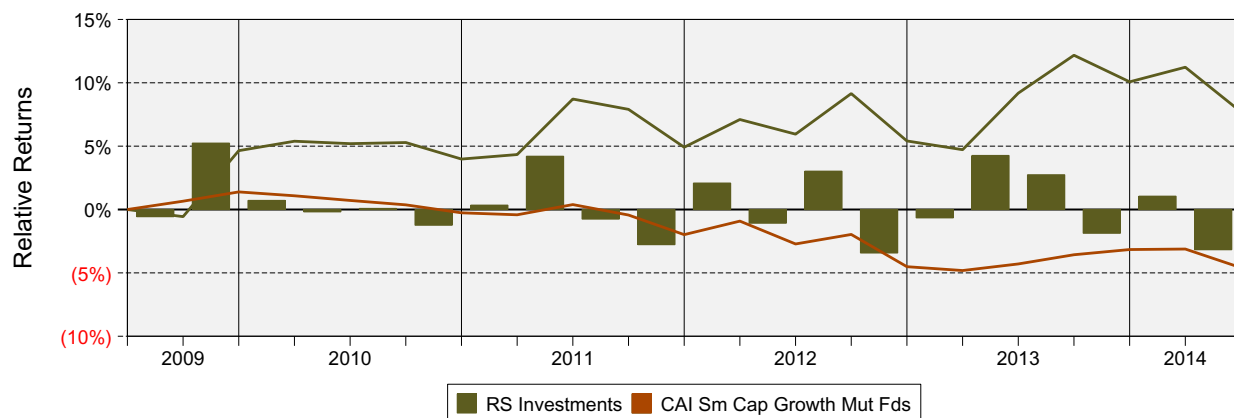
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

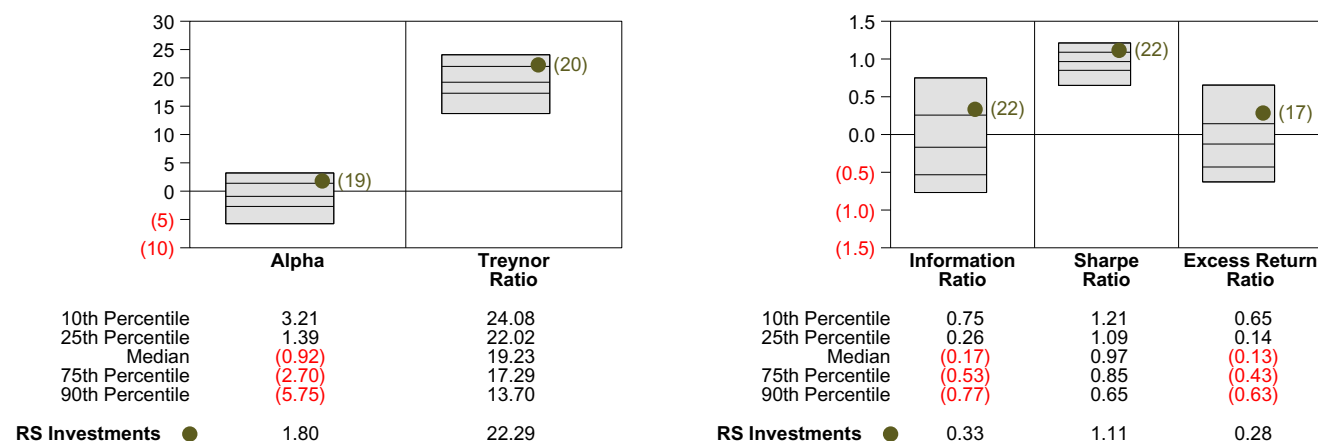
### Performance vs CAI MF- Small Cap Growth Style (Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



### Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI MF- Small Cap Growth Style (Net) Five Years Ended June 30, 2014

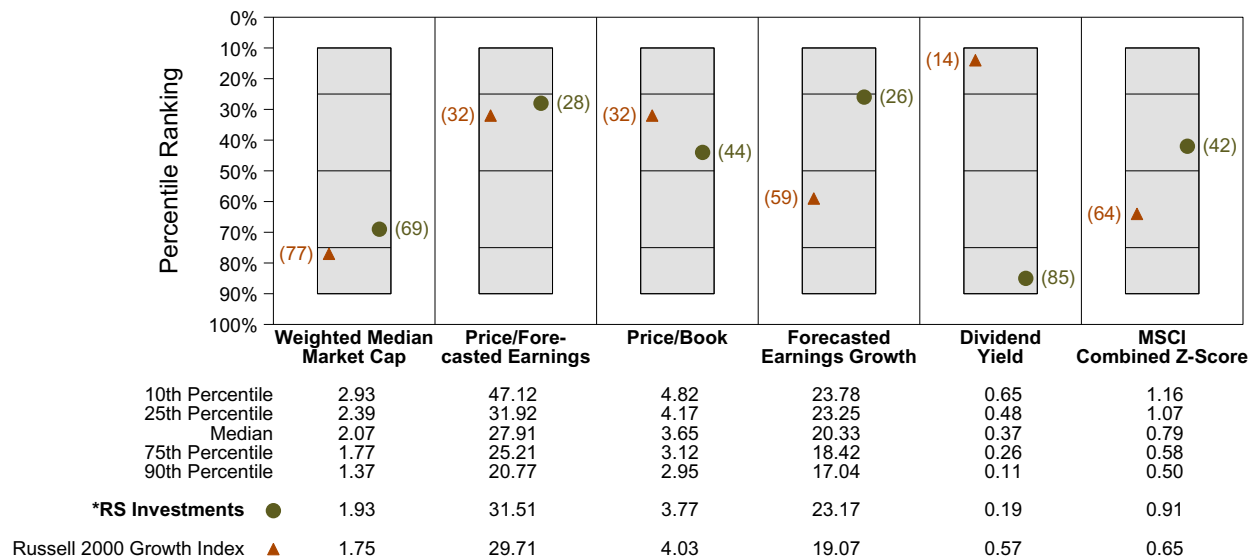


## RS Investments Equity Characteristics Analysis Summary

### Portfolio Characteristics

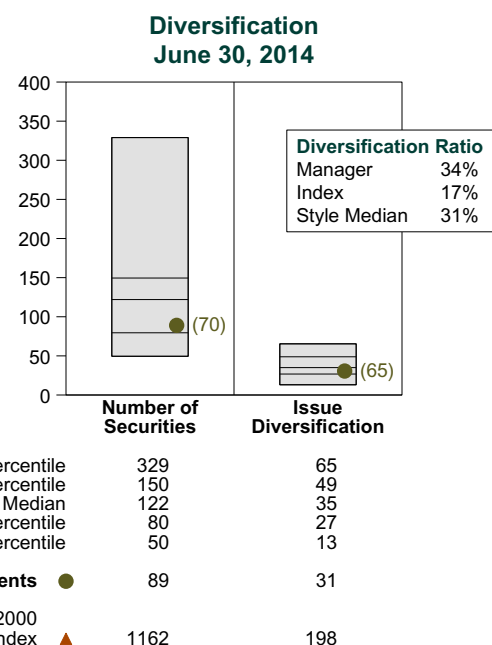
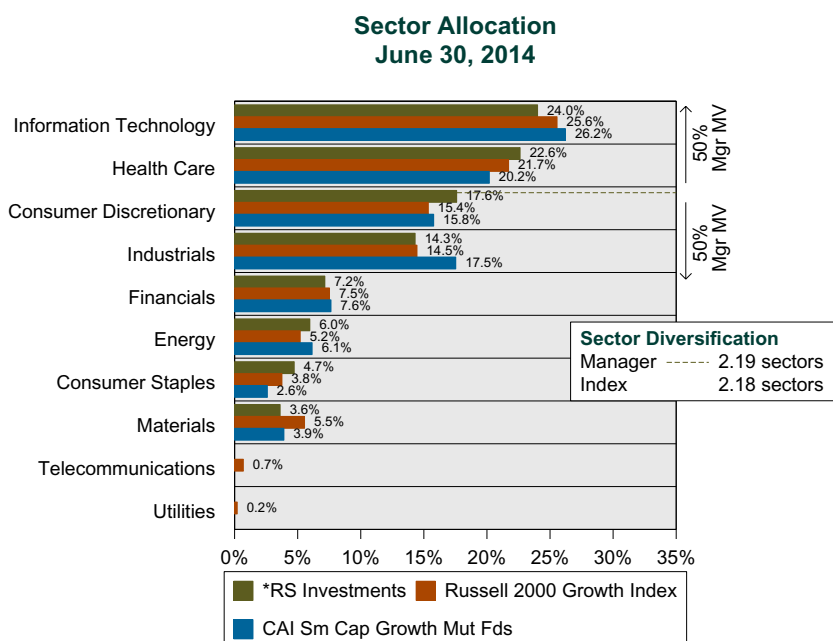
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF- Small Cap Growth Style as of June 30, 2014



### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Managers Inst Micro Cap Period Ended June 30, 2014

### Investment Philosophy

The Fund's objective is to achieve long term capital appreciation, through the investment of U.S. companies, which at the time of initial purchase have a market capitalization amongst the smallest 5% of companies listed on the U.S. stock markets

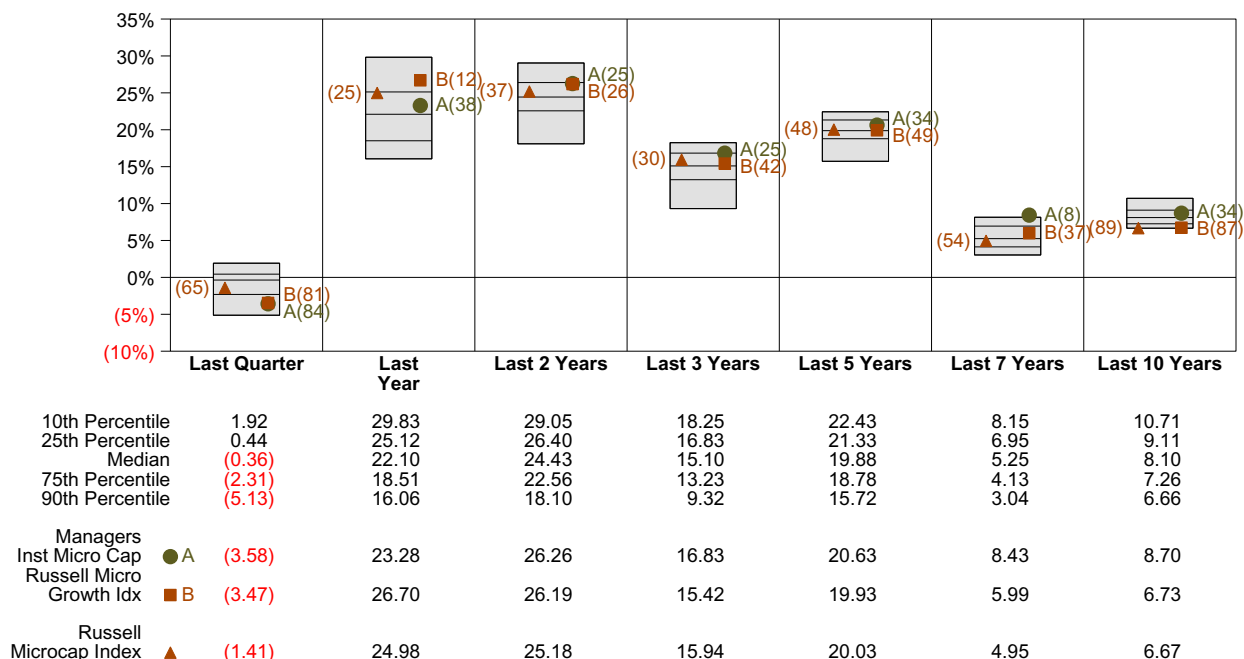
### Quarterly Summary and Highlights

- Managers Inst Micro Cap's portfolio posted a (3.58)% return for the quarter placing it in the 84 percentile of the MF - Micro Cap Obj group for the quarter and in the 38 percentile for the last year.
- Managers Inst Micro Cap's portfolio underperformed the Russell Microcap Index by 2.17% for the quarter and underperformed the Russell Microcap Index for the year by 1.70%.

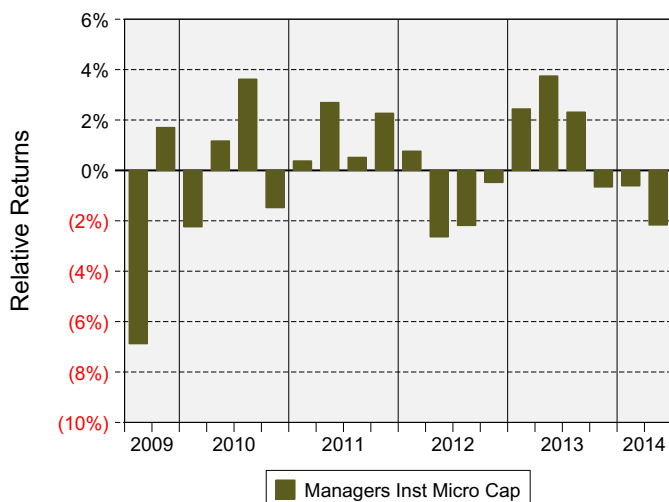
### Quarterly Asset Growth

Beginning Market Value	\$8,334,112
Net New Investment	\$0
Investment Gains/(Losses)	\$-298,312
Ending Market Value	\$8,035,800

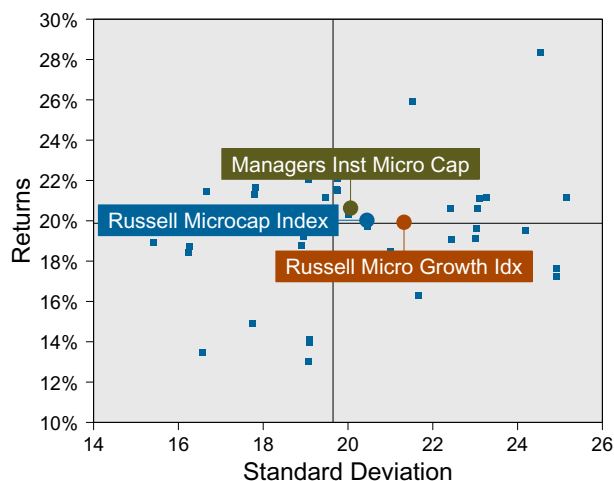
### Performance vs MF - Micro Cap Obj (Net)



### Relative Return vs Russell Microcap Index



### MF - Micro Cap Obj (Net) Annualized Five Year Risk vs Return



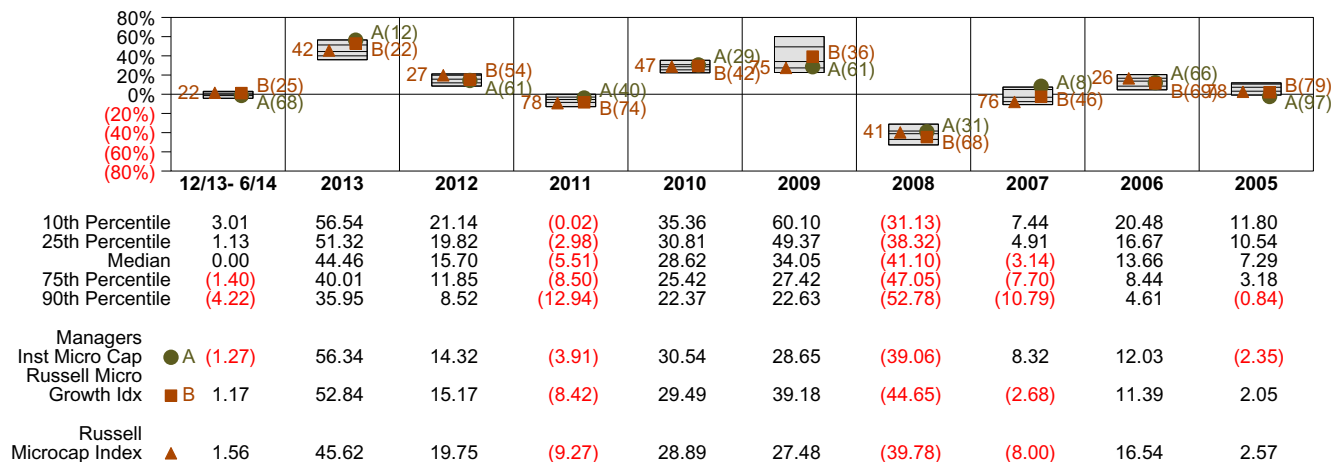


## Managers Inst Micro Cap Return Analysis Summary

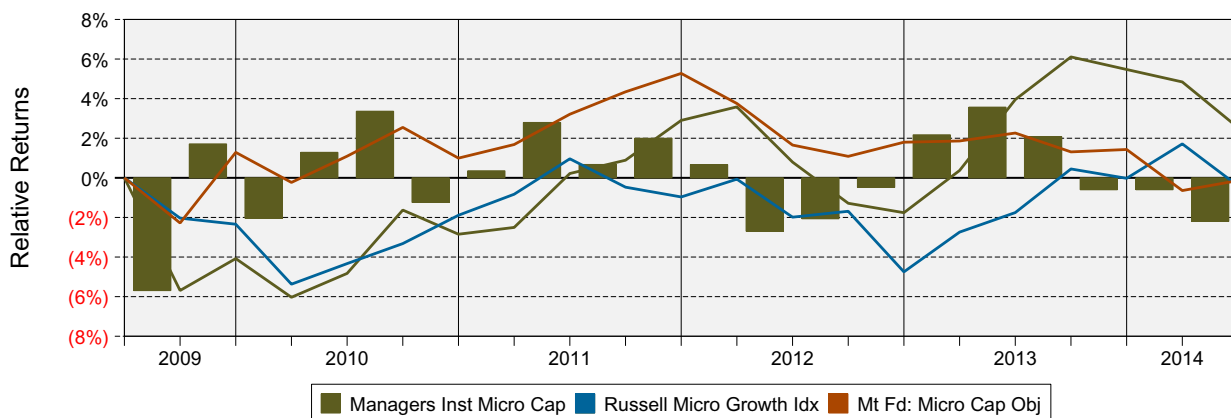
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

### Performance vs MF - Micro Cap Obj (Net)



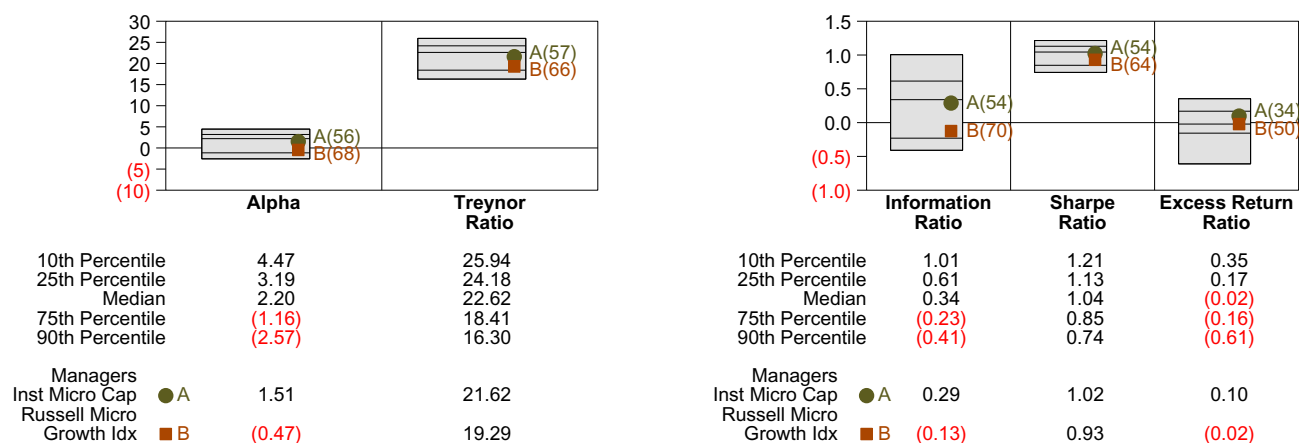
### Cumulative and Quarterly Relative Return vs Russell Microcap Index



### Risk Adjusted Return Measures vs Russell Microcap Index

#### Rankings Against MF - Micro Cap Obj (Net)

#### Five Years Ended June 30, 2014

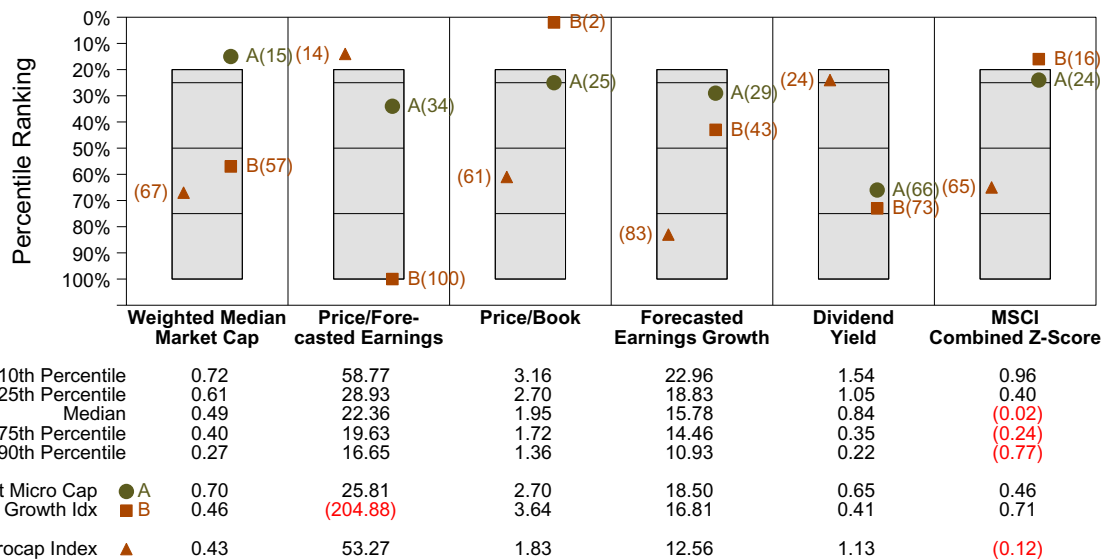


## Managers Inst Micro Cap Equity Characteristics Analysis Summary

### Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

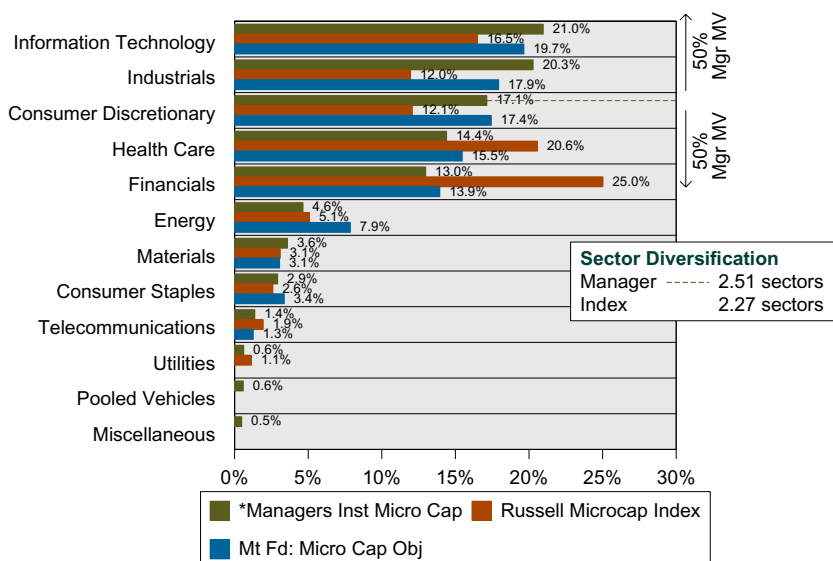
### Portfolio Characteristics Percentile Rankings Rankings Against MF - Micro Cap Obj as of June 30, 2014



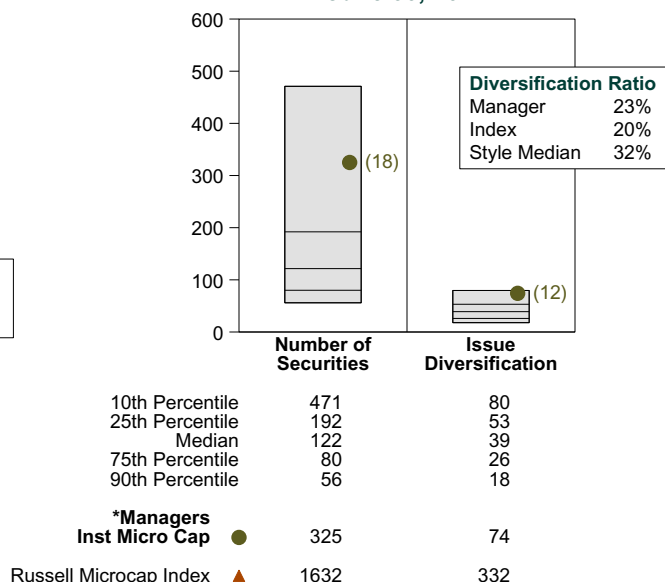
### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

### Sector Allocation June 30, 2014



### Diversification June 30, 2014



\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.



## International Equity Composite Period Ended June 30, 2014

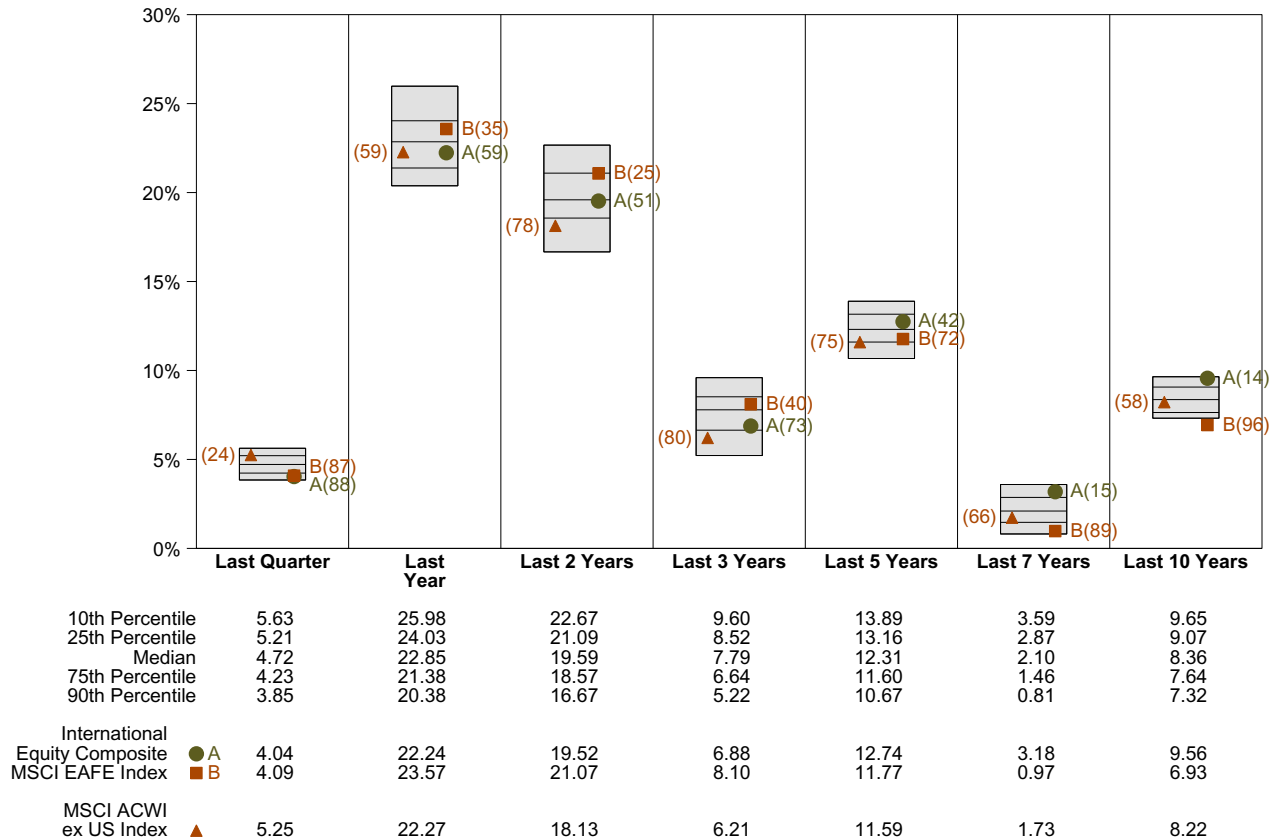
### Quarterly Summary and Highlights

- International Equity Composite's portfolio posted a 4.04% return for the quarter placing it in the 88 percentile of the Pub Pln- International Equity group for the quarter and in the 59 percentile for the last year.
- International Equity Composite's portfolio underperformed the MSCI ACWI ex US Index by 1.21% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 0.03%.

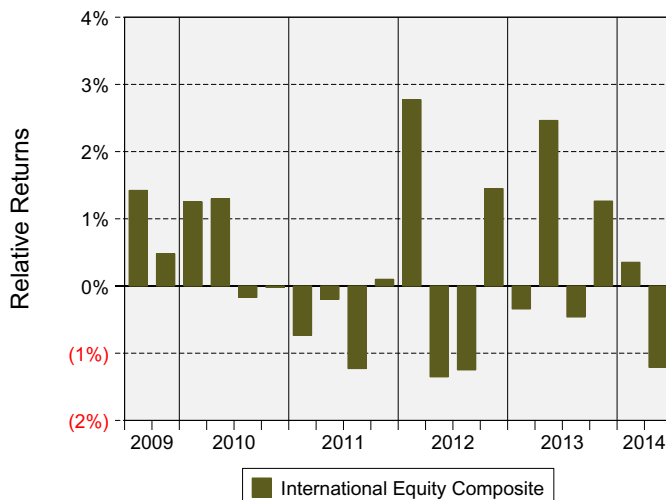
### Quarterly Asset Growth

Beginning Market Value	\$109,029,727
Net New Investment	\$42,093
Investment Gains/(Losses)	\$4,404,079
Ending Market Value	\$113,475,898

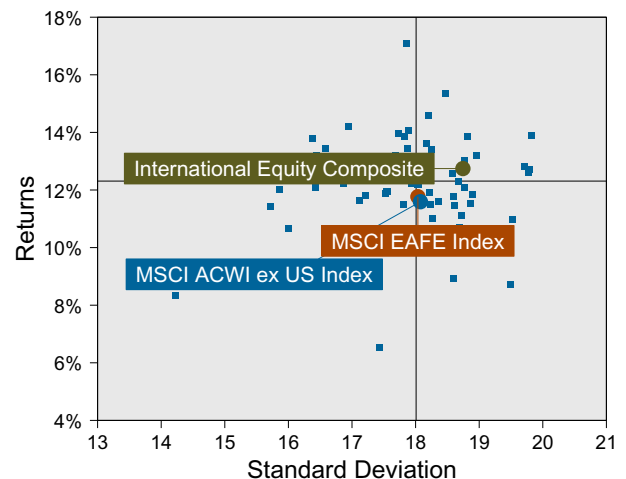
### Performance vs Pub Pln- International Equity (Gross)



### Relative Return vs MSCI ACWI ex US Index



### Pub Pln- International Equity (Gross) Annualized Five Year Risk vs Return

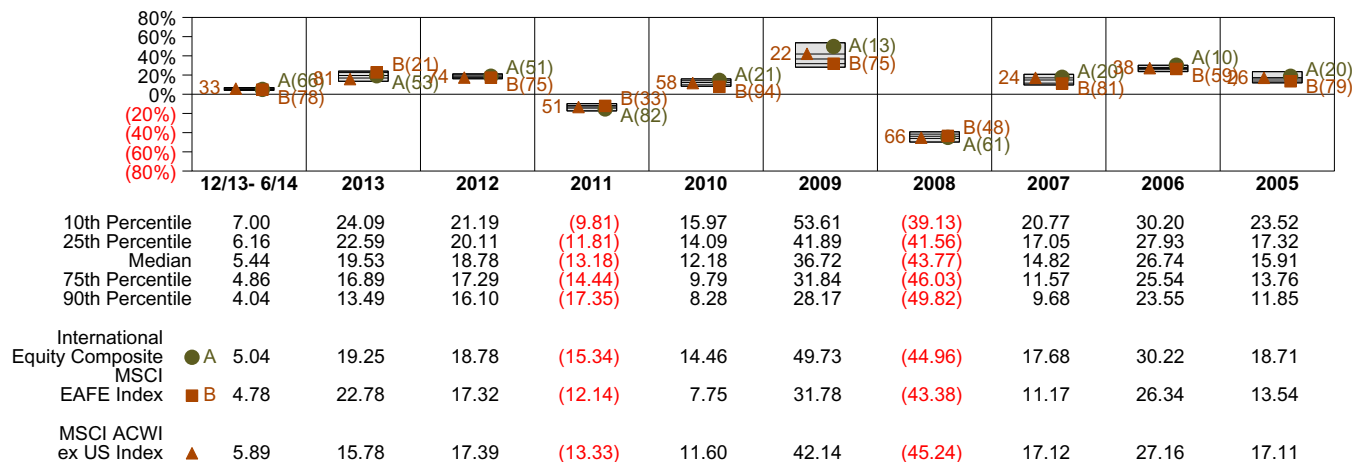


## International Equity Composite Return Analysis Summary

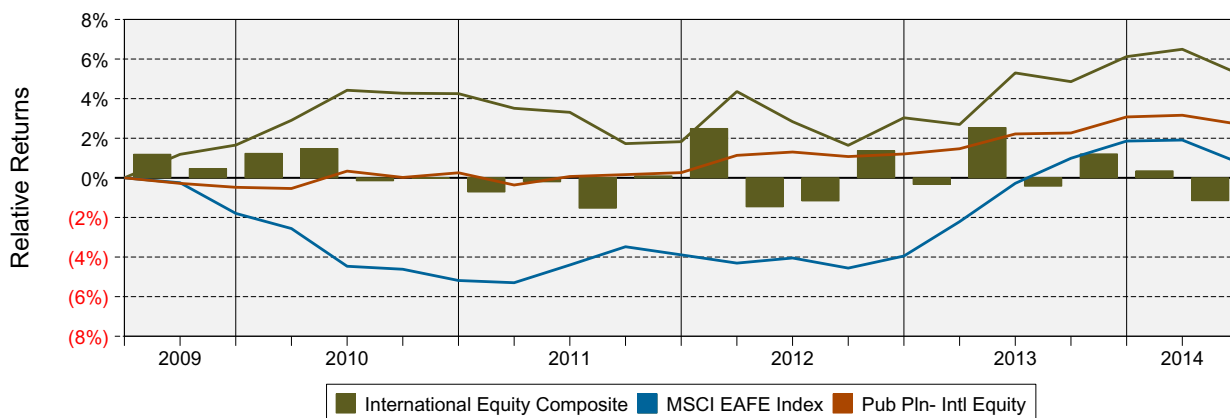
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

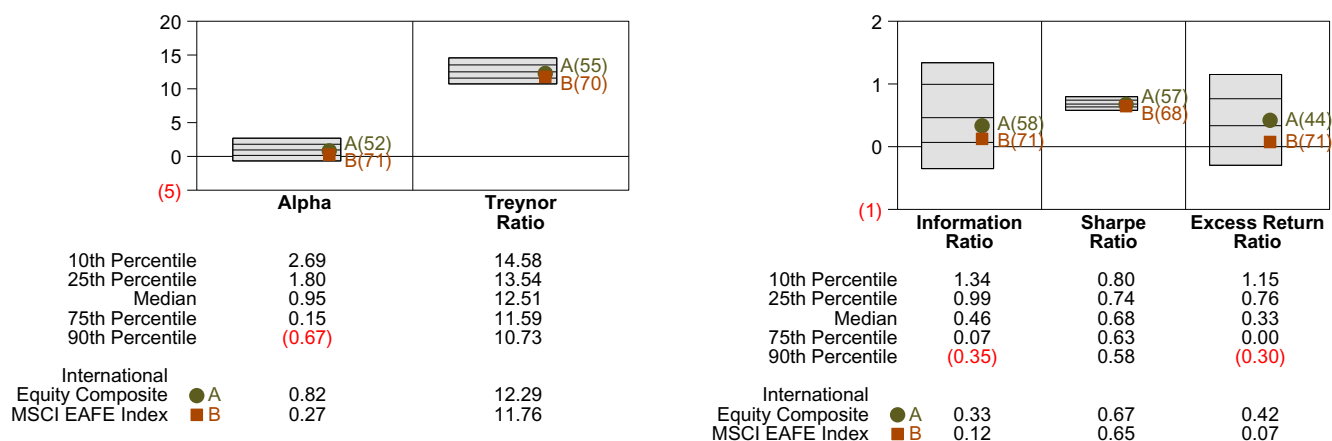
### Performance vs Pub Pln- International Equity (Gross)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against Pub Pln- International Equity (Gross) Five Years Ended June 30, 2014

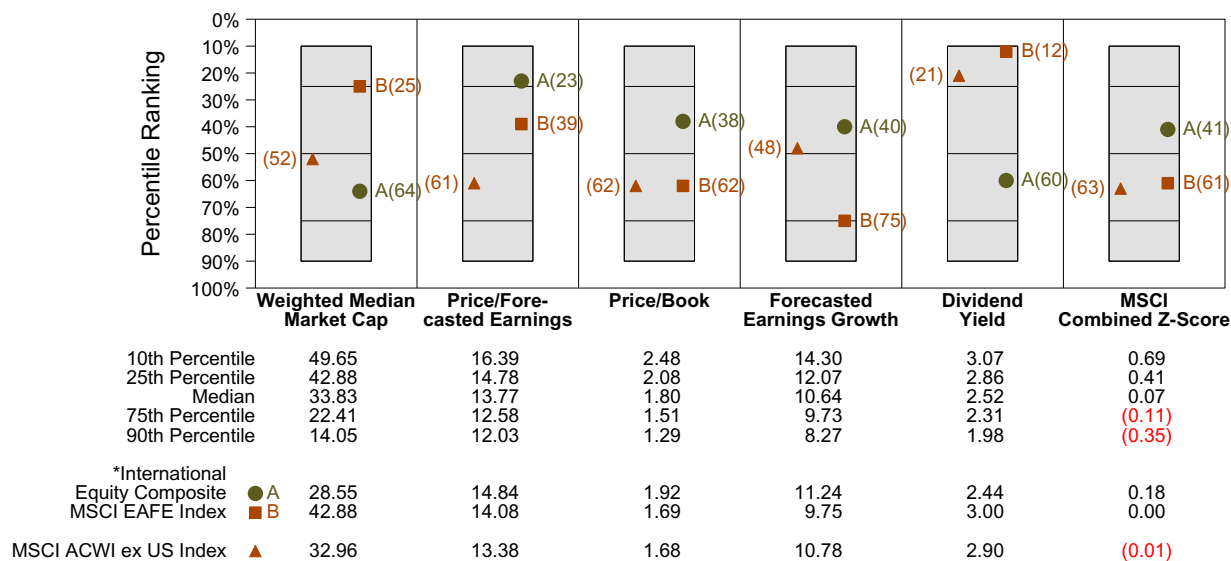


## International Equity Composite Equity Characteristics Analysis Summary

### Portfolio Characteristics

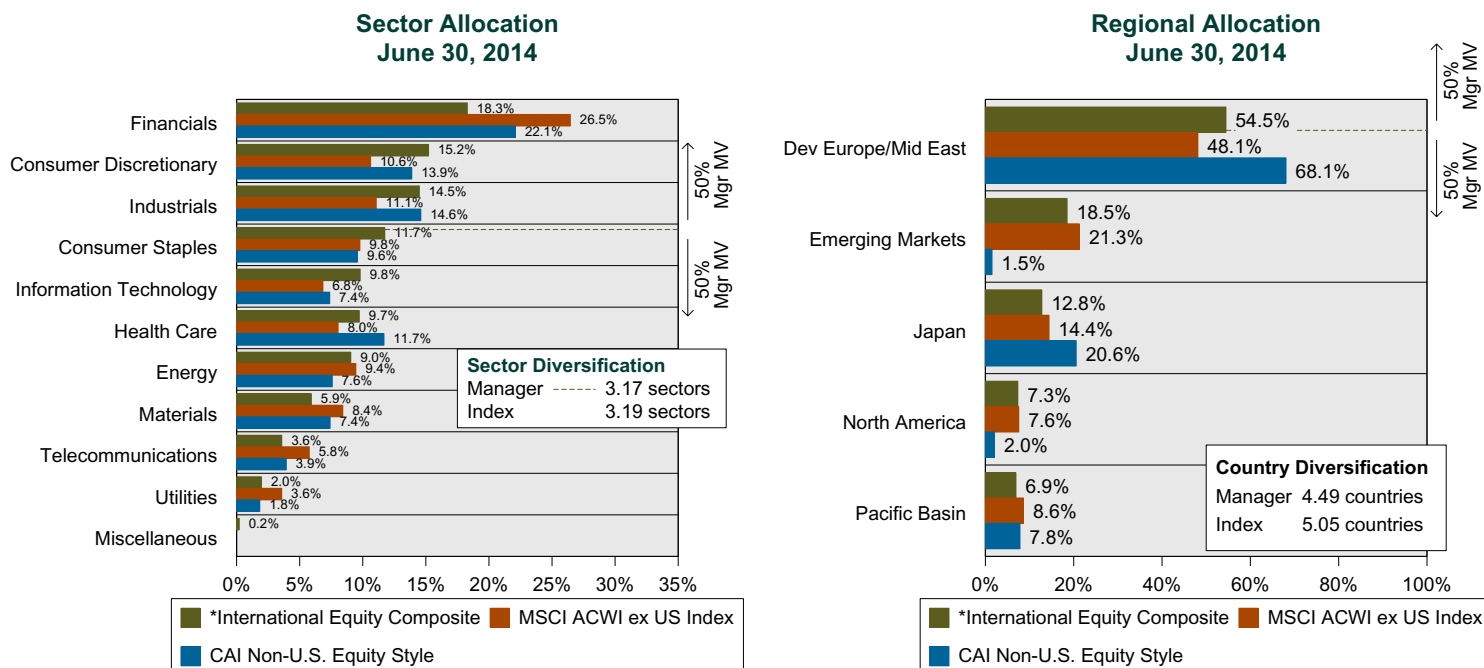
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of June 30, 2014



### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.



\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

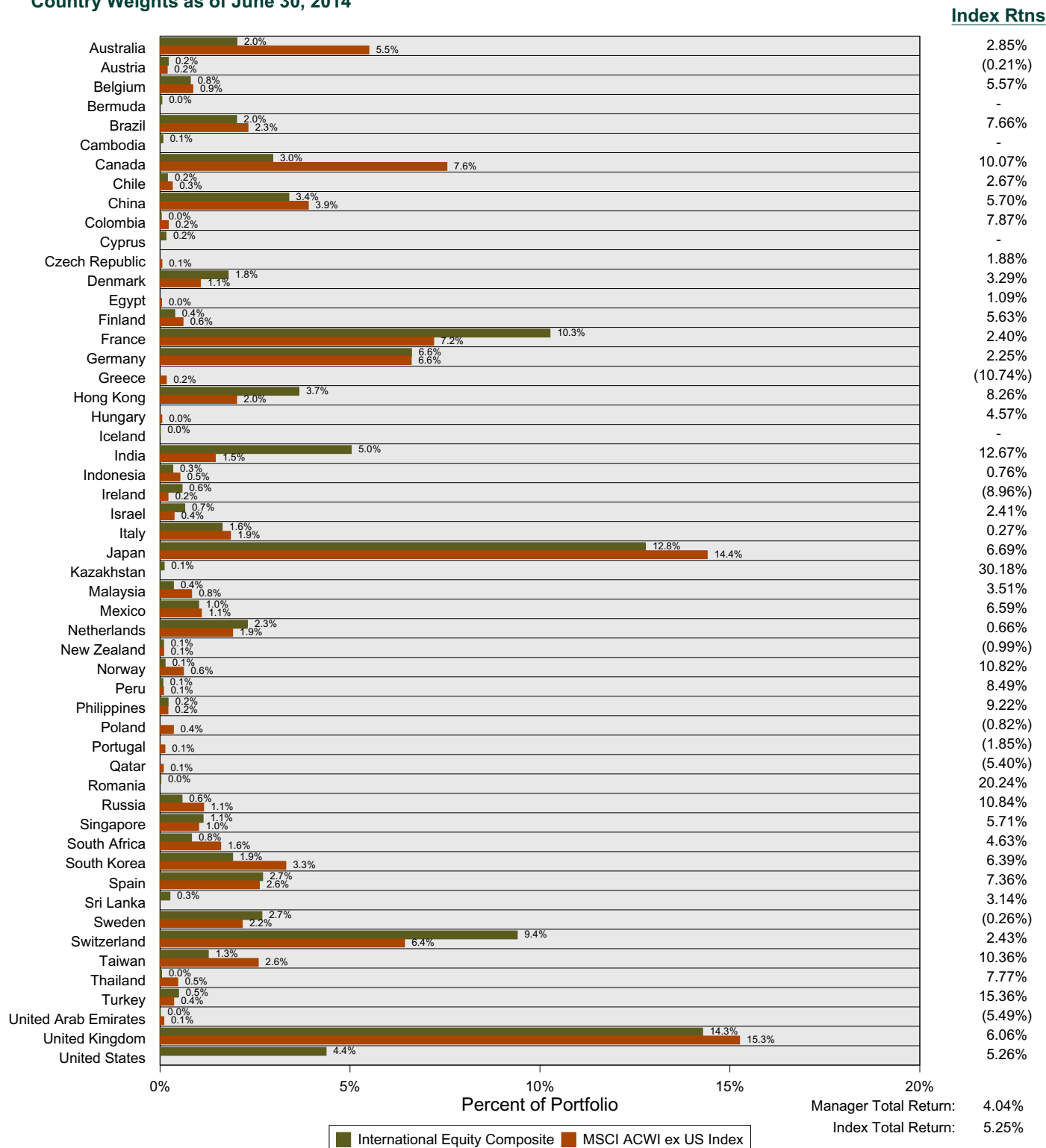
## Country Allocation

### International Equity Composite VS MSCI AC World ex US USD (Gross)

#### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2014. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

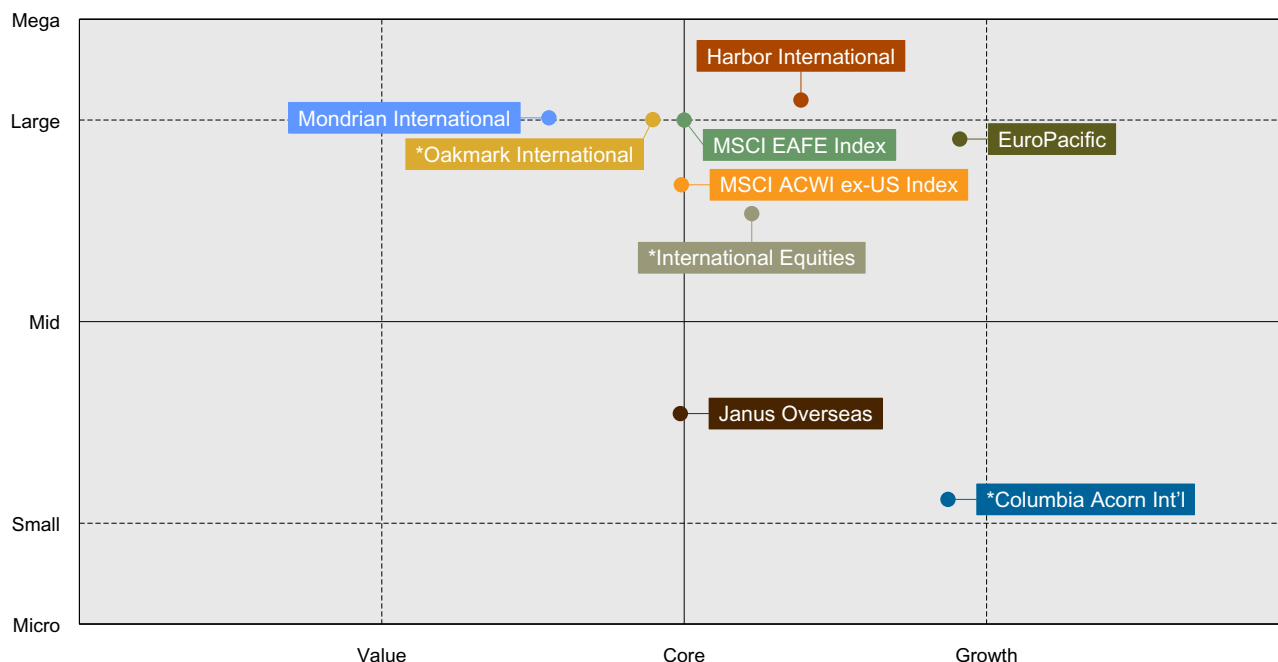
#### Country Weights as of June 30, 2014



## International Holdings Based Style Analysis For One Quarter Ended June 30, 2014

This page analyzes and compares the investment styles of multiple portfolios using a detailed holdings-based style analysis methodology. The size component of style is measured by the weighted median market capitalization of the holdings. The value/core/growth style dimension is captured by the "Combined Z-Score" of the portfolio. This score is based on eight fundamental factors used in the MSCI stock style scoring system. The table below gives a more detailed breakdown of several relevant style metrics on the portfolios.

### Style Map Holdings for One Quarter Ended June 30, 2014



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
EuroPacific	19.05%	39.97	0.72	0.38	(0.34)	272	39.40
Harbor International	18.90%	47.89	0.31	0.09	(0.21)	72	22.01
*Columbia Acorn Int'l	10.38%	3.18	0.69	0.24	(0.45)	201	60.27
Janus Overseas	17.26%	7.43	(0.01)	(0.06)	(0.05)	62	11.83
*Oakmark International	14.52%	42.99	(0.08)	(0.00)	0.08	56	16.15
Mondrian International	19.89%	43.44	(0.35)	(0.25)	0.11	124	22.57
*International Equities	100.00%	28.55	0.18	0.05	(0.12)	657	76.26
MSCI EAFE Index	-	42.88	0.00	(0.01)	(0.01)	897	93.67
MSCI ACWI ex-US Index	-	32.96	(0.01)	(0.01)	(0.00)	1807	165.66

\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.



## EuroPacific Period Ended June 30, 2014

### Investment Philosophy

Capital Group's approach to non-U.S. investing is research-driven. Their bottom-up fundamental approach is blended with macroeconomic and political judgments on the outlook for economies, industries, currencies and markets. The fund uses a "multiple manager" approach where individual portfolio managers, each with different styles, manage separate sleeves of the strategy independently. Sleeves are combined to form the fund. Individual managers are selected so that the aggregate fund adheres to its stated objective of capital appreciation. Switched from Class R-5 Shares to Class R-6 Shares in December 2009.

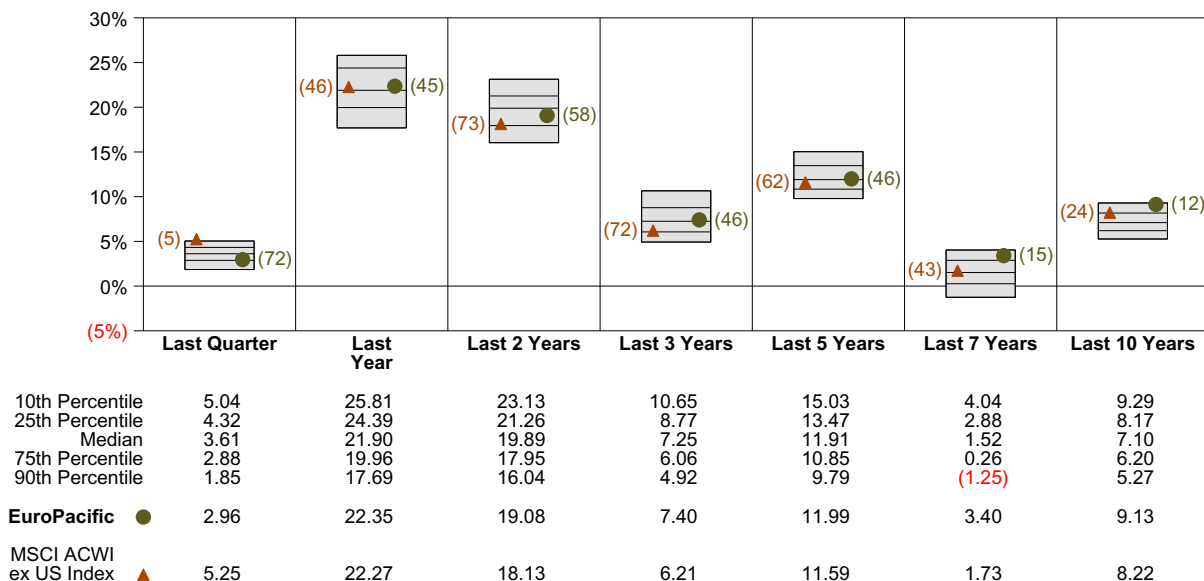
### Quarterly Summary and Highlights

- EuroPacific's portfolio posted a 2.96% return for the quarter placing it in the 72 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 45 percentile for the last year.
- EuroPacific's portfolio underperformed the MSCI ACWI ex US Index by 2.29% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 0.08%.

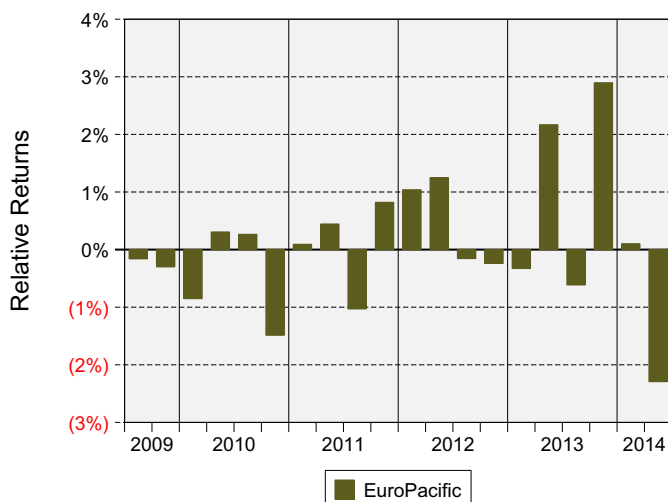
### Quarterly Asset Growth

Beginning Market Value	\$20,995,342
Net New Investment	\$0
Investment Gains/(Losses)	\$620,761
Ending Market Value	\$21,616,103

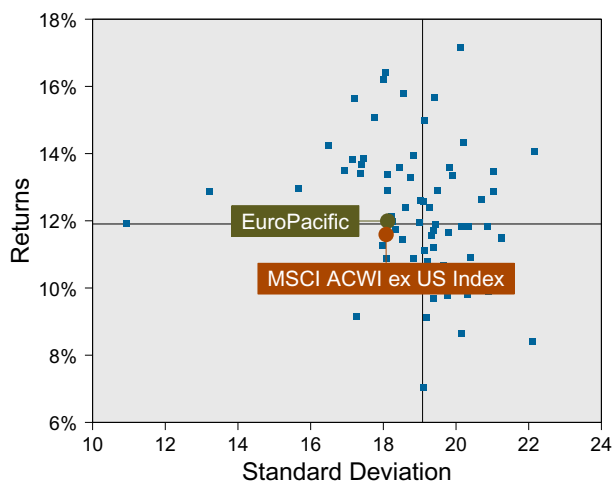
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



### CAI MF - Non-US Equity Style (Net) Annualized Five Year Risk vs Return

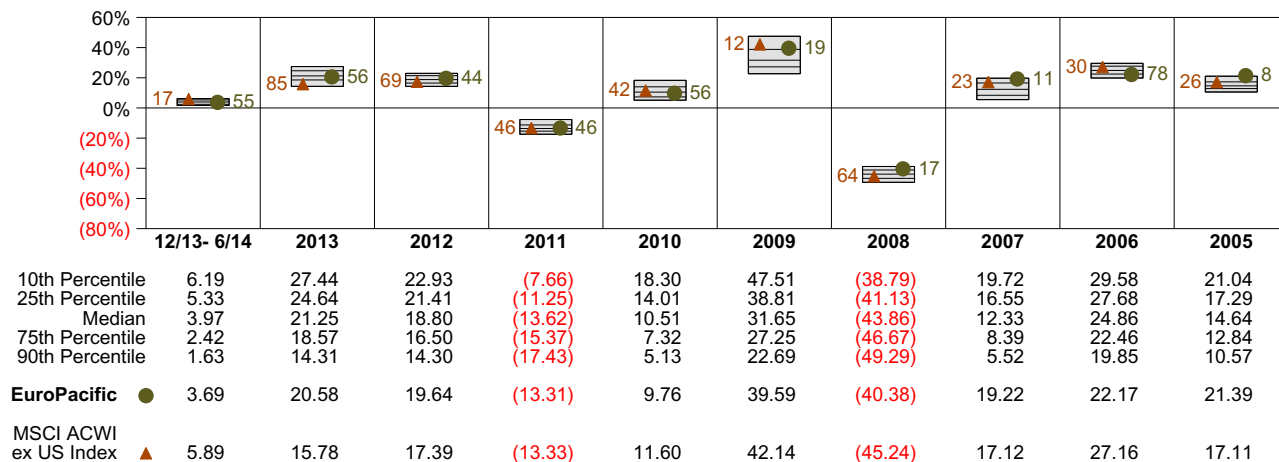


## EuroPacific Return Analysis Summary

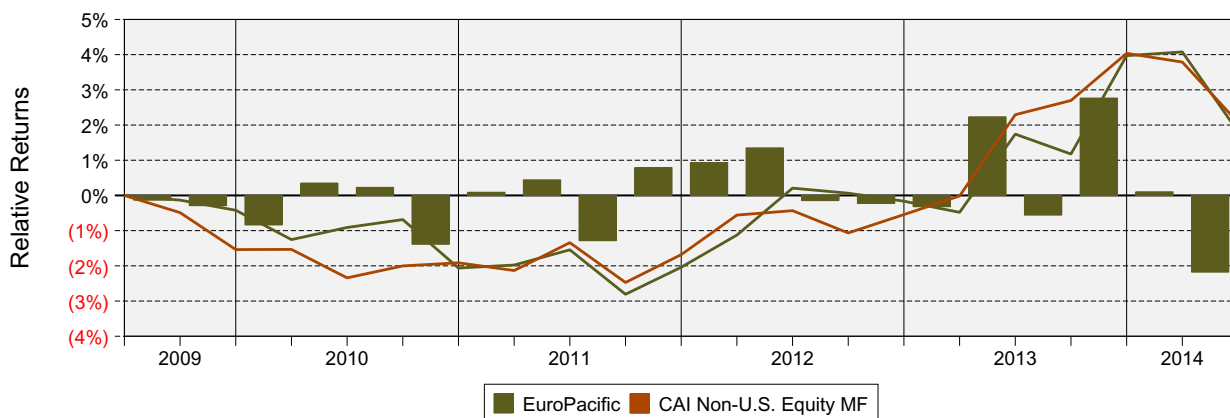
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

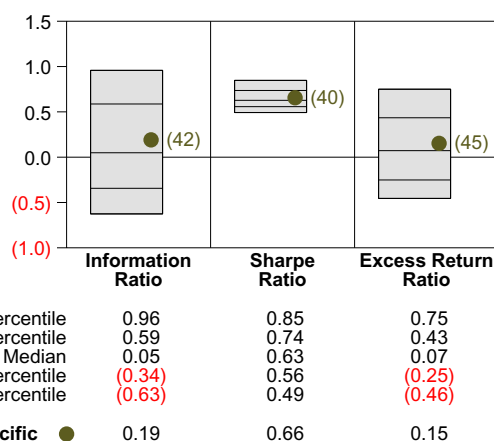
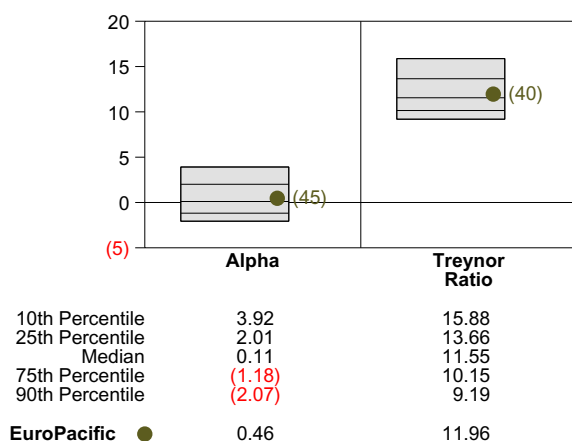
### Performance vs CAI MF - Non-US Equity Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended June 30, 2014

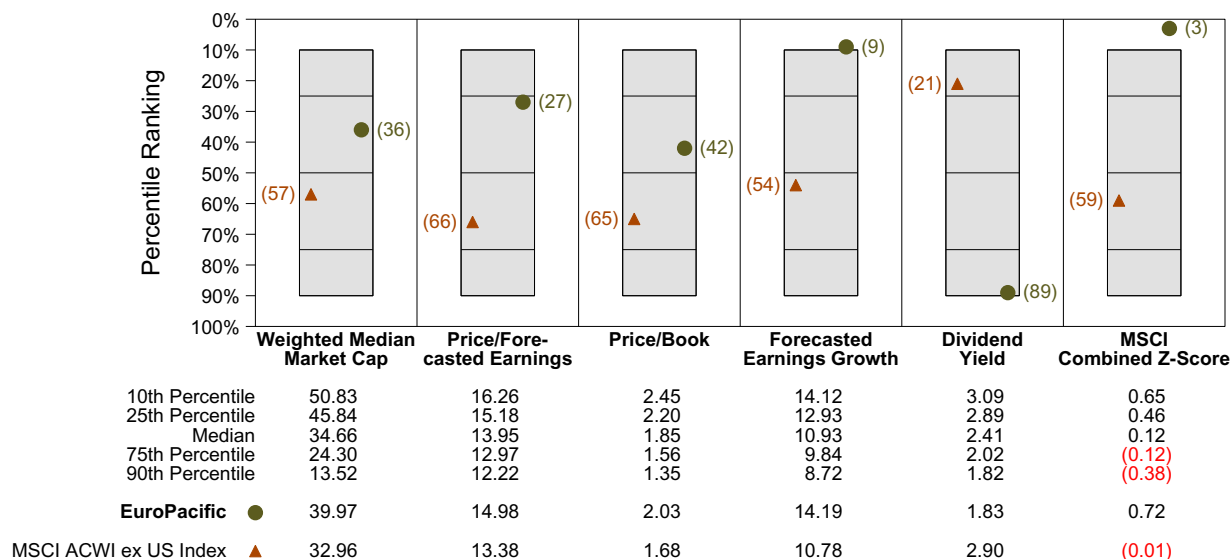


## EuroPacific Equity Characteristics Analysis Summary

### Portfolio Characteristics

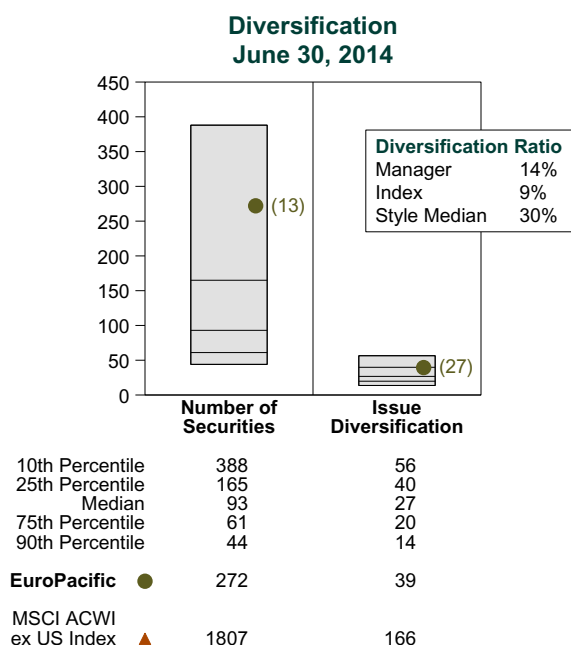
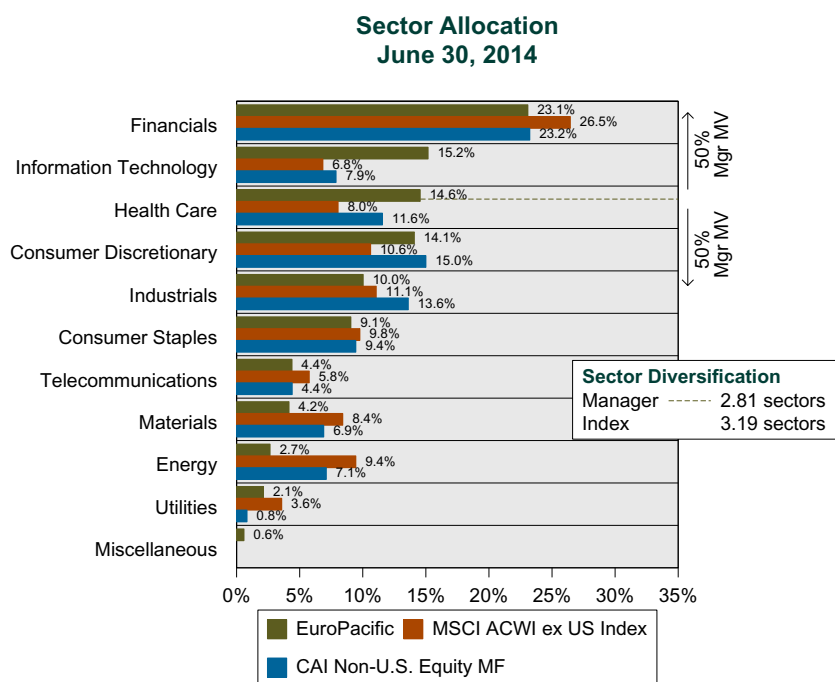
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2014



### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

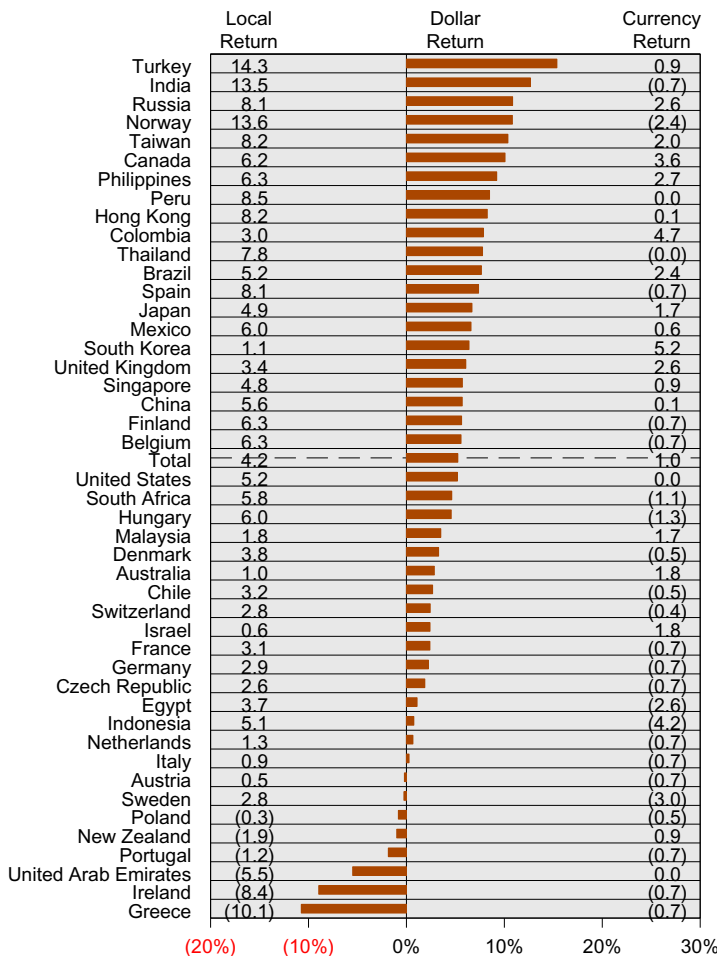


## EuroPacific vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2014

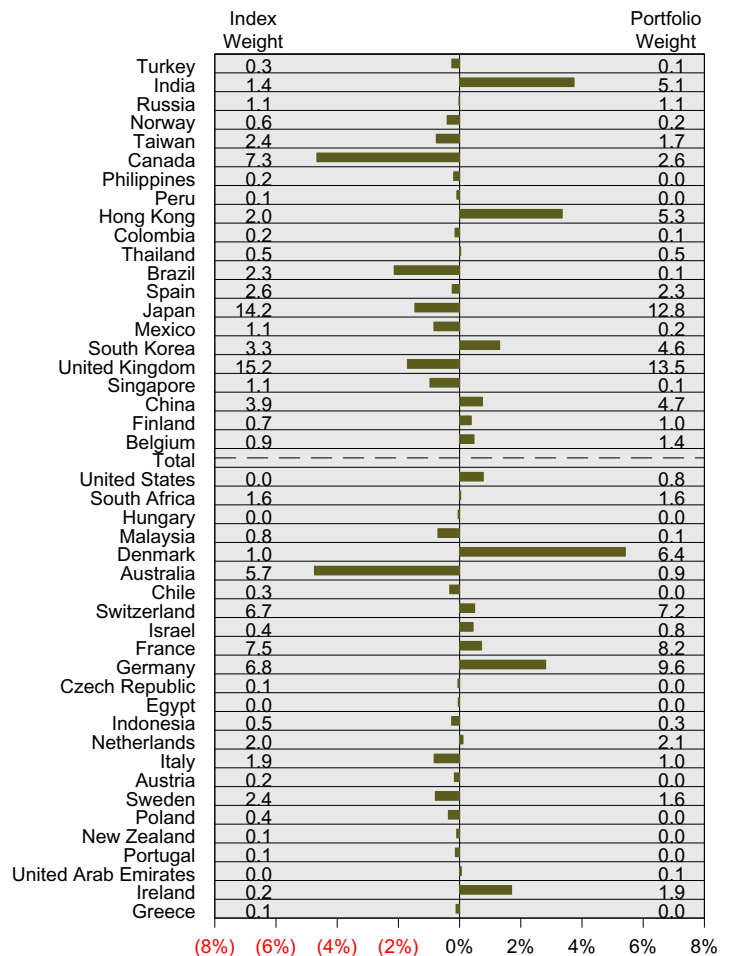
### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.

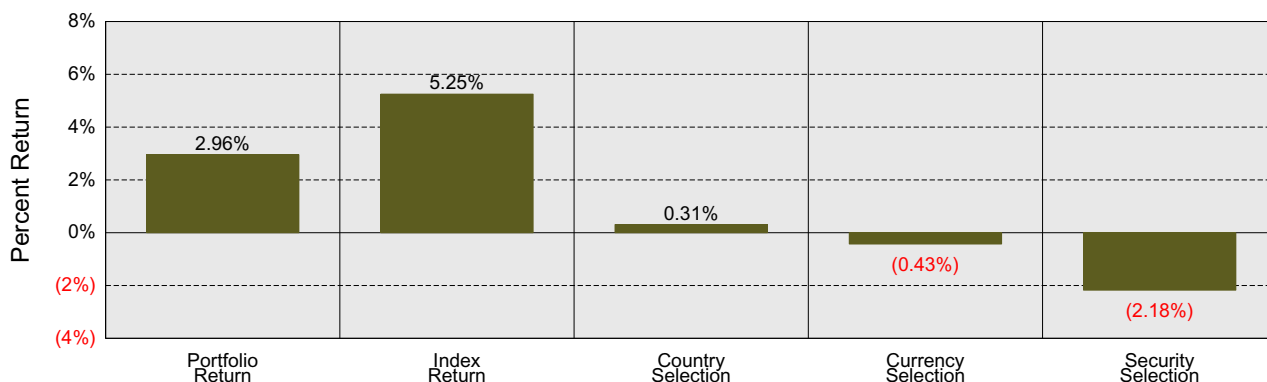
**Index  
Returns by Country**



**Beginning Relative Weights  
(Portfolio - Index)**



### Attribution Factors for Quarter Ended June 30, 2014



## Harbor International Period Ended June 30, 2014

### Investment Philosophy

The Harbor International Fund is sub-advised by Northern Cross, LLC. The investment philosophy focuses on companies with prospects of margin expansion and those that have strong franchise value or asset value. The fund takes a long-term view, expecting to hold a security for 7-10 years. Patient due diligence of companies, countries, and regions are of the utmost importance to the investment process. The team believes this due diligence, in combination with a top down investment theme, provides the best opportunity to invest in truly undervalued companies. The strategy has remained consistent in this philosophy over the past decades of international investment.

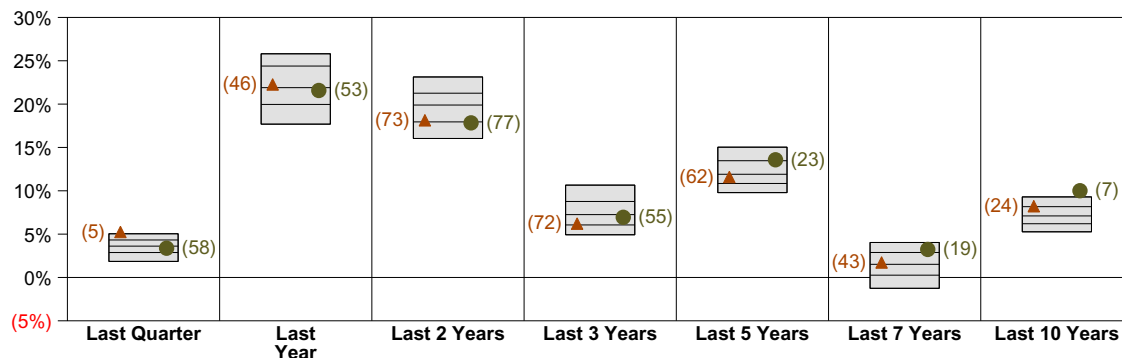
### Quarterly Summary and Highlights

- Harbor International's portfolio posted a 3.37% return for the quarter placing it in the 58 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 53 percentile for the last year.
- Harbor International's portfolio underperformed the MSCI ACWI ex US Index by 1.87% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 0.70%.

### Quarterly Asset Growth

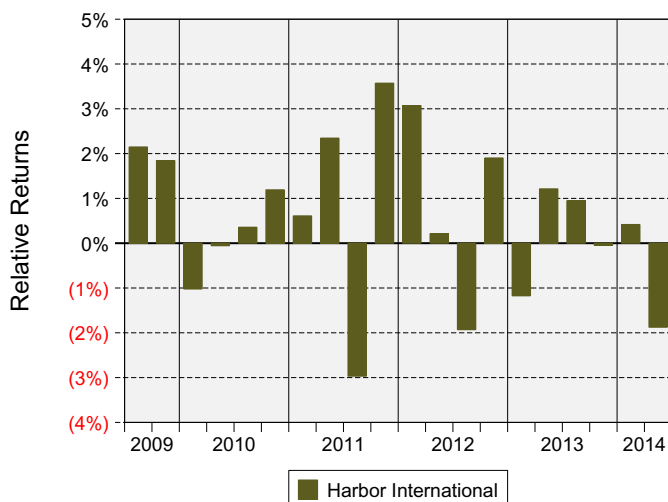
Beginning Market Value	\$20,751,621
Net New Investment	\$0
Investment Gains/(Losses)	\$700,015
Ending Market Value	\$21,451,635

### Performance vs CAI MF - Non-US Equity Style (Net)

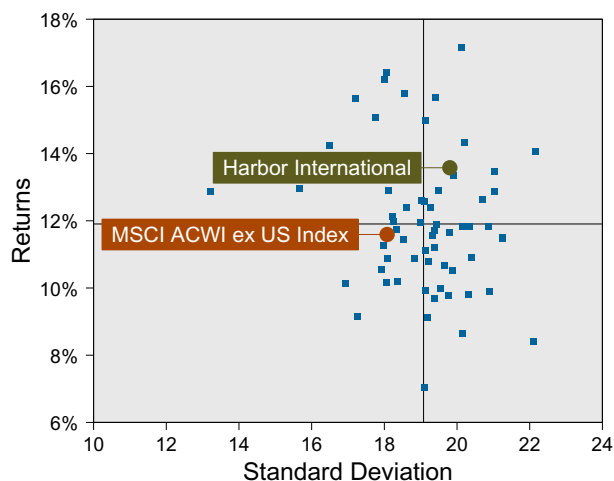


10th Percentile	5.04	25.81	23.13	10.65	15.03	4.04	9.29
25th Percentile	4.32	24.39	21.26	8.77	13.47	2.88	8.17
Median	3.61	21.90	19.89	7.25	11.91	1.52	7.10
75th Percentile	2.88	19.96	17.95	6.06	10.85	0.26	6.20
90th Percentile	1.85	17.69	16.04	4.92	9.79	(1.25)	5.27
Harbor International	3.37	21.57	17.84	6.94	13.58	3.23	10.01
MSCI ACWI ex US Index	5.25	22.27	18.13	6.21	11.59	1.73	8.22

### Relative Return vs MSCI ACWI ex US Index



### CAI MF - Non-US Equity Style (Net) Annualized Five Year Risk vs Return

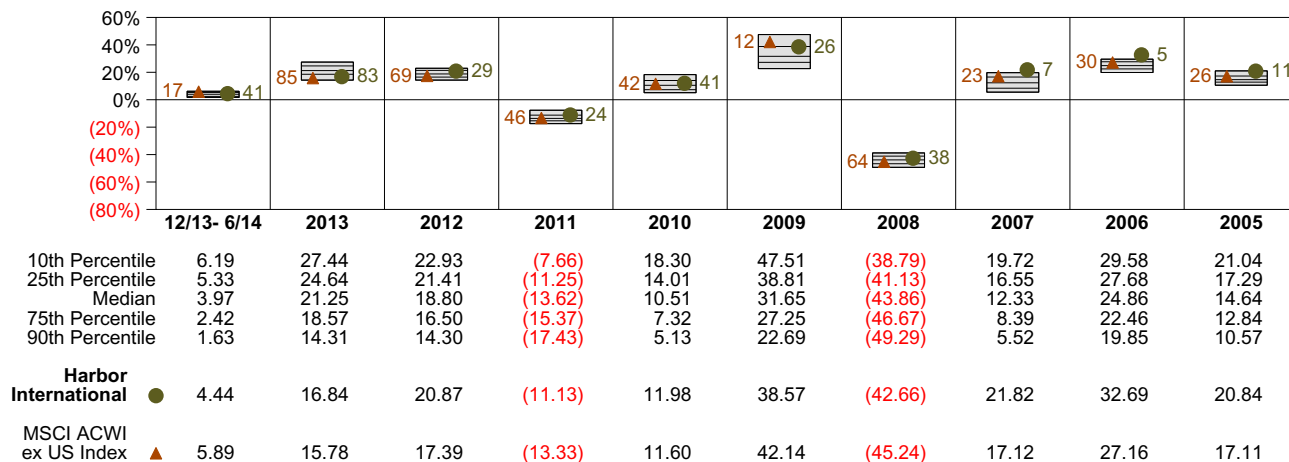


# Harbor International Return Analysis Summary

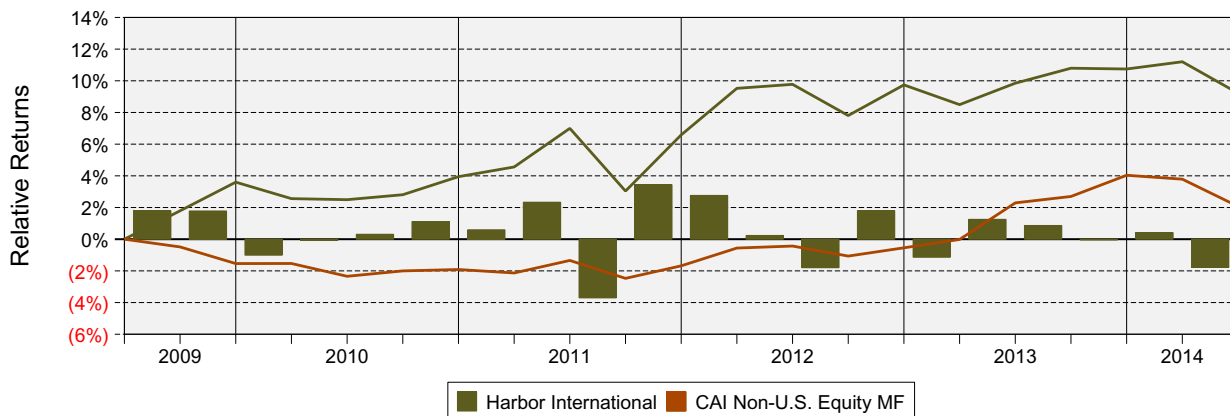
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

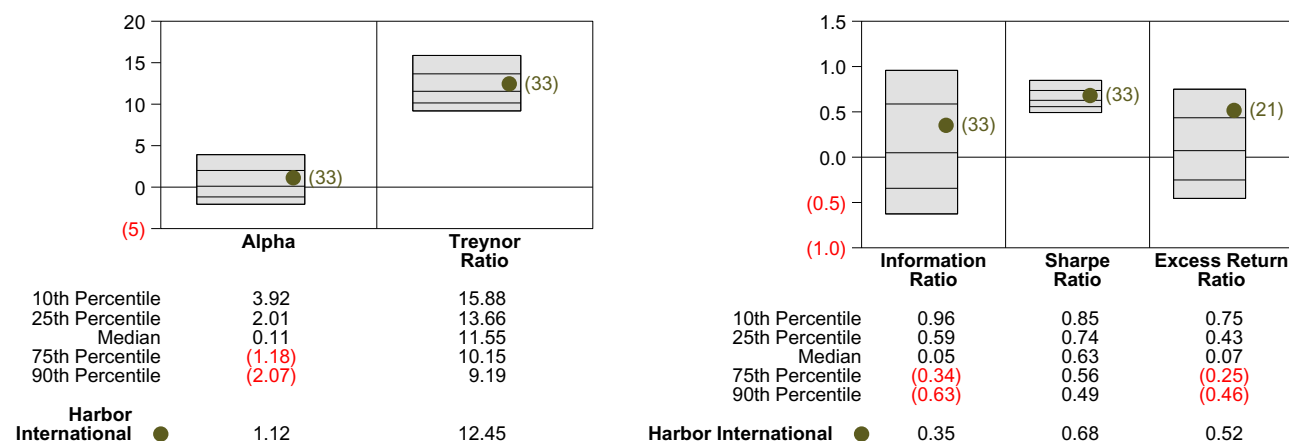
### Performance vs CAI MF - Non-US Equity Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended June 30, 2014

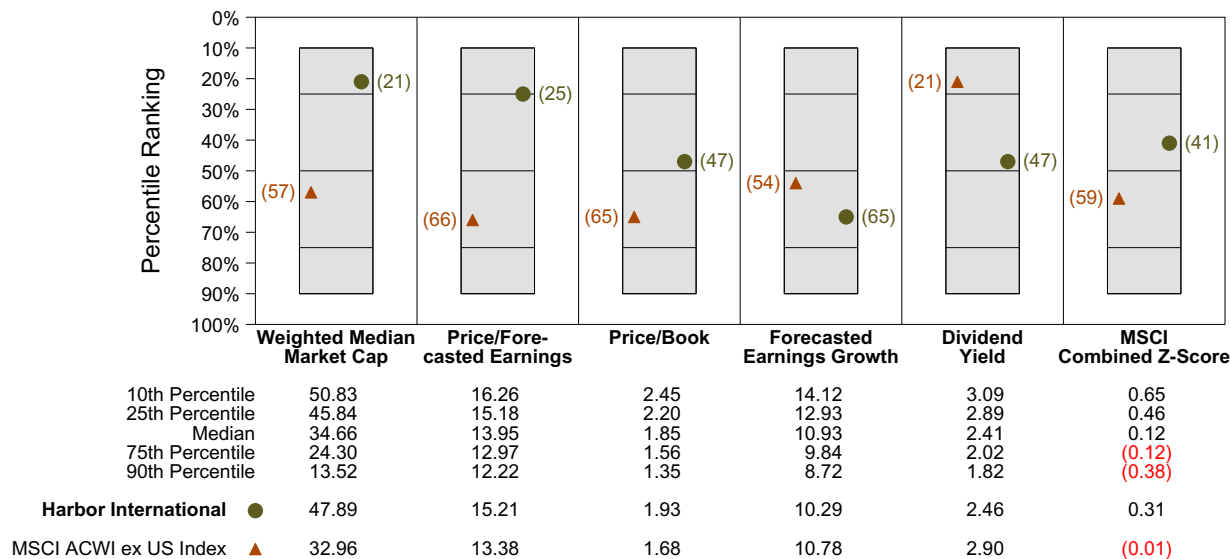


## Harbor International Equity Characteristics Analysis Summary

### Portfolio Characteristics

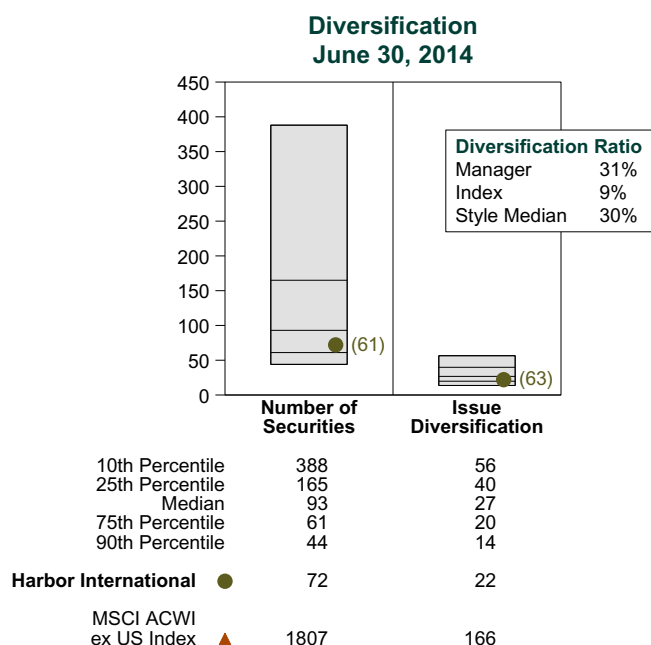
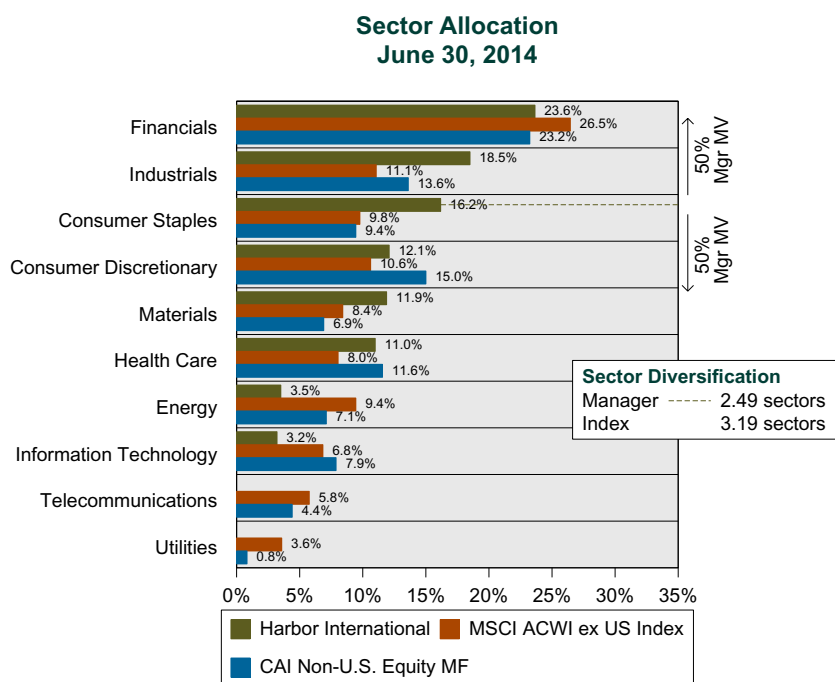
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2014



### Sector Weights

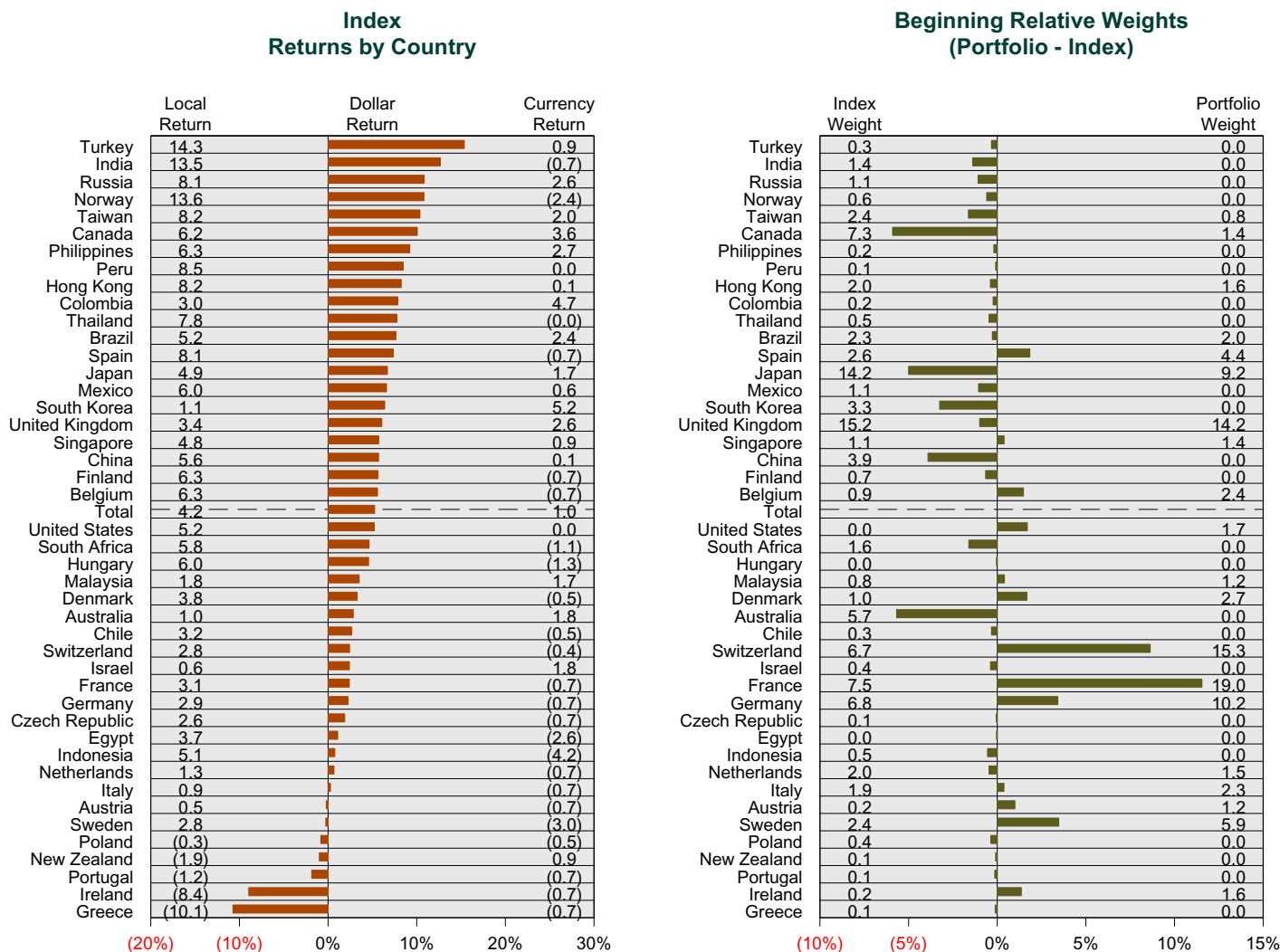
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



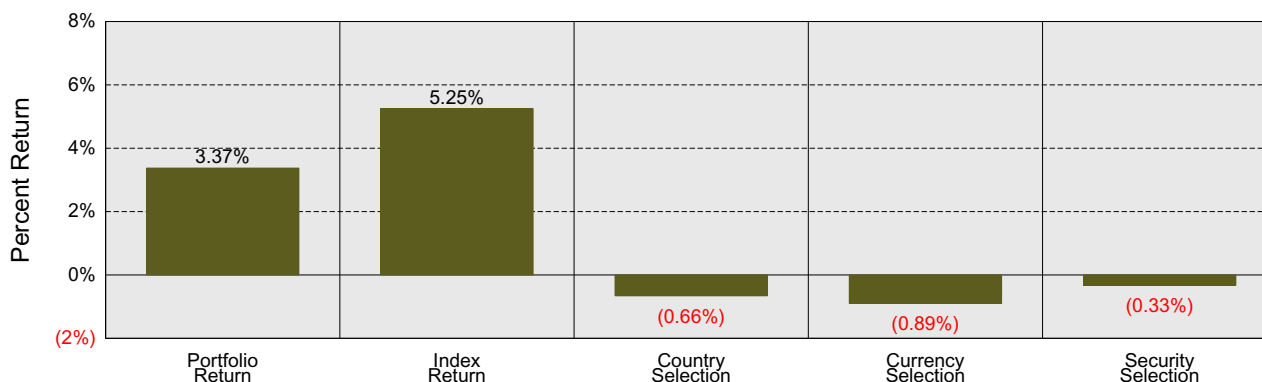
## Harbor International vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2014

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended June 30, 2014





## Columbia Acorn Int'l Period Ended June 30, 2014

### Investment Philosophy

Non-U.S. Equity Style mutual funds invest in only non-U.S. equity securities. This style group excludes regional and index funds. Switched from Class Z shares to Class Y shares in February 2014.

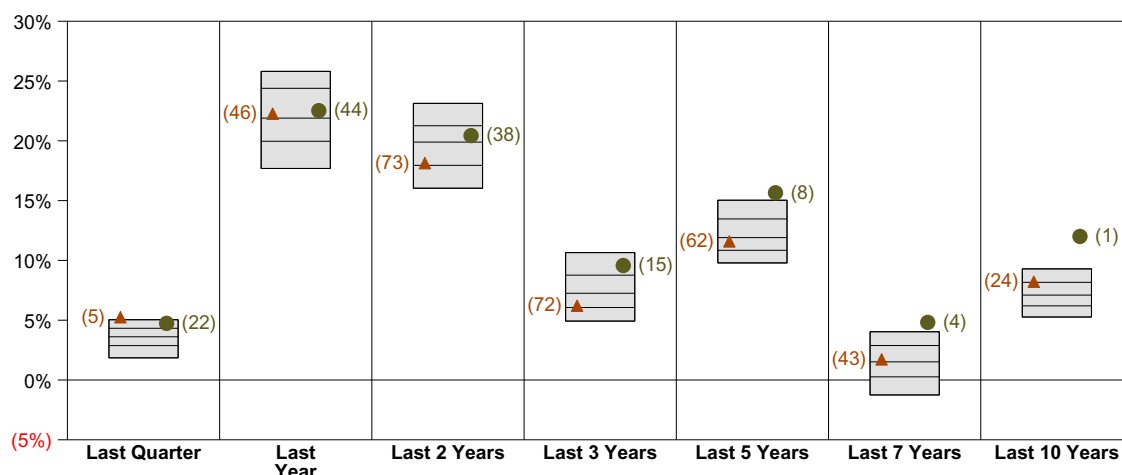
### Quarterly Summary and Highlights

- Columbia Acorn Int'l's portfolio posted a 4.74% return for the quarter placing it in the 22 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 44 percentile for the last year.
- Columbia Acorn Int'l's portfolio underperformed the MSCI ACWI ex US Index by 0.51% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 0.25%.

### Quarterly Asset Growth

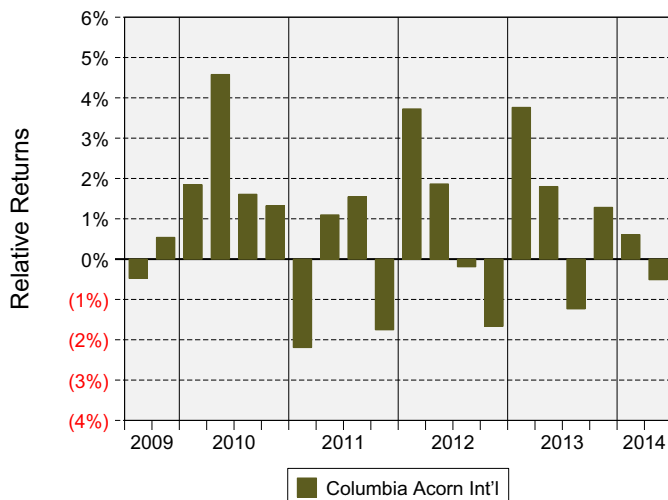
Beginning Market Value	\$11,243,607
Net New Investment	\$0
Investment Gains/(Losses)	\$532,755
Ending Market Value	\$11,776,362

### Performance vs CAI MF - Non-US Equity Style (Net)

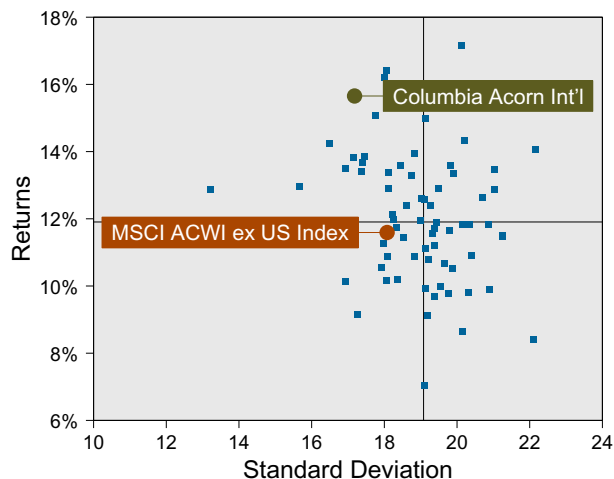


10th Percentile	5.04	25.81	23.13	10.65	15.03	4.04	9.29
25th Percentile	4.32	24.39	21.26	8.77	13.47	2.88	8.17
Median	3.61	21.90	19.89	7.25	11.91	1.52	7.10
75th Percentile	2.88	19.96	17.95	6.06	10.85	0.26	6.20
90th Percentile	1.85	17.69	16.04	4.92	9.79	(1.25)	5.27
<b>Columbia Acorn Int'l</b>	<b>4.74</b>	<b>22.52</b>	<b>20.44</b>	<b>9.57</b>	<b>15.65</b>	<b>4.82</b>	<b>12.00</b>
<b>MSCI ACWI ex US Index</b>	<b>5.25</b>	<b>22.27</b>	<b>18.13</b>	<b>6.21</b>	<b>11.59</b>	<b>1.73</b>	<b>8.22</b>

### Relative Return vs MSCI ACWI ex US Index



### CAI MF - Non-US Equity Style (Net) Annualized Five Year Risk vs Return

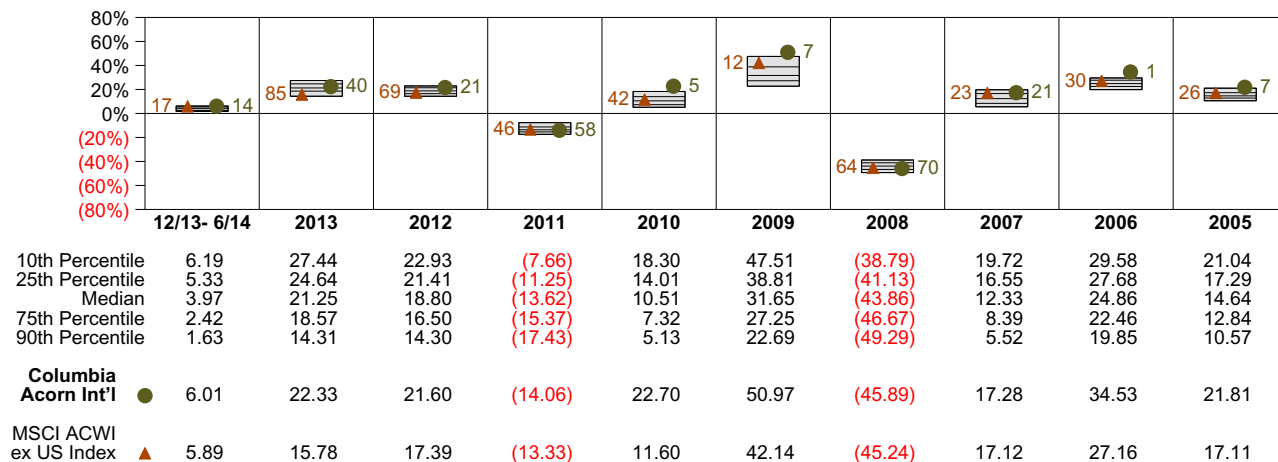


## Columbia Acorn Int'l Return Analysis Summary

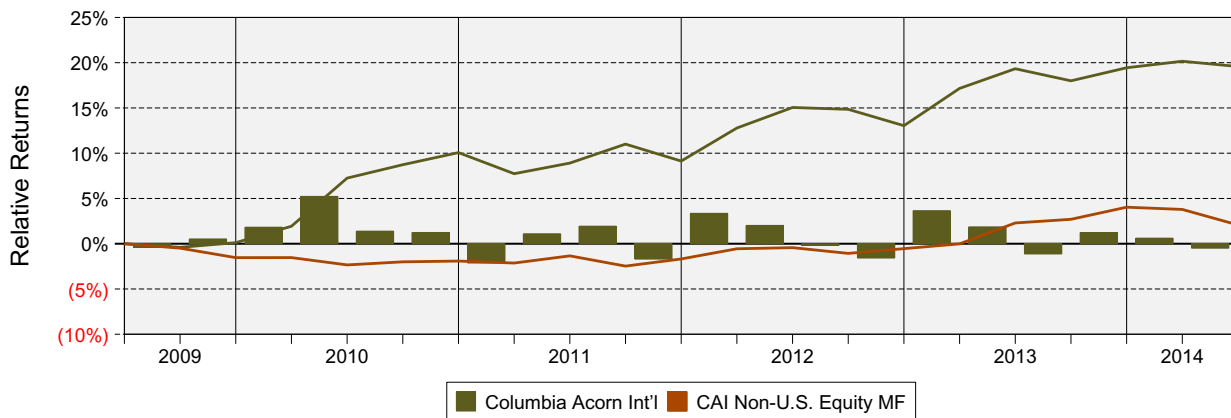
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

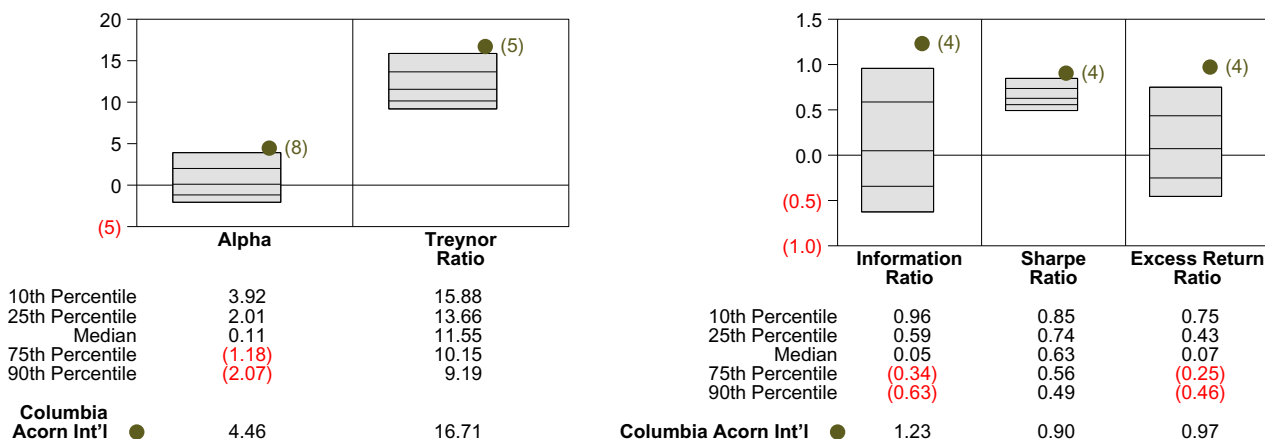
### Performance vs CAI MF - Non-US Equity Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended June 30, 2014

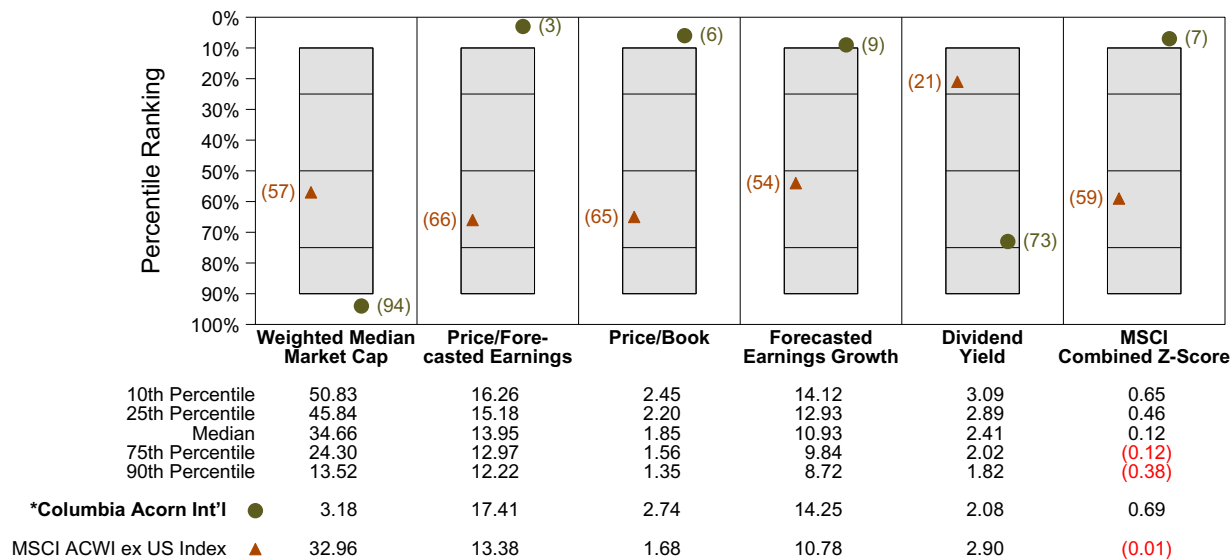


## Columbia Acorn Int'l Equity Characteristics Analysis Summary

### Portfolio Characteristics

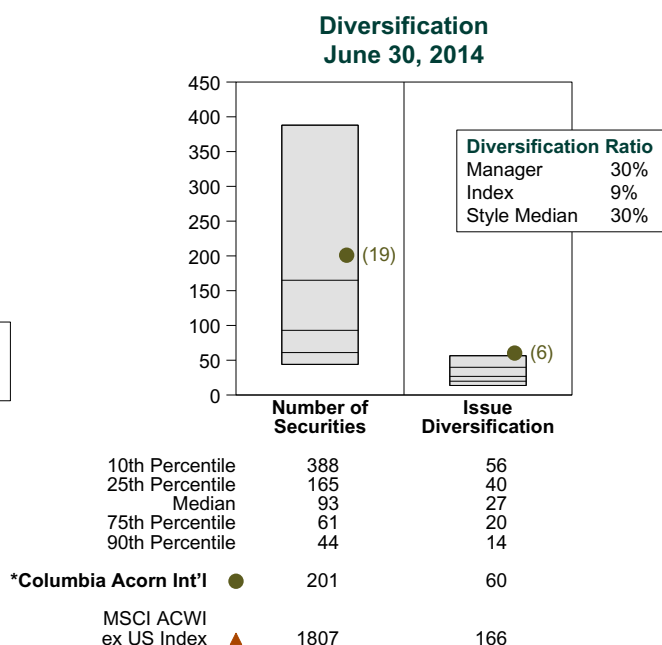
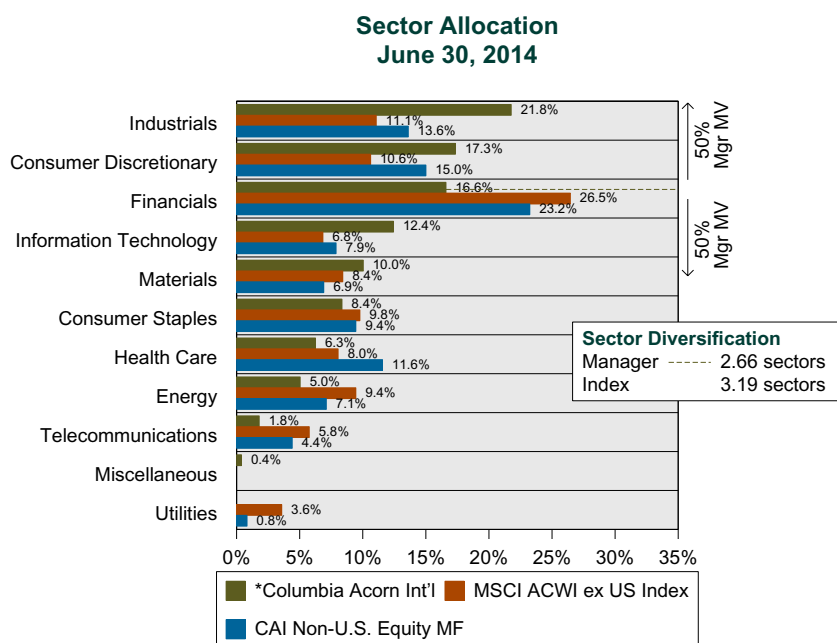
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2014



### Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

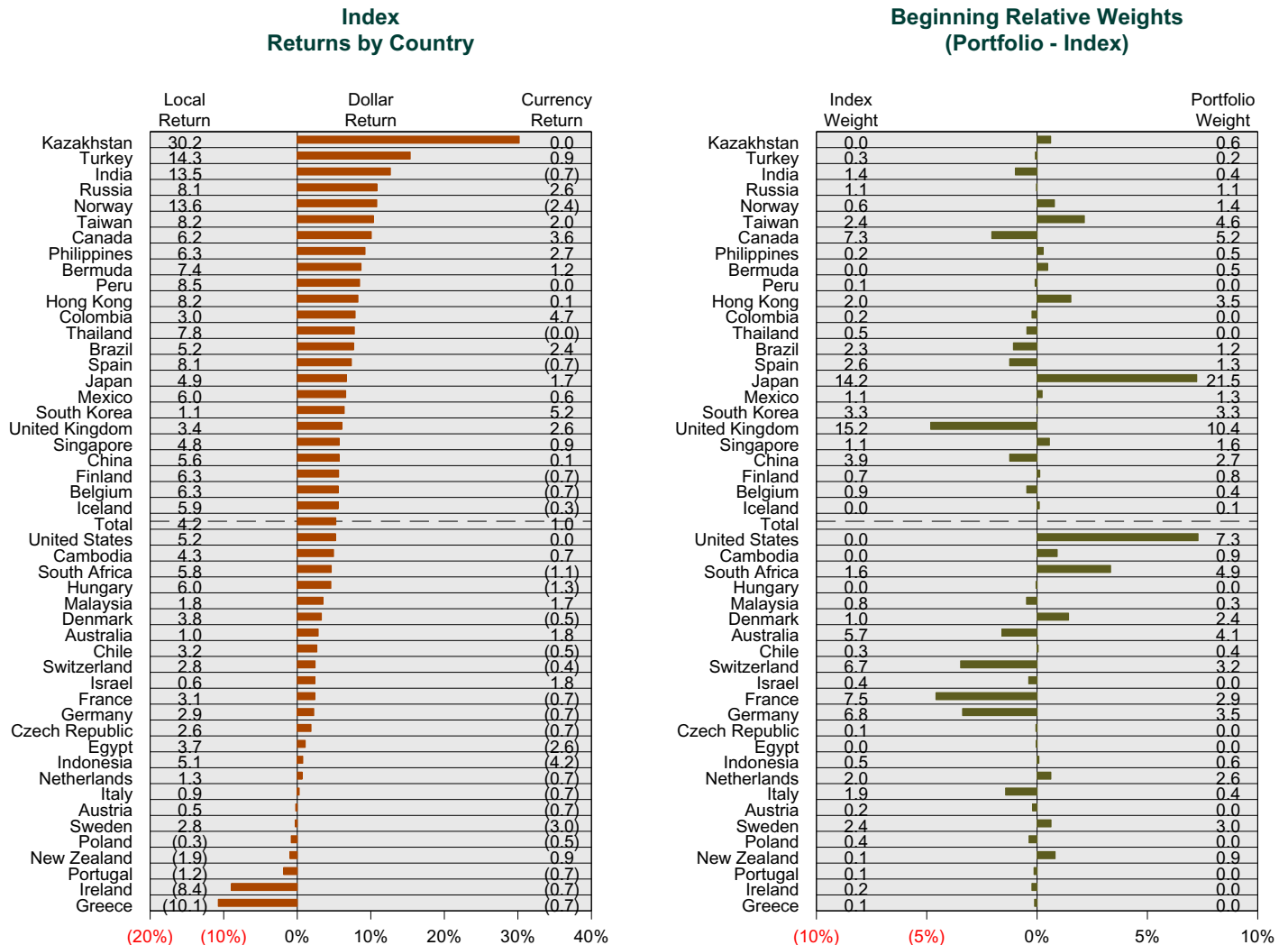


\*6/30/14 portfolio characteristics generated using most recently available holdings (4/30/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

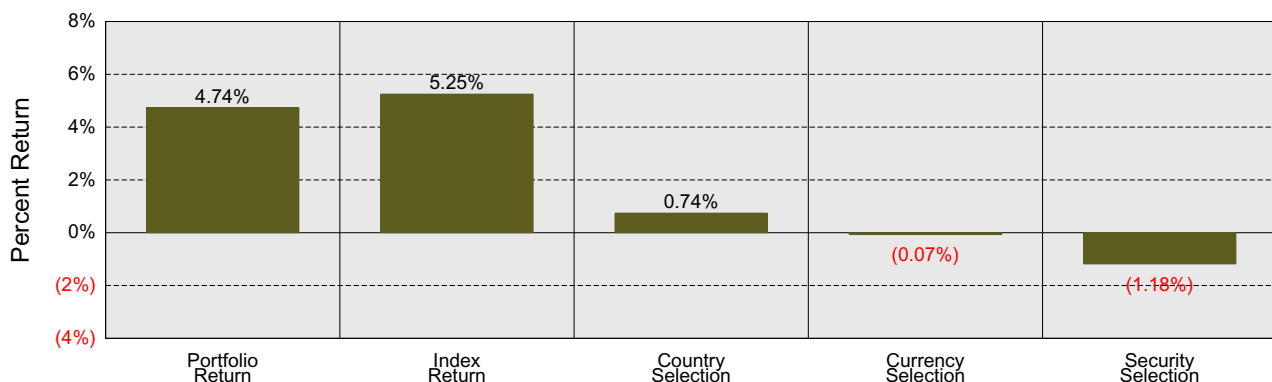
## Columbia Acorn Int'l vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2014

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended June 30, 2014



## Janus Overseas Period Ended June 30, 2014

### Investment Philosophy

Janus Overseas Fund invests opportunistically. We believe our fundamental research uncovers companies where the market price does not reflect long-term fundamentals. Janus Overseas Strategy \* Focused, high-conviction portfolio \* Seeks attractive growth companies in developed and emerging markets \* Long-term investment approach \* Research driven Switched from Class T Shares to Class I Shares in December 2009.

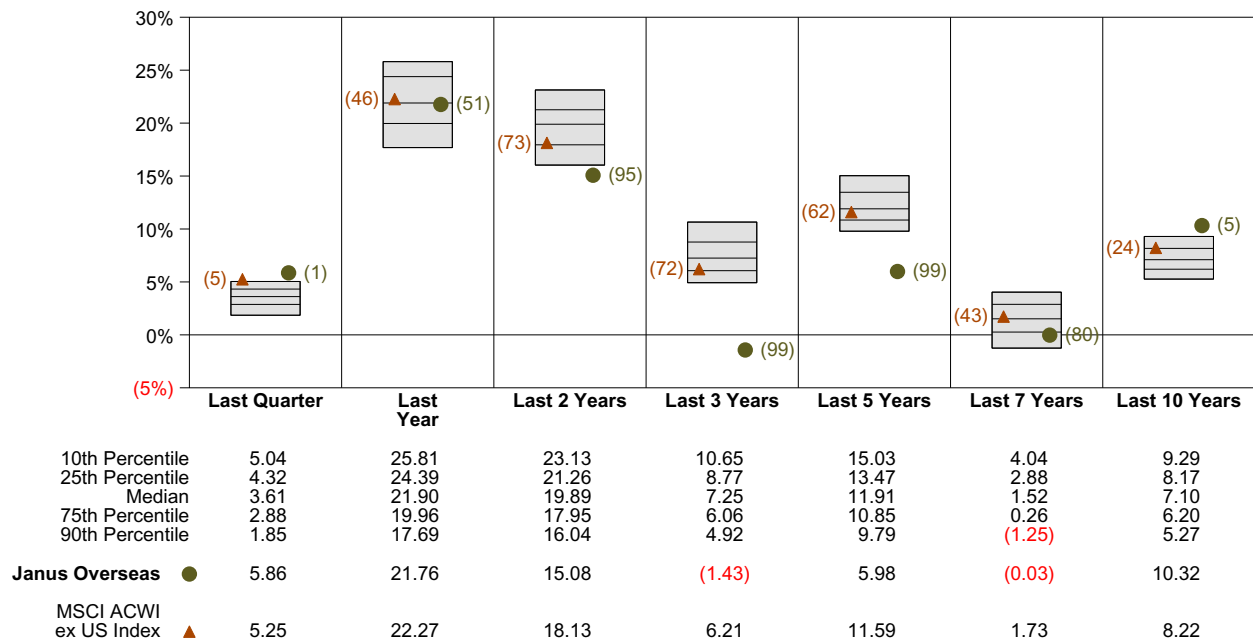
### Quarterly Summary and Highlights

- Janus Overseas's portfolio posted a 5.86% return for the quarter placing it in the 1 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 51 percentile for the last year.
- Janus Overseas's portfolio outperformed the MSCI ACWI ex US Index by 0.61% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 0.51%.

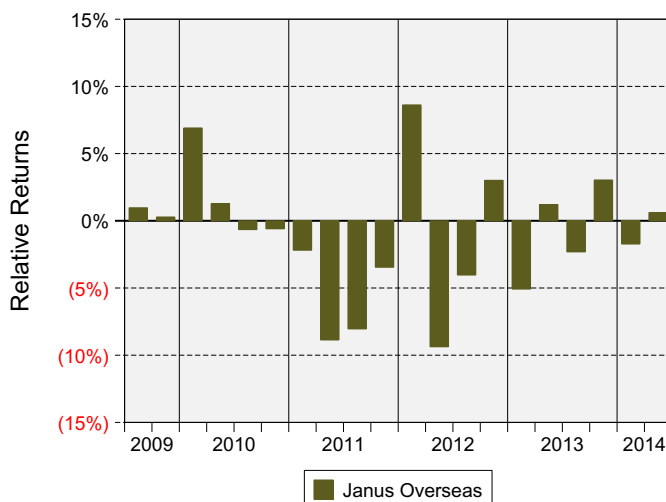
### Quarterly Asset Growth

Beginning Market Value	\$18,498,433
Net New Investment	\$0
Investment Gains/(Losses)	\$1,083,378
Ending Market Value	\$19,581,811

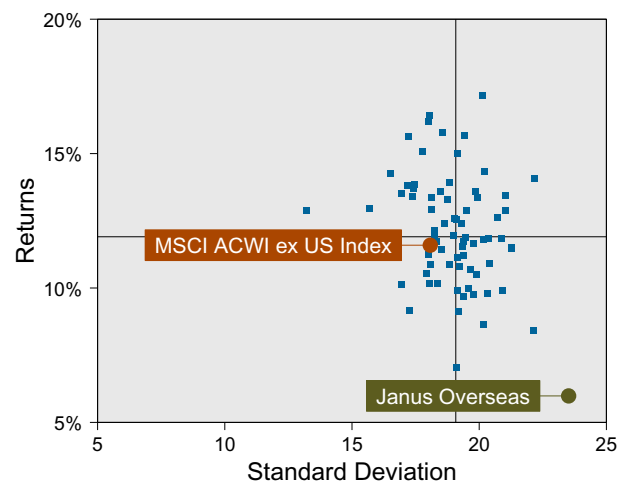
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



### CAI MF - Non-US Equity Style (Net) Annualized Five Year Risk vs Return

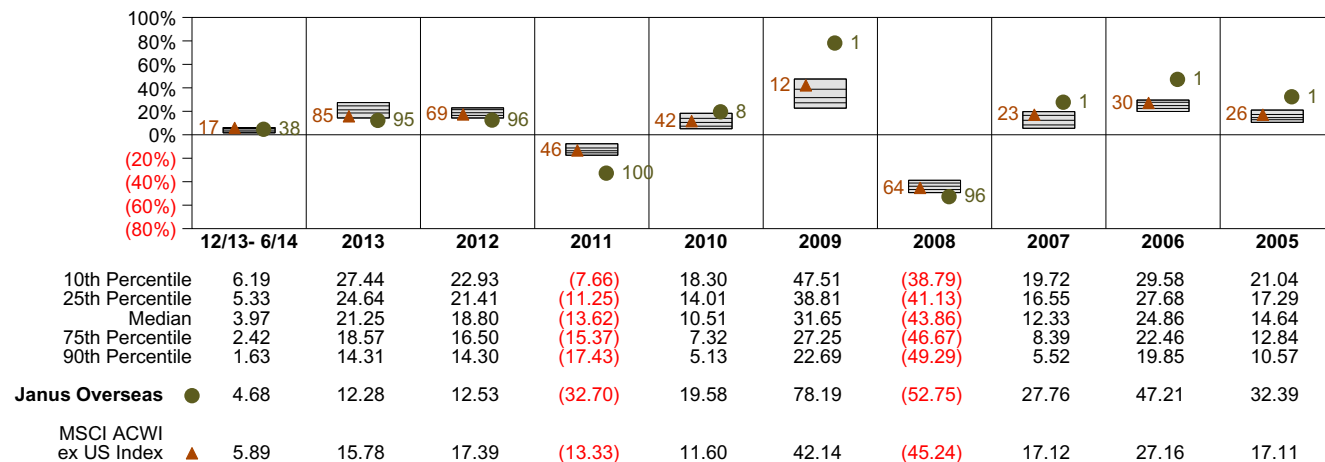


## Janus Overseas Return Analysis Summary

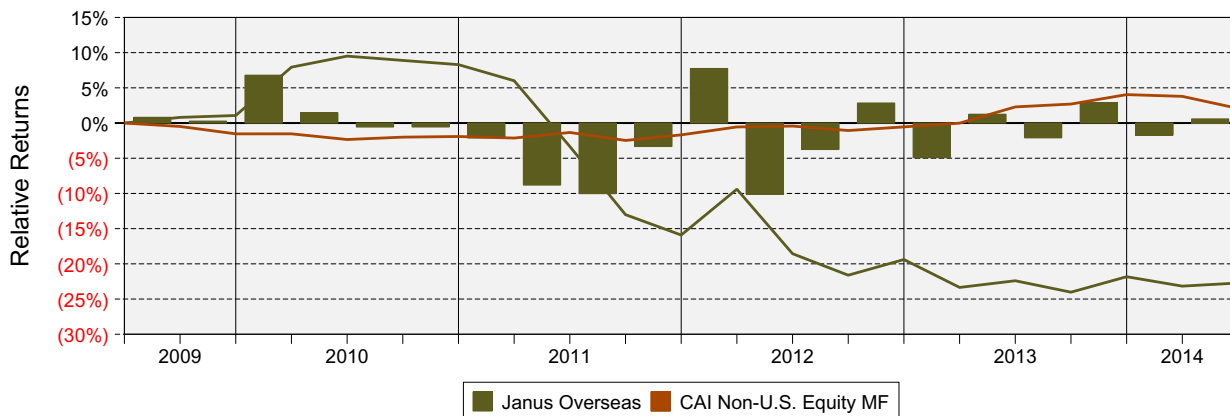
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

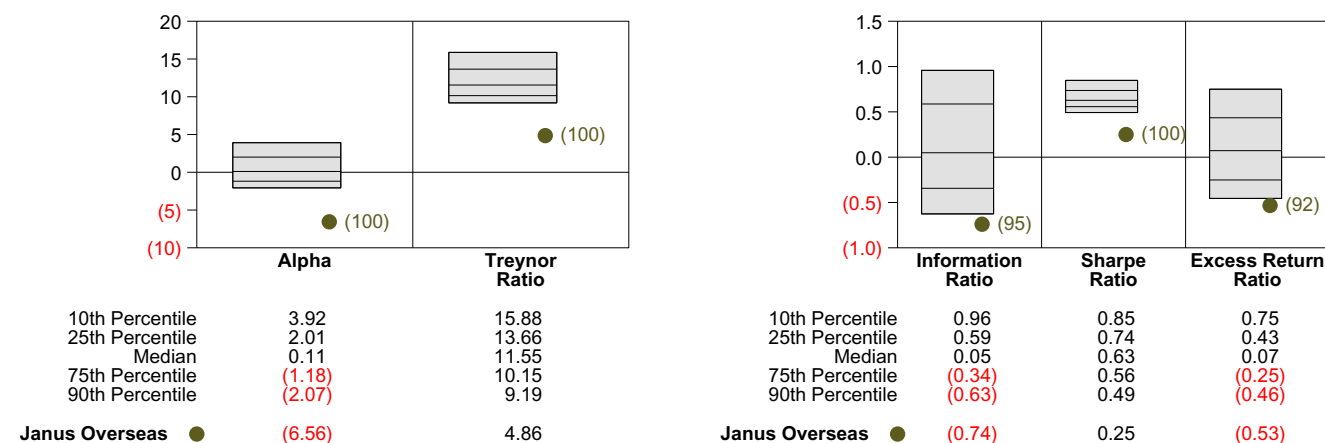
### Performance vs CAI MF - Non-US Equity Style (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



### Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended June 30, 2014

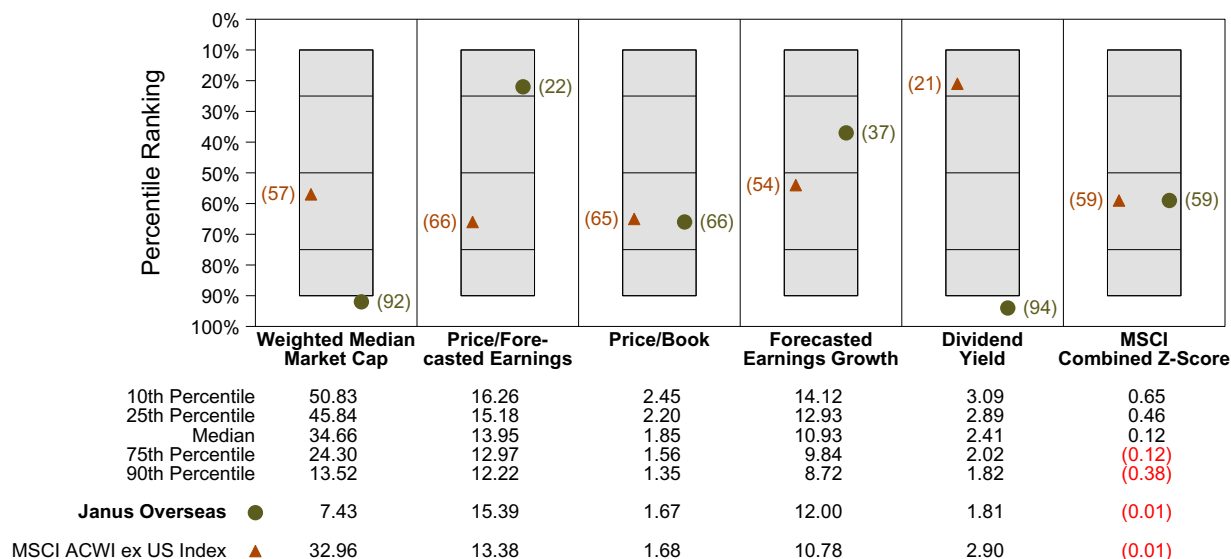


## Janus Overseas Equity Characteristics Analysis Summary

### Portfolio Characteristics

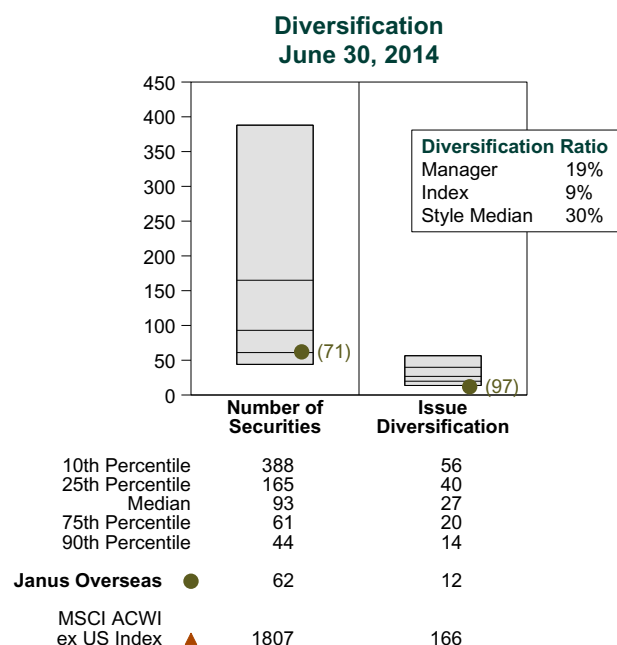
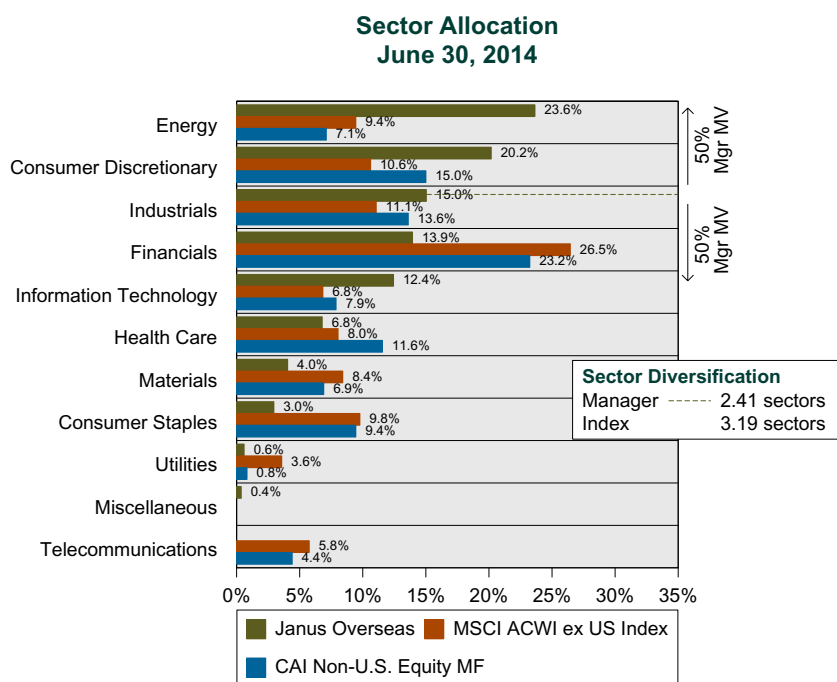
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2014



### Sector Weights

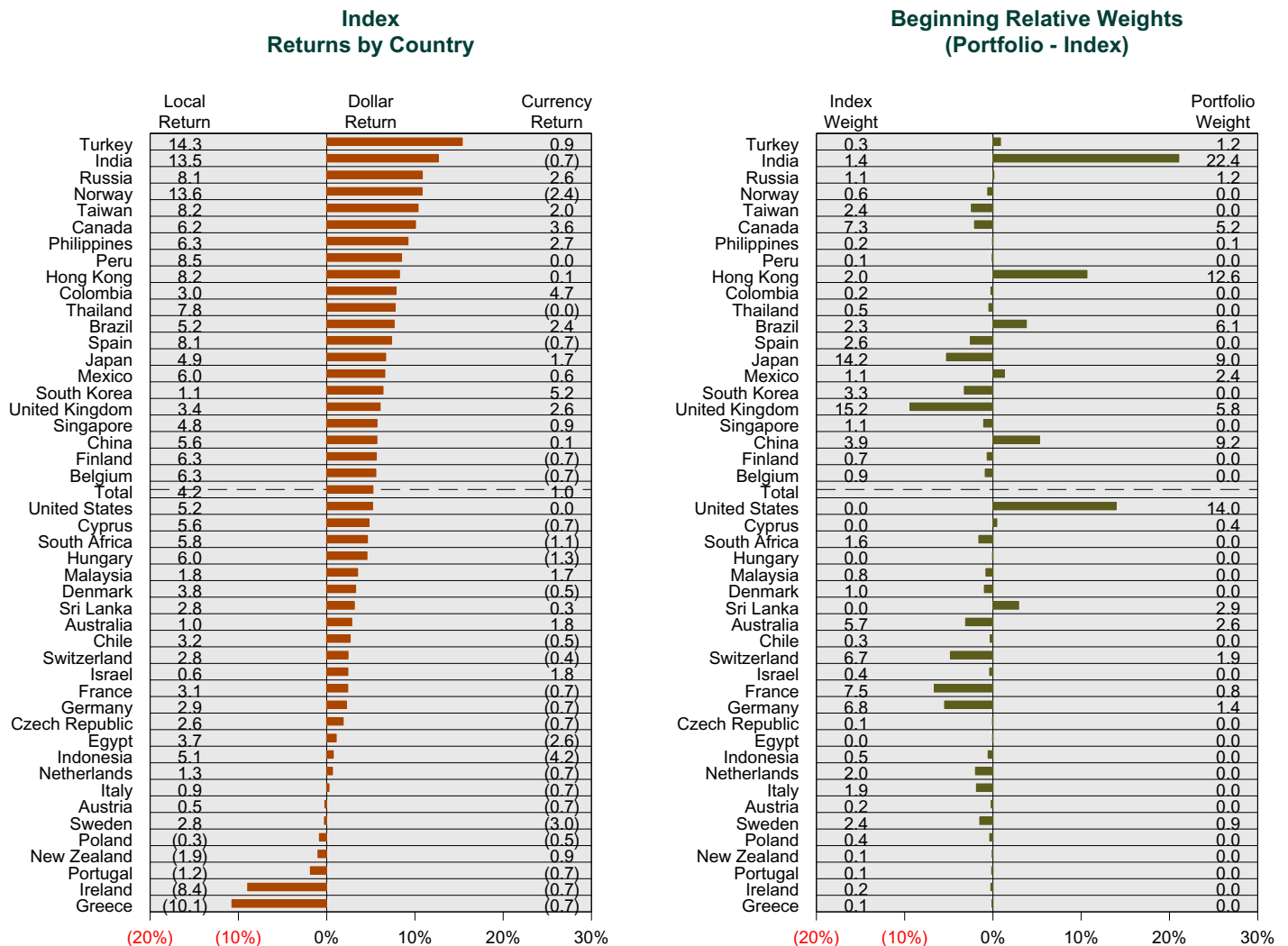
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



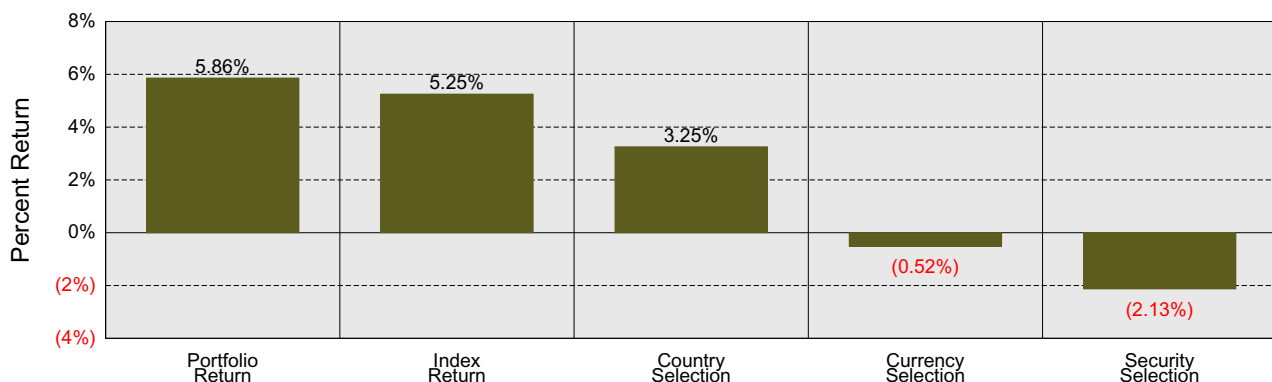
## Janus Overseas vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2014

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended June 30, 2014





## Oakmark International Period Ended June 30, 2014

### Investment Philosophy

Harris Associates are value investors. They seek to invest in companies that trade at a substantial discount to their underlying business values and run by managers who think and act as owners. They believe that purchasing a quality business at a discount to its underlying value minimizes risk while providing substantial profit potential. Over time, they believe the price of a stock will rise to reflect the company's underlying business value; in practice, their investment time horizon is generally three to five years. They are concentrated investors, building focused portfolios that provide diversification but are concentrated enough so that their best ideas can make a meaningful impact on investment performance. They believe they can add value through their stock selection capabilities and low correlation to international indices and peers. Harris believes their greatest competitive advantage is their long-term investment horizon, exploiting the mispricing of securities caused by what they believe is the short-term focus of many market participants.

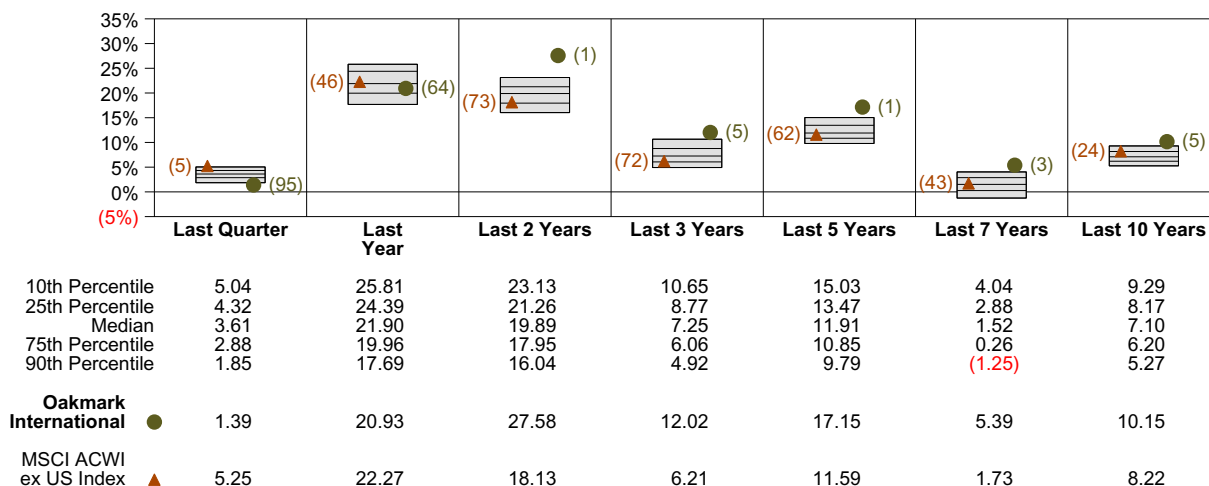
### Quarterly Summary and Highlights

- Oakmark International's portfolio posted a 1.39% return for the quarter placing it in the 95 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 64 percentile for the last year.
- Oakmark International's portfolio underperformed the MSCI ACWI ex US Index by 3.85% for the quarter and underperformed the MSCI ACWI ex US Index for the year by 1.34%.

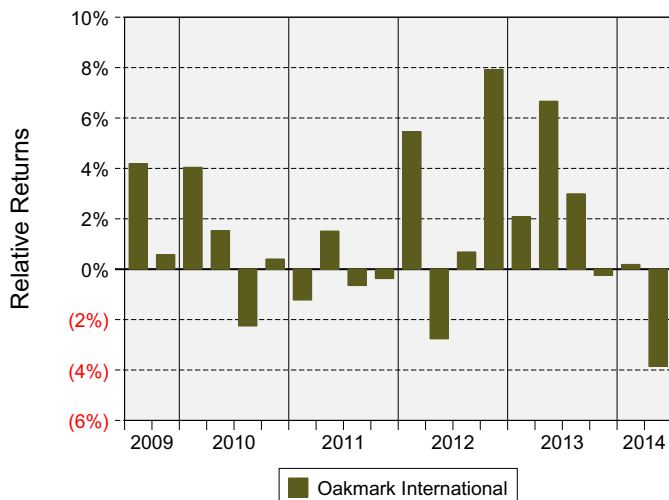
### Quarterly Asset Growth

Beginning Market Value	\$16,251,662
Net New Investment	\$0
Investment Gains/(Losses)	\$226,653
Ending Market Value	\$16,478,315

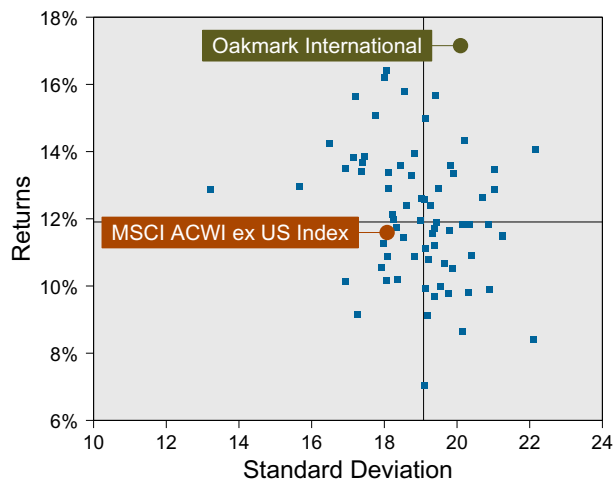
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



### CAI MF - Non-US Equity Style (Net) Annualized Five Year Risk vs Return

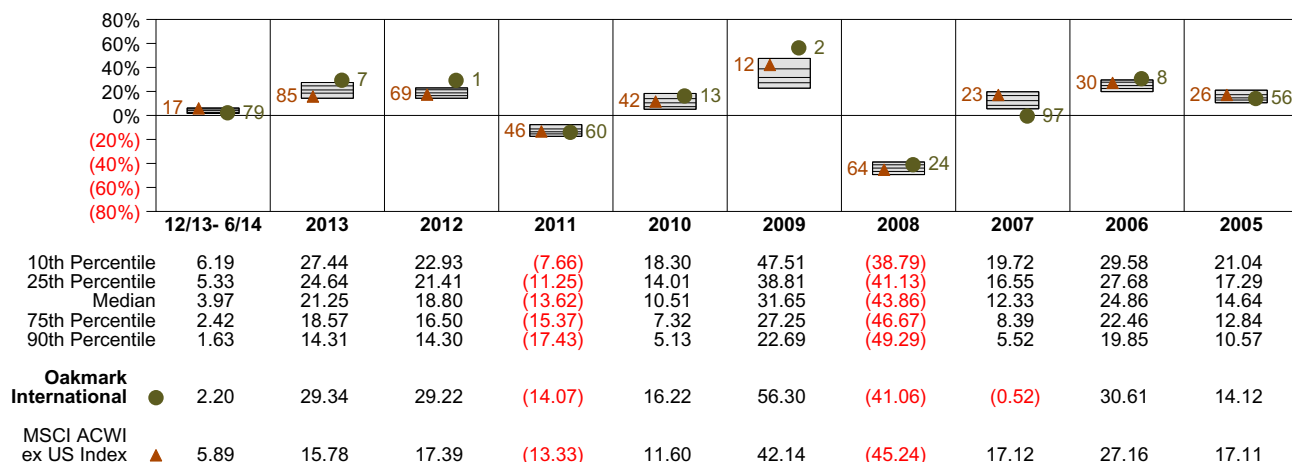


# Oakmark International Return Analysis Summary

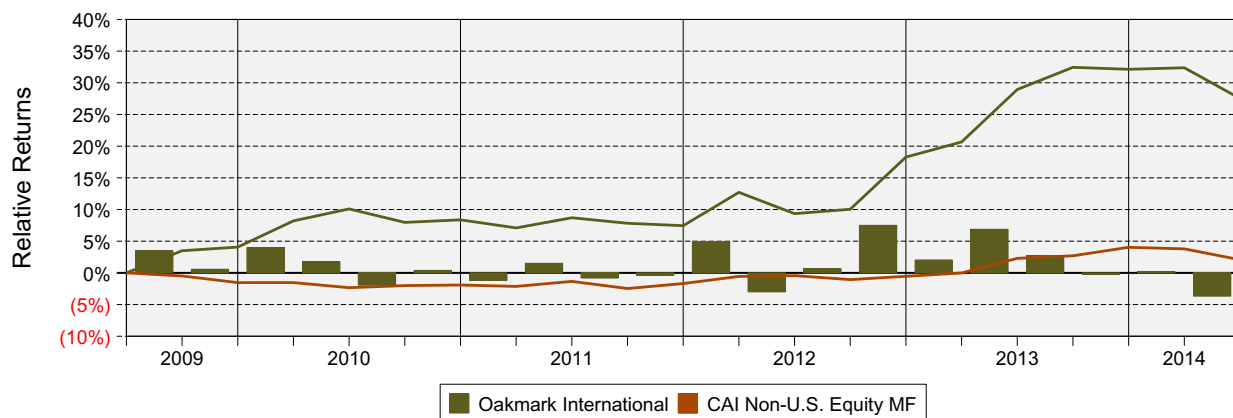
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

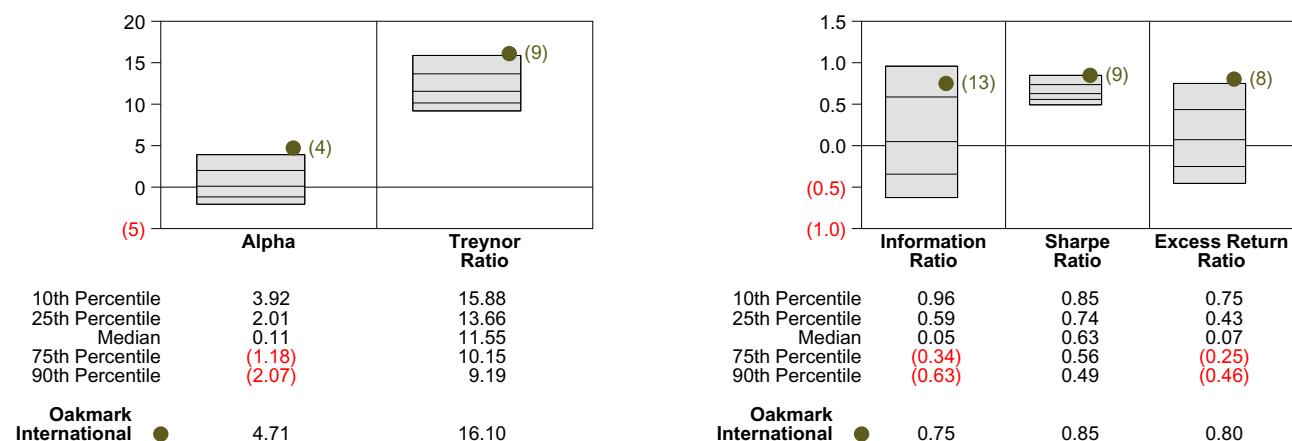
## Performance vs CAI MF - Non-US Equity Style (Net)



## Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



## Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Five Years Ended June 30, 2014

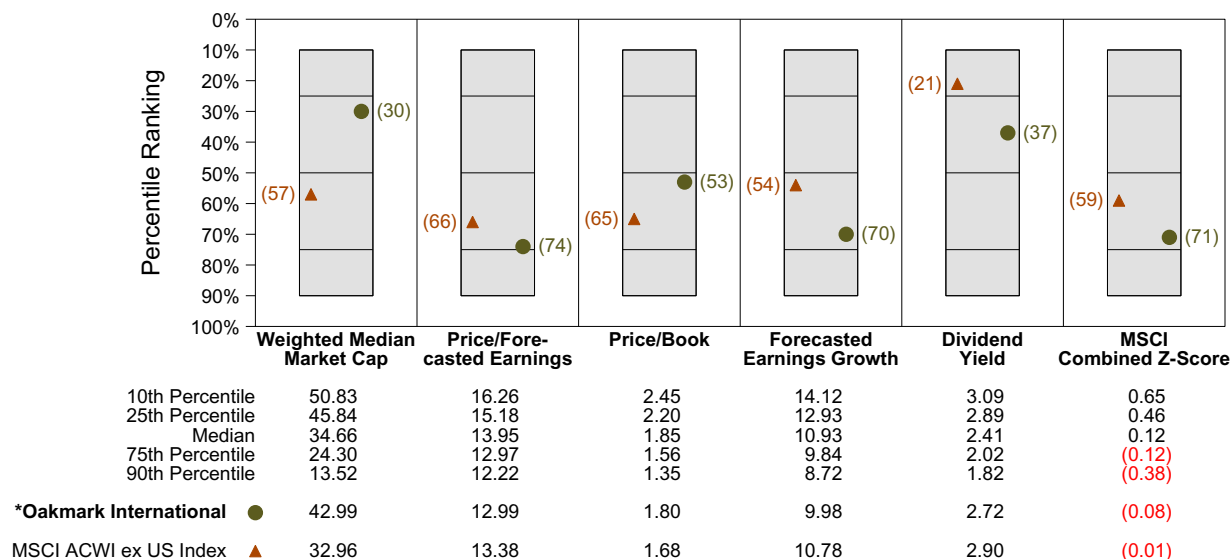


# Oakmark International Equity Characteristics Analysis Summary

## Portfolio Characteristics

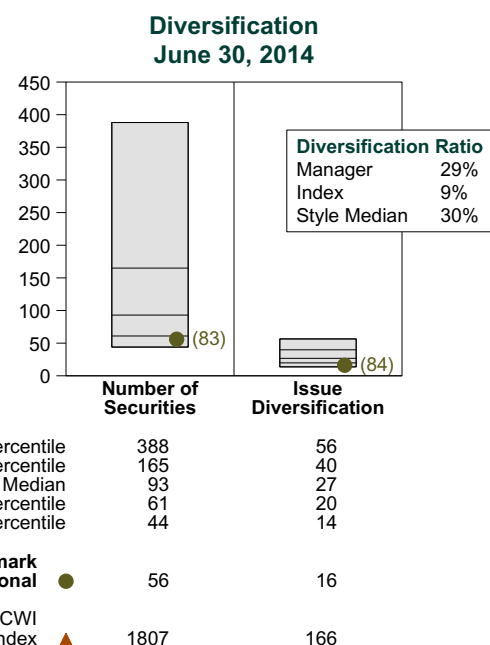
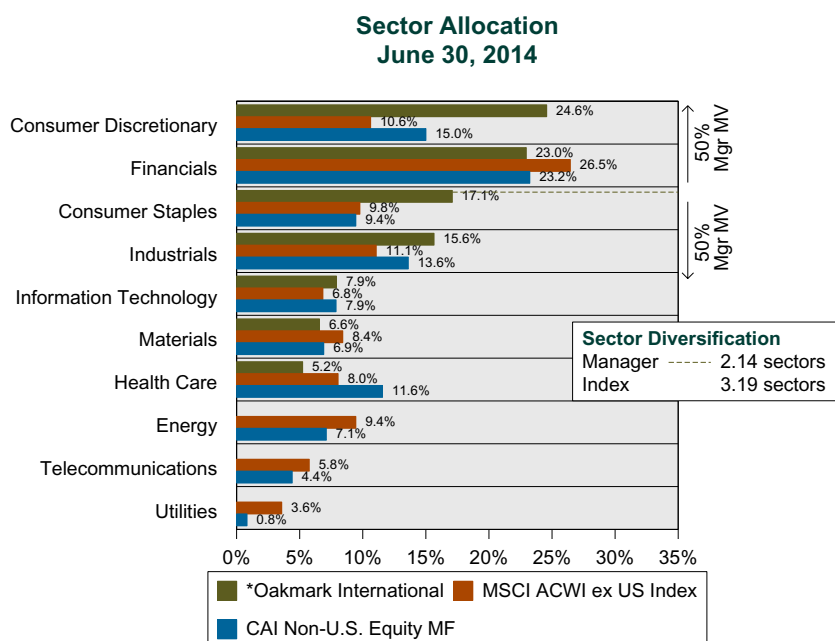
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2014



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

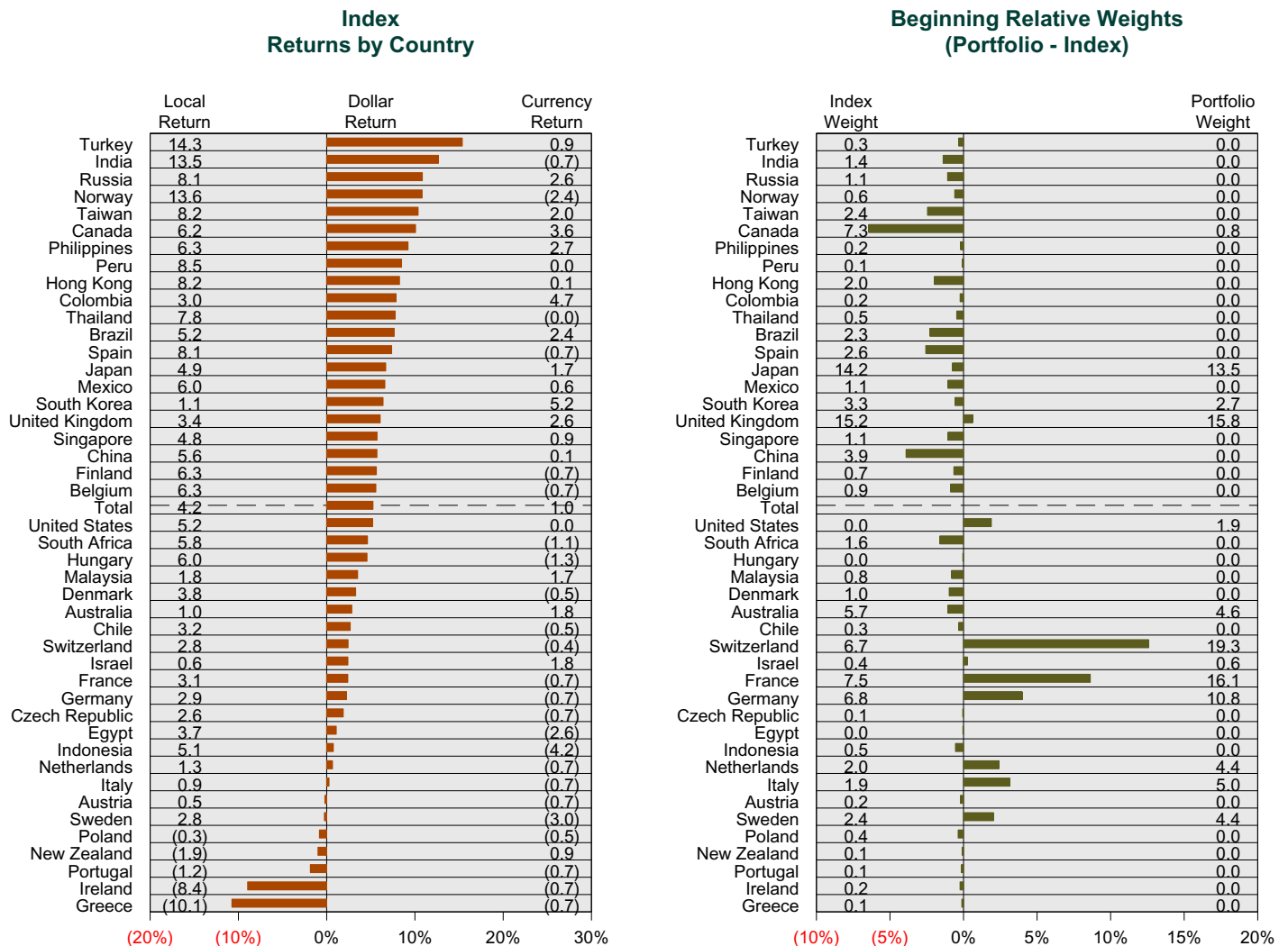


\*6/30/14 portfolio characteristics generated using most recently available holdings (3/31/14) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

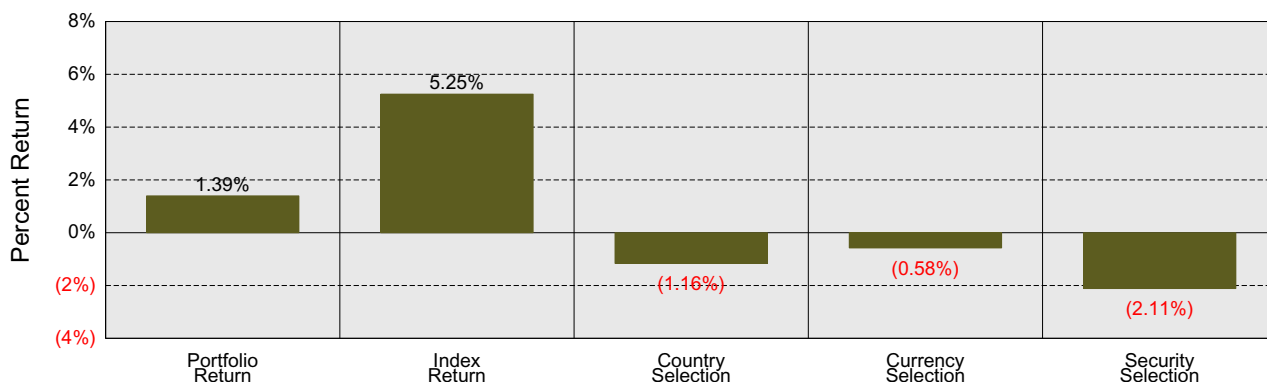
## Oakmark International vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2014

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended June 30, 2014



## Mondrian International Period Ended June 30, 2014

### Investment Philosophy

Mondrian's value driven investment philosophy is based on the belief that investments need to be evaluated in terms of their fundamental long-term value. In the management of international equity assets, they invest in securities where rigorous dividend discount analysis identifies value in terms of the long term flow of income. Mondrian's management fee is 77 bps on all assets.

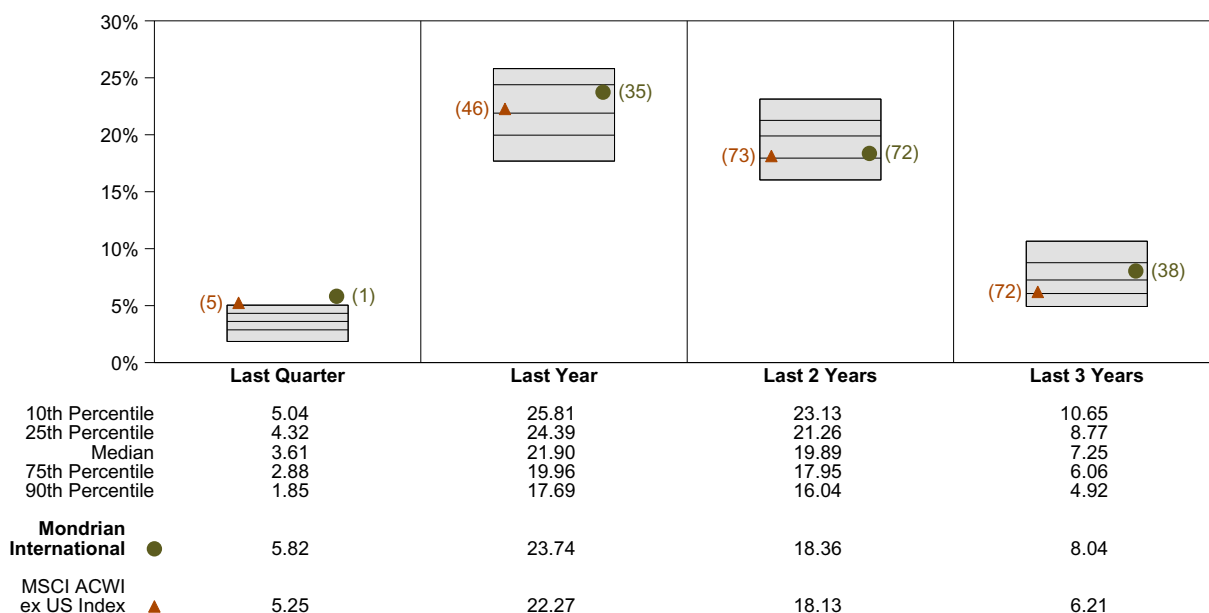
### Quarterly Summary and Highlights

- Mondrian International's portfolio posted a 5.82% return for the quarter placing it in the 1 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 35 percentile for the last year.
- Mondrian International's portfolio outperformed the MSCI ACWI ex US Index by 0.57% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 1.47%.

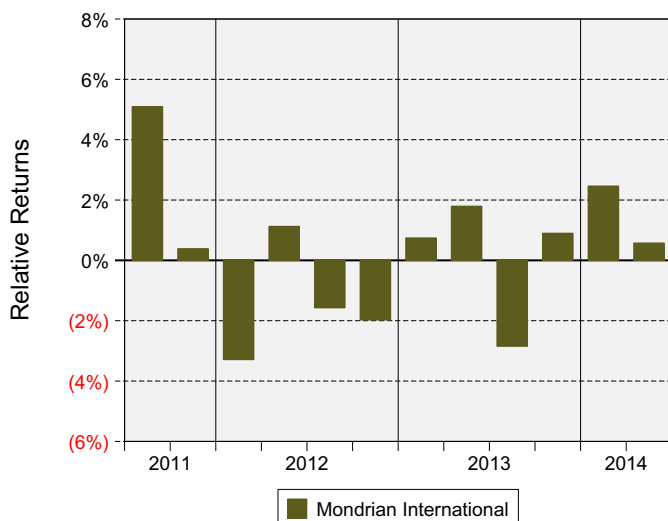
### Quarterly Asset Growth

Beginning Market Value	\$21,289,061
Net New Investment	\$42,093
Investment Gains/(Losses)	\$1,240,517
Ending Market Value	\$22,571,671

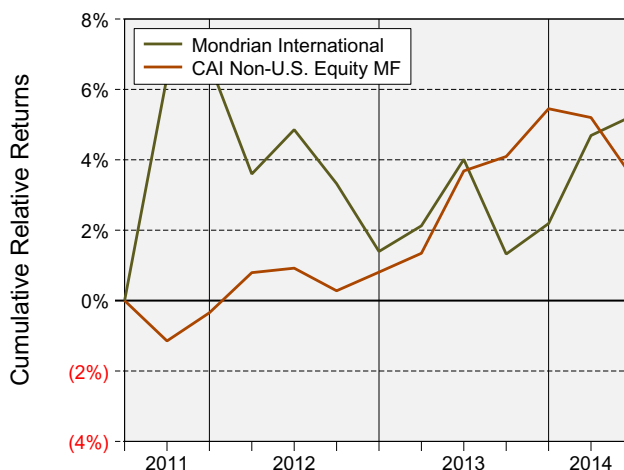
### Performance vs CAI MF - Non-US Equity Style (Net)



### Relative Return vs MSCI ACWI ex US Index



### Cumulative Returns vs MSCI ACWI ex US Index

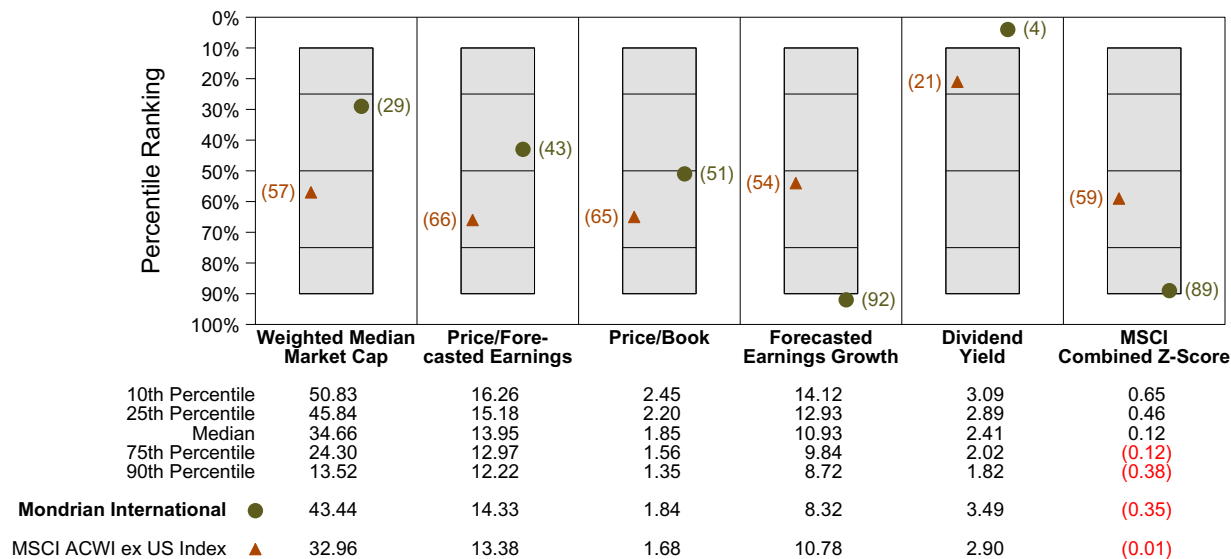


# Mondrian International Equity Characteristics Analysis Summary

## Portfolio Characteristics

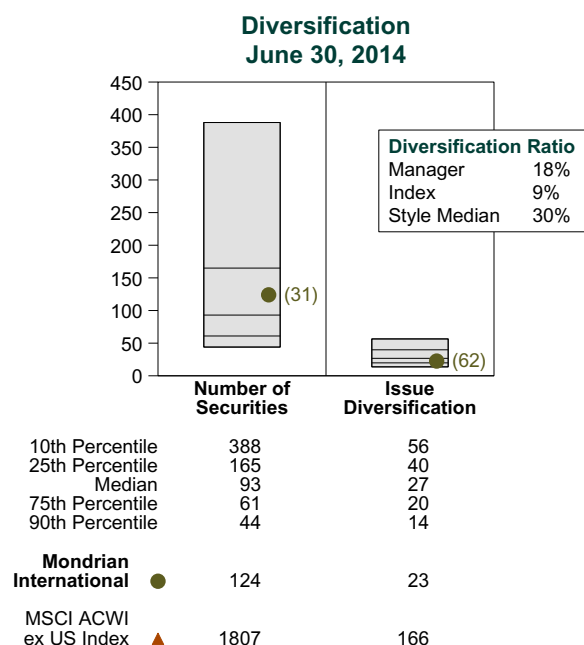
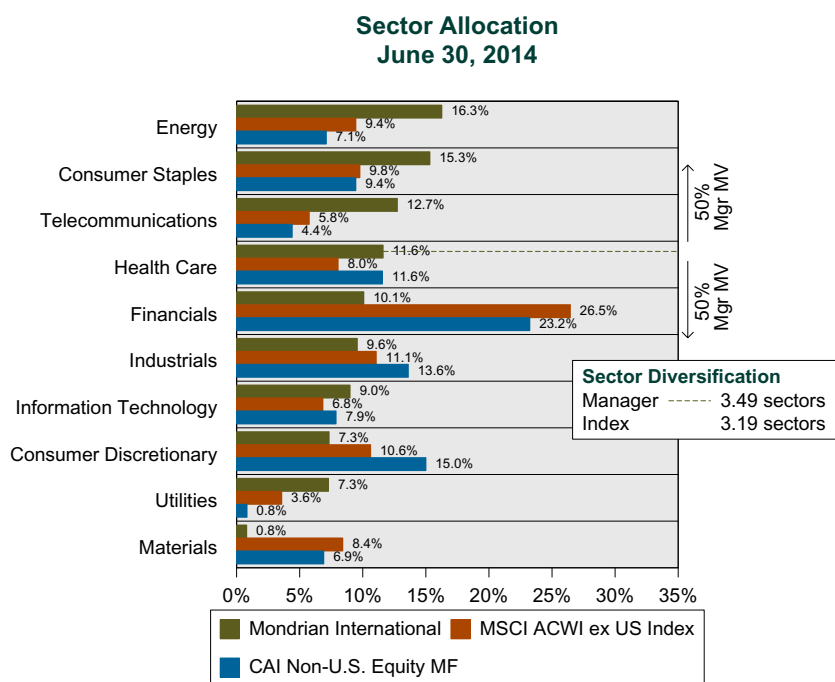
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of June 30, 2014



## Sector Weights

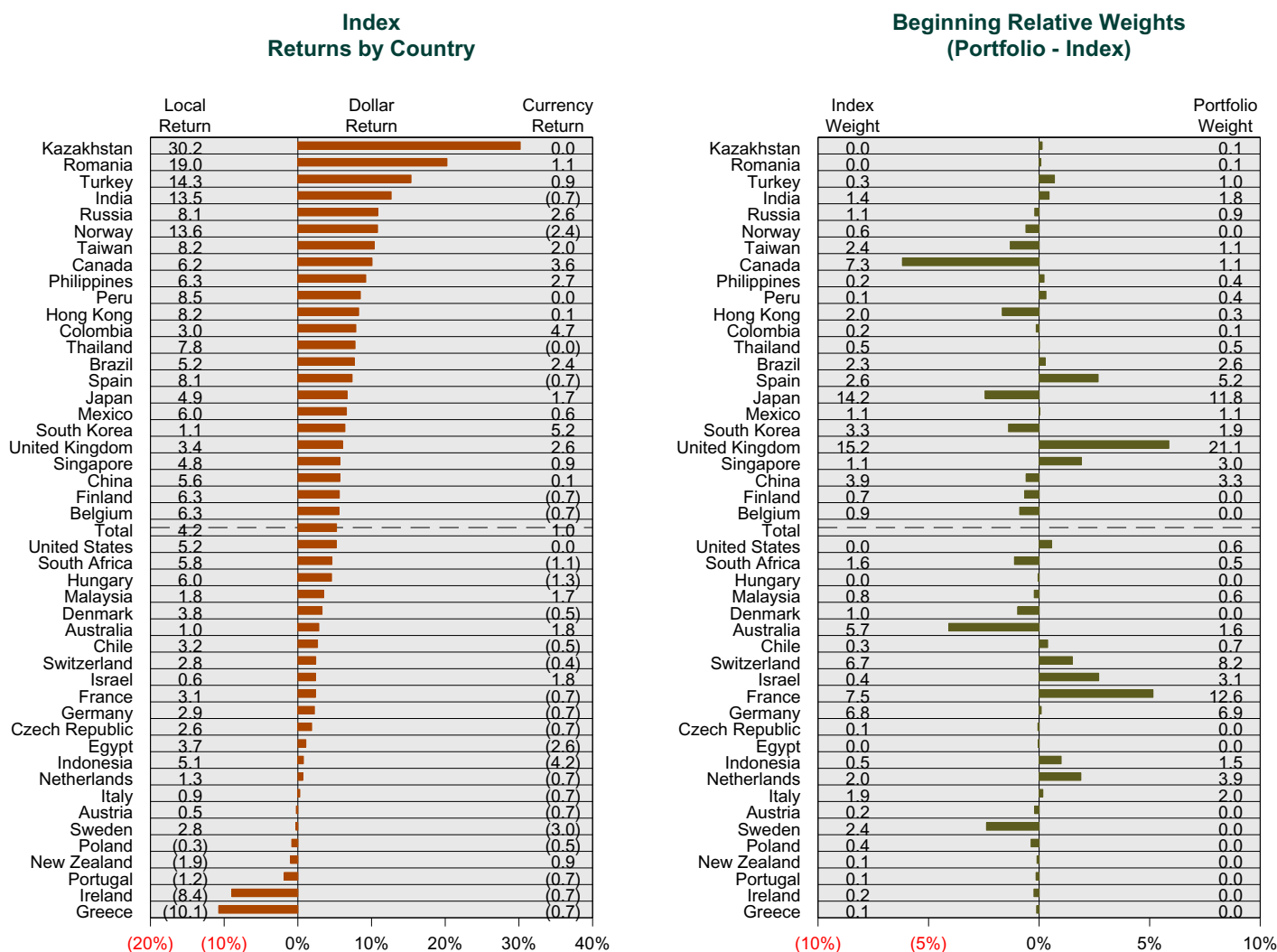
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



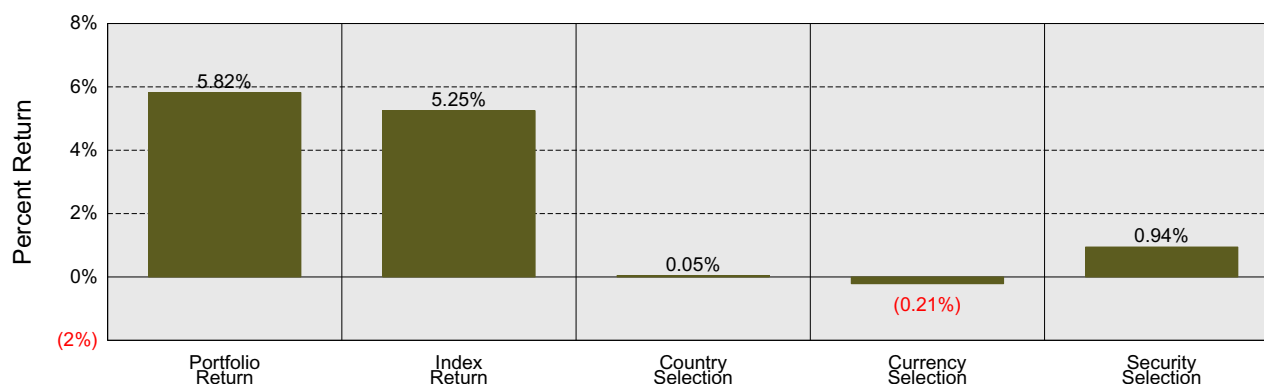
## Mondrian International vs MSCI ACWI ex US Index Attribution for Quarter Ended June 30, 2014

### International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



### Attribution Factors for Quarter Ended June 30, 2014







## Domestic Fixed Income Composite Period Ended June 30, 2014

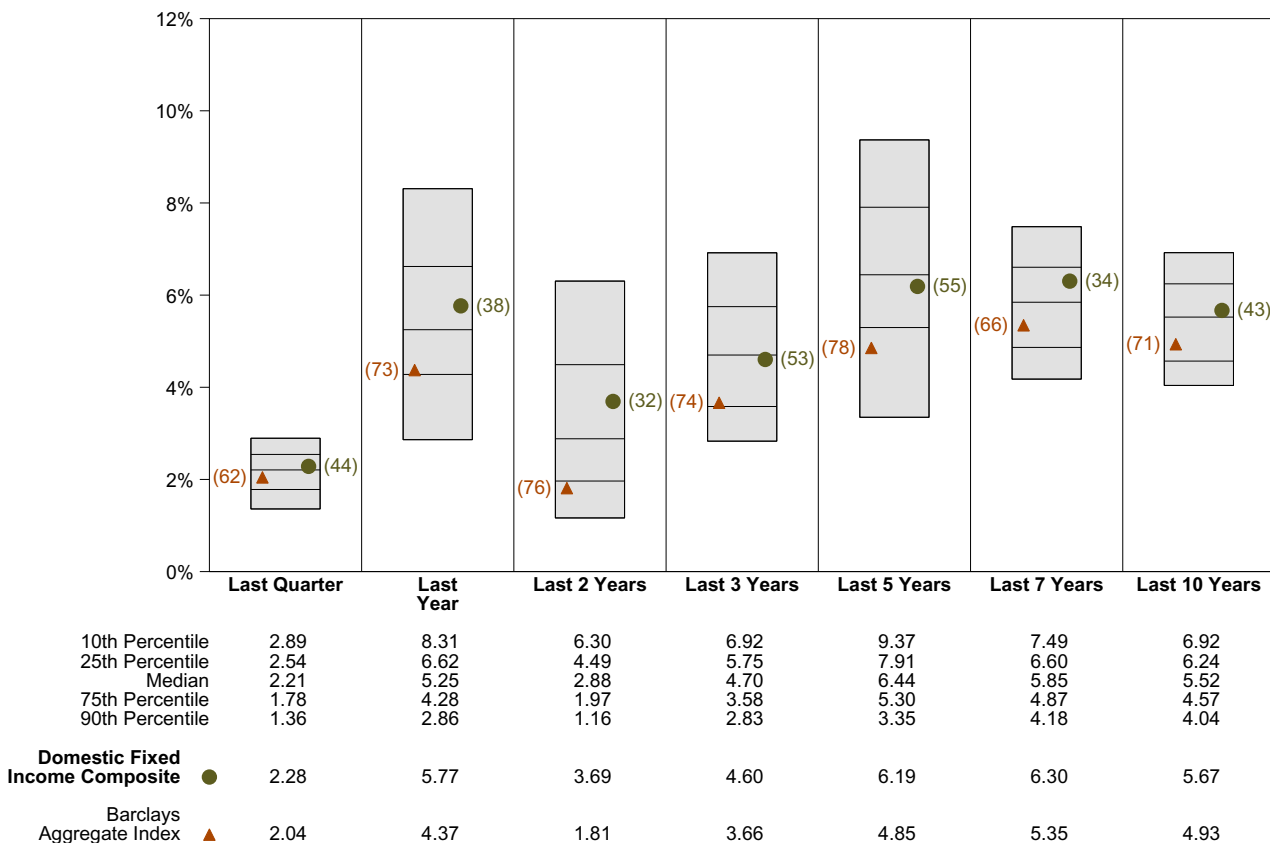
### Quarterly Summary and Highlights

- Domestic Fixed Income Composite's portfolio posted a 2.28% return for the quarter placing it in the 44 percentile of the Pub Pln- Domestic Fixed group for the quarter and in the 38 percentile for the last year.
- Domestic Fixed Income Composite's portfolio outperformed the Barclays Aggregate Index by 0.24% for the quarter and outperformed the Barclays Aggregate Index for the year by 1.39%.

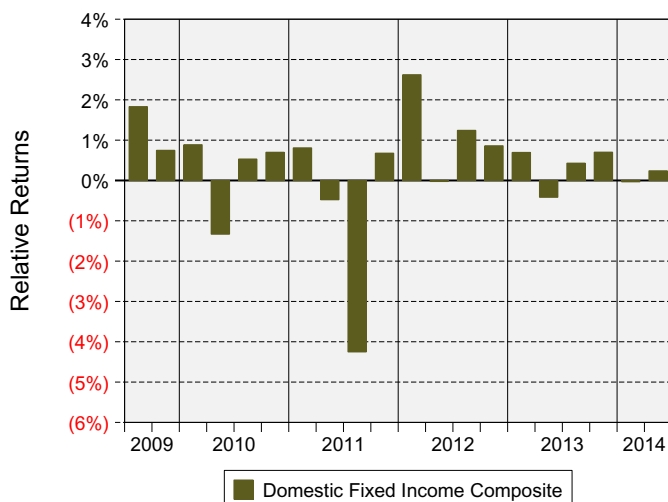
### Quarterly Asset Growth

Beginning Market Value	\$113,644,700
Net New Investment	\$-760,428
Investment Gains/(Losses)	\$2,592,410
Ending Market Value	\$115,476,682

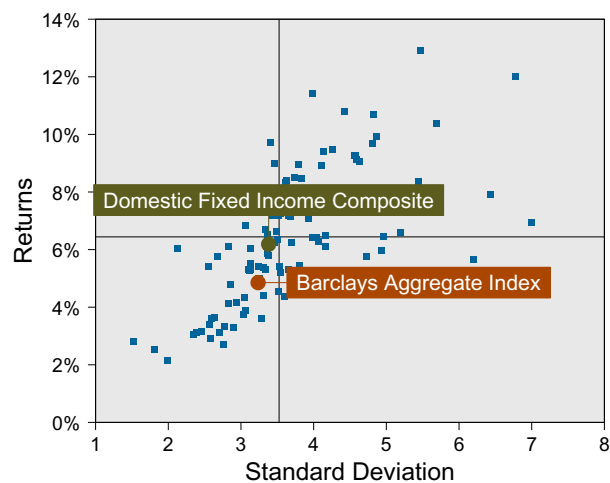
### Performance vs Pub Pln- Domestic Fixed (Gross)



### Relative Return vs Barclays Aggregate Index



### Pub Pln- Domestic Fixed (Gross) Annualized Five Year Risk vs Return

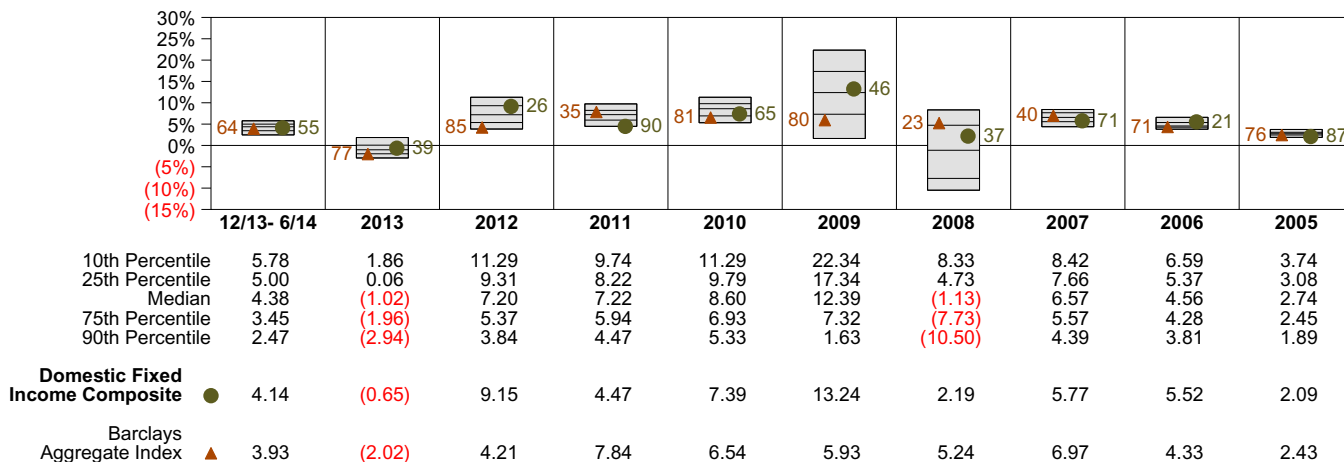


## Domestic Fixed Income Composite Return Analysis Summary

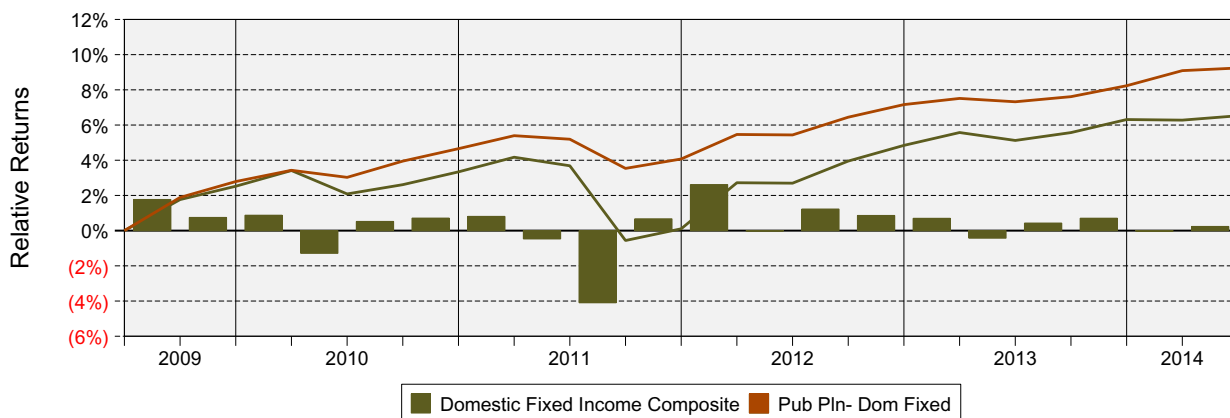
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

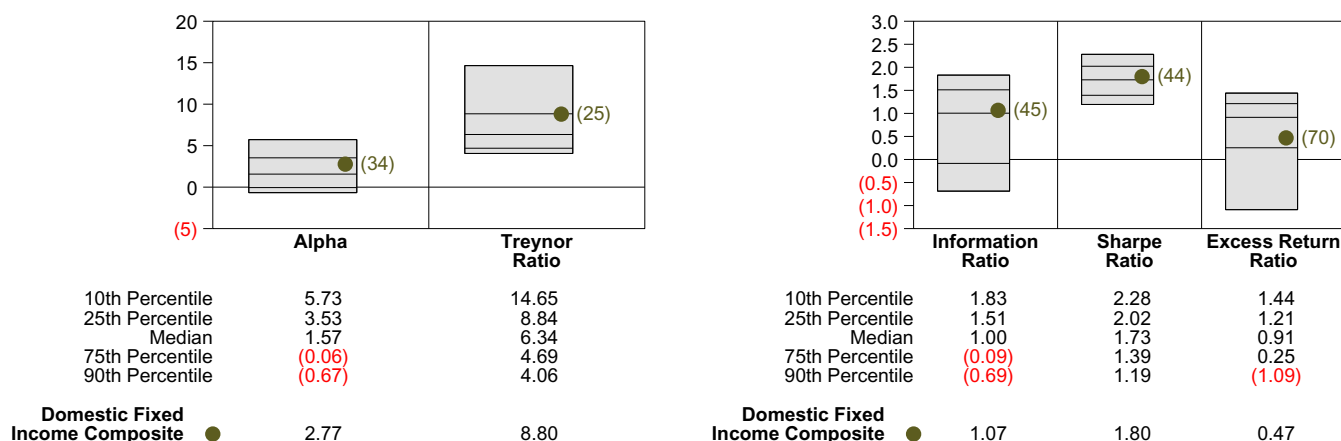
### Performance vs Pub Pln- Domestic Fixed (Gross)



### Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



### Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against Pub Pln- Domestic Fixed (Gross) Five Years Ended June 30, 2014

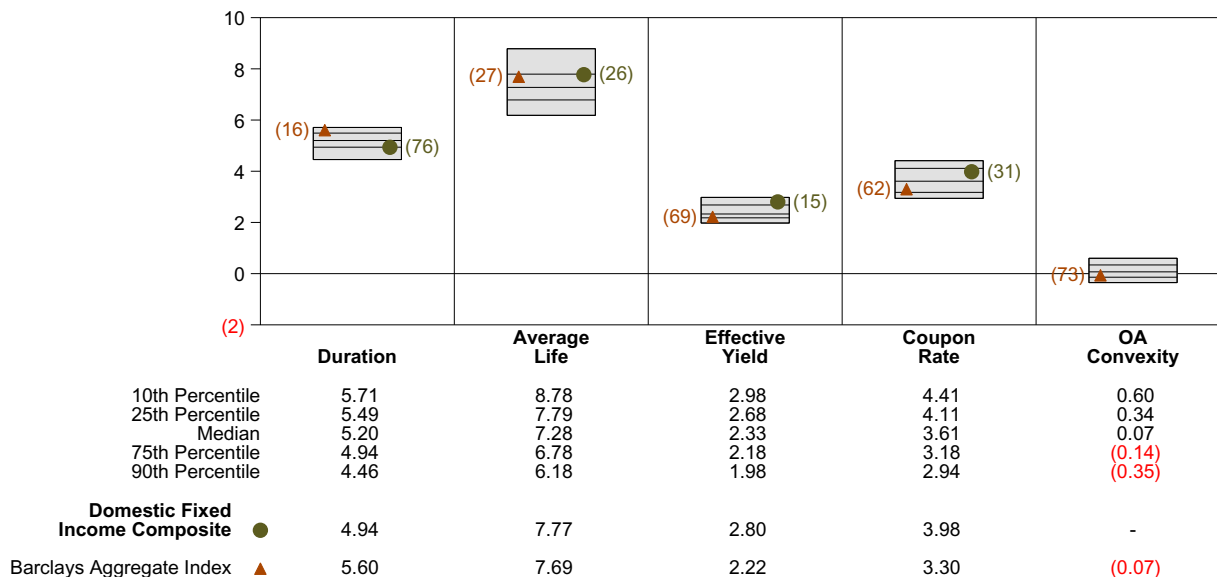


## Domestic Fixed Income Composite Bond Characteristics Analysis Summary

### Portfolio Characteristics

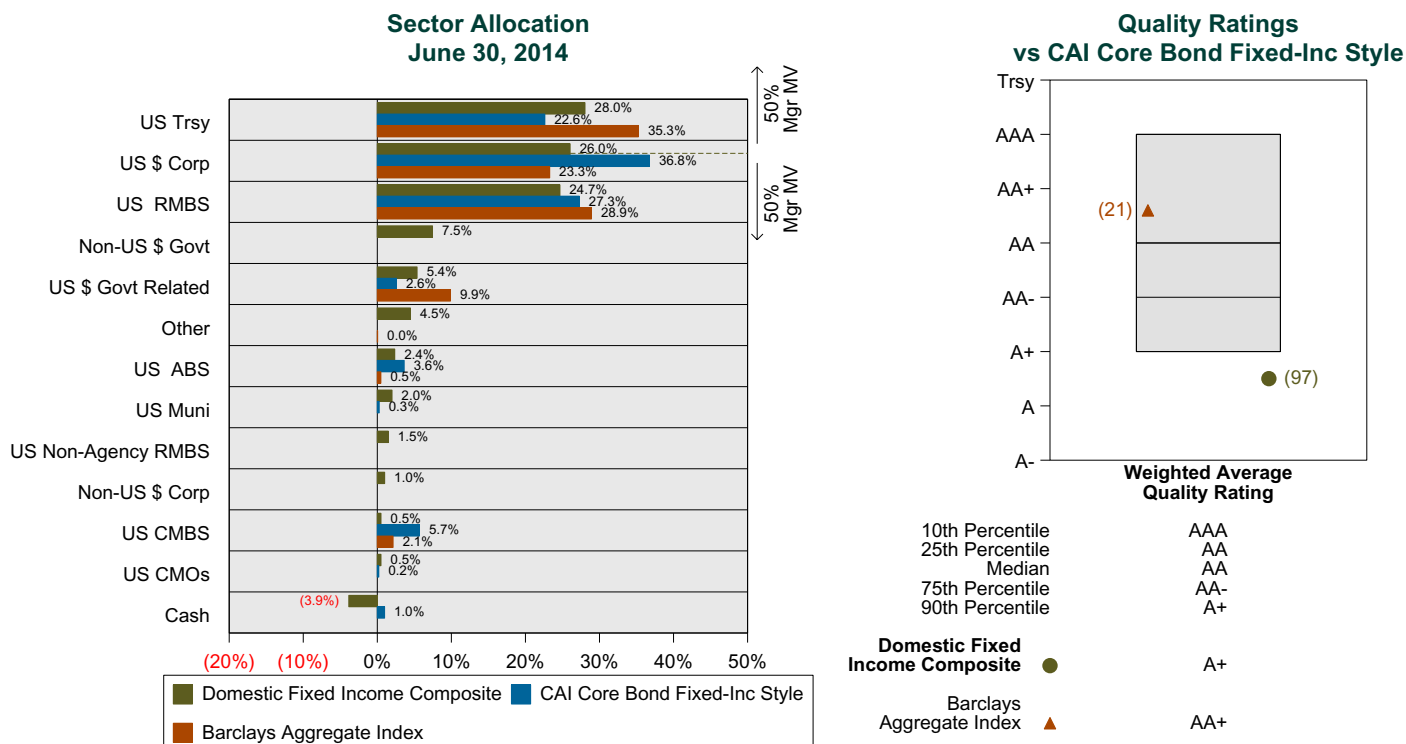
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed-Inc Style as of June 30, 2014



### Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



## Dodge & Cox Income Period Ended June 30, 2014

### Investment Philosophy

Dodge & Cox employs a bottom-up security selection process focusing on undervalued issues. The process aims to produce a high-quality, diversified portfolio with above-market returns over three-to-five year periods.

### Quarterly Summary and Highlights

- Dodge & Cox Income's portfolio posted a 2.19% return for the quarter placing it in the 24 percentile of the CAI MF - Core Bond Style group for the quarter and in the 4 percentile for the last year.
- Dodge & Cox Income's portfolio outperformed the Barclays Aggregate Index by 0.15% for the quarter and outperformed the Barclays Aggregate Index for the year by 2.25%.

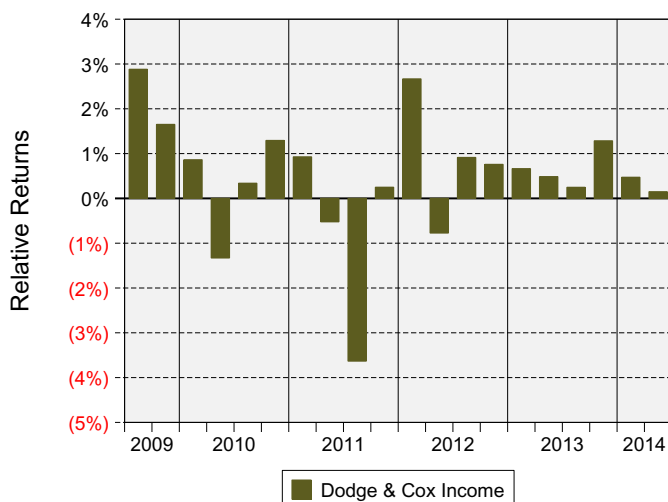
### Quarterly Asset Growth

Beginning Market Value	\$57,265,314
Net New Investment	\$-418,300
Investment Gains/(Losses)	\$1,254,904
Ending Market Value	\$58,101,918

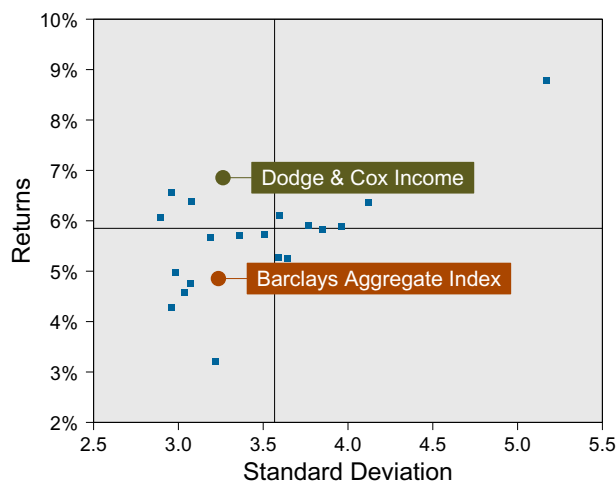
### Performance vs CAI MF - Core Bond Style (Net)



### Relative Return vs Barclays Aggregate Index



### CAI MF - Core Bond Style (Net) Annualized Five Year Risk vs Return

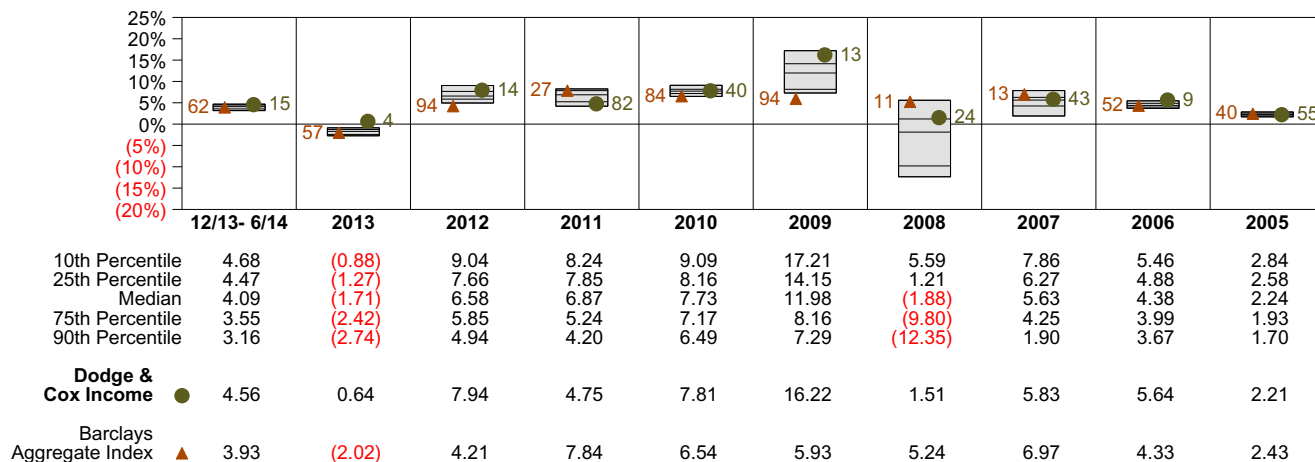


## Dodge & Cox Income Return Analysis Summary

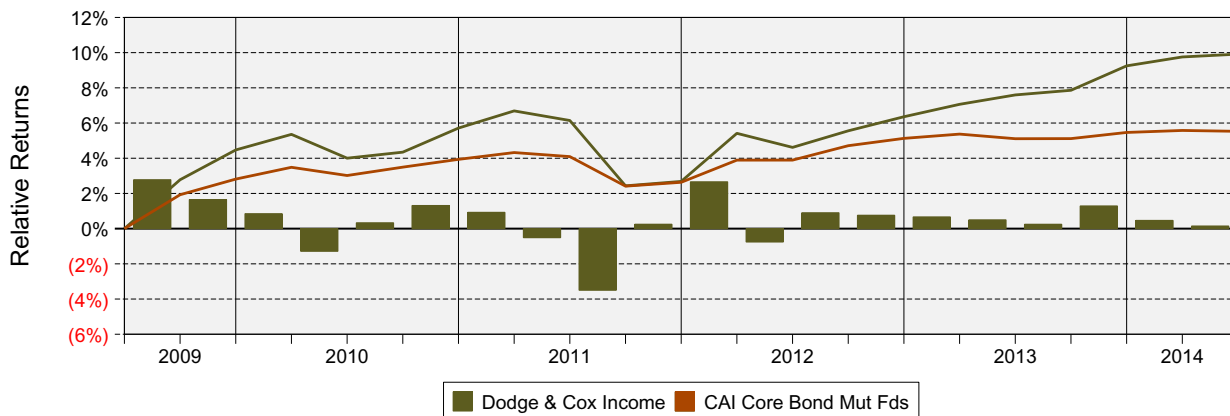
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

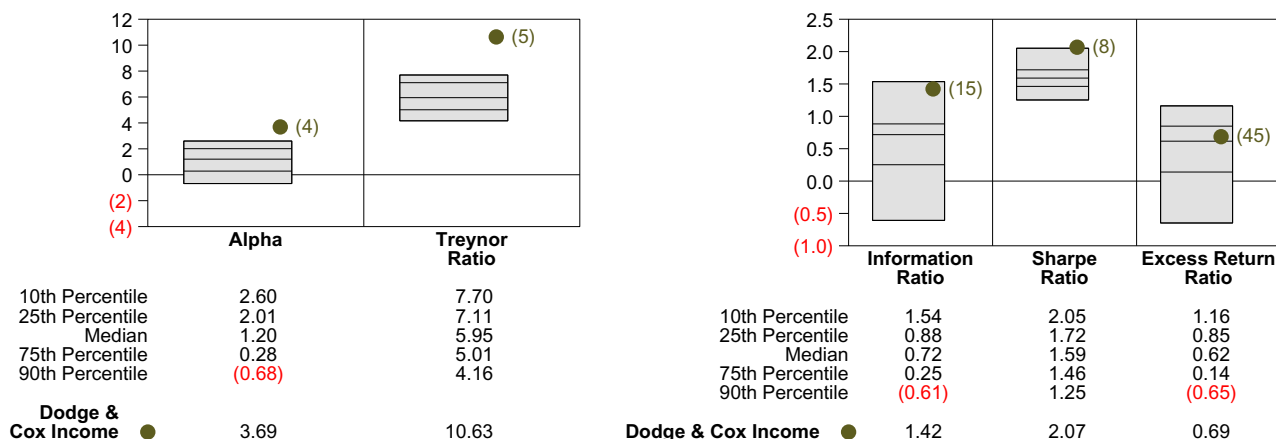
### Performance vs CAI MF - Core Bond Style (Net)



### Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



### Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against CAI MF - Core Bond Style (Net) Five Years Ended June 30, 2014

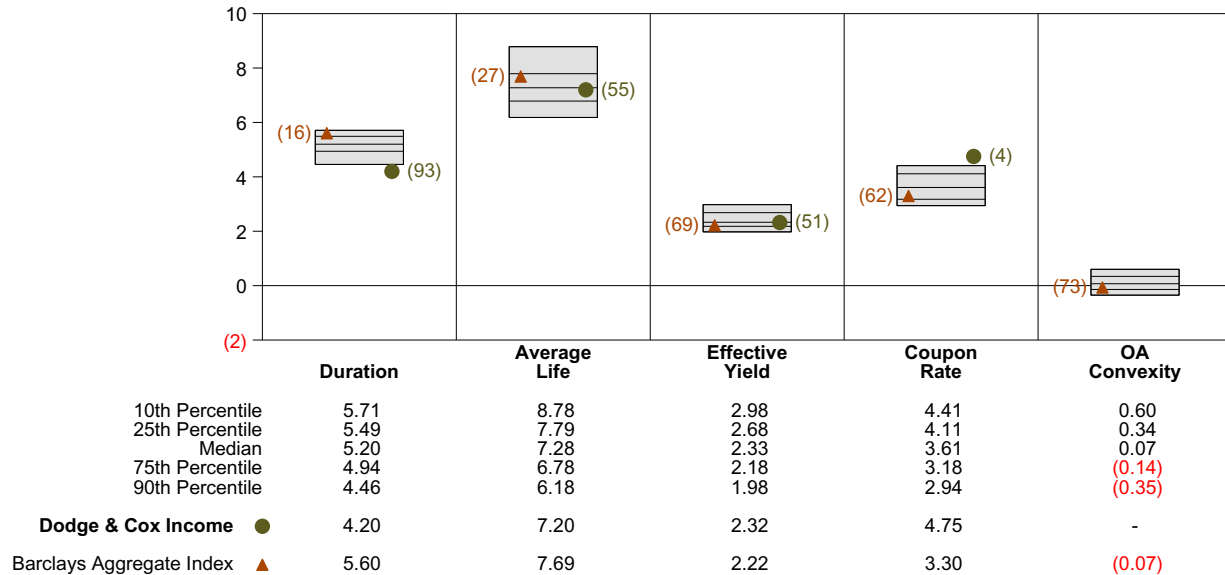


## Dodge & Cox Income Bond Characteristics Analysis Summary

### Portfolio Characteristics

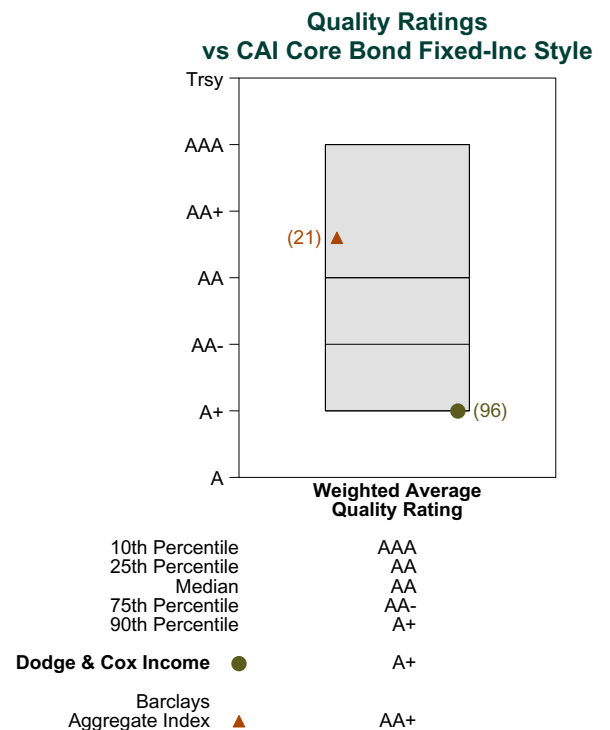
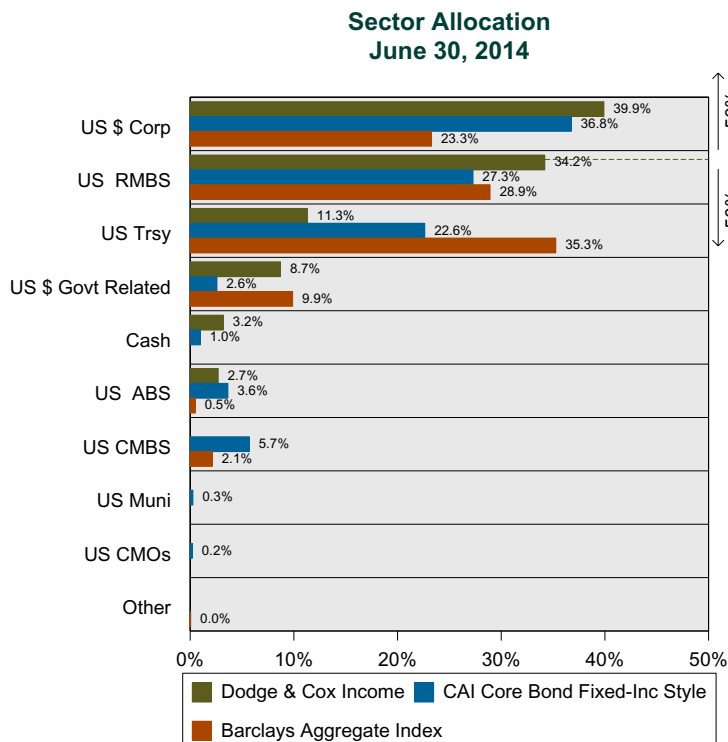
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

### Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed-Inc Style as of June 30, 2014



### Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



# PIMCO

## Period Ended June 30, 2014

### Investment Philosophy

PIMCO emphasizes adding value by rotating through the major sectors of the domestic and international bond markets. They also seek to enhance returns through duration management.

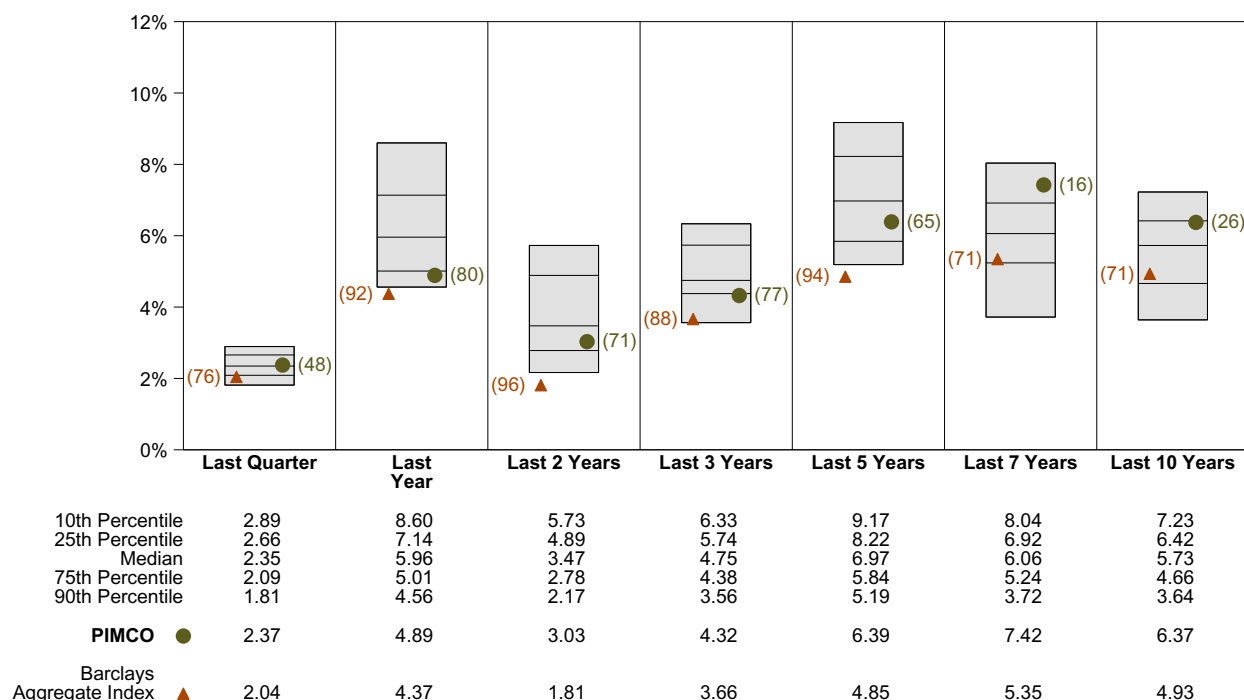
### Quarterly Summary and Highlights

- PIMCO's portfolio posted a 2.37% return for the quarter placing it in the 48 percentile of the CAI MF - Core Plus Style group for the quarter and in the 80 percentile for the last year.
- PIMCO's portfolio outperformed the Barclays Aggregate Index by 0.33% for the quarter and outperformed the Barclays Aggregate Index for the year by 0.51%.

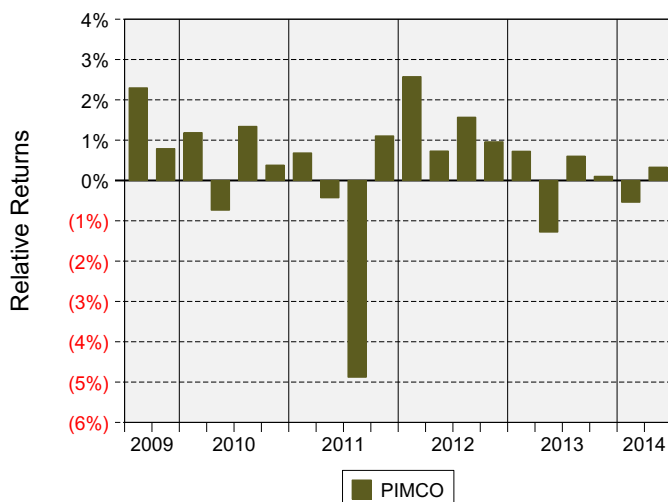
### Quarterly Asset Growth

Beginning Market Value	\$56,381,032
Net New Investment	\$-342,128
Investment Gains/(Losses)	\$1,335,859
Ending Market Value	\$57,374,764

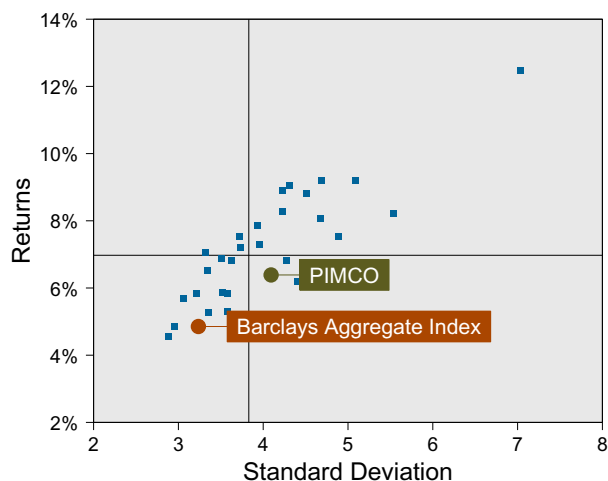
### Performance vs CAI MF - Core Plus Style (Net)



### Relative Return vs Barclays Aggregate Index



### CAI MF - Core Plus Style (Net) Annualized Five Year Risk vs Return



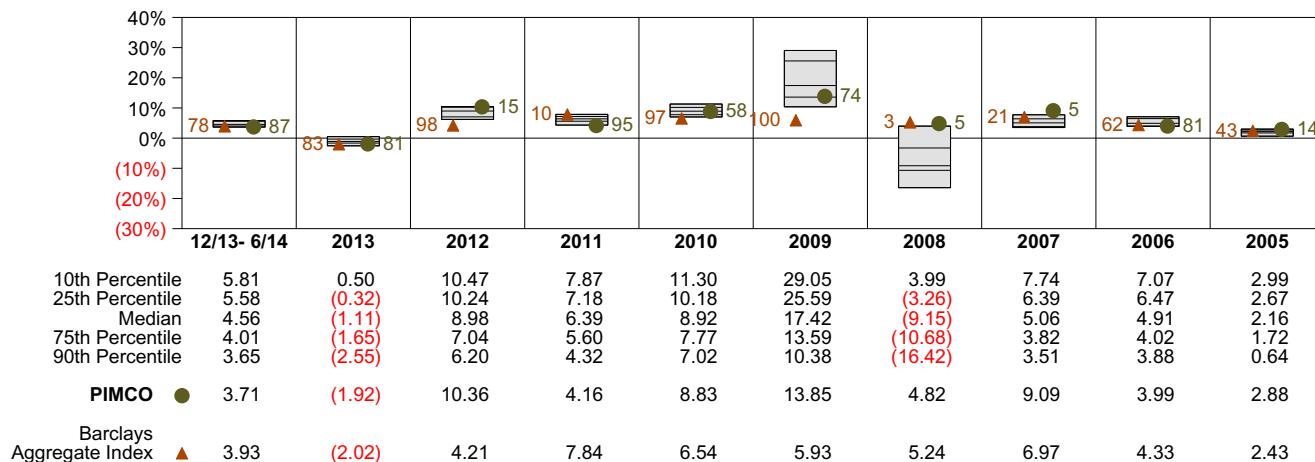
# PIMCO

## Return Analysis Summary

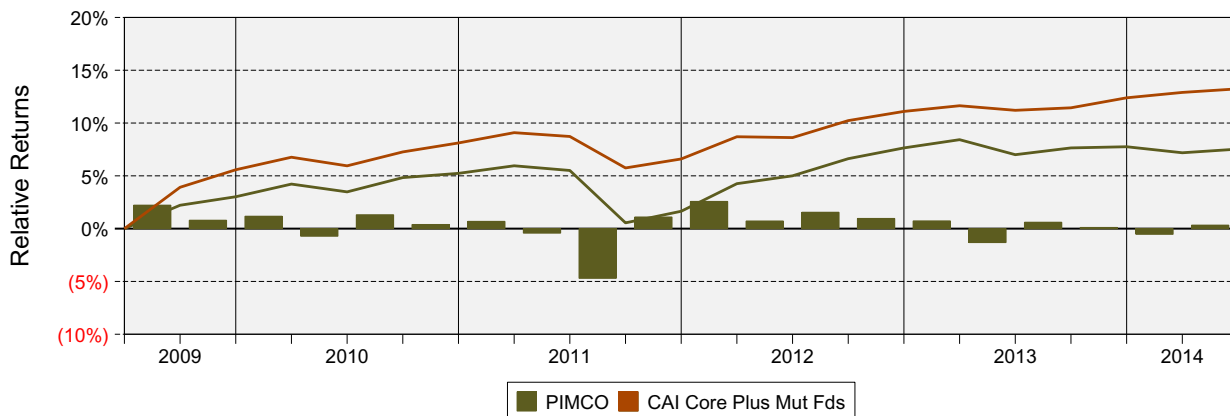
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

### Performance vs CAI MF - Core Plus Style (Net)



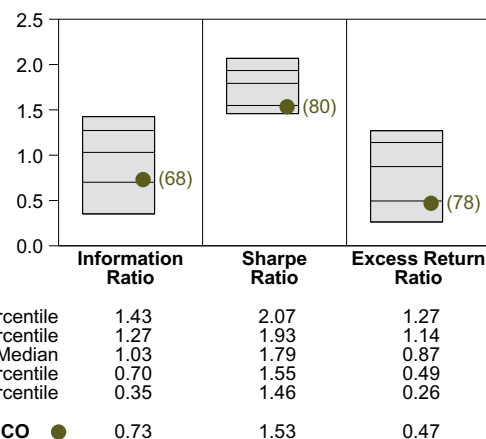
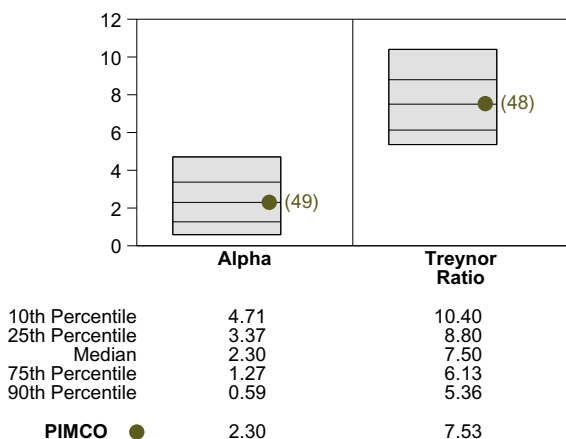
### Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



### Risk Adjusted Return Measures vs Barclays Aggregate Index

#### Rankings Against CAI MF - Core Plus Style (Net)

#### Five Years Ended June 30, 2014



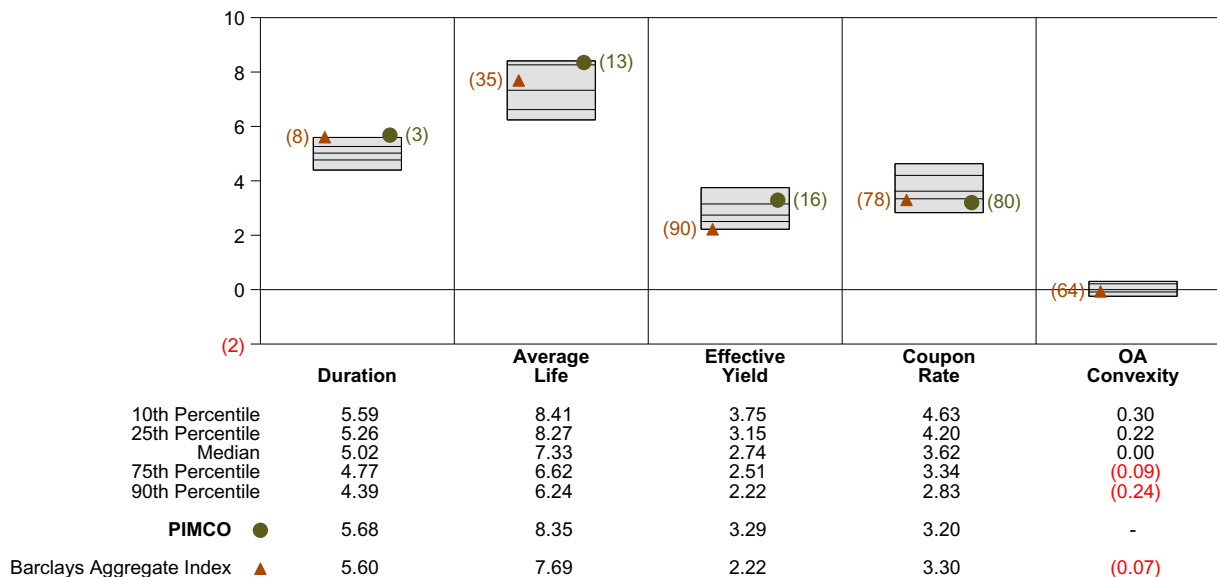


# PIMCO Bond Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

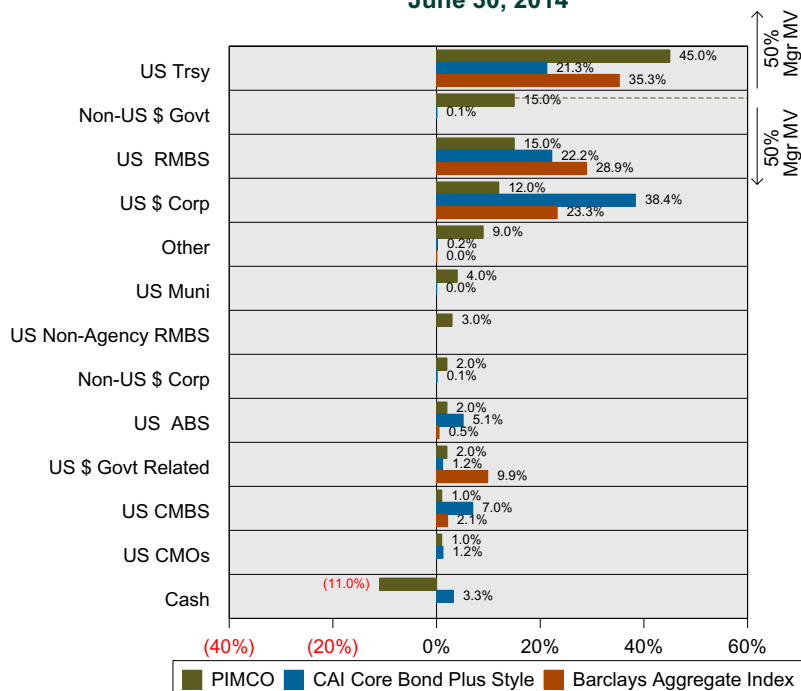
## Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Plus Style as of June 30, 2014



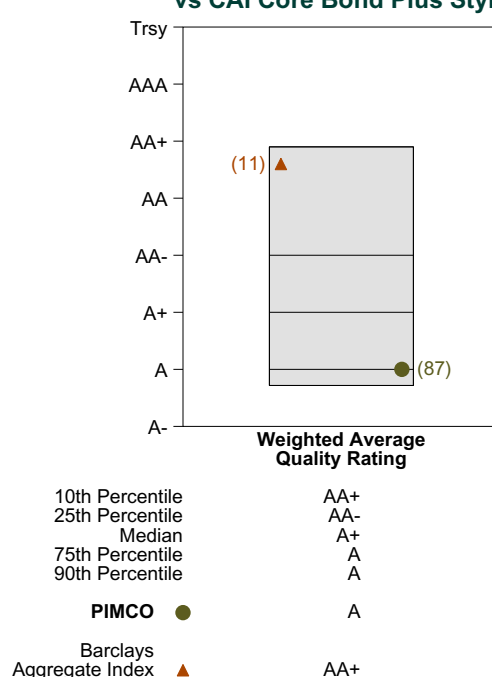
## Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.

### Sector Allocation June 30, 2014



### Quality Ratings vs CAI Core Bond Plus Style





## RREEF Public Period Ended June 30, 2014

### Investment Philosophy

RREEF Public Fund invests in Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs) using an active top down component accompanied with detailed bottom up analysis. RREEF believes underlying real estate fundamentals drive real estate securities returns and that proprietary research and deep resources can capitalize on market inefficiencies.

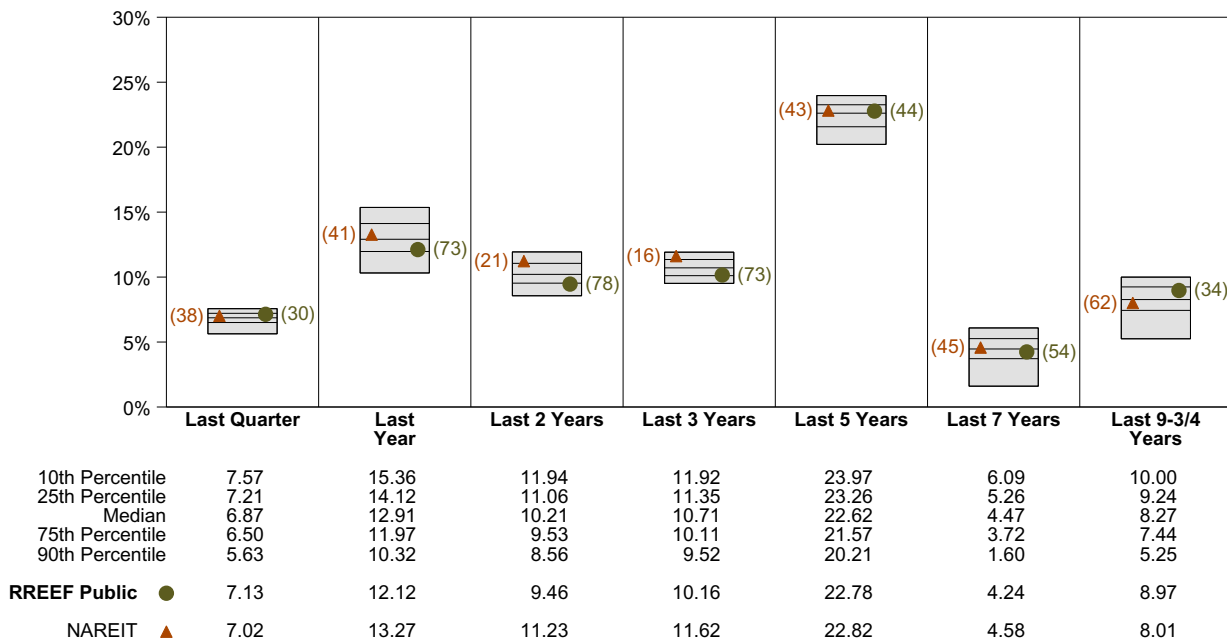
### Quarterly Summary and Highlights

- RREEF Public's portfolio posted a 7.13% return for the quarter placing it in the 30 percentile of the Lipper: Real Estate Funds group for the quarter and in the 73 percentile for the last year.
- RREEF Public's portfolio outperformed the NAREIT by 0.12% for the quarter and underperformed the NAREIT for the year by 1.16%.

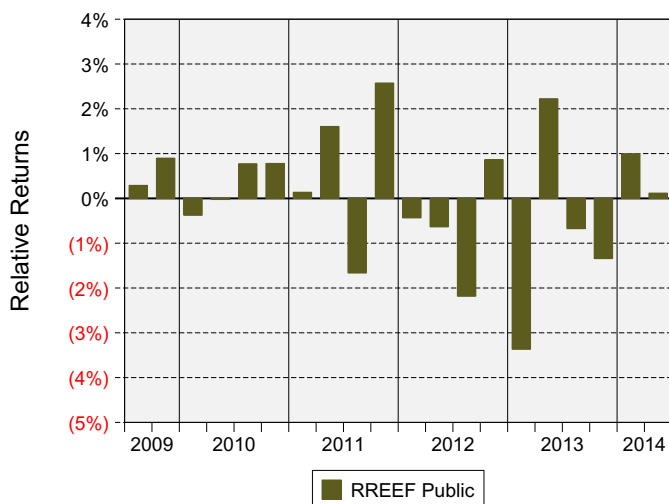
### Quarterly Asset Growth

Beginning Market Value	\$7,115,631
Net New Investment	\$0
Investment Gains/(Losses)	\$507,626
Ending Market Value	\$7,623,257

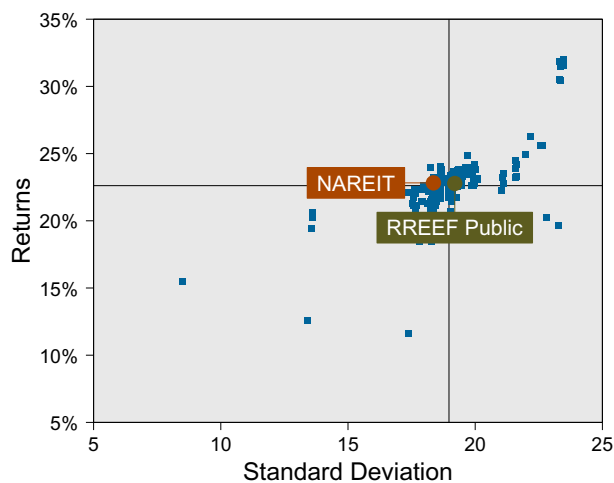
### Performance vs Lipper: Real Estate Funds (Net)



### Relative Return vs NAREIT



### Lipper: Real Estate Funds (Net) Annualized Five Year Risk vs Return



## RREEF Private Period Ended June 30, 2014

### Investment Philosophy

RREEF America II acquires 100 percent equity interests in small- to medium-sized (\$10 million to \$70 million) apartment, industrial, retail and office properties in targeted metropolitan areas within the continental United States. The fund capitalizes on RREEF's national research capabilities and market presence to identify superior investment opportunities in major metropolitan areas across the United States.

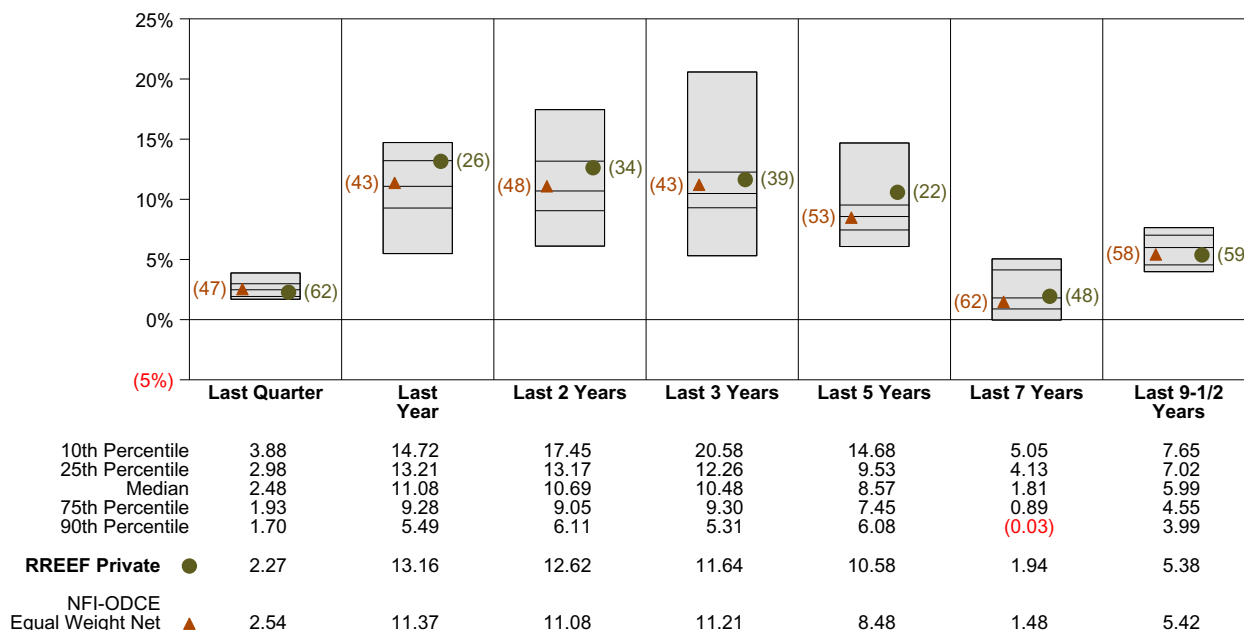
### Quarterly Summary and Highlights

- RREEF Private's portfolio posted a 2.27% return for the quarter placing it in the 62 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 26 percentile for the last year.
- RREEF Private's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.27% for the quarter and outperformed the NFI-ODCE Equal Weight Net for the year by 1.78%.

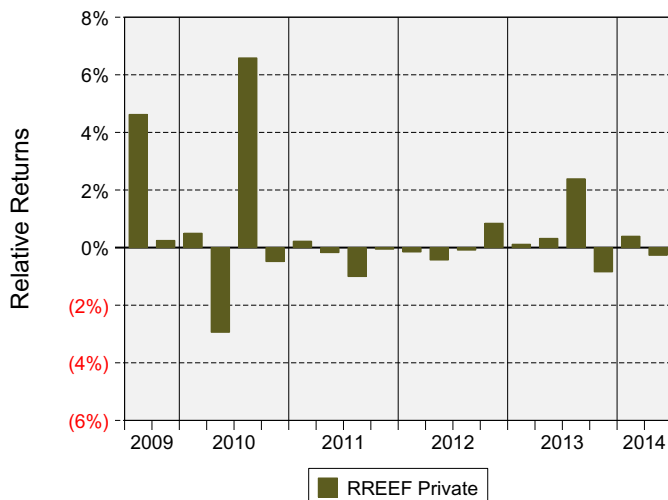
### Quarterly Asset Growth

Beginning Market Value	\$16,118,155
Net New Investment	\$0
Investment Gains/(Losses)	\$366,167
Ending Market Value	\$16,484,323

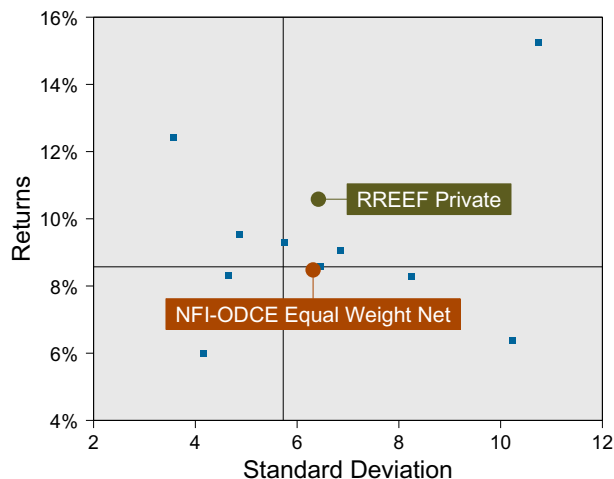
### Performance vs CAI Open-End Real Estate Funds (Net)



### Relative Returns vs NFI-ODCE Equal Weight Net



### CAI Open-End Real Estate Funds (Net) Annualized Five Year Risk vs Return



## Cornerstone Patriot Fund Period Ended June 30, 2014

### Investment Philosophy

Cornerstone believes that the investment strategy for the Patriot Fund is unique with the goal of achieving returns in excess of the benchmark index, the NFI-ODCE Index, with a level of risk associated with a core fund. The construct of the Fund relies heavily on input from Cornerstone Research, which provided the fundamentals for the investment strategy. Strategic targets and fund exposure which differentiate the Fund from its competitors with respect to both its geographic and property type weightings, and we believe will result in performance in excess of industry benchmarks over the long-term.

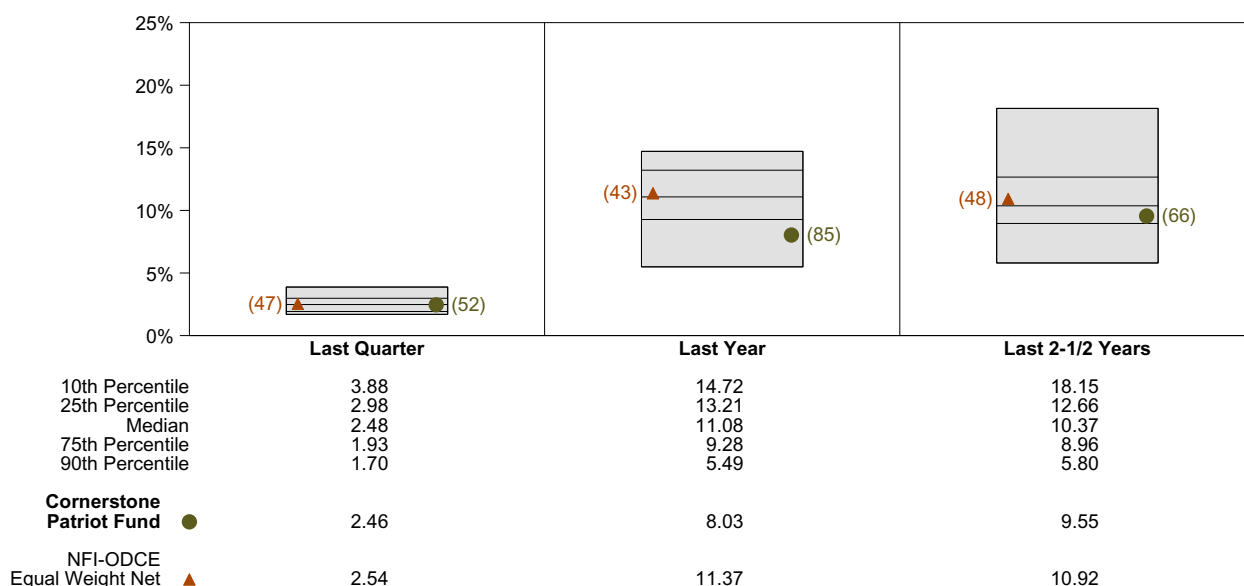
### Quarterly Summary and Highlights

- Cornerstone Patriot Fund's portfolio posted a 2.46% return for the quarter placing it in the 52 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 85 percentile for the last year.
- Cornerstone Patriot Fund's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.08% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 3.34%.

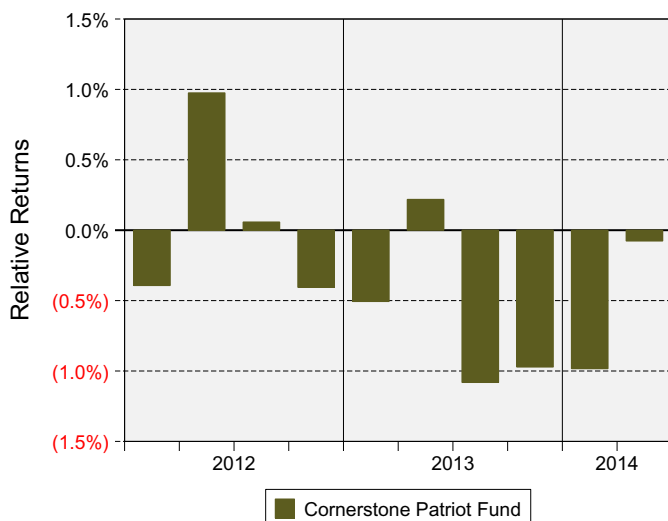
### Quarterly Asset Growth

Beginning Market Value	\$12,259,855
Net New Investment	\$0
Investment Gains/(Losses)	\$301,766
Ending Market Value	\$12,561,621

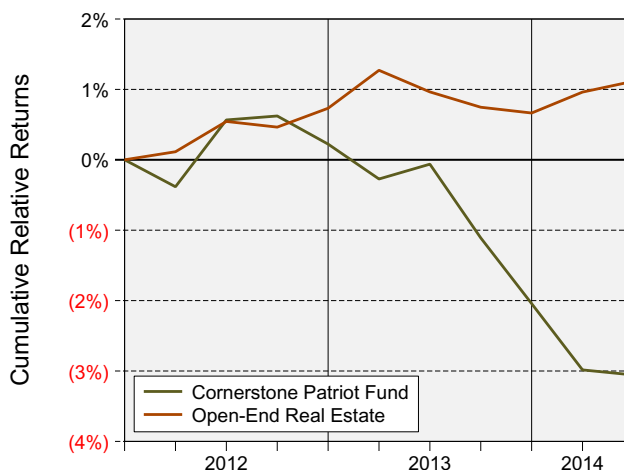
### Performance vs CAI Open-End Real Estate Funds (Net)



### Relative Returns vs NFI-ODCE Equal Weight Net



### Cumulative Returns vs NFI-ODCE Equal Weight Net





## Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs. Below are the Institute's recent publications – all of which can be found at [www.callan.com/research](http://www.callan.com/research).

### White Papers



#### **Toward Single-Vendor Structures: Regulatory Changes Bring Consolidation to 403(b) Plans**

Comprehensive IRS regulations have led to consolidation among 403(b) plans across the country. The benefits of consolidation include increasing economies of scale, eliminating redundancy in recordkeeping, and winding down the costs of compliance third-party administrators. This paper provides context for the regulatory changes, and examines their impact on plan design and administration.



#### **The Long-Term View: Forty Years in Finance**

An interview between Callan's CEO, Ron Peyton, and long-time consultant, Mike O'Leary. This discussion captures some of the essence of Mike's 40 years of industry knowledge and experience.



#### **The Education of Beta: Can Alternative Indices Make Your Portfolio Smarter**

Today, so-called "smart beta" approaches aim to combine both passive and active elements to deliver the best of both worlds—transparent construction and the promise of diversification—all at low cost. In this paper we explore how such strategies are put together, how they have performed over the past decade, and how they can be used by investors.



#### **Through the Looking Glass: Are DC Plans Ready for Alternatives?**

Amid the growing popularity of the DC model, the industry continues to look for ways to optimize performance. This has led some DC plans to take a closer look at alternative investments. In this paper we examine three broad areas of alternatives in relation to the DC Market: real estate, hedge funds, and private equity.

## Quarterly Publications

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**Quarterly Data:** The *Market Pulse* reference guide covers the U.S. economy and investment trends in domestic and international equities and fixed income, and alternatives. Our *Inside Callan's Database* report provides performance information gathered from Callan's proprietary database, allowing you to compare your funds with your peers.

**Capital Market Review:** A quarterly macroeconomic indicator newsletter that provides thoughtful insights on the economy as well as recent performance in the equity, fixed income, alternatives, international, real estate, and other capital markets.

**Private Markets Trends:** A seasonal newsletter that discusses the market environment, recent events, performance, and other issues involving private equity.

**Hedge Fund Monitor:** A quarterly newsletter that provides a current view of hedge fund industry trends and detailed quarterly performance commentary.

**DC Observer & Callan DC Index™:** A quarterly newsletter that offers Callan's observations on a variety of topics pertaining to the defined contribution industry. Each issue is updated with the latest Callan DC Index™ returns.

## Surveys

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### 2014 DC Trends Survey

This annual survey presents findings such as: Plan sponsors made changes to target date funds in 2013 and will continue to do so in 2014; Passive investment offerings are increasingly common in the core investment lineup; Plan fees continue to be subject to considerable downward pressure; Retirement income solutions made little headway in 2013; and much more.



### ESG Interest and Implementation Survey

In September 2013, Callan conducted a brief survey to assess the status of ESG, including responsible and sustainable investment strategies and SRI, in the U.S. institutional market. We collected responses from 129 U.S. funds representing approximately \$830 billion in assets.



### 2013 Cost of Doing Business Survey

Callan compares the costs of administering funds and trusts across all types of tax-exempt and tax-qualified organizations in the U.S., and we identify ways to help institutional investors manage expenses. We fielded this survey in April and May of 2013. The results incorporate responses from 49 fund sponsors representing \$219 billion in assets.



### 2013 Risk Management Survey

The 2008 market crisis put risk in the spotlight and prompted fund fiduciaries to look at risk management in a new light. Callan fielded this survey in November 2012. Responses came from 53 fund sponsors representing \$576 billion in assets. The vast majority of this group has taken concrete steps in the past five years to address investment risks.



## Events

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Did you miss out on a Callan conference or workshop? If so, you can catch up on what you missed by reading our “Event Summaries” and downloading the actual presentation slides from our website. Our most recent programs:



The **2014 National Conference Summary** features a synopsis of our speakers: David Ger-gen, Janet Hill, Laura Carstensen, and the 2014 Capital Markets Panel. The Summary also reviews our three workshops: managing corporate pension risk, peripheral real asset strate-gies, and target date fund analysis. Slide-decks of the conference presentations are also available on our website.



Our June 2014 Regional Workshop, **Policy Implementation Decisions**, discussed portfolio biases and the challenges therein. We looked at the common biases, how they’ve worked (or not) for the portfolio, and evaluating time horizons. Our speakers were Callan’s Jay Kloepper, Andy Iseri, and Mike Swinney. Check out the summary write-up of this workshop to get a good overview of the session.

## Upcoming Educational Programs

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Our October 2014 Regional Workshops will be held on October 21 in Chicago, and October 22 in New York. The topic will be “smart beta.” Our speakers will be announced shortly.

Our research can be found at [www.callan.com/research](http://www.callan.com/research) or feel free to contact us for hard copies.

For more information about research or educational events, please contact Ray Combs or Gina Falsetto at [institute@callan.com](mailto:institute@callan.com) or 415-974-5060.

## The Center for Investment Training Educational Sessions

This educational forum offers basic-to-intermediate level instruction on all components of the investment management process. The "Callan College" courses cover topics that are key to understanding your responsibilities, the roles of everyone involved in this process, how the process works, and how to incorporate these strategies and concepts into an investment program. Listed below are the different types of sessions Callan offers.

### Defined Contribution Session

#### August 20, 2014 in Chicago

Callan Associates will share its expertise through a one day educational program on defined contribution plan investing, delivery, and communication/education. Callan's consultants have extensive knowledge and experience in the DC arena and will provide insights relating to the role of the fiduciary; plan investment structure evaluation and implementation; plan monitoring and evaluation; investment and fee policy statements; and meeting the needs of the participant through plan features such as automatic enrollment, Roth designated accounts, managed accounts and advice.

Callan recognizes the need for increasing the knowledge base of plan sponsors in the evolving DC landscape. This intensive one day program offers a blend of interactive discussion, lectures, presentations, and case studies. Topics for the session will include:

- Trends in DC
- Developments in regulation
- Legislation, and litigation, including the DOL's new fee disclosure requirements
- Challenges and advancements in evaluating DC investment products such as stable value, target date funds, and real return products
- The latest in institutional structures such as custom funds

Tuition for the Defined Contribution "Callan College" session is \$1,000 per person. Tuition includes instruction, all materials, breakfast and lunch.

## An Introduction to Investments

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**October 28-29, 2014 in San Francisco**

This one-and-one-half-day session is designed for individuals who have less than two years' experience with institutional asset management oversight and/or support responsibilities. The session will familiarize fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices.

Participants in the introductory session will gain a basic understanding of the different types of institutional funds, including a description of their objectives and investment session structures. The session includes:

- A description of the different parties involved in the investment management process, including their roles and responsibilities
- A brief outline of the types and characteristics of different plans (e.g., defined benefit, defined contribution, endowments, foundations, operating funds)
- An introduction to fiduciary issues as they pertain to fund management and oversight
- An overview of capital market theory, characteristics of various asset classes, and the processes by which fiduciaries implement their investment sessions

Tuition for the Introductory "Callan College" session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

## Customized Sessions

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A unique feature of the "Callan College" is its ability to educate on a specialized level through its customized sessions. These sessions are tailored to meet the training and educational needs of the participants, whether you are a plan sponsor or you provide services to institutional tax-exempt plans. Past customized "Callan College" sessions have covered topics such as: custody, industry trends, sales and marketing, client service, international, fixed income, and managing the RFP process. Instruction can be tailored to be basic or advanced.

**For more information please contact Kathleen Cunnie, at 415.274.3029 or [cunnie@callan.com](mailto:cunnie@callan.com).**



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## Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

**Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Growth** contains those Russell 2000 securities with a greater than average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earning ratios, lower dividend yields and higher forecasted growth values than the Value universe.

**Russell 2000 Index** is composed of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.

**Russell 2000 Value** contains those Russell 2000 securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earning ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

**Russell 3000 Index** is a composite of 3,000 of the largest U.S. companies by market capitalization. The smallest company's market capitalization is roughly \$20 million and the largest is \$72.5 billion. The index is capitalization-weighted.

**Russell Mid Cap Growth** measures the performance of those Russell Mid Cap Companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index.

**Russell MidCap Value Index** The Russell MidCap Value index contains those Russell MidCap securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratio, higher dividend yields and lower forecasted growth values than the Growth universe.

**Standard & Poor's 500 Index** is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

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## Fixed Income Market Indicators

**Barclays Aggregate Bond Index** is a combination of the Mortgage Backed Securities Index and the intermediate and long-term components of the Government/Credit Bond Index.

**The NAREIT Composite Index** is a REIT index that includes all REITs currently trading on the NYSE, NASDAQ, or American Stock Exchange.

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## International Equity Market Indicators

**MSCI ACWI ex US Index** The MSCI ACWI ex US(All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the US. As of May 27, 2010 the MSCI ACWI consisted of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**Morgan Stanley Capital International (MSCI) EAFE Index** is composed of approximately 1000 equity securities representing the stock exchanges of Europe, Australia, New Zealand and the Far East. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

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## Real Estate Market Indicators

**NCREIF Open Ended Diversified Core Equity** The NFI-ODCE is an equally-weighted, net of fee, time-weighted return index with an inception date of December 31, 1977. Equally-weighting the funds shows what the results would be if all funds were treated equally, regardless of size. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties.



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## Callan Associates Databases

In order to provide comparative investment results for use in evaluating a fund's performance, Callan Associates gathers rate of return data from investment managers. These data are then grouped by type of assets managed and by the type of investment manager. Except for mutual funds, the results are for tax-exempt fund assets. The databases, excluding mutual funds, represent investment managers who handle over 80% of all tax-exempt fund assets.

### Equity Funds

Equity funds concentrate their investments in common stocks and convertible securities. The funds included maintain well-diversified portfolios.

**Core Equity** - Mutual funds whose portfolio holdings and characteristics are similar to that of the broader market as represented by the Standard & Poor's 500 Index, with the objective of adding value over and above the index, typically from sector or issue selection. The core portfolio exhibits similar risk characteristics to the broad market as measured by low residual risk with Beta and R-Squared close to 1.00.

**Large Cap Growth** - Mutual Funds that invest mainly in large companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process. Invests in companies with P/E ratios, Price-to-Book values, Return-on-Assets values, Growth-in-Earnings values above the broader market. The companies typically have zero dividends or dividend yields below the broader market. Invests in securities which exhibit greater volatility than the broader market as measured by the securities' Beta and Standard Deviation.

**Large Cap Value** - Mutual funds that invest in predominantly large capitalization companies believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value. Valuation issues take precedence over near-term earnings prospects in the stock selection process. Invests in companies with P/E ratios and Price-to-Book values below the broader market. Usually exhibits lower risk than the broader market as measured by the Beta and Standard Deviation.

**Non-U.S. Equity** A broad array of active managers who employ various strategies to invest assets in a well-diversified portfolio of non-U.S. equity securities. This group consists of all Core, Core Plus, Growth, and Value international products, as well as products using various mixtures of these strategies. Region-specific, index, emerging market, or small cap products are excluded.

**Non-U.S. Equity Style Mutual Funds** - Mutual funds that invest their assets only in non-U.S. equity securities but exclude regional and index funds.

**Small Capitalization (Growth)** - Mutual funds that invest in small capitalization companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process. Invests in companies with P/E ratios, Price-to-Book values, and Growth-in-Earnings values above the broader market as well as the small capitalization market segment. The companies typically have zero dividends or dividend yields below the broader market. The securities exhibit greater volatility than the broader market as well as the small capitalization market segment as measured by the risk statistics beta and standard deviation.

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## Callan Associates Databases

**Small Capitalization (Value)** - Mutual funds that invest in small capitalization companies that are believed to be currently undervalued in the general market. Valuation issues take precedence over near-term earnings prospects in the stock selection process. The companies are expected to have a near-term earnings rebound and eventual realization of expected value. Invests in companies with P/E ratios, Return-on-Equity values, and Price-to-Book values below the broader market as well as the small capitalization market segment. The companies typically have dividend yields in the high range for the small capitalization market. Invests in securities with risk/reward profiles in the lower risk range of the small capitalization market.

### Fixed Income Funds

Fixed Income funds concentrate their investments in bonds, preferred stocks, and money market securities. The funds included maintain well-diversified portfolios.

**Core Bond** - Mutual Funds that construct portfolios to approximate the investment results of the Barclays Capital Government/Credit Bond Index or the Barclays Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector and/or issue selection.

**Core Bond** - Managers who construct portfolios to approximate the investment results of the Barclays Capital Government/Credit Bond Index or the Barclays Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector and/or issue selection.

**Core Plus Bond** - Active managers whose objective is to add value by tactically allocating significant portions of their portfolios among non-benchmark sectors (e.g. high yield corporate, non-US\$ bonds, etc.) while maintaining majority exposure similar to the broad market.

### Real Estate Funds

Real estate funds consist of open or closed-end commingled funds. The returns are net of fees and represent the overall performance of commingled institutional capital invested in real estate properties.

**Real Estate Open-End Commingled Funds** - The Open-End Funds Database consists of all open-end commingled real estate funds.

### Other Funds

**Public - Total** - consists of return and asset allocation information for public pension funds at the city, county and state level. The database is made up of Callan clients and non-clients.



## List of Managers That Do Business with Callan Associates Inc.

Confidential – For Callan Client Use Only

Callan Associates takes its fiduciary and disclosure responsibilities to clients very seriously. The list below is compiled and updated quarterly because we believe our fund sponsor clients should have a clear understanding of the investment management organizations that do business with our firm. As of 06/30/14, Callan provided educational, consulting, software, database, or reporting services to this list of managers through one or more of the following business units: Institutional Consulting Group, Independent Adviser Group, Fund Sponsor Consulting, the Callan Investments Institute and the "Callan College." Per strict policy these manager relationships do not affect the outcome or process by which any of Callan's services are conducted.

Fund sponsor clients may request a copy of this list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by the managers employed by their fund. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance Department.

Clients should also be aware that Callan maintains an asset management division, the Trust Advisory Group (TAG). TAG specializes in the design, implementation and on-going management of multi-manager portfolios for institutional investors. Currently TAG serves as the sponsor and advisor to a multi-manager small cap equity fund and as the non-discretionary adviser to a series of Target Maturity Funds known as the Callan GlidePath® Funds. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios that it oversees. Per company policy these requests are handled by TAG's Chief Investment Officer.

Manager Name	Educational Services	Consulting Services
1607 Capital Partners, LLC		Y
Aberdeen Asset Management	Y	Y
Acadian Asset Management, Inc.	Y	
Advisory Research	Y	
Affiliated Managers Group		Y
AllianceBernstein	Y	
Allianz Global Investors U.S. LLC	Y	Y
Allianz Life Insurance Company of North America		Y
Altrinsic Global Advisors, LLC		Y
American Century Investment Management	Y	
Apollo Global Management	Y	
AQR Capital Management	Y	
Ares Management	Y	
Ariel Investments	Y	
Aristotle Capital Management	Y	
Aronson + Johnson + Ortiz	Y	
Artisan Holdings		Y
Atlanta Capital Management Co., L.L.C.	Y	Y
AXA Rosenberg Investment Management	Y	
Babson Capital Management LLC	Y	
Baillie Gifford International LLC	Y	Y
Baird Advisors	Y	Y
Bank of America		Y
Baring Asset Management	Y	
Barrow, Hanley, Mewhinney & Strauss, Inc.		Y
BlackRock	Y	
BMO Asset Management	Y	
BNP Paribas Investment Partners	Y	
BNY Mellon Asset Management	Y	Y
Boston Company Asset Management, LLC (The)	Y	Y
Boston Partners ( aka Robeco Investment Management)	Y	Y
Brandes Investment Partners, L.P.	Y	Y
Brandywine Global Investment Management, LLC	Y	
Brown Brothers Harriman & Company	Y	
Cadence Capital Management	Y	

## List of Managers That Do Business with Callan Associates Inc. (continued)

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Clients should also be aware that Callan maintains an asset management division, the Trust Advisory Group (TAG). TAG specializes in the design, implementation and on-going management of multi-manager portfolios for institutional investors. Currently TAG serves as the sponsor and advisor to a multi-manager small cap equity fund and as the non-discretionary adviser to a series of Target Maturity Funds known as the Callan GlidePath® Funds. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios that it oversees. Per company policy these requests are handled by TAG's Chief Investment Officer.

Capital Group	Y	
CastleArk Management, LLC		Y
Causeway Capital Management	Y	
Central Plains Advisors, Inc.		Y
Chartwell Investment Partners	Y	
ClearBridge Investments, LLC (fka ClearBridge Advisors)	Y	
Cohen & Steers	Y	Y
Columbia Management Investment Advisors, LLC	Y	Y
Columbus Circle Investors	Y	Y
Corbin Capital Partners	Y	
Cornerstone Capital Management Holdings (fka Madison Square)	Y	
Cramer Rosenthal McGlynn, LLC	Y	
Crawford Investment Council		Y
Credit Suisse Asset Management	Y	
Crestline Investors	Y	Y
Cutwater Asset Management	Y	
DB Advisors	Y	Y
Delaware Investments	Y	Y
DePrince, Race & Zollo, Inc.	Y	Y
Deutsche Asset & Wealth Management	Y	Y
Diamond Hill Investments	Y	
DSM Capital Partners		Y
Duff & Phelps Investment Mgmt.	Y	Y
Eagle Asset Management, Inc.		Y
EARNEST Partners, LLC	Y	
Eaton Vance Management	Y	Y
Epoch Investment Partners	Y	
Fayez Sarofim & Company		Y
Federated Investors		Y
First Eagle Investment Management	Y	
First State Investments	Y	
Fisher Investments	Y	
Franklin Templeton	Y	Y
Fred Alger Management Co., Inc.	Y	
Fuller & Thaler Asset Management	Y	
GAM (USA) Inc.	Y	
GE Asset Management	Y	Y
Geneva Capital Management	Y	
Goldman Sachs Asset Management	Y	Y
Grand-Jean Capital Management	Y	Y
GMO (fka Grantham, Mayo, Van Otterloo & Co., LLC)	Y	
Great Lakes Advisors, Inc.		Y
The Guardian Life Insurance Company of America		Y
Guggenheim Investments Asset Management (fka Security Global)	Y	
Harbor Capital		Y
Hartford Investment Management Co.	Y	Y

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Heightman Capital Management Corporation		Y
Henderson Global Investors	Y	Y
Hotchkis & Wiley	Y	
Income Research & Management	Y	
Insight Investment Management		Y
Institutional Capital LLC	Y	
INTECH Investment Management	Y	
Invesco	Y	Y
Investec Asset Management	Y	
Jacobs Levy Equity Management		Y
Janus Capital Group (fka Janus Capital Management, LLC)	Y	Y
Jensen Investment Management		Y
J.M. Hartwell	Y	
J.P. Morgan Asset Management	Y	Y
KeyCorp		Y
Lazard Asset Management	Y	Y
Lee Munder Capital Group	Y	
Lincoln National Corporation		Y
Logan Circle Partners, L.P.	Y	
Longview Partners	Y	
Loomis, Sayles & Company, L.P.	Y	Y
Lord Abbett & Company	Y	Y
Los Angeles Capital Management	Y	
LSV Asset Management	Y	
Lyrical Partners	Y	
MacKay Shields LLC	Y	Y
Man Investments	Y	
Manulife Asset Management	Y	
Martin Currie	Y	
Marvin & Palmer Associates, Inc.	Y	
MFS Investment Management	Y	Y
Mondrian Investment Partners Limited	Y	Y
Montag & Caldwell, Inc.	Y	Y
Morgan Stanley Alternative Investment Partners	Y	
Morgan Stanley Investment Management	Y	Y
Mountain Lake Investment Management LLC		Y
Neuberger Berman, LLC (fka, Lehman Brothers)	Y	Y
Newton Capital Management	Y	
Northern Lights Capital Group		Y
Northern Trust Global Investment Services	Y	Y
Nuveen Investments Institutional Services Group LLC	Y	
Old Mutual Asset Management	Y	Y
OppenheimerFunds, Inc.	Y	
Pacific Investment Management Company	Y	
Palisade Capital Management LLC	Y	
Parametric Portfolio Associates	Y	

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Peregrine Capital Management, Inc.	Y	Y
Philadelphia International Advisors, LP	Y	
PineBridge Investments (formerly AIG)	Y	
Pinnacle Asset Management	Y	
Pioneer Investment Management, Inc.	Y	
PNC Capital Advisors (fka Allegiant Asset Mgmt)	Y	Y
Post Advisory	Y	
Principal Financial Group		Y
Principal Global Investors	Y	Y
Private Advisors	Y	
Prudential Fixed Income Management	Y	
Prudential Investment Management, Inc.	Y	Y
Putnam Investments, LLC	Y	Y
Pyramis Global Advisors	Y	
Rainier Investment Management	Y	
RBC Global Asset Management (U.S.) Inc.		Y
Research Affiliates		Y
Regions Financial Corporation		Y
RCM		Y
Robeco Investment Management (aka Boston Partners)	Y	Y
Rothschild Asset Management, Inc.	Y	Y
RS Investments	Y	
Russell Investment Management	Y	
Santander Global Facilities		Y
Schroder Investment Management North America Inc.	Y	Y
Scout Investments	Y	
SEI Investments		Y
SEIX Investment Advisors, Inc.	Y	
Select Equity Group	Y	
Smith Graham and Company		Y
Smith Group Asset Management		Y
Standard Life Investments	Y	
Standish (fka, Standish Mellon Asset Management)	Y	
State Street Global Advisors	Y	
Stone Harbor Investment Partners, L.P.		Y
Systematic Financial Management	Y	
T. Rowe Price Associates, Inc.	Y	Y
Taplin, Canida & Habacht	Y	
TCW Asset Management Company	Y	
UBS	Y	Y
Union Bank of California		Y
Van Eck	Y	
Victory Capital Management Inc.	Y	
Voya Investment Management (fka ING Investment Management)	Y	Y
Vulcan Value Partners, LLC		Y

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Waddell & Reed Asset Management Group	Y	Y
WCM Investment Management	Y	
WEDGE Capital Management		Y
Wellington Management Company, LLP	Y	
Wells Capital Management	Y	
Western Asset Management Company	Y	
William Blair & Co., Inc.	Y	Y