

June 30, 2015



## **Illinois Municipal Retirement Fund Quarterly Performance Report**

**Investment Measurement Service  
Quarterly Review**

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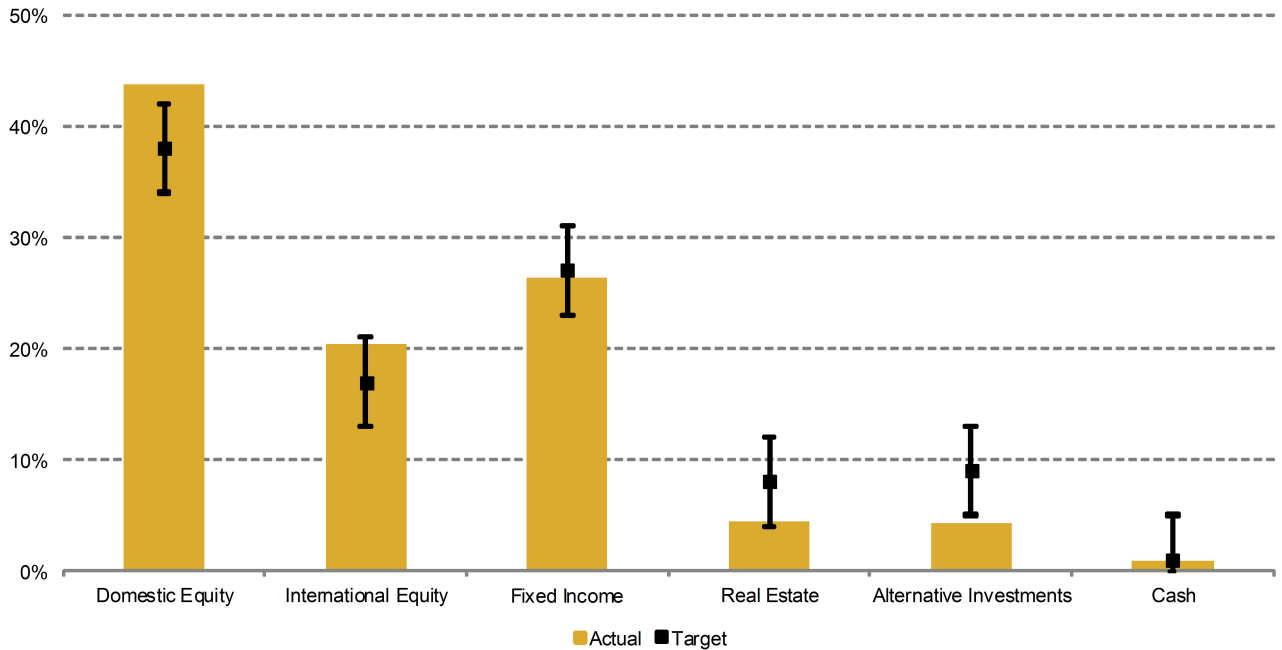
#### Disclosures

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**Executive Summary**  
**As of June 30, 2015**

**Actual Asset Allocation vs. Target Asset Allocation**



**Total Fund**

The Fund returned 0.44% for the quarter, 25 basis points ahead of the benchmark, and ranked 36th percentile in Callan's Large Public Fund Sponsor Database. U.S. and non-U.S. equities, fixed income, and private equity outperformed their respective benchmarks during the period. Implementation added 0.47%, while the asset allocation effect detracted 0.22% from relative performance. With the largest weight in the Fund, U.S. equity had the most significant absolute return impact for the quarter, adding 39 basis points. Fiscal year-to-date, the Fund is up 3.01%, ahead of the Total Fund Benchmark return of 2.42%.

Current policy states that when actual allocations differ by more than four percentage points from their policy targets, a recommendation for rebalancing will be made to the Board of Trustees. At the end of the quarter, U.S. equity exceeded its target allocation by 5.7% and alternatives were 4.7% below their target allocation. All other asset classes were within the allowable range. Including committed and unfunded amounts, all asset classes are within range. A recommendation for rebalancing will be made at the August 27th Investment Committee meeting.

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## Executive Summary

### As of June 30, 2015

#### U.S. Equity

The U.S. equity composite rose 0.90% for the quarter, outperforming the benchmark return (Russell 3000 Index: +0.14%) by 76 bps, and ranking 4th percentile versus peers. In large caps, growth and value indices were within one basis point of each other. However, growth outperformed value in small cap by an impressive 3.18%. The smaller capitalization bias had a positive effect for the quarter as large caps underperformed small cap stocks.

Large Cap: The total large cap composite returned 0.56% for the quarter. Both large cap growth and large cap value managers beat the index with a return of 0.27% and 1.07%, respectively (Russell 1000 Growth Index: 0.12%; Russell 1000 Value Index: 0.11%). Vision (+0.63%) was the best performing large cap growth manager and Dodge & Cox (+2.57%) was the best performing large cap value manager.

Small Cap: The small cap composite advanced 1.74%, outperforming the Russell 2000 Index by 132 bps and ranking 34th percentile. Like the large cap managers, both small cap growth (+2.36%) and value (+0.32%) managers beat their respective benchmarks (Russell 2000 Growth Index: +1.98%; Russell 2000 Value Index: -1.20%). The best performing small cap growth manager was Pyramid (+4.30%) while the best performing value manager was Investment Counselors of Maryland (+0.68%). The micro-cap composite surged 3.44% for the quarter. Wall Street was the top performer in the segment, returning 6.43%.

#### International Equity

The IMRF non-U.S. equity composite slightly outperformed its U.S. counterpart, advancing 1.07% for the quarter, 54 basis points ahead of the MSCI ACWI ex-U.S. Net Index (+0.53%) and ranking 24th percentile versus peers. All international styles provided positive returns for the quarter; however, international large cap active core was the only style to outperform its benchmark.

Large Cap: International Large Cap advanced 1.00%, leading the Index by 47 basis points and ranking 62nd percentile versus peers. Growth and value managers returned 0.48% and 1.43%, respectively. Lombardia produced the highest return for value managers with a gain of 4.52% and William Blair was the best performing growth manager with a 0.70% rise. International core managers led their Index by 77 basis points, with Progress International providing the best performance (+2.37%), ranking 25th percentile versus peers.

Small Cap: The small cap composite rose a strong 3.11%, however trailed the benchmark by 1.11% (MSCI ACWI ex-U.S. Small Cap Index: 4.22%), and ranked 72nd percentile against peers. Both small cap managers posted similar results, with Franklin Templeton gaining 3.20% and William Blair rising 3.04%.

Emerging Markets: Genesis advanced 0.50% during the quarter, underperforming the MSCI Emerging Markets Index (+0.82%), and ranking 70th percentile versus peers. Over the longer term, the portfolio still ranks in the top quartile.

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## Executive Summary

### As of June 30, 2015

#### Fixed Income

Rising yields and a steepening yield curve weighed on returns, resulting in a 1.27% loss for the total fixed income portfolio, 41 basis points ahead of the Barclays Aggregate Index, and a 58th percentile rank versus peers. IMRF's lower weighted average duration as compared to the Index helped dampen the loss during the quarter as interest rates rose. The non-core portfolios (bank loans, emerging markets, opportunistic and high yield) were additive as all outperformed the BC Aggregate for the quarter.

Active Core: The composite of active core managers returned -1.40%, 28 basis points ahead of the Index, and ranked 17th percentile compared to peers. The best performing active core manager was Piedmont with a return of -1.27%.

Core Plus: The composite of core plus managers posted a 1.53% loss and ranked 59th percentile versus peers, beating the BC Aggregate Index (-1.68%). LM Capital had the best performance, with a return of -1.35%, ranking 36th percentile.

Bank Loans: In its third full quarter of performance, the bank loans component, managed by Babson, advanced 0.95% and led the custom benchmark by nine basis points.

Emerging Markets: In its third full quarter of performance, the emerging markets component managed by Standish posted a marginally positive return of 0.03%, outperforming the custom benchmark by 19 basis points.

Opportunistic: In its third full quarter of performance, the opportunistic component managed by Crescent increased 1.35%, leading the custom benchmark by 103 basis points.

High Yield: The high yield composite gained 1.01%, beating the ML High Yield Cash Pay Index by 1.05%.

#### Real Estate

As of June 30, 2015, the real estate portfolio stood at roughly \$1.6 billion, 4.38% of Total Fund assets. Performance for the real estate portfolio is lagged one quarter. As of March 31, 2015, the real estate portfolio gained 2.73%, ranking 47th percentile compared to Public Fund Real Estate peers. Core investments (+2.74%) slightly underperformed non-core investments (+2.78%) during the quarter. For the year, the real estate portfolio gained 12.69% and ranked 53rd percentile versus peers.

#### Hedge Funds

As of June 30, 2015, the absolute return allocation was \$579 million representing 1.63% of Total Fund assets. Aurora manages the portfolio and gained 0.14% for the quarter, trailing the HFR Fund-of-Funds Index by six basis points and ranking 63rd percentile against Callan's Absolute Return Fund-of-Funds peer group.





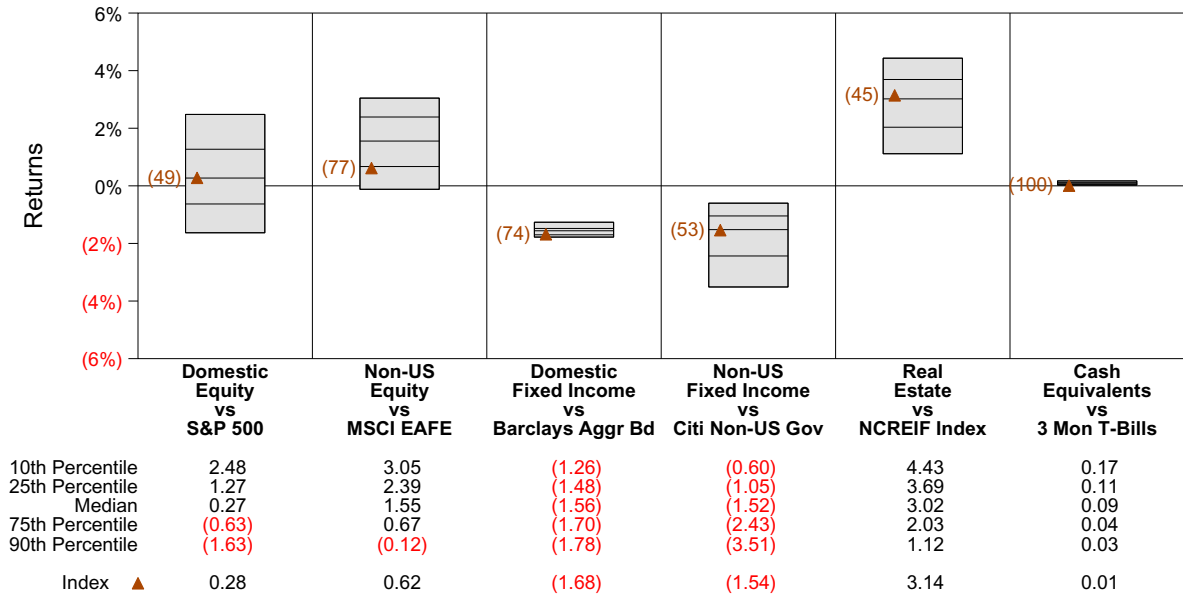
## Market Overview

### Active Management vs Index Returns

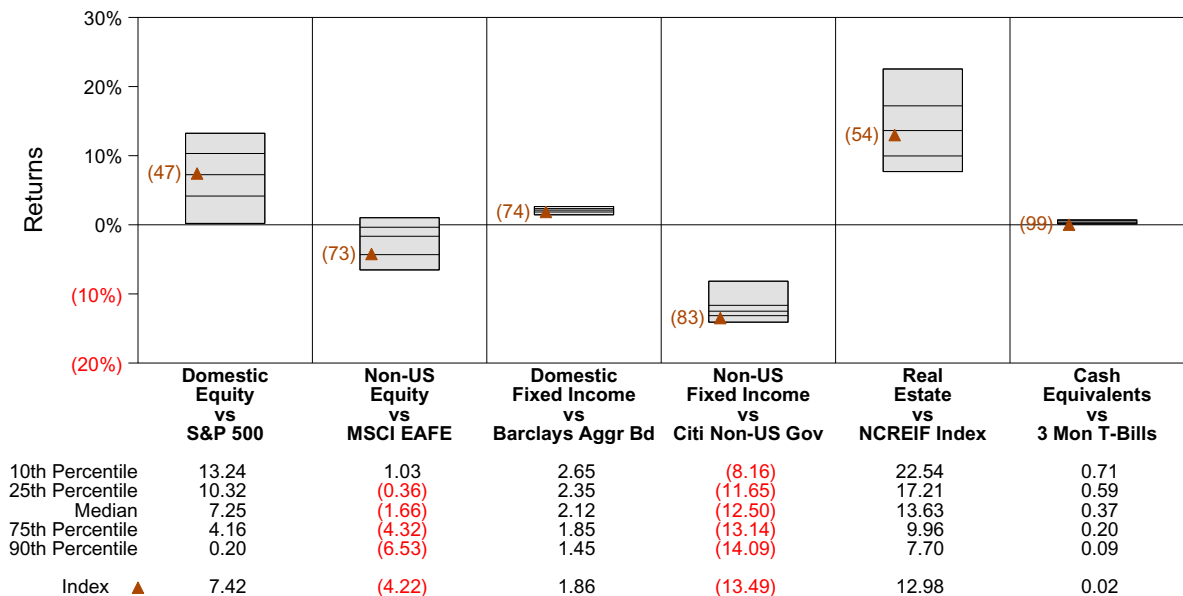
#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Separate Account 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 Separate Account Manager Returns by Asset Class One Quarter Ended June 30, 2015



#### Range of Separate Account Manager Returns by Asset Class One Year Ended June 30, 2015



## Market Environment As of June 30, 2015

Index	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
Russell:3000 Index	0.14	1.94	7.29	17.73	17.54	8.15	4.89
Russell:1000 Index	0.11	1.71	7.37	17.73	17.58	8.13	4.68
Russell:2000 Index	0.42	4.75	6.49	17.81	17.08	8.40	7.50
MSCI:ACWI x US (Net)	0.53	4.03	(5.26)	9.44	7.76	5.54	--
MSCI:EAFE US\$	0.62	5.52	(4.22)	11.97	9.54	5.12	3.20
MSCI:Emer Markets	0.82	3.12	(4.77)	4.08	4.03	8.46	8.20
Barclays:Aggregate Index	(1.68)	(0.10)	1.86	1.83	3.35	4.44	5.42
NFI-ODCE Val Gross	3.82	7.34	14.43	13.11	14.41	6.85	7.96
NAREIT Equity Index	(9.95)	(5.67)	4.33	8.93	14.28	7.01	11.31

Global equity markets posted gains across the board in April, but turned sour in May and June to end the second quarter up less than 1% as measured by the MSCI ACWI Index. Some of this retraction can be credited to both Greece and China for the escalation of their respective issues during the latter part of the quarter. After several weeks of volatility spurring negotiations, Greece officially defaulted on their debt when they missed a payment to the IMF on June 30th. China began an aggressive monetary easing program to counter slowing growth in the first quarter. After a huge run up into the peak reached June 12, the Shenzhen Stock Exchange plunged 21% to the end of June. As of the start of the third quarter, these situations are still developing with Greece continuing negotiations for a third bailout deal and China weathering turbulent markets in the midst of continued decelerating growth.

The U.S. economy displayed several positive signs during the second quarter despite the Fed trimming their estimate for 2015 growth to 1.8%-2.0% after a weak first quarter. Consumer confidence numbers, personal consumption expenditures, ISM Manufacturing figures, and new home starts all point towards domestic economic improvement. Export numbers remained soft despite the decrease in the dollar's strength against many foreign currencies.

The Fed continued to indicate a possible modest rate increase later this year. In the June release of the Federal Open Market Committee meeting minutes, language conveyed that most areas of the U.S. economy continue to strengthen, with labor market figures and inflation numbers inching closer towards their targets. However, global economic issues continue to introduce an element of uncertainty for the U.S. economy.

Labor markets in the U.S. sent conflicting signals in the second quarter. While the unemployment rate dropped to 5.3% at quarter end, the labor force participation rate declined reaching its lowest level in 38 years. This may indicate that the drop in unemployment was due to people becoming discouraged and dropping out of the workforce as opposed to job-seekers finding work. Preliminary figures suggest that an average of 221,000 jobs were added each month in the second quarter, an improvement upon the 195,000 monthly average during the first quarter. Average hourly earnings, which can produce inflationary pressures when they rise, were up 1.3% year-to-date. Low energy prices continue to put downward pressure on headline inflation with a 0.1% increase over last year. Core inflation, which excludes food and energy, rose 1.8% year over year.

**Periodic Table of Returns**  
**As of June 30, 2015**

Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NFI-ODCE Index 3.8%	NFI-ODCE Index 14.4%	Russell:2000 Index 17.8%	Russell:3000 Index 17.5%	MSCI:Emer Markets 8.5%
MSCI:Emer Markets 0.8%	S&P:500 7.4%	Russell:3000 Index 17.7%	S&P:500 17.3%	Russell:2000 Index 8.4%
MSCI:ACWI ex-US (Net) 0.5%	Russell:3000 Index 7.3%	S&P:500 17.3%	Russell:2000 Index 17.1%	Russell:3000 Index 8.2%
Russell:2000 Index 0.4%	Russell:2000 Index 6.5%	NFI-ODCE Index 13.1%	NFI-ODCE Index 14.4%	S&P:500 7.9%
S&P:500 0.3%	Barclays:Aggregate Index 1.9%	MSCI:ACWI ex-US (Net) 9.4%	ML:High Yield CP Idx 8.4%	ML:High Yield CP Idx 7.7%
Russell:3000 Index 0.1%	3 Month T-Bill 0.0%	ML:High Yield CP Idx 6.7%	MSCI:ACWI ex-US (Net) 7.8%	NFI-ODCE Index 6.8%
3 Month T-Bill 0.0%	ML:High Yield CP Idx (0.5%)	MSCI:Emer Markets 4.1%	MSCI:Emer Markets 4.0%	MSCI:ACWI ex-US (Net) 5.5%
ML:High Yield CP Idx 0.0%	MSCI:Emer Markets (4.8%)	Barclays:Aggregate Index 1.8%	Barclays:Aggregate Index 3.3%	Barclays:Aggregate Index 4.4%
Barclays:Aggregate Index (1.7%)	MSCI:ACWI ex-US (Net) (5.3%)	3 Month T-Bill 0.1%	3 Month T-Bill 0.1%	3 Month T-Bill 1.4%

## U.S. Equity Overview As of June 30, 2015

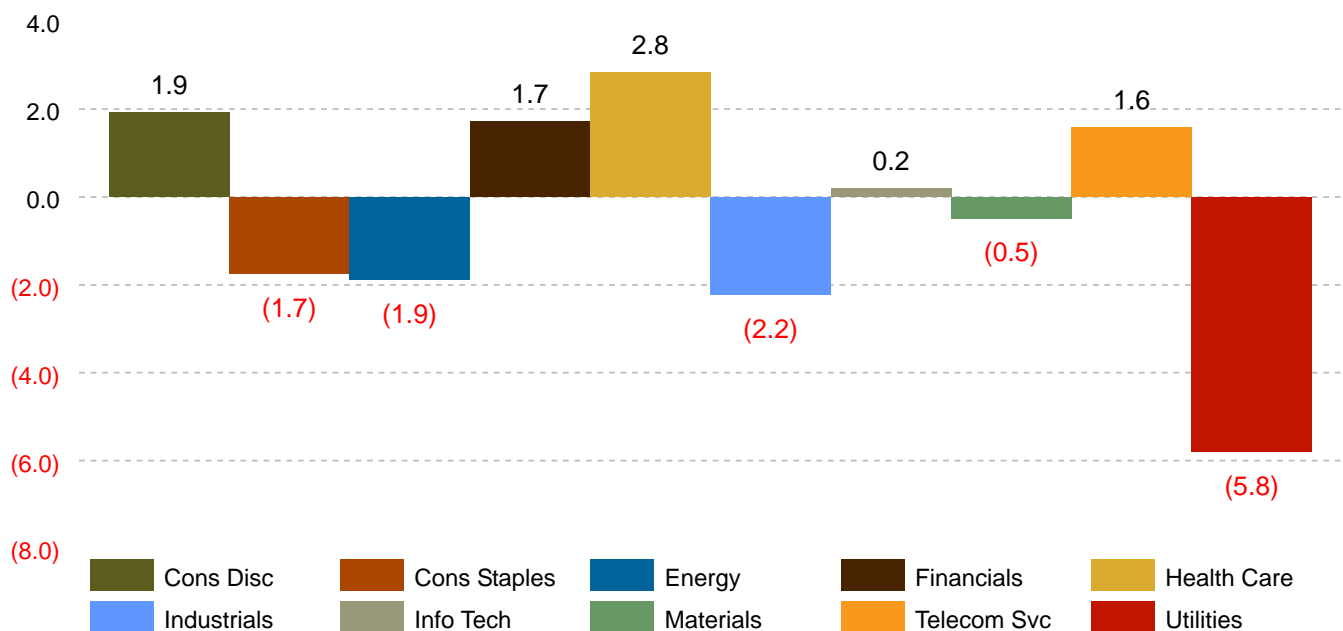
Index	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
Russell:3000 Index	0.14	1.94	7.29	17.73	17.54	8.15	4.89
Russell:1000 Index	0.11	1.71	7.37	17.73	17.58	8.13	4.68
Russell:1000 Growth	0.12	3.96	10.56	17.99	18.59	9.10	2.19
Russell:1000 Value	0.11	(0.61)	4.13	17.34	16.50	7.05	6.88
Russell:2000 Index	0.42	4.75	6.49	17.81	17.08	8.40	7.50
Russell:2000 Growth	1.98	8.74	12.34	20.11	19.33	9.86	4.84
Russell:2000 Value	(1.20)	0.76	0.78	15.50	14.81	6.87	9.87
Russell:Microcap	2.80	6.03	8.21	19.25	17.48	7.07	7.79

Equities in the U.S. climbed steadily throughout the quarter only to hand back most of the gains in the final few weeks as volatility increased due to macro-level news abroad. Investor sentiment in the U.S. seemed to be on solid footing after a steady drumbeat of positive economic news until focus shifted to the showdown between Greece and its creditors and a freefall in the Chinese stock market.

The broad market, represented by the Russell 3000 Index, managed to hold onto slight gains through the market turbulence to end the quarter up 0.1%. Large and small caps managed fractional gains (Russell 1000 Index: +0.1%; Russell 2000 Index: +0.4%). Growth significantly outperformed value in small caps (Russell 2000 Growth Index: +2.0%, Russell 2000 Value Index: -1.2%) due in part to a substantial drop in REITs which are more heavily represented in the value indices. Value and growth styles were only separated by a single basis point in large cap stocks (Russell 1000 Growth Index: +0.1%, Russell 1000 Value Index: +0.1%). Micro-caps were the strongest performing segment, returning 2.8% for the quarter.

The 10 economic sectors in the S&P 500 were evenly split between winners and losers; Health Care (+2.8%) and Consumer Discretionary (+1.9%) topped the positive list while Industrials (-2.2%) and Utilities (-5.8%) were down sharply.

### S&P 500 Index Sector Returns



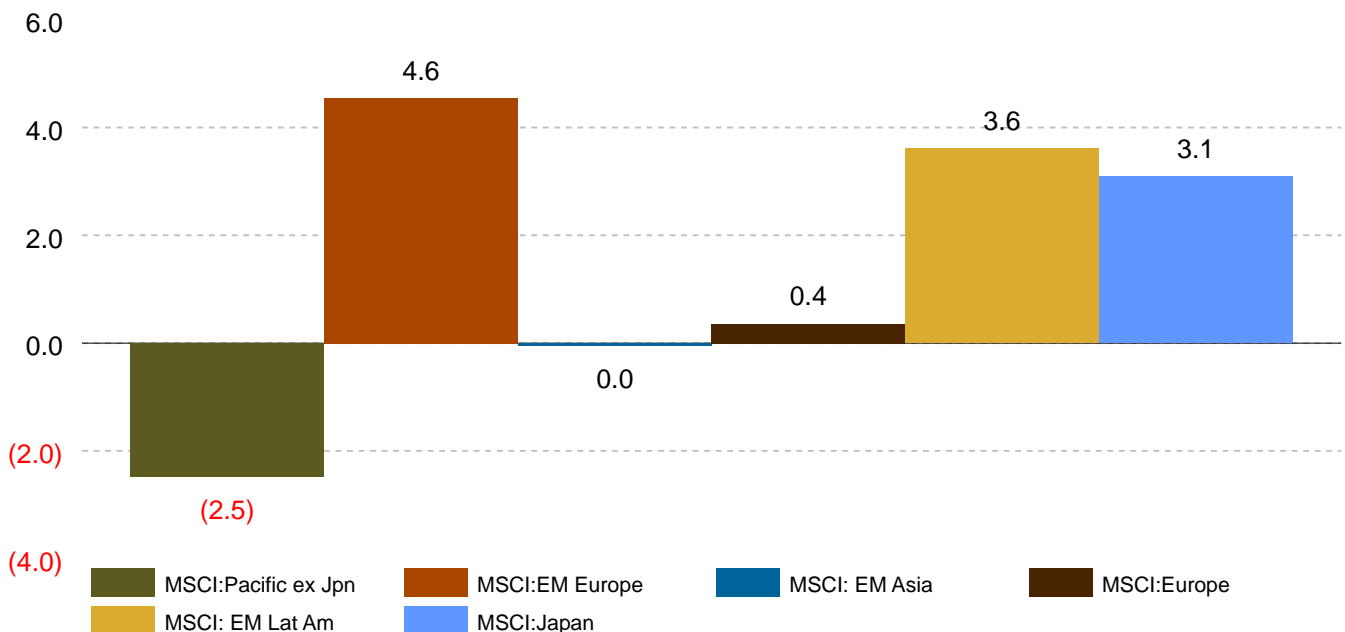
**Non-U.S. Equity Overview**  
**As of June 30, 2015**

Index	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
MSCI:ACWI x US (Net)	0.53	4.03	(5.26)	9.44	7.76	5.54	--
MSCI:ACWI ex US Gr	0.74	5.67	(1.70)	10.54	8.84	6.37	2.86
MSCI:ACWI ex US Val	0.71	2.97	(7.98)	9.25	7.58	5.91	5.72
MSCI:EAFE US\$	0.62	5.52	(4.22)	11.97	9.54	5.12	3.20
MSCI:EAFE LC(Net)	(1.82)	8.82	11.78	18.08	11.27	5.41	2.36
MSCI:Emer Markets	0.82	3.12	(4.77)	4.08	4.03	8.46	8.20
MSCI:ACWI SC ex US	4.22	8.32	(3.07)	12.32	9.72	7.38	7.35

Equity markets outside of the U.S. were also hit by volatility during the last few weeks of the quarter as worries over the threat of a Greek exit from the European Union and a precipitous drop in the Chinese stock market dominated headlines. However, weakness in the U.S. dollar helped dampen losses as the developed non-U.S. market fell in value on a local currency basis while managing a slight gain in U.S. dollar terms (MSCI EAFE U.S.\$ Index: +0.6%; MSCI EAFE Local Currency Index: -1.8%). Performance was generally positive led by Japan (+3.1%), with the lone exception being Pacific ex- Japan, down 2.5% during the quarter. Emerging markets in Europe led all regions by gaining 4.6% and emerging markets in Latin America also performed well, increasing 3.6%.

Style indices abroad only diverged by three basis points as growth stocks slightly edged out value (MSCI ACWI ex-U.S. Growth Index: +0.7; MSCI ACWI ex-U.S. Value Index: +0.7%). Small cap stocks outside of the U.S. surged 4.2% (MSCI ACWI ex-U.S. Small Cap Index) as they outperformed all other major equity groups. Emerging markets managed to hold onto gains of 0.8% (MSCI Emerging Markets Index) for the quarter as a strong April (+7.7%) was followed by weak results in May (-4.0%) and June (-2.5%).

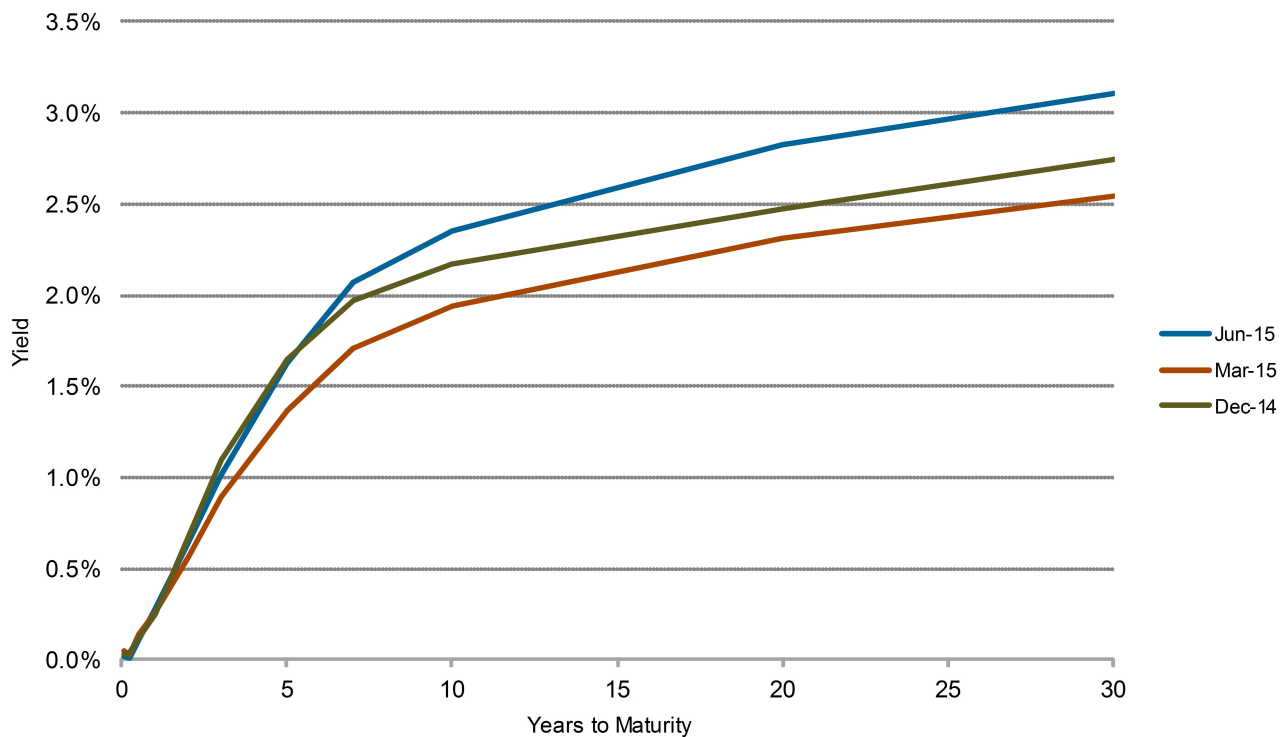
**MSCI Regional Returns**



**Fixed Income Overview**  
**As of June 30, 2015**

Index	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
Barclays:Aggregate Index	(1.68)	(0.10)	1.86	1.83	3.35	4.44	5.42
Barclays:Govt Index	(1.50)	0.08	2.27	0.93	2.63	3.99	5.00
Barclays:Credit	(2.88)	(0.78)	0.93	3.03	4.93	5.12	6.26
Barclays:US TIPS Index	(1.06)	0.34	(1.73)	(0.76)	3.29	4.13	6.05
Barclays:Mortgage Idx	(0.74)	0.31	2.28	1.92	2.89	4.56	5.31
ML:High Yield CP Idx	(0.04)	2.49	(0.53)	6.74	8.38	7.67	7.73
3 Month T-Bill	0.01	0.01	0.02	0.06	0.08	1.42	1.82
CS:Lev Loan	0.79	2.87	2.15	5.27	5.61	4.68	4.80
JPM:EMBI Global	(0.29)	1.76	(1.57)	3.44	6.52	7.34	9.06
JPM:GBI-EM GI Div	(0.96)	(4.88)	(15.39)	(3.78)	0.94	5.91	--

**Treasury Yield Curve**



The Barclays U.S. Aggregate Index wiped out all of its first quarter gains, falling 1.7% in the second quarter, and entered negative territory for the year. The U.S. treasury yield curve steepened and rates rose across the curve during the June quarter. The yield on the 2 and 10-year bonds rose during the quarter by 8 bps and 41 bps, respectively. The 30-year treasury yield gained 57 basis points resulting in a hefty 10.4% loss for long bonds. Spreads widened, which caused corporates to underperform like-duration U.S. Treasuries by 0.90%. High yield bonds benefitted from the yield advantage of higher rates, which essentially canceled out the negative effect of spreads widening, leaving them flat for the second quarter and still positive for the year (ML High Yield CP Index: +2.5% YTD). Levered loans advanced 0.8% for the quarter and are the best performing sector year to date (+2.9%). Emerging market debt declined for the quarter (JPM:EMBI Global: -0.3; JPM:GBI-EM GI Div: -1.0%).

**Real Estate Overview**  
**As of June 30, 2015**

Index	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
<b>Private Real Estate:</b>							
NCREIF:Total Index	3.14	6.83	12.98	11.63	12.72	8.16	8.98
NCREIF:Apartment Index	2.98	5.91	11.60	10.74	13.30	7.77	8.99
NCREIF:HOTEL	3.54	6.14	13.96	9.85	10.35	6.79	6.66
NCREIF:Industrial Idx	3.78	7.38	14.79	12.74	13.26	8.09	9.01
NCREIF:Office Index	3.11	6.50	12.85	10.90	11.73	8.19	8.30
NCREIF:Retail Index	2.98	8.06	13.55	13.28	13.67	9.09	10.88
NFI-ODCE Val Gross	3.82	7.34	14.43	13.11	14.41	6.85	7.96
NCREIF:NFI-ODCE Gross Inc	1.19	2.39	4.91	5.12	5.34	5.53	6.27
NCREIF:NFI-ODCE App	2.62	4.88	9.16	7.67	8.69	1.28	1.61
<b>Public Real Estate:</b>							
NAREIT Equity Index	(9.95)	(5.67)	4.33	8.93	14.28	7.01	11.31
<b>Other:</b>							
Russell:3000 Index	0.14	1.94	7.29	17.73	17.54	8.15	4.89
Barclays:Aggregate Index	(1.68)	(0.10)	1.86	1.83	3.35	4.44	5.42
US DOL:CPI All Urban Cons	1.07	1.63	0.12	1.31	1.83	2.07	2.19

The NCREIF Property Index advanced 3.14% and recorded a 1.26% income return and a 1.89% appreciation return. The NCREIF Property Index cash flow return was 0.87% for the quarter and 3.43% for the trailing four quarters.

During the first quarter, there were 134 asset trades, representing \$7.1 billion of overall transactional volume. This remains ahead of the \$5.3 billion 10-year quarterly transaction average. The peak quarterly transaction volume over the prior 10-year period was \$8.7 billion in the second quarter of 2007.

Pricing growth continued to characterize asset trades as equal-weighted transactional capitalization rates dropped to 5.5%. This reflects the lowest measure of the Index since the fourth quarter of 2007. Over the course of the prior cycle, quarterly equal-weighted transactional capitalization rates dipped to a low of 5.46% in the fourth quarter of 2007 and expanded to a peak of 8.46% in the third quarter of 2009. During the second quarter of 2015, appraisal capitalization rates slightly increased from 4.73% to 4.81%. As markets peaked over the prior cycle, appraisal capitalization rates declined to a low of 4.89% in the third quarter of 2008.

CMBS issuance reached \$27.5 billion in the first quarter of the year, ahead of the \$27.0 billion of issuance volume from the quarter prior and \$20.5 billion in the second quarter of 2014. Total issuance for the trailing 12 months was \$107.7 billion, nearing rolling one-year issuance volumes not seen since May 2008. Quarterly issuance volume between 2005 and 2007 ranged from \$33.0 billion to a high of \$73.6 billion in the second quarter of 2007.

**Hedge Fund Overview**  
**As of June 30, 2015**

Index	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
<b>Diversified Hedge Fund-of-Funds:</b>							
CAI:Hedge FoF DB	0.23	2.45	3.57	7.08	5.61	4.78	5.66
CAI:Absolute Rtn FoF	0.36	2.28	2.28	6.37	4.92	4.48	5.54
CAI:Long Short FoF	0.82	3.27	5.10	8.59	6.49	5.48	5.86
HFRI Fund of Funds Compos	0.20	2.71	3.97	6.28	4.10	3.21	3.62
CS:Hedge Fund Idx	(0.48)	1.99	3.28	7.08	6.17	5.89	6.36
CS:Convert Arbitrage	2.49	2.97	(1.05)	3.61	4.82	5.05	5.52
CS:Event-Driven	0.45	2.04	(1.99)	8.58	5.89	6.34	7.63
CS:Distressed	(0.35)	(0.10)	(3.74)	8.33	6.37	6.13	8.20
CS:Evt Driven Multi	0.73	2.89	(1.31)	8.67	5.67	6.55	7.40
CS:Risk Arb	1.70	2.39	(2.04)	2.71	2.57	3.96	4.21
CS:Emerging	1.42	2.80	4.52	7.07	5.58	6.61	7.83
CS:Fx-Inc Arb	0.90	0.75	1.70	5.00	6.23	4.04	4.74
CS:Global Macro	(1.80)	2.59	4.79	4.84	5.99	7.68	10.20
CS:Long/Short Eq	1.66	3.53	6.01	10.84	7.82	6.69	6.01
CS:Mgd Futures	(10.61)	(4.07)	12.86	2.92	2.87	3.96	5.91
CS:Mkt Neut Eq	2.12	(0.40)	(1.07)	3.21	3.31	(1.20)	1.57
CS:Multi-Strat	0.24	3.24	6.45	9.00	8.45	6.86	6.90
CS:Short Bias	(4.83)	(8.88)	(8.12)	(17.00)	(15.71)	(9.68)	(6.35)
<b>Other:</b>							
Russell:3000 Index	0.14	1.94	7.29	17.73	17.54	8.15	4.89
MSCI:ACWI x US (Net)	0.53	4.03	(5.26)	9.44	7.76	5.54	--
Barclays:Aggregate Index	(1.68)	(0.10)	1.86	1.83	3.35	4.44	5.42

Illustrating raw hedge fund performance without implementation costs, the Credit Suisse Hedge Fund Index (CS HFI) slipped 0.48%. As a proxy to actively managed hedge fund portfolios, the median manager in the Callan Hedge Fund-of-Funds Database moved ahead 0.23%, net of all fees.

Within the CS HFI, those chasing momentum were hurt badly while those focused on fundamentals survived unscathed, more or less. The quarter's most notable victim was Managed Futures (-10.61%). The best-performing strategies for the quarter were Convertible Arb (+2.49%), Equity Market Neutral (+2.12%), and Risk Arb (+1.70%). Despite meager fuel from market beta, Long/Short Equity gained 1.66%.

Within Callan's Hedge Fund-of-Funds Database, market exposures provided little traction in the second quarter. Nevertheless, the median Callan Long/Short Equity FOF (+0.82%) edged out the Callan Absolute Return FOF (+0.36%).



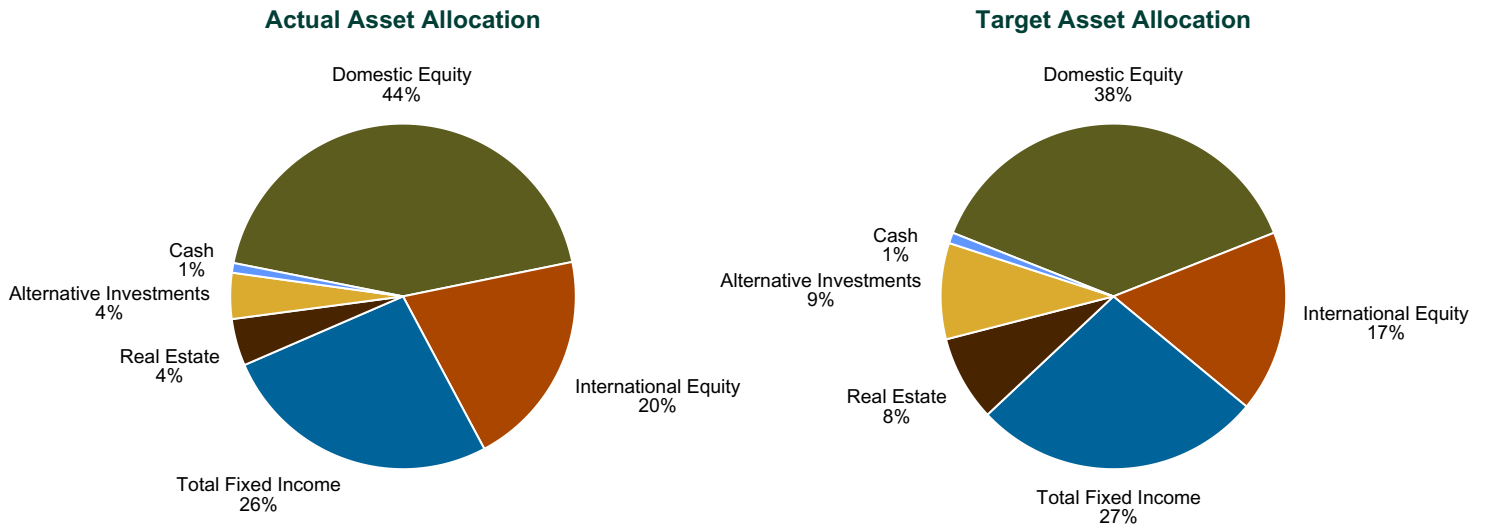
**Capital Market Returns**  
**As of June 30, 2015**

Index	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
<b>U.S. Equity:</b>							
DJ:US Total Mkt Ix	0.12	1.92	7.19	17.63	17.52	8.30	5.01
Russell:3000 Index	0.14	1.94	7.29	17.73	17.54	8.15	4.89
S&P:500	0.28	1.23	7.42	17.31	17.34	7.89	4.36
Russell:1000 Index	0.11	1.71	7.37	17.73	17.58	8.13	4.68
Russell:1000 Growth	0.12	3.96	10.56	17.99	18.59	9.10	2.19
Russell:1000 Value	0.11	(0.61)	4.13	17.34	16.50	7.05	6.88
Russell:Midcap Index	(1.54)	2.35	6.63	19.26	18.23	9.40	8.71
Russell:Midcap Growth	(1.14)	4.18	9.45	19.24	18.69	9.69	4.47
Russell:Midcap Value	(1.97)	0.41	3.67	19.13	17.73	8.89	10.85
Russell:2000 Index	0.42	4.75	6.49	17.81	17.08	8.40	7.50
Russell:2000 Growth	1.98	8.74	12.34	20.11	19.33	9.86	4.84
Russell:2000 Value	(1.20)	0.76	0.78	15.50	14.81	6.87	9.87
<b>U.S. Fixed Income:</b>							
Barclays:Aggregate Index	(1.68)	(0.10)	1.86	1.83	3.35	4.44	5.42
Barclays:Gov/Credit Bond	(2.10)	(0.30)	1.69	1.76	3.52	4.38	5.48
Barclays:Gov/Credit Long	(7.57)	(4.47)	1.94	2.48	6.71	6.14	7.60
Barclays:Gov/Credit 1-3	0.13	0.72	0.93	0.94	1.17	2.83	3.55
Barclays:Credit	(2.88)	(0.78)	0.93	3.03	4.93	5.12	6.26
Barclays:Mortgage Idx	(0.74)	0.31	2.28	1.92	2.89	4.56	5.31
Barclays:High Yld Corp	0.00	2.53	(0.40)	6.81	8.61	7.89	7.75
Barclays:US Universal Idx	(1.40)	0.30	1.61	2.33	3.81	4.68	5.65
<b>Real Estate:</b>							
NCREIF:Total Index	3.14	6.83	12.98	11.63	12.72	8.16	8.98
NAREIT Composite Idx	(8.95)	(5.43)	3.37	8.54	13.86	6.18	10.82
<b>Global Equity:</b>							
MSCI:ACWI	0.52	2.97	1.23	13.61	12.52	6.96	4.15
MSCI:AC WORLD IMI	0.54	3.13	0.81	13.34	12.17	6.68	4.16
<b>Non-U.S. Equity:</b>							
MSCI:EAFE US\$	0.62	5.52	(4.22)	11.97	9.54	5.12	3.20
MSCI:EAFE LC(Net)	(1.82)	8.82	11.78	18.08	11.27	5.41	2.36
MSCI:ACWI ex US	0.72	4.35	(4.85)	9.92	8.23	6.01	4.23
MSCI:AC Wld Net x US LC	(1.30)	7.52	9.59	15.30	9.96	6.07	3.17
MSCI:ACWI SC ex US	4.22	8.32	(3.07)	12.32	9.72	7.38	7.35
MSCI:Emer Markets	0.82	3.12	(4.77)	4.08	4.03	8.46	8.20
<b>Other:</b>							
3 Month T-Bill	0.01	0.01	0.02	0.06	0.08	1.42	1.82
US DOL:CPI All Urban Cons	1.07	1.63	0.12	1.31	1.83	2.07	2.19



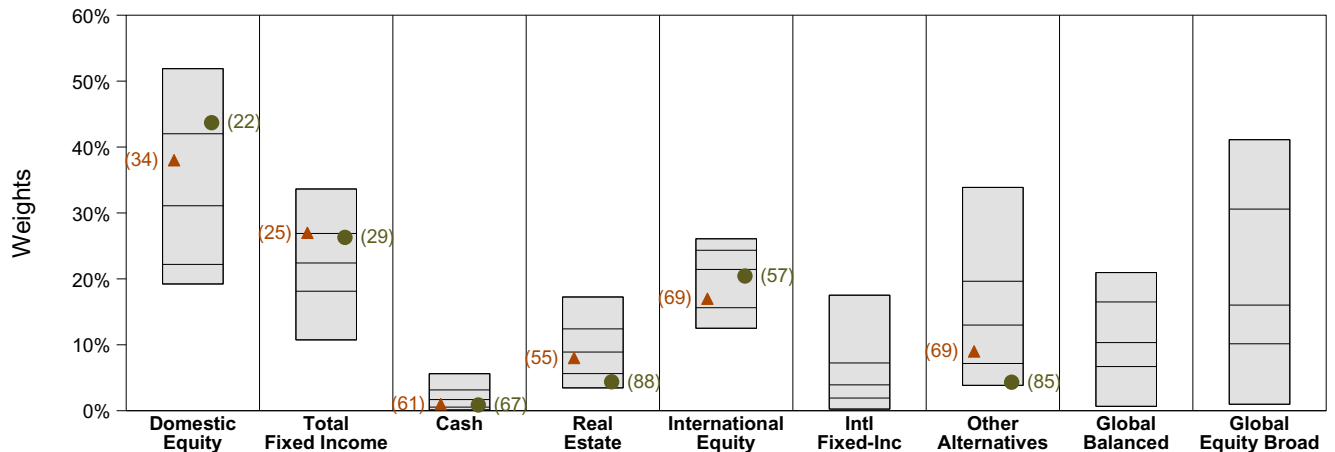
## Actual vs Target Asset Allocation As of June 30, 2015

The top left chart shows the Fund's asset allocation for the period. The bottom pie chart shows the Fund's target asset allocation as outlined in the investment policy statement.



Asset Class	\$Millions Actual	Weight Actual	Target	Percent Difference	\$Millions Difference
Domestic Equity	15,548	43.7%	38.0%	5.7%	2,026
International Equity	7,271	20.4%	17.0%	3.4%	1,221
Total Fixed Income	9,356	26.3%	27.0%	(0.7%)	(251)
Real Estate	1,560	4.4%	8.0%	(3.6%)	(1,287)
Alternative Investments	1,539	4.3%	9.0%	(4.7%)	(1,663)
Cash	310	0.9%	1.0%	(0.1%)	(46)
<b>Total</b>	<b>35,584</b>	<b>100.0%</b>	<b>100.0%</b>		

### Asset Class Weights vs Public Fund - Large (>1B)



10th Percentile	51.89	33.64	5.61	17.25	26.08	17.52	33.88	20.96	41.11
25th Percentile	42.01	26.89	3.15	12.42	24.34	7.24	19.64	16.50	30.59
Median	31.09	22.41	1.69	8.90	21.43	3.93	12.99	10.33	16.02
75th Percentile	22.20	18.13	0.55	5.63	15.63	1.92	7.16	6.70	10.15
90th Percentile	19.23	10.75	0.11	3.46	12.51	0.25	3.85	0.66	0.98
<b>Fund</b> ●	<b>43.69</b>	<b>26.29</b>	<b>0.87</b>	<b>4.38</b>	<b>20.43</b>	<b>-</b>	<b>4.33</b>	<b>-</b>	<b>-</b>
<b>Target</b> ▲	<b>38.00</b>	<b>27.00</b>	<b>1.00</b>	<b>8.00</b>	<b>17.00</b>	<b>-</b>	<b>9.00</b>	<b>-</b>	<b>-</b>
% Group Invested	100.00%	94.12%	70.59%	69.12%	98.53%	41.18%	77.94%	14.71%	26.47%

\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015			Inv. Return	March 31, 2015	
	Market Value	Weight	Net New Inv.		Market Value	Weight
<b>Domestic Equity</b>	<b>\$15,547,726,567</b>	<b>43.69%</b>	<b>\$(146,234,184)</b>	<b>\$139,582,042</b>	<b>\$15,554,378,709</b>	<b>43.72%</b>
<b>Large Cap Growth</b>						
BlackRock LCG	-	-	(285,044)	(56,958)	342,002	0.00%
Holland	967,210,296	2.72%	0	3,261,979	963,948,317	2.71%
NTGI S&P 500 Growth Idx	1,387,877,481	3.90%	0	4,396,670	1,383,480,811	3.89%
Sands	1,315,164,886	3.70%	0	1,568,506	1,313,596,380	3.69%
Vision	174,571,209	0.49%	0	1,097,360	173,473,849	0.49%
<b>Large Cap Value</b>						
Dodge & Cox	1,151,678,340	3.24%	(7,700,273)	29,053,443	1,130,325,170	3.18%
BMO	1,247,139,247	3.50%	(6,319,952)	7,303,908	1,246,155,291	3.50%
LSV	1,234,538,730	3.47%	(7,141,696)	9,178,584	1,232,501,843	3.46%
NTGI S&P 500 Value Idx	781,889,304	2.20%	0	1,799,584	780,089,719	2.19%
<b>Large Cap Core</b>						
NTGI MarketCap Index	2,697,652,572	7.58%	(125,037,218)	3,825,445	2,818,864,345	7.92%
<b>Small Cap Growth</b>						
Fortaleza	-	-	0	(179)	179	0.00%
Frontier	858,974,950	2.41%	0	2,705,333	856,269,617	2.41%
Pyramis	943,100,266	2.65%	0	38,857,750	904,242,516	2.54%
<b>Small Cap Value</b>						
Channing	181,459,055	0.51%	0	(930,683)	182,389,738	0.51%
Dimensional Small Cap Value	724,027,857	2.03%	0	383,242	723,644,615	2.03%
Inv. Counselors of Maryland	784,589,596	2.20%	0	5,332,201	779,257,395	2.19%
Lombardia	164,064,436	0.46%	0	1,046,247	163,018,189	0.46%
<b>Micro Cap</b>						
Ariel	84,166,581	0.24%	0	(2,406,670)	86,573,251	0.24%
Ativo	55,811,778	0.16%	0	1,649,822	54,161,956	0.15%
Dimensional Micro Cap	316,026,983	0.89%	0	2,917,444	313,109,539	0.88%
Wall Street	477,783,000	1.34%	0	28,849,014	448,933,985	1.26%
<b>International Equity</b>	<b>\$7,270,669,290</b>	<b>20.43%</b>	<b>\$(74,709,674)</b>	<b>\$78,965,582</b>	<b>\$7,266,413,383</b>	<b>20.42%</b>
<b>International Large Cap Growth</b>						
EARNEST Partners	529,954,678	1.49%	0	1,134,916	528,819,762	1.49%
William Blair	622,024,056	1.75%	0	3,748,609	618,275,447	1.74%
<b>International Large Cap Value</b>						
Brandes	536,270,243	1.51%	295,445	14,662,259	521,312,539	1.47%
Lombardia	32,467,526	0.09%	(4,352)	1,404,970	31,066,908	0.09%
Mondrian	504,121,423	1.42%	0	(615,090)	504,736,513	1.42%
Lazard	98,479,410	0.28%	0	1,091,444	97,387,966	0.27%
<b>International Large Cap Core</b>						
Arrowstreet	553,837,131	1.56%	0	5,285,634	548,551,497	1.54%
Brown	285,390,988	0.80%	0	1,236,327	284,154,661	0.80%
GlobeFlex	521,716,410	1.47%	0	8,161,426	513,554,984	1.44%
NTGI MSCI EAFE Index	2,271,994,490	6.38%	(75,000,000)	21,195,970	2,325,798,521	6.54%
Progress	246,056,534	0.69%	0	5,689,636	240,366,898	0.68%
<b>International Small Cap</b>						
Franklin Templeton	197,654,589	0.56%	(766)	6,142,073	191,513,282	0.54%
William Blair	224,632,876	0.63%	0	6,629,548	218,003,327	0.61%
<b>Emerging Markets</b>						
Genesis	646,068,936	1.82%	0	3,197,859	642,871,077	1.81%

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Total Fixed Income</b>	<b>\$9,356,453,349</b>	<b>26.29%</b>	<b>\$45,485,622</b>	<b>\$(120,725,315)</b>	<b>\$9,431,693,042</b>	<b>26.51%</b>
<b>Domestic Fixed Core</b>						
EARNEST Partners	558,850,919	1.57%	(5,979,745)	(8,436,744)	573,267,409	1.61%
Piedmont	550,026,741	1.55%	(4,536,378)	(7,092,349)	561,655,468	1.58%
Garcia Hamilton	98,342,987	0.28%	99,702,211	(1,359,224)	-	-
<b>Domestic Fixed Passive Core</b>						
NTGI BC Aggregate Index	1,460,895,604	4.11%	0	(24,732,339)	1,485,627,942	4.18%
BlackRock US Debt	1,346,922,379	3.79%	0	(22,730,802)	1,369,653,181	3.85%
<b>Domestic Fixed Core Plus</b>						
BlackRock Core Plus	743,026,306	2.09%	(5,093,951)	(10,998,644)	759,118,902	2.13%
LM Capital	862,433,912	2.42%	(9,397,319)	(11,803,263)	883,634,495	2.48%
Progress Fixed Income	617,941,656	1.74%	0	(10,585,477)	628,527,133	1.77%
Taplin, Canida, & Habacht	860,855,536	2.42%	(7,317,789)	(15,231,320)	883,404,644	2.48%
Western	1,161,876,645	3.27%	(8,678,023)	(17,437,540)	1,187,992,208	3.34%
<b>Bank Loans</b>						
Babson	179,066,605	0.50%	0	1,692,116	177,374,489	0.50%
<b>Emerging Markets Debt</b>						
Standish	178,811,943	0.50%	0	45,272	178,766,672	0.50%
<b>Opportunistic Fixed Income</b>						
Crescent	122,129,639	0.34%	(1,699,830)	1,626,100	122,203,369	0.34%
<b>High Yield</b>						
MacKay Shields	606,910,213	1.71%	(11,513,511)	5,674,024	612,749,699	1.72%
<b>Real Estate</b>	<b>\$1,560,166,276</b>	<b>4.38%</b>	<b>\$34,606,896</b>	<b>\$34,847,783</b>	<b>\$1,490,711,597</b>	<b>4.19%</b>
<b>Real Estate Core</b>						
TA Buckhead Ind. Prop.	307,735,422	0.86%	14,578,232	7,479,996	285,677,194	0.80%
Cornerstone Patriot	126,694,902	0.36%	(1,258,155)	(252,709)	128,205,766	0.36%
INVESCO Core RE	135,342,955	0.38%	(961,371)	4,042,404	132,261,922	0.37%
AEW Core Property	169,822,580	0.48%	33,507,221	1,151,898	135,163,461	0.38%
CBRE Core Partners	139,238,664	0.39%	(1,746,459)	4,715,402	136,269,721	0.38%
<b>Real Estate Non-Core</b>						
Franklin Templeton EMREFF	54,644,079	0.15%	(528,356)	3,311,858	51,860,577	0.15%
Olympus Real Estate Fund II	154,191	0.00%	0	0	154,191	0.00%
Security Capital	51,694,994	0.15%	(553,998)	(4,983,763)	57,232,755	0.16%
Dune II	38,908,026	0.11%	0	1,091,905	37,816,121	0.11%
Non-Core Real Estate Funds*	412,660,683	1.16%	4,909,195	11,557,675	396,193,813	1.11%
Non-Core Intl Real Estate Funds**	27,116,459	0.08%	(9,510,225)	711,608	35,915,077	0.10%
Rockwood Fund VIII	25,625,684	0.07%	(722,352)	3,443,364	22,904,672	0.06%
Almanac ARS V	28,308,818	0.08%	(866,649)	1,202,587	27,972,880	0.08%
TA Realty IX	42,218,818	0.12%	(2,240,187)	1,375,558	43,083,447	0.12%
<b>Alternative Investments</b>	<b>\$1,539,321,929</b>	<b>4.33%</b>	<b>\$(23,613,523)</b>	<b>\$21,712,168</b>	<b>\$1,541,223,285</b>	<b>4.33%</b>
<b>Absolute Return</b>						
Aurora	578,594,167	1.63%	(20,956,075)	689,438	598,860,804	1.68%
<b>Private Equity</b>						
Abbott	314,268,996	0.88%	(9,200,092)	9,713,052	313,756,036	0.88%
Muller & Monroe ILPEFF	9,490,734	0.03%	(1,270,759)	(41,842)	10,803,335	0.03%
Muller & Monroe MPEFF	14,720,989	0.04%	(572,698)	1,412,232	13,881,455	0.04%
Pantheon	191,944,628	0.54%	(3,873,378)	4,638,633	191,179,372	0.54%
Private Equity Funds - Domestic	196,209,010	0.55%	12,759,486	4,854,203	178,595,321	0.50%
<b>Agriculture</b>						
Premiere Partners IV	159,125,831	0.45%	(2)	(208,532)	159,334,364	0.45%
<b>Timberland</b>						
Forest Investment Assoc.	74,967,575	0.21%	(500,005)	654,982	74,812,598	0.21%
<b>Cash</b>	<b>\$309,647,895</b>	<b>0.87%</b>	<b>\$17,154,369</b>	<b>\$62,360</b>	<b>\$292,431,166</b>	<b>0.82%</b>
<b>Total Fund</b>	<b>\$35,583,985,307</b>	<b>100.0%</b>	<b>\$(147,310,495)</b>	<b>\$154,444,619</b>	<b>\$35,576,851,182</b>	<b>100.0%</b>

\* Non-Core Real Estate Funds funded since September 2011.

\*\* Non-Core International Real Estate Funds funded since August 2014.

**Illinois Municipal Retirement Fund**  
**Period ended June 30, 2015**

**Second Quarter 2015 Asset Allocation Activity**

<u>Portfolio Name</u>	<u>Asset Class</u>	<u>Withdrawals</u>	<u>Completion Date</u>	<u>Deposits</u>	<u>Completion Date</u>
Cash Flow Account	Cash Equivalents	\$ 457,491	Various		
Inflexion IV	Private Equity			\$ 115,255	04/01/2015
Inflexion IV	Private Equity			\$ 342,236	06/12/2015
Cash Flow Account	Cash Equivalents	\$ 435,342	04/01/2015		
Inflexion Partnership Capital I	Private Equity			\$ 435,342	04/01/2015
Cash Flow Account	Cash Equivalents	\$ 125,961	Various		
Franklin Templeton EMREFF	Real Estate	\$ 311,715	04/02/2015		
Franklin Templeton EMREFF	Real Estate	\$ 1,799,128	04/10/2015		
Franklin Templeton EMREFF	Real Estate			\$ 1,794,842	05/06/2015
Franklin Templeton EMREFF	Real Estate	\$ 206,765	05/20/2015		
Franklin Templeton EMREFF	Real Estate	\$ 389,251	05/22/2015		
Franklin Templeton EMREFF	Real Estate			\$ 327,159	06/11/2015
Franklin Templeton EMREFF	Real Estate			\$ 710,819	06/26/2015
Cash Flow Account	Cash Equivalents			\$ 553,998	04/02/2015
Security Capital	Real Estate	\$ 553,998	04/02/2015		
Cash Flow Account	Cash Equivalents			\$ 168,196	Various
AUA	Private Equity	\$ 144,993	04/02/2015		
AUA	Private Equity	\$ 23,202	05/15/2015		
Cash Flow Account	Cash Equivalents			\$ 7,268,643	Various
Taplin	Fixed Income	\$ 328,410	04/02/2015		
Taplin	Fixed Income	\$ 179,413	04/03/2015		
Taplin	Fixed Income	\$ 40,878	04/10/2015		
Taplin	Fixed Income	\$ 1,211,801	04/17/2015		
Taplin	Fixed Income	\$ 457,318	04/24/2015		
Taplin	Fixed Income	\$ 355,545	05/01/2015		
Taplin	Fixed Income	\$ 299,562	05/08/2015		
Taplin	Fixed Income	\$ 141,173	05/15/2015		
Taplin	Fixed Income	\$ 1,532,324	05/22/2015		
Taplin	Fixed Income	\$ 468,873	05/29/2015		
Taplin	Fixed Income	\$ 546,109	06/05/2015		
Taplin	Fixed Income	\$ 305,823	06/12/2015		
Taplin	Fixed Income	\$ 1,098,888	06/19/2015		
Taplin	Fixed Income	\$ 302,528	06/26/2015		
Cash Flow Account	Cash Equivalents			\$ 5,978,770	Various
Earnest	Fixed Income	\$ 509,854	04/02/2015		
Earnest	Fixed Income	\$ 480,774	04/03/2015		
Earnest	Fixed Income	\$ 18,779	04/10/2015		
Earnest	Fixed Income	\$ 508,814	04/17/2015		
Earnest	Fixed Income	\$ 181,624	04/24/2015		
Earnest	Fixed Income	\$ 408,472	05/01/2015		
Earnest	Fixed Income	\$ 1,046,269	05/08/2015		
Earnest	Fixed Income	\$ 180,208	05/15/2015		
Earnest	Fixed Income	\$ 457,221	05/22/2015		
Earnest	Fixed Income	\$ 480,540	05/29/2015		
Earnest	Fixed Income	\$ 711,610	06/05/2015		
Earnest	Fixed Income	\$ 49,164	06/12/2015		
Earnest	Fixed Income	\$ 439,168	06/19/2015		
Earnest	Fixed Income	\$ 506,273	06/26/2015		

**Illinois Municipal Retirement Fund**  
**Period ended June 30, 2015**

Cash Flow Account	Cash Equivalents			\$ 11,513,511	Various
Mackay	Fixed Income	\$ 2,301,774	04/03/2015		
Mackay	Fixed Income	\$ 114,069	04/10/2015		
Mackay	Fixed Income	\$ 1,818,374	04/17/2015		
Mackay	Fixed Income	\$ 38,748	04/24/2015		
Mackay	Fixed Income	\$ 191,341	05/01/2015		
Mackay	Fixed Income	\$ 1,517,554	05/08/2015		
Mackay	Fixed Income	\$ 2,437,491	05/22/2015		
Mackay	Fixed Income	\$ 45,323	05/29/2015		
Mackay	Fixed Income	\$ 1,118,164	06/05/2015		
Mackay	Fixed Income	\$ 16,915	06/12/2015		
Mackay	Fixed Income	\$ 1,869,114	06/19/2015		
Mackay	Fixed Income	\$ 44,644	06/26/2015		

Cash Flow Account	Cash Equivalents			\$ 8,727,168	Various
Western	Fixed Income	\$ 968,235	04/03/2015		
Western	Fixed Income	\$ 760,512	04/17/2015		
Western	Fixed Income	\$ 530,280	04/24/2015		
Western	Fixed Income	\$ 918,920	05/01/2015		
Western	Fixed Income	\$ 476,374	05/08/2015		
Western	Fixed Income	\$ 318,030	05/15/2015		
Western	Fixed Income	\$ 1,581,469	05/22/2015		
Western	Fixed Income	\$ 692,134	05/29/2015		
Western	Fixed Income	\$ 605,064	06/05/2015		
Western	Fixed Income	\$ 135,270	06/12/2015		
Western	Fixed Income	\$ 847,840	06/19/2015		
Western	Fixed Income	\$ 893,039	06/26/2015		

Cash Flow Account	Cash Equivalents			\$ 5,368,821	Various
BlackRock Core Plus	Fixed Income	\$ 264,103	04/03/2015		
BlackRock Core Plus	Fixed Income	\$ 89,990	04/10/2015		
BlackRock Core Plus	Fixed Income	\$ 400,264	04/17/2015		
BlackRock Core Plus	Fixed Income	\$ 216,831	04/24/2015		
BlackRock Core Plus	Fixed Income	\$ 274,832	04/30/2015		
BlackRock Core Plus	Fixed Income	\$ 502,122	05/01/2015		
BlackRock Core Plus	Fixed Income	\$ 388,709	05/08/2015		
BlackRock Core Plus	Fixed Income	\$ 365,432	05/15/2015		
BlackRock Core Plus	Fixed Income	\$ 942,679	05/22/2015		
BlackRock Core Plus	Fixed Income	\$ 546,891	05/29/2015		
BlackRock Core Plus	Fixed Income	\$ 193,862	06/05/2015		
BlackRock Core Plus	Fixed Income	\$ 9,940	06/12/2015		
BlackRock Core Plus	Fixed Income	\$ 776,466	06/19/2015		
BlackRock Core Plus	Fixed Income	\$ 396,701	06/26/2015		

Cash Flow Account	Cash Equivalents			\$ 9,397,319	Various
LM Capital	Fixed Income	\$ 348,250	04/03/2015		
LM Capital	Fixed Income	\$ 244,323	04/10/2015		
LM Capital	Fixed Income	\$ 1,291,826	04/17/2015		
LM Capital	Fixed Income	\$ 728,538	05/01/2015		
LM Capital	Fixed Income	\$ 618,362	05/08/2015		
LM Capital	Fixed Income	\$ 60,071	05/15/2015		
LM Capital	Fixed Income	\$ 2,642,747	05/22/2015		
LM Capital	Fixed Income	\$ 879,634	05/29/2015		
LM Capital	Fixed Income	\$ 1,016,332	06/05/2015		
LM Capital	Fixed Income	\$ 1,162,561	06/19/2015		
LM Capital	Fixed Income	\$ 404,675	06/26/2015		

**Illinois Municipal Retirement Fund**  
**Period ended June 30, 2015**

Cash Flow Account	Cash Equivalents			\$ 4,535,756	Various
Piedmont	Fixed Income	\$ 575,995	04/03/2015		
Piedmont	Fixed Income	\$ 47,737	04/10/2015		
Piedmont	Fixed Income	\$ 894,248	04/17/2015		
Piedmont	Fixed Income	\$ 75,661	04/24/2015		
Piedmont	Fixed Income	\$ 253,725	05/01/2015		
Piedmont	Fixed Income	\$ 275,649	05/08/2015		
Piedmont	Fixed Income	\$ 153,060	05/15/2015		
Piedmont	Fixed Income	\$ 570,764	05/22/2015		
Piedmont	Fixed Income	\$ 280,496	05/29/2015		
Piedmont	Fixed Income	\$ 337,131	06/05/2015		
Piedmont	Fixed Income	\$ 78,338	06/12/2015		
Piedmont	Fixed Income	\$ 735,847	06/19/2015		
Piedmont	Fixed Income	\$ 257,104	06/26/2015		
Cash Flow Account	Cash Equivalents			\$ 6,319,952	Various
BMO	Domestic Equity	\$ 574,347	04/03/2015		
BMO	Domestic Equity	\$ 169,086	04/10/2015		
BMO	Domestic Equity	\$ 409,903	04/17/2015		
BMO	Domestic Equity	\$ 698,532	04/24/2015		
BMO	Domestic Equity	\$ 230,530	05/01/2015		
BMO	Domestic Equity	\$ 294,745	05/08/2015		
BMO	Domestic Equity	\$ 222,607	05/15/2015		
BMO	Domestic Equity	\$ 436,324	05/22/2015		
BMO	Domestic Equity	\$ 70,254	05/29/2015		
BMO	Domestic Equity	\$ 915,264	06/05/2015		
BMO	Domestic Equity	\$ 1,601,947	06/12/2015		
BMO	Domestic Equity	\$ 448,099	06/19/2015		
BMO	Domestic Equity	\$ 248,315	06/26/2015		
Cash Flow Account	Cash Equivalents			\$ 7,141,696	Various
LSV	Domestic Equity	\$ 870,494	04/03/2015		
LSV	Domestic Equity	\$ 96,028	04/10/2015		
LSV	Domestic Equity	\$ 238,024	04/17/2015		
LSV	Domestic Equity	\$ 330,638	04/24/2015		
LSV	Domestic Equity	\$ 505,783	05/01/2015		
LSV	Domestic Equity	\$ 599,685	05/08/2015		
LSV	Domestic Equity	\$ 58,188	05/15/2015		
LSV	Domestic Equity	\$ 518,391	05/22/2015		
LSV	Domestic Equity	\$ 81,966	05/29/2015		
LSV	Domestic Equity	\$ 1,534,543	06/05/2015		
LSV	Domestic Equity	\$ 1,239,413	06/12/2015		
LSV	Domestic Equity	\$ 686,150	06/19/2015		
LSV	Domestic Equity	\$ 382,394	06/26/2015		
Cash Flow Account	Cash Equivalents			\$ 7,700,273	Various
Dodge & Cox	Domestic Equity	\$ 585,634	04/03/2015		
Dodge & Cox	Domestic Equity	\$ 512,755	04/10/2015		
Dodge & Cox	Domestic Equity	\$ 258,000	04/17/2015		
Dodge & Cox	Domestic Equity	\$ 2,433,647	04/24/2015		
Dodge & Cox	Domestic Equity	\$ 246,520	05/01/2015		
Dodge & Cox	Domestic Equity	\$ 3,598	05/08/2015		
Dodge & Cox	Domestic Equity	\$ 127,500	05/15/2015		
Dodge & Cox	Domestic Equity	\$ 365,125	05/22/2015		
Dodge & Cox	Domestic Equity	\$ 148,084	05/29/2015		
Dodge & Cox	Domestic Equity	\$ 1,446,339	06/05/2015		
Dodge & Cox	Domestic Equity	\$ 701,900	06/12/2015		
Dodge & Cox	Domestic Equity	\$ 419,798	06/19/2015		
Dodge & Cox	Domestic Equity	\$ 451,374	06/26/2015		
Cash Flow Account	Cash Equivalents			\$ 181	04/06/2015
Fortaleza	Domestic Equity	\$ 181	04/06/2015		



**Illinois Municipal Retirement Fund**  
**Period ended June 30, 2015**

Cash Flow Account	Cash Equivalents	\$ 33,507,221	Various		
AEW Core Property Trust	Real Estate			35,000,000.00	04/07/2015
AEW Core Property Trust	Real Estate	1,492,778.59	05/11/2015		
Cash Flow Account	Cash Equivalents	\$ 200,000	04/07/2015		
Mayfield XIV	Private Equity			\$ 200,000	04/07/2015
Cash Flow Account	Cash Equivalents	\$ 1,023,193	Various		
Vista Foundation II	Private Equity			\$ 638,320	04/09/2015
Vista Foundation II	Private Equity			\$ 384,873	05/15/2015
Cash Flow Account	Cash Equivalents	\$ 1,936,008	Various		
Blackstone BREP VII	Real Estate			\$ 9,367	04/10/2015
Blackstone BREP VII	Real Estate			\$ 700,332	04/10/2015
Blackstone BREP VII	Real Estate			\$ 73,669	04/10/2015
Blackstone BREP VII	Real Estate	\$ 1,333,269	04/21/2015		
Blackstone BREP VII	Real Estate			\$ 101,818	04/30/2015
Blackstone BREP VII	Real Estate			\$ 1,315,507	05/06/2015
Blackstone BREP VII	Real Estate			\$ 438,826	05/22/2015
Blackstone BREP VII	Real Estate			\$ 153,726	05/26/2015
Blackstone BREP VII	Real Estate			\$ 49,160	05/26/2015
Blackstone BREP VII	Real Estate	\$ 1,150,691	06/03/2015		
Blackstone BREP VII	Real Estate			\$ 1,525,940	06/03/2015
Blackstone BREP VII	Real Estate			\$ 51,623	06/22/2015
Cash Flow Account	Cash Equivalents	\$ 426,375	Various		
Blackstone Asia	Real Estate			\$ 1,191,548	04/10/2015
Blackstone Asia	Real Estate	\$ 765,173	05/19/2015		
Cash Flow Account	Cash Equivalents			\$ 1,977,319	Various
Blackstone BREDS II	Real Estate			\$ 1,437,744	04/10/2015
Blackstone BREDS II	Real Estate	\$ 1,786,696	05/21/2015		
Blackstone BREDS II	Real Estate	\$ 1,691,204	05/28/2015		
Blackstone BREDS II	Real Estate	\$ 901,659	06/18/2015		
Blackstone BREDS II	Real Estate			\$ 523,137	06/19/2015
Blackstone BREDS II	Real Estate			\$ 441,359	06/23/2015
Cash Flow Account	Cash Equivalents	\$ 1,781,250	Various		
Lightspeed X	Private Equity			\$ 750,000	04/10/2015
Lightspeed X	Private Equity			\$ 468,750	05/29/2015
Lightspeed X	Private Equity			\$ 562,500	06/19/2015
Cash Flow Account	Cash Equivalents			\$ 1,098,000	Various
Starwood IX	Real Estate			\$ 1,400,000	04/14/2015
Starwood IX	Real Estate	\$ 2,498,000	06/15/2015		
Cash Flow Account	Cash Equivalents			\$ 20,977,242	Various
Aurora	Alternatives	\$ 1,304,598	04/15/2015		
Aurora	Alternatives	\$ 5,200,000	04/20/2015		
Aurora	Alternatives	\$ 13,634	04/28/2015		
Aurora	Alternatives	\$ 6,588	05/15/2015		
Aurora	Alternatives			\$ 10,991	05/29/2015
Aurora	Alternatives			\$ 4,244	06/05/2015
Aurora	Alternatives	\$ 21,574	06/16/2015		
Aurora	Alternatives	\$ 14,446,083	04/30/2015		
Cash Flow Account	Cash Equivalents	\$ 343,750	Various		
Lightspeed Select	Private Equity			\$ 218,750	04/16/2015
Lightspeed Select	Private Equity			\$ 125,000	06/12/2015
Cash Flow Account	Cash Equivalents	\$ 1,266,954	Various		
ABRY Senior Equity IV	Private Equity			\$ 510,545	04/23/2015
ABRY Senior Equity IV	Private Equity			\$ 455,464	05/07/2015
ABRY Senior Equity IV	Private Equity			\$ 501,843	06/05/2015
ABRY Senior Equity IV	Private Equity	\$ 200,897	06/29/2015		

**Illinois Municipal Retirement Fund**  
**Period ended June 30, 2015**

Cash Flow Account	Cash Equivalents	\$	1,201,830	Various		
Encap IX	Private Equity				\$	410,795 04/17/2015
Encap IX	Private Equity				\$	355,020 05/14/2015
Encap IX	Private Equity				\$	436,015 06/01/2015
Cash Flow Account	Cash Equivalents	\$	929,059	Various		
EnCap X	Private Equity				\$	1,195,000 04/22/2015
EnCap X	Private Equity	\$	384,207	04/24/2015		
EnCap X	Private Equity				\$	118,265 06/25/2015
Cash Flow Account	Cash Equivalents				\$	1,746,459 04/20/2015
CBRE Core	Real Estate	\$	1,746,459	04/20/2015		
Cash Flow Account	Cash Equivalents				\$	961,371 04/20/2015
Invesco Core	Real Estate	\$	961,371	04/20/2015		
Cash Flow Account	Cash Equivalents				\$	7,201,245 Various
Vista Credit Fund I	Private Equity				\$	336,630 04/20/2015
Vista Credit Fund I	Private Equity	\$	4,832,447	05/06/2015		
Vista Credit Fund I	Private Equity	\$	3,091,470	05/07/2015		
Vista Credit Fund I	Private Equity				\$	75,870 06/05/2015
Vista Credit Fund I	Private Equity				\$	310,172 06/16/2015
Cash Flow Account	Cash Equivalents				\$	1,699,830 04/23/2015
Crescent	Fixed Income	\$	1,699,830	04/23/2015		
Cash Flow Account	Cash Equivalents	\$	1,365,244	Various		
Almanac VI	Real Estate				\$	248,001 04/30/2015
Almanac VI	Real Estate				\$	595,202 05/18/2015
Almanac VI	Real Estate				\$	522,042 06/30/2015
Cash Flow Account	Cash Equivalents	\$	2,154,639	Various		
Almanac VII	Real Estate				\$	451,642 04/24/2015
Almanac VII	Real Estate				\$	1,145,666 05/04/2015
Almanac VII	Real Estate				\$	150,547 05/22/2015
Almanac VII	Real Estate	\$	140,513	06/10/2015		
Almanac VII	Real Estate				\$	201,036 06/19/2015
Almanac VII	Real Estate				\$	346,260 06/26/2015
Cash Flow Account	Cash Equivalents	\$	829,239	04/24/2015		
Estancia	Private Equity				\$	829,239 04/24/2015
Cash Flow Account	Cash Equivalents				\$	285,027 04/27/2015
BlackRock Large Cap	Domestic Equity	\$	285,027	04/27/2015		
Cash Flow Account	Cash Equivalents				\$	1,750,715 Various
AEW Partners VII	Real Estate	\$	199,382	04/28/2015		
AEW Partners VII	Real Estate	\$	1,593,807	05/19/2015		
AEW Partners VII	Real Estate				\$	1,194,690 05/28/2015
AEW Partners VII	Real Estate	\$	1,152,216	06/29/2015		
Cash Flow Account	Cash Equivalents				\$	9,200,000 Various
Abbott	Private Equity	\$	5,000,000	04/29/2015		
Abbott	Private Equity	\$	4,200,000	06/01/2015		
Cash Flow Account	Cash Equivalents				\$	866,649 Various
Almanac V	Real Estate	\$	339,167	04/30/2015		
Almanac V	Real Estate	\$	527,482	06/05/2015		
Cash Flow Account	Cash Equivalents				\$	434,092 05/01/2015
Abyr III	Private Equity	\$	434,092	05/01/2015		

**Illinois Municipal Retirement Fund**  
**Period ended June 30, 2015**

Cash Flow Account	Cash Equivalents	\$ 99,737,946	Various		
Garcia Hamilton	Fixed Income			\$ 50,000,000	05/01/2015
Garcia Hamilton	Fixed Income	\$ 44,826	05/22/2015		
Garcia Hamilton	Fixed Income			\$ 50,000,000	05/26/2015
Garcia Hamilton	Fixed Income	\$ 2,410	06/05/2015		
Garcia Hamilton	Fixed Income	\$ 7,154	06/12/2015		
Garcia Hamilton	Fixed Income	\$ 207,663	06/19/2015		
Cash Flow Account	Cash Equivalents	\$ 14,578,232	Various		
Buckhead	Real Estate	\$ 36,981	05/04/2015		
Buckhead	Real Estate	\$ 3,289,787	06/25/2015		
Buckhead	Real Estate			\$ 17,905,000	04/30/2015
Cash Flow Account	Cash Equivalents	\$ 5,533,999	Various		
Abry Partners VIII	Private Equity			\$ 3,445,925	05/05/2015
Abry Partners VIII	Private Equity			\$ 2,088,074	06/05/2015
Cash Flow Account	Cash Equivalents	\$ 2,025,000	Various		
Versant Venture V	Private Equity			\$ 600,000	05/05/2015
Versant Venture V	Private Equity			\$ 675,000	06/08/2015
Versant Venture V	Private Equity			\$ 750,000	06/30/2015
Cash Flow Account	Cash Equivalents			\$ 1,035,828	05/07/2015
Torchlight DOF IV	Real Estate	\$ 1,035,828	05/07/2015		
Cash Flow Account	Cash Equivalents	\$ 1,284,339	05/07/2015		
CBRE VII	Real Estate			\$ 1,284,339	05/07/2015
Cash Flow Account	Cash Equivalents	\$ 561,393	Various		
NMS II	Private Equity	\$ 27,109	05/11/2015		
NMS II	Private Equity			\$ 588,502	06/02/2015
Cash Flow Account	Cash Equivalents	\$ 5,698,071	05/11/2015		
Vista Equity Partners V	Private Equity			\$ 5,698,071	05/11/2015
Cash Flow Account	Cash Equivalents	\$ 500,000	05/11/2015		
Lightspeed IX	Private Equity			\$ 500,000	05/11/2015
Cash Flow Account	Cash Equivalents	\$ 803,451	Various		
TA Associates X	Real Estate			\$ 2,500,000	05/15/2015
TA Associates X	Real Estate	\$ 704,228	05/28/2015		
TA Associates X	Real Estate	\$ 992,321	06/30/2015		
Cash Flow Account	Cash Equivalents			\$ 1,843,457	Various
Muller & Monroe	Private Equity	\$ 1,270,759	05/26/2015		
Muller & Monroe	Private Equity	\$ 572,698	06/12/2015		

**Illinois Municipal Retirement Fund**  
**Period ended June 30, 2015**

Cash Flow Account TA Fund IX	Cash Equivalents Real Estate	\$ 2,240,187	05/27/2015	\$ 2,240,187	05/27/2015
Cash Flow Account BlackStone Debt Strategies II	Cash Equivalents Real Estate	\$ 3,866,426	05/28/2015	\$ 3,866,426	05/28/2015
Cash Flow Account NTI EAFE	Cash Equivalents International Equity	\$ 75,000,000	05/29/2015	\$ 75,000,000	05/29/2015
Cash Flow Account Ares Europe IV	Cash Equivalents Real Estate	\$ 2,665,980	06/01/2015	\$ 2,665,980	06/01/2015
Cash Flow Account Pantheon	Cash Equivalents Private Equity	\$ 3,800,000	06/01/2015	\$ 3,800,000	06/01/2015
Cash Flow Account Rockwood IX Rockwood IX	Cash Equivalents Real Estate Real Estate	\$ 722,352 \$ 836,311	06/08/2015 06/11/2015	\$ 1,558,663	Various
Cash Flow Account Resolution IV Resolution IV	Cash Equivalents Real Estate Real Estate	\$ 16,932,128	05/05/2015	\$ 9,510,225 \$ 7,421,903	Various 06/09/2015
Cash Flow Account Vistria	Cash Equivalents Private Equity	\$ 1,357,829	06/16/2015	\$ 1,357,829	06/16/2015
Cash Flow Account Dune III	Cash Equivalents Real Estate	\$ 2,500,000	06/25/2015	\$ 2,500,000	06/25/2015
Cash Flow Account Cornerstone VIII	Cash Equivalents Real Estate	\$ 347,696	06/29/2015	\$ 347,696	06/29/2015
Cash Flow Account CBRE Strategic Partners 6	Cash Equivalents Real Estate	\$ 1,984,436	06/29/2015	\$ 1,984,436	06/29/2015
Cash Flow Account Forest	Cash Equivalents Alternatives	\$ 500,000	06/29/2015	\$ 500,000	06/29/2015
Cash Flow Account Torchlight Debt Opp. Fund V	Cash Equivalents Real Estate	\$ 1,750,000	06/29/2015	\$ 1,750,000	06/29/2015
Cash Flow Account Cornerstone Patriot	Cash Equivalents Real Estate	\$ 1,258,155	06/30/2015	\$ 1,258,155	06/30/2015
Cash Flow Account NTI US Market Cap Equity Index	Cash Equivalents Domestic Equity	\$ 125,000,000	06/30/2015	\$ 125,000,000	06/30/2015
		<u>\$ 564,440,711</u>		<u>\$ 564,440,711</u>	



## Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Domestic Equity</b>	<b>0.90%</b>	<b>4</b>	<b>3.30%</b>	<b>16</b>	<b>8.00%</b>	<b>21</b>	<b>18.87%</b>	<b>9</b>
Custom Benchmark**	0.14%	65	1.94%	74	7.20%	55	17.64%	62
Domestic Equity - Net	0.84%	6	3.17%	21	7.74%	34	18.59%	16
Pub Pln- Dom Equity	0.27%		2.40%		7.33%		17.84%	
<b>International Equity</b>	<b>1.07%</b>	<b>24</b>	<b>5.46%</b>	<b>34</b>	<b>(3.42%)</b>	<b>45</b>	<b>12.08%</b>	<b>32</b>
MSCI ACWI x US (Net)	0.53%	89	4.03%	64	(5.26%)	90	9.44%	70
International Equity - Net	1.01%	28	5.31%	40	(3.71%)	52	11.73%	39
Pub Pln- Intl Equity	0.82%		4.80%		(3.66%)		10.94%	
<b>Total Fixed Income</b>	<b>(1.27%)</b>	<b>58</b>	<b>0.44%</b>	<b>45</b>	<b>1.60%</b>	<b>50</b>	<b>3.08%</b>	<b>32</b>
BC Aggregate Index	(1.68%)	85	(0.10%)	85	1.86%	38	1.83%	72
Total Fixed-Inc. - Net	(1.30%)	59	0.38%	51	1.47%	60	2.93%	34
Pub Pln- Dom Fixed	(1.21%)		0.39%		1.60%		2.33%	
<b>Real Estate</b>	<b>2.28%</b>	<b>45</b>	<b>4.32%</b>	<b>45</b>	<b>10.14%</b>	<b>44</b>	<b>11.57%</b>	<b>37</b>
Blended Benchmark***	3.58%	12	6.85%	19	13.38%	19	12.33%	28
Real Estate - Net	2.28%	45	4.32%	45	10.14%	44	11.57%	37
Pub Pln- Real Estate	1.55%		4.00%		9.87%		10.75%	
<b>Alternative Investments</b>	<b>1.43%</b>		<b>3.53%</b>		<b>7.85%</b>		<b>9.91%</b>	
Alternatives Custom Benchmark****	2.18%		4.40%		9.00%		9.00%	
Alternative Investments - Net	1.32%		3.33%		7.42%		9.56%	
<b>Absolute Return</b>	<b>0.14%</b>	<b>63</b>	<b>2.87%</b>	<b>16</b>	<b>4.53%</b>	<b>27</b>	<b>6.83%</b>	<b>30</b>
HFR Fund-of-Funds Index	0.20%	61	2.71%	18	3.97%	30	6.28%	53
Absolute Rtn FoFs	0.36%		2.28%		2.28%		6.37%	
<b>Private Equity</b>	<b>2.91%</b>	<b>31</b>	<b>5.29%</b>	<b>4</b>	<b>9.04%</b>	<b>11</b>	<b>11.31%</b>	<b>15</b>
Alternatives Custom Benchmark****	2.18%	39	4.40%	5	9.00%	11	9.00%	20
Post Venture Cap Idx	0.08%	55	4.91%	4	8.84%	11	7.46%	26
CAI Alternative Inv DB	0.82%		(1.80%)		(11.53%)		(0.12%)	
<b>Agriculture</b>	<b>(0.13%)</b>		<b>(0.45%)</b>		<b>17.82%</b>		<b>20.04%</b>	
NCREIF Farmland Index	2.08%		8.78%		12.26%		16.69%	
NCREIF Total Index	3.57%		6.72%		12.72%		11.47%	
<b>Timberland</b>	<b>0.88%</b>		<b>0.89%</b>		<b>3.43%</b>		<b>4.84%</b>	
NCREIF Timberland Index	1.75%		7.88%		10.64%		9.80%	
<b>Total Fund</b>	<b>0.44%</b>	<b>36</b>	<b>3.01%</b>	<b>33</b>	<b>3.81%</b>	<b>31</b>	<b>12.14%</b>	<b>15</b>
Total Fund Benchmark*	0.19%	63	2.42%	70	4.24%	17	10.59%	53
Total Fund - Net	0.39%	44	2.90%	36	3.58%	41	11.89%	20
Pub Fund:Large DB	0.35%		2.66%		3.22%		10.71%	

\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

\*\* The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.

\*\*\* The Blended Benchmark is currently ODCE Value Weigh Index. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

\*\*\*\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Private Equity performance is lagged one quarter.

Agriculture and Timberland performance is lagged one month.

## Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception	
<b>Domestic Equity</b>	<b>18.08%</b>	<b>13</b>	<b>8.71%</b>	<b>19</b>	<b>11.78%</b>	(1/82)
Custom Benchmark**	17.52%	44	8.30%	40	11.45%	(1/82)
Domestic Equity - Net	17.79%	27	8.45%	32	8.08%	(1/05)
Pub Pln- Dom Equity	17.41%		8.19%		-	
<b>International Equity</b>	<b>9.95%</b>	<b>27</b>	<b>6.52%</b>	<b>43</b>	<b>8.13%</b>	(9/86)
MSCI ACWI x US (Net)	7.76%	75	5.54%	78	-	
International Equity - Net	9.62%	41	6.17%	55	5.88%	(1/05)
Pub Pln- Intl Equity	9.17%		6.40%		-	
<b>Total Fixed Income</b>	<b>4.69%</b>	<b>34</b>	<b>5.35%</b>	<b>30</b>	<b>8.76%</b>	(1/82)
BC Aggregate Index	3.35%	74	4.44%	71	8.25%	(1/82)
Total Fixed-Inc. - Net	4.53%	43	5.21%	34	5.17%	(1/05)
Pub Pln- Dom Fixed	4.33%		4.98%		-	
<b>Real Estate</b>	<b>12.52%</b>	<b>65</b>	<b>6.15%</b>	<b>70</b>	<b>4.91%</b>	(5/85)
Blended Benchmark***	13.53%	48	7.41%	25	-	
Real Estate - Net	12.52%	65	6.15%	70	6.47%	(1/05)
Pub Pln- Real Estate	13.37%		7.15%		-	
<b>Alternative Investments</b>	<b>8.86%</b>		<b>8.00%</b>		<b>10.91%</b>	(2/86)
Alternatives Custom Benchmark****	9.00%		10.49%		13.23%	(2/86)
Alternative Investments - Net	8.57%		7.70%		8.10%	(1/05)
<b>Absolute Return</b>	<b>4.83%</b>	<b>53</b>	<b>4.42%</b>	<b>56</b>	<b>4.95%</b>	(1/02)
HFR Fund-of-Funds Index	4.10%	71	3.21%	90	3.87%	(1/02)
Absolute Rtn FoFs	4.92%		4.48%		-	
<b>Private Equity</b>	<b>11.52%</b>	<b>24</b>	<b>10.79%</b>	<b>17</b>	<b>13.05%</b>	(2/86)
Alternatives Custom Benchmark****	9.00%	26	10.49%	17	13.23%	(2/86)
Post Venture Cap Idx	9.40%	26	5.08%	28	7.63%	(2/86)
CAI Alternative Inv DB	(0.21%)		2.27%		-	
<b>Agriculture</b>	<b>15.91%</b>		<b>12.28%</b>		<b>8.32%</b>	(10/97)
NCREIF Farmland Index	15.36%		16.70%		-	
NCREIF Total Index	12.75%		8.39%		-	
<b>Timberland</b>	<b>4.20%</b>		<b>4.64%</b>		<b>8.63%</b>	(10/92)
NCREIF Timberland Index	6.20%		8.29%		-	
<b>Total Fund</b>	<b>11.69%</b>	<b>21</b>	<b>7.71%</b>	<b>3</b>	<b>10.18%</b>	(1/82)
Total Fund Benchmark*	10.81%	52	7.11%	27	-	
Total Fund - Net	11.45%	28	7.47%	7	7.24%	(1/05)
Pub Fund:Large DB	10.88%		6.79%		-	

\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

\*\* The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.

\*\*\* The Blended Benchmark is currently ODCE Value Weigh Index. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

\*\*\*\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Private Equity performance is lagged one quarter.

Agriculture and Timberland performance is lagged one month.

## Asset Class Returns

The table below details the rates of return for the fund's asset class composites over calendar years. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

	12/2014- 6/2015		2014		2013		2012		2011	
<b>Domestic Equity</b>	<b>3.30%</b>	<b>16</b>	<b>9.81%</b>	<b>80</b>	<b>37.65%</b>	<b>7</b>	<b>17.39%</b>	<b>11</b>	<b>(0.74%)</b>	<b>69</b>
Custom Benchmark**	1.94%	74	12.48%	15	33.46%	66	16.38%	40	1.08%	34
Pub Pln- Dom Equity	2.40%		11.31%		34.39%		16.07%		0.33%	
<b>International Equity</b>	<b>5.46%</b>	<b>34</b>	<b>(2.79%)</b>	<b>41</b>	<b>20.24%</b>	<b>30</b>	<b>19.11%</b>	<b>37</b>	<b>(12.27%)</b>	<b>38</b>
MSCI ACWI x US (Net)	4.03%	64	(3.87%)	72	15.29%	71	16.83%	81	(13.71%)	57
Pub Pln- Intl Equity	4.80%		(3.10%)		18.93%		18.82%		(13.16%)	
<b>Total Fixed Income</b>	<b>0.44%</b>	<b>45</b>	<b>5.95%</b>	<b>36</b>	<b>(0.59%)</b>	<b>40</b>	<b>7.41%</b>	<b>45</b>	<b>7.60%</b>	<b>43</b>
BC Aggregate Index	(0.10%)	85	5.97%	35	(2.02%)	77	4.21%	85	7.84%	34
Pub Pln- Dom Fixed	0.39%		5.57%		(1.03%)		7.23%		7.19%	
<b>Real Estate</b>	<b>4.32%</b>	<b>45</b>	<b>13.02%</b>	<b>45</b>	<b>10.82%</b>	<b>58</b>	<b>12.85%</b>	<b>37</b>	<b>12.29%</b>	<b>68</b>
Blended Benchmark***	6.85%	19	11.46%	70	12.90%	40	11.54%	58	15.26%	38
Pub Pln- Real Estate	4.00%		12.63%		12.28%		12.18%		13.48%	
<b>Alternative Investments</b>	<b>3.53%</b>		<b>11.43%</b>		<b>12.11%</b>		<b>6.24%</b>		<b>5.05%</b>	
Alt. Custom Benchmark****	4.40%		9.00%		9.00%		9.00%		9.00%	
<b>Total Fund</b>	<b>3.01%</b>	<b>33</b>	<b>6.13%</b>	<b>54</b>	<b>20.20%</b>	<b>13</b>	<b>13.84%</b>	<b>30</b>	<b>(0.29%)</b>	<b>77</b>
Total Fund Benchmark*	2.42%	70	7.38%	24	15.78%	44	12.19%	79	1.47%	31
Pub Fund:Large DB	2.66%		6.25%		15.31%		13.20%		0.80%	

\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

\*\* The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.

\*\*\* The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

\*\*\*\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.



## Asset Class Returns

The table below details the rates of return for the fund's asset class composites over calendar years. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

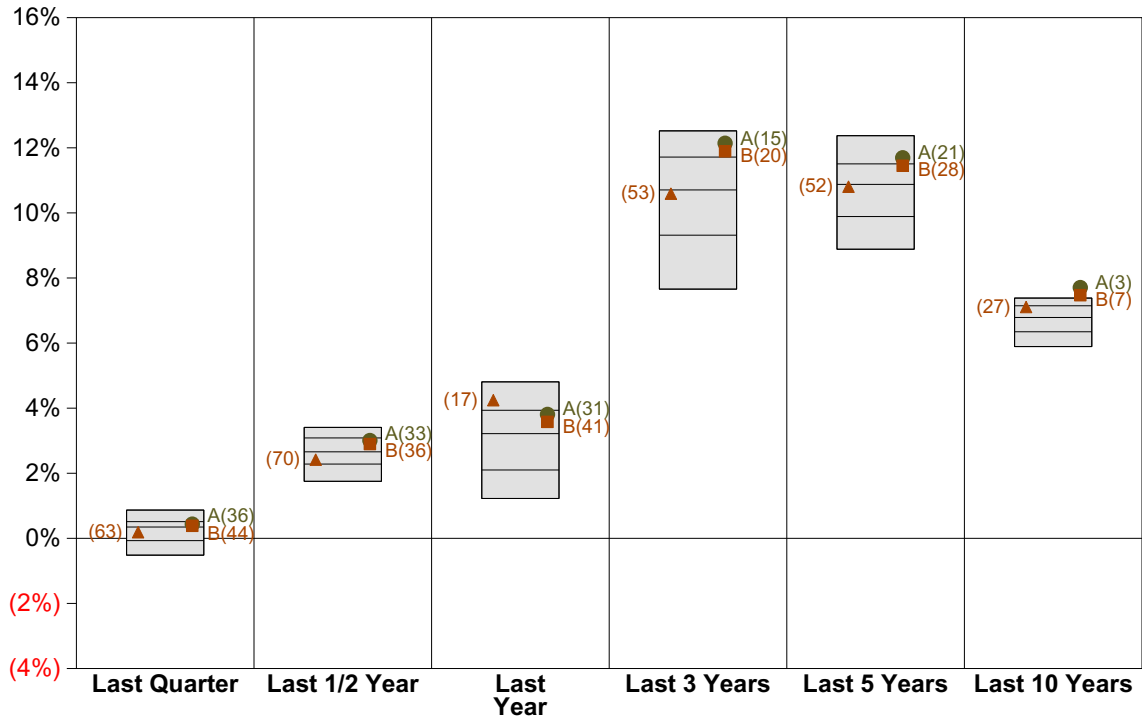
	2010		2009		2008		2007		2006	
<b>Domestic Equity</b>	<b>18.92%</b>	<b>33</b>	<b>31.39%</b>	<b>32</b>	<b>(38.62%)</b>	<b>69</b>	<b>7.13%</b>	<b>18</b>	<b>13.91%</b>	<b>68</b>
US Total Stock Market Idx	17.49%	61	28.57%	64	(37.23%)	46	5.62%	43	15.77%	19
Pub Pln- Dom Equity	17.92%		29.50%		(37.42%)		5.18%		14.60%	
<b>International Equity</b>	<b>12.98%</b>	<b>37</b>	<b>39.51%</b>	<b>35</b>	<b>(46.35%)</b>	<b>77</b>	<b>14.86%</b>	<b>50</b>	<b>27.77%</b>	<b>27</b>
MSCI ACWI x US (Net)	11.15%	65	41.45%	28	(45.53%)	68	16.65%	30	26.65%	54
Pub Pln- Intl Equity	12.20%		36.72%		(43.98%)		14.91%		26.74%	
<b>Total Fixed Income</b>	<b>8.59%</b>	<b>51</b>	<b>15.32%</b>	<b>32</b>	<b>(1.89%)</b>	<b>51</b>	<b>5.67%</b>	<b>73</b>	<b>5.60%</b>	<b>20</b>
BC Aggregate Index	6.54%	81	5.93%	79	5.24%	23	6.97%	39	4.33%	72
Pub Pln- Dom Fixed	8.60%		12.48%		(1.74%)		6.56%		4.61%	
<b>Real Estate</b>	<b>6.56%</b>	<b>76</b>	<b>(24.52%)</b>	<b>46</b>	<b>(3.75%)</b>	<b>13</b>	<b>9.27%</b>	<b>68</b>	<b>24.88%</b>	<b>36</b>
Blended Benchmark*	14.11%	45	(15.85%)	29	(5.45%)	16	16.84%	18	7.45%	94
Pub Pln- Real Estate	12.53%		(25.86%)		(11.84%)		13.48%		18.72%	
<b>Alternative Investments</b>	<b>9.76%</b>		<b>(0.82%)</b>		<b>(8.80%)</b>		<b>19.87%</b>		<b>14.43%</b>	
Alt. Custom Benchmark**	10.49%		12.00%		12.00%		12.00%		12.00%	
<b>Total Fund</b>	<b>13.61%</b>	<b>45</b>	<b>24.51%</b>	<b>13</b>	<b>(24.81%)</b>	<b>27</b>	<b>8.53%</b>	<b>59</b>	<b>13.87%</b>	<b>66</b>
Total Fund Benchmark	12.78%	64	19.93%	51	(21.34%)	10	8.62%	59	12.57%	87
Pub Fund:Large DB	13.54%		20.17%		(26.73%)		8.89%		14.48%	

\* The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

\*\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

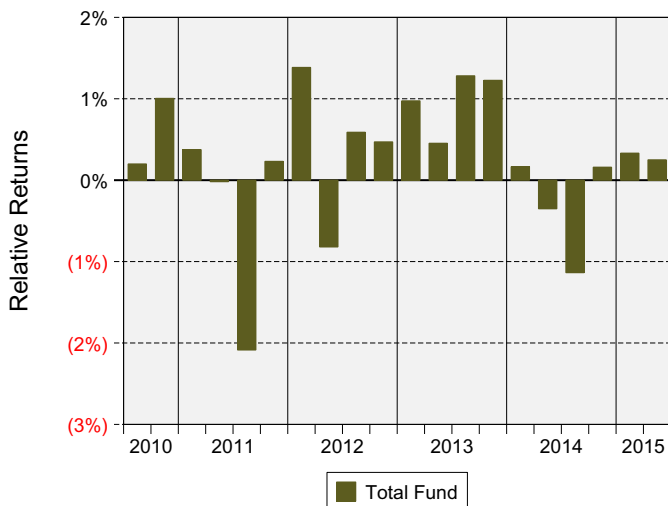
**Total Fund**  
**Period Ended June 30, 2015**

**Performance vs CAI Pub Fund:Large DB (Gross)**

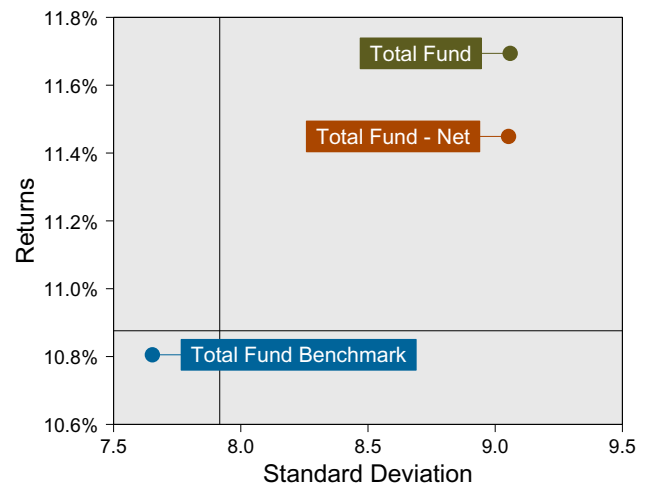


10th Percentile	0.87	3.41	4.81	12.52	12.37	7.38	
25th Percentile	0.51	3.09	3.93	11.72	11.51	7.15	
Median	0.35	2.66	3.22	10.71	10.88	6.79	
75th Percentile	(0.07)	2.28	2.10	9.32	9.89	6.35	
90th Percentile	(0.52)	1.75	1.22	7.66	8.88	5.89	
Total Fund	● A	0.44	3.01	3.81	12.14	11.69	7.71
Total Fund - Net	■ B	0.39	2.90	3.58	11.89	11.45	7.47
Total Fund Benchmark	▲	0.19	2.42	4.24	10.59	10.81	7.11

**Relative Return vs Total Fund Benchmark**



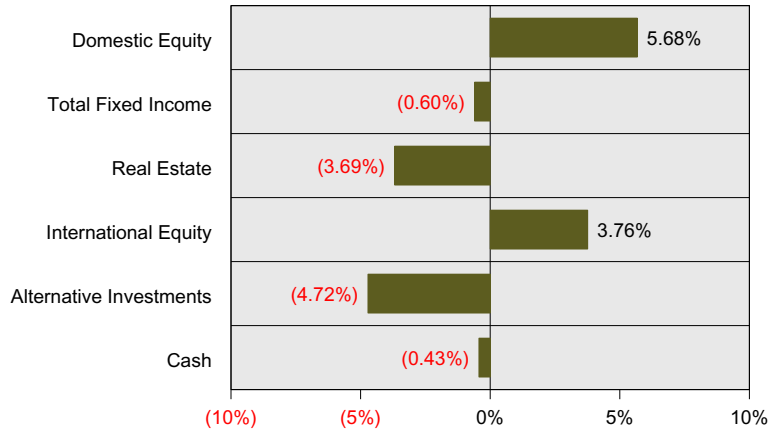
**CAI Pub Fund:Large DB (Gross)**  
**Annualized Five Year Risk vs Return**



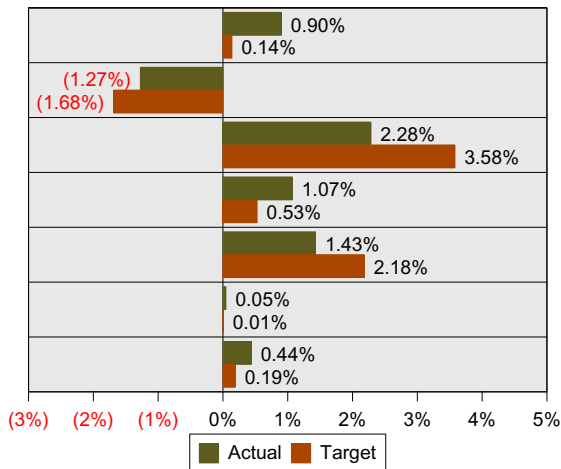
## Quarterly Total Fund Relative Attribution - June 30, 2015

In general, the actual return for the Total Fund will differ from the return for the Total Fund Benchmark. This deviation is caused by two factors: The managers outperforming or underperforming their targets (Manager Selection Effect); or the actual asset allocation being different from the target asset allocation (Asset Allocation Effect). The table and charts below dissect the Total Fund return into smaller components to quantify each of these effects over the most recent quarter

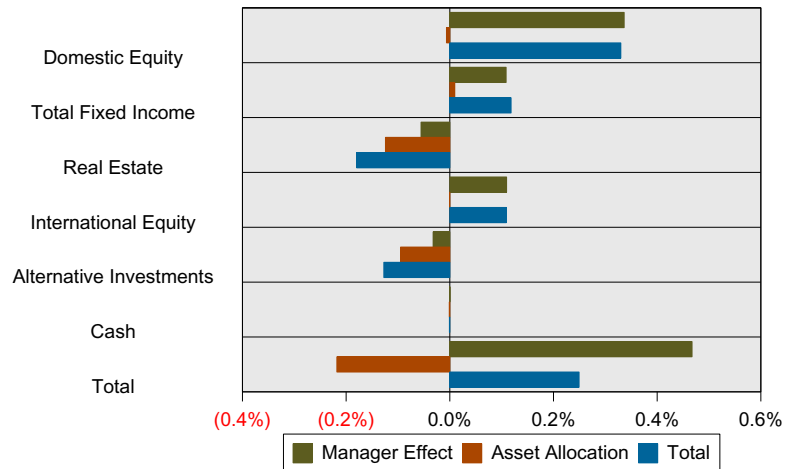
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended June 30, 2015

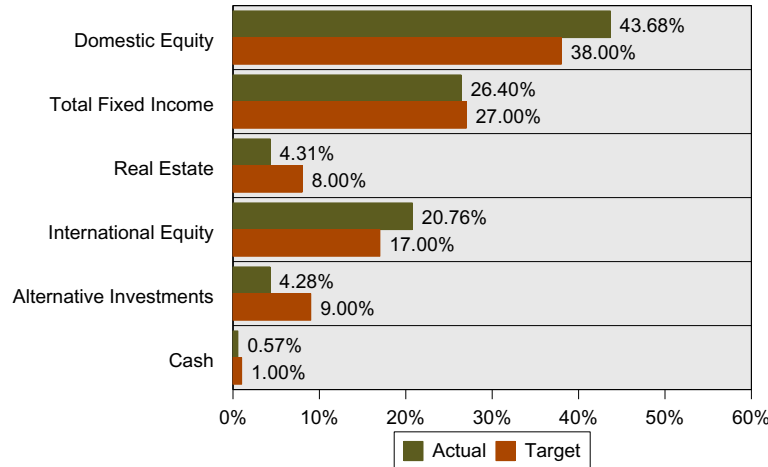
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	44%	38%	0.90%	0.14%	0.34%	(0.01%)	0.33%
Total Fixed Income	26%	27%	(1.27%)	(1.68%)	0.11%	0.01%	0.12%
Real Estate	4%	8%	2.28%	3.58%	(0.06%)	(0.12%)	(0.18%)
International Equity	21%	17%	1.07%	0.53%	0.11%	(0.00%)	0.11%
Alternative Investments	4%	9%	1.43%	2.18%	(0.03%)	(0.10%)	(0.13%)
Cash	1%	1%	0.05%	0.01%	0.00%	(0.00%)	(0.00%)
<b>Total</b>			<b>0.44%</b>	<b>0.19%</b>	<b>+ 0.47%</b>	<b>+ (0.22%)</b>	<b>0.25%</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

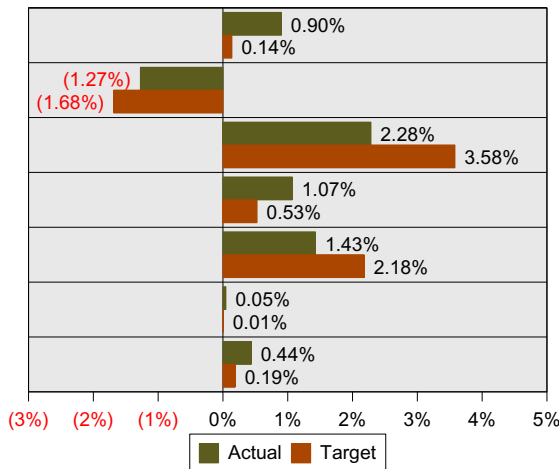
## Quarterly Total Fund Absolute Attribution - June 30, 2015

In general, the actual return for the Total Fund will differ from the return for the Total Fund Benchmark. This deviation is caused by two factors: The managers outperforming or underperforming their targets (Manager Selection Effect); or the actual asset allocation being different from the target asset allocation (Asset Allocation Effect). The table and charts below dissect the Total Fund return into smaller components to quantify each of these effects over the most recent quarter

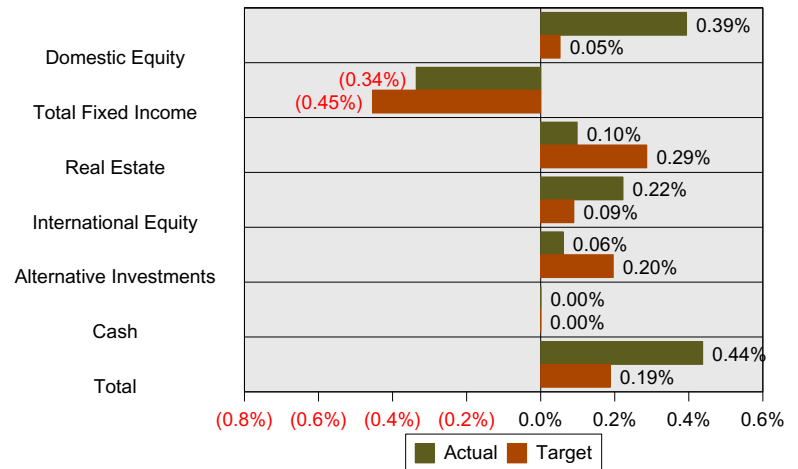
### Actual and Target Weights



### Actual and Target Returns



### Absolute Return Contributions



### Absolute Attribution Effects for Quarter ended June 30, 2015

Asset Class	Effective Actual Weight	Actual Return	Absolute Return Contribution	Effective Target Weight	Target Return	Target Return Contribution	Return Contribution Difference
Domestic Equity	44%	0.90%	0.39%	38%	0.14%	0.05%	0.34%
Total Fixed Income	26%	(1.27%)	(0.34%)	27%	(1.68%)	(0.45%)	0.12%
Real Estate	4%	2.28%	0.10%	8%	3.58%	0.29%	(0.19%)
International Equity	21%	1.07%	0.22%	17%	0.53%	0.09%	0.13%
Alternative Investments	4%	1.43%	0.06%	9%	2.18%	0.20%	(0.13%)
Cash	1%	0.05%	0.00%	1%	0.01%	0.00%	0.00%

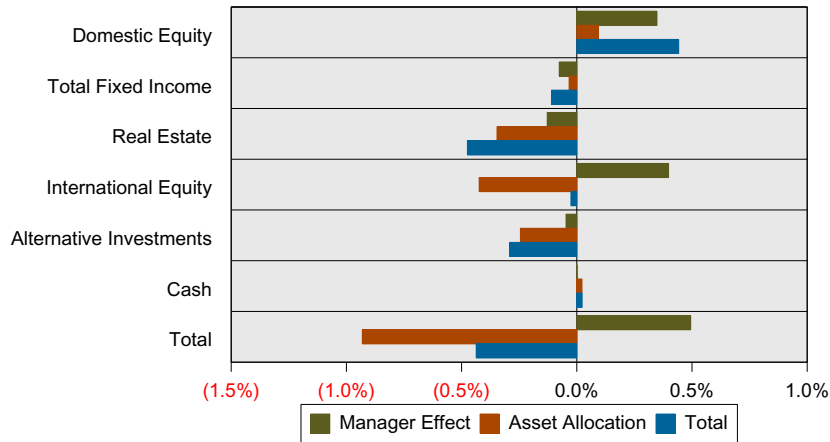
<b>Total Fund Return</b>	<b>0.44%</b>	<b>Target Return</b>	<b>0.19%</b>	<b>0.25%</b>
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\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

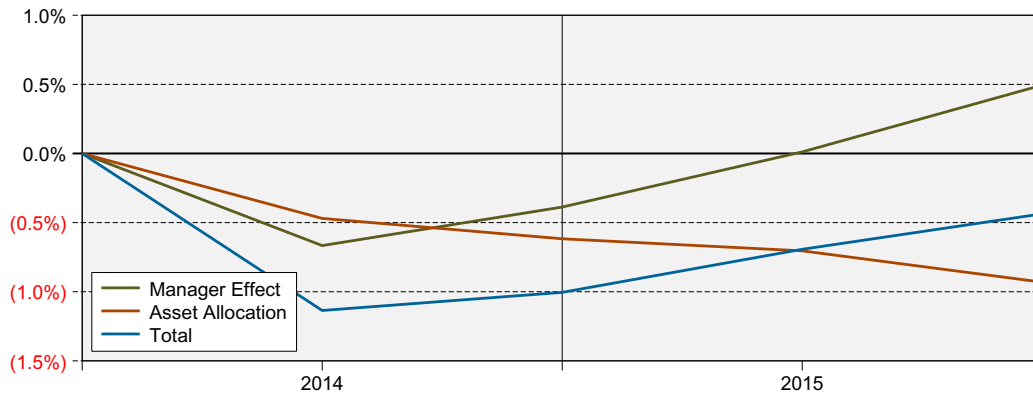
## Cumulative Total Fund Relative Attribution - June 30, 2015

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

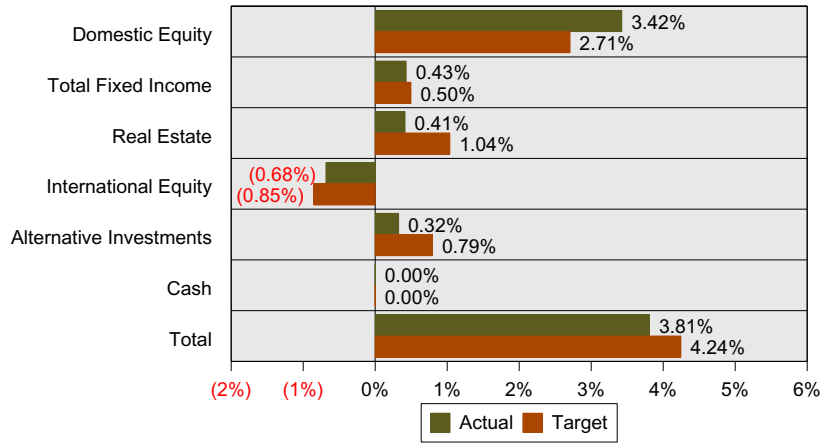
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	44%	38%	8.00%	7.20%	0.35%	0.09%	0.44%
Total Fixed Income	27%	27%	1.60%	1.86%	(0.08%)	(0.03%)	(0.11%)
Real Estate	4%	8%	10.14%	13.38%	(0.13%)	(0.35%)	(0.47%)
International Equity	21%	17%	(3.42%)	(5.26%)	0.40%	(0.42%)	(0.03%)
Alternative Investments	4%	9%	7.85%	9.00%	(0.05%)	(0.24%)	(0.29%)
Cash	1%	1%	0.20%	0.02%	0.00%	0.02%	0.02%
<b>Total</b>			<b>3.81%</b>	<b>4.24%</b>	<b>+ 0.49%</b>	<b>+ (0.93%)</b>	<b>(0.44%)</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

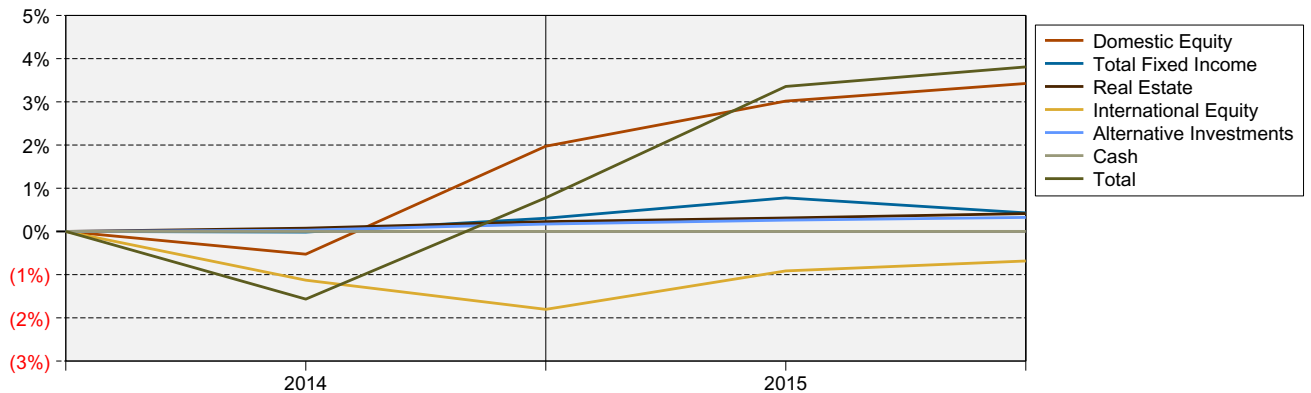
## Cumulative Total Fund Absolute Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of absolute total fund Performance and target performance. These cumulative results quantify the longer-term contribution of each asset class to absolute total fund return as well as the target return.

### One Year Absolute Return Contributions



### Cumulative Absolute Return Contributions



### One Year Absolute Attribution Effects

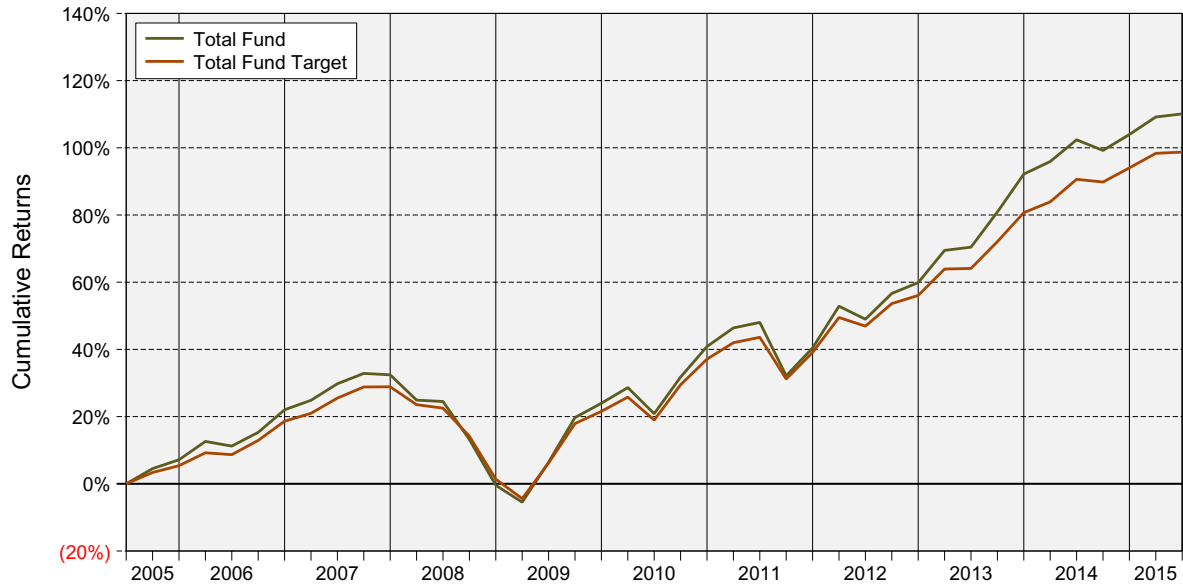
Asset Class	Effective Actual Weight	Actual Return	Absolute Return Contribution	Effective Target Weight	Target Return	Target Return Contribution	Return Contribution Difference
Domestic Equity	44%	8.00%	3.42%	38%	7.20%	2.71%	0.72%
Total Fixed Income	27%	1.60%	0.43%	27%	1.86%	0.50%	(0.07%)
Real Estate	4%	10.14%	0.41%	8%	13.38%	1.04%	(0.62%)
International Equity	21%	(3.42%)	(0.68%)	17%	(5.26%)	(0.85%)	0.17%
Alternative Investments	4%	7.85%	0.32%	9%	9.00%	0.79%	(0.47%)
Cash	1%	0.20%	0.00%	1%	0.02%	0.00%	0.00%
<b>Total Fund Return</b>			<b>3.81%</b>			<b>Target Return 4.24%</b>	<b>(0.44%)</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

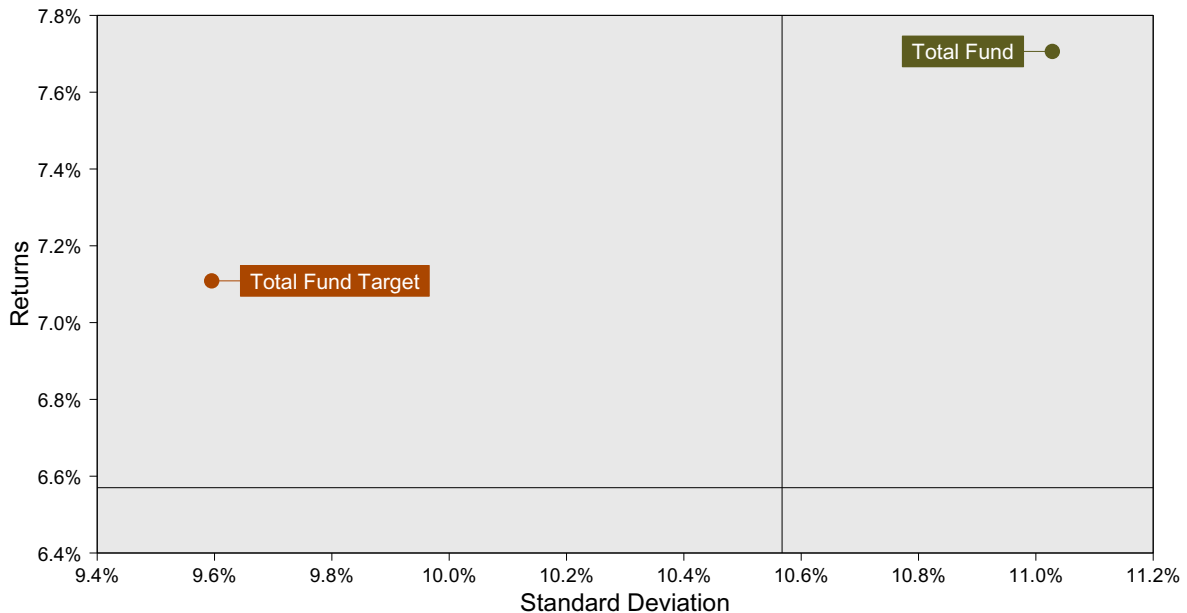
## Cumulative Performance Relative to Target

The first chart below illustrates the cumulative performance of the Total Fund relative to the cumulative performance of the Fund's Target Asset Mix. The Target Mix is assumed to be rebalanced each quarter with no transaction costs. The second chart below shows the return and the risk of the Total Fund and the Target Mix, contrasted with the returns and risks of the funds in the Public Fund Sponsor Database.

### Cumulative Returns Actual vs Target

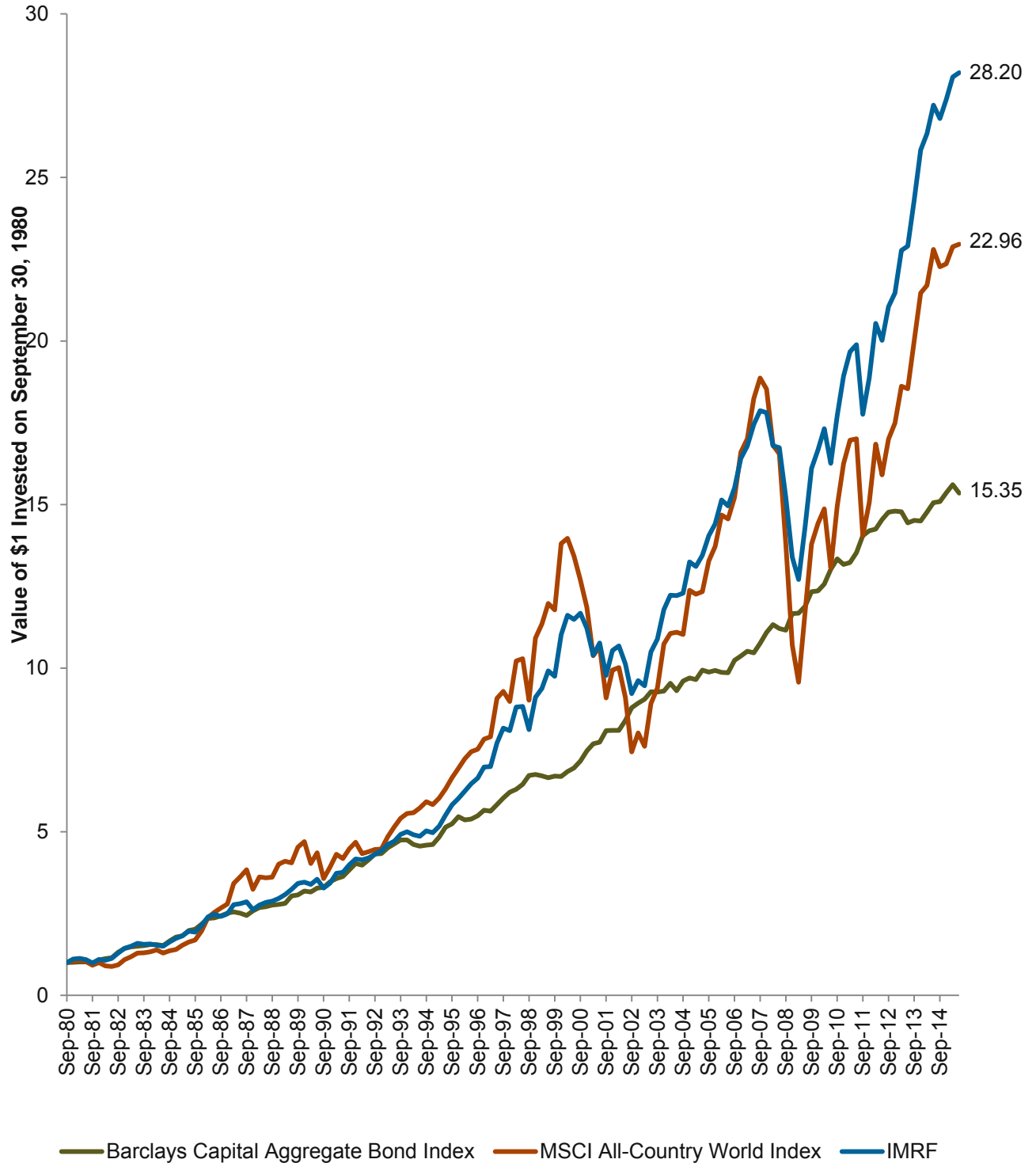


### Ten Year Annualized Risk vs Return



\* Current Quarter Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

## Growth of a Dollar - As of June 30, 2015







## Domestic Equity Active Management Overview

Despite establishing all-time record highs in mid-June, U.S. equity indices produced very little in the way of actual gains in the 2nd quarter. The S&P 500 rose just 30 basis points in the 2nd quarter. Mega caps and microcaps were the only broad areas to return more than 1% (Russell Top 50: +1.5%, Russell Microcap: +2.8%). Large and small caps managed fractional gains (Russell 1000: +0.1%, Russell 2000: +0.4%) while midcaps suffered declines for the quarter (Russell Midcap: -1.5%). Growth outperformed value in both mid and small caps (RMG: -1.1%, RMV: -2.0%, R2G: +2.0%, R2V: -1.2%) due in part to a substantial drop in REITs which are more heavily represented in the value indices. Value just edged growth in large caps (Russell Top 200 Growth: +0.7%, Value: +1.0). Across the S&P 500 sectors, Health Care (+2.8%) and Consumer Discretionary (+1.9%) topped the positive list while Industrials (-2.2%) and Utilities (-5.8%) were down sharply.

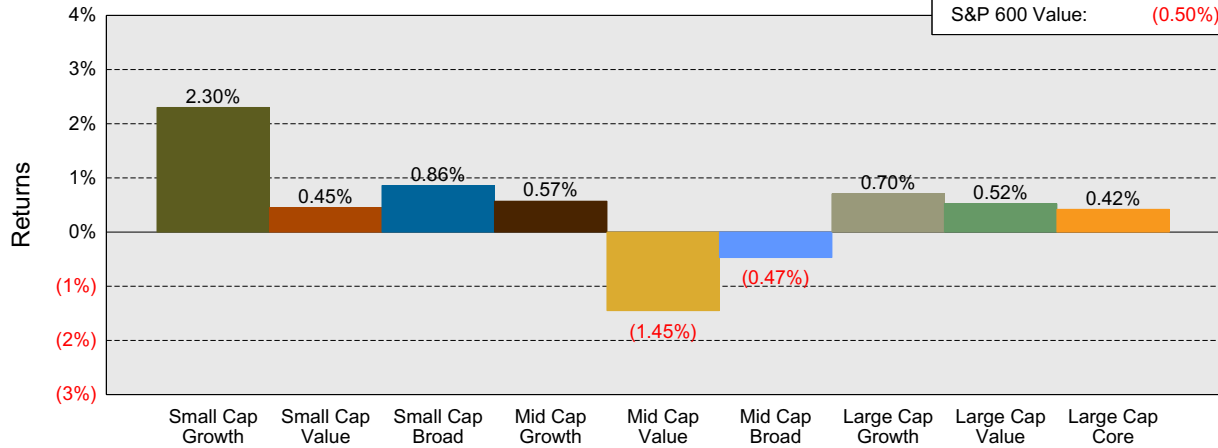
### Large Cap vs Small Cap

For the 2nd quarter, small cap indices outpaced large cap indices with the best returns coming from Small Cap Growth. The Mid Cap indices fared the worst this quarter with Mid Cap Value down 1.45%. Small cap managers did especially well this quarter with the median manager up 2.3% versus a 0.86% return for the S&P 600 Growth Index.

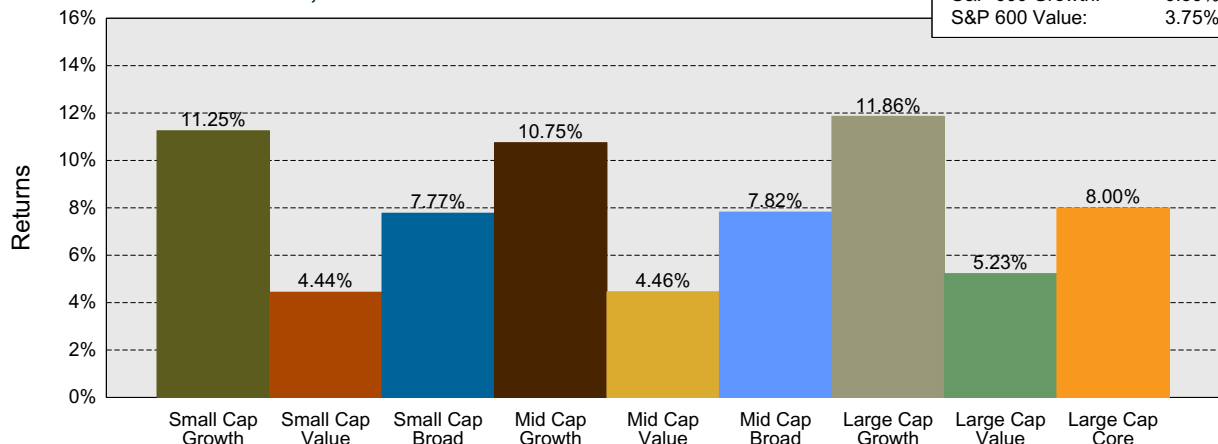
### Growth vs. Value

With respect to style, growth indices outperformed value indices. Active management revealed the same picture, with growth managers handily beating value managers. Small Cap Growth managers posted the highest gain for the quarter with a 2.30% median return for the style group, ahead of the S&P 600 Growth Index return of 0.86%.

**Separate Account Style Group Median Returns  
for Quarter Ended June 30, 2015**



**Separate Account Style Group Median Returns  
for One Year Ended June 30, 2015**



## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Large Cap Growth</b>	<b>\$3,844,823,872</b>	<b>24.73%</b>	<b>\$(85,464)</b>	<b>\$10,067,978</b>	<b>\$3,834,841,359</b>	<b>24.65%</b>
BlackRock LCG	-	-	(285,044)	(56,958)	342,002	0.00%
Holland	967,210,296	6.22%	0	3,261,979	963,948,317	6.20%
NTGI S&P 500 Growth Idx	1,387,877,481	8.93%	0	4,396,670	1,383,480,811	8.89%
Sands	1,315,164,886	8.46%	0	1,568,506	1,313,596,380	8.45%
Vision	174,571,209	1.12%	0	1,097,360	173,473,849	1.12%
<b>Large Cap Value</b>	<b>\$4,415,245,621</b>	<b>28.40%</b>	<b>\$(21,111,501)</b>	<b>\$47,285,099</b>	<b>\$4,389,072,024</b>	<b>28.22%</b>
Dodge & Cox	1,151,678,340	7.41%	(7,700,273)	29,053,443	1,130,325,170	7.27%
BMO	1,247,139,247	8.02%	(6,319,952)	7,303,908	1,246,155,291	8.01%
LSV	1,234,538,730	7.94%	(7,141,696)	9,178,584	1,232,501,843	7.92%
NTGI S&P 500 Value Idx	781,889,304	5.03%	0	1,799,584	780,089,719	5.02%
<b>Large Cap Passive Core</b>	<b>\$2,697,652,572</b>	<b>17.35%</b>	<b>\$(125,037,218)</b>	<b>\$3,825,445</b>	<b>\$2,818,864,345</b>	<b>18.12%</b>
NTGI MarketCap Index	2,697,652,572	17.35%	(125,037,218)	3,825,445	2,818,864,345	18.12%
<b>Small Cap Growth</b>	<b>\$1,802,075,216</b>	<b>11.59%</b>	<b>\$0</b>	<b>\$41,562,903</b>	<b>\$1,760,512,313</b>	<b>11.32%</b>
Fortaleza	-	-	0	(179)	179	0.00%
Frontier	858,974,950	5.52%	0	2,705,333	856,269,617	5.51%
Pyramis	943,100,266	6.07%	0	38,857,750	904,242,516	5.81%
<b>Small Cap Value</b>	<b>\$1,854,140,944</b>	<b>11.93%</b>	<b>\$0</b>	<b>\$5,831,006</b>	<b>\$1,848,309,937</b>	<b>11.88%</b>
Channing	181,459,055	1.17%	0	(930,683)	182,389,738	1.17%
Dimensional Small Cap Value	724,027,857	4.66%	0	383,242	723,644,615	4.65%
Inv. Counselors of Maryland	784,589,596	5.05%	0	5,332,201	779,257,395	5.01%
Lombardia	164,064,436	1.06%	0	1,046,247	163,018,189	1.05%
<b>Micro Cap</b>	<b>\$933,788,342</b>	<b>6.01%</b>	<b>\$0</b>	<b>\$31,009,610</b>	<b>\$902,778,732</b>	<b>5.80%</b>
Ariel	84,166,581	0.54%	0	(2,406,670)	86,573,251	0.56%
Ativo	55,811,778	0.36%	0	1,649,822	54,161,956	0.35%
Dimensional Micro Cap	316,026,983	2.03%	0	2,917,444	313,109,539	2.01%
Wall Street	477,783,000	3.07%	0	28,849,014	448,933,985	2.89%
<b>Domestic Equity</b>	<b>\$15,547,726,567</b>	<b>100.0%</b>	<b>\$(146,234,184)</b>	<b>\$139,582,042</b>	<b>\$15,554,378,709</b>	<b>100.0%</b>

## Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Large Cap Equity</b>	<b>0.56%</b>	<b>48</b>	<b>2.06%</b>	<b>48</b>	<b>7.89%</b>	<b>50</b>	<b>18.55%</b>	<b>48</b>
Russell 1000 Index	0.11%	71	1.71%	57	7.37%	54	17.73%	67
CAI Large Cap Style	0.52%		1.94%		7.90%		18.39%	
<b>Large Cap Growth</b>	<b>0.27%</b>	<b>70</b>	<b>2.83%</b>	<b>84</b>	<b>9.20%</b>	<b>82</b>	<b>17.45%</b>	<b>73</b>
CAI Lrg Cap Growth Style	0.70%		4.57%		11.86%		18.87%	
<b>Holland</b>	<b>0.34%</b>	<b>66</b>	<b>4.70%</b>	<b>48</b>	<b>8.13%</b>	<b>90</b>	<b>15.96%</b>	<b>92</b>
LCG Blended Benchmark*	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Russell 1000 Growth Index	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Holland - Net	0.29%	68	4.58%	50	7.91%	92	15.71%	94
CAI Lrg Cap Growth Style	0.70%		4.57%		11.86%		18.87%	
<b>NTGI S&amp;P 500 Growth Idx</b>	<b>0.32%</b>	<b>67</b>	<b>2.81%</b>	<b>84</b>	<b>10.08%</b>	<b>74</b>	<b>17.83%</b>	<b>68</b>
S&P/Citi 500 Growth Index	0.31%	67	2.80%	85	10.07%	74	17.79%	69
NTGI S&P 500 Growth Idx - Net	0.32%	67	2.80%	84	10.07%	74	17.82%	68
CAI Lrg Cap Growth Style	0.70%		4.57%		11.86%		18.87%	
<b>Sands</b>	<b>0.12%</b>	<b>73</b>	<b>0.88%</b>	<b>98</b>	<b>8.37%</b>	<b>87</b>	<b>19.33%</b>	<b>34</b>
LCG Blended Benchmark*	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Russell 1000 Growth Index	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Sands - Net	0.06%	74	0.76%	98	8.13%	90	19.08%	44
CAI Lrg Cap Growth Style	0.70%		4.57%		11.86%		18.87%	
<b>Vision</b>	<b>0.63%</b>	<b>54</b>	<b>3.57%</b>	<b>71</b>	<b>7.53%</b>	<b>96</b>	<b>14.72%</b>	<b>99</b>
LCG Blended Benchmark*	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Russell 1000 Growth Index	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Vision - Net	0.56%	54	3.42%	72	7.22%	98	14.26%	100
CAI Lrg Cap Growth Style	0.70%		4.57%		11.86%		18.87%	
<b>Large Cap Value</b>	<b>1.07%</b>	<b>31</b>	<b>1.46%</b>	<b>29</b>	<b>6.56%</b>	<b>14</b>	<b>20.09%</b>	<b>18</b>
CAI Large Cap Value Style	0.52%		0.86%		5.23%		18.26%	
<b>Dodge &amp; Cox</b>	<b>2.57%</b>	<b>4</b>	<b>1.48%</b>	<b>26</b>	<b>4.89%</b>	<b>58</b>	<b>20.55%</b>	<b>12</b>
LCV Blended Benchmark**	0.11%	72	(0.61%)	83	4.13%	73	17.34%	68
Russell 1000 Value Index	0.11%	72	(0.61%)	83	4.13%	73	17.34%	68
Dodge & Cox - Net	2.52%	4	1.37%	34	4.67%	64	20.31%	15
CAI Large Cap Value Style	0.52%		0.86%		5.23%		18.26%	
<b>BMO</b>	<b>0.58%</b>	<b>47</b>	<b>2.28%</b>	<b>7</b>	<b>9.56%</b>	<b>3</b>	<b>20.46%</b>	<b>13</b>
LCV Blended Benchmark**	0.11%	72	(0.61%)	83	4.13%	73	17.34%	68
Russell 1000 Value Index	0.11%	72	(0.61%)	83	4.13%	73	17.34%	68
BMO - Net	0.53%	48	2.17%	8	9.33%	3	20.20%	16
CAI Large Cap Value Style	0.52%		0.86%		5.23%		18.26%	
<b>LSV</b>	<b>0.74%</b>	<b>42</b>	<b>1.84%</b>	<b>12</b>	<b>6.45%</b>	<b>25</b>	<b>21.87%</b>	<b>4</b>
LCV Blended Benchmark**	0.11%	72	(0.61%)	83	4.13%	73	17.34%	68
Russell 1000 Value Index	0.11%	72	(0.61%)	83	4.13%	73	17.34%	68
LSV - Net	0.68%	45	1.72%	17	6.19%	37	21.57%	5
CAI Large Cap Value Style	0.52%		0.86%		5.23%		18.26%	
<b>NTGI S&amp;P 500 Value Idx</b>	<b>0.23%</b>	<b>70</b>	<b>(0.43%)</b>	<b>80</b>	<b>4.61%</b>	<b>65</b>	<b>16.93%</b>	<b>75</b>
S&P/Citi 500 Value Index	0.24%	70	(0.45%)	80	4.57%	66	16.84%	76
NTGI S&P 500 Value Idx - Net	0.23%	70	(0.43%)	80	4.60%	65	16.92%	75
CAI Large Cap Value Style	0.52%		0.86%		5.23%		18.26%	
<b>Large Cap Passive Core</b>	<b>0.15%</b>	<b>62</b>	<b>1.96%</b>	<b>43</b>	<b>7.27%</b>	<b>59</b>	<b>17.73%</b>	<b>78</b>
NTGI MarketCap Idx	0.15%	62	1.96%	43	7.27%	59	17.73%	78
DJ U.S. Total Stock Market Index	0.12%	64	1.92%	45	7.19%	66	17.63%	79
NTGI MktCap Idx - Net	0.15%	62	1.96%	43	7.26%	59	17.72%	78
CAI Large Cap Core Style	0.42%		1.82%		8.00%		18.21%	

\* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

\*\* The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

## Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>Large Cap Equity</b>	<b>17.95%</b>	<b>42</b>	<b>8.32%</b>	<b>53</b>	<b>11.28%</b> (1/82)
Russell 1000 Index	17.58%	56	8.13%	61	11.64% (1/82)
CAI Large Cap Style	17.76%		8.44%		-
<b>Large Cap Growth</b>	<b>18.27%</b>	<b>53</b>	<b>9.02%</b>	<b>63</b>	<b>11.73%</b> (1/82)
CAI Lrg Cap Growth Style	18.54%		9.37%		-
<b>Holland</b>	<b>17.16%</b>	<b>75</b>	<b>9.01%</b>	<b>64</b>	<b>10.30%</b> (11/94)
LCG Blended Benchmark*	18.59%	49	8.97%	64	9.68% (11/94)
Russell 1000 Growth Index	18.59%	49	9.10%	57	8.86% (11/94)
Holland - Net	16.86%	80	8.74%	71	7.84% (1/05)
CAI Lrg Cap Growth Style	18.54%		9.37%		-
<b>NTGI S&amp;P 500 Growth Idx</b>	<b>18.69%</b>	<b>49</b>	<b>9.07%</b>	<b>60</b>	<b>6.34%</b> (8/01)
S&P/Citi 500 Growth Index	18.65%	49	9.04%	63	6.30% (8/01)
NTGI S&P 500 Growth Idx - Net	18.67%	49	9.06%	61	8.43% (1/05)
CAI Lrg Cap Growth Style	18.54%		9.37%		-
<b>Sands</b>	<b>22.33%</b>	<b>2</b>	<b>11.28%</b>	<b>5</b>	<b>11.59%</b> (11/03)
LCG Blended Benchmark*	18.59%	49	8.97%	64	8.50% (11/03)
Russell 1000 Growth Index	18.59%	49	9.10%	57	8.57% (11/03)
Sands - Net	22.05%	2	10.99%	9	10.20% (1/05)
CAI Lrg Cap Growth Style	18.54%		9.37%		-
<b>Vision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.53%</b> (7/11)
LCG Blended Benchmark*	18.59%	49	8.97%	64	14.81% (7/11)
Russell 1000 Growth Index	18.59%	49	9.10%	57	14.81% (7/11)
Vision - Net	-		-		12.07% (7/11)
CAI Lrg Cap Growth Style	18.54%		9.37%		-
<b>Large Cap Value</b>	<b>17.92%</b>	<b>25</b>	<b>7.82%</b>	<b>44</b>	<b>10.51%</b> (10/82)
CAI Large Cap Value Style	17.08%		7.69%		-
<b>Dodge &amp; Cox</b>	<b>18.11%</b>	<b>16</b>	<b>7.79%</b>	<b>45</b>	<b>9.44%</b> (9/03)
LCV Blended Benchmark**	16.50%	67	7.10%	70	8.35% (9/03)
Russell 1000 Value Index	16.50%	67	7.05%	73	8.58% (9/03)
Dodge & Cox - Net	17.86%	27	7.54%	56	7.25% (1/05)
CAI Large Cap Value Style	17.08%		7.69%		-
<b>BMO</b>	<b>18.83%</b>	<b>7</b>	<b>8.53%</b>	<b>25</b>	<b>8.17%</b> (2/01)
LCV Blended Benchmark**	16.50%	67	7.10%	70	5.04% (2/01)
Russell 1000 Value Index	16.50%	67	7.05%	73	6.32% (2/01)
BMO - Net	18.56%	13	8.28%	29	8.41% (1/05)
CAI Large Cap Value Style	17.08%		7.69%		-
<b>LSV</b>	<b>18.68%</b>	<b>12</b>	<b>8.63%</b>	<b>22</b>	<b>11.70%</b> (2/03)
LCV Blended Benchmark**	16.50%	67	7.10%	70	9.59% (2/03)
Russell 1000 Value Index	16.50%	67	7.05%	73	9.60% (2/03)
LSV - Net	18.38%	14	8.33%	28	8.30% (1/05)
CAI Large Cap Value Style	17.08%		7.69%		-
<b>NTGI S&amp;P 500 Value Idx</b>	<b>16.09%</b>	<b>77</b>	<b>6.73%</b>	<b>79</b>	<b>5.11%</b> (8/99)
S&P/Citi 500 Value Index	16.01%	78	6.68%	80	5.09% (8/99)
NTGI S&P 500 Value Idx - Net	16.08%	77	6.72%	79	6.41% (1/05)
CAI Large Cap Value Style	17.08%		7.69%		-
<b>Large Cap Passive Core</b>	<b>17.54%</b>	<b>63</b>	<b>8.19%</b>	<b>64</b>	<b>11.17%</b> (1/85)
NTGI MarketCap Idx	17.57%	63	8.20%	64	10.91% (2/85)
DJ U.S. Total Stock Market Index	17.52%	64	8.30%	54	10.86% (2/85)
NTGI MktCap Idx - Net	17.56%	63	8.19%	64	7.80% (1/05)
CAI Large Cap Core Style	17.89%		8.39%		-

\* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

\*\* The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

## Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Small Cap Equity</b>	<b>1.74%</b>	34	<b>6.43%</b>	42	<b>8.25%</b>	45	<b>19.94%</b>	44
Russell 2000 Index	0.42%	64	4.75%	60	6.49%	63	17.81%	69
CAI Small Cap Style	0.86%		5.54%		7.77%		19.41%	
<b>Small Cap Growth</b>	<b>2.36%</b>	48	<b>10.32%</b>	27	<b>15.42%</b>	21	<b>22.12%</b>	29
CAI Sm Cap Growth Style	2.30%		8.37%		11.25%		19.92%	
<b>Frontier</b>	<b>0.32%</b>	84	<b>7.75%</b>	60	<b>12.45%</b>	38	<b>21.17%</b>	35
Russell 2000 Growth Index	1.98%	57	8.74%	47	12.34%	39	20.11%	46
Frontier - Net	0.20%	86	7.39%	66	11.79%	46	20.54%	43
CAI Sm Cap Growth Style	2.30%		8.37%		11.25%		19.92%	
<b>Pyramis</b>	<b>4.30%</b>	16	<b>13.02%</b>	13	<b>18.81%</b>	7	<b>23.52%</b>	12
Russell 2000 Growth Index	1.98%	57	8.74%	47	12.34%	39	20.11%	46
Pyramis - Net	4.17%	17	12.76%	14	18.20%	8	23.00%	17
CAI Sm Cap Growth Style	2.30%		8.37%		11.25%		19.92%	
<b>Small Cap Value</b>	<b>0.32%</b>	54	<b>3.05%</b>	50	<b>3.17%</b>	70	<b>18.44%</b>	56
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Channing</b>	<b>(0.51%)</b>	71	<b>4.97%</b>	8	<b>5.36%</b>	39	<b>22.17%</b>	11
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Channing - Net	<b>(0.63%)</b>	72	4.85%	15	4.98%	47	21.50%	15
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>DFA Small Cap Value</b>	<b>0.05%</b>	58	<b>2.64%</b>	60	<b>3.50%</b>	63	<b>20.15%</b>	28
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
DFA Small Cap Value - Net	<b>(0.07%)</b>	63	2.38%	66	3.11%	71	19.61%	32
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Inv. Counselors of Maryland</b>	<b>0.68%</b>	32	<b>3.48%</b>	42	<b>3.02%</b>	72	<b>16.91%</b>	72
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Inv. Couns. of Maryland - Net	0.59%	38	3.29%	47	2.63%	75	16.47%	76
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Lombardia</b>	<b>0.64%</b>	35	<b>0.83%</b>	85	<b>0.12%</b>	86	<b>16.21%</b>	77
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Lombardia - Net	0.48%	47	0.49%	88	<b>(0.56%)</b>	91	15.44%	84
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	

## Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>Small Cap Equity</b>	<b>18.69%</b>	<b>52</b>	<b>10.71%</b>	<b>30</b>	<b>12.92%</b> <sup>(7/88)</sup>
Russell 2000 Index	17.08%	75	8.40%	82	9.73% <sup>(7/88)</sup>
CAI Small Cap Style	18.89%		9.56%		-
<b>Small Cap Growth</b>	<b>19.88%</b>	<b>47</b>	<b>11.61%</b>	<b>23</b>	<b>13.77%</b> <sup>(7/88)</sup>
CAI Sm Cap Growth Style	19.56%		10.35%		-
<b>Frontier</b>	<b>18.48%</b>	<b>67</b>	<b>11.49%</b>	<b>24</b>	<b>13.82%</b> <sup>(8/88)</sup>
Russell 2000 Growth Index	19.33%	57	9.86%	63	8.33% <sup>(8/88)</sup>
Frontier - Net	17.81%	78	8.69%	85	8.27% <sup>(1/05)</sup>
CAI Sm Cap Growth Style	19.56%		10.35%		-
<b>Pyramis</b>	<b>21.23%</b>	<b>31</b>	<b>12.65%</b>	<b>13</b>	<b>14.40%</b> <sup>(8/88)</sup>
Russell 2000 Growth Index	19.33%	57	9.86%	63	8.33% <sup>(8/88)</sup>
Pyramis - Net	20.61%	33	12.01%	18	12.20% <sup>(1/05)</sup>
CAI Sm Cap Growth Style	19.56%		10.35%		-
<b>Small Cap Value</b>	<b>17.21%</b>	<b>54</b>	<b>9.31%</b>	<b>40</b>	<b>12.45%</b> <sup>(9/89)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Channing</b>	-		-		<b>14.67%</b> <sup>(7/11)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	11.01% <sup>(7/11)</sup>
Channing - Net	-		-		14.00% <sup>(7/11)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>DFA Small Cap Value</b>	<b>18.67%</b>	<b>28</b>	<b>9.34%</b>	<b>37</b>	<b>13.24%</b> <sup>(2/96)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	10.00% <sup>(2/96)</sup>
DFA Small Cap Value - Net	18.13%	36	8.80%	60	8.53% <sup>(1/05)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Inv. Counselors of Maryland</b>	<b>16.26%</b>	<b>65</b>	<b>9.20%</b>	<b>42</b>	<b>11.88%</b> <sup>(5/99)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	9.51% <sup>(5/99)</sup>
Inv. Couns. of Maryland - Net	15.78%	67	8.70%	65	8.34% <sup>(1/05)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Lombardia</b>	-		-		<b>10.69%</b> <sup>(6/11)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	10.10% <sup>(6/11)</sup>
Lombardia - Net	-		-		9.98% <sup>(6/11)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-

## Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Micro Cap</b>	<b>3.44%</b>	23	<b>5.90%</b>	82	<b>5.59%</b>	89	<b>18.88%</b>	67
CAI Sm Cap Growth Style	2.30%		8.37%		11.25%		19.92%	
<b>Ariel</b>	<b>(2.78%)</b>	96	<b>(6.30%)</b>	99	<b>(6.89%)</b>	97	<b>9.90%</b>	100
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Russell 2000 Index	0.42%	53	4.75%	17	6.49%	29	17.81%	68
Russell Microcap Index	2.80%	4	6.03%	5	8.21%	14	19.25%	37
Ariel - Net	<b>(2.98%)</b>	96	<b>(6.68%)</b>	100	<b>(7.66%)</b>	97	9.01%	100
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Ativo</b>	<b>3.21%</b>	31	<b>7.15%</b>	69	<b>13.45%</b>	30	<b>24.16%</b>	10
Russell 2000 Growth Index	1.98%	57	8.74%	47	12.34%	39	20.11%	46
Russell 2000 Index	0.42%	83	4.75%	88	6.49%	85	17.81%	72
Russell Microcap Index	2.80%	35	6.03%	81	8.21%	69	19.25%	59
Ativo - Net	3.02%	33	6.74%	76	12.59%	36	23.22%	14
CAI Sm Cap Growth Style	2.30%		8.37%		11.25%		19.92%	
<b>DFA Micro Cap</b>	<b>0.93%</b>	27	<b>3.68%</b>	38	<b>5.79%</b>	34	<b>19.18%</b>	39
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Russell 2000 Index	0.42%	53	4.75%	17	6.49%	29	17.81%	68
DFA Micro Cap - Net	0.80%	28	3.42%	45	5.26%	42	18.59%	50
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Wall Street</b>	<b>6.43%</b>	6	<b>9.83%</b>	35	<b>7.11%</b>	77	<b>19.99%</b>	49
Russell 2000 Growth Index	1.98%	57	8.74%	47	12.34%	39	20.11%	46
Russell 2000 Index	0.42%	83	4.75%	88	6.49%	85	17.81%	72
Wall Street - Net	6.24%	7	9.42%	39	6.30%	86	19.09%	62
CAI Sm Cap Growth Style	2.30%		8.37%		11.25%		19.92%	



## Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

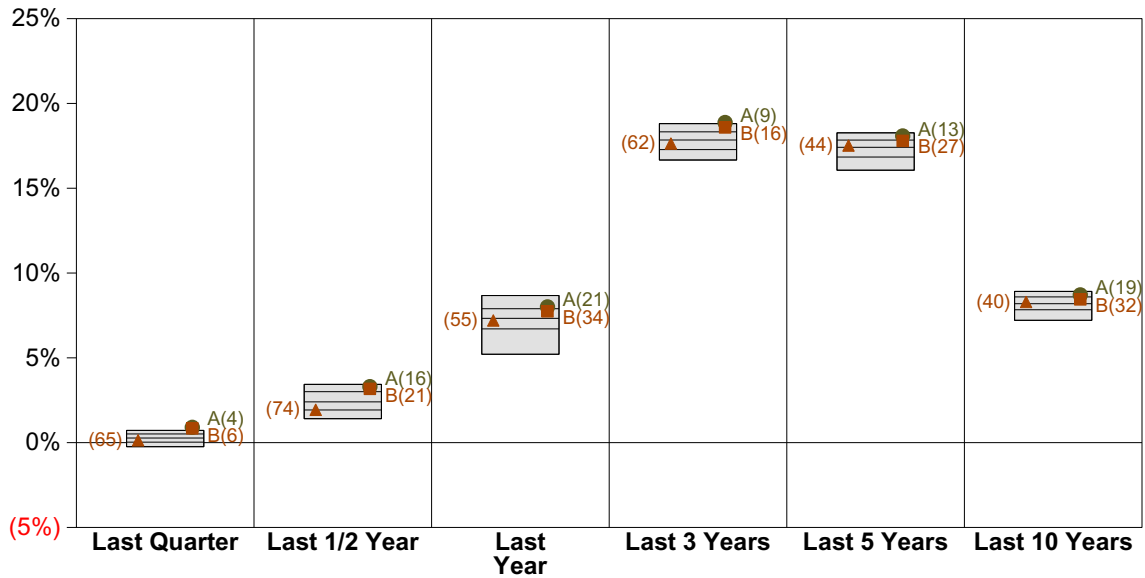
	<b>Last 5 Years</b>		<b>Last 10 Years</b>		<b>Since Inception</b>
<b>Micro Cap</b>	<b>18.82%</b>	<b>66</b>	<b>9.32%</b>	<b>68</b>	<b>12.53%</b> <sup>(7/84)</sup>
CAI Sm Cap Growth Style	19.56%		10.35%		-
<b>Ariel</b>	-		-		<b>10.49%</b> <sup>(11/10)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	12.74% <sup>(11/10)</sup>
Russell 2000 Index	17.08%	58	8.40%	72	14.74% <sup>(11/10)</sup>
Russell Microcap Index	17.48%	50	7.07%	88	15.58% <sup>(11/10)</sup>
Ariel - Net	-		-		9.62% <sup>(11/10)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Ativo</b>	-		-		<b>17.77%</b> <sup>(10/10)</sup>
Russell 2000 Growth Index	19.33%	57	9.86%	63	17.42% <sup>(10/10)</sup>
Russell 2000 Index	17.08%	83	8.40%	86	15.43% <sup>(10/10)</sup>
Russell Microcap Index	17.48%	81	7.07%	90	16.62% <sup>(10/10)</sup>
Ativo - Net	-		-		16.91% <sup>(10/10)</sup>
CAI Sm Cap Growth Style	19.56%		10.35%		-
<b>DFA Micro Cap</b>	<b>18.27%</b>	<b>34</b>	<b>9.12%</b>	<b>46</b>	<b>11.53%</b> <sup>(8/87)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	10.20% <sup>(8/87)</sup>
Russell 2000 Index	17.08%	58	8.40%	72	9.03% <sup>(8/87)</sup>
DFA Micro Cap - Net	17.69%	45	8.59%	70	7.95% <sup>(1/05)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Wall Street</b>	<b>20.42%</b>	<b>34</b>	<b>10.07%</b>	<b>58</b>	<b>14.68%</b> <sup>(8/90)</sup>
Russell 2000 Growth Index	19.33%	57	9.86%	63	8.36% <sup>(8/90)</sup>
Russell 2000 Index	17.08%	83	8.40%	86	10.12% <sup>(8/90)</sup>
Wall Street - Net	19.51%	52	9.22%	70	8.61% <sup>(1/05)</sup>
CAI Sm Cap Growth Style	19.56%		10.35%		-

# Domestic Equity Period Ended June 30, 2015

## Investment Philosophy

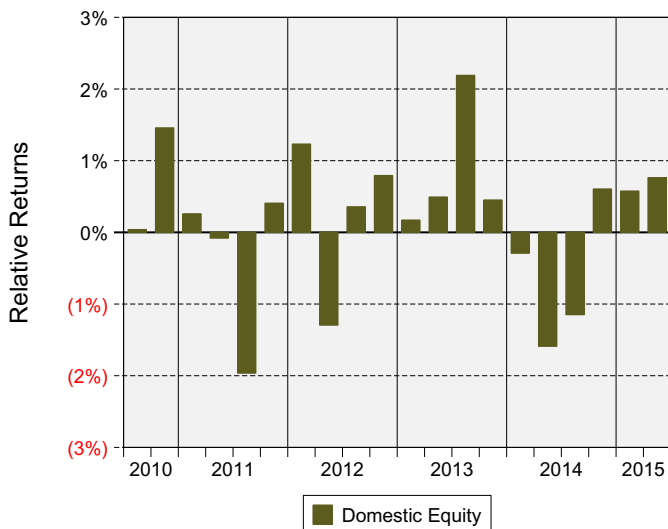
\* The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.

## Performance vs Public Fund - Domestic Equity (Gross)

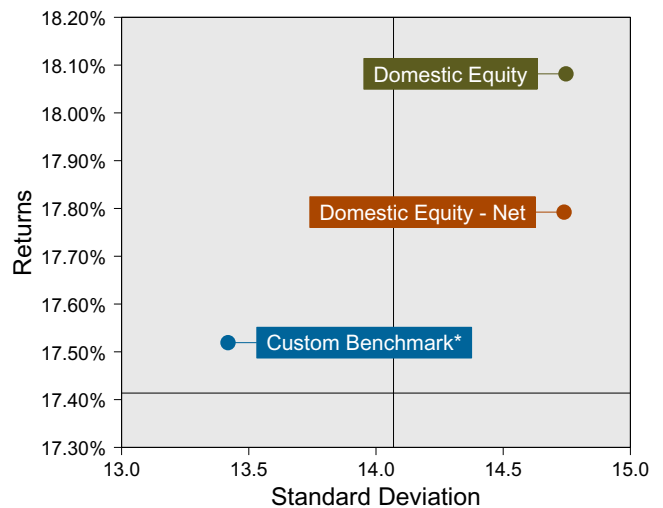


10th Percentile	0.72	3.44	8.67	18.81	18.27	8.92
25th Percentile	0.51	3.01	7.90	18.32	17.84	8.59
Median	0.27	2.40	7.33	17.84	17.41	8.19
75th Percentile	0.03	1.93	6.71	17.28	16.84	7.84
90th Percentile	(0.24)	1.41	5.21	16.66	16.06	7.21
Domestic Equity ● A	0.90	3.30	8.00	18.87	18.08	8.71
Domestic Equity - Net ■ B	0.84	3.17	7.74	18.59	17.79	8.45
Custom Benchmark* ▲	0.14	1.94	7.20	17.64	17.52	8.30

## Relative Return vs Custom Benchmark\*



## Public Fund - Domestic Equity (Gross) Annualized Five Year Risk vs Return

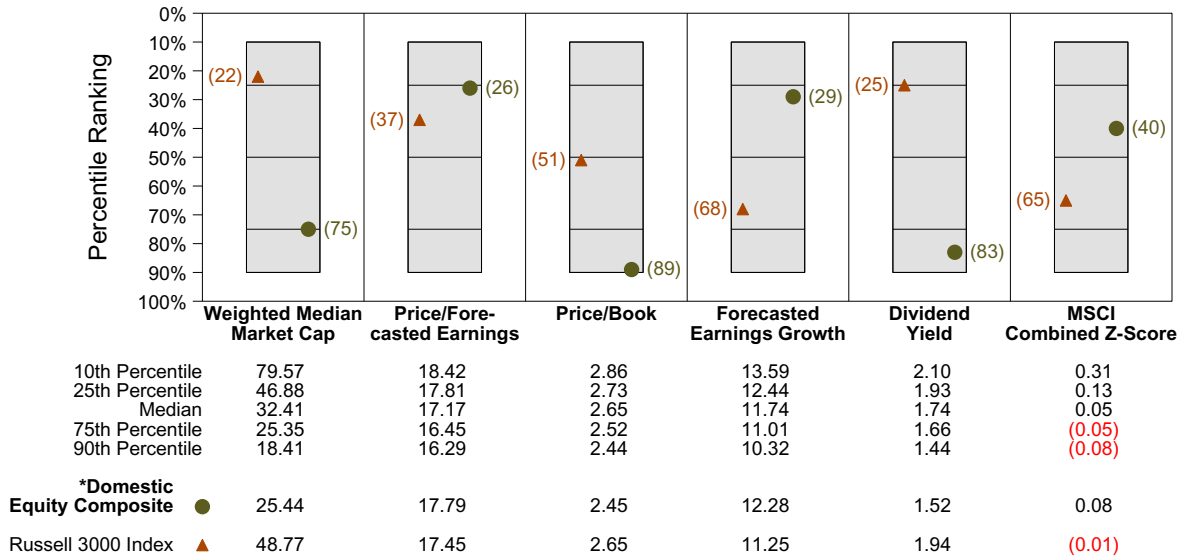


# Domestic Equity Composite Equity Characteristics Analysis Summary

## Portfolio Characteristics

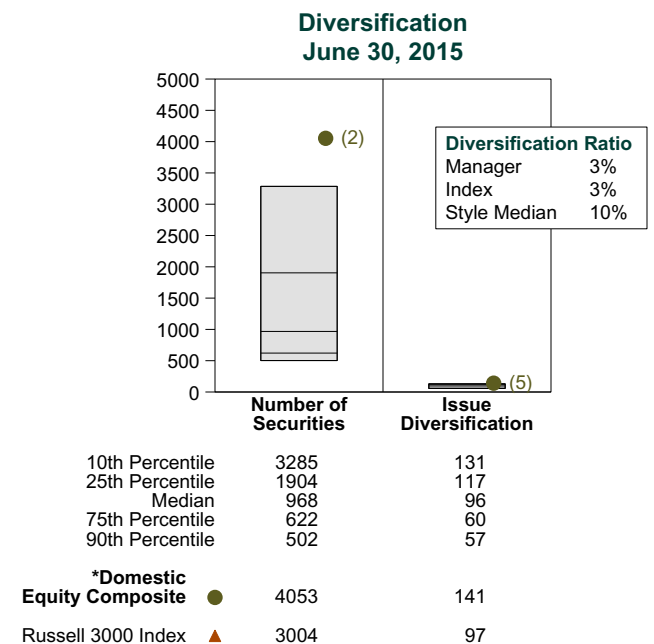
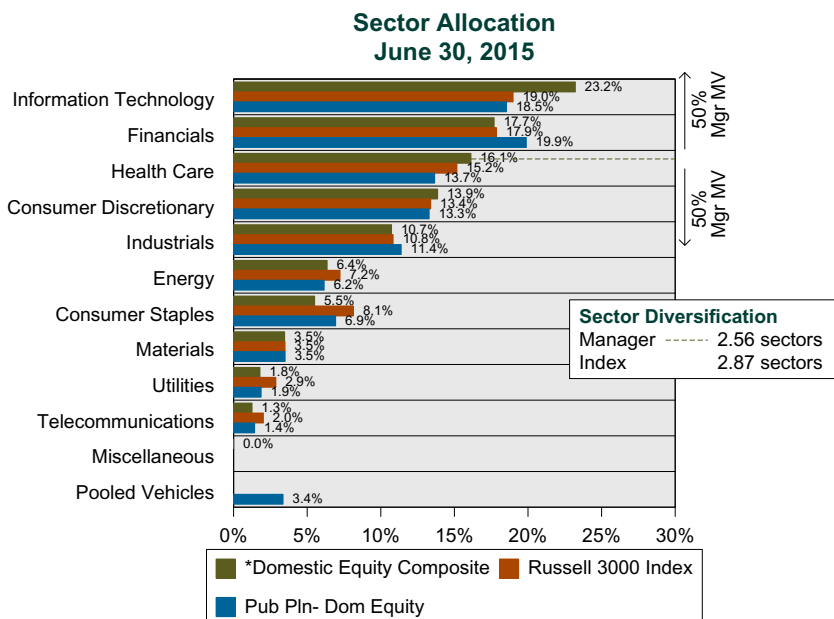
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Pub Pln- Domestic Equity as of June 30, 2015



## 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 account for half of the portfolio's market value.

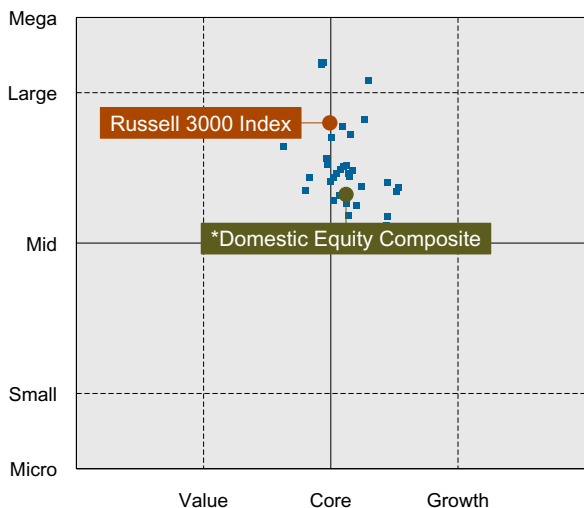


\*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Current Holdings Based Style Analysis Domestic Equity Composite As of June 30, 2015

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

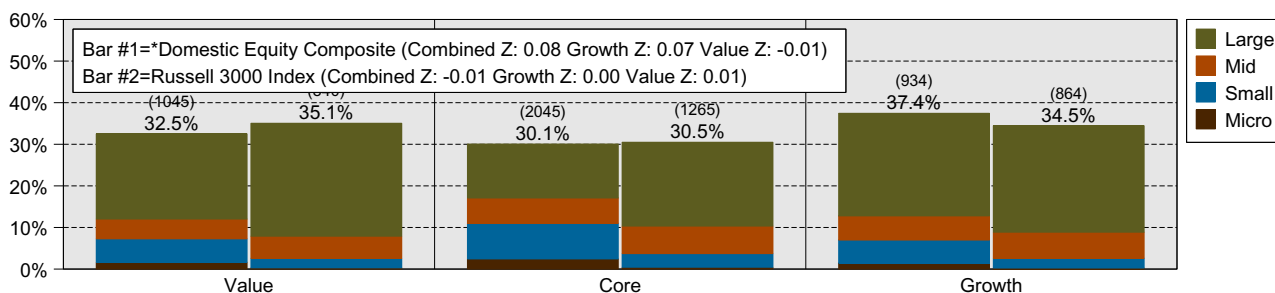
**Style Map vs Pub Pln- Dom Equity Holdings as of June 30, 2015**



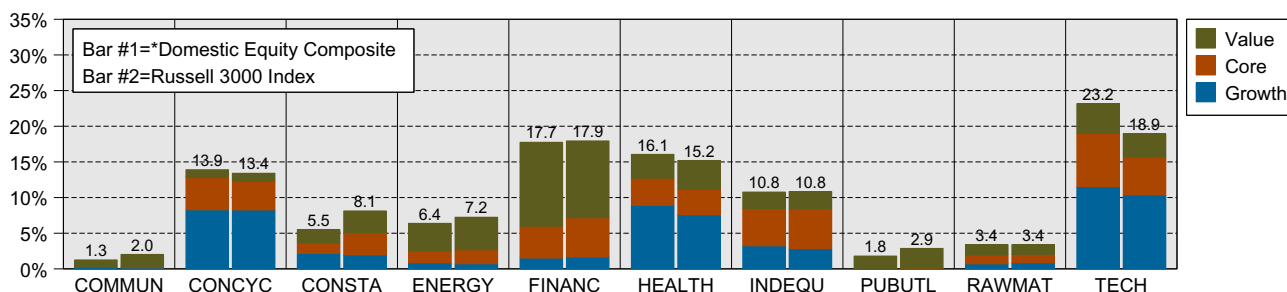
**Style Exposure Matrix Holdings as of June 30, 2015**

	Value	Core	Growth	Total
Large	20.5% (102)	13.0% (107)	24.7% (114)	58.1% (323)
	27.1% (100)	20.1% (100)	25.6% (111)	72.9% (311)
Mid	4.8% (179)	6.1% (241)	5.8% (208)	16.7% (628)
	5.3% (177)	6.6% (241)	6.3% (204)	18.2% (622)
Small	5.6% (338)	8.5% (561)	5.5% (366)	19.7% (1265)
	2.3% (336)	3.3% (543)	2.4% (368)	7.9% (1247)
Micro	1.7% (426)	2.4% (1136)	1.4% (246)	5.5% (1808)
	0.3% (227)	0.4% (381)	0.2% (181)	1.0% (789)
Total	32.5% (1045)	30.1% (2045)	37.4% (934)	100.0% (4024)
	35.1% (840)	30.5% (1265)	34.5% (864)	100.0% (2969)

**Combined Z-Score Style Distribution Holdings as of June 30, 2015**



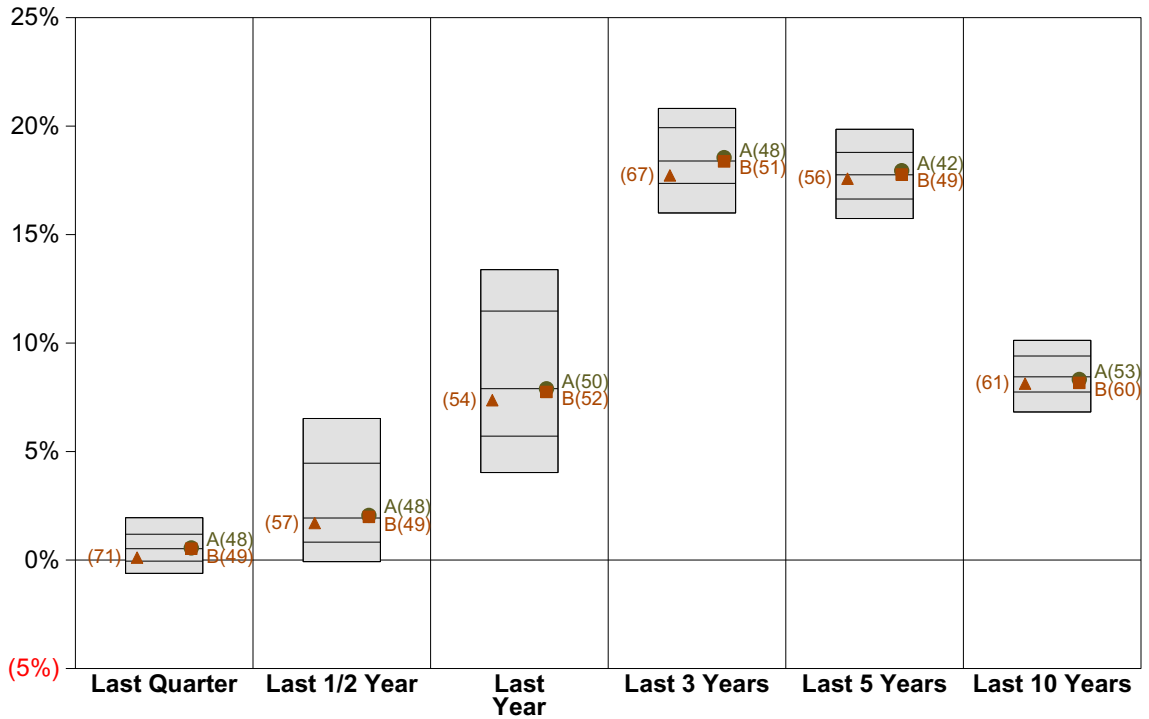
**Sector Weights Distribution Holdings as of June 30, 2015**



\*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) 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.

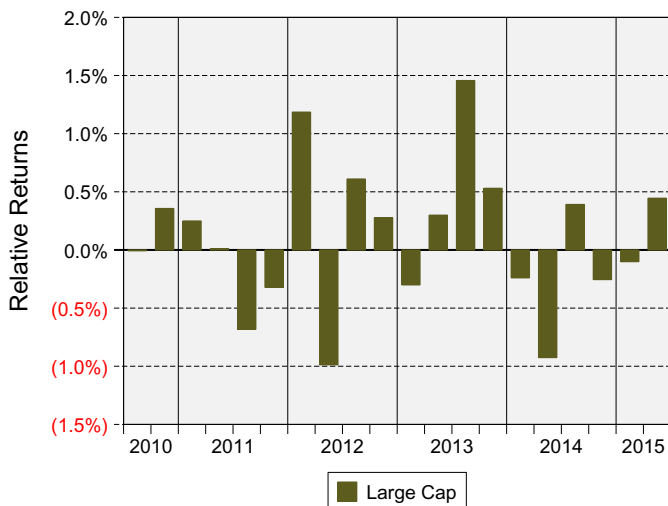
# Large Cap Period Ended June 30, 2015

## Performance vs CAI Large Cap Style (Gross)

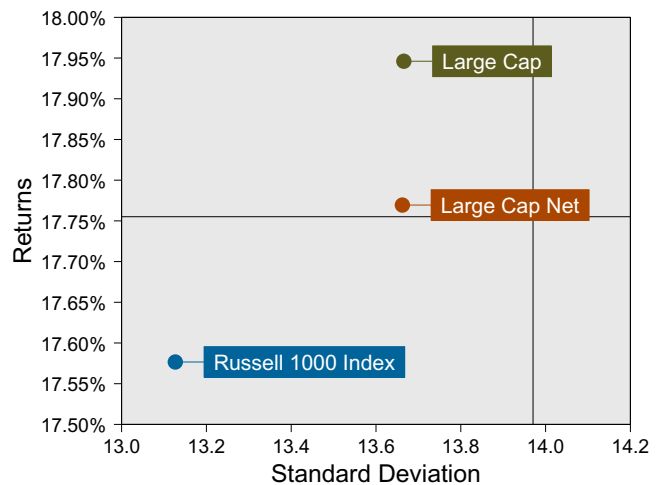


10th Percentile	1.95	6.52	13.38	20.81	19.85	10.13
25th Percentile	1.19	4.46	11.47	19.93	18.79	9.40
Median	0.52	1.94	7.90	18.39	17.76	8.44
75th Percentile	(0.05)	0.83	5.71	17.36	16.64	7.74
90th Percentile	(0.61)	(0.07)	4.03	16.00	15.74	6.82
Large Cap	● A 0.56	2.06	7.89	18.55	17.95	8.32
Large Cap Net	■ B 0.52	1.99	7.75	18.37	17.77	8.17
Russell 1000 Index	▲ 0.11	1.71	7.37	17.73	17.58	8.13

Relative Return vs Russell 1000 Index



CAI Large Cap Style (Gross)  
Annualized Five Year Risk vs Return

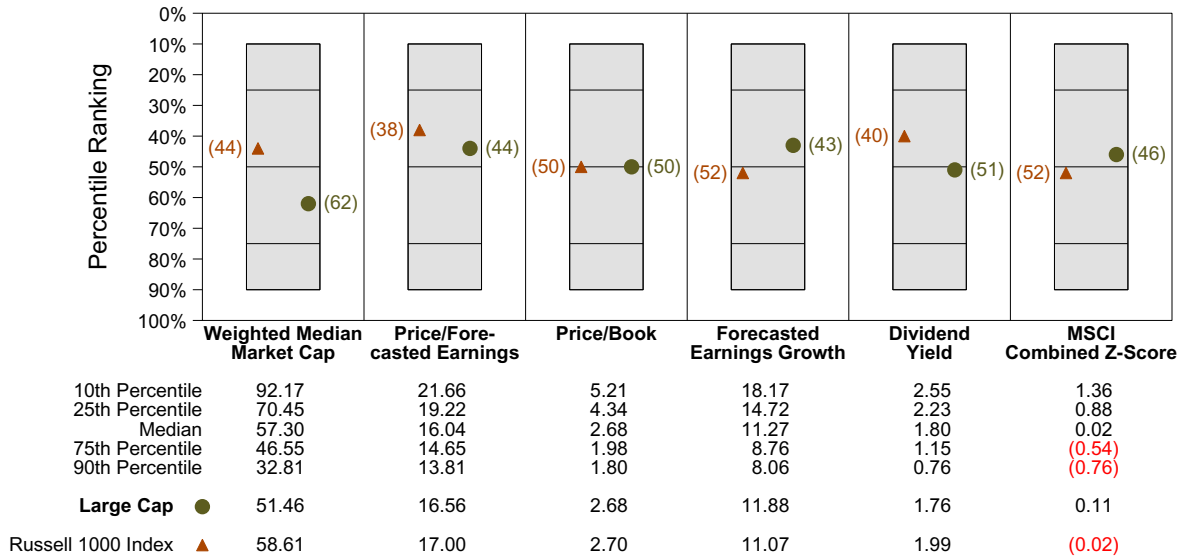


# Large Cap Equity Characteristics Analysis Summary

## 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.

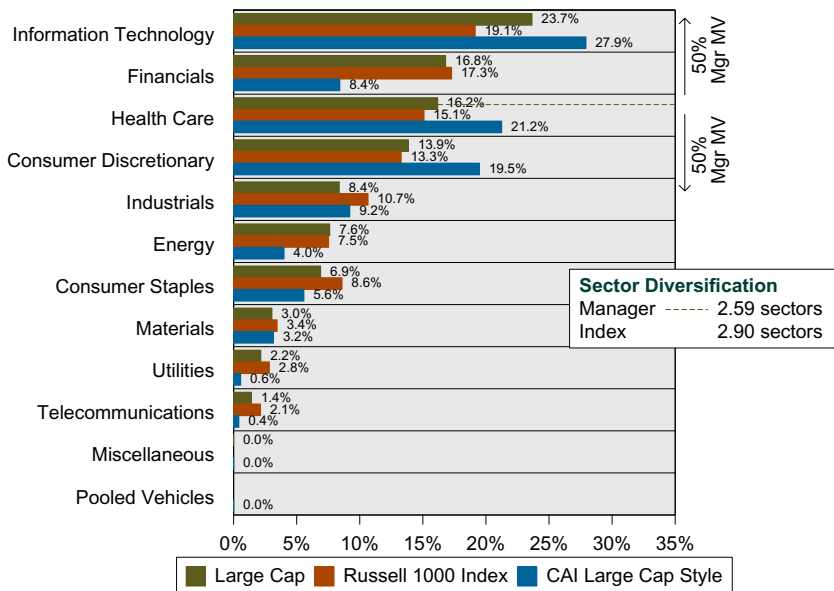
## Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Capitalization Style as of June 30, 2015



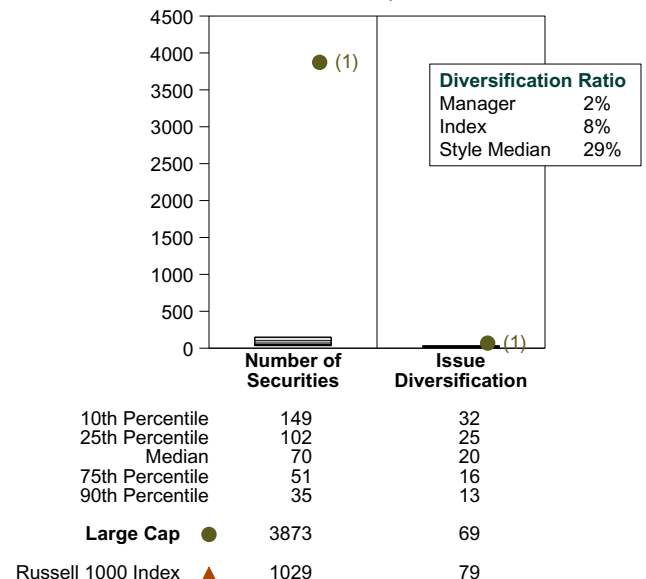
## Sector Weights

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 account for half of the portfolio's market value.

### Sector Allocation June 30, 2015



### Diversification June 30, 2015



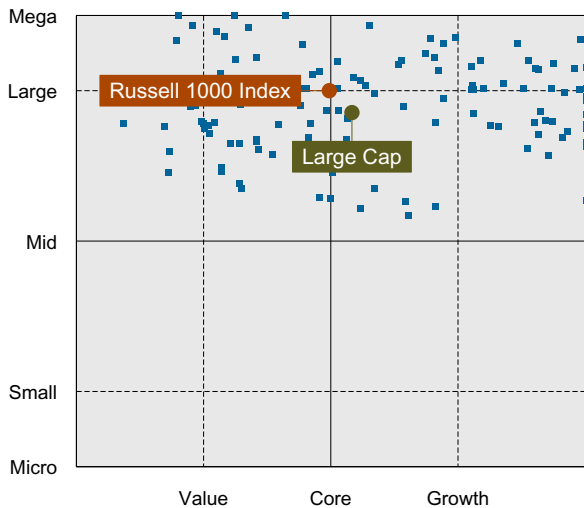
# Current Holdings Based Style Analysis

## Large Cap

### As of June 30, 2015

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

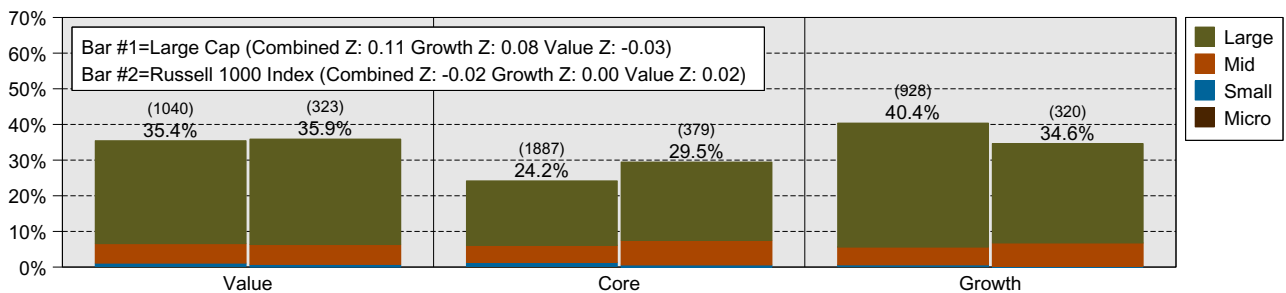
**Style Map vs CAI Large Cap Style Holdings as of June 30, 2015**



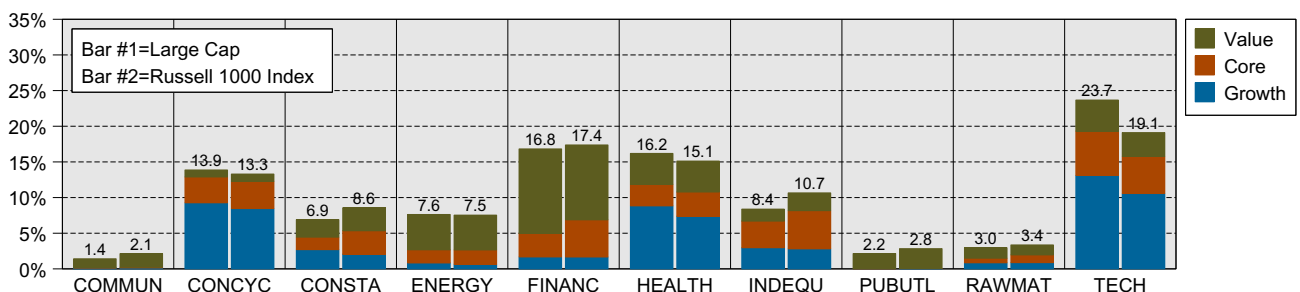
**Style Exposure Matrix Holdings as of June 30, 2015**

	Value	Core	Growth	Total
Large	28.9% (102)	18.1% (106)	34.8% (114)	81.7% (322)
	29.6% (100)	21.9% (100)	27.9% (111)	79.4% (311)
Mid	5.5% (179)	4.8% (238)	5.0% (206)	15.2% (623)
	5.6% (166)	6.9% (223)	6.5% (185)	19.0% (574)
Small	1.0% (338)	1.1% (533)	0.6% (364)	2.7% (1235)
	0.7% (57)	0.6% (55)	0.3% (24)	1.6% (136)
Micro	0.1% (421)	0.1% (1010)	0.1% (244)	0.3% (1675)
	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
<b>Total</b>	<b>35.4% (1040)</b>	<b>24.2% (1887)</b>	<b>40.4% (928)</b>	<b>100.0% (3855)</b>
	<b>35.9% (323)</b>	<b>29.5% (379)</b>	<b>34.6% (320)</b>	<b>100.0% (1022)</b>

**Combined Z-Score Style Distribution Holdings as of June 30, 2015**

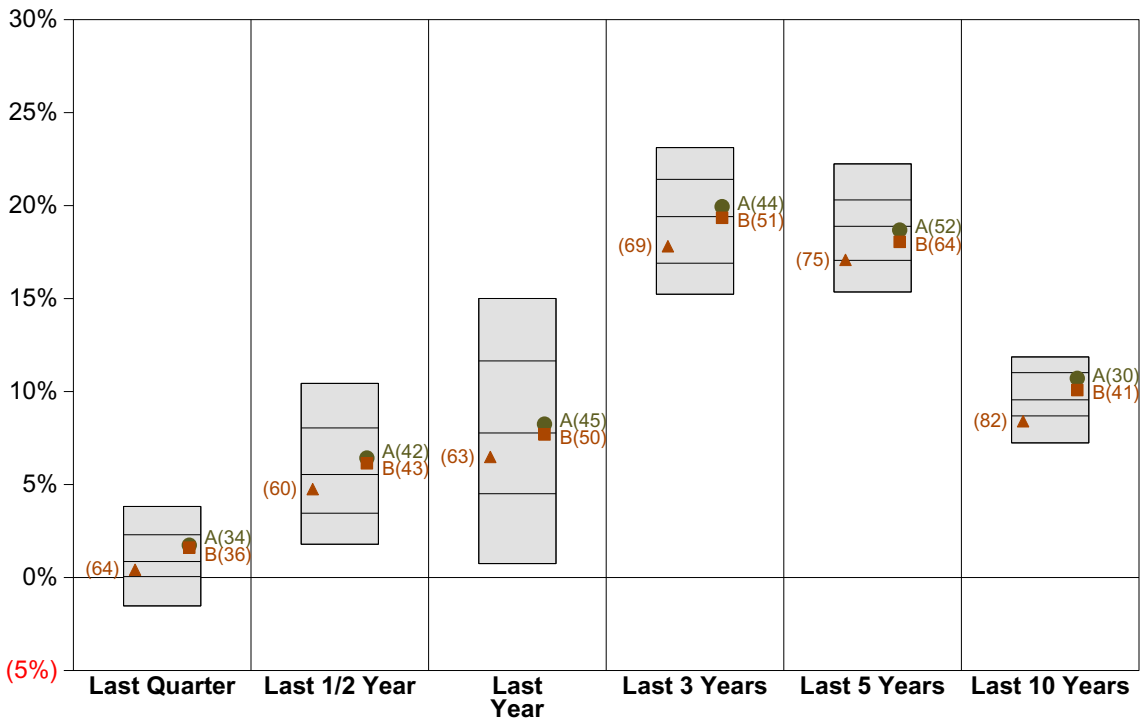


**Sector Weights Distribution Holdings as of June 30, 2015**



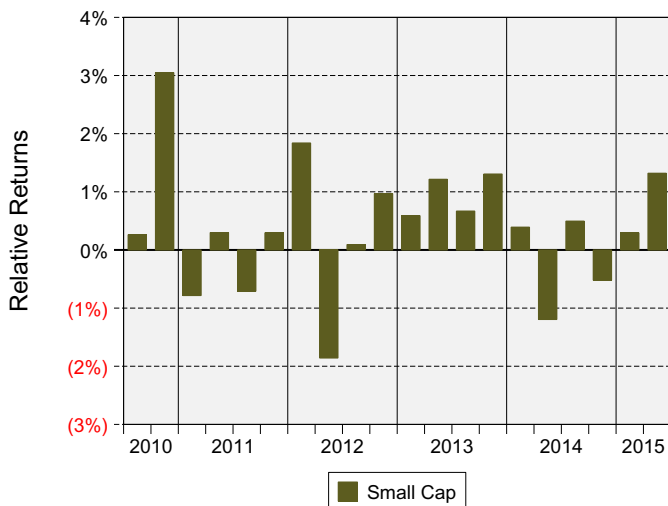
# Small Cap Period Ended June 30, 2015

## Performance vs CAI Small Cap Style (Gross)

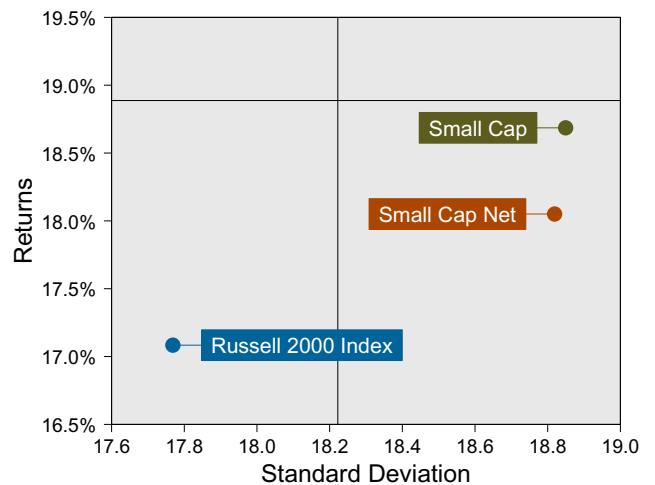


10th Percentile	3.82	10.44	15.01	23.12	22.24	11.86
25th Percentile	2.30	8.04	11.65	21.41	20.30	11.02
Median	0.86	5.54	7.77	19.41	18.89	9.56
75th Percentile	0.05	3.46	4.51	16.90	17.06	8.69
90th Percentile	(1.53)	1.79	0.75	15.23	15.35	7.24
Small Cap ● A	1.74	6.43	8.25	19.94	18.69	10.71
Small Cap Net ■ B	1.61	6.14	7.69	19.34	18.05	10.08
Russell 2000 Index ▲	0.42	4.75	6.49	17.81	17.08	8.40

Relative Return vs Russell 2000 Index



CAI Small Cap Style (Gross)  
Annualized Five Year Risk vs Return



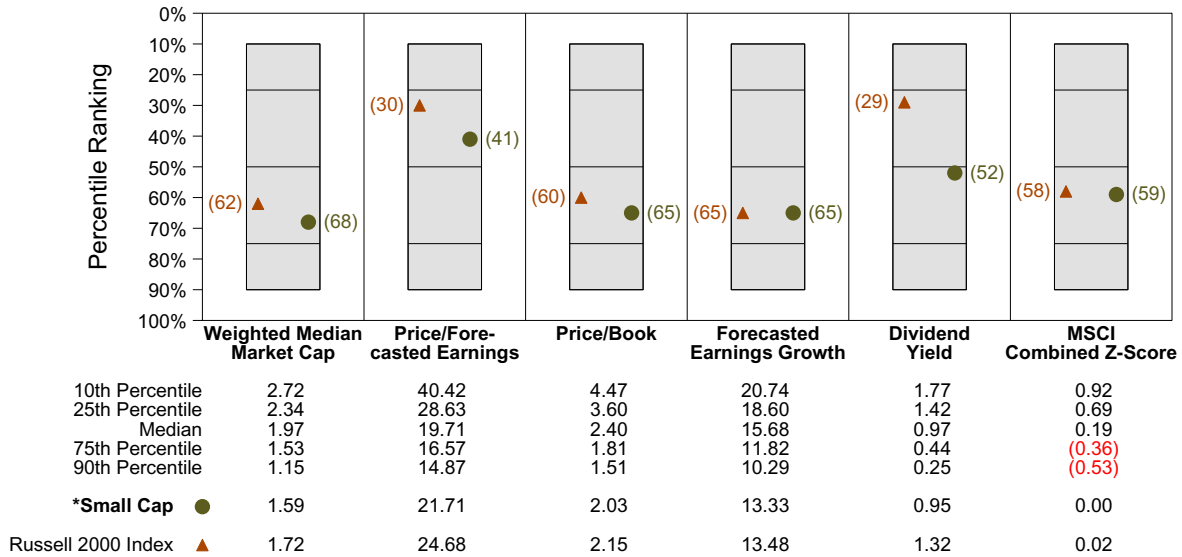


# Small Cap Equity Characteristics Analysis Summary

## 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.

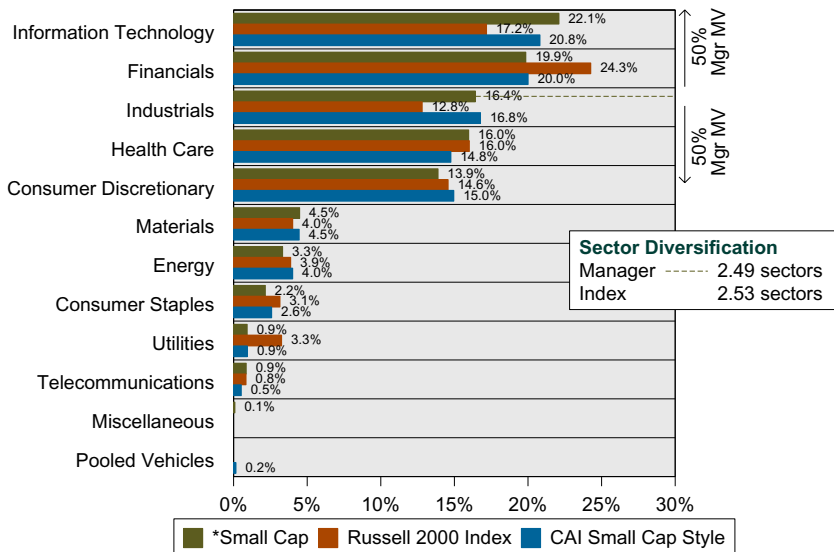
## Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Capitalization Style as of June 30, 2015



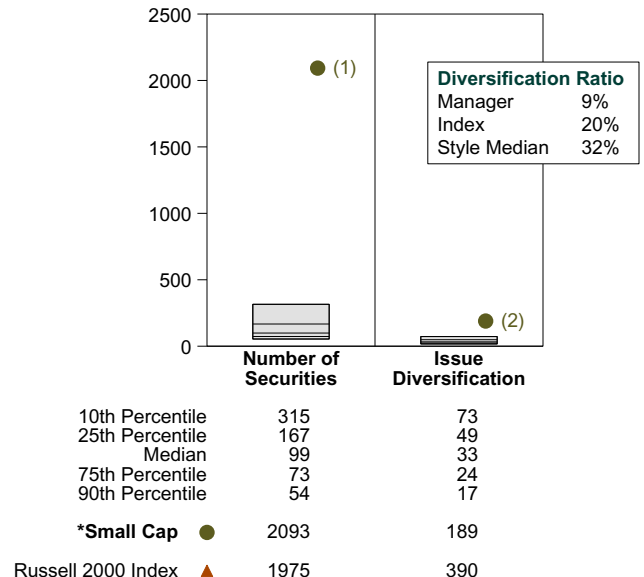
## Sector Weights

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 account for half of the portfolio's market value.

### Sector Allocation June 30, 2015



### Diversification June 30, 2015



\*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) 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.

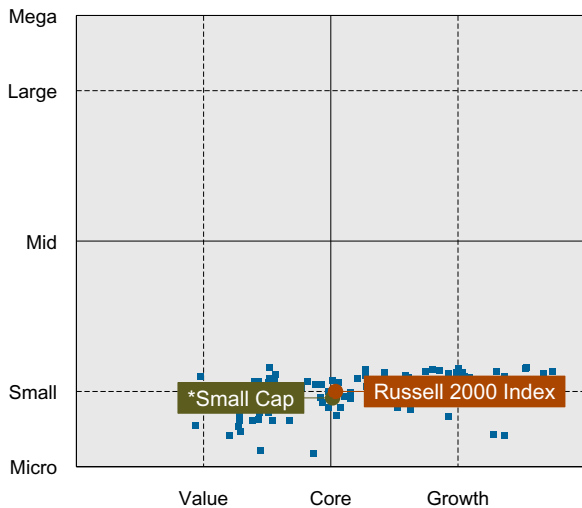
# Current Holdings Based Style Analysis

## Small Cap

### As of June 30, 2015

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

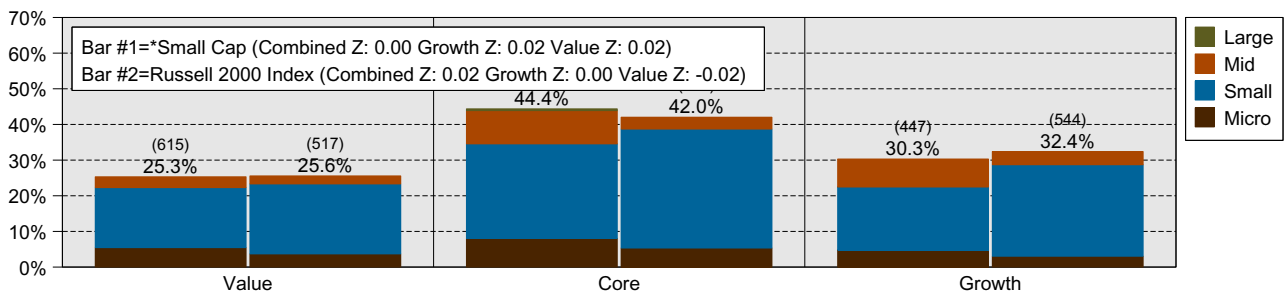
**Style Map vs CAI Small Cap Style Holdings as of June 30, 2015**



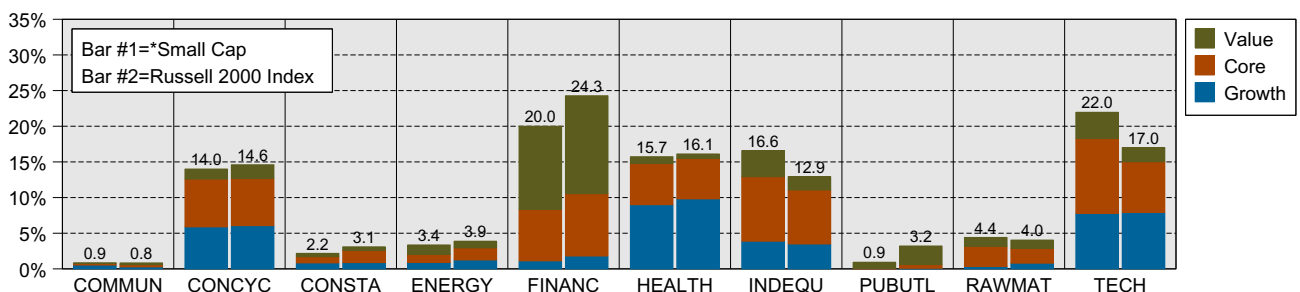
**Style Exposure Matrix Holdings as of June 30, 2015**

	Value	Core	Growth	Total
Large	0.0% (1) 0.0% (0)	0.5% (2) 0.0% (0)	0.0% (0) 0.0% (0)	0.5% (3) 0.0% (0)
Mid	3.0% (20) 2.2% (11)	9.3% (50) 3.3% (18)	7.8% (45) 3.7% (19)	20.2% (115) 9.3% (48)
Small	16.8% (242) 19.6% (279)	26.5% (373) 33.4% (488)	17.7% (217) 25.7% (344)	61.0% (832) 78.7% (1111)
Micro	5.4% (352) 3.7% (227)	8.0% (590) 5.3% (380)	4.8% (185) 3.0% (181)	18.3% (1127) 12.1% (788)
<b>Total</b>	<b>25.3% (615)</b> <b>25.6% (517)</b>	<b>44.4% (1015)</b> <b>42.0% (886)</b>	<b>30.3% (447)</b> <b>32.4% (544)</b>	<b>100.0% (2077)</b> <b>100.0% (1947)</b>

**Combined Z-Score Style Distribution Holdings as of June 30, 2015**



**Sector Weights Distribution Holdings as of June 30, 2015**



\*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) 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.



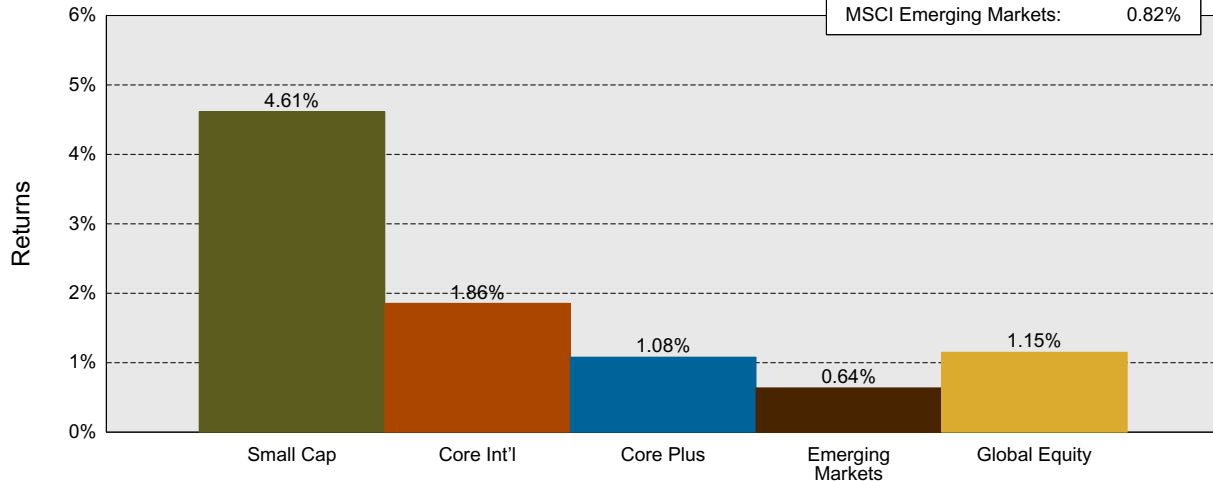
## International Equity Active Management Overview

Developed foreign equities performed in line with domestic indices in U.S. dollar terms; however, a strengthening euro and pound masked weakness in local currency equity returns (MSCI EAFE Local: -1.8%, EAFE U.S.\$: +0.6%). Growth outperformed value (EAFE Growth: +1.0%, Value: +0.2%) and foreign small caps were up over 4% (EAFE SC: +4.3%). The median Core International manager outperformed the MSCI EAFE Index by 124 basis points while the median emerging markets manager trailed the MSCI Emerging Markets Index by 18 basis points. International small cap managers posted the best returns for the quarter.

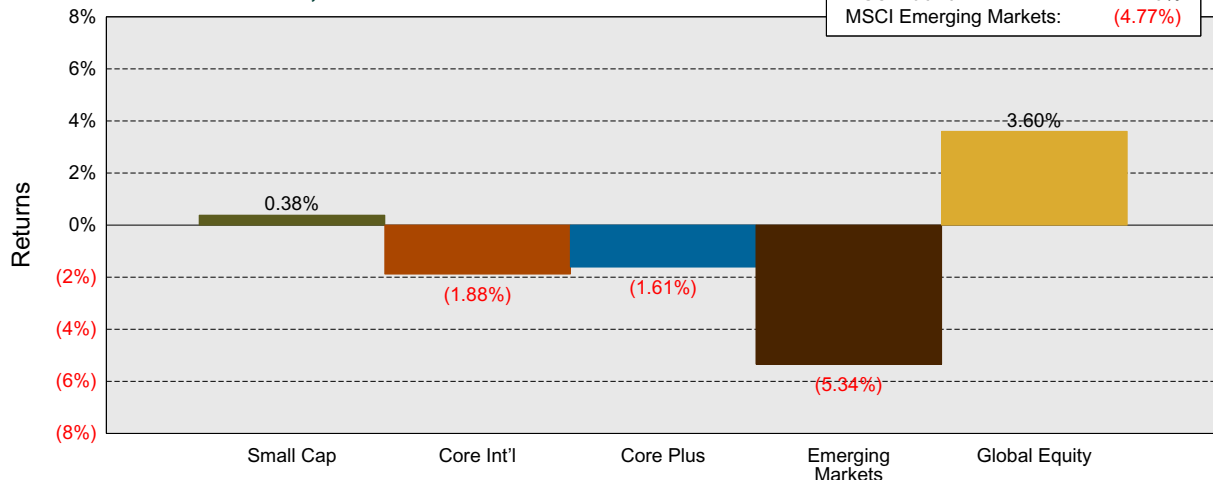
### Emerging Markets

Emerging market equities (MSCI EM U.S.\$: +0.8%) performed in line with developed, but with significant distinctions among countries. Hungary performed best (MSCI Hungary: +11.0%) while Indonesia's market struggled (MSCI Indonesia: -13.8%). The BRIC countries did well as a whole with Brazil (MSCI Brazil: +7.0%), Russia (MSCI Russia: +7.7%) and China (MSCI China: +6.2%) posting solid results while India (MSCI India: -3.6%) struggled. It is noteworthy to add that China, while delivering a positive return for the quarter, dropped precipitously in the last two weeks of the quarter. The Shanghai Composite Index, which includes China's largest companies, dropped nearly 20% between June 12 and June 30 and erased more than \$1 trillion in paper wealth. Before its sharp decline, the Index was at a 7-year high and up roughly 150% from 12/31/2013.

### Separate Account Style Group Median Returns for Quarter Ended June 30, 2015



### Separate Account Style Group Median Returns for One Year Ended June 30, 2015



## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>International Large Cap Growth</b>	<b>\$1,151,978,733</b>	<b>15.84%</b>	<b>\$0</b>	<b>\$4,883,524</b>	<b>\$1,147,095,209</b>	<b>15.79%</b>
EARNEST Partners	529,954,678	7.29%	0	1,134,916	528,819,762	7.28%
William Blair	622,024,056	8.56%	0	3,748,609	618,275,447	8.51%
<b>International Large Cap Value</b>	<b>\$1,171,338,602</b>	<b>16.11%</b>	<b>\$291,092</b>	<b>\$16,543,584</b>	<b>\$1,154,503,926</b>	<b>15.89%</b>
Brandes	536,270,243	7.38%	295,445	14,662,259	521,312,539	7.17%
Lombardia	32,467,526	0.45%	(4,352)	1,404,970	31,066,908	0.43%
Mondrian	504,121,423	6.93%	0	(615,090)	504,736,513	6.95%
Lazard	98,479,410	1.35%	0	1,091,444	97,387,966	1.34%
<b>International LC Active Core</b>	<b>\$1,607,001,064</b>	<b>22.10%</b>	<b>\$0</b>	<b>\$20,373,023</b>	<b>\$1,586,628,040</b>	<b>21.84%</b>
Arrowstreet	553,837,131	7.62%	0	5,285,634	548,551,497	7.55%
Brown	285,390,988	3.93%	0	1,236,327	284,154,661	3.91%
GlobeFlex	521,716,410	7.18%	0	8,161,426	513,554,984	7.07%
Progress	246,056,534	3.38%	0	5,689,636	240,366,898	3.31%
<b>International LC Passive Core</b>	<b>\$2,271,994,490</b>	<b>31.25%</b>	<b>\$(75,000,000)</b>	<b>\$21,195,970</b>	<b>\$2,325,798,521</b>	<b>32.01%</b>
NTGI MSCI EAFE Index	2,271,994,490	31.25%	(75,000,000)	21,195,970	2,325,798,521	32.01%
<b>International Small Cap</b>	<b>\$422,287,465</b>	<b>5.81%</b>	<b>\$(766)</b>	<b>\$12,771,622</b>	<b>\$409,516,610</b>	<b>5.64%</b>
Franklin Templeton	197,654,589	2.72%	(766)	6,142,073	191,513,282	2.64%
William Blair	224,632,876	3.09%	0	6,629,548	218,003,327	3.00%
<b>Emerging Markets</b>	<b>\$646,068,936</b>	<b>8.89%</b>	<b>\$0</b>	<b>\$3,197,859</b>	<b>\$642,871,077</b>	<b>8.85%</b>
Genesis	646,068,936	8.89%	0	3,197,859	642,871,077	8.85%
<b>International Equity</b>	<b>\$7,270,669,290</b>	<b>100.0%</b>	<b>\$(74,709,674)</b>	<b>\$78,965,582</b>	<b>\$7,266,413,383</b>	<b>100.0%</b>

## International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Intl Large Cap Equity</b>	<b>1.00%</b>	<b>62</b>	<b>5.80%</b>	<b>70</b>	<b>(3.05%)</b>	<b>65</b>	<b>12.63%</b>	<b>50</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Intl Large Cap Growth</b>	<b>0.48%</b>	<b>79</b>	<b>3.61%</b>	<b>90</b>	<b>(2.95%)</b>	<b>65</b>	<b>11.51%</b>	<b>74</b>
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>EARNEST Partners</b>	<b>0.21%</b>	<b>85</b>	<b>0.99%</b>	<b>97</b>	<b>(7.04%)</b>	<b>91</b>	<b>9.66%</b>	<b>90</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Growth	0.74%	72	5.67%	73	(1.70%)	51	10.54%	83
EARNEST Partners - Net	0.17%	86	0.89%	97	(7.25%)	93	9.32%	91
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>William Blair</b>	<b>0.70%</b>	<b>73</b>	<b>5.95%</b>	<b>67</b>	<b>0.83%</b>	<b>12</b>	<b>13.19%</b>	<b>37</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Growth	0.74%	72	5.67%	73	(1.70%)	51	10.54%	83
William Blair - Net	0.62%	77	5.76%	72	0.46%	16	12.77%	48
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Intl Large Cap Value</b>	<b>1.43%</b>	<b>51</b>	<b>6.26%</b>	<b>59</b>	<b>(4.13%)</b>	<b>73</b>	<b>11.93%</b>	<b>67</b>
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Brandes</b>	<b>2.81%</b>	<b>17</b>	<b>8.80%</b>	<b>15</b>	<b>(3.17%)</b>	<b>67</b>	<b>13.58%</b>	<b>30</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Value	0.71%	73	2.97%	92	(7.98%)	94	9.25%	91
Brandes - Net	2.76%	19	8.69%	15	(3.38%)	69	13.32%	34
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Lombardia</b>	<b>4.52%</b>	<b>1</b>	<b>5.88%</b>	<b>69</b>	<b>(8.52%)</b>	<b>95</b>	<b>15.58%</b>	<b>7</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Value	0.71%	73	2.97%	92	(7.98%)	94	9.25%	91
Lombardia - Net	4.38%	1	5.57%	74	(9.07%)	96	14.96%	12
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Mondrian</b>	<b>(0.12%)</b>	<b>90</b>	<b>4.03%</b>	<b>86</b>	<b>(4.96%)</b>	<b>81</b>	<b>10.19%</b>	<b>86</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Value	0.71%	73	2.97%	92	(7.98%)	94	9.25%	91
Mondrian - Net	(0.24%)	91	3.77%	89	(5.44%)	85	9.63%	90
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Lazard</b>	<b>1.12%</b>	<b>58</b>	<b>4.65%</b>	<b>82</b>	<b>(3.46%)</b>	<b>71</b>	<b>12.18%</b>	<b>62</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Value	0.71%	73	2.97%	92	(7.98%)	94	9.25%	91
Lazard - Net	0.71%	73	4.16%	86	(4.02%)	73	11.32%	76
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	

## International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	<b>Last 5 Years</b>		<b>Last 10 Years</b>		<b>Since Inception</b>
<b>Intl Large Cap Equity</b>	<b>10.20%</b>	<b>58</b>	<b>6.29%</b>	<b>54</b>	<b>8.16%</b> (9/86)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	-
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Intl Large Cap Growth</b>	<b>9.81%</b>	<b>68</b>	<b>6.64%</b>	<b>42</b>	<b>9.39%</b> (9/02)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>EARNEST Partners</b>	<b>8.52%</b>	<b>85</b>	<b>9.58%</b>	<b>1</b>	<b>10.55%</b> (10/04)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.56% (10/04)
MSCI ACWI ex-US Growth	8.84%	82	6.37%	51	7.29% (10/04)
EARNEST Partners - Net	8.14%	87	9.08%	3	8.87% (1/05)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>William Blair</b>	<b>11.42%</b>	<b>24</b>	<b>7.44%</b>	<b>29</b>	<b>11.03%</b> (10/02)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	9.34% (10/02)
MSCI ACWI ex-US Growth	8.84%	82	6.37%	51	9.35% (10/02)
William Blair - Net	11.01%	39	7.02%	33	6.88% (1/05)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Intl Large Cap Value</b>	<b>8.79%</b>	<b>82</b>	<b>5.21%</b>	<b>89</b>	<b>9.70%</b> (10/95)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Brandes</b>	<b>9.62%</b>	<b>69</b>	<b>5.61%</b>	<b>77</b>	<b>10.00%</b> (1/96)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	5.35% (1/96)
MSCI ACWI ex-US Value	7.58%	93	5.91%	68	-
Brandes - Net	9.36%	71	5.32%	86	4.73% (1/05)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Lombardia</b>	-		-		<b>10.89%</b> (4/12)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.07% (4/12)
MSCI ACWI ex-US Value	7.58%	93	5.91%	68	5.94% (4/12)
Lombardia - Net	-		-		10.33% (4/12)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Mondrian</b>	-		-		<b>7.19%</b> (4/12)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.07% (4/12)
MSCI ACWI ex-US Value	7.58%	93	5.91%	68	5.94% (4/12)
Mondrian - Net	-		-		6.68% (4/12)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Lazard</b>	-		-		<b>9.24%</b> (4/12)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.07% (4/12)
MSCI ACWI ex-US Value	7.58%	93	5.91%	68	5.94% (4/12)
Lazard - Net	-		-		8.48% (4/12)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-

## International Equity Returns

The table below details the rates of return for the fund's international large cap core, international small cap, and emerging markets managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Intl Large Cap Active Core</b>	<b>1.30%</b>	<b>54</b>	<b>6.98%</b>	<b>43</b>	<b>(1.09%)</b>	<b>36</b>	<b>14.46%</b>	<b>19</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Arrowstreet</b>	<b>0.96%</b>	<b>63</b>	<b>7.48%</b>	<b>30</b>	<b>0.61%</b>	<b>14</b>	<b>15.63%</b>	<b>7</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
Arrowstreet - Net	0.85%	69	7.23%	36	0.14%	18	15.09%	11
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Brown</b>	<b>0.44%</b>	<b>80</b>	<b>8.41%</b>	<b>17</b>	<b>0.02%</b>	<b>21</b>	<b>17.54%</b>	<b>3</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
Brown - Net	0.38%	80	8.27%	19	(1.06%)	36	16.57%	4
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>GlobeFlex</b>	<b>1.64%</b>	<b>48</b>	<b>5.87%</b>	<b>70</b>	<b>(3.35%)</b>	<b>69</b>	<b>11.98%</b>	<b>66</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
GlobeFlex - Net	1.55%	50	5.65%	73	(3.74%)	72	11.52%	74
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Progress Intl Equity*</b>	<b>2.37%</b>	<b>25</b>	<b>5.57%</b>	<b>74</b>	<b>(2.23%)</b>	<b>57</b>	-	
Custom Benchmark	1.48%	50	5.47%	75	(3.73%)	72	-	
Progress Intl Equity - Net	2.24%	27	5.30%	77	(2.50%)	61	-	
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Intl Large Cap Pass. Core</b>	<b>0.82%</b>	<b>70</b>	<b>5.87%</b>	<b>70</b>	<b>(3.87%)</b>	<b>72</b>	<b>12.40%</b>	<b>55</b>
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>NTGI MSCI EAFE Idx</b>	<b>0.82%</b>	<b>70</b>	<b>5.87%</b>	<b>70</b>	<b>(3.87%)</b>	<b>72</b>	<b>12.40%</b>	<b>55</b>
MSCI EAFE Index	0.62%	77	5.52%	75	(4.22%)	73	11.97%	66
NTGI EAFE Idx - Net	0.82%	70	5.86%	70	(3.88%)	73	12.40%	55
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>International Small Cap</b>	<b>3.11%</b>	<b>72</b>	<b>7.68%</b>	<b>81</b>	<b>(1.01%)</b>	<b>63</b>	<b>14.07%</b>	<b>79</b>
ACWI Sm Cap ex US	4.22%	61	8.32%	77	(3.07%)	80	12.32%	83
CAI Int'l Small Cap Style	4.61%		10.78%		0.38%		17.42%	
<b>Franklin Templeton</b>	<b>3.20%</b>	<b>71</b>	<b>8.47%</b>	<b>76</b>	<b>(0.20%)</b>	<b>59</b>	<b>14.57%</b>	<b>77</b>
ACWI Sm Cap ex US	4.22%	61	8.32%	77	(3.07%)	80	12.32%	83
Franklin Templeton - Net	3.02%	75	8.08%	77	(0.93%)	63	13.73%	80
CAI Int'l Small Cap Style	4.61%		10.78%		0.38%		17.42%	
<b>William Blair</b>	<b>3.04%</b>	<b>74</b>	<b>7.00%</b>	<b>86</b>	<b>(1.71%)</b>	<b>70</b>	<b>13.65%</b>	<b>81</b>
ACWI Sm Cap ex US	4.22%	61	8.32%	77	(3.07%)	80	12.32%	83
Intl SC Blended Benchmark	4.22%	61	8.32%	77	(3.07%)	80	12.32%	83
William Blair - Net	2.85%	76	6.59%	90	(2.48%)	77	12.77%	82
CAI Int'l Small Cap Style	4.61%		10.78%		0.38%		17.42%	
<b>Emerging Markets</b>	<b>0.50%</b>	<b>70</b>	<b>0.91%</b>	<b>64</b>	<b>(7.87%)</b>	<b>72</b>	<b>5.40%</b>	<b>33</b>
MSCI Emerging Mkts Idx	0.82%	53	3.12%	35	(4.77%)	47	4.08%	50
CAI Emerg. Core	0.92%		2.33%		(5.40%)		4.08%	
<b>Genesis</b>	<b>0.50%</b>	<b>70</b>	<b>0.91%</b>	<b>64</b>	<b>(7.87%)</b>	<b>72</b>	<b>5.37%</b>	<b>34</b>
MSCI Emerging Markets Index	0.82%	53	3.12%	35	(4.77%)	47	4.08%	50
Genesis - Net	0.50%	70	0.76%	64	(8.28%)	76	4.84%	44
CAI Emerg. Core	0.92%		2.33%		(5.40%)		4.08%	

\* Custom benchmark is calculated as a weighted average of each fund's respective benchmark.



## International Equity Returns

The table below details the rates of return for the fund's international large cap core, international small cap, and emerging markets managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

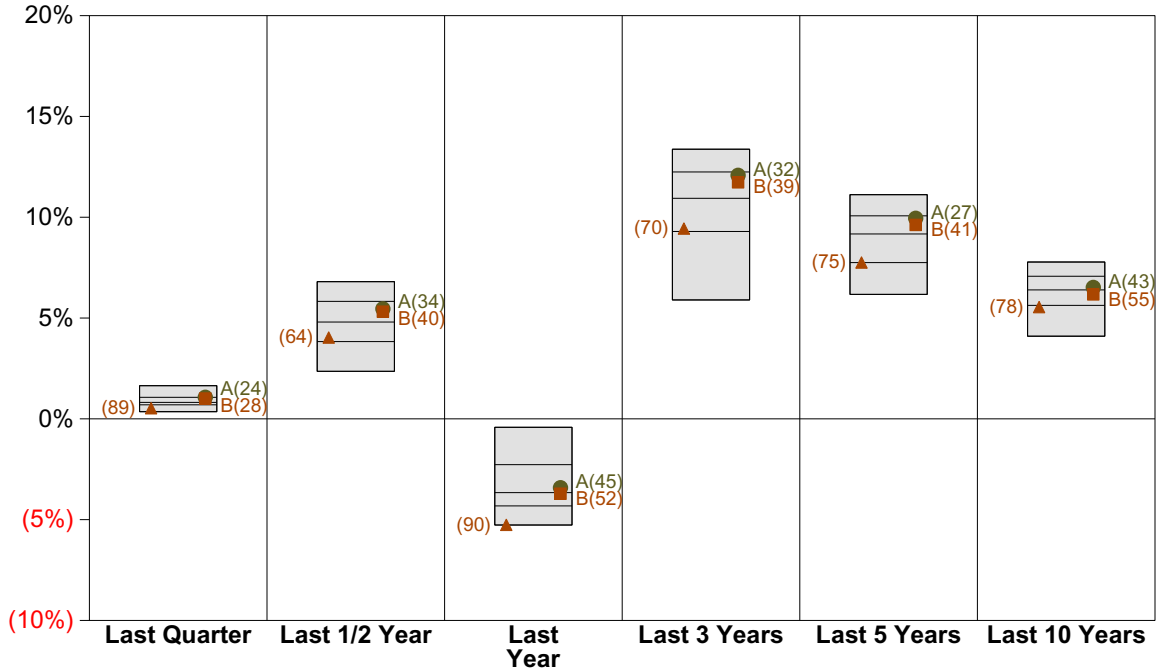
### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>Intl Large Cap Active Core</b>	<b>11.79%</b>	<b>19</b>	-		<b>4.26%</b> (2/08)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	1.32% (2/08)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Arrowstreet</b>	<b>12.08%</b>	<b>17</b>	-		<b>4.50%</b> (3/08)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	0.95% (3/08)
Arrowstreet - Net	11.56%	22	-		4.01% (3/08)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Brown</b>	<b>11.98%</b>	<b>18</b>	<b>7.96%</b>	<b>18</b>	<b>8.81%</b> (10/04)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.56% (10/04)
Brown - Net	11.21%	34	7.45%	29	7.07% (1/05)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>GlobeFlex</b>	<b>11.73%</b>	<b>19</b>	-		<b>4.50%</b> (3/06)
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	3.51% (3/06)
GlobeFlex - Net	11.26%	33	-		4.04% (3/06)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Progress Intl Equity*</b>	-		-		<b>(2.23%)</b> (7/14)
Custom Benchmark	-		-		<b>(3.73%)</b> (7/14)
Progress Intl Equity - Net	-		-		<b>(2.50%)</b> (7/14)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Intl Large Cap Pass. Core</b>	<b>9.95%</b>	<b>63</b>	<b>5.51%</b>	<b>80</b>	<b>3.21%</b> (1/00)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>NTGI MSCI EAFE Idx</b>	<b>9.95%</b>	<b>63</b>	<b>5.50%</b>	<b>80</b>	<b>3.66%</b> (2/00)
MSCI EAFE Index	9.54%	70	5.12%	90	3.27% (2/00)
NTGI EAFE Idx - Net	9.94%	63	5.50%	80	5.14% (1/05)
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>International Small Cap</b>	<b>12.62%</b>	<b>83</b>	-		<b>4.43%</b> (12/05)
ACWI Sm Cap ex US	9.72%	91	7.38%	82	6.49% (12/05)
CAI Int'l Small Cap Style	14.21%		9.08%		-
<b>Franklin Templeton</b>	-		-		<b>7.44%</b> (8/11)
ACWI Sm Cap ex US	9.72%	91	7.38%	82	4.41% (8/11)
Franklin Templeton - Net	-		-		6.69% (8/11)
CAI Int'l Small Cap Style	14.21%		9.08%		-
<b>William Blair</b>	-		-		<b>11.81%</b> (9/10)
ACWI Sm Cap ex US	9.72%	91	7.38%	82	8.71% (9/10)
Intl SC Blended Benchmark	10.04%	90	6.50%	86	9.40% (9/10)
William Blair - Net	-		-		10.97% (9/10)
CAI Int'l Small Cap Style	14.21%		9.08%		-
<b>Emerging Markets</b>	<b>6.11%</b>	<b>24</b>	<b>10.65%</b>	<b>15</b>	<b>9.49%</b> (2/92)
MSCI Emerging Mkts Idx	4.03%	59	8.46%	63	7.43% (2/92)
CAI Emerg. Core	4.76%		9.09%		-
<b>Genesis</b>	<b>6.09%</b>	<b>24</b>	<b>10.66%</b>	<b>15</b>	<b>12.89%</b> (5/04)
MSCI Emerging Markets Index	4.03%	59	8.46%	63	10.31% (5/04)
Genesis - Net	5.51%	30	10.03%	23	10.47% (1/05)
CAI Emerg. Core	4.76%		9.09%		-

\* Custom benchmark is calculated as a weighted average of each fund's respective benchmark.

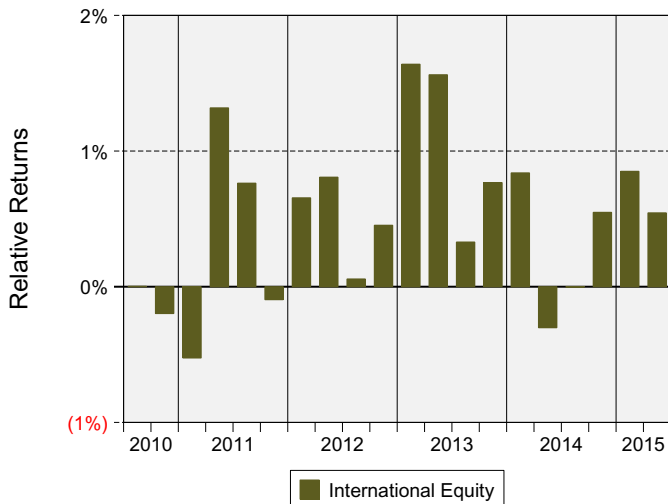
**International Equity**  
**Period Ended June 30, 2015**

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

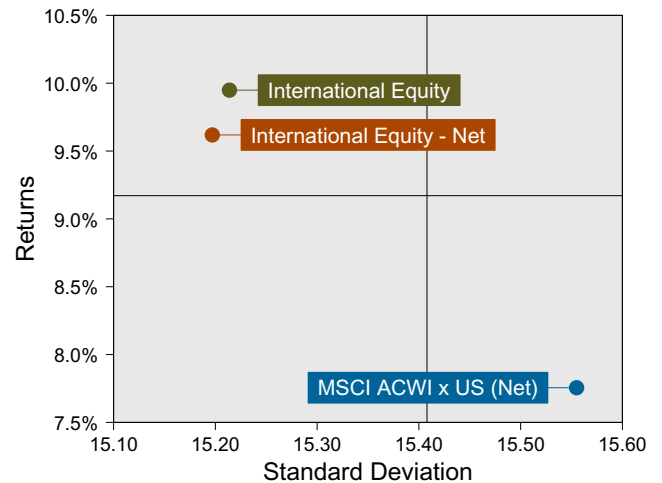


10th Percentile	1.64	6.80	(0.42)	13.37	11.12	7.78
25th Percentile	1.07	5.83	(2.27)	12.25	10.07	7.07
Median	0.82	4.80	(3.66)	10.94	9.17	6.40
75th Percentile	0.70	3.83	(4.32)	9.29	7.75	5.63
90th Percentile	0.35	2.36	(5.27)	5.90	6.17	4.10
International Equity ● A	1.07	5.46	(3.42)	12.08	9.95	6.52
International Equity - Net ■ B	1.01	5.31	(3.71)	11.73	9.62	6.17
MSCI ACWI x US (Net) ▲	0.53	4.03	(5.26)	9.44	7.76	5.54

**Relative Return vs MSCI ACWI x US (Net)**



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

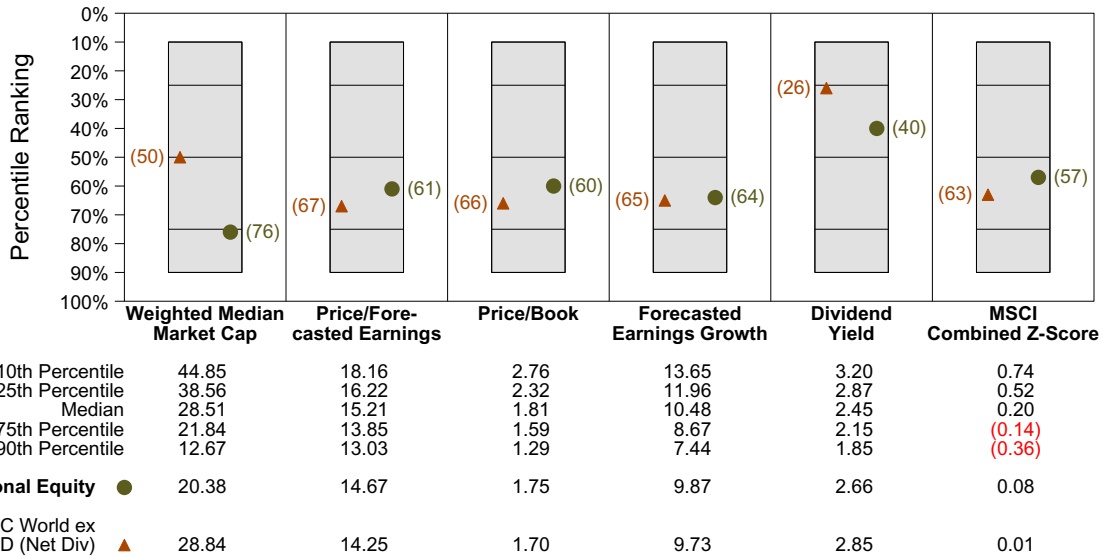


# International Equity Equity Characteristics Analysis Summary

## Portfolio Characteristics

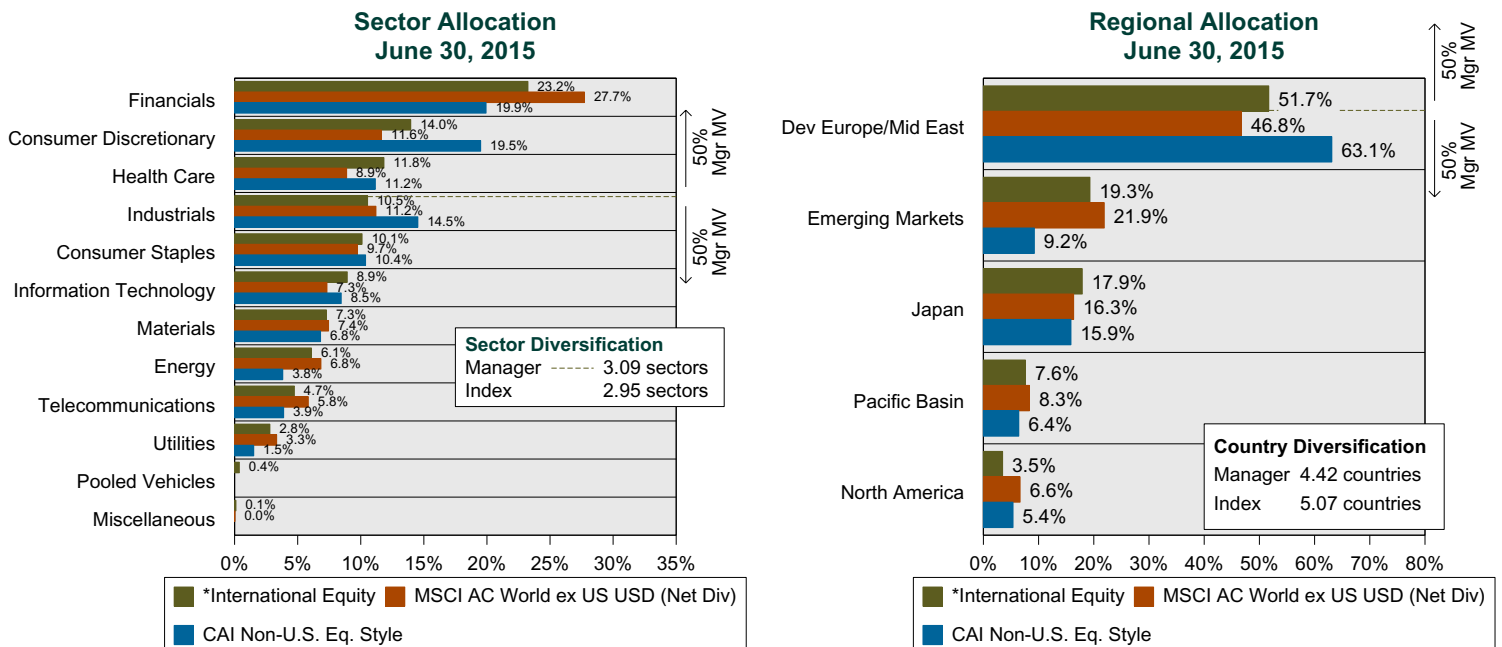
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of June 30, 2015



## 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.

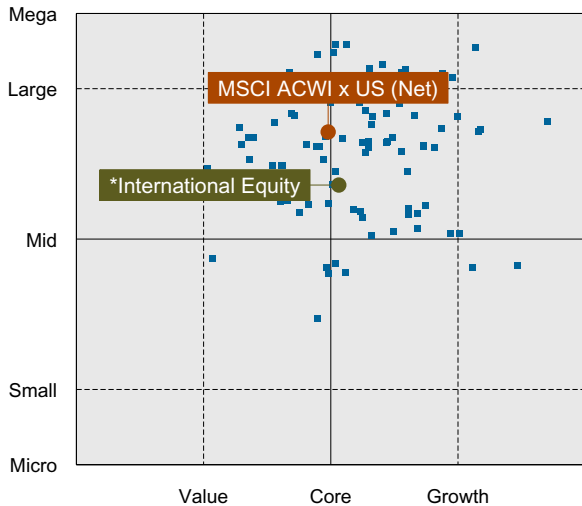


\*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

# Current Holdings Based Style Analysis International Equity As of June 30, 2015

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

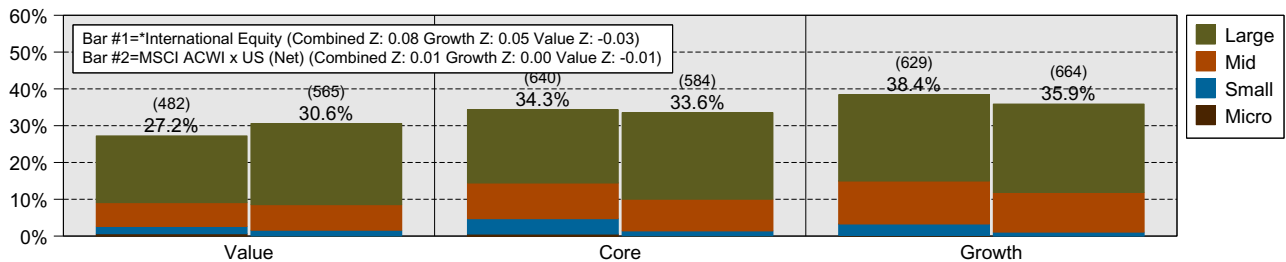
**Style Map vs CAI Non-U.S. Eq. Style Holdings as of June 30, 2015**



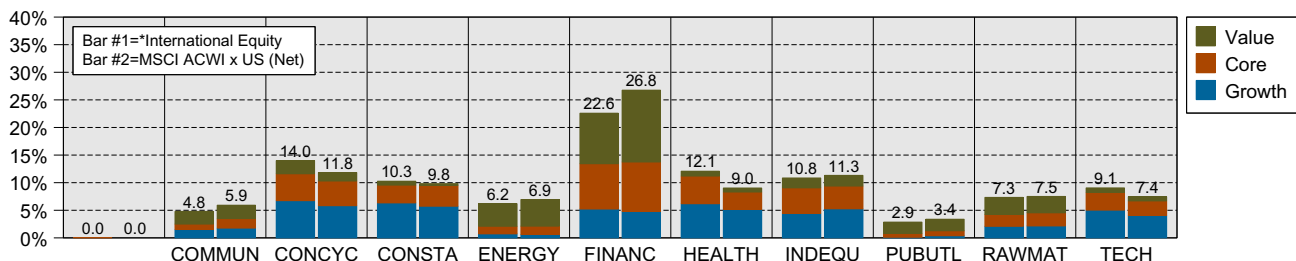
**Style Exposure Matrix Holdings as of June 30, 2015**

	Value	Core	Growth	Total
Large	18.1% (130)	19.9% (147)	23.5% (175)	61.5% (452)
	22.0% (138)	23.6% (140)	24.0% (169)	69.6% (447)
Mid	6.5% (193)	9.7% (260)	11.7% (298)	27.9% (751)
	7.0% (259)	8.6% (303)	10.8% (378)	26.4% (940)
Small	2.0% (120)	4.2% (194)	3.1% (141)	9.2% (455)
	1.6% (165)	1.4% (140)	1.1% (117)	4.0% (422)
Micro	0.6% (39)	0.6% (39)	0.2% (15)	1.4% (93)
	0.0% (3)	0.0% (1)	0.0% (0)	0.1% (4)
<b>Total</b>	<b>27.2% (482)</b>	<b>34.3% (640)</b>	<b>38.4% (629)</b>	<b>100.0% (1751)</b>
	<b>30.6% (565)</b>	<b>33.6% (584)</b>	<b>35.9% (664)</b>	<b>100.0% (1813)</b>

## Combined Z-Score Style Distribution Holdings as of June 30, 2015



## Sector Weights Distribution Holdings as of June 30, 2015

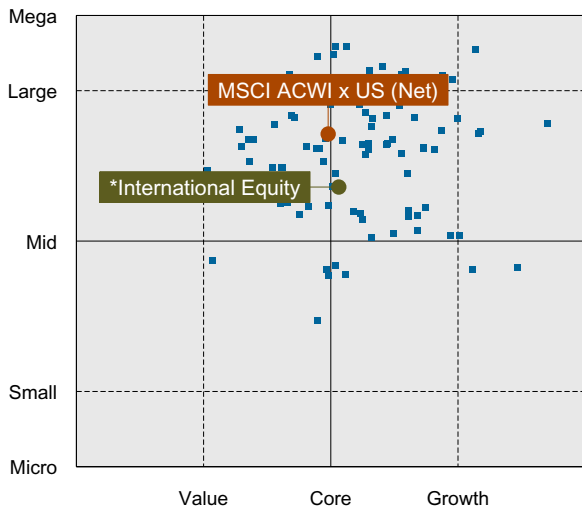


\*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

# Current Holdings Based Style Analysis International Equity As of June 30, 2015

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

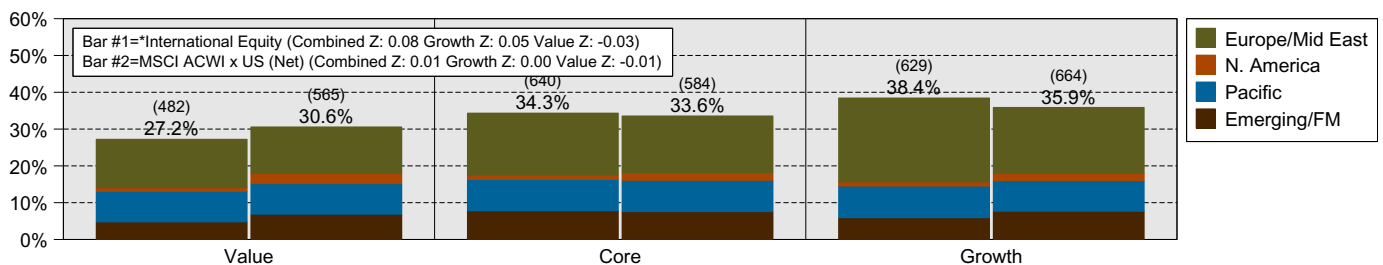
**Style Map vs CAI Non-U.S. Eq. Style Holdings as of June 30, 2015**



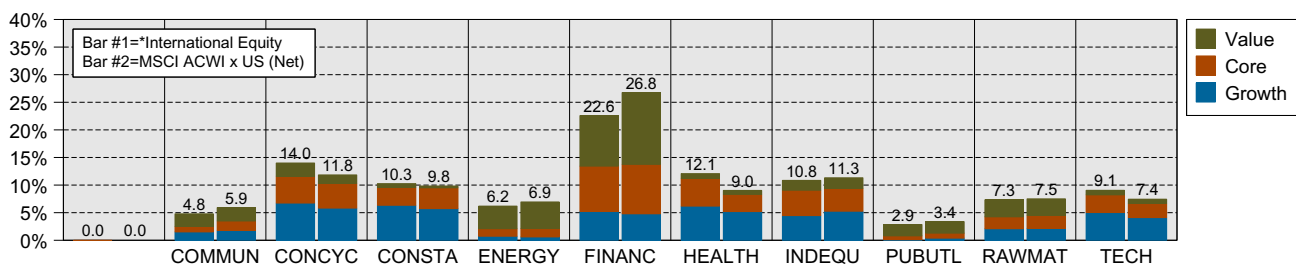
**Style Exposure Matrix Holdings as of June 30, 2015**

	Value	Core	Growth	Total
Europe/ Mid East	13.1% (157)	16.8% (225)	22.8% (288)	52.7% (670)
N. America	12.6% (119)	15.4% (130)	17.9% (202)	45.8% (451)
Pacific	1.0% (20)	1.2% (25)	1.2% (31)	3.4% (76)
Emerging/ FM	2.8% (39)	2.1% (31)	2.0% (26)	6.9% (96)
<b>Total</b>	<b>27.2% (482)</b>	<b>34.3% (640)</b>	<b>38.4% (629)</b>	<b>100.0% (1751)</b>
	30.6% (565)	33.6% (584)	35.9% (664)	100.0% (1813)

**Combined Z-Score Style Distribution Holdings as of June 30, 2015**



**Sector Weights Distribution Holdings as of June 30, 2015**



\*6/30/15 portfolio characteristics generated using most recently available holdings (3/31/15) 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.

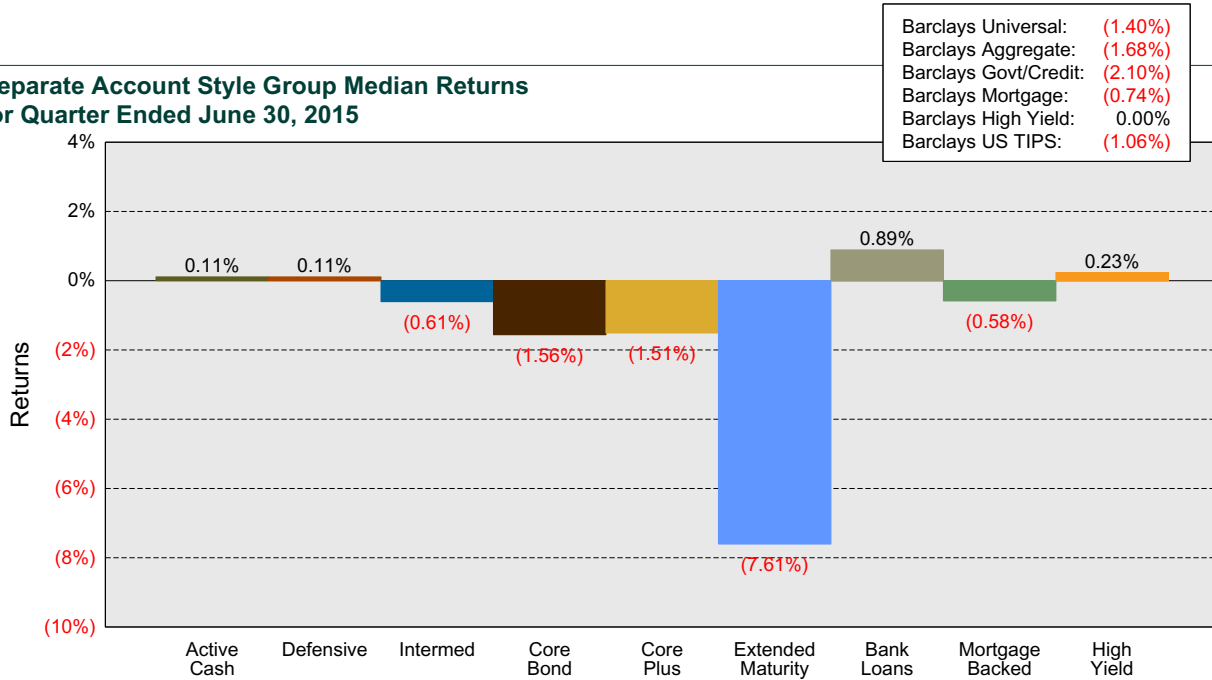
Total Fixed Income

## Domestic Fixed Income Active Management Overview

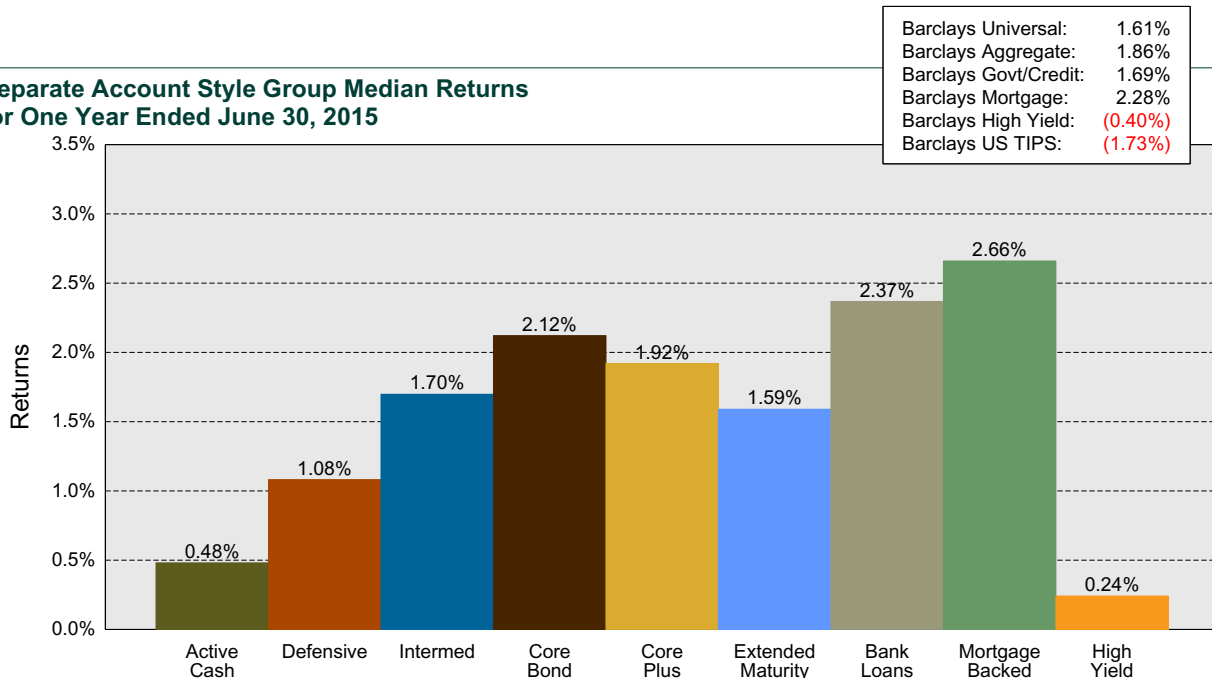
Interest rates rose in the 2nd quarter and the yield curve steepened. In the U.S., the 30-year Treasury yield climbed roughly 60 bps during the quarter, resulting in a 10.4% loss for the long bond. The yield on the 10-year Treasury rose 40 bps, closing at 2.35%, and the Treasury note posted a -3.0% return. Two-year Treasury rates increased a much more modest 8 bps and eked out a +0.1% quarterly result. The Barclays U.S. Aggregate Index returned -1.7% in the 2nd quarter, erasing most of its 1st quarter gains. The benchmark is off 0.1% for the first half of the year. Within the Aggregate Index, corporates underperformed like-duration U.S. Treasuries by 90 bps as spreads widened. Mortgages performed in line with Treasuries for the quarter. High yield was a lonely "bright" spot in the fixed income markets with a flat return for the quarter as the sector's yield advantage offset the negative effects of spread widening and higher rates.

Longer duration managers underperformed intermediate and short duration strategies in the 2nd quarter as interest rates rose and the yield curve steepened. The median Extended Maturity manager returned -7.61% while the median Intermediate manager posted a -0.61% return and the median Defensive manager returned 0.11%.

**Separate Account Style Group Median Returns  
for Quarter Ended June 30, 2015**



**Separate Account Style Group Median Returns  
for One Year Ended June 30, 2015**

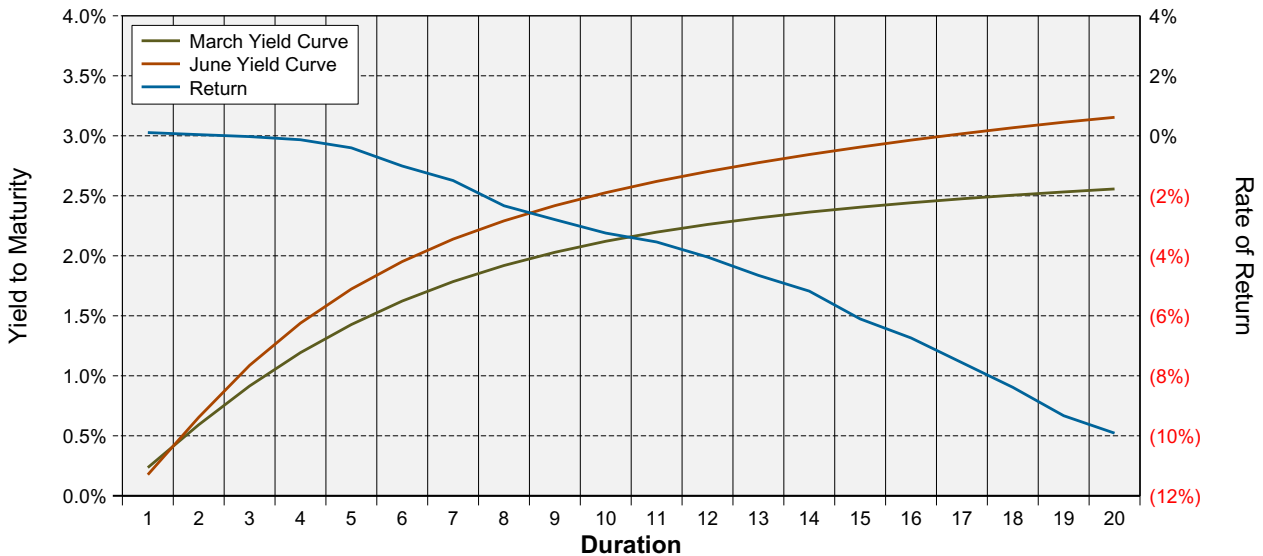


## Bond Market Environment

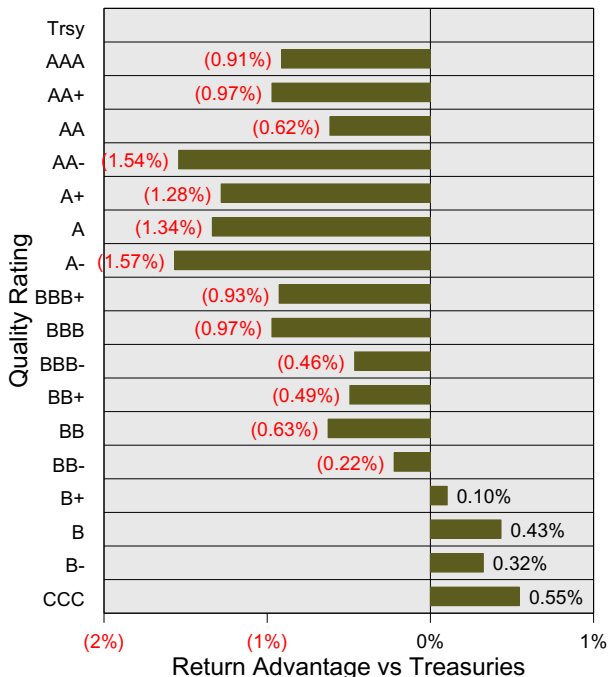
### Factors Influencing Bond Returns

The charts below are designed to give you an overview of the factors that influenced bond market returns for the quarter. The first chart shows the shift in the Treasury yield curve and the resulting returns by duration. The second chart shows the average return premium (relative to Treasuries) for bonds with different quality ratings. The final chart shows the average return premium of the different sectors relative to Treasuries. These sector premiums are calculated after differences in quality and term structure have been accounted for across the sectors. They are typically explained by differences in convexity, sector specific supply and demand considerations, or other factors that influence the perceived risk of the sector.

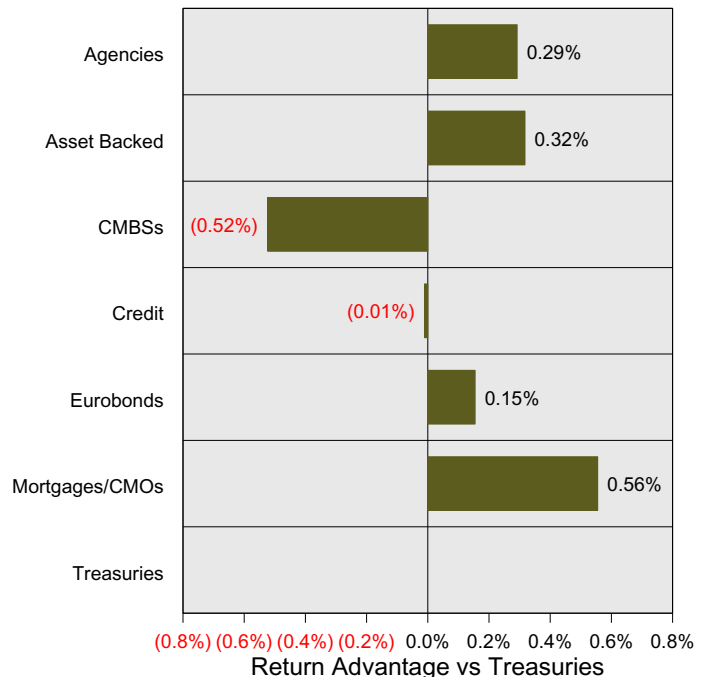
### Yield Curve Change and Rate of Return One Quarter Ended June 30, 2015



### Duration Adjusted Return Premium to Quality One Quarter Ended June 30, 2015



### Quality and Duration Adjusted Return Premium by Sector One Quarter Ended June 30, 2015





## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Domestic Fixed Active Core</b>	<b>\$1,207,220,647</b>	<b>12.90%</b>	<b>\$89,186,088</b>	<b>\$(16,888,317)</b>	<b>\$1,134,922,877</b>	<b>12.03%</b>
EARNEST Partners	558,850,919	5.97%	(5,979,745)	(8,436,744)	573,267,409	6.08%
Piedmont	550,026,741	5.88%	(4,536,378)	(7,092,349)	561,655,468	5.95%
Garcia Hamilton	98,342,987	1.05%	99,702,211	(1,359,224)	-	-
<b>Domestic Fixed Passive Core</b>	<b>\$2,807,817,983</b>	<b>30.01%</b>	<b>\$0</b>	<b>\$(47,463,141)</b>	<b>\$2,855,281,124</b>	<b>30.27%</b>
NTGI BC Aggregate Index	1,460,895,604	15.61%	0	(24,732,339)	1,485,627,942	15.75%
BlackRock US Debt	1,346,922,379	14.40%	0	(22,730,802)	1,369,653,181	14.52%
<b>Domestic Fixed Core Plus</b>	<b>\$4,246,134,055</b>	<b>45.38%</b>	<b>\$(30,487,082)</b>	<b>\$(66,056,244)</b>	<b>\$4,342,677,381</b>	<b>46.04%</b>
BlackRock Core Plus	743,026,306	7.94%	(5,093,951)	(10,998,644)	759,118,902	8.05%
LM Capital	862,433,912	9.22%	(9,397,319)	(11,803,263)	883,634,495	9.37%
Progress Fixed Income	617,941,656	6.60%	0	(10,585,477)	628,527,133	6.66%
Taplin, Canida, & Habacht	860,855,536	9.20%	(7,317,789)	(15,231,320)	883,404,644	9.37%
Western	1,161,876,645	12.42%	(8,678,023)	(17,437,540)	1,187,992,208	12.60%
<b>Bank Loans</b>						
Babson	179,066,605	1.91%	0	1,692,116	177,374,489	1.88%
<b>Emerging Markets Debt</b>						
Standish	178,811,943	1.91%	0	45,272	178,766,672	1.90%
<b>Opportunistic Fixed Income</b>						
Crescent	122,129,639	1.31%	(1,699,830)	1,626,100	122,203,369	1.30%
<b>High Yield</b>	<b>\$615,272,477</b>	<b>6.58%</b>	<b>\$(11,513,554)</b>	<b>\$6,318,900</b>	<b>\$620,467,130</b>	<b>6.58%</b>
MacKay Shields	606,910,213	6.49%	(11,513,511)	5,674,024	612,749,699	6.50%
Pyramis High Yield	8,362,264	0.09%	(43)	644,876	7,717,431	0.08%
<b>Total Fixed Income</b>	<b>\$9,356,453,349</b>	<b>100.0%</b>	<b>\$45,485,622</b>	<b>\$(120,725,315)</b>	<b>\$9,431,693,042</b>	<b>100.0%</b>

Taplin, Canida, Habacht moved to a core plus strategy effective 10/01/2010.

## Total Fixed Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Total Fixed Income</b>	<b>(1.27%)</b>	58	<b>0.44%</b>	45	<b>1.60%</b>	50	<b>3.08%</b>	32
BC Aggregate Index	(1.68%)	85	(0.10%)	85	1.86%	38	1.83%	72
Pub Pln- Dom Fixed	(1.21%)		0.39%		1.60%		2.33%	
<b>Dom. Fixed Active Core</b>	<b>(1.40%)</b>	17	<b>0.49%</b>	13	<b>2.45%</b>	20	<b>2.58%</b>	40
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>EARNEST Partners</b>	<b>(1.48%)</b>	27	<b>0.20%</b>	45	<b>2.97%</b>	1	<b>2.58%</b>	40
BC Aggregate Index	(1.68%)	74	(0.10%)	85	1.86%	74	1.83%	93
EARNEST Partners - Net	(1.53%)	39	0.10%	56	2.76%	6	2.37%	60
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>Piedmont</b>	<b>(1.27%)</b>	12	<b>0.83%</b>	3	<b>1.97%</b>	63	<b>2.60%</b>	40
BC Aggregate Index	(1.68%)	74	(0.10%)	85	1.86%	74	1.83%	93
Piedmont - Net	(1.27%)	12	0.79%	3	1.85%	75	2.43%	54
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>Dom. Fixed Passive Core</b>	<b>(1.66%)</b>	70	<b>(0.06%)</b>	83	<b>1.98%</b>	62	<b>1.86%</b>	92
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>NTGI BC Agg. Index</b>	<b>(1.66%)</b>	71	<b>(0.05%)</b>	81	<b>1.96%</b>	64	<b>1.86%</b>	92
BC Aggregate Index	(1.68%)	74	(0.10%)	85	1.86%	74	1.83%	93
NTGI BC Agg. Index - Net	(1.67%)	71	(0.05%)	82	1.96%	67	1.86%	92
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>BlackRock US Debt</b>	<b>(1.66%)</b>	70	<b>(0.06%)</b>	83	<b>1.99%</b>	60	-	
BC Aggregate Index	(1.68%)	74	(0.10%)	85	1.86%	74	1.83%	93
BlackRock US Debt -Net	(1.66%)	70	(0.07%)	84	1.99%	61	-	
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	

## Total Fixed Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>Total Fixed Income</b>	<b>4.69%</b>	<b>34</b>	<b>5.35%</b>	<b>30</b>	<b>8.76%</b> <sup>(1/82)</sup>
BC Aggregate Index	3.35%	74	4.44%	71	8.25% <sup>(1/82)</sup>
Pub Pln- Dom Fixed	4.33%		4.98%		-
<b>Dom. Fixed Active Core</b>	<b>4.26%</b>	<b>34</b>	<b>4.82%</b>	<b>68</b>	<b>4.89%</b> <sup>(4/01)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>EARNEST Partners</b>	<b>4.26%</b>	<b>34</b>	<b>4.95%</b>	<b>50</b>	<b>5.01%</b> <sup>(5/05)</sup>
BC Aggregate Index	3.35%	94	4.44%	89	4.53% <sup>(5/05)</sup>
EARNEST Partners - Net	4.05%	44	4.73%	79	4.80% <sup>(5/05)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>Piedmont</b>	<b>4.18%</b>	<b>36</b>	<b>4.72%</b>	<b>79</b>	<b>4.74%</b> <sup>(6/05)</sup>
BC Aggregate Index	3.35%	94	4.44%	89	4.46% <sup>(6/05)</sup>
Piedmont - Net	4.01%	46	4.52%	89	4.54% <sup>(6/05)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>Dom. Fixed Passive Core</b>	<b>3.36%</b>	<b>94</b>	<b>4.39%</b>	<b>90</b>	<b>6.37%</b> <sup>(1/90)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>NTGI BC Agg. Index</b>	<b>3.37%</b>	<b>94</b>	<b>4.40%</b>	<b>90</b>	<b>6.44%</b> <sup>(2/90)</sup>
BC Aggregate Index	3.35%	94	4.44%	89	6.43% <sup>(2/90)</sup>
NTGI BC Agg. Index - Net	3.36%	94	4.39%	90	4.43% <sup>(1/05)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>BlackRock US Debt</b>	-		-		<b>3.41%</b> <sup>(10/13)</sup>
BC Aggregate Index	3.35%	94	4.44%	89	3.23% <sup>(10/13)</sup>
BlackRock US Debt -Net	-		-		3.41% <sup>(10/13)</sup>
CAI Core Bond Style	3.97%		4.94%		-

## Total Fixed Income Returns

The table below details the rates of return for the fund's domestic, international and high yield fixed income managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Domestic Fixed Core Plus</b>	<b>(1.53%)</b>	<b>59</b>	<b>0.11%</b>	<b>76</b>	<b>1.79%</b>	<b>60</b>	<b>3.07%</b>	<b>62</b>
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	
<b>BlackRock Core Plus</b>	<b>(1.46%)</b>	<b>45</b>	<b>0.32%</b>	<b>54</b>	<b>2.30%</b>	<b>19</b>	<b>2.51%</b>	<b>93</b>
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
BlackRock Core Plus - Net	(1.46%)	45	0.31%	56	2.14%	32	2.31%	97
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	
<b>LM Capital</b>	<b>(1.35%)</b>	<b>36</b>	<b>0.40%</b>	<b>47</b>	<b>1.88%</b>	<b>53</b>	<b>2.86%</b>	<b>74</b>
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
LM Capital - Net	(1.39%)	41	0.32%	55	1.72%	65	2.70%	80
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	
<b>Progress Fixed Income</b>	<b>(1.68%)</b>	<b>84</b>	<b>0.18%</b>	<b>70</b>	<b>1.64%</b>	<b>68</b>	<b>2.88%</b>	<b>74</b>
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
Progress Fixed Inc. - Net	(1.77%)	91	(0.00%)	82	1.29%	79	2.52%	93
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	
<b>Taplin, Canida, Habacht</b>	<b>(1.74%)</b>	<b>91</b>	<b>(0.19%)</b>	<b>97</b>	<b>1.35%</b>	<b>79</b>	<b>3.60%</b>	<b>29</b>
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
Taplin, Canida, Hab. - Net	(1.77%)	91	(0.26%)	97	1.22%	82	3.47%	33
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	
<b>Western</b>	<b>(1.48%)</b>	<b>45</b>	<b>0.53%</b>	<b>31</b>	<b>2.47%</b>	<b>6</b>	<b>3.51%</b>	<b>31</b>
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
Western - Net	(1.51%)	50	0.46%	34	2.33%	16	3.37%	39
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	
<b>Bank Loans</b>	<b>0.95%</b>		<b>3.22%</b>		-		-	
Babson	0.95%		3.22%		-		-	
Custom Benchmark	0.86%		2.98%		-		-	
Babson - Net	0.95%		3.22%		-		-	
<b>Emerging Markets</b>	<b>0.03%</b>		<b>(1.01%)</b>		-		-	
Standish	0.03%		(1.01%)		-		-	
Custom Benchmark	(0.16%)		(1.02%)		(7.96%)		0.12%	
Standish - Net	(0.06%)		(1.19%)		-		-	
<b>Opportunistic Fixed Income</b>	<b>1.35%</b>		<b>3.57%</b>		-		-	
Crescent	1.35%		3.57%		-		-	
Custom Benchmark	0.32%		2.66%		0.63%		5.85%	
Crescent - Net	1.35%		3.57%		-		-	
<b>High Yield</b>	<b>1.01%</b>	<b>10</b>	<b>4.06%</b>	<b>4</b>	<b>1.08%</b>	<b>29</b>	<b>7.02%</b>	<b>51</b>
CAI High Yield F-I Style	0.23%		2.84%		0.24%		7.06%	
<b>MacKay Shields</b>	<b>0.92%</b>	<b>10</b>	<b>3.83%</b>	<b>8</b>	<b>1.02%</b>	<b>29</b>	<b>6.89%</b>	<b>58</b>
ML High Yield Cash Pay Index	(0.04%)	77	2.49%	76	(0.53%)	71	6.74%	65
MacKay Shields - Net	0.83%	12	3.65%	14	0.67%	37	6.49%	76
CAI High Yield F-I Style	0.23%		2.84%		0.24%		7.06%	

Taplin, Canida, Habacht switched from core to core plus effective 10/01/2010.

## Total Fixed Income Returns

The table below details the rates of return for the fund's domestic, international and high yield fixed income managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

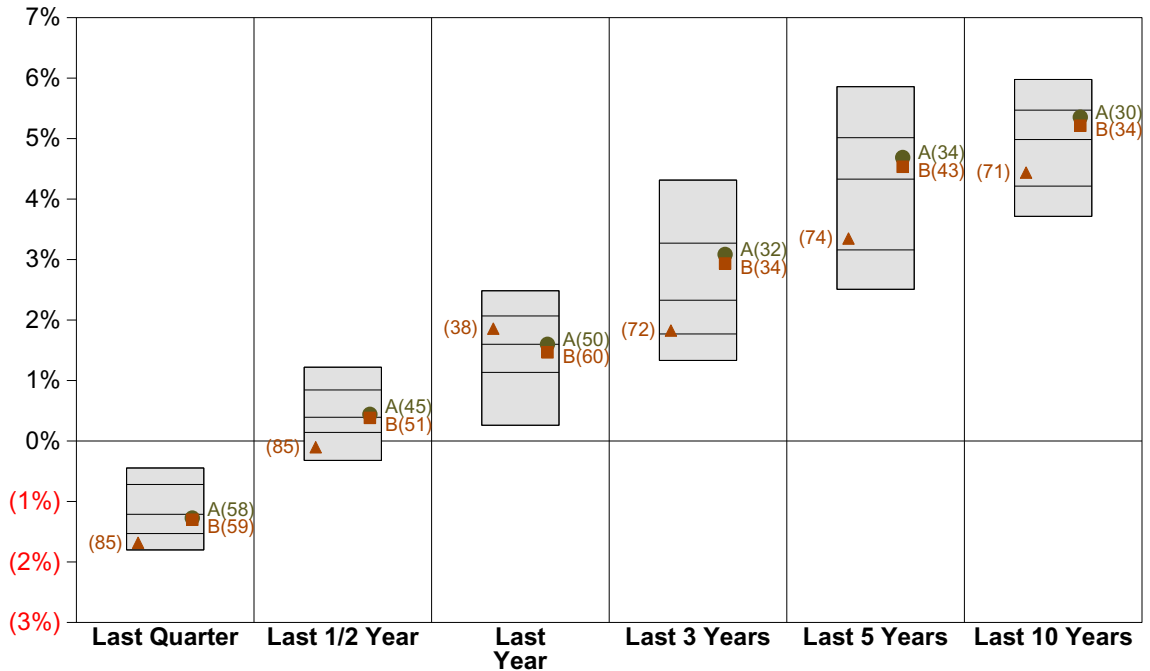
### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>Domestic Fixed Core Plus</b>	<b>4.75%</b>	<b>58</b>	<b>5.12%</b>	<b>74</b>	<b>8.58%</b> (1/82)
BC Aggregate Index	3.35%	100	4.44%	93	8.25% (1/82)
CAI FI Core Plus Style	4.97%		5.42%		-
<b>BlackRock Core Plus</b>	<b>4.26%</b>	<b>87</b>	-		<b>5.21%</b> (4/07)
BC Aggregate Index	3.35%	100	4.44%	93	4.68% (4/07)
BlackRock Core Plus - Net	4.10%	93	-		5.08% (4/07)
CAI FI Core Plus Style	4.97%		5.42%		-
<b>LM Capital</b>	<b>4.51%</b>	<b>73</b>	<b>5.32%</b>	<b>55</b>	<b>5.38%</b> (5/05)
BC Aggregate Index	3.35%	100	4.44%	93	4.53% (5/05)
LM Capital - Net	4.35%	83	5.15%	74	5.21% (5/05)
CAI FI Core Plus Style	4.97%		5.42%		-
<b>Progress Fixed Income</b>	<b>4.24%</b>	<b>89</b>	-		<b>5.40%</b> (1/06)
BC Aggregate Index	3.35%	100	4.44%	93	4.69% (1/06)
Progress Fixed Inc. - Net	3.87%	100	-		5.05% (1/06)
CAI FI Core Plus Style	4.97%		5.42%		-
<b>Taplin, Canida, Habacht</b>	<b>5.05%</b>	<b>43</b>	<b>5.26%</b>	<b>62</b>	<b>5.31%</b> (5/05)
BC Aggregate Index	3.35%	100	4.44%	93	4.53% (5/05)
Taplin, Canida, Hab. - Net	4.92%	52	5.13%	74	5.19% (5/05)
CAI FI Core Plus Style	4.97%		5.42%		-
<b>Western</b>	<b>5.30%</b>	<b>33</b>	<b>5.30%</b>	<b>57</b>	<b>5.78%</b> (11/01)
BC Aggregate Index	3.35%	100	4.44%	93	4.63% (11/01)
Western - Net	5.15%	38	5.12%	74	5.16% (1/05)
CAI FI Core Plus Style	4.97%		5.42%		-
<b>Bank Loans</b>	-		-		<b>2.38%</b> (8/14)
Babson	-		-		2.38% (8/14)
Custom Benchmark	-		-		2.43% (8/14)
Babson - Net	-		-		2.38% (8/14)
<b>Emerging Markets</b>	-		-		<b>(4.38%)</b> (8/14)
Standish	-		-		(4.38%) (8/14)
Custom Benchmark	3.62%		6.42%		(7.41%) (8/14)
Standish - Net	-		-		(4.61%) (8/14)
<b>Opportunistic Fixed Income</b>	-		-		<b>1.06%</b> (9/14)
Crescent	-		-		1.06% (9/14)
Custom Benchmark	6.93%		6.38%		0.48% (9/14)
Crescent - Net	-		-		1.06% (9/14)
<b>High Yield</b>	<b>8.62%</b>	<b>58</b>	<b>8.13%</b>	<b>33</b>	<b>9.96%</b> (4/86)
CAI High Yield F-I Style	8.76%		7.90%		-
<b>MacKay Shields</b>	<b>8.62%</b>	<b>58</b>	<b>7.78%</b>	<b>56</b>	<b>9.40%</b> (11/00)
ML High Yield Cash Pay Index	8.38%	69	7.67%	60	8.03% (11/00)
MacKay Shields - Net	8.23%	76	7.40%	70	7.08% (1/05)
CAI High Yield F-I Style	8.76%		7.90%		-

Taplin, Canida, Habacht switched from core to core plus effective 10/01/2010.

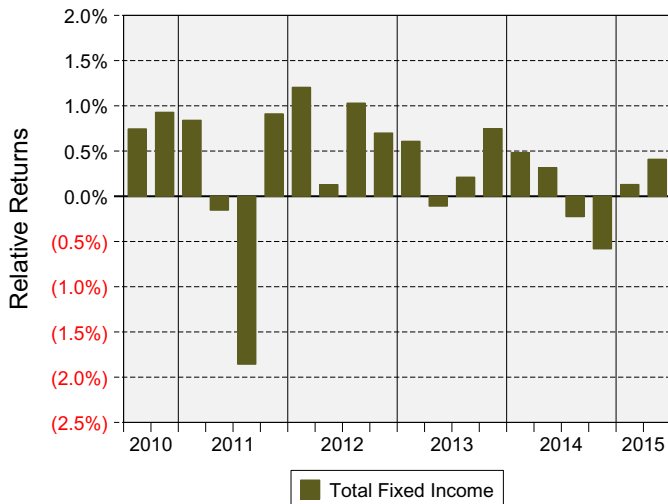
# Total Fixed Income Period Ended June 30, 2015

## Performance vs Public Fund - Domestic Fixed (Gross)

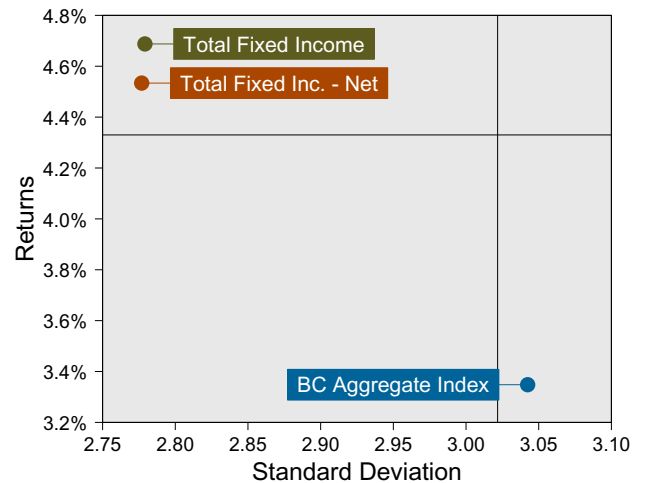


10th Percentile	(0.45)	1.22	2.48	4.31	5.86	5.98
25th Percentile	(0.72)	0.84	2.07	3.27	5.01	5.47
Median	(1.21)	0.39	1.60	2.33	4.33	4.98
75th Percentile	(1.53)	0.14	1.13	1.77	3.16	4.21
90th Percentile	(1.80)	(0.32)	0.26	1.33	2.51	3.71
Total Fixed Income	● A (1.27)	0.44	1.60	3.08	4.69	5.35
Total Fixed Inc. - Net	■ B (1.30)	0.38	1.47	2.93	4.53	5.21
BC Aggregate Index	▲ (1.68)	(0.10)	1.86	1.83	3.35	4.44

### Relative Return vs BC Aggregate Index



### Public Fund - Domestic Fixed (Gross) Annualized Five Year Risk vs Return

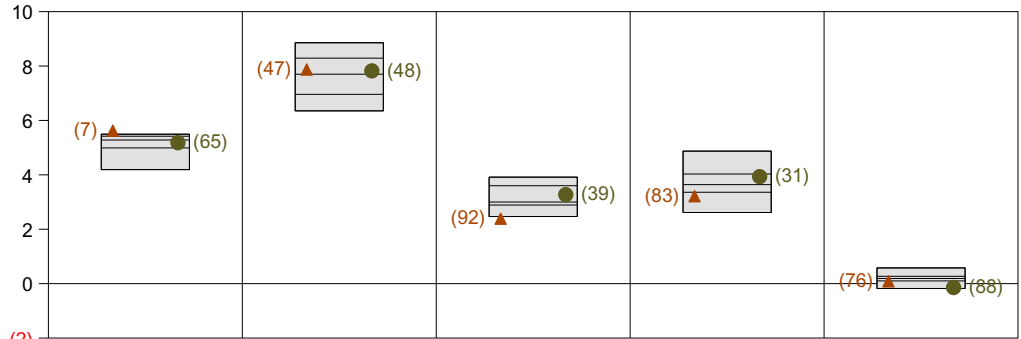


# Total Fixed Income Bond Characteristics Analysis Summary

## 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 Plus Style as of June 30, 2015

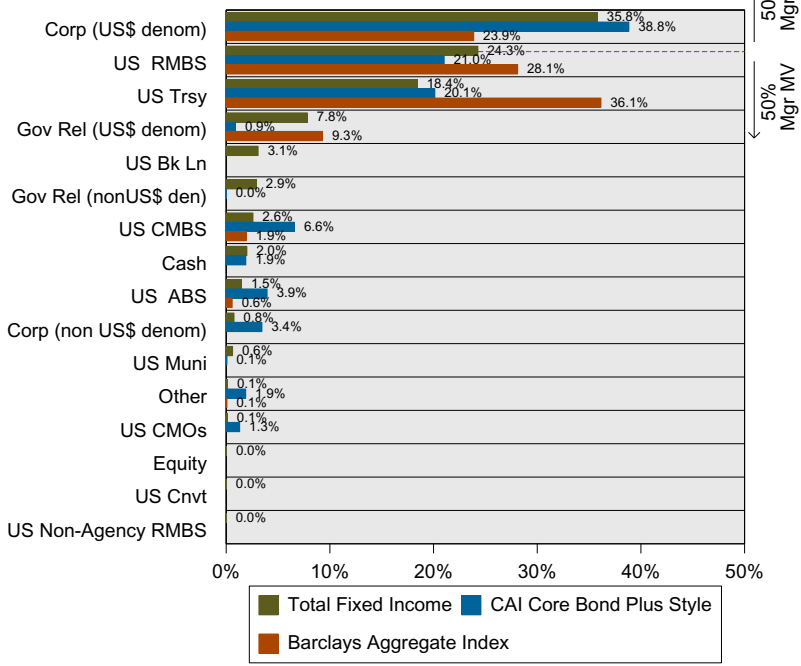


	Duration	Average Life	Effective Yield	Coupon Rate	OA Convexity
10th Percentile	5.49	8.86	3.92	4.87	0.58
25th Percentile	5.42	8.29	3.60	4.03	0.27
Median	5.28	7.70	3.00	3.64	0.19
75th Percentile	4.99	6.96	2.89	3.36	0.10
90th Percentile	4.19	6.35	2.47	2.62	0.18
<b>Total Fixed Income</b> ●	5.18	7.82	3.27	3.93	0.14
Barclays Aggregate Index ▲	5.63	7.87	2.39	3.22	0.09

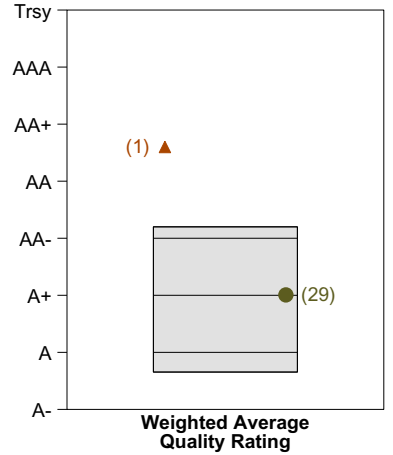
## Sector Allocation and Quality Ratings

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, 2015



### Quality Ratings vs CAI Core Bond Plus Style



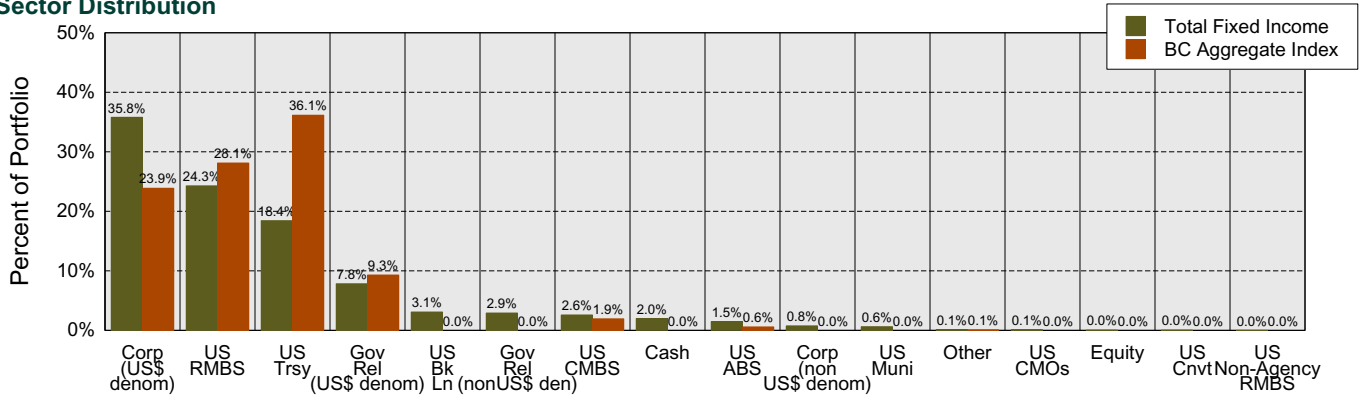
	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
<b>Total Fixed Income</b> ●	AA-	AA-	A+	A	A
Barclays Aggregate Index ▲	A+	AA+	AA+	AA+	AA+

# Total Fixed Income Portfolio Characteristics Summary As of June 30, 2015

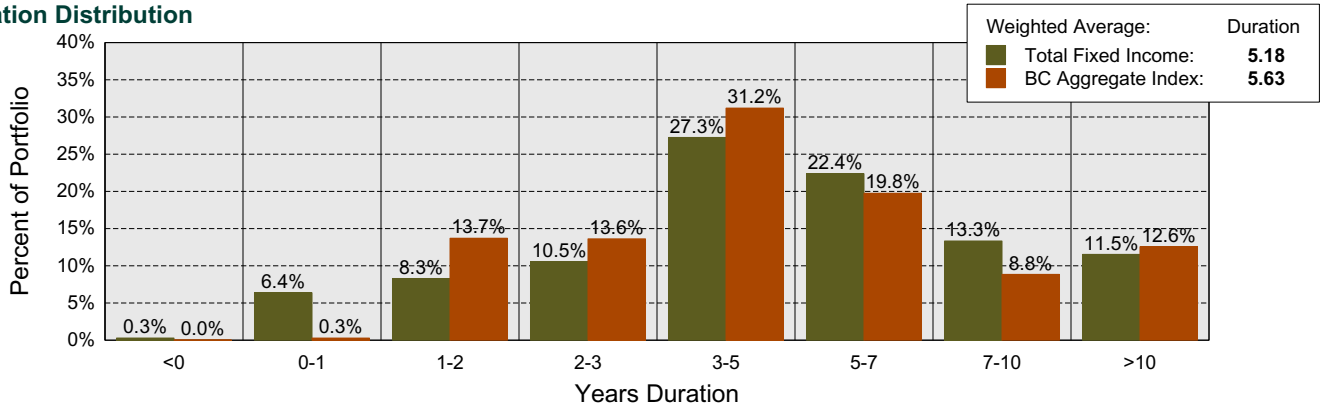
## Portfolio Structure Comparison

The charts below compare the structure of the portfolio to that of the index from the three perspectives that have the greatest influence on return. The first chart compares the two portfolios across sectors. The second chart compares the duration distribution. The last chart compares the distribution across quality ratings.

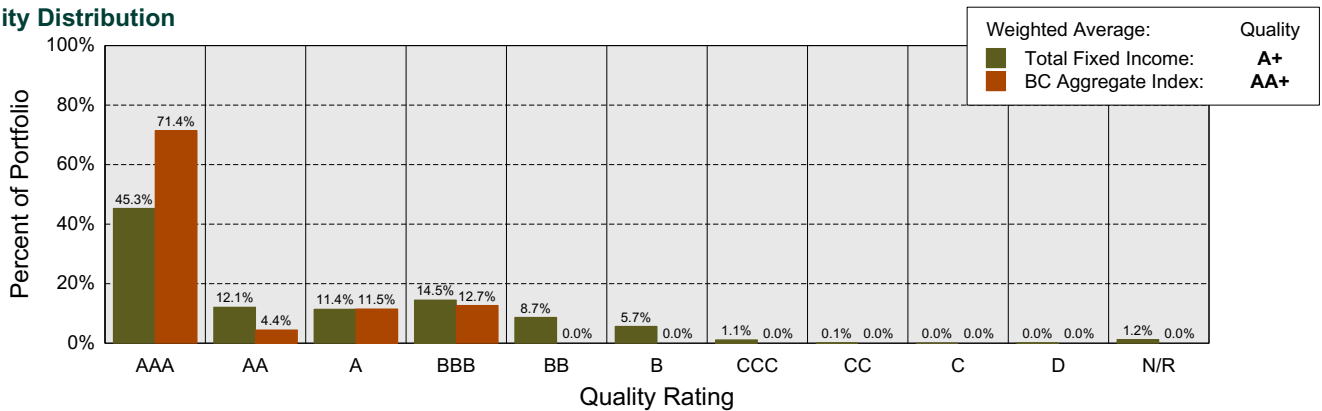
### Sector Distribution



### Duration Distribution



### Quality Distribution



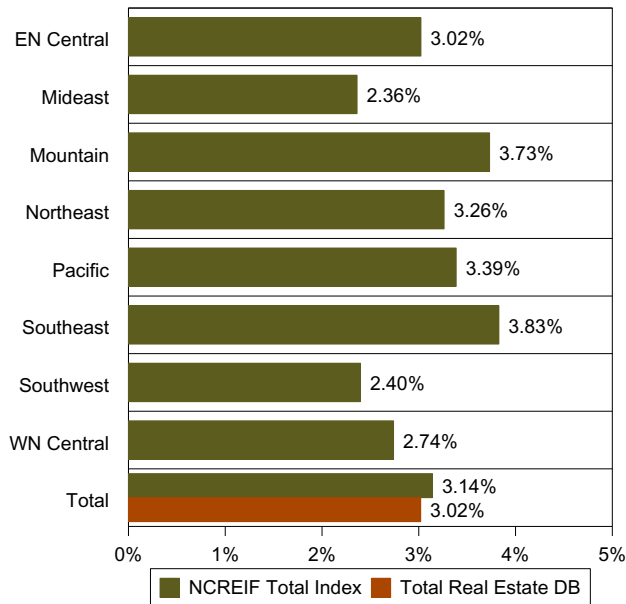




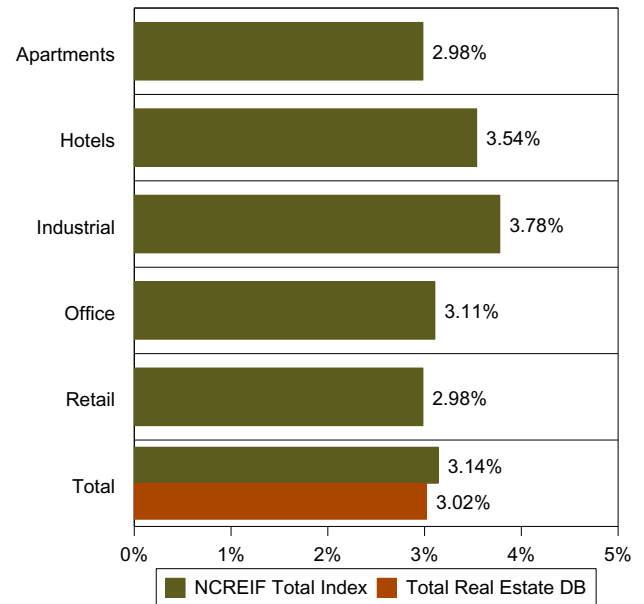
## Real Estate Market Overview

The NCREIF Property Index (+3.14%) advanced during the second quarter, comprised of an appreciation return that added 1.89% and an income return that contributed 1.26%. Industrial (+3.78%) and Hotel (+3.54%) led property sector performance, while Retail and Apartments (both +2.98%) lagged for the quarter. Regionally, the West (+3.44%) led, while the East (+2.92%) lagged. NCREIF appraisal capitalization rates increased to 4.81% during the first quarter while transaction capitalization rates dropped to 4.53%. NCREIF recorded 134 trades during the quarter representing \$7.2 billion of transaction volume. \*\*Please note that the above data reflects preliminary queried data and may be subject to change.

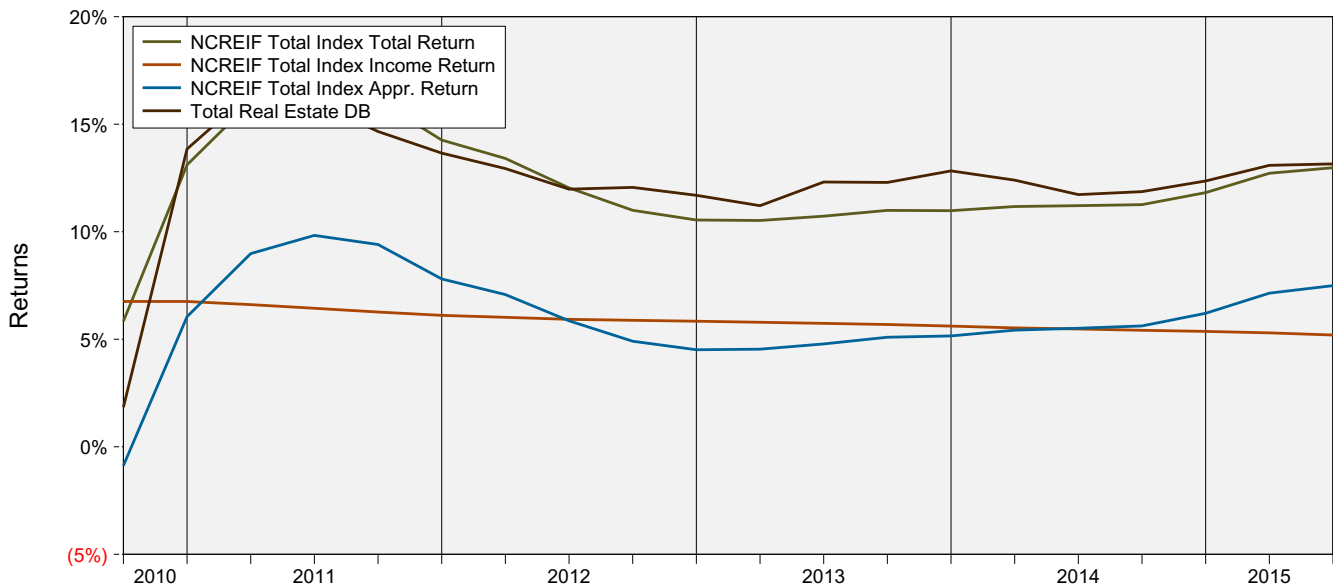
**NCREIF Total Index Returns by Geographic Area  
Quarter Ended June 30, 2015**



**NCREIF Total Index Returns by Property Type  
Quarter Ended June 30, 2015**



## Rolling 1 Year Returns



## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Real Estate Core</b>	<b>\$878,834,523</b>	<b>56.33%</b>	<b>\$44,119,468</b>	<b>\$17,136,991</b>	<b>\$817,578,064</b>	<b>54.84%</b>
TA Buckhead Ind. Prop.	307,735,422	19.72%	14,578,232	7,479,996	285,677,194	19.16%
Cornerstone Patriot	126,694,902	8.12%	(1,258,155)	(252,709)	128,205,766	8.60%
INVESCO Core RE	135,342,955	8.67%	(961,371)	4,042,404	132,261,922	8.87%
AEW Core Property Trust	169,822,580	10.88%	33,507,221	1,151,898	135,163,461	9.07%
CBRE Core Partners	139,238,664	8.92%	(1,746,459)	4,715,402	136,269,721	9.14%
<b>Real Estate Non-Core</b>	<b>\$681,331,753</b>	<b>43.67%</b>	<b>\$(9,512,572)</b>	<b>\$17,710,792</b>	<b>\$673,133,533</b>	<b>45.16%</b>
Franklin Templeton EMREFF	54,644,079	3.50%	(528,356)	3,311,858	51,860,577	3.48%
Olympus Real Estate Fund II	154,191	0.01%	0	0	154,191	0.01%
Security Capital	51,694,994	3.31%	(553,998)	(4,983,763)	57,232,755	3.84%
Dune II	38,908,026	2.49%	0	1,091,905	37,816,121	2.54%
Non-Core Real Estate Funds*	412,660,683	26.45%	4,909,195	11,557,675	396,193,813	26.58%
Rockwood Fund VIII	25,625,684	1.64%	(722,352)	3,443,364	22,904,672	1.54%
Almanac ARS V	28,308,818	1.81%	(866,649)	1,202,587	27,972,880	1.88%
TA Realty IX	42,218,818	2.71%	(2,240,187)	1,375,558	43,083,447	2.89%
Non-US Real Estate**	27,116,459	1.74%	(9,510,225)	711,608	35,915,077	2.41%
<b>Real Estate</b>	<b>\$1,560,166,276</b>	<b>100.0%</b>	<b>\$34,606,896</b>	<b>\$34,847,783</b>	<b>\$1,490,711,597</b>	<b>100.0%</b>

\*Non-Core Real Estate Funds funded since September 2011.

\*\*Non-US Real Estate Funds funded since August 2014.

## Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns for Periods Ended June 30, 2015

	Last Quarter	Year to Date	Last Year	Last 3 Years
<b>Real Estate Core</b>	<b>2.01%</b>	<b>3.74%</b>	<b>10.13%</b>	<b>10.85%</b>
<b>TA Buckhead Ind. Prop.</b> Blended Benchmark**	<b>2.46%</b> 3.58%	<b>5.26%</b> 6.85%	<b>9.89%</b> 13.38%	<b>11.37%</b> 12.33%
<b>Cornerstone Patriot</b> Blended Benchmark**	<b>(0.20%)</b> 3.58%	<b>2.42%</b> 6.85%	<b>7.37%</b> 13.38%	<b>9.41%</b> 12.33%
<b>INVESCO Core RE</b> Blended Benchmark**	<b>3.06%</b> 3.58%	<b>2.84%</b> 6.85%	<b>9.86%</b> 13.38%	<b>10.46%</b> 12.33%
<b>AEW Core Property Trust</b> Blended Benchmark**	<b>0.71%</b> 3.58%	<b>3.01%</b> 6.85%	<b>9.10%</b> 13.38%	<b>-</b> 12.33%
<b>Real Estate Non-Core</b>	<b>2.66%</b>	<b>5.06%</b>	<b>10.22%</b>	<b>12.73%</b>
<b>Franklin Templeton EMREFF</b> Blended Benchmark**	<b>6.58%</b> 3.58%	<b>10.99%</b> 6.85%	<b>11.32%</b> 13.38%	<b>15.78%</b> 12.33%
<b>Security Capital</b> Blended Benchmark**	<b>(8.79%)</b> 3.58%	<b>(7.42%)</b> 6.85%	<b>(6.18%)</b> 13.38%	<b>4.43%</b> 12.33%
<b>Dune II</b> Blended Benchmark**	<b>2.89%</b> 3.58%	<b>7.22%</b> 6.85%	<b>13.17%</b> 13.38%	<b>21.00%</b> 12.33%
<b>Non-Core Real Estate Funds</b> Blended Benchmark**	<b>2.87%</b> 3.58%	<b>5.77%</b> 6.85%	<b>11.42%</b> 13.38%	<b>10.07%</b> 12.33%
<b>Rockwood Fund VIII</b> Blended Benchmark**	<b>15.03%</b> 3.58%	<b>17.93%</b> 6.85%	<b>41.00%</b> 13.38%	<b>33.72%</b> 12.33%
<b>Almanac ARS V</b> Blended Benchmark**	<b>4.34%</b> 3.58%	<b>10.43%</b> 6.85%	<b>18.86%</b> 13.38%	<b>18.79%</b> 12.33%
<b>TA Realty IX</b> Blended Benchmark**	<b>3.22%</b> 3.58%	<b>6.52%</b> 6.85%	<b>12.35%</b> 13.38%	<b>9.76%</b> 12.33%
<b>Non-US Real Estate</b> Blended Benchmark**	<b>0.72%</b> 3.58%	<b>(7.84%)</b> 6.85%	<b>-</b> 13.38%	<b>-</b> 12.33%

Returns are time-weighted and are reported net of fee for all real estate managers.

\*\* The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

## Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns for Periods Ended June 30, 2015

	Last 5 Years	Last 10 Years	Since Inception
<b>Real Estate Core</b>	<b>11.96%</b>	<b>5.96%</b>	<b>6.73%</b> (4/99)
<b>TA Buckhead Ind. Prop.</b>	<b>11.93%</b>	<b>8.57%</b>	<b>10.37%</b> (8/95)
Blended Benchmark**	13.53%	7.41%	-
<b>Cornerstone Patriot</b>	-	-	<b>9.51%</b> (8/11)
Blended Benchmark**	13.53%	7.41%	12.46% (8/11)
<b>INVESCO Core RE</b>	-	-	<b>10.51%</b> (4/11)
Blended Benchmark**	13.53%	7.41%	12.81% (4/11)
<b>AEW Core Property Trust</b>	-	-	<b>10.71%</b> (10/13)
Blended Benchmark**	13.53%	7.41%	12.34% (10/13)
<b>Real Estate Non-Core</b>	<b>13.47%</b>	-	<b>13.22%</b> (1/10)
<b>Franklin Templeton EMREFF</b>	-	-	<b>8.43%</b> (9/11)
Blended Benchmark**	13.53%	7.41%	12.41% (9/11)
<b>Security Capital</b>	<b>7.97%</b>	<b>6.29%</b>	<b>12.20%</b> (11/97)
Blended Benchmark**	13.53%	7.41%	-
<b>Dune II</b>	<b>18.24%</b>	-	<b>4.53%</b> (2/09)
Blended Benchmark**	13.53%	7.41%	8.63% (2/09)
<b>Non-Core Real Estate Funds</b>	-	-	<b>10.64%</b> (10/11)
Blended Benchmark**	13.53%	7.41%	12.35% (10/11)
<b>Rockwood Fund VIII</b>	<b>27.20%</b>	-	<b>(28.48%)</b> (4/09)
Blended Benchmark**	13.53%	7.41%	9.72% (4/09)
<b>Almanac ARS V</b>	<b>16.28%</b>	-	<b>8.00%</b> (10/08)
Blended Benchmark**	13.53%	7.41%	6.48% (10/08)
<b>TA Realty IX</b>	<b>10.51%</b>	-	<b>10.16%</b> (5/10)
Blended Benchmark**	13.53%	7.41%	13.58% (5/10)
<b>Non-US Real Estate</b>	-	-	<b>(9.39%)</b> (8/14)
Blended Benchmark**	13.53%	7.41%	12.27% (8/14)

Returns are time-weighted and are reported net of fee for all real estate managers.

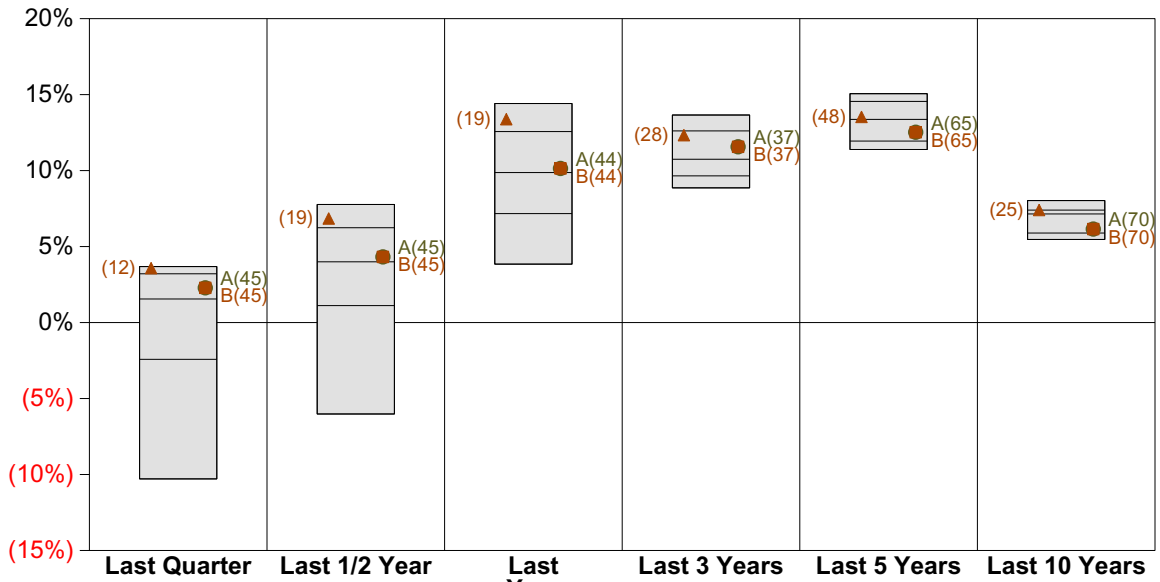
\*\* The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

# Real Estate Period Ended June 30, 2015

## Investment Philosophy

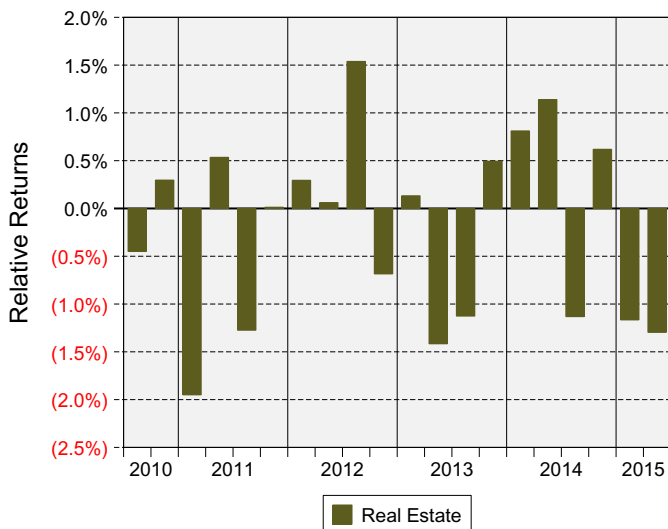
\*\* The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

## Performance vs Pub Pln- Real Estate (Gross)

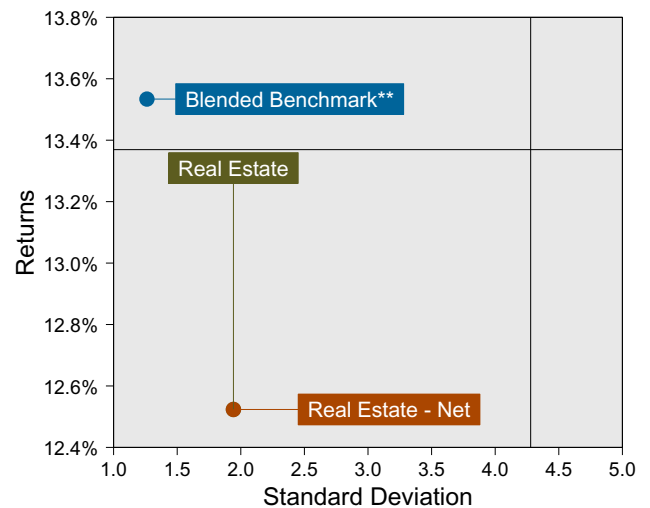


10th Percentile	3.69	7.77	14.41	13.66	15.06	8.03	
25th Percentile	3.21	6.24	12.57	12.61	14.55	7.40	
Median	1.55	4.00	9.87	10.75	13.37	7.15	
75th Percentile	(2.42)	1.11	7.17	9.65	11.94	5.89	
90th Percentile	(10.29)	(6.02)	3.84	8.86	11.39	5.47	
Real Estate	● A	2.28	4.32	10.14	11.57	12.52	6.15
Real Estate - Net	■ B	2.28	4.32	10.14	11.57	12.52	6.15
Blended Benchmark**	▲	3.58	6.85	13.38	12.33	13.53	7.41

Relative Return vs Blended Benchmark\*\*



Pub Pln- Real Estate (Gross)  
Annualized Five Year Risk vs Return





## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>Absolute Return</b>	<b>\$578,594,167</b>	<b>37.59%</b>	<b>\$(20,956,075)</b>	<b>\$689,438</b>	<b>\$598,860,804</b>	<b>38.86%</b>
Aurora	578,594,167	37.59%	(20,956,075)	689,438	598,860,804	38.86%
<b>Private Equity</b>	<b>\$726,634,357</b>	<b>47.20%</b>	<b>\$(2,157,441)</b>	<b>\$20,576,279</b>	<b>\$708,215,519</b>	<b>45.95%</b>
Abbott	314,268,996	20.42%	(9,200,092)	9,713,052	313,756,036	20.36%
Muller & Monroe ILPEFF	9,490,734	0.62%	(1,270,759)	(41,842)	10,803,335	0.70%
Muller & Monroe MPEFF	14,720,989	0.96%	(572,698)	1,412,232	13,881,455	0.90%
Pantheon	191,944,628	12.47%	(3,873,378)	4,638,633	191,179,372	12.40%
Private Equity Funds - Domestic	196,209,010	12.75%	12,759,486	4,854,203	178,595,321	11.59%
<b>Agriculture</b>	<b>\$159,125,831</b>	<b>10.34%</b>	<b>\$(2)</b>	<b>\$(208,532)</b>	<b>\$159,334,364</b>	<b>10.34%</b>
Premiere Partners IV	159,125,831	10.34%	(2)	(208,532)	159,334,364	10.34%
<b>Timberland</b>	<b>\$74,967,575</b>	<b>4.87%</b>	<b>\$(500,005)</b>	<b>\$654,982</b>	<b>\$74,812,598</b>	<b>4.85%</b>
Forest Investment Assoc.	74,967,575	4.87%	(500,005)	654,982	74,812,598	4.85%
<b>Alternative Investments</b>	<b>\$1,539,321,929</b>	<b>100.0%</b>	<b>\$(23,613,523)</b>	<b>\$21,712,168</b>	<b>\$1,541,223,285</b>	<b>100.0%</b>



## Alternative Investments Returns

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>Absolute Return</b>	<b>0.14%</b>	<b>63</b>	<b>2.87%</b>	<b>16</b>	<b>4.53%</b>	<b>27</b>	<b>6.83%</b>	<b>30</b>
Absolute Rtn FoFs	0.36%		2.28%		2.28%		6.37%	
<b>Aurora</b>	<b>0.14%</b>	<b>63</b>	<b>2.87%</b>	<b>16</b>	<b>4.53%</b>	<b>27</b>	<b>8.71%</b>	<b>6</b>
Alternatives Custom Benchmark*	2.18%	1	4.40%	1	9.00%	3	9.00%	3
HFR Fund-of-Funds Index	0.20%	61	2.71%	18	3.97%	30	6.28%	53
Absolute Rtn FoFs	0.36%		2.28%		2.28%		6.37%	
<b>Private Equity</b>	<b>2.91%</b>	<b>31</b>	<b>5.29%</b>	<b>4</b>	<b>9.04%</b>	<b>11</b>	<b>11.31%</b>	<b>15</b>
CAI Alternative Inv DB	0.82%		(1.80%)		(11.53%)		(0.12%)	
<b>Abbott</b>	<b>3.12%</b>		<b>5.63%</b>		<b>6.12%</b>		<b>11.17%</b>	
Alternatives Custom Benchmark*	2.18%		4.40%		9.00%		9.00%	
Abbott - Net	3.02%		5.42%		5.69%		10.74%	
<b>Muller &amp; Monroe ILPEFF</b>	<b>(0.44%)</b>		<b>(0.44%)</b>		<b>0.59%</b>		<b>2.85%</b>	
Alternatives Custom Benchmark*	2.18%		4.40%		9.00%		9.00%	
<b>Muller &amp; Monroe MPEFF</b>	<b>10.15%</b>		<b>9.78%</b>		<b>18.84%</b>		<b>11.67%</b>	
Alternatives Custom Benchmark*	2.18%		4.40%		9.00%		9.00%	
<b>Pantheon</b>	<b>2.43%</b>		<b>6.55%</b>		<b>10.82%</b>		<b>12.12%</b>	
Alternatives Custom Benchmark*	2.18%		4.40%		9.00%		9.00%	
Pantheon - Net	2.28%		6.23%		10.15%		11.41%	
<b>Private Equity Fds- Domestic</b>	<b>2.54%</b>		<b>3.10%</b>		<b>15.00%</b>		<b>8.32%</b>	
Alternatives Custom Benchmark*	2.18%		4.40%		9.00%		9.00%	
Private Eq Fds- Domestic - Net	2.54%		3.10%		15.00%		6.26%	
<b>Agriculture</b>	<b>(0.13%)</b>		<b>(0.45%)</b>		<b>17.82%</b>		<b>20.04%</b>	
<b>Premiere Partners IV</b>	<b>(0.13%)</b>		-		-		-	
NCREIF Farmland Index	2.08%		8.78%		12.26%		16.69%	
NCREIF Total Index	3.57%		6.72%		12.72%		11.47%	
<b>Timberland</b>	<b>0.88%</b>		<b>0.89%</b>		<b>3.43%</b>		<b>4.84%</b>	
<b>Forest Investment Assoc.</b>	<b>0.88%</b>		<b>0.89%</b>		<b>3.43%</b>		<b>4.84%</b>	
NCREIF Timberland Index	1.75%		7.88%		10.64%		9.80%	

Returns are reported net of fee for all alternative investment managers with the exception of Abbott and Pantheon.

\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Private Equity performance is lagged one quarter.

Agriculture and Timberland performance is lagged one month.

## Alternative Investments Returns

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>Absolute Return</b>	<b>4.83%</b>	<b>53</b>	<b>4.42%</b>	<b>56</b>	<b>4.95%</b> (1/02)
Absolute Rtn FoFs	4.92%		4.48%		-
<b>Aurora</b>	<b>5.66%</b>	<b>33</b>	<b>5.48%</b>	<b>11</b>	<b>6.28%</b> (11/01)
Alternatives Custom Benchmark*	9.00%	1	10.49%	1	11.22% (11/01)
HFR Fund-of-Funds Index	4.10%	71	3.21%	90	3.92% (11/01)
Absolute Rtn FoFs	4.92%		4.48%		-
<b>Private Equity</b>	<b>11.52%</b>	<b>24</b>	<b>10.79%</b>	<b>17</b>	<b>13.05%</b> (2/86)
CAI Alternative Inv DB	(0.21%)		2.27%		-
<b>Abbott</b>	<b>11.45%</b>		<b>10.51%</b>		<b>14.02%</b> (7/87)
Alternatives Custom Benchmark*	9.00%		10.49%		13.14% (7/87)
Abbott - Net	11.45%		10.51%		14.02% (7/87)
<b>Muller &amp; Monroe ILPEFF</b>	<b>5.71%</b>		<b>(6.87%)</b>		<b>(6.87%)</b> (7/05)
Alternatives Custom Benchmark*	9.00%		10.49%		10.49% (7/05)
<b>Muller &amp; Monroe MPEFF</b>	<b>12.27%</b>		-		<b>5.16%</b> (5/08)
Alternatives Custom Benchmark*	9.00%		10.49%		9.90% (5/08)
<b>Pantheon</b>	<b>12.19%</b>		<b>12.22%</b>		<b>9.22%</b> (11/00)
Alternatives Custom Benchmark*	9.00%		10.49%		11.47% (11/00)
Pantheon - Net	11.54%		-		12.35% (1/10)
<b>Private Equity Fds- Domestic</b>	-		-		<b>7.49%</b> (6/12)
Alternatives Custom Benchmark*	9.00%		10.49%		9.00% (6/12)
Private Eq Fds- Domestic - Net	-		-		5.04% (6/12)
<b>Agriculture</b>	<b>15.91%</b>		<b>12.28%</b>		<b>8.32%</b> (10/97)
<b>Premiere Partners IV</b>	-		-		<b>(0.30%)</b> (3/15)
NCREIF Farmland Index	15.36%		16.70%		-
NCREIF Total Index	12.75%		8.39%		-
<b>Timberland</b>	<b>4.20%</b>		<b>4.64%</b>		<b>8.63%</b> (10/92)
<b>Forest Investment Assoc.</b>	<b>4.20%</b>		<b>4.64%</b>		<b>8.63%</b> (10/92)
NCREIF Timberland Index	6.20%		8.29%		-

Returns are reported net of fee for all alternative investment managers with the exception of Abbott and Pantheon.

\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Private Equity performance is lagged one quarter.

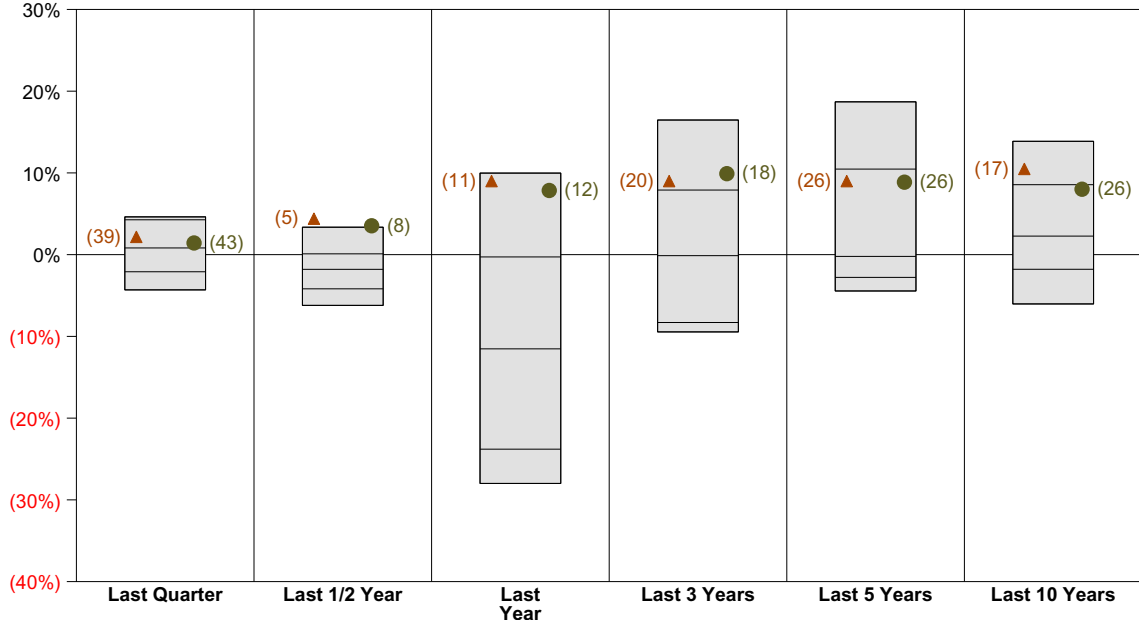
Agriculture and Timberland performance is lagged one month.

# Alternative Investments Period Ended June 30, 2015

## Investment Philosophy

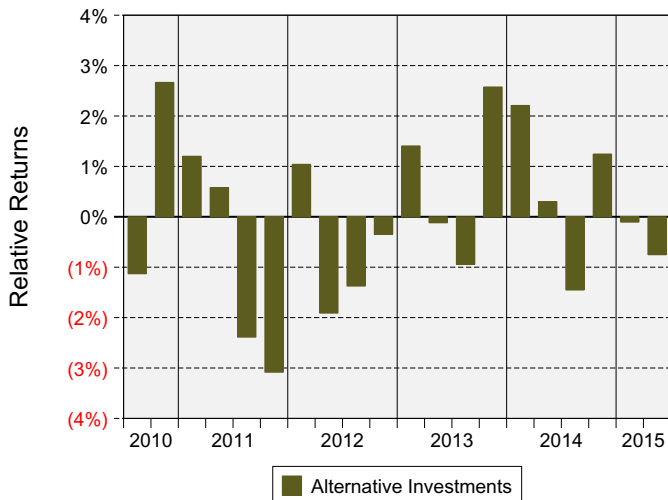
\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

## Performance vs CAI Alternative Investments DB (Gross)

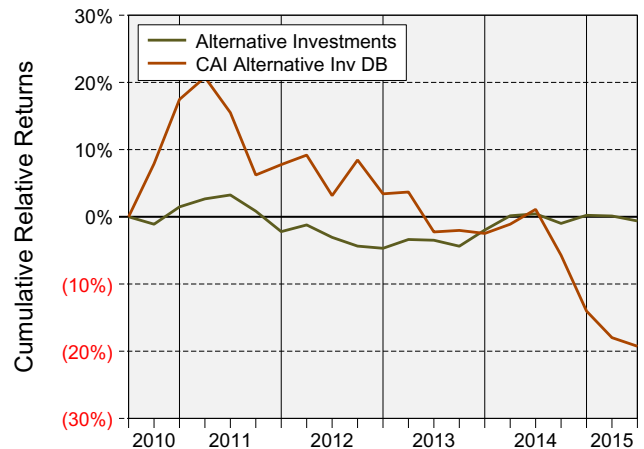


	Last Quarter	Last 1/2 Year	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	4.62	3.36	9.98	16.47	18.69	13.87
25th Percentile	4.27	0.10	(0.28)	7.90	10.47	8.56
Median	0.82	(1.80)	(11.53)	(0.12)	(0.21)	2.27
75th Percentile	(2.09)	(4.18)	(23.80)	(8.30)	(2.78)	(1.79)
90th Percentile	(4.31)	(6.21)	(27.99)	(9.45)	(4.44)	(6.03)
<b>Alternative Investments</b> ●	1.43	3.53	7.85	9.91	8.86	8.00
<b>Alternatives Custom Benchmark*</b> ▲	2.18	4.40	9.00	9.00	9.00	10.49

## Relative Returns vs Alternatives Custom Benchmark\*



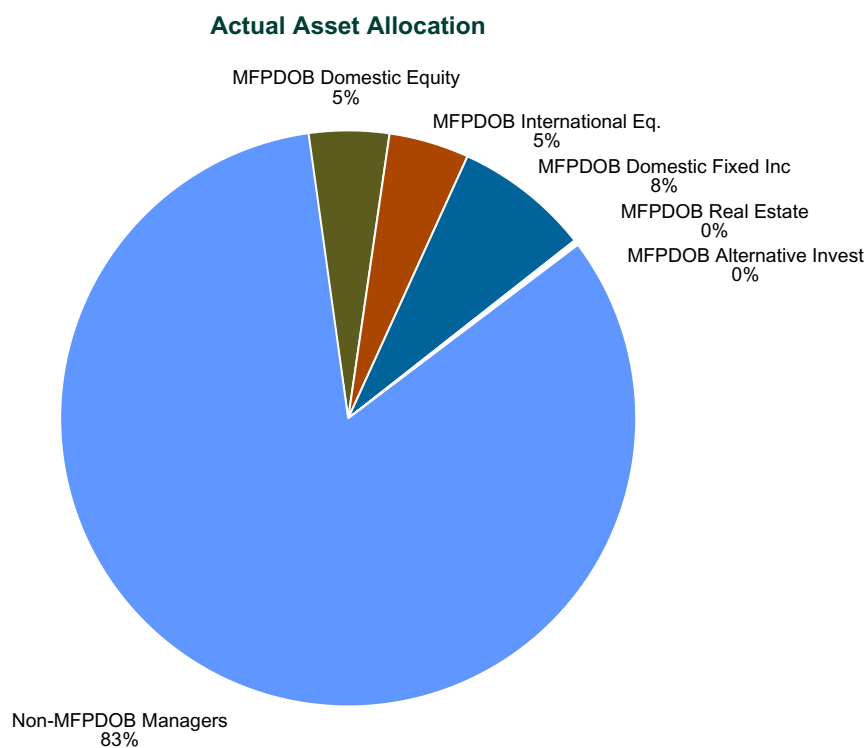
## Cumulative Returns vs Alternatives Custom Benchmark\*





## Actual Asset Allocation As of June 30, 2015

The chart below shows the Fund's asset allocation as of June 30, 2015.



Asset Class	\$000s Actual	Weight Actual
MFPDOB Domestic Equity	1,627,283	4.6%
MFPDOB International Eq.	1,615,586	4.5%
MFPDOB Domestic Fixed Inc	2,687,596	7.6%
MFPDOB Real Estate	54,644	0.2%
MFPDOB Alternative Invest	24,212	0.1%
Non-MFPDOB Managers	29,574,664	83.1%
<b>Total</b>	<b>35,583,985</b>	<b>100.0%</b>

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. 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, 2015		Net New Inv.	Inv. Return	March 31, 2015	
	Market Value	Weight			Market Value	Weight
<b>MFPDOB Domestic Equity</b>	<b>\$1,627,283,355</b>	<b>27.08%</b>	<b>\$(220)</b>	<b>\$3,703,889</b>	<b>\$1,623,579,685</b>	<b>27.31%</b>
Holland	967,210,296	16.10%	0	3,261,979	963,948,317	16.21%
Vision	174,571,209	2.91%	0	1,097,360	173,473,849	2.92%
Channing	181,459,055	3.02%	0	(930,683)	182,389,738	3.07%
Lombardia	164,064,436	2.73%	0	1,046,247	163,018,189	2.74%
Ariel	84,166,581	1.40%	0	(2,406,670)	86,573,251	1.46%
Ativo	55,811,778	0.93%	0	1,649,822	54,161,956	0.91%
Progress	-	-	(220)	(13,986)	14,206	0.00%
<b>MFPDOB International Equity</b>	<b>\$1,615,586,137</b>	<b>26.88%</b>	<b>\$(4,352)</b>	<b>\$546,447,038</b>	<b>\$1,069,143,452</b>	<b>17.98%</b>
EARNEST Partners	529,954,678	8.82%	0	1,134,916	528,819,762	8.89%
Brown	285,390,988	4.75%	0	1,236,327	284,154,661	4.78%
GlobeFlex	521,716,410	8.68%	0	8,161,426	513,554,984	8.64%
Lombardia	32,467,526	0.54%	(4,352)	1,404,970	31,066,908	0.52%
Progress	246,056,534	4.09%	0	5,689,636	240,366,898	4.04%
<b>MFPDOB Domestic Fixed Income</b>	<b>\$2,687,596,215</b>	<b>44.72%</b>	<b>\$79,788,768</b>	<b>\$533,990,351</b>	<b>\$2,073,817,095</b>	<b>34.88%</b>
EARNEST Partners	558,850,919	9.30%	(5,979,745)	(8,436,744)	573,267,409	9.64%
Piedmont	550,026,741	9.15%	(4,536,378)	(7,092,349)	561,655,468	9.45%
Garcia Hamilton	98,342,987	1.64%	99,702,211	(1,359,224)	-	-
LM Capital	862,433,912	14.35%	(9,397,319)	(11,803,263)	883,634,495	14.86%
Progress Fixed Income	617,941,656	10.28%	0	(10,585,477)	628,527,133	10.57%
<b>MFPDOB Real Estate</b>	<b>\$54,644,079</b>	<b>0.91%</b>	<b>\$(528,356)</b>	<b>\$3,311,858</b>	<b>\$51,860,577</b>	<b>0.87%</b>
Franklin Templeton EMREFF	54,644,079	0.91%	(528,356)	3,311,858	51,860,577	0.87%
<b>MFPDOB Alternative Investments</b>	<b>\$24,211,723</b>	<b>0.40%</b>	<b>\$(1,843,457)</b>	<b>\$1,370,390</b>	<b>\$24,684,790</b>	<b>0.42%</b>
Muller & Monroe ILPEFF	9,490,734	0.16%	(1,270,759)	(41,842)	10,803,335	0.18%
Muller & Monroe MPEFF	14,720,989	0.24%	(572,698)	1,412,232	13,881,455	0.23%
<b>Total MFPDOB</b>	<b>\$6,009,321,509</b>	<b>100.0%</b>	<b>\$77,412,383</b>	<b>\$(13,263,644)</b>	<b>\$5,945,172,770</b>	<b>100.0%</b>

## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB domestic equity and MFPDOB international equity managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>MFPDOB Domestic Equity</b>	<b>0.23%</b>	51	<b>3.62%</b>	44	<b>6.44%</b>	58	<b>16.49%</b>	76
Total Dom Equity DB	0.27%		3.01%		7.25%		18.25%	
<b>Holland</b>	<b>0.34%</b>	66	<b>4.70%</b>	48	<b>8.13%</b>	90	<b>15.96%</b>	92
LCG Blended Benchmark*	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Russell 1000 Growth Index	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Holland - Net	0.29%	68	4.58%	50	7.91%	92	15.71%	94
CAI Lrg Cap Growth Style	0.70%		4.57%		11.86%		18.87%	
<b>Vision</b>	<b>0.63%</b>	54	<b>3.57%</b>	71	<b>7.53%</b>	96	<b>14.72%</b>	99
Russell 1000 Growth Index	0.12%	73	3.96%	67	10.56%	71	17.99%	65
Vision - Net	0.56%	54	3.42%	72	7.22%	98	14.26%	100
CAI Lrg Cap Growth Style	0.70%		4.57%		11.86%		18.87%	
<b>Channing</b>	<b>(0.51%)</b>	71	<b>4.97%</b>	8	<b>5.36%</b>	39	<b>22.17%</b>	11
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Channing - Net	<b>(0.63%)</b>	72	4.85%	15	4.98%	47	21.50%	15
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Lombardia</b>	<b>0.64%</b>	35	<b>0.83%</b>	85	<b>0.12%</b>	86	<b>16.21%</b>	77
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Lombardia - Net	0.48%	47	0.49%	88	<b>(0.56%)</b>	91	15.44%	84
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Ariel</b>	<b>(2.78%)</b>	96	<b>(6.30%)</b>	99	<b>(6.89%)</b>	97	<b>9.90%</b>	100
Russell 2000 Value Index	<b>(1.20%)</b>	77	0.76%	86	0.78%	81	15.50%	84
Russell 2000 Index	0.42%	53	4.75%	17	6.49%	29	17.81%	68
Russell Microcap Index	2.80%	4	6.03%	5	8.21%	14	19.25%	37
Ariel - Net	<b>(2.98%)</b>	96	<b>(6.68%)</b>	100	<b>(7.66%)</b>	97	9.01%	100
CAI Small Cap Value Style	0.45%		3.09%		4.44%		18.61%	
<b>Ativo</b>	<b>3.21%</b>	31	<b>7.15%</b>	69	<b>13.45%</b>	30	<b>24.16%</b>	10
Russell 2000 Growth Index	1.98%	57	8.74%	47	12.34%	39	20.11%	46
Russell 2000 Index	0.42%	83	4.75%	88	6.49%	85	17.81%	72
Russell Microcap Index	2.80%	35	6.03%	81	8.21%	69	19.25%	59
Ativo - Net	3.02%	33	6.74%	76	12.59%	36	23.22%	14
CAI Sm Cap Growth Style	2.30%		8.37%		11.25%		19.92%	

## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB domestic equity and MFPDOB international equity managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>MFPDOB Domestic Equity</b>	<b>16.81%</b>	<b>68</b>	<b>-</b>		<b>8.71%</b> <sup>(7/06)</sup>
Total Dom Equity DB	17.70%		9.10%		-
<b>Holland</b>	<b>17.16%</b>	<b>75</b>	<b>9.01%</b>	<b>64</b>	<b>10.30%</b> <sup>(11/94)</sup>
LCG Blended Benchmark*	18.59%	49	8.97%	64	9.68% <sup>(11/94)</sup>
Russell 1000 Growth Index	18.59%	49	9.10%	57	8.86% <sup>(11/94)</sup>
Holland - Net	16.86%	80	8.74%	71	7.84% <sup>(1/05)</sup>
CAI Lrg Cap Growth Style	18.54%		9.37%		-
<b>Vision</b>	<b>-</b>		<b>-</b>		<b>12.53%</b> <sup>(7/11)</sup>
Russell 1000 Growth Index	18.59%	49	9.10%	57	14.81% <sup>(7/11)</sup>
Vision - Net	-		-		12.07% <sup>(7/11)</sup>
CAI Lrg Cap Growth Style	18.54%		9.37%		-
<b>Channing</b>	<b>-</b>		<b>-</b>		<b>14.67%</b> <sup>(7/11)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	11.01% <sup>(7/11)</sup>
Channing - Net	-		-		14.00% <sup>(7/11)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Lombardia</b>	<b>-</b>		<b>-</b>		<b>10.69%</b> <sup>(6/11)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	10.10% <sup>(6/11)</sup>
Lombardia - Net	-		-		9.98% <sup>(6/11)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Ariel</b>	<b>-</b>		<b>-</b>		<b>10.49%</b> <sup>(11/10)</sup>
Russell 2000 Value Index	14.81%	89	6.87%	90	12.74% <sup>(11/10)</sup>
Russell 2000 Index	17.08%	58	8.40%	72	14.74% <sup>(11/10)</sup>
Russell Microcap Index	17.48%	50	7.07%	88	15.58% <sup>(11/10)</sup>
Ariel - Net	-		-		9.62% <sup>(11/10)</sup>
CAI Small Cap Value Style	17.48%		8.99%		-
<b>Ativo</b>	<b>-</b>		<b>-</b>		<b>17.77%</b> <sup>(10/10)</sup>
Russell 2000 Growth Index	19.33%	57	9.86%	63	17.42% <sup>(10/10)</sup>
Russell 2000 Index	17.08%	83	8.40%	86	15.43% <sup>(10/10)</sup>
Russell Microcap Index	17.48%	81	7.07%	90	16.62% <sup>(10/10)</sup>
Ativo - Net	-		-		16.91% <sup>(10/10)</sup>
CAI Sm Cap Growth Style	19.56%		10.35%		-



## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB domestic equity and MFPDOB international equity managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>MFPDOB International Equity</b>	<b>1.12%</b>	<b>58</b>	<b>6.22%</b>	<b>61</b>	<b>(2.61%)</b>	<b>62</b>	<b>13.66%</b>	<b>29</b>
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>EARNEST Partners</b>	<b>0.21%</b>	<b>85</b>	<b>0.99%</b>	<b>97</b>	<b>(7.04%)</b>	<b>91</b>	<b>9.66%</b>	<b>90</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Growth	0.74%	72	5.67%	73	(1.70%)	51	10.54%	83
EARNEST Partners - Net	0.17%	86	0.89%	97	(7.25%)	93	9.32%	91
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Brown</b>	<b>0.44%</b>	<b>80</b>	<b>8.41%</b>	<b>17</b>	<b>0.02%</b>	<b>21</b>	<b>17.54%</b>	<b>3</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACW ex US Growth	0.74%	72	5.67%	73	(1.70%)	51	10.54%	83
Brown - Net	0.38%	80	8.27%	19	(1.06%)	36	16.57%	4
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>GlobeFlex</b>	<b>1.64%</b>	<b>48</b>	<b>5.87%</b>	<b>70</b>	<b>(3.35%)</b>	<b>69</b>	<b>11.98%</b>	<b>66</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACW ex US Growth	0.74%	72	5.67%	73	(1.70%)	51	10.54%	83
GlobeFlex - Net	1.55%	50	5.65%	73	(3.74%)	72	11.52%	74
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Lombardia</b>	<b>4.52%</b>	<b>1</b>	<b>5.88%</b>	<b>69</b>	<b>(8.52%)</b>	<b>95</b>	<b>15.58%</b>	<b>7</b>
MSCI ACWI ex-US Index	0.53%	78	4.03%	86	(5.26%)	85	9.44%	91
MSCI ACWI ex-US Value	0.71%	73	2.97%	92	(7.98%)	94	9.25%	91
Lombardia - Net	4.38%	1	5.57%	74	(9.07%)	96	14.96%	12
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	
<b>Progress Intl Equity</b>	<b>2.37%</b>	<b>25</b>	<b>5.57%</b>	<b>74</b>	<b>(2.23%)</b>	<b>57</b>	-	
Custom Benchmark	1.48%	50	5.47%	75	(3.73%)	72	-	
Progress Intl Equity - Net	2.24%	27	5.30%	77	(2.50%)	61	-	
CAI Non-U.S. Eq. Style	1.55%		6.63%		(1.66%)		12.62%	

## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB domestic equity and MFPDOB international equity managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>MFPDOB International Equity</b>	<b>11.91%</b>	<b>18</b>	<b>-</b>		<b>6.72%</b> <sup>(7/06)</sup>
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>EARNEST Partners</b>	<b>8.52%</b>	<b>85</b>	<b>9.58%</b>	<b>1</b>	<b>10.55%</b> <sup>(10/04)</sup>
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.56% <sup>(10/04)</sup>
MSCI ACWI ex-US Growth	8.84%	82	6.37%	51	7.29% <sup>(10/04)</sup>
EARNEST Partners - Net	8.14%	87	9.08%	3	8.87% <sup>(1/05)</sup>
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Brown</b>	<b>11.98%</b>	<b>18</b>	<b>7.96%</b>	<b>18</b>	<b>8.81%</b> <sup>(10/04)</sup>
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.56% <sup>(10/04)</sup>
MSCI ACW ex US Growth	8.84%	82	6.37%	51	7.29% <sup>(10/04)</sup>
Brown - Net	11.21%	34	7.45%	29	7.07% <sup>(1/05)</sup>
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>GlobeFlex</b>	<b>11.73%</b>	<b>19</b>	<b>-</b>		<b>4.50%</b> <sup>(3/06)</sup>
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	3.51% <sup>(3/06)</sup>
MSCI ACW ex US Growth	8.84%	82	6.37%	51	4.39% <sup>(3/06)</sup>
GlobeFlex - Net	11.26%	33	-		4.04% <sup>(3/06)</sup>
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Lombardia</b>	<b>-</b>		<b>-</b>		<b>10.89%</b> <sup>(4/12)</sup>
MSCI ACWI ex-US Index	7.76%	92	5.54%	79	6.07% <sup>(4/12)</sup>
MSCI ACWI ex-US Value	7.58%	93	5.91%	68	5.94% <sup>(4/12)</sup>
Lombardia - Net	-		-		10.33% <sup>(4/12)</sup>
CAI Non-U.S. Eq. Style	10.47%		6.45%		-
<b>Progress Intl Equity</b>	<b>-</b>		<b>-</b>		<b>(2.23%)</b> <sup>(7/14)</sup>
Custom Benchmark	-		-		<b>(3.73%)</b> <sup>(7/14)</sup>
Progress Intl Equity - Net	-		-		<b>(2.50%)</b> <sup>(7/14)</sup>
CAI Non-U.S. Eq. Style	10.47%		6.45%		-

## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB domestic fixed-income managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>MFPDOB Domestic Fixed Income</b>	<b>(1.45%)</b>	24	<b>0.09%</b>	57	<b>1.44%</b>	92	<b>2.65%</b>	39
BC Aggregate Index	(1.68%)	74	(0.10%)	85	1.86%	74	1.83%	93
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>EARNEST Partners</b>	<b>(1.48%)</b>	27	<b>0.20%</b>	45	<b>2.97%</b>	1	<b>2.58%</b>	40
BC Aggregate Index	(1.68%)	74	(0.10%)	85	1.86%	74	1.83%	93
EARNEST Partners - Net	(1.53%)	39	0.10%	56	2.76%	6	2.37%	60
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>Piedmont</b>	<b>(1.27%)</b>	12	<b>0.83%</b>	3	<b>1.97%</b>	63	<b>2.60%</b>	40
BC Aggregate Index	(1.68%)	74	(0.10%)	85	1.86%	74	1.83%	93
Piedmont - Net	(1.27%)	12	0.79%	3	1.85%	75	2.43%	54
CAI Core Bond Style	(1.56%)		0.14%		2.12%		2.46%	
<b>LM Capital</b>	<b>(1.35%)</b>	36	<b>0.40%</b>	47	<b>1.88%</b>	53	<b>2.86%</b>	74
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
LM Capital - Net	(1.39%)	41	0.32%	55	1.72%	65	2.70%	80
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	
<b>Progress Fixed Income</b>	<b>(1.68%)</b>	84	<b>0.18%</b>	70	<b>1.64%</b>	68	<b>2.88%</b>	74
BC Aggregate Index	(1.68%)	84	(0.10%)	95	1.86%	53	1.83%	99
Progress Fixed Inc. - Net	(1.77%)	91	(0.00%)	82	1.29%	79	2.52%	93
CAI FI Core Plus Style	(1.51%)		0.37%		1.92%		3.23%	

## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB domestic fixed-income managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>MFPDOB Domestic Fixed Income</b>	<b>4.24%</b>	<b>35</b>	<b>-</b>		<b>5.48%</b> <sup>(7/06)</sup>
BC Aggregate Index	3.35%	94	4.44%	89	5.04% <sup>(7/06)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>EARNEST Partners</b>	<b>4.26%</b>	<b>34</b>	<b>4.95%</b>	<b>50</b>	<b>5.01%</b> <sup>(5/05)</sup>
BC Aggregate Index	3.35%	94	4.44%	89	4.53% <sup>(5/05)</sup>
EARNEST Partners - Net	4.05%	44	4.73%	79	4.80% <sup>(5/05)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>Piedmont</b>	<b>4.18%</b>	<b>36</b>	<b>4.72%</b>	<b>79</b>	<b>4.74%</b> <sup>(6/05)</sup>
BC Aggregate Index	3.35%	94	4.44%	89	4.46% <sup>(6/05)</sup>
Piedmont - Net	4.01%	46	4.52%	89	4.54% <sup>(6/05)</sup>
CAI Core Bond Style	3.97%		4.94%		-
<b>LM Capital</b>	<b>4.51%</b>	<b>73</b>	<b>5.32%</b>	<b>55</b>	<b>5.38%</b> <sup>(5/05)</sup>
BC Aggregate Index	3.35%	100	4.44%	93	4.53% <sup>(5/05)</sup>
LM Capital - Net	4.35%	83	5.15%	74	5.21% <sup>(5/05)</sup>
CAI FI Core Plus Style	4.97%		5.42%		-
<b>Progress Fixed Income</b>	<b>4.24%</b>	<b>89</b>	<b>-</b>		<b>5.40%</b> <sup>(1/06)</sup>
BC Aggregate Index	3.35%	100	4.44%	93	4.69% <sup>(1/06)</sup>
Progress Fixed Inc. - Net	3.87%	100	-		5.05% <sup>(1/06)</sup>
CAI FI Core Plus Style	4.97%		5.42%		-

## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB real estate and alternative investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last Quarter		Year to Date		Last Year		Last 3 Years	
<b>MFPDOB Real Estate</b>	<b>6.58%</b>	2	<b>10.99%</b>	3	<b>11.32%</b>	69	<b>15.78%</b>	27
Blended Benchmark*	3.58%	31	6.85%	35	13.38%	52	12.33%	57
Total Real Estate DB	3.02%		5.65%		13.63%		12.73%	
<b>Franklin T. EMREFF</b>	<b>6.58%</b>	4	<b>10.99%</b>	2	<b>11.32%</b>	62	<b>15.78%</b>	37
Blended Benchmark*	3.58%	40	6.85%	17	13.38%	58	12.33%	62
Real Estate Opportunistic	2.85%		3.96%		14.57%		12.83%	
<b>MFPDOB Alternative Investments</b>	<b>5.57%</b>	5	<b>5.37%</b>	4	<b>10.90%</b>	9	<b>7.96%</b>	25
Alternatives Custom Benchmark**	2.18%	39	4.40%	5	9.00%	11	9.00%	20
CAI Alternative Inv DB	0.82%		(1.80%)		(11.53%)		(0.12%)	
<b>Muller &amp; Monroe ILPEFF</b>	<b>(0.44%)</b>		<b>(0.44%)</b>		<b>0.59%</b>		<b>2.85%</b>	
Alternatives Custom Benchmark**	2.18%		4.40%		9.00%		9.00%	
<b>Muller &amp; Monroe MPEFF</b>	<b>10.15%</b>		<b>9.78%</b>		<b>18.84%</b>		<b>11.67%</b>	
Alternatives Custom Benchmark**	2.18%		4.40%		9.00%		9.00%	

\* The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

\*\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Private Equity performance is lagged one quarter.

## MFPDOB Investments Returns

The table below details the rates of return for the fund's MFPDOB real estate and alternative investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended June 30, 2015

	Last 5 Years		Last 10 Years		Since Inception
<b>MFPDOB Real Estate</b>	-		-		<b>8.24%</b> <sup>(8/11)</sup>
Blended Benchmark*	14.56%	36	7.89%	21	13.76% <sup>(8/11)</sup>
Total Real Estate DB	13.65%		6.00%		-
<b>Franklin T. EMREFF</b>	-		-		<b>8.43%</b> <sup>(9/11)</sup>
Blended Benchmark*	14.56%	32	7.89%		13.74% <sup>(9/11)</sup>
Real Estate Opportunistic	12.83%		-		-
<b>MFPDOB Alternative Investments</b>	<b>9.68%</b>	<b>26</b>	-		<b>10.45%</b> <sup>(1/10)</sup>
Alternatives Custom Benchmark**	9.00%	26	10.49%	17	9.27% <sup>(1/10)</sup>
CAI Alternative Inv DB	<b>(0.21%)</b>		2.27%		-
<b>Muller &amp; Monroe ILPEFF</b>	<b>5.71%</b>		<b>(6.87%)</b>		<b>(6.87%)</b> <sup>(7/05)</sup>
Alternatives Custom Benchmark**	9.00%		10.49%		10.49% <sup>(7/05)</sup>
<b>Muller &amp; Monroe MPEFF</b>	<b>12.27%</b>		-		<b>5.16%</b> <sup>(5/08)</sup>
Alternatives Custom Benchmark**	9.00%		10.49%		9.90% <sup>(5/08)</sup>

\* The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

\*\* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Private Equity performance is lagged one quarter.



## Investment Manager Monitoring

### Organization

Investment Manager	Asset Class	Effective Date	Resolution
Lombardia*	Small Cap Value U.S. Equity	September 2014	Continue to monitor
Aurora Investment Management	Hedge Funds	February 2015	Continue to monitor
Wall Street Associates **	Micro Cap Growth U.S. Equity	August 2015	Add to monitoring

\*Stephen Malcom, one of four supporting portfolio managers who primarily covered the Health Care sector, left Lombardia in November. Daniel Holland, who joined Lombardia in July 2014, will assume Malcom's sector coverage responsibilities with the remainder taken on by current team members.

\*\*Significant loss of AUM – sub advisory assets lost in July 2015

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### Performance

Investment Manager	Asset Class	Effective Date	Resolution
Holland	Large Cap U.S. Equity	February 2015	Continue to monitor
Ariel Investments	Micro Cap U.S. Equity	August 2015	Add to monitoring





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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.

**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.

**Standard & Poor's/Citi Growth Index** is a composite of the firms in the S&P 500 Index which, based on three growth and four value factors, exhibit stronger growth characteristics. The index is designed so that it represents roughly fifty percent of the market capitalization of the S&P 500 Index. Generally, companies in the Growth Index have higher growth rates of earnings, sales and return on equity than those in the Value Index. Like the full S&P 500 Index, the Growth Index is capitalization-weighted.

**Standard & Poor's/Citi Value Index** is a composite of the firms in the S&P 500 Index which, based on three growth and four value factors, exhibit stronger value characteristics. The index is designed so that it represents roughly fifty percent of the market capitalization of the S&P 500 Index. Generally, companies in the Value Index have higher dividend yields and book value, cash flow, and sales to price ratios than those in the Growth Index. Like the full S&P 500 Index, the Value Index is capitalization-weighted.

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## International 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.

**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.

**Morgan Stanley Capital Intl (MSCI) Emerging Markets Free Index** is composed of about 549 equity securities representing the stock exchanges of 13 countries in Central Asia and the Far East, Latin America, Europe, and the Middle East. Only 20% of Korea's market capitalization is included in this index. The index is market capitalization-weighted and is expressed in terms of U.S. dollars.

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## Fixed Income 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.

**90-Day U.S. Treasury Bills** provide a measure of riskless return. The rate of return is the average interest rate available on the beginning of each month for a Treasury Bill maturing in ninety days.

**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.

**Merrill Lynch High Yield Master** is composed of approximately 570 high yield securities rated BBB or below (excludes default issues). The index is market value-weighted.

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## Common Stock Portfolio Characteristics

All Portfolio Characteristics are derived by first calculating the characteristics for each security, and then calculating the weighted average of these values for the portfolio.

**Dividend Yield** - The total amount of dividends paid out for a stock over the preceding twelve months divided by the closing price of a share of the common stock.

**Five Year Beta** - Beta measures the sensitivity of rates of return on a fund to general market movements. As such, the Beta for a portfolio is a reflection of the risk of the securities in the portfolio as compared to the broader market. This value is a composite of the individual Beta values within a portfolio. The Beta computation is based on the weighted average of the five year historical Betas of each security in a portfolio.

**Growth in Dividends** - This value represents a weighted average five year annual growth rate of dividends per common stock share. The rates of growth in dividends for trailing twelve month periods are calculated using the dividend-per-share values for each time period. The five-year growth in dividends figure is calculated for each security in a portfolio. From these individual values, a weighted average value is calculated for the portfolio. The number of shares in each time period is adjusted to reflect any splits, mergers, or other capital changes. In this case, dividends are ex-dividends, meaning that the dividend has been declared and a buyer of the stock after the ex-dividend date does not receive the dividend.

**Growth in Earnings** - This value represents a weighted average five year annual growth rate of earnings per common stock share. The rates of growth in earnings for trailing twelve month periods are calculated using the earnings-per-share values for each time period. The five-year growth in earnings figure is calculated for each security in a portfolio. From these individual values, a weighted average value is calculated for the portfolio. The number of shares in each time period is adjusted to reflect any splits, mergers, or other capital changes. In this case, the earnings per share is fully diluted and excludes extraordinary items and discontinued operations. Fully diluted earnings per share are earnings that are reduced, or diluted, by assuming the conversion of all securities that are convertible into equities.

**Issue Diversification** - A measure of portfolio concentration in individual issues (securities). This number represents how many different securities (names) comprise the most concentrated half of the portfolio assets (half of the assets are in how many names?). This measure is useful in evaluating the concentration/diversification of portfolios made up of many issues but concentrated in a small subset of those issues (e.g. 100 stocks with 50% of assets in 10 stocks, Issue Diversification = 10).

**Number of Securities** - This is a simple portfolio diversification measure representing the number of unique non-cash securities (names) currently held in the portfolio. This measure does not address potential concentration of assets within these securities (see Issue Concentration).

**Price/Book Value** - The Price to Book Value is a measure of value for a company. It is equal to the market value of all the shares of common stock divided by the book value of the company. The book value is the sum of capital surplus, common stock, and retained earnings.

**Price/Earnings Ratio** - The Price to Earnings Ratio (P/E) is a measure of value for a company. It is equal to the price of a share of common stock divided by the earnings per share for a twelve-month period.

**Return on Assets** - Return on Assets is a measure of a company's profitability, specifically relating profits to the total investments required to achieve the profits. It is equal to income divided by total assets. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Total assets includes the sum of all current, non-current, and intangible assets.

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## Common Stock Portfolio Characteristics

**Return on Equity** - Return on Equity is a measure of a company's profitability, specifically relating profits to the equity investment employed to achieve the profits. Return on Equity focuses on the returns accruing to the residual owners of a company, the equityholders. It is equal to income divided by total common equity. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Common equity includes common stock outstanding, capital surplus, and retained earnings.

**Total Debt/Assets** - The Debt to Assets ratio is a measure of the level of total debt of a company as a portion of the assets of the company. It is equal to short-term and long-term debt divided by total assets. Total assets include the sum of all current, non-current, and intangible assets.

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## Fixed Income Portfolio Characteristics

All Portfolio Characteristics are derived by first calculating the characteristics for each security, and then calculating the market value weighted average of these values for the portfolio.

**Allocation by Sector** - Sector allocation is one of the tools which managers often use to add value without impacting the duration of the portfolio. The sector weights exhibit can be used to contrast a portfolio's weights with those of the index to identify any significant sector bets.

**Average Coupon** - The average coupon is the market value weighted average coupon of all securities in the portfolio. The total portfolio coupon payments per year are divided by the total portfolio par value.

**Average Moody's Rating for Total Portfolio** - A measure of the credit quality as determined by the individual security ratings. The ratings for each security, from Moody's Investor Service, are compiled into a composite rating for the whole portfolio. Quality symbols range from Aaa+ (highest investment quality - lowest credit risk) to C (lowest investment quality - highest credit risk).

**Average Option Adjusted (Effective) Convexity** - Convexity is a measure of the portfolio's exposure to interest rate risk. It is a measure of how much the duration of the portfolio will change given a change in interest rates. Generally, securities with negative convexities are considered to be risky in that changes in interest rates will result in disadvantageous changes in duration. When a security's duration changes it indicates that the stream of expected future cash-flows has changed, generally having a significant impact on the value of the security. The option adjusted convexity for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

**Average Option Adjusted (Effective) Duration** - Duration is one measure of the portfolio's exposure to interest rate risk. Generally, the higher a portfolio's duration, the more that its value will change in response to interest rate changes. The option adjusted duration for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

**Average Price** - The average price is equal to the portfolio market value divided by the number of securities in the portfolio. Portfolios with an average price above par will tend to generate more current income than those with an average price below par.

**Average Years to Expected Maturity** - This is a measure of the market-value-weighted average of the years to expected maturity across all of the securities in the portfolio. Expected years to maturity takes into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

**Average Years to Stated Maturity** - The average years to stated maturity is the market value weighted average time to stated maturity for all securities in the portfolio. This measure does not take into account imbedded options, sinking fund paydowns, or prepayments.

**Current Yield** - The current yield is the current annual income generated by the total portfolio market value. It is equal to the total portfolio coupon payments per year divided by the current total portfolio market value.

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## Fixed Income Portfolio Characteristics

**Duration Dispersion** - Duration dispersion is the market-value weighted standard deviation of the portfolio's individual security durations around the total portfolio duration. The higher the dispersion, the more variable the security durations relative to the total portfolio duration ("barbellness"), and the smaller the dispersion, the more concentrated the holdings' durations around the overall portfolio's ("bulletness"). The purpose of this statistic is to gauge the "bulletness" or "barbellness" of a portfolio relative to its total duration and to that of its benchmark index.

**Effective Yield** - The effective yield is the actual total annualized return that would be realized if all securities in the portfolio were held to their expected maturities. Effective yield is calculated as the internal rate of return, using the current market value and all expected future interest and principal cash flows. This measure incorporates sinking fund paydowns, expected mortgage principal prepayments, and the exercise of any "in-the-money" imbedded put or call options.

**Weighted Average Life** - The weighted average life of a security is the weighted average time to payment of all remaining principal. It is calculated by multiplying each expected future principal payment amount by the time left to the payment. This amount is then divided by the total amount of principal remaining. Weighted average life is commonly used as a measure of the investment life for pass-through security types for comparison to non-pass-through securities.



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## Risk/Reward Statistics

The risk statistics used in this report examine performance characteristics of a manager or a portfolio relative to a benchmark (market indicator) which assumes to represent overall movements in the asset class being considered. The main unit of analysis is the excess return, which is the portfolio return minus the return on a risk free asset (3 month T-Bill).

**Alpha** measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk which was taken for that level of market exposure.

**Beta** measures the sensitivity of rates of portfolio returns to movements in the market index. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If a beta of a portfolio is 1.5, a 1 percent increase in the return on the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

**Downside Risk** stems from the desire to differentiate between "good risk" (upside volatility) and "bad risk" (downside volatility). Whereas standard deviation punishes both upside and downside volatility, downside risk measures only the standard deviation of returns below the target. Returns above the target are assigned a deviation of zero. Both the frequency and magnitude of underperformance affect the amount of downside risk.

**Excess Return Ratio** is a measure of risk adjusted relative return. This ratio captures the amount of active management performance (value added relative to an index) per unit of active management risk (tracking error against the index.) It is calculated by dividing the manager's annualized cumulative excess return relative to the index by the standard deviation of the individual quarterly excess returns. The Excess Return Ratio can be interpreted as the manager's active risk/reward tradeoff for diverging from the index when the index is mandated to be the "riskless" market position.

**Information Ratio** measures the manager's market risk-adjusted excess return per unit of residual risk relative to a benchmark. It is computed by dividing alpha by the residual risk over a given time period. Assuming all other factors being equal, managers with lower residual risk achieve higher values in the information ratio. Managers with higher information ratios will add value relative to the benchmark more reliably and consistently.

**R-Squared** indicates the extent to which the variability of the portfolio returns are explained by market action. It can also be thought of as measuring the diversification relative to the appropriate benchmark. An r-squared value of .75 indicates that 75% of the fluctuation in a portfolio return is explained by market action. An r-squared of 1.0 indicates that a portfolio's returns are entirely related to the market and it is not influenced by other factors. An r-squared of zero indicates that no relationship exists between the portfolio's return and the market.

**Relative Standard Deviation** is a simple measure of a manager's risk (volatility) relative to a benchmark. It is calculated by dividing the manager's standard deviation of returns by the benchmark's standard deviation of returns. A relative standard deviation of 1.20, for example, means the manager has exhibited 20% more risk than the benchmark over that time period. A ratio of .80 would imply 20% less risk. This ratio is especially useful when analyzing the risk of investment grade fixed-income products where actual historical durations are not available. By using this relative risk measure over rolling time periods one can illustrate the "implied" historical duration patterns of the portfolio versus the benchmark.

**Residual Portfolio Risk** is the unsystematic risk of a fund, the portion of the total risk unique to the fund (manager) itself and not related to the overall market. This reflects the "bets" which the manager places in that particular asset market. These bets may reflect emphasis in particular sectors, maturities (for bonds), or other issue specific factors which the manager considers a good investment opportunity. Diversification of the portfolio will reduce or eliminate the residual risk of that portfolio.

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## Risk/Reward Statistics

**Sharpe Ratio** is a commonly used measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

**Sortino Ratio** is a downside risk-adjusted measure of value-added. It measures excess return over a benchmark divided by downside risk. The natural appeal is that it identifies value-added per unit of truly bad risk. The danger of interpretation, however, lies in these two areas: (1) the statistical significance of the denominator, and (2) its reliance on the persistence of skewness in return distributions.

**Standard Deviation** is a statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (ie. has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

**Total Portfolio Risk** is a measure of the volatility of the quarterly excess returns of an asset. Total risk is composed of two measures of risk: market (non-diversifiable or systematic) risk and residual (diversifiable or unsystematic) risk. The purpose of portfolio diversification is to reduce the residual risk of the portfolio.

**Tracking Error** is a statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

**Treynor Ratio** represents the portfolio's average excess return over a specified period divided by the beta relative to its benchmark over that same period. This measure reflects the reward over the risk-free rate relative to the systematic risk assumed.

Note: Alpha, Total Risk, and Residual Risk are annualized.

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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.

**Aggressive Growth** - Managers who invest in growth securities with significantly higher risk/return expectations than the broader market. Sometimes makes concentrated "bets" by selecting a small number of securities or by investing in only a few specific sectors. Selects from companies with market capitalizations significantly below the broader market. Invests in companies with P/E ratios, Price-to-Book values, and 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 risk statistics Beta and Standard Deviation.

**Contrarian** - Managers who invest in stocks that are out of favor or which have little current market interest, on the premise that gain will be realized when they return to favor. Sometimes makes concentrated "bets" by selecting a small number of securities or by investing in only a few specific sectors. Invests in companies with Return-on-Assets values, Return-on-Equity values, Growth-in-Earnings values, and Growth-in-Dividend values below the broader market. Chooses securities that, due to their contrary status, do not move with the broader market, as measured by a low Beta and significant non-market risk.

**Core Equity** - Managers 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 values close to 1.00 and combined growth and value z-score values close to 0.00.

**Core Growth International Equity Style** Generally benchmarked to the MSCI EAFE Index (and/or the MSCI EAFE Growth Index), Core Growth International managers focus on developed countries and invest mainly in large capitalization companies that are expected to have above average prospects for long-term growth in earnings. Future growth prospects take precedence over valuation levels in the stock selection process. Invests in companies with P/E, P/B ratios, ROE, and Growth-in-Earnings values generally above the broad developed market averages. The companies typically have zero dividends or dividend yields below the broader market. Invests in securities which exhibit greater volatility than the developed market as measured by the securities' Beta and Standard Deviation. Portfolios are broadly diversified and have high growth z-score and low value z-score and exposure to emerging markets and smaller capitalization stocks is limited.

**Core International Equity Style** Managers whose portfolio holdings and characteristics are similar to that of the broader developed market as represented by the MSCI EAFE Index, with the objective of adding value over and above the index, typically from country, sector, or issue selection. The Core portfolio is broadly diversified and exhibits similar risk characteristics to the developed market as measured by low residual risk with Beta and R-Squared values close to 1.00 and combined growth and value z-score values close to 0. Exposure to emerging markets and smaller capitalization stocks is limited.

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## Callan Associates Databases

**Core Plus Growth International Equity Style** Generally benchmarked to the MSCI ACWI ex-US Index (and/or the MSCI ACWI ex-US Growth Index), Core Plus Growth International managers focus on adding value through increased tactical or strategic exposure to stocks in the emerging markets and smaller market capitalizations. Such managers invest primarily in companies that are expected to have above average prospects for long-term growth in earnings. Future growth prospects take precedence over valuation levels in the stock selection process and the manager may undertake concentrated bets. Invests in companies with P/E, P/B ratios, ROE values, and Growth-in-Earnings values above the broad market. The companies typically have zero dividends or dividend yields below the broader market. Invests in securities which exhibit greater volatility than the broad market as measured by the securities' Beta and Standard Deviation. Portfolios have high growth z-score and low value z-score and higher potential exposure to emerging markets and small

**Core Plus International Equity Style** Managers whose portfolio holdings and characteristics are similar to that of the broader international market as represented by the MSCI ACWI ex-US Index, with the objective of adding value over and above the index, typically from increased tactical or strategic exposure to stocks in emerging markets and smaller capitalization. The Core Plus portfolio exhibits similar risk characteristics to the broad market as measured by low residual risk with Beta and R-Squared values close to 1.00, and combined growth and value z-score values close to 0. Portfolios may undertake concentrated bets.

**Core Plus Value International Equity Style** Generally benchmarked to the MSCI ACWI ex-US Index (and/or the MSCI ACWI ex-US Value Index), Core Plus Value International managers focus on adding value through increased tactical or strategic exposure to stocks in the emerging markets and smaller market capitalizations. Such managers invest primarily in companies believed to be currently undervalued in the general market and may undertake concentrated bets. Valuation issues take precedence over near term earnings prospect in the stock selection process. Invests in companies with P/E, P/B ratios, and ROE values below the broader market. Portfolios have low growth z-score and high value z-score, and higher potential exposure to emerging markets and small capitalization stocks.

**Core Value International Equity Style** Generally benchmarked to the MSCI EAFE Index (and/or the MSCI EAFE Value Index), Core Value International managers focus on developed countries with liquid markets. Such managers invest primarily in large capitalization companies believed to be currently undervalued in the general market. Valuation issues take precedence over near term earnings prospect in the stock selection process. Invests in companies with P/E, P/B ratios, and ROE values below the broader market. Portfolios are broadly diversified, have low growth z-score and high value z-score, and exposure to emerging markets and smaller capitalization stocks is limited.

**Current Ratio** - The Current Ratio is used for liquidity analysis in that it evaluates the adequacy of a firm's cash resources relative to its cash obligations. The Current Ratio is equal to Current Assets divided by Current Liabilities. Current Assets are those assets of a company which are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business. Current Assets include cash, temporary investments, receivables, inventories, and prepaid expenses. Current Liabilities are monies owed and payable by a company, usually within one year, deposits and advances from customers, and dividends declared but unpaid.

**Domestic Equity Database** - The Domestic Equity Database is a broad collection of actively managed separate account domestic equity products.

**International Emerging Markets Equity** - The International Emerging Market Equity Database consists of all separate account international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and Central and South America.

**International Equity - Global** - The Global International Equity Database consists of all actively managed separate account international equity that generally include U.S. equities in their investment mix.

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## Callan Associates Databases

**International Equity - Non-U.S.** - The Non-U.S. International Equity Database consists of separate account international equity products that do not generally invest in U.S. equities.

**Large Cap Broad** - Managers who concentrate their holdings in large capitalization domestic equity regardless of style (growth, value or core). The purpose of this group is to allow a comparison with the universe of large cap equity funds without focusing on a particular investment style. The Large Cap Broad Style consists of the Large Cap Growth, Large Cap Value and Large Cap Core managers, as well as large capitalization managers of undetermined style.

**Large Cap Growth** - Managers who 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. Portfolios have high growth z-scores and low value z-scores.

**Large Cap Growth Funds** Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P Super Composite 1500 Index. Large-cap growth funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales per-share growth value compared to the S&P 500 Index.

**Large Cap Value** - Managers who invest primarily in large companies believed to be currently undervalued in the general market and whose shares are priced below the market compared to their peers. Valuation issues take precedence over near term earnings prospects in the stock selection process. The Large Cap Value Style invests in companies with P/E ratios, Return-on-Equity values, and Price-to-Book values below the broader market and the middle capitalization segment. This style invests in securities with risk/reward profiles in the lower risk range of the medium capitalization market. Portfolios have low growth z-scores and high value z-scores.

**Middle Capitalization** - Managers who invest primarily in mid-range companies with market capitalizations between core equity companies and small capitalization companies. The average market capitalization is approximately \$7 billion. Invests in securities with greater volatility than the broader market as measured by the risk statistics Beta and Standard Deviation. The Middle Capitalization Style Group consists of the Middle Capitalization Growth Equity and the Middle Capitalization Value Equity Style Groups.

**Middle Capitalization (Growth)** - Managers who invest primarily in mid-range 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. The average market capitalization is approximately \$7 billion with market capitalizations between core equity companies and small capitalization companies. Invests in companies with P/E ratios, Price-to-Book values, and Growth-in-Earnings values above the broader market as well as the middle capitalization market segment. Invests in securities with greater volatility than the broader market and the middle capitalization segment as measured by the risk statistics Beta and Standard Deviation.

**Middle Capitalization (Value)** - Managers who invest primarily in mid-range companies believed to be currently undervalued in the general market. Valuation issues take precedence over near-term earnings prospects in the stock selection process. The average market capitalization is approximately \$7 billion with market capitalizations between core equity companies and small capitalization companies. Invests in companies with P/E ratios, Return-on-Equity values, and Price-to-Book value below the broader market and the middle capitalization segment. Invests in securities with risk/reward profiles in the lower risk range of the medium capitalization market.

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## Callan Associates Databases

**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.

**Small Capitalization** - Managers who invest in companies with relatively small capitalization. The average market capitalization is approximately \$1.4 billion. The companies typically have zero dividends or dividend yields below the broader market. The securities exhibit greater volatility than the broader market as measured by the risk statistics Beta and Standard Deviation. The Small Capitalization Style Group consists of the Small Capitalization (Growth) Style Group and the Small Capitalization (Value) Style Group.

**Small Capitalization** Generally benchmarked to an international small cap index (like MSCI EAFE Small or MSCI ACWI ex-US Small or S&P/Citigroup EMI), International Small Cap managers focus on selecting smaller capitalization stocks. They may pursue any combination of Growth, Value, or Core, or "Plus" strategies. Portfolios are diversified across countries, and may have significant exposure to emerging markets.

**Small Capitalization** - Mutual funds that invest in companies with relatively small capitalization. The average market capitalization is approximately \$1.4 billion. The companies typically have zero dividends or dividend yields below the broader market. The securities exhibit greater volatility than the broader market as measured by the risk statistics Beta and Standard Deviation. The Small Capitalization Style Group consists of the Small Capitalization (Growth) Style Group and the Small Capitalization (Value) Style Group.

**Small Capitalization (Growth)** - Managers who invest mainly in small 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. The Small Cap Growth Style invests in companies with P/E ratios, Price-to-Book values, and Growth-in Earnings values above the broader market, in addition to 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 values Beta and Standard Deviation. Portfolios have high growth z-scores and low value z-scores.

**Small Capitalization (Value)** - Managers who 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. The Small Cap Value Style invests in companies with P/E ratios, Return-on-Equity values, and Price-to-Book values below the broader market in addition to the small capitalization market segment. This style invests in securities with dividend yields in the high range for the small capitalization market. The Small Cap Value Style invests in securities with risk/reward profiles in the lower risk range of the small capitalization market. Portfolios have low growth z-scores and high value z-scores.

**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.

**Small/Mid Cap (Value)** - Managers who invest in small to medium cap companies that are 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.

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## Callan Associates Databases

**Yield** - Managers whose primary objective is a high current dividend yield. Invests in companies with Price-to-Book values and Growth-in-Earnings values below the broader market. Invests in securities with dividend yields above the broader market. Invests in securities with significantly lower volatility than the broader market as measured by the risk statistics Beta and Standard Deviation.

### Fixed Income Funds

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

**Active Cash** - Managers whose objective is to achieve a maximum return on short-term financial instruments through active management. The average portfolio maturity is typically less than one year.

**Active Duration** - Managers who aggressively employ interest rate anticipation in setting portfolio duration. Portfolios are actively managed so that large changes in duration are made in anticipation of interest rate changes in hopes of profiting from downward rate movements and minimizing losses from upward rate movements.

**Cash Management Funds** - The Cash Management Funds Database consists of actively managed short-term funds, money market mutual funds, and short term bank funds. These funds invest in low-risk, highly liquid, short-term financial instruments.

**Convertible Bond** - Managers who invest in convertible bonds. Convertible bonds offer the downside floor price of a "straight" bond while potentially allowing the holder to share in price appreciation of the underlying common stock. This conversion feature makes it possible for the bondholder to convert the bond to shares of the issuer's common stock.

**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.

**Defensive** - Managers whose objective is to minimize interest rate risk by investing predominantly in short to intermediate term securities. The average portfolio duration is similar to the duration of the Merrill Lynch 1-3 Year Bond Index.

**Domestic Fixed-Income Database** - The Domestic Fixed-Income Database is a broad collection of separate account domestic fixed-income products.

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## Callan Associates Databases

**Extended Maturity** - Managers whose average portfolio duration is greater than that of the Barclays Capital Government/Credit Bond Index. These portfolios exhibit risk/return characteristics similar to the long-bond portion of the Barclays Capital Government/Credit Index, called the Barclays Capital Government/Credit Long Bond Index. Variations in bond portfolio characteristics are made to enhance performance results. This results in an aggressive risk/return profile that embraces interest rate risk in search of both high yields as well as capital gains.

**High Yield** - Managers whose investment objective is to obtain high current income by investing primarily in non-investment grade fixed-income securities. Due to the increased level of default risk, security selection focuses on credit-risk analysis.

**Intermediate** - Managers whose objective is to lower interest rate risk while retaining reasonable yield levels by investing primarily in intermediate term securities. The average portfolio duration is similar to that of the duration of the Barclays Capital Intermediate Government/Credit Bond Index.

**International Emerging Markets Fixed Income** - The International Emerging Market Fixed-Income Database consists of all separate account international fixed-income products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and Central and South America.

**International Global Fixed-Income** - The International Global Fixed-Income Database consists of all actively managed separate account international fixed-income funds that generally include U.S. fixed-income securities in their investment mix.

**International Non-U.S. Dollar Fixed-Income** - The International Non-U.S. Dollar Fixed-Income Database consists of all separate account international fixed-income funds that do not generally invest in U.S. fixed-income securities.

**Mortgage** - Managers who invest primarily in mortgage-backed securities including agency (FHLMC, GNMA, FNMA) and private issue pass-throughs, asset-backed securities, and mortgage derivatives (REMICs/CMOs, IOs, POs). Funds may also contain a small percentage of U.S. Treasuries.

### Balanced Funds

Balanced funds diversify their investments among common stocks, bonds, preferred stocks and money market securities. The funds included maintain well-diversified equity and fixed income portfolios.

**Bottom Up/Stock Selection** - Managers who primarily emphasize stock selection over country or currency selection in their portfolio construction. The country selection process is mainly a by-product of the stock selection decision, or can be passively set according to the index country weights.

**Domestic Balanced Database** - The Domestic Balanced Database consists of all separate account domestic balanced funds.

**Emerging Markets Equity** - Managers who primarily concentrate on investments in newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and Central and South America. These portfolios are characterized by aggressive risk/return profiles that generate high volatility in search of high returns.

**Europe** - Managers who invest predominantly in the well developed stock markets of Europe. These products will exhibit risk/return profiles similar to the MSCI Europe Index.



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## Callan Associates Databases

**Global Balanced Database** - The Global Balanced Database consists of all separate account balanced funds that invest in international and domestic equity and fixed-income securities.

**Global Equity** - Managers who invest in both foreign and domestic equity securities in varying proportions. These products will exhibit risk/return profiles similar to the MSCI World Index.

**International Balanced Database** - The International Balanced Database consists of all actively managed separate account balanced funds that invest in international equity and international fixed-income securities. International Balanced managers do not generally invest in U.S. securities.

**International Growth Style Group** International Growth Equity Style managers invest predominantly in 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. The International Growth Equity Style group consists of broad developed market mandates with incidental exposure to the emerging markets.

**International Value Style Group** International Value Equity Style managers invest predominantly in 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. The International Value Equity Style group consists of broad developed market mandates with incidental exposure to the emerging markets.

**Japan** - Managers who invest predominantly in the equity of companies in Japan.

**Mutual Fund Balanced Funds** - The Mutual Fund Balanced Fund Database consists of open-end mutual fund balanced products.

**Pacific Basin** - Managers who invest predominantly in Pacific Basin equities. Countries include: Japan, Hong Kong, Singapore, Malaysia, Australia, and New Zealand. These products will exhibit risk/return profiles similar to the MSCI Pacific Index.

**Pacific Rim** - Managers who invest predominantly in Pacific Basin equities excluding Japan. Countries include: Hong Kong, Singapore, Malaysia, Australia, and New Zealand. These products will exhibit risk/return profiles similar to the MSCI Pacific ex-Japan Index.

**Top Down/Country Allocator** - Managers who attempt to add value over an index such as the Morgan Stanley Capital International (MSCI) EAFE Index by emphasizing macroeconomic analysis in selecting allocations in countries with above average gain prospects. Stock selection plays a secondary role in the investment decision process, or can be passively matched to the index stock holdings within each country.

### 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.

**CAI Total Real Estate Funds** - The Total Real Estate Funds Database consists of both open and closed-end commingled funds managed by real estate firms.

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## Callan Associates Databases

**Global Fixed-Income** - Managers who invest in both foreign and domestic fixed-income securities. These funds seek to take advantage of international currency and interest rate movements, differing bond yields, and/or international diversification.

**Non-U.S. Fixed-Income** - Managers who generally invest their assets only in non-U.S. fixed-income securities. These funds seek to take advantage of international currency and interest rate movements, bond yields, and/or international diversification.

### Other Funds

**Asset Allocator** - Managers who try to capitalize on the cyclical behavior of both the economy and market price trends by moving in and out of the equity market, fixed-income, and cash markets in anticipation of these cycles. Quantitative as well as qualitative models and inputs are used in an attempt to be heavily weighted in the most undervalued sector of the capital markets and capitalize on those sectors forecasted to do well in the short term while avoiding those sectors forecasted to underperform in the short term.

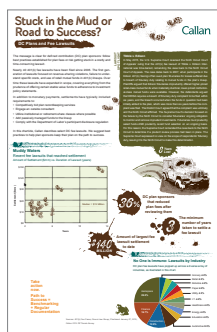


## Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs.

### Recent Research

Please visit [www.callan.com/research](http://www.callan.com/research) to see all of our publications.



**Stuck in the Mud or Road to Success? DC Plans and Fee Lawsuits** This charticle describes select fee lawsuits and best practices to help plan sponsors stay on the path to success.

**Active Share and Product Pairs Analysis** In this paper, author Greg Allen isolates the impact of active share on performance by focusing on “product pairs.”

**U.S. Equity Benchmark Review, Year-End 2014** This detailed report compares CRSP, Russell, and S&P indices alongside Callan Active Manager Style Groups.

**Capital Market Review, 1st Quarter 2015** A newsletter providing insights on the economy and recent performance in the equity, fixed income, alternatives, and real estate markets.

**Hedge Fund Monitor, 1st Quarter 2015** Cover story: Bridging the Gap: Multi-Asset Class Strategies.

**Private Markets Trends, Spring 2015** A quarterly newsletter that discusses the market environment, recent events, performance, and other issues involving private equity.

**DC Observer, 1st Quarter 2015** Cover story: Is Your Target Date Fund Suitable? Plus the Callan DC Index™.

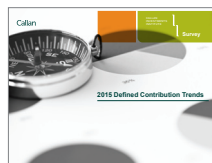
**Market Pulse Flipbook, 1st Quarter 2015** A reference guide covering investment and fund sponsor trends in the U.S. economy, U.S. and non-U.S. equities and fixed income, and alternatives.

**Inside Callan’s Database, 1st Quarter 2015** This report graphs performance and risk data from Callan’s proprietary database alongside relevant market indices.

**Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle?** See seven indicators that have helped signal when the institutional real estate market is overheated or cooled.

**The Game of Retirement—Helping Employees Win** This charticle provides a high-level look at the three generations DC plan sponsors must target and how best to communicate with them.

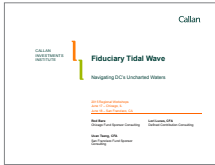
**The Investment Vehicle Owner’s Manual** This charticle highlights the key features of several popular investment vehicles. It also encourages investors to consider six important questions when making an investment vehicle selection.



**2015 Defined Contribution Survey** Callan’s annual survey of DC plan sponsors reveals trends in plan structure and management.

## Events

Did you miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: <https://www.callan.com/education/CII/>



The **June Regional Workshop's** topic was "Fiduciary Tidal Wave: Navigating DC's Uncharted Waters." Our speakers were Rod Bare, Chicago Fund Sponsor Consulting; Lori Lucas, CFA, Defined Contribution Consulting; and Uvan Tseng, CFA, San Francisco Fund Sponsor Consulting.

Our next event is the **October Regional Workshop**, to be held October 21 in New York and October 22 in Atlanta. Stay tuned for topic and speaker details! Also, save the date for our annual **National Conference** in San Francisco, January 25-27, 2016.

**For more information about research or educational events, please contact Ray Combs: [institute@callan.com](mailto:institute@callan.com) or 415.974.5060**

## The Center for Investment Training Educational Sessions

The Center for Investment Training, better known as the "Callan College," provides a foundation of knowledge for industry professionals who are involved in the investment decision-making process. It was founded in 1994 to provide clients and non-clients alike with basic- to intermediate-level instruction. Our next session is:

### Introduction to Investments

*Chicago, October 27-28, 2015*

This session familiarizes fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals who have less than two years of experience with asset-management oversight and/or support responsibilities. 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

The "Callan College" is equipped to customize a curriculum to meet the training and educational needs of a specific organization. These tailored sessions range from basic to advanced and can take place anywhere—even at your office.

**Learn more at <https://www.callan.com/education/college/> or contact Kathleen Cunnie: 415.274.3029 / [cunnie@callan.com](mailto:cunnie@callan.com)**

## Education: By the Numbers

**500** Attendees (on average) of the Institute's annual National Conference

**50+** Unique pieces of research the Institute generates each year

**3,300** Total attendees of the "Callan College" since 1994

**1980** Year the Callan Investments Institute was founded



"We think the best way to learn something is to teach it. Entrusting client education to our consultants and specialists ensures that they have a total command of their subject matter. This is one reason why education and research have been cornerstones of our firm for more than 40 years."

Ron Peyton, Chairman and CEO



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

Confidential – For Callan Client Use Only

Callan 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 06/30/15, 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 and Fund Sponsor Consulting. Given the complex corporate and organizational ownership structures of investment management firms, parent and affiliate firm relationships are not listed here. The client list below may include names of parent companies who allow their affiliates to use some of the services included in their client contract (eg, educational services including published research and attendance at conferences and workshops). Affiliates will not be listed if they don't separately contract with Callan. 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. Please refer to Callan's ADV Part 2A for a complete listing of TAG's portfolios. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios it oversees. Per company policy these requests are handled by TAG's senior management.

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	
Analytic Investors	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
Aviva Investors	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	
Baron Capital Management	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

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Manager Name	Educational Services	Consulting Services
Boston Partners	Y	Y
Brandes Investment Partners, L.P.	Y	Y
Brandywine Global Investment Management, LLC	Y	
Brown Brothers Harriman & Company	Y	
Cadence Capital Management	Y	
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 Investment Partners, LLC	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
DE Shaw Investment Management LLC	Y	
Delaware Investments	Y	Y
DePrince, Race & Zollo, Inc.	Y	Y
Deutsche Asset & Wealth Management	Y	Y
Diamond Hill Investments	Y	
Donald Smith & Co., Inc.	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
Fir Tree Partners	Y	
First Eagle Investment Management	Y	
First Hawaiian Bank		Y
First State Investments	Y	
Fisher Investments	Y	
Franklin Templeton	Y	Y



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

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Manager Name	Educational Services	Consulting Services
Fred Alger Management Co., Inc.	Y	
Fuller & Thaler Asset Management	Y	
GAM (USA) Inc.	Y	
Garcia Hamilton & Associates	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	
The Hampshire Companies	Y	
Harbor Capital		Y
Hartford Funds	Y	
Hartford Investment Management Co.	Y	Y
Heightman Capital Management Corporation		Y
Henderson Global Investors	Y	Y
Hotchkis & Wiley	Y	
HSBC Global Asset Management	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	
Legal & General Investment Management America	Y	
Lincoln National Corporation		Y
Logan Circle Partners, L.P.	Y	
The London Company	Y	
Longview Partners	Y	
Loomis, Sayles & Company, L.P.	Y	Y
Lord Abbett & Company	Y	Y
Los Angeles 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. Please refer to Callan's ADV Part 2A for a complete listing of TAG's portfolios. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios it oversees. Per company policy these requests are handled by TAG's senior management.

Manager Name	Educational Services	Consulting Services
LSV Asset Management	Y	
Lyrical Partners	Y	
MacKay Shields LLC	Y	Y
Mackenzie Investments		Y
Man Investments	Y	
Manulife Asset Management	Y	
Martin Currie	Y	
Marvin & Palmer Associates, Inc.	Y	
MFS Investment Management	Y	Y
MidFirst Bank		Y
Mondrian Investment Partners Limited	Y	Y
Montag & Caldwell, Inc.	Y	Y
Morgan Stanley Alternative Investment Partners	Y	
Morgan Stanley Investment Management	Y	Y
Mount Lucas Management LP	Y	
Mountain Lake Investment Management LLC		Y
MUFG Union Bank, N.A.		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	
Paradigm Asset Management	Y	
Parametric Portfolio Associates	Y	
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
Polen Capital Management	Y	
Principal Financial Group		Y
Principal Global Investors		Y
Private Advisors	Y	
Prudential Fixed Income Management	Y	
Prudential Investment Management, Inc.	Y	Y
Putnam Investments, LLC	Y	Y
Pyramis Global Advisors	Y	

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

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Manager Name	Educational Services	Consulting Services
Rainier Investment Management	Y	
RBC Global Asset Management (U.S.) Inc.		Y
Research Affiliates		Y
Regions Financial Corporation		Y
RCM		Y
Rothschild Asset Management, Inc.	Y	Y
RS Investments	Y	
Russell Investment Management	Y	
Sankaty Advisors, LLC	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 Affiliated Capital Corporation	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	Y
Systematic Financial Management	Y	
T. Rowe Price Associates, Inc.	Y	Y
Taplin, Canida & Habacht	Y	
Timberland Investment Resources	Y	
TCW Asset Management Company	Y	
Thompson, Siegel & Walmsley LLC	Y	
UBS	Y	Y
USAA Real Estate Company	Y	
Van Eck	Y	
Versus Capital Group		Y
Victory Capital Management Inc.	Y	
Vontobel Asset Management	Y	
Voya Investment Management	Y	Y
Vulcan Value Partners, LLC		Y
Waddell & Reed Asset Management Group	Y	Y
WCM Investment Management	Y	
WEDGE Capital Management		Y
Wellington Management Company, LLP	Y	
Wells Capital Management	Y	
Wells Fargo Private Bank		Y

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

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Manager Name	Educational Services	Consulting Services
Western Asset Management Company	Y	
William Blair & Co., Inc.	Y	Y